(Convenience Translation into English from the Original Previously Issued in Portuguese)

Positivo Tecnologia S.A.

Individual and Consolidated
Interim Financial Information for the
Quarter Ended June 30, 2019 and
Report on Review of
Interim Financial Information

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REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Shareholders and Management of
Positivo Tecnologia S.A.
Curitiba – PR

Introduction

We have reviewed the accompanying individual and consolidated interim financial information of Positivo Tecnologia S.A. ("Company"), identified as parent company and consolidated, respectively, included in the Interim Financial Information Form (ITR), for the quarter ended June 30, 2019, which comprises the balance sheet as at June 30, 2019 and the related statements of income and of comprehensive income for the three and six-month periods then ended and the statements of changes in equity and of cash flows for the six-month period then ended, including the explanatory notes.

Management is responsible for the preparation of the individual and consolidated interim financial information in accordance with technical pronouncement CPC 21 (R1) - Interim Financial Information and international standard IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board - IASB, as well as for the presentation of such information in accordance with the standards issued by the Brazilian Securities Commission (CVM) applicable to the preparation of Interim Financial Information (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and international standards on review of interim financial information (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the standards on auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the individual and consolidated interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated interim financial information included in the ITR referred to above is not prepared, in all material respects, in accordance with technical pronouncement CPC 21 (R1) and international standard IAS 34, applicable to the preparation of Interim Financial Information (ITR), and presented in accordance with the standards issued by CVM.

Other matters

Statements of value added

We have also reviewed the individual and consolidated statements of value added ("DVA") for the six-month period ended June 30, 2019, prepared under the responsibility of the Company's Management, the presentation of which is required by the standards issued by CVM applicable to the preparation of Interim Financial Information (ITR) and considered supplemental information for International Financial Reporting Standards - IFRS, which do not require the presentation of DVA. These statements were subject to the same review procedures described above and, based on our review, nothing has come to our attention that causes us to believe that they are not prepared, in all material respects, in relation to the individual and consolidated interim financial information taken as a whole.

The accompanying individual and consolidated interim financial information has been translated into English for the convenience of readers outside Brazil.

Curitiba, August 14, 2019

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU
Auditores Independentes

Otavio Ramos Pereira
Engagement Partner

2019-CWT-0288 VF.DOCX

(Convenience Translation into English from the Original Previously Issued in Portuguese)

POSITIVO TECNOLOGIA S.A. AND SUBSIDIARIES

BALANCE SHEETS AS AT JUNE 30, 2019
(All amounts in thousands of Brazilian reais)

		Parent company		Consolidated	
ASSETS	**Note**	**6/30/2019**	**12/31/2018**	**6/30/2019**	**12/31/2018**
CURRENT ASSETS					
Cash and cash equivalents	5	313,605	356,892	351,953	393,348
Derivative financial instruments	33	-	2,740	-	2,740
Trade receivables	6	179,699	192,456	228,901	235,282
Inventories	7	463,391	472,809	527,291	534,726
Related parties	10	43,874	64,156	20,273	21,103
Taxes recoverable	8	121,376	123,428	126,337	129,445
Sundry advances		42,230	54,123	48,005	65,747
Other receivables	9	45,457	34,124	45,615	36,349
		1,209,632	1,300,728	1,348,375	1,418,740
NON-CURRENT ASSETS					
Long-term receivables					
Trade receivables	6	6	28	9	28
Taxes recoverable	8	75,475	75,486	75,503	75,507
Deferred taxes	22.a	62,482	63,410	63,816	64,744
Other receivables	9	58,009	52,164	58,179	52,261
		195,972	191,088	197,507	192,540
Investments in subsidiaries	11	120,484	88,354	-	-
Investment in joint venture	12	1,786	6,927	44,842	39,784
Investment in associates	11	7,044	8,303	7,044	8,303
Property, plant and equipment	13	82,557	42,983	94,640	50,746
Intangible assets	14	37,658	42,441	74,601	79,416
		249,529	189,008	221,127	178,249
		445,501	380,096	418,634	370,789
TOTAL ASSETS		**1,655,133**	**1,680,824**	**1,767,009**	**1,789,529**

		Parent company		Consolidated	
LIABILITIES AND EQUITY	**Note**	**6/30/2019**	**12/31/2018**	**6/30/2019**	**12/31/2018**
CURRENT LIABILITIES					
Trade payables	15	285,828	347,559	349,862	416,698
Trade payables - Forfaiting	16	3,158	32,562	3,158	32,562
Loans - third parties	17	494,088	519,434	498,043	519,434
Derivative financial instruments	33	9,897	118	9,897	242
Salaries and social charges payable		22,415	17,230	23,748	18,205
Leases	13.a	6,480	-	7,155	-
Provisions	18	81,444	68,083	85,877	75,065
Provision for tax, labor and civil risks	23	4,073	4,139	4,073	4,139
Taxes payable	19	18,239	16,558	20,348	21,563
Dividends payable	24.d	3	3	3	3
Deferred revenue	8 and 20	8,277	9,346	8,277	9,346
Related parties	10	8,934	5,858	725	755
Other payables	21	3,333	6,371	15,438	13,874
		946,169	1,027,261	1,026,604	1,111,886
NON-CURRENT LIABILITIES					
Loans - third parties	17	104,111	90,801	104,111	90,801
Leases	13.a	35,764	-	39,490	-
Provisions	18	14,060	14,060	14,060	14,060
Provision for tax, labor and civil risks	23	33,552	32,921	33,552	32,921
Related parties	10	-	-	5,742	5,500
Net capital deficiency in subsidiaries and joint ventures	11 and 12	2,953	3,906	460	460
Other payables	21	2,001	2,885	24,015	23,993
		192,441	144,573	221,430	167,735
TOTAL LIABILITIES		**1,138,610**	**1,171,834**	**1,248,034**	**1,279,621**
EQUITY					
Share capital	24.a	389,000	389,000	389,000	389,000
Capital reserve	24.b	119,230	119,117	119,230	119,117
Carrying value adjustment		(40,045)	(41,741)	(40,045)	(41,741)
Profit reserve	24.c	57,913	61,843	56,379	61,843
Profit for the period		4,939	-	6,473	-
Treasury shares	24.f	(14,514)	(19,229)	(14,514)	(19,229)
Participation of non-controlling		-	-	2,452	918
		516,523	508,990	518,975	509,908
TOTAL LIABILITIES AND EQUITY		**1,655,133**	**1,680,824**	**1,767,009**	**1,789,529**

The accompanying notes are an integral part of this interim financial information.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

POSITIVO TECNOLOGIA S.A. AND SUBSIDIARIES

STATEMENTS OF INCOME
FOR SIX AND THREE-MONTH -PERIODS ENDED AT JUNE 30, 2019
(All amounts in thousands of Brazilian reais)

		Semester ended in				Quarter ended in			
		Parent company		Consolidated		Parent company		Consolidated	
	Note	6/30/2019	6/30/2018	6/30/2019	6/30/2018	6/30/2019	6/30/2018	6/30/2019	6/30/2018
NET REVENUE	25	**852,728**	**909,515**	**925,264**	**914,770**	**514,824**	**483,092**	**565,185**	**485,111**
COST OF SALES AND SERVICES RENDERED	26	(613,599)	(679,124)	(670,442)	(687,939)	(371,199)	(366,854)	(410,920)	(370,421)
GROSS PROFIT		**239,129**	**230,391**	**254,822**	**226,831**	**143,625**	**116,238**	**154,265**	**114,690**
Selling expenses	26	(156,167)	(173,584)	(162,108)	(173,673)	(89,713)	(98,536)	(93,112)	(98,571)
General and administrative expenses	26	(44,666)	(51,546)	(48,221)	(52,462)	(23,012)	(28,030)	(24,674)	(28,293)
Other operating income (expenses), net		100	6,366	(180)	6,376	(150)	6,363	(425)	6,373
Equity in the results of investees	11 and 12	2,702	(9,086)	571	(1,565)	4,884	(3,962)	1,948	1,872
		(198,031)	(227,850)	(209,938)	(221,324)	(107,991)	(124,165)	(116,263)	(118,619)
OPERATING PROFIT BEFORE FINANCE RESULTS		**41,098**	**2,541**	**44,884**	**5,507**	**35,634**	**(7,927)**	**38,002**	**(3,929)**
Finance income	28	15,401	20,952	16,563	30,298	8,107	8,846	8,767	15,999
Finance costs	28	(51,799)	(46,998)	(54,791)	(49,252)	(26,302)	(25,867)	(28,436)	(27,271)
Foreign exchange variations, net	28	3,203	13,857	2,796	3,799	(4,642)	13,338	(4,286)	3,591
		(33,195)	(12,189)	(35,432)	(15,155)	(22,837)	(3,683)	(23,955)	(7,681)
PROFIT (LOSS) BEFORE TAXATION		**7,903**	**(9,648)**	**9,452**	**(9,648)**	**12,797**	**(11,610)**	**14,047**	**(11,610)**
Income tax and social contribution	22.b	(2,036)	-	(2,051)	-	(2,036)	-	(2,051)	-
Deferred income tax and social contribution	22.b	(928)	-	(928)	-	(928)	-	(928)	-
		(2,964)	-	(2,979)	-	(2,964)	-	(2,979)	-
PROFIT (LOSS) FOR THE PERIOD		**4,939**	**(9,648)**	**6,473**	**(9,648)**	**9,833**	**(11,610)**	**11,068**	**(11,610)**
Controlling		**N/A**	**N/A**	**4,939**	**(9,648)**	**N/A**	**N/A**	**9,833**	**(11,610)**
Non-controlling		**N/A**	**N/A**	**1,534**	**-**	**N/A**	**N/A**	**1,235**	**-**
EARNINGS (LOSS) PER SHARE - R$									
Basic	30	**0.0572**	**(0.1117)**	**N/A**	**N/A**	**0.1138**	**(0.1344)**	**N/A**	**N/A**
Diluted	30	**0.0571**	**(0.1109)**	**N/A**	**N/A**	**0.1138**	**(0.1335)**	**N/A**	**N/A**

The accompanying notes are an integral part of this interim financial information.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

POSITIVO TECNOLOGIA S.A. AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE SIX AND THREE-MONTH PERIODS ENDED AT JUNE 30, 2019
(All amounts in thousands of Brazilian reais)

		Semester ended in				Quarter ended in			
		Parent company		Consolidated		Parent company		Consolidated	
	Note	6/30/2019	6/30/2018	6/30/2019	6/30/2018	6/30/2019	6/30/2018	6/30/2019	6/30/2018
Profit (Loss) for the period		**4,939**	**(9,648)**	**6,473**	**(9,648)**	**9,833**	**(11,610)**	**11,068**	**(11,610)**
Other comprehensive income (loss)									
Items that can be reclassified subsequently to income statement									
Exchange difference on translation of foreign operations									
Foreign exchange variations on foreign investments									
Crounal S.A./PBG Uruguay S.A.	11	(592)	-	(592)	-	(592)	-	(592)	-
Informática Fueguina S.A.	12	(290)	(4,011)	(290)	(4,011)	184	(2,958)	184	(2,958)
Positivo Inf. da Bahia/PBG Rwanda Limited	11 and 12	8	422	8	422	35	555	35	555
Positivo Argentina S.R.L		(145)	30	(145)	30	(145)	-	(145)	-
Cash Flow Hedges									
Fair value of financial instrument cash flow hedge	33.c	2,715	760	2,715	760	(914)	305	(914)	305
		1,696	(2,799)	1,696	(2,799)	(1,432)	(2,098)	(1,432)	(2,098)
Comprehensive income for the period		**6,635**	**(12,447)**	**8,169**	**(12,447)**	**8,401**	**(13,708)**	**9,636**	**(13,708)**
Controlling				6,635	(12,447)			8,401	(13,708)
Non-controlling				1,534	-			1,235	-

The accompanying notes are an integral part of this interim financial information.

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POSITIVO TECNOLOGIA S.A. AND SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED AT JUNE 30, 2019
(All amounts in thousands of Brazilian reais)

		Parent company and Consolidated										
			Capital Reserve			Profit reserve						
	Note	Capital	Tax incentive reserves	Options granted	Carrying value adjustments	Tax incentive reserves	Legal reserve	Treasury shares	Profit (Loss) for the period	Total equity	Participation of non-controlling	Equity consolidated
AT DECEMBER 31, 2017		**389,000**	**118,305**	**207**	**(45,097)**	**66,988**	**81**	**(23,109)**	**-**	**506,375**	**-**	**506,375**
Loss for the period		-	-	-	-	-	-	-	(9,648)	(9,648)	-	(9,648)
Other comprehensive income (loss):												
Hedges of cash flow					760					760	-	760
Cumulative translation adjustment	11 and 12	-	-	-	(3,559)	-	-	-	-	(3,559)	-	(3,559)
Total comprehensive income (loss)		-	-	-	(2,799)	-	-	-	(9,648)	(12,447)	-	(12,447)
Options granted (stock options)			-	204		(2,550)		2,867		521	-	521
AT JUNE 30, 2018		**389,000**	**118,305**	**411**	**(47,896)**	**64,438**	**81**	**(20,242)**	**(9,648)**	**494,449**	**-**	**494,449**
AT DECEMBER 31, 2018		**389,000**	**118,305**	**812**	**(41,741)**	**61,762**	**81**	**(19,229)**	**-**	**508,990**	**918**	**509,908**
Profit for the period		-	-	-	-	-	-	-	4,939	4,939	1,534	6,473
Other comprehensive income (loss):												
Hedges of cash flow	33.c	-	-	-	2,715	-	-	-	-	2,715	-	2,715
Cumulative translation adjustment	11 and 12	-	-	-	(1,019)	-	-	-	-	(1,019)	-	(1,019)
Total comprehensive income (loss)		-	-	-	1,696	-	-	-	4,939	6,635	1,534	8,169
Exercising Stock Options	34	-	-	(81)	-	(3,930)	-	4,715	-	704	-	704
Options granted (stock options)	34	-	-	194	-		-		-	194	-	194
AT JUNE 30, 2019		**389,000**	**118,305**	**925**	**(40,045)**	**57,832**	**81**	**(14,514)**	**4,939**	**516,523**	**2,452**	**518,975**

The accompanying notes are an integral part of this interim financial information.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

POSITIVO TECNOLOGIA S.A. AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED AT JUNE 30, 2019
(All amounts in thousands of Brazilian reais)

		Parent company		Consolidated	
		6/30/2019	6/30/2018	6/30/2019	6/30/2018
	NOTE				
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit (Loss) for the period		4,939	(9,648)	6,473	(9,648)
Reconciliation of profit (loss) to cash provided by operating activities:					
Depreciation and amortization	26	17,508	14,952	19,177	16,247
Equity in the results of investees	11 and 12	(2,702)	9,086	(571)	1,565
Fair value gain		(4,260)	(74,903)	(4,741)	(74,903)
Provision for tax, labor and civil risks	23	565	(71)	565	(71)
Allowance for doubtful accounts	6	49	7,738	49	7,738
Provision (reversal) for inventories	7	(4,666)	2,243	(4,594)	2,418
Stock options	34	194	234	196	234
Interest on borrowings	28	33,510	25,845	33,620	25,856
Foreign exchange variation		(4,581)	20,527	(4,837)	28,535
Interest on taxes		(1,629)	(2,137)	(1,629)	(2,137)
Income tax and social contribution (current and deferred)	22.b	2,964	-	2,979	-
		41,891	**(6,134)**	**46,687**	**(4,166)**
(Increase) decrease in assets:					
Trade receivables		12,797	14,979	6,577	17,984
Inventories		8,012	(107,810)	5,965	(148,909)
Taxes recoverable		2,075	(18,919)	3,124	(19,178)
Sundry advances		(5,072)	(18,908)	(4,946)	(21,312)
Other receivables		(15,561)	(22,037)	(14,476)	(22,236)
Increase (decrease) in liabilities:					
Trade payables		(68,747)	2,176	(67,716)	66,711
Provisions and deferred income		17,891	19,535	15,342	19,535
Tax obligations		1,681	(5,887)	(1,215)	(6,260)
Income tax and social contribution, paid		(2,036)	-	(2,051)	-
Other payables		1,265	51,950	7,129	52,598
Interests over borrowings paid		(12,703)	(20,712)	(12,958)	(20,723)
		(60,398)	**(105,633)**	**(65,225)**	**(81,790)**
Net cash used in operating activities		**(18,507)**	**(111,767)**	**(18,538)**	**(85,956)**
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchases of property, plant and equipment		(5,111)	(2,271)	(6,638)	(2,532)
Increase in intangible assets	14	(4,471)	(8,605)	(4,508)	(8,605)
Net cash used in investing activities		**(9,582)**	**(10,876)**	**(11,146)**	**(11,137)**
CASH FLOWS FROM FINANCING ACTIVITIES					
New borrowings		139,568	226,683	143,523	226,683
Repayment of borrowings		(153,826)	(212,220)	(153,826)	(212,220)
Related parties		(1,642)	22,407	(2,151)	(2,177)
Stock Options	34	702	286	702	286
Net cash (used in) provided by financing activities		**(15,198)**	**37,156**	**(11,752)**	**12,572**
Exchange variation on cash and cash equivalents		-	-	41	291
REDUCTION IN CASH AND CASH EQUIVALENTS		**(43,287)**	**(85,487)**	**(41,395)**	**(84,230)**
Cash and cash equivalents at the beginning of the period.	5	356,892	377,863	393,348	387,826
Cash and cash equivalents at the end of the period.	5	313,605	292,376	351,953	303,596
REDUCTION IN CASH AND CASH EQUIVALENTS		**(43,287)**	**(85,487)**	**(41,395)**	**(84,230)**

The accompanying notes are an integral part of this interim financial information.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

POSITIVO TECNOLOGIA S.A. AND SUBSIDIARIES

STATEMENTS OF VALUE ADDED
FOR THE SIX-MONTH PERIOD ENDED AT JUNE 30, 2019
(All amounts in thousands of Brazilian reais)

	Parent company		Consolidated	
	6/30/2019	6/30/2018	6/30/2019	6/30/2018
Revenue				
Sales of goods and services	938,172	1,033,690	1,022,218	1,039,151
Returns and commercial discounts	(22,327)	(39,422)	(22,415)	(39,607)
Allowance for doubtful accounts	(49)	(7,738)	(49)	(7,738)
Other revenues	100	6,366	180	6,376
	915,896	**992,896**	**999,934**	**998,182**
Inputs acquired by third parties				
Cost of sales and services rendered	(588,659)	(649,188)	(637,399)	(647,676)
Materials, electricity, outsourced services and other	(85,089)	(87,637)	(95,440)	(90,201)
Commissions	(11,396)	(14,713)	(10,809)	(14,713)
Marketing	(38,392)	(41,863)	(38,536)	(41,865)
	(723,536)	**(793,401)**	**(782,184)**	**(794,455)**
Gross value added	**192,360**	**199,495**	**217,750**	**203,727**
Depreciation and amortization	**(17,508)**	**(14,952)**	**(19,177)**	**(16,247)**
Net value added generated by the entity	**174,852**	**184,543**	**198,573**	**187,480**
Value added received through transfer				
Equity in the results of investees	2,702	(9,086)	571	(1,565)
Finance income	33,921	89,357	36,589	99,952
	36,623	**80,271**	**37,160**	**98,387**
Total value added to distribute	**211,475**	**264,814**	**235,733**	**285,867**
Distribution of value added				
Personnel				
Salaries and social charges	46,310	53,479	49,391	56,765
Benefits	6,135	6,635	7,615	8,196
Government Severance Indemnity Fund for Employees	3,567	4,680	3,804	4,872
	56,012	**64,794**	**60,810**	**69,833**
Taxes, fees and contributions				
Federal	61,912	78,404	70,885	80,301
State	19,125	23,570	23,015	23,635
Municipal	724	565	749	593
	81,761	**102,539**	**94,649**	**104,529**
Third-party capital remuneration				
Interest and finance costs	51,799	46,998	54,791	49,252
Rentals	1,647	5,583	1,780	6,046
Foreign exchange variation	15,317	54,548	17,230	65,855
	68,763	**107,129**	**73,801**	**121,153**
Remuneration of own capital				
Retained profit (loss)	4,939	(9,648)	6,473	(9,648)
	4,939	**(9,648)**	**6,473**	**(9,648)**
Total value added distributed	**211,475**	**264,814**	**235,733**	**285,867**

The accompanying notes are an integral part of this interim financial information.

1. GENERAL INFORMATION

Positivo Tecnologia S.A. (the Company), founded in 1989, has a technological complex with a unit in the municipality of Curitiba, state of Paraná and one unit in Manaus, state of Amazonas. The company also has three direct subsidiaries in in Curitiba, State of Paraná, and also has a direct subsidiary in Manaus, state of Amazonas. Also has one indirect subsidiary in Ilhéus, State of Bahia. In December 2010, the Company acquired the shared control of Informática Fueguina S.A., in Argentina. In February 2011, the Company acquired the control of Crounal S.A., in Uruguay, this subsidiary in 2015 acquired 50% of the Company PBG Uruguay S.A.. In May 2014, the Company acquired the jointly--controlled subsidiary BR Code Desenvolvimento de Software S.A.. In October 2014, the Company opened the jointly-controlled subsidiary PBG Rwanda Limited.. In June 25, 2016 the Company established an associate Hi Technology Holding Ltd., located in Cayman Island, transfer to its investee the total amount of its share participation to the associate Hi Technologies S.A.. In September 2017, the Company established direct subsidiary Positivo Argentina S.R.L. with head office in the City of Buenos Aires, Argentina. In December 2018 the Company established an Equity Investment Fund (F.I.P. in Portuguese) in the city of São Paulo, SP, of which it holds all units. In December 2018, direct subsidiary Positivo Smart Tecnologia Ltda. acquired 80% of the shares of ACC Brasil Indústria e Comércio de Computadores Ltda..

The Company is primarily engaged in the manufacture, sale and development of projects in the information technology (IT) area, the manufacture, sale and rental of software and hardware, the sale of IT equipment, pedagogic and school management application systems, technical-pedagogical planning and support, representation, sales, implementation, training and support, technical assistance for equipment and technical, technological and scientific teaching systems in several areas, and other related activities.

The products manufactured and sold by the Company include small and medium-sized computers, portable computers, tablets, monitors, electronic boards, computerized educational desks, servers, mobile phones, smartphones and educational software systems.

The shares of Positivo Tecnologia S.A. are listed on the São Paulo Stock Exchange (BM&FBOVESPA) in the New Market Corporate Governance segment.

The issue of these interim financial statements was authorized by the Company's Management on August 14, 2019.

2. PRESENTATION OF INTERIM FINANCIAL INFORMATION OF PARENT COMPANY AND CONSOLIDATED

2.1. Basis of preparation

The individual and consolidated financial information as of June 30, 2019 has been prepared in accordance with CPC 21 (R1) – "Demonstração Intermediária" and IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board - IASB, and presents selected notes so as to avoid redundancy of information already disclosed in the individual and consolidated financial statements as of December 31, 2018, publicly disclosed on March 27, 2019.

Accordingly, the individual and consolidated interim financial information as of June 30, 2019 does not include all the notes and disclosures required by accounting standards in preparing annual financial statements and, consequently, should be read together with the individual and consolidated annual financial statements under CPC and IFRS as of December 31, 2018.

The individual and consolidated interim financial information has been prepared consistently with the accounting policies disclosed in Note 2 to the consolidated financial statements as of December 31, 2018, except for the first-time adoption of CPC 06 – Leases, effective beginning January 1, 2019, which accounting policies are described in note 13.a.

(a) Continuity as a going concern

The financial statements have been prepared based on the going concern assumption. Management assessed the Company's ability to continue as a going concern and believes that the Company has the necessary resources to allow the continuity of its business in the future. Management is not aware of any material uncertainty that may cast significant doubts as to its ability to continue as a going concern.

(b) Statement of Value Added (DVA)

The presentation of the parent company and consolidated Statement of Value Added is required by the Brazilian corporate legislation and the accounting practices adopted in Brazil applicable to listed companies. IFRS do not require the presentation of this statement. Consequently, according to IFRS, this statement is presented as supplementary information, without prejudice to the financial information as a whole.

The purpose of this statement is to disclose the wealth created by the Company and its distribution during a certain reporting period. The presentation of this statement is required by the Brazilian Corporate Law and considered additional disclosure in the consolidated financial statements, since this statement is not required by IFRS.

The statement of value added has been prepared using information obtained in the same accounting records used to prepare the interim financial information and pursuant to the provisions of CPC 09 - Statement of Value Added. The first part of the DVA presents the wealth created by the Company, represented by revenues (gross sales revenue, including taxes levied thereon, other income and the effects of the allowance for doubtful debts), inputs purchased from third parties (cost of sales and purchases of materials, power and outside services, including taxes levied at the time of the purchase, the effects of impairment and recovery of assets, and depreciation and amortization) and the value added received from third parties (share in the profit of subsidiaries, finance income and other income). The second part of the DVA presents the distribution of wealth between personnel, taxes and contributions, lenders and lessors, and shareholders.

2.2. Consolidation

The following accounting policies are applied in the preparation of the consolidated financial information:

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Company has control. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date that control ceases.

Transactions, balances and unrealized gains on transactions between companies are eliminated. Unrealized losses are also eliminated, unless the transaction provides evidence of impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Company.

	Ownership interest - %	
	6/30/2019	12/31/2018
Direct subsidiaries		
Positivo Smart Tecnologia Ltda.	100.00	100.00
Portal Mundo Positivo Ltda.	100.00	100.00
Crounal S.A.	100.00	100.00
Positivo Argentina S.R.L.	100.00	100.00
Boreo Indústria de Componentes Ltda.	100.00	100.00
Positivo Distrib. de Equip. de Informática Ltda.	100.00	100.00
Positivo Tecn. Fundo de Invest. em Partic. em Emp. Emergentes.	100.00	100.00
Indirect subsidiaries		
Investee of Positivo Smart Tecnologia Ltda.		
Boreo Comércio de Equipamentos Ltda.	100.00	100.00
ACC Brasil Ind. e Com. de Comp. Ltda.	80.00	80.00

(b) Joint venture

A joint venture is an entity over which the Company shares control with one or more parties. Investments in joint ventures are accounted for using the equity method and are initially recognized at cost. The Company's related share of profit or loss is recognized in the statement of income and its share of reserve movements is recognized in the Company's reserves. When the Company's share of losses in a joint venture equals or exceeds the carrying amount of the investment, including any other receivables, the Company does not recognize further losses, unless it has incurred obligations or made payments on behalf of the joint venture.

Unrealized gains on transactions between the Company and its joint venture are eliminated to the extent of the Company's interest. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint venture have been changed where necessary to ensure consistency with the policies adopted by the Company.

	Ownership interest - %	
	6/30/2019	12/31/2018
Joint venture		
Informática Fueguina S.A.	50.00	50.00
BR Code Desenvolvimento de Software S.A.	50.10	50.10
Investee of Positivo Smart Tecnologia Ltda.		
PBG Rwanda Limited.	50.00	50.00
Investee of Crounal S.A.		
PBG Uruguay S.A.	50.00	50.00

(c) Associates

An associate is an entity over which the Group has significant influence and that does not qualify as a subsidiary or joint venture. Significant influence is the power to participate in the financial and operating decisions of the investee without exercising individual or joint control over those policies.

The income, expenses, assets and liabilities of associates are included in these financial statements under the equity method, except when the investment is classified as held for sale, in which case it is recognized in accordance with IFRS 5 (CPC 31).

Under the equity method, an investment in an associate is initially recognized in the consolidated balance sheet at cost and subsequently adjusted to recognize the Group's interest in the profit or loss and the other comprehensive income of the associate.

When a Group entity conducts a transaction with a Group associate, the profit or loss resulting from such transaction is recognized in the consolidated financial statements only to the extent of the unrelated equity interests in the associate.

	Ownership interest - %	
	6/30/2019	12/31/2018
Associates		
Hi Technologies Holding Ltd.	30.07	30.07
Investee of Hi Technologies Holding Ltd.		
Hi Technologies S.A.	30.07	30.07

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The critical accounting estimates and assumptions used in preparation of theses interim financial information are those described in Note 3 to the Company's annual financial statement at December 31, 2018.

4. NEW AND REVISED STANDARDS AND INTERPRETATIONS

4.1. New pronouncements effective for annual periods beginning on or after January 1, 2019

a) CPC 06 (R2) (IFRS 16) Leases

Introduces a single model for the recognition of leases in the lessees' balance sheet. A lessee recognizes a right of use asset that represents its right to use the asset and lease liability that represents its obligation to make lease payments. Optional exemptions are available for short-term leases and low-value items. The lessor's accounting remains similar to the current standard, i.e., the lessors continue to classify the leases with as finance or operating leases.

Supersedes the existing lease standards, including CPC 06 (IAS 17) Leases and ICPC 03 (IFRIC 4, SIC 15 and SIC 27) - Supplemental Aspects of Leases.

The Company recognized in the balance sheet the impact arising from adopting the new standard on its first-time adoption date, without restating comparative information.

With regard to the leases previously classified as operating leases, the Company elected to recognize the right-of-use asset equivalent to the lease liability on the initial application date.

There will be no tax impact due to the change in the accounting of the lease agreements because the prevailing relevant law provides for the deductibility for purposes of income tax and social contribution calculation and the claim of PIS and COFINS (taxes on revenue) credits based on the consideration paid during the lease period.

The accounting policies, as well as the impacts arising from the first-time adoption are described in note 13.a.

5. CASH AND CASH EQUIVALENTS

	Parent company		Consolidated	
	6/30/2019	**12/31/2018**	**6/30/2019**	**12/31/2018**
Banks	24,012	15,562	58,687	49,854
Financial investments linked to the Interbank Deposit Certificate (CDI) rate	289,593	341,330	293,266	343,494
	313,605	**356,892**	**351,953**	**393,348**

As at June 30, 2019 and December 31, 2018, short-term investments consist of repurchase transactions and Bank Certificates of Deposit (CDBs) in private securities and local currency, yielding average interest of 90.25% of the Interbank Deposit (CDI) rate fluctuation (97.53% at December 31, 2018), which are immediately convertible into a known cash amount and subject to an insignificant risk of change in value.

6. TRADE RECEIVABLES

	Parent company		Consolidated	
	6/30/2019	**12/31/2018**	**6/30/2019**	**12/31/2018**
Current	65,222	82,372	110,227	108,424
Past-due up to 30 days	37,010	43,540	37,730	58,405
Overdue from 31 to 60 days	9,891	4,688	10,210	5,541
Overdue from 61 to 90 days	8,671	5,044	8,856	5,685
Overdue from 91 to 180 days	9,972	32,163	11,454	32,865
Overdue from 181 to 360 days	32,428	15,466	34,050	15,466
Overdue for more than 361 days	56,988	49,706	56,988	49,706
(-) Provision for impairment of trade receivables	(38,857)	(38,808)	(38,857)	(38,808)
(-) Adjustment to present value	(1,620)	(1,687)	(1,748)	(1,974)
	179,705	**192,484**	**228,910**	**235,310**
Current	179,699	192,456	228,901	235,282
Non Current	6	28	9	28

The fair values of trade receivables approximate the balances recorded.

Past-due balances mainly refer to products sold to Government agencies, which are received following the respective agencies' internal approval processes. Historically, payment delays are usual in this sales segment and are considered by Management in its business strategy; thus, they have not resulted in material losses for the Company. These past-due balances do not represent a significant risk and a provision was recognized only for those cases in which there is likelihood of loss for the Company. The amount of past due securities from government bodies in the period ended June 30, 2019 is R$61,659 (R$61,610 at December 31, 2018).

The average credit period for sales of products is 96 days, except for certain sales to Government agencies for which the term may extend to 180 days.

Criteria for estimating the provision for impairment of trade receivables: Due to the concentration of sales in a small number of customers (the 20 largest customers represented about 69% of total trade receivables at June 30, 2019, and around 64% at December 31, 2018), the Company assesses the need of recognizing an allowance for expected credit losses mainly based on the prospective analyses of its asset portfolio, considering whether there is significant financial difficulty of the debtor, adverse changes in economic conditions related to default, and the debtor’s past default history. At June 30, 2019, the consolidated balance of this provision totaled R$38,857 (R$38,808 at December 31, 2018).

The adjustment to present value of trade receivables is calculated to reflect the present value of future cash flows. The Company considers the payment term of each credit sale and calculates the discount of this transaction by using the CDI (Interbank Certificate of Deposit) rate as reference.

7. INVENTORIES

	Parent company		Consolidated	
	6/30/2019	**12/31/2018**	**6/30/2019**	**12/31/2018**
Materials	287,489	308,165	341,374	351,624
Finished products	159,297	169,122	164,537	182,883
Imports in progress	7,947	20,211	8,859	22,356
Advances to suppliers	58,141	29,460	64,554	34,490
Provision for obsolete inventories	(49,483)	(54,149)	(52,033)	(56,627)
	463,391	**472,809**	**527,291**	**534,726**

The provision for obsolete inventories is set up based on the assessment of raw materials, inventory for resale and finished goods which do not have clear expectations regarding their use and sale. The main basis for this assessment is the inventory turnover, segregating goods for production from those for technical assistance.

Management expects inventory to be realized in less than 12 months.

8. TAXES RECOVERABLE

	Parent company		Consolidated	
	6/30/2019	12/31/2018	6/30/2019	12/31/2018
ICMS	117,478	119,638	120,989	124,270
Excise Tax (IPI)	15,847	16,011	15,904	16,070
Social Integration Program (PIS)	4,305	4,432	4,344	4,521
Social Contribution on Revenues (COFINS)	19,340	20,115	19,495	20,451
Social contribution	2,496	2,495	2,763	2,545
Income tax	25,959	24,843	26,559	25,131
Other taxes recoverable	11,426	11,380	11,786	11,964
	196,851	**198,914**	**201,840**	**204,952**
Current	121,376	123,428	126,337	129,445
Non Current	75,475	75,486	75,503	75,507

Tax credits are realized based on the corporate restructurings occurred in 2015, upon the merger of subsidiary Positivo da Amazônia Ltda. and changes occurred in the federal and state legislation. Such changes had two consequences on the transactions: the first is to reduce the generation of tax credits and the second is the generation of tax debts that will enable the utilization of accumulated tax credits. For purposes of ICMS realization, in addition to the abovementioned changes, new projects will assist in the realization of these credits, which will generate ICMS debts.

ICMS

The Company has the following benefits of ICMS:

(i) State Law 13,214/2001 of the State of Paraná, confirmed by State Law 15,542/2007, which establishes a reduction to 7% in the tax rate on IT products for sales inside the state.

(ii) State Decree 1,922/2011 of the State of Paraná (and subsequent changes) which grants a deemed ICMS credit equivalent to the amount due on the sale, resulting in a tax rate of 0% for specific products industrialized under the terms of Law 8248/1991 and sold by the Company.

(iii) Decree 23,994/2003 of the State of Amazonas, which grants tax incentives such as the deferral of the ICMS levied on the import of raw materials and inputs used in the production, deemed ICMS credit on the purchase of domestic-origin raw materials and inputs, ICMS credit incentive corresponding to the amount due on sales of computer and automation goods and portable cellular terminals produced in the territory of ZFM (Manaus Free-Trade Zone).

As a result of the tax benefits above, the Company recorded at the period ended June 30, 2019 R$99,275 (R$103,051 at June 30, 2018) related to investment grants as "Sales deductions - taxes on sales" with respect to the sale of manufactured goods, and maintained R$8,277 in liabilities, under the caption "Deferred revenue" (R$9,346 in December 31, 2018), which will be allocated to the results of operations based on the amortization of the related assets and fulfillment of the obligations required as consideration for this tax benefit, as established in technical pronouncement CPC 7 and disclosed in Note 14.a. This tax benefit has an indefinite term.

IPI

The IPI credit is due to the utilization of the tax benefit established by Law 8,248/1991, which granted IPI exemption, later converted into progressive reduction, on the shipment of new equipment, machinery, apparatuses and instruments, including industrial automation and data processing equipment produced in Brazil, combined with the maintenance and utilization of the IPI tax credit, related to raw materials, intermediate products and packaging materials used in the manufacture of goods. The progressive reduction in percentages of the benefit, established by law, follows the schedule below:

- Reduction of 95% of the tax due, from January 1, 2004 to December 31, 2024.
- Reduction of 90% of the tax due, from January 1, 2025 to December 31, 2026.
- Reduction of 70% of the tax due, from January 1, 2027 to December 31, 2029, after which the benefit will be abolished.

To be eligible for such benefit, the Company must invest annually about 5% of the gross revenue from sales of IT products and services with tax incentives in IT research and development activities calculated in accordance with Law 8,248/1991 and subsequent amendments. The Company must annually present to the Ministry of Science and Technology evidence that it is complying with this investment requirement.

9. OTHER RECEIVABLES

	Parent company		Consolidated	
	6/30/2019	**12/31/2018**	**6/30/2019**	**12/31/2018**
Prepaid expenses (a)	17,469	14,829	17,632	14,986
Judicial deposits (b)	63,404	57,433	63,507	57,530
Unearned interest	9,486	9,747	9,470	9,863
Other	13,107	4,279	13,185	6,231
	103,466	**86,288**	**103,794**	**88,610**
Current	45,457	34,124	45,615	36,349
Non Current	58,009	52,164	58,179	52,261

(a) At June 30, 2019, the Company has credits to be offset against advertising expenses, and advances for R & D projects amounting to R$14,566 (R$11,742 at December 31, 2018), recorded under the caption "Prepaid expenses". Management considers that the realization will occur in less than 12 months;

(b) The Company made escrow deposits in the amount of R$50,721 aiming at maintaining the zero-rate tax benefit for PIS and COFINS, as set forth in article 28 of Law 11.196/2005, until the end of 2018 fiscal year. Based on the Company's in-house and outside legal counsel, the likelihood of loss on this lawsuit is remote.

10. RELATED PARTIES

Commercial transactions

Parent company

	Assets			Liabilities			Sales and services			Purchases and services		
	6/30/2019	12/31/2018		6/30/2019	12/31/2018		6/30/2019	6/30/2018		6/30/2019	6/30/2018	
Centro de Estudos Superiores Positivo Ltda.	552	529	(a)	3	54	(f)	47	292	(a)	191	459	(f)
Positivo Educacional Ltda.	-	-		-	-		355	284	(a)	110	108	(i)
Editora Positivo Ltda.	480	402	(a/c)	262	276	(d)	123	1,278	(a/c)	422	724	(d)
Gráfica e Editora Posigraf S.A.	116	116	(a)	-	-		71	5	(a)	-	-	
Rosch Administração de Bens Ltda .	-	-		460	425	(e)	-	-		2,550	2,550	(e)
Positivo Smart Tecnologia Ltda.	-	-		4,246	4,245	(j)	-	-		-	-	
Boreo Com. de Equipamentos Ltda	3,869	3,869	(j)	-	-		-	-		-	-	
Informática Fueguina S.A.	208	208	(k)	-	-		-	8	(k)	-	-	
Portal Mundo Positivo Ltda.	-	-		536	536	(h)	-	-		-	-	
Crounal S.A.	-	-		294	322	(h)	-	-		-	-	
BR Code Desenvolvimento de Software S.A.	941	941	(l)	-	-		-	-		-	-	
Hi Technologies S.A.	7,113	6,794	(m)	-	-		-	-		-	-	
PBG Uruguay S.A.	89	89	(g)	-	-		-	-		-	-	
Boreo Indústria de Componentes Ltda	30,506	16,346	(g)	-	-		993	2,400	(g)	68,422	119,554	(h)
Positivo Distrib. de Equip. de Inform. Ltda	-	34,862	(n)	3,133	-	(n)	6,136	-	(n)	-	-	
	43,874	**64,156**		**8,934**	**5,858**		**7,725**	**4,267**		**71,695**	**123,395**	

Consolidated

	Assets			Liabilities			Sales and services			Purchases and services		
	6/30/2019	12/31/2018		6/30/2019	12/31/2018		6/30/2019	6/30/2018		6/30/2019	6/30/2018	
Centro de Estudos Superiores Positivo Ltda.	552	529	(a)	3	54	(f)	47	292	(a)	191	459	(f)
Positivo Educacional Ltda.	-	-		-	-	-	355	284	(a)	110	108	(i)
Editora Positivo Ltda.	480	402	(a/c)	262	276	(d)	123	1,278	(a/c)	422	724	(d)
Gráfica e Editora Posigraf S.A.	116	116	(a)	-	-		71	5	(a)	-	-	
Rosch Administração de Bens Ltda .	-	-		460	425	(e)	-	-		2,550	2,550	(e)
BR CodeDesenvolvimento de Software S.A.	941	941	(l)	-	-		-	-		-	-	
Hi Technologies S.A.	7,113	6,794	(m)	-	-	-	-	-		-	-	
PBG Uruguay S.A.	3,954	7,910	(g)	-	-		-	-		-	-	
Informática Fueguina S.A.	4,363	4,411	(k)	-	-		-	8	(k)	-	-	
Sócios não controladores ACC Brasil Ind E Com.	2,754	-		5,742	5,500	(o)	-	-		-	-	
	20,273	**21,103**		**6,467**	**6,255**		**596**	**1,867**		**3,273**	**3,841**	
Current	20,273	21,103		725	755							
Non-Current	-	-		5,742	5,500							

Related-party transactions are made at specific prices and terms in accordance with those practiced in the market.

(a) Sale of microcomputers

These transactions relate to sales of microcomputers manufactured by the Company, which it sells to all of its related parties.

(b) Printing products and services - Gráfica e Editora Posigraf S.A.

Refer to purchases of products and services by the Company.

(c) Copyrights - Editora Positivo Ltda.

Copyrights refer to permissions by Positivo Tecnologia S.A. for access to the websites named “Portal Positivo” and “Portal Aprende Brasil” and the multimedia platform named “Positivo Digital” for the customers indicated by Editora Positivo Ltda., access to e-books to the customers of the private education area and access to digital content through electronic addresses inserted in printed books.

Pursuant to agreements entered into The Company permits the access to “Portal Positivo” and e-books for all institutions linked through Editora Positivo to “Sistema Positivo de Ensino”, and the access to “Portal Aprende Brasil” for all institutions linked through Editora Positivo to Sistema de Ensino Aprende Brasil.

(d) Publishing services

These refer to the contracting of publishing services, which are used in graphics products produced by Gráfica e Editora Posigraf S.A. and other printing firms contracted by the Company.

(e) Rental - Rosch Administradora de Bens Ltda.

The Company has a lease agreement for manufacturing units with a related party, which expires every six years and specifies a monthly rental of R$425, adjusted annually based on the IGP-M index established in the agreement. The amount can be renegotiated, through an amendment to the agreement, in the event of expansion in the area to increase the production capacity and improvements made by the landlord.

(f) Arrangement - Centro de Estudos Superiores Positivo

The Company entered into an arrangement with Universidade Positivo related to the cooperation and scientific and technology interchange program, supported by Brazilian legislation (Law 11,077/2004 and Decree 5,906/2006), for the empowerment and competitiveness of the IT industry, encompassing research, development and scientific and technology services activities, human resource development and training, technology absorption and transfer, as well as improvement and optimization of the use of the laboratory infrastructure.

(g) Sales of production inputs

The parent company sells inputs for production to its subsidiaries.

(h) Purchases of production inputs

The parent company purchases raw material from the subsidiaries for apply at the production process.

(i) Apportionment of expenses

Apportionment of administrative expenses and shared services with Sociedade Educacional Positivo Ltda., Gráfica e Editora Posigraf S.A. and Editora Positivo Ltda. These expenses refer to the shared use of the purchasing, personnel and IT departments besides rent, energy, water and telephone reimbursement from the headquarters where the Educational Technology area operates. The apportionment is calculated based on the actual cost, in accordance with the use of the available resources.

(j) Current account - Positivo Smart Tecnologia Ltda. and Boreo Comércio de Equipamentos Ltda.

The Company has a current account with Positivo Smart Tecnologia Ltda. and Boreo Comércio de Equipamentos Ltda., for the purpose of controlling the multiples, credits and debits between the parties arising from trading transactions. Such transactions have not a dead line for settlement and also have not incurred interests.

(k) Informática Fueguina S.A.

Outstanding balances arise from sales and purchases of production inputs, in conformity with the terms of each transaction.

(l) Development Services

Refer to the contracting of services for the development of software and applications used in production, sale and operating improvements.

(m) Development of healthcare systems and technology

Refers to the engagement of healthcare software, hardware, application, and equipment development technical services.

Additionally, the Company has loaned R$6,100 to Hi Technologies S.A., an operation regulated by a loan agreement, bearing annual interest rate of 150% of the Interbank Deposit Certificate (CDI) rate fluctuation.

(n) Positivo Distribuidora de Equipamentos de Informática Ltda.

The Company sell finished goods to its subsidiary for subsequent resale to customers.

(o) Liabilities with non-controlling partners – ACC Brasil Indústria e Comércio de Computadores Ltda.

The amount recognized in related parties refers to the fundraising undertaken by the Company from its shareholders. The amounts are recognized in Brazilian reais and mature in 2020 and 2024. The amounts are adjusted using the IGP-M when positive.

Management remuneration

The amount recognized at the period ended June 30, 2019 as Management remuneration was R$3,932 (R$3,945 at June 30, 2018), relating to short and long-term benefits (payment based at stock options). At the Annual General Meeting held on April 30, 2019, the Company's stockholders approved, for 2019, maximum Management remuneration of R$10,584 (R$10,183 in 2018).

11. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

		At 12/31/2018	Transfer	Increase of Share capital	Equity in the results of investees	Carrying value adjustment	At 6/30/2019
Investiments							
Positivo Smart Tecnologia Ltda.	(a)	20,205	-	-	6,077	8	26,290
Crounal S.A.	(c)	51,934	-	-	5,793	(592)	57,135
Portal Mundo Positivo Ltda.	(d)	685	-	-	-	-	685
Positivo Argentina S.R.L.	(e)	1,530	-	-	(267)	(145)	1,118
Positivo Distrib. de Equip. de Inform. Ltda.	(f)	-	(2,341)	25,000	(1,403)	-	21,256
Positivo Tecn. Fundo de Invest. em Partic. em Emp. Emergentes	(g)	14,000	-	-	-	-	14,000
		88,354	(2,341)	25,000	10,200	(729)	120,484

		At 12/31/2018	Transfer	Equity in the results of investees	At 6/30/2019
Provision for net capital deficiency					
Boreo Industria de Componentes Ltda.	(b)	(1,105)	-	(1,388)	(2,493)
Positivo Distrib. de Equip. de Inform. Ltda.	(f)	(2,341)	2,341	-	-
		(3,446)	2,341	(1,388)	(2,493)

The Company's investments in subsidiaries (direct and indirect) are in the Note 2.2(a).

The Company's investments in assets, liabilities, equity and in the results of the direct and indirect subsidiaries, all of them closely-held, are as follows:

		Assets	Liabilities	Equity (Net capital deficiency)	Net revenue	Profit (loss)
At June 30,2019						
Positivo Smart Tecnologia Ltda.		57,509	31,219	26,290	-	6,077
Portal Mundo Positivo Ltda.		687	2	685	-	-
Crounal S.A.		69,066	11,931	57,135	12,910	5,793
Boreo Comércio de Equipamentos Ltda. (indirect subsidiary)		114	3,826	(3,712)	-	-
Boreo Indústria de Componentes Ltda.		80,425	82,918	(2,493)	1,692	(1,388)
Positivo Argentina S.R.L.		4,003	2,885	1,118	2,359	(267)
Positivo Distribibuidora de Equip. de Informática Ltda.		25,645	4,389	21,256	11,450	(1,403)
ACC Brasil Ind. e Com. de Comp. Ltda. (indirect subsidiary)	(h)	33,294	23,586	9,708	40,611	6,136
Positivo Tecn. Fundo de Invest. em Partic. em Emp. Emergentes		14,000	-	14,000	-	-
At December 31,2018						
Positivo Smart Tecnologia Ltda.		50,270	30,065	20,205	-	1,987
Portal Mundo Positivo Ltda.		687	2	685	-	-
Crounal S.A.		60,547	8,613	51,934	20,375	5,624
Boreo Comércio de Equipamentos Ltda. (indirect subsidiary)		114	3,826	(3,712)	-	-
Boreo Indústria de Componentes Ltda.		61,525	62,630	(1,105)	178,929	(12,371)
Positivo Argentina S.R.L.		1,530	-	1,530	-	-
Positivo Distribibuidora de Equip. de Informática Ltda.		34,136	36,477	(2,341)	16,764	(2,441)
ACC Brasil Ind. e Com. de Comp. Ltda. (indirect subsidiary)		30,416	26,743	3,673	-	-
Positivo Tecn. Fundo de Invest. em Partic. em Emp. Emergentes		14,000	-	14,000	-	-

(a) Positivo Smart Tecnologia Ltda.

On April 8, 2008, the Company established the direct subsidiary Positivo Smart Tecnologia Ltda., which started operations in 2009. In that year, such direct subsidiary acquired Boreo Comércio de Equipamentos Ltda..

(b) Boreo Indústria de Componentes Ltda.

Initially established as a subsidiary of Positivo Smart Tecnologia Ltda. on January 25, 2017, Boreo Indústria de Componentes Ltda. is currently a direct subsidiary of Positivo Tecnologia S.A. (transfer of shares). The subsidiary is headquartered in the City of Manaus, state of Amazonas, its capital amounts to R$15,000 and it is mainly engaged in the manufacturing of electronic components.

(c) Crounal S.A.

In February 2011, the Company acquired the direct subsidiary Crounal S.A., which is headquartered in Montevideo, Uruguay. This subsidiary has the same corporate purpose as the Company. In February 2017, the Company increased the capital of this subsidiary, paying the amount of R$20,935 in cash.

(d) Portal Mundo Positivo Ltda.

On April 9, 2012, the Company, in partnership with its subsidiary Positivo Informática da Amazônia Ltda., acquired Portal Mundo Positivo Ltda. No goodwill was paid on this acquisition. With the merge of Positivo Informática da Amazônia Ltda., the Company holds the whole investment in this company.

(e) Positivo Argentina S.R.L.

In September 2017, the Company established direct subsidiary Positivo Argentina S.R.L, headquartered in the city of Buenos Aires, Argentina, and with paid-in capital amounting to R$1,500. The subsidiary is mainly engaged in the manufacturing and sale of medical, laboratory, IT and communication equipment.

(f) Positivo Distribuidora de Equipamentos de Informática Ltda.

Direct subsidiary Positivo Distribuidora de Equipamentos Ltda., with head office in the City of Curitiba, State of Paraná and paid-in capital in the amount of R$100, started to operate in July 2018. The subsidiary is mainly engaged in the distribution of IT-related products and equipment, electric and electronic goods, telephone and communication equipment. In May 2019 capital was increased by the amount of R$25,000, using credits held with the investee.

(g) Positivo Tecnologia Fundo de Investimento em Participações em Empresas Emergentes

In December 2018, the Company established in São Paulo-SP an Equity Investment Fund (F.I.P.) primarily engaged in acquiring equity interests in other companies. The capital contribution was R$14,000 and Company holds 100% of this investment fund's units.

(h) ACC Brasil Indústria e Comércio de Computadores Ltda.

As at December 31, 2018, subsidiary Positivo Smart Tecnologia Ltda. acquired 80% stake in ACC Brasil Indústria e Comércio de Computadores Ltda., which is mainly engaged in the production and sale of storages, servers and computers. The transaction generated goodwill in the amount of R$22,577 which comprises the amount of the future economic benefits arising from the acquisition-related synergies.

At the balance sheet date, the Company is reviewing and adjusting the determination of the fair value of the identifiable assets acquired and liabilities assumed of the acquiree. This analysis is expected to be completed shortly as soon as Management has all significant information on the facts, which shall not exceed 12 months from the acquisition date.

ASSOCIATES

	Parent company and consolidated		
	At 12/31/2018	Equity in the results of investees	At 6/30/2019
Associates			
Hi Technologies Holding Ltd (a)	8,303	(1,259)	7,044
	8,303	**(1,259)**	**7,044**

(a) Hi Technologies Holding Ltd.

On June 25, 2018, the Company established associate Hi Technologies Holding Ltd., with head office in the Cayman Islands. The Company transferred all shares in the joint venture Hi Technologies S.A. to Hi Technologies Holding Ltd., in exchange for a 30.07% stake in the total shares of such investee.

Interest is associates (both direct and indirect) is shown in note 2.2 (c).

12. INVESTMENT IN JOINT VENTURES

a) Parent company

Joint Venture	At 12/31/2018	Equity in the results of investees	Carrying value adjustment	At 6/30/2019
Informática Fueguina S.A. (a)	6,927	(4,851)	(290)	1,786
	6,927	**(4,851)**	**(290)**	**1,786**

Provision for net capital deficiency	At 12/31/2018	At 6/30/2019
BR Code Desenvolvimento de Software S.A. (b)	(460)	(460)
	(460)	**(460)**

b) Consolidated

Joint Venture	At 12/31/2018	Increase of Share capital	Equity in the results of investees	Carrying value adjustment	At 6/30/2019
Informática Fueguina S.A. (a)	6,927	-	(4,851)	(290)	1,786
PBG Rwanda Limited (c)	5,243	-	1,094	8	6,345
PBG Uruguay S.A. (d)	27,614	3,193	5,587	317	36,711
	39,784	**3,193**	**1,830**	**35**	**44,842**

Provision for net capital deficiency	At 12/31/2018	At 6/30/2019
BR Code Desenvolvimento de Software S.A. (b)	(460)	(460)
	(460)	**(460)**

The investments in joint ventures are demonstrated in the Note 2.2(b).

(a) Informática Fueguina S.A.

On December 3, 2010, the Company established a joint venture with the Argentine company BGH Sociedad Anónima ("BGH"), to manufacture and sell IT products (desktops, notebooks, all-in-ones, e-books and tablets) in Argentina and Uruguay.

In order to establish the joint venture, the Company acquired 50% of the share capital of the Argentine company Informática Fueguina S.A., which was directly and indirectly owned by BGH. No goodwill was paid on acquisition.

Beginning July 2018 the Argentine economy became hyperinflationary. The Company has assessed the impacts for the period ended June 30, 2019, and recorded a total amount of R$1,727 regarding property, plant and equipment under the equity adjustment item.

(b) BR Code Desenvolvimento de Software S.A.

On May 23, 2014, the Company acquired an 100% equity interest in BR Code Desenvolvimento de Software S.A., whose capital amounts to R$50 and which is engaged in the development of software, maintenance and updating of software, and the licensing and assignment of rights to the use of software. No goodwill was paid on this acquisition. In October 2014, a stockholders' agreement with shared control with BORQS Group, and, therefore, the investee's investment became an investment in a joint venture.

(c) PBG Rwanda Limited

On October 10, 2014, the Company through its direct subsidiary established, in partnership with BGH Group, the jointly-controlled subsidiary PBG Rwanda Limited. On November 15, 2014, the jointly-controlled subsidiary entered into an agreement with the Government of Rwanda to produce and sell educational devices under the Positivo BGH brand in the local market.

(d) PBG Uruguay S.A.

On August 20, 2015 the Company, through subsidiary Crounal S.A., subscribed 50% of PBG Uruguay S.A. trading shares. In 2019 Crounal S.A. paid up capital in the amount of US$1,000 (R$3,193), using credits held with the subsidiary.

The Company's interest in the assets, liabilities, equity and results of the joint ventures is as follows:

	Assets	Liabilities	Equity (Net capital deficiency)	Net revenue	Profit (loss)
At June 30,2019					
Informática Fueguina S.A.	22,318	20,532	1,786	15,920	(4,851)
BR Code Desenvolvimento de Software S.A.	150	610	(460)	-	-
PBG Rwanda Limited	19,100	12,755	6,345	20,182	1,094
PBG Uruguay S.A.	67,423	30,712	36,711	72,466	5,587
31 de dezembro de 2018					
Informática Fueguina S.A.	34,709	27,782	6,927	41,334	(6,796)
BR Code Desenvolvimento de Software S.A.	150	610	(460)	-	(1)
PBG Rwanda Limited	9,403	4,160	5,243	16,537	1,903
PBG Uruguay S.A.	40,041	12,427	27,614	41,406	3,933

13. PROPERTY, PLANT AND EQUIPMENT

		Parent company				
		12/31/2017	Additions	12/31/2018	Additions	6/30/2019
Cost						
Machinery and equipment		60,185	189	60,374	881	61,255
Leasehold improvements		23,273	131	23,404	248	23,652
Hardware		38,235	1,189	39,424	642	40,066
Furniture and fittings		8,168	190	8,358	3	8,361
Industrial facilities		30,699	1,509	32,208	269	32,477
Buildings		2,000	-	2,000	-	2,000
Leases	(a)	-	-	-	45,312	45,312
Other property, plant and equipment		1,433	-	1,433	-	1,433
		163,993	3,208	167,201	47,355	214,556
Depreciation						
Machinery and equipment		(47,973)	(3,438)	(51,411)	(1,354)	(52,765)
Leasehold improvements		(14,050)	(1,815)	(15,865)	(882)	(16,747)
Hardware		(36,472)	(1,618)	(38,090)	(462)	(38,552)
Furniture and fittings		(6,377)	(448)	(6,825)	(179)	(7,004)
Industrial facilities		(9,157)	(2,292)	(11,449)	(1,125)	(12,574)
Buildings		(467)	-	(467)	-	(467)
Leases	(a)	-	-	-	(3,776)	(3,776)
Other property, plant and equipment		(94)	(17)	(111)	(3)	(114)
		(114,590)	(9,628)	(124,218)	(7,781)	(131,999)
Net amount		**49,403**	**(6,420)**	**42,983**	**39,574**	**82,557**

		Consolidated				
		12/31/2017	Additions	12/31/2018	Additions	6/30/2019
Cost						
Machinery and equipment		60,314	485	60,799	1,019	61,818
Leasehold improvements		24,090	276	24,366	248	24,614
Hardware		38,235	1,300	39,535	693	40,228
Furniture and fittings		8,430	277	8,707	3	8,710
Industrial facilities		37,584	2,101	39,685	387	40,072
Buildings		2,000	-	2,000	-	2,000
Leases	(a)	-	-	-	50,033	50,033
Other property, plant and equipment		1,433	-	1,433	900	2,333
		172,086	4,439	176,525	53,283	229,808
Depreciation						
Machinery and equipment		(47,977)	(3,580)	(51,557)	(1,379)	(52,936)
Leasehold improvements		(14,088)	(1,986)	(16,074)	(925)	(16,999)
Hardware		(36,472)	(1,628)	(38,100)	(475)	(38,575)
Furniture and fittings		(6,387)	(556)	(6,943)	(192)	(7,135)
Industrial facilities		(9,509)	(3,018)	(12,527)	(1,502)	(14,029)
Buildings		(467)	-	(467)	-	(467)
Leases	(a)	-	-	-	(4,169)	(4,169)
Other property, plant and equipment		(94)	(17)	(111)	(747)	(858)
		(114,994)	(10,785)	(125,779)	(9,389)	(135,168)
Net amount		**57,092**	**(6,346)**	**50,746**	**43,894**	**94,640**

For the period ended at June 30, 2019 and December 31, 2018, the Company did not have property, plant and equipment items given in guarantee of borrowings.

a) Leases

Accounting policy

CPC 06 – Leases, which establishes that all lease contracts and related obligations must be recognized in the balance sheet, with recognition exemption for leases with contractual term below 12 months, indeterminate term or low-value contracts, came into effect on January 1, 2019. The amount of the right-of-use asset must be depreciated over the estimated useful life (contractual term) and ceased upon impairment, or when the contract is canceled. After the change in the accounting standard, the Company ceases to record rental expenses and started to incur depreciation and implicit interest expenses under the contracts.

Right-of-use assets

Parent Company

Contract	Tenant	Assets	Depreciation	Net amount
1	Positivo Tecnologia S.A.	24,725	(2,060)	22,665
2	Positivo Tecnologia S.A.	20,587	(1,716)	18,871
		45,312	(3,776)	41,536

Consolidated

Contract	Tenant	Assets	Depreciation	Net amount
1	Positivo Tecnologia S.A.	24,725	(2,060)	22,665
2	Positivo Tecnologia S.A.	20,587	(1,716)	18,871
3	Boreo Industria de Componentes Ltda.	4,721	(393)	4,328
		50,033	(4,169)	45,864

Lease liabilities

Parent company

Contract	Tenant	Total liabilities	Payments	Interest paid	Accrued interest	Debtor balance
1	Positivo Tecnologia S.A.	24,725	(1,674)	(876)	877	23,052
2	Positivo Tecnologia S.A.	20,587	(1,394)	(729)	728	19,192
		45,312	(3,068)	(1,605)	1,605	42,244

Consolidated

Contract	Tenant	Total liabilities	Payments	Interest paid	Accrued interest	Debtor balance
1	Positivo Tecnologia S.A.	24,725	(1,674)	(876)	877	23,052
2	Positivo Tecnologia S.A.	20,587	(1,394)	(729)	728	19,192
3	Boreo Industria de Componentes Ltda.	4,721	(320)	(168)	168	4,401
		50,033	(3,388)	(1,773)	1,773	46,645
	Current					7,155
	Non-Current					39,490

Maturity schedule - Long-term installments

June 30, 2019

Year	Parent company	Consolidated
2020	3,421	3,778
2021	7,227	7,979
2022	7,771	8,581
2023	8,358	9,228
2024	8,987	9,924
	35,764	39,490

14. INTANGIBLE ASSETS

	Parent company				
	12/31/2017	Additions	12/31/2018	Additions	6/30/2019
Cost					
Development projects (a)	246,133	12,095	258,228	3,542	261,770
System projects – ERP	46,129	-	46,129	-	46,129
Software	21,875	1,891	23,766	929	24,695
Software licenses	3,263	-	3,263	-	3,263
	317,400	13,986	331,386	4,471	335,857
Amortization					
Development projects	(201,941)	(17,020)	(218,961)	(8,267)	(227,228)
System projects – ERP	(46,024)	(105)	(46,129)	-	(46,129)
Software	(18,278)	(2,318)	(20,596)	(986)	(21,582)
Software licenses	(3,229)	(30)	(3,259)	(1)	(3,260)
	(269,472)	(19,473)	(288,945)	(9,254)	(298,199)
Net amount	**47,928**	**(5,487)**	**42,441**	**(4,783)**	**37,658**

	Consolidated				
	12/31/2017	Additions	12/31/2018	Additions	6/30/2019
Cost					
Development projects (a)	247,832	12,095	259,927	3,542	263,469
System projects – ERP	46,129	-	46,129	-	46,129
Software	21,957	2,172	24,129	966	25,095
Software licenses	3,263	5	3,268	-	3,268
Goodwill in subsidiary (b)	14,173	22,577	36,750	-	36,750
	333,354	36,849	370,203	4,508	374,711
Amortization					
Development projects	(203,640)	(17,020)	(220,660)	(8,267)	(228,927)
System projects – ERP	(46,024)	(105)	(46,129)	-	(46,129)
Software	(18,291)	(2,448)	(20,739)	(1,055)	(21,794)
Software licenses	(3,229)	(30)	(3,259)	(1)	(3,260)
	(271,184)	(19,603)	(290,787)	(9,323)	(300,110)
Net amount	**62,170**	**17,246**	**79,416**	**(4,815)**	**74,601**

(a) Project development costs

The Company benefits from tax incentives granted for the IT and automation segments by Law 8,248/1991, known as the Information Technology Law, regulated by Decree 792 of October 23, 1991. This law was amended by Law 10,176 of January 11, 2001, regulated by Decree 3,800 of April 20, 2001, which was amended again in 2004 by Law 11,077 of December 30, 2004, regulated by Decree 5,906/2006 of September 26, 2006. In Manaus the prevailing legislation is the Amazônia IT Law 8,387/1991, regulated by Decree 6,008/2006 and amended by MP 810/2017.

To be entitled to these benefits, a company engaged in the development or sale of IT products and services must invest a minimum percentage to be invested is calculated based on 5% of the gross revenue from sales in the domestic market of IT products and services entitled to the incentives pursuant to the law, after deducting from gross revenue the related taxes, and the purchase costs of products entitled to the incentives. The percentages to be invested have their basis reduced by 20% until 2029, complemented by the additional reduction of 25% at December 31, 2029 for some NCMs.

The estimated investment obligation related to 2019 is about R$54,138. From January to June 2019, R$20,697 was invested and the total amount of the obligations must be fulfilled up to the first quarter of 2020. The amounts are invested in the improvement of existing products and development of new products and comprise basically: direct and indirect labor, payroll charges, software, consulting services, materials, infrastructure, travel and other related costs. Such expenditures are segregated between additions to intangible assets and expenses in profit or loss for the year, in the amounts of R$3,542 and R$17,155, respectively. The amortization period was set at four years based on the projects' recoverability history.

The amortization of these projects is recorded under cost of sales and operating expenses.

(b) Goodwill in subsidiary

In December 2009, the subsidiary Positivo Smart Tecnologia Ltda. completed the acquisition of Boreo Comércio de Equipamentos Ltda., generating goodwill of R$14,173, recorded in the books of the acquirer and based on expected future earnings.

The recoverable amount of the goodwill is determined on the basis of its value in use derived from cash flow projections based on a financial budget of five years approved by Management and the discount rate of 18.16% per year.

In December 2018 the same subsidiary acquired 80% of ACC Brasil Indústria e Comércio de Computadores Ltda. and the transactions generated goodwill based on expected future earnings amounting to R$22,577. On the date these financial statements were completed, the Company was in the process of reviewing and adjusting the determination of the fair values of the assets acquired and the liabilities assumed of the acquiree.

15. TRADE PAYABLES

	Parent company		Consolidated	
	6/30/2019	12/31/2018	6/30/2019	12/31/2018
Trade payables - foreign market	123,294	162,964	169,907	213,391
Trade payables - domestic market	130,346	152,647	148,775	171,936
Copyrights and licenses payable	37,601	34,097	37,604	34,097
Exchange gain variation - Trade payables	(3,726)	380	(4,594)	144
Adjustment to present value of trade payables	(1,687)	(2,529)	(1,830)	(2,870)
	285,828	**347,559**	**349,862**	**416,698**

Copyrights and licenses payable represent obligations for the acquisition of Microsoft Corporation software licenses. These licenses are supported by license agreements entered into between the parties and are renewed periodically. The average payment term for trade payables is 131 days. The adjustment to present value of trade payables is calculated based on the future payment of cash flows discounted to present value. The Company considers the payment term of each credit sale and calculates the discount of this transaction by using the CDI (Interbank Certificate of Deposit) rate as reference.

16. TRADE PAYABLES - FORFAITING

As at June 30, 2019, the Company recognizes R$3,158 (R$32,562 at December 31, 2018) relating to structured transactions with its suppliers called forfaiting. The forfaiting transactions allow a supplier to receive amounts within a shorter period than the due date of the invoices by using the Company’s credit facilities, in which case the financial institution becomes the transaction’s creditor during this period. Management believes that these transactions have a specific nature and should be classified separately from line item ‘Trade payables’.

17. BORROWINGS

At amortized cost		Average contractual rate	Average swap rate in % CDI			Parent company		Consolidated	
Current Liabilities		(p.y.)		Maturity	Guarantees	6/30/2019	12/31/2018	6/30/2019	12/31/2018
Working capital		6.00+FX	139.98%	7/18/2019	Promissory Note	40,494	39,788	40,494	39,788
Working capital		4.05+FX	112.80%	8/27/2019	Promissory Note	36,237	36,900	36,237	36,900
Working capital		6.07 + FX	139.90%	11/18/2019	Promissory Note	212,369	208,290	212,369	208,290
Working capital		1.00 + FX	134.90%	7/10/2019	Promissory Note	39,154	-	39,154	-
Working capital		2.04%+CDI	-	From 9/29/2019 to 12/19/2019	Promissory Note	2,187	4,221	2,187	4,221
Working capital		2.66% + CDI	-	3/29/2022	Promissory Note	4,969	4,630	4,969	4,630
Working capital		135%CDI	135%	8/20/2021	Promissory Note	10,036	10,045	10,036	10,045
Working capital		130.20%CDI+0.14%	-	2/14/2019	Promissory Note	-	72,333	-	72,333
Working capital		137.5%CDI	-	8/16/2019	Promissory Note	72,214	-	72,214	-
Working capital		134.5%CDI	-	11/4/2019	Promissory Note	-	-	3,955	
FINEP		5%+TR	-	6/15/2025	Letter of guarantee	9,910	8,081	9,910	8,081
FINEP		8.58%+TR	-	12/15/2028	Letter of guarantee	230		230	-
BNDES	(a)	TJLP + 3%	-	Up 12/15/2021	Letter of guarantee	12,266	27,099	12,266	27,099
FINIMP		4.87 +FX	119.55%	5/20/2019	Promissory Note	-	29,255	-	29,255
FINIMP		4.87 +FX	113.90%	6/3/2019	Promissory Note	-	24,165	-	24,165
FINIMP		5.53 + FX	111.70%	9/26/2019	Promissory Note	38,505	38,933	38,505	38,933
FINIMP		5.23 + FX	125.00%	10/25/2019	Promissory Note	15,517	15,694	15,517	15,694
						494,088	519,434	498,043	519,434
Non-current liabilities									
BNDES	(a)	TJLP + 3%	-	Up 12/15/2021	Letter of guarantee	17,779	23,710	17,779	23,710
Working capital		2.66% + CDI	-	3/29/2022	Promissory Note	7,614	9,294	7,614	9,294
Working capital		135%CDI	135%	8/20/2021	Promissory Note	11,667	16,667	11,667	16,667
FINEP		8.58%+TR	-	12/15/2028	Letter of guarantee	20,854		20,854	-
FINEP		5%+TR	-	6/15/2025	Letter of guarantee	46,197	41,130	46,197	41,130
						104,111	90,801	104,111	90,801
Total Borrrowings						**598,199**	**610,235**	**602,154**	**610,235**

The borrowings and financing agreements entered into by the Company and its subsidiaries do not contain any covenants requiring the achievement of financial ratios.

(a) BNDES

The Company raised funds from the BNDES, which were invested in innovation plans, research & development activities in the industrial automation and educational technology areas and innovation center associated with new products.

In 2018, the Company approved with FINEP (Brazilian project finance agency) a loan agreement amounting to R$125,100, whose funds will be invested in the same plans and projects described above. The amounts will be disbursed in tranches up to the end of 2021.

The maturities of the long-term borrowings are as follows:

June 30, 2019		December 31,2018	
Year	**Parent company and Consolidated**	**Year**	**Parent company and Consolidated**
2020	17,835	2020	33,868
2021	32,660	2021	30,529
2022	13,352	2022	8,642
2023	12,216	2023	7,571
2024	11,532	2024	6,406
Up 2024	16,516	Up 2024	3,785
Total	**104,111**	**Total**	**90,801**

18. PROVISION

		Parent company		Consolidated	
		6/30/2019	12/31/2018	6/30/2019	12/31/2018
Current					
Provision for warranties and technical assistance	(a)	52,039	39,388	54,337	42,393
Provision for cooperative advertising	(b)	10,584	9,274	10,603	9,274
Provision for commissions	(c)	5,926	6,248	5,602	6,400
Provision for rebates	(d)	3,664	914	3,676	914
Provision for royalties	(e)	3,004	2,257	3,004	2,257
Provision for investiment in research and development	(f)	5,037	8,493	6,472	12,174
Other provision		1,190	1,509	2,183	1,653
		81,444	68,083	85,877	75,065
Non-Current					
Provision for warranties and technical assistance	(a)	14,060	14,060	14,060	14,060
		95,504	**82,143**	**99,937**	**89,125**

(a) Provision for warranties and technical assistance

Based on the number of computers under warranty and the warranty period for such equipment, as well as the recent history of service frequency per machine and the average cost per technical assistance service, an estimate was made at the end of the reporting period of the provision required to settle the total obligation assumed in respect of the equipment under warranty.

(b) Provision for cooperative advertising (VPC)

The amounts provided for cooperative advertising are calculated based on the percentages agreed between the parties and refer to promotion and advertising of the Company's products. The percentages are negotiated individually with each customer.

(c) Provision for commissions

The provision for commissions is calculated based on the individual percentage of commission recorded in the sales orders.

(d) Provision for rebates

The amounts provided for rebates are calculated based on historical percentages and other factors, negotiated individually with each customer. These amounts represent adjustments to the price, stimulating the retail sales.

(e) Accrued royalties

The amounts accrued as royalties are calculated based on contractual percentages agreed with the supplier and which, in general, are added to the billed price of the products that use the technologies or trademarks.

(f) Provision for investment in R&D

In order to be entitled to certain tax benefits, the Company is required to invest part of its revenue from the sale of IT goods and services in research and development projects. The provisioned amounts are calculated by applying the average percentage of revenue to be invested in these projects on the gross sales revenue.

19. TAXES PAYABLE

	Parent company		Consolidated	
	6/30/2019	12/31/2018	6/30/2019	12/31/2018
Social Integration Program (PIS) and Social Contribution on Revenues (COFINS)	7,377	5,573	8,533	7,219
Income tax and social contribution	119	231	137	2,321
National Institute of Social Security (INSS)	2,534	2,627	2,731	2,838
Income Tax Withheld at Source (IRRF) and Social Contribution Withheld at Source (CSRF)	2,588	2,334	2,684	2,392
IPI	1,303	1,405	1,558	2,155
ICMS	2,031	1,691	1,780	1,321
Other taxes and contributions	2,287	2,697	2,925	3,317
	18,239	**16,558**	**20,348**	**21,563**

20. DEFERRED REVENUE

Refers to the investment grant portion to be allocated to profit or loss over the next years, as mentioned in Note 8. As a result of the use of the ICMS tax benefits for the period ended June 30, 2019 and December 31, 2018, the Company recorded the amount in liabilities, under the caption "Deferred revenue", which will be allocated to the results of operations according to the amortization of the related assets and fulfillment of the obligations required as consideration for such tax benefit, as established in Technical pronouncement - CPC 7 and disclosed in Note 14.a.

21. OTHER RECEIVABLES

		Parent company		Consolidated	
		6/30/2019	12/31/2018	6/30/2019	12/31/2018
Customer's down payments	(i)	164	1,475	5,153	2,230
Advance revenue	(ii)	2,157	2,452	2,282	2,594
Accounts payable for aquisition of subsidiary	(iii)	-	-	27,405	26,250
Others Liabilities		3,013	5,329	4,613	6,793
		5,334	**9,256**	**39,453**	**37,867**
Current		3,333	6,371	15,438	13,874
Non Current		2,001	2,885	24,015	23,993

(i) The Company received advances from customers. The goods subject to these advances will be delivered in the subsequent months, when the respective revenue will be recognized.

(ii) The Company has entered into an agreement with a financial institution ensuring exclusivity with respect to the payroll processing, banking products and services advertising campaigns, service structure installation and maintenance. The Company has received the amount agreed in cash, and the revenue will be recognized in profit or loss according to the contractual term.

(iii) Represent the amounts to pay by subsidiary Positivo Smart Tecnologia Ltda. to the non-controlling shareholders of ACC Brasil Indústria e Comércio de Computadores Ltda. for the acquisition of 80% of this investee’s shares. This debt will be adjusted using the General Market Price Index (IGP-M) and in accordance with the contractual clauses the settlement calendar is as follows:

Consolidated	
Year	**Amount R$**
2019	5,481
2020	5,481
2021	5,481
2022	5,481
2023	5,481
	27,405

22. INCOME TAX AND SOCIAL CONTRIBUTION

(a) Deferred

Deferred income tax and social contribution were calculated at the rates in effect at June 30, 2019 and December 31, 2018 and are comprised as follows:

	Parent company		Consolidated	
Assets	6/30/2019	12/31/2018	6/30/2019	12/31/2018
Deferred income tax and social contribution				
Provision for warranties	22,473	18,172	23,255	19,194
Provision for obsolete inventories	16,824	18,411	17,691	19,253
Provision for tax, labor and civil risks	12,793	12,600	12,793	12,600
Adjustment to present value	23	286	23	286
Provision for doubtful accouts	13,211	13,195	13,211	13,195
Provision for commissions	5,939	6,466	5,750	6,441
Provision for rebates	1,246	311	1,250	311
Provision for cooperative advertising	3,599	3,153	3,605	3,153
Provision for investiment in research and development	1,713	2,888	1,713	2,888
Product development projects	(11,744)	(13,351)	(11,744)	(13,351)
Income tax and social contribution losses	388,039	388,083	389,963	393,067
Deferred taxes not recognized	(391,634)	(386,804)	(393,694)	(392,293)
	62,482	**63,410**	**63,816**	**64,744**

The recognition of the tax credit is supported by the Company's business plans, which consider the expansion of business activities, Management's decision to distribute dividends in Brazil and taxable profits in jointly controlled companies, using part of the grant revenue for investment also in reducing the premise of the effect of the subsidy for investment in the Company's results, the changes in corporate law and reorganization incurred in 2015, which will generate sufficient taxable income to offset such tax credit deferred.

Technical feasibility studies, analyzed and approved by the Board of Directors, indicate the recovery of the amounts of deferred taxes recognized, as defined in CVM Instruction 371, of June 27, 2002, and refer to Management's best estimates of the future evolution of the Company and the market in which it operates. The expected realization of tax credits is as follows:

	Parent company							
Achievement Expectation	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**Total**
Income tax	1,199	4,794	6,336	7,551	9,168	10,593	6,985	46,626
Social contribution	400	1,598	2,112	2,517	3,056	3,531	3,570	16,784
Total	**1,599**	**6,392**	**8,448**	**10,068**	**12,224**	**14,124**	**10,555**	**63,410**

Management reviews the actual results of these business plans for the generation of taxable profits each year and, accordingly, reassesses the expected realization of these tax credits.

As the taxable basis for income tax and social contribution on net income arises not only from the profit that may be generated, but also from the existence of non-taxable revenues, non-deductible expenses, tax incentives and other variables, there is no immediate correlation between the Company's and its subsidiaries' profit and the income tax and social contribution expense. Therefore, the expected utilization of tax credits should not be taken as the sole indication of the future profitability of the Company and its subsidiaries.

Deferred tax liabilities refer to: (i) the deferral of receivables from Government agencies; and (ii) the tax incentives introduced by Law 10,637/2002 and subsequently amended by Law 11,196/2006, which allows the deductibility of expenses on development projects on a cash basis for income tax and social contribution purposes. This incentive is applicable to the Company's business activity and relates to expenses for product development projects that are recorded in intangible assets. The amount of deferred taxes will be reversed as the projects are amortized.

(b) Tax benefit (expense) in the statement of income

Reconciliation of the income tax and social contribution benefit (expense) is as follows:

	Semester ended in			
	Parent company		Consolidated	
	6/30/2019	6/30/2018	6/30/2019	6/30/2018
Profit (loss) before income tax and social contribution	7,903	(9,648)	9,452	(9,648)
Combined statutory rate	34%	34%	34%	34%
Income tax and social contribution at the statutory rate	(2,687)	3,280	(3,214)	3,280
Exclusion of equity in the results of investees	918	(3,089)	194	(532)
Provisions and others (additions) and exclusions	(2,047)	(411)	(2,047)	(415)
Tax losses and temporary differences for which deferred taxes were not recorded	129	220	1,365	(2,333)
IRPJ/CSLL accurate	**(3,687)**	-	**(3,702)**	-
Tax incentive - R&D	723	-	723	-
Tax expense recorded	**(2,964)**	-	**(2,979)**	-
Income tax and social contribution	(2,036)	-	(2,051)	-
Deferred income tax and social contribution	(928)	-	(928)	-
	(2,964)	-	**(2,979)**	-

23. PROVISION FOR TAX, LABOR AND CIVIL RISKS

The Company has contingencies that are being discussed in court, including tax, labor and civil lawsuits. The Company’s Management believes that the outcome of these lawsuits will not have an effect significantly different from the amount provided for, which corresponds to the amounts of lawsuits considered “probable losses”. These basically refer to:

	Parent company and consolidated			
	Civil	Tax	Labor	Total
At December 31, 2017	**7,364**	**12,649**	**18,466**	**38,479**
Provision recorded	423	2,334	1,747	4,504
Reduction through payments	(2,078)	(15)	(3,830)	(5,923)
At December 31, 2018	**5,709**	**14,968**	**16,383**	**37,060**
Provision recorded	1,075	668	912	2,655
Reduction through payments	(1,059)	-	(1,031)	(2,090)
At June 30, 2019	**5,725**	**15,636**	**16,264**	**37,625**
Current				4,073
Non Current				33,552

The amount recorded at the Parent Company and at the Consolidated, in current liabilities was R$4,073 (R$4,139 as of December 31, 2018) and that recorded in noncurrent liabilities was R$33,552 (R$32,921 as of December 31, 2018).

<u>Civil</u>

The Company is a party to lawsuits of a commercial and civil nature relating to consumers’ complaints about products and services provided by the Company. There is not any individual relevant lawsuit.

Tax

Administrative proceedings and lawsuits discussing the legality or constitutionality of municipal, state and federal taxes, contributions and fees. There is not any individual relevant lawsuit.

Labor

Lawsuits discussing employer-employee relationship issues. There is not any individual relevant lawsuit.

Possible losses

The amounts of contingencies assessed as possible losses by the Company's legal counsel, for which no provision was recorded in accordance with the accounting practices adopted, are as follows:

	Parent company Consolidated	
	6/30/2019	**12/31/2018**
Tax		
Tax (a)	340,741	312,767
Labor		
Employees (b)	1,862	3,028
Civil		
Public Organization and Private Companies (c)	63,652	63,354
Consumers (c)	4,073	1,704
	410,328	**380,853**

Tax

(a) Taxes and contributions (principal in the total amount of R$288,068):

(i) Import tax (II) and IPI - Tax assessment notice claiming Import Duty and Federal VAT differences, arising from the discussion on the difference in the rate levied on the import of signal capture boards and video cards.

(ii) Import tax (II) and IPI - Tax assessment notice claiming differences of Import and Excise taxes, arising from the reclassification of the Mercosur Common Nomenclature (MCN) on imports of microprocessors carried out by the Company. This reclassification arose from the change in tax classification criteria by the Federal Revenue Service.

(iii) II and IPI - Tax assessment notice relating to differences of Import and Excise taxes, arising from the reclassification of the MCN on imports of LCD screens carried out by the Company's branch located in Ilhéus, State of Bahia, in the last three years. This reclassification arose from the change in tax classification criteria by the Federal Revenue Service.

(iv) ISS – Tax Assessment Notice issued by the Municipal Government of Curitiba, discussing the service tax levied on the assignment of the right to use Portal Educacional, lease of properties, software licenses off-the-shelf software and tax exemption on e-books.

(v) PIS and COFINS – Tax lawsuit claiming the disallowance of untimely PIS and COFINS credits recognized by the Company on commission, advertising and technical support expenses.

(vi) PIS and COFINS – Tax assessment notice collecting fine on the amount of debts subject to unapproved offset statements.

(b) Labor

Employees: Lawsuits discussing labor amounts and indemnities. There are no individually significant lawsuits.

(c) Civil

(i) Government agencies – (principal in the total amount of R$58,254):

Administrative proceeding in connection with the supply of equipment to the State of Pernambuco – Infrastructure Department for Digital Inclusion (DEID) under agreement 02/2007/STE-MC; the proceeding discusses the fine applied due to alleged partial breach of agreement.

State of Pernambuco – Ordinary action to annul the bid process 046/2011 from the Education Department of Pernambuco.

Brazilian Mail and Telegraph Company – Ordinary action filed to avoid the inclusion in SICAF, CADIN and similar lists, suspend the payment of fines and annul penalties (delays of technical support calls).

Federal Revenue Service of Brasil: Appeal currently being processed at the administrative level to challenge the imposition of fines for an alleged delay in complying with the so-called application installation and/or maintenance, agreements 36/2011 and 58/2011.

City Government of São Paulo – Lawsuit filed to suspend the collection of administrative fine due to alleged delay in the delivery of IT equipment to contracting party.

(ii) Consumers

These are administrative procedures and lawsuits related to end consumers' complaints about products sold and services provided by the Company, claiming the replacement of the product or the refund of amounts paid. In the case of administrative procedures, these are filed by consumer protection agencies, with analysis of the existence of infringements of consumer relations and the possibility of receiving fines as determined in Decree 2,181/97. There are no individually significant lawsuits.

24. EQUITY

(a) Share capital

The Company's share capital at June 30, 2019 and December 31, 2018 amounted to R$389,000. The Company’s shares total 87,800,000, all of them common shares, and are held as follows:

	Number of shares (in units)	
Stockholders	**6/30/2019**	**12/31/2018**
Controlling interests and related parties	62,093,094	62,093,094
Non-controlling interests, related parties and officers	141,756	141,756
Treasury shares	1,385,408	1,835,408
Shares outstanding in the market	24,179,742	23,729,742
	87,800,000	**87,800,000**

Based on the Minutes of the Stockholders' Meeting held on August 17, 2006, the Company is authorized to increase its capital, regardless of amendment to the bylaws and stockholders’ resolution, upon determination of the Board of Directors, up to the limit of the Company's authorized capital of 4,500,000 new common shares, without par value.

The Company's direct controlling stockholders are as follows:

	Number of common shares (in units)	
Direct controlling stockholders	**6/30/2019**	**12/31/2018**
Hélio Bruck Rotenberg	13,418,619	13,418,619
Cixares Líbero Vargas	12,418,618	12,418,618
Isabela Cesar Formighieri Mocelin	3,806,207	3,806,207
Daniela Cesar Formighieri Rigolino	3,806,206	3,806,206
Sofia Guimarães Von Ridder	4,139,540	4,139,540
Samuel Ferrari Lago	4,139,540	4,139,540
Paulo Fernando Ferrari Lago	4,139,540	4,139,540
Rodrigo Cesar Formighieri	3,806,206	3,806,206
Lucas Raduy Guimarães	4,139,539	4,139,539
Giem Raduy Guimarães	4,139,540	4,139,540
Thais Susana Ferrari Lago	4,139,539	4,139,539
	62,093,094	**62,093,094**

(b) Capital reserve - tax incentives and Stock Option.

	Parent company Consolidated	
	6/30/2019	**12/31/2018**
Investment subvention reserve (i)	118,305	118,305
Stock option benefit reserve (ii)	925	812
	119,230	**119,117**

(i) Investment grant reserves

Refers to tax incentives of the Company, which were recorded in this account up to December 31, 2007. After Law 11,638/07, these benefits started to be recorded in the caption "Revenue reserves".

(ii) Purchase option granted under the employee stock option plan

Purchase options granted under the employee stock option plan do not grant voting rights or dividends. Further details on the employee stock option plan is described in Note 34.

(c) Revenue reserve

	Parent company	
	6/30/2019	**12/31/2018**
Tax incentive reserve and retained earnings (i)	57,832	61,762
Legal reserve (ii)	81	81
	57,913	**61,843**

(i) Tax incentive reserve

As mentioned in Note 8, the amounts recorded in this account relate to the ICMS tax incentive, in conformity with State Decree 5,375/2002 (the effective period of Article 3 runs through to July 31, 2011), and State Decree 1,922/2011 effective from August 1, 2011. Pursuant to income tax legislation, this tax incentive reserve can only be utilized to increase capital and loss absorption, and cannot be distributed as dividends since it relates to a benefit granted by the State to the Company for a specific activity.

(ii) Legal reserve

The purpose of the legal reserve is to ensure the integrity of capital and it can be used only to offset losses and increase capital.

The legal reserve is credited annually, provided that the balance of this reserve, plus the amount of capital reserves, does not exceed 30% of the share capital, with allocation of 5% of the profit for the year and cannot exceed 20% of the capital.

(d) Dividends

According to the minutes of the Annual and Extraordinary General Meeting of stockholders held on March 25, 2008, the Company may prepare semiannual or interim financial statements; decide on the distribution of dividends as a charge to the account of profit determined in these financial statements; declare interim dividends as a charge to retained earnings or to the revenue reserves existing in these financial statements or in the last annual financial statements; may pay or credit interest on capital, subject to approval at the Annual General Meeting that approves the financial statements for the year in which such interest was paid or credited, and interim dividends and interest on capital shall always be attributed to the mandatory dividend.

(e) Allocation of profit/loss

Any accumulated deficit will be deducted from the profit for the period, before any allocation. Management profit-sharing will be calculated on the remaining profit, up to the maximum legal limit, as set forth in Article 152, paragraph 1 of Law 6,404/76, after an appropriation to the legal reserve of 5%, the balance of which cannot exceed 20% of capital.

(f) Treasury shares

To comply with the stock option plan for executives, the Company holds a total of 1,385,408 treasury shares (1,835,408 at December 31, 2018), purchased under the repurchase program, at an average price of R$10.48 in amount of R$14,514 at June 30, 2019 (as at December 31, 2018, the total acquisition amount is R$19,229 based on the remaining treasury shares). If the shares were sold for R$2.60 at June 30, 2019 (price at the date), the effect on equity would be a loss of R$10,912 (loss of R$15,118 at December 31, 2018).

(g) Other comprehensive income

The Company recognized in this line item the effect from exchange rate changes on investments in foreign subsidiaries, actuarial gains and losses arising from the employee benefit plan and gain (loss) on cash flow hedge transactions. For exchange rate changes, the accrued effect is reversed to profit or loss for the year either as gain or as loss only in case of disposal or write-off of the investment. For actuarial gains and losses, amounts are recognized when the actuarial liability is remeasured. Cash flow hedge transactions will be transferred to profit or loss for the year if an ineffective portion is identified and/or upon the end of the hedge relationship.

25. REVENUE

The analysis of the Company's revenue in the six and three-month period ended June 30, 2019 and June 30, 2018 is as follows:

	Semester ended in			
	Parent company		Consolidated	
	6/30/2019	6/30/2018	6/30/2019	6/30/2018
Revenue from sale of products	911,092	1,016,039	994,690	1,021,500
Revenue from services	27,080	17,651	27,528	17,651
Gross revenue	**938,172**	**1,033,690**	**1,022,218**	**1,039,151**
Less:				
Taxes on sales and services	(157,385)	(187,804)	(173,814)	(187,825)
Investment grant	94,268	103,051	99,275	103,051
Returns and rebates	(22,327)	(39,422)	(22,415)	(39,607)
Net revenue	**852,728**	**909,515**	**925,264**	**914,770**

	Quarter ended in			
	Parent company		Consolidated	
	6/30/2019	6/30/2018	6/30/2019	6/30/2018
Revenue from sale of products	545,533	527,145	602,402	529,275
Revenue from services	12,952	10,180	13,125	10,180
Gross revenue	**558,485**	**537,325**	**615,527**	**539,455**
Less:				
Taxes on sales and services	(93,782)	(96,004)	(103,164)	(96,234)
Investment grant	58,302	56,253	61,368	56,253
Returns and rebates	(8,181)	(14,482)	(8,546)	(14,363)
Net revenue	**514,824**	**483,092**	**565,185**	**485,111**

26. EXPENSES BY NATURE

The Company classified expenses according to their function in the statement of income. The information on the nature of these expenses recorded in the statement of income is as follows:

	Semester ended in			
	Parent company		Consolidated	
	6/30/2019	6/30/2018	6/30/2019	6/30/2018
Raw materials and consumables used	589,489	652,634	636,629	650,502
Salaries and benefits	65,323	75,134	72,218	82,647
General expenses	15,806	28,144	19,174	31,163
Third-party services	24,598	17,771	26,552	17,816
Cooperative advertising expenses	20,189	25,474	20,221	25,474
Commissions	11,397	14,714	12,745	14,714
Depreciation and amortization	17,508	14,952	19,177	16,247
Other operating expenses, net	70,122	75,431	74,055	75,511
	814,432	**904,254**	**880,771**	**914,074**
Cost of sales	613,599	679,124	670,442	687,939
Selling expenses	156,167	173,584	162,108	173,673
General and administrative expenses	44,666	51,546	48,221	52,462
	814,432	**904,254**	**880,771**	**914,074**

	Quarter ended in			
	Parent company		Consolidated	
	6/30/2019	6/30/2018	6/30/2019	6/30/2018
Raw materials and consumables used	357,999	352,998	392,159	350,916
Salaries and benefits	34,322	38,575	38,638	42,147
General expenses	7,886	11,695	7,632	13,286
Third-party services	13,230	13,486	14,823	13,493
Cooperative advertising expenses	11,161	13,712	11,176	13,712
Commissions	6,396	7,716	7,486	7,716
Depreciation and amortization	8,698	7,569	9,526	8,315
Other operating expenses, net	44,232	47,669	47,266	47,700
	483,924	**493,420**	**528,706**	**497,285**
Cost of sales	371,199	366,854	410,920	370,421
Selling expenses	89,713	98,536	93,112	98,571
General and administrative expenses	23,012	28,030	24,674	28,293
	483,924	**493,420**	**528,706**	**497,285**

27. SEGMENT INFORMATION

To manage its business and make decisions, the Company uses information that focuses on product and service sales channels, which are the basis on which it reports primary information by segment. The Company's main operating segments are: retail sales and sales to Government entities. The information by reportable segment of these units is presented below:

Revenue and loss by segment:

	Semester ended in					
	Consolidated					
	6/30/2019			6/30/2018		
	Retail	Government	Reportable segments	Retail	Government	Reportable segments
Net sales revenue	515,352	201,159	716,511	473,513	276,570	750,083
Cost of sales and services	(361,086)	(157,561)	(518,647)	(344,652)	(218,253)	(562,905)
Gross profit	154,266	43,598	197,864	128,861	58,317	187,178
Operating expenses	(121,309)	(42,096)	(163,405)	(125,565)	(52,387)	(177,952)
Profit before finance result	32,957	1,502	34,459	3,296	5,930	9,226
Finance results, net	(13,296)	(16,718)	(30,014)	(8,367)	(11,652)	(20,019)
Profit (loss) before taxation	19,661	(15,216)	4,445	(5,071)	(5,722)	(10,793)
Income tax and social contribution (current and deferred)	(1,912)	(540)	(2,452)	-	-	-
Profit (loss) for the period	**17,749**	**(15,756)**	**1,993**	**(5,071)**	**(5,722)**	**(10,793)**

	Quarter ended in					
	Consolidated					
	6/30/2019			6/30/2018		
	Retail	Government	Reportable segments	Retail	Government	Reportable segments
Net sales revenue	296,179	146,294	442,473	261,259	153,278	414,537
Cost of sales and services	(206,471)	(113,325)	(319,796)	(195,633)	(124,958)	(320,591)
Gross profit	89,708	32,969	122,677	65,626	28,320	93,946
Operating expenses	(65,767)	(26,397)	(92,164)	(69,544)	(30,434)	(99,978)
Profit before finance result	23,941	6,572	30,513	(3,918)	(2,114)	(6,032)
Finance results, net	(11,835)	(10,029)	(21,864)	(2,736)	(6,700)	(9,436)
Profit (loss) before taxation	12,106	(3,457)	8,649	(6,654)	(8,814)	(15,468)
Income tax and social contribution (current and deferred)	(1,912)	(540)	(2,452)	-	-	-
Profit (loss) for the period	**10,194**	**(3,997)**	**6,197**	**(6,654)**	**(8,814)**	**(15,468)**

The reconciliation between the revenue of reportable segments and the Company and its subsidiaries' total revenue is as follows:

	Semester ended in		Quarter ended in	
	Consolidated		Consolidated	
	6/30/2019	6/30/2018	6/30/2019	6/30/2018
Net sales revenue				
Net sales revenue of reportable segments	716,511	750,083	442,473	414,537
Net sales revenue of non-reportable segments	208,753	164,687	122,712	70,574
	925,264	**914,770**	**565,185**	**485,111**

The reconciliation between (loss) and profit of the reportable segments and the Company and its subsidiaries' total results is as follows:

	Semester ended in		Quarter ended in	
	Consolidated		Consolidated	
	6/30/2019	6/30/2018	6/30/2019	6/30/2018
Profit (loss) for the period				
Profit (loss) for the period of reportable segments	1,993	(10,793)	6,197	(15,468)
Profit (loss) for the period non-reportable segments	4,480	1,145	4,871	3,858
	6,473	**(9,648)**	**11,068**	**(11,610)**

The revenue of the segments presented above does not include the revenue generated by subsidiaries. The relevant accounting policies for reportable segments are the same as those of the Company. The profit or loss of the segments corresponds to that of each segment, after allocation of all revenues, costs and expenses.

Revenue from main products and services

(a) Breakdown of net revenue by product is as follows:

	Semester ended in		Quarter ended in	
	Consolidated		Consolidated	
	6/30/2019	6/30/2018	6/30/2019	6/30/2018
Products				
Notebooks	310,979	424,228	180,649	215,198
Desktops	238,729	275,219	160,257	166,084
Tablets	3,223	2,890	1,128	849
Cell phones	257,593	149,489	151,301	85,214
Digital conversor	-	33,026	-	3,519
Others	114,740	29,918	71,850	14,247
	925,264	**914,770**	**565,185**	**485,111**

(b) Assets and liabilities per segment

Although the Company's assets and liabilities are allocated to certain segments, they are not managed independently as they relate mainly to the production of IT equipment and mobile for the designated sales segments.

(c) Geographical information

In the period ended at June 30, 2019, the Company and its subsidiaries recorded sales to the foreign market of R$16,390 (R$5,123 at the period ended June 30, 2018). The remaining sales were made to the domestic market.

(d) Information on major customers

Five of the Company's customers represented more than 42% of the total net revenue at the period ended June 30, 2019.

28. FINANCE RESULT

	Semester ended in			
	Parent company		Consolidated	
	6/30/2019	6/30/2018	6/30/2019	6/30/2018
Finance income				
Adjustment to present value - customers	7,707	13,028	8,346	22,282
Income from financial investments	5,659	5,349	5,784	5,440
Other finance income	2,035	2,575	2,433	2,576
	15,401	20,952	16,563	30,298
Finance costs				
Interest on borrowings	(33,510)	(25,845)	(33,620)	(25,856)
Adjustment to present value - suppliers	(7,288)	(11,550)	(8,155)	(13,742)
Tax on financial transactions	(529)	(825)	(531)	(831)
Contractual fines	(1,442)	(490)	(1,442)	(490)
Other finance costs	(9,030)	(8,288)	(11,043)	(8,333)
	(51,799)	(46,998)	(54,791)	(49,252)
Finance income and costs, net	(36,398)	(26,046)	(38,228)	(18,954)
Foreign exchange variation				
Gains on currency hedge	11,137	52,067	11,137	52,067
Losses on currency hedge	(9,659)	(3,639)	(9,659)	(3,639)
Gains on foreign exchange variations	7,383	16,338	8,889	17,587
Losses on foreign exchange variations	(5,658)	(50,909)	(7,571)	(62,216)
	3,203	13,857	2,796	3,799
Finance results, net	**(33,195)**	**(12,189)**	**(35,432)**	**(15,155)**

	Quarter ended in			
	Parent company		Consolidated	
	6/30/2019	6/30/2018	6/30/2019	6/30/2018
Finance income				
Adjustment to present value - customers	4,208	6,241	4,446	13,353
Income from financial investments	2,771	2,378	2,810	2,418
Other finance income	1,128	227	1,511	228
	8,107	8,846	8,767	15,999
Finance costs				
Interest on borrowings	(16,559)	(14,372)	(16,669)	(14,383)
Adjustment to present value - suppliers	(3,747)	(6,150)	(4,157)	(7,522)
Tax on financial transactions	(263)	(467)	(263)	(467)
Contractual fines	(798)	(410)	(798)	(410)
Other finance costs	(4,935)	(4,468)	(6,549)	(4,489)
	(26,302)	(25,867)	(28,436)	(27,271)
Finance income and costs, net	(18,195)	(17,021)	(19,669)	(11,272)
Foreign exchange variation				
Gains on currency hedge	496	46,653	496	46,653
Losses on currency hedge	(6,440)	(263)	(6,440)	(263)
Gains on foreign exchange variations	3,375	12,722	4,422	13,091
Losses on foreign exchange variations	(2,073)	(45,774)	(2,764)	(55,890)
	(4,642)	13,338	(4,286)	3,591
Finance results, net	**(22,837)**	**(3,683)**	**(23,955)**	**(7,681)**

Below is the cash effect of the exchange rate changes during the period ended at June 30, 2019 and June 30, 2018:

	Consolidated	
	Semester ended in	
NDF / Options	**6/30/2019**	**6/30/2018**
(+) Opening balance	2,740	4,050
(+) Gain recognized in profit or loss	1,478	48,428
(-) Closing balance	(1,703)	37,430
(=) Cash effect	5,921	15,048
Foreign variation payments		
(+) Opening balance	306	(9,790)
(+) Gain / (Loss) recognized in profit or loss	1,318	(44,629)
(-) Closing balance	5,102	(36,044)
(=) Cash effect	(3,478)	(18,375)
Profit recognized	2,796	3,799
(=) Net cash effect	2,443	(3,327)

29. INSURANCE - CONSOLIDATED

At June 30, 2019, the insurance cover established by the Company's Management to cover losses and civil liability can be summarized as follows:

Area	Event Coverage	Insured amount	Effectiveness
Named and Operational risks	Robbery and theft of assets and inventories	401,000	4/1/2019 to 4/1/2020
Named and Operational risks	Credit Insurance - Commercialization of computer equipment	80,175	10/1/2018 to 9/30/2019
Legal guarantee	Legal and/or administrative proceedings in progress	4,516	6/6/2019 to 6/6/2022
Legal guarantee	Legal and/or administrative proceedings in progress	10,458	7/4/2016 to 1/3/2021
Legal guarantee	Legal and/or administrative proceedings in progress	13,198	1/4/2016 to 1/3/2021
Legal guarantee	Legal and/or administrative proceedings in progress	114	1/13/2016 to 1/12/2021
Legal guarantee	Legal and/or administrative proceedings in progress	7,224	6/14/2017 to 6/14/2020
Legal guarantee	Legal and/or administrative proceedings in progress	60,647	7/13/2017 to 7/13/2020
Legal guarantee	Legal and/or administrative proceedings in progress	7,224	6/14/2017 to 6/14/2020
Legal guarantee	Legal and/or administrative proceedings in progress	677	7/8/2018 to 7/8/2021
Civil liability	Civil liability Geral	150,000	10/30/2018 to 10/30/2019
Civil liability	Civil liability Geral	250	4/8/2019 to 4/7/2020

The independent auditors did not analyze the sufficiency of the amounts to cover probable losses.

30. PROFIT (LOSS) PER SHARE

Basic profit (loss) per share are calculated by dividing the loss attributable to stockholders of the Company by the weighted average number of common shares in power of the stockholders, excluding common shares purchased by the Company and held as treasury shares.

Diluted profit (loss) per share is calculated based on the adjustment of profit attributable to the Company's shareholders, as well as the weighted average number of total shares held by shareholders (outstanding), so as to reflect the effects of all dilutive common shares.

	Semester ended in		Quarter ended in	
	Parent company		Parent company	
	6/30/2019	6/30/2018	6/30/2019	6/30/2018
Basic				
Basic numerator				
Profit (Loss) allocated to common shares	4,939	(9,648)	9,833	(11,610)
Basic denominator				
Weighted average number of common shares (in thousands)	86,399	86,360	86,415	86,400
Basic earnings (loss) per share	**0.0572**	**(0.1117)**	**0.1138**	**(0.1344)**
Diluted				
Diluted numerator				
Profit (Loss) allocated to common shares	4,939	(9,648)	9,833	(11,610)
Diluted denominator				
Weighted average number of common shares (in thousands)	86,443	87,035	86,415	86,939
Basic earnings (loss) per share	**0.0571**	**(0.1109)**	**0.1138**	**(0.1335)**

The weighted average number of common shares used in the calculation of basic earnings (loss) per share is reconciled to the weighted average number of common shares used in the calculation of diluted earnings (loss) per share as follows:

	Semester ended in		Quarter ended in	
	Parent company		Parent company	
	6/30/2019	6/30/2018	6/30/2019	6/30/2018
Basic				
Weighted average number of common shares of the Company	87,800	87,800	87,800	87,800
Weighted average number of treasury common shares	(1,401)	(1,440)	(1,385)	(1,400)
Weighted average number of common shares used in the calculation of basic earnings per share	86,399	86,360	86,415	86,400
Diluted				
Weighted average number of common shares of the Company	87,800	87,800	87,800	87,800
Weighted average number of treasury common shares	(1,401)	(1,440)	(1,385)	(1,400)
Weighted average number of options	44	675	-	539
Weighted average number of common shares used in the calculation of diluted (loss) earnings per share	86,443	87,035	86,415	86,939

31. FINANCIAL RISK MANAGEMENT

31.1. Financial risk factors

The Company’s activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk), credit risk and liquidity risk. The Company manages the global risks relating to the unpredictability of financial markets and seeks to minimize potential adverse effects on its financial performance. The Company uses derivative financial instruments to hedge certain risk exposure, without the purpose of speculation to leverage its finance results. The quantitative information regarding each type of risk arising from financial instruments is described in the sections below, which represent the concentrations of risk monitored by the Company’s Management.

Risk management is carried out by the Company’s treasury department, following guidelines determined by the Company’s officers and Board of Directors.

(a) Market risk

(i) Foreign exchange risk

The Company mainly operates in the domestic market, but carries out significant imports of input materials from the foreign market, being therefore exposed to foreign exchange risk basically with regard to the U.S. dollar. The main transactions relate to payables to foreign suppliers (Note 15) and working capital loan operations (Note 17).

Management has established a policy to require the Company to manage its foreign exchange risk against its functional currency. The Company is required to hedge its foreign exchange risk exposure in accordance with the guidelines of the finance department. Its main objective is to hedge its U.S. dollar-denominated commitments against future price fluctuations, so as to provide greater predictability in its operations.

The Company enters into U.S. dollar options and also non-deliverable forwards (NDFs) to hedge against exchange rate fluctuations, covering only the foreign exchange exposure over the payment term granted by suppliers for the purchase of imported components. Additionally, the Company carries out swap operations to hedge its borrowing in foreign currency against the fluctuations in future prices. The main analyses made by the finance department to contract derivative financial instruments are:

- Based on the analysis of payables for imports, either in regard to materials already in inventory or materials in transit, the derivative contracts are reviewed and/or changed on a weekly basis.

- The amount and type to be contracted are defined in light of the specifics of each in relation to the volatility of the U.S. dollar and the future prospects of the economy.
- Based on the sensitivity analysis of U.S. dollar volatility against the types of hedge contracted over the months, it is possible to measure the possible cash requirements to cover the results of NDF transactions.

	June 30, 2019			
	Parent company		Consolidated	
	Foreign currency	Real	Foreign currency	Real
Assets				
Trade and other receivables				
U.S. Dollar	259	993	422	1,618
Liabilities				
Trade payables - foreign market				
U.S. Dollar	(41,013)	(157,169)	(52,951)	(202,917)
Borrowings				
U.S. Dollar	(80,362)	(307,962)	(80,362)	(307,962)
Euros (converted to Dollar)	(19,673)	(75,392)	(20,705)	(79,347)
Derivative financial instruments				
Swap - U.S. Dollar	80,362	307,962	80,362	307,962
Swap - Euros (converted to Dollar)	19,673	75,392	20,705	79,347
NDFs - U.S. Dollar	79,193	303,483	79,193	303,483
Net exposure 1	**38,439**	**147,307**	**26,664**	**102,184**
Government projects				
U.S. Dollar	(11,274)	(43,204)	(11,274)	(43,204)
Net exposure 2	**27,165**	**104,103**	**15,390**	**58,980**

	December 31, 2018			
	Parent company		Consolidated	
	Foreign currency	Real	Foreign currency	Real
Assets				
Trade and other receivables				
U.S. Dollar	510	1,975	569	2,203
Liabilities				
Trade payables - foreign market				
U.S. Dollar	(50,955)	(197,441)	(63,909)	(247,633)
Borrowings				
U.S. Dollar	(92,231)	(357,377)	(92,231)	(357,377)
Euros (converted to Dollar)	(9,523)	(36,900)	(9,523)	(36,900)
Derivative financial instruments				
Swap - U.S. Dollar	92,231	357,377	92,231	357,377
Swap - Euros (converted to Dollar)	9,523	36,900	9,523	36,900
NDFs - U.S. Dollar	43,754	169,538	43,754	169,538
Call options - U.S. Dollars	3,558	13,787	3,558	13,787
Net exposure 1	**(3,133)**	**(12,141)**	**(16,028)**	**(62,105)**
Government projects				
U.S. Dollar	(19,477)	(75,469)	(19,477)	(75,469)
Net exposure 2	**(22,610)**	**(87,610)**	**(35,505)**	**(137,574)**

Net exposure 1 - refers to an exposure in foreign currency, considering the foreign exchange assets and liabilities held by the Company and accounted for in the balance sheet, net of derivative financial instruments contracted to hedge these liabilities.

Net exposure 2 - refers to an exposure in foreign currency, considering the foreign exchange assets and liabilities held by the Company and accounted for in the balance sheet and the future commitments arising from the Government Projects, net of derivative financial instruments contracted to hedge these liabilities. Government Projects refer to the Company's winning bids to provide computers in the next months. For this reason, the Company calculates the exposure to which it will be exposed with the acquisition of inputs abroad in order to meet these commitments.

(ii) Cash flow and fair value interest rate risk

The Company has no significant interest-earning assets, except the balance of financial investments.

The Company's interest rate risk arises from long-term borrowings, as detailed in Note 17. Borrowings at floating rates expose the Company to cash flow interest rate risk. Borrowings at fixed rates expose the Company to fair value interest rate risk. At June 30, 2019 and December 31, 2018, the Company's borrowings at variable rates were denominated in Brazilian reais, U.S. dollars and European Union Euro. The sensitivity analysis with the projected scenarios and related impacts on equity and results are presented in item "d" of this Note.

(b) Credit risk

Credit risk is managed on a corporate basis. Credit risk arises from cash and cash equivalents, derivative financial instruments, as well as credit exposure to customers in the Government and retail segments. For banks and other financial institutions, only independently rated parties usually classified as first-tier entities are accepted. The financial institutions with which the Company operates are evaluated by the rating agencies as a low risk. For the customers, the credit analysis area evaluates the quality of the customer's credit, taking into consideration financial position, past experience and other factors, as detailed in Note 6, which also discloses the customer's credit risk. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Management. The utilization of credit limits is regularly monitored. Sales to retail customers are settled in cash.

No credit limits were exceeded during the reporting period, and Management does not expect any losses from non-performance by these counterparties.

(c) Liquidity risk

The final responsibility for the liquidity risk management lies with the Board of Directors, which prepared an appropriate liquidity risk management model to manage funding requirements and short-, medium- and long-term liquidity. The Company manages liquidity risks by maintaining adequate reserves, bank credit lines and other credit lines for obtaining borrowings, as deemed appropriate, through ongoing monitoring of forecast and actual cash flows, as well as through the combination of maturity profiles for financial assets and liabilities.

The following tables show details of the contractual maturity terms remaining for the Company's non-derivative financial liabilities. The tables were prepared according to the undiscounted cash flow method for financial liabilities based on the closest date in which the Company should settle the respective obligations. The tables include interest and principal cash flows. To the extent that the interest flows are at floating rates, the undiscounted amount was obtained based on the interest curves at the end of the reporting period. The contractual maturity is based on the most recent date on which the Company should settle the respective obligations.

<u>Financial liabilities</u>

	Parent company						
	Effective weighted average interest rate	**Less than one month**	**One to three months**	**Three months to one year**	**One to five years**	**Over five years**	**Total**
	% CDI	**R$**	**R$**	**R$**	**R$**	**R$**	**R$**
June 30, 2019							
Trade payables	101.84	152,382	87,011	51,280	-	-	290,673
Borrowings at floating interest rates	138.83	82,914	152,983	258,191	82,172	21,939	598,199
Derivative financial instruments		2,590	7,024	283	-	-	9,897
Related parties		-	8,934	-	-	-	8,934
Leases	116.13	522	1,054	4,904	31,188	4,576	42,244
Other liabilities - non current		-	-	-	2,001	-	2,001
		238,408	257,006	314,658	115,361	26,515	951,948
December 31, 2018							
Trade payables	102.16	215,991	87,217	79,442	-	-	382,650
Borrowings at floating interest rates	138.67	6,510	86,824	426,100	79,444	11,357	610,235
Derivative financial instruments		-	-	118	-	-	118
Related parties		-	5,858	-	-	-	5,858
Other liabilities - non current		-	-	-	2,885		2,885
		222,501	179,899	505,660	82,329	11,357	1,001,746

	Consolidated						
	Effective weighted average interest rate	Less than one month	One to three months	Three months to one year	One to five years	Over five years	Total
	% CDI	R$	R$	R$	R$	R$	R$
June 30, 2019							
Trade payables	101.84	181,922	118,304	54,624	-	-	354,850
Borrowings at floating interest rates	138.83	82,914	152,983	262,146	82,172	21,939	602,154
Derivative financial instruments		2,590	7,024	283	-	-	9,897
Related parties		-	725	-	5,742	-	6,467
Leases	116.13	576	1,164	5,415	34,438	5,052	46,645
Other liabilities - non current		-	-	-	24,015	-	24,015
		268,002	280,200	322,468	146,367	26,991	1,044,028
December 31, 2018							
Trade payables	101.75	247,327	108,806	95,997	-	-	452,130
Borrowings at floating interest rates	138.67	6,510	86,824	426,100	79,444	11,357	610,235
Derivative financial instruments		-		242	-	-	242
Related parties		-	755	-	5,500	-	6,255
Other liabilities - non current		-	-	-	23,993	-	23,993
		253,837	196,385	522,339	108,937	11,357	1,092,855

Financial assets

	Parent company					
	Effective weighted average interest rate	Less than one month	One to three months	Three months to one year	Up Onde year	Total
	% CDI	R$	R$	R$	R$	R$
June 30, 2019						
Cash and banks		24,012	-	-	-	24,012
Financial investments at floating interest rates	90.25	289,593	-	-	-	289,593
Trade receivables	101.67	154,973	46,607	18,596	6	220,182
Related parties		-	-	43,874	-	43,874
		468,578	46,607	62,470	6	577,661
December 31, 2018						
Cash and banks		15,562	-	-	-	15,562
Financial investments at floating interest rates	97.53	341,330	-	-	-	341,330
Derivative financial instruments		2,097	643	-	-	2,740
Trade receivables	101.66	158,594	56,218	18,139	28	232,979
Related parties		-	-	64,156	-	64,156
		517,583	56,861	82,295	28	656,767

	Consolidated					
	Effective weighted average interest rate	Less than one month	One to three months	Three months to one year	Up Onde year	Total
	% CDI	R$	R$	R$	R$	R$
June 30, 2019						
Cash and banks		58,687	-	-	-	58,687
Financial investments at floating interest rates	90.25	293,266	-	-	-	293,266
Trade receivables	101.67	160,395	88,903	20,208	9	269,515
Related parties		-	-	20,273	-	20,273
		512,348	88,903	40,481	9	641,741
December 31, 2018						
Cash and banks		49,854	-	-	-	49,854
Financial investments at floating interest rates	97.53	343,494	-	-	-	343,494
Derivative financial instruments		2,097	643	-	-	2,740
Trade receivables	101.66	168,573	85,084	22,407	28	276,092
Related parties		-	-	21,103	-	21,103
		564,018	85,727	43,510	28	693,283

(d) Additional sensitivity analysis required by the Brazilian Securities Commission (CVM)

The table below presents the impacts that would arise from changes in significant risk variables to which the Company is exposed at the end of the period. The risk variables significant to the Company, taking into consideration a period of up to 12 months for this analysis, are its exposure to foreign currency fluctuations, mainly the U.S. dollar, and its exposure to interest rate fluctuation. Management believes that the probable scenario reflects the Brazilian Central Bank's expectations of U.S. dollar exchange rates and the CDI interest rate for the period ended June 30, 2019. The other risk factors were considered immaterial to the results of the financial instruments.

	Consolidated								
	Assets and liabilities balance								
	6/30/2019	12/31/2018	6/30/2019	12/31/2018	Scenarios				
	Assets/Liabilities	Assets/Liabilities	Notional amount (USD)	Notional amount (USD)	Probable	25%	50%	-25%	-50%
Derivative financial instruments									
Interest swap - held for trading									
US$ para R$ (CDI)	(8,194)	(118)	101,067	101,754	(8,615)	(10,769)	(12,923)	(6,461)	(4,308)
Borrowings									
In US$	(383,354)	(394,277)	(101,067)	(101,754)					
Borrowings									
In CDI	(108,688)	(117,190)	-	-	(38,160)	(47,700)	(57,240)	(28,620)	(19,080)
Net exposure			**-**	**-**	**(46,775)**	**(58,469)**	**(70,163)**	**(35,081)**	**(23,388)**
Derivative financial instruments									
Forward foreign exchange contracts - held for trading									
R$ para US$ - NDF's and Options	(628)	2,740	79,193	47,312	(7,757)	67,384	142,522	(82,889)	(158,028)
Other financial liabilities									
Trade payables - foreign currency									
US$ to R$	(202,914)	(247,633)	(52,950)	(63,909)	5,993	(27,875)	(61,743)	39,861	73,728
Net exposure 1			**26,243**	**(16,597)**	**(1,764)**	**39,509**	**80,779**	**(43,028)**	**(84,300)**
Trade payables in foreign currency - Government Projects									
US$ to R$			(11,274)	(19,477)	622	(10,024)	(20,669)	11,268	21,913
Net exposure 2			**14,969**	**(36,074)**	**(1,142)**	**29,485**	**60,110**	**(31,760)**	**(62,387)**
Impact on the result (Effect appropriate to the result in the options and NDF's contracts)					**(47,917)**	**(28,984)**	**(10,053)**	**(66,841)**	**(85,775)**

Net exposure 1 - refers to an exposure in foreign currency, considering the foreign exchange liabilities held by the Company and accounted for in the balance sheet, net of derivative financial instruments contracted to hedge these liabilities.

Net exposure 2 - refers to an exposure in foreign currency, considering the foreign exchange liabilities held by the Company and accounted for in the balance sheet and the future commitments arising from the Government Projects, net of derivative financial instruments contracted to hedge these liabilities. Government Projects refer to the Company's winning bids to provide computers in the next months. For this reason, the Company calculates the exposure to which it will be exposed with the acquisition of inputs abroad in order to meet these commitments.

31.2. Net Debt

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for stockholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure of the Company, Management can make, or may propose to the stockholders when their approval is required, adjustments to the amount of dividends paid to stockholders, return capital to stockholders, issue new shares or sell assets to reduce, for example, debt.

	Parent company		Consolidated	
	6/30/2019	12/31/2018	6/30/2019	12/31/2018
Net debt				
Debt				
Loans - third parts	598,199	610,235	602,154	610,235
Derivative - Swap	8,194	118	8,194	118
Cash and cash equivalents	(313,605)	(356,892)	(351,953)	(393,348)
Net debt (a)	292,788	253,461	258,395	217,005
Debt				
Loans - third parts	598,199	610,235	602,154	610,235
Derivative - Swap	8,194	118	8,194	118
Derivative - Options and NDF	1,703	(2,740)	1,703	(2,616)
Cash and cash equivalents	(313,605)	(356,892)	(351,953)	(393,348)
Net debt (b)	294,491	250,721	260,098	214,389
Equity (c)	516,523	508,990	518,975	509,908
Net debt index (a)	0.57	0.50	0.50	0.43
Net debt index (b)	0.57	0.49	0.50	0.42

(a) The net debt is defined as short- and long-term borrowings, less cash and gain and/or loss from swap derivative transactions (borrowing agreement hedge).

(b) The net debt is defined as short- and long-term borrowings, less cash and gain and/or loss from swap derivative transactions (borrowing agreement hedge) and other derivative transactions, represented by option contracts and NDF (hedge of trade payables.

(c) The equity includes all capital and reserves of the Company, managed as capital.

31.3. Fair value estimation

The Company assumes that the carrying amounts of trade receivables and trade payables approximate with related parties and third parties at their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments. The amounts of the financial liabilities recognized at amortized cost approximate their fair values and are immaterial for disclosure.

The fair value of derivatives is calculated using observable market input assumptions. When such inputs are not available, a discounted cash flow analysis based on the yield curve is used, applicable over the term of instruments for derivatives without options. Foreign exchange futures contracts are measured using foreign exchange rates and yield curves obtained based on quotations and for the same maturities of contracts. Swaps are measured at the present value of estimated future cash flows and discounted based on applicable yield curves, on the basis of interest rate quotations.

For the Company's derivative financial instruments (currency futures contracts and cross-currency interest rate swaps) fair value measurements of Level 2 are used, through variables other than quoted prices included in Level 1, which are observable for the asset or liability directly (that is, as prices) or indirectly (that is, based on prices).

32. FINANCIAL INSTRUMENTS BY CATEGORY

	Parent company			Consolidated		
	Assets at fair value through profit or loss	Assets measured at fair value through other comprehensive income	Assets measured at amortized cost	Assets at fair value through profit or loss	Assets measured at fair value through other comprehensive income	Assets measured at amortized cost
June 30, 2019						
Assets per balance sheet						
Trade and other receivables, excluding prepayments	-	-	283,171	-	-	332,704
Related parties	-	-	43,874		-	20,273
Cash and cash equivalents	313,605	-	-	351,953	-	-
	313,605	**-**	**327,045**	**351,953**	**-**	**352,977**
December 31, 2018						
Assets per balance sheet						
Derivative financial instruments	2,740	-	-	2,740	-	-
Trade and other receivables, excluding prepayments	-	-	278,772	-	-	323,920
Related parties	-	-	64,156		-	21,103
Cash and cash equivalents	356,892	-	-	393,348	-	-
	359,632	**-**	**342,928**	**396,088**	**-**	**345,023**

	Parent company			Consolidated		
	Liabilities at fair value through profit or loss	Liabilities measured at fair value through other comprehensive income	Liabilities measured at amortized cost	Liabilities at fair value through profit or loss	Liabilities measured at fair value through other comprehensive income	Liabilities measured at amortized cost
June 30, 2019						
Liabilities as per balance sheet						
Derivative financial instruments	1,703	8,194	-	1,703	8,194	-
Borrowings	-	-	598,199	-	-	602,154
Trade and other payables, excluding legal obligations	-	-	336,564	-	-	439,118
Related parties	-	-	8,934	-	-	6,467
	1,703	**8,194**	**943,697**	**1,703**	**8,194**	**1,047,739**
December 31, 2018						
Liabilities as per balance sheet						
Derivative financial instruments	-	118	-	124	118	-
Borrowings	-	-	610,235	-	-	610,235
Trade and other payables, excluding legal obligations	-	-	389,377	-	-	487,127
Related parties	-	-	5,858	-	-	6,255
	-	**118**	**1,005,470**	**124**	**118**	**1,103,617**

33. DERIVATIVE FINANCIAL INSTRUMENTS

	Consolidated					
	Nocional (USD)		6/30/2019		12/31/2018	
	6/30/2019	12/31/2018	Current assets	Current liabilities	Current assets	Current liabilities
NDF (a)	79,193	43,754	-	1,703	1,769	124
U.S Dollar options (b)	-	3,558	-	-	971	-
Interest rate swap (c)	101,067	101,754	-	8,194	-	118
	180,260	**149,066**	**-**	**9,897**	**2,740**	**242**

The Company operates with derivative financial instruments exclusively to hedge against certain exposure to risks, and therefore without any speculative purpose.

(a) Forward foreign exchange contracts

To protect itself against the volatility of the liability exposures in U.S. dollars, due to the total exposure (cash flows), up to June 30, 2019, the Company entered into NDF contracts, in U.S. dollars, in the following amounts and conditions:

Contracting date	Expiration date	Underlying amount (US$ thousand)	Average target quotation
Jan/19 to Jun/19	Jul/19 to Oct/19	2,004	3.8633
Sep/18 to Jun/19	Jul/19 to Jan/20	20,276	3.9272
Jan/19 to Jun/19	Jul/19 to Mar/20	4,180	3.9187
May/19	Aug/19 to Sep/19	315	3.9630
Sep/18 to Jun/19	Jul/19 to Apr/20	12,780	3.9151
Feb/19 to May/19	Sep/19 to Nov/19	997	3.9799
Oct/18 to Jun/19	Jul/19 to Mar/20	24,138	3.8827
Oct/18 to Jun/19	Jul/19 to Jan/20	14,503	3.8818
		79,193	3.9027

During the period ended at June 30, 2019 the Company recognized R$2,341 as a net profit in the results, referring to settled contracts in the period (June 30, 2018 - profit of R$43,489).

(b) U.S. dollar option purchase agreements

Also to hedge foreign currency-denominated transactions carried out with foreign suppliers against the U.S. dollar volatility, the Company contracted U.S. dollar purchase options. As at June 30, 2019, there were no outstanding agreements related to this transaction.

During the period ended at June 30, 2019 the Company recognized R$863 as net loss in profit or loss for the period relating to outstanding agreements settled (Net Profit of R$4,939 on June 30, 2018).

(c) Interest rate swaps - CDI x US$/EUR$

Interest rate swaps are settled according to their maturities stipulated in the contracts. The swapped interest rate is in line with the CDI rate. At June 30, 2019, the contracted average rate of CDI was 133.02% (at December 31, 2018, 134.51%). The Company will settle the contracts for the net value of the difference between swapped interest rates and the foreign exchange variations.

Derivatives designated for hedge accounting

Beginning June 1, 2015, the Company formally designated for hedge accounting the derivatives used to hedge foreign currency-denominated loans, comprising all swap contracts, including the following information:

- Hedge relationship.
- The Company's risk management purpose and strategy related to the hedge.
- Financial instrument identification.
- Hedged item or transaction.
- Hedged risk nature.
- Hedge relationship description.
- Hedge and hedged item correlation, when applicable.
- Prospective hedge effectiveness.

As at June 30, 2019, the outstanding position of the derivatives designated as cash flow hedge is broken down as follows:

Instrument designated as cash flow hedge – parent/consolidated

						Other income	
	Hedge	Reference currency (Notional)	Reference value (Notional)	Yield value	Fair value (1)	Loss accumulated	Gain for the period
Currency Swap - US$/R$	Currency	BRL	387,309	(13,022)	(8,194)	(4,828)	2,715

(1) The market value calculation method adopted by the Company consists of calculating the future value based on the contractual conditions and determining the present value based on the market curves reported by BM&FBOVESPA.

The Company designates as cash flows hedge those derivatives used to offset fluctuations arising from exchange rate exposure, stated at the fair value of the contracted debts, other than the functional currency.

Changes in the fair value of derivatives designated as cash flow hedge are recognized in equity as "Other comprehensive income" and reclassified to profit or loss for the periods in which the hedged transaction is carried out.

When a hedge instrument ceases to satisfy the hedge accounting criteria, the gain or loss accumulated in equity will be fully reversed to profit or loss if the expected transaction is also recognized in profit or loss.

As of June 30, 2019, instruments designated as cash flow hedge totaled US$80,362 e EUR$18,190 (notional amount of R$387,309). As at June 30, 2019, a net loss of R$2,715 (in June 30, 2018 a net profit of R$760) was recognized in "Other comprehensive income (loss)", and a net loss of R$7,990 (net profit of R$41,764 on June 30, 2018) was recognized in "Finance income (costs)". Open agreements subject to the following amounts, terms and conditions in the period ended June 30, 2019:

Contracting date	Expiration date	June 30, 2019 Notional amount (USD)	Amount (R$)
Sep/18 to Oct/18	Sep/19 to Oct/19	14,097	54,023
Jul/18 to Nov/18	Jul/19 to Nov/19	66,265	253,941
		80,362	307,964

Contracting date	Expiration date	June 30, 2019 Notional amount (EUR)	Amount (R$)
Aug/18 to Jan/19	Jul/19 to Aug/19	17,297	75,390
May/19	Nov/19	893	3,955
		18,190	79,345

34. STOCK OPTION PLAN

On November 3, 2006, the Company's stockholders approved at the Extraordinary General Meeting the general conditions of the Company's Share Option Plan (the Plan), as detailed below.

The Plan established that the beneficiaries of the Plan may be the managers, employees and service providers of the Company (the Beneficiaries). It was also determined that the options granted will not exceed 3.5% of the total share capital of the Company existing on the date of their concession, plus the existing shares had all of the options granted under the terms of the Plan been exercised. Once the options have been exercised by the Beneficiary, the corresponding shares are issued by means of a capital increase. Treasury share options may also be offered.

The plan is administered by the Board of Directors or, at its option, by a Committee consisting of three members, of which at least one would be on the Board of Directors (a member or an alternate). The Board of Directors or Committee, according to the circumstances, will have full powers, provided that the terms of the Plan are followed, and, in the case of the Committee, the guidelines of the Company's Board of Directors for the organization and management of the Plan and of the grants of options. It may also, at any time: (i) alter or extinguish the Plan; (ii) establish the regulations applicable to unforeseen circumstances; (iii) postpone, but never anticipate, the deadline for the exercise of the options in effect; and (iv) anticipate the vesting period of the options in effect.

The Board of Directors or the Committee, as the case may be, may periodically create Share Option Programs (Programs) for the Company, in which the following will be defined: (i) beneficiaries; (ii) total number of the Company's shares granted; (iii) acquisition price; (iv) the initial vesting period during which the option cannot be exercised; (v) the terms and deadlines for the exercise of the option, as well as the dates on which the rights resulting from the option will expire, subject to the Plan regulations; (vi) possible restrictions to the shares received upon the exercise of the option; and (vii) provisions on penalties.

When options are granted under the Plan, each Beneficiary should enter into, with the Company, a Share Option Agreement, which has the specific and individual conditions of each grant, such as the quantity of shares to which the Beneficiary is entitled to acquire upon the exercise of the option, the exercise price and the terms within which the options can be exercised.

The Board of Directors approved at the meeting held on June 30, 2016 a new program that totaled 1,350,000 stock options ("2016 Plan"), divided into three equal lots. At the end of the year ended December 31, 2018, this plan contemplated 900,000 options.

During the period ended June 30, 2019, 450,000 options were exercised, relating to lot 2 of the 2016 Plan, in the amount of R$702, using the corresponding treasury shares. Consequently, treasury shares and the corresponding option reserve were written off, in the amounts of R$4,715 and R$98, respectively, with net effect on the earnings reserve, in the amount of R$3,913.

Also during the first quarter of 2019, the 450,000 options related to lot 3 of the 2016 plan were cancelled due to the withdrawal of beneficiaries.

As a result of the abovementioned events, the 2016 plan currently do not contemplate options.

The Board of Directors approved at the meeting held on June 29, 2017 a new program that totaled 1,213,250 stock options ("2017 Program"), divided into three lots. At the end of the year ended December 31, 2018, the plan totals 627,250 stock options.

First lot stock options can be exercised in the period from January 1 to December 31, 2019, second lot stock options can be exercised in the period from January 1 to December 31, 2020, and third lot stock options can be exercised in the period from January 1 to December 31, 2021. Each lot can be fully or partially exercised through December 31, 2021, subject to the lapse of the initial grace period of each Lot. The strike price of the first, second, and third lots is R$3.48, adjusted based on the General Market Price Index (IGP-M) as from June 30, 2017.

2017 Program

Lot	Number of outstanding options at 6/30/2019	Exercise price	Exercise year	Price ajusted based on IGPM through 6/30/2019	Grant date	Option price (R$)	Total option amount	Apropriated expenses 2019	Total reserve
1	125,450	3.10	2019	3.48	6/30/2017	1.1399	143	-	143
2	219,538	3.10	2020	3.48	6/30/2017	1.2116	266	(38)	227
3	282,262	3.10	2021	3.48	6/30/2017	1.3002	367	(41)	242
							776	(79)	612

The Board of Directors approved at the meeting held on March 6, 2018 a new program totaling 668,750 stock options ("2018-I Program"), divided into three lots. At the end of the year ended at December 31, 2018, the plan totals 577,750 stock options.

O First lot stock options can be exercised in the period from January 1 to December 31, 2019, second lot stock options can be exercised in the period from January 1 to December 31, 2020, and third lot stock options can be exercised in the period from January 1 to December 31, 2021. Each lot can be fully or partially exercised through December 31, 2021, subject to the lapse of the initial vesting period of each Lot. The strike price of the first, second, and third lots is R$3.92, adjusted based on the General Market Price Index (IGP-M) beginning March 6, 2018.

2018-I Program

Lot	Number of outstanding options at 6/30/2019	Exercise price	Exercise year	Price ajusted based on IGPM through 6/30/2019	Grant date	Option price (R$)	Total option amount	Apropriated expenses 2019	Total reserve
1	115,550	3.45	2019	3.92	3/6/2018	0.6491	75	-	69
2	202,213	3.45	2020	3.92	3/6/2018	0.7912	160	(37)	104
3	259,987	3.45	2021	3.92	3/6/2018	0.9000	234	(35)	97
							469	(72)	270

On April 25, 2018, the meeting of the Board of Directors approved a new program contemplating 254,700 call options ("2018 – II Program"), with only one lot. In the period ended June 30, 2019, the plan was fully cancelled due to the withdrawal of beneficiaries.

Upon the cancellation of 450,000 options of lot 3 of the 2016 plan and 254,700 options of the 2018-II Program, the amounts recorded in line item "Option reserve" were reclassified to "Earnings reserve" in the amount of R$17.

The Board of Directors approved at the meeting held on March 20, 2019 a new program totaling 390,000 stock options ("2019-I Program"), divided into three lots.

First lot stock options can be exercised from January 1 to December 31, 2021, second lot stock options can be exercised from January 1 to December 31, 2023, and third lot stock options can be exercised from January 1 to December 31, 2023. Each lot can be fully or partially exercised through December 31, 2023, subject to the lapse of the initial grace period of each Lot. The strike price of the first, second, and third lots is R$2.36, adjusted based on the General Market Price Index (IGPM) beginning March 21, 2019.

2019-I Program

Lot	Number of outstanding options at 6/30/2019	Exercise price	Exercise year	Price ajusted based on IGPM through 6/30/2019	Grant date	Option price (R$)	Total option amount	Apropriated expenses 2019	Total reserve
1	78,000	2.33	2021	2.36	3/20/2019	0.8974	70	(11)	11
2	136,500	2.33	2022	2.36	3/20/2019	0.8864	121	(12)	12
3	175,500	2.33	2023	2.36	3/20/2019	0.9060	159	(12)	12
							350	(35)	35

The Board of Directors approved at the meeting held on April 24, 2019 a new program totaling 120,000 stock options ("2019-II Program"), divided into three lots.

First lot stock options can be exercised from January 1 to December 31, 2021, second lot stock options can be exercised from January 1 to December 31, 2023, and third lot stock options can be exercised from January 1 to December 31, 2023. Each lot can be fully or partially exercised through December 31, 2023, subject to the lapse of the initial grace period of each Lot. The strike price of the first, second, and third lots is R$2.33, adjusted based on the General Market Price Index (IGPM) beginning March 21, 2019.

2019-II Program

Lot	Number of outstanding options at 6/30/2019	Exercise price	Exercise year	Price ajusted based on IGPM through 6/30/2019	Grant date	Option price (R$)	Total option amount	Apropriated expenses 2019	Total reserve
1	24,000	2.29	2021	2.33	4/24/2019	0.9583	23	(2)	2
2	42,000	2.29	2022	2.33	4/24/2019	0.9524	40	(3)	3
3	54,000	2.29	2023	2.33	4/24/2019	0.9815	53	(3)	3
							116	(8)	8

35. NONCASH TRANSACTIONS

a) On January 1, 2019, the Company and its subsidiary Boreo Indústria de Componentes Ltda. recognized in property, plant and equipment the amounts of R$45,312 and R$4,721, respectively, related to real estate lease contracts, in accordance with CPC 06 – Leases, which came into effect on that date. In the period ended June 30, 2019, the Company and its subsidiary recognized in liabilities the balance payable related to these transactions, in the amount of R$42,244 and R$4,401, respectively.

b) In May 2019, the Company paid up capital in direct subsidiary Positivo Distribuidora de Equipamentos de Informática Ltda. in the amount of R$25,000, using credits held with the investee.

c) In June 2019 Crounal S.A. paid up capital in the amount of US$1,000 (R$3,193) in joint venture PBG Uruguay S.A., using credits held with the investee.

Positivo Tecnologia Posts Net Income of R$11.1 million in 2Q19

Curitiba, August 14, 2019 – Positivo Tecnologia S.A. (B3: POSI3) announces today its results for the 2Q19. The information is presented in IFRS and in Brazilian Reais (R$). Except where otherwise indicated, all comparisons herein refer to the 2Q18.

2Q19 HIGHLIGHTS

- **Increase of 24.3% in mobile phone sales in the 2Q19**
- **Increase of 23.9% in server sales in the 2Q19**
- **Increase of 1 p.p. in the market share[1] of mobile phones, reaching 3.7%**
- **Adjusted EBITDA of R$49.5 million (+528%), with margin of 8.1% (+6.5 p.p.)**
- **Company records Net Debt/Adjusted EBITDA ratio of 1.7x;**
- **Getting into the IoT market by launching *Positivo Casa Inteligente* (Smart Home).**
- **Positive outlook in the company's new business**

[1] Source: IDC

1) FINANCIAL HIGHLIGHTS

Financial Statements (R$ million)	**2Q18**	**1Q19**	**2Q19**	**% Chg. 2Q19 X 2Q18**	**% Chg. 2Q19 X 1Q19**	**1H18**	**1H19**	**% Chg. 1H19 X 1H18**
Net Revenue	485.1	360.1	565.2	16.5	57.0	914.8	925.3	1.1
EBITDA	2.5	17.9	45.5	1,711.8	154.1	23.3	63.5	172.2
Adjusted EBITDA*	**7.9**	**17.8**	**49.5**	527.9	**178.0**	**31.0**	67.4	**117.3**
Income (Loss)*	(11.6)	(4.6)	11.1	-195.3	342.6	-9.6	6.5	167.4
Adjusted EBITDA Margin	1.6%	5.0%	8.1%	+6.5 p.p.	+3.1 p.p.	+0.0 p.p.	**7.3%**	+3.9 p.p.

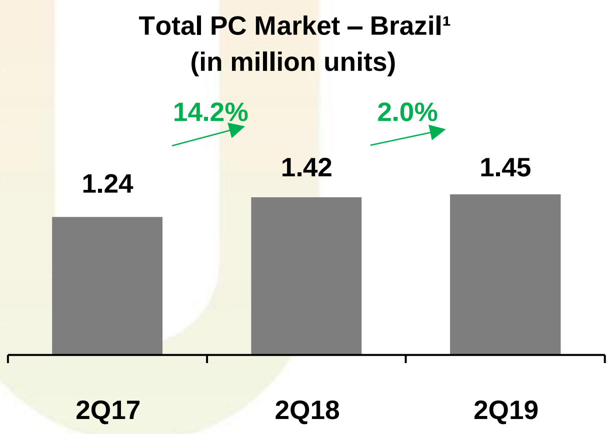
Ratio	**2Q18**	**1Q19**	**2Q19**
Net Debt - End of the Period	207.4	215.0	258.4
Adjusted EBITDA - LTM	85.6	108.8	150.5
Net Debt / Adjusted EBITDA Ratio	**2.4x**	**2.0x**	**1.7x**

* Adjusted by the cash effect of the FX hedge on inputs and the addition of 50% of EBITDA from the IFSA joint venture. For further details, please refer to 4.4 - EBITDA.

2) CURRENT INDUSTRY AND COMPANY SCENARIO

PC Market

The Brazilian market of PCs records a 2,0% growth in 2Q19, according to IDC. The result represents a resumption of demand for these devices in the Brazilian market, which had an inhibited consumption at the beginning of the year due to price adjustments and the consolidation of the new management teams in public agencies, undergoing management changes with the new government.

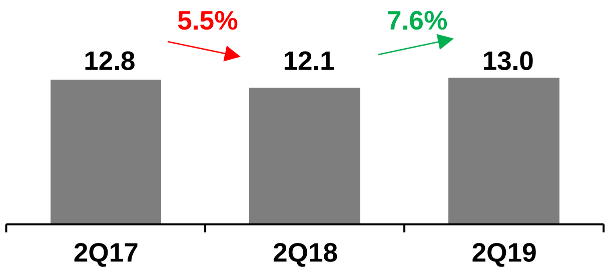


[1] Source: IDC

Mobile Phone Market

The mobile phone market reached sales of 13 million units in the 2Q19, which represents an increase of 7.6% over 2Q18 and 13.9% over the 1Q19, according to IDC. The growth of mobile phone sales in the period is mainly due the retail outlets, as most opted for increasing inventory levels at the end of 2018 due to the expected price increase that as of 2019, given the expiration of tax exemptions.

Total Mobile Phones Market– Brazil[1] (in million units)



[1] *Source: IDC*

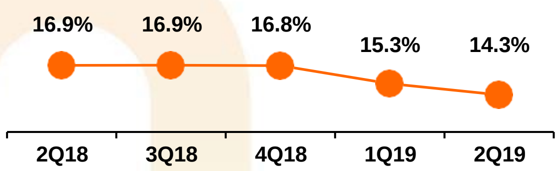
Company's Performance

PCs

PC sales totaled 203,100 units in 2Q19, a 14.3% share in the total market. In general terms, the company's performance in the PC market was mainly affected by the maintenance of financial discipline, with the policy of minimum margins and conservative inventory planning embraced by the company since the end of 2018. In addition, a major worldwide supplier of components had specific supply limitations, especially in the entry-level segment in 1H19.

Consumption levels are still under the impact of employment and income rates in the domestic scenario, as well as the new level of consumer prices.

Positivo's Annual Market Share - PCs Market – Brazil – Total[1]



[1] *Source: IDC*

Mobile Phones

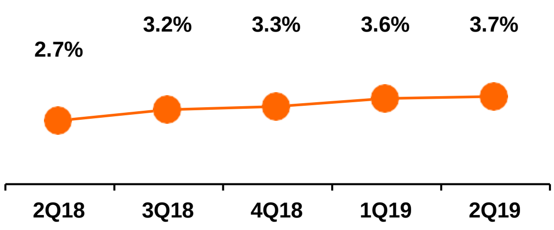
Following the market growth, the company's mobile phone sales had good performance, recording a volume of 485,900 units in 2Q19 (+24.3%).

Competition among the leading brands continues to provide limited room for other manufacturers; however, the Company was successful in its portfolio positioning strategy, offering goods in price ranges with lower impacts.

Positivo's market share in the mobile segment reached 3.7% in the 2Q19, up 1 p.p. over 2Q18, according to IDC.

Positivo's Annual Market Share –

Market of Mobile Phones – Brazil – Total[1]



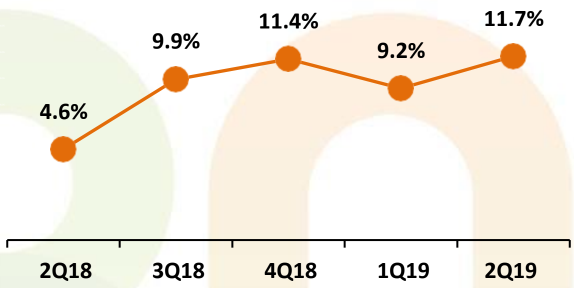
[1] Source: IDC

Yield

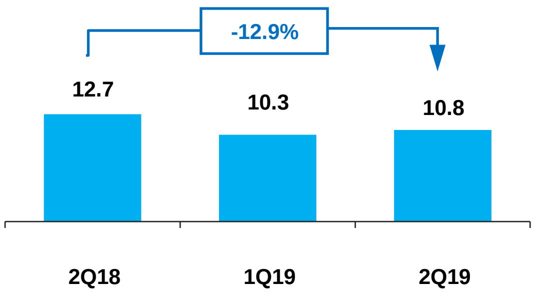
In 2Q19, sales margin reached 11.7%, higher than in previous periods, due to the policy on minimum margins established by the company since the end of 2018.

In addition, the company had a strong cost control, down 12.9% in 2Q19, due to the company's control and efficiency initiatives since the end of 2018.

Sales Margin [1] (% Net Revenue)



G&A Expenses[2] (R$ million)

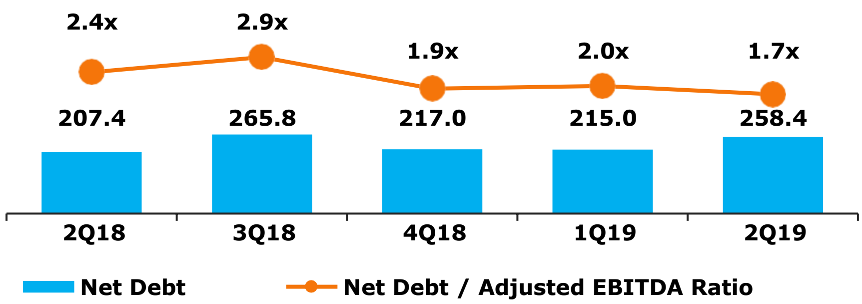


[1] Calculated by the net revenue deducted from the hedge-adjusted COGS, selling expenses and depreciation
[2] Excluding the mandatory research and development costs, extraordinary items and depreciation. See item 4.2 – G&A Expenses.

Indebtedness

The company ended 2Q19 with a net debt of R$258.4 million. The Net Debt / EBITDA ratio was of 1.7x, lower than the posted in previous periods

Evolution of Net Debt and Quarterly Ratio (R$ Million)*



* Includes derivative financial instrument

Outlooks - Core Business

The following are the outlooks for the company's core business:

- Computers in the Retail Market: the company's prospect is that the retail PC segment will have satisfactory sales and margins in the 2Q19, similar to the consolidated figures for the previous year. Demand should resume by the end of the year, which may also be leveraged by the government's reform agendas to help the economy and favor the expansion of consumption levels.

- Mobile Phones: the company will keep intensifying its efforts to perform in affordable entry-level goods lines, both in volume and profitability, capturing the momentum of lower competition from leading brands in the general market.

- Computers - Government: the Company expects a maintenance in business volumes of the government market in as in 2018 based on its consolidated track record in bidding processes and the successful deliveries according to pre-defined schedules of projects won by the Company in the past.

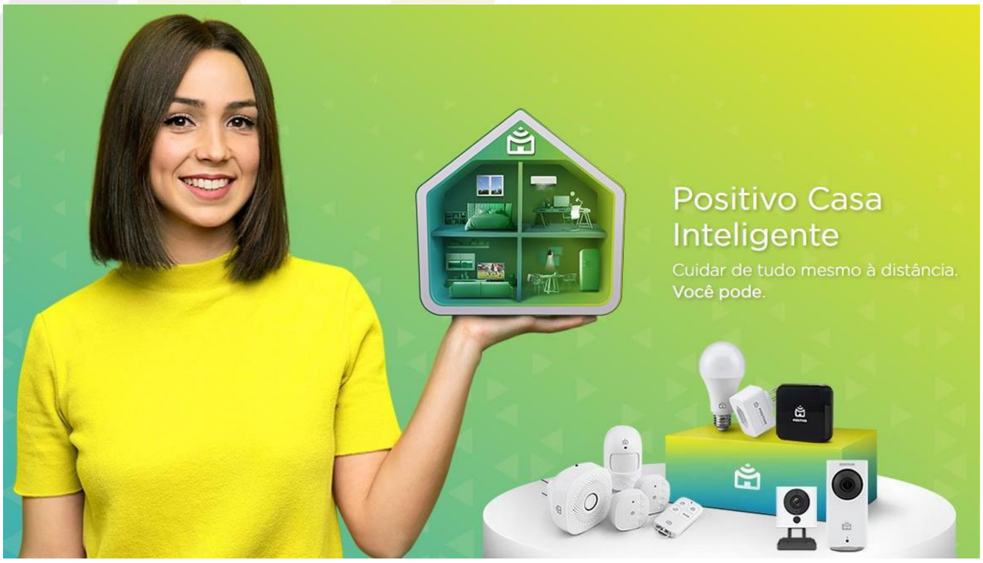
- Corporate: the Company expects to consolidate a growth trend in the segment during 2019, with increased market advance among small and medium-sized companies and also to increase its Hardware as a Service operations.

Prospects - New Business

- Positivo Casa Inteligente**:** The company launched a new line in the IoT segment under the "Positivo Casa Inteligente" brand, featuring a portfolio of devices that offer IoT-based solutions to make Brazilian homes more connected, smarter and safer. The devices are priced as of R$99 and are also offered in kits with wifi cameras, socket plug, smart lamp and universal remote control, as well as alarm and security equipment.

  The IoT segment should move US$745 billion worldwide by 2019, potentially surpassing US$1 trillion by 2022, according to IDC.

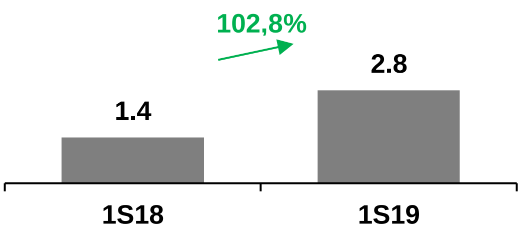
  Innovating by offering affordable kits and application integrating all solutions, the company presents a new front of revenue diversification, and reaffirms its leading position in the Brazilian technology market, bringing new technological solutions and adapting them to the local consumer.



To boost the launch of new products, the company included the "Positivo Casa Inteligente" brand in its Corinthians sponsorship marketing strategy:

➢ Positivo as a Service: The company's expects good performance for its equipment leasing business unit, intensifying efforts to further develop in the HaaS segment by offering solutions tailored for each company profile with a complete technology site portfolio, including laptops, PCs, mobile phones, tablets and servers.

Equipment leasing volume
(in thousands of units)



Local media advertisement:

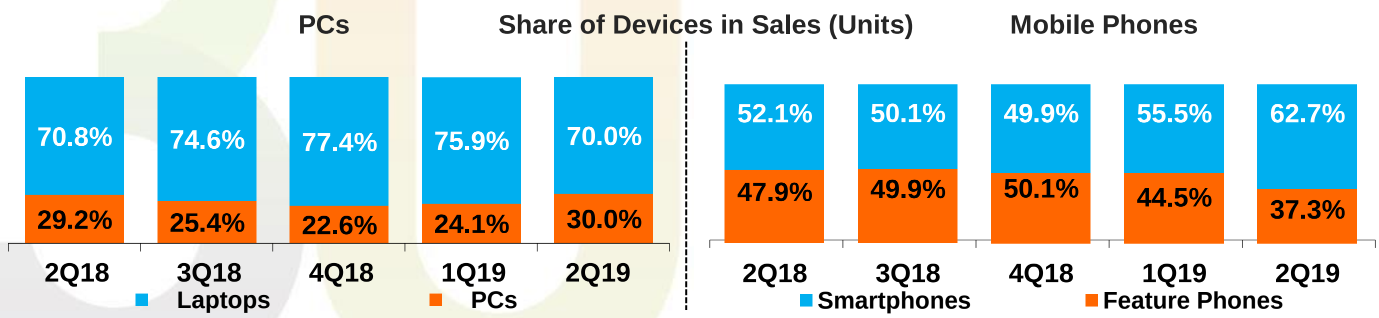
- Accept: The server market in 2019 should have good performance in sales volume and keep the company's excellent profitability levels. The company believes Accept may grow in 2019, harnessing the recovery of IT investments in Brazil, after a budget constraint period for these projects in recent years.

- Corporate Venture Capital: the company expects to make new investments in technology-based companies, using part of the investments in R&D obligations. With the new investees, the company expects to create business diversification, as well as advances in valuation, as example of investments made in Hi Technologies, Agrosmart and @Tech in the past

3) VOLUMES AND REVENUES

3.1) VOLUMES

Volume Sales (units)	2Q18	1Q19	2Q19	% Chg. 2Q19 X 2Q18	% Chg. 2Q19 X 1Q19	1H18	1H19	% Chg. 1H19 X 1H18
PCs	**272,358**	**135,619**	**203,147**	**-25.4**	**49.8**	**533,969**	**338,766**	**-36.6**
PCs	84,325	32,673	60,916	-27.8	86.4	142,968	93,589	-34.5
Laptops	188,033	102,946	142,231	-24.4	38.2	391,001	245,177	-37.3
PCs - Channel	**272,358**	**135,619**	**203,147**	**-25.4**	**49.8**	**672,495**	**338,766**	**-49.6**
Retail	175,236	96,158	126,822	-27.6	31.9	342,535	222,980	-34.9
Government	65,344	15,988	50,910	-22.1	218.4	263,992	66,898	-74.7
Corporate	31,778	23,473	25,415	-20.0	8.3	65,968	48,888	-25.9
Mobile Phones	**390,844**	**419,267**	**485,922**	**24.3**	**15.9**	**672,759**	**905,189**	**34.5**
Smartphones	203,807	232,570	304,588	49.4	31.0	370,935	537,158	44.8
Feature Phones	187,037	186,697	181,334	-3.0	-2.9	301,824	368,031	21.9
Accept	**8,361**	**7,650**	**10,355**	**23.9**	**35.4**	**16,721**	**18,005**	**7.7**
Servers	8,361	7,650	10,355	23.9	35.4	16,721	18,005	7.7



3.2) AVERAGE PRICE

Below are the elements that affected the goods' average price change in Brazilian Reais in 2Q19 vs. 1Q19:

PCs: +5.1%, higher proportion of sales to the government, segment that usually considers devices with better configurations and longer warranty time.

Laptops: -4.1%, due to the higher share of devices equipped with Atom and Celeron processors.

Mobile Phones: +18.7%, mainly due to the higher proportion of smartphones compared to feature phones.

Average Price Positivo(1)	2Q18	1Q19	2Q19	% Chg. 2Q19 x 2Q18	% Chg. 2Q19 x 1Q19
Avg. Dollar in the Period [2]	**3.69**	**3.76**	**3.92**	**6.12**	**4.11**
PCs					
In R$	2,517.7	2,752.0	2,891.2	14.8	5.1
In US$	682.1	731.4	738.1	8.2	0.9
Laptops					
In R$	1,308.6	1,403.2	1,345.9	2.9	-4.1
In US$	354.5	373.0	343.6	-3.1	-7.9
Mobile Phones					
In R$	244.0	287.2	340.9	39.7	18.7
In US$	66.1	76.3	87.0	31.7	14.0

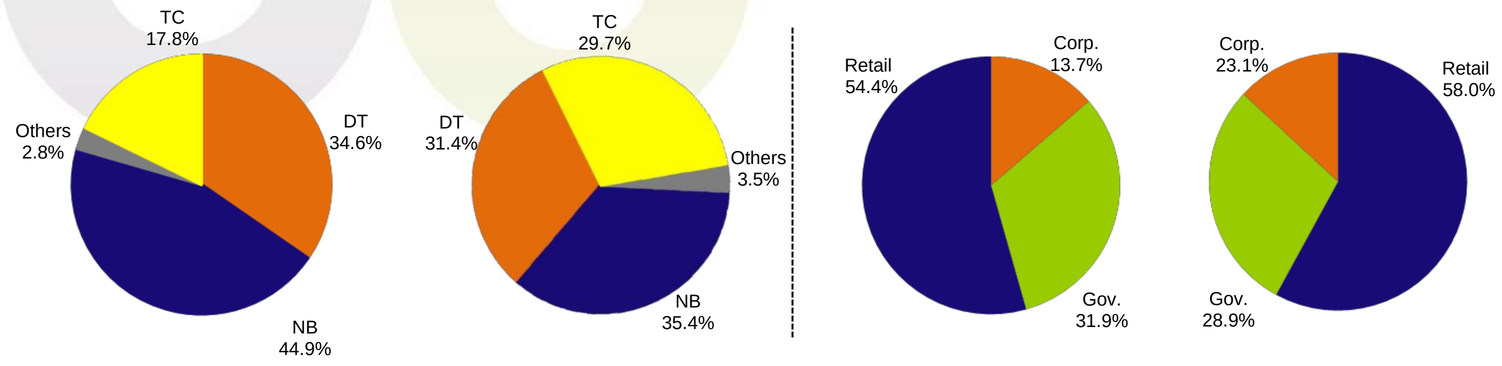
[1]Considering only goods sold in the Brazilian market.
[2]Company's calculation, weighted by monthly sales to decrease seasonal distortions, based on the Brazilian Central Bank's PTAX Sale rate.

3.3) NET REVENUE

Net revenue (R$ million)	2Q18	1Q19	2Q19	% Chg. 2Q19 X 2Q18	% Chg. 2Q19 X 1Q19	1H18	1H19	% Chg. 1H19 X 1H18
Total Net Revenue	**485.1**	**360.1**	**565.2**	**16.5**	**57.0**	**914.8**	**925.3**	**1.2**
Devices by product	**479.8**	**354.5**	**558.7**	**16.4**	**57.6**	**904.6**	**913.2**	**0.9**
PCs	166.1	78.3	160.3	-3.5	104.7	275.2	238.5	-13.3
Laptops	215.2	130.3	195.9	-8.9	50.3	424.2	326.3	-23.1
Mobile Phones	85.2	106.3	151.3	77.6	42.3	149.5	257.6	72.3
Others	13.3	39.6	51.2	285.3	29.2	55.7	90.8	63.0
Devices by Channel	**479.8**	**354.5**	**558.7**	**16.4**	**57.6**	**904.6**	**913.2**	**1.0**
Retail	261.3	217.5	296.2	13.4	36.2	473.5	513.7	8.5
Government	152.9	54.9	146.3	-4.4	166.3	275.4	201.2	-26.9
Corporate	65.6	82.0	116.3	77.3	41.8	155.7	198.3	27.3
Educational Technology	**5.3**	**5.6**	**6.5**	**22.3**	**16.5**	**10.1**	**12.1**	**19.5**

Breakdown of Net Revenue – Devices

Product **Channel**



2Q18 **2Q19** **2Q18** **2Q19**

NB: Laptops
DT: PCs
TC: Mobile Pones

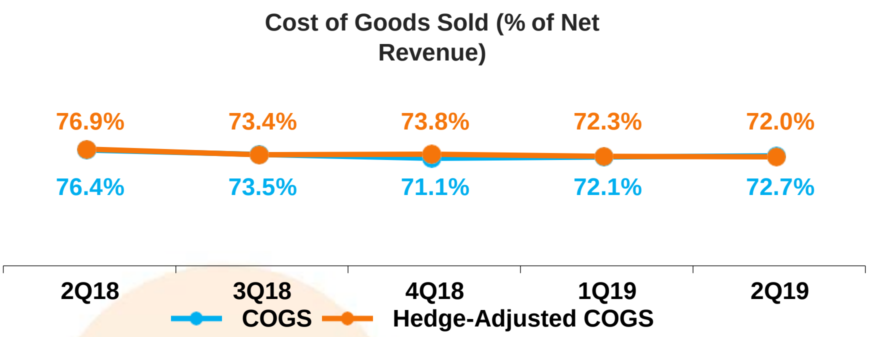
Corp: Corporate
Gov.: Government

4) FINANCIAL PERFORMANCE

4.1) COST OF GOODS SOLD (COGS) AND GROSS PROFIT

Cost of Goods Sold (R$ million)	2Q18	1Q19	2Q19	% Chg. 2Q19 X 2Q18	% Chg. 2Q19 X 1Q19	1H18	1H19	% Chg. 1H19 X 1H18
Raw Material and Inputs	(351.1)	(245.8)	(391.4)	11.5	59.3	(649.9)	(637.2)	(2.0)
Depreciation and Amortization	(1.8)	(2.3)	(2.0)	12.8	(11.0)	(3.4)	(4.3)	25.7
Others	(17.5)	(11.5)	(17.4)	(0.4)	52.3	(34.6)	(28.9)	(16.5)
Total	**(370.4)**	**(259.5)**	**(410.9)**	**10.9**	**58.3**	**(687.9)**	**(670.4)**	**(2.6)**
Adjusted COGS Conciliation								
(+) Cash effect of input hedge*	(2.6)	(0.9)	3.7	-240.9	-529.4	(3.1)	2.8	-191.1
Total Adjusted	**(373.0)**	**(260.4)**	**(407.2)**	**9.2**	**56.4**	**(691.1)**	**(667.6)**	**-3.4**

* Represents the amounts received (or paid) by the company in instruments of exchange hedge contracted to cover dollarized inputs. These figures are net of exchange rate change on invoices in US dollars.



In 2Q19, hedge-adjusted COGS accounted for 72.0% of the consolidated net revenue, down 4.9 p.p. over 2Q18.

Inputs

The hedge-adjusted raw material and inputs account corresponded to 68.6% of the net revenue in 2Q19, down 4.3 p.p. over 2Q18, which reflects the Company's minimum pricing and margins policy.

The company believes that the analysis of this account with the adjustment of the hedge result from the exchange rate is the most appropriate way to understand the margins dynamics, once the pricing is established considering hedge positions contracted, as required by internal politics.

Other Costs

Other costs totaled 3.1% of the net revenue in 2Q19, down 0.5 p.p. over 2Q18, in line with previous periods.

Gross profit

The company reached a gross profit of R$154.3 million in 2Q19 and a gross margin of 27.3% (+3.7 p.p.).

Adjusted for hedge and exchange rate change, gross margin was of 28% in 2Q19 (+4.9 p.p.).

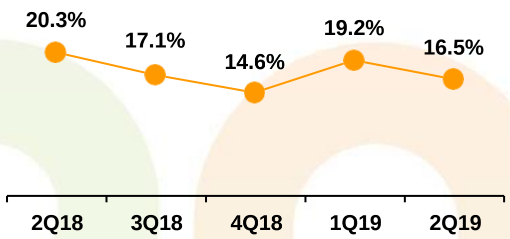
4.2) OPERATING EXPENSES

Operating Expenses (R$ million)	2Q18	1Q19	2Q19	% Chg. 2Q19 X 2Q18	% Chg. 2Q19 X 1Q19	1H18	1H19	% Chg. 1H19 X 1H18
Selling Expenses	(98.6)	(69.0)	(93.1)	-5.5	34.9	(173.7)	(162.1)	-6.7
G&A Expenses	(28.3)	(23.5)	(24.7)	-12.6	5.0	(52.5)	(48.2)	-8.0
Financial Result	(7.7)	(11.5)	(24.0)	211.9	108.8	(15.2)	(35.4)	133.8
Other Revenues (Expenses)	6.4	0.3	(0.4)	-106.7	-263.7	6.4	(0.2)	-102.6
Total	**(128.2)**	**(103.8)**	**(142.2)**	**10.9**	**37.0**	**(234.9)**	**(246.0)**	**16.5**

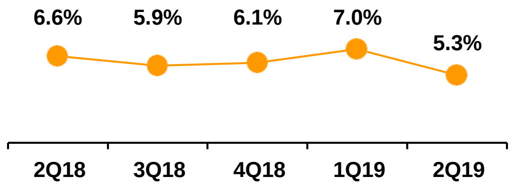
Selling Expenses

Selling expenses (R$ million)	2Q18	1Q19	2Q19	% Chg. 2Q19 X 2Q18	% Chg. 2Q19 X 1Q19	1H18	1H19	% Chg. 1H19 X 1H18
Marketing	(31.8)	(25.3)	(30.0)	-5.7	18.6	(61.9)	(55.3)	-10.7
Technical Support and Warranty	(27.2)	(17.8)	(29.2)	7.3	64.2	(43.1)	(47.0)	8.9
Depreciation and Amortization	(0.6)	(0.3)	(0.3)	-59.7	-10.8	(1.2)	(0.5)	-54.7
Others	(38.9)	(25.7)	(33.7)	-13.5	31.0	(67.5)	(59.4)	-12.0
Total	**(98.6)**	**(69.0)**	**(93.1)**	**-5.5**	**35.0**	**(173.7)**	**(162.1)**	**-6.7**
% of Net Revenue	**20.3**	**19.2**	**16.5**	**-3.8 p.p.**	**-2.7 p.p.**	**19.0**	**17.5**	**+1.5 p.p.**

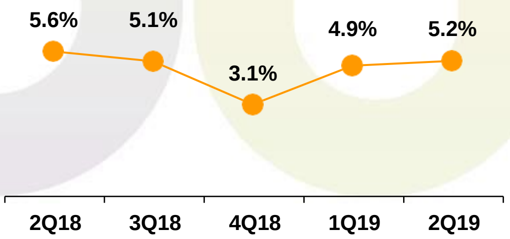
Selling Expenses (% of Net Revenue)



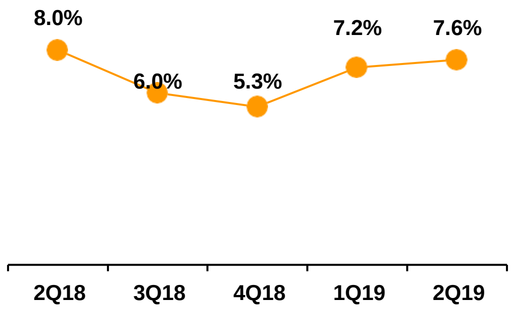
Marketing Expenses (% of Net Revenue)



Technical Support and Warranty Expenses (% of Net Revenue)



Other Selling Expenses (% of Net Revenue)



Marketing

Marketing expenses totaled R$30.0 million in 2Q19 and represented 5.3% of the net revenues, down 1.3 p.p. over 2Q18, due to a higher number of sales to the government in 2Q19, a segment that proportionally generates less marketing expenses.

Technical Support and Warranty

Funds for technical support and warranty totaled R$29.2 million in 2Q19, representing 5.2% of the net revenue, down 0.4 p.p. over 2Q18, in line with previous periods.

G&A Expenses

In 2Q19, G&A Expenses totaled R$24.7 million, down 12.8% over 2Q18. Excluding depreciation and amortization expenses, mandatory expenses with Research and Development (R&D) and non-recurring items, G&A Expenses totaled R$10.8 million in the period, down 14.7%.

G&A Expenses (R$ million)	2Q18	1Q19	2Q19	% 2Q19 x 2Q18	% 2Q19 x 1Q19	1H18	1H19	% Chg. 1H19 X 1H18
Management	(10.6)	(9.4)	(9.9)	-6.6	5.3	(20.1)	(19.3)	-4.0
Others	(2.1)	(0.9)	(0.9)	-55.3	4.2	(2.9)	(1.8)	-36.6
Subtotal - before nonrecurring items, R&D, depreciation and amortization	**(12.7)**	**(10.3)**	**(10.8)**	**-14.7**	**5.2**	**(23.0)**	**(21.1)**	**-8.1**
(+) Depreciation and Amortization	(5.9)	(6.2)	(6.7)	13.9	8.4	(11.5)	(12.9)	12.4
(+) Research and Development - R&D	(5.9)	(6.8)	(7.1)	20.0	4.8	(12.8)	(13.9)	8.5
(+) Nonrecurring Items	(3.8)	(0.3)	0.0	-100.0	-100.0	(5.1)	(0.3)	-94.1
Grand total	**(28.3)**	**(23.6)**	**(24.7)**	**-12.8**	**4.6**	**(52.4)**	**(48.3)**	**-7.9**

Financial Result

The financial result in 2Q19 was negative by R$24.0 million, higher than in 2Q18, mainly due to exchange rate losses and less financial revenues, which was favored in 2Q18 by a higher AVP result and by the cash restatement of interest on taxes.

Financial Result (R$ million)	2Q18	1Q19	2Q19	% Chg. 2Q19 X 2Q18	% Chg. 2Q19 X 1Q19	1H18		% Chg. 1H19 X 1H18
Cash effect of input hedge	(2.6)	(0.9)	3.7	-240.9	-529.4	(3.1)	2.8	-191.1
Marking to market and other non-cash items	6.2	8.0	(8.0)	-228.7	-200.0	6.9	0.5	-92.4
Subtotal - Exchange Rate Change (a)	**3.6**	**7.1**	**(4.3)**	**-219.8**	**-160.6**	**3.8**	**3.4**	**-11.7**
CPC 48 - Leasing (b)	**-**	**(1.1)**	**(1.1)**	**-**	**-**	-	-	**-**
Financial income	**16.0**	**7.8**	**8.8**	-45.2	12.4	**30.3**	**16.6**	-45.3
Financial costs	**(27.3)**	**(25.3)**	**(27.3)**	0.2	8.0	**(49.3)**	**(55.4)**	12.4
Subtotal - Cost of Debt and Others (c)	**(11.3)**	**(17.5)**	**(18.6)**	**64.6**	**6.0**	**(19.0)**	**(38.8)**	**104.6**
Grand Total (a + b + c)	**(7.7)**	**(11.5)**	**(24.0)**	**-211.9**	**108.3**	**(15.2)**	**(35.4)**	**133.8**

4.3) NET INCOME (LOSS)

Net income of R$11.1 million in 2Q19, significantly higher than the loss of R$11.6 million in 2Q18. In YTD, net income was of R$6.5 million in 1H19, compared to a loss of R$9.6 million in 1H18.

4.4) EBITDA

In 2Q19, Adjusted EBITDA reached R$49.5 million, up 527.9% over 2Q18, with a margin of 8.1% (+6.5 p.p.).

EBITDA (R$ million)	2Q18	1Q19	2Q19	%Chg. 2Q19 x 2Q18	%Chg. 2Q19 x 1Q19	1H18	1H19	%Chg. 1H18 X 1H19
Net Income (Loss)	(11,6)	(4,6)	11,1	-195,3	-141,2	(9,6)	6,5	-248,3
Deprec. and Amortization	(8,3)	(9,6)	(9,5)	14,2	1,5	(16,2)	(19,1)	-15,1
Financial Result	(7,7)	(11,5)	(24,0)	211,9	-52,1	(15,2)	(35,4)	-57,2
Equity Income	1,9	(1,4)	1,9	4,1	-170,7	(1,6)	0,6	-374,1
IR e Social Contribution	0,0	0,0	(3,0)	N/A	-100,0	0,0	(3,0)	-100,0
EBITDA	**2,5**	**17,9**	**45,5**	**1.711,8**	**-60,6**	**23,3**	**63,5**	**-63,3**

Adjusted EBITDA Conciliation:								
EBITDA	2.5	17.9	45.5	1,711.8	154.1	23.3	63.5	-63.3
(1) Cash effect of input hedge	(2.6)	(0.9)	3.7	-240.9	-529.4	(3.1)	2.8	-209.8
(2) EBITDA Joint Ventures (50%)	8.0	0.7	0.3	-96.3	-60.0	10.8	1.1	928.6
Adjusted EBITDA	**7.9**	**17.8**	**49.5**	**527.9**	**178.1**	**31.0**	**67.4**	**-54.0**
Adjusted EBITDA Margin (%)	**1.6**	**5.0**	**8.1**	**+6.5 p.p.**	**+3.1 p.p.**	**3.4**	**7.3**	**+3.9 p.p.**

Ratio			
Net Debt - end of period Adjusted	207.4	215.0	258.4
EBITDA - LTM	85.6	108.8	150.5
Net Debt / Adjusted EBITDA Ratio	**2.4x**	**2.0x**	**1.7x**

Below there is the breakdown of Adjusted EBITDA:

1) Cash effect of input hedge: Represents the amounts received (or paid) by the company in instruments of exchange hedge contracted to cover dollarized inputs. These figures are net of exchange rate change on invoices in US dollars. The company understands that their result is operational, as they are fully linked to inputs.

2) EBITDA Joint Venture Positivo BGH: Refers to half of the EBITDA obtained by Positivo's joint venture BGH's operations in Argentina, Rwanda and Kenya, with a 50% stake in these companies. We have announced this adjustment since 1Q13, due to the introduction of accounting regulations that now deal on joint ventures using the equity pickup method, which is excluded from the calculation of the traditional EBITDA.

5) WORKING CAPITAL

Financial working capital, including inventories, advances, accounts receivable and suppliers, totaled R$451.2 million in 2Q19, R$76.5 million higher than 2Q18. The main change is found in the suppliers account, due to a higher balance in 2Q18, when the company had a higher volume of payables related to the digital TV project, in which terms negotiated were longer.

Working Capital WITH Materials in Transit	2Q18	3Q18	4Q18	1Q19	2Q19	Average
Accounts Receivable	250.8	254.4	235.3	169.9	228.9	228
Inventories + advances	695.9	731.3	600.5	608.3	575.3	595
Suppliers	(572.0)	(573.6)	(449.3)	(374.1)	(353.0)	(392)
Working Capital	**374.7**	**412.2**	**386.5**	**404.1**	**451.2**	**395**

Working Capital WITHOUT Materials in Transit	2Q18	3Q18	4Q18	1Q19	2Q19	Average
Accounts Receivable[(1)]	54	47	42	45	42	46
Inventories + advances [(2)]	131	138	120	128	115	127
Suppliers [(2)]	(117)	(117)	(98)	(94)	(81)	(101)
Cash Conversion Cycle	**68**	**68**	**63**	**79**	**76**	**71**

(1) In days of net revenue
(2) In CP days

6) CASH FLOW AND NET DEBT

In 2Q19, operating cash generation was negative by R$38 million, due to the lower inventory levels and the drop in the average term of suppliers.

Cash Flow (R$ million)	2Q18	1Q19	2Q19	1S18	1S19
Net Income (Loss) in the Period	(11.6)	(4.6)	11.1	(9.6)	6.5
(+) Depreciation and amortization	8.3	9.7	9.5	16.2	19.2
(+) Equity Income	(1.9)	(1.4)	1.9	1.6	0.6
Internal Cash Flow	**(5.2)**	**3.7**	**22.5**	**8.2**	**26.3**
(+) Working capital	(15.7)	(13.3)	(44.5)	(90.2)	(57.8)
(+) Other assets and liabilities	54.5	17.3	(16.0)	25.5	1.3
Operating Cash Flow	**33.7**	**7.7**	**(38.0)**	**(56.5)**	**(30.2)**
(+) Investments	(5.9)	(5.7)	(5.5)	(11.1)	(11.2)
(+) Dividends	0.0	0.0	0.0	0.0	0.0
(+) Treasury shares	0.1	0.0	0.0	0.3	0.0
Net Debt Variation	**27.9**	**2.0**	**(43.4)**	**(67.4)**	**(41.4)**
Net Debt (Cash) - Beginning of the Period	235.3	217.0	215.0	140.1	217.0
Net Debt (Cash) - End of the Period	207.4	215.0	258.4	207.4	258.4

7) CAPITAL MARKET

Shares Performance

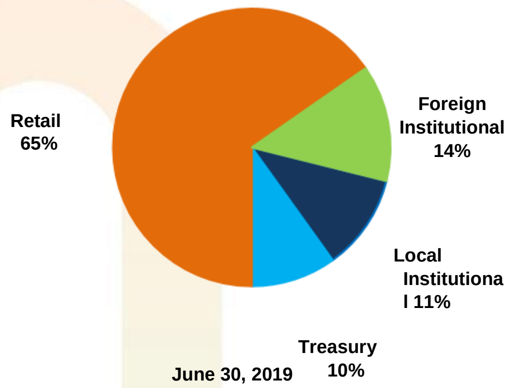
Positivo Tecnologia's shares ended 2Q19 at R$2.60, indicating a market cap of R$228.3 million. POSI3's performance in 2Q19 is shown in the table below.

Frameworks	2Q19
Closing Price (R$)	2.60
Minimum Price (R$)	2.20
Maximum Price (R$)	2.62
POSI3 Appreciation	13.0%
Ibovespa Change	5.1%

Allocation of Outstanding Shares

On June 30, 2019, the company had 7,277 individuals in its shareholding base, holding 69.7% of the outstanding shares. Institutional investors held 24.7% of the free float, as follows:

Free Float Allocation



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2Q19 Conference Call

Thursday, August 15, 2019

> Portuguese
10:30 a.m. (Brasília time)
9:30 a.m. (NY time)
Calls from Brazil: (11) 3181-0155
Code: Positivo

> English
11:30 a.m. (Brasília time)
10:30 a.m. (NY time)
Calls from other countries: 1 (412) 317-6396
Code: Positivo

Founded in 1989, Positivo Tecnologia (B3: POSI3) is present both in Brazil and abroad, and offers the most advanced technology solutions, from the production of computers to the development of educational tools. The Company operates through two business divisions: Hardware and Educational Technology. The Hardware division portfolio offers a complete line of personal computers (PCs and laptops), tablets and mobile phones. The company owns or represents the following brands in Brazil: Positivo, Vaio, Anker, Quantum, 2 A.M., Positivo Casa Inteligente and Accept. Positivo has manufacturing facilities in Curitiba and Manaus, as well as in Buenos Aires, Santiago, Nairobi (Kenya), Kigali (Rwanda), Taipei (Taiwan) and Shenzhen (China). To support clients, the company has Positivo Relationship Center (CRP), as well as a technical support network that covers the entire national territory. In the Educational Technology segment, Positivo Tecnologia is renowned for being at the forefront of development and for the high quality of its technological solutions in the three segments in which it operates: Private Education, Public Education, and Retail. The educational solutions of Positivo Tecnologia are present in over 14,000 schools and are exported to over 40 countries. For further information on Positivo Tecnologia go to www.positivotecnologia.com.br/ri

Certain statements herein are forward-looking statements based on Management's current estimates regarding future performance that may result in material differences regarding future results, performance and events. The actual results, performance and events are subject to material variations and may significantly differ from those expressed or implied by these statements as a result of several factors such as the general and economic conditions in Brazil and other countries; the interest rate and exchange rates levels, changes in laws and regulations and general competitive factors (global, regional or national).

BALANCE SHEET							
ASSETS	**06/30/2019**	**03/31/2019**	**06/30/2018**	**LIABILITIES**	**06/30/2019**	**03/31/2019**	**06/30/2018**
CURRENT ASSETS				**CURRENT LIABILITIES**			
Cash and Cash Equivalents	351.953	414.811	303.596	Loans and Financing	505.198	556.539	463.740
Receivables	228.901	169.875	250.702	Suppliers	353.020	374.052	572.013
Inventories	527.291	554.710	630.325	Accrued Payroll	23.748	19.051	25.030
Recoverable taxes	126.337	129.769	163.498	Provisions	89.950	73.757	85.076
Advances	48.005	53.609	65.591	Taxes Payables	20.348	16.926	29.710
Financial Instrument Balance	-	-	-	Dividends Payable	3	3	3
Related parties	-	14.946	77.354	Deferred Revenue	8.277	8.742	10.115
Other Credits	20.273	21.287	12.426	Financial Instrument Balance	9.897	-	-
	45.615	43.007	46.018	Related parties	725	906	1.680
				Other Payables	15.438	59.896	51.065
Total Current Assets	**1.348.375**	**1.402.014**	**1.549.510**	**Total Current Liabilities**	**1.026.604**	**1.109.872**	**1.238.432**
NON CURRENT ASSETS				**NON CURRENT LIABILITIES**			
Long term Assets	**197.507**	**197.441**	**149.458**	**Long term Liabilities**	**191.213**	**171.424**	**136.590**
Recoverable taxes	75.503	75.496	75.561	Loans and Financing	143.601	124.121	87.163
Deferred Taxes	63.816	64.744	66.731	Provisions	14.060	14.060	11.173
Receivables	9	5	84	Provisions for Contingencies	33.552	33.243	33.741
Other Credits	58.179	57.196	7.082	Net capital deficiency in subsidiaries	-	-	-
Investments	7.044	7.709	-	Uncovered Liabilities - Controlled Companies	460	460	460
Investments - Joint Venture	44.842	38.500	55.244	Other Payables	29.757	29.160	4.053
Net Property, Plant & Equipment	94.640	97.626	54.310				
Net Intangible Assets	74.601	76.845	60.949				
Total Noncurrent Liabilities	**418.634**	**418.121**	**319.961**	**Total Noncurrent Liabilities**	**221.430**	**201.044**	**136.590**
				SHAREHOLDERS´ EQUITY			
				Capital	389.000	389.000	389.000
				Capital Reserve	119.230	119.110	118.716
				Income Reserve	62.852	53.019	54.871
				Treasury Shares	(14.514)	(14.514)	(20.242)
				Cumulative translation adjustment	(40.045)	(38.613)	(47.896)
				Non-controllers share	2.452	1.217	0
				Total Shareholders' Equity	**518.975**	**509.219**	**494.449**
TOTAL ASSETS	**1.767.009**	**1.820.135**	**1.869.471**	**TOTAL LIABILITIES**	**1.767.009**	**1.820.135**	**1.869.471**

INCOME STATEMENT						
(R$ million)	2Q18	1Q19	2Q19	1S18	1S19	% Chg. 1S19x1S18
GROSS REVENUE						
Sales of products	529.275	392.288	602.401	1.021.500	994.690	-2,6
Services	10.180	14.403	13.125	17.651	27.528	56,0
	539.455	**406.691**	**615.526**	**1.039.151**	**1.022.218**	**-1,6**
SALES DEDUCTIONS						
Returns and Trade Discounts	(14.363)	(13.869)	(8.546)	(39.607)	(22.415)	-43,4
Taxes and Contributions	39.981	(32.743)	(99.857)	(84.774)	(74.539)	-12,1
	54.344	(46.612)	(50.343)	(124.381)	(96.954)	**-22,1**
NET SALES REVENUE	**485.111**	**360.079**	**565.183**	**914.770**	**925.264**	**1,1**
COST OF GOODS SOLD AND SERVICES RENDERED	**(370.421)**	**(259.522)**	**(410.884)**	**(687.939)**	**(670.442)**	**-2,5**
GROSS PROFIT	**114.690**	**100.557**	**154.299**	**226.831**	**254.822**	**12,3**
OPERATING (EXPENSE) INCOME						
Selling Expenses	(98.571)	(68.996)	(94.405)	(173.675)	(162.108)	-6,7
General and Administrative Expenses	(28.293)	(23.547)	(23.414)	(52.462)	(48.221)	-8,1
Financial Income	15.999	7.796	8.766	30.298	16.563	-45,3
Financial Expenses	(27.271)	(26.355)	(28.421)	(49.252)	(54.791)	11,2
Monetary and Foreign Exchange Variations	3.591	7.082	(4.303)	3.799	2.796	-26,4
Other net operating income (expenses)	6.373	245	(424)	6.376	(180)	-102,8
	(128.172)	**(103.775)**	**(142.201)**	**(234.916)**	**(245.941)**	**4,7**
EQUITY INCOME	1.872	(1.377)	**1.948**	**(1.565)**	**571**	**-136,5**
OPERATING INCOME	**(11.610)**	**(4.595)**	**14.046**	**(9.648)**	**9.452**	**-198,0**
NET INCOME BEFORE TAXES	**(11.610)**	**(4.595)**	**14.046**	**(9.648)**	**9.452**	**-198,0**
Provision for Income Taxes	0	0	(2.978)	0	(2.051)	N/A
Provision for Social Contribution	0	0	0	0	0	N/A
Deferred Income Taxes and Social Contribution	0	0	0	0	(928)	N/A
NET INCOME (LOSS)	**(11.610)**	**(4.595)**	**11.068**	**(9.648)**	**6.473**	**-167,1**