

**Construtora Tenda S.A.**

Notes to the individual and consolidated  
Interim financial information  
For the period ended march 31, 2020

(Convenience Translation into English from the original previously Issued in Portugues

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## 1Q20 Earnings Release

**With cash of R\$ 1.06 billion and net debt to equity of -9.6% at the end of 1Q20, Tenda reinforces liquidity by implementing measures to preserve financial strength and promotes positive initiatives focused on employees and customers**

**São Paulo, May 14, 2020** – Construtora Tenda S.A. (“Company”, “Tenda”), a leading Brazilian homebuilder and real estate developer, announces today its results for the first quarter of 2020.

### HIGHLIGHTS

#### FINANCIAL HIGHLIGHTS

- Net profit of R\$ 17.5 million in 1Q20, -64,6% YoY, due to:
  - Increase in cancellations due to deadlock in MCMV resources allocation. Situation (already solved) had a negative impact on net revenue: R\$ 38.4 M (effective cancellations) and R\$ 16.2 M (provisions)
  - Increase in allowance for loan losses due to the revaluation of expected default on receivables due to Covid-19, with a negative impact on net revenue estimated at R\$ 5.4 million
  - Increase in selling expenses related to commissions (linked to the validation of the units transferred) and marketing (investments to make the online sales structure viable in large scale), with an additional impact of R\$ 9.2 million versus 2-year history
  - Negative financial results of R\$ 3.0 million, due to the lower net cash position
- R\$ 1.06 billion gross cash and 9.6% net debt/equity in the end of quarter
- Intermittance of mortgage transfers led to cash consumption of R\$ 68.2 million in the quarter
- R\$ 300 million in bank debt and resumption of project financing (SFH) reinforce post-1Q20 cash
- 18.0% ROE and 24.1% ROIC in the last 12 months, with earnings of R\$ 2.39 per share (ex-Treasury)

#### OPERATIONAL HIGHLIGHTS

- 4 projects launched in 1Q20, with a total PSV of R\$ 165.6 million (-57.1% YoY)
- Net pre-sales of R\$ 439.7 million in 1Q20 (+8.0% YoY), with net SoS of 25.5% (-2.0 p.p. YoY)

#### STRATEGIC HIGHLIGHTS

- R\$ 9.8 million invested in Tenda’s strategic initiatives. Main measures:
  - Warehouse to start validating the offsite construction business model
  - Acquisition of land near the warehouse, in São Paulo state, for an offsite pilot
  - Digital initiatives: online sales and customer relationship app

### COVID-19

- Low impact over sales, despite closed stores, signaling resilient demand and efficiency in online sales
- Launches slowed down and an eventual reduction in inventories may impact sales
- Most construction sites are in progress; official decrees, absenteeism and voluntary interruptions should impact productivity
- Partnership with customers: renegotiation of outstanding installments and accelerated delivery to buyer
- Voluntary reduction of top leadership salaries as a commitment to the necessary efforts in this moment of uncertainty

### MESSAGE FROM THE MANAGEMENT

In 1Q20, Tenda faced operational and financial obstacles that resulted in net income of R\$ 17.5 million in the period,

-64.6% YoY and -76.9% QoQ, impacted by several factors. Net operating revenue totaled R\$ 415.8 million in 1Q20 (+ 1.6% YoY and -23.4% QoQ) due to the increase in cancellations given deadlocks already resolved in the allocation of resources to MCMV; effective cancellations above the historical average had an estimated additional impact on net revenue of R\$ 38.4 million and the provision for cancellations in 1Q20 was R\$ 16.2 million.

The adjusted gross margin of 31.8% (-4.0 p.p. YoY) was in line with the reduction in margins that started in 2019 due to tightening of customers' credit and the increase in construction costs. The drop of 1.7 p.p. QoQ also reflects the revaluation of the expected default of the entire receivables portfolio, given the adverse scenario observed in March on behalf of Covid-19, still in its initial stages, with an estimated additional impact on net revenue of R\$ 5.4 million.

In addition, selling expenses totaled R\$ 48.1 million (+ 46.7% YoY and + 5.8% QoQ) due to commission expenses, linked to the validation of late transfers, and due to investments in the new online sales channel of the Company, necessary to continue sales in the coming months. Thus, selling expenses were equivalent to 8.9% of gross sales, compared to 7.2% on average between 2018 and 2019, which is equivalent to an additional expense of R\$ 9.2 million.

Tenda consumed R\$ 68.2 million of cash in 1Q20, mainly due to the intermittency of mortgage transfers in the first months of the year due to a deadlock, already resolved, in the allocation of resources for the Minha Casa Minha Vida program. Despite 1Q20 results, Tenda has shown, in the last 12 months, a 18.0% ROE, + 0.2 p.p. YoY and a profit of R\$ 2.39 per share (ex-Treasury), + 13.1% YoY.

Bottlenecks in the mortgage transfer process, although of a transitory nature, had a strong impact on the 1Q20 results, which also suffered from some initial consequences of Covid-19. In a challenging year, with uncertainties caused by Covid-19, the Management will work dynamically to preserve value for the Company.

## COVID-19

Since the end of February, when the first case of Covid-19 was confirmed in Brazil, Tenda has structured itself to understand the new context and act in order to preserve the integrity of its employees and customers and the financial strength of the Company. At the moment, the scenario for the coming months remains very uncertain:

- Despite new launches already made in 2Q20, the **slowdown in approvals (municipal and state agencies) and project (notaries)**, due to social isolation, may jeopardize the Company's annual growth path for launches
- Even with all stores closed, **gross sales have not been significantly impacted so far** due to the combination of resilient demand, and marketing and sales efficiency in the digital environment. The slowdown in launches may impact future sales due to the consequent reduction in inventories (as a reference, 63.3% of units sold between 2Q19 and 4Q19 were launched in that same year)
- In construction sites, Tenda has been strict in adopting safety protocols to avoid contamination of employees, which has increased our absenteeism. So far, works have been interrupted due to official decrees in the PE, CE, GO and RS. In SP, there was a voluntary interruption of activities in a construction site due to the suspicion of Covid-19. **New decrees, absenteeism and voluntary interruptions can happen, impacting productivity**
- Caixa Econômica Federal (CEF), the main operating agent of Minha Casa Minha Vida, **adapted procedures to maintain mortgage transfers**, to approve new developments and to release installments from construction progress; however, operational bottlenecks in mortgage transferring can still persist throughout the pandemic

**The consequences of the pandemic are not yet clear.** On the one hand, a renewed perception about owning a property and the government's emphasis on the housing program, an important generator of jobs across the country, are favorable for Tenda; on the other hand, a continuing crisis may result in structural unemployment, with an impact on FGTS demand and liquidity, a fund that may still be called up for new economic stimulus measures.

In the midst of such uncertainty, the Company took **several initiatives in order to come stronger from this period:**

- Financing of **R\$ 300 million with banks in March and April**, increasing gross cash by almost 30%. In addition, Tenda has restarted to take project finance lines (SFH) with CEF, after reducing this balance from R\$ 155.6 million in 2Q19 to R\$ 66.9 million in 1Q20
- Negotiation with suppliers and landowners and **access to all government incentive packages**, such as tax postponement

- Strengthening of the partnership with customers, aiming to bring them security and reinforce trust, allowing **renegotiation of outstanding installments and accelerating delivery to buyers**, among others
- Adoption of measures regulated by Provisional Decree 936, which allows reduction of working hours and wages, but taking care to **preserve the net remuneration of employees impacted by the measure**
- **Voluntary reduction in salaries:** officers (by 25%), and CEO and Board members (40%), indefinitely

Tenda is committed to pass through this period of uncertainty caused by Covid-19 providing safety for shareholders, customers and employees and consolidating itself as the main company focused on affordable housing in Brazil.

## STRATEGIC INITIATIVES

In the end of 2019, Tenda announced its three main strategic challenges. In order to achieve its objectives, the Company expects to have expenses of around 1% of net revenue in strategic development initiatives and to use its net cash position (the Company ended 1Q20 with net cash of R\$ 131.8 million) when promising opportunities are identified. **In 1Q20, the Company invested R\$ 9.8 million in strategic initiatives, of which R\$ 7.8 million in CAPEX and R\$ 2.0 million in G&A (0.5% of net revenue).**

Strategic Challenges (R\$ thousand)	1Q20			2020 YTD		
	CAPEX	G&A	TOTAL	CAPEX	G&A	TOTAL
<i>Based on initiatives related to each challenge</i>						
1 Explore the full potential of the current business model	-	410.6	410.6	-	410.6	410.6
2 Make the off-site business model viable	7,002.2	1,344.3	8,346.6	7,002.2	1,344.3	8,346.6
3 Approach digital transformation as a major business imperative	778.2	225.5	1,003.7	778.2	225.5	1,003.7
<b>Total</b>	<b>7,780.4</b>	<b>1,980.4</b>	<b>9,760.8</b>	<b>7,780.4</b>	<b>1,980.4</b>	<b>9,760.8</b>

**Offsite construction.** In 1Q20, Tenda took some important steps to start validating offsite construction concepts. In addition to dedicating a team to the project, two important investments should be highlighted: first, the setting up of a warehouse in the interior of the State of São Paulo where the tests of technologies and products will be conducted; second, the acquisition of land, close to the warehouse, for product and market tests.

**Online sales.** In order to increase sales capillarity, Tenda has invested in the last two years in digital tools such as a portal for third-party salespeople that replicates the experience of in-store sales, and 100%-online sales, first tested in February with the Feiraço Online Tenda and accelerated due to social isolation measures in Brazil.

It is possible to notice a fast progress of both the company and its customers in relation to the digital sales environment. Without the obligation to negotiate physically, several customers felt more comfortable in the new environment, which reduces procedural frictions (decreases the need to exchange physical documents, for example) and behavioral frictions (many customers are inhibited from interacting with a seller due to little knowledge of the complex stages of buying a property).



## OPERATIONAL AND FINANCIAL HIGHLIGHTS

	1Q20	4Q19	QoQ (%)	1Q19	YoY (%)	3M20	3M19	YoY (%)
<b>Operational Highlights (R\$ million, PSV)</b>								
Launches	165.6	835.8	(80.2%) ↓	385.6	(57.1%) ↓	165.6	385.6	(57.1%) ↓
Net Pre-Sales	439.7	615.9	(28.6%) ↓	406.9	8.0% ↑	439.7	406.9	8.0% ↑
Sales over Supply (SoS) (%)	25.5%	28.0%	(2.5 p.p.) ↓	27.5%	(2.0 p.p.) ↓	25.5%	27.5%	(2.0 p.p.) ↓
PSV Transferred	382.2	553.1	(30.9%) ↓	344.7	10.9% ↑	382.2	344.7	10.9% ↑
Units Delivered (#)	1,856	1,752	5.9% ↑	1,536	20.8% ↑	1,856	1,536	20.8% ↑
Landbank	10,556.7	10,619.4	(0.6%) ↓	9,418.1	12.1% ↑	10,556.7	9,418.1	12.1% ↑
Landbank - Acquisitions / Adjustments	102.9	1,585.5	(93.5%) ↓	910.1	(88.7%) ↓	102.9	910.1	(88.7%) ↓
<b>Financial Highlights (R\$ million)</b>								
Net Revenue	415.8	543.1	(23.4%) ↓	409.3	1.6% ↑	415.8	409.3	1.6% ↑
Adjusted Gross Profit <sup>1</sup>	132.1	181.7	(27.3%) ↓	146.4	(9.7%) ↓	132.1	146.4	(9.7%) ↓
Adjusted Gross Margin <sup>1</sup> (%)	31.8%	33.4%	(1.7 p.p.) ↓	35.8%	(4.0 p.p.) ↓	31.8%	35.8%	(4.0 p.p.) ↓
Adjusted EBITDA <sup>2</sup>	42.0	99.9	(58.0%) ↓	69.9	(39.9%) ↓	42.0	69.9	(39.9%) ↓
Adjusted EBITDA Margin <sup>2</sup> (%)	10.1%	18.4%	(8.3 p.p.) ↓	17.1%	(7.0 p.p.) ↓	10.1%	17.1%	(7.0 p.p.) ↓
Net Financial Result	(3.0)	4.0	(173.5%) ↓	0.3	-	(3.0)	0.3	-
Net Income (Loss) <sup>3</sup>	17.6	76.2	(76.9%) ↓	49.8	(64.6%) ↓	17.6	49.8	(64.6%) ↓
Backlog Revenues	638.5	555.2	15.0% ↑	531.5	20.1% ↑	638.5	531.5	20.1% ↑
Backlog Results	245.3	217.7	12.7% ↑	225.1	9.0% ↑	245.3	225.1	9.0% ↑
Backlog Margin (%)	38.4%	39.2%	(0.8 p.p.) ↓	42.4%	(3.9 p.p.) ↓	38.4%	42.4%	(3.9 p.p.) ↓
Cash and Cash Equivalents <sup>4</sup>	1,060.7	1,070.5	(0.9%) ↓	854.5	24.1% ↑	1,060.7	854.5	24.1% ↑
Net Debt	(131.8)	(200.0)	34.1% ↑	(299.4)	56.0% ↑	(131.8)	(299.4)	56.0% ↑
Shareholders' Equity + Minority Shareholders	1,371.1	1,351.7	1.4% ↑	1,201.0	14.2% ↑	1,371.1	1,201.0	14.2% ↑
Net Debt / (SE + Minority) (%)	(9.6%)	(14.8%)	5.2 p.p. ↑	(24.9%)	15.3 p.p. ↑	(9.6%)	(24.9%)	15.3 p.p. ↑
Cash Generation <sup>5</sup>	(68.2)	(16.1)	(322.8%) ↓	37.9	(280.0%) ↓	(68.2)	37.9	(280.0%) ↓
Operating Cash Generation <sup>6</sup>	(60.2)	(12.5)	(380.2%) ↓	36.1	(267.0%) ↓	(60.2)	36.1	(267.0%) ↓
Net Income (Loss) (LTM)	231.4	263.5	(12.2%) ↓	213.8	8.2% ↑	73.0	213.8	(65.9%) ↓
NOPAT <sup>7</sup> (LTM)	257.9	289.2	(10.8%) ↓	235.2	9.7% ↑	257.9	235.2	9.7% ↑
Capital Employed <sup>8</sup>	1,239.3	1,151.7	7.6% ↑	901.6	37.5% ↑	1,239.3	901.6	37.5% ↑
ROE <sup>9</sup> (LTM)	18.0%	20.7%	(2.7 p.p.) ↓	17.8%	0.2 p.p. ↑	18.0%	17.8%	0.2 p.p. ↑
ROIC <sup>10</sup> (LTM)	24.1%	28.3%	(4.2 p.p.) ↓	25.7%	(1.6 p.p.) ↓	24.1%	25.7%	(1.6 p.p.) ↓
Earnings Per Share <sup>12</sup> (LTM) (R\$/shares (ex-Treasury))	2.39	2.71	(12.1%) ↓	2.11	13.1% ↑	2.39	2.11	13.1% ↑

1. Adjusted by capitalized interests.

2. Adjusted by capitalized interests, expenses with stock option plans (non-cash) and minority shareholders.

3. Adjusted by minority shareholders.

4. Backlog results comprise the projects restricted by condition precedent.

5. Cash and cash equivalents and securities.

6. Cash Generation is obtained through the difference between the variation of Available Cash and the variation of Gross Debt, adjusted to the amounts of Share Buyback, Dividends Capital Reduction and non-operating effects.

7. Operating Cash Generation is a result of the company's managerial calculation which neither reflects nor is compared with the figures reported in the financial statements.

8. NOPAT is composed of net income excluding financial result and capitalized interest effects

9. ROE is calculated by net income of the last 12 months adjusted by minority shareholders divided by the average shareholders' equity. Average referring to the opening and closing position in the last 12 months.

10. ROIC is calculated by NOPAT of the last 12 months divided by average capital employed. Average referring to the opening and closing position in the last 12 months.

11. Earnings per share (ex-Treasury) considers the issued shares (adjusted for stock splits) and does not consider shares held in Treasury at the end of the period.

## OPERATIONAL RESULTS

### LAUNCHES

In 1Q20, Tenda launched only 4 projects, totaling R\$ 165.6 million in PSV, down 57.1% YoY and 80.2% QoQ. Changes

in the functioning of registry offices and municipalities, as a result of the Covid-19, were the main reason for the drop in launches in 1Q20, then scheduled to occur at the end of March.

There was a concentration of launches in the São Paulo metropolitan region (2 projects, or 66.8% of the PSV launched), which led to an increase of 1.0% YoY and 5.7% QoQ in the average price per unit.

Launches	1Q20	4Q19	QoQ (%)	1Q19	YoY (%)	3M20	3M19	YoY (%)
Number of Launches	4	22	(81.8%) ↓	10	(60.0%) ↓	4	10	(60.0%) ↓
PSV (R\$ million)	165.6	835.8	(80.2%) ↓	385.6	(57.1%) ↓	165.6	385.6	(57.1%) ↓
Number of units	1,119	5,972	(81.3%) ↓	2,631	(57.5%) ↓	1,119	2,631	(57.5%) ↓
Average price per unit (R\$ thousand)	148.0	140.0	5.7% ↑	146.6	1.0% ↑	148.0	146.6	1.0% ↑
Average size of launches (in units)	280	271	3.1% ↑	263	6.3% ↑	280	263	6.3% ↑

## GROSS SALES

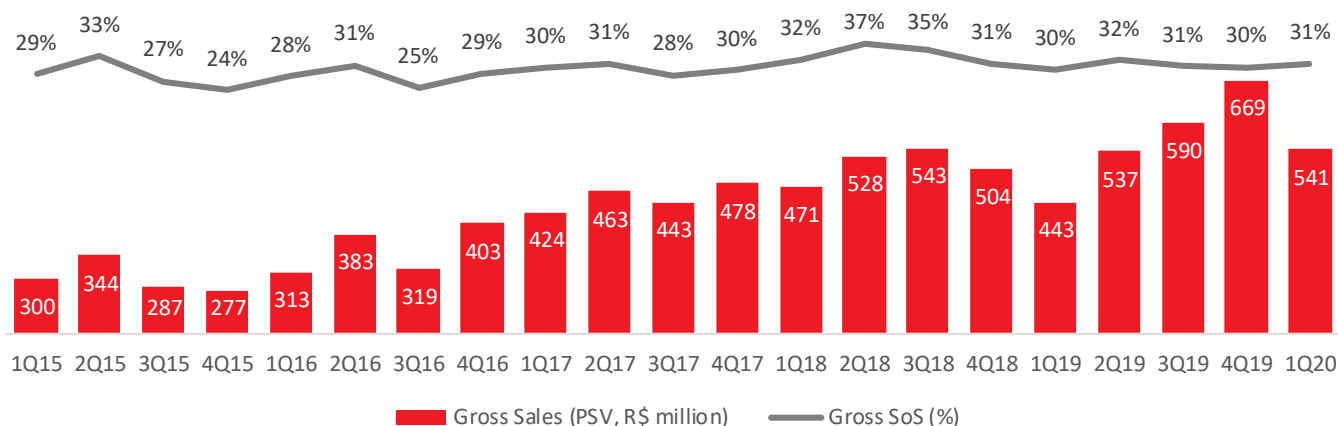
Gross sales totaled R\$ 540.9 million in 1Q20, up 22.1% YoY and down 19.2% QoQ. The average price per unit sold remained stable QoQ, but grew 4.4% YoY due to the increased share of sales in the São Paulo metropolitan region, which went from 32.2% in 1Q19 to 37.9% in 4Q19 and 38.1% in 1Q20.

More sales in the São Paulo metro area led to an increase in MCMV bracket 2 sales, up from 72.4% of the gross sales mix in 1Q19 to 77.1% in 1Q20.

In the annual comparison, more gross sales and less launches led to a decrease in inventory at market value, therefore an increase in gross SoS to 31.3%, 1.4 p.p. above 1Q19.

Gross Sales	1Q20	4Q19	QoQ (%)	1Q19	YoY (%)	3M20	3M19	YoY (%)
PSV (R\$ million)	540.9	669.4	(19.2%) ↓	443.0	22.1% ↑	540.9	443.0	22.1% ↑
Number of units	3,912	4,831	(19.0%) ↓	3,345	17.0% ↑	3,912	3,345	17.0% ↑
Average price per unit (R\$ thousand)	138.3	138.6	(0.2%) ↓	132.4	4.4% ↑	138.3	132.4	4.4% ↑
Gross SoS	31.3%	30.5%	0.8 p.p. ↑	29.9%	1.4 p.p. ↑	31.3%	29.9%	1.4 p.p. ↑

## Gross Sales (PSV, R\$ million) and Gross SoS (%)



## CANCELLATION AND NET PRE-SALES

Net sales totaled R\$ 439.7 million in 1Q20, up 8.0% YoY and down 28.6% QoQ. In this quarter, net sales were negatively impacted by the high percentage of cancellations over gross sales, which reached 18.7% in the quarter, above 2019 levels (between 8.0% and 10.6%).

The increase in cancellations in 1Q20 is mainly associated with sales not transferred since 3Q19, period in which new transfers within the MCMV were interrupted due to a deadlock in the allocation of resources to the program. A similar

deadlock prevented the progress of mortgage transfers in 1Q20, with a probable impact on cancellations in the next quarter. Despite the negative impact of cancellations on net sales in 1Q20, cancelled units replenish inventory at a time of resilient demand and adequate sales progress.

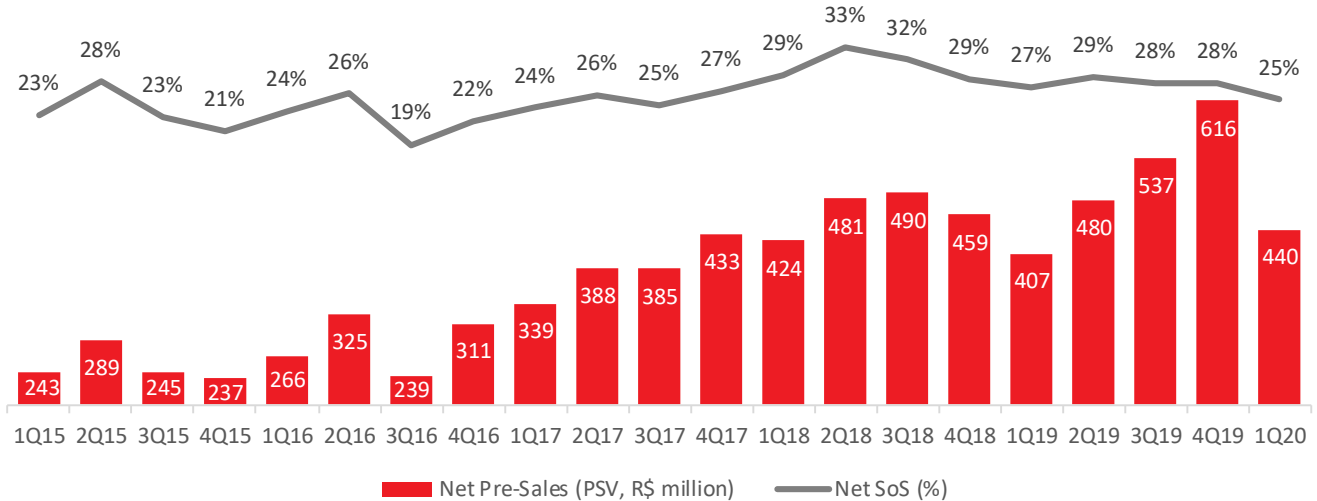
Net SoS was 25.5% in 1Q20, down 2.0 p.p. YoY and 2.5 p.p. QoQ, also influenced by a higher level of cancellations.

(PSV, R\$ million)	1Q20	4Q19	QoQ (%)	1Q19	YoY (%)	3M20	3M19	YoY (%)
Gross Sales	540.9	669.4	(19.2%) ↓	443.0	22.1% ↑	540.9	443.0	22.1% ↑
Cancellations	101.2	53.5	89.1% ↑	36.0	180.9% ↑	101.2	36.0	180.9% ↑
Net Pre-Sales	439.7	615.9	(28.6%) ↓	406.9	8.0% ↑	439.7	406.9	8.0% ↑
% Launches <sup>1</sup>	2.9%	83.3%	(80.4 p.p.) ↓	4.4%	(1.5 p.p.) ↓	2.9%	4.4%	(1.5 p.p.) ↓
% Inventory	97.1%	16.7%	80.4 p.p. ↑	95.6%	1.5 p.p. ↑	97.1%	95.6%	1.5 p.p. ↑
Cancellations / Gross Sales	18.7%	8.0%	10.7 p.p. ↑	8.1%	10.6 p.p. ↑	18.7%	8.1%	10.6 p.p. ↑
Net SoS	25.5%	28.0%	(2.5 p.p.) ↓	27.5%	(2.0 p.p.) ↓	25.5%	27.5%	(2.0 p.p.) ↓

(in units)	1Q20	4Q19	QoQ (%)	1Q19	YoY (%)	3M20	3M19	YoY (%)
Gross Units Sold	3,912	4,831	(19.0%) ↓	3,345	17.0% ↑	3,912	3,345	17.0% ↑
Cancelled Units	742	383	93.7% ↑	276	168.8% ↑	742	276	168.8% ↑
Net Units Sold	3,170	4,448	(28.7%) ↓	3,069	3.3% ↑	3,170	3,069	3.3% ↑
Cancellations / Gross Sales	19.0%	7.9%	11.1 p.p. ↑	8.3%	10.7 p.p. ↑	19.0%	8.3%	10.7 p.p. ↑

### Net Pre-Sales (PSV, R\$ million) e Net SoS (%)





## TRANSFERS, DELIVERIES AND CONSTRUCTION SITES

PSV transferred totaled R\$ 382.2 million in 1Q20, up 10.9% YoY and down 30.9% QoQ. In January and February 2020, there was intermittence in mortgage transfers due to delays in the availability of the Union's Budget resources for the execution of the MCMV (10% of MCMV discounts are funded by the Union's Budget while 90% comes from FGTS), with a negative impact on the quarter's cash generation.

In 1Q20, 1,856 units were delivered, 20.8% above the total delivered in 1Q19. At the end of the quarter, 67 construction sites are in progress.

Transfers, Deliveries and Construction Sites	1Q20	4Q19	QoQ (%)	1Q19	YoY (%)	3M20	3M19	YoY (%)
PSV Transferred (in R\$ million)	382.2	553.1	(30.9%) ↓	344.7	10.9% ↑	382.2	344.7	10.9% ↑
Transferred Units	3,127	4,771	(34.5%) ↓	2,924	6.9% ↑	3,127	2,924	6.9% ↑
Delivered Units	1,856	1,752	5.9% ↑	1,536	20.8% ↑	1,856	1,536	20.8% ↑
Construction Sites	67	67	0,0% =	46	45.7% ↑	67	46	45.7% ↑

## INVENTORY AT MARKET VALUE

The inventory at market value in the 1Q20 totaled R\$ 1.29 billion in PSV, up 19.8% YoY and down 18.6% QoQ. Finished inventory totaled R\$ 51.5 million and represents only 4.0% of the total. Inventory turnover (given by the inventory at market value divided by net pre sales of LTM) is 7.5 months, below the average level of 2019 (8.2 months).

Inventory at Market Value	1Q20	4Q19	QoQ (%)	1Q19	YoY (%)	3M20	3M19	YoY (%)
PSV (R\$ million)	1,287.7	1,581.6	(18.6%) ↓	1,075.0	19.8% ↑	1,287.7	1,075.0	19.8% ↑
Number of Units	8,903	10,963	(18.8%) ↓	7,503.0	18.7% ↑	8,903	7,503.0	18.7% ↑
Average price per unit (R\$ thousand)	144.6	144.3	0.3% ↑	143.3	1.0% ↑	144.6	143.3	1.0% ↑

Status of Construction	1Q20	Not Initiated	Up to 30% built	30% to 70% built	More than 70% built
PSV (R\$ million)	1,287.7	47.0	620.9	437.6	130.8

## LANDBANK

In 1Q20, landbank reached R\$ 10.56 billion in PSV, up 12.1% YoY and down 0.6% QoQ. Tenda acquired 4 projects, which stands for R\$ 102.9 million in PSV.

Landbank <sup>1</sup>	1Q20	4Q19	QoQ (%)	1Q19	YoY (%)	3M20	3M19	YoY (%)
Number of projects	291	292	(0.3%) ↓	268	8.6% ↑	291	268	8.6% ↑
PSV (R\$ million)	10,556.7	10,619.4	(0.6%) ↓	9,418.1	12.1% ↑	10,556.7	9,418.1	12.1% ↑
Acquisitions/Adjustments (R\$ million)	102.9	1,585.5	(93.5%) ↓	910.1	(88.7%) ↓	102.9	910.1	(88.7%) ↓
Number of units	71,625	72,159	(0.7%) ↓	64,084	11.8% ↑	71,625	64,084	11.8% ↑
Average price per unit (R\$ thousands)	147.4	147.2	0.2% ↑	147.0	0.3% ↑	147.4	147.0	0.3% ↑
% Swap Total	33.9%	34.6%	(0.7 p.p.) ↓	25.2%	8.7 p.p. ↑	33.9%	25.2%	8.7 p.p. ↑
% Swap Units	8.2%	8.4%	(0.2 p.p.) ↓	10.9%	(2.7 p.p.) ↓	8.2%	10.9%	(2.7 p.p.) ↓
% Swap Financial	25.8%	26.2%	(0.4 p.p.) ↓	14.3%	11.5 p.p. ↑	25.8%	14.3%	11.5 p.p. ↑

## FINANCIAL RESULTS

### NET OPERATIONAL REVENUE

Net operating revenue totaled R\$ 415.8 million in 1Q20, +1.6% YoY and -23.4% QoQ, negatively impacted by several extraordinary effects related to the high level of cancellations (effective and provisioned) and the provision for estimated losses on allowance for loan losses (PCLD) in comparison with recent figures.

The increase in cancellations (+180.9% YoY and +89.1% QoQ) doubled the cancellations to gross sales ratio: the increase in the index to 18.7% in 1Q20 compared to 9.2% in the average of 2018-2019 is equivalent to R\$ 51.6 million in PSV (and R\$ 38.4 million in 1Q20 net operating revenue). In addition, the provision for cancellations remained high in 1Q20, at R\$ 16.2 million.

This increase in cancellations (effective and provisioned) is due to a deadlock in the allocation of resources to MCMV in 3Q19; a similar situation in 1Q20 may maintain higher levels of cancellations in the coming quarters. However, cancelled units (with greater progress in construction compared to new sales) replenish inventory and may have a positive effect on net revenue throughout the year.

The allowance for loan losses (provision for estimated losses on doubtful accounts) increased due to the revaluation of the expected default on receivables, given the adverse scenario observed in March due to Covid-19. Thus, the provision was equivalent to 2.8% of gross operating revenue, higher than the historical level of 1.6% (average between 2017 and 2018), which is equivalent to a difference of R\$ 5.4 million in net revenue.

(R\$ million)	1Q20	4Q19	QoQ (%)	1Q19	YoY (%)	3M20	3M19	YoY (%)
Gross Operating Revenues	451.8	566.5	(20.2%) ↓	428.7	5.4% ↑	451.8	428.7	5.4% ↑
Provision for estimated losses on doubtful accounts	(12.8)	4.0	(418.1%) ↓	(0.1)	-	(12.8)	(0.1)	-
Provision for cancellations	(16.2)	(18.5)	12.4% ↑	(9.7)	(66.9%) ↓	(16.2)	(9.7)	(66.9%) ↓
Taxes on sales of properties and services	(7.0)	(8.9)	(21.2%) ↓	(9.5)	(26.9%) ↓	(7.0)	(9.5)	(26.9%) ↓
<b>Net Operating Revenue</b>	<b>415.8</b>	<b>543.1</b>	<b>(23.4%) ↓</b>	<b>409.3</b>	<b>1.6% ↑</b>	<b>415.8</b>	<b>409.3</b>	<b>1.6% ↑</b>

## GROSS PROFIT

The gross profit totaled R\$ 127.9 million in 1Q20, down 9.0% YoY, resulting in a gross margin of 30.7%, 3.6 p.p. below than gross margin of 1Q19. The adjusted gross profit reached R\$ 132.1 million in the quarter, down 9.7% YoY e 27.3% QoQ. The adjusted gross margin of 31.8% was mainly impacted by the provision for estimated losses on doubtful accounts and cancellations. Provisions for cancellations had a estimated negative net effect of R\$ 4.5 million.

(R\$ million)	1Q20	4Q19	QoQ (%)	1Q19	YoY (%)	3M20	3M19	YoY (%)
Net Revenue	415.8	543.1	(23.4%) ↓	409.3	1.6% ↑	415.8	409.3	1.6% ↑
<b>Gross Profit</b>	<b>127.9</b>	<b>173.1</b>	<b>(26.1%) ↓</b>	<b>140.5</b>	<b>(9.0%) ↓</b>	<b>127.9</b>	<b>140.5</b>	<b>(9.0%) ↓</b>
Gross Margin	30.7%	31.9%	(1.1 p.p.) ↓	34.3%	(3.6 p.p.) ↓	30.7%	34.3%	(3.6 p.p.) ↓
(-) Financial Costs	4.3	8.6	(50.5%) ↓	5.8	(27.1%) ↓	4.3	5.8	(27.1%) ↓
<b>Adjusted Gross Profit<sup>1</sup></b>	<b>132.1</b>	<b>181.7</b>	<b>(27.3%) ↓</b>	<b>146.4</b>	<b>(9.7%) ↓</b>	<b>132.1</b>	<b>146.4</b>	<b>(9.7%) ↓</b>
Adjusted Gross Margin	31.8%	33.4%	(1.7 p.p.) ↓	35.8%	(4.0 p.p.) ↓	31.8%	35.8%	(4.0 p.p.) ↓

## SELLING, GENERAL AND ADMINISTRATIVE EXPENSES (SG&A)

In 1Q20, selling expenses totaled R\$ 48.1 million, an increase of 46.7% YoY and 5.8% QoQ, equivalent to 8.9% of gross sales, the highest level since the beginning of 2013. The 1.7 p.p. increase versus 2-year average (7.2% of gross sales between 2018 and 2019) is equivalent to R\$ 9.2 million in expenses.

Two main factors explain, in similar proportions, the increase in selling expenses:

- **Brokerage:** the sales commission is linked to the validation of transfers; thus, the strong increase in the number of units transferred in 4Q19 resulted in an increase in commissions paid and recognized in 1Q20. Commissions were R\$ 4.6 million higher than the last two years average.
- **Marketing:** the need to invest in a new online sales channel, in addition to the physical channel, resulted in extraordinary expenses in digital infrastructure, sales site, dedicated team, etc. Marketing expenses were R\$

4.9 million higher than the last two years average.

(R\$ million)	1Q20	4Q19	QoQ (%)	1Q19	YoY (%)	3M20	3M19	YoY (%)
Selling Expenses	(48.1)	(45.5)	5.8% ↑	(32.8)	46.7% ↑	(48.1)	(32.8)	46.7% ↑
Selling Expenses / Gross Sales	8.9%	6.8%	2.1 p.p. ↑	7.4%	1.5 p.p. ↑	8.9%	7.4%	1.5 p.p. ↑

In 1Q20, the general & administrative expenses (“G&A”) totaled R\$ 29.9 million, up 2.7% YoY and 13.6% QoQ. Expenses with Tenda's strategic initiatives represented R\$ 2.0 million in G&A in 1Q20 (0.5% of revenue).

(R\$ million)	1Q20	4Q19	QoQ (%)	1Q19	YoY (%)	3M20	3M19	YoY (%)
General & Admin Expenses	(29.9)	(26.3)	13.6% ↑	(29.1)	2.7% ↑	(29.9)	(29.1)	2.7% ↑
G&A Expenses / Net Operating Revenue	7.2%	4.8%	2.3 p.p. ↑	7.1%	0.1 p.p. ↑	7.2%	7.1%	0.1 p.p. ↑

## OTHER OPERATIONAL REVENUES (EXPENSES)

Other operating revenues and expenses totaled R\$ 15.2 million no 1Q20, down 4.4% YoY and 15.2% QoQ.

(R\$ million)	1Q20	4Q19	QoQ (%)	1Q19	YoY (%)	3M20	3M19	YoY (%)
Other Operating Revenues and Expenses	(15.2)	(18.0)	(15.2%) ↓	(15.9)	(4.4%) ↓	(15.2)	(15.9)	(4.4%) ↓
Litigation Expenses	(11.0)	(16.4)	(33.1%) ↓	(12.4)	(11.3%) ↓	(11.0)	(12.4)	(11.3%) ↓
Others	(4.3)	(1.6)	168.6% ↑	(3.6)	19.4% ↑	(4.3)	(3.6)	19.4% ↑
Equity Income	0.2	5.0	96.8% ↑	(1.2)	(113.0%) ↓	0.2	(1.2)	(113.0%) ↓

## ADJUSTED EBITDA

In 1Q20, the Tenda's adjusted EBITDA totaled R\$ 42.0 million, down 39.9% YoY and 58.0% QoQ.

(R\$ million)	1Q20	4Q19	QoQ (%)	1Q19	YoY (%)	3M20	3M19	YoY (%)
Net Income	17.6	76.2	(76.9%) ↓	49.8	(64.6%) ↓	17.6	49.8	(64.6%) ↓
(+) Financial result	3.0	(4.0)	173.5% ↑	(0.3)	1,239.4% ↑	3.0	(0.3)	1,239.4% ↑
(+) Income taxes and social contribution	8.2	10.4	(21.6%) ↓	6.5	25.2% ↑	8.2	6.5	25.2% ↑
(+) Depreciation and amortization	6.1	5.8	6.2% ↑	4.7	30.7% ↑	6.1	4.7	30.7% ↑
(+) Capitalized interests	4.3	8.6	(50.5%) ↓	5.8	(27.1%) ↓	4.3	5.8	(27.1%) ↓
(+) Expenses with Stock Option Plan	2.9	2.9	(2.1%) ↓	2.5	12.9% ↑	2.9	2.5	12.9% ↑
(+) Minority Shareholders	0.0	0.1	(79.2%) ↓	0.8	(98.6%) ↓	0.0	0.8	(98.6%) ↓
<b>Adjusted EBITDA<sup>1</sup></b>	<b>42.0</b>	<b>99.9</b>	<b>(58.0%) ↓</b>	<b>69.9</b>	<b>(39.9%) ↓</b>	<b>42.0</b>	<b>69.9</b>	<b>(39.9%) ↓</b>
Net Revenue	415.8	543.1	(23.4%) ↓	409.3	1.6% ↑	415.8	409.3	1.6% ↑
<b>Adjusted EBITDA Margin<sup>1</sup></b>	<b>10.1%</b>	<b>18.4%</b>	<b>(8.3 p.p.) ↓</b>	<b>17.1%</b>	<b>(7.0 p.p.) ↓</b>	<b>10.1%</b>	<b>17.1%</b>	<b>(7.0 p.p.) ↓</b>

## FINANCIAL RESULTS

In 1Q20, Tenda recorded a negative financial result of R \$ 3.0 million. Lower net cash position and Selic reduction meant that the profitability of investments (benchmark 100% CDI) was insufficient to meet the cost of debt (92.8% of gross debt is linked to CDI, with an average spread of CDI + 1.35%). The drop versus 4Q19 is due to the one off effect in the previous quarter of the recognition of the profitability of past periods on the blocked cash balance (balance of transfers between the signing and the registration of the financing contract by the client).

(R\$ million)	1Q20	4Q19	QoQ (%)	1Q19	YoY (%)	3M20	3M19	YoY (%)
Financial Income	9.3	16.7	(44.7%) ↓	12.1	(23.2%) ↓	9.3	12.1	(23.2%) ↓
Financial Expenses	(12.2)	(12.7)	(4.0%) ↓	(11.8)	3.5% ↑	(12.2)	(11.8)	3.5% ↑
<b>Financial Results</b>	<b>(3.0)</b>	<b>4.0</b>	<b>(173.5%) ↓</b>	<b>0.3</b>	-	<b>(3.0)</b>	<b>0.3</b>	-

## NET INCOME

In 1Q20, Tenda posted net income of R\$ 17.6 million, down 64.6% YoY and 76.9% QoQ. Lower gross margin, increase in selling, general and administrative expenses (SG&A) and worsening of the net financial result are the three main factors that explain the drop in net profit compared to 1Q19.

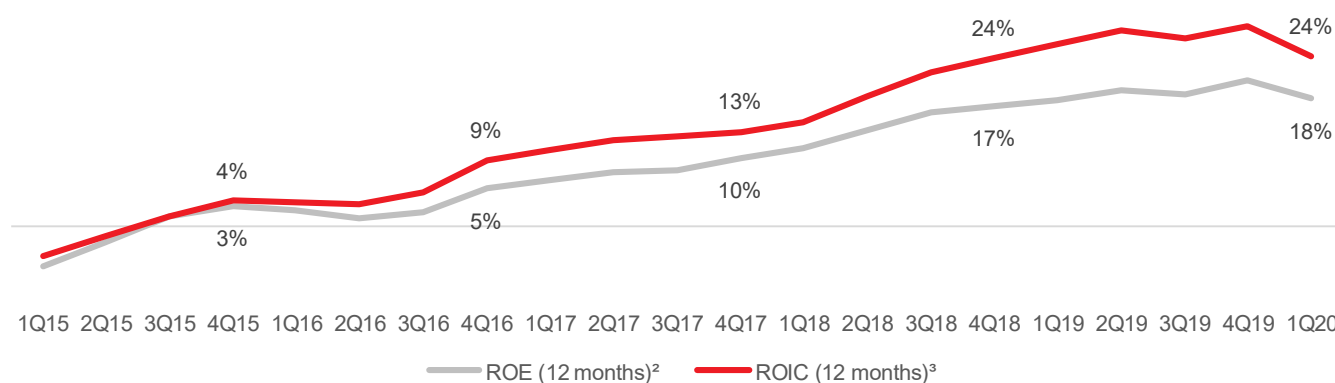
Earnings per share ex-treasury were R\$ 2.39, an increase of 13.1% YoY.

(R\$ million)	1Q20	4Q19	QoQ (%)	1Q19	YoY (%)	3M20	3M19	YoY (%)
Net Income after Income Tax and Social Contribution	17.6	76.2	(76.9%) ↓	50.5	(65.2%) ↓	17.6	50.5	(65.2%) ↓
(-) Minority shareholders	(0.0)	(0.1)	79.2% ↑	(0.8)	98.6% ↑	(0.0)	(0.8)	98.6% ↑
<b>Net Income</b>	<b>17.6</b>	<b>76.2</b>	<b>(76.9%) ↓</b>	<b>49.8</b>	<b>(64.6%) ↓</b>	<b>17.6</b>	<b>49.8</b>	<b>(64.6%) ↓</b>
Net Margin	4.2%	14.0%	(9.8 p.p.) ↓	12.2%	(7.9 p.p.) ↓	4.2%	12.2%	(7.9 p.p.) ↓
Earnings per Share (12 months) (R\$/share)	2.22	2.53	(12.2%) ↓	2.01	10.5% ↑	2.22	2.01	10.5% ↑
Earnings per Share (12 months) (R\$/share) (ex-Treasury)	2.39	2.71	(12.1%) ↓	2.11	13.1% ↑	2.39	2.11	13.1% ↑

1. Earnings per share considers all issued shares (adjusted for stock splits).

2. Earnings per share (ex-Treasury) considers the issued shares (adjusted for stock splits) and does not consider shares held in Treasury at the end of the period

## ROE (% , LTM) and ROIC (% , LTM)



## BACKLOG RESULTS

Backlog margin at 38.4% in 1Q20, down 3.9 p.p. YoY and 0.8 p.p. QoQ. The reduction in the backlog margin compared to the last year is in line with the prioritization of sales turnover at the expense of margins with the change of the MCMV program at the end of 2018, a decision that impacted the Company throughout 2019 and has stabilized since 3Q19.

(R\$ million)	March 20	December 19	QoQ (%)	March 19	YoY (%)
Backlog Revenues	638.5	555.2	15.0% ↑	531.5	20.1% ↑
Backlog Costs (of Units Sold)	(393.2)	(337.6)	16.5% ↑	(306.4)	28.3% ↑
<b>Backlog Results<sup>1</sup></b>	<b>245.3</b>	<b>217.7</b>	<b>12.7% ↑</b>	<b>225.1</b>	<b>9.0% ↑</b>
Backlog Margin	38.4%	39.2%	(0.8 p.p.) ↓	42.4%	(3.9 p.p.) ↓

## CASH AND CASH EQUIVALENTS

(R\$ million)	March 20	December 19	QoQ (%)	March 19	YoY (%)
Cash & Cash Equivalents	34.2	48.4	(29.2%) ↓	67.5	(49.2%) ↓
Short-term Investments	1,026.5	1,022.1	0.4% ↑	787.1	30.4% ↑
<b>Total Cash Position</b>	<b>1,060.7</b>	<b>1,070.5</b>	<b>(0.9%) ↓</b>	<b>854.5</b>	<b>24.1% ↑</b>

## ACCOUNTS RECEIVABLE FROM DEVELOPMENTS AND SERVICES RENDERED

The Company totaled R\$ 691.3 million in accounts receivable in 1Q20, up 36.0% YoY and 10.6% QoQ.

The intermittency of transfers in early 2020, due to deadlocks already resolved in the allocation of resources for brackets 1.5 and 2 of the Minha Casa Minha Vida program, resulted in an increase in days of accounts receivable.

(R\$ million)	March 20	December 19	QoQ (%)	March 19	YoY (%)
2020	621.4	530.4	17.2% ↑	601.0	3.4% ↑
2021	140.6	155.6	(9.7%) ↓	32.6	331.0% ↑
2022	52.8	61.9	(14.7%) ↓	21.0	151.9% ↑
2023	33.6	22.5	49.2% ↑	10.1	231.6% ↑
2024 and beyond	42.0	26.0	61.3% ↑	7.4	466.4% ↑
<b>Total Accounts Receivable</b>	<b>890.3</b>	<b>796.5</b>	<b>11.8% ↑</b>	<b>672.1</b>	<b>32.5% ↑</b>
(-) Present value adjustment	(6.1)	(7.4)	18.1% ↑	(8.3)	26.9% ↑
(-) Provision for doubtful accounts	(131.0)	(118.2)	(10.8%) ↓	(130.6)	(0.3%) ↓
(-) Provision for cancellations	(62.0)	(45.7)	(35.5%) ↓	(24.9)	(149.3%) ↓
<b>Accounts Receivable</b>	<b>691.3</b>	<b>625.1</b>	<b>10.6% ↑</b>	<b>508.3</b>	<b>36.0% ↑</b>
Days of Accounts Receivable	129	117	10.2% ↑	108	19.9% ↑

1. Overdue and falling due

Accounts Receivable Tenda <sup>1</sup> (R\$ million)	March 20	December 19	QoQ (%)	March 19	YoY (%)
Before delivery to buyer (Pro-Soluto)	43.8	62.2	(29.6%) ↓	38.6	13.3% ↑
After delivery to buyer (TCD)	249.4	229.0	8.9% ↑	176.4	41.4% ↑
<b>Tenda Receivables</b>	<b>293.2</b>	<b>291.3</b>	<b>0.7% ↑</b>	<b>215.1</b>	<b>36.3% ↑</b>
Total accounts receivable (AR)	691.3	625.1	10.6% ↑	508.3	36.0% ↑
Backlog Revenues	638.5	555.2	15.0% ↑	531.5	20.1% ↑
<b>Tenda Receivables / (AR + Backlog Revenues)</b>	<b>22.1%</b>	<b>24.7%</b>	<b>(2.6 p.p.) ↓</b>	<b>20.7%</b>	<b>1.4 p.p. ↑</b>

1. Amounts of not transferred receivables net of provisions, with installment payments directly to the Company, since bank loans not absorb 100% of the property value.

## INDEBTEDNESS

In 1Q20, the Company's total debt rose to R\$ 928.9 million after obtaining R\$ 50.0 million in March 2020 from China

Construction Bank. In April, the Company obtained an additional R\$ 250.0 million in bank financing from Itaú, BTG Pactual and ABC Brasil in order to reinforce the Company's cash position amid the uncertainties arising from Covid-19.

With a duration of 26.7 months and a nominal annual average cost of 5.3%, the total debt in 1Q20 was mainly composed of corporate debt (92.8% of the total), linked to the CDI with a weighted average cost of CDI + 1.35%.

Debt Maturity Schedule (R\$ million)	1Q20	Bank Debt	Corporate Debt	Project Finance (SFH)
2020	7.3	0.0	1.4	5.9
2021	440.4	12.5	410.6	17.3
2022	144.3	16.7	100.0	27.6
2023	207.7	16.7	175.0	16.0
2024	129.2	4.2	125.0	0.0
2025 onwards	0.0	0.0	0.0	0.0
<b>Total Debt</b>	<b>928.9</b>	<b>50.0</b>	<b>812.0</b>	<b>66.9</b>

Debt Breakdown (R\$ million)	Maturity	Charges (APY)	Balance Due March 20	Balance Due December 19
<b>Total Debt</b>			<b>928.9</b>	<b>870.4</b>
<b>Bank Debt</b>	<b>until 03/2024</b>	<b>CDI + 2.93%</b>	<b>50.0</b>	<b>0.0</b>
<b>Corporate Debt</b>			<b>812.0</b>	<b>810.4</b>
CRI Tenda	until 01/2021	CDI + 0.90%	310.6	306.4
DEB TEND14	until 09/2023	CDI + 1.75%	150.6	153.5
DEB TEND15	until 03/2024	CDI + 1.40%	149.7	152.3
DEB TEND16	until 12/2024	CDI + 1,30%	201.1	198.3
<b>SFH</b>	<b>until 12/2023</b>	<b>TR + 8.30%</b>	<b>66.9</b>	<b>60.0</b>

Weighted Average Cost of Debt (R\$ million)	Balance Due March 20	Balance Due / Total Debt	Average Cost (APY)
CDI	862.0	92.8%	CDI + 1.35%
TR	66.9	7.2%	TR + 8.3%
<b>Total</b>	<b>928.9</b>	<b>100%</b>	<b>5.3%</b>

## RATING

Standard & Poor's ("S&P") maintains Tenda's corporate credit rating at brAA+ with a stable outlook.

## NET DEBT

Tenda has a net cash to equity ratio of 9.6%, keeping it as one of the most unleveraged companies in the sector.

(R\$ million)	March 20	December 19	QoQ (%)	March 19	YoY (%)
<b>Gross Debt</b>	<b>928.9</b>	<b>870.4</b>	<b>6.7% ↑</b>	<b>555.1</b>	<b>67.4% ↑</b>
(-) Cash and cash equivalents and financial investments	(1,060.7)	(1,070.5)	(0.9%) ↓	(854.5)	24.1% ↑
<b>Net Debt</b>	<b>(131.8)</b>	<b>(200.0)</b>	<b>34.1% ↑</b>	<b>(299.4)</b>	<b>56.0% ↑</b>
Shareholders' Equity + Minority Shareholders (SE+MS)	1,371.1	1,351.7	1.4% ↑	1,201.0	14.2% ↑
Net Debt / Equity (SE+MS)	(9.6%)	(14.8%)	5.2 p.p. ↑	(24.9%)	15.3 p.p. ↑
Adjusted EBITDA (Last 12 months)	331.4	359.8	(7.9%) ↓	295.0	12.3% ↑

## CASH GENERATION AND CAPITAL DISTRIBUTION

Tenda ended 1Q20 with a cash consumption of R\$ 68.2 million. Intermittance of mortgage transfers led to cash consumption of R\$ 68.2 million in the quarter. The Company didn't buyback shares nor distribute capital in 1Q20.

(R\$ million)	1Q20	4Q19	QoQ (%)	1Q19	YoY (%)
Stock buyback	0.0	0.0	0.0% ↑	51.5	(100.0%) ↓
Dividends paid	0.0	15.4	(100.0%) ↓	0.0	0.0% ↑
<b>Capital Distribution</b>	<b>0.0</b>	<b>15.4</b>	<b>(100.0%) ↓</b>	<b>51.5</b>	<b>(100.0%) ↓</b>
(R\$ million, last 12 months)	1Q20	4Q19	QoQ (%)	1Q19	YoY (%)
Stock buyback	10.9	62.5	(82.5%) ↓	193.8	(94.4%) ↓
Dividends paid	57.8	57.8	0.0% ↑	25.0	131.1% ↑
<b>Capital Distribution</b>	<b>68.7</b>	<b>120.2</b>	<b>(42.9%) ↓</b>	<b>218.8</b>	<b>(68.6%) ↓</b>

(R\$ million)	March 20	December 19	QoQ (%)	March 19	YoY (%)
Change in Available Cash	(9.7)	94.1	(110.3%) ↓	(1.1)	(824.0%) ↓
(-) Change in Gross Debt	58.5	125.6	(53.4%) ↓	12.6	364.9% ↑
(-) Capital Distribution	0.0	15.4	(100.0%) ↓	51.5	(100.0%) ↓
<b>Cash Generation<sup>1</sup></b>	<b>(68.2)</b>	<b>(16.1)</b>	<b>(322.8%) ↓</b>	<b>37.9</b>	<b>(280.0%) ↓</b>
Operational Cash Generation <sup>2</sup>	(60.2)	(12.5)	(380.2%) ↓	36.1	(267.0%) ↓

1. Cash Generation is obtained through the difference between the change in Available Cash and the change in Gross Debt, adjusted to the amounts of Share Buyback and Dividends Paid

2. Operating Cash Generation is a result of the company's managerial calculation which neither reflects nor is compared with the figures reported in the financial statements

## INCOME STATEMENT

(R\$ million)	1Q20	4Q19	QoQ (%)	1Q19	YoY (%)	3M20	3M19	YoY (%)
Net Revenue	415.8	543.1	(23.4%) ↓	409.3	1.6% ↑	415.8	409.3	1.6% ↑
Operating Costs	(288.0)	(370.1)	(22.2%) ↓	(268.8)	7.1% ↑	(288.0)	(268.8)	7.1% ↑
<b>Gross Profit</b>	<b>127.9</b>	<b>173.1</b>	<b>(26.1%) ↓</b>	<b>140.5</b>	<b>(9.0%) ↓</b>	<b>127.9</b>	<b>140.5</b>	<b>(9.0%) ↓</b>
Gross Margin	30.7%	31.9%	(1.1 p.p.) ↓	34.3%	(3.6 p.p.) ↓	30.7%	34.3%	(3.6 p.p.) ↓
Operating Expenses	(99.1)	(90.4)	9.6% ↑	(83.7)	18.4% ↑	(99.1)	(83.7)	18.4% ↑
Selling Expenses	(48.1)	(45.5)	5.8% ↑	(32.8)	46.7% ↑	(48.1)	(32.8)	46.7% ↑
G&A Expenses	(29.9)	(26.3)	13.6% ↑	(29.1)	2.7% ↑	(29.9)	(29.1)	2.7% ↑
Other Operating Revenue/Expenses	(15.2)	(18.0)	(15.2%) ↓	(15.9)	(4.4%) ↓	(15.2)	(15.9)	(4.4%) ↓
Depreciation and Amortization	(6.1)	(5.8)	6.2% ↑	(4.7)	30.7% ↑	(6.1)	(4.7)	30.7% ↑
Equity Income	0.2	5.0	(96.8%) ↓	(1.2)	113.0% ↑	0.2	(1.2)	113.0% ↑
<b>Operational Result</b>	<b>28.7</b>	<b>82.6</b>	<b>(65.2%) ↓</b>	<b>56.8</b>	<b>(49.4%) ↓</b>	<b>28.7</b>	<b>56.8</b>	<b>(49.4%) ↓</b>
Financial Income	9.3	16.7	(44.7%) ↓	12.1	(23.2%) ↓	9.3	12.1	(23.2%) ↓
Financial Expenses	(12.2)	(12.7)	(4.0%) ↓	(11.8)	3.5% ↑	(12.2)	(11.8)	3.5% ↑
<b>Net Income Before Taxes on Income</b>	<b>25.8</b>	<b>86.7</b>	<b>(70.3%) ↓</b>	<b>57.1</b>	<b>(54.8%) ↓</b>	<b>25.8</b>	<b>57.1</b>	<b>(54.8%) ↓</b>
Deferred Income Taxes	(1.3)	(0.6)	(118.8%) ↓	0.0	N/A ↓	(1.3)	0.0	N/A ↓
Current Income Taxes	(6.9)	(9.8)	(30.1%) ↓	(6.5)	5.2% ↑	(6.9)	(6.5)	5.2% ↑
<b>Net Income After Taxes on Income</b>	<b>17.6</b>	<b>76.2</b>	<b>(76.9%) ↓</b>	<b>50.5</b>	<b>(65.2%) ↓</b>	<b>17.6</b>	<b>50.5</b>	<b>(65.2%) ↓</b>
(-) Minority Shareholders	(0.0)	(0.1)	79.2% ↑	(0.8)	98.6% ↑	(0.0)	(0.8)	98.6% ↑
<b>Net Income</b>	<b>17.6</b>	<b>76.2</b>	<b>(76.9%) ↓</b>	<b>49.8</b>	<b>(64.6%) ↓</b>	<b>17.6</b>	<b>49.8</b>	<b>(64.6%) ↓</b>



## BALANCE SHEET

(R\$ million)	March 20	December 19	QoQ (%)	March 19	YoY (%)
<b>Current Assets</b>	<b>2,675.9</b>	<b>2,506.4</b>	<b>6.8% ↑</b>	<b>1,877.3</b>	<b>42.5% ↑</b>
Cash and cash equivalents	34.2	48.4	(29.2%) ↓	67.5	(49.2%) ↓
Short term investments	1,026.5	1,022.1	0.4% ↑	787.1	30.4% ↑
Receivables from clients	549.8	406.6	35.2% ↑	357.3	53.9% ↑
Properties for sale	980.0	955.6	2.6% ↑	630.6	55.4% ↑
Other accounts receivable	85.4	73.7	15.8% ↑	35.0	144.0% ↑
<b>Non-Current Assets</b>	<b>745.9</b>	<b>827.6</b>	<b>(9.9%) ↓</b>	<b>737.9</b>	<b>1.1% ↑</b>
Receivables from clients	141.5	218.5	(35.3%) ↓	151.1	(6.3%) ↓
Properties for sale	532.2	537.0	(0.9%) ↓	526.9	1.0% ↑
Other	72.3	72.1	0.2% ↑	60.0	20.5% ↑
<b>Intangible, Property and Equipment</b>	<b>105.1</b>	<b>101.9</b>	<b>3.1% ↑</b>	<b>94.0</b>	<b>11.8% ↑</b>
<b>Investments</b>	<b>42.7</b>	<b>42.6</b>	<b>0.3% ↑</b>	<b>38.1</b>	<b>12.0% ↑</b>
<b>Total Assets</b>	<b>3,569.7</b>	<b>3,478.5</b>	<b>2.6% ↑</b>	<b>2,747.4</b>	<b>29.9% ↑</b>
<b>Current Liabilities</b>	<b>914.4</b>	<b>579.0</b>	<b>57.9% ↑</b>	<b>516.3</b>	<b>77.1% ↑</b>
Loans and financing	8.2	8.5	(4.3%) ↓	7.6	6.8% ↑
Debentures	313.8	5.6	5,506.3% ↑	0.7	47,236.8% ↑
Land obligations and customers' advances	339.6	340.9	(0.4%) ↓	284.9	19.2% ↑
Material and service suppliers	63.5	38.9	63.1% ↑	46.4	36.9% ↑
Taxes and contributions	30.3	30.0	0.8% ↑	27.2	11.3% ↑
Other	159.1	155.0	2.6% ↑	149.5	6.4% ↑
<b>Non-current liabilities</b>	<b>1,284.1</b>	<b>1,547.8</b>	<b>(17.0%) ↓</b>	<b>1,030.1</b>	<b>24.7% ↑</b>
Loans and financing	108.8	51.5	111.2% ↑	105.9	2.7% ↑
Debentures	498.1	804.8	(38.1%) ↓	440.9	13.0% ↑
Land obligations and customers' advances	593.1	602.4	(1.5%) ↓	389.0	52.5% ↑
Deferred taxes	12.8	11.8	8.7% ↑	8.0	60.5% ↑
Provision for contingencies	30.0	28.7	4.8% ↑	33.7	(10.8%) ↓
Other creditors	0.0	0.0	0.0% ↑	0.0	0.0% ↑
Other	41.2	48.6	(15.2%) ↓	52.6	(21.7%) ↓
<b>Shareholders' Equity</b>	<b>1,371.1</b>	<b>1,351.7</b>	<b>1.4% ↑</b>	<b>1,201.0</b>	<b>14.2% ↑</b>
Shareholders' Equity	1,370.2	1,350.6	1.4% ↑	1,200.0	14.2% ↑
Minority Shareholders	0.9	1.1	(17.9%) ↓	1.0	(11.7%) ↓
<b>Total Liabilities and Shareholders' Equity</b>	<b>3,569.7</b>	<b>3,478.5</b>	<b>2.6% ↑</b>	<b>2,747.4</b>	<b>29.9% ↑</b>

## CASH FLOW STATEMENT

(R\$ million)	1Q20	4Q19	QoQ (%)	1Q19	YoY (%)	3M20	3M19	YoY (%)
<b>Cash from (used in) operating activities</b>	<b>(42.3)</b>	<b>(0.1)</b>	<b>(68,166%) ↓</b>	<b>48.9</b>	<b>(186.6%) ↓</b>	<b>(42.3)</b>	<b>48.9</b>	<b>(186.6%) ↓</b>
Net Income (loss) before taxes	25.8	86.7	(70.3%) ↓	57.1	(54.8%) ↓	25.8	57.1	(54.8%) ↓
Depreciation and amortization	9.3	9.0	4.0% ↑	7.0	32.6% ↑	9.3	7.0	32.6% ↑
Provision(reversal) doubtful accounts and cancellations	20.9	8.7	139.2% ↑	5.7	267.2% ↑	20.9	5.7	267.2% ↑
Present value adjustment	(1.3)	0.9	(249.1%) ↓	(1.7)	21.2% ↑	(1.3)	(1.7)	21.2% ↑
Impairment	(0.3)	(3.1)	90.3% ↑	(2.3)	87.0% ↑	(0.3)	(2.3)	87.0% ↑
Equity income	(0.2)	(5.0)	96.8% ↑	1.2	(113.0%) ↓	(0.2)	1.2	(113.0%) ↓
Provision for contingencies	2.9	3.5	(17.7%) ↓	5.6	(49.0%) ↓	2.9	5.6	(49.0%) ↓
Unrealized interest and charges, net	9.6	4.6	109.3% ↑	2.2	336.3% ↑	9.6	2.2	336.3% ↑
Warranty provision	0.4	4.4	(90.6%) ↓	0.3	35.5% ↑	0.4	0.3	35.5% ↑
Profit sharing provision	3.0	1.8	67.7% ↑	3.3	(6.7%) ↓	3.0	3.3	(6.7%) ↓
Stock option plan expenses	2.9	2.9	(2.1%) ↓	2.5	12.9% ↑	2.9	2.5	12.9% ↑
Other provisions	1.6	(0.5)	392.0% ↑	(0.6)	350.2% ↑	1.6	(0.6)	350.2% ↑
Deferred income tax and social contribution	2.3	(0.3)	976.0% ↑	0.1	2,787.7% ↑	2.3	0.1	2,787.7% ↑
Clients	(93.8)	(15.7)	(497.9%) ↓	(40.8)	(130.0%) ↓	(93.8)	(40.8)	(130.0%) ↓
Properties for sale	3.5	(179.5)	102.0% ↑	(64.7)	105.4% ↑	3.5	(64.7)	105.4% ↑
Other accounts receivable	(11.6)	(27.6)	58.0% ↑	(1.0)	(1,118%) ↓	(11.6)	(1.0)	(1,118%) ↓
Suppliers	24.6	(21.0)	216.9% ↑	24.9	(1.4%) ↓	24.6	24.9	(1.4%) ↓
Taxes and contributions	(1.4)	1.4	(197.7%) ↓	(0.0)	(34,975%) ↓	(1.4)	(0.0)	(34,975%) ↓
Salaries, payroll charges and bonus provision	1.9	(7.1)	126.6% ↑	1.8	3.4% ↑	1.9	1.8	3.4% ↑
Obligations for purchase of real properties	(25.3)	140.7	(117.9%) ↓	54.9	(146.0%) ↓	(25.3)	54.9	(146.0%) ↓
Other accounts payable	(9.4)	4.0	(331.8%) ↓	(1.5)	(519.3%) ↓	(9.4)	(1.5)	(519.3%) ↓
Current account operations	0.1	(0.2)	150.3% ↑	1.1	(91.3%) ↓	0.1	1.1	(91.3%) ↓
Taxes paid	(7.8)	(8.6)	9.2% ↑	(6.3)	(24.0%) ↓	(7.8)	(6.3)	(24.0%) ↓
<b>Cash from (used in) investment activities</b>	<b>(17.8)</b>	<b>(110.9)</b>	<b>83.9% ↑</b>	<b>34.9</b>	<b>(151.1%) ↓</b>	<b>(17.8)</b>	<b>34.9</b>	<b>(151.1%) ↓</b>
Purchase of property and equipment	(14.8)	(12.0)	(23.8%) ↓	(9.4)	(57.8%) ↓	(14.8)	(9.4)	(57.8%) ↓
Investments in marketable securities, net	(3.0)	(98.9)	97.0% ↑	44.2	(106.8%) ↓	(3.0)	44.2	(106.8%) ↓
<b>Cash from (used in) financing activities</b>	<b>46.0</b>	<b>100.4</b>	<b>(54.2%) ↓</b>	<b>(50.6)</b>	<b>191.0% ↑</b>	<b>46.0</b>	<b>(50.6)</b>	<b>191.0% ↑</b>
Stock Buyback	0.0	0.3	(100.0%) ↓	(51.5)	100.0% ↑	0.0	(51.5)	100.0% ↑
Capital Reserve Increase	(0.9)	1.4	(162.7%) ↓	1.6	(153.0%) ↓	(0.9)	1.6	(153.0%) ↓
Dividends Paid	0.0	(15.4)	100.0% ↑	0.0	0.0% ↑	0.0	0.0	0.0% ↑
Loans and financing increase	101.0	202.1	(50.1%) ↓	68.2	48.1% ↑	101.0	68.2	48.1% ↑
Amortization of loans and financing	(53.1)	(86.6)	38.7% ↑	(67.5)	21.4% ↑	(53.1)	(67.5)	21.4% ↑
Loans and financing increase	(0.9)	(0.9)	2.4% ↑	(1.1)	16.3% ↑	(0.9)	(1.1)	16.3% ↑
Loan operations	(0.1)	(0.5)	86.2% ↑	(0.2)	67.5% ↑	(0.1)	(0.2)	67.5% ↑
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(14.1)</b>	<b>(10.6)</b>	<b>(33.8%) ↓</b>	<b>33.2</b>	<b>(142.6%) ↓</b>	<b>(14.1)</b>	<b>33.2</b>	<b>(142.6%) ↓</b>
<b>At the beginning of the period</b>	<b>48.4</b>	<b>58.9</b>	<b>(17.9%) ↓</b>	<b>34.3</b>	<b>41.0% ↑</b>	<b>48.4</b>	<b>34.3</b>	<b>41.0% ↑</b>
<b>At the end of the period</b>	<b>34.2</b>	<b>48.4</b>	<b>(29.2%) ↓</b>	<b>67.5</b>	<b>(49.2%) ↓</b>	<b>34.2</b>	<b>67.5</b>	<b>(49.2%) ↓</b>

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## **ABOUT TENDA**

Tenda (B3: TEND3), one of the main homebuilders in Brazil, is listed under Novo Mercado, B3's highest corporate governance level. With a focus on affordable housing, it concentrates its activities in nine metropolitan regions of Brazil and operates within the brackets 1.5 and 2 of the "Minha Casa, Minha Vida" ("MCMV") federal government housing program.

ASSETS	Notes	Parent		Consolidated	
		03/31/2020	12/31/2019	03/31/2020	12/31/2019
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	4.1	17,325	36,730	34,239	48,353
Securities	4.2	733,654	770,680	1,026,474	1,022,099
Receivables from developments and services provided	5	86,619	68,619	549,818	406,599
Properties for sale	6	73,154	70,818	980,027	955,589
Due from related parties	7.1	125,638	39,529	3,200	3,051
Escrow deposits	17.2	10,971	10,932	11,334	11,304
Other receivables		36,559	22,808	70,823	59,371
<b>Total current assets</b>		<b>1,083,920</b>	<b>1,020,116</b>	<b>2,675,915</b>	<b>2,506,366</b>
<b>NONCURRENT ASSETS</b>					
Receivables from developments and services provided	5	20,018	38,535	141,472	218,543
Properties for sale	6	44,208	44,208	532,190	536,975
Due from related parties	7.1	46,785	46,720	37,486	37,421
Escrow deposits	17.2	33,681	33,562	34,795	34,704
Investments in equity interests	8	1,140,363	1,110,713	42,726	42,592
Property and equipment	9	66,404	68,046	79,330	79,434
Intangible assets	10	25,755	22,450	25,755	22,450
<b>Total noncurrent assets</b>		<b>1,377,214</b>	<b>1,364,234</b>	<b>893,754</b>	<b>972,119</b>
<b>TOTAL ASSETS</b>		<b>2,461,134</b>	<b>2,384,350</b>	<b>3,569,669</b>	<b>3,478,485</b>

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

	Notes	Parent		Consolidated	
		03/31/2020	12/31/2019	03/31/2020	12/31/2019
<b>LIABILITIES AND EQUITY</b>					
<b>CURRENT LIABILITIES</b>					
Borrowings and financing	11	2,432	1,641	8,150	8,517
Debentures	12	313,843	5,598	313,843	5,598
Lease – right of use	13	4,110	2,981	4,110	2,981
Payables for materials and services	-	14,982	6,202	63,492	38,926
Taxes and contributions	-	9,857	10,647	30,282	30,048
Payroll, related taxes and profit sharing	14	15,576	11,434	54,208	49,265
Payables for purchase of properties and advances from customers	15	5,107	5,311	339,617	340,862
Provisions and contract terminations payable	-	4,551	4,253	10,170	8,294
Due to related parties	7.1	42,612	48,570	24,144	23,681
Allowance for loss on investments	8	11,554	11,426	5,666	5,705
Dividends payable	-	18,175	18,175	18,381	18,175
Other payables	-	4,657	5,553	8,966	15,023
Provision for contingencies	17.1	31,375	30,086	33,412	31,896
<b>Total current liabilities</b>		<b>478,831</b>	<b>161,877</b>	<b>914,441</b>	<b>578,971</b>
<b>NONCURRENT LIABILITIES</b>					
Borrowings and financing	11	60,691	8,383	108,790	51,499
Debentures	12	498,126	804,822	498,126	804,822
Lease – right of use	13	12,747	17,698	12,747	17,698
Payables for purchase of properties and advances from customers	15	1,193	1,734	593,128	602,386
Provision for contingencies	17.1	28,216	27,057	30,048	28,685
Deferred taxes	16	515	399	12,822	11,794
Other payables	-	10,612	11,759	28,471	30,921
<b>Total noncurrent liabilities</b>		<b>612,100</b>	<b>871,852</b>	<b>1,284,132</b>	<b>1,547,805</b>
<b>EQUITY</b>					
Capital	18.1	1,095,511	1,095,511	1,095,511	1,095,511
Capital and stock option reserve	18.2	35,210	33,531	35,210	33,531
Treasury shares	18.3	(102,116)	(102,425)	(102,116)	(102,425)
Earnings reserve	-	341,598	324,004	341,598	324,004
Equity attributable to the Company's owners		1,370,203	1,350,621	1,370,203	1,350,621
Noncontrolling interests		-	-	893	1,088
<b>Total equity</b>		<b>1,370,203</b>	<b>1,350,621</b>	<b>1,371,096</b>	<b>1,351,709</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>2,461,134</b>	<b>2,384,350</b>	<b>3,569,669</b>	<b>3,478,485</b>

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

	Notes	Parent		Consolidated	
		03/31/2020	03/31/2019	03/31/2020	03/31/2019
NET REVENUE	22	15,992	73,999	415,812	409,314
COSTS	23	(13,769)	(55,504)	(287,953)	(268,790)
GROSS PROFIT		2,223	18,495	127,859	140,524
(EXPENSES) INCOME					
Selling expenses	23	147	(4,776)	(48,085)	(32,773)
General and administrative expenses	23	(8,195)	(10,722)	(29,857)	(29,078)
Share of profit (loss) of investees	8	48,095	67,451	161	(1,243)
Other (expenses), net	23	(19,864)	(19,634)	(21,356)	(20,621)
PROFIT BEFORE FINANCE INCOME (COSTS)		22,406	50,814	28,722	56,809
FINANCE INCOME (COSTS)		(4,282)	(1,061)	(2,951)	259
Finance income	24	6,698	9,177	9,261	12,054
Finance costs	24	(10,980)	(10,238)	(12,212)	(11,795)
PROFIT BEFORE INCOME TAX AND SOCIAL CONTRIBUTION		18,124	49,753	25,771	57,068
INCOME TAX AND SOCIAL CONTRIBUTION		(530)	-	(8,166)	(6,523)
Current income tax and social contribution	16	(414)	-	(6,862)	(6,525)
Deferred income tax and social contribution	16	(116)	-	(1,304)	2
PROFIT FOR THE PERIOD		17,594	49,753	17,605	50,545
PROFIT FOR THE PERIOD ATTRIBUTABLE TO:					
Owners of the Company		17,594	49,753	17,594	49,753
Noncontrolling interests		-	-	11	792
EARNINGS PER SHARE ATTRIBUTABLE TO COMPANY OWNERS					
Basic earnings per thousand shares – in reais	20	0.1807	0.5200	0.1807	0.5200
Diluted earnings per thousand shares – in reais	20	0.1660	0.4759	0.1660	0.4759

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

	<b>Parent</b>		<b>Consolidated</b>	
	03/31/2020	03/31/2019	03/31/2020	03/31/2019
PROFIT FOR THE PERIOD	17,594	49,753	17,605	50,545
Other comprehensive income	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	17,594	49,753	17,605	50,545
COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO:				
Owners of the Company	17,594	49,753	17,594	49,753
Noncontrolling interests	-	-	11	792
	17,594	49,753	17,605	50,545

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

	Attributable to owners of the Company								
	Notes	Capital	Capital reserve	Treasury shares	Earnings reserve	Retained earnings (accumulated losses)	Total Parent	Noncontrolling interests	Total equity
BALANCES AS AT DECEMBER 31, 2018		1,095,511	69,999	(90,889)	123,052	-	1,197,673	6,101	1,203,774
Capital decrease		-	-	-	-	-	-	(5,882)	(5,882)
Increase of capital reserve		-	1,581	-	-	-	1,581	-	1,581
Recognized stock options granted	18.2	-	2,525	-	-	-	2,525	-	2,525
Share buyback	18.3	-	-	(51,531)	-	-	(51,531)	-	(51,531)
Stock option exercise		-	(11,776)	11,776	-	-	-	-	-
Profit for the period		-	-	-	-	49,753	49,753	792	50,545
BALANCES AS AT MARCH 31, 2019		1,095,511	62,329	(130,644)	123,052	49,753	1,200,001	1,011	1,201,012
BALANCES AS AT DECEMBER 31, 2019		1,095,511	33,531	(102,425)	324,004	-	1,350,621	1,088	1,351,709
Distributed dividends		-	-	-	-	-	-	(206)	(206)
Decrease of capital reserve		-	(862)	-	-	-	(862)	-	(862)
Recognized stock options granted		-	2,850	-	-	-	2,850	-	2,850
Stock option exercise		-	(309)	309	-	-	-	-	-
Profit for the period		-	-	-	-	17,594	17,594	11	17,605
BALANCES AS AT MARCH 31, 2020		1,095,511	35,210	(102,116)	324,004	17,594	1,370,203	893	1,371,096

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



	Notes	Parent		Consolidated	
		03/31/2020	03/31/2019	03/31/2020	03/31/2019
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
PROFIT BEFORE INCOME TAX AND SOCIAL CONTRIBUTION		18,124	49,753	25,771	57,068
<b>Adjustments for:</b>					
Depreciation and amortization	9 and 10	8,753	6,926	9,318	7,025
Estimated allowance for (reversal of) doubtful debts and contract terminations (net of termination costs)	5 and 6	1,255	(7,368)	20,896	5,691
Present value adjustment	5	87	(246)	(1,336)	(1,696)
Allowance for impairment of nonfinancial assets	6 and 8	(225)	(2,284)	(296)	(2,284)
Share of profit (loss) of investees	8	(48,095)	(67,451)	(161)	1,243
Provision for contingencies and commitments	17	2,448	6,293	2,879	5,647
Unrealized interest and finance charges, net		10,652	1,952	9,568	2,193
Provision for warranties		57	111	412	304
Accrued profit sharing	23	3,126	2,739	3,039	3,257
Stock option costs	18.2	2,850	2,525	2,850	2,525
Other provisions		304	(323)	1,571	(628)
Deferred taxes (PIS and COFINS)		-	(424)	2,339	81
<b>(Increase) decrease in operating assets</b>					
Receivables from developments and services provided		(3,219)	6,307	(93,834)	(40,789)
Properties and land for sale		312	15,317	3,519	(64,710)
Other receivables		(13,910)	(59)	(11,573)	(950)
<b>Increase (decrease) in operating liabilities</b>					
Payables for materials and services		8,780	5,825	24,566	24,915
Taxes and contributions		(695)	(71)	(1,403)	(4)
Payroll, related taxes and profit sharing		1,016	840	1,904	1,841
Payables for purchase of properties and advances from customers		(774)	(4,630)	(25,253)	54,860
Other payables		(3,054)	(1,065)	(9,564)	(1,467)
Related-party transactions		(73,492)	17,799	97	1,120
Dividends payable		-	-	206	-
Income tax and social contribution paid		(509)	-	(7,840)	(6,324)
<b>Net cash used in/provided by operating activities</b>		<b>(86,209)</b>	<b>32,466</b>	<b>(42,325)</b>	<b>48,918</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Purchase of tangible and intangible assets	9 and 10	(12,702)	(8,722)	(14,805)	(9,385)
Capital increase in investees		(2)	-	-	-
Investments in/redemption of securities		37,586	61,314	(3,016)	44,236
<b>Total net cash used in investing activities</b>		<b>24,882</b>	<b>52,592</b>	<b>(17,821)</b>	<b>34,851</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Share buyback		-	(51,531)	-	(51,531)
Increase of capital reserve		(862)	1,581	(862)	1,581
Payment of lease – right of use		(893)	(1,067)	(893)	(1,067)
Borrowings, financing and debentures		59,757	4,206	100,950	68,161
Repayment of borrowings, financing and debentures - principal		(6,591)	(9,181)	(43,184)	(59,898)
Payment of borrowings, financing and debentures - interest		(9,424)	(5,910)	(9,914)	(7,647)
Intragroup loans		(65)	(200)	(65)	(200)
<b>Net cash used in / provided by financing activities</b>		<b>41,922</b>	<b>(62,102)</b>	<b>46,032</b>	<b>(50,601)</b>
<b>(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(19,405)</b>	<b>22,956</b>	<b>(14,114)</b>	<b>33,168</b>
<b>CASH AND CASH EQUIVALENTS</b>					
At the beginning of the period		36,730	11,674	48,353	34,287
At the end of the period		17,325	34,630	34,239	67,455
<b>(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(19,405)</b>	<b>22,956</b>	<b>(14,114)</b>	<b>33,168</b>

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

	<b>Parent</b>		<b>Consolidated</b>	
	03/31/2020	03/31/2019	03/31/2020	03/31/2019
<b>REVENUES</b>				
Real estate development and sale	18,439	67,908	451,810	428,700
Estimated allowance for (reversal of) doubtful debts and contract terminations	(3,649)	7,729	(29,022)	(9,838)
	14,790	75,637	422,788	418,862
<b>INPUTS PURCHASED FROM THIRD PARTIES</b>				
Operating costs - real estate development and sale	(10,878)	(52,720)	(280,503)	(260,617)
Supplies, power, outside services and other inputs	19,365	(21,212)	(49,815)	(28,961)
	8,487	(73,932)	(330,318)	(289,578)
<b>GROSS VALUE ADDED</b>	<b>23,277</b>	<b>1,705</b>	<b>92,470</b>	<b>129,284</b>
<b>RETENTIONS</b>				
Depreciation and amortization	(8,753)	(6,926)	(9,318)	(7,025)
<b>WEALTH CREATED BY THE COMPANY</b>	<b>14,524</b>	<b>(5,221)</b>	<b>83,152</b>	<b>122,259</b>
<b>WEALTH RECEIVED IN TRANSFER</b>				
Share of profit (loss) of investees	48,095	67,451	161	(1,243)
Finance income	7,023	9,622	9,694	12,604
	55,118	77,073	9,855	11,361
<b>WEALTH FOR DISTRIBUTION</b>	<b>69,642</b>	<b>71,852</b>	<b>93,007</b>	<b>133,620</b>
<b>WEALTH DISTRIBUTED</b>				
Employees and payroll taxes	35,113	7,273	36,869	40,449
Direct compensation	26,448	6,531	27,579	31,806
Benefits	6,226	502	6,698	6,001
Payroll taxes	2,439	240	2,592	2,642
<b>TAXES, FEES AND CONTRIBUTIONS</b>				
Federal	5,721	4,045	22,022	24,923
Municipal	-	-	40	71
<b>LENDERS AND LESSORS</b>	<b>11,214</b>	<b>10,781</b>	<b>16,471</b>	<b>17,632</b>
Interest and leases	11,214	10,781	16,471	17,632
<b>SHAREHOLDERS</b>				
Dividends	-	-	-	-
Retained earnings	17,594	49,753	17,594	49,753
Profit attributable to noncontrolling interests	-	-	11	792

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

## 1. GENERAL INFORMATION

Construtora Tenda S.A. ("Company" or "Tenda") and its subsidiaries ("Group") engage in the performance of general construction works, real estate development, real estate purchase and sale, the provision of general construction management services, the intermediation of the sale of consortium shares, and holding of interests in other companies. The subsidiaries significantly share the Company's management, operating, and corporate costs. The SPEs are exclusively engaged in real estate operations and are linked to specific projects.

The Company is a publicly-traded company with registered head office at Rua Álvares Penteado, 61, in the city of São Paulo, State of São Paulo, and registered with the São Paulo Stock Exchange - B3 (former BMF&BOVESPA) under the ticker symbol "TEND3".

## 2. PRESENTATION OF INTERIM FINANCIAL INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Statement of compliance

The Company's interim financial information comprises:

- a) The individual interim financial information prepared in accordance with accounting practices adopted in Brazil, as laid down in accounting pronouncement CPC 21 (R1) – Interim Financial Reporting, and the consolidated interim financial information in accordance with CPC 21 (R1) and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board ("IASB"), which takes into consideration the guidance contained in CVM/SNC/SEP Circular Letter 02/2018 on the guidelines of CPC 47 (IFRS15) applicable to real estate development entities in Brazil with respect to the transfer of control on the sale of real estate units, identified as "Parent"; and
- b) The consolidated interim financial information prepared in accordance with accounting practices adopted in Brazil, as laid down in accounting pronouncement CPC 21 (R1) – Interim Financial Reporting, and the consolidated interim financial information in accordance with CPC 21 (R1) and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board ("IASB"), which takes into consideration the guidance contained in CVM/SNC/SEP Circular Letter 02/2018 on the guidelines of CPC 47 (IFRS15) applicable to real estate development entities in Brazil with respect to the transfer of control on the sale of real estate units, identified as "Consolidated".

### 2.2 Basis of preparation

The interim financial information has been prepared in the normal course of business, using the historical cost as the value base, and liabilities and assets at present or realizable value.

All relevant information related to the interim financial information and only this information is being disclosed and corresponds to the information used by the Company's Management in its management.

In preparing the interim financial information, Management assesses the Company's ability to continue as a going concern.

Except for the information on the application of the new accounting practices described in note 3.(a), the information on the basis for preparation and presentation of the interim financial information, the summary of the significant accounting policies, and the use of estimates and judgments did not change as compared to the information disclosed in note 2 to the Annual Financial Statements for the year ended December 31, 2019, published on March 19, 2020 in the newspapers O Estado de São Paulo and Diário Oficial do Estado de São Paulo (the São Paulo State Official Gazette), and made available on the following websites: [www.cvm.gov.br](http://www.cvm.gov.br), [www.bmfbovespa.com.br](http://www.bmfbovespa.com.br) and <http://ir.tenda.com>.

All the figures disclosed in this interim financial information are expressed in thousands of Brazilian reais, unless otherwise stated.

### 2.3 Approval of interim financial information

The Company's individual and consolidated interim financial information was approved by the Board of Directors and authorized for issuance on May 14, 2020.

## 2.4 Consolidated interim financial information

The Company's consolidated interim financial information includes the individual financial information of the Parent and its direct and indirect subsidiaries. The Company has the control over an entity when it is exposed or has rights to variable returns from its involvement with the entity and has ability to affect those returns through power over an entity. The existence and the effects of potential voting rights, currently exercisable or convertible, are taken into consideration when determining whether the Company controls or not another entity. Subsidiaries are fully consolidated from the date on which control is transferred until the date control ceases.

The accounting policies have been consistently applied by all subsidiaries included in the interim financial information. (note 8).

## 2.5 Statements of value added

The purpose of this statement is to disclose the wealth created by the Company and its distribution during a certain reporting period, and is presented by the Company, as required by the Brazilian Corporate Law, as an integral part of its individual financial statements, and as supplemental information to the consolidated financial statements, since this statement is neither required nor mandatory under IFRSs. The statements of value added have been prepared using information obtained in the same accounting records used to prepare the financial statements and pursuant to the provisions of CPC 09 - Statement of Value Added.

## 3. ISSUED NEW AND REVISED STANDARDS AND INTERPRETATIONS

New and revised standards and interpretations already adopted in the current year:

New and revised standards and interpretations will become effective as described below:

New and revised standards and interpretations	Effective beginning
CPC 00 – Conceptual Framework - Revised (a)	January 1, 2020
Other Revisions (b)	January 1, 2020

### (a) Change of conceptual framework

On November 1, 2019, the Accounting Pronouncements Committee approved the revision of the conceptual framework (CPC 00 R2) resulting in the following changes: a) enhancement of the definitions of assets, liabilities, income and expenses, and criteria for inclusion/exclusion of financial assets and financial liabilities; b) definition of the financial reporting purpose; c) guidance on the measurement, presentation and disclosure basis; and d) characteristics of the accounting information useful for the user. The Company and its subsidiaries do not believe that their financial statements will be significantly impacted.

### (b) Other revised technical pronouncements

The revised standards below did not significantly impact the Company:

CPC 15 - IFRS 3 – Definition of Business

CPC 26 - IAS 1 and CPC 23 - IAS 8 – Definition of Materiality

#### 4. CASH AND CASH EQUIVALENTS AND SECURITIES

##### 4.1 Cash and cash equivalents

	Parent		Consolidated	
	03/31/2020	12/31/2019	03/31/2020	12/31/2019
Cash and banks	17,325	1,757	33,159	9,160
Bank certificate of deposit	-	34,973	1,080	39,193
Cash and cash equivalents (note 21.b.i)	17,325	36,730	34,239	48,353

##### 4.2 Securities

	Parent		Consolidated	
	03/31/2020	12/31/2019	03/31/2020	12/31/2019
Fixed-income funds	7	1,664	1,809	3,452
Exclusive funds (a)	650,902	732,692	747,950	784,891
Repurchase transactions	34	34	34	34
Bank certificate of deposit (b)	50,363	351	54,074	4,080
Restricted short-term investments (c)	32,348	35,939	222,607	229,642
Total securities (note 21.b.i)	733,654	770,680	1,026,474	1,022,099

##### (a) Exclusive funds

	Parent		Consolidated	
	03/31/2020	12/31/2019	03/31/2020	12/31/2019
National Treasury Bills (LTN)	195,319	124,315	249,752	139,316
Bank Certificates of Deposit (CDBs)	2,236	2,210	2,236	2,210
Financial Treasury Bill (LFT)	337,074	490,607	379,689	527,805
Private securities (Financial Bill)	112,942	113,143	112,942	113,143
Repurchase transactions	3,331	2,417	3,331	2,417
Total exclusive funds	650,902	732,692	747,950	784,891

- (b) As at March 31, 2020, the Bank Certificates of Deposit (CDBs) include interest earned through the end of the reporting period, ranging from 65% to 105.41% (from 75% to 105.97% as at December 31, 2019) of the Interbank Deposit Certificate (CDI) rate.
- (c) Restricted short-term investments are represented by the onlending of real estate pool funding receivables about to be approved by Caixa Econômica Federal (Federal savings bank). This funding is approved as the contracts entered into with customers are formalized with the financial institution.

#### 5. RECEIVABLES FROM DEVELOPMENTS AND SERVICES PROVIDED

	Parent		Consolidated	
	03/31/2020	12/31/2019	03/31/2020	12/31/2019
Receivables from real estate development and sales	143,199	140,834	846,909	754,316
(-) Estimated allowance for doubtful debts	(50,611)	(50,006)	(131,003)	(118,213)
(-) Allowance for contract terminations	(11,449)	(8,405)	(61,956)	(45,724)
(-) Present value adjustment	(1,090)	(1,003)	(6,055)	(7,391)
Receivables from land sales and services provided	26,588	25,734	43,395	42,154
	106,637	107,154	691,290	625,142
Current	86,619	68,619	549,818	406,599
Noncurrent	20,018	38,535	141,472	218,543

The aging list of trade receivables is as follows:

Maturity	Parent		Consolidated	
	03/31/2020	12/31/2019	03/31/2020	12/31/2019
Past due				
Up to 90 days	5,288	785	18,063	2,880
91-180 days	1,086	1,130	8,301	9,326
More than 180 days (a)	43,195	39,483	67,306	68,858
Subtotal – past due	49,569	41,398	93,670	81,064
Current				
2020	53,851	79,198	527,717	449,334
2021	33,856	24,099	140,550	155,623
2022	13,935	9,853	52,808	61,922
2023	8,820	5,230	33,564	22,489
2024 and thereafter	9,756	6,790	41,995	26,038
Subtotal – current	120,218	125,170	796,634	715,406
(-) Present value adjustment (b)	(1,090)	(1,003)	(6,055)	(7,391)
(-) Estimated allowance for doubtful debts and contract termination	(62,060)	(58,411)	(192,959)	(163,937)
	106,637	107,154	691,290	625,142

- (a) Of the amount past due for more than 180 days, amounts being transferred to financial institutions total R\$24,461 in Parent and R\$46,202 in consolidated (R\$15,376 in the Parent and R\$30,308 in consolidated as at December 31, 2018).
- (b) The discount rate applied by the Company and its subsidiaries was 1.89% (average borrowing rate less INCC) for the period ended March 31, 2020 (1.88% in 2019).

The variations in the allowances for doubtful debts and contract terminations in the periods ended March 31, 2020 and 2019 are summarized below:

	Parent			
	Trade receivables - Allowance for doubtful debts	Trade receivables - Allowance for contract terminations	Properties for sale (note 6)	Net balance
Balance as at December 31, 2018	(64,311)	(6,183)	5,300	(65,194)
Additions	(37)	(958)	667	(328)
Reversals	8,039	812	(1,028)	7,823
Write-off	(127)	-	-	(127)
Balance as at March 31, 2019	(56,436)	(6,329)	4,939	(57,826)
Balance as at December 31, 2019	(50,006)	(8,405)	4,482	(53,929)
Additions	(1,728)	(3,225)	3,555	(1,398)
Reversals	392	181	(1,161)	(588)
Write-off	731	-	-	731
Balance as at March 31, 2020	(50,611)	(11,449)	6,876	(55,184)

	Consolidated			
	Trade receivables - Allowance for doubtful debts	Trade receivables - Allowance for contract terminations	Properties for sale (note 6)	Net balance
Balance as at December 31, 2018	(130,478)	(15,126)	13,862	(131,742)
Additions	(5,746)	(11,504)	6,902	(10,348)
Reversals	7,122	1,778	(2,755)	6,145
Write-off	(1,488)	-	-	(1,488)
Balance as at March 31, 2019	(130,590)	(24,852)	18,009	(137,433)
Balance as at December 31, 2019	(118,213)	(45,724)	20,851	(143,086)
Additions	(14,258)	(20,257)	16,908	(17,607)
Reversals	(3,964)	4,025	(8,782)	(8,721)
Write-off	5,432	-	-	5,432
Balance as at March 31, 2020	(131,003)	(61,956)	28,977	(163,982)

## 6. PROPERTIES FOR SALE

	Parent		Consolidated	
	03/31/2020	12/31/2019	03/31/2020	12/31/2019
Land	63,264	60,974	1,223,950	1,198,028
Land held for sale	16,961	19,195	21,704	23,873
Properties under construction	27,645	28,696	285,460	314,548
Cost of properties in the recognition of the allowance for contract terminations (note 5)	6,876	4,482	28,977	20,851
Completed units	8,558	7,875	21,387	19,571
(-) Present value adjustment in land purchases	(62)	(91)	(61,683)	(76,433)
(-) Impairment of properties for sale	(1,426)	(1,651)	(1,796)	(2,092)
(-) Impairment of land held for sale	(4,454)	(4,454)	(5,782)	(5,782)
	117,362	115,026	1,512,217	1,492,564
Current	73,154	70,818	980,027	955,589
Noncurrent	44,208	44,208	532,190	536,975

The Company has commitments to build bartered units, relating to the acquisition of land, recognized based on the fair value of bartered units at the acquisition date. As at March 31, 2020, the balance of obligations for land acquired under barter agreements totals R\$1,900 (R\$1,900 as at December 31, 2019) in Parent and R\$100,448 (R\$104,734 as at December 31, 2019) in consolidated (note 15).

As described in note 11, the balance of capitalized finance charges as at March 31, 2020 was R\$4,444 (R\$5,237 as at March 31, 2019) in Parent and R\$33,189 (R\$26,234 as at March 31, 2019) in consolidated.

## 7. RELATED PARTIES

### 7.1 Related-party balances

The asset and liability balances with related parties are as follows:

	Parent		Consolidated	
	03/31/2020	12/31/2019	03/31/2020	12/31/2019
<b>Assets</b>				
Subsidiaries				
Related parties' current account (a)	125,604	39,495	-	-
Loan receivable (c)	9,299	9,299	-	-
Total subsidiaries	134,903	48,794	-	-
Joint ventures				
Related parties' current account (a)	34	34	3,200	3,051
Loan receivable (c)	37,486	37,421	37,486	37,421
Total	37,520	37,455	40,686	40,472
Total assets	172,423	86,249	40,686	40,472
<b>Current</b>	125,638	39,529	3,200	3,051
<b>Noncurrent</b>	46,785	46,720	37,486	37,421
	Parent		Consolidated	
	03/31/2020	12/31/2019	03/31/2020	12/31/2019
<b>Liabilities</b>				
Subsidiaries				
Related parties' current account (b)	18,468	24,908	-	-
Total subsidiaries	18,468	24,908	-	-
Joint ventures				
Related parties' current account (b)	24,144	23,662	24,144	23,681
Total	24,144	23,662	24,144	23,681
Total liabilities	42,612	48,570	24,144	23,681
<b>Current</b>	42,612	48,570	24,144	23,681

- (a) The Company participates in real estate development projects with other partners, either directly or through related companies. These projects' management structure and cash management are centralized in the company leading the project, which also oversees the construction and budget progress. Thus, the project leader ensures that the necessary funds are used and allocated as planned. The sources and uses of the projects' funds are reflected in these balances, to the extent of the equity interest held by each investor, which is not subject to inflation adjustments or finance charges imposed by each investor, and do not have a fixed maturity date. The purpose of these transactions is to streamline the business relationships that demand a joint management of amounts mutually owed by the parties and, consequently, the control over the movements of amounts mutually handed over, which are netted when the current account is closed. The average period of time to develop and complete the projects in which the funds are invested ranges from 18 to 24 months;
- (b) Amount relating to funds transferred between the group companies, which will be derecognized through a capital increase or decrease;
- (c) The intragroup loans between the Company and its joint ventures—detailed below—result from the need to meet cash requirements for the development of their corresponding activities and are subject to the finance charges set forth in the underlying agreements. Related-party transactions are conducted at arm's length and appropriate in order to preserve the interests of both parties involved in each transaction.

The table below shows the breakdown, type, and terms and conditions of the balances of intragroup loans and borrowings. The maturities of intragroup loans and borrowings are contingent on the duration of the related projects.

	Parent		Consolidated		Nature	Interest rate
	03/31/2020	12/31/2019	03/31/2020	12/31/2019		
<b>Subsidiaries</b>						
FIT 09 SPE Empr. Imob. Ltda. (b)	9,299	9,299	-	-	Construction	120% to 126.5% p.a. of CDI
Loans to subsidiaries	9,299	9,299	-	-		
<b>Joint ventures</b>						
Atua Construtora e Incorporadora S.A. (a)	12,167	12,167	12,167	12,167	Construction	112% to 113.5% of CDI
FIT 19 SPE Empr. Imobiliários Ltda. (b)	18,369	18,304	18,369	18,304	Construction	100% of CDI
Acedio SPE Empr. Imobiliários Ltda. (b)	6,950	6,950	6,950	6,950	Construction	100% of CDI
Loans to joint ventures	37,486	37,421	37,486	37,421		
	46,785	46,720	37,486	37,421		

- (a) Amount related to a Company loan to Atua Construtora e Incorporadora S.A., which is being disputed in arbitration, at the Center for Arbitration and Mediation of the Chamber of Commerce Brazil-Canada (CAM/CCBC). The amount is no longer adjusted based at the agreed finance charges in light of the arbitration.
- (b) Amounts receivable between SPEs that are adjusted through August 2014 (date of last request in arbitration) using the contractually agreed financial charges. These amounts are being disputed in arbitration, at the Center for Arbitration and Mediation of the Chamber of Commerce Brazil-Canada (CAM/CCBC). The loan to Fit 09 SPE Empr. Imob. Ltda. was eliminated for purposes of the consolidated financial statements, and the balance changes shown arise from the new amounts to guarantee the companies' operations.

## 7.2 Guarantees, collaterals and sureties

The Group's financial transactions are collateralized by guarantees or sureties in proportion to the Company's interests in the capital of such companies, totaling R\$493,180 as at March 31, 2020 (R\$674,197 as at December 31, 2019).

## 8. INVESTMENTS IN EQUITY INTERESTS

### (i) Equity interests:

Subsidiaries	Parent		Consolidated	
	03/31/2020	12/31/2019	03/31/2020	12/31/2019
Wholly-owned	1,090,017	1,060,216	-	-
Due to management of material operations	3,650	3,834	-	-
Capitalized interest	3,970	4,071	-	-
	1,097,637	1,068,121	-	-
Joint ventures	42,726	42,592	42,726	42,592
	1,140,363	1,110,713	42,726	42,592

### Variations in investments

	Parent	Consolidated
Balance as at December 31, 2018	964,356	39,376
Share of profit (loss) of investees	67,451	(1,243)
Capital decrease	(5,882)	-
Allowance for investment losses	11	11
Balance as at March 31, 2019	1,025,936	38,144
Balance as at December 31, 2019	1,110,713	42,592
Share of profit (loss) of investees	48,095	161
Capital payment	2	-
Dividends (b)	(6,182)	-
Capital decrease (a)	(12,393)	11
Allowance for (reversal of) investment losses	128	(38)
Balance as at March 31, 2020	1,140,363	42,726

- a) Capital decrease in SPEs: Fit SPE06 emp. Imob. (R\$7,172), Tenda intermediação de negócios (R\$2,685), and FIT 31 SPE Emp. Imob. (R\$2,287).
- b) Dividend distribution from the SPEs: Tenda 46 SPE (R\$2,160) and Fit SPE 02 emp. Imob. (R\$1,654).

### Breakdown of investments and negative equity as at March 31, 2020

	Current assets	Noncurrent assets	Current liabilities	Noncurrent liabilities	Equity and advance for future capital increase	Profit (loss) for the year	Equity interest %	Share of profit (loss) of investees	Investment balance	Equity deficiency
<b>Subsidiaries</b>										
TENDA NEG. IMOB. S/A	1,614,225	619,251	561,171	632,584	1,039,721	45,329	100%	45,329	1,039,721	-
FIT 02 SPE EMP. IMOB. LTDA.	20,860	-	2,988	1,642	16,242	1,332	100%	1,332	16,242	-
TENDA 46 SPE EMP. IMOB. LTDA.	41,239	-	9,838	19,963	11,439	1,702	100%	1,702	11,439	-
FIT BILD 09 SPE	3,094	-	940	9,299	(7,145)	35	75%	26	-	(5,358)
Others	62,335	892	16,956	17,842	28,415	(452)	-	(455)	26,265	(530)
Capitalized interest									3,970	
<b>Total subsidiaries</b>	<b>1,741,753</b>	<b>620,143</b>	<b>591,893</b>	<b>681,330</b>	<b>1,088,672</b>	<b>47,946</b>		<b>47,934</b>	<b>1,093,667</b>	<b>(5,888)</b>
<b>Joint ventures</b>										
FIT 13 SPE EMP. IMOB. LTDA.	16,239	3,545	1	-	19,783	4	50%	2	9,891	-
CIPESA PROJ. 02 EMP. IMOB. SPE LT	18,147	292	112	69	18,258	(69)	50%	(34)	9,129	-
SPE FRANERE GAFISA 08 EMP. IMOB	22,171	2,391	3,795	2,608	18,041	(45)	50%	(22)	9,020	-
ACEDIO SPE	16,161	3,989	1,448	6,950	11,752	204	55%	112	6,463	-
FIT JARDIM BOTANICO SPE	9,656	-	137	2	9,517	237	55%	130	5,234	-
GRAND PARK PQ. PÁSSA	8,242	89	2,119	723	5,490	(50)	50%	(25)	2,745	(5,666)
FIT CAMPOLIM SPE	8,012	-	31	18,304	(10,301)	-	55%	-	-	-
OTHER	4,917	11	4,256	203	488	(3)	-	(2)	244	-
<b>Consolidated</b>	<b>103,545</b>	<b>10,317</b>	<b>11,899</b>	<b>28,859</b>	<b>73,028</b>	<b>278</b>		<b>161</b>	<b>42,726</b>	<b>(5,666)</b>
<b>Total Parent</b>	<b>1,845,298</b>	<b>630,460</b>	<b>603,792</b>	<b>710,189</b>	<b>1,161,700</b>	<b>48,224</b>		<b>48,095</b>	<b>1,136,393</b>	<b>(11,554)</b>



### Breakdown of investments and negative equity as at December 31, 2019

	Current assets	Noncurrent assets	Current liabilities	Noncurrent liabilities	Net revenue	Profit (loss) for the year	Equity interest %	Share of profit (loss) of investees	Investment balance	Negative equity
<b>Subsidiaries</b>										
TENDA NEG. IMOB. S/A	1,451,475	663,592	452,686	667,987	994,393	323,254	100%	323,254	994,392	-
FIT 02 SPE EMP. IMOB. LTDA.	19,078	262	1,461	1,415	16,464	6,966	100%	6,966	16,464	-
TENDA 46 SPE EMP. IMOB. LTDA.	27,575	14,671	9,493	20,857	11,897	9,095	100%	9,095	11,897	-
FIT 06 SPE EMP. IMOB. LTDA.	7,325	-	-	-	7,325	31	100%	31	7,325	-
TND NEG. IMOB. LTDA.	6,099	-	109	-	5,992	3,304	100%	3,304	5,992	-
FIT BILD 09 SPE EMP. IMOB. LTDA.	3,078	-	870	9,309	(7,102)	333	75%	249	-	(5,326)
Other	35,301	3,448	7,930	370	30,449	2,800	-	1,711	27,980	(395)
Capitalized interest								160	4,071	
<b>Total Subsidiaries</b>	<b>1,549,931</b>	<b>681,973</b>	<b>472,549</b>	<b>699,938</b>	<b>1,059,418</b>	<b>345,783</b>		<b>344,770</b>	<b>1,068,121</b>	<b>(5,721)</b>
<b>Joint ventures</b>										
FIT 13 SPE EMP. IMOB. LTDA.	17,890	3,545	1,656	-	19,779	72	50%	36	9,889	-
CIFESA PROJ. 02 EMP. IMOB. SPE LTDA.	18,397	-	56	14	18,328	247	50%	123	9,164	-
SPE FRANERE GAFISA 08 EMP. IMOB. LTDA.	22,423	2,391	3,951	2,646	18,217	(2,101)	50%	(1,050)	9,108	-
ACEDIO SPE EMP. IMOB. LTDA.	10,039	9,880	1,421	6,950	11,550	10,451	55%	5,748	6,352	-
FIT JD. BOTÂNICO SPE EMP. IMOB. LTDA.	9,446	-	164	2	9,281	339	55%	186	5,104	-
FIT CAMPOLIM SPE	8,051	-	70	18,304	(10,323)	95	55%	52	-	(5,678)
Other	13,121	109	6,439	898	5,896	(3,711)	-	(1,856)	2,975	(27)
<b>Consolidated</b>	<b>99,367</b>	<b>15,925</b>	<b>13,757</b>	<b>28,814</b>	<b>72,728</b>	<b>5,392</b>		<b>3,239</b>	<b>42,592</b>	<b>(5,705)</b>
<b>Total Parent</b>	<b>1,649,298</b>	<b>697,898</b>	<b>486,306</b>	<b>728,752</b>	<b>1,132,146</b>	<b>351,175</b>		<b>348,009</b>	<b>1,110,713</b>	<b>(11,426)</b>

## 9. PROPERTY AND EQUIPMENT

Parent								
Description	Depreciation rate - % p.a.	12/31/2018	Additions	Write-offs	12/31/2019	Additions	Write-offs	03/31/2020
<b>Cost</b>								
Hardware		22,619	2,000	-	24,619	1,185	-	25,804
Leasehold improvements and facilities		10,201	3,046	-	13,247	746	-	13,993
Furniture and fixtures		3,883	823	-	4,706	124	-	4,830
Machinery and equipment		3,009	321	-	3,330	169	-	3,499
Molds		40,660	20,004	-	60,664	4,071	-	64,735
Lease – right of use (b)		-	26,544	(3,054)	23,490	-	(2,286)	21,204
		80,372	52,738	(3,054)	130,056	6,295	(2,286)	134,065
<b>Accumulated depreciation</b>								
Hardware	20%	(12,726)	(3,705)	-	(16,431)	(998)	-	(17,429)
Leasehold improvements and facilities	(a)	(7,628)	(1,242)	-	(8,870)	(476)	-	(9,346)
Furniture and fixtures	10%	(2,726)	(239)	-	(2,965)	(63)	-	(3,028)
Machinery and equipment	10%	(1,180)	(315)	-	(1,495)	(85)	-	(1,580)
Molds	20%	(18,931)	(10,046)	-	(28,977)	(2,658)	-	(31,635)
Lease – right of use (b)	14%	-	(3,401)	129	(3,272)	(1,371)	-	(4,643)
		(43,191)	(18,948)	129	(62,010)	(5,651)	-	(67,661)
		37,181	33,790	(2,925)	68,046	644	(2,286)	66,404
<b>Consolidated</b>								
Description	Depreciation rate - % p.a.	12/31/2018	Additions	Write-offs	12/31/2019	Additions	Write-offs	03/31/2020
<b>Cost</b>								
Hardware		22,619	2,000	-	24,619	1,186	-	25,805
Leasehold improvements and facilities		10,201	3,162	-	13,363	831	-	14,194
Furniture and fixtures		4,014	1,077	-	5,091	408	-	5,499
Machinery and equipment		3,009	364	-	3,373	425	-	3,798
Molds		42,519	30,319	-	72,838	5,548	-	78,386
Lease – right of use (b)		-	26,544	(3,054)	23,490	-	(2,286)	21,204
		82,362	63,466	(3,054)	142,774	8,398	(2,286)	148,886
<b>Accumulated depreciation</b>								
Hardware	20%	(12,726)	(3,705)	-	(16,431)	(998)	-	(17,429)
Leasehold improvements and facilities	(a)	(7,628)	(1,257)	-	(8,885)	(488)	-	(9,373)
Furniture and fixtures	10%	(2,735)	(258)	-	(2,993)	(76)	-	(3,069)
Machinery and equipment	10%	(1,180)	(316)	-	(1,496)	(90)	-	(1,586)
Molds	20%	(19,075)	(11,190)	-	(30,265)	(3,193)	-	(33,458)
Lease – right of use (b)	14%	-	(3,401)	131	(3,270)	(1,371)	-	(4,641)
		(43,344)	(20,127)	131	(63,340)	(6,216)	-	(69,556)
		39,018	43,339	(2,923)	79,434	2,182	(2,286)	79,330

- (a) Depreciated according to the lower of the lease agreement term, or its economic useful life.  
(b) Lease – right of use, depreciated according to the contractual term. See note 13 for variations in liabilities.

The residual value, useful lives, and depreciation methods were reviewed at the end of year 2019, and no change was made. Assets are subject to periodical impairment testing.

## 10. INTANGIBLE ASSETS

	Consolidated						
	12/31/2018			12/31/2019			03/31/2020
	Balance	Additions	Amortization	Balance	Additions	Amortization	Balance
Software - cost	49,572	7,907	-	57,479	6,407	-	63,886
Software – amortization	(23,506)	-	(11,523)	(35,029)	-	(3,102)	(38,131)
	26,066	7,907	(11,523)	22,450	6,407	(3,102)	25,755

Refer mainly to the expenses on the acquisition and implementation of information systems and software licenses, amortized over a three-year period based on their economic useful life (33.33% per year) (average five-year period – 20% in 2018).

Intangible assets with finite useful lives are amortized over their useful lives, and tested for impairment whenever there is indication of asset impairment. The amortization period and method for an intangible asset with finite useful life are reviewed at least at the end of each annual reporting period.

## 11. BORROWINGS AND FINANCING

Type of transaction	Maturity	Annual interest rate	Parent		Consolidated	
			03/31/2020	12/31/2019	03/31/2020	12/31/2019
National Housing System (SFH)	04/2020 to 12/2023	TR + 8.30% p.a.	13,093	10,024	66,910	60,016
Bank Credit Note (CCB) (a)	04/2021 to 03/2024	CDI + 2.93% p.a.	50,030	-	50,030	-
Total			63,123	10,024	116,940	60,016
Current			2,432	1,641	8,150	8,517
Noncurrent			60,691	8,383	108,790	51,499

- a) On March 27, 2020, the Company contracted R\$50 million relating to the CCB agreement with China Bank Construction. The repayment period is 36 months with a one-year grace period for payment of the 1<sup>st</sup> installment, the last installment maturing in March 2022.

The current and noncurrent portions mature as follows:

Maturity	Parent		Consolidated	
	03/31/2020	12/31/2019	03/31/2020	12/31/2019
2020	1,829	1,641	5,955	8,517
2021	15,971	3,876	29,830	23,504
2022	21,373	3,529	44,290	22,668
2023	19,784	978	32,699	5,327
2024 and thereafter	4,166	-	4,166	-
	63,123	10,024	116,940	60,016

Finance costs on borrowings and financing (SFH) are capitalized at the cost of each construction project and land plot, according to the use of funds, and recognized in profit or loss proportionally to the units sold, as shown below. The capitalization rate used to determine the amount of the borrowing costs eligible for capitalization was 5.28% as at March 31, 2020 (5.88% as at December 31, 2019).

The following table shows a summary of finance costs and charges, and the portion capitalized in line item 'Properties for sale'.

	Parent		Consolidated	
	03/31/2020	03/31/2019	03/31/2020	03/31/2019
Total finance charges for the period	12,096	9,802	16,485	17,871
Capitalized finance charges	(376)	(327)	(4,763)	(8,365)
Finance costs (note 24)	11,720	9,475	11,722	9,506
<b>Finance charges allocated to line item 'Properties for sale':</b>				
Opening balance	4,301	5,452	32,683	23,705
Capitalized finance charges	376	327	4,763	8,365
Finance charges charged to profit or loss (note 23)	(233)	(542)	(4,257)	(5,836)
Closing balance	4,444	5,237	33,189	26,234

## 12. DEBENTURES

Type of transaction	Maturity	Annual payout	Transaction cost		Parent/Consolidated	
			Appropriated	Incurred	03/31/2020	12/31/2019
			Debentures (a)	January 2021	CDI + 0,90%	6,451
Debentures (b)	September 2023	CDI + 1,75%	824	(824)	150,569	153,453
Debentures (b)	March 2024	CDI + 1,40%	701	(1,163)	149,705	152,259
Debentures (b)	December 2024	CDI + 1,3%	160	(2,099)	201,111	198,323
Total debentures (note 21 iii)			8,136	(13,308)	811,969	810,420
<b>Current</b>						
Debentures					317,141	5,598
Transaction costs					(3,298)	-
Total current					313,843	5,598
<b>Noncurrent</b>						
Debentures					500,000	810,675
Transaction costs					(1,874)	(5,853)
Total noncurrent					498,126	804,822
					811,969	810,420

### Summary of debentures issued:

Issue	Date	Amount	Payment of principal	Payment of interest	Covenants (net leverage ratio) (total financial debt less SFH))
3 <sup>rd</sup> issue (a)	09/06/2017	270,000	01/15/2021 33.30% 09/2021	On maturity	(Must not exceed 50%) - 14.49%
4 <sup>th</sup> issue (b)	09/10/2018	150,000	33.30% 09/2022 33.40% 09/2023	Semiannual	(Must not exceed 15%) - 14.49%
5 <sup>th</sup> issue (b)	04/02/2019	150,000	50% 03/2023 50% 03/2024 25% 12/2021	Semiannual	(Must not exceed 15%) - 14.49%
6 <sup>th</sup> issue (b)	12/05/2019	200,000	25% 12/2022 25% 12/2023 25% 12/2024	Semiannual	(Must not exceed 15%) - 14.49%

- a) The Company launched the third issue of nonconvertible debentures. The proceeds from this issuance were used exclusively in real estate projects specifically targeted at the lower-income population segment.
- b) The Company launched the fourth, fifth and sixth issue of nonconvertible simple debentures. The proceeds from this issue were used in ordinary management, including working capital increase and capital structure growth.

## 13. LEASE – RIGHT OF USE

Liabilities	Parent/Consolidated		
	Variations – liabilities without present value adjustment	Present value adjustment	Right of use liability
Opening balance - 12/31/2019	23,724	(3,045)	20,679
Payments / interest	(893)	305	(588)
Write-offs	(3,302)	68	(3,234)
Closing balance - 03/31/2020	19,529	(2,672)	16,857
<b>Current</b>	4,761	(651)	4,110
<b>Noncurrent</b>	14,768	(2,021)	12,747

The lease balance is comprised of the following agreements:

Agreements	Parent/Consolidated				
	Principal	Interest / PVA (a)	Liability balance	Months to be incurred	Monthly amount
Up to 5 years	2,376	(194)	2,182	25	96
5 to 10 years	10,689	(1,339)	9,350	66	162
Over 10 years	6,464	(1,140)	5,324	138	47
	19,529	(2,673)	16,856	64	305

a) Average interest rate of 3.48% p.a. (nominal rate of the agreement / expected inflation up to the end of the agreement).

#### 14. PAYROLL, RELATED TAXES AND PROFIT SHARING

	Parent		Consolidated	
	03/31/2020	12/31/2019	03/31/2020	12/31/2019
Payroll and related taxes	4,707	3,895	11,405	12,297
Accrued payroll and related taxes	2,662	2,458	23,895	21,131
Employee profit sharing (a)	8,207	5,081	18,908	15,837
	15,576	11,434	54,208	49,265

(a) The Company has a variable compensation program that grants its employees and management personnel and the employees and management personnel of its subsidiaries a share of the Company's profits. This program is linked to the fulfillment of specific goals, which are set, agreed-upon, and approved by the Board of Directors at the beginning of each year.

#### 15. PAYABLES FOR PURCHASE OF PROPERTIES AND ADVANCES FROM CUSTOMERS

	Parent		Consolidated	
	03/31/2020	12/31/2019	03/31/2020	12/31/2019
Payables for properties purchased	4,386	5,123	832,232	838,200
Advances from customers	14	22	65	314
Physical barter - land	1,900	1,900	100,448	104,734
	6,300	7,045	932,745	943,248
Current	5,107	5,311	339,617	340,862
Noncurrent	1,193	1,734	593,128	602,386

The current and noncurrent portions mature as follows:

Maturity	Parent		Consolidated	
	03/31/2020	12/31/2019	03/31/2020	12/31/2019
2020	4,343	5,311	198,895	340,862
2021	1,957	1,734	250,214	198,038
2022	-	-	224,509	196,084
2023	-	-	129,727	104,714
2024 and thereafter	-	-	129,400	103,550
	6,300	7,045	932,745	943,248

## 16. INCOME TAX AND SOCIAL CONTRIBUTION

### a) Current income tax and social contribution

The reconciliation at the effective tax rate for the periods ended March 31, 2020 and 2019 is as follows:

	Parent		Consolidated	
	03/31/2020	03/31/2019	03/31/2020	03/31/2019
Profit before income tax and social contribution:	18,124	49,753	25,771	57,068
Income tax calculated at the statutory rate - 34%	34%	34%	34%	34%
	(6,162)	(16,916)	(8,762)	(19,403)
Net impact of subsidiaries taxed based on deemed income/RET	(539)	-	9,381	16,518
Other permanent differences	(1,276)	797	(1,460)	947
Unrecognized tax rights	(12,618)	(6,406)	(14,349)	(5,786)
Share of profit (loss) of investees	16,352	22,933	55	(390)
Other additions and deductions	3,713	(408)	6,969	1,592
<b>Income tax and social contribution expenses (income)</b>	<b>(530)</b>	<b>-</b>	<b>(8,166)</b>	<b>(6,522)</b>
<b>Current tax expenses (income)</b>	<b>(414)</b>	<b>-</b>	<b>(6,862)</b>	<b>(6,525)</b>
<b>Deferred tax expenses (income)</b>	<b>(116)</b>	<b>-</b>	<b>(1,304)</b>	<b>3</b>

### b) Deferred income tax and social contribution

The origin of deferred income tax and social contribution as at March 31, 2020 and 2019 is as follows:

Description	Parent		Consolidated	
	03/31/2020	12/31/2019	03/31/2020	12/31/2019
<b>Assets</b>				
Tax loss carryforwards	296,555	285,500	308,245	294,402
Allowance for doubtful debts	16,954	16,900	18,977	18,890
Allowance for impairment of nonfinancial assets	1,898	1,942	1,922	1,966
Other provisions	6,316	5,152	10,455	11,021
Provision for contingencies	20,261	19,429	21,416	20,423
Temporary differences - CPC	13,580	13,328	13,865	13,577
Temporary differences – deferred PIS and COFINS	896	1,501	896	1,501
Unrecognized tax rights	(342,624)	(330,006)	(358,793)	(344,443)
<b>Subtotal</b>	<b>13,836</b>	<b>13,746</b>	<b>16,983</b>	<b>17,337</b>
<b>Liabilities</b>				
Revenue taxation on a cash and an accrual basis	(13,836)	(13,746)	(16,980)	(17,337)
Deferred income tax and social contribution (Earmarked assets, or RET)	(515)	(399)	(12,825)	(11,794)
<b>Subtotal</b>	<b>(14,351)</b>	<b>(14,145)</b>	<b>(29,805)</b>	<b>(29,131)</b>
<b>Recognized in line item deferred taxes (liabilities)</b>	<b>(515)</b>	<b>(399)</b>	<b>(12,822)</b>	<b>(11,794)</b>

The Company holds unrecognized income tax loss and social contribution loss carryforwards that can be offset against 30% of annual taxable income and carried forward indefinitely in the following amounts:

Description	Parent					
	03/31/2020			12/31/2019		
	Income tax	Social contribution	Total	Income tax	Social contribution	Total
Tax loss carryforwards	872,220	872,220		839,706	839,706	
Tax assets (25%, 9%)	218,055	78,500	296,555	209,926	75,574	285,500
<b>Unrecognized tax assets on tax loss carryforwards</b>	<b>218,055</b>	<b>78,500</b>	<b>296,555</b>	<b>209,926</b>	<b>75,574</b>	<b>285,500</b>

Description	Consolidated					
	03/31/2020			12/31/2019		
	Income tax	Social contribution	Total	Income tax	Social contribution	Total
Tax loss carryforwards	906,604	906,604		865,888	865,888	
Tax assets (25%, 9%)	226,651	81,594	308,245	216,472	77,930	294,402
<b>Unrecognized tax assets on tax loss carryforwards</b>	<b>226,651</b>	<b>81,594</b>	<b>308,245</b>	<b>216,472</b>	<b>77,930</b>	<b>294,402</b>

The balance of tax loss carryforwards was not recorded as we do not expect any taxable income in the Company and its subsidiaries.

## 17. PROVISION FOR CONTINGENCIES

### 17.1 Provision for contingencies

In the periods ended March 31, 2020 and 2019, the variations in the provision for contingencies are summarized as follows:

	Parent			Total
	Civil lawsuits (a)	Labor lawsuits	Other (b)	
Balance as at December 31, 2018	38,942	10,261	10,913	60,116
Additions (note 22)	10,094	1,286	271	11,651
Write-offs/transfers (note 22)	(3,976)	(1,382)	-	(5,358)
Balance as at March 31, 2019	45,060	10,165	11,184	66,409
Balance as at December 31, 2019	49,828	6,923	392	57,143
Additions (note 23)	6,901	589	-	7,490
Write-offs/transfers (note 23)	(4,024)	(901)	(117)	(5,042)
Balance as at March 31, 2020	52,705	6,611	275	59,591
Current	27,749	3,481	145	31,375
Noncurrent	24,956	3,130	130	28,216

	Consolidated			Total
	Civil lawsuits (a)	Labor lawsuits	Other (b)	
Balance as at December 31, 2018	42,976	11,325	11,171	65,472
Additions (note 23)	10,778	1,542	13	12,333
Write-offs (note 23)	(5,298)	(1,388)	-	(6,686)
Balance as at March 31, 2019	48,456	11,479	11,184	71,119
Balance as at December 31, 2019	52,719	7,470	392	60,581
Additions (note 23)	7,751	692	-	8,443
Write-offs (note 23)	(4,434)	(1,013)	(117)	(5,564)
Balance as at March 31, 2020	56,036	7,149	275	63,460
Current	29,503	3,764	145	33,412
Noncurrent	26,533	3,385	130	30,048

- (a) Lawsuits mainly attributable to the Company's legacy project (construction defects and construction delay); and  
(b) In 2018 a provision related to a tax lawsuit for 2011 taxes (IRPJ, CSLL, PIS and COFINS) of one of its subsidiaries was recognized.

### 17.2 Escrow deposits

As at March 31, 2020, the Company and its subsidiaries have the following amounts deposited in courts:

	Parent		Consolidated	
	03/31/2020	12/31/2019	03/31/2020	12/31/2019
Civil lawsuits	21,223	21,876	21,925	22,620
Environmental lawsuits	86	86	89	89
Tax lawsuits	18,924	17,852	19,550	18,459
Labor lawsuits	4,419	4,680	4,565	4,840
	44,652	44,494	46,129	46,008
Current	10,971	10,932	11,334	11,304
Noncurrent	33,681	33,562	34,795	34,704

### 17.3. Lawsuits with a possible likelihood of an unfavorable outcome

As at March 31, 2020, the Company and its subsidiaries are aware of other civil, labor, tax and environmental lawsuits. Based on the history of probable lawsuits and the specific analysis of the main claims, the lawsuits with a likelihood of an unfavorable outcome classified as possible total R\$353,694 (R\$312,140 as at December 31, 2019), based on the historical average of the lawsuits adjusted for current estimates, for which the Company's Management believes it is not necessary to recognize a provision for potential losses. The variation in the period is due to the revision of the involved amounts, as shown below:

	Consolidated	
	03/31/2020	12/31/2019
Civil lawsuits (a)	257,855	212,128
Tax lawsuits (b)	83,467	84,583
Labor lawsuits	11,365	15,364
Environmental lawsuits	1,007	65
	353,694	312,140

- (a) As at March 31, 2020, the Company and its subsidiaries are aware of civil lawsuits and risks based on the history of probable lawsuits and a specific analysis of main claims, the measurement of the lawsuits with a likelihood of an unfavorable decision estimated as possible total R\$257,855, mostly attributed to legacy projects (construction defects and delay).
- (b) The Company had received a tax assessment notice issued by the Brazilian Federal Revenue Service, in which it challenges the tax bases of income tax, social contribution, PIS and COFINS for FY 2010. The Company filed an objection to the tax assessment within the statutory deadline, which was partially upheld on March 31, 2017 by the lower administrative court, which reduced the tax assessment fine and rebate of the amounts paid as COFINS and PIS. The Company filed an administrative appeal with the competent body (CARF) against such decision. On January 24, 2019, the appeal decision was handed down, whereby the following issues worth attention: decrease of the voluntary fine; deduction of the amounts paid; statute of limitation of the periods from January to September 2010. After the decision, the likelihood of loss was assessed as "possible" by the legal counsel, substantially reducing the possible contingencies for this lawsuit (from R\$206,933 million to R\$74,964 million).

## 18. EQUITY

### 18.1 Capital

As at March 31, 2020, the Company's subscribed and paid-in capital was R\$1,095,829, represented by 104,344,246 registered common shares, with no par value (R\$1,095,829 represented by 104,344,246 common shares, with no par value as at December 31, 2019).

### 18.2. Employee benefits

#### a) Stock option plan

The Company has a total of five stock option plans for common shares, launched since 2014 that follow the rules set out in the Company's Stock Option Plan.

The granted options entitle their holders (management personnel and employees designated by the executive committee and approved by the Board of Directors) to purchase Company common shares, after vesting periods that range from three to ten years while employed by the Company (essential condition to exercise a stock option), and expire ten years after the grant date.

The fair value of the stock options is set on the grant date and recognized as expenses in profit or loss (as contra entry to equity), during the plan's vesting period, as the services are provided by the employees and management personnel.

The variations in the outstanding stock options in the period ended March 31, 2020 and in the year ended December 31, 2019, which include their related weighted average strike prices, are as follows:

	03/31/2020		03/31/2019	
	Number of stock options	Weighted average strike price (reais)	Number of stock options	Weighted average strike price (reais)
Outstanding stock options at the beginning of the period	7,478,114	3.28	5,326,598	6.74
Exercised stock options	(21,160)	5.59	(247,616)	6.72
Split bonus	-	-	5,078,981	-
Outstanding stock options at the end of the period	7,456,954	3.28	10,157,963	3.32

The fair value of the stock options granted from 2014 to 2017 was estimated based on the Black & Scholes pricing model, taking into consideration the following assumptions:

Grant date	Strike price	Weighted average	Expected volatility (%) (*)	Expected stock option life (years)	Risk-free interest rate (%) (**)
08/11/2014	6.63	6.52	31.02%	-	11.66% to 11.81%
11/12/2014	6.63	6.55	31.30%	-	12.77% to 12.84%
05/09/2016	6.86	6.83	26.70%	0.84 years	12.67% to 12.77%
04/10/2017	8.13	8.13	24.65%	1.70 years	9.69% to 10.07%

(\*) The volatility was determined based on the history of the BM&FBOVESPA Real Estate Index (IMOBX).

(\*\*) Risk-free market interest rate for the stock option period at the grant date.

Number of stock options	Outstanding stock options		Vested stock options	
	Remaining contractual weighted average life (years)	Weighted average strike price (R\$)	Number of stock options	Weighted average strike price (R\$)
7,637,978	0.76	3.28	7,456,954	3.28

Total expenses recognized in the period ended March 31, 2020 was R\$81 (R\$856 as at December 31, 2019) and are disclosed in note 23.

#### b) Restricted stock option plan

On August 8, 2018, the Extraordinary General Meeting approved the restricted stock option plan. The plan's objectives are to: i) promote the growth, success and attainment of the corporate guidelines of the Company and the companies under its control; ii) align the interests of beneficiaries to those of the shareholders; and iii) encourage the maintenance of officers and employees at the Company or at the companies under its control.

The Plan's restricted shares granted confer upon their holders (officers, directors and employees appointed by the executive board and approved by the Board of Directors) the right to common shares in the Company's capital, after a period from two to three years. For officers and employees the quantities granted will rely on the goals attained established by the Board of Directors and may range from 0% to 150%.

The Plan is valid for ten years and will be divided into Programs, subject to a ceiling that results in a maximum dilution of 5% of the Company's capital.

#### Programs

	Grant date	Granted quantities
2018 Program	09/13/2018	652,500
2019 Program	04/09/2019	914,100

The fair value of the stock options is set on the grant date and recognized as expenses in profit or loss (as contra entry to equity), during the plan's vesting period, as the services are provided by the employees, directors and management personnel.

	03/31/2020	03/31/2019
	Number of stock options	Number of stock options
Outstanding stock options at the beginning of the period	1,829,100	652,500
Exercised stock options	-	(195,000)
Split bonus (2018 Program)	-	457,500
Outstanding stock options at the end of the period	1,829,100	915,000

The fair value of the restricted stock options was estimated based on the Monte Carlo pricing model, which may vary according to the attainment of goals, taking into consideration the following assumptions:

Program	Grant date	Expected volatility (%) (*)	Expected stock option life (months)	Risk-free interest rate (%) (**)
2018	08/13/2018	29.52%	13 months	10.01%
2019	09/30/2019	31.42%	25 months	5.95%
2019	04/09/2019	31.50%	25 months	7.92%
2019	04/09/2019	31.50%	13 months	7.31%

(\*) Volatility was determined based on the historical quotation of the Company's shares

(\*\*) Risk-free market interest rate for the stock option period at the grant date.

Program	Outstanding stock options	
	Number of stock options	Remaining contractual weighted average life (months)
2018	915,000	10 months
2019	914,100	22 months

Total expenses recognized in the period ended March 31, 2020 was R\$2,769 (R\$7,800 as at December 31, 2019) and are disclosed in note 23.



### 18.3 Treasury shares

	Number (thousands)	Average cost – R\$	Total cost
Balance as at December 31, 2019	7,009	14.61	102,425
Stock option exercise	(21)	14.60	(309)
Balance as at March 31, 2020	6,988	14.61	102,116

As at March 31, 2020, the fair value of the Company's treasury shares was R\$159,953.

Variations in treasury shares (in quantity)

Description	Variations
Share buyback program - 2018	7,555
Cancellation 12/06/2018	(2,000)
Split (03/26/2019)	4,513
Stock option exercise	(3,080)
Total - quantity	6,988

### 19. INSURANCE

Tenda has insurance against engineering risk, barter guarantee, construction completion guarantee, and civil liability, associated to involuntary bodily harm caused to third parties, and property damages caused to tangible assets, as well as fire, lightening, electrical damage, natural phenomenon, and gas explosion hazards. The insurance coverage purchased is considered sufficient by Management to cover probable losses on its assets and/or liabilities. The table below shows the liabilities covered by insurance and the related amounts as at March 31, 2020:

Insurance line (in effect)	Coverage - R\$'000
Engineering risks and construction completion guarantee (effective from April 2016 to March 2028)	3,843,156
Civil liability - Directors and Officers (D&O) (*)	50,000
Insurance line (future periods)	
Engineering risks and construction completion guarantee (effective from 04/2020 to 06/2028)	100,479

(\*) The effective period of the D&O civil liability policy is from February 25, 2020, renewed until February 25, 2021 by the Company.

### 20. EARNINGS PER SHARE

The table below shows the calculation of basic and diluted earnings per share.

	03/31/2020	03/31/2019
Basic numerator		
Undistributed earnings	17,594	49,753
Undistributed earnings, available to the holders of common shares	17,594	49,753
Basic denominator (in thousands of shares)		
Weighted average number of shares	97,377	95,672
Basic earnings per share in Brazilian reais	0,1807	0,5200
Diluted numerator		
Undistributed earnings	17,594	49,753
Undistributed earnings, available to the holders of common shares	17,594	49,753
Diluted denominator (in thousands of shares)		
Weighted average number of shares	97,377	95,672
Stock options	8,600	8,877
Diluted earnings per share in Brazilian reais	0.1660	0.4759

### 21. FINANCIAL INSTRUMENTS

The Company and its subsidiaries enter into transactions with financial instruments. These financial instruments are managed through operating strategies and internal control that aim at liquidity, profitability and security. Financial instruments for hedging purposes are contracted based on a periodic analysis of the risk exposure. Management intends to mitigate (foreign exchange, interest rates, etc.), which is submitted to the appropriate

Management bodies for approval and subsequent operationalization of the strategy presented. The control policy consists of a permanent monitoring of contracted terms and conditions compared to market terms and conditions.

The Company and its subsidiaries do not make investments involving derivatives or any other risk assets for speculative purposes. Gains and losses on these transactions are consistent with the policies and strategies designed by the Company's Management. The Company's and its subsidiaries' operations are subject to the following risk factors described below:

(a) Risk considerations

(i) Credit risk

The Company and its subsidiaries restrict their exposure to credit risks related to cash and cash equivalents by making their investments in prime financial institutions and in interest-bearing short-term investments.

With respect to trade receivables, the Company restricts its exposure to credit risks by selling to a broad customer base and continuously analyzing credit. Additionally, there is no material history of losses since there is a collateral on the units sold, represented by real estate unit, which can be repossessed in the case of default during the construction period. As at March 31, 2020 and December 31, 2019, there was no material credit risk concentration related to customers.

(ii) Interest rate risk

Arises from the possibility of the Company and its subsidiaries incurring gains or losses due to fluctuations in the interest rates on their financial assets and financial liabilities. To mitigate this risk, the Company and its subsidiaries try to diversify their borrowings into fixed and floating rates. The interest rates on borrowings and financing are described in notes 11 and 12. The interest rates on short-term investments are described in note 4. Receivables from real estate development are subject to the National Civil Construction Index (INCC) and the General Market Price Index (IGP-M).

(iii) Liquidity risk

The liquidity risk arises from the possibility that the Company and its subsidiaries may not have sufficient funds to meet their obligations due to a mismatch in the settlement terms of their rights and obligations.

To mitigate the liquidity risks and optimize the weighted average cost of capital, the Company and its subsidiaries permanently monitor the debt levels according to the market standards and the compliance with the ratios (covenants) provided for in loan, financing and debenture agreements, to ensure that the cash generation and early funding, when necessary, are sufficient to honor their commitments, and avoid any liquidity risk for the Company and its subsidiaries (notes 11 and 12).

Most of the Company's financing is carried out with Caixa Econômica Federal under real estate pool funding schemes ("crédito associativo"), the "Minha Casa Minha Vida" federal housing program, and transfers at the end of the construction.

The maturities of borrowings, financing, trade payables, and debenture financial instruments are as follows:

Parent	03/31/2020				12/31/2019			
	Borrowings (note 11)	Debentures (note 12)	Trade payables	Payables for purchase of properties and advances from customers	Borrowings (note 11)	Debentures (note 12)	Trade payables	Payables for purchase of properties and advances from customers
Up to one year	2,432	313,843	14,982	2,443	1,641	5,598	6,202	3,411
1 to 3 years	41,883	198,127	-	1,957	7,406	504,822	-	1,734
4 to 5 years	18,808	300,000	-	-	978	300,000	-	-
Total	63,123	811,970	14,982	4,400	10,024	810,420	6,202	5,145

Consolidated	03/31/2020				12/31/2019			
	Borrowings (note 11)	Debentures (note 12)	Trade payables	Payables for purchase of properties and advances from customers	Borrowings (note 11)	Debentures (note 12)	Trade payables	Payables for purchase of properties and advances from customers
Up to one year	8,150	313,843	63,492	167,257	8,517	5,598	38,926	285,694
1 to 3 years	82,009	198,127	-	422,337	46,172	504,822	-	361,071
4 to 5 years	26,781	300,000	-	196,783	5,327	300,000	-	153,114
More than 5 years	-	-	-	45,920	-	-	-	38,635
<b>Total</b>	<b>116,940</b>	<b>811,970</b>	<b>63,492</b>	<b>832,297</b>	<b>60,016</b>	<b>810,420</b>	<b>38,926</b>	<b>838,514</b>

#### (iv) Fair value hierarchy

The Company uses the following hierarchy to determine and disclose the fair value of financial instruments by valuation technique:

Level 1: prices traded (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices in active markets included within Level 1, that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices); and

Level 3: inputs for assets or liabilities that are not based on observable market variables (unobservable inputs).

The fair value hierarchy level for the financial instrument assets measured at fair value through profit or loss of the Company, disclosed as at March 31, 2020 and December 31, 2019, is as follows:

	Parent		Consolidated	
	Level 1	Fair value hierarchy Level 2	Level 1	Level 2
As at March 31, 2020				
Financial assets Securities (note 4.2)	532,393	201,261	629,441	397,033
As at December 31, 2019				
Financial assets Securities (note 4.2)	615,688	154,992	667,888	354,211

In the period ended March 31, 2020 and the year ended December 31, 2019, there were no fair value measurement transfers between the Level 1 and Level 2 fair value measurements or transfers between the Level 3 and Level 2 fair value measurements.

#### (b) Fair value of financial instruments

##### (i) Fair value measurement

The estimated fair values were determined using observable market inputs and appropriate valuation techniques. However, considerable judgment is required to interpret market inputs and estimate fair value. Thus, the estimates presented herein are not an indication of the amounts that the Company could realize in the current market. The use of different market assumptions and/or estimate methodologies could have a significant impact on the estimated fair values.

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which estimating values is practicable:

- The amounts of cash and cash equivalents, securities, trade receivables, and other receivables, trade payables, and other current liabilities approximate their fair values, recognized in the interim financial information.
- The fair value of bank loans and other financial debts is estimated through discounted future cash flows using available benchmark interest rates for similar and remaining debts or terms.

The main carrying amounts and fair values of financial assets and financial liabilities as at March 31, 2020 and December 31, 2019, classified in Level 1 and Level 2 of the fair value hierarchy, are as follows:

		Parent			
		03/31/2020		12/31/2019	
Categories		Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>					
<b>Cash and cash equivalents (note 4.1)</b>					
Cash and banks	Amortized cost	17,325	17,325	36,730	36,730
	Fair value through profit or loss*			1,757	1,757
Bank certificate of deposit		-	-	34,973	34,973
<b>Securities and restricted short-term investments (note 4.2)</b>					
Bank certificate of deposit	Amortized cost	733,654	733,654	770,680	770,680
	Fair value through profit or loss*			351	351
Bank certificate of deposit		2,236	2,236	2,478	2,478
LFT and LTN	Fair value through profit or loss*	532,393	532,393	615,688	615,688
Private securities	Fair value through profit or loss*	112,942	112,942	113,772	113,772
Repurchase transactions (exclusive funds)	Fair value through profit or loss*	3,331	3,331	2,417	2,417
Repurchase transactions	Amortized cost	34	34	34	34
	Fair value through profit or loss*				
Restricted short-term investments		32,348	32,348	35,940	35,940
	Fair value through profit or loss*				
Investment funds		7	7	-	-
Trade receivables (note 5)	Amortized cost	106,637	106,637	107,154	107,154
Intragroup loans receivable (note 7.1)	Amortized cost	46,785	46,785	46,720	46,720
<b>Financial liabilities</b>					
Borrowings and financing (note 11)	Amortized cost	63,123	63,123	10,024	10,024
Debentures (note 12)	Amortized cost	811,970	817,930	810,420	824,797
Trade payables	Amortized cost	14,982	14,982	6,202	6,202
Payables for purchase of properties and advances from customers	Amortized cost	4,400	4,400	5,145	5,145
		<b>Consolidated</b>			
		03/31/2020		12/31/2019	
Categories		Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>					
<b>Cash and cash equivalents (note 4.1)</b>					
Cash and banks	Amortized cost	34,239	34,239	48,353	48,353
	Fair value through profit or loss*			9,160	9,160
Bank certificate of deposit		1,080	1,080	39,193	39,193
<b>Securities and restricted short-term investments (note 4.2)</b>					
Bank certificate of deposit	Amortized cost	1,026,474	1,026,474	1,022,099	1,022,099
	Fair value through profit or loss*			4,080	4,080
Bank certificate of deposit		2,236	2,236	2,478	2,478
LFT and LTN	Fair value through profit or loss*	629,441	629,441	667,888	667,888
Private securities	Fair value through profit or loss*	112,942	112,942	113,772	113,772
Repurchase transactions (exclusive funds)	Fair value through profit or loss*	3,331	3,331	2,417	2,417
Repurchase transactions	Amortized cost	34	34	34	34
	Fair value through profit or loss*				
Restricted short-term investments		222,607	222,607	229,642	229,642
	Fair value through profit or loss*				
Investment funds		1,809	1,809	1,788	1,788
Trade receivables (note 5)	Amortized cost	691,290	691,290	625,142	625,142
Intragroup loans receivable (note 7.1)	Amortized cost	37,486	37,486	37,421	37,421
<b>Financial liabilities</b>					
Borrowings and financing (note 11)	Amortized cost	116,940	122,661	60,016	60,016
Debentures (note 12)	Amortized cost	811,970	817,930	810,420	824,797
Trade payables	Amortized cost	63,492	63,492	38,926	38,926
Payables for purchase of properties and advances from customers	Amortized cost	832,297	832,297	838,514	838,514

\* Classification at fair value through profit or loss after initial recognition.

**(ii) Debt acceleration risk**

As at March 31, 2020, the Company was a party to loan, financing and debenture agreements that contained restrictive covenants related to indebtedness ratios. These restrictive covenants have been complied with by the Company and do not limit its ability to continue as going concern (notes 11 and 12).

**(c) Capital management**

The Company's capital management aims at maintaining the good credit rating from credit rating institutions and an optimum capital ratio sufficient to support the Company's business and maximize shareholder value.

The Company controls its capital structure and adjusts it to current economic conditions. To keep this structure adjusted, the Company can pay dividends, return on capital to shareholders, raise new borrowings and financing, issue debentures, etc.

The Company includes in its net debt structure: borrowings and financing less cash and banks (cash and cash equivalents, securities, and restricted short-term investments).

	Parent		Consolidated	
	03/31/2020	12/31/2019	03/31/2020	12/31/2019
Borrowings and financing (note 11)	63,123	10,024	116,940	60,016
Debentures (note 12)	811,970	810,420	811,970	810,420
(-) Cash and cash equivalents and securities (notes 4.1 and 4.2)	(750,979)	(807,410)	(1,060,713)	(1,070,452)
Net debt	124,114	13,034	(131,803)	(200,016)
Equity	1,369,144	1,350,621	1,370,232	1,351,709
Equity and net debt	1,493,258	1,363,655	1,238,429	1,151,693

**(d) Sensitivity analysis**

The sensitivity analysis of financial instruments for the period ended March 31, 2020, describes the risks that may cause material changes in the Company's profit or loss, in compliance with by CVM requirements, set out in Instruction 475/08, in order to show a 10%, 25% and 50% increase / decrease in the risk variable considered.

As at March 31, 2020, the Company has the following financial instruments:

- Short-term investments, borrowings and financing indexed to the CDI;
- Borrowings and financing indexed to the Benchmark Rate (TR);
- Trade and other receivables, borrowings and financing indexed to the National Civil Construction Index (INCC) and the General Market Price Index (IGP-M).

For the sensitivity analysis in the period ended March 31, 2020, the Company considered the interest rates of investments, borrowings and trade receivables, the Certificate of Interbank Deposit (CDI) rate at 3.65%, the Benchmark Rate at 0%, the National Civil Construction Index (INCC) at 4.29%, and the General Market Price Index (IGP-M) at 4.36%.

The scenarios considered were as follows:

Scenario I: Probable: 10% appreciation/depreciation of the risk variables used for pricing

Scenario II: Possible: 25% appreciation/depreciation of the risk variables used for pricing

Scenario III: Remote: 50% appreciation/depreciation of the risk variables used for pricing

As at March 31, 2020:

		Consolidated scenario					
		III	II	I	I	II	III
Transaction	Risk	50% increase	25% increase	10% increase	10% decrease	25% decrease	50% decrease
Securities	CDI increase/decrease	17,460	8,730	3,492	(3,492)	(8,730)	(17,460)
Debentures	CDI increase/decrease	(14,346)	(7,173)	(2,869)	2,869	7,173	14,346
CCB	CDI increase/decrease	(881)	(440)	(176)	176	440	881
Net effect of CDI variance		2,233	1,117	447	(447)	(1,117)	(2,233)
Receivables from developments	INCC increase/decrease	4,189	2,095	838	(838)	(2,095)	(4,189)
Receivables from developments	IGP-M increase/decrease	9,978	4,989	1,996	(1,996)	(4,989)	(9,978)

## 22. NET REVENUE

	Parent		Consolidated	
	03/31/2020	03/31/2019	03/31/2020	03/31/2019
<b>Gross revenue</b>				
Property development and sale, barter, and provision for construction services		18,438	67,908	428,700
(Recognition) reversal of allowance for doubtful debts (note 5)		(605)	7,875	(112)
(Recognition) reversal of allowance for contract terminations (note 5)		(3,044)	(146)	(9,726)
Taxes on property sales and services		1,203	(1,638)	(9,548)
Net revenue		15,992	73,999	409,314

## 23. COSTS AND EXPENSES BY NATURE

Broken down as follows:

	Parent		Consolidated	
	03/31/2020	03/31/2019	03/31/2020	03/31/2019
<b>Real estate development and sale costs:</b>				
Construction costs	(7,393)	(39,877)	(222,659)	(201,002)
Land costs	(3,355)	(7,473)	(46,768)	(44,412)
Development costs	(2,814)	(5,691)	(19,661)	(19,656)
Capitalized finance charges (note 11)	(233)	(542)	(4,257)	(5,836)
Maintenance/warranties	(2,368)	(1,560)	(2,734)	(2,031)
Cost of properties on allowance for contract terminations recognition (note 6)	2,394	(361)	8,126	4,147
	(13,769)	(55,504)	(287,953)	(268,790)
<b>Selling expenses:</b>				
Product marketing expenses	56	(1,638)	(18,384)	(11,240)
<b>Realtor and sales commissions</b>	88	(2,961)	(28,663)	(20,321)
Cost of sales	56	(2,169)	(18,311)	(14,887)
Onlending costs	9	(566)	(2,923)	(3,882)
Realtor fees	23	(226)	(7,429)	(1,552)
Expenses on customer management (CRM)	2	(29)	(633)	(198)
Other selling expenses	1	(148)	(405)	(1,014)
	147	(4,776)	(48,085)	(32,773)
<b>General and administrative expenses:</b>				
Payroll and related taxes	(1,375)	(3,885)	(15,193)	(16,598)
Employee benefits	(137)	(402)	(1,517)	(1,717)
Travel and utilities	(43)	(79)	(477)	(339)
Expenses on services provided	(443)	(841)	(4,898)	(3,594)
Rental and common area maintenance fee expenses	(59)	(41)	(657)	(174)
IT expenses	(52)	(155)	(574)	(661)
Stock option plan costs (note 18.2)	(2,850)	(2,525)	(2,850)	(2,525)
Expenses on provision for profit sharing (note 25.2)	(3,126)	(2,739)	(3,039)	(3,257)
Other general and administrative expenses	(110)	(55)	(652)	(213)
	(8,195)	(10,722)	(29,857)	(29,078)

	Parent		Consolidated	
	03/31/2020	03/31/2019	03/31/2020	03/31/2019
<b>Other income (expenses), net:</b>				
Depreciation and amortization	(6,093)	(4,684)	(6,126)	(4,688)
Expenses on payments of contingencies	(8,072)	(6,704)	(8,072)	(6,704)
Provisions / reversals for contingencies (note 17.1)	(2,448)	(6,293)	(2,879)	(5,647)
Other income/(expenses)	(3,251)	(1,953)	(4,279)	(3,582)
	(19,864)	(19,634)	(21,356)	(20,621)

## 24. FINANCE INCOME (COSTS)

	Parent		Consolidated	
	03/31/2020	03/31/2019	03/31/2020	03/31/2019
<b>Finance income (net of PIS/COFINS)</b>				
Income from short-term investments	6,563	8,767	7,524	10,822
Other finance income	135	410	1,737	1,232
Total finance income (net of PIS/COFINS)	6,698	9,177	9,261	12,054
<b>Finance costs</b>				
Interest on borrowings, net of capitalization (note 11)	(11,720)	(9,475)	(11,722)	(9,506)
Banking expenses	(196)	(322)	(1,138)	(1,478)
Other finance costs	936	(441)	648	(811)
	(10,980)	(10,238)	(12,212)	(11,795)
Finance income (costs)	(4,282)	(1,061)	(2,951)	259

## 25. TRANSACTIONS WITH MANAGEMENT AND EMPLOYEES

### 25.1 Management compensation

The amounts recognized in line item 'General and administrative expenses' for the periods ended March 31, 2020 and 2019 related to the compensation of key management personnel are as follows:

Management compensation			
Period ended March 31, 2019	Board of Directors	Executive Committee	Total
	Number of members	7	12
<b>Fixed compensation for the period</b>	<b>720</b>	<b>2,223</b>	<b>2,943</b>
Salary/management fees	600	1,647	2,247
Direct and indirect benefits	-	247	247
Other (social security)	120	329	449
Monthly compensation	240	741	981
<b>Variable compensation for the period</b>	<b>698</b>	<b>3,177</b>	<b>3,875</b>
Profit sharing (note 25.2)	-	1,350	1,350
Share-based compensation	698	1,827	2,525
Total compensation for the period	1,418	5,400	6,818

Management compensation			
Period ended March 31, 2020	Board of Directors	Executive Committee	Total
	Number of members	7	13
<b>Fixed compensation for the period</b>	<b>710</b>	<b>2,291</b>	<b>3,001</b>
Salary/management fees	608	1,651	2,259
Direct and indirect benefits	0	304	304
Other (social security)	102	336	438
Monthly compensation	237	764	1,001
<b>Variable compensation for the period</b>	<b>568</b>	<b>4,124</b>	<b>4,692</b>
Profit sharing (note 25.2)	0	2,260	2,260
Share-based compensation	568	1,864	2,432
Total compensation for the period	1,278	6,415	7,693

## 25.2 Profit sharing

	Parent		Consolidated	
	03/31/2020	03/31/2019	03/31/2020	03/31/2019
Executive Committee	2,260	1,350	2,260	1,350
Other employees	866	1,389	779	1,907
	3,126	2,739	3,039	3,257

## 26. SEGMENT REPORTING

The Company's Management analyses its internal managerial reports to make decisions relating to the consolidated interim financial information, on the same basis that these statements are disclosed, i.e., a single segment and geography.

Therefore, since Management does not use any information system other than the quarterly information as at March 31, 20120 and the financial statements as at December 31, 2019, no specific disclosure will be presented, as defined in CPC 22.

As for the information on its main customers, since its residential real estate activity is targeted at a single economic segment, the Company does not have any individual customer that represents 10% or more of its total consolidated revenue.

## 27. REAL ESTATE PROJECTS UNDER CONSTRUCTION – INFORMATION AND COMMITMENTS

The projects under construction as at March 31, 2020 are as follows:

	Consolidated Under construction 03/31/2020
(i) Unrecognized revenue from properties sold	
(a) – Revenue from sales contracted	2,160,163
(b) - Recognized sales revenue, net	1,521,664
1i) Unrecognized sales revenue <u>a)</u> (a-b)	638,499
(ii) Revenue from contract termination indemnity	931
(iii) Unrecognized revenue from agreements not qualifying for revenue recognition (b)	11,357
(iv) Allowance for contract terminations (Liability)	
Adjustment to recognized revenues	26,272
(-) Adjustment to trade receivables	(22,858)
(-) Revenue from contract termination indemnity	(683)
	2,731
(v) Budgeted costs on units sold to be recognized	
(a) – Budgeted cost of units (without finance charges)	1,382,903
Incurred cost, net	
(b) - (-) Incurred construction costs	(998,140)
Finance charges	(12,519)
(c) - Terminations - construction costs	8,435
Terminations - finance charges	85
	(1,002,139)
2i) Budgeted costs to be recognized in profit or loss (without finance charges) (a+b+c)	393,197
Profit to be recognized (1i-2i)	245,302
(vi) Budgeted costs to be recognized in inventories	
(a) – Budgeted cost of units (without finance charges)	719,875
(-) Incurred cost, net	
(b) - Incurred construction costs	(283,408)
Finance charges	(3,597)
	(287,005)
<b>Budgeted costs to be recognized in inventories (without finance charges) (a+b)</b>	<b>436,467</b>

a) The unrecognized sales revenue is measured at the notional amount of the underlying contracts, plus the contractual adjustments and less contract terminations, not taking into consideration the effects of the taxes levied thereon and the present value adjustment.

b) The unrecognized sales revenue from agreements not eligible to revenue recognition refer to customers which do not have collateral or prospect of fulfilling the amounts of the properties acquired.



The recognized revenue amounts and incurred costs are stated in the income statement, and the advances received in the line item 'Payables for purchase of properties and advances from customer'.

As at March 31, 2020, the percentage of assets consolidated in the interim financial information referring to projects included in the asset segregation structure was 86.79%.

## 28. NONCASH TRANSACTIONS AND RECONCILIATION OF FINANCING ACTIVITIES

### a) Noncash transactions:

The main investing and financing transactions that did not involve cash and cash equivalents (Parent and Consolidated), as contra entry to related parties, considered for purposes of preparing the statement of cash flows were as follows:

	Parent		Consolidated	
	03/31/2020	03/31/2019	03/31/2020	03/31/2019
Capital decrease (note 8)	(12,393)	-	11	-
	(12,393)	-	11	-

### b) Reconciliation of financing activities:

	Parent							
	Opening balance - 12/31/2018	Cash transactions			Noncash transactions			Closing balance - 03/31/2019
		New	Interest payment (a)	Principal repayment	New	Interest and inflation adjustment/ PVA		
Borrowings (notes 11 and 12)	453,348	4,206	(5,910)	(9,181)	-	9,777	452,240	
Intragroup loans (note 7.1)	(43,812)	(200)	-	-	-	-	(44,012)	
Dividends	13,338	-	-	-	-	-	13,338	
Lease – right of use	-	-	-	(1,067)	26,544	245	25,722	
<b>Total</b>	<b>422,874</b>	<b>4,006</b>	<b>(5,910)</b>	<b>(10,248)</b>	<b>26,544</b>	<b>10,022</b>	<b>447,288</b>	

	Parent							
	Opening balance - 12/31/2019	Cash transactions			Noncash transactions			Closing balance - 03/31/2020
		New	Interest payment (a)	Principal repayment	Write-off	Interest and inflation adjustment/ PVA		
Borrowings (notes 11 and 12)	820,444	59,757	(9,424)	(6,591)	-	10,907	875,093	
Intragroup loans (note 7.1)	(46,720)	(65)	-	-	-	-	(46,785)	
Dividends	18,175	-	-	-	-	-	18,175	
Lease – right of use (note 13)	20,679	-	(142)	(751)	(3,235)	305	16,856	
<b>Total</b>	<b>812,578</b>	<b>59,692</b>	<b>(9,566)</b>	<b>(7,342)</b>	<b>(3,235)</b>	<b>11,212</b>	<b>863,339</b>	

	Consolidated							
	Opening balance - 12/31/2018	Cash transactions			Noncash transactions			Closing balance - 03/31/2019
		New	Interest payment (a)	Principal repayment	New	Interest and inflation adjustment		
Borrowings (notes 11 and 12)	542,491	68,161	(7,647)	(59,898)	-	11,962	555,069	
Intragroup loans (note 7.1)	(34,513)	(200)	-	-	-	-	(34,713)	
Dividends	13,338	-	-	-	-	-	13,338	
Lease – right of use	-	-	-	(1,067)	26,544	245	25,722	
<b>Total</b>	<b>521,316</b>	<b>67,961</b>	<b>(7,647)</b>	<b>(60,965)</b>	<b>26,544</b>	<b>12,207</b>	<b>559,416</b>	

	Consolidated							
	Opening balance - 12/31/2019	Cash transactions			Noncash transactions			Closing balance - 03/31/2020
		New	Interest payment (a)	Principal repayment	Write-off	Interest and inflation adjustment		
Borrowings (notes 11 and 12)	870,436	100,950	(9,914)	(43,184)	-	10,622	928,910	
Intragroup loans (note 7.1)	(37,421)	(65)	-	-	-	-	(37,486)	
Dividends	18,175	206	-	-	-	-	18,381	
Lease – right of use (note 13)	20,679	-	(142)	(751)	(3,235)	305	16,856	
<b>Total</b>	<b>871,869</b>	<b>101,091</b>	<b>(10,056)</b>	<b>(43,935)</b>	<b>(3,235)</b>	<b>10,927</b>	<b>926,661</b>	

## 29. EVENTS AFTER THE REPORTING PERIOD

### 29.1 Covid-19 Pandemic - Coronavirus

In light of the current scenario of spread of the new coronavirus (COVID-19), the Company has been adopting monitoring and prevention measures to protect its employees and the communities where it operates. Also, Tenda has reinforced the security of its teams and has also implemented a strong contingency plan to guarantee the safety of its employees and the Company's financial health and adopt measures to ensure the continuity of its operations.

The Company's Management believes that it is not possible to anticipate or predict any significant effects that can impact the interim financial information and the financial statements for future reporting periods. However, based on the measures and results obtained so far, there was no factor that could affect the continuity of the business and/or has material impacts on the Company's accounting estimates. Since the closing date of our financial and economic data as at March 31, 2020, the Company has adopted other measures to mitigate the effects arising from the pandemic, such as:

- Borrowings: R\$250MM in CCBs issued by ABC Brasil, BTG Pactual and Itaú (as reported in note 29.2 – Events After the Reporting Period);
- Negotiation with suppliers and land owners and adherence to all governmental incentive programs, such as tax payment deferral; and
- Strengthening of the partnership with customers, aiming at obtaining security and building up trust in debt rescheduling programs and key delivery acceleration, etc.

### 29.2 Borrowings and financing

- a) On April 27, 2020, the Company contracted R\$100 million relating to four CCB agreements with BTG Pactual. The repayment period is 12 months with a one-year grace period for payment of the 1<sup>st</sup> installment, the last installment maturing on April 27, 2022. The proceeds will be used in cash maintenance and preservation to fight the coronavirus pandemic.
- b) On April 22, 2020, the Company contracted R\$100 million relating to the CCB agreement with Itaú S.A. The due date of the charges levied on the outstanding balance will be October 26, 2020 and the due date of principal plus charges will be April 26, 2021. The proceeds will be used in cash maintenance and preservation to fight the coronavirus pandemic.
- c) On April 24, 2020, the Company contracted R\$50 million relating to the CCB agreement with ABC Brasil. The due date of the charges levied on the outstanding balance will be October 21, 2020 and the due date of principal plus charges will be April 19, 2021. The proceeds will be used in cash maintenance and preservation to fight the coronavirus pandemic.

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

## REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Shareholders and Management of  
Construtora Tenda S.A.  
São Paulo - SP

### **Introduction**

We have reviewed the accompanying individual and consolidated interim financial information of Construtora Tenda S.A. ("Company"), identified as Parent and Consolidated, respectively, included in the Interim Financial Information Form (ITR) for the quarter ended March 31, 2020, which comprises the balance sheet as at March 31, 2020 and the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the three-month period then ended, including the explanatory notes.

Management is responsible for the preparation of the individual interim financial information in accordance with CPC 21 - Interim Financial Reporting and the consolidated interim financial information in accordance with 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 applicable to real estate development entities in Brazil, registered with the Brazilian Securities and Exchange 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 interim financial information**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual interim financial information included in the ITR referred to above is not prepared, in all material respects, in accordance with CPC 21, applicable to the preparation of Interim Financial Information (ITR), and presented in accordance with the standards issued by the Brazilian Securities and Exchange Commission.

## **Conclusion on the consolidated interim financial information**

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

## **Emphasis of matter**

We draw attention to note 2.1 to the individual and consolidated interim financial information, which describes that this individual and consolidated interim financial information, included in the ITR, has been prepared in accordance with CPC 21 and with IAS 34, applicable to real estate development entities in Brazil, registered with the CVM. Accordingly, the determination of the accounting policy adopted by the Company, for recognition of revenue from uncompleted real estate unit purchase and sale agreements, on aspects related to transfer of control, follow the understanding of the Company's Management with respect to the application of technical pronouncement CPC 47, which is in line with the understanding expressed by the CVM in Circular Letter CVM/SNC/SEP 02/18. Our conclusion is not qualified in respect of this matter.

## **Other matters**

### *Statements of value added*

The interim financial information referred to above include the individual and consolidated statements of value added for the three-month period ended March 31, 2020, prepared under the responsibility of the Company's Management and presented as supplemental information for IAS 34 purposes, applicable to real estate development entities in Brazil, registered with the CVM. These statements were subject to the review procedures performed together with the review of the Interim Financial Information (ITR) to reach a conclusion on whether they were reconciled with the interim financial information and the accounting records, as applicable, and if their form and content are consistent with the criteria set forth by CPC 09 - Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that these statements of value added were not prepared, in all material respects, in accordance with CPC 09 and consistently with the accompanying individual and consolidated interim financial information taken as a whole.

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

São Paulo, May 14, 2020

DELOITTE TOUCHE TOHMATSU  
Auditores Independentes

Roberto Torres dos Santos  
Engagement Partner