

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

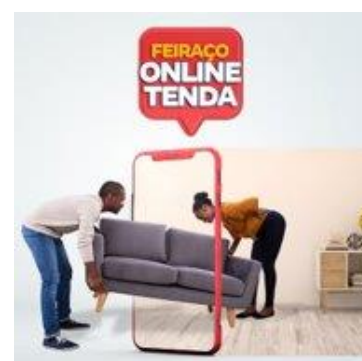
In the end of 2019, Tenda announced its three main strategic challenges. In order to achieve its objectives, the Company expects to have expenses of around 1% of net revenue in strategic development initiatives and to use its net cash position (the Company ended 1Q20 with net cash of R\$ 131.8 million) 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
Total	7,780.4	1,980.4	9,760.8	7,780.4	1,980.4	9,760.8

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 (%)
Operational Highlights (R\$ million, PSV)								
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%) ↓
Financial Highlights (R\$ million)								
Net Revenue	415.8	543.1	(23.4%) ↓	409.3	1.6% ↑	415.8	409.3	1.6% ↑
Adjusted Gross Profit ¹	132.1	181.7	(27.3%) ↓	146.4	(9.7%) ↓	132.1	146.4	(9.7%) ↓
Adjusted Gross Margin ¹ (%)	31.8%	33.4%	(1.7 p.p.) ↓	35.8%	(4.0 p.p.) ↓	31.8%	35.8%	(4.0 p.p.) ↓
Adjusted EBITDA ²	42.0	99.9	(58.0%) ↓	69.9	(39.9%) ↓	42.0	69.9	(39.9%) ↓
Adjusted EBITDA Margin ² (%)	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) ³	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 ⁴	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 ⁵	(68.2)	(16.1)	(322.8%) ↓	37.9	(280.0%) ↓	(68.2)	37.9	(280.0%) ↓
Operating Cash Generation ⁶	(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 ⁷ (LTM)	257.9	289.2	(10.8%) ↓	235.2	9.7% ↑	257.9	235.2	9.7% ↑
Capital Employed ⁸	1,239.3	1,151.7	7.6% ↑	901.6	37.5% ↑	1,239.3	901.6	37.5% ↑
ROE ⁹ (LTM)	18.0%	20.7%	(2.7 p.p.) ↓	17.8%	0.2 p.p. ↑	18.0%	17.8%	0.2 p.p. ↑
ROIC ¹⁰ (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 ¹¹ (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

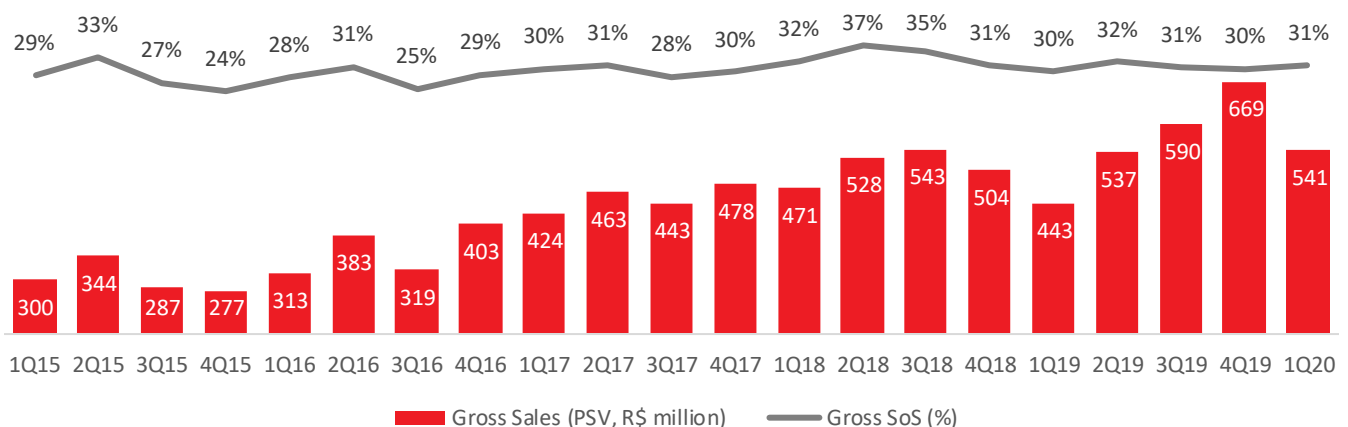
Gross sales totaled R\$ 540.9 million in 1Q20, up 22.1% YoY and down 19.2% QoQ. The average price per unit sold remained stable QoQ, but grew 4.4% YoY due to the increased share of sales in the São Paulo metropolitan region, which went from 32.2% in 1Q19 to 37.9% in 4Q19 and 38.1% in 1Q20.

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%).

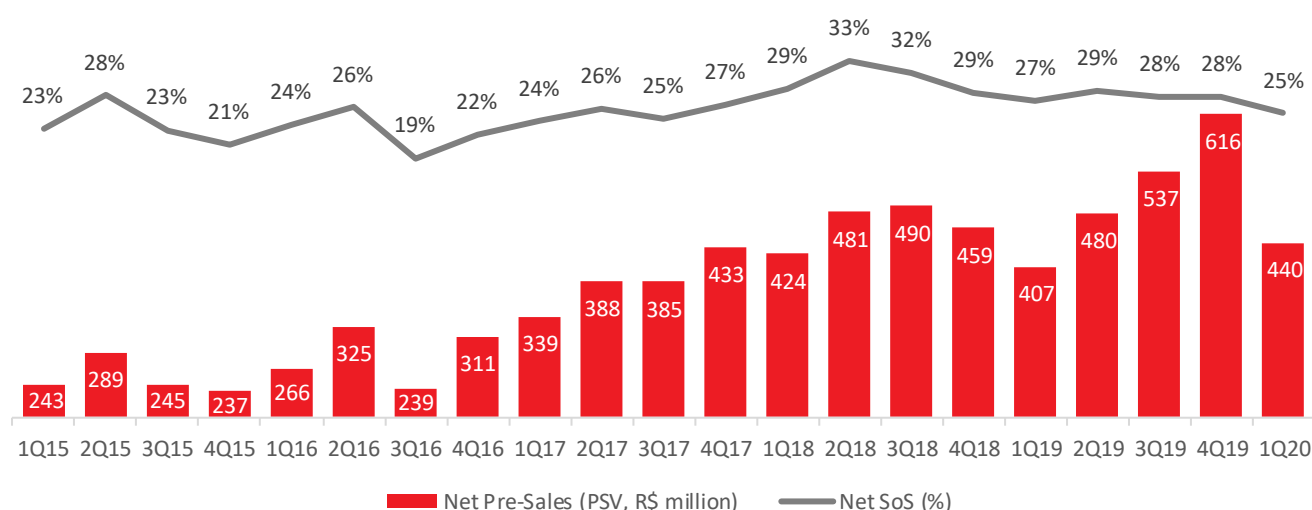
The increase in cancellations in 1Q20 is mainly associated with sales not transferred since 3Q19, period in which new transfers within the MCMV were interrupted due to a deadlock in the allocation of resources to the program. A similar deadlock prevented the progress of mortgage transfers in 1Q20, with 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 ¹	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 ¹	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%) ↓
Net Operating Revenue	415.8	543.1	(23.4%) ↓	409.3	1.6% ↑	415.8	409.3	1.6% ↑

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% ↑
Gross Profit	127.9	173.1	(26.1%) ↓	140.5	(9.0%) ↓	127.9	140.5	(9.0%) ↓
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%) ↓
Adjusted Gross Profit¹	132.1	181.7	(27.3%) ↓	146.4	(9.7%) ↓	132.1	146.4	(9.7%) ↓
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%) ↓
Adjusted EBITDA¹	42.0	99.9	(58.0%) ↓	69.9	(39.9%) ↓	42.0	69.9	(39.9%) ↓
Net Revenue	415.8	543.1	(23.4%) ↓	409.3	1.6% ↑	415.8	409.3	1.6% ↑
Adjusted EBITDA Margin¹	10.1%	18.4%	(8.3 p.p.) ↓	17.1%	(7.0 p.p.) ↓	10.1%	17.1%	(7.0 p.p.) ↓

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% ↑
Financial Results	(3.0)	4.0	(173.5%) ↓	0.3	-	(3.0)	0.3	-

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.

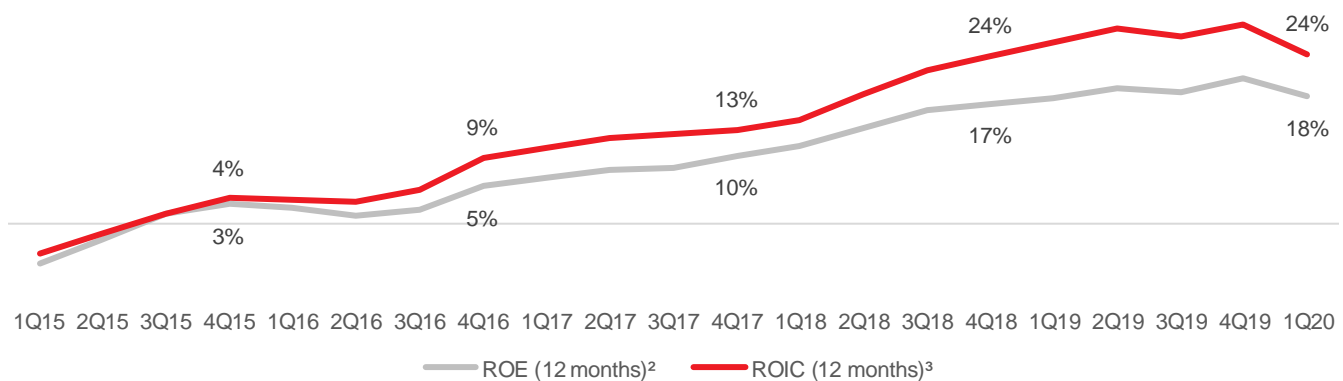
Earnings per share ex-treasury were R\$ 2.39, an increase of 13.1% YoY.

(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% ↑
Net Income	17.6	76.2	(76.9%) ↓	49.8	(64.6%) ↓	17.6	49.8	(64.6%) ↓
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% ↑
Backlog Results¹	245.3	217.7	12.7% ↑	225.1	9.0% ↑
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% ↑
Total Cash Position	1,060.7	1,070.5	(0.9%) ↓	854.5	24.1% ↑

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% ↑
Total Accounts Receivable	890.3	796.5	11.8% ↑	672.1	32.5% ↑
(-) 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%) ↓
Accounts Receivable	691.3	625.1	10.6% ↑	508.3	36.0% ↑
Days of Accounts Receivable	129	117	10.2% ↑	108	19.9% ↑

1. Overdue and falling due

Accounts Receivable Tenda ¹ (R\$ million)	March 20	December 19	QoQ (%)	March 19	YoY (%)
Before delivery to buyer (Pro-Solutio)	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% ↑
Tenda Receivables	293.2	291.3	0.7% ↑	215.1	36.3% ↑
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% ↑
Tenda Receivables / (AR + Backlog Revenues)	22.1%	24.7%	(2.6 p.p.) ↓	20.7%	1.4 p.p. ↑

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
Total Debt	928.9	50.0	812.0	66.9

Debt Breakdown (R\$ million)	Maturity	Charges (APY)	Balance Due March 20	Balance Due December 19
Total Debt			928.9	870.4
Bank Debt	until 03/2024	CDI + 2.93%	50.0	0.0
Corporate Debt			812.0	810.4
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
SFH	until 12/2023	TR + 8.30%	66.9	60.0

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%
Total	928.9	100%	5.3%

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 (%)
Gross Debt	928.9	870.4	6.7% ↑	555.1	67.4% ↑
(-) Cash and cash equivalents and financial investments	(1,060.7)	(1,070.5)	(0.9%) ↓	(854.5)	24.1% ↑
Net Debt	(131.8)	(200.0)	34.1% ↑	(299.4)	56.0% ↑
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% ↑
Capital Distribution	0.0	15.4	(100.0%) ↓	51.5	(100.0%) ↓
(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% ↑
Capital Distribution	68.7	120.2	(42.9%) ↓	218.8	(68.6%) ↓

(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%) ↓
Cash Generation¹	(68.2)	(16.1)	(322.8%) ↓	37.9	(280.0%) ↓
Operational Cash Generation ²	(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% ↑
Gross Profit	127.9	173.1	(26.1%) ↓	140.5	(9.0%) ↓	127.9	140.5	(9.0%) ↓
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% ↑
Operational Result	28.7	82.6	(65.2%) ↓	56.8	(49.4%) ↓	28.7	56.8	(49.4%) ↓
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% ↑
Net Income Before Taxes on Income	25.8	86.7	(70.3%) ↓	57.1	(54.8%) ↓	25.8	57.1	(54.8%) ↓
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% ↑
Net Income After Taxes on Income	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% ↑
Net Income	17.6	76.2	(76.9%) ↓	49.8	(64.6%) ↓	17.6	49.8	(64.6%) ↓

BALANCE SHEET

(R\$ million)	March 20	December 19	QoQ (%)	March 19	YoY (%)
Current Assets	2,675.9	2,506.4	6.8% ↑	1,877.3	42.5% ↑
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% ↑
Non-Current Assets	745.9	827.6	(9.9%) ↓	737.9	1.1% ↑
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% ↑
Intangible, Property and Equipment	105.1	101.9	3.1% ↑	94.0	11.8% ↑
Investments	42.7	42.6	0.3% ↑	38.1	12.0% ↑
Total Assets	3,569.7	3,478.5	2.6% ↑	2,747.4	29.9% ↑
Current Liabilities	914.4	579.0	57.9% ↑	516.3	77.1% ↑
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% ↑
Non-current liabilities	1,284.1	1,547.8	(17.0%) ↓	1,030.1	24.7% ↑
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%) ↓
Shareholders' Equity	1,371.1	1,351.7	1.4% ↑	1,201.0	14.2% ↑
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%) ↓
Total Liabilities and Shareholders' Equity	3,569.7	3,478.5	2.6% ↑	2,747.4	29.9% ↑

CASH FLOW STATEMENT

(R\$ million)	1Q20	4Q19	QoQ (%)	1Q19	YoY (%)	3M20	3M19	YoY (%)
Cash from (used in) operating activities	(42.3)	(0.1)	(68,166%) ↓	48.9	(186.6%) ↓	(42.3)	48.9	(186.6%) ↓
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%) ↓
Cash from (used in) investment activities	(17.8)	(110.9)	83.9% ↑	34.9	(151.1%) ↓	(17.8)	34.9	(151.1%) ↓
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%) ↓
Cash from (used in) financing activities	46.0	100.4	(54.2%) ↓	(50.6)	191.0% ↑	46.0	(50.6)	191.0% ↑
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% ↑
Net increase (decrease) in cash and cash equivalents	(14.1)	(10.6)	(33.8%) ↓	33.2	(142.6%) ↓	(14.1)	33.2	(142.6%) ↓
At the beginning of the period	48.4	58.9	(17.9%) ↓	34.3	41.0% ↑	48.4	34.3	41.0% ↑
At the end of the period	34.2	48.4	(29.2%) ↓	67.5	(49.2%) ↓	34.2	67.5	(49.2%) ↓

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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.