

Construtora Tenda S.A.

Notes to the individual and consolidated
Interim financial information
For the period ended march 31, 2019

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

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Construtora Tenda S.A.

Corporate Taxpayer's Registry (CNPJ/MF) No. 71.476.527/0001-35

Corporate Registry Identification Number (NIRE) 35.300.348.206

Notice to the Market

1Q19 EARNINGS RELEASE

Net income increased 37.2% YoY and earnings per share grew by 56.0% YoY in 1Q19, leading to a 17.8% ROE in the last 12 months. Gross margin reached 35.8% in another positive quarter in terms of cash generation, which totaled R\$37.9 million

FOR IMMEDIATE RELEASE – São Paulo, May 9, 2019 – Construtora Tenda S.A. (“Company”, “Tenda”), a leading Brazilian homebuilder and real estate developer focused on low-income residential projects operating within the brackets 1.5 and 2 of the “Minha Casa, Minha Vida” (“MCMV”) federal government housing program, today reports its operating and financial results for the first quarter of 2019.

HIGHLIGHTS

- **Net income** of R\$49.8 million in 1Q19, up 37.2% YoY, and
- **Earnings per share (ex-Treasury)** up 56.0% YoY and 9.5% QoQ
- **ROE** of 17.8% in the last twelve months, up 6.9 pp above profitability recorded in 1Q18
- **Cash generation** totaled R\$ 37.9 million in 1Q19 and capital structure remained unlevered, with a ratio of net debt to shareholders' equity of -24.9%.
- **Landbank** up 37,0% YoY, totalling R\$9.42 billion in PSV
- **10 projects launched** resulted in PSV 44,8% higher YoY, but 27.3% lower QoQ
- **Net pre-sales** of R\$406.9 million in 1Q19, with net SoS of 27.5%
- Stable **PSV transferred** QoQ (-0.6%), but down 16.6% YoY
- 1,536 units were **delivered** in 1Q19, up 9.4% year-on-year

CONFERENCE CALL AND WEBCAST

Friday, May 10, 2019

10h00 a.m. (NY)

11h00 a.m. (BRT)

Dial in:

International: +1-516-300-1066

Brazil: +55-11-3127-4971

Code: Tenda

Webcast: [Click here](#)

MESSAGE FROM THE MANAGEMENT

In the first quarter of 2019, Tenda showed resilience in the face of a challenging scenario for the low-income housing business. In addition to restrictive new rules for the bracket 1.5 of the Minha Casa, Minha Vida (“MCMV”) program, which was an important decision to reduce the pressure over FGTS (its main source of funding), the beginning of the year was also marked by bottlenecks which had a negative impact on launches, sales and sales transfers.

New phases added to the process of contracting projects with banks impacted the volume of launches in the beginning of the year, requiring the Company to adapt to this new reality without losing sight of one of its business model pillars, which is to guarantee that projects will be financed before launching them. Changes in the credit granting systems for potential participants of MCMV imposed more difficulties on the sales process. Sales transfers were also lower than expected for 1Q19 due to delayed availability of resources for MCMV.

In this turbulent environment, Tenda made efforts to ensure agility in adapting to the new scenario: it adopted a new “launch and sales” strategy capable of minimizing the impact of lower units to the bracket 1.5 of the MCMV program in the sales mix. This sales force migration to the new format of the program was successfully completed in 1Q19, taking the Company to a new level of SoS, which fell to 27.5% in the quarter, below 2018’s levels. In 1Q19, the share of units focused on the bracket 1.5 accounted for only 25.6% of total net pre-sales (in contrast to 55.6% in 2018).

Tenda’s operating performance in 1Q19 enabled cash generation and net income growth. The adjusted gross margin was 35.8%, close to the upper limit of the guidance for the year. In addition, operating expenses (SG&A and others) fell in 1Q19 compared to both 4Q18 and 1Q18, leading to a cash generation of R\$37.9 million and a net income of R\$49.8 million in the quarter. Earnings per share (ex-Treasury) grew by 56.0% YoY and 9.5% QoQ. Also, ROE in the last 12 months reached 17.8% in the first quarter of 2019.

Regarding the Company’s capital structure, the ratio between net debt and shareholders’ equity remains close to -25%, which has allowed us to promote capital distribution initiatives. In the last twelve months, R\$193.8 million were used in two share buyback programs. In April, the Company started its third share buyback program. Also in April, the Annual General Meeting approved the payment of R\$13.3 million in dividends, which added up to the R\$25.0 million distributed at the end of 2018 also as mandatory minimum dividend. These initiatives to distribute capital to shareholders aim to help Tenda achieve the long-term goal of keeping the leverage ratio between -10% and 10%.

In order to combine greater capital distribution efforts with a conservative capital structure and a strong cash position, Tenda has successfully completed, in early April, the issuance of local notes (*debêntures*) totaling R\$150 million, reinforcing its presence in debt capital markets, gradually reducing the average cost and increasing the average duration of the Company's debt.

Tenda has also improved its presence in stock markets. In January 2019, Tenda entered IBRX100, the index composed of the 100 most traded shares in B3, and has reinforced initiatives to guarantee liquidity to its stock. In March, the Company promoted a stock split, aiming to provide wider access to the shares by cutting its unit price by half.

Business environment still poses challenges to the Company in 2Q19. In addition to the more restrictive environment for the credit approval for MCMV potential customers and the increase in construction costs, there are still uncertainties about the availability of both FGTS and Federal Budget resources for the full year of 2019. In this scenario, Tenda has focused its efforts on three main workfronts: (i) to pursue operational excellence – proven by cash generation even in more troubled quarters –, (ii) to maintain a conservative capital structure with low leverage, and (iii) to operate in metropolitan areas, where housing deficit is disproportionate and entry barriers are greater. As a result, the Company remains focused on its objective of seeking the greatest return to shareholders in this sector.

OPERATIONAL AND FINANCIAL HIGHLIGHTS

Operational and Financial Highlights	1Q19	4Q18	QoQ (%)	1Q18	YoY (%)	3M19	3M18	YoY (%)
Operational Highlights (R\$ million, PSV)								
Launches	385.6	530.6	(27.3%) ↓	266.3	44.8% ↑	385.6	266.3	44.8% ↑
Net Pre-Sales	406.9	459.5	(11.4%) ↓	424.2	(4.1%) ↓	406.9	424.2	(4.1%) ↓
Sales over Supply (SoS) (%)	27.5%	28.6%	(1.1 p.p.) ↓	29.1%	(1.6 p.p.) ↓	27.5%	29.1%	(1.6 p.p.) ↓
PSV Transferred	344.7	346.8	(0.6%) ↓	413.1	(16.6%) ↓	344.7	413.1	(16.6%) ↓
Units Delivered (#)	1,536	2,488	(38.3%) ↓	1,404	9.4% ↑	1,536	1,404	9.4% ↑
Landbank	9,418.1	8,893.6	5.9% ↑	6,872.0	37.0% ↑	9,418.1	6,872.0	37.0% ↑
Landbank - Acquisitions / Adjustments	910.1	1,580.8	(42.4%) ↓	443.4	105.3% ↑	910.1	443.4	105.3% ↑
Financial Highlights (R\$ million)								
Net Revenue	409.3	454.6	(10.0%) ↓	366.1	11.8% ↑	409.3	366.1	11.8% ↑
Adjusted Gross Profit ¹	146.4	170.2	(14.0%) ↓	128.9	13.5% ↑	146.4	128.9	13.5% ↑
Adjusted Gross Margin ¹ (%)	35.8%	37.4%	(1.7 p.p.) ↓	35.2%	0.5 p.p. ↑	35.8%	35.2%	0.5 p.p. ↑
Adjusted EBITDA ²	69.9	69.5	0.5% ↑	58.3	19.9% ↑	69.9	58.3	19.9% ↑
Adjusted EBITDA Margin ² (%)	17.1%	15.3%	1.8 p.p. ↑	15.9%	1.2 p.p. ↑	17.1%	15.9%	1.2 p.p. ↑
Net Financial Result	0.3	0.9	(70.1%) ↓	3.2	(91.8%) ↓	0.3	3.2	(91.8%) ↓
Net Income (Loss) ³	49.8	48.0	3.6% ↑	36.3	37.2% ↑	49.8	36.3	37.2% ↑
Backlog Revenues	531.5	546.7	(2.8%) ↓	422.8	25.7% ↑	531.5	422.8	25.7% ↑
Backlog Results ⁴	225.1	238.3	(5.5%) ↓	188.9	19.1% ↑	225.1	188.9	19.1% ↑
Backlog Margin ⁴ (%)	42.4%	43.6%	(1.2 p.p.) ↓	44.7%	(2.3 p.p.) ↓	42.4%	44.7%	(2.3 p.p.) ↓
Cash and Cash Equivalents ⁵	854.5	855.6	(0.1%) ↓	660.4	29.4% ↑	854.5	660.4	29.4% ↑
Net Debt	(299.4)	(313.1)	4.4% ↑	(282.6)	(6.0%) ↓	(299.4)	(282.6)	(6.0%) ↓
Shareholders' Equity + Minority Shareholders	1,201.0	1,203.8	(0.2%) ↓	1,209.8	(0.7%) ↓	1,201.0	1,209.8	(0.7%) ↓
Net Debt / (SE + Minority) (%)	(24.9%)	(26.0%)	1.1 p.p. ↑	(23.4%)	(1.6 p.p.) ↓	(24.9%)	(23.4%)	(1.6 p.p.) ↓
Cash Generation ⁶	0.0	0.0	0.0% ↑	0.0	0.0% ↑	37.9	55.0	(31.1%) ↓
Operating Cash Generation ⁷	0.0	0.0	0.0% ↑	0.0	0.0% ↑	36.1	56.0	(35.6%) ↓
Net Income (Loss) (LTM)	213.8	200.3	6.7% ↑	124.0	72.4% ↑	213.8	124.0	72.4% ↑
NOPAT ⁸ (LTM)	235.2	217.5	8.1% ↑	150.7	56.1% ↑	235.2	150.7	56.1% ↑
Capital Employed ⁹	901.6	890.7	1.2% ↑	927.4	(2.8%) ↓	901.6	927.4	(2.8%) ↓
ROE ¹⁰ (LTM)	17.8%	17.0%	0.8 p.p. ↑	10.9%	6.9 p.p. ↑	17.8%	10.9%	6.9 p.p. ↑
ROCE ¹¹ (LTM)	25.7%	23.8%	1.9 p.p. ↑	14.9%	10.8 p.p. ↑	25.7%	14.9%	10.8 p.p. ↑
Earnings per share (R\$/share) (ex-Treasury) ¹²	0.52	0.48	9.5% ↑	0.33	56.0% ↑	0.52	0.33	56.0% ↑

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 and Dividends Paid

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. Capital Employed is composed of the sum of net debt, shareholders' equity and minority shareholders.

10. 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.

11. ROCE 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.

12. 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.

GUIDANCE

Aiming at generating useful comparative information and providing predictability to the market on our figures, Tenda opted to disclose guidance for 2019 based on scenarios identified with defined variables and assumptions.

- In 2019, the Company estimates that the **Adjusted Gross Margin**, which is the ratio of consolidated gross profit for the year less financial charges, as stated in Note 12 to the financial statements and consolidated net revenue for the year, will range between 34.0% and 36.0%
- In 2019, the Company estimates that the **Net Pre-Sales**, defined as the product of gross sales for the year (in R\$ million) minus cancellations for the year (in R\$ million), adjusting all amounts to Tenda's equity interest, will range between R\$1,950.0 million and R\$2,150.0 million.

Guidance 2019	Minimum	Maximum	1T19	2T19	3T19	4T19	2019
Adjusted Gross Margin (%)	34.0%	36.0%	35.8%	-	-	-	35.8%
Net Pre-Sales (R\$ million)	1,950.0	2,150.0	406.9	-	-	-	406.9

LAUNCHES

In 1Q19, Tenda launched 10 projects, totaling R\$385.6 million in PSV, up 44.8% YoY due to the number and the average size of the projects launched. PSV launched was 27.3% lower QoQ as a consequence of an adaptation of the Company to new project financing processes. It should be emphasized that, as stated as one of the Company's business model pillars, projects must be launched only when its financing is fully arranged with the financial institution. Changes in project financing processes have already been assimilated and should be normalized throughout the year.

5 of the 10 projects were launched in the metropolitan areas of São Paulo and Rio de Janeiro, accounting for 61% of the PSV launched in the quarter.

Launches¹	1Q19	4Q18	QoQ (%)	1Q18	YoY (%)	3M19	3M18	YoY (%)
Number of Launches	10	12	(16.7%) ↓	8	25.0% ↑	10	8	25.0% ↑
PSV (R\$ million)	385.6	530.6	(27.3%) ↓	266.3	44.8% ↑	385.6	266.3	44.8% ↑
Number of units	2,631	3,572	(26.3%) ↓	1,852	42.1% ↑	2,631	1,852	42.1% ↑
Average price per unit (R\$ thousand)	146.6	148.5	(1.3%) ↓	143.8	1.9% ↑	146.6	143.8	1.9% ↑
Average size of launches (in units)	263	298	(11.6%) ↓	232	13.7% ↑	263	232	13.7% ↑

1. Tenda holds 100% equity interest in all projects launched since 2013 (when it launched its current business model).

GROSS SALES

Gross sales totaled R\$443.0 million in 1Q19, down 6.0% YoY, mainly due to a lower average price per unit sold. Compared to 4Q18, gross sales were down 12.2% QoQ due to a lower number of units sold and also by a lower average price per unit sold. Gross Sales over Supply (“Gross SoS”) reached 29.9% in 1Q19, down 1.5 p.p. QoQ and down 2.5 p.p. YoY as the share of units sold under the bracket 1.5 of the Minha Casa, Minha Vida (“MCMV”) program decreased.

Gross Sales	1Q19	4Q18	QoQ (%)	1Q18	YoY (%)	3M19	3M18	YoY (%)
PSV (R\$ million)	443.0	504.3	(12.2%) ↓	471.2	(6.0%) ↓	443.0	471.2	(6.0%) ↓
Number of units	3,345	3,685	(9.2%) ↓	3,393	(1.4%) ↓	3,345	3,393	(1.4%) ↓
Average price per unit (R\$ thousand)	132.4	136.9	(3.2%) ↓	138.9	(4.6%) ↓	132.4	138.9	(4.6%) ↓
Gross SoS	29.9%	31.4%	(1.5 p.p.) ↓	32.4%	(2.5 p.p.) ↓	29.9%	32.4%	(2.5 p.p.) ↓

CANCELLATIONS AND NET PRE-SALES

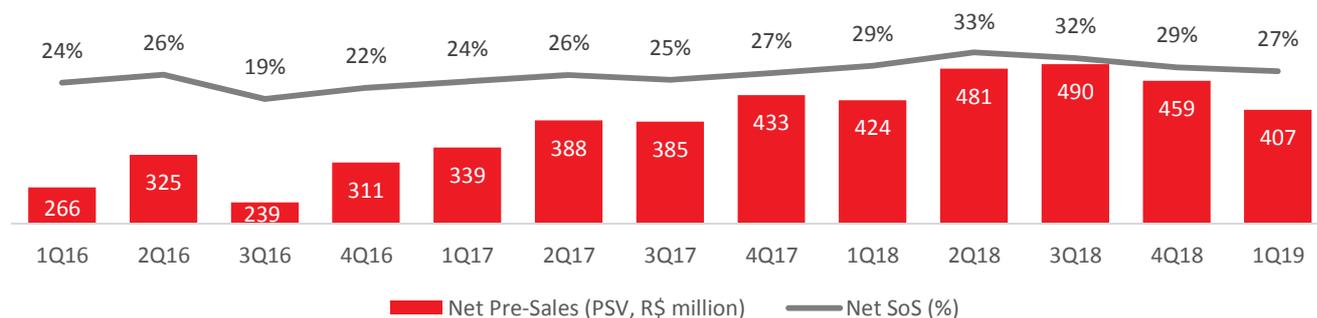
Net pre-sales totaled R\$406.9 million in 1Q19, positively impacted by lower cancellations over gross sales – 8.1% in the quarter, below 2018 levels (between 8.9% and 10.0%). Net Sales over Supply (“Net SoS”) reached 27.5% in 1Q19, down 1.1 p.p. QoQ and down 1.6 p.p. YoY as the share of units sold under the bracket 1.5 of the Minha Casa, Minha Vida (“MCMV”) program decreased.

(PSV, R\$ million)	1Q19	4Q18	QoQ (%)	1Q18	YoY (%)	3M19	3M18	YoY (%)
Gross Sales	443.0	504.3	(12.2%) ↓	471.2	(6.0%) ↓	443.0	471.2	(6.0%) ↓
Cancellations	36.0	44.9	(19.7%) ↓	47.0	(23.4%) ↓	36.0	47.0	(23.4%) ↓
Net Pre-Sales	406.9	459.5	(11.4%) ↓	424.2	(4.1%) ↓	406.9	424.2	(4.1%) ↓
% Launches ¹	4.4%	66.2%	(61.8 p.p.) ↓	8.2%	(3.8 p.p.) ↓	4.4%	8.2%	(3.8 p.p.) ↓
% Inventory	95.6%	33.8%	61.8 p.p. ↑	91.8%	3.8 p.p. ↑	95.6%	91.8%	3.8 p.p. ↑
Cancellations / Gross Sales	8.1%	8.9%	(0.8 p.p.) ↓	10.0%	(1.9 p.p.) ↓	8.1%	10.0%	(1.9 p.p.) ↓
Net SoS	27.5%	28.6%	(1.1 p.p.) ↓	29.1%	(1.6 p.p.) ↓	27.5%	29.1%	(1.6 p.p.) ↓

(in units)	1Q19	4Q18	QoQ (%)	1Q18	YoY (%)	3M19	3M18	YoY (%)
Gross Units Sold	3,345	3,685	(9.2%) ↓	3,393	(1.4%) ↓	3,345	3,393	(1.4%) ↓
Cancelled Units	276	338	(18.3%) ↓	341	(19.1%) ↓	276	341	(19.1%) ↓
Net Units Sold	3,069	3,347	(8.3%) ↓	3,052	0.6% ↑	3,069	3,052	0.6% ↑
Cancellations / Gross Sales	8.3%	9.2%	(0.9 p.p.) ↓	10.1%	(1.8 p.p.) ↓	8.3%	10.1%	(1.8 p.p.) ↓

1. Current year launches.

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



UNITS TRANSFERRED, DELIVERED, AND CONSTRUCTION SITES

Transferred PSV totaled R\$344.7 million in 1Q19, stable QoQ (-0.6%), but down 16.6% YoY. In the beginning of 2019, the transfer of clients to banks was impacted by delays in the provision of funds to the MCMV program and by changes in banks' credit systems in order to reflect the new rules of the program regarding financing and subsidies, approved in the end of 2018. Transfers were normalized in March.

1,536 units were delivered in 1Q19, up 9.4% YoY. The Company ended the quarter with 46 construction sites.

Transfers, Deliveries and Construction Sites	1Q19	4Q18	QoQ (%)	1Q18	YoY (%)	3M19	3M18	YoY (%)
PSV Transferred (in R\$ million)	344.7	346.8	(0.6%) ↓	413.1	(16.6%) ↓	344.7	413.1	(16.6%) ↓
Transferred Units	2,924	2,808	4.1% ↑	3,255	(10.2%) ↓	2,924	3,255	(10.2%) ↓
Delivered Units	1,536	2,488	(38.3%) ↓	1,404	9.4% ↑	1,536	1,404	9.4% ↑
Construction Sites	46	44	4.5% ↑	41	12.2% ↑	46	41	12.2% ↑

INVENTORY AT MARKET VALUE

Tenda ended 1Q19 with R\$1.07 billion in inventory at market value, 6.1% lower than the previous quarter. Finished inventory units ended 1Q19 with a 50.8% YoY decrease, totaling R\$58.1 million (5.4% of the total inventory). Inventory turnover is 7.0 months, similar to 2018 (when it ranged between 6.7 and 7.0 months).

Inventory at Market Value	1Q19	4Q18	QoQ (%)	1Q18	YoY (%)	3M19	3M18	YoY (%)
PSV (R\$ million)	1,075.0	1,144.5	(6.1%) ↓	1,031.2	4.2% ↑	1,075.0	1,031.2	4.2% ↑
Number of Units	7,503	8,000	(6.2%) ↓	7,027.0	6.8% ↑	7,503	7,027.0	6.8% ↑
Average price per unit (R\$ thousand)	143.3	143.1	0.2% ↑	146.7	(2.4%) ↓	143.3	146.7	(2.4%) ↓

Status of Construction	1Q19	Not Initiated	Up to 30% built	30% to 70% built	More than 70% built	Finished units
PSV (R\$ million)	1,075.0	389.3	227.9	320.0	79.8	58.1

LANDBANK

In 1Q19, Tenda increased its landbank to R\$9.42 billion in PSV, up 37.0% YoY and up 5.9% QoQ. 25 phases/projects were acquired, accounting for R\$910,1 million in potential PSV.

All projects of the landbank are feasible within the MCMV bracket 2, and, in some cases, could be adapted to the MCMV bracket 1.5.

Landbank ¹	1Q19	4Q18	QoQ (%)	1Q18	YoY (%)	3M19	3M18	YoY (%)
Number of projects	268	253	5.9% ↑	208	28.8% ↑	268	208	28.8% ↑
PSV (R\$ million)	9,418.1	8,893.6	5.9% ↑	6,872.0	37.0% ↑	9,418.1	6,872.0	37.0% ↑
Acquisitions / Adjustments (R\$ million)	910.1	1,580.8	(42.4%) ↓	443.4	105.3% ↑	910.1	443.4	105.3% ↑
Number of units	64,084	60,124	6.6% ↑	47,219	35.7% ↑	64,084	47,219	35.7% ↑
Average price per unit (R\$ thousands)	147.0	147.9	(0.6%) ↓	145.5	1.0% ↑	147.0	145.5	1.0% ↑
% Swap Total	25.2%	24.2%	1.0 p.p. ↑	28.8%	(3.6 p.p.) ↓	25.2%	28.8%	(3.6 p.p.) ↓
% Swap Units	10.9%	11.1%	(0.2 p.p.) ↓	17.8%	(6.9 p.p.) ↓	10.9%	17.8%	(6.9 p.p.) ↓
% Swap Financial	14.3%	13.0%	1.3 p.p. ↑	11.0%	3.3 p.p. ↑	14.3%	11.0%	3.3 p.p. ↑

1. Tenda holds 100% equity interest of its landbank.

CURRENT BUSINESS MODEL UPDATE

Current Business Model Update	2013	2014	2015	2016	2017	2018	2019
Number of Projects	7	14	30	40	45	49	10
Units launched	2,460	4,315	7,711	9,579	11,768	13,636	2,631
Total PSV (R\$ 000)	313.9	613.3	1,088.9	1,315.0	1,695.2	1,912.7	385.6
Units Sold	2,450	4,257	7,619	9,275	11,409	9,231	128
% Sold	99.6%	98.7%	98.8%	96.8%	96.9%	67.7%	4.9%
Avg SoS (Month)	8.6%	6.5%	8.3%	11.3%	12.8%	13.7%	7.4%
Units transferred	2,450	4,252	7,612	9,225	11,262	7,655	0
% Units transferred	99.6%	98.5%	98.7%	96.3%	95.7%	56.1%	0.0%
% Construction	100.0%	100.0%	100.0%	98.6%	96.4%	56.6%	0.0%

LEGACY UPDATE

Over the past several years, the impact of legacy projects on both our results and on capital employed¹ has decreased. The speed of this phase-out will slowly decline until liquidation, due to the low liquidity of inventory and portfolio.

Legacy Update	2011	2012	2013	2014	2015	2016	2017	2018	2019
Operational									
Inventory at Market Value	1,171.5	826.7	478.7	365.1	226.2	154.9	132.1	58.2	47.9
Gross Sales	249.0	1,091.9	874.4	508.0	228.3	143.1	58.7	75.3	13.6
Cancellations	468	1,166	583	414	121	90	44	17	3
Net Sales	(218.8)	(74.3)	291.4	93.9	107.5	53.1	14.8	57.9	10.8
Cancellations / Gross Sales	187.9%	106.8%	66.7%	81.5%	52.9%	62.9%	74.7%	23.1%	20.5%
Sales over Supply (SoS)	(23.0%)	(9.9%)	37.8%	20.5%	32.2%	25.5%	10.1%	49.9%	18.4%
Gross SoS	702.9	1,182.6	900.3	459.9	214.6	145.2	108.7	55.9	1.8
Delivered Units	14	16,889	7,027	6,076	1,848	0	0	0	0
Construction Sites	138	63	26	5	1	1	1	1	1
Financial									
Adjusted Capital Employed ¹	2,516.9	2,089.7	1,152.4	755.1	445.7	249.3	211.4	123.7	120.6
Accounts Receivable ¹	1,465.9	1,233.5	623.3	317.8	232.0	117.0	47.6	31.6	41.7
AR Clients	1,465.9	1,233.5	623.3	306.4	223.7	97.7	19.9	12.4	20.3
AR Landbank Sold	ND ²	ND ²	ND ²	11.4	8.3	19.2	27.6	19.2	21.4
Inventory ²	1,051.0	856.2	529.1	437.2	213.7	132.3	163.9	92.1	78.9
Inventory	1,023.8	730.8	421.3	332.7	213.7	132.3	163.9	55.7	43.3
Landbank for Sale	27.2	125.4	107.8	104.5	0.0	0.0	0.0	36.4	35.6
Other Operating Revenues and Expenses	(60.3)	(47.8)	(24.8)	(62.2)	(52.6)	(36.7)	(98.5)	(81.5)	(11.9)
Litigation Expenses	(15.2)	(17.5)	(18.1)	(51.2)	(27.3)	(21.2)	(51.8)	(53.9)	(8.1)
Other	(45.2)	(30.3)	(6.7)	(11.0)	(25.3)	(15.5)	(46.7)	(27.6)	(3.9)
Net Revenue	439.3	1,069.1	722.5	273.8	168.3	(52.2)	7.2	76.5	13.5
Gross Profit	(281.9)	130.4	27.0	(3.1)	(29.2)	(87.0)	(70.5)	(32.5)	(6.3)
Gross Margin	(64.2%)	12.2%	3.7%	(1.1%)	(17.4%)	NA ²	(979.8%)	(42.6%)	(46.5%)

1. Managerial information

2. ND: Not published; NA: Does not apply

NET OPERATING REVENUE

Net operating revenue totaled R\$409.3 million in 1Q19, an increase of 11.8% YoY, but a decrease of 10.0% over the previous quarter. The provision for cancellations increased due to some cases in which units had been sold in 2018 under former MCMV rules and not transferred to banks until 1Q19. It is expected that a portion of this provision is reversed throughout 2Q19 as the Company completes renegotiations with its clients.

(R\$ million)	1Q19	4Q18	QoQ (%)	1Q18	YoY (%)	3M19	3M18	YoY (%)
Gross Operating Revenues	428.7	468.4	(8.5%) ↓	376.8	13.8% ↑	428.7	376.8	13.8% ↑
Reversal (constitution) of estimated losses on doubtful accounts	(0.1)	(11.0)	(99.0%) ↓	(2.9)	(96.2%) ↓	(0.1)	(2.9)	(96.2%) ↓
Provision for cancellations	(9.7)	4.8	(301.1%) ↓	0.9	(1,241.5%) ↓	(9.7)	0.9	(1,241.5%) ↓
Taxes on sales of properties and services	(9.5)	(7.5)	26.9% ↑	(8.6)	11.2% ↑	(9.5)	(8.6)	11.2% ↑
Net Operating Revenue	409.3	454.6	(10.0%) ↓	366.1	11.8% ↑	409.3	366.1	11.8% ↑

GROSS PROFIT

Adjusted gross profit totaled R\$146.4 million in 1Q19, up 13.5% YoY, resulting in an adjusted gross margin of 35.8%, close to the upper limit of the guidance reported by the Company for the year (between 34.0% and 36.0%).

(R\$ million)	1Q19	4Q18	QoQ (%)	1Q18	YoY (%)	3M19	3M18	YoY (%)
Net Revenue	409.3	454.6	(10.0%) ↓	366.1	11.8% ↑	409.3	366.1	11.8% ↑
Gross Profit	140.5	163.3	(14.0%) ↓	123.7	13.6% ↑	140.5	123.7	13.6% ↑
Gross Margin	34.3%	35.9%	(1.6 p.p.) ↓	33.8%	0.5 p.p. ↑	34.3%	33.8%	0.5 p.p. ↑
(-) Financial Costs	5.8	6.9	(15.5%) ↓	5.3	11.0% ↑	5.8	5.3	11.0% ↑
Adjusted Gross Profit¹	146.4	170.2	(14.0%) ↓	128.9	13.5% ↑	146.4	128.9	13.5% ↑
Adjusted Gross Margin	35.8%	37.4%	(1.7 p.p.) ↓	35.2%	0.5 p.p. ↑	35.8%	35.2%	0.5 p.p. ↑

1. Adjusted by capitalized interest rates.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES (SG&A)

In 1Q19, selling expenses totaled R\$32.8 million (+3.4% YoY), which accounted for 7.4% of gross sales, up 0.7 pp YoY mainly due to the drop in gross sales and the lower share of sales in the bracket 1.5 of the MCMV. General and administrative expenses (“G&A”) accounted for 7.1% of net operating revenue in 1Q19, a decrease of 2.2 pp YoY. In 1Q18, a revision of the number of shares to be vested in the stock option plan resulted in a one-off increase in G&A.

(R\$ million)	1Q19	4Q18	QoQ (%)	1Q18	YoY (%)	3M19	3M18	YoY (%)
Selling Expenses	(32.8)	(38.6)	(15.1%) ↓	(31.7)	3.4% ↑	(32.8)	(31.7)	3.4% ↑
General & Admin Expenses	(29.1)	(35.0)	(16.9%) ↓	(34.0)	(14.5%) ↓	(29.1)	(34.0)	(14.5%) ↓
Total SG&A Expenses	(61.9)	(73.6)	(16.0%) ↓	(65.7)	(5.9%) ↓	(61.9)	(65.7)	(5.9%) ↓
Gross Sales	443.0	504.3	(12.2%) ↓	471.2	(6.0%) ↓	443.0	471.2	(6.0%) ↓
Launches	385.6	530.6	(27.3%) ↓	266.3	44.8% ↑	385.6	266.3	44.8% ↑
Selling Expenses / Gross Sales	7.4%	7.7%	(0.3 p.p.) ↓	6.7%	0.7 p.p. ↑	7.4%	6.7%	0.7 p.p. ↑
G&A Expenses / Launches	7.5%	6.6%	0.9 p.p. ↑	12.8%	(5.2 p.p.) ↓	7.5%	12.8%	(5.2 p.p.) ↓
G&A Expenses / Net Operating Revenue	7.1%	7.7%	(0.6 p.p.) ↓	9.3%	(2.2 p.p.) ↓	7.1%	9.3%	(2.2 p.p.) ↓

OTHER OPERATIONAL REVENUES (EXPENSES)

Other operating revenues and expenses totaled R\$15.9 million in expenses in 1T19, up 7.5% YoY but down 50.5% QoQ. In 4Q18, litigation expenses increased mainly due to provisions related to two tax claims that had taxable events referring to years prior to the current business model.

(R\$ million)	1Q19	4Q18	QoQ (%)	1Q18	YoY (%)	3M19	3M18	YoY (%)
Other Operating Revenues and Expenses	(15.9)	(32.2)	(50.5%) ↓	(14.8)	7.5% ↑	(15.9)	(14.8)	7.5% ↑
Litigation Expenses	(12.4)	(21.4)	(42.4%) ↓	(10.3)	20.3% ↑	(12.4)	(10.3)	20.3% ↑
Others	(3.6)	(10.8)	(66.7%) ↓	(4.6)	(21.4%) ↓	(3.6)	(4.6)	(21.4%) ↓
Equity Income	(1.2)	(0.2)	531.0% ↑	0.1	1,579.8% ↑	(1.2)	0.1	1,579.8% ↑

ADJUSTED EBITDA

In 1Q19, the Company's adjusted EBITDA totaled R\$69.9 million, an increase of 19.9% YoY.

(R\$ million)	1Q19	4Q18	QoQ (%)	1Q18	YoY (%)	3M19	3M18	YoY (%)
Net Income	49.8	48.0	3.6% ↑	36.3	37.2% ↑	49.8	36.3	37.2% ↑
(+) Financial result	(0.3)	(0.9)	70.1% ↑	(3.2)	91.8% ↑	(0.3)	(3.2)	91.8% ↑
(+) Income taxes and social contribution	6.5	7.0	(6.3%) ↓	6.6	(1.2%) ↓	6.5	6.6	(1.2%) ↓
(+) Depreciation and amortization	4.7	3.5	35.3% ↑	3.4	38.5% ↑	4.7	3.4	38.5% ↑
(+) Capitalized interests	5.8	6.9	(15.5%) ↓	5.3	11.0% ↑	5.8	5.3	11.0% ↑
(+) Expenses with Stock Option Plan	2.5	5.3	(52.5%) ↓	9.8	(74.2%) ↓	2.5	9.8	(74.2%) ↓
(+) Minority Shareholders	0.8	(0.3)	404.6% ↑	0.1	518.8% ↑	0.8	0.1	518.8% ↑
Adjusted EBITDA¹	69.9	69.5	0.5% ↑	58.3	19.9% ↑	69.9	58.3	19.9% ↑
Net Revenue	409.3	454.6	(10.0%) ↓	366.1	11.8% ↑	409.3	366.1	11.8% ↑
Adjusted EBITDA Margin¹	17.1%	15.3%	1.8 p.p. ↑	15.9%	1.2 p.p. ↑	17.1%	15.9%	1.2 p.p. ↑

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

FINANCIAL RESULTS

In 1Q19, Tenda posted a financial result of R\$0.3 million.

(R\$ million)	1Q19	4Q18	QoQ (%)	1Q18	YoY (%)	3M19	3M18	YoY (%)
Financial Income	12.1	12.7	(5.3%) ↓	9.6	25.0% ↑	12.1	9.6	25.0% ↑
Financial Expenses	(11.8)	(11.9)	(0.6%) ↓	(6.5)	82.1% ↑	(11.8)	(6.5)	82.1% ↑
Financial Results	0.3	0.9	(70.1%) ↓	3.2	(91.8%) ↓	0.3	3.2	(91.8%) ↓

NET INCOME

In 1Q19, Tenda recorded a net income of R\$49.8 million, up 37.2% YoY mainly due to the increase in net operating revenues and the reduction in operating expenses (G&A and others). The increase of 3.6% QoQ can also be explained mainly by the reduction in operating expenses (SG&A and others).

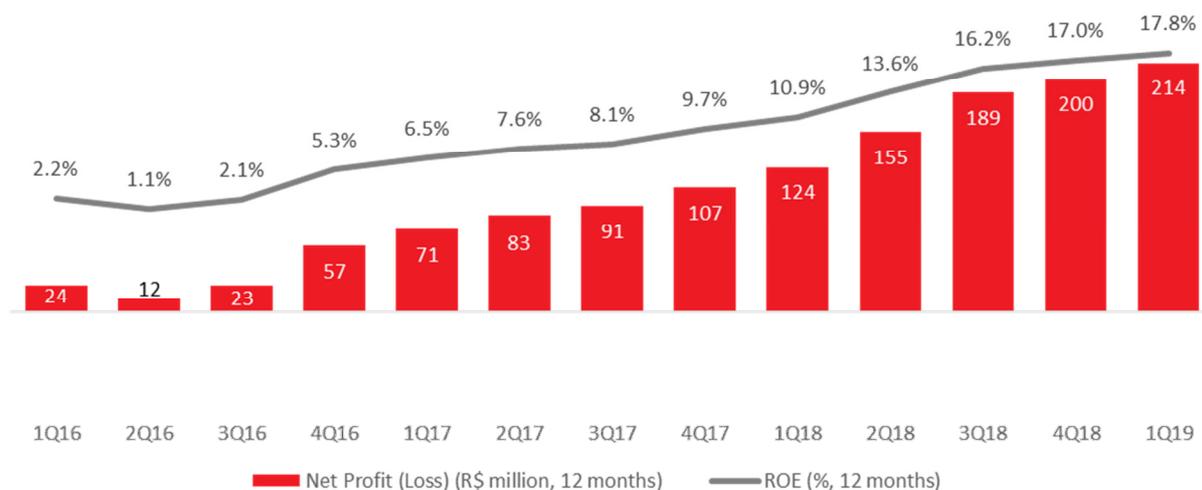
Earnings per share (ex-Treasury) grew by 56.0% YoY and 9.5% QoQ. Also, ROE in the last 12 months reached 17.8% in the first quarter of 2019.

(R\$ million)	1Q19	4Q18	QoQ (%)	1Q18	YoY (%)	3M19	3M18	YoY (%)
Net Income after Income Tax and Social Contribution	50.5	47.7	5.9% ↑	36.4	38.9% ↑	50.5	36.4	38.9% ↑
(-) Minority shareholders	(0.8)	0.3	(404.6%) ↓	(0.1)	(518.8%) ↓	(0.8)	(0.1)	(518.8%) ↓
Net Income	49.8	48.0	3.6% ↑	36.3	37.2% ↑	49.8	36.3	37.2% ↑
Net Margin	12.2%	10.6%	1.6 p.p. ↑	9.9%	2.2 p.p. ↑	12.2%	9.9%	2.2 p.p. ↑
Earnings per share (R\$/share) ¹	0.48	0.46	3.6% ↑	0.33	42.4% ↑	0.48	0.33	42.4% ↑
Earnings per share (R\$/share) (ex-Treasury) ²	0.52	0.48	9.5% ↑	0.33	56.0% ↑	0.52	0.33	56.0% ↑

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.

Net Income (Loss) (R\$ million, 12 months) e ROE (% , 12 months)



BACKLOG RESULTS

Backlog margin at 42.4%, down 1.2 p.p. QoQ and down 2.3 p.p. YoY.

(R\$ million)	March 19	December 18	QoQ (%)	March 18	YoY (%)
Backlog Revenues	531.5	546.7	(2.8%) ↓	422.8	25.7% ↑
Backlog Costs (of Units Sold)	(306.4)	(308.4)	(0.7%) ↓	(233.9)	31.0% ↑
Backlog Results¹	225.1	238.3	(5.5%) ↓	188.9	19.1% ↑
Backlog Margin	42.4%	43.6%	(1.2 p.p.) ↓	44.7%	(2.3 p.p.) ↓

1. Comprises the projects restricted by precedent condition.

CASH AND CASH EQUIVALENTS, AND FINANCIAL INVESTMENTS

(R\$ million)	March 19	December 18	QoQ (%)	March 18	YoY (%)
Cash & Cash Equivalents	67.5	34.3	96.7% ↑	45.1	49.6% ↑
Short-term Investments	787.1	821.3	(4.2%) ↓	615.3	27.9% ↑
Total Cash Position	854.5	855.6	(0.1%) ↓	660.4	29.4% ↑

ACCOUNTS RECEIVABLE FROM DEVELOPMENTS AND SERVICES RENDERED

(R\$ million)	March 19	December 18	QoQ (%)	March 18	YoY (%)
Until 2019 ¹	415.2	470.8	(11.8%) ↓	496.8	(16.4%) ↓
2020	185.7	98.3	88.9% ↑	26.6	597.0% ↑
2021	32.6	28.3	15.4% ↑	20.1	61.9% ↑
2022	21.0	19.0	10.2% ↑	11.8	77.3% ↑
2023	10.1	8.7	16.4% ↑	4.3	135.0% ↑
2024 and beyond	7.4	6.1	20.9% ↑	0.0	0.0% ↑
Total Accounts Receivable	672.1	631.3	6.5% ↑	559.7	20.1% ↑
(-) Present value adjustment	(8.3)	(10.0)	17.0% ↑	(9.6)	14.0% ↑
(-) Provision for doubtful accounts	(130.6)	(130.5)	(0.1%) ↓	(102.0)	(28.1%) ↓
(-) Provision for cancellations	(24.9)	(15.1)	(64.3%) ↓	(20.8)	(19.3%) ↓
Accounts Receivable	508.3	475.7	6.9% ↑	427.3	19.0% ↑
Days of Accounts Receivable	108	103	4.2% ↑	111	(3.5%) ↓

1. Overdue and falling due.

Accounts Receivable Tenda ¹ (R\$ million)	March 19	December 18	QoQ (%)	March 18	YoY (%)
Before delivery to buyer (Pro-Soluto)	38.6	39.5	(2.1%) ↓	29.4	31.6% ↑
After delivery to buyer (TCD)	176.4	176.6	(0.1%) ↓	161.0	9.6% ↑
Tenda Receivables	215.1	216.1	(0.5%) ↓	190.4	13.0% ↑
Total accounts receivable	508.3	475.7	6.9% ↑	427.3	19.0% ↑
Backlog Revenues	531.5	546.7	(2.8%) ↓	422.8	25.7% ↑
Tenda Receivables / (Total accounts receivable + Backlog Revenues)	20.7%	21.1%	(0.5 p.p.) ↓	22.4%	(1.7 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

The Company ended 1Q19 with a gross debt of R\$555.1 million, duration of 28.2 months and weighted average cost of debt of 7.7% per year. The Company's gross debt is lower than the cash position, cash equivalents and financial investments, which totaled R\$854.5 million at the end of 1Q19.

Debt Maturity Schedule (R\$ million)	Total
2019	5.4
2020	30.5
2021	392.1
2022	76.9
2023	50.2
2024 onwards	0.0
Total Debt	555.1
Duration (in months)	28.2

Debt Breakdown (R\$ million)	Maturity	Charges (APY)	Balance Due March 19	Balance Due December 18
Total			555.1	541.2
CRI	until 01/2021	CDI + 0.90%	295.0	278.9
Debenture	until 09/2023	CDI + 1.75%	146.6	149.6
SFH	until 12/2022	TR + 8.3% to 9.5%	112.7	110.8
CCB	until 06/2019	Based on INCC-DI	0.9	1.9

Weighted Average Cost of Debt (R\$ million)	Balance Due March 19	Balance Due / Total Debt	Average Cost (APY)
CDI	441.5	79.5%	CDI + 0.96%
TR	112.7	20.3%	TR + 8.3%
INCC	0.9	0.2%	INCC + 0%
Total	555.1	100%	7.8%

RATING

As a result of good operating and financial results, Standard & Poor's Global Ratings ("S&P") reaffirmed Tenda's brAA+ corporate credit rating, with a stable outlook.

NET DEBT

Tenda has a negative net debt to shareholders' equity ratio of 24.9%, thus being one of the most deleveraged companies in its sector. In early April, the Company issued R\$150 million in local notes (*debêntures*), reinforcing its presence in debt capital markets, gradually reducing the average cost and increasing the average duration of the Company's debt.

(R\$ million)	March 19	December 18	QoQ (%)	March 18	YoY (%)
Gross Debt	555.1	542.5	2.3% ↑	377.8	46.9% ↑
(-) Cash and cash equivalents and financial investments	(854.5)	(855.6)	(0.1%) ↓	(660.4)	29.4% ↑
Net Debt	(299.4)	(313.1)	4.4% ↑	(282.6)	(6.0%) ↓
Shareholders' Equity + Minority Shareholders	1,201.0	1,203.8	(0.2%) ↓	1,209.8	(0.7%) ↓
Net Debt/ (Shareholders' Equity + Minority Shareholders)	(24.9%)	(26.0%)	1.1 p.p. ↑	(23.4%)	(1.6 p.p.) ↓
Adjusted EBITDA (Last 12 months)	295.0	282.7	4.4% ↑	196.1	50.5% ↑

CASH GENERATION AND CAPITAL DISTRIBUTION

To aim Tenda in its long-term goal of keeping the leverage ratio closer to 0%, preserving a conservative capital structure, several capital distribution initiatives were triggered. In the last twelve months, R\$193.8 million were used in two share buyback programs. In April, the Company started its third share buyback program. Also in April, the Annual General Meeting approved the payment of R\$13.3 million in dividends, which added up to the R\$25.0 million distributed at the end of 2018 also as mandatory minimum dividend.

(R\$ million)	1T19	4T18	QoQ (%)	1T18	YoY (%)
Stock buyback	51.5	29.1	77.3% ↑	0.0	-
Dividends paid	0.0	25.0	(100.0%) ↓	0.0	-
Capital Distribution	51.5	54.1	(4.7%) ↓	0.0	-
(R\$ million, last 12 months)	1T19	4T18	QoQ (%)	1T18	YoY (%)
Stock buyback	193.8	142.3	36.2% ↑	0.0	-
Dividends paid	25.0	25.0	0.0% ↑	0.0	-
Capital Distribution	218.8	167.2	30.8% ↑	0.0	-

In 1Q19, cash generation totaled R\$37.9 million, down 37.8% QoQ.

(R\$ million)	March 19	December 18	QoQ (%)	March 18	YoY (%)
Change in Available Cash	(1.1)	8.1	(113.0%) ↓	162.7	-
(-) Change in Gross Debt	12.6	1.3	880.4% ↑	107.7	-
(-) Capital Distribution	51.5	54.1	(4.7%) ↓	0.0	-
Cash Generation¹	37.9	60.9	(37.8%) ↓	55.0	(31.1%) ↓
Operational Cash Generation ²	36.1	66.8	(46.0%) ↓	56.0	(35.6%) ↓

1. Cash Generation is obtained through the difference between the variation of Available Cash and the variation of Gross Debt, adjusted to the amounts of Stock 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)	1Q19	4Q18	QoQ (%)	1Q18	YoY (%)	3M19	3M18	YoY (%)
Net Revenue	409.3	454.6	(10.0%) ↓	366.1	11.8% ↑	409.3	366.1	11.8% ↑
Operating Costs	(268.8)	(291.3)	(7.7%) ↓	(242.4)	10.9% ↑	(268.8)	(242.4)	10.9% ↑
Gross Profit	140.5	163.3	(14.0%) ↓	123.7	13.6% ↑	140.5	123.7	13.6% ↑
Gross Margin	34.3%	35.9%	(1.6 p.p.) ↓	33.8%	0.5 p.p. ↑	34.3%	33.8%	0.5 p.p. ↑
Operating Expenses	(83.7)	(109.5)	(23.5%) ↓	(83.8)	(0.1%) ↓	(83.7)	(83.8)	(0.1%) ↓
Selling Expenses	(32.8)	(38.6)	(15.1%) ↓	(31.7)	3.4% ↑	(32.8)	(31.7)	3.4% ↑
General and Administrative Expenses	(29.1)	(35.0)	(16.9%) ↓	(34.0)	(14.5%) ↓	(29.1)	(34.0)	(14.5%) ↓
Other Operating Revenue/Expenses	(15.9)	(32.2)	(50.5%) ↓	(14.8)	7.5% ↑	(15.9)	(14.8)	7.5% ↑
Depreciation and Amortization	(4.7)	(3.5)	35.3% ↑	(3.4)	38.5% ↑	(4.7)	(3.4)	38.5% ↑
Equity Income	(1.2)	(0.2)	(531.0%) ↓	0.1	(1,579.8%) ↓	(1.2)	0.1	(1,579.8%) ↓
Operational Result	56.8	53.8	5.5% ↑	39.8	42.6% ↑	56.8	39.8	42.6% ↑
Financial Income	12.1	12.7	(5.3%) ↓	9.6	25.0% ↑	12.1	9.6	25.0% ↑
Financial Expenses	(11.8)	(11.9)	(0.6%) ↓	(6.5)	82.1% ↑	(11.8)	(6.5)	82.1% ↑
Net Income Before Taxes on Income	57.1	54.7	4.3% ↑	43.0	32.7% ↑	57.1	43.0	32.7% ↑
Deferred Income Taxes	0.0	(0.8)	100.2% ↑	(0.8)	100.3% ↑	0.0	(0.8)	100.3% ↑
Current Income Taxes	(6.5)	(6.1)	6.3% ↑	(5.8)	11.9% ↑	(6.5)	(5.8)	11.9% ↑
Net Income After Taxes on Income	50.5	47.7	5.9% ↑	36.4	38.9% ↑	50.5	36.4	38.9% ↑
(-) Minority Shareholders	(0.8)	0.3	(404.6%) ↓	(0.1)	(518.8%) ↓	(0.8)	(0.1)	(518.8%) ↓
Net Income	49.8	48.0	3.6% ↑	36.3	37.2% ↑	49.8	36.3	37.2% ↑

BALANCE SHEET

(R\$ million)	March 19	December 18	QoQ (%)	March 18	YoY (%)
Current Assets	1,877.3	1,787.9	5.0% ↑	1,631.3	15.1% ↑
Cash and cash equivalents	67.5	34.3	96.7% ↑	45.1	49.6% ↑
Short term investments	787.1	821.3	(4.2%) ↓	615.3	27.9% ↑
Receivables from clients	357.3	317.5	12.5% ↑	297.3	20.2% ↑
Properties for sale	630.6	570.8	10.5% ↑	621.5	1.5% ↑
Other accounts receivable	35.0	44.0	(20.5%) ↓	52.1	(32.8%) ↓
Non-Current Assets	737.9	728.7	1.3% ↑	551.3	33.9% ↑
Receivables from clients	151.1	158.2	(4.5%) ↓	130.0	16.2% ↑
Properties for sale	526.9	516.0	2.1% ↑	362.5	45.4% ↑
Other	60.0	54.5	9.9% ↑	58.8	2.0% ↑
Intangible, Property and Equipment	94.0	65.1	44.4% ↑	61.5	52.8% ↑
Investments	38.1	39.4	(3.1%) ↓	65.5	(41.8%) ↓
Total Assets	2,747.4	2,621.0	4.8% ↑	2,309.6	19.0% ↑
Current Liabilities	516.3	453.6	13.8% ↑	414.6	24.5% ↑
Loans and financing	7.6	6.7	13.2% ↑	14.2	(46.3%) ↓
Debentures	0.7	3.3	(80.2%) ↓	0.0	0.0% ↑
Obligations for purchase of land and advances from customers	284.9	258.2	10.3% ↑	213.3	33.6% ↑
Material and service suppliers	46.4	21.4	116.2% ↑	28.7	61.7% ↑
Taxes and contributions	27.2	27.0	0.9% ↑	28.0	(3.0%) ↓
Other	149.5	136.9	9.2% ↑	130.4	14.7% ↑
Non-current liabilities	1,030.1	963.7	6.9% ↑	685.1	50.3% ↑
Loans and financing	105.9	98.0	8.0% ↑	96.8	9.4% ↑
Debentures	440.9	434.4	1.5% ↑	266.8	65.2% ↑
Obligations (land purchases) and advances from customers	389.0	361.3	7.7% ↑	230.0	69.2% ↑
Deferred taxes	8.0	7.8	2.0% ↑	6.7	19.5% ↑
Provision for contingencies	33.7	32.7	3.0% ↑	29.9	12.7% ↑
Other creditors	0.0	0.0	0.0% ↑	0.0	0.0% ↑
Other	52.6	29.5	78.7% ↑	55.0	(4.3%) ↓
Shareholders' Equity	1,201.0	1,203.8	(0.2%) ↓	1,209.8	(0.7%) ↓
Shareholders' Equity	1,200.0	1,197.7	0.2% ↑	1,204.7	(0.4%) ↓
Minority Shareholders	1.0	6.1	(83.4%) ↓	5.2	(80.5%) ↓
Total Liabilities and Shareholders' Equity	2,747.4	2,621.0	4.8% ↑	2,309.6	19.0% ↑

CASH FLOW STATEMENT

(R\$ million)	1Q19	4Q18	QoQ (%)	1Q18	YoY (%)	3M19	3M18	YoY (%)
Cash from (used in) operating activities	48.9	71.2	(31.3%) ↓	56.6	(13.6%) ↓	48.9	56.6	(13.6%) ↓
Net Income (loss) before taxes	57.1	54.7	4.3% ↑	43.0	32.7% ↑	57.1	43.0	32.7% ↑
Depreciation and amortization	7.0	5.6	26.6% ↑	5.1	37.6% ↑	7.0	5.1	37.6% ↑
Provision (reversal) for doubtful accounts and cancellations	5.7	19.1	(70.2%) ↓	5.2	9.6% ↑	5.7	5.2	9.6% ↑
Present value adjustment	(1.7)	(1.9)	11.7% ↑	(1.2)	(36.1%) ↓	(1.7)	(1.2)	(36.1%) ↓
Impairment	(2.3)	0.4	(693.2%) ↓	(2.1)	(6.8%) ↓	(2.3)	(2.1)	(6.8%) ↓
Equity income	1.2	0.2	531.0% ↑	(0.1)	1,579.8% ↑	1.2	(0.1)	1,579.8% ↑
Provision for contingencies	5.6	15.0	(62.3%) ↓	(3.2)	276.1% ↑	5.6	(3.2)	276.1% ↑
Unrealized interest and charges, net	2.2	3.5	(36.7%) ↓	(1.7)	231.9% ↑	2.2	(1.7)	231.9% ↑
Warranty provision	0.3	(0.4)	169.7% ↑	9.8	(96.9%) ↓	0.3	9.8	(96.9%) ↓
Profit sharing provision	3.3	6.8	(52.0%) ↓	5.0	(34.2%) ↓	3.3	5.0	(34.2%) ↓
Stock option plan expenses	2.5	5.3	(52.5%) ↓	9.8	(74.2%) ↓	2.5	9.8	(74.2%) ↓
Disposal of fixed asset	0.0	0.1	(100.0%) ↓	0.0	(100.0%) ↓	0.0	0.0	(100.0%) ↓
Other provisions	(0.6)	1.7	(136.2%) ↓	0.4	(263.5%) ↓	(0.6)	0.4	(263.5%) ↓
Other operating revenue/expenses	0.0	0.0	0.0% ↑	0.0	0.0% ↑	0.0	0.0	0.0% ↑
Deferred income tax and social contribution	0.1	0.0	0.0% ↑	(0.1)	203.8% ↑	0.1	(0.1)	203.8% ↑
Clients	(40.8)	(17.4)	(134.4%) ↓	(31.3)	(30.2%) ↓	(40.8)	(31.3)	(30.2%) ↓
Properties for sale	(64.7)	(108.5)	40.4% ↑	18.6	(447.8%) ↓	(64.7)	18.6	(447.8%) ↓
Other accounts receivable	(1.0)	10.0	(109.5%) ↓	1.7	(156.1%) ↓	(1.0)	1.7	(156.1%) ↓
Suppliers	24.9	(18.8)	232.4% ↑	5.9	321.2% ↑	24.9	5.9	321.2% ↑
Taxes and contributions	(0.0)	(1.3)	99.7% ↑	0.5	(100.8%) ↓	(0.0)	0.5	(100.8%) ↓
Salaries, payroll charges and bonus provision	1.8	(6.6)	127.8% ↑	1.2	47.8% ↑	1.8	1.2	47.8% ↑
Obligations for purchase of real properties	54.9	120.9	(54.6%) ↓	(6.0)	1,008.6% ↑	54.9	(6.0)	1,008.6% ↑
Other accounts payable	(1.5)	(11.2)	86.5% ↑	(0.2)	(794.1%) ↓	(1.5)	(0.2)	(794.1%) ↓
Current account operations	1.1	0.4	220.0% ↑	1.3	(11.1%) ↓	1.1	1.3	(11.1%) ↓
Taxes paid	(6.3)	(6.2)	(1.3%) ↓	(4.9)	(29.5%) ↓	(6.3)	(4.9)	(29.5%) ↓
Cash from (used in) investment activities	34.9	(8.1)	531.8% ↑	(154.3)	122.6% ↑	34.9	(154.3)	122.6% ↑
Purchase of property and equipment	(9.4)	(6.7)	(39.7%) ↓	(3.2)	(197.1%) ↓	(9.4)	(3.2)	(197.1%) ↓
Investments in marketable securities and restricted credits	(168.2)	(229.0)	26.5% ↑	(354.7)	52.6% ↑	(168.2)	(354.7)	52.6% ↑
Redemption of securities, sureties and credits	212.5	227.6	(6.7%) ↓	203.6	4.3% ↑	212.5	203.6	4.3% ↑
Cash from (used in) financing activities	(50.6)	(64.4)	21.6% ↑	103.4	(148.9%) ↓	(50.6)	103.4	(148.9%) ↓
Stock Buyback	(51.5)	(29.1)	(77.3%) ↓	0.0	0.0% ↑	(51.5)	0.0	0.0% ↑
Capital Increase	0.0	0.0	0.0% ↑	0.0	0.0% ↑	0.0	0.0	0.0% ↑
Capital Reserve Increase	1.6	0.1	1,541.4% ↑	0.1	2,289.7% ↑	1.6	0.1	2,289.7% ↑
Dividends Paid	0.0	(25.0)	100.0% ↑	0.0	0.0% ↑	0.0	0.0	0.0% ↑
Loans and financing increase	68.2	93.6	(27.2%) ↓	209.8	(67.5%) ↓	68.2	209.8	(67.5%) ↓
Amortization of loans and financing	(67.5)	(103.9)	35.0% ↑	(106.3)	36.5% ↑	(67.5)	(106.3)	36.5% ↑
Loans and financing increase	(1.1)	0.0	0.0% ↑	0.0	0.0% ↑	(1.1)	0.0	0.0% ↑
Loan operations	(0.2)	(0.2)	(3.6%) ↓	(0.1)	(60.0%) ↓	(0.2)	(0.1)	(60.0%) ↓
Net increase (decrease) in cash and cash equivalents	33.2	(1.4)	2,537.0% ↑	5.7	479.8% ↑	33.2	5.7	479.8% ↑
At the beginning of the period	34.3	35.6	(3.8%) ↓	39.4	(12.9%) ↓	34.3	39.4	(12.9%) ↓
At the end of the period	67.5	34.3	96.7% ↑	45.1	49.6% ↑	67.5	45.1	49.6% ↑

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About Tenda

Construtora Tenda S.A. (B3:TEND3) is Brazil's second largest homebuilder focused on low-income residential projects listed at the Novo Mercado, B3's highest corporate governance level. The Company concentrates its activities in eight metropolitan regions of Brazil, uniquely operating within the brackets 1.5 and 2 of the "Minha Casa, Minha Vida" ("MCMV") federal government housing program. With a sustainable growth strategy, excellence in execution and strong business model, Tenda has been able to deliver solid cash generation and growing profits, sustaining its vision of offering to investors the highest returns in the low-income segment.

	Notes	Parent		Consolidated	
		03/31/2019	12/31/2018	03/31/2019	12/31/2018
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	4.1	34,630	11,674	67,455	34,287
Securities	4.2	544,532	597,775	787,050	821,272
Receivables from developments and services provided	5	59,405	61,574	357,283	317,515
Properties for sale	6	80,884	90,188	630,556	570,773
Due from related parties	7.1	4,190	3,081	3,047	7,797
Escrow deposits	16.2	7,983	10,705	8,227	10,987
Other receivables		11,240	13,445	23,713	25,229
Total current assets		742,864	788,442	1,877,331	1,787,860
NONCURRENT ASSETS					
Receivables from developments and services provided	5	31,520	27,683	151,060	158,181
Properties for sale	6	48,792	52,808	526,879	515,993
Due from related parties	7.1	44,012	43,812	34,713	34,513
Escrow deposits	16.2	24,506	19,519	25,258	20,032
Investments in equity interests	8	1,025,936	964,356	38,144	39,376
Property and equipment	9	66,087	37,181	68,488	39,018
Intangible assets	10	25,500	26,066	25,500	26,066
Total noncurrent assets		1,266,353	1,171,425	870,042	833,179
TOTAL ASSETS		2,009,217	1,959,867	2,747,373	2,621,039

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

LIABILITIES AND EQUITY	Notes	Parent		Consolidated	
		03/31/2019	12/31/2018	03/31/2019	12/31/2018
CURRENT LIABILITIES					
Borrowings and financing	11	1,507	993	7,633	6,744
Debentures	12	663	3,344	663	3,344
Lease – right of use	9	2,301	-	2,301	-
Payables for materials and services		12,206	6,381	46,364	21,449
Taxes and contributions		11,002	11,559	27,204	26,951
Payroll, related taxes and profit sharing	13	15,759	12,180	50,122	45,024
Payables for purchase of properties and advances from customers	14	6,750	10,641	284,899	258,240
Provisions and contract terminations payable		4,437	4,730	7,878	8,476
Due to related parties	7.1	169,369	156,342	24,053	21,801
Allowance for loss on investments	8	11,459	11,448	5,739	5,728
Dividends payable	17.4	13,338	13,338	13,338	13,338
Other payables		5,432	6,497	8,629	9,706
Provision for contingencies	16.1	34,964	30,100	37,444	32,782
Total current liabilities		289,187	267,553	516,267	453,583
NONCURRENT LIABILITIES					
Borrowings and financing	11	9,196	14,646	105,899	98,038
Debentures	12	440,874	434,365	440,874	434,365
Lease – right of use	9	23,421	-	23,421	-
Payables for purchase of properties and advances from customers	14	3,750	4,415	389,031	361,302
Provision for contingencies	16.1	31,445	30,016	33,675	32,690
Deferred income tax and social contribution	15	-	-	7,988	7,833
Other payables		11,343	11,199	29,206	29,454
Total noncurrent liabilities		520,029	494,641	1,030,094	963,682
EQUITY					
Capital	17.1	1,095,511	1,095,511	1,095,511	1,095,511
Capital and stock option reserve	17.2	62,329	69,999	62,329	69,999
Earnings reserve		123,052	123,052	123,052	123,052
Treasury shares	17.3	(130,644)	(90,889)	(130,644)	(90,889)
Retained earnings (accumulated losses)		49,753	-	49,753	-
Equity attributable to the Company's owners		1,200,001	1,197,673	1,200,001	1,197,673
Noncontrolling interests		-	-	1,011	6,101
Total equity		1,200,001	1,197,673	1,201,012	1,203,774
TOTAL LIABILITIES AND EQUITY		2,009,217	1,959,867	2,747,373	2,621,039

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

	Notes	Parent		Consolidated	
		03/31/2019	03/31/2018	03/31/2019	03/31/2018
NET REVENUE	21	73,999	69,030	409,314	366,073
COSTS	22	(55,504)	(41,867)	(268,790)	(242,401)
GROSS PROFIT		18,495	27,163	140,524	123,672
(EXPENSES) INCOME					
Selling expenses	22	(4,776)	(5,678)	(32,773)	(31,708)
General and administrative expenses	22	(10,722)	(15,204)	(29,078)	(34,011)
Share of profit (loss) of investees	8	67,451	46,868	(1,243)	84
Other income (expenses) - net	22	(19,634)	(18,026)	(20,621)	(18,204)
PROFIT BEFORE FINANCE INCOME (COSTS)		50,814	35,123	56,809	39,833
FINANCE INCOME (COSTS)		(1,061)	1,710	259	3,169
Finance income	23	9,177	7,006	12,054	9,647
Finance costs	23	(10,238)	(5,296)	(11,795)	(6,478)
PROFIT BEFORE INCOME TAX AND SOCIAL CONTRIBUTION		49,753	36,833	57,068	43,002
INCOME TAX AND SOCIAL CONTRIBUTION		-	(562)	(6,523)	(6,603)
Current income tax and social contribution	15	-	(562)	(6,525)	(5,829)
Deferred income tax and social contribution	15	-	-	2	(774)
PROFIT FOR THE PERIOD		49,753	36,271	50,545	36,399
PROFIT FOR THE PERIOD ATTRIBUTABLE TO:					
Owners of the Company		49,753	36,271	49,753	36,271
Noncontrolling interests		-	-	792	128
EARNINGS PER SHARE ATTRIBUTABLE TO COMPANY OWNERS					
Basic earnings per thousand shares – in reais	19	0.5200	0.3356	0.5200	0.3356
Diluted earnings per thousand shares – in reais	19	0.4759	0.3125	0.4759	0.3125

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

	Parent		Consolidated	
	03/31/2019	03/31/2018	03/31/2019	03/31/2018
PROFIT FOR THE PERIOD	49,753	36,271	50,545	36,399
Other comprehensive income	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	49,753	36,271	50,545	36,399
COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO:				
Owners of the Company	49,753	36,271	49,753	36,271
Noncontrolling interests		-	792	128
	49,753	36,271	50,545	36,399

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

	Notes	Attributable to owners of the Company							Total equity
		Capital	Capital reserve	Treasury shares	Earnings reserve	Retained earnings (accumulated losses)	Total Parent	Noncontrolling interests	
BALANCES AS AT DECEMBER 31 DE, 2017		1,094,171	103,434	-	-	(38,913)	1,158,692	5,047	1,163,739
Capital reserve		-	68	-	-	-	68	-	68
Share issuance costs		(138)	-	-	-	-	(138)	-	(138)
Recognized stock options granted	17.2	-	9,775	-	-	-	9,775	-	9,775
Profit for the period		-	-	-	-	36,271	36,271	128	36,399
BALANCES AS AT MARCH 31, 2018		1,094,033	113,277	-	-	(2,642)	1,204,668	5,175	1,209,843
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	17.2	-	2,525	-	-	-	2,525	-	2,525
Share buyback	17.3	-	-	(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

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

	Notes	Parent		Consolidated	
		03/31/2019	03/31/2018	03/31/2019	03/31/2018
CASH FLOWS FROM OPERATING ACTIVITIES					
PROFIT BEFORE INCOME TAX AND SOCIAL CONTRIBUTION		49,753	36,833	57,068	43,002
Adjustments for:					
Depreciation and amortization	9 and 10	6,926	5,104	7,025	5,104
Estimated allowance for (reversal of) doubtful debts and contract terminations (net of termination costs)	5 and 6	(7,368)	852	5,691	5,193
Present value adjustment	5	(246)	(512)	(1,696)	(1,246)
Allowance for impairment of nonfinancial assets	6 and 8	(2,284)	(2,041)	(2,284)	(2,139)
Share of profit (loss) of investees	8	(67,451)	(46,868)	1,243	(84)
Provision for (reversal) contingencies and commitments	16	6,293	(2,558)	5,647	(3,206)
Unrealized interest and finance charges, net		1,952	2,212	2,193	(1,663)
Provision for warranties		111	(11)	304	9,756
Accrued profit sharing	22	2,739	1,485	3,257	4,951
Stock option costs	17.2	2,525	9,775	2,525	9,775
Disposal of property and equipment and intangible assets, net	9 and 10	-	15	-	15
Other provisions		(323)	30	(628)	384
Deferred taxes (PIS and COFINS)		(424)	(5,416)	81	(78)
Decrease (increase) in operating assets					
Receivables from developments and services provided		6,307	7,428	(40,789)	(31,321)
Properties and land for sale		15,317	14,390	(64,710)	18,603
Other receivables		(59)	2,304	(950)	1,694
Increase (decrease) in operating liabilities					
Payables for materials and services		5,825	2,645	24,915	5,915
Taxes and contributions		(71)	384	(4)	482
Payroll, related taxes and profit sharing		840	(1,250)	1,841	1,246
Payables for purchase of properties and advances from customers		(4,630)	709	54,860	(6,038)
Other payables		(1,109)	5,378	(1,511)	(169)
Related-party transactions		17,799	53,638	1,120	1,260
Income tax and social contribution paid		-	-	(6,324)	(4,884)
Net cash provided by operating activities		32,422	84,526	48,874	56,552
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of tangible and intangible assets	9 and 10	(8,722)	(3,159)	(9,385)	(3,159)
Investments in securities		(126,689)	(263,367)	(168,249)	(354,724)
Redemption of securities		188,003	86,748	212,485	203,631
Net cash used in investing activities		52,592	(179,778)	34,851	(154,252)
CASH FLOWS FROM FINANCING ACTIVITIES					
Share buyback		(51,531)	-	(51,531)	-
Increase of capital reserve		1,625	68	1,625	68
Payment of lease – right of use		(1,067)	-	(1,067)	-
Borrowings, financing and debentures		4,206	140,675	68,161	209,785
Repayment of borrowings, financing and debentures - principal		(9,181)	(40,133)	(59,898)	(104,213)
Payment of borrowings, financing and debentures - interest		(5,910)	(670)	(7,647)	(2,095)
Intragroup loans		(200)	(125)	(200)	(125)
Net cash used in (provided by) financing activities		(62,058)	99,815	(50,557)	103,420
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		22,956	4,563	33,168	5,720
CASH AND CASH EQUIVALENTS					
At the beginning of the period		11,674	19,480	34,287	39,377
At the end of the period		34,630	24,043	67,455	45,097
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		22,956	4,563	33,168	5,720

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

	Parent		Consolidated	
	03/31/2019	03/31/2018	03/31/2019	03/31/2018
REVENUES				
Real estate development and sale	67,908	71,192	428,700	373,245
Estimated allowance for (reversal of) doubtful debts and contract terminations	7,729	1,197	(9,838)	1,418
	75,637	72,389	418,862	374,663
INPUTS PURCHASED FROM THIRD PARTIES				
Operating costs - real estate development and sale	(52,720)	(38,749)	(260,617)	(235,424)
Supplies, power, outside services and other inputs	(21,212)	(22,046)	(28,961)	(31,278)
	(73,932)	(60,795)	(289,578)	(266,702)
GROSS VALUE ADDED	1,705	11,594	129,284	107,961
RETENTIONS				
Depreciation and amortization	(6,926)	(5,104)	(7,025)	(5,104)
WEALTH CREATED BY THE COMPANY	(5,221)	6,490	122,259	102,857
WEALTH RECEIVED IN TRANSFER				
Share of profit (loss) of investees	67,451	46,868	(1,243)	84
Finance income	9,622	7,346	12,604	10,100
	77,073	54,214	11,361	10,184
WEALTH FOR DISTRIBUTION	71,852	60,704	133,620	113,041
WEALTH DISTRIBUTED				
Employees and payroll taxes	7,273	12,893	40,449	43,164
Direct compensation	6,531	12,303	31,806	36,617
Benefits	502	382	6,001	3,980
Payroll taxes	240	208	2,642	2,567
TAXES, FEES AND CONTRIBUTIONS	4,045	4,844	24,994	21,746
Federal	4,045	4,425	24,923	21,254
Municipal	-	419	71	492
LENDERS AND LESSORS	10,781	6,696	17,632	11,732
Interest and leases	10,781	6,696	17,632	11,732
SHAREHOLDERS	49,753	36,271	50,545	36,399
Retained earnings	49,753	36,271	49,753	36,271
Offset profit (losses) attributable to noncontrolling interests	-	-	792	128

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

1. GENERAL INFORMATION

The operations of Construtora Tenda S.A. ("Company" or "Tenda") and its subsidiaries ("Group") comprise in the carry out of civil construction, 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 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 "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, 2018, published on March 12, 2019 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, www.bmfbovespa.com.br e <http://ir.tenda.com>.

All the figures disclosed in this 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 were approved by the Board of Directors and authorized for issuance on May 09, 2019.

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

a. New and revised standards and interpretations already adopted in the current period:

In the current year, the Company adopted new interpretations to IFRSs and CPCs issued by the IASB and the International Accounting Standards and the CPC. The adoption of these new and revised IFRSs did not have any significant impact on the amounts reported and/or disclosed for the current and prior years.

<u>New and revised standards and interpretations</u>	<u>Effective beginning</u>
IFRS 16 (CPC 06 R2) – Leases (a)	January 1, 2019

(a) IFRS 16 - Leases

IFRS 16 introduced a single model for the recognition of leases (finance and operating) in the lessees' balance sheet. A lessee recognizes a right of use asset that represents its right to use the asset and lease liability that represents its obligation to make lease payments. Optional exemptions are available for short-term leases and low-value items. The lessor's accounting remains similar to the current standard, i.e., the lessors continue to classify the leases as finance or operating leases.

IFRS 16 superseded the existing lease standards, including CPC 06 (IAS 17) - Leases and ICPC 03 (IFRIC 4, SIC 15 and SIC 27) - Supplemental Aspects of Leases.

The impact from the first-time adoption on the Company's financial statements and its Group amounted to R\$26,544, as shown below:

	Parent/Consolidated
Noncurrent assets	
Property and equipment	
Lease – right of use	26,544
Total assets	26,544
Current liabilities	
Lease – right of use	3,123
Noncurrent liabilities	
Lease – right of use	23,421
Total liabilities	26,544
Profit/loss	-

Item C5 (b) of the transition rule was adopted as practical expedient, which sets forth that comparative information should not be restated but rather the cumulative effect must be recognized as opening balance. All Company's agreements were recognized as operating and, therefore, item C8b (ii), which addresses leases classified as operating leases was applied, only measuring the residual balance of the agreements.

b. New and revised standards and interpretations not yet adopted:

A series of new and revised standards and interpretations will become effective as described below:

New and revised standards and interpretations	Effective beginning
CPC00 – Conceptual Framework – Revision (a)	January 1, 2020

(a) Change of conceptual framework

The revision of the Conceptual Framework introduces the following new concepts: definitions of assets and liabilities; criteria for recognition, write-off, measurement, presentation and disclosure of asset and liability and profit and loss components. These changes are effective for annual periods beginning on or after January 1, 2020 and the possible impacts are being assessed.

4. CASH AND CASH EQUIVALENTS AND SECURITIES

4.1 Cash and cash equivalents

	Parent		Consolidated	
	03/31/2019	12/31/2018	03/31/2019	12/31/2018
Cash and banks	19,428	4,192	45,791	24,284
Bank certificate of deposit	15,202	7,482	21,664	10,003
Cash and cash equivalents (note 21.b.i)	34,630	11,674	67,455	34,287

4.2 Securities

	Parent		Consolidated	
	03/31/2019	12/31/2018	03/31/2019	12/31/2018
Fixed-income funds	-	-	1,730	1,705
Exclusive funds (a)	530,463	576,233	669,661	704,956
Repurchase transactions	34	34	34	34
Bank certificate of deposit (b)	294	403	1,853	1,149
Restricted short-term investments (c)	13,741	21,105	113,772	113,428
Total securities (note 21.b.i)	544,532	597,775	787,050	821,272

(a) Exclusive funds

	Parent		Consolidated	
	03/31/2019	12/31/2018	03/31/2019	12/31/2018
National Treasury Bills (LTN)	159,675	203,422	221,594	271,935
Bank Certificates of Deposit (CDBs)	24,746	16,188	27,254	20,940
Financial Treasury Bill (LFT)	234,116	221,742	308,887	277,200
Private securities	105,470	115,873	105,470	115,873
Repurchase transactions	6,456	19,008	6,456	19,008
Total exclusive funds	530,463	576,233	669,661	704,956

- (b) As at March 31, 2019, the Bank Certificates of Deposit (CDBs) include interest earned through the end of the reporting period, ranging from 75% to 114.67% (from 75% to 112.09% as at December 31, 2018) of the Interbank Deposit Certificates (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, which the Company expects to occur in up to 90 days.

5. RECEIVABLES FROM DEVELOPMENTS AND SERVICES PROVIDED

	Parent		Consolidated	
	03/31/2019	12/31/2018	03/31/2019	12/31/2018
Receivables from real estate development and sales	133,504	145,054	644,769	605,803
(-) Estimated allowance for doubtful debts	(56,436)	(64,311)	(130,590)	(130,478)
(-) Allowance for contract terminations	(6,329)	(6,183)	(24,852)	(15,126)
(-) Present value adjustment	(1,739)	(1,985)	(8,287)	(9,983)
Receivables from land sales and services provided	21,925	16,682	27,303	25,480
	90,925	89,257	508,343	475,696
Current	59,405	61,574	357,283	317,515
Noncurrent	31,520	27,683	151,060	158,181

The aging list of trade receivables is as follows:

	Parent		Consolidated	
	03/31/2019	12/31/2018	03/31/2019	12/31/2018
Maturity				
Past due				
Up to 90 days	962	1,547	6,288	10,395
91-180 days	1,496	488	9,100	15,290
More than 180 days (a)	40,203	35,185	63,740	58,873
Subtotal – past due	42,661	37,220	79,128	84,558
Current				
2019	69,920	93,284	336,088	386,287
2020	22,951	15,501	185,747	98,320
2021	8,938	6,077	32,609	28,261
2022	5,064	4,445	20,964	19,027
2023 onwards	5,895	5,209	17,536	14,830
Subtotal – current	112,768	124,516	592,944	546,725
(-) Present value adjustment	(1,739)	(1,985)	(8,287)	(9,983)
(-) Estimated allowance for doubtful debts and contract terminations	(62,765)	(70,494)	(155,442)	(145,604)
	90,925	89,257	508,343	475,696

- (a) Of the amount past due for more than 180 days, amounts being transferred to financial institutions total R\$11,705 in Parent and R\$22,457 in consolidated (R\$11,652 in the Parent and R\$23,513 in consolidated as at December 31, 2018).

The variations in the allowances for doubtful debts and contract terminations in the periods ended March 31, 2019 and 2018 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, 2017	(55,947)	(10,209)	9,547	(56,609)
Additions	(847)	(1,703)	-	(2,550)
Reversals	642	2,190	(1,134)	1,698
Balance as at March 31, 2018	(56,152)	(9,722)	8,413	(57,461)
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)

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, 2017	(99,007)	(21,688)	20,375	(100,320)
Additions	(4,796)	(4,986)	520	(9,262)
Reversals	1,853	5,838	(3,622)	4,069
Balance as at March 31, 2018	(101,950)	(20,836)	17,273	(105,513)
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)

The total adjustment to present value recognized in revenue for real estate development for the period ended March 31, 2019 was R\$246 (R\$512 in March 2018), in Parent, and R\$1,696 (R\$1,246 in March 2018) in consolidated.

The discount rate applied by the Company and its subsidiaries was 2.81% for March 31, 2019 (3.10% in 2018).

6. PROPERTIES FOR SALE

	Parent		Consolidated	
	03/31/2019	12/31/2018	03/31/2019	12/31/2018
Land	76,100	77,245	931,798	852,831
Land held for sale	22,221	29,119	40,219	47,003
Properties under construction	19,172	23,022	195,000	189,098
Cost of properties in the recognition of the allowance for contract terminations (note 5)	4,939	5,300	18,009	13,862
Completed units	14,072	17,458	39,363	44,647
(-) Present value adjustment in land purchases	(302)	(338)	(55,379)	(46,816)
(-) Impairment of properties for sale	(1,693)	(3,977)	(2,028)	(4,312)
(-) Impairment of land held for sale	(4,833)	(4,833)	(9,547)	(9,547)
	129,676	142,996	1,157,435	1,086,766
Current	80,884	90,188	630,556	570,773
Noncurrent	48,792	52,808	526,879	515,993

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, 2019, the balance of obligations for land acquired under barter agreements totals R\$1,900 (R\$1,862 as at December 31, 2018) in Parent and R\$109,876 (R\$101,785 as at December 31, 2018) in consolidated (note 14).

As described in note 11, the balance of capitalized finance charges as at March 31, 2019 was R\$5,237 (R\$6,876 as at March 31, 2018) in Parent and R\$26,234 (R\$23,483 as at March 31, 2018) in consolidated.

7. RELATED PARTIES

7.1 Related-party balances

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

	Parent		Consolidated	
	03/31/2019	12/31/2018	03/31/2019	12/31/2018
Assets				
Subsidiaries				
Related parties' current account (a)	4,156	3,047	-	-
Loan receivable (c)	9,299	9,299	-	-
Total subsidiaries	13,455	12,346	-	-
Joint ventures				
Related parties' current account (a)	34	34	3,047	7,797
Loan receivable (c)	34,713	34,513	34,713	34,513
Total	34,747	34,547	37,760	42,310
Total assets	48,202	46,893	37,760	42,310
Current	4,190	3,081	3,047	7,797
Noncurrent	44,012	43,812	34,713	34,513

	Parent		Consolidated	
	03/31/2019	12/31/2018	03/31/2019	12/31/2018
Liabilities				
Subsidiaries				
Related parties' current account (b)	145,316	134,541	-	-
Total subsidiaries	145,316	134,541	-	-
Joint ventures				
Related parties' current account (b)	24,053	21,801	24,053	21,801
Total	24,053	21,801	24,053	21,801
Total liabilities	169,369	156,342	24,053	21,801
Current	169,369	156,342	24,053	21,801
Noncurrent	-	-	-	-

- (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
	03/31/2019	12/31/2018	03/31/2019	12/31/2018		
Subsidiaries						
Fit 09 SPE Empr. Imob. Ltda. (b)	9,299	9,299	-	-	Construction	120% to 126.5% of CDI
Loans to subsidiaries	9,299	9,299	-	-		
Joint ventures						
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)	17,944	17,775	17,944	17,775	Construction	100% of CDI
Acedio SPE Empr. Imobiliários Ltda. (b)	4,602	4,571	4,602	4,571	Construction	100% of CDI
Loans to joint ventures	34,713	34,513	34,713	34,513		
	44,012	43,812	34,713	34,513		

- (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 interim financial information, and the balance variations shown arise from the new amounts to guarantee the companies' operations.

7.2 Guarantees, collaterals and sureties

The financial transactions of the Group are collateralized by guarantees or sureties in proportion to the Company's interests in the capital of such companies, totaling R\$641,723 as at March 31, 2019 (R\$493,490 as at December 31, 2018).

8. INVESTMENTS IN EQUITY INTERESTS

(i) Equity interests:

Subsidiaries	Parent		Consolidated	
	03/31/2019	12/31/2018	03/31/2019	12/31/2018
Wholly-owned	979,738	911,820	-	-
Due to management of material operations	3,841	8,929	-	-
Capitalized interest	4,213	4,231	-	-
	987,792	924,980	-	-
Joint ventures	38,144	39,376	38,144	39,376
	1,025,936	964,356	38,144	39,376

Variations in investments

	Parent	Consolidated
Balance as at December 31, 2017	909,627	65,417
Share of profit (loss) of investees	46,868	84
Return of advance for future capital increase	(8)	-
Allowance for (reversal of) investment losses	(1,163)	24
Balance as at March 31, 2018	955,324	65,525
Balances 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

Breakdown of investments as at March 31, 2019

EQUITY INTERESTS AS AT 03/31/2019

	Current assets	Noncurrent assets	Current liabilities	Noncurrent liabilities	Equity and advance for future capital increase	Net revenue	Profit (loss) for the year	Equity interest %	Share of profit (loss) of investees	Investment balance	
Subsidiaries											
AC PART. LTDA.	1,201	10	56	90	1,065	-	28	100%	28	1,065	
ASPLENUM EMP. IMOB. LTDA.	2,634	1,769	176	178	4,049	-	10	100%	10	4,049	
CITÁ VILLE SPE EMP. IMOB. LTDA.	5,742	105	1,318	240	4,289	-	1,589	50%	794	2,145	
COTIA 1 EMP. IMOB. LTDA.	1,565	91	157	-	1,499	-	(118)	100%	(118)	1,499	
FIT 01 SPE EMP. IMOB. LTDA.	763	50	73	-	740	-	44	100%	44	740	
FIT 02 SPE EMP. IMOB. LTDA.	11,685	-	2,193	10	9,482	-	(17)	100%	(17)	9,482	
FIT 03 SPE EMP. IMOB. LTDA.	98	-	(5)	-	103	-	-	100%	-	103	
FIT 05 SPE EMP. IMOB. LTDA.	642	2	126	29	489	-	(23)	100%	(23)	489	
FIT 06 SPE EMP. IMOB. LTDA.	9,169	-	128	-	9,041	-	31	100%	31	9,041	
FIT 07 SPE EMP. IMOB. LTDA.	517	-	246	1	274	-	(59)	100%	(59)	274	
FIT 10 SPE EMP. IMOB. LTDA.	1,321	166	385	-	1,102	-	(94)	100%	(94)	1,102	
FIT 11 SPE EMP. IMOB. LTDA.	1,925	15	220	37	1,683	-	(133)	100%	(133)	1,683	
FIT 12 SPE EMP. IMOB. LTDA.	282	44	106	4	216	-	(143)	100%	(143)	216	
FIT 16 SPE EMP. IMOB. LTDA.	2,989	144	186	-	2,947	-	(244)	100%	(244)	2,947	
FIT 24 SPE EMP. IMOB. LTDA.	14	-	-	-	14	-	(3)	100%	(3)	14	
FIT 25 SPE EMP. IMOB. LTDA.	1,550	38	67	-	1,521	-	(569)	100%	(569)	1,521	
FIT 31 SPE EMP. IMOB. LTDA.	3,878	-	243	-	3,635	-	813	100%	813	3,635	
FIT 32 SPE EMP. IMOB. LTDA.	2,985	228	80	-	3,133	-	38	100%	38	3,133	
FIT 34 SPE EMP. IMOB. LTDA.	17,194	-	8	-	17,186	-	11	100%	11	17,186	
FIT 35 SPE EMP. IMOB. LTDA.	64	48	5	-	107	-	(88)	100%	(88)	107	
FIT 37 SPE EMP. IMOB. LTDA.	106	8	7	-	107	-	7	100%	7	107	
FIT 38 SPE EMP. IMOB. LTDA.	52	11	3	-	60	-	(13)	100%	(13)	60	
FIT 39 SPE EMP. IMOB. LTDA.	22	12	21	-	13	-	9	100%	9	13	
FIT 40 SPE EMP. IMOB. LTDA.	1,021	40	38	13	1,010	-	12	100%	12	1,010	
FIT 42 SPE EMP. IMOB. LTDA.	142	-	20	-	122	-	14	100%	14	122	
FIT PALLADIUM SPE EMP. IMOB. LTDA.	11	6	4	-	13	-	(9)	100%	(9)	13	
FIT ROLAND GARROS EMP. IMOB. LTDA.	104	-	34	-	70	-	87	100%	87	70	
JD. SÃO LUÍZ SPE INCORP. LTDA.	63,883	2,533	280	203	65,933	-	1	100%	1	65,933	
MARIA INÊS SPE EMP. IMOB. LTDA.	593	-	41	-	552	-	72	100%	72	552	
MÁRIO COVAS SPE EMP. IMOB. LTDA.	302	4	145	-	161	-	10	100%	10	161	
SPE TENDA SP ITAQUERA LIFE EMP. IMOB. LTDA.	267	3	2	-	268	-	(8)	100%	(8)	268	
SPE TENDA SP JD. SÃO LUÍZ LIFE EMP. IMOB. LTDA.	187	24	22	-	189	-	(7)	100%	(7)	189	
SPE TENDA SP OSASCO LIFE EMP. IMOB. LTDA.	921	-	6	-	915	-	(1)	100%	(1)	915	
SPE TENDA SP SALVADOR DALI EMP. IMOB. LTDA.	97	7	1	-	103	-	-	100%	-	103	
SPE TENDA SP VALÊNCIA EMP. IMOB. LTDA.	433	18	3	-	448	-	(5)	100%	(5)	448	
SPE TENDA SP VILA PARK EMP. IMOB. LTDA.	702	-	179	-	523	-	(17)	100%	(17)	523	
TDA NEG. IMOB. LTDA.	319	-	3	-	316	-	21	100%	21	316	
TENDA 25 SPE EMP. IMOB. LTDA.	2,424	-	-	-	2,424	-	1	70%	1	1,697	
TENDA 28 SPE EMP. IMOB. LTDA.	1,812	-	19	-	1,793	-	316	100%	316	1,793	
TENDA 30 SPE EMP. IMOB. LTDA.	1	-	-	-	1	-	-	100%	-	1	
TENDA 46 SPE EMP. IMOB. LTDA.	12,765	12,850	1,337	22,305	1,973	-	-	100%	-	1,973	
TENDA NEG. IMOB. S/A	1,124,566	578,836	373,123	486,894	843,385	-	67,149	100%	67,149	843,385	
TND NEG. IMOB. LTDA.	3,549	-	52	-	3,497	-	812	100%	812	3,497	
Capitalized interest	-	-	-	-	-	-	-	-	-	(19)	4,213
Total Subsidiaries	1,280,497	597,066	381,108	510,004	986,451	-	69,524	-	68,710	987,793	
Joint ventures											
ACEDIO SPE EMP. IMOB. LTDA.	5,719	-	20	4,602	1,097	-	-	55%	-	603	
OPESA PROJ. 02 EMP. IMOB. SPE LTDA.	18,214	-	82	55	18,077	-	(3)	50%	(1)	9,039	
CITIA FITA NGA SPE EMP. IMOB. S. LTDA.	1,121	2	400	386	337	-	251	50%	125	169	
FIT 13 SPE EMP. IMOB. LTDA.	17,866	3,538	1,656	-	19,748	-	41	50%	21	9,874	
FIT JD. BOTÂNICO SPE EMP. IMOB. LTDA.	9,113	-	141	1	8,971	-	29	55%	16	4,934	
GRAND PARK PQ. PASSAROS EMP. IMOB. LTDA.	3,691	6,128	1,082	1,695	7,042	4	(1,538)	50%	(769)	3,521	
IMBUÍ SPE EMP. IMOB. LTDA.	988	11	159	616	224	-	(235)	50%	(117)	112	
SPE FRANERE GARFISA 08 EMP. IMOB. LTDA.	15,636	9,797	1,695	3,953	19,785	2	(532)	50%	(266)	9,893	
Consolidated	72,348	19,476	5,235	11,308	75,281	7	(1,987)	-	(991)	38,145	
Total Parent	1,352,845	616,542	386,343	521,312	1,061,732	7	67,537	-	67,719	1,025,938	

Breakdown of investments as at December 31, 2018

EQUITY INTEREST AT 12/31/2018

Subsidiaries	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 or investees	Investment Balance	
TENDA NEG. IMOB. S/A	980,483	560,740	3,197,22	445,024	776,237	288,691	100%	288,691	776,237	
JD. SÃO LUIZ SPE INCORP. LTDA	63,445	3,059	362	219	65,933	197	100%	197	65,933	
FIT 16 SPE EMP. IMOB. LTDA	3,198	171	178	-	3,191	(18,405)	100%	(18,405)	3,191	
FIT 34 SPE EMP. IMOB. LTDA	17,179	-	4	-	17,175	(220)	100%	(220)	17,175	
FIT 02 SPE EMP. IMOB. LTDA	10,836	-	1,336	1	9,499	6	100%	6	9,499	
FIT 06 SPE EMP. IMOB. LTDA	9,937	-	927	-	9,010	2,392	100%	(409)	9,010	
FIT 31 SPE EMP. IMOB. LTDA	3,159	-	337	-	2,822	(1,845)	100%	(1,845)	2,822	
ASPLENIUM EMP. IMOB. LTDA	2,342	2,097	291	109	4,039	100	100%	100	4,039	
FIT 32 SPE EMP. IMOB. LTDA	2,864	321	90	-	3,095	13	100%	13	3,095	
FIT 25 SPE EMP. IMOB. LTDA	2,827	43	780	-	2,090	(239)	100%	(239)	2,090	
FIT 10 SPE EMP. IMOB. LTDA	1,584	151	539	-	1,196	(409)	100%	(409)	1,196	
COTIA 1 EMP. IMOB. LTDA	1,733	89	205	-	1,617	221	100%	221	1,617	
FIT 11 SPE EMP. IMOB. LTDA	2,080	-	264	-	1,816	216	100%	216	1,816	
AC PART. LTDA	1,174	13	59	91	1,037	(105)	100%	(105)	1,037	
SPE TENDA SP VILA PARK EMP. IMOB. LTDA	715	-	175	-	540	(96)	100%	(96)	540	
FIT 40 SPE EMP. IMOB. LTDA	982	77	45	16	988	(24)	100%	(24)	998	
SPE TENDA SP OSASCO LIFE EMP. IMOB. LTDA	918	5	7	-	916	(65)	100%	(65)	916	
FIT 01 SPE EMP. IMOB. LTDA	754	58	116	-	696	(124)	100%	(124)	696	
TENDA 28 SPE EMP. IMOB. LTDA	1,879	-	402	-	1,477	1,531	100%	1,531	1,477	
FIT 05 SPE EMP. IMOB. LTDA	762	1	230	21	512	(453)	100%	(453)	512	
MARIA NÉS SPE EMP. IMOB. LTDA	529	-	49	-	479	(163)	100%	(163)	479	
SPE TENDA SP VALÊNCIA EMP. IMOB. LTDA	438	19	5	-	452	53	100%	53	452	
SPE TENDA SP ITAQUERA LIFE EMP. IMOB. LTDA	271	7	2	-	276	16	100%	16	276	
SPE TENDA SP JD. SÃO LUIZ LIFE EMP. IMOB. LTDA	191	28	23	-	196	(54)	100%	(54)	196	
FIT 35 SPE EMP. IMOB. LTDA	196	46	46	-	196	(77)	100%	(77)	196	
FIT 42 SPE EMP. IMOB. LTDA	144	-	36	-	108	(17)	100%	(17)	108	
FIT 03 SPE EMP. IMOB. LTDA	104	-	1	-	103	(11)	100%	(11)	103	
FIT 07 SPE EMP. IMOB. LTDA	494	3	164	-	333	(159)	100%	(159)	333	
SPE TENDA SP SALVADOR DALI EMP. IMOB. LTDA	96	8	1	-	103	(17)	100%	(17)	103	
FIT 38 SPE EMP. IMOB. LTDA	64	12	3	-	73	(23)	100%	(23)	73	
FIT 37 SPE EMP. IMOB. LTDA	98	9	7	-	100	25	100%	25	100	
FIT PALLADIUM SPE EMP. IMOB. LTDA	17	6	1	-	22	(41)	100%	(41)	22	
FIT 24 SPE EMP. IMOB. LTDA	17	-	-	-	17	(29)	100%	(29)	17	
FIT 39 SPE EMP. IMOB. LTDA	11	3	10	-	4	(107)	100%	(107)	4	
TENDA 25 SPE EMP. IMOB. LTDA	2,423	-	-	-	2,423	4	70%	2	1,694	
CITTA VILLES SPE EMP. IMOB. LTDA	17,103	43	1,766	915	14,465	2,235	50%	1,117	7,231	
FIT 12 SPE EMP. IMOB. LTDA	422	42	101	4	359	209	100%	209	359	
TENDA 30 SPE EMP. IMOB. LTDA	1	-	-	-	1	-	100%	-	1	
MÁRIO COVAS SPE EMP. IMOB. LTDA	188	39	76	-	151	(129)	100%	(129)	151	
TDA NEG. IMOB. LTDA	298	-	3	-	295	200	100%	200	295	
TND NEG. IMOB. LTDA	2,721	-	35	-	2,686	2,853	100%	2,853	2,686	
TENDA 46 SPE EMP. IMOB. LTDA	25,226	-	683	22,569	1,974	-	100%	-	1,974	
Capitalized interest	-	-	-	-	-	-	-	-	(628)	4,231
Total Subsidiaries	1,159,912	567,100	329,331	468,989	928,712	276,130		274,382	924,980	
Joint Venture										
SPE FRANIERE GAFISA 08 EMP. IMOB. LTDA	15,808	9,797	2,094	3,194	20,317	2,476	50%	(915)	10,159	
GRAND PARK PQ. PÁSSAROS EMP. IMOB. LTDA	6,216	4,935	1,081	1,490	8,580	4,261	50%	3,733	4,290	
FIT 13 SPE EMP. IMOB. LTDA	16,855	3,506	655	-	19,706	6	50%	3	9,853	
CIPESA PROJ. 02 EMP. IMOB. SPE LTDA	18,217	-	79	58	18,080	(54)	50%	(17)	9,040	
FIT JD. BOTANICO SPE EMP. IMOB. LTDA	9,017	-	73	2	9,942	151	55%	208	4,918	
IMBUII I SPE EMP. IMOB. LTDA	992	11	137	408	458	(80)	50%	(136)	229	
ACEDIO SPE EMP. IMOB. LTDA	5,679	-	11	4,571	1,097	-	55%	(146)	603	
CITTA ITAPUÁ EMP. IMOB. SPE LTDA	2,778	9	538	1,768	481	205	50%	(47)	241	
CITTA IPTANGA SPE EMP. IMOB. LTDA	1,114	2	381	649	86	(55)	50%	(27)	43	
Consolidated	76,676	18,260	5,049	12,140	77,747	6,970		890	39,376	
Amount of excess of carrying at acquisition date	-	-	-	-	-	-	-	-	-	
Total Parent	1,236,588	585,360	334,380	481,109	1,006,459	277,900		275,272	964,356	

(ii) Equity interests – equity deficiency

Breakdown of the allowance for losses on Investments as at March 31, 2019

ALLOWANCE FOR INVESTMENT LOSSES AS AT MAR/2019

Subsidiaries	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	
EV/P PART. S.A.	-	-	-	5	-	(5)	100%	-	(5)	
FGM INCORP. S/A	159	-	5	177	-	(13)	100%	(11)	(13)	
FIT 22 SPE EMP. IMOB. LTDA	8	-	-	32	-	(24)	100%	(3)	(24)	
FIT BILD 09 SPE EMP. IMOB. LTDA	2,750	-	-	884	9,308	(7,442)	(8)	75%	(5)	(5,581)
SPE TENDA SP GUAIANAZES LIFE EMP. IMOB. LTDA	3	5	13	-	-	(5)	(3)	100%	(3)	(5)
TENDA 24 SPE PART. S.A.	-	-	-	1	-	(1)	-	100%	-	(1)
TENDA 26 SPE PART. S.A.	-	-	-	1	-	(1)	-	100%	-	(1)
TENDA 35 SPE PART. S/A	1	-	-	38	-	(37)	-	100%	-	(37)
TENDA 47 SPE EMP. IMOB. LTDA	-	-	-	2	-	(2)	-	100%	-	(2)
TENDA SPE 19 EMP. IMOB. LTDA	9	-	-	60	-	(51)	5	100%	5	(51)
	2,930	10	1,213	9,308	(7,581)	(20)		(17)	(5,720)	
Joint ventures										
CITTA ITAPUÁ EMP. IMOB. S SPE LTDA	2,783	9	673	2,140	(21)	(503)	50%	(251)	(11)	
FIT CAMPOLIM SPE EMP. IMOB. LTDA	7,557	-	29	17,944	(10,416)	-	55%	-	(5,729)	
	10,340	9	702	20,084	(10,437)	(503)		(251)	(5,739)	
Total allowance for investment losses	13,270	19	1,915	29,392	(18,018)	(523)		(268)	(11,459)	

Breakdown of the allowance for investment losses as at December 31, 2018

ALLOWACE FOR INVESTMENT LOSSES DEC2018									
	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 os investees	Investment Balance
Subsidiaries									
FIT 22 SPE EMP.IMOB.LTDA	5	-	25	-	(20)	(8)	100%	(8)	(20)
TENDA 35 SPE PART. S/A	1	-	38	-	(37)	-	100%	-	(37)
SPE TENDA SP GUANAZES LIFE EMP.IMOB.LTDA	4	5	10	-	(1)	(19)	100%	(19)	(1)
FIT BILD 09 SPE EMP.IMOB.LTDA	2,740	-	871	9,304	(7,435)	(259)	75%	(195)	(5,577)
TENDA 24 SPE PART. S.A.	-	-	1	-	(1)	-	100%	-	(1)
TENDA 47 SPE EMP.IMOB.LTDA	-	-	2	-	(2)	(2)	100%	(2)	(2)
FIT ROLAND GARROS EMP.IMOB.LTDA	2	-	19	-	(17)	(125)	100%	(125)	(17)
TENDA SPE 19 EMP.IMOB.LTDA	8	-	65	-	(57)	(66)	100%	(66)	(57)
TENDA 26 SPE PART. S.A.	-	-	1	-	(1)	-	100%	-	(1)
EVP PART. S/A	-	-	5	-	(5)	(102)	100%	(102)	(5)
FGM INCORP. S/A	168	4	174	-	(2)	(18)	100%	(18)	(2)
	2,930	9	1,211	9,304	(7,578)	(599)		(535)	(5,720)
Joint Venture									
FIT CAMPOLIM SPE EMP.IMOB.LTDA	7,389	-	29	17,775	(10,415)	(495)	55%	(272)	(5,728)
	7,389	-	29	17,775	(10,415)	(495)		(272)	(5,728)
Total allowance for investment losses	10,319	9	1,240	27,079	(17,993)	(1,094)		(807)	(11,448)

9. PROPERTY AND EQUIPMENT

Description	Depreciation rate - % p.a.	Parent		Consolidated	
		03/31/2019	12/31/2018	03/31/2019	12/31/2018
Cost					
Hardware	20%	22,886	22,619	22,886	22,619
Leasehold improvements and facilities	(a)	10,964	10,201	10,964	10,201
Furniture and fixtures	10%	4,027	3,883	4,158	4,014
Machinery and equipment	10%	3,055	3,009	3,055	3,009
Molds	20%	46,154	40,660	48,676	42,519
Lease – right of use	b)	26,544	-	26,544	-
		113,630	80,372	116,283	82,362
Accumulated depreciation		(47,543)	(43,191)	(47,795)	(43,344)
		66,087	37,181	68,488	39,018

(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 agreement term. The table below shows the breakdown of balances, payments and interest on lease liabilities.

Liabilities	Parent/Consolidated		
	Variations – liabilities without present value adjustment	Present value adjustment	Right of use liability
Lease – right of use (first-time adoption)	31,134	(4,590)	26,544
Payments / interest	(1,067)	245	(822)
Total	30,067	(4,345)	25,722
Current	2,987	(686)	2,301
Noncurrent	27,080	(3,659)	23,421

The residual value, useful lives, and depreciation methods were reviewed at the end of year 2018, and no change was made. Assets are subject to periodical impairment testing.

Variations in property and equipment

	Parent/Consolidated					
	Hardware	Leasehold improvements and facilities	Furniture and fixtures	Machinery and equipment	Molds	Total
Cost						
Balance as at 12/31/2017	21,483	8,906	3,353	2,729	32,936	69,407
Additions	150	236	32	36	1,538	1,992
Write-offs	-	(110)	-	-	-	(110)
Cost as at 03/31/2018	21,633	9,032	3,385	2,765	34,474	71,289
Depreciation						
Balance as at 12/31/2017	(9,007)	(3,809)	(2,492)	(895)	(11,380)	(27,583)
Additions	(1,013)	(355)	(64)	(69)	(1,718)	(3,219)
Write-offs	-	95	-	-	-	95
Depreciation as at 03/31/2018	(10,020)	(4,069)	(2,556)	(964)	(13,098)	(30,707)
Balance as at 03/31/2018	11,613	4,963	829	1,801	21,376	40,582

Parent							
	Hardware	Leasehold improvements and facilities	Furniture and fixtures	Machinery and equipment	Molds	Lease – right of use (b)	Total
Cost							
Cost as at 12/31/2018	22,619	10,201	3,883	3,009	40,660	-	80,372
Additions	267	763	144	46	5,494	26,544	33,258
Cost as at 03/31/2019	22,886	10,964	4,027	3,055	46,154	26,544	113,630
Depreciation							
Balance as at 12/31/2018	(12,726)	(7,628)	(2,726)	(1,180)	(18,931)	-	(43,191)
Additions	(886)	(206)	(59)	(76)	(2,242)	(883)	(4,352)
Depreciation as at 03/31/2019	(13,612)	(7,834)	(2,785)	(1,256)	(21,173)	(883)	(47,543)
Balance as at 03/31/2019	9,274	3,130	1,242	1,799	24,981	25,661	66,087
Consolidated							
	Hardware	Leasehold improvements and facilities	Furniture and fixtures	Machinery and equipment	Molds	Lease – right of use (b)	Total
Cost							
Balance as at 12/31/2018	22,619	10,201	4,014	3,009	42,519	-	82,362
Additions	267	763	144	46	6,157	26,544	33,921
Cost as at 03/31/2019	22,886	10,964	4,158	3,055	48,676	26,544	116,283
Depreciation							
Balance as at 12/31/2018	(12,726)	(7,628)	(2,735)	(1,180)	(19,075)	-	(43,344)
Additions	(886)	(207)	(62)	(76)	(2,337)	(883)	(4,451)
Depreciation as at 03/31/2019	(13,612)	(7,835)	(2,797)	(1,256)	(21,412)	(883)	(47,795)
Balance as at 03/31/2019	9,274	3,129	1,361	1,799	27,264	25,661	68,488

10. INTANGIBLE ASSETS

Parent/Consolidated				
	12/31/2017			03/31/2018
	Balance	Additions	Amortization	Balance
Software – cost	36,897	1,167	-	38,064
Software – amortization	(15,253)	-	(1,885)	(17,138)
	21,644	1,167	(1,885)	20,926
Parent/Consolidated				
	12/31/2018			03/31/2019
	Balance	Additions	Amortization	Balance
Software – cost	49,572	2,008	-	51,580
Software – amortization	(23,506)	-	(2,574)	(26,080)
	26,066	2,008	(2,574)	25,500

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).

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

		Parent		Consolidated	
Type of transaction	Maturity	Annual interest rate	03/31/2019	12/31/2018	03/31/2019
National Housing System (SFH)	04/2018 to 12/2022	TR + 8.30% p.a.	10,703	15,639	112,680
Bank Credit Note (CCB)	04/2018 to 06/2019	CDI + 4.25% p.a. INCC-DI variance	-	-	852
Total			10,703	15,639	113,532
Current			1,507	993	7,633
Noncurrent			9,196	14,646	105,899
					104,782

The current and noncurrent portions mature as follows:

Maturity	Parent		Consolidated	
	03/31/2019	12/31/2018	03/31/2019	12/31/2018
2019	758	993	4,697	6,744
2020	3,746	5,277	30,494	36,787
2021	4,664	6,848	51,274	45,803
2022 and thereafter	1,535	2,521	27,067	15,448
	10,703	15,639	113,532	104,782

Finance costs on borrowings and financing 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 7.77% as at March 31, 2019 (7.78% as at December 31, 2018).

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

	Parent		Consolidated	
	03/31/2019	03/31/2018	03/31/2019	03/31/2018
Total finance charges for the period	9,802	5,201	17,871	4,742
Capitalized finance charges	(327)	(919)	(8,365)	(346)
Finance costs (note 23)	9,475	4,282	9,506	4,396
Finance charges allocated to line item 'Properties for sale':				
Opening balance	5,452	7,357	23,705	28,394
Capitalized finance charges	327	919	8,365	346
Finance charges charged to profit or loss (note 22)	(542)	(1,400)	(5,836)	(5,257)
Closing balance	5,237	6,876	26,234	23,483

12. DEBENTURES

Type of transaction	Maturity	Annual payout	Transaction cost		Parent/Consolidated	
			Appropriated	incurred	03/31/2019	12/31/2018
			Debtentures (a)	January 2021	CDI + 0.90%	5,230
Debtentures (b)	September 2023	CDI + 1.75%	280	(754)	146,622	152,643
Total debtentures					441,537	437,709

	Parent/Consolidated	
	03/31/2019	12/31/2018
Current Debtentures	663	3,344
Noncurrent Debtentures	445,179	439,891
Transaction costs	(4,305)	(5,526)
Total noncurrent	440,874	434,365
	441,537	437,709

- a) On September 6, 2017, the Company launched the third issue of nonconvertible debtentures, with maturity on January 15, 2021, in a single allotment, totaling R\$270,000. The debtentures are securitized through real estate receivables certificates issued by Ares Serviços Imobiliários Ltda. and back the CRIs issued by Apice Securitizadora S/A.

The proceeds from this issuance will be used exclusively in real estate projects specifically targeted at the lower-income population segment.

The Company has restrictive covenants that restrict some decision-making, such as debt issue and the power to require the debt acceleration or loan refinancing if such restrictive covenants are not complied with.

As at March 31, 2019 the ratio required by such covenant is as follows:

	03/31/2019	12/31/2018
Net leverage ratio, calculated as total net financial debt less SFH loans to equity, which cannot exceed 50% (note 20.c).	-33.99%	-34.15%

b) On September 10, 2018, the Company launched the fourth issue of nonconvertible debentures, with maturity on January 15, 2021, in a single series, totaling R\$150,000. The proceeds from this issuance will be used in ordinary management, including working capital increase and capital structure growth. Maturity schedule:

i) Payment of principal: 33.30% in September 2021; 33.30% in September 2022; and 33.40% in September 2023; and

ii) Semiannual interest;

The Company has restrictive covenants that restrict some decision-making, such as debt issue and the power to require the debt acceleration or loan refinancing if such restrictive covenants are not complied with.

As at March 31, 2019 the ratio required by such covenant is as follows:

	03/31/2019	12/31/2018
Net leverage ratio, calculated as total net financial debt less SFH loans to equity, which cannot exceed 15% (note 20.c).	-33.99%	-34.15%

13. PAYROLL, RELATED TAXES AND PROFIT SHARING

	Parent		Consolidated	
	03/31/2019	12/31/2018	31/03/2019	31/12/2018
Payroll and related taxes	4,460	3,627	9,500	9,643
Accrued payroll and related taxes	2,599	2,418	18,556	16,407
Employee profit sharing (a)	8,700	6,135	22,066	18,974
	15,759	12,180	50,122	45,024

(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.

14. PAYABLES FOR PURCHASE OF PROPERTIES AND ADVANCES FROM CUSTOMERS

	Parent		Consolidated	
	03/31/2019	12/31/2018	03/31/2019	12/31/2018
Payables for properties purchased	8,564	12,013	561,707	515,915
Advances from customers	36	1,181	2,347	1,842
Physical barter - land	1,900	1,862	109,876	101,785
	10,500	15,056	673,930	619,542
Current	6,750	10,641	284,899	258,240
Noncurrent	3,750	4,415	389,031	361,302

The current and noncurrent portions mature as follows:

Maturity	Parent		Consolidated	
	03/31/2019	12/31/2018	03/31/2019	12/31/2018
2019	6,027	10,641	228,298	258,240
2020	2,855	2,816	198,757	160,257
2021	1,618	1,599	101,976	88,309
2022	-	-	77,788	63,967
2023 and thereafter	-	-	67,111	48,769
	10,500	15,056	673,930	619,542

15. 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, 2019 and 2018 is as follows:

	Parent		Consolidated	
	03/31/2019	03/31/2018	03/31/2019	03/31/2018
Profit before income tax and social contribution:	49,753	36,833	57,068	43,002
Income tax calculated at the statutory rate - 34%	34%	34%	34%	34%
	(16,916)	(12,523)	(19,403)	(14,621)
Net impact of subsidiaries taxed based on deemed income/RET			16,518	22,718
Other permanent differences	797	(1,313)	947	(1,420)
Unrecognized tax credits	(6,406)	1,079	(5,786)	(5,339)
Share of profit (loss) of investees	22,933	15,935	(390)	29
Tax credits utilized in the deferred taxes tax base	-	-	-	(930)
Other additions and deductions	(408)	(3,740)	1,592	(7,040)
Income tax and social contribution expenses (income)	-	(562)	(6,522)	(6,603)
Current tax expenses (income)	-	(562)	(6,525)	(5,829)
Deferred tax expenses (income)	-	-	3	(774)

b) Deferred income tax and social contribution

The origin of deferred income tax and social contribution as at March 31, 2019 and December 31, 2018 is as follows:

Description	Parent		Consolidated	
	03/31/2019	12/31/2018	03/31/2019	12/31/2018
Assets				
Tax loss carryforwards	257,855	253,551	265,701	261,621
Allowance for doubtful debts	19,484	20,935	22,134	23,467
Allowance for impairment of nonfinancial assets	2,172	2,948	2,271	3,047
Other provisions	6,425	5,898	11,506	10,708
Provision for contingencies	22,579	20,439	23,938	21,604
Temporary differences - CPC	11,349	10,431	11,601	10,745
Temporary differences – deferred PIS and COFINS	1,800	1,944	2,548	2,561
Unrecognized tax credits	(306,692)	(300,286)	(318,186)	(312,400)
Subtotal	14,972	15,860	21,513	21,353
Liabilities				
Revenue taxation on a cash and an accrual basis	(14,972)	(15,860)	(21,513)	(21,353)
Deferred income tax and social contribution (Earmarked assets, or RET)	-	-	(7,988)	(7,833)
Subtotal	(14,972)	(15,860)	(29,501)	(29,186)
Recognized in line item deferred taxes (liabilities)	-	-	(7,988)	(7,833)
Recognized in line item deferred taxes (assets)	-	-	-	-

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					
	03/31/2019			12/31/2018		
	Income tax	Social contribution	Total	Income tax	Social contribution	Total
Tax loss carryforwards	758,397	758,397		745,738	745,738	
Tax assets (25%, 9%)	189,599	68,256	257,855	186,435	67,116	253,551
Unrecognized tax assets on tax loss carryforwards	189,599	68,256	257,855	186,435	67,116	253,551

Description	Consolidated					
	03/31/2019			12/31/2018		
	Income tax	Social contribution	Total	Income tax	Social contribution	Total
Tax loss carryforwards	781,474	781,474		769,473	769,473	
Tax assets (25%, 9%)	195,368	70,333	265,701	192,368	69,253	261,621
Unrecognized tax assets on tax loss carryforwards	195,368	70,333	265,701	192,368	69,253	261,621

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

16. PROVISION FOR CONTINGENCIES AND COMMITMENTS

16.1 Provision for contingencies

In the periods ended March 31, 2019 and 2018, the variations in the provision for contingencies are summarized as follows:

	Parent			
	Civil lawsuits (a)	Labor lawsuits	Others (b)	Total
Balance as at December 31, 2017	43,951	10,241	48	54,240
Additions (note 22)	6,835	1,645	4	8,484
Write-offs/transfers (note 22)	(9,366)	(1,640)	(36)	(11,042)
Balance as at March 31, 2018	41,420	10,246	16	51,682
Balance as at December 31, 2018	38,942	10,261	10,913	60,116
Additions (note 22)	10,094	1,286	271	11,393
Write-offs/transfers (note 22)	(3,976)	(1,382)	-	(5,100)
Balance as at March 31, 2019	45,060	10,165	11,184	66,409
Current	23,724	5,352	5,888	34,964
Noncurrent	21,336	4,813	5,296	31,445

	Consolidated			
	Civil lawsuits (a)	Labor lawsuits	Other (b)	Total
Balance as at December 31, 2017	51,567	11,166	306	63,039
Additions (note 22)	7,716	1,974	4	9,694
Write-offs/transfers (note 22)	(10,927)	(1,937)	(36)	(12,900)
Balance as at March 31, 2018	48,356	11,203	274	59,833
Balance as at December 31, 2018	42,976	11,325	11,171	65,472
Additions (note 22)	10,778	1,542	13	12,333
Write-offs (note 22)	(5,298)	(1,388)	-	(6,686)
Balance as at March 31, 2019	48,456	11,479	11,184	71,119
Current	25,512	6,044	5,888	37,444
Noncurrent	22,944	5,435	5,296	33,675

- (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; such lawsuit was assessed as possible loss.

16.2 Escrow deposits

As at March 31, 2019, the Company and its subsidiaries have the following amounts deposited in courts:

	Parent		Consolidated	
	03/31/2019	12/31/2018	03/31/2019	12/31/2018
Civil lawsuits	21,624	21,430	22,288	21,993
Environmental lawsuits	86	87	89	89
Tax lawsuits	5,151	3,719	5,309	3,817
Labor lawsuits	5,628	4,988	5,799	5,120
	32,489	30,224	33,485	31,019
Current	7,983	10,705	8,227	10,987
Noncurrent	24,506	19,519	25,258	20,032

16.3 Lawsuits with a possible likelihood of an unfavorable outcome

As at March 31, 2019, 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\$331,454 (R\$320,499 as at December 31, 2018), 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	
	03/31/2019	12/31/2018
Civil lawsuits (a)	228,220	225,284
Tax lawsuits (b)	89,112	78,567
Labor lawsuits	12,220	14,746
Environmental lawsuits	1,902	1,902
	331,454	320,499

- (a) As at March 31, 2019, 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\$R\$228,220, 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\$78,567 million in 2018).

17. EQUITY

17.1 Capital

As at March 31, 2019, 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 52,172,123 common shares, with no par value as at December 31, 2018).

On March 25, 2019, the Extraordinary General Meeting approved the split of the Company's shares, at the ratio of one common share for two common shares, totaling 104,344,246 registered, book-entry common shares without par value, all entitled to the same rights as the common shares already issued by the Company.

Capital	1,095,829
(-) Share issuance costs	(318)
Capital as at March 31, 2019	1,095,511

17.2. 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, 2019 and in the year ended December 31, 2018, which include their related weighted average strike prices, are as follows:

	03/31/2019		12/31/2018	
	Number of stock options	Weighted average strike price for the year (reais)	Number of stock options	Weighted average strike price for the year (reais)
Outstanding stock options at the beginning of the period	5,326,598	6.74	5,479,451	6.74
Exercised stock options	(247,616)	6.72	(152,853)	9.42
Split bonus	5,078,981	-	-	-
Outstanding stock options at the end of the period	10,157,963	3.32	5,326,598	6.74

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%	0.02 years	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%	1.76 years	12.67% to 12.77%
04/10/2017	8.13	8.13	24.65%	2.07 years	9.69% to 10.07%
10/02/2017	14.73	14.73	24.84%	-	9.52% to 9.88%
10/02/2017	24.25	24.25	24.84%	-	9.71% to 10.11%

(*) 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.

The Company reviewed the number of stock options granted that will vest in 2018-2023, which generated expenses of R\$9,092.

Outstanding stock options			Vested stock options	
Number of stock options	Remaining contractual weighted average life (years)	Weighted average strike price for the year (R\$)	Number of stock options	Weighted average strike price for the year (R\$)
10,157,963	1.12	3.32	9,454,030	2.22

Total expenses recognized in the period ended March 31, 2019 was R\$897 (R\$13,774 as at December 31, 2018) and are disclosed in note 22.

b) Restricted stock option plan

On August 13, 2018, the Company's Board of Directors, at the Extraordinary General Meeting, approved the Plan and the subsequent grant of 652,500 restricted stock options to the Company's statutory officers, directors and key executives. The Plan has a stock options ceiling that results in a maximum dilution of 5% of the Company's capital.

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.

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 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.

	03/31/2019	12/31/2018
	Number of stock options	Number of stock options
Outstanding stock options at the beginning of the period	652,500	-
Granted stock options	-	652,500
Exercised stock options	(195,000)	-
Split bonus	457,500	-
Outstanding stock options at the end of the period	915,000	652,500

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:

Grant date	Expected volatility (%) (*)	Expected stock option life (months)	Risk-free interest rate (%) (**)
08/13/2018	29.52%	22 months	10.01%

(*) 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.

Outstanding stock options	
Number of stock options	Remaining contractual weighted average life (months)
915,000	22 months

Total expenses recognized in the period ended March 31, 2019 was R\$1,629 (R\$4,600 as at December 31, 2018) and are disclosed in note 22.

17.3 Treasury shares

On April 5, 2018, the Company's Board of Directors has approved a Share Buyback Program for the Company's Common Shares, to be held in treasury and subsequent disposal and/or cancelation and/or to support the "Company's Stock Option Plan", limited to 5,398,206 of the Company's common shares. Program terminated on August 13, 2018, and 4,489,300 shares were acquired, which shares were split on March 26, 2019 corresponding to a ratio of 2:1.

On November 8, 2018, the Company's Board of Directors has approved a Share Buyback Program for the Company's Common Shares, to be held in treasury and subsequent disposal and/or cancelation and/or to support the "Company's Stock Option Plan", limited to 5,408,832 of the Company's common shares. This program will be effective up to November 8, 2019, and 2,466,200 shares were acquired, which shares were split on March 26, 2019 corresponding to a ratio of 2:1.

	Number (thousands)	Average cost – R\$	Total cost
Balance as at December 31, 2018	3,688	24.64	90,889
Share buyback	1,267	40.66	51,531
Stock option exercise	(443)	26.61	(11,776)
Split bonus	4,514	-	-
Balance as at March 31, 2019	9,026	14.47	130,644

As at March 29, 2019, the fair value of the Company's treasury shares was R\$152,355.

18. 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, 2019:

Insurance line (in effect)	Coverage - R\$ thousand
Engineering risks and construction completion guarantee	2,354,143
Civil liability - Directors and Officers (D&O) (*)	50,000

(*) The effective period of the D&O civil liability policy is from February 25, 2019, renewed until February 25, 2020 by the Company.

Insurance line (future periods)	Coverage - R\$ thousand
Engineering risks and construction completion guarantee (effective from 04/2019 to 05/2027)	59,098

19. EARNINGS PER SHARE

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

	03/31/2019	03/31/2018
Basic numerator		
Undistributed earnings	49,753	36,271
Undistributed earnings, available to the holders of common shares	49,753	36,271
Basic denominator (in thousand of shares)		
Weighted average number of shares	95,672	108,070
Basic earnings per share in Brazilian reais	0.5200	0.3356
Diluted numerator		
Undistributed earnings	49,753	36,271
Undistributed earnings, available to the holders of common shares	49,753	36,271
Diluted denominator (in thousand of shares)		
Weighted average number of shares	95,672	108,070
Stock options	8,877	7,982
Diluted earnings per share in Brazilian reais	0.4759	0.3125

Reconciliation of retrospective adjustment as at March 31, 2018:

	03/31/2018	
	Basic	Diluted
Undistributed earnings	36,271	36,271
Basic and diluted denominator (in thousands of shares)		
Weighted average number of shares	54,035	54,035
Stock options		3,991
Basic/diluted earnings per common share (R\$) - disclosed	0.6713	0.62508
Split	2	2
Restated amount	0.3356	0.3125

20. 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 rate, etc.) which are submitted to the competent Management bodies for approval and subsequent roll out of the presented strategy. 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, 2019 and December 31, 2018, there was no material credit risk concentration related to customers.

(ii) Derivatives

As at March 31, 2019, the Company does not conduct transactions involving derivative financial instruments.

(iii) 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).

(iv) 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 borrowing, financing, trade payables, and debenture financial instruments are as follows:

Year ended December 31, 2018	Parent				Total
	Up to one year	1 to 3 years	4 to 5 years	More than 5 years	
Borrowings and financing (note 11)	993	12,125	2,521	-	15,639
Debentures (note 12)	3,344	434,365	-	-	437,709
Trade payables	6,381	-	-	-	6,381
Payables for purchase of properties and advances from customers	8,779	4,415	-	-	13,194
	19,497	450,905	2,521	-	472,923

Period ended March 31, 2019	Parent				Total
	Up to one year	1 to 3 years	4 to 5 years	More than 5 years	
Borrowings and financing (note 11)	1,507	8,201	995	-	10,703
Debentures (note 12)	663	440,874	-	-	441,537
Trade payables	12,206	-	-	-	12,206
Payables for purchase of properties and advances from customers	4,850	3,750	-	-	8,600
	19,226	452,825	995	-	473,046

Year ended December 31, 2018	Consolidated				Total
	Up to one year	1 to 3 years	4 to 5 years	More than 5 years	
Borrowings and financing (note 11)	6,744	82,590	15,448	-	104,782
Debentures (note 12)	3,344	434,365	-	-	437,709
Trade payables	21,449	-	-	-	21,449
Payables for purchase of properties and advances from customers	211,771	268,479	30,725	6,782	517,757
	243,308	785,434	46,173	6,782	1,081,697

Period ended March 31, 2019	Consolidated				Total
	Up to one year	1 to 3 years	4 to 5 years	More than 5 years	
Borrowings and financing (note 11)	7,633	89,958	15,941	-	113,532
Debentures (note 12)	663	440,874	-	-	441,537
Trade payables	46,364	-	-	-	46,364
Payables for purchase of properties and advances from customers	233,386	238,793	65,004	26,871	564,054
	288,046	769,625	80,945	26,871	1,165,487

(v) 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, 2019 and December 31, 2018, is as follows:

	Parent			Consolidated		
	Level 1	Level 2	Fair value hierarchy Level 3	Level 1	Level 2	Level 3
As at December 31, 2018						
Financial assets Securities (note 4.2)	425,164	172,611	-	549,135	272,137	-
As at March 31, 2019						
Financial assets Securities (note 4.2)	393,791	150,741		530,481	256,569	

In the period ended March 31, 2019 and the year ended December 31, 2018, 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, 2019 and December 31, 2018, classified in Level 2 of the fair value hierarchy, are as follows:

		Parent			
		03/31/2019		12/31/2018	
Categories		Carrying amount	Fair value	Carrying amount	Fair value
Financial assets					
Cash and cash equivalents (note 4.1)					
Cash and banks	Amortized cost	34,630	34,630	11,674	11,674
	Fair value through profit or loss*	19,428	19,428	4,192	4,192
Bank certificate of deposit		15,202	15,202	7,482	7,482
Securities and restricted short-term investments (note 4.2)					
Bank certificate of deposit	Amortized cost	544,532	544,532	597,775	597,775
	Fair value through profit or loss*	294	294	403	403
Bank certificate of deposit		24,746	24,746	16,188	16,188
LFT and LTN	Fair value through profit or loss*	393,791	393,791	425,164	425,164
Private securities	Fair value through profit or loss*	105,470	105,470	115,873	115,873
Repurchase transactions (exclusive funds)	Fair value through profit or loss*	6,456	6,456	19,008	19,008
Repurchase transactions	Amortized cost	34	34	34	34
	Fair value through profit or loss*	13,741	13,741	21,105	21,105
Trade receivables (note 5)	Amortized cost	90,925	90,925	89,258	89,258
Intragroup loans receivable (note 7.1)	Amortized cost	44,012	44,012	43,812	43,812
Financial liabilities					
Borrowings and financing (note 11)	Amortized cost	10,703	10,703	15,639	15,639
Debentures (note 12)	Amortized cost	441,537	446,948	437,709	441,138
Trade payables	Amortized cost	12,206	12,206	6,381	6,381
Payables for purchase of properties and advances from customers	Amortized cost	8,600	8,600	13,194	13,194

		Consolidated			
		03/31/2019		12/31/2018	
Categories		Carrying amount	Fair value	Carrying amount	Fair value
Financial assets					
Cash and cash equivalents (note 4.1)					
Cash and banks	Amortized cost	67,455	67,455	34,287	34,287
	Fair value through profit or loss*	45,791	45,791	24,284	24,284
Bank certificate of deposit		21,664	21,664	10,003	10,003
Securities and restricted short-term investments (note 4.2)					
Bank certificate of deposit	Amortized cost	787,050	787,050	821,272	821,272
	Fair value through profit or loss*	1,853	1,853	1,149	1,149
Bank certificate of deposit		27,254	27,254	20,940	20,940
LFT and LTN	Fair value through profit or loss*	530,481	530,481	549,135	549,135
Private securities	Fair value through profit or loss*	105,470	105,470	115,873	115,873
Repurchase transactions (exclusive funds)	Fair value through profit or loss*	6,456	6,456	19,008	19,008
Repurchase transactions	Amortized cost	34	34	34	34
	Fair value through profit or loss*	113,772	113,772	113,428	113,428
Restricted short-term investments	Fair value through profit or loss*	1,730	1,730	1,705	1,705
Investment funds		1,730	1,730	1,705	1,705
Trade receivables (note 5)	Amortized cost	508,343	508,343	475,696	475,696
Intragroup loans receivable (note 7.1)	Amortized cost	34,713	34,713	34,513	34,513
Financial liabilities					
Borrowings and financing (note 11)	Amortized cost	113,532	116,492	104,782	105,348
Debentures (note 12)	Amortized cost	441,537	441,138	437,709	441,138
Trade payables	Amortized cost	46,364	46,364	21,449	21,449
Payables for purchase of properties and advances from customers	Amortized cost	564,054	564,054	517,757	517,757

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

(ii) Debt acceleration risk

As at March 31, 2019, the Company was a party to loan and financing 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	
	03/31/2019	12/31/2018	03/31/2019	12/31/2018
Borrowings and financing (note 11)	10,703	15,639	113,532	104,782
Debentures (note 12)	441,537	437,709	441,537	437,709
(-) Cash and cash equivalents and securities (notes 4.1 and 4.2)	(579,162)	(609,449)	(854,505)	(855,559)
Net debt	(126,922)	(156,101)	(299,436)	(313,068)
Equity	1,200,001	1,197,673	1,201,012	1,203,774
Equity and net debt	1,073,079	1,041,572	901,576	890,706

(d) Sensitivity analysis

The sensitivity analysis of financial instruments for the period ended March 31, 2019, 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, 2019, 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 receivable, 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, 2019, the Company considered the interest rates of investments, borrowings and trade receivables, the Certificate of Interbank Deposit (CDI) rate at 6.40%, the Benchmark Rate at 0%, the National Civil Construction Index (INCC) at 4.10%, and the General Market Price Index (IGP-M) at 5.57%.

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, 2019:

Transaction	Risk	Consolidated scenario					
		III	II	I	I	II	III
		50% increase	25% increase	10% increase	10% decrease	25% decrease	50% decrease
Securities	CDI increase/decrease	24,322	12,161	4,864	(4,864)	(12,161)	(24,322)
Debentures	CDI increase/decrease	(13,401)	(6,700)	(2,680)	2,680	6,700	13,401
Net effect of CDI variance		10,921	5,461	2,184	(2,184)	(5,461)	(10,921)
Receivables from developments	INCC increase/decrease	5,062	2,531	1,012	(1,012)	(2,531)	(5,062)
Bank Credit Note (CCB)	INCC increase/decrease	(17)	(8)	(3)	3	8	17
Net effect of INCC variance		5,045	2,523	1,009	(1,009)	(2,523)	(5,045)
Receivables from developments	IGP-M increase/decrease	6,630	3,315	1,326	(1,326)	(3,315)	(6,630)

21. NET REVENUE

	Parent		Consolidated	
	03/31/2019	03/31/2018	03/31/2019	03/31/2018
Gross revenue				
Property development and sale, barter, and provision for construction services	67,908	72,108	428,700	376,754
(Recognition) reversal of allowance for doubtful debts (note 5)	7,875	(205)	(112)	(2,943)
(Recognition) reversal of allowance for contract terminations (note 5)	(146)	487	(9,726)	852
Taxes on property sales and services	(1,638)	(3,360)	(9,548)	(8,590)
Net revenue	73,999	69,030	409,314	366,073

22. COSTS AND EXPENSES BY NATURE

Broken down as follows:

	Parent		Consolidated	
	03/31/2019	03/31/2018	03/31/2019	03/31/2018
Real estate development and sale costs				
Construction costs	(39,877)	(30,709)	(201,002)	(168,356)
Land costs	(7,473)	(1,695)	(44,412)	(36,271)
Development costs	(5,691)	(5,246)	(19,656)	(18,011)
Capitalized finance charges (note 11)	(542)	(1,400)	(5,836)	(5,257)
Maintenance/warranties	(1,560)	(1,683)	(2,031)	(11,404)
Cost of properties on allowance for contract terminations recognition (note 6)	(361)	(1,134)	4,147	(3,102)
	(55,504)	(41,867)	(268,790)	(242,401)
Selling expenses:				
Product marketing expenses	(1,638)	(2,206)	(11,240)	(12,319)
Realtor and sales commissions	(2,961)	(2,969)	(20,321)	(16,585)
Cost of sales	(2,169)	(2,174)	(14,887)	(12,143)
Onlending costs	(566)	(322)	(3,882)	(1,799)
Registration costs (a)	-	(123)	-	(689)
Realtor fees	(226)	(350)	(1,552)	(1,954)
Expenses on customer management (CRM)	(29)	(55)	(198)	(306)
Other selling expenses	(148)	(448)	(1,014)	(2,498)
	(4,776)	(5,678)	(32,773)	(31,708)
General and administrative expenses:				
Payroll and related taxes	(3,885)	(2,975)	(16,598)	(14,539)
Employee benefits	(402)	(263)	(1,717)	(1,286)
Travel and utilities	(79)	(45)	(339)	(219)
Expenses on services provided	(841)	(437)	(3,594)	(2,135)
Rentals and CAM fees (b)	(41)	(167)	(174)	(817)
IT expenses	(155)	(25)	(661)	(137)
Stock option plan costs (note 17.2)	(2,525)	(9,775)	(2,525)	(9,775)
Expenses on provision for profit sharing (note 24.2)	(2,739)	(1,485)	(3,257)	(4,951)
Other general and administrative expenses	(55)	(32)	(213)	(152)
	(10,722)	(15,204)	(29,078)	(34,011)
Other income (expenses), net:				
Depreciation and amortization	(4,684)	(3,386)	(4,688)	(3,386)
Expenses on payments of contingencies	(6,704)	(13,467)	(6,704)	(13,470)
Provisions / reversals for contingencies (note 16)	(6,293)	2,558	(5,647)	3,206
Other income/(expenses)	(1,953)	(3,731)	(3,582)	(4,554)
	(19,634)	(18,026)	(20,621)	(18,204)

a) Registration costs allocated to onlending as from January 1, 2019.

b) Decrease due to adoption of CPC 06 R1, expenses allocated to depreciation and amortization and other finance costs.

23. FINANCE INCOME (COSTS)

	Parent		Consolidated	
	03/31/2019	03/31/2018	03/31/2019	03/31/2018
Finance income				
Income from short-term investments	8,767	4,908	10,822	6,353
Other finance income	410	2,098	1,232	3,294
	<u>9,177</u>	<u>7,006</u>	<u>12,054</u>	<u>9,647</u>
Finance costs				
Interest on borrowings, net of capitalization (note 11)	(9,475)	(4,282)	(9,506)	(4,396)
Banking expenses	(322)	(251)	(1,478)	(1,213)
Other finance costs	(441)	(763)	(811)	(869)
	<u>(10,238)</u>	<u>(5,296)</u>	<u>(11,795)</u>	<u>(6,478)</u>
Finance income (costs)	(1,061)	1,710	259	3,169

24. TRANSACTIONS WITH MANAGEMENT AND EMPLOYEES

24.1 Management compensation

The amounts recognized in line item 'General and administrative expenses' for the periods ended March 31, 2019 and 2018 related to the compensation of key management personnel are as follows:

Management compensation			
	Board of Directors	Executive Committee	Total
Period ended March 31, 2018			
Number of members	7	10	17
Fixed compensation for the period	420	1,797	2,217
Salary/management fees	350	1,328	1,678
Direct and indirect benefits	-	203	203
Other (social security)	70	266	336
Monthly compensation	140	599	739
Variable compensation for the period	-	11,038	11,038
Profit sharing (note 24.2)	-	1,429	1,429
Share-based compensation	-	9,609	9,609
Total compensation for the period	420	12,835	13,255

Management compensation			
	Board of Directors	Executive Committee	Total
Period ended March 31, 2019			
Number of members	7	12	19
Fixed compensation for the period	720	2,223	2,943
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
Variable compensation for the period	698	3,177	3,875
Profit sharing (note 24.2)	-	1,350	1,350
Share-based compensation	698	1,827	2,525
Total compensation for the period	1,418	5,400	6,818

The overall compensation of the Company's key management personnel for 2019 was set at R\$34,040, as fixed and variable compensation, as approved at the Annual Shareholders' Meeting held on April 24, 2019.

24.2 Profit sharing

In the period ended March 31, 2019, the Company recognized a profit sharing expense amounting to R\$2,379 in the Parent (R\$1,485 in the Parent as at March 31, 2018) and R\$3,257 in consolidated (R\$4,951 in consolidated as at March 31, 2018).

	Parent		Consolidated	
	03/31/2019	03/31/2018	03/31/2019	03/31/2018
Executive Committee	1,350	1,429	1,350	1,429
Other employees	1,389	56	1,907	3,522
	<u>2,739</u>	<u>1,485</u>	<u>3,257</u>	<u>4,951</u>

25. 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, 2019 and the financial statements as at December 31, 2018, 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 the a single economic segment, the Company does not have any individual customer that represents 10% or more of its total consolidated revenue.

26. REAL ESTATE PROJECTS UNDER CONSTRUCTION – INFORMATION AND COMMITMENTS

In compliance with Circular Letter CVM/SEP 02/2018, the recognized revenue amounts and incurred costs are stated in the statement of profit and loss, and the advances received in the line item 'Payables for purchase of properties and advances from customer'. The Company shows below information on the projects under construction as at March 31, 2019:

	Consolidated	
	Under construction	Under suspensive condition
	03/31/2019	
(i) Unrecognized revenue from properties sold		
(a) – Revenue from sales contracted	1,599,914	38,847
(b) - Recognized sales revenue, net	1,107,279	
1i) Unrecognized sales revenue <u>a)</u> (a-b)	492,634	38,847
(ii) Revenue from contract termination indemnity	235	-
(iii) Unrecognized revenue from agreements not qualifying for revenue recognition (b)	14,474	-
(iv) Allowance for contract terminations (Liability)		
Adjustment to recognized revenues	13,129	-
(-) Adjustment to trade receivables	(12,403)	-
(-) Revenue from contract termination indemnity	(145)	-
	581	-
(v) Budgeted costs on units sold to be recognized		
(a) - Budgeted costs of units (without finance charges)	952,684	17,564
Incurred cost, net		
(b) - (-) Incurred construction costs	(670,834)	(4,237)
Finance charges	(13,453)	(18)
(c) - Terminations - construction costs	6,951	-
Terminations - finance charges	119	-
	(677,217)	(4,255)
2i) Budgeted costs to be recognized in profit or loss (without finance charges) (a+b+c)	288,802	17,564
Profit to be recognized (1i-2i)	203,832	21,284
(vi) Advances from customers	-	(273)
(vii) Budgeted costs to be recognized in inventories		
(a) – Budgeted cost of units (without finance charges)	350,670	225,839
(-) Incurred cost, net		
(b) - Incurred construction costs	(146,138)	(49,494)
Finance charges	(1,852)	(464)
	(147,989)	(49,958)
Budgeted costs to be recognized in inventories (without finance charges) (a+b)	204,532	176,345

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.

As at March 31, 2019, the percentage of assets consolidated in the interim financial information referring to projects included in the asset segregation structure was 65.54%.

27. RECONCILIATION OF FINANCING ACTIVITIES

a) Reconciliation of financing activities:

	Parent					
	Cash transactions			Noncash transactions		
	Opening balance 12/31/2017	New	Interest payment (a)	Principal repayment	Interest and inflation adjustment	Closing balance 03/31/2018
Borrowings (notes 11 and 12)	192,000	140,675	(670)	(40,133)	2,556	294,428
Intragroup loans (note 7.1)	(43,136)	(125)	-	-	-	(43,261)
Intragroup borrowings (note 7.1)	15,860	-	-	-	-	15,860
Total	164,724	140,550	(670)	(40,133)	2,556	267,027

	Parent						
	Cash transactions				Noncash transactions		
	Opening balance 12/31/2018	New	Interest payment (a)	Principal repayment	New	Interest and inflation adjustment/ PVA	Closing balance 03/31/2019
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 (note 17.4)	13,338	-	-	-	-	-	13,338
Lease – right of use (note 9)	-	-	-	(1,067)	26,544	245	25,722
Total	422,874	4,006	(5,910)	(10,248)	26,544	10,022	447,288

	Consolidated					
	Cash transactions			Noncash transactions		
	Opening balance 12/31/2017	New	Interest payment (a)	Principal repayment	Interest and inflation adjustment	Closing balance 03/31/2018
Borrowings (notes 11 and 12)	270,165	209,785	(2,093)	(104,213)	4,193	377,837
Intragroup loans (note 7.1)	(33,837)	(125)	-	-	-	(33,962)
Intragroup borrowings (note 7.1)	15,860	-	-	-	-	15,860
Total	252,188	209,660	(2,093)	(104,213)	4,193	359,735

	Consolidated						
	Cash transactions				Noncash transactions		
	Opening balance 12/31/2018	New	Interest payment (a)	Principal repayment	New	Interest and inflation adjustment	Closing balance 03/31/2019
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 (note 17.4)	13,338	-	-	-	-	-	13,338
Lease – right of use (note 9)	-	-	-	(1,067)	26,544	245	25,722
Total	521,316	67,961	(7,647)	(60,965)	26,544	12,207	559,416

(a) Interest paid and received is classified as financing activities because this classification is aligned with the Company's business model.

28. Events after the reporting period

28.1 - Fifth Issue of Debentures

On April 2, 2019, the Company received R\$150 million relating to the fifth issue of single series, simple, non-convertible, unsecured debentures. The period for repayment of the principal will be 50% on March 25, 2023 and 50% on March 25, 2024 and interest will be paid semiannually every September and March until maturity. Compensatory interest corresponds to the DI rate plus 1.4% per year. Funds will be used for the ordinary management of the Company, including to reinforce working capital and support its asset and liability structure.

28.2 – New share buyback plan

On April 9, 2019, the Board of Directors approved the share buyback plan effective for 12 months, beginning April 10, 2019, limited to 10,379,362 Company's common shares. The purpose of this program is to maximize the share price for shareholders.

(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, 2019, which comprises the balance sheet as at March 31, 2019 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 and consolidated interim financial information in accordance with CPC 21(R1) and IAS 34 - Interim Financial Reporting, applicable to real estate development entities in Brazil, issued by the Brazilian Securities Commission (CVM), applicable to the preparation of Interim Financial Information (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

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

Conclusion on the individual and consolidated interim financial information prepared in accordance with CPC 21(R1)

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

Conclusion on the consolidated interim financial information prepared in accordance with IAS 34

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 IAS 34, and presented in accordance with the standards issued by the Brazilian Securities Commission (CVM), applicable to the preparation of Interim Financial Information (ITR).

Emphasis of matter

We draw attention to note 2.1 to the individual and consolidated interim financial information, included in the ITR, which describes that this individual and consolidated interim financial information has been prepared in accordance with CPC 21 (R1) 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, abide by the understanding expressed by the CVM in Circular Letter/CVM/SNC/SEP 02/2018 on the application of the Brazilian standard on auditing NBC TG 47 (IFRS 15). 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, 2019, prepared under the responsibility of the Company's Management and presented as supplemental information for IAS 34 purposes. These statements were subject to the review procedures performed together with the review of the interim financial information 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 they 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 individual and consolidated interim financial information has been translated into English for the convenience of readers outside Brazil.

São Paulo, May 9, 2019

DELOITTE TOUCHE TOHMATSU

Auditores Independentes

Roberto Torres dos
Santos
Engagement Partner