

Construtora Tenda S.A.

Notes to the individual and consolidated
Interim financial information
For the period ended June 30, 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

2Q19 EARNINGS RELEASE

2Q19 net income increased 41.4% YoY. In the last 12 months, earnings per share grew by 65.6% YoY and ROE reached 19.3%. Adjusted gross margin reached 36.1% in another positive quarter in terms of cash generation, which totaled 26.2 million.

FOR IMMEDIATE RELEASE – São Paulo, August 8, 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 second quarter of 2019.

HIGHLIGHTS

- **Net income** of R\$73.0 million in 2Q19, up 41.4% YoY.
- **Earnings per share (ex-Treasury)** in the last twelve months up 65.6% YoY.
- **ROE** of 19.3% LTM, up to 1.5 p.p. QoQ and 5.7 p.p. YoY.
- **Cash generation** totaled R\$26.2 million in 2Q19 and capital structure remained unlevered, with a ratio of net debt to shareholders' equity of -23.1%.
- **Landbank** up to 33.2% YoY, totalling R\$9.50 billion in PSV.
- **13 projects** launched resulted in PSV 9.9% higher YoY and 53.6% QoQ.
- **Net pre-sales** of R\$479.9 million in 2Q19, with net SoS of 28.9%.
- Higher **PSV transferred** (+35.2% QoQ).

CONFERENCE CALL AND WEBCAST

Friday, August 9, 2019

9h00 a.m. (NY)

10h00 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 second quarter of 2019, Tenda presented solid financial results, while seeking to overcome the challenges posed by the changes implemented in the Minha Casa Minha Vida program, restrictions in clients' credit scoring in financial institutions and the postponement of CEF's annual real estate trade show (*Feirão da Caixa*). Among the commercial initiatives of this quarter, the Company invested in the first *Feiraço Tenda* (Tenda Trade Show), an event held between June 7 and 9 in five metropolitan areas. In a single weekend, the pre-sale of 369 units represented more than 9% of total units sold this quarter.

Despite this, net sales' PSV fell by 2.1% YTD, compared to the same period of the previous year. Lower average price of the units sold in 2019, one of the factors that hampered the PSV sold, was also decisive for the speed of sales (Net SoS) to remain high, closing the quarter at 28.9%. The Company still faces the challenge of achieving its net pre-sales guidance for the year, which is equivalent to a 5.4% to 16.2% YoY growth. The 9.9% YoY growth in PSV launched in 1H19 is still insufficient to ensure that the guidance will be met, leading Tenda to increase its efforts to make new products available on the shelf in the third quarter. Accordingly, the Company maintains its guidance on net pre-sales, assuming that the performance of launches in 3Q19 will be crucial for the projection (made at the beginning of the year) to materialize.

Adjusted gross margin in the first half of the year stood at 35.9%, close to the top of the guidance for the year (between 34.0% and 36.0%). On the one hand, the gradual reduction in sales prices and the increase in costs of the main building materials (steel and concrete) had a negative impact on the Company's margins - which is more evident in the 4.5 p.p. QoQ and a 5.8 p.p. YoY drop of the backlog margins. However, a crucial factor for the gross margin to be sustained at the top of the guidance were the results of the implementation of new collection initiatives at the Company, aimed at ensuring customer non-default and, consequently, at strengthening the balance sheet.

Cash generation remained positive, at R\$26.2 million, and net income increased to R\$ 73.0 million in 2Q19, up 41.4% YoY. Earnings per share (ex-treasury) reached R\$ 2.43 in the last twelve months, a 8.5% QoQ and a 65.6% YoY growth. In addition, LTM ROE reached 19.3%.

Regarding capital distribution, Tenda delivered R\$36.0 million to shareholders in the quarter (49% payout) and R\$181.6 million in the last twelve months (77% payout). The Company's distribution strategy so far has been to maintain a stock buyback program in place, seeking market buying opportunities and monitoring the number of shares held in Treasury to ensure the full execution of stock option-based compensation plans. In parallel to the repurchase, the Company must deliberate quarterly, with the Board, the anticipation of the minimum mandatory dividends.

For the second half of the year, Tenda remains attentive to the more restrictive environment for clients' credit approval under Minha Casa, Minha Vida conditions and also to rising construction costs, but believes that the regulatory scenario regarding the future of the program and the maintenance of FGTS as the main source of funding for low-income housing has been strengthened in recent months. Regarding Minha Casa Minha Vida, there are signals that the subsidized acquisition model (typical of brackets 1.5 and 2) is increasingly seen as the most sustainable way to address the country's housing deficit. As for the FGTS, initiatives proposed by the Government in July were aimed at maintaining the Fund as a more profitable source of savings for workers in the long run, as well as reinforcing its importance for the low-income housing program.

With an emphasis on operational excellence – that was proven again by a positive cash generation in this second quarter –, conservative capital structure with low leverage, and operational footprint only in metropolitan regions, where the housing deficit is disproportionate and the entry barrier is higher, Tenda remains focused on the goal of seeking the highest return for shareholders in this sector.

OPERATIONAL AND FINANCIAL HIGHLIGHTS

	2Q19	1Q19	QoQ (%)	2Q18	YoY (%)	1S19	1S18	YoY (%)
Operational Highlights (R\$ million, PSV)								
Launches	592.3	385.6	53.6% ↑	539.1	9.9% ↑	977.9	805.4	21.4% ↑
Net Pre-Sales	479.9	406.9	17.9% ↑	481.3	(0.3%) ↓	886.8	905.5	(2.1%) ↓
Sales over Supply (SoS) (%)	28.9%	27.5%	1.4 p.p. ↑	33.3%	(4.4 p.p.) ↓	42.8%	48.5%	(5.7 p.p.) ↓
PSV Transferred	466.0	344.7	35.2% ↑	448.9	3.8% ↑	810.6	862.0	(6.0%) ↓
Units Delivered (#)	3,236	1,536	110.7% ↑	3,720	(13.0%) ↓	4,772	5,124	(6.9%) ↓
Landbank	9,499.3	9,418.1	0.9% ↑	7,130.9	33.2% ↑	9,499.3	7,130.9	33.2% ↑
Landbank - Acquisitions / Adjustments	673.5	910.1	(26.0%) ↓	798.0	(15.6%) ↓	1,583.6	1,241.3	27.6% ↑
Financial Highlights (R\$ million)								
Net Revenue	489.1	409.3	19.5% ↑	399.1	22.6% ↑	898.4	765.1	17.4% ↑
Adjusted Gross Profit ¹	176.4	146.4	20.5% ↑	150.0	17.5% ↑	322.7	279.0	15.7% ↑
Adjusted Gross Margin ¹ (%)	36.1%	35.8%	0.3 p.p. ↑	37.6%	(1.5 p.p.) ↓	35.9%	36.5%	(0.5 p.p.) ↓
Adjusted EBITDA ²	95.3	69.9	36.4% ↑	68.3	39.4% ↑	165.1	126.6	30.5% ↑
Adjusted EBITDA Margin ² (%)	19.5%	17.1%	2.4 p.p. ↑	17.1%	2.4 p.p. ↑	18.4%	16.5%	1.8 p.p. ↑
Net Financial Result	2.4	0.3	820.5% ↑	3.4	(30.9%) ↓	2.6	6.6	(60.1%) ↓
Net Income (Loss) ³	73.0	49.8	46.6% ↑	51.6	41.4% ↑	122.7	87.9	39.7% ↑
Backlog Revenues	528.6	531.5	(0.5%) ↓	480.5	10.0% ↑	528.6	480.5	10.0% ↑
Backlog Results ⁴	200.2	225.1	(11.1%) ↓	209.8	(4.6%) ↓	200.2	209.8	(4.6%) ↓
Backlog Margin ⁴ (%)	37.9%	42.4%	(4.5 p.p.) ↓	43.7%	(5.8 p.p.) ↓	37.9%	43.7%	(5.8 p.p.) ↓
Cash and Cash Equivalents ⁵	1,045.9	854.5	22.4% ↑	656.8	59.2% ↑	1,045.9	656.8	59.2% ↑
Net Debt	(289.6)	(299.4)	3.3% ↑	(273.0)	(6.1%) ↓	(289.6)	(273.0)	(6.1%) ↓
Shareholders' Equity + Minority Shareholders	1,252.4	1,201.0	4.3% ↑	1,190.4	5.2% ↑	1,252.4	1,190.4	5.2% ↑
Net Debt / (SE + Minority) (%)	(23.1%)	(24.9%)	1.8 p.p. ↑	(22.9%)	(0.2 p.p.) ↓	(23.1%)	(22.9%)	(0.2 p.p.) ↓
Cash Generation ⁶	26.2	37.9	(30.9%) ↓	0.0	0.0% ↑	64.1	118.7	(46.0%) ↓
Operating Cash Generation ⁷	32.6	36.1	(9.7%) ↓	0.0	0.0% ↑	68.6	123.4	(44.4%) ↓
Net Income (Loss) (LTM)	235.1	213.8	10.0% ↑	154.8	51.9% ↑	235.1	154.8	51.9% ↑
NOPAT ⁸ (LTM)	260.9	235.2	10.9% ↑	180.0	45.0% ↑	260.9	180.0	45.0% ↑
Capital Employed ⁹	962.8	901.6	6.8% ↑	916.3	5.1% ↑	962.8	916.3	5.1% ↑
ROE ¹⁰ (LTM)	19.3%	17.8%	1.5 p.p. ↑	13.6%	5.7 p.p. ↑	19.3%	13.6%	5.7 p.p. ↑
ROCE ¹¹ (LTM)	27.8%	25.7%	2.1 p.p. ↑	18.6%	9.2 p.p. ↑	27.8%	18.6%	9.2 p.p. ↑
Earnings per share ¹² (12 months) (R\$/share) (ex-Treasury)	2.43	2.24	8.5% ↑	1.47	65.6% ↑	2.43	2.24	8.5% ↑

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.

10. 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%	36.1%	-	-	35.9%
Net Pre-Sales (R\$ million)	1,950.0	2,150.0	406.9	479.9	-	-	886.8

LAUNCHES

In 2Q19, Tenda launched 13 projects, totaling R\$592.3 million in PSV, up 9.9% YoY and 53.6% QoQ. This significant increase QoQ resulted in increased cash outflow to project development in this quarter. In the LTM, launches reached R\$2.09 billion in PSV.

9 of the 13 projects were launched in the metropolitan areas of São Paulo and Rio de Janeiro, accounting for 70% of the PSV launched in the quarter.

Launches ¹	2Q19	1Q19	QoQ (%)	2Q18	YoY (%)	1S19	1S18	YoY (%)
Number of Launches	13	10	30.0% ↑	15	(13.3%) ↓	23	23	0.0% ↑
PSV (R\$ million)	592.3	385.6	53.6% ↑	539.1	9.9% ↑	977.9	805.4	21.4% ↑
Number of units	4,072	2,631	54.8% ↑	4,052	0.5% ↑	6,703	5,904	13.5% ↑
Average price per unit (R\$ thousand)	145.4	146.6	(0.8%) ↓	133.0	9.3% ↑	145.9	136.4	6.9% ↑
Average size of launches (in units)	313	263	19.1% ↑	270	16.0% ↑	291	257	13.5% ↑

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\$536.9 million in 2Q19, up 1.7% YoY. Compared to 1Q19, gross sales were up 21.2% QoQ. Gross Sales over Supply ("Gross SoS") reached 32.3% in 2Q19, up 2.4 p.p. QoQ and down 4.3 p.p. YoY.

Gross Sales	2Q19	1Q19	QoQ (%)	2Q18	YoY (%)	1S19	1S18	YoY (%)
PSV (R\$ million)	536.9	443.0	21.2% ↑	528.1	1.7% ↑	979.9	999.4	(2.0%) ↓
Number of units	4,036	3,345	20.7% ↑	3,823	5.6% ↑	7,381	7,216	2.3% ↑
Average price per unit (R\$ thousand)	133.0	132.4	0.5% ↑	138.1	(3.7%) ↓	132.8	138.5	(4.1%) ↓
Gross SoS	32.3%	29.9%	2.4 p.p. ↑	36.6%	(4.3 p.p.) ↓	47.3%	53.5%	(6.2 p.p.) ↓

CANCELLATIONS AND NET PRE-SALES

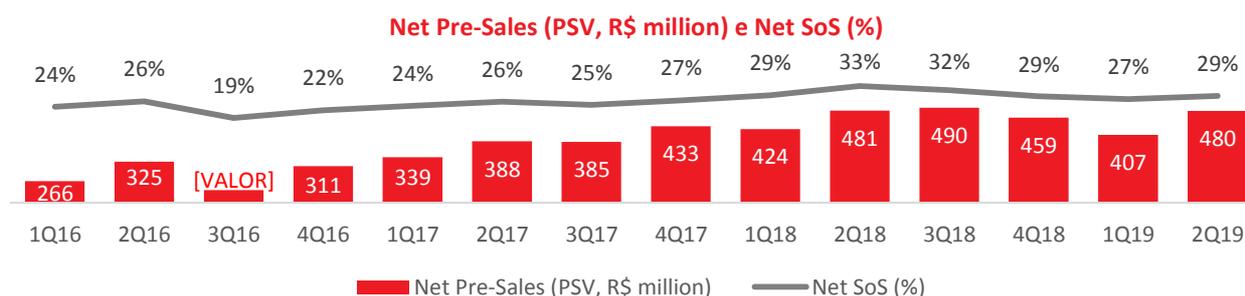
Net pre-sales totaled R\$479.9 million in 2Q19, in line with 2Q18 PSV despite the non-occurrence of CEF's annual real estate trade show (*feira*), which typically occurred in the second quarter. To mitigate this effect, Tenda promoted this year its own event, *Feiraço Tenda* (Tenda Trade Show). Net Sales over Supply ("Net SoS") reached 28.9% in 2Q19, up 1.4 p.p. QoQ but down 4.4 p.p. YoY. In addition to the non-occurrence of CEF's trade show, SoS was also impacted by the Company's lower participation in the bracket 1.5 of the Minha Casa, Minha Vida ("MCMV") program.

Cancellations as a percentage of gross sales increased to 10.6% as a result of the combination of the suspension of clients' transfers to banks at the end of 2018 and the change of MCMV rules in the beginning of 2019.

(PSV, R\$ million)	2Q19	1Q19	QoQ (%)	2Q18	YoY (%)	1S19	1S18	YoY (%)
Gross Sales	536.9	443.0	21.2% ↑	528.1	1.7% ↑	979.9	999.4	(2.0%) ↓
Cancellations	57.0	36.0	58.2% ↑	46.9	21.6% ↑	93.0	93.9	(0.9%) ↓
Net Pre-Sales	479.9	406.9	17.9% ↑	481.3	(0.3%) ↓	886.8	905.5	(2.1%) ↓
% Launches ¹	28.0%	4.4%	23.6 p.p. ↑	39.7%	(11.7 p.p.) ↓	17.2%	25.0%	(7.8 p.p.) ↓
% Inventory	72.0%	95.6%	(23.6 p.p.) ↓	60.3%	11.7 p.p. ↑	82.8%	75.0%	7.8 p.p. ↑
Cancellations / Gross Sales	10.6%	8.1%	2.5 p.p. ↑	8.9%	1.7 p.p. ↑	9.5%	9.4%	0.1 p.p. ↑
Net SoS	28.9%	27.5%	1.4 p.p. ↑	33.3%	(4.4 p.p.) ↓	42.8%	48.5%	(5.7 p.p.) ↓

(in units)	2Q19	1Q19	QoQ (%)	2Q18	YoY (%)	1S19	1S18	YoY (%)
Gross Units Sold	4,036	3,345	20.7% ↑	3,823	5.6% ↑	7,381	7,216	2.3% ↑
Cancelled Units	427	276	54.7% ↑	341	25.2% ↑	703	682	3.1% ↑
Net Units Sold	3,609	3,069	17.6% ↑	3,482	3.6% ↑	6,678	6,534	2.2% ↑
Cancellations / Gross Sales	10.6%	8.3%	2.3 p.p. ↑	8.9%	1.7 p.p. ↑	9.5%	9.5%	0.0 p.p.

1. Current year launches



UNITS TRANSFERRED, DELIVERED, AND CONSTRUCTION SITES

Transferred PSV totaled R\$466.0 million in 2Q19, up 35.2% QoQ and 3.8% YoY. During the second quarter, the transfer process was normalized. (In the first quarter, transfers were impacted by changes in banks' lending systems to reflect new MCMV rules and delays to provide access to MCMV funds).

3,236 units were delivered in 2Q19, down 13.0% YoY as some deliveries were postponed from June to July. This impact should be mitigated as early as the third quarter.

Transfers, Deliveries and Construction Sites	2Q19	1Q19	QoQ (%)	2Q18	YoY (%)	1S19	1S18	YoY (%)
PSV Transferred (in R\$ million)	466.0*	344.7	35.2% ↑	448.9	3.8% ↑	810.6	862.0	(6.0%) ↓
Transferred Units	3,944*	2,924	34.9% ↑	3,574	10.4% ↑	6,868	6,829	0.6% ↑
Delivered Units	3,236	1,536	110.7% ↑	3,720	(13.0%) ↓	4,772	5,124	(6.9%) ↓
Construction Sites	54	46	17.4% ↑	39	38.5% ↑	54	39	38.5% ↑

*Updated after preview of operating results. In the preview, PSV transferred and transferred units totaled R\$ 457.7 million and 3,908 units, respectively.

INVENTORY AT MARKET VALUE

Tenda ended 2Q19 with R\$1.18 billion in inventory at market value, 10.1% higher QoQ and 22.9 higher YoY. Finished inventory units ended 2Q19 with a 36.2% YoY decrease, totaling R\$60.1 million (5.1% of the total inventory). Inventory turnover is 7.7 months, similar to 2018 (when it ranged between 6.7 and 7.6 months).

Inventory at Market Value	2Q19	1Q19	QoQ (%)	2Q18	YoY (%)	1S19	1S18	YoY (%)
PSV (R\$ million)	1,183.4	1,075.0	10.1% ↑	963.0	22.9% ↑	1,183.4	963.0	22.9% ↑
Number of Units	7,998	7,503	6.6% ↑	7,247.0	10.4% ↑	7,998	7,247.0	10.4% ↑
Average price per unit (R\$ thousand)	148.0	143.3	3.3% ↑	132.9	11.4% ↑	148.0	132.9	11.4% ↑

Status of Construction	2Q19	Not Initiated	Up to 30% built	30% to 70% built	More than 70% built	Finished units
PSV (R\$ million)	1,183.4	569.3	219.5	261.7	72.8	60.1

LANDBANK

In 2Q19, landbank remained stable compared to the previous quarter. Total landbank of R\$9.50 billion in PSV means a 33.2% increase over 2Q18. Year to date figures show that the use of swaps has decreased when compared to the same period of 2018. With greater competition in strategic regions, the Company has increased cash outflows with land.

In this quarter, 15 projects were acquired, representing a potential launch of R\$673.5 million in 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	2Q19	1Q19	QoQ (%)	2Q18	YoY (%)	1S19	1S18	YoY (%)
Number of Projects	270	268	0.7% ↑	214	26.2% ↑	270	214	26.2% ↑
PSV (in R\$ million)	9,499.3	9,418.1	0.9% ↑	7,130.9	33.2% ↑	9,499.3	7,130.9	33.2% ↑
Acquisitions / Adjustments (in R\$ million)	673.5	910.1	(26.0%) ↓	798	(15.6%) ↓	1,583.6	1,241.3	27.6% ↑
Number of Units	64,846	64,084	1.2% ↑	49,123	32.0% ↑	64,846	49,123	32.0% ↑
Average price per unit (in R\$ thousands)	146.5	147.0	(0.3%) ↓	145.2	0.9% ↑	146.5	145.2	0.9% ↑
% Swap Total	26.2%	25.2%	1.0 p.p. ↑	27.9%	(1.7 p.p.) ↓	26.2%	27.9%	(1.7 p.p.) ↓
% Swap Units	11.7%	10.9%	0.8 p.p. ↑	14.4%	(2.7 p.p.) ↓	11.7%	14.4%	(2.7 p.p.) ↓
% Swap Financial	14.4%	14.3%	0.1 p.p. ↑	13.5%	0.9 p.p. ↑	14.4%	13.5%	0.9 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	23
Units launched	2,460	4,315	7,711	9,579	11,768	13,636	6,703
Total PSV (R\$ 000)	313.9	613.3	1,088.9	1,315.0	1,695.2	1,912.7	977.9
Units Sold	2,451	4,258	7,630	9,301	11,478	11,724	1,134
% Sold	99.6%	98.7%	98.9%	97.1%	97.5%	86.0%	16.9%
Avg SoS (Month)	8.6%	6.5%	8.3%	11.6%	12.9%	17.5%	8.0%
Units transferred	2,450	4,254	7,619	9,277	11,403	10,807	613
% Units transferred	99.6%	98.6%	98.8%	96.8%	96.9%	79.3%	9.1%
% Construction	100.0%	100.0%	100.0%	98.6%	98.1%	73.4%	9.7%

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	46.9
Gross Sales	249.0	1,091.9	874.4	508.0	228.3	143.1	58.7	75.3	20.8
Cancellations	467.8	1,166.2	583.0	414.1	120.8	90.0	43.9	17.4	6.8
Net Sales	(218.8)	(74.3)	291.4	93.9	107.5	53.1	14.8	57.9	13.9
Cancellations / Gross Sales	187.9%	106.8%	66.7%	81.5%	52.9%	62.9%	74.7%	23.1%	32.9%
Sales over Supply (SoS)	(23.0%)	(9.9%)	37.8%	20.5%	32.2%	25.5%	10.1%	49.9%	22.9%
Gross SoS	702.9	1,182.6	900.3	459.9	214.6	145.2	108.7	55.9	7.1
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	547.2	324.5	211.4	123.7	118.7
Accounts Receivable ¹	1,465.9	1,233.5	623.3	317.8	232.0	117.0	47.6	31.6	43.3
AR Clients	1,465.9	1,233.5	623.3	306.4	223.7	97.7	19.9	12.4	21.4
AR Landbank Sold	ND ²	ND ²	ND ²	11.4	8.3	19.2	27.6	19.2	21.9
Inventory ²	1,051.0	856.2	529.1	437.2	315.2	207.5	163.9	92.1	75.4
Inventory	1,023.8	730.8	421.3	332.7	213.7	132.3	99.1	55.7	41.2
Landbank for Sale	27.2	125.4	107.8	104.5	101.5	75.2	64.8	36.4	34.2
Other Operating Revenues and Expenses	(60.3)	(47.8)	(24.8)	(62.2)	(52.6)	(36.7)	(98.5)	(81.5)	(27.3)
Litigation Expenses	(15.2)	(17.5)	(18.1)	(51.2)	(27.3)	(21.2)	(51.8)	(53.9)	(15.2)
Other	(45.2)	(30.3)	(6.7)	(11.0)	(25.3)	(15.5)	(46.7)	(27.6)	(12.1)
Net Revenue	439.3	1,069.1	722.5	273.8	168.3	(52.2)	7.2	76.5	26.1
Gross Profit	(281.9)	130.4	27.0	(3.1)	(29.2)	(87.0)	(70.5)	(32.5)	2.4
Gross Margin	(64.2%)	12.2%	3.7%	(1.1%)	(17.4%)	NA ²	(979.8%)	(42.6%)	9.1%

1. Managerial information

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

NET OPERATING REVENUE

Net operating revenue totaled R\$489.1 million in 2Q19, an increase of 22.6% YoY and of 19.5% QoQ. In addition to sales performance, changes in internal collection processes, such as adjustments to incentives and the implementation of more robust systems, allowed the reversal of estimated losses on doubtful accounts.

(R\$ million)	2Q19	1Q19	QoQ (%)	2Q18	YoY (%)	1S19	1S18	YoY (%)
Gross Operating Revenues	494.3	428.7	15.3% ↑	422.8	16.9% ↑	923.0	799.6	15.4% ↑
Reversal (constitution) of estimated losses on doubtful accounts	6.4	(0.1)	5,818.8% ↑	(10.5)	161.0% ↑	6.3	(13.4)	146.8% ↑
Provision for cancellations	(3.0)	(9.7)	69.7% ↑	(2.3)	(26.9%) ↓	(12.7)	(1.5)	(760.0%) ↓
Taxes on sales of properties and services	(8.7)	(9.5)	(9.4%) ↓	(10.9)	(20.9%) ↓	(18.2)	(19.5)	(6.8%) ↓
Net Operating Revenue	489.1	409.3	19.5% ↑	399.1	22.6% ↑	898.4	765.1	17.4% ↑

GROSS PROFIT

Gross profit totaled R\$166.4 million in 2Q18, up 15.7% YoY, resulting in a gross margin of 34.0%, 2.0 p.p. lower YoY. Adjusted by capitalized interest rates, gross profit totaled R\$176.4 million in 2Q19, resulting in an adjusted gross margin of 36.1%, 0.1 p.p. above the top of the guidance for the year (between 34.0% and 36.0%).

(R\$ million)	2Q19	1Q19	QoQ (%)	2Q18	YoY (%)	1S19	1S18	YoY (%)
Net Revenue	489.1	409.3	19.5% ↑	399.1	22.6% ↑	898.4	765.1	17.4% ↑
Gross Profit	166.4	140.5	18.4% ↑	143.8	15.7% ↑	307.0	267.5	14.7% ↑
Gross Margin	34.0%	34.3%	(0.3 p.p.) ↓	36.0%	(2.0 p.p.) ↓	34.2%	35.0%	(0.8 p.p.) ↓
(-) Financial Costs	9.9	5.8	70.1% ↑	6.2	59.7% ↑	15.8	11.5	37.4% ↑
Adjusted Gross Profit¹	176.4	146.4	20.5% ↑	150.0	17.5% ↑	322.7	279.0	15.7% ↑
Adjusted Gross Margin	36.1%	35.8%	0.3 p.p. ↑	37.6%	(1.5 p.p.) ↓	35.9%	36.5%	(0.5 p.p.) ↓

1. Adjusted by capitalized interest rates.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES (SG&A)

In 2Q19, selling expenses totaled R\$37.5 million, up 5.0% YoY. Selling expenses represented 7.0% of gross sales, up 0.2 p.p. YoY. The lower share of MCMV bracket 1.5 sales and the promotion of the *Feiraço Tenda* (Tenda Trade Show) in June were the main events that resulted in higher selling expenses.

General and administrative expenses (“G&A”) accounted for 6.3% of net operating revenues in 2Q19, a decrease of 0.9 p.p. QoQ and 0.4 p.p. YoY.

(R\$ million)	2Q19	1Q19	QoQ (%)	2Q18	YoY (%)	1S19	1S18	YoY (%)
Selling Expenses	(37.5)	(32.8)	14.4% ↑	(35.7)	5.0% ↑	(70.3)	(67.4)	4.2% ↑
General & Admin Expenses	(30.6)	(29.1)	5.2% ↑	(26.5)	15.5% ↑	(59.7)	(60.5)	(1.4%) ↓
Total SG&A Expenses	(68.1)	(61.9)	10.1% ↑	(62.2)	9.5% ↑	(129.9)	(127.9)	1.6% ↑
Gross Sales	536.9	443.0	21.2% ↑	528.1	1.7% ↑	979.9	999.4	(2.0%) ↓
Launches	592.3	385.6	53.6% ↑	539.1	9.9% ↑	977.9	805.4	21.4% ↑
Net Operating Revenue	489.1	409.3	19.5% ↑	399.1	22.6% ↑	898.4	765.1	17.4% ↑
Selling Expenses / Gross Sales	7.0%	7.4%	(0.4 p.p.) ↓	6.8%	0.2 p.p. ↑	7.2%	6.7%	0.4 p.p. ↑
G&A Expenses / Launches	5.2%	7.5%	(2.4 p.p.) ↓	4.9%	0.3 p.p. ↑	6.1%	7.5%	(1.4 p.p.) ↓
G&A Expenses / Net Operating Revenue	6.3%	7.1%	(0.9 p.p.) ↓	6.6%	(0.4 p.p.) ↓	6.6%	7.9%	(1.3 p.p.) ↓

OTHER OPERATIONAL REVENUES (EXPENSES)

Other operating revenues and expenses totaled R\$ 13.5 million in expenses in 2Q19, down 35.1% YoY and 15.2% QoQ.

(R\$ million)	2Q19	1Q19	QoQ (%)	2Q18	YoY (%)	1S19	1S18	YoY (%)
Other Operating Revenues and Expenses	(13.5)	(15.9)	(15.2%) ↓	(20.8)	(35.1%) ↓	(29.4)	(35.7)	(17.4%) ↓
Litigation Expenses	(5.2)	(12.4)	(58.3%) ↓	(14.3)	(64.0%) ↓	(17.5)	(24.6)	(28.8%) ↓
Others	(8.4)	(3.6)	133.4% ↑	(6.5)	28.0% ↑	(11.9)	(11.1)	7.7% ↑
Equity Income	(0.2)	(1.2)	(81.9%) ↓	0.5	149.7% ↑	(1.5)	0.5	373.4% ↑

ADJUSTED EBITDA

In 2Q19, the Company's adjusted EBITDA totaled R\$95.3 million, an increase of 39.4% YoY, due to the increase in the net income for the period.

(R\$ million)	2Q19	1Q19	QoQ (%)	2Q18	YoY (%)	1S19	1S18	YoY (%)
Net Income	73.0	49.8	46.6% ↑	51.6	41.4% ↑	122.7	87.9	39.7% ↑
(+) Financial result	(2.4)	(0.3)	(820.5%) ↓	(3.4)	30.9% ↑	(2.6)	(6.6)	60.1% ↑
(+) Income taxes and social contribution	9.2	6.5	41.8% ↑	6.3	46.4% ↑	15.8	12.9	22.1% ↑
(+) Depreciation and amortization	4.9	4.7	3.5% ↑	6.4	(24.5%) ↓	9.5	9.8	(2.8%) ↓
(+) Capitalized interests	9.9	5.8	70.1% ↑	6.2	59.7% ↑	15.8	11.5	37.4% ↑
(+) Expenses with Stock Option Plan	0.7	2.5	(70.9%) ↓	0.9	(14.8%) ↓	3.3	10.6	(69.4%) ↓
(+) Minority Shareholders	(0.1)	0.8	(108.5%) ↓	0.4	(118.3%) ↓	0.7	0.5	46.8% ↑
Adjusted EBITDA¹	95.3	69.9	36.4% ↑	68.3	39.4% ↑	165.1	126.6	30.5% ↑
Net Revenue	489.1	409.3	19.5% ↑	399.1	22.6% ↑	898.4	765.1	17.4% ↑
Adjusted EBITDA Margin¹	19.5%	17.1%	2.4 p.p. ↑	17.1%	2.4 p.p. ↑	18.4%	16.5%	1.8 p.p. ↑

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

FINANCIAL RESULTS

In 2Q19, Tenda posted a financial result of R\$2.4 million.

(R\$ million)	2Q19	1Q19	QoQ (%)	2Q18	YoY (%)	1S19	1S18	YoY (%)
Financial Income	15.2	12.1	26.5% ↑	10.9	40.1% ↑	27.3	20.5	33.0% ↑
Financial Expenses	(12.9)	(11.8)	9.0% ↑	(7.4)	72.9% ↑	(24.7)	(13.9)	77.2% ↑
Financial Results	2.4	0.3	820.5% ↑	3.4	(30.9%) ↓	2.6	6.6	(60.1%) ↓

NET INCOME

In 2Q19, Tenda posted net income of R\$73.0 million, an increase of 41.4% YoY due to the combination of 15.7% YoY growth in gross profit and the 2.6% YoY decrease in operating expenses. Net income grew 46.6% QoQ.

Earnings per share ex-Treasury in the last twelve months totaled R\$2.43, up 65.6% YoY and 8.5% QoQ.

(R\$ million)	2Q19	1Q19	QoQ (%)	2Q18	YoY (%)	1S19	1S18	YoY (%)
Net Income after Income Tax and Social Contribution	72.9	50.5	44.2% ↑	52.0	40.3% ↑	123.4	88.3	39.7% ↑
(-) Minority shareholders	0.1	(0.8)	108.5% ↑	(0.4)	118.3% ↑	(0.7)	(0.5)	(46.8%) ↓
Net Income	73.0	49.8	46.6% ↑	51.6	41.4% ↑	122.7	87.9	39.7% ↑
Net Margin	14.9%	12.2%	2.8 p.p. ↑	12.9%	2.0 p.p. ↑	13.7%	11.5%	2.2 p.p. ↑
Earnings per share (R\$/share) ¹	2.25	2.05	10.0% ↑	1.43	57.7% ↑	2.25	2.05	10.0% ↑
Earnings per share (R\$/share) (ex-Treasury) ²	2.43	2.24	8.5% ↑	1.47	65.6% ↑	2.43	2.24	8.5% ↑

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.

*LTM:

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



BACKLOG RESULTS

Backlog margin at 37.9%, down 4.5 p.p. QoQ and 5.8 p.p. YoY. Increased credit restrictions for clients and changes in MCMV bracket 1.5 led to a change in pricing policy (the average price of units sold dropped 4.1% YoY in 1H19). In addition, the rising costs of the main building materials (steel and concrete) also had a negative impact on the backlog margin.

(R\$ million)	June 19	March 19	QoQ (%)	June 18	YoY (%)
Backlog Revenues	528.6	531.5	(0.5%) ↓	480.5	10.0% ↑
Backlog Costs (of Units Sold)	(328.4)	(306.4)	7.2% ↑	(270.6)	21.3% ↑
Backlog Results¹	200.2	225.1	(11.1%) ↓	209.8	(4.6%) ↓
Backlog Margin	37.9%	42.4%	(4.5 p.p.) ↓	43.7%	(5.8 p.p.) ↓

1. Comprises the projects restricted by precedent condition.

CASH AND CASH EQUIVALENTS, AND FINANCIAL INVESTMENTS

(R\$ million)	June 19	March 19	QoQ (%)	June 18	YoY (%)
Cash & Cash Equivalents	69.5	67.5	3.0% ↑	33.3	108.8% ↑
Short-term Investments	976.4	787.1	24.1% ↑	623.6	56.6% ↑
Total Cash Position	1,045.9	854.5	22.4% ↑	656.8	59.2% ↑

ACCOUNTS RECEIVABLE FROM DEVELOPMENTS AND SERVICES RENDERED

The Company totaled R\$529.5 million in accounts receivable, up 4.2% QoQ and 23.4% YoY. The strategic repositioning of the Company's collection activities reduced the provision for doubtful accounts in 2019. The balance of accounts receivable is equivalent to 107 days of net operating revenue, an indicator that has remained stable in recent quarters.

(R\$ million)	June 19	March 19	QoQ (%)	June 18	YoY (%)
Until 2019 ¹	310.1	415.2	(25.3%) ↓	500.3	(38.0%) ↓
2020	298.7	185.7	60.8% ↑	36.2	724.6% ↑
2021	36.6	32.6	12.2% ↑	20.7	76.5% ↑
2022	23.1	21.0	10.2% ↑	12.7	82.1% ↑
2023	12.0	10.1	18.4% ↑	5.9	104.0% ↑
2024 and beyond	9.3	7.4	25.2% ↑	0.0	0.0% ↑
Total Accounts Receivable	689.8	672.1	2.6% ↑	575.8	19.8% ↑
(-) Present value adjustment	(8.3)	(8.3)	(0.1%) ↓	(11.0)	24.7% ↑
(-) Provision for doubtful accounts	(124.2)	(130.6)	4.9% ↑	(112.5)	(10.4%) ↓
(-) Provision for cancellations	(27.8)	(24.9)	(11.9%) ↓	(23.2)	(20.0%) ↓
Accounts Receivable	529.5	508.3	4.2% ↑	429.2	23.4% ↑
Days of Accounts Receivable	107	108	(1.0%) ↓	106	0.9% ↑

1. Overdue and falling due.

Amounts of not transferred receivables net of provisions paid in installments directly to the Company ("Tenda Receivables") increased 27.7% YoY, in line with the increase in accounts receivable (+ 23.4% YoY). "Tenda Receivables" as a % of accounts receivable and backlog revenues grew 2.1 p.p. YoY, mainly driven by increased credit restrictions in 2019.

Accounts Receivable Tenda ¹ (R\$ million)	June 19	March 19	QoQ (%)	June 18	YoY (%)
Before delivery to buyer (Pro-Soluto)	47.9	38.6	24.0% ↑	37.5	27.8% ↑
After delivery to buyer (TCD)	201.8	176.4	14.4% ↑	158.1	27.6% ↑
Tenda Receivables	249.7	215.1	16.1% ↑	195.6	27.7% ↑
Total accounts receivable	529.5	508.3	4.2% ↑	429.2	23.4% ↑
Backlog Revenues	528.6	531.5	(0.5%) ↓	480.5	10.0% ↑
Tenda Receivables / (Total accounts receivable + Backlog Revenues)	23.6%	20.7%	2.9 p.p. ↑	21.5%	2.1 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 2Q19 with a gross debt of R\$756.1 million, duration of 31.0 months and weighted average cost of debt of 7.8% per year. 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. 79.4% of the Company's gross debt is indexed at CDI; therefore, the outlook for declining local interest rates (Selic) should also support the reduction of the weighted average cost in the coming quarters.

The Company's gross debt is lower than the cash position, cash equivalents and financial investments, which totaled R\$1.05 billion at the end of 1Q19.

Debt Maturity Schedule (R\$ million)	2Q19	Project Finance (SFH)	Corporate Debt
2019	9.4	3.7	5.8
2020	20.4	20.4	0.0
2021	412.6	67.6	345.0
2022	106.5	56.5	50.0
2023	132.4	7.4	125.0
2024 onwards	75.0	0.0	75.0
Total Debt	756.3	155.6	600.7
Duration (in months)	31.0		

Debt Breakdown (R\$ million)	Maturity	Charges (APY)	Balance Due June 19	Balance Due March 19
Total			756.3	555.1
CRI	until 01/2021	CDI + 0.90%	295.0	295.0
Debenture	until 09/2023	CDI + 1.75%	153.6	146.6
Debenture	until 03/2024	CDI + 1.40%	152.2	0.0
SFH	until 12/2023	TR + 8.3% to 9.5%	155.6	112.7
CCB	until 06/2019	Based on INCC-DI	0.0	0.9

Weighted Average Cost of Debt (R\$ million)	Balance Due June 19	Balance Due / Total Debt	Average Cost (APY)
CDI	600.7	79.4%	CDI + 1.24%
TR	155.6	20.6%	TR + 8.3%
Total	756.3	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 23.1%, thus being one of the most deleveraged companies in its sector.

(R\$ million)	June 19	March 19	QoQ (%)	June 18	YoY (%)
Gross Debt	756.3	555.1	36.3% ↑	383.8	97.1% ↑
(-) Cash and cash equivalents and financial investments	(1,045.9)	(854.5)	22.4% ↑	(656.8)	59.2% ↑
Net Debt	(289.6)	(299.4)	3.3% ↑	(273.0)	(6.1%) ↓
Shareholders' Equity + Minority Shareholders	1,252.4	1,201.0	4.3% ↑	1,190.4	5.2% ↑
Net Debt/ (Shareholders' Equity + Minority Shareholders)	(23.1%)	(24.9%)	1.8 p.p. ↑	(22.9%)	(0.2 p.p.) ↓
Adjusted EBITDA (Last 12 months)	327.0	295.0	10.9% ↑	233.6	40.0% ↑

CASH GENERATION AND CAPITAL DISTRIBUTION

To assist with the long-term goal of keeping the Company's leverage closer to 0% while maintaining a conservative but more balanced capital structure, several capital distribution initiatives have been promoted. In 2Q19, Tenda distributed R\$36.0 million to shareholders – R\$25.1 million in dividends referring to prior earnings and R\$ 10.9 million in stock buybacks. 2Q19 capital distribution decreased 31.0% QoQ and 51.4% YoY. In the last 12 months, Tenda distributed R\$181.6 million to shareholders, equivalent to a payout of 77%.

In parallel to the stock buyback program, the Company must deliberate quarterly, with the Board, the anticipation of the minimum mandatory dividends.

(R\$ million)	2Q19	1Q19	QoQ (%)	2Q18	YoY (%)
Stock buyback	10.9	51.5	(78.8%) ↓	73.2	(85.1%) ↓
Dividends paid	25.1	0.0	-	0.0	-
Capital Distribution	36.0	51.5	(30.1%) ↓	73.2	(50.8%) ↓
(R\$ million, last 12 months)	2Q19	1Q19	QoQ (%)	2Q18	YoY (%)
Stock buyback	131.5	193.8	(32.2%) ↓	73.2	79.5% ↑
Dividends paid	50.1	25.0	100.4% ↑	0.0	0.0% ↑
Capital Distribution	181.6	218.8	(17.0%) ↓	73.2	147.9% ↑

In 2Q19, cash generation totaled R\$26.2 million, down 30.9% QoQ and 58.9% YoY.

(R\$ million)	June 19	March 19	QoQ (%)	June 18	YoY (%)
Change in Available Cash	191.4	(1.1)	18,263.3% ↑	(3.6)	5,486.6% ↑
(-) Change in Gross Debt	201.3	12.6	1,500.1% ↑	6.0	3,267.9% ↑
(-) Capital Distribution	36.0	51.5	(30.1%) ↓	73.2	(50.8%) ↓
Cash Generation¹	26.2	37.9	(30.9%) ↓	63.7	(58.9%) ↓
Operational Cash Generation ²	32.6	36.1	(9.7%) ↓	67.4	(51.7%) ↓

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 Share Buyback and Dividends Paid

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

INCOME STATEMENT

(R\$ million)	2Q19	1Q19	QoQ (%)	2Q18	YoY (%)	1S19	1S18	YoY (%)
Net Revenue	489.1	409.3	19.5% ↑	399.1	22.6% ↑	898.4	765.1	17.4% ↑
Operating Costs	(322.7)	(268.8)	20.0% ↑	(255.2)	26.4% ↑	(591.5)	(497.6)	18.9% ↑
Gross Profit	166.4	140.5	18.4% ↑	143.8	15.7% ↑	307.0	267.5	14.7% ↑
Gross Margin	34.0%	34.3%	(0.3 p.p.) ↓	36.0%	(2.0 p.p.) ↓	34.2%	35.0%	(0.8 p.p.) ↓
Operating Expenses	(86.7)	(83.7)	3.5% ↑	(89.0)	(2.6%) ↓	(170.4)	(172.9)	(1.4%) ↓
Selling Expenses	(37.5)	(32.8)	14.4% ↑	(35.7)	5.0% ↑	(70.3)	(67.4)	4.2% ↑
General and Administrative Expenses	(30.6)	(29.1)	5.2% ↑	(26.5)	15.5% ↑	(59.7)	(60.5)	(1.4%) ↓
Other Operating Revenue/Expenses	(13.5)	(15.9)	(15.2%) ↓	(20.8)	(35.1%) ↓	(29.4)	(35.7)	(17.4%) ↓
Depreciation and Amortization	(4.9)	(4.7)	3.5% ↑	(6.4)	(24.5%) ↓	(9.5)	(9.8)	(2.8%) ↓
Equity Income	(0.2)	(1.2)	81.9% ↑	0.5	(149.7%) ↓	(1.5)	0.5	(373.4%) ↓
Operational Result	79.8	56.8	40.4% ↑	54.8	45.5% ↑	136.6	94.7	44.3% ↑
Financial Income	15.2	12.1	26.5% ↑	10.9	40.1% ↑	27.3	20.5	33.0% ↑
Financial Expenses	(12.9)	(11.8)	9.0% ↑	(7.4)	72.9% ↑	(24.7)	(13.9)	77.2% ↑
Net Income Before Taxes on Income	82.1	57.1	43.9% ↑	58.3	41.0% ↑	139.2	101.3	37.5% ↑
Deferred Income Taxes	(1.7)	0.0	(85,100.0%) ↓	(0.7)	(153.4%) ↓	(1.7)	(1.4)	(17.5%) ↓
Current Income Taxes	(7.5)	(6.5)	15.7% ↑	(5.6)	33.7% ↑	(14.1)	(11.5)	22.7% ↑
Net Income After Taxes on Income	72.9	50.5	44.2% ↑	52.0	40.3% ↑	123.4	88.3	39.7% ↑
(-) Minority Shareholders	0.1	(0.8)	108.5% ↑	(0.4)	118.3% ↑	(0.7)	(0.5)	(46.8%) ↓
Net Income	73.0	49.8	46.6% ↑	51.6	41.4% ↑	122.7	87.9	39.7% ↑

BALANCE SHEET

(R\$ million)	June 19	March 19	QoQ (%)	June 18	YoY (%)
Current Assets	2,158.3	1,877.3	15.0% ↑	1,680.1	28.5% ↑
Cash and cash equivalents	69.5	67.5	3.0% ↑	33.3	108.8% ↑
Short term investments	976.4	787.1	24.1% ↑	623.6	56.6% ↑
Receivables from clients	380.1	357.3	6.4% ↑	306.5	24.0% ↑
Properties for sale	685.9	630.6	8.8% ↑	666.8	2.9% ↑
Other accounts receivable	46.4	35.0	32.7% ↑	50.0	(7.2%) ↓
Non-Current Assets	711.5	737.9	(3.6%) ↓	503.6	41.3% ↑
Receivables from clients	149.4	151.1	(1.1%) ↓	122.7	21.8% ↑
Properties for sale	496.3	526.9	(5.8%) ↓	321.8	54.2% ↑
Other	65.8	60.0	9.7% ↑	59.1	11.3% ↑
Intangible, Property and Equipment	97.8	94.0	4.1% ↑	61.4	59.3% ↑
Investments	37.9	38.1	(0.5%) ↓	66.0	(42.5%) ↓
Total Assets	3,005.6	2,747.4	9.4% ↑	2,311.1	30.1% ↑
Current Liabilities	539.6	516.3	4.5% ↑	429.8	25.6% ↑
Loans and financing	7.8	7.6	2.3% ↑	8.3	(5.6%) ↓
Debentures	18.4	0.7	2,680.7% ↑	0.0	0.0% ↑
Obligations for purchase of land and advances from customers	310.9	284.9	9.1% ↑	237.4	30.9% ↑
Material and service suppliers	48.3	46.4	4.2% ↑	29.7	62.7% ↑
Taxes and contributions	27.4	27.2	0.7% ↑	27.8	(1.3%) ↓
Other	126.8	149.5	(15.2%) ↓	126.6	0.1% ↑
Non-current liabilities	1,213.6	1,030.1	17.8% ↑	690.9	75.6% ↑
Loans and financing	147.8	105.9	39.6% ↑	102.8	43.8% ↑
Debentures	582.3	440.9	32.1% ↑	272.7	113.5% ↑
Obligations (land purchases) and advances from customers	390.8	389.0	0.5% ↑	225.8	73.1% ↑
Deferred taxes	9.7	8.0	21.2% ↑	7.4	31.4% ↑
Provision for contingencies	29.8	33.7	(11.4%) ↓	30.6	(2.4%) ↓
Other creditors	0.0	0.0	0.0% ↑	0.0	0.0% ↑
Other	53.2	52.6	1.1% ↑	51.6	3.0% ↑
Shareholders' Equity	1,252.4	1,201.0	4.3% ↑	1,190.4	5.2% ↑
Shareholders' Equity	1,251.4	1,200.0	4.3% ↑	1,184.8	5.6% ↑
Minority Shareholders	0.9	1.0	(6.6%) ↓	5.5	(83.0%) ↓
Total Liabilities and Shareholders' Equity	3,005.6	2,747.4	9.4% ↑	2,311.1	30.1% ↑

CASH FLOW STATEMENT

(R\$ million)	2Q19	1Q19	QoQ (%)	2Q18	YoY (%)	1S19	1S18	YoY (%)
Cash from (used in) operating activities	42.4	48.9	(13.3%) ↓	73.8	(42.6%) ↓	91.3	130.4	(30.0%) ↓
Net Income (loss) before taxes	82.1	57.1	43.9% ↑	58.3	41.0% ↑	139.2	101.3	37.5% ↑
Depreciation and amortization	7.5	7.0	7.3% ↑	8.3	(8.9%) ↓	14.6	13.4	8.8% ↑
Provision (reversal) for doubtful accounts and cancellations	(6.2)	5.7	(208.7%) ↓	9.9	(162.3%) ↓	(0.5)	15.1	(103.3%) ↓
Present value adjustment	0.0	(1.7)	100.6% ↑	1.4	(99.3%) ↓	(1.7)	0.1	(1,270.8%) ↓
Impairment	(0.3)	(2.3)	85.1% ↑	(2.0)	83.3% ↑	(2.6)	(4.2)	37.3% ↑
Equity income	0.2	1.2	(81.9%) ↓	(0.5)	149.7% ↑	1.5	(0.5)	373.4% ↑
Provision for contingencies	(8.1)	5.6	(243.6%) ↓	1.4	(675.7%) ↓	(2.5)	(1.8)	(37.1%) ↓
Unrealized interest and charges, net	4.2	2.2	90.4% ↑	2.8	51.5% ↑	6.4	1.1	482.2% ↑
Warranty provision	1.1	0.3	246.4% ↑	(5.4)	119.6% ↑	1.4	4.4	(69.1%) ↓
Profit sharing provision	5.7	3.3	75.9% ↑	5.6	2.0% ↑	9.0	10.6	(14.9%) ↓
Stock option plan expenses	0.7	2.5	(70.9%) ↓	0.9	(14.8%) ↓	3.3	10.6	(69.4%) ↓
Other provisions	(0.1)	(0.6)	89.2% ↑	0.9	(107.8%) ↓	(0.7)	1.3	(155.3%) ↓
Deferred income tax and social contribution	(0.3)	0.1	(518.5%) ↓	1.7	(120.3%) ↓	(0.3)	1.6	(116.2%) ↓
Clients	(17.7)	(40.8)	56.6% ↑	(16.1)	(10.1%) ↓	(58.5)	(47.4)	(23.4%) ↓
Properties for sale	(24.5)	(64.7)	62.1% ↑	(5.2)	(369.0%) ↓	(89.2)	13.4	(767.5%) ↓
Other accounts receivable	(16.8)	(1.0)	(1,673.6%) ↓	1.9	(975.3%) ↓	(17.8)	3.6	(591.8%) ↓
Suppliers	1.9	24.9	(92.2%) ↓	1.0	89.7% ↑	26.9	6.9	287.1% ↑
Taxes and contributions	0.4	(0.0)	9,725.0% ↑	11.3	(96.6%) ↓	0.4	11.8	(96.8%) ↓
Salaries, payroll charges and bonus provision	(11.8)	1.8	(743.3%) ↓	(12.4)	4.1% ↑	(10.0)	(11.1)	9.9% ↑
Obligations for purchase of real properties	30.6	54.9	(44.2%) ↓	25.6	19.7% ↑	85.5	19.5	337.4% ↑
Other accounts payable	1.5	(1.5)	196.8% ↑	2.5	(41.5%) ↓	(0.0)	2.3	(102.1%) ↓
Current account operations	0.0	1.1	(99.9%) ↓	0.6	(99.8%) ↓	1.1	1.9	(40.1%) ↓
Taxes paid	(7.6)	(6.3)	(20.8%) ↓	(18.6)	59.0% ↑	(14.0)	(23.5)	40.6% ↑
Cash from (used in) investment activities	(191.6)	34.9	(649.6%) ↓	(11.1)	(1,627.6%) ↓	(156.7)	(165.3)	5.2% ↑
Purchase of property and equipment	(11.4)	(9.4)	(21.4%) ↓	(8.2)	(39.0%) ↓	(20.8)	(11.4)	(83.0%) ↓
Investments in marketable securities and restricted credits	(827.4)	(168.2)	(391.8%) ↓	(305.9)	(170.5%) ↓	(995.7)	(660.6)	(50.7%) ↓
Redemption of securities, sureties and credits	647.3	212.5	204.6% ↑	303.0	113.6% ↑	859.8	506.7	69.7% ↑
Cash from (used in) financing activities	151.2	(50.6)	399.1% ↑	(74.6)	302.8% ↑	100.7	28.9	248.8% ↑
Stock Buyback	(10.9)	(51.5)	78.8% ↑	(73.2)	85.1% ↑	(62.5)	(73.2)	14.7% ↑
Capital Reserve Increase	0.4	1.6	(72.4%) ↓	1.0	(56.1%) ↓	2.1	1.1	90.4% ↑
Dividends Paid	(25.1)	0.0	0.0% ↑	0.0	0.0% ↑	(25.1)	0.0	0.0% ↑
Loans and financing increase	290.8	68.2	326.7% ↑	106.9	172.1% ↑	359.0	316.7	13.4% ↑
Amortization of loans and financing	(102.7)	(67.5)	(52.1%) ↓	(109.0)	5.8% ↑	(170.3)	(215.3)	20.9% ↑
Loans and financing increase	(0.9)	(1.1)	18.0% ↑	0.0	0.0% ↑	(1.9)	0.0	0.0% ↑
Loan operations	(0.4)	(0.2)	(114.0%) ↓	(0.2)	(126.5%) ↓	(0.6)	(0.3)	(100.0%) ↓
Net increase (decrease) in cash and cash equivalents	2.1	33.2	(93.8%) ↓	(11.8)	117.4% ↑	35.2	(6.1)	678.1% ↑
At the beginning of the period	67.5	34.3	96.7% ↑	45.1	49.6% ↑	34.3	39.4	(12.9%) ↓
At the end of the period	69.5	67.5	3.0% ↑	33.3	108.8% ↑	69.5	33.3	108.8% ↑

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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	
		06/30/2019	12/31/2018	06/30/2019	12/31/2018
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	4.1	37,011	11,674	69,507	34,287
Securities	4.2	783,501	597,775	976,439	821,272
Receivables from developments and services provided	5	48,311	61,574	380,084	317,515
Properties for sale	6	89,334	90,188	685,881	570,773
Due from related parties	7.1	3,749	3,081	3,004	7,797
Escrow deposits	16.2	9,709	10,705	9,977	10,987
Other receivables		14,327	13,445	33,441	25,229
Total current assets		985,942	788,442	2,158,333	1,787,860
NONCURRENT ASSETS					
Receivables from developments and services provided	5	31,651	27,683	149,420	158,181
Properties for sale	6	41,646	52,808	496,301	515,993
Due from related parties	7.1	44,440	43,812	35,141	34,513
Escrow deposits	16.2	29,806	19,519	30,629	20,032
Investments in equity interests	8	1,126,162	964,356	37,941	39,376
Property and equipment	9	69,636	37,181	73,289	39,018
Intangible assets	10	24,559	26,066	24,559	26,066
Total noncurrent assets		1,367,900	1,171,425	847,280	833,179
TOTAL ASSETS		2,353,842	1,959,867	3,005,613	2,621,039

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

	Notes	Parent		Consolidated	
		06/30/2019	12/31/2018	06/30/2019	12/31/2018
LIABILITIES AND EQUITY					
CURRENT LIABILITIES					
Borrowings and financing	11	1,090	993	7,810	6,744
Debentures	12	18,436	3,344	18,436	3,344
Lease – right of use	9	3,136	-	3,136	-
Payables for materials and services		12,819	6,381	48,305	21,449
Taxes and contributions		10,014	11,559	27,393	26,951
Payroll, related taxes and profit sharing	13	8,386	12,180	44,009	45,024
Payables for purchase of properties and advances from customers	14	5,857	10,641	310,877	258,240
Provisions and contract terminations payable		4,323	4,730	8,035	8,476
Due to related parties	7.1	330,124	156,342	24,011	21,801
Allowance for loss on investments	8	12,094	11,448	5,761	5,728
Dividends payable	17.4	64	13,338	64	13,338
Other payables		5,221	6,497	8,624	9,706
Provision for contingencies	16.1	31,027	30,100	33,174	32,782
Total current liabilities		442,591	267,553	539,635	453,583
NONCURRENT LIABILITIES					
Borrowings and financing	11	10,198	14,646	147,798	98,038
Debentures	12	582,291	434,365	582,291	434,365
Lease – right of use	9	21,947	-	21,947	-
Payables for purchase of properties and advances from customers	14	3,116	4,415	390,818	361,302
Provision for contingencies	16.1	27,903	30,016	29,834	32,690
Deferred income tax and social contribution	15	-	-	9,678	7,833
Other payables		14,361	11,199	31,233	29,454
Total noncurrent liabilities		659,816	494,641	1,213,599	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	34,538	69,999	34,538	69,999
Earnings reserve		123,052	123,052	123,052	123,052
Treasury shares	17.3	(112,562)	(90,889)	(112,562)	(90,889)
Retained earnings (accumulated losses)		110,896	-	110,896	-
Equity attributable to the Company's owners		1,251,435	1,197,673	1,251,435	1,197,673
Noncontrolling interests		-	-	944	6,101
Total equity		1,251,435	1,197,673	1,252,379	1,203,774
TOTAL LIABILITIES AND EQUITY		2,353,842	1,959,867	3,005,613	2,621,039

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

	Notes	Parent		Consolidated					
		04/01/2019 to 06/30/2019	01/01/2019 to 06/30/2019	04/01/2018 to 06/30/2018	01/01/2018 to 06/30/2018	04/01/2019 to 06/30/2019	01/01/2019 to 06/30/2019	04/01/2018 to 06/30/2018	01/01/2018 to 06/30/2018
NET REVENUE	21	34,446	108,445	58,476	127,506	489,099	898,413	399,074	765,147
COSTS	22	(35,557)	(91,061)	(44,919)	(86,786)	(322,667)	(591,457)	(255,246)	(497,647)
GROSS PROFIT		(1,111)	17,384	13,557	40,720	166,432	306,956	143,828	267,500
(EXPENSES) INCOME									
Selling expenses	22	(3,943)	(8,719)	(5,629)	(11,307)	(37,502)	(70,275)	(35,717)	(67,425)
General and administrative expenses	22	(5,953)	(16,675)	(8,811)	(24,015)	(30,587)	(59,665)	(26,489)	(60,500)
Share of profit (loss) of investees	8	99,591	167,042	77,714	124,582	(225)	(1,468)	453	537
Other income (expenses) - net	22	(16,110)	(35,744)	(26,997)	(45,023)	(18,361)	(38,982)	(27,258)	(45,462)
PROFIT BEFORE FINANCE INCOME (COSTS)		72,474	123,288	49,834	84,957	79,757	136,566	54,817	94,650
FINANCE INCOME (COSTS)		491	(570)	1,188	2,898	2,384	2,643	3,449	6,618
Finance income	23	11,507	20,684	7,556	14,562	15,246	27,300	10,886	20,533
Finance costs	23	(11,016)	(21,254)	(6,368)	(11,664)	(12,862)	(24,657)	(7,437)	(13,915)
PROFIT BEFORE INCOME TAX AND SOCIAL CONTRIBUTION		72,965	122,718	51,022	87,855	82,141	139,209	58,266	101,268
INCOME TAX AND SOCIAL CONTRIBUTION		(6)	(6)	562	-	(9,249)	(15,772)	(6,316)	(12,919)
Current income tax and social contribution	15	(7)	(7)	562	-	(7,549)	(14,074)	(5,645)	(11,474)
Deferred income tax and social contribution	15	1	1	-	-	(1,700)	(1,698)	(671)	(1,445)
PROFIT FOR THE PERIOD		72,959	122,712	51,584	87,855	72,892	123,437	51,950	88,349
PROFIT FOR THE PERIOD ATTRIBUTABLE TO:									
Owners of the Company		72,959	122,712	51,584	87,855	72,959	122,712	51,584	87,855
Noncontrolling interests						(67)	725	366	494
EARNINGS PER SHARE ATTRIBUTABLE TO COMPANY OWNERS									
Basic earnings per thousand shares – in reais	19	0.7597	1.2778	0.4818	0.8206	0.7597	1.2778	0.4818	0.8206
Diluted earnings per thousand shares – in reais	19	0.6954	1.1696	0.4470	0.7613	0.6954	1.1696	0.4470	0.7613

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

	Parent				Consolidated			
	04/01/2019 to 06/30/2019	01/01/2019 to 06/30/2019	04/01/2018 to 06/30/2018	01/01/2018 to 06/30/2018	04/01/2019 to 06/30/2019	01/01/2019 to 06/30/2019	04/01/2018 to 06/30/2018	01/01/2018 to 06/30/2018
PROFIT FOR THE PERIOD	72,959	122,712	51,584	87,855	72,892	123,437	51,950	88,349
Other comprehensive income	-	-	-	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	72,959	122,712	51,584	87,855	72,892	123,437	51,950	88,349
COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO:								
Owners of the Company	72,959	122,712	51,584	87,855	72,959	122,712	51,584	87,855
Noncontrolling interests	-	-	-	-	(67)	725	366	494
	72,959	122,712	51,584	87,855	72,892	123,437	51,950	88,349

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

Attributable to owners of the Company									
	Notes	Capital	Capital reserve	Treasury shares	Earnings reserve	Retained earnings (accumulated losses)	Total Parent	Noncontrolling interests	Total equity
BALANCES AS AT DECEMBER 31, 2017									
Capital reserve		1,094,171	103,434	-	-	(38,913)	1,158,692	5,047	1,163,739
Share issuance costs	17.1	-	1,089	-	-	-	1,089	-	1,089
Recognized stock options granted	17.2	(199)	-	-	-	-	(199)	-	(199)
Treasury shares		-	-	(73,242)	-	-	(73,242)	-	(73,242)
Profit for the period		-	-	-	-	87,855	87,855	494	88,349
BALANCES AS AT JUNE 30, 2018									
		1,093,972	115,160	(73,242)	-	48,942	1,184,832	5,541	1,190,373
BALANCES AS AT DECEMBER 31, 2018									
Capital decrease		1,095,511	69,999	(90,889)	123,052	-	1,197,673	6,101	1,203,774
Increase of capital reserve		-	-	-	-	-	-	(5,882)	(5,882)
Recognized stock options granted	17.2	-	2,073	-	-	-	2,073	-	2,073
Share buyback	17.3	-	3,259	-	-	-	3,259	-	3,259
Stock option exercise		-	-	(62,466)	-	-	(62,466)	-	(62,466)
Interim dividends	17.4	-	(40,793)	40,793	-	-	-	-	-
Profit for the period		-	-	-	-	(11,816)	(11,816)	-	(11,816)
Profit for the period		-	-	-	-	122,712	122,712	725	123,437
BALANCES AS AT JUNE 30, 2019									
		1,095,511	34,538	(112,562)	123,052	110,896	1,251,435	944	1,252,379

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

	Notes	Parent		Consolidated	
		06/30/2019	06/30/2018	06/30/2019	06/30/2018
CASH FLOWS FROM OPERATING ACTIVITIES					
PROFIT BEFORE INCOME TAX AND SOCIAL CONTRIBUTION		122,718	87,855	139,209	101,268
Adjustments for:					
Depreciation and amortization	9 and 10	14,269	13,362	14,562	13,381
Estimated allowance for (reversal of) doubtful debts and contract terminations (net of termination costs)	5 and 6	(7,951)	290	(495)	15,116
Present value adjustment	5	(302)	(71)	(1,686)	144
Allowance for impairment of nonfinancial assets	6 and 8	(2,626)	(4,043)	(2,625)	(4,184)
Share of profit (loss) of investees	8	(167,042)	(124,582)	1,468	(537)
Provision for (reversal) contingencies and commitments	16	(1,186)	296	(2,464)	(1,797)
Unrealized interest and finance charges, net		3,311	3,910	6,369	1,094
Provision for warranties		106	28	1,357	4,386
Accrued profit sharing	22	4,463	5,127	8,987	10,566
Stock option costs	17.2	3,259	10,637	3,259	10,637
Disposal of property and equipment and intangible assets, net	9 and 10	-	15	-	15
Other provisions		(662)	(556)	(696)	1,259
Deferred taxes (PIS and COFINS)		(765)	(4,669)	(258)	1,595
Decrease (increase) in operating assets					
Receivables from developments and services provided		18,351	9,183	(58,506)	(47,418)
Properties and land for sale		13,985	27,902	(89,247)	13,371
Other receivables		(10,173)	5,656	(17,799)	3,619
Increase (decrease) in operating liabilities					
Payables for materials and services		6,438	2,792	26,856	6,938
Taxes and contributions		(619)	238	381	11,803
Payroll, related taxes and profit sharing		(8,257)	(8,131)	(10,002)	(11,105)
Payables for purchase of properties and advances from customers		(6,229)	(1,093)	85,488	19,544
Other payables		1,868	5,170	(48)	2,330
Related-party transactions		178,996	105,208	1,121	1,870
Income tax and social contribution paid		-	-	(13,966)	(23,505)
Net cash provided by operating activities		161,952	134,524	91,265	130,390
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of tangible and intangible assets	9 and 10	(18,673)	(10,451)	(20,782)	(11,358)
Investments in securities		(823,711)	(491,194)	(995,690)	(660,632)
Redemption of securities		654,390	342,428	859,766	506,650
Net cash used in investing activities		(187,994)	(159,217)	(156,706)	(165,340)
CASH FLOWS FROM FINANCING ACTIVITIES					
Share buyback		(62,466)	(73,242)	(62,466)	(73,242)
Increase of capital reserve		2,073	1,089	2,073	1,089
Payment of lease – right of use		(1,942)	-	(1,942)	-
Dividends paid		(25,090)	-	(25,090)	-
Borrowings, financing and debentures		160,385	153,717	358,974	316,671
Repayment of borrowings, financing and debentures - principal		(14,876)	(62,704)	(160,391)	(211,286)
Payment of borrowings, financing and debentures - interest		(6,077)	(1,163)	(9,869)	(4,060)
Intragroup loans		(628)	(314)	(628)	(314)
Net cash used in (provided by) financing activities		51,379	17,383	100,661	28,858
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		25,337	(7,310)	35,220	(6,092)
CASH AND CASH EQUIVALENTS					
At the beginning of the period		11,674	19,480	34,287	39,377
At the end of the period		37,011	12,170	69,507	33,285
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		25,337	(7,310)	35,220	(6,092)

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

	Parent		Consolidated	
	06/30/2019	06/30/2018	06/30/2019	06/30/2018
REVENUES				
Real estate development and sale	101,037	133,108	922,999	799,597
Estimated allowance for (reversal of) doubtful debts and contract terminations	8,754	1,408	(6,384)	(14,921)
	109,791	134,516	916,615	784,676
INPUTS PURCHASED FROM THIRD PARTIES				
Operating costs - real estate development and sale	(84,608)	(80,247)	(570,666)	(482,602)
Supplies, power, outside services and other inputs	(40,541)	(51,079)	(60,311)	(71,181)
	(125,149)	(131,326)	(630,977)	(553,783)
GROSS VALUE ADDED	(15,358)	3,190	285,638	230,893
RETENTIONS				
Depreciation and amortization	(14,269)	(13,362)	(14,564)	(13,381)
WEALTH CREATED BY THE COMPANY	(29,627)	(10,172)	271,074	217,512
WEALTH RECEIVED IN TRANSFER				
Share of profit (loss) of investees	167,042	124,582	(1,468)	537
Finance income	21,687	15,269	28,557	21,505
	188,729	139,851	27,089	22,042
WEALTH FOR DISTRIBUTION	159,102	129,679	298,163	239,554
WEALTH DISTRIBUTED				
Employees and payroll taxes	9,338	18,123	84,035	79,485
Direct compensation	7,782	16,798	65,285	65,745
Benefits	1,187	816	12,685	8,076
Payroll taxes	369	509	6,065	5,664
TAXES, FEES AND CONTRIBUTIONS	4,085	9,050	50,270	46,331
Federal	4,085	8,631	50,086	45,754
Municipal	-	419	184	577
LENDERS AND LESSORS				
Interest and leases	22,967	14,651	40,421	25,389
SHAREHOLDERS	122,712	87,855	123,437	88,349
Dividends	11,816	-	11,816	-
Retained earnings	110,896	87,855	110,896	87,855
Offset profit (losses) attributable to noncontrolling interests	-	-	725	494

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 and <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 August 8, 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 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.

New and revised standards and interpretations	Effective beginning
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	
	06/30/2019	12/31/2018	06/30/2019	12/31/2018
Cash and banks	2,937	4,192	30,928	24,284
Bank certificate of deposit	34,074	7,482	38,579	10,003
Cash and cash equivalents (note 21.b.i)	37,011	11,674	69,507	34,287

4.2 Securities

	Parent		Consolidated	
	06/30/2019	12/31/2018	06/30/2019	12/31/2018
Fixed-income funds	-	-	1,748	1,705
Exclusive funds (a)	732,258	576,233	789,798	704,956
Repurchase transactions	18,134	34	18,134	34
Bank certificate of deposit (b)	20,468	403	21,974	1,149
Restricted short-term investments (c)	12,641	21,105	144,785	113,428
Total securities (note 21.b.i)	783,501	597,775	976,439	821,272

(a) Exclusive funds

	Parent		Consolidated	
	06/30/2019	12/31/2018	06/30/2019	12/31/2018
National Treasury Bills (LTN)	231,119	203,422	256,566	271,935
Bank Certificates of Deposit (CDBs)	34,748	16,188	34,748	20,940
Financial Treasury Bill (LFT)	344,216	221,742	376,309	277,200
Private securities	116,870	115,873	116,870	115,873
Repurchase transactions	5,305	19,008	5,305	19,008
Total exclusive funds	732,258	576,233	789,798	704,956

- (b) As at June 30, 2019, the Bank Certificates of Deposit (CDBs) include interest earned through the end of the reporting period, ranging from 65% 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	
	06/30/2019	12/31/2018	06/30/2019	12/31/2018
Receivables from real estate development and sales	123,023	145,054	664,499	605,803
(-) Estimated allowance for doubtful debts (a)	(55,763)	(64,311)	(124,185)	(130,478)
(-) Allowance for contract terminations	(5,977)	(6,183)	(27,803)	(15,126)
(-) Present value adjustment	(1,683)	(1,985)	(8,297)	(9,983)
Receivables from land sales and services provided	20,362	16,682	25,290	25,480
	79,962	89,257	529,504	475,696
Current	48,311	61,574	380,084	317,515
Noncurrent	31,651	27,683	149,420	158,181

- a) In the quarter, the Company adjusted its internal collection procedures, such as: change in incentives and higher operational focus on the customer portfolio past due for more than 360 days. The estimated allowance for doubtful debts has decreased significantly upon adoption of these new procedures.

The aging list of trade receivables is as follows:

Maturity	Parent		Consolidated	
	06/30/2019	12/31/2018	06/30/2019	12/31/2018
Past due				
Up to 90 days	844	1,547	7,887	10,395
91-180 days	898	488	7,428	15,290
More than 180 days (a)	40,803	35,185	67,022	58,873
Subtotal – past due	42,545	37,220	82,337	84,558
Current				
2019	46,077	93,284	227,779	386,287
2020	32,708	15,501	298,701	98,320
2021	10,505	6,077	36,597	28,261
2022	5,246	4,445	23,108	19,027
2023 onwards	6,304	5,209	21,267	14,830
Subtotal – current	100,840	124,516	607,452	546,725
(-) Present value adjustment	(1,683)	(1,985)	(8,297)	(9,983)
(-) Estimated allowance for doubtful debts and contract terminations	(61,740)	(70,494)	(151,988)	(145,604)
	79,962	89,257	529,504	475,696

- (a) Of the amount past due for more than 180 days, amounts being transferred to financial institutions total R\$14,700 in Parent and R\$26,686 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 June 30, 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	(670)	(1,544)	355	(1,859)
Reversals	642	2,980	(2,053)	1,569
Balance as at June 30, 2018	(55,975)	(8,773)	7,849	(56,899)
Balance as at December 31, 2018	(64,311)	(6,183)	5,300	(65,194)
Additions	(4,052)	(1,296)	1,216	(4,132)
Reversals	13,037	1,502	(2,019)	12,520
Write-off	(437)	-	-	(437)
Balance as at June 30, 2019	(55,763)	(5,977)	4,497	(57,243)

	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	(17,693)	(9,253)	5,599	(21,347)
Reversals	4,246	7,779	(5,794)	6,231
Balance as at June 30, 2018	(112,454)	(23,162)	20,180	(115,436)
Balance as at December 31, 2018	(130,478)	(15,126)	13,862	(131,742)
Additions	(14,820)	(20,048)	11,223	(23,645)
Reversals	23,208	7,371	(4,344)	26,235
Write-off	(2,095)	-	-	(2,095)
Balance as at June 30, 2019	(124,185)	(27,803)	20,741	(131,247)

The total adjustment to present value recognized in revenue for real estate development for the period ended June 30, 2019 was R\$302 (R\$71 in June 2018), in Parent, and R\$1,686 (R\$144 in June 2018) in consolidated.

The discount rate applied by the Company and its subsidiaries was 2.49% for June 30, 2019 (3.93% in 2018, net of INCC).

6. PROPERTIES FOR SALE

	Parent		Consolidated	
	06/30/2019	12/31/2018	06/30/2019	12/31/2018
Land	61,818	77,245	939,731	852,831
Land held for sale	23,234	29,119	42,872	47,003
Properties under construction	35,439	23,022	207,171	189,098
Cost of properties in the recognition of the allowance for contract terminations (note 5)	4,497	5,300	20,741	13,862
Completed units	12,406	17,458	37,895	44,647
(-) Present value adjustment in land purchases	(230)	(338)	(54,994)	(46,816)
(-) Impairment of properties for sale	(1,352)	(3,977)	(1,687)	(4,312)
(-) Impairment of land held for sale	(4,832)	(4,833)	(9,547)	(9,547)
	130,980	142,996	1,182,182	1,086,766
Current	89,334	90,188	685,881	570,773
Noncurrent	41,646	52,808	496,301	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 June 30, 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\$106,629 (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 June 30, 2019 was R\$5,146 (R\$6,696 as at June 30, 2018) in Parent and R\$31,447 (R\$23,132 as at June 30, 2018) in consolidated.

7. RELATED PARTIES

7.1 Related-party balances

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

	Parent		Consolidated	
	06/30/2019	12/31/2018	06/30/2019	12/31/2018
Assets				
Subsidiaries				
Related parties' current account (a)	3,715	3,047	-	-
Loan receivable (c)	9,299	9,299	-	-
Total subsidiaries	13,014	12,346	-	-
Joint ventures				
Related parties' current account (a)	34	34	3,004	7,797
Loan receivable (c)	35,141	34,513	35,141	34,513
Total	35,175	34,547	38,145	42,310
Total assets	48,189	46,893	38,145	42,310
Current	3,749	3,081	3,004	7,797
Noncurrent	44,440	43,812	35,141	34,513

	Parent		Consolidated	
	06/30/2019	12/31/2018	06/30/2019	12/31/2018
Liabilities				
Subsidiaries				
Related parties' current account (b)	306,113	134,541	-	-
Total subsidiaries	306,113	134,541	-	-
Joint ventures				
Related parties' current account (b)	24,011	21,801	24,011	21,801
Total	24,011	21,801	24,011	21,801
Total liabilities	330,124	156,342	24,011	21,801
Current	330,124	156,342	24,011	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
	06/30/2019	12/31/2018	06/30/2019	12/31/2018		
Subsidiaries						
Fit 09 SPE Empr. Imob. Ltda. (b)	9,299	9,299	-	-	Construction	120% to 126.5% p.a. of CDI
Loans to subsidiaries	9,299	9,299	-	-		
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)	17,994	17,775	17,994	17,775	Construction	100% of CDI
Acedio SPE Empr. Imobiliários Ltda. (b)	4,980	4,571	4,980	4,571	Construction	100% of CDI
Loans to joint ventures	35,141	34,513	35,141	34,513		
	44,440	43,812	35,141	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\$492,556 as at June 30, 2019 (R\$493,490 as at December 31, 2018).

8. INVESTMENTS IN EQUITY INTERESTS

(i) Equity interests:

Subsidiaries	Parent		Consolidated	
	06/30/2019	12/31/2018	06/30/2019	12/31/2018
Wholly-owned	1,080,261	911,820	-	-
Due to management of material operations	3,774	8,929	-	-
Capitalized interest	4,186	4,231	-	-
	<u>1,088,221</u>	<u>924,980</u>	-	-
Joint ventures	37,941	39,376	37,941	39,376
	<u>1,126,162</u>	<u>964,356</u>	<u>37,941</u>	<u>39,376</u>

Variations in investments

	Parent	Consolidated
Balance as at December 31, 2017	909,627	65,417
Share of profit (loss) of investees	124,582	537
Return of advance for future capital increase	(9)	-
Allowance for (reversal of) investment losses	(2,311)	-
Balance as at June 30, 2018	<u>1,031,889</u>	<u>65,954</u>
Balance as at December 31, 2018	964,356	39,376
Share of profit (loss) of investees	167,042	(1,468)
Capital decrease	(5,882)	-
Allowance for investment losses	646	33
Balance as at June 30, 2019	<u>1,126,162</u>	<u>37,941</u>

Breakdown of investments as at June 30, 2019

EQUITY INTERESTS AS AT 06/30/2019

Subsidiaries	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
AC PART. LTDA.	1,193	21	37	90	1,087		51	100%	51	1,087
ASPLENUM EMP. MOB. LTDA.	3,109	1,522	172	169	4,290		251	100%	251	4,290
CITÁ VILLE SPE EMP. MOB. LTDA.	5,570	84	1,251	249	4,154		1,454	50%	726	2,078
COTIA 1 EMP. MOB. LTDA.	1,579	96	148	-	1,527		(90)	100%	(90)	1,527
FIT 01 SPE EMP. MOB. LTDA.	785	46	70	-	761		65	100%	65	761
FIT 02 SPE EMP. MOB. LTDA.	10,987	1,413	466	876	11,058		1,560	100%	1,560	11,058
FIT 03 SPE EMP. MOB. LTDA.	95	-	1	-	94		(9)	100%	(9)	94
FIT 06 SPE EMP. MOB. LTDA.	9,041	-	-	-	9,041		31	100%	31	9,041
FIT 07 SPE EMP. MOB. LTDA.	502	4	302	15	189		(144)	100%	(144)	189
FIT 10 SPE EMP. MOB. LTDA.	1,221	156	351	-	1,026		(169)	100%	(169)	1,026
FIT 11 SPE EMP. MOB. LTDA.	1,891	8	191	27	1,681		(135)	100%	(135)	1,681
FIT 12 SPE EMP. MOB. LTDA.	271	43	101	4	209		(150)	100%	(150)	209
FIT 16 SPE EMP. MOB. LTDA.	2,927	128	160	-	2,895		(297)	100%	(297)	2,895
FIT 24 SPE EMP. MOB. LTDA.	11	-	-	-	11		(6)	100%	(6)	11
FIT 25 SPE EMP. MOB. LTDA.	1,791	33	407	-	1,417		(673)	100%	(673)	1,417
FIT 31 SPE EMP. MOB. LTDA.	3,987	-	218	-	3,769		947	100%	947	3,769
FIT 32 SPE EMP. MOB. LTDA.	3,153	171	75	-	3,249		154	100%	154	3,249
FIT 34 SPE EMP. MOB. LTDA.	17,183	-	2	-	17,181		6	100%	6	17,181
FIT 35 SPE EMP. MOB. LTDA.	38	46	5	-	79		(117)	100%	(117)	79
FIT 37 SPE EMP. MOB. LTDA.	105	6	6	-	105		5	100%	5	105
FIT 38 SPE EMP. MOB. LTDA.	49	16	3	-	62		(10)	100%	(10)	62
FIT 39 SPE EMP. MOB. LTDA.	20	11	21	-	10		6	100%	6	10
FIT 40 SPE EMP. MOB. LTDA.	1,084	24	33	13	1,062		64	100%	64	1,062
FIT 42 SPE EMP. MOB. LTDA.	145	21	20	-	146		38	100%	38	146
FIT PALLADIUM SPE EMP. MOB. LTDA.	6	6	9	-	3		(18)	100%	(18)	3
FIT ROLAND GARRIOS EMP. MOB. LTDA.	-	-	-	-	-		-	100%	-	-
JD. SÃO LUÍZ SPE INCORP. LTDA.	64,847	2,113	267	187	66,506		573	100%	573	66,506
MÁRIA INÊS SPE EMP. MOB. LTDA.	608	-	38	-	570		90	100%	90	570
MÁRIO COVAS SPE EMP. MOB. LTDA.	99	-	34	-	65		83	100%	83	65
SPE TENDA SP ITAQUERA LIFE EMP. MOB. LTDA.	269	-	2	-	267		(9)	100%	(9)	267
SPE TENDA SP JUIZ. SÃO LUÍZ LIFE EMP. MOB. LTDA.	209	26	22	-	213		17	100%	17	213
SPE TENDA SP OSASCO LIFE EMP. MOB. LTDA.	919	-	6	-	913		(3)	100%	(3)	913
SPE TENDA SP SALVADOR DALI EMP. MOB. LTDA.	95	7	1	-	101		(2)	100%	(2)	101
SPE TENDA SP VALÊNCIA EMP. MOB. LTDA.	444	8	1	-	451		(1)	100%	(1)	451
SPE TENDA SP VILA PARK EMP. MOB. LTDA.	732	-	187	-	545		4	100%	4	545
TDA NEG. MOB. LTDA.	316	-	-	-	316		21	100%	21	316
TENDA 25 SPE EMP. MOB. LTDA.	2,424	-	-	-	2,424		2	70%	1	1,697
TENDA 28 SPE EMP. MOB. LTDA.	2,438	-	43	-	2,395		918	100%	918	2,395
TENDA 30 SPE EMP. MOB. LTDA.	415	4	350	-	69		(82)	100%	(82)	69
TENDA 46 SPE EMP. MOB. LTDA.	26,684	-	3,172	21,547	1,965		(9)	100%	(9)	1,965
TENDA NEG. MOB. S/A	1,306,257	567,533	403,048	530,411	940,331		164,095	100%	164,095	940,331
TND NEG. MOB. LTDA.	4,738	-	137	-	4,601		1,916	100%	1,916	4,601
Capitalized interest	-	-	-	-	-		-	-	(44)	4,186
Total Subsidiaries	<u>1,478,237</u>	<u>573,546</u>	<u>411,357</u>	<u>553,588</u>	<u>1,086,838</u>		<u>170,427</u>		<u>169,654</u>	<u>1,088,221</u>
Joint ventures										
SPE FRANEFÉ GARFISA 08 EMP. MOB. LTDA.	15,313	9,997	1,668	3,627	20,015	2	(302)	50%	(151)	10,007
GRAND PARK PO. PÁSSAROS EMP. MOB. LTDA.	2,874	6,269	1,010	1,758	6,375	4	(2,205)	50%	(1,102)	3,188
FIT 13 SPE EMP. MOB. LTDA.	17,871	3,567	1,655	-	19,783	-	77	50%	37	9,892
OPESA PROJ. 02 EMP. MOB. SPE LTDA.	18,311	-	126	70	18,115	(0)	35	50%	17	9,058
FIT JD. BOTÂNICO SPE EMP. MOB. LTDA.	9,148	-	124	1	9,023	0	81	55%	45	4,963
IMBUI I SPE EMP. MOB. LTDA.	897	11	162	616	130	(0)	(328)	50%	(165)	65
ACECIO SPE EMP. MOB. LTDA.	6,532	-	455	4,980	1,097	-	-	55%	-	602
CITTA IPTANGA SPE EMP. MOB. S. LTDA.	1,107	2	391	386	332	0	246	50%	123	166
Consolidated	<u>72,053</u>	<u>19,846</u>	<u>5,591</u>	<u>11,438</u>	<u>74,670</u>	<u>7</u>	<u>(2,396)</u>		<u>(1,196)</u>	<u>37,941</u>
Total Parent	<u>1,550,290</u>	<u>593,392</u>	<u>416,948</u>	<u>565,026</u>	<u>1,161,708</u>	<u>7</u>	<u>168,031</u>		<u>168,458</u>	<u>1,126,162</u>

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 os investees	Investment Balance	
TENDA NEG. IMOB. S/A	980,493	560,740	319,972	445,024	776,237	288,691	100%	288,691	776,237	
JD. SÃO LUIZ SPE INCOOP. LTDA	63,445	3,069	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%	2,392	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	962	77	45	16	998	(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 INÊS SPE EMP. IMOB. LTDA	528	-	49	-	479	(183)	100%	(183)	479	
SPE TENDA SP VALENCIA 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 VILLE 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	-	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	
TD 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	468,969	928,712	276,130		274,382	924,980	
Joint Venture	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 os investees	Investment Balance
SPE FRANFIRE GAFISA 08 EMP. IMOB. LTDA	15,808	9,797	2,094	3,194	20,317	2,476	(1,629)	50%	(815)	10,159
GRAND PARK P.Q. PÁSSAROS EMP. IMOB. LTDA	6,216	4,935	1,081	1,490	5,880	4,261	3,733	50%	1,867	4,290
FIT 13 SPE EMP. IMOB. LTDA	18,855	3,506	655	-	19,706	-	6	50%	3	9,853
CIPESA PROJ. 02 EMP. IMOB. SPE LTDA	18,217	-	79	58	18,080	(54)	(34)	50%	(17)	9,040
FIT JD. BOTANICO SPE EMP. IMOB. LTDA	9,017	-	73	2	8,942	151	379	55%	208	4,918
IMBUII SPE EMP. IMOB. LTDA	992	11	137	408	458	(80)	(272)	50%	(136)	229
ACEDIO SPE EMP. IMOB. LTDA	5,679	-	11	4,571	1,097	-	(263)	55%	(146)	603
CITTA ITAPUÁ EMP. IMOB. SPE LTDA	2,778	9	538	1,768	481	205	(95)	50%	(47)	241
CITTA IPITANGA SPE EMP. IMOB. LTDA	1,114	2	381	649	86	11	(55)	50%	(27)	43
Consolidated	76,676	18,260	5,049	12,140	77,747	6,970	1,770		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 June 30, 2019

ALLOWANCE FOR INVESTMENT LOSSES AS AT JUN/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
FIT 22 SPE EMP. IMOB. LTDA	-	-	27	-	-	(27)	(6)	100%	(6)
TENDA 35 SPE PART. S/A	1	-	38	-	-	(37)	-	100%	(37)
SPE TENDA SP GUANANAZES LIFE EMP. IMOB. LTDA	4	13	16	-	1	1	2	100%	2
FIT BILD 09 SPE EMP. IMOB. LTDA	2,724	-	863	9,303	(7,442)	(7)	75%	(6)	(5,582)
TENDA 24 SPE PART. S.A.	-	-	1	-	(1)	-	100%	-	(1)
TENDA 47 SPE EMP. IMOB. LTDA	-	-	2	-	(2)	-	100%	-	(2)
TENDA SPE 19 EMP. IMOB. LTDA	5	-	73	30	(25)	32	100%	32	(25)
TENDA 26 SPE PART. S.A.	-	-	1	-	(1)	-	100%	-	(1)
FIT 05 SPE EMP. IMOB. LTDA	249	-	4	854	29	(630)	(1,143)	100%	(1,143)
EVP PART. S.A.	-	-	6	-	(6)	-	100%	-	(6)
FGM INCOOP. S/A	146	5	174	-	(23)	(21)	100%	(21)	(23)
Joint ventures	3,129	22	2,012	9,332	(8,193)	(1,143)		(1,142)	(6,333)
CITTA ITAPUÁ EMP. IMOB. S SPE LTDA	2,712	9	659	2,128	(66)	(547)	50%	(274)	(33)
FIT CAMPOLIM SPE EMP. IMOB. LTDA	7,607	-	29	17,994	(10,416)	(1)	55%	-	(5,728)
Total allowance for investment losses	13,448	31	2,700	29,454	(18,675)	(1,691)		(1,416)	(12,094)

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

ALLOWANCE FOR INVESTMENT LOSSES DEC/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 os investees	Investment Balance
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 GUANANAZES 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 GARRROS 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 INCOOP. S/A	168	4	174	-	(2)	(18)	100%	(18)	(2)
Joint Venture	2,930	9	1,211	9,304	(7,578)	(599)		(535)	(5,720)
FIT CAMPOLIM SPE EMP. IMOB. LTDA	7,389	-	29	17,775	(10,415)	(495)	55%	(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	
		06/30/2019	12/31/2018	06/30/2019	12/31/2018
Cost					
Hardware	20%	24,364	22,619	24,364	22,619
Leasehold improvements and facilities	(a)	11,885	10,201	11,885	10,201
Furniture and fixtures	10%	4,320	3,883	4,451	4,014
Machinery and equipment	10%	3,178	3,009	3,178	3,009
Molds	20%	51,606	40,660	55,574	42,519
Lease – right of use	(b)	26,544	-	26,544	-
		121,897	80,372	125,996	82,362
Accumulated depreciation		(52,261)	(43,191)	(52,707)	(43,344)
		69,636	37,181	73,289	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	(1,942)	481	(1,461)
Total	29,192	(4,109)	25,083
Current	3,801	(665)	3,136
Noncurrent	25,391	(3,444)	21,947

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					
	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	290	388	89	64	4,208	5,039
Write-offs	-	(110)	-	-	-	(110)
Cost as at 06/30/2018	21,773	9,184	3,442	2,793	37,144	74,336
Depreciation						
Balance as at 12/31/2017	(9,007)	(3,809)	(2,492)	(895)	(11,380)	(27,583)
Additions	(1,992)	(3,639)	(120)	(139)	(3,553)	(9,443)
Write-offs	-	95	-	-	-	95
Depreciation as at 06/30/2018	(10,999)	(7,353)	(2,612)	(1,034)	(14,933)	(36,931)
Balance as at 06/30/2018	10,774	1,831	830	1,759	22,211	37,405

	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	1,745	1,684	437	169	10,946	26,544	41,525
Cost as at 06/30/2019	24,364	11,885	4,320	3,178	51,606	26,544	121,897
Depreciation							
Balance as at 12/31/2018	(12,726)	(7,628)	(2,726)	(1,180)	(18,931)	-	(43,191)
Additions	(1,815)	(481)	(116)	(154)	(4,739)	(1,765)	(9,070)
Depreciation as at 06/30/2019	(14,541)	(8,109)	(2,842)	(1,334)	(23,670)	(1,765)	(52,261)
Balance as at 06/30/2019	9,823	3,776	1,478	1,844	27,936	24,779	69,636

	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	290	388	172	64	5,032	5,946
Write-offs	-	(110)	-	-	-	(110)
Cost as at 06/30/2018	21,773	9,184	3,525	2,793	37,968	75,243
Depreciation						
Balance as at 12/31/2017	(9,007)	(3,809)	(2,492)	(895)	(11,380)	(27,583)
Additions	(1,992)	(3,639)	(121)	(139)	(3,571)	(9,462)
Write-offs	-	95	-	-	-	95
Depreciation as at 06/30/2018	(10,999)	(7,353)	(2,613)	(1,034)	(14,951)	(36,950)
Balance as at 06/30/2018	10,774	1,831	912	1,759	23,017	38,293

	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	1,745	1,684	437	169	13,055	26,544	43,634
Cost as at 06/30/2019	24,364	11,885	4,451	3,178	55,574	26,544	125,996
Depreciation							
Balance as at 12/31/2018	(12,726)	(7,628)	(2,735)	(1,180)	(19,075)	-	(43,344)
Additions	(1,815)	(481)	(122)	(154)	(5,026)	(1,765)	(9,363)
Depreciation as at 06/30/2019	(14,541)	(8,109)	(2,857)	(1,334)	(24,101)	(1,765)	(52,707)
Balance as at 06/30/2019	9,823	3,776	1,594	1,844	31,473	24,779	73,289

10. INTANGIBLE ASSETS

	Parent/Consolidated			
	12/31/2017 Balance	Additions	Amortization	06/30/2018 Balance
Software - Cost	36,897	5,412	-	42,309
Software – amortization	(15,253)	-	(3,919)	(19,172)
	21,644	5,412	(3,919)	23,137

	Parent/Consolidated			
	12/31/2018 Balance	Additions	Amortization	06/30/2019 Balance
Software - Cost	49,572	3,692	-	53,264
Software – amortization	(23,506)	-	(5,199)	(28,705)
	26,066	3,692	(5,199)	24,559

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

Type of transaction	Maturity	Annual interest rate	Parent		Consolidated	
			06/30/2019	12/31/2018	06/30/2019	12/31/2018
National Housing System (SFH)	04/2018 to 12/2022	TR + 8.30% p.a.	11,288	15,639	155,608	103,317
Bank Credit Note (CCB)	04/2018 to 06/2019	INCC-DI variance	-	-	-	1,465
Total			11,288	15,639	155,608	104,782
Current			1,090	993	7,810	6,744
Noncurrent			10,198	14,646	147,798	98,038

The current and noncurrent portions mature as follows:

Maturity	Parent		Consolidated	
	06/30/2019	12/31/2018	06/30/2019	12/31/2018
2019	432	993	3,662	6,744
2020	1,905	5,277	20,394	36,787
2021	4,902	6,848	67,636	45,803
2022 and thereafter	4,049	2,521	63,916	15,448
	11,288	15,639	155,608	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 7.73% as at June 30, 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	
	06/30/2019	06/30/2018	06/30/2019	06/30/2018
Total finance charges for the period	20,984	12,072	43,125	16,095
Capitalized finance charges	(1,408)	(2,327)	(23,507)	(6,212)
Finance costs (note 23)	19,576	9,745	19,618	9,883
Finance charges allocated to line item 'Properties for sale':				
Opening balance	5,452	7,357	23,705	28,394
Capitalized finance charges	1,408	2,327	23,507	6,212
Finance charges charged to profit or loss (note 22)	(1,714)	(2,988)	(15,765)	(11,474)
Closing balance	5,146	6,696	31,447	23,132

12. DEBENTURES

Type of transaction	Maturity	Annual payout	Transaction cost		Parent/Consolidated	
			Appropriated	Incurred	06/30/2019	12/31/2018
			Debtentures (a)	January 2021	CDI + 0.90%	3,834
Debtentures (b)	September 2023	CDI + 1.75%	513	(754)	153,593	152,643
Debtentures (c)	March 2024	CDI + 1.40%	290	(898)	152,175	-
Total debtentures					600,727	437,709
Current					18,436	3,344
Noncurrent						
Debtentures					588,362	439,891
Transaction costs					(6,071)	(5,526)
Total noncurrent					582,291	434,365
					600,727	437,709

Summary of debtentures issued:

Issue	Date	Amount	Payment of principal	Payment of interest	Covenants (net leverage ratio) (total financial debt less SFH)
3 rd issue (a)	09/06/2017	270,000	01/15/2021 33.30% 09/2021	Semiannual	(Must not exceed 50%) -36.03%
4 th issue (b)	09/10/2018	150,000	33.30% 09/2022 33.40% 09/2023	Semiannual	(Must not exceed 15%) -36.03%
5 th issue (c)	04/02/2019	150,000	50% 03/2023 50% 03/2024	Semiannual	(Must not exceed 15%) -36.03%

- On September 6, 2017, the Company launched the third issue of nonconvertible debtentures. The proceeds from this issuance were used exclusively in real estate projects specifically targeted at the lower-income population segment.
- On September 10, 2018, the Company launched the fourth issue of nonconvertible simple debtentures. The proceeds from this issuance were used in ordinary management, including working capital increase and capital structure growth.

- c) On April 2, 2019, the Company launched the fifth issue of nonconvertible simple debentures. The proceeds from this issuance were used in ordinary management, including working capital increase and capital structure growth.

13. PAYROLL, RELATED TAXES AND PROFIT SHARING

	Parent		Consolidated	
	06/30/2019	12/31/2018	06/30/2019	12/31/2018
Payroll and related taxes	3,276	3,627	9,402	9,643
Accrued payroll and related taxes	1,702	2,418	23,028	16,407
Employee profit sharing (a)	3,408	6,135	11,579	18,974
	8,386	12,180	44,009	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	
	06/30/2019	12/31/2018	06/30/2019	12/31/2018
Payables for properties purchased	7,013	12,013	593,829	515,915
Advances from customers	60	1,181	1,237	1,842
Physical barter - land	1,900	1,862	106,629	101,785
	8,973	15,056	701,695	619,542
Current	5,857	10,641	310,877	258,240
Noncurrent	3,116	4,415	390,818	361,302

The current and noncurrent portions mature as follows:

Maturity	Parent		Consolidated	
	06/30/2019	12/31/2018	06/30/2019	12/31/2018
2019	4,379	10,641	186,640	258,240
2020	2,931	2,816	220,920	160,257
2021	1,663	1,599	119,058	88,309
2022	-	-	86,810	63,967
2023 and thereafter	-	-	88,267	48,769
	8,973	15,056	701,695	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 June 30, 2019 and 2018 is as follows:

	Parent			
	04/01/2019 to 06/30/2019	01/01/2019 to 06/30/2019	04/01/2018 to 06/30/2018	01/01/2018 to 06/30/2018
Profit before income tax and social contribution:	72,965	122,718	51,022	87,855
Income tax calculated at the statutory rate - 34%	34%	34%	34%	34%
	(24,808)	(41,724)	(17,347)	(29,871)
Net impact of subsidiaries taxed based on deemed income/RET	(111)	(111)	-	-
Other permanent differences	(3,326)	(2,529)	(412)	(1,724)
Unrecognized tax credits	(7,979)	(14,385)	(6,259)	(5,180)
Share of profit (loss) of investees	33,861	56,794	26,423	42,358
Other additions and deductions	2,357	1,949	(1,843)	(5,583)
Income tax and social contribution expenses (income)	(6)	(6)	562	-
Current tax expenses (income)	(7)	(7)	562	-
Deferred tax expenses (income)	1	1	-	-

	Consolidated			
	04/01/2019 to 06/30/2019	01/01/2019 to 06/30/2019	04/01/2018 to 06/30/2018	01/01/2018 to 06/30/2018
Profit before income tax and social contribution:	82,141	139,209	58,266	101,268
Income tax calculated at the statutory rate - 34%	34%	34%	34%	34%
	(27,928)	(47,331)	(19,810)	(34,431)
Net impact of subsidiaries taxed based on deemed income/RET	26,788	43,306	17,622	40,340
Other permanent differences	(3,980)	(3,033)	(508)	(1,928)
Unrecognized tax credits	(11,822)	(17,608)	(7,431)	(12,770)
Share of profit (loss) of investees	(195)	(585)	154	183
Tax credits utilized in the deferred taxes tax base	-	-	1,087	157
Other additions and deductions	7,888	9,479	2,570	(4,470)
Income tax and social contribution expenses (income)	(9,249)	(15,772)	(6,316)	(12,919)
Current tax expenses (income)	(7,549)	(14,074)	(5,645)	(11,474)
Deferred tax expenses (income)	(1,700)	(1,698)	(671)	(1,445)

b) Deferred income tax and social contribution

The origin of deferred income tax and social contribution as at June 30, 2019 and December 31, 2018 is as follows:

Description	Parent		Consolidated	
	06/30/2019	12/31/2018	06/30/2019	12/31/2018
Assets				
Tax loss carryforwards	271,012	253,551	281,346	261,621
Allowance for doubtful debts	18,478	20,935	20,631	23,467
Allowance for impairment of nonfinancial assets	2,093	2,948	2,192	3,047
Other provisions	4,471	5,898	7,652	10,708
Provision for contingencies	20,036	20,439	21,174	21,604
Temporary differences - CPC	11,624	10,431	11,840	10,745
Temporary differences – deferred PIS and COFINS	1,695	1,944	1,897	2,561
Unrecognized tax credits	(314,672)	(300,286)	(330,008)	(312,400)
Subtotal	14,737	15,860	16,724	21,353
Liabilities				
Revenue taxation on a cash and an accrual basis	(14,737)	(15,860)	(16,724)	(21,353)
Deferred income tax and social contribution (Earmarked assets, or RET)	1	-	(9,678)	(7,833)
Subtotal	(14,736)	(15,860)	(26,402)	(29,186)
Recognized in line item deferred taxes (liabilities)	-	-	(9,678)	(7,833)
Recognized in line item deferred taxes (assets)	1	-	-	-

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					
	06/30/2019			12/31/2018		
	Income tax	Social contribution	Total	Income tax	Social contribution	Total
Tax loss carryforwards	797,094	797,094		745,738	745,738	
Tax assets (25%, 9%)	199,274	71,738	271,012	186,435	67,116	253,551
Unrecognized tax assets on tax loss carryforwards	199,274	71,738	271,012	186,435	67,116	253,551
Description	Consolidated					
	06/30/2019			12/31/2018		
	Income tax	Social contribution	Total	Income tax	Social contribution	Total
Tax loss carryforwards	827,489	827,489		769,473	769,473	
Tax assets (25%, 9%)	206,872	74,474	281,346	192,368	69,253	261,621
Unrecognized tax assets on tax loss carryforwards	206,872	74,474	281,346	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 June 30, 2019 and 2018, the variations in the provision for contingencies are summarized as follows:

	Parent			
	Civil lawsuits (a)	Labor lawsuits	Other (b)	Total
Balance as at December 31, 2017	43,951	10,241	48	54,240
Additions (note 22)	17,311	2,366	-	19,677
Write-offs/transfers (note 22)	(15,688)	(3,648)	(45)	(19,381)
Balance as at June 30, 2018	45,574	8,959	3	54,536
Balance as at December 31, 2018	38,942	10,261	10,913	60,116
Additions (note 22)	10,061	2,176	13	12,250
Write-offs/transfers (note 22)	(9,736)	(3,956)	256	(13,436)
Balance as at June 30, 2019	39,267	8,481	11,182	58,930
Current	20,674	4,465	5,888	31,027
Noncurrent	18,593	4,016	5,294	27,903

	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)	18,762	2,680	-	21,442
Write-offs/transfers (note 22)	(18,913)	(4,281)	(45)	(23,239)
Balance as at June 30, 2018	51,416	9,565	261	61,242
Balance as at December 31, 2018	42,976	11,325	11,171	65,472
Additions (note 22)	11,292	2,427	14	13,733
Write-offs (note 22)	(11,747)	(4,449)	(1)	(16,197)
Balance as at June 30, 2019	42,521	9,303	11,184	63,008
Current	22,387	4,898	5,889	33,174
Noncurrent	20,134	4,405	5,295	29,834

- (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 June 30, 2019, the Company and its subsidiaries have the following amounts deposited in courts:

	Parent		Consolidated	
	06/30/2019	12/31/2018	06/30/2019	12/31/2018
Civil lawsuits	22,624	21,430	23,249	21,993
Environmental lawsuits	87	87	89	89
Tax lawsuits	11,999	3,719	12,330	3,817
Labor lawsuits	4,805	4,988	4,938	5,120
	39,515	30,224	40,606	31,019
Current	9,709	10,705	9,977	10,987
Noncurrent	29,806	19,519	30,629	20,032

16.3. Lawsuits with a possible likelihood of an unfavorable outcome

As at June 30, 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\$322,645 (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	
	06/30/2019	12/31/2018
Civil lawsuits (a)	214,460	225,284
Tax lawsuits (b)	94,488	78,567
Labor lawsuits	13,414	14,746
Environmental lawsuits	283	1,902
	322,645	320,499

- (a) As at June 30, 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\$214,460, 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 June 30, 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.

Subscribed capital	1,095,829
(-) Share issuance costs	(318)
Capital as at June 30, 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 June 30, 2019 and in the year ended December 31, 2018, which include their related weighted average strike prices, are as follows:

	06/30/2019		12/31/2018	
	Number of stock options	Weighted average strike price (reais)	Number of stock options	Weighted average strike price (reais)
Outstanding stock options at the beginning of the period	5,326,598	6.74	5,479,451	6.74
Exercised stock options	(1,235,346)	5.90	(152,853)	9.42
Split bonus	4,091,252	-	-	-
Outstanding stock options at the end of the period	8,182,504	3.34	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 year	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%	1.53 years	12.67% to 12.77%
04/10/2017	8.13	8.13	24.65%	2.45 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.

In 2018 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 (year)	Weighted average strike price for the year (R\$)	Number of stock options	Weighted average strike price (R\$)
8,182,504	1.00	3.34	7,478,570	2.09

Total expenses recognized in the period ended June 30, 2019 was R\$691 (R\$10,637 as at June 30, 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.

	06/30/2019	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%	19	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	19

Total expenses recognized in the period ended June 30, 2019 was R\$2,568 and are disclosed in note 22.

17.3 Treasury shares

	Number (thousands)	Average cost – R\$	Total cost
Balance as at December 31, 2018	3,688	24.64	90,889
Share buyback	1,867	33.45	62,466
Stock option exercise	(2,366)	17.24	(40,793)
Split bonus	4,513	-	-
Balance as at June 30, 2019	7,702	14.61	112,562

As at June 28, 2019, the fair value of the Company's treasury shares was R\$180,082.

Variations in treasury shares (in quantity)

Description	Variations
Share buyback program 04/05/2018 (a)	4,489
Share buyback program 11/08/2018 (b)	3,066
Cancellation 12/06/2018	(2,000)
Split (03/26/2019)	4,513
Stock option exercise	(2,366)
Total - quantity	7,702

- (a) 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 cancellation 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; 4,489,300 shares were acquired.
- (b) 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 cancellation 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 3,066,083 shares were acquired.

17.4 Dividends

On June 7, 2019, the Board of Directors approved the distribution of interim dividends by the Company in the amount of R\$11,816, equivalent to R\$0.122642987 per share, which payment was made on June 25, 2019, and a position of 96,347,437 shares was considered, not including treasury shares. This distribution will be considered in the calculation of mandatory minimum dividends for 2019.

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 June 30, 2019:

Insurance line (in effect)	Coverage - R\$'000
Engineering risks and construction completion guarantee	2,746,438
Civil liability - Directors and Officers (D&O) (*)	50,000
Insurance line (future periods)	
Engineering risks and construction completion guarantee (effective from 07/2019 to 09/2027)	101,391

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

19. EARNINGS PER SHARE

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

	04/01/2019 to 06/30/2019	01/01/2019 to 06/30/2019	04/01/2018 to 06/30/2018	01/01/2018 to 06/30/2018
Basic numerator				
Undistributed earnings	72,959	122,712	51,584	87,855
Undistributed earnings, available to the holders of common shares	72,959	122,712	51,584	87,855
Basic denominator (in thousand of shares)				
Weighted average number of shares	96,037	96,037	107,062	107,062
Basic earnings per share in Brazilian reais	0.7597	1.2778	0.4818	0.8206
Diluted numerator				
Undistributed earnings	72,959	122,712	51,584	87,855
Undistributed earnings, available to the holders of common shares	72,959	122,712	51,584	87,855
Diluted denominator (in thousand of shares)				
Weighted average number of shares	96,037	96,037	107,062	107,062
Stock options	8,877	8,877	8,346	8,346
Diluted earnings per share in Brazilian reais	0.6954	1.1696	0.4470	0.7613

Reconciliation of retrospective adjustment as at June 30, 2019:

	Basic		Diluted	
	04/01/2018 to 06/30/2018	01/01/2018 to 06/30/2018	04/01/2018 to 06/30/2018	01/01/2018 to 06/30/2018
Undistributed earnings	51,584	87,855	51,584	87,855
Basic and diluted denominator (in thousands of shares)				
Weighted average number of shares	53,531	53,531	53,531	53,531
Stock options			4,173	4,173
Basic/diluted earnings per common share (R\$) - disclosed	0.9636	1.6412	0.8939	1.5225
Split	2	2	2	2
Restated amount	0.4818	0.8206	0.4470	0.7613

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 June 30, 2019 and December 31, 2018, there was no material credit risk concentration related to customers.

(ii) Derivatives

As at June 30, 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 June 30, 2019	Parent				Total
	Up to one year	1 to 3 years	4 to 5 years	More than 5 years	
Borrowings and financing (note 11)	1,090	8,167	2,031	-	11,288
Debentures (note 12)	18,436	582,291	-	-	600,727
Trade payables	12,819	-	-	-	12,819
Payables for purchase of properties and advances from customers	3,957	3,116	-	-	7,073
	36,302	593,574	2,031	-	631,907

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 June 30, 2019	Consolidated				Total
	Up to one year	1 to 3 years	4 to 5 years	More than 5 years	
Borrowings and financing (note 11)	7,810	117,422	30,376	-	155,608
Debentures (note 12)	18,436	582,291	-	-	600,727
Trade payables	48,305	-	-	-	48,305
Payables for purchase of properties and advances from customers	248,831	242,919	77,262	26,054	595,066
	323,382	942,632	107,638	26,054	1,399,706

(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 June 30, 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 June 30, 2019						
Financial assets						
Securities (note 4.2)	575,335	208,166	-	632,875	343,564	-

In the period ended June 30, 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 June 30, 2019 and December 31, 2018, classified in Level 2 of the fair value hierarchy, are as follows:

		Parent			
		06/30/2019		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	37,011	37,011	11,674	11,674
	Fair value through profit or loss*	2,937	2,937	4,192	4,192
Bank certificate of deposit		34,074	34,074	7,482	7,482
Securities and restricted short-term investments (note 4.2)					
Bank certificate of deposit	Amortized cost	783,501	783,501	597,775	597,775
	Fair value through profit or loss*	20,468	20,468	403	403
Bank certificate of deposit		34,748	34,748	16,188	16,188
LFT and LTN	Fair value through profit or loss*	575,335	575,335	425,164	425,164
Private securities	Fair value through profit or loss*	116,870	116,870	115,873	115,873
Repurchase transactions (exclusive funds)	Fair value through profit or loss*	5,305	5,305	19,008	19,008
Repurchase transactions	Amortized cost	18,134	18,134	34	34
	Fair value through profit or loss*	12,641	12,641	21,105	21,105
Trade receivables (note 5)	Amortized cost	79,962	79,962	89,257	89,257
Intragroup loans receivable (note 7.1)	Amortized cost	44,440	44,440	43,812	43,812
Financial liabilities					
Borrowings and financing (note 11)	Amortized cost	11,288	11,288	15,639	15,639
Debentures (note 12)	Amortized cost	600,727	624,865	437,709	441,138
Trade payables	Amortized cost	12,819	12,819	6,381	6,381
Payables for purchase of properties and advances from customers	Amortized cost	7,073	7,073	13,194	13,194

		Consolidated			
		06/30/2019		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	69,507	69,507	34,287	34,287
	Fair value through profit or loss*	30,928	30,928	24,284	24,284
Bank certificate of deposit		38,579	38,579	10,003	10,003
Securities and restricted short-term investments (note 4.2)					
Bank certificate of deposit	Amortized cost	976,439	976,439	821,272	821,272
	Fair value through profit or loss*	21,974	21,974	1,149	1,149
Bank certificate of deposit		34,748	34,748	20,940	20,940
LFT and LTN	Fair value through profit or loss*	632,875	632,875	549,135	549,135
Private securities	Fair value through profit or loss*	116,870	116,870	115,873	115,873
Repurchase transactions (exclusive funds)	Fair value through profit or loss*	5,305	5,305	19,008	19,008
Repurchase transactions	Amortized cost	18,134	18,134	34	34
	Fair value through profit or loss*	144,785	144,785	113,428	113,428
Investment funds	Fair value through profit or loss*	1,748	1,748	1,705	1,705
Trade receivables (note 5)	Amortized cost	529,504	529,504	475,696	475,696
Intragroup loans receivable (note 7.1)	Amortized cost	35,141	35,141	34,513	34,513
Financial liabilities					
Borrowings and financing (note 11)	Amortized cost	155,608	155,607	104,782	105,348
Debentures (note 12)	Amortized cost	600,727	624,865	437,709	441,138
Trade payables	Amortized cost	48,305	48,305	21,449	21,449
Payables for purchase of properties and advances from customers	Amortized cost	595,066	595,066	517,757	517,757

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

(ii) Debt acceleration risk

As at June 30, 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	
	06/30/2019	12/31/2018	06/30/2019	12/31/2018
Borrowings and financing (note 11)	11,288	15,639	155,608	104,782
Debentures (note 12)	600,727	437,709	600,727	437,709
(-) Cash and cash equivalents and securities (notes 4.1 and 4.2)	(820,512)	(609,449)	(1,045,946)	(855,559)
Net debt	(208,497)	(156,101)	(289,611)	(313,068)
Equity	1,251,435	1,197,673	1,252,379	1,203,774
Equity and net debt	1,042,938	1,041,572	962,768	890,706

(d) Sensitivity analysis

The sensitivity analysis of financial instruments for the period ended June 30, 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 June 30, 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 June 30, 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 June 30, 2019:

		Consolidated scenario					
		III	II	I	I	II	III
Transaction	Risk	50% increase	25% increase	10% increase	10% decrease	25% decrease	50% decrease
Securities	CDI increase/decrease	29,875	14,938	5,975	(5,975)	(14,938)	(29,875)
Debentures	CDI increase/decrease	(17,884)	(8,942)	(3,577)	3,577	8,942	17,884
Net effect of CDI variance		11,991	5,995	2,398	(2,398)	(5,995)	(11,991)
Receivables from developments	INCC increase/decrease	(4,976)	(2,488)	(995)	995	2,488	4,976
Bank Credit Note (CCB)	INCC increase/decrease	17	8	3	(3)	(8)	(17)
Net effect of INCC variance		(4,959)	(2,480)	(992)	992	2,480	4,959
Receivables from developments	IGP-M increase/decrease	8,702	4,351	1,740	(1,740)	(4,351)	(8,702)

21. NET REVENUE

	Parent			
	04/01/2019 to 06/30/2019	01/01/2019 to 06/30/2019	04/01/2018 to 06/30/2018	01/01/2018 to 06/30/2018
Gross revenue				
Property development and sale, barter, and provision for construction services	33,129	101,037	61,000	133,108
(Recognition) reversal of allowance for doubtful debts (note 5)	673	8,548	177	(28)
(Recognition) reversal of allowance for contract terminations (note 5)	352	206	949	1,436
Taxes on property sales and services	292	(1,346)	(3,650)	(7,010)
Net revenue	34,446	108,445	58,476	127,506

	Consolidated			
	04/01/2019 to 06/30/2019	01/01/2019 to 06/30/2019	04/01/2018 to 06/30/2018	01/01/2018 to 06/30/2018
Gross revenue				
Property development and sale, barter, and provision for construction services	494,299	922,999	422,843	799,597
(Recognition) reversal of allowance for doubtful debts (note 5)	6,405	6,293	(10,504)	(13,447)
(Recognition) reversal of allowance for contract terminations (note 5)	(2,951)	(12,677)	(2,326)	(1,474)
Taxes on property sales and services	(8,654)	(18,202)	(10,939)	(19,529)
Net revenue	489,099	898,413	399,074	765,147

22. COSTS AND EXPENSES BY NATURE

Broken down as follows:

	Parent			
	04/01/2019 to 06/30/2019	01/01/2019 to 06/30/2019	04/01/2018 to 06/30/2018	01/01/2018 to 06/30/2018
Real estate development and sale costs:				
Construction costs	(25,937)	(65,814)	(34,952)	(65,661)
Land costs	(1,268)	(8,741)	(2,208)	(3,903)
Development costs	(2,120)	(7,811)	(3,439)	(8,685)
Capitalized finance charges (note 11)	(1,172)	(1,714)	(1,588)	(2,988)
Maintenance/warranties	(4,618)	(6,178)	(2,168)	(3,851)
Cost of properties on allowance for contract terminations recognition (note 6)	(442)	(803)	(564)	(1,698)
	(35,557)	(91,061)	(44,919)	(86,786)
Selling expenses:				
Product marketing expenses	(1,480)	(3,118)	(1,719)	(3,925)
Realtor and sales commissions	(2,395)	(5,356)	(3,836)	(6,805)
Cost of sales	(1,742)	(3,911)	(2,295)	(4,469)
Onlending costs	(318)	(884)	(891)	(1,213)
Registration costs (a)	-	-	(180)	(303)
Realtor fees	(335)	(561)	(470)	(820)
Expenses on customer management (CRM)	(58)	(87)	(97)	(152)
Other selling expenses	(10)	(158)	23	(425)
	(3,943)	(8,719)	(5,629)	(11,307)
General and administrative expenses:				
Payroll and related taxes	(2,022)	(5,319)	(2,854)	(5,829)
Employee benefits	(199)	(520)	(250)	(513)
Travel and utilities	(120)	(250)	(84)	(129)
Expenses on services provided	(550)	(1,691)	(636)	(1,073)
Rentals and CAM fees (b)	(181)	(350)	(388)	(555)
IT expenses	(387)	(690)	(40)	(65)
Stock option plan costs (note 17.2)	(734)	(3,259)	(862)	(10,637)
Expenses on provision for profit sharing (note 24.2)	(1,724)	(4,463)	(3,642)	(5,127)
Other general and administrative expenses	(36)	(133)	(55)	(87)
	(5,953)	(16,675)	(8,811)	(24,015)
Other income (expenses), net:				
Depreciation and amortization	(4,846)	(9,530)	(6,423)	(9,808)
Expenses on payments of contingencies	(13,260)	(19,964)	(12,891)	(26,358)
Provisions / reversals for contingencies (note 16)	7,479	1,186	(2,854)	(296)
Other income/(expenses)	(5,483)	(7,436)	(4,829)	(8,561)
	(16,110)	(35,744)	(26,997)	(45,023)

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

b) Decrease due to adoption of CPC 06 R1 (IFRS 16), expenses allocated to depreciation and amortization and other finance costs.

	Consolidated			
	04/01/2019 to 06/30/2019	01/01/2019 to 06/30/2019	04/01/2018 to 06/30/2018	01/01/2018 to 06/30/2018
Real estate development and sale costs				
Construction costs	(241,745)	(442,747)	(189,141)	(357,497)
Land costs	(48,983)	(93,395)	(45,747)	(82,018)
Development costs	(19,343)	(38,999)	(20,243)	(38,254)
Capitalized finance charges (note 11)	(9,929)	(15,765)	(6,217)	(11,474)
Maintenance/warranties	(5,399)	(7,430)	3,195	(8,209)
Cost of properties on allowance for contract terminations recognition (note 6)	2,732	6,879	2,907	(195)
	(322,667)	(591,457)	(255,246)	(497,647)
Selling expenses:				
Product marketing expenses	(13,888)	(25,128)	(11,088)	(23,407)
Realtor and sales commissions	(22,850)	(43,171)	(23,993)	(40,578)
Cost of sales	(16,639)	(31,526)	(14,509)	(26,652)
Onlending costs	(3,242)	(7,124)	(5,434)	(7,233)
Registration costs (a)	-	-	(1,116)	(1,805)
Realtor fees	(2,969)	(4,521)	(2,934)	(4,888)
Expenses on customer management (CRM)	(506)	(704)	(601)	(907)
Other selling expenses	(258)	(1,272)	(35)	(2,533)
	(37,502)	(70,275)	(35,717)	(67,425)
General and administrative expenses:				
Payroll and related taxes	(14,406)	(28,450)	(13,210)	(27,749)
Employee benefits	(1,415)	(2,782)	(1,157)	(2,443)
Travel and utilities	(353)	(907)	(396)	(615)
Expenses on services provided	(4,187)	(9,046)	(2,974)	(5,109)
Rentals and CAM fees (b)	(1,153)	(1,872)	(1,826)	(2,643)
IT expenses	(2,400)	(3,691)	(193)	(330)
Stock option plan costs (note 17.2)	(734)	(3,259)	(862)	(10,637)
Expenses on provision for profit sharing (note 24.2)	(5,730)	(8,987)	(5,615)	(10,566)
Other general and administrative expenses	(209)	(671)	(256)	(408)
	(30,587)	(59,665)	(26,489)	(60,500)
Other income (expenses), net:				
Depreciation and amortization	(4,848)	(9,536)	(6,425)	(9,810)
Expenses on payments of contingencies	(13,260)	(19,964)	(12,891)	(26,361)
Provisions / reversals for contingencies (note 16)	8,111	2,464	(1,410)	1,797
Other income/(expenses)	(8,364)	(11,946)	(6,532)	(11,088)
	(18,361)	(38,982)	(27,258)	(45,462)

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

b) Decrease due to adoption of CPC 06 R1 (IFRS 16), expenses allocated to depreciation and amortization and other finance costs.

23. FINANCE INCOME (COSTS)

	Parent			
	04/01/2019 to 06/30/2019	01/01/2019 to 06/30/2019	04/01/2018 to 06/30/2018	01/01/2018 to 06/30/2018
Finance income				
Income from short-term investments	11,226	19,993	6,878	11,786
Other finance income	281	691	678	2,776
	11,507	20,684	7,556	14,562
Finance costs				
Interest on borrowings, net of capitalization (note 11)	(10,101)	(19,576)	(5,463)	(9,745)
Banking expenses	(285)	(607)	(279)	(530)
Other finance costs	(630)	(1,071)	(626)	(1,389)
	(11,016)	(21,254)	(6,368)	(11,664)
Finance income (costs)	491	(570)	1,188	2,898

	Consolidated			
	04/01/2019 to 06/30/2019	01/01/2019 to 06/30/2019	04/01/2018 to 06/30/2018	01/01/2018 to 06/30/2018
Finance income				
Income from short-term investments	13,079	23,901	7,671	14,024
Other finance income	2,167	3,399	3,215	6,509
	<u>15,246</u>	<u>27,300</u>	<u>10,886</u>	<u>20,533</u>
Finance costs				
Interest on borrowings, net of capitalization (note 11)	(10,112)	(19,618)	(5,487)	(9,883)
Finance costs from intragroup borrowings	-	-	(920)	(920)
Banking expenses	(1,481)	(2,959)	(1,306)	(2,519)
Other finance costs	(1,269)	(2,080)	276	(593)
	<u>(12,862)</u>	<u>(24,657)</u>	<u>(7,437)</u>	<u>(13,915)</u>
Finance income (costs)	<u>2,384</u>	<u>2,643</u>	<u>3,449</u>	<u>6,618</u>

24. TRANSACTIONS WITH MANAGEMENT AND EMPLOYEES

24.1 Management compensation

The amounts recognized in line item 'General and administrative expenses' for the periods ended June 30, 2019 and 2018 related to the compensation of key management personnel are as follows:

Management compensation			
	Board of Directors	Executive Committee	Total
Period ended June 30, 2018			
Number of members	7	11	18
Fixed compensation for the period	1,122	3,902	5,024
Salary/management fees	935	2,901	3,836
Direct and indirect benefits	-	421	421
Other (social security)	187	580	767
Monthly compensation	187	650	837
Variable compensation for the period	-	12,774	12,774
Profit sharing (note 24.2)	-	2,859	2,859
Share-based compensation	-	9,915	9,915
Total compensation for the period	<u>1,122</u>	<u>16,676</u>	<u>17,798</u>

Management compensation			
	Board of Directors	Executive Committee	Total
Period ended June 30, 2019			
Number of members	7	12	19
Fixed compensation for the period	1,412	4,052	5,464
Salary/management fees	1,208	3,443	4,651
Direct and indirect benefits	-	253	253
Other (social security)	204	356	560
Monthly compensation	235	675	910
Variable compensation for the period	698	5,260	5,958
Profit sharing (note 24.2)	-	2,699	2,699
Share-based compensation	698	2,561	3,259
Total compensation for the period	<u>2,110</u>	<u>9,312</u>	<u>11,422</u>

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 June 30, 2019, the Company recognized a profit sharing expense amounting to R\$4,463 in the Parent (R\$5,127 in the Parent as at June 30, 2018) and R\$8,987 in consolidated (R\$10,566 in consolidated as at June 30, 2018).

	Parent		Consolidated	
	06/30/2019	06/30/2018	06/30/2019	06/30/2018
Executive Committee	2,699	2,859	2,699	2,859
Other employees	1,764	2,268	6,288	7,707
	<u>4,463</u>	<u>5,127</u>	<u>8,987</u>	<u>10,566</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 June 30, 2019 and the financial statements as at December 31, 2018, no specific disclosure will be presented, as defined in CPC 22 (IFRS 8).

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 June 30, 2019:

	Consolidated	
	Under construction	Under suspensive condition
(i) Unrecognized revenue from properties sold		
(a) – Revenue from sales contracted	1,642,891	2,839
(b) - Recognized sales revenue, net	1,117,161	-
1i) Unrecognized sales revenue <u>a)</u> (a-b)	525,730	2,839
(ii) Revenue from contract termination indemnity	173	-
(iii) Unrecognized revenue from agreements not qualifying for revenue recognition (b)	9,151	-
(iv) Allowance for contract terminations (Liability)		
Adjustment to recognized revenues	13,955	-
(-) Adjustment to trade receivables	(13,362)	-
(-) Revenue from contract termination indemnity	(119)	-
	474	-
(v) Budgeted costs on units sold to be recognized		
(a) – Budgeted cost of units (without finance charges)	1,026,186	1,428
Incurred cost, net		
(b) - (-) Incurred construction costs	(707,594)	12
Finance charges	(12,806)	(12)
(c) - Terminations - construction costs	8,332	-
Terminations - finance charges	115	-
	(711,953)	-
2i) Budgeted costs to be recognized in profit or loss (without finance charges) (a+b+c)	326,924	1,428
Profit to be recognized (1i-2i)	198,806	1,411
(vi) Advances from customers	-	(3)
(vii) Budgeted costs to be recognized in inventories		
(a) – Budgeted cost of units (without finance charges)	520,433	103,343
(-) Incurred cost, net		
(b) - Incurred construction costs	(173,295)	1,168
Finance charges	(2,519)	(1,168)
	(175,814)	-
Budgeted costs to be recognized in inventories (without finance charges) (a+b)	347,138	104,511

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 June 30, 2019, the percentage of assets consolidated in the interim financial information referring to projects included in the asset segregation structure was 61.24%.

27. NONCASH TRANSACTIONS AND RECONCILIATION OF FINANCING ACTIVITIES

a) Reconciliation of financing activities:

	Parent						
	Opening balance 12/31/2017	Cash transactions			Noncash transactions		Closing balance 06/30/2018
		New	Interest payment (a)	Principal repayment	Interest and inflation adjustment		
Borrowings (notes 11 and 12)	192,000	153,717	(1,163)	(62,704)	9,146	290,996	
Intragroup loans (note 7.1)	(43,136)	(314)	-	-	-	(43,450)	
Intragroup borrowings (note 7.1)	15,860	-	-	-	-	15,860	
Total	164,724	153,403	(1,163)	(62,704)	9,146	263,406	

	Parent						
	Opening balance 12/31/2018	Cash transactions			Noncash transactions		Closing balance 06/30/2019
		New	Interest payment (a)	Principal repayment	New	Interest and inflation adjustment/ PVA	
Borrowings (notes 11 and 12)	453,348	160,385	(6,077)	(14,876)	-	19,235	612,015
Intragroup loans (note 7.1)	(43,812)	(628)	-	-	-	-	(44,440)
Dividends	13,338	-	-	(25,090)	11,816	-	64
Lease – right of use (note 9)	-	-	-	(1,942)	26,544	481	25,083
Total	422,874	159,757	(6,077)	(41,908)	38,360	19,716	592,722

	Consolidated						
	Opening balance 12/31/2017	Cash transactions			Noncash transactions		Closing balance 06/30/2018
		New	Interest payment (a)	Principal repayment	Interest and inflation adjustment		
Borrowings (notes 11 and 12)	270,165	316,671	(4,060)	(211,286)	12,323	383,813	
Intragroup loans (note 7.1)	(33,837)	(314)	-	-	-	(34,151)	
Intragroup borrowings (note 7.1)	15,860	-	-	-	-	15,860	
Total	252,188	316,357	(4,060)	(211,286)	12,323	365,522	

	Consolidated						
	Opening balance 12/31/2018	Cash transactions			Noncash transactions		Closing balance 06/30/2019
		New	Interest payment (a)	Principal repayment	New	Interest and inflation adjustment	
Borrowings (notes 11 and 12)	542,491	358,974	(9,869)	(160,391)	-	25,130	756,335
Intragroup loans (note 7.1)	(34,513)	(628)	-	-	-	-	(35,141)
Dividends	13,338	-	-	(25,090)	11,816	-	64
Lease – right of use (note 9)	-	-	-	(1,942)	26,544	481	25,083
Total	521,316	358,346	(9,869)	(187,423)	38,360	25,611	746,341

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

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 June 30, 2019, which comprises the balance sheet as at June 30, 2019 and the income statement and statement of comprehensive income for the three- and six-month periods then ended, and the statement of changes in equity and statement of cash flows for the six-month period then ended, including the explanatory notes.

Management is responsible for the preparation of the individual and consolidated interim financial information in accordance with 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 six-month period ended June 30, 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, August 8, 2019

DELOITTE TOUCHE TOHMATSU

Auditores Independentes

Roberto Torres dos
Santos
Engagement Partner