

Earnings Release 3Q19

3rd Quarter of 2019



Net Operating Revenue, R\$ 206 million accumulated in 3Q19, an increase of 58% on 3Q18.

Juiz de Fora, December 13, 2019 - INTER Construtora e Incorporadora S.A. (B3: BOVESPA MAIS – INNT3), engaged in the development of medium and large real estate ventures primarily for clients in brackets 2 and 3 of the Minha Casa, Minha Vida popular housing program and clients that qualify for real estate financing under Brazil's savings and loans system (SBPE), is today publishing its earnings figures for the third quarter of 2019. The financial information is consolidated and has been prepared in accordance with International Financial Reporting Standards (IFRS), including the guidelines in OCPC 04 regarding the application of Technical Interpretation ICPC 02 applicable to real estate development entities in Brazil, as approved by the Accounting Pronouncements Committee (CPC), the Brazilian Securities Commission (CVM) and the Federal Accounting Council (CFC).

KEY FACTS

- ✓ **Net Sales 47% greater in 3Q19 than in 2Q19.**
- ✓ **Number of launched units (YTD) 35% greater in 3Q19 than in 2Q19.**
- ✓ **Faster sales, with VSO reaching 31% in 3Q19.**
- ✓ **Number of contracted units 45% greater in 3Q19 than in 2Q19.**
- ✓ **Number of produced units (YTD) 41% greater in 3Q19 than in 2Q19.**



MESSAGE FROM MANAGEMENT

Management is more optimistic about Brazil's macroeconomic prospects. Economic indicators continue to recover. Projected inflation assumes the approval of the pension reform will continue making progress, enabling continued interest-rate cuts.

This upturn is also being felt in the real estate development sector. The recent increase in the number of launches along with greater demand from clients are fueling the optimistic outlook for the sector. The change introduced by the new leadership of Caixa Econômica Federal whereby real estate financing is no longer pegged to the Referential Rate (TR), but rather the IPCA+ price index and in the near future a fixed rate is the seed necessary to revitalize the dynamics of Brazil's real estate sector. This transformation paves the way for the securitization of these property assets and consequent distribution to local and foreign investors, thereby substantially increasing the sources of funding for real estate financing.

In Brazil the real estate financing sector stands at 9% of GDP. This figure is as high as 16% in developing countries like Mexico and China, and upwards of 50% in developed countries. This sector has substantial room for growth in Brazil. The combination of low interest and inflation and the potential emergence of a real estate financing securitization market have the potential to trigger massive growth in the sector.

Management believes we are about to witness a super cycle in Brazil's real estate sector and has placed the Company in a position to leverage the opportunity. We remain focused on the low-income segment with the differential of offering a better quality product, "Smart Apartments", both for clients in brackets 2 and 3 of the Minha Casa, Minha Vida popular housing program and clients that qualify for real estate financing under Brazil's savings and loans system (SBPE). We are already buying new plots of land in areas meeting these guidelines. The land we purchased for this purpose could see potential launches of 7.3 thousand units in 3Q19. Our Landbank rose from potential launches of 23 thousand in the previous quarter to 30.7 thousand units. A substantial portion of these are undergoing feasibility analyses at the Caixa Econômica Federal and Banco do Brasil for contracting and launching in the coming quarters. The Company's operating income in the quarter and YTD was positive, with an increase in launches, net sales and contracted and produced units. Despite the intensive cycle of investment and expansion, the Company maintains a high net-income margin compared with peers.

FINANCIAL AND OPERATING FIGURES

	9M19	9M18	Change 9M19 vs. 9M18	3Q19	3Q18	Change 3Q19 vs. 3Q18
Launched VGV (R\$ thousand)	363,089	322,021	13%	185,222	150,979	23%
Net Sales (R\$ thousand)	196,479	189,137	4%	88,105	59,834	47%
Net Operating Revenue (NOR) (R\$ thousand)	205,690	129,947	58%	92,605	44,002	110%
Construction Cost (R\$ thousand)	(126,831)	(78,904)	61%	(57,149)	(27,718)	106%
Construction Cost / NOR (%)	61.7%	60.7%		61.7%	63.0%	
Construction Cost / Net Sales (%)	64.6%	41.7%		64.9%	46.3%	
Gross Income (R\$ thousand)	78,859	51,043	54%	35,456	16,284	118%
Gross Margin (%)	38.3%	39.3%		38.3%	37.0%	
Net Finance Income (R\$ thousand)	(6,574)	(5,085)	29%	(2,361)	(1,292)	83%
Net Finance Income / NOR (%)	3.2%	3.9%		2.5%	2.9%	
Net Finance Income / Net Sales (%)	3.3%	2.7%		2.7%	2.2%	
Net Finance Income / Launched VGV (%)	1.8%	1.6%		1.3%	0.9%	
Commercial Expenses (in R\$ thousands)	(12,174)	(7,683)	58%	(4,468)	(2,464)	81%
Commercial Expenses / NOR (%)	5.9%	5.9%		4.8%	5.6%	
Commercial Expenses / Net Sales (%)	6.2%	4.1%		5.1%	4.1%	
Commercial Expenses / Launched VGV (%)	3.4%	2.4%		2.4%	1.6%	
General and Administrative Expenses (G&A) (R\$ thousand)	(16,817)	(5,281)	218%	(5,243)	(2,163)	142%
G&A Expenses / NOR (%)	8.2%	4.1%		5.7%	4.9%	
G&A Expenses / Net Sales (%)	8.6%	2.8%		6.0%	3.6%	
G&A Expenses / Launched VGV (%)	4.6%	1.6%		2.8%	1.4%	
Net Income (in R\$ million)	38,173	30,331	26%	20,880	9,429	121%
Net Margin (%)	18.6%	23.3%		22.5%	21.4%	
EBITDA (R\$ thousand)	50,039	38,134	31%	25,812	12,352	109%
EBITDA Margin (%)	24.3%	29.3%		27.9%	28.1%	
Cash and equivalents + marketable securities (R\$ thousand)	74,055	89,168		74,055	89,168	
Gross Debt (R\$ thousand)	168,005	102,936		168,005	102,936	
Net Debt (R\$ thousand)	93,950	13,768		93,950	13,768	
Total Equity (R\$ thousand)	51,967	23,415		51,967	23,415	
Net Debt / Equity (%)	1.81x	0.59x		1.81x	0.59x	
Net Debt / 12-month EBITDA	1.41x	0.27x		1.41x	0.27x	

OPERATING FIGURES

	9M19	9M18	Change 9M19 vs. 9M18	3Q19	2Q19	3Q18
Launches (units)	3,048	2,266	20%	1344	624	1,026
Gross Sales (units)	1,823	1,472	24%	778	627	488
Cancellations (units)	313	96	226%	91	83	45
Net Sales (units)	1,510	1,376	10%	687	544	443
Contracted Units (units)	2,328	1,624	43%	1,164	804	160
Units Transferred	1,116	1,209	-8%	478	409	388
Produced (units)	1,329	945	41%	481	412	253
Finished (units)	1,344	696	93%	0	360	0

PROJECT LAUNCHES

In 3Q19 the Company launched new ventures totaling 1,344 units, equal to a VGV of R\$ 185 million. In the nine months to date, the Launches VGV was R\$ 363 million, a year-on-year increase of 13%.

GROSS SALES, CANCELLATIONS AND NET SALES

Gross sales were 778 units in 3Q19, of which 687 resulted in net sales. The VSO was 31% in the quarter.

INVENTORY

Inter closed 3Q19 with 1,514 units under construction. This amount comprises potential estimated sales of R\$ 192 million.

Venture	3Q19	3Q19	3Q19
	Built Inventory (units)	Inventory under construction (units)	Estimated value of sales (R\$ millions)
UNIQUE GRAMA		326	38
PARK UBERABA		280	37
PARK QUINET		173	27
PARK SAO JOSE		158	18
PARK REALEZA		133	16
UNIQUE UBERABA I		105	14
PARK SAO JOAO		88	11
PARK SAPUCAIA		54	7
RESERVA SAO GERALDO		42	5
RESERVA DAS ACACIAS		42	6
UNIQUE UBERABA II		32	4
PARK CALIFORNIA		31	3
PARK PALMEIRAS		30	4
PARK TEIXEIRAS		20	3
PARK MARILANDIA	2	0	0
UNIQUE BORBOLETA	1	0	0
Total	3	1514	192
OVERALL TOTAL		1517	

UNAPPROPRIATED REVENUE

In 3Q19, Inter had unappropriated revenue on sold units of R\$ 181 million reais.

Ventures in Progress	City	3Q19	3Q19
		Works Progress (accum.)	Unappropriated revenue (R\$ millions)
PARK CALIFORNIA	Juiz de Fora/MG	99%	0
PARK JARDIM NORTE	Juiz de Fora/MG	100%	-
PARK PALMEIRAS	Juiz de Fora/MG	9%	22
PARK QUINET	Juiz de Fora/MG	84%	20
PARK REALEZA	Juiz de Fora/MG	46%	7
PARK SAO JOAO	São João Del Rey/MG	0%	18
PARK SAO JOSE	Ubá/MG	0%	9
PARK SAPUCAIA	Catagues/MG	0%	4
PARK TEIXEIRAS	Juiz de Fora/MG	0%	14
PARK UBERABA	Uberaba/MG	30%	40
RESERVA DAS ACACIAS	Juiz de Fora/MG	61%	14
RESERVA SAO GERALDO	Juiz de Fora/MG	73%	1
UNIQUE GRAMA	Juiz de Fora/MG	0%	25
UNIQUE UBERABA I	Uberaba/MG	0%	4
UNIQUE UBERABA II	Uberaba/MG	0%	2
Total			181

Adding the inventory of finished units and units under construction with appropriated revenue on units already sold means the Company has future revenue streams of **R\$ 373 million** of future revenue indoors.

FINANCIALS

Net Operating Revenue (ROL) amounted to R\$ 92.6 million in 3Q19, compared with R\$ 44 million in 3Q18.

The **Gross Margin** in 3Q19 was 38% compared with 37% in 3Q18. The Company slightly increased its gross margin due to improving the efficiency of works and cost efficiency when buying land.

Commercial Expenses remained flat at 6% on YTD NOR in 3Q19, unchanged on 3Q18.

General and Administrative Expenses (G&A) on NOR stood at 8% in the 12-month YoY. This metric remains above our target thanks to investments made in human resources and infrastructure to support business growth.

Net Finance Income on NOR was 2.5% in 3Q19 compared with 3.2% in 3Q18.

Net income (NI) in 3Q19 amounted to R\$ 21 million with a net margin of 22%. The YTD NI in 3Q19 was R\$ 38 million, producing a net margin of 18.6%.

EBITDA in 3Q19 was R\$ 25.8 million, equal to an EBITDA margin of 28%.

In YTD 3Q19 the Company consumed cash of R\$ 49 million, due to the late contracting and transfers coupled with investments to expand operations through acquisitions of land, commercial expenses on launches and costs on mobilizing works. The cash requirement was met by redeeming short-term investments of R\$ 37 million and securing loans and borrowings. Operating cash generation will improve moving forwards due to normalization of the contracts and transfers and growth in the sales and productions of the Company's ventures.

Net debt in 3Q19 was R\$ 94 million. **Net Debt** in YTD 3Q19 rose by R\$ 80 million while the **land bank** and units under construction rose by R\$ 187 million in the same period. We used most of the increase in net debt to acquire land at sight and invest in real estate development and construction. This investment strategy is aligned with our belief that Brazil's economy and the sector will recover.

Metrics and debt	3Q19	3Q18
Net Debt (excluding production support) / Equity	0.99	(0.37)
Net debt / Equity	1.81	0.59
Net Debt / 12-month EBITDA	1.41	0.22

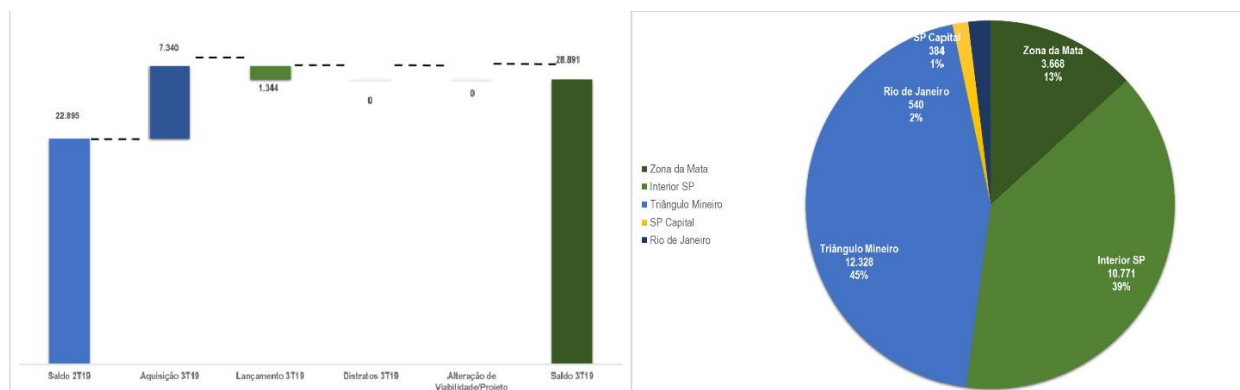
(R\$ thousand)	3Q19	3Q18
Bank Loans	54,061	15,795
Production Support	42,461	22,599
Debentures	71,483	47,279
Total	168,000	85,673

Maturities of credit facilities.

(R\$ thousand)	2019	2020	2021	2022
Bank Loans	51,061	3,000		
Production Support		42,462		
Debentures			71,482	

LANDBANK

Inter acquired 7,340 units in 3Q19 and launched 1,344 units. The Company closed 3Q19 with a Landbank of 28,891 units, equal to a potential VGV of R\$ 4.3 billion.



INVESTMENTS

The change in equity income and movements at the subsidiaries (SPEs) in 3Q19 is R\$ 27.3 million.

SHARE CAPITAL AND DIVIDENDS

On April 29, 2019 the Company decided to increase its share capital to the amount of R\$ 50,972,920.00. In 3Q19 the Company paid R\$ 7.1 million in advanced dividends for FY 2019.

RESEARCH AND DEVELOPMENT

The Company has invested in the planning, development and acquisition of land for ventures to be sold in Brazil's savings and loans system (Sistema Brasileiro de Poupança e Empréstimo - SBPE).

This investment aims to meet demand for units in ventures from clients in income brackets just above the brackets qualifying for the Minha Casa, Minha Vida popular housing program (MCMV). These ventures offer higher standards of quality, infrastructure and recreational areas. The Company is equipping itself for this level of delivery, whilst maintaining the standards of productivity and scale already enjoyed by its ventures in the popular housing segment serviced by the Minha Casa, Minha Vida program.

HUMAN RESOURCES

The Company continues investing in staff recruitment and training.

Position	3Q19	3Q18
Works Production	68	59
Works Administrative	59	30
Administrative Office	135	74
TOTAL	262	163

Turnover	3%	4%
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PRODUCT

Apartamentos
INTELIGENTES

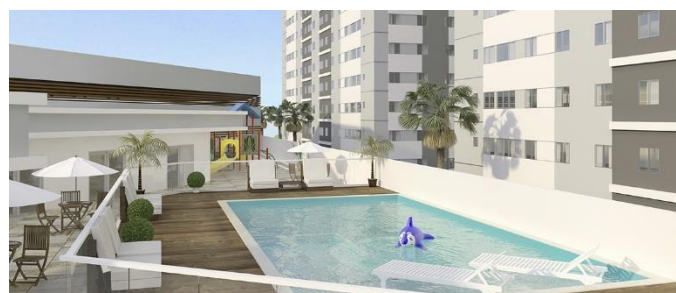
- ✓ We deliver quality popular housing.
- ✓ 100% of the ventures launched by the Company are “Smart Apartments”.
- ✓ Towers with elevators.
- ✓ Surveillance cameras and electronic barriers.
- ✓ Waste segregation and individual water meters.
- ✓ Solar energy and Wifi in public areas.



- ✓ Laminated flooring in front room and bedrooms, ceramic floor tiles in kitchens and bathrooms and granite work surfaces.



- ✓ Fully equipped recreation area.



**STATEMENT OF FINANCIAL POSITION – ASSETS | IFRS |
CONSOLIDATED**

Assets	Note	Parent Company		Consolidated	
		9/30/2019	12/31/2018	9/30/2019	12/31/2018
Current					
Cash and cash equivalents	4	42,552	26,744	52,710	30,363
Marketable securities	4	17,171	54,805	17,171	54,805
Receivables for real estate development	5	17,866	37,679	40,750	38,469
Inventories	6	3,910	8,060	181,520	70,825
Other current assets		885	813	5,929	2,656
		<u>82,384</u>	<u>128,101</u>	<u>298,080</u>	<u>197,118</u>
				74,055	
		51,489	93,950	168,005	
		0.99	1.81		
Non-current					
Noncurrent assets:					
Inventories		4,069	-	239,877	168,513
Receivables for real estate development	5	14,707	5,694	55,866	4,233
Marketable securities	4	4,174	4,000	4,174	4,000
Related parties (Loans)	7	46,196	11,017	299	251
Judicial deposits		-	-	404	-
		<u>69,146</u>	<u>20,711</u>	<u>300,620</u>	<u>176,997</u>
Investment	8	65,808	7,922	24	19
Property, plant and equipment	9	28,599	21,056	29,100	21,056
Intangible assets		40	43	40	43
Backbone Usage		659	-	1,795	-
		<u>95,106</u>	<u>29,021</u>	<u>30,959</u>	<u>21,118</u>
Total non-current assets		<u>164,252</u>	<u>49,732</u>	<u>331,579</u>	<u>198,115</u>
Total assets		<u>246,636</u>	<u>177,833</u>	<u>629,659</u>	<u>395,233</u>

See the accompanying notes to the quarterly financial information.

STATEMENT OF FINANCIAL POSITION – LIABILITIES | IFRS | CONSOLIDATED

Liabilities	Note	Parent Company		Consolidated	
		9/30/2019	12/31/2018	9/30/2019	12/31/2018
Current					
Trade payables		3,172	6,114	39,239	31,770
Loans, financings, and debentures	11	22,207	11,168	60,731	11,168
Payroll and labor obligations	12	2,182	1,648	3,110	1,665
Tax liabilities	13	2,699	3,654	8,028	4,117
Mandatory Dividends payable		-	12,663	-	12,663
Customer advances	14	21,113	12,881	17,505	29,795
Liabilities towards third parties	10	4,314	4,717	7,798	18,284
Provision for Guarantees		2,344	3,051	4,472	3,192
Other current liabilities		15	178	15	178
		<u>58,046</u>	<u>56,074</u>	<u>140,898</u>	<u>112,832</u>
Non-current					
Trade payables		88	-	7,695	-
Liabilities towards third parties	10	10,987	4,573	316,186	162,482
Loans, financings, and debentures	11	107,274	87,450	107,274	91,768
Provision for Guarantees	15	3,030	3,658	4,102	3,773
Provision for contingencies	15	1,473	963	1,537	963
Provision for devaluation of investments	8	1,026	1,643	-	-
Related Parties (Loans)	7	13,640	-	-	-
		<u>137,518</u>	<u>98,287</u>	<u>436,794</u>	<u>258,986</u>
Total liabilities		<u>195,564</u>	<u>154,361</u>	<u>577,692</u>	<u>371,818</u>
Equity	16				
Capital		50,973	20,389	50,973	20,389
Revenue reserves		4,078	4,078	4,078	4,078
Retained earnings		(3,979)	(995)	(3,979)	(995)
		<u>51,072</u>	<u>23,472</u>	<u>51,072</u>	<u>23,472</u>
Noncontrolling interests		-	-	895	(57)
Total equity		<u>51,072</u>	<u>23,472</u>	<u>51,967</u>	<u>23,415</u>
Total liabilities and equity		<u>246,636</u>	<u>177,833</u>	<u>629,659</u>	<u>395,233</u>

See the accompanying notes to the quarterly financial information.

STATEMENT OF INCOME FOR THE YEAR| IFRS | CONSOLIDATED

		Parent Company				Consolidated		7/1/2018 to 9/30/2018	1/1/2018 to 9/30/2018
		7/1/2019 to 9/30/2019	1/1/2019 to 9/30/2019	7/1/2018 to 9/30/2018	1/1/2018 to 9/30/2018	7/1/2019 to 9/30/2019	1/1/2019 to 9/30/2019		
Net operating revenue	17	4,362	28,523	39,553	125,000	92,605	205,690	44,002	129,947
Cost of property sold	18	(3,296)	(18,435)	(24,650)	(75,232)	(57,149)	(126,831)	(27,718)	(78,904)
Gross profit		1,066	10,088	14,903	49,768	35,456	78,859	16,284	51,043
						38.29%	38.34%	37.01%	39.28%
Operating income (expenses):									
Sales expenses	18	(2,195)	(7,423)	(2,024)	(6,812)	(4,468)	(12,174)	(2,464)	(7,683)
General and administrative expenses	18	(2,799)	(8,135)	(2,300)	(5,153)	(5,243)	(16,817)	(2,163)	(5,281)
Share of profit (loss) of equity-accounted investees	8	27,264	50,699	855	(94)				
Other operating expenses, net	18	(671)	(1,621)	(103)	(416)	(702)	(1,690)	(111)	(427)
		21,599	33,520	(3,572)	(12,475)	(10,413)	(30,681)	(4,738)	(13,391)
Operating income before financial income/loss:		22,665	43,608	11,331	37,293	25,044	48,178	11,546	37,652
Net finance income:	19								
Finance income		991	4,085	806	1,567	1,081	4,641	867	1,635
Finance costs		(2,991)	(10,297)	(2,000)	(6,416)	(3,442)	(11,215)	(2,159)	(6,720)
		(2,000)	(6,212)	(1,194)	(4,849)	(2,361)	(6,574)	(1,292)	(5,085)
Income and social contribution taxes current and deferred	20	(60)	(175)	(728)	(2,145)	(1,803)	(3,431)	(825)	(2,236)
		(60)	(175)	(728)	(2,145)	(1,803)	(3,431)	(825)	(2,236)
Net income for the period		20,605	37,221	9,409	30,299	20,880	38,173	9,429	30,331
						22.55%	18.56%	21.43%	23.34%
Earnings per share	22	0.55	1.00	0.46	1.49	0.41	1.02	0.46	1.49
Net income attributable to:									
Company Shareholders						20,605	37,221	9,409	30,299
Noncontrolling shareholders						275	952	20	32

See the accompanying notes to the quarterly financial information.

STATEMENT OF CASH FLOWS | IFRS | CONSOLIDATED

	Parent Company		Consolidated	
	1/1/2019 to 9/30/2019	1/1/2018 to 9/30/2018	1/1/2019 to 9/30/2019	1/1/2018 to 9/30/2018
Cash flows from operating activities:				
Net income for the period	37,221	30,299	38,173	30,331
Adjustments:				
Depreciation	1,198	482	1,861	482
Provision for credit risk	1,607	647	1,411	1,267
Provision for contingencies	510	-	574	-
Share of profit (loss) of equity-accounted investees	(50,699)	(855)	-	-
Provision for interest expense	7,121	-	8,455	-
	(3,042)	30,573	50,474	32,080
(Increase) decrease in operating assets				
Accounts receivable	9,193	(1,971)	(55,325)	(2,591)
Inventories	81	(12,108)	(172,697)	(12,108)
Other current and noncurrent assets	(1,013)	745	(6,735)	(110)
(Increase) decrease in operating liabilities				
Trade payables	(2,195)	(4,685)	15,164	(4,685)
Liabilities towards third parties	(1,689)	-	135,518	-
Tax liabilities	(955)	23	3,911	23
Personnel obligations	534	551	1,445	551
Other accounts payable and customer advances	8,232	(1,236)	(12,290)	(1,236)
Creation of the provision for guarantees	(1,335)	-	1,609	-
Interest paid on loans and debentures	(10,061)	(13,908)	(10,371)	(13,940)
Cash (used in) operating activities	<u>(2,250)</u>	<u>(2,016)</u>	<u>(49,297)</u>	<u>(2,016)</u>
	↓	↓	↓	↓
Cash flows from investment activities				
Discharge of short-term investments	37,460	-	37,460	-
Loans awarded to related parties	(144,966)	-	(48)	-
Receipts of related-party loans	123,427	-	-	-
Acquisition (write-off) of investments	(5)	-	(5)	-
Acquisition of property, plant and equipment	(596)	(233)	(1,176)	(233)
Write-off of property, plant and equipment	-	-	73	-
Cash provided by (used in) investment activities	<u>15,320</u>	<u>(233)</u>	<u>36,304</u>	<u>(233)</u>
Cash flows from financing activities				
Obtainment of loans	51,849	49,691	94,794	49,691
Loan payments	(26,828)	-	(37,171)	-
Payment of Capital	-	60	-	60
Dividends	(22,284)	(10,865)	(22,284)	(10,865)
Net cash provided by financing activities	<u>2,737</u>	<u>38,886</u>	<u>35,339</u>	<u>38,886</u>
Increase in net cash and cash equivalents	<u>15,807</u>	<u>36,637</u>	<u>22,346</u>	<u>36,637</u>
Increase in cash and cash equivalents				
Cash and cash equivalents at beginning of year	26,744	29,984	30,363	29,984
Cash and cash equivalents at end of year	<u>42,552</u>	<u>66,621</u>	<u>52,710</u>	<u>66,621</u>
Increase in net cash and cash equivalents	<u>15,807</u>	<u>36,637</u>	<u>22,346</u>	<u>36,637</u>

See the accompanying notes to the quarterly financial information.

INVESTOR RELATIONS

IR Contacts:

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RELATIONS WITH INDEPENDENT AUDITORS

In due accordance with CVM Directive 381/03 we hereby declare that in FY 2018 our independent auditors – KPMG Auditores Independentes - did not provide services other than those related to the independent audit. The Company's policy for procuring independent audit services ensures there is no conflict-of-interests or loss of independence or objectiveness.

ARBITRATION CLAUSE

Art. 45 of chapter VIII – arbitration tribunal, of the Company's bylaws states: The Company, its shareholders, managers and audit committee members undertake to settle through arbitration at the Market Arbitration Chamber any and all disputes or conflicts between them arising from, or in connection with, the application, validity, effectiveness, interpretation, violation or effects thereof of the provisions in Brazilian Corporation Law, the Company's By-Laws, regulations issued by the Brazilian Monetary Council, the Brazilian Central Bank and the Brazilian Securities Commission, and any other regulations applicable to the capital market in general, as well as those contained in the BOVESPA MAIS Regulations, the Arbitration Regulations, the Sanctions Regulations and Participation Agreement of BOVESPA MAIS.

NOTES

The financial information relied on consolidated accounting information prepared in accordance with International Financial Reporting Standards (IFRS), including the guidelines in OCPC 04 regarding the application of Technical Interpretation ICPC 02 applicable to real estate development entities in Brazil, as approved by the Accounting Pronouncements Committee (CPC), the Brazilian Securities Commission (CVM) and the Federal Accounting Council (CFC) and all CPC pronouncements.

The financial information is stated in thousands of Reais (R\$ thousand), except where stated otherwise. Forward-looking information in this document regarding business, projected operating and financial results and information related to INTER's prospects for growth are merely projections and, as such, are based solely on the executive board's future expectations for the business. These expectations substantially depend on the approvals and licenses necessary to ratify the projects, market conditions, the

performance of the Brazilian economy, the sector and international markets, and are therefore subject to change without prior notice. This performance report includes non-accounting data such as operating and financial data and projections based on Company Management's expectations. The Company's independent auditors have not reviewed the nonaccounting information such as launched VGV, MCMV program figures, inventory at market value, landbank, unappropriated ink, cash consumption and projections.

EXECUTIVE BOARD REPRESENTATION

Pursuant to CVM Directive 480, the Executive Board hereby represents it has discussed, reviewed and agreed with the opinions stated in the independent auditors' report on the financial statements for the financial year ended September 30, 2019.

GLOSSARY

Landbank - land held in the inventory, whose future VGV is estimated.

BOVESPA MAIS - A trading segment of B3, Bovespa Mais enables smaller funding operations than Novo Mercado, but sufficient to finance its growth project. Companies listed on Bovespa Mais tend to attract investors who see more accentuated development potential in the business. Share offerings can be targeted to select investors who tend to view return as a medium to long term matter. Bovespa Mais also allows listings without an offering, meaning you can list your company on the Exchange and have up to 7 years to hold the IPO. This is ideal for companies that wish to access the market gradually. You can work on the professionalization of your business with a view to the listing alone and afterwards have more time to hold the public offering. Detaching one moment from the other means access to the market tends to be easier and your company's preparedness higher.

Swap - Land purchasing system whereby the landowner receives as payment a number of units in the venture to be built on their land.

Launched VGV - General Sales Value of units launched in a given period.

Net Sales - VGV deriving from all property sale contracts entered in a given period, including the sale of units launched in the period and the sale of units in inventory, net of cancellations and swaps.

Contracted Units - Units contracted with the financial institution.

Sales to offering (VSO) – sales in the period divided by inventory of the same period.

EBITDA: Earnings Before Interest, Taxes, Depreciation and Amortization.

Finished Units - Units finished by the engineering department. Recorded after the works have finished.

Units Produced - Units produced by measurement of works progress, equivalent construction.

Transferred units - Number of clients (individuals) who have signed their financing contracts with a financial institution in the period.

INTER CONSTRUTORA E INCORPORADORA S/A.

Balance Sheets

September 30, 2019 and December 31, 2018

(In thousands of reais)

Asset	Note	Parent company		Consolidated		Liabilities	Note	Parent Company		Consolidated	
		9/30/2019	12/31/2018	9/30/2019	12/31/2018			9/30/2019	12/31/2018	9/30/2019	12/31/2018
Current						Current					
Cash and cash equivalents	4	42,552	26,744	52,710	30,363	Trade payables		3,172	6,114	39,239	31,770
Securities	4	17,171	54,805	17,171	54,805	Loans, financing and debentures	11	22,207	11,168	60,731	11,168
Receivables for real estate development	5	17,866	37,679	40,750	38,469	Payroll and labor obligations	12	2,182	1,648	3,110	1,665
Inventories	6	3,910	8,060	181,520	70,825	Tax liabilities	13	2,699	3,654	8,028	4,117
Other current assets		885	813	5,929	2,656	Mandatory Dividends payable		-	12,663	-	12,663
		<u>82,384</u>	<u>128,101</u>	<u>298,080</u>	<u>197,118</u>	Customer advances	14	21,113	12,881	17,505	29,795
						Liabilities towards third parties	10	4,314	4,717	7,798	18,284
						Provision for Guarantees		2,344	3,051	4,472	3,192
						Other current liabilities		15	178	15	178
								<u>58,046</u>	<u>56,074</u>	<u>140,898</u>	<u>112,832</u>
Noncurrent						Noncurrent					
Noncurrent assets:						Trade accounts payable		88	-	7,695	-
Inventories		4,069	-	239,877	168,513	Liabilities towards third parties	10	10,987	4,573	316,186	162,482
Receivables for real estate development	5	14,707	5,694	55,866	4,233	Loans, financing and debentures	11	107,274	87,450	107,274	91,768
Securities	4	4,174	4,000	4,174	4,000	Provision for Guarantees	15	3,030	3,658	4,102	3,773
Related parties (Loans)	7	46,196	11,017	299	251	Provision for contingencies	15	1,473	963	1,537	963
Judicial deposits		-	-	404	-	Provision for devaluation of investments	8	1,026	1,643	-	-
		<u>69,146</u>	<u>20,711</u>	<u>300,620</u>	<u>176,997</u>	Related Parties (Loans)	7	13,640	-	-	-
								<u>137,518</u>	<u>98,287</u>	<u>436,794</u>	<u>258,986</u>
						Total liabilities		<u>195,564</u>	<u>154,361</u>	<u>577,692</u>	<u>371,818</u>
Investment	8	65,808	7,922	24	19						
Property, plant and equipment	9	28,599	21,056	29,100	21,056	Equity	16				
Intangible assets		40	43	40	43	Capital		50,973	20,389	50,973	20,389
Usage rights		659	-	1,795	-	Revenue reserves		4,078	4,078	4,078	4,078
		<u>95,106</u>	<u>29,021</u>	<u>30,959</u>	<u>21,118</u>	Retained earnings		(3,979)	(995)	(3,979)	(995)
								<u>51,072</u>	<u>23,472</u>	<u>51,072</u>	<u>23,472</u>
Total non-current assets		<u>164,252</u>	<u>49,732</u>	<u>331,579</u>	<u>198,115</u>	Noncontrolling interests		-	-	895	(57)
						Total equity		<u>51,072</u>	<u>23,472</u>	<u>51,967</u>	<u>23,415</u>
Total assets		<u>246,636</u>	<u>177,833</u>	<u>629,659</u>	<u>395,233</u>	Total liabilities and equity		<u>246,636</u>	<u>177,833</u>	<u>629,659</u>	<u>395,233</u>

See the accompanying notes to the interim financial information.

INTER CONSTRUTORA E INCORPORADORA S/A.

Statements of Income

Periods ended September 30, 2019 and 2018

(In thousands of reais, except for net income per share)

	Note	Parent Company				Consolidated			
		7/1/2019 to 9/30/2019	1/1/2019 to 9/30/2019	7/1/2018 to 9/30/2018	1/1/2018 to 9/30/2018	7/1/2019 to 9/30/2019	1/1/2019 to 9/30/2019	7/1/2018 to 9/30/2018	1/1/2018 to 9/30/2018
Net operating revenue	17	4,362	28,523	39,553	125,000	92,605	205,690	44,002	129,947
Cost of property sold	18	(3,296)	(18,435)	(24,650)	(75,232)	(57,149)	(126,831)	(27,718)	(78,904)
Gross profit		1,066	10,088	14,903	49,768	35,456	78,859	16,284	51,043
Operating income (expenses):									
Sales expenses	18	(2,195)	(7,423)	(2,024)	(6,812)	(4,468)	(12,174)	(2,464)	(7,683)
General and administrative expenses	18	(2,799)	(8,135)	(2,300)	(5,153)	(5,243)	(16,817)	(2,163)	(5,281)
Share of profit (loss) of equity-accounted investees	8	27,264	50,699	855	(94)				
Other operating expenses, net	18	(671)	(1,621)	(103)	(416)	(702)	(1,690)	(111)	(427)
		21,599	33,520	(3,572)	(12,475)	(10,413)	(30,681)	(4,738)	(13,391)
Operating income before financial income/loss:		22,665	43,608	11,331	37,293	25,044	48,178	11,546	37,652
Net finance income:	19								
Financial revenue		991	4,085	806	1,567	1,081	4,641	867	1,635
Finance costs		(2,991)	(10,297)	(2,000)	(6,416)	(3,442)	(11,215)	(2,159)	(6,720)
		(2,000)	(6,212)	(1,194)	(4,849)	(2,361)	(6,574)	(1,292)	(5,085)
Income tax and social contribution current and deferred	20	(60)	(175)	(728)	(2,145)	(1,803)	(3,431)	(825)	(2,236)
		(60)	(175)	(728)	(2,145)	(1,803)	(3,431)	(825)	(2,236)
Net income for the period		20,605	37,221	9,409	30,299	20,880	38,173	9,429	30,331
Earnings per share	22	0.55	1.00	0.47	1.51	0.41	1.02	0.47	1.51
Net income attributable to:									
Company Shareholders						20,605	37,221	9,409	30,299
Non-controlling interests						275	952	20	32

See the accompanying notes to the interim financial information.

INTER CONSTRUTORA E INCORPORADORA S/A.

Statements of Comprehensive Income

Periods ended September 30, 2019 and 2018

(In thousands of reais)

	Parent Company				Consolidated			
	7/1/2019 to 9/30/2019	1/1/2019 to 9/30/2019	7/1/2018 to 9/30/2018	1/1/2018 to 9/30/2018	7/1/2019 to 9/30/2019	1/1/2019 to 9/30/2019	7/1/2018 to 9/30/2018	1/1/2018 to 9/30/2018
Net income for the period	20,605	37,221	9,409	30,299	20,880	38,173	9,429	30,331
Other components of comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income for the period	20,605	37,221	9,409	30,299	20,880	38,173	9,429	30,331

See the accompanying notes to the interim financial information.

INTER CONSTRUTORA E INCORPORADORA S/A.

Statements of Changes in Equity

September 30, 2019 and 2018

(In thousands of reais)

	Parent Company				Consolidated		
	Revenue Reserves						
	Capital	Legal Reserve	Profit Retention	Retained Earnings	Total	Non-controlling interests	Total
Balances at December 31, 2017	12,371	1,784	-	(7,010)	7,146	-	7,146
Net income for the period	-	-	-	30,299	30,299	32	30,331
Capital increase	7,689	-	-	(7,629)	60	-	60
Advanced dividends	-	-	-	(14,022)	(14,022)	-	(14,022)
Balances as of September 30, 2018	<u>20,060</u>	<u>1,784</u>	<u>-</u>	<u>1,638</u>	<u>23,483</u>	<u>32</u>	<u>23,515</u>
Balances as of December 31, 2018	20,389	4,078	-	(995)	23,472	(57)	23,415
Capital increase	30,584	-	-	(30,584)	-	-	-
Net income for the period	-	-	-	37,221	37,221	952	38,173
Advanced dividends	-	-	-	(9,621)	(9,621)	-	(9,621)
Balances as of September 30, 2019	<u>50,973</u>	<u>4,078</u>	<u>-</u>	<u>(3,979)</u>	<u>51,072</u>	<u>895</u>	<u>51,967</u>

See the accompanying notes to the interim financial information.

INTER CONSTRUTORA E INCORPORADORA S/A

Statements of Value Added

Periods ended September 30, 2019 and 2018

(In thousands of reais)

	Parent Company		Consolidated	
	9/30/2019	9/30/2018	9/30/2019	9/30/2018
Revenue:				
Sales of merchandise, goods and services	28,603	126,032	210,333	132,108
Inputs acquired from third parties	(26,140)	(81,952)	(147,100)	(86,860)
Production and selling costs	(18,435)	(75,232)	(126,831)	(78,904)
Materials, energy, third-party services and others	(7,705)	(6,720)	(20,269)	(7,956)
Gross added value	2,463	44,080	63,233	45,248
Depreciation and amortization	(1,198)	(482)	(1,861)	(482)
Net added value produced by the Entity	1,265	43,598	61,372	44,766
Transferred added value:				
Finance income	4,085	1,567	4,641	1,635
Equity in income of subsidiaries and associated companies	50,699	(94)	-	-
Total value added to distribute	56,049	45,071	66,013	46,401
Distribution of added value:				
Administrative personnel	4,266	2,057	5,238	2,057
Taxes, charges and contributions	4,265	6,299	11,387	7,293
Finance costs	10,297	6,416	11,215	6,720
Dividends	9,621	14,022	9,621	14,022
Retained earnings	27,600	16,277	28,552	16,309
	56,049	45,071	66,013	46,401

See the accompanying notes to the interim financial information.

INTER CONSTRUTORA E INCORPORADORA S/A.

Statements of Cash Flows

Periods ended September 30, 2019 and 2018

(In thousands of reais)

	Parent Company		Consolidated	
	1/1/2019 to 9/30/2019	1/1/2018 to 9/30/2018	1/1/2019 to 9/30/2019	1/1/2018 to 9/30/2018
Cash flows from operating activities:				
Net income for the period	37,221	30,299	38,173	30,331
Adjustments:				
Depreciation	1,198	482	1,861	482
Provision for credit risk	1,607	647	1,411	1,267
Provision for contingencies	510	-	574	-
Share of profit (loss) of equity-accounted investees	(50,699)	(855)	-	-
Provision for interest expense	7,121	-	8,455	-
	<u>(3,042)</u>	<u>30,573</u>	<u>50,474</u>	<u>32,080</u>
(Increase) decrease in operating assets				
Trade and other receivables	9,193	(1,971)	(55,325)	(2,591)
Inventories	81	(12,108)	(172,697)	(12,108)
Other current and noncurrent assets	(1,013)	745	(6,734)	(110)
(Increase) decrease in operating liabilities				
Trade accounts payable	(2,195)	(4,685)	15,164	(4,685)
Liabilities towards third parties	(1,689)	-	135,518	-
Tax liabilities	(955)	23	3,911	23
Personnel obligations	534	551	1,445	551
Other accounts payable and customer advances	8,232	(1,236)	(12,290)	(1,236)
Creation of the provision for guarantees	(1,335)	-	1,609	-
Interest paid on loans and debentures	(10,061)	(13,908)	(10,371)	(13,940)
	<u>(2,250)</u>	<u>(2,016)</u>	<u>(49,296)</u>	<u>(2,016)</u>
Cash (used in) operating activities				
	<u>(2,250)</u>	<u>(2,016)</u>	<u>(49,296)</u>	<u>(2,016)</u>
Cash flows from investment activities				
Discharge of short-term investments	37,460	-	37,460	-
Loans awarded to related parties	(144,966)	-	(48)	-
Receipts of related-party loans	123,427	-	-	-
Acquisition (write-off) of investments	(5)	-	(5)	-
Acquisition of property, plant and equipment	(596)	(233)	(1,176)	(233)
Property, plant and equipment write-off	-	-	73	-
	<u>15,320</u>	<u>(233)</u>	<u>36,304</u>	<u>(233)</u>
Cash provided by (used in) investment activities				
	<u>15,320</u>	<u>(233)</u>	<u>36,304</u>	<u>(233)</u>
Cash flows from financing activities				
Obtainment of loans	51,849	47,083	94,794	57,412
Loan payments	(26,828)	-	(37,171)	-
Payment of Capital	-	60	-	60
Dividends	(22,284)	(10,865)	(22,284)	(10,865)
	<u>2,737</u>	<u>36,278</u>	<u>35,339</u>	<u>46,607</u>
Net cash provided by financing activities				
	<u>2,737</u>	<u>36,278</u>	<u>35,339</u>	<u>46,607</u>
Increase in net cash and cash equivalents	<u>15,807</u>	<u>34,029</u>	<u>22,347</u>	<u>44,358</u>
Increase in cash and cash equivalents				
Cash and cash equivalents at beginning of year	26,744	29,984	30,363	29,984
Cash and cash equivalents at end of year	<u>42,552</u>	<u>64,013</u>	<u>52,710</u>	<u>74,342</u>
Increase in net cash and cash equivalents	<u>15,807</u>	<u>34,029</u>	<u>22,347</u>	<u>44,358</u>

See the accompanying notes to the interim financial information.

Inter Construtora e Incorporadora S.A.

**Quarterly Information Form - ITR for the quarter ended
September 30, 2019**

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

1 - Operations

Inter Construtora e Incorporadora S.A. (“Company”) and its subsidiaries (“Group”) are engaged in the development of residential or other real estate ventures, providing the financial, technical and material resources required for execution and subsequent sale, in addition to constructing buildings of any nature.

The Company is a privately held company having its registered office at the address Rua Ataliba de Barros, 182, São Mateus, Juiz de Fora, Minas Gerais stated, listed in the Bovespa Mais segment of B3 S.A., and trading under the symbol INNT3.

Interest in subsidiaries

	Operations site	Interest		Share capital	
		9/30/2019	12/31/2018	9/30/2019	12/31/2018
Inter Spe Uberaba 1 Incorporação Ltda	Uberaba - MG	99.96%	99.96%	300	300
Inter Spe Juiz De Fora 3 Incorporação Ltda	Juiz de Fora - MG	99.66%	99.66%	10	10
Inter Spe Uberaba 2 Incorporação Ltda	Uberaba - MG	99.90%	99.90%	1	1
Inter Spe Araraquara 1 Incorporação Ltda	Araraquara -SP	99.00%	-	-	-
Inter Spe Araraquara 2 Incorporação Ltda	Araraquara - SP	99.00%	-	-	-
Inter Spe Araraquara 3 Incorporação Ltda	Araraquara - SP	99.00%	-	-	-
Inter Spe Cataguases 1 Incorporação Ltda	Cataguases - MG	99.00%	99.00%	-	-
Inter Spe Ferraz De Vasconcelos 1 Incorporação Ltda	Ferraz de Vasconcelos - SP	99.00%	99.00%	-	-
Inter Spe Jacarei 1 Incorporação Ltda	Jacarei - SP	99.00%	99.00%	-	-
Inter Spe Juiz De Fora 1 Incorporação Ltda	Juiz de Fora - MG	99.98%	99.98%	-	-
Inter Spe Juiz De Fora 10 Incorporação Ltda	Juiz de Fora - MG	99.00%	99.00%	-	-
Inter Spe Juiz De Fora 11 Incorporação Ltda	Juiz de Fora - MG	99.00%	99.00%	-	-
Inter Spe Juiz De Fora 12 Incorporação Ltda	Juiz de Fora - MG	99.00%	99.00%	-	-
Inter Spe Juiz De Fora 13 Incorporação Ltda	Juiz de Fora - MG	99.00%	99.00%	-	-
Inter Spe Juiz De Fora 14 Incorporação Ltda	Juiz de Fora - MG	99.00%	99.00%	-	-
Inter Spe Juiz De Fora 15 Incorporação Ltda	Juiz de Fora - MG	99.00%	99.00%	-	-
Inter Spe Juiz De Fora 16 Incorporação Ltda	Juiz de Fora - MG	99.00%	99.00%	-	-
Inter Spe Juiz De Fora 18 Incorporação Ltda	Juiz de Fora - MG	99.00%	99.00%	-	-
Inter Spe Juiz De Fora 19 Incorporação Ltda	Juiz de Fora - MG	99.00%	99.00%	-	-
Inter Spe Juiz De Fora 2 Incorporação Ltda	Juiz de Fora - MG	35.93%	35.93%	-	-
Inter Spe Juiz De Fora 21 Incorporação Ltda	Juiz de Fora - MG	99.00%	99.00%	-	-
Inter Spe Juiz De Fora 23 Incorporação Ltda	Juiz de Fora - MG	99.00%	99.00%	-	-
Inter Spe Juiz De Fora 24 Incorporação Ltda	Juiz de Fora - MG	99.00%	-	-	-
Inter Spe Juiz De Fora 25 Incorporação Ltda	Juiz de Fora - MG	99.00%	-	-	-
Inter Spe Juiz De Fora 26 Incorporação Ltda	Juiz de Fora - MG	99.00%	-	-	-
Inter Spe Juiz De Fora 4 Incorporação Ltda	Juiz de Fora - MG	99.97%	99.97%	-	-
Inter Spe Juiz De Fora 5 Incorporação Ltda	Juiz de Fora - MG	99.97%	99.97%	-	-
Inter Spe Juiz De Fora 6 Incorporação Ltda	Juiz de Fora - MG	99.00%	99.00%	-	-
Inter Spe Juiz De Fora 7 Incorporação Ltda	Juiz de Fora - MG	99.00%	99.00%	-	-

Notes to the interim financial information
September 30, 2019 and 2018
In thousands of Reais, unless stated otherwise



	Operations site	Interest		Share capital	
		9/30/2019	12/31/2018	9/30/2019	12/31/2018
Inter Spe Juiz De Fora 8 Incorporação Ltda	Juiz de Fora - MG	99.00%	99.00%	-	-
Inter Spe Juiz De Fora 9 Incorporação Ltda	Juiz de Fora - MG	99.00%	99.00%	-	-
Inter Spe Limeira 1 Incorporação Ltda	Limeira - SP	99.00%	-	-	-
Inter Spe Nova Odessa 1 Incorporação Ltda	Nova Odessa - SP	99.00%	-	-	-
Inter Spe Piracicaba 1 Incorporação Ltda	Piracicaba - SP	99.00%	-	-	-
Inter Spe Piracicaba 2 Incorporação Ltda	Piracicaba - SP	99.00%	-	-	-
Inter Spe Ribeirão Preto 1 Incorporação Ltda	Ribeirão Preto - SP	99.00%	99.00%	-	-
Inter Spe São Paulo 1 Incorporação Ltda	São Paulo - SP	99.00%	99.00%	-	-
Inter Spe São Paulo 2 Incorporação Ltda	São Paulo - SP	99.00%	99.00%	-	-
Inter Spe Sjdr 1 Incorporação Ltda	São João Del Rei - MG	99.00%	99.00%	-	-
Inter Spe Sjrj 1 Incorporação Ltda	São João Del Rei - MG	99.00%	99.00%	-	-
Inter Spe Sjrj 2 Incorporação Ltda	São João Del Rei - MG	99.00%	99.00%	-	-
Inter Spe Sjrj 3 Incorporação Ltda	São João Del Rei - MG	99.00%	-	-	-
Inter Spe Sjrj 4 Incorporação Ltda	São João Del Rei - MG	99.00%	-	-	-
Inter Spe Sjrj 5 Incorporação Ltda	São João Del Rei - MG	99.00%	-	-	-
Inter Spe Sorocaba 1 Incorporação Ltda	Sorocaba - SP	99.00%	-	-	-
Inter Spe Sorocaba 2 Incorporação Ltda	Sorocaba - SP	99.00%	-	-	-
Inter Spe Taubaté 1 Incorporação Ltda	Taubaté - SP	99.00%	99.00%	-	-
Inter Spe Taubaté 2 Incorporação Ltda	Taubaté - SP	99.00%	99.00%	-	-
Inter Spe Taubate 3 Incorporação Ltda	Taubaté - SP	99.00%	-	-	-
Inter Spe Tremembe 1 Incorporação Ltda	Taubaté - SP	99.00%	99.00%	-	-
Inter Spe Três Rios 1 Incorporação Ltda	Três Rios - MG	99.00%	-	-	-
Inter Spe Ubá 1 Incorporação Ltda	Ubá - MG	99.00%	99.00%	-	-
Inter Spe Uberaba 10 Incorporação Ltda	Uberaba - MG	99.00%	-	-	-
Inter Spe Uberaba 3 Incorporação Ltda	Uberaba - MG	99.90%	99.90%	-	-
Inter Spe Uberaba 4 Incorporação Ltda	Uberaba - MG	99.00%	99.00%	-	-
Inter Spe Uberaba 5 Incorporação Ltda	Uberaba - MG	99.00%	99.00%	-	-
Inter Spe Uberaba 6 Incorporação Ltda	Uberaba - MG	99.00%	-	-	-
Inter Spe Uberaba 7 Incorporação Ltda	Uberaba - MG	99.00%	-	-	-
Inter Spe Uberaba 8 Incorporação Ltda	Uberaba - MG	99.00%	-	-	-
Inter Spe Uberaba 9 Incorporação Ltda	Uberaba - MG	99.00%	-	-	-
Inter Spe Uberlândia 1 Incorporação Ltda	Uberlândia - MG	99.00%	99.00%	-	-
Inter Spe Uberlândia 10 Incorporação Ltda	Uberlândia - MG	99.00%	-	-	-
Inter Spe Uberlândia 11 Incorporação Ltda	Uberlândia - MG	99.00%	-	-	-
Inter Spe Uberlândia 5 Incorporação Ltda	Uberlândia - MG	99.00%	99.00%	-	-
Inter Spe Uberlândia 6 Incorporação Ltda	Uberlândia - MG	99.00%	99.00%	-	-
Inter Spe Uberlândia 7 Incorporação Ltda	Uberlândia - MG	99.00%	99.00%	-	-
Inter Spe Uberlândia 8 Incorporação Ltda	Uberlândia - MG	99.00%	-	-	-
Inter Spe Uberlândia 9 Incorporação Ltda	Uberlândia - MG	99.00%	-	-	-

The subsidiaries' core activity is the development of real estate ventures.

2 - Presentation of the quarterly information and significant accounting policies

2.1 Presentation of the quarterly information

The Company's quarterly information consist of condensed consolidated information prepared in accordance with CPC 21 (R1) – Interim Financial Reporting and IAS 34 – Interim Financial Reporting, applicable to real estate development entities in Brazil, registered at the Brazilian Securities Commission (“CVM”), identified as “Consolidated” and the individual condensed information prepared in accordance with Technical Pronouncement CPC 21 (R1) - Interim Financial Reporting, applicable to real estate development entities in Brazil, registered at the CVM, identified as “Individual”. Principles on accounting for the transfer of ownership of property units follow the understanding of Company Management regarding the application of Technical Pronouncement CPC 47 (IFRS 15) and the rules established by the CVM in Official Circular CVM/SNC/SEP/n.º 02/2018, in accordance with the rules issued by the CVM applicable to the preparation of Quarterly Information - ITR.

2.2 Significant accounting practices

The accounting policies applied in this quarterly information are the same applied to the Group’s financial statements for the financial year ended December 31, 2018, except those described in note 2.3 below.

Company Management approved this interim financial information on December 13, 2019.

2.3 New standards or revised standards applied for the first time in 2019

The standards and interpretations issued, in force or not yet in force are as follows:

a) IFRS 16 - Leases

IFRS	CPC	Pronouncement	Effective date
IFRS 16	CPC 06 (R2)	Leases	From 1/1/2019

On January 01, 2019 the Company applied CPC 06(R2)/IFRS 16 which introduces a single lease model, replacing the classification between operational and financial leases. The main objective is to determine whether there is a lease in the contracts or whether the lease constitutes the provision of services. Following this definition, if the contract contains a lease it should be recorded in assets, to be depreciated, and in liabilities with financial charges appropriated.

The lease is present in a contact when both of the following conditions exist:

- An identifiable asset explicitly or implicitly specified. In this case, the supplier does not have the practice of replacing the asset, or the substitution will bring no economic benefit to the supplier;
- The right to control the asset’s use during the contract. In this case, the Company should have permission to take decisions regarding the use of the asset and the ability to obtain substantially all of the economic benefits from using the asset;

The Company and its subsidiaries opted for the simplified modified respective transition approach, without re-presenting statements for the comparative period, adopting the following criteria for initially recognizing and measuring assets and liabilities;

- The lessee measured the lease liability at the initial application date at the present value of the remaining lease payments, net of PIS and COFINS credits, discounted using the loan's incremental borrowing rate, grouped by asset nature and contractual term;
- The right-of-use assets at the initial application date were measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the statement of financial position immediately before the date of initial application.

The assets and liabilities as of September 30, 2019 were adjusted to present value.

	9/30/2019	
	Parent Company	Consolidated
Opening Balance	-	-
Initial Adoption of CPC 06	778	1,361
Additions	323	1,508
Financial Charges	248	515
Payments of principal	(376)	(561)
Payment of charges	(248)	(515)
Closing Balance	725	2,308

b) ICPC 22 (IFRIC 23) - Uncertainty over Income Tax Treatments

The Group concluded there were no material effects as a result of adopting this interpretation.

3 - Ventures in Progress

The Company builds and develops real estate units to provide services related to its core activity. The Company had the following ventures as of September 30, 2019:

Company	Venture	Location	Interest	Estimated date of completion
Inter Construtora	Residencial Park Nova Califórnia	Rua Florianópolis,484 – Parque Jardim da Serra – Juiz de Fora/MG	100%	Nov/19
Inter Construtora	Park Jardim Norte	Avenida Garcia Rodrigues Paes, 16.769, bairro Barbosa Lage, Juiz de Fora/MG	100%	Dec/19
Inter Construtora	Park Marilândia	Rua Oflia de Souza Leal, lote 27B – Nova Califórnia – Juiz de Fora/MG	100%	Dec/19
SPE JF 03	Residencial Park Quinet	Rua Doutor José Eutrópio s/n – Santa Terezinha – Juiz de Fora/MG	99.70%	Feb/20
SPE Uberaba 01	Park Uberaba	Av. Nossa Senhora do Desterro, 1683 – Cidade Nova – Uberaba/MG	99.00%	Sep/20
SPE JF 01	Reserva das Acácias	Rua Professor Villas Boucada s/n – Santos Dumont – Juiz de Fora/MG	99.00%	Mar/20

<u>Company</u>	<u>Venture</u>	<u>Location</u>	<u>Interest</u>	<u>Estimated date of completion</u>
SPE JF 05 SPE	Park Palmeiras	Rua José Lourenço, no bairro São Pedro, em Juiz de Fora/MG	99.00%	Mar/21
Uberaba 02 SPE	Unique Uberaba 1	Pc Rui Barbosa, 300, centro, em Uberaba/MG	99.00%	Dec/20
Uberaba 03 SPE SJDR	Unique Uberaba 2	Pc Rui Barbosa, 300, centro em Uberaba/MG	99.00%	Oct/20
01	Park São João	Av Rei Tomé Portes Del Rei, no bairro Matozinhos, em São João Del Rei/MG	99.00%	Feb/21
SPE JF 11	Park Realeza	Rua C (Lote Realeza), bairro Francisco Bernardino, em Juiz de Fora/MG	99.00%	Sep/20
SPE JF 18	Reserva São Geraldo	Rua Antônio Bento Vasconcelos, Bairro Previdenciários, em Juiz de Fora/MG	99.00%	Mar/20
SPE JF 15	Unique Grama	Av. Juiz de Fora, bairro Grama, em Juiz de Fora/MG	99.00%	Apr/21
SPE Ubá 01 SPE	Park São José	Rua Jose Vieira Almeida, no bairro Residencial São José, em Ubá/MG	99.00%	Jul/21
Cataguases 1	Park Sapucaia	Rua Doutor Antônio Carlos Sobral, 387, Centro, em Cataguases/MG	99.00%	Sep/20
SPE JF 7	Park Teixeiras	Rua Ataliba de Barros, 182, no bairro São Mateus, em Juiz de Fora/MG	99.00%	Sep/20

4 - Cash and cash equivalents and securities

a) Cash and cash equivalents

Description	Parent Company		Consolidated	
	9/30/2019	12/31/2018	9/30/2019	12/31/2018
Cash, banks and checking account	2,023	15,984	11,406	18,942
	2,023	15,984	11,406	18,942
Unrestricted short-term investments	40,529	10,760	41,304	11,421
	40,529	10,760	41,304	11,421
	42,552	26,744	52,710	30,363

Company management classifies short-term investments as “Cash and cash equivalents” as they are considered to be financial assets that can be immediately redeemed and are subject to an insignificant risk of impairment. Short-term investments yield an average 90% to 102% of the Interbank Deposit Certificate - CDI in 2019 and 2018.

b) Marketable securities

	Parent Company		Consolidated	
	9/30/2019	12/31/2018	9/30/2019	12/31/2018
Short-term investments - current	17,171	54,805	17,171	54,805
Short-term investments - noncurrent	4,174	4,000	4,174	4,000
	21,345	58,805	21,345	58,805

Short-term investments denote funds secured for the specific purpose of acquiring land. Long-term financial investments are funds used to secure loans, borrowings and debentures. Short-term investments yield 100% of the Interbank Deposit Certificate - CDI rate (100% of the Interbank Deposit Certificate rate – CDI at December 31, 2018)

5 - Receivables for Real Estate Development

Consists of receivables for property units primarily financed by financial institutions (under the Minha Casa Minha Vida popular housing program) and a small part financed directly by the acquiring borrower. Calculated based on the “POC” percentage of completion method for each venture, for all reported periods.

	Parent Company		Consolidated	
	9/30/2019	12/31/2018	9/30/2019	12/31/2018
Receivables for real estate development	33,400	45,807	97,824	45,321
Provision for credit risk (a)	(827)	(2,434)	(1,208)	(2,619)
	32,573	43,373	96,616	42,702
Current	17,866	37,679	40,750	38,469
Noncurrent	14,707	5,694	55,866	4,233

In 2019 the Company adjusted its internal collection procedures, such as: modification to incentives and greater operational focus on the receivables more than 180 days overdue. These new procedures substantially reduced estimated doubtful accounts.

Changes in the provision for credit risk for the periods ended September 30, 2019 and December 31, 2018 are as follows:

	Parent Company		Consolidated	
	9/30/2019	12/31/2018	9/30/2019	12/31/2018
Opening balance	(2,434)	(1,137)	(2,619)	(1,137)
Creation	(1,228)	(1,371)	(1,228)	(1,709)
Reversal	2,835	74	2,639	227
Closing balance	(827)	(2,434)	(1,208)	(2,619)

The construction financing contracts are secured by pledged receivables or mortgages on the land where the works are in progress.

6 - Inventory

	Parent Company		Consolidated	
	9/30/2019	12/31/2018	9/30/2019	12/31/2018
Inventory of land	4,069	3,325	391,818	223,339
Real estate under construction	2,416	2,235	24,105	12,421
Advances to suppliers	1,494	2,500	5,474	3,578
	7,979	8,060	421,397	239,338
Current	3,910	8,060	181,520	70,825
Noncurrent	4,069	-	239,877	168,513

This item includes apartments under construction and land for future developments. A venture’s land is transferred to the account “Properties under construction” when sales of the venture

commence. The Company has contracts with financial institutions to finance the building of properties and the item properties under construction includes the capitalization of financial charges. As of September 30, 2019, interest was capitalized in the amount of R\$ 8,782 at the parent company and R\$ 9,362 consolidated (R\$ 1,665 as of December 31, 2018 individual and consolidated), which includes interest on loans supporting production and debentures, proportional to the funds used.

7 - Related Parties

- a) Loans: This item includes related-party loan transactions, which essentially consist of funds obtained to build future ventures, subject to market interest, security and a defined term.

Assets	Parent Company		Consolidated	
	9/30/2019	12/31/2018	9/30/2019	12/31/2018
Inter Spe Juiz De Fora 1 Incorporação Ltda	-	1,379	-	-
Inter Spe Uberaba 1 Incorporação Ltda	-	1,781	-	-
Inter Spe Juiz De Fora 2 Incorporação Ltda	233	226	299	251
Inter Spe Uberaba 2 Incorporação Ltda.	459	112	-	-
Inter Spe Uberaba 3 Incorporação Ltda.	164	60	-	-
Inter Spe Juiz De Fora 6 Incorporação Ltda	2,062	218	-	-
Inter Spe Juiz De Fora 4 Incorporação Ltda.	61	34	-	-
Inter Spe Juiz De Fora 7 Incorporação Ltda	200	16	-	-
Inter Spe Sjrj 1 Incorporação Ltda	99	6	-	-
Inter Spe Uberaba 4 Incorporação Ltda	600	228	-	-
Inter Spe Jacarei 1 Incorporação Ltda	13,020	5	-	-
Inter Spe Cataguases 1 Incorporação Ltda	350	112	-	-
Inter Spe Sjdr 1 Incorporação Ltda	1,068	374	-	-
Inter Spe Juiz De Fora 11 Incorporação Ltda	1,020	264	-	-
Inter Spe Juiz De Fora 10 Incorporação Ltda	6,003	5,707	-	-
Inter Spe Juiz De Fora 14 Incorporação Ltda	10,093	19	-	-
Inter Spe Juiz De Fora 18 Incorporação Ltda	7,005	67	-	-
Inter Spe Juiz De Fora 15 Incorporação Ltda	1,069	124	-	-
Inter Spe Uba 1 Incorporação Ltda	1,432	58	-	-
Inter Spe Uberaba 5 Incorporação Ltda	365	-	-	-
Inter Spe Sjrj 3 Incorporação Ltda	329	-	-	-
Inter Spe Uberaba 9 Incorporação Ltda	132	-	-	-
Inter Spe Uberaba 10 Incorporação Ltda	112	-	-	-
Other related parties	320	227	-	-
	46,196	11,017	299	251

Liabilities	Parent Company		Consolidated	
	9/30/2019	12/31/2018	9/30/2019	12/31/2018
Inter Spe Juiz De Fora 1 Incorporação Ltda	5,856	-	-	-
Inter Spe Juiz De Fora 3 Incorporação Ltda	184	-	-	-
Inter Spe Uberaba 1 Incorporação Ltda	3,337	-	-	-
Inter Spe Juiz De Fora 5 Incorporação Ltda	4,263	-	-	-
	13,640	-	-	-

The average loan interest is 1.00% p.a. As per the agreement between the parties, the total loan amount between parties can be up to R\$ 15,000 per company.

- b) Customer Advances: advances of prepaid costs in the amount of R\$ 19,819 (R\$ 13,232 as

of December 31, 2018), received from the subsidiary Inter SPE Juiz de Fora 3 Incorporação Ltda.

- c) Transactions: the parent company has rental agreements for commercial offices with the related party H.I. Holding de Participações S.A., used for administrative activities with a monthly rent of R\$ 15.
- d) Management Compensation (parent company and consolidated)

	Executive Board		Board of Directors	
	9/30/2019	9/30/2018	9/30/2019	9/30/2018
Management fees	2,566	1,237	531	401
	2,566	1,237	531	401
Number of members	7	5	4	4

There are no post-employment benefits, other long-term benefits or severance benefits for managers or any other Company staff.

8 - Investments

	Parent Company		Consolidated	
	9/30/2019	12/31/2018	9/30/2019	12/31/2018
Investments in subsidiaries	65,784	7,903	-	-
Other investments	24	19	24	19
	65,808	7,922	24	19

The changes in investments in subsidiaries are as follows:

	12/31/2018	Acquisitions	Equity income	9/30/2019
<u>Investments</u>				
Inter SPE Juiz De Fora 1 Incorporação Ltda	-	-	7,644	7,644
Inter SPE Uberaba 1 Incorporação Ltda	-	-	6,758	6,758
Inter SPE Juiz de Fora 3 Incorporação Ltda	6,882	-	31,152	38,034
Inter SPE Juiz de Fora 5 Incorporação Ltda	-	-	2,437	2,437
Inter SPE Juiz de Fora 11 Incorporação Ltda	-	-	2,208	2,208
Capitalization plans	19	5	-	24
Capitalized Interest	1,021	7,182	-	8,203
Other SPEs	-	-	500	500
	7,922	11,187	50,699	65,808

	12/31/2018	Acquisitions	Equity income	9/30/2019
<u>Provision for devaluation of investments</u>				
Inter SPE Juiz De Fora 1 Incorporação Ltda	(337)	-	337	-
Inter SPE Uberaba 1 Incorporação Ltda	(834)	-	834	-
Inter SPE Uberaba 3 Incorporação Ltda	(17)	-	17	-
Inter SPE Juiz De Fora 11 Incorporação Ltda	(11)	-	11	-
Inter SPE Juiz de Fora 5 Incorporação Ltda	(11)	-	11	-
Inter SPE Uberaba 2 Incorporação Ltda	(12)	-	12	-
Inter SPE SJDR 1 Incorporação Ltda	(398)	-	(268)	(666)
Inter SPE Juiz De Fora 15 Incorporação Ltda	(14)	-	14	-
Inter SPE Juiz de Fora 4 Ltda	-	-	(28)	(28)
Inter SPE Ubá 1 Ltda	-	-	(407)	(407)
Inter SPE Uberaba 5 Ltda	-	-	(175)	(175)
Inter Spe Sjrj 3 Incorporação Ltda	-	-	(74)	(74)
Other SPEs	(9)	-	333	324
	(1,643)	-	617	(1,026)

The subsidiaries' asset, liabilities and net income break down as follows:

<u>Companies</u>	<u>Current Assets</u>		<u>Noncurrent assets</u>		<u>Total assets</u>	
	9/30/2019	12/31/2018	9/30/2019	12/31/2018	9/30/2019	12/31/2018
Inter SPE Juiz de Fora 3 Incorporação Ltda	65,672	19,702	2,509	13,926	68,181	33,628
Inter SPE Uberaba 1 Incorporação Ltda	21,572	4,779	6,877	-	28,449	4,779
Inter SPE Juiz de Fora 10 Incorporação Ltda	6,019	5,706	-	-	6,019	5,706
Inter SPE Juiz de Fora 1 Incorporação Ltda	9,172	6,510	7,318	146	16,490	6,656
Inter SPE Juiz de Fora 5 Incorporação Ltda	1,607	114	5,400	-	7,007	114
Inter SPE Juiz de Fora 11 Incorporação Ltda	16,675	279	826	-	17,501	279
Inter SPE Juiz de Fora 15 Incorporação Ltda	3,208	3,611	1,633	-	4,841	3,611
Inter SPE Juiz de Fora 18 Incorporação Ltda	4,491	58	98	-	4,589	58
Inter SPE Ubá 1 Incorporação Ltda	2,184	58	400	-	2,584	58
Inter SPE SJDR 1 Incorporação Ltda	1,713	1,962	1,014	-	2,727	1,962
Other SPEs	129,446	24,238	163,336	142,214	224,635	160,539
Total	261,759	67,017	189,411	156,286	383,023	217,390

Notes to the interim financial information
September 30, 2019 and 2018
In thousands of Reais, unless stated otherwise



Liabilities and equity

Companies	Current Liabilities		Noncurrent liabilities		Equity		Liabilities and equity	
	9/30/2019	12/31/2018	9/30/2019	12/31/2018	9/30/2019	12/31/2018	9/30/2019	12/31/2018
	Inter SPE Juiz de Fora 3 Incorporação Ltda - Quinet	27,951	22,062	1,802	4,370	38,428	7,196	27,951
Inter SPE Uberaba 1 Incorporação Ltda Uberaba	18,845	577	3,945	5,077	5,659	(875)	18,845	4,779
Inter SPE Juiz de Fora 10 Incorporação Ltda Viajantes	19	-	6,003	5,707	-	(1)	19	5,706
Inter SPE Juiz de Fora 1 Incorporação Ltda Acacias	8,094	5,618	1,081	1,379	8	(341)	8,094	6,656
Inter SPE Juiz de Fora 5 Incorporação Ltda	4,105	-	464	125	-	(11)	4,105	114
Inter SPE Juiz de Fora 11 Incorporação Ltda	10,850	26	4,421	264	-	(11)	10,850	279
Inter SPE Juiz de Fora 15 Incorporação Ltda	3,391	3,501	1,202	124	-	(14)	4,593	3,611
Inter SPE Juiz de Fora 18 Incorporação Ltda	308	1	3,789	67	(32)	(10)	4,065	58
Inter SPE Ubá 1 Incorporação Ltda	1,515	-	1,479	58	-	-	2,994	58
Inter SPE SJDR 1 Incorporação Ltda	1,727	1,990	1,271	374	-	(402)	2,998	1,962
Other SPEs	6,047	22,983	291,535	143,154	9,770	(24)	298,509	160,549
Total	82,852	56,758	299,276	160,699	53,833	5,507	383,023	217,400

1/1/2019 to 9/30/2019

Companies	Operating Revenue	Cost of Properties sold	Operating revenue (expenses)	Finance Income/Loss	Profit (Loss)
Inter SPE Juiz de Fora 3 Incorporação Ltda	98,426	(58,316)	(8,983)	38	31,165
Inter SPE Uberaba 1 Incorporação Ltda	24,066	(14,606)	(2,613)	(85)	6,762
Inter SPE Juiz de Fora 10 Incorporação Ltda	-	-	(3)	-	(3)
Inter SPE Juiz de Fora 1 Incorporação Ltda	27,364	(17,706)	(1,964)	(48)	7,646
Inter SPE Juiz de Fora 5 Incorporação Ltda	6,097	(3,168)	(432)	(48)	2,449
Inter SPE Juiz de Fora 11 Incorporação Ltda	8,689	(5,938)	(484)	(25)	2,242
Inter SPE Juiz de Fora 15 Incorporação Ltda	2,703	(1,963)	(442)	(36)	262
Inter SPE Juiz de Fora 18 Incorporação Ltda	1,586	(1,018)	(27)	(8)	533
Inter SPE Ubá 1 Incorporação Ltda	966	(750)	(612)	(14)	(410)
Inter SPE SJDR 1 Incorporação Ltda	2,291	(1,620)	(489)	(50)	132
Other SPEs	4,979	(3,311)	2,547	(86)	873
Total	177,167	(108,396)	(13,502)	(362)	51,651

Companies	7/1/2019 to 9/30/2019				
	Operating Revenue	Cost of Properties Sold	Operating revenue (expenses)	Finance Income/Loss	Profit (Loss)
Inter SPE Juiz de Fora 3 Incorporação Ltda	42,341	(24,705)	(2,881)	(157)	14,598
Inter SPE Uberaba 1 Incorporação Ltda	13,939	(8,401)	(1,048)	(43)	4,447
Inter SPE Juiz de Fora 10 Incorporação Ltda	-	-	(1)	-	(1)
Inter SPE Juiz de Fora 1 Incorporação Ltda	10,643	(6,845)	(513)	(20)	3,265
Inter SPE Juiz de Fora 5 Incorporação Ltda	5,210	(2,710)	(279)	(34)	2,187
Inter SPE Juiz de Fora 11 Incorporação Ltda	6,853	(4,716)	(352)	(17)	1,768
Inter SPE Juiz de Fora 15 Incorporação Ltda	1,263	(890)	(95)	(3)	275
Inter SPE Juiz de Fora 18 Incorporação Ltda	1,586	(1,018)	(42)	(2)	524
Inter SPE Ubá 1 Incorporação Ltda	463	(347)	(265)	(1)	(150)
Inter SPE SJDR 1 Incorporação Ltda	964	(654)	(147)	(35)	128
Other SPEs	4,981	(3,567)	875	(49)	(10,482)
Total	88,243	(53,853)	(4,748)	(361)	16,559

The subsidiaries have restrictions on transferring cash to the Company as they opted for equity segregation called “reserve equity”, which requires amounts be held in cash to permit continuity and delivery of the units being built to the future buyers.

9 - Property, plant and equipment

Changes in property, plant and equipment in the quarters ended September 30, 2019 and December 31, 2018 are as follows:

Parent Company:

	<u>Plant and equipment</u>	<u>Vehicles</u>	<u>Commercial offices</u>	<u>Aircraft</u>	<u>Computers and peripherals</u>	<u>Other</u>	<u>Total</u>
<i>Annual depreciation</i>	10%	20%	2.5%	2.5%	20%		
Cost							
At 1 January 2018	495	480	2,384	15,888	-	-	19,248
Additions	-	233	-	3,300	363	242	4,138
Disposals	-	-	(1,234)	-	-	-	(1,234)
At December 31, 2018	495	713	1,150	19,188	363	242	22,151
At 1 January 2019	495	713	1,150	19,188	363	242	22,151
Additions	3	-	-	11,000	330	341	11,674
Disposals	-	-	-	(3,300)	-	(73)	(3,373)
At September 30, 2019	498	713	1150	26888	693	510	30,452
 <i>Accumulated depreciation and impairment losses</i>							
At 1 January 2018	(24)	(155)	-	(262)	-	-	(441)
Depreciation	(13)	(139)	(165)	(248)	(72)	(17)	(654)
At December 31, 2018	(37)	(294)	(165)	(510)	(72)	(17)	(1,095)
At 1 January 2019	(36)	(294)	(165)	(510)	(73)	(18)	(1,095)
Depreciation	(9)	(96)	(22)	(504)	(78)	(69)	(778)
Depreciation write-off	-	-	-	20	-	-	20
At September 30, 2019	(435)	(390)	(187)	(994)	(151)	(87)	(1,853)
 Net carrying amount							
At December 31, 2018	458	419	985	18,678	291	225	21,056
At September 30, 2019	452	323	964	25,894	543	424	28,599
	458	419	985	18,678	291	225	21,056

Consolidated:

	<u>Plant and equipment</u>	<u>Vehicles</u>	<u>Commercial offices</u>	<u>Aircraft</u>	<u>Computers and peripherals</u>	<u>Other</u>	<u>Total</u>
<i>Annual depreciation</i>	10%	20%	2.5%	2.5%	20%		
Cost							
At 1 January 2018	495	480	2,384	15,888	-	-	19,247
Additions	-	276	-	3,300	379	225	4,180
Disposals	-	(43)	(1,234)	-	-	-	(1,277)
At December 31, 2018	495	713	1,150	19,188	379	225	22,150
At 1 January 2019	495	713	1,150	19,188	379	225	22,150
Additions	3	-	-	11,000	330	843	12,176
Disposals	-	-	-	(3,300)	-	(73)	(3,373)
At September 30, 2019	498	713	1150	26888	709	995	30,953
 <i>Accumulated depreciation and impairment losses</i>							
At 1 January 2018	(24)	(155)	-	(262)	-	-	(441)
Depreciation	(12)	(139)	(165)	(246)	(72)	(19)	(653)
At December 31, 2018	(36)	(294)	(165)	(508)	(72)	(19)	(1,094)
At 1 January 2019	(36)	(294)	(165)	(508)	(72)	(19)	(1,094)
Depreciation	(9)	(96)	(22)	(504)	(78)	(70)	(779)
Depreciation write-off	-	-	-	20	-	-	20
At September 30, 2019	(45)	(390)	(187)	(992)	(150)	(89)	(1,853)
 Net carrying amount							
At December 31, 2018	459	419	985	18,680	307	206	21,056
At September 30, 2019	453	323	963	25,896	559	906	29,100

At the closing dates of the statements presented, Group Management believes there was no evidence that any of its useful-lived assets has incurred impairment, as there was no evidence of factors indicating losses, as per items 10 and 12 of CPC 01.

10 - Liabilities towards third parties

	<u>Parent Company</u>		<u>Consolidated</u>	
	<u>9/30/2019</u>	<u>12/31/2018</u>	<u>9/30/2019</u>	<u>12/31/2018</u>
Acquisition of aircraft (a)	15,301	9,290	15,301	9,290
Acquisition of land (b)	-	-	305,233	171,476
Other accounts payable	-	-	3,450	-
	15,301	9,290	323,984	180,766
 Short-term	4,314	4,717	7,798	18,284
Long-term	10,987	4,573	316,186	162,482

Liabilities towards third parties consist of:

- a) Acquisitions of aircraft from third parties for payment over sixty monthly consecutive installments, incurring monthly interest of 1.3% p.m.;

- b) Acquisitions of land for use in new ventures through financial swaps. Various land acquisition contracts contain clauses that permit termination at no cost to the Company in the event certain conditions are not met or reached. These conditions primarily consist of obtaining the legal, municipal or state approvals (development registration, construction permit etc.), technical and commercial feasibility of the ventures and obtaining construction financing.

11 - Loans, Financing and Debentures

a. Breakdown and change in debt

		Parent Company					
	Bank	Balance at 12/31/2018	Funding	Interest	Interest paid	Amortization	Balance at 9/30/2019
Production Support	CEF	8,493	234	1,075	(1,072)	(8,730)	-
Production Support	BB	3,860	3,615	259	(169)	(3,627)	3,938
Working Capital	CEF	6,458	2,917	755	(755)	(3,608)	5,767
Working Capital	Itaú	9,773	-	1,162	(1,196)	(3,162)	6,577
Working Capital	Harvest	1,750	1,390	204	(77)	(2,207)	1,060
Working Capital	Bradesco	913	86	207	(137)	(686)	383
Secured Account	Itaú	1,150	30,850	2880	(2,566)	-	32,314
Secured Account	Bradesco	-	9,757	446	(435)	(4,808)	4,960
Secured Account	ABC	-	3,000	90	(90)	-	3,000
Debentures	Ápice	66,221	-	8,825	(3,564)	-	71,482
		98,618	51,849	15,903	(10,061)	(26,828)	129,481

		Consolidated					
	Bank	Balance at 12/31/2018	Funding	Interest	Interest paid	Amortization	Balance at 9/30/2019
Production Support	CEF	12,811	43,179	1,655	(48)	(19,074)	38,523
Production Support	BB	3,860	3,615	259	(169)	(3,627)	3,938
Working Capital	CEF	6,458	2,917	955	(955)	(3,608)	5,767
Working Capital	Itaú	9,773	-	1,562	(1,596)	(3,162)	6,577
Working Capital	Harvest	1,750	1,390	304	(177)	(2,207)	1,060
Working Capital	Bradesco	913	86	307	(237)	(686)	383
Secured Account	Itaú	1,150	30,850	3,380	(3,066)	-	32,314
Secured Account	Bradesco	-	9,757	480	(469)	(4,808)	4,960
Secured Account	ABC	-	3,000	90	(90)	-	3,000
Debentures	Ápice	66,221	-	8,825	(3,564)	-	71,483
		102,936	94,794	17,817	(10,371)	(37,171)	168,005

b. The terms and conditions of outstanding loans are as follows:

	Interest rate Nominal	Year of maturity	Parent Company		Consolidated	
			9/30/2019	12/31/2018	9/30/2019	12/31/2018
Itaú overdraft	1.10 p.m.	2019	32,314	1,150	32,314	1,150
Bradesco overdraft	0.9999 p.m.	2019	4,960	-	4,960	-
ABC overdraft	CDI+0.5 p.m	2020	3,000	-	3,000	-
CEF production support	0.7 to 0.8 p.m.	2020	-	8,493	38,524	12,811
BB production support	0.67 to 0.8 p.m.	2020	3,938	3,860	3,938	3,860
Bradesco working capital	1.22 p.m.	2019	383	913	383	913
CEF working capital	CDI+0.45 p.m.	2019	5,767	6,458	5,767	6,458
Safra working capital	1.35 p.m.	2019	1,060	1,750	1,060	1,750
Itaú working capital	1.10 p.m.	2019	6,577	9,773	6,577	9,773
CRI 1 st Issuance	CDI+0.45 p.m.	2021	50,403	46,088	50,403	46,088
CRI 2 nd Issuance	CDI+0.40 p.m.	2021	21,079	20,133	21,079	20,133
			129,481	98,618	168,005	102,936

The guarantees securing loans range from pass-through of property units made by the Company to mortgages.

Total loans, financing and debentures mature as follows:

	Parent Company		Consolidated	
	9/30/2019	12/31/2018	9/30/2019	12/31/2018
Subsequent events				
12 months	22,207	20,992	60,731	20,991
13 to 24 months	71,317	13,779	71,317	18,097
After 24 months	35,957	63,847	35,957	63,848
Total	129,481	98,618	168,005	102,936

c. Debentures

On April 5, 2018 the Company made its 1st issuance of nonconvertible debentures in series 141 and 142 in the total amount of R\$ 45,000 thousand, used exclusively to purchase land, maturing in 2021.

On November 26, 2018 the Company made its 2nd issuance of nonconvertible debentures in series 170 and 171 in the amount of R\$ 20,000 thousand, used exclusively in real estate development, maturing in 2021.

d. Contractual obligations

As of September 30, 2019 the Group was performing all covenants in the loans, borrowing and debentures contracts, including those related to financial and nonfinancial indicators. At September 30 the company had complied with all non-financial covenants, where financial covenants are assessed annually.

12 - Social and labor obligations

	Parent Company		Consolidated	
	9/30/2019	12/31/2018	9/30/2019	12/31/2018
Salaries and wages payable	221	192	349	199
INSS payable	259	236	463	240
FGTS payable	38	51	69	52
Provision for vacations	425	540	686	544
Other labor obligations	1,239	629	1,543	630
	2,182	1,648	3,110	1,665

13 - Tax Obligations

	Parent Company		Consolidated	
	9/30/2019	12/31/2018	9/30/2019	12/31/2018
IRRF on payroll payable	222	104	256	106
INSS withheld on invoices	10	131	566	232
ISS withheld on invoices	4	69	274	187
RET payable	2,420	3,263	6,857	3,487
Other tax obligations	43	87	75	105
	2,699	3,654	8,028	4,117

The group entered the Special Taxation Arrangement (RET) Law 12.024 issued August 27, 2009 entitles it to. For this purpose, the consolidated IRPJ and CSLL charge, the contribution for social security financing - COFINS and social integration program - PIS is calculated at the rate of 4% of gross revenue received, with 1.92% for IRPJ and CSLL and 2.08% for PIS and COFINS.

14 - Customer Advances

See below the breakdown of customer advances:

	Parent Company		Consolidated	
	9/30/2019	12/31/2018	9/30/2019	12/31/2018
Service provision advances	21,113	12,881	761	8,942
Real estate swap contracts	-	-	16,744	20,853
	21,113	12,881	17,505	29,795

Various real estate swap contracts contain clauses that permit termination at no cost to the Company in the event certain conditions are not met or reached. These conditions primarily consist of obtaining the legal, municipal or state approvals (development registration, construction permit etc.), technical and commercial feasibility of the ventures and obtaining construction financing.

15 - Provisions

a. For Contingencies

The Company made provisions, which involve considerable management judgment, for labor, tax and civil contingencies when it is probable that an outflow of economic benefits will be required to settle the obligation which can be reliably estimated.

The chance of defeat is rated according to the evidence available, the hierarchy of law, available case law, recent court decisions and their relevance in the legal framework, in addition to independent legal advisors' opinions.

	<u>Parent Company</u>		<u>Consolidated</u>	
	<u>9/30/2019</u>	<u>12/31/2018</u>	<u>9/30/2019</u>	<u>12/31/2018</u>
Labor contingencies	356	87	356	87
Compensation for third parties	1,117	876	1,181	876
	<u>1,473</u>	<u>963</u>	<u>1,537</u>	<u>963</u>

As of September 30, 2019 the parent company and consolidated risks amounted to R\$ 2,086 (R\$ 448 at December 31, 2018), all resulting from civil proceedings, there being no material cases to report.

b. For guarantees

The Company considers the provision for guarantees to be an additional part of the sold property's cost consisting of possible post-works maintenance expenses. The provision as of September 30, 2019 is R\$ 5,374 (R\$ 6,709 as of December 31, 2018) For the parent company and the provision as of September 30, 2019 is R\$ 8,574 (R\$ 6,965 as of December 31, 2018) for the consolidated statements. Estimated provisions were made at 2.0% of the construction cost as of September 30, 2019 and December 31, 2018.

16 - Equity

a) Share capital

The subscribed and paid-in capital as of September 30, 2019 is R\$ 50,973 (R\$ 20,389 as of December 31, 2018). The share capital is comprised of 50,973,920 shares (20,389,168 shares as of December 31, 2018), all common and with no par value, as per the Bylaws.

b) Legal reserve

As of December 31, 2018 the Company attributed R\$ 4,078 to the legal reserve, within the 20% limit of the total share capital at that date, as required by article 193 of Brazilian Corporation Law.

c) Profit retention reserve

This reserve is used to meet the funding requirements for future investments, especially for working capital, acquisition of land, investment in property, plant and equipment and intangible assets and payment of loan interest.

d) Dividends

As of December 31, 2018, the dividends were distributed as shown in the table below:

	<u>12/31/2018</u>
Profit or loss	47,637
(-) Legal reserve	(2,293)
(+) Re-presentation adjustments of the financial statements	18,057
	<u>63,401</u>
Minimum mandatory percentage	50%
Minimum mandatory dividends	<u>31,701</u>
Dividends distributed in the year	(19,038)
Dividends provisioned for in the year	<u>12,663</u>

At the Annual General Meeting on April 29, 2019, the Company resolved to increase its share capital by R\$ 30,584, from R\$ 20,389 to R\$ 50,973, by capitalizing revenue reserves.

In the period ended September 30, 2019, the Company distributed early dividends to its shareholders of R\$ 9,621.

17 - Net Operating Revenue

	<u>Parent Company</u>			
	<u>7/1/2019</u> to <u>9/30/2019</u>	<u>1/1/2019</u> to <u>9/30/2019</u>	<u>7/1/2018</u> to <u>9/30/2018</u>	<u>1/1/2018</u> to <u>9/30/2018</u>
Revenue from property sales	4,278	28,603	41,189	129,281
Taxes on sales	(111)	(1,624)	(1,146)	(3,626)
Cancellations	(60)	(63)	-	(8)
Other deductions	280	1,607	(490)	(647)
Net Operating Revenue	<u>4,362</u>	<u>28,523</u>	<u>39,553</u>	<u>125,000</u>

	Consolidated			
	7/1/2019 to 9/30/2019	1/1/2019 to 9/30/2019	7/1/2018 to 9/30/2018	1/1/2018 to 9/30/2018
Revenue from property sales	94,964	210,333	46,294	138,404
Taxes on sales	(2,116)	(5,745)	(1,343)	(6,930)
Cancellations	(112)	(302)	(5)	(14)
Other deductions	(131)	1,404	(944)	(1,513)
Net Operating Revenue	92,605	205,690	44,002	129,947

18 - General costs and expenses and other operating revenue and expenses

	Parent Company			
	7/1/2019 to 9/30/2019	1/1/2019 to 9/30/2019	7/1/2018 to 9/30/2018	1/1/2018 to 9/30/2018
Raw and use and consumption materials	(952)	(5,327)	(7,005)	(22,228)
Outsourced services	(2,844)	(10,778)	(12,157)	(38,407)
Personnel expenses	(1,882)	(6,445)	(3,716)	(10,761)
Rates	(155)	(894)	(1,135)	(3,024)
Capitalized interest	(37)	(209)	(163)	(517)
Depreciation and amortization	(449)	(1,198)	(167)	(482)
Commission	(193)	(1,331)	(610)	(2,090)
Advertising and marketing	(851)	(2,269)	(672)	(1,648)
Sales stand	(364)	(1,656)	(414)	(644)
Consultancy services	(362)	(1,568)	(319)	(2,392)
Fuels and lubricants	(214)	(772)	(171)	(570)
Travel and accommodation	(164)	(656)	(95)	(369)
Bonuses	(233)	(1,128)	(243)	(589)
Other general expenses	(261)	(1,383)	(1,909)	(3,892)
Total costs and expenses	(8,961)	(35,614)	(28,776)	(87,613)
Cost of property sold	(3,296)	(18,435)	(24,650)	(75,232)
Sales expenses	(2,195)	(7,423)	(2,024)	(6,812)
General and administrative expenses	(2,799)	(8,135)	(2,300)	(5,153)
Other net operating expenses	(671)	(1,621)	(103)	(416)
Total costs and expenses	(8,961)	(35,614)	(28,776)	(87,613)

	Consolidated			
	7/1/2019 to 9/30/2019	1/1/2019 to 9/30/2019	7/1/2018 to 9/30/2018	1/1/2018 to 9/30/2018
Raw and use and consumption materials	(16,130)	(37,739)	(7,995)	(23,558)
Outsourced services	(29,752)	(65,131)	(13,478)	(39,596)
Personnel expenses	(6,901)	(16,779)	(3,825)	(10,410)
Rates	(3,363)	(7,389)	(1,334)	(3,624)
Capitalized interest	(491)	(1,090)	(180)	(531)
Depreciation and amortization	(767)	(1,861)	(167)	(482)
Commission	(1,294)	(3,364)	(758)	(2,286)
Advertising and marketing	(1,601)	(4,189)	(910)	(2,236)
Sales stand	(611)	(2,138)	(426)	(675)
Consultancy services	(373)	(1,606)	(327)	(2,404)
Fuels and lubricants	(214)	(772)	(171)	(571)
Travel and accommodation	(165)	(659)	(96)	(373)
Bonuses	(238)	(1,160)	(243)	(646)
Other general expenses	(5,662)	(13,635)	(2,546)	(4,903)
Total costs and expenses	(67,562)	(157,512)	(32,456)	(92,295)
Cost of property sold	(57,149)	(126,831)	(27,718)	(78,904)
Sales expenses	(4,468)	(12,174)	(2,464)	(7,683)
General and administrative expenses	(5,243)	(16,817)	(2,163)	(5,281)
Other operating expenses, net	(702)	(1,690)	(111)	(427)
Total costs and expenses	(67,562)	(157,512)	(32,456)	(92,295)

19 - Net Financial Income

	Parent Company			
	7/1/2019 to 9/30/2019	1/1/2019 to 9/30/2019	7/1/2018 to 9/30/2018	1/1/2018 to 9/30/2018
Revenue from financial investments	966	3,168	791	1,487
Financial revenue on cash	7	768	-	-
Discounts obtained	18	78	15	80
Other financial revenue	-	71	-	-
Finance income	991	4,085	806	1,567
Financing expenses	(2,457)	(8,721)	(1,504)	(4,886)
Bank expenses	(236)	(884)	(425)	(1,325)
Fine	(85)	(433)	(5)	(37)
Other financial expenses	(213)	(259)	(66)	(168)
Finance costs	(2,991)	(10,297)	(2,000)	(6,416)
Net finance income	(2,000)	(6,212)	(1,194)	(4,849)

	Consolidated			
	7/1/2019 to 9/30/2019	1/1/2019 to 9/30/2019	7/1/2018 to 9/30/2018	1/1/2018 to 9/30/2018
Revenue from financial investments	995	3,244	834	1,539
Financial revenue on cash	26	896	-	-
Discounts obtained	60	430	33	96
Other financial revenue	-	71	-	-
Finance income	1,081	4,641	867	1,635
Financing expenses	(2,465)	(8,750)	(1,504)	(4,887)
Bank expenses	(448)	(1,431)	(559)	(1,608)
Fine	(218)	(685)	(26)	(59)
Other financial expenses	(311)	(349)	(70)	(166)
Finance costs	(3,442)	(11,215)	(2,159)	(6,720)
Net finance income	(2,361)	(6,574)	(1,292)	(5,085)

20 - CURRENT AND DEFERRED INCOME AND SOCIAL CONTRIBUTION TAXES

Income and social contribution taxes - reconciliation between nominal and effective expenses.

The reconciliation between the nominal and effective income and social contribution tax expenses for the financial years is as follows:

	Parent Company			
	7/1/2019 to 9/30/2019	1/1/2019 to 9/30/2019	7/1/2018 to 9/30/2018	1/1/2018 to 9/30/2018
Profit before income and social contribution taxes	20,665	37,396	10,137	32,444
Nominal rates	34%	34%	34%	34%
Income tax and social contribution calculated at the nominal rate	(7,026)	(12,715)	(3,447)	(11,031)
Adjustments to nominal expense:				
Share of profit (loss) of equity-accounted investees	9,270	17,238	291	(32)
Other net exclusions (additions)	(2,304)	(4,698)	2,428	8,918
Current and deferred income and social contribution taxes	(60)	(175)	(728)	(2,145)

	Consolidated			
	7/1/2019 to 9/30/2019	1/1/2019 to 9/30/2019	7/1/2018 to 9/30/2018	1/1/2018 to 9/30/2018
Profit before income and social contribution taxes	22,683	41,604	10,254	32,567
Nominal rates	34%	34%	34%	34%
Income tax and social contribution calculated at the nominal rate	(7,712)	(14,145)	(3,486)	(11,073)
Adjustments to nominal expense:				
Effect on earnings of subsidiaries subject to RET taxation basis	4,835	8,396	2,662	8,836
Other net exclusions (additions)	1,074	2,318		
Current and deferred income and social contribution taxes	(1,803)	(3,431)	(825)	(2,236)

The Company's earnings statements are subject to review and possible additional entries by the tax authorities for a term of five years. Other taxes and contributions are also subject to these reviews, in accordance with the applicable legislation.

21 - Risk management and financial instruments

The company engages in transactions involving financial assets and liabilities to manage available financial resources generated by operations. The risks associated with these instruments are managed through conservative strategies aimed at ensuring liquidity, profitability and security. An assessment of such financial assets and liabilities with respect to market value was conducted on the basis of available information and appropriate assessment methods. However, the interpretation of market data and assessment methods requires considerable judgment and estimates to calculate the most appropriate realizable value. As a result, the estimates presented may differ if different assumptions and methods are used.

The carrying amounts of financial assets and liabilities segregated by category are as follows as of September 30, 2019 and December 31, 2018:

	Hierarchy	9/30/2019			
		Parent Company		Consolidated	
		Amortized cost	Fair value through profit or loss	Amortized cost	Fair value through profit or loss
Assets					
Cash and cash equivalents	Level 2	42,552	-	52,710	-
Marketable securities	Level 2	-	21,345	-	21,345
Receivables for real estate development	Level 2	32,573	-	96,616	-
Liabilities					
Trade payables	Level 2	3,260	-	46,934	-
Liabilities towards third parties	Level 2	15,301	-	323,984	-
Loans, financings, and debentures	Level 2	129,481	-	168,005	-

12/31/2018					
		<u>Parent Company</u>		<u>Consolidated</u>	
		<u>Amortized</u>	<u>Fair value</u>	<u>Amortized</u>	<u>Fair value</u>
<u>Assets</u>	<u>Hierarchy</u>	<u>cost</u>	<u>through</u>	<u>cost</u>	<u>through</u>
		<u>profit or</u>		<u>profit or</u>	
		<u>loss</u>		<u>loss</u>	
Cash and cash equivalents	Level 2	26,744	-	30,363	-
Marketable securities	Level 2	-	58,805	-	58,805
Receivables for real estate development	Level 2	43,373	-	42,702	-
<u>Liabilities</u>					
Trade payables	Level 2	6,114	-	31,770	-
Liabilities towards third parties	Level 2	9,290	-	180,766	-
Loans, financings, and debentures	Level 2	98,618	-	102,936	-

Fair value hierarchy

- Level 1 — Uses observable prices (unadjusted) for identical instruments in active markets, which the Company has access to on the measurement date;
- Level 2 — Uses observable prices in active markets for similar instruments, observable prices for identical or similar instruments in inactive markets and valuation models for which the inputs are observable, and
- Level 3 — Instruments who significant inputs are not observable. The Company does not invest in such financial instruments.

Management believes that the aforesaid financial instruments, which are recognized in the interim accounting information at their carrying amounts, do not present significant variance from their respective market values, because:

- i. The loans, borrowings and debentures incur interest rates similar to those currently practiced in the market, and/or
- ii. A substantial part of the balances matures on dates close to the reported dates.

The main risk factors inherent to the Company's operations are as follows:

21.1. Capital risk

The Group manages its capital to ensure that its companies will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The group is not subject to any external requirement on capital.

Management periodical reviews the group's capital structure. As part of this revision management takes into account the capital costs, asset liquidity, risks posed by each type of capital and the Group's level of indebtedness.

21.2. Market risk

The market risk is the risk that the fair value of the future cash flows of a financial investment fluctuates due to changes in market prices.

Our financial instruments affected by market risk include loans payable and short-term investments.

21.3. Interest rate risk

As of September 30, 2019 the Group is marginally exposed to the interest rate risk, as shown below:

	<u>Index</u>	<u>Risk</u>	<u>Parent Company 9/30/2019</u>	<u>Consolidated 9/30/2019</u>
Short-term investments	CDI	Increase in CDI/Selic	40,529	41,304
Marketable securities	CDI	Increase in CDI/Selic	21,345	21,345
Loans, financings, and debentures	CDI	Increase in CDI/Selic	(82,870)	(82,870)
Net exposure			<u>(20,996)</u>	<u>(20,221)</u>

Sensitivity Analysis

Based on projections published in the Central Bank's focus newsletter, at the close of the period Management estimated a profitable scenario for the difference in interest rates incurred by the financial liabilities in the CDI and Selic rates of 4.50% per annum on December 9, 2019, as it considers these rates are the same in market terms. These rates were stressed by 25% and 50%, serving as a baseline for the possible and remote scenarios respectively.

		Parent Company			
Index		9/30/2019	Probable Scenario	Scenario A 25%	Scenario B 50%
Short-term investments	CDI	40,529	42,353	42,809	43,265
Short-term investments (Securities)	CDI	21,345	22,306	22,546	22,786
Loans, financings, and debentures	CDI	(82,870)	(86,599)	(87,531)	(88,464)
Net exposure		(20,996)	(21,941)	(22,177)	(22,413)
Annual effect on cash, net			(945)	(1,181)	(1,417)

		Consolidated			
Index		9/30/2019	Probable Scenario	Scenario A 25%	Scenario B 50%
Short-term investments	CDI	41,304	43,163	43,627	44,092
Short-term investments (Securities)	CDI	21,345	22,306	22,546	22,786
Loans, financings, and debentures	CDI	(82,870)	(86,599)	(87,531)	(88,464)
Net exposure		(20,221)	(21,131)	(21,358)	(21,586)
Annual effect on cash, net			(910)	(1,137)	(1,365)

21.4. Credit risk

The credit risk is the risk of a counterparty not honoring obligations established in a financial instrument or contract with the client, which would lead to a financial loss.

The Company believes its operations are exposed to credit risk for proprietary financing, accounting for around 10% of the receivables balance. The Company believes other trade receivables from operations are not exposed to credit risk, especially real estate development receivables, as housing unit sales are financed by financial institutions under the government's Minha Casa Minha Vida popular housing program.

21.5. Liquidity risk

The liquidity risk is related to the immediate availability of cash given mismatches for the terms or values of rights and obligations.

The Company's Liquidity Risk Management consists of prevention, control and monitoring that can identify situations or problems which could in some way compromise its economic and financial equilibrium.

The Company monitors the risk of cash shortfalls problems using a recurrent liquidity planning tool.

The Company's objective is to maintain the balance between the continuity of the funds and flexibility thereof in overdrafts, bank loans, financial leases and debentures.

As of September 30, 2019 the liquidity ratios were as follows:

	Parent Company		Consolidated	
	9/30/2019	12/31/2018	9/30/2019	12/31/2018
Loans, financings, and debentures	129,481	98,618	168,005	102,936
Cash and cash equivalents and short-term investments	(63,897)	(85,549)	(74,055)	(89,168)
Net Debt	65,584	13,069	93,950	13,768
Equity	51,072	23,472	51,967	23,415
Net debt / Equity	1.28	0.56	1.81	0.59

22 - Earnings per share

As required by Technical Pronouncement CPC 41 - Earnings per Share, the earnings per share were calculated based on netting the year to be to put the parent company's shareholders for the three- and six-month periods ended September 30, 2019 and the respective weighted average of common registered shares with no par value of the Company in circulation in these periods, as per the table below.

	Parent Company			
	7/1/2019	1/1/2019	7/1/2018	1/1/2018
	to	to	to	to
	9/30/2019	9/30/2019	9/30/2018	9/30/2018
Net income for the period attributable to parent company shareholders	20,605	37,221	9,409	30,299
Average size of free float	37,381	37,381	20,389	20,389
Net earnings per share - basic and diluted	0.5512	0.9957	0.4615	1.4860

23 - Ventures under construction

Unappropriated Sales Revenue on Sold Units

<u>Ventures under Construction</u>	<u>9/30/2019</u>
(a) Contracted Sales Revenue	774,065
(b) <u>Net</u> Appropriated Sales Revenue	
Appropriated Sales Revenue	419,453
Cancellations - <u>returned revenue</u>	(4,497)
Total	<u>414,456</u>
Unappropriated Sales Revenue (a-b)	<u><u>359,609</u></u>

Unappropriated Budgeted Cost of Sold Units

Ventures under Construction:	
(a) Budgeted Cost of Units (excluding financial charges)	<u>(461,763)</u>
<u>Net</u> Cost Incurred	
(b) Construction costs incurred	(248,488)
Total	<u>(248,488)</u>
Unappropriated Budgeted Cost in profit or loss (excluding financial charges) (a+b)	<u>(213,275)</u>

Driver CI/CO (excluding financial charges) 59.3%

Unappropriated Budgeted Cost in Inventory

Ventures under Construction:	
(a) Budgeted Cost of Units (excluding financial charges)	<u>(279,392)</u>
<u>Net</u> Costs Incurred	
(b) Construction costs incurred	(228,700)
Total	<u>(228,700)</u>
Unappropriated Budgeted Cost in Inventory (excluding financial charges) (a+b)	<u>(50,692)</u>

24 - Segment reporting

The activities carried out by the Company essentially consist of developing, building and selling its own or third-party properties. The ventures are developed and built directly by the Company or its subsidiaries.

Company management believes the activities carried out by the Company and its subsidiaries form a single business segment. Group Management therefore considers it to be a single operating segment and a single reporting entity for decision-making and analyses.

25 - Transactions not involving cash

The Company made the following investments in financing activities not involving cash and cash equivalents, which are not therefore presented in the statement of cash flows.

	<u>9/30/2019</u>	<u>12/31/2018</u>
Acquisition of property, plant and equipment against trade payables	7,700	-
Recognition of lease right-of-use	2,308	

OFFICERS' REPRESENTATION ABOUT THE INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL INFORMATION

In due accordance with the provisions stated in article 25 (1, V and VI) of Brazilian Securities Commission Directive 480/09 issued December 07, 2009, the Executive Board represents it has reviewed, discussed and accepted the interim accounting information (Parent Company and Consolidated) for the three- and nine-month periods ended September 30, 2019.

Juiz de Fora, December 13, 2019

Neylson de Oliveira Almeida
CEO

OFFICERS' REPRESENTATION ABOUT THE INDEPENDENT AUDITORS' REPORT

In due accordance with the provisions stated in article 25 (1, V and VI) of Brazilian Securities Commission Directive 480/09 issued December 07, 2009, the Executive Board represents it has reviewed, discussed and accepted the opinion expressed in the Independent Auditors' report dated December 13, 2019 on the interim accounting information (Parent Company and Consolidated) for the three- and nine-month periods ended September 30, 2019.

Juiz de Fora, December 13, 2019.

Neylson de Oliveira Almeida
CEO