

RESULTS CONFERENCE CALL

NOVEMBER 17, 2020

11:00 GMT

IN PORTUGUESE

+55 (11) 3137-8076 OR

+55 (11) 4841-0696 (BRAZIL)

CODE: GAFISA

9:00 NEW YORK TIME

IN ENGLISH (SIMULTANEOUS

TRANSLATION OF

PORTUGUESE)

+1 786 209-1795 (USA)

+44 20 3769 3830 (UK)

CODE: GAFISA

WEBCAST: [HTTP://RI.GAFISA.COM.BR/](http://RI.GAFISA.COM.BR/)

REPLAY:

ACTIONS

GFSA3 - B3

GFASY - OTC

TOTAL OUTSTANDING SHARES:

290.731.951¹

AVERAGE DAILY TRADED VOLUME

(3Q20): 7.117.474 SHARES.

(¹) INCLUDING 338.562 SHARES

IN TREASURY.

* BASE DATE 30/09/2020.

GFSA

B3 LISTED NM

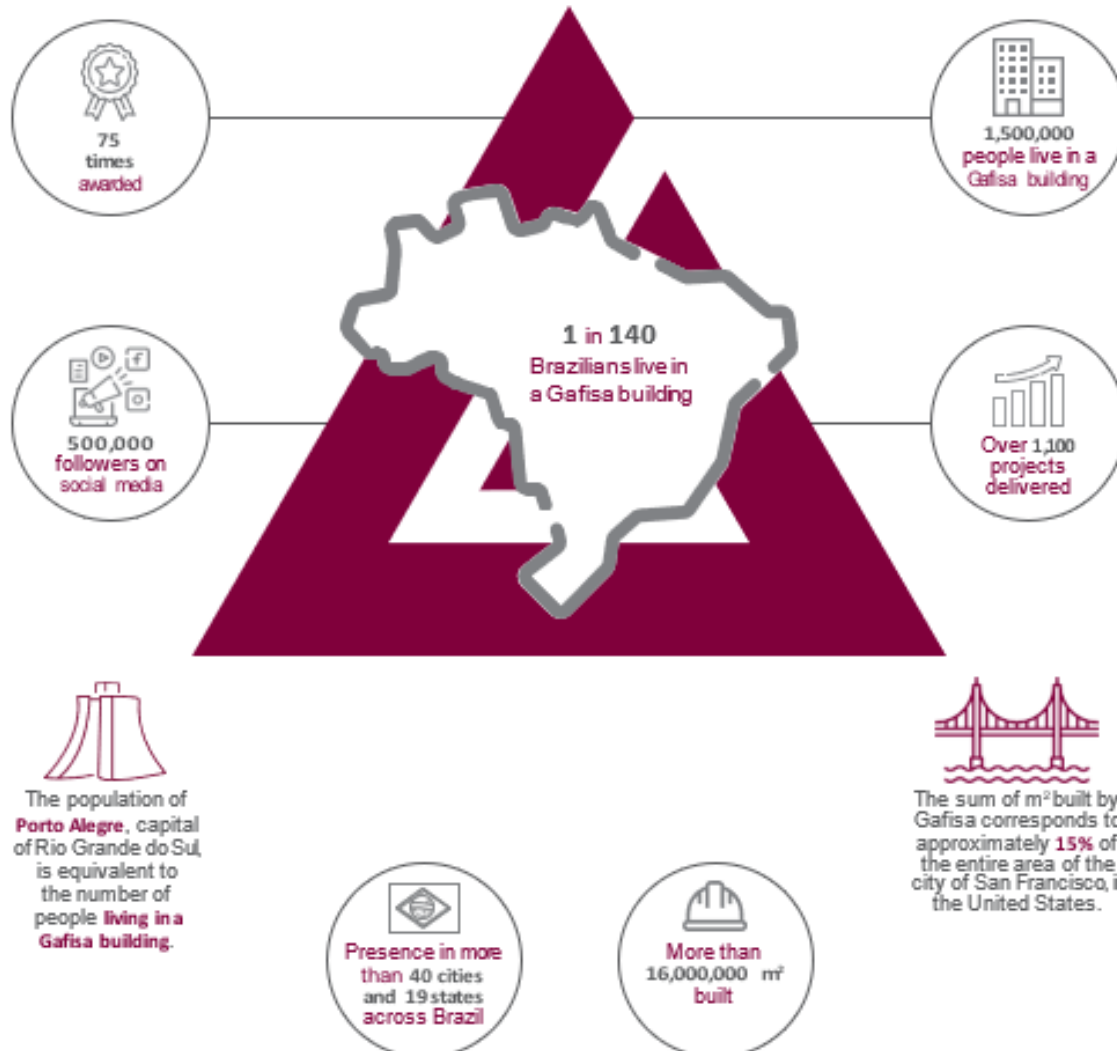


Gafisa announces 3Q20 results

GAFISA IN NUMBERS



The number of people living in a Gafisa building would fill 25 Morumbi stadiums and fill the entire Paulista Avenue.





FOR IMMEDIATE RELEASE - São Paulo, November 16, 2020 – Gafisa S.A. (B3: GFSA3; OTC: GFASY), a leading Brazilian homebuilder, announced today its operational and financial results for the third quarter ended September 30, 2020.

GAFISA ANNOUNCES 3Q20 RESULTS

Gafisa's growth upturn is a reality, with 253% higher sales volume, R\$1.1 billion in launches in 2020, and R\$1 billion PSV in new acquisitions

The third quarter of 2020 was marked by Gafisa's consistent recovery of operational performance, highlighting sales, launches, construction works delivery, and land acquisition. We recorded the best sales performance over the past two years, totaling R\$144 million sales, reflecting a 253% quarter-on-quarter increase.

After two years without new launches, we resumed launches in the third quarter of 2020, with Chez Perdizes, High Line Jardins, and Normandie Moema projects, totaling a PSV of R\$264 million, all of them located in high-valued regions, with good liquidity in the city of São Paulo. Subsequently to the end of the third quarter, all these three launches today report healthy levels of sales, 20% in Chez Perdizes, 45% in High Line Jardins, and 60% in Normandie Moema. For the fourth quarter, we have other three launches totaling R\$875 million, highlighting the Cyano Barra project with R\$570 million PSV and a project in Campo Belo, SP, with R\$262 million PSV.

Again, we evidence the consistency of the Company's planning and delivery capacity, with two other projects delivered, with a total PSV of R\$140 million, the 7th project delivered in 2020. We obtained the occupancy permit for the 8th and 9th projects, now we have achieved 94% of PSV estimated to be delivered in 2020. With the conclusion of the Upcon acquisition, we added two projects to be delivered in 2020, reaching a total of 10 projects with nearly R\$1 billion PSV and 1,474 units.

The evolution of construction works was maintained, as well as projects and sales, even during the pandemic. The Company, through its Management Committee – COVID-19, upheld the prevention measures necessary to ensure everyone's safety, evidencing the focus and discipline of Gafisa's new management, even amidst a more challenging international scenario.

Still referring to our operational performance, it is worth noting that we acquired in the quarter two excellent plots of land in the city of São Paulo, one in Vila Mariana district, with an estimated PSV of R\$116 million and another in the Butantã district, with an estimated PSV of R\$162 million. Upcon also brought to our landbank an estimated PSV of R\$900 million. We also concluded negotiations to acquire four projects from Calçada S.A., with an approximate PSV of R\$747 million, and the acquisition of the last plot of land at Av. Delfim Moreira, definitively sets Gafisa's return to the city of Rio de Janeiro, through differentiated projects.

Concerning financial results, it is worth noting that we maintained the REF margin (backlog results) at approximately 35%. This evidences that backlog result sustains the Company's margin at healthy levels in a continued and consistent improvement, despite a temporary reduction of adjusted gross margin (no financial cost), due to our conservative approach when recording provision for dissolutions and repricing of older inventories during the pandemic.



We also should point out a continuous improvement of the Company's balance sheet and deleverage. Within one year, we went from a Net Debt/Shareholders' Equity ratio of 162% in 1Q19 to current 7.6% in 3Q20, with a capital increase approved on August 7, 2020, injecting R\$218.2 million into the Company's cash.

We are confident that we are reaching a new cycle of high growth in the real estate market, with interest rates nearing the lowest historical levels, unparalleled credit market growth, and development. Furthermore, as fixed-income investments have very low yield, or even negative, real estate investment has increasingly become relevant in the investment portfolio of individuals and institutional investors.

Within this virtuous context of growth in the real estate market and the assertive actions in its real estate development core business, Gafisa is executing its transformation to become a real estate platform to go beyond its core activity of real estate development. From its solid balance sheet and strategic planning, Gafisa set up a new line of business, the Gafisa Properties. We are also developing partnerships and investments in startups to bring innovation, technology, and new services for Gafisa and its clients. Gafisa Properties will own real estate assets to become profitable through leasing flows across the real estate spectrum, such as offices, residential units, shopping malls, and hotels, and its portfolio will be composed of Gafisa's built assets or under construction (e.g., offices, stores, and small residential units of up to 50 m²) and new acquisitions with a focus on non-replicable locations and/or assets with turnaround opportunities. As far as innovation is concerned, we will apply our background and market expertise to pursue synergies and new business models according to a real estate Ecosystem vision that transforms Gafisa's real estate assets into business platforms to be explored throughout real estate asset's life cycle, whether assets held by Gafisa Properties or sold by Gafisa to its end clients. We are confident that these actions will allow the Company to capture value for its shareholders.

Gafisa relies on a traditional brand and is recognized as a benchmark in the Brazilian market. We are refining our new management model with dynamism and discipline, to prepare the Company for a new development and growth cycle that will restore Gafisa's history of success and value creation for our shareholders.

Ian Andrade

Chief Financial and Investor Relations Officer



OPERATIONAL RESULTS

Table 1 – Operational Performance (R\$ 000)

| | 3Q20 | 2Q20 | Q/Q (%) | 3Q19 | A/A (%) | 9M20 | 9M19 | Y/Y (%) |
|----------------------|----------|----------|----------|----------|----------|----------|----------|----------|
| Launches | 263.789 | - | - | - | - | 263.789 | - | - |
| Gross sales | 143.878 | 41.383 | 247,7% | 39.963 | 260,0% | 185.260 | 219.127 | (15,5%) |
| Dissolutions | (26.224) | (21.543) | 21,7% | (10.210) | 156,8% | (47.767) | (83.245) | (42,6%) |
| Net Sales | 117.654 | 19.840 | 493,0% | 29.753 | 295,4% | 137.494 | 135.881 | 1,2% |
| Speed of Sales (SoS) | 10,57% | 2,39% | 8,2 p.p. | 3,00% | 7,6 p.p. | 12,13% | 11,60% | 0,5 p.p. |
| Delivered PSV | 140.255 | 543.720 | (74,2%) | - | - | 683.975 | 171.648 | 298,5% |

Table 2 – Financial Performance (R\$ 000)

| | 3Q20 | 2Q20 | Q/Q(%) | 3Q19 | Y/Y (%) | 9M20 | 9M19 | Y/Y (%) |
|--|-----------|-----------|------------|---------|------------|-----------|----------|-----------|
| Net Revenue | 148.632 | 83.800 | 77,4% | 89.212 | 66,6% | 304.135 | 284.292 | 7,0% |
| Gross Profit | 24.412 | 22.714 | 7,5% | 38.104 | (35,9%) | 67.588 | 81.522 | (17,1%) |
| Gross Margin | 16,4% | 27,1% | -10,7 p.p. | 42,7% | -26,3 p.p. | 22,2% | 28,7% | -6,5 p.p. |
| Adjusted EBITDA ² | 7.922 | 7.722 | 2,6% | 31.051 | (74,5%) | 19.756 | 21.969 | (10,1%) |
| Adjusted EBITDA Margin ² | 5,3% | 9,2% | -3,9 p.p. | 34,8% | -29,5 p.p. | 6,5% | 7,7% | -1,2 p.p. |
| Net Income ² | (56.493) | (23.545) | 139,9% | (1.668) | 3286,9% | (105.500) | (60.746) | 73,7% |
| Revenue Backlog | 291.189 | 306.484 | (5,0%) | 465.102 | (37,4%) | 291.189 | 465.102 | (37,4%) |
| Backlog Results ^{3 4} | 100.311 | 109.614 | (8,5%) | 166.149 | (39,6%) | 100.311 | 166.149 | (39,6%) |
| Backlog Results Margin ^{4 5} | 34,4% | 35,8% | -1,3 p.p. | 35,7% | -1,3 p.p. | 34,4% | 35,7% | -1,3 p.p. |
| Net Debt | 114.839 | 103.493 | 11,0% | 356.610 | (67,8%) | 114.839 | 356.610 | (67,8%) |
| Cash and Cash Equivalents ⁵ | 630.660 | 570.156 | 10,6% | 394.216 | 60,0% | 630.660 | 394.216 | 60,0% |
| Equity + Minority Shareholders | 1.513.890 | 1.177.187 | 28,6% | 782.074 | 93,6% | 1.513.890 | 782.074 | 93,6% |
| (Net Debt - Proj. Finance) / (Equity + Minority) | (33,2%) | (39,2%) | 6 p.p. | (40,8%) | 7,6 p.p. | (33,2%) | (40,8%) | 7,6 p.p. |

¹Adjusted by capitalized interest with stock option plan (non-cash) and minority shareholders.

² Backlog results net of PIS/COFINS taxes (3.65%), excluding the impact of the PVA (Present Value Adjustment) method according to Law No. 11.638.

³ Backlog results comprise the projects restricted by a condition precedent.

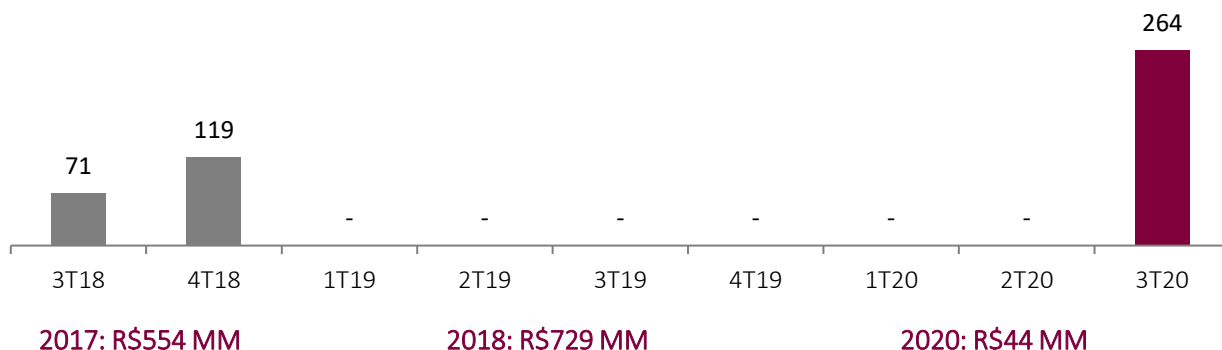
⁴ Cash and cash equivalents and marketable securities.

Launches

In 3Q20, Gafisa resumed launches, three projects with an estimated total PSV of R\$264 million. These launches are a result of a relevant restructuring process. It is worth noting that the social distancing rules inflicted by the pandemic of Covid-19, suspended the operation of sales stands, affecting the economic activity in the country. The Company also postponed for a few months the launches foreseen early in the year, evidencing our focus and commitment to the Company's turnaround. As subsequent events, we already launched for 4Q20, other two projects, highlighting the Cyano Barra with R\$570 million PSV, and we are already in the pre-launch of another project in Campo Belo, with an estimated PSV of R\$262 million.



Launches (R\$ MM)

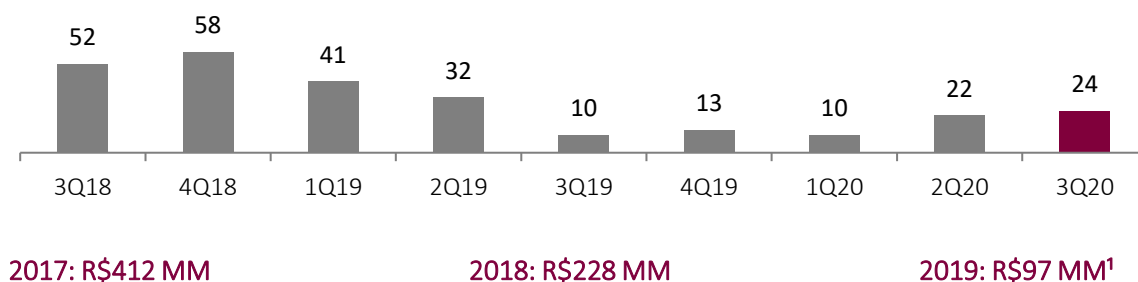


Sales

Gross sales soared 247.7% to R\$143.8 million in 3Q20 versus 2Q20, even during the pandemic, sales grew by 260.0% year-on-year. The quarter-on-quarter increase reflects the restructuring of the sales area, with Gafisa Sales' improved structure. The higher speed of sales compared to 3Q19 also reflects greater sales options available, with a resumption of launches and pre-launches in 3Q20.

Dissolutions reached R\$24.2 million in 3Q20, surging 12.4% from 2Q20 and 156% year-on-year. The quarter-on-quarter increase partially stems from a higher volume of deliveries in the period (not a concern for Management) and the pandemic of COVID-19. Efforts endeavored in the 2019 restructuring process advanced, resulting in renegotiations with Gafisa's clients, a more accurate credit analysis of potential clients, as well as the recovery of client confidence in the Company.

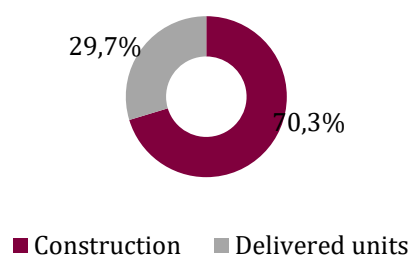
Dissolutions (R\$ million)



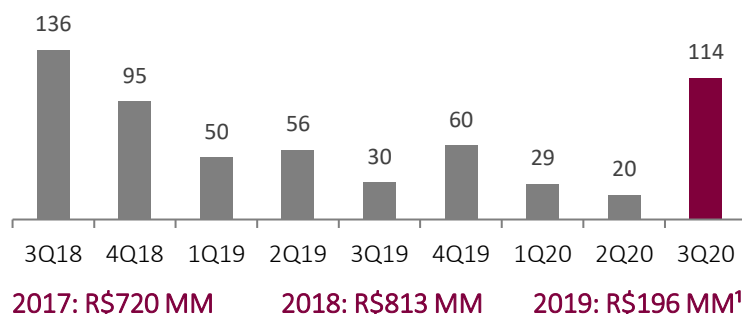
¹ It considers LTM.

Net sales totaled R\$117.7 million in 3Q20.

Net Sales Breakdown 3T20 (%)



Net Sales (R\$ million)



2017: R\$720 MM

2018: R\$813 MM

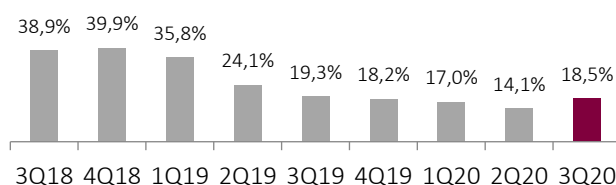
2019: R\$196 MM¹

¹ It considers LTM.

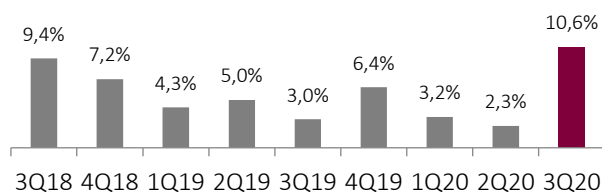
Sales Over Supply (SoS)

Sales Over Supply (SoS) reached 10.6% in 3Q20, an increase of 8.3 p.p. from 2Q20 and 7.6 p.p. from 3Q19. This increase reflects a higher volume of sales and launches in the quarter. We believe that this figure should improve with the Company's next launches, which besides making available new products, usually has a significant impact on inventory units sale.

SoS L12M



SoS Quarterly



Inventory (Property for Sale)

The Company's inventory at market value consolidated with projects acquired from Upcon totaled R\$995.9 million in 3Q20.

Table 3 – Inventory at Market Value 2Q20 x 3Q20 (R\$ 000)

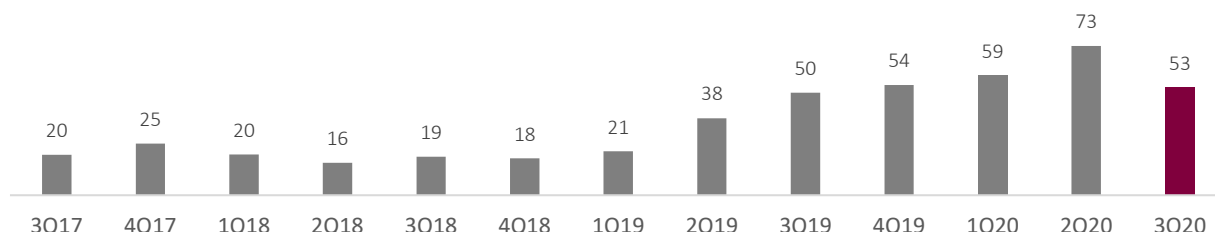
| | Inventories 2Q20 | Launches | Dissolutions | Gross Sales | UPCON | Adjustments | Inventories 3Q20 | % Q/Q |
|----------------|------------------|----------|---------------|------------------|----------------|---------------|------------------|--------------|
| São Paulo | 686.125 | 45.553 | 22.749 | (132.434) | 215.563 | 4.193 | 841.749 | 22,7% |
| Rio de Janeiro | 120.572 | - | 3.021 | (5.134) | - | 5.225 | 123.684 | 2,6% |
| Other markets | 35.032 | - | 454 | (6.310) | - | 1.256 | 30.433 | -13,1% |
| Total | 841.729 | - | 26.224 | (143.878) | 215.563 | 10.675 | 995.866 | 18,3% |



¹ Adjustments in the period reflect the updates related to the project scope, launch date, and pricing.

Inventory turnover in the last 12 months dropped from 73 months in 2Q20 to 53 months in 3Q20, 27.7% lower than in the previous quarter, owing to higher sales volume in the period.

Inventory Turnover LTM



Approximately 73% of inventory is composed of residential units located in the State of São Paulo and with higher liquidity.

Table 4 – Inventory at Market Value– Financial Progress – POC - (R\$ 000)

| | Not initiated | Up to 30% built | 30% to 70% built | More than 70% built | Finished units | Total 3Q20 |
|----------------|----------------|-----------------|------------------|---------------------|----------------|----------------|
| São Paulo | 129.376 | 72.461 | 229.018 | 168.826 | 242.069 | 841.749 |
| Rio de Janeiro | - | - | - | - | 123.684 | 123.684 |
| Other markets | - | - | - | 8.599 | 21.834 | 30.433 |
| Total | 129.376 | 72.461 | 229.018 | 177.425 | 387.587 | 995.866 |

* % POC does not necessarily reveal the status of construction works, but the project's financial progress.

Table 5 – Inventory at Market Value – Commercial x Residential Breakdown- (R\$ 000)

| | Residential | Comercial | Total |
|--------------|----------------|----------------|----------------|
| SP | 723.513 | 118.236 | 841.749 |
| RJ | 15.641 | 108.043 | 123.684 |
| Others | 30.433 | - | 30.433 |
| Total | 769.587 | 226.279 | 995.866 |

Delivered Projects and Transfer

In 3Q20, we delivered two projects, totaling 421 units, and a total PSV of R\$140.3 million. It is also worth noting that besides delivering these two projects, in the third quarter, the Company obtained the occupancy permit for two projects with 160 units and PSV of R\$166 million, besides projects delivered in 1H20 with 775 units and PSV of R\$608.9 million. Total deliveries foreseen for 2020 is 10 projects with a PSV of R\$971.8 million and 1,474 units. Therefore, out of the total, we already delivered/obtained occupancy permit for 9 projects or 94% of PSV.



Table 6 – Deliveries

| Project | Delivery date | Launch date | Location | % share | Units 100% (Ex. swap units) | PSV % R\$000 |
|-------------------------------|---------------|-------------|-----------|---------|-----------------------------|----------------|
| Vila Rica | feb/20 | 2016 | Santos/SP | 50% | 69 | 65.168 |
| Total 1Q20 | | | | | 69 | 65.168 |
| Moov Estação Vila Prudente | abr/20 | ago/16 | São Paulo | 100% | 150 | 72.097 |
| Gafisa Like Alto da Boa Vista | mai/20 | ago/16 | São Paulo | 100% | 220 | 158.676 |
| Gafisa Square Ipiranga | mai/20 | out/16 | São Paulo | 100% | 224 | 263.490 |
| Marquês 2900 | mai/20 | dez/16 | São Paulo | 50% | 112 | 49.455 |
| Total 2Q20 | | | | | 706 | 543.719 |
| Moov Freguesia | ago/20 | set/16 | São Paulo | 100% | 307 | 91.893 |
| Uplife Interlagos | ago/20 | mai/15 | São Paulo | 100% | 114 | 48.361 |
| Total 3Q20 | | | | | 421 | 140.255 |
| Total 2020 | | | | | 1.196 | 749.142 |

¹ Number of units corresponding to a 100% share in projects, net of swaps;

PSV transferred in 3Q20 was R\$73.5 million, 3.6% lower than in 2Q20, and 48.7% higher than in 3Q19. The lower volume of transfer reflects a smaller amount of projects delivered this quarter compared to the previous quarter. We highlight that this result was achieved even amidst a pandemic, with restricted business hours at notary offices, banks, people's movement, and our team in home office most of the time. We again reiterate the Company's expectation of a significant increase in PSV transferred during 2020, due to the expected delivery of 10 projects in total.

Table 7 – Transfer and Delivery - (R\$ 000)

| | 3Q20 | 2Q20 | Q/Q (%) | 3Q19 | A/A (%) | 9M20 | 9M19 | Y/Y (%) |
|------------------------------|---------|---------|---------|--------|---------|---------|---------|---------|
| PSV Transferred ¹ | 70.468 | 76.244 | -7,6% | 49.426 | 42,6% | 146.711 | 158.449 | -7,4% |
| Delivered Projects | 2 | 4 | -50,0% | - | - | 6 | 2 | 200,0% |
| Delivered Units ² | 421 | 716 | -41,2% | - | - | 1.137 | 365 | 211,5% |
| PSV delivered ³ | 140.255 | 543.719 | -74,2% | - | - | 683.974 | 171.648 | 298,5% |

¹ PSV transferred refers to the effective cash inflow from units transferred to financial institutions;

² Number of units corresponding to a 100% share in projects, net of swaps;

³ PSV = Potential Sales Value of units, net of brokerage, and swap.

Landbank

With an estimated PSV of R\$4.8 billion, the Company's landbank represents potential 40 projects/phases totaling 9,599 units. Approximately 49% of the acquisition value of our land consists of most of which are located in the city of São Paulo. This quarter, the Company acquired two plots of land in São Paulo, in Vila Mariana and Butantã districts, with an estimated PSV of R\$255 million.



Table 8 - Landbank (R\$ 000)

| | PSV ¹ (%Cia.) | % Swap Total | % Swap Units | %Swap Finan. | Potential Units (%Cia.) | Potential Units (100%) |
|----------------|--------------------------|--------------|--------------|--------------|-------------------------|------------------------|
| São Paulo | 2.901.083 | 38,7% | 32,5% | 6,2% | 6.111 | 6.339 |
| Rio de Janeiro | 1.282.715 | 72,2% | 72,2% | 0,0% | 1.641 | 1.895 |
| Others | 593.614 | 38,1% | 38,1% | 0,0% | 1.089 | 1.366 |
| Total | 4.777.412 | 48,6% | 44,6% | 4,0% | 8.840 | 9.599 |

¹ The PSV (% Gafisa) reported is net of swap and brokerage fee.

² The swap percentage is measured compared to the historical cost of land acquisition.

³ Potential units are net of swap and refer to the Gafisa's and/or its partners' interest in the project.

Table 9 – Changes in the Landbank (2Q20 vs. 3Q20 - R\$ 000)

| | Initial Landbank | Land Acquisition | Launches | Dissolutions | UPCON | Adj. | Final Landbank |
|----------------|------------------|------------------|---------------|------------------|----------------|-----------------|------------------|
| São Paulo | 2.015.053 | 255.265 | 45.553 | (232.755) | 879.345 | (61.378) | 2.901.083 |
| Rio de Janeiro | 1.282.715 | - | - | - | - | - | 1.282.715 |
| Others | 593.614 | - | - | - | - | - | 593.614 |
| Total | 3.891.382 | 255.265 | 45.553 | (232.755) | 879.345 | (61.378) | 4.777.412 |

FINANCIAL RESULTS

Revenue

Net revenue amounted to R\$148.6 million in the third quarter of 2020, 77.4% higher than in 2Q20, reflecting higher sales and works in progress in the period. Year-on-year, net revenue soared 66.6%, due to higher sales volume and construction works evolution.

Table 10 – Revenue Recognition (R\$ 000)

| | 3Q20 | | | | 3Q19 | | | |
|--------------|-------------------------------|---------------|----------------|---------------|------------------|---------------|---------------|---------------|
| Launches | Contracted Sales ¹ | % Sales | Revenue | % Revenue | Contracted Sales | % Sales | Revenue | % Revenue |
| 2018 | 52.326 | 45,9% | 50.769 | 34,2% | (1.354) | (4,5%) | 3.057 | 3,4% |
| 2017 | 27.241 | 23,9% | 44.396 | 29,9% | (472) | (1,6%) | 13.794 | 15,5% |
| 2016 | 6.450 | 5,7% | 10.739 | 7,2% | 13.091 | 44,0% | 39.625 | 44,4% |
| 2015 | 18.260 | 16,0% | 25.271 | 17,0% | 13.021 | 43,8% | 21.488 | 24,1% |
| <2014 | 9.671 | 8,5% | 17.457 | 11,7% | 5.467 | 18,4% | 11.247 | 12,6% |
| Total | 113.947 | 100,0% | 148.632 | 100,0% | 29.753 | 100,0% | 89.211 | 100,0% |

¹ Contracted sales exclude UPCON sales, as it does not have revenue recognized in the quarter

Gross Profit & Margin

Gafisa's adjusted gross profit reached R\$36.6 million in 3Q20, versus R\$29.6 million in 2Q20 and R\$45.3 million in 3Q19. The adjusted gross margin declined 10.7p.p. in the quarter to 24.6%, on the back of a greater conservative approach when recording provision for dissolutions, expected losses, and price variation in the period, amidst a challenging scenario of Covi-19 pandemic. Adjusted gross margin in 3Q20, excluding non-recurring items was 29.4%, higher than the margin of 2.3 p.p. recorded in 2Q20.



Table 11 – Gross Margin (R\$ 000)

| | 3Q20 | 2Q20 | Q/Q (%) | 3Q19 | Y/Y (%) | 9M20 | 9M19 | Y/Y (%) |
|------------------------------------|----------|---------|-----------|---------|-----------|----------|----------|----------|
| Net Revenue | 148.632 | 83.800 | 77,4% | 89.212 | 66,6% | 304.135 | 284.292 | 7,0% |
| Gross Profit | 24.412 | 22.714 | 7,5% | 38.104 | (35,9%) | 67.588 | 81.522 | -17% |
| Gross Margin | 16,4% | 27,1% | -10,7p.p. | 42,7% | -26,3p.p. | 22,2% | 28,7% | -6,5p.p. |
| (-) Financial Costs | (12.175) | (6.857) | 77,6% | (7.147) | 70,4% | (25.307) | (30.356) | -17% |
| Adjusted Gross Profit ¹ | 36.587 | 29.571 | 23,7% | 45.251 | (19,1%) | 92.895 | 111.878 | -17% |
| Adjusted Gross Profit Margin | 24,6% | 35,3% | -10,7p.p. | 50,7% | -26,1p.p. | 30,5% | 39,4% | -8,8p.p. |

¹ Adjusted by capitalized interests.

Selling, General and Administrative Expenses (SG&A)

Selling, general and administrative expenses totaled R\$23.5 million in 3Q20, 22.3% higher than in 2Q20, and 57.9% higher than in 3Q19.

General and administrative expenses came to R\$19.5 million, 29.1% higher than the previous quarter, due to a provision for a bonus of R\$3.0 million in the period. In 3Q20, recurring general and administrative expenses totaled R\$12.1 million, 18% lower than the R\$14.2 million recorded in 2Q20.

Table 12 – SG&A Expenses (R\$ 000)

| | 3Q20 | 2Q20 | Q/Q (%) | 3Q19 | Y/Y (%) | 9M20 | 9M19 | Y/Y (%) |
|---------------------|----------|----------|---------|----------|---------|----------|----------|---------|
| Selling Expenses | (3.909) | (4.047) | -3,4% | (2.170) | 80,1% | (10.749) | (11.683) | -8% |
| G&A Expenses | (19.543) | (15.133) | 29,1% | (12.678) | 54,1% | (51.136) | (31.918) | 60% |
| Total SG&A Expenses | (23.452) | (19.180) | 22,3% | (14.848) | 57,9% | (61.885) | (43.601) | 42% |

Other Operating Income/Expenses totaled expenses of R\$26.5 million. Out of this amount, R\$21.3 million refers to the provision for litigation and settlements made by the Company, as part of its project to settle contingent liabilities.

Table 13 – Other Operating Income/Expenses (R\$ 000)

| | 3Q20 | 2Q20 | Q/Q (%) | 3Q19 | Y/Y (%) | 9M20 | 9M19 | Y/Y (%) |
|---------------------|----------|----------|---------|------|-----------|----------|----------|----------|
| Litigation Expenses | (21.357) | (19.353) | 10,4% | - | 0,0% | (52.708) | (45.769) | 15,2% |
| Others | (5.100) | (662) | 670,4% | 169 | -3117,8% | (6.509) | 70 | -9398,6% |
| Total | (26.457) | (20.015) | 32,2% | 169 | -15755,0% | (59.217) | (45.699) | 29,6% |

Adjusted EBITDA

Adjusted EBITDA came to R\$7.9 million in 3Q20, 2.6% higher than the R\$7.7 million reported in the previous quarter. Year-on-year, Adjusted EBITDA declined compared to R\$31.1 million.

Table 14 – Adjusted EBITDA (R\$ 000)

| | 3Q20 | 2Q20 | Q/Q (%) | 3Q19 | Y/Y (%) | 9M20 | 9M19 | Y/Y (%) |
|--------------------------------------|----------|----------|----------|---------|---------|-----------|----------|---------|
| Net Income (Loss) | (56.493) | (23.545) | 139,9% | (1.668) | 3286,9% | (105.500) | (60.746) | 73,7% |
| (+) Financial Results | 28.049 | 2.354 | 1091,5% | 21.548 | 30,2% | 38.799 | 41.976 | -7,6% |
| (+) Income Tax / Social Contribution | 1.604 | 886 | 81,0% | 508 | 215,7% | 3.619 | 1.221 | 196,4% |
| (+) Depreciation and Amortization | 1.936 | 1.882 | 2,9% | 3.223 | -39,9% | 5.984 | 11.739 | -49,0% |
| (+) Capitalized Interest | 12.175 | 6.857 | 77,6% | 7.147 | 70,4% | 25.307 | 30.356 | -16,6% |
| (+) Expenses w/ Stock Options Plans | (6) | 47 | (112,7%) | 174 | -103,4% | (362) | (2.698) | -86,6% |
| (+) Minority Shareholders | (700) | (112) | 525,0% | 119 | -688,2% | (799) | 121 | -760,3% |
| (+) Litigation Expenses | 21.357 | 19.353 | 10,4% | - | 0,0% | 52.708 | 45.769 | 15,2% |
| Adjusted EBITDA ¹ | 7.922 | 7.722 | 2,6% | 31.051 | -74,5% | 19.756 | 67.738 | -70,8% |

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

Financial Result

Net financial result totaled (R\$28.1) million in 3Q20 from (R\$2.4) million in 2Q20, reflecting the volatility of certain securities in the period and the effect of swap operation contracted.

Net Result

Net result in 3Q20 came negative at R\$56.5 million, compared to net losses of R\$23.5 million and R\$1.7 million recorded in 2Q20 and 3Q19, respectively.

Table 15 – Net Result (R\$ 000)

| | 3Q20 | 2Q20 | Q/Q (%) | 3Q19 | Y/Y (%) | 9M20 | 9M19 | Y/Y (%) |
|--|----------|----------|---------|---------|---------|-----------|----------|---------|
| Net Revenue | 148.632 | 83.800 | 77,4% | 89.212 | 66,6% | 304.135 | 284.292 | 7,0% |
| Gross Result | 24.412 | 22.714 | 7,5% | 38.104 | -35,9% | 67.588 | 81.522 | -17,1% |
| Gross Margin | 16,4% | 27,1% | -39,4% | 42,7% | -61,5% | 22,2% | 28,7% | -22,5% |
| (-) Financial Costs | 12.175 | 6.857 | 77,6% | (7.147) | -270,4% | 25.307 | (30.356) | -183,4% |
| Recurring Adjusted Gross Result ¹ | 36.587 | 15.857 | 130,7% | 45.251 | -19,1% | 92.895 | 111.878 | -17,0% |
| Recurring Adjusted Gross Margin ¹ | 24,6% | 18,9% | 30,1% | 50,7% | -51,5% | 30,5% | 39,4% | -22,4% |
| Adjusted EBITDA ² | 7.922 | 7.722 | 2,6% | 31.051 | -74,5% | 19.756 | 21.969 | -10,1% |
| Adjusted EBITDA Margin ² | 5,3% | 9,2% | -42,2% | 34,8% | -84,7% | 6,5% | 7,7% | -15,9% |
| Adjusted Net Result ³ | (56.493) | (23.545) | 139,9% | (1.668) | 3286,9% | (105.500) | (60.746) | 73,7% |
| (-) Litigation Expenses | (21.357) | (19.353) | 10,4% | - | 0,0% | (52.708) | (45.769) | 15,2% |
| Net Result (ex-Litigation Expenses) | (35.136) | (4.192) | 738,2% | (1.668) | 2006,5% | (52.792) | (14.977) | 252,5% |

¹ Adjusted by capitalized interests.

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

Revenue Backlog and Results

At the end of 3Q20, the balance of revenue backlog according to the PoC method totaled R\$100.3 million, compared to R\$109.6 million and R\$166.1 million reported in the previous quarter and the same period last year, respectively. Margin to be recognized was 34.4%, in line with 2Q20.



Table 16 – Backlog Results (REF) (R\$ 000)

| | 3Q20 | 2Q20 | Q/Q (%) | 3Q19 | Y/Y (%) |
|----------------------------|-----------|-----------|---------|-----------|---------|
| Revenue Backlog | 291.189 | 306.484 | -5% | 465.102 | -37% |
| Backlog Costs (units sold) | (190.878) | (196.870) | -3% | (298.953) | -36% |
| Backlog Results | 100.311 | 109.614 | -8% | 166.149 | -40% |
| Backlog Margin | 34,4% | 35,8% | -132bps | 35,7% | -127bps |

Notes: Backlog results net of PIS/COFINS taxes (3.65%) and excluding the impact of the PVA (Present Value Adjustment) method according to Law No. 11.638.

Backlog results comprise the projects restricted by a condition precedent.

BALANCE SHEET

Cash and Cash Equivalents and Marketable Securities

On September 30, 2020, cash and cash equivalents and marketable securities totaled R\$630.7 million, compared to R\$570.2 million in 2Q20, reflecting the inflow of funds from a capital increase of R\$218.2 million and debt amortization in the period, so that to sustain a liquidity cushion and enable our growth resumption. The Company believes that disciplined cost control and the maintenance of a liquidity reserve are essential for the operation. This business vision and team's readiness allowed the company to go through this period of uncertainty very consistently and smoothly.

Receivables

At the end of 3Q20, total accounts receivable came to R\$933.2 million. Of this amount, R\$630.9 million were already recognized in the balance sheet.

Table 17 – Total Receivables (R\$ 000)

| | 3Q20 | 2Q20 | Q/Q(%) | 3Q19 | Y/Y (%) |
|---|---------|---------|--------|-----------|---------|
| Receivables from developments - backlog | 302.220 | 318.095 | -5% | 482.721 | -37% |
| Receivables PoC - ST (on balance sheet) | 544.147 | 445.811 | 22% | 409.212 | 33% |
| Receivables PoC - LT (on balance sheet) | 86.843 | 93.529 | -7% | 119.765 | -27% |
| Total | 933.210 | 857.435 | 9% | 1.011.698 | -8% |

Notes: ST – Short term | LT- Long term | PoC – Percentage of Completion Method.

Receivables from developments: Accounts receivable not yet recognized according to PoC and BRGAAP.

Receivables from PoC: Accounts receivable already recognized according to PoC and BRGAAP.

Table 18 – Receivables Schedule (R\$ 000)

| | Total | 2020 | 2021 | 2022 | 2023 | 2024 – Onwards |
|---------------------|---------|---------|---------|--------|-------|----------------|
| Receivables Backlog | 302.222 | 106.367 | 105.594 | 76.631 | 3.690 | 9.940 |
| Receivables PoC | 630.990 | 260.387 | 360.332 | 5.334 | 1.310 | 3.627 |
| Total | 933.212 | 366.754 | 465.926 | 81.965 | 5.000 | 13.567 |

Cash Generation

Table 19 – Cash Generation (R\$ 000)

| | 1Q19 | 2Q19 | 3Q19 | 4Q19 | 1Q20 | 2Q20 | 3Q20 |
|--|----------|----------|----------|----------|----------|----------|-----------|
| Cash ¹ | 63.068 | 182.817 | 394.216 | 414.330 | 363.337 | 570.156 | 630.660 |
| Change in Cash Available (1) | (74.092) | 119.749 | 211.399 | 20.114 | (50.993) | 206.819 | 60.504 |
| Total Debt | 790.172 | 770.715 | 750.826 | 730.678 | 710.169 | 673.649 | 745.499 |
| Change in Total Debt (2) | (99.241) | (19.457) | (19.889) | (20.148) | (20.509) | (36.520) | 71.850 |
| Capital Increase (3) | - | 132.265 | 206.927 | 65.768 | - | 259.729 | 218.171 |
| Cash Generation in the Period (1) - (2) - (3) | 25.149 | 6.941 | 24.361 | (25.506) | (30.484) | (16.390) | (229.517) |
| Final Accumulated Cash Generation ² | 25.149 | 32.090 | 56.451 | 30.945 | 461 | (15.929) | (245.446) |

¹ Cash and cash equivalents and marketable securities.

² It considers LTM.

Liquidity

Advancing the work of strengthening the Company's balance sheet, the Net Debt/Shareholders' Equity ratio reached 7.6% at the end of 3Q20, compared to 8.8% reported in 2Q20, due to higher cash deriving from capital increase. Within one year, we went from a Net Debt/Shareholders' Equity ratio of 45.6% in 3Q19 to current 7.6% in 3Q20. Net debt increased to R\$123.5 million from R\$114.8 million reported in the previous quarter.

Table 20 – Debt and Investor Obligation (R\$ 000)

| | 3Q20 | 2Q20 | Q/Q(%) | 3Q19 | Y/Y (%) |
|--|-----------|-----------|---------|---------|----------|
| Housing Financial System - SFH | 259.432 | 266.210 | -2,5% | 267.923 | -3,2% |
| Real Estate Financial System - SFI | 126.340 | 146.613 | -13,8% | 175.565 | -28,0% |
| Debentures (Projects) | 172.578 | 112.338 | 53,6% | 194.625 | -11,3% |
| Bank Credit Notes (Projects) | 59.696 | 40.219 | 48,4% | 37.794 | 58,0% |
| Subtotal Project Debt (A) | 618.046 | 565.380 | 9,3% | 675.907 | -8,6% |
| Debentures (Working Capital) | 70.232 | 33.529 | 109,5% | 49.646 | 41,5% |
| Bank Credit Notes (Working Capital) | 40.922 | 62.799 | -34,8% | 14.899 | 174,7% |
| Other operations (Working Capital) | 16.299 | 11.941 | 36,5% | 10.374 | 57,1% |
| Subtotal Working Capital Debt (B) | 127.453 | 108.269 | 17,7% | 74.919 | 70,1% |
| Total Debt (A)+(B)= (C) | 745.499 | 673.649 | 10,7% | 750.826 | -0,7% |
| Cash and Cash Equivalents ¹ (D) | 630.660 | 570.156 | 10,6% | 394.216 | 60,0% |
| Net Debt (C) - (D) = (E) | 114.839 | 103.493 | 11,0% | 356.610 | -67,8% |
| Shareholders' Equity + Minority (F) | 1.513.890 | 1.177.187 | 34,3% | 782.074 | 93,6% |
| (Net Debt) / (SE) (E)/(F)=(G) | 7,6% | 8,8% | -121bps | 45,6% | -3801bps |
| (Net Debt - Proj. Fin.) / (SE) ((E)-(A))/(F)=(H) | (33,2%) | (39,2%) | 600bps | (40,8%) | 759bps |

¹Cash and cash equivalents and marketable securities.

The Company ended 3Q20 with R\$332.6 million indebtedness falling due this year, accounting for 44.6% of total debt. Note that approximately 82.9% of the Company's debt is linked to projects, therefore, maturities are connected with the delivery of projects to still occur in 2020, and we already delivered or obtained the occupancy permit for 9 projects, or 94% of PSV estimated for this year's deliveries. On September 30, 2020, the consolidated average cost of debt was 9,5% p.a.

Table 21– Debt Maturity (R\$ 000)

| | Average cost (a.a.) | Total | Until Dec/20 | Until Dec/21 | Until Dec/22 | Until Dec/23 | After Dec/23 |
|---|--|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Housing Financial System - SFH | TR + 7,00% a 14,20% | 259.432 | 187.455 | - | - | - | 71.977 |
| Real Estate Financial System - SFI | Pre +13,66% / 143% CDI | 126.340 | 519 | 77.298 | 7.800 | 7.800 | 32.923 |
| Debentures (Projects) | CDI + 3% / CDI + 3,75% / CDI + 5,00% / CDI + 6,00% | 172.578 | 73.669 | 8.361 | 465 | - | 90.083 |
| Bank Credit Notes (Projects) | CDI + 3,50% / Pre + 16,77% | 59.696 | 12.292 | 23.027 | 19.660 | 4.717 | - |
| Subtotal Project Debt (A) | | 618.046 | 273.935 | 108.686 | 27.925 | 12.517 | 194.983 |
| Debentures (Working Capital) | IPCA + 7,8% | 70.232 | 42.279 | 11.426 | 10.670 | 5.857 | - |
| Bank Credit Notes (Working Capital) | CDI + 3,7%/ 4,25% | 40.922 | 62 | 40.860 | - | - | - |
| Other operations (Working Capital) | Pre + 11,36% | 16.299 | 16.299 | - | - | - | - |
| Subtotal Working Capital Debt (B) | | 127.453 | 58.640 | 52.286 | 10.670 | 5.857 | - |
| Total Debt (A)+(B)= (C) | | 745.499 | 332.575 | 160.972 | 38.595 | 18.374 | 194.983 |
| Total maturity per period % | | - | | 44,6% | 21,6% | 5,2% | 2,5% |
| Project debt maturity as % of total debt (B)/ (E) | | - | - | 82,4% | 67,5% | 72,4% | 68,1% |
| Working capital maturity as % of total debt ((A)+(C))/ (E) | | 44,6% | 44,6% | 17,6% | 32,5% | 27,6% | 31,9% |

Consolidated Income Statement

| | 3Q20 | 2Q20 | Q/Q (%) | 3Q19 | Y/Y (%) | 9M20 | 9M19 | Y/Y (%) |
|--|-----------|----------|-----------|----------|------------|-----------|-----------|---------|
| Net Revenue | 148.632 | 83.800 | 77,4% | 89.212 | 66,6% | 304.135 | 284.292 | 7,0% |
| Operational Costs | (124.220) | (61.086) | 103,4% | (51.108) | 143,1% | (236.547) | (202.770) | 16,7% |
| Gross Result | 24.412 | 22.714 | 7,5% | 38.104 | (35,9%) | 67.588 | 81.522 | -17,1% |
| Gross Margin | 16,4% | 27,1% | -10,7p.p. | 42,7% | -26,3p.p. | 22,2% | 28,7% | -244,9% |
| Operational Expenses | (51.952) | (43.131) | 20,5% | (17.597) | 195,2% | (131.469) | (98.950) | -277,0% |
| Selling Expenses | (3.909) | (4.047) | (3,4%) | (2.170) | 80,1% | (10.749) | (11.683) | -8,0% |
| General and Administrative Expenses | (19.543) | (15.133) | 29,1% | (12.678) | 54,1% | (51.136) | (31.918) | 60,2% |
| Other Operating Revenue/Expenses | (26.457) | (20.015) | 32,2% | 169 | (15755,0%) | (59.217) | (45.699) | 29,6% |
| Depreciation and Amortization | (1.936) | (1.882) | 2,9% | (3.223) | (39,9%) | (5.984) | (11.739) | -49,0% |
| Equity Income | (107) | (2.054) | (94,8%) | 305 | (135,1%) | (4.383) | 2.089 | -309,8% |
| Operational Result | (27.540) | (20.417) | 34,9% | 20.507 | (234,3%) | (63.881) | (17.428) | -294,1% |
| Net Financial Result | (28.049) | (2.354) | 1091,5% | (21.548) | 30,2% | (38.799) | (41.976) | -252,9% |
| Financial Income | (6.512) | 21.091 | (130,9%) | 3.229 | (301,7%) | 22.578 | 11.963 | 88,7% |
| Financial Expenses | (21.537) | (23.445) | (8,1%) | (24.777) | (13,1%) | (61.377) | (53.939) | 13,8% |
| Net Income Before Taxes on Income | (55.589) | (22.771) | 144,1% | (1.041) | 5240,0% | (102.680) | (59.404) | -191,6% |
| Deferred Taxes | - | - | - | - | - | - | - | - |
| Income Tax and Social Contribution | (1.604) | (886) | 81,0% | (508) | 215,7% | (3.619) | (1.221) | 196,4% |
| Net Income After Taxes on Income | (57.193) | (23.657) | 141,8% | (1.549) | 3592,3% | (106.299) | (60.625) | 75,3% |
| Minority Shareholders | (700) | (112) | 525,0% | 119 | (688,2%) | (799) | 121 | -760,3% |
| Net Income | (56.493) | (23.545) | 139,9% | (1.668) | 3286,9% | (105.500) | (60.746) | 73,7% |

Consolidated Balance Sheet

| | 3Q20 | 2Q20 | Q/Q (%) | 3Q19 | Y/Y (%) |
|---|------------------|------------------|-------------|------------------|-------------|
| Current assets | | | | | |
| Cash and Cash Equivalents | 6.705 | 19.512 | -66% | 12.819 | -48% |
| Securities | 623.955 | 550.644 | 13% | 381.397 | 64% |
| Receivables from clients | 544.147 | 445.811 | 22% | 409.212 | 33% |
| Properties for sales | 1.317.144 | 855.315 | 54% | 820.892 | 60% |
| Other account receivable | 148.435 | 178.058 | -17% | 119.897 | 24% |
| Prepaid expenses and other | 1.045 | 1.131 | -8% | 2.159 | -52% |
| Land for sale | 7.014 | 7.014 | 0% | 38.681 | -82% |
| Subtotal | 2.648.445 | 2.057.485 | 29% | 1.785.057 | 48% |
| Non current assets | | | | | |
| Receivables from clients | 86.843 | 93.529 | -7% | 119.765 | -27% |
| Properties for sales | 191.985 | 293.573 | -35% | 190.953 | 1% |
| Other account receivable | 224.683 | 221.739 | 1% | 145.232 | 55% |
| Subtotal | 503.511 | 608.841 | -17% | 455.950 | 10% |
| Intangible, property and equipment | 21.297 | 17.444 | 22% | 24.465 | -13% |
| Investments | 272.497 | 138.566 | 97% | 300.726 | -9% |
| Total Asset | 3.445.750 | 2.822.336 | 22% | 2.566.198 | 34% |
| Current liabilities | | | | | |
| Loans and financing | 349.348 | 283.923 | 23% | 364.766 | -4% |
| Debentures | 127.147 | 119.367 | 7% | 179.423 | -29% |
| Obligation for purchase of land | 259.336 | 111.790 | 132% | 105.823 | 145% |
| Material and service suppliers | 131.054 | 131.941 | -1% | 129.825 | 1% |
| Taxes and contributions | 82.979 | 83.689 | -1% | 64.886 | 28% |
| Provision for contingencies | 193.357 | 184.084 | 5% | 179.681 | 8% |
| Other liabilities | 297.086 | 253.603 | 17% | 207.540 | 43% |
| Subtotal | 1.440.307 | 1.168.397 | 23% | 1.231.944 | 17% |
| Non current liabilities | | | | | |
| Loans and financing | 153.340 | 243.859 | -37% | 141.789 | 8% |
| Debentures | 115.663 | 26.500 | 336% | 64.848 | 78% |
| Obligation for purchase of land | 87.942 | 92.998 | -5% | 147.147 | -40% |
| Deferred taxes | 12.114 | 12.114 | 0% | 49.372 | -75% |
| Provision for contingencies | 86.250 | 78.809 | 9% | 110.564 | -22% |
| Other liabilities | 36.244 | 22.472 | 61% | 38.460 | -6% |
| Subtotal | 491.553 | 476.752 | 3% | 552.180 | -11% |
| Shareholders' Equity | | | | | |
| Shareholders' equity | 1.509.624 | 1.175.852 | 28% | 780.159 | 94% |
| Minority Interest | 4.266 | 1.335 | 220% | 1.915 | 123% |
| Subtotal | 1.513.890 | 1.177.187 | 29% | 782.074 | 94% |
| Total Liabilities and Shareholders' Equity | 3.445.750 | 2.822.336 | 22% | 2.566.198 | 34% |

Balance Sheet by brand - Consolidated 3Q20

| | Gafisa | Upcon | Consolidated |
|---|------------------|----------------|------------------|
| Current assets | | | |
| Cash and Cash Equivalents | 5.190 | 1.515 | 6.705 |
| Securities | 623.955 | - | 623.955 |
| Receivables from clients | 512.367 | 31.780 | 544.147 |
| Properties for sales | 902.215 | 414.929 | 1.317.144 |
| Other account receivable | 210.381 | 9.656 | 148.435 |
| Prepaid expenses and other | 1.045 | - | 1.045 |
| Land for sale | 7.014 | - | 7.014 |
| Subtotal | 2.262.167 | 457.880 | 2.648.445 |
| Non current assets | | | |
| Receivables from clients | 83.588 | 3.255 | 86.843 |
| Properties for sales | 191.985 | - | 191.985 |
| Other account receivable | 223.848 | 835 | 224.683 |
| Subtotal | 499.421 | 4.090 | 503.511 |
| Intangible, property and equipment | 19.877 | 1.420 | 21.297 |
| Investments | 270.123 | 2.374 | 272.497 |
| Total Asset | 3.051.588 | 465.764 | 3.445.750 |
| Current liabilities | | | |
| Loans and financing | 312.371 | 108.579 | 349.348 |
| Debentures | 127.147 | - | 127.147 |
| Obligation for purchase of land | 128.280 | 131.056 | 259.336 |
| Material and service suppliers | 128.777 | 2.277 | 131.054 |
| Taxes and contributions | 77.662 | 5.317 | 82.979 |
| Provision for contingencies | 193.357 | - | 193.357 |
| Other liabilities | 280.023 | 17.063 | 297.086 |
| Subtotal | 1.247.617 | 264.292 | 1.440.307 |
| Non current liabilities | | | |
| Loans and financing | 128.881 | 24.459 | 153.340 |
| Debentures | 115.663 | - | 115.663 |
| Obligation for purchase of land | 61.404 | 26.538 | 87.942 |
| Deferred taxes | 12.114 | - | 12.114 |
| Provision for contingencies | 77.226 | 9.024 | 86.250 |
| Other liabilities | 20.686 | 15.558 | 36.244 |
| Subtotal | 415.974 | 75.579 | 491.553 |
| Shareholders' Equity | | | |
| Shareholders' equity | 1.387.362 | 122.262 | 1.509.624 |
| Minority Interest | 635 | 3.631 | 4.266 |
| Subtotal | 1.387.997 | 125.893 | 1.513.890 |
| Total Liabilities and Shareholders' Equity | 3.051.588 | 465.764 | 3.445.750 |

Consolidated Cash Flow

| | 3T20 | 3T19 | 9M20 | 9M19 |
|--|------------------|------------------|------------------|------------------|
| Net Income (Loss) before taxes | (55.589) | (1.041) | (102.681) | (59.404) |
| Expenses/revenues that do not impact working capital | 31.713 | 1.522 | 108.686 | 11.897 |
| Depreciation and amortization | 1.936 | 3.223 | 5.984 | 11.739 |
| Impairment | - | (2) | (1.044) | (28.221) |
| Expenses with stock option plans | (5) | 174 | (362) | (2.698) |
| Unrealized interest and fees, net | (4) | 1.216 | 2.130 | 4.302 |
| Equity income | 107 | (305) | 4.383 | (2.089) |
| Warranty provision | 1.998 | (2.136) | 1.102 | (3.918) |
| Provision for contingencies | 21.358 | - | 52.708 | 45.885 |
| Profit sharing provision | 3.107 | - | 6.194 | 500 |
| Provision (reversal) for doubtful accounts | 2.833 | (5.342) | 34.197 | (17.116) |
| Provision for fine due to construction work delay | 383 | 1.935 | 3.394 | 754 |
| Quotas assignment | | 2.759 | | 2.759 |
| Receivables | (62.895) | 42.139 | (83.182) | 127.949 |
| Properties for sale | 54.688 | 14.765 | (27.289) | 145.244 |
| Other receivables | (22.053) | (11.886) | (88.096) | (35.981) |
| Prepaid expenses | 86 | 159 | 815 | 509 |
| Obligations for purchase of land | (15.104) | (1.590) | (32.744) | (56.461) |
| Taxes and contribution | (6.027) | 4.528 | 7.794 | 7.610 |
| Suppliers | (2.960) | (39.327) | 33.726 | (2.189) |
| Payroll, charges and bonus provision | (2.834) | (546) | (7.721) | (2.366) |
| Other accounts payable | (110.900) | 62.090 | (71.268) | (93.534) |
| Transactions with related parties | 25.623 | 7.765 | 47.135 | 26.045 |
| Paid taxes | (1.604) | (508) | (3.619) | (1.221) |
| Cash used in operating activities | (167.856) | 78.070 | (218.444) | 68.098 |
| Acquisition of properties and equipment | (4.369) | 1.656 | (4.618) | (4.361) |
| Redemption of securities, collaterals, and credits | 151.192 | 2.311 | 287.594 | 50.445 |
| Investment in marketable securities and restricted credits | (226.018) | (209.548) | (511.169) | (326.986) |
| Equity Securities | - | (2.717) | - | - |
| Cash used in investing activities | (79.195) | (208.298) | (228.193) | (280.902) |
| Increase of loans and financing | 192.447 | 37.885 | 310.900 | 89.672 |
| Amortization of loans and financing | (182.030) | (58.990) | (359.646) | (232.561) |
| Loan operations | (3.464) | (759) | (9.013) | (10.117) |
| Sale of treasury shares | - | - | - | 148 |
| Proceeds from sale of treasury shares | 7.605 | (53.389) | 19.251 | 6.984 |
| Capital increase | 218.171 | - | 477.900 | 132.266 |
| Subscription and payment of common shares | - | 206.927 | - | 206.927 |
| Cash acquired from Upcon | 1.515 | - | 1.515 | - |
| Cash Flow from Financing Activities | 234.244 | 131.674 | 440.907 | 193.319 |
| Increase (Decrease) in cash and cash equivalents | (12.807) | 1.446 | (5.730) | (19.485) |
| Beginning of the period | 19.512 | 11.373 | 12.435 | 32.304 |
| End of the period | 6.705 | 12.819 | 6.705 | 12.819 |



This release contains forward-looking statements about business prospects, estimates for operating and financial results, and Gafisa's growth prospects. Readers can identify many of these statements when reading words such as "estimates," "believes," "expects," and "will," as well as similar words or their respective negatives. Although management believes the expectations conveyed in such statements to be reasonable, it is unable to guarantee that such expectations will come to fruition, and they should not be deemed as projections. By their nature, forward-looking statements require us to make assumptions and, as such, are subject to risks and uncertainties. They are mere expectations and therefore are based exclusively on what management expects concerning the future of the business and its continued access to capital to fund the Company's business plan. Such forward-looking statements depend, substantially, on changes in market conditions, government regulations, competitive pressures, the performance of the Brazilian economy, and the industry, among other factors; therefore, they are subject to change without prior notice. The forward-looking statements included in this release are based on the assumption that our plans and operations will not be affected by such risks, but if our plans and operations happen to be affected by these risks, the forward-looking statements might become inaccurate. We do not commit to revising these forward-looking statements unless it is explicitly required by the applicable securities regulation.



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