






Operational Preview – 3Q20



Recife, October 6, 2020 - **Moura Dubeux Engenharia S.A. ("MD or Company") (B3: MDNE3; Bloomberg: MDNE3:BZ)**, the largest homebuilder and real estate development company in Northeast of Brazil, with over 35 years of experience, presents its operational preview results for the third quarter 2020. These results are preliminary, still subject to audit's review.

Highlights

- 
4 projects launched in 3Q20, totaling a gross potential sales volume (PSV) of **R\$ 275 million**
- 
 Sales over supply (SoS) ratio of projects launched, reaches a significant mark of **55.6%**
- 
R\$ 317 million in gross sales and adhesions (100%) in 3Q20, **+264.4%** YoY and **+210.9%** QoQ, confirming the recovery of real estate sector in Brazilian **Northeast region**.
- 
 Sales and adhesions of inventories reached **R\$ 195 million** in 3Q20 increasing **123.4%** YoY and **90.6%** QoQ
- 
 Strong increase in the gross sales over supply (SoS) ratio, reaching **51.7% for LTM** and **27.6%** quarterly
- 
Acquisition of 2 land plots in 3Q20, one in the state of **Bahia**, with a potential gross PSV of **R\$ 68 million**, and one in the state of **Pernambuco**, with a potential gross PSV of **R\$ 58 million**
- 
 Strong cash generation, reaching **R\$ 65 million** in the quarter

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Key Indicators

Key Indicators (R\$ '000)	3Q20	3Q19	Chg. %	2Q20	Chg. %	9M20	9M19	Chg. %
Launches								
Launches (100%)	274,880	-	n/a	-	n/a	274,880	298,357	-7.9%
Launches (%MD)	221,027	-	n/a	-	n/a	221,027	298,357	-25.9%
# Projects Launched	4	-	n/a	-	n/a	4	3	33.3%
# Units Launched	391	-	n/a	-	n/a	391	528	-25.9%
Sales								
Contracted Sales ¹ (100%)	317,482	87,113	264.4%	102,106	210.9%	496,906	572,133	-13.1%
<i>Launches - Contracted Sales (100%)</i>	122,841	-	n/a	-	n/a	122,841	239,531	-48.7%
<i>Inventory - Contracted Sales (100%)</i>	194,642	87,113	123.4%	102,106	90.6%	374,066	332,602	12.5%
Contracted Sales ¹ (%MD)	300,541	83,744	258.9%	91,679	227.8%	469,353	558,141	-15.9%
# Units Sold	598	421	42.0%	240	149.2%	998	1,082	-7.8%

1. Potential Sales Volume of all units of the development, excluding swap units.

Launches

In 3Q20 the Company launched 4 projects totaling R\$ 275 million potential gross PSV.

Projects	Region	Segment	Operation Formats	Units	Gross PSV	Net PSV
Rooftop.470	Recife/PE	High-End	Development	112	29	29
Parque Rio Branco	Fortaleza/CE	Standard	Development	120	60	50
Mimi & Léo Monte	Recife/PE	High-End	Condominium	93	125	92
Meet Aldeota	Fortaleza/CE	High-End	Development	66	61	50
Total				391	275	221

Sales and Adhesions

Gross Sales and Adhesions (%MD) totaled R\$ 301 million in 3Q20, increasing 258.9% YoY and 227.8% QoQ. In 9M20 Gross Sales and Adhesions (%MD) reached R\$ 469 million, down 15.9% when compared to the same period a year ago.

Sales and Adhesions (R\$ '000)	3Q20	3Q19	Chg. %	2Q20	Chg. %	9M20	9M19	Chg. %
Gross Sales and Adhesions¹	317,482	87,113	264.4%	102,106	210.9%	496,906	572,133	-13.1%
Gross Sales and Adhesions¹ (%MD) (a)	300,541	83,744	258.9%	91,679	227.8%	469,353	558,141	-15.9%
Development Sales	157,684	62,318	153.0%	75,025	110.2%	278,843	194,832	43.1%
Closed Sales ²	20,640	10,161	103.1%	7,490	175.6%	37,316	91,615	-59.3%
Adhesions to Condominium ³	122,217	11,264	985.0%	9,164	1233.6%	153,195	271,693	-43.6%
Current Cancellations⁴ (b)	26,569	43,854	-39.4%	15,126	75.6%	53,334	147,591	-63.9%
Adjusted Net Sales and Adhesions (%MD) (c=a-b)	273,972	39,890	586.8%	76,553	257.9%	416,019	410,550	1.3%
Legacy Cancellations ⁵ (d)	61,631	-	n/a	60,692	1.5%	148,941	-	n/a
Net Sales and Adhesions (%MD) (e=c-d)	212,341	39,890	432.3%	15,861	1238.8%	267,078	410,550	-34.9%

1. Contracted gross sales and total amount adhered to condominium; 2. Condominium quotas adhered by Moura Dubeux and resold as development units with an average margin of 20%; 3. Total value of quotas adhered by clients to condominium; 4. Current cancellations motivated in the quarter; 5. Company's strategy, aiming cash preservation in its pre-IPO period.

In 3Q20 current cancellations (%MD) reached R\$ 27 million, representing 9.0% of gross sales and adhesions (%MD)

The Company continues the process of accelerating the cancellations of units related to its pre-IPO legacy, already provisioned in its financial statements. Legacy cancellations (%MD) reached R\$ 61 million in 3Q20, totaling R\$ 88 million cancellations in the quarter.

Sales Breakdown

Sales and Adhesions by Segment – 3Q20 (R\$ '000)

Segment	Total				Launch		Under Construction		Completed Units	
	Units	Gross PSV	Gross PSV (%MD)	% of PSV (%MD)	Units	Gross PSV (%MD)	Units	Gross PSV (%MD)	Units	Gross SPV (%MD)
High-End	283	211,423	211,423	70.3%	147	113,821	68	51,316	68	46,286
Standard	230	79,134	62,193	20.7%	19	9,020	57	16,906	154	36,266
Beach Class Brand	16	10,474	10,474	3.5%	-	-	6	551	10	9,923
Corporate	69	16,451	16,451	5.5%	-	-	-	-	69	16,451
Total	598	317,482	300,541	100.0%	166	122,841	131	68,774	301	108,926

Sales and Adhesions by Region – 3Q20 (R\$ '000)

Region	Total				Launch		Under Construction		Completed Units	
	Units	Gross PSV	Gross PSV (%MD)	% of PSV (%MD)	Units	Gross PSV (%MD)	Units	Gross PSV (%MD)	Units	Gross SPV (%MD)
Pernambuco	371	211,561	194,619	64.8%	143	109,968	89	46,487	139	38,164
Ceará	138	62,150	62,150	20.7%	23	12,873	38	14,087	77	35,190
Bahia	52	26,044	26,044	8.7%	-	-	4	8,200	48	17,844
Alagoas	26	14,643	14,643	4.9%	-	-	-	-	26	14,643
Rio Grande do Norte	11	3,085	3,085	1.0%	-	-	-	-	11	3,085
Total	598	317,482	300,541	100.0%	166	122,841	131	68,774	301	108,926

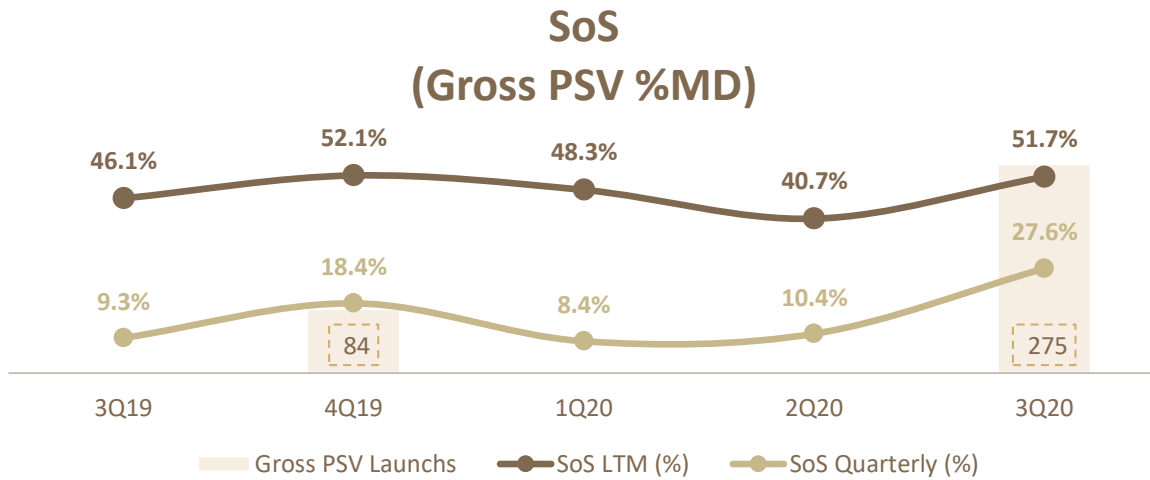
Sales and Adhesions by Operation Formats – 3Q20 (R\$ '000)

Operation Formats	Total				Launch		Under Construction		Completed Units	
	Units	Gross PSV	Gross PSV (%MD)	% of PSV (%MD)	Units	Gross PSV (%MD)	Units	Gross PSV (%MD)	Units	Gross SPV (%MD)
Development	451	174,626	157,684	52.5%	98	32,985	57	16,906	296	107,792
Closed Sales	40	20,640	20,640	6.9%	-	-	35	19,506	5	1,134
Condominium	107	122,217	122,217	40.7%	68	89,855	39	32,362	-	-
Total	598	317,482	300,541	100.0%	166	122,841	131	68,774	301	108,926

1. Condominium quotas adhered by Moura Dubeux and resold as development units with an average margin of 20%.
2. Total value of quotas adhered by clients to Condominium.

Sales Speed (SOS)

Gross SoS (%MD) in the last twelve months reached **51.7%**. up 5.6pp YoY and 11.0pp QoQ. During the quarter **gross SoS (%MD) was 27.6%** increasing 18.3pp YoY and 17.2pp QoQ.



Launch SoS (%MD) recorded a significant mark of 55.6%, boosted by launches focused on the high-income segment that attracted significant sales in the early days.

Launch – SoS (R\$ '000)	3Q20
(+) Launches 3Q20 (a)	221,027
(=) Launched units for sale in 3Q20 (b = a)	221,027
(-) Sales and Adhesions (c)	122,841
SoS (%) (d=c/b)	55.6%

About Moura Dubeux

Operating with over 35 years in an outstanding position in the mid, high and luxury segment. Moura Dubeux is the largest homebuilder and real estate development company in Northeast region Brazil, holding the market share in the cities of Recife, Fortaleza, Natal and one of the firsts in the city of Salvador. The Company has also a strong operation in the real estate market for flats, hotels, and resorts ("Second Home"), focusing on high-end and foreign customers. Started its activities in Pernambuco. "Moura Dubeux" brand also operates in the states of Alagoas, Bahia, Rio Grande do Norte and Ceará.

The Company, with its fully integrated business model, participates directly in all phases of the real estate development and builds all its incorporated projects. In addition to real estate developments, Moura Dubeux operates in the "construction works administration" business segment, participating in all stages, identifying potential market demands, prospecting the land, designing the product, approving the project, managing and building the project.

To build real estate solutions that overcome expectations and improve quality life of its investors, the Company's operations are based on three main pillars: efficient engineering and control constructions, search for the best product and uses its own team and digital platforms to commercialize the units.

Moura Dubeux has been listed on B3's "Novo Mercado", under the ticker MDNE3 since February 2020, following the highest standards of corporate governance.

Disclaimer

This document contains statements related to prospects and statements about future events that are subject to risks and uncertainties. Such information is based on the beliefs and assumptions of the management of Moura Dubeux Engenharia S.A. ("**Company**") and information that the Company currently has access to. Currently, these statements may refer to the Company's ability to manage its business and financial liquidity during and after the COVID-19 related pandemic, as well as the impact of this pandemic on the results of its operations. Forward-looking statements include information about our current intentions, beliefs, or expectations, as well as those of the Company's management members.

Cautions regarding forward-looking statements and information also include information about possible or presumed operating results, as well as statements that are preceded, followed or that include the words "believes", "may", "will", "continues", "expects", "forecasts", "intends", "plans", "estimates", or similar expressions.

Forward-looking statements and information are not performance guarantees. They involve risks, uncertainties and assumptions because they refer to future events, depending on circumstances that may or may not occur. Future results and value creation for shareholders may differ significantly from those expressed or suggested by forward-looking statements. Many of the factors that will determine these results and values are beyond our ability to control or predict.

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