

4Q19 Conference Call– EZTEC

Operator: Good afternoon, ladies and gentlemen. At this time, we would like to welcome everyone to EZTEC's fourth quarter 2019 results conference call.

Please note that this event is being recorded and that all participants will be in listen-only mode during the Company's presentation. After the Company's remarks are completed, there will be a question and answer session, when further instructions will be given. Should any participant need assistance during this call, please dial *0 to reach the operator.

Today's event is available through a live webcast that may be accessed through the EZTEC Investor Relations website at www.eztec.com.br/ir by clicking on the banner "Webcast". The following presentation is also available for download on the webcast's platform. The following information is stated in Brazilian real and in "BR GAAP" and "IFRS" applicable to real estate developers in Brazil, except where stated otherwise.

Before proceeding, let me mention that any forward-looking statements made in today's conference call regarding the business outlook, forecasts and financial and operating targets is based on the beliefs and assumptions of EZTEC's management and the information currently available to the Company. Forward-looking statements are no guarantee of performance. They involve risks, uncertainties and assumptions because they relate to future events and therefore depend on circumstances that may or may not occur in the future.

Investors should understand that general economic conditions, industry conditions and other operating factors could also affect the future results of the Company and could cause results to differ materially from those expressed in such forward-looking statements.

Now, I will turn the conference over to Mr. Hugo Soares, IR Coordinator, who will begin the presentation. Please Mr. Hugo, you may begin the conference:

Mr. Hugo: Thank you very much and good afternoon one and all. I'm here to discuss the results presentation for the fourth quarter of 2019, as well as the year of 2019 as a whole and with me we have Emilio Fugazza, our CFO and Investor Relations Officer. Now to begin with, just generally getting into the operational and financial outlook for the year which we experienced in 2019, where the underlying reality of the moment we lived was of an effectively spectacular momentum and performance over the course of the year, which hints to a lot of the fundamentals and of the capacity to execute that EZTEC has been able to perform.

So as you look to net sales, what you see is a performance of BRL 1.5 billion sold in 2019 and you can see that the momentum going forward, as sales up until the second week of March, we were actually able to deliver 548 million, effectively, on the same pace of the fourth quarter 2019.

As far as launches, what you realize is that what we had in effect was the largest volume of launch in the Company's history and again, as a subsequent event, we had significant launches, four launches, specifically, already in 2020, which delivered another BRL 615 million, which was in effect 27% of the guidance that we had admitted for the year.

As far as the landbank, we were sitting at a 7.4 billion potential sales value for our landbank in 2019 and considering the landbank's acquisitions under negotiation in the first quarter of 2020, we were basically up to BRL 9 billion. To the extent that the operations unfolded over the course of the year, you see that performance translating into results, which pumps gross profits up to BRL 328 million in the year of 2019, where you have a gross margin performance effectively on par with the Company's historical standards of profitability.

As you see, operations increase in the net revenue base increased, there's an increase room for net profitability. As you see, net income increasing to BRL 285 million, diluting the operational expenses, leaving a net margin of 35%. Keep in mind that BRL 112 million net income were exclusively on the fourth quarter, going to say what a remarkable performance the quarter had on the back of EZ Parque da Cidade, which we will discuss in a bit.

As far as the Company's liquidity, ever since the follow on, the Company is sitting still on a BRL 1.3 billion amount of cash where, on top of it, there is a complimentary liquidity coming from a portfolio of ready receivables from the sales that EZTEC finances directly, you have as much as BRL 519 million of securitizable receivables, awarded at a 10% plus inflation rate.

That has been the outlook of 2019, but naturally getting ahead of ourselves to the reality that we are living today, going to subsequent events, we will have a general meeting coming soon where we are set to distribute the mandatory minimum of BRL 66.7 million, which is practically BRL 0,29 per share, but most importantly, just yesterday we've admitted the material fact where we announced that this continuity of the launching guidance, on the back of the coronavirus outbreak and the pandemic as a whole and its repercussions on the Company's operations as far as not being able to approve new projects in the City Hall or to open sales stands to keep on launches going.

On top of that, the Board of Directors just recently approved a stock buyback program under the understanding that the share price was not reflective of the Company's underlying reality and resilient business model, where there is the option to liquidate as much as 10% of the Company's free float within the next three months.

Now, if you could please move to slide number 4, where I will discuss EZTEC's operational track record historically. Once again, we hit on the fact that the year of 2019, the moment that the sector and EZTEC in particular were experiencing was of extremely solid fundamentals and an outstanding execution that delivered basically the highest performance in launches of the Company's history, as you can see by the LPN figures, and this perhaps most importantly accompanied by an equally impressive gross sales performance, which left a little room for gross inventory formation.

Keep in mind that those sales, as they happened, they happened in a remarkably secure way and by that I mean that when people bought it, they were already committing a substantial down payment, so in the average of the projects sold launched in 2018 and 2019, we had clients commit to 52% of the ticket price as down payment up until the time of the project delivery. So, we're basically talking about a cycle that was sustained by self-financed projects.

Now if you could please move to slide number 5, where I will discuss our landbank outlook. So, ever since the follow on, we have the mandate of seeking new acquisitions, so you see some of that taking effect already over the course of the fourth quarter as our landbank moves up to BRL 7.4 billion and considering the projects that had been negotiated, some of that is still option acquisitions for the first quarter of 2020.

We're basically up to BRL 9 billion. Do keep in mind that the profile of the projects that we currently have sitting in our landbank is a profile that is mostly concentrated within the city of São Paulo and relatively consolidated the regions of the city of São Paulo, there is just a small chunk in the metropolitan area and it's well distributed among different types of profiles and leaving very many avenues and strategic alternatives for us to deal with in the upcoming time of unpredictability.

So, please if you move to slide number 6, it's getting in-depth towards the operational performance of the year. On the last half of the slide you see the increase in performance in launches over the course of the past years. First of all, keep in mind that we basically met the entirety of the guidance for 2019, where we had committed to up until BRL 2 billion in launches, so that has been fulfilled. And going into 2020, we went a long way into a strong start for the year.

Naturally we had the discontinuity of the guidance on the back of the fact that there is a de facto unpredictability of what the scenario will be, especially as we can determine ahead of time whether we're ahead of a 30-day interruption in activity, a 45-day interruption, a 2 month interruption, so all that leaves little room for us to be able to pinpoint what the launches volume will be, although, to the extent that there is an opening in, a window for new launches, the Company is still ready with projects that are triggered, they're just lacking the final approval from the City Hall, so that we can push on with launches as soon as that moment arrives.

If you look at the right side of the slide where we discuss sales performance, one thing to keep in mind is that naturally the update in launches has been driving the gross sales performance out of the park, but if you look underneath the launches figures, you realize that there is still a very consistent ready inventory sale, despite the actual volume of ready inventory has been diminishing continuously and, perhaps more noticeably, an increase of the state of construction, of projects under construction, as part of our sales portfolio, as naturally we have more projects that had been launched and they're currently sitting on our portfolio available for clients. Cancellations have been kept on check, less than half of what they were in 2018, leaving our net sales figures at more than 1.5 billion.

Now, if you could please move to slide number 7 regarding the inventory. What you notice, again, is that the size, the sheer magnitude of the ready inventory available has systematically diminished, to the extent that right now it represents as much as 28% of our inventory. Do notice that when we look at the ready inventory in the South Zone of São Paulo, most of that refers to EZ Mark, our commercial project in São Paulo. Despite the fact that it is sitting on our inventory, most of that is already rented, where we are basically discussing a rental level of BRL 70 to 90 per meter monthly income. And it's the type of

stuff that doesn't burden the Company in any way as it prevents it from having to deal with real estate tax and covers the carrying costs. So, in no way is our inventory a burden to the Company going forward.

If you could please move to slide number 8, where we talk about the launches, we try to bring the highlights of each given quarter for the entire year of 2019 and here, above all, it should be noticeable that there is a wide plethora of different types of projects that we have been able to successfully deliver and that shows, just given the speed of sales, as you can see on the data below, Fit Casa Rio Bonito, for example on the top left quadrant was 95% sold by the time we speak and in the second quarter you have Pátrio Ibirapuera. Fit Casa Rio Bonito was a Minha Casa Minha Vida project in the low-end of the spectrum, we have Pátrio Ibirapuera on the extreme high-end and equally nicely sold, so if you don't take into account the attachment to the project, we are basically talking about a project that has been 100% sold.

Moving on to the third quarter, Haute Ibirapuera also has delivered as much as 80% of sales by this point and on the fourth quarter our main event of the evening, EZ Parque da Cidade, a big project of BRL 568 million in PSV that mobilized the Company's full commercial effort, but it didn't take long to actually feel the sales impact as we're currently able to have sold as much as 60% of the project.

On the next slide, on slide number 9, we put an emphasis on how EZ Parque da Cidade had an outstanding performance and already point to Air Brooklin as a subsequent event. It was the main launch of 2020, also a residential project with very much appeal to investors, where we saw, again, down payments taking place and a lot of interest from the very start of the project. As you can see, the sales curve hit 60%, basically within the first five weeks of the project.

Moving on, in slide number 10 you can see the whole portfolio of the project that we launched in the first quarter of 2020, most of them sold very recently, but from whom we have little doubt of their capacity to continued sales and inventory liquidation.

Now I will ask Emilio Fugazza to discuss about the Company's financials for the year 2019, so please, Emilio, if you could.

Mr. Emilio: Thank you very much, Hugo. Let's go to slide number 11, financial performance. Let's start with net revenues. Net revenues came in BRL 309 million fourth quarter of 2019, an increment of 64% coming from third quarter 2019. That's important. It's important to mention the fact that, as Hugo told you before, that only EZ Parque da Cidade came with a net revenue of BRL 106 million, so almost one third of the whole fourth quarter 2019 net revenues, coming in this quarter.

Apart from EZ Parque da Cidade, we have Haute Ibirapuera. Haute Ibirapuera is about BRL 30 million in revenues and Haute Ibirapuera comes in with BRL 30 million and a 43% gross margin. That's important. So, an increment of net revenues, because not only we have strong sales in 2019, but also because of the volume of construction we have been doing so far. So now we have almost 15 sites under construction from projects launched between 2018 and 2019.

So, talking about gross profit. Gross profit was BRL 123 million fourth quarter 2019, but the gross margin was 40%. It is important to bear in mind that this drop from 47% third quarter to 40% in the fourth quarter it's because in the third quarter we had Pátrio Ibirapuera. Pátrio Ibirapuera is a very high-end project in a neighborhood called Moema, in the city of São Paulo, South Zone of São Paulo.

We sold the project for BRL 17 thousand the square meter, it's a project of more than a 50% gross margin and, on average, in the fourth quarter, we have not only strong sales coming from Parque da Cidade, but also Haute Ibirapuera coming in a gross margin of 43%, but also Fit Casas. Fit Casas is a project of Minha Casa Minha Vida, the low-end program.

So Fit Casa Brás, in downtown São Paulo, was a project of 46% gross margin. Fit Casa Rio Bonito is a project of 44% of gross margin. Projects... Cidade Maia, for instance. Cidade Maia is a middle-end, it's a project in the city of Guarulhos, as you know very well, the net revenue of this project was BRL 32 million in the fourth quarter, but the gross margin of this project was 47% and increasing, because in the first quarter 2019, the gross margin of Cidade Maia was 41%, second quarter 42%, third quarter 46% and now 47%. So that's the kind of news that we have of prices coming up in the whole 2019.

Talking a little bit about expenses, let's talk about G&A expenses. Fourth quarter was BRL 26 million, on average the same numbers of the whole 2019, but the good news are coming from the ratio. So, when you compare the volume of G&A expenses to the volume of net revenues, we faced this quarter, we see 80% ratio G&A/net revenues. That's why we are increasing the volume of people in our Company, we are not moving or changing a little bit the process, the standards of the Company, even though trying to release, trying to show a kind of Company that is completely prepared for the volume of projects, for the volume of sales we are facing, we are showing today. That's why we think that as we have more sites under construction to come and obviously, after passing the crisis, more projects launched, more sales to come, we are going to see a ratio of over 8 or 9 or 10% G&A over net revenues.

In terms of selling expenses, selling expenses we have now a ratio of 4% over gross sales, which can show you the strength of Tec Vendas, our own brokerage team, to sell 90% of the whole inventory of our Company. It's important to bear in mind that nowadays Tec Vendas is a kind of Company counting on more than 1500 brokers working under the same flag, under the administration of Tec Vendas. It's a kind of very specialized team, they know very well the public of São Paulo, the people of São Paulo buying apartments nowadays, they understand indeed the products that EZTEC has been developing. So, we think that the path we have been following so far is a kind of thing that can provide a very good administration for sales and after passing the crisis. We are counting on them to keep on the same track.

Moving onto page number 12, financial results, on the chart on the top left, we have BRL 29 million of positive financial results, meaning that last year, 2019, the IGP, which is our inflation index over the contracts, we have been providing to our clients, was about 7%. So, the whole amount of contracts we have been carrying in our Company, which is something around BRL 519

million were all adjusted by IGP + 10.4% on average, so 10.4% on average. That's mostly responsible for BRL 29 million positive financial results.

Equity income, on the chart on the top right, came in at BRL 10 million, mostly because of Reserva JB. As Mr. Hugo told you before, we launched this project in 2019, all in all it sold something around 40%, 35 to 40%, and even in the fourth quarter 2019, we recognized the revenues coming from this project. All in all, was a recognizable amount of BRL 33 million. Taking in mind that the stake we hold from this project is about 76%, so the net income coming from this project, the stake of EZTEC was BRL 10 million.

In the bottom right of this slide, results to be recognized, the gross margin is about 44%. So, 44% means how strong is the gross margin of this Company coming in the near future as we are doing the construction and recognizing the revenues from this project, but 44% is the average of the project so far. So, it's not only about Parque da Cidade or even the Fit Casa, the low-end projects, or middle income. So, all in all EZTEC has on average projects sold that the units are coming in a gross margin of 44%.

Another kind of thing that is important to bear in mind, the volume of people paying in advance, paying on average 52, 53% of the whole price of the unit under the period of the construction, so in the meantime we are doing the construction, we are receiving, collecting as cash 52% of the whole price. The meaning of it is we are not borrowing money from the banks to fulfill the needs of the construction. And that's not going to impact the gross margin of the Company because we are not going to use for any percent of the whole project the money coming from the banks. That's important to bear in mind.

And finally, let me take a deep look in the net income of this Company was BRL 108 million in the bottom left of this slide, BRL 108 million coming at a net margin of 35%. 35%, the most important part of this number is that. So, taking out BRL 29 million from BRL 108 million means that the operational result of EZTEC in fourth quarter 2019 was about BRL 80 million. So, BRL 80 million. Compared to the third quarter 2019, let me remind you. So, the net income was BRL 61 million and the financial result was BRL 23 million. So, taking out the financial results from net income was about 40% operational results in the third quarter. So, the increment was 100% operational results from third quarter to the fourth quarter of 2019. That's important to bear in mind. The strength of the P&L we are showing today as the path of the construction and sales was getting stronger and stronger.

So, on page number 13, it's only to show that the Company is carrying about BRL 590 million of performed receivables, meaning that we have something around 2,000 units compared to almost the same seen in 2018. So, in 2019, despite the fact that the interest rate coming from the commercial banks was dropping dramatically, so from 9, from 8 to 7.3%. So, we could keep the volume of the portfolio for the receivables remaining the same.

This is very important to remind, because it's a completely different kind of people borrowing money from EZTEC to buy the apartment, our own projects. It's the kind of people that they have the need because of the recent crisis we had between 2015 and 2017 hurt a lot of people. So, they can count on money coming from the banks, but not 100% of the money, so mostly they are taking something in the order of 40%, 50%, but this is not enough. They need at

least 80% to buy an apartment in Brazil. Which means that 40% or 50%, they have not the remaining 40% or 50% to give to EZTEC as a down payment. And that's the moment when the direct financing to buy from EZTEC, that's the main idea.

So, moving to page 14, let me use this slide in order to show you the strength of EZTEC's balance sheet. We are ending 2019 showing a book of BRL 3.8 billion for liability of only BRL 400 million. To be more precise, BRL 397 million of liability over a shareholder's equity of BRL 3.8 billion.

In terms of assets, you can understand that we are going into this crisis, into this moment coming from the coronavirus, with a position of assets of BRL 1.3 of cash and equivalents. So, our liquidity is about BRL 1.3 billion. Let me remind you that the fourth quarter 2019 we had only BRL 40 million of gross debt, the whole Company only BRL 40 million of gross debt. Now, March 2020, we have nothing, not one single penny we have in gross debt. So, BRL 1.3 billion of cash and equivalents is net cash.

In terms of performed receivables, we have BRL 573 million, so part of it coming from our portfolio with the agreements signed with all the assurance that we can take these units back whenever is happening a kind of default and the remaining BRL 50 to 60 million are performed receivables under process to bring the contracts to the banks.

In terms of ready inventory, the cost of the ready inventory is BRL 335 million, so let me remind you that the volume of performed inventory we have nowadays is about BRL 600 million and the cost of this inventory is about BRL 335 million, which means that the gross margin of the inventory is about 45%, not less than that. So, a very healthy performed portfolio of the units.

In terms of landbank, as Hugo told you before, the landbank of our Company fourth quarter 2019 was BRL 7.4 billion at a cost of BRL 897 million. So, the cost of the landbank, we have no exchange agreement, we have no swap agreement, all paid in cash, so which means that it is a kind of healthy landbank to use whenever we think it's the most profitable time to use this landbank.

So, that's the situation. Let me take a look on page number 15, talking about subsequent events. The first event is the General Meeting, we don't know for sure what is going to happen by the end of April. By the law we have to call for the General Meeting of Investors by April 28, 2020, it's a moment we're going to propose BRL 67 million in dividends, which means something about BRL 0.29 per share, which means a 100% increment coming from 2018. So, the total amount of net income reported for 2019 was BRL 281 million. We are going to take the legal reserve, which means 5% and then we are going to pay a dividend to 85% of the remaining volume, which means BRL 66.8 million to be paid at the year of 2019.

Another subsequent event is the stock buyback program. The Board of Directors has approved up to 10% of the free float to acquire. This is simply because obviously the Company has done its follow up by BRL 36.25 per share. The volume of money we have here, the quality of our assets, the strength we are going to enter the point of the crisis, so this has to be taken in mind about the share price we have today. So, we are trading in a kind of price

that cannot be understood by this management. And that is why we think that the 10% is not going to hurt the balance sheet of our Company, it's not going to hurt everything we have to pay to our employees, to our suppliers, to deliver our constructions. That's why we have been thinking about the next three months. The decision obviously of cancelling those shares or selling again those shares we are going to take in opportune time after this crisis passing through.

Finally, the slide on page 16, only for you guys, living in other countries, living abroad, just to understand what we have been passing here in Brazil, in the city of São Paulo, obviously we are going to take all the care of our employees, we try to make a reduction of more than 50%, nowadays we have here on our headquarters less than 50% of the whole staff. The majority of them are doing home office and obviously it is going very well, we have acquired, we have rented a lot of IT equipment to support all the employees of our Company. The projects are going through. All the movements to manage the Company are going through, part of them by home office, part of them inside of our offices.

We are trying to avoid that our employees come into our Company using public transportation, nowadays we are doing some kind of reimbursements of taxis or Uber cab expenses to provide them more protection to come to the office if it is necessary. Everyone who are trying to be tested by the coronavirus have the expenses eventually not be covered by the health insurance paid for the Company and finally, obviously, the removal from the office of all the collaborators within the risk groups. Let me remind you that we haven't so far received any kind of news from the government to stop the constructions. So far, the sites are ongoing, so the constructions are ongoing. Obviously, we have been thinking that inside of the constructions the employment, the health environment is a little bit more interested in healthier than in the headquarters, because in the construction sites are open spaces, much more fresh air and that is why I think we are not facing some lockdown in our construction sites so far. And that is why we are going to keep this way.

But on the other hand, in terms of sales stands, now we have from the government the news to stop, so we cannot receive our clients in the sales stand and that is a kind of thing that is much more complicated to improve the sales, because people want to see the apartment model, the model of the building, of the apartment, they want to talk with the broker, they want to talk with the people to understand if it is a good deal or not. So, it's the kind of thing that we cannot do anymore. Our sales stands are completely closed, but our brokers can count on a lot of systems that we have been investing since 2013, 2014. That's the kind of system that they can contact our client by phone, that we can contact our client by mail or chat or Whatsapp, whatever. So, we think that in the next few weeks we are going to improve the way we are going to get in touch with the people.

And, obviously, because our Company is vertically integrated, we can assure that all of the processes are under our control. So, so far, we are opened, we are working, part of the Company home office, part of the Company inside, the sites on the constructions are ok, but the sales stands completely shut down. So that's why we think we that are going to face the challenges ahead with a

lot of serenity to cause a minor impact in everyone. Thank you very much guys. Now we are completely open to questions. Thank you.

Operator: Ladies and gentlemen, we will now initiate the Questions and Answers section. If you would like to ask a question, please dial *1. If you are using a speakerphone, please pick up your handset before pressing the keys. If at any point your question has been answered, you may remove yourself from the queue by pressing *2.

At this time, we will pause momentarily to assemble our roster.

Our first question is from Nicole Inoue with Bank of America. Please go ahead.

Mrs. Nicole: Great, thank you. Hi Emilio, hi Hugo. Thank you so much for the call and the presentation. So, just talking a little bit about the construction sites, you said that they're not closed right now, but just to understand, you know, if you came to a point that you had to close the construction sites, if you could talk a little about what would be the running costs for EZTEC, you know, how many of the construction workers are on your payroll, how many of them are third party.

And then my second question, you know, I know it's still early, we don't know what's going to happen going forward, but you know we are expecting Brazil to enter into a recession now, so if you think about when launches restart again, how would you think about changing the mix of those launches expecting a weaker economy going forward. Thank you so much.

Mr. Emilio: Nicole, thank you very much for the questions. Nowadays the problem is we are not talking about risks, we are talking about uncertainties. And that's why it's very hard to make any kind of plan. But in terms of sites, we think that obviously, in some moment, we are going to face that the sites are going to shut down completely. We are not receiving any kind of news coming from the authorities to do that, we think that also in Europe, in Spain, in France, the sites are already open, at least in the last week.

So, the problem is, obviously, the majority of the people working in our sites are third parties, because we have the whole team of management, they're skilled people, they are coming from the third parties and that's the problem, because we don't think that third parties, the companies are so small, they have no working capital to support shutdown of, I don't know, one, two, three months whatever.

So, we have been doing a lot of discussion with other companies, with our union of the companies, to understand what we are going to do. We are going to support the salaries of these people, we are going to support the payment of the third parties, so what are we going to do? We don't know, because it doesn't matter what EZTEC is going to do, because EZTEC is doing something, but my competitor, the other constructor, is not doing the same thing, the third party is going to break the same way. So that's why we figure that we have to do something for the whole sector, not only for EZTEC.

And obviously, in terms of some kind of impact in terms of schedule to deliver the construction, we have no concerns about it. In Brazil, definitely we have been delivering our towers in terms of total schedule, it's about three years, so 36 months. So, we have a huge amount of months to be used if there is a

huge problem to be stopped completely for at least three, four, five months. I think that up to six months we are not going to face a huge problem in terms of delivering the projects on time, but there will be a huge impact for the third parties and we have to maneuver, we have to address something about it. But we have no decision so far.

Mr. Hugo: Nicole, this is Hugo, just trying to complement what Emilio just said, I think that much of the solutions that have got to be provided come from the fact that we already had in place a strategy to support the business model, some components to address, just to manage the risks from regular operations. For example, when Emilio said that there is a 36-month window for the construction to happen, when we schedule any given construction for any given launch in any circumstance, we already imbed a two to three month cushion just as a safety margin.

So, in the circumstance in which were discussing, let's say, a temporary paralyzation of two or three months, that's already within just the regular controls that we usually have, with no bearings on the capacity to deliver on the contractually mandated date.

Now, as far as the relationship with suppliers and contractors, this historically, and again this is a question of business model, EZTEC has always managed a base of suppliers where you have a pulverized base of people working for you. We're basically talking about some 50 people, 50 different companies, where you're not exclusively dependent upon any single one of them independently, which mitigates some of the idiosyncratic risks of any of them individually going under.

But also, more systemically, we really try to maintain a long-lasting partnership/relationship with the suppliers that we do have, so among those 50 people, those 50 companies, there is a very low turnover, so that once we go back to the actual construction and, let's say, we are past the deepest moment of crisis, we can rest assured that our construction sites will have some degree of priority and our engineering will be attended for. So that's the general idea.

Mr. Emilio: Nicole, in terms of Brazil entering in a recession, so not only Brazil but the whole world, so, what is happening now? In terms of projects, going through an approval process, let me remind you that under the management of São Paulo municipality, we have more than BRL 5 billion of projects to take in the license up there, which means that we are a little bit prepared for everything.

So we have towers, we have low-end projects, we have middle-high, middle-end projects, there are no concerns about what kind of projects we are going to see to be sold, most specifically because in our BRL 8.5 of landbank, we have pretty much everything.

We don't know for sure. So far, the projects we were selling, in the first quarter 2020, the majority of them were projects focusing on investors. So the majority of them were projects very well located in the city of São Paulo and people were changing bonds, fixed-income coming from the banks, in order to buy new apartments in the city of São Paulo because we were expecting that the prices were going up.

Nowadays we don't know. We don't know which is the new reality in terms of prices, we don't know the new reality in terms of who is going to buy a new apartment. But obviously we are going to see a kind of market which is coming from people inside this crisis, talking each other inside their homes, inside their families, talking about their needs in this new moment. And obviously we are going to focus on that. So, for now we have less visibility of what is going to sell by the end of this crisis.

Mrs. Nicole: Thank you, that was very helpful.

Mr. Emilio: Thank you very much, Nicole.

Operator: This concludes the question and answer session. At this time, I would like to turn the floor back to Mr. Emilio Fugazza, IRO and CFO, for any closing remarks.

Mr. Emilio: Thank you very much for everyone. So, we're going to start all over again by 45 days, by the end of April, beginning of May, third quarter 2020 results for EZTEC. For the doubts please let me know, including Hugo and our whole IRO team. Thank you very much everyone.

Operator: Thank you, this concludes today's presentation, you may disconnect your lines at this time and have a nice day.