

Preliminary Operational Results



3Q20

Conference Call in English

November 13th, 2020

Conference Call In Portuguese

November 13th, 2020

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EZTEC S.A.

ON (B3: EZTC3)

Closing Price: R\$38,00

shares: 227.000.000

Market Cap: R\$8.626 MN

Date: 10/15/2020



3Q20 average weekly inventory sales exceed pre-pandemic period by 15%

In the last 12 months, EZTEC had R\$1.7 billion in launches and R\$1.5 billion in net sales

São Paulo, October 15, 2020 - EZTEC S.A. (BOVESPA: EZTC3; Bloomberg; EZTC3:BZ), announces the preview of the operating results for the third quarter of 2020 (3Q20). The results presented here are managerial and are subject to external audit review. The 3Q20 results are scheduled to be released on November 12, 2020, after the close of the market.

Launches

In the 3Q20 the Company launched the Gran Maia complex, composed by the Giardino tower, with units of 39 to 57 sqm, and the Piazza tower, from 69 to 110 sqm, both launched already in the last week of the quarter. The Gran Maia complex is located in Guarulhos, with a fast access to Highway Presidente Dutra, 10 minutes away from the Guarulhos airport. The project already counted with a physical sales stand, in conformity with sanitary protocol standardized by Abrainc, besides the online commercial effort made through video conferences.



Gran Maia Giardino (Guarulhos)

Location: Guarulhos/SP
Segmentation: Residential
Standard: Middle-end
EZTEC's PSV: R\$101.6 million
% sold area: 13%*
Units sold: 49*/322

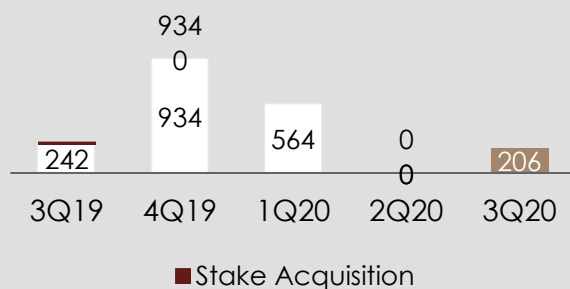


Gran Maia Piazza (Guarulhos)

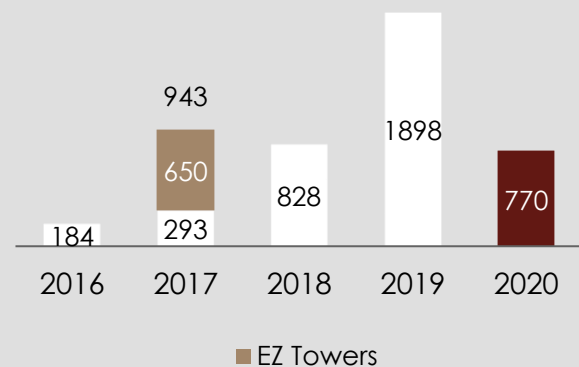
Location: Guarulhos/SP
Segmentation: Residential
Standard: Middle-end
EZTEC's PSV: R\$104,2 MM
% sold area: 39%*
Units sold: 73*/192

*Update data on October 14th

Launched PSV
% EZTEC (R\$ MN)



Cumulative Launched PSV
% EZTEC (R\$ MN)



Salles and Cancellations

Ever since the beginning of the pandemic the sales performance had a v-shaped recovery, starting in June, yet it has further improved through 3Q20, resulting in gross sales of R\$375.1 million in the quarter. The comparison with the beginning of the year is polluted by the substantial launches that took place in 1Q20; nonetheless, if we account exclusively for inventory sales (removing sales from launches that took place in the given quarter), 3Q20 sales outperform 1Q20 sales.

As a reference, the average weekly gross inventory sales for 1Q20 (up until March 15th) was of R\$23.8 million. If we also remove EZ Parque da Cidade from the calculation (a mega-project launched by the end of 2019), the period's weekly average would be R\$18.8 million. After the initial stage of the pandemic, marked by deep uncertainties and by the collapse of consumer confidence, sales had already restored to a R\$22.1 million weekly average by June. In 3Q20, sales advanced further to R\$25.6 million, not accounting for the Gran Maia launch.

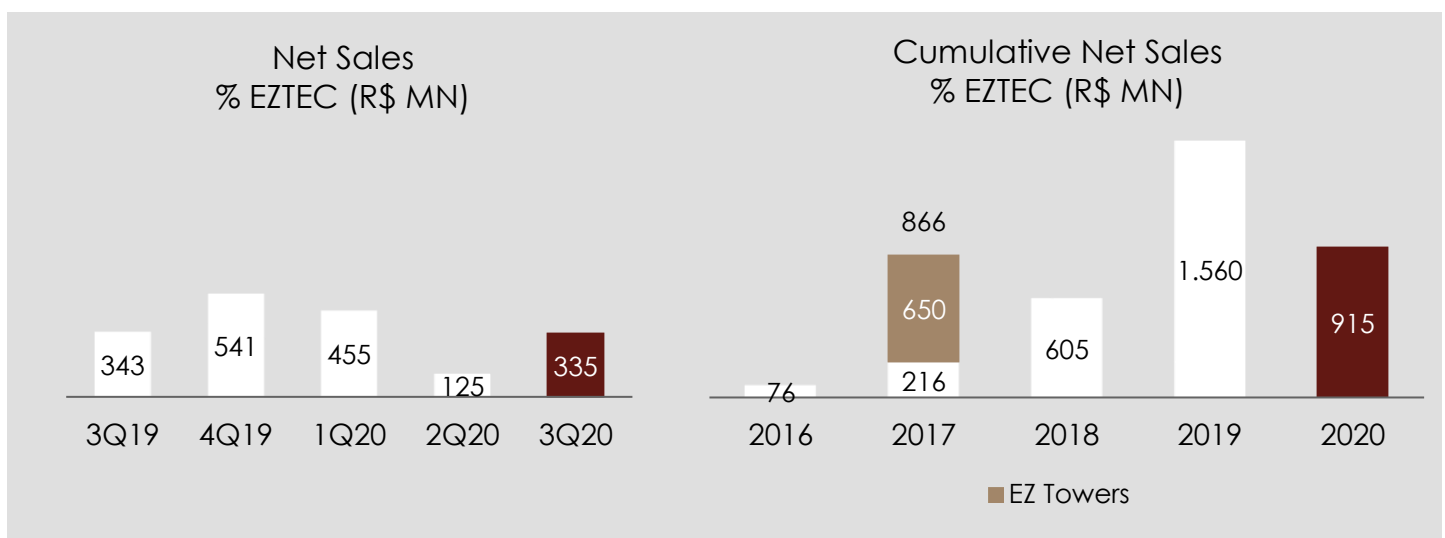
Despite the positive momentum in June, the pace of sales had a marginal decrease in September, on the back of a deceleration amid high-income and smart-living projects. This client profile is more responsive to market moods in the face of the economic and political turbulences at the national level, as evidenced by the reduction in high-income and smart-living sales from R\$59 million in August to R\$42 million in September.

Meanwhile, mid-income and mid-high-income projects maintained a sales performance of R\$56 million and R\$53 million through August and September, not accounting for Gran Maia launch. While high-income clients behave as investors, responsive to expectations, the typical mid-income client responds to objective affordability conditions, benefiting from successive drops in mortgage rates along with inviting LTV levels. To the extent that banks improve clients' financing terms, a relevant parcel of the São Paulo demographic enters the addressable demand. Given the affordability improvements, even clients that could already access a mortgage for a given apartment will be able to consider even larger apartments better suited to their aspirations.

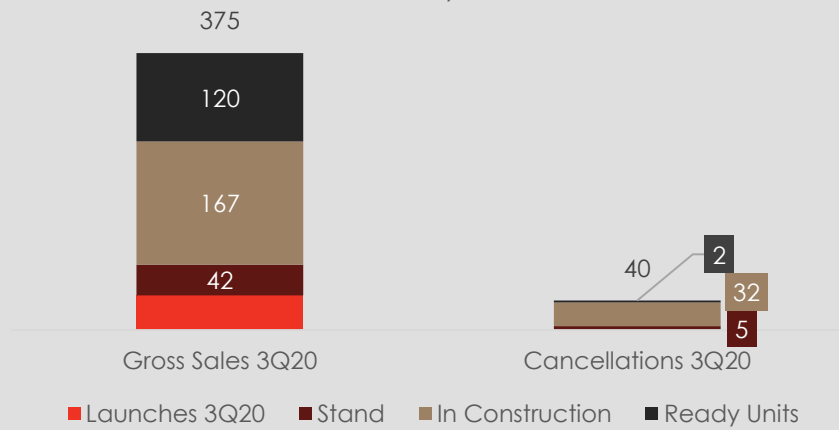
Cancellations reached R\$40.0 million in 3Q20, with a concentrated peak specifically in June, but that had returned to normalized levels through August and September. For reference, the monthly average of cancellations through the first half of 2020 was R\$7.1 million; in July exceptionally it peaked at R\$22.8 million; while in August and September it returned to R\$8.6 million.

Nonetheless, it is worth elucidating that 53.5% of the PSV cancelled through the quarter is actually downgrades, upgrades, or transfers. In other words, the cancellation was immediately tied to the purchase of another unit, or even to the transfer of the balance paid to a different unit being financed, such that it accounts for both a cancellation and a sale. With that said, the atypical volume of cancellations in July also reflect the proactive effort of the Company's credit recovery team to retain clients in a mutually advantageous way.

It is also worth highlighting that as little as 6% of cancellations refers to ready inventory units, such that cancellations fell mainly upon recently launched projects, still at their early stage of construction. Moreover, more than half of cancellations happened amid high-income and smart-living projects. In that sense, the typical cancellation happened with a client with an investor profile, who had only had a small cash exposure, and whose confidence fell with the beginning of the pandemic. Even so, it is also the profile of projects that had significant increases in prices since their launch, such that future resales will also imply in gross margin gains.



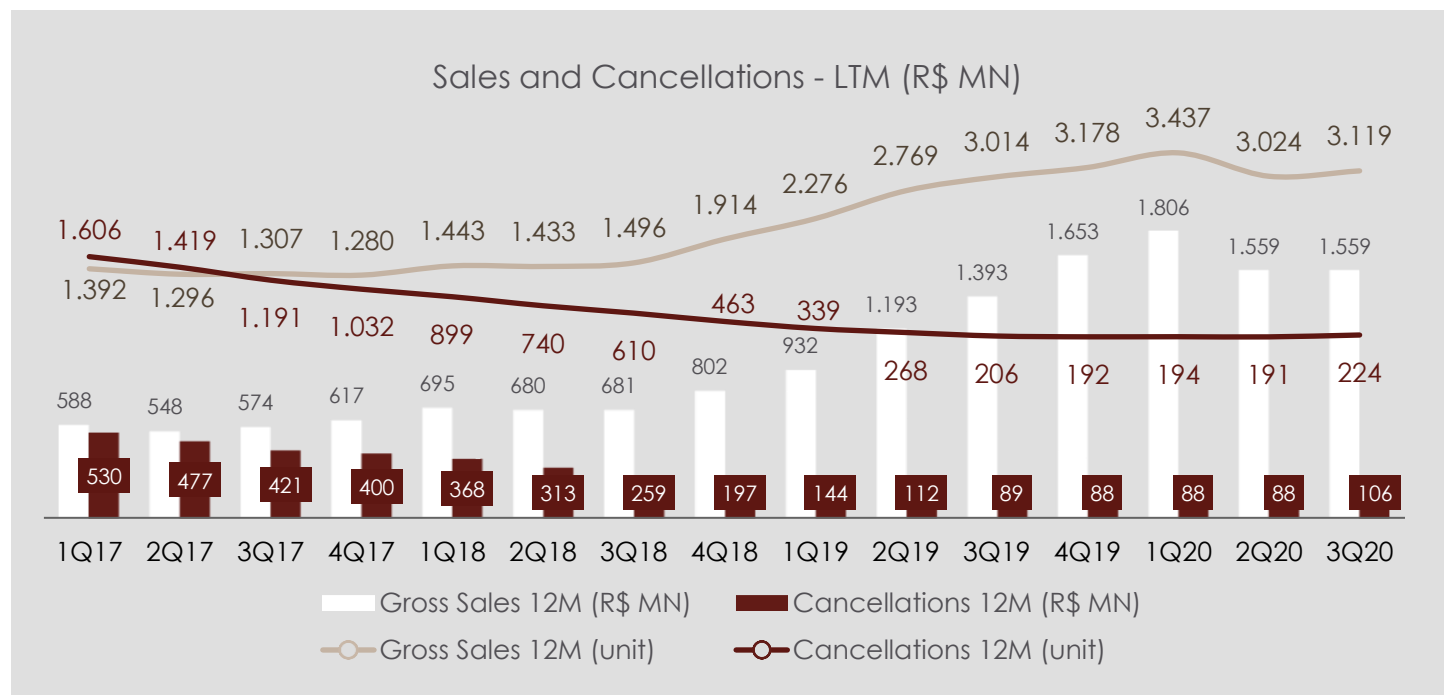
Gross Sales and Cancellations per Status (% EZTEC R\$ MN)



It's worth noting that the former 'launches' category status was subdivided into Launches 2Q20 and Stand. This segmentation is based on the assumptions below (accompanied by examples of the quarter's commercial highlights):

- **Launches 3Q20:** launched in the quarter;
(*Gran Maia Giardino e Gran Maia Piazza*)
- **Stand:** projects launched in prior quarters but whose construction is yet to be started, or that was started in the quarter;
(*Air Brooklin, PIN Internacional e Z Ibirapuera*)
- **In Construction:** projects whose construction has started;
(*Reserva JB, EZ Parque da Cidade, Haute Ibirapuera, Fit Casa Brás, etc.*)
- **Ready units:** completed projects with proper housing permit issued.
(*Cidade Maia, Up Home Vila Mascote, Jardins do Brasil, Splendor Brooklin, etc.*)

Guided by the transparency and continuity, the graph below discloses gross sales and cancellation figures, accumulated over 12 months, where one can observe cancellations at a contained level, against escalating gross sales, allowing for an increasing spread in net sales:



The following chart shows the sales over supply calculations, weighted by EZTEC's participation, highlighting the liquidity of the projects originated by the Company:

SALES OVER SUPPLY	3Q20	3Q19	9M20	9M19
+ Initial Inventory (m ²)	205.548	192.917	232.343	202.822
+ Launches in the period (m ²)	30.642	95.769	68.487	173.118
Launches in the period (m ²)	30.621	94.064	68.465	161.052
Stake Acquisitions (m ²)	21	1.706	21	12.066
= Inventory + Launches (m²)	236.190	288.687	300.830	375.940
- Net Sales in the period (m ²)	40.871	40.128	105.510	127.381
Gross Sales in the period (m ²)	45.365	43.157	115.529	136.738
Cancellations in the period (m ²)	-4.494	-3.029	-10.018	-9.357
= Final Inventory (m²)	195.319	248.559	195.319	248.559
Net Sales Over Supply (%)	17,3%	13,9%	35,1%	33,9%
Gross Sales Over Supply (%)	19,2%	14,9%	38,4%	36,4%

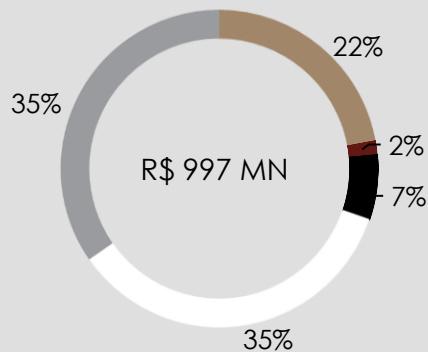
Delivered (9M20)

There were 2 projects being delivered in 3Q20: In Design Liberdade and Verace brooklin. The projects totaled 345 units and a PSV of R\$260.9 million, as detailed in the chart below:

Project Delivered	EZTEC Participation	Period	Region	Segment	# units released	PSV 100% (R\$ MN)	EZTEC's PSV (R\$ MN)
Up Home Vila Mascote	100,00%	1Q20	South Zone	Residential	129	61.3	61.3
Legittimo Vila Romana	100,00%	1Q20	West Zone	Residential	54	49.5	49.5
Total 1Q20					183	110.8	110.8
In Design Liberdade	100,00%	3Q20	South Zone	Residential	114	67.8	67.8
Verace Brooklin	100,00%	3Q20	South Zone	Residential	48	82.3	82.3
Total 3Q20					162	150.1	150.1
Total 2020					345	260.9	260.9

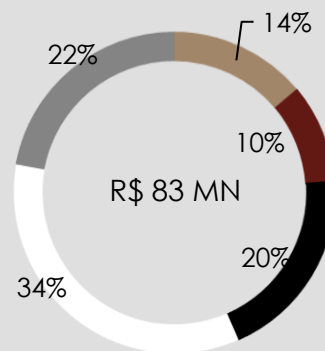
Managerial Figures (9M20)

Gross Sales by Year of Launch
(% of EZTEC's PSV)



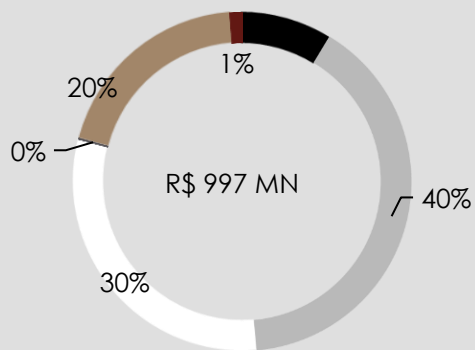
■ Until 2016 ■ 2017 ■ 2018 ■ 2019 ■ 2020

Cancellations by Year of Launch
(% of EZTEC's PSV)



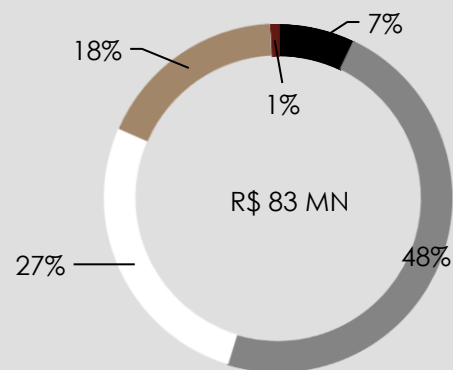
■ Until 2016 ■ 2017 ■ 2018 ■ 2019 ■ 2020

Gross Sales by Standard
(% of EZTEC's PSV)



■ Low-End ■ Smart Living
■ High-End ■ Commercial

Cancellations by Standard
(% of EZTEC's PSV)



■ Low-End ■ Smart Living
■ High-End ■ Commercial



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