



May 16th,
2019

1Q19
Results

❖ Executive Summary

❖ Court-supervised Reorganization (CSR)

❖ Financial and Operational Results

Sales Performance

G&A

Inventory

Debts not subjected to the Reorganization Plan

Income Statement



Corcovado
Rio de Janeiro/RJ

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1Q19 Highlights

- ❖ **In total, the amortization of debts subjected to the Recovery Plan amounted to R\$256 million in 1Q19.**
- ❖ **Reduction of R\$20 million (8%) in Net Loss**, from R\$260 million in 1Q18 to R\$240 million in 1Q19.
- ❖ **Gross sales increased by 76%** when compared to 1Q18, amounting to R\$86 million in 1Q19.
- ❖ **Cancellations fell by 44%**, from R\$52 million in 1Q18 to R\$29 million in 1Q19.
- ❖ **Significant improvement in net sales, which totaled R\$57 million in 1Q19** in comparison to a R\$3 million negative net sales in 1Q18.
- ❖ **Increase of 50% in the number of units transferred and 8% in PSV QoQ.**
- ❖ In March 2019 **we obtained the occupancy permit for the 'Mais Viver Campinas'** project, with 444 units and a PSV of R\$63.3 million.

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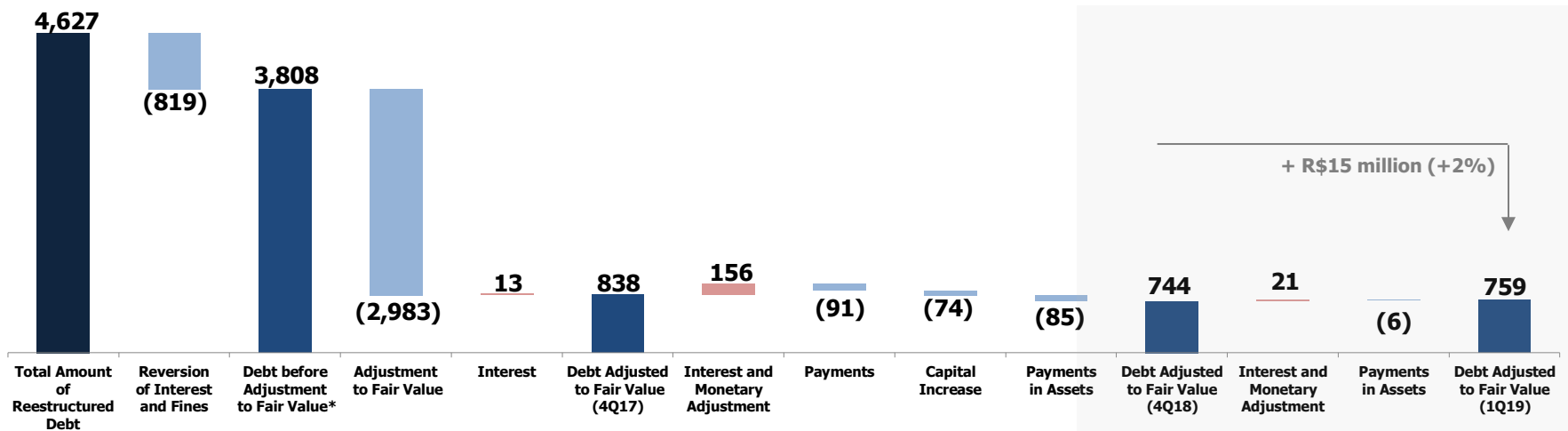
Corcovado
Rio de Janeiro/RJ

Court-supervised Reorganization (CSR)

Debt Subjected to the Reorganization Plan (Concursal)



Debt Subjected to the Reorganization Plan – R\$ million



- ❖ In1Q19 the debts subjected to the Reorganization Plan increased by R\$15 million (2%), going from R\$744 million to R\$759 million, due to interest accrued and monetary correction.
- ❖ The Company made payments in assets amounting to R\$6 million during 1Q19. Payments in assets will continue to occur throughout the year, aiming to keep amortizing the debts.
- ❖ Considering the Capital Increase, the payments made to creditors of classes I, II and IV and the payments in assets, the Company already paid R\$256 million in debts subjected to the Recovery Plan.

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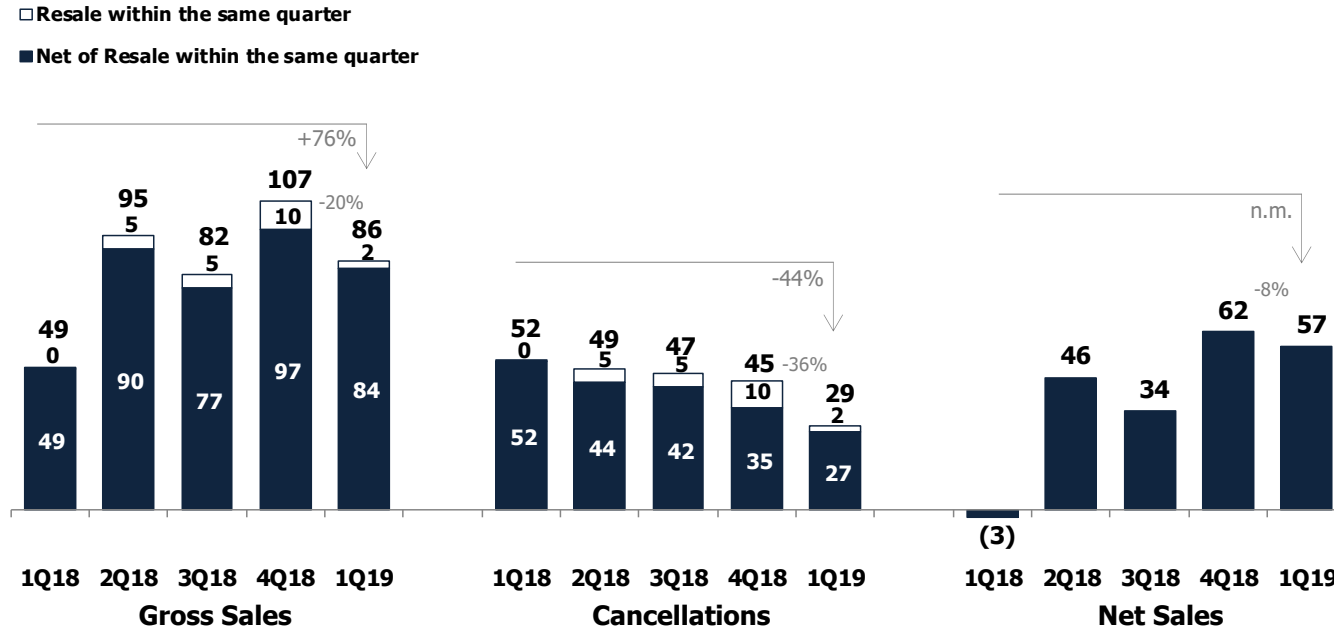


Corcovado
Rio de Janeiro/RJ

Financial and Operational Results

Sales Performance

Gross Sales, Cancellations and Net Sales – R\$ million



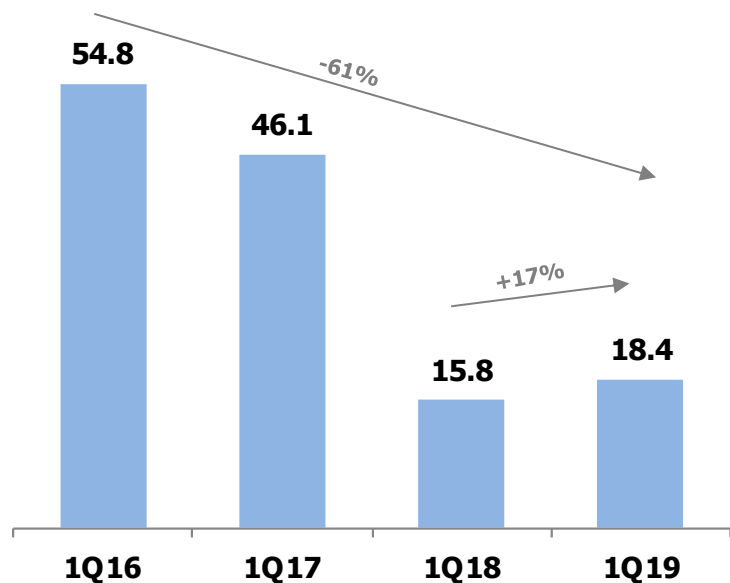
- Gross sales amounted to R\$86million in 1Q19, 76% over 1Q18 and 20% down on 4Q18. Of the total gross sales, R\$12 million referrers to unencumbered units.
- Total cancellations came to R\$29 million in 1Q19, 44% down on 1Q18 and 36% down on 4Q18.
- Net sales totaled R\$57 million in 1Q19, a significant improvement when compared to the negative net sales of R\$3 million recorded in 1Q18.
- We will maintain the strategy to prioritize cancellations of unencumbered units and those with better market liquidity, which are, therefore, immediate cash-generating at the time of resale.

Financial and Operational Results

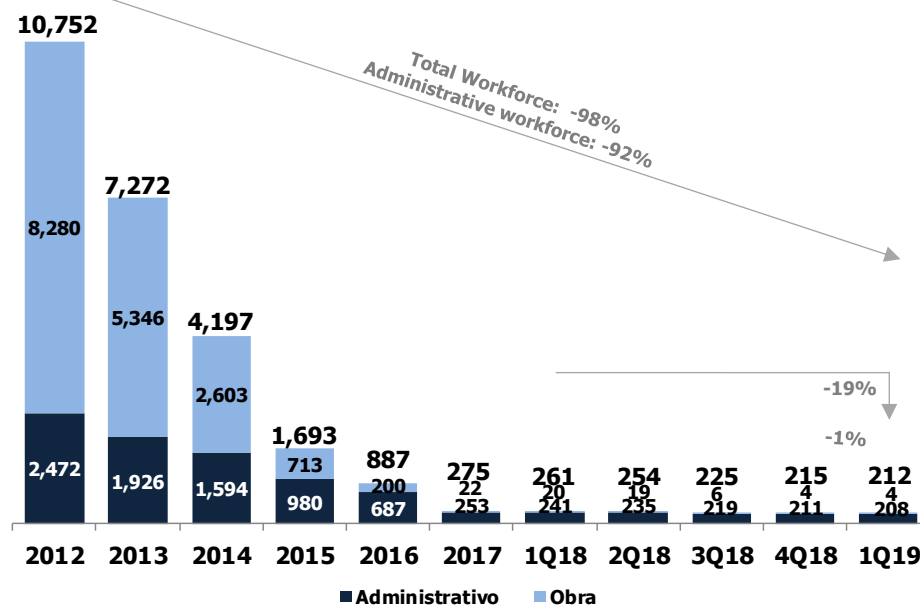
G&A Expenses



G&A Evolution – R\$ million



Headcount



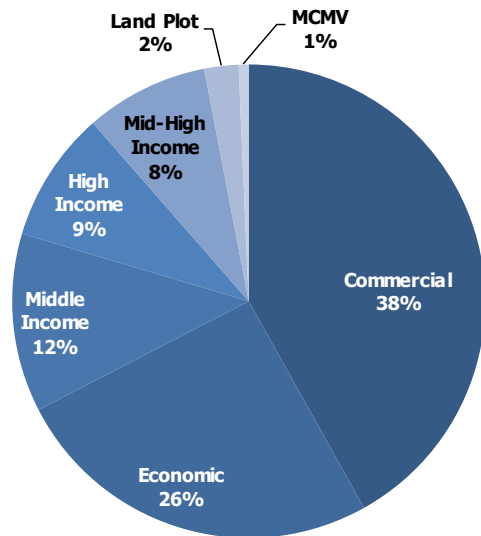
- ❖ G&A expenses increased by 17% QoQ, due to higher expenses with Third Party Expenses and lower recovery of tax credits
- ❖ Commercial expenses recorded decreased by 52% from 1Q18 to 1Q19.
- ❖ This quarter SG&A decreased by 8% over 1Q18.
- ❖ In 1Q19, we reduced our total headcount by 1% over 4Q18 and 19% over 1Q18.

Financial and Operational Results

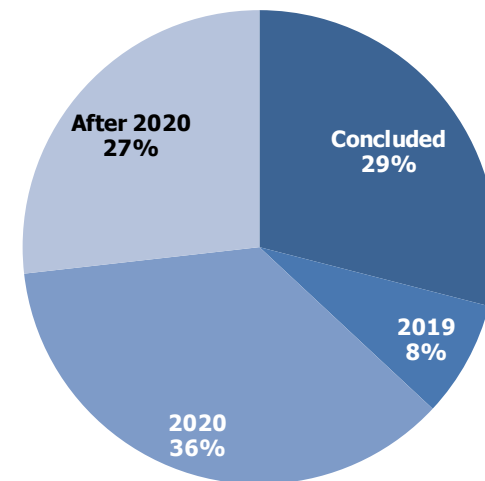
Inventory Quality



Inventory by Product – % of PSV



Inventory by Delivery Schedule – % of PSV



❖ Total inventory at market value was R\$1,806 million by the end of 1Q19;

❖ Quality of available inventory:

- 55% in residential products (excluding MCMV, Land Plots, and Commercial);
- 29% is concluded inventory, immediate cash generator. Considering the concluded inventory, 73% are located in São Paulo and Rio de Janeiro, and 97% corresponded to projects with more than 60% of units sold.

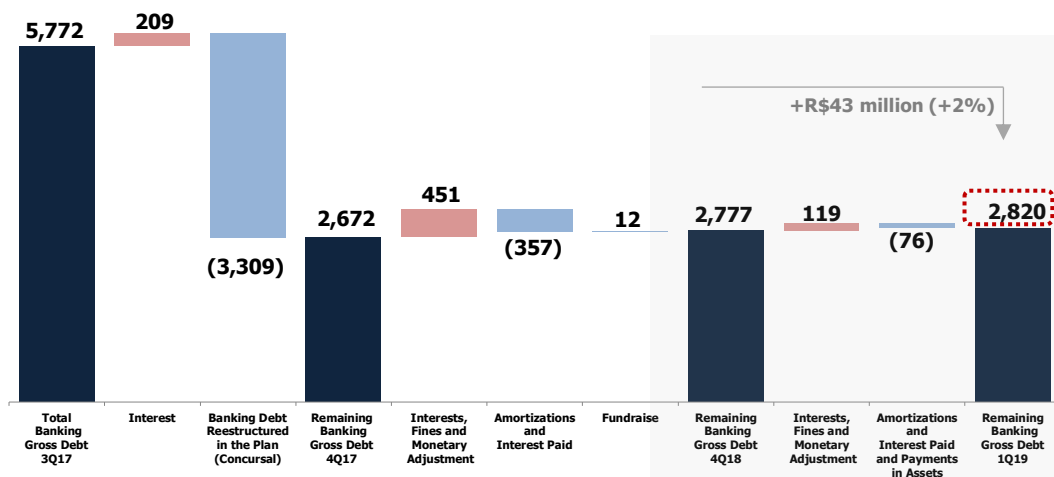
Court-supervised Reorganization (CSR)

Debts not subjected to the Reorganization Plan

Debts not subjected to the Reorganization Plan – R\$ million

R\$ million in IFRS			
INDEBTEDNESS	1Q19	4Q18	(%) Var.
Cash and Cash Equivalents	138	138	0%
SFH	767	774	-1%
Debentures	139	132	5%
CCB/CRI	186	180	3%
Construction Financing	1,092	1,086	1%
Working Capital, SFI and Promissory Not	352	359	-2%
Finep/Finame	6	6	0%
Debentures	353	336	5%
CCB/CRI	1,016	989	3%
Obligation for the issuance of CCB and C	1	1	0%
Corporate Debt	1,728	1,691	2%
Gross Debt	2,820	2,777	2%
Net Debt	2,682	2,639	2%
Net Debt (ex. Construction Financing)	1,590	1,553	2%
Shareholders Equity (1)	(4,249)	(3,999)	6%
Net Debt (ex. SFH)/ Equity	n.a.	n.a.	n.m.

(1) Includes non-controlling equity



- ❖ The Company's gross debt increased by R\$43 million (-2%) from 4Q18 to 1Q19, due to the interest accrued and monetary correction, and considering the amortizations and payments in assets, which totaled R\$76 million.

Income Statement

Quarterly

INCOME STATEMENTS (R\$ '000) - IFRS	QUARTER		
	1Q19	1Q18	(%) Var.
Operating Gross Revenue			
Real Estate Sales	141,714	70,582	n.m.
Other Operating Revenues	(920)	2,185	n.m.
(-) Revenues Deduction	(11,679)	(7,269)	61%
Operating Net Revenue	129,115	65,498	97%
Cost of Sold Units	(127,242)	(62,042)	n.m.
Interest Expenses	(18,658)	(8,244)	n.m.
Cost of sold properties	(145,900)	(70,286)	n.m.
Gross Income (loss)	(16,785)	(4,788)	n.m.
Gross margin	n.a.	n.a.	n.m.
Adjusted gross margin ⁽¹⁾	1.5%	5.3%	-3.8 pp
Operating Revenues (expenses):	-	-	0%
Equity Income	169	(3,538)	n.m.
General and Administrative	(18,459)	(15,799)	17%
Commercial	(4,438)	(9,238)	-52%
Taxes	(1,647)	(179)	n.m.
Depreciation & Amortization	(973)	(41,858)	-98%
Other	(63,132)	(90,804)	-30%
Financial Result	(132,536)	(96,506)	37%
Total operating revenues (expenses)	(221,016)	(257,922)	-14%
Income before taxes	(237,801)	(262,710)	-9%
Income Taxes and Social Contribution	(6,856)	(3,922)	75%
Income before minority stake	(244,657)	(266,632)	-8%
Minority interest	4,402	6,320	-30%
Net Income (loss)	(240,255)	(260,312)	-8%
Net margin	n.a.	n.a.	n.m.

(1) Adjusted by interest expenses in cost of sold units and recognition of goodwill



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**1Q19
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