

São Paulo, August 14th, 2019: PDG Realty S.A. (PDGR3) – Under Court-supervised Reorganization - announces **today** its results for the second quarter and the first semester of 2019. Founded in 2003, PDG develops projects for different segments and publics, operating in the development, construction and sale of residential and commercial units, as well as land plots.

Highlights:

- ❖ **Gross profit of R\$30.4 million on 2Q19**, which represents a **51.4% adjusted gross margin**, compared to R\$45.5 million net loss on 2Q18. **During the 1H19 gross profit totaled R\$13.6 million, with an adjusted gross margin of 19.2%**, compared to R\$50.2 million net loss in the 1H18. (page 21)
- ❖ **Reduction of R\$91 million (27%) in net loss QoQ. In the 1H19, net loss was reduced by R\$111 million (18%).** (page 21)
- ❖ **Improvement of 63% in net sales, which totaled R\$70 million in 1H19**, compared to R\$43 million in 1H18. (page 07)
- ❖ **G&A expenses follow a downward trend, registering a 47% fall QoQ. In the semester the reduction reached 19% when compared to 1H18.** (page 17)
- ❖ **The total amortization of debts subjected to the Recovery Plan amounted to R\$265 million up to 2Q19.** (page 20)
- ❖ **Cancellations fell by 18% QoQ. Comparing the 1H19 to the 1H18, cancellations fell by 32%.** (page 07)

Recent event:

- ❖ **This month we will re-establish the construction activities of 'Palm Beach' project**, expected to be finished in May 2020. **Located in Manaus - AM, and directed towards the middle-high income class, the project has sold 220 from the total of 270 units launched.** Altogether, **these measures reinforce the Company's commitment in maintain continuous negotiations with banks and other investors in order to find a solution for the unfinished projects.** (page 14)

Conference Call**Thursday, August 15th, 2019****➤ Portuguese**

11:00 a.m. (Brasília)

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➤ English (Simultaneous translation)

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❖	Message from Management	4
❖	Operating and Financial Indicators	6
❖	Operating Performance – Sales	7
❖	Operating Performance – Cancellations and Resale	8
❖	Operating Performance – Sales Speed (SoS)	9
❖	Operating Performance – Inventory	10
❖	Operating Performance – Landbank	12
❖	Operating Performance – Historical Data	12
❖	Operating Performance – Occupancy Permits	13
❖	Operating Performance – Occupancy Permit Schedule	13
❖	Operating Performance – Project Resumption	14
❖	Operating Performance – Mortgage Transfers	15
❖	Financial Performance	16
❖	Income Statement and Balance Sheet	21

Initial Message

Throughout the first semester of 2019, the company has devoted its efforts to finalizing its Strategic Planning for the short and medium term, which started in the end of last year. One of the main focus of the Planning was to identify new opportunities which allow PDG to diversify its products and services, generating additional revenues in order to increase the Company's cash flow. In line with PDG's new operational phase, the Company should launch a new brand in the market, directed towards providing real-estate services, possibly still in this year.

Besides the delivery of the project '*Mais Viver Campinas*' in March, in August we will re-establish the construction activities of the 'Palm Beach' project, expected to be finished in May 2020. Located in Manaus - AM, and directed towards the middle-high income class, the project has sold 220 from the total of 270 units launched. Altogether, these measures reinforce the Company's commitment in maintain continuous negotiations with banks and other investors in order to find solution for the unfinished projects.

Operating Results

In the second quarter of this year, gross sales reached R\$53 million, 44% lower than 2Q18. This reduction is mainly due to the change in the sales strategy adopted by the Company, which again focused on sales of units that generate free cash inflow.

In the first semester of 2019, gross sales totaled R\$139 million, a small reduction of 3% compared to 1H18.

During the 2Q19, cancellations totaled R\$40 million, 18% down on 2Q18. In the 1H19 aggregate, cancellations reached R\$69 million, 32% down compared to 1H18. We will continue with our strategy to prioritize the cancellation of unencumbered units with good liquidity that generate free cash inflows at the moment of resale.

Due to the reduction in gross sales, which is explained by the change of the Company's sales strategy, net sales were reduced by 72% when compared to 2Q18.

However, the good performance in gross sales during the 1Q19 as to 1Q18, combined with the reduction of cancellations in the 1H19 compared to 1H18, resulted in an increase of 63% net sales during the 1H19 in comparison to 1H18, totaling R\$70 million.

General and Administrative Expenses (G&A) were reduced by 47% when comparing 2Q19 to 2Q18. Contrasting 1H19 to 1H18, the total reduction was 19%, in line with the Company's goal to constantly readjust its structure and improve constantly its operational efficiency.

Between 2Q18 and 2Q19 there was a 33% reduction in headcount; so, we ended the first half with 171 employees.

An increase was registered in the commercial expenses throughout the 2Q19 and the 1H19. This increase is mainly due to the expenses on inventory units, and the increase of publicity in electronic media.

During the 2Q19, 354 units were transferred, equivalent to a PSV of R\$52 million. Therefore, we ended 1H19 with 657 units transferred, representing a PSV of R\$95 million.

Due to the accrued interests and monetary correction, there was a 3% increase in the debts subject to the Reorganization Plan in the 2Q19. The Company's extrajudicial debts presented an increase of 3% between the 1Q19 and 2Q19, mainly due to the period's monetary correction and interests.

In consequence of the policies adopted by management, during the first semester of 2019, some improvements were noticed in the Company's results:

- Gross profit of R\$30.4 million in the 2Q19, compared to a R\$45 million loss in the same period last year. In the 1H19, gross profit totaled R\$13.6 million, compared to a negative result of R\$50.2 in the 1H18. This way, adjusted gross margin in the 2Q19 resulted in 51.4%, and 19.2% in the 1H19. In 2018, due to the gross loss, the adjusted gross margin stayed negative in 2Q18 and 1H18.

- The Company net loss registered a 27% decrease in the 2Q19, going from R\$339.8 million in the 2Q18, to R\$248.9 million. In the first semester net loss were reduced by 18%, going from R\$600.1 million in 1H18 to R\$489.2 million in 1H19.

Management

Operating and Financial Indicators

❖ The Company's main results and indicators regarding 2Q19 and 1H19 are the following:

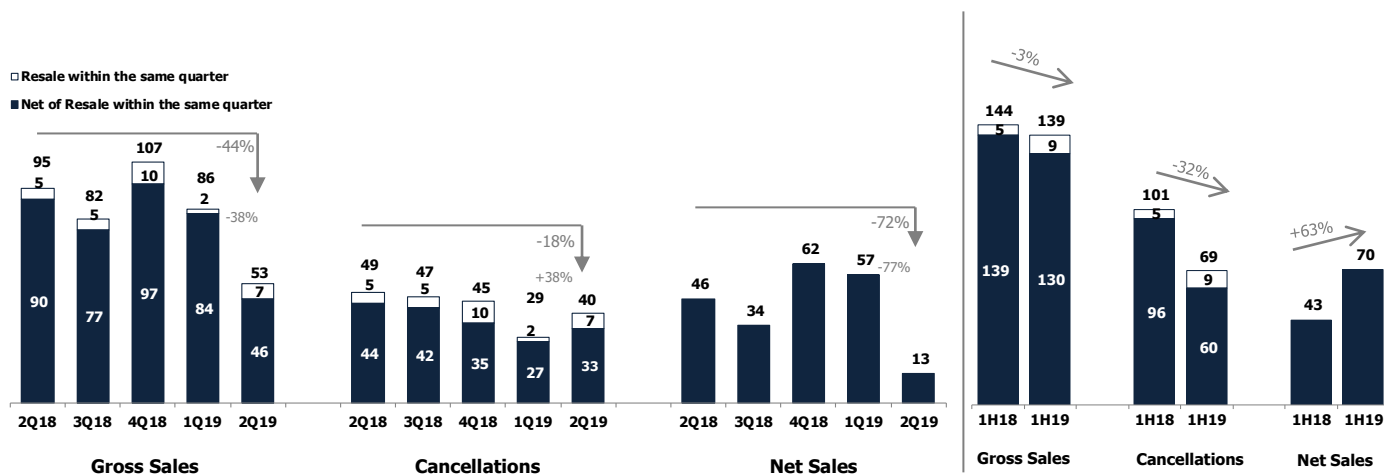
Sales and Inventory	2Q19	2Q18	2Q19 vs. 2Q18	1H19	1H18	1H19 vs. 1H18	2Q19 (IFRS)	1H19 (IFRS)
Gross Sales %PDG - R\$ million	53	95	-44.2%	139	144	-3.7%	53	139
Net Sales %PDG - R\$ million	13	46	-71.7%	70	43	63.3%	13	70
# of Net Sold Units %PDG	77	159	-51.6%	337	172	95.9%	77	337
Inventory at Market Value %PDG - R\$ million	1,793	1,964	-8.7%	1,793	1,964	-8.7%	1,793	1,793
Operational Result ⁽¹⁾	2Q19	2Q18	2Q19 vs. 2Q18	1H19	1H18	1H19 vs. 1H18		
Net Operational Revenues - R\$ million	71	170	-58.2%	200	235	-14.8%		
Gross Profits (Losses) - R\$ million	30	(45)	n.m.	14	(50)	n.m.		
Gross Margin - %	42.7	n.a.	n.m.	6.8	n.a.	n.m.		
Adjusted Gross Margin - %	51.4	n.a.	n.m.	19.2	n.a.	n.m.		
General, Administrative and Commercial Expenses	24.5	24.0	2.1%	47.4	49.1	-3.5%		
Net Earnings (Losses) - R\$ million	(249)	(340)	-26.8%	(489)	(600)	-18.5%		
Net Margin - %	n.a.	n.a.	n.m.	n.a.	n.a.	n.m.		
Backlog Results (REF) ⁽¹⁾	2Q19	2Q18	2Q19 vs. 2Q18					
Gross Revenues (REF) - R\$ million	493	490	0.6%					
COGS - R\$ million	(402)	(396)	1.5%					
Gross Profit - R\$ million	91	94	-3.2%					
Gross Backlog Margin - %	18.5	19.2	-0.7 p.p					
Balance Sheet ⁽¹⁾	2Q19	2Q18	2Q19 vs. 2Q18					
Cash and Cash Equivalents - R\$ million	139	226	-38.5%					
Net Debt - R\$ million	2,758	2,537	8.7%					
Shareholders Equity - R\$ million	(4,503)	(3,763)	n.m.					
Net Debt (ex. SFH) / Shareholder Equity (%)	n.a.	n.a.	n.m.					
Total Assets - R\$ million	2,200	2,577	-14.6%					

Obs: (1) Financial Results in IFRS 10.
PSV PDG excludes partnerships.

Operating Performance – Sales

- ❖ In 2Q19, gross sales reached R\$53 million, 44% lower than 2Q18 and 38% lower than 1Q19. In 2019's first half, gross sales totaled R\$139 million, 3% lower than 1H18. The decrease in gross sales observed during the 2Q19, and therefore in the 1H19, was mainly due to the change in the Company's sales strategy, which is focusing now on the sales of units that generate immediate free cash inflow.
- ❖ Cash sales reached R\$13.5 million in 2Q19, accounting for 25% of the period's gross sales. In 1H19, cash sales totaled R\$18.9 million, 14% of the period's gross sales.
- ❖ Cancellations reached \$40 million in 2Q19, 18% lower than 2Q18 and 38% higher than 1Q19. In 1H19, cancellations reached R\$69 million, a 32% decrease when compared to 1H18.
- ❖ We will continue with our strategy to prioritize the cancellation of unencumbered units with good liquidity that generate free cash inflow at the moment of resale.
- ❖ Net sales totaled R\$13 million in 2Q19, 72% down 2Q18 and 77% down 1Q19. In 1H19, net sales reached R\$70 million, 63% higher than 1H18.

Sales Performance – PSV %PDG in R\$ million



Operating Performance – Cancellations and Resale

- ❖ Of the total 2Q19 cancellations, 89% corresponded to projects with more than 60% of its units sold, reflecting the sales strategy adopted of prioritizing cancellations of units with good market liquidity, which should represent a higher resale speed.
- ❖ In addition, 100% of second quarter cancellations corresponded to projects that had already been concluded, therefore, this units are available to be resold, generating immediate cash inflow.

Cancellations in 2Q19 by Percentage of Resale and Year of Delivery

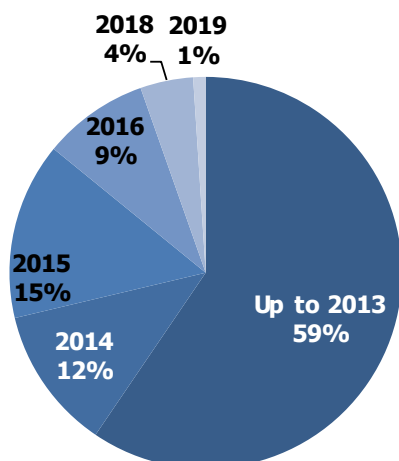
Percentage Sold	Concluded		2019 Delivery		Post 2019 Delivery		Total	
	Units	PSV	Units	PSV	Units	PSV	Units	PSV
20% or less	2	1.2	-	-	-	-	2	1.2
21% to 40%	1	0.4	-	-	-	-	1	0.4
41% to 60%	11	2.7	-	-	-	-	11	2.7
61% to 80%	2	0.6	-	-	-	-	2	0.6
81% to 99%	149	34.6	-	-	-	-	149	34.6
TOTAL	165	39.5	-	-	-	-	165	39.5

PSV in R\$ million

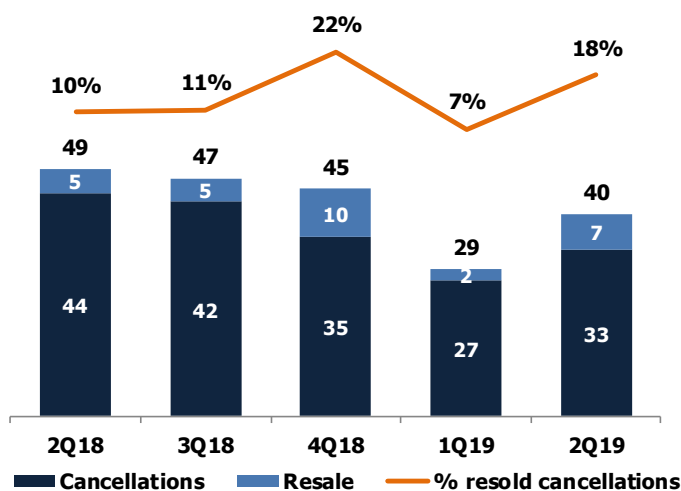
↓ 100%
↓ 89%

- ❖ Looking at the breakdown of cancellations by year of sale, we can see that 71% of cancellations in 2Q19 referred to units sold up to 2014, i.e., when credit analysis criteria were less rigorous, and which, therefore, are more likely to lead to cancellation.
- ❖ Of the R\$40 million canceled in 2Q19, R\$7 million (18%) were resold in the same quarter.

Cancellations by Year of Sale – %PSV – 2Q19



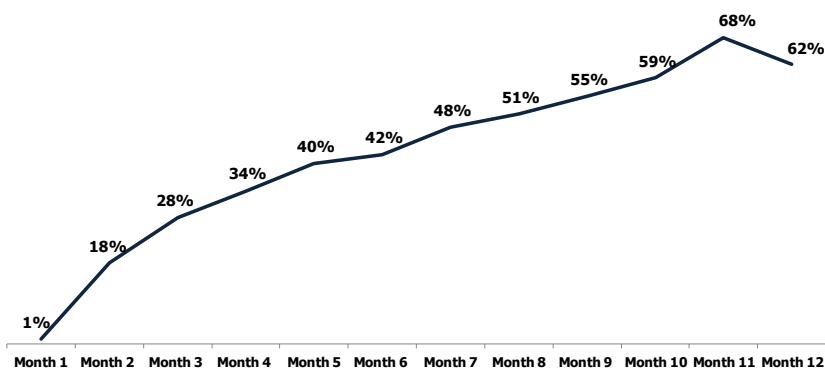
Cancellations and Resale Evolution – R\$ million



Operating Performance – Cancellations and Resale

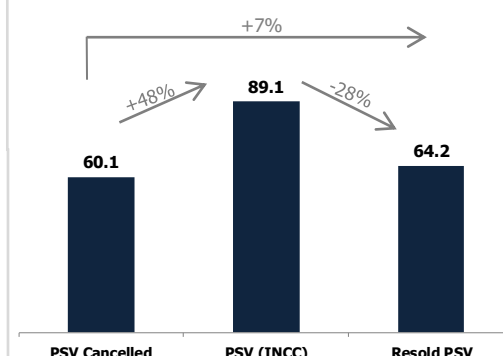
- ❖ The resale curve recorded an average of 62% when accounting for 12 months after the cancellation, that is on average 62% of cancelled units are resold in up to 12 months.
- ❖ In the last 12 months, resale PSV has been in average 7% higher than the PSV from the original sale.

Average Resale Curve – units



Resale Price – R\$ million

PSV cancelled and Resold in the last 12 months



Operating Performance – Sales Speed (SoS)

- ❖ Looking at the quarterly sales speed (SoS) in terms of inventory units effectively available, the ratio reached 3% in 2Q19, 2p.p under 2Q18.
- ❖ PDG's sales team was responsible for 59% of gross sales in 2Q19. In 1H19, 49% of gross sales were realized by PDG's sales team

Sales Speed (SoS) – R\$ million

	2Q18	3Q18	4Q18	1Q19	2Q19
Initial Inventory	2,063	1,964	1,942	1,891	1,806
(-) Cancellations	-	-	-	-	-
=Effective Inventory	2,063	1,964	1,942	1,891	1,806
(+) Launches	-	-	-	-	-
(-) Net Sales	46	35	62	57	13
Gross Sales ⁽¹⁾	95	82	107	86	53
Cancellations ⁽¹⁾	49	47	45	29	39
(+) Adjustments ⁽²⁾	(53)	13	11	(28)	-
Final Inventory	1,964	1,942	1,891	1,806	1,793
Quarterly Sales Speed (SoS) (Gross Sales)	5%	4%	6%	5%	3%
Quarterly Sales Speed (SoS) (Net Sales)	2%	2%	3%	3%	1%

(1) Gross sales and cancellations include resales within the same quarter.

(2) In the 2Q19 the net result of the adjustments was nil.

Operating Performance – Sales Speed (SoS) by Region

- ❖ In this quarter, the sales speed by region (e.g. Commercial) decreased by 2 p.p compared to the same period of last year. This decrease was mainly due to the change in the Company's sales policy, which is focusing again on the sales of units that generate immediate free cash inflow.
- ❖ The best SoS were recorded in the Midwest and South regions (43% and 14%, respectively).
- ❖ Due to the demand still weakened, the commercial product continues facing lower market liquidity.

Sales Speed (SoS) by Region

Region (ex-Commercial)	SoS - Gross Sales				
	2Q18	3Q18	4Q18	1Q19	2Q19
SÃO PAULO	5%	6%	5%	3%	4%
RIO DE JANEIRO	4%	3%	3%	1%	2%
MG/ES	7%	6%	17%	7%	3%
NORTH	9%	8%	18%	12%	10%
NORTHEAST	5%	5%	2%	8%	1%
SOUTH	23%	22%	26%	7%	14%
MIDWEST	23%	17%	20%	58%	43%
TOTAL (EX-COMMERCIAL)	7%	6%	8%	7%	5%
COMMERCIAL	1%	0%	2%	0%	0%
TOTAL	5%	4%	6%	5%	3%

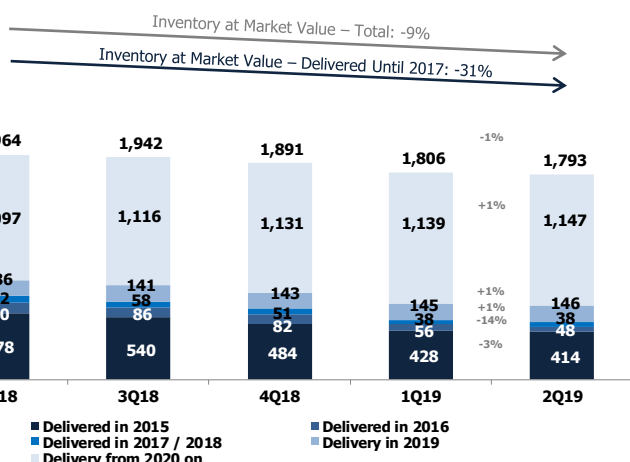
SoS SP and RJ: 3%

SoS (ex-SP and RJ): 7%

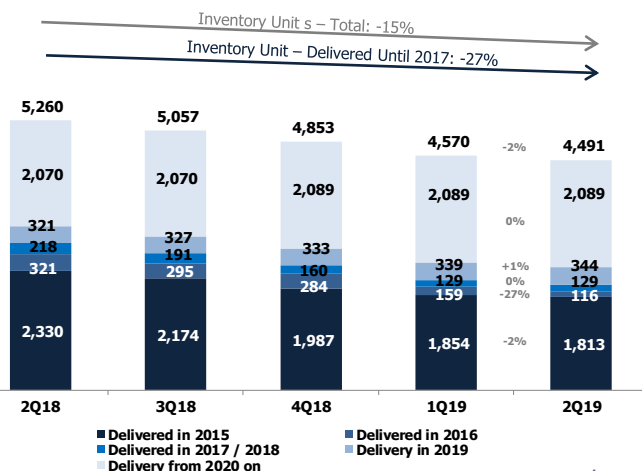
Operating Performance – Inventory

- ❖ Total inventory at market value closed 2Q19 in R\$1,793 million, 1% down on the previous quarter. When compared to 2Q18, inventory at market value fell by 9%.
- ❖ Total inventory units decreased by 2%, from 4,570 in 1Q19 to 4,491 in 2Q19. In the last 12 months, total inventory units recorded a decrease of 15%.
- ❖ If we consider only those units delivered until the end of 2016, inventory PSV fell by 31% between 2Q18 and 2Q19, and the number of units fell by 27%.

Inventory at Market Value – R\$ million



Inventory Units



Operating Performance – Inventory

- In this quarter the inventory located in São Paulo and Rio de Janeiro corresponds to 60% of the Company's total inventory, excluding commercial units. Considering the residential units available, 46% is concentrated in projects that have more than 60% of their units sold, therefore with a good market liquidity.

Inventory by Percentage of Sales and Region

PSV in R\$ million

Region	Up to 60%		From 61 to 80%		From 81 to 99%		Total		
	Units	PSV	Units	PSV	Units	PSV	Units	PSV	%
SÃO PAULO	221	168.4	417	65.4	566	125.5	1,204	359.3	35%
RIO DE JANEIRO	213	198.4	59	28.0	140	27.6	412	254.0	25%
MG/ES	-	-	-	-	25	4.0	25	4.0	0%
NORTH	134	53.4	113	87.7	242	63.7	489	204.9	20%
NORTHEAST	493	140.1	-	-	84	48.1	577	188.2	18%
SOUTH	-	-	-	-	28	7.9	28	7.9	1%
MIDWEST	-	-	-	-	74	11.2	74	11.2	1%
% Total (Ex- Commercial)		54%		18%		28%			100%
TOTAL (Ex-Commercial)	1,061	560.3	589	181.1	1,159	288.0	2,809	1,029.5	57%
COMMERCIAL	1,517	707.3	95	39.8	70	16.9	1,682	764.0	43%
TOTAL	2,578	1,267.6	684	220.9	1,229	304.8	4,491	1,793.5	100%
% Total		71%		12%		17%			100%

46%

Inventory by Percentage of Sales and Year of Delivery

PSV in R\$ million

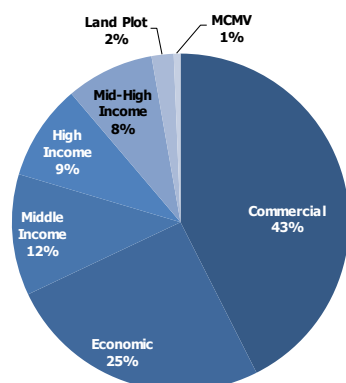
Percentage Sold	Built		2019 Delivery		2020 Delivery		Post 2020 Delivery		Total	
	Units	PSV	Units	PSV	Units	PSV	Units	PSV	Units	PSV
20% or less	23	7.4	-	-	478	139.2	-	-	501	146.6
21% to 40%	2	1.6	174	76.3	-	-	534	361.9	710	439.9
41% to 60%	403	123.4	-	-	773	432.4	191	125.3	1,367	681.2
61% to 80%	417	65.4	154	67.7	113	87.7	-	-	684	220.9
81% to 99%	1,229	304.8	-	-	-	-	-	-	1,229	304.8
TOTAL	2,074	502.7	328	144.1	1,364	659.4	725	487.2	4,491	1,793.5

74%

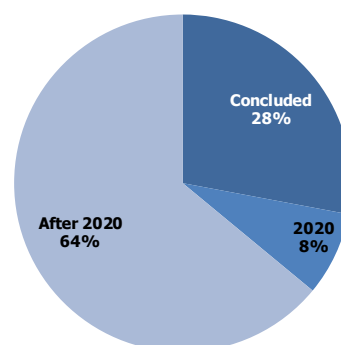
29%

- Company's inventory presents the following characteristics: (i) 29% of the total inventory (including commercial units) is concentrated in projects that are more than 60% sold; (ii) 54% is concentrated in residential products (excluding Brazil's social housing program - Minha Casa, Minha Vida - land development and commercial units).
- Concerning the concluded inventory (R\$502.7 million): (i) 73% of PSV is concentrated in projects located in São Paulo and Rio de Janeiro and (ii) 74% of PSV is concentrated in projects that have between 61% and 99% of their units sold.

Inventory by Product – % PSV



Inventory by Delivery Schedule – % PSV



Operating Performance – Landbank

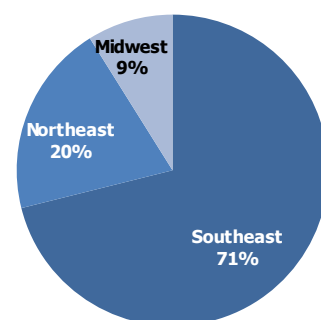
- ❖ The landbank closed 2Q19 with a potential PSV of R\$1.7 billion (PDG's share), equivalent to 5,893 units.
- ❖ The landbank that do not match the Company's strategy is in the process of being canceled or sold, helping in the cost reduction, and in the monetization of assets for the Company's deleveraging process.

Landbank – Units and PSV

Product	Units (%PDG)	%	PSV PDG (R\$ mm)	%	PSV (R\$ mm)	%	Average Price (R\$)
High Income	270	5%	333.7	20%	333.7	17%	1,235,822
Mid-High Income	-	0%	-	0%	-	0%	-
Middle Income	321	5%	150.0	9%	428.0	22%	468,012
Economic	3,176	54%	484.9	29%	484.9	25%	152,666
Residential	3,767	64%	968.5	58%	1,246.6	64%	257,145
Commercial	-	0%	-	0%	-	0%	-
Land Plot	2,126	36%	697.7	42%	697.7	36%	328,155
Total	5,893		1,666.2		1,944.2		282,765

Landbank by Region

PSV %PDG



Operating Performance – Historical Data

- ❖ At the end of 2Q19 the Company had 17 projects in progress, equivalent to 4,096 units (PDG's share), 256 of which (6%) related to the Brazilian housing program '*Minha Casa Minha Vida*' and 3,840 (94%) related to residential (excluding MCMV), commercial and land development units.

	# Projects	# Total Units	# PDG Units
Launches⁽¹⁾	714	160,526	155,046
Finished⁽²⁾	697	156,378	150,950
Ongoing⁽³⁾	17	4,148	4,096

(1) Historical launches until June, 2019 - net of cancellations

(2) Projects with Occupancy Permit or Sold until June, 2019

(3) Ongoing projects until June, 2019

Finished Projects	# Projects	# Total Units	# PDG Units
Residential, Commercial and Land Plots (ex- MCMV)	426	96,692	95,337
MCMV	271	59,686	55,613
Total	697	156,378	150,950

Ongoing Projects	# Projects	# Total Units	# PDG Units
Residential, Commercial and Land Plots (ex- MCMV)	16	3,892	3,840
MCMV	1	256	256
Total	17	4,148	4,096

Obs.: Only projects under PDG management.

Operating Performance – Occupancy Permits

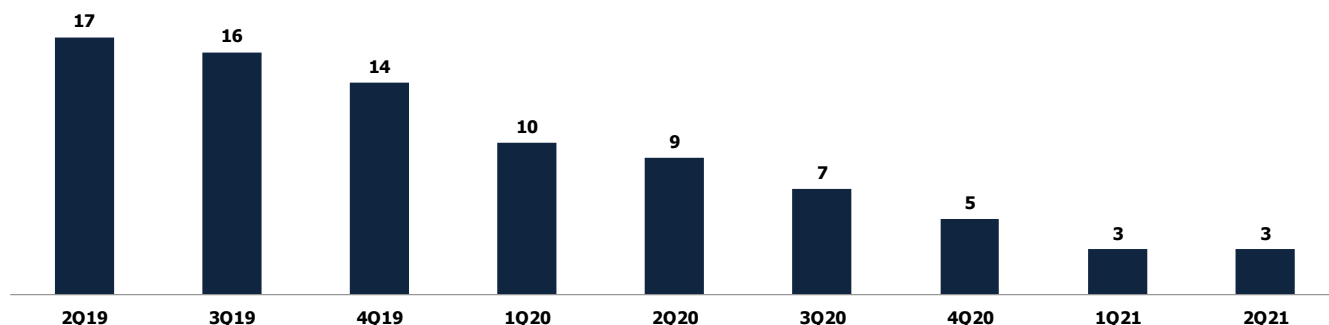
- During this quarter no occupancy permits were obtained.

2019 Deliveries - Occupancy Permits							
Project	Occupancy Permit	Region	Product	Total PSV (R\$ mn)	PDG PSV (R\$ mn)	PDG Units	Average Price (R\$ thous)
Projects Managed by PDG							
MAIS VIVER CAMPINAS	1Q19	São Paulo - Countryside	Land Plot	63.3	63.3	444	142.6
Total - 1Q19	1	-	-	63.3	63.3	444	142.6
Total - 2Q19	0	-	-	-	-	-	-
TOTAL	1			63.3	63.3	444	-

Operating Performance – Occupancy Permit Schedule

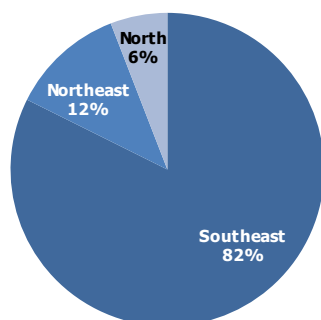
- The Company closed the quarter with 17 ongoing projects, of which 82% are located in the Southeast region and 47% are residential projects (excluding MCMV, land development and commercial units).

Projects in Progress – Occupancy Permit Schedule

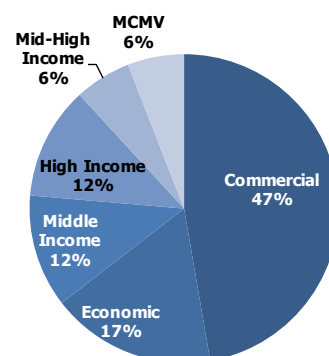


Obs.: projects under construction in the end of each quarter. Projects under PDG's management only.

Breakdown by Region – % PSV



Breakdown by Product – % PSV



Palm Beach – Manaus / AM



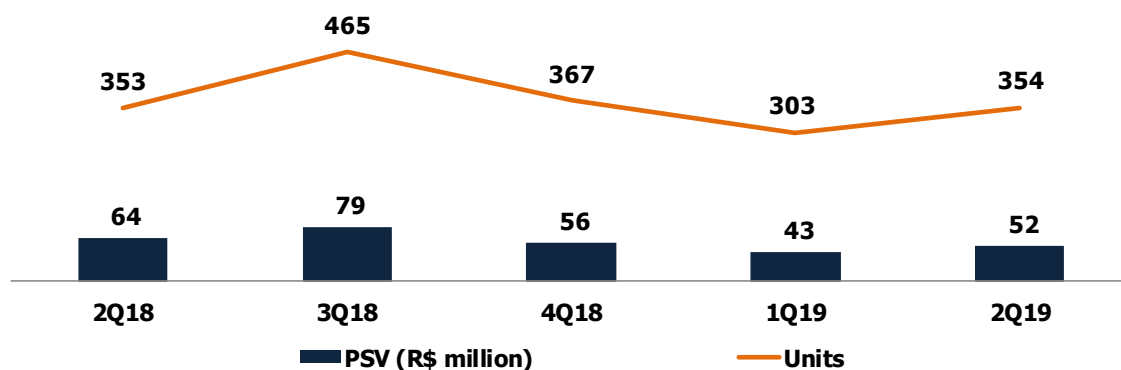
- ❖ In August we will re-establish the construction activities of the 'Palm Beach' project, in Manaus city.
- ❖ The conclusion of this project is expected to May 2020.
- ❖ This project has 270 units, of which 220 are sold.
- ❖ The current average price per unit is R\$318 thousand.

- Total land area: 8,368 m²
- Number of towers: 2
- Lifts: 3 per tower
- Number of floors: 17
- Total number of units: 270
- Units per floor: 8
- Private area: 71m² or 86m²
- Parking spots: 2 spots per unit

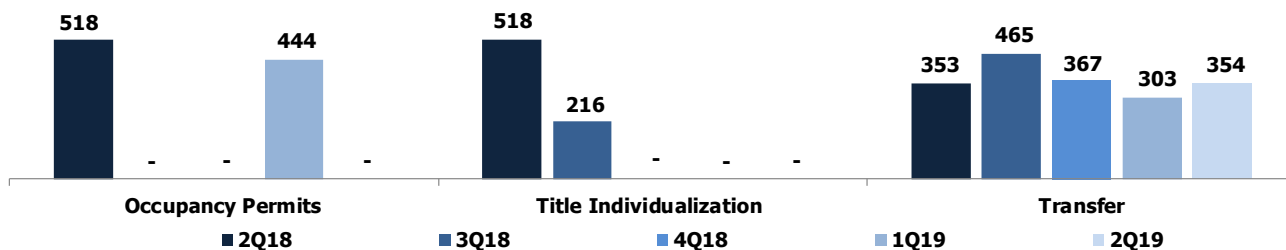


- ❖ During 2Q19, 354 units were transferred, equivalent to a PSV of R\$52 million, representing a 19% decrease in PSV when compared to 2Q18. The decrease in the financial volume transferred during the 2Q19 reflects the reduction in gross sales, which were impacted by the change in the Company’s sales policy.
- ❖ In the first half of this year, 657 units were transferred, equivalent to a PSV of R\$95 million, which represents a 18% increase in the number of transferred units and a 9% decrease in the PSV compared to 1H18.

Transfers by Quarter – PSV and units



Mortgage Transfer Cycle – units



Gross Margin

- The gross margin was 42.7% in 2Q19 and 6.8% in 1H19.

R\$ million in IFRS

GROSS MARGIN	QUARTER			YTD		
	2Q19	2Q18	(%) Var.	1H19	1H18	(%) Var.
Net Revenues	71	170	-58%	200	235	-15%
Cost	(41)	(215)	-81%	(187)	(286)	-35%
Gross Profit (Loss)	30	(45)	n.m.	13	(50)	n.m.
Gross Margin	42.7%	n.a.	n.m.	6.8%	n.a.	n.m.
(+) Capitalized Interest	6	8	-26%	25	17	-49%
Adjusted Profit	36	(37)	n.m.	38	(33)	n.m.
Adjusted Gross Margin	51.4%	n.a.	n.m.	19.2%	n.a.	n.m.

Backlog Result (REF)

- By the end of the quarter, the backlog margin was 18.5%, a 0.2 p.p decrease when compared to the 1Q19.
- The backlog recognition schedule is estimated at 2.2% in 2019, 55.4% in 2020 and 42.4% on 2021.

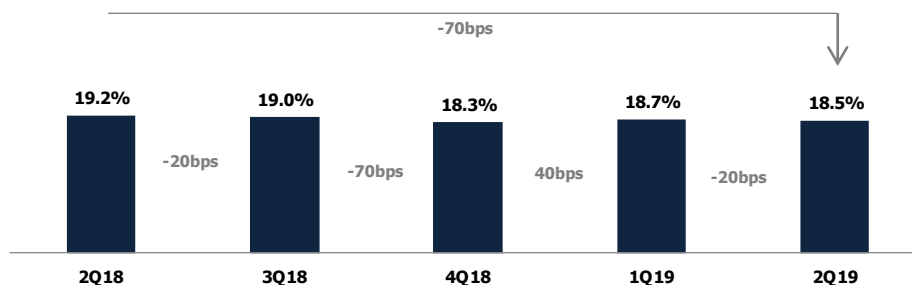
R\$ million in IFRS

BACKLOG RESULTS (REF)	2Q19	1Q19
Gross Revenues	502	512
(-)Taxes *	(9)	(9)
Net Revenues - REF	493	503
(-) COGS	(402)	(409)
Gross Profit - REF	91	94
Gross Backlog Margin	18.5%	18.7%
Capitalized Interest	10	10
Adjusted Gross margin **	16.4%	16.7%

* PIS and Cofins Estimate

BACKLOG RESULT RECOGNITION SCHEDULE	2019	2020	2021
	2.2%	55.4%	42.4%

Backlog Margin Trends (REF)



Financial Performance

Selling, General and Administrative Expenses (SG&A)

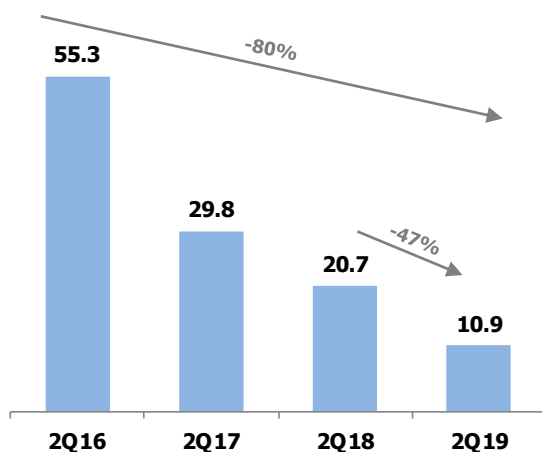
- ❖ In the second quarter of this year, G&A expenses decreased by 47% compared to 2Q18 and 19% when comparing 1H19 to 1H18
- ❖ Selling expenses increased by 44% from 1H19 to 1H18. This increase is mainly due to the expenses on inventory units, and the increase of expenses with publicity in electronic media.
- ❖ Therefore, the SG&A expenses recorded a 2% increase QoQ and a 3% decrease comparing 1H19 to 1H18.
- ❖ The Company will remain to focus on the continuous reduction of costs and structure readjustment, seeking constantly to increase the efficiency of its operation.

R\$ milhões em IFRS

COMMERCIAL, GENERAL AND ADMINISTRATIVE EXPENSES	QUARTER			YTD		
	2Q19	2Q18	(%) Var.	1H19	1H18	(%) Var.
Total Commercial Expenses	13.6	3.3	n.m.	18.0	12.6	44%
Salaries and Benefits	9.7	13.0	-25%	18.9	21.5	-12%
Third Party Services	0.2	5.7	-96%	7.8	11.3	-31%
Other Admin. Expenses	1.0	2.0	-50%	2.7	3.7	-27%
Total G&A	10.9	20.7	-47%	29.4	36.5	-19%
Total SG&A	24.5	24.0	2%	47.4	49.1	-3%

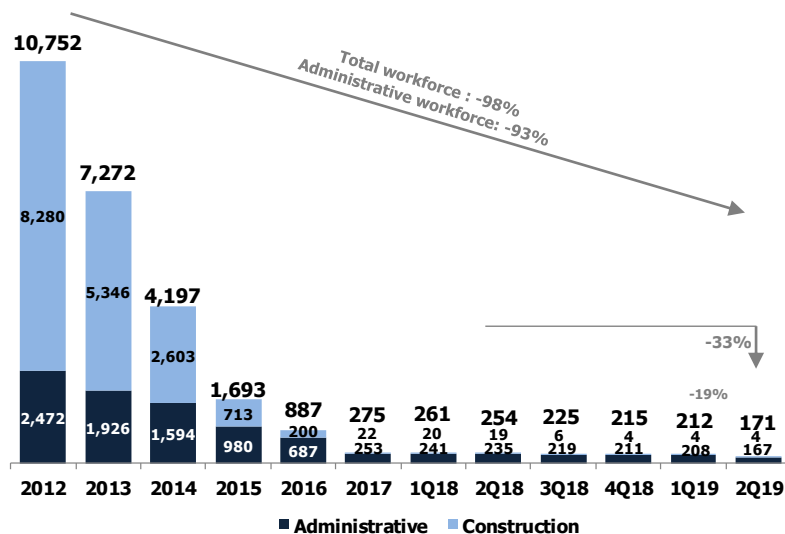
General and Administrative Expenses (G&A)

- ❖ G&A recorded a decrease of 47% between 2Q19 and 2Q18. General and Administrative expenses should continue the downward trend observed in the last quarters.



Headcount

- ❖ We continued to make the necessary adjustments to adapt our structure to the size of our operations. In 2Q19 we reduced our total workforce by 33% over 1Q18.



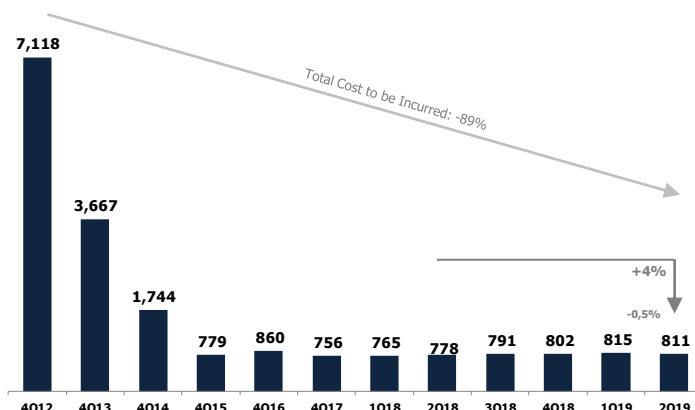
On and Off Balance Sheet Receivables and Cost to be Incurred

- ❖ We ended 2Q19 with total net receivables of R\$728 million, 6% lower than the previous quarter. This decrease is mainly due to the payments received and provision for doubtful accounts.
- ❖ The cost to be incurred reduced by R\$4 million (-0.5%) between 1Q19 and 2Q19. Since late 2012, the total cost to be incurred, which was R\$7.1 billion, registered an 89% drop.

Accounts Receivable

ON AND OFF BALANCE RECEIVABLES (R\$ mn)	R\$ million in IFRS		
	2Q19	1Q19	(%) Var.
Receivables (<i>on balance</i>)	399	433	-8%
Gross Backlog Revenues - REF	502	512	-2%
Advances from Clients - sales installments	(59)	(66)	-11%
Advances from Clients - physical barter from launches	(114)	(108)	6%
Total Receivables (a)	728	771	-6%
Cost to be Incurred - Sold Units	(398)	(409)	-3%
Cost to be Incurred - Inventory Units	(413)	(406)	2%
Total Costs to be Incurred (b)	(811)	(815)	0%
Total Net Receivables (a+b)	(83)	(44)	89%
Short Term	291	311	-6%
Long Term	108	122	-11%
Total Receivables (<i>on balance</i>)	399	433	-8%

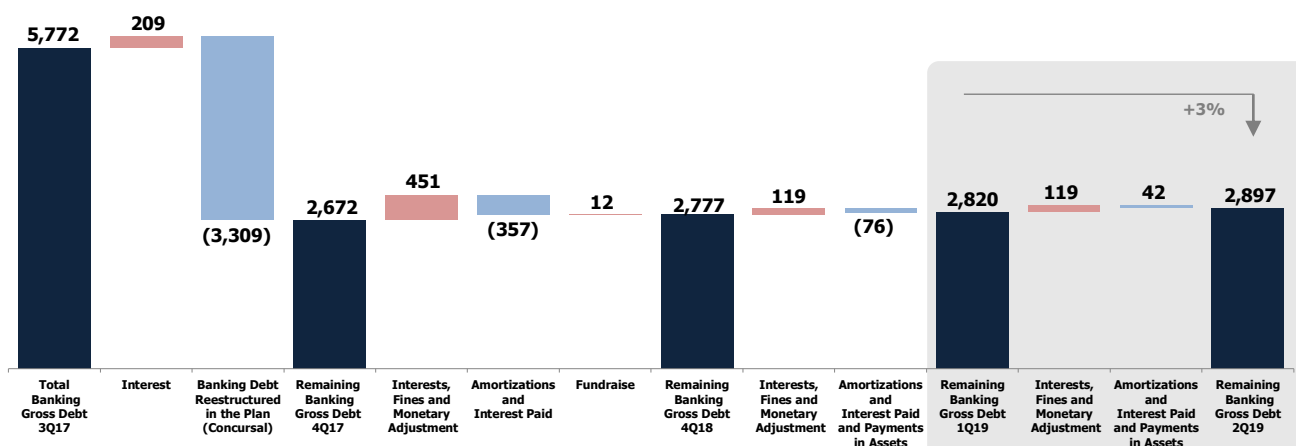
Costs to be Incurred – R\$ million



Indebtedness (Extraconcursal)

- ❖ The Company's gross debt increased by R\$77 million (3%) from 1Q19 to 2Q19, due to the R\$ 119 million of interests accrued, deducted from amortizations and payments in assets, which totaled R\$42 million.

Indebtedness Variation – R\$ million



Indebtedness (Extraconcursal)

- ❖ Considering the R\$1 million increase in Cash and Cash Equivalents, net debt increased by R\$76 million (3%) between 2Q19 and 1Q19.

R\$ million in IFRS			
INDEBTEDNESS	2Q19	1Q19	(%) Var.
Cash and Cash Equivalents	139	138	1%
SFH	786	767	2%
Debentures	148	139	6%
CCB/CRI	193	186	4%
Construction Financing	1,127	1,092	3%
Working Capital, SFI and Promissory Notes	348	352	-1%
Finep/Finame	7	6	17%
Debentures	371	353	5%
CCB/CRI	1,043	1,016	3%
Obligation for the issuance of CCB and CCI	1	1	0%
Corporate Debt	1,770	1,728	2%
Gross Debt	2,897	2,820	3%
Net Debt	2,758	2,682	3%
Net Debt (ex. Construction Financing)	1,631	1,590	3%
Shareholders Equity (1)	(4,503)	(4,249)	6%
Net Debt (ex. SFH)/ Equity	n.a.	n.a.	n.m.

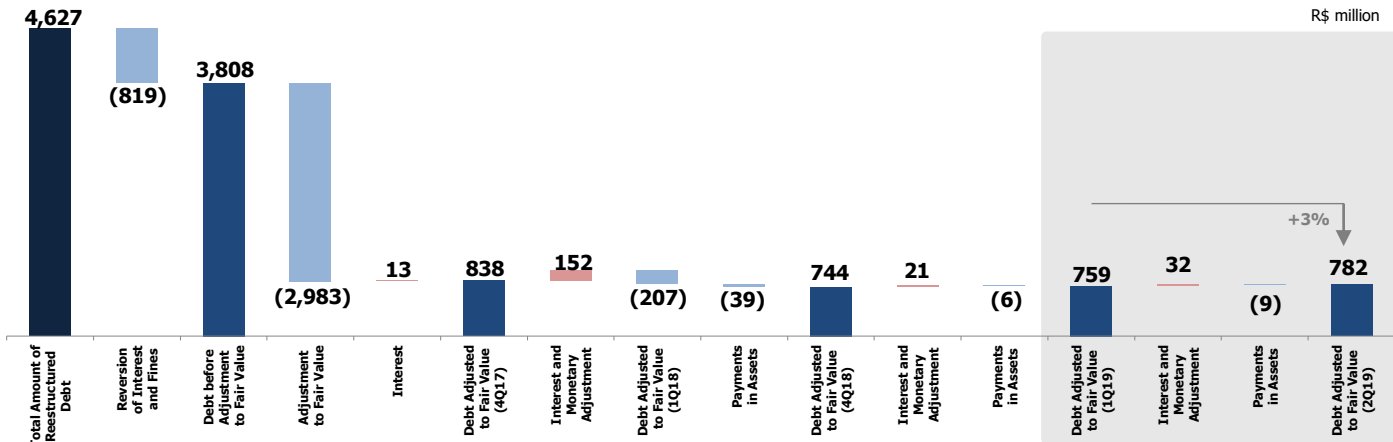
(1) Includes non-controlling equity

Net Debt Variation

R\$ million in IFRS									
NET DEBT VARIATION (R\$ mn)	2013	2014	2015	2016	2017	2018	1Q19	2Q19	1H19
Cash and Cash Equivalents	1,353	1,092	604	201	213	138	138	139	139
Cash Variation	(468)	(261)	(488)	(403)	12	(75)	-	1	1
Gross Debt	8,367	7,869	6,155	5,319	2,672	2,777	2,820	2,897	2,897
Construction Financing	5,215	4,517	2,719	1,643	1,050	1,086	1,092	1,127	1,127
Corporate Debt	3,152	3,352	3,436	3,676	1,622	1,691	1,728	1,770	1,770
Gross Debt Variation	602	(498)	(1,714)	(836)	(2,647)	105	43	77	120
Net Debt Variation	(1,070)	237	1,226	433	2,659	(180)	(43)	(76)	(119)
Adjustments	(86)	-	(202)	(225)	(3,362)	-	-	-	-
Mark to market of PDGR D81 (warrant)	(86)	-	(2)	-	-	-	-	-	-
Sale of Equity Stake in REP	-	-	-	(214)	-	-	-	-	-
Capital Increase	-	-	(500)	-	-	-	-	-	-
Dismantling of partnership (Paddock)	-	-	-	(11)	-	-	-	-	-
Dismantling of partnership (VBI)	-	-	-	-	(53)	-	-	-	-
Debts subjected to the Reorganization Plan	-	-	-	-	(3,309)	-	-	-	-
Redemption of APRs and Promissory Notes issuance	-	-	300	-	-	-	-	-	-
Net Debt Variation (+adjustments)	(1,156)	237	1,024	208	(703)	(180)	(43)	(76)	(119)

Debt Subjected to the Recovery Plan (Concursal)

- ❖ Debts subjected to the Recovery Plan increased by R\$23 million (3%) mainly due to interest accrued and monetary correction.
- ❖ As foreseen in the Plan the Company made payments in assets amounting to R\$9 million during 2Q19. Payments in assets will continue to occur throughout the second semester, 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\$265 million in debts subjected to the Recovery Plan.



*Obs.: The methodology used to calculate the Fair Value and therefore the Total Debt Adjusted to Fair Value, is explained in Note 13 of the Financial Statements.

Financial Results

- ❖ The Company's Financial Loss increased by 25% when comparing 2Q19 to 2Q18, due to the increase in interests on debts.

FINANCIAL RESULTS (R\$ mn)	QUARTER			YTD		
	2Q19	2Q18	(%) Var.	1H19	1H18	(%) Var.
Investment Income	1.0	2.4	-58%	2.0	4.2	-52%
Interest and fines	35.6	31.8	12%	20.9	58.7	-64%
Other financial revenue	8.7	(38.3)	n.m.	16.6	(37.4)	n.m.
Total financial revenues	45.3	(4.1)	n.m.	39.5	25.5	55%
Interest	(124.4)	(76.0)	64%	(245.4)	(204.8)	20%
Bank Expenses	(0.2)	0.2	n.m.	(0.4)	(0.3)	33%
Other	(23.8)	(48.2)	-51%	(42.8)	(52.5)	-18%
Gross Financial Expenses	(148.4)	(124.3)	19%	(288.6)	(257.6)	12%
Capitalized Interest on Inventory	3.1	(5.7)	n.m.	16.5	1.4	n.m.
Total Financial Expenses	(145.3)	(130.0)	12%	(272.1)	(256.2)	6%
Total Financial Result	(99.9)	(134.1)	-26%	(232.6)	(230.7)	1%

Income Statements

Quarters and Semesters ended on June 30th, 2019 and 2018

INCOME STATEMENTS (R\$ '000) - IRRS	QUARTER			YTD		
	2Q19	2Q18	(%) Var.	1H19	1H18	(%) Var.
Operating Gross Revenue						
Real Estate Sales	56,120	164,336	-66%	197,834	234,919	-16%
Other Operating Revenues	22,781	7,004	n.m.	21,861	9,188	n.m.
(-) Revenues Deduction	(7,815)	(1,453)	n.m.	(19,494)	(8,722)	n.m.
Operating Net Revenue	71,086	169,887	-58%	200,201	235,385	-15%
Cost of Sold Units	(34,527)	(206,906)	-83%	(161,769)	(268,948)	-40%
Interest Expenses	(6,203)	(8,438)	-26%	(24,861)	(16,682)	49%
Cost of sold properties	(40,730)	(215,344)	-81%	(186,630)	(285,630)	-35%
Gross Income (loss)	30,356	(45,457)	n.m.	13,571	(50,245)	n.m.
Gross margin	42.7%	n.a.	n.m.	6.8%	n.a.	n.m.
Adjusted gross margin ⁽¹⁾	51.4%	n.a.	n.m.	19.2%	n.a.	n.m.
Operating Revenues (expenses):						
Equity Income	1,542	(378)	n.m.	1,711	(3,916)	n.m.
General and Administrative	(10,940)	(20,663)	-47%	(29,399)	(36,462)	-19%
Commercial	(13,603)	(3,329)	n.m.	(18,041)	(12,567)	44%
Taxes	(2,873)	(1,229)	n.m.	(4,520)	(1,408)	n.m.
Depreciation & Amortization	(1,035)	(14,887)	-93%	(2,008)	(56,745)	-96%
Other	(147,064)	(136,365)	8%	(210,196)	(227,169)	-7%
Financial Result	(99,965)	(134,144)	-25%	(232,501)	(230,650)	1%
Total operating revenues (expenses)	(273,938)	(310,995)	-12%	(494,954)	(568,917)	-13%
Income before taxes	(243,582)	(356,452)	-32%	(481,383)	(619,162)	-22%
Income Taxes and Social Contribution	(5,247)	14,010	n.m.	(12,103)	10,088	n.m.
Income before minority stake	(248,829)	(342,442)	-27%	(493,486)	(609,074)	-19%
Minority interest	(148)	2,638	n.m.	4,254	8,958	-53%
Net Income (loss)	(248,977)	(339,804)	-27%	(489,232)	(600,116)	-18%
Net margin	n.a.	n.a.	n.m.	n.a.	n.a.	n.m.

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

EBITDA	QUARTER			YTD		
	2Q19	2Q18	(%) Var.	1H19	1H18	(%) Var.
Income (loss) before taxes	(243,582)	(356,452)	-32%	(481,383)	(619,162)	-22%
(-/+) Financial Result	99,965	134,144	-25%	232,501	230,650	1%
(+) Depreciation and Amortization	1,035	14,887	-93%	2,008	56,745	-96%
(+) Stock Option Plan	-	-	n.m.	-	-	n.m.
(+) Interest Expenses - Cost of Sold Units	6,203	8,438	-26%	24,861	16,682	49%
(-/+) Equity Income result	(1,542)	378	n.m.	(1,711)	3,916	n.m.
EBITDA	(137,921)	(198,605)	-31%	(223,724)	(311,169)	-28%
EBITDA Margin	n.a.	n.a.	n.m.	n.a.	n.a.	n.m.

Consolidated Balance Sheet - ASSETS



On June 30th 2018, and March 31st 2019

ASSET (R\$ '000)	2Q19	1Q19	(%) Var.
Current Assets			
Cash, cash equivalents and short-term investments	139,072	137,593	1%
Accounts receivable	290,704	311,282	-7%
Properties held for sale	1,253,056	1,317,343	-5%
Prepaid expenses	-	-	n.m.
Accounts with related parties	7,110	6,701	6%
Taxes to recover	12,998	16,600	-22%
Deferred income and social contribution taxes	-	4,071	-100%
Total Current Assets	1,702,940	1,793,590	-5%
Noncurrent Assets			
Long-Term			
Accounts receivable	108,489	122,246	-11%
Properties held for sale	206,430	219,224	-6%
Deferred Taxes	18,734	18,913	-1%
Accounts with related parties	39,050	38,370	2%
Other Credits	65,588	80,797	-19%
Total Long-Term Assets	438,291	479,550	-9%
Permanent Assets			
Investments	53,148	52,679	1%
Property and Equipment	1,519	160	n.m.
Intangible	3,667	4,478	-18%
Total Permanent Assets	58,334	57,317	2%
Total Noncurrent Assets	496,625	536,867	-7%
Total Assets	2,199,565	2,330,457	-6%

Consolidated Balance Sheet - LIABILITIES

On June 30th 2018, and March 31st 2019

LIABILITIES AND SHAREHOLDERS' EQUITY (R\$ '000)	2Q19	1Q19	(%) Var.
Current			
Loans and financings	1,140,441	1,125,584	1%
Debentures	519,441	492,193	6%
Obligation for the issuance of CCB & CCI	1,236,238	1,200,849	3%
Co-obligation for the issuance of CRI	1,304	1,304	0%
Suppliers	128,448	138,150	-7%
Payable obligations subject to the Reorganization Plan	23,581	19,861	19%
Property acquisition obligations	11,923	11,843	1%
Advances from clients	313,270	326,079	-4%
Taxes and contributions payable	34,507	38,129	-9%
Deferred taxes	10,087	11,091	-9%
Income and social contribution taxes	13,671	11,203	22%
Accounts with related parties	7,802	7,488	4%
Other Provisions	162,226	150,981	7%
Other Obligations	86,302	95,737	-10%
Total Current	3,689,241	3,630,492	2%
Long-Term			
Payable obligations subject to the Reorganization Plan	758,764	739,615	3%
Property acquisition obligations	9,726	11,160	-13%
Advances from clients	30,873	30,873	0%
Taxes and contributions payable	9,668	6,605	46%
Current accounts with partners	67,133	61,972	8%
Deferred taxes	1,014,474	1,016,454	0%
Other Provision	768,725	736,528	4%
Other	353,996	345,768	2%
Total Long-Term	3,013,359	2,948,975	2%
Shareholders' equity			
Subscribed capital	4,992,033	4,992,033	0%
Capital reserve	1,236,743	1,236,743	0%
Accumulated losses	(10,681,670)	(10,432,693)	2%
Minority interest	(50,141)	(45,093)	11%
Total Shareholders' equity	(4,503,035)	(4,249,010)	6%
Total liabilities and shareholders' equity	2,199,565	2,330,457	-6%