

São Paulo, November 14th, 2019: PDG Realty S.A. (PDGR3) – Under Court-supervised Reorganization - announces **today** its results for the third quarter and nine months 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:

- ❖ **Reduction of 91% in gross loss QoQ. During 9M19 gross profit totaled R\$8.6 million, with an adjusted gross margin of 16.9%, compared to a gross loss of R\$104.1 million in 9M18.** (page 18)
- ❖ **Reduction of R\$96.4 million or 14% in net loss YoY.** (page 18)
- ❖ **G&A continue to be decreasing, recording a 50% drop in the QoQ. During the 9M19 the reduction reached 31% compared to 9M18.** (page 14)
- ❖ **Commercial expenses were reduced by 28% QoQ.** Due to the results of previous quarters, commercial expenses recorded a small increase of 6% YoY. (page 14)
- ❖ **In the accumulated 9M19, R\$143 million was amortized in extraconcursal debts and interest.** (page 15)
- ❖ **Amortization of debts subjected to the Recovery Plan reached R\$280 million up to 3Q19.** (page 17)
- ❖ **In August we re-established 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.

Conference Call

Monday, November 18th, 2019

➤ **Portuguese**

11:00 a.m. (Brasília)

09:00 a.m. (NY)

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➤ **English (Simultaneous translation)**

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Initial Message

During the 3Q19, as well as in the first half of 2019, the Company focused its efforts on the conclusion and implementation of its Strategic Planning. In this regard, in addition to planning the return of launches, PDG seeks to identify opportunities to diversify its business, aiming to generate additional recurring revenues to increase cash inflow. Therefore in line with its new operational phase, the Company should launch in the short-term a new brand in the market directed toward providing real-estate services.

Operational Results

During 3Q19 gross sales totaled R\$41 million, 50% below 3Q18. In the 9M19 gross sales totaled R\$180 million, a reduction of 20% year over year. The reduction in sales volume was mainly due to the change in sales policy since 2Q19 when the Company returned to focus on sales of units that generate free cash inflow (unencumbered units).

During 3Q19 cancellations totaled R\$49 million, 4% above 3Q18. YTD the equivalent of R\$118 million were canceled, down 20% when compared to 9M18. The Company will keep its strategy of prioritizing the cancellation of unencumbered units with good liquidity that generates free cash inflows in resale's moment

Due to the reduction in gross sales and to the increase in the volume of cancellations, net sales were R\$8 million negative in 3Q19. However, in 9M19 net sales were R\$62 million positive.

General and administrative expenses recorded a significant drop of 50% QoQ, mainly due to the decrease in expenses with Services and Salaries and Charges. G&A was reduced by 31% YoY, in line with Company's goal of constantly adjusting its structure and increasing its operational efficiency.

Message from Management

Commercial expenses were reduced by 28% QoQ. This result is explained by the lower recognition of property taxes expenses related to cancellations that occurred up to 3Q19. Commercial expenses increased by 6% YTD, mainly due to the increase in condominium expenses of concluded inventory units.

During 3Q19, 276 units were transferred, equivalent to a PSV of R\$35 million. During 9M19, 933 units were transferred, representing a PSV of R\$130 million.

Company's gross debt increased by R\$63 million (2%) from 2Q19 to 3Q19, due to R\$82 million of interests incurred in the period and R\$6 million raised to finish the 'Palm Beach' project. Amortizations amounted R\$25 million in the 3Q19. During the 9M19 interests payments and amortizations amounted to R\$143 million.

Concerning the Debts subjected to the Recovery Plan, the Company made a R\$15 million payment during 3Q19. Considering the R\$28 million of interest incurred in the period, the debt increased by R\$13 million (2%). In the 9M19 the Company amortized R\$30 million in debts.

At the end of 3Q19, considering the capital increase, the payment of installments to creditors of classes I, III, IV and including payments in assets, the Company amortized approximately R\$280 million in debts subjected to the Recovery Plan.

As consequence of the policies that have been adopted by the Company's management, in 9M19 PDG recorded a gross profit of R\$8.6 million, representing an adjusted gross margin of 16.9%. Also, net loss fell by 13.6%, from R\$709 million in 9M18 to R\$613 million in 9M19.

Management

Operating and Financial Indicators

❖ The Company's main results and indicators regarding 3Q19 and 9M19 are the following:

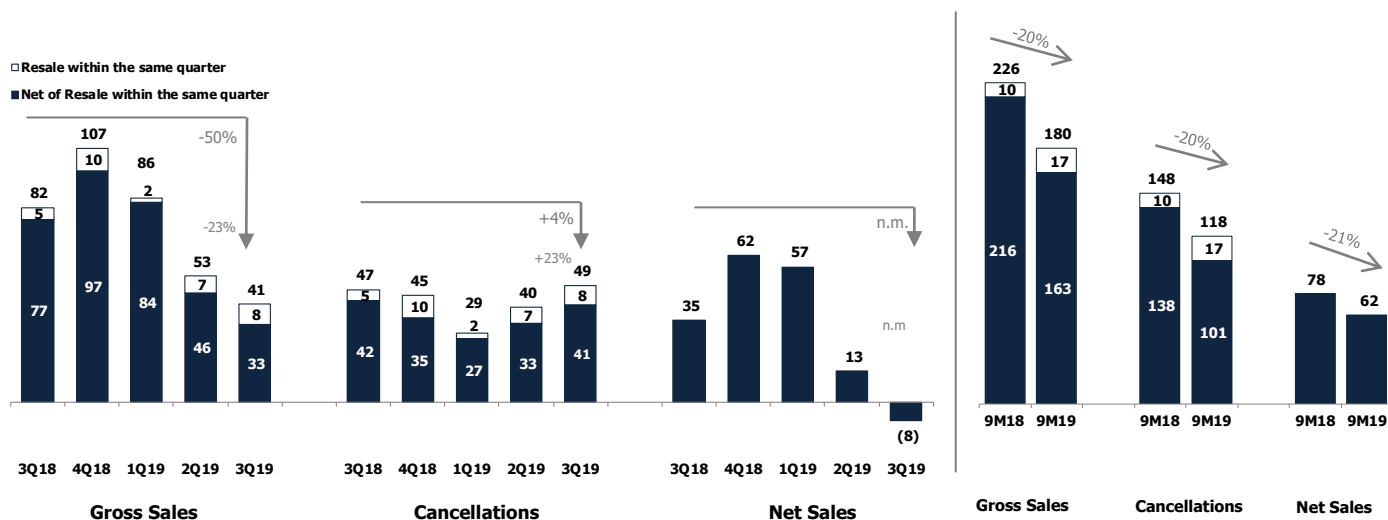
Sales and Inventory	3Q19	3Q18	3Q19 vs. 3Q18	9M19	9M18	9M19 vs. 9M18	3Q19 (IFRS)	9M19 (IFRS)
Gross Sales %PDG - R\$ million	41	82	-49.8%	180	226	-20.4%	41	180
Net Sales %PDG - R\$ million	(8)	35	n.m.	62	78	-20.1%	(8)	62
# of Net Sold Units %PDG	2	177	-98.9%	339	349	-2.9%	2	339
Inventory at Market Value %PDG - R\$ million	1,827	1,942	-5.9%	1,827	1,942	-5.9%	1,826	1,826
Operational Result ⁽¹⁾	3Q19	3Q18	3Q19 vs. 3Q18	9M19	9M18	9M19 vs. 9M18		
Net Operational Revenues - R\$ million	36	86	-58.4%	236	321	-26.5%		
Gross Profits (Losses) - R\$ million	(5)	(54)	-90.9%	9	(104)	n.m.		
Gross Margin - %	n.a.	n.a.	n.m.	3.7	n.a.	n.m.		
Adjusted Gross Margin - %	3.9	n.a.	n.m.	16.9	n.a.	n.m.		
General, Administrative and Commercial Expenses	(21)	(36)	-41.6%	(69)	(85)	-19.8%		
Net Earnings (Losses) - R\$ million	(123)	(109)	13.2%	(613)	(709)	-13.6%		
Net Margin - %	n.a.	n.a.	n.m.	n.a.	n.a.	n.m.		
Backlog Results (REF) ⁽¹⁾	3Q19	3Q18	3Q19 vs. 3Q18					
Gross Revenues (REF) - R\$ million	499	495	0.8%					
COGS - R\$ million	(409)	(401)	2.0%					
Gross Profit - R\$ million	90	94	-4.3%					
Gross Backlog Margin - %	18.0	19.0	-1 p.p					
Balance Sheet ⁽¹⁾	3Q19	3Q18	3Q19 vs. 3Q18					
Cash and Cash Equivalents - R\$ million	132	234	-43.6%					
Net Debt - R\$ million	2,828	2,571	10.0%					
Shareholders Equity - R\$ million	(4,622)	(3,878)	n.m.					
Net Debt (ex. SFH) / Shareholder Equity (%)	n.a.	n.a.	n.m.					
Total Assets - R\$ million	2,135	2,468	-13.5%					

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

Operating Performance – Sales

- ❖ During 3Q19 gross sales reached R\$41 million, 50% lower than 3Q18 and 23% lower than 2Q19. In the 9M19 gross sales totaled R\$180 million, 20% lower than 9M18. The decrease in gross sales observed during the 2Q19 and 3Q19, and therefore in the 9M19, was mainly due to the change in the Company's sales strategy, which is now focusing on the sales of units that generate immediate free cash inflow.
- ❖ Cash sales reached R\$7 million in 3Q19, accounting for 17% of the period's gross sales. In 9M19, cash sales totaled R\$25.9 million, 14% of the period's gross sales.
- ❖ Cancellations reached R\$49 million in 3Q19, 4% higher than 3Q18 and 23% higher than 2Q19. In 9M19, cancellations reached R\$118 million, a 20% decrease YoY.
- ❖ The Company will continue with our strategy to prioritize the cancellation of unencumbered units with good liquidity that generates free cash inflow at the moment of resale.
- ❖ During 3Q19 net sales were R\$8 million negative. In 9M19 net sales totaled R\$62 million, 21% lower than 9M18.

Sales Performance – PSV %PDG in R\$ million



Operating Performance – Cancellations and Resale

- ❖ Of the total 3Q19 cancellations, 93% 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.
- ❖ During the 3Q19, cancellations of concluded projects corresponded to 99%. Actually these units are available to be resold, generating immediate cash inflow.

Cancellations in 3Q19 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	0.4	2	0.4
21% to 40%	-	-	-	-	-	-	-	-
41% to 60%	7	2.8	-	-	-	-	7	2.8
61% to 80%	2	0.4	-	-	-	-	2	0.4
81% to 99%	172	45.0	-	-	-	-	172	45.0
TOTAL	181	48.2	-	-	2	0.4	183	48.6

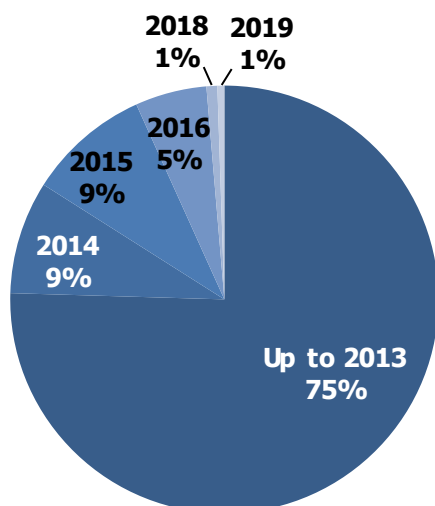
PSV in R\$ million

99% (arrow pointing to 48.2)

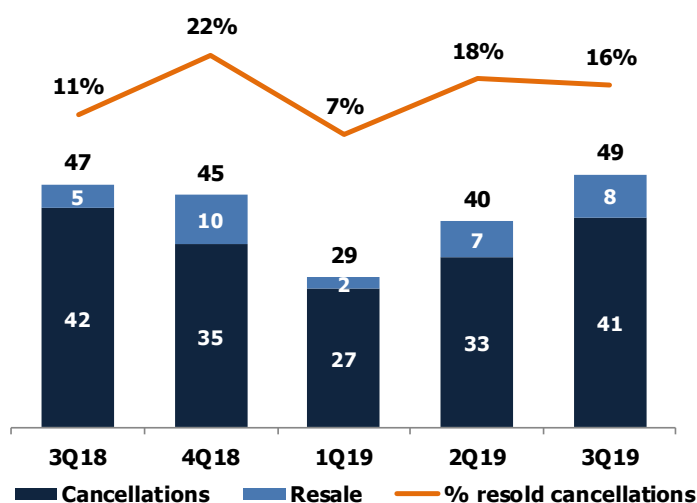
93% (arrow pointing to 45.0)

- ❖ Considering the cancellations per period of sale, 84% of the cancellations that occurred in 3Q19 were from units sold until 2014, under a less careful credit analysis process.
- ❖ Of the R\$49 million canceled in 3Q19, R\$8 million (16%) were resold in the same quarter.

Cancellations by Year of Sale – %PSV – 3Q19



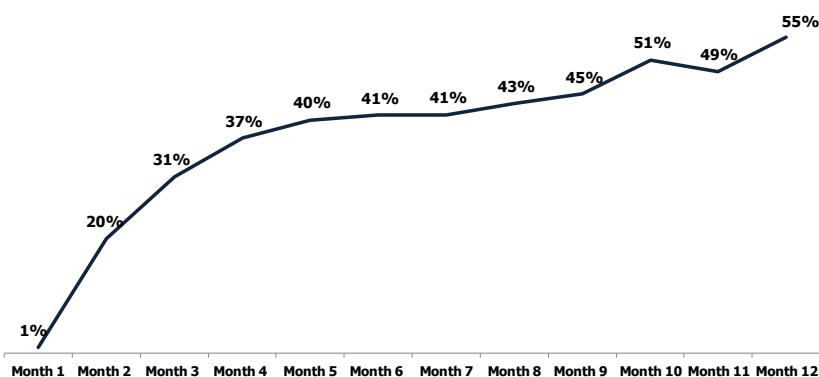
Cancellations and Resale Evolution – R\$ million



Operating Performance – Cancellations and Resale

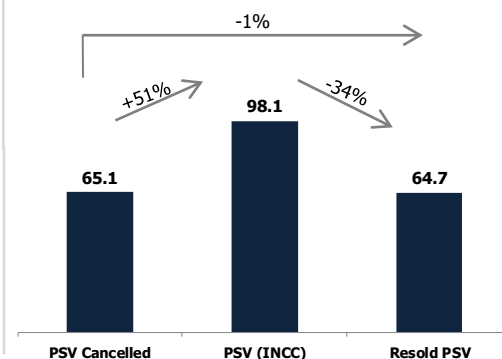
- ❖ On average, 55% of canceled units are resold in up to 12 months.
- ❖ In the last 12 months, resale PSV has been on average 1% lower than the PSV from the original sale.

Average Resale Curve – units



Resale Price – R\$ million

PSV cancelled and Resold in the last 12 months



Operating Performance – Sales over Supply (SoS)

- ❖ Looking at the quarterly sales over supply (SoS) in terms of inventory units effectively available, the ratio reached 2% in 3Q19, 2p.p under 3Q18.
- ❖ PDG's sales team accounted for 75% of 3Q19 gross sales and 57% of 9M19 gross sales.

Sales over Supply (SoS) – R\$ million

	3Q18	4Q18	1Q19	2Q19	3Q19
Initial Inventory	1,964	1,942	1,891	1,806	1,793
(-) Cancellations	-	-	-	-	-
= Effective Inventory	1,964	1,942	1,891	1,806	1,793
(+) Launches	-	-	-	-	-
(-) Net Sales	35	62	57	13	(8)
Gross Sales ⁽¹⁾	82	107	86	53	41
Cancellations ⁽¹⁾	47	45	29	40	49
(+) Adjustments ⁽²⁾	13	11	(28)	-	26
Final Inventory	1,942	1,891	1,806	1,793	1,827
Quarterly Sales Speed (SoS) (Gross Sales)	4%	6%	5%	3%	2%
Quarterly Sales Speed (SoS) (Net Sales)	2%	3%	3%	1%	n.m.

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

(2) The positive adjustment of R\$26 million in 3Q19 is mainly due to the monetary correction in inventory units.

Operating Performance – Sales over Supply by Region

- ❖ In this quarter the sales over supply 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 MG/ES regions (47% and 10%, respectively).

Sales over Supply (SoS) by Region

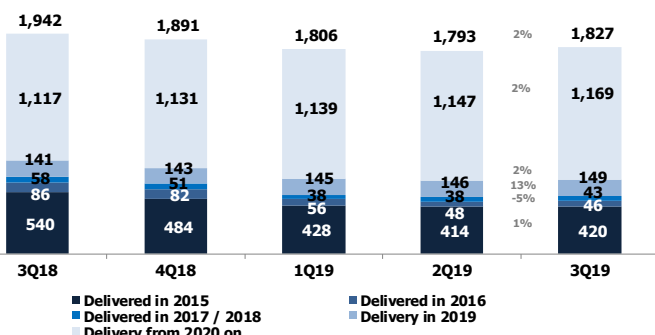
Region (ex-Commercial)	SoS - Gross Sales					
	3Q18	4Q18	1Q19	2Q19	3Q19	
SÃO PAULO	6%	5%	3%	4%	3%	} SoS SP and RJ: 2%
RIO DE JANEIRO	3%	3%	1%	2%	1%	
MG/ES	6%	17%	7%	3%	10%	} SoS (ex-SP and RJ): 7%
NORTH	8%	18%	12%	10%	8%	
NORTHEAST	5%	2%	8%	1%	3%	
SOUTH	22%	26%	7%	14%	4%	
MIDWEST	17%	20%	58%	43%	41%	
TOTAL (EX-COMMERCIAL)	6%	8%	7%	5%	4%	
COMMERCIAL	0%	2%	0%	0%	0%	
TOTAL	4%	6%	5%	3%	2%	

Operational Performance – Inventory

- ❖ Total inventory at market value closed 3Q19 in R\$1,827 million, 2% higher than the previous quarter. When compared to 3Q18, inventory at market value fell by 6%.
- ❖ Total inventory units decreased by 1%, from 4,491 in 2Q19 to 4,469 in 3Q19. In the last 12 months, total inventory units recorded a decrease of 12%.
- ❖ Considering only those units delivered until the end of 2016, inventory PSV fell by 26% between QoQ, and the number of units fell by 23%.

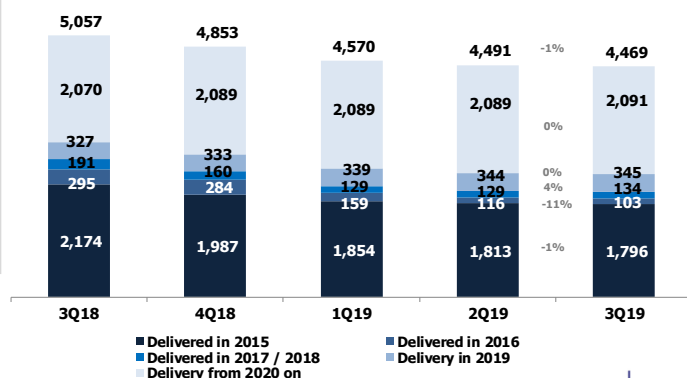
Inventory at Market Value – R\$ million

Inventory at Market Value – Total: -6%
 Inventory at Market Value – Delivered Until 2017: -26%



Inventory Units

Inventory Units – Total: -12%
 Inventory Unit – Delivered Until 2017: -23%



Operating Performance – Inventory

- In this quarter the inventory located in São Paulo and Rio de Janeiro corresponds to 59% of the Company's total inventory, excluding commercial units. Considering the residential units available, 45% is concentrated in projects that have more than 60% of its units sold, hence with better market liquidity.

Inventory by Percentage of Sales and Region

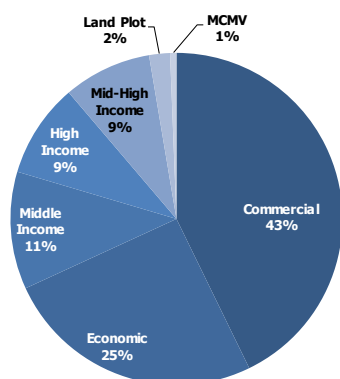
Region	Up to 60%		From 61 to 80%		From 81 to 99%		Total		
	Units	PSV	Units	PSV	Units	PSV	Units	PSV	%
SÃO PAULO	221	171.4	402	63.4	563	125.6	1,186	360.4	35%
RIO DE JANEIRO	213	202.2	59	28.5	130	24.3	402	254.9	24%
MG/ES	-	-	-	-	22	3.6	22	3.6	0%
NORTH	134	54.4	113	89.4	252	71.4	499	215.2	21%
NORTHEAST	495	143.3	-	-	89	47.7	584	191.0	18%
SOUTH	-	-	-	-	29	8.7	29	8.7	1%
MIDWEST	-	-	-	-	68	10.6	68	10.6	1%
% Total (Ex- Commercial)		55%		17%		28%			100%
TOTAL (Ex-Commercial)	1,063	571.3	574	181.3	1,153	292.0	2,790	1,044.5	57%
COMMERCIAL	1,524	722.5	95	40.5	60	19.2	1,679	782.2	43%
TOTAL	2,587	1,293.8	669	221.8	1,213	311.2	4,469	1,826.7	100%
% Total		71%		12%		17%			100%

Inventory by Percentage of Sales and Year of Delivery

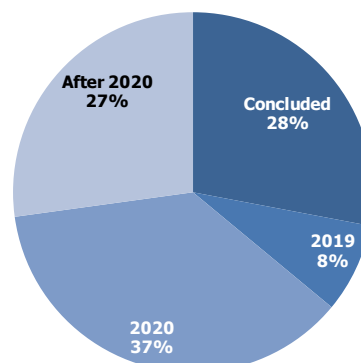
Percentage Sold	Built		2019 Delivery		2020 Delivery		Post 2020 Delivery		Total	
	Units	PSV	Units	PSV	Units	PSV	Units	PSV	Units	PSV
20% or less	23	7.4	-	-	480	142.4	-	-	503	149.8
21% to 40%	2	1.6	174	77.8	-	-	534	368.7	710	448.1
41% to 60%	410	127.6	-	-	773	440.6	191	127.7	1,374	695.8
61% to 80%	402	63.4	154	69.0	113	89.4	-	-	669	221.8
81% to 99%	1,213	311.2	-	-	-	-	-	-	1,213	311.2
TOTAL	2,050	511.1	328	146.8	1,366	672.4	725	496.4	4,469	1,826.7

- 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\$511.1 million): (i) 72% of PSV is concentrated in projects located in São Paulo and Rio de Janeiro and (ii) 73% 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

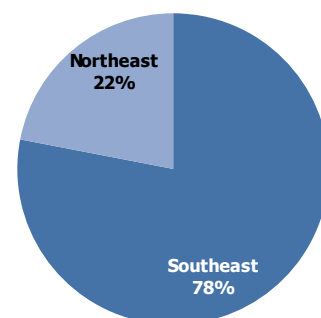
- ❖ Durgung 3Q19 one land was sold. Hence landbank closed 3Q19 with potential PSV of R\$1.5 billion (%PDG), equivalent to 4,586 units.
- ❖ The landbank that do not match the Company's strategy is in process of being canceled or sold, improving cost reduction and in the monetization of assets for the Company's deleveraging process.

Landbank – Units and PSV

Product	Units (%PDG)	%	PSV PDG (R\$ mn)	%	PSV (R\$ mn)	%	Average Price (R\$)
High Income	270	6%	333.7	22%	333.7	18%	1,235,822
Mid-High Income	-	0%	-	0%	-	0%	-
Middle Income	321	7%	150.0	10%	428.0	24%	468,012
Economic	1,869	41%	336.5	22%	336.5	19%	180,019
Residential	2,460	54%	820.1	54%	1,098.2	61%	333,452
Commercial	-	0%	-	0%	-	0%	-
Land Plot	2,126	46%	697.7	46%	697.7	39%	328,155
Total	4,586		1,517.8		1,795.8		330,996

Landbank by Region

PSV %PDG



Operating Performance – Historical Data

- ❖ At the end of 3Q19 the Company had 17 unfinished projects, 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 landplot 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 September, 2019 - net of cancellations

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

(3) Ongoing projects until September, 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

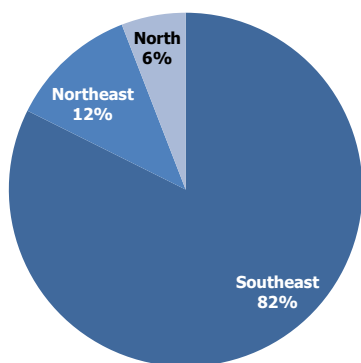
Ongoing Projects	# Projects	# Total Units	# PDG Units
Residential, Commercial and Land Plots (ex- MCMV)	16	3,892	3,840
MCMV	1	256	256
Total	17	4,148	4,096

Obs.: Only projects under PDG management.

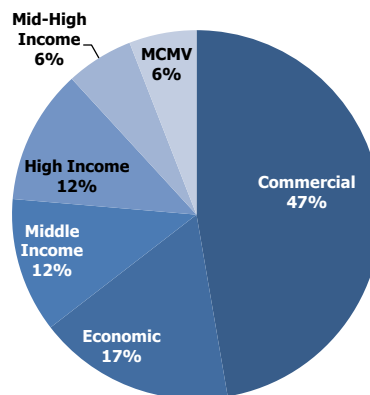
Operating Performance – Historical Data

- Of the 17 unfinished projects, 82% are located in the Southeast region and 47% are residential (excluding MCMV, landplot, and commercial units).

Breakdown by Region – % PSV



Breakdown by Product – % PSV



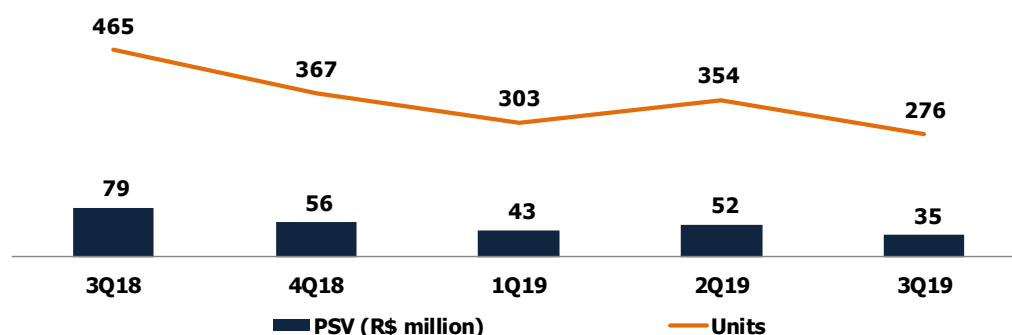
Operating Performance – Occupancy Permits

- During 3Q19 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	Landplot	63.3	63.3	444	142.6
Total - 1Q19	1	-	-	63.3	63.3	444	142.6
Total - 2Q19	0	-	-	-	-	-	-
Total - 3T19	0	-	-	-	-	-	-
TOTAL	1			63.3	63.3	444	-

Operating Performance – Mortgage Transfers

- During 3Q19, 276 units were transferred, equivalent to a PSV of R\$35 million, representing a 56% decrease in PSV when compared to 3Q18. The decrease in the financial volume transferred during the 3Q19 reflects the reduction in gross sales, which were impacted by the change in the Company's sales policy.
- During 9M19, 933 units were transferred, equivalent to a PSV of R\$130 million, representing a 9% decrease in the number of units transferred and a 29% in PSV when compared to 9M18.



Gross Margin

- Gross loss was reduced by 91% QoQ. Thus, in 3Q19 the adjusted gross margin was 3.9%.
- During 9M19 the Company recorded a gross profit of R\$9 million, with an adjusted gross margin of 16.9%, compared to a gross loss of R\$104 million in 9M18.

R\$ million in IFRS

GROSS MARGIN	QUARTER			YTD		
	3Q19	3Q18	(%) Var.	9M19	9M18	(%) Var.
Net Revenues	36	86	-58%	236	321	-26%
Cost	(41)	(139)	-71%	(227)	(425)	-47%
Gross Profit (Loss)	(5)	(54)	-91%	9	(104)	n.m.
Gross Margin	n.a.	n.a.	n.m.	3.7%	n.a.	n.m.
(+) Capitalized Interest	6	12	49%	31	29	-7%
Adjusted Profit	1	(42)	n.m.	40	(75)	n.m.
Adjusted Gross Margin	3.9%	n.a.	n.m.	16.9%	n.a.	n.m.

Backlog Result (REF)

- By the end of the quarter, the backlog margin was 18.0%, a 0.5 p.p decrease when compared to the 2Q19.
- The schedule for the appropriation of gross income REF in the Company's result is 58.0% in 2020 and 42.0% in 2021.

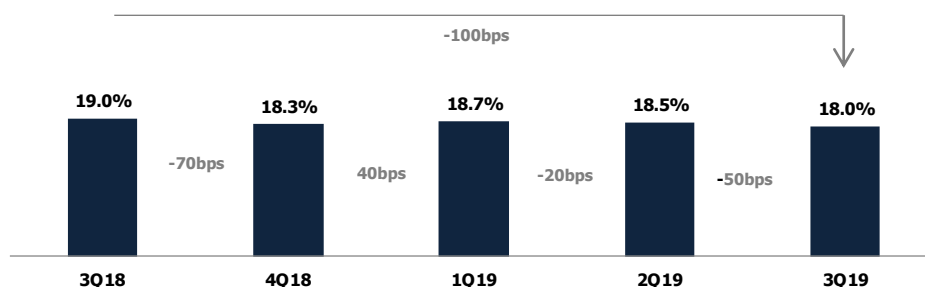
R\$ million in IFRS

BACKLOG RESULTS (REF)	3Q19	2Q19
Gross Revenues	508	502
(-) Taxes *	(9)	(9)
Net Revenues - REF	499	493
(-) COGS	(409)	(402)
Gross Profit - REF	90	91
Gross Backlog Margin	18.0%	18.5%
Capitalized Interest	10	10
Adjusted Gross margin **	16.0%	16.4%

* PIS and Cofins Estimate

BACKLOG RESULT RECOGNITION SCHEDULE	2020	2021
	58.0%	42.0%

Backlog Margin Trends (REF)



Selling, General and Administrative Expenses (SG&A)

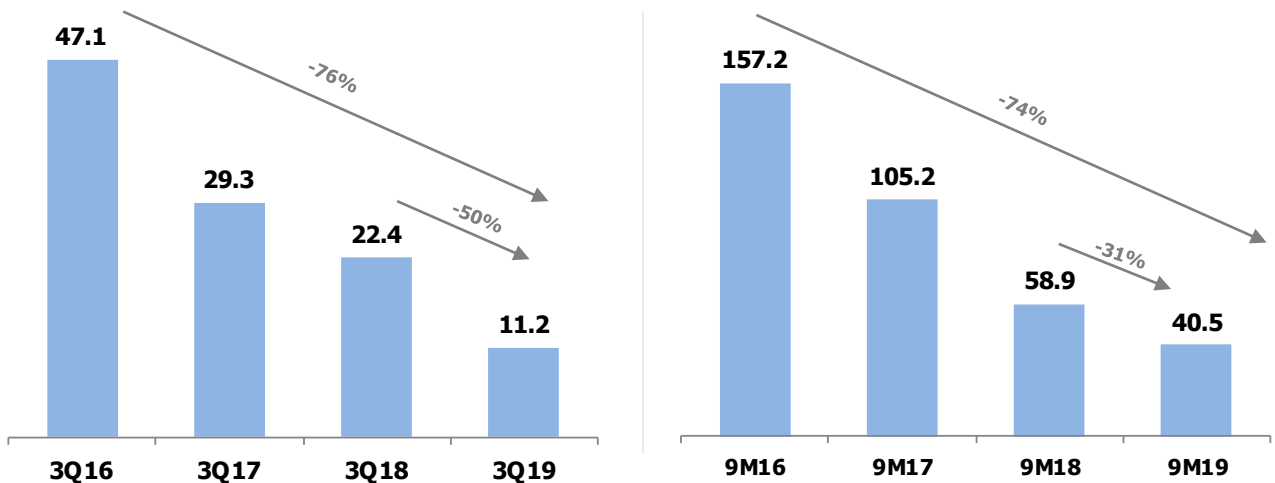
- ❖ In 3Q19, G&A expenses decreased by 50% compared to 3Q18 and 31% when comparing 9M18 to 9M19.
- ❖ Commercial expenses were reduced by 28% QoQ. In the 9M19, commercial expenses increased by 6% mainly due to expenditure with inventory units (e.g. property taxes and condominium), in addition to the increase in advertising expenses in electronic media.
- ❖ In this way, the general and administrative expenses added to commercial expenses (SG&A) recorded 42% QoQ, and a 19% drop YoY.
- ❖ The Company will remain focusing on the continuous reduction of costs seeking constantly to increase the efficiency of its operation.

R\$ milhões em IFRS

COMMERCIAL, GENERAL AND ADMINISTRATIVE EXPENSES	QUARTER			YTD		
	3Q19	3Q18	(%) Var.	9M19	9M18	(%) Var.
Total Commercial Expenses	10.0	13.9	-28%	28.0	26.5	6%
Salaries and Benefits	10.0	13.3	-25%	28.9	34.8	-17%
Third Party Services	0.4	6.8	-94%	8.2	18.1	-55%
Other Admin. Expenses	0.8	2.3	-65%	3.4	6.0	-43%
Total G&A	11.2	22.4	-50%	40.5	58.9	-31%
Total SG&A	21.2	36.3	-42%	68.5	85.4	-20%

Evolution of General and Administrative Expenses

- ❖ Between 3Q18 and 3Q19 G&A was reduced by 50%. General and Administrative Expenses should continue to be reduced, following the trend of recent quarters.



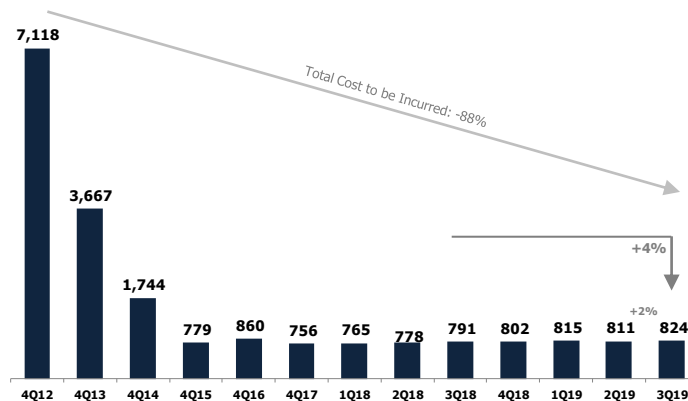
On and Off Balance Sheet Receivables and Cost to be Incurred

- ❖ We ended 3Q19 with total net receivables of R\$722 million, 1% lower than the previous quarter. This decrease is mainly due to the negative net sales recorded during 3Q19.
- ❖ The cost to be incurred increased by R\$13 million (+2%) on 3Q19 over 2Q19. Since late 2012, the total cost to be incurred, which was R\$7.1 billion, an 88% drop.

Accounts Receivable

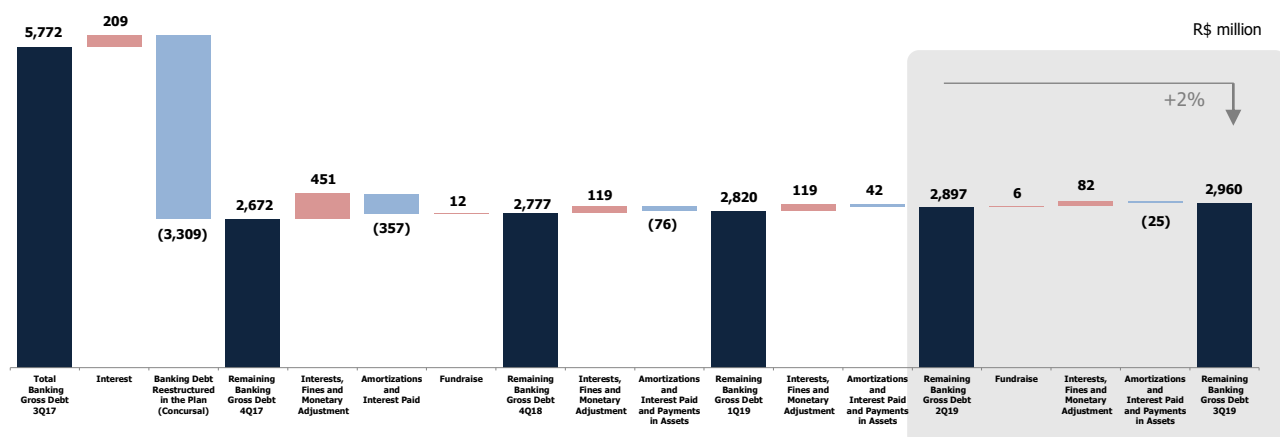
	R\$ million in IFRS		
ON AND OFF BALANCE RECEIVABLES (R\$ mn)	3Q19	2Q19	(%) Var.
Receivables (<i>on balance</i>)	389	399	-3%
Gross Backlog Revenues - REF	508	502	1%
Advances from Clients - sales installments	(60)	(59)	2%
Advances from Clients - physical barter from launches	(115)	(114)	1%
Total Receivables (a)	722	728	-1%
Cost to be Incurred - Sold Units	(405)	(398)	2%
Cost to be Incurred - Inventory Units	(419)	(413)	1%
Total Costs to be Incurred (b)	(824)	(811)	2%
Total Net Receivables (a+b)	(102)	(83)	23%
Short Term	291	291	0%
Long Term	98	108	-9%
Total Receivables (<i>on balance</i>)	389	399	-3%

Costs to be Incurred – R\$ million



Indebtedness (Extraconcursal)

- ❖ The Company's gross debt increased by R\$63 million (2%) from 2Q19 to 3Q19, due to R\$82 million of interests incurred in the period and R\$6 million raised to finish the 'Palm Beach' project, deducted from the R\$25 million in amortizations and payments in assets.
- ❖ During 9M19 amortizations and interest payments of debt totaled R\$ 143 million.



Indebtedness (Extraconcursal)

- ❖ Considering the R\$7 million decrease in Cash and Cash Equivalents, net debt increased by R\$70 million (3%) between 2Q19 and 3Q19.

R\$ million in IFRS			
INDEBTEDNESS	3Q19	2Q19	(%) Var.
Cash and Cash Equivalents	132	139	-5%
SFH	774	786	-2%
Debentures	158	148	7%
CCB/CRI	204	193	6%
Construction Financing	1,136	1,127	1%
Working Capital, SFI and Promissory Notes	349	348	0%
Finep/Finame	7	7	0%
Debentures	388	371	5%
CCB/CRI	1,079	1,043	3%
Obligation for the issuance of CCB and CCI	1	1	0%
Corporate Debt	1,824	1,770	3%
Gross Debt	2,960	2,897	2%
Net Debt	2,828	2,758	3%
Net Debt (ex. Construction Financing)	1,692	1,631	4%
Shareholders Equity (1)	(4,622)	(4,503)	3%
Net Debt (ex. SFH)/ Equity	n.a.	n.a.	n.m.

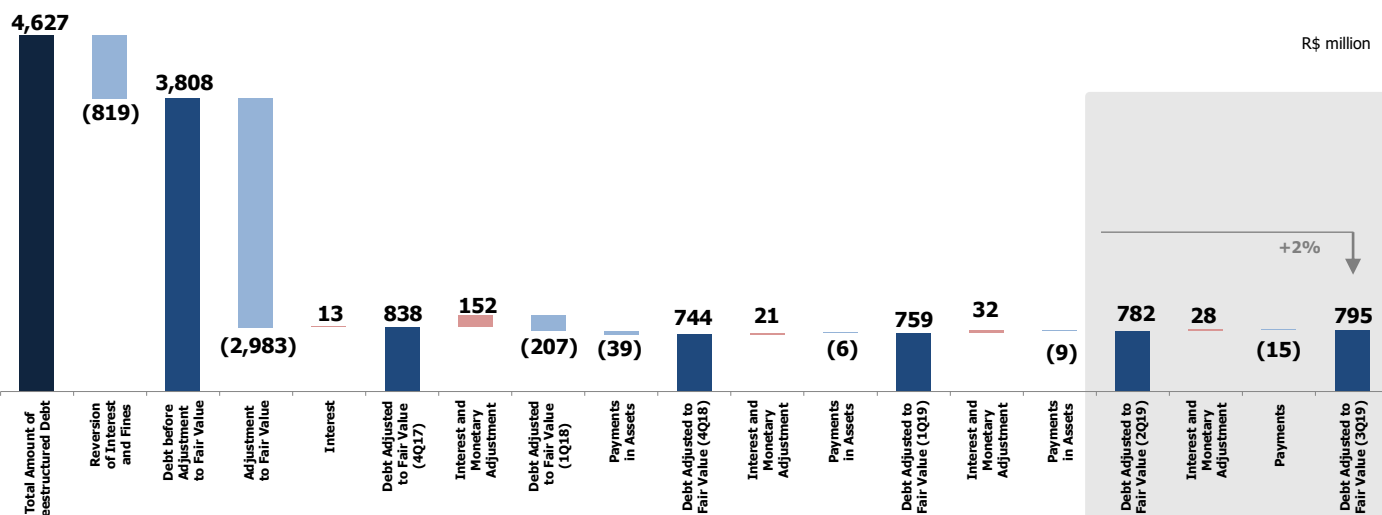
(1) Includes non-controlling equity

Net Debt Variation

R\$ million in IFRS										
NET DEBT VARIATION (R\$ mm)	2013	2014	2015	2016	2017	2018	1Q19	2Q19	3Q19	9M19
Cash and Cash Equivalents	1,353	1,092	604	201	213	138	138	139	132	132
Cash Variation	(468)	(261)	(488)	(403)	12	(75)	-	1	(7)	(6)
Gross Debt	8,367	7,869	6,155	5,319	2,672	2,777	2,820	2,897	2,960	2,960
Construction Financing	5,215	4,517	2,719	1,643	1,050	1,086	1,092	1,127	1,136	1,136
Corporate Debt	3,152	3,352	3,436	3,676	1,622	1,691	1,728	1,770	1,824	1,824
Gross Debt Variation	602	(498)	(1,714)	(836)	(2,647)	105	43	77	63	183
Net Debt Variation	(1,070)	237	1,226	433	2,659	(180)	(43)	(76)	(70)	(189)
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)	(70)	(189)

Debt Subjected to the Recovery Plan (Concural)

- ❖ Debts subjected to the Recovery Plan increased by R\$13 million (2%) mainly due to interest accrued and monetary correction.
- ❖ During 9M19 were amortized R\$30 million in debts subjected to the Recovery Plan.
- ❖ Payments in assets will continue to occur throughout the fourth quarter aiming to keep amortizing the debts subjected to the Recovery Plan.
- ❖ 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\$280 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 33% QoQ and 9% YoY. This increase was due to the reduction in financial income, mainly in the 'Interest and fines' line, which was affected by the lower volume of Accounts Receivable and the lower variation of sector's inflation in this period.

FINANCIAL RESULTS (R\$ mn)	R\$ million in IFRS					
	QUARTER			YTD		
	3Q19	3Q18	(%) Var.	9M19	9M18	(%) Var.
Investment Income	1.0	2.5	-60%	3.0	6.7	-55%
Interest and fines	(3.5)	46.9	n.m.	17.4	105.6	-84%
Other financial revenue	0.7	(4.9)	n.m.	17.3	(42.3)	n.m.
Total financial revenues	(1.8)	44.5	n.m.	37.7	70.0	-46%
Interest	(110.7)	(128.9)	-14%	(376.6)	(333.7)	13%
Bank Expenses	(0.2)	(0.2)	0%	(0.6)	(0.5)	20%
Other	(1.3)	(7.0)	-81%	(23.6)	(59.5)	-60%
Gross Financial Expenses	(112.2)	(136.1)	-18%	(400.8)	(393.7)	2%
Capitalized Interest on Inventory	7.1	11.2	-37%	23.7	12.6	88%
Total Financial Expenses	(105.1)	(124.9)	-16%	(377.1)	(381.1)	-1%
Total Financial Result	(106.9)	(80.4)	33%	(339.4)	(311.1)	9%

Quarters and Nine Months ended on September 30th, 2019 and 2018

INCOME STATEMENTS (R\$ '000) - IFRS	QUARTER			YTD		
	3Q19	3Q18	(%) Var.	9M19	9M18	(%) Var.
Operating Gross Revenue						
Real Estate Sales	25,533	99,314	-74%	223,367	334,232	-33%
Other Operating Revenues	18,999	2,613	n.m.	40,860	11,802	n.m.
(-) Revenues Deduction	(8,726)	(16,414)	-47%	(28,220)	(25,136)	12%
Operating Net Revenue	35,806	85,513	-58%	236,007	320,898	-26%
Cost of Sold Units	(34,408)	(127,004)	-73%	(196,177)	(395,951)	-50%
Interest Expenses	(6,311)	(12,397)	-49%	(31,172)	(29,079)	7%
Cost of sold properties	(40,719)	(139,401)	-71%	(227,349)	(425,030)	-47%
Gross Income (loss)	(4,913)	(53,888)	-91%	8,658	(104,132)	n.m.
Gross margin	<i>n.a.</i>	<i>n.a.</i>	n.m.	3.7%	<i>n.a.</i>	n.m.
Adjusted gross margin ⁽¹⁾	3.9%	<i>n.a.</i>	n.m.	16.9%	<i>n.a.</i>	n.m.
Operating Revenues (expenses):						
Equity Income	(399)	2,602	n.m.	1,312	(1,314)	n.m.
General and Administrative	(11,130)	(22,385)	-50%	(40,529)	(58,849)	-31%
Commercial	(9,974)	(13,886)	-28%	(28,015)	(26,453)	6%
Taxes	(706)	(2,587)	-73%	(5,226)	(3,995)	31%
Depreciation & Amortization	(884)	(397)	n.m.	(2,892)	(57,142)	-95%
Other	18,001	50,010	-64%	(192,195)	(177,158)	8%
Financial Result	(106,940)	(80,466)	33%	(339,441)	(311,116)	9%
Total operating revenues (expenses)	(112,032)	(67,109)	67%	(606,986)	(636,027)	-5%
Income before taxes	(116,945)	(120,997)	-3%	(598,328)	(740,159)	-19%
Income Taxes and Social Contribution	(7,341)	5,682	n.m.	(19,444)	15,770	n.m.
Income before minority stake	(124,286)	(115,315)	8%	(617,772)	(724,389)	-15%
Minority interest	909	6,446	-86%	5,163	15,404	-66%
Net Income (loss)	(123,377)	(108,869)	13%	(612,609)	(708,985)	-14%
Net margin	<i>n.a.</i>	<i>n.a.</i>	n.m.	<i>n.a.</i>	<i>n.a.</i>	n.m.

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

EBITDA	QUARTER			YTD		
	3Q19	3Q18	(%) Var.	9M19	9M18	(%) Var.
Income (loss) before taxes	(116,945)	(120,997)	-3%	(598,328)	(740,159)	-19%
(-/+) Financial Result	106,940	80,466	33%	339,441	311,116	9%
(+) Depreciation and Amortization	884	397	n.m.	2,892	57,142	-95%
(+) Stock Option Plan	-	-	n.m.	-	-	n.m.
(+) Interest Expenses - Cost of Sold Units	6,311	12,397	-49%	31,172	29,079	7%
(-/+) Equity Income result	399	(2,602)	n.m.	(1,312)	1,314	n.m.
EBITDA	(2,411)	(30,339)	-92%	(226,135)	(341,508)	-34%
EBITDA Margin	<i>n.a.</i>	<i>n.a.</i>	n.m.	<i>n.a.</i>	<i>n.a.</i>	n.m.

Consolidated Balance Sheet - ASSETS



On September 30th, 2019 and June 30th, 2019

ASSET (R\$ '000)	3Q19	2Q19	(%) Var.
Current Assets			
Cash, cash equivalents and short-term investments	132,045	139,072	-5%
Accounts receivable	291,323	290,704	0%
Properties held for sale	1,219,710	1,253,056	-3%
Accounts with related parties	7,533	7,110	6%
Taxes to recover	12,387	12,998	-5%
Total Current Assets	1,662,998	1,702,940	n.m.
Noncurrent Assets			
Long-Term			
Accounts receivable	97,724	108,489	n.m.
Properties held for sale	205,343	206,430	-10%
Deferred Taxes	17,876	18,734	-1%
Accounts with related parties	35,741	39,050	-5%
Other Credits	58,219	65,588	-8%
Total Long-Term Assets	414,903	438,291	-11%
Permanent Assets			
Investments	53,012	53,148	n.m.
Property and Equipment	1,357	1,519	0%
Intangible	2,941	3,667	-11%
Total Permanent Assets	57,310	58,334	-20%
Total Noncurrent Assets	472,213	496,625	n.m.
Total Assets	2,135,211	2,199,565	n.m.

Consolidated Balance Sheet - LIABILITIES

On September 30th, 2019 and June 30th, 2019

LIABILITIES AND SHAREHOLDERS' EQUITY (R\$ '000)			
	3Q19	2Q19	(%) Var.
Current			
Loans and financings	1,129,949	1,140,441	-1%
Debentures	545,678	519,441	5%
Obligation for the issuance of CCB & CCI	1,283,449	1,236,238	4%
Co-obligation for the issuance of CRI	1,304	1,304	0%
Suppliers	109,885	128,448	-14%
Payable obligations subject to the Reorganization Plan	23,032	23,581	-2%
Property acquisition obligations	12,136	11,923	2%
Advances from clients	307,473	313,270	-2%
Taxes and contributions payable	32,850	34,507	-5%
Deferred taxes	10,342	10,087	3%
Income and social contribution taxes	18,119	13,671	33%
Accounts with related parties	7,906	7,802	1%
Other Provisions	175,484	162,226	8%
Other Obligations	84,461	86,302	-2%
Total Current	3,742,068	3,689,241	1%
Long-Term			
Payable obligations subject to the Reorganization Plan	772,439	758,764	2%
Property acquisition obligations	9,909	9,726	2%
Advances from clients	31,330	30,873	1%
Taxes and contributions payable	8,161	9,668	-16%
Current accounts with partners	63,329	67,133	-6%
Deferred taxes	1,014,804	1,014,474	0%
Other Provision	801,600	768,725	4%
Other	313,963	353,996	-11%
Total Long-Term	3,015,535	3,013,359	0%
Shareholders' equity			
Subscribed capital	4,992,033	4,992,033	0%
Capital reserve	1,236,743	1,236,743	0%
Accumulated losses	(10,804,783)	(10,681,670)	1%
Minority interest	(46,140)	(50,141)	-8%
Total Shareholders' equity	(4,622,147)	(4,503,035)	3%
Total liabilities and shareholders' equity	2,135,456	2,199,565	-3%