

**São Paulo, November 11, 2022:** PDG Realty S.A. (B3: PDGR3) – announces **today** its results for the third quarter of 2022.

Founded in 2003, PDG Group develops projects for different segments and publics, operating in the development, construction and sale of residential and commercial units, as well as land plots.

## 3Q22 and 9M22 Highlights

- ❖ **Launching of ix. Tatuapé residential development.** (page 7)
- ❖ **Net profit of R\$279.9 million year-to-date**, compared to a net loss of R\$475.8 million in 9M21. (page 22)
- ❖ **Reduction of R\$547.7 million (81%) in Other Obligations and of R\$343.2 million (5%)** in total liabilities over the 9M22. (page 24)
- ❖ **Positive financial results of R\$106.4 million in the 9M22.** (page 20)
- ❖ **G&A was reduced by 40% year-over-year.** (page 17)
- ❖ **Selling expenses were reduced by 21% year-over-year.** (page 17)
- ❖ **Since the beginning of the Company's Reorganization Plan, debts amortization totaled R\$709 million.** (page 20)

## Subsequent Events

- ❖ Conclusion of the **capital increase** through the conversion of debts into equity, amounting to **of R\$409.7 million.**

### Conference Call

**Wednesday, November 16<sup>th</sup>, 2022**

#### ➤ Portuguese

11:00 a.m. (Brasília)

09:00 a.m. (NY)

**WEBCAST**

#### ➤ English

simultaneous translation

09:00 a.m. (NY)

11:00 a.m. (Brasília)

**WEBCAST**

Replay: The recording will be available on the Investor Relations website after the end of the conference.

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**PDGR**  
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**IGC B3**

**IGC-NMB3**

**ITAG B3**

❖	Message from Management .....	3	..
❖	Launch .....	7	.
❖	Operating and Financial Indicators .....	8	..
❖	Operating Performance – Sales .....	9	.
❖	Operating Performance – Cancellations and Resale .....	10	.
❖	Operating Performance – Sales over Supply (SoS) .....	11	..
❖	Operating Performance – Inventory.....	12	..
❖	Operating Performance – Landbank .....	14	.
❖	Operating Performance – Historical Data .....	14	.
❖	Operating Performance – Mortgage Transfers .....	15	.
❖	Financial Performance .....	16	..
❖	Income Statement and Balance Sheet .....	22	.

### Initial Message

The third quarter of this year was more challenging than the previous ones, mainly concerning the national economy, reflecting the doubts generated by the pre-election period and the consequences of the actions taken to control inflation. We observed a higher insecurity of customers in their decision to purchase, resulting in a reduced pace in sales and a consequent need to adjust commercial strategies.

However, we remain focused on the execution of our strategic planning, whose effects can already be seen in several lines of the Company's results. In addition, we keep focusing on our Digital Journey and Customer Experience projects, with the purpose of transforming the entire journey of our customers into an experience that surprises them since their first contact with the Company, and we will soon bring the first tangible results of this project.

In our Condominium Intelligence segment, Vernyy has already a very strong and functional system and its first contracts signed. In the engineering and solutions area, Vernyy has already been working on several remodeling and retrofit projects. To know more about Vernyy, visit our site at [www.vernyy.com.br](http://www.vernyy.com.br), where it is possible to obtain all the information on the wide range of products and services offered.

Related to our ESG Agenda, we are currently directing special attention to the diversity of our team, as we believe this is essential to achieve the Company's long-term goals.

The other important project that is in progress, as we have mentioned before, is the Customer Experience one. Throughout 3Q22 we concluded the first journey based on customer centric and we are in proceeding with the conclusion of the second journey. We are confident that the results generated by this project will be excellent and reflect our goal: building better experiences for our customers.

### Return on Launches - ix. Tatuapé

The third quarter brought one of the most expected moments for the Company since 2015, the return of the launches with the product ix. Tatuapé.

During 3Q22 we were working on preparing the sales site considering the best customer experience, from the setting to the use of more technological and functional resources. We dedicated special training to the sales team and to advertising our launch, so that it already reflects our main goal: to build better experiences. We started selling the ix. Tatuapé units in October.



In the eastern zone of São Paulo, the ix. Tatuapé is in a traditional neighborhood of the city and brings high technology, security, leisure and innovation. It is a single-tower residential project with 147 units, focused on middle income, with a PSV of R\$60 million.

We continue with our goal to launch two more projects in 2023, both in the São Paulo metropolitan region, in line with our performance strategy.

Also, to continue our launching plan, in addition to the land plots we currently have in our portfolio, we keep prospecting and analyzing the purchase of new ones that fit the Company's strategy.

### Highlights of Operating Results

Year-to-date gross sales amounted to R\$81 million, a reduction of 49% over 9M21. This result, despite the reduction, is in line with the target established for the year. The focus on the sale of units that generates free cash inflow remains unchanged.

Cancellations totaled R\$79 million in 9M22, a decrease of 12% over 9M21. The cancellations are an important way to increase the volume of units available for sale.

Due to the retraction in gross sales, net sales totaled R\$2 million in 9M22, 97% less than in 9M21. As we have been emphasizing over time, the main sales driver for the Company is gross sales, considering part of the material for sale, in addition to the inventory, comes from the cancellations that do not impact the cash flow.

Over the 9M22, 388 units (R\$5 million) were transferred, a 14% reduction in the PSV transferred in comparison with the 9M21. The transfer volume was impacted by the reduction in sales, but recorded a result higher than initially expected, mainly due to a greater efficiency in our operational process, with a reduction in the terms of the processes with banks and notary offices. We continue to make the transfer through a quick process rigorously aligned with our commercial strategy, focused on generating free cash flow.

The general, administrative and commercial expenses had an important reduction of 32% year-over-year, mainly due to the lower volume of expenses with legal and financial consultancy.

The concursal debt totaled R\$1.3 billion at the closing of 3Q22, recording a year-to-date increase of 19%. This increase was mainly due to the registration of credits in the judicial reorganization process.

The gross debt totaled R\$2.5 billion at the end of 3Q22, with a year-to-date increase of 14%. The increase was mainly due to the interest accrued in the period.

The effects of the Company's continuous efforts to deleverage and equalize its liabilities can be seen in the reduction of R\$547.7 million (81%) in other liabilities and of R\$343.2 million (5%) in total liabilities year-to-date.

In addition, the positive financial result of R\$106.4 million in 9M22, contributed to record a net profit of R\$279.8 million, compared to a net loss of R\$475.9 million in 9M21.

### **Final Message**

In line with the Company's deleveraging and recovery process, the Capital Increase for conversion of debts into equity was concluded on November 1<sup>st</sup>, totaling R\$409.7 million and representing another essential step to accelerate the reduction of the Company's liabilities and, consequently, an important reduction of its risks.

We are living one of the most significant moments in the Company's history, after 7 years, facing countless adversities, including Judicial Recovery, we were able to launch again, returning to the operational stage. A launch occurred right after the Company's repositioning and launching of the new brand, ix. Incorporadora.

We keep working increasingly in condominium intelligence and real estate services with Vernyy, designing and strengthening our ESG program, with a strong focus on the theme of diversity, and resignifying the relationships with our customers, by developing a new digital buying journey, seeking to create a new experience.

**Management**

# LAUNCH

**ix.** TATUAPÉ

+ SEGURANÇA + TECNOLOGIA  
+ DIVERSÃO PARA SUA VIDA.

**2 E 3 DORMS COM SUÍTE**

Rua Adelino de Almeida Castilho, 214

Varanda

+  
Garagem

[ixincorporadora.com.br](http://ixincorporadora.com.br)

INTERMEDIÇÃO  
**VERNY**  
GESTÃO IMOBILIÁRIA

INCORPORAÇÃO  
**ix.**  
CONSTRUTORA DE JARDIM  
VIA VERDE

## Information

Residential - Middle Income

Single Tower

PSV: R\$60mm

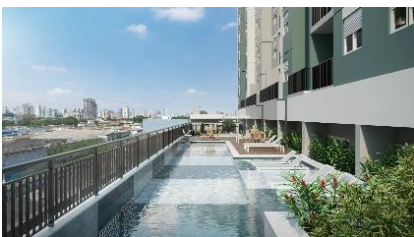
147 units with parking space

2 or 3 bedrooms - suite

46 and 57m<sup>2</sup>

Full Leisure

São Paulo / SP (Tatuapé)



<https://www.ixincorporadora.com.br/imovel/ix-tatuape>



❖ The Company's main indicators regarding to the 3Q22 and 9M22 are the following:

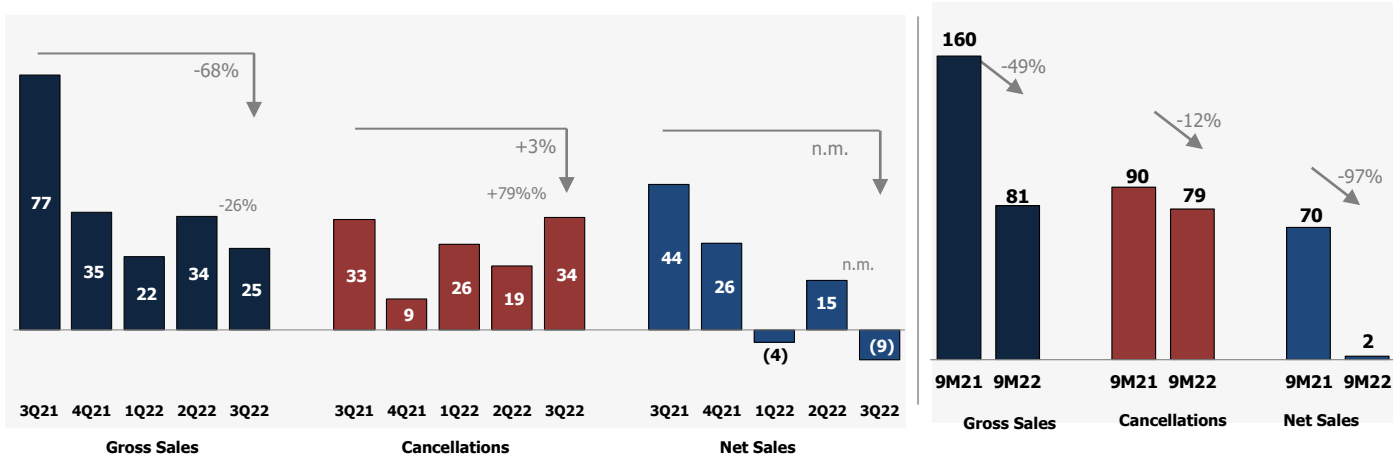
	3Q22	3Q21	3Q22 vs. 3Q21	2Q22	3Q22 vs. 2Q22	9M22	9M21	9M22 vs. 9M21
<b>Sales and Inventory</b>								
Gross Sales %PDG - R\$ million	25	77	-68%	34	-27%	81	160	-49%
Net Sales %PDG - R\$ million	(9)	44	n.m.	15	n.m.	2	70	-97%
Inventory at Market Value %PDG - R\$ million	1,274	1,280	0%	1,319	-3%			
<b>Operational Result <sup>(1)</sup></b>								
Net Operational Revenues - R\$ million	24	140	-83%	43	-45%	74	336	-77.9%
Gross Profits (Losses) - R\$ million	2	44	-96%	-	n.m.	2	58	-96.6%
Gross Margin - %	7.5	31.9	-24,4 p.p	0.4	7,1 p.p	2.6	17.2	-14,6 p.p
Adjusted Gross Margin - %	10.9	33.8	-22,9 p.p	5.0	5,9 p.p	6.1	22.4	-16,3 p.p
SG&A Expenses	(25)	(30)	-17%	(30)	-17%	(83)	(123)	-32.2%
Net Earnings (Losses) - R\$ million	(117)	29	n.m.	352	n.m.	280	(476)	n.m.
Net Margin - %	(493.1)	20.8	-513,9 p.p	825.5	-1318,6 p.p	377.2	(141.7)	518,9 p.p
<b>Backlog Results (REF) <sup>(1)</sup></b>								
Gross Revenues (REF) - R\$ million	422	394	7%	419	1%			
COGS - R\$ million	(374)	(345)	8%	(368)	2%			
Gross Profit - R\$ million	48	49	-2%	51	-6%			
Gross Backlog Margin - %	11.4	12.4	-1 p.p	12.2	-0,8 p.p			
<b>Balance Sheet <sup>(1)</sup></b>								
Cash and Cash Equivalents - R\$ million	94	132	-29%	90	4%			
Net Debt - R\$ million	2,394	2,763	-13%	2,274	5%			
Shareholders Equity - R\$ million	(4,932)	(5,558)	-11%	(4,816)	2%			
Total Assets - R\$ million	1,211	1,403	-14%	1,223	-1%			



## Operating Performance – Sales

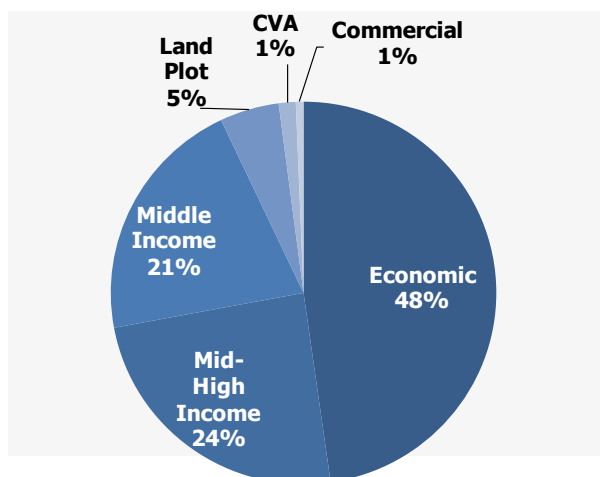
- ❖ In 3Q22 gross sales totaled R\$25 million, a 68% decrease over 3Q21. Year-to-date gross sales totaled R\$81 million, a 49% decrease over 9M21. This result, despite the reduction, is in line with the target established for the year. The focus on the sale of units that generates free cash inflow remains unchanged.
- ❖ Cash sales amounted to R\$3.4 million in 3Q22, representing 14% of the period's gross sales. Year-to-date, cash sales represented 15% of total sales.
- ❖ During 3Q22 cancellations amounted to R\$34 million, 3% higher than in 3Q21. It totaled R\$79 million in 9M22, 12% lower than 9M21. The cancellations are an important way to increase units available for sale.
- ❖ Net sales were negative in 3Q22 and totaled R\$11 million year-to-date. The main sales driver for the Company is gross sales, considering that part of the material for sale, in addition to inventory, comes from the cancellations that do not impact cash flow.

### Sales Performance – PSV %PDG in R\$ million

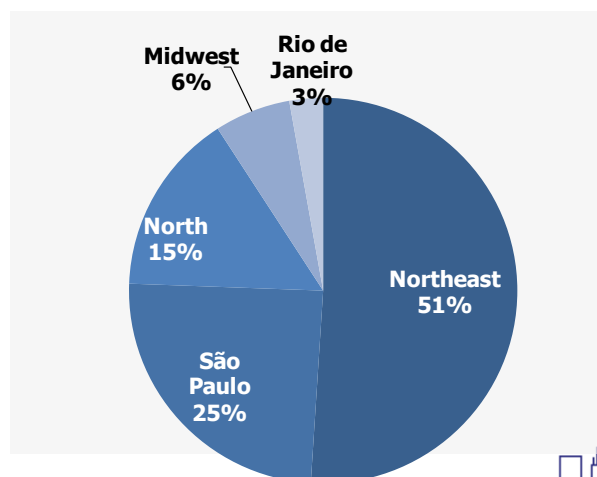


Including payment in assets.

### Gross Sales by Product – %PSV – YTD



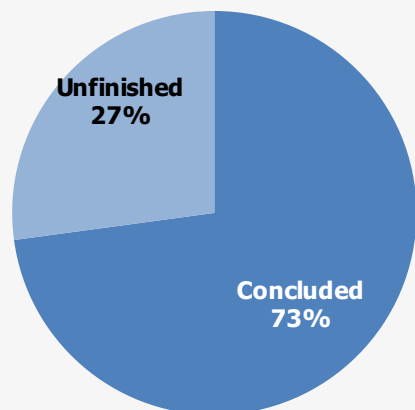
### Gross Sales by Location – %PSV – YTD



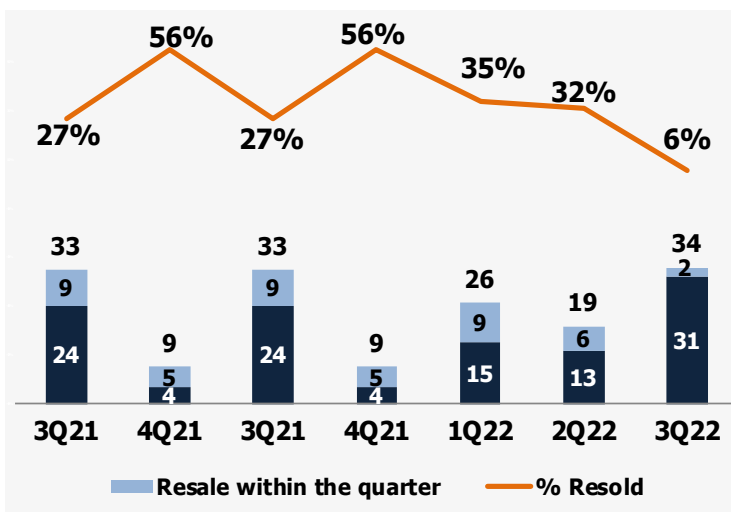
## Operating Performance – Cancellations and Resale

- ❖ Year-to-date 73% of the cancellation corresponded to units of projects that are already concluded; therefore, these units are ready for resale and immediate cash generation.
- ❖ Of the R\$34 million canceled in the 3Q22, R\$2 million (6%) were resold within the same quarter. In this third quarter, we recorded a reduced volume of resales, due to most of the cancellations happening at the end of the period.

### Cancellations by Status – %PSV – YTD

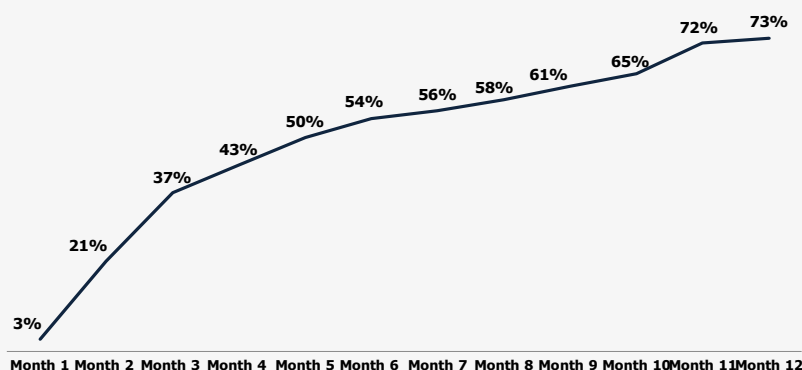


### Cancellations and Resale Evolution – R\$ million



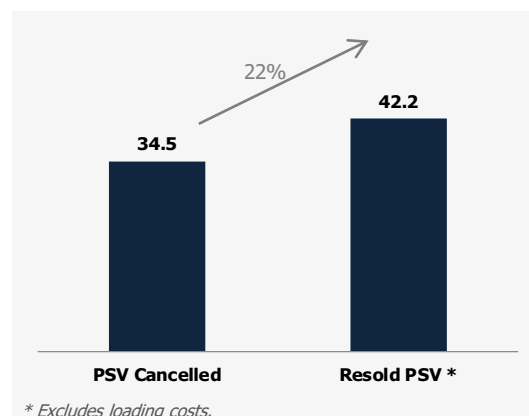
- ❖ On average 73% of canceled units are resold in up to 12 months.
- ❖ In the last 12 months, the resale price was 22% higher than the original sale price, showing a recomposition in the sales price.

### Average Resale Curve – units



### Resale Price

Accrued in the last 12 months – R\$ million



## Operating Performance – Sales over Supply (SoS)

- Considering sales over supply (SoS) on the concept of inventory available (SoS of gross sales), the index totaled 1.9% in 3Q22, a reduction of 260p.p. over 3Q21.

### Sales Speed (SoS) – R\$ million

	3Q21	4Q21	1Q22	2Q22	3Q22
<b>Initial Inventory</b>	<b>1,697</b>	<b>1,280</b>	<b>1,273</b>	<b>1,295</b>	<b>1,319</b>
<b>(-) Net Sales</b>	<b>44</b>	<b>26</b>	<b>-4</b>	<b>15</b>	<b>-9</b>
Gross Sales <sup>(1)</sup>	77	35	22	34	25
Cancellations <sup>(1)</sup>	33	9	26	19	34
<b>(+) Adjustments <sup>(2)</sup></b>	<b>-373</b>	<b>19</b>	<b>18</b>	<b>39</b>	<b>-54</b>
<b>Final Inventory</b>	<b>1,280</b>	<b>1,273</b>	<b>1,295</b>	<b>1,319</b>	<b>1,274</b>
<b>Quarterly Sales Speed (SoS) - Gross Sales</b>	<b>4.5%</b>	<b>2.8%</b>	<b>1.7%</b>	<b>2.6%</b>	<b>1.9%</b>
<b>Quarterly Sales Speed (SoS) - Net Sales</b>	<b>2.6%</b>	<b>2.0%</b>	<b>n.a.</b>	<b>1.2%</b>	<b>n.a.</b>

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

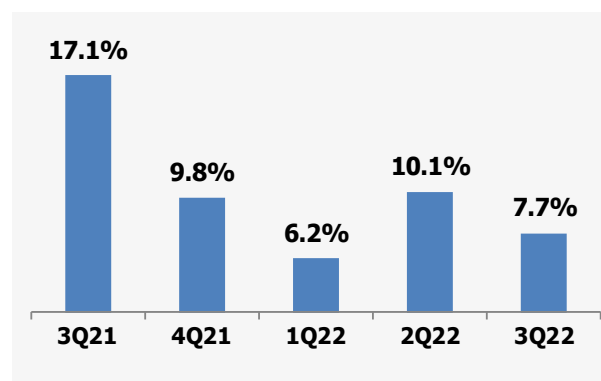
(2) The negative adjustment of R\$54 million is mainly due to monetary correction of some units in stock.

- In 3Q22 the Midwest region recorded the best sales over supply (SoS) results, amounting to 35%.
- The SoS of delivered units amounted to 7.7% in 3Q22. This result reflects the strategy of prioritizing the sales of unencumbered and ready units.

### SoS by Region

Region (ex-Commercial)	3Q21	4Q21	1Q22	2Q22	3Q22
SÃO PAULO	6%	6%	2%	4%	3%
RIO DE JANEIRO	0%	1%	0%	0%	2%
NORTH	6%	3%	3%	2%	2%
NORTHEAST	14%	8%	7%	12%	6%
SOUTH	11%	12%	0%	2%	0%
MIDWEST	2%	0%	0%	15%	35%
<b>TOTAL (EX-COMMERCIAL)</b>	<b>7%</b>	<b>5%</b>	<b>3%</b>	<b>5%</b>	<b>3%</b>
COMMERCIAL	2%	0%	0%	0%	0%
<b>TOTAL</b>	<b>4.5%</b>	<b>2.8%</b>	<b>1.7%</b>	<b>2.6%</b>	<b>1.9%</b>

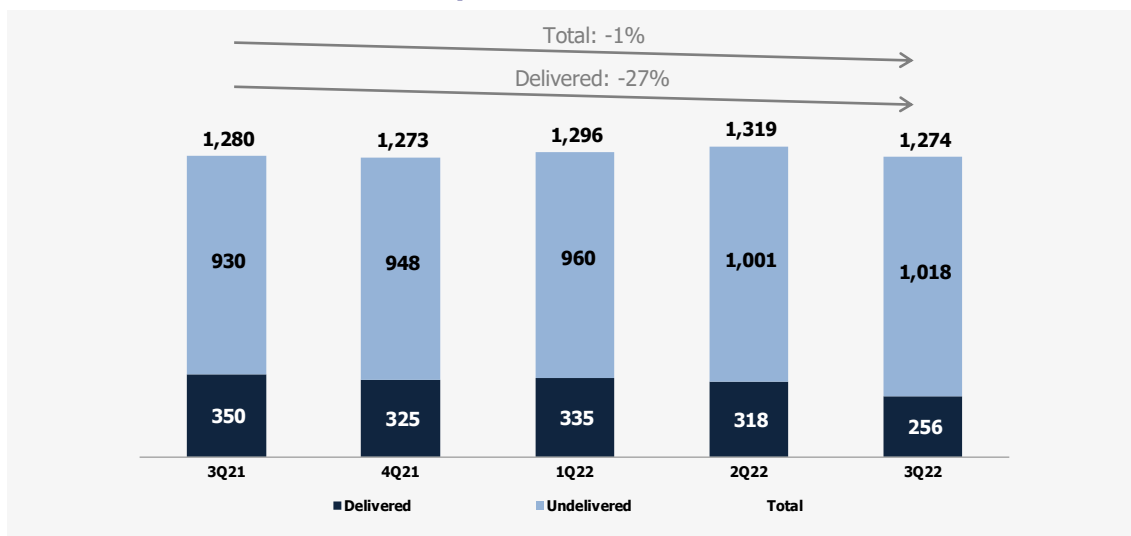
### SoS of delivered units



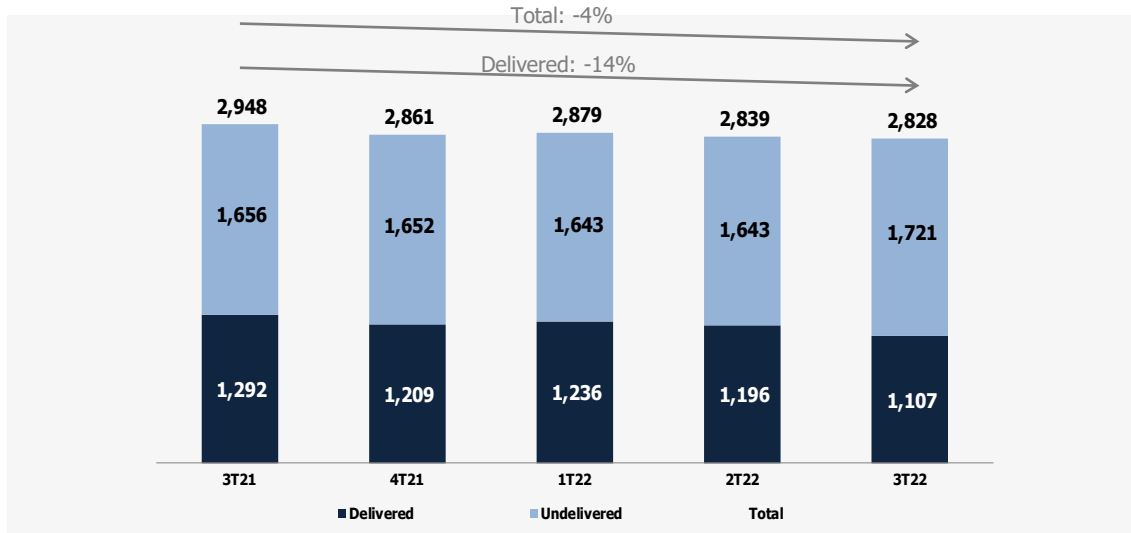
Note: considers only delivered units.

- At the end of 3Q22 inventory at market value totaled R\$1,274 million, 1% lower than 3Q21 and 3% lower than 2Q22. The number of units decreased by 4% over 3Q21 and 0.4% compared to 2Q22.

**Inventory at Market Value – R\$ million**



**Inventory Units**

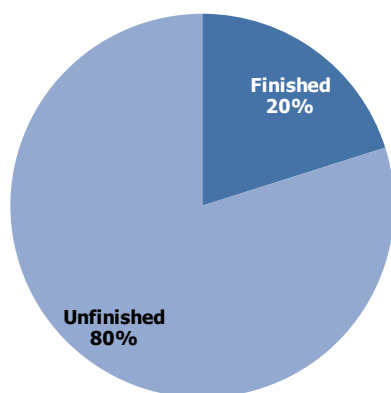


## Operating Performance – Inventory

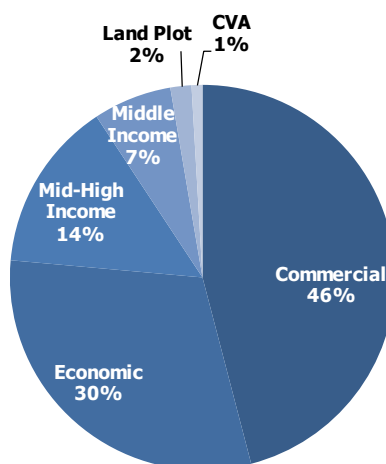
- Company's inventory presents the following characteristics: (i) 20% is delivered; (ii) 51% is concentrated in residential products (excluding Brazil's social housing program Casa Verde e Amarela (CVA), land development and commercial units) and (iii) 11% is in São Paulo.

### Total Inventory

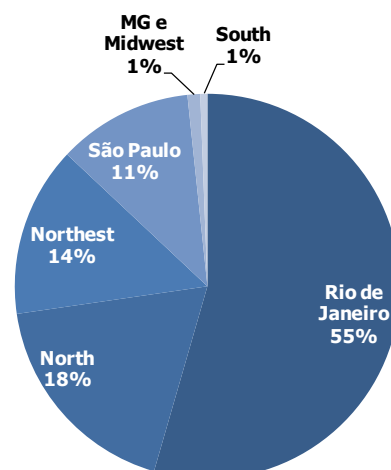
**Status – % PSV**



**Product – % PSV**



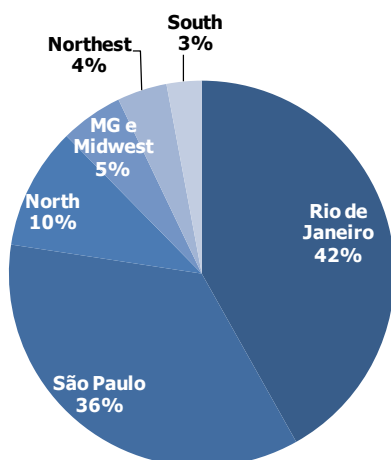
**Region – % PSV**



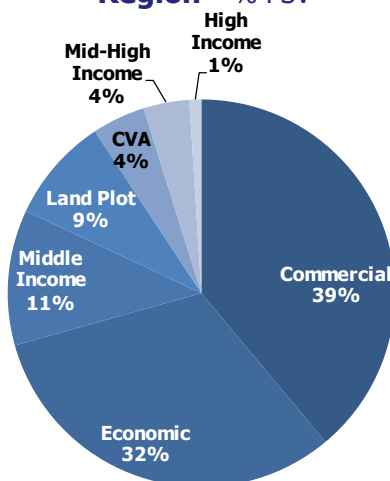
- Regarding the concluded inventory (R\$256.2 million): (i) 78% of PSV is concentrated in projects placed in São Paulo and Rio de Janeiro, (ii) 48% is concentrated in residential products and (ii) 99% is concentrated in projects between 61% and 99% sold.

### Finished Inventory

**Product – % PSV**



**Region – % PSV**



## Operating Performance – Landbank

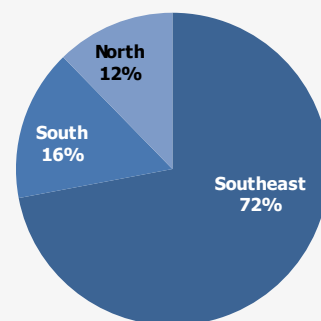
- ❖ The land bank ended 3Q22 with a potential PSV of R\$4.2 billion (%PDG), equivalent to about 9 thousand units.
- ❖ Other land plots that do not fit the Company's strategy will continue to be sold, canceled or provided in payment of debt, helping to accelerate cost reductions, monetize assets for deleveraging and reinforce cash flow.
- ❖ To continue our launching plan, in addition to the land plots we currently have in our portfolio, we keep prospecting and analyzing the purchase of new ones that fits the Company's strategy.

### Landbank – Units and PSV

Product	Units (%PDG)	%	PSV PDG (R\$ mm)	%
High Income	913	10%	476.9	11%
Mid-High Income	-	0%	-	0%
Middle Income	643	7%	255.8	6%
Economic	5,348	56%	1,874.4	44%
<b>Residential</b>	<b>6,904</b>	<b>73%</b>	<b>2,607.1</b>	<b>62%</b>
<b>Commercial</b>	<b>-</b>	<b>0%</b>	<b>-</b>	<b>0%</b>
<b>Land Plot</b>	<b>2,590</b>	<b>27%</b>	<b>1,631.6</b>	<b>38%</b>
<b>Total</b>	<b>9,494</b>		<b>4,238.7</b>	

### Landbank by Region

PSV %PDG



## Operating Performance – Historical Data

- ❖ Up to 3Q22, PDG has already concluded 701 developments, equivalent to approximately 152 thousand units.
- ❖ At the end of 3Q22, the Company had 8 unfinished projects, with a total of 3,010 units (%PDG).

	# Projects	# Total Units	# PDG Units
<b>Launches<sup>(1)</sup></b>	709	160,526	155,046
<b>Finished<sup>(2)</sup></b>	701	157,504	152,036
<b>Unfinished<sup>(3)</sup></b>	8	3,022	3,010

(1) Historical launches - net of cancellations

(2) Projects with Occupancy Permit or Sold

(3) Ongoing projects

Finished Projects	# Projects	# Total Units	# PDG Units
<b>Residential, Commercial and Land Plots (ex- CVA)</b>	430	97,818	96,423
<b>Casa Verde e Amarela</b>	271	59,686	55,613
<b>Total</b>	701	157,504	152,036

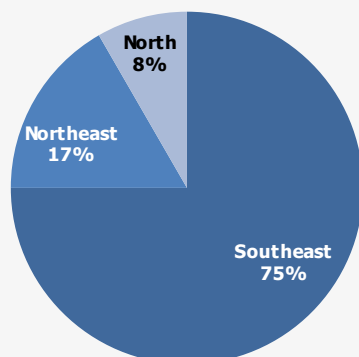
Ongoing Projects	# Projects	# Total Units	# PDG Units
<b>Residential, Commercial and Land Plots (ex- CVA)</b>	7	2,766	2,754
<b>Casa Verde e Amarela</b>	1	256	256
<b>Total</b>	8	3,022	3,010

Note: Only projects under PDG management.

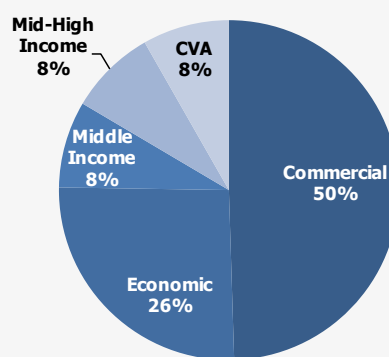
## Operating Performance – Historical Data

- Of the 8 unfinished projects, 75% are located in the Southeast region and 42% are residential (excluding CVA, land plot, and commercial units).

**Breakdown by Location – % PSV**



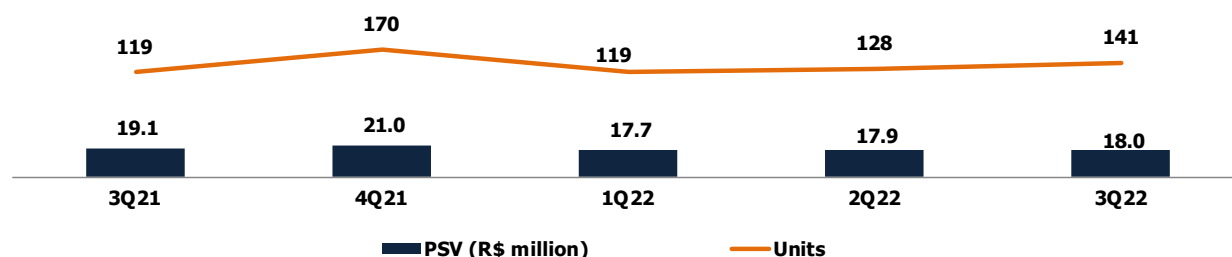
**Breakdown by Product – % PSV**



## Operating Performance – Mortgage Transfers

- During 3Q22, 141 units were transferred, equivalent to a PSV of R\$18 million. Despite the 6% reduction in the PSV, the number of units transferred increased by 19% over 3Q21.
- Year-to-date 388 units (R\$54 million) were transferred, a 14% reduction in the PSV over 9M21.
- The transfer volume was affected by the reduction in sales, but recorded a result higher than initially expected, mainly due to a greater efficiency in our operational process, with faster pace in the processes with banks and notary offices. We continue to make transfers through a quick process strictly aligned with our commercial strategy, focused on generating free cash flow.

**Mortgage Transfers by Quarter – PSV and Units**





## Gross Margin

❖ Year-to-date we recorded a gross profit of R\$1.9 million, with a margin of 2.6%.

R\$ million in IFRS

GROSS MARGIN	QUARTER			YTD		
	3Q22	3Q21	(%) Var.	9M22	9M21	(%) Var.
Net Revenues	23.7	139.5	-83%	74.2	335.8	-78%
Cost	(22.0)	(95.1)	-77%	(72.3)	(278.2)	-74%
<b>Gross Profit (Loss)</b>	<b>1.8</b>	<b>44.5</b>	<b>-96%</b>	<b>1.9</b>	<b>57.6</b>	<b>-97%</b>
<b>(+) Capitalized Interest</b>	<b>7.5%</b>	<b>31.9%</b>	<b>-24.4 pp</b>	<b>2.6%</b>	<b>17.2%</b>	<b>-14.6 pp</b>
Adjusted Profit	0.8	2.7	-71%	2.6	17.5	-85%
<b>Gross Margin</b>	<b>2.6</b>	<b>47.2</b>	<b>-95%</b>	<b>4.6</b>	<b>75.2</b>	<b>-94%</b>
<b>Adjusted Gross Margin</b>	<b>10.9%</b>	<b>33.8%</b>	<b>-22.9 pp</b>	<b>6.1%</b>	<b>22.4%</b>	<b>-16.3 pp</b>

## Backlog Result (REF)

R\$ million in IFRS

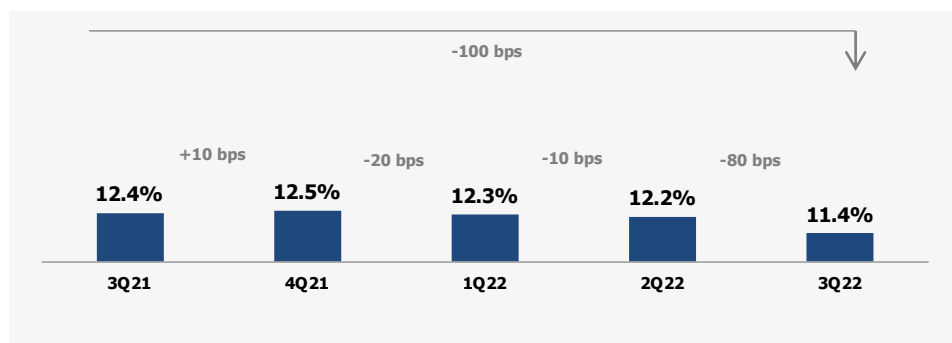
Backlog Results (REF)	3Q22	2Q22
Gross Revenues	429	426
(-) Taxes *	(7)	(7)
Net Revenues - REF	422	419
(-) COGS	(374)	(368)
<b>Gross Profit - REF</b>	<b>48</b>	<b>51</b>
<b>Gross Backlog Margin</b>	<b>11.4%</b>	<b>12.2%</b>
Capitalized Interest	10	10
<b>Adjusted Gross margin **</b>	<b>9.0%</b>	<b>9.8%</b>

\* PIS and Cofins Estimate

\*\* Backlog margin differs from reported margin in that it does not include capitalized interest effect, future guarantees and goodwill amortization.

Backlog result recognition schedule	2021	2022 on
	26.5%	73.5%

## Backlog Margin Trends (REF)



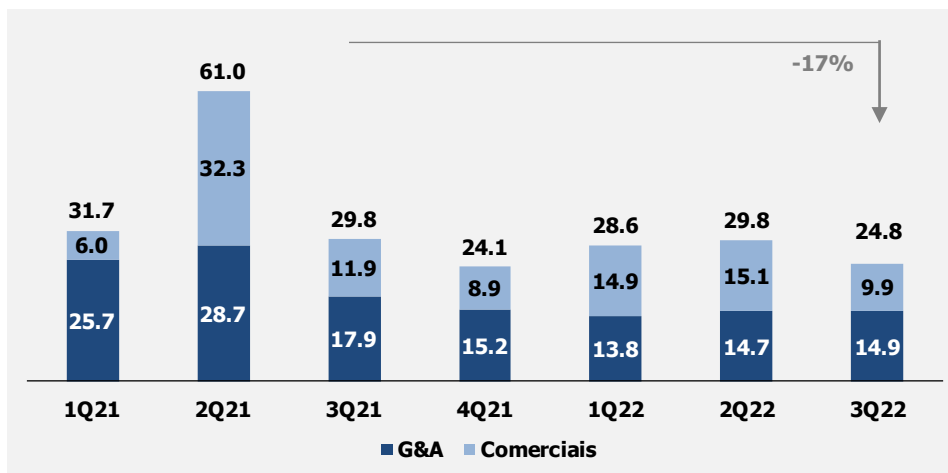
## Selling, General and Administrative Expenses (SG&A)

- ❖ G&A expenses were reduced by 17% quarter-over-quarter and 40% year-over-year. The reduction was mainly due to lower expenses with legal and financial consulting.
- ❖ Commercial expenses were reduced by 17% quarter-over-quarter and 21% year-over-year. The reduction was mainly due to lower carrying costs of the units in inventory.

R\$ million in IFRS

GENERAL, ADMINISTRATIVE E COMMERCIAL EXPENSES	QUARTER			YTD		
	3Q22	3Q21	(%) Var.	9M22	9M21	(%) Var.
<b>Total Commercial Expenses</b>	<b>9.9</b>	<b>11.9</b>	<b>-17%</b>	<b>39.9</b>	<b>50.2</b>	<b>-21%</b>
Salaries and Benefits	8.3	6.6	26%	24.8	23.3	6%
Profit sharing	0.7	-	n.m.	1.3	-	0%
Third Party Services	4.2	7.4	-43%	10.9	41.0	-73%
Other Admin. Expenses	1.8	2.1	-15%	5.7	6.2	-8%
<b>Other Admin. Expenses</b>	<b>14.9</b>	<b>18.0</b>	<b>-17%</b>	<b>43.3</b>	<b>72.4</b>	<b>-40%</b>
<b>Total G&amp;A</b>	<b>24.8</b>	<b>29.9</b>	<b>-17%</b>	<b>83.2</b>	<b>122.6</b>	<b>-32%</b>

## Evolution of SG&A Expenses - R\$ million



## On and Off Balance Sheet Receivables

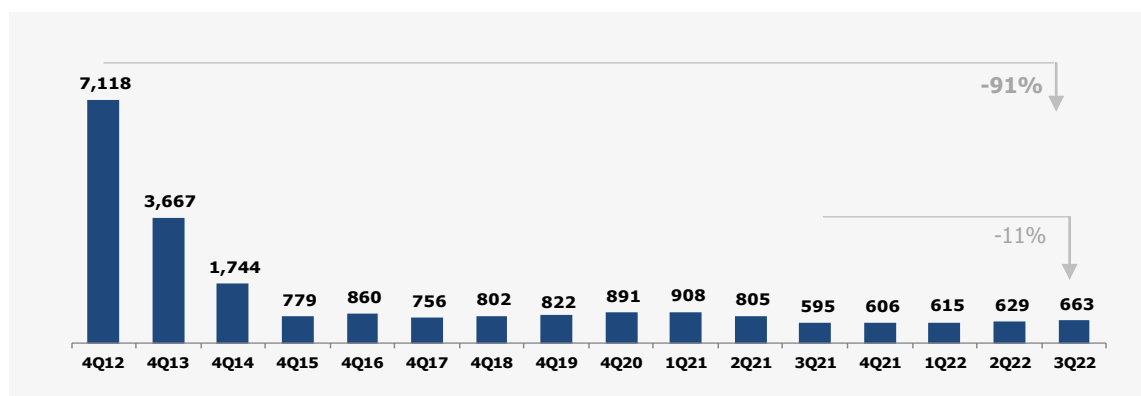
- ❖ We closed the quarter with total accounts receivable of R\$526 million, flat with 2Q22.
- ❖ Considering the 5% increase in the cost to be incurred, the total net receivables deficit increased by 33% in the quarter.

R\$ million in IFRS

ON AND OFF BALANCE RECEIVABLES (R\$ MN)	3Q22	2Q22	(%) Var.
Receivables ( <i>on balance</i> )	256	255	0%
Gross Backlog Revenues - REF	429	426	1%
Advances from Clients - sales installments	(54)	(52)	4%
Advances from Clients - physical barter from launches	(105)	(103)	2%
<b>Total Receivables (a)</b>	<b>526</b>	<b>526</b>	<b>0%</b>
Cost to be Incurred - Sold Units	(370)	(364)	2%
Cost to be Incurred - Inventory Units	(293)	(265)	11%
<b>Total Costs to be Incurred (b)</b>	<b>(663)</b>	<b>(629)</b>	<b>5%</b>
<b>Total Net Receivables (a+b)</b>	<b>(137)</b>	<b>(103)</b>	<b>33%</b>
Short Term	214	216	-1%
Long Term	42	39	8%
<b>Total Receivables (<i>on balance</i>)</b>	<b>256</b>	<b>255</b>	<b>0%</b>

## Costs to be Incurred – R\$ million

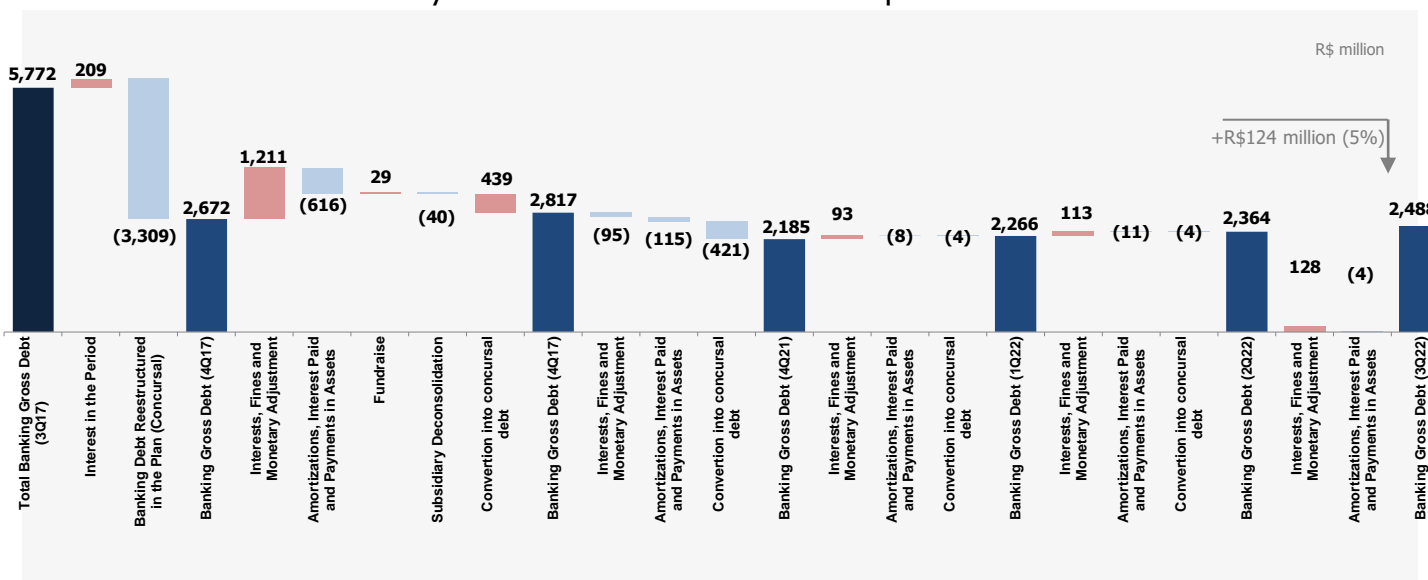
- ❖ The cost to be incurred increased by R\$34 million (5%) during 3Q22 and 11% when compared to 3Q21. The increase was due to the monetary adjustment by the INCC.



# Financial Performance

## Indebtedness (Extraconcursal)

- The gross debt increased by R\$124 million (5%) during the 3Q22 and 14% in the 9M22. This increase was mainly due to interest accrued in the period.



- Considering the 4% increase in cash and cash equivalents, net debt increased by R\$120 million (5%) during the quarter.

R\$ million in IFRS

INDEBTEDNESS	3Q22	2Q22	(%) Var.
<b>Cash</b>	<b>94</b>	<b>90</b>	<b>4%</b>
SFH	509	478	6%
Debentures	297	281	6%
CCB/CRI	-	-	n.m.
<b>Construction Financing</b>	<b>806</b>	<b>759</b>	<b>6%</b>
Working Capital, SFI and Promissory Notes	375	379	-1%
Finep/Finame	-	-	n.m.
Debentures	44	41	7%
CCB/CRI	1,260	1,182	7%
Obligation for the issuance of CCB and CCI	3	3	0%
<b>Corporate Debt</b>	<b>1,682</b>	<b>1,605</b>	<b>5%</b>
<b>Gross Debt</b>	<b>2,488</b>	<b>2,364</b>	<b>5%</b>
<b>Net Debt</b>	<b>2,394</b>	<b>2,274</b>	<b>5%</b>
<b>Net Debt (ex. Construction Financing)</b>	<b>1,588</b>	<b>1,515</b>	<b>5%</b>
<b>Shareholders Equity <sup>(1)</sup></b>	<b>(4,932)</b>	<b>(4,816)</b>	<b>2%</b>
<b>Net Debt (ex. SFH)/ Equity</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.m.</b>

(1) Includes non-controlling equity

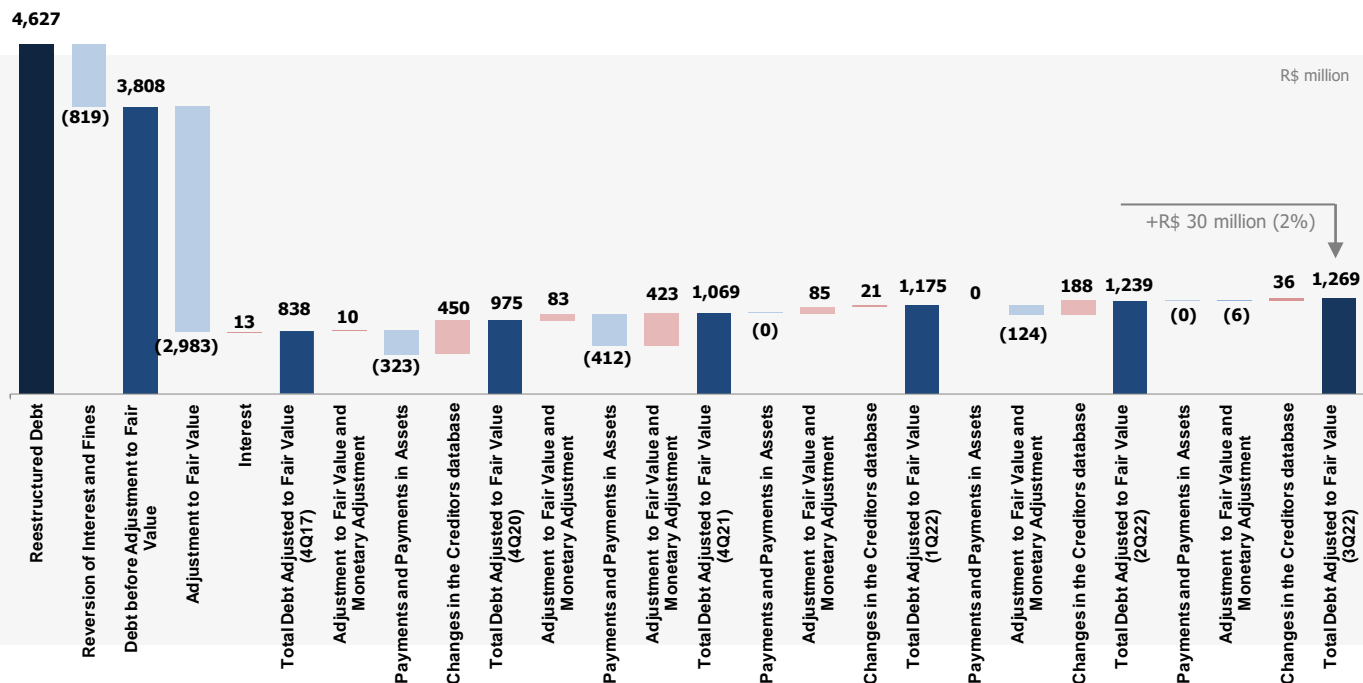
## Net Debt Variation

R\$ million in IFRS

NET DEBT VARIATION (R\$ MN)	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	1Q22	2Q22	3Q22
<b>Cash and Cash Equivalents</b>	<b>1,821</b>	<b>1,353</b>	<b>1,092</b>	<b>604</b>	<b>201</b>	<b>213</b>	<b>138</b>	<b>118</b>	<b>122</b>	<b>98</b>	<b>98</b>	<b>90</b>	<b>94</b>
Cash Variation	-	(468)	(261)	(488)	(403)	12	(75)	(20)	4	(24)	-	(8)	4
<b>Gross Debt</b>	<b>7,765</b>	<b>8,367</b>	<b>7,869</b>	<b>6,155</b>	<b>5,319</b>	<b>2,672</b>	<b>2,777</b>	<b>2,995</b>	<b>2,817</b>	<b>2,185</b>	<b>2,266</b>	<b>2,364</b>	<b>2,488</b>
Construction Financing	4,289	5,215	4,517	2,719	1,643	1,050	1,086	1,111	1,089	702	724	759	806
Corporate Debt	3,476	3,152	3,352	3,436	3,676	1,622	1,691	1,884	1,728	1,483	1,542	1,605	1,682
Gross Debt Variation	-	602	(498)	(1,714)	(836)	(2,647)	105	218	(178)	(632)	81	98	124
<b>Net Debt Variation</b>	<b>-</b>	<b>(1,070)</b>	<b>237</b>	<b>1,226</b>	<b>433</b>	<b>2,659</b>	<b>(180)</b>	<b>(238)</b>	<b>182</b>	<b>608</b>	<b>(81)</b>	<b>(106)</b>	<b>(120)</b>

## Debt Subjected to the Recovery Plan (Concursal)

- The concursal debt increased by R\$30 million (2%) during the 3Q22 and by 19% year-to-date. This increase was mainly due to new credits qualifying for judicial reorganization.



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

- We recorded a financial loss of R\$116 million in 3Q22. Year-to-date we recorded a financial profit of R\$106 million, mainly due to the reversal of interest and charges on debts qualifying for the judicial reorganization plan.

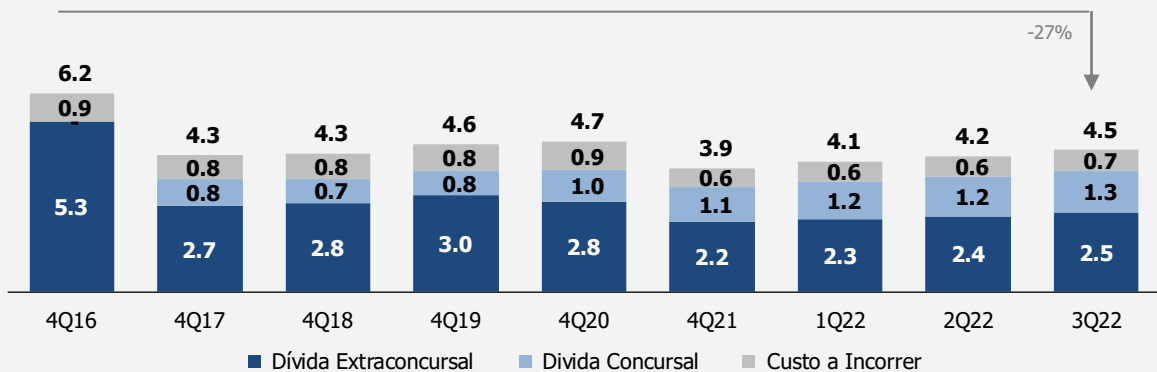
R\$ million in IFRS						
FINANCIAL RESULTS (R\$ MN)	QUARTER			YTD		
	3Q22	3Q21	(%) Var.	9M22	9M21	(%) Var.
Investment Income	2.6	1.2	n.m.	6.8	2.3	n.m.
Interest and fines	(2.2)	(1.0)	n.m.	8.4	9.8	-14%
Other financial revenue	31.6	180.7	-83%	558.7	188.1	n.m.
Total financial revenues	32.0	180.9	-82%	573.9	200.2	n.m.
Interest	(129.0)	(30.4)	n.m.	(336.6)	(224.1)	50%
Bank Expenses	-	(0.1)	n.m.	(0.2)	(0.4)	-50%
Other	(19.3)	(85.6)	-77%	(130.7)	(369.0)	-65%
Gross Financial Expenses	(148.3)	(116.1)	28%	(467.5)	(593.5)	-21%
Capitalized Interest on Inventory	-	1.5	n.m.	-	11.3	n.m.
Total Financial Expenses	(148.3)	(114.6)	29%	(467.5)	(582.2)	-20%
Total Financial Result	(116.3)	66.3	n.m.	106.4	(382.0)	n.m.

## Deleveraging

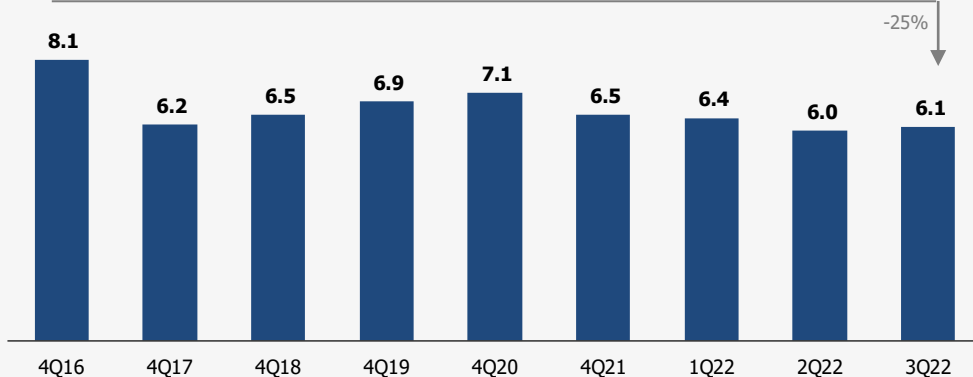
❖ Adding extraconcursal debt to concursal debt and costs to be incurred, at the end of 3Q22 the company's "extended" leverage totaled R\$4.5 billion. Some important points about this amount:

- (i) Concursal debts have maturities of up to 20 years and may also be amortized by means of payment in assets and through conversion into equity;
- (ii) Extraconcursal debts continue to be renegotiated and may be eligible for judicial recovery over time;
- (iii) We continue to seek solutions for works not yet completed, therefore, as we find solutions for these works, the cost to be incurred will be reduced.

### Extended leverage – R\$ billion



### Total liabilities – R\$ billion



# Income Statement

INCOME STATEMENTS (R\$ '000) - IFRS	QUARTER			YTD		
	3Q22	3Q21	(%) Var.	9M21	9M20	(%) Var.
<b>Operating Gross Revenue</b>						
Real Estate Sales	32,055	110,675	-68%	90,902	346,960	-74%
Other Operating Revenues	(1,204)	32,362	n.m.	1,844	(633)	n.m.
(-) Revenues Deduction	(7,106)	(3,522)	102%	(18,532)	(10,518)	76%
<b>Operating Net Revenue</b>	<b>23,745</b>	<b>139,515</b>	<b>-83%</b>	<b>74,214</b>	<b>335,809</b>	<b>-78%</b>
Cost of Sold Units	(21,156)	(92,305)	-77%	(69,651)	(260,628)	-73%
Interest Expenses	(800)	(2,749)	-71%	(2,628)	(17,540)	-85%
<b>Cost of sold properties</b>	<b>(21,956)</b>	<b>(95,054)</b>	<b>-77%</b>	<b>(72,279)</b>	<b>(278,168)</b>	<b>-74%</b>
<b>Gross Income (loss)</b>	<b>1,789</b>	<b>44,461</b>	<b>-96%</b>	<b>1,935</b>	<b>57,641</b>	<b>-97%</b>
<b>Gross margin</b>	<b>7.5%</b>	<b>31.9%</b>	<b>-24.4 pp</b>	<b>2.6%</b>	<b>17.2%</b>	<b>-14.6 pp</b>
<b>Adjusted gross margin <sup>(1)</sup></b>	<b>10.9%</b>	<b>33.8%</b>	<b>-22.9 pp</b>	<b>6.1%</b>	<b>22.4%</b>	<b>-16.3 pp</b>
<b>Operating Revenues (expenses):</b>						
Equity Income	1,346	1,196	-69%	972	(22)	n.m.
General and Administrative	(14,920)	(17,930)	-39%	(43,262)	(72,386)	-40%
Commercial	(9,900)	(11,906)	-25%	(39,861)	(50,247)	-21%
Taxes	(2,724)	(4,476)	n.m.	(11,098)	(5,735)	94%
Depreciation & Amortization	(180)	(198)	28%	(555)	(498)	11%
Other	31,230	17,955	28%	(6,849)	(107,352)	-94%
Financial Result	(116,277)	66,201	n.m.	106,385	(382,109)	n.m.
<b>Total operating revenues (expenses)</b>	<b>(111,425)</b>	<b>50,842</b>	<b>n.m.</b>	<b>5,732</b>	<b>(618,349)</b>	<b>n.m.</b>
<b>Income before taxes</b>	<b>(109,636)</b>	<b>95,303</b>	<b>n.m.</b>	<b>7,667</b>	<b>(560,708)</b>	<b>n.m.</b>
Income Taxes and Social Contribution	(9,795)	(58,425)	n.m.	268,803	92,704	n.m.
<b>Income before minority stake</b>	<b>(119,431)</b>	<b>36,878</b>	<b>n.m.</b>	<b>276,470</b>	<b>(468,004)</b>	<b>n.m.</b>
Minority interest	2,333	(7,859)	n.m.	3,438	(7,881)	n.m.
<b>Net Income (loss)</b>	<b>(117,098)</b>	<b>29,019</b>	<b>n.m.</b>	<b>279,908</b>	<b>(475,885)</b>	<b>n.m.</b>
<b>Net margin</b>	<b>-493.1%</b>	<b>20.8%</b>	<b>-513.9 pp</b>	<b>377.2%</b>	<b>-141.7%</b>	<b>518.9 pp</b>

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

EBITDA	QUARTER			YTD		
	3Q22	3Q21	(%) Var.	9M21	9M20	(%) Var.
Income (loss) before taxes	(109,636)	95,303	n.m.	7,667	(560,708)	n.m.
(-/+ ) Financial Result	116,277	(66,201)	n.m.	(106,385)	382,109	n.m.
(+) Depreciation and Amortization	180	198	-9%	555	498	11%
(+) Interest Expenses - Cost of Sold Units	800	2,749	-71%	2,628	17,540	-85%
(-/+ ) Equity Income result	(1,346)	(1,196)	13%	(972)	22	n.m.
<b>EBITDA</b>	<b>6,275</b>	<b>30,853</b>	<b>-80%</b>	<b>(96,507)</b>	<b>(160,539)</b>	<b>-40%</b>
<b>EBITDA Margin</b>	<b>26.4%</b>	<b>22.1%</b>	<b>430.0%</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.m.</b>



## Consolidated Balance Sheet - ASSETS

ASSET (R\$ '000)	3Q22	2Q22	(%) Var.
<b>Current Assets</b>			
Cash, cash equivalents and short-term investments	94,125	89,937	5%
Accounts receivable	213,950	215,555	-1%
Properties held for sale	635,431	647,239	-2%
Prepaid expenses	314	1,255	-75%
Accounts with related parties	3,891	3,724	4%
Taxes to recover	9,624	10,107	-5%
<b>Total Current Assets</b>	<b>957,335</b>	<b>967,817</b>	<b>-1%</b>
<b>Noncurrent Assets</b>			
<b>Long-Term</b>			
Accounts receivable	41,945	39,141	7%
Properties held for sale	80,950	80,987	0%
Taxes to recover	14,183	13,447	5%
Accounts with related parties	29,417	49,789	-41%
Accounts with related parties	56,971	39,198	45%
<b>Total Long-Term Assets</b>	<b>223,466</b>	<b>222,562</b>	<b>0%</b>
<b>Permanent Assets</b>			
Investments	27,717	30,091	-8%
Property and Equipment	1,927	1,349	43%
Intangible	909	875	4%
<b>Total Permanent Assets</b>	<b>30,553</b>	<b>32,315</b>	<b>-5%</b>
<b>Total Noncurrent Assets</b>	<b>254,019</b>	<b>254,877</b>	<b>0%</b>
<b>Total Assets</b>	<b>1,211,354</b>	<b>1,222,694</b>	<b>-1%</b>

## Consolidated Balance Sheet - LIABILITIES

LIABILITIES AND SHAREHOLDERS' EQUITY (R\$ '000)			
	3Q22	2Q22	(%) Var.
<b>Current</b>			
Loans and financings	884,321	856,510	3%
Debentures	340,752	322,579	6%
Obligation for the issuance of CCB & CCI	1,259,916	1,181,924	7%
Co-obligation for the issuance of CRI	3,157	2,904	9%
Suppliers	147,672	151,464	-3%
Payable obligations subject to the Reorganization Plan	100,810	92,479	9%
Property acquisition obligations	267	267	0%
Advances from clients	229,812	240,369	-4%
Tax and labor obligations	70,013	60,154	16%
Deferred taxes	20,512	20,652	-1%
Income and social contribution taxes	14,609	12,849	14%
Accounts with related parties	13,391	12,559	7%
Other provisions for contingencies	143,576	141,761	1%
Other Obligations	120,113	119,353	1%
<b>Total Current</b>	<b>3,348,921</b>	<b>3,215,824</b>	<b>4%</b>
<b>Long-Term</b>			
Payable obligations subject to the Reorganization Plan	1,167,694	1,147,419	2%
Property acquisition obligations	19,737	19,102	3%
Advances from clients	32,777	38,651	-15%
Taxes and contributions payable	57,932	68,435	-15%
Accounts with related parties	41,444	61,069	-32%
Deferred taxes	774,551	767,384	1%
Other provisions for contingencies	698,638	712,632	-2%
Other Obligations	2,141	8,290	-74%
<b>Total Long-Term</b>	<b>2,794,914</b>	<b>2,822,982</b>	<b>-1%</b>
<b>Shareholders' equity</b>			
Subscribed capital	5,293,820	5,293,820	0%
Capital reserve	1,236,743	1,236,743	0%
Treasury shares	(3,619)	(6,668)	-46%
Accumulated losses	(11,394,426)	(11,275,857)	1%
<b>Minority interest</b>	<b>(64,999)</b>	<b>(64,150)</b>	<b>1%</b>
<b>Total Shareholders' equity</b>	<b>(4,932,481)</b>	<b>(4,816,112)</b>	<b>2%</b>
<b>Total liabilities and shareholders' equity</b>	<b>1,211,354</b>	<b>1,222,694</b>	<b>-1%</b>