



**November 18th,
2019**

**3Q19 and 9M19
Results**

❖ Executive Summary

❖ Court-supervised Reorganization (CSR)

❖ Financial and Operational Results

Sales Performance

G&A

Inventory

Debts not subjected to the Reorganization Plan

Income Statement



Corcovado
Rio de Janeiro/RJ

❖ **Executive Summary**

❖ **Court-supervised Reorganization (CSR)**

❖ **Financial and Operational Results**

Sales Performance

G&A

Inventory

Debts not subjected to the Reorganization Plan

Income Statement



Corcovado
Rio de Janeiro/RJ



3Q19 and 9M19 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.
- ❖ **Reduction of R\$96.4 million or 14%** in net loss YoY.
- ❖ **G&A expenses follow a downward trend, registering a 50% fall QoQ.** The reduction reached **31% YoY**.
- ❖ **Commercial expenses were reduced by 28% QoQ.**
- ❖ In the accumulated 9M19, **R\$143 million was amortized in extraconcursal debts and interest.**
- ❖ **Amortization of debts subjected to the Recovery Plan reached R\$280 million up to 3Q19.**
- ❖ In August we **re-established the construction activities of 'Palm Beach' project**, expected to be finished in May 2020.

❖ Executive Summary

❖ Court-supervised Reorganization (CSR)

❖ Financial and Operational Results

Sales Performance

G&A

Inventory

Debts not subjected to the Reorganization Plan

Income Statement



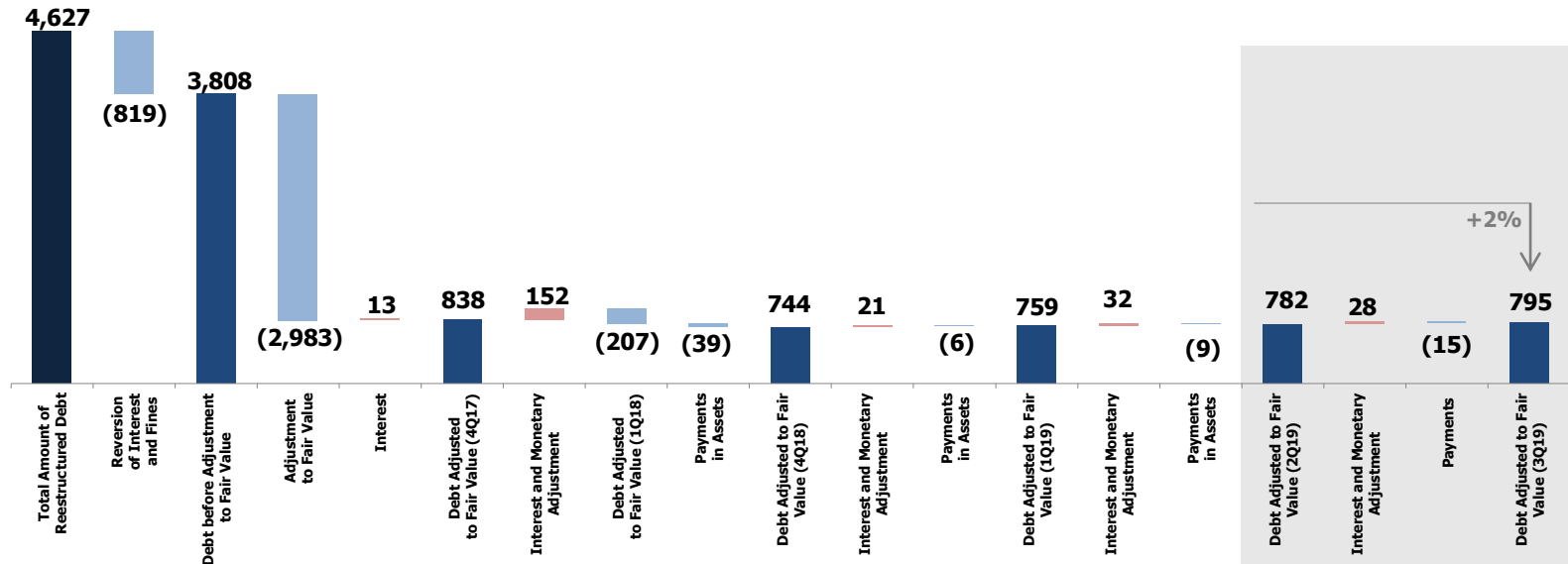
Corcovado
Rio de Janeiro/RJ

Court-supervised Reorganization (CSR)

Debt Subjected to the Reorganization Plan (Concursal)



Debt Subjected to the Reorganization Plan – R\$ million



- ❖ 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.
- ❖ The Company already paid R\$280 million in debts subjected to the Recovery Plan.

❖ Executive Summary

❖ Court-supervised Reorganization (CSR)

❖ Financial and Operational Results

Sales Performance

G&A

Inventory

Debts not subjected to the Reorganization Plan

Income Statement



Corcovado
Rio de Janeiro/RJ

❖ Executive Summary

❖ Court-supervised Reorganization (CSR)

❖ Financial and Operational Results

Sales Performance

G&A

Inventory

Debts not subjected to the Reorganization Plan

Income Statement



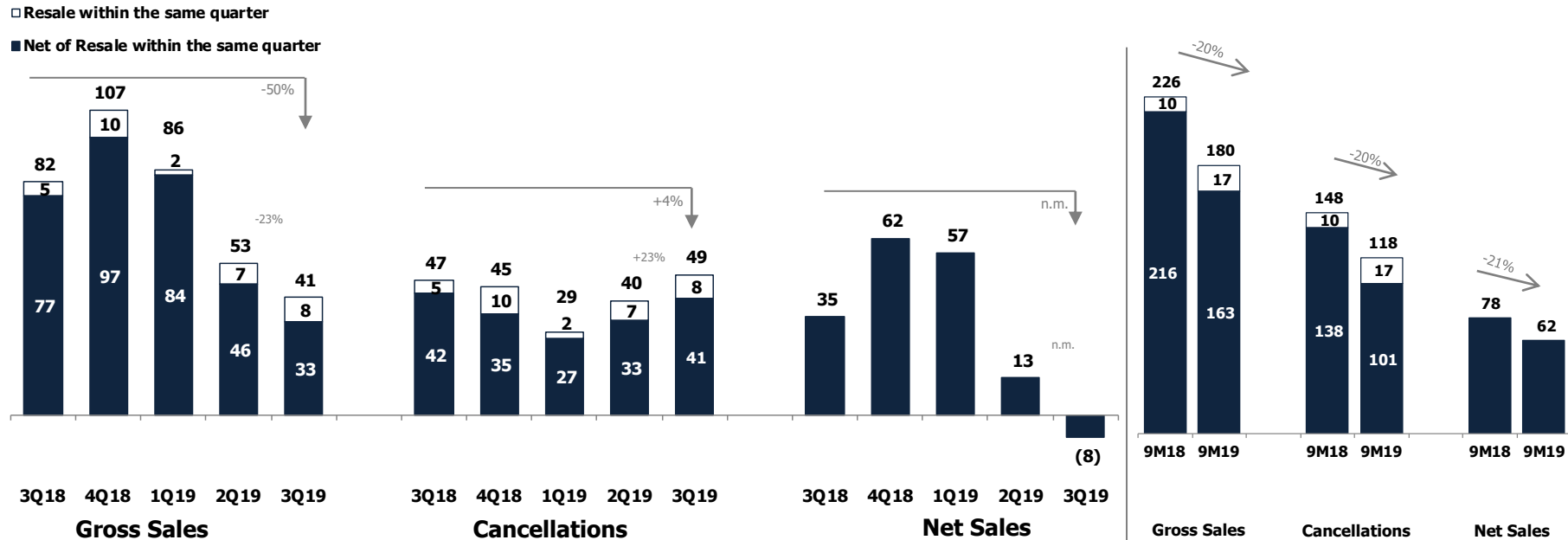
Corcovado
Rio de Janeiro/RJ

Financial and Operational Results

Sales Performance



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



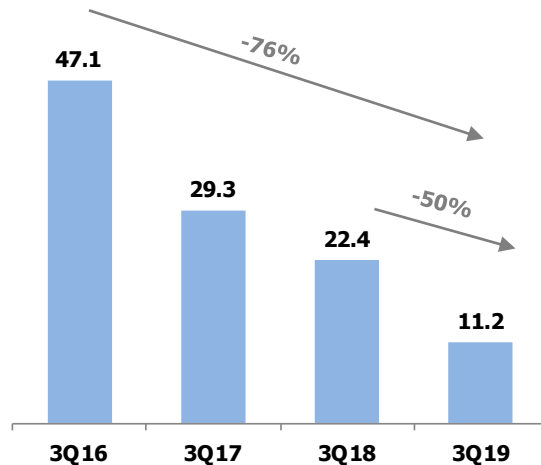
- ❖ In 3Q19, gross sales reached R\$41 million, 50% lower than 3Q18. During 9M19 gross sales totaled R\$180 million, 20% lower than 9M18.
- ❖ Cancellations reached R\$49 million in 3Q19, 4% higher than 3Q18. In 9M19 cancellations reached R\$118 million, a 20% decrease YoY.
- ❖ In the 3Q19 net sales were R\$8 million negative. In 9M19 net sales totaled R\$62 million, 21% lower than 9M18.

Financial and Operational Results

Selling, General & Administrative Expenses



G&A Evolution – R\$ million



SG&A Evolution

COMMERCIAL, GENERAL AND ADMINISTRATIVE EXPENSES	R\$ milhões em IFRS					
	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%

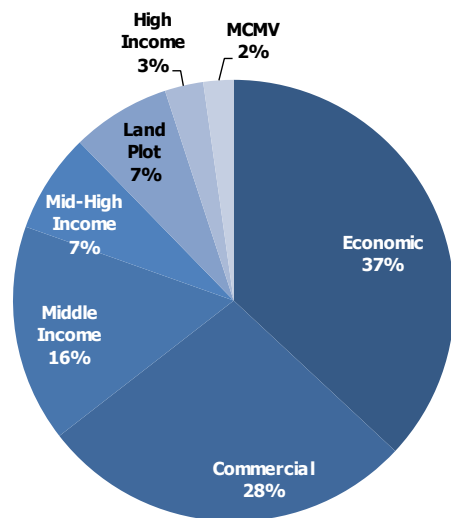
- ❖ G&A expenses decreased by 50% QoQ and 31% YoY.
- ❖ Commercial expenses were reduced by 28% QoQ. In the 9M19 commercial expenses increased by 6%.
- ❖ In this way, the general and administrative expenses added to commercial expenses (SG&A) recorded 42% drop QoQ, and a 19% drop YoY.

Financial and Operational Results

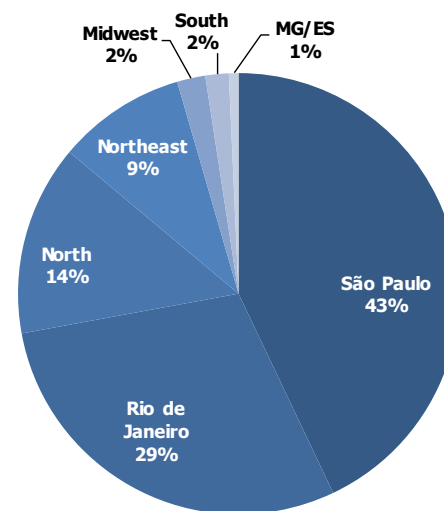
Inventory



Finished Inventory by Product – % of PSV



Finished Inventory by Region – % of PSV



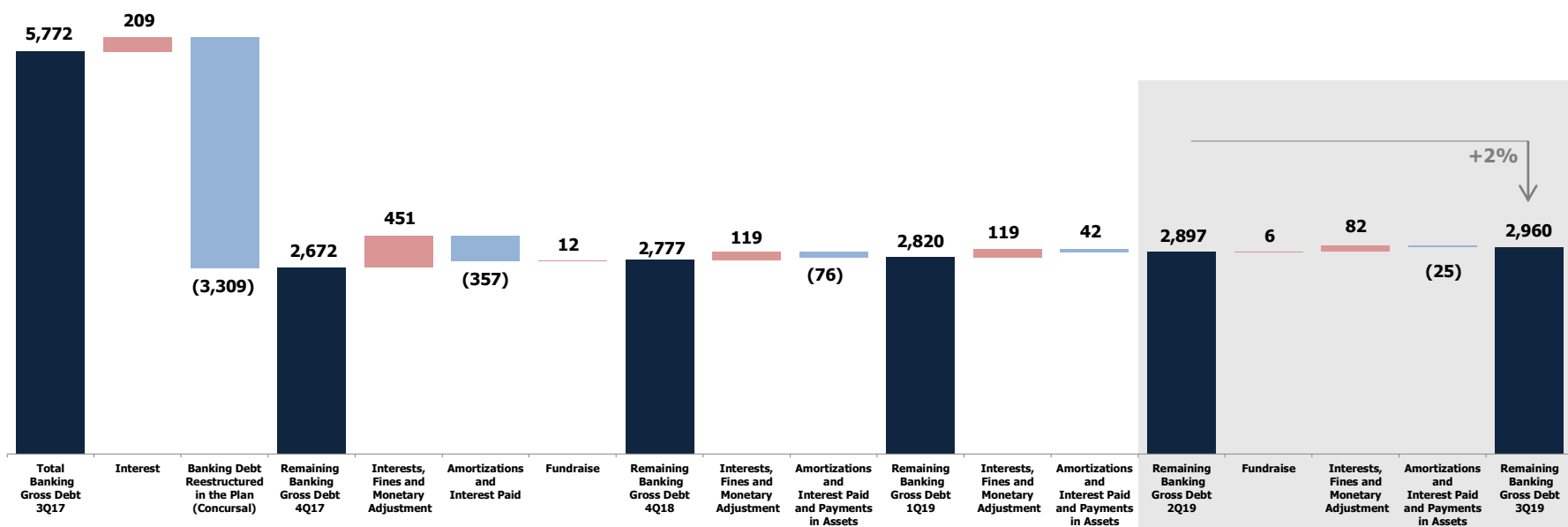
- ❖ The Company's total inventory at market value at the end of 3Q19 was R\$1.827 million, of which R\$511.1 million (28%) refer to concluded units.
- ❖ Concluded inventory features:
 - 72% are located in São Paulo and Rio de Janeiro
 - 73% of the inventory (including commercial product) is concentrated in projects with sales range above 60% sold.
 - 63% of the inventory is concentrated in residential products (excluding MCMV, Land Plot and Commercial).

Court-supervised Reorganization (CSR)

Debts not subjected to the Reorganization Plan



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



- ❖ The Company's extra-concursal gross debt increased by R\$63 million (2%) from 2Q19 to 3Q19
- ❖ Considering the R\$7 million decrease in Cash and Cash Equivalents, net debt increased by R\$70 million (3%) between 2Q19 and 3Q19

Income Statement

Quarterly

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)	-108%
Gross margin	n.a.	n.a.	n.m.	3.7%	n.a.	n.m.
Adjusted gross margin ⁽¹⁾	3.9%	n.a.	n.m.	16.9%	n.a.	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	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



**November 18th,
2019**

**3Q19 and 9M19
Results**