

Domo Business – São Bernardo do Campo/SP



**August, 16th
2021**

**2Q21 and 1H21
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

❖ Vernyy launch



Corcovado
Rio de Janeiro/RJ

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2Q21 and 1H21 Highlights

- ❖ **Gross Sales amounted to R\$83 million in 1H21, 6% higher than in 1H20.**
- ❖ **Total recurring Net Sales* of R\$49 million, 36% higher than in 1H20.**
- ❖ **During 1H21, R\$43 million were transferred, 13% higher than in 1H20.**
- ❖ **Since the beginning of the Company's Reorganization Plan, debts amortization totaled R\$618 million until 2Q21.**
- ❖ **An 88% increase in net operating revenues when compared to 1H20.**
- ❖ **Gross profit of R\$13.1 million in 1H21 (gross margin of 6.7%) an increase of 19% when compared to 1H20.**
- ❖ **Consistent with our commitment to seek solutions for the unfinished projects, we find a solution for two more projects during the second quarter.**
- ❖ **The cost to be incurred was reduced by R\$103 million (11%) in 2Q21, due to the deconsolidation of the projects.**
- ❖ **Positive change in the opinion of the external audit, from abstention of opinion to an opinion with emphasis.**
- ❖ **Launch of a new service company, Vernyy.**

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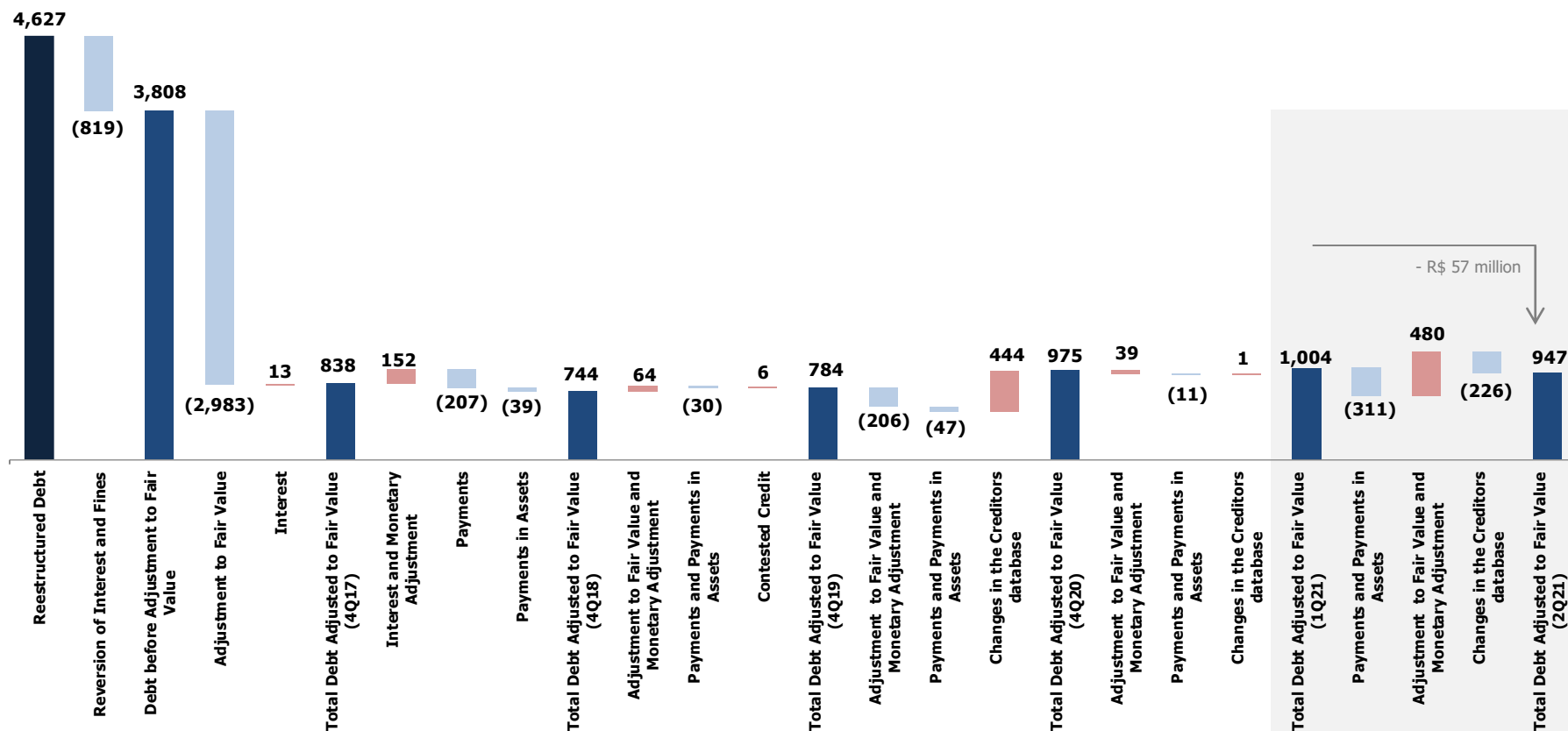


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Court-supervised Reorganization (CSR)

Debt Subjected to the Reorganization Plan (Concursal)

Debt Subjected to the Reorganization Plan Variation – R\$ million



- During 2Q21, the concursal debt was reduced by R\$57 million (6%), mainly due to the conclusion of the capital increase for the conversion of concursal credits into shares issued by PDG.
- YTD the concursal debt was reduced by R\$28 million (3%).
- Considering the Capital Increase, the payments to creditors of classes I, II and, IV and the payments in assets, the Company already amortized R\$618 million in debts subjected to the Recovery Plan.



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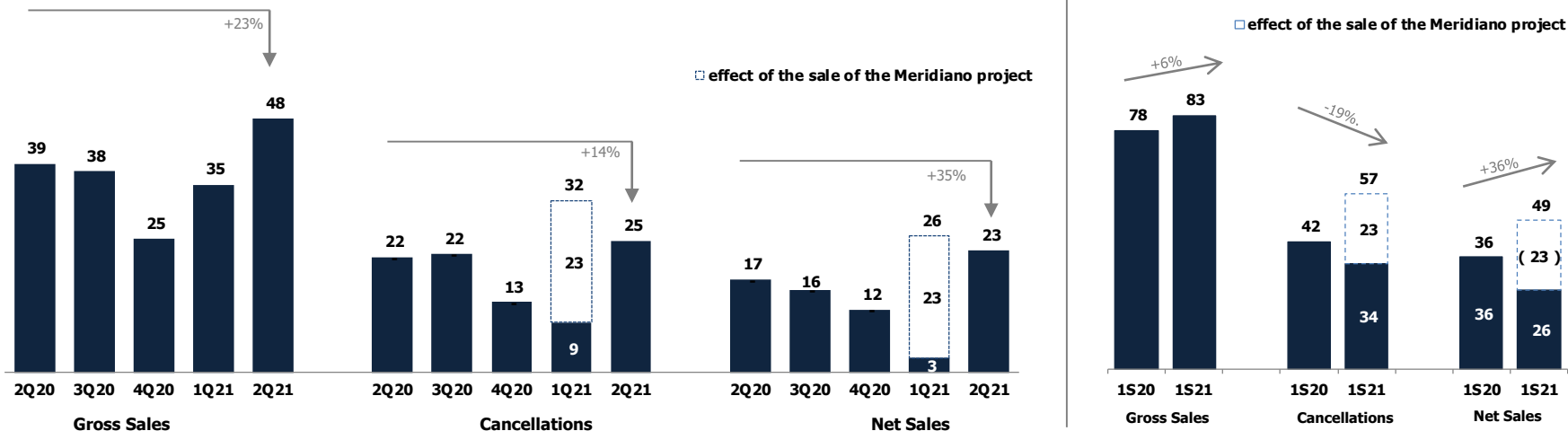


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Financial and Operational Results

Sales Performance

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



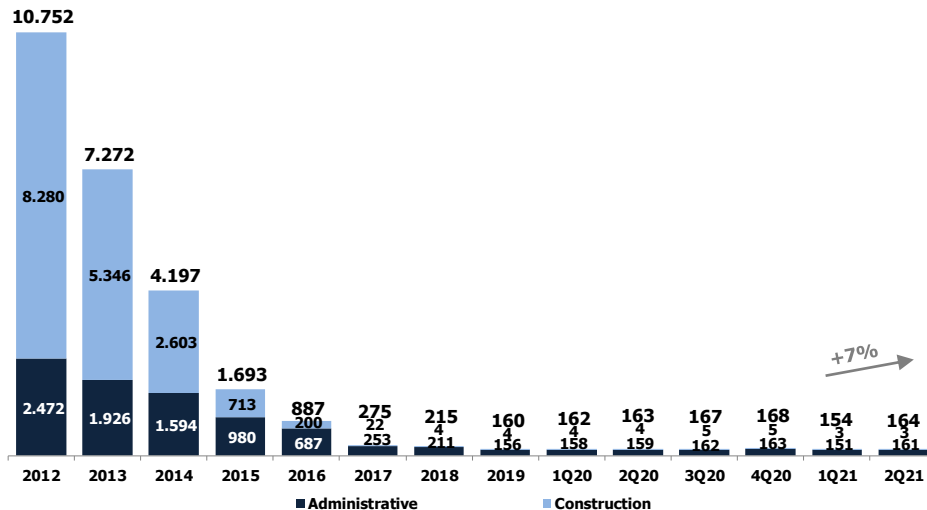
- ❖ In 2Q21 gross sales totaled R\$48 million, 23% higher than in 2Q20. In the first semester gross sales amounted to R\$83 million, and increase of 6% over 1H20.
- ❖ During 2Q21 cancellations amounted to R\$25 million, 14% higher than in 2Q20. YTD R\$57 million were canceled, a 19% reduction when compared to 1S20. This increase was mainly due to the cancellations of units of the Meridiano Project (R\$22.8 million), which was sold during the first quarter.
- ❖ Excluding the non-recurring effect of the sale of Meridiano, cancellations totaled R\$34 million in 1H21. Thus, net sales totaled R\$49 million in 1H21, 36% higher than in 1H20.

Financial and Operational Results

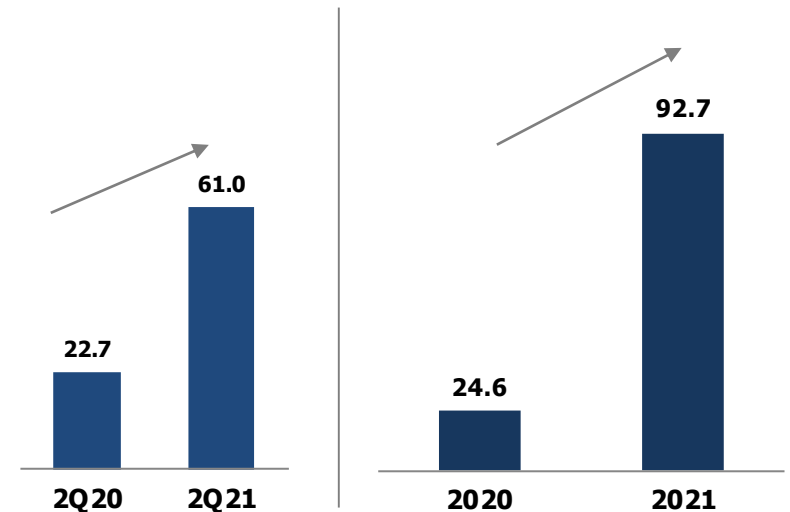
Selling, General & Administrative Expenses



Headcount



SG&A



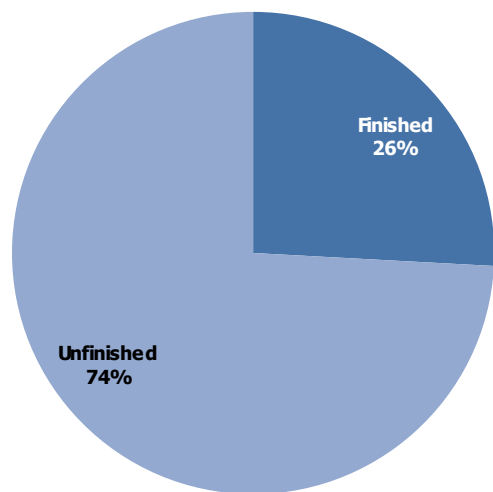
- ❖ SG&A increased by 66% QoQ and 62% YoY. This increase was mainly due to higher expenses with legal and financial advisory, resulting from the successful approval of the Recovery Plan amendment for labor creditors.
- ❖ In 1H20 commercial expenses were negative due to the reversal of the provision for payment of expenses with finished units. In 1H21 commercial expenses totaled R\$38 million, impacted by the current expenses with finished units.
- ❖ During 2Q21 PDG's headcount increased by 7%.

Financial and Operational Results

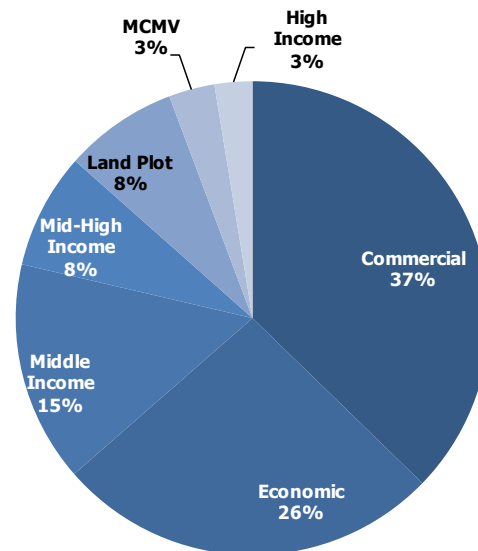
Inventory



Inventory by status of conclusion – % of PSV



Finished inventory by product – % of PSV

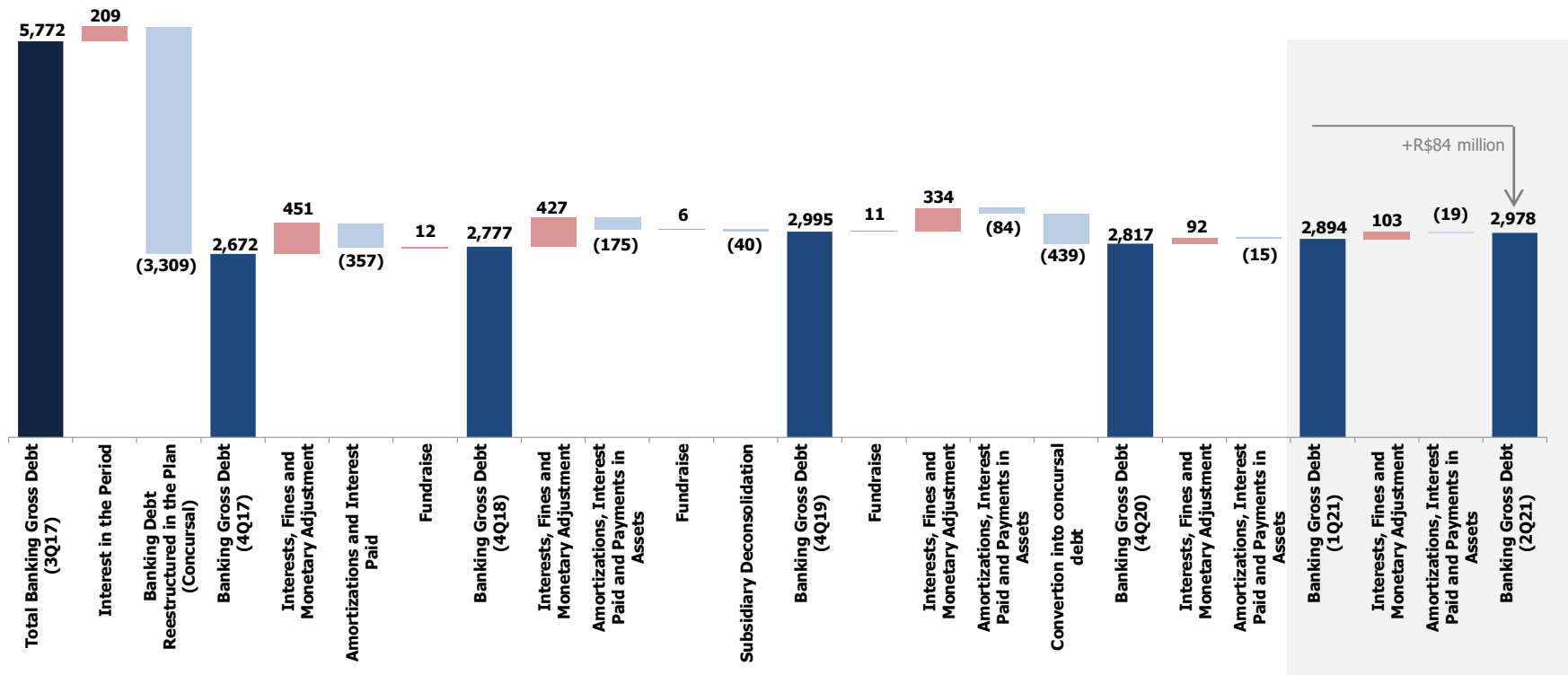


- ❖ The Company's total market value of inventory at the end of 2Q21 was R\$1,697 million, of which R\$438.9 million (26%) refers to concluded units.
- ❖ Concluded inventory features:
 - 74% are located in São Paulo and Rio de Janeiro;
 - 64% of the inventory (including commercial product) is concentrated in projects with sales range above 60% sold;
 - 52% of the inventory is concentrated in residential products (excluding MCMV, Land Plot and Commercial).

Financial and Operational Results

Debts not subjected to the Reorganization Plan

Debt not subjected to the Reorganization Plan Variation – R\$ milhões



- ❖ In 2Q21 gross debt increased by R\$84 million (3%).
- ❖ YTD the debt increased by R\$161 million (6%) due to interest and monetary correction. In this period R\$34 million of debt was paid.
- ❖ Considering the R\$1 million increase in Cash and Cash equivalents, net debt increased by R\$83 million (3%) during the second quarter.

Financial and Operational Results

Income Statement

INCOME STATEMENTS (R\$ '000) - IFRS

	QUARTER			YTD		
	2Q21	2Q20	(%) Var.	1H21	1H20	(%) Var.
Operating Gross Revenue						
Real Estate Sales	145,832	61,839	n.m.	236,285	124,381	90%
Other Operating Revenues	(37,273)	(1,341)	n.m.	(32,995)	(2,571)	n.m.
(-) Revenues Deduction	(5,156)	(3,105)	66%	(6,996)	(17,519)	-60%
Operating Net Revenue	103,403	57,393	80%	196,294	104,291	88%
Cost of Sold Units	(94,450)	(40,089)	n.m.	(168,323)	(83,436)	n.m.
Interest Expenses	(8,125)	(3,473)	n.m.	(14,791)	(9,798)	51%
Cost of sold properties	(102,575)	(43,562)	n.m.	(183,114)	(93,234)	96%
Gross Income (loss)	828	13,831	-94%	13,180	11,057	19%
Gross margin	0.8%	24.1%	-23.3 pp	6.7%	10.6%	-3.9 pp
Adjusted gross margin ⁽¹⁾	8.7%	30.2%	-21.5 pp	14.2%	20.0%	-5.8 pp
Operating Revenues (expenses):						
Equity Income	(1,276)	(861)	48%	(1,218)	(832)	46%
General and Administrative	(28,789)	(17,346)	66%	(54,455)	(33,506)	63%
Commercial	(32,304)	(5,361)	n.m.	(38,341)	8,924	n.m.
Taxes	(617)	(1,365)	-55%	(1,259)	(1,723)	-27%
Depreciation & Amortization	(154)	(560)	-73%	(301)	(1,122)	-73%
Other	(51,162)	(61,628)	-17%	(125,307)	(95,020)	32%
Financial Result	(322,706)	(121,477)	n.m.	(448,310)	(258,597)	73%
Total operating revenues (expenses)	(437,008)	(208,598)	n.m.	(669,191)	(381,876)	75%
Income before taxes	(436,180)	(194,767)	n.m.	(656,011)	(370,819)	77%
Income Taxes and Social Contribution	152,221	5,020	n.m.	151,129	5,066	n.m.
Income before minority stake	(283,959)	(189,747)	50%	(504,882)	(365,753)	38%
Minority interest	(660)	2,969	n.m.	(22)	3,959	n.m.
Net Income (loss)	(284,619)	(186,778)	52%	(504,904)	(361,794)	40%
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



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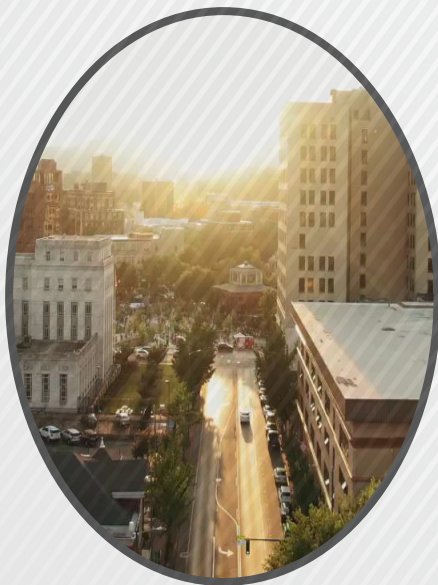
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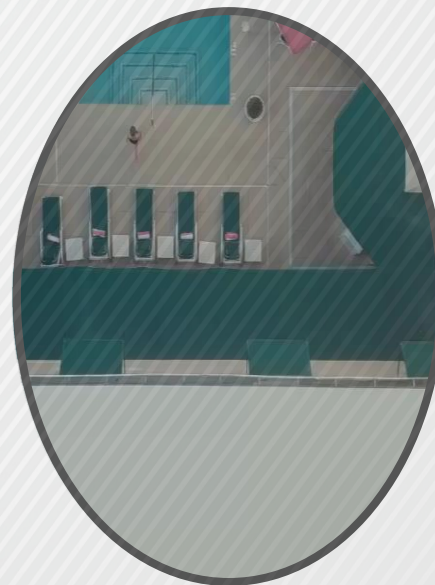
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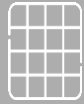
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Approvals



Viability



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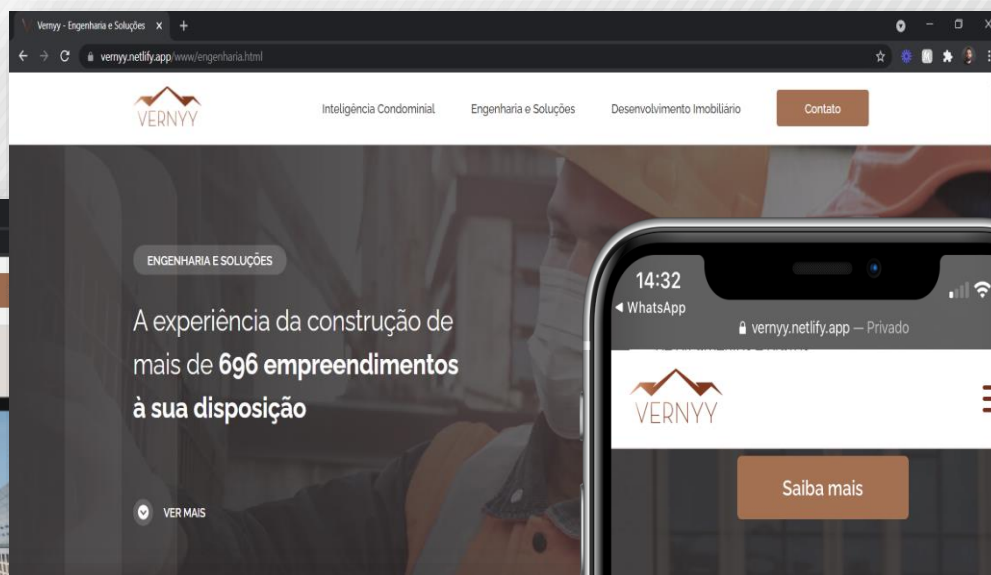
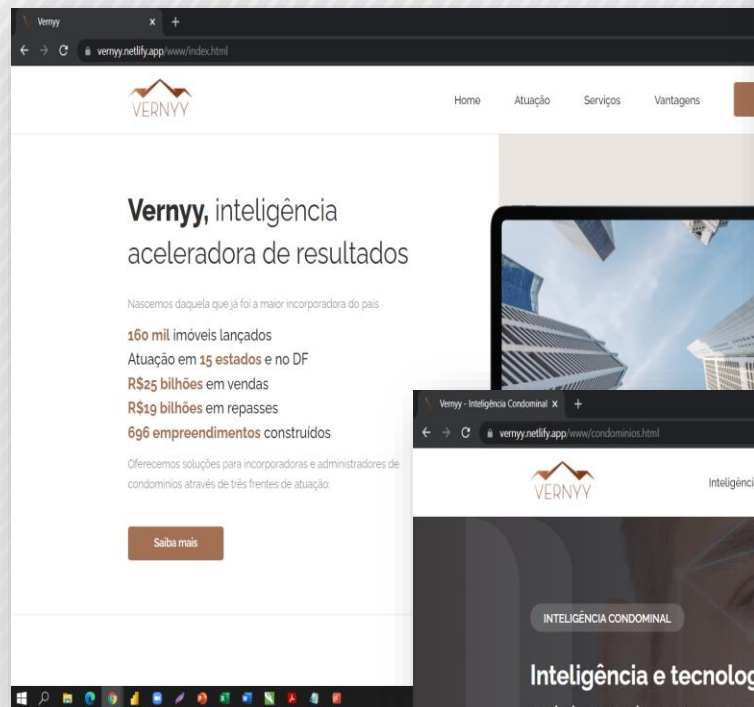
Corrective
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