

Domo Business – São Bernardo do Campo/SP



**November, 16th
2021**

**3Q21 and 9M21
Results**

❖ Executive Summary

❖ PDG's Recovery Process

❖ Financial and Operational Results

Sales Performance

Inventory

G&A

Debts not subjected to the Reorganization Plan

Debts subjected to the Reorganization Plan

Income Statement

❖ Vernyy



Corcovado
Rio de Janeiro/RJ

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3Q21 and 9M21 Highlights

- ❖ **Termination of Judicial Reorganization.**
- ❖ **Net income amounted to R\$29.0 million in 3Q21, with a margin of 20.8%.**
- ❖ **Gross Sales totaled R\$77 million in 3Q21, 103% above 3Q20. In 9M21 gross sales amounted to R\$160 million 38% above 9M20.**
- ❖ **Sales over supply amounted to 4.5% in 3Q21, the best result since 1Q19. The sales over supply of ready units amounted to 17.1.**
- ❖ **Total Recurring Net Sales* of R\$93 million, 79% above 9M20.**
- ❖ **Consistent with our commitment to seek solutions for the unfinished projects, we find a solution for one more project this quarter, the Monumental Niemeyer.**
- ❖ **The cost to be incurred was reduced by R\$210 million (26%) during 3Q21, due to project deconsolidation.**
- ❖ **Gross debt was reduced by R\$83 million (3%) in 3Q21.**
- ❖ **Since the beginning of the Company's Reorganization Plan, debts amortization totaled R\$639 million until 3Q21.**
- ❖ **Gross profit totaled R\$44.5 million in 3Q21, with a gross margin of 31.9%, a 12.5 p.p. QoQ. YTD gross profit amounted to R\$57.6 million, with a margin of 17.2%.**
- ❖ **QoQ G&A expenses fell by 37%.**

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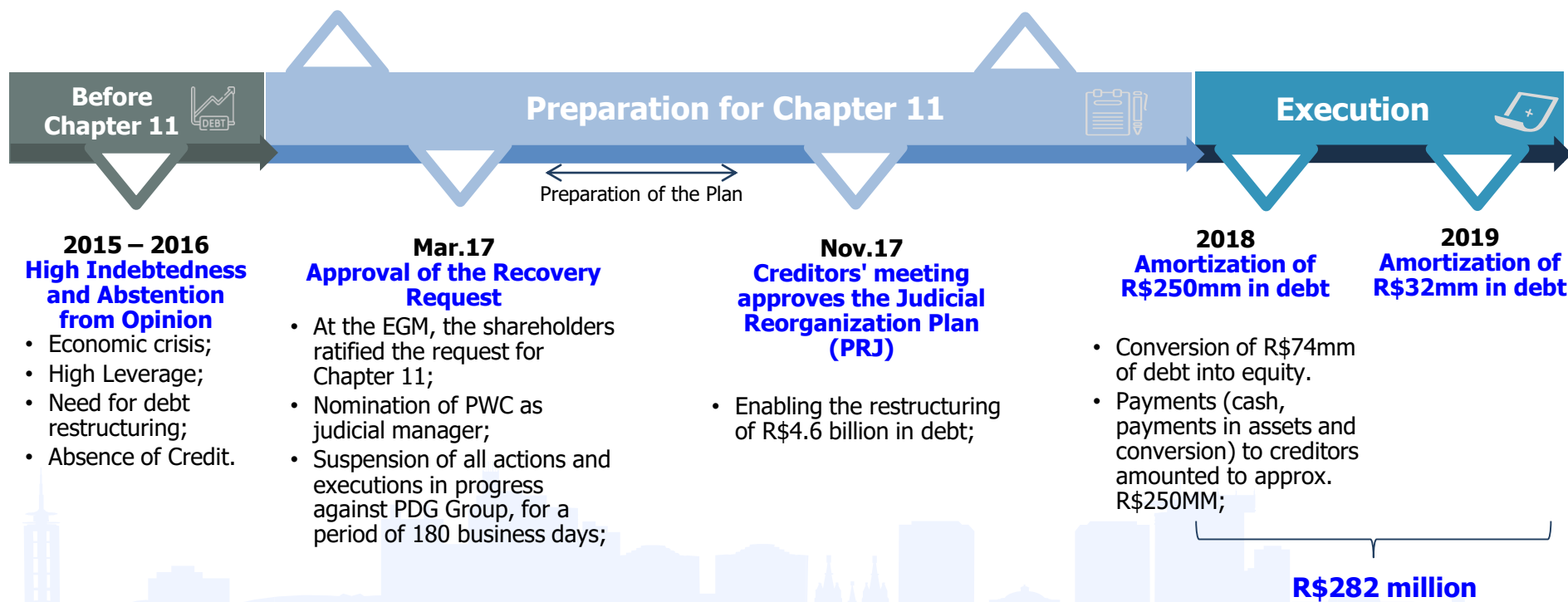
PDG's Recovery Process

Main landmarks



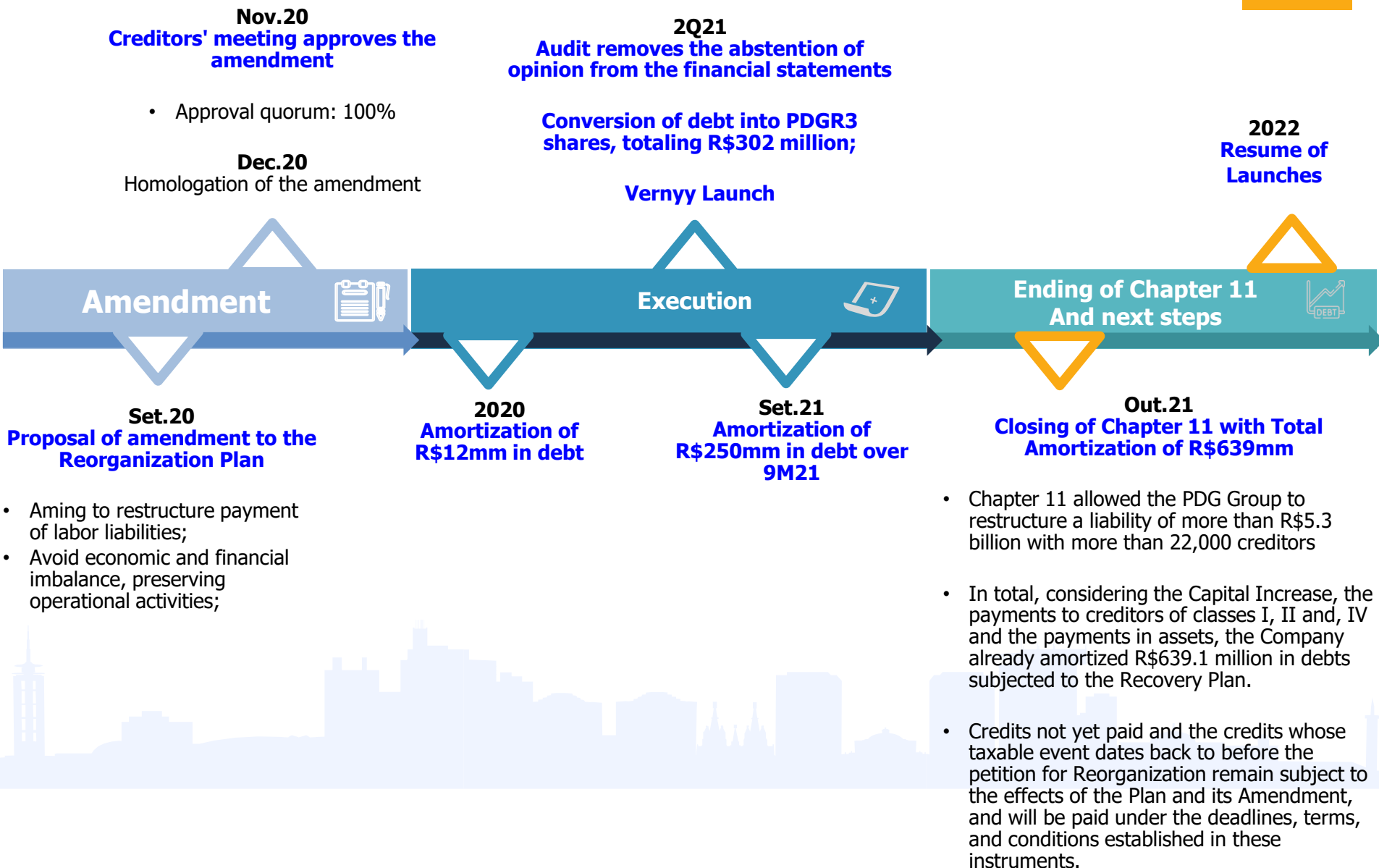
Feb.17
PDG files for Chapter 11

Dec.17
Homologation of the Reorganization Plan
Among the main measures approved for the restructuring of liabilities are: (i) possibility of conversion of debt into equity; (ii) postponement of the remainder of the Company's concursal debt by up to 25 years.



PDG's Recovery Process

Main landmarks



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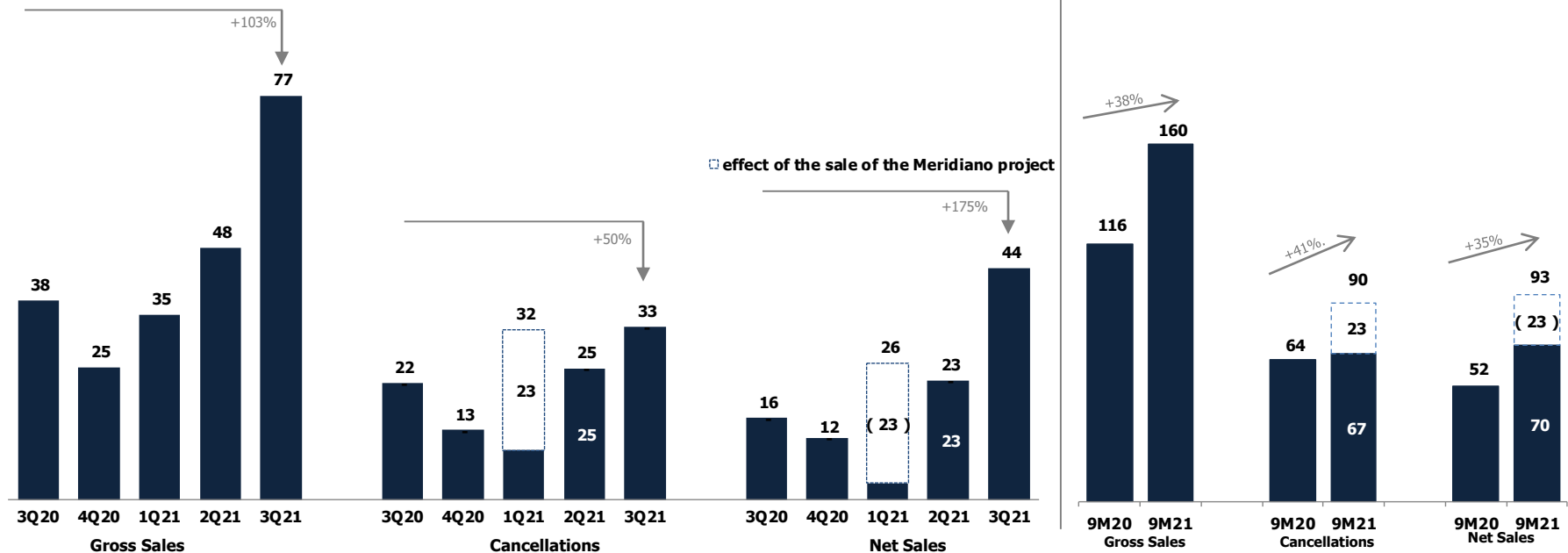


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Financial and Operational Results

Sales Performance

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



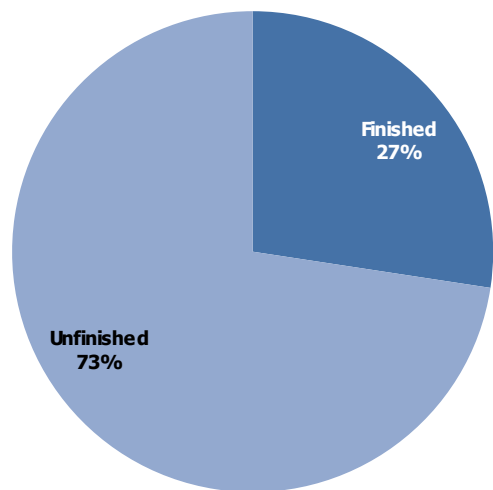
- ❖ In 3Q21 gross sales totaled R\$77 million, 103% higher than 3Q20. YTD gross sales totaled R\$160 million, an increase of 38% over 9M20. We continue to focus on sales of those units that generates free cash inflow.
- ❖ During 3Q21 cancellations amounted to R\$33 million, 50% higher than in 3Q20. YTD R\$90 million were canceled, a 41% increase over 9M20. 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. There are no units to be canceled in the two projects deconsolidated in 2Q21 and 3Q21 (Maison Artisan and Gran Residencial Clube and Monumental Niemeyer).
- ❖ Excluding the non-recurring effect of the sale of Meridiano, cancellations totaled R\$67 million in 9M21. Thus, net sales totaled R\$93 million in 9M21, 79% higher than in 9M20.

Financial and Operational Results

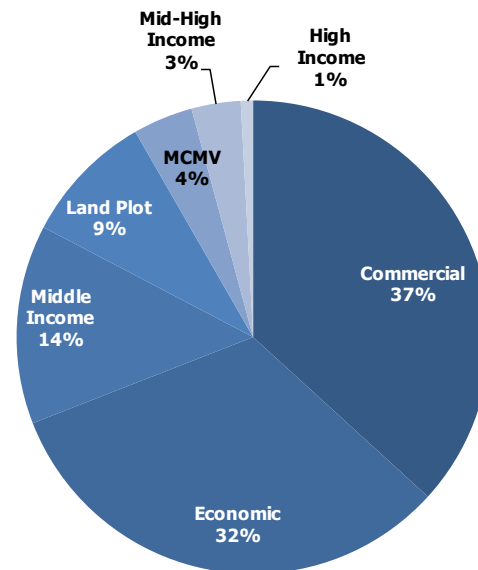
Inventory



Inventory by status of conclusion – % of PSV



Finished inventory by product – % of PSV



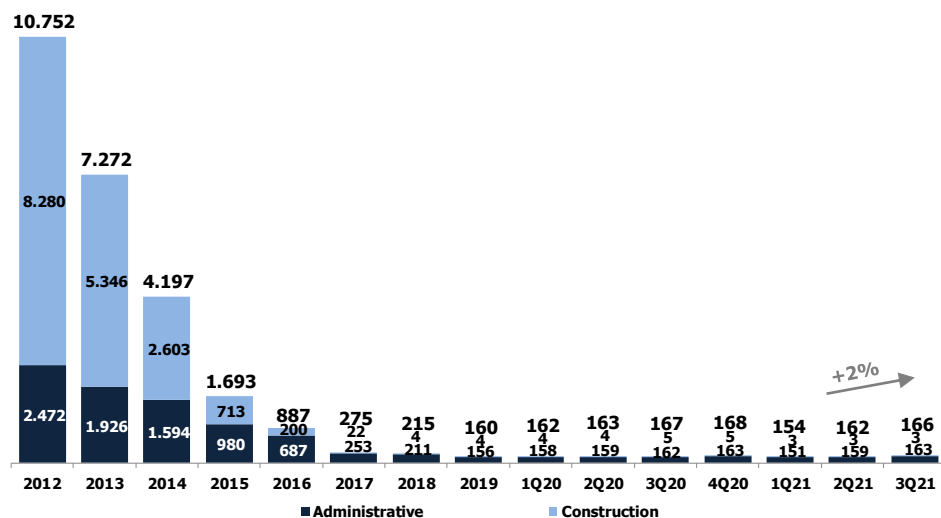
- ❖ The Company's total inventory at market value at the end of 3Q21 was R\$1,280 million. Of this total, 27% of the inventory (R\$351 million) is .
- ❖ Characteristics of the finished inventory:
 - 79% is located in São Paulo and Rio de Janeiro;
 - 99% is concentrated in projects with sales above 60%;
 - 50% is concentrated in residential products (excluding MCMV, land division and commercial).

Financial and Operational Results

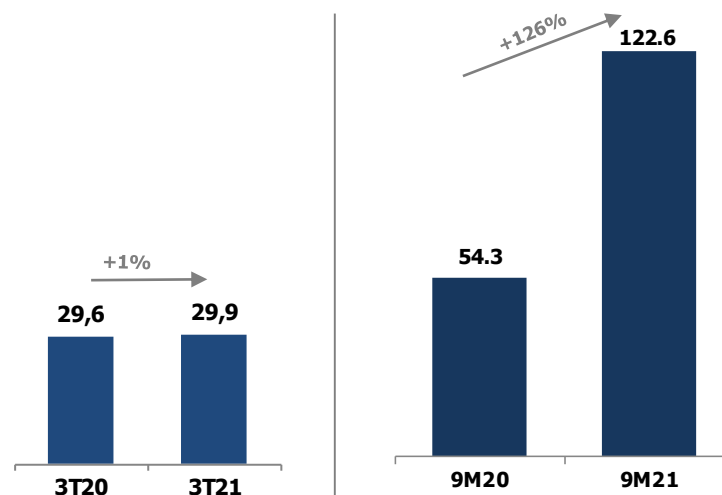
Selling, General & Administrative Expenses



Headcount



SG&A

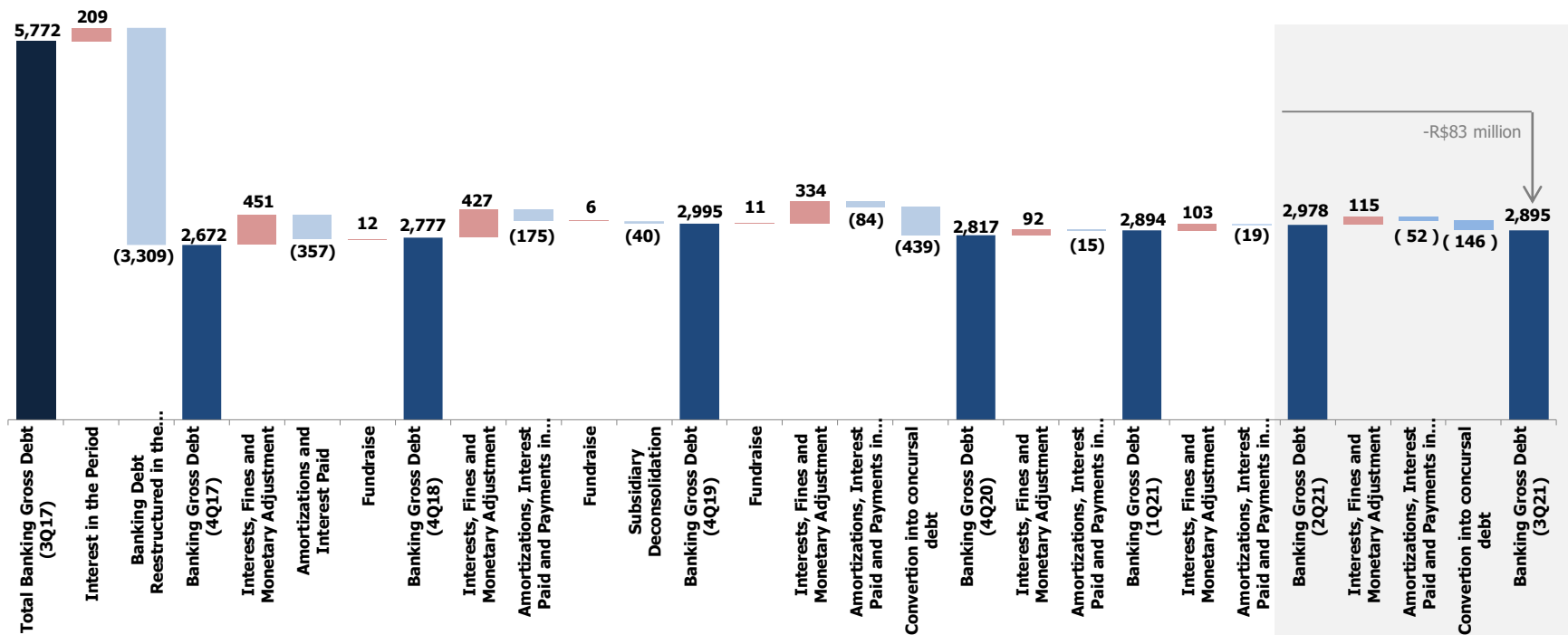


- SG&A increased by 61% QoQ and 62% YoY. This increase was mainly due to higher expenses with legal and financial advisory, resulting from the successful approval of the Recovery Plan amendment for labor creditors.
- QoQ commercial expenses were reduced by 35%, mainly due to fewer expenses with ready units. In the annual comparison, commercial expenses amounted to R\$50.1 million due to expenses with ready units.
- Headcount increased by 2% over 3Q21.

Financial and Operational Results

Debts not subjected to the Reorganization Plan

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

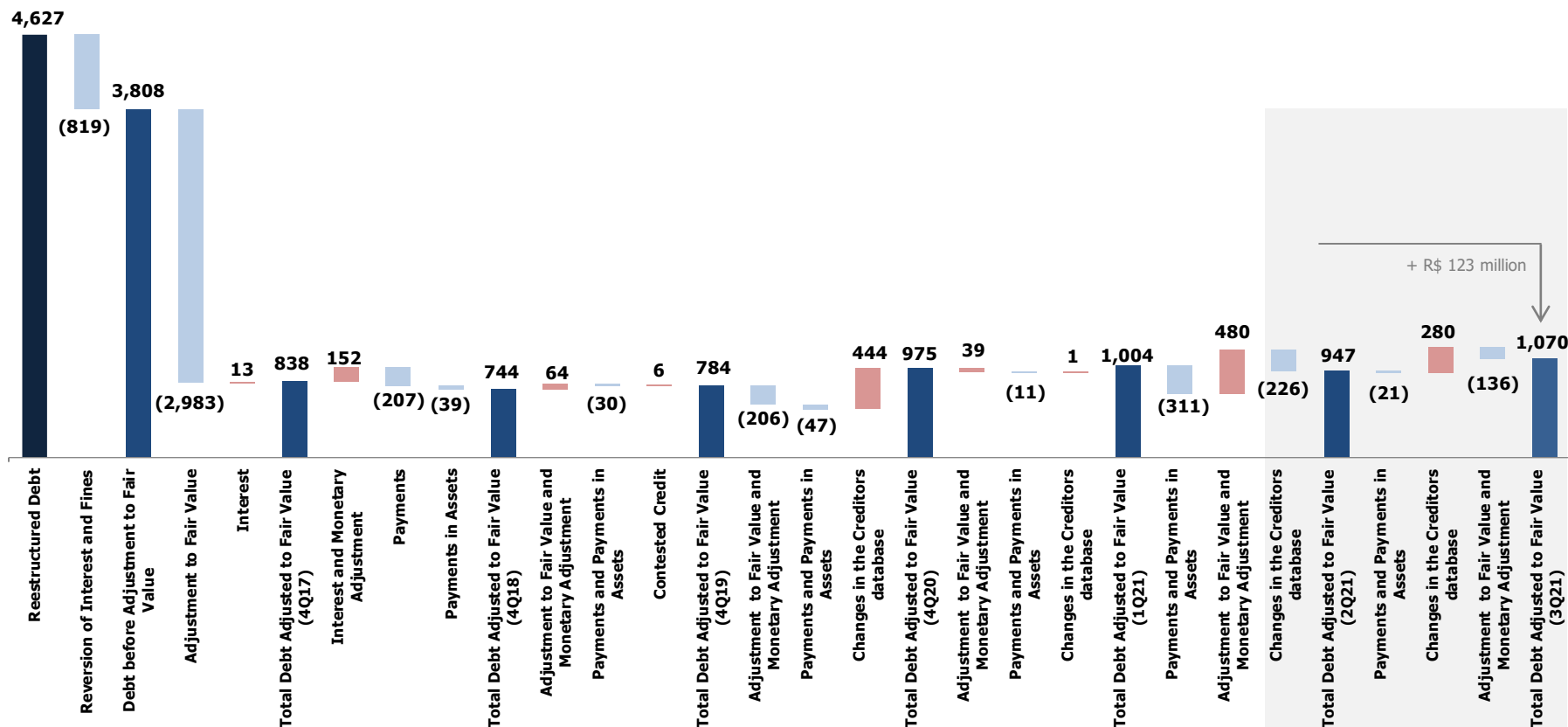


- ❖ In 3Q21 gross debt decreased by R\$83 million (-3%). In addition to payments that totaled R\$52 million in the period, R\$146 million of gross debts were included in the Reorganization Plan, thus migrating to concursal debt.
- ❖ YTD the debt increased by R\$78 million (3%) due to interest and monetary correction.
- ❖ Considering the R\$2 million decrease in Cash and Cash equivalents, net debt increased by R\$81 million (-3%) during the third quarter.

Court-supervised Reorganization (CSR)

Debt Subjected to the Reorganization Plan (Concursal)

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



- During 3Q21 the concursal debt increased by R\$123 million (13%), mainly due to new debts subjected to the judicial reorganization.
- YTD the concursal debt increased by R\$95 million (10%).
- Considering the Capital Increase, the payments to creditors of classes I, II and, IV and the payments in assets, the Company already amortized R\$639.1 million in debts subjected to the Recovery Plan.
- It is important to point out that the credits not yet paid and the credits whose taxable event dates back to before the petition for Reorganization remain subject to the effects of the Plan and its Amendment, and will be paid under the deadlines, terms, and conditions established in these instruments.

Financial and Operational Results

Income Statement

INCOME STATEMENTS (R\$ '000) - IFRS

	QUARTER			YTD		
	3Q21	3Q20	(%) Var.	9M21	9M20	(%) Var.
Operating Gross Revenue						
Real Estate Sales	110,675	44,797	n.m.	346,960	169,178	n.m.
Other Operating Revenues	32,362	497	n.m.	(633)	(2,074)	-69%
(-) Revenues Deduction	(3,522)	(5,622)	-37%	(10,518)	(23,141)	-55%
Operating Net Revenue	139,515	39,672	n.m.	335,809	143,963	n.m.
Cost of Sold Units	(92,305)	(27,069)	n.m.	(260,628)	(110,505)	n.m.
Interest Expenses	(2,749)	(4,892)	-44%	(17,540)	(14,690)	19%
Cost of sold properties	(95,054)	(31,961)	n.m.	(278,168)	(125,195)	n.m.
Gross Income (loss)	44,461	7,711	n.m.	57,641	18,768	n.m.
Gross margin	31.9%	19.4%	12.5 pp	17.2%	13.0%	4.2 pp
Adjusted gross margin ⁽¹⁾	33.8%	31.8%	2.0 pp	22.4%	23.2%	-0.8 pp
Operating Revenues (expenses):						
Equity Income	1,196	(1,889)	n.m.	(22)	(2,721)	-99%
General and Administrative	(17,931)	(11,281)	59%	(72,386)	(44,787)	62%
Commercial	(11,906)	(18,421)	-35%	(50,247)	(9,497)	n.m.
Taxes	(4,476)	(392)	n.m.	(5,735)	(2,115)	n.m.
Depreciation & Amortization	(198)	(546)	-64%	(498)	(1,668)	-70%
Other	17,955	(77,450)	n.m.	(107,352)	(172,470)	-38%
Financial Result	66,201	(69,287)	n.m.	(382,109)	(327,884)	17%
Total operating revenues (expenses)	50,841	(179,266)	n.m.	(618,349)	(561,142)	10%
Income before taxes	95,302	(171,555)	n.m.	(560,708)	(542,374)	3%
Income Taxes and Social Contribution	(58,425)	6,548	n.m.	92,704	11,614	n.m.
Income before minority stake	36,877	(165,007)	n.m.	(468,004)	(530,760)	-12%
Minority interest	(7,859)	1,892	n.m.	(7,881)	5,851	n.m.
Net Income (loss)	29,018	(163,115)	n.m.	(475,885)	(524,909)	-9%
Net margin	20.8%	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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