

Domo Business – São Bernardo do Campo/SP



**November, 16th
2020**

**3Q20 and 9M20
Results**

❖ Executive Summary

❖ Court-supervised Reorganization (CSR)

❖ Financial and Operational Results

Sales Performance

SG&A

Inventory

Debts not subjected to the Reorganization Plan

Income Statement



Corcovado
Rio de Janeiro/RJ

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3Q20 and 9M20 Highlights

- ❖ In 3Q20 PDG recorded a Gross Profit of R\$8 million and 19.4% margin. Improvement of 9.3 percentage points in Gross Margin, from 3.7% in 9M19 to 13.0% in 9M20.
- ❖ Net sales amounted to R\$16 million in 3Q20, a significant improvement when compared to a negative net sales in 3Q19.
- ❖ In this quarter PDG recorded the lowest cash burn of the last 2 years.
- ❖ Reduction of 14% in the Company's net loss, from R\$612.6 million in 9M19 to R\$524.9 million in 9M20.
- ❖ SG&A decreased by 21% YoY.
- ❖ Since the beginning of the Company's Reorganization Plan, debts amortization totaled R\$289 million until the end of 3Q20.

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Court-supervised Reorganization (CSR)

Subsequent Events



Creditor's General Meeting (CGM) – Labor Creditors:

- ❖ 09/11/20 – Presentation of the proposal for an amendment to the Reorganization Plan;
- ❖ 10/30/20 – Material Fact disclosure informing the amendment's approval by the judge and call for the CGM;
- ❖ 11/23/20 – The CGM will be held on first call;
- ❖ 11/30/20 – If sufficient quorum isn't obtained to install on the 1° call, the CGM will be held on the 2° call.

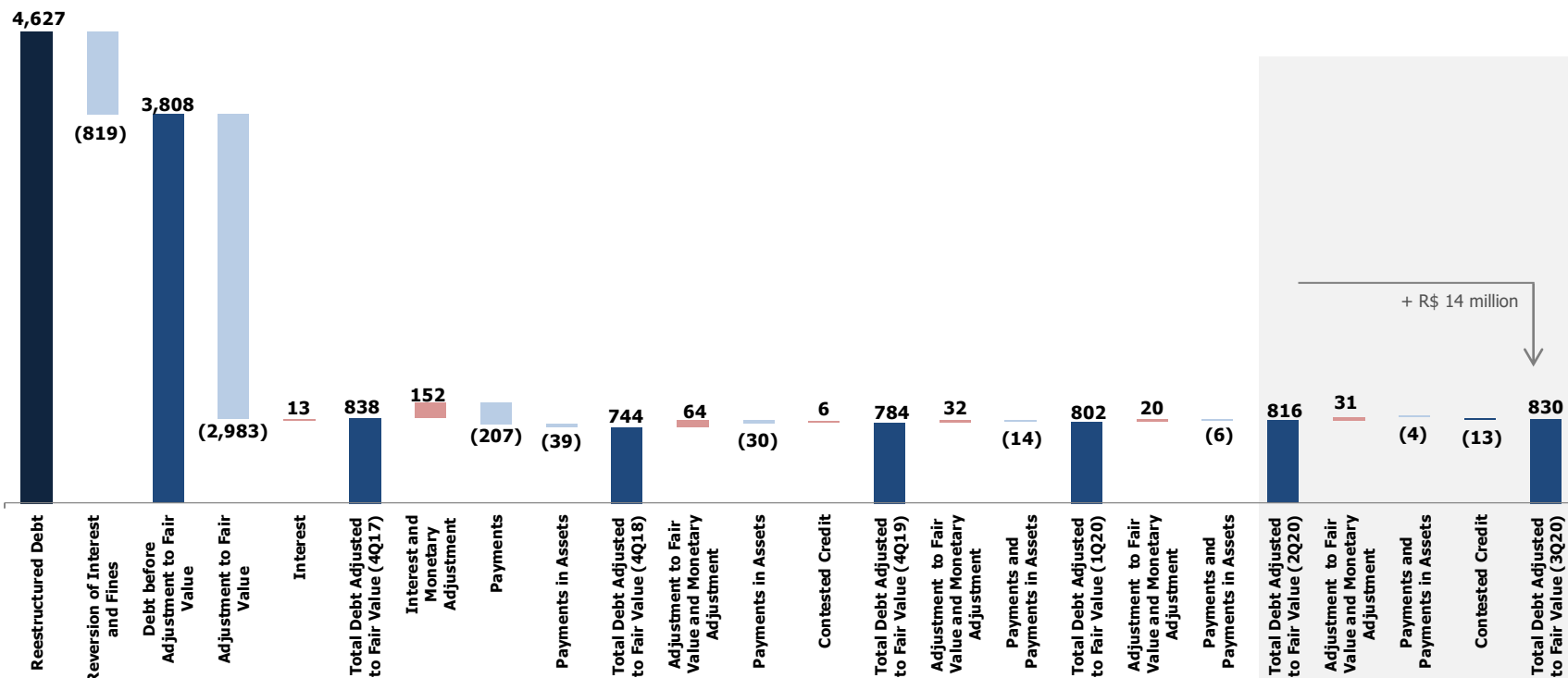
Triennial Capital Increase:

- ❖ PDG's Judicial Reorganization Plan foresees the optional capitalization of credits every 3 anniversaries of the Plan's homologation (12/18/17);
- ❖ Creditors eligible for the capitalization: unsecured creditors allocated to Options C, D, E, F and G and ME/EPP Creditors allocated to Option C;
- ❖ Disclosed Notice to the Market on 10/16/20, with the conditions of the Capital Increase and the procedures for the adhesion of creditors.
- ❖ Creditors can express interest in this option until 12/18/20;

Court-supervised Reorganization (CSR)

Debt Subjected to the Reorganization Plan (Concursal)

Debt Variation – R\$ million



- ❖ In 3Q20 Debts subjected to the Recovery Plan increased by R\$14 million mainly due to interest accrued in the period.
- ❖ Considering the Capital Increase, the payments to creditors of classes I, II and, IV and the payments in assets, the Company already amortized R\$289 million in debts subjected to the Recovery Plan.



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Financial and Operational Results

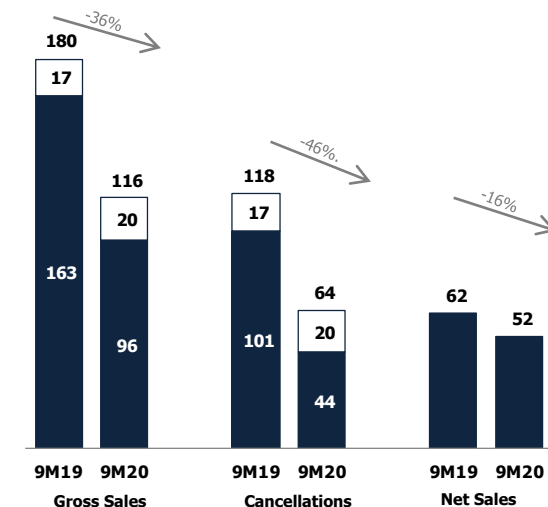
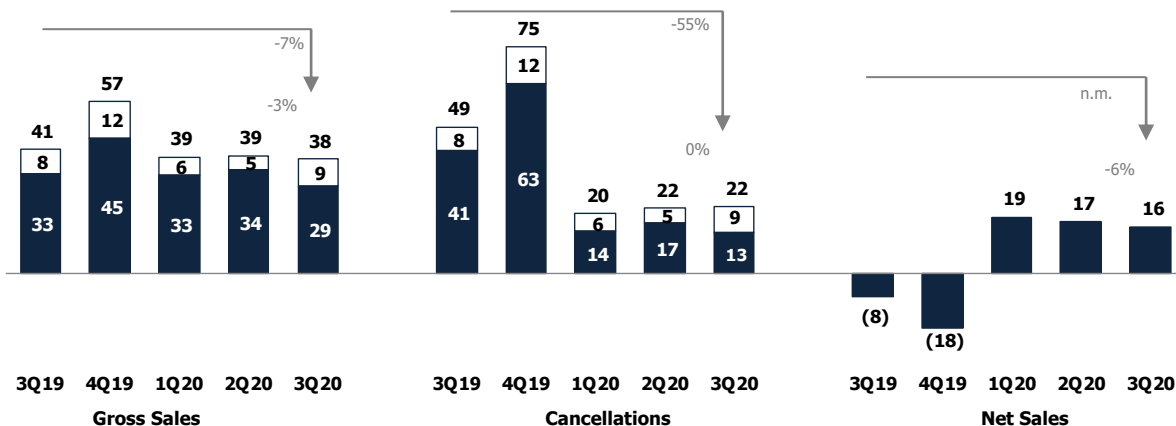
Sales Performance



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

□ Resale within the same quarter

■ Net of Resale



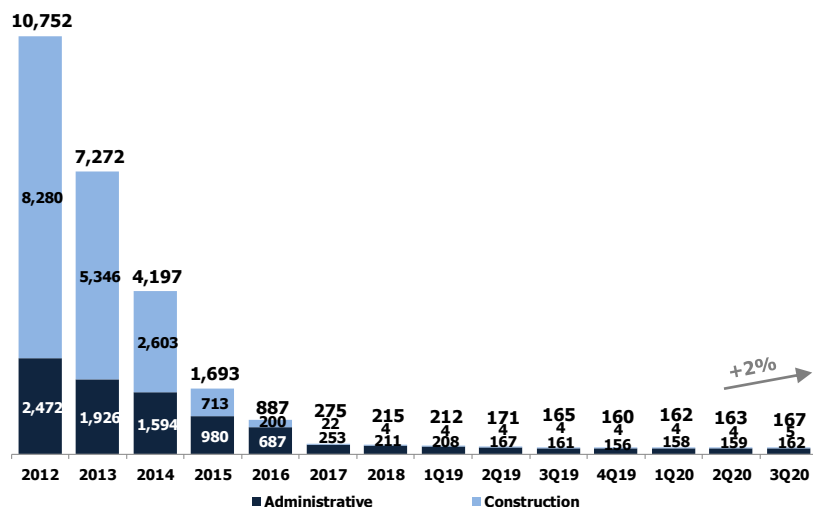
- ❖ In 3Q20 gross sales totaled R\$38 million, 7% lower than 3Q19. In the nine months of 2020 gross sales amounted to R\$116 million, 36% below 9M19.
- ❖ During 3Q20 cancellations totaled R\$22 million, 55% below 3Q19. YTD R\$64 million were canceled, a 45% increase YoY.
- ❖ Net sales amounted to R\$16 million in 3Q20, 6% below 2Q20. In 9M20 net sales reached R\$52 million, 16% below 9M19.

Financial and Operational Results

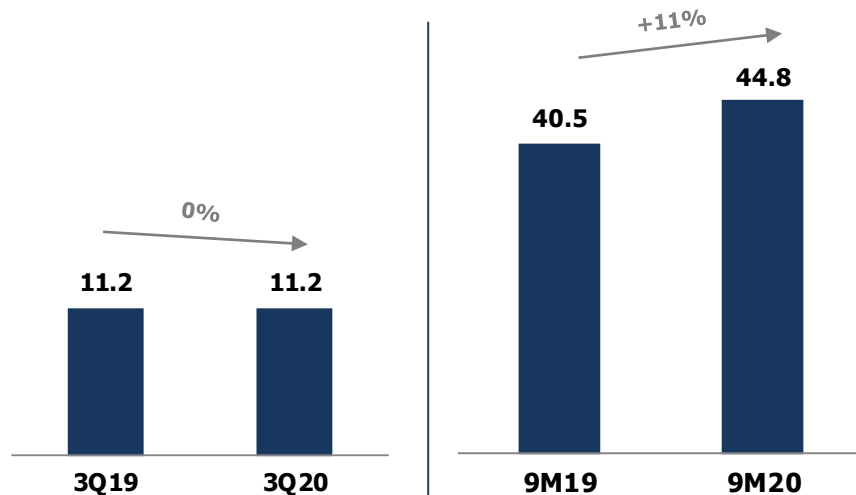
Selling, General & Administrative Expenses



G&A Evolution – R\$ million



SG&A



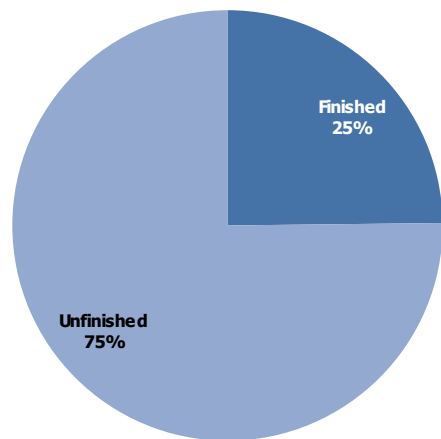
- ❖ G&A expenses were flat QoQ and increased by 11% YoY. This increase was mainly due to higher expenses with legal and financial advisory.
- ❖ Commercial expenses increased by 84% QoQ, due to higher expenses with finished units. However YoY commercial expenses decrease by 66%, mainly due to reversal of the provision for expenses with finished units during the first quarter.
- ❖ General and administrative expenses added to selling expenses (SG&A) increased by 40% QoQ and decreased by 21% YoY.
- ❖ In 2020 PDG's headcount increased by 4%.

Financial and Operational Results

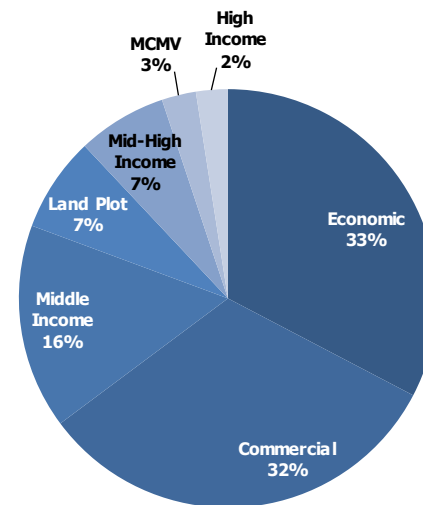
Inventory



Inventory by Conclusion Status – % of PSV



Finished Inventory by Product – % of PSV

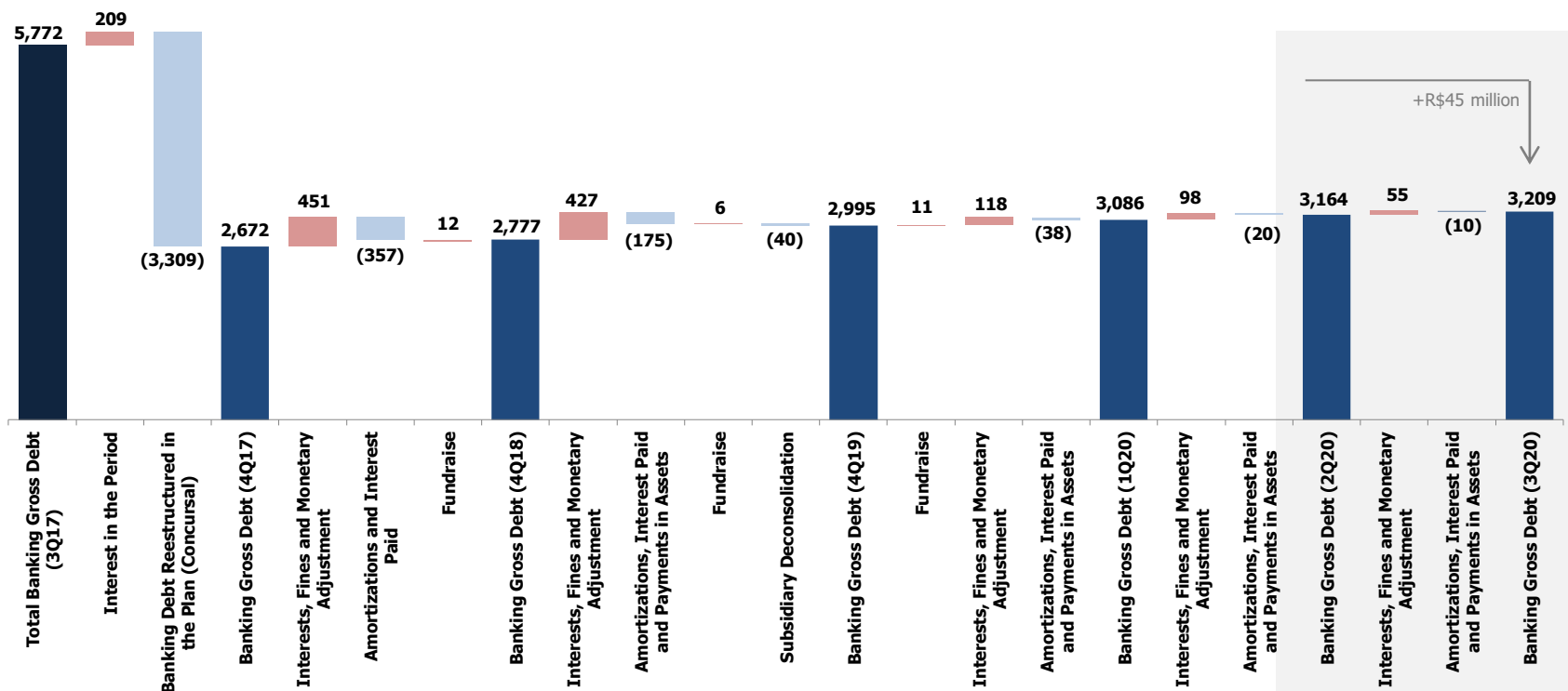


- ❖ The Company's total market value of inventory at the end of 3Q20 was R\$1,872 million, of which R\$448.1 million (24%) refers to concluded units.
- ❖ Concluded inventory features:
 - 74% are located in São Paulo and Rio de Janeiro;
 - 25% of the inventory (including commercial product) is concentrated in projects with sales range above 60% sold;
 - 58% 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 Variation – R\$ milhões



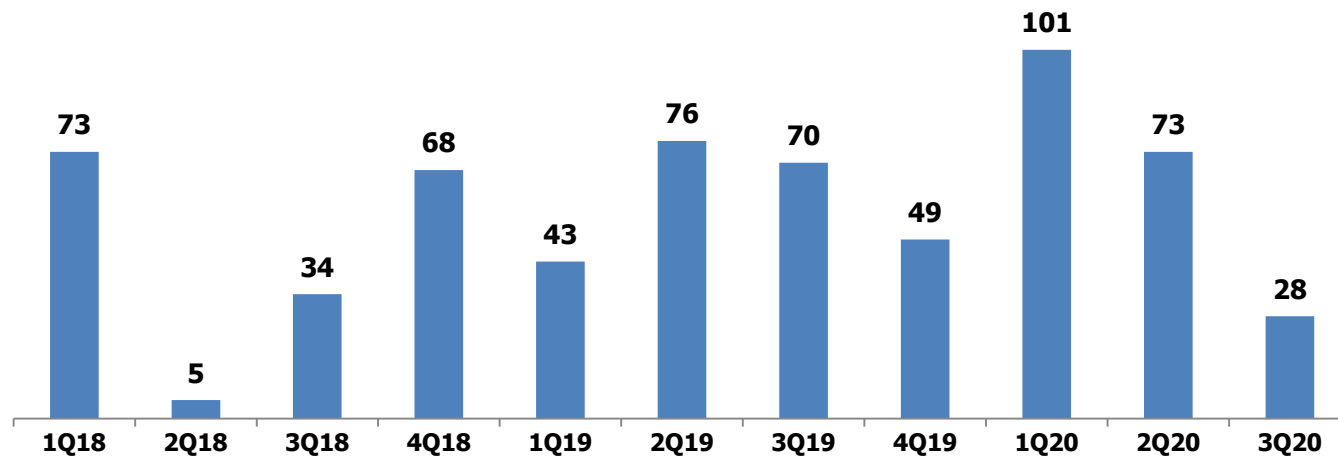
✪ The Company's gross debt increased by R\$45 million (1%) in the 3Q20. YTD the debt increased by R\$214 million (7%).

Financial and Operational Results

Indebtedness (Net Debt Variation)



Net Debt Variation – R\$ milhões



- ✚ Considering the R\$17 million increase in Cash and Cash equivalents, Net Debt increased R\$28 million (1%) during the 3Q20, representing the lowest cash burn since 2Q18.

Financial and Operational Results

Income Statement

| INCOME STATEMENTS (R\$ '000) - IFRS | QUARTER | | | YTD | | |
|---|------------------|------------------|----------------|------------------|------------------|---------------|
| | 3Q20 | 3Q19 | (%) Var. | 9M20 | 9M19 | (%) Var. |
| Operating Gross Revenue | | | | | | |
| Real Estate Sales | 44,797 | 25,533 | 75% | 169,178 | 223,367 | -24% |
| Other Operating Revenues | 497 | 18,999 | -97% | (2,074) | 40,860 | n.m. |
| (-) Revenues Deduction | (5,622) | (8,726) | -36% | (23,141) | (28,220) | -18% |
| Operating Net Revenue | 39,672 | 35,806 | 11% | 143,963 | 236,007 | -39% |
| Cost of Sold Units | (27,069) | (34,408) | -21% | (110,505) | (196,177) | -44% |
| Interest Expenses | (4,892) | (6,311) | -22% | (14,690) | (31,172) | -53% |
| Cost of sold properties | (31,961) | (40,719) | -22% | (125,195) | (227,349) | -45% |
| Gross Income (loss) | 7,711 | (4,913) | n.m. | 18,768 | 8,658 | n.m. |
| Gross margin | 19.4% | n.a. | n.m. | 13.0% | 3.7% | 9.3 pp |
| Adjusted gross margin ⁽¹⁾ | 31.8% | 3.9% | 27.9 pp | 23.2% | 16.9% | 6.3 pp |
| Operating Revenues (expenses): | | | | | | |
| Equity Income | (1,889) | (399) | n.m. | (2,721) | 1,312 | n.m. |
| General and Administrative | (11,281) | (11,130) | 1% | (44,787) | (40,529) | 11% |
| Commercial | (18,421) | (9,974) | 85% | (9,497) | (28,015) | -66% |
| Taxes | (392) | (706) | -44% | (2,115) | (5,226) | -60% |
| Depreciation & Amortization | (546) | (884) | -38% | (1,668) | (2,892) | -42% |
| Other | (77,450) | 18,001 | n.m. | (172,470) | (192,195) | -10% |
| Financial Result | (69,287) | (106,940) | -35% | (327,884) | (339,441) | -3% |
| Total operating revenues (expenses) | (179,266) | (112,032) | 60% | (561,142) | (606,986) | -8% |
| Income before taxes | (171,555) | (116,945) | 47% | (542,374) | (598,328) | -9% |
| Income Taxes and Social Contribution | 6,548 | (7,341) | n.m. | 11,614 | (19,444) | n.m. |
| Income before minority stake | (165,007) | (124,286) | 33% | (530,760) | (617,772) | -14% |
| Minority interest | 1,892 | 909 | n.m. | 5,851 | 5,163 | 13% |
| Net Income (loss) | (163,115) | (123,377) | 32% | (524,909) | (612,609) | -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



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