

Domo Business – São Bernardo do Campo/SP



**April, 05th
2021**

**4Q20 and 2020
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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4Q20 and 2020 Highlights

- ❖ Net sales amounted to R\$12 million in 4Q20, compared to a negative sale of R\$18 million in 4Q19. In 2020 net sales totaled R\$64 million, an increase of 45% over 2019.
- ❖ Reduction of R\$392 million in the Company's gross debt (extraconcursal) in 4Q20. During 2020 extraconcursal debt was reduced by R\$178 million (6%).
- ❖ Since the beginning of the Company's Reorganization Plan, debts amortization totaled R\$294 million until 4Q20.
- ❖ Gross profit totaled R\$71 million in 2020, with a gross margin of 34.3%. An increase of 28.6 percentage points in the Gross Margin.
- ❖ Reduction of 49% in the Company's net loss, from R\$900 million in 2019 to R\$454.6 million in 2020.
- ❖ During 4Q20 the Palm Beach project was finished. Located in Manaus and designated for upper-middle-income residents, the project has sold more than 80% of the 270 units launched.

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Court-supervised Reorganization (CSR)

Update and Subsequent Events



Amendment to the Judicial Recovery Plan – Creditors of Class 1

- ❖ November/20 – The amendment was approved by 100% of the participants in the General Creditors' Meeting
- ❖ December/20 - The amendment was approved by the judge
- ❖ January/21 - We concluded the payment to labor creditors who have chosen payment option B (approximately R\$ 4.7 million)

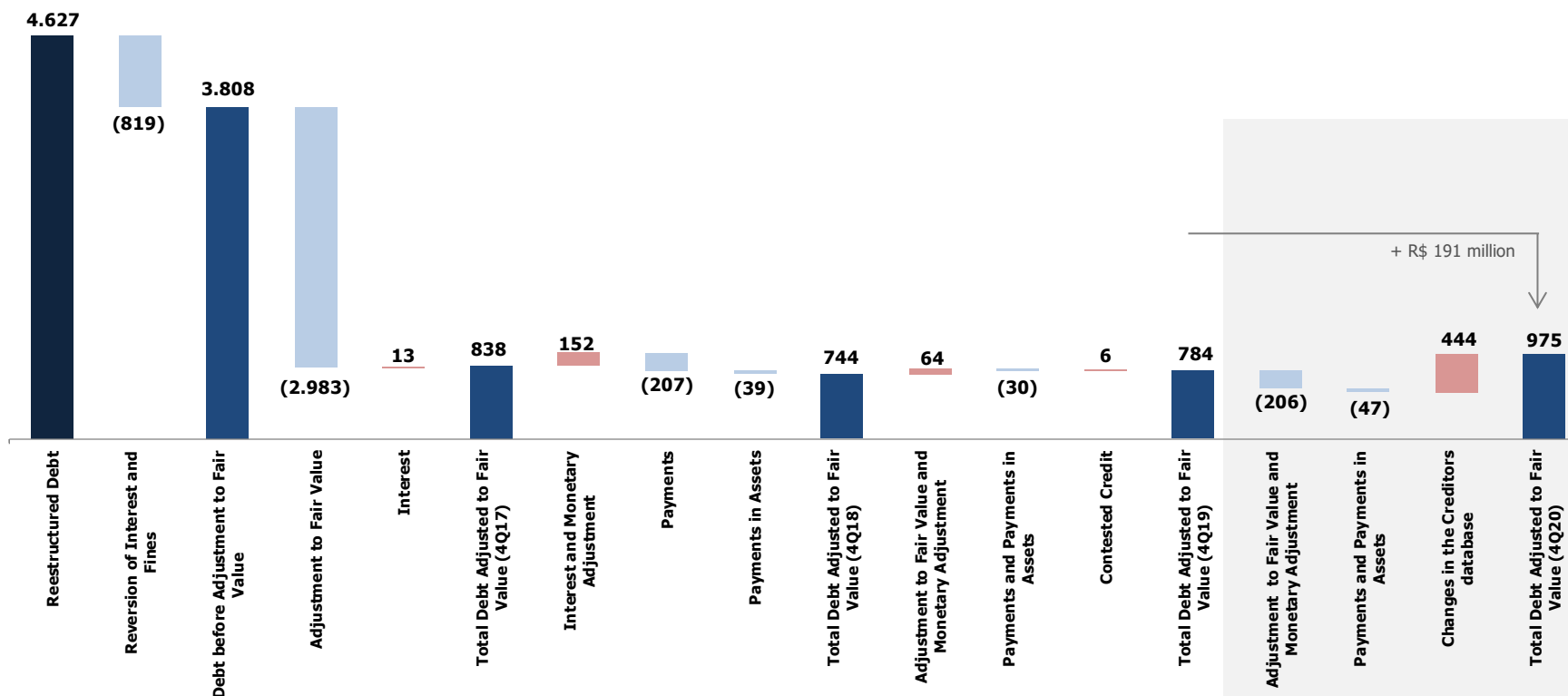
Capital Increase - Class 1, 3, and 4 Creditors

- ❖ Labor creditors (Class 1) who have chosen options A and D will have their credits converted into PDG shares.
- ❖ Judicial Recovery Plan foresees the optional capitalization of the credits (conversion into PDG shares) every 3 anniversaries of the approval of the Plan (12/18/17). Creditors eligible for conversion: unsecured creditors (Class 3) allocated to Options C, D, E, F, and G and ME / EPP Creditors (Class 4) allocated to Option C.
- ❖ 03/19/21 - approval by the General Meeting of shareholders of the capital increase of R\$301.85 million (48,066,502 common shares).

Court-supervised Reorganization (CSR)

Debt Subjected to the Reorganization Plan (Concursal)

Debt Variation – R\$ million



- ❖ In 4Q20 Debts subjected to the Recovery Plan increased by R\$145 million (17%) mainly due to the migration of certain credits from extraconcursal debt to concursal debt.
- ❖ In 2020 Debts subjected to the Recovery Plan increased by R\$191 million (24%)
- ❖ Considering the Capital Increase, the payments to creditors of classes I, II and, IV and the payments in assets, the Company already amortized R\$294 million in debts subjected to the Recovery Plan.

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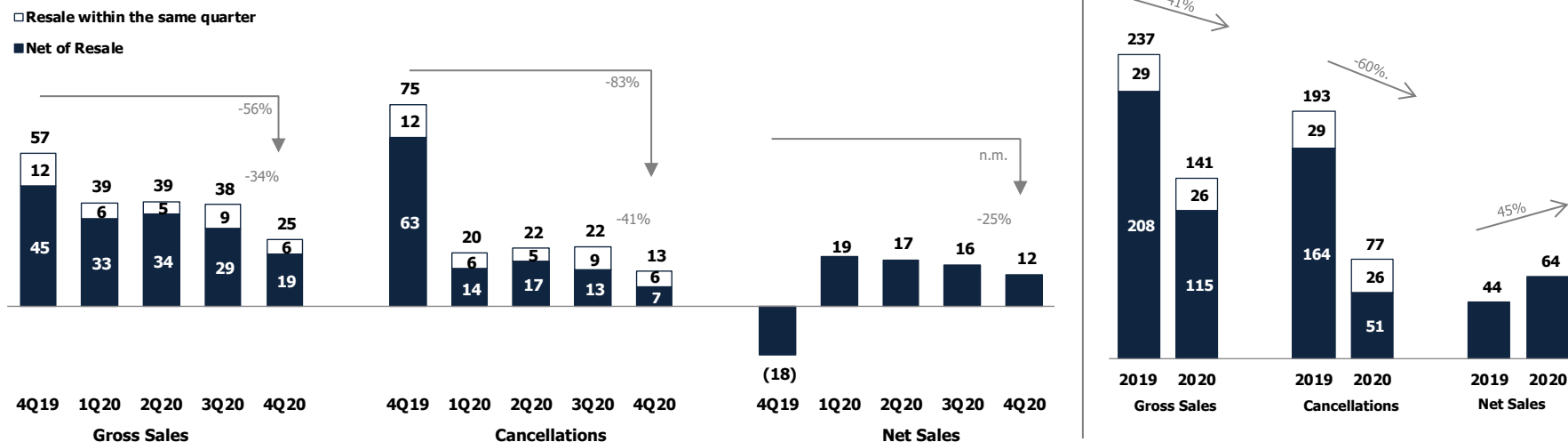
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Financial and Operational Results

Sales Performance



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



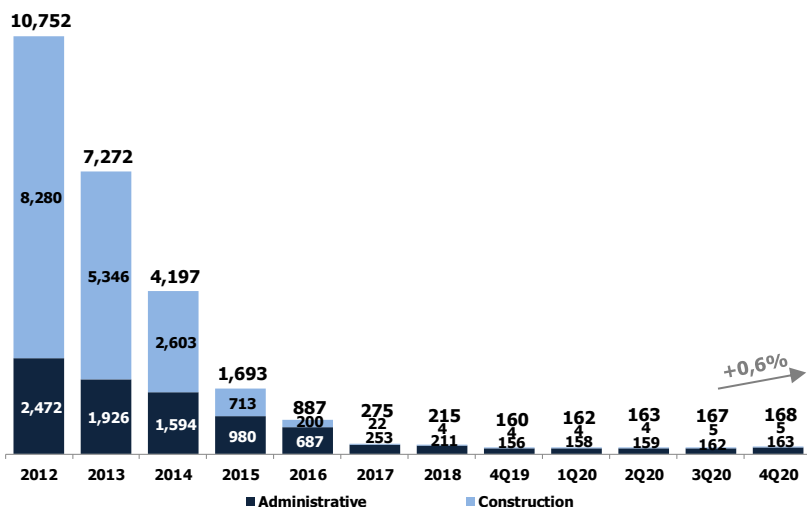
- ❖ In 4Q20 gross sales totaled R\$25 million, 56% lower than 4Q19. In 2020 gross sales totaled R\$141 million, 41% lower than 2019.
- ❖ During 4Q20 cancellations totaled R\$13 million, 83% below 4Q19. In 2020 cancellations reached R\$77 million, a 60% decrease YoY.
- ❖ Net sales amounted to R\$12 million in 4Q20, 25% below 3Q20. In 2020 net sales reached R\$64 million, 45% above 2019.

Financial and Operational Results

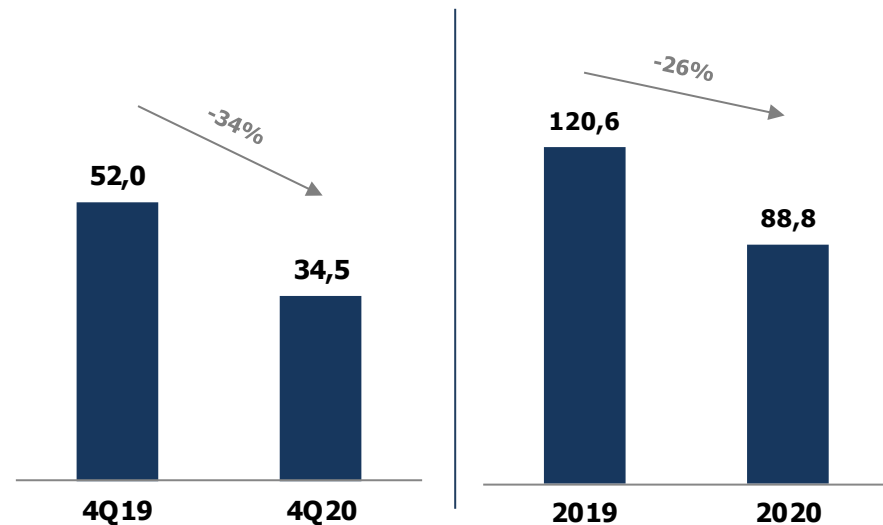
Selling, General & Administrative Expenses



Workforce



SG&A



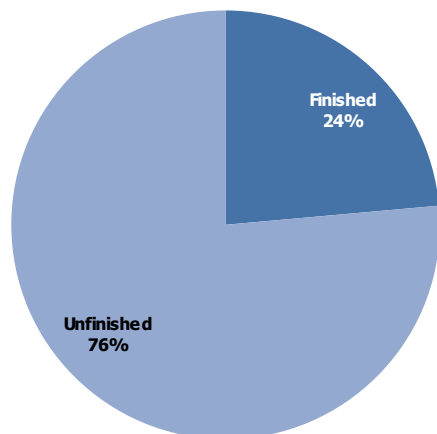
- ❖ G&A expenses decreased by 12% QoQ and increased by 2% YoY. This increase was mainly due to higher expenses with legal and financial advisory.
- ❖ Commercial expenses decreased by 50% QoQ and 58% YoY, mainly due to reversal of the provision for expenses with finished units.
- ❖ General and administrative expenses added to selling expenses (SG&A) decreased by 34% QoQ and decreased by 26% YoY.
- ❖ During 2020 PDG's workforce increased by 5%.

Financial and Operational Results

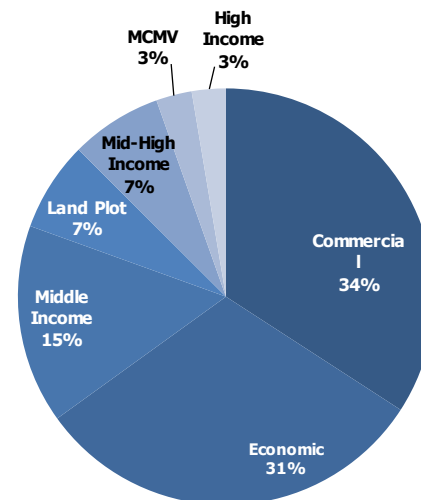
Inventory



Inventory by Conclusion Status – % of PSV



Finished Inventory by Product – % of PSV

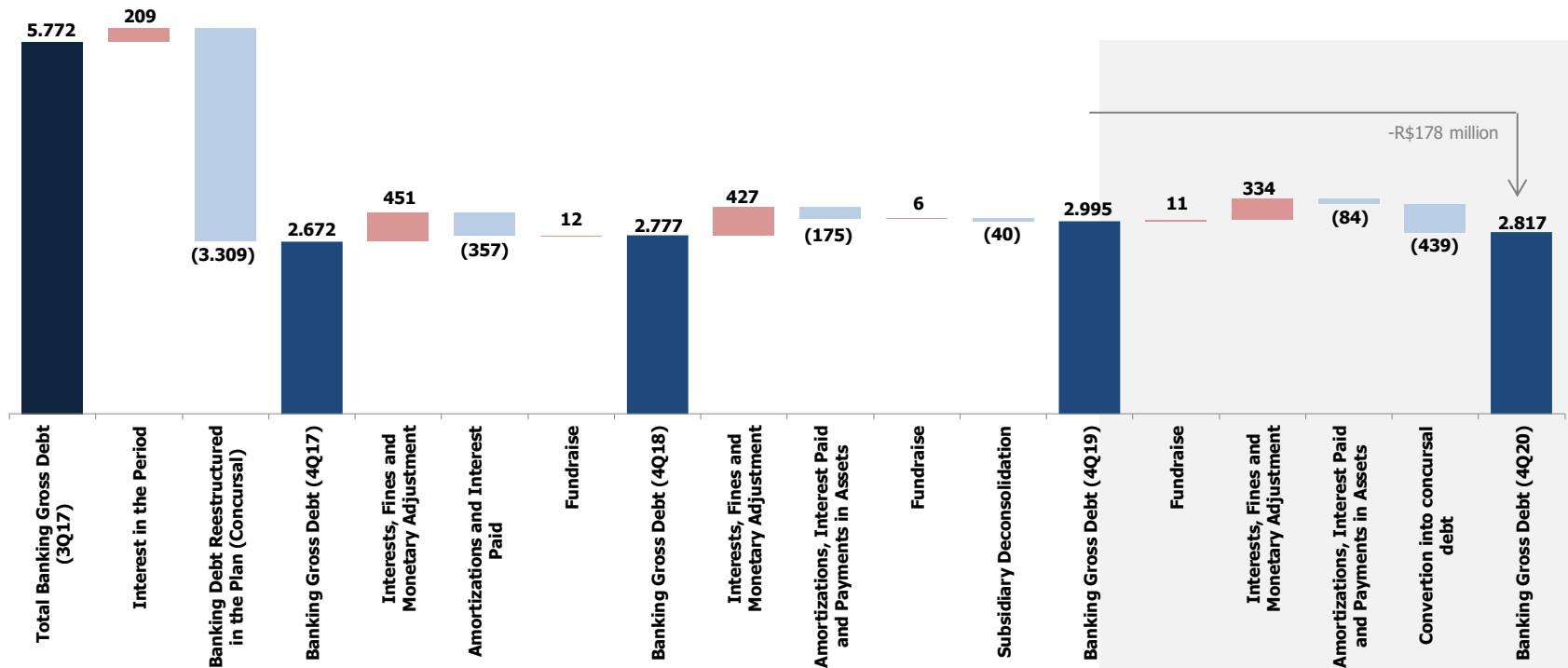


- ❖ The Company's total market value of inventory at the end of 4Q20 was R\$1,941 million, of which R\$457.6 million refers to concluded units.
- ❖ Concluded inventory features:
 - 74% are located in São Paulo and Rio de Janeiro;
 - 68% of the inventory (including commercial product) is concentrated in projects with sales range above 60% sold;
 - 56% 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



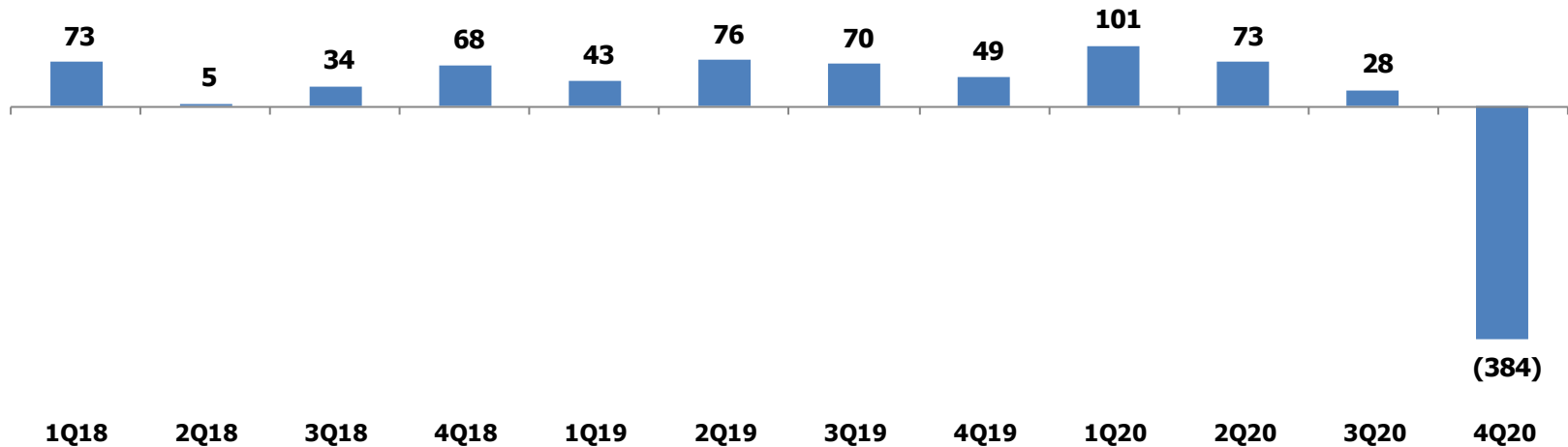
- ❖ In 4Q20 a debenture holder requested to migrate a debt to concursal debt. Consequently indebtedness was reduced by R\$392 million (12%) during the period.
- ❖ In 2020 the debt decreased by R\$178 million (6%).

Financial and Operational Results

Indebtedness (Net Debt Variation)



Net Debt Variation – R\$ milhões



- ❖ Considering the R\$8 million decrease in Cash and Cash equivalents, Net Debt decreased by R\$384 million (12%) during the 4Q20.
- ❖ During 2020 net debt decreased by R\$182 million (6%)

Financial and Operational Results

Income Statement

INCOME STATEMENTS (R\$ '000) - IFRS	QUARTER			YTD		
	4Q20	4Q19	(%) Var.	2020	2019	(%) Var.
Operating Gross Revenue						
Real Estate Sales	66,717	70,406	-5%	235,895	293,773	-20%
Other Operating Revenues	2,876	525	n.m.	802	41,385	-98%
(-) Revenues Deduction	(5,362)	(6,716)	-20%	(28,503)	(34,936)	-18%
Operating Net Revenue	64,231	64,215	0%	208,194	300,222	-31%
Cost of Sold Units	(6,709)	(43,786)	-85%	(117,214)	(239,963)	-51%
Interest Expenses	(4,873)	(11,982)	-59%	(19,563)	(43,154)	-55%
Cost of sold properties	(11,582)	(55,768)	-79%	(136,777)	(283,117)	-52%
Gross Income (loss)	52,649	8,447	n.m.	71,417	17,105	n.m.
Gross margin	82.0%	13.2%	68.8 pp	34.3%	5.7%	28.6 pp
Adjusted gross margin ⁽¹⁾	89.6%	31.8%	57.8 pp	43.7%	20.1%	23.6 pp
Operating Revenues (expenses):						
Equity Income	445	190	n.m.	(2,276)	1,502	n.m.
General and Administrative	(19,765)	(22,597)	-13%	(64,552)	(63,126)	2%
Commercial	(14,711)	(29,437)	-50%	(24,208)	(57,452)	-58%
Taxes	(915)	(1,219)	-25%	(3,030)	(6,445)	-53%
Depreciation & Amortization	(1,175)	(761)	54%	(2,843)	(3,653)	-22%
Other	(78,799)	(152,191)	-48%	(251,269)	(344,386)	-27%
Financial Result	246,828	(124,114)	n.m.	(81,056)	(463,555)	-83%
Total operating revenues (expenses)	131,908	(330,129)	n.m.	(429,234)	(937,115)	-54%
Income before taxes	184,557	(321,682)	n.m.	(357,817)	(920,010)	-61%
Income Taxes and Social Contribution	(110,500)	29,603	n.m.	(98,886)	10,159	n.m.
Income before minority stake	74,057	(292,079)	n.m.	(456,703)	(909,851)	-50%
Minority interest	(3,763)	4,642	n.m.	2,088	9,805	-79%
Net Income (loss)	70,294	(287,437)	n.m.	(454,615)	(900,046)	-49%
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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