

Domo Business – São Bernardo do Campo/SP



May, 17th
2021

1Q21 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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1Q21 Highlights

- ❖ **Gross Sales of R\$35 million in 1Q21, 40% higher than in 4Q20.**
- ❖ **Recurring Net Sales* of R\$26 million in 1Q21, an increase of 117% over 4Q20 and 37% over 1Q20.**
- ❖ **1Q21 Net operational revenues increased by 45% over 4Q20 and 98% over 1Q20.**
- ❖ **1Q21 Commercial expenses decreased by 59% over 4Q20. SG&A decreased by 8% over 4Q20.**
- ❖ **Net debt was reduced by 7% QoQ.**
- ❖ **Since the beginning of the Company's Reorganization Plan, debts amortization totaled R\$307 million until 1Q21.**
- ❖ **Gross profit amounted to R\$12.3 million in 1Q21, with a gross margin of 13.3%.**
- ❖ **Consistent with our commitment to seek solution for unfinished projects, we sold the Meridiano project this quarter.**

* Excluding the effect of cancellations of Meridiano units, a project sold in 1Q21.



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Court-supervised Reorganization (CSR)

Conversion of debt into equity



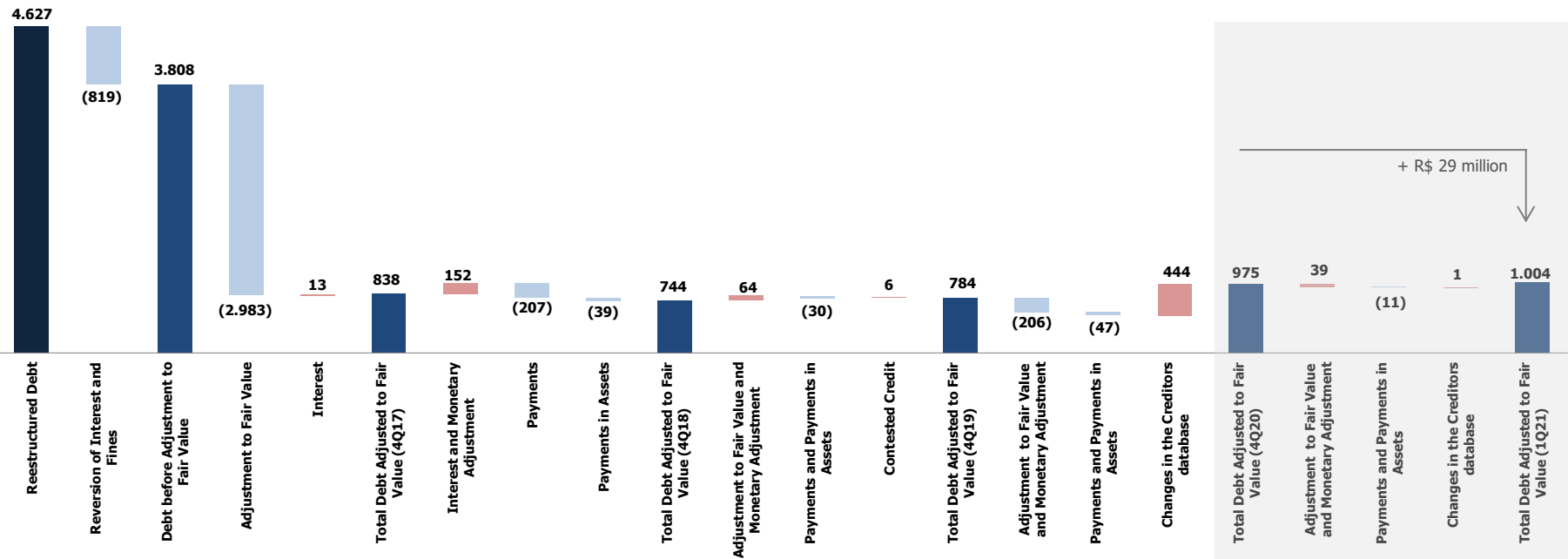
Capital Increase - Class 1, 3, and 4 Creditors

- ❖ 03/19/21 - approval by the General Meeting of shareholders of the capital increase of R\$301.85 million (48,066,502 common shares).
- ❖ 04/28/21 - PDG informs about the result of the shareholders' preemptive right exercise. 48,759 shares were subscribed (0.1% of the total). The amounts paid by the shareholders who exercised their preemptive rights will be distributed proportionally to the eligible creditors. The remaining shares will be subscribed by the eligible creditors. This will cause a change in the Company's shareholding base, in view of the Capital Increase's dilution percentage.
- ❖ 04/28/21 - PDG disclosed a Material Fact informing that the creditor 'FIDC - VKR Fundo de Investimento em Direitos Creditórios' will subscribe 31,814,826 shares in the Capital Increase, holding 56.68% of the capital stock after the capital increase is carried out. The FIDC VKR fund declares that, at this moment, it will not act to influence the management of the Company, nor does it intend to promote the cancellation of the Company's registration as a publicly held company or to carry out corporate operations involving the Company.
- ❖ PDG is carrying out all the necessary measures to conclude this Capital Increase and will keep all shareholders, creditors and the market in general informed about the next steps.

Court-supervised Reorganization (CSR)

Debt Subjected to the Reorganization Plan (Concursal)

Debt Variation – R\$ million



- ❖ During 1Q21 the concursal debt increased by R\$29 million (3%), mainly due to interest and monetary correction.
- ❖ Considering the Capital Increase, the payments to creditors of classes I, II and, IV and the payments in assets, the Company already amortized R\$307 million in debts subjected to the Recovery Plan.



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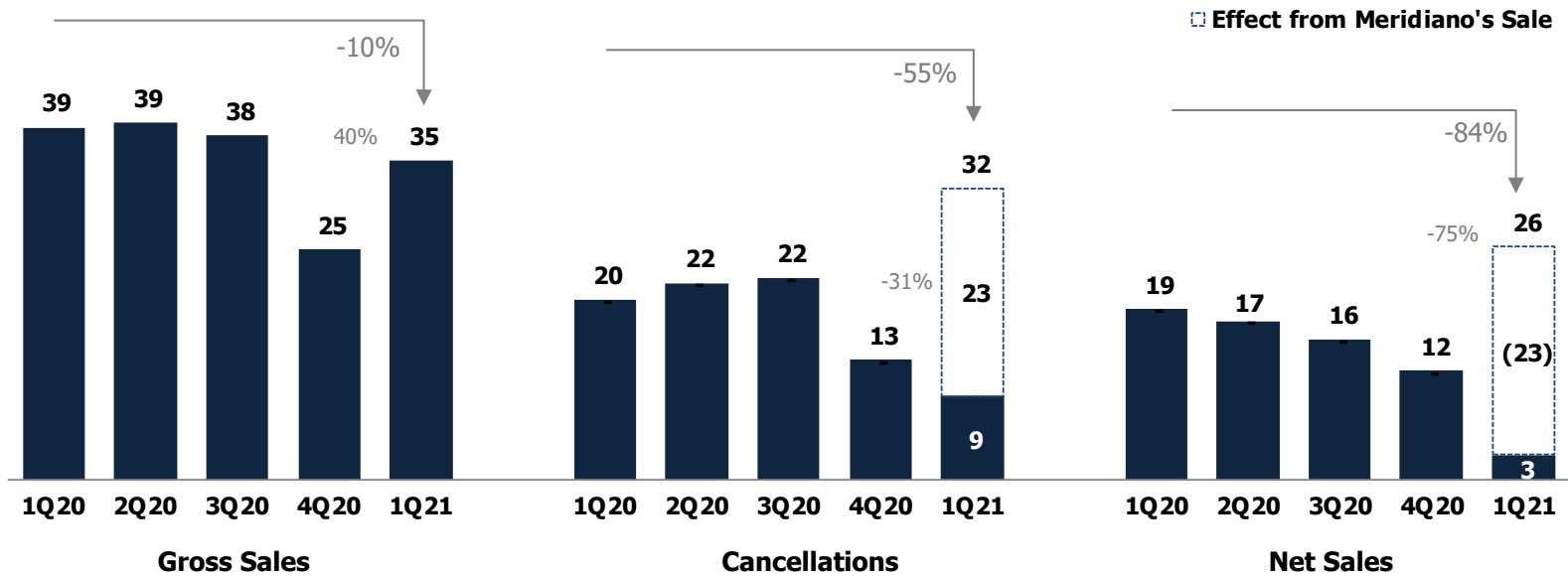
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Financial and Operational Results

Sales Performance



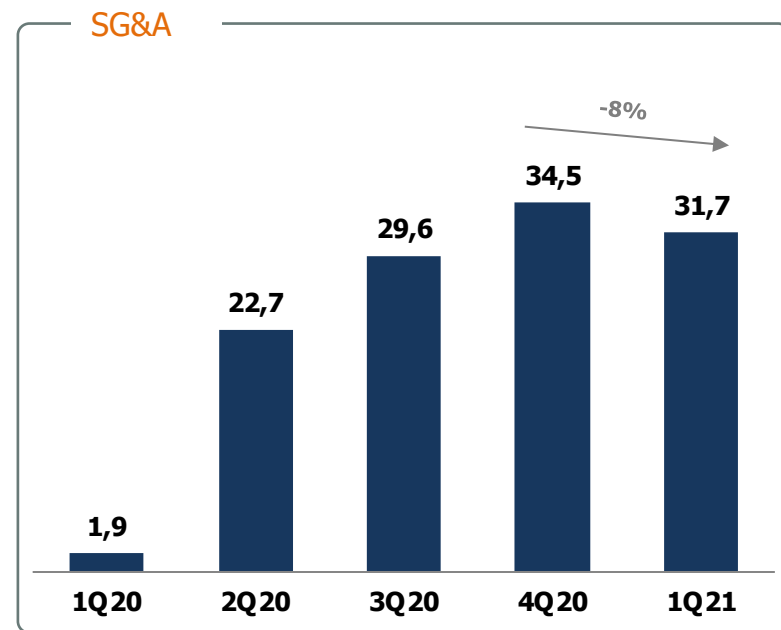
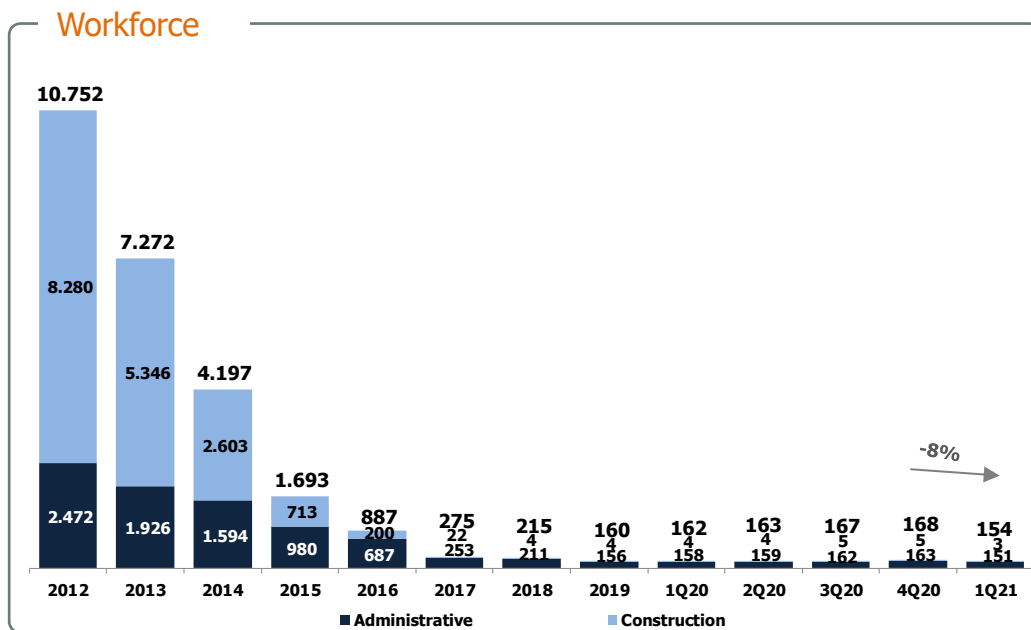
Gross Sales, Cancellations and Net Sales - R\$ million



- ❖ In 1Q21 gross sales totaled R\$35 million, 10% lower than in 1Q20 and 40% higher than in 4Q20. We continue to focus on sales of those units that generates free cash inflow. Therefore the delivered units have shown higher sales speed (gross sales SoS).
- ❖ During 1Q21 cancellations amounted to R\$32 million, 60% higher than in 1Q20. 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 effect of the *Meridiano* sale, cancellations amounted to R\$9 million in 1Q20
- ❖ Excluding the non-recurring effect of the sale of *Meridiano*, net sales totaled R\$26 million in 1Q21, an increase of 37% over 1Q20.

Financial and Operational Results

Selling, General & Administrative Expenses



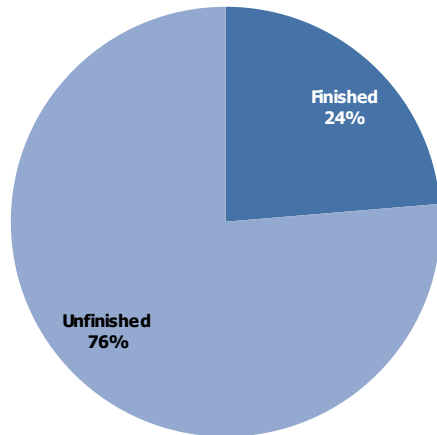
- ❖ G&A expenses increased by 59% QoQ. This increase was mainly due to higher expenses with legal and financial advisory, resulting from the successful approval of the Recovery Plan amendment for labor creditors.
- ❖ In 1Q20 commercial expenses amounted to negative R\$14 million due to the reversal of the provision for payment of expenses with finished units. In 1Q21 commercial expenses amounted to R\$60 million, a 59% decrease over de 4Q20.
- ❖ General and administrative expenses added to selling expenses (SG&A) decreased by 8% over 4Q20.
- ❖ During 2020 PDG's workforce decreased by 8%.

Financial and Operational Results

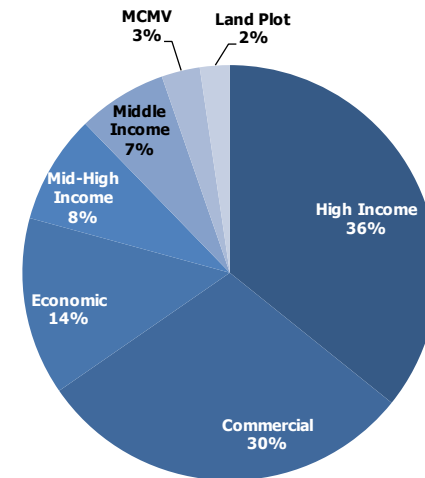
Inventory



Inventory by Conclusion Status – % of PSV



Finished Inventory by Product – % of PSV

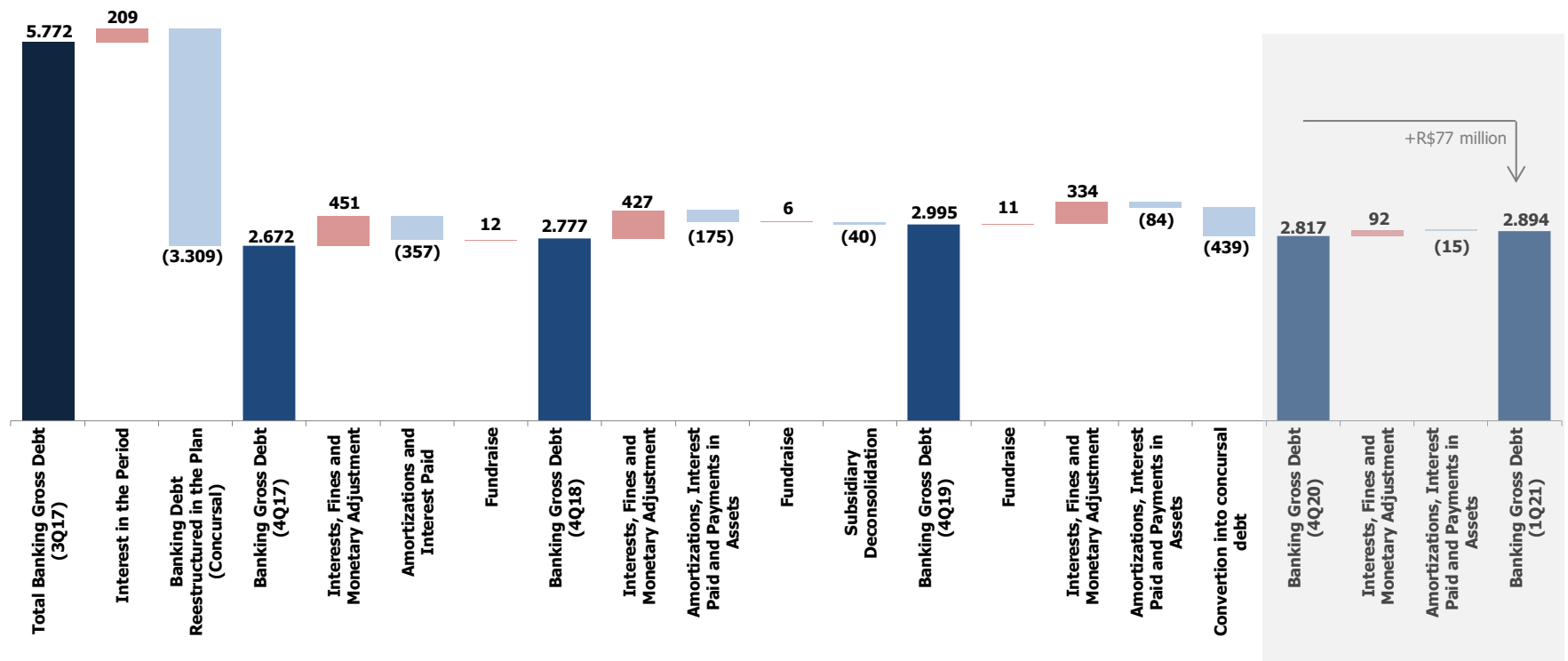


- ❖ The Company's total market value of inventory at the end of 1Q21 was R\$11886 million, of which R\$446.6 million refers to concluded units.
- ❖ Concluded inventory features:
 - 76% are located in São Paulo and Rio de Janeiro;
 - 66% of the inventory (including commercial product) is concentrated in projects with sales range above 60% sold;
 - 53% 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 1Q21 gross debt increased by R\$77 million (3%), due to interest and monetary correction.
- ❖ Considering the R\$11 million increase in Cash and Cash equivalents, net debt increased by R\$66 million (2%) over 4Q20. Net debt decreased by 7% QoQ.

Financial and Operational Results

Income Statement

INCOME STATEMENTS (R\$ '000) - IFRS	QUARTER		
	1Q21	1Q20	(%) Var. 1Q21 - 1Q20
Operating Gross Revenue			
Real Estate Sales	90.453	66.717	36%
Other Operating Revenues	4.278	2.876	49%
(-) Revenues Deduction	(1.840)	(5.362)	-66%
Operating Net Revenue	92.891	64.231	45%
Cost of Sold Units	(73.873)	(6.709)	n.m.
Interest Expenses	(6.666)	(4.873)	37%
Cost of sold properties	(80.539)	(11.582)	n.m.
Gross Income (loss)	12.352	52.649	-77%
Gross margin	13,3%	82,0%	-68,7 pp
Adjusted gross margin ⁽¹⁾	20,5%	89,6%	-69,1 pp
Operating Revenues (expenses):			
Equity Income	58	445	-87%
General and Administrative	(25.666)	(19.765)	30%
Commercial	(6.037)	(14.711)	-59%
Taxes	(642)	(915)	-30%
Depreciation & Amortization	(147)	(1.175)	-87%
Other	(74.145)	(78.799)	-6%
Financial Result	(125.604)	246.828	n.m.
Total operating revenues (expenses)	(232.183)	131.908	n.m.
Income before taxes	(219.831)	184.557	n.m.
Income Taxes and Social Contribution	(1.092)	(110.500)	-99%
Income before minority stake	(220.923)	74.057	n.m.
Minority interest	638	(3.763)	n.m.
Net Income (loss)	(220.285)	70.294	n.m.
Net margin	n.a.	n.a.	n.m.

(1) Adjusted by interest expenses in cost of sold units and recognition of goodwill

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