

CR2 ANNOUNCES ITS RESULTS FOR 2Q20

Rio de Janeiro, August 24th, 2020 – CR2 Empreendimentos Imobiliários S.A. (Bovespa: CRDE3; OTC: CREIY) announces its results for the second quarter of 2020 (2Q20). The company's consolidated financial statements are prepared according to accounting practices adopted in Brazil pursuant to the Law of Corporations and regulations issued by the Brazilian Securities and Exchange Commission (CVM).

2Q20 HIGHLIGHTS

- Cash and Cash Equivalents of R\$ 24,447 thousand;
- Zero Corporate Debt.
- Receipt of 22 more units in payment after the extinction of the condominium at Link Office & Mall;
- 18% Reduction in G&A in comparison with 2Q19;
- Subsequent events: Incorporation of CR2 São Paulo 1 Empreendimentos Ltda. by CR2 Empreendimentos SPE-9 Ltda., which is responsible for all the obligations and rights of the incorporated company, continuing the process of monetizing assets and optimizing the operational structure; Payment of the second installment of the capital refund to shareholders, referring to 50% of the total refund of R\$ 10 million, approved at the Extraordinary General Meeting held on March 2, 2020.

2Q20 EARNINGS AND CONFERENCE CALL

INVESTOR RELATIONS

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Portuguese Conference Call August 25th, 2020

4:00 pm (Brasília time)
3:00 pm (Eastern time)

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English Conference Call August 25th, 2020

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EARNINGS RELEASE 2Q20

INDEX

CONTRACTED SALES	4
INVENTORY AT MARKET VALUE AND RECEIVABLES	5
LAND BANK	8
ANALYSIS OF THE INCOME STATEMENT	8
GENERAL AND ADMINISTRATIVE EXPENSES (G&A)	9
GROSS PROFIT AND NET PROFIT	9
STATEMENT OF CASH FLOW	10
APPENDIX I – INCOME STATEMENT	11
APPENDIX II – BALANCE SHEET	12
<u>GLOSSARY</u>	<u>13</u>
<u>LEGAL NOTICES.....</u>	<u>13</u>
<u>PUBLIC ACCOUNTANTS RELATIONSHIP</u>	<u>15</u>

OPERATING AND FINANCIAL HIGHLIGHTS

Consolidated Financials (R\$'000)	2Q20	2Q19	Δ2Q/2Q	1Q20	Δ2Q/1Q
Net Operating Revenue	297	83	257,8%	347	-14,4%
Gross Profit	163	(499)	-132,7%	161	1%
% Gross Profit Margin	54,9%	-600,6%	655,5 p.p.	46,4%	8,5 p.p.
Gross Profit (ex-SFH Interest)	163	(495)	-132,9%	164	0%
%Gross Profit Margin (ex-SFH Interest)	54,9%	-596,3%	651 p.p.	47,2%	7,7 p.p.
EBITDA(1)	(736)	(1.508)	51,2%	(770)	4%
% EBITDA Margin	-248%	-1816%	1568 p.p.	-222%	-26 p.p.
Net Profit before minority interest	(934)	(1.055)	11,5%	(307)	-204%
% Net Margin before minority interest	-314,5%	-1271,1%	957 p.p.	-88,5%	-226 p.p.
Net Profit	(934)	(1.057)	11,6%	(307)	-204%
% Net Margin	-314%	-1273%	959 p.p.	-88%	-226 p.p.
Basic Earnings per Share - EPS R\$	(0,39)	(0,44)	12,4%	(0,13)	-196,6%
Revenues to be Recognized	0	0	-	0	-
Results to be Recognized	0	0	-	0	-
Margin to be Recognized	0,0%	0,0%	0,0 p.p.	0,0%	0,0 p.p.
Cash	24.447	25.906	-5,6%	56.814	-57,0%
Net Debt (ex-SFH)	0	0	-	0	-
Net Debt (ex-SFH) / Shareholders Equity	-	-	-	-	-
Net Debt	0	0	-	0	-
Net Debt / Shareholders Equity	-	-	-	-	-
Shareholders Equity	121.427	160.435	-24,3%	132.373	-8,3%

Operating (R\$'000)	2Q20	2Q19	Δ2Q/2Q	1Q20	Δ2Q/1Q
Total Contracted Sales ⁽²⁾	0	474	-100,0%	160	-100,0%
Total Contracted Sales (%CR2) ⁽²⁾	0	454	-100,0%	160	-100,0%
Sales over Supply - SoS (%CR2) ⁽³⁾	0,0%	38,6%	-39 p.p.	26,5%	-26,5 p.p.
Units Sold in the Period	0	4	-100,0%	1	-100,0%

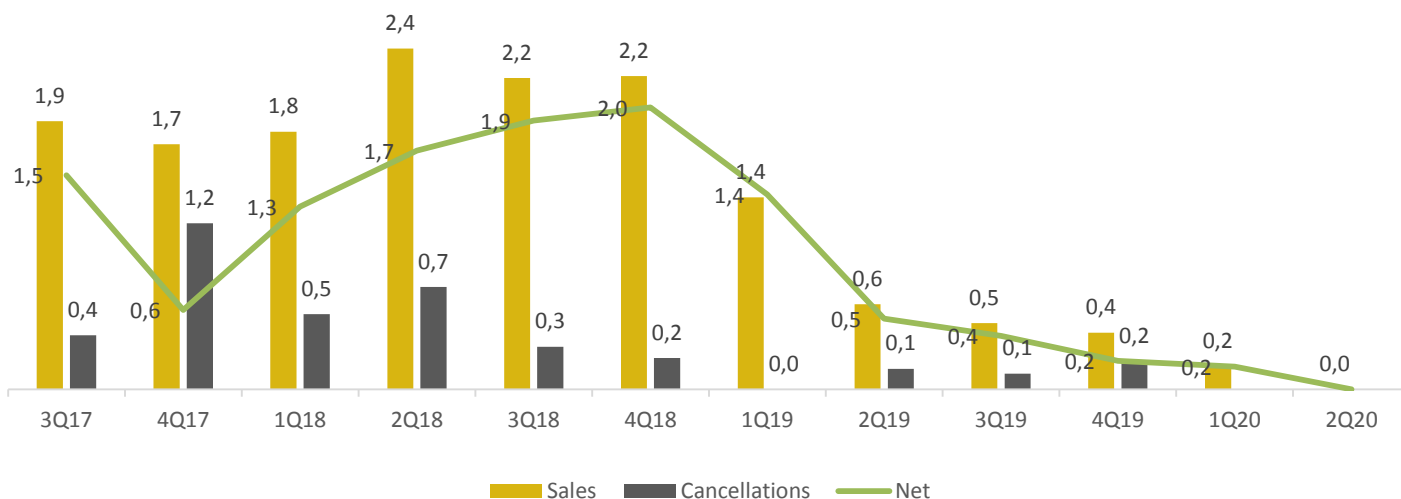
CONTRACTED SALES

Net contracted sales of cancellations were zeroed in 2Q20, greatly impacted by the health crisis resulting from the Covid 19 pandemic that still persists.

Currently, the Company's units available for sale are concentrated in the Link Office & Mall project, composed mainly of stores and commercial rooms and located in the Barra da Tijuca region, which over the past few years has presented a very challenging scenario for the real estate sector.

The combination of those factors led to the null result of contracted sales, which tends to improve as soon as the phytosanitary and economic scenario improves.

Gross Contracted Sales x Cancellations (R\$ Millions)



INVENTORY AT MARKET VALUE AND RECEIVABLES

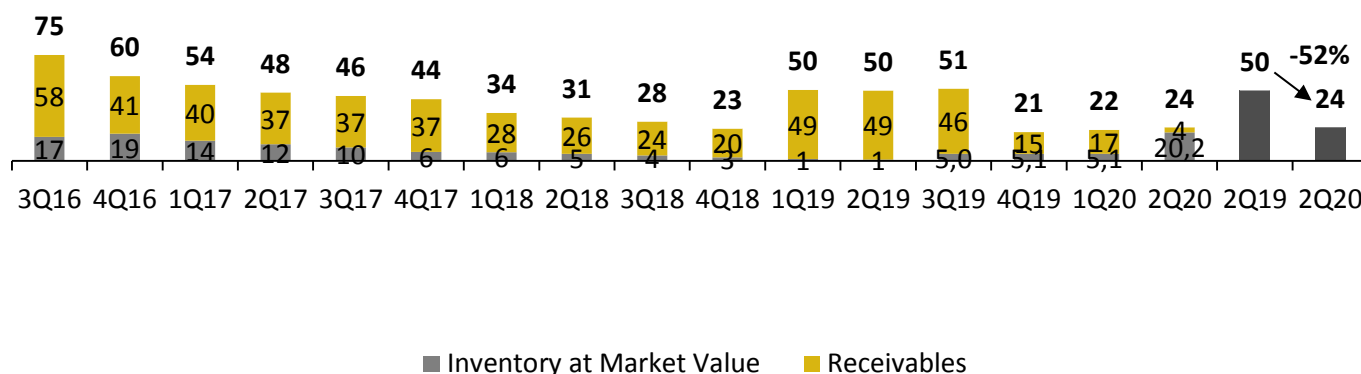
The Company ended 2Q20 with R\$ 20.2 million of inventory at market value, an increase of 1,812% compared to 1Q19, impacted by the receipt of another 22 units in payment, which started to incorporate the Company's inventory, due to the extinction of the condominium of the Link Office & Mall project, in which we held a 40% financial exchange, signed in the third quarter of 2019, as previously informed.

The Receivables (Accounts Receivable from Customers) closed the quarter at R\$ 3.4 million, showing a reduction of 80% in comparison to 1Q20, impacted by the condominium extinction agreement mentioned above, where the receivables referring to the 40% of the financial exchange in the Link Office & Mall project was extinguished with the receipt of the 22 units as payment.

Compared to 2Q19, receivables were mainly impacted by the receipt in advance of the values from the sale of the Parque das Águas land, in December 2019.

The value of Receivables + Inventories compared to 2Q19 decreased by 52%.

Receivables + Inventory Evolutions (R\$ Millions)



The next three tables shows the breakdown of Inventory at Market Value per SPE, the statement of the main receivables and the breakdown of Receivable s from Clients per SPE.

Inventories ended the quarter at R \$ 20,226 thousand, divided into only 5 projects. Link Office & Mall is the enterprise with the largest share in inventories (96%), the rest being made up of Splendor Valqueire (1%), Campinho (1%), Jardim Paradiso (1%) and Parque das Águas (1%).

Inventory Market per SPE (R\$ '000)											
SPEs	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	%(1Q20)
Jardim Paradiso	1.166	1.046	818	580	123	114	0	124	124	124	1%
Jardim Paradiso 1-A	463	237	123	123	123	0	0	124	124	124	1%
Jardim Paradiso 1-B	703	809	695	456	0	114	0	0	0	0	0%
Parque das Águas	1.960	1.462	616	155	0	0	0	0	0	249	1%
Green	456	456	456	0	0	0	0	0	0	0	0%
Verano I	0	0	0	0	0	0	0	0	0	0	0%
Verano II	475	475	475	0	0	0	0	0	0	0	0%
Verano III	0	0	0	0	0	0	0	0	0	0	0%
Campinho	725	725	580	580	725	725	145	145	145	290	1%
SP 1	143	0	0	0	0	0	0	0	0	0	0%
Aqua Park 2	143	0	0	0	0	0	0	0	0	0	0%
Aqua Park 3	0	0	0	0	0	0	0	0	0	0	0%
Mirante Bonsucesso	0	0	0	0	0	0	0	0	0	0	0%
Residências Premium	450	450	450	450	0	0	0	0	0	0	0%
HC Felicitá	238	238	209	209	0	0	0	0	0	0	0%
Splendor Valqueire I	219	219	219	551	551	219	219	219	219	219	1%
Link Office Mall & Stay	0	0	0	0	0	0	4.660	4.660	4.660	19.345	96%
Total:	6.258	5.070	3.822	2.525	1.399	1.058	5.024	5.148	5.148	20.226	100%

At the end of 2Q20, Receivable from Clients totaled R\$ 3.6 million, of which R\$ 3.2 million refers to the remaining receivables from Link financial swap.

Accounts Receivable from Transfer of Receivables is constituted when the credit is transferred to banks and turns into cash according to the registration of contracts in the Post-key Transfer of Receivables financial model, and according to construction works' percentage of completion in the "Crédito Associativo" financing model. This account ended 2Q20 zeroed.

(R\$ '000)	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20
Receivables from Real Estate Sales	36.809	36.776	37.473	28.202	26.420	23.973	20.446	49.518	49.575	46.819	16.008	18.176	3.810
Revenues to be Recognized	0	0	0	0	0	0	0	0	0	0	0	0	0
Advances from Clients	(142)	(145)	(60)	(397)	(486)	(37)	(4)	(459)	(648)	(540)	(602)	(1.093)	(185)
TOTAL Receivables from Clients	36.666	36.631	37.413	27.805	25.934	23.936	20.442	49.059	48.927	46.279	15.406	17.083	3.625
Receivable from Transfer of Receivables	5.413	2.549	847	2.030	1.260	983	675	362	766	0	128	0	0
Direct Finacing	705	567	465	126	29	8	0	0	0	0	0	0	0
TOTAL Receivables	42.785	39.746	38.725	29.961	27.223	24.927	21.118	49.421	49.693	46.279	15.535	17.083	3.625

SPEs	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	Indexation
SPE 23 (Link)	20.529	20.473	20.482	17.781	17.481	17.397	13.736	13.430	15.022	3.229	IGP-M +12% a.a.*
Jardim Paradiso	303	8	8	0	0	0	0	0	0	0	IGP-M +12% a.a.
Parque das Águas	2.286	2.158	1.465	1.470	29.986	30.595	31.516	1.543	1.484	0	IGP-M +12% a.a.
Green	1.250	1.213	902	0	0	0	0	0	0	0	IGP-M +12% a.a.
Campinho	519	549	254	350	222	0	251	0	158	0	IGP-M
SP 1	1.640	793	126	227	249	220	217	215	181	0	IGP-M
Acqua Park 1	87	44	44	80	0	0	0	0	40	40	IGP-M
Acqua Park 2	0	0	0	0	0	0	0	0	0	0	IGP-M
Acqua Park 3	1	1	1	0	0	0	0	0	0	0	IGP-M
Top Life Itamaraty	0	0	0	0	0	0	0	0	0	0	IGP-M
Mirante Bonsucesso	148	150	1	0	0	0	0	0	0	0	IGP-M
Top Life Park	161	81	81	148	0	0	0	0	141	141	IGP-M
Manauá	1.296	519	0	0	0	0	0	0	0	0	INCC-DI
Residências Premium	0	0	0	0	384	0	0	0	0	0	IGP-M +12% a.a.
HC Felicitá	211	0	0	0	142	133	122	0	0	0	IGP-M +12% a.a.
Barra Allegro	0	0	0	0	0	0	0	0	0	0	IGP-M +12% a.a.
Splendor Valqueire I	549	349	349	216	219	216	219	219	237	216	IGP-M +12% a.a.
Total:	27.805	25.934	23.936	20.442	49.059	48.927	46.279	15.406	17.083	3.445	-

LAND BANK

The land Cidade Paradiso represent 96% of the book value in the Company's land bank.

Project	City (State)	Segment	Book Value (R\$'000)	Book/m ² (R\$'000)	%CR2
Cidade Paradiso	Nova Iguaçu (RJ)	Economy	76.564	29	100%
Sta. Cecília - Madureira	Nova Iguaçu (RJ)	Economy	3.121	10	100%
Total			79.685	25	

ANALYSIS OF THE INCOME STATEMENT

In 2Q20, Net Revenue totaled R\$ 297 thousand, compared to R\$ 83 thousand in 2Q19, increasing 258%.

Gross Profit ex-SFH interest totaled R\$ 163 thousand on 2Q20, compared to R\$ 495 thousand losses in 2Q19.

(R\$ '000)	2Q20	2Q19	Δ2Q/1Q	1Q20	Δ2Q/1Q
Net Revenue	297	83	258%	347	-14%
Gross Profit	163	(499)	-133%	161	1%
Gross Margin	54,9%	-600,6%	655,5 p.p.	46,4%	8,5 p.p.
SFH Interest Impact	0,0 p.p.	4,3 p.p.	-430,0 p.p.	0,8 p.p.	-77,8 p.p.
Gross Profit (ex-SFH Interest)	163	(495)	-133%	164	0%
Gross Margin (ex-SFH Interest)	54,9%	-596,3%	651,2 p.p.	47,2%	7,7 p.p.

GENERAL AND ADMINISTRATIVE EXPENSES (G&A)

G&A was R\$ 1.79 million in this quarter, presenting a reduction of 18% when compared to 2Q19 (R\$ 2.1 million).

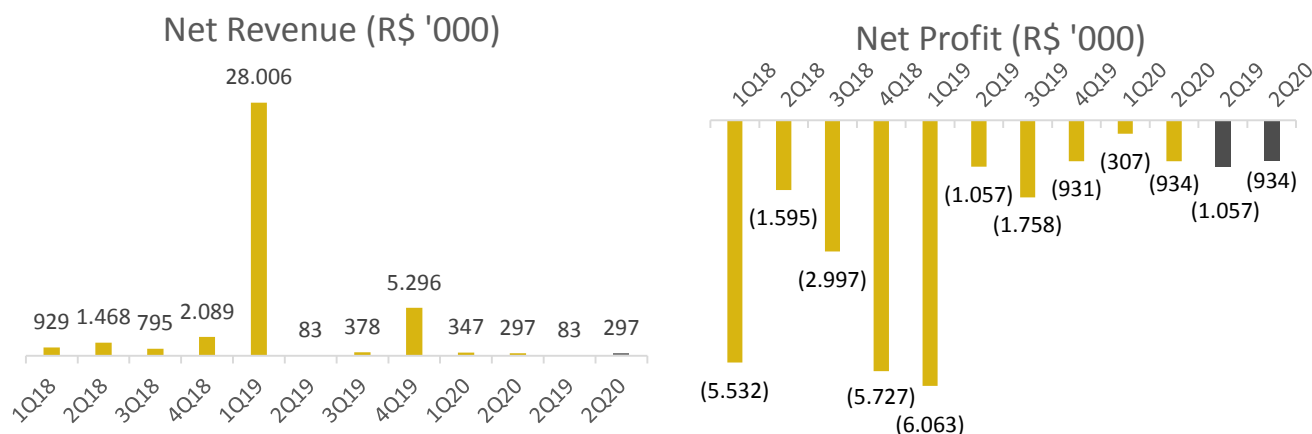
In comparison with the 1Q20 the G&A decreased 12%, mainly because of the Company's Personnel Expenses.

(R\$ '000)	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	2Q20/2Q19
G&A	2.897	2.578	2.130	2.742	3.021	2.419	2.128	2.184	2.453	1.902	2.036	1.799	-18%
Personnel Expenses	1.241	1.012	1.090	728	1.317	786	1.163	758	1.436	608	1.143	566	-25%
Rent (HQ)	30	28	26	23	58	43	6	7	44	-9	32	24	243%
Condominium (SPEs)	289	92	115	135	425	25	19	-10	8	40	34	77	-843%
Unit Sold	111	3	6	1	2	-1	0	-3	-3	-2	0	0	-100%
Inventory	179	89	109	134	423	26	19	-7	10	42	34	77	-1224%
Legal Expenses	1.011	1.076	511	1.490	716	1.105	486	1.068	570	903	501	853	-20%
Others	325	370	388	366	505	460	454	361	396	359	326	279	-23%

GROSS PROFIT AND NET PROFIT

In the 2Q20 the Company's Net Losses totaled R\$ 934 thousand compared to R\$ 1,057 thousand losses in 2Q19.

The Net Revenue was R\$ 297 thousand in the 2Q20, compared to R\$ 83 thousand in 2Q19.



STATEMENT OF CASH FLOW

The net cash in the 2Q20 was negative in R\$ 32.3 million compared to negative R\$ 1.2 million in the 2Q19, being impacted by the payment of capital refund to shareholders (R\$ 30.0 million).

Statement of Cash Flow (R\$ '000)	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20
Losses Before Corporate Income Tax and Social Tax on Net Income	(2.674)	(10.081)	(5.061)	(1.095)	(1.579)	(834)	(187)	(694)
Reconciliation of net income to net cash provided by operating activities	(639)	13.161	437	(960)	(4.231)	3.380	(1.867)	(1.827)
Assets' Variation	4.164	7.660	3.063	597	7.394	32.006	(158)	687
Receivables from real estate development and sales	3.014	(1.205)	(28.182)	727	6.853	25.425	(242)	677
Receivables from third parties	328	2.800	374	(389)	815	(473)	118	247
Real estate for sale	910	1.202	30.610	84	(2.227)	7.312	43	1
Others	(88)	4.863	261	175	1.953	(258)	(77)	(238)
Liabilities' Variation	(280)	89	515	1.138	(330)	(54)	(1.163)	(6.257)
Net Cash Provided by Operating Activities	571	10.829	(1.046)	(320)	1.254	34.498	(3.375)	(2.358)
Corporate Income Tax and Social Tax on Net Income paid	0	(430)	(135)	(121)	(130)	(206)	(1.037)	0
Net Cash from investing activities	4	1.604	396	(792)	0	0	0	0
Debt	0	0	0	0	0	0	0	0
Debentures (net)	0	0	0	0	0	0	0	0
Loans and financing (net)	0	0	0	0	0	0	0	0
Real Estate Receivables Certificate - CRI (Link)	(5)	(8)	(3)	(15)	(7)	(6)	(5)	(13)
Real estate credit assignments	(5)	(8)	(3)	(15)	(7)	(6)	(5)	(13)
Secured amounts as collateral on the CRI	0	0	0	0	0	0	0	0
Financing Activities with Shareholders	(400)	(7.719)	(91)	(1)	0	(78)	0	(29.996)
Noncontrolling interest	(399)	(8.004)	114	(1)	0	(74)	0	0
Others	(1)	285	(205)	0	0	(4)	0	(29.996)
Net Increase /(decrease) in Cash and Cash Equivalents	170	4.276	(879)	(1.249)	1.117	34.208	(4.417)	(32.367)

APPENDIX I – INCOME STATEMENT

Income Statement (R\$ '000)	2Q20	2Q19	Δ2Q/2Q	1Q20	Δ2Q/1Q
Net Operating Revenue	297	83	258%	347	-14%
Cost of real estate development and sale (Ex-SFH Interest)	(134)	(578)	-77%	(183)	-27%
SFH Interest	0	(4)	-100%	(3)	-100%
Gross Profit	163	(499)	-133%	161	1%
<i>Gross Margin</i>	<i>54,9%</i>	<i>-600,6%</i>	<i>655 p.p.</i>	<i>46,4%</i>	<i>8,5 p.p.</i>
<i>Gross Margin(ex-SFH Interest)</i>	<i>54,9%</i>	<i>-596,3%</i>	<i>651 p.p.</i>	<i>47,2%</i>	<i>7,6 p.p.</i>
Operating Revenue (Expenses)					
General and Administrative Expenses					
G&A (Ex-Stock Option Plan)	(1.799)	(2.184)	-18%	(2.036)	-12%
Expenses with Stock Option Plan	0	0	-	0	-
Selling Expenses					
Selling Expenses (ex-Stands Amortization)	(684)	(22)	3009%	(817)	-16%
Stands Amortization	0	0	-	0	-
Depreciation and Amortization	(1)	(3)	-67%	(2)	-50%
Tax Expenses	(152)	(31)	390%	(26)	485%
Other Operating Income (Expenses)	1.735	1.222	42%	2.013	-
Operating Revenue (Loss) before Financing Results	(738)	(1.517)	-51%	(707)	-
Net Interest Income (Expense):					
Interest on Equity	-	-	0%	-	0
Financial Result	44	422	-90%	588	-93%
Operating Revenue (Loss) after Financing Results	(694)	(1.095)	-37%	(119)	-
Real State Assest Sales Income (Loss)	0	-	-	-	-
Employees Profit Sharing	0	0	-	(68)	-
Income and social contribution taxes	(240)	38	-732%	(120)	100%
Net Income (Loss) before Minority Interest	(934)	(1.055)	-11%	(307)	-
<i>Net Margin Before Minority Interest</i>	<i>-314,5%</i>	<i>-1271,1%</i>	<i>957 p.p.</i>	<i>-88,5%</i>	<i>-226,0 p.p.</i>
Minority Interest	0	(2)	-100%	0	-
Reversal on interest equity	-	-	-	-	-
Net Income (Loss) in the Period	(934)	(1.057)	-12%	(307)	-
<i>Net Margin After Minority Interest</i>	<i>-314,5%</i>	<i>-1273,5%</i>	<i>959 p.p.</i>	<i>-88,5%</i>	<i>-226,0 p.p.</i>
Weighted Average Shares Outstanding					
Basic Earnings per Share - EPS	(0,39)	(0,44)	-12%	(0,13)	204%

Net Profit	2Q20	2Q19	Δ2Q/2Q	1Q20	Δ2Q/1Q
Net Profit	(934)	(1.057)	-12%	(931)	0%
Minority Interest	0	2	-100%	35	-
Income tax and Social Contribution	240	(38)	-732%	98	145%
Depreciation and Amortization	1	3	-67%	3	-66,7%
Financial Result	(44)	(422)	-90%	3.952	-101,1%
SFH Interest	0	119	-100%	3	-100,0%
Stands Amortization	0	0	-	0	-
Expenses with Stock Option Plan	0	0	-	0	-
EBITIDA	(737)	(1.393)	-47%	3.160	-
% EBITIDA Margin	-248,1%	-1678,0%	1430 p.p.	59,7%	-308 p.p.

APPENDIX II – BALANCE SHEET

Assests (R\$ '000)	2Q20	1Q20
Cash and Cash Equivalents	24.447	56.814
Financial Investments	0	0
Swap	0	0
Receivables from Real Estate Sales	2.724	17.053
Receivables from Third Parties	125	185
Properties for sale	691	5.351
Recoverable Taxes	853	788
Advances	0	0
Loan Operation with Related Parties	0	0
Receivables from Related Parties	0	0
Other Assets	1.383	1.444
Total Current Assets	30.223	81.635
Non-current Assets		
Receivables from Real Estate Sales	1.086	1.123
Receivables from Third Parties	530	519
Properties for sale	99.272	79.928
Loan Operation with Related Parties	0	0
Receivables from Related Parties	0	0
Tax Credits	0	0
Other Non-Current Assets	5.168	4.940
Investments	2.993	2.993
Net Property and Equipment	23	24
Difered	0	0
Intangible assets	0	0
Total Non-current Assets	109.072	89.527
Total Assets	139.295	171.162

Liabilities and Shareholder's Equity (R\$ '000)	2Q20	1Q20
Debentures	0	0
Bank Loans	0	0
Swap	0	0
Construction Financig - SFH	0	0
Advances from Customers	185	604
Real Estate Financing	0	0
Cash	0	0
Financial Swap	0	0
Deferred Income and Social Contribution Taxes	571	996
Provision for Taxes	1.789	1.147
Provision for Matters	684	735
Accounts Payable	2.437	2.791
Credit Assignments sold with guarantee	28	35
Dividend Payable	0	0
Capital Decrease	5.030	25.022
Other Liabilities	0	6
Total Current Liabilities	10.724	31.330
Non-Current Liabilities		
Debentures	0	0
Bank Loans	0	0
Accounts Payable - third parties	1.044	0
Construction Financing - SFH	0	0
Deferred Income and Social Contribution Taxes	38	66
Provision for Matters	6.014	6.298
Credit Assignments sold with guarantee	40	45
Advances for Future Capital Increase	0	0
Obligation to Build	0	0
Total Non-Current Liabilities	7.136	7.459
Shareholders' Equity		
Capital Stock	122.649	141.994
Capital Reserves	0	0
Retained Earnings/Losses (accumulated deficit)	(1.241)	(9.648)
Other Compreheensive Results	27	27
Shareholders' Equity - Holding Company	121.435	132.373
Minority Interest	0	0
Total Shareholders' Equity	0	0
Total Liabilities and Shareholder's Equity	139.295	171.162

GLOSSARY

Cash Consumption – Measured by the change in net debt, less capital increases and dividends paid.

CPC – Accounting Pronouncements Committee - Created by CFC Resolution No. 1.055/05, the objective of the CPC is to "study, prepare and issue Technical Standards regarding Accounting procedures and the dissemination of such information, to allow the issuance of regulations by the Brazilian regulator aimed at centralizing and standardizing accounting production processes, always taking into account the convergence of Brazilian Accounting practices with international standards."

EBITDA – Earnings before interest, income tax and social contributions on net income, depreciation and amortization, financial charges incurring on the cost of real estate sold.

EBITDA is not a measure of financial performance in accordance with accounting practices adopted in Brazil, and should not be considered in isolation or as an alternative to net income as a measure of operating performance or an alternative to operating cash flows or as a measure of liquidity.

Adjusted EBITDA – Determined from the net income before interest, income tax and social contributions on net income, depreciation and amortization, financial charges in the cost of real estate sold, expenses for the issue of shares, expenses for option plans and other non-operating expenses. Adjusted EBITDA is not a measure of financial performance in accordance with accounting practices adopted in Brazil, should not be considered in isolation or as an alternative to net income as a measure of operating performance or an alternative to operating cash flows or as a measure of liquidity.

IGP-M – General Price Index – Market, published by the Getúlio Vargas Foundation.

INCC – National Cost of Construction Index, measured by the Getúlio Vargas Foundation.

Land Bank – The total amount of land held by the Company for future development, acquired in cash or through financial exchange transactions.

Income to Allocate Margin – Equivalent to "Income to Allocate" divided by the "Revenues to be Recognized," to be recognized in future periods

PoC Method – Revenue, costs and expenses arising from real estate development activities are recognized in line with the cost incurred accounting method (Percentage of Completion method, or PoC), which measures the actual cost of the undertaking against the total budgeted cost for each phase of the project.

Financial Exchange – A land purchase method by means of which the site owner receives an exchange in a determined percentage of the units or the revenue from the future development to be built on the site. Acquiring land through such swaps, we seek to reduce the need for cash funding and consequently increase the returns.

Sales to be Recognized - Unearned revenues correspond to sales contracts for which revenue is recognized in future periods, depending on the progress of the work and not at the time of the contract signing. Thus, the balance of Sales to be Allocated represents revenue to be recognized in future periods deriving from past sales.

SFH Funds – SFH funds originate in the Workers’ Time of Service Guarantee Fund (FGTS) of savings deposits. Commercial banks are required to invest 65.0% of these deposits in real estate for the acquisition of property by an individual or by real estate developers at lower rates than the private sales market.

Results of Sales to be Recognized – Due to the recognition of revenues and costs resulting from the pace of construction (PoC method) and not at the time of the signing of the contracts, we recognize revenue and expenses of incorporation of the signed contracts in future periods. Thus, the balance of Income to Allocate represents revenues less costs to be recognized in future periods from past sales

Contracted Sales – Refers to each contract resulting from the sale of a property unit during a given period, including those being launched. Contracted sales are recognized as revenue in line with the pace of the completion of the projects (PoC method). BR GAAP does not contain a definition of “Contracted Sales.”

PSV – Potencial Sales Value

Launched PSV – The Potencial Sales Value corresponding to the total amount that may be obtained by the Company from the sale of all the units of a real estate project launch at a certain price.

CR2 PSV – The Potencial Sales Value obtained or to be obtained by CR2 through the sale of all units of a given real estate project, at the pre-determined price at launch, proportional to its share in the venture.

SoS – Sales over supply.

LEGAL NOTICES

The company has an arbitration agreement with the Market Arbitrage Committee, according to the Commitment Clause in its Bylaws.

Pursuant to Securities Exchange Commission Instructions 381 and 386, we report that no payment was made for services rendered by Grant Thornton Auditores Independentes, other than the fees for auditing of the financial statements.

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