

Transcription – 4Q24 Conference – 02/04/2025 – 11 am (local)

Renato Barboza: Good morning, everyone. Thank you for waiting. Welcome to PDG's conference call regarding the results for the fourth quarter and full year of 2024.

Please note that during the company's presentation, all participants will be in listen-only mode. Following the presentation, we will open the session for questions and answers. Questions can be submitted at any time during the presentation by clicking the icon at the bottom of the platform.

First, we would like to express our gratitude to Augusto Reis for his leadership as CEO of PDG until January 2025. Under his guidance, the company achieved significant milestones, successfully emerging from judicial recovery and assembling a highly skilled, committed, and experienced team. Additionally, he played a key role in defining and implementing a strong corporate culture—an essential factor in continuing PDG's recovery and development.

To build on this progress and further drive the company's growth, we are pleased to introduce Maurício Tiso, who is participating in his first earnings call as PDG's new CEO, as announced on January 30 of this year. Maurício holds a degree in Accounting and an MBA from IBMEC. He brings extensive experience in the retail, real estate, tourism, and industrial sectors, with a strong network of partnerships with financial institutions, investment firms, and key stakeholders. Since 2018, he has played a significant role in transforming the tourism industry in Brazil, focusing on the fractional ownership market and real estate integration.

Later in this call, Maurício will share his perspectives, and participants will have the opportunity to submit questions.

Before proceeding, I would like to clarify that any statements made during this conference regarding PDG's business outlook, projections, and operational and financial goals are based on currently available information. These forward-looking statements are not guarantees of future performance, as they involve risks and uncertainties. Investors should be aware that economic conditions and industry trends may impact the company's performance and lead to results that differ from projections.

Now, I'd like to turn the floor over to Maurício. Please go ahead.

Maurício Tiso: Thank you, Renato. Good morning, everyone.

It's a pleasure to be here and to take part in this moment when PDG is in a stronger position, following the excellent work carried out by Augusto and the entire team. The

company is now focused on writing a new chapter in its history, applying the lessons learned over the past few years.

Before moving on to today's agenda, I'd like to highlight our key strategic priorities for 2024. Throughout the year, PDG has remained focused on consolidation and increasing operational efficiency, with particular attention to the launches of ix.Tatuapé and ix.Santana. The construction of ix.Tatuapé reached 55% completion by the end of February, in line with the planned schedule. The project remains within budget, allowing for the release of financing installments as contractually planned. Meanwhile, ix.Santana remains in the final stages of technical, commercial, and financial adjustments before the start of construction.

Additionally, we continue to develop our pipeline of future launches, carefully monitoring economic and market conditions to maximize project success. In April, we introduced the Personalix program, which allows customers to personalize their apartments with different finishing kits, giving them more flexibility to tailor their home to their preferences. Initially launched for ix.Tatuapé clients, the program achieved 100% of the target adoption rate, with a 47% conversion rate. Given its success, we plan to expand it to other projects.

As part of our deleveraging strategy, we continue to strengthen our cash position and reduce operating costs. Three land plots that were not aligned with our launch plans were sold. In September, we completed a capital increase of R\$416.4 million through the conversion of bankruptcy-related debt into shares, in accordance with the company's judicial recovery plan.

As previously disclosed, on December 19, at the request of a shareholder, we held an Extraordinary General Meeting, resulting in the replacement of two-thirds of the Board of Directors. Regarding the reverse stock split, approved on January 28, the operation was carried out at a ratio of 125 to 1, in compliance with B3's regulations. After the recomposition period, the consolidated shares began trading on February 28.

Regarding our debt position, we recorded a reduction of R\$23 million in extrajudicial debt in the fourth quarter, equivalent to a 5% decrease, and a total reduction of R\$53 million in judicial debt throughout 2024, representing a 4% decline. Total liabilities were reduced by 3%.

In terms of financial performance, we recorded a gross profit of R\$3 million, with a gross margin of 2.5%, while general and administrative expenses were reduced by 35%. Net sales increased by 86% year-over-year, totaling R\$22.9 million.

Renato Barboza: A reminder: to ask questions, click the icon in the bottom-right corner of the screen or send your questions to ri@pdg.com.br. The first question comes from Carla. Congratulations on the results! She wants to know about financial expenses:

whether they should follow the 2024 pattern or if there will be volatility throughout 2025. Additionally, how does the company expect its debt to evolve this year? Thank you for the question, Carla. Let's respond.

Regarding the financial result, it showed volatility throughout 2023 due to the deconsolidation of certain projects, the reduction in borrowing costs, and, most importantly, the application of the judicial recovery plan rules, which affected the accounting of real guarantees. This led to a reassessment of financial expenses, significantly impacting the balance sheet.

Now, throughout 2024, financial expenses have remained more stable and are expected to follow this trend in 2025, except for debts included in the recovery plan, which are adjusted according to the plan's rules. We do not anticipate significant volatility or any relevant or material increase in financial expenses this year. They should maintain a pattern similar to 2024.

Now, moving on to the second question from Alexandre. Good morning, Alexandre. Thank you for your question. He wants to know about the company's launch pipeline for 2025. I'll hand it over to Maurício.

Maurício Tiso: Thank you, Alexandre. The company continues to thoroughly analyze its landbank and the possibilities for new launches in 2025 and 2026. We are evaluating this matter carefully, especially considering the current real estate market conditions. However, we do not yet have more precise information regarding location and timeline. The company's goal is to resume launches cautiously, ensuring sustainable results for shareholders and offering products aligned with buyers' profiles in this economic scenario. We are working intensively to find the best balance between our land portfolio and the company's current context.

Renato Barboza: Alexandre's second question is about the progress of the IX Tatuapé and IX Santana projects.

Alexandre, let's go. The IX Santana is in the final adjustment phase before construction begins. We are in the preparation stage, but actual construction has not yet started. This should happen soon, although we cannot disclose an exact timeline at this moment.

As for IX Tatuapé, it remains on schedule and within budget. This is an important milestone, as it is the company's first launch in several years. The construction is well advanced, with approximately 54% completed by the end of February, a percentage that can be checked on the company's website. Soon, we will update the data with the March progress measurement. The project remains on track, with no expectation of budget overruns or delivery delays, maintaining the commitment made to buyers. Thank you for your question, Alexandre.

The next question comes from Ademir. Thank you, Ademir. He asks about the forecast for new launches in 2025 and 2026. This topic was already covered in the previous response, so I will move on to the second part of his question.

Ademir wants to know about the strategy for debt reduction, specifically regarding the use of completed or underperforming units for amortization.

Maurício Tiso: Good morning, Ademir. Thank you for your question. We are strictly following the recovery plan and working towards debt reduction. The transfer of completed or underperforming units as payment is an efficient alternative, but it requires prolonged negotiations with creditors. Currently, we already have a plan in progress to settle one of the debts using this strategy. Whenever this possibility arises, the company will assess its feasibility within the financial structure.

Renato Barboza: The next question is from Gisiel. He mentions that we closed the year with a loss and very low profit margins and asks what to expect for 2025.

Gisiel, regarding working capital loans, all transactions carried out have been duly disclosed to the market in compliance with regulatory obligations. If new transactions occur, they will also be communicated.

As for profit margins, the company is still selling old inventory, which has high carrying costs, naturally putting pressure on results. The suspension of launches between 2015 and 2023 impacted this dynamic. The margin recovery will occur as new units are delivered, as they have better profitability and lower carrying costs. Therefore, we expect a gradual improvement in results as recent launches are completed. Thank you for your question, Gisiel.

The next question comes from Bruno. Thank you, Bruno. He mentions that the stock was trading below R\$1.00 and asks whether a new reverse stock split will be necessary.

Bruno, yesterday and today, the stock appreciated and is now trading above R\$1.00 again. If the stock price remained below this value for 30 consecutive trading sessions, the company could be required by B3 to take measures, such as a reverse stock split. However, this is not a management initiative but a regulatory requirement. We understand that reverse splits are not always well received by shareholders, but we follow B3's regulatory guidelines. At the moment, there is no need for a new reverse stock split.

Now, a question from Alexandre, from Norman, about general and administrative expenses (G&A). He wants to know what to expect given the acceleration of launches and whether the company will maintain outsourced construction or adopt an in-house structure.

Maurício Tiso: Thank you, Alexandre. The reduction in general and administrative expenses was carefully planned, and the current structure supports the upcoming launches. We remain focused on maximizing efficiency and do not foresee an increase in expenses in the short term.

Regarding the construction strategy, the decision will always be based on operational efficiency. At this moment, the company opts to outsource construction execution, as this model proves to be the most suitable for our current volume of launches. There are no immediate plans to internalize this activity.

Renato Barboza: Thank you, Maurício. We are closing the Q&A session after 34 minutes of the conference. If you still have any questions, please send them to our Investor Relations channel: ri@pdg.com.br.

With that, we conclude PDG's earnings conference. We appreciate everyone's participation and wish you a great day and an excellent week!