



March 27<sup>th</sup>  
2023

Conference Call  
**4Q22** and  
**2022**

ix. Tatuapé



## ❖ Executive Summary

## ❖ Financial and Operating Results

Sales Performance

Inventory

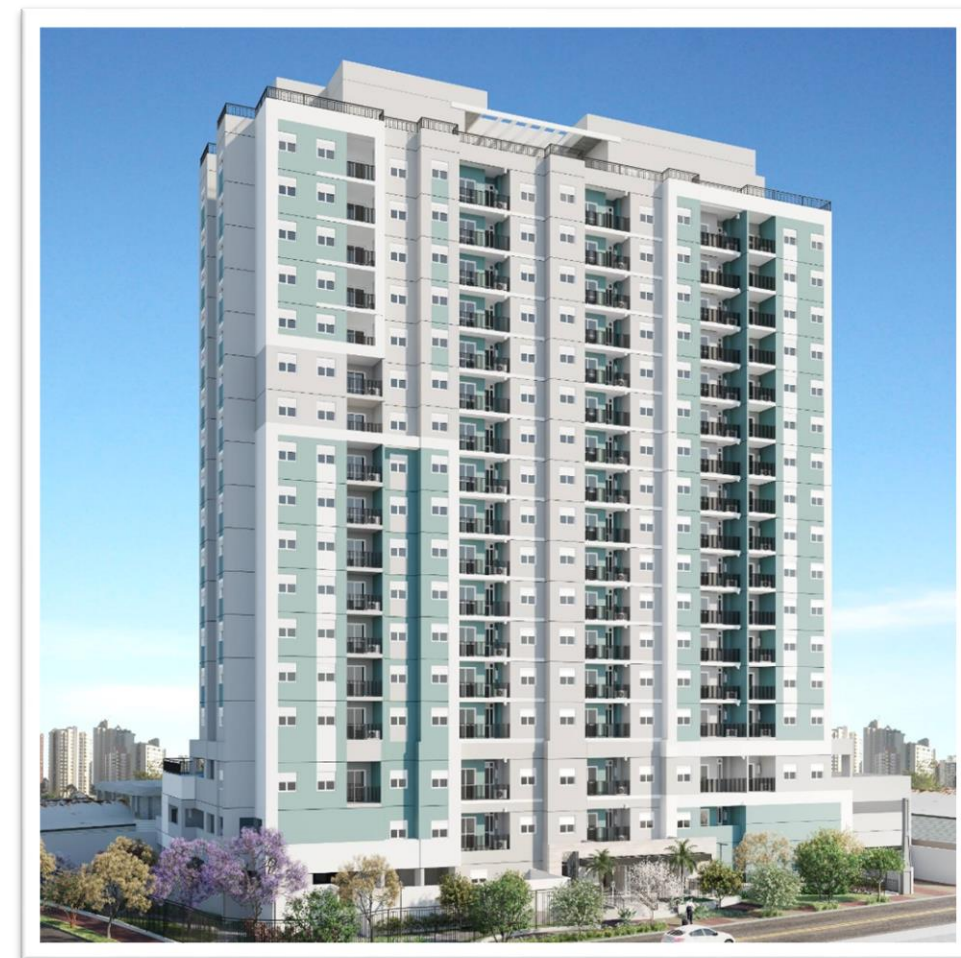
SG&A

Debts not subjected to the Reorganization Plan

Debts subjected to the Reorganization Plan

Deleveraging

Income Statement







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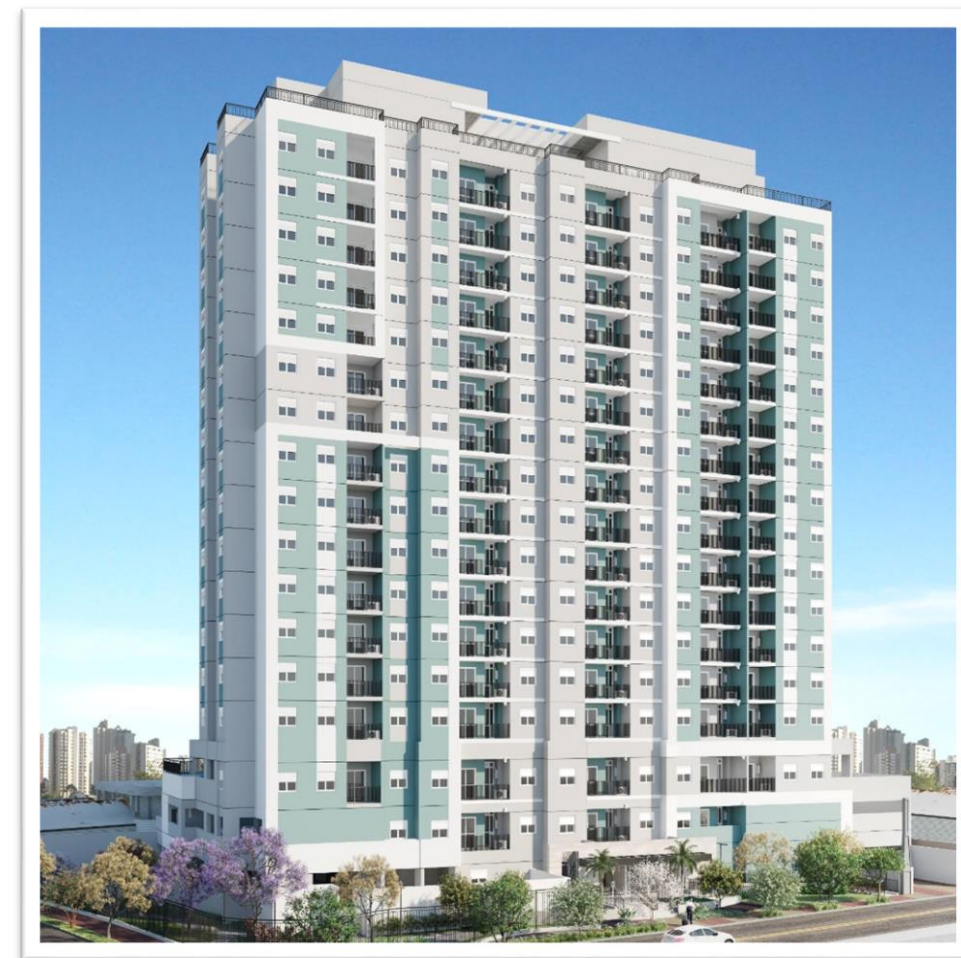
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### 4Q22 AND 2022 HIGHLIGHTS

Launching of residential  
development

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Launch Sales over Supply

**9.2%** in 4Q22

Total Liabilities

**Reduction of  
R\$422 MM**  
in 2022

G&A

**Reduction of  
33%**  
year-on-year

Selling Expenses

**Reduction of  
29%**  
year-on-year

Other Obligations

**Reduction of  
R\$531 MM**  
in 2022

Debts Amortization

**R\$1.1 billion**  
until 4Q22

Conclusion of Capital  
Increase

**Conversion of  
R\$409.7 MM**  
of debt into equity

### SUBSEQUENT EVENTS

Change the audit, with the hiring of

**Grant Thornton**

**Reverse stock split** in the  
proportion of 100:1



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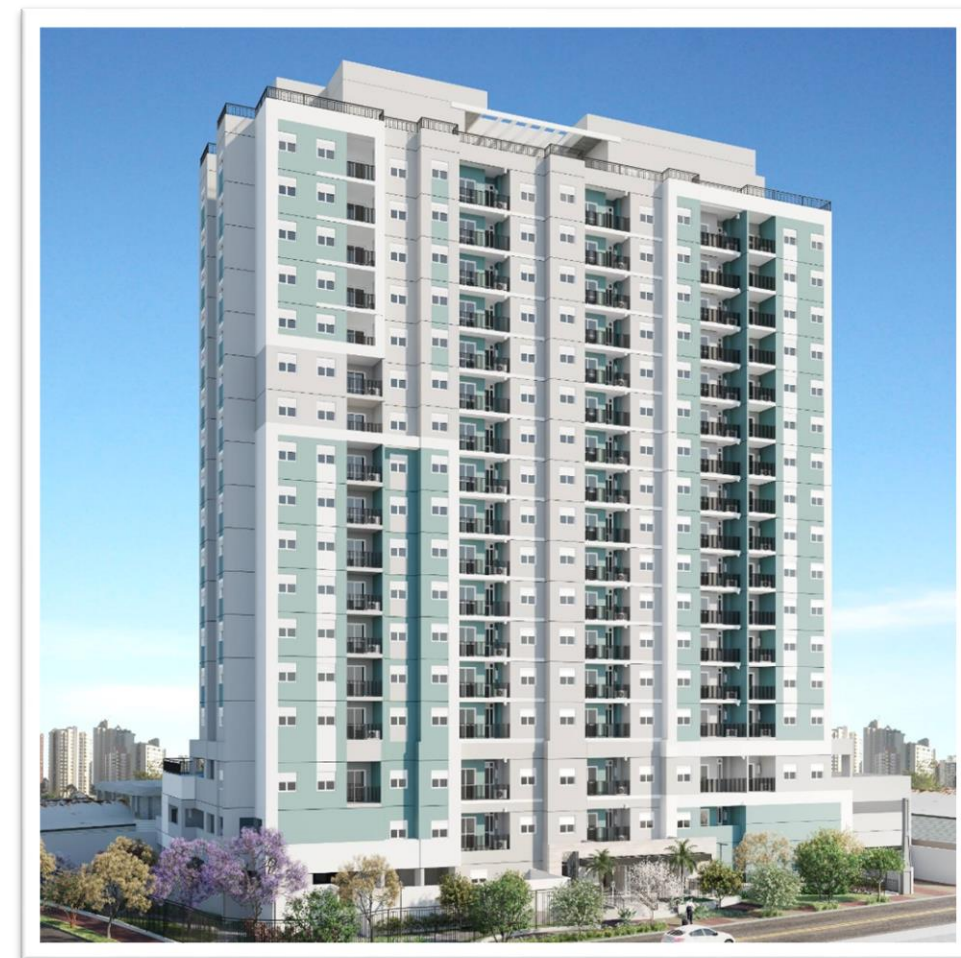
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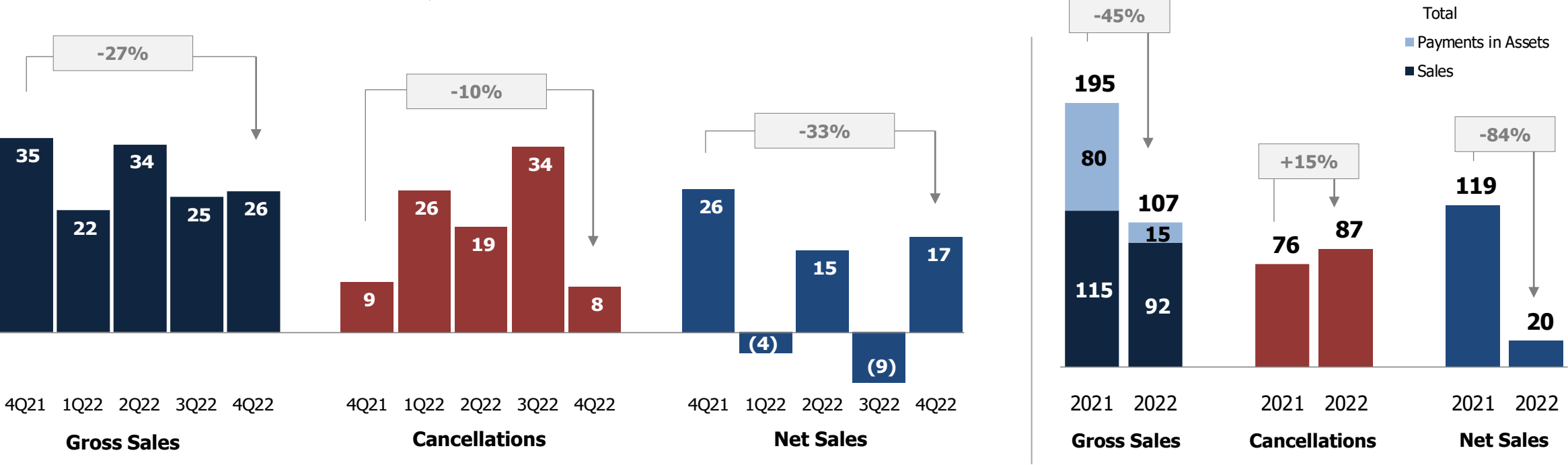
Income Statement



# Financial and Operational Results

## Sales Performance

### Sales and Cancellations Performance – R\$ million



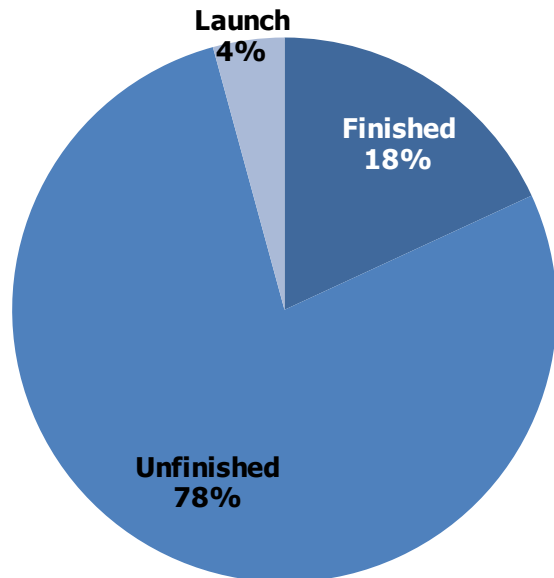
Including payment in assets.

- In 4Q22 gross sales totaled R\$26 million, a 27% decrease over 4Q21. In 2022, gross sales totaled R\$107 million, a 45% decrease over 2021.
- During 4Q22 cancellations amounted to R\$8 million, 10% lower than in 4Q21. It totaled R\$87 million in 2022, 15% higher than in 2021. The cancellations are an important way to increase units available for sale.
- Net sales totaled R\$17 million in 4Q22 and R\$20 million in 2022. The main sales driver for the Company is gross sales, considering that part of the material for sale, in addition to inventory, comes from the cancellations that do not impact cash flow.
- Actual sales (excluding payments in assets) totaled R\$92 million in 2022, versus R\$115 million in 2021, registering a 20% reduction year-on-year. Despite the reduction, the result is in line with the target established for the year. The focus on the sale of units that generates free cash inflow remains unchanged.

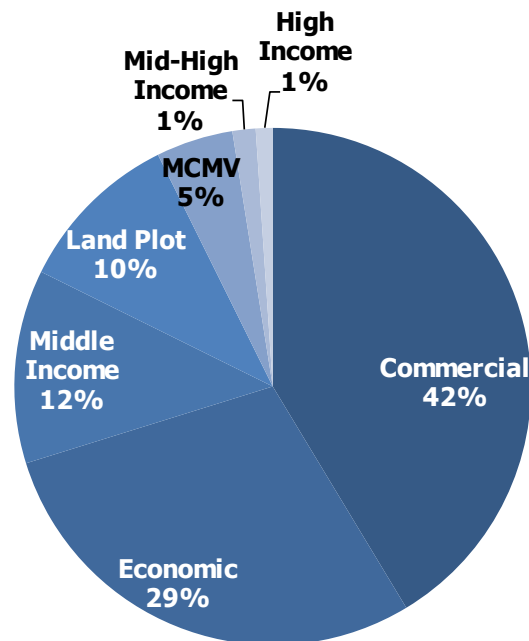
# Financial and Operational Results

## Inventory

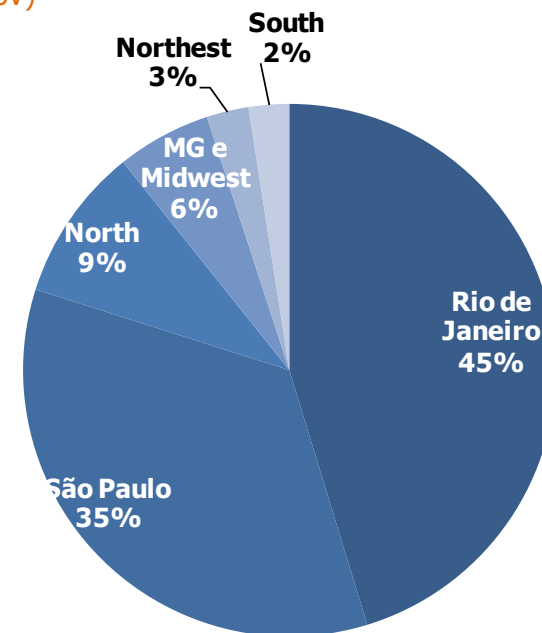
Inventory by Status of Conclusion  
(%PSV)



Finished Inventory by Product  
(%PSV)



Finished Inventory by Region  
(%PSV)

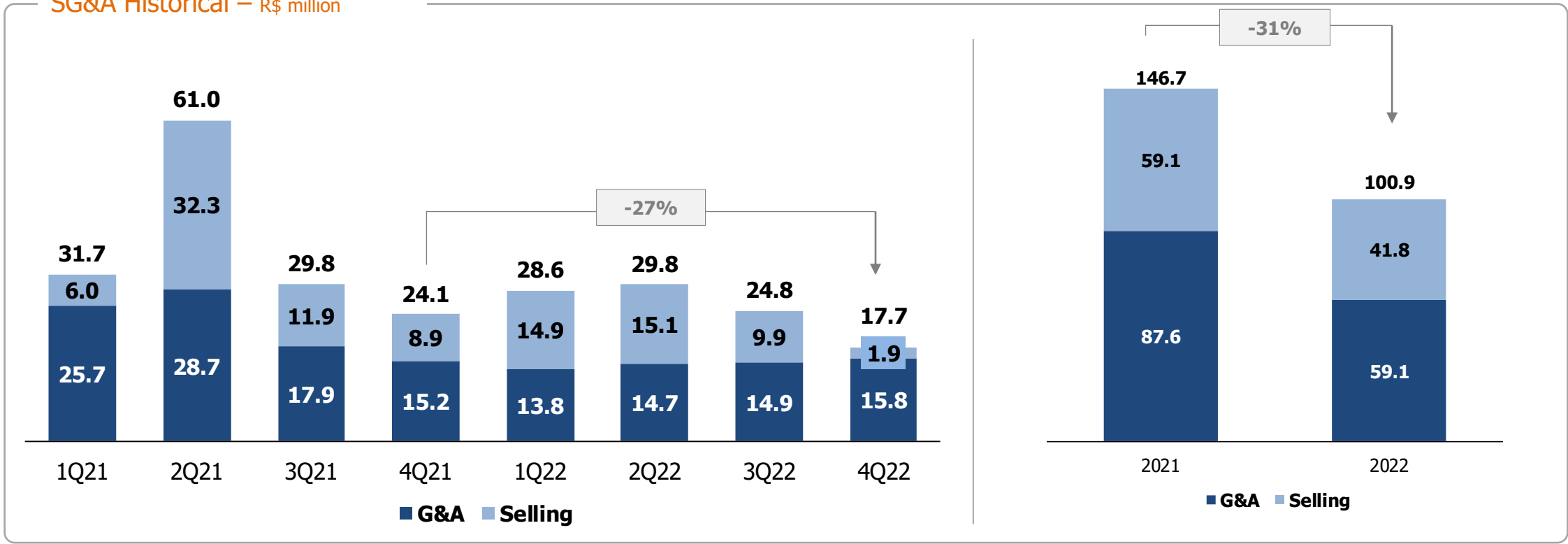


- ❖ At the end of 4Q22, the Company's total inventory at market value was R\$1.3 billion. Of this amount, 78% of the inventory (R\$239 million) is finished.
- ❖ Details of the finished inventory:
  - 35% is concentrated in São Paulo;
  - 48% is concentrated in residential products (excluding land plots and commercial).

# Financial and Operational Results

## Selling, General & Administrative Expenses

SG&A Historical – R\$ million



- ❖ G&A expenses increased by 4% quarter-on-quarter and were reduced by 33% year-on-year. The reduction was mainly due to lower expenses with legal and financial consulting.
- ❖ Commercial expenses were reduced by 79% quarter-on-quarter and 29% year-on-year. The reduction was mainly due to lower carrying costs with units in inventory.
- ❖ As a result, general and administrative expenses, added to commercial expenses (SG&A), were reduced by 27% on a quarter-on-quarter comparison and 31% year-on-year.
- ❖ We ended 4Q22 with a total of 144 employees.

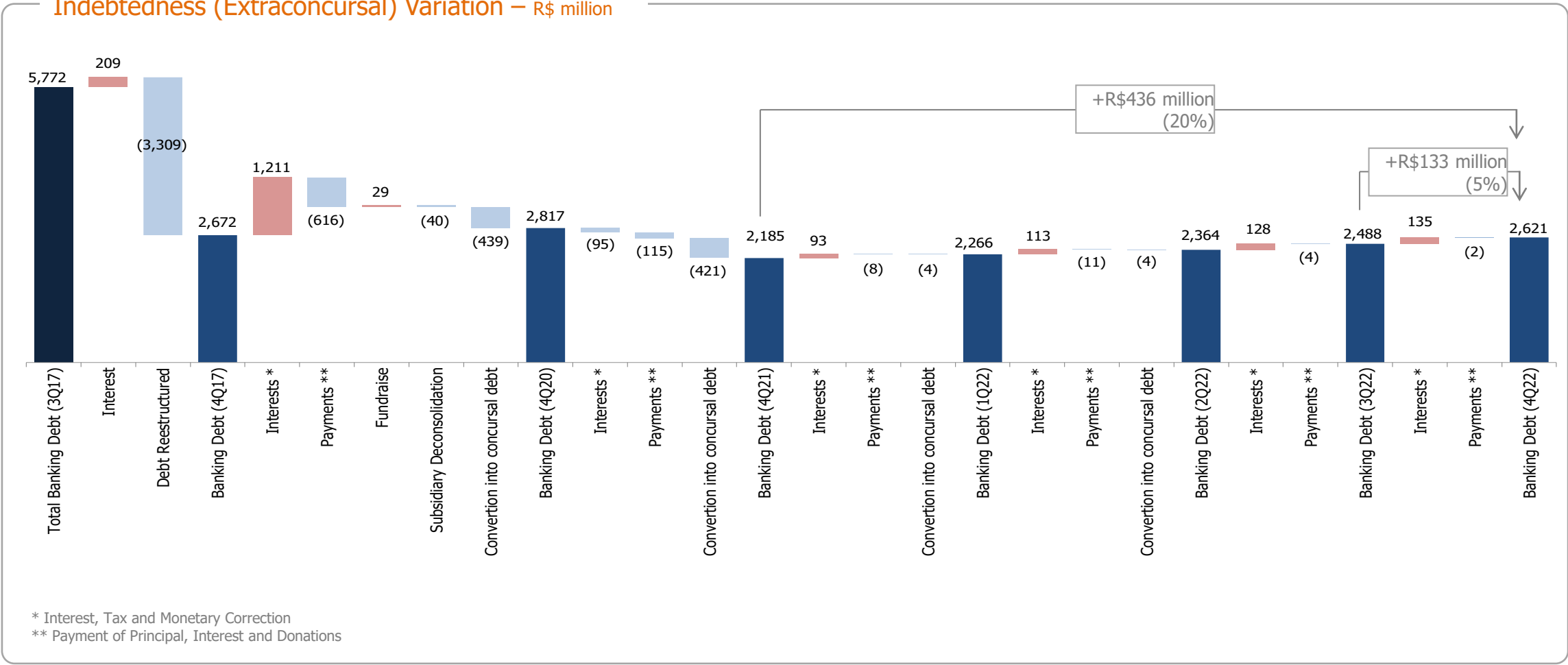


# Financial and Operational Results

## Indebtedness (Extraconcursal)



Indebtedness (Extraconcursal) Variation – R\$ million

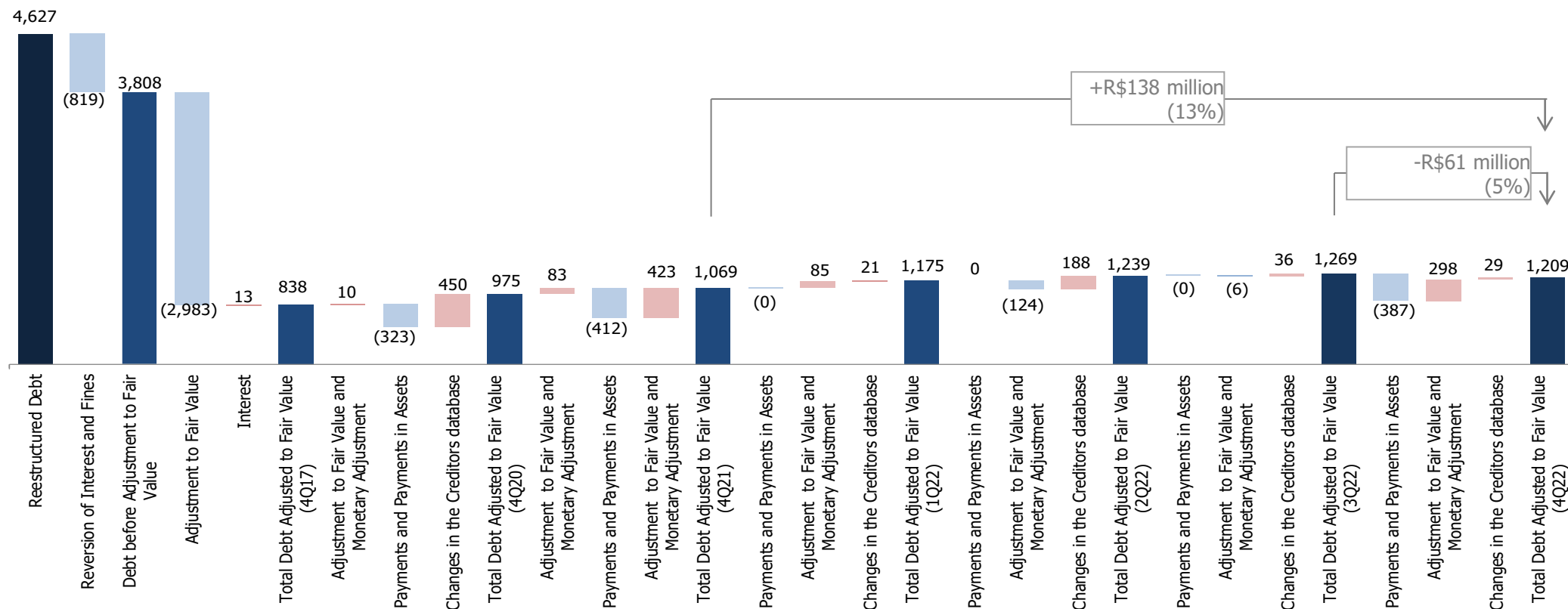


- ✦ The gross debt increased by R\$133 million (5%) during the 4Q22 and R\$436 million (20%) during 2022. This increase was mainly due to interest accrued in the period.
- ✦ Considering the 1% increase in cash and cash equivalents, net debt increased by R\$435 million (21%) over 2022.

# Financial and Operational Results

## Indebtedness (Concursal)

### Indebtedness (Concursal) Variation – R\$ million

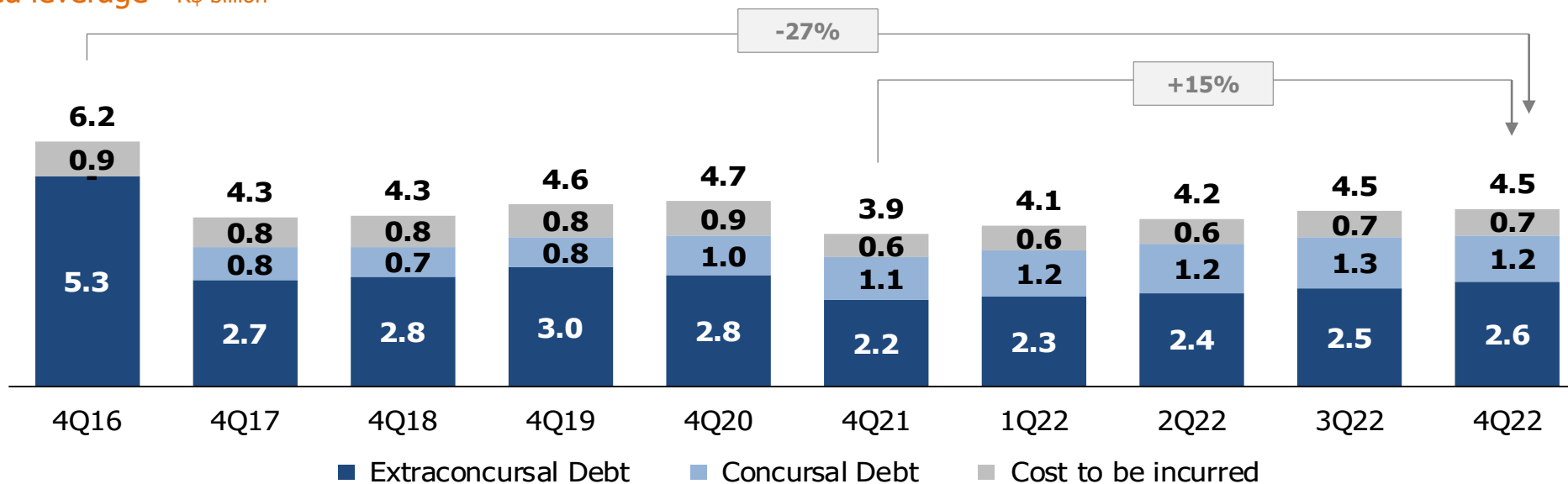


- The concursal debt was reduced by R\$61 million (5%) during 4Q22. In 4Q22, we concluded the capital increase process for conversion of receivables, as provided for in our Recovery Plan, totaling R\$409.7 million and representing a significant reduction in the Company's risks and obligations.
- The concursal debt increased by R\$138 million (13%) throughout 2022. This increase was mainly due to the new credits qualified for judicial reorganization.

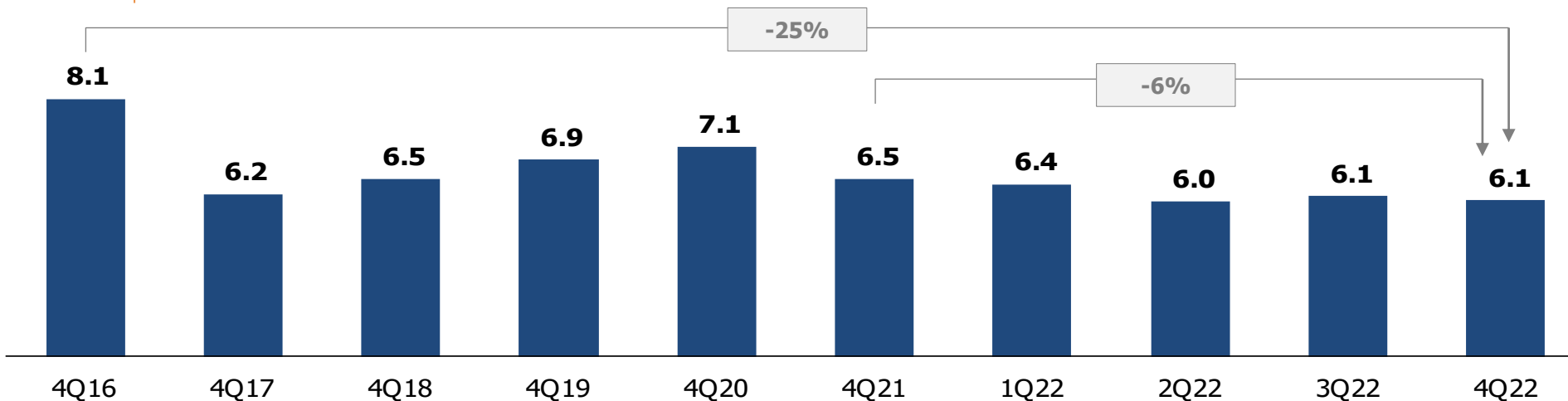
# Financial and Operational Results

## Deleveraging

Extended leverage – R\$ billion



Total liabilities – R\$ billion



# Financial and Operational Results

## Income Statement

INCOME STATEMENTS (R\$ '000) - IFRS	QUARTER			YTD		
	4Q22	4Q21	(%) Var.	2022	2021	(%) Var.
<b>Operating Gross Revenue</b>						
Real Estate Sales	48,059	99,504	-52%	138,961	446,464	-69%
Other Operating Revenues	107	1,455	-93%	1,951	822	n.m.
(-) Revenues Deduction	(3,062)	(3,811)	-20%	(21,594)	(14,329)	51%
<b>Operating Net Revenue</b>	<b>45,104</b>	<b>97,148</b>	<b>-54%</b>	<b>119,318</b>	<b>432,957</b>	<b>-72%</b>
Cost of Sold Units	(15,259)	(69,025)	-78%	(84,910)	(329,653)	-74%
Interest Expenses	(393)	(2,500)	-84%	(3,021)	(20,040)	-85%
<b>Cost of sold properties</b>	<b>(15,652)</b>	<b>(71,525)</b>	<b>-78%</b>	<b>(87,931)</b>	<b>(349,693)</b>	<b>-75%</b>
<b>Gross Income (loss)</b>	<b>29,452</b>	<b>25,623</b>	<b>15%</b>	<b>31,387</b>	<b>83,264</b>	<b>-62%</b>
<b>Gross margin</b>	<b>65.3%</b>	<b>26.4%</b>	<b>38.9 pp</b>	<b>26.3%</b>	<b>19.2%</b>	<b>7.1 pp</b>
<b>Adjusted gross margin <sup>(1)</sup></b>	<b>66.2%</b>	<b>28.9%</b>	<b>37.3 pp</b>	<b>28.8%</b>	<b>23.9%</b>	<b>4.9 pp</b>
<b>Operating Revenues (expenses):</b>						
Equity Income	(215)	(246)	-13%	757	(268)	n.m.
General and Administrative	(15,872)	(15,232)	4%	(59,134)	(87,618)	-33%
Commercial	(1,896)	(8,888)	-79%	(41,757)	(59,135)	-29%
Taxes	10,304	3,105	n.m.	(794)	(2,630)	-70%
Depreciation & Amortization	(186)	(208)	-11%	(741)	(706)	5%
Other	16,657	(178,068)	n.m.	9,808	(285,420)	n.m.
Financial Result	(468,671)	603,778	n.m.	(362,286)	221,669	n.m.
<b>Total operating revenues (expenses)</b>	<b>(459,879)</b>	<b>404,241</b>	<b>n.m.</b>	<b>(454,147)</b>	<b>(214,108)</b>	<b>n.m.</b>
<b>Income before taxes</b>	<b>(430,427)</b>	<b>429,864</b>	<b>n.m.</b>	<b>(422,760)</b>	<b>(130,844)</b>	<b>n.m.</b>
Income Taxes and Social Contribution	71,137	(83,305)	n.m.	339,940	9,399	n.m.
<b>Income before minority stake</b>	<b>(359,290)</b>	<b>346,559</b>	<b>n.m.</b>	<b>(82,820)</b>	<b>(121,445)</b>	<b>-32%</b>
Minority interest	944	2,091	-55%	4,382	(5,790)	n.m.
<b>Net Income (loss)</b>	<b>(358,346)</b>	<b>348,650</b>	<b>n.m.</b>	<b>(78,438)</b>	<b>(127,235)</b>	<b>-38%</b>
<b>Net margin</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.m.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.m.</b>

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





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