

EARNINGS RELEASE – 4Q23 AND 2023

São Paulo, March 28, 2024: PDG Realty S.A. (B3: PDGR3) – announces **today** its results for the fourth quarter and the year of 2023.

Founded in 2003, PDG Group develops projects for different segments, operating in the development, construction and sale of residential units.

HIGHLIGHTS

ix.Santana Launch

(Page 07)



Net Profit:

R\$1.7 billion in 4Q23

R\$1.1 billion in 2023

(Page 21)

Gross Profit:
R\$38.4 million in 2023,
22% above 2022.

Gross Margin:
41.9% in 2023

(Page 21)

Capital increase
conclusion,
amounting to
R\$439 million
in 4Q23.

(Page 04)

Financial Profit:
R\$2.3 billion in 4Q23
R\$1.8 billion in 2023

(Page 19)

Deleveraging of R\$3.1 billion (73%) in 4Q23.

(Page 20)

WEB CONFERENCE CALL

Monday, April 1st, 2024

11h00 (local)

10h00 (NY)

WEBCAST
Portuguese

WEBCAST
English

simultaneous translation

Replay: The recording will be available on the Investor Relations website after the end of the conference.

INVESTOR RELATIONS

www.pdg.com.br/ri

ri@pdg.com.br

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Initial Message

2023 was marked by significant events that demonstrate the Company's operational recovery, further reinforcing that the Company is on the right track.

In 4Q23 the Company launched another development, **ix.Santana**, a product designed to middle-to-high income segment, located in the Santana neighborhood, north of São Paulo, with a PSV of R\$116 million. This is the second launch carried out under our new brand, **ix.Incorporadora**, which celebrated its first year in August 2023 and already has 2 launches on the market, with the objective of exceeding expectations and providing better experiences for customers.

In the **ix.Tatuapé** development, the Company made the strategic decision to anticipate the start of construction by two months. The execution of the work strictly follows the planned quality, cost and schedule parameters. The work is in the final stage of foundation and beginning of the structure, close to the execution of the first slab. Another important aspect was the release of the second and third installments for the financing of the work, in 4Q23 and 1Q24, respectively.

Additionally, in 2023 we completed the acquisition of a land plot, located in a prime area of the south zone of São Paulo, with approximately 800m² and a potential PSV of approximately R\$65 million, reinforcing our landbank and the Company's strategy to continue with its launch schedule.

In line with the Company's mission to offer better experiences, we continue to develop high operating standards in all areas, with the positive impacts of these improvements already evident, including on platforms that collect consumer feedback. In 2021, we registered an average "Bad" evaluation, which evolved to "Fair" throughout most of 2022. And, in 2023 we reached a "Good" rating, reaching even an "Excellent" rating at certain times.

Throughout 2023 we dedicated significant effort to our ESG agenda and, as a result, we achieved important results. We published our first Sustainability Report, based on the Global Reporting Initiative (GRI) Standards, one of the most widely used methodologies in the world to communicate governance model, social responsibility and environmental management practices. Additionally, **ix.Incorporadora** became a signatory to the UN Global Compact, the largest global corporate sustainability initiative, which aims to mobilize organizations on sustainability issues, encouraging them to contribute through their operations and practices, aligning their principles and guidelines with the Sustainable Development Goals ("SDGs"). The Company's strategy will continue to be guided necessary practices to support the sustainable growth of its business and continue to move towards a more conscious and inclusive future.

One of the results that reflects the Company's strategy of valuing its employees and adopting a robust ESG agenda was the election of the Company as a Great Place to Work, reinforcing our learnings, strategies and team dedication. Receiving this recognition, considering all the challenges the company faced, is a source of special pride. This recognition further motivates us to continue building a company that offers the best experiences for our team, our customers and society.

Continuing with the fulfillment of the Recovery Plan, its Amendment and the Company's deleveraging process, in November 2023, we concluded the Capital Increase for conversion of credits in the amount of R\$ 439.2 million. The conclusion of the capital increase for the conversion of debts into shares (equity), in addition to contributing to the deleveraging, results in the reduction of operational risks and the improvement of the Company's financial indicators.

In early 2024, we achieved another important milestone in the Company's deleveraging process. On February 6, 2024, the '2ª Câmara Reservada de Direito Empresarial do Tribunal de Justiça de São Paulo' rejected the appeal of three creditors regarding the treatment of the residual balance of extraconcursal debts, fully maintaining the guidelines of the sentence of termination of the RJ ("Sentence"). This decision provided the legal certainty necessary for the Company to promote the recalculation of extraconcursal debts in accordance with the Sentence. As a result, the amount of extraconcursal debt presented in our Financial Statements for 2023 was reduced by R\$2.5 billion (86%) during 4Q23.

Highlights of Operating Results

In 2023 gross sales totaled R\$69.3 million, a 35% decrease over 2022, and slightly below the Company's projection for the year. As our launches progress, the amount of new inventory will become progressively more relevant in the sales results, which tends to improve commercial indicators over time.

Cancellations totaled R\$52.1 million in 2023, a 40% decrease over 2022. Cancellations remain an important lever to increase the number of units available for sale, therefore, our main sales indicator remains gross sales. As mentioned, as new launches progress, sales from cancellations will become less relevant compared to sales of new inventory.

Net sales totaled R\$17.2 million in 2023, 12% below 2022.

Throughout the year, 189 units (R\$15.2 million) were transferred, a 62% decrease in the number of units compared to 2022. The volume transferred was impacted by the decrease in sales, however, the result obtained was in line with the sales made, reinforcing the operational efficiency of the team in this activity.

General, administrative and commercial expenses increased by 7% year-on-year, mainly due to the higher expense with legal services. The Company continues with a rigorous practice of expense management and cash protection, always seeking to improve efficiency and reduce costs.

Concursal debt was reduced by R\$85 million (6%) during 4Q23, due to the payment made through the conversion of credits into shares (capital increase) which totaled R\$439 million, as mentioned previously. In the year to date, concursal debt increased by R\$15 million (1%), due to the accrual of interest during the period and the recognition of new credits in the judicial reorganization.

Extraconcursal debt was reduced by R\$2.5 billion (86%) during 4Q23, due to the recalculation of the debt, as explained on page 17. In the year to date, extraconcursal debt was reduced by R\$2.2 billion (84%).

In 4Q23, given the uncertainty about the return of the assets, the Company deconsolidated some of these projects from its financial statements.

The Company recorded a net profit of R\$1.7 billion in 4Q23 and R\$1.1 billion in 2023. The main impact on the period's results was the financial profit in the amount of R\$1.8 billion, due to the reversal of interest resulting from the recalculation of extra-bankruptcy debts. Additionally, we recorded an increase in operating expenses due to the accounting provision for writing off part of the suspended works.

Final Message

We overcame the many challenges, fulfilled the goals and strategies set for 2023 and, we are very proud to say that, overall, it was a year of significant achievements and many advances on all fronts.

Now, in 2024, we continue with our agenda of improvement and growth, with special attention to all aspects involving current launches (**ix.Tatuapé** and **ix.Santana**), as for the next launches, one of which will take place in the second half of this year, to generate more and more material for sale.

We will continue to evolve in the strategies to improve the experience of our customers and continuously strengthen our ESG agenda.

We understand that, as we move forward in the recovery, better controls, processes, quality and innovation are needed. We also understand that each day, the Company is more prepared for these new challenges.

The Company's main indicators for the period:

	4Q23	4Q22	4Q23 vs. 4Q22	2023	2022	2023 vs. 2022
Launch						
PSV %PDG - R\$ million	116	60	94%	116	60.0	94%
Amount of units	158	147	7%	158	147	7%
Sales and Inventory						
Gross Sales %PDG - R\$ million	15	26	-42%	69	106	-35%
Net Sales %PDG - R\$ million	7	17	-62%	17	20	-12%
Inventory at Market Value %PDG - R\$ million	-	-	-	391	295	33%
Operational Result ⁽¹⁾						
Net Operational Revenues - R\$ million	1	45	-97%	92	119	-23%
Gross Profits (Losses) - R\$ million	(15)	29	n.m.	38	31	22%
Gross Margin - %	n.a.	65.3	n.m.	41.9	26.3	15,6 p.p
Adjusted Gross Margin - %	n.a.	66.2	n.m.	44.9	28.8	16,1 p.p
SG&A Expenses	(26)	(18)	48%	(108)	(101)	7%
Net Earnings (Losses) - R\$ million	1,690	(358)	n.m.	1,124	(78)	n.m.
Backlog Results (REF) ⁽¹⁾						
Gross Profit - R\$ million	-	-	-	8	50	-84%
Gross Backlog Margin - %	-	-	-	24.2	11.8	12,4 p.p
Balance Sheet ⁽¹⁾						
Cash and Cash Equivalents - R\$ million	-	-	-	62	99	-37%
Net Debt - R\$ million	-	-	-	362	2,522	-86%
Shareholders Equity - R\$ million	-	-	-	(3,321)	(4,891)	-32%
Total Assets - R\$ million	-	-	-	670	1,175	-43%

Note: (1) Financial Results consider IFRS 10.

PSV %PDG refers only to the part corresponding to the Company's participation, excluding partners.

LAUNCH



SANTANA

A SOPHISTICATED AND EXCLUSIVE RETREAT

SPECIFICATIONS

Single tower

4,719.34 m² of land

Over 1,000 m² of
green area

3 rooftop levels

Over 18 leisure
areas

156 units

2 or 3 bedrooms

60 m² or 75 m²

1 or 2 parking
spaces



Rua Dr. Zuquim, 1585 – Santana – São Paulo/SP

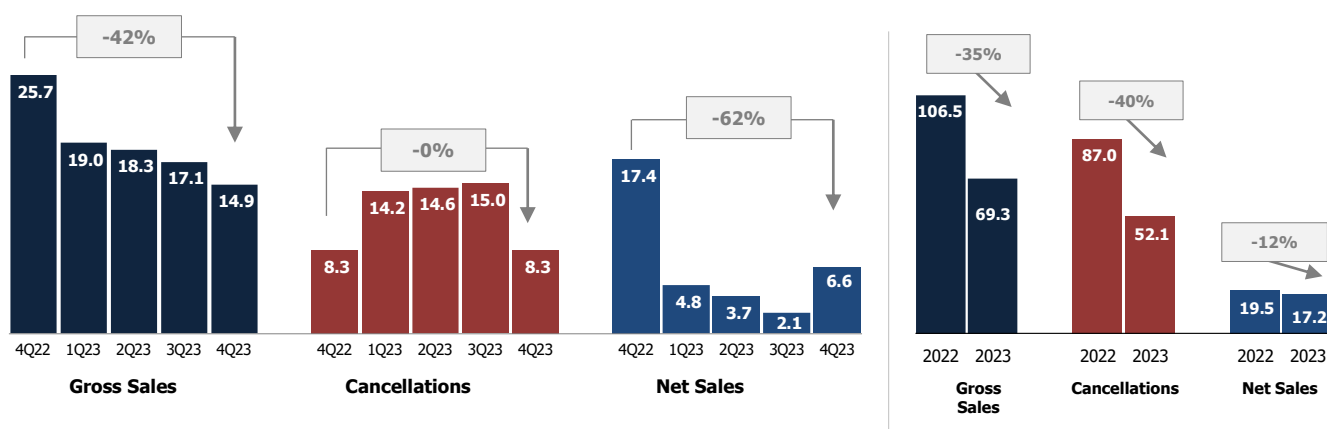
At ix.Santana there's fun and security, that allows to live in harmony in the most desirable neighborhood of the North Zone, providing sophistication and tranquility.

The product is aimed at the middle-to-high income range, with Potential Sales Value (PSV) of R\$116 million. [Click here](#) to learn more about the launch.



- ❖ In 4Q23 gross sales totaled R\$14.9 million, a 42% decrease over 4Q22. In 2023 gross sales totaled R\$69.3 million, a 35% decrease over 2022.
- ❖ During 4Q23 cancellations totaled R\$8.3 million, in line with the amount recorded in 4Q22. In 2023 cancellations totaled R\$52.1 million, 40% lower than 2022. Cancellations of units in default are an important way to increase units available for sale.
- ❖ Net sales totaled R\$6.6 million in 4Q23, a 62% decrease over 4Q22. In 2023 net sales totaled R\$17.2 million, 12% decrease over 2022.

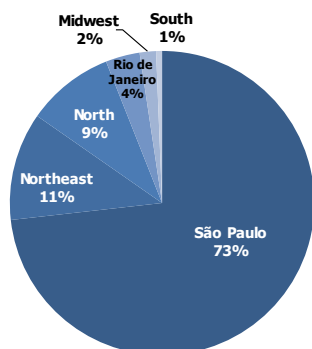
Sales and Cancellations Performance – PSV in R\$ million



Obs.: Includes payment in assets.

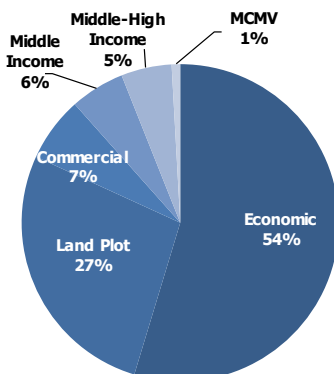
- ❖ In 2023, 73% of sales were of products located in São Paulo and 66% were residential products.
- ❖ Sales from the launches (**ix.Tatuapé** and **ix.Santana**) represented 36% of the gross sales in 2023.

Sales by Location

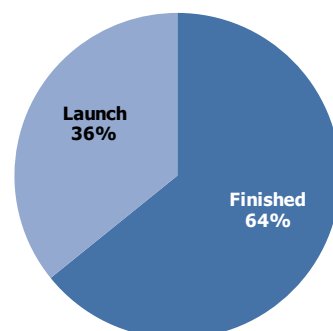


Gross Sales - %PSV - 2023

Sales by Product

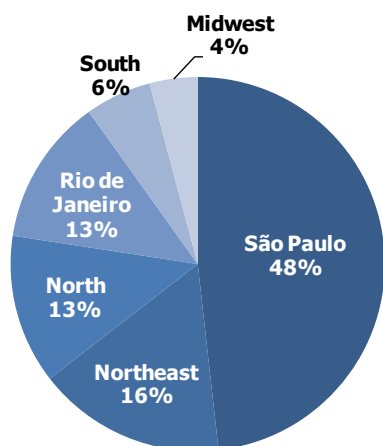


Sales by Project Status

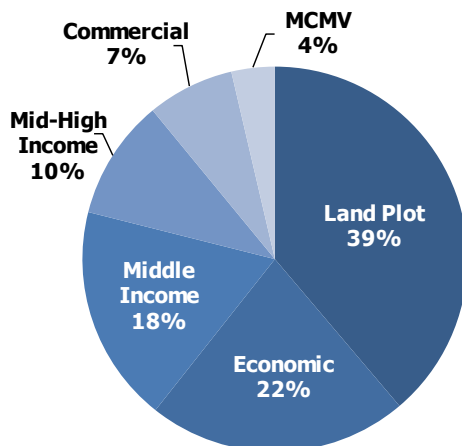


- ❖ Only ready and launch units were cancelled in 2023. As a result, all the units cancelled in 2023 are available for resale and immediate cash generation.
- ❖ In 2023, 48% of the PSV cancelled refers to products located in São Paulo and 54% to residential products.

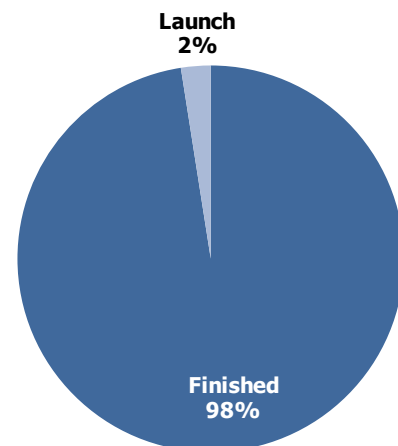
Cancellations by Location



Cancellations by Product



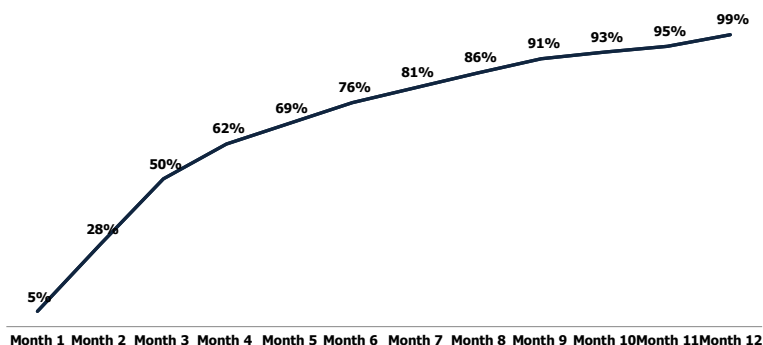
Cancellations by Status



Cancellations - %PSV - 2023

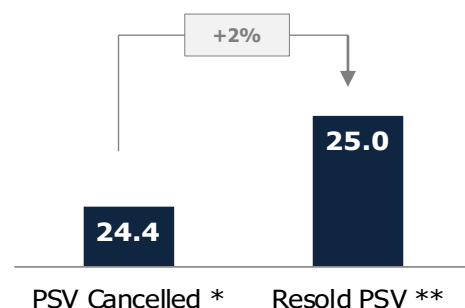
- ❖ On average, 99% of cancelled units were resold in up to 12 months.
- ❖ In the last 12 months, the resale price was, on average, 2% higher than the original sale price.

% of Resale Evolution



Resale Price

PSV Cancelled in the last 12 months – R\$ million



* Original sale price

** Do not include carrying costs

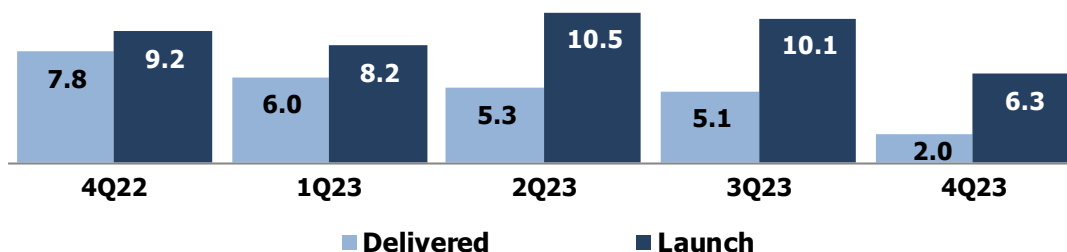
- Analyzing the Sales over Supply (SoS) under the inventory available for sale view, the index totaled 3.7% in 4Q23, a reduction of 310 p.p. over 4Q22.

R\$ million

	4Q22	1Q23	2Q23	3Q23	4Q23
Initial Inventory	319.2	295.0	295.6	291.3	285.7
(+) Launches	60.0	0.0	0.0	0.0	116.3
Gross Sales	25.7	19.0	18.3	17.1	14.8
Quarterly SoS	6.8%	6.4%	6.2%	5.9%	3.7%

- The SoS of delivered units amounted to 2% in 4Q23.
- The SoS of the launches (ix.Tatuapé and ix.Santana) amounted to 6.3% in 4Q23.

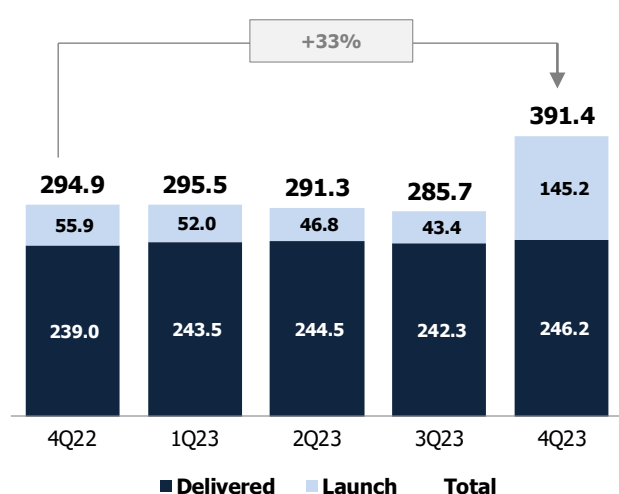
SoS Evolution (%)



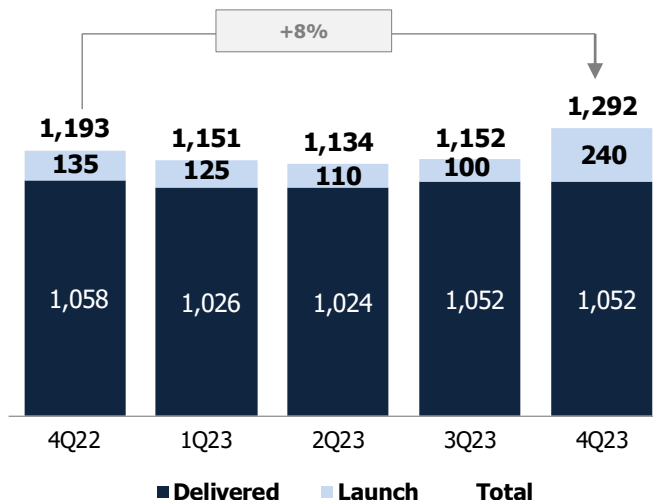
- Starting in 4Q23, the inventory of projects with paralyzed construction were removed, since these units are not available for sale until viable solutions are found for these projects.
- At the end of 4Q23, the inventory of paralyzed projects totaled R\$ 1.1 billion.

- At the end of 4Q23, the inventory available for sale totaled R\$391.4 million, 33% higher than the amount recorded in 4Q22. This increase was mainly due to (i) the launch of ix.Santana in 4Q23 and (ii) the monetary correction applied to the inventory.
- The number of units increased by 8% compared to 4Q22, due to the ix.Santana launch.

Inventory at Market Value – R\$ million

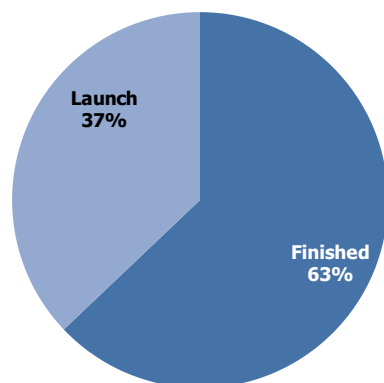


Inventory Units

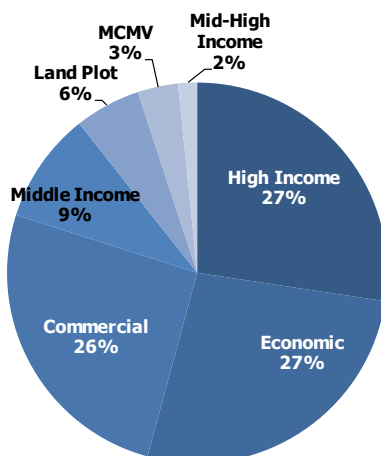


- The Company's total inventory had the following characteristics at the end of 4Q23: (i) 63% was completed (ii) 37% refers to the launches; (iii) 68% was concentrated in residential products; and (iv) 57% was in São Paulo.

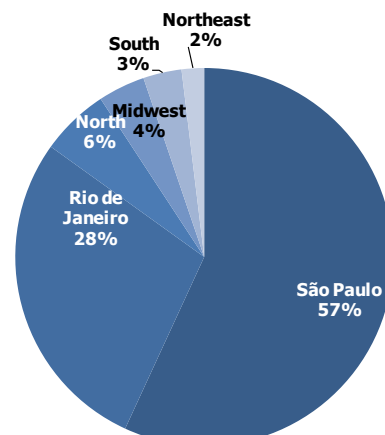
Status



Product

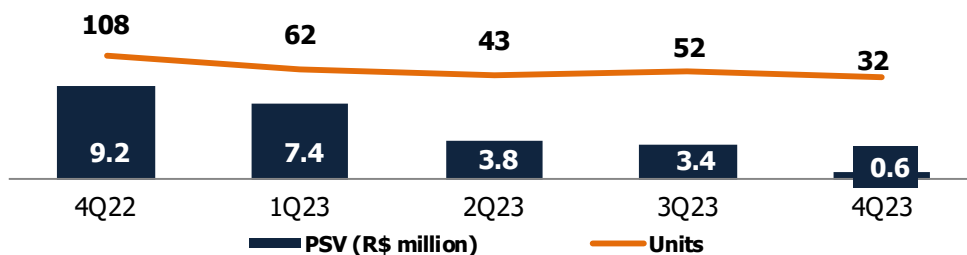


Region



- ❖ In 4Q23, 32 units were transferred, equivalent to a PSV of R\$0.6 million. This represents a reduction of 70% in the number of units transferred over the 4Q22.
- ❖ In 2023, 189 units were transferred, equivalent to a PSV of R\$15.2 million. This represents a reduction of 62% in the number of units transferred over 2022.
- ❖ The transfer volume was impacted by the reduction in sales but is in line with the projection for the period. We continue to make transfers through a quick process strictly aligned with our commercial strategy, focused on generating free cash inflow.

Mortgage Transfers by Quarter – PSV in R\$ million and Units



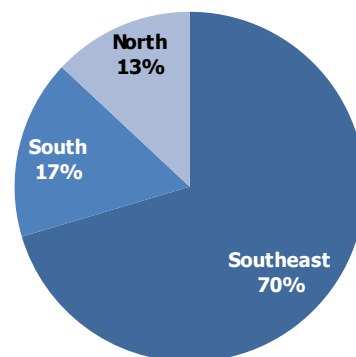
Landbank

- ❖ The landbank ended the quarter with a potential PSV of R\$4 billion (%PDG). Of this total, R\$2.2 billion (approx. 3,500 units) fit into the Company's launch strategy and will support part of the Company's future launches.
- ❖ In 4Q23 we launched ix.Santana using one of our own land plots.
- ❖ In 2Q23, we acquired a land plot located in a prime area of the South Zone of São Paulo, with approximately 800 m² and a potential PSV of approximately R\$65 million, strengthening our landbank for future launches.
- ❖ We continue to prospect and analyze the purchase of land plots that fits in with our strategy for the next launches.
- ❖ Other land plots that do not fit the Company's strategy will continue to be sold, canceled or provided in payment of debt, helping to accelerate cost reductions, monetize assets for deleveraging and reinforce cash inflow.

Landbank – Units and PSV

Product	Units (%PDG)	%	PSV PDG (R\$ mm)	%
High Income	913	11%	476.9	12%
Mid-High Income	52	1%	60.7	2%
Middle Income	496	6%	202.1	5%
Economic	4,592	53%	1,633.8	41%
Residential	6,053	70%	2,373.6	59%
Land Plot	2,590	30%	1,631.6	41%
Total	8,643		4,005.2	

Landbank by Region - PDG %PSV



	# Projects	# Total Units	# PDG Units
Launches ⁽¹⁾	711	160,831	155,351
Finished⁽²⁾	701	157,504	152,036
Launches	2	305	305
Unfinished ⁽³⁾	8	3,022	3,010

(1) Historical launches - net of cancellations

(2) Projects with Occupancy Permit or Sold

(3) Projects with suspended works

- ❖ At the end of 4Q23, two projects were under construction, both in the residential segment and located in the city of São Paulo.
- ❖ Of the 8 unfinished projects, 74% of the PSV refers to projects located in the Southeast region and 42% corresponds to residential projects.
- ❖ In 4Q23, faced with the challenges of finding viable solutions for the paralyzed construction projects, the Company deconsolidated some of these projects from its financial statements. However, the Company is constantly negotiating to find viable solutions for the paralyzed construction projects.

Gross Margin

- ❖ We recorded a gross loss of R\$14.7 million in 4Q23, due to the decrease in sales.
- ❖ Over the year, we recorded a gross profit of R\$38.4 million, 22% above the result obtained in 2022. The main impact was the cost reduction, resulting from the reversal of the provision for cancellations.

GROSS MARGIN	QUARTER			YTD		
	4Q23	4Q22	(%) Var.	2023	2022	(%) Var.
Net Revenues	1.2	45.1	-97%	91.7	119.3	-23%
Cost	(16.0)	(15.7)	2%	(53.3)	(87.9)	-39%
Gross Profit (Loss)	(14.7)	29.4	n.m.	38.4	31.4	22%
(+) Capitalized Interest	n.a.	65.3%	n.m.	41.9%	26.3%	15.6 pp
Adjusted Profit	1.0	0.4	n.m.	2.8	3.0	-7%
Gross Margin	(13.7)	29.7	n.m.	41.2	34.4	20%
Adjusted Gross Margin	n.a.	66.2%	n.m.	44.9%	28.8%	16.1 pp

Backlog Results (REF)

- ❖ Starting in 4Q23, Backlog Results only include ongoing projects and works that have not been deconsolidated, as mentioned on page 13.

Backlog Results (REF)	Legacy	Launches	Total
Net Revenues - REF	15	18	33
(-) COGS	(10)	(15)	(25)
Gross Profit - REF	5	3	8
Gross Backlog Margin	33.3%	16.7%	24.2%

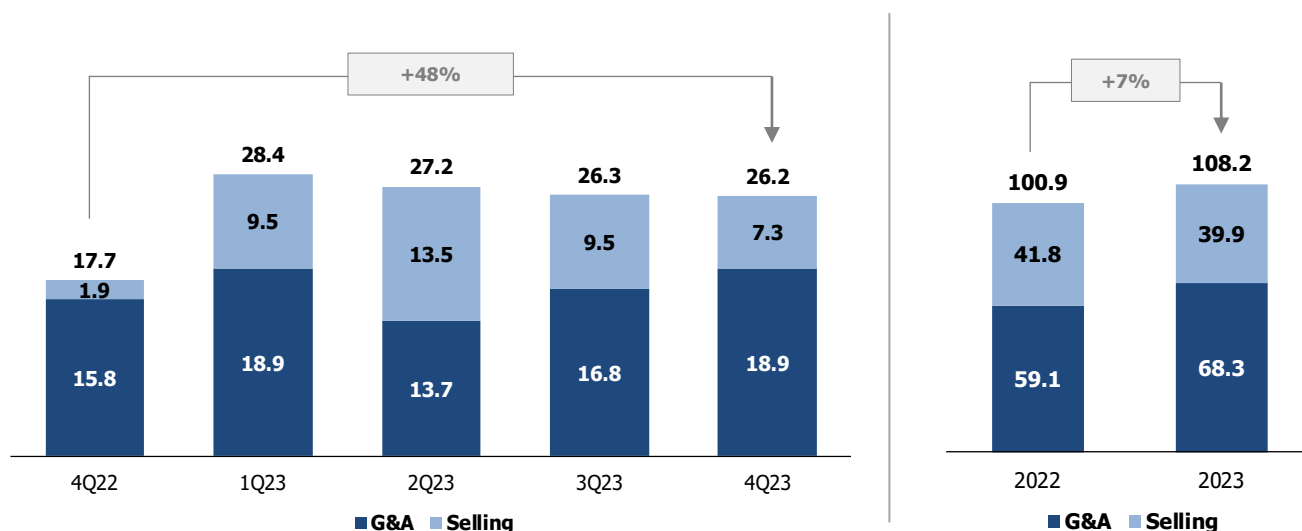
Selling, General and Administrative Expenses (SG&A)

- G&A expenses increased by 20% quarter-on-quarter and 16% year-on-year. The increase was mainly due to higher expenses with legal advisory services.
- Selling Expenses increased 284% quarter-on-quarter, as in 4Q22, we recorded a higher reversal of carrying cost of units in stock. It is worth noting that commercial expenses in 4Q23 below those recorded in the other quarters of 2023. Year-on-year, commercial expenses were reduced by 5%.

R\$ million in IFRS

GENERAL, ADMINISTRATIVE E COMMERCIAL EXPENSES	QUARTER			YTD		
	4Q23	4Q22	(%) Var.	2023	2022	(%) Var.
Total Commercial Expenses	7.3	1.9	284%	39.9	41.8	-5%
Salaries and Benefits	11.4	9.2	24%	39.8	34.0	17%
Profit sharing	0.7	0.7	0%	2.9	2.6	12%
Third Party Services	5.4	4.6	17%	20.1	15.5	30%
Other Admin. Expenses	1.4	1.3	8%	5.5	7.0	-21%
Other Admin. Expenses	18.9	15.8	20%	68.3	59.1	16%
Total G&A	26.2	17.7	48%	108.2	100.9	7%

Evolution of SG&A Expenses – R\$ million



On and Off Balance Sheet Receivables and Costs to be Incurred

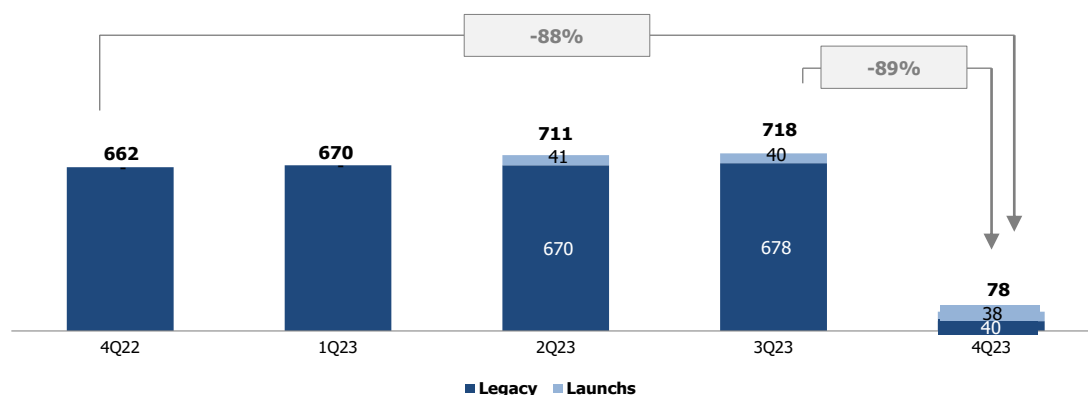
- As of 4Q23, Accounts Receivable and Cost to Incurred for paralyzed construction projects only include projects that have not been deconsolidated, as mentioned on page 13.
- We ended 4Q23 with a total of R\$10 million in accounts receivable, a 98% decrease over 4Q22.

R\$ million in IFRS

ON AND OFF BALANCE RECEIVABLES (R\$ MN)	4Q23	3Q23	Var. (%)	4Q22	Var. (%)
Receivables <i>(on balance)</i>	4	166	-98%	223	-98%
Gross Backlog Revenues - REF	33	456	-93%	430	-92%
Advances from Clients - sales installments	(27)	(54)	-50%	(53)	-49%
Advances from Clients - physical barter from launches	-	(103)	-100%	(105)	-100%
Total Receivables (a)	10	465	-98%	495	-98%
Cost to be Incurred - Sold Units	(25)	(393)	-94%	(448)	-94%
Cost to be Incurred - Inventory Units	(53)	(325)	-84%	(214)	-75%
Total Costs to be Incurred (b)	(78)	(718)	-89%	(662)	-88%
Total Net Receivables (a+b)	(68)	(253)	-73%	(167)	-59%

- Furthermore, Cost to Incurred totaled R\$78 million in 4Q23, a reduction of 88% over 4Q22.

Costs to be Incurred – R\$ million



Indebtedness (Extraconcursal)

- ❖ Extraconcursal debts refer to debts that were not restructured under the Company's judicial reorganization plan. These debts are still being renegotiated with the respective creditors and are secured.
- ❖ When the debt balance is higher than the value of the corresponding collateral, the Company cannot prioritize the payment of this extraconcursal residual balance to the detriment of the concursal creditors. Therefore, creditors may request the inclusion of the residual balance in the judicial reorganization plan, and this amount will be paid under the conditions established in the plan, as determined by the Exit Sentence of the judicial reorganization plan ("Sentence").
- ❖ In 2022 three creditors appealed against this Sentence and the Company understood that, as long as the appeal was not judged, there would be uncertainty about the effects of the Sentence. On February 6, 2024, the '2ª Câmara Reservada de Direito Empresarial do Tribunal de Justiça de São Paulo' rejected the appeal of these creditors and maintained the guidelines of the Sentence in full. With this, the Company's Management, together with its legal advisors, understood that the decision represents the legal certainty necessary to support the recalculation of the extra-bankruptcy debt balances.
- ❖ The recalculation of the extraconcursal debt considered that, when the extra-bankruptcy creditor decides to include its residual balance, it must directly request the Company to pay it in the form of the reorganization plan, whose calculation and payment must be made following the exit sentence, as follows:
 - a) Determination of the balance of the residual credit on the date of the filing of the reorganization plan (February 23, 2017);
 - b) Determination of all extraconcursal payments made between February 23, 2017 and the date of conversion;
 - c) The balance obtained from (a-b) will be adjusted according to the monetary correction provided for in the reorganization plan and will represent the value of the residual credit to be paid, according to the conditions established in the PRJ.
- ❖ Thus, the recalculated extraconcursal debt totaled R\$423.9 million in 4Q23, of which the residual balance (extraconcursal) was R\$221.3 million.

Estimated payment	Balance in 4Q23
Collateral Value	197.6
Residual Balance	221.3
Liability	5.0
Total	423.9

Note: The calculation methodology, as well as more information about the debt balance, are included in Explanatory Note 1 of the Financial Statements.
 residual balance = debt amount minus collateral value

Indebtedness (Extraconcursal) – R\$ million

❖ Extraconcursal debt was reduced by R\$2.5 billion (86%) during 4Q23, due to the debt recalculation and fair value adjustment, as explained on page 17. Additionally, in 4Q23, we received the second installment of the financing for the construction of the **ix.Tatuapé** development.

❖ Over the year, the extraconcursal debt was reduced by R\$2.2 billion (84%).

	2017	2018	2019	2020	2021	2022	1Q23	2Q23	3Q23	4Q23
Initial Debt	5,772	2,672	2,777	2,995	2,817	2,185	2,621	2,735	2,783	2,946
Conversion into concursal debt	(3,309)	-	-	(439)	(421)	(4)	(10)	(21)	-	(83)
Interest, Tax and Monetary Correction	209	451	427	334	(96)	465	127	71	158	147
Payment of Principal, Interest and Donations	-	(358)	(175)	(84)	(115)	(25)	(3)	(2)	(1)	(1)
Fundraise	-	12	6	11	-	-	-	-	6	6
Deconsolidation of Subsidiary	-	-	(40)	-	-	-	-	-	-	-
Recalculated Debt	-	-	-	-	-	-	-	-	-	(2,591)
Total Indebtedness	2,672	2,777	2,995	2,817	2,185	2,621	2,735	2,783	2,946	424
Var (%)		4%	8%	-6%	-22%	20%	4%	2%	6%	-86%

❖ Considering the 15% reduction in cash and cash equivalents, net debt increased by R\$2.5 billion (87%) in 4Q23.

INDEBTEDNESS	4Q23	3Q23	Var. (%) 4Q23 - 3Q23	4Q22	Var. (%) 4Q23 - 4Q22
Cash	62	73	-15%	99	-37%
SFH	67	651	-90%	541	-88%
Debentures	10	377	-97%	318	-97%
Construction Financing	77	1,028	-93%	859	-91%
Working Capital, SFI and Promissory Notes	130	370	-65%	373	-65%
Debentures	24	47	-49%	47	-49%
CCB/CRI	188	1,497	-87%	1,339	-86%
Obligation for the issuance of CCB and CCI	5	5	0%	3	67%
Corporate Debt	347	1,919	-82%	1,762	-80%
Gross Debt	424	2,947	-86%	2,621	-84%
Net Debt	362	2,874	-87%	2,522	-86%
Net Debt (ex. Construction Financing)	285	1,846	-85%	1,663	-83%
Shareholders Equity ⁽¹⁾	(3,321)	(5,450)	-39%	(4,891)	-32%

(1) Includes non-controlling equity

Concursal Debts

- ❖ The concursal debt decreased by R\$85 million (6%) during 4Q23, mainly due to the payment made through the conversion of credits into shares, which totaled R\$439 million.
- ❖ Over 2023, concursal debt increased by R\$15 million (1%), due to the accrual of interest during the period and the inclusion of new credits in the judicial recovery process.

	2017	2018	2019	2020	2021	2022	1Q23	2Q23	3Q23	4Q23
Initial Debt	4,627	838	744	784	975	1,070	1,208	1,245	1,288	1,308
Recovery of Fines and Interest	(819)	-	-	-	-	-	-	-	-	-
Interest, Monetary Correction and Fair Value Adjustment	(2,970)	152	64	(206)	83	253	21	36	41	246
Payments and Payments in Assets*	-	(246)	(30)	(47)	(412)	(387)	(2)	-	(9)	(439)
Changes in the Creditors database**	-	-	6	444	424	273	18	7	(12)	109
Total Debt Adjusted to Fair Value	838	744	784	975	1,070	1,208	1,245	1,288	1,308	1,223
Var (%)		-11%	5%	24%	10%	13%	3%	3%	2%	-6%

* Payments in cash, payments in assets and through conversion into equity;

** Refers to new creditor's habilitation, renegotiations, among other movements

The methodology used to calculate the Fair Value and therefore the Total Debt Adjusted to Fair Value, is explained in Note 14 of the Financial Statements.

Financial Results

- ❖ We recorded a financial profit of R\$2.3 billion in 4Q23 and R\$1.8 billion in 2023, due to the reversal of extraconcursal debt charges, as explained on page 17.

FINANCIAL RESULTS (R\$ MN)	QUARTER			YTD		
	4Q23	4Q22	Var. (%)	2023	2022	Var. (%)
Investment Income	1.7	2.7	-37%	9.3	9.5	-2%
Interest and fines	7.6	(3.6)	n.m.	16.8	4.8	n.m.
Other financial revenue	1,277.3	24.2	n.m.	1,401.2	582.9	n.m.
Total financial revenues	1,286.6	23.3	n.m.	1,427.3	597.2	139%
Interest	(27.6)	(135.4)	-80%	(474.4)	(472.0)	1%
Bank Expenses	-	(1.3)	-100%	(0.1)	(1.5)	-93%
Other	1,016.8	(355.3)	n.m.	821.3	(486.0)	n.m.
Gross Financial Expenses	989.2	(492.0)	n.m.	346.8	(959.5)	n.m.
Capitalized Interest on Inventory	(1.6)	-	n.m.	-	-	n.m.
Total Financial Expenses	987.6	(492.0)	n.m.	346.8	(959.5)	n.m.
Total Financial Result	2,274.2	(468.7)	n.m.	1,774.1	(362.3)	n.m.

Deleveraging

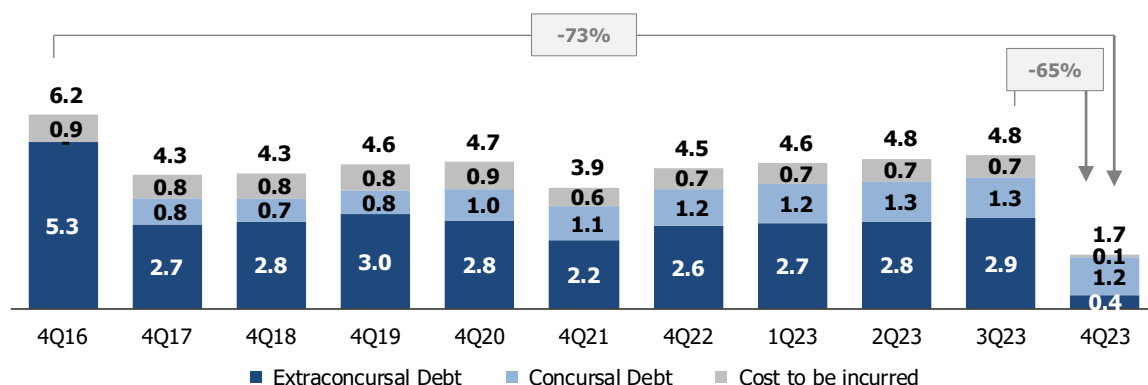
❖ Adding extraconcursal debt to concursal debt and costs to be incurred, at the end of the quarter, the company's "extended" leverage totaled R\$1.7 billion. In 4Q23, we recorded a significant deleveraging of R\$3.1 billion, due to (i) the recalculation of extraconcursal debt, as explained on page 17, and (ii) the accounting deconsolidation of part of the developments with paralyzed works.

❖ Regarding this residual amount, we highlight that:

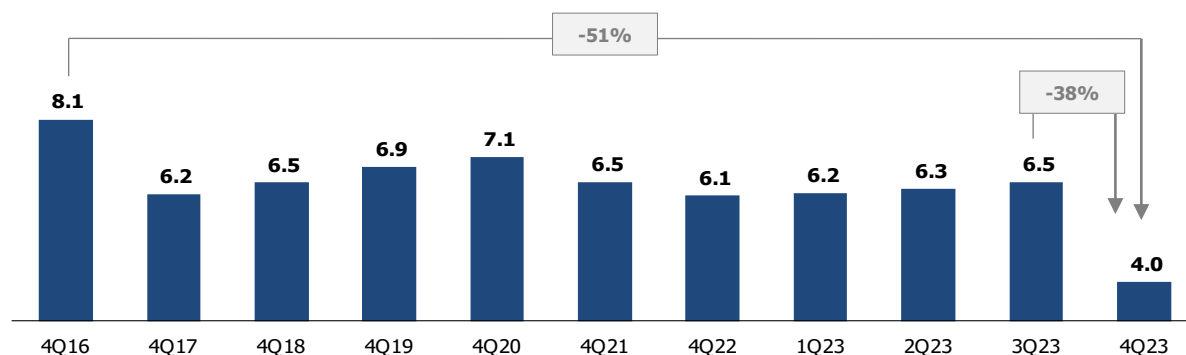
(i) Concursal debt matures until 2042 and, as provided for in the reorganization plan, may also be amortized through payments in kind and conversion into equity;

(ii) Extraconcursal debts are still being renegotiated and may be included in the judicial recovery process over time.

Extended leverage – R\$ billion



Total liabilities – R\$ billion



INCOME STATEMENTS (R\$ '000) - IFRS	QUARTER			YTD		
	4Q23	4Q22	(%) Var.	2023	2022	(%) Var.
Operating Gross Revenue						
Real Estate Sales	463	48,059	-99%	94,270	138,961	-32%
Other Operating Revenues	4,037	107	n.m.	6,776	1,951	n.m.
(-) Revenues Deduction	(3,258)	(3,062)	6%	(9,299)	(21,594)	-57%
Operating Net Revenue	1,242	45,104	-97%	91,747	119,318	-23%
Cost of Sold Units	(14,961)	(15,259)	-2%	(50,525)	(84,910)	-40%
Interest Expenses	(1,004)	(393)	n.m.	(2,801)	(3,021)	-7%
Cost of sold properties	(15,965)	(15,652)	2%	(53,326)	(87,931)	-39%
Gross Income (loss)	(14,723)	29,452	n.m.	38,421	31,387	22%
Gross margin	n.a.	65.3%	n.m.	41.9%	26.3%	15.6 pp
Adjusted gross margin ⁽¹⁾	n.a.	66.2%	n.m.	44.9%	28.8%	16.1 pp
Operating Revenues (expenses):						
Equity Income	(1,315)	(215)	n.m.	(795)	757	n.m.
General and Administrative	(18,877)	(15,872)	19%	(68,337)	(59,134)	16%
Commercial	(7,300)	(1,896)	n.m.	(39,861)	(41,757)	-5%
Taxes	(207)	10,304	n.m.	(515)	(794)	-35%
Depreciation & Amortization	(187)	(186)	1%	(749)	(741)	1%
Other	(422,802)	16,657	n.m.	(461,446)	9,808	n.m.
Financial Result	2,274,058	(468,671)	n.m.	1,774,031	(362,286)	n.m.
Total operating revenues (expenses)	1,823,370	(459,879)	n.m.	1,202,328	(454,147)	n.m.
Income before taxes	1,808,647	(430,427)	n.m.	1,240,749	(422,760)	n.m.
Income Taxes and Social Contribution	(119,275)	71,137	n.m.	(121,355)	339,940	n.m.
Income before minority stake	1,689,372	(359,290)	n.m.	1,119,394	(82,820)	n.m.
Minority interest	727	944	-23%	5,099	4,382	16%
Net Income (loss)	1,690,099	(358,346)	n.m.	1,124,493	(78,438)	n.m.
Net margin	n.a.	n.a.	n.m.	1225.6%	-65.7%	1,291.4 pp

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

EBITDA	QUARTER			YTD		
	4Q23	4Q22	(%) Var.	2023	2022	(%) Var.
Income (loss) before taxes	1,808,647	(430,427)	n.m.	1,240,749	(422,760)	n.m.
(-/+) Financial Result	(2,274,058)	468,671	n.m.	(1,774,031)	362,286	n.m.
(+) Depreciation and Amortization	187	186	1%	749	741	1%
(+) Interest Expenses - Cost of Sold Units	1,004	393	n.m.	2,801	3,021	-7%
(-/+) Equity Income result	1,315	215	n.m.	795	(757)	n.m.
EBITDA	(462,905)	39,038	n.m.	(528,937)	(57,469)	n.m.
EBITDA Margin	n.a.	86.6%	n.m.	n.a.	n.a.	n.m.

ASSET (R\$ '000)	4Q23	3Q23	(%) Var.	4Q22	(%) Var.
Current Assets					
Cash, cash equivalents and short-term investments	61,622	73,050	-16%	99,172	-38%
Accounts receivable	130,220	144,482	-10%	190,704	-32%
Properties held for sale	247,668	582,237	-57%	627,495	-61%
Prepaid expenses	1,607	225	n.m.	1,476	9%
Accounts with related parties	5,370	5,073	6%	4,028	33%
Taxes to recover	1,999	3,134	-36%	7,511	-73%
Total Current Assets	448,486	808,201	-45%	930,386	-52%
Noncurrent Assets					
Long-Term					
Accounts receivable	19,900	21,833	-9%	32,675	-39%
Properties held for sale	115,407	81,211	42%	79,282	46%
Taxes to recover	10,689	10,109	6%	13,913	-23%
Accounts with related parties	1,299	34,634	-96%	30,624	-96%
Accounts with related parties	64,652	63,485	2%	56,840	14%
Total Long-Term Assets	211,947	211,272	0%	213,334	-1%
Permanent Assets					
Investments	7,671	28,432	-73%	28,039	-73%
Property and Equipment	1,470	1,638	-10%	2,045	-28%
Intangible	627	688	-9%	872	-28%
Total Permanent Assets	9,768	30,758	-68%	30,956	-68%
Total Noncurrent Assets	221,715	242,030	-8%	244,290	-9%
Total Assets	670,201	1,050,231	-36%	1,174,676	-43%

LIABILITIES AND SHAREHOLDERS' EQUITY (R\$ '000)					
	4Q23	3Q23	(%) Var.	4Q22	(%) Var.
Current					
Loans and financings	113,415	1,021,012	-89%	914,325	-88%
Debentures	10,152	423,617	-98%	364,341	-97%
Obligation for the issuance of CCB & CCI	74,017	1,491,348	-95%	1,339,025	-94%
Co-obligation for the issuance of CRI	4,953	4,540	9%	3,452	43%
Suppliers	158,648	153,423	3%	144,939	9%
Payable obligations subject to the Reorganization Plan	85,541	110,226	-22%	103,060	-17%
Property acquisition obligations	327	420	-22%	267	22%
Advances from clients	196,745	212,502	-7%	230,801	-15%
Tax and labor obligations	26,147	23,858	10%	21,660	21%
Deferred taxes	13,848	13,996	-1%	18,162	-24%
Income and social contribution taxes	7,480	7,910	-5%	7,183	4%
Other provisions for contingencies	199,558	170,854	17%	147,009	36%
Other Obligations	115,808	115,205	1%	119,426	-3%
Total Current	1,006,639	3,748,911	-73%	3,413,650	-71%
Long-Term					
Loans and financings	83,701	-	n.m.	-	n.m.
Debentures	23,729	-	n.m.	-	n.m.
Obligation for the issuance of CCB & CCI	113,888	5,628	n.m.	-	n.m.
Payable obligations subject to the Reorganization Plan	1,137,727	1,198,126	-5%	1,105,076	3%
Property acquisition obligations	21,417	21,113	1%	19,979	7%
Advances from clients	40,218	36,268	11%	25,039	61%
Taxes and contributions payable	45,647	48,319	-6%	49,599	-8%
Accounts with related parties	14,820	45,658	-68%	41,704	-64%
Deferred taxes	825,811	706,233	17%	707,126	17%
Other provisions for contingencies	662,952	676,319	-2%	688,997	-4%
Other Obligations	14,195	13,486	5%	14,174	0%
Total Long-Term	2,984,105	2,751,150	8%	2,651,694	13%
Shareholders' equity					
Subscribed capital	6,142,728	5,703,542	8%	5,703,542	8%
Capital reserve	1,236,743	1,236,743	0%	1,236,743	0%
Treasury shares	(898)	(2,501)	-64%	(13,726)	-93%
Accumulated losses	(10,628,279)	(12,318,378)	-14%	(11,752,772)	-10%
Minority interest	(70,837)	(69,236)	2%	(64,455)	10%
Total Shareholders' equity	(3,320,543)	(5,449,830)	-39%	(4,890,668)	-32%
Total liabilities and shareholders' equity	670,201	1,050,231	-36%	1,174,676	-43%