Financial Statements 2023

Contents

MANAGEMENT REPORT 2023

MESSAGE FROM THE MANAGEMENT

The year 2023 was marked as our turning point. We began the year with three very clear challenges: 1) to restore profitability in the Tenda segment; 2) to reduce our leverage (which stood at 112%, measured by net debt/equity); and 3) to accelerate Alea's launches, which achieved strong growth (from 403 in 2022 to 2116 in 2023) due to the introduction of the Casapatio project.

Looking back, we can conclude that we were successful and that 2023 was the turning point for Tenda. We achieved consolidated net sales of R$3.1 billion, surpassing our guidance range of R$2.7 to R$3.0 billion. We also exceeded the upper limit of our Alea launch target (1,500 to 2,000 units) by more than 100 units and saw a good recovery in our gross margin, despite falling 40 bps below the lower limit of our adjusted gross margin target (24.0 to 26.0%), compared to the 23.6% delivered in the year.

Regarding the margin, the main reason for falling below the target was the cost deviations recognized in 1H23, an effect that was finally resolved from the middle of the year, allowing for constant margin improvements, as reflected in the 220 bps improvement in the Tenda segment's gross margin in 4Q23 compared to 3Q23, reaching 27.2%.

This reflects a profound change in our operations team, which includes not only processes and controls but mainly the change of several key positions, with a team of excellence focused on results. It is worth noting, for example, the impressive concrete pouring rate of 99% of the days worked that we achieved in some months of 2H23, reflecting our commitment to excellence.

Two other events that were frustrating in 2023 were the delay in the approval of the 1% RET and future FGTS. Fortunately, we had good news on both fronts early this year, as it was announced on March 7th, the RFB Instruction Normative nº 2179, confirming the 1% RET for Band 1 of the MCMV. We also expect the future FGTS to be approved in the coming weeks.

Another significant milestone in 2023 was the reduction of our leverage to 16% of corporate net debt/equity (down from 65% in 4Q22). This was a result of our successful follow-on offering completed in September 2023, which enabled a significant restructuring of our liabilities, in addition to the evolution of our operational cash generation and the operations of receivables portfolio assignments, which have become an integral part of our financial strategy. On February 21, 2024, we concluded our third issuance, with a rate of CDI + 3.5%, 200 bps below the previous issuance, for 50% of the issuance, and IPCA+7.9% per annum for the remaining 50%.

It is worth noting that the recent CMN Resolution No. 5,118, dated February 1, 2024, restricting the issuance of transactions backed by real estate receivables, also represents a positive milestone that should benefit our future fundraising efforts, potentially contributing to further reductions in our cost of capital.

For 2024, our priority remains for Tenda to once again be an example of efficiency and profitability in the affordable housing segment in Brazil. To achieve this, we remain focused on: a) continuing our path of margin recovery; b) achieving operational efficiency in all stages of the Alea construction cycle, making this operation profitable as early as 2025; c) increasing Gross Raw Margin; and d) pursuing our long-term target of net debt close to zero.

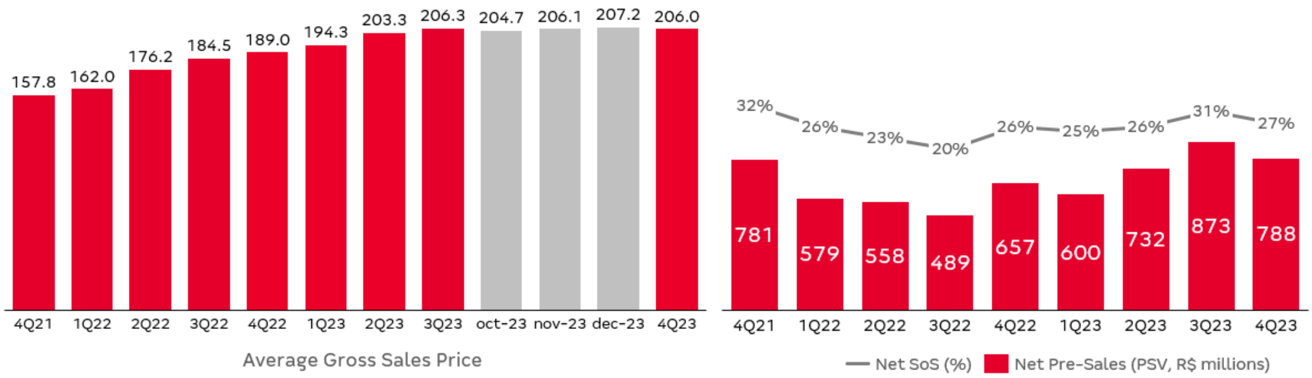
We remain optimistic about the opportunities and challenges that will arise, especially with the entry into force of the Future FGTS and the 1% RET, events that have the potential to further drive our growth in a sustainable and profitable manner. On the other hand, we are attentive to the risks of our business, with the main one at the moment appearing to be the sustainability of the FGTS as the sole source of MCMV financing.

Tenda's management remains committed and confident in our ability to face future challenges. We will continue to prioritize cost control, value generation for all our stakeholders, and the realization of the dream of homeownership for our customers.

INTRODUCTION

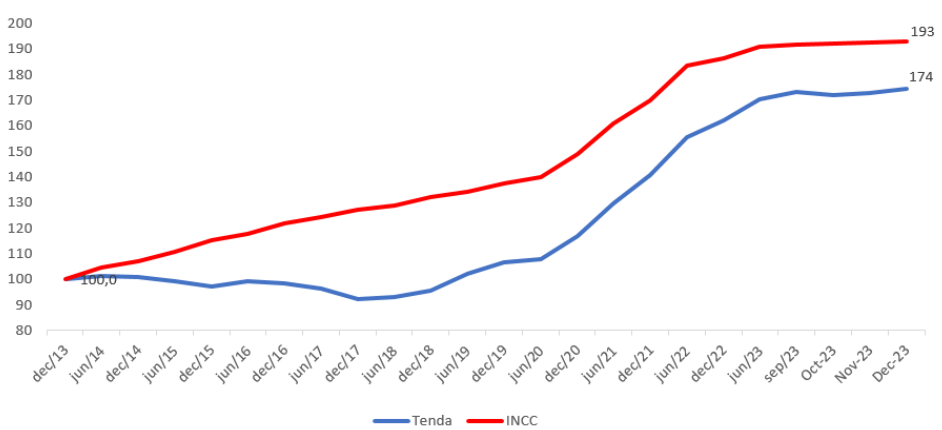
Our selling price remained virtually in line with the previous quarter, primarily due to a lower percentage of units sold in São Paulo during the analyzed period. However, the Company continues to adhere to a strategy of gradual improvement, aiming to enhance project margins. When analyzing the VSO (Velocity of Sales), we are maintaining an average that the Company deems healthy, hovering around 25%.

Evolution of Price x Net Sales (PSV, R$ million) e Net SoS (%)



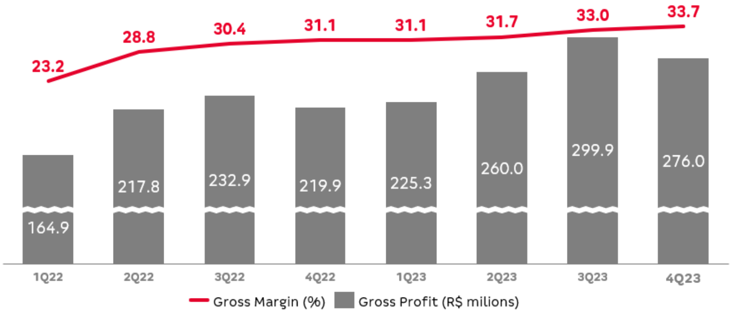
For yet another consecutive quarter, no cost deviations were observed, highlighting the Company's resurgence in operational efficiency. Our costs remain aligned with the INCC (National Construction Cost Index), which, in turn, stood at 3.2% in the last twelve months until January 2024, with materials seeing a 0.9% increase during this period and labor costs slightly exceeding 6%. This scenario proves advantageous for Tenda, given its construction model that benefits from a situation where material inflation is lower than labor costs.

Tenda Construction Cost Evolution



The gross margin for new sales also continued to improve, with a 70 basis points increase in 4Q23 compared to 3Q23.

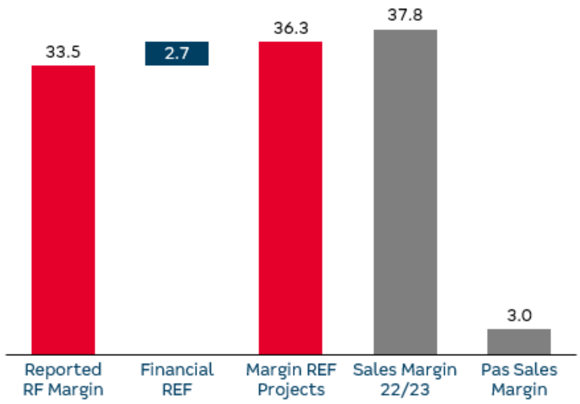
Evolution of Gross Margin from New Sales (%) and Gross Profit from New Sales (R$ million)



The reported gross margin in 4Q23 is starting to reflect the margin level that the company has been working to establish as a foundation.

As a result, the REF margin excluding financials improved by 0.8 percentage points in 4Q23 compared to 3Q23, reaching 36.3%, reflecting the continuous improvement in the Company's results.

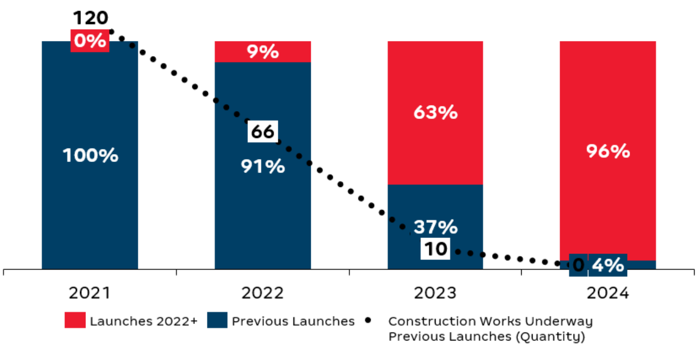
Margin REF 4Q23 (%)



Financeiros REF consists of: Brokerage, Provision for Distrains, Exchanges, and Monetary Adjustment. There are still no recorded values for off-site operations.

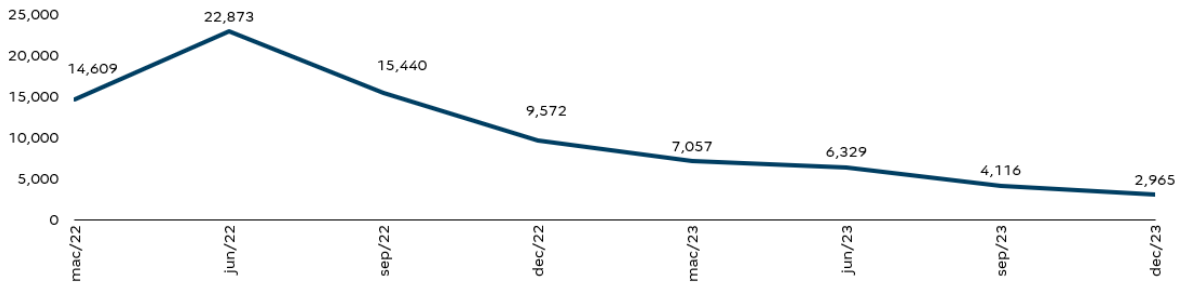
Considering that some developments launched before 2022 have not been sold as expected in 2023, upon reviewing the figures, the current expectation is that 4% of the revenue composition will come from these older launches.

Revenue Composition DRE



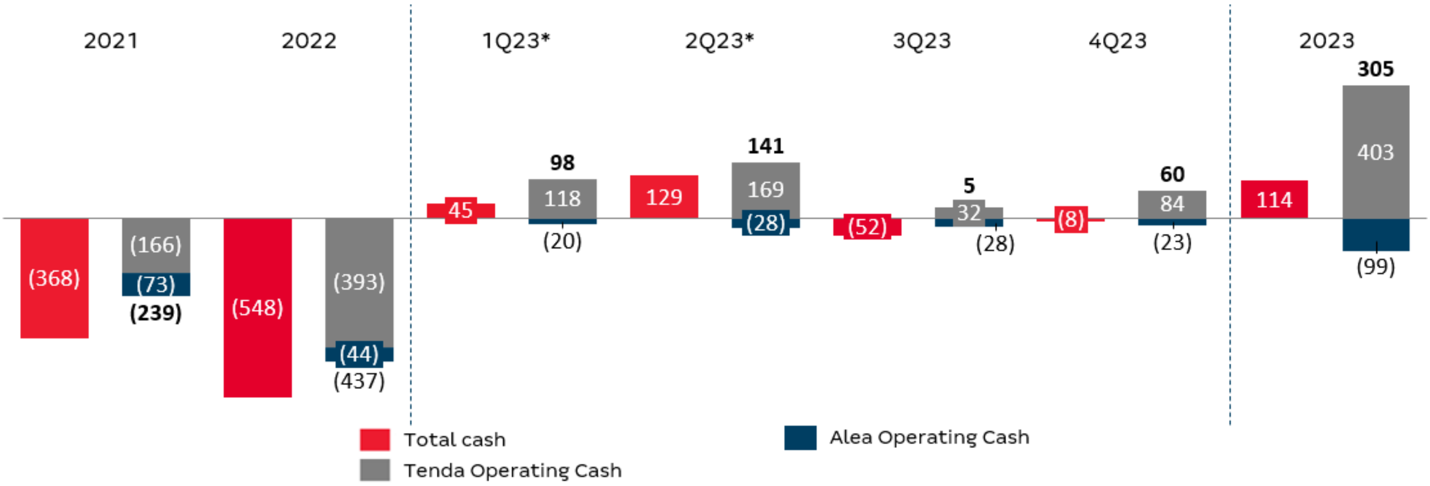
The execution of works continues to demonstrate increasing efficiency, showing a consistent reduction in the indicator of delayed activities, and for the second consecutive quarter, the concrete pouring has reached a level of 99% of concrete pouring rate per day of work activity.

Overdue Finishing Activities



Regarding the company's cash position, in the last quarter of the year, there was an operational cash generation on a consolidated basis totaling R$ 60.0 million, with R$ 84.0 million in the Tenda brand in a quarter without the operation of receivables assignment. The operational cash generation balance was mainly driven by the progress measurement of ongoing construction projects.

Operating and Total Cash Generation/Consumption
(R$ million)



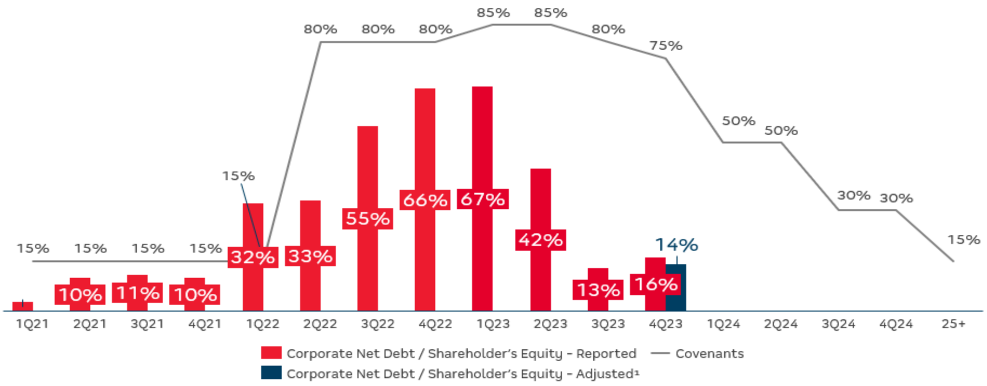
* Includes assignment of Pro-Soluto receivables portfolio.
Adjusted - Financial Result and Interest

The table below summarizes the evolution of Tenda's key indicators since 1Q22, with a focus on gross margins DRE and new sales, as well as the fact that the Company has returned to being a cash-generating company, generating cash in every quarter since 4Q22.

Tenda	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	4Q23 x 1Q22
Net SoS	26.1%	22.8%	20.3%	25.5%	24.8%	26.2%	30.6%	26.9%	0.8 p.p.
Average price per unit (R$ thousand)	162.1	176.6	185.5	189.8	194.7	204.7	208.2	208.0	28.3%
Adjusted Gross Margin	21.7%	17.5%	8.2%	15.2%	24.9%	23.5%	25.0%	27.1%	5.4 p.p.
EBITDA (R$ million)	0.2	(42.0)	(108.4)	(44.8)	53.2	37.8	38.2	57.2	25537.6%
Gross Margin New Sales	23.2%	28.8%	30.4%	31.1%	31.1%	31.7%	33.0%	33.7%	10.5 p.p.
Backlog Margin	23.8%	24.9%	25.7%	25.7%	29.9%	31.4%	33.1%	33.5%	9.7 p.p.
Operating cash (R$ million)	(226.4)	(122.9)	(61.6)	18.1	118.3	169.0	32.3	83.7	n/a

Thus, the leverage measured by corporate net debt / equity closed 4Q23 at 16%, compared to a limit established for the quarter of 75%.

Corporate Net Debt / Shareholder's Equity (%)



¹ Considering R$ 340 million in SFH, it would have reached the 15% limit in 4Q23. It was not achieved due to the amortization occurring on the last business day of the year.

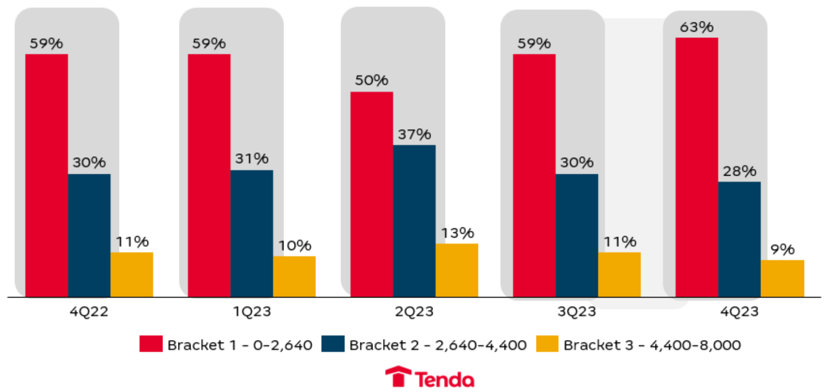
The recurring gross margin and net profit showed improvement compared to the loss of R$ 4.6 million and a gross margin of 24.8% recorded in 3Q23. The lines that influenced the variation between Tenda's gross margin and the recurring one were "Sold/Rescinded Lands/Other" and "Swap."

(R$ Thousand) 4Q23	Revenues	Cost	Adjusted GP	GM %	GM Adjustad%	Expenses	NI	NM %
Income Statement	**754.880**	**(587.240)**	**167.640**	**22,2%**	**24,9%**	**(187.286)**	**(19.646)**	**(2,6%)**
(-) Alea	45.157	(50.272)	(5.115)	(11,3%)	(12,0%)	(15.369)	(20.483)	2,7%
Income Statement Tenda	**709.723**	**(536.968)**	**172.755**	**24,3%**	**27,2%**	**(171.917)**	**837**	**0,1%**
(-) Land Sold/Cancelled/Other¹	(0)	6.733	6.733	0,5%	0,0%	-	6.733	0,5%
(-) Swap/tax²	-	-	-	0,0%	0,0%	6.455	6.455	0,9%
Income Statement Tenda - Recurrent	**709.723**	**(530.235)**	**179.488**	**25,3%**	**27,2%**	**(165.462)**	**14.026**	**2,0%**
Delta	(0)	6.733	6.733	94,9%	0,0%	6.455	13.188	185,8%

1 - Sold/Cancelled Plots: Plots that were sold but did not meet the minimum feasibility required by the Company.
2 - Gain of R$ 10.9 million from SWAP and clearance of R$ 8.2 million from Litigation (Mérica Case).

Of the total sales recorded in the quarter, 63% were directed to the target audience referred to as "faixa 1," with a monthly income of up to R$ 2,640. Tenda continues to consolidate its position in the sector as the largest company in the "faixa 1" segment of the MCMV program (Minha Casa, Minha Vida), funded by the FGTS (Fundo de Garantia do Tempo de Serviço).

PSV by income bracket



Regarding Alea, in the year 2023, we launched 2,116 units, an amount exceeding the 2,000 units disclosed as guidance for the year 2023. Alea's land bank has already reached a Gross Sales Value (PSV) of R$ 3.1 billion, and by the end of 2023, there were 8 active construction sites, with 5 belonging to Alea and 3 to Casapatio.

In December 2023, the Company entered a contract for the sale of housing units related to the "Pode Entrar" Housing Program. The signed contract was for the sale of the Estação Tolstoi project, totaling 216 units, corresponding to a value of R$ 45,342,288.00. We continue to monitor developments in the São Paulo City Hall regarding the potential signing of new projects.

LAUNCHES

In 2023, Tenda launched 62 developments, totaling R$ 3.4 billion in Gross Sales Value (VGV), a 46.4% increase compared to the previous year. The average price per unit launched during the year was R$ 201.8 thousand, representing a 3.0% increase compared to 2022.

Launches	2023	2022	YoY (%)
Number of projects launched	62	36	72.2%
PSV (R$ million)	**3,484.4**	**2,380.0**	**46.4%**
Number of units launched	17,267	12,150	42.1%
Average price per unit (R$ thousand)	201.8	195.9	3.0%
Average size of projects launched (in units)	279	338	(17.5%)

SALES

Gross sales totaled R$ 3.6 billion in 2023, a 27.7% increase compared to 2022. Net sales in 2023 amounted to R$ 3.1 billion, a 32.7% increase compared to 2022.

The net sales velocity ("Net VSO") was 56.8% in 2023, an increase of 2.1 p.p. compared to 2022.

In 2023, the churn rate stood at 14.4%, a decrease of 3.3 p.p. compared to 2022.

(PSV, R$ million)	2023	2022	YoY (%)
Gross Sales	**3,663.3**	**2,869.7**	**27.7%**
Cancellations	**527.7**	**507.0**	**4.1%**
Net Pre-Sales	**3,135.6**	**2,362.7**	**32.7%**
% Launches[1]	45.0%	34.8%	10.2 p.p.
% Inventory	55.0%	65.2%	(10.2 p.p.)
Cancellations / Gross Sales	**14.4%**	**17.7%**	**(3.3 p.p.)**
Net SoS	**56.8%**	**54.7%**	**2.1 p.p.**

1. Launches from the current year.

UNITS TRANSFERRED, UNITS DELIVERED AND CONSTRUCTION WORKS UNDERWAY

The PSV transferred totaled R$2.4 billion in 2023, an increase of 17.5% compared to 2022. Tenda ended the year with 78 works in progress, a decrease of 3.7% compared to 2022 (81 works).

Transfers, Deliveries and Construction Sites	2023	2022	YoY (%)
PSV Transferred (in R$ million)	**2,432.6**	**2,071.1**	**17.5%**
Transferred Units	15,195	14,883	2.1%
Delivered Units	**16,423**	**15,497**	**6.0%**
Construction Sites	**78**	**81**	**(3.7%)**

INVENTORY AT MARKET VALUE

The market value inventory at the end of 2023 totaled R$ 2.3 billion in VGV, a 22.0% increase compared to 2022. The finished inventory accounted for R$ 32.4 million, representing 1.36% of the total.

Inventory at Market Value	2023	2021	YoY (%)
PSV (R$ million)	**2,385.1**	**1,706.9**	**22.0%**
Number of Units	11,773	1,707	**17.1%**
Average price per unit (R$ thousand)	202.6	1706.9	**4.2%**

Status of Construction - PSV (R$ million)	4Q23	Not Initiated	Up to 30% built	30% to 70% built	More than 70% built	Finished units
PSV (R$ million)	**2,385.10**	**407.9**	**1,177.70**	**694**	**73.1**	**32.4**

LANDBANK

Tenda ended 2023 with a PSV of R$ 19.3 billion in PSV, an increase of 18.5% in its land bank, compared to 2022 and the percentage in exchange reached 54.3%, an increase of 12 .1 p.p. compared to 2022.

Landbank [1]	2023	2022	YoY (%)
Number of projects	443	378	17.2%
PSV (R$ million)	**19,346.2**	**16,332.0**	**18.5%**
Number of units	102,384	92,927	10.2%
Average price per unit (R$ thousands)	189.0	175.8	7.5%
% Swap Total	63.0%	51.9%	11.1 p.p.
% Swap Units	8.7%	9.7%	(1.0 p.p.)
% Swao Financial	54.3%	42.2%	12.1 p.p.

1. Tenda holds 100% equity interest in its Landbank.

FINANCIAL RESULTS

NET INCOME, GROSS PROFIT AND GROSS MARGIN

In 2023, net operating revenue was R$ 2.9 billion, a 20.3% increase compared to 2022. Adjusted gross profit reached R$ 684.2 million, representing an increase of 103.0% compared to 2022, and the adjusted gross margin recorded for that year was 23.6%, a gain of 9.6 percentage points compared to the previous year.

(R$ million)	2023	2022	YoY (%)
Net Revenue	2,903.1	2,412.6	20.3%
Gross Profit	**608.6**	**274.7**	**121.6%**
Gross Margin	21.0%	11.4%	9.6 p.p.
(-) Financial Costs	75.7	62.3	21.4%
(-) SFH	31.1	34.0	(8.7%)
(-) Others	44.6	28.3	57.6%
Adjusted Gross Profit[1]	**684.2**	**337.0**	**103.0%**
Adjusted Gross Margin	23.6%	14.0%	9.6 p.p.

1. Adjusted by capitalized interests.

SALES, GENERAL AND ADMINSTRATIVE EXPENSES

Selling expenses totaled R$ 237.8 million in 2023, an improvement of 1.5% compared to the previous year, representing 7.6% of net sales for the year, an improvement of 2.6 percentage points compared to the previous year. General and administrative expenses ("G&A") accounted for 6.2% of net operating revenue in 2023, an improvement of 2.5 percentage points compared to 2022.

(R$ million)	2023	2022	YoY (%)
Selling Expenses	(237.8)	(241.3)	(1.5%)
General & Admin Expenses (G&A)	(179.5)	(208.5)	(13.9%)
Total SG&A Expenses	**(417.2)**	**(449.7)**	**(7.2%)**
Selling Expenses / Gross Sales	**7.6%**	**10.2%**	**(2.6 p.p.)**
G&A Expenses / Net Operating Revenue	**6.2%**	**8.6%**	**(2.5 p.p.)**

OTHER OPERATING REVENUES AND EXPENSES

The account of other operating income and expenses amounted to negative R$ 78.0 million in 2023, a decrease of 19.1% compared to the same period of the previous year.

(R$ million)	2023	2022	YoY (%)
Other Operating Revenues and Expenses	**(78.0)**	**(96.5)**	**(19.1%)**
Litigation Expenses	(70.1)	(76.1)	(7.9%)
Others	(8.0)	(20.4)	(61.0%)
Equity Income	**(0.9)**	**(7.4)**	**(87.2%)**

NET INCOME

In 2022 Tenda recorded a net loss of R$ 95.8 million.

(R$ million)	2023	2022	YoY (%)
Net Income after Income Tax and Social Contribution	(102.5)	(555.7)	81.6%
(-) Minority shareholders	6.7	8.4	(20.8%)
Net Profit	**(95.8)**	**(547.3)**	**82.5%**
Net Margin	(3.3%)	(22.69%)	19.4 p.p.

CASH & CASH EQUIVALENTS AND SHORT – TERM INVESTMENTS

(R$ milhões)	December 23	September 23	QoQ (%)	December 22	YoY (%)
Cash & Cash Equivalents	52.1	64.2	(18.9%)	83.7	(37.8%)
Short-term Investments	666.8	684.0	(2.5%)	590.5	12.9%
Total Cash Position	**718.8**	**748.2**	**(3.9%)**	**674.2**	**6.6%**

INDEBTEDNESS

We ended the year with a total debt of R$ 1.2 billion. It represents 21.4 months of duration with an average nominal cost of 13.0% per annum.

Debt Maturity Schedule (R$ million)	4Q23	Bank Debt	Corporate Debt	Project Finance (SFH)
2024	385.5	52.4	153.7	179.4
2025	327.7	8.0	194.6	125.1
2026	280.0	0.0	261.6	18.4
2027	120.5	0.0	120.5	0.0
2028 onwards	66.4	0.0	66.4	0.0
Total Debt	**1,180.1**	**60.4**	**796.8**	**322.9**
Duration (in months)	**21.4**			

NET DEBT

The company ended the year 2023 with a Gross Debt of R$ 1.2 billion, a decrease of 19.19% compared to 2022. The net debt to equity ratio closed the year at 53.4%.

(R$ million)	December 23	September 23	QoQ (%)	December 22	YoY (%)
Gross Debt	**1,180.1**	**1,200.9**	**(1.7%)**	**1,474.2**	**(19.9%)**
(-) Cash and cash equivalents and financial investments	(718.8)	(748.2)	(3.9%)	(674.2)	6.6%
Net Debt	**461.3**	**452.8**	**1.9%**	**799.9**	**(42.3%)**
Shareholders' Equity + Minority Shareholders (SE+MS)	864.4	899.7	(3.9%)	717.6	20.5%
Net Debt / Equity (SE+MS)	53.4%	50.3%	3.0 p.p.	111.5%	(58.1 p.p.)
Corporate Net Debt / Shareholders' Equity	16.1%	13.1%	3.0 p.p.	112.3%	(96.2 p.p.)
Adjusted EBITDA (Last 12 months)	195.5	93.9	1.1 p.p.	(203.8)	2.0 p.p.

CASH GENERATION AND CAPITAL DISTRIBUTION

In 2023, Tenda totaled an operational cash generation of R$ 100.6 million. There were no capital distributions, share buybacks, or dividends paid to shareholders.

(R$ million)	2023	2022	YoY (%)
Stock buyback	0.0	0.0	0.0%
Dividends paid	0.0	0.0	0.0%
Capital Distribution	0.0	0.0	0.0%

(R$ million)	2023	2022	QoQ (%)
Change in Available Cash	44.6	(390.7)	(111.4%)
(-) Change in Gross Debt	(294.1)	77.4	(479.9%)
(+) Capital Distribution	0.0	0.0	0.0%
Cash Generation[1]	**338.7**	**(468.1)**	n/a
Operational Cash Generation[2]	100.6	(297.3)	n/a

1. A Geração de Caixa é obtida através da diferença entre a variação do Caixa Disponível e a variação da Dívida Bruta, ajustada a valores de Recompra, Dividendos, Redução de Capital e efeitos não operacionais.
2. A Geração de Caixa Operacional é resultado de um cálculo gerencial interno da companhia que não reflete ou compara-se aos números presentes nas demonstrações financeiras.

CORPORATIVE GOVERNANCE

With pulverized capital, with free float of over 90% of the issued shares, listed on B3's Novo Mercado, the highest level of corporate governance in the country.

BOARD OF DIRECTORS

Tenda's Board of Directors is the body responsible for making decisions and formulating general guidelines and policies concerning the Company's business, including its long-term strategies. In addition, the Board also appoints the executive officers and supervises their activities.

The Board of Directors is composed a minimum of five and a maximum of seven members, all elected as a body at our Shareholders' Meeting (AGM) for a two-year term, and re-election is allowed. The members of the Board of Directors indicate, among those elected by the General Meeting, what will be the Chairman of the Board of Directors.

BOARD OF EXECUTIVE OFFICERS

The Board of Executive Officers is the responsible for the management and daily monitoring of the general policies and guidelines established by the Shareholders' General Meeting and by the Board of Directors for the Company.

Tenda's Board of Executive Officers should be composed of at least two and a maximum of twenty members, including the President, the Chief Financial Officer and the Investor Relations Officer, elected by the Board of Directors for a term of up to three years, eligible for re-election, as provisions of the Bylaws. In the current mandate, thirteen members make up the Board.

(In thousands of Brazilian real - R$)

	Note	Individual		Consolidated	
ASSETS		12/31/2023	12/31/2022	12/31/2023	12/31/2022
CURRENT					
Cash and cash equivalents	10	27,914	32,080	52,056	83,692
Securities	10	295,837	169,561	666,760	590,549
Receivables from development and services provided	4	87,284	27,163	544,588	549,895
Derivative financial instruments	11	111,662	-	111,662	-
Properties to be sold	5	243,258	92,429	933,722	631,273
Receivables from related parties	6	70,342	24,905	13,734	5,795
Escrow deposits	15	20,472	19,247	21,412	19,504
Other assets		69,067	149,470	187,064	128,280
Total current assets		925,836	514,855	2,530,998	2,008,988
NON-CURRENT					
Receivables from development and services provided	4	100,909	58,897	678,686	474,817
Properties to be sold	5	184,778	267,327	1,010,255	1,319,659
Receivables from related parties	6	27,802	27,512	30,266	29,976
Escrow deposits	15	29,685	30,712	30,124	31,129
Investments in equity investments	9	1,281,897	1,510,651	52,781	33,330
Property, plant and equipment	7	98,967	122,081	177,337	187,879
Intangible	8	31,364	41,944	34,891	42,576
Total non-current assets		1,755,402	2,059,124	2,014,147	2,119,366
TOTAL ASSETS		2,681,238	2,573,979	4,545,145	4,128,354

The notes are an integral part of these financial statements.

(In thousands of Brazilian real - R$)

	Note	Individual		Consolidated	
LIABILITIES AND EQUITY		12/31/2023	12/31/2022	12/31/2023	12/31/2022
CURRENT					
Borrowings and financings	10	114,886	96,939	231,765	343,767
Debentures	10	147,262	232,045	153,750	245,968
Derivative financial instruments	11	64,875	7,618	64,875	7,618
Lease liability	12	5,726	5,934	7,120	5,934
Payables for materials and services		76,925	54,167	153,995	136,164
Taxes and contributions		3,885	4,778	47,954	30,122
Payroll, related taxes and profit sharing		18,953	13,468	92,795	92,498
Paybles for purchase of properties and advances from customer	13	136,746	84,915	584,091	459,526
Provisions and terminations payable		3,850	3,828	9,227	9,000
Related party payables	6	235,760	283,984	31,559	27,082
Allowance for impairment loss on investments	9	10,279	10,781	6,982	8,333
Assignment of receivables	4	4,448	-	43,388	-
Other accounts payable		14,657	11,131	63,581	49,082
Provisions for legal claims	15	47,918	58,964	53,622	65,672
Total current liabilities		886,170	868,552	1,544,511	1,480,766
NON-CURRENT					
Borrowings and financings	10	62,879	70,083	151,532	153,226
Debentures	10	605,338	669,416	643,048	731,211
Lease liability	12	25,287	30,999	35,578	30,999
Paybles for purchase of properties and advances from customer	13	133,338	171,326	900,525	931,522
Provision for legal claims	15	86,687	50,452	97,001	56,191
Deferred Taxes	14	169	250	17,850	17,289
Assignment of receivables	4	18,979	-	185,999	-
Other accounts payable		2,867	627	104,664	9,538
Total non-current liabilities		935,544	993,153	2,136,197	1,929,976
EQUITY					
Share capital	16.1	900,670	1,095,511	900,670	1,095,511
Capital reserve and stock option reserve		2,265	9,441	2,265	9,441
Treasury share reserve	16.3	-	(62,829)	-	(62,829)
Earnings reserve		(43,411)	(329,849)	(43,411)	(329,849)
Equity attributable to the Company's owners		859,524	712,274	859,524	712,274
Non-controlling interests		-	-	4,913	5,338
Total equity		859,524	712,274	864,437	717,612
TOTAL LIABILITIES AND EQUITY		2,681,238	2,573,979	4,545,145	4,128,354

The notes are an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS FOR THE PERIODS ENDED DECEMBER 31, 2023 AND 2022 (In thousands of Brazilian real - R$, except earnings per share)

	Note	Individual		Consolidated	
		12/31/2023	12/31/2022	12/31/2023	12/31/2022
NET REVENUE	20	434,846	142,404	2,903,087	2,412,586
COSTS	21	(335,661)	(165,169)	(2,294,468)	(2,137,896)
GROSS PROFIT (LOSS)		99,185	(22,765)	608,619	274,690
(EXPENSES) INCOME					
Selling expenses	21	(59,910)	(63,440)	(237,786)	(241,287)
General and administrative expenses	21	(49,216)	(63,286)	(179,461)	(208,450)
Share of profit (loss) of equity-accounted investees Investments	9	92,297	(91,303)	(945)	(7,381)
Other revenues (expenses), net	21	(104,882)	(119,264)	(117,747)	(133,381)
PROFIT (LOSS) BEFORE NET FINANCE INCOME		(22,526)	(360,058)	72,680	(315,809)
NET FINANCE INCOME (EXPENSES)		(73,280)	(186,802)	(130,751)	(195,272)
Finance income	22	26,846	29,238	63,145	54,509
Finance expenses	22	(100,126)	(216,040)	(193,896)	(249,781)
PROFIT (LOSS) BEFORE INCOME AND SOCIAL CONTRIBUTION TAX		(95,806)	(546,860)	(58,071)	(511,081)
INCOME AND SOCIAL CONTRIBUTION TAXES		(43)	(444)	(44,439)	(44,632)
Current income and social contribution taxes	14	(123)	(488)	(42,994)	(44,638)
Deferred income and social contribution taxes	14	80	44	(1,445)	6
PROFIT (LOSS) FOR THE YEAR		(95,849)	(547,304)	(102,510)	(555,713)
PROFIT (LOSS) ATTRIBUTABLE FOR THE YEAR TO:					
Attributable to shareholders of the parent company		-	-	(95,849)	(547,302)
Attributable to non-controlling shareholders		-	-	(6,661)	(8,411)
EARNINGS (LOSS) PER SHARE ATTRIBUTABLE TO					
Basic income (loss) per lot of a thousand shares - in reais	18			(0.8747)	(5.6431)
Diluted profit (loss) per lot of a thousand shares - in reais	18			(0.8747)	(5.3462)

The notes are an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIODS ENDED AS OF DECEMBER 31, 2023 AND 2022 (In thousands of Brazilian real - R$)

	Individual		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
PROFIT (LOSS) FOR THE YEAR	(95,849)	(547,304)	(102,510)	(555,713)
Other comprehensive income	-	24,764	-	24,764
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	(95,849)	(522,540)	(102,510)	(530,949)
COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	(95,849)	(522,540)	(95,849)	(522,538)
Non-controlling interests	-	-	(6,661)	(8,411)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	(95,849)	(522,540)	(102,510)	(530,949)

The notes are an integral part of these financial statements.

(In thousands of Brazilian real - R$)

	Note	Share capital	Reservation Of Capital	Treasury share reserve	Reservation of Profits	Accumulated losses	Other income Comprehensive	Total Individual	Non-controlling interests Drivers	Total equity
		Attributable to owners of the Company								
BALANCES AS OF DECEMBER 31, 2021		1,095,511	6,392	(158,995)	285,269	-	(24,764)	1,203,413	9,215	1,212,628
Decrease in capital reserve	16.2	-	(548)	-	-	-	-	(548)	-	(548)
Capital increase		-	-	-	-	-	-	-	4,302	4,302
Recognized stock options granted		-	11,203	-	-	-	-	11,203	232	(11,203)
Stock option exercise	16.3	-	(7,606)	7,606	-	-	-	-	-	-
Effect of cash flow hedge instruments		-	-	-	-	-	24,764	24,764	-	24,764
Sale of treasury shares		-	-	88,560	(67,814)	-	-	20,746	-	20,746
Loss for the year		-	-	-	(217,455)	(329,849)	-	(547,304)	(8,411)	(555,715)
BALANCES AS OF DECEMBER 31, 2022		1,095,511	9,441	(62,829)	-	(329,849)	-	712,274	5,338	717,612
BALANCES AS OF DECEMBER 31, 2022		1,095,511	9,441	(62,829)	-	(329,849)	-	712,274	5,338	717,612
Recognized stock options granted		-	(4,533)	-	-	-	-	(4,533)	379	(4,154)
Share issue expenses	16.1	(9,740)	-	-	-	-	-	(9,740)	-	(9,740)
Capital increase	16.1	234,375	-	-	-	-	-	234,375	5,857	240,232
Decrease in capital	16.1	(419,476)	-	-	-	419,476	-	-	-	-
Stock option exercise	16.3	-	(2,643)	2,643	-	-	-	-	-	-
Sale of treasury shares	16.3	-	-	60,186	-	(37,189)	-	22,997	-	22,997
Loss for the year		-	-	-	-	(95,849)	-	(95,849)	(6,661)	(102,510)
BALANCES AS OF DECEMBER 31, 2023		900,670	2,265	-	-	(43,411)	-	859,524	4,913	864,437

The notes are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS FOR THE PERIODS ENDED DECEMBER 31, 2023 AND 2022 (In thousands of Brazilian real – R$)

	Note	Individual		Consolidated	
		12/31/2023	12/31/2022	12/31/2023	12/31/2022
CASH FLOWS FROM OPERATING ACTIVITIES					
PROFIT (LOSS) BEFORE INCOME AND SOCIAL CONTRIBUTION TAXES		(95,806)	(546,860)	(58,071)	(511,081)
Adjustments in:					
Depreciation and amortization	7 and 8	49,272	49,916	61,723	59,509
Estimated allowance for (reversal of) doubtful debts and contract terminations (net of termination costs)	4 and 5	12,478	12,070	66,316	71,571
Adjustment to present value	4	2,728	1,874	27,470	25,125
Impairment loss on non-financial assets	5	(14,371)	14,051	(30,325)	25,421
Share of profit (loss) of equity-accounted investees	9	(92,297)	91,303	945	7,381
Provision for legal disputes and commitments	15	25,188	39,189	28,760	45,009
Unrealized interest and finance charges, net		105,820	16,577	129,062	67,088
Provision (reversal) for warranties		1,497	(23,425)	9,145	(15,200)
Provision for profit sharing	21	8,312	7,537	24,210	37,502
Share option plan expenses		(5,642)	6,936	3,303	12,872
Write-off of property and equipment, intangible assets and net lease		2,768	3,357	-	3,357
Gain (loss) on purchase/sale of interest		(5,005)	(4,877)	-	2
Other provisions		44	(136)	101	1,228
Derivative financial instruments		(54,405)	13,174	(54,405)	24,764
Provision for (reversal of) deferred PIS/COFINS		5,480	(1,697)	96	4,949
(Increase) Decrease in operating assets					
Receivables from development and services provided		(116,513)	16,017	(267,260)	(24,309)
Properties and land for sale		(60,280)	(105,971)	12,193	(242,244)
Other receivables		74,530	(9,695)	(69,498)	19,510
Increase (Decrease) in operating liabilities					
Payables for materials and services		22,758	13,271	17,831	25,322
Taxes and contributions		(938)	(173)	(4,524)	(12,399)
Payroll, social charges and profit sharing		(1,718)	(1,538)	(31,370)	(15,151)
Payables for purchase of properties and advances from customers		19,388	94,568	93,568	75,405
Assignment of receivables		23,427	-	229,386	-
Other accounts payable		4,368	(5,057)	100,702	(14,792)
Related party transactions		(93,636)	168,187	2,396	3,226
Income and social contribution taxes paid		117	(134)	(11,807)	(41,403)
Net cash (used in) from operating activities		**(182,436)**	**(151,536)**	**279,947**	**(367,338)**
CASH FLOWS FROM INVESTING ACTIVITIES					
Decrease/(Increase) in capital in investees		325,529	(44,283)	(21,748)	(6,100)
Acquisition of property, plant and equipment and intangible assets		(18,346)	(45,599)	(30,715)	(59,031)
(Investment)/Redemption of securities		(83,243)	443,883	(14,905)	496,594
Net cash from (used in) investing activities		**223,940**	**354,001**	**(67,368)**	**431,463**
CASH FLOWS FROM FINANCING ACTIVITIES					
Sale of treasury shares		22,997	20,745	22,997	20,745
Share issue expenses		(9,740)	-	(9,740)	(319)
Increase/Decrease in capital		234,375	(551)	234,375	-
Payment of lease liabilities		(7,247)	(7,233)	(8,986)	(7,233)
Borrowings, financing and debentures		302,473	64,280	877,918	738,681
Repayment of borrowings, financing and debentures - principal		(445,312)	(185,040)	(1,184,918)	(661,015)
Repayment of borrowings, financing and debentures - interest		(142,927)	(129,432)	(175,572)	(167,421)
Related party loans		(289)	13,153	(289)	9,055
Net cash (used in) from financing activities		**(45,670)**	**(224,078)**	**(244,215)**	**(67,507)**
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		(4,166)	(21,613)	(31,636)	(3,382)
At the beginning of year		32,080	53,693	83,692	87,074
At the end of year		27,914	32,080	52,056	83,692
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		**(4,166)**	**(21,613)**	**(31,636)**	**(3,382)**

The notes are an integral part of these financial statements.

STATEMENTS OF VALUE ADDED FOR THE PERIODS ENDED DECEMBER 31, 2023 AND 2022 (In thousands of Brazilian Real - R$)

	Note	Individual		Consolidated	
		12/31/2023	12/31/2022	12/31/2023	12/31/2022
INCOME					
Real estate development and sale		459,626	149,972	3,005,278	2,522,341
Estimated allowance for (reversal of) doubtful debts and contract terminations		(11,652)	(12,105)	(41,227)	(68,443)
		447,974	137,867	2,964,051	2,453,898
INPUT ACQUIRED FROM THIRD PARTIES					
Operating costs - real estate merger and sale		(308,343)	(148,091)	(2,196,841)	(2,056,432)
Materials, energy, third-party services and others		(158,015)	(182,287)	(358,296)	(390,540)
		(466,358)	(330,378)	(2,555,137)	(2,446,972)
GROSS VALUE ADDED		(18,384)	(192,511)	408,914	6,926
RETENTIONS					
Depreciation and amortization	7 and 8	(49,272)	(49,374)	(61,723)	(56,058)
NET VALUE ADDED GENERATED BY COMPANY		(67,656)	(241,885)	347,191	(49,132)
VALUE ADDED RECEIVED BY TRANSFER					
Share of profit of equity-accounted investees	9	92,297	(91,303)	(945)	(7,381)
Finance income		27,090	30,351	63,699	57,015
		119,387	(60,952)	62,754	49,634
TOTAL VALUE ADDED TO BE DISTRIBUTED		51,731	(302,836)	409,946	502
DISTRIBUTION OF VALUE ADDED					
Personnel and charges		19,557	26,826	122,310	141,018
Direct compensation		17,716	24,986	101,094	119,801
Benefits		1,009	1,008	14,381	14,381
Payroll taxes		832	832	6,835	6,836
TAXES FEES AND CONTRIBUTIONS		14,723	(1,672)	120,632	103,124
Federal		14,723	(1,672)	120,593	103,085
Municipal		-	-	39	39
RETURN ON DEBT CAPITAL		113,300	219,313	269,514	312,075
Interest and rents		113,300	219,313	269,514	312,075
RETURN ON EQUITY CAPITAL		(95,849)	(547,304)	(102,510)	(555,715)
Profit (loss) for the year		(95,849)	(547,304)	(95,849)	(547,304)
Profit (loss) absorbed attributable to non-controlling interests		-	-	(6,662)	(8,411)

The notes are an integral part of these financial statements.

1. OPERATIONS

The operations of Construtora Tenda S.A. ("Company" or "Tent") and its investees ("Group") consist of: construction work; the merger of property; the purchase and sale of properties; providing construction management services; intermediating the sale of consortium shares; and participation in other companies. Subsidiaries significantly share the Company's managerial, operating structures and corporate costs. The SPEs (Special Purpose Company) operate exclusively in the real estate industry and are linked to specific projects.

The Company is a public corporation located at Rua Boa Vista, 280, in the City of São Paulo, state of São Paulo, and registered with the São Paulo Stock Exchange -B3 under the trading code "TEND3".

2. PRESENTATION OF FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES

2.1 Statement of compliance

The Company's financial statements comprise:

a) The financial statements have been prepared in accordance with Brazilian accounting policies applicable to real estate development entities registered with the Brazilian Securities and Exchange Commission (CVM) because they consider share of profit (loss) of equity-accounted investees even when they have negative equity and interest capitalization on the investees' qualifying assets.

b) The consolidated financial statements have been prepared and are presented in accordance with Brazilian accounting policies, including the pronouncements issued by the CPC – Committee of Accounting Pronouncements and approved by CVM – Brazilian Securities and Exchange Commission and in accordance with international financial reporting standards, IFRS, issued by the International Accounting Standards Board (IASB), including the guidelines set forth by Circular Letter/CVM/SNC/SEP 02/2018 on application of CPC 47 (IFRS 15) applicable to real estate development entities in Brazil with respect to the transfer of control over the sale of real estate units.

2.2 Basis of accounting

The financial statements have been prepared over the ordinary course of business considering historical cost as the basis of value, liabilities and assets at present value or realizable value, except for certain financial instruments measured at fair values (see note 19).

All significant information characteristic of financial statements, and only that information, is being shown and is that used by management to run the Company.

During the preparation of the financial statements Management evaluates the Company's ability to continue as a going concern.

Using as parameter the business plan, forecast scenarios and known information about the Company's strategic, financial and operational position, management is not aware of any significant uncertainty that may put its operational capacity and the continuity of its operations at risk.

All amounts presented in these financial statements are expressed in thousands of brazilian real, except when otherwise stated.

2.3 Summary of material accounting policies

2.3.1 Basis of consolidation

The Company's consolidated financial statements include the individual financial statements of the parent company, of its direct and indirect subsidiaries. The Company controls an entity when it is exposed to or has the right to variable returns arising from its involvement with the entity and has the ability to interfere with these returns due to his power over the entity. The existence and effects of potential voting rights, which are currently exercisable or convertible, are taken into consideration when assessing whether the Company controls another entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control ceases. Accounting policies have been applied consistently to all subsidiaries included in the Company's consolidated financial statements. Intra-group balances and transactions, and any unrealized income and expenses (except for unrealized foreign currency transaction gains and losses) arising from intra-group transactions, are eliminated (note 9).

2.3.2 Functional and presentation currency

The Company's and its subsidiaries' functional currency is the real, which is the same currency as that of the Company and Consolidated financial statements. All financial information is in thousands of real, except when otherwise indicated.

2.3.3 Significant accounting judgments and sources of uncertainty

The preparation of financial statements requires Management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. All accounting estimates and assumptions used by the Company are in accordance with applicable accounting standards and with international financial reporting standards ("International Financial Reporting Standards - IFRS") applicable to real estate development entities in Brazil and reflect the best estimates available.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively. Actual results may differ from these estimates.

Information on uncertainties about assumptions and estimates with a significant risk of resulting in material adjustment to the carrying amounts of assets and liabilities for the next year is included below:

a) Estimated losses on trade receivables and impairment loss on trade receivables

The Company periodically reviews its assumptions for recognizing expected credit losses and terminations, considering the review of the history of its current operations and an improvement in its estimates. The judgment based on historical and expected loss may differ from the amount that will be realized considering each client's individual characteristics. In the note 2.3.6.3 the manner of these calculations is described.

b) Provisions for legal disputes

The Company recognizes a provision for tax, labor and civil cases as detailed in the note 15. The Company's assessment of the likelihood of loss comprises an evaluation of available evidence, of the hierarchy of laws, of available court precedents, of the most recent appeals court decisions and their relevance to the legal system, as well as evaluations of external lawyers. Provisions are revised and adjusted to consider changes in circumstances, such as the statute of limitations period applicable to the case, completions of tax inspections or further exposures found according to new matters or court decisions.

There are uncertainties about the interpretation of complex tax regulations and the amount and timing of future taxable profit.

c) Budgeted costs of real estate projects

Budgeted costs, basically consisting of costs incurred and costs expected to be incurred to complete construction work, are regularly reviewed according to the evolution of the construction work. Possible adjustments identified according to this review are reflected in the Company's results. The effect of these reviews on estimates affects revenue recognition, as mentioned in note 2.3.4(b.ii).

2.3.4 Recognition of revenues, costs and expenses.

a) Procedure for recognizing revenue

The provisions introduced by CPC 47/IFRS 15, comprising the guidelines issued by CVM/SNC/SNC/SEP 02/2018, were adopted to recognize revenue. The transfer of control over the purchased good or service may be made evident at a point in time or over time ("at a point in time") or over time.

NOTE TO THE INDIVIDUAL COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2023 (In thousands of Brazilian real, except otherwise stated)

In order to determine how revenue is recognized, the Company should check compliance with performance obligations. This check consists of five stages: 1) identifying the contract; 2) identify performance obligations; 3) determine the transaction price; 4) allocate the transaction price to the performance obligations; 5) revenue recognition.

Under this assessment, the Company's business model basically consists of sales fully passed on to the financial institution in the construction projects and also to the ones completed. When the bank finance agreement is signed, ownership is transferred to the financial institution, and the real estate developers will no longer have any risk of receiving and/or controlling the asset. Therefore, the company fulfills its performance obligation.

Below is the contract's financial flow:

i) 10-20% paid directly to the real estate developers; And
ii) From 80 to 90% for a financial institution.

In the table below, a summary of the agreement entered into as "financing at the plant and completed", parts of the involved, guarantees and existing risks:

Contract	Parts	Security for real property	Credit Risk	Market Risk	Risco de Distrato
Bank Finance	Real estate development company (Seller); Purchaser and financial institution (fiduciary creditor)	Financial institution (IF)	10-20% of the merger and 80-90% of the Institution Financial	Purchaser and financial institution	Not applicable. *

*If the client defaults on the agreement, IF may consolidate the property on its behalf for subsequent disposal of the property to third parties, according to the procedures established by article 27 of Act No. 9,514/97. The main purpose of the proceeds will be to settle the client's debt balance

(b) Calculation of the proceeds from the merger and sale of properties

i) Sales of completed units are adjusted for profit or loss when the sale is made after control is transferred, regardless of the period when the contract amount is received.

ii) The following procedures are applied to the sales of units that have not been completed:

- Sales revenue is recognized in profit or loss when control is continuously transferred to the financial institution or client (over timer), using the percentage-of-completion method. This percentage is measured as a result of the cost incurred in relation to the total budgeted cost of the related projects. When during the period when the client approves proceeds from the financing entity, there are signs that the client will not comply with its contractual clause, a provision is accrued for the termination of the full amount.

- Recognized sales revenues that are higher than the amounts actually received from clients are recognized in current or non-current assets as "Mergers and services receivable". The amounts received for the sale of units that are higher than the recognized amounts of revenue are recognized as "Liabilities from the purchase of real estate property and customer advances";

- Monetary variation, levied on the balance of accounts receivable until the keys are delivered, as well as the discount to present value of the balance of accounts receivable, are recognized in the statement of income from the merger and sale of properties when incurred, according to the accrual basis for the "pro rata temporis" years;

- Incurred cost (including the cost of land and other expenses directly incurred with the formation of the inventories) corresponding to the units sold is fully recognized as a result of the cost of merger to sale of property. Incurred costs for the units not yet marketed are recognized in inventory (note 2.3.7);

- Finance charges on accounts payable for the acquisition of land and those directly associated with the financing of construction are capitalized and recognized as inventories of properties to be sold, and recognized at the cost incurred with the units under construction until its completion, according to the same criteria for recognizing real estate development costs in proportion to the units sold in construction;

- Taxes charged and deferred on the difference between the revenue earned from real estate development and the cumulative revenue subject to taxation are calculated and reflected in the books of account upon the recognition of this revenue difference;

- A provision for warranties is recognized to cover expenses on repairs to enterprises. The calculation is based on an estimate that takes into consideration the history of expenses incurred adjusted for future expectations, except for subsidiaries that operate with outsourced companies, which are the guarantor of the construction services rendered by the Company. The guarantee term is five years as from the delivery of the project.

- Expenses on brokerage services are recognized in profit or loss under "Selling expenses" according to the same criterion adopted for recognizing revenue from the units sold. Charges related to the sales commission belonging to the property's purchaser are not the Company's revenue or expense.

2.3.5 Cash and cash equivalents and securities

Cash and cash equivalents basically include demand deposits and reverse sale-and-repurchase agreements denominated in Brazilian real, with high market liquidity rates and contractual maturities not higher than 90 days, and for which there are no fines or any other restrictions for their immediate redemption with the issuer of the instrument.

Cash equivalents are classified as financial assets at fair value through profit or loss, where both positive and negative changes affect the statement of profit or loss. Cash and cash equivalents are held to meet short-term commitments.

Securities include bank deposit certificates, government bonds issued by the federal government, exclusive investment funds and securities, which are classified at fair value through profit or loss. (Note 10).

2.3.6 Merger and service receivables

2.3.6.1 Accounts receivable from property, land and services rendered

They are presented at present and realizable values. The aging schedule of contract installments is assessed between current and non-current assets.

Outstanding installments are adjusted for inflation according to the National Construction Index (INCC) for the phase the project is built, and using the General Market Price Index (IGP-M) or Extended Consumer Price Index (IPCA), after the date the keys to the completed units are delivered.

2.3.6.2 Discounted present value

The discount to present value is calculated between the moment the agreement is signed and the date set for the delivery of the property's keys to the payee, using a discount rate represented by the Average Financing Rate obtained by the Company, net of inflation.

The discount to present value, considering that an important part of the Company's operations is to finance its clients, was made with an offsetting entry to the real estate development revenues group, in a manner consistent with the interest incurred on the portion of the balance of trade and other receivables.

2.3.6.3 Estimated impairment loss on trade receivables and provision for termination agreements

The Company recognizes estimated impairment loss on loans according to the approach established by CPC 48/ IFRS 9 and the provision for terminations for clients that have overdue and falling due installments, according to the assumptions set by the Company for incurred and expected losses. Example: (a) delayed payment of installments; (b) unfavorable national economic conditions; among others. This allowance is recognized to the limit of the client's balance, which is recognized according to the percentage of progress, methodology applied to recognize revenue (note 2.3.4).

In recognizing estimated losses, a matrix is used based on historical and expected loss, or adjusted to observable current data to reflect current and future conditions, provided that such data is available without undue cost or effort. The Company assesses the risk of its entire client portfolio to determine its risk levels.

The Company accrues a provision for termination benefits to clients who have intentions of formalizing termination or are subject to a significant risk of default.

2.3.7 Properties to be sold

(i) Plots of land for future mergers

The Company and its subsidiaries acquire land for future mergers, under payment terms in local currency or through exchange. Land acquired through barter sales are stated at fair value, the units to be delivered, and revenue and cost are recognized according to the criteria described in note 2.3.4.

Management classifiers land as current and non-current assets according to the expected term for the launch of the real estate projects, which is periodically reviewed.

(ii) Properties under construction

Property is stated at construction cost and reduced by allowance when this amount exceeds their net realizable value. In the case of construction property, the inventory portion consists of the incurred costs of the units not yet marketed. Incurred cost comprises construction expenses (materials, third parties' own or commissioned labor and other related labor), the costs incurred with legalizing the land and enterprise, land costs and finance charges incurred during the construction phase.

Finance charges on the funds used for building real estate projects are capitalized. Therefore, the adjustment for inflation of these items is included, if any.

Loan charges raised by the parent company in connection with its subsidiaries' projects are capitalized as investment (note 9) and their realization (allocation to profit or loss) is included in the cost of properties sold in the consolidated financial statements.

2.3.8 Financial instruments

Below is a table including the significant accounting policies applied to:

Non-derivative financial assets and liabilities:	
Recognition	Loans, receivables and debt instruments are initially recognized when they are originated. All other financial assets and liabilities are recognized at the trading date when the Company becomes a party to the contractual provisions of the instrument.
Derecognition	**Financial Asset:** It occurs when the contractual rights to the cash flows from the asset expire, or when the Company transfers the rights to receive the contractual cash flows in which substantially all the risks and rewards of ownership are transferred. Any interest in such transferred financial assets that is created or retained by the Company is recognized as an asset or separate liability.
	Financial liability: It occurs when its contractual obligations are discharged (through payment or contractually), canceled or expire.
Offsetting	Financial assets and liabilities are offset and the net amount presented in the balance sheet when the Company currently has a legally enforceable right to offset the amounts and intends to settle them on a legally enforceable basis. realize the asset and settle the liability simultaneously.

Non-derivative financial assets	
Classification and Measurement	**Amortized Cost:** held to receive contractual cash flows until the end of the construction work and only from the receipt of principal and interest on specified dates, the effective interest rate method is used for measurement.
	Fair value: When the purpose is to enable the immediate management of its cash, so as to have the freedom to sell or not of your asset. These assets are held to receive contractual cash flows and to sell.
Impairment	Valuation made for all financial assets classified as amortized cost.

	Measured as the difference between the present value of estimated future cash flows, discounted at the original interest rate of financial assets and their carrying amount, their difference is recognized in profit or loss.
Non-derivative financial liabilities	
Classification and Measurement	**Fair value:** They are measured through profit or loss when they are initially recognized and irrevocably eliminate or reduce differences between gains and losses from the mismatches that would occur in the measurement of assets and liabilities.
	Amortized Cost: They are initially classified and measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized using the effective interest method.
Derivative financial instruments, including hedge accounting	
Derivative financial instruments designated in hedging transactions are initially recognized at fair value on the date the derivative is entered into. Subsequent to initial recognition, derivatives are measured at fair value. Derivatives are presented as financial assets when their fair values are positive and as financial liabilities when their values are negative. Any gain or loss on changes in fair value during the year is recognized in equity in other comprehensive income and subsequently reclassified to profit or loss when the item that is the subject matter of affect the hedge.	

2.3.9 Equity investments

Investments in equity investments are accounted for using the equity method of accounting.

When the Company's interest in the losses of the investees equals or exceeds the investment amount, the Company recognizes the residual portion as "Impairment loss on investments", given that it assumes obligations and makes payments on behalf of those companies. To that end, the Company accrues a provision in the amount considered adequate to meet the investee's obligations (note 9).

2.3.10 Property and equipment and intangible assets

Property and equipment and intangible assets are stated at acquisition cost, net of accumulated depreciation/amortization and/or accumulated impairment losses, if applicable.

A property, plant and equipment or intangible asset item is written off when sold or if no future economic benefit is expected from its use or possible sale. Gain or loss on the write-off of an asset (calculated as the difference between net proceeds from disposal and book value are recognized in profit or loss in the year when the asset is written off.

Depreciation and amortization are calculated using the straight-line method over their estimated useful lives (notes seven and eight).

The Company assesses, at year end, the recoverable value of its property and equipment and intangible assets, and if there are signs of losses, they are recognized in profit or loss.

2.3.11 Liabilities from the purchase of properties and advances from clients through exchange

Obligations arising from the acquisition of property are recognized at amounts corresponding to the contractual obligations assumed by the Company. They are then stated at amortized cost, i.e. plus, when applicable, charges and interest accrued in the period on a pro rata basis, net of the discount to present value.

Obligations related to the exchange of land by real estate units calculated at the square meter set by the parties at the trading date are stated at the fair value of the units to be delivered.

NOTE TO THE INDIVIDUAL COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2023 (In thousands of Brazilian real, except otherwise stated)

2.3.12 Current Taxes

The Company and its subsidiaries calculate their main taxes, as detailed below:

Tribute	Taxable Profit	Presumed Profit	Special Taxation Regime
Income Tax	Rates of 15% plus 10% over 240 thousand.	Rate of 8% on gross revenues by applying the rate of 15% and a surtax of 10%.	1.26% rate on proceeds from sales
Social Contribution Tax	9% rate.	Rate of 12% on gross revenues, and of this base the 9%.	0.66% rate on sales receipts
PIS on revenue operating activities.	Gross revenue basis less Credits (*) 1.65%	0.65%	Rate of 0.37% on proceeds from sales
COFINS on revenue operating activities.	Gross revenue basis less Credits (*)7.6%	3%	Rate of 1.71% on proceeds from sales

* Credits calculated according to some costs and expenses incurred.

2.3.13 Deferred taxes

Deferred tax is recognized with respect to:

a) Temporary differences between the amounts of assets and liabilities recognized for accounting purposes and the related amounts used for taxation purposes; And
b) Tax losses, whose recognition occurs to the extent that it is probable that taxable profit over the next years will be available to be used to offset deferred tax assets, according to expected results prepared and grounded in internal assumptions and future economic scenarios that allow their total or partial use through the recognition of an asset. The amounts recorded in the books of account are periodically reviewed and their effects, considering their realization or settlement, are reflected in accordance with tax law. Deferred income tax on accumulated tax losses is not subject to statute of limitations, but its offsetting is limited to 30% of each year's taxable profit.

Deferred tax assets and liabilities are presented at their net amount in the balance sheet when there is the legal right and the intention to offset them when calculating current taxes related to the same legal entity and the same tax authority.

2.3.14 Stock option plan

The Company offers employees and managers, duly approved by the Board of Directors, two share-based compensation plans ("stock options" and "stock grant"), under which it receives services as consideration for the stock options granted.

The options' fair value is set on the grant date, and the latter is recognized as an expense in profit or loss (with an offsetting entry to equity) as services are provided by employees and managers.

In a settled transaction for the equity instruments in which the plan is changed, a minimum expense is recognized and corresponds to expenses as if the terms had not been changed. An additional expense is recognized for any modification that increases the total fair value of the options granted, or that otherwise benefits the employee, measured at the date of change.

In the event of the cancellation of a share option plan, it is treated as if it had been granted on the cancelation date, and any unrecognized expense of the plan is recognized immediately. However, if a new plan replaces the canceled plan, and the replacement plan is designated on the grant date, the canceled plan and the new plan are treated as if they were a modification to the original plan, as mentioned before.

The Company annually reviews its estimates of the number of options that will be vested in them, considering acquisition conditions unrelated to the market and the conditions for length of service. The Company recognizes the impact of the review of initial estimates, if any, on profit or loss, with an offsetting entry to equity.

2.3.15 Provisions for lawsuits and reduction in non-financial assets

Provisions are accrued when considered probable and according to the best estimates of the risk involved. Accrued provisions basically consist of:

(i) Provision for legal claims

The Company is a party to several judicial and administrative proceedings. Provisions are accrued for all legal proceedings whose unfavorable outcome is probable.

Contingent liabilities whose unfavorable outcome is considered possible are only disclosed in a note and contingent liabilities assessed as remote losses are neither provided for nor disclosed.

(ii) Allowance for impairment loss on non-financial assets

An impairment loss is recognized annually and when evidence of impairment is found and the net book value exceeds the recoverable value, an impairment loss is recognized by writing the net book value down to recoverable value. Intangible assets with indefinite useful lives are tested for impairment annually, regardless of whether there are signs of impairment, by comparing them with the realizable value measured using discounted cash flows to their present value using a pre-tax discount rate that reflects the weighted average cost of the Company's capital.

2.3.16 Dividends

The proposal for dividends is made by Management and if it is within the share equivalent to the minimum non-discretionary dividend, it is recorded as current liabilities in the "Dividends payable" caption because it is considered as a legal obligation set forth in the Company's by-laws.

2.3.17 Basic and diluted earnings per share

The calculation of basic earnings per share is performed by dividing the year's profit or loss attributable to the holders of the Company's ordinary shares by the weighted average number of outstanding ordinary shares during the year. Diluted earnings (loss) per share are calculated in the same manner as basic shares, but plus the weighted average number of ordinary shares that would be issued when all potential ordinary shares were diluted in ordinary shares, if any losses were diluted.

2.3.18 Treasury share reserve

Treasury shares are recognized at purchase value plus attributable costs and recognized as a contra account to equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments, and the result of the transaction is recognized in the profit or loss reserve account.

2.3.19 Segment reporting

An operating segment is a component of the Company that carries out business activities on which it can earn revenue and incur expenses. All operating results of the operating segments are frequently reviewed by management for making decisions about the resources to be allocated to the segment and for assessing their performance.

Segment results that are reported to management include items directly attributable to the segment as well as those that can be allocated on a reasonable basis.

2.4 Statements of value added (“SVA”)

The purpose of this statement is to evidence the wealth created by the Company and its distribution during a certain year. It is presented by the Company, as required by Brazilian corporate law, as part of its individual financial statements and as supplementary information to the consolidated financial statements, because it is not a forecast or mandatory statement in accordance with IFRS. The statement of value added has been prepared according to information obtained from the accounting records that are used for preparing the financial statements and in accordance with the provisions of CPC 09 - Statement of Value Added.

NOTE TO THE INDIVIDUAL COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2023 (In thousands of Brazilian real, except otherwise stated)

3. NEW STANDARDS, AMENDMENTS TO AND INTERPRETATIONS OF ISSUED STANDARDS

a. New standards, amendments to and interpretations already adopted in the current year:

The Company and its subsidiaries have assessed and adopted the standards below for the current year. However, there has been no significant impact on the individual company and consolidated financial statements.

IAS 1 / CPC 26	Disclosure of material accounting policies instead of significant accounting policies.	from 1 January 2023
IAS 8 / CPC 23	Clarification of changes in accounting estimates, changes in accounting policies and correcting errors.	from 1 January 2023
IFRS 17/ CPC 50	Reviewing the accounting recognition of insurance contracts - standard not applicable to the Company.	from 1 January 2023
IAS 12 / CPC 32	Need to recognize deferred taxes on assets and liabilities that are arise from a single transaction.	from 1 January 2023

No significant impacts are expected for new standards when they are applied, and the Company intends to adopt them, if applicable, when they come into effect.

IAS 1 / CPC 26	Classification of non-current liabilities, in which the company has to have the right to avoid settlement for at least twelve months from the reporting date.	from 1 January 2024
IAS 7 e IFRS 7 / CPC 23 e CPC 26	Merger of requirements for disclosure of finance agreements with suppliers.	from 1 January 2024

4. RECEIVABLES FROM DEVELOPMENT AND SERVICES PROVIDED

	Individual		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Clients from real estate development and sales	254,778	139,609	1,633,343	1,347,621
(-) Estimated allowance for doubtful debts	(80,956)	(68,480)	(346,896)	(272,365)
(-) Allowance for contract terminations	(2,284)	(3,108)	(7,956)	(41,260)
(-) Present value adjustment	(7,450)	(4,722)	(83,129)	(55,659)
Receivables from land sales and other receivables	24,105	22,761	27,912	46,375
	188,193	86,060	1,223,274	1,024,712
Current	87,284	27,163	544,588	549,895
Non-current	100,909	58,897	678,686	474,817

The aging list of trade receivables is as follows:

	Individual		Consolidated	
Maturity	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Due				
Up to 90 days	6,108	1,555	66,292	22,120
Up to 91 to 180 days	1,159	1,361	19,259	8,821
Over 180 days (a)	44,635	44,442	112,216	112,221
Subtotal –Past due	51,902	47,358	197,767	143,162
Current				
1 year	118,175	50,070	709,256	729,391
2 years	72,147	49,909	407,235	287,388
3 years	17,706	5,382	139,232	99,049
4 years old	5,294	2,793	66,226	41,811
5 years and thereafter	13,659	6,858	141,540	93,195
Subtotal - current	226,981	115,012	1,463,489	1,250,834
(-) Present value adjustment (b)	(7,450)	(4,722)	(83,129)	(55,659)
(-) Estimated allowance for doubtful debts	(80,956)	(68,480)	(346,896)	(272,365)
(-) Allowance for contract terminations	(2,284)	(3,108)	(7,956)	(41,260)
	188,193	86,060	1,223,274	1,024,712

(a) Of the amount overdue for more than 180 days, amounts being passed on to financial institutions total R$34,096 (Company) and R$99,592 (Consolidated) (R$38,918 - Company and R$98,274 - Consolidated as of December 31, 2022).

NOTE TO THE INDIVIDUAL COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2023 (In thousands of Brazilian real, except otherwise stated)

(b) The discount rate applied by the Company and its subsidiaries was 5.22% p.a. (average funding rate less IPCA) for the year ended December 31, 2023 (6.54% p.a. in December 2022).

During the years ended December 31, 2023 and 2022, changes in the estimated impairment and termination losses are summarized below:

Individual	Trade receivables - Allowance for doubtful debts	Trade receivables - Allowance for contract terminations	Properties to be sold (Note 5)	Net balance
Balance as of December 31, 2021	(56,252)	(3,231)	2,140	(57,343)
Additions	(16,703)	(2,138)	1,432	(17,409)
Reversals	3,521	2,261	(1,397)	4,385
Write-off	954	-	-	954
Balance as of December 31, 2022	(68,480)	(3,108)	2,175	(69,413)
Balance as of December 31, 2022	(68,480)	(3,108)	2,175	(69,413)
Additions	(15,180)	(1,005)	546	(15,639)
Reversals	2,704	1,829	(1,372)	3,161
Balance as of December 31, 2023	(80,956)	(2,284)	1,349	(81,891)

Consolidated	Trade receivables - Allowance for doubtful debts	Trade receivables - Allowance for contract terminations	Properties to be sold (Note 5)	Net balance
Balance as of December 31, 2021	(198,854)	(46,328)	34,071	(211,111)
Additions	(130,123)	(60,391)	21,678	(168,836)
Reversals	23,601	65,459	(24,806)	64,254
Write-off	33,011	-	-	33,011
Balance as of December 31, 2022	(272,365)	(41,260)	30,943	(282,682)
Balance as of December 31, 2022	(272,365)	(41,260)	30,943	(282,682)
Additions	(89,942)	(4,247)	3,169	(91,021)
Rollbacks	15,411	37,551	(28,257)	24,705
Balance as of December 31, 2023	(346,896)	(7,956)	5,855	(348,998)

Sale of receivables

2nd sales of receivables - June/2023

In June 2023 two transactions were settled for the sale of receivables by issuing certificates of real estate receivables ("CRI"), distributed by securitization under public offering under better efforts pursuant to CVM Resolution No. 160 of July 13, 2022 ("Offerings"), backed by Fractional and integral real estate credit notes ("CCIs") issued by the Securitization to represent the credits property owned by the Company.

The total offer amounted to R$140,093, in which expense discounts were applied and the recognition of reserve funds and emission expense funds. The net amount received by the Company was R$106,063. The Company ceded receivables in the amount of R$281,756 that were not derecognized, as provided for in item 3.2.15 of CPC 48/ IFRS 9 - Financial Instruments.

The transaction was accounted for in the following manner: (i) Assignment of receivables of R$140,093, (ii) Reserve Fund Assets and Expense Fund of R$30,143 and (iii) Operating expenses of R$3,194. The Company retained the service job.

In the year ended December 31, 2023, The assigned credit includes R$12,169, of which R$3,070 in current liabilities and R$9,099 in non-current company, in the company, and R$117,445, of which R$28,694 in current and R$88,751 in non-current in consolidated

NOTE TO THE INDIVIDUAL COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2023 (In thousands of Brazilian real, except otherwise stated)

1st sales of receivables –March/2023

In March 2023 two transactions were settled for the sale of receivables by issuing certificates of real estate receivables ("CRI"), distributed by securitization under public offering under better efforts under the terms of CVM Resolution No. 160 of July 13, 2022 ("Offerings"), backed by Fractional and integral real estate credit notes ("CCIs") issued by the Securitization to represent the credits property owned by the Company.

The total amount of the offering consisted of R$160,000, to which discounts on expenses were applied and the recognition of reserve funds and expense funds for emissions, and the net amount received by the Company was R$132,469. The Company ceded receivables in the amount of R$319,556 that were not derecognized, as provided for in item 3.2.15 of CPC 48/ IFRS 9 - Financial Instruments.

The transaction was accounted for in the following manner: (i) Assignment of receivables of R$160,000, (ii) Reserve Fund Assets and Expense Fund of R$26,000 and R$630, respectively and (iii) Expenses incurred with the transaction of R$5,436. The Company retained the service job.

In the year ended December 31, 2023 the assigned credit includes R$11,258, of which R$1,378 in current liabilities and R$9,880 in non-current, in company and R$111,941, of which R$14,693 in current and R$97,248 in non-current in the consolidated financial statements.

5. PROPERTIES TO BE SOLD

	Individual		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Raw material	2,483	2,195	22,759	20,101
Land	346,652	328,366	1,905,696	1,707,233
Land held for sale	11,675	14,098	15,629	17,042
Properties under construction	136,799	67,730	414,708	371,860
Cost of properties in the recognition of the allowance for contract terminations - note 4	1,349	2,175	5,855	30,943
Completed units	6,578	6,601	20,664	48,488
(-) Present value adjustment in land purchases	(74,769)	(44,308)	(437,753)	(210,828)
(-) Impairment of properties for sale	(1,250)	(3,104)	(1,690)	(10,804)
(-) Impairment of land	(1,480)	(13,997)	(1,892)	(23,103)
	428,036	359,756	1,943,977	1,950,932
Current	243,258	92,429	933,722	631,273
Non-current	184,778	267,327	1,010,255	1,319,659

(a) The discount rate applied by the Company and its subsidiaries consider the indexes of their related contracts.

The balance of finance charges capitalized as of December 31, 2023 was R$17,287 (R$18,078 as of December 31, 2022) (Company) and R$100,066 (R$110,665 as of December 31, 2022) (Consolidated). The amount recognized in profit or loss as of December 31, 2023 was R$13,172 (R$3,271 as of December 31, 2022) (Company) and R$75,618 (R$62,293 as of December 31, 2022) (Consolidated).

The segregation of land between short and long term is set according to the expected launch date for each project.

NOTE TO THE INDIVIDUAL COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2023 (In thousands of Brazilian real, except otherwise stated)

6. RELATED PARTIES

6.1 Related party balances

Balances held with related parties consist of checking account transactions and loans with business partners, as described below:

	Individual		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Assets				
Subsidiaries				
Current account related parties	70,164	24,675	13,556	5,565
Total subsidiaries	70,164	24,675	13,556	5,565
Joint venture				
Current account related parties	178	230	178	230
Related party loan receivable (notes 6.3)	27,802	27,512	30,266	29,976
Total	27,980	27,742	30,444	30,206
Total assets	98,144	52,417	44,000	35,771
Current	70,342	24,905	13,734	5,795
Non-current	27,802	27,512	30,266	29,976

	Individual		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Liabilities				
Subsidiaries				
Current account related parties	204,701	257,457	500	554
Intragroup loans payable (note 6.4)	10,655	5,856	10,655	5,856
Total subsidiaries	215,356	263,313	11,155	6,410
Related Parties – *"Joint venture"*	20,404	20,672	20,404	20,672
Total	20,404	20,672	20,404	20,672
Total liabilities	235,760	283,985	31,559	27,082
Current	235,760	283,985	31,559	27,082
Non-current	-	-	-	-

6.2 Other related parties

a) Group Investor: Multisector Polo Investment Fund in Unstandardized Credit Rights

In the year ended December 31, 2023, a piece of land was purchased in the region of Salvador (Bahia), in the total amount of R$32,411, which will be fully settled in a finance exchange.
Acquired land is in the Company's landbank, and does not affect profit or loss for the year ended December 31, 2023.

NOTE TO THE INDIVIDUAL COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2023 (In thousands of Brazilian real, except otherwise stated)

6.3 Related party loans receivable

The breakdown, nature and conditions of the Company's balances of loans receivable and payable are as follows. Related party loans mature according to the duration of the related projects.

	Individual		Consolidated			
	12/31/2023	12/31/2022	12/31/2023	12/31/2022	Nature	Interest rate
Controlled						
Citta Ville SPE Empr. Imob. Ltda.	-	-	2,464	2,464	Construction	100% of the CDI
Related party loans receivable	-	-	2,464	2,464		
FIT Campolim SPE Empr. Imob. Ltda. (a)	19,062	18,930	19,062	18,930	Construction	100% of theCDI
Acedio SPE Empr. Imobiliários Ltda. (a)	8,740	8,582	8,740	8,582	Construction	100% of the CDI
Related party loans receivable - "Joint venture" (note 6.1)	27,802	27,512	27,802	27,512		
	27,802	27,512	30,266	29,976		

(a) Receivables from the SPEs that are adjusted for inflation through August 2014 (date of the last arbitration claim) on finance charges agreed under the terms of the contracts. These amounts are being discussed in arbitration at the Arbitration and Mediation Center of the Brazil Chamber of Commerce - Canada ("CAM/CCBC"). The loan taken out from Fit 09 SPE Empr. Imob. Ltda. eliminated for consolidation financial reporting purposes, and changes in shown balances are due to the new amounts to ensure the companies' operations.

6.4 Related party loans payable

	Individual		Consolidated			
	12/31/2023	12/31/2022	12/31/2023	12/31/2022	Nature	Interest rate
Fit Jardim Botânico	3,375	3,375	3,375	3,375	Construction	100% of the CDI
Grand Park - Parque dos Pássaros	2,480	2,480	2,480	2,480		100% of the CDI
The Place Barra Funda	4,800	-	4,800	-	Construction	100% do CDI+4,35% a.a
Bribe them	10,655	5,855	10,655	5,855		

6.5 Securities, sureties and guarantees

The Group's financial transactions are secured by sureties and guarantees in proportion to the Company's interest in the share capital of these companies, in the amount of R$503,243 as of December 31, 2023 (R$619,279 as of December 31, 2022).

NOTE TO THE INDIVIDUAL COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2023 (In thousands of Brazilian real, except otherwise stated)

7. PROPERTY, PLANT AND EQUIPMENT

Individual

Description	Depreciation rate % per year	12/31/2021	Additions	Low	12/31/2022	Additions	Low	12/31/2023
Cost								
Hardware		35,030	543	(564)	35,009	129	(4,637)	30,501
Improvements in third-party properties and facilities		25,942	1,867	(5,638)	22,171	1,152	(1,340)	21,983
Furniture and fixtures		6,344	104	(1,249)	5,199	245	(114)	5,330
Machinery and equipment		9,074	984	(469)	9,589	41	(2,798)	6,832
Shapes		110,396	11,109	-	121,505	5,279	-	126,784
Leased right of use		48,855	-	-	48,855	-	-	48,855
		235,641	14,607	(7,920)	242,328	6,846	(8,889)	240,285
Accumulated depreciation								
Hardware	20%	(26,007)	(3,808)	374	(29,441)	(3,700)	4,637	(28,504)
Improvements in third-party properties and facilities	14%	(13,594)	(3,430)	3,499	(13,525)	(2,222)	1,340	(14,407)
Furniture and fixtures	10%	(3,665)	(557)	510	(3,712)	(349)	114	(3,947)
Machinery and equipment	10%	(2,632)	(1,112)	183	(3,561)	(388)	30	(3,919)
Shapes	11%	(44,037)	(13,806)	-	(57,843)	(14,145)	-	(71,988)
Leased right of use	14%	(5,773)	(6,392)	-	(12,165)	(6,388)	-	(18,553)
		(95,708)	(29,105)	4,566	(120,247)	(27,192)	6,121	(141,318)
		139,933	(14,498)	(3,354)	122,081	(20,346)	(2,768)	98,967

Consolidated

Description	Depreciation rate % per year	12/31/2021	Additions	Low	12/31/2022	Additions	Low	12/31/2023
Cost								
Hardware		35,286	656	(564)	35,378	190	(4,637)	30,931
Leasehold improvements		32,522	2,412	(5,638)	29,296	1,269	(1,340)	29,225
Furniture and fixtures		8,184	107	(1,249)	7,042	471	(114)	7,399
Machinery and equipment		11,556	3,644	30,349	45,549	1,547	(30)	47,066
Shapes		137,271	21,220	-	158,491	11,232		169,723
Construction in progress	-	30,818	-	(30,818)	-	-	-	-
Right-of-use lease		48,855	-	-	48,855	12,781	-	61,636
		304,492	28,039	(7,920)	324,611	27,490	(6,121)	345,980
Accumulated depreciation								
Hardware	20%	(26,040)	(3,894)	374	(29,560)	(3,816)	4,637	(28,739)
Leasehold improvements	14%	(14,259)	(4,161)	3,499	(14,921)	(2,985)	1,340	(16,566)
Furniture and fixtures	10%	(3,886)	(740)	510	(4,116)	(549)	114	(4,551)
Machinery and equipment	10%	(2,838)	(4,710)	183	(7,365)	(2,876)	30	(10,211)
Shapes	11%	(49,434)	(19,172)	-	(68,606)	(20,043)	-	(88,649)
Right-of-use lease	14%	(5,773)	(6,392)	-	(12,165)	(7,762)	-	(19,927)
		(102,230)	(39,069)	4,566	(136,733)	(38,031)	6,121	(168,643)
		202,262	(11,030)	(3,354)	187,878	(10,541)	-	177,337

Residual values, useful lives and depreciation methods were reviewed at the end of 2022 and 2023, and there were no changes. Assets are subject to periodical impairment testing.

NOTE TO THE INDIVIDUAL COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2023 (In thousands of Brazilian real, except otherwise stated)

8. INTANGIBLE ASSETS

	Individual								
	% of amortization rate a.a	12/31/2021 Balance	Additions	Low	Depreciation	12/31/2022 Balance	Additions	Low	Depreciation	12/31/2023 Balance
Software – Cost		62,119	30,450	(3)	-	92,566	11,500	(1,537)	-	102,529
Software – Amortization	33%	(30,354)	-	-	(20,268)	(50,622)	-	1,537	(22,080)	(71,165)
		31,765	30,450	(3)	(20,268)	41,944	11,500	-	(22,080)	31,364

	Consolidated									
	% of amortization rate a.a	12/31/2021 Balance	Additions	Low	Depreciation	12/31/2022 Balance	Additions	Low	Depreciation	12/31/2023 Balance
Software – Cost		62,464	30,992	(3)	-	93,453	16,006	(1,537)	-	107,922
Software – Amortization	33 %	(30,437)	-	-	(20,440)	(50,877)	-	1,537	(23,691)	(73,031)
		32,027	30,992	(3)	(20,440)	42,576	16,006	-	(23,691)	34,891

NOTE TO THE INDIVIDUAL COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2023 (Amounts in thousands of Brazilian real, except otherwise stated)

9. EQUITY INVESTMENTS

Breakdown and movements in investments and shareholders' deficit as of December 31, 2023

Individual	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Heritage and advance for future increase in capital	Net revenue	Profit (loss) for example	Percentage of part.	Beginning Balance 01/ 01/ 2023	Aum./ Network. capital	Settlement of Investment	Red gain. part./ Current.	Equivalence patrimonial	Balance of Investment	Liabilities to Discovered
Alea S/ A. (a)	229,826	232,377	128,858	303,049	30,295	105,217	(70,146)	90%	32,750	52,723		(63,131)	27,150		32,750
FIT SPE 02 EMP. IMOB.	17,174	2,638	249		19,563	(393)	(448)	100%	20,011	-	-	(448)	19,563		20,011
VIVA BARRA FUNDA SPE EMP	19,080	1,096	4,887	2,217	13,072	26,337	3,774	100%	9,298	-	-	3,774	13,072		9,298
TENDA 46 SPE EMP IMOB LTD	37,713	3,805	10,708	1,366	29,444	(553)	(2,130)	100%	31,575	-	-	(2,130)	29,445	-	31,575
NEG TENT. IMOB. S/A	1,703,466	1,217,170	884,914	922,610	1,113,111	2,247,964	157,900	100%	1,355,562	(400,000)		157,900	1,113,659		1,355,562
Out Ros	24,653	7,755	8,762	91	23,555	2,270	(1,718)		23,080	-	(26)	(1,962)	24,389	(3,297)	23,080
Capitalized interest									2,599		-	-	(761)	1,838	
Total subsidiaries	2,031,912	1,464,841	1,038,378	1,229,333	1,229	2,380,842	87,232		1,474,875	(347,277)	(26)	93,242	1,229,116	(3,297)	2,031,912
Joint Control															
FIT CAMPOLIM SPE EMP IMOB	29	9,263	233	19,024	(9,965)		1,937	55%	(6,546)	-	-	-	1,065	-	(5,481)
FIT 13 SPE EMP. IMOB. LTD	9,865	11,345	20	-	21,190	1	192	50%	10,499	-	-	-	92	10,591	-
CIPESA PROJECT 02	9,616	8,100	30	1	17,685	(330)	(115)	50%	8,662	238	-	-	(57)	8,843	-
CCISA160 INC. LTDA - SP	32,594	533	636		32,491		(38)	35%	-	11,372	-	-		11,372	-
Others	36,369	4,607	10,782	12,070	18,124	(4,410)	(2,792)		12,380	10,138	-	-	(2,045)	21,975	(1,501)
Consolidated	88,473	33,848	11,701	31,095	79,525	(4,740)	(8)		**24,995**	**21,748**	-	-	**(965)**	**52,781**	**(6,982)**
Total Individual	2,120,385	1,498,689	1,050,079	1,260,428	1,308,565	2,376,102	86,416		**1,499,870**	(325,529)	(26)	5,005	92,297	1,281,897	(10,279)

Breakdown and movements in investments and shareholders' deficit as of December 31, 2022

Individual	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Heritage and advance for future increase in capital	Net revenue	Profit (loss) for example	Percentage of part.	Beginning Balance 01/ 01/ 2022	Aum./ Network. capital	Settlement of Investment	Dividends	Red gain. part./ Current.	Equivalence patrimonial	Balance of Investment	Liabilities to Discovered
Alea S/ A. (a)	27,884	89,486	33,736	47,245	36,389	34,440	(79,595)	90%	64,107	38,184	-	-	2,095	(71,636)	32,750	-
FIT SPE 02 EMP. IMOB.	16,271	4,136	396	-	20,011	(819)	(2,387)	100%	22,398	-	-	-	-	(2,387)	20,011	-
VIVA BARRA FUNDA SPE EMP	17,072	12,939	17,872	2,841	9,298	27,072	3,760	100%	5,538	-	-	-	-	3,760	9,298	-
TENDA 46 SPE EMP IMOB LTD	50,128	5,660	18,332	5,881	31,575	6,696	(2,015)	100%	33,590	-	-	-	-	(2,015)	31,575	-
NEG TENT. IMOB. S/A	1,736,864	1,418,733	920,062	879,963	1,355,572	2,107,293	(10,780)	100%	1,361,788	-	-	1,962	2,592	(10,780)	1,355,562	-
Others	33,832	7,877	16,080	359	25,270	20,595	(1,009)	.	23,409	(1)	37	-	192	(558)	25,527	(2,448)
Capitalized interest	-	-	-	-	-	-	-	.	2,905	-	-	-	-	(306)	2,599	-
Total subsidiaries	**1,882,051**	**1,538,831**	**1,006,478**	**936,289**	**1,478,115**	**2,195,277**	**(92,026)**		**1,513,734**	**38,183**	**37**	**1,962**	**4,879**	**(83,922)**	**1,477,321**	**(2,448)**
Joint Control																
FIT CAMPOLIM SPE EMP IMOB	-	9,062	2,034	18,930	(11,902)	-	(1,715)	55%	(5,603)	-	-	-	-	(943)	-	(6,546)
FIT 13 SPE EMP. IMOB. LTD	9,798	11,210	10	-	20,998	-	349	50%	10,324	-	-	-	-	175	10,499	-
CIPESA PROJECT 02	9,720	8,100	20	-	17,800	(3)	(768)	50%	9,046	-	-	-	-	(384)	8,662	-
Others	37,959	3,932	11,199	11,955	18,737	3,692	(10,405)		12,513	6,100	-	-	(2)	(6,229)	14,168	(1,787)
Consolidated	**57,477**	**32,304**	**13,263**	**30,885**	**45,633**	**3,689**	**(12,539)**		**26,280**	**6,100**	-	-	**(2)**	**(7,381)**	**33,330**	**(8,333)**
Total Individual	**1,939,528**	**1,571,135**	**1,019,741**	**967,174**	**1,523,748**	**2,198,966**	**(104,565)**		**1,540,014**	**44,283**	**37**	**1,962**	**4,877**	**(91,303)**	**1,510,651**	**(10,781)**

a) The non-controlling shareholder has a liquidity option to control its interest depending on the metrics of future profit which, as estimated by Management, would not have an impact on the financial statements.

NOTE TO THE INDIVIDUAL COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2023 (Amounts in thousands of Brazilian real, except otherwise stated)

10. LOANS, DEBENTURES AND FINANCING, CASH AND CASH EQUIVALENTS AND SECURITIES

a) Net debt and management of share capital

	Individual		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Loans and financing (c)	177,765	167,022	383,297	496,993
Debêntures (c)	752,600	901,461	796,798	977,179
Total debts	930,365	1,068,483	1,180,095	1,474,172
(-) Cash and cash equivalents and securities	323,751	201,641	718,816	674,241
Net debt	606,614	866,841	461,279	799,931
Equity	859,524	712,274	864,437	717,612
Equity and net debt	1,466,138	1,579,115	1,325,716	1,517,543

b) Cash and cash equivalents and securities

Cash and cash equivalents comprise cash amounts, checking account deposits, financial investments with no significant risk and readily convertible into cash, indexed to the CDI rate which bear annual interest of 70% and 106% a.a.

	Individual		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Cash and banks	5,306	2,224	29,447	28,395
Bank deposit certificates	22,608	29,856	22,609	55,297
Cash and cash equivalents (note 19.b.(I))	27,914	32,080	52,056	83,692

Securities basically consist of bank deposit certificates which bear interest at the rate of 70%-106% of the interbank deposit certificate (CDI), National Treasury Bills, private securities and restricted investments (on-lendings of association receivables that are being released at Caixa Econômica Federal).

	Individual		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Investment funds	34	32	34	32
Exclusive funds (note 19 b(I))	36,201	27,646	83,522	217,941
Bank deposit certificates	207,249	125,314	354,489	161,619
Restricted financial investments	52,353	16,569	228,715	210,858
Other	-	-	-	99
Total securities (note 19.b.I)	295,837	169,561	666,760	590,549

c) Borrowings, debentures and financing

			Individual		Consolidated	
Type of transaction	Winning	Annual interest rate	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Housing Financial System - SFH	04/2021 a 09/2024	TR + 7.80% a.a. até 11.76% a.a.	117,413	20,352	312,807	263,063
	01/2022 a 07/2024	127% Até 129% CDI	-	-	10,138	76,390
Bank Letter of Credit - CCB	Até 03/2024	CDI + 2.20% a.a.	4,174	20,900	4,174	20,900
	Até 06/2023	CDI + 2.34% a.a.	-	10,128	-	10,128
	Até 12/2024	CDI +2.02% a.a.	40,178	80,434	40,178	80,434
	Até 11/2024	CDI + 5.17% a.a.	-	15,306	-	15,306
	Até 07/2023	CDI + 2.50% a.a.	-	-	-	10,747
	Até 12/2025	CDI + 4.50% a.a.	16,000	19,902	16,000	20,025
Debentures (i) and Others	Até 04/2028	CDI + 2.75% até 4.00% a.a. e IPCA+ 6.86% até 8.50% a.a.	761,604	908,962	806,946	989,647
Transaction costs			(9,004)	(7,501)	(10,148)	(12,468)
Total			930,365	1,068,483	1,180,095	1,474,172
Current			262,148	328,984	385,515	589,735
Non-current			668,217	739,499	794,580	884,437

NOTE TO THE INDIVIDUAL COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2023 (Amounts in thousands of Brazilian real, except otherwise stated)

Current and non-current installments mature as follows:

	Individual		Consolidated	
Maturity	12/31/2023	12/31/2022	12/31/2023	12/31/2022
2023	-	328,984	-	589,735
2024	262,148	259,906	385,515	340,388
2025	236,332	140,250	327,726	169,346
2026	257,695	207,203	279,987	220,436
2027	107,796	132,140	120,472	154,267
2028 onwards	66,394	-	66,395	-
	930,365	1,068,483	1,180,095	1,474,172

(i) Summary of debentures issued:

Issue	Data	Value	Main Payment	Interest Payment	Repayment of Principal	Payment Interest	Covenants (as of December 31 2023)
7ª Emissão	10/09/2018	200,000	200,000	10,860	33.30% 02/2024 33.30% 02/2025 33.40% 02/2026	Semiannual	Calculation: 16.09% (a)
8ª Emissão (CRI)	20/04/2021	200,000	200,000	40,266	33.30% 04/2026 33.30% 04/2027 33.40% 04/2028	Semiannual	Calculation: 16.09% (a)
9ª Emissão	08/09/2021	150,000	150,000	6,551	50% 15/09/2025 50% 15/09/2026	Semiannual	Calculation: 16.09% (a)
10ª Emissão	17/10/2023	150,000	150,000	3,927	14.29% 10/2024 14.29% 04/2025 14.29% 10/2025 14.29% 04/2026 14.29% 10/2026 14.29% 04/2027 14.29% 10/2027	Semiannual	Calculation: (158.88%) (b)
		700,000	**700,000**	**61,604**			

Covenants –Breakdown of financial ratios	Required Index
(a) (Total Debt - National Housing System - Cash, Cash Equivalents and Securities) / Equity	Lower than or equal to 15%
(b) (Total Debt - National Housing System - Cash, Cash Equivalents and Securities –Financing Balances real estate loans passed on and not released by CEF, due to construction work measurements) / Equity	Lower than or equal to 15%

(a) The Company approved new terms and conditions (as set forth by the annual meetings of the holders of the emissions above) to approve new terms and conditions that consist of lessening certain obligations and granting additional guarantees. The Company was granted a waiver for the period ended September 30, 2022 to December 31, 2024 for non-compliance with the Financial Index, provided that it has complied with new maximum percentages established for each period. For the period ended December 31, 2023 the percentage of Financial Ratio to be complied with should be lower than or equal to 75% (previously it was 15%).
According to the approvals made by the holders of market debts, the Company assumed the obligation of:
(i) Not distribute dividends, payments of interest on equity capital or any other payments to its shareholders, except for the payment of minimum non-discretionary dividends;
(ii) Not create any burden or charges, or enter into any agreement or take any other measure that may put liens on the shares issued by Alea S.A.
(iii) Project launches may not exceed 15,000 "Tent" units during the periods from April 1, 2022 to April 30, September 2023;
(iv) Pledge guarantees, which may consist of SPEs shares (based on their book values) and receivables (according to their face value), corresponding to percentages of the sum of principal and interest on debts;
(v) Put up a restricted account as collateral mentioned in item (iv), above, to be completed, as from October 2022, with certain proportions of falling due installments of emissions within the six months prior to each emission payment.
Except for the obligation referred to in item (iii) above, obligations are applicable and guarantees will be in effect until the Financial Ratio is lower than or equal to 15% for two consecutive quarters. The Company complies with item (iv) presenting receivables (according to face value) corresponding to 30% of the sum of the debt balance, as required under the new terms;

The following decisions were also made:
(i) the Company's single payment to the holders of the 4th, 5th, 6th and 7th issues of an annual premium of 1.75% calculated on the Unit Nominal Value or Unit Nominal Value balance on a pro rata temporis basis from July 1, 2022 until the date of payment of each issue immediately after the shareholders' meeting date;
(ii) the increase in the yield spread applied to the 4th, 5th, 6th and 7th emissions by 1.75% per year as from the date of payment of the remuneration of each issue immediately after the meeting date;

NOTE TO THE INDIVIDUAL COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2023 (Amounts in thousands of Brazilian real, except otherwise stated)

(iii) the Company's payment of an premium to the holders of the 9th Issue, equivalent to 1.75% per year, calculated on the Unit Nominal Value or unit nominal value balance on a pro rata temporis basis, from July 1, 2022 to December 31, 2024, due on the dates of payment of the 9th Issue that occurs in this period;

(iv) the Company's payment of an premium to the holders of the 8th Issue, equivalent to 1.50% per year, calculated on the Unit Nominal Value or unit nominal value balance, on a pro rata temporis basis as from July 1, 2022, due at each date of payment of the remuneration of the 8th Issue.

The Company defaults on financial covenants and changes in loans and financing are presented as follows:

	Individual		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Opening balance	1,068,483	1,163,316	1,474,172	1,377,549
Funding	302,473	64,280	877,918	738,680
Accrued interest	145,129	151,433	184,672	186,139
Financial Expenses to be appropriated	2,519	3,912	3,823	240
Principal payment	(445,312)	(185,027)	(1,184,918)	(661,016)
Interest payment	(142,927)	(129,431)	(175,572)	(167,420)
Closing balance	930,365	1,068,483	1,180,095	1,474,172

11. DERIVATIVE FINANCIAL INSTRUMENTS

The Company determines the fair value of derivative contracts, which may differ from the amounts realized if bank spreads and market factors are settled earlier at the moment of the price quotation. The amounts presented by the Company are based on an estimate using market factors and use data provided by third parties, measured internally and checked against calculations made by external advisory companies and counterparties.

Fair value is not the obligation to make immediate disbursements or receive cash, given that this effect will only occur on the dates of check contracts or on the maturity dates of each transaction, when profit or loss is reported as the case may be, and market conditions are reported on those dates.

A summary of the procedure followed to obtain fair values is summarized for each of the instruments:

a) TRS swap – repurchase: the future value of the asset is estimated by the change in the fair value of the TEND3 share and the liability according to the CDI fluctuation on the contract date to the reporting date.

Current assets	Consolidated	
	12/31/2023	12/31/2022
(a) Swap TRS –repurchase TEND3 (58,560,108)	111,662	-
Total	111,662	-

Passivo Circulante	Consolidated	
	12/31/2023	12/31/2022
(a) Swap TRS –repurchase (39,689 a CDI+1.95% e 25,186 a CDI+1.90%)	64,875	7,618
Total	64,875	7,618

12. LEASE LIABILITIES

Right-of-use leases comprise rents for shops and the Company's head office.

	Individual			
Contracts	Within 5 years	From 5 to 10	Over 10	Total
Opening balance 12/31/2021	6,619	33,946	8,790	49,355
AVP 12/31/2021	(555)	(4,544)	(1,662)	(6,761)
Payments	(1,797)	(4,534)	(901)	(7,233)
Accrued interest	257	1,035	280	1,572
Final Balance 12/31/2022	4,524	25,903	6,507	36,933
Current	727	4,162	1,045	5,934
Non-current	3,797	21,741	5,462	30,999

NOTE TO THE INDIVIDUAL COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2023 (Amounts in thousands of Brazilian real, except otherwise stated)

Contracts	Within 5 years	From 5 to 10	Over 10	Total
Opening balance 12/31/2022	4,821	29,413	7,889	42,123
AVP 12/31/2022	(296)	(3,510)	(1,384)	(5,190)
Payments	(1,808)	(4,538)	(902)	(7,248)
Accrued interest	165	907	256	1,328
Final Balance 12/31/2023	2,882	22,272	5,859	31,013
Current	532	4,114	1,080	5,726
Non-current	2,350	18,158	4,779	25,287
Average terms to be incurred in months	38	15	17	20
Monthly average amount	84	283	57	424

	Consolidated			
Contracts	Within 5 years	From 5 to 10	Over 10	Total
Opening balance 12/31/2021	6,619	33,946	8,790	49,355
AVP 12/31/2021	(555)	(4,544)	(1,662)	(6,761)
Payments	(1,797)	(4,534)	(901)	(7,233)
Accrued interest	257	1,035	280	1,572
Final Balance 12/31/2022	4,524	25,903	6,507	36,933
Current	727	4,162	1,045	5,934
Non-current	3,797	21,741	5,462	30,999

Contracts	Within 5 years	From 5 to 10	Over 10	Total
Opening balance 12/31/2022	4,821	29,413	7,889	42,123
AVP 12/31/2022	(296)	(3,510)	(1,382)	(5,188)
New contracts	-	12,781	-	12,781
Payments	(1,808)	(6,276)	(901)	(8,986)
Accrued interest	165	1,547	256	1,968
Final Balance 12/31/2023	2,882	33,955	5,862	42,698
Current	532	6,270	1,082	7,120
Non-current	2,350	27,685	4,780	35,578
Average terms to be incurred in months	38	72	17	58
Monthly average amount	84	283	57	424

13. LIABILITIES FROM THE PURCHASE OF PROPERTIES AND CUSTOMER ADVANCES

	Individual		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Liabilities from the purchase of properties	248,117	229,458	1,374,021	1,225,619
Customer advances	2,128	1,401	13,603	18,940
Physical exchange - land	19,838	25,382	96,992	146,489
	270,083	256,241	1,484,616	1,391,048
Current	136,746	84,915	584,091	459,526
Non-current	133,336	171,326	900,525	931,522

NOTE TO THE INDIVIDUAL COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2023 (Amounts in thousands of Brazilian real, except otherwise stated)

Current and non-current installments mature as follows:

	Individual		Consolidated	
Winning	12/31/2023	12/31/2022	12/31/2023	12/31/2022
2023	-	84,915	-	459,526
2024	136,746	100,794	584,091	437,120
2025	48,757	37,923	371,786	236,603
2026	46,087	25,050	242,723	116,502
2027 onwards	38,493	7,559	286,016	141,297
	270,083	256,241	1,484,616	1,391,048

14. INCOME AND SOCIAL CONTRIBUTION TAXES

a) Current income and social contribution taxes

	Individual		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Profit (loss) before corporate income and social contribution taxes	(95,805)	(546,860)	(58,070)	(511,081)
	34%	34%	34%	34%
Estimated impact of corporate income and social contribution taxes	32,574	(185,932)	19,744	(173,768)
Companies taxed under the taxable profit regime				
Exclusions	23,731	66,191	(15,906)	53,788
Addition (deduction) RET/Deemed Effect	65	28,456	(225,504)	(24,426)
Add-back (deduction) of share of profit (loss) of equity-accounted investees	(92,703)	90,997	1,194	7,381
Tax basis	(164,712)	(361,216)	(298,286)	(474,338)
Companies taxed under the deemed profit system				
Tax basis	-	-	12,272	8,236
Average rates applied	-	-	3.08%	3.08%
Current tax expense	-	-	(380)	(1,491)
Deferred tax expenses	-	-	2	1,237
Companies taxed under the RET				
Tax basis	2,240	23,125	2,294,875	2,311,364
Applicable rates	1.92%	1.92%	1.92%	1.92%
Current tax expense	(123)	(488)	(42,614)	(43,147)
Deferred tax expenses	80	44	(1,447)	(1,231)
Income and social contribution tax expenses for the year	(43)	(444)	(44,439)	(44,632)
Effective rate	-0.03%	-0.13%	2.21%	2.42%

b) Breakdown of the balances of deferred income and social contribution taxes

As of December 31, 2023 and December 31, 2022, deferred income and social contribution taxes could be broken down as follows:

	Individual		Consolidated	
Description	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Passive				
Deferred income and social contribution taxes	169	250	17,850	17,289
Total	169	250	17,850	17,289

NOTE TO THE INDIVIDUAL COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2023 (Amounts in thousands of Brazilian real, except otherwise stated)

The Company has unrecognized income and social contribution tax losses to offset against 30% of annual tax profits with no statute of limitations period in the following amounts:

	Individual					
	12/31/2023			12/31/2022		
Description	Deferred Income	Contribution social	Total	Deferred Income	Contribution social	Total
Balance of income social contribution tax losses	1,744,929	1,744,929		1,580,216	1,580,216	
Tax credit (25%,9%)	436,232	157,044	593,276	395,054	142,219	537,274
Unrecognized tax credit on losses Tax	436,232	157,044	593,276	395,054	142,219	537,274

	Consolidated					
	12/31/2023			12/31/2022		
Description	Deferred Income	Contribution social	Total	Deferred Income	Contribution social	Total
Balance of income social contribution tax losses	2,140,953	2,140,953		1,841,736	1,841,736	
Tax credit (25%,9%)	535,238	192,686	727,924	460,434	165,756	626,190
Unrecognized tax credit on losses Tax	535,238	192,686	727,924	460,434	165,756	626,190

The balance of losses and social contribution taxes was not recognized because the Company and its subsidiaries do not have expected taxable profit (taxable profit), and the largest concentration of projects is under the special ret regime.

15. PROVISIONS FOR LEGAL CLAIMS

15.1 Provisions for legal disputes

During the years ended December 31, 2023 and December 31, 2022, changes in the provision for legal disputes are summarized below:

	Consolidated			
	Processes civil (a)	Processes Labor	Other	Total
Balance as of December 31, 2021	56,908	6,311	13,636	76,855
Additions (note 21)	47,154	11,079	6,557	64,790
Write-offs (note 21)	(17,910)	(697)	(1,209)	(19,781)
Balance as of December 31, 2022	86,152	16,693	18,984	121,864
Current	46,427	8,996	10,213	65,671
Non-current	39,724	7,697	8,771	56,192
Balance as of December 31, 2022	86,152	16,693	19,020	121,864
Additions (note 21)	106,246	17,422	24,822	148,491
Write-offs (note 21)	(84,727)	(15,988)	(19,018)	(119,733)
Balance as of December 31, 2023	107,671	18,127	24,824	150,622
Current	38,331	6,454	8,837	53,622
Non-current	69,340	11,674	15,987	97,001
Individual	**96,044**	**13,763**	**24,796**	**134,604**

(a) These are processes attributable mostly to constructive defects, late works and financial issues;

NOTE TO THE INDIVIDUAL COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2023 (Amounts in thousands of Brazilian real, except otherwise stated)

15.2 Escrow deposits

As of December 31, 2023 and December 31, 2022, the Company and its subsidiaries kept the following deposits in court:

	Consolidated	
	12/31/2023	12/31/2022
Civil lawsuits	14,923	17,938
Environmental lawsuits	89	89
Tax lawsuits	34,921	30,707
Labor lawsuits	1,603	1,899
	51,536	50,633
Current	21,412	19,504
Non-current	30,124	31,129
Individual	50,157	49,959

15.3. Lawsuits whose unfavorable outcome is possible

As of December 31, 2023, the Company and its subsidiaries are aware of other civil, labor, tax and environmental proceedings and risks. According to the history of probable proceedings and a specific analysis of the main cases, the amount of lawsuits whose unfavorable outcome is estimated as possible was R$191,308 (R$534,107 as of December 31, 2022), based on the historical average follow-up on proceedings adjusted for current estimates, for which management understands that recognizing an allowance for losses is not necessary. Changes in the year are due to a review of the amounts involved, as shown below:

	Consolidated	
	12/31/2023	12/31/2022
Civil proceedings (a)	163,288	471,179
Tax proceedings	1,887	711
Labor proceedings	20,543	35,667
Environmental processes	5,590	26,550
	191,308	534,107

(a) Due mostly to constructive defects, delays in construction work and financial issues.

16. EQUITY

16.1 Share capital

As of December 31, 2023, the Company's subscribed and paid-in share capital was R$910,728, consisting of 123,094,246 registered ordinary shares with no par value (as of December 31, 2022 it was R$1,095,829, consisting of 104,344,246 ordinary shares without par value).

	12/31/2023	12/31/2022
Subscribed share capital january 1	1,095,829	1,095,829
Issue of new shares	234,375	-
(-) Share issue expenses	(10,058)	(318)
(-) Decrease in capital	(419,476)	-
Share capital as of December 31	900,670	1,095,511

In the third quarter of 2023, the primary public offering of ordinary shares issued by the Company was completed, raising two hundred thirty-four million three hundred and seventy-five thousand Brazilian reais (R$234,375) before deducting expenses on issue in the amount of R$9,740. The initial number of shares offered, corresponding to fifteen million (15,000,000) shares, was added to 25% of the shares initially offered, i.e. in three million seven hundred and fifty thousand (3,750,000), under the same conditions and at the same price as the shares initially offered, totaling eighteen million seven hundred and fifty thousand (18,750,000) shares, which were intended to meet the excess demand that was found at the moment when the price of twelve Brazilian reais and fifty cents (R$12,50) per share was set.

NOTE TO THE INDIVIDUAL COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2023 (Amounts in thousands of Brazilian real, except otherwise stated)

As a result of the increase in the Company's share capital under the offer, the Company's subscribed share capital increased to one billion three hundred and thirty million two hundred and four thousand forty-nine Brazilian reais (R$1,330,204), divided into one hundred and twenty-three million ninety-four thousand two hundred and forty-six (123,094,246) common shares, all registered, book-entry and without par value.

All the net proceeds from the offering were allocated to reinforce the Company's capital structure.

In the fourth quarter of 2023, the Company reduced capital by absorbing accumulated losses of four hundred and nineteen million four hundred and seventy-six thousand Brazilian reais (R$419,476), without canceling shares.

The reduction in the Company's share capital increased to nine hundred and ten million seven hundred and twenty-eight thousand Brazilian reais (R$910,728), divided into one hundred and twenty-three million two hundred and forty-six (123,094,246) ordinary shares, all registered, book-entry and without par value.

16.2 Stock option plan

a) Share option program

The Company has five stock option programs, launched since 2014, which follow the rules set forth on the Company's Share Option Program.

The options granted grant grant to the holders (managers and employees appointed by Management and approved by the Board of Directors) the right to acquire common shares in the Company's share capital, after periods that vary between three and ten years at the Company's table (essential for the exercise of the option), and expire after ten years from the grant date.

The options' fair value is set on the grant date, and is recognized as an expense in profit or loss (with an offsetting entry to equity) during the program's grace period, as the services are rendered by employees and managers.

Changes in outstanding options in the year ended December 31, 2023 and December 31, 2022, which include their related weighted average prices for the period, are as follows:

	12/31/2023		12/31/2022	
	Number of options	Weighted-average price of year (Real)	Number of options	Weighted-average price of year (Real)
Outstanding option at the beginning of the year	5,739,198	3.27	6,142,161	3.28
Options exercised	(68,701)	5.48	(402,963)	5.48
Outstanding options at the end of the year	5,670,497	3.27	5,739,198	3.27

The fair value of the options granted in 2014-2017 was estimated according to the Black & Scholes option valuation model, and was considered on the following assumptions:

Grant date	Exercise price	Weighted-average	Expected volatility (%) (*)	Expected life of options (years)	Risk-free interest rate (%) (**)
08/11/2014	6.63	6.52	31.02%	-	11.66% a 11.81%
11/12/2014	6.63	6.55	31.30%	-	12.77% a 12.84%
05/09/2016	6.86	6.83	26.70%	-	12.67% a 12.77%
04/10/2017	8.13	8.13	24.65%	0.30 anos	9.69% a 10.07%
10/02/2017	7.37	7.37	24.84%	-	9.52% a 9.88%
10/02/2017	12.13	12.13	24.84%	-	9.71% a 10.11%

(*) Volatility was based on historical observation of the BM&FBOVESPA Imobiliário Index (IMOBX).
(**) The market risk-free interest rate for the option term at the time of granting.

Outstanding options			Exercisable options	
Number of options	Weighted-average contractual life remaining period (years)	Weighted-average exercise price (R$)	Number of options	Weighted-average exercise price (R$)
5,670,497	-0.06	3.27	5,642,687	2.57

Total expenses recognized in the year ended December 31, 2023 was R$5 (R$32 as of December 31, 2022) which are presented in note 21.

NOTE TO THE INDIVIDUAL COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2023 (Amounts in thousands of Brazilian real, except otherwise stated)

b) Restricted share option plan

On August 8, 2018, at a special meeting shareholders approved a plan for restricted purchasing options whose purpose is to: i) encourage the expansion. success and attainment of the corporate guidelines of the Company and of the companies under its control; ii) align the beneficiaries' interests with those of shareholders; and iii) encourage the permanence of managers and employees in the Company or in the companies under their control.

The granted restricted shares granted to the Plan's holders (managers. board members and employees appointed by the board of directors and approved by the Board of Directors) the right to common shares in the Company's share capital. after a period of 2-3 years. The granted quantities for managers and employees will depend on the goals set by the Board and can range from 0% to 150%.

The Plan lasts 10 years and will be divided into programs. and is limited to the maximum of options that lead to a dilution of up to 5% of the Company's share capital.

Programmes

	Date of Grants	Quantities Granted
2021 Program	05/12/2021	886,039
2022 Program	05/16/2022	1,464,284
2023 Program	01/31/2023	5,315,868

The options' fair value is set on the grant date. and the latter is recognized as an expense in profit or loss (with an offsetting entry to equity or liabilities) during the program's grace period. as services are rendered by employees. board members and managers.

	12/31/2023	12/31/2022
	Number of Options	Number of Options
Outstanding option at 1 January	3,218,301	1,835,921
Granted options	5,315,868	1,382,380
Options exercised	(147,504)	-
Canceled options	(1,662,671)	-
Outstanding options at 31 December	6,723,994	3,218,301

The fair value of restricted shares was estimated according to the Monte Carlo options valuation model. They can vary according to the goals' attainments and was considered according to the following assumptions:

				Outstanding options	
Program	Grant date	Expected volatility (%) (*)	Risk-free interest rate (%) (**)	Number of options	Weighted-average contractual life remaining period (months)
2021	05/12/2021	43.27%	7.51%	485,305	10 meses
2022	05/16/2022	43.04%	12.46%	922,821	19 meses
2023	01/31/2023	77.47%	12.75%	3,950,000	49 meses
2023	01/31/2023	77.47%	12.75%	237,769	25 meses
2023	01/31/2023	77.47%	12.75%	1,128,099	25 meses

(*) Volatility has been based on the Company's historical share price
(**) The market risk-free interest rate for the option term at the time of granting.

Total expenses recognized in the year ended December 31, 2023 totaled R$8,885 of expenses with compensation (R$6,643 as of December 31, 2022) and R$2,042 in labor amounts (R$261 as of December 31, 2022) in company and R$12,482 of compensation expense (R$9,230 as of December 31, 2022) and R$2,411 of labor amounts (R$467 as of December 31, 2022) in the consolidated financial statements. Due to the partial cancellations of the grants. whose performance clauses were not reached and terminations were incurred in the year. the expense recognized in prior years in the amount of R$12,041 (Company) and R$14,540 (Consolidated). which is presented in note 21. were reversed.

NOTE TO THE INDIVIDUAL COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2023 (Amounts in thousands of Brazilian real, except otherwise stated)

Plan for options for the purchase of restricted shares - Alea S.A.

In October 2021. Alea S.A.'s restricted purchasing option plan was approved whose purpose is to: i) encourage the expansion. success and attainment of the social guidelines of the Company and of the companies under its control; ii) align the beneficiaries' interests with those of shareholders; and iii) encourage the permanence of managers and employees in the Company or in the companies under their control.

The granted restricted shares granted to the Plan's holders (managers and employees appointed by management and approved by the Board of Directors) the right to common shares in Alea's share capital. after a period of 4-5 years.

The fulfillment of Alea's IPO will be in charge of settling the obligation to deliver the Target Quantity by delivering only Alea shares.

The final number of lawsuits. whether Tent shares or Alea shares. to which the beneficiary is entitled. will be defined only when the lawsuit is settled and will be calculated according to the assumptions established in the program and Alea's valuation on the base date. which can reach up to 4%.

Total expenses recognized in the year ended December 31, 2023 amounted to R$5,470 in compensation expenses (R$2,394 as of December 31, 2022) and R$1,630 in labor amounts (R$749 as of December 31, 2022)

16.3 Treasury share reserve

	Number of (thousands)	Average cost R$	Total cost
Balance as of December 31, 2022	3,184	19.66	62,829
Exercício *Stock Option*	(134)	19.68	(2,643)
Sale of shares (b)	(3,050)	19.74	(60,186)
Balance as of December 31, 2023	-		-

As of December 31, 2023 the Company did not hold any shares at the treasury.

Changes in treasury shares (in numbers):

Description	Transactions
Share Repurchase Program 2018	7,555
Share Repurchase Program 2020(a)	3,638
Cancellation 12/06/2018	(2,000)
Unfolding (03/26/2019)	4,513
Sale (b)	(7,549)
Stock option year	(6,156)
Total in quantity	-

(a) In December 2020. the Company's Board of Directors approved a Program for the Repurchase of Ordinary Shares to remain at the treasury and/or cancel the Company's "Stock Option Plan". limited to ten million. four hundred and thirty-four thousand four hundred and twenty-four (10,434,424) of the Company's common shares. Valid until December 18, 2021.

(b) In December 2022. the Company's Board of Directors approved the sale of four million five hundred thousand (4,500,000) ordinary shares of the Company. which was at the treasury and received R$20,700.

In May 2023. the Company's Board of Directors approved the sale of three million four hundred and eighty-three (3,049,483) ordinary shares of the Company. which was at the treasury and received R$22,998. in the amount of R$22,998.

17. INSURANCE

The Company and its subsidiaries have engineering risk insurance. exchange guarantee. termination guarantee and civil liability for personal injury caused to third parties and material damages to tangible assets. as well as to the risks of fire. lightning. electrical damages. natural phenomena and gas explosion. Below is a table showing the liabilities covered by insurance and the related amounts as of December 31, 2023:

Type of insurance (in effect)	Coverage - R$ thousand
Engineering risks and guarantees for the completion of construction work (effective from October 2016 to May 2031)	7,701,509
Civil liability (Directors and Officers - D&O) –(*)	50,000
Type of insurance (future terms)	
Engineering risks and guarantee that construction work will be completed (effective from January 2023 to March 2032)	670,821

(*)The officers' civil liability policy covers the period from February 25, 2023 renewed to February 25, 2024 by the Company

18. EARNINGS PER SHARE

The table below shows the calculation of basic and diluted earnings (loss) per share.

	12/31/2023	12/31/2022
Basic numerator		
Un distributed profit (loss)	(95,849)	(547,304)
Un distributed profit (loss), available to the holders of common shares	(95,849)	(547,304)
Basic denominator (in thousands of shares)		
Weighted-average number of shares (excluding treasury shares)	109,584	96,987
Basic and diluted earnings (loss) per share in Reais	(0.8747)	(5.3462)

19. FINANCIAL INSTRUMENTS

The Company and its subsidiaries carry out financial instrument transactions. The management of these instruments is carried out by means of operating strategies and internal controls aiming at liquidity. profitability and safety. The purchase of financial instruments for hedging purposes is made according to a periodical analysis of the exposure to the risk that Management intends to cover (exchange rate risk. interest rate risk. etc.) which is submitted to the competent management bodies for approval and subsequent implementation of the strategy devised by the Company. Control policy consists of a permanent follow-up on agreed conditions against the ones prevailing in the market.

The Company and its subsidiaries do not invest in derivatives or any other risk assets. except interest rate derivatives. for speculation purposes. Results from these transactions are in line with the policies and strategies defined by the Company's Management. The operations of the Company and its subsidiaries are subject to the risk factors described below:

(a) Considerations about risks

(i) Credit risk

The Company and its subsidiaries restrict exposure to credit risks associated with cash and cash equivalents by making investments in financial institutions and paying interest in short-term securities.

The Company restricts its exposure to credit risks from accounts receivable by making sales to a large portfolio of clients and analyzing their credit standing continuously. Moreover. there are no history of losses due to the existence of a security interest represented by the real estate unit. of the recovery of its products in the case of default during the construction period. As of December 31, 2023 and December 31, 2022 there was no concentration of significant credit risk associated with clients.

(ii) Interest rate risk

Interest rate risk arises from the possibility of the Company and its subsidiaries reporting gains or losses on fluctuations in interest rates on their financial assets and liabilities. The Company and its subsidiaries. aiming at mitigating this type of risk. seek to diversify their funding in terms of fixed or variable rates. Interest rates on loans and financing are mentioned in note 10 (c). Interest rates on financial investments are mentioned in note 10 (b). The National Construction Index

NOTE TO THE INDIVIDUAL COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2023 (Amounts in thousands of Brazilian real, except otherwise stated)

(INCC). the General Market Price Index (IGP-M) and the Extended Consumer Price Index (IPCA) are used for merger receivables.

(iii) Liquidity Cliff

Liquidity risk is the risk that the Company and its subsidiaries will not have sufficient funds to meet their commitments according to the settlement terms of their receivables and payables.

In order to mitigate liquidity risks and optimize the weighted average cost of capital. the Company and its subsidiaries permanently monitor indebtedness levels and compliance with covenants set forth on loan and financing agreements and debentures to ensure that cash flows from operating activities and early funding. when necessary. they are sufficient to meet their schedule of commitments and do not pose liquidity risk to the Company and its subsidiaries (note 10).

The maturities of financial instruments consisting of loans. financing. trade payables and debentures are as follows:

Individual	12/31/2023			12/31/2022		
	Loans/Debentures (note 10)	Trade payables	Comp. purchase of properties and management of customer	Loans/Debentures (note 10)	Trade payables	Comp. purchase of properties and management of customer
Within 1 year	262,145	76,925	136,746	328,981	54,167	84,915
Within 1 to 3 years	494,029	-	94,844	607,361	-	100,795
Within 4 to 5 years	174,193	-	38,493	65,474	-	37,923
More than 5 years	-	-	-	66,666	-	32,609
Total	930,365	76,925	270,083	1,068,482	54,167	256,242

Consolidated	12/31/2023			12/31/2022		
	Loans/Debentures (note 10)	Trade payables	Comp. purchase of properties and management of customer	Loans/Debentures (note 10)	Trade payables	Comp. purchase of properties and management of customer
Within 1 year	385,513	153,995	584,091	589,735	136,164	459,526
Within 1 to 3 years	607,715	-	614,509	730,171	-	437,120
Within 4 to 5 years	186,867	-	286,016	79,242	-	236,603
More than 5 years	-	-	-	75,024	-	257,799
Total	1,180,095	153,995	1,484,616	1,474,172	136,164	1,391,048

(iv) Fair value hierarchy

The Company uses the following hierarchy to determine and disclose the fair values of financial instruments according to the valuation technique:

Level one: quoted prices (unadetted) in active markets for identical assets or liabilities;

Level two: inputs other than quoted prices included in Level 1 that are observable for the asset or liability. either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level three: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Below is the fair value hierarchy level for financial instruments measured at fair value through profit or loss presented as of December 31, 2023 and December 31, 2022:

	Individual		Consolidated	
	Fair value hierarchy			
As of December 31, 2023	Level 1	Level 2	Level 1	Level 2
Financial assets				
Securities	36,201	295,837	75,075	666,760
Derivative financial instruments	-	46,787	-	46,787

NOTE TO THE INDIVIDUAL COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2023 (Amounts in thousands of Brazilian real, except otherwise stated)

	Individual		Consolidated	
		Fair value hierarchy		
As of December 31, 2022	Level 2	Level 2	Nível 1	Nível 2
Financial assets				
Securities	17,139	152,422	198,031	392,518
Derivative financial instruments	-	7,618	-	7,618

During the years ended December 31, 2023 and December 31, 2022. there were no transfers between Level 1 and Level 2 fair value measurements or transfers between Level 3 and Level 2 fair value measurements.

(b) Fair value of financial instruments

(i) Calculation of fair values

The following estimated fair values have been determined using available market information and appropriate valuation methodologies. However. considerable judgment is required to interpret market information and estimate fair value. Accordingly. the estimates presented here do not necessarily indicate the amounts that the Company could realize in the current market. The use of different market assumptions and/or methods of estimates may have a significant effect on estimated fair values.

The following methods and assumptions were used to estimate the fair value for each class of financial instruments for which the estimate of amounts is feasible:

(a) Cash and cash equivalents. securities. mergers and services receivables. other receivables. suppliers of materials and services and other current liabilities approximate their fair values recognized in the financial statements.

(b) The fair values of bank loans and other financial debts are estimated by discounting the future cash flows using benchmark interest rates available for debt or similar and remaining terms.

The main book values of financial assets and liabilities as of December 31, 2023 and December 31, 2022. which are classified into Level 1 and Level 2 in the fair value hierarchy and or amortized cost. are shown below:

		Individual			
		12/31/2023		12/31/2022	
	Categories	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets					
Cash and cash equivalents (note 10)		27,914	27,914	32,080	32,080
Cash and banks (a)	Amortized Cost	5,306	5,306	2,224	2,224
Bank deposit certificates (a)	Fair value through profit or loss*	22,608	22,608	29,856	29,856
Securities and restricted investments (note		295,837	295,837	169,561	169,561
Bank deposit certificates (a)	Amortized Cost	207,249	207,249	125,314	125,314
Exclusive Fund (note 10 b)		-	-	27,646	27,646
LFT and LTN (a)	Fair value through profit or loss*	36,201	36,201	17,139	17,139
Private Degrees (a)	Fair value through profit or loss*	-	-	9,606	9,606
Repurchase and reverse repurchase agreements (Exclusive Funds) (a)	Fair value through profit or loss*	-	-	901	901
Repurchase and reverse repurchase agreements (a)	Amortized Cost				
Restricted financial investments (a)	Fair value through profit or loss*	52,353	52,353	16,569	16,569
Investment funds	Fair value through profit or loss*	34	34	32	32
Trade receivables (note 4) (a)	Amortized Cost	188,193	188,193	86,060	86,060
Derivative financial instruments	Fair value through profit or loss*	111,662	111,662	-	
Related party loans receivable (note 6.3) (a)	Amortized Cost	27,802	27,802	27,122	27,121
Financial liabilities					
Loans and financing (note 10) (a)	Amortized Cost	177,765	177,765	167,145	167,145
Debêntures (use 10)	Amortized Cost	752,600	752,600	901,461	901,461
Suppliers of materials and services (a)	Amortized Cost	76,925	76,925	54,167	54,167
Liabilities from the purchase of properties and advances client (a)	Amortized Cost	250,245	250,245	256,242	256,242

NOTE TO THE INDIVIDUAL COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2023 (Amounts in thousands of Brazilian real, except otherwise stated)

		Individual			
		12/31/2023		12/31/2022	
	Categories	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Derivative financial instruments	Fair value through profit or loss*	64,875	64,875	7,618	7,618
Related party loans payable (note 6.4)	Amortized Cost	10,665	10,665	5,855	5,855
Assignment of receivables	Amortized Cost	23,427	23,427	-	-

		Consolidated			
		12/31/2023		12/31/2022	
	Categories	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets					
Cash and cash equivalents (note 10)		64,660	64,660	83,692	83,692
Cash and banks (a)	Amortized Cost	42,051	42,051	28,395	28,395
Bank deposit certificates (a)	Fair value through profit or loss*	22,609	22,609	55,297	55,297
Securities and marketed investments (note 10)		666,760	666,760	590,549	590,549
Certificate of Deposit banking expenses (a)	Amortized Cost	354,489	354,489	161,619	161,619
Exclusive Fund (note 10 b)		-	-	10,403	10,403
LFT e LTN (a)	Fair value through profit or loss*	75,075	75,075	198,031	198,031
Private Degrees (a)	Fair value through profit or loss*	8,447	8,447	9,606	9,606
Restricted financial investments (a)	Fair value through profit or loss*	228,715	228,715	210,858	210,858
Investment funds (a)	Fair value through profit or loss*	34	34	32	32
Trade receivables (note 4) (a)	Amortized Cost	590,549	590,549	1,024,712	1,024,712
Derivative financial instruments	Fair value through profit or loss*	111,662	111,662	-	-
Related party loans receivable (note 6.3) (a)	Amortized Cost	-	-	27,122	27,122
Financial liabilities	Amortized Cost				
Loans and financing (note 10) (a)	Amortized Cost	383,297	383,297	497,092	497,092
Debêntures (note 10)	Amortized Cost	796,798	796,798	977,179	977,179
Suppliers of materials and services (a)	Amortized Cost	153,995	153,995	136,164	136,164
Liabilities from the purchase of property and customer advances (a)	Amortized Cost	1,387,624	1,387,624	1,391,047	1,391,047
Related party loans payable (note 6.4)	Amortized Cost	10,655	10,655	5,855	5,855
Assignment of receivables	Amortized Cost	229,387	229,387	-	-

* Classification at fair value through profit or loss subsequent to initial recognition.
(a) The fair value is approximate to cost.

(ii) Risk of acceleration of debt

As of December 31, 2023 and 2022. the Company had loan. financing and debenture agreements in effect with financial covenants related to debt indexes. These financial covenants are being complied with by the Company and do not restrict its ability to conduct business (note 10).

(c) Management of share capital

The purpose of the Company's capital management is to ensure that the Company has a credit rating and an excellent capital ratio to support its businesses and maximize value for shareholders.

The Company controls its capital structure by making adjustments and adapting it to current economic conditions. In order to keep this structure adjusted. the Company may pay dividends. return capital to shareholders. raise new loans and issue debentures.

The Company includes in its net debt structure loans and financing less cash and cash equivalents. securities and restricted financial investments. Note 10 (a).

NOTE TO THE INDIVIDUAL COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2023 (Amounts in thousands of Brazilian real, except otherwise stated)

(d) Sensitivity analysis

The sensitivity analysis of financial instruments for the year ended December 31, 2023 describes the risks that may generate material fluctuations in the Company's results in order to report 10%, 25% and 50% of appreciation/depreciation in the risk variable considered.

As of December 31, 2023. the Company had the following financial instruments:

a) Financial investments. loans and financing indexed to the CDI;

b) Loans and financing pegged to the benchmark rate (TR);

c) Trade and other receivables. loans and financing. indexed to the National Construction Index and General Market Price Index (INCC and IGP-M).

In order to conduct a sensitivity analysis of the years ended December 31, 2023. the Company considered the interest rate on investments. loans and accounts receivable. certificate of interbank deposit (CDI) at 11.65%. benchmark rate of 1.64%. National Construction Index (INCC) at 3.49%. General Market Price Index (IGP-M) of 3.36%.

The scenarios considered by the team were the following:

Scenario I - Probable: appreciation/depreciation of 10% of the risk variables used for pricing

Scenario II - Possible: appreciation/depreciation of 25% of the risk variables used for pricing

Scenario III - Remote: appreciation/depreciation of 50% of risk variables used for pricing.

As of December 31, 2023:

		Consolidated scenario					
		III	II	I	I	II	III
Operation	Risk	Increase 50%	Increase 25%	Increase 10%	Decrease 10%	Decrease 25%	Decrease 50%
Securities	Increase/decrease in CDI	34,786	17,393	6,957	(6,957)	(17,393)	(34,786)
Debêntures	Increase/decrease in CDI	(41,956)	(20,978)	(8,391)	8,391	20,978	41,956
BAC	Increase/decrease in CDI	(3,149)	(1,574)	(630)	630	1,574	3,149
Swap IPCA X CDI	Increase/decrease in CDI	2,441	1,220	488	(488)	(1,220)	(2,441)
Related party loan payable	Increase/decrease in CDI	556	278	111	(111)	(278)	(556)
Related party loan receivable	Increase/decrease in CDI	1,579	790	316	(316)	(790)	(1,579)
Net effect of changes in the CDI rate		(5,743)	(2,871)	(1,149)	1,149	2,871	5,743
Loans and financing							
Housing Financial System	Increase/Decrease in TR	(2,605)	(1,303)	(521)	521	1,303	2,605
Merger receivables	Increase/Decrease in INCC	16,958	8,479	3,392	(3,392)	(8,479)	(16,958)
Merger receivables	Increase/Decrease in IGP-M	3,331	1,666	666	(666)	(1,666)	(3,331)

NOTE TO THE INDIVIDUAL COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2023 (Amounts in thousands of Brazilian real, except otherwise stated)

20. NET REVENUE

	Individual		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Gross revenue				
Property development and sale, barters, and provision for construction services	459,626	149,972	3,005,278	2,522,341
Reversal (recognition) of allowance for doubtful debts (note 4)	(12,476)	(12,228)	(74,531)	(73,511)
Reversal (recognition) of allowance for contract terminations (note 4)	824	123	33,304	5,068
Taxes on the sales of properties and services	(13,128)	4,537	(60,964)	(41,312)
Net revenue	434,846	142,404	2,903,087	2,412,586

21. COSTS AND EXPENSES BY NATURE

Represented by:

	Individual		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Cost of real estate development and sale:				
Construction cost	(216,867)	(121,643)	(1,713,042)	(1,672,613)
Land costs	(74,759)	(30,706)	(315,835)	(264,571)
Development cost	(14,554)	(5,868)	(138,442)	(117,647)
Capitalized finance charges	(13,172)	(3,271)	(75,618)	(62,293)
Maintenance/warranties	(15,483)	(3,716)	(26,443)	(17,645)
Cost of properties on allowance for contract terminations (note 4)	(826)	35	(25,088)	(3,128)
	(335,661)	(165,169)	(2,294,468)	(2,137,896)
Selling expenses:				
Product marketing expenses	(22,866)	(26,004)	(90,753)	(98,902)
Realtor and sales commissions	(33,836)	(36,175)	(134,297)	(137,588)
Cost of sales	(6,889)	(12,671)	(27,343)	(48,194)
On-lending costs	(1,812)	(2,087)	(7,190)	(7,939)
Brokerage	(25,135)	(21,417)	(99,764)	(81,455)
Client management expenses (CRM)	(782)	(485)	(3,105)	(1,843)
Other selling expenses	(2,426)	(776)	(9,631)	(2,954)
	(59,910)	(63,440)	(237,786)	(241,287)
General and administrative expenses:				
Expenses on payroll and related taxes	(27,730)	(30,402)	(97,551)	(98,454)
Employee benefit expenses	(2,877)	(3,566)	(10,122)	(11,547)
Travel and utilities expenses	(1,128)	(1,302)	(3,968)	(4,217)
Expenses on services provided	(2,899)	(6,753)	(10,197)	(21,869)
Rental and condominium area maintenance fees expenses	(1,740)	(1,113)	(6,120)	(3,606)
IT expenses	(4,569)	(4,809)	(16,074)	(15,575)
Stock option plan costs (note 16.2)	1,109	(6,936)	(7,457)	(12,872)
Expenses on accrued profit sharing (note 23)	(8,312)	(7,538)	(24,210)	(37,502)
Other general and administrative expenses	(1,070)	(867)	(3,762)	(2,808)
	(49,216)	(63,286)	(179,461)	(208,450)
Other income/(expenses), net:				
Depreciation and amortization	(35,127)	(35,567)	(39,713)	(36,886)
Expenses on the settlement of lawsuits	(41,221)	(30,993)	(41,304)	(31,071)
Provisions/Reversals of lawsuits (note 15)	(25,189)	(39,188)	(28,759)	(45,009)
Other income/(expenses)	(3,345)	(13,515)	(7,971)	(20,415)
	(104,882)	(119,263)	(117,747)	(133,381)

NOTE TO THE INDIVIDUAL COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2023 (Amounts in thousands of Brazilian real, except otherwise stated)

22. NET FINANCE INCOME (COSTS)

	Individual		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	31/12/2022
Finance income (net of PIS/COFINS)				
Yield on financial investments	26,628	29,920	59,085	53,656
Other finance income	218	(682)	4,060	853
Total finance income (net of PIS/COFINS)	26,846	29,238	63,145	54,509
Finance costs				
Interest on funding. net of capitalization	(96,057)	(213,564)	(177,354)	(235,934)
Other finance costs	(4,069)	(2,476)	(16,542)	(13,847)
Total finance costs	(100,126)	(216,040)	(193,896)	(249,781)
Net finance income (costs)	(73,280)	(186,802)	(130,751)	(195,272)

23. TRANSACTIONS WITH MANAGEMENT AND EMPLOYEES

a. Management compensation

Management's global compensation for 2023 was set at the limit of up to R$32,379 as fixed and variable compensation. as approved by the Annual Shareholders' Meeting held on April 19, 2023.

In the years ended December 31, 2023 and 2022. the amounts recorded as "General and administrative expenses" consisting of management compensation are shown below:

Management compensation

Individual

Year ended December 31, 2023	Board of Directors	Executive Management	Total
Number of members	6	11	17
Fixed compensation for the year	**3,096**	**11,535**	**14,631**
Salaries/management fees	2,580	8,368	10,948
Direct and indirect benefits	-	1,493	1,493
Other (INSS - Social Contribution)	516	1,674	2,190
Monthly compensation amount	258	961	1,219
Variable compensation for the year	**433**	**15,604**	**16,037**
Profit sharing (note 23.b)	-	7,640	7,640
Share-based compensation	433	7,964	8,397
Total compensation for the year	3,529	27,139	30,667
Cancellation due to terminations and unfulfilled clauses	-	(12,073)	(12,073)

Year ended December 31, 2022	Board of Directors	Executive Management	Total
Number of members	7	14	21
Fixed compensation for the year	**3,312**	**14,235**	**17,547**
Salaries/management fees	2,760	10,601	13,361
Direct and indirect benefits	-	1,514	1,514
Other (INSS - Social Contribution)	552	2,120	2,672
Monthly compensation amount	276	1,186	1,462
Variable compensation for the year	**2,429**	**5,127**	**7,556**
Profit sharing (note 23.b)	-	-	-
Share-based compensation	2,429	5,127	7,556
Total compensation for the year	5,741	19,362	25,103

NOTE TO THE INDIVIDUAL COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2023 (Amounts in thousands of Brazilian real, except otherwise stated)

Consolidated

Year ended December 31, 2023	Board of Directors	Executive Management	Total
Number of members	6	15	22
Fixed compensation for the year	**3,096**	**15,680**	**18,777**
Salaries/management fees	2,580	11,376	13,956
Direct and indirect benefits	-	2,029	2,029
Other (INSS - Social Contribution)	516	2,275	2,791
Monthly compensation amount	258	1,307	1,565
Variable compensation for the year	**433**	**21,635**	**22,067**
Profit sharing (note 23.b)	-	9,400	9,400
Share-based compensation	433	12,235	12,667
Total compensation for the year	3,529	37,315	40,844
Cancellation due to terminations and unfulfilled clauses	-	(12,073)	(12,073)

Year ended December 31, 2022	**Board of Directors**	**Executive Management**	**Total**
Number of members	7	17	24
Fixed compensation for the year	**3,176**	**14,024**	**17,200**
Salaries/management fees	2,647	10,469	13,116
Direct and indirect benefits	-	1,461	1,461
Other (INSS - Social Contribution)	529	2,094	2,623
Monthly compensation amount	265	1,169	1,433
Variable compensation for the year	**1,726**	**4,884**	**6,610**
Profit sharing (note 23.b)	-	180	180
Share-based compensation	1,726	4,704	6,430
Total compensation for the year	4,902	18,908	23,810

b. Profit sharing

	Individual		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	31/12/2022
Executive Management	7,640	-	9,400	5,105
Other employees	672	7,537	14,810	32,397
Note 21	8,312	7,537	24,210	37,502

24. SEGMENT REPORTING

For management purposes. the Company recognizes two segments. described below. which are responsible for their revenues and expenses. Segmentation is required given that the margins. the stage of business and the constructive methodology are different between each of them.

On-site: Model in which the Company has operated since 2013 characterized by the construction on the construction site of real estate units using the aluminum-shaped concrete building wall in metropolitan regions with a minimum production demand of 1,000 units/year.

Off-site: Model characterized by the development of real estate units produced in a factory and mounted on the construction site. This model does not require a minimum local demand. opening the possibility of the Company exploring smaller markets operating in small and medium-sized cities of the country.

	12/31/2023			12/31/2022		
	On-site	Off-site	Consolidated	On-site	Off-site	Consolidated
ASSETS						
Cash and cash equivalents, securities	707,631	11,185	718,816	669,665	4,576	674,241
Receivables from development and services provided	1,179,718	43,556	1,223,274	1,015,210	9,502	1,024,712
Properties to be sold	1,632,163	311,814	1,943,977	1,887,563	63,369	1,950,932
Investments	52,588	-	52,588	33,330	-	33,330
Other assets	510,838	95,652	606,490	401,827	43,312	445,139
Total assets	**4,082,938**	**462,207**	**4,545,145**	**4,007,595**	**120,759**	**4,128,354**

NOTE TO THE INDIVIDUAL COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2023 (Amounts in thousands of Brazilian real, except otherwise stated)

EQUITY AND LIABILITIES						
Borrowings, debentures and financing	1,170,204	9,891	1,180,095	1,472,934	1,238	1,474,172
Paybles for purchase of properties and advances from customer	1,184,377	300,239	1,484,616	1,334,287	56,761	1,391,048
Other liabilities	894,217	121,781	1,015,998	519,152	26,370	545,522
Total liabilities	**3,248,798**	**431,911**	**3,680,709**	**3,326,373**	**84,369**	**3,410,742**
Equity	834,141	30,296	864,437	681,222	36,390	717,612
Total liabilities and Equity	**4,082,938**	**462,207**	**4,545,145**	**4,007,595**	**120,759**	**4,128,354**

	12/31/2023			12/31/2022		
	On-site	Off-site	Consolidado	On-site	Off-site	Consolidado
Net revenue	**2,795,041**	**108,046**	**2,903,087**	**2,382,212**	**30,374**	**2,412,586**
Costs	**(2,167,916)**	**(126,552)**	**(2,294,468)**	**(2,072,773)**	**(65,123)**	**(2,137,896)**
Gross Profit	**627,125**	**(18,506)**	**608,619**	**309,439**	**(34,749)**	**274,690**
Operating revenues/expenses	**(484,081)**	**(51,858)**	**(535,939)**	**(545,604)**	**(44,895)**	**(590,499)**
Selling expenses, general and administrative	(368,381)	(48,866)	(417,247)	(405,783)	(43,954)	(449,737)
Other operating expenses	(78,983)	4	(78,979)	(103,871)	(5)	(103,876)
Depreciation and amortization	(36,717)	(2,996)	(39,713)	(35,950)	(936)	(36,886)
Profit (loss) before net finance income	**143,044**	**(70,364)**	**72,680**	**(236,165)**	**(79,644)**	**(315,809)**
Net finance income	(130,970)	219	(130,751)	(195,321)	49	(195,272)
Profit (loss) before income and social contribution	**12,074**	**(70,145)**	**(58,071)**	**(431,486)**	**(79,595)**	**(511,081)**
Income and social contribution taxes	(44,440)	1	(44,439)	(44,632)	-	(44,632)
Profit/(Loss) for the year	**(32,366)**	**(70,144)**	**(102,510)**	**(476,118)**	**(79,595)**	**(555,713)**
Attributable to shareholders of the parent company	(32,718)	(63,130)	(95,848)	(467,707)	(79,595)	(547,302)
Attributable to non-controlling shareholders	352	(7,014)	(6,662)	(8,411)	-	(8,411)

NOTE TO THE INDIVIDUAL COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2023 (Amounts in thousands of Brazilian real, except otherwise stated)

25. PROJECTS UNDER CONSTRUCTION - INFORMATION AND COMMITMENTS

The construction projects are presented on December 31, 2023:

		Consolidated
		Under construction
		12/31/2023
(i)	Revenue from unearned sales of units sold	
	(a) - Revenue from contracted sales	6,567,540
	(b) - Net appropriate sales revenue	5,026,424
	1i) Unearned sales revenue a) (a-b)	1,541,116
(ii)	Revenue indemnity for terminations	105
(iii)	Revenue from sales to be recognized for non-qualifying contracts for revenue recognition (b)	3,275
(iv)	Provision for terminations (liabilities)	
	Adjustment in appropriate revenues	3,769
	(-) Adjustment in trade receivables	(3,242)
	(-) Revenue indemnity for terminations	(105)
		422
(v)	Budgeted cost to be recognized for units sold	
	(a) - Budgeted cost of units (without finance charges)	4,085,635
	Net incurred cost	
	(b) - (-) Construction costs incurred	(3,063,843)
	Recognized finance charges	(76,788)
	(c) - terminations - construction costs	2,833
	Termination benefits - finance charges	60
		(3,137,738)
	2i) Budgeted cost to be recognized in profit or loss (without finance charges) (a+b+c)	1,024,624
	Unre recognized profit (loss) (1i-2i)	516,491
(vi)	Budgeted cost to be recognized in inventory	
	(a) - Budgeted cost of units (without finance charges)	1,371,393
	(-) Net incurred cost	
	(b) - Construction costs incurred	(407,451)
	Recognized finance charges	(8,735)
		(416,186)
Budgeted cost to be recognized in inventories (without finance charges) (a+b)		963,942

a) Revenues from unappropriated units are measured at the contractual par value plus contractual adjustments less terminations. not considering the effects of applicable taxes and discounted to present value.

b) Revenues from unearned contracts that may not be qualifying for revenue recognition are earned by customers who do not have a guarantee or prospect that will honor the value of purchased property.

Recognized revenues and incurred costs are recognized in profit or loss and advances received under "Liabilities for the purchase of properties and customer advances".

As of December 31, 2023 and 2022. the percentage of the consolidated assets in the financial statements related to the enterprise entered into an equity segregation framework was 70.78% and 59.22%.

26. TRANSACTIONS NOT AFFECTING CASH AND CASH EQUIVALENTS AND THE RECONCILIATION OF FINANCING ACTIVITIES.

a) Non-cash transactions:

There were no investment and financing transactions involving no cash and cash equivalents (Company and Consolidated).

27. EVENTS AFTER THE REPORTING PERIOD

Sale of receivables ("Assignment")

In February 2024 the Company settled the securitization of real estate receivables certificates ("CRI") issued by True Securitizadora S.A. which were distributed through public offerings. under the best efforts. pursuant to CVM Resolution N° 160. of July 13, 2022 ("Offerings"). backed by fractional and integral real estate credit notes ("CCIs") issued by the Securitization to represent the real estate receivables of owned by the Company.

The offer totaled R$173,260. matures by March 2032. bears interest at 50% in IPCA (Consumer Price Index) + 7.9% per year and 50% of CDI (interbank deposit certificate) + 3.5% per year. The total net amount received by the Company is R$167,693.

Special taxation regime - ret 1%

Regulatory Instruction 2,179 of the Brazilian Federal Revenue Service was published on the Federal Gazette of Brazil on March 7, 2024 on special taxation systems applicable to (i) real estate developments which are the subject matter of the real estate affected by the actual allocation. (ii) to the construction and merger of residential properties of social interest within the Programa Minha Casa. Minha Vida ("MCMV") aimed at families whose income falls into Band 1 Urbano ("FX1 Urbano"). and (iii) to the construction of housing units hired under the Minha Casa Minha Vida and Casa Verde e Amarela programs. which becomes 1% ("RET 1%").

Management carries out analyses to implement this issue and assess the impacts on those figures. which tend to be very beneficial to all the Company's exposure to the smallest income statements. which are the main subject matter of the new rule.

28. APPROVAL OF FINANCIAL STATEMENTS

Management has discussed. reviewed and agreed with the individual company and consolidated financial statements and with the express conclusions in the independent auditors' report for the year ended December 31, 2023.

In compliance with CVM Resolution 162/22. we inform you that our independent auditors KPMG Auditores Independentes Ltda. provided comfort letters of recommendation during the exercise of services. in addition to those related to the external audit. Fees will be disclosed on the Reference Form ("FR").

On March 14, 2024. the Company's Board of Directors approved the Company's individual company and consolidated financial statements. as recommended by the Audit Committee and the Statutory Audit Committee. and authorized their disclosure.

* * *

Rodrigo Osmo
Chief Executive Officer

Luiz Maurício de Garcia Paula
Chief Finance and Investor Relations Officer

André de Souza Pereira
Accountant in Charge Technical CRC SP 261.642/O-9

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Independent auditors' report on the individual company and consolidated financial statements

To the Shareholders and Management

Construtora Tenda S.A.

São Paulo - SP

Opinion

We have audited the individual company and consolidated financial statements of Construtora Tenda S.A. (the "Company"), identified as individual company and consolidated financial statements, respectively, which comprise the balance sheet as of December 31, 2023, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, notes, including material accounting policies and other explanatory information.

Opinion on the individual company financial statements

In our opinion, the accompanying individual financial statements present fairly, in all material respects, the financial position of Construtora Tenda S.A. as of December 31, 2023, and its financial performance and its cash flows for the year then ended, in accordance with Brazilian accounting policies, applicable to real estate development entities in Brazil registered with the Brazilian Securities and Exchange Commission (CVM).

Opinion on the consolidated financial statements

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Construtora Tenda S.A. as of December 31, 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Brazilian accounting policies and the International Financial Reporting Standards (IFRS) applicable to those real estate development entities in Brazil registered with the Brazilian Securities and Exchange Commission (CVM).

Basis for Opinion

We conducted our audit in accordance with International and Brazilian Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Individual Company and Consolidated Financial Statements section of our report. We are independent of the Company and its subsidiaries in accordance with the ethical requirements that are relevant to our audit of the financial statements and are set forth on the Professional Code of Ethics for Accountants and on the professional standards issued by the Regional Association of Accountants, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis

As described in notes 2.1, the individual company and consolidated financial statements have been prepared in accordance with Brazilian accounting policies and International Financial Reporting Standards (IFRS) applicable to real estate development entities in Brazil, registered with CVM. Therefore, the accounting policy adopted by the entity for recognizing revenue on the unalfined real estate unit purchase and sale agreements with respect to the transfer of control follows the understanding expressed by CVM on Circular Letter 02/2018 issued by CVM on Circular Letter/CVM/SNC/SEP 02/2018 on the application of CPC 47 - Revenue from Contracts with Customers (IFRS 15). Our opinion is not qualified on that issue.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the individual company and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition - measurement of progress towards compliance with performance obligations – Individual and Consolidated

See Note 2.4.4 to the individual company and consolidated financial statements

Key audit matters	How the audit addressed this matter
A Company and its subsidiaries recognize revenues from the sales of real estate units under construction, over time, according to Official Letter of Official Letter 02/2018 published by the Brazilian Securities and Exchange Commission (CVM/SNC/SEP). The progress to fulfill the performance obligation is determined according to the Percentage of Completion Percentage of Completion, calculated at the same proportion as the costs actually incurred in relation to the total budgeted cost of each project (construction work). Estimating the estimated cost and the related progress of the construction work, used to determine the progress of the performance obligation, and therefore the amount of revenue to be recognized, require a high level of judgment by the Company. Due to the volume of transactions, relevance and complexity of the judgment involved in estimating budget cost assumptions for the stage of completion of the real estate units (cost incurred on the budgeted cost), as well as the possible impact of this matter on the recognition of revenue in the Company and Consolidated financial statements, we considered this to be a key audit matter.	Our audit procedures in this area included, but were not limited to: • We inspected the formal approvals of budget approvals for the projects launched in the year; • evaluate the fluctuations in the cost budgeted during the year, within a certain parameter set by the audit that considers usual fluctuations, and we obtained the Company's documentation and explanations about the fluctuations above the expected reasonableness; • We selected a sample to check the costs incurred against the related supporting documentation; • we recalculated real estate development revenue, considering actual sales according to the percentage of development of construction work. • evaluate whether disclosures in the individual company and consolidated financial statements are in accordance with the requirements of applicable accounting standards and whether they consider relevant information. According to the evidence obtained by applying the procedures summarized above, we considered that the recognized amounts of revenue and related disclosures are acceptable in the context of the individual company and consolidated financial statements for the year ended December 31, 2023 taken as a whole.

Expected losses on accounts receivable – Individual and Consolidated	
See Note 2.4.6.3 to the individual company and consolidated financial statements	
Key audit matters	**How the audit addressed this matter**
The Company and its subsidiaries periodically review their accounts receivable to assess the need to recognize an allowance for impairment loss on trade and other receivables. The calculation of this allowance is documented on internal policies and requires, because of its nature, the use of judgments to determine the historical percentage of losses, by analyzing defaults on contracts, and ranges of delay. Due to the uncertainties about the application of the method, the high level of judgment required to set assumptions and to choose data, as well as the possible impact of this matter on the allowance for impairment loss on trade and other receivables in the individual company and consolidated financial statements, we considered this to be a key audit matter.	Our audit procedures in this area included, but were not limited to: • Evaluating the data used by the Company to calculate the allowance for impairment loss on trade and other receivables, particularly on the historical behavior of losses on trade receivables due to ranges of delay; • Recalculating the allowance for impairment loss on trade and other receivables; • evaluating the adequacy of the disclosures related to the notes that are explainable to the financial statements According to the evidence obtained by applying the procedures summarized above, we considered that the balances of accounts receivable and related disclosures are acceptable in the context of the individual company and consolidated financial statements for the year ended December 31, 2023.

Other issues

Statements of value added

The individual company and consolidated statements of value added for the year ended December 31, 2023, prepared under the responsibility of the Company's management, and presented as supplementary information for IFRS purposes applicable to the real estate development entities registered with CVM (Brazilian Securities and Exchange Commission), were submitted to the same audit procedures followed together with the audit of the Company's financial statements. In order to form our opinion, we evaluated whether these statements are reconciled to the Company's financial statements and accounting records, as applicable, and whether their form and content are in accordance with the criteria set on Technical Pronouncement CPC 09 - Statement of Value Added. In our opinion, these statements of value added have been adequately prepared, in all material respects, according to the criteria set on this Technical Pronouncement and are consistent with the individual company and consolidated financial statements taken as a whole.

Audit of the financial statements for the previous year

The individual and consolidated balance sheets as of December 31, 2022 and the individual and consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows and their explanatory notes for the year ended on that date, presented as corresponding amounts in the individual and consolidated financial statements for the current year, were previously audited auditors, who issued a report dated 9 March 2023, unmodified. The corresponding amounts for the individual and consolidated statements of value added (DVA), for the year ended December 31, 2022, were submitted to the same audit procedures by those independent auditors and, based on their examination, those auditors issued a report without modification.

Other information that accompanies the individual company and consolidated financial statements and the independent auditors' report

Management is responsible for the other information. The other information comprises the information included in the Management Report.

Our opinion on the individual company and consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the individual company and consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work that we have performed, we conclude that there is material misstatement of this other information, then we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Individual Company and Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these individual company financial statements in accordance with accounting policies adopted in Brazil applicable to real estate development entities in Brazil, registered with the Brazilian Securities and Exchange Commission (CVM) and the consolidated financial statements in accordance with Brazilian accounting policies and International Financial Reporting Standards (IFRS) applicable to real estate development entities Brazil, registered with the Brazilian Securities and Exchange Commission (CVM), and for such internal control as Brazil determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the individual company and consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company and its subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and its subsidiaries' financial reporting process.

Auditors' Responsibilities for the Audit of the Individual Company and Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the individual company and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with Brazilian and international standards on auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Brazilian and international standards on auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the individual company and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and its subsidiaries' internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and its subsidiaries' ability to continue as a going concern. If we conclude that a material uncertainty exists, then we are required to draw attention in our auditors' report to the related disclosures in the individual company and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company and its subsidiaries to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the individual company and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the individual company and consolidated financial statements. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may considerably affect our independence, including, when applicable, the actions taken to eliminate the threats or safeguards applied by the Company.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

São Paulo, 14 de março de 2024

KPMG Auditores Independentes Ltda.
CRC 2SP-027685/O-0 'F' SP

Mark Suda Yamashita
Signed in the Portuguese version
Contador CRC 1SP-271754/O-9