

1Q26

EARNINGS



Três Praias Vista – Guarapari/ES

alphaville

Alphaville reaches R\$ 305 million in launches for the 1Q26

- Launch of the **Alphaville Indaiatuba** and **Alphaville Comercial Ceará 9** ventures with total PSV of **R\$ 305 million (R\$ 187 million in %AVLL)**;
- **Evolution of sales and inventories:**
 - Launch sales amounted to **R\$ 81 million (R\$ 55 million in %AVLL)** for the 1Q26;
 - Gross sales of inventories amounted to **R\$ 92 million (R\$ 50 million in %AVLL)** for the 1Q26.
 - Total sales reached **R\$ 173 million (R\$105 million in %AVLL)**, with SoS of 15% for the quarter.
 - At the end of the quarter, the Company's **inventories amounted to R\$ 557 million** (%AVLL).
- Delivery of the **Terras Alpha Betim (MG)** and **Terras Alpha Ceará 5 (CE)** ventures;
- **Revenue and Gross Profit:**
 - Net Revenue of R\$ 110 million for the 1Q26;
 - Gross profit of R\$ 42 million for the 1Q26 and gross margin of 38%.
- **Operating income:**
 - EBITDA of R\$ 20 million, with margin of 18% for the period;
- **Profitability and Deferred Revenue:**
 - Deferred revenue (REF) of R\$ 676 million with gross margin of 43%.
- **Liquidity:**
 - Cash of R\$ 176 million and Net Debt of R\$ 574 million;
 - Cash inflow of R\$ 23 million for the quarter;



Table of Contents

<u>MESSAGE FROM MANAGEMENT</u>	<u>5</u>
<u>OPERATIONS INDICATORS¹</u>	<u>9</u>
<u>FINANCIAL INDICATORS²</u>	<u>18</u>
<u>GLOSSARY.....</u>	<u>24</u>
<u>ATTACHMENTS.....</u>	<u>27</u>

WEBCAST

IN PORTUGUESE

May 15, 2026

[10 a.m. \(Brasília\)](#)

[Webcast – Link](#)

alphaville

An aerial photograph of a coastal property. The top of the image shows a sandy beach with waves. Below the beach is a grassy area with several palm trees. A concrete wall runs horizontally across the middle. Below the wall is a swimming pool with a wooden deck and lounge chairs. To the right of the pool is a building with a white facade and a grey roof. The text "MESSAGE FROM MANAGEMENT" is overlaid in the center. The word "alphaville" is overlaid in the bottom right corner. The text "Alphaville Guarajuba - Guarajuba/BA" is overlaid in the bottom left corner.

MESSAGE FROM MANAGEMENT

alphaville

Message from Management

In the first quarter of 2026, Alphaville continued to execute its operational and commercial strategy, with two launches, totaling R\$ 305 million in Total PSV (R\$ 187 million in %AVLL), a growth of 247% YoY. The launches in the quarter were Alphaville Indaiatuba, in São Paulo (state of São Paulo), with 294 lots, and Comercial Ceará 9, in Eusébio (state of Ceará), with 15 lots. The commercial performance of these ventures asserts the process of venture selection and development, besides the resilience of the demand for Alphaville products.

Gross sales totaled R\$ 173 million in Total PSV for the quarter (R\$ 105 million in %AVLL), an 88% growth from the 1Q25. The highlight was the sales of launches, which reached R\$ 55 million in %AVLL with SoS of 30%, and contributed to the dramatic YoY growth.

At the end of the quarter, inventories totaled R\$ 557 million (PSV %AVLL), down by 10% from the 1Q25, a direct reflection of the consistent sales rate, SoS of 15% for the period, up by 2 p.p YoY. Inventories are mainly comprised of products launched in the past two years or less, a reflection of the continuous renewal of the portfolio.

In terms of operations, we completed the delivery of Terras Alpha Betim, in Betim (state of Minas Gerais), with 136 lots, and Terras Alphaville Ceará 5, in Eusébio (state of Ceará), with 663 lots. The works continue under construction on 10 sites across different regions in the country.

With regard to financial indicators, net revenue totaled R\$ 110 million for the quarter, while adjusted gross profit reached R\$ 42 million, with adjusted gross margin of 38%. The YoY reduction is directly related to the volume of ventures delivered over the last year and the initial stage of development of ventures under construction.

It is worth noting that the Company's deferred revenue (REF) amounted to R\$ 676 million for the quarter, a REF margin of 43%. Added to the existing inventories, Alphaville has approximately R\$ 1.2 billion in potential deferred revenue for the following years, reinforcing the operational predictability and the portfolio quality.

EBITDA for the quarter totaled R\$ 20 million, with EBITDA margin of 18%. Even in view of the lower volume of revenue recognition for the period, the Company maintained discipline in the management of administrative expenses, which amounted to R\$ 10 million for the quarter (in line with the 1Q25), reflecting the structural efficiency gains obtained over the latest cycles.

In relation to finances, the Company recognized net expense of R\$ 45 million for the quarter, mainly reflecting the debt cost and recognition of interest of debentures over the period. At the end of the 1Q26, the Company had net debt of R\$ 574 million and cash of R\$ 176 million.

We believe that the fundamentals of the real estate market remain solid in the long term, particularly regarding products comprising planned subdivisions and upscale ventures. In this context, we keep prioritizing efficiency, financial discipline and commercial assertiveness, preserving the Company's capacity to create sustainable value to its shareholders.

We thank our employees, customers, partners, suppliers, investors and other stakeholders for their trust and continuous support to the Company's path.

The Management

Operations Indicators¹

(Amounts in millions of reais, except percentages or when stated otherwise)

(In millions of reais)	1Q26	1Q25	Change (%)	4Q25	Change (%)
Landbank					
<i>Landbank Total (R\$ in billions)</i>	34	35	-3%	35	-3%
<i>Landbank %AVLL (R\$ in billions)</i>	19	20	-4%	19	-3%
Launches					
<i>Launched ventures</i>	2	1	100%	0	n/a
<i>PSV Launched Total</i>	305	88	247%	0	n/a
<i>PSV Launched %AVLL</i>	187	60	213%	0	n/a
<i># Launched Lots</i>	309	212	46%	0	n/a
Total Sales					
<i>Gross Sales - PSV Total</i>	173	88	96%	130	33%
<i>Gross Sales - PSV %AVLL</i>	105	56	88%	129	-18%
<i># Sold Lots</i>	273	210	30%	423	-35%
<i>SoS of Sales (#Lots)</i>	15%	13%	2 p.p.	21%	-7 p.p.
Launch Sales					
<i>Gross Sales - PSV Total</i>	81	9	801%	70	15%
<i>Gross Sales - PSV %AVLL</i>	55	6	801%	31	77%
<i># Sold Lots</i>	88	22	300%	281	-69%
<i>SoS of Sales (#Lots)</i>	30%	10%	20 p.p.	29%	1 p.p.
Inventory Sales					
<i>Gross Sales - PSV Total</i>	92	79	16%	60	53%
<i>Gross Sales - PSV %AVLL</i>	50	50	1%	98	-48%
<i>2019+ Ventures</i>	48	48	1%	95	-49%
<i>2018- Ventures</i>	2	2	3%	3	-27%
<i># Sold Lots</i>	185	188	-2%	142	30%
<i>SoS of Sales (#Lots)</i>	12%	13%	-1 p.p.	14%	-2 p.p.
Net Sales and Cancelled Contracts					
<i>PSV Cancelled Contracts %AVLL</i>	(5)	(7)	-27%	(12)	-59%
<i>Net Sales - PSV %AVLL</i>	100	49	104%	116	-14%

¹ Gross Sales PSV %AVLL adjusted in view of the recognition of R\$ 60 million related to the Parque Campinas venture.

Financial Indicators²

(Amounts in millions of reais, except percentages or when stated otherwise)

(In millions of reais)	1Q26	1Q25	Change (%)	4Q25	Change (%)
Profit or Loss Statement					
Net Revenue	110	124	-11%	168	-34%
Adjusted Gross Profit	42	49	-14%	66	-35%
Adjusted Gross Margin	38%	40%	-2 p.p.	39%	-1 p.p.
Administrative Expenses	(10)	(9)	12%	(10)	-1%
Selling expenses	(7)	(6)	27%	(11)	-36%
Other Non-recurring Expenses	(6)	(6)	-3%	2	n/a
<i>Cancellation of Ventures</i>	0	0	n/a	(2)	-100%
<i>Sales of ownership interests (SPEs)</i>	0	(1)	-100%	(0)	n/a
<i>Contingencies</i>	(6)	(1)	411%	9	n/a
<i>Other</i>	(0)	(4)	-95%	(6)	-96%
EBITDA	20	29	-30%	50	-60%
EBITDA Margin (%)	18%	23%	-6 p.p.	30%	-12 p.p.
Finance income (costs)	(45)	(43)	4%	(26)	70%
Net Income (Loss)	(34)	(23)	45%	10	n/a
Net Margin (%)	n/a	n/a	n/a	6%	n/a
Other Indicators					
Operating Cash Flow	23	(25)	n/a	31	-27%
Gross Debt	750	667	12%	752	0%
Net Debt	574	436	32%	564	2%

² Does not include the finance cost in the cost line item amounting to R\$ 4 million for the 1Q26.

A photograph of a modern, two-story house with a light-colored facade and large windows. The house is surrounded by several tall palm trees and some low-lying greenery. The sky is clear and blue. In the top right corner, there are white, stylized topographic contour lines. The text 'OPERATIONS INDICATORS' is centered over the middle of the image in a bold, white, sans-serif font.

**OPERATIONS
INDICATORS**

A white-bordered inset photograph showing a paved area, possibly a driveway or walkway, with some green plants and a building in the background. The text 'alphaville' is written in a white, lowercase, sans-serif font at the bottom right of the inset.

alphaville

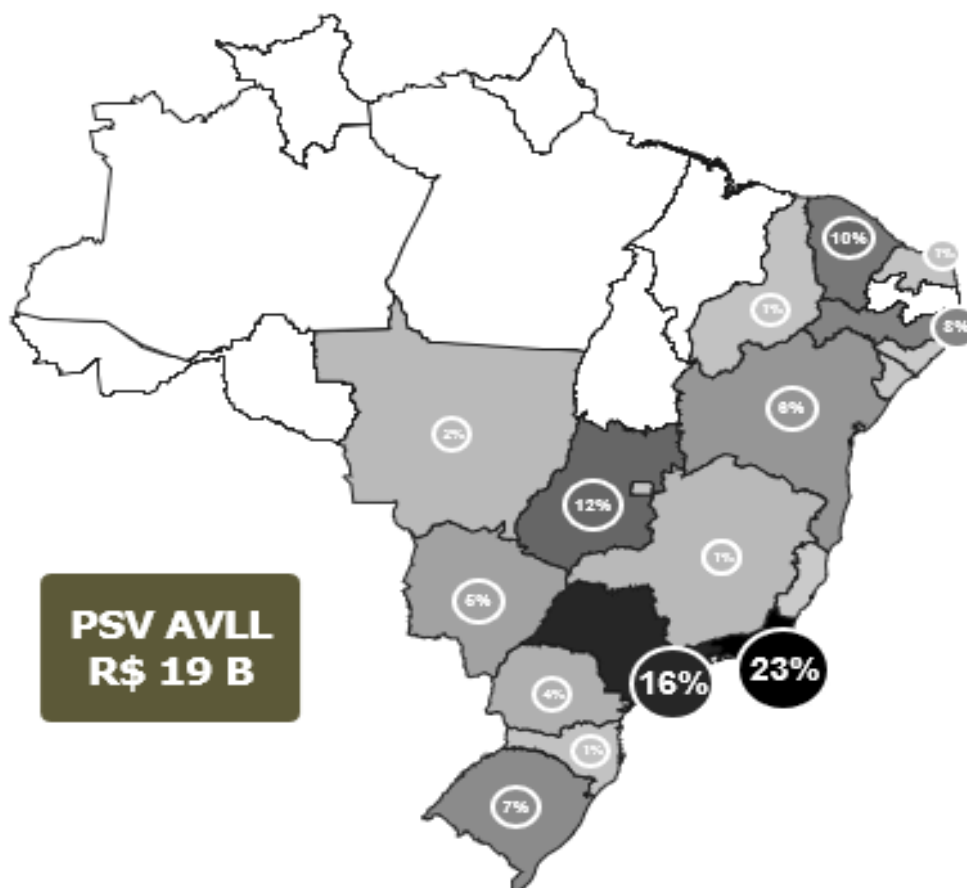
Landbank³

(In millions of reais)	1Q26	1Q25	Change (%)	4Q25	Change (%)
Landbank Total (R\$ in billions)	34	35	-3%	35	-3%
Landbank %AVLL (R\$ in billions)	19	20	-4%	19	-3%

Alphaville's Landbank comprises land allocated to the potential development of planned neighborhoods, subdivisions and gated communities, supported by joint development agreements;

In the 1Q26, Alphaville's landbank totals R\$ 34 billion, of which R\$ 19 billion in %AVLL, remaining stable as compared to the previous quarter.

The presence in 18 States reinforces the strategy adopted to seize opportunities in all regions of the country.



³ Estimated sales not considering finance interest.

Launches

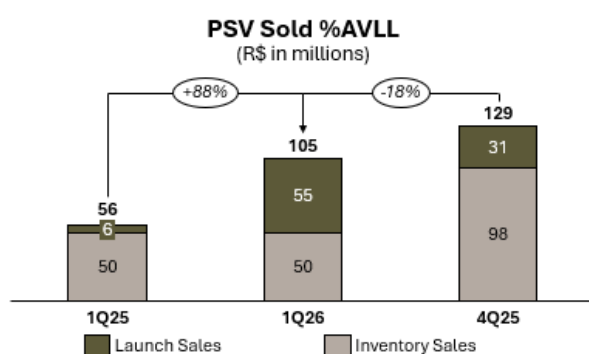
Launches	1Q26	1Q25	Change (%)	4Q25	Change (%)
<i>Ventures</i>	2	1	100%	0	<i>n/a</i>
<i>PSV Launched Total (R\$ in millions)</i>	305	88	247%	0	<i>n/a</i>
<i>%AVLL</i>	61%	68%	-7 p.p.	0%	61 p.p.
<i>PSV Launched AVLL (R\$ in millions)</i>	187	60	213%	0	<i>n/a</i>
<i>#Launched Lots</i>	294	212	39%	0	<i>n/a</i>

In the 1Q26, the Company's launches amounted to R\$ 305 million in Total PSV (R\$ 187 million of % AVLL), corresponding to the following ventures:

- Alphaville Indaiatuba, in the interior of São Paulo (state of São Paulo), with 294 launched lots;
- Comercial Ceará 9, in Fortaleza (state of Ceará), with 15 launched lots.

Sales and SoS⁴

(In millions of reais)	1Q26	1Q25	Change (%)	4Q25	Change (%)
Total Sales					
<i>Gross Sales - PSV Total</i>	173	88	96%	130	33%
<i>Gross Sales - PSV %AVLL</i>	105	56	88%	129	-18%
<i># Sold Lots</i>	273	210	30%	423	-35%
<i>SoS of Sales (#Lots)</i>	15%	13%	2 p.p.	21%	-7 p.p.
Launch Sales					
<i>Gross Sales - PSV Total</i>	81	9	801%	70	15%
<i>Gross Sales - PSV %AVLL</i>	55	6	801%	31	77%
<i># Sold Lots</i>	88	22	300%	281	-69%
<i>SoS of Sales (#Lots)</i>	30%	10%	20 p.p.	29%	1 p.p.
Inventory Sales					
<i>Gross Sales - PSV Total</i>	92	79	16%	60	53%
<i>Gross Sales - PSV %AVLL</i>	50	50	1%	98	-48%
<i># Sold Lots</i>	185	188	-2%	142	30%
<i>SoS of Sales (#Lots)</i>	12%	13%	-2 p.p.	14%	-2 p.p.



Total gross sales for the quarter amounted to R\$ 105 million in % AVLL, up by 88% over the 1Q25.

Sales for the period were boosted by the volume of launches, validating the commercial strategy.

In terms of SoS, it was up by 2 percentage points QoQ, demonstrating consistency in performance and sales rate.

⁴ Gross Sales PSV %AVLL adjusted in view of the recognition of R\$60 million related to the Parque Campinas venture.

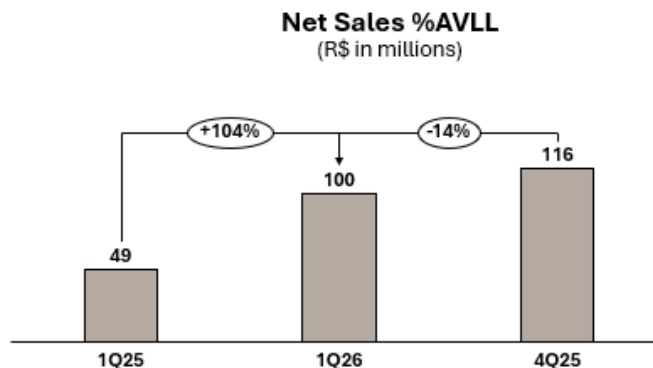
Cancelled Contracts and Net Sales

(In millions of reais)	1Q26	1Q25	Change (%)	4Q25	Change (%)
Cancelled Contracts					
<i>PSV Cancelled Contracts %AVLL</i>	(5)	(7)	-27%	(12)	-59%
Net Sales					
<i>Gross Sales - PSV %AVLL</i>	105	56	88%	129	-18%
<i>Net Sales - PSV %AVLL</i>	100	49	104%	116	-14%

The PSV of cancelled contracts for the quarter amounted to R\$ 5 million. A 27% drop from the same period of the previous year. It is worth noting that in the Company a cancelled contract is a one-off event.

All units are currently sold through **statutory lien**, a mechanism that significantly reduces the likelihood of this kind of event. Accordingly, the recognized cancelled contracts mostly refer to **older portfolios**, entered into in periods when such mechanism was not adopted, or to **customers who requested contract cancellation before the recognition of the statutory lien**.

As a result of the previously mentioned indicators of gross sales and cancelled contracts, net sales amounted to R\$ 100 million for the first quarter. This result was achieved due to the strategic timing of launches and the solid market response.

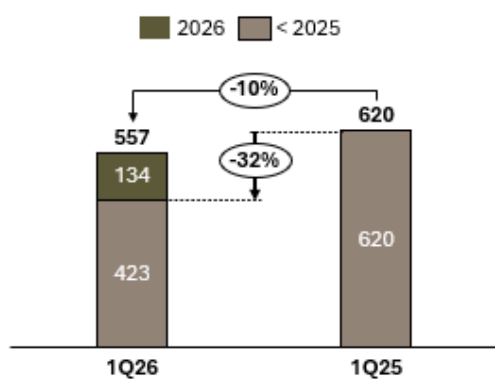


⁴ Gross Sales PSV %AVLL adjusted in view of the recognition of R\$60 million related to the Parque Campinas venture.

Inventory

(In millions of reais)	1Q26	1Q25	Change (%)	4Q25	Change (%)
Inventory EoP (PSV %AVLL)	557	620	-10%	469	19%
2026 Launches	134	0	n/a	0	n/a
2025 > Ventures	423	620	-32%	469	-10%
Inventory EoP (#Lots)	1,580	1,411	12%	1,534	3%
2026 Launches	201	0	n/a	0	n/a
2025 > Ventures	1,379	1,411	-2%	1,534	-10%
Residential Lots	1,492	1,266	18%	1,442	3%
Commercial and Multi-family Lots	88	145	-39%	92	-4%

Breakdown of Inventory %AVLL (R\$ in millions)



In the end of the 1Q26, the inventory has Potential Sales Value (PSV) that totals R\$ 557 million %AVLL;

In comparison to the previous year, a reduction of 10% in the inventory volume is noted, mainly due to the sales rate over the period. Furthermore, inventories related to ventures prior to 2025 reported a drop by 32%, demonstrating the evolution of the inventory cycle over the period.

Deliveries and Ventures under Construction

Venture	City	#Lots	Expected Delivery
Deliveries			
Terras Alpha Betim	Betim / MG	396	1Q26
Terras Alphaville Ceará 5	Eusébio / CE	663	1Q26
Ventures under Construction			
Alphaville Piauí	Teresina / PI	489	2026
Terras Alpha Cascavel 2	Cascavel / PR	508	2026
Alphaville Paraná	Campo Largo / PR	487	2026
Terras Alphaville Teresina 2	Teresina / PI	502	2026
Terras Alpha Ribeirão Preto	Ribeirão Preto / SP	457	2026
Alphaville Guarajuba 3	Camaçari / BA	80	2026
Comercial Ceará 9	Eusébio / CE	15	2026
Parque Alphaville Campinas	Campinas / SP	797	2027
Alphaville Ceará 5	Eusébio / CE	506	2027
Comercial Ceará 7 and 8	Eusébio / CE	18	2027
Alphaville Guarajuba 4	Camaçari / BA	495	2027
Alphaville Litoral Norte 4	Camaçari / BA	204	2027
Três Praias Vista	Guarapari / ES	20	2027
Terras Alphaville Ceará 6	Eusébio / CE	571	2028
Terras Alphaville Teresina 3A	Teresina / PI	555	2028
Alphaville Indaiatuba	Indaiatuba / SP	294	2029

PSV Launched (%AVLL)

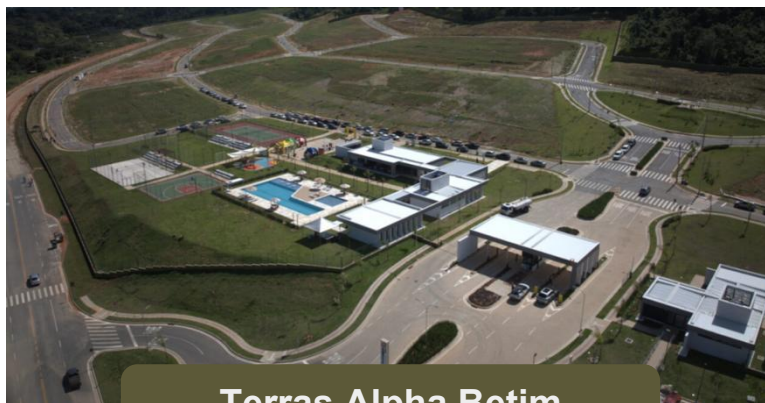
R\$ 76 MM

PSV Launched (100%)

R\$ 136 MM

Lots: 396

Delivery: March 2026



Terras Alpha Betim

The **Terras Alpha Betim** venture, located in Betim, Minas Gerais, marks the arrival of the first Alphaville in the municipality. The venture comprises **396 residential lots** in a total area of 553,202 m².

The landscaping proposal includes **seven well-equipped amenity centers, urban furniture and playground**, with floors and sidewalks with the use of interlocking blocks. The venture also has a linear park and orchard, complementing the common area infrastructure.

PSV Launched (%AVLL)

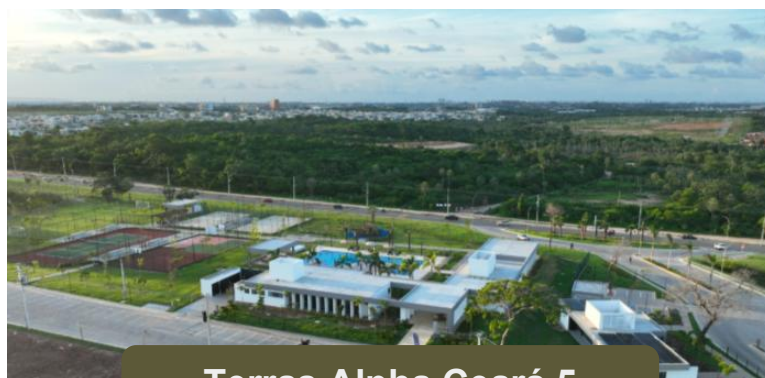
R\$ 96 MM

PSV Launched (100%)

R\$ 168 MM

Lots: 396

Delivery: March 2026



Terras Alpha Ceará 5

The **Terras Alphaville Ceará 5** venture, located in Eusébio, state of Ceará, represents the ninth residential phase of Ceará's Urban Center. It already has four Alphaville, four Terras and five commercial ventures in operation.

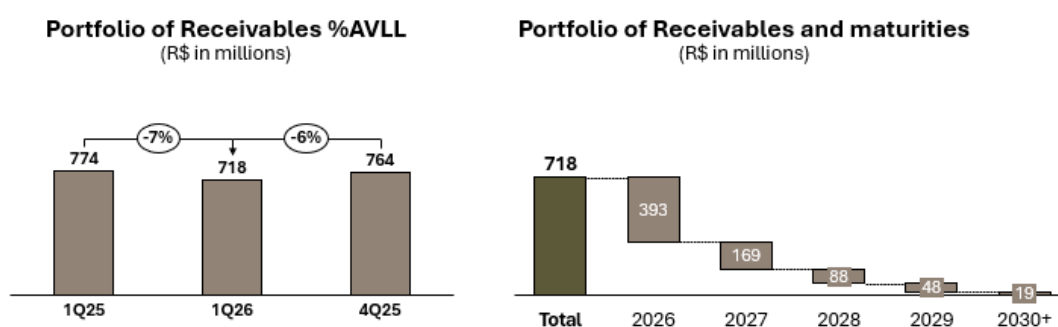
With 393,728.19 m² in total area, the venture comprises **631 residential lots** and was delivered in March 2026. The venture has 72,907.45 m² in green areas and amenity infrastructure.

The venture includes carnaúba palms native to its land, transplanted and integrated into the landscape design in harmony with the Permanent Preservation Area (APP).

Portfolio of Receivables⁵

(In millions of reais)	1Q26	1Q25	Change (%)	4Q25	Change (%)
Portfolio of Receivables	718	774	-7%	764	-6%

At the end of the 1Q26, the Company's portfolio of receivables reached the amount of R\$ 718 million, mostly falling due in the following years. About 55% of the total balance is expected to be realized in 2026 already, while 24% fall due in 2027, showing a healthy liquidity level and the predictability of future cash inflow.



⁵ It is considered the total portfolio of receivables, recorded in balance sheet and comprising the following: trade accounts receivable (short and long terms) and sales deferred revenue, less the amount from advances from customers.

A modern, two-story house with a light-colored facade and large windows. The house is surrounded by several tall palm trees and some low-lying greenery. The sky is clear and blue. In the top right corner, there are white, wavy, topographic-style lines. The text "FINANCIAL INDICATORS" is centered in the middle of the image in a bold, white, sans-serif font.

FINANCIAL INDICATORS

An inset image showing a paved area with some greenery and a building in the background. The text "alphaville" is written in a white, lowercase, sans-serif font at the bottom right of the inset.

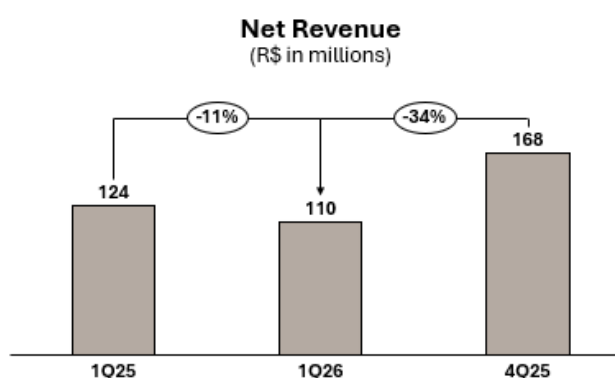
alphaville

Net Revenue and Gross Margin⁶

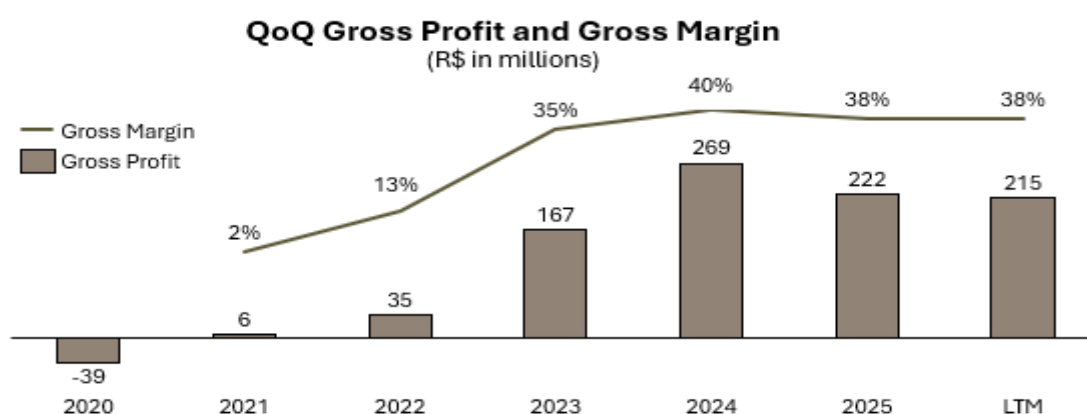
(In millions of reais)	1Q26	1Q25	Change (%)	4Q25	Change (%)
Net Revenue	110	124	-11%	168	-34%
Gross Profit	38	46	-17%	63	-39%
Amortization of Surplus	0	0	n/a	(2)	n/a
Finance cost	4	3	16%	5	-17%
Adjusted Gross Profit	42	49	-14%	66	-35%
Adjusted Gross Margin	38%	40%	-2 p.p.	39%	-1 p.p.

The Company's total net revenue reached R\$ 110 million for the quarter, down by 11% compared to the 1Q25, which amounted to R\$ 124 million.

The adjusted gross profit amounted to R\$ 42 million for the 1Q26, down by 14% from the 1Q25.



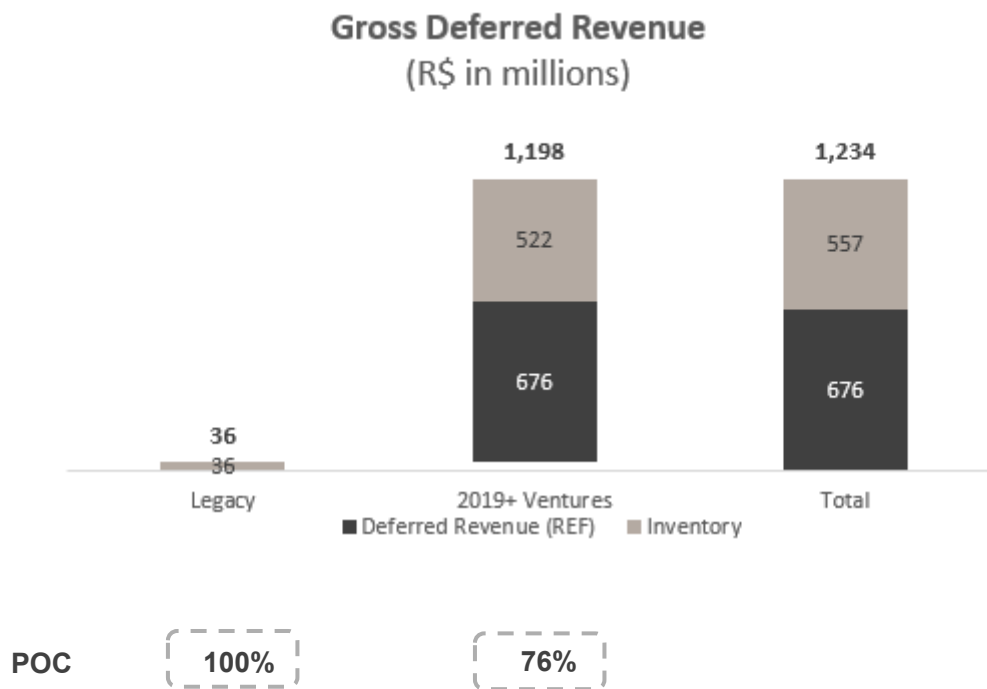
We highlight that the change noted in our net revenue and gross profit indicators is directly related to the dynamics of the construction cycle of ventures.



Moreover, we highlight that the deferred revenue (REF Revenue) volume totaled R\$ 676 million at the end of the 1Q26 with REF margin of 43%.

⁶ Does not include the finance cost in the cost line item amounting to R\$ 4 million for the 1Q26.

If we consider deferred revenue and inventory of launched ventures, Alphaville has a potential deferred revenue of R\$ 1.2 billion for the following years.



SG&A and Other Expenses (Income)

(In millions of reais)	1Q26	1Q25	Change (%)	4Q25	Change (%)
SG&A					
Administrative Expenses	(10)	(9)	12%	(10)	-1%
Selling expenses	(7)	(6)	27%	(11)	-36%
Total Sales (PSV Sold)	173	88	96%	130	33%
% Expenses/Sales	-4%	-7%	3 p.p.	-9%	5 p.p.
Other Operating Income (Expenses)					
Other Expenses (Income)	(6)	(6)	-3%	2	n/a
Cancellation of Ventures	0	0	n/a	(2)	-100%
Sales of ownership interests (SPEs)	0	(1)	-100%	(0)	n/a
Contingencies	(6)	(1)	411%	9	n/a
Other	(0)	(4)	-95%	(6)	-96%

Administrative expenses totaled R\$ 10 million, in line with the previous quarter, confirming the structural efficiency gains incorporated into the operations over the latest cycles and the company's commitment to the continuous streamlining of its fixed cost base.

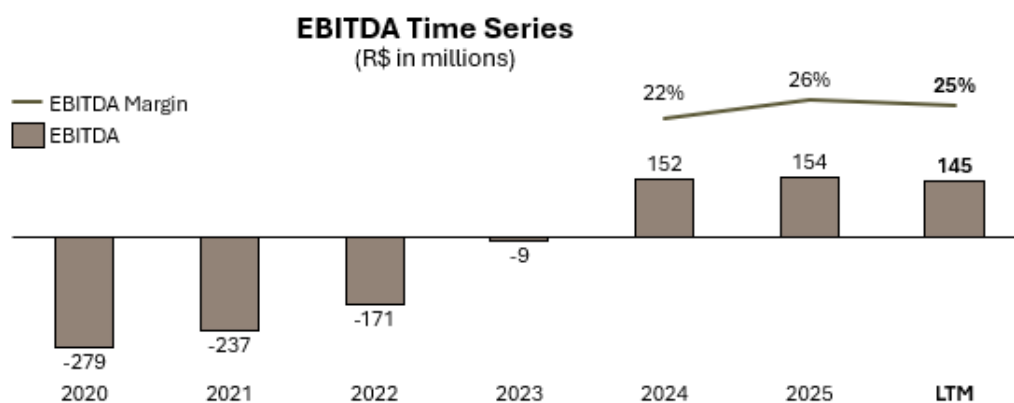
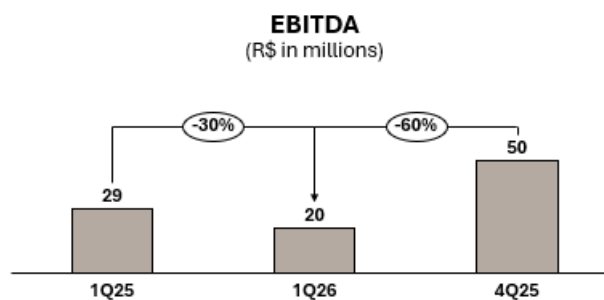
Selling expenses reached R\$ 7 million, up by 27% YoY, an expected shift and directly associated with the higher volume of launches recorded in the 1Q26.

Other operating expenses amounted to R\$ 6 million, in line with that reported for the 1Q25, the expenditures for contingencies being the main component for the period.

EBITDA

(In millions of reais)	1Q26	1Q25	Change (%)	4Q25	Change (%)
Net Revenue	110	124	-11%	168	-34%
EBITDA	20	29	-30%	50	-60%
EBITDA Margin	18%	23%	-6 p.p.	30%	-12 p.p.

As a consequence of the previously mentioned indicators, the EBITDA for the 1Q26 reached R\$ 20 million, down by 30% from the 1Q25.



Finance income (cost)

(In millions of reais)	1Q26	1Q25	Change (%)	4Q25	Change (%)
Finance income (cost)	(45)	(43)	4%	(26)	70%

The Company's finance cost amounted to R\$ 45 million for the 1Q26, while it amounted to R\$ 43 million for the 1Q25.

Net Income (Loss)

(In millions of reais)	1Q26	1Q25	Change (%)	4Q25	Change (%)
Net Income (Loss)	(34)	(23)	45%	10	n/a
Net Margin (%)	n/a	n/a	n/a	6%	n/a

In the 1Q26, the Company reported a net loss of R\$ 34 million, compared to a loss of R\$ 23 million for the same period of the previous year.

Cash Flow from Operating Activities

(In millions of reais)	1Q26	1Q25	Change (%)	4Q25	Change (%)
Operating Cash Flow	23	(25)	n/a	31	-27%

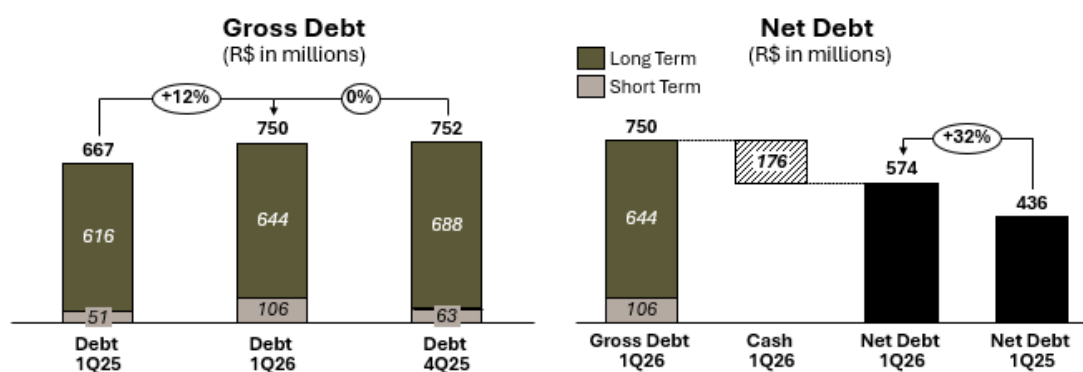
In the 1Q26, the cash inflow amounted to R\$ 23 million, mainly boosted by the impact of the launches for the 1Q26, positively reflecting in the performance for the quarter.

Indebtedness

(In millions of reais)	1Q26	1Q25	Change (%)	4Q25	Change (%)
Gross Debt	750	667	12%	752	0%
Cash	176	231	-24%	187	-6%
Net Debt	574	436	32%	564	2%

Alphaville's gross debt at the end of the 1Q26 amounted to R\$ 750 million, up by 12% from the 1Q25. Cash amounted to R\$ 176 million at the end of the 1Q26.

The sum of gross debt and cash for the period totals R\$ 574 million in net debt, up by 24% over the previous year, which was then caused by the evolution of the interest of debentures over the period.



GLOSSARY

Please find below the main concepts for understanding the information included in this release.

Landbank

Alphaville enters into agreements with landowners whose properties comprise its landbank. We have a wide landbank strategically located in the four regions of Brazil (Northeastern, Southeastern, Center-Western and Southern), as a result of the agreements with landowners. According to the provisions of the current agreements, the landowner contributes with the land, whereas Alphaville is responsible for the venture development, construction and sales work and costs. Accordingly, we do not invest in area purchase, thus eliminating the land maintenance costs, which allows us to have several ventures at different stages across the Brazilian territory.

Sales

In the real estate industry, the sales timing often does not match revenue recognition and cash generation: while sales refer to the sum of the amounts of each contract signed in a certain period, revenue is measured using the Percentage of Completion (PoC) method, that is, the revenue is recognized as the work progresses. Accordingly, even if a launch is very successful with high sales levels in the first months, such sales will be reflected in revenue only afterwards, as the construction works progress.

Cancelled Contract

The sales contract cancellations and Statutory Lien are further detailed in the attachments, as well as their impact on contracts for lot sale.

Inventory

The End-of-Period Inventory (EoP Inventory) is equivalent to the inventory at the end of period, that is, after computing all sales made over a certain period and considering the reversal of cancelled contracts of lots. The inventory recognized in the books, as reported in the financial statements, is estimated at the cost of acquisition and/or production of the lot. In this report we show the inventory measured on a managerial basis, calculated based on the selling price of the lots.

Delivery of Construction Work

The delivery of the construction work is characterized by its completion, with all the licenses and permits required for the operation of the venture, such as the Work Inspection Agreement ("Termo de Verificação de Obra", or TVO), Operating Permit ("Licença de Operação", or LO), acceptance of the water and sewage networks, among other documents issued by the competent authorities and utilities concessionaires.

Gross and Net Revenue

The Company's revenue is calculated using the Percentage of Completion (PoC) method, which provides for the recognition of revenue from sales as a percentage of the construction work completed.

The Company's Gross Revenue considers the sale of lots and the rendering of services. Cancelled contracts and their related provisions adjust the gross revenue downwards, as taxes on income. The Company makes provisions for cancelled contracts and periodically revises them, resulting in possible reversals of provisions or new downward adjustments.

Adjusted Gross Profit and Adjusted Gross Margin

The Adjusted Gross Profit does not include the Capitalized Interest, Surplus Amortization and Finance Cost of the cost line item. Meanwhile, the adjusted gross margin is calculated by dividing the adjusted gross profit by net revenue.

Administrative, Selling and Non-recurring Expenses

The Company's administrative expenses mainly include payroll expenses, rents and condominium fees, computing and IT-related expenses, as well as depreciation and amortization expenses.

The Company's selling expenses include marketing, brokerage and all other expenses related to the sales process of Alphaville's products.

The non-recurring expenses mainly include contingent liabilities and provision for contingent liabilities.

Operating Cash Flow

Operating Cash Flow comprises the cash flow from operating activities plus the proceeds from the assignment of receivables and transfers to banks and/or credit and real estate funds.

Indebtedness

Net debt is the debt at the end of the period less cash and cash equivalents for the same period.

ATTACHMENTS

Cancelled Contracts – Contract Termination

The events that give rise to the termination of the contract for purchase and sale, assignment or commitment to assign the subdivision are the following: (a) default by the buyer (unilateral termination upon default), or (b) its decision to terminate the contract (contract cancellation).

Depending on the type of contract that formalizes the real estate sale, the termination has different impacts on the customer and the developer, and, consequently, provides different incentives regarding the termination of the legal relationship.

Alphaville's portfolio of receivables is comprised of two types of contracts:

- Contracts with Statutory Lien (“alienação fiduciária” or AF), adopted from 2019+ ventures;
- Commitment to Purchase and Sale (CVCs), adopted until the 2017 launches.

Contracts with Statutory Lien (“alienação fiduciária” or AF)

The contracts with statutory lien are governed by Law 9514/97, the same legislation widely used by the Brazilian national financial system in real estate funding. Under this Law, the customer in theory cannot terminate the lot purchase contract because, in addition to breaching the conditions to apply the regime provided by Law 13786/18, in this kind of collateral the real estate is transferred to the customer when the contract is signed, and then used as collateral for funding.

In the event of default by the buyer, the creditor shall conduct an auction to sell the lot for compensation purposes. In the event no bid is made at the auction, the asset returns to the creditor, the buyer in default not being entitled to any refund, losing the amount already paid under the contract terms in the worst-case scenario.

Contracts with Commitment to Purchase and Sale (CVCs)

The CVC contracts are instruments whereby the seller undertakes to deliver the property, and the buyer undertakes to purchase it. In December 2018, Law 13786/18, which governs contract termination due to buyer's default or at the latter's request (contract cancellation), was enacted.

In both events, the developer shall refund to the customer the amount paid thus far, being, however, entitled to charge the following:

- The amounts corresponding to any use of the real estate (applicable in case the buyer is vested in the real estate);
- The amount payable arising from penalty clause and administrative expenses (limited to 10% of the adjusted amount of the contract for subdivisions and 25% of the amounts paid for gated communities);
- The late payment charges related to the installments paid in arrears by the buyer;
- The municipal real estate tax (IPTU), condominium and association fees, as well as taxes, costs and fees levied on refund and/or termination;
- Brokerage commission, as long as it is included in the lot price.

The outstanding balance shall be refunded in 12 (twelve) installments, and the first payment shall be made (a) in the event the subdivision is under construction, within 180 days counted from the delivery date provided in the contract, and (b) in the event the construction works are completed, within 12 months from the formalization of the contract termination. In case of gated communities, the refund shall be made in a single installment within a maximum of 180 days counted from the contract termination.

Accounting

In the event of termination (contract cancellation) of contracts with Commitments to Purchase and Sale (CVC), the recognized revenue and the cost of the units whose cancelled contracts are reversed, as well as the equivalent provisions for contract cancellations and the loss allowances, whereas the revenue related to the portion of the amount paid by the customer withheld by the Company is recognized. In the event of repossession of the property by auction, which applies to agreements with statutory lien, the recognized revenue and cost are not reversed, only the amount obtained in the auction in excess of the customer's debt is refunded.

Alphaville's Business Model

The Company has contributed to the urban development of the country since its organization over 47 years ago, always prioritizing its customers' quality of life and the sustainable integration of the urban development into the environment in more than 130 developments across Brazil. For Alphaville, its customer's satisfaction always comes first, which provides an innovative look and the ability to make quick decisions when facing a changing scenario.

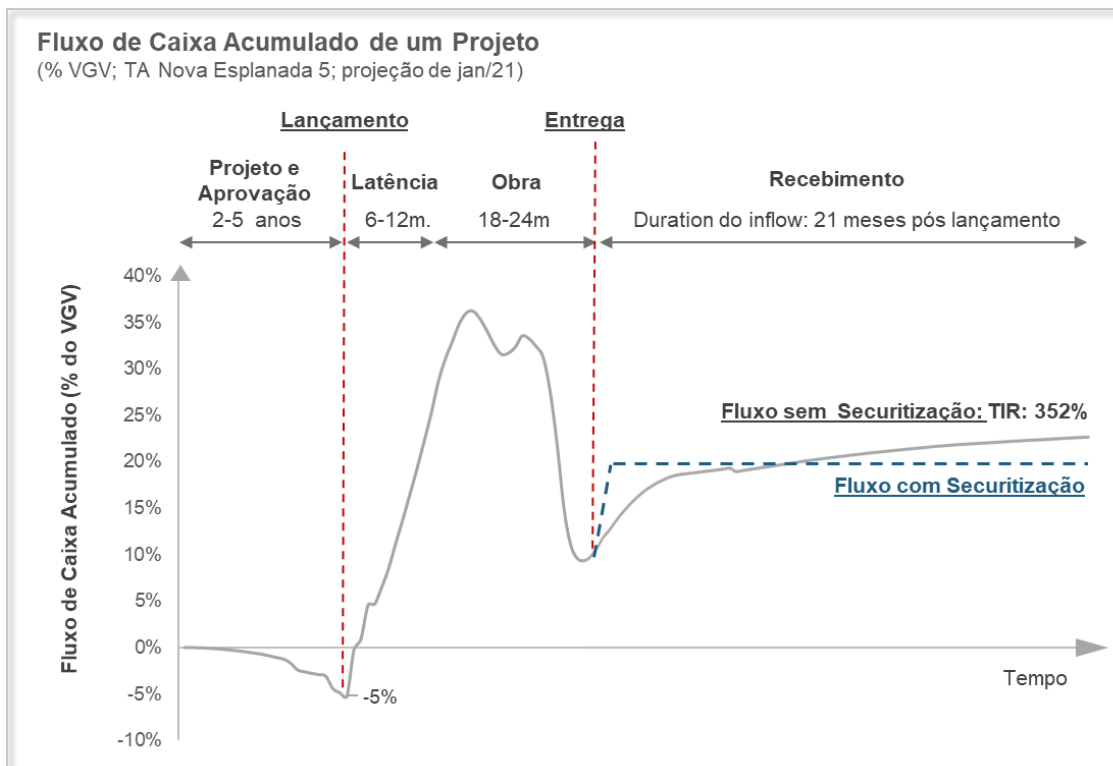
The business model that supports this successful history is based on the Company's direct work in all of the stages associated with the real estate venture development, such as: (i) identification of expansion vectors of cities and with great potential demand; (ii) search of land that meets the potential project's demands; (iii) negotiation of joint development agreements with landowners; (iv) product development and obtaining project-related license, permits and authorizations; (v) engagement and management of the activities of the construction company responsible for the construction works until delivery to customers; (vi) marketing & sales of venture lots; (vii) customer financing; and (viii) management of the business and financial relationship with customers until the purchase is settled and with land owners and partners until the venture is completed.

From the finance perspective, this model is based on joint development agreements, whereby the landowner grants Alphaville the right to develop, build and sell the venture in exchange for a percentage of future revenue percentage. The Company thus does not make any cash investment in land acquisition, and after the respective launches, uses the cash from sales to finance a significant portion of the development and construction costs.

In recent years, the country has gone through recessions, having impacts on the real estate development sector as a whole, mainly of contract cancellations requested by customers. Based on the lessons it has learned, Alphaville has strengthened and improved its business model, aiming at counteracting the effects arising from crisis. Among the measures and guidelines it has adopted, the following are worth noting: (i) focus on robust markets; (ii) launches with low cash exposure; (iii) shorter-term sales, and (iv) contractual covenant on statutory lien.

The chart below shows the cash flow of a venture, including the measures adopted to strengthen the business model. In this example, it is possible to note that the venture's cash exposure is limited to the initial investments in venture development (product, approval and licensing, marketing and sales actions) and that the opening cash balance of sales is sufficient to fully cover the construction work. It is also worth noting that the combination of the adopted measures gives

rise to sales and receivables of better quality and opens up opportunities for transactions involving assignment and/or securitization of receivables, mitigating risks and shortening the cash cycle of the ventures.





alphaville

INVESTOR RELATIONS:

Eduardo Canônico

Leonardo Navarro

Paulo Rocha

Larissa Rodrigues

E-mail: ri@alphaville.com.br

Website: ri.alphaville.com.br