Parent company and consolidated financial statements

December 31, 2023

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All amounts in thousands of reais unless otherwise stated

Assets	Note	Parent company 2023	Parent company 2022	Consolidated 2023	Consolidated 2022
Current assets					
Cash and cash equivalents	9	69,993	56,351	121,145	95,465
Financial investments	10	4,718	6,326	15,506	6,326
Receivables for sale of land and rentals	11	23		7,874	6,061
Inventory of properties for sale	12			367,142	367,205
Taxes recoverable	13	4,206	1,768	4,728	1,818
Dividends receivable	14	6,538	19,000		
Other assets		104		2,260	4,028
Total current assets		85,582	83,445	518,655	480,903
Non-current assets					
Long-term receivables					
Financial investments	10			1,340	
Receivables for sale of land and rentals	11			22,317	25,607
Financial instruments - shares	15			57,127	
Related parties	14		1,200		1,200
Other assets				92	185
			1,200	80,876	26,992
Investments	16	516,116	419,309	11,253	5,304
Property, plant and equipment		695	695	977	1,195
Investment properties	17	300,338	77,734	301,402	77,734
Total non-current assets		817,149	498,938	394,508	111,225
Total assets		902,731	582,383	913,163	592,128

Liabilities and equity	Note	Parent company 2023	Parent company 2022	Consolidated 2023	Consolidated 2022
Current liabilities					
Trade payables		602	284	755	284
Salaries and payroll charges		3,611	2,868	3,611	2,868
Taxes payable		445	524	2,060	2,351
Deferred taxes	19 (b)	33,384	33,384	38,742	38,549
Dividends payable	14	6,379	6,089	6,379	6,089
Provisions	20	1,882	4,358	3,181	4,358
Other liabilities		117	13	117	78
Total current liabilities		46,420	47,520	54,845	54,577
Non-current liabilities					
Borrowing	18	229,877		229,877	
Deferred taxes	19 (b)			2,007	2,688
Other liabilities		592	520	592	520
Total non-current liabilities		230,469	520	232,476	3,208
Total liabilities		276,889	48,040	287,321	57,785
Equity	21				
Share capital		492,011	425,470	492,011	425,470
Revenue reserves		135,440	108,873	135,440	108,873
Carrying value adjustments		(1,609)		(1,609)	
Total equity		625,842	534,343	625,842	534,343
Total liabilities and equity		902,731	582,383	913,163	592,128

The accompanying notes are an integral part of these parent company and consolidated financial statements.

All amounts in thousands of reais unless otherwise stated

	Note	Parent company 2023	Parent company 2022	Consolidated 2023	Consolidated 2022
Net revenue from sale of properties and rentals	22	16,468	6,477	52,775	46,607
Cost of properties sold and rentals	23	(6,020)	(11,082)	(7,419)	(11,065)
Gross profit (loss)		10,448	(4,605)	45,356	35,542
Operating expenses					
General, administrative and selling	23	(27,784)	(13,548)	(29,437)	(18,272)
Other operating results		(275)	(215)	(1,211)	(215)
		(28,059)	(13,763)	(30,648)	(18,487)
Operating profit (loss) before equity results and finance results		(17,611)	(18,368)	14,708	17,055
Results from equity investments					
Equity in the results of investees	16	33,690	35,967	1,239	2,178
Finance results, net	24				
Finance income		10,896	8,058	15,929	10,832
Finance costs		(118)	(20)	(132)	(39)
		10,778	8,038	15,797	10,793
Profit before income tax and social contribution		26,857	25,637	31,744	30,026
Income tax and social contribution	19 (a)				
Current				(5,170)	(4,038)
Deferred				283	(351)
Profit for the year		26,857	25,637	26,857	25,637
Weighted average number of shares – thousands		434,167	421,930	434,167	421,930
Basic and diluted earnings per thousand shares		61.86	60.76	61.86	60.76

All amounts in thousands of reais unless otherwise stated

		Parent company		Consolidated	
	Note	2023	2022	2023	2022
Profit for the year		26,857	25,637	26,857	25,637
Other components of comprehensive income to be subsequently reclassified to profit or loss					
Foreign exchange variations of investments abroad	21 (c)	(1,609)		(1,609)	
		(1,609)		(1,609)	
Total comprehensive income for the year		25,248	25,637	25,248	25,637

Statement of changes in equity
Years ended December 31
All amounts in thousands of reais unless otherwise stated

	Note	Share capital	Revenue reserves: Legal	Revenue reserves: Profit retention	Retained earnings	Carrying value adjustments	Equity
At January 1, 2022		**421,893**	**4,180**	**65,290**			**491,363**
Profit for the year							
Profit for the year					25,637		25,637
					25,637		**25,637**
Transactions with shareholders							
Constitution of reserves			1,282	18,266	(19,548)		
Mandatory minimum dividends					(6,089)		(6,089)
Reversal of dividends approved				19,855			19,855
Capital increase		3,577					3,577
		3,577	**1,282**	**38,121**	**(25,637)**		**17,343**
At December 31, 2022		**425,470**	**5,462**	**103,411**			**534,343**
At January 1, 2023		**425,470**	**5,462**	**103,411**			**534,343**
Profit for the year							
Profit for the year					26,857		26,857
Other components of comprehensive income						(1,609)	(1,609)
					26,857	**(1,609)**	**25,248**
Transactions with shareholders							
Constitution of reserves	21 (iv)		1,343	19,135	(20,478)		
Mandatory minimum dividends	21 (b)				(6,379)		(6,379)
Reversal of dividends approved				6,089			6,089
Capital increase	21 (a)	66,541					66,541
		66,541	**1,343**	**25,224**	**(26,857)**		**66,251**
At December 31, 2023		**492,011**	**6,805**	**128,635**		**(1,609)**	**625,842**

All amounts in thousands of reais unless otherwise stated

	Note	Parent company 2023	Parent company 2022	Consolidated 2023	Consolidated 2022
Cash flow from operating activities					
Profit before income tax and social contribution		26,857	25,637	31,744	30,026
Adjustments to items that do not represent changes in cash and cash equivalents					
Interest, indexation and foreign exchange variations		(118)	(3)	(324)	(73)
Provision for contract terminations	23			1,018	1,219
Equity in the results of investees	16	(33,690)	(35,967)	(1,239)	(2,178)
Depreciation and amortization	23			809	(541)
Income from financial investments	24	(11,234)	(8,428)	(16,050)	(11,113)
		(18,185)	(18,761)	15,958	17,340
Decrease (increase) in assets					
Financial investments	10	12,842	2,569	5,530	5,254
Receivables for sale of land and rentals	11	(23)		459	(5,335)
Inventory of properties for sale	12			63	524
Taxes recoverable	13	(2,252)	(1,378)	(2,715)	(1,355)
Other accounts receivable and other assets		(97)	74	1,356	2,038
Increase (decrease) in liabilities					
Trade payables		318	16	471	(97)
Salaries and payroll charges		743	2,848	743	2,848
Taxes payable		(79)	382	(708)	1,945
Other obligations and other liabilities		(2,418)	4,761	(1,271)	4,263
		(9,151)	(9,489)	19,886	27,425
Income tax and social contribution paid				(4,753)	(4,725)
Cash provided by (used in) operating activities		(9,151)	(9,489)	15,133	22,700
Cash flow from investing activities					
Acquisition of financial instruments - shares	15			(57,127)	
Capital increase in Residencial Figueira	16	(3,510)		(3,510)	
Capital increase in Altre LLC	16	(15,068)			
Other capital increases	16	(68)			
Construction of investment properties and property, plant and equipment	16	(205,291)	(14,833)	(206,355)	(14,595)
Dividends received	14	19,000			
Advance for future capital increase - Residencial Figueira			(1,200)		(1,200)
Net cash used in investing activities		(204,937)	(16,033)	(266,992)	(15,795)
Cash flow from financing activities					
New borrowings	18	222,367		222,367	
Borrowing costs	18	(9,760)		(9,760)	
Capital increase	21 (a)	15,123	3,577	66,541	3,577
Net cash provided by financing activities		227,730	3,577	279,148	3,577
Increase (decrease) in cash and cash equivalents		13,642	(21,945)	27,289	10,482
Cash and cash equivalents at the beginning of the year		56,351	78,296	95,465	84,983
Effect of exchange rate changes on cash and cash equivalents				(1,609)	
Cash and cash equivalents at the end of the year		69,993	56,351	121,145	95,465
Non-cash transactions					
Capital increase through contribution of investee	21 (a)	51,418			
Capital contribution to Altre LLC through capital increase	1.1 (c)	(51,418)			
Advance for future capital increase - Residencial Figueira	14e16	1,200		1,200	
Approval of mandatory minimum dividends	20 (b)	(6,379)	(6,089)	(6,379)	(6,089)
Reversal of dividends		6,089	19,855	6,089	19,855

All amounts in thousands of reais unless otherwise stated

	Note	Parent company 2023	Parent company 2022	Consolidated 2023	Consolidated 2022
Revenue					
Gross revenue	22	18,147	7,137	60,690	52,483
		18,147	7,137	60,690	52,483
Inputs acquired from third parties					
Materials, energy, outsourced services and others	23e24	(15,393)	(11,679)	(22,288)	(18,786)
Other operating income		(275)	(215)	(1,211)	(215)
		(15,668)	(11,894)	(23,499)	(19,001)
Gross value added		2,479	(4,757)	37,191	33,482
Depreciation and amortization	23			(809)	303
Net value added generated by the Company		2,479	(4,757)	36,382	33,785
Transfers					
Equity in the results of investees	16	33,690	35,967	1,239	2,178
Finance income	24	10,896	8,058	15,929	10,832
Deferred taxes	19(c)			283	(351)
		44,586	44,025	17,451	12,659
Total added value to distribute		47,065	39,268	53,833	46,444
Distribution of value added					
Personnel and payroll charges	23(a)				
Direct remuneration		8,812	8,763	8,812	8,763
Payroll charges		2,937	3,122	2,937	3,122
Benefits		1,955	998	1,955	998
		13,704	12,883	13,704	12,883
Taxes and contributions	23				
Federal		1,679	660	8,203	6,328
State and municipal		4,595	22	4,647	39
		6,274	682	12,850	6,367
Third-party capital remuneration					
Finance costs	24	118	20	132	39
Rentals and leases	23	112	46	290	1,518
		230	66	422	1,557
Own capital remuneration					
Profit for the year		26,857	25,637	26,857	25,637
		26,857	25,637	26,857	25,637
Value added distributed		47,065	39,268	53,833	46,444

1. General considerations

Altre Empreendimentos e Investimentos Imobiliários S.A. ("Altre" or "Company"), with headquarters in the city of São Paulo - SP, Brazil, controlled by Votorantim S.A. ("VSA"), operating in the real estate market, is engaged in conducting real estate projects and investments, including land subdivison, development, purchase, sale, rental and management of own and third-party properties, and holding of equity interests in other companies.

Altre acquired 60% of the slabs of the future corporate tower of the Alto das Nações multipurpose real estate complex, which will have 37 floors, 219 meters high and around 84 thousand m^2 of private area, located on Marginal Pinheiros, in São Paulo - SP. The Company also has full participation in the corporate project Atlas Office Park, consisting of 4 towers totaling 36 thousand m^2, located in Vila Leopoldina, in the city of São Paulo - SP, and a relevant part of the future planned neighborhood Vivalegro launched in October 2021, consisting of 781 plots of land for residential, mixed, commercial and multi-family use with a gross area of around 415,000 m^2, in the city of Votorantim - SP. The Company is solely and fully responsible for the commercial exploration and development of any initiatives in the real estate development Spark, a multipurpose complex that has an innovation hub, event space and offices for first-rate tenants, located in Vila Leopoldina, in the city of São Paulo – SP, a property owned by VSA.

1.1. Main events that occurred during 2023

(a) Corporate plan financing

On January 11, 2023, the Company entered into a business plan financing with Banco Bradesco S.A. in the amount of R$ 680,000, maturing in 2046, to cover part of the price for acquisition of 60% of the slabs of the future corporate tower of the Alto das Nações multipurpose real estate complex. The financing amounts are released according to the completion of the project construction, estimated to be concluded by 2025. During 2023, funds released amounted to R$ 222,367. The slabs of the corporate tower and the fiduciary assignment of future lease receivables were given as collateral for the financing.

(b) Establishment of investees – 12 SPE ("ALT")

On January 18, 2023, Altre established 12 limited liability special purpose companies (SPEs) created for the purpose of land subdivision of its own properties. The entities have the nomenclature ALT SPE Empreendimento Imobiliário Ltda., numbered from 1 to 12 (ALT 1 to ALT 12), and were created through a capital contribution of R$ 500.00 for each ALT. Subsequently, a new capital contribution of R$ 1,000.00 was made to each SPE, totaling R$ 1,500.00 contributed to each company during 2023.

These entities are currently non-operational and are expected to begin operations in the next years.

(c) Establishment of an investee in the United States of America – Altre Real Estate Investments LLC ("Altre LLC")

On June 21, 2023, Altre established Altre LLC, a limited liability company incorporated and governed in accordance with the laws of the State of Delaware, United States of America, with a mandate to make investments in the American Real Estate market.

During 2023, the following capital contributions were made to the investee Altre LLC: R$ 7,613 (equivalent to US$ 1,500 thousand) in September, R$ 7,510 (equivalent to US$ 1,500 thousand) in October and R$ 51,418 (equivalent to US$10,400 thousand) in December.

All amounts in thousands of reais unless otherwise stated

The capital contribution for December was made by Votorantim S.A. ("VSA"), parent company of Altre, which currently holds a 77.61% interest in the capital of Altre LLC. VSA immediately transferred the shares to Altre through capital contribution, which became again the sole investor of Altre LLC.

(d) Approval of dividends of investees Jaguatirica Empreendimentos Imobiliários SPE S.A. ("Jaguatirica") and Guepardo AOP Empreendimento Imobiliário SPE S.A. ("Guepardo")

At December 31, 2023, the investee Jaguatirica approved mandatory minimum dividends in the amount of R$ 6,185, 50% for Guepardo and 50% for Altre, to be paid during 2024.

On the same date, the investee Guepardo approved mandatory minimum dividends in the amount of R$ 9,315, to be paid during 2024.

1.2. Restatement of comparative figures

During 2023, the Company reassessed the impacts of the added value generated in the business combination carried out in 2021 in connection with the acquisition of Guepardo and concluded that the deferred amount calculated on this operation should be presented in current assets due to its expected realization. The added value will only be realized at the time of disposal of the asset, reflected in the reversal of the amortization calculated in 2022.

The effects of these adjustments are as follows:

(a) Balance sheet

			Parent company			Consolidated
	As originally presented	Adjustments	Restated	As originally presented	Adjustments	Restated
Assets						
Current						
Inventory of properties for sale				355,002	12,203	367,205
Non-current						
Investments	412,271	7,038	419,309			
Liabilities						
Current						
Deferred taxes		33,384	33,384		38,549	38,549
Dividends payable	4,417	1,672	6,089	4,417	1,672	6,089
Non-current						
Deferred taxes	33,384	(33,384)		33,384	(33,384)	
Equity						
Revenue reserve	103,507	5,366	108,873	103,507	5,366	108,873

All amounts in thousands of reais unless otherwise stated

(b) Statement of income

	Parent company			Consolidated		
	As originally presented	Adjustments	Restated	As originally presented	Adjustments	Restated
Cost of properties sold and rentals				(18,103)	7,038	(11,065)
Results from equity investments						
Equity in the results of investees	28,929	7,038	35,967			

(c) Statement of cash flows

	Parent company			Consolidated		
	As originally presented	Adjustments	Restated	As originally presented	Adjustments	Restated
Adjustments to items that do not represent changes in cash and cash equivalents						
Equity in the results of investees	(28,929)	(7,038)	(35,967)			
Depreciation and amortization of added value				6,497	(6,497)	
Non-cash transactions						
Approval of mandatory minimum dividends	(4,417)	(1,672)	(6,089)	(4,417)	(1,672)	(6,089)

(d) Statement of value added

	Parent company			Consolidated		
	As originally presented	Adjustments	Restated	As originally presented	Adjustments	Restated
Depreciation and amortization				(6,735)	7,038	303
Transfers						
Results from equity investments	28,929	7,038	35,967			
Own capital remuneration						
Profit for the year				18,599	7,038	25,637

2. Presentation of the financial statements

2.1 Basis of presentation

(a) Parent company and consolidated financial statements

The financial statements have been prepared in accordance with accounting practices adopted in Brazil, applicable to Brazilian real estate development entities. The determination of the accounting policy adopted by the Company for the recognition of revenue from contracts for the purchase and sale of uncompleted real estate units follows CVM's understanding included in Circular Letter CVM/SNC/SEP No. 02/2018 on the application of NBC TG 47 with regard to aspects related to the transfer of control and disclose all (and only) the applicable significant information related to the financial statements, which is consistent with the information utilized by management in the performance of its duties.

The financial statements have been prepared under the historical cost convention, which, for certain financial assets and liabilities, have their cost adjusted to reflect measurement at fair value.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Company's accounting practices. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

All amounts in thousands of reais unless otherwise stated

(b) Approval of the financial statements

The Board of Directors approved the financial statements for issue on March 8, 2024.

2.2. Consolidation

(a) Subsidiaries

Subsidiaries are fully consolidated from the date on which control is transferred to the Company

Unrealized balances and gains on transactions between companies are eliminated. Unrealized losses are also eliminated, unless the transaction provides evidence of a loss (impairment) of the transferred asset.

In the acquisition, the accounting policies of the subsidiaries are changed when necessary, to ensure consistency with the policies adopted by the Company.

The table below shows the main investees, activities and consolidation method:

	Percentage of capital				
	2023	2022	Headquarters location	Main activity	Consolidation method
ALT 1 SPE Empreendimento Imobiliário Ltda.	100%		São Paulo - Brazil	Land subdivison of own properties	Consolidated
ALT 2 SPE Empreendimento Imobiliário Ltda.	100%		São Paulo - Brazil	Land subdivison of own properties	Consolidated
ALT 3 SPE Empreendimento Imobiliário Ltda.	100%		São Paulo - Brazil	Land subdivison of own properties	Consolidated
ALT 4 SPE Empreendimento Imobiliário Ltda.	100%		São Paulo - Brazil	Land subdivison of own properties	Consolidated
ALT 5 SPE Empreendimento Imobiliário Ltda.	100%		São Paulo - Brazil	Land subdivison of own properties	Consolidated
ALT 6 SPE Empreendimento Imobiliário Ltda.	100%		São Paulo - Brazil	Land subdivison of own properties	Consolidated
ALT 7 SPE Empreendimento Imobiliário Ltda.	100%		São Paulo - Brazil	Land subdivison of own properties	Consolidated
ALT 8 SPE Empreendimento Imobiliário Ltda.	100%		São Paulo - Brazil	Land subdivison of own properties	Consolidated
ALT 9 SPE Empreendimento Imobiliário Ltda.	100%		São Paulo - Brazil	Land subdivison of own properties	Consolidated
ALT 10 SPE Empreendimento Imobiliário Ltda.	100%		São Paulo - Brazil	Land subdivison of own properties	Consolidated
ALT 11 SPE Empreendimento Imobiliário Ltda.	100%		São Paulo - Brazil	Land subdivison of own properties	Consolidated
ALT 12 SPE Empreendimento Imobiliário Ltda.	100%		São Paulo - Brazil	Land subdivison of own properties	Consolidated
Altre Gestão de Investimentos Imobiliários Ltda.	100%	100%	São Paulo - Brazil	Fund management and business management consulting	Consolidated
Altre Real Estate Investments LLC	100%		Delaware – United States of America	Investments in development companies	Consolidated
Guepardo AOP Empreendimento Imobiliário SPE S.A.	100%	100%	São Paulo - Brazil	Investments in development companies	Consolidated
Jaguatirica Empreendimentos Imobiliários SPE S.A.	100%	100%	São Paulo - Brazil	Development and construction of real estate projects and rental of properties	Consolidated
Residencial Figueira Empreendimentos Imobiliários	30%	30%	São Paulo - Brazil	Construction of real estate projects	Equity in the results of investees
V Haste SPE Terrenista 1 Ltda.	100%	100%	São Paulo - Brazil	Construction of real estate projects and rental of properties	Consolidated

(b) Loss of control of subsidiaries

When the Company ceases to have control over an investee, any retained interest is remeasured to its fair value, with the change in book value recognized in the income statement. The amounts previously recognized in carrying value adjustments are reclassified to the result.

(c) Associates and joint ventures

Joint operations are accounted for in the financial statements so as to represent the Company's contractual rights and obligations. Therefore, the assets, liabilities, revenues, and expenses related to its interests in joint operations are accounted for in the financial statements.

The investment in associate Residencial Figueira is accounted for using the equity method, and was initially recognized at cost.

Dilution gains and losses on investments in associates are recognized in the statement of income.

2.3. Functional and presentation currency of the financial statements

The functional and presentation currency of the Company is the Brazilian real (R$ or BRL).

(a) Transactions and balances

Transactions in foreign currencies are translated into the Brazilian real. When items are remeasured, the exchange rates prevailing at the dates of the transactions, or the dates of valuation are used. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of income, except when they are deferred in equity as net investment hedges.

(b) Subsidiary with a different functional currency

The results of operations and financial position of an entity with a functional currency that is different from the presentation currency are translated into the presentation currency as follows:

(i) The assets and liabilities for each balance sheet presented are translated at the closing rate as at the date of that balance sheet;
(ii) Income and expenses for each statement of income are translated at the average exchange rates for the period, except for subsidiaries which have the currency of hyperinflationary economy; and
(iii) All resulting exchange differences are recognized as a separate component of equity, in "Carrying value adjustments".

The amounts presented in the cash flow statement are extracted from the translated movements of assets, liabilities and profit or loss, as detailed above.

The investment arising from the acquisition of an entity abroad are treated as assets and liabilities of the entity abroad and translated at the closing rate.

3. Changes in accounting policies and disclosures

3.1 New standards issued and amendments to accounting standards adopted by the Company and its subsidiaries

The Company and its subsidiaries analyzed the amendments to accounting standards that came into force from January 1, 2023 to December 31, 2023 and identified their impacts on their operating and accounting policies to be adopted retrospectively or at the beginning of the 2023 fiscal year, as shown below:

(a) Amendments to CPC 32/IAS 12 Income taxes – Single transaction

As of January 1, 2023, the Company and its subsidiaries adopted the amendments to CPC 32/IAS 12 which requires the recognition of deferred taxes on transactions that give rise to the initial recognition of an asset or liability, resulting in equal amounts of taxable and deductible temporary differences, such as lease contracts or asset retirement obligation.

(b) Other amendments

Other standards, interpretations and amendments to accounting standards have been issued, but are not yet mandatory for the year ended December 31, 2023 and were not adopted early. The Company believes that the adoption of these standards, interpretations and amendments will not have a material impact on the preparation of the financial statements for the current year and future periods.

4. Critical accounting estimates and judgments

Based on assumptions, the Company and its subsidiaries make estimates regarding the future. Accounting estimates and judgments are continually reviewed and are based on historical experience and other factors, including expectations of future events, which are considered reasonable for the circumstances. Revisions to these estimates are recognized prospectively.

By definition, the accounting estimates will rarely be the same as the actual results. Estimates and assumptions that present a significant risk of causing material adjustments to the carrying amounts of assets and liabilities for the next financial year are described in the respective notes below:

(i) Trade receivables (Note 11);
(ii) Current and deferred income tax and social contribution (Note 19);
(iii) Provisions (note 20).

4.1. Impairment of non-current assets

(a) Accounting policies

Non-financial assets with indefinite useful lives are not subject to amortization, and the impairment testing is performed at least annually. An impairment loss is recognized as an expense in the "Other operating results" line item to the extent that the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. Non-financial assets that have suffered impairment are subsequently reviewed for the possible reversal of the impairment provision at the balance sheet date.

When an impairment loss is reversed, the carrying amount of the asset is adjusted to the revised estimate of its recoverable amount, but in such a way that the revised carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognized for the asset in prior years. The reversal of an impairment loss is recognized as revenue in the "Other operating results" line item.

(b) Impairment testing

Impairment testing is performed at least annually for an asset which present indicators of impairment. The recoverable amount is measured by using the discounted cash flow model and determined based on the value in use. The measurement of these values involves the use of assumptions, judgments, and estimates of future cash flow, and these amounts represent the best estimates of the Company.

These calculations use projections of cash flow after tax based on the Strategic Planning approved by the Company's Board of Directors. covering a period of five years. A period of up to ten years may be considered in specific circumstances, such as economic crises, to provide a better reflection of the business. The perpetual cash flow is calculated using the projections for the last year (with a zero growth rate).

The Company used the projected sales price, volume and discount rate as the main assumptions when calculating the recoverable amount of the asset. The projections were made based on past performance and expectation regarding future market development. The discount rates used are after taxes and reflect specific risks related to the operating segment being tested.

(c) Impairment test result

Impairment tests performed at December 31, 2023 did not result in impairment losses to be recognized.

Based on the impairment tests performed, the Company concluded that it was not necessary to recognize an impairment loss considering that the asset's recoverable amount exceeds the carrying amount.

5. Social and environmental risk management

The Company and its subsidiaries operate in the real estate segment, and their activities are subject to numerous national environmental laws, regulations, treaties and conventions relating to environmental protection. Violations of existing environmental regulations expose violators to substantial fines and pecuniary sanctions, and may require technical measures or investments to ensure compliance with mandatory emission limits.

Management believes that the operations of the Company and its subsidiaries are in accordance with all applicable environmental standards in Brazil.

6. Financial risk management

6.1. Financial risk factors

The activities of the Company and its subsidiaries expose them to a variety of financial risks, namely: (a) market risk (interest rate); (b) credit risk and (c) liquidity risk.

In order to mitigate the various effects of each market risk factor, the Company and its subsidiaries follow the Financial Policy of Altre and the Financial Policy of VSA, approved by the Board of Directors of Altre and the Board of Directors of VSA, with the objective of establishing governance and the overall guidelines of the process of managing these risks, as well as the metrics for their measurement and monitoring.

The financial risk management process aims to protect the cash flow, as well as its operational (revenue and costs) and financial (financial assets and liabilities) components against adverse market events, such as fluctuations in the prices, interest rates, and against adverse credit events. In addition, it aims to preserve liquidity.

(a) Market risk

(i) Cash flow and fair value interest rate risk

Interest rate risk arises from the fluctuations of each of the main indexes of interest rates on financial investments, trade receivables and trade payables, which have an impact on the Company's payments and receipts. Borrowings at fixed rates expose the Company to fair value interest rate risk.

(b) Credit risk

Credit risk refers to the risk of a counterparty not complying with its contract obligations, which would cause the Company and its subsidiaries to incur financial losses. Altre is exposed to credit risks in relation to:

(i) Trade receivables: to mitigate this risk, the Company and its subsidiaries adopt the policy of only negotiating with counterparties that have credit capacity and obtain sufficient guarantees. Trade receivables are mainly guaranteed by the properties, with surety bond for the rental contracts, and there is no concentration of customers, which restricts the exposure to credit risk.

(ii) Financial investments: the Company and its subsidiaries adopt a policy of working with issuers which have, at a minimum, been assessed by two of the following three rating agencies: Fitch Ratings, Moody's or S&P Global Ratings. The minimum rating required for counterparties is "A" (Brazilian scale) or "BBB-" (international scale), or equivalent. For financial assets where issuers do not meet these minimum credit risk ratings, criteria approved by the Board of Directors of VSA are applied as an alternative. The credit quality of financial assets is disclosed in Note 8. The ratings disclosed in this Note always represent the most conservative ratings from the agencies in question.

(c) Liquidity risk

The following table analyzes the main financial liabilities of the Company and its subsidiaries, by maturity, corresponding to the period remaining from the balance sheet date to the contractual maturity date.
The amounts disclosed in the table represent the undiscounted contractual cash flow, and these amounts may not be reconciled with the amounts disclosed in the balance sheet for the borrowing.

All amounts in thousands of reais unless otherwise stated

	Note	Up to 1 year	From one to three years	From three to five years	From five to ten years	From ten years	Total
At December 31, 2023							
Borrowing (i)	18	(429)	(840)	41,977	103,084	191,695	335,487
Trade payables		755					755
Dividends payable	20(b)	6,379					6,379
		6,705	(840)	41,977	103,084	191,695	342,621
At December 31, 2022							
Trade payables		284					284
Dividends payable	20(b)	4,417					4,417
		4,701					4,701

(i) For the "borrowing" balances, financial charges are projected until the final maturity of the contracts.

6.1.1. Estimated fair value

The main financial assets and liabilities are described below, as well as the assumptions for their valuation:

Financial assets – considering the nature and terms, the amounts recorded are close to their realizable values.

Financial liabilities – these instruments are subject to interest at normal market rates. The market value was calculated based on the present value of the future cash disbursement, using the interest rates currently available in the market for issues of debts with similar maturities and terms. The Company discloses the fair value measurements based on their level of the following hierarchy:

Level 1 – quoted prices (not adjusted) in active markets;

Level 2 – information, in addition to quoted prices included in Level 1, that is used by the market for the asset or liability, either directly (as prices) or indirectly (derived from prices).

The objective is to obtain the most appropriate value for the presentation of these operations, and the Company believes that the methodologies adopted are appropriate and consistent with those practiced in the market.

At December 31, 2023, financial assets measured at fair value and financial liabilities disclosed at fair value were classified at levels 1 and 2 of this hierarchy, as follows:

		Fair value measured based on		2023
				Consolidated
	Note	Prices quoted in an active market (Level 1)	Valuation supported by observable prices (Level 2)	Fair value
Assets				
Cash and cash equivalents	9	121,145		121,145
Financial investments	10		16,846	16,846
Financial instruments - shares	15		57,127	57,127
		121,145	73,973	195,118
Liabilities				
Borrowing	18		229,877	229,877
			229,877	229,877

		Fair value measured based on		2022
				Consolidated
	Note	Prices quoted in an active market (Level 1)	Valuation supported by observable prices (Level 2)	Fair value
Assets				
Cash and cash equivalents	9	95,465		95,465
Financial investments	10		6,326	6,326
		95,465	6,326	101,791

All amounts in thousands of reais unless otherwise stated

6.1.2. Sensitivity analysis

The main risk factors affecting the pricing of cash and cash equivalents, financial investments, borrowings and financial instruments are exposure to the fluctuation in the Dollar and CDI. The scenarios for these factors are prepared using market sources and specialized sources of information, in line with the Company's governance policies.

The scenarios as at December 31, 2023 are described below:

Scenario I – Considers shocks to the market curves and quotations as at December 31, 2023, according to the base scenario defined by Management at March 31, 2024;
Scenario II – Considers a shock of + or – 25% in the market curves as at December 31, 2023;
Scenario III – Considers a shock of + or – 50% in the market curves as at December 31, 2023.

				Impacts on profit (loss)					
				Scenario I		Scenarios II & III			
Risk factors	Cash and cash equivalents and financial investments (i)	Borrowing and debentures (i)	Unit	Changes from 2023	Results of scenario I	-25%	-50%	+25%	+50%
Foreign exchange rates									
USD	6,468		USD thousand	1.21%	78	(1,617)	(3,234)	1,617	3,234
Interest rates									
BRL - CDI	129,951		BRL	-69 bps	(891)	(3,785)	(7,570)	3,785	7,570
BRL - TR		239,332		0 bps		1,053	2,106	(1,053)	(2,106)

(i) The balances presented do not reconcile with the explanatory notes, since the analysis performed covered all the most significant currencies, and the interest rates include only the principal amount.

BRL – Brazilian Real (Local currency)
CDI – Interbank Deposit Certificate
TR – Reference Rate
USD – US Dollar

7. Financial instruments by category

7.1. Accounting policy

The Company and its subsidiaries classify their financial instruments depending on the purpose for which the financial instruments were acquired. Management determines the classification of financial instruments upon initial recognition, in the following categories:

(a) Financial instruments at fair value through profit or loss

These are financial assets held for active and frequent trading. These assets are measured at their fair value, and the changes are recognized in the statement of income for the year.

All amounts in thousands of reais unless otherwise stated

(b) Financial instruments at amortized cost

These are financial instruments held under a business model for the purpose of obtaining contractual cash flow and with contractual terms which give rise to cash flow that exclusively represents the payment of principal and interest. The instruments in this classification are measured at amortized cost.

(b.1) Impairment of financial assets measured at cost

Impairment is measured as the difference between the book value of the assets and the present value of the estimated future cash flow, discounted at the current interest rate of financial assets. The book value of the asset is reduced, and the amount of the loss is recognized in the statement of income.

If, in a subsequent period, the impairment loss decreases and the impairment can be objectively related to an event occurring after recognition of the impairment (such as an improvement in the debtor's credit rating), the reversal of the loss will be recognized in the statement of income.

			Parent company		Consolidated	
	Note	Level	2023	2022	2023	2022
Assets						
Amortized cost						
Receivables for sale of land and rentals	11		23		30,191	31,668
Fair value through profit or loss						
Cash and cash equivalents (i)	9	1	69,993	56,351	121,145	95,465
Financial investments	10	2	4,718	6,326	16,846	6,326
Financial instruments - shares	15	2			57,127	
			74,734	62,677	225,309	133,459
Liabilities						
Amortized cost						
Trade payables			602	284	755	284
Borrowing	18		229,877		229,877	
			230,479	284	230,632	284

(i) Equal balance in valuations at amortized cost and at fair value.

All amounts in thousands of reais unless otherwise stated

8. Credit quality of financial assets

The local and global ratings were extracted from rating agencies (S&P Global Ratings, Moody's and Fitch Ratings). For presentation, the nomenclature standard of S&P Global Ratings and Fitch Ratings as well as the classification established in the Company's Financial Policy were considered.

				Local rating
		Parent company		Consolidated
	2023	2022	2023	2022
Cash and cash equivalents				
AAA	69,993	56,301	114,677	95,415
AA		50		50
A-			6,468	
	69,993	56,351	121,145	95,465
Financial investments				
AAA	4,718	6,326	15,506	6,326
Unrated (i)			1,340	
	4,718	6,326	16,846	6,326
	74,711	62,677	137,991	101,791

(i) Refer to amounts invested in liquid assets traded abroad that are not classified by rating agencies.

9 Cash and cash equivalents

Accounting policy

Cash and cash equivalents include cash, bank deposits and other highly liquid short-term investments, which are readily convertible into a known cash amount and subject to insignificant risk of change in value. Cash and cash equivalents in local currency include deposits in current bank accounts and government securities (overnight operations) or financial institutions, indexed to the interbank deposit rate.

(a) Breakdown

		Parent company		Consolidated
	2023	2022	2023	2022
Local currency				
Cash and banks	94	100	6,700	162
Bank Deposit Certificates - CDBs	59,910	48,223	81,617	87,275
Repurchase agreements - government securities	9,989	8,028	32,828	8,028
	69,993	56,351	121,145	95,465

They are daily liquidity investments and have the possibility of immediate redemption. At December 31, 2023, financial investments have an average return between 100.86% and 100.89% of the CDI (100.89% and 100.93% of the CDI at December 31, 2022).

All amounts in thousands of reais unless otherwise stated

10. Financial investments

Accounting policy

Financial investments, for the most part, have immediate liquidity, but they are classified as financial investments based on their original maturities, considering the expected destination of the funds. Investments in local currency are comprised of government securities or financial institutions, indexed to the interbank deposit rate. The table below shows the breakdown of financial investments:

(a) Breakdown

	Parent company		Consolidated	
	2023	2022	2023	2022
Local currency				
Financial Treasury Bills - LFTs	4,718	6,326	15,506	6,326
Investment fund quotas			1,340	
	4,718	6,326	16,846	6,326

The average return on the amounts allocated to financial investments in local currency is equivalent to 101.36% of the CDI (December 31, 2022 - 100.33% of the CDI).

11. Receivables for sale of land and rentals

Accounting policy

Trade receivables correspond to the amounts referring to the sale of real estate units or the provision of rental services, recognized at fair value and subsequently measured at amortized cost using the effective interest rate method less the estimated loss on doubtful accounts, updated according to the established contractual conditions, net of adjustment to present value, when applicable. The balance of trade receivables is entirely in the domestic market, in reais.

(a) Provision for estimated loss on doubtful accounts

The allowance for estimated loss on doubtful accounts is recognized at an amount considered sufficient to cover probable losses on the realization of trade receivables. The Company and its subsidiaries applied the methodology of CPC 48 "Financial instruments" to calculate expected credit losses.

The Company and its subsidiaries periodically analyze the balances of trade receivables, and when balances past due for more than 180 days are identified, they constitute a provision for past due and not yet due amounts. Based on the analyses and expectations of realization of the trade receivables balances, the Company and its subsidiaries concluded that it is not necessary constitute an allowance for estimated losses on doubtful accounts for the year ended December 31, 2023.

(b) Sales contract terminations

The Company and its subsidiaries perform an annual analysis of the ratio between the number of signed contracts and the number of contracts terminated during the year. Based on this ratio, a provision for contract terminations is constituted, applied to the trade receivables balance. The provisioned amount at December 31, 2023 was R$ 2,237, which corresponds to 10.23% of the total contracts.

All amounts in thousands of reais unless otherwise stated

(c) Breakdown and aging of trade receivables

The table below shows the breakdown of trade receivables:

				2023			2022
	Parent company			Consolidated			Consolidated
	Current	Current	Non-current	Total	Current	Non-current	Total
Receivables from related parties for the sale of plots of land (i)		5,951	15,915	21,866	4,068	18,393	22,461
Receivables for rentals	23	2,274	8,288	10,562	2,212	8,214	10,426
	23	8,225	24,203	32,428	6,280	26,607	32,887
(-) Provision for contract terminations		(351)	(1,886)	(2,237)	(219)	(1,000)	(1,219)
	23	7,874	22,317	30,191	6,061	25,607	31,668

	Current	Current	Non-current	2023	Current	Non-current	Total
Up to 3 months	23	2,702		2,702	739		739
3 to 6 months		2,324		2,324			
6 to 12 months		3,199		3,199	5,541		5,541
Over 12 months			24,203	24,203		26,607	26,607
	23	8,225	24,203	32,428	6,280	26,607	32,887

(i) Refers to amounts receivable for the project Vivalegro, in which Residencial Figueira transfers to V Haste the equivalent to 38.5% of the sale value of the plots of land.

12. Inventories of properties for sale

Accounting policy

This account includes real estate units to be sold, completed and under construction, and land for future developments, and is presented at the lower of cost and net realizable value, which do not exceed the market value. The cost of inventory comprises the value of the land acquired for real estate development plus expenses with construction, taxes, fees and finance charges. The inventory of properties is presented in current assets, when Management intends to start the sale of the property within the next year. At least once a year, the Company carries out the physical inventory of the properties in its inventory. The value of inventories is assessed for impairment annually. The valuation is carried out through specific reports prepared by specialists from the real estate sector and which take into account the expected transaction value of the property when completely built, less the costs and expenses incurred and to be incurred until its completion.

At December 31, 2023, no impairment of inventory was expected to be recorded in the financial statements.

All amounts in thousands of reais unless otherwise stated

(a) Breakdown

The following table shows the breakdown of properties for sale:

Consolidated	2023	2022
Cost Atlas Office Park	194,124	194,124
Planned neighborhoods under construction	155	218
Added value on acquisition of Atlas Office Park (i)	172,863	172,863
	367,142	367,205

Formation of cost of completed properties	2023	2022
Expenses with services	98,654	98,654
Works	51,553	51,553
Land	28,000	28,000
Architecture	1,271	1,271
Other	14,646	14,646
	194,124	194,124

(i) The added value arose on the acquisition of Guepardo.

13. Taxes recoverable

Accounting policy

The taxes recoverable are held in assets mainly for the purpose of recognizing in the balance sheet of the Company and its subsidiaries the book values that will be the object of future recovery.

(a) Breakdown

	Parent company		Consolidated	
	2023	2022	2023	2022
Corporate Income Tax ("IRPJ") and Social Contribution on Net Income ("CSLL")	3,268	1,340	3,329	1,379
Withholding Income Tax ("IRRF")	938	428	1,399	439
	4,206	1,768	4,728	1,818

14. Related parties

Accounting policy

Transactions with related parties are carried out so as not to generate any undue benefit to their counterparties or losses to the Company and its investees. In the normal course of operations, contracts are entered into with related parties (parent company), related to the purchase of services.

All amounts in thousands of reais unless otherwise stated

(a) Breakdown

Assets	Dividends and interest on equity receivable		Advance for future capital increase	
	2023	2022	2023	2022
Subsidiaries, associates or joint ventures				
Jaguatirica Empreendimentos Imobiliários SPE S.A.	3,263	10,000		
Guepardo AOP Empreendimento Imobiliário SPE S.A.	3,275	9,000		
Residencial Figueira Empreendimentos Imobiliários				1,200
	6,538	19,000		1,200

Liabilities	Trade payables		Dividends payable	
	2023	2022	2023	2022
Parent company				
Votorantim S.A.	412	74	6,379	6,089
	412	74	6,379	6,089

Profit and loss	Purchases and services	
	2023	2022
Parent company		
Votorantim S.A. (i)	1,823	863
	1,823	863

(i) Refer to activities shared by the VSA Center of Excellence, related to administrative activities, human resources, accounting, taxes, technical assistance and information technology. These activities benefit all companies of the Votorantim Group and are reimbursed to VSA in proportion to the cost of activities provided to the Company.

15. Financial instruments - shares

Accounting policy

The Company holds shares in other companies, which are classified as financial instruments based on the Company's business model.

(i) Fair value

In compliance with the accounting rules, the investment was recognized as a financial instrument valued at fair value through profit or loss, in accordance with CPC 48 – Financial instruments.

The fair value of this financial instrument will be evaluated annually. The valuation will be performed based on specific reports prepared by sector experts. Understanding the characteristics of the business, as well as the purpose of the valuation and its implications, it will be used as a basis for the independent appraiser to define the best valuation methodology (income method, asset method or market method).

At December 31, 2023, there were no fair value updates for the financial instrument, given its recent acquisition characteristics.

(a) Breakdown

	Consolidated	
	2023	2022
Balance at the beginning of the year		
Acquisition	57,127	
Balance at the end of year	57,127	

16. Investments

Accounting policy

Investments in associates, subsidiaries and joint ventures are accounted for using the equity method from the date on which they become their associates, subsidiaries, and joint ventures.

Associates are those entities in which the Company, directly or indirectly, has significant influence, but not control or joint control over the financial and operating policies.

In order to be classified as a joint venture, there must be a contractual agreement that allows the Company to share control of the entity, and which gives the Company the right to the net assets of the joint venture, not the right to its specific assets and liabilities.

The Company also recognizes its assets in proportion to its own participation in the assets, liabilities, revenues and expenses of the joint venture. This implies recognizing the joint venture partner's share of the assets, liabilities, revenue and expenses of the joint ventures by adding such amounts to the Company's own assets, liabilities, revenue and expenses using the straight-line method.

(i) Impairment of investments

For the calculation of the recoverable amounts of the investments, the Company and its subsidiaries use criteria similar to those used to test the impairment of goodwill.

All amounts in thousands of reais unless otherwise stated

(a) Breakdown

The table below shows the investments and equity in the results of investees by investee:

	Information at December 31, 2023			Equity in the results of investees				Investment			
	Equity	Profit (loss) for the year	Voting capital (%)	Parent company		Consolidated		Parent company		Consolidated	
				2023	2022	2023	2022	2023	2022	2023	2022
Investments accounted for using the equity method											
Subsidiaries											
ALT 1 SPE Empreendimento Imobiliário Ltda.	1	(1)	100.00	(1)				1			
ALT 2 SPE Empreendimento Imobiliário Ltda.	1	(1)	100.00	(1)				1			
ALT 3 SPE Empreendimento Imobiliário Ltda.	1	(1)	100.00	(1)				1			
ALT 4 SPE Empreendimento Imobiliário Ltda.	1	(1)	100.00	(1)				1			
ALT 5 SPE Empreendimento Imobiliário Ltda.	1	(1)	100.00	(1)				1			
ALT 6 SPE Empreendimento Imobiliário Ltda.	1	(1)	100.00	(1)				1			
ALT 7 SPE Empreendimento Imobiliário Ltda.	1	(1)	100.00	(1)				1			
ALT 8 SPE Empreendimento Imobiliário Ltda.	1	(1)	100.00	(1)				1			
ALT 9 SPE Empreendimento Imobiliário Ltda.	1	(1)	100.00	(1)				1			
ALT 10 SPE Empreendimento Imobiliário Ltda.	1	(1)	100.00	(1)				1			
ALT 11 SPE Empreendimento Imobiliário Ltda.	1	(1)	100.00	(1)				1			
ALT 12 SPE Empreendimento Imobiliário Ltda.	1	(1)	100.00	(1)				1			
Altre Gestão de Investimentos Imobiliários Ltda.	6	(46)	100.00	(46)				6			
Guepardo AOP Empreendimento Imobiliário SPE S.A.	282,984	13,790	100.00	13,790	11,982			282,984	272,468		
Jaguatirica Empreendimentos Imobiliários SPE S.A.	249,750	27,477	100.00	13,739	11,442			124,875	114,399		
V Haste SPE Terrenista 1 Ltda.	32,160	5,022	100.00	5,022	10,365			32,160	27,138		
Joint ventures											
Residencial Figueira Empreendimentos Imobiliários	37,505	4,127	30.00	1,239	2,178	1,239	2,178	11,252	5,304	11,253	5,304
Real estate developments abroad											
Altre Real Estate Investments LLC	64,828	(48)	100.00	(48)				64,827			
	667,245	50,310		33,690	35,967	1,239	2,178	516,116	419,309	11,253	5,304

Altre owns 50% of Jaguatirica's capital while the other 50% is held by Guepardo. Following the acquisition of 100% of Guepardo's interest, Altre acquired, although indirectly, the remaining 50%.

All amounts in thousands of reais unless otherwise stated

(b) Information about the investees

The following table presents a summary of the selected financial information of the principal investees as at December 31, 2023:

								Information as at December 31, 2023
	Voting capital (%)	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Equity	Profit (loss) for the year	Net revenue
Subsidiaries								
ALT 1 SPE Empreendimento Imobiliário Ltda.	100%	1				1	(1)	
ALT 2 SPE Empreendimento Imobiliário Ltda.	100%	1				1	(1)	
ALT 3 SPE Empreendimento Imobiliário Ltda.	100%	1				1	(1)	
ALT 4 SPE Empreendimento Imobiliário Ltda.	100%	1				1	(1)	
ALT 5 SPE Empreendimento Imobiliário Ltda.	100%	1				1	(1)	
ALT 6 SPE Empreendimento Imobiliário Ltda.	100%	1				1	(1)	
ALT 7 SPE Empreendimento Imobiliário Ltda.	100%	1				1	(1)	
ALT 8 SPE Empreendimento Imobiliário Ltda.	100%	1				1	(1)	
ALT 9 SPE Empreendimento Imobiliário Ltda.	100%	1				1	(1)	
ALT 10 SPE Empreendimento Imobiliário Ltda.	100%	1				1	(1)	
ALT 11 SPE Empreendimento Imobiliário Ltda.	100%	1				1	(1)	
ALT 12 SPE Empreendimento Imobiliário Ltda.	100%	1				1	(1)	
Altre Gestão de Investimentos Imobiliários Ltda.	100%	6				6	(46)	
Guepardo AOP Empreendimento Imobiliário SPE S.A.	100%	161,386	124,875	3,277		282,984	13,790	
Jaguatirica Empreendimentos Imobiliários SPE S.A.	100%	255,727	9,727	9,335	6,369	249,750	27,477	31,595
V Haste SPE Terrenista 1 Ltda.	100%	17,386	15,916	340	802	32,160	5,022	4,712
Joint ventures								
Residencial Figueira Empreendimentos Imobiliários	30%	39,672	263	1,886	544	37,505	4,127	25,222
Real estate developments abroad								
Altre Real Estate Investments LLC	100%	6,469	58,468	109		64,828	(48)	

All amounts in thousands of reais unless otherwise stated

(c) Changes in investees

	Parent company		Consolidated	
	2023	2022	2023	2022
Balance at the beginning of the year	419,309	402,342	5,304	3,126
Equity in the results of investees	33,690	35,967	1,239	2,178
Approval of dividends Jaguatirica Empreendimentos Imobiliários SPE S.A.	(3,263)	(10,000)		
Approval of dividends Guepardo AOP Empreendimento Imobiliário SPE S.A.	(3,275)	(9,000)		
Capital contribution Altre LLC	15,068			
Capital increase in Altre LLC through contribution of investee	51,418			
Capital contribution Residencial Figueira Empreendimentos Imobiliários	4,710		4,710	
Other capital contributions	68			
Foreign exchange variations on investments abroad	(1,609)			
Balance at the end of the year	516,116	419,309	11,253	5,304

17. Investment property

Accounting policy

Investment properties are held to earn income, for capital appreciation or both, and generate cash flows that are independent of other assets held by the Company and its subsidiaries. They are recognized as an asset when it is probable that future economic benefits associated with the property will flow to the entity, and the cost can be measured reliably. Investment properties under construction are measured at cost until their fair value becomes reliably measurable or construction is completed, whichever occurs first.

Gains and losses on the sale of an investment property (calculated by the difference between the net sale value and the carrying amount of the item) are recognized in profit or loss.

Investment property recorded in non-current assets as “in progress” refers basically to the project Alto das Nações, in construction phase, recorded at acquisition cost.

For the purposes of disclosing the fair value of investment properties, the Company and its subsidiaries conducted an evaluation and concluded that the fair value of the investment property under construction is not reliably measurable, since construction is not completed.

(a) Breakdown

							Consolidated
	Alto das Nações	Atlas Office Park	Spark (i)	Paulista (i)	Complexo Sorocaba (i)	2023	2022
Balance at the beginning of the year	60,643	1,593	15,035	1,291	463	77,734	63,183
Additions	199,979	1,073	3,519	1,064	720	206,355	14,551
Capitalization of interest on borrowing – CPC 20	17,313					17,313	
Balance at the end of the year	**277,935**	**2,666**	**18,554**	**2,355**	**1,183**	**301,402**	**77,734**

(i) Properties owned by VSA, with the development of any initiatives in the project under the responsibility of Altre.

All amounts in thousands of reais unless otherwise stated

18. Borrowings

Accounting policy

Are initially recognized at fair value, net of transaction costs incurred, and subsequently carried at amortized cost. Any difference between the proceeds (net of transaction costs) and the total amount payable is recognized in the statement of income over the period of the borrowing using the effective interest rate method.

Borrowing costs directly related to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset when it is probable that future economic benefits associated with the item will flow to the entity and the associated costs can be measured reliably. Other borrowing costs are recognized as finance costs in the period in which they are incurred.

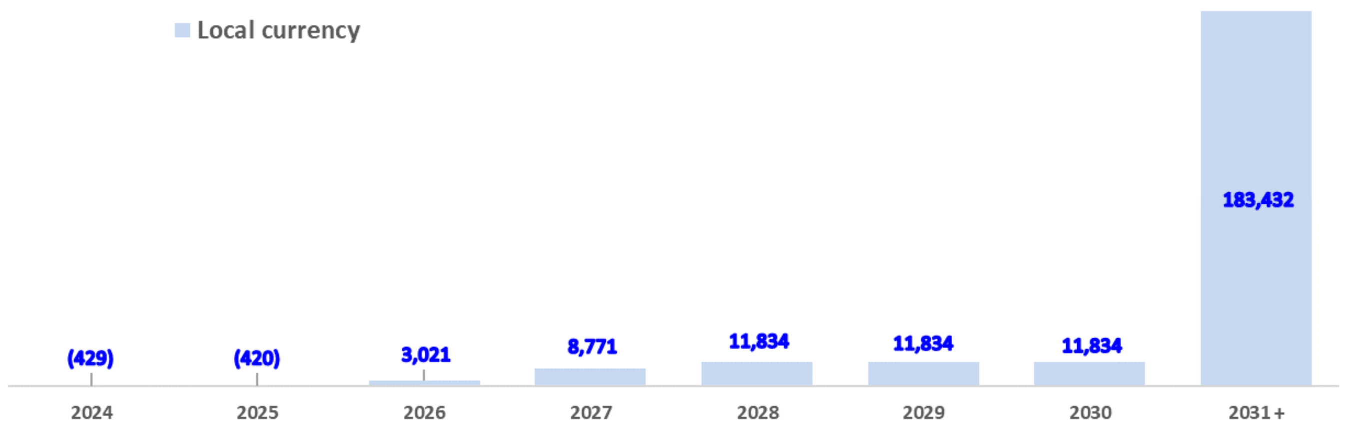
(a) Breakdown and fair value

		Parent company and consolidated	
		Non-current	Total
Type	Average annual charges	2023	2023
Corporate plan	3.30% of TR	229,877	229,877
		229,877	229,877
Principal portion of long-term borrowing		222,367	222,367
Interest on borrowing		7,510	7,510
		229,877	229,877

(b) Changes

Parent company and consolidated	2023
Balance at the beginning of the year	
New borrowings	222,367
Accrued interest	3,441
Monetary variation	13,524
Borrowing costs	(9,760)
Appropriation of borrowing costs	305
Balance at the end of the year	229,877

(c) Maturity profile



The amounts for 2024 and 2025 refer to the amortization of borrowing costs. The amortization of the contract interest will begin in 2026 and of the principal in 2027.

19. Current and deferred income tax and social contribution

Accounting policy

The income tax and social contribution expenses for the year are comprised of current and deferred taxes. Taxes on profit are recognized in the statement of income, except to the extent that they relate to items recognized directly in equity, in which case the taxes are also recognized in equity.

The current and deferred income tax and social contribution are calculated on the basis of the tax laws enacted or substantially enacted in Brazil up to the balance sheet date.

Management periodically evaluates positions taken by the Company in its income tax returns in situations where the applicable tax regulations are subject to interpretation. It establishes provisions where appropriate, on the basis of the amounts which are expected to be paid to the tax authorities.

Deferred tax assets and liabilities are recognized only to the extent that it is probable that future taxable profits will be available against which the temporary differences and/or tax losses can be utilized.

Deferred income tax assets and liabilities are presented on a net basis in the balance sheet when there is a legal right and an intention to offset them upon the calculation of current taxes, generally when they relate to the same legal entity and the same taxation authority.

All amounts in thousands of reais unless otherwise stated

(a) Reconciliation of Corporate Income Tax (IRPJ) and Social Contribution on Net Income (CSLL) expenses

The income tax and social contribution amounts presented in the statements of income for the years ended December 31 are reconciled with their Brazilian standard rates as follows:

	Parent company		Consolidated	
	2023	**2022**	**2023**	**2022**
Profit before income tax and social contribution	26,857	25,637	31,744	30,026
Statutory rates	34%	34%	34%	34%
Income tax and social contribution at statutory rates	(9,131)	(8,717)	(10,793)	10,209
Adjustments for the calculation of income tax and social contribution at effective rates				
Equity in the results of investees	11,454	12,229	421	741
Amortization of added value of Atlas Office Park without constitution of a deferred tax provision				
Tax loss and negative basis without constitution of a deferred tax provision	(4,394)	(1,153)	(4,381)	(1,153)
Effect of companies under the presumed profit regime			7,813	5,224
Other additions and exclusions without constitution of a deferred tax provision	2,071	(2,359)	2,069	1,008
Addition of profit abroad under IN 1520/14			(16)	
IRPJ and CSLL calculated			**(4,887)**	**(4,389)**
Current			(5,170)	(4,038)
Deferred			283	(351)
IRPJ and CSLL on result			**(4,887)**	**(4,389)**
Effective rate - %			15.40	14.62

(b) Breakdown of deferred tax liabilities

	Parent company		Consolidated	
	2023	2022	2023	2022
Tax debts on temporary differences				
Deferral of capital gain on the sale of investments, property, plant and equipment or intangible assets				(2,148)
Added value of assets	(33,384)	(33,384)	(38,549)	(38,549)
Other liabilities			(1,035)	
Total income tax and social contribution	(33,384)	(33,384)	(39,584)	(40,697)
Deferred PIS and COFINS			(1,165)	(540)
Total deferred taxes	(33,384)	(33,384)	(40,749)	(41,237)

(c) Effect of deferred income tax and social contribution on the results for the year

	Parent company		Consolidated	
	2023	2022	2023	2022
Balance at the beginning of the year	33,384		41,237	1,797
Effect on the results for the year			(283)	351
Added value of assets (i)		33,384		38,549
Other			(205)	540
Balance at the end of the year	33,384	33,384	40,749	41,237

(i) Refers to deferred charge arising from the acquisition of Guepardo in 2021.

All amounts in thousands of reais unless otherwise stated

(d) Realization of deferred income tax and social contribution

	2023	Percentage
Up to 1 year	38,742	95.07%
Between 1 and 3 years	506	1.24%
Between 3 and 5 years	463	1.14%
Between 5 and 10 years	972	2.39%
Over 10 years	66	0.16%
	40,749	100.00%

20. Provisions

Accounting policy

At certain times, the Company and its subsidiaries may be involved in tax, civil, labor, environmental and other lawsuits that are at different court levels. Provisions against potentially unfavorable outcomes of litigation in progress are established and updated based on management's evaluations, supported by the opinion of external legal advisors, and requires a high level of judgment regarding the matters involved.

The judicial deposits are subject to indexation and, when they have a corresponding provision, they are presented on a net basis in "Provisions". Judicial deposits that do not have corresponding provisions are presented in non-current assets.

Provisions for losses arising from contingent liabilities classified as probable are recognized when: (i) the Company has a present legal or constructive obligation as a result of past events; (ii) it is probable that an outflow of resources will be required to settle the obligation; and (iii) the amount of such outflow can be reliably estimated. Losses classified as possible are not recognized for accounting purposes, and are disclosed in the notes to the financial statements. Contingencies for which losses are classified as remote are neither provisioned nor disclosed, except when, due to the relevance of the case, the Company considers its disclosure justified.

At December 31, 2023 and 2022, the Company and its investees do not have lawsuits classified as probable or possible loss.

21. Equity

Accounting policy

(i) Share capital

Share capital is represented exclusively by common shares that are classified as equity.

(ii) Distribution of dividends

Dividends are recognized as a liability in the Company's financial statements at year-end based on the Company's bylaws. Any amount that exceeds the minimum required dividend of 25% of the profit for the year is only recognized on the date on which it is approved by the stockholders at a General Meeting. When a Company presents a loss for the year, no dividend is paid.

(iii) Earnings (loss) per share

The earnings (loss) per share are calculated by dividing the profit (loss) attributable to the controlling stockholders by the weighted average number of common shares during the year. The weighted average number of shares is calculated based on the periods in which the shares were outstanding.

(iv) Legal reserve and retained earnings reserve

The legal reserve is constituted through the appropriation of 5% of the profit for the fiscal year or the remaining balance, limited to 20% of the capital stock. Its purpose is to ensure the integrity of the share capital.

It can only be used to offset losses and increase capital. When the Company presents a loss for the year, there will be no appropriation to the legal reserve.

The retained earnings reserve refers to the retention of the remaining balance of retained earnings in order to meet the business growth plan established in the Company's investment plan.

(v) Carrying value adjustments

Carrying value adjustments include:

a) The effective portion of the cumulative net change in the fair value of hedging instruments used as hedges of cash flow until the recognition of the cash flow being hedged;
b) Cumulative translation adjustments on foreign exchange differences arising from the translation of the financial statements of foreign operations; and
c) Exchange differences on the effective portion of hedges of the Company's net investments in foreign operations.

All amounts in thousands of reais unless otherwise stated

(a) Share capital

As at December 31, 2023, the fully subscribed and paid-up capital of the Company was R$ 492,011 (December 31, 2022 - R$ 425,470), consisting of 492,011,194 (December 31, 2022 - 425,470,494) common shares.

During 2023, capital increases were made in the amount of R$ 66,541, as follows:
(i) two capital contributions in cash, the first of R$ 7,613 in September and the second of R$ 7,510 in October; and
(ii) a contribution through interest in investment in the amount of R$ 51,418 in December.

(b) Distribution of dividends

For the year ended December 31, 2023, the Company presents the proposal for the allocation of the annual dividend of R$ 6,379, provisioned in liabilities.

	2023	2022
Profit	26,857	25,637
Legal reserve	(1,343)	(1,282)
Dividend calculation basis	25,514	24,355
Mandatory minimum dividends (25%)	6,379	6,089
Total distributions	6,379	6,089
Value of dividends per share	0.01	0.01

(c) Carrying value adjustments

Below we present the breakdown of and changes in carrying value adjustments:

	Exchange variations on investment abroad	Total
As at December 31, 2022		
Exchange variations of investees abroad	(1,609)	(1,609)
As at December 31, 2023	(1,609)	(1,609)

22. Net revenue

Accounting policy

Revenue represents the fair value of the consideration received or receivable from the sale of properties, rentals and services in the ordinary course of the business of the Company and its subsidiaries. Revenue is shown net of value added tax, contract terminations, rebates and discounts.

For the investee Residencial Figueira, the POC method is used to account for revenue from contracts for the sale of real estate units, in accordance with the procedures established by Circular Letter/CVM/SNC/SEP/No. 02/2018. This circular letter states that the application of NBC TG 47 to transactions for the sale of uncompleted real estate units, from the real estate development sector, has key issues, such as: (a) the focus on the contract; (b) the continuous monitoring of the contracts; (c) an internal control structure with a quality standard considered, at a minimum, acceptable for the purposes for which it is intended; (d) making timely adjustments; and (e) the quality of the information (predictive and confirmatory value of the financial statements).

All amounts in thousands of reais unless otherwise stated

Revenue is only recognized if Residencial Figueira identifies that there is no longer any risk of uncertainty in cash inflow after the identification of the contract with the customer. Such guidance on revenue recognition has been consistently applied in the preparation of the investee's financial statements for subsequent years.

The POC method for revenue recognition requires that Residencial Figueira's management consider, among other aspects, the estimate of costs to be incurred until the completion of construction and delivery of keys of the real estate units, in order to establish a proportion in relation to costs already incurred and the budget for the cost of the work. This proportion is applied to the sales value of units already sold and, subsequently, the value is adjusted according to the conditions of the sales contracts, determining the amount of revenue to be recognized in each period.

In addition, revenues from sale of completed plots of land are recognized upon the transfer of ownership, when Residencial Figueira understands that the most significant steps inherent to the transfer of control to the customer have been reached.

The rental income earned in the Company and in investee Jaguatirica is recognized applying the straight-line method of recognition set out in CPC 06 (R2) - Leases, according to the effective period and receipt flows of the signed contracts.

(a) Breakdown

The following is the reconciliation of net revenue:

	Parent company		Consolidated	
	2023	2022	2023	2022
Gross revenue				
Real estate sales and rentals	18,147	7,137	60,690	52,483
Taxes on sales	(1,679)	(660)	(3,033)	(2,290)
Contract terminations			(2,645)	(2,367)
(-) Provision for contract terminations (i)			(2,237)	(1,219)
Net revenue	16,468	6,477	52,775	46,607

(i) Refers to the balance of contract terminations (Note (11 (b))).

All amounts in thousands of reais unless otherwise stated

23. Breakdown of expenses by nature

	Parent company		Consolidated	
	2023	2022	2023	2022
Cost of rentals				
Depreciation and amortization (i)			809	(541)
Taxes and contributions	1,734		1,759	
Maintenance and upkeep	70	685	86	685
Outsourced services	663	10,351	952	10,351
Common area maintenance fees	3,553		3,572	
Rentals and leases		46	178	46
	6,020	11,082	7,356	10,541
Cost of properties sold				
Cost of land			63	524
			63	524
Total cost	6,020	11,082	7,419	11,065
Selling, general and administrative expenses				
Outsourced services	4,307		4,444	488
Rentals and leases	112		112	1,472
Salaries and payroll charges	13,704	12,883	13,704	12,883
Maintenance and upkeep	1,207	78	1,207	78
Depreciation and amortization				238
Taxes and contributions	2,861	22	2,888	39
Provision for contract terminations			1,018	1,219
Selling and marketing	783		905	
Common area maintenance fees	4,523		4,872	
Other	287	565	287	1,855
	27,784	13,548	29,437	18,272
	33,804	24,630	36,856	29,337

(i) Refers to the amortization of prepaid expenses of Atlas Office Park recorded in Jaguatirica (R$ 591) and depreciation of property, plant and equipment of Jaguatirica (R$ 218).

(a) Employee benefit expenses

	Parent company		Consolidated	
	2023	2022	2023	2022
Direct remuneration	8,812	8,763	8,812	8,763
Payroll charges	2,937	3,122	2,937	3,122
Benefits	1,955	998	1,955	998
	13,704	12,883	13,704	12,883

All amounts in thousands of reais unless otherwise stated

24. Finance results, net

Accounting policy

Finance results is comprised of interest rates on financial investments and various discounts that are recognized in the income for the year on an accrual basis.

(a) Breakdown

	Parent company		Consolidated	
	2023	2022	2023	2022
Finance income				
Income from financial investments	11,234	8,428	16,050	11,113
(-) PIS and COFINS on finance results	(531)	(393)	(534)	(393)
Other	193	23	413	112
	10,896	8,058	15,929	10,832
Finance costs				
Interest on borrowings	(17,313)		(17,313)	
Capitalization of interest on borrowings – CPC 20 (i)	17,313		17,313	
Other finance costs	(118)	(20)	(132)	(39)
	(118)	(20)	(132)	(39)
	10,778	8,038	15,797	10,793

(i) In the development phase of the project, the interest capitalization rate corresponds to 100%.

25. Insurance

The Company maintains civil liability policies for directors and officers and general civil liability, in addition to insurance coverage for property risks. These policies have coverage, conditions and limits considered appropriate by Management, considering the risks inherent to the operation.

At December 31, 2023, the Company had the following main insurance policies contracted with first-tier insurance companies:

		2023
Policy	Type of coverage	Insured amount
General civil liability	Damage caused to third parties	200,000
Directors & Officers	Complaints from third parties to individuals of the Company	150,000
Property	Material property damages and loss of profits	124,000
Property	Material property damages and loss of profits	222,705

The information above represents the consolidation, for disclosure purposes only, of the maximum indemnity limits for the Company's main policies.