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2Q23 and 6M23 HIGHLIGHTS

- **Steady growth in Revenue and Gross Profit of Alphaville Desenvolvimento Imobiliário (2019+ Launches):**
    - Net revenue of R$ 146 million for the 6M23, up by 27% YoY;
    - Adjusted gross profit of R$ 50 million for the 6M23, up by 17% YoY;
    - Gross margin of 35%;
    - Deferred revenue (REF) of R$ 1,021 million with gross margin of 40%.

- **Operating income of R$ 7 million for the 6M23, compared to the loss of R$ 90 million for the 6M22;**

- **Operating Cash Flow (ex securitization) of R$22 million for the first half of 2023;**

- **Completion of the partial Legacy sale transaction;**

- **Total sales of R$ 401 million** for the 6M23 vs. **R$ 387 million** for the 6M22, representing 3% increase. Total sales of **R$ 174 million** for the 2Q23;

- **Total launches of R$ 350 million for the 6M23, and R$ 39 million for the 2Q23.** In the past 12 months, PSV of launches amounted to R$ 1,451 million.

- **Landbank of R$ 41 billion, of which R$ 23 billion in % Alphaville, up by 17% from the first half of 2022;**

- Publication of the third **Annual Sustainability Report of Alphaville in 2022**, reinforcing the Company's engagement with the best ESG practices.

EARNING RELEASE | 2Q23

EARNINGS RELEASE
2Q23

WEBCAST 2T23

IN PORTUGUESE

June 15, 2023

1 p.m. (Brasília)

Webcast – Link

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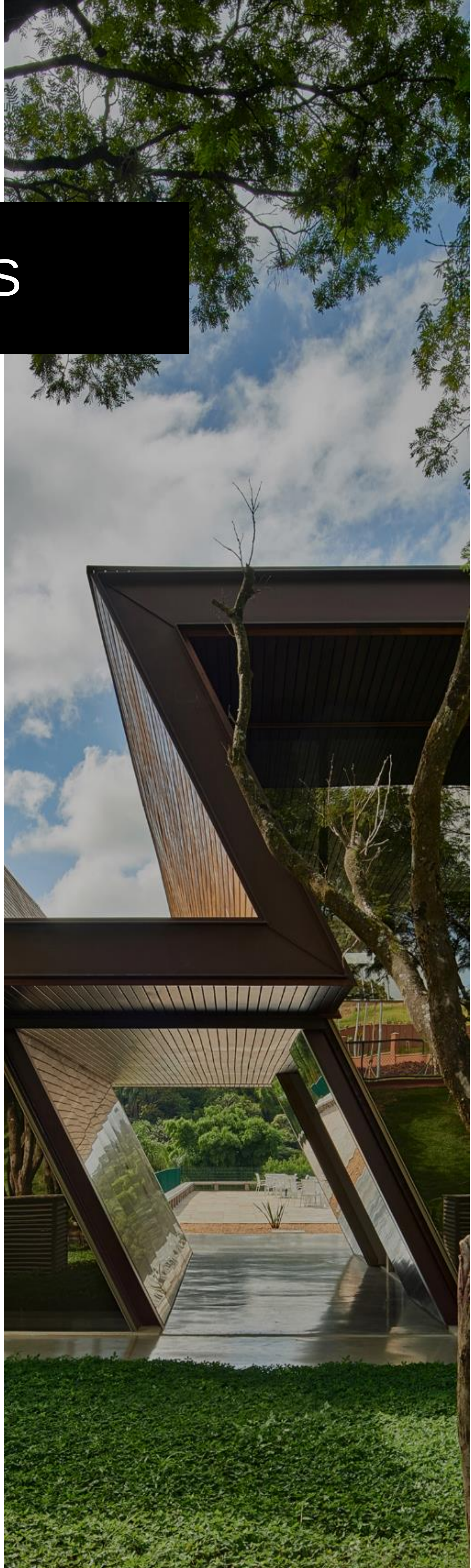

MESSAGE FROM MANAGEMENT

Dear readers,

The second quarter of 2023 was marked by the completion of the partial sale of the Legacy, an important pillar of the company's operational turnaround strategy, and the maintenance of the positive trend towards the recovery of operational performance with positive gross margin and EBITA, not considering the legacy sale transaction.

As informed, on April 5 we completed the sale of ALE and its 36 SPEs, which represents an important step towards resolving the Company's operating liabilities, which is concentrated in the Legacy's ventures. This transaction allows the Company to direct greater focus on new launches, all according to the New Business Model. We continue to seek other oportunities to address the remaining legacy.

In the second quarter, we performed the launch of a venture comprising a commercial subdivision of 42 units under the Alphaville brand in Fortaleza, state of Ceará, with total PSV of R$ 39 million. Therefore, the total PSV for the first half of 2023 amounted to R$ 350 million, reaching the same level of the first half 2022.

In relation to the Company's sales for the first half of 2023, the total PSV sold amounted to R$ 401 million, stable in relation to the first semestre of 2022, when the total PSV sold amounted to R$ 387 million.

Another highlight in the second quarter was the contract entered for four new areas, of which one in the metropolitan region of Belo Horizonte, state of Minas Gerais, two in Campinas, state of São Paulo, and one in Fortaleza, state of Ceará, strengthening the strategy for giving continuity to new launches in cities with resilient demand and where we can capture the benefits of the strength of the Alphaville brand. Overall, the contracted areas represent an increase of 5,075 thousand m² and, with this move, Alphaville's landbank totals R$ 41 billion (R$ 23 billion in % AVLL).

The Company's profit or loss for the second quarter and first half shows the consistency of recovery of operating income. The net revenue totaled R$ 181 million for the first half of 2023, up 72% from the same period in 2022, while gross profit amounted to R$ 63 million with gross margin of 35%.

Alphaville Desenvolvimento Imobiliário (ADI)'s deferred revenue (REF) remained in the R$ 1 billion (R$ 1.021 billion) level, and with REF margin of 40%, reinforcing another important pillar of our strategy, the profitable business model.

Another strategic commitment of this management is the constant promotion for operational efficiency. With this, we reported a 9% reduction in administrative expenses for the first half of 2023 compared to the first half of 2022.

As result of the expense control and gross profit improvement, we reached an adjusted EBITDA (excluding the effects of the partial Legacy sale transaction) of R$ 7 million, and operating cash flow (excluding securitization) of R$ 22 million for the first half of 2022.

Also, in line with the Company's permanent concern for monitoring the best ESG practices, we disclosed in July the Third Annual Sustainability Report, aimed to provide greater transparency in accountability to Alphaville's stakeholders and that can be fully examined by clicking on the following link: https://api.mziq.com/mzfilemanager/v2/d/7a262d33-489b-40ba-863d-906c323afaa1/ef64ae6d-ffce-9da7-68da-db7ba4346546?origin=1

Finally, we would like to thank all of our employees, customers, suppliers, investors, business partners and all stakeholders for their continued support.

The Management

COMPLETION OF THE PARTIAL LEGACY SALE

As we described in the Letter from the Management disclosed on March 31, 2023, ending the legacy is an important pillar of our turnaround strategy.

With this regard, on April 5, 2023, the Company took an important step in this direction and completed the sale of a portion of its legacy to Flama Special Return Fundo de Investimento em Participações Multiestratégia (Flama Fund).

Flama Fund acquired the full control over AL Empreendimentos S.A ("ALE") and its subsidiaries, taking on its operating liabilities, particularly cancelled contracts payable and lawsuits related to consumer law.

The totality of the assets and liabilities of ALE and its SPC's will be controlled and managed by Flama Fund. The net finance income of the portion of ALE's assets and liabilities granted to AVLL by Flama in the scope of the operation will be transferred to AVLL, as well as any contribution considered necessary for realizing such granted assets and liabilities.

Additionally, as part of the transaction, Flama Fund received 6,199,272 registered common shares, with no par value, issued by Alphaville S.A., besides the subscription warrant[1], as approved in the minutes of the Board of Directors' Meeting held on April 4, 2023. The income from the sale recorded in the parent company was negative R$ 175,660, recorded in the line item Other expenses and net income.

Benefits from the Transaction:

(a) **Reduction in the contingent liabilities:** reduction in our liabilities to civil lawsuits[2];
(b) **Reduction in the volume of cash of cancelled contracts:** the consumer lawsuit-related liability taken on by Flama Fund also includes the return of the amounts paid by customers who defaulted on their contracts for sale and thus will have their contracts cancelled.
(c) **Greater focus by management on new launches;**
(d) **Operational efficiency gain**: Reduction in administrative structure.

[1]According to Note 17.5 to the Financial Statements for the second quarter of 2023.
[2]According to Note 14 to the Financial Statements.

EXECUTIVE SUMMARY

Operations Indicators

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

Operations Indicators	2Q23	2Q22	*Change (%)*	6M23	6M22	*Change (%)*
Landbank						
Landbank Total (R$ in billion)	41	34	*20%*	41	34	*20%*
Landbank %AVLL (R$ in billion)	23	20	*17%*	23	20	*17%*
Launches						
Launched ventures	1	2	*-50%*	3	2	*50%*
PSV Launched Total	39	357	*-89%*	350	357	*-2%*
PSV Launched %AVLL	23	204	*-89%*	200	204	*-2%*
# Launched Lots	42	461	*-91%*	587	461	*27%*
Total Sales						
Gross Sales - PSV Total	174	266	*-35%*	401	387	*3%*
Gross Sales - PSV %AVLL	109	163	*-33%*	233	249	*-6%*
# Sold Lots	364	612	*-41%*	983	984	*0%*
SoS of Sales (#Lots)	15%	34%	*-19 p.p.*	31%	45%	*-15 p.p.*
Launch Sales						
Gross Sales - PSV Total	110	197	*-44%*	194	227	*-15%*
Gross Sales - PSV %AVLL	66	111	*-40%*	106	111	*-5%*
# Sold Lots	177	273	*-35%*	433	273	*59%*
SoS of Sales (#Lots)	54%	75%	*-21 p.p.*	74%	75%	*-2 p.p.*
Inventory Sales						
Gross Sales - PSV Total	64	69	*-8%*	207	160	*29%*
Gross Sales - PSV %AVLL	42	52	*-18%*	127	138	*-8%*
2019+ Ventures	38	22	*73%*	102	82	*25%*
2018- Ventures	4	30	*-86%*	26	56	*-54%*
# Sold Lots	187	339	*-45%*	550	711	*-23%*
SoS of Sales (#Lots)	9%	25%	*-16 p.p.*	21%	41%	*-21 p.p.*
Net Sales and Cancelled Contracts						
PSV Cancelled Contracts %AVLL	9	37	*-74%*	33	85	*-62%*
Net Sales - PSV %AVLL	99	127	*-22%*	200	164	*22%*

Financial Indicators

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

Financial Indicators	2Q23	2Q22	Change (%)	6M23	6M22	Change (%)
			Profit or Loss Statement			
Net Revenue	86	78	*10%*	181	105	*72%*
Adjusted Gross Profit	31	10	*220%*	63	11	*493%*
Adjusted Gross Margin	36%	12%	*24 p.p.*	35%	10%	*25 p.p.*
Administrative Expenses	13	16	*-17%*	29	31	*-9%*
Recurring Expenses	*13*	*16*	*-17%*	*29*	*31*	*-9%*
Non-recurring Expenses	*0*	*0*	*n/a*	*0*	*0*	*n/a*
Selling expenses	8	10	*-15%*	16	17	*-7%*
Other Expenses	180	35	*419%*	188	46	*309%*
Legacy Sales	*176*	*0*	*n/a*	*176*	*0*	*n/a*
Contingencies	*3*	*33*	*-90%*	*9*	*46*	*-81%*
Other	*1*	*1*	*-7%*	*4*	*0*	*n/a*
EBITDA	-170	-49	*n/a*	-168	-84	*n/a*
EBITDA Margin (%)	*n/a*	*n/a*	*n/a*	*n/a*	*n/a*	*n/a*
Adjusted EBITDA[3]	6	-49	*n/a*	7	-84	*n/a*
Adjusted EBITDA margin[3]	*7%*	*n/a*	*7 p.p.*	*4%*	*n/a*	*4 p.p.*
Finance income (costs)	-69	-56	*n/a*	-123	-104	*n/a*
Net Income (Loss)	-244	-111	*n/a*	-301	-197	*n/a*
Net Margin (%)	*n/a*	*n/a*	*n/a*	*n/a*	*n/a*	*n/a*
Adjusted Net Income (Loss)[3]	-68	-111	*n/a*	-125	-197	*n/a*
Adjusted Net Margin[3]	*n/a*	*n/a*	*n/a*	*n/a*	*n/a*	*n/a*
			Other Indicators			
Cash Flow + Assignment of Receivables	-7	23	*n/a*	-33	17	*n/a*
Operating Cash Flow	9	30	*-70%*	22	56	*-61%*
Assignment of Receivables	-16	-7	*n/a*	-55	-39	*n/a*
Gross Debt	970	852	*14%*	970	852	*14%*
Net Debt	821	754	*9%*	821	754	*9%*

[3] Calculated isolating the effect of the partial Legacy sale.

OPERATIONS INDICATORS

Landbank[4]

(In billions of reais)	2Q23	2Q22	Change (%)	6M23	6M22	Change (%)
Landbank Total (R$ in billion)	41	34	*20%*	41	34	*20%*
Landbank %AVLL (R$ in billion)	23	20	*17%*	23	20	*17%*

Alphaville's landbank is comprised of land for potential development of planned neighborhoods, subdivisions, and gated communities. In all cases, there are joint development agreements in effect with the respective landowners.

The size and quality of the landbank allows Alphaville to be well positioned and able to launch high quality ventures in the target markets in the short, medium and long terms, corroborating with one of the main guidelines of its new business model, and, accordingly, directly impacting its implementation. The Company's landbank is focused on highly developed regions and near major urban centers.

In the 2Q23, the company formalized contracts for four new areas, totaling R$ 1.5 billion in PSV, of which R$ 486 million in %AVLL. Among the areas, one is located in the metropolitan region in Belo Horizonte (state of Minas Gerais), two in Campinas (state of São Paulo), and another in Fortaleza (state of Ceará). The contracted areas total approximately 5.075 thousand m² and an ALV of approximately 1,126 thousand m². With this move, Alphaville's current landbank totals R$ 41 billion (R$ 23 billion in %AVLL).

[4] Estimated sales not considering finance interest.

Launches

Venture	2Q23	2Q22	Change (%)	6M23	6M22	Change (%)
Launches	1	2	*-50%*	3	2	*100%*
PSV Launched Total (R$ in millions)	39	357	*-89%*	350	357	*-2%*
%AVLL	57%	57%	*1 p.p.*	57%	57%	*-1 p.p.*
PSV Launched AVLL (R$ in millions)	23	204	*-89%*	200	204	*-2%*
PSV Sold Total (R$ in millions)	22	197	*-89%*	194	197	*-1%*
PSV Sold AVLL (R$ in millions)	13	111	*-88%*	106	111	*-5%*
#Launched Lots	42	461	*-91%*	587	461	*27%*
#Lots for Barter	0	16	*n/a*	5	16	*-69%*
# Lots reserved Alpha Casas	0	82	*n/a*	0	82	*n/a*
#Lots Supplied %AVLL	42	363	*-88%*	582	363	*60%*
#Lots Sold %AVLL	26	273	*-90%*	433	273	*59%*
SoS of Lots AVLL	62%	75%	*-14 p.p.*	74%	75%	*-2 p.p.*

In the 2Q23, the Company launched:

- Alphaville Comercial Ceará 6, in Fortaleza, CE with total PSV of R$ 39 million (R$ 23 million %AVLL) and 42 lots;

The consolidated SoS of launches for the 6M23 was 74%, being equivalent to the same period in the previous year. In the 2Q23, the SoS of launches was 62%. The launch sales for the year reached the same level of the previous period, the total PSV amounting to R$ 194 million and the PSV % AVLL of R$ 106 million in %AVLL.

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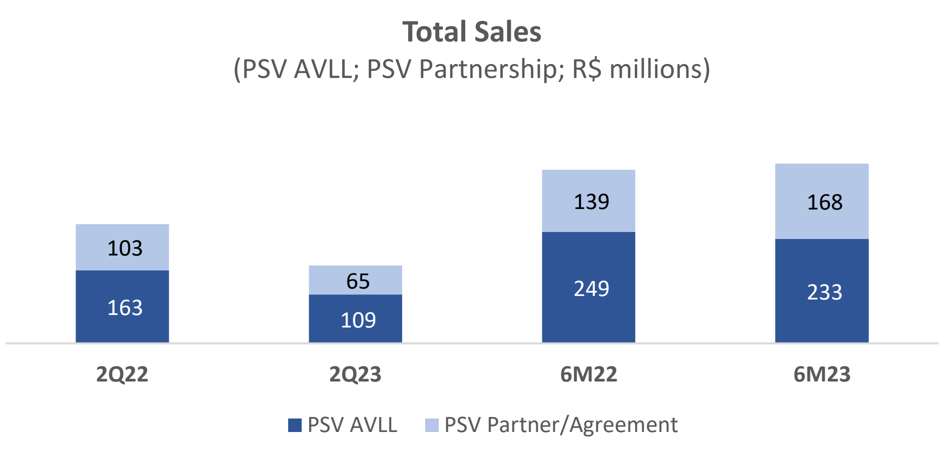
Sales and SoS – Subdivisions

(In millions of reais)	2Q23	2Q22	Change (%)	6M23	6M22	Change (%)
Total Sales						
Gross Sales - PSV Total	174	266	*-35%*	401	387	*3%*
Gross Sales - PSV %AVLL	109	163	*-33%*	233	249	*-6%*
# Sold Lots	364	612	*-41%*	983	984	*0%*
SoS of Sales (#Lots)	15%	34%	*-19 p.p.*	31%	45%	*-32%*
Launch Sales						
Gross Sales - PSV Total	110	197	*-44%*	194	227	*-15%*
Gross Sales - PSV %AVLL	66	111	*-40%*	106	111	*-5%*
# Sold Lots	177	273	*-35%*	433	273	*59%*
SoS of Sales (#Lots)	54%	75%	*-21 p.p.*	74%	75%	*-2%*
Inventory Sales						
Gross Sales - PSV Total	64	69	*-8%*	207	160	*29%*
Gross Sales - PSV %AVLL	42	52	*-18%*	127	138	*-8%*
2019+ Ventures	38	22	*73%*	102	82	*25%*
2018- Ventures	4	30	*-86%*	26	56	*-54%*
# Sold Lots	187	339	*-45%*	550	711	*-23%*
SoS of Sales (#Lots)	9%	25%	*-16 p.p.*	21%	41%	*-21 p.p.*
Net Sales and Cancelled Contracts						
PSV Cancelled Contracts %AVLL	9	37	*-74%*	33	85	*-62%*
Net Sales - PSV %AVLL	99	127	*-22%*	200	164	*22%*



In the first semester, sales amounted to R$ 401 million, compared to R$ 387 million for the 6M22, a 3% increment. Total sales for the second quarter of 2023 (PSV 100%) amounted to R$ 174 million, down 35% YoY. The fall noted in the quarter is due to a lower amount of launches as compared to the 2Q22, when we launched Alphaville Dom Pedro Zero and Alphaville Guarajuba Fase 2B.

In the second quarter of 2023, inventories accounted for R$ 64 million of total result, while in %AVLL inventory sales amounted to R$ 42 million. Considering the breakdown of the PSV sold of the inventory, we note a 73% increment to 2019+ inventory sales when comparing 2Q23 with 2Q22, and an 85% drop in 2018- inventory sales. The effect is explained by the partial Legacy. Such sale gave rise to a significant reduction in 2018- inventory, which resulted in lower volume of 2018- inventory lots and lower 2018- PSV sold when comparing 2Q23 with 2Q22.

Cancelled Contracts

(In millions of reais)	2Q23	2Q22	Change (%)	6M23	6M22	Change (%)
Cancelled Lot Sales (# Lots)	35	204	-83%	163	399	-59%
2019+ Ventures	17	9	89%	34	24	42%
2018- Ventures	18	195	-91%	129	375	-66%
Lot Resales (# Lots)	27	151	-82%	111	283	-61%
% Resales/ Cancellations	77%	74%	4 p.p.	68%	71%	-3 p.p.

The second quarter of 2023 had a significant reduction in the volume of cancelled contracts by 83% compared to the same period of the previous year, 35 lots for the 2Q23 and 204 lots for the 2Q22. The percentage of resales reached a higher level, and stood at 77% for the 2Q23, from 74% for the 2Q22.

As already mentioned, the volume of cancelled lot contracts is lower due to the partial legacy sale.

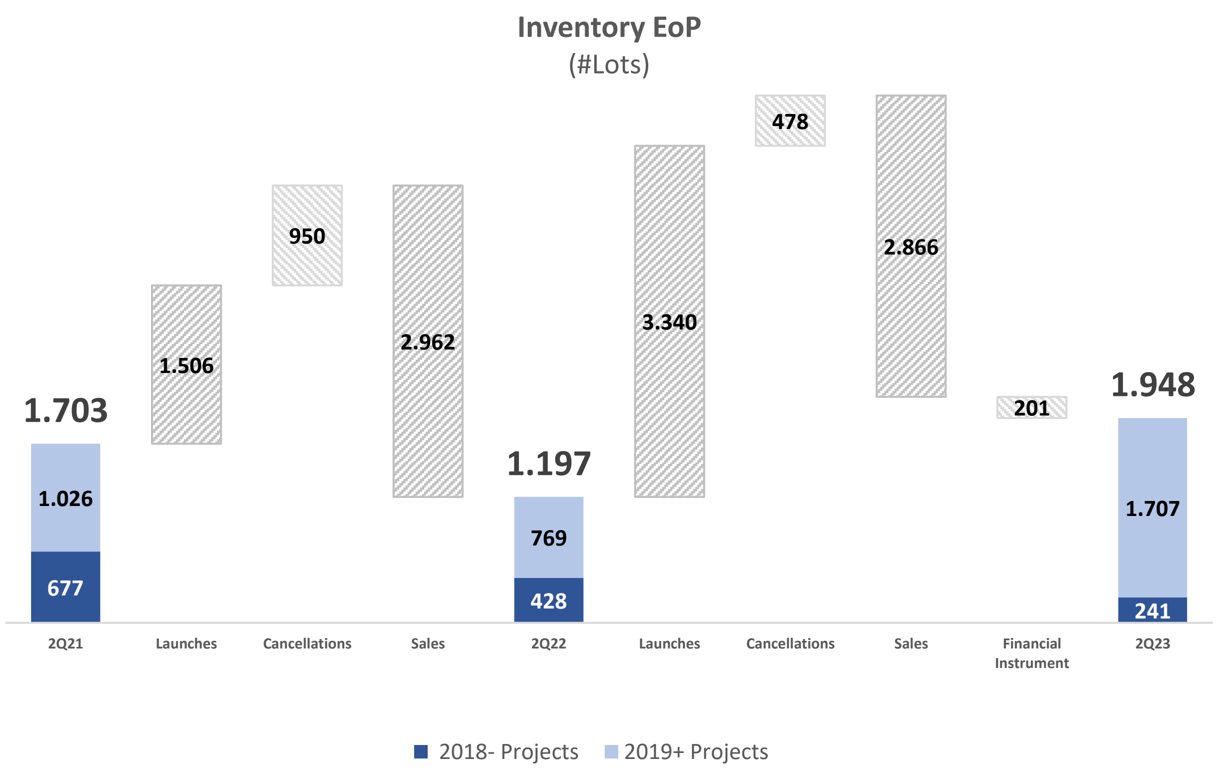
Net Sales

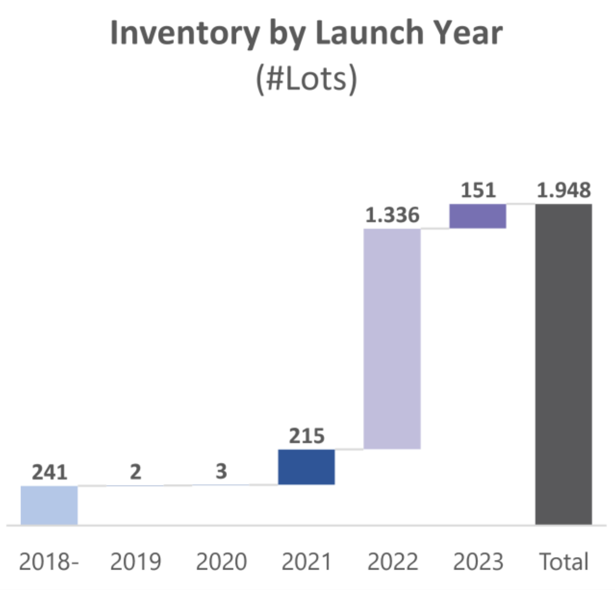
(In millions of reais)	2Q23	2Q22	Change (%)	6M23	6M22	Change (%)
Net Sales and Cancelled Contracts						
Gross Sales - PSV %AVLL	109	163	*-33%*	233	249	*-6%*
PSV Cancelled Contracts %AVLL	9	37	*-74%*	33	85	*-62%*
Net Sales - PSV %AVLL	99	127	*-22%*	200	164	*22%*

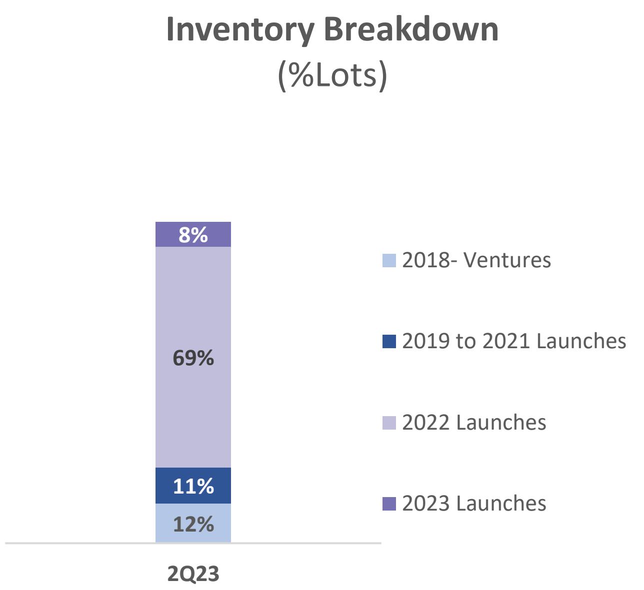
As a consequence of the gross sales and cancelled contract indicators above, the Company’s net sales for the first semester of 2023 totaled R$ 200 million (%AVLL), compared to R$ 164 million for the 2Q22, a 22% increase. Meanwhile, net sales amounted to R$ 99 million for the quarter.

Inventory

Inventory	2Q23	2Q22	Change (%)	6M23	6M22	Change (%)
Inventory EoP (PSV %AVLL)	534	388	38%	534	388	38%
2023 Launches	83	0	n/a	83	0	n/a
2022 Ventures	292	79	272%	292	79	272%
2019 to 2021 Ventures	46	128	-64%	46	128	1%
2018- Ventures	113	182	-38%	113	182	-38%
Inventory EoP (#Lots)	1,948	1,197	63%	1,948	1,197	63%
2023 Launches	151	0	n/a	151	0	n/a
2022 Ventures	1,336	179	646%	1,336	179	646%
2019 to 2021 Ventures	220	590	-63%	220	590	-63%
2018- Ventures	241	428	-44%	241	428	-44%
Residential Lots	*1,886*	*1,096*	*72%*	*1,886*	*1,096*	*72%*
Commercial and Multi-family Lots	*62*	*101*	*-39%*	*62*	*101*	*-39%*
Inventory Lots Sold (#Lots)	187	339	-45%	550	711	-23%







The inventory at the end of the 2Q23 totaled R$ 534 million in PSV, up by 38% YoY.

The Legacy inventory (#lots) reduced 44% at the end of the 2Q23, justified by the partial sale of the Legacy. The legacy inventory accounted for 36% of the Company's total inventory for the 2Q22, and in the 2Q23 it accounted for only 12% of total inventory, a 24 percentage point reduction. Such reduction is according to the company's strategy for the Legacy.

When comparing quarters, excluding the 2022 inventory, the share of inventory of 2019 to 2021 launches significantly reduced in the past 12 months (63%), indicating good sales rate.

Also regarding the 2018- ventures, we shall mention that the Company's main strategy for the Legacy inventory is to resell cancelled contracts with price gains. Such resales reached 77% for the 2Q23.

Deliveries and Ventures under Construction

Venture	City	#Lots	Expected Delivery
Deliveries			
Terras Alpha Uberlândia	Uberlândia, MG	518	4Q21
Terras Alpha Montes Claros	Montes Claros, MG	339	1Q22
Alphaville Caruaru	Caruaru, PE	593	1Q22
Terras Alphaville Ceará 4	Eusébio, CE	659	2Q22
Alphaville Guarajuba	Camaçari, BA	169	4Q22
Comercial Alpha Ribeirão Preto	Ribeirão Preto, SP	10	4Q22
Ceará Comercial 5	Eusébio, CE	57	1Q23
Ventures under Construction			
Alphaville 3 Praias	Guarapari, ES	273	2023
Terras Alpha São José dos Campos	São José dos Campos, SP	571	2023
Alphaville Guarapari - Res.3	Guarapari, ES	58	2023
Jardim Alpha Ponta Grossa	Ponta Grossa, PR	449	2024
Terras Alpha Nova Esplanada	Votorantim, SP	598	2024
Terras Alpha Cascavel	Cascavel, PR	599	2024
Alphaville Ceará 4	Eusébio, CE	444	2024
Alphaville Guarajuba 2A	Camaçari, BA	170	2024
Terras Alpha Campo Grande	Campo Grande, MS	420	2024
Alphaville Guarajuba 2B	Camaçari, BA	72	2024
Alphaville Piauí	Teresina, PI	489	2025
Alphaville Dom Pedro 0	Campinas, SP	389	2025
Terras Alpha Betim	Betim, MG	396	2025
Terras Alpha Uberaba	Uberaba, MG	465	2025
Terras Alphaville Ceará 5	Eusébio, CE	663	2025
Terras Alpha Cascavel 2	Cascavel, PR	508	2025
Terras Alpha Sergipe 3	Barra dos Coqueiros, SE	331	2025
Reserva Alpha Dom Pedro 0	Campinas, SP	42	2025
Alphaville Paraná	Campo Largo, PR	487	2026
Terras Alpha Teresina 2	Teresina, PI	502	2026
Ceará Comercial 6	Eusébio, CE	42	2026

In the last quarter, Alphaville Ceará Comercial 5 venture was delivered, and until the end of the year three other ventures are expected to be delivered.

Portfolio of Receivables[5]

(In millions of reais)	2Q23	2Q22	Change (R$)	6M23	6M22	Change (R$)
Portfolio of Receivables	848	1,221	-373	848	1,221	-373
2019+ Ventures	667	452	215	667	452	215
2018- Ventures	181	770	-589[6]	181	770	-589[6]

The Company's portfolio of receivables totaled R$ 848 million at the end of the 2Q23. The portfolio of 2019+ ventures expanded over recent periods, being up 48%.

The portfolio of 2018- ventures has reduced, result of the ALE sale and and its subsidiaries (without the sale, the total portfolio position would remain stable).

The 2019+ venture share of total receivables stood at 42% compared to 2Q22 and is currently equivalent to 79% of total portfolio.

[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 revenue to be recognized, less the amount from advances from customers.
[6] Of the R$ 589 million in changes in the 2018- portfolio, R$ 392 million refer to the exit of ALE from the financial statements.

FINANCIAL INDICATORS

Net Revenue and Gross Margin

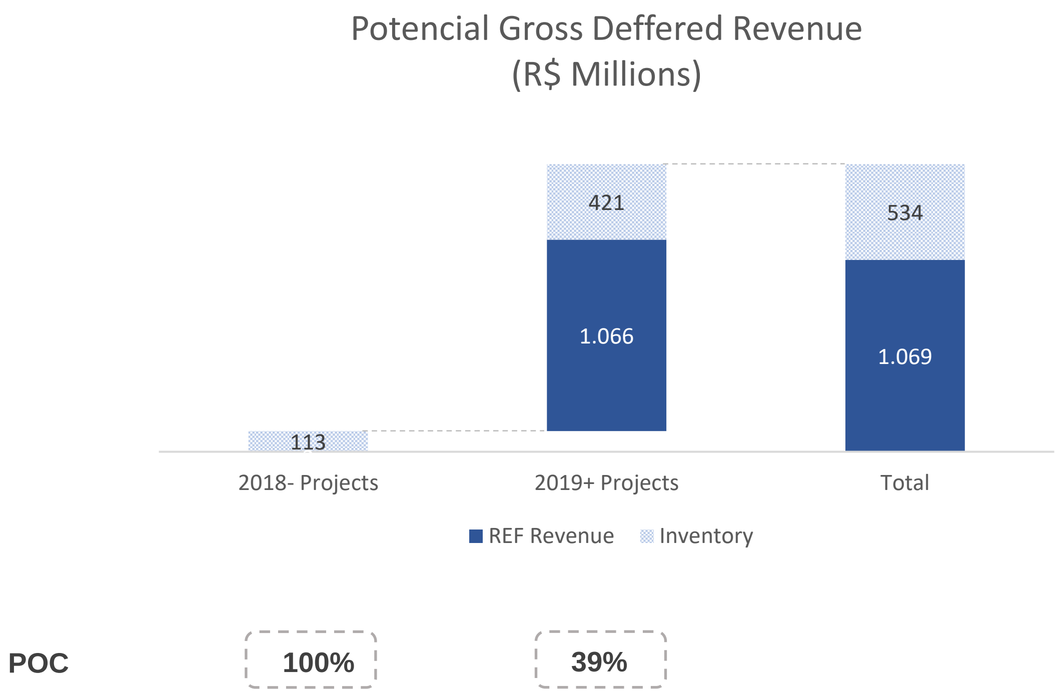
(In millions of reais)	2Q23	2Q22	Change (%)	6M23	6M22	Change (%)
Net Revenue	86	78	*10%*	181	105	*72%*
Gross Profit	31	10	*220%*	63	11	*493%*
Adjusted Gross Margin	36%	12%	*24 p.p.*	35%	10%	*25 p.p.*

The Company's total net sales for the second quarter of 2023 amounted to R$ 86 million, up 10% from the same period in 2022, when it stood at R$ 78 million. In the YTD, it amounted to R$ 181 million for the 6M23, up 72% YoY.

The adjusted gross profit increased 220%, amounting to R$ 31 million for the 2Q23, compared R$ 10 million for the 2Q22. In the YTD, the indicator improved 493%, reaching R$ 63 million for the 6M23.

Finally, the Company's adjusted gross margin reached 36% for the 2Q23, compared to 12% for the 2Q22, mainly by the increased recognition of revenue from the 2019+ ventures.

In addition, we highlight that the deferred revenue volume (REF Revenue) amounted to R$ 1,066 million at the end of the 2Q23 with REF margin of 40%. When considering the total deferred revenue and the inventory of launched ventures, Alphaville has a potential deferred revenue of R$ 1.6 billion in the following years.



Administrative Expenses

(In millions of reais)	2Q23	2Q22	Change (%)	6M23	6M22	Change (%)
Administrative Expenses	13	16	*-17%*	29	31	*-9%*
Recurring Expenses	13	16	*-17%*	29	31	*-9%*
Non-recurring Expenses	0	0	*n/a*	0	0	*n/a*
% Expenses/ Gross Sales	7%	6%	*1 p.p.*	7%	8%	*-1 p.p.*

Recurring administrative expenses for the 2Q23 totaled R$ 13 million, down by 17% in nominal terms YoY. In the YTD, they totaled R$ 29 million for the 6M23 compared to R$ 31 million for the 6M22, down 9%. These reductions combined with effect of inflation for the period demonstrate the outcome of the continuous efforts to gain efficiency.

Selling Expenses

(In millions of reais)	2Q23	2Q22	Change (%)	6M23	6M22	Change (%)
Selling expenses	8	10	*-15%*	16	17	*-7%*
Total Sales (PSV Sold)	174	266	*-35%*	401	387	*3%*
% Expenses/Gross Sales	5%	4%	*1 p.p.*	4%	4%	*-0.5 p.p.*

In the 2Q23, selling expenses amounted to R$ 8 million and represent a drop of 15% YoY from R$ 10 million reported in the previous year. In the YTD, expenses amounted to R$ 16 million, down by 7% YoY.

Other Non-recurring Expenses

(In millions of reais)	2Q23	2Q22	Change (%)	6M23	6M22	Change (%)
Other non-recurring expenses	180	35	*419%*	188	46	*309%*
Legacy Sale	176	0	*n/a*	176	0	*n/a*
Contingencies	3	33	*-90%*	9	46	*-81%*
Other	1	1	*-7%*	4	-0	*n/a*

The Other non-recurring expenses incurred for the 2Q23 totaled R$ 180 million, of which R$ 176 million arise from the partial sale of the Legacy, which will bring many benefits to the Company, as previously mentioned.

In Other non-recurring expenses, contingencies has reduced significantly, amounting R$ 3 millions in the 2Q23 versus R$ 33 millions in the 2Q22, a drop of 90%. In the YTD, contingencies amounted R$ 9 millions in the 6M23 versus R$ 46 millions in the 6M22, a drop of 81%. The improve observed is due to partial sale of the Legacy.

EBITDA

(In millions of reais)	2Q23	2Q22	Change (%)	6M23	6M22	Change (%)
EBITDA	-170	-49	*n/a*	-168	-84	*n/a*

As consequence of the reported financial indicators, the 2Q23 EBITDA was negative by R$ 170 million, compared to the negative amount of R$ 49 million reported for the 2Q22. Despite the Company's EBITDA for the quarter being impacted by the occasional sale of ownership interest, the legacy dilution process and its share reduction are expected to gradually improve it.

Adjusted EBITDA[7]

(In millions of reais)	2Q23	2Q22	Change (%)	6M23	6M22	Change (%)
Adjusted EBITDA	6	-49	*n/a*	7	-84	*n/a*

When we isolate the effect of the occasional sale of Legacy, the EBITDA reached R$ 6 million, thus being positive for the second consecutive quarter. Comparing the periods in analysis, the EBITDA was up R$ 55 million from the 2Q22, and up R$ 91 million from the 6M22.

Finance income (costs)

(In millions of reais)	2Q23	2Q22	Change (%)	6M23	6M22	Change (%)
Finance income (costs)	-69	-56	*n/a*	-123	-104	*n/a*
Finance income (costs)[8]	-54	-56	*n/a*	-108	-104	*n/a*

As a result of the impacts related to the sale of the Legacy's sale, capitalized interest of approximately R$ 15 millions was written off for the financial result, being responsible for the largest portion of the variation between the periods, since we presented a negative financial result of R$ 69 millions in 2Q23 and R$ 123 million in the first half of 2023, against a negative result of R$ 56 millions in 2Q22 and R$ 104 millions in the first half of 2022.

Without this non-recurring effect in 2023, we have an adjusted financial result in line with previous periods, being R$54 millions in 2Q23 and R$108 millions accumulated.

Net Income (Loss)

(In millions of reais)	2Q23	2Q22	Change (%)	6M23	6M22	Change (%)
Net Income (Loss)	-244	-111	*n/a*	-301	-197	*n/a*

[7] Isolating the occasional effect of the partial Legacy sale of R$176 million.
[8] Not considering capitalized interests results of Legacys sale;

In the 2Q23, the Company recorded a net loss of R$ 244 million, while the net loss amounted to R$ 111 million for the 2Q22. We point out that the net income (loss) for the 2Q23 felt the impact of the sale of the ownership interest with impacts on the Legacy (approximately R$ 176 million) and finance income (cost) (R$ 69 million).

Adjusted Net Income (Loss)[9]

(In millions of reais)	2Q23	2Q22	Change (%)	6M23	6M22	Change (%)
Adjusted Net Income (Loss)	-68	-111	*n/a*	-125	-197	*n/a*

Observing the adjusted net income (loss), we note that if we isolate the effect of the occasional partial legacy sale, the result would be a net loss of R$ 68 million, an improvement of R$ 43 million from the 2Q22.

Operating Cash Flow

(In millions of reais)	2Q23	2Q22	Change (%)	6M23	6M22	Change (%)
Cash Flow + Assignment of Receivables	-7	23	*n/a*	-33	17	*n/a*
Operating Cash Flow	9	30	*-70%*	22	56	*-61%*
Assignment of Receivables	-16	-7	*n/a*	-55	-39	*n/a*

In the first half of 2023, the Company reported an operating cash flow of R$ 22 million, and amortized R$ 55 million in assignment of receivables.

[9] Isolating the occasional effect of the partial Legacy sale of R$176 million.

Indebtedness

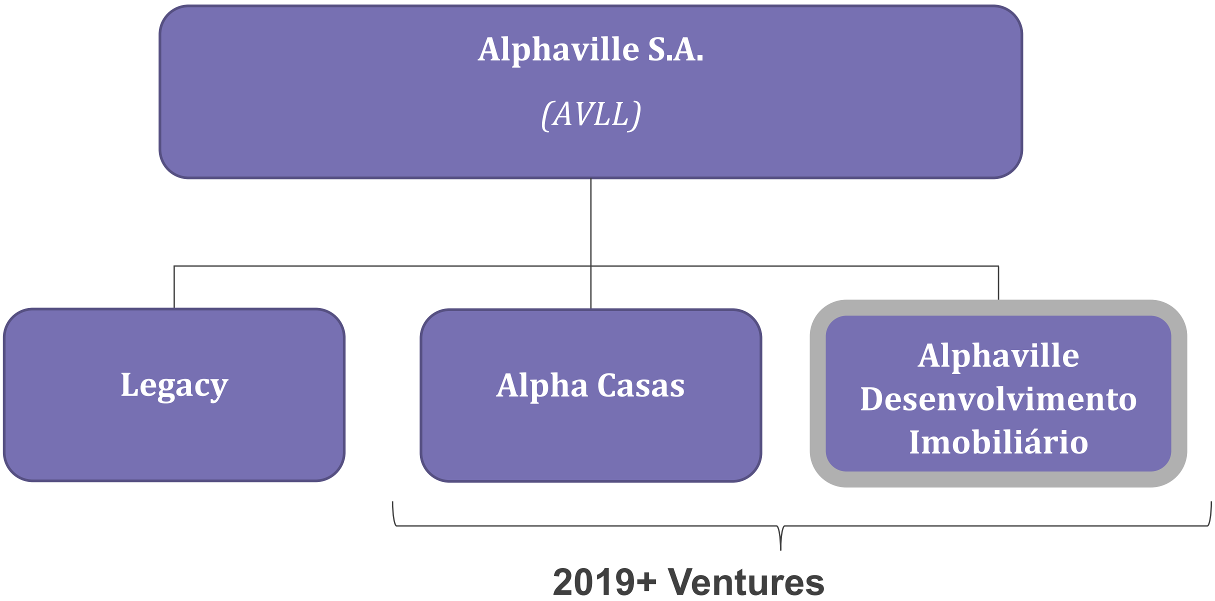
(In millions of reais)	2Q23	2Q22	Change (%)	6M23	6M22	Change (%)
Gross Debt without securitizations/CRI	970	852	*14%*	970	852	*14%*
Cash (-)	148	98	*52%*	148	98	*52%*
Net Debt	821	754	*9%*	821	754	*9%*

Alphaville's gross debt at the end of the 2Q23 amounted to R$ 970 million, up by 14% from the 2Q22. The Company's net debt totaled R$ 821 million, up by 9% from the 2Q22.

ALPHAVILLE DESENVOLVIMENTO IMOBILIÁRIO AND PROFIT OR LOSS OF 2019+ LAUNCHES

As a result of the corporate structuring, Alphaville S.A. (AVLL) currently has three sub-holdings, so that the ventures launched according to the new business model ("2019+ Ventures") comprise the sub-holdings of Alphaville Desenvolvimento Imobiliário (ADI) for subdivisions, and Alpha Casas for development of Houses, while the remaining ventures according to the former business model ("Legacy" or "2018- Ventures") comprise the sub-holding Cauaxi.

We add that such restructuring will help to monitor the evolution of these ventures over time and will allow the reader to clearly identify the positive impact of the new business model on the Company's operational and financial results.



Alphaville Desenvolvimento Imobiliário (ADI): Operations indicators

The performance of other 2019+ ventures by ADI as well as their sales indicators are shown below.

Amounts in millions of reais, except when stated otherwise.

Operations Indicators	2019	2020	2021	2022	6M23	ADI 2019+
PSV Launched Total (R$ in millions)	487	535	1009	1462	195	**3.844**
%AVLL	63%	59%	65%	59%	43%	**61%**
PSV Launched AVLL[1] (R$ in millions)	309	316	651	865	83	**2.341**
PSV Sold Total (R$ in millions)	401	387	831	810	126	**2.623**
PSV Sold AVLL (R$ in millions)	267	280	601	510	62	**1.774**
# Launched Lots	1,783	1,499	2,656	3.316	544	**9.798**
# Lots in Barter	135	237	85	113	5	**575**
# Lots reserved for Alpha Casas	0	0	0	0	0	**0**
# Lots Supplied AVLL	1,648	1,262	2,571	3,203	539	**9.223**
# Lots Sold Net AVLL	1.628	1.238	2.325	1.867	412	**7.470**
SoS of Lots AVLL	99%	98%	90%	58%	76%	**81%**

As noted in the above YTD figures, ADI has reported a substantial growth. With accumulated launches of R$ 3.8 billion and 81% of sales percentage, the company's accumulated sales amounted to R$2.6 billion.

Alphaville Desenvolvimento Imobiliário (ADI): Financial indicators

(In millions of reais)	2Q23	2Q22	Change (%)	6M23	6M22	Change (%)
Financial (ADI Ventures)						
Net Revenue	74	67	*11%*	146	115	*27%*
Gross Profit	26	22	*16%*	50	43	*17%*
Gross Margin	35%	33%	*2 p.p.*	34%	37%	*-4 p.p.*

From the financial perspective, we highlight the 11% growth YoY in net revenue, amounting R$ 74 million, and a gross profit of R$ 26 million, up by 16%. In the YoY comparison, we could note an increase, net revenue up 27% and gross profit up 17% for the 6M23 from 6M22.

The gross margin, which was impacted by the cost adjustments in the ventures launched up to 2021 due to the inflationary pressure noted in 2022 (as mentioned in the latest earnings releases), already shows stabilization of costs and has adjusted venture prices to restore the margin.

The 2022 launches were made viable margins adjusted to the new cost level. With this, the gross margin REF for the 2Q23 is now 40%.

ADI accumulates a volume of deferred revenue of R$ 1,021 million for the 2Q23. This revenue will be recognized as works progress over the next years.

ESG

Giving continuity to our commitment to keep our stakeholders, shareholders and market in general informed about the ESG initiatives, we present below the main initiatives that stood out in the second half of 2022 and beginning of 2023.

Environment

In this quarter, we detail below the main actions related to sustainability taken in the implementation of this venture.

Fourth Sustainability Festival

Alphaville participated in the Fourth Sustainability Festival in Camaçari, an UN selected event and organized by the Department of Urban Development and Environment (SEDUR).

During the event, held on the Word Environment Day (June 5), Alphaville promoted talks on relevant themes about the matter, held dynamics on environmental education and distributed gifts and seedlings that we cultivate in our own nursery.

First Climate Change Forum in Camaçari (BA)

Climate changes have direct impact on economy, society and natural resources. Having these facts in mind, the First Climate Change Forum was held on June 28 in Camaçari (BA) aimed to disseminate information and encourage the population to discuss such relevant theme.

The Foundation contributed to the initiative by promoting technical training and brought the main speaker Gustavo Russo, who talked about the ecological water treatment system. At the end, there was time for exchange through a round of talks and clarification of doubts.

The event, who is part of the 2023 Sustainability Festival, was organized by SEDUR, the Department of Urban Development and Environment, in partnership with the Municipal Government of Camaçari, with the support of Fundação Alphaville and targeted at the technicians of the Municipal Government, civil society, students and association leaders, NGOs and movements.

Social

Alphaville Ceará

On July 1, 2023, the “Pra Curtir o Pacoti” (enjoying Pacoti) event was held, when community leaders and local residents united to promote environmental awareness and nature appreciation.

The Social Communication Program was chiefly responsible for this meeting, who brought together people committed to environmental preservation. Volunteers planted seedlings, contributing to the area’s reforestation and natural beauty. In addition, it organized a waste collection along the hiking trail of the Pacoti River Environmental Protection Area, an action that made difference in getting a cleaner and healthier environment.

Environmental education was the strength of the event, with activities focused on local fauna and flora. The participants could learn about the species that occur the region and how they could contribute to their preservation.

The presence of Alphaville, Fundação Alphaville, AMMA, the Environmental and Urban Control Agency (AMMA), municipal security, and the municipal government of Eusébio demonstrated the commitment by several sectors to the promotion of sustainable actions and well-being of the community.

The “Pra Curtir o Pacoti” event was a unique and transforming experience, which inspired the love for nature and the wish to preserve Eusébio. Together, we showed that we could make a difference and build a greener and sustainable future.



On June 30, 2023, we opened the doors of Cidade Alpha Ceará to receive the students of Federal University of Ceará (UFC). It was a unique opportunity for introducing the Master Plan Cidade Alpha Ceará.

With a group of 22 people, the meeting was marked by discussions, doubts and observations. In the event, we had two representatives of Alphaville, a benchmark for innovative urban developments, and a representative of AMMA, the Environmental and Urban Control Agency, bringing an expert view about environmental management.

The 19 students from UFC enjoyed each moment to dive into the concept of Master Plan Cidade Alpha and understand the details behind the works and environmental management. They could explore the strategies and principles that makes and is making made this development so singular, from integration with nature to sustainable architecture, including the vision of a vibrant and harmonious community.

The exchange of ideas among the representatives of Alphaville, the Environmental and Urban Control Agency (AMMA), and the students was extremely rewarding, developing a comprehensive and inspiring vision of what is possible to achieve when we unite smart urban planning and efficient environmental management.

At the end of the meeting, everybody could gain invaluable knowledge and fresh perspectives. This experience is only the beginning of a successful and positive impact journey. Together, we can build cities that are smarter, sustainable from urbanistic perspective, and welcoming to all.

Labor training program

Alphaville Guarajuba 2 venture has a program linked to social communication called Labor Training Program. This program provides courses in areas like landscaping, gardening, horticulture, and fruticulture, building the capacity of participants to work in these sectors and even starting out on related careers. They could contribute to the urban design of the gated community, and, in the future, have opportunity to be employed by the homeowners association. As a result, we will have a skilled labor, able to participate in the projects of landscaping, reforestation of the region, and even become independent professionals with knowledge of sustainable gardening. The course is divided in modules of practical and theoretical classes, and will take ten consecutive days, totaling 80 hours, and aimed to train qualified professionals. All course participants will receive printed and digital material, completion certificates, daily lunches and transportation, if necessary. In addition, civil construction course participants will receive boots with PVC toe boots to ensure safety during the activities. In total, there were 52 participants, and no one quitted the program, which is an indication of the positive engagement by the community.


Annual Sustainability Report

In the second quarter of 2023, the highlight for the Company was the publication of its third Annual Sustainability Report, for the year 2022. The publication, besides conferring greater transparency to the practices maintained by Alphaville in many areas, strengthens the Company's list of ESG initiatives. For this, an independent consulting firm was employed to conduct the survey and diligence of the information provided by the Company on Corporate Governance, economic performance, employee relations, environment, social promotion, among other aspects.

With this, Management understands that, although there are challenges ahead and a path to be pursued, the ESG-related issues are being addressed: the theme is present in venture, work and governance discussions, for example. Besides, Alphaville has an ESG Committee, which assists its executive board and Board of Directors. An example of ESG-related topic that has been addressed with particular attention is the mapping of themes that would make Alphaville eligible to make up the ISE (B3's Sustainability Index) as well as the discussion about the initiatives required to prepare the Company for this purpose.

CORPORATE GOVERNANCE

The Company has a robust corporate governance and internal control framework, in accordance with the standards and requirements applicable to its industry, as well as those of the regulatory authorities and listing segment (Novo Mercado). In addition, Alphaville has a Compliance and Internal Audit area, which directly reports to the Audit Committee, responsible for the company's Integrity Program, which consists of resources such as confidential reporting channel (https://www.canalconfidencial.com.br/alphaville/), tests of internal controls, corporate training, and also a whole set of internal policies, which can be accessed on the Investor Relations' website.

The Board of Directors has its own internal rules, available on the website https://www.alphavilleurbanismo.com.br/ri. Finally, the Company's financial statements have been audited by independent audit firms since 2013, and the Company has a Statutory Audit Committee, which meets monthly.

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 Company's inventory comprises Terras Alpha and Alphaville products. 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 and Surplus Amortization 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 comprise 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 (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 of 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 property;
- Amount payable arising from penalty clause and administrative expenses (limited to 10%);

- 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.

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 lots 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 46 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.

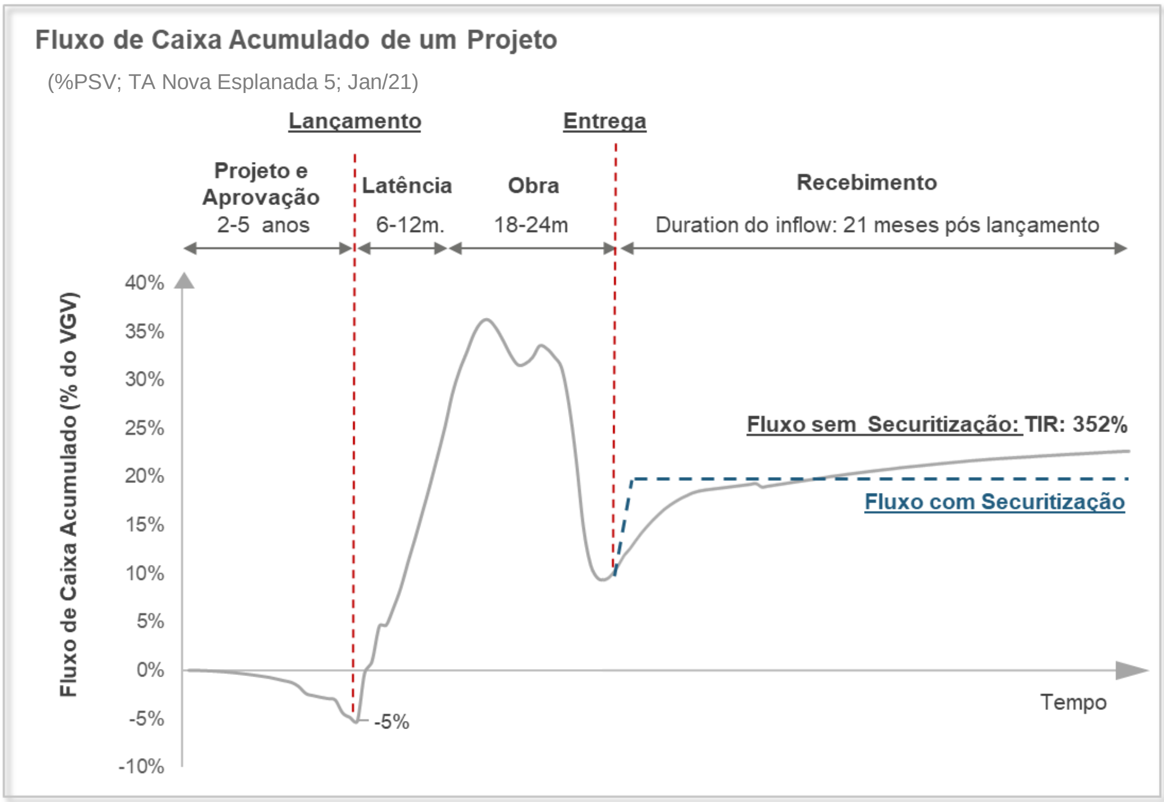
The business model that supports this successful history is based on the Company's direct work in all of the stages associated with the real estate venture development, such as: (i) identification of expansion vectors of cities and with great potential demand; (ii) search of land that meets the potential project's demands; (iii) negotiation of joint development agreements with landowners; (iv) project 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) customers 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 landowners grants Alphaville the right to develop, build and sale the venture in exchange for a percentage of future revenue percentage. Alphaville's share of the developments usually ranges between 55% and 70%. 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.

The deep recession that hit Brazil, especially from 2015 to 2017, has exerted severe impacts on the real estate development industry as a whole, mainly as a result of the contract cancellations requested by customers. Alphaville used the several lessons it learned in this period to strengthen and improve its business model, aiming at overcoming the issues caused by the crisis and preparing the Company for a new cycle of sustained growth.

Among the measures and guidelines it has adopted, the following are worth noting: (i) the focus on robust markets; (ii) launches with low cash exposure and; (iii) shorter-term sales and contractual covenant on statutory lien.

The chart below shows the cash flow of a recently-launched 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.



In order to facilitate the understanding of the Company's current and prospective profit or loss, we have taken the initiative to also report some information and indicators, separating the profit or loss from the ventures launched up to 2018 from those launched from that date on. Throughout the report, we made the distinction by adopting the "legacy" term for ventures launched until 2018, and "2019+" for ventures launched after 2019 and already under the improved business model.

We believe that, by reporting some indicators in this format, it will possible to provide greater understanding of the current business model of the Company (2019+), in which the cash exposure is minimized and the risk of cancelled contracts is substantially mitigated by the inclusion of statutory lien in contracts for purchase and sale.

INVESTOR RELATIONS

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