



Belo Horizonte, January 15th, 2024 - Direcional Engenharia S/A, one of the largest homebuilders and real estate development companies in Brazil, focused on the development of low-income and medium-income projects and operating in several regions of the Brazilian Territory, discloses here its operating statements for the fourth quarter of 2023 (4Q23). Unless otherwise stated, the information in this document is expressed in national currency (Brazilian Reais – BRL or R\$) and the Potential Sales Value (“PSV”) demonstrates the consolidated amount (PSV 100%).

NOTICE TO THE MARKET

4Q23 AND 2023 OPERATING PREVIEW

- ✓ **BEST QUARTER IN NET SALES: BRL 1.2 BILLION IN 4Q23, GROWING 76% VERSUS 4Q22 AND 22% VERSUS 3Q23**
- ✓ **IN 2023, NET SALES REACHED BRL 4.0 BILLION, 33% HIGHER THAN IN 2022, MAKING THE BEST YEAR OF DIRECIONAL GROUP**
- ✓ **LAUNCHES REACHED BRL 4.9 BILLION IN 2023, A 34% INCREASE OVER 2022: THE HIGHEST ANNUAL VOLUME IN COMPANY'S HISTORY**
- ✓ **COMPANY'S STAKE IN 4Q23 LAUNCHES REACHED 96%**

OTHER HIGHLIGHTS

- PSV launched in 4Q23 totaled BRL 1.4 billion, a growth rate of 31% when compared to 4Q22.
- *Pode Entrar* program: Net Sales of BRL 206 million in 4Q23, representing a total of 990 units.
- Net Sales excluding *Pode Entrar* program totaled BRL 1.0 billion in 4Q23, a 46% growth versus 4Q22.
- Net Sales Speed ratio (VSO) of 19% in the quarter in the consolidated view, considering sales in *Pode Entrar* program.
- Consolidated VSO without *Pode Entrar* came in at 16% in the quarter, while the VSO index of Direcional segment reached 17%.

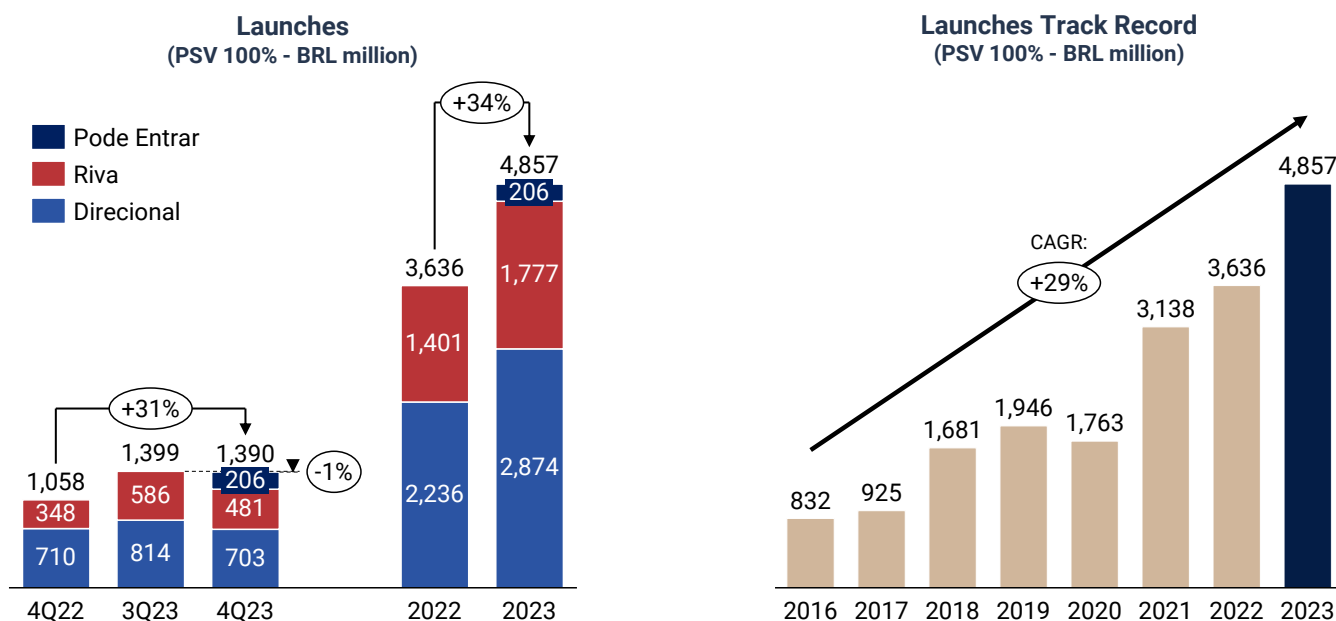
LAUNCHES

Direcional Group launched 15 new projects in 4Q23, representing a PSV of BRL 1.4 billion (BRL 1.3 billion % Company), a 31% growth versus the same quarter of 2022.

Considering the year of 2023, BRL 4.9 billion (BRL 4.3 billion % Company) were launched, the highest level ever launched in one year by the Company. As a result, there was a 34% growth observed in relation to the volume launched in 2022, reaffirming the clear evolution made by the Group year after year.

It is worth noting that, according to the Notice to the Market published on December 27, 2023, Direcional signed a contract with *Companhia Metropolitana de Habitação de São Paulo* for the sale of 990 residential units under the *Pode Entrar* program. Thus, considering the total PSV launched in the period, BRL 206 million (R\$ 206 million % Company) refers to the global value contracted under the program.

As had already happened in the last quarter, it is important to highlight the increase in Direcional Group's stake in launches, reaching 96% of the total launched in the quarter (compared to 85% in 4Q22) and 88% when analyzing the annual volume (compared to 86 % in 2022), confirming the trend of higher representativeness of projects with increasing participation from Direcional.



Launches	4Q23 (a)	3Q23 (b)	4Q22 (c)	Δ % (a/b)	Δ % (a/c)	2023 (d)	2022 (e)	Δ % (d/e)
PSV Launched - 100% (BRL million)	1,390.2	1,399.4	1,057.7	-0.7%	31.4%	4,857.5	3,636.2	33.6%
Direcional	703.0	813.5	709.8	-13.6%	-1.0%	2,874.1	2,235.6	28.6%
Riva	481.3	585.9	347.9	-17.9%	38.4%	1,777.4	1,400.6	26.9%
Pode Entrar	206.0	-	-	n/a	n/a	206.0	-	n/a
PSV Launched - % Company (BRL million)	1,336.6	1,259.3	896.1	6.1%	49.2%	4,295.3	3,123.7	37.5%
Direcional	649.3	725.3	651.3	-10.5%	-0.3%	2,562.3	2,029.7	26.2%
Riva	481.3	534.1	244.8	-9.9%	96.6%	1,527.0	1,094.0	39.6%
Pode Entrar	206.0	-	-	n/a	n/a	206.0	-	n/a
Launched Units	4,998	4,152	4,320	20.4%	15.7%	17,180	14,525	18.3%
Direcional	2,936	3,106	3,504	-5.5%	-16.2%	12,025	10,787	11.5%
Riva	1,072	1,046	816	2.5%	31.4%	4,165	3,738	11.4%
Pode Entrar	990	-	-	n/a	n/a	990	-	n/a
Average % Company	96.1%	90.0%	84.7%	6 p.p.	11 p.p.	88.4%	85.9%	3 p.p.



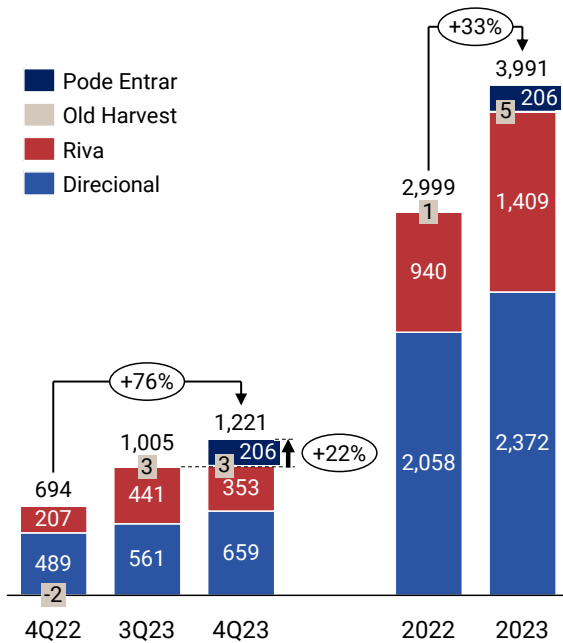
CONTRACTED SALES

In 4Q23, the gross contracted PSV reached BRL 1.3 billion (BRL 1.1 billion % Company). Thus, Net Sales reached BRL 1.2 billion (BRL 994 million % Company), **setting a new record quarter in the metric**. When compared to 4Q22, the growth rate was 76%, and when compared to 3Q23, the contracted net PSV was 22% higher.

In 2023, Net Sales reached 4.0 billion (BRL 3.1 billion % Company), a 33% growth versus 2022. It is worth highlighting the growth observed in all segments, with Riva brand products growing 50% in the period, while Direcional segment sales grew 25%, considering the two projects sold under the *Pode Entrar* program, which contributed with a PSV of BRL 206 million (BRL 206 million % Company).

It is also worth noting that part of the quarter's sales was originated from products developed in SPVs that are not consolidated in the Company's balance sheet (jointly controlled and non-controlled ventures). In this sense, 80% of the net PSV contracted in the quarter refers to projects whose revenue is consolidated in our results, while 20% of net PSV must contribute to the result via equity income.

Net Sales
(PSV 100% - BRL million)



Net Sales Track Record
(PSV 100% - BRL million)

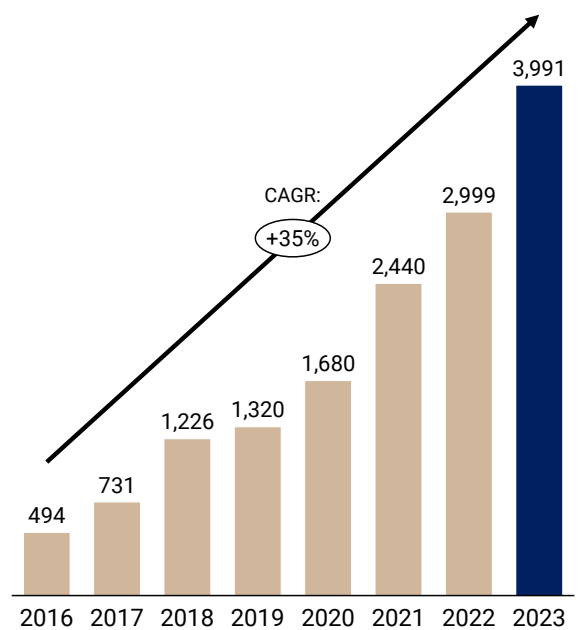


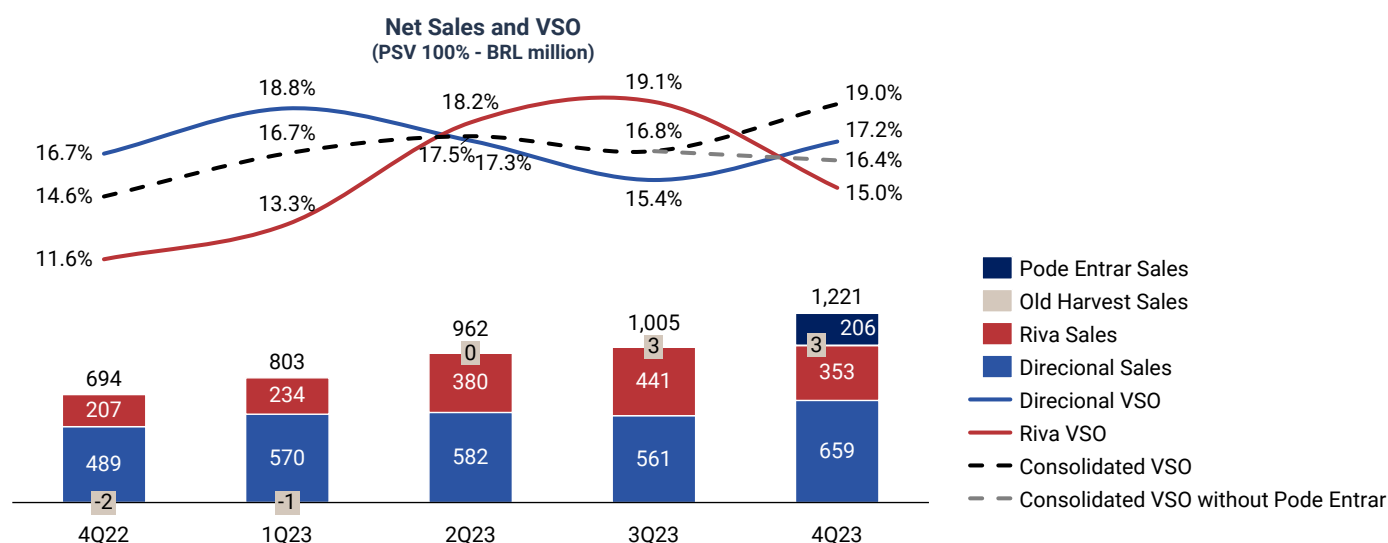
Table below presents information about Net Sales in 4Q23 and in 2023:

Net Sales	4Q23 (a)	3Q23 (b)	4Q22 (c)	Δ % (a/b)	Δ % (a/c)	2023 (d)	2022 (e)	Δ % (d/e)
Net Sales - PSV 100% (BRL million)	1,220.6	1,004.6	694.4	21.5%	75.8%	3,991.1	2,998.9	33.1%
Direcional	658.9	560.7	489.3	17.5%	34.7%	2,371.7	2,057.8	15.3%
Riva	353.1	441.2	206.7	-20.0%	70.8%	1,408.6	939.6	49.9%
Old Harvest ¹	2.6	2.7	-1.6	-1.9%	n/a	4.9	1.5	232.5%
<i>Pode Entrar</i>	206.0	-	-	n/a	n/a	206.0	-	n/a
Net Sales - PSV % Company (BRL million)	994.4	751.4	551.5	32.3%	80.3%	3,122.6	2,416.0	29.2%
Direcional	513.7	427.2	397.6	20.3%	29.2%	1,871.8	1,713.2	9.3%
Riva	272.8	322.3	153.9	-15.4%	77.2%	1,040.9	701.4	48.4%
Old Harvest	2.0	2.0	0.0	-0.2%	n/a	3.9	1.4	175.7%
<i>Pode Entrar</i>	206.0	-	-	n/a	n/a	206.0	-	n/a
Contracted Units	4,506	3,458	2,899	30.3%	55.4%	14,785	13,167	12.3%
Direcional	2,657	2,344	2,315	13.4%	14.8%	9,991	10,377	-3.7%
Riva	848	1,109	586	-23.5%	44.7%	3,789	2,786	36.0%
Old Harvest	11	5	-2	120.0%	n/a	15	4	275.0%
<i>Pode Entrar</i>	990	-	-	n/a	n/a	990	-	n/a
Net Sales Speed (VSO) in PSV	19.0%	16.8%	14.6%	2.2 p.p.	4.4 p.p.	44.0%	43.5%	0.5 p.p.
Direcional	17.2%	15.4%	16.7%	1.8 p.p.	0.6 p.p.	43.7%	47.3%	-3.6 p.p.
Riva	15.0%	19.1%	11.6%	-4.1 p.p.	3.4 p.p.	41.4%	38.6%	2.8 p.p.
Old Harvest	7.1%	6.7%	-4.3%	0.4 p.p.	11.4 p.p.	18.5%	1.3%	17.1 p.p.
Consolidated VSO without <i>Pode Entrar</i>	16.4%	16.8%	14.6%	-0.4 p.p.	1.7 p.p.	42.7%	43.5%	-0.8 p.p.

1 - Old Harvest: Comprises projects of the middle income, upper-middle income and commercial segments, developed in the former model.

NET SALES SPEED (VSO)

In 4Q23, Net Sales Speed, measured by the VSO index (sales-over-supply ratio), came in at 19% in the consolidated view, with a 17% index in Direcional's projects (excluding Old Harvest segment) and a 15% index in Riva's projects. Excluding the Net Sales related to the *Pode Entrar* program, the consolidated VSO was 16% in the quarter.



INVENTORY

Direcional Group ended 2023 with 17,734 units in Inventory, corresponding to a PSV of BRL 5.1 billion (BRL 4.3 billion % Company).

Table below shows the Inventory at market value, detailed by stage of construction and by the type of product. It is worth mentioning that less than 2% of the total PSV refers to completed units, with less than 1% related to Direcional projects (ex-Old Harvest products).

Breakdown of Inventory at Market Value	Total PSV				% Company PSV			
	Direcional	Riva	Old Harvest	Total	Direcional	Riva	Old Harvest	Total
In progress (BRL million)	3,170	1,903	0	5,073	2,693	1,588	0	4,281
% Total	62%	37%	0%	99%	62%	37%	0%	99%
Completed (BRL million)	38	2	34	74	36	2	20	58
% Total	1%	0%	1%	1%	1%	0%	0%	1%
Total (BRL million)	3,207	1,905	34	5,146	2,730	1,590	20	4,339
% Total	62%	37%	1%	100%	63%	37%	0%	100%
Total Units	13,127	4,507	100	17,734	13,127	4,507	100	17,734
% Total Units	74%	25%	1%	100%	74%	25%	1%	100%

LANDBANK

At the end of 2023, Direcional Group's landbank totaled a PSV of BRL 36.3 billion (BRL 32.9 billion % Company), with a development potential of 181,224 units.

The average cost of acquisition was equivalent to 11% of the PSV, and 85% of the payment shall be made through swaps, which causes a reduced impact on the Company's cash position before the beginning of the development of the projects.

Evolution of Landbank (BRL million)	2022 Landbank	2023 Acquisitions	2023 Launches	Adjustment ¹	2023 Landbank	2023 (PSV % Co.)	Units
Total PSV	32,459	8,718	(4,857)	(48)	36,271	32,885	181,224

1 - Adjustment: update of sales prices, canceled sales and swaps.

Land Acquisition

During 4Q23, 16 plots of lands were acquired, with a construction potential of 8,374 units and a PSV of BRL 2.1 billion (BRL 2.0 billion % Company). The average cost of acquisition in the quarter was equivalent to 13% of total PSV, and 93% of the payment shall be made via swaps.

Considering the acquisitions made in 2023, the PSV totaled BRL 8.7 billion (BRL 8.1 billion % Company), at an average cost of acquisition of 11% in the period, with 92% of the payment being made through swaps.



CASH GENERATION ¹

Due to the acceleration of operational growth that has been carried out by the Company since the follow-on, a cash consumption of BRL 15 million was observed in 4Q23. Thus, cash consumption totaled BRL 37 million in 2023.

1 - Cash Generation: variation in net debt adjusted by payment of dividends, repurchase of shares and the variation in the balance of interest swap operation agreements. Prior unaudited information.

Statements contained in this notice regarding business perspectives, operational and financial projection results, and references to the Company's potential of growth constitute mere estimates and were based on the Board's expectations and estimates regarding the Company's future performance. Although the Company believes that such estimates are based on reasonable assumptions, Company does not ensure they are achievable. The expectations and estimates underlying the Company's future perspectives are highly dependent on the market behavior, the Brazil's economic and political situation, the current and future state regulations, the industry and international markets, and are therefore subject to changes which are beyond control by part of the Company and its Board. The Company shall not commit to publish updates neither to revise the expectations, estimates, and provisions contained herein arising from future information or events.

IR Team

www.direcional.com.br/ri

ri@direcional.com.br

(+55 31) 3431-5509 | (+55 31) 3431-5512

DIRR
B3 LISTED NM

IBRX100 B3 **IMOB B3** **SMLL B3** **INDX B3** **ICON B3**
IGC-NM B3 **IGC B3** **IGCT B3** **IDIV B3** **ITAG B3**

GLOSSARY

Landbank - lands maintained in inventory with an estimate of a future PSV for such.

Classification of the projects by Direcional as the economic segment for which they are destined:

MCMV Level 1	Low-income projects made as contract works within the “ <i>Minha Casa, Minha Vida</i> ” (MCMV) housing program, contracted directly with the Financing Agent, destined to families with a monthly income up to BRL 1,600. Properties of this segment has their final price determined by the Financing Agent, pursuant to the ordinance No. 435/2012 of the Ministry of Cities, and their acquisition may be subsidized by the government.
MCMV 2 and 3	Residential projects with an average price per unit up to BRL 240 thousand within the “ <i>Minha Casa, Minha Vida</i> ” housing program - levels 1.5, 2 and 3. Until 3Q15, the projects belonging to this segment were called “Low-income”.
Riva	A project destined to middle-income customers, developed at the SPEs of the wholly owned subsidiary of Direcional called Riva Incorporadora S.A.
Middle-Income	Residential projects with an average price per unit above the MCMV ceiling price up to BRL 500 thousand.
Upper Middle-Income	Residential projects with an average price per unit above BRL 500 thousand.
MUC	Comprises projects of the Middle-income, Upper-middle income, and Commercial segments.
Old Harvest	Projects of the MUC segment developed under the previous development and building model.
New Model	A business model consolidated in 2015 for the development of the Company’s residential projects. One of its main characteristics is the possibility of off-plan transfer and industrialized construction.

Adjusted EBITDA - Adjusted EBITDA is equal to EBITDA (earnings before financial result, Income Tax and Social Contribution, depreciation and amortization expenses) less the participation of non-controlling stockholders and less the financial charges included in cost of property sold. We understand that the adjustment to present value of accounts receivable of units sold and not delivered recorded as gross operating revenue (expense) is part of our operating activities and, therefore, we do not exclude this revenue (expense) in the calculation of Adjusted EBITDA. Adjusted EBITDA is not a measure of financial performance under Brazilian Accounting Practices, nor should it be considered in isolation or as an alternative to net income as an operational performance measure or alternative to operating Cash Burns or as a liquidity measure. Adjusted EBITDA is an indicator of our overall economic performance, which is not affected by fluctuations in interest rates, changes in the tax burden of Income Tax and Social Contribution or depreciation and amortization levels.

PoC Method - Under IFRS, revenues, costs and expenses related to real estate projects are appropriated based on the accounting method of the cost incurred (“PoC”), by measuring the progress of the work by the actual costs incurred versus the total budgeted expenses for each stage of the project.

Novo Mercado - B3’s special listing segment, where companies adopt differentiated practices of corporate governance, which exceed the requirements of the traditional segment. Direcional joined Novo Mercado in November 19th, 2009.

LTM – Last twelve months.

Financial Swap – Land purchase system whereby the owner of the land receives the payment, in cash, calculated as a percentage of the PSV of the project, to be paid according to the determination of the revenue from the sales of units of the project.

Physical Swap - Land purchase system whereby the owner of the land receives in payment a certain number of units of the project to be built in it.

Programa Minha Casa, Minha Vida (MCMV) - Current name attributed to the social housing program, formerly known as “Programa Casa Verde e Amarela”.

SFH Resources - Housing Financial System (SFH) resources originated from the FGTS and savings account deposits.

Deferred Results- The result of the balance of real estate sales transactions already contracted (arising from properties whose construction has not yet been completed) and their respective budgeted costs to be earned.

Contracted Net Sales - PSV arising from all contracts for the sale of properties entered into in a given period, including the sale of units launched in the period and the sale of units in stock, net from rescissions.

PSV - Total Potential Sales Value. Total amount to be potentially obtained from the sale of all units of a given real estate development at the launch price. There is a possibility that the PSV launched shall not be realized or differ significantly from the value of Contracted Sales, since the quantity of Units actually sold may differ from the number of units launched and/or the actual selling price of each unit may differ from the launch price.

Launched PSV – Total Potential Sales Value of the units launched in a determined period.