



(A free translation of the original in Portuguese)

Patrimar Engenharia S.A.

Quarterly Information (ITR)

at September 30, 2021





(A free translation of the original in Portuguese)

Report on review of quarterly information

To the Board of Directors and Stockholders
Patrimar Engenharia S.A.

Introduction

We have reviewed the accompanying parent company and consolidated interim accounting information of Patrimar Engenharia S.A. ("Parent company" or "Company"), included in the Quarterly Information Form (ITR) for the quarter ended September 30, 2021, comprising the balance sheet at that date and the statements of income and comprehensive income for the quarter and nine-month period then ended, and the statements of changes in equity and cash flows for the nine-month period then ended, as well as a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of the parent company and consolidated interim accounting information in accordance with the accounting standard CPC 21, Interim Financial Reporting, issued by the Brazilian Accounting Pronouncements Committee (CPC), and the International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), including Circular Letter CVM/SNC/SEP 02/2018, related to application of Guidance OCPC 04, as well as the presentation of this information in accordance with the standards issued by the Brazilian Securities Commission (CVM), applicable to the preparation of the Quarterly Information (ITR). Our responsibility is to express a conclusion on this interim accounting information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and International Standards on Reviews of Interim Financial Information (NBC TR 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Brazilian and International Standards on Auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the interim information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying parent company and consolidated interim accounting information included in the quarterly information referred to above has not been prepared, in all material respects, in accordance with CPC 21 and IAS 34

2



Patrimar Engenharia S.A.

applicable to the preparation of the Quarterly Information, including Circular Letter CVM/SNC/SEP 02/2018, related to application of Guidance OCPC 04, and presented in accordance with the standards issued by the CVM.

Emphasis of matter

As described in Note 2, the accompanying parent company and consolidated interim accounting information included in the Quarterly Information (ITR) was prepared in accordance with CPC 21 (R1) and IAS 34 applicable to Brazilian real estate development entities registered with the CVM. Accordingly, the accounting policies adopted by the Company to recognize revenue from purchase and sale of incomplete real estate units under construction, with regards to determining the timing of transfer of control, follow the guidance in CVM's Circular Letter CVM/SNC/SEP 02/2018 when applying CPC 47 (IFRS 15) and Technical Guidance OCPC 04. Our conclusion is not qualified in respect of this matter.

Other matters

Statements of value added

The quarterly information referred to above includes the parent company and consolidated statements of value added for the nine-month period September 30, 2021. These statements are the responsibility of the Company's management and are presented as supplementary information under IAS 34. These statements have been subjected to review procedures performed together with the review of the quarterly information for the purpose of concluding whether they are reconciled with the interim accounting information and accounting records, as applicable, and if its form and content are in accordance with the criteria defined in the accounting standard CPC 09 - "Statement of Value Added". Based on our review, nothing has come to our attention that causes us to believe that these statements of value added have not been properly prepared, in all material respects, in accordance with the criteria defined in this accounting standard and in a consistent manner in relation to the parent company and consolidated interim accounting information taken as a whole.

Belo Horizonte, November 9, 2021

PricewaterhouseCoopers
Auditores Independentes Ltda.
CRC 2SP000160/O-5

Guilherme Campos e Silva
Contador CRC 1SP218254/O-1



Balance sheet

All amounts in thousands of reais

(A free translation of the original in Portuguese)

		Parent company		Consolidated	
	Note	9/30/2021	12/31/2020	9/30/2021	12/31/2020
Assets					
Current assets					
Cash and cash equivalents	6(a)	78,153	11,095	300,355	119,256
Trade receivables	7	30,905	27,854	170,389	142,038
Properties for sale	8	6,984	26,249	550,916	328,108
Taxes recoverable		1,304	1,277	7,613	5,487
Prepaid expenses	9	7,273	7,046	22,406	16,186
Other receivables		1,255	2,365	12,752	13,642
Total current assets		125,874	75,886	1,064,431	624,717
Non-current assets					
Long-term receivables					
Restricted financial investments	6(c)	2,299	2,250	2,299	2,250
Trade receivables	7	-	1,926	184,267	97,985
Properties for sale	8	10,594	4,235	21,468	14,845
Judicial deposits	20	79	75	1,166	1,529
Related parties	10	94,078	46,967	6,908	6,686
		107,050	55,453	216,108	123,295
Investments	11	324,129	258,532	37,461	47,117
Property and equipment	12	10,788	7,760	29,697	16,341
Intangible assets	13	8,174	9,987	8,508	10,417
Lease right-of-use		5,112	1,438	5,861	3,430
		348,203	277,717	81,527	77,305
Total non-current assets		455,253	333,170	297,635	200,600
Total assets		581,127	409,056	1,362,066	825,317

The accompanying notes are an integral part of this quarterly information.



Balance sheet

All amounts in thousands of reais

(continued)

		Parent company		Consolidated	
	Note	9/30/2021	12/31/2020	9/30/2021	12/31/2020
Liabilities and equity					
Current liabilities					
Borrowings	14	23,196	17,609	58,916	49,686
Leases	15	1,895	501	2,568	1,486
Trade payables	16	8,064	2,392	53,649	27,373
Salaries and social charges		5,970	2,077	10,877	4,283
Tax liabilities	17	1,617	2,463	19,403	15,742
Real estate purchase obligations	18	800	863	29,822	54,965
Dividends payable		80	8,235	80	8,235
Advances from customers	19	1,324	2,942	414,275	151,075
Other payables		32	264	2,035	4,088
Total current liabilities		42,978	37,346	591,625	316,933
Non-current liabilities					
Borrowings	14	175,100	65,051	229,459	84,200
Leases	15	3,354	1,214	3,412	2,383
Real estate purchase obligations	18	-	-	37,113	30,238
Advances from customers	19	-	51	-	44
Provision for contingencies	20	1,427	1,427	6,502	5,588
Provision for real estate maintenance	21	1,386	1,532	11,577	8,762
Related parties	10	13,973	5,700	11,258	2,489
Provision for investees' net capital deficiency	11	8,227	1,607	6,022	2,365
Total non-current liabilities		203,467	76,582	305,343	136,069
Total liabilities		246,445	113,928	896,968	453,002
Equity					
Capital	22	269,172	269,172	269,172	269,172
Capital reserve		259	259	259	259
Revenue reserves		15,319	25,697	15,319	25,697
Retained earnings		49,932	-	49,932	-
		334,682	295,128	334,682	295,128
Non-controlling interests			-	130,416	77,187
Total equity		334,682	295,128	465,098	372,315
Total liabilities and equity		581,127	409,056	1,362,066	825,317

The accompanying notes are an integral part of this quarterly information.



Statement of income

Quarter and nine-month period ended September 30

All amounts in thousands of reais unless otherwise stated

(A free translation of the original in Portuguese)

	Note	Parent company			
		7/1/2021 to 9/30/2021	1/1/2021 to 9/30/2021	7/1/2020 to 9/30/2020	1/1/2020 to 9/30/2020
Net operating revenue	24	14,922	44,531	8,706	41,632
Cost of properties sold	25	(9,423)	(28,274)	(5,111)	(25,491)
Gross profit		5,499	16,257	3,595	16,141
Operating income (expenses)					
General and administrative	25	(9,100)	(25,029)	(6,481)	(16,929)
Selling	25	(2,012)	(4,574)	(913)	(2,333)
Equity in the results of investees	11	21,443	73,500	26,413	45,122
Other operating income (expenses), net	25	(1,701)	(4,576)	(369)	(1,208)
Operating profit		14,129	55,578	22,245	40,793
Finance income	27	1,163	2,182	656	4,201
Finance costs	27	(5,351)	(7,314)	(2,340)	(7,027)
Finance costs, net		(4,188)	(5,132)	(1,684)	(2,826)
Profit before income tax and social contribution		9,941	50,446	20,561	37,967
Income tax and social contribution	28	(160)	(514)	(175)	(805)
Profit for the period		9,781	49,932	20,386	37,162
Basic earnings per share - R\$	23	0.174580	0.891229	0.00073	0.00133
Diluted earnings per share - R\$	23	0.174580	0.891229	0.00073	0.00133

The accompanying notes are an integral part of this quarterly information.



Statement of income
Quarter and nine-month period ended September 30

All amounts in thousands of reais unless otherwise stated

(continued)

		Consolidated			
	Note	7/1/2021 to 9/30/2021	1/1/2021 to 9/30/2021	7/1/2020 to 9/30/2020	1/1/2020 to 9/30/2020
Net operating revenue	24	182,248	548,913	135,666	290,897
Cost of properties sold	25	(108,785)	(336,038)	(85,092)	(175,480)
Gross profit		73,463	212,875	50,574	115,417
Operating income (expenses)					
General and administrative	25	(10,100)	(29,550)	(8,266)	(22,429)
Selling	25	(17,113)	(38,293)	(7,117)	(18,583)
Other operating income (expenses), net	25	(5,718)	(13,299)	(2,369)	(8,639)
Operating profit		40,532	131,733	32,822	65,766
Finance income	27	3,529	9,432	3,106	8,918
Finance costs	27	(6,557)	(8,325)	(2,919)	(7,897)
Finance costs, net		(3,028)	1,107	187	1,021
Equity in the results of investees	11(a)	(1,119)	(9,234)	443	2,287
Profit before income tax and social contribution		36,385	123,606	33,452	69,074
Income tax and social contribution	28	(3,860)	(11,690)	(2,089)	(5,532)
Profit for the period		32,525	111,916	31,363	63,542
Attributable to:					
Owners of the parent		9,781	49,932	20,386	37,162
Non-controlling interests		22,744	61,984	10,977	26,380
		32,525	111,916	31,363	63,542

The accompanying notes are an integral part of this quarterly information.



Statement of comprehensive income
Quarter and nine-month period ended September 30

All amounts in thousands of reais

(A free translation of the original in Portuguese)

	Parent company		Quarter ended September 30	
			Consolidated	
	2021	2020	2021	2020
Profit for the period	9,781	20,386	32,525	31,363
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>9,781</u>	<u>20,386</u>	<u>32,525</u>	<u>31,363</u>
Attributable to:				
Owners of the parent			9,781	20,386
Non-controlling interests			<u>22,744</u>	<u>10,977</u>
			<u>32,525</u>	<u>31,363</u>

	Parent company		Nine-month period ended September 30	
			Consolidated	
	2021	2020	2021	2020
Profit for the period	49,932	37,162	111,916	63,542
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>49,932</u>	<u>37,162</u>	<u>111,916</u>	<u>63,542</u>
Attributable to:				
Owners of the parent			49,932	37,162
Non-controlling interests			<u>61,984</u>	<u>26,380</u>
			<u>111,916</u>	<u>63,542</u>

The accompanying notes are an integral part of this quarterly information.

Patrimar Engenharia S.A.

Statement of changes in equity Nine-month period ended September 30 All amounts in thousands of reais

(A free translation of the original in Portuguese)

	Attributable to owners of the parent						
	Revenue reserves			Retained earnings (accumulated deficit)	Equity	Non-controlling interests	Total equity
	Note	Capital	Capital reserve	Legal reserve	Profit retention reserve		
At December 31, 2019		281,602	259	-	-	264,560	312,364
Contributions to subsidiaries by non-controlling interests		-	-	-	-	-	(9,784)
Profit for the period		-	-	-	37,162	37,162	63,542
At September 30, 2020		281,602	259	-	19,861	301,722	366,122
At December 31, 2020		269,172	259	2,819	22,878	295,128	372,315
Return of subsidiaries capital		-	-	-	-	-	(8,755)
Profit for the period		-	-	-	49,932	49,932	111,916
Dividends paid (Note 22 (d))		-	-	-	(10,378)	(10,378)	(10,378)
At September 30, 2021		269,172	259	2,819	49,932	334,682	465,098

The accompanying notes are an integral part of this quarterly information.



Statement of cash flows
Nine-month period ended September 30

All amounts in thousands of reais

(A free translation of the original in Portuguese)

	Parent company		Consolidated	
	2021	2020	2021	2020
Cash flows from operating activities				
Profit for the period	49,932	37,162	111,916	63,542
Adjustments to reconcile profit with cash flows from operating activities				
Depreciation and amortization	5,106	4,161	7,956	7,071
Present value adjustment of receivables	(751)	(1,052)	(4,194)	(3,771)
Equity in the results of investees	(73,500)	(45,122)	9,234	(2,287)
Provision for real estate maintenance	51	-	3,477	447
Provision for labor, civil, and tax contingencies	-	-	986	1,819
Provision for interest on borrowings	8,086	3,678	11,852	4,578
Income tax and social contribution	514	805	11,690	5,532
Property and equipment	-	-	698	-
	(10,562)	(368)	153,615	76,931
Changes in working capital				
Increase (decrease) in assets and liabilities				
Trade receivables	(374)	(2,733)	(110,439)	(72,435)
Properties for sale	12,906	23,827	(229,431)	(6,948)
Taxes recoverable	(27)	167	(2,126)	(543)
Other assets	879	(5,860)	(4,967)	(9,731)
Trade payables	5,672	(3,739)	26,276	(110)
Salaries and social charges	3,893	1,684	6,594	4,148
Tax liabilities	(303)	137	(2,667)	3,094
Real estate purchase obligations	(63)	(1,113)	(18,268)	2,875
Advances from customers	(1,669)	(21,248)	263,156	17,846
Other liabilities	(1,474)	(244)	(2,087)	(2,769)
Amounts paid for civil, labor, and tax contingencies	-	-	(1,506)	-
	19,440	(9,122)	(75,465)	(64,573)
Interest paid	(7,308)	(2,776)	(10,655)	(3,426)
Income tax and social contribution paid	(1,057)	(399)	(5,362)	(1,924)
Net cash provided by (used in) operating activities	513	(12,665)	62,133	7,008
Cash flows from investing activities				
Changes in restricted financial investments	(49)	(45)	(49)	(45)
Advances to related parties	(38,838)	(25,946)	8,547	11,284
Investments made (redeemed)	14,523	18,220	4,079	(2,198)
Purchases of property and equipment and intangible assets	(5,447)	(1,527)	(19,645)	(5,496)
Net cash provided by (used in) investing activities	(29,811)	(9,298)	(7,068)	3,545
Cash flows from financing activities				
New borrowings	132,169	52,659	236,797	78,640
Repayment of borrowings – principal amount	(17,311)	(31,866)	(83,506)	(48,625)
Dividends paid	(18,502)	-	(18,502)	-
Distributions paid to non-controlling interests, net	-	-	(8,755)	(9,785)
Net cash provided by financing activities	96,356	20,793	126,034	20,230
Increase (decrease) in cash and cash equivalents, net	67,058	(1,170)	181,099	30,783
Changes in cash				
Cash and cash equivalents at the beginning of the period	11,095	11,082	119,256	50,234
Cash and cash equivalents at the end of the period	78,153	9,912	300,355	81,017
Net increase in cash and cash equivalents	67,058	(1,170)	181,099	30,783

The accompanying notes are an integral part of this quarterly information.



Statement of value added
Nine-month period ended September 30

All amounts in thousands of reais

(A free translation of the original in Portuguese)

	Parent company		Consolidated	
	2021	2020	2021	2020
Revenue:				
Revenue from sales and services	45,278	43,824	560,852	298,818
	<u>45,278</u>	<u>43,824</u>	<u>560,852</u>	<u>298,818</u>
Inputs acquired from third parties:				
Cost of properties sold	(26,968)	(23,856)	(316,756)	(167,598)
Electricity, third-party services, and other expenses	(12,703)	(6,994)	(71,273)	(29,483)
	<u>(39,671)</u>	<u>(30,850)</u>	<u>(388,029)</u>	<u>(197,081)</u>
Gross value added	<u>5,607</u>	<u>12,974</u>	<u>172,823</u>	<u>101,737</u>
Retentions:				
Depreciation and amortization	(5,106)	(4,161)	(7,956)	(7,071)
Net value added generated by the entity	<u>501</u>	<u>8,813</u>	<u>164,867</u>	<u>94,666</u>
Value added received through transfers:				
Equity in the results of investees	73,500	45,122	(9,234)	2,287
Finance income	2,181	4,201	9,432	8,918
	<u>75,681</u>	<u>49,323</u>	<u>198</u>	<u>11,205</u>
Total value added for distribution	<u>76,182</u>	<u>58,136</u>	<u>165,065</u>	<u>105,871</u>
Distribution of value added:				
Personnel				
Compensation	9,304	7,551	12,021	14,114
Charges	3,341	2,718	4,202	5,081
Benefits	3,910	1,421	3,738	2,655
	<u>16,555</u>	<u>11,690</u>	<u>19,961</u>	<u>21,850</u>
Taxes and contributions				
Federal	1,997	1,934	24,010	11,771
Municipal	384	323	853	811
	<u>2,381</u>	<u>2,257</u>	<u>24,863</u>	<u>12,582</u>
Remuneration of third-party capital:				
Finance costs	7,314	7,027	8,325	7,897
	<u>7,314</u>	<u>7,027</u>	<u>8,325</u>	<u>7,897</u>
Remuneration of own capital:				
Profit for the period	49,932	37,162	49,932	37,162
Non-controlling interests - retained earnings	-	-	61,984	26,380
	<u>49,932</u>	<u>37,162</u>	<u>111,916</u>	<u>63,542</u>
Value added distributed	<u>76,182</u>	<u>58,136</u>	<u>165,065</u>	<u>105,871</u>

The accompanying notes are an integral part of this quarterly information.

(A free translation of the original in Portuguese)

Patrimar Engenharia S.A.



Notes to the quarterly information at September 30, 2021

All amounts in thousands of reais unless otherwise stated

1 Operations

1.1. General information

Patrimar Engenharia S.A. ("Patrimar" or the "Company") is an unlisted publicly-held company registered under category A with the Brazilian Securities Commission (CVM), and headquartered in the city of Belo Horizonte, State of Minas Gerais, Brazil, at Rodovia Stael Mary Bicalho Motta Magalhães, 521, 17th floor, Belvedere District.

Patrimar is a real-estate development and construction company founded in 1968 with a focus on residential developments. The Company primarily operates in the States of Minas Gerais, Rio de Janeiro, and São Paulo. In 2000, Construtora Novolar Ltda. ("Novolar") a wholly-owned subsidiary of Patrimar since October 1, 2019, was established to serve the middle-income sector and currently operates in the development, construction, and sale of real estate developments in Minas Gerais, Rio de Janeiro, and São Paulo.

Novolar was already a member of the Patrimar Group through the direct interest that the same stockholders held in PRMV Participações S.A.

The Company and its subsidiary Novolar perform development and construction activities through Special Partnerships (SCPs) and Special-Purpose Entities (SPEs) by forming partnerships to facilitate the individual monitoring of the undertakings, the raising of funds and improvement of project financial and accounting controls.

The Company and its subsidiaries are referred to jointly as the "Group". The SCPs and SPEs operate exclusively in the real estate sector and, in most cases, are associated with a specific venture.

1.2. Impacts of COVID-19

On March 2, 2020, the World Health Organization (WHO) declared the Coronavirus outbreak (COVID-19) to be a pandemic. The pandemic has affected Brazil and countries worldwide, posing risks to public health and impacting the economy.

The Group has been taking risk prevention and mitigation measures, in line with the guidelines provided by Brazilian and international health authorities, to minimize possible effects on the health and safety of employees, their families, partners and communities, as well as to assure the continuity of its operations and business. The Group implemented a series of measures to mitigate the impact of COVID-19, including:



**Notes to the quarterly information
at September 30, 2021**

All amounts in thousands of reais unless otherwise stated

(a) Analysis of estimated impairment of trade receivables

Management analyzed the potential risk of default on trade receivables. By contacting each individual customer, through credit analyses and reinforcement of security criteria, terms were renegotiated to lengthen payment tenures and intensified collection efforts. The operational results of these measures were favorable, as they prevented an increased in default indices and secured customer retention and reduced canceled sales.

(b) Assumptions used to measure financial instruments

As the Group's business model for managing financial assets and the characteristics of the contractual cash flow of financial assets had remained unchanged, there was no need to review the measurement assumptions.

(c) Analysis of compliance with obligations with customers and suppliers

Management reviewed the main contracts with suppliers and customers and concluded that the contractual obligations were being fulfilled and there was no evidence of insolvency or discontinuity in relation to these contracts.

(d) Analysis of compliance with contractual obligations – covenants

The Group was in compliance with restrictive clauses (covenants) in the working capital contract at the end of 3Q21 (Note 14).

(e) Attention to the Group's liquidity

In recognition of the importance of cash preservation, various contingency actions were taken in 2020, such as the reassessment of strategic investment priorities, limiting operational expenses, reduction of salary and working hours for some employees, measures of organizational restructuring, reduction of expenses with consulting firms, and review of the strategic planning.

These analyses did not identify any significant effects affecting this quarterly financial information.

**2 Presentation of the quarterly information and
summary of significant accounting policies**

2.1. Presentation of the quarterly information

The Group's quarterly information comprises:

The parent company and consolidated condensed interim accounting information included in the Quarterly Information Form (ITR) for the quarter and nine-month periods ended September 30, 2021, has been prepared and is being presented in accordance with CPC 21 (R1) - Interim Financial Reporting, issued by the Brazilian Accounting Pronouncements Committee (CPC), and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), in a manner consistent with the standards



**Notes to the quarterly information
at September 30, 2021**

All amounts in thousands of reais unless otherwise stated

issued by the Brazilian Securities Commission (CVM) applicable to the preparation of quarterly information, and is limited to disclosing all information of significance to the parent company and consolidated quarterly information, which is consistent with the information utilized by management in the performance of its duties.

The accounting for revenue recognition for sales of real estate properties is based on the management's understanding, which is consistent with Circular Official Letter CVM/SNC/SEP/No. 02/2018 on the adoption of the Technical Pronouncement CPC 47 (IFRS 15) in conformity with CVM rules applicable to the preparation of quarterly information.

The condensed interim accounting information included in the Quarterly Information Form (ITR) has been prepared under the historical cost convention. The cost of certain financial assets and liabilities are adjusted to fair value.

The accounting practices adopted by the subsidiaries are consistent with those adopted by the Company. Where applicable, all intercompany transactions, balances, revenue and expenses have been fully eliminated in the condensed interim accounting information.

In the preparation of the Quarterly Information Form (ITR), the principles, estimates, accounting practices, measurement methods and standards adopted are consistent with those presented in the financial statements at December 31, 2020, except when otherwise disclosed. This interim accounting information for the nine-month period ended September 30, 2021 should be read together with the Group's financial statements as at and for the year ended December 31, 2020.

As there were no material changes to the composition and nature of the balances presented in the financial statements for the year ended December 31, 2020, the Notes below are presented in a condensed format for the nine-month period ended September 30, 2021.

Note

- 2 Presentation of the quarterly information and summary of significant accounting policies;
- 11 Investments;
- 12 Property and equipment;
- 13 Intangible assets;
- 22 Equity.

The presentation of the parent company and consolidated statements of value added is required by the Brazilian corporate legislation and the accounting practices adopted in Brazil for listed companies, though not required by IFRS. Therefore, under IFRS, the presentation of these statements is considered as supplementary information.

The condensed interim accounting information included in the Group's Quarterly Information Form (ITR) for the quarter and nine-month period ended September 30, 2021 was approved at the Board of Director's meeting held on November 9, 2021.



**Notes to the quarterly information
at September 30, 2021**

All amounts in thousands of reais unless otherwise stated

2.2. New accounting pronouncements

For the annual periods beginning on January 1, 2021, the technical coordination of the Brazilian Accounting Pronouncements Committee (CPC), issued the pronouncements below. Management believes that it had no effect on the Group's consolidated statements.

CPC Liquidation - establishes specific accounting criteria and procedures for entities in liquidation, issued on April 20, 2021.

CPC 50 Insurance Contracts - institutes principles for the recognition, measurement, presentation and disclosure of insurance contracts, issued on August 6, 2021.

3 Critical accounting estimates and judgments

The Group makes estimates concerning the future based on assumptions. The resulting accounting estimates will, by definition, seldom equal the actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

(i) Budgeted costs

Total budgeted costs, including costs incurred or expected to be incurred during the completion of the construction work, are regularly reviewed by reference to the percentage of completion of the works, and adjustments based on this review, if any, are reflected in the Group's results.

(ii) Recognition of revenue from real estate units under construction

The Company and its subsidiaries use the Percentage of Completion (POC) method to account for their contracts for the sale of units in real estate development projects and provision of services. The use of the POC method requires the Group to estimate the costs to be incurred up to the completion of construction and the delivery of each real estate development unit to establish the proportion in relation to the costs already incurred. Revenue is calculated by multiplying this percentage (POC) by the fair value of revenue from sales already contracted. Accordingly, revenue is recognized on a continuous basis throughout the construction of the real estate development. This determination requires the use of estimates and significant judgment by management.

(iii) Provision for contingencies

Provisions for civil, labor, and tax contingencies are recognized when the Company has a present legal or constructive obligation as a result of past events, the amounts can be reliably estimated, and it is probable that an outflow of resources will be required to settle the obligation.

The amount recognized as a provision is the best estimate of the amount required to settle the obligation at the end of each reporting period, taking into consideration the risks and uncertainties related to the obligation.



**Notes to the quarterly information
at September 30, 2021**

All amounts in thousands of reais unless otherwise stated

When some or all of the economic benefits required for the settlement of a provision are expected to be recovered from a third party, an asset is recognized if, and only if, the reimbursement is certain, and the amount can be reliably measured.

(iv) Provision for canceled sales

This provision is based on assumptions that consider the history and prospects of expected losses and an individual review of sales contracts.

Such assumptions are reviewed annually for any changes in circumstances and trends.

(v) Present value adjustment

Monetary assets and liabilities are adjusted to their present value upon the initial recognition of the transaction, taking into account the contractual cash flows, the explicit (and in certain cases implicit) interest rate for the respective assets and liabilities, and the rates prevailing in the market for similar transactions. The adjustment is accreted to profit or loss using the effective interest rate method in relation to the contractual cash flows.

Regarding trade receivables, the discount rate used considers the weighted annual average of securities issued by the federal government (NTN-B), which have a maturity term similar to that of the receivables.

(vi) Provision for real estate maintenance

This provision is recorded during construction to cover expenses with repairs for developments completed and covered by an average warranty period of five years, as from the delivery date. Properties for which the occupancy permit have already been issued and registered are considered completed real estate units.

4 Financial risk management

4.1. Financial risk factors

The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk, and market risk. The Group's risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on its financial performance.

Risk management is carried out by the Group's central treasury department, under policies approved by management. These policies are established to identify and analyze the risks to which the Group is exposed, to define risk limits and proper controls, and to monitor the risks and compliance with the defined limits.

Risk management policies and systems are regularly reviewed to reflect changes in market conditions and in the Group's activities. Through its training and management rules and procedures, the Group seeks to maintain an environment of discipline and control in which all employees are aware of their duties and obligations.

**Notes to the quarterly information
at September 30, 2021**All amounts in thousands of reais unless otherwise stated

(a) Credit risk

This is the risk that the Group incurs losses from a customer or a counterparty on a financial instrument due to failure to comply with contractual obligations, as well as on deposits with banks and other financial institutions. Individual risk limits are set based on internal or external ratings in accordance with limits approved by management. The credit analysis department assesses the credit quality of the customer, taking into account its financial position, past experience and other factors.

The maximum exposure to credit risk is represented by the carrying amount of financial assets.

The utilization of credit limits is regularly monitored by the Treasury department, and credit risk is managed on a Group basis. For investments in banks and other financial institutions, only securities from entities independently rated with a minimum rating of "Good", and with minimum risk of market exposure are accepted.

Individual risk limits are set based on internal or external ratings in accordance with limits set by management with the aim of minimizing risk concentration and, therefore, mitigating the risk of loss in the event of a potential bankruptcy of a counterparty.

Credit quality of financial assets

The Group has a conservative investment profile, making use of private bonds issued by top-tier financial institutions, exclusive funds and open-end investment funds. Our investments aim to remunerate our liquidity at levels similar to the market, without incurring relevant market risks (asset price fluctuations) or counterparty credit risk. The consolidated balances on September 30, 2021 of financial assets that comprised short-term financial investments are classified as follows by "rating":

Fitch Rating	Consolidated
AAA	173,798
AA+	5,934
AA	19,452
AA-	899
Other ratings	8,774
Open investments funds (i)	<u>52,947</u>
Total	261,804

(i) Open-end investment funds with a conservative profile, managed by top-tier managers, with investments in government bonds, shares in other investment funds of the same profile and private bond papers predominantly rated AA+ or higher.

The investments made by the Company and its subsidiaries comply with the risk rating limits defined in the Financial Executive Board's management guidelines.

All amounts in thousands of reais unless otherwise stated

	Parent company		Consolidated	
	9/30/2021	12/31/2020	9/30/2021	12/31/2020
Completed units (Note 7)				
With statutory lien	7,751	11,090	42,634	55,347
Without statutory lien	-	2,201	6,527	9,612
	7,751	13,291	49,161	64,959
Units under construction (Note 7)				
With statutory lien	19,929	19,683	301,241	187,882
Administration services (Note 7)				
Without statutory lien	3,384	798	14,671	7,197
	31,064	33,772	365,073	260,038

(b) Liquidity risk

Cash flow forecasting is performed by the Group's Treasury department, which monitors rolling forecasts of liquidity requirements to ensure it has cash at an amount greater than the cash outflows required to settle financial liabilities (except "Trade payables") over the following 30 days.

	Parent company				
	Less than one year	Between one and two years	Between two and three years	Over three years	Total
At September 30, 2021					
Borrowings (Note 14)	19,131	10,448	55,867	112,850	198,296
Lease (Note 15)	470	1,905	1,948	926	5,249
Trade payables (Note 16)	8,064	-	-	-	8,064
Real estate purchase obligations (Note 18)	800	-	-	-	800



**Notes to the quarterly information
at September 30, 2021**

All amounts in thousands of reais unless otherwise stated

	Consolidated				
	Less than one year	Between one and two years	Between two and three years	Over three years	Total
At September 30, 2021					
Borrowings (Note 14)	25,661	54,328	81,988	126,398	288,375
Lease (Note 15)	715	2,362	1,977	926	5,980
Trade payables (Note 16)	53,649	-	-	-	53,649
Real estate purchase obligations (Note 18)	29,822	37,113	-	-	66,935
	Parent company				
	Less than one year	Between one and two years	Between two and three years	Over three years	Total
At December 31, 2020					
Borrowings (Note 14)	17,609	25,051	20,000	20,000	82,660
Lease (Note 15)	501	569	645	-	1,715
Trade payables (Note 16)	2,392	-	-	-	2,392
Real estate purchase obligations (Note 18)	863	-	-	-	863
	Consolidated				
	Less than one year	Between one and two years	Between two and three years	Over three years	Total
At December 31, 2020					
Borrowings (Note 14)	49,686	39,924	24,276	20,000	133,886
Lease (Note 15)	1,486	1,143	1,109	131	3,869
Trade payables (Note 16)	27,373	-	-	-	27,373
Real estate purchase obligations (Note 18)	54,965	30,238	-	-	85,203

The Group has financial assets (essentially represented by cash, cash equivalents, and trade receivables for real estate developments) that are considered sufficient to meet the commitments associated with its operations.

(c) Market risk

The Group is mainly engaged in the development, construction, and sale of real-estate ventures. In addition to the risks that generally affect the real estate market, such as supply chain disruptions and volatility in the price of construction materials and equipment, changes in the supply and demand for real estate developments in certain regions, strikes and environmental and zoning regulations, the activities of the Group are specifically affected by the following risks.



**Notes to the quarterly information
at September 30, 2021**

All amounts in thousands of reais unless otherwise stated

(i) Interest rate and foreign exchange risk exposure

The Group analyzes its interest rate exposure on a continual basis. It performs simulations of various scenarios that consider refinancing, renewal of existing positions, and alternative financing, for their effects on profit or loss from a defined change in interest rates.

The Group has financial investments, an exclusive fund, and third-party borrowings earning interest indexed to the Interbank Deposit Certificate (CDI) rate, with interest linked to the CDI rate and the Reference Rate (TR).

The balances of financial investments are exposed to the fluctuations in interest rates (particularly the CDI rate). At September 30, 2021, the Group's management carried out a sensitivity analysis for a 12-month scenario, as required by CVM Instruction 475 of December 17, 2008; this does not necessarily reflect the Group's expectations.

According to the guidance provided for in Circular Official Letter/CVM 01/2021, the Group considered stressed these by 25% and 50%, to reflect a decrease in financial assets and an increase in financial liabilities:

Indicators	Index	Rate	9/30/2021	Parent company			9/30/2021	Consolidated		
				Scenario I – Probable	Scenario II (25%)	Scenario III (50%)		Scenario I – Probable	Scenario II (25%)	Scenario III (50%)
Assets										
Financial investments	CDI	2.99 %	80,452	2,406	1,805	1,203	264,103	7,897	5,923	3,949
Liabilities										
Borrowings for working capital (in Reais – R\$)	CDI	2.99 %	50,448	1,508	1,131	754	50,448	1,508	1,131	754
Construction financing	CDI	2.99%	-	-	-	-	45,734	1,367	1,025	684
Debentures	CDI	2.99 %	130,586	3,905	2,929	1,953	130,586	3,905	2,929	1,953

4.2 Capital management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for stockholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the Group's capital structure, management can make, or may propose to the stockholders when their approval is required, adjustments to the dividend payment policy, return capital to stockholders, pay for new shares, or sell assets to reduce, for example, debt.



**Notes to the quarterly information
at September 30, 2021**

All amounts in thousands of reais unless otherwise stated

In common with other in the sector, the Group monitors its capital on the basis of the gearing ratio, which corresponds to net debt divided by total capitalization. Net debt is calculated as total borrowings (including current and non-current borrowings as shown in the balance sheet) less cash and cash equivalents and financial investments. Total capitalization is calculated as equity as shown in the balance sheet plus net debt.

	Parent company		Consolidated	
	9/30/2021	12/31/2020	9/30/2021	12/31/2020
Total borrowings (Note 14)	198,296	82,660	288,375	133,886
Less: Cash and cash equivalents (Note 6(a))	(78,153)	(11,095)	(300,355)	(119,256)
Net debt	120,143	71,565	(11,980)	14,630
Total equity	334,682	295,128	465,098	372,315
Total capitalization	454,825	366,693	453,118	386,945
Gearing ratio - %	26 %	20 %	-3 %	4 %

4.3 Fair value estimation

The Group measures its financial assets and liabilities at fair value. Fair value is measured at market value based on the assumptions adopted by the market to measure an asset or a liability. To increase consistency and comparability, the fair value hierarchy prioritizes the inputs used in valuation techniques into three broad levels, as follows:

- **Level 1 Active market:** Quoted market price – A financial instrument is considered to be quoted in an active market if quoted prices are readily and regularly available from an exchange or organized over-the-counter market, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent regularly occurring market transactions on an arm's length basis.
- **Level 2 No active market:** Valuation techniques – if the market for a financial instrument is not active, fair value is established by using valuation/pricing techniques. These techniques may include reference to the fair value of another instrument that is substantially the same, discounted cash flows and option pricing models. The purpose of the valuation technique is to establish what the transaction price would be on the measurement date in an interest-free exchange motivated by business considerations.
- **Level 3 No active market:** Equity instruments – fair value of investments in equity instruments that do not have market prices quoted in an active market and of derivatives that are linked to them and that must be settled by the delivery of unquoted equity instruments.

Borrowings are recognized at amortized cost. The Group does not have financial assets measured at Level 1 and 3.

Impairment

The Group assesses on a prospective basis the expected credit losses associated with its debt instruments carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk, or any other indication, which was not identified in the period.



**Notes to the quarterly information
at September 30, 2021**

All amounts in thousands of reais unless otherwise stated

5 Financial instruments by nature

	Parent company		Consolidated	
	9/30/2021	12/31/2020	9/30/2021	12/31/2020
Financial assets				
Measured at amortized cost				
Cash and bank accounts (Note 6(a))	-	2,537	38,551	24,012
Highly liquid financial investments (Note 6 (a))	70,549	8,558	213,328	95,244
Exclusive fund (Note 6(b))	7,604	-	48,476	-
Restricted financial investments (Note 6(c))	2,299	2,250	2,299	2,250
Trade receivables (Note 7)	30,905	29,780	354,656	240,023
Judicial deposits (Note 20)	79	75	1,166	1,529
Related parties (Note 10)	94,078	46,967	6,908	6,686
	<u>205,514</u>	<u>90,167</u>	<u>665,384</u>	<u>369,744</u>
Financial liabilities				
Measured at amortized cost				
Borrowings (Note 14)	198,296	82,660	288,375	133,886
Lease (Note 15)	5,249	1,715	5,980	3,869
Trade payables (Note 16)	8,064	2,392	53,649	27,373
Real estate purchase obligations (Note 18)	800	863	66,935	85,203
Related parties (Note 10)	13,973	5,700	13,865	2,489
	<u>226,382</u>	<u>93,330</u>	<u>428,804</u>	<u>252,820</u>

6 Cash and cash equivalents and financial investments

(a) Cash and cash equivalents

	Parent company		Consolidated	
	9/30/2021	12/31/2020	9/30/2021	12/31/2020
Cash	-	30	47	56
Bank	-	2,507	38,504	23,956
Financial investments - exclusive fund (b)	7,604	-	48,476	-
Highly liquid financial investments	70,549	8,558	213,328	95,244
	<u>78,153</u>	<u>11,095</u>	<u>300,355</u>	<u>119,256</u>

During the period ended September 30, 2021, interest income on financial investments were linked to bank deposits and other short-term highly liquid investments with immaterial risk of change in value, and ranged from 97.6% to 121.1% of the CDI rate (from 95% to 106% of the CDI rate at December 31, 2020).



**Notes to the quarterly information
at September 30, 2021**

All amounts in thousands of reais unless otherwise stated

(b) Exclusive investment fund

At September 30, 2021, the exclusive investment funds, earning interest at 116.90% of CDI rate, were as follows.

	Parent company		Consolidated	
	9/30/2021	12/31/2020	9/30/2021	12/31/2020
Debentures	1,032	-	6,578	-
Financial bills	2,521	-	16,075	-
CDB	300	-	1,910	-
LFT	2,401	-	15,304	-
Repurchase agreement	1,350	-	8,609	-
	<u>7,604</u>	<u>-</u>	<u>48,476</u>	<u>-</u>

(c) Restricted financial investments

	Parent company		Consolidated	
	9/30/2021	12/31/2020	9/30/2021	12/31/2020
Restricted financial investments – non-current	2,299	2,250	2,299	2,250
	<u>2,299</u>	<u>2,250</u>	<u>2,299</u>	<u>2,250</u>

The Group's restricted financial investments in Bank Deposit Certificates (CDB) maturing in over one year is offered as collateral for the borrowing obtained for the purchase of land. These investments earn 108% of the CDI rate (108% of the CDI rate at December 31, 2020) based on the nature and maturity of the instrument.

7 Trade receivables

	Parent company		Consolidated	
	9/30/2021	12/31/2020	9/30/2021	12/31/2020
<u>Trade receivables from real estate developments</u>				
Completed units	7,751	13,291	49,161	64,959
Units under construction	19,929	19,683	301,241	187,882
Administration services	3,384	798	14,671	7,197
	<u>31,064</u>	<u>33,772</u>	<u>365,073</u>	<u>260,038</u>
Provision for canceled sales	-	(1,999)	(2,732)	(7,439)
Provision for losses	-	(1,083)	(1,201)	(1,898)
Adjustments to present value	(159)	(910)	(6,484)	(10,678)
	<u>(159)</u>	<u>(3,992)</u>	<u>(10,417)</u>	<u>(20,015)</u>
	<u>30,905</u>	<u>29,780</u>	<u>354,656</u>	<u>240,023</u>
Current assets	30,905	27,854	170,389	142,038
Non-current assets	-	1,926	184,267	97,985



**Notes to the quarterly information
at September 30, 2021**

All amounts in thousands of reais unless otherwise stated

Receivables from the sale of units under construction is recognized by reference to the stage of completion of the works, net of installments already received.

Trade receivables from real estate sales are adjusted based on the National Civil Construction Index (INCC) up to the delivery of the units sold. These amounts are then indexed based on the General Market Price Index (IGP-M) and bear an average interest rate of 6% p.a.

Administration services refer to the administration fee and remuneration for the management and control of the works with other partners.

Maturity of trade receivables from real estate developments

The balance of the Group's trade receivables is presented below, not including the book balance of developments in progress, which are recorded based on the POC method.

	Parent company		Consolidated	
	9/30/2021	12/31/2020	9/30/2021	12/31/2020
Falling due in up to 1 year	31,495	39,632	290,988	265,526
Falling due from 1 to 2 years	-	1,900	297,524	133,575
Falling due from 2 to 3 years	-	-	144,657	150,233
Falling due from 3 to 4 years	-	-	42,124	75,858
Falling due in more than 4 years	-	-	3,429	937
	<u>31,495</u>	<u>41,532</u>	<u>778,722</u>	<u>626,129</u>
Overdue for up to 1 year	11	330	9,268	23,913
Overdue from 1 to 2 years	-	1,999	1,191	4,217
Overdue from 2 to 3 years	-	-	1,086	3,277
Overdue from 3 to 4 years	-	-	249	885
Overdue for more than 4 years	-	1,021	1,128	1,040
	<u>11</u>	<u>3,350</u>	<u>12,922</u>	<u>33,332</u>
	<u>31,506</u>	<u>44,882</u>	<u>791,644</u>	<u>659,461</u>
Trade receivables - accounting	30,905	29,780	354,656	240,023
Deferred revenue (Note 29)	1,722	14,008	545,006	473,015
Advances from customers (Note 19)	(1,280)	(2,898)	(118,435)	(73,592)
Present value adjustment	159	910	6,484	10,678
Provision for canceled sales	-	1,999	2,732	7,439
Provision for losses	-	1,083	1,201	1,898
	<u>31,506</u>	<u>44,882</u>	<u>791,644</u>	<u>659,461</u>



**Notes to the quarterly information
at September 30, 2021**

All amounts in thousands of reais unless otherwise stated

8 Properties for sale

This includes apartment units for sale, completed and under construction, and land for future developments. The land related to a venture is transferred to "Properties under construction" when the sales of the units are initiated.

	Parent company		Consolidated	
	9/30/2021	12/31/2020	9/30/2021	12/31/2020
Inventories of land	12,837	14,253	362,363	153,021
Units under construction	4,736	7,002	199,257	167,955
Completed units	5	8,030	9,268	18,772
Provision for canceled sales	-	1,199	1,496	3,205
	<u>17,578</u>	<u>30,484</u>	<u>572,384</u>	<u>342,953</u>
Current assets	6,984	26,249	550,916	328,108
Non-current assets	10,594	4,235	21,468	14,845

Capitalized interest

Interest paid on financing of production is accounted for as properties under construction and charged to profit or loss when the property is sold. The rate utilized for interest capitalization is specific for each real estate development, ranging from 5.53% to 11.25% p.a. (from 6.9% to 11.25% p.a. at December 31, 2020).

At September 30, 2021, interest capitalized within real estate in inventory totaled R\$ 1,072 and R\$ 195 in the Consolidated and in the Parent company, respectively (R\$ 1,387 and R\$ 556, respectively at December 31, 2020).

9 Prepaid expenses

	Parent company		Consolidated	
	9/30/2021	12/31/2020	9/30/2021	12/31/2020
Insurance	45	21	3,044	584
Commissions and brokerage	18	340	12,026	8,762
Sales promotions	-	-	81	111
Wave Project	6,942	6,625	6,987	6,669
Software maintenance	268	60	268	60
	<u>7,273</u>	<u>7,046</u>	<u>22,406</u>	<u>16,186</u>

Prepaid expenses are recognized in the statement of income on an accrual basis or allocated to the relevant accounts according to the nature of the expenses.



**Notes to the quarterly information
at September 30, 2021**

All amounts in thousands of reais unless otherwise stated

10 Related parties

	Parent company		Consolidated	
	9/30/2021	12/31/2020	9/30/2021	12/31/2020
(a) Receivables from real estate developments	94,078	46,967	6,908	6,686
Construtora Novolar	39,254	19,569	4	-
Bernardo Vasconcelos	681	558	-	-
Jardinaves	3,302	3,261	-	-
Jota Patrimar Engefor	548	338	-	-
Mia Felicita	452	329	1	7
Mrv Patrimar Galleria	1,313	412	5	5
Park Residences	224	274	-	10
Gasparini	-	3,028	-	3,028
Alta Vila	-	1,323	3	-
Duo	2,474	771	-	351
Rio de Janeiro Lourdes	1,505	1,836	-	-
Golf I	8,141	1,244	-	-
Golf II	23,550	10,506	-	118
Apia Edificações Empreendimentos	-	1	-	302
Barao	-	-	-	317
Reality	-	-	468	228
Epic	1,585	-	1,585	-
Americas	3,137	538	-	68
Mrv Mrl Novolar I	-	-	1,633	213
Avenida de Ligação	548	220	548	-
Vale Dos Cristais	1,321	308	-	-
Riviera Do Sol	-	-	595	351
Maragogi	128	128	128	131
Mrv Mrl Novolar X	-	-	239	29
Mrv Mrl Novolar V	-	-	167	19
Mrv Mrl Novolar II	-	-	-	459
Other developments	5,915	2,323	1,532	1,050
	<u>94,078</u>	<u>46,967</u>	<u>6,908</u>	<u>6,686</u>



**Notes to the quarterly information
at September 30, 2021**

All amounts in thousands of reais unless otherwise stated

	Parent company		Consolidated	
	9/30/2021	12/31/2020	9/30/2021	12/31/2020
(b) Intercompany loans payable	-	-	2,607	-
Somattos Engenharia	-	-	982	-
Hb Engenharia	-	-	833	-
Minas Brisa	-	-	792	-
(a) Payables for real estate developments	13,973	5,700	8,651	2,489
Avignon	25	-	-	-
Alta Vila	3,415	-	4	-
Holiday Inn	2,225	1,788	-	-
Jardim Das Mangabeiras	-	1,584	-	-
Manhattan Square	5,084	1,910	28	-
Mrv Engenharia E Participações	-	36	1,066	593
Marcelo Magalhães Martins	-	-	572	572
Santa Cecilia Empreendimento	-	-	-	829
Jambreiro	-	-	4,810	-
Other developments	3,224	382	2,171	495
	13,973	5,700	11,258	2,489
(c) Related-party transactions with effects on profit or loss	(1,289)	(683)	16,494	10,755
Sales of apartments (i)	-	-	16,514	11,493
Indexation accruals of sales made (i)	-	-	1,269	340
Lease of the headquarters' building and Ventral Warehouse (ii)	(1,289)	(683)	(1,289)	(1,078)
Deferred revenue (i)	-	-	4,813	3,100

(a) Receivables from and payables for developments

These relate to:

- (i) Contributions in a proportion different from that of the interest held by the partners in the related SCPs and SPEs, which will be offset and capitalized upon a supplementary contribution to adjust the partners' interests.
- (ii) Routine transactions carried out between the Parent company and SCPs and SPEs, mainly characterized by the payment of expenses that are either reimbursed or repaid later. Receivables from and payables for developments referring exclusively to the development of the projects, are interest-free, and mature by the completion of the project.

**Notes to the quarterly information
at September 30, 2021**

All amounts in thousands of reais unless otherwise stated

(b) Intercompany loans payable

The companies are partners of SPE DUO, and the respective amount payable relates to expenses incurred at the beginning of the works of SPE DUO, which were paid by the partner companies to enable the development, without interest, and foreseen to be settled at the end of the construction phase, in 2023.

(c) Receivables and related-party transactions with effects on profit or loss**(i) Sale of apartments**

In June 2020, an apartment unit in the Apogée building, SPE Patrimar Somattos Jardim das Mangabeiras, was sold to Construtora Real for R\$ 14,500 (R\$ 15,719 – updated at September 30, 2021). The revenue recognized based on the POC method up to September 30, 2021, amounted to R\$ 15,335, including indexation of trade receivables. The entire transaction was carried out at market value, which was obtained from the sales table adopted by the Company for the development.

In May 2021, an apartment unit in the Uniquee building, SPE Jardinaves Empreendimentos Imobiliários, was sold to Patrícia Veiga for R\$ 4,368 (R\$ 4,635 – updated at September 30, 2021). The revenue recognized based on the POC method up to September 30, 2021, amounted to R\$ 1,179, including indexation of trade receivables. The entire transaction was carried out at market value, which was obtained from the sales table adopted by the Company for the development.

(ii) Lease of the headquarters' building and Central Warehouse

Payment to Construtora Real related to the lease of the building where the headquarters are located and the central warehouse. Construtora Real is controlled by the same shareholders of the Company. The entire transaction was carried out at market value, using lease transactions of an equivalent nature.

Management's assessment of lease contracts for the adoption of CPC 06 (R2)/IFRS 16 identified that the contract met the requirements of the standard and, therefore, the net debt amount was recorded, discounted at the Company's incremental borrowing rate, within right-of-use assets with a corresponding entry to lease liabilities.

11 Investments and provision for net investees' capital deficiency

The Group's investments in companies that recorded net investees' capital deficiency are recognized in liabilities within the "Provision for net investees' capital deficiency" account.

	Parent company		Consolidated	
	9/30/2021	12/31/2020	9/30/2021	12/31/2020
Investments	324,129	258,532	37,461	47,117
Provision for net investees' capital deficiency	(8,227)	(1,607)	(6,022)	(2,365)
	<u>315,902</u>	<u>256,925</u>	<u>31,439</u>	<u>44,752</u>


**Notes to the quarterly information
at September 30, 2021**

All amounts in thousands of reais unless otherwise stated

Balances of investments of the Parent company at September 30, 2021:

	Equity holding	Profit (loss) for the year	Equity	Equity in the results of investees in the year	Investment and net investees' capital deficiency	Equity holding	Investment and net investees' capital deficiency
Companies	2021	2021	2021	2021	2021	2020	2020
Subsidiaries							
Construtora Novolar	100 %	24,214	139,336	24,214	139,389	100 %	115,175
SPE Álamo Patrimar	98 %	(7)	-	(7)	-	98 %	(19)
SPE Patrimar Engefor	50 %	(1,531)	(963)	(766)	(481)	50 %	316
SPE Maura Valadares	50 %	(50)	(51)	(25)	(25)	50 %	-
SPE Engefor Patrimar	50 %	(111)	(229)	(55)	(115)	50 %	(58)
SCP Professor Danilo Ambrósio	95 %	(3)	(21)	(3)	(20)	95 %	(17)
SCP Jornalista Oswaldo Nobre	90 %	(1)	(213)	(1)	(192)	90 %	(191)
SCP Gioia dell Colle	90 %	(3)	(35)	(3)	(32)	90 %	(29)
SCP Olga Chiari	85 %	393	3,581	334	3,044	85 %	5,842
SCP Manhattan Square	90 %	665	7,237	599	6,513	90 %	5,916
SCP Priorato Residences	90 %	139	1,422	125	1,280	90 %	1,155
SCP Holiday Inn	80 %	1,529	19,063	1,223	15,251	80 %	14,155
SCP Mayfair Offices	90 %	(32)	151	(29)	136	90 %	165
SCP Quintas do Morro	69 %	875	3,253	602	2,237	69 %	1,721
SCP MG 02 Chopin	50 %	(1)	-	-	-	50 %	(1)
SCP Neuchatel	90 %	(1)	429	(1)	386	90 %	387
SPE MRV Galleria	50 %	(400)	(1,780)	(200)	(890)	50 %	60
SPE Jardinaves	50 %	6,455	9,174	3,228	4,588	50 %	1,320
SPE Jota Patrimar Engefor	50 %	(464)	(941)	(232)	(470)	50 %	(189)
SPE Colina Engefor Patrimar	50 %	(88)	(111)	(44)	(55)	50 %	(6)
SPE Jardim das Mangabeiras	50 %	27,758	94,038	13,879	47,019	50 %	41,640
SPE EPIC	50 %	16,164	35,755	8,082	17,872	50 %	9,794
SPE DUO - Alameda do Morro	40 %	39,926	55,720	15,971	22,288	40 %	7,691
SPE Vale dos Cristais	50 %	(4)	419	(2)	209	50 %	122
SPE High Line	100 %	12,228	19,944	12,228	19,944	100 %	7,666
SPE 2300 Rio de Janeiro	50 %	12,915	15,914	6,457	7,957	50 %	1,460
SPE Le Terrace	43 %	-	(16)	-	(7)	43 %	(6)
SPE Golf I	100 %	(469)	(449)	(469)	(449)	100 %	(30)
SPE Golf II	100 %	(4,066)	(4,726)	(4,066)	(4,726)	100 %	(711)
SPE Das Americas 1	100 %	(220)	(173)	(220)	(173)	100 %	(3)
Vila Castela (Madson Square)	100 %	-	-	-	-	100 %	-
SPE Jardinaves II	50 %	(145)	7,353	(73)	3,677	0 %	-
Rua do Campo	100 %	(128)	(128)	(128)	(128)	100 %	-
		135,537	402,953	80,618	284,027		213,325
Jointly-controlled investees							
Alba	9 %	210	28,133	(2,471)	2,517	9 %	4,680
SCP RJ 04	50 %	(142)	577	(71)	288	50 %	359
SPE Mirante do Ibituruna Ltda.	34 %	(1)	8,016	-	2,705	34 %	2,709
SCP Portal do Bosque	50 %	(11)	146	(5)	73	50 %	79
SCP Park Ritz	48 %	2	960	1	461	48 %	460
SCP Recanto das Águas	51 %	(37)	156	(19)	80	51 %	99
SCP MRV Belo Campo	50 %	(195)	(54)	(374)	(27)	50 %	175
SCP MRV Rec. Pássaros	40 %	(230)	748	(356)	299	40 %	523
SCP MRV Res. Beija Flor	40 %	211	420	(298)	167	40 %	102
SPE Padre Marinho	50 %	1,023	9,609	511	4,078	50 %	5,792
SCP Rivoli 1 and 2	40 %	(259)	226	(146)	90	40 %	84
SPE Acaba Mundo	50 %	(15)	1,629	(7)	796	50 %	804
SPE MRV Patrimar RJ IX Ltda	40 %	(36)	392	(125)	157	40 %	188
SPE Barbacena Empr Imob. S.A.	50 %	(236)	25,300	(118)	12,919	50 %	19,933
SPE Patrimar Somattos Gasparini	50 %	97	12,221	(3,440)	6,110	50 %	6,792
Ponctuel	50 %	-	-	-	41	50 %	41
SPE Direcional Patrimar Maragogi	45 %	(98)	73	(44)	(52)	45 %	(8)
SPE Avenida de Ligação	50 %	(36)	1,219	(176)	604	0 %	-
SPE Somattos Patrimar Quadra 40	50 %	(17)	483	(9)	241	0 %	-
		230	90,254	(7,147)	31,547		42,812



**Notes to the quarterly information
at September 30, 2021**

All amounts in thousands of reais unless otherwise stated

Companies	Equity holding	Profit (loss) for the year	Equity	Equity in the results of investees in the year	Investment and net investees' capital deficiency	Equity holding	Investment and net investees' capital deficiency
	2021	2021	2021	2021	2021	2020	2020
Associates							
SCP Safira (Decaminada 10)	24 %	(166)	(1,036)	(40)	(249)	24 %	(209)
SCP João XXIII	24 %	(20)	(7)	(5)	(2)	24 %	10
SCP Naples	20 %	(1)	23	-	5	20 %	5
SCP Palo Alto	10 %	(83)	2,092	(8)	209	10 %	218
SCP Park Residences	10 %	356	1,837	36	184	10 %	265
SCP Silva Lobo	15 %	46	613	7	92	15 %	86
SCP Tavares Bastos	25 %	(8)	(29)	(2)	(7)	25 %	(5)
SPE Novo Lar Greenport	20 %	(9)	(637)	(2)	(127)	20 %	(126)
SPE Axis 1 Porto Fino	10 %	688	2,233	43	223	10 %	544
Other investments	100 %	-	-	-	-	100 %	-
		<u>803</u>	<u>5,089</u>	<u>29</u>	<u>328</u>		<u>788</u>
		<u>136,570</u>	<u>498,296</u>	<u>73,500</u>	<u>315,902</u>		<u>256,925</u>



Notes to the quarterly information at September 30, 2021

All amounts in thousands of reais unless otherwise stated

Changes in balances at December 31, 2020 and September 30, 2021 are as follows:

Companies	At December 31, 2020	Contributions	Dividend distribution	Equity in the results	Reversals	At September 30, 2021
Construtora Novolar	115,175	-	-	24,214	-	139,389
SPE Alamo Patrimar Incorp. Imob. Ltda.	(19)	26	-	(7)	-	-
SPE Patrimar Engefor Imóveis Ltda.	316	-	-	(766)	(32)	(482)
SPE Maura Valadares	-	-	-	(25)	-	(25)
SPE Engefor Patrimar V.S. E.Imob Ltda.	(57)	-	-	(55)	(2)	(114)
SCP Professor Danilo Ambrósio	(17)	-	-	(3)	-	(20)
SCP Jornalista Oswaldo Nobre	(191)	-	-	(1)	-	(192)
SCP Gioia dell Colle	(29)	-	-	(3)	-	(32)
SCP Olga Chiari	5,842	-	(3,043)	334	(89)	3,044
SCP Manhattan Square	5,916	-	-	599	-	6,515
SCP Priorato Residences	1,155	-	-	125	-	1,280
SCP Holiday Inn	14,155	-	(128)	1,223	-	15,250
SCP Mayfair Offices	165	-	-	(29)	-	136
SCP Quintas do Morro	1,721	119	-	602	(205)	2,237
SCP MG 02 Chopin	(1)	1	-	-	-	-
SCP Neuchatel	387	-	-	(1)	-	386
SPE MRV Galleria	60	-	(750)	(200)	-	(890)
SPE Jardinaves	1,320	40	-	3,228	-	4,588
SPE Jota Patrimar Engefor	(189)	-	-	(232)	(50)	(471)
SPE Colina Engefor Patrimar E. Imob Ltda.	(6)	1	-	(44)	(6)	(55)
SPE Patrimar Somattos Jardim das Mangabeiras	41,640	-	(8,500)	13,879	-	47,019
Antônio de Albuquerque SPE LTDA (EPIC)	9,794	500	-	8,082	(504)	17,872
SPE DUO - Alameda do Morro	7,691	809	-	15,971	(2,183)	22,288
SPE Vale dos Cristais	122	89	-	(2)	-	209
SPE High Line	7,666	50	-	12,228	-	19,944
SPE 2300 Rio de Janeiro	1,460	40	-	6,457	-	7,957
SPE Le Terrace	(6)	-	-	-	-	(6)
SPE Golf I	(30)	50	-	(469)	-	(449)
SPE Golf II	(711)	50	-	(4,066)	-	(4,727)
SPE Das Americas 1	(3)	50	-	(220)	-	(173)
Vila Castela (Madson Square)	-	-	-	-	-	-
SPE Jardinaves II	-	3,750	-	(73)	-	3,677
Rua do Campo	-	-	-	(128)	-	(128)
	213,326	5,575	(12,421)	80,618	(3,071)	284,027
Jointly-controlled investees						
ALBA	4,680	-	316	(2,471)	(8)	2,517
SCP RJ 04	359	-	-	(71)	-	288
SPE Mirante do Ibituruna Ltda.	2,709	-	-	-	(5)	2,704
SCP Portal do Bosque	79	-	-	(5)	-	74
SCP Park Ritz	460	-	-	1	-	461
SCP Recanto das Águas	99	-	-	(19)	-	80
SCP MRV Belo Campo	175	185	-	(374)	(14)	(28)
SCP MRV Rec. Pássaros (Rouxinol)	523	179	-	(356)	(47)	299
SCP MRV Res. Beija Flor	102	363	-	(298)	-	167
SPE Padre Marinho	5,792	-	(2,225)	511	-	4,078
SCP Rivoli 1 and 2	84	153	-	(146)	-	91
SPE Acaba Mundo E. Imob Ltda.	804	-	-	(7)	-	797
SPE MRV Patrimar RJ Ix Ltda. (Andorinhas) 1 and 2	188	144	(14)	(125)	(36)	157
SPE Barbacena Empr Imobiliários S/A	19,933	244	(7,140)	(118)	-	12,919
SPE Patrimar Somattos Gasparini Ltda.	6,792	4,424	(30)	(3,440)	(1,637)	6,111
Ponctuel	41	-	-	-	-	41
SPE Direcional Patrimar Maragogi Ltda.	(8)	-	-	(44)	-	(52)
SPE Avenida de Ligação	-	903	-	(176)	(123)	604
SPE Somattos Patrimar Quadra 40	-	250	-	(9)	-	241
	42,812	6,845	(9,093)	(7,147)	(1,870)	31,547
Subsidiaries / associates						
SCP Safira (Decaminada 10)	(209)	-	-	(40)	-	(249)
SCP João XXIII	10	-	-	(5)	(7)	(2)
SCP Naples	5	-	-	-	-	5
SCP Palo Alto	218	-	-	(8)	-	210
SCP Park Residences	265	7	(124)	36	-	184
SCP Silva Lobo	85	-	-	7	-	92
SCP Tavares Bastos	(5)	-	-	(2)	-	(7)
SPE Novo Lar Greenport	(126)	-	-	(2)	-	(128)
SPE Axis Porto Fino	544	-	(323)	43	(41)	223
Other investments	-	-	-	-	-	-
	787	7	(447)	29	(48)	328
	256,925	12,427	(21,961)	73,500	(4,989)	315,902



**Notes to the quarterly information
at September 30, 2021**

All amounts in thousands of reais unless otherwise stated

(a) Balances of investments in Consolidated (unconsolidated companies) at September 30, 2021:

	Ownership interest (%)		Profit (loss) for the year	Equity	Equity in the results of investees in the year	Investment and net investees' capital deficiency
Companies	2021	2020	2021	2021	2021	2021
Ponctuel Consultoria	50 %	50 %	-	-	-	41
Alba	9 %	9 %	210	28,133	(2,036)	2,517
SCP Manchete	40 %	40 %	(1,377)	2,752	(354)	1,086
SCP MRV Belo Campo	50 %	50 %	(195)	(54)	(374)	(27)
SCP MRV Rec. Pássaros (Rouxinol)	40 %	40 %	(230)	748	(356)	299
SCP MRV Res. Beija Flor	40 %	40 %	211	420	(298)	166
SCP Pacuare	50 %	50 %	(91)	(649)	(45)	(324)
SCP Park Ritz	48 %	48 %	2	960	1	461
SCP Park Rossete	51 %	51 %	54	2,214	26	1,129
SCP Parque Araras	50 %	50 %	(60)	29	(11)	14
SCP Parque Bem Te Vi	50 %	50 %	(60)	129	(19)	64
SCP Parque Gaivotas	50 %	50 %	(142)	39	(71)	22
SCP Parque Sabia	50 %	50 %	(34)	69	(20)	35
SCP Portal do Bosque	50 %	50 %	(11)	146	(6)	73
SCP Reality e Renovare	51 %	51 %	(1,530)	(1,803)	(665)	(920)
SCP Recanto das Águas	51 %	51 %	(37)	156	(19)	80
SCP Recanto do Tingui	35 %	35 %	(172)	(402)	(50)	(141)
SCP Riviera da Costa e Sol	48 %	48 %	(620)	(1,059)	(303)	(508)
SCP Rívoli 1 and 2	40 %	40 %	(259)	226	(177)	90
SCP RJ 04	50 %	50 %	(142)	577	(71)	288
SPE Acaba Mundo Emp. Imob Ltda.	50 %	50 %	(15)	1,629	(7)	796
SCP Andorinhas	40 %	40 %	(36)	392	(125)	157
SPE Barbacena Empr Imobiliários S.A.	50 %	50 %	(236)	25,300	(296)	12,920
SPE Direcional Patrimar Maragogi Ltda.	50 %	50 %	(98)	73	(44)	(52)
SPE Mirante do Ibituruna Ltda.	34 %	34 %	(1)	8,016	-	2,705
SPE Padre Marinho	50 %	50 %	1,023	9,609	511	4,079
SPE Park Riversul	35 %	35 %	(492)	54	(258)	29
SPE Patrimar Somattos Gasparini Ltda.	50 %	50 %	97	12,221	(3,440)	6,110
SPE Recreio Bandeirantes	35 %	35 %	(115)	(1,089)	(90)	(382)
SPE Recreio Gaveas	35 %	35 %	(98)	5,348	(203)	1,872
SPE Recreio Pontal	35 %	35 %	(1,356)	(5,938)	(543)	(2,079)
SPE Jardinaves II	50 %	-	(145)	7,353	(73)	-
SPE Avenida de Ligação	50 %	-	(36)	1,219	(176)	604
SPE Somattos Patrimar Quadra 40	50 %	-	(17)	483	(9)	241
Other	-	-	-	-	367	(6)
			(6,008)	97,301	(9,234)	31,439



**Notes to the quarterly information
at September 30, 2021**

All amounts in thousands of reais unless otherwise stated

- (b) At September 30, 2021, the balances of asset and liability accounts, net revenue and profit of unconsolidated entities were as follows:

Companies	Current assets	Non- current assets	Current liabilities	Non- current liabilities	Equity	Profit (Loss)	Net revenue
	2021	2021	2021	2021	2021	2021	2021
Alba	30,022	-	1,745	144	28,133	210	(458)
SCP Manchete	921	2,510	179	500	2,752	(1,377)	-
SCP MRV Belo Campo	137	37	89	139	(54)	(195)	-
SCP MRV Rec. Passaros (Rouxinol)	540	292	6	78	748	(230)	-
SCP MRV Res. Beija Flor	475	109	145	19	420	211	-
SCP Pacuare	36	(364)	7	314	(649)	(91)	-
SCP Park Ritz	1,101	17	89	69	960	2	-
SCP Park Rossete	2,395	(17)	164	-	2,214	54	-
SCP Parque Araras	113	4	49	39	29	(60)	-
SCP Parque Bem Te Vi	135	50	20	36	129	(60)	-
SCP Parque Gaivotas	103	9	36	37	39	(142)	-
SCP Parque Sabia	85	(6)	4	6	69	(34)	-
SCP Portal do Bosque	18	129	1	-	146	(11)	-
SCP Reality e Renovare	152	(870)	125	960	(1,803)	(1,530)	-
SCP Recanto das Águas	99	68	4	7	156	(37)	-
SCP Recanto do Tingui	(200)	(80)	(69)	191	(402)	(172)	-
SCP Riviera da Costa e Sol	449	(1,247)	16	245	(1,059)	(620)	-
SCP Rivoli 1 and 2	171	204	116	33	226	(259)	-
SCP RJ 04	755	(72)	55	51	577	(142)	-
SPE Acaba Mundo Emp. Imob Ltda.	1,631	-	2	-	1,629	(15)	-
SCP Andorinhas	403	45	50	6	392	(36)	-
SPE Barbacena Empr Imobiliários S.A.	26,742	194	1,354	282	25,300	(236)	(12,600)
SPE Direcional Patrimar Maragogi Ltda.	152	1	80	-	73	(98)	-
SPE Mirante do Ibituruna Ltda.	8,023	(5)	2	-	8,016	(1)	-
SPE Padre Marinho	10,693	-	1,084	-	9,609	1,023	(3,884)
SPE Park Riversul	84	54	83	1	54	(492)	-
SPE Patrimar Somattos Gasparini Ltda.	12,637	18	433	1	12,221	97	(164)
SPE Recreio Bandeirantes	118	27	1,196	38	(1,089)	(115)	-
SPE Recreio Gaveas	1,467	268	(3,674)	61	5,348	(98)	-
SPE Recreio Pontal	581	168	5,925	762	(5,938)	(1,356)	-
SPE Jardinaves II	8,492	(1,082)	58	(1)	7,353	(145)	-
SPE Avenida de Ligação	1,220	20	21	-	1,219	(36)	-
SPE Somattos Patrimar Quadra 40	486	-	3	-	483	(17)	-
	<u>110,236</u>	<u>481</u>	<u>9,398</u>	<u>4,018</u>	<u>97,301</u>	<u>(6,008)</u>	<u>(17,106)</u>



**Notes to the quarterly information
at September 30, 2021**

All amounts in thousands of reais unless otherwise stated

12 Property and equipment

Property and equipment items are depreciated as below:

	Annual depreciation rate
Sales stands and model apartments (i)	-
Leasehold improvements	20.00 %
Machinery and equipment	10.00 %
Vehicles	20.00 %
Furniture and fittings	10.00 %
IT equipment	20.00 %

(i) Sales stands are depreciated according to the estimated flow of sales of each project or written off in case of phase-out.



Patrimar Engenharia S.A.

Notes to the quarterly information at September 30, 2021

All amounts in thousands of reais unless otherwise stated

(a) The balances of property and equipment for the period ended September 30, 2021 were as follows:

	Parent company					Consolidated		
	Balance 12/31/2020	Additions	Write-offs	Transfers	Balance at 9/30/2021	Balance at 12/31/2020	Additions	Write-offs
Cost								
Leasehold improvements	6,736	-	(136)	1,068	7,668	6,736	-	(136)
Machinery and equipment	3,723	3,430	-	-	7,153	6,140	3,430	-
Vehicles	897	-	(32)	-	865	897	-	(32)
Furniture and fittings	1,958	-	-	-	1,958	1,958	-	-
Sales stands and model apartments	925	-	(925)	495	495	9,623	725	(7,296)
IT equipment	511	286	(6)	-	791	540	286	(6)
Construction in progress	1,456	1,525	(7)	(1,563)	1,411	4,553	14,996	(377)
Total cost	16,206	5,241	(1,106)	-	20,341	30,447	19,437	(7,847)
Depreciation								
Leasehold improvements	(3,880)	(1,015)	136	-	(4,759)	(3,876)	(1,015)	136
Machinery and equipment	(2,879)	(223)	-	-	(3,102)	(3,545)	(582)	-
Vehicles	(614)	(91)	32	-	(673)	(614)	(91)	32
Furniture and fittings	(596)	(157)	-	-	(753)	(597)	(157)	-
Sales stands and model apartments	(352)	(166)	463	-	(55)	(5,340)	(1,960)	5,493
IT equipment	(125)	(86)	-	-	(211)	(134)	(90)	-
Total depreciation	(8,446)	(1,738)	631	-	9,553	(14,106)	(3,895)	5,661
Total property and equipment, net	7,760	3,503	(475)	-	10,788	16,341	15,542	(2,186)



Notes to the quarterly information

All amounts in thousands of reais unless otherwise stated

13 Intangible assets

	Parent company					Consolidated				
	Balance at 12/31/2020	Additions	Write-offs	Transfers (Note 11(ii))	Balance at 9/30/2021	Balance at 12/31/2020	Additions	Write-offs	Transfers (Note 11(ii))	Balance at 9/30/2021
Cost										
Computer software license	13,156	208	-	-	13,364	13,800	208	-	-	14,008
Total cost	13,156	208	-	-	13,364	13,800	208	-	-	14,008
Amortization										
Computer software license	(3,169)	(2,021)	-	-	(5,190)	(3,383)	(2,117)	-	-	(5,500)
Total amortization	(3,169)	(2,021)	-	-	(5,190)	(3,383)	(2,117)	-	-	(5,500)
Total intangible assets, net	9,987	(1,813)	-	-	8,174	10,417	(1,909)	-	-	8,508

Computer software license is amortized at the rate of 20% p.a.



**Notes to the quarterly information
at September 30, 2021**

All amounts in thousands of reais unless otherwise stated

14 Borrowings and debentures

	Parent company		Consolidated	
	9/30/2021	12/31/2020	9/30/2021	12/31/2020
Construction financing (i)	18,742	22,324	108,821	73,550
Borrowings for working capital (in Reais - R\$) (ii)	50,448	60,336	50,448	60,336
Debentures (iii)	130,586	-	130,586	-
Unamortized cost of debentures	(1,480)	-	(1,480)	-
	<u>198,296</u>	<u>82,660</u>	<u>288,375</u>	<u>133,886</u>
Current liabilities	23,196	17,609	58,916	49,686
Non-current liabilities	175,100	65,051	229,459	84,200

a) Covenants

The Company has a working capital contract, which includes covenants that are tested on a quarterly basis and the commitment to keep net working capital debt below R\$ 30 million up to the full settlement of the contracted obligations. The commitments undertaken by the Company are being fulfilled as agreed.

b) Changes

Changes in borrowings in the period/year were as follows:

	Parent company		Consolidated	
	9/30/2021	12/31/2020	9/30/2021	12/31/2020
Opening balance	82,660	48,704	133,886	66,383
Releases	133,649	105,659	238,277	164,819
Provision for interest payable	8,086	4,721	11,853	6,425
Repayments - interest	(7,308)	(4,216)	(10,655)	(5,633)
Repayments - principal	(17,311)	(72,680)	(83,506)	(98,580)
Foreign exchange variation	-	472	-	472
Funding costs	(1,480)	-	(1,480)	-
Closing balance	<u>198,296</u>	<u>82,660</u>	<u>288,375</u>	<u>133,886</u>

c) Types

- (i) **Construction financing:** This type of borrowing is designed to fund projects during the construction period. The applicable interest rates range from 5.53% to 11.25% p.a., depending on the operation, plus the Reference Rate (TR) or CDI rate. These financing arrangements are secured by the real estate development to which it is related.
- (ii) **Working capital:** This type of borrowing is designed to finance the Group's working capital requirements. The average interest rate applicable to this type of borrowing is the CDI rate+ 3.75% p.a. This borrowing is not backed by collateral.



**Notes to the quarterly information
at September 30, 2021**

All amounts in thousands of reais unless otherwise stated

- (iii) **Debentures:** On March 18, 2021, the Company's Board of Directors approved the first issue Company, of simple unsecured debentures, not convertible into shares, in a single series, for private placement ("Debentures") by the Company, in the total amount of up to R\$ 100 million, which were fully subscribed by ISEC Securitizadora S. A. ("ISEC") to back the 239th series of the 4th issue of Certificates of Real Estate Receivables (CRIs), to be distributed through a public offering with restricted placement efforts, pursuant to the terms of CVM 476/2009. The first tranche of R\$ 50 million was closed on March 31, 2021, and the second of R\$ 30.1 million on May 11, 2021, totaling R\$ 80.1 million raised by the first issue of debentures. The remuneration will be 100% of the DI rate exponentially increased by a surcharge of 2.99%, maturing on March 26, 2025.

On May 24, 2021, the Company's Board of Directors approved the 2nd issue of simple unsecured debentures, not convertible into shares, in a single series, for private placement ("Debentures") by the Company, in the total amount of up to R\$ 50 million, to be distributed through a public offering with restricted placement efforts, pursuant to the terms of CVM 476/2009. On May 31, 2021, the total of R\$ 50 million was raised. The remuneration will be 100% of the DI rate exponentially increased by a surcharge of 2.39%, maturing in four years from the issue date.

d) Maturities

Amounts related to construction financing, recorded in current and non-current liabilities, mature as follows:

	Parent company		Consolidated	
	9/30/2021	12/31/2020	9/30/2021	12/31/2020
2021	18,742	7,273	25,272	39,350
2022	-	15,051	43,880	29,924
2023	-	-	26,121	4,276
2024	-	-	13,548	-
	<u>18,742</u>	<u>22,324</u>	<u>108,821</u>	<u>73,550</u>

Amounts related to working capital, recorded in current and non-current liabilities, mature as follows:

	Parent company		Consolidated	
	9/30/2021	12/31/2020	9/30/2021	12/31/2020
2021	-	10,336	-	10,336
2022	10,448	10,000	10,448	10,000
2023	20,000	20,000	20,000	20,000
2024	20,000	20,000	20,000	20,000
	<u>50,448</u>	<u>60,336</u>	<u>50,448</u>	<u>60,336</u>



**Notes to the quarterly information
at September 30, 2021**

All amounts in thousands of reais unless otherwise stated

Amounts related to debentures, recorded in current and non-current liabilities, mature as follows:

	Parent company		Consolidated	
	9/30/2021	12/31/2020	9/30/2021	12/31/2020
2021	389	-	389	-
2023	35,867	-	35,867	-
2024	64,313	-	64,313	-
2025	28,537	-	28,537	-
	<u>129,106</u>	<u>-</u>	<u>129,106</u>	<u>-</u>

15 Lease

	Parent company		Consolidated	
	9/30/2021	12/31/2020	9/30/2021	12/31/2020
Lease	<u>5,249</u>	<u>1,715</u>	<u>5,980</u>	<u>3,869</u>
	<u>5,249</u>	<u>1,715</u>	<u>5,980</u>	<u>3,869</u>
Current liabilities	1,895	501	2,568	1,486
Non-current liabilities	3,354	1,214	3,412	2,383

Changes in leases were as follows:

	Parent company		Consolidated	
	9/30/2021	12/31/2020	9/30/2021	12/31/2020
Opening balance	<u>1,715</u>	<u>2,025</u>	<u>3,869</u>	<u>4,346</u>
Lease	4,823	571	5,392	2,261
Termination of lease contract	-	-	(1,375)	-
Repayments - lease - principal	(1,289)	(882)	(1,906)	(2,920)
Repayments - lease - interest	(112)	(57)	(176)	(319)
Financial charges - lease	112	58	176	501
Closing balance	<u>5,249</u>	<u>1,715</u>	<u>5,980</u>	<u>3,869</u>

Amounts recorded in current and non-current liabilities by maturity year are as follows:

	Parent company		Consolidated	
	9/30/2021	12/31/2020	9/30/2021	12/31/2020
2021	470	501	715	1,486
2022	1,905	569	2,362	1,143
2023	1,948	645	1,977	1,109
2024	926	-	926	131
	<u>5,249</u>	<u>1,715</u>	<u>5,980</u>	<u>3,869</u>

**Notes to the quarterly information
at September 30, 2021**All amounts in thousands of reais unless otherwise stated

Leases:

Rental agreement related to administrative facilities (warehouse, headquarters, offices), with a remaining term of 29 to 33 months, discounted to present value at the rate of 2.31% p.a.

Rental agreement related to housing facilities for engineers, with a remaining term of 4 months, discounted to present value at the rate of 2.31% p.a.

Rental agreement related to commercial spaces (stores and sales stand), with a remaining term of 12 months, discounted to present value at the rate of 2.31% p.a.

Lease agreement related to heavy equipment, with a remaining term of 4 to 24 months, discounted to present value at the rate of 2.31% p.a.

16 Trade payables

	Parent company		Consolidated	
	9/30/2021	12/31/2020	9/30/2021	12/31/2020
Trade payables	7,623	1,949	48,048	23,153
Technical retentions	441	443	5,601	4,220
	<u>8,064</u>	<u>2,392</u>	<u>53,649</u>	<u>27,373</u>

The balance of trade payables represents commitments assumed by the Group for acquisition of the inputs required to perform the contracted services or purchase of equipment with own funds.

Technical retentions correspond to a contractual agreement, which has the purpose of ensuring compliance with the construction contracts. Accordingly, a specific contractual percentage is withheld from the amounts payable to the contractor to cover any non-compliance with the contract provisions. At the end of the contract, once all requirements are met, the amount is refunded to the service provider.

17 Tax liabilities

The income tax, social contribution on net income, and PIS and COFINS are calculated on a cash basis. The balances of taxes payable are estimated on the accrual basis of accounting and are recorded as deferred taxes, as shown below.



**Notes to the quarterly information
at September 30, 2021**

All amounts in thousands of reais unless otherwise stated

	Parent company		Consolidated	
	9/30/2021	12/31/2020	9/30/2021	12/31/2020
Taxes payable				
National Institute for Social Security (INSS)	74	251	2,457	3,020
Services Tax (ISS)	160	177	700	529
Social Integration Program (PIS)	-	2	9	80
Social Contribution on Net Income (CSLL)	-	-	47	-
Other taxes withheld	288	556	320	1,980
	<u>522</u>	<u>986</u>	<u>3,533</u>	<u>5,609</u>
Deferred taxes				
Special Taxation Regime (RET)	1,087	1,469	14,979	9,498
Social Contribution on Revenues (COFINS)	8	8	347	530
Social Contribution on Net Income (CSLL)	-	-	332	67
Social Integration Program (PIS)	-	-	212	38
	<u>1,095</u>	<u>1,477</u>	<u>15,870</u>	<u>10,133</u>
	<u>1,617</u>	<u>2,463</u>	<u>19,403</u>	<u>15,742</u>

18 Real estate purchase obligations

Include the amounts to be settled in cash related to the acquisition of land used in real estate developments.

	Parent company		Consolidated	
	9/30/2021	12/31/2020	9/30/2021	12/31/2020
Land developed	-	-	45,058	43,115
Land not developed	800	863	21,877	42,088
	<u>800</u>	<u>863</u>	<u>66,935</u>	<u>85,203</u>
Current liabilities	800	863	29,822	54,965
Non-current liabilities	-	-	37,113	30,238



**Notes to the quarterly information
at September 30, 2021**

All amounts in thousands of reais unless otherwise stated

19 Advances from customers

Relate to sales of real estate units and a commitment to deliver completed units arising from the acquisition of land for real estate development through a barter arrangement.

	Parent company		Consolidated	
	9/30/2021	12/31/2020	9/30/2021	12/31/2020
Advances from customers and barter made for construction in progress	1,280	2,898	118,435	73,592
Customized unit advance	-	-	51,690	33,925
Barter made for land - not launched developments	44	95	244,150	43,602
	<u>1,324</u>	<u>2,993</u>	<u>414,275</u>	<u>151,119</u>
Current liabilities	1,324	2,942	414,275	151,075
Non-current liabilities	-	51	-	44

20 Provision for contingencies and judicial deposits

Provision for contingencies

	Parent company		Consolidated	
	9/30/2021	12/31/2020	9/30/2021	12/31/2020
Civil	-	-	3,750	2,614
Tax	1,427	1,427	1,439	1,428
Labor	-	-	1,313	1,546
	<u>1,427</u>	<u>1,427</u>	<u>6,502</u>	<u>5,588</u>

Judicial deposits

	Parent company		Consolidated	
	9/30/2021	12/31/2020	9/30/2021	12/31/2020
Civil	-	-	869	1,165
Labor	79	75	297	364
	<u>79</u>	<u>75</u>	<u>1,166</u>	<u>1,529</u>

**Notes to the quarterly information
at September 30, 2021**

All amounts in thousands of reais unless otherwise stated

Changes in the nine-month period ended September 30, 2021:

Contingencies

	Parent company	Consolidated
Opening balance	1,427	5,588
Additions	-	986
Write-offs	-	(1,506)
Update	-	1,434
Closing balance	<u>1,427</u>	<u>6,502</u>

Judicial deposits

	Parent company	Consolidated
Opening balance	75	1,529
Additions	50	134
Write-offs	(46)	(497)
Closing balance	<u>79</u>	<u>1,166</u>

The Group companies are party to tax, labor, and civil disputes and are discussing such matters at the administrative and judicial levels, which, when applicable, are supported by judicial deposits.

The corresponding provisions for contingencies were set considering the estimate made by management under the advice of legal counsel for proceedings involving the risk of probable loss.

Possible loss contingencies:

The Group companies are parties to other legal proceedings of tax, civil, and labor nature arising in the normal course of their business, for which the likelihood of an unfavorable outcome is considered as possible by management under the advice of legal counsel. The approximate amounts are R\$ 7,339 (labor claims), R\$ 40,291 (tax claims), and R\$ 11,610 (civil claims), totaling R\$ 59,240 (R\$ 49,361 at December 31, 2020).

Accordingly, no provision was recorded for possible risk of loss; judicial rulings are subject to appeals before the competent courts.

The most significant contingency relates to the physical exchange of land.

As part of the process for purchase and sale of properties, the Group acquires land to be developed based on the "physical exchange" method. On September 4, 2014, the Federal Revenue Secretariat (SRF) issued Cosit Regulatory Opinion #. 9, which changed the understanding of the income tax legislation with respect to the deemed profit (Decree 3,000 of March 26, 1999) and started to consider revenue from physical exchange transactions recognized at fair value as the tax basis for calculation of IRPJ, CSLL, PIS and COFINS. Based on this understanding, in 2017 and 2018 tax assessment notices amounting to R\$ 28,718 were served against the Group.

The Group, together with its legal counsel, has been discussing this matter at the administrative level, claiming that the assessment notice should be declared null and void on the grounds that the recognition



**Notes to the quarterly information
at September 30, 2021**

All amounts in thousands of reais unless otherwise stated

of fair value arising from the execution of barter agreements cannot give rise to any effects on the calculation bases of the referred taxes. The likelihood of loss has been classified as possible and the estimated risk involved at September 30, 2021 amounted to R\$ 33,253 (R\$ 35,442 at December 31, 2020). Considering that the decisions already rendered, both within the scope of the Administrative Board of Tax Appeals (CARF) and the High Court of Justice (STJ), were favorable to taxpayers, no provision for contingencies with respect to this matter has been recorded in the quarterly information.

21 Provision for real estate maintenance

The Group offers warranties to cover construction issues, as required by the Brazilian legislation.

A provision of 1.5% of the construction cost is recorded at September 30, 2021 and December 31, 2020.

This estimate is based on historical averages and expectations of future outflows, according to analyses performed by the Group's engineering department, which are reviewed annually.

The provision is recorded as the work progresses by applying this percentage to actual costs incurred. Maintenance costs are charged to the provision in accordance with the contractual requirements for warranty coverage.

Changes in the provision for real-estate maintenance were as follows:

	Parent company		Consolidated	
	9/30/2021	12/31/2020	9/30/2021	12/31/2020
Opening balance	1,532	1,566	8,762	7,701
Additions	51	246	3,477	2,743
Write-offs (payments related to warranties)	(197)	(280)	(662)	(1,682)
Closing balance	<u>1,386</u>	<u>1,532</u>	<u>11,577</u>	<u>8,762</u>

22 Equity

(a) Capital

At September 30, 2021, share capital was R\$ 269,172 (R\$ 269,172 at December 31, 2020), represented by 56,025,501 common shares.

At January 1, 2021, the Company's stockholding structure was as follows:

Stockholders	Common shares
PRMV Participações S.A.	17,903,150,656
Alexandre Araújo Elias Veiga	503,466,438
Heloísa Magalhães Martins Veiga	503,466,438
Renata Martins Veiga Couto	4,531,197,945
Patrícia Martins Veiga	4,531,197,945
	<u>27,972,479,422</u>



**Notes to the quarterly information
at September 30, 2021**

All amounts in thousands of reais unless otherwise stated

Change in the number of shares - reverse split

At an Extraordinary General Meeting held on August 5, 2020, the stockholders changed the number of the Company's shares through a reverse split in the ratio of 160:1, that is, each group of 160 common shares was consolidated into one common share. As from that date, the share capital comprised 174,827,996 registered, book-entry common shares, without par value.

Stockholders	Common shares
PRMV Participações S.A.	111,894
Alexandre Araújo Elias Veiga	3,147
Heloísa Magalhães Martins Veiga	3,147
Renata Martins Veiga Couto	28,320
Patrícia Martins Veiga	28,320
	<u>174,828</u>

At the Extraordinary General Meeting held on October 5, 2020, the stockholders changed the number of the Company's shares through a reverse split in the ratio of 3:1, that is, each group of three common shares was consolidated into one common share. As from that date, the share capital comprised 58,275,999 registered, book-entry common shares, without par value.

Stockholders	Common shares
PRMV Participações S.A.	37,298
Alexandre Araújo Elias Veiga	1,049
Heloísa Magalhães Martins Veiga	1,049
Renata Martins Veiga Couto	9,440
Patrícia Martins Veiga	9,440
	<u>58,276</u>

(b) Partial split-off

At an Extraordinary General Meeting held on December 31, 2020, the stockholders agreed a partial split-off of assets by reducing the Company's capital by R\$ 12,429,952.73 through the cancellation of 2,250,498 common shares, of which 378,167 shares were held by stockholder Patrícia Martins Veiga; 378,167 were held by stockholder Renata Martins Veiga Couto, and 1,494,164 were held by stockholder PRMV Participações S.A. The proportional interest of each stockholder in Patrimar's capital was not considered, since the shares held by the other stockholders will not be canceled.

Stockholders	%	Common shares
PRMV Participações S.A.	63.92	35,804
Alexandre Araújo Elias Veiga	1.87	1,049
Heloísa Magalhães Martins Veiga	1.87	1,049
Renata Martins Veiga Couto	16.17	9,062
Patrícia Martins Veiga	16.17	9,062
	<u>100 %</u>	<u>56,026</u>

**Notes to the quarterly information
at September 30, 2021**

All amounts in thousands of reais unless otherwise stated

Account	Net effect
Properties for sale	(9,554)
Property and equipment	(2,876)
Capital	12,430
Total:	-

(c) Legal reserve

This reserve is credited annually with 5% of the profit for the year in compliance with article 193 of Law 6,404/76, up to the limit of 20% of capital.

(d) Profit distribution policy

The Company's bylaws establish that 25% of the profit, after deducting the portion transferred to the legal reserve, will be distributed as a mandatory minimum dividend. The retained portion of the profit will be subsequently allocated as determined by the stockholders.

At the General Meeting held on April 30, 2021, the stockholders approved the 2020 financial statements as well as the profit allocation for the year. In addition to the mandatory minimum dividends equivalent to 25% of the profit after the transfer to the legal reserve, supplementary dividends of R\$ 6,878 were approved, to be paid in April, May, and June 2021 to the holders of the Company's shares on April 29, 2021. These dividends were paid as scheduled.

On August 11, 2021, an advance payment of interim dividends related to the current year, amounting to R\$ 3,500, was approved. These dividends were fully paid on August 12, 2021, considered as mandatory minimum dividends related to the profit for this period.

23 Earnings per share

The table below presents data on earnings and number of shares/quotas used in the calculation of basic and diluted earnings per share:

	Quarter ended	Nine-month period ended
	9/30/2021	9/30/2021
Basic and diluted earnings per share:		
Profit for the period	9,781	49,932
Weighted average number of shares (in thousands)	56,026	56,026
Basic and diluted earnings per share - R\$	0.174580	0.891229



**Notes to the quarterly information
at September 30, 2021**

All amounts in thousands of reais unless otherwise stated

24 Net operating revenue

	Parent company			
	7/1/2021 to 9/30/2021	1/1/2021 to 9/30/2021	7/1/2020 to 9/30/2020	1/1/2020 to 9/30/2020
Gross revenue from the sales of properties	14,485	44,146	10,303	45,497
Service revenue	1,155	2,467	9	295
Canceled sales	(263)	(1,351)	(1,078)	(1,751)
Changes in the provision for canceled sales	-	-	(761)	(2,347)
Adjustment to present value (i)	177	751	423	1,052
Taxes on billings	(632)	(1,482)	(190)	(1,114)
Net operating revenue	14,922	44,531	8,706	41,632

	Consolidated			
	7/1/2021 to 9/30/2021	1/1/2021 to 9/30/2021	7/1/2020 to 9/30/2020	1/1/2020 to 9/30/2020
Gross revenue from the sales of properties	186,333	566,922	147,405	315,450
Service revenue	2,819	7,355	966	1,270
Canceled sales	(4,571)	(19,380)	(9,301)	(22,559)
Changes in the provision for canceled sales	-	-	(2,028)	(913)
Adjustment to present value (i)	1,749	6,306	894	3,771
Taxes on billings	(4,082)	(12,290)	(2,270)	(6,122)
Net operating revenue	182,248	548,913	135,666	290,897

- (i) As the financing facilities provided to its customers is inherent to its operations, the Company recognizes the reversals (accretion) of present value adjustments of trade receivables as operating revenue.

25 Costs and expenses by nature

	Parent company			
	7/1/2021 to 9/30/2021	1/1/2021 to 9/30/2021	7/1/2020 to 9/30/2020	1/1/2020 to 9/30/2020
Cost of properties sold				
Materials	(2,021)	(5,086)	(2,305)	(8,326)
Land	(647)	(4,577)	-	(3,623)
Completed units	(2,209)	(9,732)	(1,286)	(4,866)
Personnel expenses	(525)	(1,306)	(352)	(1,905)
Subcontractors	(2,216)	(4,736)	(919)	(5,799)
Housing loan costs	(388)	(1,235)	(182)	(1,387)
Other	(1,417)	(1,602)	(67)	415
	(9,423)	(28,274)	(5,111)	(25,491)



**Notes to the quarterly information
at September 30, 2021**

All amounts in thousands of reais unless otherwise stated

	Parent company			
	7/1/2021 to 9/30/2021	1/1/2021 to 9/30/2021	7/1/2020 to 9/30/2020	1/1/2020 to 9/30/2020
General and administrative expenses				
Personnel expenses	(5,991)	(14,583)	(3,194)	(8,627)
Administrative general expenses	(507)	(1,428)	(822)	(1,929)
Depreciation and amortization	(1,681)	(4,836)	(1,426)	(3,894)
Outsourced services	(921)	(4,182)	(1,039)	(2,479)
	<u>(9,100)</u>	<u>(25,029)</u>	<u>(6,481)</u>	<u>(16,929)</u>
	Parent company			
	7/1/2021 to 9/30/2021	1/1/2021 to 9/30/2021	7/1/2020 to 9/30/2020	1/1/2020 to 9/30/2020
Selling				
Personnel expenses	(905)	(1,972)	(423)	(1,158)
Commissions and brokerage	(135)	(415)	(118)	67
Sales stands/model apartments	(3)	(4)	(51)	(154)
Advertising	(226)	(687)	(143)	(516)
Other selling expenses	(743)	(1,496)	(178)	(572)
	<u>(2,012)</u>	<u>(4,574)</u>	<u>(913)</u>	<u>(2,333)</u>
	Parent company			
	7/1/2021 to 9/30/2021	1/1/2021 to 9/30/2021	7/1/2020 to 9/30/2020	1/1/2020 to 9/30/2020
Other operating income (expenses), net				
Real estate financing expenses	(176)	(464)	(74)	(222)
Tax expenses	-	-	-	(258)
Provision for contingencies	-	-	(177)	(262)
Losses from insufficient guarantees and others (i)	(152)	(2,452)	-	-
Other operating income and expenses	(1,373)	(1,660)	(118)	(466)
	<u>(1,701)</u>	<u>(4,576)</u>	<u>(369)</u>	<u>(1,208)</u>
	Consolidated			
	7/1/2021 to 9/30/2021	1/1/2021 to 9/30/2021	7/1/2020 to 9/30/2020	1/1/2020 to 9/30/2020
Cost of properties sold				
Materials	(50,603)	(135,808)	(19,606)	(48,304)
Land	(10,147)	(69,845)	(28,909)	(42,990)
Completed units	(4,118)	(19,431)	(9,968)	(25,796)
Personnel expenses	(7,460)	(19,282)	(3,782)	(7,882)
Subcontractors	(31,071)	(73,226)	(18,033)	(38,683)
Housing loan costs	(1,453)	(5,780)	(1,299)	(4,403)
Other	(3,933)	(12,666)	(3,495)	(7,422)
	<u>(108,785)</u>	<u>(336,038)</u>	<u>(85,092)</u>	<u>(175,480)</u>



**Notes to the quarterly information
at September 30, 2021**

All amounts in thousands of reais unless otherwise stated

	Consolidated			
	7/1/2021 to 9/30/2021	1/1/2021 to 9/30/2021	7/1/2020 to 9/30/2020	1/1/2020 to 9/30/2020
General and administrative expenses				
Personnel expenses	(6,308)	(16,365)	(3,889)	(10,770)
Administrative general expenses	(689)	(2,103)	(1,240)	(3,368)
Depreciation and amortization	(1,834)	(5,347)	(1,883)	(4,814)
Outsourced services	(1,269)	(5,735)	(1,254)	(3,477)
	<u>(10,100)</u>	<u>(29,550)</u>	<u>(8,266)</u>	<u>(22,429)</u>
	Consolidated			
	7/1/2021 to 9/30/2021	1/1/2021 to 9/30/2021	7/1/2020 to 9/30/2020	1/1/2020 to 9/30/2020
Selling				
Personnel expenses	(1,278)	(3,596)	(1,196)	(3,198)
Commissions and brokerage	(5,414)	(13,419)	(2,219)	(4,380)
Sales stands/model apartments	(107)	(355)	(664)	(2,093)
Advertising	(5,697)	(10,991)	(1,821)	(5,441)
Other selling expenses	(4,617)	(9,932)	(1,217)	(3,471)
	<u>(17,113)</u>	<u>(38,293)</u>	<u>(7,117)</u>	<u>(18,583)</u>
	Consolidated			
	7/1/2021 to 9/30/2021	1/1/2021 to 9/30/2021	7/1/2020 to 9/30/2020	1/1/2020 to 9/30/2020
Other operating income (expenses), net				
Real estate financing expenses	(206)	(611)	(109)	(367)
Tax expenses	(5)	(32)	(96)	(359)
Provision for contingencies	(417)	(986)	(1,520)	(5,347)
Losses from insufficient guarantees and others (i)	(1,564)	(5,680)	-	-
Other operating income and expenses	<u>(3,526)</u>	<u>(5,990)</u>	<u>(644)</u>	<u>(2,566)</u>
	<u>(5,718)</u>	<u>(13,299)</u>	<u>(2,369)</u>	<u>(8,639)</u>

- (i) Property received in guarantee for a value that is below the corresponding debt and discontinued projects written off.



**Notes to the quarterly information
at September 30, 2021**

All amounts in thousands of reais unless otherwise stated

26 Management fees

Management compensation for the quarter and nine-month period ended September 30, 2021 and 2020 is shown below:

	Parent company			
	7/1/2021 to 9/30/2021	1/1/2021 to 9/30/2021	7/1/2020 to 9/30/2020	1/1/2020 to 9/30/2020
Management fees	1,142	4,033	974	2,324
Welfare benefits	69	194	68	205
Charges	228	798	253	603
	Consolidated			
	7/1/2021 to 9/30/2021	1/1/2021 to 9/30/2021	7/1/2020 to 9/30/2020	1/1/2020 to 9/30/2020
Management fees	1,180	4,418	1,084	2,641
Welfare benefits	72	217	238	695
Charges	236	869	79	285

Based on the provisions of CPC 05, which address related-party disclosures, the Company considers that its key management include the members of the Board of Directors and all executive officers as per its bylaws, whose duties involve decision-making and control over the Company's activities.

27 Finance income (costs) net

	Parent company			
	7/1/2021 to 9/30/2021	1/1/2021 to 9/30/2021	7/1/2020 to 9/30/2020	1/1/2020 to 9/30/2020
Finance income				
Contractual indexation and interest accruals	46	371	366	1,269
Interest on financial investments	1,106	1,795	50	298
Swap gains	-	-	-	2,394
Other finance income	11	16	240	240
	<u>1,163</u>	<u>2,182</u>	<u>656</u>	<u>4,201</u>
Finance costs				
Interest on borrowings	(3,558)	(7,005)	(1,012)	(2,508)
Bank fees and charges	(227)	(294)	(53)	(458)
Financing expenses	-	-	(18)	(61)
Swap losses	-	-	(122)	(122)
Other finance costs	(1,566)	(15)	(1,135)	(3,878)
	<u>(5,351)</u>	<u>(7,314)</u>	<u>(2,340)</u>	<u>(7,027)</u>
	<u>(4,188)</u>	<u>(5,132)</u>	<u>(1,684)</u>	<u>(2,826)</u>



**Notes to the quarterly information
at September 30, 2021**

All amounts in thousands of reais unless otherwise stated

	Consolidated			
	7/1/2021 to 9/30/2021	1/1/2021 to 9/30/2021	7/1/2020 to 9/30/2020	1/1/2020 to 9/30/2020
Finance income				
Contractual indexation and interest accruals	530	4,154	2,292	5,100
Interest on financial investments	2,975	5,225	192	801
Swap gains	-	-	-	2,395
Other finance income	24	53	622	622
	<u>3,529</u>	<u>9,432</u>	<u>3,106</u>	<u>8,918</u>
Finance costs				
Interest on borrowings	(3,701)	(7,447)	(1,095)	(2,846)
Bank fees and charges	(448)	(844)	(253)	(900)
Financing expenses	-	(1)	(37)	(148)
Swap losses	-	-	(122)	(122)
Other finance costs	(2,408)	(33)	(1,412)	(3,881)
	<u>(6,557)</u>	<u>(8,325)</u>	<u>(2,919)</u>	<u>(7,897)</u>
	<u>(3,028)</u>	<u>1,107</u>	<u>187</u>	<u>1,021</u>

28 Income tax and social contribution expenses

Corporate income tax and social contribution on net income are calculated on an accrual basis, but paid on a cash basis. Therefore, the Company records them as deferred taxes through to date of payment.

Reconciliation from statutory to effective rate:

	Parent company			
	7/1/2021 to 9/30/2021	1/1/2021 to 9/30/2021	7/1/2020 to 9/30/2020	1/1/2020 to 9/30/2020
Profit before IRPJ and CSLL	9,941	50,446	20,561	37,967
Rate - 34%	(3,380)	(17,152)	(6,991)	(12,909)
Equity accounting	(7,291)	(24,990)	(8,980)	(15,341)
Segregated asset structure (RET)	169	259	1	290
Unrecognized tax losses (RET)	10,342	41,369	15,795	27,155
IRPJ and CSLL expenses	<u>(160)</u>	<u>(514)</u>	<u>(175)</u>	<u>(805)</u>
Effective rate	1.61 %	1.02 %	0.85 %	2.12 %



**Notes to the quarterly information
at September 30, 2021**

All amounts in thousands of reais unless otherwise stated

	Consolidated			
	7/1/2021 to 9/30/2021	1/1/2021 to 9/30/2021	7/1/2020 to 9/30/2020	1/1/2020 to 9/30/2020
Profit before IRPJ and CSLL	36,385	123,606	33,452	69,074
Rate - 34%	(12,371)	(42,026)	(11,374)	(23,485)
Equity accounting	380	3,140	(151)	(778)
Segregated asset structure (RET)	(856)	5,744	(142)	(1,675)
Unrecognized tax losses (RET)	8,987	21,452	9,578	20,406
IRPJ and CSLL expenses	(3,860)	(11,690)	(2,089)	(5,532)
Effective rate	11.00 %	9.00 %	6.24 %	8.01 %

Management believes that these deferred tax assets from tax losses should not be recognized as projected taxable income is not probable as a substantial part of the Group's operations is carried out through SPEs and SCPs under the Special Taxation Regime (RET) adopted for certain projects developed by the Group. Accordingly, tax losses, if any, are not carried forward.

29 Deferred revenue and deferred costs

Disclosure pursuant to the Circular Official Letter No. 02/2018 of December 12, 2018, which addresses revenue recognition by Brazilian companies for the purchase and sale of uncompleted real estate units. The information mainly relates to deferred revenue and deferred costs of units under construction.

	Parent company	Consolidated
Developments under construction		
(i) Deferred revenue from units sold		
(a) Developments under construction:		
Revenue from contracted sales	70,288	1,631,015
Revenue from recognized sales	(72,338)	(1,128,112)
Canceled sales - reversed revenue	3,772	42,103
(b) Revenue from recognized sales, net	(68,566)	(1,086,009)
Deferred revenue (a+b)	1,722	545,006
(ii) Budgeted deferred cost of units sold		
(a) Developments under construction:		
Budgeted costs	37,788	962,298
Construction costs incurred	(36,863)	(632,405)
(b) Incurred costs, net	(36,863)	(632,405)
Deferred costs of units sold (a+b)	925	329,893
(iii) Budgeted deferred costs of units in inventory		
Developments under construction:		
(a) Budgeted costs	4,584	311,492
(b) Incurred costs	(4,472)	(145,151)
Deferred costs of units in inventory (a+b)	112	166,341



**Notes to the quarterly information
at September 30, 2021**

All amounts in thousands of reais unless otherwise stated

30 Commitments

(a) Commitments for purchase of land

The Group has undertaken commitments for purchases of land, which have not yet been reflected in the accounting records, as there are matters pending resolution by the sellers before the formalization of the final deed and transfer of the related title to the Company, its subsidiaries or partners. These commitments, totaling R\$ 693,451 (R\$ 1,210,025 at December 31, 2020), of which: R\$ 630,271 (R\$ 1,138,290 (December 31, 2020) relate to exchanges for real estate units to be constructed and/or to the share of the proceeds from the sale of the related developments, and R\$ 63,180 (R\$ 78,735 at December 31, 2020) relate to a balancing payment.

Land is accounted for when all resolute clauses, or any other type of restriction, have been remedied, that is, when the entity has control of the economic resource.

(b) Lease commitments

At September 30, 2021, commitments related to the lease of large items of equipment and real estate totaled R\$ 5,249 (R\$ 1,715 in 2020) in the Parent company and R\$ 5,980 (R\$ 3,869 in 2020) in the Consolidated.

31 Segment reporting

The Group's main source of revenue derives from real estate development activities. The chief operating decision-maker analyzes information on each development for the purposes of allocating resources and assessing the performance. The management of activities concerning strategic planning, finance, purchases, investment of resources and assessment of the performance of developments is centralized, and there is no segregation by type of development (residential - high and middle income and commercial) that could establish segment-based management or other factors that could identify a set of components as operating segments of the entity.

32 Insurance

At September 30, 2021, the Company has the following insurance policies:

(a) Engineering risk insurance - civil works in progress: it offers a coverage for all the risks involved in the construction of real estate, such as fire, theft and damage resulting from construction works, among others. This type of insurance permits additional coverage for risks inherent to construction works, including civil liability and cross liability insurance, special expenses, riots, employer's civil liability, and pain and suffering.

(b) Business risk insurance - coverage for sales stands and model apartments against damage caused by fire, theft, lightning and explosion, among others.

(c) Multiple peril insurance - coverage for electronic equipment against possible theft or electrical damage.

(d) Civil liability insurance (management)



**Notes to the quarterly information
at September 30, 2021**

All amounts in thousands of reais unless otherwise stated

At September 30, 2021, the insurance coverage was as follows:

Items	Type of coverage	Insured amount
		Consolidated
Contractor - Completion bond (SGTO)	Benefitting the financing agent in the event of technical and financial losses not met by the Company.	39,943
Civil liability (management)	Civil liability coverage for Company's managers (D&O).	15,000
Insurance - construction (engineering risk)/Civil liability	Indemnity for damage caused to the works during the construction period of the project, such as fire, lightning strike, theft, among other specific coverage for facilities and assemblies at the insured site. Indemnity, up to the policy's cap, of the amounts for which the Company may have civil liability related to repairs for involuntary personal and/or material damages caused to third parties.	900,752
Commercial multiple peril insurance	Indemnity for fire, lightning strike, and explosion. Also, coverage windstorm, aircraft impact, loss of rent, among others. May include civil liability coverage (family insurance for the condominium, and/or condominium manager, material damages to third-party vehicles), medical/hospital/dental expenses for people, etc.	28,092
Guarantee insurance - contractual obligations	For company and public agency fulfillment of contracts, by indemnifying the insured party for breaches of contracts (contractual obligations) of several types.	160,763
Post-completion bond – maintenance bond (SGPE)	For maintenance of units delivered for up to five years, for damages provided under the consumer protection code.	7,590
Equipment	Indemnity for losses directly from risks related to machinery, equipment and implements, of fixed or mobile types, for non-agricultural use.	170
Housing	Indemnity for damages caused by fire, lightning strike and explosion, in addition to other additional coverage that can be contracted, supplementing the insurance policy and protecting the property against other risks, including theft, collapse, vehicle crash, aircraft impact, windstorm, hurricane, cyclone, hailstorm, electrical damages etc.	159
Legal guarantee	As an alternative to judicial deposits and escrows for asset in cases of litigation. Widely accepted at the judicial level as a new guarantee or as substitute for existing guarantees.	4,622
Contractor - Completion bond - Infrastructure not included	For the execution of the external infrastructure works up ceiling for losses from failure to honor the obligations in relation to the obligation to completion of construction of related external infrastructure.	2,736



**Notes to the quarterly information
at September 30, 2021**

All amounts in thousands of reais unless otherwise stated

33 Transactions not involving cash or cash equivalents

	<u>Parent company</u>		<u>Consolidated</u>	
	<u>9/30/2021</u>	<u>9/30/2020</u>	<u>9/30/2021</u>	<u>9/30/2020</u>
Investing activities				
Transfers of property and equipment – Leases as per IFRS 16	3,947	1,438	1,327	3,197

34 Events after the reporting period

There were no events after the reporting period which could have a material effect on the Company's financial position.

* * *

Conclusions and Representations / Officers' Representation on the Quarterly Information (ITR)

Officers' Representation on the Quarterly Information (ITR)

In compliance with the provisions of Article 25, paragraph 1, items V and VI, of the CVM Instruction 480/09, of December 7, 2009, the Company's officers affirm that they have reviewed, discussed and agreed the parent company and consolidated quarterly information for the nine-month period ended September 30, 2021.

Belo Horizonte, November 9, 2021

Chief Executive Officer – ALEXANDRE ARAÚJO ELIAS VEIGA

Chief Financial Officer and Investor Relations Officer - FELIPE ENCK GONÇALVES

Conclusions and Representations / Officers' Representation on the Independent Auditor's Report on Review

Officers' Representation on the Independent Auditor's Report on Review

In compliance with the provisions of Article 25, paragraph 1, items V and VI of CVM Instruction 480/09, of December 7, 2009, the Company's officers affirm that they have reviewed, discussed, and agreed with the conclusions expressed in the Independent Auditor's Report on Review dated November 9, 2021 on the parent company and consolidated quarterly information for the nine-month period ended September 30, 2021.

Belo Horizonte, November 9, 2021

Chief Executive Officer – ALEXANDRE ARAÚJO ELIAS VEIGA

Chief Financial Officer and Investor Relations Officer - FELIPE ENCK GONÇALVES

EXECUTIVE BOARD

ALEXANDRE ARAÚJO ELIAS VEIGA
Chief Executive Officer

FELIPE ENCK GONÇALVES
Chief Financial Officer and Investor Relations Officer

RESPONSIBLE ACCOUNTANT

ROGER TADEU VILELA FERREIRA
Contador

CRC - MG 122.560/O