



(A free translation of the original in Portuguese)

Patrimar Engenharia S.A.

**Parent company and consolidated
financial statements at
September 30, 2023
and independent auditor's report**

A free translation from Portuguese into English of Independent Auditor's Review Report on parent company and consolidated quarterly information prepared in Brazilian currency in accordance with accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) applicable to Brazilian real estate development entities registered with the Brazilian Securities and Exchange Commission (CVM)

Independent auditor's review report on quarterly information

Shareholders, Board of Directors and Officers of
Patrimar Engenharia S.A.
Belo Horizonte - MG

Introduction

We have reviewed the accompanying parent company and consolidated interim financial information, contained in the Quarterly Information Form (ITR) of Patrimar Engenharia S.A. for the quarter ended September 30, 2023, comprising the statement of financial position as of September 30, 2023 and the related statements of profit or loss and of comprehensive income, for the three and nine-month periods then ended and the changes in equity and of cash flows for the nine-month period then ended, including the explanatory notes.

Management is responsible for preparation of the parent company and consolidated interim financial information in accordance with Accounting Pronouncement NBC TG 21 – Interim Financial Reporting and IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), applicable to real estate development entities in Brazil registered with the Brazilian Securities Commission (CVM), as well as for the fair presentation of this information in conformity with the rules issued by the CVM applicable to the preparation of the Quarterly Information Form (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and international standards on review engagements (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information performed by the Independent Auditor of the Entity, respectively). A review of interim financial 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 auditing standards 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 parent company and consolidated interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying parent company and consolidated interim financial information included in the quarterly information referred to above is not prepared, in all material aspects, in accordance with NBC TG 21 and IAS 34 applicable to Brazilian real estate development entities registered with the Brazilian Securities and Exchange Commission (CVM), and presented consistently with the rules issued by the CVM applicable to the preparation of the Quarterly Information Form (ITR).

Emphasis of matter

As described in Note 2, the parent company and consolidated interim financial information contained in the Quarterly Information Form (ITR) was prepared in accordance with NBC TG 21 and IAS 34, applicable to Brazilian real estate development entities registered with the CVM. Accordingly, the determination of the accounting policy adopted by the Company for recognition of revenue in contracts for the purchase and sale of unfinished real estate units on the aspects related to transfer of control follow the Company management's understanding as to application of NBC TG 47, aligned with CVM's determination expressed in Memorandum Circular CVM/SNC/SEP No. 02/2018. Our conclusion is not qualified in respect of this matter.

Other matters

Statements of value added

The above mentioned quarterly information include the parent company and consolidated statement of value added (SVA) for the nine-month period ended September 30, 2023, prepared under Company's Management responsibility and presented as supplementary information by IAS 34. These statements have been subject to review procedures performed together with the review of the quarterly information with the objective to conclude whether they are reconciled to the interim financial information and the accounting records, as applicable, and if its format and content are in accordance with the criteria set forth by NBC TG 09 – Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that they were not prepared, in all material respects, consistently with the overall parent company and consolidated interim financial information.

Belo Horizonte (MG), November 13, 2023.

ERNST & YOUNG

Auditores Independentes S/S Ltda.
CRC-SP015199/O



Bruno Costa Oliveira
Contador CRC-BA031359/O



Balance sheet at September 30

All amounts in thousands of reais

(A free translation of the original in Portuguese)

		Parent company		Consolidated	
	Note	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Assets					
Current assets					
Cash and cash equivalents	6	4,744	48,008	231,243	330,137
Marketable securities	7	-	6,262	120,131	106,046
Trade receivables	8	20,998	20,173	382,658	315,643
Properties for sale	9	78	1,323	498,222	419,866
Taxes recoverable		4,344	3,308	19,149	16,318
Prepaid expenses	10	5,730	4,803	32,434	25,105
Other receivables		1,437	1,439	21,283	14,229
Total current assets		37,331	85,316	1,305,120	1,227,344
Non-current assets					
Long-term receivables					
Restricted financial investments	6	2,827	2,664	2,827	2,664
Trade receivables	8	5,577	7,260	465,047	276,169
Properties for sale	9	10,037	6,730	50,121	90,676
Judicial deposits	21	137	374	963	1,634
Related parties	11	221,734	138,376	27,132	8,040
Deferred Taxes		-	-	2,098	-
		240,312	155,404	548,188	379,183
Investments	12	492,547	424,524	23,751	28,074
Property and equipment	13	10,220	10,620	50,467	36,094
Intangible assets	14	8,084	9,143	8,181	9,320
Lease right-of-use		1,772	3,157	6,643	6,530
		512,623	447,444	89,042	80,018
Total non-current assets		752,935	602,848	637,230	459,201
Total assets		790,266	688,164	1,942,350	1,686,545

The accompanying notes are an integral part of these financial statements.


Balance sheet at September 30

All amounts in thousands of reais

(continued)

		Parent company		Consolidated	
	Note	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Liabilities and equity					
Current liabilities					
Borrowings and debentures	15	96,465	43,820	245,707	93,475
Leases	16	1,577	2,041	4,915	4,894
Trade payables	17	2,953	1,829	92,148	60,919
Salaries and social charges		11,275	6,209	22,498	12,032
Tax liabilities	18	920	758	4,492	5,559
Real estate purchase obligations	19	-	800	43,921	35,774
Dividends payable		77	6,739	152	6,814
Advances from customers	20	12,455	313	277,128	202,973
Provision for real estate maintenance	22	1,649	186	2,959	1,561
Current taxes with deferred payment	18	304	55	20,940	21,134
Other payables		11	11	1,206	1,831
Total current liabilities		127,686	62,761	716,066	446,966
Non-current liabilities					
Borrowings and debentures	15	223,554	232,846	396,149	360,194
Leases	16	288	1,231	1,970	1,758
Real estate purchase obligations	19	-	-	33,020	10,917
Advances from customers	20	-	-	166,441	284,127
Provision for contingencies	21	2,706	1,627	9,197	4,716
Provision for real estate maintenance	22	189	470	18,037	14,365
Current taxes with deferred payment	18	-	389	18,286	5,089
Related parties	11	26,859	13,675	20,264	14,718
Provision for investees' net capital deficiency	12	8,257	7,380	7,108	5,999
Total non-current liabilities		261,853	257,618	670,472	701,883
Total liabilities		389,539	320,379	1,386,538	1,148,849
Equity					
Equity	23				
Capital		269,172	269,172	269,172	269,172
Capital reserve		259	259	259	259
Revenue reserves		131,296	98,354	131,296	98,354
		400,727	367,785	400,727	367,785
Non-controlling interests		-	-	155,085	169,911
Total equity		400,727	367,785	555,812	537,696
Total liabilities and equity		790,266	688,164	1,942,350	1,686,545

The accompanying notes are an integral part of these financial statements.



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			
		07/01/2023 a 09/30/2023	01/01/2023 a 09/30/2023	07/01/2022 a 09/30/2022	01/01/2022 a 09/30/2022
Net operating revenue	25	1,861	3,662	6,534	10,942
Cost of properties sold	26	(387)	(342)	(409)	(3,181)
Gross profit		1,474	3,320	6,125	7,761
Operating income (expenses)					
General and administrative	26	(6,589)	(18,903)	(5,913)	(18,525)
Selling	26	(2,540)	(6,728)	(2,005)	(6,904)
Equity in the results of investees	12	40,295	93,695	35,042	69,853
Other operating income (expenses), net	26	3,419	1,953	54	(583)
Operating profit		36,059	73,337	33,303	51,602
Finance income	28	435	1,955	3,523	4,969
Finance costs	28	(13,237)	(35,416)	(11,152)	(23,695)
Finance (costs) income, net		(12,802)	(33,461)	(7,629)	(18,726)
Profit before income tax and social contribution		23,257	39,876	25,674	32,876
Income tax and social contribution	29	-	5	(39)	(102)
Profit for the year		23,257	39,881	25,635	32,774
Basic earnings per share - R\$	24	0,415111	0,711830	0,457555	0,584978
Diluted earnings per share - R\$	24	0,415111	0,711830	0,457555	0,584978

The accompanying notes are an integral part of these financial statements.



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	Consolidated			
		07/01/2023 a 09/30/2023	01/01/2023 a 09/30/2023	07/01/2022 a 09/30/2022	01/01/2022 a 09/30/2022
Net operating revenue	25	411,757	998,085	313,544	648,780
Cost of properties sold	26	(323,738)	(784,534)	(233,902)	(477,759)
Gross profit		88,019	213,551	79,642	171,021
Operating income (expenses)					
General and administrative	26	(17,853)	(49,753)	(14,420)	(40,339)
Selling	26	(32,462)	(69,824)	(19,163)	(54,485)
Equity in the results of investees	12	(104)	(1,999)	(1,938)	(3,400)
Other operating income (expenses), net	26	(2,231)	(8,838)	647	(1,048)
Operating profit		35,369	83,137	44,768	71,749
Finance income	28	13,794	35,807	14,253	31,871
Finance costs	28	(13,832)	(36,731)	(11,399)	(24,922)
Finance (costs) income, net		(38)	(924)	2,854	6,949
Profit before income tax and social contribution		35,331	82,213	47,622	78,698
Income tax and social contribution	29	(7,891)	(19,778)	(5,809)	(14,776)
Profit for the period		27,440	62,435	41,813	63,922
Attributable to:					
Owners of the parent		23,257	39,881	25,635	32,774
Non-controlling interests		4,183	22,554	16,178	31,148
		27,440	62,435	41,813	63,922

The accompanying notes are an integral part of these financial statements.



Statement of comprehensive 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)

	Three-month period ended September 30			
	Parent company		Consolidated	
	09/30/2023	09/30/2022	09/30/2023	09/30/2022
Profit for the period	23,257	25,635	27,440	41,813
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>23,257</u>	<u>25,635</u>	<u>27,440</u>	<u>41,813</u>
Attributable to:				
Owners of the parent			23,257	25,635
Non-controlling interests			<u>4,183</u>	<u>16,178</u>
			<u>27,440</u>	<u>41,813</u>

The accompanying notes are an integral part of these financial statements.



Statement of comprehensive 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)

	Nine-month period ended September 30			
	Parent company		Consolidated	
	09/30/2023	09/30/2022	09/30/2023	09/30/2022
Profit for the period	<u>39,881</u>	<u>32,774</u>	<u>62,435</u>	<u>63,922</u>
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>39,881</u>	<u>32,774</u>	<u>62,435</u>	<u>63,922</u>
Attributable to:				
Owners of the parent			39,881	32,774
Non-controlling interests			<u>22,554</u>	<u>31,148</u>
			<u>62,435</u>	<u>63,922</u>

The accompanying notes are an integral part of these financial statements.



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					Equity	Non-controlling interests	Total equity
	Share capital	Capital reserve	Revenue reserves		Retained earnings (accumulated deficit)			
			Legal reserve	Retention reserve				
At December 31, 2021	269,172	259	6,802	68,176	-	344,409	142,873	487,282
Contributions to (return on capital of) subsidiaries	-	-	-	-	-	-	(7,562)	(7,562)
Profit for the period	-	-	-	-	32,774	32,774	31,148	63,922
Complementary dividends	-	-	-	(1,214)	-	(1,214)	-	(1,214)
At September 30, 2022	269,172	259	6,802	66,962	32,774	375,969	166,459	542,428
At December 31, 2022	269,172	259	8,415	89,939	-	367,785	169,911	537,696
Contributions to (return on capital of) subsidiaries	-	-	-	-	-	-	(37,380)	(37,380)
Profit for the period	-	-	-	-	39,881	39,881	22,554	62,435
Complementary dividends paid	-	-	-	(6,939)	-	(6,939)	-	(6,939)
At September 30, 2023	269,172	259	8,415	83,000	39,881	400,727	155,085	555,812

The accompanying notes are an integral part of these quarterly financial statements.



Statement of cash flows
Quarter and nine-month period ended September 30

All amounts in thousands of reais

(A free translation of the original in Portuguese)

	Parent company		Consolidated	
	09/30/2023	09/30/2022	09/30/2023	09/30/2022
Cash flows from operating activities				
Profit for the period	39,881	32,774	62,435	63,922
Adjustments to reconcile profit with cash flows from operating activities				
Depreciation and amortization	5,839	5,210	15,840	10,945
Adjustment of trade receivables to present value	(8)	-	25,163	8,530
Equity in the results of investees	(93,695)	(69,853)	1,999	3,400
Provision for real estate maintenance	2,033	(513)	8,909	2,281
Provision for termination of contracts	-	-	(22)	(921)
Allowance for doubtful accounts	-	-	408	838
Provision for labor, civil, and tax contingencies	1,162	8	8,176	3,286
Provision for interest on borrowings	34,077	22,737	52,174	30,718
Income tax and social contribution	(67)	102	8,939	14,776
Write-off of fixed assets	-	962	4,508	1,048
Income from securities	(161)	-	(8,315)	-
	(10,939)	(8,573)	(180,214)	138,823
Changes in working capital				
Increase (decrease) in assets and liabilities				
Trade receivables	866	2,369	(281,442)	(139,249)
Properties for sale	(2,062)	9,430	(37,801)	(45,553)
Taxes recoverable	(1,036)	(1,214)	(4,929)	(5,436)
Other assets	(688)	(1,297)	(13,712)	(2,873)
Trade payables	1,124	(3,751)	31,229	27,174
Salaries and social charges	5,066	2,360	10,466	4,947
Tax liabilities	151	(341)	13,836	(1,174)
Real estate purchase obligations	(800)	(1,001)	30,250	(25,035)
Advances from customers	12,142	(947)	(43,531)	99,223
Other liabilities	123	(1,753)	3,754	(2,352)
Payments made for maintenance of properties held as collateral	(851)	-	(3,839)	-
Amounts paid for civil, labor, and tax contingencies	(83)	6	(3,695)	(6,267)
	13,952	3,861	(299,414)	(96,595)
Interest paid	(34,510)	(4,989)	(48,704)	(12,098)
Income tax and social contribution paid	(62)	(274)	(10,839)	(8,453)
Net cash provided by (used in) operating activities	(31,559)	(9,975)	(178,743)	21,677
Cash flows from investing activities				
Investment in marketable securities	6,423	1,677	(5,770)	(29,740)
Changes in restricted financial investments	(163)	(188)	(163)	(188)
Advances to related parties	(70,174)	(21,682)	(13,546)	5,839
Contributions to (return on) investments	26,549	5,719	3,433	(2,980)
Purchases of property and equipment and intangible assets	(2,995)	(2,837)	(33,695)	(12,563)
Net cash used in investing activities	(40,360)	(17,311)	(49,741)	(39,632)
Cash flows from financing activities				
New borrowings	70,060	146,108	332,310	266,585
Repayment of borrowings - principal amount	(27,805)	(67,248)	(151,740)	(141,253)
Dividends paid	(13,600)	(1,214)	(13,600)	(1,214)
Distributions (reversal) paid to non-controlling interests, net	-	-	(37,380)	(7,562)
Net cash provided by financing activities	28,655	77,646	129,590	116,556
Increase (decrease) in cash and cash equivalents, net	(43,264)	50,360	(98,894)	98,601
Changes in cash and cash equivalents				
Cash and cash equivalents at the beginning of the period	48,008	31,765	330,137	243,926
Cash and cash equivalents at the end of the period	4,744	82,125	231,243	342,527
Net increase (decrease) in cash and cash equivalents	(43,264)	50,360	(98,894)	98,601

The accompanying notes are an integral part of these financial statements.



Statement of value added
Quarter and nine-month period ended September 30

All amounts in thousands of reais

(A free translation of the original in Portuguese)

	Parent company		Consolidated	
	09/30/2023	09/30/2022	09/30/2023	09/30/2022
Revenue:				
Revenue from sales and services	3,801	11,448	1,019,663	662,373
	3,801	11,448	1,019,663	662,373
Inputs acquired from third parties:				
Cost of properties sold	(342)	(2,932)	(735,236)	(446,953)
Electricity, third-party services, and other expenses	13,848	7,551	(131,415)	(87,302)
	13,506	4,619	(866,651)	(534,255)
Gross value added	17,307	16,067	153,012	128,118
Retentions:				
Depreciation and amortization	(5,651)	(5,210)	(16,305)	(10,945)
Net value added generated by the entity	11,656	10,857	136,707	117,173
Value added received through transfers:				
Equity in the results of investees	93,695	69,853	(1,999)	(3,400)
Finance income	1,955	4,969	35,787	31,872
	95,650	74,822	33,788	28,472
Total value added to be distributed	107,306	85,679	170,495	145,645
Distribution of value added:				
Personnel				
Compensation	17,863	16,018	19,286	17,429
Charges	6,415	5,752	6,742	6,093
Benefits	7,508	6,732	5,997	5,420
	31,786	28,502	32,025	28,942
Taxes and contributions				
Federal	(11)	551	38,676	27,497
Municipal	234	157	648	362
	223	708	39,324	27,859
Remuneration of third-party capital:				
Finance costs	35,416	23,695	36,711	24,922
	35,416	23,695	36,711	24,922
Remuneration of own capital:				
Profit for the period	39,881	32,774	39,881	32,774
Non-controlling interests - retained earnings	-	-	22,554	31,148
	39,881	32,774	62,435	63,922
Value added distributed	107,306	85,679	170,495	145,645

The accompanying notes are an integral part of these financial statements.



**Notes to the financial statements
at September 30, 2023**

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 1963 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 held by the same stockholders 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 to finance production, and improve the financial and accounting control of the projects.

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

2 Financial statement presentation and summary of significant accounting policies

2.1. Information presentation

The Group's accounting information comprises:

The parent company and consolidated interim financial information has been prepared in accordance with NBC TG 21 – Demonstração Intermediária (Interim Financial Reporting) and IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board (IASB), applicable to real estate development entities in Brazil registered with the Brazilian Securities Commission (CVM) which is consistent with the information utilized by management in the performance of its duties.

Aspects related to the transfer of ownership in sales of real estate units are based on the understanding of the Company management, which is consistent with that expressed by the CVM Official Letter CVM/SNC/SEP/02/2018 on the adoption of the Technical Pronouncement CPC 47 (IFRS 15), in accordance with rules issued by the CVM, applicable to the preparation of the Quarterly Information – ITR.

The condensed interim financial contained in the Quarterly Information Form - ITR has been prepared under the historical cost convention, which, for certain financial assets and liabilities, are adjusted to reflect measurement at fair value.

The accompanying notes are an integral part of these financial statements.



**Notes to the financial statements
at September 30, 2023**

All amounts in thousands of reais unless otherwise stated

The accounting practices adopted by the subsidiaries are consistent with those adopted by the Company. Where applicable, all intercompany transactions, balances, revenue and expenses are fully eliminated in the accounting information. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the parent company and consolidated financial statements, are disclosed in Note 3.

In preparing this condensed interim financial information contained in the Quarterly Information Form - ITR, the principles, estimates, accounting practices, measurement methods and standards adopted are consistent with those presented in the financial statements of December 31, 2022, except when disclosed. Therefore, the interim financial information for the period ended September 30, 2023 should be read together with the Group's financial statements for the year ended December 31, 2022.

Considering that there were no relevant changes in relation to the composition and nature of the balances presented in the financial statements for the year ended December 31, 2022, the following Explanatory Notes are presented in a condensed form for the period ended September 30, 2023:

- 2. Financial statement presentation and summary of significant accounting policies
- 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. IFRS does not require presentation of this statement. As a result, under IFRS, the presentation of such statements is considered supplementary information. The condensed interim accounting information contained in the Group's Quarterly Information Form - ITRs for the period ended September 30, 2023 was approved at the Board of Directors' Meeting held on November 13, 2023.

2.2. New accounting pronouncements

In the period ended September 30, 2023, no new standards, amendments and interpretations of standards were issued.

3 Critical accounting estimates and judgments

The Group makes estimates concerning the future based on assumptions. The 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.

The accompanying notes are an integral part of these financial statements.



**Notes to the financial statements
at September 30, 2023**

All amounts in thousands of reais unless otherwise stated

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

The Group uses the Percentage of Completion (POC) method to account for its 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 the real estate units 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 the 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.

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.

These 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, and 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. Subsequently, this interest is reallocated to profit or loss using the effective interest rate method in relation to the contractual cash flows.

For 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.

The accompanying notes are an integral part of these financial statements.



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(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 occupancy permit has 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 the Group's 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.

(a) Credit risk

Credit risk is the risk that the Group may incur losses arising from the failure of a customer or counterparty to a financial instrument to meet its contractual obligations, as well as from 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 the 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.

The accompanying notes are an integral part of these financial statements.



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Credit quality of financial assets

The Group presents a conservative investment profile, making use of private bonds issued by top-tier financial institutions, exclusive funds, and open-ended investment funds. These investments aim at earning interest from funds available at levels similar to the market, without exposure to relevant market risks (asset price fluctuations) or counterparty credit risk. The consolidated balances at September 30, 2023 of financial assets that comprised short-term investments are classified as follows, by rating:

Fitch Rating	Consolidated
AAA	277,212
AA	25,176
A	3,267
Other ratings	7,267
Total	312,922

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

Trade receivables

	Parent company		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Completed units (Note 8)				
With statutory lien	3,609	6,469	51,149	35,909
Without statutory lien	-	-	42,947	17,740
	3,609	6,469	94,096	53,649
Units under construction (Note 8)	-	-	780,352	534,533
With statutory lien	-	-	4,991	8,488
	-	-	785,343	543,021
Administration services (Note 8)				
Without statutory lien	22,965	20,971	23,091	24,418
	26,574	27,440	902,530	621,088

No credit limits were exceeded during the reporting period, and management does not expect any losses from non-performance by these counterparties in excess of the amount already accrued.

(b) Liquidity risk

Liquidity risk is the risk that the Group may have difficulty in meeting its obligations associated with financial liabilities that are settled in cash or other financial assets. The Group's approach to manage liquidity is to ensure that it always has sufficient liquidity to meet its obligations when they fall due, under normal and stress conditions, without causing unacceptable losses or adversely affecting the Group's reputation.

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Notes to the financial statements

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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 for "Trade payables") for the following 30 days.

The current cash flows of financial liabilities based on the approximate date of settlement of the related obligations are as follows:

	Parent company				
	2023	2024	2025	2026	Total
At September 30, 2023					
Borrowings (Note 15)	48,000	64,619	57,529	149,871	320,019
Lease (Note 16)	530	1,089	149	97	1,865
Trade payables (Note 17)	2,953	-	-	-	2,953
Real estate purchase obligations (Note 19)	-	-	-	-	-
	Consolidated				
	2023	2024	2025	2026	Total
At September 30, 2023					
Borrowings (Note 15)	126,924	144,602	164,946	205,384	641,856
Lease (Note 16)	1,711	3,475	610	1,089	6,885
Trade payables (Note 17)	92,148	-	-	-	92,148
Real estate purchase obligations (Note 19)	43,921	33,020	-	-	76,941
	Parent company				
	2023	2024	2025	2026	Total
At December 31, 2022					
Borrowings (Note 15)	43,822	64,542	57,347	110,955	276,666
Lease (Note 16)	2,041	1,026	108	97	3,272
Trade payables (Note 17)	1,829	-	-	-	1,829
Real estate purchase obligations (Note 19)	800	-	-	-	800
	Consolidated				
	2023	2024	2025	2026	Total
At December 31, 2022					
Borrowings (Note 15)	93,476	180,078	69,160	110,955	453,669
Lease (Note 16)	4,894	1,553	108	97	6,652
Trade payables (Note 17)	60,919	-	-	-	60,919
Real estate purchase obligations (Note 19)	35,774	10,917	-	-	46,691

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.

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(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.

(i) Interest rate and foreign exchange risk exposure

The Group analyzes its interest rate exposure on a dynamic basis, performing simulations of various scenarios that consider refinancing, renewal of existing positions, and alternative financing. Based on these scenarios, the Group computes the effects on profit or loss from a defined change in interest rates.

The Group has financial investments, investments in an exclusive fund, and borrowings from third parties, with earnings linked to the Interbank Deposit Certificate (CDI, and interest linked to the CDI rate, the Reference Rate (TR), and savings account.

The balances of financial investments are exposed to fluctuations in interest rates (particularly the CDI rate). At September 30, 2023, 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 analysis does not necessarily reflect the Group's expectations.

Under guidance of Circular Official Letter/CVM 01/2021, the Group considered a fluctuation of 25% and 50% on the balances, taking into account a decrease in financial assets and an increase in financial liabilities:

Indicators	Parent company						Consolidated			
	Index	Rate	09/30/2023	Scenario I - Probable	Scenario II (25%)	Scenario III (50%)	09/30/2023	Scenario I - Probable	Scenario II (25%)	Scenario III (50%)
Assets										
Financial investments	CDI	13,50%	7,487	1,011	758	506	192,791	26,027	19,520	13,014
Marketable securities	CDI	13,50%	-	-	-	-	120,131	16,218	12,164	8,109
Liabilities										
Construction financing (in Reais - R\$)	Poupança	7,65%	-	-	-	-	49,837	3,813	2,860	1,907
Construction financing (in Reais - R\$)	TR	2,05%	-	-	-	-	272,000	5,576	4,182	2,788
Debentures	CDI	13,50%	249.393	33.668	42.085	50.502	249.393	33.668	42.085	50.502

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.

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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.

Consistent with others in the industry, the Group monitors 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	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Total borrowings (Note 15)	320,019	276,666	641,856	453,669
Less: Cash and cash equivalents (Note 6)	(4,744)	(48,008)	(231,243)	(330,137)
Less: Marketable securities (Note 7)	-	(6,262)	(120,131)	(106,046)
Net debt	315,275	222,396	290,482	17,486
Total equity	400,727	367,785	555,812	537,696
Total capitalization	716,002	590,181	846,294	555,182
Gearing ratio - %	44%	38%	34%	3%

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 the quoted prices are readily and regularly made 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 objective of the valuation technique is to establish what that fair value would be in an arm's length transaction motivated by normal business considerations.
- **Level 3. No active market:** Equity instruments - fair value of investments in equity instruments that do not have a quoted price in an active market, and derivatives that are linked to and must be settled by delivery of such an equity instrument.

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

The accompanying notes are an integral part of these financial statements.



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Impairment

The Group assesses on a forward-looking 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 that was not identified in the period.

5 Financial instruments by nature

	Parent company		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
<u>Financial assets</u>				
Measured at amortized cost				
Cash and bank accounts (Note 6(a))	84	94	41,279	54,836
Highly liquid financial investments (Note 6 (a))	4,660	47,914	189,964	275,301
Restricted financial investments (Note 6(b))	2,827	2,664	2,827	2,664
Marketable securities (Note 7)	-	6,262	120,131	106,046
Trade receivables (Note 8)	26,575	27,433	847,705	591,812
Judicial deposits (Note 21)	137	374	963	1,634
Related parties (Note 11)	221,734	138,376	27,132	8,040
	<u>256,017</u>	<u>223,117</u>	<u>1,230,001</u>	<u>1,040,333</u>
<u>Financial liabilities</u>				
Measured at amortized cost				
Borrowings and debentures (Note 15)	320,019	276,666	454,012	453,669
Lease (Note 16)	1,865	3,272	6,885	6,652
Trade payables (Note 17)	2,953	1,829	92,148	60,919
Real estate purchase obligations (Note 19)	-	800	76,941	46,691
Related parties (Note 11)	26,859	13,675	20,264	14,718
	<u>351,696</u>	<u>296,242</u>	<u>650,250</u>	<u>582,649</u>

6 Cash and cash equivalents, financial investments

(a) Cash and cash equivalents

	Parent company		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Cash	20	19	35	34
Banks	64	75	41,244	54,802
Highly liquid financial investments	4,660	47,914	189,964	275,301
	<u>4,744</u>	<u>48,008</u>	<u>231,243</u>	<u>330,137</u>

During the period ended September 30, 2023, 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 98% to 115.3% of the CDI rate (from 98% to 112% of the CDI rate at December 31, 2022).

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The Company maintains the balance of cash, cash equivalents, and marketable securities for the strategic purpose of meeting short-term commitments and keeping an adequate liquidity level to seize investment opportunities.

(b) Restricted financial investments

	Parent company		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Restricted financial investments - non-current	2,827	2,664	2,827	2,664
	<u>2,827</u>	<u>2,664</u>	<u>2,827</u>	<u>2,664</u>

The Group's restricted financial investments in Bank Deposit Certificates (CDB) maturing in over one year have been pledged as collateral for financing the purchase of land. These investments earn 105% of the CDI rate (105% and 108% of the CDI rate at December 31, 2022) based on the nature and maturity of the instrument.

7 Marketable Securities

	Parent company		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Cash	-	49	-	827
Financial treasury bill	-	2,374	55,351	40,202
CDB	-	241	2,833	4,083
Debentures	-	315	2,609	5,334
Financial bills - private	-	3,283	58,150	55,600
Deposit with Special Guarantee	-	-	1,188	-
	<u>-</u>	<u>6,262</u>	<u>120,131</u>	<u>106,046</u>

The Group's exclusive investment fund portfolio, earning interest at 103.02% p.a. of the CDI rate at September 30, 2023, (106% p.a. of the CDI as of December 31, 2022), is shown above.

The accompanying notes are an integral part of these financial statements.



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8 Trade receivables

	Parent company		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
<u>Trade receivables from real estate developments</u>				
Completed units	3,609	6,469	94,096	53,649
Units under construction	-	-	785,343	543,021
Administration services	22,965	20,971	23,091	24,418
	26,574	27,440	902,530	621,088
Provision for canceled sales	-	-	(1,620)	(1,642)
Provision for losses	-	-	(4,563)	(4,155)
Adjustments to present value	1	(7)	(48,642)	(23,479)
	1	(7)	(54,825)	(29,276)
	26,575	27,433	847,705	591,812
Current assets	20,998	20,173	382,658	315,643
Non-current assets	5,577	7,260	465,047	276,169

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

Trade receivables from real estate sales are adjusted based on the National Civil Construction Index (INCC) up to the delivery of the units sold. After that, these amounts are restated based on the General Market Price Index (IGP-M) or Amplified Consumer Price Index (IPCA) and bear an average interest rate of 6% to 12% p.a.

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

The accompanying notes are an integral part of these financial statements.



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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	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Falling due in up to 1 year	6,986	24,568	527,047	486,161
Falling due from 1 to 2 years	6,121	807	459,170	276,460
Falling due from 2 to 3 years	7,017	1,257	583,864	297,691
Falling due from 3 to 4 years	3,381	8	281,305	210,975
Falling due in more than 4 years	88	-	7,204	6,110
	<u>23,593</u>	<u>26,640</u>	<u>1,858,590</u>	<u>1,277,397</u>
Overdue for up to 1 year	1,301	800	41,461	20,953
Overdue from 1 to 2 years	925	-	10,150	6,956
Overdue from 2 to 3 years	733	-	6,882	969
Overdue from 3 to 4 years	10	-	805	1,130
Overdue for more than 4 years	12	-	970	630
	<u>2,981</u>	<u>800</u>	<u>60,268</u>	<u>30,638</u>
	<u>26,574</u>	<u>27,440</u>	<u>1,918,858</u>	<u>1,308,035</u>
Trade receivables - accounting	26,575	27,433	847,705	591,812
Deferred revenue (Note 30)	-	-	1,438,003	1,108,671
Advances from customers (Note 20)	-	-	(421,675)	(421,724)
Present value adjustment	(1)	7	48,642	23,479
Provision for canceled sales	-	-	1,620	1,642
Provision for losses	-	-	4,563	4,155
	<u>26,574</u>	<u>27,440</u>	<u>1,918,858</u>	<u>1,308,035</u>

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9 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	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Inventories of land	10,109	7,742	195,995	178,492
Units under construction	-	-	315,043	281,249
Completed units	6	311	36,173	49,851
Provision for canceled sales	-	-	1,132	950
	10,115	8,053	548,343	510,542
Current assets	78	1,323	498,222	419,866
Non-current assets	10,037	6,730	50,121	90,676

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 used for interest capitalization is specific for each real estate development, ranging from 8.96% to 14.36% p.a. (from 8.3% to 14.24% p.a. at December 31, 2022).

At September 30, 2023, interest capitalized within real estate inventories totaled R\$ 1,758, in Consolidated (there is no balance of capitalized interest in the parent company). At December 31, 2022, this amount was R\$1,436 in the Consolidated (there was no balance of capitalized interest in the parent company).

10 Prepaid expenses

	Parent company		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Insurance	46	31	4,560	4,311
Commissions and brokerage	-	-	22,190	15,971
Wave Project	3,982	3,982	3,982	3,982
Software maintenance	469	745	469	745
Other Projects	1,233	45	1,233	96
	5,730	4,803	32,434	25,105

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 and expectation of future economic benefits. The accompanying notes are an integral part of these financial statements.



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11 Related parties

	Parent company		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Casatua Engenharia (i)	5,000	-	5,000	-
(a) Intercompany loans	5,000	-	5,000	-
Construtora Novolar	75,865	58,919	-	-
Bernardo Vasconcelos	1,053	1,032	-	-
Jardinaves	2,374	1,920	-	-
Mia Felicita	945	908	-	1
MRV Patrimar Galleria	2,830	2,329	-	3
Park Residences	313	305	-	-
Patrimar Somattos Gasparini	452	452	452	452
Jardinaves II	7,636	6,261	-	-
Jardinaves III	1,725	-	-	-
Jardinaves IV	646	-	-	-
Golf I	-	12,701	-	-
Golf II	2,311	914	-	-
MRV MRL Novolar I	-	-	2,305	2,084
Scp Novolar - Reality	-	-	915	769
Epic	1,585	1,585	1,585	-
Americas	9,634	6,500	-	-
Avenida de ligação	-	653	556	653
Avenida de ligação 2	796	656	-	-
Avenida de ligação 3	4,276	1,606	-	-
Riviera do sol	-	-	1,087	848
Residencial Inovatto	312	248	-	14
York I	-	343	-	-
York II	-	40	-	-
Barbacena	-	85	-	85
Rua Campo	17,987	9,181	-	-
Priorato Residences	181	180	-	11
MRV MRL Novolar X	-	-	499	391
Paçuaire	-	-	-	190
Rj 04 Oliveiras/Palmeiras	226	186	230	186
Rio 2 - Condomínio 1	28,818	2,143	-	-
Rio 2 - Condomínio 2	2,887	1,043	-	-
Le Terrace	9,271	4,609	-	-
Fernandes Tourinho	15,636	8,574	-	-
Espírito Santo	7,821	6,221	-	-
Colina Engefor	624	622	-	-
Mirataia	1,139	549	-	-
Brito I	609	917	-	-
Madison	694	648	-	-
Bela Vista	151	-	-	-
Vale dos Cristais	1,927	1,321	-	-
Luxemburgo (Guacui)	5,314	733	-	-
Acaba Mundo	617	-	617	-
Jota Patrimar Engefor	792	-	-	-
Gioia Del Colle	359	-	-	-

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Jambreiro	69	-	-	-
Renovare	-	-	543	-
Apia	538	-	-	-
Villagio Verona	217	-	-	-
Villagio Florença	477	-	-	-
Recanto do Tingui	-	-	152	-
Jardim Mangabeiras	1,420	-	-	-
Quadra 40	800	-	800	-
São José dos Campos	-	-	7	-
Somattos	-	-	9,813	-
VIV In Multifamily	-	-	645	-
Maura Valadares Gontijo	786	-	-	-
MRV MRL	-	-	2,305	-
Outros empreendimentos	4,621	3,992	(379)	2,353
(b) Receivables from real estate developments	221,734	138,376	27,132	8,040
	Parent company		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Somattos Engenharia (ii)	-	-	-	4,442
(a) Intercompany loans	-	-	-	4,442
Alta Vila	3,378	3,404	-	-
Holiday Inn	2,038	2,103	-	-
Jardim Das Mangabeiras	13,789	3	-	-
Manhattan Square	4,858	4,978	-	-
MRV Engenharia E Participações	-	-	2,620	1,936
Camargos	-	375	-	-
Quintas do Morro	1,274	1,398	-	-
Recreio dos Bandeirantes	437	457	-	41
Engefor Engenharia e Construções	-	-	883	853
Golf I	590	-	-	-
Golf II	-	22	-	-
Locare Participações	-	-	3,180	1,590
Constutora Caparaó	-	-	9,053	4,547
Marcelo Magalhães Martins	-	-	572	-
Giuseppe	-	-	1,234	-
Outros empreendimentos	495	935	2,722	1,309
(b) Payables for real estate developments	26,859	13,675	20,264	14,718
Sales of apartments (i)	-	-	31,634	28,317
Indexation accruals of sales made (i)	-	-	2,460	2,268
Lease of the headquarters' building and Central Warehouse (ii)	(1,612)	(2,044)	(1,612)	(2,044)
(c) Related-party transactions with effects on profit or loss	(1,612)	(2,044)	32,482	28,541
Deferred revenue (i)	-	-	6,326	8,014

a) Intercompany loans

The accompanying notes are an integral part of these financial statements.



**Notes to the financial statements
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They refer to:

- (i) Casatua Engenharia – The company belongs to the group of our partner Engefor Engenharia e Construções, of which the latter holds stakes in group ventures. The amount receivable relates to the loan extended, with monetary correction applied, and the appropriate taxes paid.
- (ii) Somattos Engenharia - The partner company holds stakes in group ventures. The amount payable relates to the initial expenses incurred at the start of these ventures, aimed at making them viable, without interest applied, and with the anticipation of settlement upon the completion of the respective constructions.

b) Receivables from and payables for developments

These refer to:

Contributions in a proportion different from that of the interest held by partners in the related SCPs and SPEs, which will be offset and capitalized upon a supplementary contribution to adjust the partners' interests.

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.

Allocation of common expenses among group companies, performed monthly with objective criteria and based on expenses incurred.

The accompanying notes are an integral part of these financial statements.



**Notes to the financial statements
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All amounts in thousands of reais unless otherwise stated

c) Receivables and related-party transactions with effects on profit or loss

(i) Sale of apartments

All transactions were conducted at market values verified through the sales tables of the ventures adopted by the Company.

Description	Sale Amount (Original)	Updated Sale Amount	Accumulated Recognized Revenue	Recognized Revenue (in the period)	Accounts Receivable Balance
In September 2020, an apartment sale was completed in the High Line Real Estate Development Company, to Ronaldo Rabelo Leitão.	405	517	505	56	-
In May 2021, an apartment sale was completed in the Jardinaves Real Estate Development Company, Unique building, to Patrícia Veiga.	4,368	4,628	3,148	959	-
In November 2021, an apartment sale was completed in the Golf 2 Real Estate Development Company, to Construtora Real.	3,951	3,951	2,488	839	-
In November 2022, an apartment sale was completed in the Recreio dos Bandeirantes Real Estate Development Company, to Farley Rafael Capuchinho de Ornelas.	264	264	185	86	98
In December 2022, an apartment sale was completed in the Vale do Sereno Real Estate Development Company, to Felipe Enck Gonçalves.	4,008	4,118	1,656	628	3,890
In July 2022, a sale of an apartment by the SPE Golf 2 Empreendimentos Imobiliários to the company IDL Instituto Duarte Loureiro e Graduação e Educação Superior Ltda was carried out, whose partner is one of our directors, Mr. Milton Loureiro.	1,580	1,678	849	273	1,463

The accompanying notes are an integral part of these financial statements.



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

Payment to Construtora Real related to the lease of the building where the headquarters and the central warehouse are located. Construtora Real is controlled by the same stockholders 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.

12 Investments and provision for investee's net capital deficiency

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

	Parent company		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Investments	492,547	424,524	23,751	28,074
Provision for investees' net capital deficiency	(8,257)	(7,380)	(7,108)	(5,999)
	<u>484,290</u>	<u>417,144</u>	<u>16,643</u>	<u>22,075</u>

(a) Balances of investments of the parent company at September 30, 2023:

Companies	Equity holding	Profit (loss) for the year	Equity	Equity in the results of investees in the year	Investment and investees' net capital deficiency	Equity holding	Investment and investees' net capital deficiency
	09/30/2023	09/30/2023	09/30/2023	09/30/2023	09/30/2023	12/31/2022	12/31/2022
Subsidiaries							
Construtora Novolar	100%	18,048	179,481	18,048	179,535	100%	161,487
SPE Patrimar Engefor Imóveis Ltda.	50%	(156)	(1,100)	(79)	(550)	50%	(472)
SPE Maura Valadares	50%	(3,580)	(3,887)	(1,790)	(1,944)	50%	(154)
SPE Engefor Patrimar V.S. Emp. Imob Ltda.	50%	113	(488)	56	(244)	50%	(301)
SCP Professor Danilo Ambrósio	95%	3	(56)	2	(54)	95%	(57)
SCP Jornalista Oswaldo Nobre	90%	(1)	(22)	(1)	(20)	90%	(19)
SCP Gioia dell Colle	90%	(165)	(364)	(148)	(328)	90%	(180)
SCP Manhattan Square	90%	(844)	4,432	(760)	3,988	90%	4,748
SCP Priorato Residences	90%	(711)	855	(641)	769	90%	1,410
SCP Holiday Inn	80%	351	20,842	281	16,674	80%	16,393
SCP Mayfair Offices	90%	(120)	31	(108)	28	90%	136
SCP Quintas do Morro	69%	2,256	4,697	1,551	3,230	69%	1,679
SCP Neuchatel	90%	3	305	2	274	90%	272
SPE MRV Galleria	50%	(3,272)	(6,066)	(1,636)	(3,033)	50%	(1,397)
SPE Jardinaves	50%	23,568	45,983	11,784	22,992	50%	11,208
SPE Jota Patrimar Engefor	50%	466	(1,151)	232	(575)	50%	(808)
SPE Colina Engefor Patrimar E. Imob Ltda.	50%	(62)	(803)	(31)	(402)	50%	(371)
SPE Patrimar Somattos Jardim das Mangabeiras	50%	23,587	88,146	11,794	44,073	50%	37,827
Antônio de Alb. SPE Ltda. (EPIC)	50%	(5,069)	8,534	(2,534)	4,267	50%	13,882
SPE DUO - Alameda do Morro	40%	(18,900)	99,616	(7,560)	39,846	40%	47,406
SPE Vale dos Cristais	50%	(10)	189	(10)	189	50%	206

The accompanying notes are an integral part of these financial statements.



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SPE High Line	100%	(14,073)	36,853	(14,073)	36,853	100%	50,926
SPE 2300 Rio de Janeiro	50%	12,354	20,235	6,177	10,117	50%	13,941
SPE Le Terrace	43%	3	31	1	38	43%	36
SPE Golf I	100%	27,087	26,210	27,087	26,210	100%	(877)
SPE Golf II	100%	28,661	58,675	28,661	58,675	100%	30,014
SPE Das Americas 1	100%	(23)	(227)	(23)	(227)	100%	(204)
Vila Castela (Madson Square)	100%	(1)	49	(1)	49	100%	50
SPE Jardinaves II	50%	15,664	22,919	7,832	11,459	50%	3,627
SPE Rua do Campo	100%	2,181	335	2,181	335	100%	(1,846)
SPE Avenida de Ligação 2	100%	(1)	25	(1)	25	100%	26
SPE Avenida de Ligação 3 – Buffet	100%	(129)	(89)	(129)	(89)	100%	39
SPE Jardinaves III	100%	(1)	48	(1)	48	100%	49
SPE Jardinaves IV	100%	(1)	49	(1)	49	100%	50
SPE Rio 2 Ltda	100%	8,104	7,811	8,104	7,811	100%	(294)
SPE Q25 Jardim Mangabeiras	100%	(1)	(2)	(1)	(2)	100%	-
SPE Fernandes Tourinho	100%	(56)	2,656	(56)	2,656	100%	2,712
SPE Guacui (Luxemburgo)	100%	(221)	(226)	(221)	(226)	100%	(5)
SPE Rua Espírito Santo (MG)	100%	(73)	(73)	(73)	(73)	100%	-
Patrimar Participações Ltda	100%	(58)	(8)	(58)	(8)	100%	-
SPE Tancredo Neves	100%	(1)	(1)	(1)	(1)	-	-
Empreendimentos Imobiliários							
SPE Acaba Mundo E. Imob Ltda.	50%	-	1,630	-	814	50%	-
		<u>114,920</u>	<u>616,074</u>	<u>93,856</u>	<u>463,228</u>		<u>391,139</u>
Jointly-controlled investees							
Alba	9%	690	19,987	(201)	1,726	9%	1,832
SCP RJ 04	50%	(128)	374	(64)	187	50%	251
SPE Mirante do Ibituruna Ltda.	34%	(1)	8,013	-	2,704	34%	2,705
SCP Portal do Bosque	50%	(7)	128	(3)	64	50%	67
SCP Park Ritz	48%	(16)	867	(8)	416	48%	424
SCP Recanto das Águas	51%	(20)	86	(10)	44	51%	54
SCP MRV Belo Campo	50%	(173)	157	(89)	78	50%	68
SCP MRV Rec. Pássaros (Rouxinol)	40%	1	901	(50)	361	40%	339
SCP MRV Res. Beija Flor	40%	(43)	382	(34)	151	40%	186
SPE Padre Marinho	50%	412	3,571	206	1,786	50%	2,410
SCP Rívoli 1 e 2	40%	(446)	338	(179)	135	40%	130
SPE Acaba Mundo E. Imob Ltda.	50%	-	-	-	-	50%	814
SPE MRV Patrimar RJ IX Ltda. (Andorinhas) 1 e 2	40%	(20)	358	(10)	143	40%	145
SPE Barbacena Empr Imob. S.A.	50%	509	4,425	255	2,212	50%	7,016
SPE Patrimar Somattos Gasparini Ltda.	50%	(21)	12,257	(10)	6,128	50%	6,124
SPE Direcional Patrimar Maragogi	45%	-	93	-	42	45%	42
SPE Avenida de Ligação	50%	(12)	6,793	(6)	3,393	50%	2,949
SPE Somattos Patrimar quadra 40	50%	(29)	2,533	(14)	1,266	50%	256
		<u>696</u>	<u>61,263</u>	<u>(217)</u>	<u>20,836</u>		<u>25,812</u>

The accompanying notes are an integral part of these financial statements.



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	Equity holding	Profit (loss) for the year	Equity	Equity in the results of investees in the year	Investment and investees' net capital deficiency	Equity holding	Investment and investees' net capital deficiency
Companies	09/30/2023	09/30/2023	09/30/2023	09/30/2023	09/30/2023	12/31/2022	12/31/2022
Associates							
SCP Safira (Decaminada 10)	24%	(108)	(1,226)	(26)	(294)	24%	(268)
SCP João XXIII	24%	(101)	(422)	(24)	(101)	24%	(77)
SCP Palo Alto	10%	1,069	3,985	107	399	10%	292
SCP Park Residences	10%	275	1,412	28	141	10%	114
SPE Novo Lar Greenport	20%	(172)	(434)	(34)	(87)	20%	(52)
SPE Axis 1 Porto Fino	10%	45	1,684	5	168	10%	184
		1,008	4,999	56	226		193
		116,624	682,336	93,695	484,290		417,144

(b) Changes in balances at December 31, 2022 and September 30, 2023 were as follows:

Companies	At December 31, 2022	Contributions	Dividend distribution	Equity in the results	Reversals	Investment write-offs	At September 30, 2023
Construtora Novolar	161,487	-	-	18,048	-	-	179,535
SPE Patrimar Engefor Imóveis Ltda.	(472)	-	-	(79)	-	-	(551)
SPE Maura Valadares	(154)	-	-	(1,790)	-	-	(1,944)
SPE Engefor Patrimar V.S. Emp. Imob Ltda.	(301)	-	-	56	-	-	(245)
SCP Professor Danilo Ambrósio	(57)	-	-	2	-	-	(55)
SCP Jornalista Oswaldo Nobre	(19)	-	-	(1)	-	-	(20)
SCP Gioia dell Colle	(180)	-	-	(148)	-	-	(328)
SCP Manhattan Square	4,748	-	-	(760)	-	-	3,988
SCP Priorato Residences	1,410	-	-	(641)	-	-	769
SCP Holiday Inn	16,393	-	-	281	-	-	16,674
SCP Mayfair Offices	136	-	-	(108)	-	-	28
SCP Quintas do Morro	1,679	-	-	1,551	-	-	3,230
SCP Neuchatel	272	-	-	2	-	-	274
SPE MRV Galleria	(1,397)	-	-	(1,636)	-	-	(3,033)
SPE Jardinaves	11,208	-	-	11,784	-	-	22,992
SPE Jota Patrimar Engefor	(808)	-	-	232	-	-	(576)
SPE Colina Engefor Patrimar E. Imob Ltda.	(371)	-	-	(31)	-	-	(402)
SPE Patrimar Somatto Jardim das Mangabeiras	37,827	-	(5,548)	11,794	-	-	44,073
Antônio de Alb. SPE Ltda. (EPIC)	13,882	-	(7,080)	(2,534)	-	-	4,268
SPE DUO - Alameda do Morro	47,406	-	-	(7,560)	-	-	39,846
SPE Vale dos Cristais	206	-	-	(10)	(7)	-	189
SPE High Line	50,926	-	-	(14,073)	-	-	36,853
SPE 2300 Rio de Janeiro	13,941	-	(10,000)	6,177	-	-	10,118
SPE Le Terrace	36	-	-	1	-	-	37
SPE Golf I	(877)	-	-	27,087	-	-	26,210
SPE Golf II	30,014	-	-	28,661	-	-	58,675
SPE Das Americas 1	(204)	-	-	(23)	-	-	(227)
Vila Castela (Madson Square)	50	-	-	(1)	-	-	49
SPE Jardinaves II	3,627	-	-	7,832	-	-	11,459
Rua do Campo	(1,846)	-	-	2,181	-	-	335
Avenida de Ligação 2	26	-	-	(1)	-	-	25
Avenida Ligação 3 – LT 1ª (Buffet)	39	-	-	(129)	-	-	(90)
Jardinaves III	49	-	-	(1)	-	-	48
Jardinaves IV	50	-	-	(1)	-	-	49
SPE Rio 2 Ltda	(294)	-	-	8,104	-	-	7,810
SPE Fernandes Tourinho	-	-	-	(56)	-	-	(56)
SPE QD 25 Jardim Mangabeiras	2,712	-	-	(1)	-	-	2,711
SPE Guacui (Luxemburgo)	(5)	-	-	(221)	-	-	(226)
SPE Rua Espírito Santo (MG)	-	-	-	(73)	-	-	(73)
Tancredo Neves EMP. Imob	-	-	-	(1)	-	-	(1)
Patrimar Participações Ltda	-	50	-	(58)	-	-	(8)
	391,139	50	(22,628)	93,856	(7)		462,410
Jointly-controlled investees							
ALBA	2,806	-	(188)	73	275	-	2,966
SCP RJ 04	251	-	-	(64)	-	-	187
SPE Mirante do Ibituruna Ltda.	2,705	-	-	-	-	-	2,705
SCP Portal do Bosque	67	-	-	(3)	-	-	64
SCP Park Ritz	424	-	-	(8)	-	-	416

The accompanying notes are an integral part of these financial statements.



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Companies	At December 31, 2022	Contributions	Dividend distribution	Equity in the results	Reversals	Investment write-offs	At September 30, 2023
SCP Recanto das Águas	54	-	-	(10)	-	-	44
SCP MRV Belo Campo	68	99	-	(89)	-	-	78
SCP MRV Rec. Pássaros (Rouxinol)	339	85	(12)	(50)	-	-	362
SCP MRV Res. Beija Flor	186	9	(10)	(34)	-	-	151
SPE Padre Marinho	2,410	-	(830)	206	-	-	1,786
SCP Rívoli 1 e 2	130	184	-	(179)	-	-	135
SPE Acaba Mundo E. Imob Ltda.	814	-	-	-	-	-	814
SPE MRV Patrimar RJ Ix Ltda. (Andorinhas) 1 e 2	145	10	(2)	(10)	-	-	143
SPE Barbacena Empr Imobiliários S/A	7,016	-	(5,059)	255	-	-	2,212
SPE Patrimar Somattos Gasparini Ltda.	6,124	15	-	(10)	-	-	6,129
SPE Direcional Patrimar Maragogi Ltda.	42	-	-	-	-	-	42
SPE Avenida de Ligação	2,949	450	-	(6)	-	-	3,393
SPE Somattos Patrimar Quadra 40	256	1,025	-	(14)	-	-	1,267
Viv In Multifamily Ltda	-	5	-	-	-	-	5
	26,786	1,882	(6,101)	57	275	-	22,899
Affiliated Subsidiaries							
SCP Safira (Decaminada 10)	(268)	-	-	(26)	-	-	(294)
SCP João XXIII	(77)	-	-	(24)	-	-	(101)
SCP Palo Alto	292	-	-	107	-	-	399
SCP Park Residences	114	-	-	28	-	-	142
SPE Novo Lar Greenport	(52)	-	-	(34)	-	-	(86)
SPE Axis 1 Porto Fino	184	-	(20)	4	-	-	168
Outros Investimentos	(974)	-	-	(273)	-	-	(1,247)
	(781)	-	(20)	(218)	-	-	(1,019)
	417,144	1,932	(28,749)	93,695	268	-	484,290

(c) Balances of investments in Consolidated (unconsolidated companies) at September 30, 2023:

Companies	Equity holding (%)	Profit (loss) for the year	Equity	Equity in the results of investees in the year	Investment and investees' net capital deficiency
	09/30/2023	12/30/2022	09/30/2023	09/30/2023	09/30/2023
Alba	9%	9%	690	19,987	1,718
SCP Manchete	40%	40%	(1,866)	2,148	849
SCP MRV Belo Campo	50%	50%	(173)	157	78
SCP MRV Rec. Pássaros (Rouxinol)	40%	40%	1	901	361
SCP MRV Res. Beija Flor	40%	40%	(43)	382	151
SCP Pacuare	50%	50%	(14)	(375)	(187)
SCP Park Ritz	48%	48%	(16)	867	416
SCP Park Rossete	51%	51%	18	2,248	1,146
SCP Parque Araras	50%	50%	(113)	(9)	(5)
SCP Parque Bem Te Vi	50%	50%	(114)	39	20
SCP Parque Gaivotas	50%	50%	(298)	(179)	(91)
SCP Parque Sabia	50%	50%	(63)	34	17
SCP Portal do Bosque	50%	50%	(7)	128	64
SCP Reality e Renovare	51%	51%	(165)	(3,060)	(1,560)
SCP Recanto das Águas	51%	51%	(20)	86	44
SCP Recanto do Tingui	35%	35%	64	(299)	(105)
SCP Riviera da Costa e Sol	48%	48%	(796)	(2,660)	(1,277)
SCP Rívoli 1 e 2	40%	40%	(446)	338	135
SCP RJ 04	50%	50%	(128)	374	187
SCP Andorinhas	40%	40%	(20)	358	143
SPE Barbacena Empr Imobiliários S.A.	50%	50%	509	4,425	2,212
SPE Direcional Patrimar Maragogi Ltda.	45%	45%	-	93	42
SPE Mirante do Ibituruna Ltda.	34%	34%	(1)	8,013	2,704
SPE Padre Marinho	50%	50%	412	3,571	1,786
SPE Park Riversul	35%	35%	(91)	1	-
SPE Patrimar Somattos Gasparini Ltda.	50%	50%	(21)	12,257	6,128
SPE Recreio Bandeirantes	35%	35%	(297)	(1,763)	(618)
SPE Recreio Gaveas	35%	35%	(132)	(829)	(291)

The accompanying notes are an integral part of these financial statements.



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Companies	Equity holding (%)		Profit (loss) for the year	Equity	Equity in the results of investees in the year	Investment and investees' net capital deficiency
	09/30/2023	12/30/2022	09/30/2023	09/30/2023	09/30/2023	09/30/2023
SPE Recreio Pontal	35%	35%	(954)	(8,345)	(337)	(2,922)
SPE Avenida de Ligação	50%	50%	(12)	6,793	(6)	3,393
SPE Somattos Patrimar Quadra 40	50%	50%	(29)	2,533	(14)	1,266
SCP Gran Vic Santa Bárbara D'oeste	50%	50%	-	-	114	-
Patrimar Participações Ltda	100%	0%	(58)	(8)	(58)	-
Viv In Multifamily Ltda	50%	0%	(115)	(105)	-	(52)
Others			-	-	-	891
			(4,298)	48,101	(1,999)	16,643

- (d) At September 30, 2023, 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
	09/30/2023	09/30/2023	09/30/2023	09/30/2023	09/30/2023	09/30/2023	09/30/2023
Alba	20,978	-	991	-	19,987	690	703
SCP Manchete	420	2,430	124	578	2,148	(1,866)	34
SCP MRV Belo Campo	108	84	2	33	157	(173)	7
SCP MRV Rec. Passaros (Rouxinol)	464	454	10	7	901	1	(33)
SCP MRV Res. Beija Flor	421	42	49	32	382	(43)	(10)
SCP Pacuare	4	(373)	6	-	(375)	(14)	-
SCP Park Ritz	1,129	(77)	73	112	867	(16)	-
SCP Park Rossete	2,500	(96)	156	-	2,248	18	27
SCP Parque Araras	106	7	34	88	(9)	(113)	-
SCP Parque Bem Te Vi	105	(11)	(5)	60	39	(114)	-
SCP Parque Gaivotas	101	3	54	229	(179)	(298)	-
SCP Parque Sabia	76	4	20	26	34	(63)	-
SCP Portal do Bosque	12	117	1	-	128	(7)	-
SCP Reality e Renovare	348	(2,323)	(14)	1,099	(3,060)	(165)	174
SCP Recanto das Águas	92	9	5	10	86	(20)	(7)
SCP Recanto do Tingui	(174)	(185)	(71)	11	(299)	64	62
SCP Riviera da Costa e Sol	474	(2,102)	(20)	1,052	(2,660)	(796)	50
SCP Rívoli 1 e 2	191	216	20	49	338	(446)	1
SCP RJ 04	791	(229)	48	140	374	(128)	-
SCP Andorinhas	381	-	23	-	358	(20)	-
SPE Barbacena Empr Imobiliários S.A.	6,040	362	1,971	6	4,425	509	1,556
SPE Direcional Patrimar Maragogi Ltda.	51	52	10	-	93	-	4
SPE Mirante do Ibituruna Ltda.	8,022	(7)	2	-	8,013	(1)	-
SPE Padre Marinho	5,243	-	1,672	0	3,571	412	969
SPE Park Riversul	75	90	10	154	1	(91)	(6)
SPE Patrimar Somattos Gasparini Ltda.	12,257	-	-	-	12,257	(21)	-
SPE Recreio Bandeirantes	110	74	1,947	-	(1,763)	(297)	(4)
SPE Recreio Gaveas	1,100	180	2,064	45	(829)	(132)	60
SPE Recreio Pontal	400	257	7,854	1,148	(8,345)	(954)	4
SPE Avenida de Ligação empreendimentos	6,920	1	22	106	6,793	(12)	6
SPE Somattos Patrimar Quadra 40	3,240	1	708	-	2,533	(29)	11
Patrimar Participações Ltda	-	(8)	-	-	(8)	(58)	-
Viv In Multifamily Ltda	272	(351)	26	-	(105)	(115)	-
	72,257	(1,379)	17,792	4,985	48,101	(4,298)	3,608

The accompanying notes are an integral part of these financial statements.



Notes to the financial statements

at September 30, 2023

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13 Property and equipment

Property, plant and equipment items are depreciated as bellow:

	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 depreciated per estimated flow of sales of each project or written off in case of phase-out:

The balances of property and equipment at September 30, 2023 were as follows:

	Parent company					Consolidated				
	Balance at 12/31/2022	Additio ns	Write- offs	Transfers	Balance at 09/30/2023	Balance at 12/31/2022	Additio ns	Write- offs	Transfe rs	Balance at 09/30/2023
Cost										
Leasehold improvements	8,105	205	-	-	8,310	8,105	205	-	-	8,310
Machinery and equipment	10,153	198	-	-	10,351	12,124	428	-	-	12,552
Vehicles	1,077	-	(142)	-	935	1,077	-	(142)	-	935
Furniture and fittings	2,573	89	-	-	2,662	2,722	89	-	733	3,544
Sales stands and model apartments	-	-	-	-	-	22,690	7,618	(4,980)	12,950	38,278
IT equipment	1,885	345	-	-	2,230	1,914	633	-	-	2,547
Construction in progress	-	772	-	-	772	9,868	23,336	(1,603)	(13,683)	17,918
Total cost	23,793	1,609	(142)	-	25,260	58,500	32,309	(6,725)	-	84,084
Depreciation										
Leasehold improvements	(6,473)	(268)	-	-	(6,741)	(6,473)	(268)	-	-	(6,741)
Machinery and equipment	(4,286)	(1,149)	-	-	(5,435)	(5,095)	(1,423)	-	-	(6,518)
Vehicles	(750)	(91)	142	-	(699)	(750)	(91)	142	-	(699)
Furniture and fittings	(1,077)	(208)	-	-	(1,285)	(1,077)	(307)	-	-	(1,384)
Sales stands and model apartments	-	-	-	-	-	(8,404)	(11,026)	2,075	-	(17,355)
IT equipment	(587)	(293)	-	-	(880)	(607)	(313)	-	-	(920)
Total depreciation	(13,173)	(2,009)	142	-	(15,040)	(22,406)	(13,428)	2,217	-	(33,617)
Total property and equipment, net	10,620	(400)	-	-	10,220	36,094	18,881	(4,508)	-	50,467

The accompanying notes are an integral part of these financial statements.



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at September 30, 2023**

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14 Intangible assets

The balances of intangible assets at September 30, 2023 were as follows:

	Parent company					Consolidated				
	Balance at 12/31/2022	Additions	Write- offs	Transfers	Balance at 09/30/2023	Balance at 12/31/2022	Additions	Write- offs	Transfers	Balance at 09/30/2023
Cost										
Computer software license	14,008	182	-	2,960	17,150	14,653	182	-	2,960	17,795
Software Under Development	3,756	1,204	-	(2,960)	2,000	3,756	1,204	-	(2,960)	2,000
Total cost	<u>17,764</u>	<u>1,386</u>	<u>-</u>	<u>-</u>	<u>19,150</u>	<u>18,409</u>	<u>1,386</u>	<u>-</u>	<u>-</u>	<u>19,795</u>
Amortization										
Computer software license	(8,621)	(2,445)	-	-	(11,066)	(9,089)	(2,525)	-	-	(11,614)
Total amortization	<u>(8,621)</u>	<u>(2,445)</u>	<u>-</u>	<u>-</u>	<u>(11,066)</u>	<u>(9,089)</u>	<u>(2,525)</u>	<u>-</u>	<u>-</u>	<u>(11,614)</u>
Total intangible assets, net	<u>9,143</u>	<u>(1,059)</u>	<u>-</u>	<u>-</u>	<u>8,084</u>	<u>9,320</u>	<u>(1,139)</u>	<u>-</u>	<u>-</u>	<u>8,181</u>

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

15 Borrowings and debentures

Type	Maturity of principal	Effective rate p.a	09/30/2023	12/31/2022
<u>Individual</u>				
Debenture – 1 st Issue (CRI)	03/25	CDI +2.99%	60,183	80,310
Debenture - 2 nd Issue	05/25	CDI +2.39%	44,388	50,787
Debenture - 3 rd Issue (CRI)	07/27	CDI +2.00%	150,505	150,615
Working Capital	12/23	CDI +2.80%	30,288	-
Commercial Paper	01/27	CDI +3.00%	40,338	-
(-) Funding Cost			(5,683)	(5,046)
Total Individual			<u>320,019</u>	<u>276,666</u>
Current total			96,465	43,820
Non-current total			223,554	232,846

The accompanying notes are an integral part of these financial statements.



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Type	Maturity of principal	Effective rate p.a	09/30/2023	12/31/2022
<u>Subsidiaries:</u>				
Construction financing	03/23 to 07/27	TR + 7.5% to 8.91%	272,000	81,313
Construction financing	09/23 to 07/27	Poupança + 3.50 % to 5.00%	49,837	95,690
			321,837	177,003
Current total			149,242	49,654
Non-current total			172,595	127,349
Total Subsidiaries			641,856	453,669
Current total			245,707	93,475
Non-current total			396,149	360,194

(a) Covenants

Debenture contracts are subject to a financial covenant, which can be calculated using the formula below.

$$\frac{\text{Corporate net debt} + \text{Real estate purchase} - \text{exchanges}}{\text{Equity}} < 0.5$$

The calculation of the covenants takes place in the financial statements on the year-end dates of December 31st each year.

The accompanying notes are an integral part of these financial statements.



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(b) Changes

Changes in borrowings in the period was as follows:

	Parent company		Consolidated	
	09/30/2023	09/30/2022	09/30/2023	09/30/2022
Opening balance	276,666	180,071	453,669	267,650
Releases	70,060	150,000	332,310	270,477
Provision for interest payable	34,077	22,820	52,174	30,780
Repayments - interest	(33,873)	(4,989)	(48,067)	(12,098)
Repayments - principal	(26,274)	(67,248)	(147,593)	(141,253)
Funding costs	(637)	(3,892)	(637)	(3,892)
Others	-	(318)	-	(317)
Closing balance	320,019	276,444	641,856	411,347

(c) Types

- (i) **Construction financing:** This type of loan aims to finance projects during their construction period and is secured by the project or the proportional share of future units to which it is attached. The disbursement of funds as well as payments for installments of this type of loan progress based on the construction progress measured by the lenders. The interest rates applied in this segment can be either fixed or variable. When they are variable, they are composed of a market reference index, such as savings rate or TR (reference rate).
- (ii) **Working capital:** These loans aim to finance the Company's additional short-term operational resource needs. In this context, contracting this type of operation occurs in smaller volumes, quickly, and with simplicity. Typically, no collaterals are required, and the disbursement of funds should be immediate, with payment terms that can range from short to medium-term. The interest rates in this type of loan are usually variable and tied to the economy's interest rate index (CDI). Bank Credit Notes (Cédulas de Crédito Bancário - CCBs) or Real Estate Bank Credit Notes (Cédulas de Crédito Bancário Imobiliárias - CCIs) are the most common transactions in this category.
- (iii) **Debentures:** This form of debt is aimed at financing the company's longer-term resource needs. It involves structured transactions that can be offered to the public or placed privately. Given their purpose, the company targets larger structures with an extended payment period.
- On March 18, 2021, the Company's board of directors approved the first issuance of unsecured simple debentures, non-convertible into shares, in a single series, of the unsecured type, for private placement by the Company, with a total value of up to R\$100 million, which were fully subscribed to privately by ISEC Securitizadora S.A ("ISEC"), as collateral for the 239th series of the 4th issuance of Real Estate Receivables Certificates - CRI, distributed through a restricted distribution public offering under the terms of CVM Instruction 476/2009. On March 31, 2021, the settlement of the first part of the total raised

The accompanying notes are an integral part of these financial statements.



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amounting to R\$50 million took place, and on May 11, 2021, the settlement of the second part in the total amount of R\$30.1 million occurred, totaling a capital raise of R\$80.1 million from the first issuance.

- On May 24, 2021, the Company's board of directors approved the second issuance of unsecured simple debentures, non-convertible into shares, in a single series, of the unsecured type, for private placement by the Company, with a total value of up to R\$50 million, distributed through a restricted distribution public offering under the terms of CVM Instruction 476/2009. On May 31, 2021, the full settlement of the raised amount of R\$50 million took place.
- On June 20, 2022, the Company's board of directors approved the third issuance of unsecured simple debentures, non-convertible into shares, in a single series, of the unsecured type, for private placement by the Company, with a total value of R\$150 million. It's important to note that these Debentures are linked to the issuance of 150,000 real estate receivables certificates ("CRI") from the single series of the 38th issuance by VIRGO Companhia de Securitização ("Securitization Company"), to be distributed through a restricted distribution public offering under the firm placement guarantee regime, according to CVM Instruction No. 476, dated January 16, 2009, as amended. The effective settlement of this issuance occurred on July 29, 2022, with a total value of R\$150 million.

(iv) Commercial Papers This form of fundraising aims to meet short to medium-term financing needs. Commercial papers involve structured transactions that can be issued for both public or private placement. Due to their short-term nature, the company seeks smaller structures and shorter repayment terms to address working capital requirements.

- On June 29, 2023, the Company's board of directors approved the 1st (first) issuance of book-entry commercial papers of the Company, in a single series, with real collateral, for public distribution by the automatic registration distribution procedure, pursuant to CVM Resolution No. 160, dated July 13, 2022, as amended ('CVM Resolution 160'), consisting of 40,000 (forty thousand) book-entry commercial papers, with a unit nominal value of R\$1,000.00 (one thousand reais), totaling R\$40,000 ('Book-Entry Commercial Papers'). The compensation is paid monthly, without any grace period, from the Issuance Date, and the Unit Nominal Value will be paid in a single installment on the Maturity Date. The Book-Entry Commercial Papers will not be subject to any update or monetary correction. The Issuance Date of the Book-Entry Commercial Papers was July 10, 2023. The Issuance was carried out in a single series, with the maturity of the Book-Entry Commercial Papers occurring at the end of a term of 1,280 (one thousand two hundred and eighty) days from the Issuance Date, therefore falling on January 10, 2027 ('Maturity Date'). The Issuance was settled on July 11, 2023.

The accompanying notes are an integral part of these financial statements.



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(d) Maturities

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

	Parent company		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
2023	-	-	78,924	49,654
2024	-	-	79,983	115,536
2025	-	-	107,417	11,813
2026	-	-	53,466	-
2027	-	-	2,047	-
	-	-	321,837	177,003

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

	Parent company		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
2023	48,000	43,822	48,000	43,822
2024	64,619	64,542	64,619	64,542
2025	57,529	57,347	57,529	57,347
2026	70,372	70,077	70,372	70,077
2027	79,499	40,878	79,499	40,878
	320,019	276,666	320,019	276,666

16 Leases

	Parent company		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Leases	1,865	3,272	6,885	6,652
	1,865	3,272	6,885	6,652
Current liabilities	1,577	2,041	4,915	4,894
Non-current liabilities	288	1,231	1,970	1,758

The accompanying notes are an integral part of these financial statements.



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Changes in leases were as follows:

	<u>Parent company</u>		<u>Consolidated</u>	
	<u>09/30/2023</u>	<u>09/30/2022</u>	<u>09/30/2023</u>	<u>09/30/2022</u>
Opening balance	3,272	4,779	6,652	5,236
Leases	124	416	4,380	608
Termination of lease contract	-	-	-	(106)
Repayments - lease - principal	(1,531)	(1,923)	(4,147)	(1,914)
Repayments - lease - interest	(59)	(89)	(211)	(74)
Financial charges - lease	59	89	211	75
Closing balance	<u>1,865</u>	<u>3,272</u>	<u>6,885</u>	<u>3,825</u>

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

	<u>Parent company</u>		<u>Consolidated</u>	
	<u>09/30/2023</u>	<u>12/31/2022</u>	<u>09/30/2023</u>	<u>12/31/2022</u>
2023	530	2,041	1,711	4,894
2024	1,089	1,026	3,475	1,553
2025	149	108	610	108
2026	97	97	483	97
2027	-	-	420	-
2028	-	-	186	-
	<u>1,865</u>	<u>3,272</u>	<u>6,885</u>	<u>6,652</u>

Leases:

Lease agreement related to administrative facilities (warehouse, headquarters, offices), with a remaining term of 26 to 30 months, discounted to present value at the rate of 1.51% and 2.31% p.a.

Lease agreement for vehicles, with a remaining time of 22 months discounted to present value at an annual rate of 13.12%.

Commercial lease agreement (stores and sales booths), with a remaining time ranging from 1 to 56 months discounted to present value at an annual rate of 8.91%.

Lease agreement for heavy equipment, with a remaining time ranging from 2 to 20 months discounted to present value at an annual rate of 7.54%.

The accompanying notes are an integral part of these financial statements.



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17 Trade payables

	Parent company		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Trade payables	2,774	1,601	80,417	51,606
Technical retentions	179	228	11,731	9,313
	<u>2,953</u>	<u>1,829</u>	<u>92,148</u>	<u>60,919</u>

The balance of trade payables represents commitments assumed by the Group for acquisition of the inputs required to perform the services contracted, 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.

18 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. Balances of taxes payable according to the prevailing tax system:

	Parent company		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Taxes payable				
National Institute for Social Security (INSS)	41	140	1,184	2,229
Services Tax (ISS)	162	139	961	731
Social Integration Program (PIS)	-	-	-	90
Other taxes withheld	717	479	2,347	2,509
Total Taxes payable	<u>920</u>	<u>758</u>	<u>4,492</u>	<u>5,559</u>
Current taxes with deferred payment - Current				
Special Taxation Regime (RET)	(17)	55	19,736	20,395
Social Contribution on Revenues (COFINS)	265	-	475	82
Social Contribution on Net Income (CSLL)	-	-	489	473
Social Integration Program (PIS)	56	-	240	184
	<u>304</u>	<u>55</u>	<u>20,940</u>	<u>21,134</u>
Total Current	<u>1,224</u>	<u>813</u>	<u>25,432</u>	<u>26,693</u>

The accompanying notes are an integral part of these financial statements.



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Current taxes with deferred payment – Non-Current

Special Taxation Regime (RET)	-	68	18,286	3,995
IRPJ	-	-	-	629
Social Contribution on Revenues (COFINS)	-	265	-	393
Social Contribution on Net Income (CSLL)	-	-	-	16
Social Integration Program (PIS)	-	56	-	56
Total Non-current	-	389	18,286	5,089
	1,224	1,202	43,718	31,782

19 Real estate purchase obligations

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

	Parent company		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Land developed	-	800	31,029	35,591
Supplement	-	800	6,580	8,346
Financial exchange	-	-	24,449	27,245
Land not developed	-	-	45,912	11,100
Supplement	-	-	45,912	11,100
Financial exchange	-	-	-	-
	-	800	76,941	46,691
Current liabilities	-	800	43,921	35,774
Non-current liabilities	-	-	33,020	10,917

	Parent company		Consolidated	
	09/30/2023	09/30/2022	09/30/2023	09/30/2022
Opening balance	800	800	42,908	58,874
Additions	-	-	96,614	10,788
Payments	-	-	(47,291)	(6,661)
Others reductions	(800)	-	(15,289)	(20,093)
Closing balance	-	800	76,942	42,908

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

The accompanying notes are an integral part of these financial statements.



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	Cash payment	
	Parent company	Consolidated
2023	-	9,774
2024	-	23,113
2025	-	15,022
2026	-	4,583
	-	52,492

	Exchange	
	Parent company	Consolidated
2023	-	7,232
2024	-	11,333
2025	-	3,477
2026	-	1,225
2027	-	1,182
	-	24,449

20 Advances from customers

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

	Parent company		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Advances from customers and barter transactions for construction in progress	-	-	425,435	421,724
Advances related to customized units	-	-	-	22,356
Advance from Customers - Other Transaction	12,400	-	12,400	-
Barter transactions for land - developments not launched	55	313	5,734	43,020
	12,455	313	443,569	487,100
Current	12,455	313	277,128	202,973
Non-current	-	-	166,441	284,127

The accompanying notes are an integral part of these financial statements.



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21 Provision for contingencies and judicial deposits

Provision for contingencies

	Parent company		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Civil	166	200	3,682	2,661
Tax	2,484	1,427	3,328	1,427
Labor	56	-	2,187	628
	<u>2,706</u>	<u>1,627</u>	<u>9,197</u>	<u>4,716</u>

Judicial deposits

	Parent company		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Civil	-	14	160	793
Tax	-	-	170	170
Labor	137	360	633	671
	<u>137</u>	<u>374</u>	<u>963</u>	<u>1,634</u>

Changes in the nine-month period ended September 30, 2023:

Contingencies	Parent company	Consolidated
Opening balance	1,627	4,716
Additions	1,162	8,176
Write-offs	(114)	(3,918)
Update	31	223
Closing balance	<u>2,706</u>	<u>9,197</u>
Judicial deposits	Parent company	Consolidated
Opening balance	374	1,634
Additions	94	539
Write-offs	(331)	(1,210)
Closing balance	<u>137</u>	<u>963</u>

The Group companies are parties to tax, labor and civil disputes at the administrative and judicial levels, and, 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.

The accompanying notes are an integral part of these financial statements.



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Possible risk of loss contingencies:

The Group companies are parties to other legal proceedings of a tax, civil and labor nature arising in the normal course of business, for which the likelihood of an unfavorable outcome is considered possible by management under the advice of legal counsel. The amounts are approximately R\$ 2,838 (labor claims), R\$ 8,420 (tax claims) and R\$ 22,524 (civil claims), totaling R\$ 33,783 (R\$ 20,349 at December 31, 2022).

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

22 Provision for real estate maintenance

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

To support this commitment with no impact on future years and provide an adequate balance between revenues and costs for each project under construction, a provision of 1,5% of the estimated construction cost was recorded at September 30, 2023.

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	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Provision for real estate maintenance	1,838	656	20,996	15,926
	<u>1,838</u>	<u>656</u>	<u>20,996</u>	<u>15,926</u>
Current	1,649	186	2,959	1,561
Non-current	189	470	18,037	14,365
	Parent company		Consolidated	
	09/30/2023	09/30/2022	09/30/2023	09/30/2022
Opening balance	656	1,352	15,926	12,783
Additions	2,084	229	11,137	4,717
Write-offs	(51)	(742)	(2,228)	(2,436)
Payments related to warranties	(851)	-	(3,839)	-
Closing balance	<u>1,838</u>	<u>839</u>	<u>20,996</u>	<u>15,064</u>

The accompanying notes are an integral part of these financial statements.

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23 Equity**(a) Capital**

At September 30, 2023, share capital of R\$ 269,172 (R\$ 269,172 at December 31, 2022) was represented by 56,025,501 common shares.

At September 30, 2023, the Company's stockholding structure was as follows:

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
	100%	56,026

(b) 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.

(c) 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 mandatory minimum dividends. The retained portion of the profit will be subsequently allocated as determined by the stockholders.

On April 28, 2023, at the Ordinary General Meeting, an amount of R\$ 7,659 was allocated to shareholders as mandatory minimum dividends, referring to the adjusted net profit for the fiscal year ending on December 31, 2022, plus extraordinary dividends amounting to R\$ 6,940.

A portion of the dividends, totaling R\$ 1,000, was paid as interim dividends on November 7, 2022, and an additional R\$ 5,500 on January 12, 2023.

The remaining amounts were paid on the following dates: R\$ 2,300 on April 28, 2023, R\$ 2,000 on May 15, 2023, and R\$ 3,800 on June 9, 2023, to shareholders holding shares issued by the Company as of the record date of April 28, 2023.

The accompanying notes are an integral part of these financial statements.



**Notes to the financial statements
at September 30, 2023**

All amounts in thousands of reais unless otherwise stated

24 Earnings per share

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

	01/01/2023 a 09/30/2023	01/01/2022 a 09/30/2022
Basic and diluted earnings per share:		
Profit for the nine-month period	39,881	32,774
Weighted average number of shares (in thousands)	56,026	56,026
Basic and diluted earnings per share - R\$	<u>0,711830</u>	<u>0,584978</u>
	07/01/2023 a 09/30/2023	07/01/2022 a 09/30/2022
Basic and diluted earnings per share:		
Profit for the three-month period	23,257	25,635
Weighted average number of shares (in thousands)	56,026	56,026
Basic and diluted earnings per share - R\$	<u>0,415111</u>	<u>0,457555</u>

25 Net operating revenue

The reconciliation between gross and net sales revenue is as follows:

	Parent company			
	07/01/2023 a 09/30/2023	01/01/2023 a 09/30/2023	07/01/2022 a 09/30/2022	01/01/2022 a 09/30/2022
Gross revenue from the sales of properties	650	2,559	1,695	4,741
Service revenue	1,297	2,876	5,058	6,747
Canceled sales	-	(1,641)	-	(41)
Present value adjustment (i)	-	7	-	-
Taxes on billings	<u>(86)</u>	<u>(139)</u>	<u>(219)</u>	<u>(505)</u>
Net operating revenue	<u>1,861</u>	<u>3,662</u>	<u>6,534</u>	<u>10,942</u>

The accompanying notes are an integral part of these financial statements.



**Notes to the financial statements
at September 30, 2023**

All amounts in thousands of reais unless otherwise stated

	Consolidated			
	07/01/2023 a 09/30/2023	01/01/2023 a 09/30/2023	07/01/2022 a 09/30/2022	01/01/2022 a 09/30/2022
Gross revenue from the sales of properties	421,360	1,044,734	320,401	680,590
Service revenue	1,260	1,988	6,155	8,229
Canceled sales	(10,833)	(41,010)	(11,463)	(34,931)
Changes in the provision for canceled sales	(1,217)	(2,503)	-	-
Provision (reversal) for contract terminations	3,140	39	1,202	934
Present value adjustment (i)	5,781	13,913	2,559	6,714
Taxes on billings	(7,734)	(19,076)	(5,310)	(12,756)
Net operating revenue	411,757	998,085	313,544	648,780

- (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,

26 Costs and expenses by nature

	Parent company			
	07/01/2023 a 09/30/2023	01/01/2023 a 09/30/2023	07/01/2022 a 09/30/2022	01/01/2022 a 09/30/2022
Cost of properties sold				
Materials	-	-	-	(739)
Land	-	-	(215)	(459)
Completed units	(387)	(342)	(154)	(194)
Personnel expenses	-	-	-	(249)
Subcontractors	-	-	-	(1,101)
Housing loan costs	-	-	(40)	(83)
Other	-	-	-	(356)
	(387)	(342)	(409)	(3,181)
	Parent company			
	07/01/2023 a 09/30/2023	01/01/2023 a 09/30/2023	07/01/2022 a 09/30/2022	01/01/2022 a 09/30/2022
General and administrative expenses				
Personnel expenses	(9,455)	(27,532)	(7,981)	(23,980)
Administrative general expenses	(2,179)	(6,318)	(1,221)	(2,663)
Depreciation and amortization	(1,621)	(4,951)	(1,761)	(5,269)
Outsourced services	6,666	19,898	5,050	13,387
	(6,589)	(18,903)	(5,913)	(18,525)

The accompanying notes are an integral part of these financial statements.



**Notes to the financial statements
at September 30, 2023**

All amounts in thousands of reais unless otherwise stated

Parent company				
	07/01/2023 a 09/30/2023	01/01/2023 a 09/30/2023	07/01/2022 a 09/30/2022	01/01/2022 a 09/30/2022
Selling expenses	(1,479)	(4,254)	(1,333)	(4,522)
Personnel expenses	-	(2)	(51)	(139)
Commissions and brokerage	(15)	(76)	(3)	(24)
Sales stands/model apartments	(440)	(787)	(297)	(1,073)
Advertising	(606)	(1,609)	(321)	(1,146)
Other selling expenses	(2,540)	(6,728)	(2,005)	(6,904)
Parent company				
	07/01/2023 a 09/30/2023	01/01/2023 a 09/30/2023	07/01/2022 a 09/30/2022	01/01/2022 a 09/30/2022
Other operating income (expenses), net	(5)	(5)	-	(11)
Real estate financing expenses	(8)	(216)	(401)	(519)
Tax expenses	(585)	(2,162)	(9)	(378)
Provision for contingencies	(308)	(345)	(161)	(352)
Losses from insufficient guarantees and others	2,041	2,040	-	-
Investment gain	2,284	2,641	625	677
Other operating income and expenses	3,419	1,953	54	(583)
Consolidated				
	07/01/2023 a 09/30/2023	01/01/2023 a 09/30/2023	07/01/2022 a 09/30/2022	01/01/2022 a 09/30/2022
Cost of properties sold	(86,859)	(240,302)	(52,617)	(138,295)
Materials	(93,620)	(204,580)	(117,259)	(165,768)
Land	(18,676)	(30,725)	(1,691)	(8,806)
Completed units	(18,727)	(49,298)	(10,641)	(30,807)
Personnel expenses	(79,712)	(199,882)	(37,853)	(96,754)
Subcontractors	(7,496)	(18,417)	(2,853)	(8,573)
Housing loan costs	(18,648)	(41,330)	(10,988)	(28,756)
Other	(323,738)	(784,534)	(233,902)	(477,759)
Consolidated				
	07/01/2023 a 09/30/2023	01/01/2023 a 09/30/2023	07/01/2022 a 09/30/2022	01/01/2022 a 09/30/2022
General and administrative expenses	(9,521)	(27,597)	(7,990)	(24,145)
Personnel expenses	(2,755)	(7,675)	(1,548)	(3,287)
Administrative general expenses	(1,652)	(4,793)	(1,888)	(5,652)
Depreciation and amortization	(3,925)	(9,688)	(2,994)	(7,255)
Outsourced services	(17,853)	(49,753)	(14,420)	(40,339)

The accompanying notes are an integral part of these financial statements.



**Notes to the financial statements
at September 30, 2023**

All amounts in thousands of reais unless otherwise stated

	Consolidated			
	07/01/2023 a 09/30/2023	01/01/2023 a 09/30/2023	07/01/2022 a 09/30/2022	01/01/2022 a 09/30/2022
Selling expenses				
Personnel expenses	(1,652)	(4,427)	(1,502)	(4,797)
Commissions and brokerage	(9,169)	(22,053)	(5,411)	(15,977)
Sales stands/model apartments	(4,789)	(12,098)	(2,671)	(5,831)
Advertising	(11,265)	(20,494)	(6,744)	(17,938)
Other selling expenses	(5,587)	(10,752)	(2,835)	(9,942)
	<u>(32,462)</u>	<u>(69,824)</u>	<u>(19,163)</u>	<u>(54,485)</u>

	Consolidated			
	07/01/2023 a 09/30/2023	01/01/2023 a 09/30/2023	07/01/2022 a 09/30/2022	01/01/2022 a 09/30/2022
Other operating income (expenses), net				
Real estate financing expenses	(9)	(17)	-	(5)
Tax expenses	(48)	(339)	(510)	(658)
Provision for contingencies	(5,601)	(10,299)	(843)	(1,641)
Potential losses	1,907	319	(168)	(485)
Investment gain	2,041	2,040	-	-
Gain on contract termination.	409	1,285	-	-
Other operating income and expenses	(930)	(1,827)	2,168	1,741
	<u>(2,231)</u>	<u>(8,838)</u>	<u>647</u>	<u>(1,048)</u>

27 Management fees

Management compensation for the three and nine-month periods ended September 30, 2023 and 2022 is shown below:

	Parent company and Consolidated			
	07/01/2023 a 09/30/2023	01/01/2023 a 09/30/2023	07/01/2022 a 09/30/2022	01/01/2022 a 09/30/2022
Management fees	1,432	4,296	1,419	3,240
Welfare benefits	153	425	116	341
Charges	286	859	284	833

Based on the provisions of CPC 05, which address related-party disclosures, the Group 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 Group's activities.

The accompanying notes are an integral part of these financial statements.



**Notes to the financial statements
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28 Finance income (costs) net

	Parent company			
	07/01/2023 a 09/30/2023	01/01/2022 a 09/30/2022	07/01/2023 a 09/30/2023	01/01/2022 a 09/30/2022
Finance income				
Contractual indexation and interest accruals	-	(480)	98	426
Interest on financial investments	427	2,416	2,898	3,954
Other finance income	8	19	527	589
	<u>435</u>	<u>1,955</u>	<u>3,523</u>	<u>4,969</u>
Finance costs				
Interest on borrowings	(12,738)	(34,118)	(10,555)	(22,823)
Bank fees and charges	(499)	(1,290)	(589)	(862)
Other finance costs	-	(8)	(8)	(10)
	<u>(13,237)</u>	<u>(35,416)</u>	<u>(11,152)</u>	<u>(23,695)</u>
	<u>(12,802)</u>	<u>(33,461)</u>	<u>(7,629)</u>	<u>(18,726)</u>
	Consolidated			
	07/01/2023 a 09/30/2023	01/01/2022 a 09/30/2022	07/01/2023 a 09/30/2023	01/01/2022 a 09/30/2022
Finance income				
Contractual indexation and interest accruals	1,159	1,811	792	3,778
Interest on financial investments	12,393	33,458	12,532	26,956
Other finance income	242	518	929	1,137
	<u>13,794</u>	<u>35,787</u>	<u>14,253</u>	<u>31,871</u>
Finance costs				
Interest on borrowings	(12,908)	(34,686)	(10,562)	(22,845)
Bank fees and charges	(922)	(2,028)	(829)	(1,929)
Financing expenses	(2)	3	(8)	(148)
Other finance costs				
	<u>(13,832)</u>	<u>(36,711)</u>	<u>(11,399)</u>	<u>(24,922)</u>
	<u>(38)</u>	<u>(924)</u>	<u>2,854</u>	<u>6,949</u>

The accompanying notes are an integral part of these financial statements.



**Notes to the financial statements
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All amounts in thousands of reais unless otherwise stated

29 Income tax and social contribution expense

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 of tax rate from statutory to effective rate:

	Parent company			
	07/01/2023 a 09/30/2023	01/01/2023 a 09/30/2023	07/01/2022 a 09/30/2022	01/01/2022 a 09/30/2022
Profit before IRPJ and CSLL	23,257	39,876	25,674	32,876
Rate - 34%	(7,907)	(13,558)	(8,729)	(11,178)
Effect on exclusions (equity accounting)	35	(31,856)	(11,914)	(23,750)
Segregated asset structure (RET)	(30)	(62)	(32)	(274)
Unrecognized tax losses (RET)	7,902	45,481	20,636	35,100
IRPJ and CSLL expenses	-	5	(39)	(102)
Effective rate	0%	0%	0%	0%
	Consolidated			
	07/01/2023 a 09/30/2023	01/01/2023 a 09/30/2023	07/01/2022 a 09/30/2022	01/01/2022 a 09/30/2022
Profit before IRPJ and CSLL	35,331	82,213	47,622	78,698
Rate - 34%	(12,013)	(27,952)	(16,191)	(26,757)
Effect on exclusions (equity accounting)	35	680	659	1,156
Segregated asset structure (RET)	(4,395)	(10,839)	(3,124)	(8,453)
Unrecognized tax losses (RET)	8,482	18,333	12,847	19,278
IRPJ and CSLL expenses	(7,891)	(19,778)	(5,809)	(14,776)
Effective rate	22%	24%	12%	19%

Management believes that deferred tax assets from tax losses should not be recognized as projected taxable income, 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.

The accompanying notes are an integral part of these financial statements.



**Notes to the financial statements
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30 Deferred revenue and deferred costs

Disclosure pursuant to Circular Official Letter 02/2018 of December 12, 2018, which addresses revenue recognition by Brazilian companies from agreements for the purchase and sale of uncompleted real estate units, The information mainly relates to deferred revenue and deferred costs of units under construction.

	<u>Consolidated</u>
Developments under construction	
(i) Deferred revenue from units sold	
Developments under construction:	
a. Revenue from contracted sales	4,019,314
Canceled sales - reversed revenue	(295,066)
Revenue from recognized sales	(2,359,774)
Canceled sales - reversed revenue	73,529
b. Revenue from recognized sales, net	<u>(2,286,244)</u>
Deferred revenue (a+b)	<u><u>1,438,003</u></u>
(ii) Budgeted deferred cost of units sold	
Developments under construction:	
a. Budgeted costs	2,592,768
b. Construction costs incurred	<u>(1,577,605)</u>
Accrued financial charges	29,574
Cost Incurred for Sold Units (a+b)	<u><u>1,015,163</u></u>
Driver CI/CO (without financial costs)	<u>62%</u>
(iii) Budgeted deferred costs of units in inventory	
Developments under construction:	
a. Budgeted costs	798,410
b. Incurred costs	<u>(311,651)</u>
Accrued financial charges	<u>1,496</u>
Deferred costs of units in inventory (a+b)	<u><u>486,759</u></u>

31 Commitments

(a) Commitments for purchase of land

The Group has undertaken commitments to purchase lands for which the accounting record has not been made yet, due to issues to be resolved by the sellers for the execution of the final deed and the corresponding property transfer to Patrimar, its subsidiaries, or its partners. These commitments amount to R\$ 775,113 (R\$ 1,574,743 as of December 31, 2022), of which R\$ 732,129 (R\$ 1,490,143 as of December 31, 2022) pertain to exchanges for real estate units to be constructed and/or relate to the participation in the receipt of the marketing of the respective developments, and R\$ 42,984 (R\$ 84,599 as of December 31, 2022) pertain to indemnities.

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

(b) Lease commitments

The accompanying notes are an integral part of these financial statements.



**Notes to the financial statements
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At September 30, 2023, commitments related to the lease of large items of equipment and real estate totaled R\$ 1,864 (R\$ 3,272 in 2022) in the Parent company and R\$ 6,884 (R\$ 6,652 in 2022) in the Consolidated.

32 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 purpose 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.

33 Insurance

At September 30, 2023, the Group held the following insurance policies:

(a) Engineering risk insurance - civil works in progress: 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 personal damages.

(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).

The accompanying notes are an integral part of these financial statements.



Notes to the financial statements

at September 30, 2023

All amounts in thousands of reais unless otherwise stated

At September 30, 2023, the insurance coverage was as follows:

Items	Type of coverage	Insured amount
		Consolidated
Contractor - Completion bond	Benefiting the financing agent in the event of technical and financial losses not met by the Company.	116,777
Housing	Indemnity for damages caused by fire, lightning strike and explosion, in addition to other additional coverage that can be contracted, aiming at supplementing the insurance policy and protecting the property against other risks, including theft, collapse, vehicle crash, aircraft crash, windstorm, hurricane, cyclone, hailstorm, electrical damages etc.	210
Civil liability (management)	Coverage for pain and suffering to the Company's managers (D&O)	20,000
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	1,838,247
Comprehensive Business Insurance	They generally cover three risks: fire, lightning strike, and explosion. In addition to these risks, these plans combine various additional coverages, such as windstorm, aircraft falling, loss of rent, among many others. They may also contain coverage for civil liability (family, syndicate and/or condominium, material damage to third-party vehicles), medical/hospital/dental expenses for individuals, and so on.	11,900
Legal guarantee	As an alternative to judicial deposits and escrows for assets in cases of litigation, Widely accepted at the judicial level as a new guarantee or as a substitute for existing guarantees.	1,500
Judicial Bond Insurance	Judicial Bond Insurance is an insurance modality that emerged as an alternative to judicial deposits and property seizure in legal proceedings. Judicial Bond Insurance has been widely accepted in the judicial domain, either as a new form of security in the process or as a replacement for the provided guarantees.	9,252
Fire Insurance	Covers losses caused by fire	20,140
Post-completion bond - maintenance bond (SGPE)	For maintenance of units delivered for up to five years, for damages provided under the consumer protection code,	12,479
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.	438,467

34 Transactions not involving cash or cash equivalents

	Parent company		Consolidated	
	09/30/2023	09/30/2022	09/30/2023	09/30/2022
Investing activities				
Transfers of property and equipment - Leases as per IFRS 16	(1,386)	(1,412)	112	(786)
Capitalized Interest	-	87	322	62

The accompanying notes are an integral part of these financial statements.



**Notes to the financial statements
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35 Events after the reporting period

On September 29, 2023, the Company's board of directors approved the 4th (fourth) issuance of simple, non-convertible debentures, in a single series, of the unsecured type, for private placement ("Debentures"), by the Company, in the total amount of up to R\$ 200,000, fully subscribed privately by Virgo Securitization Company.

A total of 200,000 (two hundred thousand) debentures were issued with an individual value of R\$ 1,000.00 (one thousand reais) each, maturing in 1,825 days from the issuance date. These debentures will accrue remunerative interest at 100% of the accumulated variation of the CDI, plus an additional 2.00% (two percent) per year, based on 252 (two hundred and fifty-two) business days, calculated on a *pro rata temporis* basis, in an exponential and cumulative manner. The issuance was settled on October 30, 2023.

* * *

Opinions and Declarations of Officers on the Financial Statements

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 approved the parent company and consolidated financial statements (Parent company and Consolidated) for the year ended September 30, 2022.

Belo Horizonte,

Chief Executive Officer - ALEXANDRE ARAÚJO ELIAS VEIGA

Chief Financial Officer and Investor Relations Officer - FELIPE ENCK GONÇALVES

Opinions and Declarations of Officers on the Independent Auditor's Report

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 approved the opinion expressed in the Independent Auditor's Report dated August 9, 2022, on the parent company and consolidated financial statements for the year ended September 30, 2022.

Belo Horizonte, November 13, 2022.

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