

(A free translation of the original in Portuguese)

Patrimar Engenharia S.A.

**Parent company and consolidated
financial statements at
December 31, 2023
and independent auditor's report**

A free translation from Portuguese into English of Independent Auditor's Report on parent company and consolidated financial statements 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 report on parent company and consolidated financial statements

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

Opinion on the parent company and consolidated financial statements prepared in accordance with accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) applicable to real estate development entities in Brazil registered with the Brazilian Securities and Exchange Commission (CVM)

We have audited the parent company and consolidated financial statements of Patrimar Engenharia S.A. ("Company"), identified as Parent Company and Consolidated, respectively, which comprise the statement of financial position as at December 31, 2023 and the statements of profit or loss, of comprehensive income (loss), of changes in equity and cash flows for the year then ended, and notes to the financial statements, comprising material accounting policy information and other explanatory information.

In our opinion, the accompanying parent company and consolidated financial statements present fairly, in all material respects, the individual and consolidated financial position of the Company as at December 31, 2023, and its individual and consolidated financial performance and cash flows for the year then ended, in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), applicable to real estate development entities in Brazil registered with the Brazilian Securities and Exchange Commission (CVM).

Basis for opinion

We conducted our audit in accordance with Brazilian and international standards on auditing. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the parent company and consolidated financial statements" section of our report. We are independent of the Company and its subsidiaries in accordance with the ethical requirements provided for in the Code of Ethics for Professional Accountants and in the professional standards issued by Brazil's National Association of State Boards of Accountancy, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of a matter

As described in Note 2.1, the parent company and consolidated financial statements were prepared in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) applicable to real estate development entities in Brazil registered with the CVM. Accordingly, the determination of the accounting policy adopted by the entity for the recognition of revenue from purchase and sale contracts of unfinished real estate units, on the aspects relating to the transfer of control, follows the understanding expressed by CVM in Memorandum Circular CVM/SNC/SEP No. 02/2018 on the application of NBC TG 47 (IFRS 15). Our opinion is not qualified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the parent company and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter, including any commentary on the findings or outcome of our procedures, is provided in that context.

We have fulfilled the responsibilities described in the “Auditor’s responsibilities for the audit of the parent company and consolidated financial statements” section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying financial statements.

Recognition of revenues from unfinished real estate units and construction services

As mentioned in Notes 2.20 (a), 25 and 30, the Company and its subsidiaries recognize revenues from purchase and sale contracts of unfinished real estate units and revenues from construction services using the Percentage of Completion (POC) method. In accordance with CPC 47/IFRS 15 – Revenue from contracts with customers and with the CVM Memorandum Circular CVM/SNC/SEP No. 02/2018 on the application of NBC TG 47 (IFRS 15), revenue recognition requires the Company and its subsidiaries to measure the Company’s progress in relation to the performance obligation satisfied over time.

The POC method requires the Company’s executive board to estimate the costs to be incurred until the completion of construction and delivery of keys of the real estate units sold and of each stage of construction services. Based on the costs incurred and on the contractual conditions, the fair value of sales revenues that will be recognized in each period is then estimated proportionally to the original estimates.

Due to the materiality, complexity and judgments involved in determining revenues from sales and construction services to be recognized, and to the risk of significant impacts of such changes in estimates on profit or loss for each period, we considered this matter a key audit matter.

How our audit addressed this matter:

Our audit procedures included, among others: (a) obtaining an understanding of the design of key internal controls related to the recognition of revenue from sales of unfinished real estate units and the provision of construction services, which include the timely preparation, review and approval of budgets of costs to be incurred; (b) involving asset valuation specialists to assist us in identifying evidence contradicting the estimated costs to be incurred, analyzing the percentage of completion of certain construction works, and verifying the reasonableness of the period projected for their completion in the respective budgets of the Company and its subsidiaries in relation to their current status; (c) comparing POC supporting records with accounting balances, independently calculating sales revenues of unfinished real estate units and construction services and inspecting, on a sampling basis, documents that support the units sold and considered in POC; (d) sampling test of the incurred costs, where contracts were inspected, payments made and documents corroborating these transactions were examined; and (e) performing analytical procedures to assess significant changes in margins and budgets of real estate projects for the year ended December 31, 2023, compared to the previous year. We have also assessed whether the Company's disclosures on this matter are fair.

Based on the results of the audit procedures performed, which are consistent with the executive board's assessment, we considered the estimates prepared by the executive board for recognition of revenues from the sale of unfinished real estate units and from construction services, as well as the respective disclosures in Notes 2.20 (a), 25 and 30, acceptable in the context of the parent company and consolidated financial statements as a whole.

Other matters

Statements of value added

The parent company and consolidated statements of value added (SVA) for the year ended December 31, 2023, prepared under the responsibility of the Company's executive board, and presented as supplementary information for purposes of IFRS, were submitted to audit procedures conducted together with the audit of the Company's financial statements. To form our opinion, we evaluated if these statements are reconciled to the financial statements and accounting records, as applicable, and if their form and content comply with the criteria defined by NBC TG 09 – Statement of Value Added. In our opinion, these statements of value added were prepared fairly, in all material respects, in accordance with the criteria defined in the abovementioned accounting pronouncement, and are consistent in relation to the overall parent company and consolidated financial statements.

Other information accompanying the parent company and consolidated financial statements and the auditor's report

The executive board is responsible for such other information, which comprise the Management Report.

Our opinion on the parent company and consolidated financial statements does not cover the Management Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the parent company and consolidated financial statements, our responsibility is to read the Management Report and, in doing so, consider whether this report is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the Management Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the executive board and those charged with governance for the parent company and consolidated financial statements

The executive board is responsible for the preparation and fair presentation of the parent company and consolidated financial statements in accordance with the accounting practices adopted in Brazil applicable to real estate development entities in Brazil registered with the CVM, and with the International Financial Reporting Standards (IFRS) applicable to real estate development entities in Brazil registered with the CVM, and for such internal control as the executive board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company and consolidated financial statements, the executive board is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the executive board either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and its subsidiaries' financial reporting process.

Auditor's responsibilities for the audit of the parent company and consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the parent company and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Brazilian and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Brazilian and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identified and assessed the risks of material misstatement of the parent company and consolidated financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and its subsidiaries' internal control.
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the executive board.
- Concluded on the appropriateness of the executive board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or future conditions may cause the Company to cease to continue as a going concern
- Evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the parent company and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the scope and timing of the planned audit procedures and significant audit findings, including deficiencies in internal control that we may have identified during our audit.

We also provided those charged with governance with a statement that we have complied with relevant ethical requirements, including applicable independence requirements, and communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Belo Horizonte (MG), March 05, 2024.

ERNST & YOUNG
Auditores Independentes S/S Ltda.
CRC-SP015199/O



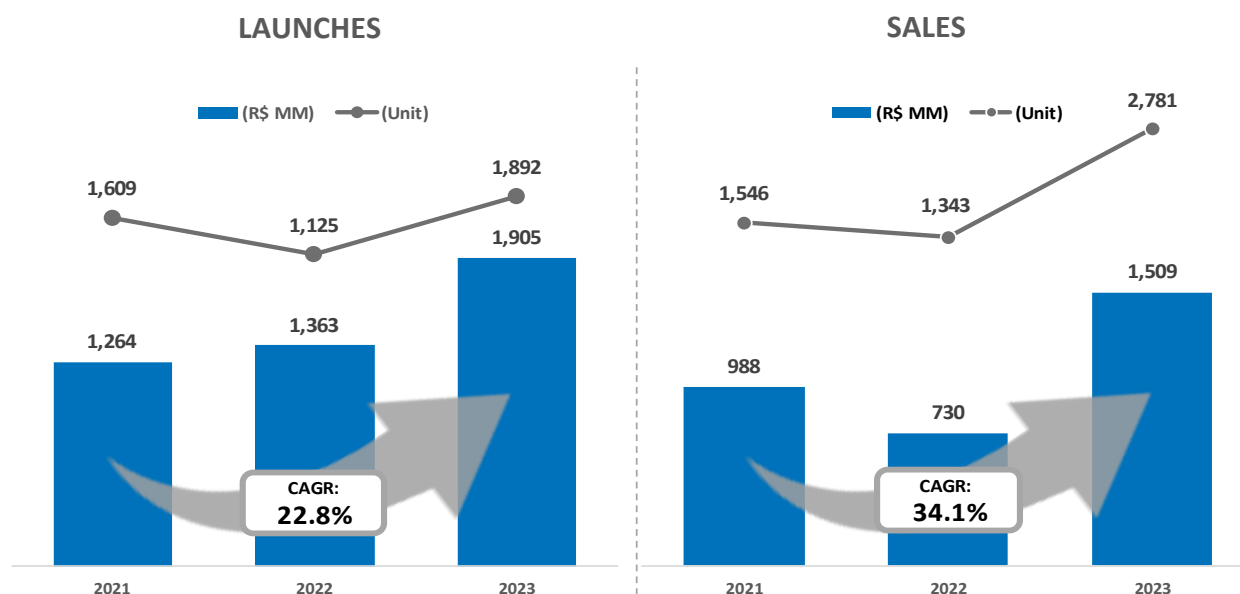
Bruno Costa Oliveira
Accountant CRC-BA031359/O

Management Report

In 2023, we will complete 60 years of activity and we are on our way to fulfilling PX2: Our plan drawn up in 2021 to double in size by 2024. Along this path, we have gained scale and diversification, through the consolidation of regional operations in the southeast of Brazil (Minas Gerais, Rio de Janeiro and interior of São Paulo) as well as through the expansion and balancing of our Patrimar and Novolar brands. Furthermore, we advanced in the development of our new rental apartment business, Viv In and Livizi and heavily invested in an ESG agenda. All of this, seeking operational efficiency and maintaining our traditional focus on profitability and financial discipline.

Scale and Diversification

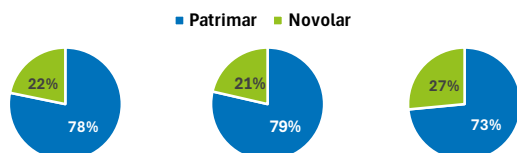
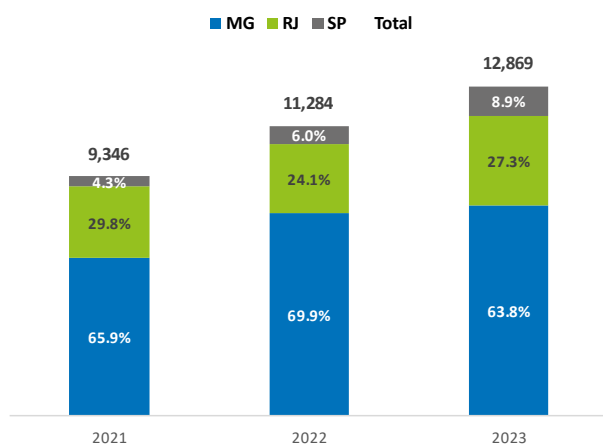
The metrics chosen to measure the achievement of PX2 were Launches and Sales and, considering the current growth rate, the goal of doubling in size by the year 2024 should be achieved.



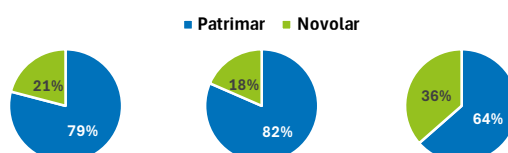
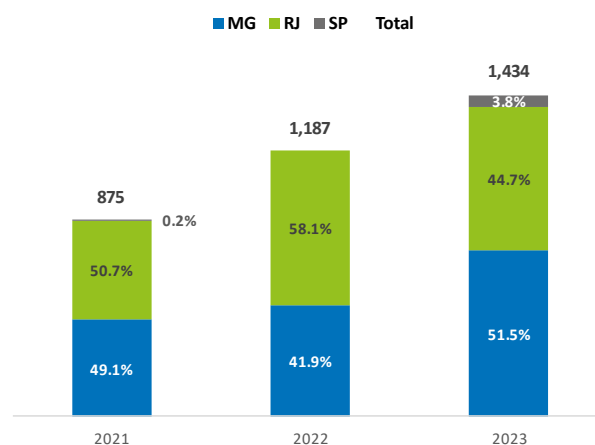
This growth was designed to maintain strong relevance in the Minas Gerais market, consolidate the presence in the capital of Rio de Janeiro, and establish a growth position in the interior of the state of São Paulo. At the same time, we are growing the Novolar brand, in order to balance our product mix in a relevant market segment for the middle-income and economic segments. We can observe these movements in the evolution of our Landbank and Stocks.

LANDBANK

(R\$ MM | %)

**INVENTORY**

(R\$ MM | %)



It is important to highlight that this growth occurred in an operationally efficient manner. Our sales speed in 2023 was 52% (compared to 39% in the previous year). Furthermore, we ended the year with 11.4 months of inventory compared to 19.5 months at the end of 2022. Furthermore, as of 12/31/2023, only 4% of our inventories are of completed products.

For the year 2024, we foresee a milder growth in the volume of launches and sales, in relation to 2023. The Company will be focused on consolidating a robust level for these metrics, but increasingly focusing on making capital profitable, improving our results. Stronger growth will only come as a result of a more demanding market than we anticipate or a more transformational liquidity event – an IPO, for example, that will make us accelerate the volume of R\$6.2 billion of projects approved or in phase final approval that we currently have in our landbank.

New Business

Our joint venture Viv In obtained final approval for its first project to be built in the Flamengo neighborhood in March. With 271 apartments, this project is expected to be retrofitted and built in new buildings within 24 months. The total investment in the project will be R\$60 million and Viv In has already been discussing with financial institutions ways of financing this Capex.



Additionally, Viv In already has a volume of approximately one thousand apartments to be developed in its land pipeline.

ESG Agenda

The Patrimar Group has been investing significantly in an agenda to develop more sustainable enterprises, better relationships with communities and society in general and strengthening our corporate governance. In order to report the execution of this agenda, at the end of 2023 we launched the first edition of our Sustainability Report, available on our website.



We will continue to develop sustainable projects, both in the high-medium standard and in the economic segment, imposing an internal commitment that 70% of these have some sustainability certification recognized by the market. All of our works currently have internal Green Seal classifications, which serve precisely the purpose of basing the work and actions on our construction sites. For 2024, we have set ourselves the goal that 50% of all our events will be carbon neutral, with proven and certified compensation. Our goal is to reach 100% of events in 2026.

In 2023 we made a series of investments with returns for society and the communities in the markets in which we operate. Investments of approximately R\$2 million in social and cultural actions, excluding the time invested by our employees in voluntary work encouraged by the Company. Our commitment is to continue investing in actions that benefit society in the coming years.

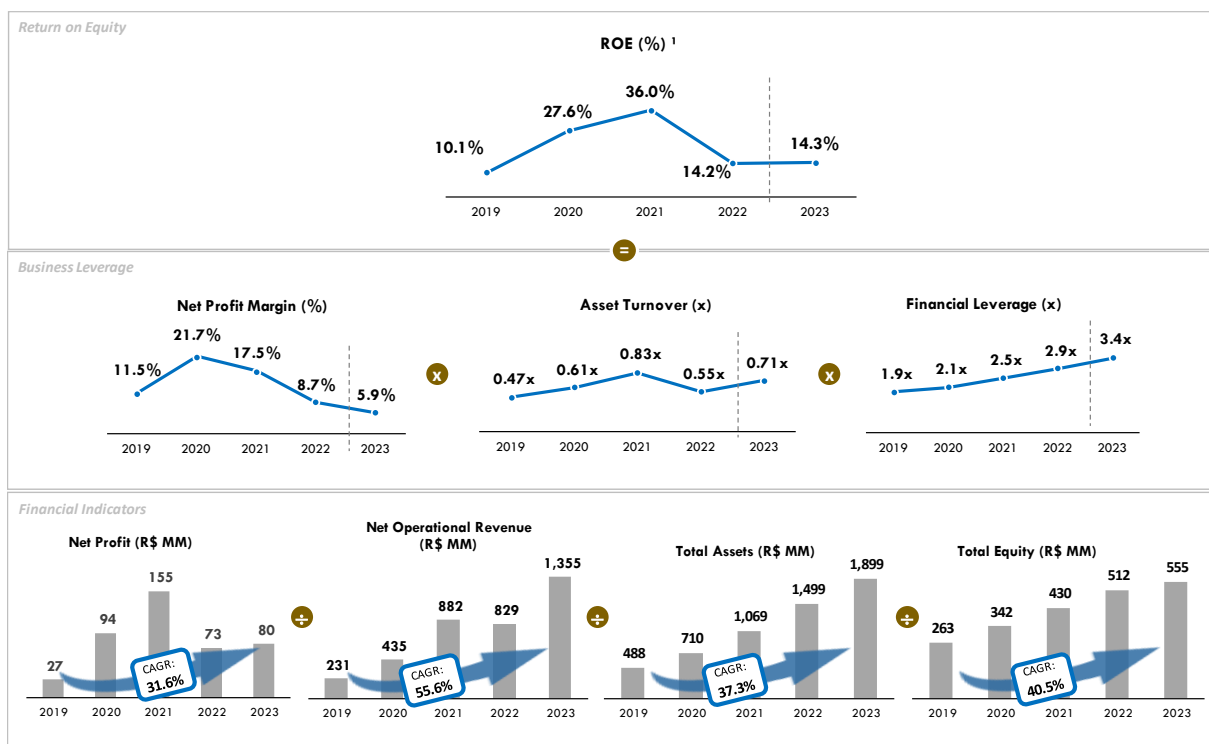


In terms of governance, we continue to work hard with reviews of internal policies and the way we operate with close monitoring by the Board of Directors, which has an independent majority, despite being a Company not yet listed on the stock exchange. Furthermore, ESG goals were assigned to all executive boards, reinforcing the company's commitment to sustainable development objectives.

Economic-Financial Results

Return on Equity (Return to Shareholder)

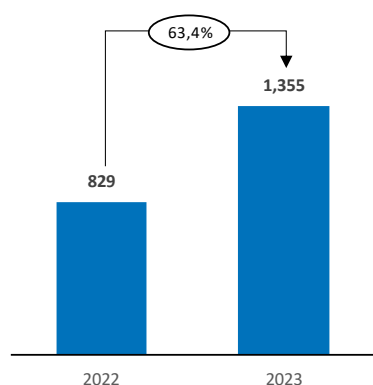
We are a company that measures our annual performance by ROE (Return on Equity). The Company is structured in such a way that each brand has a role in the ROE structure, with Patrimar being the high profitability brand (net margin), Novolar being the fast asset turnover brand and the corporate being responsible for allocation efficient and optimal capital structure. We ended 2023 with a ROE slightly higher than 2022, even with a more pressured net margin, as detailed below.



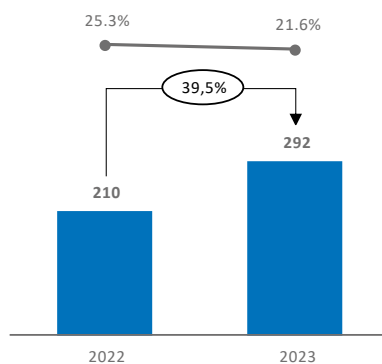
Net Revenue, Gross Profit and Gross Margin

As a result of the expansion in sales, but also the progress of works, we reached a record value in our Net Revenue. The higher Revenue contributed to the expansion of our Gross Profit, which in turn did not grow to the same extent, therefore, carrying a lower margin. This occurred mainly due to stronger budget adjustments for projects in the 2020/2021 harvest that suffered from cost inflation above what the inflation index was able to capture. Furthermore, throughout the year, but especially in the last quarter, the volume of physical exchanges impacted our results. Swaps have an important mathematical effect on our margin, as they increase net revenue for the same amount of gross profit. Another relevant effect is the financial charges, which are pressured by a higher SELIC for a longer period of time.

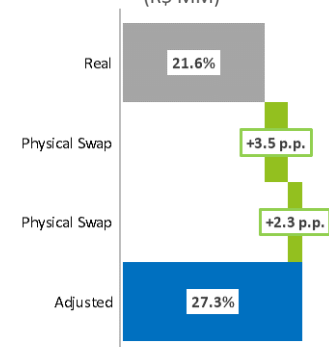
NET OPERATIONAL REVENUE (R\$ MM)



GROSS PROFIT AND GROSS MARGIN (R\$ MM)

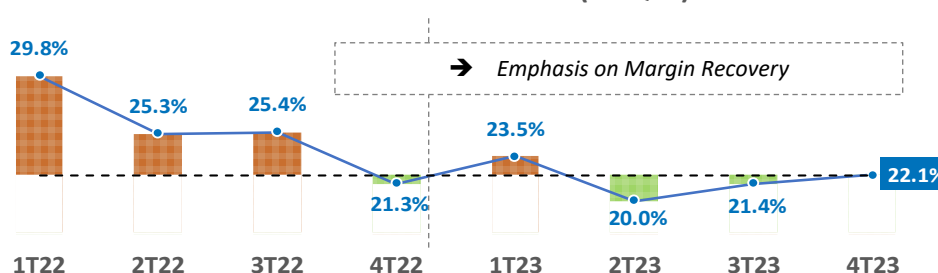


REAL X ADJUSTED GROSS MARGIN (R\$ MM)



Since the last quarter of 2022, we have taken some measures to improve our Margins, especially in the high-income operation, with the Patrimar brand. Furthermore, we have accelerated some works, in order to capture an interesting raw materials scenario, as well as seek reductions in indirect costs. In this sense we can observe evolution and, with the exception of 1Q23, when we had a less favorable mix in launches and sales, with less barter-intensive projects, the Gross Margin in 4Q23 was the highest since the end of 4Q22.

GROSS MARGIN EVOLUTION (x 4Q23)



Expenses

To execute and support our growth, together with the staff and structure, we have invested over time in the commercial and administrative areas of the business. With the scale achieved by the operation, in turn, we gained productivity and these investments were proportionally lower in relation to revenue than last year. We are and should continue to present the best expense ratios in relation to revenue in our market.

Financial Result

The drop in the financial result is basically due to a lower volume of average cash in the periods, as a result of the greater volume of investments made in works in the same periods of 2023, and the higher volume of interest on loans and financing, especially due to of CRI funding in July 2022 and October 2023. Additionally, in 4Q23, we presented an extraordinary cost of R\$2.5 million for the assignment of project portfolios in the final stage of completion.

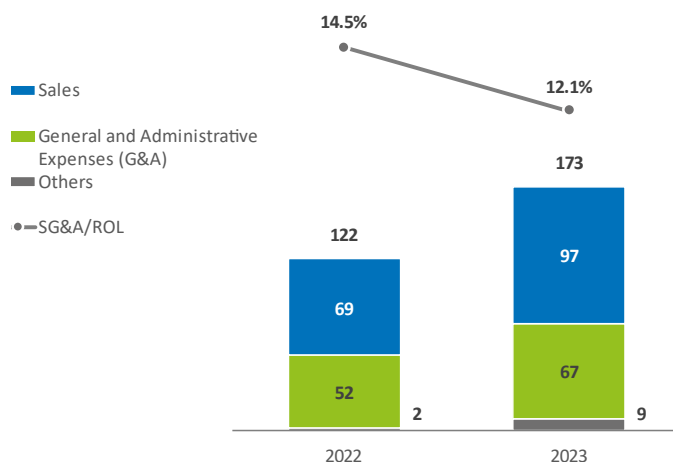
Financial Income	2023	2022	Δ %
Monetary adjustment and contractual interest	3	4	-6.1%
Interest on financial investments	46	40	15.5%
Other Financial Results	1	1	-51.8%
Total	50	45	11.6%
Financial Expenses	2023	2022	Δ %
Interest on loans and financing	(50)	(34)	44.7%
Debits from bank charges and fees	(6)	(2)	232.2%
Other Financial Expenses	0	(0)	-102.6%
Total	(55)	(36)	53.2%
Financial Result	(5)	9	-164.3%

Net Profit and Net Margin

Adding greater Gross Profit to our results, we increased our Net Profit by 10% compared to 2022. Our Net Margin, however, was reduced this year compared to the previous year as the added value of gross profit was not enough to compensate, as a whole, the increases in monetary base of Expenses, Financial Expenses and IRCS, although smaller in proportion to Net Revenue and partially offset by an increase in financial revenues and a less impactful equity equivalence result than last year.

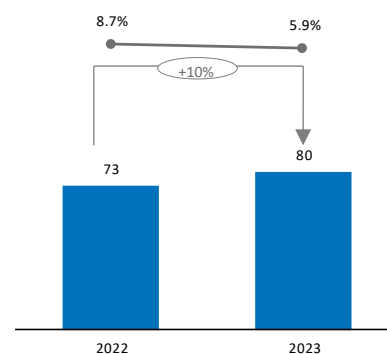
Total Expenses

(R\$ MM | %)



PROFIT FOR THE PERIOD and NET PROFIT MARGIN

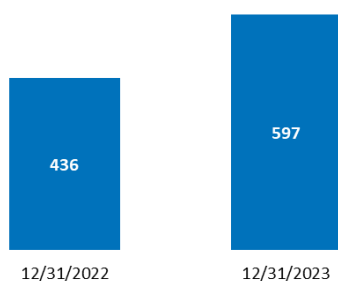
(R\$ MM | %)



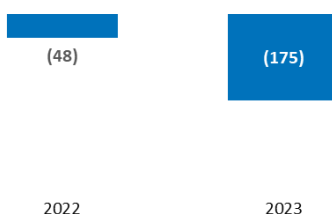
Cash, Cash Generation (Burning) and Leverage

This year, in addition to maintaining some strategic investments in our portfolio, we chose to accelerate the works taking advantage of a moment in which the input prices market is less heated, as well as seeking economies of scale and reducing indirect costs. We balanced the year's cash burn with a strong cash generation of R\$85 MM in 4Q23, with the transfer of a portfolio of projects in the final stage of execution, whose cash would be received throughout the first half of 2024, in addition to a cycle sales and stronger operational cash generation. The increase in leverage at the end of 2023 compared to 2022 reflects our investment decisions and we estimate that it will remain at this level until the end of 2025, with major works currently underway reaching their end.

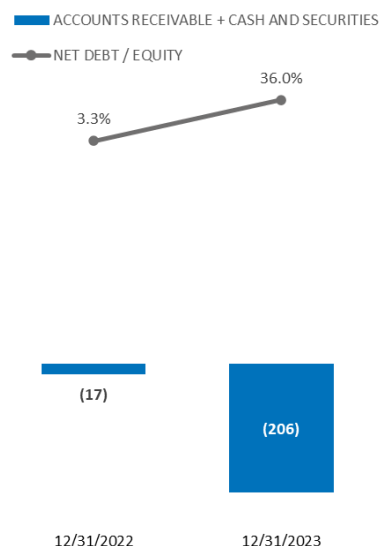
CASH, CASH EQUIVALENTS AND MARKET SECURITIES (R\$ MM)



CASH BURN (R\$ MM)



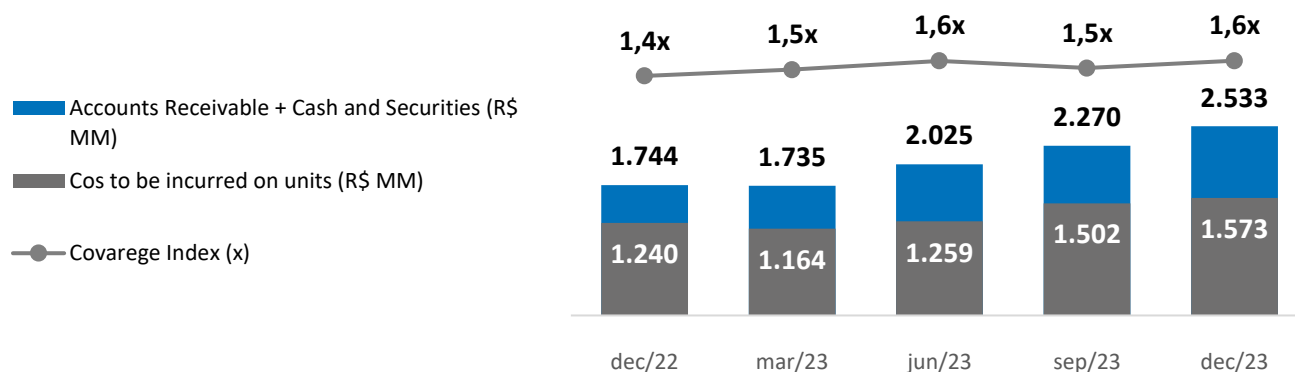
LEVERAGE (R\$ MM | %)



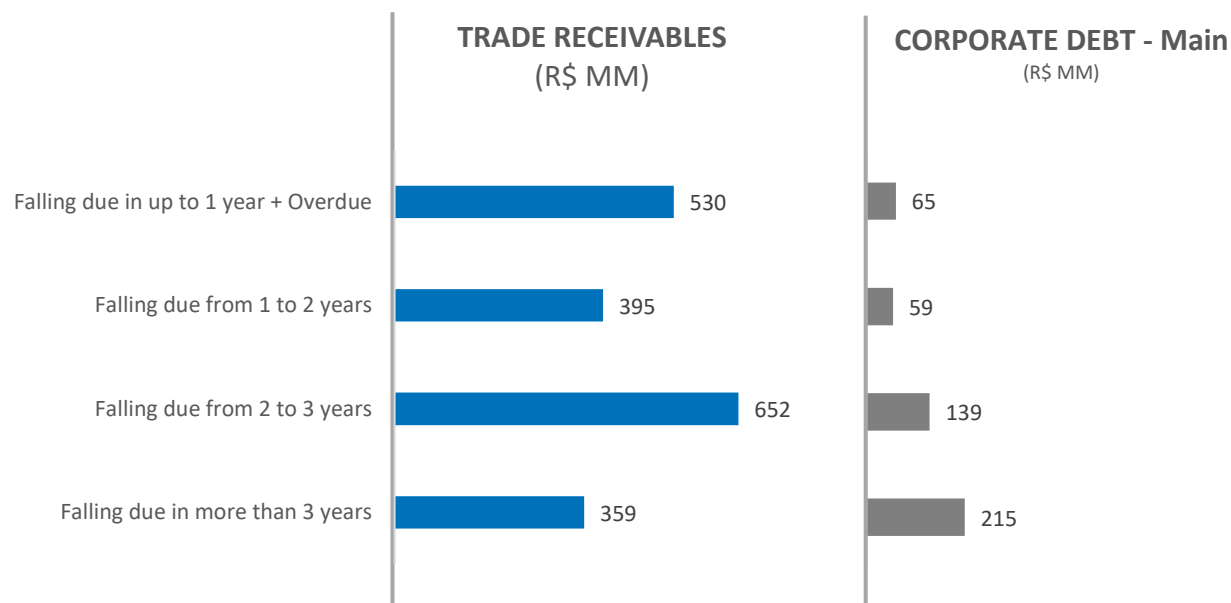
Receivables, Coverage of Construction Liabilities and Debt

We increased our coverage of our construction liabilities for 2022 from 1.4 x to 1.6 x, an index that we consider to be very healthy.

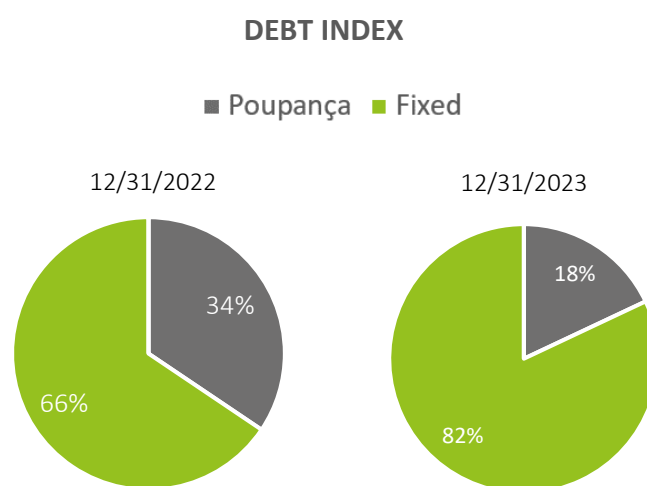
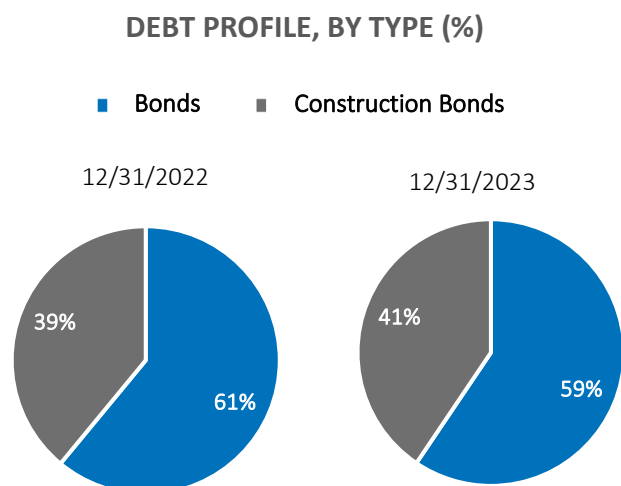
CONSTRUCTION LIABILITY COVERAGE (R\$ MM | x)



Furthermore, we have a receipt cycle for sales already made that is closely aligned with the debt maturity cycle..



The growth of the operation was reflected in greater debt, which grew basically in the same proportion between corporate debt and construction financing. While our corporate debt is 100% linked to SELIC, our construction financing is basically pre-fixed, linked to TR, including new contracts signed whose releases will occur throughout the course of the works. This means that, with the fall in the CDI, we expect the cost of our debt as a percentage of the CDI to increase, although this does not necessarily reflect a higher cost of debt. In the case of corporate debt, each 1 percentage point drop in the SELIC represents a reduction of more than R\$5 million in interest on an annual basis, considering the position on December 31, 2023.



Administration and Personnel

Continuing our management, the Board of Directors remained the same from 2023 to 2024:

Executive	Role
Heloisa Magalhães Martins Veiga	President
Renata Martins Veiga Couto	Effective Member
Renata Maria Paes de Vilhena	Independent Member
Fernando Antônio Moreira Calaes	Independent Member
Milton Loureiro Junior	Independent Member

Aiming for greater segmentation of functions and even more sustainable growth, the Company decided to create the Human Resources Department and the Innovation and ESG Department. In addition to these, we also created the São Paulo Regional Directorate, in order to support expansion into the interior of the state:

Executive	Role
Alexandre Araujo Elias Veiga	President Director / CEO
Lucas Felipe Melo Couto	Commercial and Marketing Executive Director
Felipe Enck Gonçalves	Executive Director of Finance and Investor Relations
Alexandre Lara Nicácio	Technical Executive Director
Renata Martins Veiga Couto	Executive Product Director
Ronaldo Rabelo Leitão de Almeida	Executive Director of Works
Farley Rafael Capuchinho de Ornelas	Executive Director of Novolar Production
Dennyson Porto Teixeira	Executive Director of New Business
Paulo Samarco Araujo	Regional Executive Director Rio de Janeiro
Carlos Bianconi	Regional Director São Paulo
Patrícia Martins Veiga	Executive Director of Innovation and ESG
Silvano Aragão	Executive Director of Human Development

Like our Board of Directors, we had no changes to our Audit, Compliance and Risk Committee:

Executive	Role
Fernando Antônio Moreira Calaes	Committee Coordinator
Jonathan Lemos Brasileiro	Effective Member
Débora Christine da Cruz Gomes	Effective Member

Due to the expansion of the operation, our administrative staff expanded in 2023 compared to 2022, mainly in construction. We have more than 3,500 people in the Group, of which approximately 92% are allocated to projects, including our own and third parties.

Dividends

The Company's Bylaws provide that 25% of net profit, after deducting the constitution of the Legal Reserve, will be credited as minimum mandatory dividends. The retained portion of the profit will later be allocated to shareholders' deliberations.

On April 28, 2023, at the Ordinary General Meeting, the amount of R\$7.659 million 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 from the amount of R\$6.940 million.

On December 22, 2023, an Extraordinary General Meeting was held, which the Shareholders unanimously approved, in line with the provision contained in §3 of article 202 of Law No. 6,404/1976 ("Corporations Law"), which the Company will not distribute, to Shareholders, the minimum mandatory dividends for the fiscal year ending on December 31, 2023. It is reserved for Shareholders, at the Company's Ordinary General Meeting, to be held in the first four months of 2024, to deliberate in a different sense.

Relationship with Independent Auditors

The Company's policy in hiring independent auditor services ensures that there is no conflict of interest, loss of independence or objectivity. In accordance with CVM Instruction No. 381/03, we inform that our independent auditors – Ernst & Young Auditores Independentes ("EY") – provided services in 2023 other than those related to external audit related to the issuance of a Comfort Letter. on individual and consolidated accounting and financial information in the prospectus relating to 4 Issuance of Simple Debentures, not Convertible into Shares that served as collateral for the Real Estate Receivables Certificate (CRI). In the case of EY, considering that the pre-agreed services and procedures, according to the contracting letter, were not to be confused with the object and procedures of an audit or review of the Company's financial statements in accordance with the audit/review standards applicable in the Brazil, EY understands that the provision of other pre-agreed services does not affect the independence and objectivity necessary for the performance of external audit services.



Balance sheet at December 31

All amounts in thousands of reais

(A free translation of the original in Portuguese)

		Parent company		Consolidated	
	Note	2023	2022	2023	2022
Assets					
Current assets					
Cash and cash equivalents	6	35,735	48,008	425,150	330,137
Marketable securities	7	30,633	6,262	171,956	106,046
Trade receivables	8	10,905	20,173	274,411	315,643
Properties for sale	9	31	1,323	471,124	419,866
Taxes recoverable		5,495	3,308	20,847	16,318
Prepaid expenses	10	5,179	4,803	34,239	25,105
Other receivables		7,303	1,439	26,290	14,229
Total current assets		95,281	85,316	1,424,017	1,227,344
Non-current assets					
Long-term receivables					
Restricted financial investments	6	2,905	2,664	2,905	2,664
Trade receivables	8	10,899	7,260	497,867	276,169
Properties for sale	9	10,717	6,730	61,222	90,676
Judicial deposits	21	83	374	757	1,634
Related parties	11	298,920	138,376	32,332	8,040
Deferred tax assets		-	-	2,247	-
		323,524	155,404	597,330	379,183
Investments	12	523,273	424,524	26,506	28,074
Property and equipment	13	9,981	10,620	50,116	36,094
Intangible assets	14	8,248	9,143	8,319	9,320
Lease right-of-use		1,268	3,157	5,006	6,530
		542,770	447,444	89,947	80,018
Total non-current assets		866,294	602,848	687,277	459,201
Total assets		961,575	688,164	2,111,294	1,686,545



Balance sheet at December 31

All amounts in thousands of reais

(continued)

		Parent company		Consolidated	
	Note	2023	2022	2023	2022
Liabilities and equity					
Current liabilities					
Borrowings and debentures	15	70,255	43,820	164,443	93,475
Leases	16	1,089	2,041	3,540	4,894
Trade payables	17	2,667	1,829	130,750	60,919
Salaries and social charges		10,789	6,209	19,880	12,032
Tax liabilities	18	917	758	6,435	5,559
Real estate purchase obligations	19	-	800	27,650	35,774
Dividends payable		77	6,739	152	6,814
Advances from customers	20	12,455	313	247,098	202,973
Provision for real estate maintenance	21	1,406	186	2,696	1,561
Current taxes with deferred payment	18	305	55	13,752	21,134
Other payables		11	11	1,224	1,831
Total current liabilities		99,971	62,761	617,620	446,966
Non-current liabilities					
Borrowings and debentures	15	407,000	232,846	638,433	360,194
Leases	16	245	1,231	1,699	1,758
Real estate purchase obligations	19	-	-	27,309	10,917
Advances from customers	20	-	-	176,875	284,127
Provision for contingencies	21	2,880	1,627	8,950	4,716
Provision for real estate maintenance	22	118	470	19,606	14,365
Current taxes with deferred payment	18	-	389	20,472	5,089
Related parties	11	29,781	13,675	21,190	14,718
Provision for investees' net capital deficiency	12	9,091	7,380	7,650	5,999
Total non-current liabilities		449,115	257,618	922,184	701,883
Total liabilities		549,086	320,379	1,539,804	1,148,849
Equity					
Equity	23				
Capital		269,172	269,172	269,172	269,172
Capital reserve		259	259	259	259
Revenue reserves		143,058	98,354	143,058	98,354
		412,489	367,785	412,489	367,785
Non-controlling interests		-	-	159,001	169,911
Total equity		412,489	367,785	571,490	537,696
Total liabilities and equity		961,575	688,164	2,111,294	1,686,545

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



Statement of income
Years ended December 31

All amounts in thousands of reais unless otherwise stated

(A free translation of the original in Portuguese)

	Note	Parent company		Consolidated	
		2023	2022	2023	2022
Net operating revenue	25	7,925	14,522	1,355,499	829,418
Cost of properties sold	26	(342)	(5,237)	(1,063,099)	(619,844)
Gross profit		7,583	9,285	292,400	209,574
Operating income (expenses)					
General and administrative	26	(25,688)	(23,091)	(66,731)	(51,795)
Selling	26	(8,958)	(8,781)	(97,441)	(68,519)
Equity in the results of investees	12	121,980	81,639	(2,885)	(3,965)
Other operating income (expenses), net	26	2,843	590	(8,927)	(1,851)
Operating profit		97,760	59,642	116,416	83,444
Finance income	28	4,649	7,471	49,816	44,652
Finance costs	28	(50,771)	(34,697)	(55,309)	(36,113)
Finance (costs) income, net		(46,122)	(27,226)	(5,493)	8,539
Profit before income tax and social contribution		51,638	32,416	110,923	91,983
Income tax and social contribution	29	5	(167)	(31,411)	(19,437)
Profit for the year		51,643	32,249	79,512	72,546
Attributable to:					
Owners of the parent				51,643	32,249
Non-controlling interests				27,869	40,297
				79,512	72,546
Basic earnings per share - R\$	24			0.921786	0.575607
Diluted earnings per share - R\$	24			0.921786	0.575607

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



Statement of comprehensive income
Years ended December 31

All amounts in thousands of reais unless otherwise stated

(A free translation of the original in Portuguese)

	<u>Parent company</u>		<u>Consolidated</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Profit for the year	<u>51,643</u>	<u>32,249</u>	<u>79,512</u>	<u>72,546</u>
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	<u>51,643</u>	<u>32,249</u>	<u>79,512</u>	<u>72,546</u>
Attributable to:				
Owners of the parent			51,643	32,249
Non-controlling interests			<u>27,869</u>	<u>40,297</u>
			<u>79,512</u>	<u>72,546</u>

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



Statement of changes in equity

All amounts in thousands of reais

(A free translation of the original in Portuguese)

	Attributable to owners of the parent							
			Revenue reserves		Retained earnings (accumulated deficit)		Non-controlling interests	Total equity
Note	Share capital	Capital reserve	Legal reserve	Retention reserve		Equity		
At December 31, 2021	269,172	259	6,802	68,176	-	344,409	142,873	487,282
Contributions to subsidiaries by non-controlling interests	-	-	-	-	-	-	(13,259)	(13,259)
Profit for the year	-	-	-	-	32,249	32,249	40,297	72,546
Supplementary dividends	-	-	-	-	-	-	-	-
Legal reserve	-	-	1,613	-	(1,613)	-	-	-
Proposed dividends	-	-	-	-	(6,659)	(6,659)	-	(6,659)
Profit retention	-	-	-	22,977	(22,977)	-	-	-
Dividends paid	-	-	-	(1,214)	(1,000)	(2,214)	-	(2,214)
At December 31, 2022	269,172	259	8,415	89,939	-	367,785	169,911	537,696
Return of capital of subsidiaries	-	-	-	-	-	-	(38,779)	(38,779)
Profit for the year	-	-	-	-	51,643	51,643	27,869	79,512
Legal reserve	-	-	2,582	-	(2,582)	-	-	-
Retained Earnings	-	-	-	49,061	(49,061)	-	-	-
Dividends paid (Note 23)	-	-	-	(6,939)	-	(6,939)	-	(6,939)
At December 31, 2023	269,172	259	10,997	132,061	-	412,489	159,001	571,490

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



Statement of cash flows
Years ended December 31

All amounts in thousands of reais

(A free translation of the original in Portuguese)

	Parent company		Consolidated	
	2023	2022	2023	2022
Cash flows from operating activities				
Profit for the year	51,643	32,249	79,512	72,546
Adjustments to reconcile profit with cash flows from operating activities				
Depreciation and amortization	8,014	7,106	24,481	15,456
Adjustment of trade receivables to present value	(8)	6	27,346	8,619
Equity in the results of investees	(121,980)	(81,639)	2,885	3,965
Provision for real estate maintenance	2,188	(183)	13,343	4,970
Provision for labor, civil, and tax contingencies	1,273	108	10,050	6,410
Provision for termination of contracts	-	-	335	262
Allowance for doubtful accounts	-	-	826	3,109
Provision for interest on borrowings	48,805	33,411	74,699	45,192
Income tax and social contribution	(5)	(176)	(5,862)	7,992
Income from securities	-	1,046	6,319	1,781
Income from securities	-	(520)	(11,188)	(8,816)
	(10,070)	(8,592)	222,746	161,486
Changes in working capital				
Increase (decrease) in assets and liabilities				
Trade receivables	5,637	1,074	(208,973)	(156,875)
Properties for sale	(2,695)	13,617	(21,804)	(83,431)
Taxes recoverable	(2,187)	(1,734)	(6,776)	(7,048)
Other assets	(5,949)	(974)	(20,318)	(3,630)
Trade payables	838	(4,183)	69,831	16,517
Salaries and social charges	4,580	1,063	7,848	2,501
Tax liabilities	25	111	52,012	9,038
Real estate purchase obligations	(800)	(1001)	8,268	(21,252)
Advances from customers	12,142	(683)	(63,127)	113,933
Other liabilities	198	(1,317)	4,105	(1,123)
Payments made for maintenance of properties held as collateral	(1,320)	(513)	(6,967)	(1,827)
Amounts paid for civil, labor, and tax contingencies	(20)	(23)	(5,816)	(8,320)
	10,449	5,437	(191,717)	(141,517)
Interest paid	(46,665)	(10,329)	(67,702)	(20,761)
Income tax and social contribution paid	-	(343)	(37,273)	(11,445)
Net cash provided by (used in) operating activities	<u>(46,286)</u>	<u>(13,827)</u>	<u>(73,946)</u>	<u>(12,237)</u>
Cash flows from investing activities				
Investment in marketable securities	(24,371)	2,043	(54,722)	(40,815)
Changes in restricted financial investments	(241)	(325)	(241)	(325)
Advances to related parties	(144,438)	(48,561)	(17,820)	14,423
Contributions to (return on) investments	24,942	9,450	334	(3,136)
Purchases of property and equipment and intangible assets	(4,591)	(3,876)	(42,297)	(17,714)
Net cash provided by (used in) investing activities	<u>(148,699)</u>	<u>(41,269)</u>	<u>(114,746)</u>	<u>(47,567)</u>
Cash flows from financing activities				
New borrowings	269,126	140,801	619,401	317,213
Repayment of borrowings - principal amount	(72,814)	(67,248)	(283,317)	(155,725)
Dividends paid	(13,600)	(2,214)	(13,600)	(2,214)
Distributions paid to non-controlling interests, net	-	-	(38,779)	(13,259)
Net cash provided by financing activities	<u>182,712</u>	<u>71,339</u>	<u>283,705</u>	<u>146,015</u>
Increase in cash and cash equivalents, net	<u>(12,273)</u>	<u>16,243</u>	<u>95,013</u>	<u>86,211</u>
Changes in cash and cash equivalents				
Cash and cash equivalents at the beginning of the year	48,008	31,765	330,137	243,926
Cash and cash equivalents at the end of the year	35,735	48,008	425,150	330,137
Net increase in cash and cash equivalents	<u>(12,273)</u>	<u>16,243</u>	<u>95,013</u>	<u>86,211</u>

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



Statement of value added
Years ended December 31

All amounts in thousands of reais

(A free translation of the original in Portuguese)

	Parent company		Consolidated	
	2023	2022	2023	2022
Revenue:				
Revenue from sales and services	8,372	15,352	1,384,667	849,035
	8,372	15,352	1,384,667	849,035
Inputs acquired from third parties:				
Cost of properties sold	(342)	(4,988)	(995,928)	(576,200)
Electricity, third-party services, and other expenses	18,935	(4,080)	(177,353)	(115,496)
	18,593	(9,068)	(1,173,281)	(691,696)
Gross value added	26,965	6,284	211,386	157,339
Retentions:				
Depreciation and amortization	(7,598)	(7,106)	(21,744)	(15,456)
Net value added generated by the entity	19,367	(822)	189,642	141,883
Value added received through transfers:				
Equity in the results of investees	121,980	81,639	(2,885)	(3,965)
Finance income	4,649	7,471	49,816	44,652
	126,629	89,110	46,931	40,687
Total value added to be distributed	145,996	88,288	236,573	182,570
Distribution of value added:				
Personnel				
Compensation	24,055	11,394	26,078	22,542
Charges	8,638	4,110	9,116	7,880
Benefits	10,110	4,711	8,110	7,010
	42,803	20,215	43,304	37,432
Taxes and contributions				
Federal	(11)	938	57,177	35,919
Municipal	790	189	1,271	560
	779	1,127	58,448	36,479
Remuneration of third-party capital:				
Finance costs	50,771	34,697	55,309	36,113
	50,771	34,697	55,309	36,113
Remuneration of own capital:				
Profit for the year	51,643	32,249	51,643	32,249
Non-controlling interests - retained earnings	-	-	27,869	40,297
	51,643	32,249	79,512	72,546
Value added distributed	145,996	88,288	236,573	182,570

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



Patrimar Engenharia S.A.

Notes to the financial statements at December 31, 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 financial statements, prepared in accordance with accounting policies adopted in Brazil, including the pronouncements issued by the Brazilian Accounting Pronouncements Committee (CPC), as well as International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) applicable to real estate development entities in Brazil, as approved by the Brazilian Accounting Pronouncements Committee (CPC), the Brazilian Securities Commission (CVM) and the Federal Accounting Council (CFC), and disclose all the applicable information of significance to the financial statements, 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) (Note 2.19).

The financial statements have been prepared under the historical cost convention, which, for certain

**Notes to the financial statements
at December 31, 2023**

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financial assets and liabilities, are adjusted to reflect measurement at fair value.

The accounting practices adopted by the subsidiaries are consistent with those adopted by the Company. Where applicable, all intercompany transactions, balances, revenue and expenses 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.

(a) Statement of value added

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.

The Statement of Added Value was prepared in accordance with the criteria defined in Technical Pronouncement CPC 09 - Demonstração do Valor Adicionado. Under IFRS, the presentation of such statements is considered supplementary information.

2.2. Consolidation

The Company consolidates all entities which it controls, that is, when it is exposed or has rights to variable returns from its involvement with the investee and has the ability to direct the significant activities of the investee.

The subsidiaries included in the consolidated financial statements are presented in Note 12.

(a) Subsidiaries

Subsidiaries are all entities (including special-purpose entities and special partnerships) over which the Group has control. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group uses the acquisition method of accounting for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred, and the equity instruments issued by the Group. The consideration transferred includes the fair value of assets or liabilities resulting from a contingent consideration arrangement, when applicable. Acquisition-related costs are expensed as incurred. The identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquiree on an acquisition- by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the fair value of the acquiree's identifiable net assets. Non-controlling interests are determined on each acquisition.

Transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated, unless the transaction provides evidence of impairment of the asset transferred. The accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

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All amounts in thousands of reais unless otherwise stated

(b) Transactions with non-controlling interests

Transactions with non-controlling interests are treated as transactions with equity owners of the Group. For acquisitions from non-controlling interests, the difference between any consideration paid and the proportion acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded directly in equity, within "Carrying value adjustments".

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest in an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are reclassified to profit or loss.

(c) Associates and jointly-controlled investees

Associates are all entities over which the Group has significant influence but not control, generally accompanying a stockholding of between 20% and 50% of the voting rights.

Joint arrangements are all entities over which the Company shares control with one or more parties. Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor.

Joint arrangements are accounted for in the financial statements in a manner consistent with the Group's contractual rights and obligations. Therefore, the assets, liabilities, revenues and expenses related to its interests in joint operations are individually accounted for in its financial statements.

Investments in associates and jointly-controlled investees are accounted for on the equity method and are initially recognized at cost.

The Company's share of the profit or loss of its associates and jointly-controlled investees is recognized in the statement of income and its share of reserve movements is recognized in the Company reserves. When the Company's share of losses in an associate or jointly-controlled investee equals or exceeds the carrying amount of the investment, including any other unsecured receivables, the Company does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associated or jointly-controlled investee.

Unrealized gains on transactions between the Company and its associates are eliminated to the extent of the Company's interest. Unrealized losses are also eliminated, unless the transaction provides evidence of an impairment of the asset transferred. The accounting policies of the associates and jointly-controlled investees have been changed where necessary to ensure consistency with the policies adopted by the Company.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income is reclassified to profit or loss.



Patrimar Engenharia S.A.

Notes to the financial statements at December 31, 2023

All amounts in thousands of reais unless otherwise stated

Dilution gains and losses arising on investments in associates and jointly-controlled investees are recognized in the statement of income.

2.3. Foreign currency translation

(a) Functional and presentation currency

The parent company and consolidated financial statements are presented in Brazilian Real/Reais (R\$), which is the Group's functional currency and also the Group's presentation currency. All financial information presented in Brazilian Reais has been rounded up to the nearest thousand unless otherwise stated.

2.4. Financial assets

(a) Classification

The Group classifies its financial assets in the following measurement categories:

- at fair value through profit or loss.
- at amortized cost.

The Group classifies the following financial assets at fair value through profit or loss:

- Debt investments that do not qualify for measurement at amortized cost;
- Equity investments held for trading; and equity investments for which the Company has not elected to recognize fair value gains and losses through other comprehensive income.

For assets measured at fair value, gains and losses will be recorded in profit or loss.

For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election, at initial recognition, to account for the equity investment at fair value through other comprehensive income.

The Group reclassifies debt investments only when the business model for managing those assets changes.

(b) Recognition and derecognition

Regular purchases and sales of financial assets are recognized on the trade-date, that is, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows have expired or have been transferred, and the Group has transferred substantially all the risks and rewards of ownership.

(c) Impairment of financial assets

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortized cost and at fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk.



Patrimar Engenharia S.A.

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2.5. Cash and cash equivalents

Cash and cash equivalents include cash on hand, bank deposits and other short-term highly liquid investments maturing in up to three months, with immaterial risk of change in value.

Marketable securities

The balances represent investments in: restricted investment funds that include public and private securities and bank deposit certificates, as described in note 7.

2.6. Trade receivables

Trade receivables are mainly represented by current and non-current receivables from sales of residential real estate units that are completed or to be completed.

Receivables related to units launched, but not completed, are determined by applying the percentage of completion (POC) to revenue from units sold, adjusted according to the terms of the sales contracts (indexation accruals), by deducting the amount of the installments received. If the balance of the installments received is higher than the accumulated revenue recognized, the balance is classified as advances from customers and recorded in liabilities.

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less allowance for impairment of trade receivables.

The result of sales on credit of completed units is appropriated at the time of the sale, regardless of the contracted payment terms of the sale.

If collection is expected in one year or less, the receivables are classified as current assets. If not, they are presented as non-current assets.

2.7. Provision for canceled sales

The Company records a provision for canceled sales when, based on management analyses, uncertainties are identified regarding the receipt of future cash flows by the Company. These adjustments are linked to the fact that revenue recognition is dependent on the degree of reliability regarding the receipt by the Company of the cash flows provided by a recognized revenue.

Contracts are monitored to determine the time these conditions are mitigated. As long as this does not occur, no revenue or cost is recognized in profit or loss, and amounts are recorded in asset and liability accounts only.

2.8. Inventories (properties for sale)

(a) Land for future development

Inventories of land are recorded at historical formation cost, which includes all related expenses, directly linked and measurable, including barter transactions calculated at fair value, plus any financial charges

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generated by their corresponding accounts payable. Land can be acquired through partnerships with landowners (physical exchanges and financial exchanges).

Physical exchanges: The fair value of land is recorded as a component of inventory of land for properties for sale, with a corresponding entry to "Advances from customers" at the time a private instrument is signed, or when the conditions of any termination clauses of the contracts have been met. Revenue arising from barter transactions is allocated to profit or loss over the real estate construction period.

Financial exchanges: In barter transactions involving financial exchanges, the Group transfers a percentage of the sales amount to the sellers of the land. This amount is recorded as a component of inventory of land for properties for sale, as a corresponding entry to accounts payable, at the time the contract related to the transaction is signed, or when the conditions of any termination clauses of the contracts have been met.

The measurement of the fair value of land acquired through barter transactions is defined in connection with the contractual commitments assumed and the budgeted costs defined in the project's feasibility study, the amount of which may vary up to the time of defining the project to be developed, which is usually confirmed on the development registration. At this time, the related charges are recognized in "Advances from customers - barter transactions".

Inventories of land to be developed are classified according to the expected launch of the project. If the project is expected to be launched in the next 12 months, land is classified in non-current assets. Otherwise, it is classified in non-current assets.

Land is only registered when the deed is drawn up, and is not recognized in the financial statements while under negotiation, regardless of the probability of success or stage of the negotiation.

(b) Properties for sale

Properties ready to be sold are stated at construction cost, which is lower than the net realizable value. For real estate under construction, the amount in inventory corresponds to the cost incurred of the units not yet sold.

Cost comprises the land's cost of acquisition/barter, expenses related to the project and legalization of the undertaking, materials, labor (own or outsourced) and other construction-related costs, including the financial cost of the capital invested (finance costs on payables for purchases of land and on financing incurred during the construction period).

Net realizable value is the estimated selling price in the ordinary course of business, less estimated completion costs and selling expenses.

2.9. Investments

In the parent company financial statements investments in subsidiaries, jointly-controlled subsidiaries and associates are accounted for using the equity method.

**Notes to the financial statements
at December 31, 2023**

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2.10. Property and equipment

Property and equipment items are stated at acquisition or construction cost, less depreciation. Depreciation is calculated using the straight-line method, at tax rates, which are similar to the estimated useful life.

Subsequent costs are included into the residual amount of property and equipment or recognized as a specific item, as appropriate, only if the economic benefits associated with these items are considered probable and the related amounts can be reliably measured. The residual balance of the item replaced, sold or transferred to another unit is written off. Repair and maintenance costs are recognized directly in profit or loss as incurred. The residual value of property and equipment items is immediately reduced to its recoverable amount when the residual balance exceeds its recoverable amount.

Expenditures directly related to the construction of sales stands and model apartments (furniture and decoration items) are treated as property and equipment, and are depreciated in accordance with the estimated useful lives of these items, which usually cover the period from the launch to the beginning of construction. When the estimated useful life does not exceed 12 months, these expenditures are recognized directly in profit or loss as selling expenses.

Gains or losses on disposals are determined by comparing the amounts of sales with the carrying amounts and are recognized within "Other gains (losses), net" in the statement of income.

2.11. Intangible assets

Computer software licenses purchased are capitalized on the basis of the costs incurred to purchase and bring to use the specific software. These costs are amortized over their estimated useful lives of five years.

Costs associated with maintaining computer software programs are recognized as an expense as incurred.

2.12. Impairment of non-financial assets

Property and equipment, intangible assets and, where applicable, other non-financial assets, are reviewed annually for impairment, primarily using internal and external indications that may affect the recovery of these assets, and always when significant events or changes in circumstances suggest that their carrying amount may not be recoverable. Accordingly, if the carrying amount of an asset exceeds its recoverable amount, which is defined as the higher of an asset's value in use and its net realizable value, a loss is recognized in the statement of income for the period.

Pursuant to CPC 01, management assessed the assets subject to review for impairment and did not identify any internal and/or external indicators that could impair the recovery of these assets in the years ended December 31, 2022 and 2021.

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2.13. Borrowings

Borrowings are recognized initially at the transaction price (that is, the amount received from the bank, including transaction costs), and are subsequently stated at amortized cost.

Interest expense is recognized on the basis of the effective interest method over the life of the loan to ensure that the carrying amount on the maturity date corresponds to the amount due. Interest is included in finance costs, except for interest linked to qualifying assets incurred during their construction period, which is allocated to the related asset.

Borrowings are classified as current liabilities unless there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

2.14. Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business. They are initially recognized at fair value and are subsequently measured at amortized cost using the effective interest rate method. They are classified as current liabilities if payment is due in one year or less.

2.15. Income tax and social contribution on net income

The income tax and social contribution benefit or expense for the period comprise current and deferred taxes. Taxes on profit are recognized in the statement of income, except to the extent that they relate to items recognized in comprehensive income or directly in equity. In such cases, the taxes are also recognized in comprehensive income or directly in equity.

Current and deferred income tax and social contribution are calculated on the basis of the tax laws enacted at the end of the reporting period. Management periodically evaluates positions taken in the calculation of income taxes with respect to situations in which the applicable tax regulation is subject to interpretation, and establishes provisions, where appropriate, based on the amounts expected to be paid to the tax authorities.

Current income tax and social contribution are presented net, separated by taxpaying entity, in liabilities when there are amounts payable, or in assets when the amounts prepaid exceed the total amount due on the reporting date.

Deferred income tax and social contribution are recognized, using the liability method, on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are recognized only to the extent it is probable that future taxable profit will be available against which the temporary differences and/or tax losses can be utilized.

Deferred tax assets and liabilities are presented net in the balance sheet when there is a legally enforceable right and the intention to offset them against current taxes, generally when related to the same legal entity and the same tax authority. Accordingly, deferred tax assets and liabilities in different entities or in different countries are generally presented separately, and not on a net basis.



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Deferred taxes are estimated based on the application of the statutory rate on the difference between the revenue calculated for accounting purposes and the actual cash receipts (taxation regime, based on Law 1,435/13, which established the Special Taxation Regime).

The Company segregates these taxes between current and non-current liabilities taking into account the allocation of the amounts receivable from properties sold in current and non-current assets, considering that when all amounts from completed and uncompleted units have been received there will be no difference between accounting and tax criteria.

The Company and its subsidiaries calculate Corporate Income Tax (IRPJ) and Social Contribution on Net Income (CSLL) based on taxable income, deemed profit or the special taxation regime (RET), as detailed below:

- Taxable income method - Income tax is computed at the rate of 15%, plus a surcharge of 10% on taxable income, and social contribution is computed at the rate of 9% on taxable income.
- Deemed profit method - Income tax and social contribution for each entity is computed at 8% and 12%, respectively on revenues from real estate development. On the deemed profit, the income tax and social contribution rates in effect at the closing date of each year were applied (15% plus an additional 10% for profits over R\$240 annually for income tax and 9% for social contribution).
- Special Taxation Regime (RET) - Adopted for certain projects developed by the Company and its subsidiaries. As permitted by Law 12,024 of August 27, 2009, which amended Law 10,931/2004 that established RET, an option was made to include the projects in the segregated assets' structure and adopt the RET regime. For these developments, consolidated charges related to IRPJ and CSLL, Social Contribution on Revenues (COFINS) and Social Integration Program (PIS) are calculated at the aggregate rate of 4% on gross revenues, of which 1.92% for IRPJ and CSLL and 2.08% for PIS and COFINS.

2.16. Provisions

Provisions are recorded when: (i) the Group has a present legal or constructive obligation as a result of past events; (ii) it is probable that an outflow of resources will be required to settle the obligation; and (iii) the amount can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a rate before tax effects that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognized as interest expense.

2.17. Capital

Capital comprises fully subscribed and paid-up common shares with no par value.

2.18. Legal and revenue reserves

The legal reserve is credited with 5% of the profit for the year, and cannot exceed 20% of the capital, as established by Law 6,404/76. This reserve can only be used to offset losses and increase capital.

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2.19. Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, cancellations, rebates and discounts and, in the consolidated financial statements, after eliminating sales within the Company.

The Group recognizes revenue at the fair value of sales contracts when specific criteria are met, as described below:

(a) Revenue from the sales of properties

In sales of units under construction the procedures established in Circular Official Letter/CVM/SNC/SEP No. 02/2018 on the adoption of the Technical Pronouncement CPC 47 (IFRS 15) were followed.

Based on these standards and the applicable accounting procedures established by Guideline OCPC 01 (R1) - "Real Estate Development Companies", the following procedures were adopted for the recognition of revenue from the sale of units under construction:

- The costs incurred on units sold (including land) are fully appropriated to the cost of sales.
- The percentage of the incurred cost of units sold, including land, in relation to their total estimated cost (POC) is computed, and this percentage is applied to the fair value of the revenue from units sold (including the fair value of barter made for land), adjusted according to the terms of the sales contracts, thereby obtaining the amount of revenue to be recognized.
- The determined amount of sales revenue, including indexation accruals on trade receivables based on the variation of the National Civil Construction Index (INCC), net of the installments received (including the fair value of barter made for land), are accounted for as trade receivables, or as advances from customers, when applicable.
- The fair value of revenue from units sold is calculated at the present value based on the interest rate indexed at the INCC between the date the agreement is signed and the date scheduled for the delivery of the completed unit to the purchaser. The interest rate applied on government bonds indexed to the INCC is compatible with the nature, term and risks of similar transactions under market conditions.

Subsequently, as time elapses, interest is included in the new fair value for calculating the revenue to be appropriated, on which the POC will be applied.



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If circumstances arise that may change the original estimates of revenues, costs, or extent of progress toward completion, the estimates are revised. These revisions may result in increases or decreases in estimates of revenues or costs and are reflected in the statement of income for the period in which the circumstances that give rise to the revision become known to management.

The amounts received for sales of units under construction of real estate projects launched that are still subject to the effects of the corresponding resolutive clause included in the development deed, are classified as advances from customers.

After the delivery of the units sold, trade receivables accrue indexation based on the variation of the General Market Price Index (IGP-M) or the Amplified Consumer Price Index (IPCA), plus interest ranging from 0.5% p.a. to 1% per month, calculated on a *pro rata temporis* basis. At this stage, interest or indexation accruals are recorded as finance income using the effective interest rate method and are no longer part of the sales revenue calculation basis.

In the case of sales of completed units, sales revenue is recognized upon delivery of the unit, when the most significant risks and rewards of ownership are transferred to the purchaser.

(b) Service revenue

The parent company provides services related to construction management and sales to subsidiaries. Revenue from services is recognized in the period the services are rendered, using the straight-line method to recognize the revenue in proportion to the costs incurred on the real estate development which is being managed.

(c) Finance income

Interest income is recognized on the accrual basis, using the effective interest rate method.

When the unit is completed, trade receivables are subject to interest or indexation accruals, which are appropriated, over time, to interest income.

2.20. Selling expenses

Expenses with advertising, marketing, promotions and other selling expenses are not considered as construction costs of the property and are recognized and allocated to the statement of income as incurred.

Expenses incurred in sales stands and model apartments, including their construction, furniture, and decoration items, are recognized as property and equipment, provided that their estimated useful lives exceed 12 months. Depreciation is recognized in the statement of income as selling expenses over the useful lives.

Expenses related to commissions paid to brokers for the sales of the units of each project are recognized in the statement of income based on the same criterion adopted for the recognition of revenues and costs of units sold.

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2.21. Lease

Upon the transition to CPC 06(R2)/IFRS 16, the Group applied the practical expedient with respect to the definition of lease that assesses whether a transaction is a lease. The Group has reviewed all the contracts in force, including those already classified as leases by CPC 06(R1)/IAS 17 and ICPC 03/IFRIC 4, as well as sundry rental contracts and subcontracting services provided with the use of equipment, applying the provisions of CPC 06 (R2)/IFRS 16 to identify, or not, the lease component.

A contract is, or contains a lease, if the contract transfers the right to control the use of an identified asset for a period of time in exchange of consideration. To assess whether a contract transfers the right to control the use of an identified asset, the Group uses the definition of lease in CPC 06 (R2)/IFRS 16.

(a) The Group as a lessee

The Group recognizes a right-of-use asset and a lease liability on the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial measurement value of the lease liability, adjusted for any lease payments up to the commencement date, plus any initial direct costs incurred and an estimation of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease., less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the lessee at the end of the lease term, or if the cost of the right-of-use asset reflects that the lessee will exercise the purchase option. In this case, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as that of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the flow of future (contracted and estimated) payments, discounted using the interest rate implicit in the lease or, if this rate cannot be determined immediately, the Group's incremental borrowing rate for borrowings of similar nature, disregarding membership-based and production support loans, since their rates are exclusive and incomparable, due to their nature and related guarantees. The Group generally uses the incremental rate on its working capital loans, equipment and vehicle financing, plus the agreed inflation rate, as a discount rate.

The Group determines its incremental rate on borrowings by obtaining information on interest rates from various external financing sources and mainly by evaluating the borrowings in force, measuring the weighted average cost (annual interest divided by the debt balance of principal), adding the estimated inflation, and making adjustments to reflect the terms of the contract and the type of the leased asset.

The weighted average of the lessee's nominal incremental borrowing rate applied to new lease liabilities in 2022 was 5.48% p.a. (2.31% p.a. in 2021).

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The lease liability is measured at amortized cost, using the effective interest rate method. It is remeasured when there is a change in future lease payments resulting from a change in index or rate, if there is a change in the amounts that are expected to be paid according to the residual value guarantee, if the Group changes its evaluation as to whether it will exercise an option to purchase, extend or terminate or if there is a revised fixed lease payment in essence.

When the lease liability is remeasured in this manner, an adjustment is made corresponding to the carrying amount of the right-of-use asset or is recorded in the income statement if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption for contracts in which the lease terms are equal to or less than 12 months from the commencement date, and which do not include a purchase option. It also applies the low-value asset recognition exemption to leases of office equipment and computer equipment considered to be of low value. Short-term lease and low-value asset lease payments are recognized as an expense using the straight-line method over the lease term.

Determining the lease period

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or to not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if there is a reasonable expectation that the lease will be extended (or not terminated).

For the lease of its headquarters, the following factors were considered to determine the 60-month lease term, which exceeded the legal contract term, of 42 months:

- The fact that the Company is in the process of raising new funds, which can significantly increase its production capacity, and consequently increase the need to extend its facilities.
- The value of improvements made in the facilities and expected return on the amount invested;
- The period during which the Company remained in and used the previous headquarters;
- The proximity of the headquarters to several projects the Company has been developing.

Most extension options in furniture and machinery and equipment leases have not been included in the lease liability because the Group may replace the assets without significant cost or business disruption.

(b) As a lessor

At December 31, 2022, the Group did not have any lease contract as a lessor, sublessor or similar.



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2.22. Adoption of new standards

There are no new standard or interpretation, valid for the annual periods beginning on or after January 1st, 2023 which had material effects on the Group's financial statements. The Group decided not to early adopt any other standard, interpretation or amendment that have been issued, but are not yet in force.

2.23. New standards issued and not yet adopted

The new and changed standards and interpretations issued, but not yet in effect as of the date of issue, are described below. The Company does not expect material effects on its financial statements when adopting the standards and interpretations below, and it intends to adopt these new and changed standards and interpretations, if applicable, when they come into force:

- Classification of liabilities as current or non-current (amendments to CPC 26 – IAS 1).
- Sale or contribution of assets between an investor and its associate or joint venture (amendments to CPC 36 - IFRS 10 and to CPC 18 – IAS 28).
- Supplier finance arrangements (amendments to IAS 7 and IFRS 7).
- Lease liability in a sale and leaseback (amendments to IFRS 16).

2.24. Approval of the Financial Statements

Approval of the Financial Statements These financial statements were approved by the Board of Directors on March 05, 2024.

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.

(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.



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(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.

(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.



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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.

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 December 31, 2023 of financial assets that comprised short-term investments are classified as follows, by rating:

Fitch Rating	Consolidated
AAA	411,878
AA	24,143
A	10,322
Other ratings	8,399
Total	454,742

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

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-Trade receivables

	Parent company		Consolidated	
	2023	2022	2023	2022
Completed units (Note 8)				
With statutory lien	3,768	6,469	65,540	35,909
Without statutory lien	-	-	35,842	17,740
	3,768	6,469	101,382	53,649
Units under construction (Note 8)				
With statutory lien	-	-	700,220	534,533
Without statutory lien	-	-	10,359	8,488
				543,021
Administration services (Note 8)				
Without statutory lien	18,035	20,971	18,100	24,418
	21,803	27,440	830,061	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.

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				
	2024	2025	2026	2027	Total
At December 31, 2023					
Borrowings (Note 15)	70,255	57,581	136,930	212,489	477,255
Lease (Note 16)	1,088	149	97	-	1,334
Trade payables (Note 17)	2,667	-	-	-	2,667

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	Consolidated				
	2024	2025	2026	2027	Total
At December 31, 2023					
Borrowings (Note 15)	164,443	120,997	298,995	218,441	802,876
Lease (Note 16)	3,540	610	483	606	5,239
Trade payables (Note 17)	130,750	-	-	-	130,750
Real estate purchase obligations (Note 19)	27,650	27,309	-	-	54,959
	Parent company				
	2023	2024	2025	2026	Total
At December 31, 2022					
Borrowings (Note 15)	-	43,822	64,542	168,302	276,666
Lease (Note 16)	-	2,041	1,026	205	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	180,115	453,669
Lease (Note 16)	-	4,894	1,553	205	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.

(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.

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The balances of financial investments are exposed to fluctuations in interest rates (particularly the CDI rate). At December 31, 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	Index	Rate	2023	Parent company			2023	Consolidated		
				Scenario I - Probable	Scenario II (25%)	Scenario III (50%)		Scenario I - Probable	Scenario II (25%)	Scenario III (50%)
Assets										
Financial investments	CDI	13.04%	38,601	5,034	3,776	2,517	282,786	36,875	27,656	18,438
Marketable securities	CDI	13.04%	30,633	3,995	2,996	1,998	171,956	22,423	16,817	11,212
Liabilities										
Construction financing (in Reais - R\$)	Poupança	7.42%	-	-	-	-	325,621	24,161	18,121	12,081
Debentures	CDI	13.04%	477,255	62,234	77,793	93,351	477,255	62,234	77,793	93,351

4.2 Capital management

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

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

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	
	2023	2022	2023	2022
Total borrowings (Note 15)	477,255	276,666	802,876	453,669
Less: Cash and cash equivalents (Note 6)	(35,735)	(48,008)	(425,150)	(330,137)
Less: Marketable securities (Note 7)	(30,633)	(6,262)	(171,956)	(106,046)
Net debt	410,887	222,396	205,770	17,486
Total equity	412,489	367,785	571,490	537,696
Total capitalization	823,376	590,181	777,260	555,182
Gearing ratio - %	50%	38%	26%	3%

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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.

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 year.

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5 Financial instruments by nature

	Parent company		Consolidated	
	2023	2022	2023	2022
Financial assets				
Measured at amortized cost				
Cash and bank accounts (Note 6(a))	39	94	145,269	54,836
Highly liquid financial investments (Note 6 (a))	35,696	47,914	279,881	275,301
Marketable securities (Note 7)	30,633	6,262	171,956	106,046
Restricted financial investments (Note 6(b))	2,905	2,664	2,905	2,664
Trade receivables (Note 8)	21,804	27,433	772,278	591,812
Judicial deposits (Note 21)	83	374	757	1,634
Related parties (Note 11)	298,920	138,376	32,332	8,040
	<u>390,080</u>	<u>223,117</u>	<u>1,405,378</u>	<u>1,040,333</u>
Financial liabilities				
Measured at amortized cost				
Borrowings and debentures (Note 15)	447,255	276,666	802,876	453,669
Lease (Note 16)	1,334	3,272	5,239	6,652
Trade payables (Note 17)	2,667	1,829	130,750	60,919
Real estate purchase obligations (Note 19)	-	800	54,959	46,691
Related parties (Note 11)	29,781	13,675	21,190	14,718
	<u>511,037</u>	<u>296,242</u>	<u>1,015,014</u>	<u>582,649</u>

6 Cash and cash equivalents and financial investments

(a) Cash and cash equivalents

	Parent company		Consolidated	
	2023	2022	2023	2022
Cash	18	19	32	34
Banks	21	75	145,237	54,802
Highly liquid financial investments	35,696	47,914	279,881	275,301
	<u>35,735</u>	<u>48,008</u>	<u>425,150</u>	<u>330,137</u>

During the period ended December 31, 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 99% to 108% of the CDI rate (from 98% to 112% of the CDI rate at December 31, 2022).

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.

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(b) Restricted financial investments

	Parent company		Consolidated	
	2023	2022	2023	2022
Restricted financial investments - non-current	2,905	2,664	2,905	2,664
	<u>2,905</u>	<u>2,664</u>	<u>2,905</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 between 105% of the CDI rate (105% of the CDI rate at December 31, 2022) based on the nature and maturity of the instrument.

7 Marketable Securities

	Parent company		Consolidated	
	2023	2022	2023	2022
Cash	-	49	-	827
Financial treasury bill	11,407	2,374	64,034	40,202
CDB	1,635	241	9,178	4,083
Debentures	327	315	1,838	5,334
Financial bills - private	17,042	3,283	95,660	55,600
Deposit with Special Guarantee	222	-	1,246	-
	<u>30,633</u>	<u>6,262</u>	<u>171,956</u>	<u>106,046</u>

The Group's exclusive investment fund portfolio, earning interest at 105% p.a. of the CDI rate at December 31, 2023, (106% of the CDI rate at December 31, 2022) is shown in the table above.

8 Trade receivables

	Parent company		Consolidated	
	2023	2022	2023	2022
<u>Trade receivables from real estate developments</u>				
Completed units	3,768	6,469	101,382	53,649
Units under construction	-	-	710,579	543,021
Administration services	18,035	20,971	18,100	24,418
	<u>21,803</u>	<u>27,440</u>	<u>830,061</u>	<u>621,088</u>
Provision for canceled sales	-	-	(1,977)	(1,642)
Provision for losses	-	-	(4,981)	(4,155)
Adjustments to present value	1	(7)	(50,825)	(23,479)
	<u>1</u>	<u>(7)</u>	<u>(57,783)</u>	<u>(29,276)</u>
	<u>21,804</u>	<u>27,433</u>	<u>772,278</u>	<u>591,812</u>
Current assets	10,905	20,173	274,411	315,643
Non-current assets	10,899	7,260	497,867	276,169

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The balance of accounts receivable from sold but not yet completed units is not fully reflected in the financial statements, since its recording is limited to the portion of revenue recognized by the progress of the works, net of the portions already received.

Trade receivables from real estate sales are adjusted based on the National Civil Construction Index (INCC) up to the delivery of the units sold. 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.

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	
	2023	2022	2023	2022
Falling due in up to 1 year	5,138	24,568	460,399	486,161
Falling due from 1 to 2 years	4,030	807	395,191	276,460
Falling due from 2 to 3 years	6,095	1,257	652,032	297,691
Falling due from 3 to 4 years	3,295	6	352,517	210,975
Falling due in more than 4 years	65	-	6,887	6,110
	<u>18,623</u>	<u>26,638</u>	<u>1,867,026</u>	<u>1,277,397</u>
Overdue for up to 1 year	1,255	800	48,026	20,953
Overdue from 1 to 2 years	906	-	10,684	6,956
Overdue from 2 to 3 years	999	-	8,228	969
Overdue from 3 to 4 years	9	-	974	1,130
Overdue for more than 4 years	11	-	1,189	630
	<u>3,180</u>	<u>800</u>	<u>69,101</u>	<u>30,638</u>
	<u>21,803</u>	<u>27,438</u>	<u>1,936,127</u>	<u>1,308,035</u>
Trade receivables - accounting	21,804	27,433	772,278	591,812
Deferred revenue (Note 30)	-	-	1,505,593	1,108,671
Advances from customers (Note 29)	-	-	(399,527)	(421,724)
Present value adjustment	(1)	7	50,825	23,479
Provision for canceled sales	-	-	1,977	1,642
Provision for losses	-	-	4,981	4,155
	<u>21,803</u>	<u>27,440</u>	<u>1,936,127</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	
	2023	2022	2023	2022
Inventories of land	10,739	7,742	179,320	178,492
Units under construction	-	-	339,557	281,249
Completed units	9	311	12,316	49,851
Provision for canceled sales	-	-	1,153	950
	<u>10,748</u>	<u>8,053</u>	<u>532,346</u>	<u>510,542</u>
Current assets	31	1,323	471,124	419,866
Non-current assets	10,717	6,730	61,222	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 8.39% to 12.49% p.a. (from 8.30% to 14.24% p.a. at December 31, 2022).

At December 31, 2023, interest capitalized within real estate inventories totaled R\$ 3,067 in Consolidated and in the Parent company, respectively (R\$ 1,436 in Consolidated, at December 31, 2022).

10 Prepaid expenses

	Parent company		Consolidated	
	2023	2022	2023	2022
Insurance	38	31	4,753	4,311
Commissions and brokerage	-	-	24,345	15,971
Wave Project	4,530	3,982	4,530	3,982
Software maintenance	611	745	611	746
Other projects	-	45	-	95
	<u>5,179</u>	<u>4,803</u>	<u>34,239</u>	<u>25,105</u>

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

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11 Related parties

	Parent company		Consolidated	
	2023	2022	2023	2022
Casatua Engenharia (i)	5,000	-	5,000	-
(a) Intercompany loans	5,000	-	5,000	-
Construtora Novolar	88,986	58,919	-	-
Bernardo Vasconcelos	1,070	1,032	-	-
Jardinaves	-	1,920	-	-
Mia Felicita	954	908	-	1
MRV Patrimar Galleria	3,403	2,329	-	3
Park Residences	313	305	-	-
Patrimar Somattos Gasparini	560	452	560	452
Jardinaves II	7,771	6,261	-	-
Jardinaves III	2,244	-	-	-
Jardinaves IV	854	-	-	-
Golf I	-	12,701	-	-
Golf II	2,820	914	-	-
MRV MRL Novolar I	-	-	-	2,084
Scp Novolar - Reality	-	-	-	769
Epic	1,585	1,585	1,585	-
Americas	10,239	6,500	-	-
Avenida de ligação	553	653	553	653
Avenida de ligação 2	802	656	-	-
Avenida de ligação 3	4,979	1,606	-	-
Maragogi	100	-	-	-
Riviera do sol	-	-	-	848
Residencial Inovatto	325	248	-	14
York I	378	343	-	-
York II	76	40	-	-
Barbacena	-	85	-	85
Rua Campo	20,048	9,181	-	-
Priorato Residences	181	180	-	11
MRV MRL Novolar X	-	-	500	391
Paçuaire	-	-	198	190
Rj 04 Oliveiras/Palmeiras	268	186	271	186
Rio 2 - Condomínio 1	27,571	2,143	-	-
Rio 2 - Condomínio 2	8,514	1,043	-	-
Le Terrace	9,957	4,609	-	-
Fernandes Tourinho	16,038	8,574	-	-
Espírito Santo	9,343	6,221	-	-
Colina Engefor	625	622	-	-
Mirataia	1,276	549	-	-
Brito I	580	917	-	-
Madison	758	648	-	-
Bela Vista	152	-	-	-
Vale dos Cristais	2,018	1,321	-	-
Luxemburgo (Guacui)	7,368	733	-	-
Acaba Mundo	630	-	630	-
Alta Vila	47,485	-	-	-
Jota Patrimar Engefor Spe	802	-	-	-
Vila Da Serra	367	-	-	-
Gioia Del Colle	360	-	-	-

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Jambreiro	67	-	-	-
Renovare	-	-	1,819	-
Novolar Apia	697	-	-	-
Engefor Imóveis	729	-	-	-
Verona	227	-	-	-
Florença	542	-	-	-
Riviera da Costa	-	-	1,573	-
Recanto do Tingui	-	-	137	-
Cesário de Melo	-	-	10	-
Jardim Mangabeiras	1,793	-	-	-
Quadra 40	500	-	500	-
Niteroi Feliciano Sodre	1	-	-	-
São José dos Campos II	3	-	-	-
Somattos	-	-	9,813	-
VIV IN Multifamily	1,204	-	1,507	-
Maura Valadares	786	-	-	-
MRV MRL	-	-	2,443	-
Outros empreendimentos	5,018	3,992	5,233	2,353
(b) Receivables from real estate developments	298,920	138,376	32,332	8,040

	Parent company		Consolidated	
	2023	2022	2023	2022
Somattos Engenharia (ii)	-	-	-	4,442
(a) Intercompany loans	-	-	-	4,442
Alta Vila	-	3,404	-	-
Construtora Novolar	-	90	-	-
Holiday Inn	2,027	2,103	-	-
Jardim Das Mangabeiras	13,656	3	-	-
Manhattan Square	4,815	4,978	-	-
MRV Engenharia E Participações	-	-	3,220	1,936
Camargos	-	375	-	-
Quintas do Morro	1,660	1,398	-	-
PRMV Participações	-	22	22	22
Recreio dos Bandeirantes	431	457	4	41
Engefor Engenharia e Construções	-	-	883	853
Barbacena	-	-	-	-
Golf I	6,782	-	4	-
Golf II	-	22	-	-
Locare Participações	-	-	3,314	1,590
Constutora Caparaó	-	-	9,431	4,547
Patrimar Engefor Imóveis	-	-	-	-
Camargos	-	-	-	-
Rhadan Consultoria	-	-	113	-
Seven Engenharia	-	-	-	-
Villagio Verona	-	-	-	-
Marcelo Magalhães Martins	-	-	-	-
Operario Silva	-	-	-	-
Duo	-	-	-	-
Masb	-	-	-	-
Quadra 40	-	-	-	-
São José dos Campos	-	-	-	-
York I	-	-	-	-

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Giuseppe	-	-	2,333	-
Other developments	410	823	1,866	1,287
(b) Payables for real estate developments	29,781	13,675	21,190	14,718
Sales of apartments (i)	-	-	32,557	28,317
Indexation accruals of sales made (i)	-	-	2,474	2,268
Lease of the headquarters' building and Central Warehouse (ii)	(2,149)	(2,044)	(2,149)	(2,044)
(c) Related-party transactions with effects on profit or loss	(2,149)	(2,044)	32,882	28,541
Deferred revenue (i)	-	-	5,760	8,014

(a) Receivables from and payables for developments

These refer to:

- (i) 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.
- (ii) Routine transactions carried out between the Parent company and SCPs and SPEs, mainly characterized by the payment of expenses that are either reimbursed or repaid later. Receivables from and payables for developments, referring exclusively to the development of the projects, are interest-free, and mature by the completion of the project.

(b) Intercompany loans payable

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.

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

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(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 year)	Accounts Receivable Balance 2023	Accounts Receivable Balance 2022
In September 2020, an apartment sale was completed in the High Line Real Estate Development Company, to Ronaldo Rabelo Leitão.	405	517	517	68	-	382
In May 2021, an apartment sale was completed in the Jardinares Real Estate Development Company, Unique building, to Patrícia Veiga.	4,368	4,628	3,442	1,254	-	-
In November 2021, an apartment sale was completed in the Golf 2 Real Estate Development Company, to Construtora Real.	3,951	3,951	2,752	1,103	-	-
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	206	108	64	196
In December 2022, an apartment sale was completed in the Vale do Sereno Real Estate Development Company, to Felipe Enck Gonçalves.	4,008	4,146	1,803	775	3,918	4,096
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	1,683	961	386	1,434	1,632
In December 2023, there was a sale of an apartment by the SPE Nisge Estoril	369	369	115	115	357	-

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Empreendimentos Ltda to
Farley Rafael Capuchinho
de Ornelas.

(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	
	2023	2022	2023	2022
Investments	523,273	424,524	26,506	28,074
Provision for investees' net capital deficiency	(9,091)	(7,380)	(7,650)	(5,999)
	<u>514,182</u>	<u>417,144</u>	<u>18,856</u>	<u>22,075</u>

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(a) Balances of investments of the parent company at December 31, 2023:

	Equity holding	Profit (loss) for the period	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	2023	2023	2023	2023	2023	%	2022
Subsidiaries							
Construtora Novolar	100%	23,442	184,875	23,442	184,929	100%	161,487
SPE Patrimar Engefor Imóveis Ltda.	50%	(176)	(1,121)	(89)	(559)	50%	(472)
SPE Maura Valadares	50%	(3,600)	(3,907)	(1,800)	(1,954)	50%	(154)
SPE Engefor Patrimar V.S. Emp. Imob Ltda.	50%	108	(493)	54	(246)	50%	(301)
SCP Professor Danilo Ambrósio	95%	1	(58)	1	(55)	95%	(57)
SCP Jornalista Oswaldo Nobre	90%	(2)	(22)	(1)	(20)	90%	(19)
SCP Gioia dell Colle	90%	(165)	(366)	(148)	(329)	90%	(180)
SCP Manhattan Square	90%	(868)	4,407	(782)	3,966	90%	4,748
SCP Priorato Residences	90%	(724)	844	(650)	757	90%	1,410
SCP Holiday Inn	80%	349	20,841	280	16,672	80%	16,393
SCP Mayfair Offices	90%	(121)	30	(109)	27	90%	136
SCP Quintas do Morro	69%	2,116	4,557	1,455	3,133	69%	1,679
SCP Neuchatel	90%	2	304	2	274	90%	272
SPE MRV Galleria	50%	(4,795)	(7,589)	(2,398)	(3,795)	50%	(1,397)
SPE Jardinaves	50%	30,806	53,222	15,403	26,611	50%	11,208
SPE Jota Patrimar Engefor	50%	457	(1,158)	228	(580)	50%	(808)
SPE Colina Engefor Patrimar E. Imob Ltda.	50%	(63)	(804)	(31)	(402)	50%	(371)
SPE Patrimar Somattos Jardim das Mangabeiras	50%	34,658	99,217	17,329	49,609	50%	37,827
Antônio de Alb. SPE Ltda. (EPIC)	50%	(5,035)	5,768	(2,518)	2,884	50%	13,882
SPE DUO - Alameda do Morro	40%	(31,449)	87,067	(12,579)	34,827	40%	47,406
SPE Vale dos Cristais	50%	(12)	187	(12)	187	50%	206
SPE High Line	100%	(20,067)	30,858	(20,067)	30,858	100%	50,926
SPE 2300 Rio de Janeiro	50%	18,644	26,526	9,322	13,263	50%	13,941
SPE Le Terrace	43%	4	32	2	38	43%	36
SPE Golf I	100%	34,338	33,462	34,338	33,462	100%	(877)
SPE Golf II	100%	39,804	69,818	39,804	69,818	100%	30,014
SPE Das Americas 1	100%	(119)	(323)	(119)	(323)	100%	(204)
Vila Castela (Madson Square)	100%	(1)	49	(1)	49	100%	50
SPE Jardinaves II	50%	17,005	24,259	8,503	12,130	50%	3,627
SPE Rua do Campo	100%	1,774	(71)	1,774	(71)	100%	(1,846)
SPE Avenida de Ligação 2	100%	(1)	25	(1)	25	100%	26
SPE Avenida de Ligação 3 – Buffet	100%	(170)	(130)	(170)	(130)	100%	39
SPE Jardinaves III	100%	(1)	98	(1)	98	100%	49
SPE Jardinaves IV	100%	(1)	49	(1)	49	100%	50
SPE Rio 2 Ltda	100%	6,839	6,545	6,839	6,545	100%	(294)
SPE Q25 Jardim Mangabeiras	100%	(1)	48	(1)	48	100%	-
SPE Fernandes Tourinho	100%	(75)	2,636	(75)	2,636	100%	2,712
SPE Guacui (Luxemburgo)	100%	5,169	5,214	5,169	5,214	100%	(5)
SPE Rua Espírito Santo (MG)	100%	(169)	(119)	(169)	(119)	100%	-
SPE Tancredo Neves Empreendimentos Imobiliários	100%	(10)	-	(10)	-	100%	-
Patrimar Participações Ltda	100%	(55)	(5)	(55)	(5)	100%	-
SPE Tomaz Gonzaga Empr. Imob Ltda	45%	(1)	3	(1)	4	45%	-
SPE Américas 2	100%	(1)	49	(1)	49	100%	-
SPE Marquês de Maricá	100%	-	50	-	50	100%	-
SPE Acaba Mundo E. Imob Ltda	50%	-	1,631	-	814	50%	814
		147,834	646,505	122,156	490,438		391,953
Jointly-controlled investees							
Alba	9%	1,232	19,989	(202)	1,630	9%	1,832
SCP RJ 04	50%	(171)	331	(86)	166	50%	251
SPE Mirante do Ibituruna Ltda.	34%	(1)	8,013	-	2,704	34%	2,705
SCP Portal do Bosque	50%	(7)	127	(4)	64	50%	67
SCP Park Ritz	48%	2	885	1	425	48%	424
SCP Recanto das Águas	51%	(23)	83	(12)	42	51%	54
SCP MRV Belo Campo	50%	(174)	156	(90)	78	50%	68
SCP MRV Rec. Pássaros (Rouxinol)	40%	(16)	902	(57)	357	40%	339
SCP MRV Res. Beija Flor	40%	(6)	419	(19)	164	40%	186
SPE Padre Marinho	50%	494	4,433	247	2,217	50%	2,410
SCP Rívoli 1 e 2	40%	(501)	391	(201)	157	40%	130

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SPE MRV Patrimar RJ IX Ltda. (Andorinhas) 1 e 2	40%	19	397	5	158	40%	145
SPE Barbacena Empr Imob. S.A.	50%	1,106	4,895	553	2,447	50%	7,016
SPE Patrimar Somattos Gasparini Ltda.	50%	(80)	12,051	(40)	6,026	50%	6,124
SPE Direcional Patrimar Maragogi	45%	(1)	93	-	42	45%	42
SPE Avenida de Ligação	50%	(4)	6,801	(2)	3,397	50%	2,949
SPE Somattos Patrimar Quadra 40	50%	(525)	7,006	(263)	3,503	50%	256
		<u>1,344</u>	<u>66,972</u>	<u>(170)</u>	<u>23,577</u>		<u>24,998</u>

	Equity holding	Profit (loss) for the period	Equity	Equity in the results of investees in the period	Investment and investees' net capital deficiency	Equity holding	Investment and investees' net capital deficiency
Companies	2023	2023	2023	2023	2023	%	2022
Associates							
SCP Safira (Decaminada 10)	24%	(112)	(1,230)	(27)	(295)	24%	(268)
SCP João XXIII	24%	(181)	(503)	(44)	(121)	24%	(77)
SCP Palo Alto	10%	1,069	3,985	107	399	10%	292
SCP Park Residences	10%	271	1,408	27	141	10%	114
SPE Novo Lar Greenport	20%	(173)	(434)	(35)	(87)	20%	(52)
SPE Axis 1 Porto Fino	10%	(339)	1,300	(34)	130	10%	184
		<u>535</u>	<u>4,526</u>	<u>(6)</u>	<u>167</u>		<u>193</u>
		<u>149,723</u>	<u>718,003</u>	<u>121,980</u>	<u>514,182</u>		<u>417,144</u>

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

Companies	At December 31, 2022	Contrib utions	Dividend distribution	Equity in the results	Reversals	Investment write-offs	At December 31, 2023
Construtora Novolar	161,487	-	-	23,442	-	-	184,929
SPE Patrimar Engefor Imóveis Ltda.	(472)	-	-	(89)	-	-	(561)
SPE Maura Valadares	(154)	-	-	(1,800)	-	-	(1,954)
SPE Engefor Patrimar V.S. Emp. Imob Ltda.	(301)	-	-	54	-	-	(247)
SCP Professor Danilo Ambrósio	(57)	-	-	1	-	-	(56)
SCP Jornalista Oswaldo Nobre	(19)	-	-	(1)	-	-	(20)
SCP Gioia dell Colle	(180)	-	-	(149)	-	-	(328)
SCP Manhattan Square	4,748	-	-	(782)	-	-	3,966
SCP Priorato Residences	1,410	-	-	(650)	-	-	760
SCP Holiday Inn	16,393	-	-	280	-	-	16,673
SCP Mayfair Offices	136	-	-	(109)	-	-	27
SCP Quintas do Morro	1,679	-	-	1,455	-	-	3,134
SCP Neuchatel	272	-	-	2	-	-	274
SPE MRV Galleria	(1,397)	-	-	(2,398)	-	-	(3,795)
SPE Jardinaves	11,208	-	-	15,403	-	-	26,611
SPE Jota Patrimar Engefor	(808)	-	-	228	-	-	(580)
SPE Colina Engefor Patrimar E. Imob Ltda.	(371)	-	-	(31)	-	-	(402)
SPE Patrimar Somattos Jardim das Mangabeiras	37,827	-	(5,548)	17,329	-	-	49,608
Antônio de Alb. SPE Ltda. (EPIC)	13,882	-	(8,480)	(2,518)	-	-	2,884
SPE DUO - Alameda do Morro	47,406	-	-	(12,579)	-	-	34,827
SPE Vale dos Cristais	206	-	-	(12)	(7)	-	187
SPE High Line	50,926	-	-	(20,067)	-	-	30,859
SPE 2300 Rio de Janeiro	13,941	-	(10,000)	9,322	-	-	13,263
SPE Le Terrace	36	-	-	2	-	-	38
SPE Golf I	(877)	-	-	34,338	-	-	33,461
SPE Golf II	30,014	-	-	39,804	-	-	69,818
SPE Das Americas 1	(204)	-	-	(119)	-	-	(323)
Vila Castela (Madson Square)	50	-	-	(1)	-	-	49
SPE Jardinaves II	3,627	-	-	8,503	-	-	12,130
Rua do Campo	(1,846)	-	-	1,774	-	-	(72)
Avenida de Ligação 2	26	-	-	(1)	-	-	25
Avenida Ligação 3 – LT 1ª (Buffet)	39	-	-	(170)	-	-	(131)
Jardinaves III	49	50	-	(1)	-	-	98
Jardinaves IV	50	-	-	(1)	-	-	49
SPE Rio 2 Ltda	(294)	-	-	6,839	-	-	6,545
SPE Fernandes Tourinho	2,712	-	-	(75)	-	-	2,637
SPE QD 25 Jardim Mangabeiras	-	50	-	(1)	-	-	49
SPE Guacui (Luxemburgo)	(5)	50	-	5,169	-	-	5,214
SPE Rua Espírito Santo (MG)	-	50	-	(169)	-	-	(119)
Tancredo Neves Emp. Imob	-	-	-	(10)	10	-	-
Patrimar Participações Ltda	-	50	-	(55)	-	-	(5)
SPE Acaba Mundo Empr. Imob Ltda	-	-	-	-	-	-	-
SPE Tomaz Gonzaga Empr. Imob Ltda	-	5	-	(1)	-	-	4
SPE Américas 2	-	50	-	(1)	-	-	49
SPE Marquês de Maricá	-	50	-	-	-	-	50-
	391,139	355	(24,028)	122,155	3	-	489,624
Jointly-controlled investees							
ALBA	2,806	-	(323)	(202)	(324)	-	2,605
SCP RJ 04	251	-	-	(86)	-	-	165
SPE Mirante do Ibituruna Ltda.	2,705	-	-	-	-	-	2,705
SCP Portal do Bosque	67	-	-	(4)	-	-	63
SCP Park Ritz	424	-	-	1	-	-	425
SCP Recanto das Águas	54	-	-	(12)	-	-	42
SCP MRV Belo Campo	68	99	-	(90)	-	-	77
SCP MRV Rec. Pássaros (Rouxinol)	339	87	(12)	(57)	-	-	357
SCP MRV Res. Beija Flor	186	9	(12)	(19)	-	-	164
SPE Padre Marinho	2,410	-	(440)	247	-	-	2,217
SCP Rívoli 1 e 2	130	228	-	(201)	-	-	157
SPE Acaba Mundo E. Imob Ltda.	814	-	-	-	-	-	814
SPE MRV Patrimar RJ Ix Ltda. (Andorinhas) 1 e 2	145	10	(2)	5	-	-	158
SPE Barbacena Empr Imobiliários S/A	7,016	-	(5,122)	553	-	-	2,447
SPE Patrimar Somattos Gasparini Ltda.	6,124	15	(73)	(40)	-	-	6,026
SPE Direcional Patrimar Maragogi Ltda.	42	-	-	-	-	-	42
SPE Avenida de Ligação	2,949	450	-	(2)	-	-	3,397
SPE Somattos Patrimar Quadra 40	256	3,510	-	(263)	-	-	3,503
	26,786	4,408	(5,984)	(170)	(324)	-	25,364

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Subsidiaries / associates							
SCP Safira (Decaminada 10)	(268)	-	-	(27)	-	-	(295)
SCP João XXIII	(77)	-	-	(44)	-	-	(121)
SCP Palo Alto	292	-	-	107	-	-	399
SCP Park Residences	114	-	-	27	-	-	141
SPE Novo Lar Greenport	(52)	-	-	(35)	-	-	(87)
SPE Axis 1 Porto Fino	184	-	(20)	(34)	-	-	130
Other investments	(974)	-	-	(1)	-	-	(973)
	(781)	-	(20)	(5)	-	-	(806)
	417,144	4,763	(30,032)	121,980	327	-	514,182

(c) Balances of investments in Consolidated (unconsolidated companies) at December 31, 2023.

Companies	Equity holding (%)		Profit (loss) for the period	Equity	Equity in the results of investees in the period	Investment and investees' net capital deficiency
	2023	2022	2023	2023	2023	2023
Alba	9%	9%	1,232	19,989	121	1,630
SCP Manchete	40%	40%	(2,613)	2,147	(1,003)	878
SCP MRV Belo Campo	50%	50%	(174)	156	(91)	78
SCP MRV Rec. Pássaros (Rouxinol)	40%	40%	(16)	902	(57)	356
SCP MRV Res. Beija Flor	40%	40%	(6)	419	(19)	163
SCP Pacuare	50%	50%	(315)	(675)	(157)	(337)
SCP Park Ritz	48%	48%	2	885	1	425
SCP Park Rossete	51%	51%	(15)	2,215	(8)	1,130
SCP Parque Araras	50%	50%	(214)	(67)	(159)	(34)
SCP Parque Bem Te Vi	50%	50%	(171)	8	(102)	4
SCP Parque Gaivotas	50%	50%	(370)	(167)	(233)	(84)
SCP Parque Sabia	50%	50%	(137)	(17)	(71)	(8)
SCP Portal do Bosque	50%	50%	(7)	127	(4)	64
SCP Reality e Renovare	51%	51%	(412)	(3,307)	(210)	(1,686)
SCP Recanto das Águas	51%	51%	(23)	83	(12)	42
SCP Recanto do Tingui	35%	35%	64	(298)	22	(104)
SCP Riviera da Costa e Sol	48%	48%	(1,028)	(2,892)	(493)	(1,388)
SCP Rívoli 1 e 2	40%	40%	(501)	391	(201)	157
SCP RJ 04	50%	50%	(171)	331	(86)	166
SCP Andorinhas	40%	40%	19	397	5	158
SPE Barbacena Empr Imobiliários S.A.	50%	50%	1,106	4,895	553	2,447
SPE Direcional Patrimar Maragogi Ltda.	50%	50%	(1)	93	-	42
SPE Mirante do Ibituruna Ltda.	34%	34%	(1)	8,013	-	2,704
SPE Padre Marinho	50%	50%	494	4,433	247	2,217
SPE Park Riversul	35%	35%	(107)	145	(48)	51
SPE Patrimar Somattos Gasparini Ltda.	50%	50%	(80)	12,051	(40)	6,026
SPE Recreio Bandeirantes	35%	35%	(300)	(1,765)	(140)	(618)
SPE Recreio Gaveas	35%	35%	(197)	(893)	(53)	(313)
SPE Recreio Pontal	35%	35%	(1,252)	(8,644)	(442)	(3,026)
SPE Avenida de Ligação	50%	50%	(4)	6,801	(2)	3,397
SPE Somattos Patrimar Quadra 40	50%	50%	(525)	7,006	(263)	3,503
SCP Gran Vic Santa Bárbara D'oeste	50%	50%	-	-	114	-
Patrimar Participações Ltda	100%	0%	(55)	(5)	(54)	-
Other			-	-	-	845
			(5,778)	52,757	(2,885)	18,856

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- (d) At December 31, 2023, the balances of asset and liability accounts, net revenue and profit of unconsolidated entities were as follows:

	Current assets	Non- current assets	Current liabilities	Non- current liabilities	Equity	Profit (Loss)	Net revenue
Companies	2023	2023	2023	2023	2023	2023	2023
Alba	20,938	-	949	-	19,989	1,232	1,252
SCP Manchete	353	2,497	45	658	2,147	(2,613)	16
SCP MRV Belo Campo	104	89	3	34	156	(174)	7
SCP MRV Rec. Passaros (Rouxinol)	465	463	18	8	902	(16)	(33)
SCP MRV Res. Beija Flor	426	43	17	33	419	(6)	(45)
SCP Pacuare	4	(374)	5	300	(675)	(315)	-
SCP Park Ritz	1,130	(77)	143	25	885	2	3
SCP Park Rossete	2,493	(100)	156	22	2,215	(15)	23
SCP Parque Araras	107	7	29	152	(67)	(214)	-
SCP Parque Bem Te Vi	106	(10)	27	61	8	(171)	-
SCP Parque Gaivotas	102	4	31	242	(167)	(370)	-
SCP Parque Sabia	75	11	37	66	(17)	(137)	-
SCP Portal do Bosque	12	116	1	-	127	(7)	-
SCP Reality e Renovare	351	(2,667)	(11)	1,002	(3,307)	(412)	177
SCP Recanto das Águas	90	8	5	10	83	(23)	(7)
SCP Recanto do Tingui	(181)	(188)	(71)	-	(298)	64	55
SCP Riviera da Costa e Sol	474	(2,361)	(19)	1,024	(2,892)	(1,028)	56
SCP Rívoli 1 e 2	189	280	4	74	391	(501)	1
SCP RJ 04	791	(271)	48	141	331	(171)	-
SCP Andorinhas	388	22	12	1	397	19	(13)
SPE Barbacena Empr Imobiliários S.A.	6,330	82	1,518	(1)	4,895	1,106	2,685
SPE Direcional Patrimar Maragogi Ltda.	51	52	10	-	93	(1)	4
SPE Mirante do Ibituruna Ltda.	8,023	(8)	2	-	8,013	(1)	-
SPE Padre Marinho	5,162	-	724	5	4,433	494	1,010
SPE Park Riversul	85	134	(7)	81	145	(107)	(10)
SPE Patrimar Somattos Gasparini Ltda.	12,101	-	50	-	12,051	(80)	-
SPE Recreio Bandeirantes	109	75	1,949	-	(1,765)	(300)	(4)
SPE Recreio Gaveas	1,007	192	2,057	35	(893)	(197)	88
SPE Recreio Pontal	401	268	8,170	1,143	(8,644)	(1,252)	4
SPE Avenida de Ligação empreendimentos	6,976	-	50	125	6,801	(4)	7
SPE Somattos Patrimar Quadra 40	7,342	(1)	335	-	7,006	(525)	38
Patrimar Participações Ltda	-	(5)	-	-	(5)	(55)	-
	<u>76,004</u>	<u>(1,719)</u>	<u>16,287</u>	<u>5,241</u>	<u>52,757</u>	<u>(5,778)</u>	<u>5,314</u>

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13 Property and equipment

Property and equipment items are depreciated as below:

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

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

The balances of property and equipment at December 31, 2023 were as follows:

	Parent company					Consolidated				
	Balance at 2022	Additio ns	Write- offs	Transfe rs	Balance at 2023	Balance at 2022	Additio ns	Write- offs	Transfers	Balance at 2023
Cost										
Leasehold improvements	8,105	628	-	-	8,733	8,105	628	-	-	8,733
Machinery and equipment	10,153	198	-	-	10,351	12,124	428	-	-	12,552
Vehicles	1,077	-	(416)	-	661	1,077	-	(416)	-	661
Furniture and fittings	2,573	88	-	-	2,661	2,722	263	-	1,073	4,056
Sales stands and model apartments	-	-	-	-	-	22,690	7,204	(7,022)	21,423	44,295
IT equipment	1,885	491	-	-	2,376	1,914	799	-	-	2,713
Construction in progress	-	774	-	-	774	9,868	30,564	(1,618)	(22,496)	16,319
Total cost	23,793	2,179	(416)	-	25,556	58,500	39,885	(9,056)	-	89,329

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Depreciation									
Leasehold improvements	(6,473)	(285)	-	-	(6,758)	(6,473)	(285)	-	(6,758)
Machinery and equipment	(4,286)	(1,745)	-	-	(6,031)	(5,095)	(2,169)	-	(7,264)
Vehicles	(750)	(108)	416	-	(442)	(750)	(108)	416	(442)
Furniture and fittings	(1,077)	(278)	-	-	(1,355)	(1,077)	(485)	-	(1,562)
Sales stands and model apartments	-	-	-	-	-	(8,404)	(16,037)	2,321	(22,120)
IT equipment	(587)	(402)	-	-	(989)	(607)	(460)	-	(1,067)
Total depreciation	(13,173)	(2,818)	416	-	(15,575)	(22,406)	(19,544)	2,737	(39,213)
Total property and equipment, net	10,620	(639)	-	-	9,981	36,094	20,341	(6,319)	50,116

14 Intangible assets

The balances of intangible assets at December 31, 2023 were as follows:

	Parent company					Consolidated				
	Balance at 2022	Additions	Write-offs	Transfers	Balance at 2023	Balance at 2022	Additions	Write-offs	Transfers	Balance at 2023
Cost										
Computer software license	14,008	181	-	2,960	17,149	14,653	181	-	2,960	17,794
Software under development	3,756	2,231	-	(2,960)	3,027	3,756	2,231	-	(2,960)	3,027
Total cost	17,764	2,412	-	-	20,176	18,409	2,412	-	-	20,821
Amortization										
Computer software license	(8,621)	(3,307)	-	-	(11,928)	(9,089)	(3,413)	-	-	(12,502)
Total amortization	(8,621)	(3,307)	-	-	(11,928)	(9,089)	(3,413)	-	-	(12,502)
Total intangible assets, net	9,143	(895)	-	-	8,248	9,320	(1,001)	-	-	8,319

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



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15 Borrowings and debentures

Type	Maturity of principal	Effective rate p.a	2023	2022
Individual				
Debenture – 1 th Issue (CRI)	03/25	CDI +2.99%	50,145	80,310
Debenture - 2 th Issue	05/25	CDI +2.39%	37,991	50,787
Debenture - 3 th Issue (CRI)	07/27	CDI +2.00%	150,387	150,615
Debenture - 4 th Issue (CRI)	10/28	CDI +2.00%	204,420	-
Work Capital	01/27	CDI +3.00%	40,292	-
(-) Funding Cost			(5,980)	(5,046)
Total Individual			477,255	276,666
Current total			70,255	43,820
Non-current total			407,000	232,846
Type	Maturity of principal	Effective rate p.a	2023	2022
Subsidiaries:				
Construction financing	07/24 a 02/28	TR + 7.5% a 9.91%	267,016	81,313
Construction financing	07/24 a 05/27	Poupança + 3.55 % a 5.00%	58,605	95,690
Total Subsidiaries			325,621	177,003
Current total			94,188	49,655
Non-current total			231,433	127,348
Total Consolidated			802,876	453,669
Current total			164,443	93,475
Non-current total			638,433	360,194

(a) Covenants

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



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

In the debenture deed related to the 4th issuance, approved by the Board of Directors on September 29, 2023, as described below, the Covenant was amended to exclude construction financing balances from Net Debt. This new Covenant clause will come into effect once the Company's 3rd issuance has been fully settled.

(b) Changes

Changes in borrowings in the year was as follows:

	Parent company		Consolidated	
	2023	2022	2023	2022
Opening balance	276,666	180,071	453,669	267,650
Releases	270,060	150,000	620,335	326,412
Provision for interest payable	48,805	33,371	74,699	45,292
Repayments - interest	(46,589)	(10,329)	(67,396)	(20,761)
Repayments - principal	(70,753)	(67,248)	(277,497)	(155,725)
Funding costs	(934)	(9,199)	(934)	(9,199)
Closing balance	477,255	276,666	802,876	453,669

(c) Types

- (i) **Construction financing:** This type of borrowing is designed to fund projects during the construction period. These financing arrangements are secured by real estate development/ideal fraction of future units to which it is related.
- (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.



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

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

On June 20, 2022, the Company's Board of Directors approved the 3rd placement of simple unsecured debentures, not convertible into shares, in a single series, for private placement by the Company, in the total amount of up to R\$ 150 million, provided that the Debentures are linked to the issuance of 150,000 certificates of real estate receivables ("CRI") from the single series of the 38th issue of VIRGO Companhia de securitização ("Securitizadora", to be distributed through a public offering with restricted distribution efforts, under the firm placement guarantee regime, pursuant to CVM Instruction No. 476, of January 16, 2009, as amended. The effective settlement of this issue took place on July 29, 2022, in the total amount of R\$ 150 million.

On September 29, 2023, the Board of Directors of the Company approved the fourth issuance of simple debentures, non-convertible into shares, in a single series, of the unsecured type, for private placement ("Debentures"), by the Company, in the total amount of R\$ 200 million, which will be fully subscribed privately by VIRGO ("Securitizer"). Up to 200,000 (two hundred thousand) Debentures were issued with a unit value of R\$ 1,000. The CRIs were part of the single series of the 121st issuance of the Securitizer, distributed through a public offering, under the mixed placement regime, in accordance with CVM Resolution No. 160, of July 13, 2022.

- (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\$40,000.00 ('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.



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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.

(d) Maturities

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

	Parent company		Consolidated	
	2023	2022	2023	2022
2023	-	-	-	49,654
2024	-	-	94,188	115,536
2025	-	-	63,416	11,813
2026	-	-	162,065	-
2027	-	-	4,082	-
2028	-	-	1,870	-
	-	-	325,621	177,003

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

	Parent company		Consolidated	
	2023	2022	2023	2022
2023	-	43,822	-	43,822
2024	70,255	64,542	70,255	64,542
2025	57,581	57,347	57,581	57,347
2026	136,930	70,077	136,930	70,077
2027	146,031	40,878	146,031	40,878
2028	66,458	-	66,458	-
	477,255	276,666	477,255	276,666



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16 Leases

	<u>Parent company</u>		<u>Consolidated</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Leases	1,334	3,272	5,239	6,652
	<u>1,334</u>	<u>3,272</u>	<u>5,239</u>	<u>6,652</u>
Current liabilities	1,089	2,041	3,540	4,894
Non-current liabilities	245	1,231	1,699	1,758

Changes in leases were as follows:

	<u>Parent company</u>		<u>Consolidated</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Opening balance	3,272	4,779	6,652	5,236
Leases	123	416	4,407	4,378
Termination of lease contract	-	-	-	(105)
Repayments - lease - principal	(2,061)	(1,923)	(5,820)	(2,857)
Repayments - lease - interest	(76)	89	(306)	115
Financial charges - lease	76	(89)	306	(115)
Closing balance	<u>1,334</u>	<u>3,272</u>	<u>5,239</u>	<u>6,652</u>

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

	<u>Parent company</u>		<u>Consolidated</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
2023	-	2,041	-	4,894
2024	1,088	1,026	3,540	1,553
2025	149	108	610	108
2026	97	97	483	97
2027	-	-	420	-
2028	-	-	186	-
	<u>1,334</u>	<u>3,272</u>	<u>5,239</u>	<u>6,652</u>



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Leases:

Rental agreement related to administrative facilities (warehouse, headquarters, offices), with a remaining term of 2 to 34 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 19months discounted to present value at an annual rate of 13.12%.

Rental agreement related to commercial spaces (stores and sales stand), with a remaining period of 10 to 53 months, discounted to present value at rates between 4.42% and 8.91% p.a.

Lease agreement related to heavy equipment, with a remaining term of 1 to 17 months, discounted to present value at rates 7.39% p.a.

17 Trade payables

	Parent company		Consolidated	
	2023	2022	2023	2022
Trade payables	2,499	1,601	117,304	51,606
Technical retentions	168	228	13,446	9,313
	<u>2,667</u>	<u>1,829</u>	<u>130,750</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.

Several transactions were conducted by suppliers of the Group in which they assigned receivables to financial institutions. These operations are maintained in their original conditions and economic substance of the transactions carried out by the Group with the respective suppliers. As of December 31, 2023, the consolidated balance held in these types of operations is presented under the suppliers' item and amounts to R\$17,763 (as of December 31, 2022, there was no balance).

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:



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	Parent company		Consolidated	
	2023	2022	2023	2022
Taxes payable				
National Institute for Social Security (INSS)	17	140	1,229	2,229
Services Tax (ISS)	156	139	1,071	731
Social Integration Program (PIS)	-	-	-	90
Other taxes withheld	744	479	4,135	2,509
Total Taxes payable	917	758	6,435	5,559
Current taxes with deferred payment - Current				
Special Taxation Regime (RET)	28	55	11,965	20,395
IRPJ	-	-	628	-
Social Contribution on Revenues (COFINS)	220	-	430	82
Social Contribution on Net Income (CSLL)	-	-	489	473
Social Integration Program (PIS)	57	-	240	184
	305	55	13,752	21,134
Total Current	1,222	813	20,187	26,693
Current taxes with deferred payment – Non-Current				
Special Taxation Regime (RET)	-	68	20,472	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	20,472	5,089
	1,222	1,202	40,659	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	
	2023	2022	2023	2022
Opening balance	800	800	46,691	67,943
Additions	-	-	98,928	23,167
Payments	-	-	(70,281)	(23,325)
Others reductions	(800)	-	(20,379)	(21,094)
Closing balance	-	800	54,959	46,691



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	Parent company		Consolidated	
	2023	2022	2023	2022
Incorporated lands	-	800	28,376	35,591
Financial compensation	-	800	46	8,346
Financial exchange	-	-	28,330	27,245
Unincorporated lands	-	-	26,583	11,100
Financial compensation	-	-	26,583	11,100
Financial exchange	-	-	-	-
	-	800	54,959	46,691
Current liabilities	-	800	27,650	35,774
Non-current liabilities	-	-	27,309	10,917

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

Financial compensation	
Parent company	Consolidated
2023	-
2024	11,046
2025	11,000
2026	4,583
	26,629
Financial exchange	
Parent company	Consolidated
2023	-
2024	16,319
2025	7,395
2026	3,348
2027	1,268
	28,330



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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	
	2023	2022	2023	2022
Advances from customers and barter transactions for construction in progress	-	-	399,527	421,724
Advances related to customized units	-	-	-	22,356
Advance from Customers - Other Transaction	12,400	-	-	-
Barter transactions for land - developments not launched	55	313	24,446	43,020
	<u>12,455</u>	<u>313</u>	<u>423,973</u>	<u>487,100</u>
Current liabilities	12,455	313	247,098	202,973
Non-current liabilities	-	-	176,875	284,127

21 Provision for contingencies and judicial deposits

Provision for contingencies

	Parent company		Consolidated	
	2023	2022	2023	2022
Civil	157	200	3,513	2,661
Tax	2,500	1,427	3,357	1,427
Labor	223	-	2,080	628
	<u>2,880</u>	<u>1,627</u>	<u>8,950</u>	<u>4,716</u>

Judicial deposits

	Parent company		Consolidated	
	2023	2022	2023	2022
Civil	-	14	138	793
Tax	-	-	170	170
Labor	83	360	449	671
	<u>83</u>	<u>374</u>	<u>757</u>	<u>1,634</u>



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Changes in the 12-month period ended December 31, 2023:

Contingencies

	<u>Parent company</u>	<u>Consolidated</u>
Opening balance	1,627	4,716
Additions	1,273	10,050
Write-offs	(152)	(6,455)
Update	132	639
Closing balance	<u>2,880</u>	<u>8,950</u>

Judicial deposits

	<u>Parent company</u>	<u>Consolidated</u>
Opening balance		
Additions	374	1,634
Write-offs	94	683
Closing balance	<u>(385)</u>	<u>(1,560)</u>
	<u>83</u>	<u>757</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.

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\$ 3,870 (labor claims), R\$ 8,389 (tax claims) and R\$ 20,417 (civil claims), totaling R\$ 32,676 (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 December 31, 2023 and 2022.

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.



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

	Parent company		Consolidated	
	2023	2022	2023	2022
Provision for real estate maintenance	1,524	656	22,302	15,926
	<u>1,524</u>	<u>656</u>	<u>22,302</u>	<u>15,926</u>
Current liabilities	1,406	186	2,696	1,561
Non-current liabilities	118	470	19,606	14,365

	Parent company		Consolidated	
	2023	2022	2023	2022
Opening balance	656	1,352	15,926	12,783
Additions	2,239	229	17,208	6,436
Write-offs	(51)	(412)	(3,865)	(1,466)
Payments related to warranties	(1,320)	(513)	(6,967)	(1,827)
Closing balance	<u>1,524</u>	<u>656</u>	<u>22,302</u>	<u>15,926</u>

23 Equity

(a) Capital

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

At December 31, 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
	<u>100%</u>	<u>56,026</u>



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(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. The legal reserve established for the fiscal year 2023 amounted to R\$ 2,582.

(c) Legal reserve

The composition of retained earnings as of December 31, 2023, is as follows: legal reserve R\$ 10,997 and retention reserve R\$ 132,061, totaling R\$ 143,058 (as of December 31, 2022, legal reserve R\$ 8,415 and retention reserve R\$ 89,939, totaling R\$ 98,354).

(d) Profit distribution policy

The Company's bylaws establish that 25% of the profit, after deducting the portion transferred to the legal reserve, will be distributed as 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 ended on December 31, 2022, plus extraordinary dividends in the amount of R\$ 6,940.

(e) Distribution of mandatory minimum dividends

On December 22, 2023, an Extraordinary General Meeting was held, which the Shareholders unanimously approved, in accordance with the provision contained in paragraph 3 of article 202 of Law No. 6,404/1976 ("Corporations Law"), that the Company will not distribute to Shareholders the minimum mandatory dividends for the fiscal year ending on December 31, 2023.

It is hereby requested that the Shareholders, at the Company's Annual General Meeting, to be held in the first four months of 2024, resolve otherwise.



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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:

	<u>2023</u>	<u>2022</u>
Basic and diluted earnings per share:		
Profit for the year	51,643	32,249
Weighted average number of shares (in thousands)	<u>56,026</u>	<u>56,026</u>
Basic and diluted earnings per share - R\$	<u>0.921786</u>	<u>0.575607</u>

25 Net operating revenue

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

	<u>Parent company</u>		<u>Consolidated</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Gross revenue from the sales of properties	2,559	8,127	1,409,200	878,880
Service revenue	7,447	7,265	6,499	8,570
Canceled sales	(1,641)	(41)	(55,998)	(49,888)
Changes in the provision for canceled sales	-	-	(2,921)	(3,109)
Provision (reversal) for contract terminations	-	-	(159)	(262)
Present value adjustment (i)	7	2	25,126	11,735
Taxes on billings	<u>(447)</u>	<u>(831)</u>	<u>(26,248)</u>	<u>(16,508)</u>
Net operating revenue	<u>7,925</u>	<u>14,522</u>	<u>1,355,499</u>	<u>829,418</u>

- (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.



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26 Costs and expenses by nature

	Parent company		Consolidated	
	2023	2022	2023	2022
Cost of properties sold				
Materials	-	(739)	(316,399)	(180,886)
Land	(309)	(889)	(272,658)	(191,793)
Completed units	(33)	(1,741)	(52,425)	(12,152)
Personnel expenses	-	(249)	(67,171)	(43,644)
Subcontractors	-	(1,101)	(274,009)	(140,057)
Housing loan costs	-	(161)	(26,312)	(12,527)
Other	-	(357)	(54,125)	(38,785)
	(342)	(5,237)	(1,063,099)	(619,844)
	Parent company		Consolidated	
	2023	2022	2023	2022
General and administrative expenses				
Personnel expenses	(36,950)	(14,450)	(37,147)	(31,327)
Administrative general expenses	(8,153)	(1,628)	(9,884)	(4,710)
Depreciation and amortization	(6,648)	(3,297)	(6,517)	(7,180)
Outsourced services	26,063	(3,716)	(13,183)	(8,578)
	(25,688)	(23,091)	(66,731)	(51,795)
	Parent company		Consolidated	
	2022	2021	2022	2021
Selling expenses				
Personnel expenses	(5,853)	(5,765)	(6,158)	(6,104)
Commissions and brokerage	(2)	(191)	(29,937)	(20,919)
Sales stands/model apartments	90	(26)	(17,630)	(8,813)
Advertising	(1,002)	(1,303)	(28,792)	(22,600)
Other selling expenses	(2,191)	(1,496)	(14,924)	(10,083)
	(8,958)	(8,781)	(97,441)	(68,519)
	Parent company		Consolidated	
	2023	2022	2023	2022
Other operating income (expenses), net				
Real estate financing expenses	(5)	(11)	(21)	(7)
Tax expenses	(212)	(520)	(359)	(687)
Provision for contingencies	(1,294)	(524)	(11,477)	(3,710)
Potential losses	(339)	(355)	(768)	(601)
Investment gain	-	-	(237)	-
Gain on contract termination	150	40	1,886	1,521
Loss on fixed assets	1,404	(394)	108	(876)
Other operating income and expenses*	3,139	2,354	1,941	2,509
	2,843	590	(8,927)	(1,851)

*The most significant values refer to revenue from commissions on ventures with partners.



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27 Management fees

Management compensation for the years ended December 31, 2023 and 2022 is shown below:

	2023	2022
Management fees	5,738	5,983
Welfare benefits	596	527
Charges	1,148	1,117

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.

28 Finance income (costs) net

	Parent company		Consolidated	
	2023	2022	2023	2022
Finance income				
Contractual indexation and interest accruals	(480)	368	3,356	3,573
Interest on financial investments	5,107	6,508	45,741	39,588
Other finance income	22	595	719	1,491
	<u>4,649</u>	<u>7,471</u>	<u>49,816</u>	<u>44,652</u>
Finance costs				
Interest on borrowings	(48,852)	(33,420)	(49,520)	(34,218)
Bank fees and charges	(1,912)	(1,265)	(5,793)	(1,744)
Financing expenses	-	-	-	-
Other finance costs	(7)	(12)	4	(151)
	<u>(50,771)</u>	<u>(34,697)</u>	<u>(55,309)</u>	<u>(36,113)</u>
	<u>(46,122)</u>	<u>(27,226)</u>	<u>(5,493)</u>	<u>(8,539)</u>



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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		Consolidated	
	2023	2022	2023	2022
Profit before IRPJ and CSLL	51,638	32,416	110,923	91,983
ate - 34%	(17,557)	(11,026)	(37,714)	(31,279)
Effect on exclusions (equity accounting)	(41,473)	(27,757)	981	1,348
Segregated asset structure (RET)	-	(343)	(37,273)	(11,445)
Unrecognized tax losses (RET)	59,035	38,959	42,595	21,939
IRPJ and CSLL expenses	<u>5</u>	<u>(167)</u>	<u>(31,411)</u>	<u>(19,437)</u>
Effective rate	0%	1%	28%	21%

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.



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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:	
Revenue from contracted sales	3,767,894
Revenue from recognized sales	349,155
Canceled sales - reversed revenue	<u>(2,694,708)</u>
	83,252
Revenue from recognized sales, net	<u>(2,611,456)</u>
Deferred revenue	<u><u>1,505,593</u></u>
(ii) Budgeted deferred cost of units sold	
Developments under construction:	
Budgeted costs	2,872,888
Construction costs incurred	<u>(1,821,545)</u>
Accrued financial charges	<u>37,343</u>
	<u>1.051.343</u>
Deferred costs of units sold	<u><u>1.051.343</u></u>
Driver CI/CO (without financial costs)	<u>65%</u>
(iii) Budgeted deferred costs of units in inventory	
Developments under construction:	
Budgeted costs	855,320
Incurred costs	<u>(333,847)</u>
Accrued financial charges	<u>2,930</u>
Deferred costs of units in inventory	<u><u>521,473</u></u>

31 Commitments



**Notes to the financial statements
at December 31, 2023**

All amounts in thousands of reais unless otherwise stated

(a) Commitments for purchase of land

The Group has undertaken commitments for purchases of land, which have not yet been reflected in the accounting records, as there are matters pending resolution by the sellers before the formalization of the deed and transfer of the related property title to the Company, its subsidiaries or partners. These commitments total R\$ 914,195 (R\$ 1,574,743 at December 31, 2022) of which: R\$ 870,291 (R\$ 1,490,143 at December 31, 2022) relate to exchanges for real estate units to be constructed and/or to the share of the proceeds from the sale of the related developments, and R\$ 43,904 (R\$ 84,599 at December 31, 2022) relate to balancing payments.

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

(b) Lease commitments

At December 31, 2023, commitments related to the lease of large items of equipment and real estate totaled R\$ 1,335 (R\$ 3,272 in 2022) in the Parent company and R\$ 5,239 (R\$ 6,652 in 2022) in the Consolidated, related to rental of large equipment and real estate.

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 December 31, 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).

At December 31, 2023, the insurance coverage was as follows:



**Notes to the financial statements
at December 31, 2023**

All amounts in thousands of reais unless otherwise stated

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.	110,620
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	2,007,393
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.	-
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 impact, loss of rent, among many others. Moreover, they may include coverages for civil liability (family, trustee and/or condominium, material damage to third-party vehicles), medical/hospital/dental expenses for individuals, etc.	19,400
Equipment Insurance	It guarantees compensation for losses directly resulting from the occurrence of risks related to machinery, equipment, and implements, whether fixed or mobile, used for non-agricultural purposes.	1,500
Judicial Bond Insurance	"Judicial Bond Insurance" is a type of insurance that has emerged as an alternative to judicial deposits and asset seizures in legal proceedings. Judicial Bond Insurance has been widely accepted in the judicial sphere, either as a new form of collateral in the process or as a replacement for other forms of security provided.	17,232
Fire Insurance	Covers losses caused by fire	22,540
Vehicle Insurance	It ensures compensation for damages caused to the vehicle.	-
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
Surety Bond Insurance	"Contractual Surety Insurance" is designed to provide security to companies and public bodies regarding contract compliance, by compensating for non-compliance with agreements (contractual obligations) in various forms.	496,467



**Notes to the financial statements
at December 31, 2023**

All amounts in thousands of reais unless otherwise stated

	<u>Parent company</u>		<u>Consolidated</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Investing activities				
Transfers of property and equipment - Leases as per IFRS 16	(1,570)	(1,484)	(1,524)	1,427
Capitalized interest	-	(161)	1,630	100

* * *

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 December 31, 2023.

Belo Horizonte, March 5, 2024.

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 March 5, 2024, on the parent company and consolidated financial statements for the year ended December 31, 2023.

Belo Horizonte, March 5, 2024.

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
Accountant