



Belo Horizonte, March 13th, 2023 - A **Direcional Engenharia S.A** one of the largest homebuilders and real estate development companies in Brazil, focused on the development of low-income and medium-income projects, and operating in several regions of the Brazilian Territory, discloses here its operating and financial statements for the fourth quarter of 2022 (4Q22). Unless otherwise expressed, the information in this document is expressed in the national currency (Brazilian Reais - R\$ or BRL) and the Potential Sales Value (PSV) demonstrates the value consolidated (100%). The Company's consolidated financial statements are prepared in accordance with accounting practices adopted in Brazil, which are based on Brazilian Corporate Law and on the regulations issued by the Brazilian Securities Commission (CVM).

4Q22 AND 2022 EARNINGS RELEASE

- ✓ **ADJUSTED GROSS MARGIN¹ OF 36.3% IN 4Q22, A 1.3 P.P. INCREASE VERSUS 3Q22**
- ✓ **IN 2022, ADJUSTED GROSS MARGIN¹ OF 35.6%**
- ✓ **RECURRING NET INCOME² OF BRL 206 MILLION IN 2022, A 24% GROWTH VERSUS 2021**
- ✓ **BRL 174 MILLION IN DIVIDEND DISTRIBUTION THROUGHOUT 2022, A DIVIDEND YIELD³ OF 10% IN THE PERIOD**

HIGHLIGHTS

- **Record-high Launches in 2022: BRL 3.6 billion, growing 16% versus 2021.**
- **Best year in Net Sales in Company's history: BRL 3.0 billion, a 23% growth when compared to the previous year.**
- **Net Revenue totaled BRL 2.2 billion in 2022, 22% above 2021.**
- **In 2022, Adjusted EBITDA⁴ of BRL 437 million, a 16% increase in relation to 2021.**
- **Net Income of BRL 77 million in 4Q22, best quarterly result in Company's history.**
- **Cash Generation of BRL 98 million in 4Q22 and of BRL 78 million in 2022.**

RIVA

- **Riva's Launches reached BRL 1.4 billion in 2022, 8% above the PSV launched in 2021.**
- **2022 Riva's Net Sales came in at BRL 940 million, a 21% growth over 2021.**

1 - Adjustment excluding capitalized interest for financing of production.

2 - Adjustment excluding non-recurring result under "Other Operational Revenues and Expenses" and "Financial Results" lines.

3 - Considering the quotation on 12/30/2021.

4 - Adjustment excluding non-recurring result under "Other Operational Revenues and Expenses" line.



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MESSAGE FROM THE BOARD

We are pleased to present the results for the fourth quarter and year of 2022. We ended 2022 with the confidence necessary to begin 2023 at a fast pace and with an optimistic view of the objectives we set for the year.

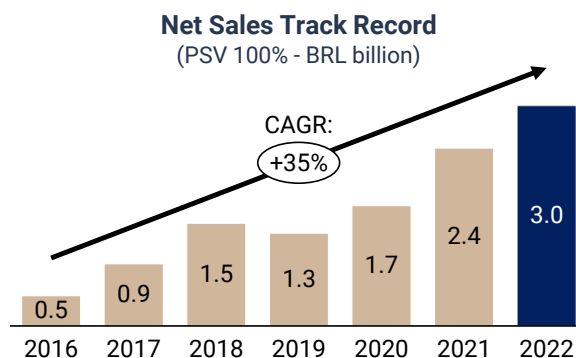
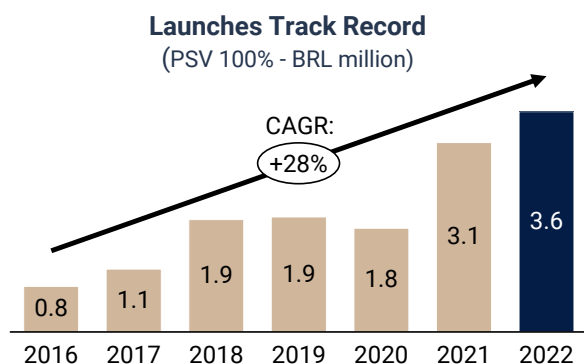
Considering the perspectives for the low-income household market, and, more specifically, the *Programa Minha Casa, Minha Vida*, we have new scenarios for the year to come and, with them, new possibilities for us to enjoy the opportunities ahead. With some improvements in the government's housing program – which, as of 2023, will be called *Minha Casa, Minha Vida* again – still to be implemented, in addition to new announcements that should affect the civil construction industry, we believe we are well-positioned to have another year of achievements.

In the closing of 2021, we reported that we managed to turn such a complex period in the best year of our history so far. Today, exactly one year later, despite all the new local and global challenges, we are very proud to affirm that we went beyond in 2022, and surpassed all the main figures we had achieved in the previous year.

Potential Sales Value (PSV) of Launches totaled R\$ 3.6 billion in 2022, 16% above the results of 2021. This is the highest number reported by Direcional Group since its foundation. The figure represents over 14.5k units distributed in all markets we operate.

Likewise, the Company had its biggest net sales volume in history: R\$ 3.0 billion, representing a growth rate of 23% in comparison with the previous year. Both Direcional and Riva brands were successful, with both reporting a two-digit growth. That translates into over 13,000 low-income and middle-income families that purchased a property relying on the assertiveness and quality of our products.

Continuous improvement and successful operations have dictated our performance year after year, as we can see in the graph below. The evolution of launches and sales shows the significant compound annual growth rate we had in the reported period: +28% per year in terms of PSV launched and +35% per year in terms of net contracted PSV between 2016 and 2022.



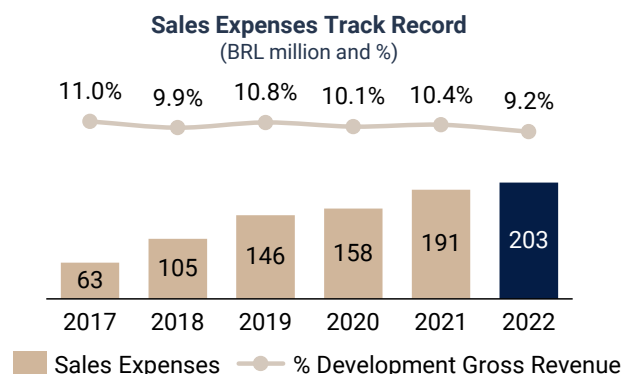
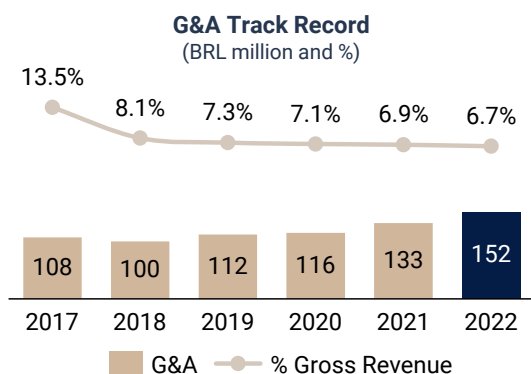
Over the 4Q22, we had two significant events in Brazil: (i) the Brazilian presidential election, which opposed two candidates from opposite sides of the political spectrum; and (ii) the men's World Cup, which mobilizes a significant part of the Brazilian population. In that scenario, we identified that these two events, as they took place in the same quarter, influenced the dynamics of the consumer market, and, consequently, affected our sales and revenue performance. In that sense, Gross Revenue totaled R\$ 569 million in 4Q22, with R\$ 534 million in Net Revenue, meaning a decrease rate of 6% and 7% when compared to 3Q22, respectively. Despite that, in 2022, we had the best figures in Gross and Net Revenue already registered in the Company's history: R\$ 2.3 billion in Net Gross Revenue and R\$ 2.2 billion in Net Revenue.

Direcional Group's Adjusted Gross Margin¹ remained at an extremely resilient level during the year, ending at 35.6%, even with the inflation that prevailed during most of the year, further aggravated with the events of the Ukraine war. The assertiveness of our strategy for construction works execution, control and planning resulted in an increased Adjusted Gross Margin¹ for the quarter. In 4Q22, the indicator went up and reached 36.3%, 130 bps above the margin reported in 3Q22.

General and Administrative Expenses totaled R\$ 152 million in 2022. Despite the nominal growth in the comparison with the results of 2021, we manage to dilute the ratio over the Gross Revenue to 6.7%. Likewise, Sales Expenses totaled R\$ 203 million



In 2002, presenting a nominal growth when compared to 2021; however, it had its ratio over the Development Backlog Revenue diluted to 9.2% in the period. In this way, we highlight the great work that has been done to make the operation more and more efficient, seeking to capture the scale gain that the Direcional Group business model allows, and growing revenue at a faster pace than the growth of the main expenses.



In 4Q22, there was a sale of equity interest in some SPEs, aiming to capture value for our shareholder, mainly via cash generation, with the reduction of cash employed in developments whose land had already been paid for in cash. Additionally, the cash generated allowed the distribution of dividends in an amount equivalent to R\$ 104 million during the quarter, maintaining Direcional as one of B3's best dividend payers, without affecting its growth capacity and maintaining a low leverage ratio. It is worth noting that the sale of Equity interest operation had a non-recurring impact on the result for the period, as described in the Other Operating Revenue and Expenses topic.

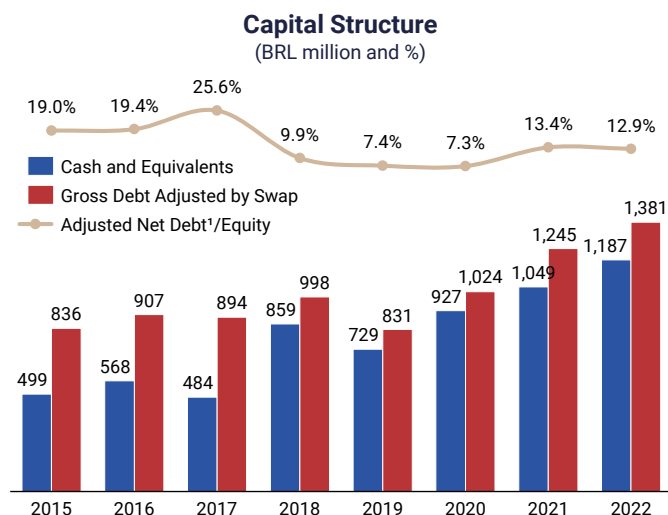
Direcional's Adjusted EBITDA² totaled R\$ 438 million in 2022, an amount 16% above the results we had in the previous year. It is the highest result achieved in this metric in our history. Adjusted EBITDA Margin² was at 20.2% in the period.

Therefore, we ended 2022 with R\$ 209 million in Net Income, representing a growth rate of 31% when compared to 2021. Net margin totaled 9.7% in the year, a gain of 70 bps over the margin reported in the previous year. Net Income totaled R\$ 77 million in 4Q22, 22% above 3Q22, and 73% above 4Q21, resulting in a Net Margin of 14.4%, an increment of 340 bps over the margin reported in the previous quarter and 530 bps over the margin reported in the same quarter of 2021.

It should be noted that Adjusted Net Income², disregarding the impacts considered non-recurring, totaled R\$ 53 million in the quarter, adjusted by the following non-recurring effects: (i) positive income of BRL 28 million in "Other Operational Revenue and Expenses" line, mainly affected by the income obtained from the sale of equity interest, as described above, and (ii) loss of BRL 5 million in "Financial Results" line, as mentioned in the specific topics below. In this context, **Adjusted Annualized ROE² reached 16% in 4Q22**. Considering also the adjustments with expenses with sale of receivables and swaps occurred in the other quarters of 2022, we had BRL 206 million in Adjusted Net Income², resulting in an Adjusted Net Margin² of 9.5% in 2022.

Our cash generation totaled R\$ 98 million in 4Q22. With that, we closed the year with R\$ 78 million. Associated to that, with the objective of maintaining our capital structure always comfortable for us to take advantage of market opportunities securely, we sought to maintain our net debt historically at conservative levels, as shown in the graph beside. In that sense, at the end of 2022, the Company's net debt totaled R\$ 202 million, with a leverage ratio (measured by the Adjusted Net Debt³ over Equity) of 12.9%.

A well-balanced capital structure and a vision always focused on the profitability of our shareholders allowed have historically made us one of the highlights of the Brazilian Stock Exchange when it comes to return of capital. In 4Q22, Direcional made the payment of interim dividends in the amount of R\$ 0.70 per share, totaling BRL





104 million. With the payment of R\$ 70 million made in June, we paid a total of R\$ 174 million in dividends in 2022.

Our operation in the civil construction industry, over four decades, has always followed the purpose of becoming a major agent of social transformation in our surroundings and the several regions where we operate. In 2022, we reaped the benefits of an initiative we have sown for a long time: the publication of our first Annual Sustainability Report. Prepared with the contribution of many workers and diverse departments within the Company, and under the GRI (*Global Reporting Initiative*) standard, the report presents a little about us, our actions, and our vision on the ESG agenda, always considering our commitment to transparency and direct communication with our *stakeholders*, which were essential for preparing the report. We are sure this is an agenda in continuous evolution and that we have a long way to go. We invite everyone to read our report and see the actions and highlights the Direcional Group had in 2021 in the matter of sustainability ([click here](#) e and check our Annual Report). We will keep up with energy and engagement in preparing the report of 2022.

We ended another year and we are sure we delivered very positive numbers, which reflect the good assertiveness of our decisions and evidence that we are in favorable conditions to explore new opportunities, always seeking to add value to our business. We would like to thank the workers who made their best to put the Direcional Group to the level we are, laying the groundwork so that we have an even better year in 2023.

Thank You,

The Management - Direcional Engenharia S/A

1 - Adjustment excluding capitalized interest for financing of production.

2 - Adjustment excluding non-recurring result under "Other Operational Revenues and Expenses" and "Financial Results" lines.

3 - Adjustment by the balance of interest swap operations contracts.



MAIN INDICATORS

	4Q22 (a)	3Q22 (b)	4Q21 (c)	Δ % (a/b)	Δ % (a/c)	2022 (d)	2021 (e)	Δ % (d/e)
Financial Indicators								
Net Revenue (BRL million)	534.0	574.4	487.0	-7.0%	9.7%	2,162.6	1,776.4	21.7%
Gross Profit (BRL million)	190.8	198.5	177.6	-3.9%	7.4%	761.7	647.1	17.7%
Gross Margin	35.7%	34.6%	36.5%	1.2 p.p.	-0.8 p.p.	35.2%	36.4%	-1.2 p.p.
Adjusted Gross Profit ¹ (BRL million)	193.6	201.0	178.9	-3.7%	8.2%	770.1	651.2	18.3%
Adjusted Gross Margin ¹	36.3%	35.0%	36.7%	1.3 p.p.	-0.5 p.p.	35.6%	36.7%	-1.0 p.p.
Adjusted EBITDA ^{1,2} (BRL million)	113.8	107.8	109.8	5.6%	3.7%	437.7	378.2	15.7%
Adjusted EBITDA Margin ^{1,2}	21.3%	18.8%	22.5%	2.5 p.p.	-1.2 p.p.	20.2%	21.3%	-1.1 p.p.
Adjusted Net Income ² (BRL million)	53.2	61.6	50.9	-13.6%	4.5%	205.6	165.9	23.9%
Adjusted Net Margin ²	10.0%	10.7%	10.5%	-0.8 p.p.	-0.5 p.p.	9.5%	9.3%	0.2 p.p.
Launches								
PSV Launched - 100% (BRL million)	1,057.7	1,189.1	693.4	-11.0%	52.5%	3,636.2	3,138.0	15.9%
Direcional (BRL million)	709.8	639.8	335.8	11.0%	111.4%	2,235.6	1,845.2	21.2%
Riva (BRL million)	347.9	549.3	357.6	-36.7%	-2.7%	1,400.6	1,292.8	8.3%
PSV Launched - % Company BRL million	896.1	966.7	633.8	-7.3%	41.4%	3,123.7	2,677.6	16.7%
Direcional (BRL million)	651.3	556.6	335.8	17.0%	94.0%	2,029.7	1,597.8	27.0%
Riva (BRL million)	244.8	410.1	298.0	-40.3%	-17.9%	1,094.0	1,079.8	1.3%
Launched Units	4,320	4,113	3,146	5.0%	37.3%	14,525	13,534	7.3%
Direcional	3,504	2,711	1,909	29.3%	83.6%	10,787	9,103	18.5%
Riva	816	1,402	1,237	-41.8%	-34.0%	3,738	4,431	-15.6%
Contracted Net Sales								
Net PSV Contracted - 100% (BRL million)	694.4	846.9	667.8	-18.0%	4.0%	2,998.9	2,439.9	22.9%
Direcional (BRL million)	489.3	520.1	423.4	-5.9%	15.6%	2,057.8	1,644.7	25.1%
Riva (BRL million)	206.7	326.0	239.2	-36.6%	-13.6%	939.6	776.1	21.1%
Old Harvest ³ (BRL million)	-1.6	0.7	5.2	-319.6%	-131.3%	1.5	19.1	-92.3%
Net PSV Contracted - % Co. (BRL million)	551.5	682.3	537.7	-19.2%	2.6%	2,416.0	2,017.3	19.8%
Direcional (BRL million)	397.6	450.0	358.6	-11.6%	10.9%	1,713.2	1,388.8	23.4%
Riva (BRL million)	153.9	232.3	175.9	-33.7%	-12.5%	701.4	615.2	14.0%
Old Harvest (BRL million)	0.0	0.1	3.1	-108.5%	-100.2%	1.4	13.2	-89.2%
Contracted Units	2,899	3,403	3,146	-14.8%	-7.9%	13,167	12,227	7.7%
Direcional	2,315	2,597	2,318	-10.9%	-0.1%	10,377	9,429	10.1%
Riva	586	804	813	-27.1%	-27.9%	2,786	2,742	1.6%
Old Harvest	-2	2	15	-200.0%	-113.3%	4	56	-92.9%
Consolidated Net Sales Speed - (% PSV)	15%	19%	17%	-4 p.p.	-3 p.p.	44%	43%	0 p.p.
Direcional VSO - (% PSV)	17%	19%	17%	-3 p.p.	0 p.p.	47%	44%	3 p.p.
Riva VSO - (% PSV)	12%	19%	19%	-7 p.p.	-7 p.p.	39%	43%	-5 p.p.
Old Harvest VSO - (% PSV)	-4%	2%	4%	-6 p.p.	-9 p.p.	1%	12%	-11 p.p.
Other Indicators								
Adjusted Annualized ROE ²	16%	18%	16%	11%	16%	16%	14%	9%
Cash and Cash Equivalents (BRL million)	1,187.4	1,179.8	959.1	1,060.3	1,049.2	934.8	946.6	975.0
Gross Debt (BRL million)	1,389.8	1,477.5	1,174.5	1,290.9	1,241.4	1,201.2	1,190.6	1,077.2
Adjusted Net Debt ⁴ (BRL million)	193.4	291.6	216.0	230.3	195.9	266.2	241.6	104.2
Total Shareholder's Equity (BRL million)	1,494.9	1,525.4	1,534.4	1,491.2	1,458.8	1,356.5	1,297.8	1,349.0
Cash Generation ⁵ (BRL million)	98.2	-5.6	19.9	-34.4	19.6	-22.7	-28.9	14.7
Adjusted Net Debt ⁴ / Equity	12.9%	19.1%	14.1%	15.4%	13.4%	19.6%	18.6%	7.7%
Inventory - 100 % (PSV - BRL '000)	4,203.0	3,693.2	3,266.0	3,310.4	3,257.2	3,178.0	2,721.7	2,556.0
Landbank - 100 % (PSV - BRL '000)	32,458.5	28,896.9	28,204.0	27,797.9	26,806.7	25,474.5	26,486.9	24,936.8
Landbank - Units	169.4	158.1	156.1	156.0	151.7	147.7	151.4	144.2

1 - Adjustment excluding capitalized interest for financing of production.

2 - Adjustment excluding non-recurring result under "Other Operational Revenues and Expenses" and "Financial Results" lines.

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

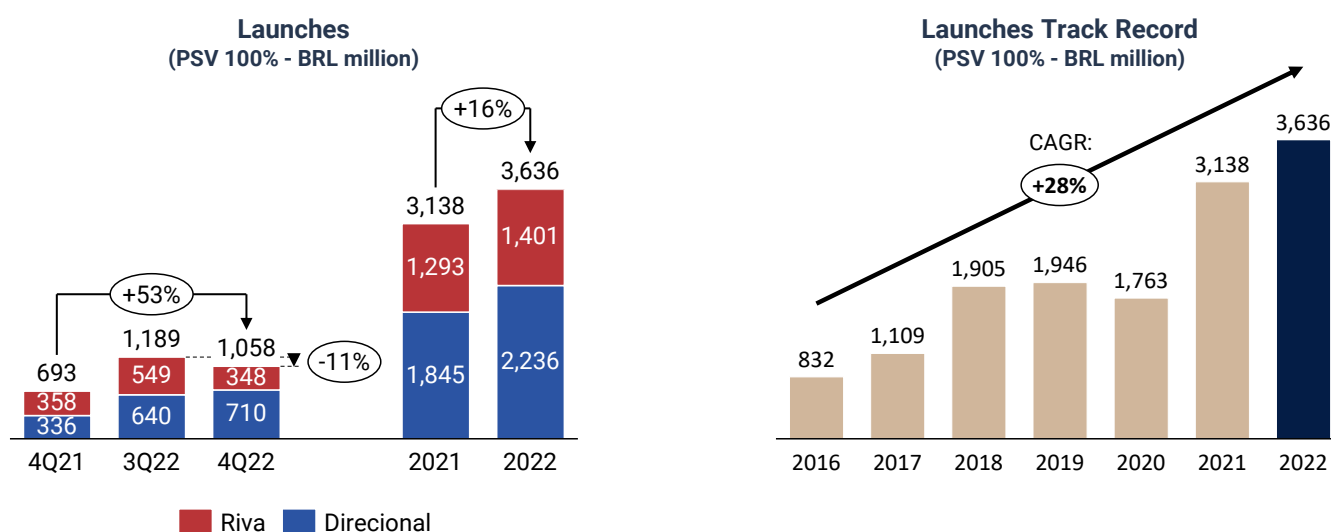
4 - Adjustment: balance of open positions in swap agreements.

5 - Cash Generation: net debt variation adjusted by payment of dividends, stock repurchase, and variation in the balance of interest swap operation agreements.

LAUNCHES

In 2022, the total PSV launched by the Company reached the mark of BRL 3.6 billion (BRL 3.1 billion % Company), a growth of 16% when compared to 2021. Thus, **Direcional reached the highest level in its history in this key metric.**

The Company launched 15 new projects in 4Q22, representing a PSV of BRL 1.1 billion (BRL 896 million % Company), 53% above the amount launched in 4Q21 and 11% below 3Q22. The representativeness of Direcional's products in the mix of launches reached 67%, while Riva's products represented 33% of total PSV.



The table below provides further information on projects launched in 4Q22 and 2022:

Lanches	4Q22 (a)	3Q22 (b)	4Q21 (c)	Δ % (a/b)	Δ % (a/c)	2022 (d)	2021 (e)	Δ % (d/e)
PSV Launched - 100% (BRL million)	1,057.7	1,189.1	693.4	-11.0%	52.5%	3,636.2	3,138.0	15.9%
Direcional	709.8	639.8	335.8	11.0%	111.4%	2,235.6	1,845.2	21.2%
Riva	347.9	549.3	357.6	-36.7%	-2.7%	1,400.6	1,292.8	8.3%
PSV Launched - % Company (BRL million)	896.1	966.7	633.8	-7.3%	41.4%	3,123.7	2,677.6	16.7%
Direcional	651.3	556.6	335.8	17.0%	94.0%	2,029.7	1,597.8	27.0%
Riva	244.8	410.1	298.0	-40.3%	-17.9%	1,094.0	1,079.8	1.3%
Launched Units	4,320	4,113	3,146	5.0%	37.3%	14,525	13,534	7.3%
Direcional	3,504	2,711	1,909	29.3%	83.6%	10,787	9,103	18.5%
Riva	816	1,402	1,237	-41.8%	-34.0%	3,738	4,431	-15.6%
Average % Company	84.7%	81.3%	91.4%	3 p.p.	-7 p.p.	85.9%	85.3%	1 p.p.

CONTRACTED SALES

In 2022, Contracted Net Sales totaled a PSV of BRL 3.0 billion (BRL 2.4 billion % Company), a 23% growth when compared to the net PSV contracted in 2021. Once again, **Direcional set its best year in terms of Net Sales in history.**

In 4Q22, Net Sales reached BRL 694 million (BRL 551 million % Company), representing a 4% increase over 4Q21 and an 18% decrease over 3Q22. It is worth noting that the Brazilian elections and the World Cup took place throughout the 4Q22. These events had a significant impact on sales in the period. Accordingly, the first half of the quarter presented smaller numbers when compared to the average of the rest of year. It was possible to observe a relevant increase in sales after those events, returning to normal levels. December was the best month of the quarter in terms of sales, even considering the seasonal effects of this month, which is usually impacted by the year-end holidays. It is worth highlighting, as an example, that considering only the period from December 15 on, sales totaled BRL 209 million. It is also important to point out that this important growth in sales volume after the end of the World Cup has been maintained in the months of January and February 2023.

Considering the sales mix in the period, the Direcional segment accounted for BRL 489 million (BRL 398 million % Company), equivalent to 70% of total sales, while Riva segment was responsible for BRL 207 million (BRL 154 million % Company), 30% of the PSV sold by the Group in 4Q22.

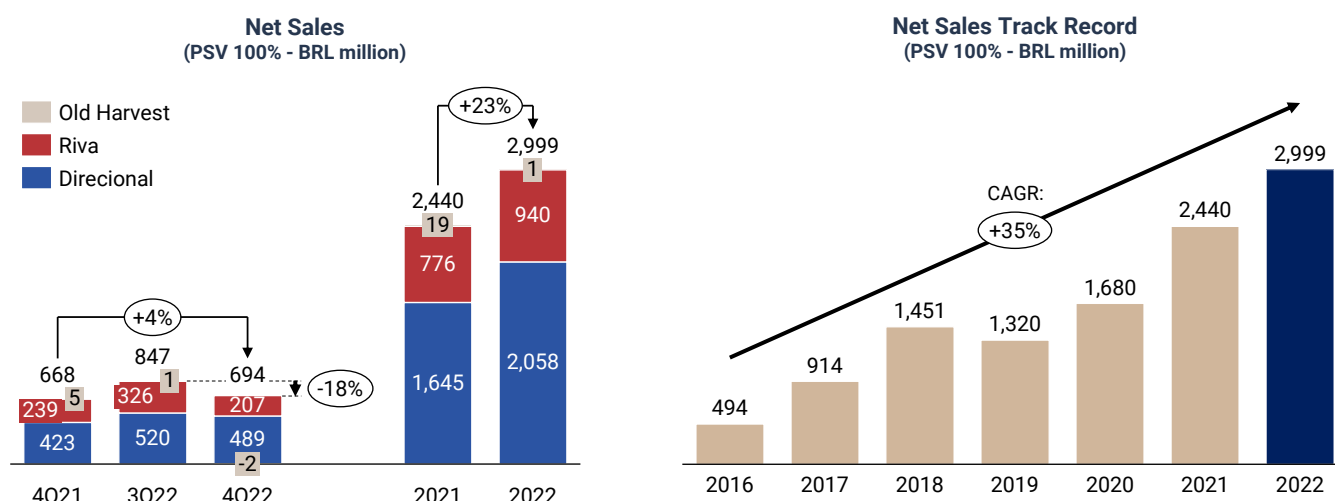


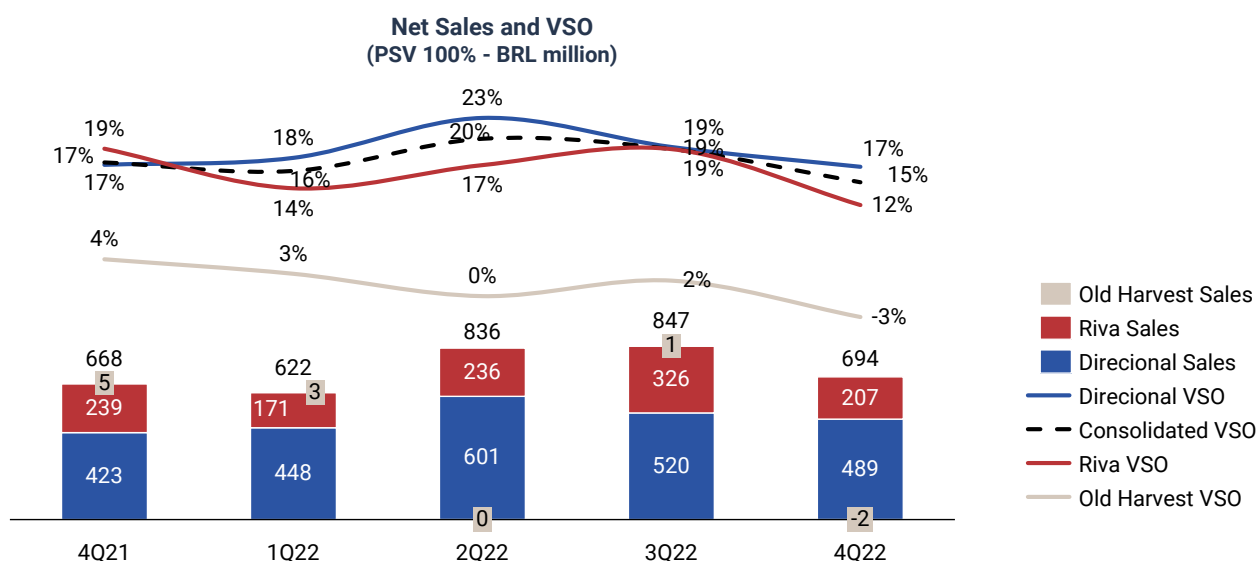
Table below consolidates the information on contracted Net Sales in 4Q22 and 2022:

Contracted Net Sales	4Q22 (a)	3Q22 (b)	4Q21 (c)	Δ % (a/b)	Δ % (a/c)	2022 (d)	2021 (e)	Δ % (d/e)
Net Contracted Sales - PSV 100% (BRL million)	694.4	846.9	667.8	-18.0%	4.0%	2,998.9	2,439.9	22.9%
Direcional	489.3	520.1	423.4	-5.9%	15.6%	2,057.8	1,644.7	25.1%
Riva	206.7	326.0	239.2	-36.6%	-13.6%	939.6	776.1	21.1%
Old Harvest ¹	-1.6	0.7	5.2	-319.6%	-131.3%	1.5	19.1	-92.3%
Net Contracted Sales - PSV % Company (BRL million)	551.5	682.3	537.7	-19.2%	2.6%	2,416.0	2,017.3	19.8%
Direcional	397.6	450.0	358.6	-11.6%	10.9%	1,713.2	1,388.8	23.4%
Riva	153.9	232.3	175.9	-33.7%	-12.5%	701.4	615.2	14.0%
Old Harvest	0.0	0.1	3.1	-108.5%	-100.2%	1.4	13.2	-89.2%
Contracted Units	2,899	3,403	3,146	-14.8%	-7.9%	13,167	12,227	7.7%
Direcional	2,315	2,597	2,318	-10.9%	-0.1%	10,377	9,429	10.1%
Riva	586	804	813	-27.1%	-27.9%	2,786	2,742	1.6%
Old Harvest	-2	2	15	-200.0%	-113.3%	4	56	-92.9%
Net Sales Speed (VSO) in PSV	15%	19%	17%	-4 p.p.	-3 p.p.	44%	43%	0 p.p.
Direcional	17%	19%	17%	-3 p.p.	0 p.p.	47%	44%	3 p.p.
Riva	12%	19%	19%	-7 p.p.	-7 p.p.	39%	43%	-5 p.p.
Old Harvest	-4%	2%	4%	-6 p.p.	-9 p.p.	1%	12%	-11 p.p.

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

NET SALES SPEED (VSO)

The Net Sales Speed in 4Q22, measured by the VSO index (sales-over-supply ratio), reached 15% in the consolidated view. The reduction of 4 p.p. compared to the previous quarter was mainly due the impacts of the Brazilian presidential elections and the World Cup, which took place in the quarter. The VSO of Direcional projects, excluding Old Harvest segment, reached 17% in the quarter. The VSO of Riva segment came in at 12% in the same period.

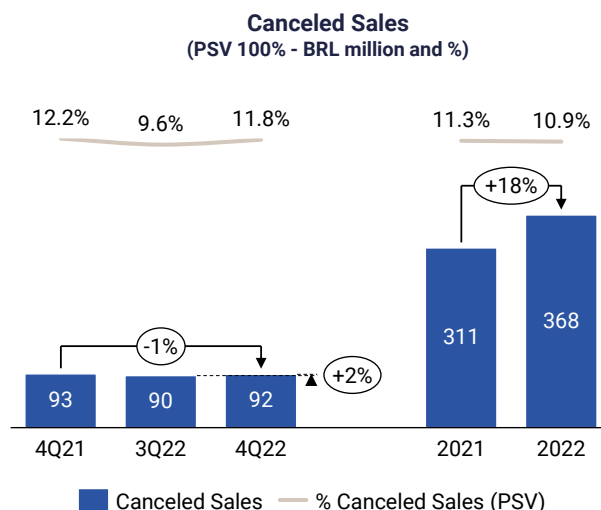


Canceled Sales

In 2022, the PSV of canceled sales totaled BRL 368 million (BRL 301 million % Company), 18% higher than the number observed in 2021, following the Company's operational growth. The percentage of canceled sales over gross sales reached 10.9% in 2022, going down by 0.4 p.p. when compared to the previous year.

Considering the 4Q22 period, canceled sales totaled BRL 92 million (BRL 75 million % Company), in line with 3Q22 and 4Q21. In this context, the percentage of canceled sales over gross sales reached 11.8% in the quarter, 2.1 p.p. above 3Q22 and 0.5 p.p. below 4Q21.

The table below shows more information regarding 4Q22 and 2022 figures:



Canceled Sales ¹	4Q22 (a)	3Q22 (b)	4Q21 (c)	Δ % (a/b)	Δ % (a/c)	2022 (d)	2021 (e)	Δ % (d/e)
Canceled Sales (100 % - BRL million)	-92.5	-90.2	-93.2	2.5%	-0.8%	-367.8	-310.8	18.3%
Gross PSV Contracted (100%)	786.8	937.1	761.0	-16.0%	3.4%	3,366.6	2,750.8	22.4%
% Canceled Sales / Gross PSV Contracted	11.8%	9.6%	12.2%	2.1 p.p.	-0.5 p.p.	10.9%	11.3%	-0.4 p.p.
Canceled Sales (% Company - BRL million)	-75.4	-72.5	-81.4	4.0%	-7.4%	-301.5	-268.0	12.5%
Gross PSV Contracted (% Company)	626.9	754.8	619.1	-16.9%	1.3%	2,717.5	2,285.2	18.9%
% Canceled Sales / Gross PSV Contracted	12.0%	9.6%	13.1%	2.4 p.p.	-1.1 p.p.	11.1%	11.7%	-0.6 p.p.

1 - In canceled PSV, transfers of credit from customers of the unit originally acquired to another unit of our inventory are disregarded.

INVENTORY

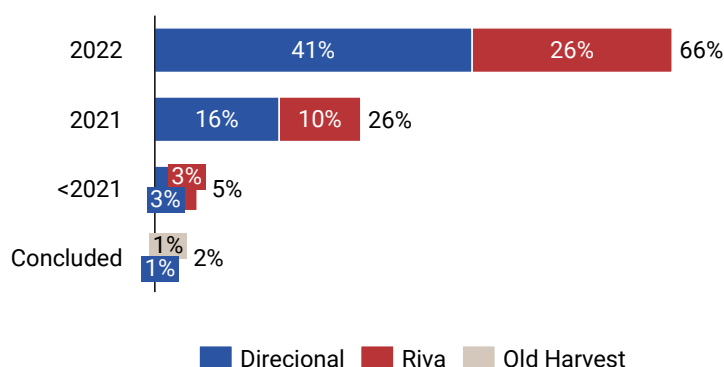
Direcional ended 4Q22 with 15,780 units in Inventory, totaling a PSV of BRL 4.2 billion (BRL 3.4 billion % Company).

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

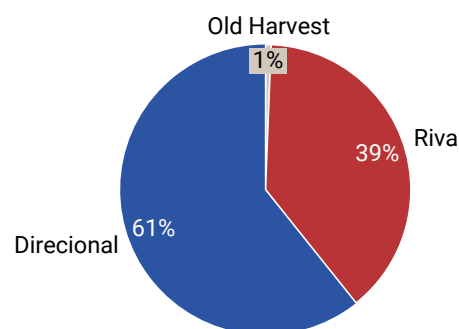
Breakdown of Inventory at Market Value	Total PSV				% Company PSV			
	Direcional	Riva	Legado	Total	Direcional	Riva	Legado	Total
In progress (BRL million)	2,492	1,623	0	4,115	2,062	1,297	0	3,359
% Total	59%	38%	0%	97%	59%	37%	0%	97%
Completed (BRL million)	60	2	26	88	58	2	11	72
% Total	1%	0%	2%	2%	2%	0%	2%	2%
Total (BRL million)	2,551	1,625	70	4,203	2,121	1,298	11	3,430
% Total	60%	38%	2%	100%	61%	37%	2%	100%
Total Units	11,190	4,500	90	15,780	11,190	4,500	90	15,780
% Total Units	70%	28%	1%	100%	70%	28%	1%	100%

The following charts show further information on the evolution and breakdown of the inventory. It should be noted that **92% of the PSV in inventory accounts for projects launched from 2021 on.**

Inventory by Launch Period
(%PSV - 100%)

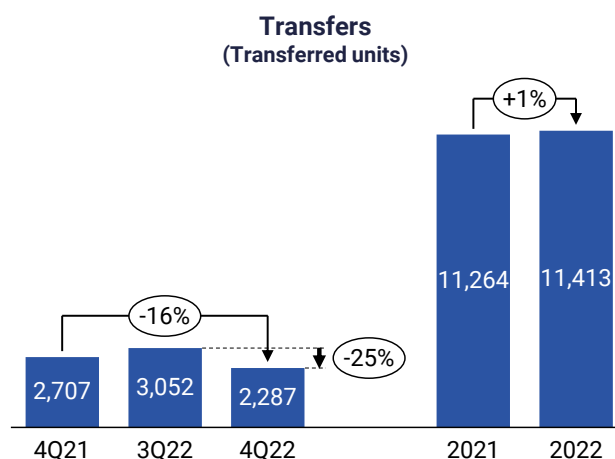


Inventory Breakdown
(%PSV - 100%)



TRANSFERS

In 2022, there were 11,413 units transferred, a result in line with that registered in the previous year. Considering the 4Q22, transfers totaled 2,287 units, a 25% decrease when compared to 3Q22, and a 16% decrease when compared to 4Q21. It is worth mentioning that this metric is highly related to the sales behavior in the period, which, as mentioned before, was affected by the presidential elections and the World Cup.



PROJECTS DELIVERED

During 4Q22, Direcional delivered 9 projects/stages, representing a total number of 2,856 units, 92% of which within the scope of the *Casa Verde e Amarela Program* (PCVA) – Brazilian social housing program.

In 2022, a total of 32 projects/stages were delivered, corresponding to 9,624 units in total. Of these, 95% accounts for Direcional segment and 5% accounts for Riva segment.

LANDBANK

At the end of 4Q22, Direcional's landbank totaled a development potential of 170,693 units with a PSV of BRL 32 billion (BRL 30 billion % Company).

The average cost of acquisition was equivalent to 11% of the PSV, and 81% of the payment shall be made through swaps, which causes a reduced impact on the Company's cash position before the beginning of the development of the projects.

Evolution of Landbank (BRL million)	2021 Landbank	2022 Acquisitions	2022 Launches	Adjustments ¹	2022 Landbank	2022 PSV % Co.	Units
VGV Total	26,807	8,042	(3,636)	1,246	32,459	29,726	170,693

¹ Adjustments: update of sales price; canceled sales and swaps.

Land Acquisition

During 4Q22, 19 plots of lands were acquired, with a construction potential of more than 14 thousand units and a PSV of BRL 3.7 billion (BRL 3.6 billion % Company).

The average cost of acquisition in the quarter was equivalent to 11% of PSV, and 85% of the payment shall be made via swaps.

ECONOMIC AND FINANCIAL PERFORMANCE

Gross Revenue

In 2022, Direcional Group reported a Gross Operating Revenue of BRL 2.3 billion, a 19% growth in comparison with the gross revenue registered in 2021. This increment is mainly due to the performance of Real Estate sales during the year.

Considering 4Q22, Gross Revenue reached BRL 569 million, 8% above 4Q21. When compared to 3Q22, the amount decreased 6%, especially because of the already mentioned effects of the elections and the World Cup in the sales volume for the quarter.

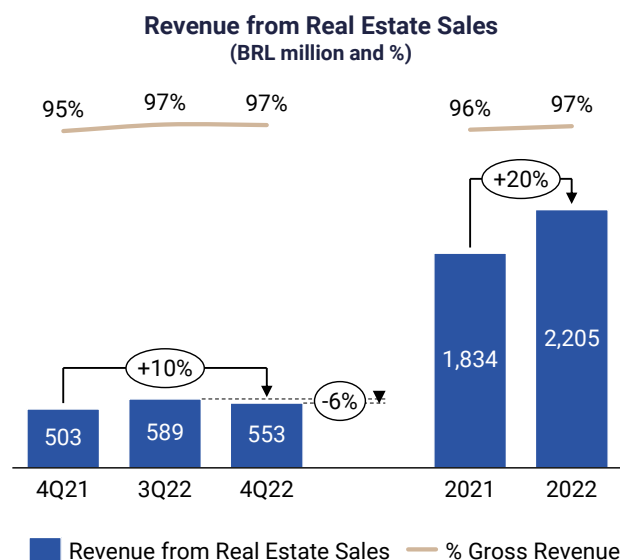
Gross Revenue (BRL million)	4Q22 (a)	3Q22 (b)	4Q21 (c)	Δ % (a/b)	Δ % (a/c)	2022 (d)	2021 (e)	Δ % (d/e)
Gross Operating Revenue	569.2	604.9	528.1	-5.9%	7.8%	2,276.6	1,915.3	18.9%
Real Estate Sales	553.4	589.2	503.3	-6.1%	10.0%	2,205.2	1,833.7	20.3%
Services	15.8	15.7	24.8	0.5%	-36.2%	71.4	81.5	-12.5%

Revenue from Real Estate Sales

Gross Revenue from Real Estate Sales, which comprises the results from sales of Direcional, Riva and Old Harvest products, totaled BRL 2.2 billion in 2022, 20% above the results of 2021. Thus, the segment accounted for 97% of the total annual revenue.

In 4Q22, Gross Revenue from Real Estate Sales totaled BRL 553 million, meaning a growth rate of 10% when compared to 4Q21 and a 6% decrease when compared to 3Q22.

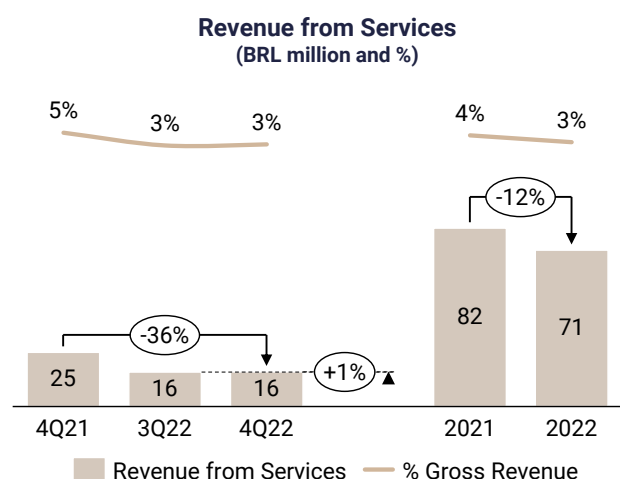
The performance of this segment is related to both the volume of sales and the evolution of the construction works in a determined period. As mentioned before, the decrease in revenue resulted from the atypical events that took place in 4Q22.



Revenue from Services

Gross Revenue from Services totaled BRL 71 million in 2022, 12% less when compared to 2021. As expected, this segment accounted for only 3% of the revenue mix in the period.

In 4Q22, Gross Revenue from Services was in line with the results of the previous quarter, totaling BRL 16 million. Revenue from services consists mainly of (i) brokerage fees on sales made by in-house brokerage firms; and (ii) construction management fees.



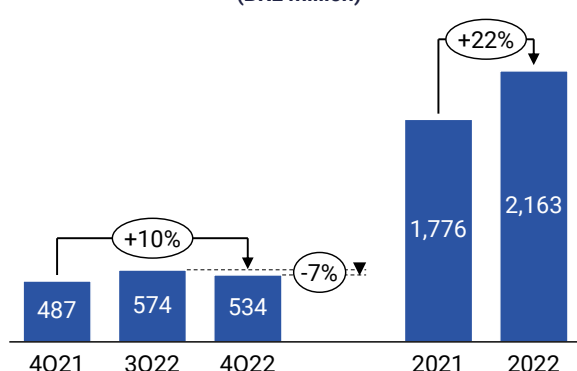


Net Revenue

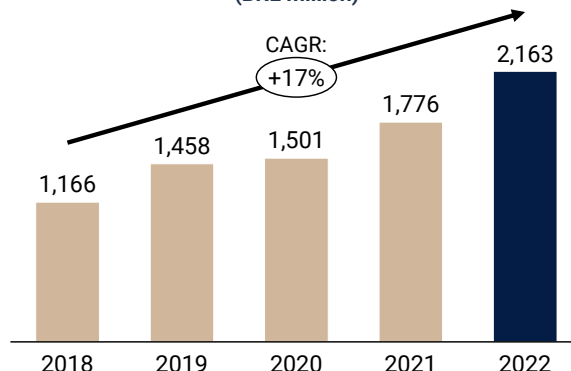
With the performance reported above, Net Revenue totaled BRL 2.2 billion in 2022, resulting in a growth rate of 22% versus the 2021. It is worth highlighting that Net Revenue showed a compound annual growth rate of 17% in the latest years.

In 4Q22, Net Revenue totaled BRL 534 million, 10% above 4Q21 and 7% below 3Q22 revenue, as a result of the atypical events occurred in the quarter. It should be noted that, given the already mentioned sale of equity interest in some SPEs at the end of the quarter, with these SPEs being unconsolidated from the results, Direcional could not earn an approximate amount of BRL 10 million in Net Revenue, which would have come from these projects.

Net Revenue
(BRL million)



Net Revenue Track Record
(BRL million)

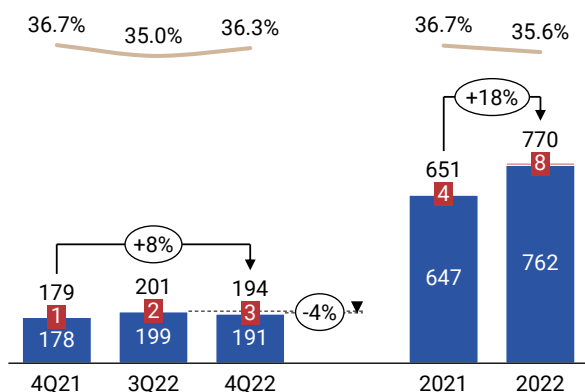


Gross Profit

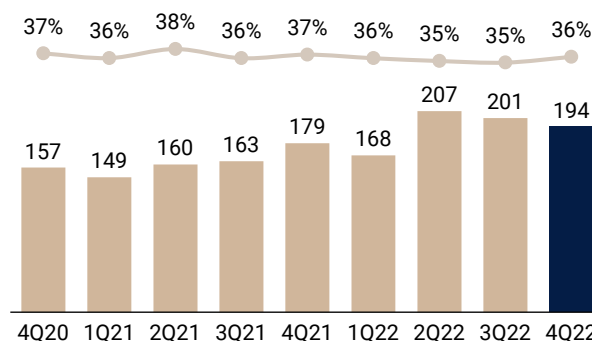
In 2022, Adjusted Gross Profit¹ totaled BRL 770 million, 18% above the results reported in the previous year. Adjusted Gross Margin¹ totaled 35.6% in 2022. In 4Q22, Adjusted Gross Profit¹ came in at BRL 194 million, 8% above the year-ago period and 4% below the previous quarter. However, the behavior of the Adjusted Gross Margin¹ in 4Q22 should be highlighted. The indicator reached 36.3% in the quarter, 130 bps above the result reported in 3Q22.

In that sense, the Direcional Group had a resilient Gross Margin over such a challenging period as the last few years. The Company remains constantly focused on its strategy of high efficiency in construction execution, supply inventory management, strict monitoring of project budgets and diligent application of the pricing policy.

Adjusted Gross Profit¹
(BRL million and %)



Adjusted Gross Margin¹ Track Record
(BRL million and %)



■ Interest Capitalized in Cost ■ Adjusted Gross Margin¹
■ Gross Profit

■ Gross Profit¹ — Adjusted Gross Margin¹

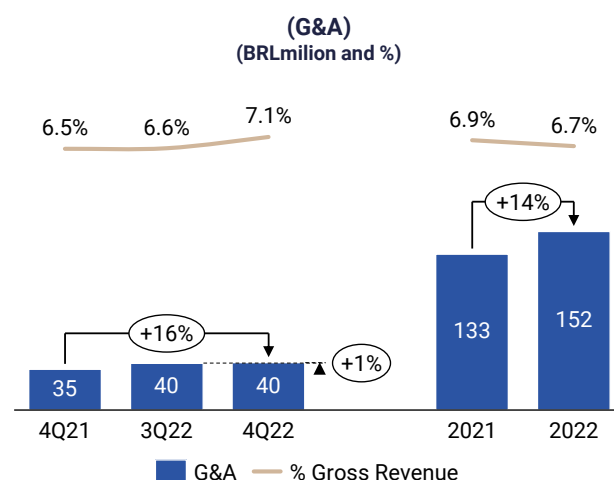
1 - Adjusted Gross Profit and Margin: excluding capitalized interest for financing of production



General and Administrative Expenses (G&A)

General and Administrative Expenses totaled BRL 152 million in 2022, a growth rate of 14% when compared to 2021. Nevertheless, the representativeness of G&A over Gross Revenue reached 6.7% in the year, resulting in a dilution of 0.2 p.p. in the period.

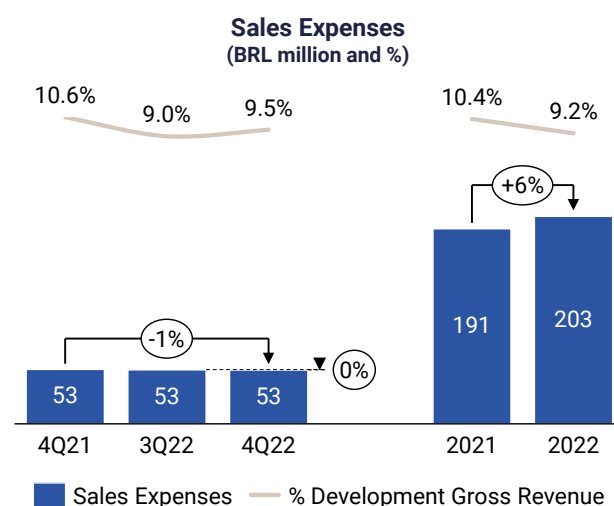
In 4Q22, G&A totaled BRL 40 million, in line with 3Q22 figures and 16% above the 4Q21 figures. In this scenario, the G&A over Gross Revenue ratio reached 7.1% in the quarter.



Sales Expenses

In 2022, Sales Expenses, which comprise expenses with commissions, marketing and maintenance of points of sale, totaled BRL 203 million, a growth rate of 6% when compared to 2021. As with G&A, Sales Expenses also showed a dilution over Development Gross Revenue, with a representativeness of 9.2%. Therefore, the dilution reached 1.2 p.p. in comparison with 2021.

In 4Q22, Sales Expenses totaled BRL 53 million, in line with 3Q22 and 4Q21. In this case, the representativeness over Development Gross Revenue reached 9.5% in the quarter.



Other Operational Revenue and Expenses

Other Operational Revenue and Expenses had a positive balance of BRL 24 million in 4Q22. It is worth noting that this line was impacted on a non-recurring basis in the positive amount of BRL 28 million in the quarter, mostly due to the sale of equity interest occurred in the period. Disregarding non-recurring effects, Other Operational Revenue and Expenses would have had a net loss of BRL 5 million in the quarter.

In 2022, the line totaled a recurring result of BRL 51 million in 2022, considering the adjustment indicated above and also the non-recurring effects that occurred in 9M22 with sale of receivables operations in the negative amount of BRL 3 million.



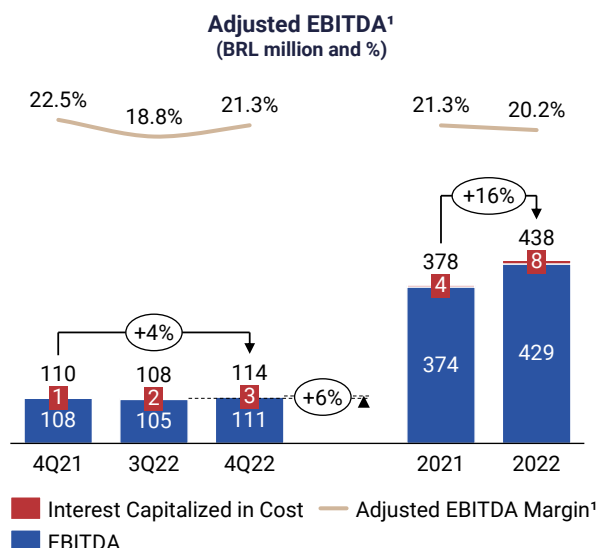
EBITDA

EBITDA totaled BRL 457 million in 2022, a growth rate of 22% when compared to 2021. EBITDA margin reached 21.2% in the period.

Considering the adjustment for the capitalized interest for financing of production, which comprise the Costs line, in addition to the adjustment by non-recurring results that affected Other Revenue and Expenses, as mentioned right above, Adjusted EBITDA¹ totaled BRL 438 million, 16% higher than the result reported in 2021. This is an absolute record for this metric in the Company's history. Adjusted EBITDA Margin¹ reached 20.2% in the period.

In 4Q22, Adjusted EBITDA¹ totaled BRL 114 million, a 6% growth when compared to the previous quarter and a 4% growth when compared to the same quarter of 2021. Adjusted EBITDA Margin¹ came in at 21.3%, a 2.5 p.p. increase versus 3Q22, and a 1.2 p.p. reduction over 4Q21.

Table below breaks down the EBITDA and Adjusted EBITDA¹:



EBITDA (BRL million)	4Q22 (a)	3Q22 (b)	4Q21 (c)	Δ % (a/b)	Δ % (a/c)	2022 (d)	2021 (e)	Δ % (d/e)
Net Income	76.9	63.3	44.5	21.5%	72.7%	208.8	159.5	30.9%
(+) Depreciation and Amortization	12.8	12.8	13.7	-0.5%	-6.5%	53.4	51.3	4.2%
(+) Income Tax and Social Contribution	11.2	12.2	9.9	-8.3%	13.3%	45.8	35.6	28.9%
(+) Minority Interest	15.4	16.8	16.2	-7.9%	-5.0%	67.7	49.3	37.5%
(+/-) Financial Results	23.0	0.3	24.2	8881.7%	-4.6%	81.7	78.5	4.0%
EBITDA	139.3	105.4	108.5	32.3%	28.4%	457.5	374.2	22.3%
EBITDA Margin	26.1%	18.3%	22.3%	8 p.p.	4 p.p.	21.2%	21.1%	0 p.p.
(+) Cost of production financing	2.8	2.5	1.3	13.0%	121.2%	8.5	4.1	107.8%
(-) Non-recurring result adjustment	28.3	0.0	0.0	0.0%	0.0%	28.3	0.0	0.0%
Adjusted EBITDA ¹	113.8	107.8	109.8	5.6%	3.7%	437.6	378.2	15.7%
Adjusted EBITDA Margin ¹	21.3%	18.8%	22.5%	3 p.p.	-1 p.p.	20.2%	21.3%	-1 p.p.

1 - Adjusted EBITDA and Margin: excluding capitalized interest for financing of production and non-recurring result under "Other Operational Revenues and Expenses".

Financial Results

The Financial Results line showed a net loss of BRL 23 million in 4Q22, as a result of: (i) a net loss of BRL 6 million, including expenses with interest and revenue from financial investments occurred in the period; (ii) non-recurring expenses of BRL 2 million with market-to-market swap indexed in Direcional's stock; and (iii) non-recurring expenses with sale of receivables, in an approximated value of BRL 3 million. Therefore, the Financial Results for 2022 had a net loss of BRL 82 million, or BRL 60 million when adjusted by non-recurring expenses with swaps and sale of receivables operations, which totaled BRL 22 million in the year.



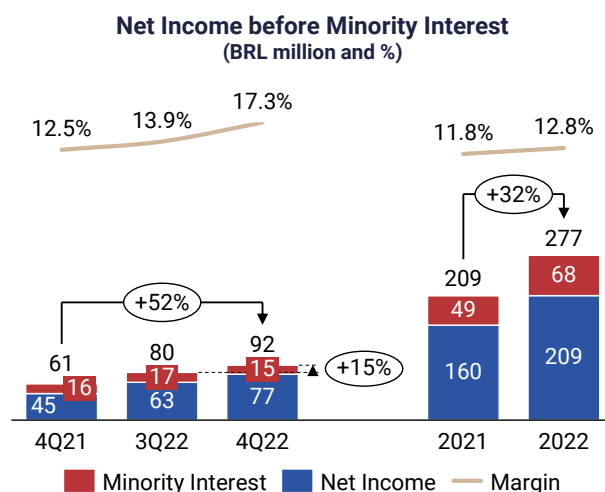
Net Income before Minority Interest

In 2022, Net Income before non-controlling shareholders in SPE and SCP ("Minority Interest") totaled BRL 277 million, a growth rate of 32% in comparison with 2021 (BRL 209 million.) Margin before Minority Interest totaled 12.8% in the year, representing an increase of 100 bps when compared to the previous year.

In 4Q22, Net Income before Minority Interest totaled BRL 92 million, a 15% growth versus 3Q22, and a 52% growth versus 4Q21. With that, Margin before Minority Interest reached 17.3% in the quarter, representing a gain of 340 bps over 3Q22 and 480 bps over 4Q21.

Given the increased Net Income attributed to the Company and the nominal reduction of the income attributed to the minority interest in the quarter, the representativeness of minority shareholders over the Net Income before Minority Interest decreased.

Moreover, we should note that the development of projects in partnership was part of the strategy to accelerate the Company's expansion at the beginning of the growth cycle, allowing a higher dilution of expenses. Currently, the representativeness of projects in which there is no participation of minority shareholders has been increasing in the Company's portfolio.



Net Income

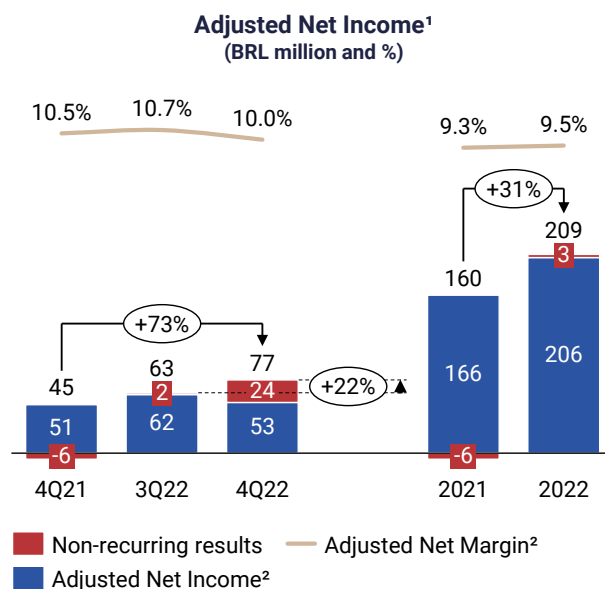
Direcional Group recorded a Net Income of BRL 209 million in 2022, representing a 31% growth when compared to 2021. Net Margin totaled 9.7% in the year, a gain of 70 bps over the margin reported in the previous year.

Net Income totaled BRL 77 million in 4Q22, 22% higher than the result reported in 3Q22 and 73% higher than in 4Q21. The Net Margin for the period was 14.4%, 340 bps above the margin of the previous quarter and 530 bps above the year-ago period.

Analyzing the Net Income disregarding non-recurring effects reported as "Financial Expenses" and "Other Operational Revenue and Expenses", Adjusted Net Income¹ was calculated.

In 4Q22, Adjusted Net Income¹ totaled BRL 53 million and Adjusted Net Margin¹ reached 10.0%.

Considering the accumulated impact of operations in the year, Adjusted Net Income¹ reached BRL 206 million in 2022, an increase of 24% over 2021, resulting in an Adjusted Net Margin¹ of 9.5%



1 - Adjustment excluding non-recurring results in "Other Operational Revenue and Expenses" and "Financial Results" lines.

Deferred Results from Real Estate Sales

At the end of 4Q22, the Deferred Revenue from Real Estate Sales (REF) totaled BRL 1 billion, corresponding to an increase of 25% when compared to the same quarter of 2021 – resulting mainly from the Company's operational growth in the period – and a decrease of 6% when compared to 3Q22 – affected by the lower volume sold in the quarter and the sale of equity interest in SPEs, as commented earlier, whose results were not consolidated. The REF margin in the quarter reached 39.7%, 0.2 p.p. above the 3Q22 margin and 1.1 p.p. above the 4Q21 margin.

Deferred Revenue from Real Estate Sales
(BRL million)

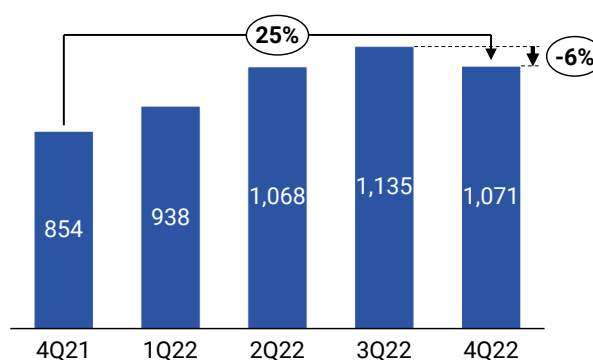


Table below presents more details on Deferred Results from Real Estate Sales:

Deferred Results from Real Estate Sales (BRL million)	4Q22 (a)	3Q22 (b)	4Q21 (c)	Δ % (a/b)	Δ % (a/c)
Deferred Revenue from Real Estate Sales	1,070.6	1,135.1	854.3	-5.7%	25.3%
Deferred Costs from Real Estate Sales	-645.1	-686.0	-523.9	-6.0%	23.1%
Deferred Results from Real Estate Sales	425.5	449.1	330.4	-5.3%	28.8%
Backlog Margin	39.7%	39.6%	38.7%	0.2 p.p.	1.1 p.p.

BALANCE SHEET HIGHLIGHTS

Cash, Cash Equivalents and Financial Investments

Cash, Cash Equivalents and Financial Investments totaled BRL 1.2 billion at the end of 2022. Thus, the Company continues to keep its cash position at a comfortable level to sustain the growth of its operations in accordance with the business plan and still maintain its solid capital return policy for shareholders.

Cash, Cash Equivalents and Investments (BRL million)	4Q22 (a)	3Q22 (b)	4Q21 (c)	Δ % (a/b)	Δ % (a/c)
Cash and Cash Equivalents	733.1	693.7	724.0	5.7%	1.3%
Financial Investments	454.2	486.1	325.2	-6.6%	39.7%
Total	1,187.4	1,179.8	1,049.2	0.6%	13.2%

Accounts Receivable

At the end of 2022, Accounts Receivable¹ totaled BRL 678 million, representing a growth rate of 6% versus 3Q22 and of 42% versus 4Q21. Considering the balance of Accounts Receivable for Real Estate Sales, as well as the Net Operating Revenue of this segment, the Accounts Receivable Days² index reached 113 days.

Accounts Receivable ¹ (BRL million)	4Q22 (a)	3Q22 (b)	4Q21 (c)	Δ % (a/b)	Δ % (a/c)
Real Estate Sales	656.6	614.0	458.9	6.9%	43.1%
Services	17.6	19.7	15.3	-10.8%	14.9%
Land Sales	4.0	4.0	2.1	0.9%	88.5%
Total	678.2	637.7	476.3	6.4%	42.4%
Current	363.4	346.5	231.8	4.9%	56.8%
Non-current	314.8	291.2	244.6	8.1%	28.7%
Accounts Receivable – Real Estate Sales	656.6	614.0	458.9	6.9%	43.1%
Net Operating Revenue – Real Estate Sales	523	562.9	465.7	-7.2%	12.2%
Accounts Receivable Days ²	113	98	89	15.2%	27.5%

1 - Short-term accountable accounts receivable is composed of the debit balance of customers corrected and recognized in the income proportionally to the PoC (Percentage of Completion), considering the date of permission for occupancy for payment of the financing installment by part of customers to Direcional, plus the recognized revenue of contract works.

2 - Accounts Receivable Days index calculated as Accounts Receivable from Real Estate Sales over Net Revenue from Real Estate Sales in the quarter, multiplied by 90 (number of days in one quarter).

According to current accounting rules, the recognition of Accounts Receivable is proportional to the performance index of the respective works (Percentage of Completion - PoC). Therefore, the Accounts Receivable balance from development units sold and not completed yet is not totally reflected in the Financial Statements. It is worth to emphasize that the total balance of Direcional's Accounts Receivable at the end of 2022 totaled BRL 1.7 billion.

Indebtedness

Loans and Financing line had a gross balance of BRL 1.4 billion in the closing of 4Q22, 6% below the results of 3Q22 and 12% above the results of 4Q21.

It should be noted that the current cash position is more than sufficient to cover the next 4 years of total gross indebtedness. The leverage ratio, measured by Adjusted Net Debt² in relation to Shareholders' Equity, closed the quarter at 12.9%, with approximately 78% of total indebtedness being long-term. The weighted average maturity of the debt was 48 months.

The widely known conservative profile of the Company keeps it in a comfortable position to support its growth in the coming years and to take advantage of the opportunities that may appear ahead.

The table and graphs below show more details on the indebtedness breakdown for 4Q22 and its amortization schedule.

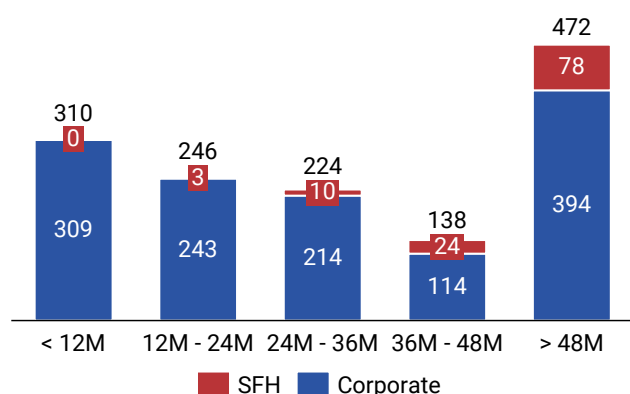
Indebtedness (BRL '000)	4Q22 (a)	3Q22 (b)	4Q21 (c)	Δ % (a/b)	Δ % (a/c)
Loans and Financing Operations	1,389.8	1,477.5	1,241.4	-5.9%	12.0%
CRI	902.1	985.5	728.9	-8.5%	23.8%
Debentures	362.5	356.2	357.1	1.8%	1.5%
Construction Financing	115.0	123.8	42.2	-7.1%	172.7%
CCB	0.0	0.0	100.4	n/a	-100.0%
FINAME and Leasing	10.2	12.0	12.8	-14.9%	-19.7%
Cash, Cash Equivalents and Financial Investments	1,187.4	1,179.8	1,049.2	0.6%	13.2%
Net Debt ¹	202.5	297.7	192.2	-32.0%	5.3%
Swap agreements position	9.0	6.1	-3.7	47.9%	-346.1%
Adjusted Net Debt ²	193.4	291.6	195.9	-33.7%	-1.3%
Adjusted Net Debt / Equity	12.9%	19.1%	13.4%	-6.2 p.p.	-0.5 p.p.
Loans and Financing Operations by index	1,389.8	1,477.5	1,241.4	-5.9%	12.0%
TR	115.0	123.8	23.4	-7.1%	391.3%
IPCA ³	670.5	748.5	431.8	-10.4%	55.3%
CDI	604.3	605.3	786.2	-0.2%	-23.1%

1 - Net Debt: Total balance of Loans and Financing Operations reduced by the balance of Cash, Cash Equivalents and Financial Investments.

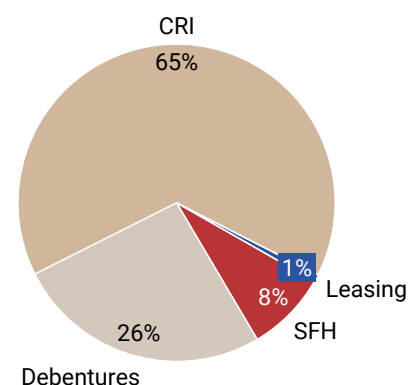
2 - Adjusted Net Debt: Net debt plus the balance of open positions in swap agreements for protection against interest rate float.

3 - For all bonds indexed to the IPCA (Brazil's Consumer Price Index), we contracted interest rate swap agreements to exchange the interest rate into CDI.

Debt Amortization Schedule
(BRL million)



Loans and Financing Breakdown
(% of Debt)

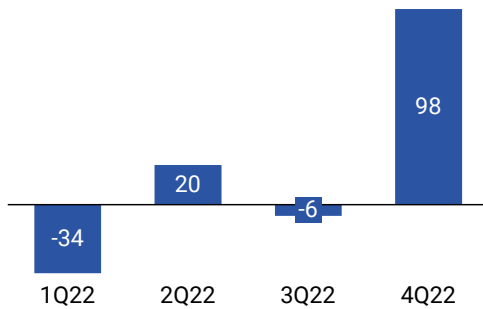




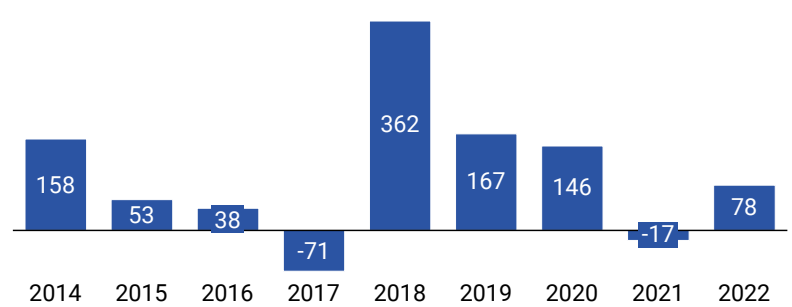
Cash Generation¹

Direcional presented cash generation in the amount of BRL 98 million in the 4Q22. In 2022, the cash generation totaled BRL 78 million.

Cash Generation by Quarter
(BRL million)



Cash Generation by Year
(BRL million)



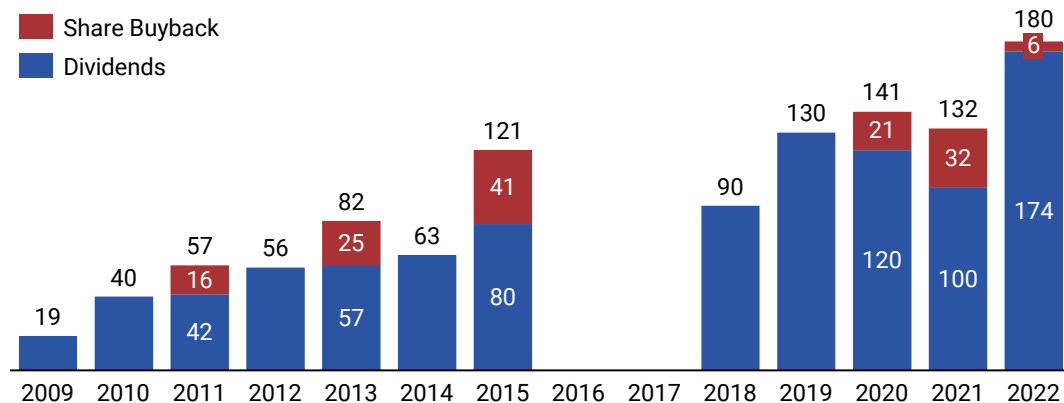
1 - Cash Generation: variation in net debt adjusted by payment of dividends, repurchase of shares and the variation in the balance of interest swap operation agreements.

DIVIDENDS

In 4Q22, Direcional's Board of Directors approved the payment of interim dividends in the amount of BRL 0.70 per share, totaling BRL 104 million. Investors with equity position at the close of the trading day of December 16th, 2022, received the dividends, which were paid on January 9th, 2023.

Therefore, when including the payment of BRL 70 million in interim dividends in July, the Company distributed a total amount of more than BRL 174 million in 6 months. When including dividends and share buyback, Direcional surpassed BRL 1.1 billion in capital returned to the shareholder since its IPO, in 2009. Thus, 2022 was the best year in history in terms of payment of dividends, as shown in the graph below.

Dividends and Share Buyback
(BRL million)



RIVA – Operating Highlights

In 2022, the PSV launched by Riva (a subsidiary with operations focused on the mid-low income segment) reached BRL 1.4 billion (BRL 1.1 billion % Company), an increase of 8% when compared to 2021. In 4Q22, the Company launched 4 projects, totaling a PSV of BRL 348 million (BRL 244 million % Company), a volume 37% lower than in 3Q22.

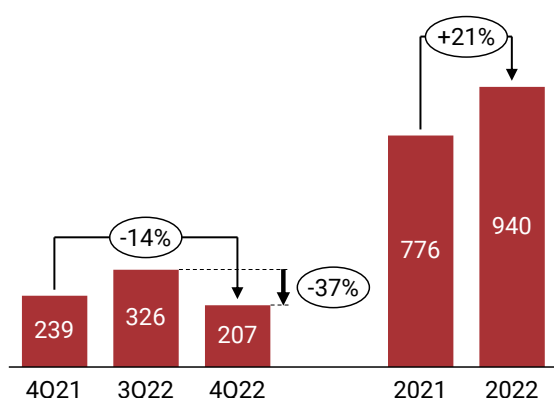
In 2022, Net Sales reached a PSV of BRL 940 million (BRL 701 million % Company), a 21% growth in relation to the volume observed in 2021.

Net Sales reached BRL 207 million in 4Q22 (BRL 154 million % Company), representing a decrease of 37% when compared to 3Q22 and of 14% when compared to 4Q21. Riva's VSO was 12% in the quarter. As previously mentioned, sales were impacted by the atypical events that occurred during this period. Riva's best sales month of 4Q22 was December, but still below the average levels shown throughout the year.

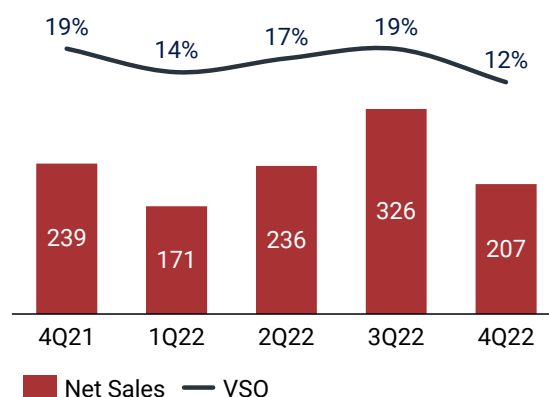
At the end of the period, the segment's Inventory was BRL 1.6 billion (BRL 1.3 billion % Company), of which less than 1% refers to finished products.



Net Sales
(PSV 100% - BRL million)



Net Sales Evolution and VSO
(PSV 100% - BRL million)





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

STOCK TICKER: DIRR3

Quotation on 12/31/2022: BRL 15.64

Number of Stocks (Ex-Treasury Shares):
149 million

Market Capitalization:
BRL 2.330 million / US\$ 447 million

Free Float:
55%

4Q22 Average Daily Volume:
2,711 thousand shares
BRL 41,230 thousand
11,306 transactions

CONFERENCE CALL

(In Portuguese with simultaneous
translation into English)

Data: 03/14/2023 - Tuesday
09:00 a.m. – New York Time
10:00 a.m. – Brasília Time

Access:

Zoom
<https://us06web.zoom.us/j/85899002347>

YouTube
<https://www.youtube.com/watch?v=myCwdkvy93Y>

CONTACTS

IR Team

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

ri@direcional.com.br
www.direcional.com.br/ri

www.direcional.com.br

Rua dos Otoni, 177 – 10th floor
Belo Horizonte - MG
Zip Code: 30.150-270

CONSOLIDATED BALANCE SHEET

IFRS

Consolidated Balance Sheet (BRL '000)	12/31/2022	12/31/2021	Δ %
Current Assets	2,857,443	2,856,340	0%
Cash, cash equivalents and financial investments	1,187,372	1,049,160	13%
Accounts receivable	363,372	231,761	57%
Inventory	952,782	1,230,591	-23%
Receivables from related parties	64,551	82,261	-22%
Taxes recoverable	29,562	24,462	21%
Accounts receivable from divestiture	501	17,540	-97%
Other receivables	259,303	220,565	18%
Non-Current Assets	3,677,165	2,823,279	30%
Accounts receivable	314,813	244,585	29%
Inventory	3,018,121	2,303,436	31%
Receivables from related parties	-	1,636	-
Judicial deposits	17,367	16,097	8%
Accounts receivable from divestiture	7,129	0	-
Other receivables	14,210	21,457	-34%
Investments	144,462	117,980	22%
Fixed assets	140,115	99,075	41%
Intangible assets	20,948	19,013	10%
Total Non-Current Assets	6,534,608	5,679,619	15%
Consolidated Balance Sheet (BRL '000)	31/12/2022	31/12/2021	Δ %
Current Liabilities	992,710	496,841	100%
Loans and financing operations	309,722	127,205	143%
Suppliers	112,474	77,052	46%
Forfait	10,220	15,002	-32%
Labor obligations	39,233	31,827	23%
Tax obligations	28,690	25,094	14%
Lease financing	11,324	10,088	12%
Real estate commitments payable	113,361	62,779	81%
Advances from customers	28,540	14,705	94%
Other accounts payable	84,799	90,346	-6%
Proposed dividends	104,287	0	-
Assignment liability	88,320	0	-
Provision for guarantee	28,392	28,143	1%
Payables to related parties	33,348	14,600	128%
Non-Current Liabilities	4,047,010	3,723,998	9%
Loans and financing operations	1,080,104	1,114,197	-3%
Suppliers	9,471	5,958	59%
Provision for guarantee	13,887	12,051	15%
Tax obligations	12,737	9,701	31%
Lease financing	19,821	25,129	-21%
Real estate commitments payable	2,388,485	2,060,218	16%
Advances from customers	398,915	375,344	6%
Provision for labor, tax, and civil contingencies	26,198	24,008	9%
Other accounts payable	97,392	97,392	-
Shareholder's Equity	1,494,888	1,458,780	2%
Capital	752,982	752,982	-
Capital reserves	177,690	177,690	-
Stock options granted	2,513	2,259	11%
Equity adjustment	-31,880	-29,847	7%
Treasury shares	-9,749	-7,360	32%
Income reserves	438,255	404,153	8%
	1,329,811	1,299,877	2%
Non-controlling interest	165,077	158,903	4%
Total Liabilities and Shareholder's Equity	6,534,608	5,679,619	15%

CONSOLIDATED INCOME STATEMENT

Consolidated Income Statement (BRL '000)	4Q22 (a)	3Q22 (b)	4Q21 (c)	Δ % (a/b)	Δ % (a/c)	2022 (d)	2021 (e)	Δ % (d/e)
Real Estate Sales Revenue	553,371	589,186	503,290	-6.1%	10.0%	2,205,210	1,833,724	20.3%
Revenue from Services	15,808	15,727	24,774	0.5%	-36.2%	71,390	81,549	-12.5%
Gross Revenue	569,179	604,913	528,064	-5.9%	7.8%	2,276,600	1,915,273	18.9%
Deductions from Gross Revenue (taxes and others)	-35,194	-30,502	-41,093	15.4%	-14.4%	-113,984	-138,893	-17.9%
Net Operating Revenue	533,985	574,411	486,971	-7.0%	9.7%	2,162,616	1,776,380	21.7%
Cost of real estate sales and services	-343,199	-375,869	-309,329	-8.7%	10.9%	-1,400,965	-1,129,274	24.1%
Gross Profit	190,786	198,542	177,642	-3.9%	7.4%	761,651	647,106	17.7%
General and administrative expenses	-40,183	-39,730	-34,558	1.1%	16.3%	-151,631	-132,511	14.4%
Sales expenses	-52,665	-52,788	-53,126	-0.2%	-0.9%	-203,082	-190,902	6.4%
Equity income	5,058	8,371	6,259	-39.6%	-19.2%	22,483	17,559	28.0%
Other operating income and expenses	23,575	-21,872	-1,387	-207.8%	-1799.5%	-25,357	-18,387	37.9%
Other Operating Revenues (Expenses)	-64,216	-106,019	-82,812	-39.4%	-22.5%	-357,586	-324,241	10.3%
Financial Expenses	-77,173	-71,080	-62,343	8.6%	23.8%	-277,148	-159,174	74.1%
Financial Revenues	54,132	70,823	38,182	-23.6%	41.8%	195,489	80,632	142.4%
Financial Results	-23,041	-257	-24,161	8881.7%	-4.6%	-81,659	-78,542	4.0%
Income before Income and Social Contribution Taxes	103,529	92,267	70,669	12.2%	46.5%	322,406	244,323	32.0%
Income and social contribution taxes - current and def.	-11,224	-12,246	-9,904	-8.3%	13.3%	-45,846	-35,563	28.9%
Net Income before Interests in SCPs and SPEs	92,305	80,021	60,764	15.4%	51.9%	276,560	208,760	32.5%
Interest in SCPs and SPEs (Minority Interest)	-15,430	-16,756	-16,239	-7.9%	-5.0%	-67,717	-49,256	37.5%
Net Income	76,876	63,265	44,526	21.5%	72.7%	208,843	159,504	30.9%
Gross Margin	35.7%	34.6%	36.5%	1.2 p.p.	-0.8 p.p.	35.2%	36.4%	-1.2 p.p.
Adjusted Gross Margin	36.3%	35.0%	36.7%	1.3 p.p.	-0.5 p.p.	35.6%	36.7%	-1.0 p.p.
Net Margin	14.4%	11.0%	9.1%	3.4 p.p.	5.3 p.p.	9.7%	9.0%	0.7 p.p.

GLOSSARY

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

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

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

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

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

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

LTM – Last twelve months.

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

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

Programa Casa Verde e Amarela (PCVA) - New name attributed to the popular housing program previously known as “*Minha Casa, Minha Vida*” Program

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

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

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

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

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