



Belo Horizonte, January 19, 2022 - 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 statements for the fourth quarter of 2021 (4Q21). 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%).

NOTICE TO THE MARKET

4Q21 AND 2021 OPERATING PREVIEW

- ✓ RECORD-HIGH LAUNCHES IN 2021 (BRL 3.1 BILLION), GROWING 78% VERSUS 2020;
- ✓ NET SALES RECORD IN 2021 (BRL 2.4 BILLION), A 45% INCREASE OVER 2020;
- ✓ RIVA'S BEST QUARTER IN NET SALES (BRL 239 MILLION), GROWING 152% VERSUS 4Q20.

HIGHLIGHTS

- Launches reached BRL 693 million in the quarter and BRL 3.1 billion in the year: the highest annual level ever achieved in Company's history.
- Net Sales of BRL 668 million in 4Q21, setting new all-time high: the 6th record in the last 7 quarters.
- In 2021, Net Sales reached BRL 2.4 billion, a growth rate of 45% versus 2020.
- Net Sales Speed ratio (VSO) of 17% in the quarter.

RIVA

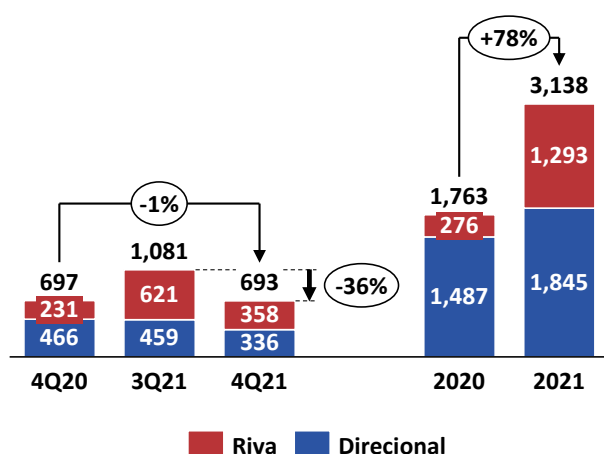
- Riva's Launches reached BRL 358 million in 4Q21, a 54% growth relative to 4Q20.
- In 2021, Launches totaled BRL 1.3 billion, growing 368% versus 2020.
- Net Sales of BRL 776 million in 2021, up 178% on an annual basis.
- Riva's VSO reached 19% in the quarter.

LAUNCHES

In 4Q21, Direcional launched 10 new projects, totaling a PSV of BRL 693 million (BRL 634 million % Company), in line with the figures of 4Q20 and 36% below 3Q21 levels. The mix of launches came in well-balanced in the quarter, with Riva representing a little more than half of the launched PSV.

The total volume launched in 2021 reached the unparalleled level of BRL 3.1 billion, establishing a 78% growth related to 2020. Thus, the Company recorded **the highest level in its history in this key metric**, reporting important growth on an annual basis both in Direcional products (+24%) and in Riva products (+368%).

Launches
(PSV 100% - BRL million)



Launches Track Record
(PSV 100% - BRL million)

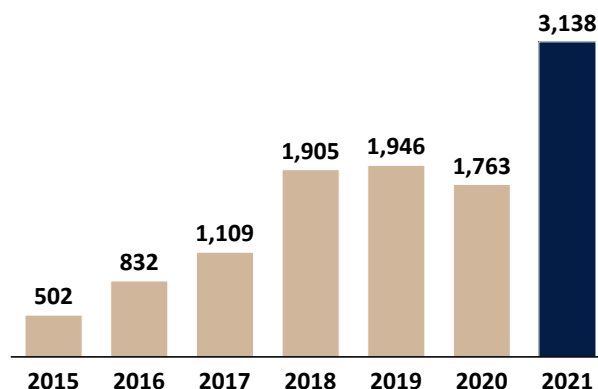


Table below provides further information on projects launched in 4Q21 and 2021:

Launches	4Q21 (a)	3Q21 (b)	4Q20 (c)	Δ % (a/b)	Δ % (a/c)	2021 (d)	2020 (e)	Δ % (d/e)
PSV Launched - 100% (BRL '000)	693,381	1,080,620	697,307	-35.8%	-0.6%	3,137,984	1,762,850	78.0%
Direcional	335,827	459,356	465,813	-26.9%	-27.9%	1,845,200	1,486,620	24.1%
Riva	357,554	621,265	231,494	-42.4%	54.5%	1,292,784	276,231	368.0%
PSV Launched - % Company (BRL '000)	633,817	927,228	650,259	-31.6%	-2.5%	2,677,635	1,526,597	75.4%
Direcional	335,827	459,356	418,765	-26.9%	-19.8%	1,597,807	1,272,734	25.5%
Riva	297,990	467,872	231,494	-36.3%	28.7%	1,079,827	253,862	325.4%
Launched Units	3,146	3,764	3,701	-16.4%	-15.0%	13,534	10,043	34.8%
Direcional	1,909	1,800	2,749	6.1%	-30.6%	9,103	8,875	2.6%
Riva	1,237	1,964	952	-37.0%	29.9%	4,431	1,168	279.4%
Average % Company	91.4%	85.8%	93.3%	6 p.p.	-2 p.p.	85.3%	86.6%	-1 p.p.
Average Price (BRL/unit)	220,401	287,094	188,410	-23.2%	17.0%	231,859	175,530	32.1%
Direcional	175,918	255,198	169,448	-31.1%	3.8%	202,702	167,506	21.0%
Riva	289,049	316,326	243,166	-8.6%	18.9%	291,759	236,499	23.4%

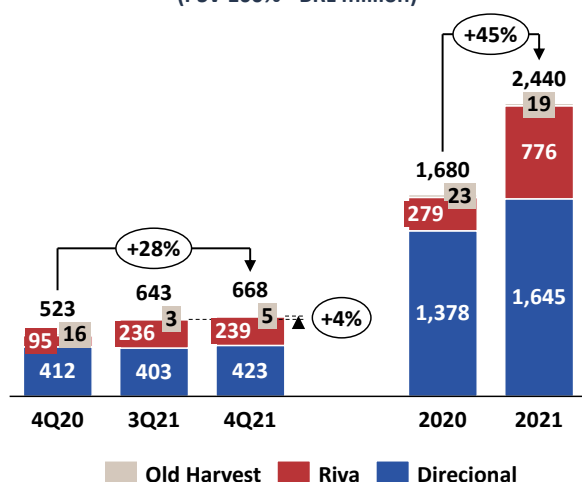
CONTRACTED NET SALES

Contracted Net Sales totaled a PSV of BRL 668 million (BRL 538 million % Company) in 4Q21, up 28% from the year-ago quarter, and up 4% when compared to 3Q21. Once again, **Direcional set its best quarter in terms of Net Sales** – the 6th record in the last 7 quarters.

In 2021, Net Sales reached BRL 2.4 billion, a 45% growth relative to the contracted PSV of 2020. This level marks 2021 as the Company's **best year in terms of Net Sales**.

It is worth mentioning the role played by Riva in the sales mix, reporting an increase of 178% year-over-year and contributing significantly to the numbers achieved.

Net Sales
(PSV 100% - BRL million)



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

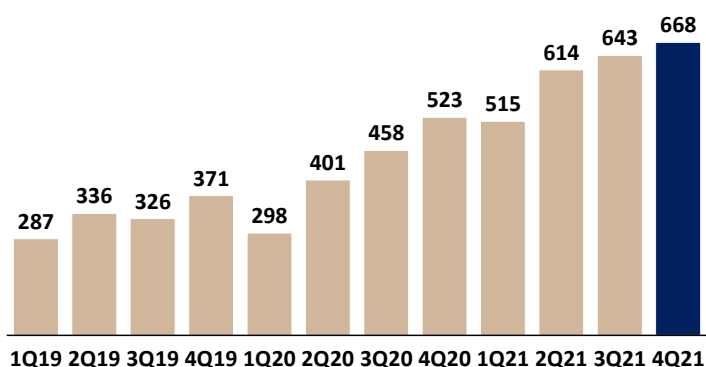


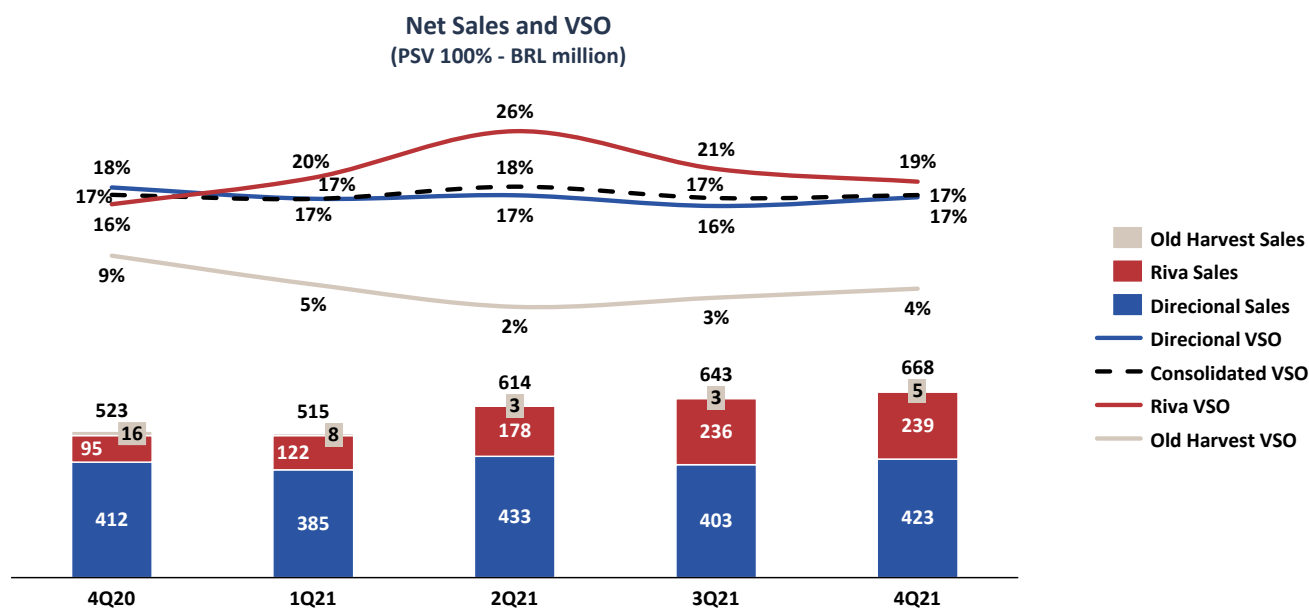
Table below consolidates the information on contracted Net Sales in 4Q21 and 2021:

Contracted Net Sales	4Q21 (a)	3Q21 (b)	4Q20 (c)	Δ % (a/b)	Δ % (a/c)	2021 (d)	2020 (e)	Δ % (d/e)
PSV Contracted Net Sales - 100% (BRL '000)	667,758	642,716	522,749	3.9%	27.7%	2,439,934	1,680,302	45.2%
Direcional	423,415	402,842	412,117	5.1%	2.7%	1,644,732	1,378,312	19.3%
Riva	239,152	236,459	94,723	1.1%	152.5%	776,149	278,829	178.4%
Old Harvest ¹	5,190	3,414	15,909	52.0%	-67.4%	19,054	23,161	-17.7%
PSV Contracted Net Sales - % Company (BRL '000)	537,662	525,002	446,741	2.4%	20.4%	2,017,273	1,407,756	43.3%
Direcional	358,639	342,509	352,909	4.7%	1.6%	1,388,816	1,144,424	21.4%
Riva	175,889	180,159	83,158	-2.4%	111.5%	615,248	249,078	147.0%
Old Harvest	3,135	2,334	10,675	34.3%	-70.6%	13,209	14,254	-7.3%
Contracted Units	3,146	3,211	2,749	-2.0%	14.4%	12,227	9,061	34.9%
Direcional	2,318	2,370	2,401	-2.2%	-3.5%	9,429	7,969	18.3%
Riva	813	831	303	-2.2%	168.3%	2,742	1,022	168.3%
Old Harvest	15	10	45	50.0%	-66.7%	56	70	-20.0%
VSO in PSV	17%	17%	17%	0 p.p.	0 p.p.	43%	40%	3 p.p.
Direcional	17%	16%	18%	1 p.p.	-1 p.p.	44%	43%	2 p.p.
Riva	19%	21%	16%	-2 p.p.	3 p.p.	43%	36%	8 p.p.
Old Harvest	4%	3%	9%	1 p.p.	-4 p.p.	12%	12%	0 p.p.

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

NET SALES SPEED (VSO)

In 4Q21, Net Sales Speed, measured by the VSO index (sales-over-supply ratio), reached 17%. The VSO of projects at Direcional, excluding Old Harvest segment, also reached 17% in the quarter. The VSO of Riva segment reached 19% in the same period.



INVENTORY

Direcional ended 4Q21 with 14,627 units in Inventory, totaling a PSV of BRL 3.3 billion (BRL 2.7 billion % Company).

Table below shows the Inventory at market value, detailed by stage of construction and by type of product. It is worth mentioning that **only 5% of the total PSV refers to completed units**, with 2% related to Direcional projects (ex-Old Harvest), and less than 1% related to Riva products.

Breakdown of Inventory at Market Value	PSV Total				PSV % Company			
	Direcional	Riva	Old Harvest	Total	Direcional	Riva	Old Harvest	Total
In progress (BRL million)	2,063	1,031	0	3,094	1,737	787	0	2,523
% Total	63%	32%	0%	95%	65%	30%	0%	95%
Completed (BRL million)	49	3	110	163	43	3	93	139
% Total	2%	0%	3%	5%	2%	0%	4%	5%
Total (BRL million)	2,113	1,034	110	3,257	1,779	790	93	2,662
% Total	65%	32%	3%	100%	67%	30%	4%	100%
Total Units	10,772	3,548	307	14,627	10,772	3,548	307	14,627
% Total Units	74%	24%	2%	100%	74%	24%	2%	100%

LANDBANK

During 4Q21, 18 plots of lands were acquired, with a construction potential of 8,115 units and a PSV of BRL 1.9 billion (BRL 1.7 billion % Company).

The average cost of acquisition in the quarter was equivalent to 12% of PSV, and 83% of the payment shall be made via swaps, which causes a reduced impact on the Company's cash position in the short term.

In 2021, land acquisitions totaled a PSV of BRL 6.8 billion (BRL 6.3 billion % Company), with an average cost of 13% of the PSV, and with 75% of the payment to be made through swaps.

Direcional's landbank ended 4Q21 with a development potential of 152 thousand units and a PSV of BRL 27 billion (BRL 25 billion % Company).

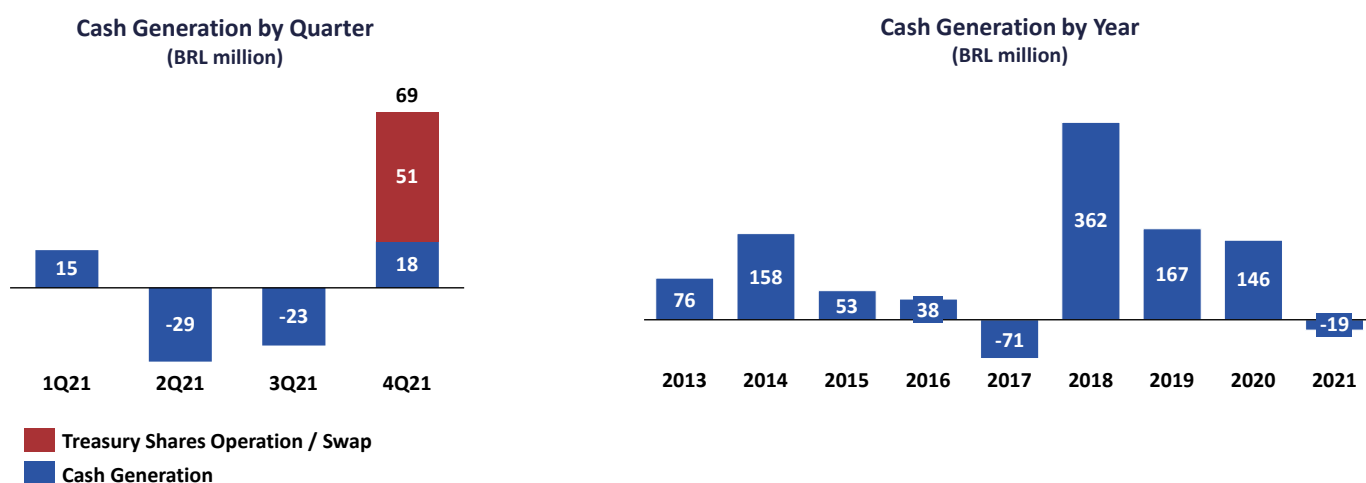
CASH GENERATION (CASH BURN) ¹

In 4Q21, there was a cash generation in the amount of BRL 18 million. As a result, in 2021, the Company reported a cash burn of BRL 19 million.

As discussed in previous releases, the cash burn observed is due to the significant operational growth that the Company has been reporting throughout the year, which allowed an important expansion in the volume of launches, and whose growth rate reached expressive 78% in the comparison between 2021 and 2020.

In addition, the strategy of anticipating the purchase of inputs before price increases, adopted by the Company in the first quarters of the year, aiming the reduction of most of the inflationary effects, as well as the maintenance of solid levels of gross margin, also contributed to this result.

It is worth noting that Direcional reduced its leverage by BRL 69 million in 4Q21, of which BRL 18 million in cash generation and another BRL 51 million through the sale of treasury shares and the subsequent contracting of a swap indexed to shares issued by the Company, in an equivalent position, within the scope of the share buyback program, approved in December 2021 and valid for 18 months, according to the Material Fact disclosed on the date.



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

RIVA – Operating Highlights

The assertiveness of Riva's growth strategy was once again evident in 4Q21. The subsidiary, whose focus concentrates on the mid-low income segment, launched 5 more projects in the quarter, totaling a PSV of BRL 358 million (BRL 298 million % Company). In 2021, the volume launched in this segment reached BRL 1.3 billion (BRL 1.1 billion), a 368% growth in comparison with 2020.

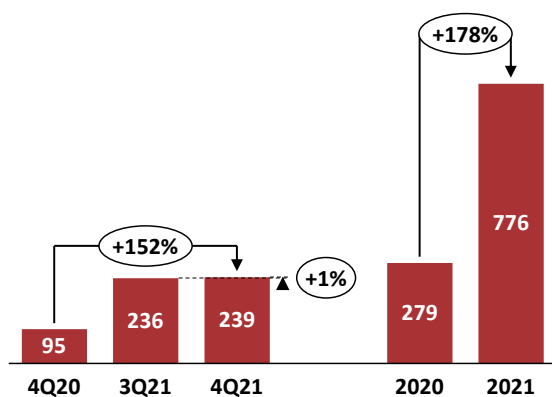


During the quarter, Net Sales came in at BRL 239 million, marginally surpassing 3Q21, and establishing **Riva's best quarter in terms of sales**. In relation to 4Q20, the increase reached 152%. As a result, the VSO for the quarter was 19%, despite the high volume of launches in recent periods, showing the resilience of demand for this type of product – which continues to allow inflation to be passed through to final prices.

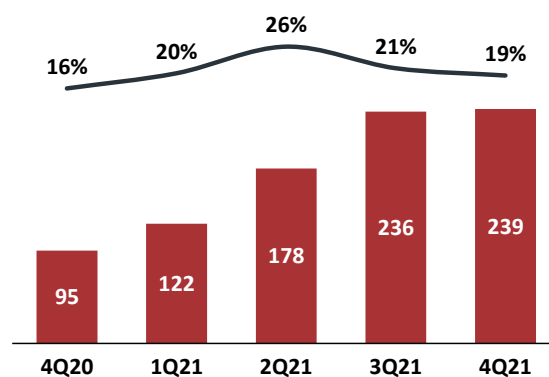
In 2021, Net Sales totaled BRL 776 million, up 178% from the volume observed in 2020.

At the end of 2021, PSV in Inventory totaled BRL 1.0 billion, of which less than 1% refers to completed products.

Net Sales
(PSV 100% - BRL million)



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



■ Net Sales — VSO

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

IR Team

www.direcional.com.br/ri

ri@direcional.com.br

(+55 31) 3431-5509 | (+55 31) 3431-5511

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 “Minha Casa, Minha Vida” 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 “Minha Casa, Minha Vida” 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 Unity above the MCMV ceiling price up to BRL 500 thousand.
Upper Middle-Income	Residential projects with an average price per Unity 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 (profit before financial result, financial charges included in cost of property sold, Income Tax and Social Contribution, depreciation and amortization expenses) less the participation of non-controlling stockholders and less the expenses with the stock-option program. 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 originate 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.