

LISTED NM

**3Q21** 

**Belo Horizonte, November 8<sup>th</sup>, 2021 - 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 third quarter of 2021 (3Q21). 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).

# **3Q21 EARNINGS RELEASE**

- ✓ NET INCOME GREW 65% IN 3Q21 AND 59% IN 9M21 WHEN COMPARED TO THE PREVIOUS YEAR
- ✓ 36.0% ADJUSTED GROSS MARGIN<sup>1</sup> IN 3Q21
- ✓ ANNUALIZED ROE REACHES 16% IN 3Q21
- ✓ RECORD-BREAKING IN LAUNCHES IN 3Q21 (BRL 1.1 BILLION), GROWING 88% OVER 3Q20
- ✓ NET SALES RECORD IN 3Q21 (BRL 643 MILLION), A 40% INCREASE VERSUS 3Q20

#### HIGHLIGHTS

- Launches in 9M21 grew <u>129%</u> versus 9M20, totaling <u>BRL 2.4 billion</u>.
- In 9M21, Net Sales reached <u>BRL 1.8 billion</u>, a growth rate of <u>53%</u> versus 9M20.
- Net Sales Speed Ratio (VSO) of <u>17%</u> in the quarter.
- Adjusted EBITDA<sup>1</sup> reached <u>BRL 101 million</u> in 3Q21 and <u>BRL 268 million</u> in 9M21.
- Adjusted EBITDA Margin<sup>1</sup> of <u>22%</u> in the quarter, <u>4 p.p.</u> above 3Q20.
- Net Income of BRL <u>47 million</u> in 3Q21, resulting in a Net Margin of <u>10.4%</u>.

#### **RIVA**

- Launched PSV reached <u>BRL 621 milhões</u> in 3Q21, the largest volume in Riva's history.
- <u>281%</u> growth in Net Sales versus 3Q20 and <u>33%</u> growth versus 2Q21.
- In 3Q21, Riva's sales accounted for 37% of the total sales by Grupo Direcional.
- Riva's VSO reached <u>21%</u> in the quarter.

<sup>1</sup> Adjustment excluding capitalized interest for financing of production.



#### DIRR B3 LISTED NM

# DIRECIONAL

## TABLE OF CONTENTS

HIGHLIGHTS		
TABLE OF CONTENTS MESSAGE FROM THE BOARD		
LAUNCHES		
CONTRACTED SALES	8	i
NET SALES SPEED (VSO)		
Canceled Sales		
TRANSFERS PROJECTS DELIVERED		
PROJECTS DELIVERED		
Land Acquisition		
ECONOMIC AND FINANCIAL PERFORMANCE	12	
Gross Operating Revenue		
Revenue from Real Estate Sales	12	
Revenue from Services	13	j
Net Revenue	. 13	
Gross Profit	. 14	
General and Administrative Expenses (G&A)	. 14	
Sales Expenses	. 14	
Other Operational Revenues and Expenses	. 15	,
Financial Results	. 15	,
EBITDA	. 16	i
Net Income before Minority Interest	. 16	i
Net Income	. 17	
Deferred Results from Real Estate Sales	. 17	
BALANCE SHEET HIGHLIGHTS	. 18	i
Cash, Cash Equivalents and Financial Investments	. 18	
Accounts Receivable	. 18	1
Indebtedness	. 19	
Cash Generation ( <i>Cash Burn</i> ) <sup>1</sup>	. 20	1
SHARE BUYBACK		
RIVA – Operating Highlights		
CONSOLIDATED BALANCE SHEET		
CONSOLIDATED INCOME STATEMENT CONSOLIDATED CASH FLOW STATEMENT		
GLOSSARY		

# DIRECIONAL

DIRR

**B3** LISTED NM

## **MESSAGE FROM THE BOARD**

Amid the complex moment that leads the economy in Brazil to uncertain tracks, it is evident we should adopt responsible strategic planning that might fully reflect our values and focus on operational efficiency.

As the year 2021 is ending, we can see the materialization of what we had planned for Direcional and Riva, despite the challenges faced by the market.

Our Operating Preview last month featured some metrics that exceeded the best milestones already reached in the Company's history and that led to the financial results shared with our shareholders in the present document.

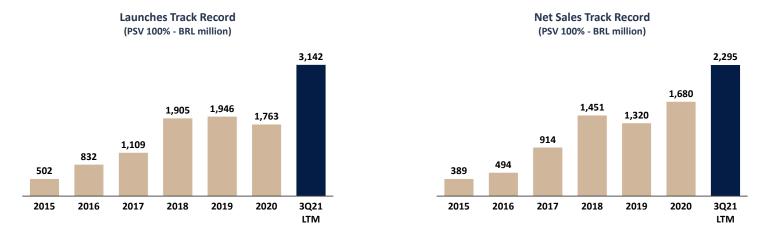
We had again the best quarter in launches in Grupo Direcional's history, with a total PSV of BRL 1.1 billion, 37% above the results we obtained in the previous quarter. When compared to 3Q20, we had a growth rate of 88%. In 9M21, we had BRL 2.4 billion in launches and an expressive growth of 129% compared to 9M20.

We emphasize Riva's protagonism in 3Q21: BRL 621 million in launched PSV, a milestone for our mid-low income segment, distributed in products located in all regions we operate. In 9M21, Riva already reached an expressive amount of BRL 935 million.

For the fifth time in the last six quarters, we had a record in net sales, reporting a contracted PSV of BRL 643 million in 3Q21, a growth rate of 40% when compared to the same quarter of the previous year. In 9M21, total net sales reached BRL 1.8 billion, a 53% growth when compared to the results of 9M20, which indicates the resilience of the demand for our products.

As shown in the launches line, Riva's role in net sales is also noteworthy. The segment accounted for 37% of the total sales by Grupo Direcional in the quarter, a 3-figure growth rate when compared to 3Q20, reaching expressive 281%.

The evolution of those metrics is an evident demonstration that Direcional's operational deliveries are at a higher level, as illustrated below, considering the last twelve months:



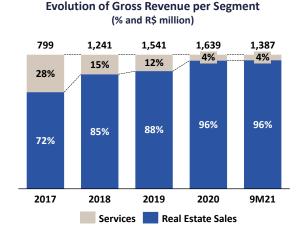
The breakdown of our landbank is an important factor that makes feasible the growth for the following periods, with PSV of BRL 25 billion and a construction potential of 148 thousand units, with a well-distributed profile among the regions where we operate. Our strategy in purchasing lands, the essential work of the approval committee, and the governance framework concerned have shown assertiveness throughout the process, supporting the improved operational metrics mentioned above and the maintenance of a superior gross margin when compared with peers.

We should highlight other important numbers we reached in 3Q21 and 9M21: (i) consolidated VSO of 17% in the quarter, with Riva reaching VSO of 21%, even in a quarter marked by the highest number of launches in the Company's history; (ii) Adjusted Gross Margin<sup>1</sup> of 36.0% in 3Q21 and 36.6% in 9M21, despite the increased costs of the inputs; (iii) Adjusted EBITDA<sup>1</sup> of BRL 101 million in the quarter, with Adjusted EBITDA Margin<sup>1</sup> of 22.2%; (iv) Net Income reaching BRL 47 million in 3Q21, a growth rate of 16% when compared to 2Q21 and 65% to 3Q20, resulting in a Net Margin of 10.4%; and (v) annualized ROE of 16% in the period.



LISTED NM

As expected, real estate sales were predominant in our Gross Revenue mix year to date, and revenue from services accounted for a low portion of the total revenue, as shown in the graph below:



Adjusted Gross Profit<sup>1</sup> reached BRL 163 million in 3Q21, with Adjusted Gross Margin<sup>1</sup> of 36.0%. In 9M21, Adjusted Gross Profit totaled BRL 472 million, with a margin of 36.6%. The high level of the gross margin reflects our strict operational efficiency and our insightful, granular operation in our product pricing policy. Moreover, the changes in our product mix, as occurred in recent periods, played a major role in the breakdown. We could handle the inflation on our budgets by transferring costs, whenever possible, always paying attention to the demand.

We had a solid REF Margin of 39.0% in the quarter, and our Deferred Results from real estate sales reached BRL 821 million in the period. This increase is mainly explained by the sales mix – with greater relevance of units closer to the launch than units completed or in an advanced stage of construction –, leading to an increase in the balance of revenue to be appropriated. Since it is a volume of sales already contracted, the scenario shows us that we will have a **significant increase of Net Revenue in the following quarters** as the products will reach higher percentages of completion.

In 3Q21, our Adjusted EBITDA<sup>1</sup> reached BRL 101 million and went up by 12% when compared to 2Q21, and 45% to 3Q20. Adjusted EBITDA Margin<sup>1</sup> totaled 22.2% in the period, 1 p.p. above the previous quarter and 4 p.p. above the same quarter of 2020, ratifying the operational efficiency we are so proud to show.

We reached BRL 47 million in Net Income in 3Q21, the highest result we have had in a quarter since 4Q14. In comparison with other periods, the growth rate was 16% when compared to 2Q21 and 65% to 3Q20. The resulting Net Margin was 10.4%, 80 *bps* above the previous quarter, and 280 *bps* above the same quarter of the previous year. Annualized ROE in 3Q21 reached 16%, confirming the importance of performing our work strictly to achieve the goals set for the Company.

Cash, cash equivalents and financial investments at the end of the quarter totaled BRL 935 million. The weighted average maturity of our indebtedness was 38 months, with about 87% of the debt balance as long-term debt. The leverage ratio – Adjusted Net Debt<sup>2</sup> over Equity – ended 3Q21 at 19.6%, confirming our commitment to responsible, long-term management.

As a subsequent event, after the end of the quarter, we concluded a new issuance of debentures, raising an amount of BRL 100 million, maturing in 5 years, at a cost of CDI+1.65% *per annum*, which allowed us to further reinforce our cash position and lengthen the duration of the debt.

In that sense, we should point out the results of the two swaps we contracted in 1Q21 and disclosed in our earnings release. At the time, we explained that the operation was carried out to protect our balance sheet and minimize the volatility of the financial result arising out from the indexation of part of our indebtedness to the IPCA. In 3Q21, the accounting of a derivative, carried out via mark-to-market (MtM) since its contracting, is now carried out via hedge accounting. Thus, in addition to protecting our balance from the behavior of the price index, we took another step in order to protect our results from the fluctuations and uncertainties that hover over the macroeconomic environment, and that have been impacting the market in general.



DIRR

**B3** LISTED NM

**3Q21** 

Once again thanking the efforts by the entire Direcional and Riva teams, we praise the coordinated work of our employees, which allowed us to achieve the results presented in this Message from the Board and which we will detail further in the pages below. Thank you to everyone who makes Direcional a company that has been fulfilling important goals and reaching higher levels continuously.

We believe we are well-positioned to identify and take the opportunities that arise in such challenging moments. We will keep up on seeking continuous improvement in the upcoming quarters.

Thank you,

#### The Management – Direcional Engenharia S.A.

 $^{\rm L}$  Adjustment excluding capitalized interest for financing of production.

<sup>2.</sup> Net Debt: adjusted by balance of interest swap operation agreements.



# DIRECIONAL

## **MAIN INDICATORS**

	3Q21 (a)	2Q21 (b)	3Q20 (c)	∆ % (a/b)	∆ % (a/c)	9M21 (d)	9M20 (e)	∆ % (d/e)
Financial Indicators								
Net Revenue (BRL '000)	453,362	422,162	375,532	7.4%	20.7%	1,289,409	1,075,409	19.9%
Gross Profit (BRL '000)	162,214	159,582	133,730	1.6%	21.3%	469,464	369,954	26.9%
Gross Margin	35.8%	37.8%	35.6%	-2.0 p.p.	0.2 p.p.	36.4%	34.4%	2.0 p.p.
Adjusted Gross Profit <sup>1</sup> (BRL '000)	163,040	160,274	135,830	1.7%	20.0%	472,269	375,885	25.6%
Adjusted Gross Margin <sup>1</sup>	36.0%	38.0%	36.2%	-2.0 p.p.	-0.2 p.p.	36.6%	35.0%	1.7 p.p.
Adjusted EBITDA <sup>1</sup> (BRL '000)	100,666	89,996	73,853	11.9%	36.3%	268,465	179,832	49.3%
Adjusted EBITDA Margin <sup>1</sup>	22.2%	21.3%	19.7%	0.9 p.p.	2.5 p.p.	20.8%	, 16.7%	4.1 p.p.
Net Income (BRL '000)	47,184	40,688	28,556	16.0%	65.2%	114,978	72,503	58.6%
Net Margin	10.4%	, 9.6%	, 7.6%	0.8 p.p.	2.8 p.p.	8.9%	, 6.7%	2.2 p.p.
Launches								
PSV Launched - 100% (BRL '000)	1,080,620	786,923	574,480	37.3%	88.1%	2,444,603	1,065,543	129.4%
Direcional	459,356	599,155	529,743	-23.3%	-13.3%	1,509,373	1,020,807	47.9%
Riva	621,265	, 187,768	44,737	230.9%	1288.7%	935,230	44,737	1990.5%
PSV Launched - % Company (BRL '000)	927,228	662,361	458,127	40.0%	102.4%	2,043,818	876,337	133.2%
Direcional	459,356	474,593	435,758	-3.2%	5.4%	1,261,981	853,969	47.8%
Riva	467,872	187,768	22,368	149.2%	1991.7%	781,837	22,368	3395.3%
Launched Units	3,764	4,153	3,358	-9.4%	12.1%	10,388	6,342	63.8%
Direcional	1,800	3,385	3,142	-46.8%	-42.7%	7,194	6,126	17.4%
Riva	1,964	768	216	155.7%	809.3%	3,194	216	1378.7%
Contracted Net Sales								
Net PSV Contracted - 100% (BRL '000)	642,716	614,496	458,407	4.6%	40.2%	1,772,176	1,157,552	53.1%
Direcional	402,842	433,406	393,027	-7.1%	2.5%	1,221,317	966,195	26.4%
Riva	236,459	178,387	62,133	32.6%	280.6%	536,996	184,105	191.7%
Old Harvest <sup>2</sup>	3,414	2,703	3,247	26.3%	5.2%	13,864	7,252	91.2%
Net PSV Contracted - % Co. (BRL '000)	525,002	515,665	368,944	1.8%	42.3%	1,479,611	961,015	54.0%
Direcional	342,509	364,201	312,154	-6.0%	9.7%	1,030,178	791,516	30.2%
Riva	180,159	149,183	55,234	20.8%	226.2%	439,359	165,920	164.8%
Old Harvest	2,334	2,281	1,556	2.3%	50.1%	10,074	3,579	181.5%
Contracted Units	3,211	3,168	2,457	1.4%	30.7%	9,081	6,312	43.9%
Direcional	2,370	2,491	2,224	-4.9%	6.6%	7,111	5,568	27.7%
Riva	831	668	215	24.4%	286.5%	1,929	719	168.3%
Old Harvest	10	9	18	11.1%	-44.4%	41	25	64.0%
Consolidated Net Sales Speed - (% VGV)	17%	18%	16%	-1 p.p.	1 p.p.	36%	33%	3 p.p.
Direcional VSO - (% VGV)	16%	17%	18%	-1 p.p.	-2 p.p.	36%	35%	1 p.p.
Riva VSO - (% VGV)	21%	26%	15%	-5 p.p.	6 p.p.	38%	33%	4 p.p.
Old Harvest VSO - (% VGV)	3%	2%	2%	1 p.p.	1 p.p.	9%	4%	5 p.p.
Other Indicators	3Q21	2Q21	1Q21	4Q20	3Q20	2Q20	1Q20	4Q19
Annualized ROE	16%	14%	9%	13%	9%	11%	3%	9%
Cash and Cash Equivalents (BRL '000)	934,763	946,589	974,980	926,929	1,093,709	835,543	798,028	729,382
Gross Debt (BRL '000)	1,201,201	1,190,639	1,077,179	1,031,168	1,121,350	880,866	913,062	831,068
Net Debt (BRL '000)	266,238	241,610	104,208	97,234	18,614	32,917	112,682	101,686
Total Shareholder's Equity (BRL '000) Cash Generation (Cash Burn) <sup>3</sup>	1,356,494 -22,700	1,297,797 -28,929	1,348,987 14,735	1,339,998 62,704	1,450,377 14,319	1,429,829 79,765	1,390,793 -10,997	1,369,344 34,387
Net Debt <sup>4</sup> / Equity	-22,700 19.6%	-28,929 18.6%	7.7%	7.3%	14,519	2.3%	-10,997 8.1%	54,587 7.4%
Inventory - 100 % (PSV - BRL '000)	3,178,011	2,721,703	2,555,989	2,502,447	2,328,376	2,235,027	2,276,753	2,434,918
LandBank - 100 % (PSV - BRL '000)	25,474,475	26,486,852	24,936,829	24,799,480	24,506,867	23,227,370	23,092,927	22,326,962
LandBank - Units	147,702	151,357	144,223	143,844	142,379	136,729	136,593	133,475

<sup>1</sup> Adjustment: excluding capitalized interest for financing of production.

<sup>2</sup> Old Harvest: comprises projects of the middle-income, upper-middle income and commercial segments developed in the former model.

<sup>3</sup> Cash Generation (Cash Burn): net debt variation adjusted by payment of dividends, stock repurchase, and variation in the balance of interest swap operation agreements.

<sup>4</sup> Adjustment: balance of open positions in swap agreements.



**3Q21** 

DIRR

**B3** LISTED NM

## LAUNCHES

In 3Q21, Direcional launched 10 new projects/stages, totaling PSV of BRL 1.1 billion (BRL 927 million % Company), a growth rate of 88% when compared to 3Q20 and 37% when compared to 2Q21, the highest result already recorded by the Company. **Thus, Direcional beats a new record of launches in one quarter.** 

In 9M21, we had a 3-figure growth when compared to 9M20. The growth rate of 129% contributed to a PSV of BRL 2.4 billion. Considering the last twelve months (3Q21 LTM), launches totaled BRL 3.1 billion.

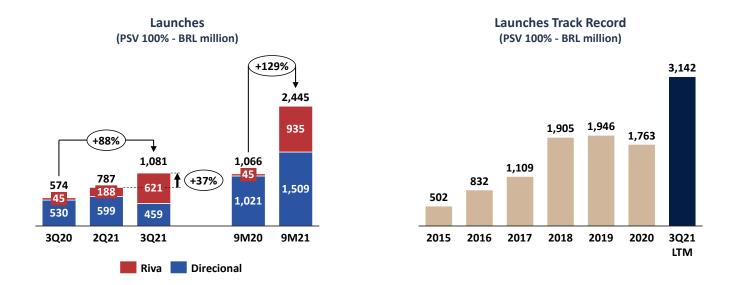


Table below provides further information on the Launches in 3Q21 and 9M21:

Launches	3Q21 (a)	2Q21 (b)	3Q20 (c)	∆ % (a/b)	∆ % (a/c)	9M21 (d)	9M20 (e)	∆ % (d/e)
PSV Launched - 100% (BRL '000)	1,080,620	786,923	574,480	37.3%	88.1%	2,444,603	1,065,543	129.4%
Direcional	459,356	599,155	529,743	-23.3%	-13.3%	1,509,373	1,020,807	47.9%
Riva	621,265	187,768	44,737	230.9%	1288.7%	935 <i>,</i> 230	44,737	1990.5%
PSV Launched - % Company (BRL '000)	927,228	662,361	458,127	40.0%	102.4%	2,043,818	876,337	133.2%
Direcional	459,356	474,593	435,758	-3.2%	5.4%	1,261,981	853,969	47.8%
Riva	467,872	187,768	22,368	149.2%	1991.7%	781,837	22,368	3395.3%
Launched Units	3,764	4,153	3,358	-9.4%	12.1%	10,388	6,342	63.8%
Direcional	1,800	3,385	3,142	-46.8%	-42.7%	7,194	6,126	17.4%
Riva	1,964	768	216	155.7%	809.3%	3,194	216	1378.7%
Average % Company	85.8%	84.2%	79.7%	2 p.p.	6 p.p.	83.6%	82.2%	1 p.p.
Average Price (BRL/unit)	287,094	189,483	171,078	51.5%	67.8%	235,330	168,014	40.1%
Direcional	255,198	177,003	168,601	44.2%	51.4%	209,810	166,635	25.9%
Riva	316,326	244,490	207,115	29.4%	52.7%	292,808	207,115	41.4%



**3Q21** 

DIRR

**B3** LISTED NM

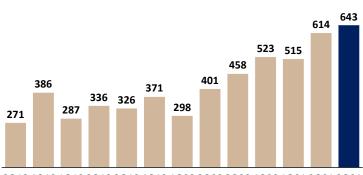
## **CONTRACTED SALES**

In 3Q21, Contracted Net Sales had PSV of BRL 643 million (BRL 525 million % Company), a growth rate of 40% when compared to 3Q20, and 5% to 2Q21. The achievement represented **the best quarter in Net Sales at Direcional** – the fifth record in the last six quarters.

As has been happening in recent quarters, Riva's relevant role in sales volume stands out. The branch accounted for 37% of the total sold by Grupo Direcional in 3Q21.

**Net Sales** (PSV 100% - BRL million) . ۲ 1,772 14 537 1,158 184 <mark>7</mark> +40% 643 614 236 <mark>3</mark> 458 🚡 (+5% 1,221 178 <sup>3</sup> 966 62\_3 433 403 393 3Q20 2Q21 3021 9M20 9M21 Old Harvest 📕 Riva 📃 Direcional

In 9M21, Net Sales totaled BRL 1.8 billion, a growth rate of 53% when compared to 9M20.



**Net Sales Track Record** 

(PSV 100% - BRL million)

3Q18 4Q18 1Q19 2Q19 3Q19 4Q19 1Q20 2Q20 3Q20 4Q20 1Q21 2Q21 3Q21

Table below consolidates the information on contracted Net Sales in 3Q21 and 9M21:

Contracted Net Sales	3Q21 (a)	2Q21 (b)	3Q20 (c)	∆ % (a/b)	∆ % (a/c)	9M21 (d)	9М20 (е)	∆ % (d/e)
Net Contracted Sales - PSV 100% (BRL '000)	642,716	614,496	458,407	4.6%	40.2%	1,772,176	1,157,552	53.1%
Direcional	402,842	433,406	393,027	-7.1%	2.5%	1,221,317	966,195	26.4%
Riva	236,459	178,387	62,133	32.6%	280.6%	536,996	184,105	191.7%
Old Harvest <sup>1</sup>	3,414	2,703	3,247	26.3%	5.2%	13,864	7,252	91.2%
Net Contracted Sales - PSV % Company (BRL '000)	525,002	515,665	368,944	1.8%	42.3%	1,479,611	961,015	54.0%
Direcional	342,509	364,201	312,154	-6.0%	9.7%	1,030,178	791,516	30.2%
Riva	180,159	149,183	55,234	20.8%	226.2%	439,359	165,920	164.8%
Old Harvest	2,334	2,281	1,556	2.3%	50.1%	10,074	3,579	181.5%
Contracted Units	3,211	3,168	2,457	1.4%	30.7%	9,081	6,312	43.9%
Direcional	2,370	2,491	2,224	-4.9%	6.6%	7,111	5,568	27.7%
Riva	831	668	215	24.4%	286.5%	1,929	719	168.3%
Old Harvest	10	9	18	11.1%	-44.4%	41	25	64.0%
Net Sales Speed (VSO) in PSV	17%	18%	16%	-1 p.p.	1 p.p.	36%	33%	3 p.p.
Direcional	16%	17%	18%	-1 p.p.	-2 p.p.	36%	35%	1 p.p.
Riva	21%	26%	15%	-5 p.p.	6 p.p.	38%	33%	4 p.p.
Old Harvest	3%	2%	2%	1 p.p.	1 p.p.	9%	4%	5 p.p.

<sup>1</sup> Old Harvest: comprises projects of the middle-income, upper-middle income and commercial segments developed in the former model.



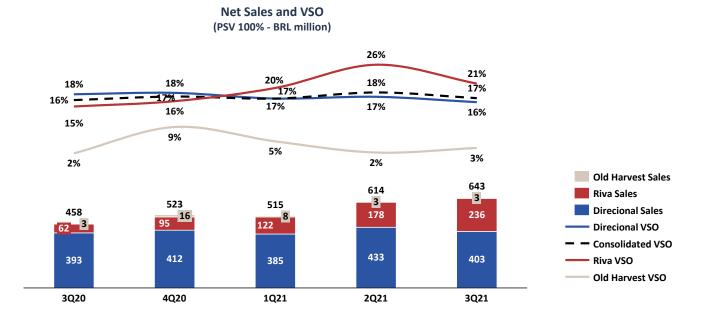
**3Q21** 

DIRR

**B3** LISTED NM

### **NET SALES SPEED (VSO)**

Net Sales Speed, measured by the VSO index (Sales Over Supply ratio), reached 17% in 3Q21. The VSO of projects at Direcional, excluding Old Harvest segment, reached 16% in the quarter, while Riva's VSO reached 21%.



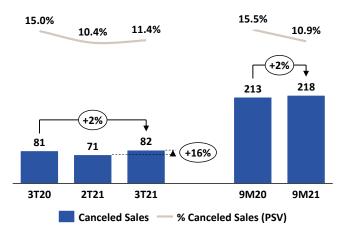
#### **Canceled Sales**

In 3Q21, canceled sales totaled BRL 82 million (BRL 64 million % Company), a growth rate of 16% versus 2Q21 and 2% versus 3Q20. The percentage of canceled sales over Gross Sales was 11.4% in the quarter.

In 9M21, canceled sales totaled BRL 218 million (BRL 187 million % Company), 2% above the results of 9M20. However, canceled sales over Gross Sales went down from 15.5% in 9M20 to 10.9% in 9M21, a decrease rate of 4.6 p.p.

Table below consolidates the information on 3Q21 and 9M21:

Canceled Sales (PSV 100% - BRL million and %)



Canceled Sales <sup>1</sup>	3Q21 (a)	2Q21 (b)	3Q20 (c)	∆ % (a/b)	∆ % (a/c)	9M21 (d)	9М20 (e)	Δ % (d/e)
Canceled Sales (100 % - BRL '000)	-82,351	-71,100	-80,682	15.8%	2.1%	-217,628	-213,076	2.1%
Gross PSV Contracted (100%)	725,067	685,596	539,089	5.8%	34.5%	1,989,804	1,370,628	45.2%
% Canceled Sales / Gross PSV Contracted	11.4%	10.4%	15.0%	1 p.p.	-4 p.p.	10.9%	15.5%	-5 p.p.
Canceled Sales (% Company - BRL '000)	-63,605	-65,351	-71,819	-2.7%	-11.4%	-186,554	-190,653	-2.1%
Gross PSV Contracted (% Company)	588,607	581,016	440,763	1.3%	33.5%	1,666,165	1,151,668	44.7%
% Canceled Sales / Gross PSV Contracted	10.8%	11.2%	16.3%	0 p.p.	-5 p.p.	11.2%	16.6%	-5 p.p.

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



**3Q21** 

DIRR

**B3** LISTED NM

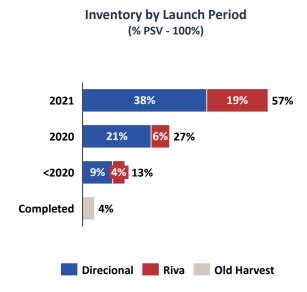
### **INVENTORY**

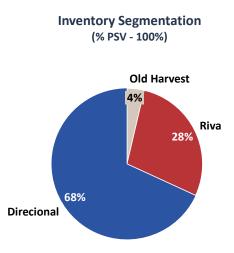
Direcional ended 3Q21 with 14,573 units available for sale, totaling a PSV of BRL 3.2 billion (BRL 2.7 billion % Company).

Table below shows the breakdown of Inventory at market value by stage of construction and type of product. It is worth to emphasize that there are only BRL 9 million in PSV of completed units at Direcional, excluding Old Harvest, **representing less than 1% of total Inventory**.

		PSV T	otal		PSV % Company					
Breakdown of Inventory at Market Value	Direcional	Riva	Old Harvest	Total	Direcional	Riva	Old Harvest	Total		
In progress (BRL million)	2,157	891	1	3,049	1,890	694	1	2,585		
% Total	68%	28%	0%	96%	70%	26%	0%	96%		
Completed (BRL million)	9	5	116	129	8	4	89	102		
% Total	0%	0%	4%	4%	0%	0%	3%	4%		
Total (BRL million)	2,166	896	116	3,178	1,898	698	90	2,686		
% Total	68%	28%	4%	100%	71%	26%	3%	100%		
Total Units	11,128	3,124	321	14,573	11,128	3,124	321	14,573		
% Total Units	76%	21%	2%	100%	76%	21%	2%	100%		

The following charts show further information on the evolution and breakdown of the Inventory. It should be noted that 83% of the PSV in Inventory accounts for projects launched from 2020 on.





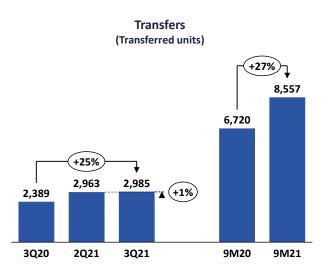


**3Q21** 

**B3** LISTED NM

### TRANSFERS

In 3Q21, transfers totaled 2,985 units, 25% above when compared to 3Q20. When compared to the previous quarter, the results are in line. In 9M21, transfers totaled 8,557 units, a growth rate of 27% when compared to 9M20.



### **PROJECTS DELIVERED**

Direcional delivered projects/stages in 3Q21, which corresponded to 5,478 units, all related to *Programa Casa Verde e Amarela* (PCVA).

In 9M21, projects/stages delivered totaled 9,111 units.

#### LANDBANK

Direcional's landbank ended 3Q21 with a development potential of 147,702 units and PSV of BRL 25 billion (BRL 24 billion % Company).

The average acquisition cost of the landbank is 11% of the potential PSV, and 79% will be paid via swap, with a reduced impact on the cash before the development of the project starts.

Evolution of Landbank (BRL million)	2020 Lands	9M21 Acquisitions	9M21 Launches	Adjustments <sup>1</sup>	9M21 Lands	9M21 PSV % Co.	Units
Total PSV	24,799	4,808	(2,445)	(1,689)	25,474	23,590	147,702

<sup>1</sup> Adjustments: update of sales price; canceled sales and swaps.

## Land Acquisition

During 3Q21, 13 lands were acquired with a construction potential of 7,800 units and PSV of BRL 1.7 billion (BRL 1.7 billion % Company). The average cost in the quarter was equivalent to 13% of the potential PSV, and 69% of the payment will be made via swaps.

In 9M21, the acquisition of land had a potential PSV of BRL 4.8 billion (BRL 4.6 billion % Company), with an average cost of 13% over PSV, with 72% of payment via swap.



# DIRECIONAL

#### ECONOMIC AND FINANCIAL PERFORMANCE

#### **Gross Operating Revenue**

Directional's Gross Operational Revenue summed BRL 481 million in 3Q21, a growth rate of 4% when compared to 2Q21, and 17% to 3Q20. In 9M21, Gross Operational Revenue went up by 18% when compared to 9M20, totaling BRL 1.4 billion.

The Gross Revenue breakdown reiterates the relevant share of the revenue from real estate sales in the mix. The segment accounted for 96% of the total revenue earned in the 3Q21 and 9M21.

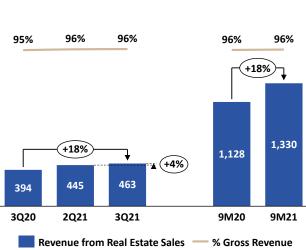
Gross Revenue (BRL '000)	3Q21 (a)	2Q21 (b)	3Q20 (c)	∆ % (a/b)	∆ % (a/c)	9M21 (d)	9M20 (e)	∆% (d/e)
Gross Operating Revenue	480,773	462,554	412,175	3.9%	16.6%	1,387,209	1,179,598	17.6%
From Real Estate Sales	462,751	444,503	393,597	4.1%	17.6%	1,330,434	1,128,074	17.9%
From Services	18,022	18,051	18,578	-0.2%	-3.0%	56,775	51,524	10.2%

## Revenue from Real Estate Sales

Gross Real Estate Sales Revenue, which contemplates the projects launched under the New Model (Direcional + Riva) and the Legado projects, reached BRL 463 million in 3Q21, a growth rate of 4% when compared to 2Q21 and 18% to 3Q20. The performance is a result of an increase in the number of units sold and their average price.

Gross Real Estate Sales Revenue had a growth rate of 18% in 9M21 when compared to 9M20, totaling BRL 1.3 billion. As mentioned above, real estate sales accounted for 96% of the total Gross Revenue.

Besides the numbers reported above, which consider the revenue from projects consolidated in the Direcional's results, we should stress out the Gross Revenue from products not consolidated in the Company's balance sheet (joint venture). In this context, Gross Revenue reached BRL 67 million in 3Q21, a growth rate of 120% when compared to 2Q21. In 9M21, the total Gross Revenue earned from those projects totaled BRL 119 million, +29% versus 9M20.



## Revenue from Real Estate Sales (BRL million and %)



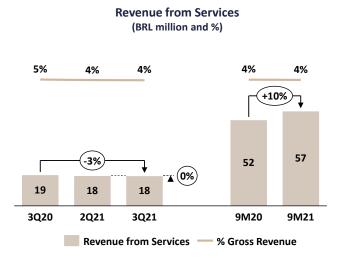
**B3** LISTED NM

**3Q21** 

### **Revenue from Services**

Gross Revenue from Services accounted for 4% of the total Gross Revenue in the quarter. It consists of (i) revenue from turnkey projects (MCMV Level 1); (ii) project administration fees and (iii) brokerage fees from units sold by the real estate broker team.

Revenue summed BRL 18 million in 3Q21, with results in line when compared to 2Q21, and 3% less than 3Q20. In 9M21, revenue from services totaled BRL 57 million, a growth rate of 10% when compared to 9M20. As mentioned in previous earnings releases, we expect Revenue from Services will account for small percentages in the total Gross Revenue.

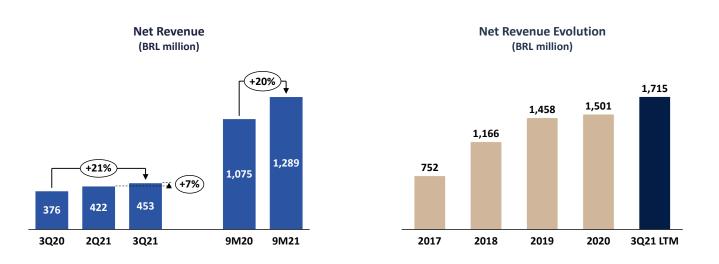


#### Net Revenue

Net Operational Revenue in 3Q21 totaled BRL 453 million, a 7% growth when compared to the previous quarter, and 21% to the previous year. Taking 9M21 into account, Net Revenue was 20% higher than 9M20, totaling BRL 1.3 billion.

Taking the last 12 months ended 3Q21 into account, Net Revenue reached BRL 1.7 billion.

We should emphasize that in the recent quarters we perceived a significant change in the sales mix, with most units closer to their launch than completed units or in a more advanced construction stage. Consequently, we had less earned revenue and an increase of unearned results (REF). The record in sales in 3Q21 must affect the growth of the Net Revenue in a relevant way in the next quarters with the acceleration of the construction in the units.





Adjusted Gross Profit<sup>1</sup> (BRL million and %)

3QZ1

LISTED NM

### **Gross Profit**

Adjusted Gross Profit<sup>1</sup> reached BRL 163 million in 3Q21, 2% more than in 2Q21 and 20% more than in 3Q20. Adjusted Gross Margin<sup>1</sup> totaled 36.0% in the quarter.

Considering the 9M21, Adjusted Gross Profit reached BRL 472 million, a growth rate of 26% when compared to 9M20. Adjusted Gross Margin totaled 36.6%, 1.6 p.p. above the results of 9M20.

That Gross Margin results especially from the continuous product pricing policy and the adjustments to the Company's product mix. The combination of those factors contributed to maintaining the gross margin within stable parameters and mitigated part of the inflation on inputs, that has been impacting the market.

<sup>1</sup> Adjusted Gross Profit and Margin: excluding capitalized interest for financing of production.

## General and Administrative Expenses (G&A)

General and Administrative Expenses totaled BRL 34 million in 3Q21, in line with the results of 2Q21. However, the representativeness of G&A decreased in the Gross Revenue breakdown. It went down to 7.0% in the quarter.

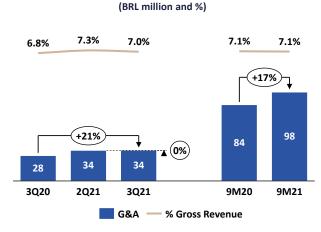
In 9M21, General and Administrative Expenses totaled BRL 98 million, a growth rate of 17% in comparison with 9M20. However, the representativeness of G&A remained in line, accounting for 7.1% of the Company's Gross Revenue. We should point out the expected trend of decrease of representativeness of General and Administrative Expenses, given the expected increasing revenue for the following periods.

#### Sales Expenses

Sales Expenses, which comprise expenses with commissions and marketing, totaled BRL 50 million in 3Q21, a growth rate of 9% when compared to 2Q21. When compared to 3Q20, the growth rate was 25%. However, Sales Expenses over Net Sales went down by 1.1 p.p. when compared to the previous year.

In 9M21, it totaled BRL 138 million, 21% above the BRL 114 million registered in 9M20. Sales Expenses over Net Sales improved 2.2 p.p. in the period.

38.0% 36.6% 36.2% 36.0% 35.0% +26% 472 376 +20% 469 160 163 136 370 (+2%)-\_ 134 160 162 3Q20 2Q21 3Q21 9M20 9M21 Interest Capitalized in Cost — Adjusted Gross Margin<sup>1</sup> Gross Profit



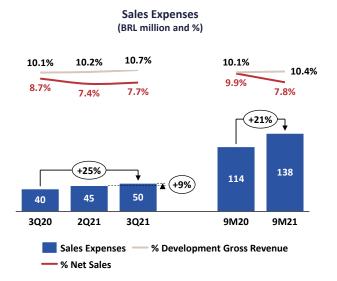
G&A

DIRECIONAL

LISTED NM

The increased Sales Expenses in the quarter were a result of the elevated growth of launches, as a relevant portion of those expenses occurs in the launch.

We should point out that when considering the Sales Expenses over Gross Revenue, we should consider that part of the expenses, e.g., marketing and maintenance of points of sales, etc., are determined in their accrual period, while revenues are determined under the PoC (Percentage of Completion). Therefore, when the sales are growing, there is a decoupling between the expenses of a certain period and the revenue earning speed. Therefore, according to the construction of the units sold, we expect a dilution in the expenses, given the expected increase of revenue.



#### Other Operational Revenues and Expenses

In 3Q21, Other Operational Revenue and Expenses had a positive net income of BRL 2 million. The main factors contributing to that result are: (i) profit/loss with operations with ownership interest; (ii) provisions; (iii) amortization of premium by the acquisition of land; and (iv) attorneys' fees.

#### **Financial Results**

In 3Q21, Financial Results presented a net loss of BRL 20 million. The two factors responsible for that result were: (i) the two adjustments of the CDI rate in the period, from 4.25% p.a. to 6.25% p.a., which affected the cash, the financial expenses related to the Company's indebtedness; and (ii) the results of the *swaps* contracted for safeguarding against the IPCA.

It is worth emphasizing the assertiveness in contracting the instruments, which played a major role in controlling the balance sheet in relation to the index variation, which accelerated throughout the quarter. Moreover, in order to mitigate the exposure to any market fluctuations, the accounting of one of the swaps, previously carried out via Mark-to-Market, is now carried out via hedge accounting, which accounts for the difference between the debit balance of the bond (accrual) and the mark-to-market balance, assuming the expected effectiveness of the hedge between the bond and the derivative. Thus, in addition to safeguarding against the volatility of the IPCA, the Company also tries to safeguard its balance against the macroeconomic factors that have affected the market.

It should also be noted that, if the debts indexed to the IPCA were being effectively accounted for at the rates resulting from the contracting of swap instruments, the financial result would have been about R\$ 3 million less in the total amount of expenses, improving the net value.



LISTED NM

**3Q21** 

### EBITDA

EBITDA reached BRL 100 million in 3Q21, **the best result in the Company's history**. The record made the indicator 48% higher when compared to 3Q20, and 12% to 2Q21. EBTIDA margin reached 22.0%. In 9M21, EBITDA totaled BRL 266 million, a growth rate of 57% when compared to 9M20, with an EBITDA margin of 20.6% in the period, growth of 4.8 p.p.

Adjusted EBITDA<sup>1</sup> was calculated considering the adjustment by the capitalized interest for the financing of production, comprising the Costs. Adjusted EBITDA in 3Q21 totaled BRL 101 million, a growth rate of 45% compared to 3Q20 and 12% compared to 2Q21. Adjusted EBITDA Margin<sup>1</sup> reached 22.2%, an increase of 3.7 p.p. when compared to the previous year and 0.9 p.p. when compared to the previous quarter.

In 9M21, Adjusted EBITDA totaled BRL 268 million, a growth rate of 53% when compared to 9M20, with an Adjusted EBITDA Margin of 20.8%, an increase of 4.5 p.p. in the period. Those results seek to ratify the Company focusing on its operational performance and continuous improvement.

Recomposição do EBITDA (R\$ mil)	3Q21 (a)	2Q21 (b)	3Q20 (c)	∆ % (a/b)	∆ % (a/c)	9M21 (d)	9M20 (e)	∆ % (d/e)
Net Income	47,184	40,688	28,556	16.0%	65.2%	114,978	72,503	58.6%
(+) Depreciation and Amortization	13,004	12,453	10,611	4.4%	22.6%	37,625	29,532	27.4%
(+) Income Tax and Social Contribution	8,255	9,448	7,567	-12.6%	9.1%	25,659	21,931	17.0%
(+) Minority Interest	11,721	12,292	12,639	-4.6%	-7.3%	33,017	25,469	29.6%
(+/-) Financial Results	19,676	14,423	7,916	36.4%	148.5%	54,381	20,003	171.9%
EBITDA	99,840	89,304	67,289	11.8%	48.4%	265,660	169,438	56.8%
EBITDA Margin	22.0%	21.2%	17.9%	1 p.p.	4 p.p.	20.6%	15.8%	5 p.p.
(+) Cost of production financing	826	692	2,100	19.4%	-60.7%	2,805	5,930	-52.7%
Adjusted EBITDA <sup>1</sup>	100,666	89,996	69,389	11.9%	45.1%	268,465	175,368	53.1%
Adjusted EBITDA Margin <sup>1</sup>	22.2%	21.3%	18.5%	1 p.p.	4 p.p.	20.8%	16.3%	5 p.p.

<sup>1</sup> Adjusted EBITDA and Margin: excluding capitalized interest for financing of production.

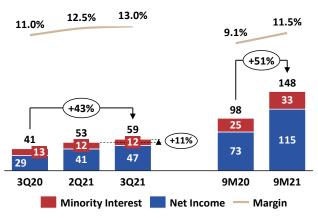
#### Net Income before Minority Interest

In 3Q21, net profit before non-controlling shareholders in SPE and SCP ("Minority Interest") reached BRL 59 million, a growth rate of 11% in comparison with 2Q21 and 43% with 3Q20. The resulting Net Margin totaled 13.0%, +0.5 p.p. and +2.0 p.p., respectively.

In 9M21, Net profit before minority interest reached BRL 148 million, a growth rate of 51% when compared to 9M20, representing a margin of 11.5% – a 2.4 p.p. increase.

It is worth highlighting that the development of projects in partnership was part of the strategy to accelerate the growth of the Company at the beginning of the growth cycle, allowing more dilution of expenses.







Net Income (BRL million and %)

3QZI

**B3** LISTED NM

#### Net Income

Direcional had a Net Profit of BRL 47 million in 3Q21, **the best result in a quarter since 4Q14**. The result shows a growth rate of 16% in comparison with 2Q21, and 65% with 3Q20. Net Margin in the period was 10.4%, growth of 0.8 p.p. when compared to the previous quarter, and 2.8 p.p. when compared to the same quarter of 2020.

Net Profit in 9M21 totaled BRL 115 million, 59% above the results of 9M20. Net Margin reached 8.9%, representing an increased rate of 2.2 p.p. in the period.

#### 10.4% 9.6% 8.9% 7.6% 6.7% +59% +65% 115 🛦 (+16% 73 47 41 29 3020 2021 3021 9M20 9M21 Net Income ---- Net Margin

#### Deferred Results from Real Estate Sales

At the end of 3Q21, Development Backlog Results (REF) totaled BRL 821 million, a growth rate of 3% in comparison with 2Q21, and 44% with 3Q20.

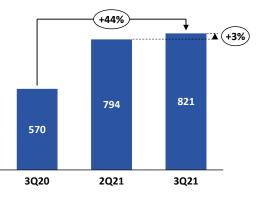
As previously mentioned, the significant change in the sales mix – with more units closer to the launch than units completed or in an advanced stage of construction because of the relevant reduction of inventory – resulted in a lower recognition of the revenue concerning the record sales of the quarter, also causing the increase of unearned revenue. The significant increase in the REF should have an impact on the growth of Net Revenue in the following quarters, with the accelerated stage of construction.

The REF margin in the quarter reached 39.0%, 1.5 p.p. below the results of 2Q21, and 0.7 p.p. above the corresponding margin of 3Q20.

Table below presents a detailed breakdown of Deferred Results from Real Estate Sales:

Deferred Results from Real Estate Sales (BRL million)	3Q21 (a)	2Q21 (b)	3Q20 (c)	∆ % (a/b)	∆ % (a/c)
Deferred Revenue from Real Estate Sales	821	794	570	3.3%	44.0%
Deferred Costs from Real Estate Sales	-501	-473	-352	5.8%	42.3%
Deferred Results from Real Estate Sales	320	321	218	-0,4%	46.8%
Backlog Margin	39.0%	40.5%	38.2%	-1.5 p.p.	0.7 p.p.

Deferred Revenue from Real Estate Sales (R\$ million)





# DIRECIONAL

## **BALANCE SHEET HIGHLIGHTS**

#### Cash, Cash Equivalents and Financial Investments

At the end of 3Q21, Cash, Cash Equivalents, and Financial Investments totaled BRL 935 million, in line with the results of 2Q21 and 15% below the results of 3Q20.

It is worth emphasizing that Direcional is keeping its cash within levels that the Company deems comfortable to handle the growth of its operations in accordance with the strategic planning and to preserve its aggressive capital return policy to its shareholders.

Cash, Cash Equivalents and Investments (BRL '000)	3Q21 (a)	2Q21 (b)	3Q20 (c)	∆ % (a/b)	∆ % (a/c)
Cash and Cash Equivalents	665,640	757,124	886,565	-12.1%	-24.9%
Financial Investments	269,123	189,465	207,144	42.0%	29.9%
Total	934,763	946,589	1,093,709	-1.2%	-14.5%

## Accounts Receivable

Accounts Receivable<sup>1</sup> at the closing of 3Q21 totaled BRL 537 million, a growth rate of 11% versus 2Q21, and 24% versus 3Q20. Considering Accounts Receivable by Real Estate Sales, and the Net Operating Revenue on that segment, the Accounts Receivable Days<sup>2</sup> index was reached 107 days, 7% more than in the previous quarter and the third quarter of 2020.

Accounts Receivable <sup>1</sup> (BRL '000)	3Q21 (a)	2Q21 (b)	3Q20 (c)	∆ % (a/b)	∆ % (a/c)
Real Estate Sales	520,772	451,879	400,289	15.2%	30.1%
Services	13,830	29,199	29,745	-52.6%	-53.5%
Land Sales	2,049	2,042	1,298	0.3%	57.8%
Total	536,650	483,120	431,333	11.1%	24.4%
Current	259,389	274,074	253,228	-5.4%	2.4%
Non-current	277,261	209,046	178,104	32.6%	55.7%
Accounts Receivable – Real Estate Sales	520,772	451,879	400,289	15.2%	30.1%
Net Operating Revenue – Real Estate Sales	437,672	406,470	359,711	7.7%	21.7%
Accounts Receivable Days <sup>2</sup>	107	100	100	7.0%	6.9%

<sup>1</sup> 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.

<sup>2</sup> 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 3Q21 totaled BRL 1.4 billion.



**B3** LISTED NM

**3Q21** 

#### Indebtedness

At the end of 3Q21, the Gross balance of Loans and Financing totaled BRL 1.2 billion, 1% above the results of 2Q21, and 7% above the results of 3Q20. The weighted average maturity of our indebtedness was 38 months.

Considering the cash balance, it is worth noting that the current position is sufficient to cover the next 4 years of total gross debt. The leverage ratio, measured by Adjusted Net Debt<sup>2</sup> over Equity, ended the quarter at 19.6%, reflecting an increase of 1 p.p. in the indicator. Approximately **87% of total debt is long-term**.

After the end of 3Q21, another successful issuance of debentures was concluded, raising BRL 100 million, maturing in 5 years and final rate of CDI+1.65% *per annum*. As a result, it was possible to further strengthen cash position and lengthen the average term of our indebtedness.

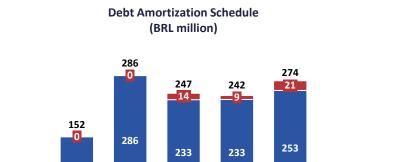
We believe that the leverage puts us in a comfortable position to stand the Company's growth in the coming years and to take advantage of the opportunities that are ahead.

Table and graphs below show the debt breakdown and its amortization schedule.

Indebtedness	3Q21	2Q21	3Q20	Δ%	Δ%
(BRL '000)	(a)	(b)	(c)	(a/b)	(a/c)
Loans and Financing Operations	1,201,201	1,190,639	1,121,350	0.9%	7.1%
CRI	795,257	787,591	686,978	1.0%	15.8%
Debentures	249,382	252,834	248,681	-1.4%	0.3%
Construction Financing	44,160	37,430	18,174	18.0%	143.0%
CCB	100,284	100,232	100,157	0.1%	0.1%
Working Capital	0	0	50,408	n/a	-100.0%
FINAME and Leasing	12,118	12,552	16,953	-3.5%	-28.5%
Cash, Cash Equivalentes and Financial Investments	934,763	946,589	1,093,709	-1.2%	-14.5%
Net Debt <sup>1</sup>	266,438	244,050	27,641	9.2%	863.9%
Swap agreements position	200	2,440	9,027	-91.8%	-97.8%
Adjusted Net Debt <sup>2</sup>	266,238	241,610	18,614	10.2%	1330.3%
Adjusted Net Debt / Equity	19.6%	18.6%	1.3%	1.0 p.p.	18.3 p.p.
Loans and Financing Operations by index	1,201,201	1,190,639	1,121,350	0.9%	7.1%
TR	105	105	18,174	-0.8%	-99.4%
IPCA	495,546	478,377	261,440	3.6%	89.5%
CDI	705,549	712,156	841,737	-0.9%	-16.2%

<sup>1</sup> Net Debt: Total balance of Loans and Financing Operations reduced by the balance of Cash, Cash Equivalents and Financial Investments. <sup>2</sup> Adjusted Net Debt: Net debt plus the balance of open positions in swap agreements for protection against interest rate float.

> 48M



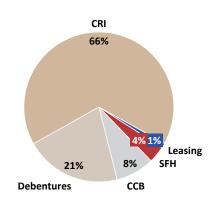
12M - 24M 24M - 36M 36M - 48M

SFH 📃 Corporate

152

< 12M







**3Q21** 

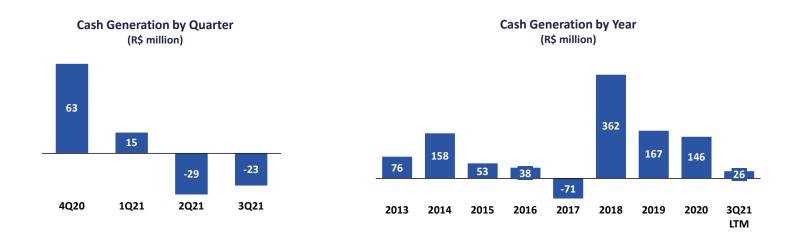
**B3** LISTED NM

## Cash Generation (Cash Burn)<sup>1</sup>

We had a Cash Burn of BRL 23 million in 3Q21. In 3Q21 LTM, cash generation totaled BRL 26 million.

We should mention the cash burn is a result of the expressive operational growth the Company has reported, allowing a considerable expansion in launches, which more than doubled when comparing 9M21 to 9M20.

Moreover, we should stand out the importance of the strategy in anticipating the purchase of inputs before the prices increase, to mitigate a good part of the effects of the inflation in the recent quarters. That decision was essential in maintaining the soundness and resilience of the Gross Margin the Company has reported in the period.



<sup>1</sup> 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.

#### SHARE BUYBACK

In order to manage the Company's available resources to boost value creation for shareholders, Direcional approved its stock repurchase program in November 2020.

In 3Q21, Direcional bought back BRL 2 million in issued stock. Since the program started, the buyback volume totaled BRL 53 million.

# DIRECIONAL

## **RIVA – Operating Highlights**

In 3Q21, the numbers presented by Riva, a subsidiary that operates in the lower-middle-income segment, reaffirmed an expressive evolution in every operating metric. The result confirms Riva's assertive growth strategy. Riva's increasing share in the mix has allowed a diversification in the product mix, in addition to a higher possibility of pass-through of the inflation to the final prices, contributing to a solid consolidated margin.

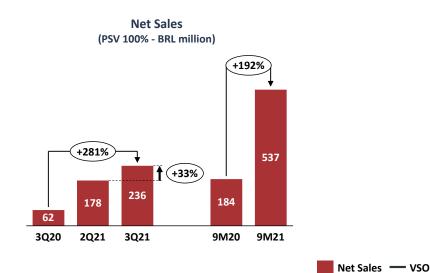
DIRR

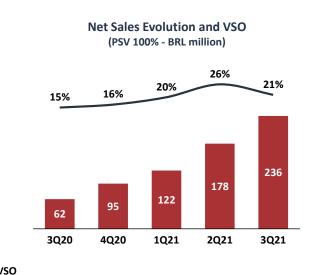
**B3** LISTED NM

Riva launched 4 projects in the quarter, reaching a PSV of BRL 621 million (BRL 468 million % Company), the INCORPORADORA highest result reached by Riva in a quarter. We should mention the geographic dispersion of the products in 3Q21, with launches in all the regions where Riva operates.

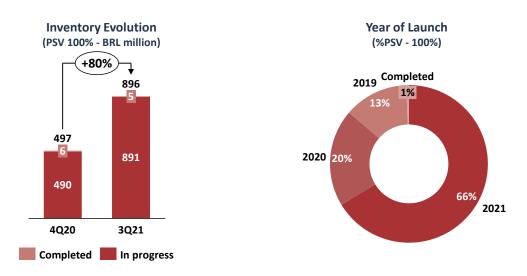
In 9M21, PSV launched totaled by Riva totaled BRL 935 million (BRL 782 million % Company).

In 3Q21, Net Sales had a PSV of BRL 236 million, a growth rate of 33% when compared to 2Q21, and 281% when compared to 3Q20. VSO reached 21% in the quarter. As previously shown, it is important to emphasize that Riva's sales in 3Q21 accounted for 37% of the total sold by Grupo Direcional. In 9M21, Net Sales went up by 192% when compared to 9M20.





At the end of 3Q21, the PSV totaled BRL 896 million, of which less than 1% concerns finished products. The following charts show further information on Riva's Inventory evolution and breakdown.



# DIRECIONAL

<u>3QZI</u>

DIRR

**B3** LISTED NM

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 09/30/2021: BRL 11,42

Number of Stocks (Ex-Treasury Shares): 145 million

Market Capitalization: BRL 1,656 million / US\$ 304 million

> Free Float: 50%

**3Q21 Average Daily Volume:** 1,614 thousand shares BRL 20,560 thousand 5,237 transactions CONFERENCE CALL (In Portuguese with simultaneous translation into English)

11/09/2021 - Tuesday 10:00 a.m. – Brasília Time 08:00 a.m. – New York Time

Access:

Zoom https://us06web.zoom.us/j/83548446308

> Direcional's YouTube Channel https://youtu.be/T74v-2zUXRU

#### CONTACTS

IR Team

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

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

www.direcional.com.br

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



# DIRECIONAL

#### **CONSOLIDATED BALANCE SHEET**

IFRS

Consolidated Balance Sheet (BRL '000)	09/30/2021	12/31/2020	Δ%
Current Assets			
Cash, cash equivalents and financial investments	934,763	926,929	1%
Accounts receivable	259,389	246,717	5%
Inventory	1,100,928	1,268,195	-13%
Receivables from related parties	53,132	37,363	42%
Taxes recoverable	22,487	21,185	6%
Accounts receivable from divestiture	21,734	50,000	-57%
Other receivables	128,966	115,943	11%
Total Current Assets	2,521,399	2,666,332	-5%
Non-Current Assets			
Accounts receivable	277,261	128,727	115%
Inventory	2,459,306	2,071,074	19%
Receivables from related parties	1,636	1,636	-
Judicial deposits	15,528	15,928	-3%
Accounts receivable from divestiture	0	30,685	-100%
Other receivables	18,751	10,214	84%
Investments	123,181	73,064	69%
Fixed assets	86,763	89,594	-3%
Intangible assets	17,101	14,155	21%
Total Non-Current Assets	2,999,527	2,435,077	23%
Total Assets	5,520,926	5,101,409	8%



3Q21

DIRR B3 LISTED NM

Consolidated Balance Sheet (BRL '000)	09/30/2021	12/31/2020	Δ%
Current Liabilities			
Loans and financing operations	151,780	219,061	-31%
Suppliers	108,310	90,086	20%
Labor obligations	34,232	28,253	21%
Tax obligations	19,105	25,227	-24%
Lease financing	9,471	9,887	-4%
Real estate commitments payable	81,492	77,434	5%
Advances from customers	7,087	22,249	-68%
Other accounts payable	77,373	49,536	56%
Provision for guarantee	27,738	27,377	1%
Payables to related parties	22,103	23,022	-4%
Total Current Liabilities	538,691	572,132	-6%
Non-Current Liabilities			
Loans and financing operations	1,049,421	812,107	29%
Suppliers	5,089	17,368	-71%
Provision for guarantee	12,316	11,530	7%
Tax obligations	11,013	3,594	206%
Lease financing	26,540	29,679	-11%
Real estate commitments payable	2,057,511	1,878,215	10%
Advances from customers	341,267	372,800	-8%
Provision for labor, tax, and civil contingencies	24,942	29,142	-14%
Other accounts payable	97,642	34,844	180%
Payables to related parties	0	0	-
Fotal Non-Current Liabilities	3,625,741	3,189,279	14%
Shareholder's Equity			
Capital	752,982	752,982	-
Capital reserves	177,735	208,484	-15%
Stock options granted	3,070	4,050	-24%
Equity adjustment	-19,108	-19,023	0%
Treasury shares	-45,737	-52,129	-12%
Income reserves	345,836	331,948	4%
	1,214,778	1,226,312	-1%
Non-controlling interest	141,716	113,686	25%
Total Shareholder's Equity	1,356,494	1,339,998	1%
otal Liabilities and Shareholder's Equity	5,520,926	5,101,409	8%

3Q21 DIRR B3 LISTED NM

# DIRECIONAL

## **CONSOLIDATED INCOME STATEMENT**

Consolidated Income Statement (BRL '000)	3Q21 (a)	2Q21 (b)	3Q20 (c)	∆ % (a/b)	∆ % (a/c)	9M21 (d)	9M20 (e)	∆ % (d/e)
Real Estate Sales Revenue	462,751	444,503	393,597	4.1%	17.6%	1,330,435	1,128,074	17.9%
Revenue from Services	18,022	18,051	18,578	-0.2%	-3.0%	56,775	51,524	10.2%
Gross Revenue	480,773	462,554	412,175	3.9%	16.6%	1,387,209	1,179,598	17.6%
Deductions from Gross Revenue - Taxes and others	-27,411	-40,392	-36,643	-32.1%	-25.2%	-97,800	-104,190	-6.1%
Net Operating Revenue	453,362	422,162	375,532	7.4%	20.7%	1,289,409	1,075,409	19.9%
Cost of real property sale and services rendered	-291,148	-262,580	-241,802	10.9%	20.4%	-819,945	-705,454	16.2%
Gross Profit	162,214	159,582	133,730	1.6%	21.3%	469,464	369,955	26.9%
General and administrative expenses	-33,785	-33,690	-27,916	0.3%	21.0%	-97,953	-83,976	16.6%
Sales expenses	-49,549	-45,477	-39,705	9.0%	24.8%	-137,776	-114,321	20.5%
Equity in the results of investees	6,059	2,536	2,906	138.9%	108.5%	11,299	2,589	336.5%
Other operating income and expenses	1,897	-6,100	-12,336	-131.1%	-115.4%	-17,000	-34,340	-50.5%
Other Operating Revenues (Expenses)	-75,378	-82,731	-77,051	-8.9%	-2.2%	-241,430	-230,048	4.9%
Financial Expenses	-40,401	-27,319	-16,297	47.9%	147.9%	-96,831	-53,669	80.4%
Financial Revenues	20,725	12,896	8,381	60.7%	147.3%	42,449	33,666	26.1%
Financial Results	-19,676	-14,423	-7,916	36.4%	148.5%	-54,382	-20,003	171.9%
Income before Income and Social Contribution Taxes	67.160	62,428	48,762	7.6%	37.7%	173,654	119.903	44.8%
Income and social contribution taxes - current and	-8,255	-9,448	-7,567	-12.6%	9.1%	-25,659	-21,931	17.0%
Net Income before Interests in SCPs and SPEs	58,905	52,980	41,195	11.2%	43.0%	147,995	97,972	51.1%
Interest in SCPs and SPEs	-11,721	-12,292	-12,639	-4.6%	-7.3%	-33,017	-25,469	29.6%
Net Income of the Period	47,184	40,688	28,556	16.0%	65.2%	114,978	72,503	58.6%
Gross Margin	35.8%	37.8%	35.6%	-2.0 p.p.	0.2 p.p.	36.4%	34.4%	2.0 p.p.
Gross Adjusted Margin	36.0%	38.0%	36.2%	-2.0 p.p.	-0.2 p.p.	36.6%	35.0%	1.7 p.p.
Net Margin	10.4%	9.6%	7.6%	0.8 p.p.	2.8 p.p.	8.9%	6.7%	2.2 p.p.



# DIRECIONAL

3Q21

## CONSOLIDATED CASH FLOW STATEMENT

Profit before income and social contribution taxes       173,652       11398         Adjustments for conclusing the result to the availability generated by the operating activities       92,655       22,55         Equity rearrings       112,393       22,55         Frowision for guarantee       112,393       25,55         Exchange faste on closes and financing       10,085       23,57         Exchange faste on loans and financing       10,085       23,57         Frowision for Subscript on discossi of frame       10,085       23,07         Concention of concurs recreavable for acquitation of equity interests       -3,00       4,2,1         Present value adjustment on lasse financing       11,21       20,00         Adjustment to near financing       11,21       20,00         Present value adjustment on lasse financing       11,21       20,00         Adjustment to near financing       110,21       20,00         Correction of concurs recreavable financing       110,20       22,30         Present value adjustment on lasse financing       110,30       33,84         Labora biggeries       -3,300       33,84         Labora biggeries       -3,300       33,84         Labora biggeries       -3,300       34,84         Labora biggeries       -3,300 <th>Consolidated Cash Flow Statement (BRL '000)</th> <th>09/30/2021</th> <th>09/30/2020</th>	Consolidated Cash Flow Statement (BRL '000)	09/30/2021	09/30/2020
Adjustment for conciliating the result to the availability generated by the operating activities  Depresentations and Amoritations  Equity samings  1,1,29  2,25  Provision for guarantee  2,1,125  1,25  1,25  Provision for probase and financing  1,058  2,307  Exchange Rate on loars and financing  1,058  2,307  Provision for loads and financing  1,058  2,307  4,21  Provision for loads and financing  1,058  2,307  4,21  Provision for loads and financing  1,058  2,07  4,21  Provision for loads and financing  1,057  4,22  Provision for additional receivable  7,77  4,22  Provision for loads and financing  1,057  4,22  Provision for loads and financing  1,057  4,22  Provision for loads and financing  1,077  4,23  Provision for loads and financing  1,077  4,23  Provision for loads and financing  1,077  4,23  Provision for loads and financing  1,073  4,23  1,07	ash Flow from Operating Activities	173 652	110 00
Depresentations and Ameritations         37,625         32,525           Equity corrings         11,225         32,555           Provision for guarance         21,125         136,65           Interest on charges and financing         4,537         44,55           Hedge accounting – fair value         3,547         2,22           Constant (Dass on disposal of equiv interests         3,647         2,22           Constant (Dass on disposal of equiv interests         3,647         2,22           Constant (Dass on disposal of equiv interests         3,837         41,55           Present value adjustment on accounts receivable for accounts receivable for accounts receivable francing         4,817         2,00           Adjustment to rest constant francing         7,879         20           Provision for stock option plant         2,888         11,273         7,47           Provision for stock option plant         2,888         11,273         7,47           Provision for stock option plant         2,888         11,273         2,0           Accounts receivable frants         2,1550         2,198           Received plants         4,800         2,2         3,35           Earcow deposits         4,900         1,2         2,35           Earcow deposits		175,052	119,90
fquity enrines         11.299         -2.5.           Provision for yuarante         21.23         15.60           Interest on charges and financing         -7.780         41.50           Excharge fate on loars and financing         1.098         -9.507           Excharge fate on loars and financing         1.098         -9.507           Excharge fate on loars and financing         1.3678         -7.007           Foreist of fit blog south the exclassion of equity interests         -2.8070         -2.21           Correction of accounts receivable         7.067         4.21           Present value adjustment of accounts receivable         7.067         4.22           Provision for losses on accounts receivable         7.077         4.22           Provision for losses on accounts receivable         -2.82         -2.82           Provision for losses on accounts receivable         -2.83         -2.82           Provision for losses on accounts receivable         -2.82         -2.82           Provision for losses on accounts receivable         -2.83         -2.82           Provision for losses on accounts receivable         -1.80.23         -5.82           Provision for losses on accounts receivable         -1.80.23         -3.84           Provision for losses on accounts receivable         -2.93			
provision for purameter         21,125         19-66           Interest on Arges and Financing         75,780         41,55           Hedge accounting – fair value         3,507         7           Exchange Rate on loans and financing         1,008         9,551           Provision for labor, tax, and civil contingencies         3,647         22,20           Caine (losses) on disposal of equity interests         330         7           Creation of accounts receivable financing         1,812         2,00           Adjustment on lases and financing envision         3,03         7           Present value adjustment of accounts receivable         1,22,73         7,44           Provision for losses on accounts receivable         2,273         7,47           Provision for losses on accounts receivable         1,20,73         7,47           Provision for losses on accounts receivable         1,20,33         1,30,23           Inverase (Jarabitis         1,30,23	•		29,53
Interest on charges and financing         75,780         41,51           Hedge accounting rate on loans and financing         1,098         95,57           Excharge Rate on loans and financing         1,098         95,57           Freeding Labor on logosal of equity interests         2,36,78         2,202           Gains (Iosse) on physical swaps         -1,3,678         4,203           Correction of accounts receivable         7,057         4,22           Present value adjustment of accounts receivable         7,057         4,22           Present value adjustment on lowestory completed         -501         -522           Provision for losses on accounts receivable         -2,02         7,44           Provision for losses on accounts receivable         -2,02         7,879         20           Provision for losses on accounts receivable         -2,02         7,879         20           Provision for losses on accounts receivable         -2,02         20,93         20,93           Provision for losses on accounts receivable         -2,02         20,93         20,93         20,93           Provision for losses on accounts receivable         -1,030         22,33         20,93         20,93         20,93         20,93         20,93         20,93         20,93         20,93         20,93			-2,58
Hedge accounting - fair vale         9,507           Exchange Rate on loans and financing         1,088         955           Provision for lobor, tax, and civil contingencies         3,278         1,700           Gains (Disse) on disposal of equity interests         -28,902         -4           Correction of accounts receivable for acquisition of equity interests         -330         -           Present value adjustment on lose financing         1,812         2.00           Adjustment to net realizable amount on inventory completed         -501         -           Provision for losses on accounts receivable         1,2073         7,414           Provision for losses on accounts receivable         -         502           Provision for losses on accounts receivable         -         502         2,219           Interease (decrease) in asset         -         -         502         2,219           Accounts receivable         -1,300         2,250         2,219         1,302         2,30           Interest         -1,300         -2,30         3,34         1,302         2,30         3,34           Interest         -1,300         -1,300         -1,302         -2,30         -3,30         -3,103         -3,103         -3,103         -3,103         -3,103 <t< td=""><td>-</td><td></td><td></td></t<>	-		
Exchange Pate on loans and financing         1.098         9.55           Provision for biosci wass         3.6.07         2.2.0           Gains (Josse) on physical wass         3.6.07         2.2.0           Gains (Josse) on physical wass         3.8.07         4.2.0           Correction of accounts receivable         7.05.7         4.2.0           Present value adjustment of accounts receivable         7.05.7         4.2.0           Provision for losses on accounts receivable         1.2.73         7.4           Provision for losses on accounts receivable         1.2.73         7.4           Provision for losses on accounts receivable         1.8.12         2.0           Provision for losses on accounts receivable         1.8.0.365         3.8.8           Inventory         8.9.780         11.9.7           Provision for losses on accounts receivable         1.8.0.365         3.8.8           Inventory         8.9.780         11.9.7           Other credits         -1.9.02         2.3.2           Eacrow deposits         -6.872         3.5.5           Eacrow deposits         -1.9.02         2.3.2           Decrease) Increase of liabilities         -1.9.02         11.6.5           Suppliers         -9.350         3.4.9.1      <			41,56
provision for labor, tay, and civil contingencies         5,047         22.           cains (losse) on disposal of equity interests         28,902         -4           Control of accounts receivable of equity interests         -33.0         -           Present value adjustment of accounts receivable         7.057         42.2           Adjustment to net realizable amount on inventory completed         151.1         -           Provision for losses on accounts receivable         2.23.3         7.44           Provision for losses on accounts receivable         2.688         -           Provision for losses on accounts receivable         -         5.02           Provision for losses on accounts receivable         -         3.03.0           Invertory         30.769         3.38.0           Invertory         30.769         3.39.0           Invertory         30.769         3.29.0           Caccounts receivable         -1.30.2         2.33           Invertory         30.769         -1.30.0           Related parties         -9.50         3.34           Invertory         -9.50         3.34           Invertory         -9.50         3.34           Invertory         -9.50         3.44           Invertory         -9			0.59
claim (Disse) on physical swaps         -13.67         -17.07           Scalm (Disse) of output interests         -28.902         -4.           Correction of accounts receivable for acquisition of equity interests         -33.0         -4.           Present value adjustment of accounts receivable         -5.0         -7.7.3         7.4.           Present value adjustment of accounts receivable         -5.0.         -7.7.3         7.4.           Provision for losses on accounts receivable         -7.7.3         7.4.         -7.8.3           Provision for stock option plan         -7.8.3         -7.8.3         -7.3.2.           Provision for stock option plan         -7.8.3         -7.8.3         -7.8.3.5.           Accounts receivable         -8.0.7.2.3.5.         -7.8.3.5.         -7.8.3.6.         -7.8.3.6.           Inventory         -8.3.7.8.0         -7.3.0.0.0         -7.3.0.0.0.0.0.0.0.0.0.0.0.			,
clains (losse) on disposal of equity interests         -38,00           Orrection of accounts receivable for acquits(into of equity interests         -330           Present value adjustment of accounts receivable for acquits(into of equity interests         -330           Adjustment to net realizable amount on inventory completed         -501           Adjustment to net realizable amount on inventory completed         -522           Provision for losses on accounts receivable         -522           Provision for soses on acleted parties         -           Accounts receivable         -180,336           Inventory         -89,89           Provision for profit sharing         -21,560           Cocunts receivable         -38,00           Inventory         -89,870           Cocunts receivable         -1,302           Cocunts receivable         -1,302           Correction advoct option plant         -1,302           Correction advoct option plant         -1,302           Correction advoct option plant         -1,303           Correction advoct option pla	, , ,		
correction of accounts receivable for acquisition of equity interests         -330           Present value adjustment of accounts receivable         7,057         4.20           Present value adjustment of accounts receivable         12,73         7,44           Provision for losses on accounts receivable         12,73         7,42           Provision for losses on accounts receivable         12,73         7,42           Provision for losses on accounts receivable         2,688         2,688           Provision for losses on accounts receivable         -180,536         -33.8           Corrective deferease) in assets         -180,536         -33.8           Investory         89,780         115,7           Other creatis         -180,536         -33.8           Investory         89,780         113,7           Decrease (facrease) in assets         -4,607         -3,55           Earcow depoits         -1,300         11,6           Earcow depoits         -1,300         11,6           Labor obligations         1,300         11,6           Task ishitities         -13,629         -5,51           Accounts receivable         -13,629         -5,51           Accounts payable         7,93         -1,1,93           Provision of histor,			-42
Present value adjustment on faccounts receivable         7,057         42,2           Adjustment to net realizable amount on inventory completed         -501         -           Adjustment to net realizable amount on inventory completed         -521         -           Provision for isses on accunts receivable         12,273         7,46           Provision for isses on accunts receivable         -         522           Provision for isses on accunts receivable         -         523           Inventory         2,893         -         33,93           Inventory         -         89,780         -         33,93           Inventory         -         89,780         -         33,93           Inventory         -         89,780         -         33,93           Decrease) increase of liabilities         -         3,02         2,33           Suppliers         -         9,363         -         3,01           Suppliers         -         9,363         -         1,81           Suppliers         -         9,363         -         1,200         1,16           Task seccourts payable         -         148,132         -         1,207         3,30         -         1,207         3,33         -<			
Adjustment to net realizable amount on inventory completed       -51         Provision for losses on accounts receivable       12,273       7,44         Provision for losses on accounts receivable       2,688       -52         Provision for posts of no starts       -       52         nerease (decrease) in assets       -       38,780       -38,88         Accounts receivable       -80,536       -38,88       -         Inventory       -89,780       -116,556       -31,90         Other credits       -2,550       -21,90       -21,90         Related parties       -6,872       -3,55       -33,80         Inventory       -9,350       -33,41       -2,350       -21,90         Decrease) increase of labilities       -       -       -2,22       -3,55         Suppliers       -9,350       -33,41       -1,900       -1,90       -1,900		7,057	4,28
provision for losses on accounts receivable         12,273         7,44           provision for stock option plan         2,683         2           provision for profit sharing         7,879         20           ncrease (decrease) in assets         -180,536         -33,04           accounts receivable         -180,536         -33,04           Inventory         89,780         119,70           Other credits         -21,560         -22,93           Related parties         -6,872         -3,55           Estrow deposits         4000         -22           Taxes recoverable         -1,302         2,34           Decrease (interase of liabilities         -9,350         34,41           Labor obligations         -9,030         34,41           Labor obligations         -19,000         11,6           Taxe incountiments payable         -148,132         -120,7           Advances from clients         -9,263         -8,31           Advances from clients         -9,263         -8,32           Advances from clients         -9,27         -7,77           Related parties         -9,197         -13,92           Catast and from soft accounts receives         -19,978         -13,92           A	Present value adjustment on lease financing		2,01
provision for losses on related parties5.2Provision for back option plan2,6885.2Provision for profit sharing2,6892accounts receivable-180,536-33,81Inventory98,780119,77Other credits-2,1560-21,91Belated parties-6,8723,55Escrow deposits400-22Taxes recoverable-1,3022,33Decrease) Increase of labilities-9,35033,41Labor obligations-1,90011,61Taxa Isabilities-9,35033,41Labor obligations-13,629-5,55Advances from clients-9,363-8,11Provision for labor, tax, and civil contingencies-9,247-7,77Related parties-9,19-1,11-1,20,97Collateral for works-19,978-19,978-13,978Provision for labor, tax, and civil contingencies-220,785-4,00Received dividend8,7001,55,76Stockholing alse-20,785-4,00-1,5Stockholing alse-20,785-4,00-1,1Increase of Investment Activities-27,775-4,00-1,1Increase of Investment Activities-27,785-4,00-1,1Increase of Investment Activities-27,775-4,00-1,1Increase of Investment Activities-27,775-4,00-1,1Increase of Investment Activities-27,785-4,00-1,1Increase of Investment Activities-27,785 <td>· ·</td> <td></td> <td></td>	· ·		
provision for stock option plan         2,688           Provision for profit sharing         7,879         20           ncrease (decrease) in assets         -180,536         -33,80           inventory         89,780         119,70           Other credits         -21,560         -21,91           Related parties         -6,872         -3,55           Escrow deposits         4000         -22           Taxes recoverable         -1,302         2,2,30           Decrease of liabilities         -1,302         2,33           Suppliers         -9,350         33,44           Labor obligations         -1,900         11,6           Tax liabilities         -13,629         -5,53           Advances from clients         -3,63         -8,11           Advances from clients         -3,629         -5,53           Accounts payable         -9,633         -8,11           Provision for labor, tax, and civil contingencies         -9,247         -7,7           Related parties         -9,197         -13,97           Accounts payable         -9,247         -7,7           Related parties         -9,197         -13,97           Accounts payable         -9,247         -7,77	Provision for losses on accounts receivable	12,273	7,45
provision for profit sharing         7,879         24           ncrease (lecrease) in assets         -         33,80           Accounts receivable         -180,536         -33,80           inventory         89,780         119,7           Other receitis         -21,560         -21,90           Escrew deposits         -6,872         -3,55           Escrew deposits         -6,872         -3,53           Tasks recoverable         -1,302         2,33           Decrease) increase of labilities         -3,00         -1,632           Suppliers         -9,350         33,44           Labor obligations         -1,900         11,66           Task incoversate from clients         -13,629         -5,51           Accounts payable         -33,633         -8,11           Provision for labor, tax, and civil contingencies         -9,247         -7,77           Related parties         -9,919         -1,13         -1,99           Collateral for works         -9,927         -7,77         Related parties         -22,0785         -4,00           Collateral for works         -9,245         133,78         13,99         13,99         13,99           Paid income tax and social security         -22,0785	Provision for losses on related parties	-	5,24
Accounts receivable 1880 Accounts receivable 1880 Inventory 89,780 Cher credits 2.1,560 Cher credits 2.1,560 Cher credits 2.1,560 Cher credits 4.000 Related parties 6.872 Taxs recoverable 2.1,302 Cases recoverable 2.1,302 Cases recoverable 2.1,302 Cases recoverable 2.1,302 Cases for clients 3.1,290 Cher case of liabilities 3.1,900 Cher case of liabilities 3.1,200 Cher case of case asts 3.1,200 Cher case of Cher case of case ast 3.1,200 Cher case of Case ast 3.2,000 Cher case of Case ast 4.2,000 Cher case of Case ast 4.2,000 Cher case of Case ast 4.2,000	Provision for stock option plan	2,688	
Accounts receivable         138,036         133,8           Inventory         387,80         1137,           Other credits         -21,560         -21,99           Related parties         -6,672         3.5.           Escrow deposits         400         -22           Taxes recoverable         -400         -22           Decrease of liabilities         -9,350         33,44           Labor obligations         -1,900         11.6           Tax liabilities         7,900         11.6           Real estate commitments payable         -148,132         -12.07           Advances from clients         -9,343         -6,512           Accounts payable         -9,343         -6,513           Provision for labor, tax, and civil contingencies         -9,247         -7,71           Related parties         -9,197         -1,99           Paid income tax and social security         -25,092         -23,11           Collateral for works         -9,247         -7,77           Stockholding sales         -1,600         -4,11           Increase (Decrease) of investments (SPCs and SPEs)         -20,0785         -4,00           Increase (Decrease) of investments         -3,7073         -11,52	Provision for profit sharing	7,879	20
Accounts receivable         138,036         133,8           Inventory         387,80         1137,           Other credits         -21,560         -21,99           Related parties         -6,672         3.5.           Escrow deposits         400         -22           Taxes recoverable         -400         -22           Decrease of liabilities         -9,350         33,44           Labor obligations         -1,900         11.6           Tax liabilities         7,900         11.6           Real estate commitments payable         -148,132         -12.07           Advances from clients         -9,343         -6,512           Accounts payable         -9,343         -6,513           Provision for labor, tax, and civil contingencies         -9,247         -7,71           Related parties         -9,197         -1,99           Paid income tax and social security         -25,092         -23,11           Collateral for works         -9,247         -7,77           Stockholding sales         -1,600         -4,11           Increase (Decrease) of investments (SPCs and SPEs)         -20,0785         -4,00           Increase (Decrease) of investments         -3,7073         -11,52	ncrease (decrease) in assets		
Inventory         89,780         119.7           Other credits         -21,560         -21,90           Belated parties         -5,672         3,51           Escrow deposits         400         -22           Taxes recoverable         -1,302         2,33           Decrease) increase of liabilities         -9,350         33,44           Labor obligations         -9,350         33,4           Labor obligations         -1,302         -1,90           Tax liabilities         730         -1,90           Real estate commitments payable         -9,3633         -8,11           Provision for babor, tax, and civil contingencies         -9,24,7         -7,7           Related parties         -9,197         -113,629         -5,51           Actornes from clients         -19,978         -13,97         -13,97           Collateral for works         -9,978         -13,97         -13,97           Provision for labor, tax, and civil contingencies         -9,20,785         -4,00           Increase (for crease) of investments (SPCs and SPEs)         -220,785         -4,00           Increase (for crease) of investments (SPCs and SPEs)         -220,785         -4,00           Increase (forecrease) of investment Activities         -3,700		-180 536	-33 80
other redits         -21,560         -21,970           Related parties         -6,872         3,53           Escrow deposits         400         -22           Taxes recoverable         -1,302         2,3           Decrease of liabilities         -350         33,4           Labor obligations         -1,900         11,6           Tax liabilities         -730         -1,900           Advances from clients         -13,629         -5,51           Accounts payable         93,633         -8,11           Provision for labor, tax, and civil contingencies         -9,247         -7,7           Related parties         -9,199         -1,12           Collateral for works         -19,978         -13,99           Provision for labor, tax, and civil contingencies         -9,247         -7,7           Related parties         -9,199         -1,11         -25,092         -33,1           Collateral for works         -19,978         -13,978         -13,978         -13,97           Provision for labor, tax, and civil contingencies         -9,278,45         13,978         -13,97           Collateral for works         -10,978         -13,97         -13,91         -14,97         -14,97           Increase (Decr			
Pelated parties       -6,672       9.5.         Escrow deposits       400       -2.2         Takes recoverable       -1,302       2.3.         Decrease) increase of liabilities       -9,350       33.4.         Suppliers       -9,350       33.4.         Labor obligations       -1,300       11.6.         Tak induction       -13,629       -5,51         Advances from clients       -13,629       -5,51         Accounts payable       -9,363       -8,11         Provision for babor, tax, and civil contingencies       -9,247       -7,7         Related parties       -9,19       -1,11         Collateral for works       -19,978       -13,99         Paid income tax and social security       -25,092       -221,785         Collateral for works       -19,978       -13,99         Paid income tax and social security       -220,785       -4,00         Increase (Drivestment Activities       -220,785       -4,00         Increase (Drivestment S(SPCs and SPEs)       -220,785       -4,00         Increase of fixed assets       -8,000       -4,11         Increase of fixed assets       -8,000       -4,11         Increase of fixed assets       -9,00       -7,7 </td <td></td> <td></td> <td></td>			
fscrow deposits         400         -22           Taxes recoverable         -1,302         2,34           Decrease) increase of liabilities         -9,350         33,44           Labor obligations         -1,900         11,66           Tax liabilities         730         -1,910           Real estate commitments payable         -148,132         -120,77           Advances from clients         -13,629         -5,51           Accounts payable         -9,363         -8,11           Provision for labor, tax, and civil contingencies         -9,9247         -7,77           Related parties         -919         -1,11           Collateral for works         -19,978         -13,97           Provision for labor, tax, and civil contingencies         25,092         -23,11           et Cash generated (applied) in Operating Activities         27,845         13,77           ast Flow from Investment Activities         -1,717         -3,22           Increase of binvestments (SPCs and SPEs)         -20,785         -4,00           Received dividend         8,700         -1,717           Increase of integlible assets         -3,703         -1,717           Easted fixed assets         -9,700         -7,77           Financial Investment		,	,
Taxes recoverable       -1,302       2,3         Decrease) increase of liabilities       9,350       33,44         Suppliers       1,900       11,6         Labor obligations       -1,900       11,6         Tax liabilities       730       -1,90         Real estate commitments payable       -148,132       -120,71         Advances from clients       -13,629       -5,55         Accounts payable       93,633       -8,11         Provision for labor, tax, and civil contingencies       -9,247       -7,7         Related parties       -919       -1,12         Collateral for works       -9,978       -13,92         Paid income tax and social security       -25,092       -23,13         Paid income tax and social security       -220,785       -4,00         Received dividend       8,700       1,51         Increase of interstments (SPCs and SPEs)       -220,785       -4,00         Received dividend       8,700       1,21         Increase of intergible assets       -1,717       -3,763         Increase of intergible assets       -1,717       -3,763         Increase of intergible assets       -33,963       -14,00         Increasse in leasing investment       -132,963 <td>•</td> <td></td> <td></td>	•		
Suppliers         9,350         33,4           Labor obligations         -1,900         11,6           Tax liabilities         730         1,9           Real estate commitments payable         -148,132         -120,7           Advances from clients         -13,629         -5,5           Accounts payable         93,633         -8,1           Provision for labor, tax, and civil contingencies         -9,247         -7,7           Related parties         -9,978         -13,99           Paid income tax and social security         -29,978         -13,97           Paid income tax and social security         -29,785         -4,00           Received dividend         8,700         1,57           Stockholding sales         -220,785         -4,00           Increase (Incerease) of investments (SPCs and SPEs)         -220,785         -4,00           Received dividend         8,700         1,57         -20,785           Stockholding sales         -3,700         -1,71         -32           Increase of interd assets         -9,700         -7,77         -1,717         -32           Increase of interd assets         -9,700         -7,77         -1,717         -32           Stock Repurchase         -100,147			
Suppliers         9,350         33.4           Labor obligations         -1,900         11,6           Tax liabilities         730         1.9           Real estate commitments payable         -148,132         -120.7           Advances from clients         -13,629         -5,55           Accounts payable         93,633         -8.1           Provision for labor, tax, and civil contingencies         -9,247         -7,7           Related parties         -9,978         -13,99           Collateral for works         -9,978         -13,97           Paid income tax and social security         -25,092         -23,1           Collateral for works         -19,978         -13,07           There ase (Decrease) of investments (SPCs and SPEs)         -220,785         -4,00           Received dividend         8,700         1,5           Increase of Integlible assets         -8,000         -4,11           Leased fixed assets         -8,000         -7,7           Increase of Integlible assets         -9,700         -7,7           Financial Investments         -73,763         -11,51           et Cash generated (applied) in Investment Activities         -73,763         -11,51           stock Repurchase         -31,965 <td></td> <td></td> <td></td>			
Labor obligations       -1,900       11.6         Tax liabilities       730       -1,90         Real estate commitments payable       -148,132       -120,7         Advances from clients       -13,629       -5,5         Accounts payable       93,633       -8,11         Provision for labor, tax, and civil contingencies       9,247       -7,7         Related parties       -919       -11.7         Collateral for works       -19,978       -13,92         Paid income tax and social security       -25,092       -23,11         et Cash generated (applied) in Operating Activities       27,845       153,77         et Cash generated (applied) in Operating Activities       27,845       153,78         ash Flow from Investment Activities       -220,785       -4,00         Increase (Decrease) of investments (SPCs and SPEs)       -220,785       -4,00         Increase of intangible assets       -9,700       -7,7,75         Stockholding sales       261,450       12,11         Increase of intangible assets       -9,700       -7,70         Enacted assets       -1,717       -3,21         Increase of intangible assets       -9,700       -7,70         Enacted asset       -1,717       -3,115      <			
Tax liabilities       730       -1.9         Real estate commitments payable       -148,132       -120,7         Advances from clients       -13,529       -5,5         Accounts payable       93,633       -8,11         Provision for labor, tax, and civil contingencies       -9,247       -7,7         Related parties       -919       -1,11         Collateral for works       -19,978       -13,973         Paid income tax and social security       -25,092       -23,11         et Cash generated (applied) in Operating Activities       27,845       153,74         shFlow from Investment Activities       27,845       153,70         stockholding sales       26,1450       12,11         Increase (Decrease) of investments (SPCs and SPEs)       -220,785       -4,00         Received dividend       8,700       1,55         Stockholding sales       26,1450       12,11         Increase of fixed assets       -9,700       -7,77         Financial Investments       -7,37,63       -11,717         Realed gasets       -9,700       -7,77         Stock Repurchase       -31,965       -14,0147         Dividends paid       -10,147       31,165         Increase in leasing investment			
Real estate commitments payable-148,132-120,72Advances from clients-13,629-5,53Accounts payable-93,633-8,11Provision for labor, tax, and civil contingencies-9,247-7,7Related parties-919-1,11Collateral for works-19,978-13,91Paid income tax and social security-25,092-23,11et Cash generated (applied) in Operating Activities27,845153,72ash Flow from Investment Activities-220,785-4,00Increase (Decrease) of investments (SPCs and SPEs)-220,785-4,00Received dividend8,7001,555tockholding sales261,450Increase (Decrease) of investments (SPCs and SPEs)-220,785-4,00Received dividend8,7001,555tockholding sales-1,717Increase of intangible assets-9,700-7,77,63-11,55et Cash generated (applied) in Investment Activities-43,815-17,00ash Flow from Financing Activities-43,815-17,02bividends paid-100,147-3,11,55et Cash generated (applied) in Investment Activities-5,663-6,63Increase in leasing investment1,7173,11Lease intragible asset-5,21-3,31,965Increase in leasing investment-1,7173,11Lean amortization-240,698-344,00Increase in leasing investment-1,7173,31Loan amortization-26,563-6,53Increase in desing investment-33,		,	,
Advances from clients-13,629-5,53Accounts payable93,633-8,11Provision for labor, tax, and civil contingencies9,247-7,7Related parties-919-1,11Collateral for works-19,978-13,91Paid income tax and social security-25,092-23,11et Cash generated (applied) in Operating Activities27,845153,74ash Flow from Investment Activities27,845153,74Increase (Decrease) of investments (SPCs and SPEs)-220,785-4,00Received dividend8,7001,55Stockholding sales261,45012,11Increase of fixed assets-9,700-7,7Financial Investments-73,763-11,51Increase of fixed assets-9,700-7,7Financial Investments-73,763-11,51et Cash generated (applied) in Investment Activities-43,815-17,02ash Flow from Financing Activities-31,965-100,147Stock Rolling and-6,563-6,31Increase of Integration-6,563-6,31Increase in leasing investment1,7173,11Leasing investment amortization-6,563-6,32Increase in leasing investment-204,688-344,00Interest paid-41,350-220,553Increase of Cash and Cash Equivalents-5,059-16,00et cash generated (applied) In financing activities-50,659-16,00et cash generated (applied) In financing activities-50,659-35,077 </td <td></td> <td></td> <td></td>			
Accounts payable93,633		,	
Provision for labor, tax, and civil contingencies-9,247-7,7Related parties-919-1,13Collateral for works-19,978-13,90Paid income tax and social security-25,092-23,13et Cash generated (applied) in Operating Activities27,845153,76ash Flow from Investment Activities-220,785-4,00Increase (Decrease) of investments (SPCs and SPEs)-220,785-4,00Received dividend8,7001,555tockholding sales261,45012,11Increase of fixed assets-8,000-4,11-3,22Increase of intagible assets-1,717-3,22-7,77Increase of intagible assets-9,700-7,77-7,763Increase of intagible assets-9,700-7,77-7,763Increase of intagible assets-100,147-20,663-100,147Stock Repurchase-31,965-100,147-31,965Increase in leasing investment1,7173,11-31,965Increase in leasing investment-1,7173,11-31,965Increase in leasing investment-204,698-344,00-34,955Increase in leasing investment-204,698-344,00-34,350Increase of Cash and Ca			
Related parties-919-1,1Collateral for works-19,978-13,9Paid income tax and social security-25,092-23,1et Cash generated (applied) in Operating Activities27,845153,74ash Flow from Investment Activities27,845-4,00Increase (Decrease) of investments (SPCs and SPEs)-220,785-4,00Received dividend8,7001,55Stockholding sales261,45012,11Increase of fixed assets-8,000-4,11Leased fixed assets-1,717-3,22Increase of fixed assets-9,700-7,717Financial Investments-73,763-11,717Et Cash generated (applied) in Investment Activities-43,815-17,00ash Flow from Financing Activities-43,815-17,00Dividends paid-100,147-100,147-100,147Stock Repurchase-31,965-33Increase in leasing investment1,7173,11Leasing investment amortization-6,553-6,33Increase in leasing investment-338,637609,11Loan338,637609,12-33Loan-34,698-340,698-240,698Increase of Cash and Cash Equivalents-5,069-16,00et cash generated (applied) in financing activities-49,959216,00Increase of Cash and Cash Equivalents-5,069-16,00et cash generated (applied) in financing activities-49,959216,00Increase of Cash and Cash Equivalents-55,059<			,
Collateral for works-19,978-13,90Paid income tax and social security-25,092-23,11et Cash generated (applied) in Operating Activities27,845153,74ash Flow from Investment Activities-220,785-4,00Increase (Decrease) of investments (SPCs and SPEs)-220,785-4,00Received dividend8,7001,55tockholding sales261,450Stockholding sales261,45012,11Increase of fixed assets-8,000-4,11Leased fixed assets-9,700-7,77Financial Investments-73,763-11,51et Cash generated (applied) in Investment Activities-73,763-11,51bividends paid-100,147-565-6,33Increase in leasing investment1,7173,11Leased fixed asset-31,965-6,33Increase in leasing investment-52,21-33Loan-52,52-23,52Increase in leasing investment-50,69-64,00Interest paid on lease-52,1-33Loan-38,637609,11Loan amortization-50,69-16,00Interest paid-20,698-34,00Interest paid-20,698-34,00Interest paid-20,698-34,00Interest paid-20,698-34,00Interest paid-50,69-16,00Interest paid-50,69-16,00Interest paid-65,592352,77Interest paid-65,592352,77Interest paid <td></td> <td></td> <td></td>			
Paid income tax and social security-25,09223,13let Cash generated (applied) in Operating Activities27,845153,76ash Flow from Investment Activities	•		,
ash Flow from Investment Activities       -220,785       -4,00         Increase (Decrease) of investments (SPCs and SPEs)       -220,785       -4,00         Received dividend       8,700       1,55         Stockholding sales       261,450       12,11         Increase of fixed assets       -8,000       -4,11         Leased fixed assets       -1,717       -3,22         Increase of intangible assets       -9,700       -7,71         Financial Investments       -73,763       -11,51         let Cash generated (applied) in Investment Activities       -43,815       -17,00         ash Flow from Financing Activities       -1,717       3,11,51         Dividends paid       -100,147       -5563       -6,33         Increase in leasing investment       1,717       3,11         Lease in leasing investment       -5,21       -33         Loan       -33,663       -6,921       -33         Increase in leasing investment       -204,698       -344,00         Increase and generated (applied) in financing activities       -5,069       -16,00         Loan       -204,698       -344,00       -204,698       -344,00         Increase of Cash and Cash Equivalents       -5,069       -16,00       -16,00       -			
Increase (Decrease) of investments (SPCs and SPEs)       -220,785       -4,0         Received dividend       8,700       1,5         Stockholding sales       261,450       12,1         Increase of fixed assets       -8,000       -4,1         Leased fixed assets       -1,717       -3,2         Increase of intangible assets       -1,717       -3,2         Increase of intangible assets       -9,700       -7,7         Financial Investments       -73,763       -11,50         et Cash generated (applied) in Investment Activities       -43,815       -17,00         ash Flow from Financing Activities       -31,965       -6,563       -6,33         Increase in leasing investment       1,717       3,11       -204,698       -344,00	et Cash generated (applied) in Operating Activities	27,845	153,78
Increase (Decrease) of investments (SPCs and SPEs)       -220,785       -4,00         Received dividend       8,700       1,55         Stockholding sales       261,450       12,12         Increase of fixed assets       -8,000       -4,11         Leased fixed assets       -1,717       -3,22         Increase of intengible assets       -9,700       -7,70         Financial Investments       -73,763       -11,53         et Cash generated (applied) in Investment Activities       -43,815       -17,00         ash Flow from Financing Activities       -31,965       -100,147         Dividends paid       -100,147       3,10         Stock Repurchase       -31,965       -17,00         Increase in leasing investment       1,717       3,11         Lease in leasing investment amortization       -6,563       -6,33         Increase in lease       -521       -33         Loan       -38,637       609,19         Loan amortization       -204,698       -344,00         Increase/Reduction of Capital by non-controlling shareholders       -5,069       -16,00         Increase/Reduction of Capital by non-controlling shareholders       -5,069       -16,00         Increase of Cash and Cash Equivalents       -49,959       <	ach Flow from Investment Activities		
Received dividend8,7001,53Stockholding sales261,45012,12Increase of fixed assets-8,000-4,11Leased fixed assets-1,717-3,22Increase of intangible assets-9,700-7,70Financial Investments-73,763-11,53let Cash generated (applied) in Investment Activities-43,815-17,02ash Flow from Financing Activities-43,815-17,02Dividends paid-100,147-100,147Stock Repurchase-31,965-11,01Increase in leasing investment1,7173,10Leasing investment amortization-6,563-6,32Interest paid on lease-521-33Loan amortization-204,698-344,00Interest paid-41,350-29,53Increase of Cash and Cash Equivalents-5,069-16,00text cash generated (applied) in financing activities-49,959216,02ash and Cash Equivalents-55,929352,77At the beginning of the period731,569533,79		-220.785	-4.0
Stockholding sales261,45012,11Increase of fixed assets-8,000-4,11Leased fixed assets-1,717-3,22Increase of intangible assets-9,700-7,703Financial Investments-73,763-11,55Let Cash generated (applied) in Investment Activities-43,815-17,003ash Flow from Financing Activities-43,815-17,003Dividends paid-100,147Stock Repurchase-100,147Stock Repurchase-31,965-100,147-31,965Increase in leasing investment1,7173,101-333,963Leasing investment amortization-6,563-6,333-6,333Interest paid on lease-521-333-333,963Loan338,637609,193-204,698-344,000Interest paid-41,330-29,553-16,033Increase/Reduction of Capital by non-controlling shareholders-5,069-16,033Increase of Cash and Cash Equivalents-45,929216,027ash and Cash Equivalents-43,559533,753At the beginning of the period731,569533,753		,	
Increase of fixed assets-8,000-4,11Leased fixed assets-1,717-3,2Increase of intagible assets-9,700-7,77Financial Investments-73,763-11,51let Cash generated (applied) in Investment Activities-43,815-177,03ash Flow from Financing Activities-100,147Dividends paid-100,147Stock Repurchase-31,965Increase in leasing investment1,7173,11Leasing investment amortization-6,563-6,33Interest paid on lease-521-33Loan338,637609,11Loan amortization-204,698-344,00Increase/Reduction of Capital by non-controlling shareholders-5,069-16,00Increase of Cash and Cash Equivalents-49,959216,02ash and Cash Equivalents-731,569533,75At the beginning of the period731,569533,75			
Leased fixed assets-1,717-3,24Increase of intangible assets-9,700-7,74Financial Investments-73,763-11,51Increase of intangible assets-73,763-11,51Increase of cash and Cash Equivalents-100,147-100,147Stock Repurchase-31,965-17,03Increase in leasing investment1,7173,11Leasing investment amortization-6,563-6,563Increase in lease-521-33Loan338,637609,11Loan amortization-204,698-344,00Interest paid-41,350-29,52Increase of Cash and Cash Equivalents-5,069-16,00At the beginning of the period731,569533,72		-8,000	-4.1
Financial Investments-73,763-11,5Iet Cash generated (applied) in Investment Activities-43,815-17,03ash Flow from Financing Activities-100,147Dividends paid-100,147Stock Repurchase-31,965Increase in leasing investment1,717Leasing investment amortization-6,563Loan338,637Loan amortization-204,698Loan amortization-204,698Interest paid-41,350Interest paid-5,069Increase/Reduction of Capital by non-controlling shareholders-5,069Increase of Cash and Cash Equivalents-65,929At the beginning of the period731,569Stat, 7533,7	Leased fixed assets		
Inter Cash generated (applied) in Investment Activities-43,815-17,03ash Flow from Financing Activities-100,147Dividends paid-100,147Stock Repurchase-31,965Increase in leasing investment1,717Leasing investment amortization-6,563Interest paid on lease-521Loan338,637Loan amortization-204,698Interest paid-41,350Interest paid-41,350Increase/Reduction of Capital by non-controlling shareholders-5,069Increase of Cash and Cash Equivalents-65,929At the beginning of the period731,569Stat, 769533,7	Increase of intangible assets	-9,700	-7,7
ash Flow from Financing Activities         Dividends paid       -100,147         Stock Repurchase       -31,965         Increase in leasing investment       1,717         Leasing investment amortization       -6,563       -6,3         Interest paid on lease       -521       -3         Loan       338,637       609,11         Loan amortization       -204,698       -344,0         Interest paid       -41,350       -29,5         Increase/Reduction of Capital by non-controlling shareholders       -5,069       -16,0         Increase of Cash and Cash Equivalents       -65,929       352,77         ash and Cash Equivalents       -731,569       533,7	Financial Investments	-73,763	-11,5
Dividends paid-100,147Stock Repurchase-31,965Increase in leasing investment1,717Leasing investment amortization-6,563Interest paid on lease-521Loan338,637Loan amortization-204,698Interest paid-41,350Interest paid-41,350Interest paid-5,069Increase/Reduction of Capital by non-controlling shareholders-5,069Increase of Cash and Cash Equivalents-65,929At the beginning of the period731,569Start533,759	et Cash generated (applied) in Investment Activities	-43,815	-17,03
Dividends paid-100,147Stock Repurchase-31,965Increase in leasing investment1,717Leasing investment amortization-6,563Interest paid on lease-521Loan338,637Loan amortization-204,698Interest paid-41,350Interest paid-41,350Interest paid-5,069Increase /Reduction of Capital by non-controlling shareholders-5,069Increase of Cash and Cash Equivalents-65,929At the beginning of the period731,569Start533,759	ach Flow from Financing Activities		
Stock Repurchase-31,965Increase in leasing investment1,7173,11Leasing investment amortization-6,563-6,32Interest paid on lease-521-33Loan338,637609,11Loan amortization-204,698-344,00Interest paid-41,350-29,52Increase/Reduction of Capital by non-controlling shareholders-5,069-16,00et cash generated (applied) in financing activities-49,959216,002Corease of Cash and Cash Equivalents-65,929ash and Cash EquivalentsAt the beginning of the period731,569533,7		-100,147	
Increase in leasing investment1,7173,10Leasing investment amortization-6,563-6,33Interest paid on lease-521-33Loan338,637609,11Loan amortization-204,698-344,00Interest paid-41,350-29,53Increase/Reduction of Capital by non-controlling shareholders-5,069-16,00et cash generated (applied) in financing activities-65,929352,77ash and Cash Equivalents-65,929352,77At the beginning of the period731,569533,79	•		
Leasing investment amortization-6,563-6,33Interest paid on lease-521-33Loan338,637609,19Loan amortization-204,698-344,00Interest paid-41,350-29,53Increase/Reduction of Capital by non-controlling shareholders-5,069-16,02et cash generated (applied) in financing activities-49,959216,02Crease of Cash and Cash Equivalents-65,929352,77ash and Cash Equivalents-65,929352,77At the beginning of the period731,569533,79			3,10
Interest paid on lease-521-3Loan338,637609,12Loan amortization-204,698-344,0Interest paid-204,698-344,0Interest paid-41,350-29,5Increase/Reduction of Capital by non-controlling shareholders-5,069-16,0et cash generated (applied) in financing activities-49,959216,02Increase of Cash and Cash Equivalents-65,929352,77ash and Cash Equivalents731,569533,77			
Loan amortization-204,698-344,0Interest paid-41,350-29,5Increase/Reduction of Capital by non-controlling shareholders-5,069-16,0et cash generated (applied) in financing activities-49,959216,00crease of Cash and Cash Equivalents-65,929352,77ash and Cash Equivalents-731,569533,7	-		
Interest paid       -41,350       -29,5         Increase/Reduction of Capital by non-controlling shareholders       -5,069       -16,0         et cash generated (applied) in financing activities       -49,959       216,00         crease of Cash and Cash Equivalents       -65,929       352,77         ash and Cash Equivalents       -731,569       533,77	Loan	338,637	609,1
Increase/Reduction of Capital by non-controlling shareholders -5,069 -16,0 et cash generated (applied) in financing activities -49,959 216,00 increase of Cash and Cash Equivalents -65,929 352,77 ash and Cash Equivalents -731,569 533,77	Loan amortization	-204,698	-344,0
et cash generated (applied) in financing activities-49,959216,02increase of Cash and Cash Equivalents-65,929352,72ash and Cash Equivalents-65,929353,72At the beginning of the period731,569533,72	Interest paid	-41,350	-29,5
Acrease of Cash and Cash Equivalents -65,929 352,77 ash and Cash Equivalents At the beginning of the period 731,569 533,79			
ash and Cash Equivalents At the beginning of the period 731,569 533,79	et cash generated (applied) in financing activities	-49,959	216,02
At the beginning of the period 731,569 533,79	crease of Cash and Cash Equivalents	-65,929	352,77
At the beginning of the period         731,569         533,79	ach and Cash Equivalents		
		731,569	533.7
	At the end of the period	665,640	886,5



**SQZI** 

#### 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.