

Trisul S.A.

(Free translation from the original issued in Portuguese. In the event of discrepancies, the Portuguese language version prevails)

Company and consolidated interim financial information

Together with
The independent auditor's review report
September 30, 2021

Trisul S.A.

Company and consolidated interim financial information

Period ended September 30, 2021

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(Free translation from the original issued in Portuguese. In the event of discrepancies, the Portuguese language version prevails. See Note 32 to the financial information.)

To
The Shareholders, Board Members and Management of
Trisul S.A.
São Paulo – SP

Introduction

We have reviewed the Company and consolidated interim financial information, of **Trisul S.A. (“Company”)**, included in the Interim Financial Information Form for the quarter ended September 30, 2021, which comprises the balance sheet as at September 30, 2021 and the related income statement and statements of comprehensive income for the three- and nine-month periods then ended, and changes in equity and cash flows for the nine-month period then ended, including the summary of the main accounting policies and other explanatory information.

Management is responsible for preparing the individual and consolidated interim financial information in accordance with Technical Pronouncement CPC 21 (R1) - Interim Financial Statements and the consolidated interim financial information in accordance with CPC 21 (R1) and IAS 34 - Interim Financial Reporting, which comprise the understanding expressed by the CVM through Circular Letter CVM/SNC/SEP No. 02/2018 on the application of NBC TG 47 (IFRS 15) regarding aspects related to the transfer of control to the recognition of income from agreements for the purchase and sale of real estate under construction, applicable to real estate project entities in Brazil, as well as the presentation of such information in compliance with the standards issued by the Brazilian Securities and Exchange Commission, applicable to the preparation of Interim Financial Information. Our responsibility is to express an opinion on these interim financial information based on our review.

Scope of the review

We conducted our review in accordance with Brazilian and international standards on review of interim financial information (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the standards on auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the Company interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the Company interim financial information included in the Interim Financial Information Form referred to above is not prepared, in all material respects, in accordance with CPC 21 (R1) - Interim Financial Reporting, taking into account the guidance included in Circular Letter/CVM/SNC/SEP No. 02/2018 on the application of NBC TG 47 (IFRS 15), regarding aspects on the transfer of control to the recognition of revenue in purchase and sale agreements of real estate under construction, as well as the presentation of such financial information in compliance with the standards issued by the Brazilian Securities and Exchange Commission, applicable to the preparation of the Interim Financial Information.

Conclusion on the consolidated interim financial information prepared

Based on our review, nothing has come to our attention that causes us to believe that the consolidated interim financial information included in the QFI referred to above is not prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34 - Interim Financial Reporting, taking into account the guidance included in Circular Letter/CVM/SNC/SEP No. 02/2018 on the application of NBC TG 47 (IFRS 15), regarding aspects on the transfer of control to the recognition of revenue in purchase and sale agreements of real estate under construction, applicable to real estate project entities in Brazil, as well as the presentation of such financial information in compliance with the standards issued by the Brazilian Securities and Exchange Commission, applicable to the preparation of the Interim Financial Information.

Emphasis of a matter

As described in Note 2, the Company and consolidated interim financial information was prepared in accordance with CPC 21 (R1) and IAS 34 (in the consolidated financial information), taking into account the guidance included in Circular Letter CVM/SNC/SEP No. 02/2018 on the application of NBC TG 47 (IFRS 15), regarding aspects on the transfer of control to the recognition of revenue in purchase and sale agreements of real estate under construction, applicable to real estate project entities in Brazil. Our opinion is not qualified regarding such matter.

Other matters

Value-Added Statement

The interim financial information referred to above includes the Company and consolidated Value-Added Statement for the nine-month period ended September 30, 2021, prepared under the responsibility of the Company's Management and presented as a supplementary information for the purposes of IAS 34. Such financial statement have been subject to review procedures performed in connection with the review of the interim financial information in order to reach a conclusion whether they are reconciled with the interim financial information and accounting records, as applicable, and if their form and content are in compliance with CPC 09 – “Value-Added Statement”. Based on our review, nothing has come to our attention that causes us to believe that they were not prepared, in all material respects, according to the criteria set forth in said Technical Pronouncement and in a consistent manner with respect to the Company and consolidated interim financial information taken as a whole.

São Paulo, November 11st, 2021.

Baker Tilly 4Partners Auditores Independentes S.S.



Nelson Varandas dos Santos
Assurance Partner



Fábio Torres Rodrigues
Assurance Director

Trisul S.A.

Balance sheets as of September 30, 2021 and December 31, 2020

(Free translation from the original issued in Portuguese. In the event of discrepancies, the Portuguese language version prevails.)

(In thousands of Brazilian Reais)

	Notes	Company		Consolidated	
		09/2021	12/2020	09/2021	12/2020
Assets					
Current					
Cash and cash equivalents	5	187,066	245,890	394,194	478,720
Accounts receivable	6	283	337	448,190	518,171
Properties for sale	8	6,116	2,052	901,082	673,219
Sundry receivables	7	3,272	2,250	9,281	8,035
Recoverable taxes and contributions	-	3,007	2,356	3,387	2,685
Total current assets		<u>199,744</u>	<u>252,885</u>	<u>1,756,134</u>	<u>1,680,830</u>
Noncurrent					
Accounts receivable	6	-	-	87,317	89,617
Properties for sale	8	-	-	327,582	286,280
Related-party transactions	9.1	101,963	97,492	39,592	28,874
Recoverable taxes and contributions	-	719	719	719	719
Sundry receivables	7	-	386	1,315	5,340
		<u>102,682</u>	<u>98,597</u>	<u>456,525</u>	<u>410,830</u>
Investments	10.2.1	1,566,591	1,516,313	82,302	65,003
Fixed assets	11	7,419	3,931	23,889	18,770
Intangible assets	12	2,553	1,468	2,553	1,468
		<u>1,576,563</u>	<u>1,521,712</u>	<u>108,744</u>	<u>85,241</u>
Total noncurrent assets		<u>1,679,245</u>	<u>1,620,309</u>	<u>565,269</u>	<u>496,071</u>
Total assets		<u><u>1,878,989</u></u>	<u><u>1,873,194</u></u>	<u><u>2,321,403</u></u>	<u><u>2,176,901</u></u>

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

Trisul S.A.

Balance sheets as of September 30, 2021 and December 31, 2020

(Free translation from the original issued in Portuguese. In the event of discrepancies, the Portuguese language version prevails.)

(In thousands of Brazilian Reais)

	Notes	Company		Consolidated	
		09/2021	12/2020	09/2021	12/2020
Liabilities					
Current					
Trade accounts payable	-	1,790	1,445	59,355	51,292
Loans and financing	13.1	70,433	72,923	142,190	135,051
Debentures	13.2	33,164	11,317	33,164	11,317
Labor and tax liabilities	14	6,877	9,849	14,397	16,609
Deferred taxes and contributions	15.2	-	-	16,479	19,601
Real estate creditors	16	-	-	131,754	106,837
Customers' advances	19	-	-	82,178	55,655
Accounts payable	-	1,915	3,326	17,964	16,550
Dividends payable	21.4	-	40,397	-	40,397
Related-party transactions	9.1	223,224	342,218	4,948	3,418
Total current liabilities		337,403	481,475	502,429	456,727
Noncurrent					
Loans and financing	13.1	11,878	62,786	137,772	228,698
Debentures	13.2	284,552	166,183	284,552	166,183
Real estate creditors	16	-	-	50,651	78,194
Deferred taxes and contributions	15.2	-	-	2,682	3,040
Customers' advances	19	-	-	19,750	12,263
Provision for lawsuits and administrative proceedings	20.1	-	-	12,385	10,303
Accounts payable	-	3,918	1,704	11,109	8,593
Total noncurrent liabilities		300,348	230,673	518,901	507,274
Shareholders' equity					
Capital stock	21.1	866,080	866,080	866,080	866,080
(-) Costs with issuance of shares	21.2	(24,585)	(24,585)	(24,585)	(24,585)
Capital reserves	21.3	12,629	12,629	12,629	12,629
Income reserves	21.4	412,987	313,914	412,987	313,914
(-) Treasury shares	21.5	(25,873)	(6,992)	(25,873)	(6,992)
Shareholders' equity attributed to shareholders		1,241,238	1,161,046	1,241,238	1,161,046
Non-controlling interest		-	-	58,835	51,854
Total shareholders' equity		1,241,238	1,161,046	1,300,073	1,212,900
Total liabilities and shareholders' equity		1,878,989	1,873,194	2,321,403	2,176,901

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

Trisul S.A.

Income statements for the nine-month periods ended September 30, 2021 and 2020

(Free translation from the original issued in Portuguese. In the event of discrepancies, the Portuguese language version prevails.)

(In thousands of Reais, except where otherwise indicated)

	Notes	Company				Consolidated			
		07/01 to 09/30/2021	01/01 to 09/30/2021	07/01 to 09/30/2020	01/01 to 09/30/2020	07/01 to 09/30/2021	01/01 to 09/30/2021	07/01 to 09/30/2020	01/01 to 09/30/2020
Net operating revenue	22	109	761	113	294	190,230	603,337	254,701	626,170
Operating costs	-	-	(175)	-	(25)	(117,548)	(374,641)	(167,393)	(409,140)
Gross profit	-	109	586	113	269	72,682	228,696	87,308	217,030
Operating revenues/ (expenses):									
Administrative expenses	23	(11,857)	(34,881)	(11,973)	(31,490)	(16,736)	(51,815)	(18,712)	(50,014)
Selling expenses	24	(1,690)	(5,072)	(1,462)	(6,509)	(14,508)	(44,328)	(15,019)	(43,853)
Tax expenses	-	(115)	(391)	(117)	(318)	(171)	(504)	(189)	(513)
Equity in earnings (losses) of controlled and associated companies	10.2.1	51,288	154,080	62,809	154,107	2,940	7,083	6,203	17,949
Provision for lawsuits and administrative proceedings	20.1	-	-	-	-	(650)	(3,269)	(1,356)	(3,743)
Expenses on depreciation/amortization	-	(346)	(824)	(122)	(474)	(350)	(846)	(149)	(659)
Other operating revenues/(expenses)	-	-	206	-	-	(1,145)	(1,986)	(969)	(2,324)
		37,280	113,118	49,135	115,316	(30,620)	(95,665)	(30,191)	(83,157)
Income before financial results and income taxes		37,389	113,704	49,248	115,585	42,062	133,031	57,117	133,873
Financial income, net									
Financial expenses	25	(5,869)	(14,385)	(2,096)	(6,418)	(6,877)	(17,520)	(3,410)	(10,624)
Financial revenues	25	1,580	4,351	881	5,507	5,466	12,421	3,084	12,249
		(4,289)	(10,034)	(1,215)	(911)	(1,411)	(5,099)	(326)	1,625
Income before income taxes		33,100	103,670	48,033	114,674	40,651	127,932	56,791	135,498
Income tax and social contribution on net income									
Current	15.3	-	-	-	-	(4,670)	(14,649)	(5,491)	(12,286)
Deferred	15.3	-	-	-	-	246	1,332	134	(159)
Net income before non-controlling interest		33,100	103,670	48,033	114,674	36,227	114,615	51,434	123,053
Non-controlling interest	-	-	-	-	-	(3,127)	(10,945)	(3,401)	(8,379)
Net income for the period		33,100	103,670	48,033	114,674	33,100	103,670	48,033	114,674
Earnings per share									
Basic earnings per share – R\$	31	0.17831	0.55849	0.25766	0.61471				
Diluted earnings per share – R\$	31	0.17831	0.55849	0.25766	0.61471				

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

Trisul S.A.

Statements of comprehensive income for the nine-month periods ended September 30, 2021 and 2020

(Free translation from the original issued in Portuguese. In the event of discrepancies, the Portuguese language version prevails.)

(In thousands of Brazilian Reais)

	Company				Consolidated			
	07/01 to 09/30/2021	01/01 to 09/30/2021	07/01 to 09/30/2020	01/01 to 09/30/2020	07/01 to 09/30/2021	01/01 to 09/30/2021	07/01 to 09/30/2020	01/01 to 09/30/2020
Net income for the period	33,100	103,670	48,033	114,674	37,403	115,791	51,434	123,053
Other comprehensive income	-	-	-	-	-	-	-	-
Comprehensive income for the period	<u>33,100</u>	<u>103,670</u>	<u>48,033</u>	<u>114,674</u>	<u>37,403</u>	<u>115,791</u>	<u>51,434</u>	<u>123,053</u>
Attributable to:								
Company's shareholders	33,100	103,670	48,033	114,674	33,100	103,670	48,033	114,674
Non-controlling interest	4,303	12,121	3,401	8,379	<u>4,303</u>	<u>12,121</u>	<u>3,401</u>	<u>8,379</u>
	<u>37,403</u>	<u>115,791</u>	<u>51,434</u>	<u>123,053</u>	<u>37,403</u>	<u>115,791</u>	<u>51,434</u>	<u>123,053</u>

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

Trisul S.A.

Statements of changes in shareholders' equity for the nine-month periods ended September 30, 2021 and 2020

(Free translation from the original issued in Portuguese. In the event of discrepancies, the Portuguese language version prevails.)

(In thousands of Brazilian Reais)

Notes	Company							Consolidated		
	Capital	Costs with issuance of shares	Capital reserves	Profit reserves			Treasury shares	Shareholders' equity attributed to controlling shareholders	Non-controlling interest	Total shareholders' equity
				Statutory reserve	Retained earnings reserve	Accumulated profits				
Balances as of January 1, 2020	866,080	(24,585)	12,629	16,818	174,133	-	-	1,045,075	48,057	1,093,132
Complementary distribution of dividends	-	-	-	-	(6,732)	-	-	(6,732)	-	(6,732)
Acquisition of own shares	-	-	-	-	-	-	(6,992)	(6,992)	-	(6,992)
Net income for the period	-	-	-	-	-	114,674	-	114,674	8,379	123,053
Retained earnings reserve	-	-	-	-	114,674	(114,674)	-	-	-	-
Non-controlling interest	-	-	-	-	-	-	-	-	(8,736)	(8,736)
Balances as of September 30, 2020	866,080	(24,585)	12,629	16,818	282,075	-	(6,992)	1,146,025	47,700	1,193,725
Balances as of January 1, 2021	866,080	(24,585)	12,629	25,322	288,592	-	(6,992)	1,161,046	51,854	1,212,900
Complementary distribution of dividends	-	-	-	-	(4,597)	-	-	(4,597)	-	(4,597)
Acquisition of own shares	-	-	-	-	-	-	(18,881)	(18,881)	-	(18,881)
Net income for the period	-	-	-	-	-	103,670	-	103,670	10,945	114,615
Retained earnings reserve	-	-	-	-	103,670	(103,670)	-	-	-	-
Non-controlling interest	-	-	-	-	-	-	-	-	(3,964)	(3,964)
Balances as of September 30, 2021	866,080	(24,585)	12,629	25,322	387,665	-	(25,873)	1,241,238	58,835	1,300,073

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

Trisul S.A.

Statements of cash flows for the nine-month periods ended September 30, 2021 and 2020

(Free translation from the original issued in Portuguese. In the event of discrepancies, the Portuguese language version prevails.)

(In thousands of Brazilian Reais)

	Company		Consolidated	
	09/2021	09/2020	09/2021	09/2020
From operating activities				
Operating income before income and social contribution taxes	103,670	114,674	127,932	135,498
Adjustments to reconcile net income for the period to cash and cash equivalent from operating activities:				
Provision for credit risk and cancellations of agreements	-	-	(4,345)	5,895
Provision for lawsuits and administrative proceedings	-	-	3,269	3,743
Discount to present value	-	-	383	1,665
Depreciation/amortization	824	474	846	659
Depreciation of use rights	1,135	1,227	1,135	1,227
Depreciation of sales stands	-	-	10,864	9,488
Interest on loans and debentures	14,603	6,138	16,564	8,782
Deferred taxes	-	-	(2,148)	180
Equity in earnings (losses) of controlled and associated companies	(154,080)	(154,107)	(7,083)	(17,949)
Provision for warranties	-	-	5,809	-
Increase/decrease in operating assets:				
Accounts receivable	54	(27)	76,243	(76,172)
Properties for sale	(4,064)	(1,291)	27,597	62,399
Recoverable taxes and contributions	(651)	(1,203)	(702)	(1,232)
Related-party transactions	(123,465)	56,859	(9,188)	(5,235)
Sundry receivables	(636)	(1,405)	2,779	4,561
Increase/ (decrease) in operating liabilities:				
Trade accounts payable	345	1,071	8,063	12,759
Labor and tax liabilities	(2,972)	(980)	(2,170)	1,070
Real estate creditors	-	-	(269,987)	(315,128)
Customers' advances	-	-	4,609	2,401
Provision for lawsuits and administrative proceedings	-	-	(1,187)	-
Accounts payable	803	(6,985)	(1,879)	(595)
Net cash from/(used in) operating activities	(164,434)	14,445	(12,596)	(165,984)
Income and social contribution taxes paid	-	-	(14,691)	(11,957)
Interest on loans and debentures paid	(10,811)	-	(12,778)	-
Net cash from/(used in) operating activities	(175,245)	14,445	(40,065)	(177,941)
From investing activities				
Acquisition of fixed assets	(5,014)	(440)	(17,531)	(11,605)
(Increase)/ decrease in investments	103,802	(257,788)	(10,216)	7,261
Acquisition of intangible assets	(1,518)	(736)	(1,518)	(736)
Net cash from (used in) investing activities	97,270	(258,964)	(29,265)	(5,080)
From financing activities				
Dividends paid	(44,994)	(40,000)	(44,994)	(40,000)
Acquisition of own shares	(18,881)	(6,992)	(18,881)	(6,992)
Change in loans, financing and debentures, net	83,026	62,757	52,643	55,323
Non-controlling interest	-	-	(3,964)	(8,736)
Net cash from (used in) financing activities	19,151	15,765	(15,196)	(405)
Decrease in cash and cash equivalents	(58,824)	(228,754)	(84,526)	(183,426)
Balance of cash and cash equivalents				
At the beginning of the period	245,890	344,903	478,720	488,058
At the end of the period	187,066	116,149	394,194	304,632
Decrease in cash and cash equivalents	(58,824)	(228,754)	(84,526)	(183,426)

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

Trisul S.A.

Value-added statement for the nine-month periods ended September 30, 2021 and 2020

(Free translation from the original issued in Portuguese. In the event of discrepancies, the Portuguese language version prevails.)

(In thousands of Brazilian Reais)

	Company		Consolidated	
	09/2021	09/2020	09/2021	09/2020
Revenues				
Properties and services revenue	933	502	611,773	644,627
Other revenues	206	-	-	-
(Provision)/reversal for credit risk and cancellations of agreements	-	-	4,345	(5,895)
	1,139	502	616,118	638,732
Inputs acquired from third parties				
Costs	(175)	(25)	(374,641)	(409,140)
Material, electric power, outsourced services among others	(22,721)	(18,514)	(75,050)	(71,954)
	(22,896)	(18,539)	(449,691)	(481,094)
Gross added value	(21,757)	(18,037)	166,427	157,638
Withholdings				
Depreciation and amortization	(824)	(474)	(846)	(659)
	(824)	(474)	(846)	(659)
Net added value provided by	(22,581)	(18,511)	165,581	156,979
Added value received upon transfer				
Equity in earnings of controlled companies and affiliates	154,080	154,107	7,083	17,949
Financial revenues	4,351	5,507	12,421	12,249
	158,431	159,614	19,504	30,198
Added value to be distributed	135,850	141,103	185,085	187,177
Distribution of added value				
Personnel				
Direct compensation	9,981	12,832	15,747	17,683
Benefits	3,402	3,046	3,566	3,163
Government Severance Indemnity Fund for Employees (FGTS)	272	504	312	516
	13,655	16,382	19,625	21,362
Taxes, fees and contributions				
Federal	1,287	1,441	27,299	26,396
State	55	56	541	925
Municipal	411	336	1,004	701
	1,753	1,833	28,844	28,022
Return on debt capital				
Interest	14,385	6,418	17,520	10,624
Rentals	2,387	1,796	4,481	4,116
	16,772	8,214	22,001	14,740
Return on equity capital				
Non-controlling interest	-	-	10,945	8,379
Retained earnings	103,670	114,674	103,670	114,674
	103,670	114,674	114,615	123,053
	135,850	141,103	185,085	187,177

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

Trisul S.A.

Notes to the Company and consolidated interim financial information form as of September 30, 2021

(Amounts expressed in thousands of Reais, unless otherwise stated)

(Free translation from the original issued in Portuguese. In the event of discrepancies, the Portuguese language version prevails)

1. Operations

Trisul S.A (“the Company”), located in the City of São Paulo, Brazil and listed on B3 under ticker TRIS3, results from the merger of “Incosul Incorporação e Construção Ltda.” and “Tricury Construções e Participações Ltda.”, companies with over 35 years in the real estate market, in 2007.

The Company's main activities are real estate project and construction for sale, subdivision of plots of land, purchase and sale of properties and holding interest in other companies as partner, member or shareholder.

The development of real estate projects, including with ownership interest of third parties, occurs by means of Professional Partnerships, Special Purpose Companies (SPEs), and Silent Partnerships (SCPs), so that the controlled companies may significantly share the structures and corporate, managerial and operating costs of the Company.

2. Basis of preparation and presentation of interim financial information

2.1. Basis of preparation and statement of compliance

The Company and consolidated interim financial information for the periods ended September 30, 2021 and 2020 were prepared in accordance with accounting practices adopted in Brazil (“BRGAAP”) and with international financial reporting standards (“IFRS”), applicable to real estate project entities in Brazil, registered with the CVM.

The consolidated interim financial information was prepared in accordance with technical pronouncement NBC TG 21 – Interim financial information and the international standard IAS34 - Interim Financial Reporting, and presented in compliance with the standards and guidelines issued by the Brazilian Securities and Exchange Commission (“CVM”) by means of Circular Letter No. 003/2011, which comprise aspects related to the transfer of control in the sale of real estate units according to the understanding of the Company's management, in line with that expressed by CVM in Circular Letter CVM/SNC/SEP No. 02/18 on the application of Technical Pronouncement NBC TG 47 (IFRS 15), aimed at real estate entities.

The Circular Letter CVM/SNC/SEP No. 02/2018, among other matters, clarifies in which situations real estate entities must maintain revenue recognition over time, called Percentage of Completion Method (POC).

The accounting practices adopted in Brazil comprise those included in Brazilian corporate law and in the Pronouncements, Guidance and Interpretations issued by the CPC and approved by the CVM and the CFC.

Trisul S.A.

Notes to the Company and consolidated interim financial information form as of September 30, 2021

(Amounts expressed in thousands of Reais, unless otherwise stated)

2. Basis of preparation and presentation of interim financial information--Continued**2.1. Basis of preparation and statement of compliance--Continued**

In addition, the Company considered the Guideline "OCPC 07 - Evidence in the Disclosure of General Purpose Financial Reports" in the preparation of its interim financial information.

The Company and consolidated interim financial information was prepared in compliance with the accounting practices described in Note 3.

The preparation of the interim financial information requires the use of certain critical accounting estimates and also that Management make judgement upon applying the accounting practices. The accounting estimates and assumptions are continuously evaluated and are based on historical experience and other factors, including expectations of future events considered reasonable for the circumstances. Such estimates and assumptions may differ from actual results.

The Company's Management states that all the significant information specific to the interim financial information, and only them, are being evidenced and which correspond to those used by it in its management.

2.2. Basis of presentation and consolidation

The Company and consolidated interim financial information is presented in Real, which is the functional currency of the Company and its controlled companies, and rounded to the nearest unit, unless otherwise stated.

The consolidated interim financial information form includes the interim financial information of Trisul S.A. and its direct and indirect controlled companies, stated in Note 10. The Company controls an entity when it is exposed or entitled to variable refunds arising from its engagement with the entity and has the ability to interfere with those refunds because of its power over the entity. The existence and effects of potential voting rights, which are currently exercisable or convertible, are taken into account when assessing whether the Company controls another entity.

Controlled companies are fully consolidated from the date the control is transferred and are no longer consolidated from the date control ceases.

The accounting practices are consistently applied in all consolidated companies, with base date of September 30, 2021 and, when necessary, the interim financial information of the controlled companies is adjusted to conform their accounting practices to those established by the Company.

Intercompany accounts, revenues and expenses, unrealized income, and investments, particularly non-controlling interest, are eliminated in consolidation, according to CPC 36 (R3).

Trisul S.A.

Notes to the Company and consolidated interim financial information form as of September 30, 2021

(Amounts expressed in thousands of Reais, unless otherwise stated)

2. Basis of preparation and presentation of interim financial information--Continued

2.3. COVID-19 impacts

Due to the world pandemic declared by the World Health Organization (“WHO”), related to COVID-19 (“Coronavirus”) that has been affecting Brazil and several countries in the world, bringing risks to public health and impacts on the world economy, the Company and its controlled companies informs that it has been taking preventive and risk mitigation measures in compliance with the guidelines established by domestic and foreign health authorities, aiming to minimize the maximum possible impacts with regard to the health and safety of employees, family, partners and communities, and the continuity of its operations and businesses.

On March 10, 2020, the CVM issued Circular Letter/CVM/SNC/SEP No. 02/2020 highlighting the importance of Publicly-Held Companies carefully taking into consideration the impacts of the Coronavirus on their business and reporting the main risks and uncertainties arising from this analysis in the quarterly financial information, taking into account the applicable accounting standards. In this regard, among the several risks and uncertainties to which the Company and its controlled companies are exposed, special attention was given to those economic events which are related to the continuity of our business and/or to the accounting estimates made, especially regarding the adjustment to the net realizable value of properties for sale, recoverability of assets, the recognition of revenue, the provision for expected losses of accounts receivable and the provision for cancellations.

Upon following the guidelines of the CVM and CPC, the Company and its controlled companies evaluated the impacts and the monitoring measures of the Coronavirus in the quarterly financial information, as well as their eventual operating impacts. Up to the date of such quarterly financial information, based on our analysis, the Company and its controlled companies have not identified the need to record an impairment provision on their properties for sale (including land). In addition, there was no reduction in the price of the real estate sales tables, there was no application of significant discounts on sales practiced with customers, there was no significant increase in cancellations or delays in customer payments, nor did the work in progress stop.

Based on the latest information on the evolution of the Coronavirus and taking into consideration the period in which it operated in such scenario, the Company and its controlled companies have not identified significant impacts on the quarterly financial information for the period ended September 30, 2021.

2.4. Approval of Company and consolidated interim financial information

The Company and consolidated interim financial information was approved by the Board Members on November 11, 2021.

Trisul S.A.

Notes to the Company and consolidated interim financial information form as of September 30, 2021

(Amounts expressed in thousands of Reais, unless otherwise stated)

3. Significant accounting practices adopted

3.1. Significant judgments, estimates and assumptions

The preparation of the interim financial information requires the Management to make judgments, estimates and assumptions which affect the reported revenues, expenses, assets and liabilities, as well as the disclosure of contingent liabilities, at the base date of these interim financial information.

However, the uncertainty related to these assumptions and estimates may lead to results which need a significant adjustment to the book value of the asset or liability affected in future periods.

The main assumptions related to uncertainties on future estimates and other significant sources of uncertainties at the base date of the interim financial information, involving a material risk of resulting in a significant adjustment to the book value of assets and liabilities are described below:

Budgeted costs of real estate projects

Total estimated costs, comprising incurred costs and costs expected to incur for the conclusion of the construction work, are regularly reviewed, according to the development of the work, and the adjustments arising from this review are reflected in the Company's income, in the periods they occur, according to the accounting method used, and described in Note 3.2.

Contingencies

The Company and its controlled companies are subject to inspections, audits, lawsuits and administrative proceedings referring to civil, tax, labor, environmental and consumers' rights matters, among others. Depending on the object of the inspections, lawsuits or administrative proceedings filed against the Company and its controlled companies, they might affect the Company's interim financial information form, regardless of the respective final result.

The Company and its controlled companies are periodically inspected by different authorities, mainly tax, labor and social security authorities. It is not possible to guarantee that these authorities will not assess the Company and its controlled companies, nor that such infractions will not lead to administrative proceedings and, later, to lawsuits, nor the final result of both administrative proceedings and lawsuits.

Trisul S.A.

Notes to the Company and consolidated interim financial information form as of September 30, 2021

(Amounts expressed in thousands of Reais, unless otherwise stated)

3. Significant accounting practices adopted--Continued**3.1. Significant judgments, estimates and assumptions--Continued****Contingencies--Continued****Fair value of financial instruments**

When the fair value of assets and liabilities presented in the balance sheet cannot be obtained from active markets, valuation techniques are used, including the discounted cash flow method. Data for such method is based on those applied in the market if possible. Otherwise, a certain level of judgment is required to determine the fair value. The judgment includes comments on the data used, such as liquidity risk, credit risk, and volatility. Changes in the assumptions on these factors may affect the fair value of financial instruments.

3.2. Income determination of real estate project and sale of properties and other**(i) Income from real estate project and sale of properties**

In the determination of income with real estate project and sales, the Company and its controlled companies adopt the procedures established by CPC 47 – “Revenue from Contracts with Customers”, and also fulfill with the guidelines contained in the Circular Letter CVM/SNC/SEP No. 02/2018 of December 12, 2018, which establishes accounting procedures related to the recognition, measurement and disclosure of certain types of transactions arising from the purchase and sale agreements of real estate under constructions, and other regulations issued by the CPC.

According to CPC 47, the recognition of revenue from contracts with clients has a new normative discipline, based on the transfer of control of the asset or service promised, which may be at a specific time or over time, according to performance of contractual performance obligations.

Revenue should be measured at the amount that reflects the payment that is expected to be earned and is based on a five-step model detailed below: 1) contract identification; 2) identification of performance obligations; 3) determining the price of the transaction; 4) allocation of the transaction price to the performance obligations, and; 5) revenue recognition.

Trisul S.A.

Notes to the Company and consolidated interim financial information form as of September 30, 2021

(Amounts expressed in thousands of Reais, unless otherwise stated)

3. Significant accounting practices adopted--Continued**3.2. Income determination of real estate project and sale of properties and other--Continued****(i) Income from real estate project and sale of properties--Continued**

When real estate units under construction are sold, the following assumptions are adopted, in compliance with the abovementioned:

- As from the moment that the project launched is no longer under the effects of the corresponding suspensive clause in its development brief, the percentage of the cost incurred with the units sold is calculated (including land), with regard to its total budgeted cost. Such percentage is applied on the revenue of sold units adjusted according to the terms of the sales agreements, including inflation adjustment; therefore, the revenue amount to be recognized is determined;
- The amounts of sales revenues, including monetary restatement, net of installments already received, are accounted for as accounts receivable or as customers' advances, if applicable;
- Incurred cost (including the cost of land) corresponding to the sold units is fully recognized in income;
- Financial charges directly related to real estate projects, corresponding to accounts payable from the acquisition of plots of land, and to operations of real estate credit, incurred during the construction period, are recognized as incurred costs of the real estate projects and reflected in the income statement upon the sale of the units of the real estate project to which they were recognized. The finance charges of financing operations, the funds of which are not applied in real estate projects are recognized as financial income (loss) when incurred, as well as those levied on accounts payable from plots of land and on real estate credit operations incurred after the construction of the real estate projects is concluded;
- Estimated costs to incur from real estate projects are subject to periodical reviews, which may result in changes in those initial estimates. The effects of such reviews affect income (loss) prospectively, according to CPC 23 - Accounting policies, changes in accounting estimates and correction of errors.

Income from sale of completed units of real estate projects is recognized when it is accomplished, regardless of the term established by agreement for receiving the payment, according to the abovementioned.

Trisul S.A.

Notes to the Company and consolidated interim financial information form as of September 30, 2021

(Amounts expressed in thousands of Reais, unless otherwise stated)

3. Significant accounting practices adopted--Continued**3.2. Income determination of real estate project and sale of properties and other--Continued****(i) Income from real estate project and sale of properties--Continued**

The amounts received from the sale of real estate units when higher than the amounts of revenues recognized are accounted for as customers' advances, in current or noncurrent liabilities.

Fixed interest and inflation adjustments levied on the balance of accounts receivable, as from the date the keys are delivered, are recognized as financial income, when incurred, on an accrual basis.

The Company makes a provision for cancellations of agreements, when in its analysis uncertainties are identified regarding the inflow of future cash flows to the Company. These adjustments are linked to the fact that the recognition of revenue is conditioned to the degree of confidence regarding the inflow, for the entity, of the cash flows generated from the recognized revenue.

The amounts to be refunded, arising from the cancellation of agreement of venture sales not yet delivered, are directly deducted from the income from real estate project. For properties delivered, revenues and costs are reversed, the properties return to inventory at cost and they are available for sale at market value.

(ii) Selling expenses

Expenses on advertising, marketing, promotion and other related activities are recognized to the income statement, under the caption "Selling expenses" when actually incurred, on an accrual basis, according to the respective disclosure period.

Expenses incurred on and directly related to the construction of sales stands and model apartments, as well as those related to the acquisition of furniture and decoration of the sales stands and model apartments of real estate projects, are recorded under the caption "Fixed assets", as long as the expected term for its use and generation of benefits is over 12 months, and are depreciated according to the respective estimated useful life of those items. Expenses on depreciation of these assets are recognized under the caption "Selling expenses" and do not affect the determination of the percentage of the real estate projects' financial evolution.

Usually, commissions on sales of real estate units are considered charges under the responsibility of the acquirer of the properties, and not revenues or expenses of the real estate project company. However, when such charges are paid by the real estate project company, the expenses incurred are recorded as prepayments, which are recognized in income (loss) under the caption "Selling expenses", according to the same criteria for the recognition of income from the development and sale of properties, described in Note 3.2.(i).

(iii) Rendering of services and other activities

Revenues, costs and expenses are recorded on the accrual basis.

Trisul S.A.

Notes to the Company and consolidated interim financial information form as of September 30, 2021

(Amounts expressed in thousands of Reais, unless otherwise stated)

3. Significant accounting practices adopted--Continued

3.3. Cash and cash equivalents

These include cash, positive checking account and financial investment balances of immediate liquidity and with an insignificant risk of change in market value, kept to meet short-term cash commitments rather than for investments with other purposes. Financial investments included in cash equivalents are classified as "Financial assets at fair value through profit (loss)". Restricted financial investments or with maturities over 90 days are classified as securities. For the period ended September 30, 2021 and for the year ended December 31, 2020, the Company had no restrictive financial investments with maturity over 90 days.

3.4. Trade accounts receivable

Trade accounts receivable are stated at present and realizable values, recognized according to the criteria described in Note 3.2.

Provisions for expected losses on credits and cancellations are made for amounts deemed sufficient by Management when there are evidences that the Company will not be able to charge all the amounts due according to the original term of accounts receivable or there are evidences that the sale may be subject of cancellation of agreement.

The classification between current assets and non-current assets is carried out based on the expectation of financial flow to receive trade accounts.

3.5. Properties for sale

These include plots of land to be traded, real estate under construction and completed properties. The cost of real estate comprises expenses on the acquisition of plots of land (cash or physical barter valued at fair value), material, applied labor force (own or engaged from third parties), expenses on real estate project, and finance charges arising from loans and financing during the period of development and construction, related to the real estate projects.

Properties for sale are stated at construction cost, which do not exceed their realizable net value. As for real estate under construction, the portion in inventory items corresponds to the cost incurred on the real estate units not yet sold.

The Company capitalizes finance charges to real estate projects during the construction phase, raised by means of the housing financing system and other credit lines used to finance the construction (limited to the amount of the respective financial expense), which are recognized in income proportionally to the real estate units sold, the same criteria applied to other costs.

The classification between current and noncurrent assets is made based on the expected launching date of the future real estate projects, periodically reviewed by means of Management's estimate.

Trisul S.A.

Notes to the Company and consolidated interim financial information form as of September 30, 2021

(Amounts expressed in thousands of Reais, unless otherwise stated)

3. Significant accounting practices adopted--Continued**3.6. Investments**

Investments in controlled companies, jointly-controlled companies and associated companies are recorded under the equity method of accounting, pursuant to Technical Pronouncement CPC 18 (R2) - IAS 28 – Investments in associated companies and controlled companies and joint venture. Under the equity method of accounting, the Company's interest in those companies' increase or decrease in equity, after their acquisition, resulting from net income or loss reported in the period, or resulting from earnings or losses in capital reserves, is recognized as operating revenue (or expense). The effects of these changes after the acquisitions are adjusted with an offsetting entry to investment cost.

3.7. Fixed assets

Fixed assets are recorded at acquisition, formation or construction cost, including the sale stands and decorated model apartments of the real estate projects. The depreciation of assets is calculated under the straight-line method at the average rates described in Note 11, and the depreciation of the sales stands are recorded under the caption "Selling expenses".

3.8. Intangible assets

Expenses related to the acquisition and implementation of information systems and licenses for the use of software are recorded at acquisition cost and amortized according to their estimated useful lives.

3.9. Impairment of non-financial assets

Management reviews the net book value of its main assets, particularly trade accounts receivable, properties to be sold, fixed assets, investments and intangible assets, at least annually, with the purpose of evaluating events or changes in economic, operating or technological circumstances that may indicate impairment.

When this evidence is identified and the net book value exceeds recoverable value, an impairment charge is recognized writing the net book value down to recoverable value.

The assumptions normally used to calculate the recoverable value of assets are based on expected cash flows, economic feasibility studies of the real estate projects, which show the assets recoverability or market value, all discounted to present value.

No impairment loss on assets was recorded for the period ended September 30, 2021 and for the year ended December 31, 2020.

Trisul S.A.

Notes to the Company and consolidated interim financial information form as of September 30, 2021

(Amounts expressed in thousands of Reais, unless otherwise stated)

3. Significant accounting practices adopted--Continued

3.10. Loans, financing and debentures

After initial recognition, loans, financing and debentures bearing interest and charges are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in the statement of income upon the write-off of liabilities, as well as during the amortization process by the effective interest rate method.

3.11. Provision for warranties

Limited warranties for a period of up to five years are offered to cover structural defects in real estate projects sold.

Certain warranties for the execution of services (responsibilities and costs) are normally performed by subcontractors, therefore reducing the exposure of the Company's cash flow. The estimated amounts to be disbursed are not material. The Company records the best estimate to cover future events of such nature considering the evolution of the real estate projects' financial cost.

3.12. Creditors from acquired properties and customers' advances

Obligations for the acquisition of real estate assumed for payment in cash (creditors from acquired properties) are initially recognized at the amounts corresponding to the contractual obligations plus finance charges incurred and the respective write-offs due to the settlement of the obligations.

Obligations for the acquisition of real estate by means of barter of plots of land for real estate units to be built are recorded at fair value and stated as customers' advances - barter. The fair value of barter is measured according to the contractual obligations assumed, the calculation of the amount of which may vary until the definition of the project to be developed, which is usually confirmed through the registry of the project. The obligation is written-off according to the financial execution of the work (recognition of revenues and costs).

Receipts for the sale of properties, in excess of the recognition of revenues, according to the accounting practice described in Note 3.2 (i), are recorded in liabilities as customers' advances.

3.13. Contingent assets and liabilities and provision for lawsuits and administrative proceedings

The accounting practices for recording and disclosing contingent assets and liabilities and legal obligations are as follows:

- **Contingent assets:** these are recognized only when there are secured guarantees or favorable legal decisions that are already final and unappealable. Contingent assets the favorable outcome of which is probable are only disclosed in notes, if applicable;
- **Contingent liabilities:** a provision is recorded for contingent liabilities when the chances of loss are assessed as probable and the amounts involved can be measured with sufficient certainty. Estimated amounts of possible agreements intended to settle the lawsuit before its conclusion in all jurisdictions are also added to the provision. The estimates of losses evaluated as possible are disclosed in the interim financial information.

The provision for lawsuits and administrative proceedings is specifically related to labor, tax and civil issues and set up according to the risk assessment (probable losses) made by the Company's management and its legal counselors, including its classification as noncurrent liabilities.

Trisul S.A.

Notes to the Company and consolidated interim financial information form as of September 30, 2021

(Amounts expressed in thousands of Reais, unless otherwise stated)

3. Significant accounting practices adopted--Continued

3.14. Other current and noncurrent assets and liabilities

An asset is recognized in the balance sheet when it is probable that future economic benefits will be generated in favor of the Company and its cost or value can be determined with certainty. A liability is recognized in the balance sheet when the Company has a legal obligation or as a result of a past event, and funds is likely to be necessary to settle the obligation. The related finance charges are added when applicable. Provisions are recorded according to the best estimates of risks involved.

Assets and liabilities are classified as current when their realization or settlement is expected to occur in the following 12 months. Otherwise, they are stated as noncurrent.

3.15. Discount to present value

Assets and liabilities resulting from short-term (if material) or long-term transactions, without the expected compensation or subject to: (i) Fixed interest; (ii) Interest below market rates for similar transactions; and (iii) Adjustment due to inflation, with no interest, are discounted to present value based on the average rate adopted by the Company to offer discounts on the higher between sales prices and its average funding rate.

The discount to present value and the respective reversal on accounts receivable arising from the sale of properties are recorded under "revenue from property sales".

3.16. Financial instruments

Financial assets

a) Initial recognition and measurement:

The classification of such instruments is made at the time of their recognition, when the Company becomes part of the contractual provisions of the instruments, which are initially recognized at fair value, plus transaction costs directly attributable to the acquisition of the financial asset, for the case of investments non-designated at fair value through profit or loss. They include cash and cash equivalents, (fair value in the income), accounts receivable, sundry receivables and credits with related parties (amortized cost).

b) Subsequent measurement:

Financial assets at fair value through profit or loss:

They include financial assets held for trading and financial assets designated at initial recognition at fair value through profit or loss and are classified as held for trading if they are acquired for the purpose of selling in the short term and are presented in the balance sheet at fair value, with the corresponding gains or losses recognized in the income statement.

Trisul S.A.

Notes to the Company and consolidated interim financial information form as of September 30, 2021

(Amounts expressed in thousands of Reais, unless otherwise stated)

3. Significant accounting practices adopted—Continued

3.16. Financial instruments--Continued

Financial assets--Continued

b) Subsequent measurement--Continued

Cash and cash equivalents and marketable securities:

They include cash in kind, balances in bank current accounts and short-term investments with financial institutions. Cash equivalents are considered to be financial investments that are immediately convertible into a known amount of cash and are subject to an insignificant risk of change in value. Should financial investments do not meet these criteria, they are classified as marketable securities ("TVM"), not applicable for the Company.

Loans and receivables:

They are non-derivative financial assets, with fixed or determinable payments, not quoted in an active market. After the initial measurement, these financial assets are recorded at amortized cost, using the effective interest method (effective interest rate), less impairment. The amortization of the effective interest method and losses due to impairment are recognized in the financial income for the year.

Accounts receivable and estimated losses with credit risks:

They consist, substantially, of the amounts receivable arising from the sale of real estate units, which are earned in the normal course of the Company's activities, recognized through the present values, in accordance with the criteria of Note 3.2.

Trisul S.A.

Notes to the Company and consolidated interim financial information form as of September 30, 2021

(Amounts expressed in thousands of Reais, unless otherwise stated)

3. Significant accounting practices adopted--Continued**3.16. Financial instruments—Continued****Financial assets--Continued****c) Derecognition (write-off):**

A financial asset is written off when a) the rights to receive cash flows from the asset expire; and b) the Company transferred its rights to receive cash flows from the asset or assumed an obligation to pay the received cash flows in full, without significant delay, to a third party under a “pass-through” agreement; and (i) transferred substantially all risks and benefits of the asset, or (ii) did not transfer nor retained substantially all risks and benefits related to the asset, but transferred control over the asset. When the Company has transferred its rights to receive cash flows from an asset or has executed a transfer agreement, and has not transferred or retained substantially all the risks and benefits related thereto, it is recognized to the extent of its continued involvement with the respective asset. In this case, an associated liability is also recognized. Continuous involvement as a guarantee on the transferred asset is measured at the original book value of the asset or the maximum payment that may be required from the Company, whichever is the lowest.

d) Recoverability analysis:

A financial asset is considered to be non-recoverable if, and only if, there is objective evidence of no recoverability as a result of one or more events that occurred after the initial recognition of the asset and such loss event has an impact on future estimated cash flow, that can be reasonably estimated. Evidence of impairment loss may include indicators that the borrowing parties are experiencing significant financial difficulties. The likelihood that they will go bankrupt or other type of financial reorganization, default or late payment of interest or principal can be indicated by a measurable drop in estimated future cash flow.

Non-derivative financial liabilities

The classification of such financial liabilities is determined upon their initial recognition. They are initially recognized at fair value and, in the case of loans, financing and debentures, are deducted from the directly related transaction costs. Transaction costs are appropriated to the income for the year according to the term of the contracted financial instrument. They include trade accounts payable, loans, financing, debentures, real estate creditors and debts with related parties. After initial recognition, loans, financing and debentures are subsequently measured at amortized cost, using the effective interest rate method. Interest expenses on these loans and debentures are recognized in the income statement, in financial expenses or when used in the acquisition or construction of real estate for sale are allocated to the cost of said assets.

Trisul S.A.

Notes to the Company and consolidated interim financial information form as of September 30, 2021

(Amounts expressed in thousands of Reais, unless otherwise stated)

3. Significant accounting practices adopted--Continued**3.16. Financial instruments--Continued****Financial instruments - net presentation**

Financial assets and liabilities are presented net at the balance sheet, only if there is a current and applicable legal right to offset the recognized amounts and if there is an intention to offset or realize the asset and settle the liability simultaneously.

Fair value of financial instruments

The fair value of financial instruments actively negotiated at organized financial markets is determined based on purchase prices quoted in the market at the balance sheet date, with no deduction of transaction costs.

3.17. Taxation**Current taxes and contributions**

Tax law allows that revenues from the sale of real estate units be taxed on a cash basis.

Current income tax (IRPJ) and social contribution tax (CSLL) are assessed, pursuant to the criteria established by the tax legislation in effect, at the rates of 15%, plus a surtax of 10%, for income tax and 9% for social contribution. PIS and COFINS (taxes on sales) are calculated at the rates of 1.65% and 7.60%, respectively, entitled to specific credits calculated at the same rates.

The controlled and associated companies are substantially taxed for the presumed income tax regime. For these companies, Income Tax calculation basis is determined at 8% (real estate project, including inflation adjustment) and 32% (rendering of services and lease), and social contribution on net income tax basis at 12% (real estate project), 32% (rendering of services and lease), and 100% on financial revenues, on which the regular income and social contribution tax rates are applied. PIS and COFINS regular rates are 0.65% and 3.00%, respectively.

These controlled and associated companies, despite being subject to the presumed profit tax regime, have opted for the system of earmarked assets. Accordingly, they are taxed in conformity with the Special Tax Regime (RET), through which operating revenues from the sale of real estate are definitely taxed at the rate of 4%, of which 1.92% corresponding to income and social contribution taxes, and 2.08% for PIS and COFINS, according to Law No.12.844/13.

Trisul S.A.

Notes to the Company and consolidated interim financial information form as of September 30, 2021

(Amounts expressed in thousands of Reais, unless otherwise stated)

3. Significant accounting practices adopted--Continued**3.17. Taxation--Continued****Deferred taxes and contributions**

For companies and activities in which the accounting practice differs from the tax practice, deferred federal income and contribution tax assets or liabilities are calculated to reflect any temporary differences (Note 15). Deferred tax liabilities arising from Income Tax (IRPJ), Social Contribution Tax (CSLL), PIS and COFINS (Taxes on sales) are recognized in current and noncurrent liabilities, according to the expected realization of the revenue, resulting from the difference between what is recognized according to the corporate criterion described in Note 3.2 and the tax criterion, whereby income is taxed upon receipt.

3.18. Benefits to employees and management

The Company does not maintain private pension plans or any retirement plans or post-employment benefits. The Company has a profit-sharing program, calculated according to the profit-sharing plan in effect, it is recognized as expenses during its effective period with an offsetting entry to liabilities, when previously established goals are achieved.

3.19. Basic and diluted earnings per share

Basic and diluted earnings per share are calculated by dividing the net income attributed to the Company's shareholders by the weighted average number of outstanding common shares for the period (ex-treasury).

Basic earnings are equal to diluted earnings for the periods ended September 30, 2021 and 2020, as mentioned in Note 31.

3.20. Statements of cash flows

These were prepared at the indirect method and are presented in accordance with Technical Pronouncement CPC 03 (R2) - IAS 7 Statements of cash flows.

3.21. Value-Added Statements (VAS)

The Value-Added Statements were prepared according to technical pronouncement CPC 09 - Statement of Value Added. This statement is intended to evidence the wealth generated by the Company and its distribution throughout a certain period, and is presented as required by the Brazilian corporate legislation as part of the interim financial information of the Company and as supplementary information to the consolidated interim financial information. IFRS standards do not require the presentation of these statements.

Trisul S.A.

Notes to the Company and consolidated interim financial information form as of September 30, 2021

(Amounts expressed in thousands of Reais, unless otherwise stated)

4. New standards, interpretations and amendments

The standards listed below, effective for the year beginning on January 1, 2021, did not have impacts to the Company's and consolidated financial information:

- IFRS 3/CPC 15 (R1) - Business Combinations: amended by the conceptual framework (amendments to IFRS 3);
- IAS 1/CPC 26 (R1) - Presentation of Financial Statements: amended by the classification of liabilities as current or non-current (amendments to IAS 1).

There are no other IFRS standards or IFRIC interpretations that have not yet come into force that could have a significant impact on the accounting information of the Company and its controlled companies.

5. Cash and cash equivalents

These are as follows:

Description	Company		Consolidated	
	09/2021	12/2020	09/2021	12/2020
Cash	7	7	33	33
Bank current accounts	1,172	23	10,596	48,027
Financial investments	185,887	245,860	383,565	430,660
Total	187,066	245,890	394,194	478,720

Financial investments classified as cash and cash equivalents have immediate liquidity and are mainly represented by Bank Deposit Certificates (CDBs) and by investment fund quotas bearing interest at the approximate Interbank Deposit Certificate (CDI) rate.

6. Accounts receivable

Consist of:

Description	Company		Consolidated	
	09/2021	12/2020	09/2021	12/2020
Committed purchasers of real estate (a)	279	337	572,245	648,392
Receivable services	4	-	73	169
(-) Discount to present value (b)	-	-	(11,652)	(11,269)
(-) Provision for credit risks and cancellations	-	-	(25,159)	(29,504)
Total	283	337	535,507	607,788
Current	283	337	448,190	518,171
Noncurrent	-	-	87,317	89,617

- (a) The Company and its controlled companies have adopted the procedures described in Note 3.2 for the recognition of the income earned from operations of real estate project and sale of properties. Accordingly, the balance of accounts receivable from real estate units sold and not yet concluded (Note 17) is not fully reflected on the Company's interim financial information, given that its record is limited to the revenue portion already recognized, net of the installments already received;
- (b) The calculation to present value is usually applied to accounts receivable maturing before the delivery of keys, resulting from the sale of real estate units under constructions. The average rate used to calculate the discount to present value for the period ended September 30, 2021 was 4.87% p.y. (3.50% p.y. as of December 31, 2020). For debt balances resulting from sales in installments of completed real estate units, and debt balances maturing after the delivery of keys, resulting from the sale of real estate units under construction, the interest rates provided for in the agreements approximate market rates applicable to similar transactions.

Trisul S.A.

Notes to the Company and consolidated interim financial information form as of September 30, 2021

(Amounts expressed in thousands of Reais, unless otherwise stated)

6. Accounts receivable--Continued

Trade accounts receivable during the construction phase of the real estate projects are adjusted based on the Brazilian Construction Cost Index (INCC). After the delivery of the keys (completed real estate projects), the outstanding installments of sales price are usually adjusted by the General Market Price Index (IGP-M) plus market interest.

Trade accounts receivable subject to interest below market rates for similar transactions and/or only adjusted due to inflation, with no interest, are discounted to present value based on the average rate adopted by the Company to offer discounts on the higher between sales prices and its average funding rate.

As additional information, the balance of finance accounts receivable, considering the unrealized portion not reflected in the interim financial information (Note 17) plus the accounting balance as of September 30, 2021, deducted from the installments already received, is as follows:

Description	09/2021	12/2020
Current	479,184	554,799
Noncurrent	93,061	93,593
Financial accounts receivable	572,245	648,392
Unearned revenue from sales (Note 17)	479,217	468,568
Customers' advances (Note 19)	(101,928)	(67,918)
	949,534	1,049,042
Current	553,115	679,941
Noncurrent	396,419	369,101

The breakdown of the noncurrent portion, as of September 30, 2021, per year of maturity is as follows:

Year of maturity	Amount receivable
As from October 2022	23,236
2023	305,843
2024	60,389
2025	2,297
2026 onwards	4,654
Total	396,419

The financial flows per year of maturity are shown based on the expectation of accounts receivable from sold real estate units of the Company's real estate projects.

7. Sundry receivables

Consist of:

Description	Company		Consolidated	
	09/2021	12/2020	09/2021	12/2020
Advances to suppliers	228	272	1,504	631
Expense commissions to be appropriated	-	-	3,607	2,972
Court deposits (Note 20.1)	-	386	1,314	4,124
Other receivables (a)	3,044	1,978	4,171	5,648
Total	3,272	2,636	10,596	13,375
Current	3,272	2,250	9,281	8,035
Noncurrent	-	386	1,315	5,340

(a) Mainly represented by assignment of accounts receivable, advances to suppliers and other advances to be reimbursed to the Company.

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Notes to the Company and consolidated interim financial information form as of September 30, 2021

(Amounts expressed in thousands of Reais, unless otherwise stated)

8. Properties for sale

These are represented by the acquisition costs of plots of land for future real estate projects (through swaps or payments in kind), costs incurred on real estate units under construction and cost of completed real estate units, as follows:

Description	Company		Consolidated	
	09/2021	12/2020	09/2021	12/2020
Plots of land for future developments	6,116	1,879	741,591	603,984
Real estate under construction	-	-	429,964	285,723
Completed properties	-	173	57,109	69,792
Total	6,116	2,052	1,228,664	959,499
Current	6,116	2,052	901,082	673,219
Noncurrent	-	-	327,582	286,280

9. Related-party transactions

9.1. Balances of related-party transactions

The Company participates in the development of real estate projects along with other partners by means of direct interest or through related parties, in which it holds ownership interest, as well as in segregated corporate structures. The management structure of these projects and the management of cash are centralized in the leader company of the project, which inspects the development of the construction and budgets. Therefore, the company leading the project ensures the investment of the necessary funds, as well as their allocation in accordance with the plans. The sources and investments of the projects' funds are reflected in these balances, according to the respective percentage of ownership interest, which are not subject to adjustments or finance charges and have no previously established maturity. The average term for the development and conclusion of the projects where the funds are applied is three years, always based on the projects and on the physical and financial schedules of each project. This method to allocate the funds allows that the business conditions agreed upon with each partner and, for each project, concentrate on specific structures, more adequate to their characteristics.

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Notes to the Company and consolidated interim financial information form as of September 30, 2021

(Amounts expressed in thousands of Reais, unless otherwise stated)

9. Related-party transactions--Continued**9.1. Balances of related-party transactions--Continued**

The balances of related-party transactions arising from real estate projects with partners and in segregated corporate structures are stated as follows:

Noncurrent assets

Description	Company		Consolidated	
	09/2021	12/2020	09/2021	12/2020
Incosul Incorporação e Construção	3,422	-	-	-
Tricury Construções e Participações	919	-	-	-
Jardim Amaralina Empreend. Imob.	600	-	600	-
Ribeirão III Empreend. Imob.	-	-	333	373
Ribeirão VIII Empreend. Imob.	-	-	11	11
Ribeirão Golf Empreend. Imob.	-	54	45	-
Imovele Alpha Empreend. Imob.	-	-	2,818	2,839
Imoleve Osasco Empr. Imob. Ltda.	-	-	305	368
Imoleve Vila Mascote Empr. Imob.	-	131	256	-
Vivant São Caetano Empreend. Imob.	-	-	623	629
Imoleve Santana Empreend. Imob.	8	10	-	-
Calamuchita Empreend. Imob.	477	884	-	-
AGEO Empreend. Imob.	526	-	526	-
Astana Empreend. Imob.	1,260	-	-	-
Soc. Incorpor. Residencial Sandri	1,657	1,922	-	-
Soc. Incorpor. Residencial Ceilandia	-	157	-	-
Marosa Empreend. Imob.	27,011	18,738	-	-
Morioka Empreend. Imob.	-	4,012	-	-
Ag-Plan Empreend. Imob.	-	-	-	176
Taquari Empreend. Imob.	-	-	180	180
Cancale Empreend. Imob.	2,807	2,593	-	-
Ascendino Reis Empreend. Imob.	-	429	-	-
Residenz Empreend. Imob.	150	361	-	-
Boulevard do Parque Empreend. Imob.	-	56	-	-
Retiro Empreend. Imob.	287	301	315	315
Yamagata Empreend. Imob.	5,977	433	-	-
Nicolau Empreend. Imob S.A.	-	3,907	16,661	7,861
Trisul Lotus Empreend. Imob.	-	-	798	-
Trisul Paulistânia Empreend. Imob.	4,215	7,815	-	-
Trisul Quisqualis Empreend. Imob.	-	5,106	-	-
Trisul Spigelia Empreend. Imob.	400	-	-	-
Trisul 1 Empreend. Imob.	18,165	5,864	-	-
Trisul 3 Empreend. Imob.	11,078	9,929	-	-
Trisul 4 Empreend. Imob.	-	8,511	-	-
Trisul 5 Empreend. Imob.	-	158	-	-

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(Amounts expressed in thousands of Reais, unless otherwise stated)

9. Related-party transactions--Continued**9.1. Balances of related-party transactions--Continued**

Description	Company		Consolidated	
	09/2021	12/2020	09/2021	12/2020
Trisul 9 Empreend. Imob.	2,469	2,469	-	-
Trisul 10 Empreend. Imob.	-	7,287	-	-
Trisul 16 Empreend. Imob.	-	-	-	-
Trisul 20 Empreend. Imob.	11,711	8,730	-	-
Trisul 22 Empreend. Imob.	-	-	-	-
Trisul 23 Empreend. Imob.	-	596	-	-
Trisul 26 Empreend. Imob.	-	-	-	-
Trisul 27 Empreend. Imob.	2,677	-	-	-
Cuxiponés Empreend. Imob.	6,147	7,039	6,147	7,039
J. Tavora Empreendimentos	-	-	9,974	9,083
Total	101,963	97,492	39,592	28,874

Current liabilities

Description	Company		Consolidated	
	09/2021	12/2020	09/2021	12/2020
Incosul Incorporação e Construção	-	38,304	-	-
Tricury Construções e Participações	-	40,349	-	-
Boulevard do Parque Empreend. Imob.	182	-	-	-
Molise Empreend. Imob.	38	74	-	-
Ribeirão III Empreend. Imob.	1,342	1,492	-	-
Ribeirão VIII Empreend. Imob.	32	33	-	-
Ribeirão Golf Empreend. Imob.	11	-	-	28
Astana Empreend. Imob.	-	6,536	-	-
Roermond Empreend. Imob.	-	1,922	-	-
Barinas Empreend. Imob.	10,016	9,856	-	-
Imoleve Alpha Empreend. Imob.	1,887	1,898	-	-
Imoleve Vila Mascote Empreend. Imob.	769	-	-	44
Vespaziano Empreend. Imob.	-	-	874	874
Masb 40 Empreend. Imob.	5,615	5,550	-	-
MMCC Empreend. Imob.	-	-	145	145
Nicolau Empreend. Imob.	9,293	-	-	-
Vera Incorporadora	272	292	272	292
Dijon Empreend. Imob.	-	-	-	132
Hank Empreend. Imob.	-	-	-	214
Hank II Empreend. Imob.	-	-	554	578
Helmond Empreend. Imob.	50	3,075	-	-
Donegal Empreend. Imob.	486	2,307	-	-
Ascendino Reis Empreend. Imob.	-	-	-	184
Trisul Trimezia Empr. Imob.	981	12,918	-	-
Trisul Acorus Empreend. Imob.	10,753	12,113	-	-
Trisul Amaranthus Empr. Imob.	798	12,335	-	-
Trisul Anthriscus Empreend Imob.	564	10,918	-	-
Trisul Artemisia Empr. Imob.	295	14,857	-	-
Trisul Mutisia Empreend. Imob.	720	31,754	-	-
Trisul Spigelia Empr. Imob.	-	18,817	-	-
Trisul Licania Empreend. Imob.	8,599	8,789	-	-
Trisul Lotus Empreend. Imob.	-	-	-	-
Trisul Myristica Empreend. Imob.	7,426	7,381	-	-
Trisul Callistemon Empreend. Imob.	11,992	11,918	-	-
Trisul Celastrus Empreend. Imob.	692	17,821	-	-
Trisul Yacon Empreend. Imob.	13,294	13,135	-	-
Trisul Pradosia Empreend. Imob.	11,145	10,992	-	-
Trisul Quisqualis Empreend. Imob.	27,457	-	-	-
Trisul Vendas Consultoria em Imóveis	499	499	-	-
Imoleve Osasco Empreend. Imob.	773	530	-	-
Imoleve Santana Empreend. Imob.	-	-	4	5
Vivant São Caetano Empreend. Imob.	623	629	-	-
Sociedade Incorp. Residencial Sandri.	-	-	314	585
Najua Empreend. Imob. Ltda	10,634	9,919	-	-
SCP Naples Empreend. Imob.	42,790	18,864	-	-
Yamagata Empreend. Imob.	-	-	2,785	288
J. Tavora Empreend. Imob.	9,974	9,083	-	-
Itacorp Empreend. Imob. Ltda	-	-	-	49
Trisul 5 Empreend. Imob.	15,352	1,393	-	-
Trisul 10 Empreend. Imob.	6,835	-	-	-
Trisul 11 Empreend. Imob.	11,035	5,865	-	-
Total	223,224	342,218	4,948	3,418

Trisul S.A.

Notes to the Company and consolidated interim financial information form as of September 30, 2021

(Amounts expressed in thousands of Reais, unless otherwise stated)

9. Related-party transactions--Continued**9.2. Banco Tricury S.A.****Financial investments**

Through its controlled companies, the Company allocates part of its funds to fixed income financial investments at "Banco Tricury S.A.", which is a related party.

On the base date as of September 30, 2021, the Company and its controlled companies recorded an investment amounting to 72,023 (R\$ 96,045 as of December 31, 2020), with the mentioned financial institution. The earnings from these investments are compatible with regular market conditions, with average rates equivalent to CDI.

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10. Investments

10.1. Breakdown and summary financial information of the controlled companies as of September 30, 2021

10.1.1. Directly controlled and associated companies

Company	% - Ownership interest			09/2021			12/2020	09/2021		09/2020
	Total	Direct		Assets	Liabilities	Equity	Equity	Receita líquida	Resultado líquido do período	Resultado líquido do período
	09/2021	09/2021	12/2020							
Incosul Incorporação e Construção Ltda.	100.00	100.00	100.00	197,002	118,889	78,113	126,386	406	2,332	4,434
Tricury Construções e Participações Ltda.	100.00	100.00	100.00	174,596	124,869	49,727	95,645	5,366	4,082	(2,018)
Jardim Amaralina Empreend. Imob. Ltda.	50.00	50.00	50.00	55,053	3,392	51,661	64,715	39,932	960	26,349
Retiro Empreend. Imob. Ltda.	55.00	55.00	55.00	316	305	11	5	(6)	(154)	(279)
Ribeirão VIII Empreend. Imob. Ltda.	80.00	80.00	80.00	215	109	106	148	(61)	(41)	5
Ribeirão III Empreend. Imob. Ltda.	80.00	80.00	80.00	1,724	13	1,711	1,870	-	(159)	(17)
J. J. Rodrigues Empreend. Imob. Ltda.	50.00	50.00	50.00	3,253	325	2,928	3,087	(13)	570	332
Ribeirão Golf Empreend. Imob. Ltda.	80.00	80.00	80.00	1,918	1,875	43	145	(90)	(1,743)	(32)
Imoleve Alpha Empreend. Imob. Ltda.	40.00	40.00	40.00	5,020	74	4,946	5,152	-	(206)	(1,560)
Trisul Vendas Consultoria em Imóveis Ltda.	100.00	100.00	100.00	501	462	39	39	-	-	(277)
Barinas Empreend. Imob. Ltda.	100.00	100.00	100.00	10,042	16	10,026	9,887	112	139	(463)
Residenz Empreend. Imob. Ltda.	100.00	100.00	100.00	253	222	31	40	-	(280)	(169)
Vivant São Caetano Empr. Imob. Ltda.	50.00	50.00	50.00	1,270	680	590	592	-	(2)	(212)
Boulevard Parque Empreend. Imob. Ltda	100.00	100.00	100.00	275	5	270	864	-	(593)	(29)
Vera Incorporadora Ltda.	70.00	70.00	70.00	394	-	394	429	-	(36)	1
Molise Empreend. Imob. Ltda.	100.00	100.00	100.00	43	-	43	246	-	(203)	(112)
Calamuchita Empreend. Imobil. Ltda.	100.00	100.00	100.00	643	612	31	845	-	(1,214)	(1,577)
Imoleve Vila Mascote Empreend. Imobil.	75.00	75.00	75.00	1,065	9	1,056	1,059	-	(2)	20
Donegal Empreendimentos Imob. Ltda.	100.00	100.00	100.00	486	14	472	2,860	-	12	(104)
J. Távora Empreendimentos Imob. Ltda	50.00	50.00	50.00	20,775	297	20,478	20,537	88	(43)	4,354
Helmond Empreendimentos Imob. Ltda.	100.00	100.00	100.00	50	11	39	3,057	-	5	(10)
Roermond Empreendimentos Imob. Ltda.	100.00	100.00	100.00	20,404	582	19,822	20,619	2,463	1,278	(2,455)
Trentino Empreendimentos Imob. Ltda.	50.00	50.00	50.00	128	42	86	101	-	(15)	(22)
Sociedade Incorpor. Ceilândia Sul S.A.	75.00	75.00	75.00	297	250	47	540	137	(651)	(348)
Sociedade Incorporadora Sandri S.A.	75.00	75.00	75.00	2,484	2,074	410	431	-	(1,104)	(454)
Morioka Empreend. Imob. Ltda	100.00	100.00	100.00	169,983	42,216	127,767	102,955	76,973	40,365	17,177
Imoleve Osasco Empreend. Imob. Ltda.	71.43	71.43	50.00	1,088	140	948	961	-	(13)	(127)
Cancale Empreend. Imob. Ltda.	100.00	100.00	100.00	19,305	3,126	16,179	16,989	1,228	(810)	329
Imoleve Santana Empreend. Imob. Ltda.	66.67	66.67	45.00	785	50	735	611	-	125	(63)
Astana Empreend. Imob. Ltda.	100.00	100.00	100.00	17,082	9,809	7,273	7,540	3,320	(267)	(1,631)
Trisul Artemisia Empreend. Imob. Ltda.	100.00	100.00	100.00	1,220	98	1,122	15,785	-	236	201
Trisul Yacon Empreend. Imob. Ltda.	100.00	100.00	100.00	13,955	66	13,889	13,799	-	90	219
Trisul Trimezia Empreend. Imob. Ltda.	100.00	100.00	100.00	984	55	929	12,871	-	(15)	34

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10. Investments--Continued

10.1. Breakdown and summary financial information of the controlled companies' investments as of September 30, 2021--Continued

10.1.1. Directly controlled and associated companies--Continued

Company	% - Ownership interest			09/2021			12/2020	09/2021		09/2020
	Total	Direct		Assets	Liabilities	Equity	Equity	Net revenue	Net income for the period	Net income for the period
	09/2021	09/2021	12/2020							
Trisul Amaranthus Empreend. Imob. Ltda.	100.00	100.00	100.00	802	197	605	12,154	-	(49)	(243)
Trisul Pradosia Empreend. Imob. Ltda.	100.00	100.00	100.00	11,154	100	11,054	11,475	28	(21)	1,390
Trisul Acorus Empreend. Imob. Ltda.	100.00	100.00	100.00	10,757	275	10,482	12,717	668	264	690
Trisul Quisqualis Empreend. Imob. Ltda.	100.00	100.00	100.00	32,146	446	31,700	64,517	9,633	6,657	20,707
Trisul Callistemon Empreend. Imob. Ltda.	100.00	100.00	100.00	12,181	34	12,147	12,148	-	(1)	48
Trisul Myristica Empreend. Imob. Ltda.	100.00	100.00	100.00	8,146	133	8,013	7,942	-	170	(23)
Trisul Anthiscus Empreend. Imob. Ltda.	100.00	100.00	100.00	585	20	565	11,220	-	(155)	1,185
Trisul Licania Empreend. Imob. Ltda.	100.00	100.00	100.00	8,775	68	8,707	8,743	-	(36)	(55)
Trisul Celastrus Empreend. Imob. Ltda.	100.00	100.00	100.00	700	455	245	17,366	-	(21)	2,184
Masb40 Empreend. Imob. Ltda.	100.00	100.00	100.00	7,394	95	7,299	6,796	-	503	165
Trisul Spigelia Empreend. Imob. Ltda.	100.00	100.00	100.00	3,240	616	2,624	21,463	(5)	760	307
Marosa Empreend. Imob. Ltda.	100.00	100.00	100.00	56,580	45,098	11,482	9,120	13,408	2,361	949
Najua Empreend. Imob. Ltda.	100.00	100.00	100.00	10,862	171	10,691	10,772	1,380	419	1,509
Trisul Mutisia Empreend. Imob. Ltda.	100.00	100.00	100.00	738	115	623	32,720	1,260	253	10,222
Yamagata Empreend. Imob. Ltda.	60.00	60.00	60.00	24,438	22,058	2,380	2,680	5,334	(300)	(476)
SCP Naples Empreend. Imob.	90.10	90.10	90.10	89,789	42,790	46,999	46,215	-	784	6,685
Nicolau Empreendimentos	60.00	60.00	60.00	82,213	4,804	77,409	55,460	40,792	21,949	13,875
Beirute Empreend. Imob.	100.00	100.00	100.00	60,699	24,670	36,029	39,660	24,795	9,369	9,644
Trisul 1 Empreend. Imob.	100.00	100.00	100.00	25,725	24,856	869	4,355	4,628	(3,486)	4,215
Trisul 2 Empreend. Imob.	100.00	100.00	100.00	19,480	16,585	2,895	-	-	(1)	-
Trisul 3 Empreend. Imob.	100.00	100.00	100.00	62,668	32,700	29,968	16,389	43,139	13,580	284
Trisul 4 Empreend. Imob.	100.00	100.00	100.00	101,911	44,766	57,145	66,524	44,141	21,628	21,178
Trisul 5 Empreend. Imob.	100.00	100.00	100.00	24,293	3,769	20,524	32,186	20,874	5,038	9,284
Trisul 6 Empreend. Imob.	100.00	100.00	100.00	31,636	7,044	24,592	19,427	-	(111)	(1)
Trisul 7 Empreend. Imob.	100.00	100.00	100.00	149	-	149	150	-	(1)	(1)
Trisul 8 Empreend. Imob.	100.00	100.00	100.00	28,711	11,625	17,086	6,651	-	(2)	(1)
Trisul 9 Empreend. Imob.	100.00	100.00	100.00	57,904	16,939	40,965	35,668	15,944	5,297	3,872
Trisul 10 Empreend. Imob.	100.00	100.00	100.00	12,336	2,497	9,839	19,231	15,605	158	7,063
Trisul 11 Empreend. Imob.	100.00	100.00	100.00	14,724	747	13,977	18,831	(1,651)	(2,754)	12,515
Trisul 12 Empreend. Imob.	100.00	100.00	100.00	-	-	-	1	-	(1)	-
Trisul 15 Empreend. Imob.	100.00	100.00	100.00	1	-	1	1	-	(1)	(1)
Trisul 16 Empreend. Imob.	100.00	100.00	100.00	90,453	22,202	68,251	64,400	2,071	1,850	399
Trisul 19 Empreend. Imob.	100.00	100.00	100.00	27,873	5,581	22,292	17,487	8,068	843	(44)
Trisul 20 Empreend. Imob.	100.00	100.00	100.00	54,972	22,048	32,924	29,827	13,799	3,097	(109)
Trisul 21 Empreend. Imob.	100.00	100.00	100.00	66,789	31,362	35,427	22,750	-	(1)	(36)
Trisul 22 Empreend. Imob.	100.00	100.00	100.00	54,573	391	54,182	52,188	-	(56)	(2)
Trisul 23 Empreend. Imob.	100.00	100.00	100.00	37,989	8,406	29,583	18,127	8,954	(1,466)	(42)
Trisul 25 Empreend. Imob.	100.00	100.00	100.00	49,324	13,971	35,353	31,548	17,418	3,805	(4)
Trisul 26 Empreend. Imob.	100.00	100.00	100.00	34,740	10,276	24,464	13,001	5,991	(454)	(1)
Trisul 27 Empreend. Imob.	100.00	100.00	100.00	48,157	12,569	35,588	29,126	25,713	3,112	(24)
Trisul 28 Empreend. Imob.	100.00	100.00	100.00	34,075	5,416	28,659	26,474	11,437	1,913	(1)
Trisul 31 Empreend. Imob.	100.00	100.00	100.00	30,879	14,192	16,687	11,172	15,966	1,590	(1)
Trisul 33 Empreend. Imob.	100.00	100.00	100.00	17,213	1,172	16,041	15,974	400	367	(1)
Trisul 34 Empreend. Imob.	100.00	100.00	-	32,482	12,639	19,843	-	-	(1)	-
Trisul 35 Empreend. Imob.	100.00	100.00	-	32,800	5,618	27,182	-	-	(2)	-

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10. Investments--Continued**10.1. Breakdown and summary financial information of the controlled companies' investments as of September 30, 2021--Continued****10.1.1. Directly controlled and associated companies--Continued**

Company	% - Ownership interest			09/2021			12/2020	09/2021		09/2020
	Total	Direct		Assets	Liabilities	Equity	Equity	Net revenue	Net income for the period	Net income for the period
	09/2021	09/2021	12/2020							
Ascendino Reis Empreend. e Participações	70.00	70.00	70.00	48,178	23,931	24,247	27,540	31,360	11,495	3,749
Cuxiponés Empreend. Imob.	50.00	50.00	50.00	49,303	27,604	21,699	19,174	12,493	2,525	(1,097)
Trisul Paulistânia Empreend. Imob.	100.00	100.00	100.00	78,830	31,732	47,098	34,181	35,892	12,916	7,873
AGEO Empreend. Imob.	70.00	70.00	100.00	43,359	21,144	22,215	9,516	19,771	3,920	(1)
Osaka Empreend. Imob.	100.00	100.00	100.00	30,618	5,584	25,034	19,454	-	(7)	(1)
Trisul João Moura Empreend. Imob.	100.00	100.00	100.00	68,542	12,318	56,224	36,161	-	(4)	-
Trisul Fresia Empreend. Imob.	100.00	100.00	-	33,950	11,092	22,858	-	-	(1)	-
Trisul Mamona Empreend. Imob.	100.00	100.00	-	41,705	5,959	35,746	-	3	3	-
Trisul Mangaba Empreend. Imob.	100.00	100.00	-	2	-	2	-	-	-	-
Trisul Reseda Empreend. Imob.	100.00	100.00	-	47,580	8,794	38,786	-	-	-	-
Trisul Dália Empreend. Imob.	100.00	100.00	-	46,991	26,189	20,802	-	-	-	-

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(Amounts expressed in thousands of Reais, unless otherwise stated)

10. Investments--Continued

10.1. Breakdown and summary financial information of the controlled companies' investments as of September 30, 2021-- Continued

10.1.2. Indirectly controlled and associated companies

Company	% - Ownership interest			09/2021			12/2020	09/2021		09/2020
	Total	Direct		Assets	Liabilities	Equity	Equity	Net revenue	Net income for the period	Net income for the period
	09/2021	09/2021	12/2020							
Itajuí Empreend. Imob. Ltda.	100.00	100.00	100.00	844	283	561	582	-	(21)	(200)
Ipiranga II Empreend. Imob. Ltda.	100.00	100.00	100.00	137	-	137	137	-	-	-
Gravataí Empreend. Imob. Ltda.	100.00	100.00	100.00	120	38	82	139	(85)	(208)	(290)
J. Bereta Empreend. Imob. Ltda.	100.00	100.00	100.00	2,733	43	2,690	2,678	-	13	(69)
Benjamin Empreend. Imob. Ltda.	100.00	100.00	100.00	251	127	124	123	(96)	(99)	(460)
H. Soler Empreend. Imob. Ltda.	100.00	100.00	100.00	951	678	273	119	(1,572)	(902)	(791)
J. Vermin Empreend. Imob. Ltda.	100.00	100.00	100.00	2	1	1	8	-	(12)	(95)
Machado de Assis Empreend. Imob. Ltda.	100.00	100.00	100.00	103	-	103	103	-	-	-
Rua do Parque Empreend. Imob. Ltda.	100.00	100.00	100.00	528	4	524	539	-	(16)	-
J. Cabral Empreend. Imob. Ltda.	100.00	100.00	100.00	6,253	-	6,253	6,261	-	(7)	(69)
Castelblanco Empreend. Imob. Ltda.	100.00	100.00	73.24	729	699	30	773	(376)	(1,242)	496
Ribeirão Niterói Empreend. Imob. Ltda.	100.00	100.00	100.00	4,501	53	4,448	4,559	-	(111)	(481)
Sugaya Empreend. Imob. Ltda.	100.00	100.00	100.00	190	54	136	180	(19)	(44)	(123)
Vossoroça Empreend. Imob. Ltda.	100.00	100.00	100.00	8,246	173	8,073	8,377	(2)	(304)	(1,105)
Taquari Empreend. Imob. Ltda.	50.00	50.00	50.00	360	27	333	336	-	(3)	(30)
Empreend. Imob. Canário 130 Ltda.	100.00	100.00	100.00	5,225	4,052	1,173	85	-	49	(1,577)
Vespaziano Empreend. Imob. Ltda.	30.00	30.00	30.00	2,917	2	2,915	2,917	-	(1)	(2)
MMCC Empreend. Imob. Ltda.	50.00	50.00	50.00	293	291	2	4	-	(2)	(2)
Rua M. Klabin Empreend. Imob. Ltda.	50.00	50.00	50.00	605	503	102	3	-	(462)	(19)
Claudino B. Empreend. Imob. Ltda.	100.00	100.00	100.00	2,545	335	2,210	2,501	-	(291)	(1,104)
Abruzo Empreend. Imob. Ltda.	100.00	100.00	100.00	15,940	330	15,610	21,060	2,106	(5,449)	(5,911)
Mikasa Empreend. Imob. Ltda.	100.00	100.00	100.00	122	-	122	244	-	(122)	-
Daisen Empreend. Imob. Ltda.	100.00	100.00	100.00	46,430	43,443	2,987	352	15,335	2,634	(958)
Limat Empreend. Imob. Ltda.	100.00	100.00	100.00	6,299	92	6,207	6,269	444	(63)	(574)
Puglia Empreend. Imob. Ltda.	100.00	100.00	100.00	15,495	14,955	540	613	7,800	(73)	(2,602)
Rosendal Empreend. Imob. Ltda.	100.00	100.00	100.00	172	6	166	175	-	(9)	(38)
Magere Empreend. Imob. Ltda.	100.00	100.00	100.00	10,853	2,168	8,685	9,146	3,452	1,139	3,321
Kainan Empreend. Imob. SPE Ltda.	100.00	100.00	100.00	105	5	100	7	-	(57)	(7)
Alkmar Empreend. Imobil. Ltda.	100.00	100.00	100.00	1,159	1	1,158	1,278	(93)	(121)	(77)
Alta Gracia Empreend. Imobil. Ltda.	100.00	100.00	100.00	22,970	143	22,827	23,144	-	(316)	(500)
Corrientes Empreend. Imobil. Ltda.	100.00	100.00	100.00	30,153	18,449	11,704	11,821	-	(117)	(171)
Larnaka Empreend. Imobil. Ltda.	100.00	100.00	-	35,252	4,662	30,590	38	-	(21)	-

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Notes to the Company and consolidated interim financial information form as of September 30, 2021
(Amounts expressed in thousands of Reais, unless otherwise stated)

10. Investments--Continued

10.1. Breakdown and summary financial information of the controlled companies' investments as of September 30, 2021-- Continued

10.1.2. Indirectly controlled and associated companies--Continued

Company	% - Ownership interest			09/2021			12/2020	09/2021		09/2020
	Total	Direct		Assets	Liabilities	Equity	Equity	Net revenue	Net income for the period	Net income for the period
	09/2021	09/2021	12/2020							
Drentina Empreend. Imobil. Ltda.	100.00	100.00	100.00	3,596	4	3,592	3,596	-	(4)	4
Temuco Empreend. Imobil. Ltda.	100.00	100.00	100.00	36,814	1,506	35,308	27,931	30,065	9,971	5,255
Calama Locações para Constr. Civil Ltda.	100.00	100.00	100.00	1,676	1,527	149	52	-	(1,733)	(121)
Orense Empreend. Imobil. Ltda.	100.00	100.00	100.00	15,754	120	15,634	15,549	-	86	56
Trisul House Consultoria em Imóveis Ltda.	100.00	100.00	100.00	1,007	755	252	211	379	41	(515)
Sligo Empreend. Imobil. Ltda.	100.00	100.00	100.00	8,417	160	8,257	8,419	(14)	(161)	(29)
Sneek Empreend. Imobil. Ltda.	100.00	100.00	100.00	9,840	4,700	5,140	5,217	783	(77)	709
Viedma Empreendimentos Imobil. Ltda.	100.00	100.00	100.00	3,453	35	3,418	3,446	-	(28)	(157)
Anjar Empreendimentos Imobil. Ltda.	100.00	100.00	100.00	19,838	136	19,702	19,730	-	(28)	(45)
Balbek Empreendimentos Imob. Ltda.	100.00	100.00	100.00	4,631	15	4,616	4,619	-	(2)	(5)
Bordeaux Empreendimentos Imob. Ltda.	100.00	100.00	100.00	8,545	9	8,536	8,462	-	74	(194)
Ibaraki Empreendimentos Imob. Ltda.	100.00	100.00	100.00	20,137	100	20,037	19,776	-	262	(3)
Jazzin Empreendimentos Imob. Ltda.	100.00	100.00	100.00	3,095	42	3,053	3,139	-	(86)	(258)
Zara Empreendimentos Imob. Ltda.	100.00	100.00	100.00	53,087	24,250	28,837	25,140	29,025	8,187	6,536
Dubbo Empreend. Imob. Ltda.	100.00	100.00	100.00	8,700	14	8,686	8,891	-	(205)	75
Incosul Horto do Ipê Ltda	60.00	60.00	60.00	22	11	11	25	(28)	(54)	2
Hank Empreend. E Constr. Ltda.	50.00	50.00	50.00	-	-	-	417	-	11	-
AG-Plan Empreend. Imob. Ltda.	50.00	50.00	50.00	-	-	-	350	-	(5)	(8)
Dijon Incorporação Ltda.	50.00	50.00	50.00	-	-	-	59	-	73	-
Hank II Empreend. E Constr. Ltda.	50.00	50.00	50.00	1,128	31	1,097	1,104	-	(7)	(8)
Itacorp Empreend. Imob. Ltda.	50.00	50.00	50.00	42,375	3,639	38,736	38,999	6,774	4,317	10,463
Algarve Incorporadora Ltda.	100.00	100.00	100.00	3,543	78	3,465	3,377	(1)	88	104
Salavery Empreend. Imob. Ltda.	100.00	100.00	50.00	1,434	605	829	583	-	246	(112)
Trisul Lotus Empreendimentos Imobil. Ltda.	100.00	100.00	-	13,309	1,612	11,697	7,501	-	(4)	-

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Notes to the Company and consolidated interim financial information form as of September 30, 2021

(Amounts expressed in thousands of Reais, unless otherwise stated)

10. Investments--Continued**10.2. Changes in investments****10.2.1. Directly controlled and associated companies**

As of September 30, 2021:

<u>Company</u>	<u>Balances as of 12/2020</u>	<u>Advances on capital subscription/write-offs</u>	<u>Dividends</u>	<u>Equity in earnings (losses) of controlled and associated companies</u>	<u>Balances as of 09/2021</u>
Consolidated companies					
Incosul Incorp.Constr.	126,385	(50,605)	-	2,333	78,113
Tricury Constrs. Partic.	95,645	(50,000)	-	4,082	49,727
Retiro Empreend. Imob.	3	160	-	(157)	6
Ribeirão VIII Empreend. Imob.	118	-	-	(33)	85
Ribeirão III Empreend. Imob.	1,496	-	-	(127)	1,369
Ribeirão Golf Empreend. Imob.	116	1,314	-	(1,395)	35
Imoleve Alpha Empreend. Imob.	2,061	-	-	(83)	1,978
Trisul Vendas Consultoria Imobiliária	39	-	-	-	39
Barinas Empreend. Imob.	9,887	-	-	139	10,026
Residenz Empreend. Imob.	40	271	-	(280)	31
Vivant S.Caetano Empreend. Imob.	296	-	-	(1)	295
Boulevard do Parque Empreend. Imob.	864	-	-	(594)	270
Molise Empreend. Imob.	246	-	-	(203)	43
Calamuchita Empreend. Imob.	845	400	-	(1,214)	31
Imoleve Vila Mascote Empreend. Imob.	794	-	-	(2)	792
Donegal Empreend. Imob.	2,860	(2,400)	-	12	472
J.Távora Empreend. Imob.	10,268	-	-	(29)	10,239
Helmond Empreend. Imob.	3,057	(3,022)	-	4	39
Roermond Empreend. Imob.	20,619	-	(2,075)	1,278	19,822
Sociedade Incorp. Ceilandia Sul	405	158	-	(528)	35
Sociedade Incorporadora Sandri	322	814	-	(828)	308
Morioka Empreend. Imob.	102,954	-	(15,553)	40,365	127,766
Imoleve Osasco Empreend. Imob.	481	206	-	(10)	677
Cancale Empreendimentos	16,989	-	-	(810)	16,179
Imoleve Santana Empreend. Imob.	275	132	-	83	490
Astana Empreend. Imob.	7,540	-	-	(267)	7,273
Trisul Artemesia Empreend. Imob.	15,785	(14,900)	-	237	1,122
Trisul Yacon Empreend. Imob.	13,799	-	-	90	13,889
Trisul Trimezia Empreend. Imob.	12,871	(11,927)	-	(15)	929
Trisul Aramanthus Empreend. Imob.	12,154	(11,500)	-	(49)	605
Trisul Pradosia Empreend. Imob.	11,475	-	(400)	(21)	11,054
Trisul Acorus Empreend. Imob.	12,717	-	(2,500)	265	10,482
Trisul Quisqualis Empreend. Imob.	64,517	-	(39,474)	6,657	31,700
Trisul Callistemon Empreend. Imob.	12,148	-	-	(1)	12,147
Trisul Myristica Empreend. Imob.	7,942	-	(100)	171	8,013
Trisul Anthriscus Empreend. Imob.	11,220	(10,500)	-	(155)	565
Trisul Licania Empreend. Imob.	8,743	-	-	(36)	8,707
Trisul Celastrus Empreend. Imob.	17,366	(17,100)	-	(21)	245
Masb 40 Empreend. Imob.	6,796	-	-	503	7,299
Trisul Spigelia Empreend. Imob.	21,463	(19,600)	-	761	2,624
Marosa Empreend. Imob.	9,120	-	-	2,362	11,482
Najua Empreend. Imob.	10,772	-	(500)	419	10,691
Trisul Mutisia Empreend. Imob.	32,720	(32,350)	-	253	623
-Yamagata Empreend. Imob.	1,608	-	-	(180)	1,428
SCP Naples Empreend. Imob.	41,640	-	-	706	42,346
Nicolau Empreend. Imob.	33,276	-	-	13,170	46,446
Beirute Empreend. Imob.	39,660	-	(13,000)	9,369	36,029
Trisul 1 Empreend. Imob.	4,354	-	-	(3,485)	869
Trisul 2 Empreend. Imob.	-	2,896	-	(1)	2,895
Trisul 3 Empreend. Imob.	16,389	-	-	13,579	29,968
Trisul 4 Empreend. Imob.	66,524	-	(29,230)	19,851	57,145
Trisul 5 Empreend. Imob.	32,186	-	(16,700)	5,038	20,524
Trisul 6 Empreend. Imob.	19,427	5,275	-	(111)	24,591
Trisul 7 Empreend. Imob.	150	-	-	(1)	149
Trisul 8 Empreend. Imob.	6,651	10,437	-	(2)	17,086
Trisul 9 Empreend. Imob.	35,668	-	-	5,297	40,965
Trisul 10 Empreend. Imob.	19,231	-	(9,550)	158	9,839
Trisul 11 Empreend. Imob.	18,831	-	(2,100)	(2,754)	13,977
Trisul 12 Empreend. Imob.	1	-	-	(1)	-
Trisul 14 Empreend. Imob.	-	1	-	-	1
Trisul 15 Empreend. Imob.	1	-	-	-	1
Trisul 16 Empreend. Imob.	64,400	2,001	-	1,850	68,251
Trisul 17 Empreend. Imob.	-	1	-	-	1
Trisul 18 Empreend. Imob.	-	1	-	-	1
Trisul 19 Empreend. Imob.	17,487	3,962	-	843	22,292
Trisul 20 Empreend. Imob.	29,827	-	-	3,097	32,924
Trisul 21 Empreend. Imob.	22,750	12,677	-	-	35,427
Trisul 22 Empreend. Imob.	52,188	2,050	-	(56)	54,182
Trisul 23 Empreend. Imob.	18,127	12,922	-	(1,466)	29,583
Trisul 25 Empreend. Imob.	31,548	-	-	3,805	35,353
Trisul 26 Empreend. Imob.	13,001	11,917	-	(454)	24,464
Trisul 27 Empreend. Imob.	29,126	3,350	-	3,112	35,588

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(Amounts expressed in thousands of Reais, unless otherwise stated)

10. Investments--Continued**10.2. Changes in investments--Continued****10.2.1. Directly controlled and associated companies--Continued**

As of September 30, 2021

Company	Balances as of 12/2020	Advances on capital subscription/ write-offs	Dividends	Equity in earnings (losses) of controlled and associated companies	Balances as of 09/2021
Consolidated companies					
Trisul 28 Empreend. Imob.	26,474	272	-	1,913	28,659
Trisul 31 Empreend. Imob.	11,172	3,925	-	1,590	16,687
Trisul 33 Empreendi. Imob.	15,974	-	(300)	367	16,041
Trisul 34 Empreend. Imob.	-	19,844	-	(1)	19,843
Trisul 35 Empreend. Imob.	-	27,184	-	(2)	27,182
Ascendino Reis Empreend. Imob.	19,278	-	(10,351)	8,046	16,973
Trisul Paulistânia Empreend. Imob.	34,181	-	-	12,917	47,098
AGEO Empreend. Imob.	9,516	(9,516)	-	-	-
Osaka Empreend. Imob.	19,454	5,587	-	(7)	25,034
Trisul João Moura Empreend. Imob.	36,161	20,067	-	(4)	56,224
Trisul Fresia Empreend. Imob.	-	22,859	-	(1)	22,858
Trisul Mamona Empreend. Imob.	-	35,744	-	2	35,746
Trisul Mangaba Empreend. Imob.	-	2	-	-	2
Trisul Reseda Empreend. Imob.	-	38,786	-	-	38,786
Trisul Dalia Empreend. Imob.	-	20,802	-	-	20,802
	1,472,474	32,597	(141,833)	149,339	1,512,577
Company	Balances as of 12/2020	Advances on capital subscription/ write-offs	Dividends	Equity in earnings (losses) of controlled and associated companies	Balances as of 09/2021
Non-consolidated companies					
Jardim Amaralina Empreend. Imob.	32,357	-	(7,007)	480	25,830
J.J. Rodrigues Empreend. Imob.	1,544	-	(365)	285	1,464
Vera Incorporadora	301	-	-	(25)	276
Trentino Empreend. Imob.	50	-	-	(7)	43
AGEO Empreend. Imob.	-	12,806	-	2,745	15,551
Cuxipónés Empreend. Imob.	9,587	-	-	1,263	10,850
Note 10.2.2	43,839	12,806	(7,372)	4,741	54,014
	1,516,313	45,403	(149,205)	154,080	1,566,591

10.2.2. Indirectly controlled and associated companies

As of September 30, 2021:

Company	Balances as of 12/2020	Advances on capital subscription/ write-offs	Dividends	Equity in earnings (losses) of controlled and associated companies	Balances as of 09/2021
Consolidated companies					
Itajui Empreend. Imob.	582	-	-	(21)	561
Ipiranga II Empreend. Imob.	137	-	-	-	137
Gravataí Empreend. Imob.	139	151	-	(208)	82
J. Bereta Empreend. Imob.	2,678	-	-	12	2,690
Benjamin Empreend. Imob.	123	100	-	(99)	124
H. Soler Empreend. Imob.	119	1,056	-	(902)	273
J. Vermin Empreend. Imob.	8	5	-	(12)	1
Machado de Assis Empreend. Imob.	104	-	-	-	104
Rua do Parque Empreend. Imob.	538	-	-	(14)	524
J. Cabral Empreend. Imob.	6,261	-	-	(8)	6,253
Castelblanco Empreend. Imob.	773	500	-	(1,243)	30
Ribeirão Niterói Empreend. Imob.	4,559	-	-	(111)	4,448
Sugaya Empreend. Imob.	180	-	-	(44)	136
Vossoroca Empreend. Imob.	8,377	-	-	(304)	8,073
Taquari Empreend. Imob.	168	-	-	(1)	167
Empreend. Imob. Canário 130	85	1,039	-	49	1,173
MMCC Empreend. Imob.	2	-	-	(1)	1
Rua M. Klabin Empreend. Imob.	2	560	-	(511)	51
Claudino B. Empreend. Imob.	2,501	-	-	(291)	2,210
Abruzo Empreend. Imob.	21,060	-	-	(5,449)	15,611
Mikasa Empreend. Imob.	244	-	-	(122)	122
Daisen Empreend. Imob.	352	-	-	2,635	2,987
Limat Empreend. Imob.	6,269	-	-	(62)	6,207
Puglia Empreend. Imob.	613	-	-	(73)	540
Rosendal Empreend. Imob.	175	-	-	(9)	166
Magere Empreend. Imob.	9,146	-	(1,600)	1,139	8,685
Kainan Empreend. Imob.	7	150	-	(57)	100
Alkmar Empreend. Imob.	1,278	-	-	(120)	1,158
Alta Gracia Empreend. Imob.	23,144	-	-	(316)	22,828
Corrientes Empreend. Imob.	11,821	-	-	(117)	11,704
Larnaka Empreend. Imob.	38	30,574	-	(21)	30,591
Drentina Empreend. Imob.	3,596	-	-	(4)	3,592
Temuco Empreend. Imob.	27,931	-	(2,594)	9,971	35,308
Calama Locações Ltda.	52	1,830	-	(1,733)	149
Orense Empreend. Imob.	15,549	-	-	85	15,634
Trisul House Consultoria em Imóveis	211	-	-	41	252

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(Amounts expressed in thousands of Reais, unless otherwise stated)

10. Investments--Continued

10.2. Changes in investments--Continued

10.2.2. Indirectly controlled and associated companies--Continued

As of September 30, 2021:

Company	Balances as of 12/2020	Advances on capital subscription/write-offs	Dividends	Equity in earnings (losses) of controlled and associated companies	Balances as of 09/2021
Sligo Empreend. Imob.	8,419	-	-	(162)	8,257
Sneek Empreend. Imob.	5,217	-	-	(77)	5,140
Viedma Empreend. Imob.	3,446	-	-	(28)	3,418
Anjar Empreend. Imob.	19,730	-	-	(28)	19,702
Balbek Empreend. Imob.	4,619	-	-	(3)	4,616
Bordeaux Empreend. Imob.	8,462	-	-	74	8,536
Ibaraki Empreend. Imob.	19,776	-	-	261	20,037
Jazzin Empreend. Imob.	3,139	-	-	(86)	3,053
Zara Empreend. Imob.	25,140	-	(4,490)	8,187	28,837
Dubbo Empreend. Imob.	8,891	-	-	(205)	8,686
Incosul Horto do Ipe	25	40	-	(54)	11
AG-Plan Empreend. Imob.	175	-	(173)	(2)	-
Algarve Incorporadora Ltda.	3,377	-	-	88	3,465
Salaverry Empreend. Imob.	583	-	-	246	829
Trisul Lotus Empreend. Imob.	7,501	(7,501)	-	-	-

Company	Balances as of 12/2020	Advances on capital subscription/write-offs	Dividends	Equity in earnings (losses) of controlled and associated companies	Balances as of 09/2021
Non-consolidated					
Vespaziano Empreend. Imob.	875	-	-	-	875
Hank Empreend e Construções Ltda.	208	(214)	-	6	-
Dijon Incorporadora Ltda.	29	(132)	-	103	-
Hank II Empreend e Construções Ltda.	552	-	-	(4)	548
Trisul Lotus Empreend. Imob.	-	7,501	-	(3)	7,498
Itacorp Empreend. Imob.	19,500	-	(2,373)	2,240	19,367
Total	21,164	7,155	(2,373)	2,342	28,288
Total non-consolidated directly companies (Note 10.2.1)	43,839	12,806	(7,372)	4,741	54,014
Total non-consolidated companies	65,003	19,961	(9,745)	7,083	82,302

11. Fixed assets

Consist of:

Description	Depreciation average rate	Company		Consolidated	
		09/2021	12/2020	09/2021	12/2020
Sale stands and decorated model apartments	48 a 66	-	-	29,529	27,994
Furniture and fixtures	10	139	139	139	187
Machinery and equipment	10	113	113	2,579	2,579
Leasehold improvements	20	2,224	856	2,224	856
Facilities	10	10	10	10	10
Computers and peripherals	20	4,155	3,512	4,155	3,512
Property use rights	25 a 50	8,196	6,354	8,196	6,354
Other	10	40	40	40	94
Subtotal		14,877	11,024	46,872	41,586
(-) Accumulated depreciation		(7,458)	(7,093)	(22,983)	(22,816)
Total fixed assets, net		7,419	3,931	23,889	18,770

Trisul S.A.

Notes to the Company and consolidated interim financial information form as of September 30, 2021

(Amounts expressed in thousands of Reais, unless otherwise stated)

11. Fixed assets--Continued

Fixed assets (consolidated) changed for the period ended September 30, 2021 as follows:

Description	Balances as of 12/2020	Additions	Write-offs	Balances as of 09/2021
Sale stands and decorated model apartments	27,994	12,517	(10,982)	29,529
Furniture and fixtures	187	-	(48)	139
Machinery and equipment	2,579	-	-	2,579
Leasehold improvements	856	1,368	-	2,224
Facilities	10	-	-	10
Computers and peripherals	3,512	643	-	4,155
Rights of use	6,354	3,003	(1,161)	8,196
Other	94	-	(54)	40
Subtotal	41,586	17,531	(12,245)	46,872
(-) Accumulated depreciation	(22,816)	(12,412)	12,245	(22,983)
Fixed assets, net	18,770	5,119	-	23,889

12. Intangible assets

Consist of:

Description	Company		Consolidated	
	09/2021	12/2020	09/2021	12/2020
Software/ website use rights (a)	6,807	5,289	6,807	5,289
(-) Accumulated amortization	(4,254)	(3,821)	(4,254)	(3,821)
Total intangible assets, net	2,553	1,468	2,553	1,468

(a) Software and website use rights are amortized in five years.

Intangible assets (consolidated) changed for the period ended September 30, 2021 as follows:

Description	Balances as of 12/2020	Additions	Write-offs	Balances as of 09/2021
Software/ website use right	5,289	1,518	-	6,807
(-) Amortization	(3,821)	(433)	-	(4,254)
Intangible assets, net	1,468	1,085	-	2,553

13. Loans, financing and debentures

13.1. Loans and financing

Description	Company		Consolidated	
	09/2021	12/2020	09/2021	12/2020
Financing for construction (a)	-	-	164,808	179,942
Working capital loans (b)	82,311	135,709	115,154	183,807
Total	82,311	135,709	279,962	363,749
Current	70,433	72,923	142,190	135,051
Noncurrent	11,878	62,786	137,772	228,698

(a) Financing for construction in domestic currency with rates ranging from 2.76% to 8.00% p.y., plus variance of the Benchmark Rate (TR);

(b) Loans in domestic currency with rates ranging from 1.35% to 4.25% p.y., plus the variance of the CDI rate.

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(Amounts expressed in thousands of Reais, unless otherwise stated)

13. Loans and financing and debentures--Continued

13.1. Loans and financing--Continued

The breakdown of the noncurrent portion as of September 30, 2021, per year of maturity, can be stated as follows:

<u>Year of maturity</u>	<u>Company</u>	<u>Consolidated</u>
As from October 2022	3,955	7,336
2023	7,923	117,813
2024	-	12,623
Total	11,878	137,772

Collaterals

Financing for construction are guaranteed by mortgages of each construction work, surety instruments from shareholders and pledge of real estate receivables, according to each specific case.

Working capital loans are guaranteed by shares of controlled companies, real estate collaterals, sureties and conditional sales of real estate.

Certain working capital operations are subject to restrictive operational and management conditions, as well as related to financial performance indexes, so that their early maturity does not occur. As of September 30, 2021, the Company is in compliance with the respective commitments.

13.2. Debentures

<u>Description</u>	<u>Company/Consolidated</u>	
	<u>09/2021</u>	<u>12/2020</u>
Current	33,164	11,317
Noncurrent	284,552	166,183
Total	317,716	177,500

The breakdown of the noncurrent portion as of September 30, 2021, per year of maturity, can be stated as follows:

<u>Year of maturity</u>	<u>Company/ Consolidated</u>
As from October 2022	18,583
2023	42,552
2024	86,835
2025	86,850
2026	49,732
Total	284,552

In March 2019, the Company issued the 6th issue of simple debentures with the private deed registration, with the issuance of 80 (eighty) simple debentures for public distribution with restricted efforts, non-convertible into shares, with collateral of a book-entry type, in the nominative form and without issuance of caution or certificates, in a single series with a unit value of R\$ 500 (five hundred thousand Reais).

The nominal value of debentures shall be paid in seven equal and successive six month installments, with the first payment having taken place in March 2020 and the last payment is expected to be settled in March 2023.

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Notes to the Company and consolidated interim financial information form as of September 30, 2021

(Amounts expressed in thousands of Reais, unless otherwise stated)

13. Loans and financing and debentures--Continued**13.2. Debentures--Continued**

The compensation rate of debentures is 3.20% p.y. plus the CDI¹ variance. Interest payments shall be monthly made.

The 6th issue of simple debentures is guaranteed by the secured fiduciary sale of the common shares of the controlling shareholders.

The debentures, referring the 6th issue, do not have restrictive clauses linked to economic and financial indexes.

In December 2020, the Company made the 7th issue of simple debentures with the registration of the private deed, with the issue of 150,000 (one hundred and fifty thousand) simple debentures for public distribution with restricted efforts, not convertible into shares, with a kind of collateral, as a book-entry, registered and with no issue of provisional share or certificates, in a single series with a unit value of R\$ 1 (one thousand Reais).

The nominal value of the debentures must be paid in eight semiannual, equal and successive installments, with the first payment expected to be settled in June 2022 and the last payment expected to be settled in December 2025.

The debentures compensation rate is 2.45% p.y. plus the CDI changes. Interest payments are made every six months.

The debentures, for the 7th issue, have restrictive clauses linked to economic and financial indexes. As of September 30, 2021, the Company is in compliance with all early maturity clauses.

In September 2021, the Company carried out its 8th issue of simple debentures with the registration of the private deed, with the issue of 150,000 (one hundred and fifty thousand) simple debentures for public distribution with restricted efforts, not convertible into book-entry, registered and with no issue of caution or certificates shares as a collateral, in a single series with a par value of R\$ 1 (one thousand Reais).

The nominal value of the debentures shall be paid in six equal and successive semi-annual installments, with the first payment provided for settlement in March 2024 and the last payment provided for settlement in September 2026.

The debentures remuneration rate is 1.90% p.y. plus the CDI variance. The interest payment is made semiannually.

The debentures, referring to the 8th issue, have restrictive clauses linked to economic and financial indexes. As of September 30, 2021 the Company is in compliance with all early maturity clauses.

¹ Interbank Deposit Certificate.

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(Amounts expressed in thousands of Reais, unless otherwise stated)

14. Labor and tax liabilities

These represent the current labor and tax liabilities, as follows:

Description	Company		Consolidated	
	09/2021	12/2020	09/2021	12/2020
COFINS (Tax on sales)	19	-	1,383	1,512
PIS/PASEP (Tax on sales)	1	-	294	331
IRPJ (Corporate Income Tax)	-	-	1,137	1,213
CSLL (Social Contribution on Net Income)	-	-	685	669
IRRF (Withholding Income Tax)	80	63	237	141
ISS (Tax on services)	2	5	376	351
Withholding - PIS/COFINS/CSLL	31	26	203	201
PLR (Profit and Income Sharing) (Note 27)	5,456	8,952	5,456	8,952
Salaries and benefits payable	73	73	76	73
Social charges	189	161	1,215	1,102
Labor provisions	1,026	569	3,335	2,064
Total	6,877	9,849	14,397	16,609

15. Current and deferred income and social contribution taxes

Deferred income tax, social contribution tax, PIS and COFINS are recorded to reflect the tax effects resulting from temporary differences between the tax basis, which determines the taxation according to the receipts of property sales - Regulatory Instruction No. 84/79 of the Brazilian Revenue Service, and the recognition of real estate income as described in Note 3.2.

15.1. Reconciliation of income and social contribution taxes

The reconciliation of income and social contribution tax amounts can be stated as follows:

	Company		Consolidated	
	09/2021	09/2020	09/2021	09/2020
Income before Income and Social Contribution Taxes	103,670	114,674	127,932	135,498
Adjustments to reflect the effective rate				
Income (loss) from ownership interest	(154,080)	(154,107)	(7,083)	(17,949)
Calculation basis	(50,410)	(39,433)	120,849	117,549
Applicable tax rate	34%	34%	34%	34%
Income tax and social contribution calculated	-	-	(41,089)	(39,967)
Net effect of controlled companies taxed under deemed profit and RET	-	-	27,772	27,522
Income and social contribution taxes on the income	-	-	(13,317)	(12,445)
Current	-	-	(14,649)	(12,286)
Deferred	-	-	1,332	(159)

Trisul S.A. (Company), submitted to the taxable income scheme, did not account for deferred income and social contribution tax assets on tax losses because it does not have a history of taxable income. We point out that the Company does not expect to generate taxable income due to the operating activity of the holding company; accordingly, the Management has not recognized a provision for the deferred income tax, in accordance with the Technical Pronouncement CPC 32 – Taxes on income.

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Notes to the Company and consolidated interim financial information form as of September 30, 2021

(Amounts expressed in thousands of Reais, unless otherwise stated)

15. Current and deferred income and social contribution taxes--

Continued

15.2. Breakdown of deferred taxes and contributions**Liabilities**

Description	Consolidated	
	09/2021	12/2020
PIS/COFINS	9,385	11,481
IRPJ	6,480	7,351
CSLL	3,296	3,809
Total	19,161	22,641
Current	16,479	19,601
Noncurrent	2,682	3,040

15.3. Breakdown of current and deferred IRPJ and CSLL (in income)**Current**

Description	Consolidated	
	09/2021	09/2020
CSLL	(5,029)	(4,218)
IRPJ	(9,620)	(8,068)
Total	(14,649)	(12,286)

Deferred

Description	Consolidated	
	09/2021	09/2020
CSLL	513	(57)
IRPJ	819	(102)
Total	1,332	(159)

16. Creditors from acquired properties

These represent the obligations arising from the acquisition of plots of land for real estate project, as follows:

Description	Consolidated	
	09/2021	12/2020
Current	131,754	106,837
Noncurrent	50,651	78,194
Total	182,405	185,031
Year of maturity	Consolidated	
2023	50,651	

Creditors from acquired properties are substantially adjusted based on the variance of Brazilian Construction Cost Index (INCC), Extended Consumer Price Index (IPC-A) or based on General Market Price Index (IGP-M) plus interest, if applicable.

Trisul S.A.

Notes to the Company and consolidated interim financial information form as of September 30, 2021

(Amounts expressed in thousands of Reais, unless otherwise stated)

17. Real estate sale transactions to incur

As mentioned in Note 3.2, the income from real estate transactions is recognized based on incurred cost. Accordingly, the balance of receivables from units sold and not yet completed is partly reflected in the Company's interim financial information, as its accounting record reflects the revenue recognized, net of the installments already received.

Gross revenues to be recognized due to real estate units sold of properties under construction (not completed) and the corresponding commitments of the costs to be incurred regarding units sold and inventory units are not reflected in the interim financial information.

The main balances to be appropriated, related to real estate projects launched and under construction are stated as follows:

	<u>09/2021</u>	<u>12/2020</u>
<u>Revenue from sales of units to be appropriated (a)</u>		
Revenue from contracted sales	1,955,120	1,824,599
Appropriate net sales revenue from cancellations	<u>(1,475,903)</u>	<u>(1,356,031)</u>
	479,217	468,568
<u>Budgeted cost of units sold to be appropriate (b)</u>		
Budgeted cost of units sold	(1,155,733)	(1,080,608)
Cost incurred net of cancellations of agreements	<u>855,485</u>	<u>803,209</u>
	(300,248)	(277,399)
Income to be appropriated on real estate units sold	<u>178,969</u>	<u>191,169</u>
<u>Budgeted cost for real estate units in inventory</u>		
Total budgeted cost	2,026,489	1,673,162
Cost incurred	(1,265,067)	(1,116,080)
Cost to be incurred of units sold	<u>(300,248)</u>	<u>(277,399)</u>
Budgeted cost to be made of units in inventory	461,174	279,683

- (a) Gross revenue from the sale of unearned properties does not include discount to present value;
- (b) Cost of unearned sale of properties does not include financial charges and provision for guarantee, which are recognized in the income statement (cost of real estate sold), in proportion to the real estate units sold, when incurred. The amount of R\$ 176,852 corresponds to the estimated cost to be realized in the next 12 months (short-term).

18. Special Tax Regime (RET)

The Company presents below a table showing the percentage of assets related to the Company's projects that are included in structures of equity segregation of real estate project according to Law No. 10.931/04, as of September 30, 2021:

Total assets included in structures of equity segregation of real estate project	1,626,023
Total consolidated assets	<u>2,321,403</u>
Percentage	<u>70.04%</u>

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Notes to the Company and consolidated interim financial information form as of September 30, 2021

(Amounts expressed in thousands of Reais, unless otherwise stated)

19. Customers' advances

Customers' receipts with amounts higher than those of receivable balances arising from the sale of properties, as described in Note 3.2, are recorded as customers' advances under current liabilities.

In certain land acquisition transactions, the Company conducted the physical swaps with units to build. These physical swaps were recorded at fair value as land bank for incorporation against customers' advances, considering the lump sum amount of real estate units given as dation in payment, and those swaps transactions are recognized in the statement of income, considering the same assumptions used for the recognition of sales of real estate units described in Note 3.2:

Description	Consolidated	
	09/2021	12/2020
Customers' advances (amounts received from customers that exceed the recognized revenue)	60,060	40,255
Customers' advances (physical swaps)	41,868	27,663
Total	101,928	67,918
Current liabilities	82,178	55,655
Non-current liabilities	19,750	12,263

20. Provisions

20.1. Provision for lawsuits and administrative proceedings

During the normal course of its business, the Company and its controlled companies are exposed to certain contingencies and risks, which include tax, labor and civil proceedings under dispute.

The provisions for tax risks are considered sufficient to cover any questioning about the criteria used for calculating the federal taxes.

The Company and its controlled companies have recorded the following provisions to cover possible lawsuits:

Description	Consolidated	
	09/2021	12/2020
Civil (a)	10,878	8,841
Labor (b)	1,507	1,462
Total	12,385	10,303

- (a) Provision for risks from civil proceedings concerning contractual amounts charged and late payments;
- (b) Provision for risks related to lawsuits filed by former employees and third parties (subcontracting).

Changes in the provision for contingencies, for the period ended September 30, 2021, are summarized below:

	Consolidated
Balance as of December 31, 2020	10,303
Complement/(reversal) of provision	3,269
(-) Write-offs by payment	(1,187)
Balance as of September 30, 2021	12,385

The Company and its controlled companies have civil, labor and tax proceedings under dispute, the risk of loss of which is classified as possible by its legal counselors, and the total amount is approximately R\$ 76,999 as of September 30, 2021 (R\$ 78,657 as of December 31, 2020).

In addition, the Company and its controlled companies have court deposits to meet the probable and possible lawsuits discussed in the consolidated amount of R\$ 1,314 (R\$ 4,124 as of December 31, 2020) (Note 7).

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(Amounts expressed in thousands of Reais, unless otherwise stated)

20. Provisions--Continued

20.2. Provision for warranties

The Company provides warranties for possible technical construction problems which may arise in real estate projects sold, limited to the contractual period as from the completion of the construction work (normally five years). The provision for warranty on properties sold is recognized with an offsetting entry to cost of real estate sold (income/loss) as the costs of units sold incur, and it is calculated according to the best estimate to cover the future disbursements of such nature, taking into consideration the history of incurred expenses of this nature. This provision is recorded in the caption "Accounts payable", as stated below:

Description	Consolidated	
	09/2021	12/2020
Current	10,428	6,560
Noncurrent	7,192	6,889
Total	17,620	13,449

21. Equity

21.1. Capital

The fully subscribed and paid-in capital stock is R\$ 866,080 shares as of September 30, 2021 and December 31, 2020, represented by 186,617,538 common, registered, book-entry, non-par value.

21.2. Share issue expenses

The amount of (R\$ 24,585) refers to transaction costs incurred in raising funds as a result of the primary public distribution of common shares of the Company, the process of which was concluded during September 2019.

21.3. Capital reserves

Represented by goodwill reserve as of initial payment of capital of the Company amounting to R\$ 2,420, upon the accounting record of the share options plan amounting to R\$ 3,266, complying with technical pronouncement CPC 10 - Share-based payments, approved by CVM Resolution No. 562/08, and by goodwill/gain in the disposal of shares that were previously held in treasury amounting to R\$ 6,943, which amount to R\$ 12,629.

21.4. Income reserves and dividend policy

The statutory reserve is recognized at the rate of 5% of period net income, after offsetting accumulated losses, pursuant to article 193 of Law No. 6.404/76, up to the limit of 20% of capital.

Holders of common shares are entitled to a dividend of not less than 25%, calculated based on the net income for the year adjusted in accordance with the Law.

At the closing of the fiscal year ended December 31, 2020, the minimum dividends of R\$ 40,397 were proposed to be paid during 2021. At the Extraordinary General Meeting held on April 23, 2021 the minimum dividends were ratified and the payment of additional dividends of R\$ 4,603 was also proposed, totaling R\$ 45,000 as dividends related to the income of the 2020 fiscal year.

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Notes to the Company and consolidated interim financial information form as of September 30, 2021

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21. Equity--Continued

21.5. Treasury shares

At a meeting of the Board of Directors held on March 10, 2021, a new share repurchase program was approved, up to the limit of 5,000,000 (five million) of common, registered, book-entry non-par-value shares, with a duration of up to 12 (twelve) months as of the date of its approval.

The "Repurchase Program" aims to maximize value for the Company's shareholders, taking into account the bid value of the Company's shares on B3, which may be held in treasury or canceled.

Treasury shares are recognized at cost and deducted from equity. No gain or loss is recognized in the income statement on the purchase, sale, issue or cancellation of equity instruments.

As of September 30, 2021, the balance of treasury shares totaled R\$ 25,873 (December 31, 2020 - R\$ 6,992), represented by 3,116,800 shares, of which 600,000 shares refer to the 2020 repurchase program and still undesignated, and 2,516,800 shares refer to the 2021 repurchase program in progress.

22. Net revenue

The breakdown of net revenue for the periods ended September 30, 2021 and 2020 is stated below:

Gross revenue	Company		Consolidated	
	09/2021	09/2020	09/2021	09/2020
From the sale of properties	340	26	608,580	644,541
From services rendered	593	476	1,007	1,256
From rentals	-	-	2,568	495
Discount to present value	-	-	(383)	(1,665)
(-) Provision for credit risk and cancellation of agreement	-	-	4,345	(5,895)
(-) Taxes levied	(172)	(208)	(12,780)	(12,562)
Net revenue	761	294	603,337	626,170

23. Administrative expenses

The breakdown of administrative expenses for the periods ended September 30, 2021 and 2020 is as follows:

	Company		Consolidated	
	09/2021	09/2020	09/2021	09/2020
Personnel	(14,408)	(15,493)	(15,317)	(16,614)
Management fees (Note 26)	(100)	(94)	(1,470)	(2,668)
Occupancy/other	(1,269)	(670)	(1,286)	(688)
Depreciation of right of use	(1,135)	(1,227)	(1,135)	(1,227)
Advising and consulting	(14,814)	(9,720)	(19,293)	(14,882)
General expenses	(3,155)	(4,286)	(13,314)	(13,935)
Total administrative expenses	(34,881)	(31,490)	(51,815)	(50,014)

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Notes to the Company and consolidated interim financial information form as of September 30, 2021

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24. Selling expenses

The breakdown of selling expenses for the periods ended September 30, 2021 and 2020 is as follows:

	Company		Consolidated	
	09/2021	09/2020	09/2021	09/2020
Advertising and publicity	(3,314)	(2,431)	(9,867)	(8,004)
Sales promotions	(1,716)	(3,926)	(16,212)	(19,405)
Units in stock (IPTU ² /Condominium)	(9)	(12)	(2,617)	(2,643)
Sale stands - depreciation	-	-	(10,864)	(9,488)
Sale stands - general expenses	-	(28)	(3,981)	(3,595)
Other	(33)	(112)	(787)	(718)
Total selling expenses	(5,072)	(6,509)	(44,328)	(43,853)

25. Financial revenues and expenses

The breakdown of financial revenues and expenses for the periods ended September 30, 2021 and 2020 is as follows:

	Company		Consolidated	
	09/2021	09/2020	09/2021	09/2020
Financial expenses				
Interest and inflation adjustment	(14,329)	(6,298)	(16,815)	(9,409)
Bank expenses	(56)	(120)	(705)	(1,215)
Total financial expenses	(14,385)	(6,418)	(17,520)	(10,624)
Financial revenues				
Return on financial investments	4,289	5,419	9,254	8,882
Interest and inflation adjustment from customers	-	25	3,104	3,304
Other revenues	62	63	63	63
Total financial revenues	4,351	5,507	12,421	12,249

26. Compensation of Management and Board Members

The amounts recorded as compensation for management (Note 23) and compensation of the Company's directors are shown below:

	Statutory Executive Board		Board Members	Total
	As of September 30, 2021			
Number of members		2	5	
Annual fixed compensation				
Salaries/Management compensation		(2,476)	(1,721)	(4,197)
As of September 30, 2020		Statutory Executive Board		Total
Number of members		2	5	
Annual fixed compensation				
Salaries/Management compensation		(2,668)	(1,659)	(4,327)

The annual global compensation limit for the Company's management for the performance of their duties, for calendar year 2021, was set at up to R\$ 5,650, as proposed by the Board of Directors and ratified at the Ordinary Shareholders' General Meeting held on April 23, 2021.

² Municipal Real Estate Tax.

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27. Profit sharing

The Company has a profit sharing plan that provides its employees and those of its controlled companies the right to participate in the Company's profits, which is linked to an action plan, to the payment of dividends to shareholders and to the achievement of specific goals, which are established and agreed at the beginning of each year. The amount of R\$ 5,456 (Note 14), classified in the administrative expenses with personnel group was provisioned as of September 30, 2021 (R\$ 6,035 as of September 30, 2020).

28. Financial instruments and risk management

The Company and its controlled companies are exposed to the following risks:

- Interest risk - fluctuations in interest rates and loan and financing indexes;
- Credit risk - possibility of loss of cash flow from customer agreements (accounts receivable);
- Liquidity risk - possibility of not being able to honor its obligations;
- Capital management risk - the ability to continue to offer returns to shareholders and benefits to other stakeholders.

The management of the Company and its controlled companies analyzes that the activities in which financial risks are undertaken are governed by appropriate policies and procedures and that the financial risks are identified, evaluated and managed in accordance with the policies and risk disposition thereof.

It is the policy of the Company and its controlled companies not to hold interest in any derivatives or other risky assets for speculative purposes.

a) Interest risk

Related to the possibility of loss due to fluctuations in rates or mismatch of indexes in active and passive portfolios. The index subject to financial investments is the CDI. For accounts receivable from the sale of real estate units, the index used until the submittal of the keys is the change of the INCC rate, after which the IGP-M is considered to update the balance up to the end of the agreement plus market interest.

The passive positions of the Company and its controlled companies are basically represented by real estate loans and financing and for working capital, which have previously fixed interest rates plus changes in the CDI or Reference Rate (TR), and by debentures, which have previously fixed interest rates plus changes in the CDI. The Company conducts market studies and is positioned to take into account any mismatches between such indicators.

b) Credit risk

The Company and its controlled companies maintain bank checking accounts and investments of their funds with financial institutions approved by Management in accordance with objective criteria (soundness and analysis of fees charged) for the diversification of credit risks.

In order to manage losses on accounts receivable, the Company and its controlled companies have a policy of conducting credit, liquidity and financial exposure analyzes which may compromise the financial capacity of potential promoters to honor their commitments to acquire real estate. These analyzes are based on documentary support and an internal analysis model.

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(Amounts expressed in thousands of Reais, unless otherwise stated)

28. Financial instruments and risk management--Continued**c) Liquidity risk**

In the Company and its controlled companies, such risk is minimized by the compatibility of terms and amortization flows between securities issued and ballast acquired.

The cash flow forecast is carried out by a real estate project by the finance and treasury department. Thus, the continuous forecasts of the liquidity requirements of the Company and its controlled companies are monitored and controlled to ensure that sufficient cash is available to meet operating needs.

d) Sensitivity analysis

The Company and its controlled companies carried out a sensitivity analysis of the main risks to which their financial instruments are exposed, basically represented by changes in inflation rates (INCC and IGPM) and interest rate changes (CDI and TR). Based on the CDI forecast (source B3 - BM & FBOVESPA reference rates) and the forecasts for INCC (source Itaú BBA), IGPM (source Focus - Central Bank of Brazil), the Company considered said information for the probable scenario. Increasing and decreasing scenarios of 25% and 50% on Net Assets and Liabilities were calculated. The probable scenario adopted by the Company and its controlled companies corresponds to the abovementioned forecasts, with the sensitivity analysis statement below:

Indexer	Fall of 50%	Fall of 25%	Probable Scenario	Increase of 25%	Increase of 50%
CDI	3.88%	5.81%	7.75%	9.69%	11.63%
INCC	7.90%	11.85%	15.80%	19.75%	23.70%
IGPM	8.84%	13.25%	17.67%	22.09%	26.51%
TR	0%	0%	0%	0%	0%

Net assets and liabilities	09/2021	Fall of 50%	Fall of 25%	Probable Scenario	Increase of 25%	Increase of 50%
CDI (financial investments)	383,565	14,882	22,285	29,726	37,167	44,609
INCC (accounts receivable)	511,724	40,426	60,639	80,852	101,065	121,279
IGPM (accounts receivable)	60,521	5,350	8,019	10,694	13,369	16,044
CDI (loans and debentures)	(432,870)	(16,795)	(25,150)	(33,547)	(41,945)	(50,343)
TR (Financing)	(164,808)	-	-	-	-	-
Total	358,132	43,863	65,793	87,725	109,656	131,589

Balances in the consolidated interim financial information	Balances as of 2021	CDI	INCC	IGPM	TR	With no indexer
Cash and cash equivalents (Note 5)	394,194	383,565	-	-	-	10,629
Accounts receivable (note 6)	572,318	-	511,724	60,521	-	73
Related-party transactions (note 9.1)	39,592	-	-	-	-	39,592
Sundry receivables (Note 7)	10,596	-	-	-	-	10,596
Total assets with financial risks	1,016,700	383,565	511,724	60,521	-	60,890
Trade accounts payable	(59,355)	-	-	-	-	(59,355)
Loans and financing (Note 13.1)	(279,962)	(115,154)	-	-	(164,808)	-
Debentures (Note 13.2)	(317,716)	(317,716)	-	-	-	-
Real estate creditors (Note 16)	(182,405)	-	-	-	-	(182,405)
Related party transactions (note 9.1)	(4,948)	-	-	-	-	(4,948)
Trade accounts payable (except provision for warrantee)	(11,453)	-	-	-	-	(11,453)
Total liabilities with financial risks	(855,839)	(432,870)	-	-	(164,808)	(258,161)
Total assets and liabilities with financial risks	160,861	(49,305)	511,724	60,521	(164,808)	(197,271)

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(Amounts expressed in thousands of Reais, unless otherwise stated)

28. Financial instruments and risk management--Continued

d) Sensitivity analysis--Continued

Determination of the fair value of financial instruments

The market values, reported as of September 30, 2021 and 2020, do not reflect subsequent changes in the economy, such as interest rates and tax rates and other variables, which may have an effect on their determination. Specifically regarding disclosure, the Company applies hierarchical requirements, which involve the following aspects:

- Definition of fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable parties and willing to do so in a favorable transaction;
- Hierarchization on three levels for the measurement of fair value, according to observable inputs for the valuation of an asset or liability on the measurement date.

The valuation at three levels of hierarchy for measuring fair value is based on observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's market assumptions.

These two types of inputs create the hierarchy of fair value presented below:

- Level 1 - prices quoted for identical instruments in active markets;
- Level 2 - prices quoted in active markets for similar instruments, prices quoted for identical or similar instruments in non-active markets and valuation models for which inputs are observable; and
- Level 3 – instruments, the significant inputs of which are not observable. The composition below shows the Company's financial assets to the general classification of these instruments in accordance with the hierarchy:

	Hierarchy level	09/2021	12/2020
Assets			
Financial asset measured at fair value through profit or loss - Cash and cash equivalents	2 (a)	<u>394,194</u>	<u>478,720</u>

(a) Fair value through the quotation of prices of similar financial instruments in non-active markets.

e) Capital management

The Company's purposes when managing its capital are to safeguard the ability of its continuity to offer return to shareholders and benefits to other interested parties, in addition to maintaining an ideal capital structure to reduce such cost.

In order to maintain or adjust the capital structure, the Company can review the profit and dividend payment policy, return capital to shareholders, or even issue new shares or sell assets to reduce, for example, the level of indebtedness.

In compliance with other companies in the sector, the Company monitors capital based on indebtedness, which corresponds to net debt divided by shareholders' equity. Net debt, in turn, corresponds to total short and long-term loans and debentures, as shown in the consolidated balance sheet minus the amount of cash and cash equivalents.

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28. Financial instruments and risk management--Continued**e) Capital management--Continued**

The indebtedness as of September 30, 2021 and December 31, 2020, according to the consolidated interim financial statements, can be summarized as follows:

	<u>09/2021</u>	<u>12/2020</u>
Loans and financing - current and non-current (Note 13.1)	279,962	363,749
Debentures - current and non-current (Note 13.2)	317,716	177,500
Cash and cash equivalents (Note 5)	(394,194)	(478,720)
Net debt	<u>203,484</u>	<u>62,529</u>
Total shareholders' equity	1,300,073	1,212,900
Indebtedness - %	<u>15.65%</u>	<u>5.16%</u>

f) Classification of financial instruments

The financial instruments of the Company and its controlled companies are classified as follows:

	<u>Company</u>		<u>Consolidated</u>		<u>Classification</u>
	<u>09/2021</u>	<u>12/2020</u>	<u>09/2021</u>	<u>12/2020</u>	
Financial assets					
Cash and cash equivalents (Note 5)	187,066	245,890	394,194	478,720	Fair value through profit or loss
Accounts receivable (Note 6)	283	337	535,507	607,788	Amortized cost
Related party transactions (Note 9.1)	101,963	97,492	39,592	28,874	Amortized cost
Sundry receivables (Note 7)	3,272	2,636	10,596	13,375	Amortized cost
Financial liabilities					
Suppliers	1,790	1,445	59,355	51,292	Amortized cost
Loans and financing (Note 13.1)	82,311	135,709	279,962	363,749	Amortized cost
Debentures (Note 13.2)	317,716	177,500	317,716	177,500	Amortized cost
Related party transactions (Note 9.1)	223,224	342,218	4,948	3,418	Amortized cost
Real estate creditors (Note 16)	-	-	183,471	185,031	Amortized cost
Accounts payable (except provision for warrantee)	5,833	5,030	11,453	11,694	Amortized cost

The Company and its controlled companies manage liquidity risk by maintaining reserves and bank credit lines deemed appropriate, through continuous monitoring of forecasts and real cash flow and by combining the maturity periods of financial assets and liabilities.

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29. Insurance

The Company and its controlled companies have, as of September 30, 2021, the following insurance agreements at amounts considered compatible by Management with the risks involved:

Engineering (approximate coverage amount - R\$ 1,229,207)

- **Civil liability:** coverage for property damage and personal injury caused unintentionally to third parties arising from the execution of the work, facilities and assemblies in the place subject matter of the insurance;
- **Physical damage to property (financed work):** coverage for damage, losses and material damage resulting from sudden and unforeseen hazards to the property;
- **Insurance for completion of work:** ensures delivery of the work to promissory purchasers;
- **Sales stands:** fire, theft, lightning and explosion.

Administrative (approximate coverage amount - R\$ 8,929)

- **Administrative headquarters:** fire, lightning, explosion, theft, robbery, civil liability among others.

The risk assumptions adopted and their coverings, given their nature and peculiarity, are not part of the scope of the interim financial information review, and accordingly, have not been reviewed by our independent auditors.

30. Segment reporting

The Company's management grounds its internal managerial reports for decision-making on the consolidated interim financial information, the same basis on which these statements are disclosed, i.e. only one segment is internally considered as "real estate project".

The Company and its controlled companies are not managed as independent segments due to the sharing of corporate, managerial and operating structures and costs; accordingly, the Company's income are followed, monitored and assessed in an integrated manner.

31. Earnings per share

In compliance with CPC 41 (IAS 33) - Earnings per share, approved by CVM Resolution No. 636, the Company presents the following information on the earnings per share for the periods ended September 30, 2021 and 2020:

- Basic:** the calculation of basic earnings per share is made by dividing net income for the period, allocated to holders of common shares of the Company by the weighted average number of common shares available during the periods;
- Diluted:** diluted earnings per share are calculated by adjusting the weighted average number of outstanding common shares, taking into account all potential diluted common shares, which are related to stock options. The Company currently has no stock option program.

The table below presents the results and actions data used in the calculation of basic and diluted earnings per share, which are the same:

	<u>09/2021</u>	<u>09/2020</u>
Net income for the period	103,670	114,674
Weighted average number of outstanding shares (thousand) (ex-treasury)	185,627	186,550
Basic and diluted earnings per thousand shares (in Reais)	0.55849	0.61471

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(Amounts expressed in thousands of Reais, unless otherwise stated)

32. Explanation added to the translation for the English version

The accompanying financial statements were translated into English from the original Portuguese version prepared for local purposes. Certain accounting practices applied by the Company that conform to those accounting practices adopted in Brazil may not conform to the generally accepted accounting principles in the countries where these financial statements may be used.