

(Convenience translation into English from the original  
previously issued in Portuguese)

SUGOI S.A.

Independent auditor's report

Individual and consolidated interim  
financial information  
As at March 31, 2022

SUGOI S.A.

Individual and consolidated interim financial information  
As at March 31, 2022

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## INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL INFORMATION

To the  
Shareholders and Management of  
Sugoi S.A.  
São Paulo - SP

### Introduction

We have reviewed the individual and consolidated interim financial information of Sugoi S.A. ("Company"), included in the Quarterly Information, for the quarter ended March 31, 2022, which comprises the statement of financial position as at March 31, 2022, and the respective statements of operations, comprehensive income (loss), changes in equity and cash flows for the three-month period then ended, as well as the corresponding notes.

The Company's Management is responsible for the preparation of the individual interim financial information in accordance with Technical Pronouncement CPC 21 (R1) - Interim Statements and of the consolidated interim financial information in accordance with Technical Pronouncement CPC 21 (R1) and with International Accounting Standard IAS 34 - Interim Financial Reporting, applicable to entities of real estate development in Brazil registered with the Brazilian Securities and Exchange Commission (CVM), as well as for the presentation of this information in accordance with the standards issued by CVM, applicable to the preparation of the Quarterly Information. Our responsibility is to express a conclusion on this interim financial information based on our review.

### Scope of the review

We conducted our review in accordance with Brazilian and international standards for reviewing interim information (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity). An interim review consists principally of applying analytical and other review procedures and making enquiries of and having discussions with persons responsible for financial and accounting matters. An interim review is substantially less in scope than an audit conducted in accordance with auditing standards and does not provide assurance that we would become aware of any or all significant matters that might be identified in an audit. Accordingly, we do not express such an audit opinion.

### Conclusion on the individual interim financial information

Based on our review, we are not aware of any fact that would lead us to believe that the individual interim financial information included in the Quarterly Information referred to above has not been prepared, in all material respects, in accordance with Technical Pronouncement CPC 21 (R1) - Interim Statements, applicable to entities of real estate development in Brazil registered with CVM, as well as for the presentation of this information in accordance with the standards issued by CVM, applicable to the preparation of the Quarterly Information.

## Conclusion on the consolidated interim financial information

Based on our review, we are not aware of any fact that that would lead us to believe that the consolidated interim financial information included in the Quarterly Information referred to above has not been prepared, in all material respects, in accordance with Technical Pronouncement CPC 21 (R1) and IAS 34, applicable to entities of real estate development in Brazil, registered with CVM, as well as the presentation of this information in accordance with standards issued by CVM, applicable to the preparation of Quarterly Information.

## Emphasis

### Revenue recognition

As described in Note 2.1., the individual interim financial information included in the Quarterly Information has been prepared in accordance with Technical Pronouncement CPC 21 (R1) and the consolidated interim financial information included in the Quarterly Information has been prepared in accordance with Technical Pronouncement CPC 21 (R1) and IAS 34, applicable to entities of real estate development in Brazil, registered with CVM. Accordingly, the determination of the accounting policy adopted by the Company for the recognition of revenue in sale and purchase contracts of unfinished real estate units, related to aspects of the transfer of control, follows the understanding established by CVM in CVM/SNC/SEP Circular Letter No. 02/2018 on the adoption of NBC TG 47 (IFRS 15). Our conclusion is not qualified in respect of this matter.

## Other matters

### Statements of value added

The quarterly information referred to above includes the individual and consolidated statements of value added for the quarter ended March 31, 2022, prepared under the responsibility of the Company's Management and presented as supplementary information for the purposes of IAS 34, applicable to entities of real estate development in Brazil, registered with CVM. These statements were submitted to review procedures carried out along with the review of the quarterly information, aiming to conclude if they are in accordance with the interim financial information and accounting records, as applicable, and if its form and contents are in accordance with the criteria established in CPC 09 - Statement of Value Added.

Based on our review, we are not aware of any fact that would lead us to believe that these statements were not prepared, in all material respects, in accordance with the criteria established in this standard and consistently with the individual and consolidated interim financial information taken as whole.



The accompanying financial information has been translated into English for the convenience of readers outside Brazil.

São Paulo, May 13, 2022.



BDO RCS Auditores Independentes SS  
CRC 2 SP 013846/O-1

A handwritten signature in black ink, appearing to read 'Julian Clemente', is written over the printed name and registration information.

Julian Clemente  
Accountant CRC 1 SP 197232/O-6

Sugoi S.A.  
 Statements of financial position as at March 31, 2022  
 (In thousands of Brazilian Reais)

ASSETS

Assets	Notes	Parent company		Consolidated	
		03/31/2022	12/31/2021	03/31/2022	12/31/2021
<b>Current</b>					
Cash and cash equivalents	3	10,949	19,278	14,527	29,385
Accounts receivable	4	-	-	50,334	44,021
Properties for sale	5	3,780	6,741	40,785	33,756
Sundry receivables	6	2,302	2,914	6,341	6,631
Taxes and contributions to be offset		382	306	676	506
Prepaid expenses		241	332	6,591	7,191
		<u>17,654</u>	<u>29,571</u>	<u>119,254</u>	<u>121,490</u>
<b>Noncurrent</b>					
Accounts receivable	4	-	-	22,938	25,465
Properties for sale	5	4,173	1,212	226,539	234,180
Sundry receivables	6	-	-	4,142	4,142
Related-party transactions	9	71,776	69,383	16,121	15,852
Taxes and contributions to be offset		-	22	-	22
		<u>75,949</u>	<u>70,617</u>	<u>269,740</u>	<u>279,661</u>
Investments	7	168,499	166,062	-	3,574
Fixed assets	8	278	278	1,288	1,442
Intangible assets	8	984	1,005	984	1,005
		<u>245,710</u>	<u>237,962</u>	<u>272,012</u>	<u>285,682</u>
<b>Total assets</b>		<u><u>263,364</u></u>	<u><u>267,533</u></u>	<u><u>391,266</u></u>	<u><u>407,172</u></u>

The accompanying notes are an integral part of this financial information.

Sugoi S.A.  
 Statements of financial position as at March 31, 2022  
 (In thousands of Brazilian Reals)

LIABILITIES

Liabilities	Notes	Parent Company		Consolidated	
		03/31/2022	12/31/2021	03/31/2022	12/31/2021
<b>Current</b>					
Loans and financing	10	12,329	11,697	28,184	30,434
Real Estate Receivables Certificates	15	12,146	10,000	12,146	10,000
Trade accounts payable	11	1,054	815	23,625	29,569
Labor and tax liabilities	12	1,510	1,462	11,159	9,969
Accounts payable	13	841	1,350	1,019	1,493
Advances from customers and others	14	4,621	5,998	27,567	22,314
Related-party transactions	9	114,817	112,971	1,558	458
		<u>147,318</u>	<u>144,293</u>	<u>105,258</u>	<u>104,237</u>
<b>Noncurrent</b>					
Loans and financing	10	8,072	9,741	14,397	17,769
Intercompany account with Silent Partnerships (SCPs)		1,405	1,405	1,405	1,405
Real Estate Receivables Certificates	15	44,615	49,167	44,615	49,167
Labor and tax liabilities	12	-	-	2,856	2,646
Accounts payable	13	533	656	1,033	1,362
Advances from customers and others	14	1,377	-	159,876	165,559
Provisions	16	-	-	4,024	3,712
Provisions for losses on investments	7	14,295	12,751	3,745	3,745
		<u>70,297</u>	<u>73,720</u>	<u>231,951</u>	<u>245,365</u>
<b>Total liabilities</b>		<u>217,615</u>	<u>218,013</u>	<u>337,209</u>	<u>349,602</u>
<b>Equity</b>					
	17				
Capital stock		1,000	1,000	1,000	1,000
Statutory reserve		200	200	200	200
Income reserve		44,549	48,134	44,549	48,134
Cumulative translation adjustment		-	186	-	186
		<u>45,749</u>	<u>49,520</u>	<u>45,749</u>	<u>49,520</u>
Noncontrolling interest		-	-	8,308	8,050
<b>Total equity</b>		<u>45,749</u>	<u>49,520</u>	<u>54,057</u>	<u>57,570</u>
<b>Total liabilities and equity</b>		<u>263,364</u>	<u>267,533</u>	<u>391,266</u>	<u>407,172</u>

The accompanying notes are an integral part of this financial information.

Sugoi S.A.  
 Statements of operations for the years ended March 31, 2022  
 (In thousands of Brazilian Reais)

	Notes	Parent Company		Consolidated	
		03/31/2022	03/31/2021	03/31/2022	03/31/2021
Revenues from properties	-	-	-	34,878	47,416
Taxes levied	-	-	-	(711)	(1,968)
Continuing operations					
Net revenues	18	-	-	34,167	45,448
Costs of sales	18	-	-	(22,584)	(31,682)
Gross profit	18	-	-	11,583	13,766
Operating revenues (expenses)					
General and administrative expenses	19	(4,186)	(4,129)	(5,274)	(5,730)
Selling expenses	19	-	(1,449)	(2,821)	(6,403)
Other operating revenues (expenses), net		(2,333)	-	(2,659)	1,345
Equity in earnings (losses) of controlled companies	7	4,909	5,131	-	(950)
		(1,610)	(447)	(10,754)	(11,738)
Income (loss) before financial income (loss)		(1,610)	(447)	829	2,028
Financial expenses	20	(2,252)	(1,750)	(3,816)	(2,720)
Financial revenues	20	277	20	316	43
Net financial income (loss)		(1,975)	(1,731)	(3,500)	(2,677)
Loss before Income and Social Contribution taxes		(3,585)	(2,178)	(2,671)	(649)
Current Income and Social Contribution taxes	-	-	-	(556)	(1,202)
Deferred Income and Social Contribution taxes	-	-	-	(100)	-
Loss for the period		(3,585)	(2,178)	(3,327)	(1,850)
Attributable to					
Controlling shareholders of the Company				(3,585)	(2,178)
Noncontrolling interest				258	328
Basic and diluted losses per share	18 c	(3,585)	(2,178)		

The accompanying notes are an integral part of this financial information.



Sugoi S.A.

Statements of comprehensive income (loss) for the years ended March 31, 2022

(In thousands of Brazilian Reais)

	Parent Company		Consolidated	
	03/31/2022	03/31/2021	03/31/2022	03/31/2021
Loss for the period	(3,585)	(2,178)	(3,327)	(1,850)
Translation adjustment from controlled companies	-	425	-	425
(=) Comprehensive income (loss) for the year	<u>(3,585)</u>	<u>(1,753)</u>	<u>(3,327)</u>	<u>(1,425)</u>
Attributable to				
Controlling shareholders of the Company			(3,585)	(1,753)
Noncontrolling interest			258	328
	<u>-</u>	<u>-</u>	<u>(3,327)</u>	<u>(1,425)</u>

The accompanying notes are an integral part of this financial information.

Sugoi S.A.

Statements of changes in equity as at March 31, 2022

(In thousands of Brazilian Reals)

	Attributable to controlling shareholders of the Company				Total	Noncontrolling interest	Cumulative translation adjustment	Consolidated equity
	Paid-in capital stock	Statutory reserve	Income reserves	Cumulative translation adjustment				
Balance as at January 01, 2021	1,000	200	43,438	48	44,686	6,456	-	51,142
Profit distribution	-	-	-	-	-	(55)	-	(55)
Translation adjustment from controlled company	-	-	(425)	377	(48)	425	-	377
Loss for the period	-	-	(2,178)	-	(2,178)	328	-	(1,850)
Balance as at March 31, 2021	<u>1,000</u>	<u>200</u>	<u>40,835</u>	<u>425</u>	<u>42,460</u>	<u>7,154</u>	<u>-</u>	<u>49,614</u>
Balance as at January 01, 2022	1,000	200	48,134	186	49,520	8,050	-	57,570
Translation adjustment from controlled company	-	-	-	(186)	(186)	-	-	(186)
Loss for the period	-	-	(3,585)	-	(3,585)	258	-	(3,327)
Balance as at March 31, 2022	<u>1,000</u>	<u>200</u>	<u>44,549</u>	<u>-</u>	<u>45,749</u>	<u>8,308</u>	<u>-</u>	<u>54,057</u>

The accompanying notes are an integral part of this financial information.

Sugoi S.A.  
 Statements of cash flows for the years ended March 31, 2022  
 (In thousands of Brazilian Reais)

	Notes	Parent Company		Consolidated	
		03/31/2022	03/31/2021	03/31/2022	03/31/2021
From operating activities					
Loss for the period	18c	(3,585)	(2,178)	(3,327)	(1,850)
Adjustments to reconcile income (loss) to cash and cash equivalents from operating activities					
Depreciation	8	11	(101)	15	(103)
Amortization		21	-	21	-
Provision for construction warranty and contingencies	16	-	-	407	(877)
Deferred taxes	12	-	-	100	-
Charges on loans, financing and other	10	903	-	1,886	-
Charges on Real Estate Receivables Certificates – CRI	15	2,632	-	2,632	-
Discount to Present Value (AVP)	4	-	-	(183)	(518)
Asset and liability translation adjustment		(187)	-	(187)	377
Equity in earnings (losses) of controlled companies	7	(4,909)	(5,131)	-	951
		<u>(5,114)</u>	<u>(7,410)</u>	<u>1,364</u>	<u>(2,020)</u>
Changes in assets and liabilities					
(Increase)/decrease in asset accounts					
Accounts receivable	4	-	-	(3,603)	(1,137)
Properties for sale	5	-	(138)	612	(9,585)
Taxes and contributions to be offset		(54)	(57)	(148)	(84)
Sundry receivables	6	612	(113)	290	1,506
Unrecognized selling expenses		91	58	600	(558)
Increase/(decrease) in liability accounts					
Labor and tax liabilities	12	48	(38)	1,400	595
Trade accounts payable	11	239	957	(5,944)	3,142
Accounts payable	13	(631)	(1,640)	(897)	(1,833)
Advances from customers	14	-	-	(430)	(466)
		<u>(4,809)</u>	<u>(8,381)</u>	<u>(6,756)</u>	<u>(10,440)</u>
Paid Income and Social Contribution taxes	12	-	-	(100)	(1,202)
Payment of interest on loans, financing and other	10	(3,560)	-	(4,703)	-
Net cash from operating activities		<u>(8,369)</u>	<u>(8,381)</u>	<u>(11,559)</u>	<u>(11,642)</u>
From investing activities					
(Increase)/decrease in capital of controlled companies, net	7	4,016	(297)	3,574	(1,507)
In fixed assets	8	(11)	194	139	139
In intangible assets		-	-	-	-
Net cash from investing activities		<u>4,005</u>	<u>(103)</u>	<u>3,713</u>	<u>(1,368)</u>
From financing activities					
Raising of loans, financing and others	10	302	15,297	3,780	25,051
Payment of principal on loans, financing and other	10	(3,720)	(27,549)	(11,623)	(35,093)
Related-party transactions	9	(547)	380	831	(3,437)
Net cash from financing activities		<u>(3,965)</u>	<u>(11,872)</u>	<u>(7,012)</u>	<u>(13,479)</u>
Decrease in cash and cash equivalents		<u>(8,329)</u>	<u>(20,356)</u>	<u>(14,858)</u>	<u>(26,489)</u>
Cash and cash equivalents balance at beginning of year		19,278	23,679	29,385	44,078
Cash and cash equivalents balance at end of year		10,949	3,323	14,527	17,589
Decrease in cash and cash equivalents		<u>(8,329)</u>	<u>(20,356)</u>	<u>(14,858)</u>	<u>(26,489)</u>

The accompanying notes are an integral part of this financial information.

# SUGOI S.A.

## Notes to the individual and consolidated interim financial information As at March 31, 2022, and December 31, 2021

In thousands of Brazilian reais, unless otherwise stated

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### 1 Operations

Sugoi S.A. and its controlled companies ("Company") are primarily engaged in the management of the Company's assets, the development, construction and sale of real estate, and in holding interest in other companies, as shareholder. The development of real estate projects and the construction of real estate are carried out directly by the Company, its controlled companies or other partners. The interest of partners occurs directly in the project by means of interest held in Silent Partnerships (SCP) or Special-Purpose Entities (SPE), created for development of projects, as well as by means of strategic partnerships involving barter of land for the development of the real estate activity.

The Company, established on April 04, 2011, is a publicly-held company, with headquarters at Avenida Nações Unidas, nº 11.633, 8º andar, in the City of São Paulo, State of São Paulo, enrolled under CNPJ/MF (Corporate Tax ID) No. 13.584.310/0001-42, which has as main focus the segment of first homes with management and administration of residential properties of middle-class economic standard, aiming at offering products with excellent quality and the best cost-benefit in the market, intelligent projects that bet on security, comfort, innovation, and affordable prices.

The Company's Management has over 40 years of experience in the real estate market and a network in various Brazilian capitals that allow easily surveying and obtaining distinguished business opportunities in the market. The Company's corporate governance is intended to be transparent in its relations with the market, customers and investors, conducting inspections in each stage of the project and monitoring the physical and financial processes of the construction.

Currently, the Company is present in the cities of São Paulo, Guarulhos, Itapetininga, Francisco Morato, Campinas, Paulínia, Salto, São José do Rio Preto, Mauá, Franco da Rocha, Caçapava, Sumaré, Santo André, Mirassol and Rio Branco, in the states of São Paulo and Acre, with approximately 24,000 units under development, execution and concluded.

Since 2013, the Company has been assessed by the risk area of Caixa Economica Federal - (GERIC), which currently covers the production of all its pipeline of projects.

The Company has important certifications, such as PBQPH level A (Brazilian Housing Quality and Productivity Program) and ISO 9001, which further qualifies it in the entire cycle of the construction execution process and attests to the effectiveness of its processes, contributing to better cost management and control.

On July 19, 2016, the Company was registered with Brazilian Securities and Exchange Commission (CVM) in Category A, with private ownership control. This process is very important for the Company and reinforces the commitment to good practices and corporate governance adopted by Management.

### 2 Summary of main accounting policies

The main accounting policies applied in the preparation of this individual and consolidated interim financial information are presented below. These policies were consistently applied in accordance with the previous year, unless otherwise stated.

#### 2.1 Statement of compliance

The individual interim financial information was prepared in accordance with Brazilian accounting practices, applicable to entities of real estate development, registered with CVM.

## SUGOI S.A.

### Notes to the individual and consolidated interim financial information

As at March 31, 2022, and December 31, 2021

In thousands of Brazilian reais, unless otherwise stated

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The consolidated interim financial information was prepared and presented according to Brazilian accounting practices applicable to companies of real estate development registered with CVM and to the International Financial Reporting Standards (IFRS), considering the guidance included in CVM/SNC/SEP Circular Letter No. 02/2018 on the adoption of NBC TG 47 (IFRS 15) applicable to entities of real estate development in Brazil in regard to aspects of transfer of control upon sale of real estate units.

Brazilian accounting practices include those established by Brazilian Corporate Law and the Pronouncements, Guidelines and Interpretations issued by the Committee of Accounting Pronouncements (CPC) and approved by CVM and by the Brazilian Federal Council of Accounting (CFC).

The individual and consolidated interim financial information was approved by the Company's Management on May 13, 2022.

## **2.2 Basis of preparation**

The individual and consolidated interim financial information was prepared using historical cost as basis, except for the valuation of certain assets and liabilities as those arising from business combinations and certain financial instruments, which are measured at fair value. The Company operates in Brazil, and the Brazilian Real is its functional and presentation currency.

The individual and consolidated interim financial information was prepared in the normal course of operations assuming the Company will continue as a going concern. Management evaluates the Company's ability to continue as a going concern in the preparation of the individual and consolidated interim financial information.

The individual and consolidated interim financial information is presented in thousands of Brazilian Reais (R\$) and the amounts are rounded to the next unit, unless otherwise stated.

The preparation of individual and consolidated interim financial information requires the use of certain critical accounting estimates and assumptions by the Company's Management in the implementation of its accounting policies. Among other purposes, the estimates are used to determine the useful lives of assets and equipment, the necessary provisions for contingent liabilities, adjustments of allowance for doubtful accounts, budgeted costs for ventures, taxes and other similar charges. Accordingly, actual results may differ from those estimates.

Transaction settlement involving those estimates may result in amounts significantly different from those recorded in the individual and consolidated interim financial information, due to the inherent inaccuracy of the estimates. The Company reviews its estimates and assumptions periodically, in not more than a year.

The areas which require a greater level of judgment by the Company's Management in the process of applying the accounting policies and which have greater complexity, as well as the areas in which assumptions and estimates are significant for the preparation of the individual and consolidated interim financial information, are continually evaluated and based on historical experience and other factors, including expectations of future events, considered reasonable in the circumstances.

### **2.2.1 Individual interim financial information**

In the individual interim financial information, the direct controlled and jointly-controlled companies are accounted for under the equity method. The same adjustments are made both in the individual financial information and in the consolidated financial information to achieve the same income (loss) and equity attributable to the parent company's shareholders.

For the purpose of the equity method, the interim financial information of the controlled and jointly-controlled companies is prepared for the same disclosure period and, where required, adjusted so that the accounting policies are in accordance with those adopted by the Company.

## SUGOI S.A.

### Notes to the individual and consolidated interim financial information

As at March 31, 2022, and December 31, 2021

In thousands of Brazilian reais, unless otherwise stated

Ownership interest in income (loss) of the controlled and jointly-controlled companies is stated in income (loss) of the parent company as equity in earnings (losses) of the controlled company, representing net income of the investees attributable to controlling shareholders.

After applying the equity method, the Company determines whether it is necessary to recognize additional impairment for the investments in its controlled and jointly-controlled companies. The Company determines, at balance sheet date, whether there is objective evidence of impairment on the investments in controlled and jointly-controlled companies. If so, the Company calculates impairment loss as the difference between the recoverable value of the controlled and jointly-controlled companies and its book value, and also recognizes the amount in the parent company's statement of operations.

#### 2.2.2 Consolidation

The following accounting practices are applied in the preparation of the consolidated interim financial information:

##### (a) Controlled companies

Controlled companies are all entities (including SPEs) over which the Company has control. The Company controls an entity when it is exposed to or is entitled to variable returns from its involvement with said entity and has the capacity to interfere in these returns because of the power it exercises over it. The controlled companies are fully consolidated as from the date when the control is transferred to the Company. The consolidation is interrupted as from the date the Company no longer has such control.

Direct controlled and jointly-controlled companies	Percentage of ownership interest	
	03/31/2022	12/31/2021
Vista Cantareira Empreendimentos Imobiliários Ltda.	95%	95%
Condomínio Varandas Jardim do Lago Ltda.	95%	95%
Residencial Monte Serrat SPE Ltda.	95%	95%
Haifa Investimentos e Participações Ltda.	100%	100%
Residencial São Mateus SPE Ltda.	95%	95%
Residencial Colina Francisco Morato SPE Ltda	95%	95%
Residencial Bom Retiro SPE Ltda	95%	95%
Residencial Jacú-Pessego II SPE Ltda	95%	95%
Residencial Colina Guarapiranga SPE Ltda	95%	95%
Residencial Paulínia I SPE Ltda	99%	95%
Residencial Parque do Carmo SPE Ltda.	95%	95%
Residencial Idemori SPE Ltda	95%	95%
Sugoi Projeto SPE Ltda	95%	95%
Residencial Sports Gardens da Amazônia Ltda.	95%	95%
Sugoi N Empreendimentos Imobiliários Ltda	50%	50%
Residencial Portal do Belo Horizonte SPE Ltda	95%	95%
Residencial Barcelona SPE Ltda.	95%	95%
Condomínio Varandas Jardim do Lago II SPE Ltda.	95%	95%
Residencial Isabel Ferrari SPE Ltda.	95%	95%
Residencial São Jose SPE Ltda.	95%	95%
Residencial Jacú-Pessego I SPE Ltda.	95%	95%
Sugoi Residencial I SPE Ltda.	95%	95%
Sugoi Residencial II SPE Ltda.	95%	95%
Sugoi Residencial III SPE Ltda.	95%	95%
Residencial Via Verde SPE Ltda	95%	95%
Sugoi Residencial IV SPE Ltda.	95%	95%
Sugoi Residencial V SPE Ltda.	95%	95%
Sugoi Residencial VI SPE Ltda.	95%	95%
Sugoi Residencial VII SPE Ltda	50%	95%
Sugoi Residencial VIII SPE Ltda	95%	95%
Sugoi Residencial IX SPE Ltda	95%	95%
Sugoi Development USA, LLC (i)	0%	100%
Sugoi Residencial X SPE Ltda.	95%	95%
Sugoi Residencial XI SPE Ltda.	95%	95%
Sugoi Residencial XII SPE Ltda.	95%	95%
Sugoi Residencial XIII SPE Ltda.	95%	95%
Sugoi Residencial XIV SPE Ltda.	95%	95%

## SUGOI S.A.

### Notes to the individual and consolidated interim financial information As at March 31, 2022, and December 31, 2021

In thousands of Brazilian reais, unless otherwise stated

<u>Direct controlled and jointly-controlled companies</u>	<u>Percentage of ownership interest</u>	
	<u>03/31/2022</u>	<u>12/31/2021</u>
Sugoi Residencial XV SPE Ltda.	95%	95%
Sugoi Residencial XVI SPE Ltda.	95%	95%
Sugoi Residencial XVII SPE Ltda.	95%	95%
Sugoi Residencial XVIII SPE Ltda.	95%	95%
Sugoi Residencial XIX SPE Ltda.	95%	95%
Sugoi Residencial XX SPE Ltda.	95%	95%
Sugoi Residencial XXI Ltda.	95%	95%
Sugoi Residencial XXII SPE Ltda.	95%	95%
Sugoi Residencial XXIII SPE Ltda.	95%	95%
Sugoi Residencial XXIV SPE Ltda.	95%	95%
Residencial Vila União SPE Ltda.	50%	50%
Residencial Atibaia SPE Ltda.	50%	50%
Residencial Bragança SPE Ltda.	50%	50%
Sugoi Residencial XXVII SPE Ltda.	0%	95%
Sugoi Residencial XXVIII SPE Ltda.	95%	95%
Sugoi Residencial XXIX SPE Ltda.	95%	95%
Sugoi Residencial XXX SPE Ltda.	95%	95%
Sugoi Residencial XXXI SPE Ltda.	95%	95%
Sugoi Residencial XXXII SPE Ltda.	95%	95%
Sugoi Residencial XXXIII SPE Ltda.	95%	95%
Sugoi Residencial XXXIV SPE Ltda.	95%	95%
Sugoi Residencial XXXV SPE Ltda.	95%	95%
Sugoi Residencial XXVI SPE Ltda.	95%	95%
HTG Infraestrutura e Participações Ltda	33.33%	33.33%

- (i) As per meeting of the Board of Directors on March 03, 2022, Sugoi sold Sugoi Development USA LLC, a wholly-owned controlled company of the Company engaged in investments in the US real estate market. With this sale, the Company closes its activities of this investment and concentrates its efforts on the development of projects for the domestic market.

#### **(b) Transactions with noncontrolling interest**

The Company considers transactions with noncontrolling interest as transactions with owners of assets of the Group. For purchases of noncontrolling interest, the difference between any consideration paid and the acquired portion of the book value of the controlled company's net assets is recorded in equity. Gains or losses on disposals of noncontrolling interest are also directly recorded in equity, under "Accumulated losses/Retained earnings".

When the Company no longer has control over the entity, any interest held in the entity is measured at fair value and the change in book value is recognized in the statement of operations. Fair value is the initial book value for the subsequent accounting of the interest held in a SPE or in a financial asset.

Minority interest is stated in equity.

#### **(c) Jointly-controlled ventures**

Investments in SPEs are accounted for under the equity method and are initially recognized at cost value.

Unrealized gains from SPEs are eliminated to the extent of the Company's interest. Unrealized losses are also eliminated, unless the transaction shows evidence of impairment of the transferred asset. The accounting policies of the joint controlled companies are changed, when necessary, to guarantee consistency with the Company's accounting policies.

### **2.3 Cash and cash equivalents**

Cash and cash equivalents are stated at cost and include cash and bank deposits, which are readily convertible into a known amount of cash and subject to an insignificant risk of change in value.

## 2.4 Discount to present value

Monetary assets and liabilities are adjusted to present value based on the effective interest method when arising from short-term transactions, if material, and from long-term transactions, not bearing interest or when subject to: (i) fixed interest rates; (ii) interest rates that are clearly below market rates for similar transactions; and (iii) inflation adjustments only, not subject to interest. The Company periodically evaluates the effect of discount to present value on the interim financial information.

## 2.5 Financial instruments

### **Classification and measurement of financial assets and liabilities**

According to NBC TG 48, at initial recognition, a financial asset is classified as follows: at amortized cost; at fair value through other comprehensive income (loss) ("VJORA") - debt instrument; at VJORA - equity instrument; and at fair value through income (loss) ("VJR"). The classification of financial assets is mostly based on the business model in which a financial asset is managed and on its characteristics of contractual cash flows. The new significant accounting policies are described below:

Financial assets at amortized cost – These assets are subsequently measured at amortized cost using the effective interest method. Amortized cost is reduced by impairment losses. Interest revenues, exchange rate gains and losses are recognized in income (loss). Any gains or losses upon derecognition are recognized in income (loss).

A financial asset is measured at amortized cost if it meets both of the following conditions and when not designated as measured at VJR:

- It is held within a business model, whose purpose is to maintain financial assets in order to receive contractual cash flows; and
- Its contractual terms generate, on specific dates, cash flows related to the payment of principal and interest on the outstanding principal amount.

A debt instrument is measured at VJORA if it meets both of the following conditions and is not designated as measured at VJR:

- It is held in a business model whose objective is achieved by collecting contractual cash flows and selling financial assets; and
- Its contractual terms generate, on specific dates, cash flows solely related to the payment of principal and interest on the outstanding principal amount.

The Company's financial assets are mainly represented by cash and cash equivalents (Note 3), classified at fair value through income (loss), accounts receivable (Note 4), sundry receivables (Note 6) and related-party transactions (Note 9), classified as subsequently measured at amortized cost.

The financial liabilities were classified as measured at amortized cost or at VJR. A financial liability is classified as measured at fair value through profit (loss) if classified as held for trading, derivative or designated as such upon initial recognition. Financial liabilities measured at VJR are measured at fair value and net income, including interest, is recognized in income (loss). Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expenses, exchange rate gains and losses are recognized in income (loss). Any gains or losses upon derecognition are also recognized in income (loss).



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The Company's financial liabilities are substantially represented by related-party transactions (Note 9), loans and financing (Note 10), trade accounts payable (Note 11), accounts payable (Note 13) and Real Estate Receivables Certificates – CRI (Note 15), which are classified as subsequently measured at amortized cost.

#### **Impairment**

Expected credit losses are estimates weighted by the likelihood of credit losses based on historical credit loss experience and projections of related assumptions. Credit losses are measured at present value based on all cash deficiencies (i.e., the difference between cash flows due to the Company according to the contract and cash flows the Company expects to receive). Expected credit losses are discounted at the effective interest rate of the financial asset.

#### **2.6 Accounts receivable**

Units are usually sold during the launch and construction phases of the ventures. Accounts receivable are recognized based on the Percentage of Completion (POC) of the construction applied to revenues from units sold and adjusted according to the provisions of sales contracts, thus determining the amount of accumulated revenues to be recognized, which is then deducted from the installments received.

Accounts receivable are initially recognized at fair value and subsequently measured at amortized cost using the effective interest rate method.

If the accumulated amount of revenue recognized, less received installments, is lower than the expected amount receivable from the total receivables portfolio in a year or less, the revenue recognized is classified under current assets. If not, the exceeding portion is presented as noncurrent assets.

#### **2.7 Properties for sale**

The amount recorded in the inventory corresponds to the incurred cost in the current construction phase of real estate units not yet sold, which is lower than the net realizable value.

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

The cost comprises land, materials, workforce (from third parties) and other costs related to the construction.

The practice adopted for the segregation between current and noncurrent in the account property for sale takes in consideration the expected projects launch. The projects expected to be launched in less than one year are considered in current and the remaining in noncurrent. Such projections are periodically reviewed by the Company's Management.

#### **2.8 Fixed assets**

These are valued at acquisition cost, combined with the deduction of its depreciation, which was calculated using the straight-line method, at the rates mentioned in Note 8.

#### **2.9 Impairment of nonfinancial assets**

The Company evaluates, at least annually, its fixed assets for any indication of impairment. No indication was found that these assets may be impaired; therefore, it was not necessary to recognize impairment losses.

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#### 2.10 Trade accounts payable

Trade accounts payable are obligations payable for assets or services acquired from suppliers in the ordinary course of business. These obligations are classified as current liabilities if their payments are due in less than one year; if not, they are presented as noncurrent liabilities.

Accounts payable are initially recognized at fair value and subsequently measured at amortized cost using the effective interest rate method. In fact, they are normally recognized at the corresponding billed amount.

#### 2.11 Provisions

Provisions are recognized when: (i) the Company has a present or constructive obligation as a result of past events, (ii) it is probable that an outflow of funds is required to settle the obligation, and (iii) the amount can be reliably estimated.

The estimates and assumptions involved in the determination of the amounts provisioned to cover future disbursements during the warranty period of units present a significant risk of material adjustment to subsequent periods. Accordingly, accounting estimates and assumptions are continuously evaluated and based on historic experience and other factors, including expectations of future events considered reasonable for the circumstances.

#### 2.12 Current and deferred Income and Social Contribution taxes

Income and social contribution tax expenses in the period include current and deferred taxes. Income taxes are recognized in the statement of operations.

Current Income and Social Contribution tax charges are calculated according to enacted tax laws at balance sheet date. Management periodically assesses the positions assumed by the Company in income tax returns in relation to the situations in which the applicable tax laws permit interpretations. They establish provisions, where appropriate, based on the estimated values of payment to tax authorities.

As permitted by tax legislation, the Company may choose to calculate its taxes, in each fiscal year, using the criterion of Taxable Income, Deemed Income or Special Taxation Regime (RET); the latter can be adopted according to Law No. 10.931/04 and Normative Instruction No. 1.435/13, applicable to real estate development.

With Deemed Income, taxes are calculated at the rates described below, after applying deemed limits of 8% and 12% on ventures under construction and 32% on service rendering, for Income Tax (IRPJ) and Social Contribution (CSLL) on gross revenue, respectively:

Basis	Taxable income	Deemed profit	RET (Special Tax Regime)
	Income	Gross revenue	Gross revenue
Income tax	15% + 10% (surtax)	15% + 10% (surtax)	1.26%
Social Contribution tax	9%	9%	0.66%
Tax on Sales (PIS)	1.65%	0.65%	0.37%
Tax on Sales (COFINS)	7.60%	3.00%	1.71%

IRPJ and CSLL rates levied on financial revenues are the same and there is no deemed basis in this case. PIS and COFINS rates of 4.65% are also levied on financial revenues.

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Deferred Income and Social Contribution Taxes are recognized on temporary differences arising from real estate revenues taxed on a cash basis and the amount recognized on the accrual basis (Note 2.13).

#### **2.13 Recognition of revenues, costs and expenses**

##### **(a) Revenue recognition process**

In the process of recognizing revenue from contracts with customers, the precepts introduced by NBC TG 47 were adopted as from January 01, 2018, also including the guidelines contained in CVM/SNC/SEP Circular Letter 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 purchase and sale agreements of unfinished real estate units for Brazilian listed companies of the segment of real estate development.

According to NBC TG 47, the recognition of revenue from contracts with customers has new regulatory procedures, based on the transfer of the control of the asset or service promised, whether *at a point in time* or *over time*, as per the fulfillment, or not, of contractual performance obligations. Revenue is measured at the amount that reflects the consideration to which the company expects to be entitled, and is based on a five-step model, as follows: 1) identification of the contract; 2) identification of the performance obligations; 3) determination of the transaction price; 4) allocation of the transaction price to the performance obligations; 5) recognition of revenue.

The Company's business model is mainly based on real estate purchase and sale contracts with "off-plan financing". In this model, generally aimed at the low-income population, the client signs an "off-plan property purchase and sale contract" with the real estate developer, already establishing payment conditions, as follows: (i) Direct payments to the developer; (ii) Bank financing; (iii) Funds from the Severance Pay Fund (FGTS); and (iv) Possible subsidies from government housing programs.

The amounts paid directly to the real estate developer (item (i) above) represent approximately 10% to 15% of the property value, with the remaining value arising from bank financing, FGTS funds and possible subsidies (items from (ii) to (iv) above). After that, the client enters into a bank financing agreement ("private agreement, with characteristics of deed") with a financial institution, including the values of the bank financing, FGTS funds and possible subsidies of government housing programs. The release of these funds will depend on the progress of the construction work, according to the percentage set forth in the Venture Progress Report, and to the physical-finance schedule approved by the financial institution. This monitoring, for the purpose of release of the financing installments, is carried out by the engineering department of the financial institution. Upon the signature of the bank financing agreement, the ownership of the property is transferred to the client, pledged to the respective financial institution.

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Below is a summary of the contracts entered into in the "off-plan financing" type, parties involved, guarantees and existing risks:

<u>Agreement</u>	<u>Parties</u>	<u>Real estate guarantee</u>	<u>Credit risk</u>	<u>Market risk</u>	<u>Cancellation risk</u>
Bank financing	Developer (Sellers); Buyer and Financial Institution (Fiduciary Creditor)	Financial institution (FI)	10% to 15% of the Developer and 85% - 90% of the FI	Buyer and FI	Not applicable. In the event of default by the customer, the FI may consolidate the real estate unit on the customer's behalf for subsequent sale of the property to third parties, in accordance with the procedures set forth in article 27 of Law No. 9.514/97. The amount collected will have as main objective the settlement of the customer's debt balance to the FI.

#### (b) Result of operations of development and sale of real estate

The procedures below are followed for sales of noncompleted units:

- Sales revenues are recognized in income (loss) when there is continuous transfer of control to a financial institution or customer, using the PoC of each project, this percentage being measured at the cost incurred in relation to the total budgeted cost of the respective projects. In the event that, during the period of the customer's approval with the FI, there are indications that the customer's contractual part will not be complied with, a provision for cancellation of the contract in its full amount is established.
- The amounts of sales revenues recognized in excess of the amounts actually received from customers are recorded in current assets or long-term assets under the caption "Accounts receivable". The amounts received related to sale of units in excess of the amounts recognized as revenues are recorded in "Advances from customers";
- Monetary variation in the balance of accounts receivable until the delivery of the keys, as well as the discount to present value of the balance of accounts receivable, are recognized as income (loss) from properties sold when they are incurred, according to the accrual periods on a pro rata basis;
- Costs incurred (including the cost of land and other expenses directly related to the purchase of inventory) by the units sold are fully recognized in income (loss). For real estate units not yet sold, the cost incurred is allocated to inventory (Note 2.7);
- Finance charges of accounts payable due to the acquisition of plots of land and those directly associated with the financing of the construction are capitalized and recorded in inventories of properties for sale and recognized at costs incurred by units under construction until their conclusion, using the same recognition criteria for costs of real estate development proportional to units under construction sold;
- Deferred taxes levied on the differences between revenues earned from real estate development and accumulated revenue submitted to taxation are calculated and reflected in accounting upon recognition of this temporary difference in revenue;

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- Other expenses, including advertising and publicity, are appropriated to income (loss) when incurred.

#### 2.14 Basic and diluted earnings per share

Basic and diluted earnings (losses) per share are calculated through income (loss) attributable to the shareholders of the Company and the weighted average of the outstanding shares in the respective year, taking into consideration, when applicable, the splitting process of the year or subsequent events to the preparation of the interim financial information.

#### 2.15 New pronouncements issued

The International Accounting Standards Board (IASB) issued/revised some IFRS standards to be adopted after 2021, which have not yet been properly amended in Brazilian accounting standards and respective pronouncements. The Company presents below its evaluation of the impacts of the adoption of these standards on its interim financial information:

- Amendment to IAS 16 Fixed Assets - Classification of Proceeds before Intended Use. It elucidates aspects to be considered for the classification of items produced before fixed assets are in the conditions of intended use. This amendment is effective for years beginning on or after 01/01/2022;
- Annual improvements to IFRS 2018-2020, effective for periods beginning on or after 01/01/2022. It amends IFRS 1, addressing aspects of first adoption in a controlled company; IFRS 9, addressing the 10% criterion for reversing financial liabilities; IFRS 16, addressing illustrative examples of leases; and IAS 41, addressing aspects of measurement at fair value. These amendments are effective for years beginning on or after 01/01/2022;
- Amendment to IFRS 3 – It includes conceptual alignments of this standard with the conceptual framework of IFRS standards. This amendment is effective for periods beginning on or after 01/01/2022;
- Amendment to IFRS 17 – It includes elucidation of aspects related to insurance contracts. The amendment to IFRS 17 is effective for periods beginning on or after 01/01/2023;
- Amendment to IAS 1 – Classification of Liabilities as Current or Noncurrent. This amendment elucidates aspects to be considered for the classification of liabilities as current or noncurrent. It is effective for periods beginning on or after 01/01/2023;

Amendment to IFRS 4 - Extension of Temporary Exemptions from Applying IFRS 9 for insurance companies. It elucidates aspects related to insurance contracts and the temporary exemption from applying IFRS 9 to insurance companies. This amendment is effective for periods beginning on or after 01/01/2023.

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#### 3 Cash and cash equivalents

Description	Parent company		Consolidated	
	March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021
Cash and bank current accounts	1,618	2,733	5,134	12,711
Bank Certificates of Deposit (CDBs)	9,331	16,545	9,393	16,674
<b>Total</b>	<b>10,949</b>	<b>19,278</b>	<b>14,527</b>	<b>29,385</b>

CDBs are automatic investments made by financial institutions with immediate liquidity, bearing average interest of 98% of the Interbank Deposit Rate (CDI).

As established by the accounting standards in effect, the Company's Management presents the sensitivity analysis of material balances, considering:

- Probable scenario of interest rate variation estimated by Management:
  - Estimated interest rate: 11% per year.
- Possible scenario of interest rate variation, with deterioration of twenty-five percent (25%), in the risk variable considered as probable:
  - Estimated interest rate: Decrease to 10% per year.
- Remote scenario of interest rate variation, with deterioration of fifty percent (50%), in the risk variable considered as probable:
  - Estimated interest rate: Decrease to 9% per year.

The impacts presented in the table below refer to the total cash balance of the Company for the year.

Balance	Risk of increase in interest rate	Parent company		
		11% p.a. Probable	10% p.a. Possible	9% p.a. Remote
10,949	Accounting effect (cost/expense)	1,204	1,095	985

  

Balance	Risk of increase in interest rate	Consolidated		
		11% p.a. Probable	10 p.a. Possible	9% p.a. Remote
14,527	Accounting effect (cost/expense)	1,598	1,453	1,307

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**4 Accounts receivable**

Description	Consolidated	
	March 31, 2022	December 31, 2021
Recognized sales revenue	735,195	705,775
Discount to present value	(2,928)	(3,111)
Expected Credit Losses (PCE)	(3,015)	(2,653)
(-) Amount received	(657,243)	(631,403)
	<b>72,009</b>	<b>68,608</b>
Other accounts receivable	1,263	878
Current	50,334	44,021
Noncurrent	22,938	25,465

For the calculation of the Discount to present value (AVP), a rate of 5.26% was considered in the first quarter of 2022 (5.26% in 2021).

**a) Net portfolio receivable**

	Consolidated	
	March 31, 2022	December 31, 2021
Accounts receivable from recognized sales	735,195	705,775
(-) Total received	(657,243)	(631,403)
Unrecognized sales revenue (*)	107,710	104,414
Total accounts receivable	185,662	178,786
Advances from customers	(4,561)	(7,057)
Total net portfolio receivable	<b>181,101</b>	<b>171,729</b>

(\*) Subject to effects of discount to present value related to recognition.

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As established in the sales agreements, the accounts receivable are collateralized by the related real estate units. Moreover, the delivery of the keys occurs only if the customer is compliant with the contractual obligations. Therefore, Management considers credit risk in the construction period immaterial. Despite this, the Company identified credits subject to expected credit losses, which were recorded in accounting for monitoring and managing this portfolio.

#### b) Changes in discount to present value

	<b>Consolidated</b>	
	<b>March 31, 2022</b>	<b>December 31, 2021</b>
Initial balance	(3,111)	(1,135)
Additions	(144)	(2,072)
Reversals	327	96
Final balance	<b>(2,928)</b>	<b>(3,111)</b>

#### c) Changes in PCE

	<b>Consolidated</b>	
	<b>March 31, 2022</b>	<b>December 31, 2021</b>
Initial balance	(2,653)	-
Additions	(528)	(2,653)
Reversals	166	-
Final balances	<b>(3,015)</b>	<b>(2,653)</b>

## 5 Properties for sale

Description	Parent company		Consolidated	
	March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021
Land for development (i)	7,953	7,953	233,584	233,871
Properties under construction	-	-	24,556	31,577
Capitalized interest	-	-	7,544	789
Finished properties	-	-	1,640	1,699
Total	<b>7,953</b>	<b>7,953</b>	<b>267,324</b>	<b>267,936</b>
Current	3,780	6,741	40,785	33,756
Noncurrent	4,173	1,212	226,539	234,180

(i) The inventory balances in current assets refer to land for development whose expected time for the launching of the real estate units is less than one year, which is periodically reviewed by Management.



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#### a) Cost of units in inventory

	<b>Consolidated</b>	
	<b>March 31, 2022</b>	<b>December 31, 2021</b>
Total cost incurred	527,178	505,405
Costs allocated from units sold	(493,438)	(471,340)
Cost of units in inventory	<u>33,740</u>	<u>34,065</u>

#### 6 Sundry receivables

Description	<b>Parent company</b>		<b>Consolidated</b>	
	<b>March 31, 2022</b>	<b>December 31, 2021</b>	<b>March 31, 2022</b>	<b>December 31, 2021</b>
Advances to suppliers	2,013	2,025	6,674	5,741
Brasinco Incorporações Ltda. (i)	831	831	831	831
Willian Gadelha (ii)	-	-	4,142	4,142
Brasinco Incorporações Ltda. (iii)	9,361	8,620	9,361	8,620
Others	289	889	289	889
Allowance for doubtful accounts	(10,191)	(9,450)	(10,814)	(9,450)
<b>Total</b>	<u><b>2,302</b></u>	<u><b>2,914</b></u>	<u><b>10,483</b></u>	<u><b>10,773</b></u>
Current	2,302	2,914	6,341	6,631
Noncurrent	-	-	4,142	4,142

(i) The Company is guarantor of a loan obtained by Brasinco Incorporações Ltda. In view of such commitment, payments in this amount were made. There is no other amount payable to the financial institution, only the refund of the amounts paid by Brasinco Incorporações Ltda. remaining.

(ii) This refers to a third-party debt that was subrogated by Sugoi to clear a real estate project, which will be later charged to the respective debtor.

(iii) This line refers to advances made for the future acquisition of the company Brasinco.

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#### 7 Investments

Description	Parent company	
	March 31, 2022	December 31, 2021
Investments in controlled and jointly-controlled companies	154,204	153,311
Provision for unsecured liabilities (b)	14,295	12,751
Investments (a)	168,499	166,062
Reclassification to liabilities(b)	(14,295)	(12,751)
Total	<b>154,204</b>	<b>153,311</b>

#### (a) Changes in investments

Controlled Company	December 31, 2021	Equity in earnings (losses) of controlled company		Increase (decrease) in investments	March 31, 2022
Vista Cantareira Empreendimentos Imobiliários Ltda	6,174	(25)	-	-	6,149
Condomínio Varandas Jardim do Lago Ltda	12,281	259	-	-	12,540
Residencial Monte Serrat SPE Ltda	1,550	(11)	-	-	1,539
Haifa Investimentos e Participações Ltda	(23)	-	-	-	(23)
Residencial São Mateus SPE Ltda	66,576	6,414	-	-	72,990
Residencial Colina Francisco Morato SPE Ltda	(413)	(3)	-	-	(416)
Residencial Bom Retiro SPE Ltda	39,858	(101)	-	-	39,757
Residencial Jacú-Pessegue II SPE Ltda.	(216)	-	-	-	(216)
Residencial Colina Guarapiranga SPE Ltda	(44)	(2)	-	-	(46)
Residencial Paulínia I SPE Ltda	(139)	-	-	-	(139)
Residencial Parque do Carmo SPE Ltda	25,979	3,361	-	-	29,340
Residencial Idemori SPE Ltda	(548)	-	-	-	(548)
Sugoi Projeto SPE Ltda	(86)	-	-	-	(86)
Residencial Sports Gardens da Amazônia Ltda	9,625	(3,444)	-	-	6,180
Sugoi Inovare Empreendimentos Imobiliários Ltda.	(8)	-	-	-	(8)
Residencial Portal do Belo Horizonte SPE Ltda.	(35)	-	-	-	(35)
Residencial Barcelona SPE Ltda.	(2,567)	(1)	-	-	(2,568)
Condomínio Varandas Jardim do Lago II SPE Ltda.	(1,251)	(1,002)	-	-	(2,253)
Residencial Isabel Ferrari SPE Ltda.	(35)	-	-	-	(35)
Residencial São Jose SPE Ltda	(1,667)	(358)	-	-	(2,025)
Residencial Jacú-Pessegue I SPE Ltda.	(27)	-	-	-	(27)
Sugoi Residencial I SPE Ltda	(22)	-	-	-	(22)
Sugoi Residencial II SPE Ltda	(13)	-	-	-	(13)
Sugoi Residencial III SPE Ltda	(10)	-	-	-	(10)
Residencial Via Verde SPE Ltda	(1)	-	-	-	(1)
Sugoi Residencial IV SPE Ltda.	(5)	-	-	-	(5)
Sugoi Residencial V SPE Ltda.	(554)	(257)	-	-	(810)
Sugoi Residencial VI SPE Ltda.	(195)	(10)	-	-	(205)
Sugoi Residencial VII SPE Ltda	(2)	-	-	-	(2)

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Sugoi Residencial VIII SPE Ltda	(5)	-	-	(5)
Sugoi Residencial IX SPE Ltda	(502)	93	-	(409)
Sugoi Residencial XI SPE Ltda	(19)	(1)	-	(20)
Sugoi Residencial XIII SPE Ltda	(258)	-	-	(258)
Sugoi Residencial XIV SPE Ltda	(2)	-	-	(2)
Sugoi Residencial X SPE LTDA	(26)	-	-	(26)
Sugoi Residencial XII SPE LTDA	(6)	-	-	(6)
Sugoi Residencial XV SPE LTDA	(37)	-	-	(37)
Sugoi Residencial XVI SPE LTDA	(19)	(1)	-	(20)
Sugoi Residencial XVII SPE Ltda	(1)	-	-	(1)
Sugoi Residencial XVIII SPE Ltda	(21)	-	-	(21)
Sugoi Residencial XIX SPE Ltda	(2)	-	-	(2)
Sugoi Residencial XX SPE Ltda	(11)	-	-	(11)
Sugoi Residencial XXI SPE Ltda	(214)	-	-	(214)
Sugoi Residencial XXII SPE Ltda	(3)	-	-	(3)
Sugoi Residencial XXIII SPE Ltda	(1)	-	-	(1)
Sugoi Residencial XXIV SPE Ltda	(1)	-	-	(1)
Residencial Vila União SPE LTDA	(1)	-	-	(1)
Residencial Atibaia SPE Ltda	(1)	-	-	(1)
Residencial Bragança SPE Ltda	(1)	-	-	(1)
Sugoi Residencial XXXVII SPE Ltda	(1)	-	-	(1)
Sugoi Residencial XXXVIII SPE Ltda	(1)	-	-	(1)
Sugoi Residencial XXIX SPE Ltda	(1)	-	-	(1)
Sugoi Residencial XXX SPE Ltda	(1)	-	-	(1)
Sugoi Residencial XXXI SPE Ltda	(1)	-	-	(1)
Sugoi Residencial XXXII SPE Ltda	(1)	-	-	(1)
Sugoi Residencial XXXIII SPE Ltda	(1)	-	-	(1)
Sugoi Residencial XXXIV SPE Ltda	(1)	-	-	(1)
Sugoi Residencial XXXV SPE Ltda	(1)	-	-	(1)
Sugoi Residencial XXVI SPE Ltda	(1)	-	-	(1)
HTG Infraestrutura e Participação Ltda.	(3,745)	-	-	(3,745)
Sugoi LLC	4,016	-	(4,016)	-
	<b>153,311</b>	<b>4,909</b>	<b>(4,016)</b>	<b>154,204</b>

## 8 Fixed assets

Description	Depreciation rate	Parent company		Consolidated	
		March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021
Facilities	10% p.a.	43	43	43	43
Furniture and fixtures	10% p.a.	124	124	124	124
Machinery and equipment	20% p.a.	212	210	407	401,5
Improvements	20% p.a.	31	31	31	31
Vehicles	20% p.a.	0	0	796	735
Properties	4% p.a.	97	88	136	341
Use rights	10% p.a.	1,005	1,005	1,005	1,005
<b>Total</b>		<b>1,512</b>	<b>1,501</b>	<b>2,542</b>	<b>2,681</b>
Accumulated depreciation		(229)	(218)	(249)	(234)
Accumulated amortization		(21)		(21)	
<b>Total</b>		<b>1,262</b>	<b>1,283</b>	<b>2,272</b>	<b>2,447</b>

SUGOI S.A.

Notes to the individual and consolidated interim financial information

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**(a) Changes in fixed assets**

Description	Parent company				Consolidated			
	December 31, 2021	Additions	Write-offs	March 31, 2022	December 31, 2021	Additions	Write-offs	March 31, 2022
Facilities	43	-	-	43	43	-	-	43
Furniture and fixtures	124	-	-	124	124	-	-	124
Machinery and equipment	210	2	-	212	402	5	-	407
Improvements	31	-	-	31	31	-	-	31
Vehicles	-	-	-	-	735	98	(37)	796
Properties	88	9	-	97	341	62	(267)	136
Right of use of property	1,005	-	-	1,005	1,005	-	-	1,005
<b>Total</b>	<b>1,501</b>	<b>11</b>	<b>-</b>	<b>1,512</b>	<b>2,681</b>	<b>165</b>	<b>(304)</b>	<b>2,542</b>
Accumulated depreciation	(218)	-	(11)	(229)	(234)	-	(15)	(249)
Accumulated amortization	-	-	(21)	(21)	-	-	(21)	(21)
<b>Total</b>	<b>1,283</b>	<b>11</b>	<b>(32)</b>	<b>1,262</b>	<b>2,447</b>	<b>165</b>	<b>(340)</b>	<b>2,272</b>

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### Notes to the individual and consolidated interim financial information

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#### 9 Related-party transactions

Description	Parent company		Consolidated	
	March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021
Noncurrent assets	71,776	69,383	16,121	15,852
Current liabilities	(114,817)	(112,971)	(1,558)	(458)
<b>Total</b>	<b>(43,041)</b>	<b>(43,588)</b>	<b>(14,563)</b>	<b>15,394</b>

Description (assets)	Parent company		Consolidated	
	March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021
Haifa Investimentos e Participações Ltda	25	25	-	-
Dahab Brasil S.A	942	942	942	942
Vista Cantareira Empreendimentos Imobiliários Ltda	-	-	222	222
Dahab Participações Ltda	7	7	7	7
Residencial São Mateus SPE Ltda	-	-	1,739	1,739
Residencial Colina Francisco Morato SPE Ltda	1,635	1,626	-	-
Residencial Bom Retiro SPE Ltda	-	-	11,150	11,150
Residencial José Vigna Talhado SPE Ltda	631	624	-	-
Residencial Colina Guarapiranga SPE Ltda	1,088	1,085	-	-
Residencial Paulínia I SPE Ltda	141	141	-	-
Residencial Parque do Carmo SPE Ltda	-	-	320	164
Residencial Idemori SPE Ltda	586	586	-	-
Sugoi Projeto SPE Ltda	92	92	-	-
Residencial Sports Gardens da Amazônia Ltda.	18,256	20,171	-	-
Sugoi N Empreendimentos Imobiliários Ltda.	516	516	-	-
Residencial Portal do Belo Horizonte SPE Ltda	602	602	-	-
Residencial Barcelona SPE Ltda	2,702	2,701	-	-
Condomínio Varandas Jardim do Lago II	6,039	4,729	-	-
Residencial Isabel Ferrari SPE Ltda	269	269	-	-
Tsuri Brasil Ltda.	310	177	310	177
Residencial São José SPE Ltda.	4,613	4,086	-	-
Residencial Jacú-Pessegueiro I SPE Ltda.	627	569	-	-
Sugoi Residencial I SPE Ltda	395	391	-	-

## SUGOI S.A.

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Sugoi Residencial II SPE Ltda	756	729	-	-
Sugoi Residencial III SPE Ltda	560	560	-	-
Sugoi Residencial Via Verde SPE Ltda	2	2	-	-
Sugoi Residencial IV SPE Ltda	73	73	-	-
Sugoi Residencial V SPE Ltda	539	777	-	-
Sugoi Residencial VI SPE Ltda	18,750	17,150	-	-
Sugoi Residencial VII SPE Ltda	3	3	-	-
Sugoi Residencial VIII SPE Ltda	810	810	-	-
Sugoi Residencial IX SPE Ltda	3,840	3,486	-	-
Tsuri Acre Ltda	16	16	16	16
Sugoi Residencial XI SPE Ltda	723	722	-	-
Sugoi Residencial XIII SPE Ltda	2,537	2,526	-	-
Sugoi Residencial XIV SPE Ltda	2	2	-	-
Sugoi Residencial X SPE Ltda	27	27	-	-
Sugoi Residencial XII SPE Ltda	25	25	-	-
Sugoi Residencial XVI SPE Ltda	121	121	-	-
Sugoi Residencial XV SPE Ltda	39	39	-	-
Residencial Guarapiranga SPE Ltda	32	18	32	18
Sugoi Residencial XXIV SPE Ltda	2	2	-	-
Sugoi Residencial XXIII SPE Ltda	12	12	-	-
Sugoi Residencial XXII SPE Ltda	1,493	1,005	-	-
Sugoi Residencial XIX SPE Ltda	140	137	-	-
Sugoi Residencial XX SPE Ltda	49	49	-	-
Sugoi Residencial XXI Ltda	225	224	-	-
Sugoi Residencial XVII SPE Ltda	1	1	-	-
Sugoi Residencial XVIII SPE Ltda	477	472	-	-
Residencial Vila União SPE LTDA	75	65	-	-
Residencial Atibaia SPE Ltda	86	84	-	-
Residencial Bragança SPE Ltda	44	42	-	-
Sugoi Residencial XXVII Spe Ltda	1	-	-	-
Sugoi Residencial XXVIII Spe Ltda	2	-	-	-
Sugoi Residencial XXIX Spe Ltda	1	-	-	-
Sugoi Residencial XXX Spe Ltda	1	-	-	-
Sugoi Residencial XXXI Spe Ltda	1	-	-	-

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### Notes to the individual and consolidated interim financial information

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Sugoi Residencial XXXII Spe Ltda	1	-	-	-
Sugoi Residencial XXXIII Spe Ltda	1	-	-	-
Sugoi Residencial XXXIV Spe Ltda	1	-	-	-
Sugoi Residencial XXXV Spe Ltda	1	-	-	-
Sugoi Residencial XXVI Spe Ltda	1	-	-	-
Thiago de Oliveira Andrade Pazinato.	393	419	393	419
Ronaldo Yoshio Akagui	438	446	438	446
Loan agreement - Ricardo Aflalo (Varandas 03)	-	-	373	373
Loan agreement - Fábio Benedicto Folco (Varandas 03)	-	-	179	179
<b>Total</b>	<b>71,777</b>	<b>69,383</b>	<b>16,121</b>	<b>15,852</b>

Description (liabilities)	Parent company		Consolidated	
	March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021
Condomínio Varandas Jardim do Lago	11,444	11,514	-	-
Vista Cantareira Empreendimentos Imobiliários Ltda	6,364	6,402	-	-
Residencial Monte Serrat Ltda	363	378	-	-
Residencial Parque do Carmo SPE Ltda	9,116	5,965	1,100	-
Residencial São Mateus SPE Ltda	56,167	57,353	-	-
Kibutz Administração e Participações Ltda	108	108	108	108
Residencial Bom Retiro SPE Ltda	31,135	31,131	-	-
Residencial Sports Gardens da Amazônia Ltda.	-	-	199	199
Residencial Colina Guarapiranga SPE Ltda	-	-	31	31
Montanha Vermelha Participações S.A.	120	120	120	120
<b>Total</b>	<b>114,817</b>	<b>112,971</b>	<b>1,558</b>	<b>458</b>
Current	114,817	112,971	1,558	458
Noncurrent	-	-	-	-

The balances of the accounts held with controlled and jointly-controlled companies represent loans transactions through intercompany loans in current account, with no levy of finance charges and no previously defined maturity.

The balances receivable by the parent company refer to funds transferred to its controlled and jointly-controlled companies for real estate development projects in those companies. The liability balances refer to receipts of funds from controlled and jointly-controlled companies, resulting from payments made by the customers for the sale of real estate units.

SUGOI S.A.

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10 Loans and financing

Type	Financial institution	Guarantees	Type	Commissions and interest rate	Parent Company		Consolidated	
					March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021
CCB	Caixa Econômica Federal	Pledge of property	Corporate	CDI + 3.91% p.a.	5,000	5,000	5,000	5,000
SFH	Caixa Econômica Federal	None	Venture	Up to 11% p.a.	-	-	9,047	11,108
FINAME	Santander	None	Venture	SELIC + 5.54% p.a.	-	-	13,134	15,603
CCB	Banco Daycoval	Investment Guarantee Fund (FGI) - BNDES	Corporate	14.02% p.a.	1,036	1,158	1,036	1,158
CCB	Banco ABC	CDB R\$ 2MM + BNDES FGI	Corporate	CDI + 6.73% p.a.	6,965	7,681	6,965	7,681
CCB	Banco PINE	Pledge of property	Corporate	CDI + 8.02% p.a.	5,099	5,542	5,099	5,542
Overdraft protection	Caixa Econômica Federal	None	Corporate	8% p.m.	998	1,000	998	1,000
Overdraft protection	Banco PINE	None	Corporate	8% p.m.	300	28	300	82
Overdraft protection	Banco ABC Brasil S.A.	None	Corporate	8% p.m.	1,003	1,029	1,002	1,029
					<b>20,401</b>	<b>21,438</b>	<b>42,581</b>	<b>48,203</b>
Current					12,329	11,697	28,184	30,434
Noncurrent					8,072	9,741	14,397	17,769

Changes in indebtedness:

Financial Institution	Type	Parent Company					March 31, 2022
		December 31, 2021	Raising	Appropriation of charges	Payment of principal	Payment of interest	
Caixa Econômica Federal	Working capital	5,000	-	263	-	(263)	5,000
Banco Pine	CCB	5,542	-	257	(389)	(311)	5,099
Banco Daycoval S.A.	CCB	1,158	-	32	(117)	(37)	1,036
Banco ABC Brasil S.A.	CCB	7,681	-	350	(714)	(352)	6,965
Caixa Econômica Federal	Overdraft protection	1,000	-	-	-	(2)	998
Banco Itaú	Overdraft protection	28	-	-	-	(28)	-
Banco Pine	Overdraft protection	-	300	-	-	-	300
Banco ABC Brasil S.A.	Overdraft protection	1,029	2	-	-	(28)	1,003
		<b>21,438</b>	<b>302</b>	<b>902</b>	<b>(1,220)</b>	<b>(1,021)</b>	<b>20,401</b>



## SUGOI S.A.

### Notes to the individual and consolidated interim financial information

As at March 31, 2022, and December 31, 2021

In thousands of Brazilian reais, unless otherwise stated

							Consolidated
Financial Institution	Type	December 31, 2021	Raising	Appropriation of charges	Payment of principal	Payment of interest	March 31, 2022
Caixa Econômica Federal	Working capital	5,000	-	263	-	(263)	5,000
Banco Pine	CCB	5,542	-	257	(389)	(311)	5,099
Banco Daycoval S.A.	CCB	1,158	-	32	(117)	(37)	1,036
Banco ABC Brasil S.A.	CCB	7,681	-	350	(714)	(352)	6,965
Caixa Econômica Federal	SFH	11,108	3,480	334	(5,360)	(515)	9,047
Banco Santander	Finame	15,603	-	649	(2,543)	(576)	13,133
Caixa Econômica Federal	Overdraft protection	1,000	-	-	-	(2)	998
Banco Itaú	Overdraft protection	82	-	-	-	(82)	-
Banco Pine	Overdraft protection	-	300	-	-	-	300
Banco ABC Brasil S.A.	Overdraft protection	1,029	2	-	-	(28)	1,003
		<b>48,203</b>	<b>3,782</b>	<b>1,885</b>	<b>(9,123)</b>	<b>(2,166)</b>	<b>42,581</b>

The balances by maturity year are as follows:

Year	Parent company		Consolidated	
	March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021
2022	9,794	11,697	23,770	30,434
2023	2,535	6,275	4,414	14,302
2024	4,441	3,466	10,766	3,467
2025	3,631	-	3,631	-
	<b>20,401</b>	<b>21,438</b>	<b>42,581</b>	<b>48,203</b>

The loans have as guarantee the pledge of properties from controlled companies or portfolio of receivables. In turn, the SFH contract has as guarantee the pledge of the land of the financed venture, as well as the financing (related credits) from customers. Loan agreements have no related covenants.

As established by the accounting standards in effect, the Company's Management presents the sensitivity analysis of material balances, considering:

- Probable scenario of interest rate variation estimated by Management:
  - Estimated interest rate: 9% per year.
- Possible scenario of interest rate variation, with deterioration of twenty-five percent (25%), in the risk variable considered as probable:
  - Estimated interest rate: Increase to 10% per year.
- Remote scenario of interest rate variation, with deterioration of fifty percent (50%), in the risk variable considered as probable:
  - Estimated interest rate: Increase to 11% per year.

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The impacts presented in the chart below refer to total outstanding debt balance.

		<b>Parent company</b>		
<b>Balance</b>	<b>Risk of increase in interest rate</b>	<b>11% p.a.</b>	<b>10% p.a.</b>	<b>9% p.a.</b>
		<b>Probable</b>	<b>Possible</b>	<b>Remote</b>
20,401	Accounting effect (cost/expense)	2,244	2,040	1,836

  

		<b>Consolidated</b>		
<b>Balance</b>	<b>Risk of increase in interest rate</b>	<b>11% p.a.</b>	<b>10% p.a.</b>	<b>9% p.a.</b>
		<b>Probable</b>	<b>Possible</b>	<b>Remote</b>
42,581	Accounting effect (cost/expense)	4,684	4,258	3,832

11 Trade accounts payable

<b>Maturity</b>	<b>Parent company</b>		<b>Consolidated</b>	
	<b>March 31, 2022</b>	<b>December 31, 2021</b>	<b>March 31, 2022</b>	<b>December 31, 2021</b>
Overdue	715	647	15,504	16,333
Falling due in up to 30 days	304	167	4,501	9,930
Falling due between 31 and 60 days	3	1	2,742	1,342
Falling due between 61 and 90 days	32	-	59	181
Falling due between 91 and 120 days	-	-	180 34	103
Falling due between 121 and 180 days	-	-	156 147	201
Falling due after 180 days	-	-	638	642
Total falling due	339	168	8,121	13,236
Total	<b>1,054</b>	<b>815</b>	<b>23,625</b>	<b>29,569</b>

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**12 Labor and tax liabilities**

Description	Parent company		Consolidated	
	March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021
Tax liabilities	501	501	503	503
Labor liabilities	257	268	374	430
Taxes withheld at source	752	693	2,787	2,751
Special Tax Regime (RET) -				
Current	-	-	7,495	6,339
RET - Deferred	-	-	2,856	2,592
<b>Total</b>	<b>1,510</b>	<b>1,462</b>	<b>14,015</b>	<b>12,615</b>
Current	1,510	1,462	11,159	9,969
Noncurrent	-	-	2,856	2,646

**13 Accounts payable**

Description	Parent company		Consolidated	
	March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021
Acquisition of ownership interest (i)	368	1,002	368	1,002
Commission on plots of land	-	-	500	500
Contract cancellations payable	-	-	177	65
Rents payable	1,005	1,004	1,005	1,005
Others	1	-	2	283
<b>Total</b>	<b>1,374</b>	<b>2,006</b>	<b>2,052</b>	<b>2,855</b>
Current	841	1,350	1,019	1,493
Noncurrent	533	656	1,033	1,362

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**14 Advances from customers and others**

Description	Parent company		Consolidated	
	March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021
Advances from customers - real estate developments	-	-	11,415	7,033
Creditors from acquired properties	5,998	5,998	176,013	180,840
Others	-	-	16	-
<b>Total</b>	<b>5,998</b>	<b>5,998</b>	<b>187,443</b>	<b>187,873</b>
Current	4,621	5,998	27,567	22,314
Noncurrent	1,377	-	159,876	165,559

In certain land acquisition transactions, the Company conducted the barter with units to build. These barter transactions were recorded at fair value as land bank for development against advances from customers, considering the lump sum amount of real estate units given as dation in payment, and those barter transactions are recognized in the statement of operations, considering the same assumptions used for the recognition of sales of real estate units.

**15 Real Estate Receivables Certificates (CRI)**

Financial institution	Type	Guarantees	Interest rate	Parent company		Consolidated	
				March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021
Travessia Securitizadora	(CRI - 39th series)	Pledge of property	DI + 7% p.a.	26,559	29,167	26,559	29,167
Travessia Securitizadora	(CRI - 60th series)	Pledge of property	DI + 7% p.a.	30,202	30,000	30,202	30,000
<b>Total</b>				<b>56,761</b>	<b>59,167</b>	<b>56,761</b>	<b>59,167</b>
Current				12,146	10,000	12,146	10,000
Noncurrent				44,615	49,167	44,615	49,167

## SUGOI S.A.

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#### Changes in CRI:

Financial Institution	Type						Consolidated
		December 31, 2021	Raising	Appropriation of charges	Payment of principal	Payment of interest	March 31, 2022
Travessia Securitizadora	(CRI - 39th series)	29,167	-	1,283	(2,500)	(1,391)	26,559
Travessia Securitizadora	(CRI - 60th series)	30,000	-	1,348	-	(1,146)	30,202
<b>Total</b>		<b>59,167</b>	<b>-</b>	<b>2,631</b>	<b>(2,500)</b>	<b>(2,537)</b>	<b>56,761</b>

#### The payment schedule of loans installments is as follows:

Year	Consolidated	
	March 31, 2022	December 31, 2021
2022	7,502	10,000
2023	18,571	18,571
2024	17,629	17,739
2025	8,571	8,571
2026	4,488	4,286
	<b>56,761</b>	<b>59,167</b>

Balance	Risk of increase in interest rate	9% p.a. Probable	10% p.a. Possible	11% p.a. Remote
56,761	Accounting effect (cost/expense)	5,325	5,917	6,508

The CRIs are adjusted at the CDI plus annual interest of 7% on the nominal value, calculated on a business day pro rata basis, with monthly payments as from May 2021 and maturing in June 2026.

#### 16 Provisions

Description	Consolidated	
	March 31, 2022	December 31, 2021
Provision for guarantee (i)	3,907	3,515
Provision for contingencies (ii)	117	197
	<b>4,024</b>	<b>3,712</b>

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- (i) Provisions for guarantees refer to the estimate of expenses to be incurred by the Company with the existing guarantees related to the period after the delivery of the keys of real estate units. The guarantee period is calculated based on an average of expenses incurred in the last 5 years, which is the best estimate of the Company's Management. The estimate was made based on historical information on guarantee and may vary as a result of the use of new materials, construction modifications and other events that directly affect the units built.
- (ii) In the ordinary course of conducting its business, the Company is involved in labor, civil and tax proceedings. Management, relying on its legal counsel's opinion or that of other specialists, when applicable, evaluates the possible outcome of ongoing lawsuits, and the need of setting up provisions for contingencies arising from them. The provision recognized in Consolidated amounting to R\$ 117 thousand (R\$ 197 thousand as at December 31, 2021) refers to civil and labor proceedings in progress, whose likelihood of loss is considered probable by the Company's legal counselors. In addition to the referred amount, R\$ 3,531 thousand for the Consolidated (R\$ 1,988 thousand as at December 31, 2021) also due to labor and civil lawsuits, was assessed by the Company's legal counselors as possible loss, which is the reason why Management did not record this amount in the interim financial information.

## 17 Equity

### (a) Capital

Capital consists of one million (1,000,000) shares, fully paid-in, and distributed as follows:

	March 31, 2022	December 31, 2021
Number of shares		
Ronaldo Yoshio Akagui	500,000	500,000
Thiago de Oliveira Andrade Pazinato	500,000	500,000
Total	<u>1,000,000</u>	<u>1,000,000</u>

Pursuant to the 7th amendment to the articles of organization entered into on February 03, 2016, Sugoi changed its legal classification and corporate name and became a corporation, governed by Law No. 6.404, of December 15, 1976 ("Brazilian Corporate Law").

According to the minutes of the General Meeting held on November 24, 2016, Kibutz Participações Ltda. transfers its common registered shares to Kibutz Administração e Participações S.A.

The Company structured the CVM category A registration granted on July 19, 2016, and is currently registered under code "CVM 23957".

In accordance with the corporate restructuring conducted by the Company on November 29, 2020, "relevant fact", Kibutz Administração e Participações S.A. is no longer the operating holding of Sugoi S.A. and the control was transferred to the direct shareholders.

### (b) Income

In accordance with the articles of organization, profit calculated at the end of each year can be distributed, retained (fully or partially) or capitalized, as determined by all shareholders. There is no established minimum amount to be distributed. Therefore, profits amounting to R\$ 1MM were distributed to Residencial São Mateus.

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#### (c) Earnings (losses) per share

The table below shows the consolidated income (loss) and the calculation of basic and diluted earnings (losses) per share:

	March 31, 2022	December 31, 2021
Net income (loss) (in Brazilian Reais)	(3,327,000)	6,337,000
Number of shares	1,000,000	1,000,000
	<u>(3,327)</u>	<u>6,337</u>

Basic earnings (losses) per share are calculated by dividing income (loss) attributable to the Company's controlling shareholders by the weighted average number of common shares outstanding during the period, as established by NBC TG 41 (R2) (CVM Resolution No. 636/10) – Earnings per share.

Diluted earnings (losses) per share are calculated by adjusting the weighted average number of outstanding common shares to assume the conversion of all potential diluted common shares.

There is no difference between basic earnings (losses) per share and diluted earnings (losses) since there are no potential common shares which could be issued in the future and converted.

#### 18 Net revenues and gross profit

The reconciliation between gross and net operating revenues is as follows:

Description	Consolidated	
	March 31, 2022	March 31, 2021
Revenue from properties	34,894	47,924
Cancelled sales	(16)	(508)
Gross operating revenue	<u>34,878</u>	<u>47,416</u>
Taxes levied	(711)	(1,968)
Net operating revenue	<u>34,167</u>	<u>45,448</u>
Costs relating to land, development and construction	(22,584)	(31,682)
Gross profit	<u>11,583</u>	<u>13,766</u>
Gross margin percentage - %	<u>33.9%</u>	<u>30.3%</u>

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19 Expenses by type

Description	Parent company		Consolidated	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
<b>Selling expenses</b>				
Commissions	-	-	(1.106)	(2.520)
Advisory and consulting	-	(473)	(131)	(474)
Advertising and publicity	-	(950)	(1.020)	(3.192)
Expenses on sales stands and show apartments	-	-	(400)	(335)
Rent expenses	-	-	(126)	145
Insurance	-	(14)	-	(25)
Other selling expenses	-	(12)	(38)	(2)
	-	(1.449)	(2.821)	(6.403)
<b>Description</b>				
<b>General and administrative expenses</b>				
Advisory and consulting	(2,187)	(952)	(2,769)	(1,623)
Personnel expenses	(1,375)	(1,381)	(1,441)	(1,473)
Rent expenses	(247)	(294)	(251)	(294)
Expenses on office materials	(134)	(174)	(262)	(508)
Depreciation	(32)	(10)	(36)	(11)
Expenses on notary's office and registry	(9)	(21)	(172)	(36)
Provision for contingencies	-	-	-	-
Insurance	-	-	(63)	(139)
Allowance for doubtful account	-	(741)	-	(741)
Other administrative expenses	(202)	(556)	(280)	(905)
	(4,186)	(4,129)	(5,274)	(5,730)
	(4,186)	(5,578)	(8,095)	(12,133)



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**20. Net financial income (loss)**

	Parent company		Consolidated	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Financial expenses				
Discounts granted	-	-	-	(17)
Interest losses	(2,120)	(1,674)	(3,439)	(2,240)
Late payment fine	(101)	(1)	(231)	(187)
Bank fees	(31)	(75)	(146)	(276)
	<b>(2,252)</b>	<b>(1,750)</b>	<b>(3,816)</b>	<b>(2,720)</b>
Financial revenues				
Discounts obtained	-	20	15	14
Interest from financial investments	277	-	301	29
	<b>277</b>	<b>20</b>	<b>316</b>	<b>43</b>
	<b>(1,975)</b>	<b>(1,730)</b>	<b>(3,500)</b>	<b>(2,677)</b>

**21 Real estate projects under development**

Description	March 31, 2022	March 31, 2021
Unrecognized contracted sales (Note 4)	107,710	157,642
Contributions levied on sales	(4,308)	(6,306)
	<b>103,402</b>	<b>151,336</b>
Cost to incur of units sold	(74,840)	(107,706)
	<b>28,562</b>	<b>43,630</b>
Percentage of unrecognized gross margin	27.6%	28.8%

(a) The table below shows the appropriated income of the project under construction.

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Description	March 31, 2022	March 31, 2021
Recognized revenue	735,195	420,939
Contributions levied on revenues	(29,408)	(16,838)
	705,787	404,101
Appropriated cost	(493,439)	(266,195)
Gross profit	212,348	137,906
Recognized gross margin - %	30.09%	34.13%

(b) The table below shows the total budgeted cost to be incurred in the project.

Description	March 31, 2022	March 31, 2021
Sold units under construction	74,840	107,706
Not sold units under construction	57,502	34,559
Budgeted cost to be incurred	132,342	142,265
Inventory - Real estate under construction	24,556	23,491
Total cost to be recognized in the future	156,898	165,756

## 22 Insurance

The Company has insurance at amounts considered sufficient by Management to cover eventual risks on its assets and/or liabilities.

The work scope of the auditors does not include an opinion on the sufficiency of insurance coverage.

## 23 Risk and financial instrument management

### (a) Risk management

The Company has transactions with financial instruments. These instruments are managed through operational strategies and internal controls, aiming to ensure liquidity, profitability, and security. The engagement of financial instruments for hedging purposes is made by means of periodical analysis of the exposure to the risk intended to be hedged by Management. The control policy consists of permanently crosschecking agreed conditions against market conditions in effect.

The Company does not invest in derivatives or any other risk financial instruments for speculation purposes.

The amounts of asset and liability financial instruments included in the individual and consolidated interim financial information were determined according to the criteria and accounting practices disclosed in specific notes.

## SUGOI S.A.

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The Company is exposed to the following risks resulting from the use of financial instruments:

	Parent company		Consolidated		Classification
	03/31/2022	12/31/2021	03/31/2022	12/31/2021	
<b>FINANCIAL ASSETS</b>					
Cash and cash equivalents	10,949	19,278	14,527	29,385	Fair value through income (loss)
Trade accounts receivable	-	-	73,272	69,486	Amortized cost
Related-party transactions	71,776	69,383	16,121	15,852	Amortized cost
<b>FINANCIAL LIABILITIES</b>					
Trade accounts payable	1,054	815	23,625	29,569	Amortized cost
Loans, financing and debentures	77,162	80,605	99,342	107,370	Amortized cost
Plots of land payable	4,621	5,998	187,443	187,873	Amortized cost
Related-party transactions	114,817	112,971	1,558	458	Amortized cost

### **Credit risk**

Credit risk results from the possibility of the Company incurring losses arising from the default of their customers. In order to reduce these risks, the Company analyzes the financial and equity position of its customers, therefore managing the credit risk by means of program for credit granting and qualification.

<u>Book value</u>	Consolidated	
	03/31/2022	12/31/2021
Trade accounts receivable - 4	73,272	69,486

### **Interest rate risk**

Interest rate risk relates to the possibility of the Company reporting gains or losses on fluctuations in interest rates on its financial assets and liabilities. To mitigate such risks, the Company has contracts which ballast the financial assets and liabilities, through fixed rates.

Risk increase operation	Position as at 03/31/2022	Risk factor	Consolidated		
			Scenario I	Scenario II	Scenario III
<b>Assets:</b>					
Cash and cash equivalents	14,527	CDI	11.75%	8.81%	5.87%
Projected financial revenues	-	-	1,707	1,280	853
<b>Liabilities:</b>					
Loans and financing	99,342	CDI	11.75%	14.68%	17.62%
Projected financial expenses	-	-	11,673	14,583	17,504

### **Market risk**

Market risk results from the possibility of fluctuations in the market prices of the raw materials and inputs used in the construction process of real estate units. These price fluctuations may cause significant changes in the costs of the Company's inventories. To mitigate these risks, the Company manages the buffer stocks of these raw materials and inputs.

### **Liquidity risk**

Liquidity risk results from the possibility of reduction in funds intended to pay debts. Management monitors the continual projections of liquidity requirements of the Company to guarantee that it has sufficient cash to meet its operating needs.

Additionally, the Company has balances of financial investments that can be redeemed at any time to cover possible mismatches between the maturity of its contractual obligations and its cash generation.

### **Operational risk**

Operational risk is the risk of direct or indirect losses due to a range of causes connected with the Company's proceedings, personnel, technology, infrastructure and external factors, except credit, market and liquidity risks, as those resulting from statutory and regulatory requirements and generally accepted business standards. Operational risks arise from all the Company's transactions.

The Company's purpose is to manage its operational risk to avoid financial losses and negative effects on its reputation, seeking cost cuts to avoid control procedures that curb initiative and creativity.

Top management has the main responsibility for developing and implementing controls to address operating risks. This responsibility is supported by the development of general standards for managing operating risks in the following areas:

- Requirements for an adequate segregation of duties, including independent authorization for operations;
- Requirements for reconciling and monitoring transactions;
- Compliance with regulatory and legal requirements;
- Documentation of controls and procedures;
- Requirements for periodically assessing operating risks and the adequacy of controls and procedures applied to tackle identified risks;
- Requirements to report operating losses and proposed corrective actions;
- Development of contingency plans;
- Professional training and development;
- Ethical and business standards;
- Mitigation of risk, including insurance, when efficient.

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#### (b) Financial instruments

For disclosure purposes, the fair values of the financial assets and liabilities, together with their carrying amounts, are presented in the statement of financial position in the line items of cash and cash equivalents, financial investments, accounts receivable and other accounts receivable, trade accounts payable, other accounts payable, loans and financing, and related-party transactions.

	Note	Consolidated	
		03/31/2022	12/31/2021
Book value			
Cash and cash equivalents	3	14,527	29,385
Trade accounts receivable	4	73,272	69,486
Total		87,799	98,871

#### (c) Capital management

The Company manages its capital with the objective of safeguarding the continuity of return to its shareholders and benefiting other stakeholders, in addition to maintaining an ideal capital structure to invest in its growth.

#### (d) Derivative financial instruments

The Company does not conduct transactions with derivatives for the purpose of reducing or eliminating risks inherent to its operations.

## 24 Pandemic – Covid-19 – Coronavirus

The Company has adopted measures to mitigate the transmission of the virus at each work point, whether at construction sites, points of sale or its head office. The Company adopted practices of hygiene with greater frequency, daily audit of controls, flexibility in working hours and adoption of the remote work regime, meeting the guidelines of the World Health Organization (WHO) and Health Surveillance seeking to preserve the physical and psychological health of its employees, including dismissal from work for all individuals over 60 years of age.

The operations continue on the construction sites, still with immaterial impacts, and the Company believes that, in this sense, there should be no significant interference in the execution of the projects. However, eventual external restrictions, such as public transportation of employees, supply of inputs and raw materials essential for the continuity of the work, may have a significant impact, a possibility that cannot be considered and measured at this time.

The Company redirected sales force to serve our client at a distance, expanding the online dissemination of the projects, through applications and social networks and maintains daily contact with the Top Management to monitor of the scenario and prompt decision making.

Regarding the Company's operational/financial measures due to the pandemic, we point out the following:

Negotiation with suppliers and business partners, and registration with government incentive packages to preserve cash and to increase in the Company's liquidity index.

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Adjustment of projects under development considering launches intended in the period and improving the Company's exposure to cash in the year.

Alignment with customers to reinforce our commitment and safety related to installment renegotiation programs, among others.

Until this moment, there are no additional significant measures effective for the period ended March 31, 2022.