(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 June 30, 2022

SUGOI S.A.

Individual and consolidated interim financial information
As at June 30, 2022

Contents

Tel.: +55 11 3848 5880
Fax: + 55 11 3045 7363
www.bdobrazil.com.br

Rua Major Quedinho 90
Consolação – São Paulo, SP - Brasil
01050-030

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 June 30, 2022, which comprise the statement of financial position as at June 30, 2022, and the respective statements of operations and comprehensive income (loss) for the three- and six-month periods then ended, and of changes in equity and cash flows for the six-month period then ended, as well as the corresponding notes to the financial information, including a summary of significant accounting policies.

The Company's Management is responsible for the preparation of the individual interim financial information in accordance with NBC TG 21 (R4) – Interim Statements and of the consolidated interim financial information in accordance with NBC TG 21 (R4) and 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 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 to 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. An interim review 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 NBC TG 21 (R4), applicable to entities of real estate development in Brazil registered with CVM, as well as for the presentation of this information in accordance with standards issued by CVM applicable to the preparation of 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 NBC TG 21 (R4) and IAS 34, applicable to entities of real estate development in Brazil registered with CVM, as well as for 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 NBC TG 21 (R4), and the consolidated interim financial information included in the Quarterly Information has been prepared in accordance with NBC TG 21 (R4) 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 from agreements for purchase and sale of unfinished real estate units, related to aspects of 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 six-month period ended June 30, 2022, prepared under the responsibility of the Company's Management and presented as supplementary information pursuant to 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 their 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, August 15, 2022.

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

Julian Clemente
Accountant CRC 1 SP 197232/O-6

Sugoi S.A.

Statements of financial position as at June 30, 2022

(In thousands of Brazilian Reais)

ASSETS

Assets	Note	Parent company 06/30/2022	Parent company 12/31/2021	Consolidated 06/30/2022	Consolidated 12/31/2021
Current assets					
Cash and cash equivalents	3	13,166	19,278	16,613	29,385
Accounts receivable	4	-	-	57,086	44,021
Properties for sale	5	-	6,741	17,947	33,756
Sundry receivables	6	2,355	2,914	6,728	6,631
Taxes and contributions to be offset		388	306	683	506
Prepaid expenses		208	332	6,624	7,191
		16,117	29,571	105,681	121,490
Noncurrent assets					
Accounts receivable	4	-	-	12,804	25,465
Properties for sale	5	7,982	1,212	255,171	234,180
Sundry receivables	6	-	-	4,142	4,142
Related-party transactions	9	77,791	69,383	17,416	15,852
Taxes and contributions to offset		-	22	-	22
		85,773	70,617	289,533	279,661
Investments	7	173,228	166,062	-	3,574
Fixed assets	8	275	278	1,324	1,442
Intangible assets	8	902	1,005	902	1,005
		260,178	237,962	291,759	285,682
Total assets		276,295	267,533	397,440	407,172

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

Sugoi S.A.
Statements of financial position as at June 30, 2022
(In thousands of Brazilian Reais)

LIABILITIES

Liabilities	Note	Parent company 06/30/2022	Parent company 12/31/2021	Consolidated 06/30/2022	Consolidated 12/31/2021
Current liabilities					
Loans and financing	10	12,228	11,697	28,664	30,434
Real Estate Receivables Certificates	15	9,578	10,000	9,578	10,000
Trade accounts payable	11	884	815	18,087	29,569
Labor and tax liabilities	12	941	1,462	11,347	9,969
Accounts payable	13	903	1,350	979	1,493
Advances from clients and others	14	-	5,998	21,210	22,314
Related-party transactions	9	126,908	112,971	6,034	458
		151,442	144,293	95,899	104,237
Noncurrent liabilities					
Loans and financing	10	14,987	9,741	21,312	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	-	-	2,803	2,646
Accounts payable	13	411	656	910	1,362
Advances from clients and others	14	4,957	-	170,644	165,559
Provisions	16	-	-	4,327	3,712
Provisions for losses on investments	7	15,203	12,751	3,745	3,745
		81,578	73,720	249,761	245,365
Total liabilities		233,020	218,013	345,660	349,602
Equity	17				
Capital stock		1,000	1,000	1,000	1,000
Statutory reserve		200	200	200	200
Income reserve		42,075	48,134	42,075	48,134
Cumulative translation adjustment		-	186	-	186
		43,275	49,520	43,275	49,520
Noncontrolling interest		-	-	8,505	8,050
Total equity		43,275	49,520	51,780	57,570
Total liabilities and equity		276,295	267,533	397,440	407,172

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

Sugoi S.A.
Statements of operations as at June 30, 2022
(In thousands of Brazilian Reais)

		Parent company				Consolidated			
	Note	06/30/2022	04/01/2022 to 06/30/2022	06/30/2021	04/01/2021 to 06/30/2021	06/30/2022	04/01/2022 to 06/30/2022	06/30/2021	04/01/2021 to 06/30/2021
Revenue from properties	-	-	-	-	-	71,422	36,544	99,055	51,639
Taxes levied	-	-	-	-	-	(1,457)	(746)	(3,895)	(1,927)
Continuing operations									
Net revenue	18	-	-	-	-	69,965	35,798	95,160	49,712
Costs of sales	18	-	-	-	-	(46,373)	(23,789)	(67,482)	(35,800)
Gross profit	18	-	-	-	-	23,592	12,009	27,678	13,912
Operating revenues (expenses)									
General and administrative expenses	19	(7,552)	(3,366)	(7,774)	(3,645)	(9,986)	(4,712)	(11,019)	(5,289)
Selling expenses	19	-	-	(2,073)	(624)	(5,237)	(2,416)	(10,197)	(3,794)
Other operating revenues (expenses), net		(2,333)	-	-	-	(4,246)	(1,587)	617	(728)
Equity in earnings (losses) of controlled companies	7	8,729	3,820	11,065	5,934	-	-	(950)	1
		(1,156)	454	1,218	1,665	(19,469)	(8,715)	(21,549)	(9,810)
Income (loss) before financial income (loss)		(1,156)	454	1,218	1,665	4,123	3,294	6,129	4,102
Financial expenses	20	(5,480)	(3,228)	(2,892)	(1,142)	(9,037)	(5,221)	(4,562)	(1,842)
Financial revenues	20	577	300	33	13	656	340	143	100
Net financial income (loss)		(4,903)	(2,928)	(2,859)	(1,129)	(8,381)	(4,881)	(4,419)	(1,742)
Income (loss) before Income and Social Contribution taxes		(6,059)	(2,474)	(1,641)	536	(4,258)	(1,587)	1,710	2,360
Current Income and Social Contribution taxes	-	-	-	-	-	(1,245)	(689)	(1,782)	(580)
Deferred Income and Social Contribution taxes	-	-	-	-	-	(100)	-	(911)	(911)
Income (loss) for the period		(6,059)	(2,474)	(1,641)	536	(5,603)	(2,276)	(983)	869
Attributable to									
Controlling shareholders of the Company						(6,059)	(2,474)	(1,641)	536
Noncontrolling interest						456	198	658	333
Basic and diluted earnings (losses) per share	18 c	(6.059)	(2.474)	(1.641)	0.536				

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

Sugoi S.A.
Statements of comprehensive income (loss) as at June 30, 2022
(In thousands of Brazilian Reais)

	Parent company				Consolidated			
	06/30/2022	04/01/2022 to 06/30/2022	06/30/2021	04/01/2021 to 06/30/2021	06/30/2022	04/01/2022 to 06/30/2022	06/30/2021	04/01/2021 to 06/30/2021
Net income (loss) for the period	(6,059)	(2,475)	(1,641)	536	(5,603)	(2,276)	(983)	867
Translation adjustment in controlled companies	-	-	425	-	-	-	425	0
(=) Comprehensive income (loss) for the period	(6,059)	(2,475)	(1,216)	536	(5,603)	(2,276)	(558)	867
Attributable to								
Controlling shareholders of the Company					(6,059)	(2,474)	(1,216)	537
Noncontrolling interest					456	198	658	330
	-	-	-	-	(5,603)	(2,276)	(558)	867

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

Sugoi S.A.
Statements of changes in equity as at June 30, 2022
(In thousands of Brazilian Reais)

	Attributable to controlling shareholders of the Company						
	Paid-in capital stock	Statutory reserve	Income reserves	Cumulative translation adjustment	Total	Noncontrolling interest	Consolidated equity
Balances as at January 01, 2021	1,000	200	43,438	48	44,686	6,456	51,142
Profit distribution	-	-	-	-	-	(54)	(54)
Translation adjustment in controlled companies	-	-	(425)	377	(48)	(169)	(217)
Loss for the period	-	-	(1,641)	-	(1,641)	658	(983)
Balances as at June 30, 2021	1,000	200	41,372	425	42,998	6,890	49,888
Balances as at January 01, 2022	1,000	200	48,134	186	49,520	8,050	57,570
Translation adjustment in controlled companies	-	-	-	(186)	(186)	-	(186)
Loss for the period	-	-	(6,059)	-	(6,059)	456	(5,604)
Balances as at June 30, 2022	1,000	200	42,075	-	43,275	8,506	51,780
							-

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

Sugoi S.A.
Statements of cash flows as at June 30, 2022
(In thousands of Brazilian Reais)

	Note	Parent company 06/30/2022	Parent company 06/30/2021	Consolidated 06/30/2022	Consolidated 06/30/2021
From operating activities					
Loss for the period	18c	(6,059)	(1,641)	(5,603)	(983)
Adjustments to reconcile income (loss)					
with cash and cash equivalents from operating activities					
Depreciation	8	23	101	30	103
Amortization		103		103	
Provision for construction warranty and contingencies	16	-	-	845	1,148
Deferred taxes	12	-	-	100	911
Chages on loans, financing and others	10	1,985	-	3,855	-
Charges on Real Estate Receivables Certificates	15	5,059	-	5,059	-
Discount to present value	4	-	-	(899)	667
Asset and liability translation adjustment		(187)	(49)	(187)	216
Equity in earnings (losses) of controlled companies	7	(8,729)	(11,065)	-	950
		(7,805)	(12,654)	3,303	3,012
Changes in assets and liabilities					
(Increase)/decrease in asset accounts					
Accounts receivable	4	-	-	495	(8,243)
Properties for sale	5	(29)	(139)	(5,182)	597
Taxes and contributions to be offset		(60)	(58)	(155)	(90)
Sundry receivables	6	559	(241)	(97)	631
Unrecognized selling expenses		124	(114)	567	(335)
Increase/(decrease) in liability accounts					
Labor and tax liabilities	12	(521)	25	1,996	1,994
Trade accounts payable	11	69	842	(11,482)	4,691
Accounts payable	13	(691)	(2,399)	(1,196)	(1,516)
Advances from clients	14	(1,041)	(139)	3,981	(20,126)
		(9,395)	(14,877)	(7,770)	(19,386)
Paid Income and Social Contribution taxes	12	-	-	(561)	(1,782)
Payment of interest on loans, financing and others	10	(8,119)	-	(9,561)	-
Net cash from operating activities		(17,514)	(14,877)	(17,892)	(21,168)
From investing activities					
(Increase)/decrease in capital of controlled companies, net	7	4,015	(700)	3,574	(1,661)
In fixed assets	8	(20)	(5)	88	(228)
In intangible assets		-	(0)	-	-
Net cash from investing activities		3,995	(705)	3,662	(1,889)
From financing activities					
Raising of loans, financing and others	10	9,340	20,767	14,462	30,309
Payment of loans, financing and others	10	(7,462)	(27,549)	(17,016)	(35,093)
Related-party transactions	9	5,529	1,237	4,012	(3,992)
Net cash from financing activities		7,407	(5,545)	1,458	(8,776)
Decrease in cash and cash equivalents		(6,112)	(21,127)	(12,772)	(31,833)
Cash and cash equivalents at beginning of period		19,278	23,679	29,385	44,078
Cash and cash equivalents at end of period		13,166	2,552	16,613	12,245
Decrease in cash and cash equivalents		(6,112)	(21,127)	(12,772)	(31,833)

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

Sugoi S.A.
Statements of value added as at June 30, 2022
(In thousands of Brazilian Reais)

	Parent company		Consolidated	
	06/30/2022	06/30/2021	06/30/2022	06/30/2021
Revenue				
Sales and services	-	-	71,422	99,055
Other revenues	-	-	(4,246)	617
	-	-	67,176	99,672
Inputs acquired from third parties				
Cost of goods, merchandise and services sold	-	-	(46,374)	(67,483)
Materials, energy, third-party and other operating services	(4,902)	(6,550)	(10,342)	(11,477)
Other	(2,333)	-	-	-
	(7,235)	(6,550)	(56,716)	(78,960)
Gross value added	(7,235)	(6,550)	10,460	20,712
Depreciation, amortization and depletion, net	(126)	(101)	(133)	(103)
Net value added generated by the Company	(7,361)	(6,651)	10,327	20,609
Value added received in transfer				
Equity in earnings (losses) of controlled companies	8,729	11,065	-	(950)
Financial revenue	577	33	657	144
	9,306	11,098	657	(806)
Total value added to be distributed	1,945	4,447	10,984	19,803
Value added distribution				
Personnel				
Payroll and charges	2,148	2,652	2,148	2,778
Commissions on sales	-	-	1,956	6,295
Management fees	6	62	6	62
Taxes, fees and contributions				
Federal	-	-	2,802	6,588
Return on debt capital				
Interest	5,480	2,892	9,037	4,562
Rents	370	482	638	501
Return on equity capital				
Loss for the period	(6,059)	(1,641)	(6,059)	(1,641)
Noncontrolling interest on retained earnings	-	-	456	658
	1,945	4,447	10,984	19,803

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

1 Operations

Sugoi S.A. and its controlled companies ("Company") are primarily engaged in managing the Company's assets; developing, constructing and selling real estate; and holding interest in other companies, as shareholder. The development of ventures and construction of real estate are carried out directly by the Company, its controlled companies or other partners. The interest of partners in the ventures occurs directly by means of interest held in Silent Partnerships (SCP) or Special-Purpose Entities (SPE) created for their development, as well as by means of strategic partnerships involving barter of land for 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 Corporate Tax ID (CNPJ/MF) 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 standard, aiming to offer products with excellent quality and the best cost-benefit ratio in the market, as well as intelligent ventures grounded in security, comfort, innovation, and affordable prices.

The Company's Management has over 40 years of experience in the real estate market and offices in various Brazilian capitals, which allows it to easily survey and seize distinguished business opportunities in the market. The Company aims to ensure that its corporate governance remains transparent in its relations with the market, clients and investors, conducting inspections at each stage of the venture and monitoring the physical and financial processes of 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 department of Caixa Econômica Federal - (GERIC), which currently covers the production of all its pipeline of ventures.

The Company has important certifications, such as the Brazilian Housing Quality and Productivity Program (PBQPH Level A) and ISO 9001, which further qualifies it for carrying out all stages of the entire cycle of the construction 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 the Brazilian Securities and Exchange Commission (CVM), falling into Category A, with private ownership control. This process is particularly important to the Company and reinforces Management's commitment to good practices and corporate governance.

2 Summary of main accounting policies

The main accounting policies applied in preparing this individual and consolidated interim financial information are presented below. These policies were applied consistently in relation to the previous year, unless otherwise stated.

2.1 Statement of compliance

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

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

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

The individual and consolidated interim financial information was approved by the Company's Management on August 15, 2022.

2.2 Basis of preparation

The individual and consolidated interim financial information was prepared using historical cost as base value, except for the valuation of certain assets and liabilities 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 that the Company will continue as a going concern. Management evaluates the Company's ability to continue as a going concern in preparing 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 that the Company's Management use critical accounting estimates and assumptions in implementing 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 to the allowance for doubtful accounts, budgeted costs of ventures, taxes and other similar charges. Accordingly, actual results may differ from those estimates.

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

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

2.2.1 Individual interim financial information

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

Following 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.

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 if it is necessary to recognize additional impairment of the investments in its controlled and jointly controlled companies, and determines whether there is objective evidence of impairment as at the reporting date. If so, it calculates impairment loss as the difference between the recoverable value of the controlled and jointly controlled companies and their 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 preparing the consolidated interim financial information:

(a) Controlled companies

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

	Percentage of ownership interest	
Directly controlled and jointly controlled companies	**06/30/2022**	**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%

	Percentage of ownership interest	
Directly controlled and jointly controlled companies	**06/30/2022**	**12/31/2021**
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 (ii)	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%

In thousands of Brazilian Reais, unless otherwise stated

	Percentage of ownership interest	
Directly controlled and jointly controlled companies	**06/30/2022**	**12/31/2021**
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.	95%	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) According to the minutes of the Board of Directors' meeting held on March 03, 2022, Sugoi concluded the sale of Sugoi Development USA LLC, a wholly-owned controlled company of the Company, whose purpose was to invest in the American real estate market. With this sale, the Company concludes this investment and concentrates its efforts on developing projects in the domestic market.

(ii) The percentage of interest held in the directly controlled company Sugoi Residencial VII SPE Ltda is 50%, differing from what was presented in 2021 (95%). This percentage did not affect amounts recorded in previous statements.

(b) Transactions with noncontrolling interest

The Company considers transactions with noncontrolling interest to be transactions with owners of the Group's assets. 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 from or losses on disposals of noncontrolling interest are also directly recorded in equity, under "Retained earnings/(accumulated losses)".

When the Company no longer has control over the entity, any interest held in said 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 subsequent accounting of 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 proportionally to the Company's ownership interest. Unrealized losses are also eliminated, unless the transaction shows evidence of impairment of the transferred asset. The accounting policies of jointly 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 that 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 discounted to present value according to the effective interest method when arising from short-term transactions, if material, and from long-term transactions, not bearing interest or 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 quarterly information.

2.5 Financial instruments

<u>Classification and measurement of financial assets and liabilities</u>

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 the characteristics of its 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 from or losses on 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 as measured at fair value through income (loss), and by accounts receivable (Note 4), sundry receivables (Note 6) and related-party transactions (Note 9), classified as measured at amortized cost.

Financial liabilities were classified as measured at amortized cost or at VJR. A financial liability is classified as measured at fair value through income (loss) if it is a derivative instrument, classified as held for trading or designated as such at 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 from or losses on derecognition are also recognized in income (loss).

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), classified as measured at amortized cost.

Impairment

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

2.6 Accounts receivable

Units are usually sold during the ventures' launch and construction phases. 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, it is recorded under current assets. Otherwise, the exceeding portion is recorded under noncurrent assets.

2.7 Properties for sale

The amount recorded in the inventory corresponds to costs incurred in the current phase of construction of real estate units not yet sold that are lower than net realizable value.

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

Cost comprises land, materials, (third-party) workforce and other expenses related to construction.

The practice adopted for segregation between current and noncurrent under the caption Property for sale takes into consideration the expected launch date. Ventures expected to be launched in less than one year are recorded under current assets, and the remaining ventures are recorded under noncurrent assets. 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 their depreciation, which was calculated using the straight-line method, at the rates mentioned in Note 8.

In thousands of Brazilian Reais, unless otherwise stated

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.

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.

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

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.

Estimates and assumptions involved in determining the amounts provisioned to cover future disbursements during the guarantee period of units present a significant risk of material adjustment to subsequent periods. Accordingly, accounting estimates and assumptions are continuously reviewed based on historic experience and other factors, including expectations of future events considered reasonable in 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 tax laws enacted as at reporting date. Management periodically assesses the positions assumed by the Company in Income tax returns in relation to the situations in which 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, in each fiscal year, choose to calculate its taxes using the criterion of Taxable Income, Deemed Profit or the Special Tax Regime (RET), the latter according to Law 10.931/04 and Normative Instruction 1.435/13, applicable to real estate developments.

Under the Deemed Profit regime, IRPJ and CSLL on gross revenue are calculated at the rates described below, after applying limits of 8% and 12% on projects under construction, and 32% on services rendered, respectively:

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

In thousands of Brazilian Reais, unless otherwise stated

Rates levied on financial revenues for IRPJ and CSLL purposes are the same, and deemed profit is not considered in this case. The PIS and COFINS rate of 4.65% is also levied.

Deferred Income and Social Contribution Taxes are calculated based on temporary differences arising from real estate revenues taxed on a cash basis, and the amount is 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 clients, 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 agreements for purchase and sale of unfinished real estate units with listed Brazilian companies of the segment of real estate development.

According to NBC TG 47, the recognition of revenue from contracts with clients has new regulatory procedures, based on transfer of control over 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 performance obligations; 3) determination of transaction price; 4) allocation of transaction price to 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 enters into 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.

Amounts paid directly to the real estate developer (item (i) above) represent approximately 10% to 15% of the property's value, and the remaining amount derives 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 deed-like characteristics") with a financial institution, including the amounts of bank financing, FGTS funds and possible subsidies from government housing programs. The disbursement of these funds will depend on the progress of the construction work, according to the percentage set forth in the Venture Progress Report and the physical-finance schedule approved by the financial institution. This monitoring for the purpose of disbursement of financing installments is carried out by the financial institution's engineering department. At the moment the bank financing agreement is entered into, ownership of the property is transferred to the client, pledged to the respective financial institution.

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

Agreement	Parties	Real estate guarantee	Credit risk	Market risk	Cancellation risk
Bank financing	Developer (Sellers); Buyer and Financial Institution (Fiduciary Creditor)	Financial institution (FI)	10% to 15% of the Developer and 85% to 90% of the FI	Buyer and FI	Not applicable. In the event of default by the client, the FI may consolidate the real estate unit on the client's behalf for subsequent sale of the property to third parties, in accordance with the procedures set forth in article 27 of Law 9.514/97. The amount collected will have settlement of the balance owed by the client to the FI as main objective.

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

The procedures below are followed for sales of unfinished units:

- Sales revenues are recognized in income (loss) when there is continuous transfer of control to a financial institution or client, using the PoC of each venture, which is measured at the cost incurred in relation to the venture's total budgeted cost. In the event that, during the period of approval of disbursement, there are indications that the client's contractual part will not be complied with, a provision for cancellation of the contract with the FI in its full amount is established.

- The amounts of sales revenues recognized in excess of the amounts actually received from clients 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 under "Advances from clients";

- Monetary variation in the balance of accounts receivable until delivery of the keys, as well as discount to present value of the balance of accounts receivable, are recognized in income from (loss on) properties sold when incurred, according to the accrual period on a pro rata basis;

- Expenses (including the cost of land and other expenses directly related to the purchase of inventory) on units sold are fully recognized in income (loss). For real estate units not yet sold, costs incurred are allocated to the inventory (Note 2.7);

- Finance charges of accounts payable for acquisition of plots of land and those directly associated with financing for the construction are capitalized and recorded in inventories of properties for sale and allocated to expenses on 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 differences between revenues earned from real estate development and accumulated revenue subject to taxation are calculated and reflected in accounting upon recognition of this temporary difference in revenue;

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

2.14 Basic and diluted earnings per share

Basic and diluted earnings (losses) per share are calculated based on income (loss) attributable to shareholders of the Company and the weighted average of outstanding shares in the respective period, taking into consideration, when applicable, the splitting process for the period or events that took place following 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 Property, Plant and Equipment – Proceeds Before Intended Use. It elucidates aspects to be considered for the classification of items produced before fixed assets are in the conditions of use projected. This amendment is effective for years beginning on or after 01/01/2022;

In thousands of Brazilian Reais, unless otherwise stated

- Annual improvements to IFRS 2018-2020, effective for periods beginning on or after January 01, 2022. It changes 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 lease; 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 alignment of this standard with the conceptual structure of IFRS standards. This amendment is effective for years beginning on or after 01/01/2022;

- Amendment to IFRS 17 – It includes elucidation of aspects related to insurance contracts. This amendment is effective for years 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 classification of liabilities as current or noncurrent. It is effective for years beginning on or after 01/01/2023;

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

3 Cash and cash equivalents

	Parent company		Consolidated	
Description	**June 30, 2022**	**December 31, 2021**	**June 30, 2022**	**December 31, 2021**
Cash and banks – Checking account	997	2,733	4,429	12,711
Bank Certificates of Deposit (CDB)	12,169	16,545	12,184	16,674
Total	**13,166**	**19,278**	**16,613**	**29,385**

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

- Probable scenario of interest rate fluctuation estimated by Management:
  - Estimated interest rate: 11% per year.

- Possible scenario of interest rate fluctuation, 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 fluctuation, 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 period.

In thousands of Brazilian Reais, unless otherwise stated

		Parent company		
Balance	**Risk of increase in interest rate**	**11% p.a. Probable**	**10% p.a. Possible**	**9% p.a. Remote**
13,166	Accounting effect (cost/expense)	1,448	1,317	1,185

		Consolidated		
Balance	**Risk of increase in interest rate**	**11% p.a. Probable**	**10% p.a. Possible**	**9% p.a. Remote**
16,613	Accounting effect (cost/expense)	1,827	1,661	1,495

4 Accounts receivable

	Consolidated	
Description	**June 30, 2022**	**December 31, 2021**
Recognized sales revenue	770,976	705,775
Discount to present value	(2,212)	(3,111)
Expected credit losses	(4,481)	(2,653)
(-) Amount received	(695,959)	(631,403)
	68,324	**68,608**
Other accounts receivable	1,566	878
Current	57,086	44,021
Noncurrent	12,804	25,465

For the purpose of calculating discount to present value, a rate of 5.26% was considered in the second quarter of 2022 (5.26% in 2021).

a) Net portfolio receivable

	Consolidated	
	June 30, 2022	**December 31, 2021**
Accounts receivable from sales recognized	770,976	705,775
Total received	(695,959)	(631,403)
Unrecognized sales revenue (*)	110,849	104,414
Total accounts receivable	185,866	178,786
Advances from clients	(2,969)	(7,057)
Total net portfolio receivable	**182,897**	**171,729**

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

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

In thousands of Brazilian Reais, unless otherwise stated

b) Changes in discount to present value

	Consolidated	
	June 30, 2022	December 31, 2021
Initial balance	(3,111))	(1,135)
Additions	(196)	(2,072)
Reversals	1,095	96
Final balance	**(2,212)**	**(3,111)**

c) Changes in expected credit losses

	Consolidated	
	June 30, 2022	December 31, 2021
Initial balance	(2,653)	-
Additions	(1,997)	(2,653)
Reversals	169	-
Final balance	**(4,481)**	**(2,653)**

5 Properties for sale

	Parent company		Consolidated	
Description	**June 30, 2022**	**December 31, 2021**	**June 30, 2022**	**December 31, 2021**
Plots of land for development (i)	7,982	7,953	238,044	233,871
Properties under construction	-	-	24,220	31,577
Capitalized interest	-	-	9,291	789
Finished properties	-	-	1,563	1,699
Total	**7,982**	**7,953**	**273,118**	**267,936**
Current	-	6,741	17,947	33,756
Noncurrent	7,982	1,212	255,171	234,180

(i) Inventory balances in current assets refer to land for development whose real estate units are expected to be launched in less than one year, which is periodically reviewed by Management.

a) Cost of real estate units in inventories

	Consolidated	
	June 30, 2022	December 31, 2021
Total cost incurred	546,737	505,405
Recognized cost of units sold	(516,437)	(471,340)
Cost of real estate units for sale	30,300	34,065

In thousands of Brazilian Reais, unless otherwise stated

6 Sundry receivables

Description	Parent company		Consolidated	
	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021
Advances to suppliers	2,066	2,025	7,061	5,741
Brasinco Incorporações Ltda. (i)	831	831	831	831
Willian Gadelha. (ii)	-	-	4,142	4,142
Brasinco Incorporações Ltda. (iii)	9,845	8,620	9,845	8,620
Others	289	889	289	889
Allowance for doubtful accounts	(10,676)	(9,450)	(11,298)	(9,450)
Total	**2,355**	**2,914**	**10,870**	**10,773**
Current	2,355	2,914	6,728	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. Other than the refund of amounts by Brasinco Incorporações Ltda., there is no other amount payable to the financial institution.

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

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

Changes in allowance for doubtful accounts

	Consolidated	
	June 30, 2022	December 31, 2021
Initial balance	(9,450)	(9,450)
Additions	(1,226)	(1,848)
Final balance	**(10,676)**	**(11,298)**

7 Investments

	Parent company	
Description	June 30, 2022	December 31, 2021
Investments in controlled and jointly controlled companies	158,025	153,311
Provision for unsecured liabilities (b)	15,203	12,751
Investments (a)	173,228	166,062
Reclassification to liabilities (b)	(15,203)	(12,751)
Total	**158,025**	**153,311**

In thousands of Brazilian Reais, unless otherwise stated

(a) Changes in investments

Controlled company	December 31, 2021	Equity in earnings (losses) of controlled companies	Increase (decrease) in investments	June 30, 2022
Vista Cantareira Empreendimentos Imobiliários Ltda	6,174	(149)	-	6,025
Condomínio Varandas Jardim do Lago Ltda	12,281	178	-	12,459
Residencial Monte Serrat SPE Ltda	1,550	(51)	-	1,499
Haifa Investimentos e Participações Ltda	(23)	-	-	(23)
Residencial São Mateus SPE Ltda	66,576	7,653	-	74,229
Residencial Colina Francisco Morato SPE Ltda	(413)	(6)	-	(419)
Residencial Bom Retiro SPE Ltda	39,858	(533)	-	39,326
Residencial Jacú-Pessego II SPE Ltda.	(216)	-	-	(216)
Residencial Colina Guarapiranga SPE Ltda	(44)	(3)	-	(47)
Residencial Paulínia I SPE Ltda	(139)	(1)	-	(140)
Residencial Parque do Carmo SPE Ltda	25,979	9,795	-	35,774
Residencial Idemori SPE Ltda	(548)	(11)	-	(559)
Sugoi Projeto SPE Ltda	(86)	-	-	(86)
Residencial Sports Gardens da Amazônia Ltda	9,625	(5,711)	-	3,913
Sugoi Inovare Empreendimentos Imobiliários Ltda.	(8)	-	-	(8)
Residencial Portal do Belo Horizonte SPE Ltda.	(35)	(1)	-	(36)
Residencial Barcelona SPE Ltda.	(2,567)	(2)	-	(2,569)
Condomínio Varandas Jardim do Lago II SPE Ltda.	(1,251)	(1,375)	-	(2,626)
Residencial Isabel Ferrari SPE Ltda.	(35)	(1)	-	(37)
Residencial São Jose SPE Ltda	(1,667)	(542)	-	(2,209)
Residencial Jacú-Pessego I SPE Ltda.	(27)	-	-	(27)
Sugoi Residencial I SPE Ltda	(22)	-	-	(22)
Sugoi Residencial II SPE Ltda	(13)	(6)	-	(19)
Sugoi Residencial III SPE Ltda	(10)	-	-	(10)
Residencial Via Verde SPE Ltda	(1)	-	-	(1)
Sugoi Residencial IV SPE Ltda.	(5)	(65)	-	(70)
Sugoi Residencial V SPE Ltda.	(554)	(292)	-	(846)
Sugoi Residencial VI SPE Ltda.	(195)	(81)	-	(276)
Sugoi Residencial VII SPE Ltda	(2)	-	-	(2)
Sugoi Residencial VIII SPE Ltda	(5)	(1)	-	(6)
Sugoi Residencial IX SPE Ltda	(502)	81	-	(421)
Sugoi Residencial XI SPE Ltda	(19)	(4)	-	(23)
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)	(18)	-	(24)
Sugoi Residencial XV SPE LTDA	(37)	-	-	(37)
Sugoi Residencial XVI SPE LTDA	(19)	(98)	-	(117)
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)	(1)	-	(215)
Sugoi Residencial XXII SPE Ltda	(3)	(1)	-	(4)
Sugoi Residencial XXIII SPE Ltda	(1)	(11)	-	(12)

In thousands of Brazilian Reais, unless otherwise stated

Controlled company	December 31, 2021	Equity in earnings (losses) of controlled companies	Increase (decrease) in investments	June 30, 2022
Sugoi Residencial XXIV SPE Ltda	(1)	-	-	(1)
Residencial Vila União SPE LTDA	(1)	(1)	-	(2)
Residencial Atibaia SPE Ltda	(1)	(3)	-	(4)
Residencial Bragança SPE Ltda	(1)	(1)	-	(2)
Sugoi Residencial XXVII SPE Ltda	(1)	-	-	(1)
Sugoi Residencial XXVIII SPE Ltda	(1)	-	-	(1)
Sugoi Residencial XXIX SPE Ltda	(1)	(1)	-	(2)
Sugoi Residencial XXX SPE Ltda	(1)	(1)	-	(2)
Sugoi Residencial XXXI SPE Ltda	(1)	(1)	-	(2)
Sugoi Residencial XXXII SPE Ltda	(1)	(1)	-	(2)
Sugoi Residencial XXXIII SPE Ltda	(1)	(1)	-	(2)
Sugoi Residencial XXXIV SPE Ltda	(1)	(1)	-	(2)
Sugoi Residencial XXXV SPE Ltda	(1)	(1)	-	(2)
Sugoi Residencial XXVI SPE Ltda	(1)	(1)	-	(2)
HTG Infraestrutura e Participação Ltda.	(3,745)	-	-	(3,745)
Sugoi LLC	4,016	-	(4,016)	-
	153,311	**8,730**	**(4,016)**	**158,025**

8 Fixed assets

Description	Depreciation rate	Parent company June 30, 2022	Parent company December 31, 2021	Consolidated June 30, 2022	Consolidated 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.	217	210	412	401,5
Improvements	20% p.a.	31	31	31	31
Vehicles	20% p.a.	2	0	813	735
Properties	4% p.a.	99	88	165	341
Use rights	10% p.a.	1,005	1,005	1,005	1,005
Total		**1,521**	**1,501**	**2,593**	**2,681**
Accumulated depreciation		(241)	(218)	(264)	(234)
Accumulated amortization		(103)		(103)	
Total		**1,177**	**1,283**	**2,226**	**2,447**

In thousands of Brazilian Reais, unless otherwise stated

(a) Changes in fixed assets

	Parent company				Consolidated			
Description	**December 31, 2021**	**Additions**	**Write-offs**	**June 30, 2022**	**December 31, 2021**	**Additions**	**Write-offs**	**June 30, 2022**
Facilities	43	-	-	43	43	-	-	43
Furniture and fixtures	124	-	-	124	124	-	-	124
Machinery and equipment	210	7	-	217	402	10	-	412
Improvements	31	-	-	31	31	-	-	31
Vehicles	-	2	-	2	735	130	(52)	813
Properties	88	12	(1)	99	341	96	(272)	165
Right of use of property	1,005	-	-	1,005	1,005	-	-	1,005
Total	**1,501**	**21**	**(1)**	**1,521**	**2,681**	**236**	**(324)**	**2,593**
Accumulated depreciation	(218)	-	(23)	(241)	(234)	-	(30)	(264)
Accumulated amortization	-	-	(103)	(103)	-	-	(103)	(103)
Total	**1,283**	**21**	**(127)**	**1,177**	**2,447**	**236**	**(457)**	**2,226**

In thousands of Brazilian Reais, unless otherwise stated

9 Related-party transactions

	Parent company			Consolidated
Description	**June 30, 2022**	**December 31, 2021**	**June 30, 2022**	**December 31, 2021**
Noncurrent assets	77,791	69,383	17,416	15,852
Current liabilities	(126,908)	(112,971)	(6,034)	(458)
Total	**(49,117)**	**(43,588)**	**(11,382)**	**15,394**

	Parent company			Consolidated
Description (assets)	**June 30, 2022**	**December 31, 2021**	**June 30, 2022**	**December 31, 2021**
Haifa Investimentos e Participações Ltda	25	25	-	-
Dahab Brasil S.A	2,442	942	2,442	942
Vista Cantareira Empreendimentos Imobiliários Ltda	-	-	222	222
Dahab Participações Ltda	-	7	-	7
Residencial São Mateus SPE Ltda	-	-	1,739	1,739
Residencial Colina Francisco Morato SPE Ltda	1,646	1,626	-	-
Residencial Bom Retiro SPE Ltda	-	-	11,150	11,150
Residencial José Vigna Talhado SPE Ltda	698	624	-	-
Residencial Colina Guarapiranga SPE Ltda	1,089	1,085	-	-
Residencial Paulínia I SPE Ltda	143	141	-	-
Residencial Parque do Carmo SPE Ltda	-	-	-	164
Residencial Idemori SPE Ltda	588	586	-	-
Sugoi Projeto SPE Ltda	92	92	-	-
Residencial Sports Gardens da Amazônia Ltda.	18,067	20,171	-	-
Sugoi N Empreendimentos Imobiliários Ltda.	516	516	-	-
Residencial Portal do Belo Horizonte SPE Ltda	604	602	-	-
Residencial Barcelona SPE Ltda	2,704	2,701	-	-
Condomínio Varandas Jardim do Lago II	7,593	4,729	-	-
Residencial Isabel Ferrari SPE Ltda	273	269	-	-
Tsuri Brasil Ltda.	408	177	408	177
Residencial São José SPE Ltda.	5,101	4,086	-	-
Residencial Jacú-Pessego I SPE Ltda.	638	569	-	-
Sugoi Residencial I SPE Ltda	400	391	-	-
Sugoi Residencial II SPE Ltda	782	729	-	-
Sugoi Residencial III SPE Ltda	561	560	-	-
Sugoi Residencial Via Verde SPE Ltda	4	2	-	-
Sugoi Residencial IV SPE Ltda	74	73	-	-
Sugoi Residencial V SPE Ltda	228	777	-	-
Sugoi Residencial VI SPE Ltda	20,142	17,150	-	-
Sugoi Residencial VII SPE Ltda	3	3	-	-
Sugoi Residencial VIII SPE Ltda	813	810	-	-
Sugoi Residencial IX SPE Ltda	4,358	3,486	-	-
Tsuri Acre Ltda	16	16	16	16
Sugoi Residencial XI SPE Ltda	780	722	-	-
Sugoi Residencial XIII SPE Ltda	2,551	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	124	121	-	-
Sugoi Residencial XV SPE Ltda	39	39	-	-
Residencial Guarapiranga SPE Ltda	56	18	56	18
Sugoi Residencial XXIV SPE Ltda	2	2	-	-
Sugoi Residencial XXIII SPE Ltda	13	12	-	-
Sugoi Residencial XXII SPE Ltda	2,173	1,005	-	-
Sugoi Residencial XIX SPE Ltda	140	137	-	-
Sugoi Residencial XX SPE Ltda	49	49	-	-
Sugoi Residencial XXI Ltda	227	224	-	-
Sugoi Residencial XVII SPE Ltda	1	1	-	-
Sugoi Residencial XVIII SPE Ltda	497	472	-	-
Residencial Vila União SPE LTDA	105	65	-	-
Residencial Atibaia SPE Ltda	97	84	-	-
Residencial Bragança SPE Ltda	24	42	-	-
Sugoi Residencial XXVII Spe Ltda	2	-	-	-
Sugoi Residencial XXVIII Spe Ltda	2	-	-	-
Sugoi Residencial XXIX Spe Ltda	2	-	-	-
Sugoi Residencial XXX Spe Ltda	2	-	-	-
Sugoi Residencial XXXI Spe Ltda	2	-	-	-
Sugoi Residencial XXXII Spe Ltda	2	-	-	-
Sugoi Residencial XXXIII Spe Ltda	2	-	-	-
Sugoi Residencial XXXIV Spe Ltda	2	-	-	-
Sugoi Residencial XXXV Spe Ltda	2	-	-	-
Sugoi Residencial XXVI Spe Ltda	2	-	-	-

In thousands of Brazilian Reais, unless otherwise stated

	Parent company		Consolidated	
Description (assets)	**June 30, 2022**	**December 31, 2021**	**June 30, 2022**	**December 31, 2021**
Thiago de Oliveira Andrade Pazinatto.	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
Total	**77,791**	**69,383**	**17,416**	**15,852**

	Parent company		Consolidated	
Description (Liabilities)	**June 30, 2022**	**December 31, 2021**	**June 30, 2022**	**December 31, 2021**
Condomínio Varandas Jardim do Lago	11,388	11,514	-	-
Vista Cantareira Empreendimentos Imobiliários Ltda	6,218	6,402	-	-
Residencial Monte Serrat Ltda	338	378	-	-
Residencial Parque do Carmo SPE Ltda	18,623	5,965	5,576	-
Residencial São Mateus SPE Ltda	58,142	57,353	-	-
Kibutz Administração e Participações Ltda	108	108	108	108
Residencial Bom Retiro SPE Ltda	31,971	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
Total	**126,908**	**112,971**	**6,034**	**458**
Current	126,908	112,971	6,034	458
Noncurrent	-	-	-	-

The balances of accounts held with controlled and jointly controlled companies represent current transactions with no levy of finance charges and no previously defined maturity, to be recognized as capital increase in the future.

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

10 Loans and financing

					Parent company		Consolidated	
Type	**Financial institution**	**Guarantees**	**Classification**	**Interest rate and commissions**	**June 30, 2022**	**December 31, 2021**	**June 30, 2022**	**December 31, 2021**
Bank Credit Notes (CCB)	Caixa Econômica Federal	Pledge of property	Corporate	CDI + 3.91% p.a.	4,732	5,000	4,732	5,000
Housing Finance System (SFH)	Caixa Econômica Federal	None	Projects	Up to 11% p.a.	-	-	8,862	11,108
Machinery and Equipment Financing (FINAME)	Santander	None	Projects	Selic + 5.54% p.a.	-	-	13,899	15,603
CCB	Banco Daycoval	FGI BNDES	Corporate	14.02% p.a.	918	1,158	918	1,158
CCB	Banco ABC	CDB R$ 2MM + FGI BNDES	Corporate	CDI + 6.73% p.a.	7,395	7,681	7,395	7,681
CCB	Banco PINE	Pledge of property	Corporate	CDI + 8.02% p.a.	5,009	5,542	5,009	5,542
CCB	Banco Red Asset	Pledge of property	Corporate	Selic + 16.82% p.a.	8,178	-	8,178	-
Overdraft protection	Caixa Econômica Federal	None	Corporate	8% p.m.	983	1,000	983	1,000
Overdraft protection	Banco PINE	None	Corporate	8% p.m.	-	28	-	82
Overdraft protection	Banco ABC Brasil S.A.	None	Corporate	8% p.m.	-	1,029	-	1,029
					27,215	**21,438**	**49,976**	**48,203**
Current					12,228	11,697	28,664	30,434
Noncurrent					14,987	9,741	21,312	17,769

In thousands of Brazilian Reais, unless otherwise stated

Evolution of indebtedness:

							Parent company
Institution	Type	December 31, 2021	Fundraising	Recognition of charges	Payment of principal	Payment of interest	June 30, 2022
Caixa Econômica Federal	Working capital	5,000	-	457	(417)	(308	4,732
Banco Pine	CCB	5,542	-	602	(574	(561)	5,009
Banco Daycoval S.A.	CCB	1,158	-	68	(117)	(191)	918
Banco ABC Brasil S.A.	CCB	7,681	1,039	681	(1,354)	(652)	7,395
Banco Red Asset	CCB	-	8,000	178	-	-	8,178
Caixa Econômica Federal	Overdraft protection	1,000	-	-	-	(17)	983
Banco Itaú	Overdraft protection	28	-	-	-	(28)	-
Banco Pine	Overdraft protection	-	300	-	-	(300)	-
Banco ABC Brasil S.A.	Overdraft protection	1,029	1	-	-	(1,030)	-
		21,438	**9,340**	**1,986**	**(2,462)**	**(3,087)**	**27,215**

							Consolidated
Institution	Type	December 31, 2021	Fundraising	Recognition of charges	Payment of principal	Payment of interest	June 30, 2022
Caixa Econômica Federal	Working capital	5,000	-	457	(417)	(308	4,732
Banco Pine	CCB	5,542	-	602	(574	(561)	5,009
Banco Daycoval S.A.	CCB	1,158	-	68	(117)	(191)	918
Banco ABC Brasil S.A.	CCB	7,681	1,039	681	(1,354)	(652)	7,395
Banco Red Asset	CCB	-	8,000	178	-	-	8,178
Caixa Econômica Federal	SFH	11,108	5,122	454	(7,011)	(811)	8,862
Banco Santander	Finame	15,603	-	1,415	(2,543)	(576)	13,899
Caixa Econômica Federal	Overdraft protection	1,000	-	-	-	17)	983
Banco Itaú	Overdraft protection	82	-	-	-	(82)	-
Banco Pine	Overdraft protection	-	300	-	-	(300)	-
Banco ABC Brasil S.A.	Overdraft protection	1,029	1	-	-	(1,030)	-
		48,203	**14,462**	**3,855**	**(12,016)**	**(4,528)**	**49,976**

The balances by year of maturity are as follows:

	Parent company		Consolidated	
Year	**June 30, 2022**	**December 31, 2021**	**June 30, 2022**	**December 31, 2021**
2022	8,851	11,697	22,643	30,434
2023	8,660	6,275	17,629	14,302
2024	5,316	3,466	5,316	3,467
2025	4,388	-	4,388	-
	27,215	**21,438**	**49,976**	**48,203**

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

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

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

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

In thousands of Brazilian Reais, unless otherwise stated

Balance	Risk of increase in interest rate	Parent company 11% p.a. Probable	10% p.a. Possible	9% p.a. Remote
27,215	Accounting effect (cost/expense)	2,994	2,722	2,449

Balance	Risk of increase in interest rate	Consolidated 11% p.a. Probable	10% p.a. Possible	9% p.a. Remote
49,976	Accounting effect (cost/expense)	5,497	4,998	4,498

11 Trade accounts payable

	Parent company		Consolidated	
Maturity	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021
Overdue amounts	454	647	7,118	16,333
Falling due in up to 30 days	296	167	7,238	9,930
Falling due in 31 to 60 days	3	1	1,084	1,342
Falling due in 61 to 90 days	15	-	254	181
Falling due in 91 to 120 days	114	-	322	21
Falling due in 121 to 180 days	-	-	707	1,120
Falling due after 180 days	2	-	1,364	642
Total amounts falling due	430	168	10,969	13,236
Total	**884**	**815**	**18,087**	**29,569**

12 Labor and tax liabilities

	Parent company		Consolidated	
Description	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021
Tax liabilities	501	501	503	503
Labor liabilities	253	268	402	430
Taxes withheld at source	187	693	2,419	2,751
Special Tax Regime (RET) – Current amounts	-	-	8,023	6,339
RET – Deferred amounts	-	-	2,803	2,592
Total	**941**	**1,462**	**14,150**	**12,615**
Current amounts	941	1,462	11,347	9,969
Noncurrent amounts	-	-	2,803	2,646

13 Accounts payable

	Parent company		Consolidated	
Description	June 30, 2022	December 31, 2021	June 30, 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	-	-	75	65
Rent payable	943	1,004	943	1,005
Others	3	-	3	283
Total	**1,314**	**2,006**	**1,889**	**2,855**
Current amounts	903	1,350	979	1,493
Noncurrent amounts	411	656	910	1,362

In thousands of Brazilian Reais, unless otherwise stated

14 Advances from clients and others

	Parent company		Consolidated	
Description	**June 30, 2022**	**December 31, 2021**	**June 30, 2022**	**December 31, 2021**
Advances from clients - Real estate development	-	-	10,147	7,033
Creditors from acquired properties	4,957	5,998	181,708	180,840
Other	-	-	-	-
Total	**4,957**	**5,998**	**191,854**	**187,873**
Current amounts	-	5,998	21,210	22,314
Noncurrent amounts	4,957	-	170,644	165,559

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

15 Real Estate Receivables Certificates (CRI)

				Parent company		Consolidated	
Financial institution	**Type**	**Guarantee**	**Interest rate**	**June 30, 2022**	**December 31, 2021**	**June 30, 2022**	**December 31, 2021**
Travessia Securitizadora	(CRI - 39th series)	Pledge of property	ID + 7% p.a.	24,061	29,167	24,061	29,167
Travessia Securitizadora	(CRI - 60th series)	Pledge of property	ID + 7% p.a.	30,132	30,000	30,132	30,000
Total				**54.193**	**59.167**	**54.193**	**59,167**
Current amounts				9,578	10,000	9,578	10,000
Noncurrent amounts				44,615	49,167	44,615	49,167

Evolution of Real Estate Receivables Certificates:

		Consolidated					
Financial institution	**Type**	**December 31, 2021**	**Fundraising**	**Recognition of charges**	**Payment of principal**	**Payment of interest**	**June 30, 2022**
Travessia Securitizadora	(CRI - 39th series)	29,167	-	2,435	(5,000)	(2,541)	24,061
Travessia Securitizadora	(CRI - 60th series)	30,000	-	2,623	-	(2,491)	30,132
Total		**59,167**	**-**	**5,058**	**(5,000)**	**(5,032)**	**54,193**

Loans are to be paid in installments, as follows:

	Consolidated	
Year	**June 30, 2022**	**December 31, 2021**
2022	5,004	10,000
2023	18,501	18,571
2024	17,629	17,739
2025	8,571	8,571
2026	4,488	4286
	54,193	**59,167**

In thousands of Brazilian Reais, unless otherwise stated

Balance	Risk of increase in interest rate	9% p.a. Probable	10% p.a. Possible	11% p.a. Remote
54,193	Accounting effect (cost/expense)	5,325	5,917	6,508

CRIs are adjusted at CDI plus annual interest of 7% charged 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

	Consolidated	
Description	**June 30, 2022**	**December 31, 2021**
Provision for guarantee (i)	4,060	3,515
Provision for contingencies (ii)	267	197
	4,327	**3,712**

(i) Provisions for guarantee refer to the estimate of expenses on existing guarantees to be incurred by the Company in the period after delivery of the keys. The guarantee period is estimated by the Company's Management based on average expenses incurred in the last 5 years, which represents Management's best estimate. To this end, historical information is considered. Results may vary due to the use of new materials, modifications in construction and other events that directly affect 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 counselors' opinion or that of other experts, when applicable, evaluates the possible outcome of ongoing proceedings, and the need to set up provisions for contingencies arising from them. The provision recognized in the consolidated statements, in the amount of R$ 267 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$ 6,295 thousand in the Consolidated financial statements (R$ 1,988 thousand as at December 31, 2021) were not recognized, also arising from labor and civil lawsuits whose likelihood of loss was assessed by the Company's legal counselors as possible, which is the reason why Management did not record this amount in the interim financial information.

17 Equity

(a) Capital

The Company's capital consists of one million (1,000,000) shares, fully paid-in and distributed as follows:

	June 30, 2022	December 31, 2021
Number of shares		
Ronaldo Yoshio Akagui	500,000	500,000
Thiago de Oliveira Andrade Pazinatto	500,000	500,000
Total	**1,000,000**	**1,000,000**

Pursuant to the 7th amendment to the articles of organization made 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").

In thousands of Brazilian Reais, unless otherwise stated

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 its process of registration with CVM in category A, dated July 19, 2016, and is currently registered under code "CVM 23957".

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

(b) Profit

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. No minimum amount to be distributed has been established. Thus, 1 million was allocated to Residencial São Mateus.

(c) Earnings (losses) per share

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

				Consolidated
	June 30, 2022	April 01 to June 30, 2022	June 30, 2021	April 01 to June 30, 2022
Losses per share (in Brazilian Reais)	(5,603,000)	(2,276,000)	(969,772)	880,228
Number of shares	1,000,000	1,000,000	1,000,000	1,000,000
	(5.603)	(2.276)	(0.970)	(0.880)

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 in 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 so as 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 and converted in the future.

18 Net revenue

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

				Consolidated
Description	**June 30, 2022**	**April 01 to June 30, 2022**	**June 30, 2021**	**April 01 to June 30, 2021**
Revenue from properties	71,662	36,768	99,563	51,639
Cancelled sales	(240)	(224)	(508)	-
Gross operating revenue	71,422	36,544	99,055	51,639
Taxation	(1,457)	(746)	(3,895)	(1,927)
Net operating revenue	**69,965**	**35,798**	**95,160**	**49,712**
Cost of land, development and construction	(46,373)	(23,789)	(67,482)	(35,800)
Gross profit	23,592	12,009	27,678	13,912
Gross margin percentage - %	33.7%	33.5%	29.1%	28.0%

In thousands of Brazilian Reais, unless otherwise stated

19 Expenses by nature

Description				Parent company				Consolidated
	June 30, 2022	April 01 to June 30, 2022	June 30, 2021	April 01 to June 30, 2021	June 30, 2022	April 01 to June 30, 2022	June 30, 2021	April 01 to June 30, 2021
Selling expenses								
Commissions	-	-	-	-	(1,956)	(2,732)	(3,838)	(1,318)
Advisory and consultancy	-	-	(777)	(304)	(206)	(1,787)	(1,918)	(1,444)
Advertising and publicity	-	-	(980)	(30)	(2,041)	(2,723)	(3,743)	(552)
Expenses on sales stands and show apartments	-	-	-	-	(761)	(58)	(458)	(123)
Rent expenses	-	-	-	-	(229)	106	(20)	(165)
Insurance	-	-	(188)	(174)	-	(209)	(209)	(184)
Other selling expenses	-	-	(128)	(116)	(44)	27	(11)	(9)
	-	-	(2,073)	(624)	(5,237)	(7,376)	(10,197)	(3,794)
General and administrative expenses								
Advisory and consultancy	(3,807)	(1,620)	(2,119)	(1,167)	4,895)	(629)	(3,398)	(1,775)
Personnel expenses	(2,148)	(773)	(2,641)	(1,260)	(2,148)	(1,323)	(2,764)	(1,291)
Rent expenses	(370)	(123)	(482)	(188)	638)	(231)	(482)	(188)
Expenses on office supplies	(184)	(50)	(220)	(46)	(316)	(446)	(708)	(200)
Depreciation	(126)	(94)	(20)	(10)	(133)	15	(21)	(10)
Expenses on notary’s office and registry	(60)	(51)	(38)	(17)	(683)	122	(50)	(14)
Insurance	-	-	-	-	(111)	(182)	(245)	(106)
Allowance for doubtful account	(857)	(857)	(1,537)	(796)	(1,062)	(1,538)	(1,538)	(797)
Other administrative expenses	-	202	(717)	(161)	-	(1,533)	(1,813)	(909)
	(7,552)	(3,366)	(7,774)	(3,645)	(9,986)	(5,745)	(11,019)	(5,289)
	(7,552)	(3,366)	(9,847)	(4,269)	(15,223)	(13,121)	(21,216)	(9,083)

In thousands of Brazilian Reais, unless otherwise stated

20. Net financial income (loss)

	Parent company				Consolidated			
Financial expenses	**June 30, 2022**	**April 01 to June 30, 2022**	**June 30, 2021**	**April 01 to June 30, 2021**	**June 30, 2022**	**April 01 to June 30, 2022**	**June 30, 2021**	**April 01 to June 30, 2021**
Discounts granted	-	-	-	-	-	-	(34)	(16)
Interest losses	(5,098)	(2,978)	(2,700)	(1,026)	(8,021)	(4,582)	(3,738)	(1,498)
Late payment fine	(190)	(89)	(13)	(12)	(318)	(87)	(219)	(32)
Bank fees	(192)	(161)	(180)	(105)	(698)	(552)	(571)	(295)
	(5,480)	**(3,228)**	**(2,893)**	**(1,143)**	**(9,037)**	**(5,221)**	**(4,562)**	**(1,842)**

	Parent company				Consolidated			
Financial revenues	**June 30, 2022**	**April 01 to June 30, 2022**	**June 30, 2021**	**April 01 to June 30, 2021**	**June 30, 2022**	**April 01 to June 30, 2022**	**June 30, 2021**	**April 01 to June 30, 2021**
Discounts obtained	-	-			55,00	40,00	54	40
Interest on financial investments	577,00	-	34	15	601,00	300,00	89	60
	577,00	**-**	**34**	**15**	**656,00**	**340,00**	**143**	**100**
	(4,903)	**(3,228)**	**(2,859)**	**(1,129)**	**(8,381)**	**(4,881)**	**(4,419)**	**(1,742)**

In thousands of Brazilian Reais, unless otherwise stated

21 Real estate ventures under development

Description	June 30, 2022	April 01 to June 30, 2022	June 30, 2021	April 01 to June 30, 2021
Unrecognized contracted sales (Note 4)	110,849	3,139	145,787	(11,855)
Taxes on sales	(4,434)	(126)	(5,831)	475
	106,415	3,013	139,956	(11,380)
Cost of units sold to incur	(74,921)	(81)	(88,912)	18,794
	31,494	2,932	51,044	7,414
Percentage of unrecognized gross margin	29.6%	2%	36.5%	8%

(a) The table below shows recognized income from (loss on) ventures under construction.

Description	June 30, 2022	April 01 to June 30, 2022	June 30, 2021	April 01 to June 30, 2021
Recognized revenue	770,976	35,781	469,608	48,669
Taxes on revenue	(30,839)	(1,431)	(18,784)	(1,946)
	740,137	34,350	450,824	46,723
Recognized cost	(516,771)	(23,332)	(313,476)	(47,281)
Gross profit	223,366	11,018	137,348	(558)
Recognized gross margin - %	30.18%	0%	30.47%	(4%)

(b) The table below shows total budgeted costs to be incurred in the venture.

Description	June 30, 2022	April 01 to June 30, 2022	June 30, 2021	April 01 to June 30, 2021
Sold units under construction	74,921	81	88,912	(18,794)
Units under construction not yet sold	58,792	1,290	17,652	(16,907)
Budgeted cost to incur	133,713	1,371	106,564	(35,701)
Inventory - Real estate under construction	24,220	(336)	34,326	10,835
Total cost to be recognized in the future	157,933	1,035	140,890	(24,866)

22 Insurance

The Company takes out insurance at amounts considered sufficient by Management to cover possible risks to its assets and/or liabilities.

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

In thousands of Brazilian Reais, unless otherwise stated

23 Management of risks and financial instruments

(a) Risk management

The Company has entered into transactions with financial instruments. These instruments are managed based on operating 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 against 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 instruments for speculation purposes.

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

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

	Parent company		Consolidated		
	06/30/2022	12/31/2021	06/30/2022	12/31/2021	Classification
FINANCIAL ASSETS					
Cash and cash equivalents	13,166	19,278	16,613	29,385	Fair value through income (loss)
Trade accounts receivable	-	-	69,890	69,486	Amortized cost
Related-party receivables	77,791	69,383	17,416	15,852	Amortized cost
FINANCIAL LIABILITIES					
Trade accounts payable	884	815	18,087	29,569	Amortized cost
Loans, financing and debentures	81,408	80,605	104,169	107,370	Amortized cost
Plots of land payable	3,580	5,998	191,854	187,873	Amortized cost
Related-party liabilities	126,908	112,971	6,034	458	Amortized cost

Credit risk

Credit risk results from the possibility of the Company incurring losses arising from default of its clients. In order to reduce this risk, the Company analyzes the financial and equity position of its clients by means of a credit granting and qualification program.

Book value	Consolidated	
	06/30/2022	12/31/2021
Trade accounts receivable – 4	69,890	69,486

Interest rate risk

Interest rate risk arises from the possibility of the Company reporting gains from or losses on fluctuations in interest rates charged on its financial assets and liabilities. In order to reduce this risk, the Company has entered into contracts for ballasting financial assets and liabilities with fixed rates.

			Consolidated		
Risk increase operation	Position as at 06/30/2022	Risk factor	Scenario I	Scenario II	Scenario III
Assets:					
Cash and cash equivalents	16,613	CDI	11.75%	8.81%	5.87%
Projected financial revenues	-	-	1,952	1,464	975
Liabilities:					
Loans and financing	104,169	CDI	11.75%	14.68%	17.62%
Projected financial expenses	-	-	12,240	15,292	18,355

In thousands of Brazilian Reais, unless otherwise stated

Market risk

Market risk results from the possibility of fluctuations in market prices of raw materials and inputs used in the process of construction of real estate units. These price fluctuations may cause significant changes in the costs of the Company's inventories. In order to reduce this risk, 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 the Company's liquidity requirements 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.

Operating risk

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

The Company's purpose is to manage its operating 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 is responsible 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 adequate segregation of duties, including independent authorization of 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 address identified risks;
- Requirements for reporting operating losses and corrective actions proposed;
- Development of contingency plans;
- Professional training and development;
- Ethical and business standards;
- Mitigation of risk, including insurance, when efficient.

(b) Financial instruments

For disclosure purposes, the fair values of financial assets and liabilities, together with their book values, are presented in the statement of financial position under the captions Cash and cash equivalents, Financial investments, Accounts receivable, Other accounts receivable, Trade accounts payable, Other accounts payable, Loans and financing and Related-party transactions.

		Consolidated	
Book value	Note	06/30/2022	12/31/2021
Cash and cash equivalents	3	16,613	29,385
Accounts receivable	4	69,890	69,486
Total		86,503	98,871

(c) Capital management

The Company manages its capital for the purpose of safeguarding the continuity of return to its shareholders and for benefiting other interested parties, 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 in its operations.

24 Pandemic – Covid-19 – Coronavirus

The Company has adopted measures to mitigate the transmission of the virus at construction sites, points of sale or its head office. It has also increased the frequency of its hygiene practices, with 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 to preserve the physical and psychological health of its employees, dismissing from work all individuals over 60 years of age.

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

The Company redirected its sales force to serve clients at a distance, expanding the online dissemination of ventures by means of applications and social networks, and maintains daily contact with Top Management to monitor the scenario and optimize decision making.

Regarding the Company's operating/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 increase the Company's liquidity index.

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

Alignment with clients to reinforce our commitment and safety in relation to installment renegotiation programs, among others.

Until this moment, no additional significant measures have been taken for the period ended June 30, 2022.