

# EARNINGS RELEASE 3Q21



Earnings Conference Call:

## Portuguese

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## English

November 12<sup>th</sup>, 2021

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**BrasilBrokers**



## TABLE OF CONTENTS

<b>1. OPERATING AND FINANCIAL HIGHLIGHTS.....</b>	<b>9</b>
<b>2. GROSS REVENUE FROM SERVICES .....</b>	<b>10</b>
<b>3. COST, ADMINISTRATIVE EXPENSES AND LEGAL LIABILITIES .....</b>	<b>16</b>
<b>4. ESG .....</b>	<b>18</b>
<b>5. OPERATING RESULTS.....</b>	<b>19</b>
<b>6. INVESTMENTS AND CASH.....</b>	<b>20</b>
<b>7. CORPORATE GOVERNANCE .....</b>	<b>22</b>



## MANAGEMENT REPORT

The Management of Brasil Brokers Participações S.A. ("Brasil Brokers" or "Company") hereby presents its Management Report and the parent company and consolidated interim financial information accompanied by the independent auditor's report for the three months ended September 30, 2021.

### Message from Management

Once again, home loans mastered in Brazil in the third quarter of 2021. Home loans granted by the Brazilian System of Savings and Loans (SBPE) reached R\$154.69 billion in 9M21, up by 96.3% from the R\$78.80 billion granted in 3Q20. In August, the amount granted came to R\$21.01 million, another month with the highest amount ever recorded. The result of this historic achievement was also translated into Credimorar's performance, which recorded a 28% growth in the number of financed units, contributing to the 12% increase in Potential Sales Value (PSV) in 3Q21. In 9M21, R\$3,284 million were granted.

We also saw the Selic rate rise to 7.75% p.a., as a result of the cooling economy, which led the main Brazilian financial institutions to increase their real estate lines of credit by 1 percentage point, and the high inflation, which put pressure on the costs of construction materials, impacting the primary market launches in the quarter. Even with the number of launches still rising, the number of new properties slightly fell, contributing to a 5% decline in the number of launches in the period, a 12% decrease in the average ticket in the primary market, and a 6% decrease in the total number of properties brokered by the Company in the secondary market.

Despite that, Brasil Brokers' gross operating revenue grew by 7%, to R\$50.5 million, in 3Q21, compared to the R\$47.0 million recorded in 2Q21. The financial result was once again excellent, with a gross margin (on gross revenue) of around 53% in 3Q21, flat over 2Q21.

Moreover, the administrative expenses as a percentage of gross revenue grew by 1.4 p.p. in 3Q21, to 49.1%, compared to the 47.7% recorded in 2Q21, flat QoQ. Compared to the 59.4% recorded in 3Q21, the gross margin significantly fell by 10.3 p.p. The adjusted EBITDA from continued operations **increased by approximately R\$20.3 million** in 9M21, reaching a negative R\$8.8 million compared to the negative R\$29.1 million recorded in 9M20.

The **adjusted EBITDA excluding legal liabilities totaled R\$2.8 million** in 9M21. This positive figure was strictly due to the fact that our adjusted EBITDA had no legal liabilities for the second consecutive quarter.

Therefore, we can now say that Brasil Brokers' legal liabilities and contingencies are under control and the Company does not have to worry about this issue in the future. It is worth noting that we will continue focusing on the labor lawsuits that are part of our legacy. However, I do point out that our efforts have been translated into continuous achievements over the years. At the end of the quarter, we had 261 labor lawsuits, down by 17% from 2020 and 36% from 2019. The two new labor lawsuits filed in 3Q21 are not directly related to our legacy, which allows us to emphasize that this issue has been solved.

In 3Q21, the Company's digital transformation focused on improving partner and customer experience. The creation and delivery of three new websites stood out in the quarter by increasing usability to Credimorar's clients and Brasil Brokers' business units and improving our shareholders' experience with Brasil Brokers' new IR website. The integration with Google's points of interest and the property alert are some of the functionalities that added value to Desenrola's platform this quarter. Moreover, CSC efficiency increased with the delivery of the project that internalized payroll, leading to significant savings in the operation.



The table below shows the breakdown of EBITDA and Adjusted EBITDA from the Company's continued operations, based on the losses for the nine-month periods ended September 30, 2021 and September 30, 2020, reconciled to the Company's consolidated interim financial information, in line with the provisions of CVM Instruction 527/12:

(R\$ thousand, except %)	Fiscal year ended September 30, 2021			
	2021	%	2020	%
<b>Non-accounting measures</b>				
Loss attributed to controlling shareholders	-38,736	438.98%	-91,350	313.75%
Net income attributed to non-controlling shareholders	-193	2.19%	4,173	-14.33%
Loss for the period	-38,929	441.17%	-87,177	299.41%
(-) Financial result	14,662	-166.16%	2,098	-7.21%
(-) Income tax and social contribution	1.135	-12.86%	579	-1.99%
(-) Depreciation and amortization	7,308	-82.82%	8,479	-29.12%
EBITDA <sup>(1)</sup>	-15,824	179.33%	-76,021	261.10%
(-) Asset impairment adjustments	7,000	-79.33%	52,700	-181%
(-) Net income from discontinued operations	0	0.00%	-5,795	19.90%
Adjusted EBITDA from the Continued Operations <sup>(1)</sup>	-8,824	100%	-29,116	100%

<sup>(1)</sup> EBITDA and Adjusted EBITDA from continuing operations are not recognized measures under Brazilian GAAP or International Financial Reporting Standards ("IFRS"), do not have a standard definition and may not be comparable to similar measures provided by other companies. The Company uses EBITDA and Adjusted EBITDA from continuing operations as additional performance indicators for management purposes and for comparison with similar companies.

## Operating Performance

The Company operates in four main markets, all of which are geographically located in Brazil, defined as financial services market, secondary market, rental market, and primary market. There is a lot to celebrate when we analyze the breakdown by operating market:

- The **financial services market**, which offers advisory services for the trade of financial services, mainly concerning home loans, recorded 4,071 financed units in 3Q21, a **significant increase of 12%** over the number of financed units in 2Q21.

Represented by the operations of Credimorar Serviços Financeiros e Securitários S.A., it followed the good performance recorded in 3Q21. With August being the best month in the history of home loan grants with savings account funds, Credimorar's results could not have been different. Our PSV totaled R\$3,284 million, confirming the excellent results of the last few years. Accordingly, the gross revenue grew by **13%** in 3Q21, to **R\$30 million**, compared to the R\$26.7 million recorded in 2Q21. Therefore, the financial services market alone accounted for 60% of the Company's total gross revenue.

- The **secondary market**, which is responsible for the sale of used or ready-to-move-in properties, closed 3Q21, with 558 units sold, **up by 4%** over 2Q21.

The **potential sales value (PSV)** remained around R\$350 million in 3Q21, flat over 2Q21. The average ticket of the units sold fell by 6% in 3Q21, from R\$667,000 to R\$626,000 per unit.

The increase in the number of units sold in 3Q21, together with the lower average ticket per unit was a result of the rise in the inventory of finished units, due to the primary market launches over the year, putting pressure on gross revenue, which fell by 3% in 3Q21, to R\$8.1 million.

- In the **rental market**, "Desenrola", a digital platform to buy, rent, and sell commercial and residential properties operating in São Paulo (SP), Niterói (RJ), Cuiabá (MT), and Goiânia (GO), brokered 260 properties until September 30, 2021, a QoQ growth of 1% and a YoY upturn of 22%, when 213 units were brokered.
- In the **primary market**, which is responsible for the sale of properties launched by developers, after a first semester of strong recovery in launches, the total number of units launched and brokered by the Company slightly fell by 5% in 3Q21. 24 developments were launched in 3Q21, of which 14 were in the city of São Paulo and 10 in Rio de Janeiro. 815 units were sold in 3Q21 compared to the 726 units sold in 2Q21. This, in turn, did not increase the PSV of the units sold, which fell by 1% in 3Q21, from R\$430 million to R\$427 million. This result was due to the lower average ticket recorded in 3Q21, which fell by 12%, to R\$524,000, from the R\$592,000 recorded in 2Q21.

## Closing message

Brasil Brokers' Management believes that the market will continue to recover in the last quarter of 2021, but at a slower pace than that observed so far, given the current economic scenario of rising inflation trend and fiscal plans that bring uncertainties, which may translate into end users' lower purchasing power. Moreover, with the coming elections for president, the electoral political scenario may influence developers' decision-making in spite of the number of launches, as observed in 2018. Despite that, Brasil Brokers is prepared to face any instability, as it has been focusing on its revenue diversification strategy, operating competitively and innovatively in each of its operational segments, improving customer experience every day. The Company's service portfolio has proven to be essential for the sustainability of the business, increasing revenue through operational synergy and great potential for organic growth. All of the Company's actions are aimed to pave the way for new trends in this increasingly digital universe to turn it into a Proptech company.

The drivers of the new strategic guidance being implemented are business profitability, digital transformation, improved customer experience, and work as an ecosystem, which expand and integrate the products and services portfolio. In addition, we cyclically revised costs and administrative expenses, as well as all spending incurred in operations and the corporate division. Through this initiative, we increased profitability and preserved cash without jeopardizing the Company's target growth.

Finally, the Company's Management daily manages cash, monitoring financial and non-financial assets and investments focused on digital transformation to improve the Company's business model and increase profitability.

## Relationship with Independent Auditors

The Company engaged BDO RCS Gestão Empresarial Ltda. (“BDO”) to audit the parent company and consolidated interim financial information, prepared under the accounting practices adopted in Brazil and the International Financial Reporting Standards (IFRS) for the three-month period ended September 30, 2021.

Brasil Brokers' policies for engaging services not related to the external audit with its independent auditors aim to ensure that there is no conflict of interest and loss of independence or objectivity, ensuring the principles that preserve the auditor's independence.

BDO was not engaged to provide services other than the review of the parent company and consolidated interim financial information for the three-month period ended September 30, 2021.

**Daniel Guerbatin**  
CEO of the Group

## 1. Operating and Financial Highlights

### Financial Results

- Gross revenue grew by 7% QoQ and 58% YoY in 3Q21, mainly from the consolidation of Credimorar.
- The Company's digital presence ended the quarter at 74%, remaining at an excellent level and accounting for R\$37.5 million of gross revenue.

### Financial Services Market

- All-time high home loan grants of R\$3,284 million in Potential Sales Value financed through Credimorar, which is dedicated to the trade of Financial Services. Growth came to 12% QoQ and 112% YoY in 3Q21, once again proving the success of the case.

### Secondary Market

- Gross revenue of R\$8.1 million in the secondary market in 3Q21, down by 3% from 2Q21 and a significant increase of 20% over 3Q20.
- The number of units sold grew by 4%, to 558 units in 3Q21, compared to the 535 units sold in 2Q20. Despite that, the average ticket fell by 6%, contributing to the slight decrease in revenue.

### Rental Market

- The number of brokered properties grew by 12% in 3Q21, to 260 units. The property portfolio managed by the Company totaled 2,300 units in 3Q21, or 18 new units.

### Primary Market

- 89 units were sold in 3Q21, a QoQ increase of 12%.
- Gross revenue increased by 2% over 2Q21. The Potential Sales Value (PSV) was flat at R\$426.6 million compared to the R\$429.8 million recorded in 2Q20.



## 2. Gross Revenue from Services

Brasil Brokers' gross revenue from services, represented by the fees from the different operating markets, reached R\$50 million in 3Q21, up by 7% over 2Q21 and 59% over 3Q20. The increase is due to the financial services vertical, which accounted for 60% of all revenue from the group in 3Q21.

**Table 1 – Revenue and Adjusted Brokerage Fee**

Gross Operating Revenue per Vertical (R\$ million)	3Q21	2Q21	3Q21 vs 2Q21	3Q20	3Q21 vs 3Q20
Lauches - Primary Market	8.5	8.3	2%	8.8	-3%
Finished Properties - Secondary Market	8.1	8.3	-3%	6.7	20%
Financial Services	30.0	26.7	13%	13.6	121%
Rental*	2.7	2.5	8%	2.6	6%
Other Revenues	1.2	1.2	0%	0.3	322%
<b>Gross Operating Revenue</b>	<b>50.5</b>	<b>47.0</b>	<b>7%</b>	<b>31.9</b>	<b>59%</b>
Taxes	6.4	6.0	6%	4.2	53%
Cancellations	1.4	0.6	127%	0.7	89%
<b>Net Revenue</b>	<b>42.7</b>	<b>40.4</b>	<b>6%</b>	<b>27.0</b>	<b>59%</b>

\* The gross operating revenue of the Rental Market includes related businesses, such as insurance and receivables management, among others.

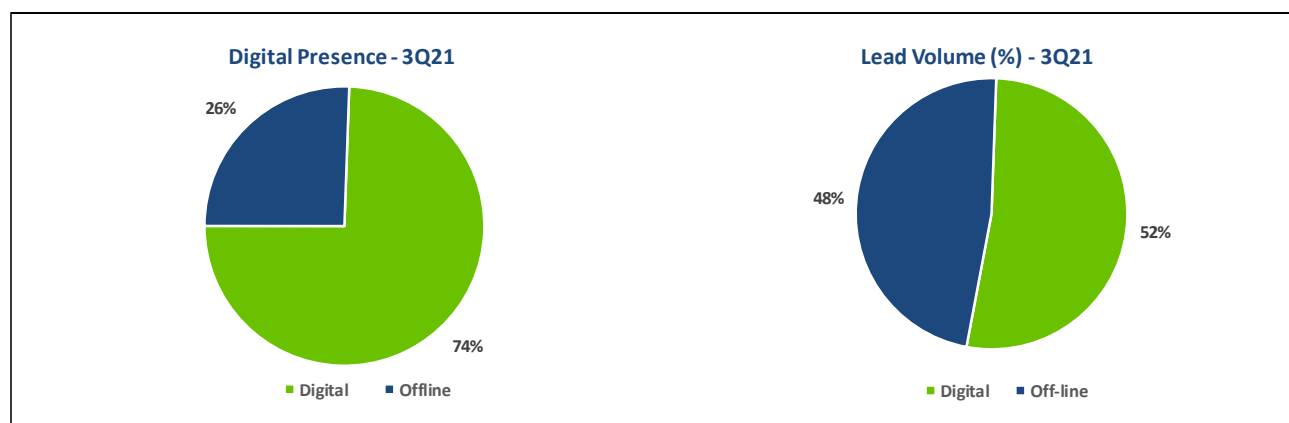
For the second quarter of 2021, the Company's digital platforms, represented by the financial services and rental verticals, contributed 62% of gross revenue, of which 57% came from financial services and 5% from rental. The primary and secondary market verticals both accounted for 18% of the result and 3% of other revenues.

Therefore, Net Operating Revenue reached R\$40.4 million in the second quarter of 2021, increasing by 24% quarter-over-quarter and 113% year-over-year.

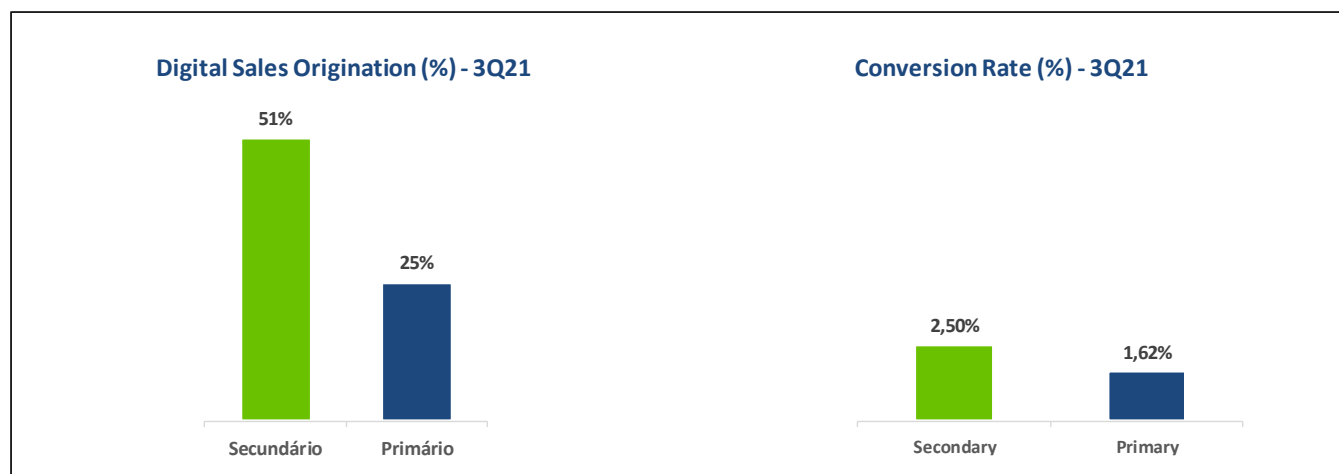
### 2.1 Digital Presence

The Company's digital presence accounted for 74% of total gross revenue in 3Q21, which was originated through online platforms and/or started through digital channels. This shows the great importance of the Company in continuing its intensive digitization process.

Of the total customer interactions in 3Q21, 52% were 100% digital and/or through a digital platform, and results from the Company's investments and strategy to improve its digital platforms, which are highly scalable in all group companies.



Excluding Desenrola and Credimorar, which have a highly digital DNA, the secondary market accounted for 51% of the digital sales origination, while the primary market accounted for 25%. It is worth noting that digital sales in the primary and secondary markets consider customers who started the process through our digital platforms. It does not mean that the sale was exclusively online, as customers may have had some type of in-person interaction, such as visiting the property - that is our concept of “Figital”



## 2.2 Secondary Market

The secondary market is responsible for the commercial sale of used or ready-to-move-in properties, where the real estate agent, acting as a commercial broker, earns a commission payable by the property owner. The gross revenue from the secondary market totaled R\$8.1 million, accounting for 16% of the Company's total gross revenue for 3Q21.

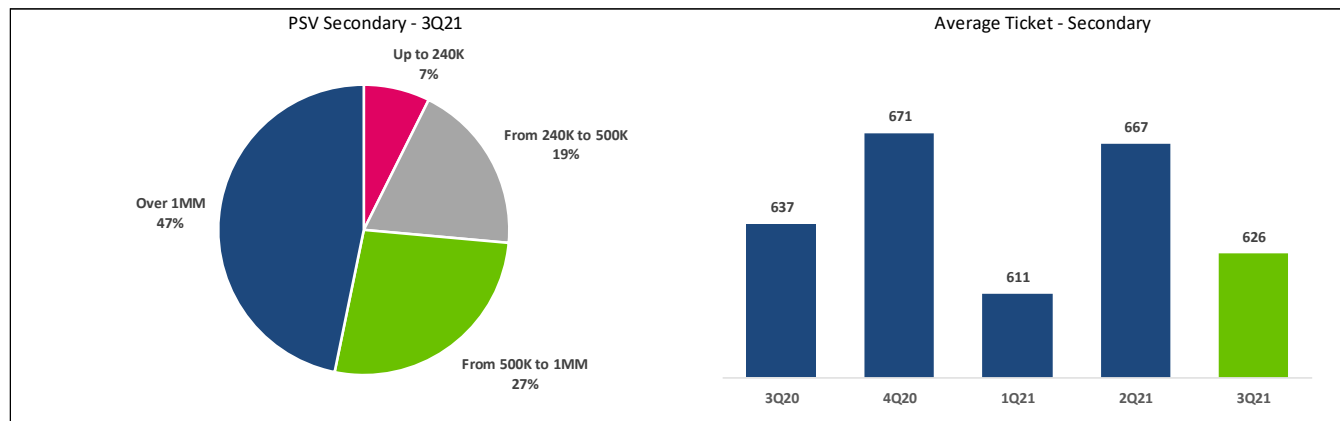
**Table 6 – Finished or Used Property Sales**

Potential Sales Value (PSV) - Secondary (R\$ million)	3Q21	2Q21	3Q21 vs 2Q21	3Q20	3Q21 vs 3Q20
PSV	349.3	356.7	-2%	316.5	10%
Units Sold	558	535	4%	497	12%
Average Ticket (R\$ thousand)	626.0	666.7	-6%	636.8	-2%

The PSV of brokerages in the secondary market totaled R\$349.3 million in 3Q21, down by 2% from the R\$356.7 million recorded in 2Q21 and up by 10% over 3Q20. The units sold, in turn, grew by 4% in 3Q21, to 558, and reached 535 units in 2Q21, and 497 units in 3Q20 (increases of 23 and 61 units, respectively). The average ticket of the units brokered in 3Q21 was R\$626,000, down by 6% from 2Q21 and 2% from 3Q20 (R\$666,700 and R\$636,800, respectively).

The increase in the number of units sold priced up to R\$240,000 and between R\$240,000 and R\$500,000 explain the drop in PSV and average ticket in 3Q21.

Rio de Janeiro continues to be our main location for the secondary market, with a 62% share on June 30, 2021, followed by São Paulo with 30% and other regions with 7%. Comparing 2Q21 and 1Q21, the growths came to 15% in Rio de Janeiro, 21% in São Paulo, and 67% in other regions.



The PSV of the secondary market is broken down as follows: 47% from properties priced over R\$1 million, 27% from properties priced between R\$500,000 and R\$1 million, 19% from properties priced between R\$240,000 and R\$500,000, and 7% from properties priced up to R\$240,000. The properties that grew the most by price range were those priced between R\$240,000 and R\$500,000 (+19%), and up to R\$240,000 (+7%).

## 2.3 Rental Market

In the rental market, Brasil Brokers operates through its digital platform “*Desenrola*”, which is currently one of the Company's main growth drivers. *Desenrola* aims to simplify the lives of tenants and owners. One of its competitive advantages is the ability to assist those who wish to rent a commercial or residential property by offering online services, not asking for any type of guarantees nor bureaucracies, without losing the humanization while providing this service.

The gross revenue of the rental segment totaled R\$2.7 million in 3Q21 (5% of the total), increase of 8% over 2Q21 and 6% when compared to 3Q20. 260 properties were brokered in 3Q21, up by 12% over the 233 properties brokered in 2Q21 and 22% over the 213 properties brokered in 3Q20. The property portfolio under management totaled 2,254 properties in 3Q21, compared to the 2,236 properties in 2Q21, recording growth after the transfer of LI LIBORIO to C&M Negócios (“Libório”). This reversal was due to the higher effort employed by the acquisition team, which has worked hard to expand the platform.

Table 8 – Rent

Rent (R\$ million)	3Q21	2Q21	3Q21 vs 2Q21	3Q20	3Q21 vs 3Q20
Number of Intermediated Properties	260	233	12%	213	22%
Real Estate Portfolio	2,254	2,236	1%	2,387	-6%

The customers' journey in the rental segment is highly replicable to the model of buying and selling ready-to-move-in properties, as the processes of advertising, selection, scheduling, visit, and submission of proposals are practically identical in both operations. The biggest difference would be the negotiation and regularization stage, which, in the case of the secondary market, need to be addressed differently given the complexity involved in this process. Our greatest advantage is the ability to assist clients in any segment by offering an end-to-end experience, from the moment of searching for the desired property to assisting them with the property financing.

## 2.4 Financial Services Market

The financial services market offers, through Credimor, the largest multi-bank platform in Brazil, advisory services for the trade of real estate products such as home loans, home equity, personal loan, and public consortiums. By offering these products, Credimor is Banco Bradesco's major home loan generator.

Home loans are offered through the Housing Financing System (SFH) or Real Estate Financial System (SFI) through Credintegros, a platform created and developed by BBRK's team that is connected with Brazil's main financial institutions in a fully automated fashion, ensuring fast services and reducing problems in the entire service contracting process.

**Table 10 – Credimor Operations**

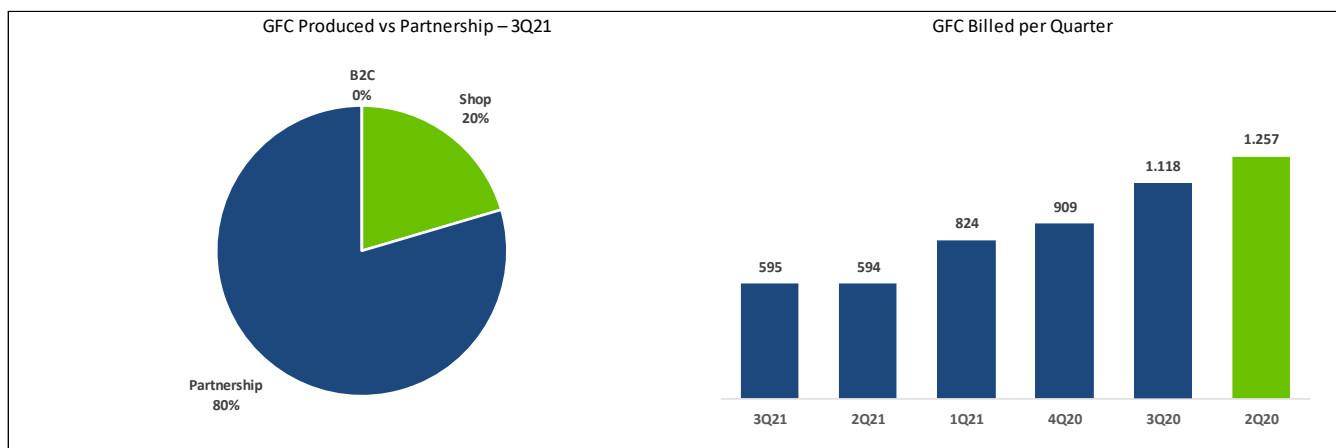
Real State Credit (R\$ million)	3Q21	2Q21	3Q21 vs 2Q21	3Q20	3Q21 vs 3Q20
Produced GFV	1,098.6	1,153.7	-5%	672.4	63%
Billed GFV	1,257.0	1,118.0	12%	594.2	112%
Funded Units	4,071	3,189	28%	3,561	14%
Loan to Value	69%	67%	3%	65%	6%

The gross revenue of this segment accounted for 60% of the Company's total gross revenue in 3Q21, up by 13% over 2Q21 and 121% over 3Q20. The PSV of the contracted sales of the financial services market totaled R\$1,257.0 million in 3Q21, up by 12% over 2Q21 and 112% over 3Q20 (R\$594.2 million). Credimor reached R\$3,283.9 million of PSV in 3Q21. The number of financed units grew by 28% QoQ (882 units) and 14% YoY (510 units).

The result of this vertical followed the great performance of credit granted in Brazil over 2021, accompanying the recovery of the real estate sector. This had a direct impact on revenue performance and, consequently, on the result for the year.

Other factors that affected the result and contributed to the increase in Credimor's net revenue were (i) the expansion of the partner network with the addition of over 300 new partners in 2021; (ii) change of Credimor into a distributor of financial products and expansion of partnerships with new institutions.





## 2.5 Primary Market

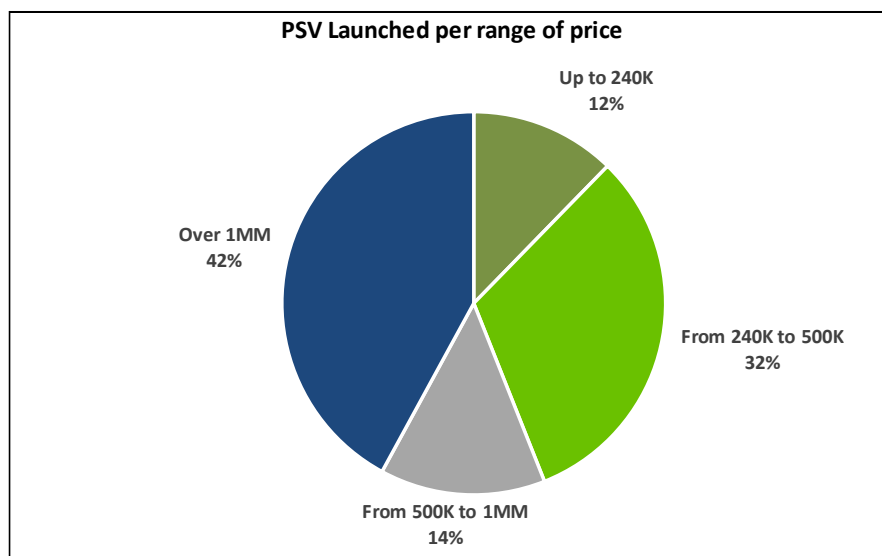
The primary segment is responsible for the commercial activities in real estate projects launched by developers in a condominium system even before these units are finished. It is present in different markets through own or licensed stores, operating from the identification of market and region trends, conception and planning of the development, planning of the marketing strategy, to the sale and formalization of the transaction. Gross revenue totaled R\$8.5 million in 3Q21, accounting for 17% of the Company's total gross revenue, up by 2% over 2Q21 and down by 3% from 3Q20.

**Table 2 - Brazil Launches**

Launches (R\$ million)	3Q21	2Q21	3Q21 vs 2Q21	3Q20	3Q21 vs 3Q20
PSV Launched	1,929.4	2,101.6	-8%	193.6	896%
Launched Units	3,906	4,126	-5%	641	509%
Average Ticket (R\$ thousand)	494.0	509.3	-3%	302.1	64%

At the end of September, 24 developments brokered by the Company were launched, 14 of which in the city of São Paulo and 10 in Rio de Janeiro, with a total of 3,906 units launched compared to the 4,126 units launched in 2Q21 (-5%). YoY, the increase was 509%. The potential sales value (PSV) of launches totaled R\$1,929.4 million in 3Q21, down by 8% from the R\$2,101.6 million recorded in 2Q21.

São Paulo accounted for 52% of the PSV launched in 3Q21, while Rio de Janeiro accounted for 48%. In 2Q21, São Paulo accounted for 77% and Rio de Janeiro for 23%.



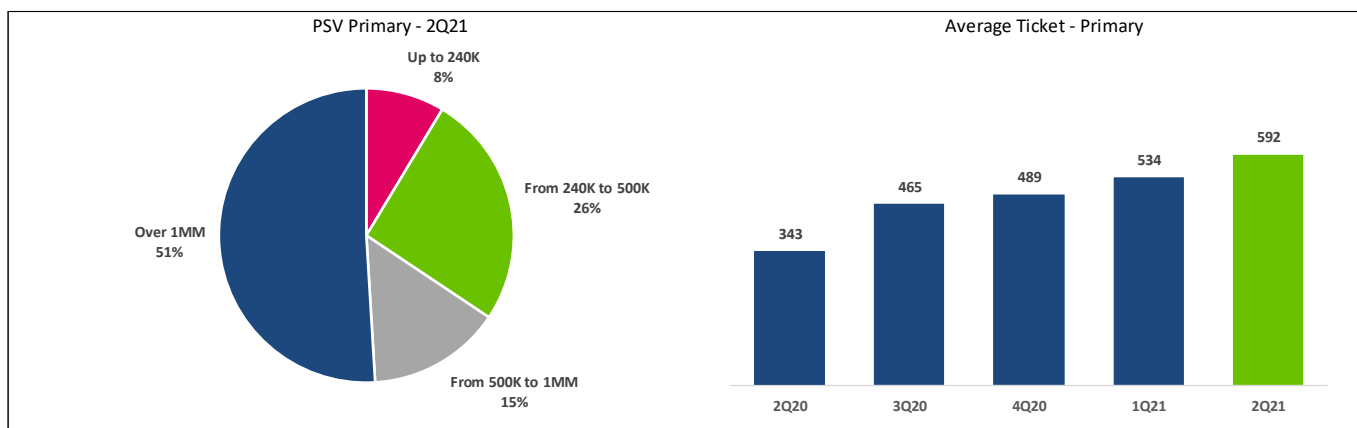
Of the R\$1,929.4 million in developments launched in 3Q21, 42% refer to properties priced over R\$1 million, 32% to properties priced between R\$240,000 and R\$500,000, 14% to properties priced between R\$500,000 and R\$1 million, and 12% to properties priced up to R\$240,000.

**Table 4 – Contracted Sales of the Primary Market**

Primary	3Q21	2Q21	3Q21 vs 2Q21	3Q20	3Q21 vs 3Q20
<b>I - Sales of Launches (R\$ million)</b>					
Potential Sales Value (PSV)	423.0	427.6	-1%	442.3	-4%
Units Sold	813	725	12%	921	-12%
Average Ticket (R\$ thousand)	520.3	589.8	-12%	480.3	8%
<b>II - Sales of Remnants (R\$ million)</b>					
Potential Sales Value (PSV)	3.6	2.2	69%	42.6	-91%
Units Sold	2	1	100%	122	-98%
Average Ticket (R\$ thousand)	1,817.5	2,150.0	-15%	348.8	421%
<b>I + II = Primary Market Total (R\$ million)</b>					
Potential Sales Value (PSV)	426.6	429.8	-1%	484.9	-12%
Units Sold	815	726	12%	1,043	-22%
Average Ticket (R\$ thousand)	523.5	591.9	-12%	464.9	13%

The PSV of the primary market contracted sales reached R\$426.6 million in 3Q21, down by 1% from the R\$429.8 million recorded in 2Q21. YoY, it fell by 12% from the R\$484.9 million reported in 3Q20. The number of units sold increased by 12% in 3Q21, to 815 (726 in 2Q21). Compared to 3Q20 (1,043 units sold), the decrease was 22%. The rise in the number of units sold together with the lower average ticket was due to the upturn in the sale of units with an average ticket of units priced up to R\$240,000 and between R\$240,000 and R\$500,000. However, the gross revenue of the primary market was not negatively impacted.

In this quarter, São Paulo continued to lead the primary market, accounting for 56% of total sales, followed by Rio de Janeiro with 42%.



Of the total sales in the primary market in 3Q21, 45% refers to properties priced over R\$1 million, 30% to properties priced between R\$240,000 and R\$500,000, 14% to properties priced between R\$500,000 and R\$1 million, and 11% to properties priced up to R\$240,000.

### 3. Cost, Administrative Expenses and Legal Liabilities

#### 3.1 Cost of Services Rendered

The cost of services totaled R\$16.2 million in 3Q21, an increase of R\$0.8 million, or 5%, over 2Q21 and 72%, (R\$6.8 million) over 3Q20 (R\$9.5 million). This variation was mainly due to higher costs of Financial Services, which reflects the increase in the volume of transfers, thus leading to higher fees paid to our partners in the completion of home loans in the period.

**Table 11 – Costs of Services rendered**

Costs of Services Rendered (R\$ million)	3Q21	2Q21	3Q21 vs 2Q21	3Q20	3Q21 vs 3Q20
Lauches - Primary Market	0.7	0.7	8%	1.0	-29%
Finished Properties - Secondary Market	0.2	0.7	-67%	0.2	38%
Financial Services	15.0	13.8	9%	8.1	86%
Rental*	0.2	0.2	25%	0.2	51%
Other Costs	0.0	0.0	-92%	0.0	-90%
<b>Total of Costs of Services Rendered</b>	<b>16.2</b>	<b>15.4</b>	<b>5%</b>	<b>9.5</b>	<b>72%</b>

\*The gross operating revenue of the Rent Line includes related businesses such as insurance, receivables management, among others.

## 3.2 Administrative Expenses

Administrative expenses totaled R\$22.9 million in 3Q21, up by R\$0.3 million, or 1%, over the R\$22.5 million recorded in 2Q21. Compared to 3Q20, the increase was R\$3.5 million, or 18%.

**Table 12 - Adjusted Administrative Expenses**

General and Administrative Expenses (R\$ million)	3Q21	2Q21	3Q21 vs 2Q21	3Q20	3Q21 vs 3Q20
Personnel and Charges	15.9	15.9	0%	12.8	24%
Occupancy	2.4	2.5	-3%	2.4	0%
Outsourced Services	4.3	3.8	13%	2.9	48%
Other Administrative Expenses	0.2	0.4	-35%	1.2	-80%
<b>Administrative Expenses</b>	<b>22.9</b>	<b>22.5</b>	<b>1%</b>	<b>19.3</b>	<b>18%</b>
Allowance for doubtful accounts	-0.4	0.0	-1644%	0.6	-162%
Other operating income (expenses)	2.3	-0.2	-1604%	-1.0	-331%
<b>Total General and Administrative Expenses</b>	<b>24.8</b>	<b>22.4</b>	<b>11%</b>	<b>18.9</b>	<b>31%</b>

The personnel and charges, and occupancy lines remained flat in 3Q21, as a result of the containment and control measures taken in the previous quarters. Expenses are explained as follows:

**Personnel & Charges** – Flat QoQ in 3Q21 and up by 24% YoY (R\$3.1 million), due to hiring of staff to strengthen the operational teams because of the Company's growth in 2021.

**Occupancy** – Occupancy expenses remained flat over 2Q21, impacted by the lower occupancy costs, due to the negotiation of rentals, among which the change of the holding company's head office.

**Contracted services** – Contracted services increased by R\$0.5 million, or 13%, in 3Q21 over the R\$3.8 million recorded in 2Q21. Compared to 3Q20, the increase was 48%, or R\$1.4 million, due to the engagement of consulting services that helped our cultural and digital transformation process.

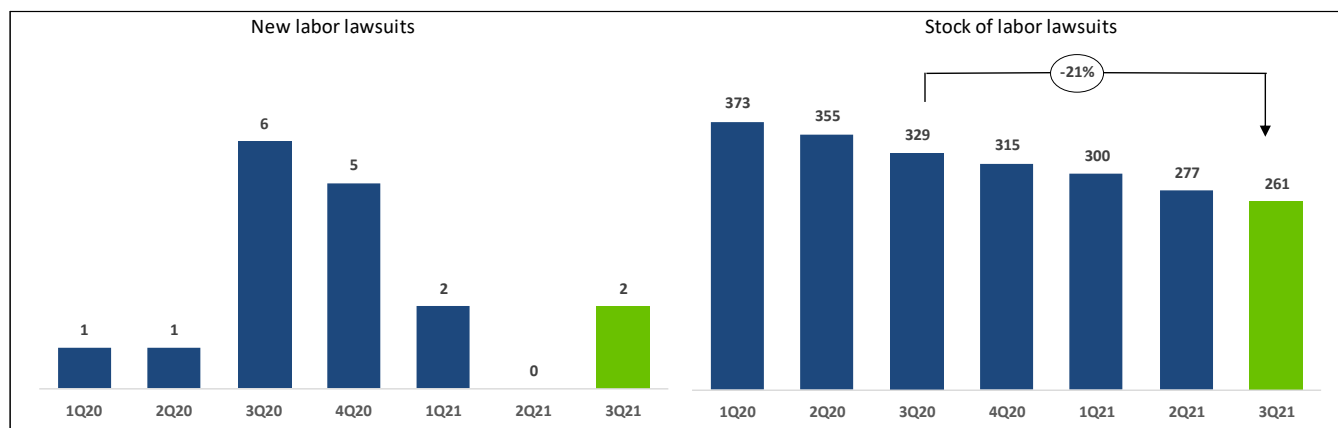
**Other operating income (expenses)** – Growth of R\$2.5 million in 3Q21 over 2Q21, due to the favorable decision in a lawsuit filed against Brasil Brokers and the recognition of an expense that had no outcomes in the year.

## 3.3 Legal Liabilities

One of the most sensitive issues in recent years, labor liabilities from lawsuits filed by independent brokers who claimed recognition of employment and social security relationships at the judicial level, are currently under control and do not represent future concerns for Brasil Brokers. It is worth noting that the Company will continue focusing on the ongoing labor lawsuits that are part of its legacy. However, it should be noted that efforts have been translated into continuous achievements over the years. At the end of the quarter, we recorded 261 labor lawsuits, down by 17% from 2020 and 36% from 2019. Compared to 3Q20, the decrease was 21%, or 68 lawsuits.

Two new labor lawsuits were filed in 3Q21 and are not directly related to the Company's legacy. No new lawsuits were filed in 2Q21, remaining only four new lawsuits in 9M21.





**Table 13 – Legal Expenses**

Legal Expenses (R\$ million)	3Q21	2Q21	3Q21 vs 2Q21	3Q20	3Q21 vs 3Q20
Loss in Labor Lawsuits	8.9	10.2	-13%	10.6	-16%
Reversal of Labor Provisions	-5.2	-7.7	-32%	-9.3	-44%
Procedural costs and other Legal Expenses	1.2	2.0	-38%	1.6	-25%
<b>Total Legal Expenses</b>	<b>4.9</b>	<b>4.5</b>	<b>10%</b>	<b>3.0</b>	<b>65%</b>

Legal expenses increased by 2021 in 3Q21, or R\$4.9 million, over the R\$4.5 million recorded in 2Q21. The upturn was due to the end of 16 lawsuits filed against the Company, either ruled against the defendant or settled between the parties.

## 4. ESG

The result of the delivery of projects and initiatives previously adopted by the company consolidates the effectiveness and efficiency of strategic and operational decisions regarding our ESG practices.

The external look brought us the need to act directly on our purpose, "To make each real estate partnership a unique experience" and, based on that, the group intervened directly in housing projects, since this theme is directly related to ours. business.

The intervention took place through the project "O Futuro Begins at Home", in partnership with the NGO Habitat para Humanidade Brasil, in which 10 families in vulnerable housing situation in the Jardim Curitiba III community, in the city of Goiânia, were benefited. In addition to the situation of housing vulnerability, the criterion also prioritized families with school-age children and family income of up to 2 minimum wages, with a woman as the head of the family and the main source of income. We believe that in this way, we meet several critical factors in our society and contribute to the evolution of the country and cities where we operate.

The project mobilized around 150 thousand reais in donations and involved 21 people, including employees and volunteers. With this project, in September, we concluded the 1st batch of renovations, which benefited 38 people and provided improvements to make the homes of these families more dignified.

Still on the Social side, but meeting the needs of social and cultural transformation, we evolved in the #Gigantesca Movement as the main catalyst for change in these spheres. Here at the Brasil Brokers group "Everything

fits, there's no place for prejudice", and through this maxim, the campaign permeates all of our companies, clarifying the existence of diversity in the corporate environment, and making room for the true existence and belonging, of integral and humanized form, with no separation between the personal and professional spheres. For this, the movement has monthly meetings, which vary between lectures, debates, conversation circles and actions of a reflective and analytical nature of the company's own processes and the behavior of all that make up the company.

Today, #Gigantesca has already crossed the path of more than 400 people, including employees, partners and suppliers, in addition to having a fixed and fully volunteer workgroup with 5 people, acting as ambassadors for the topic. Thus, we deliver not only reflection, but practical and effective changes towards cultural transformation.

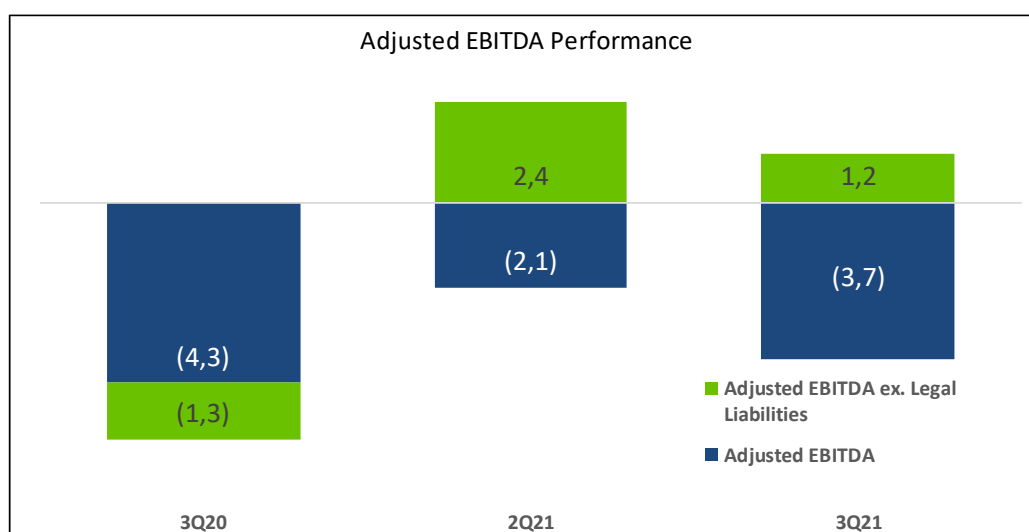
In addition to these two main initiatives, the company acted in specific assistance actions, with the donation of approximately 1,363 (One thousand three hundred and sixty-three) items, including books, milk, books and toys, with the support of the Pastoral da Criança institutions in Inhoaíba - RJ, Projeto Batucando - RJ, Projeto Nossa Turma - SP, Settlement Buenos Aires-GO thus leaving a positive legacy in all the states where it is present.

As for the environmental factor, we continued to evolve in the control of solid waste disposal, delivering, in the third quarter, 837 items for recycling, of which 711 were technological waste, 120 textiles, and 6 real estate, in addition to 2 tons of paper for recycling.

The strategy and implementation of sustainability in governance remains firm in the analysis and reformulation of policies, management systems and code of ethics, seeking to reconstruct these documents in order to improve them as a reference and mirror of the cultural change sought by the company.

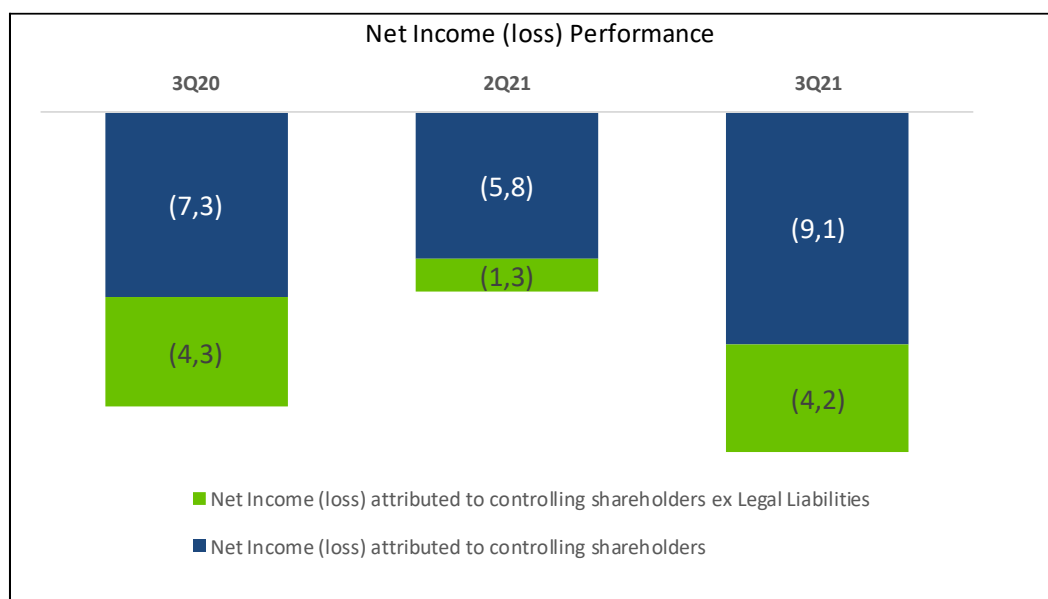
## 5. Operating Results

### 5.1 EBITDA: Earnings Before Interest, Taxes, Depreciation and Amortization



The adjusted EBITDA before Legal Liabilities totaled R\$1.2 million in 3Q21 and was negative by R\$3.7 million after Legal Liabilities.

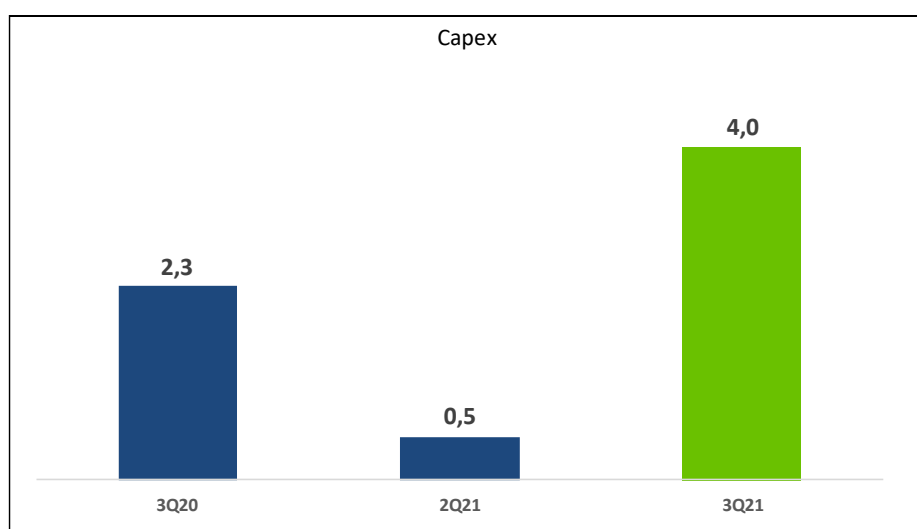
## 5.2 Net Result (Adjusted<sup>1</sup>)



The three-month period ended September 30, 2021, ended with a Net Result attributed to the controlling shareholders, with Judicial Liabilities, negative by R\$9.1 million. The net result excluding Judicial Liabilities was negative by R\$4.2 million, impacted by interest updates on tax installments and the creation of a reserve for stock options in line with the approved stock option plan.

## 6. Investments and Cash

### 6.1 Capex (Accrual Basis)



The Company's investments totaled R\$4.0 million in 3Q21. Most of our investments were to obtain software licenses for our digital purchase & sale, rental, and financial services platforms, and improvements in third-party properties.

## 6.2 Cash and Financial Investments

Table 14 – Cash and Financial Investments

Cash Flow (R\$ million)	3Q20	2Q21	3Q21
<b>Cash and Financial Investments at beginning of period</b>	<b>57.7</b>	<b>39.7</b>	<b>36.4</b>
<b>Operating Cash generated</b>	<b>7.0</b>	<b>4.8</b>	<b>2.5</b>
Labor Court Losses	(4.3)	(6.0)	(6.2)
Other Legal Expenses	(1.9)	(2.2)	(2.8)
Judicial Blockade	(0.5)	-	(0.0)
Transformation Project	-	-	-
Restructuring	(0.7)	(0.6)	(0.6)
<b>Net Cash generated</b>	<b>(0.3)</b>	<b>(4.1)</b>	<b>(7.1)</b>
Capital Increase	-	-	-
Investment Activities	(2.3)	0.5	(4.0)
Shareholder Financing Activities	(1.9)	0.2	(0.1)
Debentures	-	-	-
Minority Shareholders	(1.9)	0.2	(0.1)
<b>Cash and Financial Investments at end of period</b>	<b>53.1</b>	<b>36.4</b>	<b>25.2</b>

The Company's total cash and financial investments stood at R\$25.2 million in 3Q21. These amounts mainly refer to financial investments in bank certificates of deposit and fixed income funds, with yields varying based on the interbank deposit (CDI) rate.

The Company does not invest in derivatives, bonds, or any other instruments exposed to foreign exchange variation, neither in equities. All investments strictly comply with the Company's Policy, which includes rules about the relevance of the financial institution, maturity, concentration, and minimum rating of the issuer.

Cash generated from operating activities totaled R\$2.5 million in 3Q21, compared to the R\$4.8 million recorded in 2Q21.

A total of R\$6.2 million was spent with labor lawsuits and R\$2.8 million with other legal expenses. Restructuring expenses remained flat at R\$0.6 million in 3Q21.

Investment activities totaled R\$4.0 million in 3Q21, represented by the investment made in software for technological improvement.



## 7. Corporate Governance

Table 15 – Corporate Agenda

Earnings Release Agenda	
Event	date
Earnings Release Report 3Q21	November 11 <sup>th</sup> , 2021
Conference Call 3Q21	November 12 <sup>th</sup> , 2021

## Exhibit I - Quarterly Income Statement (R\$ '000)

### Financial statements

**Disclaimer:** For better comparison with previous operating results, this report demonstrates our operating results for the fiscal periods ended September 30, 2021 and September 30, 2020, highlighting the effects of the amortization of asset recovery.

All adjustments are shown in the table below:

	3Q21 Adjusted	Non Recurrent	3Q21 Accounting	2Q21 Adjusted	Non Recurrent	2Q21 Accounting	3Q20 Adjusted	Non Recurrent	3Q20 Accounting
<b>Service Revenue</b>	<b>50,533</b>	-	<b>50,533</b>	<b>47,012</b>	-	<b>47,012</b>	<b>31,882</b>	-	<b>31,882</b>
Discounts and Rebates	(1,373)	-	(1,373)	(606)	-	(606)	(725)	-	(725)
Taxes on Revenue	(6,418)	-	(6,418)	(6,030)	-	(6,030)	(4,206)	-	(4,206)
<b>Net Revenue</b>	<b>42,742</b>	-	<b>42,742</b>	<b>40,376</b>	-	<b>40,376</b>	<b>26,950</b>	-	<b>26,950</b>
Cost of Services Rendered	(16,224)	-	(16,224)	(15,399)	-	(15,399)	(9,454)	-	(9,454)
<b>Gross Profit</b>	<b>26,518</b>	-	<b>26,518</b>	<b>24,977</b>	-	<b>24,977</b>	<b>17,497</b>	-	<b>17,497</b>
<b>Operating and Administrative Expenses</b>	<b>(25,354)</b>	-	<b>(25,354)</b>	<b>(22,567)</b>	-	<b>(22,567)</b>	<b>(18,846)</b>	-	<b>(18,846)</b>
Administrative Expenses	(22,361)	-	(22,361)	(22,038)	-	(22,038)	(18,152)	-	(18,152)
Management Remuneration	(631)	-	(631)	(660)	-	(660)	(1,095)	-	(1,095)
Allowance for Doubtful Accounts	376	-	376	(24)	-	(24)	(606)	-	(606)
Other Operating Revenue (Expenses)	(2,325)	-	(2,325)	155	-	155	1,007	-	1,007
Equity	(413)	-	(413)	-	-	-	-	-	-
<b>EBITDA ex Legal Liabilities</b>	<b>1,165</b>	-	<b>1,165</b>	<b>2,409</b>	-	<b>2,409</b>	<b>(1,349)</b>	-	<b>(1,349)</b>
<b>Legal Liabilities</b>	<b>(4,913)</b>	-	<b>(4,913)</b>	<b>(4,466)</b>	-	<b>(4,466)</b>	<b>(2,982)</b>	-	<b>(2,982)</b>
<b>EBITDA considering Legal Liabilities</b>	<b>(3,748)</b>	-	<b>(3,748)</b>	<b>(2,056)</b>	-	<b>(2,056)</b>	<b>(4,331)</b>	-	<b>(4,331)</b>
Depreciações e amortizações	(2,262)	-	(2,262)	(2,353)	-	(2,353)	(2,802)	-	(2,802)
Depreciation	(443)	-	(443)	(483)	-	(483)	(639)	-	(639)
Amortization of intangible assets	(630)	-	(630)	(652)	-	(652)	(667)	-	(667)
Amortization Leases	(1,189)	-	(1,189)	(1,218)	-	(1,218)	(1,496)	-	(1,496)
Amortization	-	-	-	-	-	-	-	-	-
Amortization of Asset Impairment	-	-	-	-	-	-	-	-	-
Financial Expenses	(3,565)	-	(3,565)	(1,249)	-	(1,249)	(690)	-	(690)
Financial Income	688	-	688	455	-	455	1,285	-	1,285
<b>Income ex Legal Liabilities</b>	<b>(3,975)</b>	-	<b>(3,975)</b>	<b>(737)</b>	-	<b>(737)</b>	<b>(3,557)</b>	-	<b>(3,557)</b>
<b>Income considering Legal Liabilities</b>	<b>(8,887)</b>	-	<b>(8,887)</b>	<b>(5,203)</b>	-	<b>(5,203)</b>	<b>(6,539)</b>	-	<b>(6,539)</b>
Provision for Income Tax	(170)	-	(170)	(437)	-	(437)	(226)	-	(226)
Provision for Social Contribution Tax	(71)	-	(71)	(162)	-	(162)	(87)	-	(87)
<b>Net profit of discontinued operations</b>	<b>-</b>	-	<b>-</b>	<b>-</b>	-	<b>-</b>	<b>(1,432)</b>	-	<b>(1,432)</b>
<b>Net Income (losses) from Operations ex Legal Liabilities</b>	<b>(4,216)</b>	-	<b>(4,216)</b>	<b>(1,336)</b>	-	<b>(1,336)</b>	<b>(5,301)</b>	-	<b>(5,301)</b>
<b>Net Income (losses) from Operations considering Legal Liabilities</b>	<b>(9,129)</b>	-	<b>(9,129)</b>	<b>(5,801)</b>	-	<b>(5,801)</b>	<b>(8,283)</b>	-	<b>(8,283)</b>
<b>Minority Interest</b>	<b>2</b>	-	<b>2</b>	<b>26</b>	-	<b>26</b>	<b>994</b>	-	<b>994</b>
<b>Net Profit (Loss) attributed to the controlling shareholders ex Labor Liabilities</b>	<b>(4,214)</b>	-	<b>(4,214)</b>	<b>(1,310)</b>	-	<b>(1,310)</b>	<b>(4,307)</b>	-	<b>(4,307)</b>
<b>Net Profit (Loss) attributed to the controlling shareholders considering Labor Liabilities</b>	<b>(9,127)</b>	-	<b>(9,127)</b>	<b>(5,776)</b>	-	<b>(5,776)</b>	<b>(7,290)</b>	-	<b>(7,290)</b>

**Exhibit II – Consolidated Balance Sheet on September 30, 2021 (R\$ '000)**

<b>Assets</b>		
	<b>3Q21</b>	<b>2Q21</b>
<b>Current assetss</b>		
Cash and cash equivalents	15,737	10,559
Financial assetss	4,277	11,670
Trade accounts receivable	9,188	9,726
Advances from suppliers	449	438
Taxes and contributions receivable	5,305	6,296
Dividends and interest on equity - receivable	-	-
Prepaid expenses	1,870	4,459
Accounts receivable - Resell companies	-	-
Other receivables	3,461	4,510
<b>Total current assets</b>	<b>40,287</b>	<b>47,658</b>
<b>Non current assetss</b>		
Financial assetss	5,369	13,830
Trade accounts receivable	1,155	1,247
Properties for sale	947	947
Taxes and contributions receivable	-	-
Loan from related parties	-	-
Judicial Blockade	12,637	13,302
Accounts receivable - Resell companies	39	39
Other credits	1,572	1,824
Lease-purchase agreement	8,533	10,127
Property, plant and equipment	6,042	6,590
Intangible assetss	93,936	92,571
<b>Total non current assetss</b>	<b>130,230</b>	<b>140,477</b>
<b>Total assets</b>	<b>170,517</b>	<b>188,135</b>

**Exhibit III – Consolidated Balance Sheet on September 30, 2021 (R\$ '000)**

<b>Liabilities and Equity</b>		
	<b>3Q21</b>	<b>2Q21</b>
<b>Current liabilities</b>		
Suppliers	6,631	8,270
Lease-purchase agreement - costs	3,898	4,362
Payroll and related taxes	13,564	10,586
Judicial installments payable	12,942	12,882
Taxes and contributions payable	14,249	12,459
Dividends payable	-	70
Provisions for lawsuits risks	17,755	19,984
Advances from customers	70	79
Operation values to be transferred	5,048	7,004
Other accounts payable	5,843	5,824
<b>Total current liabilities</b>	<b>80,000</b>	<b>81,520</b>
<b>Non current liabilities</b>		
Judicial installments payable	551	3,123
Payroll and related taxes	3,587	3,854
Taxes and contributions payable	11,036	9,920
Lease-purchase agreement - costs	6,892	7,943
Provisions for lawsuits risks	26,632	29,975
Other accounts payable	-	3,090
<b>Total non current liabilities</b>	<b>48,698</b>	<b>57,905</b>
<b>Equity</b>		
Capital	760,671	760,671
Earnings reserve	37,433	37,433
Treasury shares	(17,562)	(17,562)
Provision for Long Term Incentive Plan	2,821	582
Noncontrolling transations	(79,591)	(79,591)
Earnings (deficit) reserve	(662,303)	(653,175)
<b>Shareholders' equity of controllers</b>	<b>41,469</b>	<b>48,358</b>
Noncontrolling interests in subsidiaries	350	352
<b>Total equity</b>	<b>41,819</b>	<b>48,710</b>
<b>Total liabilities and equity</b>	<b>170,517</b>	<b>188,135</b>



## Exhibit IV - Consolidated Cash Flow on September 30, 2021 (R\$ '000)

CASH FLOW	3Q21	2Q21
<b>Cash flows from operating activities</b>		
Net income (loss) of the period	(8,887)	(5,203)
<b>Adjustments to reconcile net income to net cash provided by operating activities</b>		
Depreciation	443	483
Amortization	631	651
Amortization from lease-purchase agreement	1,188	1,219
Equity in subsidiaries	(413)	-
Provisions - Allowance for doubtful accounts	591	25
Provisions for lawsuits risks	4,086	3,116
Present value adjustment - accounts receivable	-	343
Write-off of property and Intangible assets	210	684
Lease-purchase agreement expenses	174	208
Income from loan agreement	-	-
Call option of shares balance	2,239	(5,970)
Asset recovery adjustment	-	-
Amortization of issuance of debentures costs	-	-
<b>Decrease (increase) in Assets and Liabilities</b>		
Trade accounts receivable	39	(3,038)
Advances from suppliers	(11)	(28)
Taxes recoverable	991	(74)
Prepayments	2,589	(4,009)
Accounts receivable - Resell companies	-	221
Judicial Blockade	665	259
Other credits	4,824	(2,386)
Other long term assets	252	(372)
Suppliers	(1,639)	32
Lawsuits risks	(9,658)	(11,516)
Interest paid - lease-purchase agreement	(1,185)	(389)
Payroll and related taxes	2,711	4,434
Taxes and contributions	2,664	8,781
Advances from customers	(9)	(7,650)
Others current liabilities	(1,940)	6,271
Others liabilities	(3,090)	1
<b>Cash (used in) generated by continued operating activities</b>	<b>(2,535)</b>	<b>(13,907)</b>
Cash (used in) generated by discontinued operating activities		
<b>Net cash (used in) generated by operating activities</b>	<b>(2,535)</b>	<b>(13,907)</b>
<b>Cash flows from investment activities</b>		
Securities	15,854	4,555
Repurchase of shares	-	6,155
Capital Increase (decrease) advance	-	-
Related parties	-	-
Investments	413	-
Lands for sale	-	500
Property, plant and equipment increase	(153)	(545)
Intangible assets increase	(4,264)	570
Dividends received	-	-
<b>Net Cash (used in) generated by investment activities from continued operating</b>	<b>11,850</b>	<b>11,235</b>
Net Cash (used in) generated by investment activities from discontinued operating		
<b>Net Cash (used in) generated by investment activities</b>	<b>11,850</b>	<b>11,235</b>
<b>Cash flows from financing activities</b>		
<b>Judicial installments</b>	<b>(2,512)</b>	<b>4,506</b>
Lease-purchase agreement - costs	(1,558)	(1,171)
<b>Net Cash (used in) generated by financing activities from continued operating</b>	<b>(4,070)</b>	<b>3,335</b>
Net Cash (used in) generated by financing activities from discontinued operating		
<b>Net Cash (used in) generated by financing activities</b>	<b>(4,070)</b>	<b>3,335</b>
<b>Cash flow from activities with shareholders</b>		
Non-controlling interest in subsidiaries	(67)	241
<b>Net Cash (used in) generated by financing activities with shareholders</b>	<b>(67)</b>	<b>241</b>
Net Cash (used in) generated by financing activities with shareholders from discontinued operating		
<b>Cash and cash equivalents increase (decrease)</b>	<b>5,178</b>	<b>904</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>10,559</b>	<b>9,654</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>15,737</b>	<b>10,559</b>