
# Financial Statements 2023

MRV&CO

MRV Urba Luggo SENSIA INCORPORADORA RESIA

**MRV Engenharia e Participações S.A.**
Financial Statements
December 31, 2023

## Contents



## Reviewed Financial Statements



## Notes to the Financial Statements

Edifício Statement
Av. Contorno, 5800
16º e 17º andar – Savassi
30110-042 - Belo Horizonte - MG - Brasil
Tel: +55 31 3232-2100
Fax: +55 31 3232-2106
ey.com.br

**A free translation from Portuguese into English of Independent Auditor's Report on parent company and consolidated financial statements prepared in accordance with accounting practices adopted in Brazil, and the International Financial Reporting Standards (IFRS), applicable to real estate development entities in Brazil registered with the Brazilian Securities and Exchange Commission (CVM)**

# Independent auditor's report on parent company and consolidated financial statements

To the
Shareholders, Board of Directors and Officers
**MRV Engenharia e Participações S.A.**
Belo Horizonte - MG

## Opinion on the parent company and consolidated financial statements prepared in accordance with accounting practices adopted in Brazil, and the International Financial Reporting Standards (IFRS), applicable to real estate development entities in Brazil registered with the Brazilian Securities and Exchange Commission (CVM)

We have audited the parent company and consolidated financial statements of MRV Engenharia e Participações S.A. (the "Company"), identified as Parent company and Consolidated, respectively, which comprise the statements of financial position as at December 31, 2023 and the statements of profit or loss, of comprehensive income, of changes in equity, and cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

*Opinion on the parent company financial statements*

In our opinion, the accompanying parent company financial statements present fairly, in all material respects, the Company's financial position as at December 31, 2023, and its financial performance and cash flows for the year then ended in accordance with the accounting practices adopted in Brazil, applicable to real estate development entities in Brazil registered with the Brazilian Securities and Exchange Commission (CVM).

*Opinion on the consolidated financial statements*

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the Company's consolidated financial position as at December 31, 2023, and its consolidated financial performance and cash flows for the year then ended in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), applicable to real estate development entities in Brazil registered with the Brazilian Securities and Exchange Commission (CVM).

## Basis for opinion

We conducted our audit in accordance with Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in the “Auditor’s responsibilities for the audit of the parent company and consolidated financial statements” section of our report. We are independent of the Company and its subsidiaries in accordance with the relevant ethical principles set forth in the Code of Professional Ethics for Accountants, the professional standards issued by Brazil’s National Association of State Boards of Accountancy (CFC) and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Emphasis of matter

*CVM/SNC/SEP Memorandum Circular No. 02/2018*

As described in Note 2.1, the parent company financial statements have been prepared in accordance with accounting practices adopted in Brazil, applicable to real estate development entities in Brazil registered with the CVM, and the consolidated financial statements have been prepared in accordance with accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), applicable to real estate development entities in Brazil registered with the CVM. Accordingly, the accounting policy adopted by the entity to recognize revenue from unfinished real estate unit purchase and sale agreements, as far are aspects related to transfer of control are concerned, should be determined according to the understanding expressed by CVM in CVM/SNC/SEP Memorandum Circular No. 02/2018 on the application of Brazilian accounting standard NBC TG 47 (IFRS 15). Our opinion is not qualified in respect of this matter.

*Restatement of corresponding figures*

As mentioned in Note 2.3, as a result of the changes in the accounting practices adopted by the Company in 2023, the corresponding amounts referring to prior-year statements of cash flows, presented for comparison purposes, were adjusted and are being restated as provided for in NBC TG 23 - *Accounting policies, changes in accounting estimates and errors*. Our opinion is not qualified in respect of this matter.

## Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the parent company and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, a description of how our audit addressed the matter, including any commentary on the findings or outcome of our procedures, is provided in that context.

We have fulfilled the responsibilities described in the “Auditor’s responsibilities for the audit of the parent company and consolidated financial statements” section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

*Recognition of revenues from unfinished real estate units and construction services*

As mentioned in Notes 2.2 (a), 22 and 28, the Company and its subsidiaries recognize their revenues from unfinished real estate unit purchase and sale agreements and from construction services using the Percentage of Completion (POC) method. In accordance with Brazilian accounting pronouncement CPC 47 / IFRS 15 - *Revenue from contracts with customers* and with the understanding expressed by the CVM in CVM/SNC/SEP Memorandum Circular No. 02/2018 on the application of NBC TG 47 (IFRS 15), revenue recognition by the Company and its subsidiaries requires the measurement of the Company's progress in relation to the fulfillment of the performance obligation satisfied over time.

The POC method requires that the Company's executive board estimate the costs to be incurred until the completion of the construction and handover of the keys to the real estate units sold, the real estate development projects and each stage of the construction services. Then, based on the costs incurred and the contractual conditions, the fair values of the sales revenues that will be recognized in each period are estimated, in proportion to what has been estimated.

Given the materiality, complexity and judgements involved in determining unrecognized revenues from sales and construction services, and the risk of material impacts on profit or loss for each period that these changes in estimates may bring, we consider this matter to be significant for our audit.

How our audit has addressed this matter:

Our audit procedures included, among others: (a) gaining understanding of the design of key internal controls related to the recognition of revenue from the sale of unfinished real estate units and the provision of construction services, which include the preparation, review and timely approval of cost budgets to be incurred; (b) involving specialists in asset valuation to assist in the identification of evidence contrary to the estimated costs to be incurred, analysis of the stages of execution of certain constructions, and verification of the reasonableness of the period foreseen for completion in the respective budgets of the Company and its subsidiaries in relation to the reality of operations; (c) crosschecking of ancillary POC records against the accounting balances, independent calculation of the amounts of revenues from unfinished real estate unit sales and construction services, and inspection, on a sampling basis, of documents that support the units sold and the budgeted costs to be incurred considered in the POC; (d) sample testing of costs incurred, where contracts, payments made and documents supporting these transactions were inspected; and (e) conducting analytical procedures to assess significant changes in the margins and budgets of real estate projects for the year ended December 31, 2023 compared to the previous year. Additionally, we assessed the adequacy of the Company's disclosures on this matter.

Based on the result of our audit procedures, which are consistent with the executive board's assessment, we consider that the estimates prepared by the executive board for the recognition of revenues from the sale of unfinished real estate units and the provision of construction services, as well as the respective disclosures in Notes 22.2 (a), 22 and 28, are acceptable in the context of the parent company and consolidated financial statements taken as a whole.

*Realization of deferred income and social contribution tax assets*

As disclosed in Note 26 to the parent company and consolidated financial statements, the Company has a deferred income and social contribution tax balance at December 31, 2023, in the amount of R$188,068 thousand and R$206,794 thousand in the parent company and consolidated financial statements, respectively, recognized on temporary differences and income and social contribution tax losses.

This matter was considered significant for our audit given the materiality of the amounts involved, the uncertainties inherent in the business that impact future taxable profit projections, and the judgment associated with determining the assumptions to ascertain whether these deferred tax assets can be realized and the impact that any changes in the assumptions could have on the value of these assets in the Company's parent company and consolidated financial statements.

How our audit has addressed this matter

Our audit procedures included, among others: (a) understanding the design of key internal controls related to the preparation of the Company's future taxable profit projections; (b) analyzing the reasonableness of the assumptions and evaluating the accuracy and integrity of the information used by the Company's executive board in preparing the deferred tax asset realization analysis, by contrasting it with business plans, budgets and/or projects already initiated and other market information; (c) using the services of tax experts to assist us in reviewing the changes in temporary differences and the tax bases for projected future taxable profit; (d) reviewing the historical changes in income and social contribution tax losses; and (e) conducting a sensitivity analysis of key assumptions, to assess the behavior of deferred tax asset realization in projections and their fluctuations. Additionally, we assessed the adequacy of the Company's disclosures on this matter.

Based on the result of our audit procedures, which are consistent with the executive board's assessment, we consider that the estimates prepared by the executive board to analyze the realization of deferred tax credits, as well as the respective disclosures in Notes 2.2 (t) and 26, are acceptable in the context of the parent company and consolidated financial statements taken as a whole.

Building a better working world

**Other matters**

*Statements of value added*

The parent company and consolidated statements of value added (SVA) for the year ended December 31, 2023, prepared under the responsibility of the Company's executive board, and presented as supplementary information for purposes of IFRS, were submitted to audit procedures conducted together with the audit of the Company's financial statements. To form our opinion, we evaluated if these statements are reconciled to the financial statements and accounting records, as applicable, and if their form and content comply with the criteria defined by Brazilian Accounting Standard NBC TG 09 - *Statement of value added*. In our opinion, these statements of value added were prepared fairly, in all material respects, in accordance with the criteria defined in abovementioned accounting pronouncement, and are consistent in relation to the overall parent company and consolidated financial statements.

**Other information accompanying the parent company and consolidated financial statements and the auditor's report**

The executive board is responsible for such other information, which comprises the Management Report.

Our opinion on the parent company and consolidated financial statements does not cover the Management Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the parent company and consolidated financial statements, our responsibility is to read the Management Report and, in doing so, consider whether this report is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the Management Report, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the executive board and those charged with governance for the parent company and consolidated financial statements**

The executive board is responsible for the preparation and fair presentation of the parent company financial statements in accordance with accounting practices adopted in Brazil, applicable to real estate development entities in Brazil registered with the CVM, and the consolidated financial statements in accordance with accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), applicable to real estate development entities in Brazil registered with the CVM, and for such internal control as the executive board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company and consolidated financial statements, the executive board is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the executive board either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and its subsidiaries' financial reporting process.

**Auditor's responsibilities for the audit of the parent company and consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the parent company and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Brazilian and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with Brazilian and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identified and assessed the risks of material misstatement of the parent company and consolidated financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and its subsidiaries' internal control.

- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the executive board.

- Concluded on the appropriateness of the executive board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the parent company and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- We obtained adequate and sufficient audit evidence referring to financial information of entities or business activities of the group to express an opinion on the parent company and consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the scope and timing of the planned audit procedures and significant audit findings, including deficiencies in internal control that we may have identified during our audit.

We also provided those charged with governance with a statement that we have complied with relevant ethical requirements, including applicable independence requirements, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Belo Horizonte (MG), February 29, 2024.

ERNST & YOUNG
Auditores Independentes S/S Ltda.
CRC-SP015199/O

Bruno Costa Oliveira
Accountant CRC-BA031359/O

# Management Report 2023

Dear Shareholders,

Pursuant to legal and statutory provisions, MRV Engenharia e Participações S.A. (“Company” or “MRV”) Management submits for your consideration the Management Report and Financial Statements of the Company, accompanied by the report of independent auditors, for the fiscal year ended on December 31, 2023.

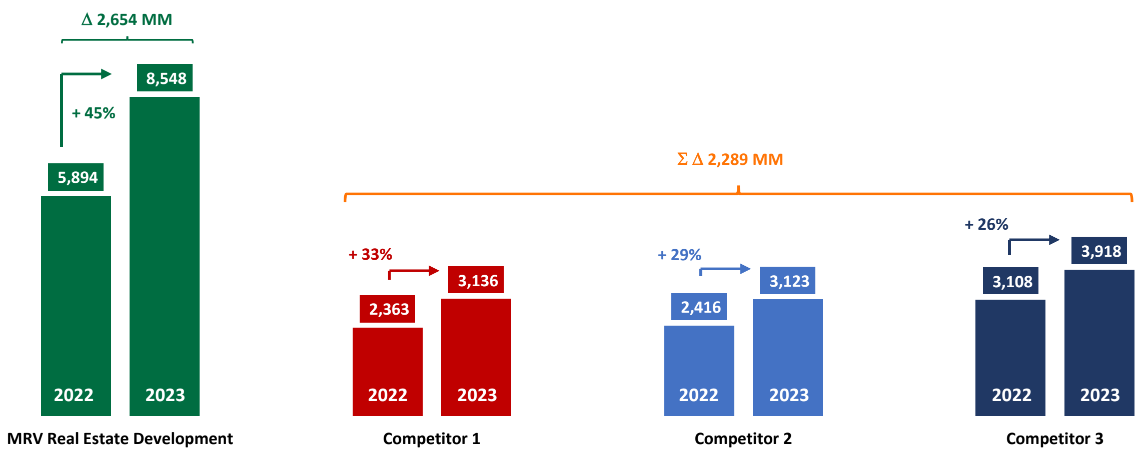
## Management Report

### MRV Real Estate Development

The year of 2023 was marked by the significant growth of MRV Real Estate Development´s operation, achieving important milestones such as a **Net Revenue of R$ 7.2 billion and Net Pre-Sales totaling R$ 8.5 billion (%MRV)**.

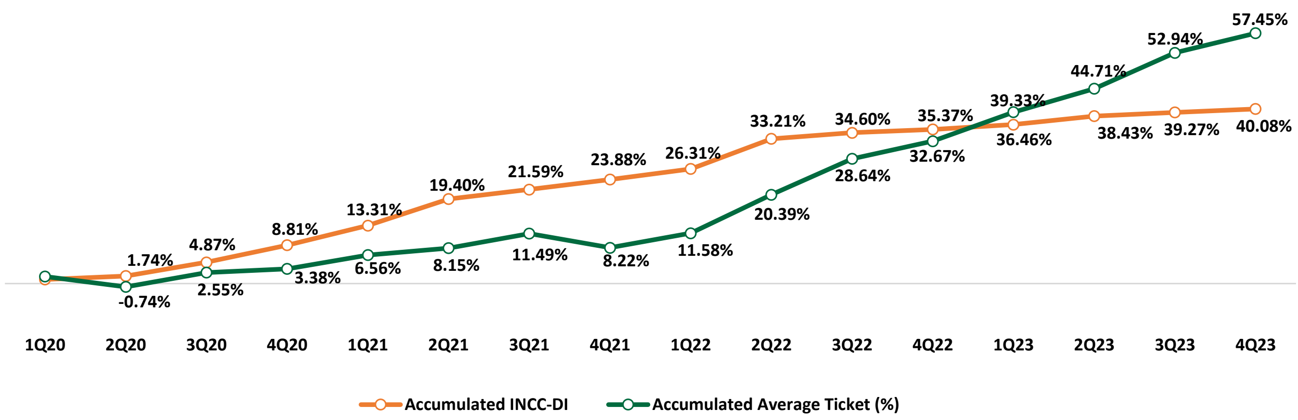
This represents a **45% expansion in the Potential Sales Value (PSV) sold in 2023 compared to 2022, marking the highest growth in net pre-sales in the sector, with an increase of R$ 2.65 billion, or 45% compared to the previous year**. The progress achieved during this period surpassed the combined growth of the main competitors.

**Net Pre - Sales Growth**




The significant increase in sales volume was achieved with price increases above the accumulated inflation, explaining the consistent **improvement in the Gross Margin of New Sales to levels equivalent to MRV's best operational years**, confirming the success of the Company's turnaround.

**Accumulated Average Ticket (%) x Accumulated INCC-DI**

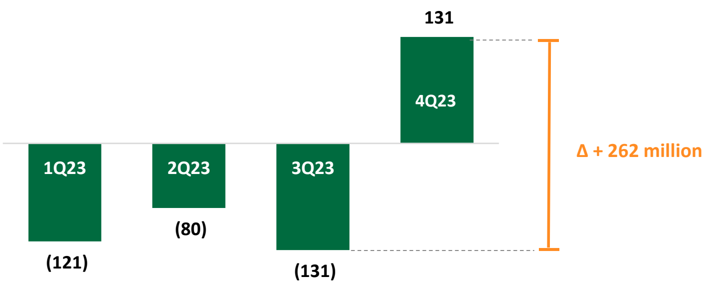



In the current scenario of stabilized costs, the recovery of the Gross Margin of New Sales is gradually reflected in the accounting Gross Margin as the sold units are produced. **In 4Q23, MRV showed an improvement of 4.4 percentage points in Gross Margin compared to the same period of the previous year**. This recovery is expected to persist until the convergence of the accounting Gross Margin with MRV's vision of the future.

**Considering the operation in December 2023, we are already selling with a Gross Margin on New Sales, excluding capitalized interest, of 37%, which puts us back at the top of profitability in the sector.**

With the gradual improvement of the Gross Margin, coupled with the portfolio assignment strategy, **the Company reported a cash generation of R$ 131 million in 4Q23**, an evolution of R$ 262 million compared to the previous quarter.

**MRV Real Estate Development**
**Cash Generation - R$ Million**

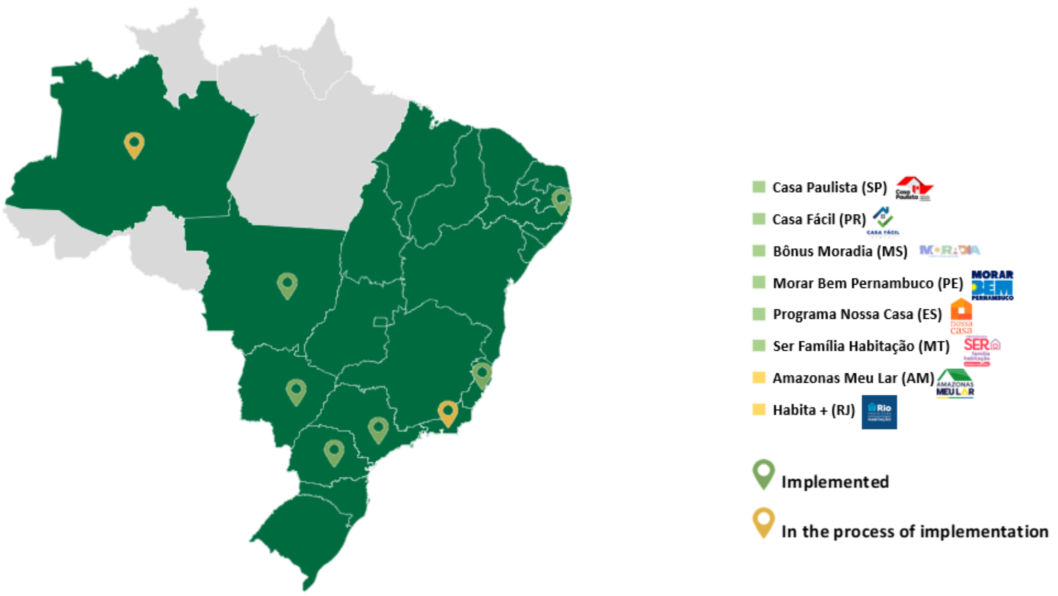



With the significant volume of sales reported during the year, **MRV recorded an increase of R$ 1.05 billion in Unearned Revenues between 4Q22 and 4Q23, totaling R$ 2.53 billion**. This substantial increase is composed of sales with a high Gross Margin on New Sales, a result of the price increase.

**Housing Programs:**

In addition to the strengthening of the MCMV Federal Program, various State and Municipal programs have gained relevance. This is extremely positive for MRV, which is **the only company with the geographical spread that allows it to benefit from all these programs**.

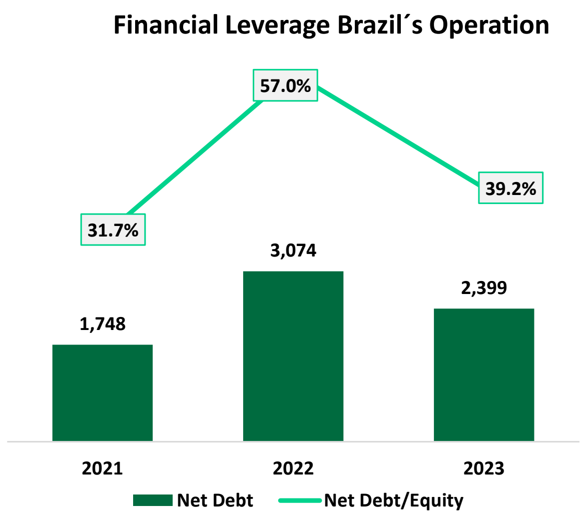
The following cities and states already have housing programs complementary to MCMV or are in the process of implementation, meaning that their housing subsidies will complement the program's subsidy. **This will be an important lever for us to continue reducing the pro-soluto granted to customers**.




## Follow on:

On July 13, 2023, MRV concluded its public offering of shares (follow-on), totaling R$ 1 billion, with the aim of accelerating the deleveraging process of the Company.

The fundraising contributed to reducing the Net Debt / Equity ratio by 18 percentage points compared to 2022.




For more information about the offering, please refer to the "Public Offering Closing Announcement" and other documents available on the Investor Relations website.

## ESG

**MRV&CO is a leader in the ESG agenda in the sector and one of the main references in the country,** with a long history of investments in important projects related to Sustainability, Corporate Governance, and Environmental preservation. The company continued to strongly engage in these issues throughout 2023.

As a signatory of the UN Global Compact since 2016, MRV&Co's sustainability strategy is aligned with the **Sustainable Development Goals (SDGs)** and the 10 Principles of the Global Compact. In March 2023, MRV&Co, along with 45 other committed companies and participants in the UN Global Compact's Brazil Network, **joined as a signatory to the Net Zero Movement**. The collective goal is to **reduce 2 gigatons of CO2 in cumulative emissions until 2030**, committing to reduce greenhouse gas emissions in line with the criteria of the Science Based Targets initiative (SBTi).

Additionally, **the company has been part of the Corporate Sustainability Index (ISE B3) for 8 consecutive years,** which evaluates the performance of large companies listed on **B3** and their practices in corporate governance, environmental sustainability, and social responsibility.

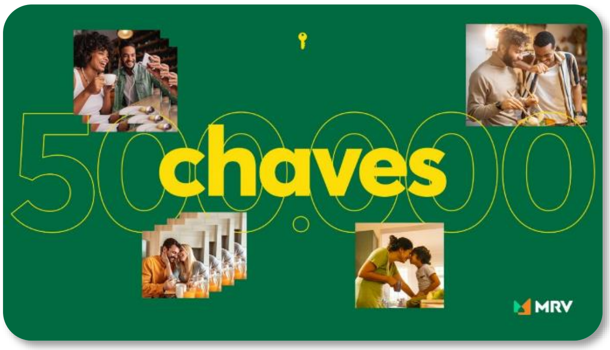
## GOVERNANCE

MRV&CO started the year 2023 with active participation in the agendas of the **UN Global Compact's 100% Transparency Movement,** the Integrity Movement in the Engineering and Construction sector, and the UN Global Compact Anti-Corruption Platform.

**Once again,** we have been included, under the evaluation of the Office of the Comptroller General, in an exclusive group of companies **approved for the 2022-2023 Pro-Ethics initiative.** This recognition reinforces MRV&CO's commitment to implementing measures aimed at preventing, detecting, and remedying acts of corruption and fraud.


## SOCIAL

### 500 Thousand Keys Delivered




As of the beginning of 2024, MRV&CO has achieved an unprecedented milestone in the Brazilian market with 500 thousand keys delivered. With half a million homes in our portfolio, we estimate that over 1.6 million people live in properties built by MRV&CO, surpassing the population of Recife, the ninth most populous capital in the country. Currently, 1 in every 133 Brazilians live in a property constructed by the company. In nearly 45 years of operation, the company has generated 370 thousand direct jobs and over 1.2 million indirect jobs. Additionally, the company has planted over 2 million trees and invested more than R$2_billion in infrastructure projects in the vicinity of its developments.

## Capital Markets

Our shares have been traded on the B3 S.A. – Securities, Commodities and Futures Exchange (B3) since 2007, held to the highest levels of governance – Novo Mercado, and are listed in the portfolio of 16 other indices.

MRVE3 shares closed the year valued at R$ 11.23, at a Market Cap of R$ 6.3 billion, with an average trade volume of R$ 119.6 million (average/day).

On December 31, 2023, the Company held 561,970,557 shares, with a trust of 1,348 shares.

IBOVESPA IBRX ISEB3 IDIV IGC IGC-NM IBRX50 ICON ICO2 IGCT

MRVE3 NOVO MERCADO IMOB INDX ITAG SMLL IBRA IDIVERSA IVBX

## Operational Performance

*Note: all values included in this report consider participation attributed to stockholders in the company, except where expressly indicated otherwise.*

| Operational Indicators (%MRV) | 2023 | 2022 | 2021 | Chg. 2023 x 2022 | Chg. 2023 x 2021 |
|---|---|---|---|---|---|
| **MRV&Co** | | | | | |
| Land Bank (R$ billion) | **65.3** | 75.5 | 72.9 | 13.5% ↓ | 10.4% ↓ |
| Launches (R$ million) | **6,178** | 9,146 | 9,442 | 32.5% ↓ | 34.6% ↓ |
| Units | **21,359** | 36,086 | 44,651 | 40.8% ↓ | 52.2% ↓ |
| Net Pre-Sales (R$ million) | **9,332** | 7,876 | 8,101 | 18.5% ↑ | 15.2% ↑ |
| Units | **38,095** | 33,326 | 38,758 | 14.3% ↑ | 1.7% ↓ |
| Built Units | **33,446** | 35,550 | 40,409 | 5.9% ↓ | 17.2% ↓ |
| Transferred Units | **31,105** | 30,707 | 37,628 | 1.3% ↑ | 17.3% ↓ |
| Inventories at Market Value (R$ million) | **12,390** | 12,398 | 9,209 | 0.1% ↓ | 34.5% ↑ |

## Financial Performance – MRV&Co

*Note: The information contained and analyzed below is derived from the consolidated financial statements for the years ended December 31, 2023, 2022 and 2021, unless otherwise stated.*

| Consolidated Financial Highlights - MRV&Co (R$ million) | 2023 | 2022 | 2021 | Chg. 2023 x 2022 | Chg. 2023 x 2021 |
|---|---|---|---|---|---|
| **Total Net Revenue** | **7,430** | **6,645** | **7,106** | **11.8% ↑** | **4.6% ↑** |
| **Gross Profit** | **1,687** | **1,318** | **1,829** | **28.1% ↑** | **7.7% ↓** |
| Gross Margin (%) | **22.7%** | 19.8% | 25.7% | 2.9 p.p. ↑ | 3.0 p.p. ↓ |
| Gross Margin ex. financial cost (%) | **26.2%** | 23.4% | 27.8% | 2.9 p.p. ↑ | 1.6 p.p. ↓ |
| **EBITDA** | **463** | **822** | **1,406** | **43.7% ↓** | **67.1% ↓** |
| EBITDA Margin (%) | **6.2%** | 12.4% | 19.8% | 6.1 p.p. ↓ | 13.6 p.p. ↓ |
| **Net Income** | **(30)** | **(177)** | **779** | **83.1% ↓** | **103.8% ↓** |
| Net Margin (%) | **-0.4%** | -2.7% | 11.0% | 2.3 p.p. ↑ | 11.4 p.p. ↓ |
| Earnings per share (R$) | **(0.057)** | **(0.350)** | **1.613** | **83.6% ↓** | **103.5% ↓** |
| **ROE** | **-0.5%** | **-2.9%** | **13.3%** | **2.4 p.p. ↑** | **13.8 p.p. ↓** |
| Unearned Gross Sales Revenues | **2,665** | 1,552 | 2,034 | 71.7% ↑ | 31.0% ↑ |
| Unearned Costs of Units Sold | **(1,607)** | (1,016) | (1,334) | 58.2% ↑ | 20.5% ↑ |
| Unearned Results | **1,058** | 536 | 700 | 97.3% ↑ | 51.1% ↑ |
| % Unearned Margin | **39.7%** | 34.5% | 34.4% | 5.2 p.p. ↑ | 5.3 p.p. ↑ |
| **Cash Generation** | **(1,419)** | **(2,232)** | **(554)** | **36.4% ↑** | **156.1% ↓** |

## EBITDA

| EBITDA (R$ million) | 2023 | 2022 | 2021 | Chg. 2023 x 2022 | Chg. 2023 x 2021 |
|---|---|---|---|---|---|
| **MRV&Co** | | | | | |
| Income Before Taxes | **(73)** | 126 | 1,154 | 158.4% ↓ | 106.4% ↓ |
| (+) Depreciation and Amortization | **133** | 176 | 129 | 24.4% ↓ | 3.4% ↑ |
| (-) Financial Results | **(143)** | (237) | 25 | 39.5% ↓ | 670.9% ↓ |
| (+) Financial charges recorded under cost of sales | **260** | 283 | 148 | 8.2% ↓ | 75.3% ↑ |
| (+) Financial charges recorded under investment property | **-** | 49 | 0 | 100.0% ↓ | 100.0% ↓ |
| **EBITDA** | **463** | 822 | 1,406 | 43.7% ↓ | 67.1% ↓ |
| EBITDA Margin | **6.2%** | 12.4% | 19.8% | 6.1 p.p. ↓ | 13.6 p.p. ↓ |

## Consolidated Net Debt

| Net Debt (R$ million) | Dec/23 | Dec/22 | Dec/21 | Chg. Dec/23 x Dec/22 | Chg. Dec/23 x Dec/21 |
|---|---|---|---|---|---|
| **MRV&Co** | | | | | |
| Total debt | **8,327** | 7,429 | 5,364 | 12.1% ↑ | 55.2% ↑ |
| (-) Cash and cash equivalents & Marketable Securities | **(3,283)** | (2,892) | (2,750) | 13.5% ↑ | 19.4% ↑ |
| (-) Derivative Financial Instruments | **5** | 343 | 55 | 98.5% ↓ | 90.3% ↓ |
| **Net Debt** | **5,050** | **4,667** | **2,669** | **8.2% ↑** | **89.2% ↑** |
| Total Shareholders' Equity | **7,565** | 6,574 | 6,574 | 15.1% ↑ | 15.1% ↑ |
| Net Debt / Total Shareholders' Equity | **66.8%** | 71.0% | 40.6% | 4.2 p.p. ↓ | 26.2 p.p. ↑ |
| EBITDA LTM | **463** | 822 | 1,406 | 43.7% ↓ | 67.1% ↓ |
| Net Debt / EBITDA LTM | **10.90x** | 5.68x | 1.90x | 92.0% ↑ | 474.6% ↑ |

## Relationship with Independent Auditors

In compliance with CVM Resolution No. 162/22, we hereby inform that our independent auditors, Ernst & Young Auditores Independentes ("EY"), provided comfort letter issuance services in addition to external audit services during the year 2023. The Company's policy in engaging the services of independent auditors ensures that there is no conflict of interest, loss of independence, or objectivity.

## Arbitration Clause

In accordance with Article 48 of Chapter VIII – Arbitration Chamber of the Company's Bylaws: The Company, its shareholders, executive officers and members of the Board of Directors are obliged to resolve, through arbitration, all and any disputes or controversies between them related to or arising from, in particular, the application, validity, efficacy, interpretation, violation and effects thereto of the provisions in Brazilian Corporation Law, the Company's Bylaws, the regulations of the National Monetary Council (CMN), the Central Bank of Brazil and the Brazilian Securities and Exchange Commission (CVM), as well as any other rules applicable to the functioning of the capital markets, including those provided for in the regulations of the Novo Mercado Special Corporate Governance, the Arbitration Regulations of the Market Arbitration Chamber and the Participation Agreement of the Novo Mercado.

## Message from the Executive Board

In compliance with the provisions of CVM Resolution No. 80, the Board declares that it discussed, reviewed, and agreed with the opinions expressed in the report of the independent auditors and the financial statements for the fiscal year ended on December 31, 2023.

## Acknowledgements

MRV Management thanks its shareholders, customers, suppliers and financial institutions for their support and confidence. It also thanks its employees for their dedication and efforts, who in great part were responsible for the results achieved.

Belo Horizonte, February 29, 2024.

The Management

**MRV ENGENHARIA E PARTICIPAÇÕES S.A.**

STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2023 AND 2022
(In thousands of Brazilian reais - R$)

| | Notes | Consolidated | | Parent Company | |
|---|---|---|---|---|---|
| | | 12/31/23 | 12/31/22 | 12/31/23 | 12/31/22 |
| **Assets** | | | | | |
| **Current assets** | | | | | |
| Cash and cash equivalents | 4 | **406,767** | 733,748 | **109,243** | 145,593 |
| Marketable securities | 5 | **2,330,698** | 1,784,495 | **1,629,492** | 1,288,450 |
| Receivables from real estate development | 6 (a) | **2,593,205** | 2,487,534 | **1,071,408** | 1,204,693 |
| Receivables from services provided and rents | 6 (a) | **257,328** | 154,740 | **110,560** | 74,228 |
| Inventories | 7 | **4,588,462** | 4,583,823 | **2,167,555** | 2,058,187 |
| Recoverable taxes | 16 | **137,821** | 109,807 | **102,358** | 79,457 |
| Prepaid expenses | | **146,030** | 102,498 | **80,047** | 51,628 |
| Derivative financial instruments | 25 (b) | **86,107** | - | **86,107** | - |
| Other assets | | **224,246** | 346,827 | **165,804** | 192,450 |
| | | **10,770,664** | 10,303,472 | **5,522,574** | 5,094,686 |
| Investment properties - Noncurrent assets held for sale | 9 | **891,196** | - | **-** | - |
| **Total current assets** | | **11,661,860** | 10,303,472 | **5,522,574** | 5,094,686 |
| | | | | | |
| **Noncurrent assets** | | | | | |
| Marketable securities | 5 | **545,123** | 373,709 | **442,418** | 311,262 |
| Receivables from real estate development | 6 (a) | **2,433,792** | 1,522,830 | **1,016,264** | 676,916 |
| Inventories | 7 | **3,834,998** | 4,644,619 | **2,298,240** | 3,096,574 |
| Deferred tax assets | 26 | **206,794** | - | **188,068** | - |
| Intercompany receivables | | **85,494** | 74,095 | **1,378,701** | 1,184,651 |
| Prepaid expenses | | **145,998** | 65,043 | **65,827** | 30,278 |
| Derivative financial instruments | 25 (b) | **36,937** | 33,069 | **36,937** | 33,069 |
| Other assets | | **646,591** | 337,491 | **389,054** | 224,004 |
| **Total long-term realisable** | | **7,935,727** | 7,050,856 | **5,815,509** | 5,556,754 |
| Equity interest in investees | 8 | **281,424** | 191,366 | **3,563,258** | 3,389,372 |
| Investment properties | 9 | **4,033,526** | 4,096,163 | **59,983** | 131,394 |
| Property and equipment | 10 | **979,159** | 778,390 | **706,886** | 611,267 |
| Intangible assets | 11 | **180,006** | 181,082 | **168,266** | 173,006 |
| **Total noncurrent assets** | | **13,409,842** | 12,297,857 | **10,313,902** | 9,861,793 |
| **Total assets** | | **25,071,702** | 22,601,329 | **15,836,476** | 14,956,479 |
| | | | | | |
| **Liabilities and Equity** | | | | | |
| **Current liabilities** | | | | | |
| Suppliers | | **724,177** | 895,087 | **587,566** | 532,270 |
| Payables for investment acquisition | | **21,758** | 34,730 | **13,836** | - |
| Derivative financial instruments | 25 (b) | **-** | 213,063 | **-** | 213,061 |
| Loans, financing and debentures | 12 | **1,365,635** | 1,148,232 | **906,154** | 878,074 |
| Land payables | 13 | **898,135** | 961,985 | **367,719** | 391,952 |
| Advances from customers | 14 | **290,165** | 230,772 | **170,857** | 132,865 |
| Payroll and related liabilities | 15 | **224,535** | 178,099 | **114,188** | 72,136 |
| Tax payables | 16 | **153,260** | 145,824 | **95,923** | 83,604 |
| Provision for maintenance of real estate | 17 | **78,145** | 55,871 | **45,251** | 32,470 |
| Deferred tax liabilities | 26 | **66,325** | 84,825 | **22,749** | 35,764 |
| Net capital deficiency liability - Equity interest in investees | 8 | **482,733** | 421,256 | **324,429** | 232,354 |
| Credit assignment liability | 6 (e) | **390,760** | 248,350 | **181,159** | 152,285 |
| Other liabilities | | **450,561** | 445,638 | **144,515** | 99,173 |
| | | **5,146,189** | 5,063,732 | **2,974,346** | 2,856,008 |
| Loans, financing and debentures - Noncurrent assets held for sale | 12 | **480,029** | - | **-** | - |
| **Total current liabilities** | | **5,626,218** | 5,063,732 | **2,974,346** | 2,856,008 |
| | | | | | |
| **Noncurrent liabilities** | | | | | |
| Payables for investment acquisition | | **13,981** | 20,866 | **1,765** | 15,602 |
| Derivative financial instruments | 25 (b) | **43,233** | 162,936 | **43,233** | 162,936 |
| Loans, financing and debentures | 12 | **6,481,636** | 6,280,944 | **3,432,856** | 3,434,097 |
| Land payables | 13 | **2,520,773** | 3,330,656 | **1,430,723** | 2,080,831 |
| Advances from customers | 14 | **158,462** | 253,542 | **82,227** | 179,459 |
| Provision for maintenance of real estate | 17 | **200,359** | 187,970 | **90,383** | 95,460 |
| Provision for civil, labor and tax risks | 18 | **108,450** | 72,829 | **73,306** | 49,715 |
| Deferred tax liabilities | 26 | **96,867** | 92,230 | **24,122** | 24,942 |
| Credit assignment liability | 6 (e) | **1,644,001** | 109,256 | **749,172** | 61,572 |
| Other liabilities | | **613,080** | 452,060 | **188,988** | 168,414 |
| **Total noncurrent liabilities** | | **11,880,842** | 10,963,289 | **6,116,775** | 6,273,028 |
| **Total liabilities** | | **17,507,060** | 16,027,021 | **9,091,121** | 9,129,036 |
| **Equity** | | | | | |
| Paid-in capital | 20 (a) | **5,616,600** | 4,615,408 | **5,616,600** | 4,615,408 |
| Treasury shares | | **(388)** | (388) | **(388)** | (388) |
| Capital reserves | | **58,210** | 88,734 | **58,210** | 88,734 |
| Earnings reserves | | **1,104,356** | 1,148,381 | **1,104,356** | 1,148,381 |
| Equity valuation adjustments | | **(33,423)** | (24,692) | **(33,423)** | (24,692) |
| **Equity attributable to the Company' shareholders** | | **6,745,355** | 5,827,443 | **6,745,355** | 5,827,443 |
| Noncontrolling interests | 20 (g) | **819,287** | 746,865 | **-** | - |
| **Total equity** | | **7,564,642** | 6,574,308 | **6,745,355** | 5,827,443 |
| **Total liabilities and equity** | | **25,071,702** | 22,601,329 | **15,836,476** | 14,956,479 |

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

**MRV ENGENHARIA E PARTICIPAÇÕES S.A.**

INCOME STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In thousands of Brazilian reais - R$, except earnings per share)

| | Notes | Consolidated | | Parent Company | |
|---|---|---|---|---|---|
| | | 2023 | 2022 | 2023 | 2022 |
| Net operating revenue | 22 | **7,429,915** | 6,645,285 | **2,790,946** | 3,098,359 |
| Cost of real estate sales and services | 23 | **(5,742,737)** | (5,327,731) | **(2,395,623)** | (2,630,901) |
| **Gross profit** | | **1,687,178** | 1,317,554 | **395,323** | 467,458 |
| | | | | | |
| Operating income (expenses): | | | | | |
| Selling expenses | 23 | **(755,131)** | (661,701) | **(478,868)** | (428,896) |
| General and administrative expenses | 23 | **(653,368)** | (610,568) | **(457,341)** | (393,330) |
| Other operating income (expenses), net | 23 | **(124,309)** | 426,937 | **(141,891)** | (53,024) |
| Results from equity interest in investees | 8 | **(84,509)** | (109,840) | **587,171** | 549,181 |
| **Income (loss) before financial income and taxes** | | **69,861** | 362,382 | **(95,606)** | 141,389 |
| | | | | | |
| Financial results: | | | | | |
| Financial expenses | 24 | **(467,360)** | (594,126) | **(272,408)** | (493,302) |
| Financial income | 24 | **220,740** | 249,598 | **145,209** | 185,580 |
| Financial income from results real estate development | 24 | **103,372** | 107,739 | **58,182** | 56,754 |
| **(Loss) income before taxes** | | **(73,387)** | 125,593 | **(164,623)** | (109,579) |
| | | | | | |
| Income tax and social contribution: | | | | | |
| Current | 26 | **(157,050)** | (318,304) | **(58,616)** | (71,609) |
| Deferred | 26 | **211,998** | 69,248 | **193,424** | 4,540 |
| | 26 | **54,948** | (249,056) | **134,808** | (67,069) |
| **Loss for the year** | | **(18,439)** | (123,463) | **(29,815)** | (176,648) |
| | | | | | |
| Net income (loss) attributable to: | | | | | |
| Company' shareholders | | **(29,815)** | (176,648) | | |
| Noncontrolling interests | | **11,376** | 53,185 | | |
| | | **(18,439)** | (123,463) | | |
| | | | | | |
| Earnings per share (In Reais - R$): | | | | | |
| Basic | 20 (h) | **(0.05727)** | (0.36556) | **(0.05727)** | (0.36556) |
| Diluted | 20 (h) | **(0.05727)** | (0.36556) | **(0.05727)** | (0.36556) |

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

**MRV ENGENHARIA E PARTICIPAÇÕES S.A.**

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In thousands of Brazilian reais - R$)

| | Consolidated | | Parent Company | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| Loss for the year | **(18,439)** | (123,463) | **(29,815)** | (176,648) |
| Other components of comprehensive income | | | | |
| Currency translation adjustments | **(119,805)** | (34,640) | **(79,774)** | (43,522) |
| Cash flow hedge reserve | **71,043** | (55,147) | **71,043** | (55,147) |
| **Total comprehensive income for the year** | **(67,201)** | (213,250) | **(38,546)** | (275,317) |
| | | | | |
| Comprehensive income attributable to: | | | | |
| Company' shareholders | **(38,546)** | (275,317) | **(38,546)** | (275,317) |
| Noncontrolling interests | **(28,655)** | 62,067 | **-** | - |
| | **(67,201)** | (213,250) | **(38,546)** | (275,317) |

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

**MRV ENGENHARIA E PARTICIPAÇÕES S.A.**

STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In thousands of Brazilian reais - R$)

| | Paid-in capital | Treasury shares | Capital reserves | | Earnings reserves | | Equity valuation adjustments | | Retained earnings | Equity attributable to the Company' shareholders | Noncontrolling interests | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Share issuance costs | Recognized options granted | Legal | Earnings retention | Cash flow hedge reserve | Cumulative translation adjustment | | | | |
| **BALANCE AT DECEMBER 31, 2021** | **4,615,171** | **(388)** | **(26,309)** | **98,278** | **102,266** | **1,230,639** | **(44,407)** | **118,384** | **-** | **6,093,634** | **479,992** | **6,573,626** |
| Capital increase | 237 | - | - | - | - | - | - | - | - | 237 | - | 237 |
| Capital transactions | - | - | - | - | - | (7,876) | - | - | - | (7,876) | 9,809 | 1,933 |
| Net contributions from noncontrolling shareholders | - | - | - | - | - | - | - | - | - | - | 149,135 | 149,135 |
| Currency translation adjustments | - | - | - | - | - | - | - | (43,522) | - | (43,522) | 8,844 | (34,678) |
| Cash flow hedge reserve | - | - | - | - | - | - | (55,147) | - | - | (55,147) | - | (55,147) |
| Stock options | - | - | - | 16,765 | - | - | - | - | - | 16,765 | - | 16,765 |
| Changes in indirect ownership | - | - | - | - | - | - | - | - | - | - | 45,900 | 45,900 |
| (Loss) net income for the year | - | - | - | - | - | - | - | - | (176,648) | (176,648) | 53,185 | (123,463) |
| Loss absorption | - | - | - | - | - | (176,648) | - | - | 176,648 | - | - | - |
| **BALANCE AT DECEMBER 31, 2022** | **4,615,408** | **(388)** | **(26,309)** | **115,043** | **102,266** | **1,046,115** | **(99,554)** | **74,862** | **-** | **5,827,443** | **746,865** | **6,574,308** |
| Capital increase | 1,001,192 | - | (47,280) | - | - | - | - | - | - | 953,912 | - | 953,912 |
| Capital transactions | - | - | - | - | - | (14,210) | - | - | - | (14,210) | (97,883) | (112,093) |
| Net contributions from noncontrolling shareholders | - | - | - | - | - | - | - | - | - | - | 118,163 | 118,163 |
| Currency translation adjustments | - | - | - | - | - | - | - | (79,774) | - | (79,774) | (40,031) | (119,805) |
| Cash flow hedge reserve | - | - | - | - | - | - | 71,043 | - | - | 71,043 | - | 71,043 |
| Stock options | - | - | - | 16,756 | - | - | - | - | - | 16,756 | - | 16,756 |
| Changes in indirect ownership | - | - | - | - | - | - | - | - | - | - | 80,797 | 80,797 |
| (Loss) net income for the year | - | - | - | - | - | - | - | - | (29,815) | (29,815) | 11,376 | (18,439) |
| Loss absorption | - | - | - | - | - | (29,815) | - | - | 29,815 | - | - | - |
| **BALANCE AT DECEMBER 31, 2023** | **5,616,600** | **(388)** | **(73,589)** | **131,799** | **102,266** | **1,002,090** | **(28,511)** | **(4,912)** | **-** | **6,745,355** | **819,287** | **7,564,642** |

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

MRV ENGENHARIA E PARTICIPAÇÕES S.A.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 - INDIRECT METHOD
(In thousands of Brazilian reais - R$)

| | Notes | Consolidated | | Parent Company | |
|---|---|---|---|---|---|
| | | 2023 | 2022 | 2023 | 2022 |
| **Cash flows from operating activities** | | | **(Restated)** | | **(Restated)** |
| Loss for the year | | **(18,439)** | (123,463) | **(29,815)** | (176,648) |
| Adjustments to reconcile net income to cash generated by operating activities: | | | | | |
| Depreciation and amortization | | **133,409** | 176,381 | **113,634** | 148,934 |
| Recognized stock options granted | 23 | **17,133** | 16,668 | **16,329** | 15,768 |
| Property and equipment write off | | **3,880** | 37,067 | **3,614** | 32,953 |
| Financial results | | **126,883** | (31,307) | **50,467** | (27,920) |
| Results from equity interest in investees | 8 | **84,509** | 109,840 | **(587,171)** | (549,181) |
| Results from sale of assets / projects | 23 | **(77,495)** | (624,142) | **16,941** | (28,970) |
| Provision for maintenance of real estate | | **114,485** | 105,166 | **46,252** | 50,472 |
| Provision for civil, labor and tax risks | | **149,214** | 137,626 | **94,641** | 87,645 |
| Allowance for expected credit loss | | **248,686** | 99,887 | **126,953** | 51,365 |
| Amortization of prepaid expenses | | **167,012** | 153,431 | **62,818** | 69,161 |
| Results from derivative financial instruments | | **10,067** | 288,908 | **10,069** | 288,900 |
| Deferred income tax and social contribution | 26 | **(211,998)** | (69,248) | **(193,424)** | (4,540) |
| Deferred taxes on revenue (PIS & COFINS) | | **(7,893)** | (171) | **(8,479)** | (5,074) |
| | | **739,453** | 276,643 | **(277,171)** | (47,135) |
| (Increase) decrease in operating assets: | | | | | |
| (Increase) decrease in trade receivables | | **(1,255,082)** | (162,283) | **(306,385)** | 82,207 |
| (Increase) decrease in real estate for sale | | **417,596** | (161,975) | **268,387** | 194,891 |
| (Increase) decrease in prepaid expenses | | **(223,559)** | (190,552) | **(94,951)** | (86,155) |
| (Increase) decrease in other assets | | **(72,832)** | 208 | **6,953** | 20,193 |
| Increase (decrease) in operating liabilities: | | | | | |
| Increase (decrease) in trade payables | | **(154,134)** | 189,430 | **53,540** | 169,419 |
| Increase (decrease) in payroll and related taxes | | **48,650** | (19) | **42,052** | (21,173) |
| Increase (decrease) in taxes, fees and contributions | | **178,267** | 288,758 | **71,799** | 62,565 |
| Increase (decrease) in advances from customers | | **53,429** | 19,426 | **22,463** | 23,670 |
| Increase (decrease) in other payables | | **(10,199)** | 70,053 | **(21,003)** | (12,617) |
| Interest paid | | **(94,972)** | (77,617) | **(29,493)** | (33,396) |
| Income tax and social contribution paid | | **(222,653)** | (263,568) | **(60,239)** | (65,234) |
| Amounts paid of real estate maintenance | 17 | **(99,543)** | (115,966) | **(57,914)** | (66,969) |
| Amounts paid for civil, labor and tax risks | 18 | **(128,343)** | (173,744) | **(81,286)** | (110,741) |
| **Net cash (used in) generated by operating activities** | | **(823,922)** | (301,206) | **(463,248)** | 109,525 |
| | | | | | |
| **Cash flows from investing activities** | | | | | |
| Increase in marketable securities | | **(10,141,518)** | (7,512,029) | **(6,225,848)** | (4,857,818) |
| Decrease in marketable securities | | **9,559,008** | 7,327,220 | **5,864,688** | 4,716,581 |
| Advances to related companies | | **(91,885)** | (60,525) | **(2,223,919)** | (1,359,133) |
| Receipts from related companies | | **85,257** | 57,215 | **2,034,541** | 1,151,457 |
| Distribution from (acquisition of/contribution to) investees | 8 | **(41,175)** | (10,000) | **454,176** | 112,267 |
| Payment for acquisition of investees | | **(42,460)** | (73,657) | **(18,249)** | (59,536) |
| Receipts for sale of investees / assets | | **719,188** | 2,017,645 | **72,880** | 164,708 |
| Purchase of investment property | | **(1,522,984)** | (2,920,635) | **(15,863)** | (35,767) |
| Purchase of property and equipment and intangible assets | | **(227,058)** | (363,971) | **(177,107)** | (276,633) |
| **Net cash used in investing activities** | | **(1,703,627)** | (1,538,737) | **(234,701)** | (443,874) |
| | | | | | |
| **Cash flows from financing activities** | | | | | |
| Proceeds from issue of shares | | **953,912** | 237 | **953,912** | 237 |
| Loans from related parties | | **(26,008)** | 48,168 | **-** | (14,824) |
| Proceeds from loans, financing and debentures | | **4,248,864** | 5,321,195 | **1,470,197** | 2,030,766 |
| Repayment of borrowings, financing and debentures | | **(3,186,255)** | (3,301,708) | **(1,421,147)** | (1,288,403) |
| Interest paid of loans, financing and debentures | | **(745,525)** | (509,458) | **(482,052)** | (378,412) |
| Amounts received from credit assignment liabilities (sale of receivables) | | **1,750,549** | 454,267 | **741,263** | 274,903 |
| Amounts paid for credit assignment liabilities (sale of receivables) | | **(515,205)** | (359,939) | **(274,499)** | (197,696) |
| Addition of other financial liabilities | | **106,772** | 57,337 | **49,900** | - |
| Contracted and redeemed derivative financial instruments | | **(361,765)** | (55,632) | **(361,765)** | (55,632) |
| Capital transactions | | **(119,702)** | 1,933 | **(14,210)** | (7,876) |
| Dividends paid | | **-** | (194,205) | **-** | (191,174) |
| Contribution from (distribution to) noncontrolling shareholders | 20 (g) | **118,163** | 149,135 | **-** | - |
| **Net cash generated by financing activities** | | **2,223,800** | 1,611,330 | **661,599** | 171,889 |
| | | | | | |
| Effects of exchange rates on cash and cash equivalents | | **(23,232)** | 14,433 | **-** | - |
| | | | | | |
| **(Decrease) increase in cash and cash equivalents, net** | | **(326,981)** | (214,180) | **(36,350)** | (162,460) |
| | | | | | |
| **Cash and cash equivalents** | | | | | |
| At the beginning of the year | | **733,748** | 947,928 | **145,593** | 308,053 |
| At the end of the year | | **406,767** | 733,748 | **109,243** | 145,593 |
| **(Decrease) increase in cash and cash equivalents, net** | | **(326,981)** | (214,180) | **(36,350)** | (162,460) |

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

**MRV ENGENHARIA E PARTICIPAÇÕES S.A.**

STATEMENT OF VALUE ADDED FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In thousands of Brazilian reais - R$)

| | Notes | Consolidated | | Parent Company | |
|---|---|---|---|---|---|
| | | 2023 | 2022 | 2023 | 2022 |
| **Revenues** | | | | | |
| Gross operating revenue | | **7,764,201** | 6,893,820 | **2,934,387** | 3,216,553 |
| Other income | | **(40,164)** | 49,027 | **(30,517)** | 50,033 |
| Revenues related to construction of own assets | | **36,124** | 37,294 | **36,059** | 36,008 |
| Allowance for expected credit loss | | **(248,686)** | (128,824) | **(126,953)** | (65,963) |
| | | **7,511,475** | 6,851,317 | **2,812,976** | 3,236,631 |
| **Inputs purchased from third-parties (includes the taxes PIS and COFINS)** | | | | | |
| Cost of real estate and services sold: supplies, land, power, outside services and other items | | **(5,257,486)** | (4,479,475) | **(2,574,321)** | (2,812,947) |
| **Gross added value** | | **2,253,989** | 2,371,842 | **238,655** | 423,684 |
| | | | | | |
| Depreciation and amortization | | **(133,409)** | (176,381) | **(113,634)** | (148,934) |
| **Net added value generated by the Company** | | **2,120,580** | 2,195,461 | **125,021** | 274,750 |
| | | | | | |
| **Added value received in transfer** | | | | | |
| Results from equity interest in investees | 8 | **(84,509)** | (109,840) | **587,171** | 549,181 |
| Financial income | | **389,814** | 387,396 | **240,802** | 261,930 |
| | | **305,305** | 277,556 | **827,973** | 811,111 |
| **Total added value for distribution** | | **2,425,885** | 2,473,017 | **952,994** | 1,085,861 |
| | | | | | |
| **Added value distributed** | | | | | |
| Personnel: | | **1,254,329** | 1,215,203 | **460,523** | 477,611 |
| Salaries and wages | | **999,334** | 968,023 | **314,282** | 316,797 |
| Benefits | | **191,780** | 183,442 | **109,784** | 118,609 |
| Severance Pay Fund (FGTS) | | **63,215** | 63,738 | **36,457** | 42,205 |
| | | | | | |
| Taxes and fees: | | **477,942** | 807,395 | **156,119** | 429,201 |
| Federal | | **314,425** | 615,435 | **74,815** | 309,736 |
| Municipal | | **161,989** | 190,885 | **80,238** | 118,679 |
| State | | **1,528** | 1,075 | **1,066** | 786 |
| | | | | | |
| Lenders and lessors: | | **712,053** | 573,882 | **366,167** | 355,697 |
| Interest | | **535,159** | 417,988 | **264,934** | 252,403 |
| Rentals / Leases | | **176,894** | 155,894 | **101,233** | 103,294 |
| | | | | | |
| Shareholders: | | **(18,439)** | (123,463) | **(29,815)** | (176,648) |
| Loss for the year | | **(29,815)** | (176,648) | **(29,815)** | (176,648) |
| Noncontrolling interests | 20 (g) | **11,376** | 53,185 | **-** | - |
| | | | | | |
| **Added value distributed** | | **2,425,885** | 2,473,017 | **952,994** | 1,085,861 |

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

## 1. General information

MRV Engenharia e Participações S.A. ("Company") and its subsidiaries ("Group") are engaged in the management of own and third-party assets, development, construction and sale of Company owned or third-party real estate, the provision of technical engineering services related to the functions of the technicians in charge, real estate consultancy services, dealing service of goods and services supply in residential real estate segment and holding equity interests in other companies as a shareholder. Real estate development and the construction of real estate are performed directly by the Company or other business partners. The direct and indirect subsidiaries are summarized in Note 8. Partners have a direct participation in the projects, through interest in special purpose entities ("SPE"), and silent partnerships ("SCP"), to develop the projects. The Company is a publicly held corporation listed in B3 S.A. (B3), under ticker MRVE3, with registered head office at 621 Professor Mário Werneck Ave.,1º floor, Belo Horizonte city, Minas Gerais, with CNPJ (taxpayer identification number) 08.343.492/0001-20.

Follow on

On July 13, 2023, the Company concluded the public offering, where 78,187,000 new shares were subscribed and paid in, totaling R$1 billion. The main purpose of this follow on is to improve the Company's capital structure.

Sale of receivables

For the year ended December 31, 2023, the Company carried out fifteen transactions of sale of receivables, transferring receivables in the total amount of R$2.4 billion, with amounts received in cash of R$1.9 billion. The servicer role was retained by the Group in some of these transactions. See Note 6 for more details.

Resia

For the year ended December 31, 2023, Resia completed the sale of two assets for a total amount of US$129.5 million (R$625.3 million), with cash generation of US$36 million (R$181.6 million) and profit of US$19.4 million (R$94.6 million).

Resia is currently assessing future asset sales, depending on market conditions.

## 2. Presentation of financial statements and significant accounting policies

2.1. Presentation of financial statements

I. Statement of compliance

The consolidated financial statements have been prepared and are presented in accordance with accounting practices adopted in Brazil (BRGAAP) and in accordance with the International Financial Reporting Standards (IFRS), applicable to real estate development entities, registered with Brazilian Securities and Exchange Commission (CVM). The parent company financial statements have been prepared and presented in accordance with accounting practices adopted in Brazil (BRGAAP), applicable to real estate development entities, registered with the CVM. Aspects related to transfer of control of real estate units follow the Company's management understanding aligned with that expressed by CVM in Circular Letter CVM/SNC/SEP n.º 02/2018, regarding the application of Technical Pronouncement CPC 47 / IFRS 15. The parent company financial statements are not in accordance with International Financial Reporting Standards (IFRS) since they considers the borrowing cost's capitalization on its investees' qualifying assets.

The accounting practices adopted in Brazil comprise the policies set out in Brazilian Corporate Law, the CVM rules and the pronouncements, guidance and interpretations issued by the Accounting Pronouncements Committee (CPC), approved by the CVM and the Federal Accounting Council (CFC).

II. Basis of measurement

The consolidated and parent company financial statements have been prepared based on the historical cost basis, except for the balances of 'Short-term investments', 'Marketable securities', 'Derivative financial instruments' and some loans and debentures (hedge accounting), measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

III. Basis of consolidation

The consolidated financial statements comprises the financial statements of the Company and entities controlled directly by the Company or indirectly through its subsidiaries. The Company's subsidiaries included in consolidation are listed in Note 8.

To determine whether the Company has control over the investees, Management used contractual agreements to evaluate the existing rights that give the Company the ability to direct the relevant activities of the investees, as well as exposure to, or rights to, variable returns from its involvement with them and the ability to use its power to affect the amount of returns.

On consolidation, the assets, liabilities and profits or losses balances of subsidiaries are combined with the corresponding line items of the Company's financial statements, on a per line-item basis, and the parent company's interests in the subsidiaries' equity, as well as all intragroup transactions, balances, revenue, and expenses are eliminated.

Noncontrolling interest (NCI) are measured initially at their proportionate share of the acquiree´s identifiable net assets at the date of acquisition. The changes in equity interests in subsidiaries not resulting in loss of control are recognized as capital transactions. The accounting balances of the Company's and non-controlling interests are adjusted to reflect changes in their respective interests in the subsidiaries. The difference between the amount based on which noncontrolling interests are adjusted and the fair values of considerations paid or received are recognized directly in equity and attributed to the Company´s shareholders.

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when the control is lost.

2.2. Significant accounting policies

The accounting policies described below have been consistently applied to all fiscal years presented in the consolidated and parent company financial statements for both the Company and its subsidiaries.

(a) Revenue recognition

The Group adopts CPC 47 / IFRS 15 - "Revenues from Contracts with Customers", also considering the guidelines contained in Circular Letter CVM/SNC/SEP nº 02/2018, of December 12, 2018 which establishes accounting procedures related to recognition, measurement and disclosure of certain types of transactions arising from sale contracts of uncompleted real estate units in Brazilian real estate development companies.

According to CPC 47 / IFRS 15, revenue recognition from contracts with customer has a normative discipline based on the transfer of control of the promised good or service, which may be at a specific moment in time (at a point in time) or over-time, depending on the satisfaction or otherwise of the so-called "contractual performance obligations". Revenue is measured at the amount that reflects the consideration to which it is expected to be entitled and is based on a five-step model detailed below: 1) contract identification; 2) identification of performance obligations; 3) determining the price of the transaction; 4) allocation of the transaction price to the performance obligations; 5) revenue recognition.

The Company's business model is predominantly based on sale contracts of "off-plan" (around 84%, related to a Brazilian government program) real estate units. In this model the customer signs a "purchase contract of off-plan real estate unit" with the developer, already foreseeing the payment conditions, as follows:

(i) Direct payments to the developer
(ii) Bank financing
(iii) Funds from *Fundo de Garantia do Tempo de Serviço* – FGTS (government labor time guarantee fund)
(iv) Eventual subsidies from government housing programs

The amounts paid directly to the developer (item (i) above) represent approximately 17% to 21% of the real estate unit´s value price, and the remaining amount come from bank financing, FGTS funds and eventual subsidies (items (ii) to (iv) above). The customer then signs a bank financing agreement ("private contract with a public deed") with a financial institution, including the amounts of bank financing, FGTS funds and eventual subsidies from government housing programs. The release of these resources is conditioned to the work progress, according to the percentage of conclusion certified in the *Relatório de Acompanhamento do Empreendimento* (monitoring report of the residential complex), according to the physical-financial schedule approved by the financial institution. This monitoring, for purposes of release of the installments, is carried out by the engineering area of the financial institution. At the time of signature of the bank financing agreement, the under construction unit´s ownership is transferred to the customer, being fiduciarily assigned to the respective financial institution.

A summary of "off-plan" contract modality detailing involved parties, guarantees and existing risks is presented below:

| Contracts | Parties | Real guarantee of the unit | Credit risk | Market risk | Cancelation risk |
|---|---|---|---|---|---|
| **Sale** | Buyer and Developer (Seller) | Developer | Developer: 100% | Buyer and Developer (in case of cancellation) | Developer |
| **Bank financing** | Buyer, Developer (Seller) and Financial institution (Fiduciary agent) | Financial institution (FI) | Developer: 17 to 21% and Financial institutions: 79 to 83% | Buyer and Financial institution | Not applicable.<br>In a default event by the customer, the FI may consolidate the property on its behalf for subsequent sale to third parties, in accordance with the procedures set forth in art. 27 of Law 9.514/97. The collected amount will have as main objective to discharge the customer´s outstanding balance with the FI. |

In addition, the Company also enters into sale contracts of real estate units by bank financing at the final phase of the project (around 3%) or by its own financing (around 13%).

*Five-steps model for revenue recognition*

| Steps | Addressed criteria |
|---|---|
| **Step 1:** Identity the contract | The contracts detailed above were identified as within the scope of the standard, since:<br>· Have commercial substance;<br>· It is probable that the consideration will be received;<br>· Rights and payment conditions can be identified;<br>· Are signed by the parties and they are committed to their obligations. |
| **Step 2:** Identity the performance obligations | Delivering the real estate unit to buyer. |
| **Step 3:** Determine the transaction price | Represented by the sale value of the real estate units, explicitly established in the contracts. |
| **Step 4:** Allocate the transaction price to the performance obligations | Direct and simple allocation of the transaction price, since the contracts detailed above have one single performance obligation (delivering the real estate unit). |
| **Step 5:** Revenue recognition | Recognized over-time. |

Accordingly, the policies adopted for calculating and recognizing revenue and recording the amounts in the line items 'Revenue from real estate development', 'Real estate for sale', 'Receivables from real estate development', and 'Advances from customers' follow the procedures above described and detailed as follows:

- For sales of uncompleted units, income is recognized based on the following criteria:

  (i) Sales revenues are allocated to profit or loss as construction progresses, as control is transferred on a continuous basis. Accordingly, the Company adopts the POC method (percentage of conclusion) which refers to the calculation of revenue based on percentage of completion for each project. The POC method uses the ratio of the incurred cost in relation to the budgeted cost of the respective projects and the revenue is calculated by multiplying this percentage (POC) by the contracted sales. The total budgeted cost of projects is initially estimated at launching and regularly reviewed; any adjustments identified in this estimate based on these revisions are reflected in the Group's results. The related land and construction additional costs inherent to the related developments of the units sold are allocated to net income when incurred.

(ii) Sales revenues calculated according to item (i), measured at fair value, including inflation adjustment, net of installments already received, are recognized as accounts receivable or advances from customers, according to the ratio between recognized revenues and received amounts.

- For installment sales of completed units, income is fully recognized at the time the sale is completed, regardless of the term for receiving the amount established by contract, and revenue is measured at the fair value of the consideration receivable.
- Interest and present value discount are allocated to profit or loss. Interest is recorded in line item 'Revenue from real estate development' during the period before the delivery of the units and in line item 'Financial income' during the period after the delivery of the units, on the accrual basis, regardless of actual receipts.
- Revenues from bartered real estate units are recorded as the works progresses until the units are delivered, in accordance with the contracts.

The Group recognizes as assets the incremental costs to obtain sale contracts, mainly represented by commissions and brokerage necessary to obtain the aforementioned contracts. These costs are recorded in line item "prepaid expenses" and amortized using the percentage of completion method described above.

Revenue and expenses are recorded on the accrual basis.

The Group accounts for the effects of a contract only when: (i) the parties have approved the contract; (ii) can identify each party´s rights and the payment terms; (iii) the contract has commercial substance; and (iv) it is probable to receive the consideration that the Group is entitled to.

The Group enters into sale contracts of real estate units, essentially classified into two types: "conventional" contracts and "guaranteed sale" contracts. The conventional contracts produce their effects since the signature date. “Guaranteed sale” contracts have suspensive clauses until the bank financing agreement´s signing date. In line with the legal effects described above, revenues from “Conventional contracts” are recognized from the execution date of the respective contracts and revenues from “Guaranteed sale” contracts are recognized since the bank financing agreement´s signing date, when the suspensive clause is satisfied, and the contract produces its effects.

*Cancellations*

The Group recognize a provision for cancellations when identifies cash inflow risks.

Contracts are monitored to verify when these conditions are mitigated. While this does not occur, no revenue or cost is recognized in profit or loss, and amounts are only recognized in financial position line items.

(b) Inventories (real estate for sale)

Inventory of completed units, under construction and not yet sold and landbank is stated at the incurred cost, which does not exceed market value. The land acquired under barter agreements is valued, on initial recognition, at the sales price of the bartered land or at the sales price of the bartered units. Classification of the landbank into current and noncurrent assets is based on the scheduled date to launch the project.

Inventory of supplies is carried at the lower of average cost of purchase or their net realizable values.

(c) Investment properties

Investment property consists of properties held to earn rentals or for capital appreciation (including construction in progress for such purpose) and is measured at cost, including transaction costs. Financial charges incurred on loans linked to the development of projects are capitalized and recognized in profit or loss through the realization of the underlying assets.

Depreciation is recognized based on the estimated useful life of each asset (other than land and constructions in progress) using the straight-line method, thus that cost less its residual value after its useful life is fully written off. The estimated useful lives, residual values and depreciation method are reviewed at least annually, with the effect of any changes in estimate accounted for on a prospective basis. Eventual costs incurred on the maintenance and repair of investment property are capitalized in assets when, and only when, the economic benefits associated to these items are probable and the amounts can be reliably measured, while other costs are directly allocated to profit or loss when incurred.

An investment property is derecognized on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal, where applicable. Any gain or loss arising on derecognition of the property, calculated by the difference between the net amount received on the sale and its book value, is recognized in profit or loss in the period in which the property is derecognized.

(d) Noncurrent assets held for sale

Noncurrent assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are measured at the lower of price carrying amount and fair value less costs to sell. Impairment losses on initial classification as held-for-sale and subsequent gains or losses on remeasurements are recognized in profit or loss.

(e) Financial instruments

Financial assets and financial liabilities are recognized when the Group is a party to the contractual provision of the instruments and are initially measured at fair value.

Transaction costs are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and liabilities at fair value through profit or loss) are added to or deducted from the fair value of financial assets and liabilities, if applicable, after their initial recognition. Transaction costs directly attributable to the acquisition of financial assets or liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets and financial liabilities are stated at their net amounts in the statement of financial position if, and only if, the Company has a legally enforceable right to offset the amounts recognized and if there is intent to simultaneously realize the asset and settle the liability.

*Financial assets*

Financial assets classifications are based on the business model which the asset is managed and its contractual cash flow characteristics (binomial contractual cash flow and business model), as summarized below:

| Categories / measurement | Conditions for category definition |
|---|---|
| Amortized cost | Financial assets are held within a business model whose objective is to hold financial assets to collect contractual cash flows on specific dates. |
| Fair value through other comprehensive income (FVTOCI) | There is not a specific definition within the business model about holding financial asset to collect contractual cash flows on specific dates or selling financial assets. |
| Fair value through profit or loss (FVTPL) | All other financial assets. |

The Group's main financial assets are shown below, classified as amortized cost, FVTPL and FVTOCI and presented in Note 25 (b):

- Cash and cash equivalents: Include amounts held as cash, bank accounts, and short-term investments, redeemable within ninety days or less as of the acquisition date, and subject to insignificant risk of change in market value.

- Marketable securities: The balances represent investments in: (i) restricted investment funds that include public and private securities (both post fixed rates) and investments in unrestricted investment funds, which in turn invest mainly in fixed income securities; (ii) unrestricted investment funds; (iii) bank deposit certificates; (iv) Investments from bank accounts and savings deposits, among others.
- Derivative financial instruments: Derivative financial instruments for exposure management, as described in Note 25 (b).
- Receivables from real estate development: Represents amounts receivable for the sale of real estate units, initially recognized as described in paragraph “a” above, adjusted as contractually set out, net of present value discount, when applicable.
- Intercompany loans: receivables from subsidiaries, joint ventures, associates and partners in real estate development.
- Receivables from services provided, rents and other sales: Correspond to amounts receivable for property rentals, land sales and other sales.

Ordinary purchases or sales of financial assets are recognized and derecognized on a trade date basis. Ordinary purchases or sales are purchases or sales of financial assets that require delivery of assets in accordance with regulation or market practice.

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On derecognition of a financial asset in its entirety, the difference between the asset’s carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

*Financial liabilities*

Classified at initial recognition as: (i) amortized cost; or (ii) measured at fair value through profit or loss.

The Group's financial liabilities, are classified and are measured at amortized cost, using the effective interest rate method, and include loans, financing and debentures, suppliers, intercompany loan payables, land payables, payables for investment acquisition, credit assignment liability and other liabilities, except for some loans and debentures, once they were designated as hedged items, according to hedge accounting methodology and some derivative financial instruments and land payables which are measured at fair value through profit or loss.

Loans, financing and debentures are initially recognized when funds are received, net of funding costs, when applicable. At the end of the reporting period, they are carried at their initial recognition, less amortization of installments of principal and charges, when applicable, plus the related charges incurred. Funding costs are presented as a reduction of current and noncurrent liabilities and are recognized in profit or loss over the same repayment term of the financing from which they were originated based on the effective interest rate of each transaction.

Financial liabilities are derecognized when, and only when, the Group’ obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognized and the sum of the consideration paid and payable is recognized in profit or loss.

*Derivative financial instruments and hedge accounting*

Derivatives are initially recognized at fair value. After initial recognition, derivatives are still measured at fair value and changes in fair value are recorded in profit or loss.

At the inception of the hedging relationship, the Group assesses whether the hedge relationship qualifies for hedge accounting; if positive, it formally documents the relationship between the hedging instrument and the hedged item. The assessment of whether the relationship meets the hedge effectiveness requirements is made and documented at the inception of the hedge relationship, on each reporting date on a relevant change in circumstances that affect the effectiveness requirements. Adjustments to hedge relationships are permitted after designation, without being considered a "discontinuity" of the original hedge relationship.

The Group discontinues hedge accounting only when the hedge relationship (or part thereof) no longer meets the qualifying criteria. This includes cases where the hedging instrument expires, is sold, terminated or exercised. Discontinuation is accounted for prospectively.

*Fair value hedge*

The Group entered derivative financial instruments (swaps) to hedge its exposure to changes in indexes and interest rates in several loans, financing and debentures or aiming not being exposed to changes in the fair value of certain financial instruments. For avoiding accounting mismatch in the measurement of these instruments, opted for hedge accounting (designations classified as fair value hedge). Accordingly, changes in fair values of derivatives financial instruments and hedged items (contracted debts) are recognized in profit or loss.

*Cash flow hedge*

The Group contracted derivative financial instruments of the swap type to hedge interest payments on debt in US dollars or subject to floating rates, formally designating them as hedging instruments and the interest payments on mentioned debts as hedged items, respectively, establishing an economic relationship between them, according to the hedge accounting methodology. This designation was classified as a cash flow hedge, with the effects of changes recognized in equity.

*Impairment of financial assets*

The Group recognize allowance for expected credit loss for all sale contracts of real estate units based on data on historical losses, and amounts are recorded monthly matching the respective real estate revenue recognition. When these contracts do not present real guarantee of the real estate unit sold and the customers are in default in an installment over three hundred and sixty days, the Group recognize this allowance for 65% on the outstanding balance and when the installments reach maturity over seven hundred and twenty days, the Group completes the allowance for the 35% remaining on the outstanding balance. Such analysis is performed individually by sale contract. This simplified approach is in line with item 5.5.15 of CPC 48 / IFRS 9 - Financial Instruments.

The Group's policy is to write-off amounts corresponding to real estate unit's sales contracts included in the allowance for expected credit loss that present maturing installments over two years. However, collection activities for recovery of these amounts continue to be carried out periodically.

The Group did not identify impairment on the recoverable amount of short-term investments.

The Group periodically reviews its assumptions to recognize allowance for expected credit loss considering revision of historical transactions and improvement of its estimates.

(f) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset, which necessarily take a substantial amount of time to be ready for the intended use or sale, are capitalized until the date they are substantially ready for the intended use or sale. Since financing activities are centrally managed by the Company, interest incurred by the Company on the financing of its investees' qualifying assets are capitalized and presented under caption investment (parent company financial statements), net of gains obtained on the temporary investment of funds obtained on specific borrowings that have not yet been spent on the qualifying assets. In the consolidated financial statements, subsidiaries' amounts are presented under caption 'Inventories (real estate for sale)' or 'Investment properties'. In the parent company financial statements, these costs are allocated to profit or loss proportionately to the units sold, by deducting the caption 'Results from equity participation' and, in the consolidated financial statements, are reclassified to caption "costs of real estate sold and services". The capitalization of these costs ceases when the related assets are ready for the intended use or sale.

All other loan costs are recognized in profit or loss for the period they are incurred.

(g) Equity interest in investees

In the Company's consolidated financial statements, investments in joint ventures and associates are recorded using the equity method, based on the investees' financial statements as of the Company's reporting period and following the same accounting practices in the Company's financial statements.

Investments in subsidiaries, joint ventures and associates are recorded in Parent Company's financial statements using the equity method of accounting, based on the subsidiaries' financial statements as of the Company's reporting period and following the same accounting practices in the Company's financial statements.

Profits and losses resulting from transactions between the Company and its joint ventures or associates are recognized in the financial statements only to the extent of third parties' interest in those joint ventures or associate. Profits and losses resulting from transactions between the Company and its subsidiaries are fully eliminated.

Goodwill arising on a business combination is carried at cost on the date of the business combination net of accumulated impairment losses, if any.

(h) Property, plant and equipment

Stated at cost, less depreciation and accumulated impairment losses, where applicable. Additions are classified as construction in progress and transferred to the appropriate categories when completed and ready for the intended use. These assets start to be depreciated when ready for the intended use, using the same base as the other property, plant and equipment items already in use.

Includes right-of-use assets, as per item (l) below.

(i) Intangible assets

Separately acquired intangible assets with finite useful lives are stated at cost less amortization and accumulated impairment losses.

Research expenditure is recognized as an expense when incurred. An internally generated intangible asset arising from expenditure on development is recognized if, and only if, all the conditions prescribed by CPC 04 / IAS 38, paragraph 57, on intangible assets can be demonstrated.

The amount initially recognized of internally generated intangible assets corresponds to the sum of the costs incurred since the time an intangible asset met the recognition criteria above. When no internally generated intangible asset can be recognized, development expenditure is recognized in profit or loss, when incurred.

(j) Depreciation, amortization, and derecognition of property, plant and equipment and intangible assets

Depreciation/amortization is recognized based on the estimated useful life of each asset on a straight-line basis, so that cost less its residual value after its useful life is fully written off, except for item "Aluminum forms", classified under caption "Machinery and equipment", which depreciation is calculated based on use and land and constructions/intangibles in progress that do not suffer depreciation. The estimated useful lives, the residual values, and the depreciation/amortization methods are reviewed at the end of the reporting period, and the effects from any change in estimates are recognized prospectively.

(k) Impairment

The Group assesses, at least annually, if there are any indications that its investment properties, property, plant and equipment and intangible items are impaired. Additionally, the Group tests for impairment, at least annually, goodwill on investment acquisitions, property, plant and equipment (works in progress), intangibles under development and inventories (real estate for sale).

(l) Leases

*The Group as a lessor*

The Group classifies leases as financial or operational. The lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset and classified as operating if it does not transfer substantially all the risks and rewards incidental to ownership of the underlying asset.

Revenues from operating leases (rental revenue) are recognized in the statement of profit or loss under the straight-line method over the lease period, if applicable.

The Group does not have lease agreements in which it is a financial lessor.

*The Group as lessee*

The Group assesses whether a contract is or contains a lease if it conveys the right to control the use of the identified asset for a period of time in exchange for consideration. Such assessment is performed at inception. Exemptions are applied for short-term leases and low-value items.

The cost of the right-of-use asset comprises: (i) the amount of the initial measurement of the lease liability; (ii) any lease payments made until the commencement date; (iii) direct costs incurred; and (iv) estimated costs to be incurred in dismantling and removing the asset, when applicable and are recognized in 'Property and equipment' and 'Investment properties'.

Lease liability is measured at the present value of the lease payments, discounted by the implicit interest rate or by the incremental borrowing rate and represents the obligation to make lease payments and it is recognized in 'Other liabilities'.

As a lessee, the Group identified lease agreements related to its head office, regional offices, commercial stores and project land. For the purpose of estimating the initial recognition of the lease liability and right-of-use asset were considered: the option to extend lease agreement for the same period for offices and the contractual term for commercial stores and land.

In determining the lease term, the Group considers all the facts and circumstances that create an economic incentive to exercise the option of extension, or not exercise a termination option. Extension options (or periods after the termination options) are included in the lease term only if the lease term is reasonably certain to be extended (or not terminated). The assessment is reviewed if there is a significant event or a significant change in circumstances that affects that assessment and is within the control of the Group. The contracts extension assessment affects the amounts of the recognized lease liabilities and rights-of-use assets.

In the statement profit or loss, an expense for depreciation of the right-of-use asset and an interest expense for the lease liability are recognized.

(m) Provisions

Provisions, including provision for maintenance of real estate and provision for civil, labor and tax risks are recognized when there is a present obligation (legal or constructive) as a result of a past event, that can be reliably estimated, and it is probable that a disbursement will be required to settle the obligation.

The amount recognized as a provision is the best estimate of the expenditure required to settle the obligation at the end of the reporting period, considering the risks and uncertainties inherent to such obligation.

When some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognized when, and only when, it is certain that reimbursement will be received, and the amount can be reliably measured.

(n) Provision for maintenance of real estate (Warranties)

The accruals for the expected cost of property maintenance are recognized in the profit or loss using the same criteria for the allocation of real estate development revenue, described in paragraph "a" above, from the date the related real estate units are sold, based on management's best estimate of the disbursements required to settle the Group's obligations.

(o) Treasury shares

Own equity instruments reacquired by the Company are recognized at cost and deducted from equity. Transaction costs incurred on share buybacks are added to the purchase cost of such shares.

(p) Earnings per share

Basic earnings per share are calculated by dividing net profit (loss) attributed to the holders of common shares of the parent entity by the weighted average number of common shares outstanding during the year, less treasury shares, if any.

Diluted earnings per share are calculated by dividing net profit (loss) attributed to the holders of common shares of the parent entity by the weighted average number of common shares outstanding during the year, less treasury shares, if any, plus the number of common shares that would be issued assuming that the stock options would be exercised at a price lower than the market price.

(q) Stock option plan

The Company has stock option plans as part of its employee retention plan. The Company recognizes the issued options´ costs under the straight-line basis over the vesting period, from grant date to the date the options become exercisable, with a corresponding adjustment in equity. Costs were determined based on the fair value of the options on the grant date using the Black & Scholes pricing model (Note 20 (e)).

(r) Use of estimates and judgements

The preparation of the financial statements requires the Company's Management to make estimates and adopt assumptions in its best judgment and based on historical experience and other factors considered relevant, which impact the amounts presented for certain assets and liabilities, as well as the amounts of revenues, costs and expenses in the presented fiscal years. Since Management's judgment involves estimates regarding the probability of future events, the actual amounts may differ from these estimates.

Significant estimates and assumptions are used on the accounting of revenue, that consider estimated budgeted cost of projects (item (a) above), provision for maintenance of real estate (Note 17); depreciation and amortization on property and equipment and intangible asset items, subject to useful lives and the residual values estimates (Note 10 and 11); provisions for civil, labor and tax risks (Note 18); stock option plan (Note 20, (e)), fair values of financial instruments and credit risk (Note 25), goodwill on investments acquisitions (Note 8).

The Group revises its estimates and assumptions at least annually. The effects arising from these revisions are recognized in the year when the estimates are revised if such revision impacts only such year, or also in subsequent years if the revision impacts both the current and future fiscal years.

(s) Functional, reporting currency and currency conversion

The Group's functional and presentation currency used in the consolidated and parent company financial statements is the Brazilian Real, except for the subsidiary MRV (US) Holdings Corporation and its subsidiaries whose functional currency is the US dollar. The Group translates the financial statements of this subsidiary, as follows:

- For assets and liabilities, the closing exchange rate is used;
- For income and expenses in the statement of income and comprehensive income and for cash flows, the average exchange rate for the period is used;
- All resulting exchange variations were recognized in other comprehensive income and accumulated in currency translation adjustments in equity. If the subsidiary is not a wholly owned subsidiary, the corresponding portion of the translation differences is attributed to non-controlling interest.

The financial information is presented in thousands of Brazilian reais, unless otherwise stated.

(t) Taxation

Current and deferred income tax, social contribution and taxes on sales are recognized in profit or loss, except when they correspond to items recognized in ‘Other comprehensive income’, or directly in equity, in which case current and deferred taxes are also recognized in ‘Other comprehensive income’ or directly in equity, respectively.

The income tax and social contribution, and taxes on sales expenses represent the sum of current and deferred taxes.

Deferred tax assets and liabilities are measured using the tax rates applicable for the period in which the liability is expected to be settled or the asset is expected to be realized, based on the tax rates set forth in the tax law prevailing at the end of each fiscal year, or when new legislation has been substantially approved. The measurement of deferred tax assets and liabilities reflects the tax consequences that would result from the way the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

*Income tax and social contribution*

*Current taxes*

As allowed by prevailing tax legislation, the Group adopts the cash basis to calculate income from real estate development, and this income is used to determine taxable income.

The provision for income tax and social contribution is based on taxable income for the year. Taxable income differs from the profit reported in the statement of profit or loss, since it excludes income or expenses that are taxable or deductible in other years, as well as permanently nontaxable or nondeductible items. The provision for income tax and social contribution is calculated separately for each company based on the prevailing tax rates.

The Company and its subsidiaries in Brazil calculate income tax (IRPJ) and social contribution (CSLL) based on actual taxable income, deemed income or special taxation regime (RET) as detailed below:

- Actual taxable income—adopted by the Company. Under this taxation system, the income tax is calculated at the rate of 15%, plus a 10% surtax on taxable income above R$240, and social contribution is calculated at the rate of 9%, and both take into consideration the offset of tax loss carryforwards, limited to 30% of taxable income per fiscal year.
- Special taxation regime (RET)—adopted by certain projects of the Company and subsidiaries. As allowed by Law 12024, of August 27, 2009, which amends Law 10931/2004 that created the RET, it was elected to submit these projects to the earmarked assets and opt for the RET. For these projects, the consolidated income tax and social contribution, and the security funding tax on revenue (COFINS) and the social integration program tax on revenue (PIS) charges are calculated at the total overall tax rate of 4% on gross revenue received, being 1.92% for IRPJ and CSLL and 2.08% for PIS and COFINS.
- Deemed income—adopted by certain subsidiaries. Under the deemed income taxation system, each company's income for income tax and social contribution determination purposes is calculated on real estate revenue received at the 8 and 12 percent tax rates, respectively. The income tax and social contribution rates prevailing at the end of each fiscal year (15% plus a 10% surtax on income exceeding R$240 per year for income tax, and 9% for social contribution) are levied on deemed income.

The subsidiary MRV (US) Holdings Corporation and subsidiaries whose tax jurisdiction is the United States calculates income tax based on rate of 25.35% on taxable profit, which considers profit before income tax, plus and/or less deductible and/or taxable incomes/expenses.

*Deferred taxes*

Deferred income tax and social contribution ("deferred taxes") are fully recognized as prescribed by CPC 32 and IAS 12 *Income Tax* on the temporary differences between assets and liabilities recognized for tax purposes and related amounts recognized in the financial statements by applying the statutory tax rates in effect on the date the financial statements were prepared and applicable when such temporary differences reverse.

Deferred tax assets are recognized only to the extent that it is probable that future taxable income will be generated to realize such deferred tax assets or loss carryforwards. The realization of deferred tax assets is assessed at the end of each annual reporting period and, when it is no longer probable that future taxable income will be available to recover of all or part of the assets, they are adjusted to the expected recoverable amount.

*Taxes on revenue*

Revenue is stated net of taxes on sales (PIS and COFINS). For PIS and COFINS calculation purposes, total tax rate is 9.25% for taxation based on actual taxable income, 3.65% under the deemed income taxation and 2.08% under the RET.

Beginning July 1, 2015, as provided for by Decree 8426, financial income earned by legal entities subject to the noncumulative calculation regime are subject to a 0.65% PIS tax rate and a 4% COFINS tax rate.

(u) Assets and liabilities subject to inflation adjustment

Assets and liabilities denominated in Brazilian reais and subject to contractual or legal indexation are adjusted for inflation based on the relevant index at the end of the reporting period. Gains and losses arising on inflation adjustments are recognized on an accrual basis in the statement of profit or loss.

(v) Present value discount

Monetary assets and monetary liabilities are discounted to their present value based on an effective interest rate resulting from short- (if material) and long-term transactions, without yield or subject to: (i) embedded fixed interest; (ii) interest rates clearly below market rates for similar transactions; and (iii) inflation adjustment only, with no interest. The Group periodically assesses the effect of this policy.

(w) Operating segment

An operating segment performs business activities to earn revenues and incur expenses. The operating segments reflect the way Management makes decisions. The Company's Management identified the operating segments that meet the quantitative and qualitative disclosure standards, in accordance with the current management model (Note 21).

(x) Statement of added value

The Group prepares consolidated and parent company statements of added value in accordance with Brazilian Accounting Standard CPC 09 - *Demonstração do Valor Adicionado* (Statement of Added Value), which are presented as an integral part of the financial statements prepared in accordance with accounting practices adopted in Brazil, applicable to publicly held corporations, while for IFRS purposes they are presented as supplemental information.

## 2.3. Restatement of financial statements as of December 31, 2022

For year 2023, the Company changed its accounting practice of allocating “Interest paid on loans, financing and debentures” in the Cash Flow Statement, previously classified as “Operating activities”, moving to “Financing activities”, as the Company understands that the nature of such interest became more aligned with this group of activities and in compliance with CPC 03 (R2) - Statement of cash flows (IAS 7). Therefore, the corresponding consolidated and parent company values for the previous year, presented for comparison purposes, were adjusted and are being restated in accordance with CPC 23 - Accounting Policies, Changes in Estimates and Errors (IAS 8) and CPC 26 (R1) – Presentation of financial statements (IAS 1), as follows:

| Statements of cash flows | Consolidated 2022 Originally stated | Consolidated 2022 Adjustment | Consolidated 2022 Restated | Parent Company 2022 Originally stated | Parent Company 2022 Adjustment | Parent Company 2022 Restated |
|---|---|---|---|---|---|---|
| **Cash flows from operating activities** | | | | | | |
| Loss for the year | (123,463) | - | (123,463) | (176,648) | - | (176,648) |
| Adjustments to reconcile net income to cash generated by operating activities | 400,106 | - | 400,106 | 129,513 | - | 129,513 |
| | 276,643 | - | 276,643 | (47,135) | - | (47,135) |
| (Increase) decrease in operating assets | (514,602) | - | (514,602) | 211,136 | - | 211,136 |
| Increase in operating liabilities | 567,648 | - | 567,648 | 221,864 | - | 221,864 |
| Interest paid | (587,075) | 509,458 | (77,617) | (411,808) | 378,412 | (33,396) |
| Others | (553,278) | - | (553,278) | (242,944) | - | (242,944) |
| Net cash (used in) generated by operating activities | (810,664) | 509,458 | (301,206) | (268,887) | 378,412 | 109,525 |
| Net cash used in investing activities | (1,538,737) | - | (1,538,737) | (443,874) | - | (443,874) |
| Interest paid on loans, financing and debentures | - | (509,458) | (509,458) | - | (378,412) | (378,412) |
| Others | 2,120,788 | - | 2,120,788 | 550,301 | - | 550,301 |
| Net cash generated by financing activities | 2,120,788 | (509,458) | 1,611,330 | 550,301 | (378,412) | 171,889 |
| Effects of exchange rates on cash and cash equivalents | 14,433 | - | 14,433 | - | - | - |
| **Decrease in cash and cash equivalents, net** | (214,180) | - | (214,180) | (162,460) | - | (162,460) |

## 3. New standards and interpretations issued but not yet effective

### 3.1. Adoption of new standards

There are no new standard or interpretation, valid for the annual periods beginning on or after January 1st, 2023 which had material effects on the Group's financial statements. The Group decided not to early adopt any other standard, interpretation or amendment that have been issued, but are not yet in force.

### 3.2. New standards issued and not yet adopted

The new and changed standards and interpretations issued, but not yet in effect until the date of issuance of the Group's financial statements, are described below. The Group does not expect material effects on its financial statements when adopting the standards and interpretations below, and it intends to adopt these new and changed standards and interpretations, if applicable, when they come into force:

- Classification of liabilities as current or non-current (amendments to CPC 26 – IAS 1)
- Sale or contribution of assets between an investor and its associate or joint venture (amendments to CPC 36 - IFRS 10 and to CPC 18 – IAS 28)
- Supplier finance arrangements (amendments to IAS 7 and IFRS 7)
- Lease liability in a sale and leaseback (amendments to IFRS 16)

## 4. Cash and cash equivalents

| | Consolidated 12/31/23 | Consolidated 12/31/22 | Parent Company 12/31/23 | Parent Company 12/31/22 |
|---|---|---|---|---|
| Cash | **198** | 212 | **186** | 192 |
| Bank accounts | **335,672** | 693,504 | **60,649** | 132,083 |
| | **335,870** | 693,716 | **60,835** | 132,275 |
| Short-term investments: | | | | |
| Savings deposits | - | 905 | - | 2 |
| Unrestricted investment funds | - | 7 | - | 7 |
| Bank deposit certificates (CDB) | **17,672** | 17,648 | **14,389** | 13,309 |
| Securities with repurchase agreement backed by debentures | **53,225** | 21,472 | **34,019** | - |
| | **70,897** | 40,032 | **48,408** | 13,318 |
| Total | **406,767** | 733,748 | **109,243** | 145,593 |

In the year ended December 31, 2023, short-term investments yielded interest equivalent to 93.3% of Interbank Deposit rate (DI rate) in Consolidated and 99.6% DI rate in parent company (97.1% DI rate in Consolidated and 104.6% DI rate in

Parent company, in the year ended December 31, 2022). The short-term investments have immediate liquidity clauses, without any penalty on redemption and are subject to insignificant risk of change in value.

The Company assessed the credit risk of the counterparty of its financial investments as described in Note 25 (e).

## 5. Marketable securities

| | | Consolidated | | Parent Company | |
|---|---|---|---|---|---|
| | | 12/31/23 | 12/31/22 | 12/31/23 | 12/31/22 |
| Restricted investment funds | (i) | **2,310,532** | 1,571,302 | **1,859,299** | 1,312,270 |
| Investments from bank accounts | (ii) | **404,742** | 336,937 | **144,161** | 141,421 |
| Bank deposit certificates (CDB) | (iii) | **55,364** | 146,306 | **51,942** | 138,156 |
| Savings deposits | (iv) | **20,576** | 34,894 | **3,342** | 6,781 |
| Escrow account | (v) | **42,545** | 56,899 | **-** | - |
| Certificate of real estate receivables (CRI) | | **28,896** | - | **-** | - |
| Bank credit notes (CCB) | | **13,166** | 1,084 | **13,166** | 1,084 |
| U.S. Treasuries | | **-** | 10,780 | **-** | - |
| Real estate consortium and others | | **-** | 2 | **-** | - |
| Total | | **2,875,821** | 2,158,204 | **2,071,910** | 1,599,712 |
| | | | | | |
| Current | | **2,330,698** | 1,784,495 | **1,629,492** | 1,288,450 |
| Noncurrent | | **545,123** | 373,709 | **442,418** | 311,262 |
| | | **2,875,821** | 2,158,204 | **2,071,910** | 1,599,712 |

(i) The Group established restricted investment funds, managed by banks responsible for the custody of the assets and financial settlement of its transactions. The established funds aim at yielding interest equivalent to the DI rate. The funds invest in government and other banks securities and in other unrestricted investment funds, which in turn invest primarily in fixed-income securities. The balance includes blocked amounts essentially resulting from collateral, as detailed in the table below. For the year ended December 31, 2023, the mentioned funds yielded average interest equivalent to 87.6% DI rate in Consolidated and 85.6% DI rate in Parent company (99.7% DI rate in Consolidated and 98.6% DI rate in Parent company, for the year ended December 31, 2022).

(ii) Refers to credits to be released by the financial institution upon proof of registration of the financing agreements that originated them.

(iii) Bank deposit certificates (CDB) held as collateral for loans, financing and debentures and others, as detailed in the table below.

(iv) Savings deposits correspond to amounts contributed by the financial institution on the projects financed for contracting "Crédito Associativo" financing modality and are maintained in this condition until the funds are released by the financial institution when the contracts are signed by the customers or by real estate construction progress.

(v) Refers to escrow accounts of the subsidiary Resia to honor commitments substantially related to the land purchase and construction debt.

The Group presents restricted amounts classified as marketable securities regarding granted guarantees, as shown below:

| Blocked amounts guaranteeing: | 12/31/23 | | | | |
|---|---|---|---|---|---|
| | Consolidated | | | Parent Company | |
| | Restricted investment funds | Bank certificates of deposit | Escrow account | Restricted investment funds | Bank certificates of deposit |
| Infrastructure works | **115,008** | **49,947** | **-** | **99,369** | **49,895** |
| Construction debt | **-** | **3,370** | **40,062** | **-** | **-** |
| Other | **23,649** | **2,047** | **2,483** | **23,633** | **2,047** |
| Total | **138,657** | **55,364** | **42,545** | **123,002** | **51,942** |

| Blocked amounts guaranteeing: | 12/31/22 | | | | |
|---|---|---|---|---|---|
| | Consolidated | | | Parent Company | |
| | Restricted investment funds | Bank certificates of deposit | Escrow account | Restricted investment funds | Bank certificates of deposit |
| Infrastructure works | 38,685 | - | - | 20,055 | - |
| Construction debt | - | 137,176 | 41,721 | - | 137,176 |
| Sold properties escrow | - | - | 10,435 | - | - |
| Other | 7,074 | 9,130 | 4,743 | 6,432 | 980 |
| Total | 45,759 | 146,306 | 56,899 | 26,487 | 138,156 |

Breakdown of restricted investment funds portfolio, proportionately to the units held by the Company and subsidiaries, is as follows:

| | Consolidated | | Parent Company | |
|---|---|---|---|---|
| | 12/31/23 | 12/31/22 | 12/31/23 | 12/31/22 |
| Investment funds | **1,555,622** | 621,138 | **1,251,819** | 518,742 |
| Private bonds | **143,516** | 326,124 | **115,488** | 272,362 |
| Securities with repurchase agreement | **-** | 7,425 | **-** | 6,201 |
| Bank certificates of deposit (CDB) | **1,891** | 78,104 | **1,521** | 65,228 |
| Debentures | **12,791** | 32,650 | **10,293** | 27,267 |
| Private credit securities | **123,040** | 345 | **99,011** | 288 |
| Federal securities: | | | | |
| Financial Treasury Bills (LFT) | **18,008** | 45,687 | **14,491** | 38,155 |
| National Treasury Notes - B (NTN-B) | **369,419** | 367,107 | **297,274** | 306,589 |
| National Treasury Notes - F (NTN-F) | **-** | 10,005 | **-** | 8,356 |
| National Treasury Bills (LTN) | **70,252** | 82,682 | **56,532** | 69,052 |
| Others federal securities | **15,891** | - | **12,788** | - |
| Others | **102** | 35 | **82** | 30 |
| Total | **2,310,532** | 1,571,302 | **1,859,299** | 1,312,270 |

As of December 31, 2023, and 2022, the portfolio of investment funds is mainly comprised of highly liquid public and private bonds.

The Company assessed the credit risk of the counterparty of its financial investments as described in Note 25 (e).

## 6. Trade accounts receivable

(a) Composition and practices

| | Consolidated | | Parent Company | |
|---|---|---|---|---|
| | 12/31/23 | 12/31/22 | 12/31/23 | 12/31/22 |
| Receivables from: | | | | |
| Real estate development | **5,780,051** | 4,468,525 | **2,459,740** | 2,116,379 |
| Present value discount | **(339,650)** | (126,961) | **(158,322)** | (60,978) |
| Allowance for expected credit loss | **(413,404)** | (331,200) | **(213,746)** | (173,792) |
| | **5,026,997** | 4,010,364 | **2,087,672** | 1,881,609 |
| | | | | |
| Current | **2,593,205** | 2,487,534 | **1,071,408** | 1,204,693 |
| Noncurrent | **2,433,792** | 1,522,830 | **1,016,264** | 676,916 |
| | **5,026,997** | 4,010,364 | **2,087,672** | 1,881,609 |
| | | | | |
| Receivables from services provided, rents and other sales | **257,328** | 154,740 | **110,560** | 74,228 |

The amounts related to receivables for real estate development include fixed-rate contracts with fixed installments, floating-rate contracts with interest rates that are lower than those of similar transactions and floating-rate contracts indexed to inflation which are interest free and discounted to present value using the higher rate between the Company's weightedmarket funding rate, less inflation indices, and the yield rates of government securities with similar risks and terms; and floating-rate contracts plus interest of 6% to 13% p.a.The rates used to discount to present value for sales performed during the year ended December 31, 2023 ranged from 0.50532% per month to 0.81650% per month (0.70063% per month to 0.87267% per month for the year ended December 31, 2022).

Floating-rate contracts are adjusted based on various financial indexers, mainly the National Construction industry Index (INCC-M) for the period before the delivery of the units and the Índice Nacional de Preços ao Consumidor Amplo Index (IPCA) or the Indicador Geral de Preços do Mercado Index (IGP-M) for the period after the delivery of the units.

The agreements entered and to be entered with Caixa Econômica Federal (CEF), and other banks in "Crédito Associativo" modality correspond to approximately 40.6% of the balance of receivables from real estate development and unearned sales revenue, corresponding to R$3,119,018, as at December 31, 2023 (47.5%, corresponding to R$2,642,087, as at December 31, 2022). Of this same total, the agreements already entered with the financial institutions above mentioned, correspond to 32.3% for CEF and 0.03% for other banks (43.2% and 0.03% as at December 31, 2022 respectively).

Note 2.2 (a) describes the policies used for the recognition of revenues earned on real estate operations, as summarized below:

- receivables were recognized up to the amount of real estate operations conducted in the year, including the related financial income, under the conditions described above, as applicable;
- the present value discount represents the portion of interest to be earned in future years, on the accrual basis and is realized to calculate revenue at its fair value, and the reversals of present value discount are recognized in profit or loss for the year, under caption "Revenue from real estate development", during the period before the delivery of the units, and under caption "Financial income" during the period after the delivery of the units;
- receipts in excess of the recognized balances of receivables were recognized as advances from customers, in liabilities and are disclosed in Note 14; and
- sales revenue is allocated to statement of profit or loss as construction progresses, using the method called POC, which records the percentage of completion of each project, as described in Note 2.2 (a). The related land and construction additional costs inherent to the related developments of the units sold are allocated to profit or loss when incurred.

Discounts, rebates and returns are deducted directly from revenue from real estate development and refer substantially to cancellation of sale agreements for properties not yet delivered. The amounts related to cancellations comprise all the revenue earned, net of the contractual fine to reimburse expenses incurred by the Group.

As at December 31, 2023, the Group has trade accounts receivable pledged as collateral of construction financing totaling R$3,144,386 (R$2,478,159 at December 31, 2022).

(b) Allowance for expected credit loss

Changes in allowance for expected credit loss for the years ended December 31, 2023, and 2022 are as follows:

| | Consolidated | | Parent Company | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| Opening balance | **(331,200)** | (347,748) | **(173,792)** | (181,326) |
| Additions | **(406,158)** | (269,564) | **(212,640)** | (141,143) |
| Reversals | **157,472** | 169,677 | **85,687** | 89,778 |
| Write-offs | **166,482** | 116,435 | **86,999** | 58,899 |
| Closing balance | **(413,404)** | (331,200) | **(213,746)** | (173,792) |
| | | | | |
| Current | **(255,554)** | (206,744) | **(134,460)** | (108,637) |
| Noncurrent | **(157,850)** | (124,456) | **(79,286)** | (65,155) |
| | **(413,404)** | (331,200) | **(213,746)** | (173,792) |

For sales contracts with bank financing, customers are submitted to bank credit analysis before the sale occur. After receiving the approved amounts from the bank, including each client´s financing capacity, an internal credit analysis is performed, considering the client income committed considering the amounts that will be paid directly to the Group. If the established parameters are not met, additional guarantees may be required, such as the inclusion of guarantors. See note 25 (e) for credit risk.

(c) Unearned revenue and costs to be incurred

The balances of unearned gross sales revenue to be appropriated and cost to be incurred from real estate already contracted transactions, including related financial income, as applicable, are as follows:

| | Consolidated | | Parent Company | |
|---|---|---|---|---|
| | 12/31/23 | 12/31/22 | 12/31/23 | 12/31/22 |
| Unearned gross sales revenue (*) | **2,664,594** | 1,552,050 | **1,055,059** | 660,313 |
| Costs to be Incurred (*) | **(1,606,678)** | (1,015,903) | **(612,212)** | (417,951) |

(*) Does not include the impacts of future inflation, taxes on sales, financial charges, and maintenance costs.

(d) Aging

The amounts above, referring to receivables from real estate development and unearned sales revenue, have the following expectation of receipt:

| | Consolidated | | Parent Company | |
|---|---|---|---|---|
| | 12/31/23 | 12/31/22 | 12/31/23 | 12/31/22 |
| Expectation of receipt | | | | |
| 1 year | **3,782,755** | 3,296,602 | **1,505,734** | 1,548,712 |
| 2 years | **1,698,603** | 1,274,509 | **708,248** | 588,390 |
| 3 years | **802,241** | 453,183 | **326,233** | 204,439 |
| 4 years | **491,979** | 240,750 | **208,109** | 101,754 |
| After 4 years | **916,013** | 297,370 | **394,407** | 98,627 |
| | **7,691,591** | 5,562,414 | **3,142,731** | 2,541,922 |
| | | | | |
| Receivables from real estate development | **5,026,997** | 4,010,364 | **2,087,672** | 1,881,609 |
| Unearned sales revenue | **2,664,594** | 1,552,050 | **1,055,059** | 660,313 |
| | **7,691,591** | 5,562,414 | **3,142,731** | 2,541,922 |

(e) Sale of receivables and credit assignment liability

In the years ended December 31, 2023 and 2022, the Group carried out sales of receivables that were derecognized and are detailed in the table below:

| | MRV | URBA | URBA | Total operations 2023 | Total operations 2022 |
|---|---|---|---|---|---|
| Month / year of transaction | mar/23 | mar/23 | jun/23 | | |
| Securitisation vehicle / Transferee | Inter | Opea | Opea | | |
| Servicer role retained | Yes | No | No | | |
| Derecognized receivables | 49,762 | 39,840 | 55,064 | 144,666 | 702,370 |
| (-) Assignment discount | 1,396 | 931 | 7,591 | 9,918 | 54,731 |
| Transaction size | 48,366 | 38,909 | 47,473 | 134,748 | 647,639 |
| (-) Reserve fund | - | - | 473 | 473 | 43,681 |
| (-) Expense fund and others | 967 | 1,697 | 1,385 | 4,049 | 28,098 |
| Net amount received | 47,399 | 37,212 | 45,615 | 130,226 | 575,860 |

According to the accounting guideline mentioned in item 3.2.12 of CPC 48 / IFRS 9 - Financial instruments, the difference between the carrying amount of derecognized asset and the value of the consideration received, was recognized in profit or loss under the caption 'Financial expenses'.

To conclude on the derecognition from statements of financial position, the Company analyzed the transfer of risks and benefits of said asset according to item 3.2.7 of CPC 48 / IFRS 9 - Financial instruments, to this end, compared its exposure to the variability of the cash flows arising from the transferred asset before the transfer, with its exposure to the variability of post-transfer cash flows.

In the years ended December 31, 2023 and 2022, the Group carried out operations for the sale of receivables, substantially to back issuances of Certificates of Real Estate Receivables (CRI) for which credit assignment liabilities were recorded, as there was no derecognition of receivables and are detailed in the table below:

| | MRV | MRV | MRV | MRV | MRV | MRV | MRV | URBA | MRV | MRV | MRV | URBA | Total operations 2023 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Month of transaction | mar/23 | mar/23 | jun/23 | jun/23 | sep/23 | sep/23 | sep/23 | sep/23 | dec/23 | dec/23 | dec/23 | dec/23 | |
| Type of receivable portfolio | Pró-soluto | Pró-soluto | Pró-soluto | Direct financing (*) | Pró-soluto | Pró-soluto | Direct financing (*) | Direct financing (*) | Pró-soluto | Pró-soluto | Direct financing (*) | Direct financing (*) | |
| Remuneration | DI + 0.54% and IPCA + 10.06% | DI + 0.54% and IPCA + 10.06% | DI + 3.50% and IPCA + 9.88% | IPCA + 8.50% to 12.40% | DI + 3.50% and IPCA + 9.11% | DI + 1.52% and 4.16% | IPCA + 8.25% to 11.25% | IPCA + 8.00% to 10.55% | DI + 4.00% | 1.03% p.m | IPCA + 9.00% to 10.07% | IPCA + 8.00% to 10.55% | |
| Original duration (months) | 21 | 21 | 22 | 56 | 23 | 23 | 58 | 48 | 19 | 20 | 61 | 55 | |
| Securitisation vehicle | True | True | True | True | True | True | True | Opea | True | n/a | True | True | |
| Servicer role retained | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | No | Yes | Yes | |
| Credits assigned | 225,675 | 212,429 | 321,899 | 192,848 | 167,611 | 176,462 | 131,057 | 41,892 | 290,838 | 114,134 | 330,479 | 80,198 | 2,285,522 |
| (-) Assignment discount | 13,575 | 12,229 | 26,899 | 30,848 | 13,611 | 13,162 | 13,057 | 3,429 | 28,338 | 8,049 | 22,679 | 3,653 | 189,529 |
| Transaction size | 212,100 | 200,200 | 295,000 | 162,000 | 154,000 | 163,300 | 118,000 | 38,463 | 262,500 | 106,085 | 307,800 | 76,545 | 2,095,993 |
| (-) Reserve fund | 12,800 | 12,700 | 57,000 | 6,000 | 25,600 | 26,700 | 5,700 | 1,481 | - | - | 30,164 | 2,594 | 180,739 |
| (-) Expense fund and others | 8,957 | 8,554 | 6,740 | 8,277 | 6,522 | 5,406 | 5,026 | 1,085 | 6,487 | - | 10,385 | 1,672 | 69,111 |
| Installment to be received (**) | - | - | - | - | - | - | - | - | - | - | 76,043 | - | 76,043 |
| Net amount received | 190,343 | 178,946 | 231,260 | 147,723 | 121,878 | 131,194 | 107,274 | 35,897 | 256,013 | 106,085 | 191,208 | 72,279 | 1,770,100 |
| Consolidated balance as of December 31, 2023 | 160,523 | 143,969 | 247,315 | 151,457 | 141,745 | 148,553 | 114,694 | 36,834 | 260,284 | 103,133 | 306,684 | 76,838 | 1,892,029 |

(*) The assigned receivables are guaranteed by the real estate units´ mortgage.
(**) The receipt of these amounts was conditioned on the full distribution of the securities related to this transaction, being fully received in January 2024. On December 31, 2023, this amount was recorded under the line item “other assets” in current assets.

| | MRV | MRV | MRV | Total operations 2022 |
|---|---|---|---|---|
| Month of transaction | jun/22 | jun/22 | sep/22 | |
| Type of receivable portfolio | Pró-soluto | Pró-soluto | Pró-soluto | |
| Remuneration | DI + 3.50% and IPCA + 9.00% | DI + 2.50% and IPCA + 10.64% | DI + 2.50% and IPCA + 10.64% | |
| Original duration (months) | 25 | 25 | 24 | |
| Securitisation vehicle | True | True | True | |
| Servicer role retained | Yes | Yes | Yes | |
| Credits assigned | 229,258 | 298,467 | 156,486 | 684,211 |
| (-) Assignment discount | 59,258 | 72,187 | 42,486 | 173,931 |
| Transaction size | 170,000 | 226,280 | 114,000 | 510,280 |
| (-) Reserve fund | 15,386 | 19,356 | 10,540 | 45,282 |
| (-) Expense fund and others | 4,854 | 7,255 | 2,681 | 14,790 |
| Net amount received | 149,760 | 199,669 | 100,779 | 450,208 |
| Consolidated balance as of December 31, 2023 | 38,720 | 56,136 | 47,876 | 142,732 |

As per the accounting guideline mentioned in item 3.2.15 of CPC 48 / IFRS 9 - Financial instruments, the Group recorded 'Credit assignment liability', reserve and expenses fund assets, recorded under 'Other assets' and 'Prepaid expenses', respectively.

Changes in credit assignment liability in Consolidated is as follows:

| | Consolidated | |
|---|---|---|
| | **2023** | **2022** |
| Opening balance | **357,606** | 122,341 |
| Additions | **2,073,677** | 506,514 |
| Interest | **135,390** | 13,273 |
| Reserve fund use, net | **(16,707)** | - |
| Payments | **(515,205)** | (284,522) |
| Closing balance | **2,034,761** | 357,606 |
| | | |
| Current | **390,760** | 248,350 |
| Noncurrent | **1,644,001** | 109,256 |
| | **2,034,761** | 357,606 |

From this balance, R$973,814 is indexed to DI rate + 0.54% to 4.16% p.a., R$968,376 to the IPCA rate + 8,00% to 12.40% p.a. and R$92,571 to 1.03 p.m.

For certain sale of receivables´ operations for which there was no derecognition of receivables, the Group has certain contractual obligations that must be fulfilled during the maturity period, such as replenishment of reserve fund, compulsory reimbursement obligations in cases of cancellations, as well as acquisition of subordinate series. There are no other guarantees than those mentioned above. And there are no contractual obligations that could lead to early maturity of the related liability.

## 7. Inventories (real estate for sale)

| | Consolidated | | Parent Company | |
|---|---|---|---|---|
| | 12/31/23 | 12/31/22 | 12/31/23 | 12/31/22 |
| Real estate under construction | **3,839,505** | 3,557,540 | **1,773,610** | 1,545,915 |
| Completed units | **150,455** | 106,876 | **71,451** | 44,679 |
| Landbank | **4,341,474** | 5,495,633 | **2,557,819** | 3,523,095 |
| Advances to suppliers | **91,616** | 68,069 | **62,829** | 40,954 |
| Materials stock | **410** | 324 | **86** | 118 |
| Total | **8,423,460** | 9,228,442 | **4,465,795** | 5,154,761 |
| | | | | |
| Current | **4,588,462** | 4,583,823 | **2,167,555** | 2,058,187 |
| Noncurrent | **3,834,998** | 4,644,619 | **2,298,240** | 3,096,574 |
| | **8,423,460** | 9,228,442 | **4,465,795** | 5,154,761 |

The inventories (real estate for sale) comprise real estate units for sale, both completed and under construction, and land for future developments.

As at December 31, 2023, of the total consolidated balance of real estate under construction and completed units, R$3,052,539 refers to projects launched and R$937,421 refers to projects started but not yet launched (R$2,934,953 and R$729,463 at December 31, 2022, respectively).

As at December 31, 2023, line items “Real estate under construction”, “Completed units” and “Landbank” includes capitalized financial charges, as detailed in Note 12 (d), totaling R$832,491 and R$532,822 in Consolidated and Parent company, respectively (R$701,420 and R$484,206 as at December 31, 2022, in Consolidated and Parent company, respectively). A real estate development is transferred to line item ‘Real estate under construction’ when development of the respective project begins.

The Group has agreements with financial institutions to finance the construction of real estate (see Note 12). As at December 31, 2023, the Group has real estate under construction recognized in assets, used as collateral of loans and financing agreements, totaling R$441,138 and R$183,774 in Consolidated and Parent company, respectively (R$472,850 and R$190,572 at December 31, 2022, in Consolidated and Parent company, respectively).

Information on the net revenue amount generated by units under construction, incurred costs and recognized profits as of reporting date and the related criteria adopted for their recognition, are described in Note 22.

# 8. Equity interests in investees

a) The main information on equity interests is summarized as follows:

| | 12/31/23 | | | 2023 | | 12/31/22 | | | 2022 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Equity interest | Equity | Invest-ments | Net income | Results from equity interest in investees | Equity interest | Equity | Invest-ments | Net income | Results from equity interest in investees |
| **Joint ventures:** | | | | | | | | | | |
| MRL Engenharia e Empreendimentos S.A. | | | | | | | | | | |
| Cost | 82.70% | (16,078) | (13,297) | (24,219) | (19,928) | 78.44% | 8,138 | 6,383 | (46,894) | (36,020) |
| Fair Value | | - | 8,514 | - | (3,269) | | - | 8,744 | - | (7,350) |
| Goodwill | | - | 21,326 | - | - | | - | 21,003 | - | - |
| Total MRL [1] | | (16,078) | 16,543 | (24,219) | (23,197) | | 8,138 | 36,130 | (46,894) | (43,370) |
| Prime Incorporações e Construções S.A. | | | | | | | | | | |
| Cost | 78.30% | 126,735 | 99,234 | 79,560 | 59,493 | 68.67% | 65,776 | 45,168 | 30,897 | 20,952 |
| Fair Value | | - | 1,123 | - | (3,113) | | - | 826 | - | (2,597) |
| Goodwill | | - | 18,292 | - | - | | - | 17,174 | - | - |
| Total Prime [2] | | 126,735 | 118,649 | 79,560 | 56,380 | | 65,776 | 63,168 | 30,897 | 18,355 |
| Parque Castelo de Gibraltar SPE Ltda. | 65.00% | 4,029 | 2,619 | (766) | (498) | 65.00% | 6,295 | 4,092 | (740) | (481) |
| Parque Castelo de Andorra SPE Ltda. | 50.00% | 8,946 | 4,473 | (305) | (153) | 50.00% | 14,768 | 7,384 | 8,138 | 4,069 |
| SPEs and others (38) | | 89,210 | 81,990 | 4,171 | (2,094) | | 86,729 | 43,849 | (19,407) | (9,086) |
| SCPs (34) | | 5,932 | 2,790 | (8,807) | (5,596) | | 6,601 | 3,713 | (10,456) | (6,741) |
| Capitalized interest | | - | - | - | - | | - | - | - | (3,358) |
| **Total Joint ventures** | | 218,774 | 227,064 | 49,634 | 24,842 | | 188,307 | 158,336 | (38,462) | (40,612) |
| Elimination of indirect participations | | - | (428,373) | - | (109,351) | | - | (388,226) | - | (69,228) |
| **Total Joint ventures** | | 218,774 | (201,309) | 49,634 | (84,509) | | 188,307 | (229,890) | (38,462) | (109,840) |
| | | | | | | | | | | |
| Investments - Consolidated | | | 281,424 | | | | | 191,366 | | |
| Net capital deficiency liability - Investments - Consolidated | | | (482,733) | | | | | (421,256) | | |
| **Total Joint ventures** | | | (201,309) | | | | | (229,890) | | |
| | | | | | | | | | | |
| **Subsidiaries:** | | | | | | | | | | |
| MRV (US) Holdings Corporation | 100.00% | 1,063,607 | 1,063,607 | (58,161) | (58,161) | 100.00% | 1,091,116 | 1,091,116 | 226,022 | 226,022 |
| MRV Construções Ltda. | 95.00% | 31,751 | 30,163 | 59 | 56 | 95.00% | 31,693 | 30,108 | (47) | (45) |
| Urba Desenvolvimento Urbano S.A. [3] | 53.55% | 145,706 | 75,722 | (85,200) | (45,729) | 51.20% | 231,545 | 116,691 | (7,901) | (4,045) |
| SCP Área Juliana | 99.00% | 3,037 | 3,007 | (7,585) | (7,509) | 80.00% | 6,649 | 5,319 | 1,293 | 1,034 |
| SCP Atacadão 2 | 50.00% | 23,734 | 11,867 | 12,087 | 6,044 | 50.00% | 7,031 | 3,516 | (115) | (58) |
| SCP Gran Turques | 50.00% | 11,105 | 5,553 | 13,355 | 6,678 | 50.00% | 7,002 | 3,501 | 1,480 | 740 |
| SCP MRV MRL Galpão CCP 2 | 50.00% | 7,206 | 3,603 | (3,985) | (1,993) | 50.00% | 15,792 | 7,896 | 12,610 | 6,305 |
| SCP MRV MRL Goiaba 1 | 50.00% | (2,134) | (1,067) | (14,174) | (7,087) | 50.00% | 4,493 | 2,247 | (9,667) | (4,834) |
| SCP MRV MRL Oásis | 50.00% | 16,794 | 8,397 | (13,184) | (6,592) | 50.00% | 23,454 | 11,727 | 457 | 229 |
| SCP MRV MRL Reserva Vila Jardim | 50.00% | 15,168 | 7,584 | (11,775) | (5,888) | 50.00% | 28,545 | 14,273 | 19,514 | 9,757 |
| SCP Parque das Águas 4 | 50.00% | 20,969 | 10,485 | 2,631 | 1,316 | 50.00% | 41,889 | 20,945 | 21,938 | 10,969 |
| SCP Trento 04 | 50.00% | 18,019 | 9,010 | 16,571 | 8,286 | 50.00% | 2,782 | 1,391 | (38) | (19) |
| SCPs (232) | | 611,016 | 351,848 | 2,219 | (4,831) | | 676,571 | 384,557 | 6,161 | (3,153) |
| MRV MDI Nasbe Incorporações SPE Ltda. | 100.00% | (22,965) | (22,965) | (19,126) | (19,126) | 100.00% | 25,321 | 25,321 | (11,747) | (11,747) |
| Baleia LI SPE Ltda. | 100.00% | 12,499 | 12,499 | 14,908 | 14,908 | 100.00% | 14,463 | 14,463 | 14,616 | 14,616 |
| Casasmais Santa Iria SPE Ltda. | 60.00% | (1,782) | (1,069) | (15,288) | (9,173) | 60.00% | 27,150 | 16,290 | 13,880 | 8,328 |
| Jardim di Stuttgart SPE Ltda. | 100.00% | (950) | (950) | (2,685) | (2,685) | 100.00% | 1,735 | 1,735 | (9,351) | (9,351) |
| MD RN MRV Novas Nações SPE Ltda. | 100.00% | 20,958 | 20,958 | 9,087 | 9,087 | 100.00% | 14,992 | 14,992 | 10,695 | 10,695 |
| MRV & MRL Paraná Incorporações SPE Ltda. | 99.00% | 56,169 | 55,607 | 59,663 | 59,066 | 99.00% | 35,125 | 34,774 | 19,098 | 18,907 |
| MRV Cariacica Rio Marinho SPE Ltda. | 100.00% | 10,641 | 10,641 | 6,669 | 6,669 | 100.00% | 7,749 | 7,749 | 2,303 | 2,303 |
| MRV Clube Espanhol Ltda. | 100.00% | 8,073 | 8,073 | 7,617 | 7,617 | 100.00% | 857 | 857 | 418 | 418 |
| MRV Lincoln Veloso Incorporações SPE Ltda. | 100.00% | 6,207 | 6,207 | 12,610 | 12,610 | 80.00% | 973 | 778 | 636 | 509 |
| MRV Lincoln Veloso Top Life Acapulco SPE Ltda. | 100.00% | 78 | 78 | (8,952) | (8,952) | 100.00% | 9,954 | 9,954 | 3,482 | 3,482 |
| MRV LXXXV Incorporações SPE Ltda. | 100.00% | 102,172 | 102,172 | 67,967 | 67,967 | 100.00% | 104,616 | 104,616 | 54,381 | 54,381 |
| MRV MD Lagoa Olhos D´Agua SPE Ltda. | 100.00% | 20,864 | 20,864 | 15,783 | 15,783 | 100.00% | 4,988 | 4,988 | 782 | 782 |
| MRV MDI Bahia Incorporações SPE Ltda. | 100.00% | 44,912 | 44,912 | 52,689 | 52,689 | 100.00% | 50,207 | 50,207 | 66,787 | 66,787 |
| MRV MDI Reserva Ouro Branco II SPE Ltda. | 100.00% | 24,293 | 24,293 | 4,184 | 4,184 | 100.00% | 33,252 | 33,252 | 7,453 | 7,453 |
| MRV Minas Incorporações SPE Ltda. | 100.00% | 20,593 | 20,593 | 9,039 | 9,039 | 100.00% | 11,427 | 11,427 | 1,645 | 1,645 |
| MRV MRL 20 de Janeiro SPE Ltda. | 100.00% | 12,517 | 12,517 | 11,501 | 11,501 | 100.00% | 1,023 | 1,023 | (77) | (77) |
| MRV MRL Baia da Babitonga SPE Ltda. | 100.00% | 6,219 | 6,219 | (13,819) | (13,819) | 100.00% | 62,022 | 62,022 | 28,599 | 28,599 |
| MRV MRL LXIII SPE Ltda. | 99.00% | 390 | 386 | (1,007) | (997) | 99.00% | 1,364 | 1,350 | (6,415) | (6,351) |
| MRV MRL Plural 2 Incorporações SPE Ltda. | 100.00% | 5,686 | 5,686 | 10,241 | 10,241 | 100.00% | 7,057 | 7,057 | 6,675 | 6,675 |
| MRV MRL Plural 3 Incorporações SPE Ltda. | 100.00% | 16,493 | 16,493 | 15,593 | 15,593 | 100.00% | 2,100 | 2,100 | 3,324 | 3,324 |
| MRV MRL RJ e Grande Rio SPE Ltda. | 50.00% | 143,211 | 71,606 | 117,515 | 58,758 | 50.00% | 57,140 | 28,570 | 37,292 | 18,646 |
| MRV MRL Santa Catarina Incorporações SPE Ltda. | 100.00% | (2,893) | (2,893) | 6,247 | 6,247 | 100.00% | 83 | 83 | (37) | (37) |
| MRV Prime Incorporações Mato Grosso Do Sul SPE Ltda. | 50.00% | 77,708 | 38,854 | 79,889 | 39,945 | 50.00% | 24,561 | 12,281 | 16,259 | 8,130 |
| MRV Prime LX Incorporações SPE Ltda. | 99.00% | (2,767) | (2,739) | (297) | (294) | 99.00% | (337) | (334) | (6,836) | (6,768) |
| MRV Prime LXIV Incorporações SPE Ltda. | 99.00% | 173,372 | 171,638 | 160,206 | 158,604 | 99.00% | 113,782 | 112,644 | 86,694 | 85,827 |
| MRV Prime LXXIV SPE Ltda. | 99.00% | 6,489 | 6,424 | 2,004 | 1,984 | 99.00% | 14,040 | 13,900 | 12,711 | 12,584 |
| MRV Prime Projeto Campo Grande J SPE Ltda. | 50.00% | 21,046 | 10,523 | 17,476 | 8,738 | 50.00% | 7,923 | 3,962 | 5,054 | 2,527 |
| MRV Prime Projeto MT D2 SPE Ltda. | 50.00% | 11,849 | 5,925 | 12,245 | 6,123 | 50.00% | 12 | 6 | (6) | (3) |
| MRV Prime Projeto MT E Incorporações SPE Ltda. | 50.00% | 30,816 | 15,408 | 27,583 | 13,792 | 50.00% | 12,842 | 6,421 | 8,114 | 4,057 |
| MRV Prime Projeto MT G2 SPE Ltda. | 50.00% | (1,508) | (754) | (3,404) | (1,702) | 50.00% | 12,212 | 6,106 | 13,586 | 6,793 |
| MRV Prime Projeto MT J2 Incorporações SPE Ltda. | 50.00% | 3,179 | 1,590 | (1,013) | (507) | 50.00% | 8,070 | 4,035 | 15,552 | 7,776 |
| MRV Prime Projeto Palmas D SPE Ltda. | 40.00% | 17,252 | 6,901 | 19,754 | 7,902 | 40.00% | 1,317 | 527 | 1,293 | 517 |
| MRV XC Incorporações SPE Ltda. | 100.00% | 177,050 | 177,050 | 193,002 | 193,002 | 100.00% | 83,910 | 83,910 | 55,221 | 55,221 |
| MRV XCV Incorporações SPE Ltda. | 100.00% | 9,632 | 9,632 | 11,744 | 11,744 | 100.00% | 661 | 661 | (22) | (22) |
| Parque Lagoa Dos Diamantes Incorporações SPE Ltda. | 100.00% | 16,332 | 16,332 | 15,818 | 15,818 | 89.43% | 13,742 | 12,289 | 8,737 | 7,813 |
| Reserva Real SPE Ltda. | 100.00% | 21,484 | 21,484 | 6,647 | 6,647 | 100.00% | 16,301 | 16,301 | 966 | 966 |
| Vila Velha SPE Ltda. | 100.00% | 6,596 | 6,596 | 8,213 | 8,213 | 100.00% | 12,785 | 12,785 | 1,543 | 1,543 |
| SPEs and others (478) | | 468,967 | 297,050 | (54,934) | (55,201) | | 595,387 | 411,601 | (17,940) | (30,009) |
| Capitalized interest | | - | 238,145 | - | (44,276) | | - | 174,692 | - | (30,048) |
| **Total subsidiaries** | | 3,486,860 | 3,011,765 | 708,227 | 562,329 | | 3,559,368 | 2,998,682 | 717,072 | 589,793 |
| **Total of subsidiaries and joint ventures** | | 3,705,634 | 3,238,829 | 757,861 | 587,171 | | 3,747,675 | 3,157,018 | 678,610 | 549,181 |
| | | | | | | | | | | |
| Investments - Individual | | | 3,563,258 | | | | | 3,389,372 | | |
| Net capital deficiency liability - Investments - Individual | | | (324,429) | | | | | (232,354) | | |
| **Total of subsidiaries and joint ventures** | | | 3,238,829 | | | | | 3,157,018 | | |

[1] In February 2021, the Company acquired an additional equity interest in this joint venture, reaching 73.56% for the amount of R$62,868, representing 70,796,496 shares, without obtaining control. MRL's net assets were valued at fair value, thus, the transaction generated a capital gain of R$26,132 and additional goodwill to the previously recorded goodwill of R$24,925. Of the consideration transferred, R$21,171 (R$18,813 net of AVP), recorded under caption “Payables for investment acquisition”, R$7,057 was paid in May 2022 and R$14,114 will be paid in May 2024, and its settlement may be lower, as they depend on the financial performance of MRL. Additionally, on the same date, it signed a forward share purchase agreement for R$33,591 (R$32,574 net of AVP) representing 44,778,181 shares, recorded under caption “Other liabilities” and its counterpart in caption “other noncurrent assets”, being R$3,206 paid in May 2022, R$3,206 paid in May 2023, both representing 14,442,164 shares and R$6,412 and R$20,767 to be paid in May 2024 and 2028, respectively, with the possibility of settlement being lower, as they depend on the financial performance of MRL. As a result of these payments, the Company reached a share of 82.70%. This transaction generated an adjustment on this investment´s fair value of R$6,521 and the reversal of the previously recorded goodwill of R$6,836, as its settlement was lower than expected, as a result of MRL's financial performance. Goodwill will be tested for impairment as required by CPC 01/IAS 36.

[2] In December 2021, the Company signed a forward share purchase agreement for the acquisition of the entire interest in Prime Incorporações e Construções S.A., in 04 annual deliveries from 2022 to 2025, with the first delivery on April 30, 2022. In this first delivery of 1,535,620 shares equivalent to 10.79% of the interest, the Company disbursed R$36,021, reaching a 68.67% interest, without obtaining control. Additionally, in the context of this agreement, for the remaining interest acquired, represented by 4,882,660 shares, the Company recorded R$44,741 (R$35,363 net of AVP) under caption “other liabilities” against “other noncurrent assets”, being R$14,414 paid in May 2023, R$14,441 and R$15,886 to be paid in May 2024 and 2025, respectively, and their settlement may be lower, as they depend on Prime's financial performance. As a result of these payments, the Company reached a share of 78.30%. Prime's net assets were valued at fair value, thus, the transaction generated a fair value adjustment of R$6,833, goodwill of R$18,292 and other assets of R$11,089. Of the transferred consideration of R$36,021, R$34,256 were paid in cash and R$1,765 will be paid at the end of the transaction and are recorded in caption “Payables for investment acquisition”. Goodwill will be tested for impairment as required by CPC 01/IAS 36.

[3] As at December 31, 2023, unrealized profit of R$2,304 raised from sales of lots were eliminated (R$1,860 at December 31, 2022).

Some subsidiaries have restrictions on transferring cash to the Company, based on their option for the equity segregation called “Patrimônio de afetação" (Earmarked assets) that establishes the permanence of amounts in cash accounts that ensure the continuity and delivery of uncompleted units to future customers. At December 31, 2023 the restricted amounts for distribution amounted to R$234,545 (R$122,175, as at December 31, 2022).

b) Changes in equity investments are as follows:

| | Opening balance | Capital subscription (reduction and profits distributions) | Results from equity interest in investees | Others | Closing balance |
|---|---|---|---|---|---|
| **Year ended December 31, 2023:** | | | | | |
| **Joint Ventures:** | | | | | |
| MRL Engenharia e Empreendimentos S.A. | | | | | |
| Cost | 6,383 | - | (19,928) | 248 | **(13,297)** |
| Fair value | 8,744 | - | (3,269) | 3,039 | **8,514** |
| Goodwill | 21,003 | - | - | 323 | **21,326** |
| Total MRL | 36,130 | - | (23,197) | 3,610 | **16,543** |
| Prime Incorporações e Construções S.A. | | | | | |
| Cost | 45,168 | - | 59,493 | 9,368 | **99,234** |
| Fair value | 826 | - | (3,113) | 3,410 | **1,123** |
| Goodwill | 17,174 | - | - | 1,118 | **18,292** |
| Total Prime | 63,168 | - | 56,380 | 13,896 | **118,649** |
| Parque Castelo de Gibraltar SPE Ltda. | 4,092 | (975) | (498) | - | **2,619** |
| Parque Castelo de Andorra SPE Ltda. | 7,384 | (2,758) | (153) | - | **4,473** |
| SPEs and others (38) | 43,849 | 40,235 | (2,094) | - | **81,990** |
| SCPs (34) | 3,713 | 4,673 | (5,596) | - | **2,790** |
| **Total Joint Ventures** | 158,336 | 41,175 | 24,842 | 17,506 | **227,064** |
| Elimination of indirect ownership | (388,226) | - | (109,351) | 69,204 | **(428,373)** |
| **Total Joint Ventures** | (229,890) | 41,175 | (84,509) | 86,710 | **(201,309)** |
| | | | | | |
| Investments - Consolidated | 191,366 | 60,208 | (52,376) | 97,021 | **281,424** |
| Net capital deficiency liability - Investments - Consolidated | (421,256) | (19,033) | (32,133) | (10,311) | **(482,733)** |
| **Total Joint Ventures** | (229,890) | 41,175 | (84,509) | 86,710 | **(201,309)** |
| | | | | | |
| **Subsidiaries:** | | | | | |
| MRV (US) Holdings Corporation [1] | 1,091,116 | 118,034 | (58,161) | (87,382) | **1,063,607** |
| MRV Construções Ltda. | 30,108 | (1) | 56 | - | **30,163** |
| Urba Desenvolvimento Urbano S.A. | 116,691 | - | (45,729) | 4,760 | **75,722** |
| MRV LXXXV Incorporações SPE Ltda. | 104,616 | (70,411) | 67,967 | - | **102,172** |
| MRV Prime LXIV Incorporações SPE Ltda. | 112,644 | (99,610) | 158,604 | - | **171,638** |
| MRV XC Incorporações SPE Ltda. | 83,910 | (99,862) | 193,002 | - | **177,050** |
| SCPs (241) | 455,372 | (33,509) | (11,576) | - | **410,287** |
| SPEs and others (512) | 829,533 | (309,992) | 302,442 | (79,002) | **742,981** |
| Capitalized interest | 174,692 | - | (44,276) | 107,729 | **238,145** |
| **Total of subsidiaries** | 2,998,682 | (495,351) | 562,329 | (53,895) | **3,011,765** |
| **Total of subsidiaries and Joint Ventures** | 3,157,018 | (454,176) | 587,171 | (36,389) | **3,238,829** |
| | | | | | |
| Investments - Individual | 3,389,372 | (475,003) | 700,073 | (36,389) | **3,563,258** |
| Net capital deficiency liability - Investments - Individual | (232,354) | 20,827 | (112,902) | - | **(324,429)** |
| **Total of subsidiaries and Joint Ventures** | 3,157,018 | (454,176) | 587,171 | (36,389) | **3,238,829** |
| | | | | | |
| **Year ended December 31, 2022:** | | | | | |
| Investments - Consolidated | 190,530 | 10,448 | (103,227) | 97,590 | 191,366 |
| Net capital deficiency liability - Investments - Consolidated | (375,103) | (448) | (6,613) | (39,092) | (421,256) |
| **Total Joint Ventures** | (184,573) | 10,000 | (109,840) | 58,498 | (229,890) |
| | | | | | |
| Investments - Individual | 2,853,760 | (121,217) | 601,816 | 58,988 | 3,389,372 |
| Net capital deficiency liability - Investments - Individual | (188,669) | 8,950 | (52,635) | - | (232,354) |
| **Total of subsidiaries and Joint Ventures** | 2,665,091 | (112,267) | 549,181 | 58,988 | 3,157,018 |

[1] Other refers to currency translation adjustments.

c) The main information of the Company's joint ventures, directly and indirectly invested is summarized as follows:

| | 12/31/23 | | | | | | 12/31/22 | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | MRL | Prime | Pq. Castelo de Gibraltar SPE Ltda | Pq. Castelo de Andorra SPE Ltda | SPEs and others (38) | SCPs (34) | MRL | Prime | Pq. Castelo de Gibraltar SPE Ltda | Pq. Castelo de Andorra SPE Ltda | SPEs and others (38) | SCPs (34) |
| Current assets | 134,463 | 55,294 | 2,703 | 8,782 | 65,129 | 7,642 | 14,640 | 11,583 | 4,718 | 19,263 | 46,171 | 7,027 |
| Noncurrent assets | 481,744 | 399,209 | 3,318 | 7,420 | 187,647 | 5,229 | 438,335 | 417,338 | 2,895 | 5,585 | 185,868 | 4,472 |
| | 616,207 | 454,503 | 6,021 | 16,202 | 252,776 | 12,871 | 452,975 | 428,921 | 7,613 | 24,848 | 232,039 | 11,499 |
| Current liabilities | 72,442 | 82,504 | 691 | 2,487 | 94,962 | 3,416 | 39,305 | 69,445 | 630 | 4,831 | 98,916 | 3,657 |
| Noncurrent liabilities | 559,843 | 245,264 | 1,301 | 4,769 | 68,604 | 3,523 | 405,532 | 293,700 | 688 | 5,249 | 46,394 | 1,241 |
| Equity | (16,078) | 126,735 | 4,029 | 8,946 | 89,210 | 5,932 | 8,138 | 65,776 | 6,295 | 14,768 | 86,729 | 6,601 |
| | 616,207 | 454,503 | 6,021 | 16,202 | 252,776 | 12,871 | 452,975 | 428,921 | 7,613 | 24,848 | 232,039 | 11,499 |
| Total interest % | 82.70 | 78.30 | 65.00 | 50.00 | From 30 to 70 | From 32 to 95 | 78.44 | 68.67 | 65.00 | 50.00 | From 30 to 70 | From 32 to 95 |

| | 2023 | | | | | | 2022 | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | MRL | Prime | Pq. Castelo de Gibraltar SPE Ltda | Pq. Castelo de Andorra SPE Ltda | SPEs and others (38) | SCPs (34) | MRL | Prime | Pq. Castelo de Gibraltar SPE Ltda | Pq. Castelo de Andorra SPE Ltda | SPEs (38) | SCPs (34) |
| Net operating revenue | - | - | (786) | 7,930 | 70,131 | 619 | - | - | (547) | 50,514 | 14,915 | (891) |
| Cost of real estate sold | - | - | (489) | (6,762) | (40,888) | (4,208) | - | - | (908) | (38,159) | (18,140) | (5,057) |
| Operating income (expenses) | (11,736) | (19,266) | (118) | (1,140) | (22,312) | (5,362) | (14,520) | (14,999) | (371) | (3,033) | (16,713) | (5,098) |
| Results from equity interest in investees | 26,785 | 112,071 | - | - | - | - | 11,368 | 79,529 | - | - | - | - |
| Financial results | (39,268) | (13,245) | 640 | (113) | 306 | 188 | (43,742) | (33,633) | 1,100 | (177) | 767 | 558 |
| Income tax and social contribution | - | - | (13) | (220) | (3,066) | (44) | - | - | (14) | (1,007) | (236) | 32 |
| (Loss) net income for the year | (24,219) | 79,560 | (766) | (305) | 4,171 | (8,807) | (46,894) | 30,897 | (740) | 8,138 | (19,407) | (10,456) |
| Total interest % | 82.70 | 78.30 | 65.00 | 50.00 | From 30 to 70 | From 32 to 95 | 78.44 | 68.67 | 65.00 | 50.00 | From 30 to 70 | From 32 to 95 |

Note: Some percentages and other amounts of items (a) to (c) in all tables above have been rounded to facilitate their presentation. Thus, some totals presented in the tables may not represent the exact arithmetical sum of the amounts above.

The total asset split related to the Group's projects that have real estate development equity segregation, as at December 30, 2023 and 2022, are as follows:

| | Consolidated | | | |
|---|---|---|---|---|
| | 12/31/23 | | 12/31/22 | |
| Projects under Law 10931/04 (segregate estates) | **10,803,344** | **43.09%** | 8,162,218 | 36.11% |
| Silent partnerships (SCPs) | **336,219** | **1.34%** | 335,838 | 1.49% |
| Special Purpose Entities (SPEs) | **339,561** | **1.35%** | 335,410 | 1.48% |
| Other entities | **7,907,594** | **31.54%** | 7,899,696 | 34.95% |
| Projects with segregation | **19,386,718** | **77.32%** | 16,733,162 | 74.03% |
| Balances without segregation | **5,684,984** | **22.68%** | 5,868,167 | 25.97% |
| Total Consolidated | **25,071,702** | **100.00%** | 22,601,329 | 100.00% |

## 9. Investment property

Investment properties are held to obtain rental revenues or for capital appreciation and, depending on market conditions, sale of the residential projects and are demonstrated as follows:

| Description | Net cost 12/31/23 | Fair value with level measurement | Fair value 12/31/23 | Net cost 12/31/22 |
|---|---|---|---|---|
| Buildings | **255,727** | 3 | 256,424 | - |
| Properties under construction | **2,204,704** | | 2,615,125 | 2,731,450 |
| Landbank | **1,113,107** | 3 | 1,376,720 | 896,907 |
| Right of use | **99,590** | | 99,590 | 104,271 |
| Subtotal Resia | **3,673,128** | | 4,347,859 | 3,732,628 |
| | | | | |
| Properties under construction | **237,933** | 3 | 344,195 | 178,583 |
| Landbank | **62,482** | | 62,482 | 53,558 |
| Subtotal Subsidiaries | **3,973,543** | | 4,754,536 | 3,964,769 |
| | | | | |
| Properties under construction | **8,932** | 3 | 8,932 | 3,505 |
| Landbank | **51,051** | | 51,051 | 127,889 |
| Subtotal Parent Company [1] | **59,983** | | 59,983 | 131,394 |
| | | | | |
| Buildings | **255,727** | | 256,424 | - |
| Properties under construction | **2,451,569** | | 2,968,252 | 2,913,538 |
| Landbank | **1,226,640** | | 1,490,253 | 1,078,354 |
| Right of use | **99,590** | | 99,590 | 104,271 |
| Total Consolidated [1] | **4,033,526** | | 4,814,519 | 4,096,163 |

[1] Stated at cost, as mentioned in the investment property policy described in note 2.2 (c).

As at December 31, 2023, this line item includes capitalized financial charges, as detailed in Note 12 (e), totaling R$219,296 in Consolidated (R$54,775 as at December 31, 2022).

The fair value of the Group's investment properties, used only for disclosure purposes, was internally calculated and considered the operating stage of each asset, as detailed below:

Land

Mainly maintained at book value as they refer to recent acquisitions.

Projects under construction

*Resia:* Calculated using the discounted cash flow technique, considering vacancy rates estimated of 5.00%, discount and capitalization rates between 5.00% to 5.75% p.a.

*Luggo:* Calculated using the market approach technique, based on the 'Investment Agreement' signed with Brookfield Asset Management, for the purchase of these projects.

Significant changes in the discount and capitalization rates, considered for the calculation of the fair value of completed and under construction projects, may result in significant changes in the fair value of investment properties.

Changes in balances of investment property for the years ended December 31, 2023 and 2022 were as follows:

| | Consolidated | | Parent Company | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| Opening balance | **4,096,163** | 2,319,080 | **131,394** | 281,937 |
| Additions | **1,577,933** | 2,986,609 | **15,863** | 35,767 |
| Transfer from (investment property to inventories) inventories to investment property | **(62,149)** | 75,848 | **(60,926)** | 56,114 |
| Transfer to subsidiaries | **-** | - | **(22,027)** | (129,915) |
| Transfer to noncurrent assets held for sale | **(1,397,638)** | (464,670) | **-** | - |
| Capitalized interest (Note 12 (d)) | **192,381** | 67,895 | **-** | - |
| Write-off of capitalized interest | **(8,597)** | - | **-** | - |
| Write-off due to asset sale (*) | **(88,623)** | (767,415) | **(4,321)** | (112,509) |
| Currency translation adjustments | **(275,944)** | (121,184) | **-** | - |
| Closing balance | **4,033,526** | 4,096,163 | **59,983** | 131,394 |

(*) In 2023, the Consolidated refers to write-off due to sale of Porto Aruba and Concept of Luggo. In 2022, the Consolidated refers to write-off due to sale of Village at Tradition and Harbor Grove project of subsidiary Resia and Florença Garden and Solar dos Campos of Luggo and the Parent Company refers to write-off due to the beforementioned Luggo´s sale.

Noncurrent assets held for sale

Changes in investment property, classified as noncurrent assets held for sale, are as follows:

| | Consolidated | |
|---|---|---|
| | 2023 | 2022 |
| Opening balance | **-** | 174,134 |
| Transfer from noncurrent assets held for sale | **1,397,638** | 464,670 |
| Additions | **69,895** | 558 |
| Write-off due to asset sales [1] | **(549,229)** | (634,394) |
| Capitalized interest (Note 12 (d)) | **1,249** | - |
| Currency translation adjustments | **(28,357)** | (4,968) |
| Closing balance [2] | **891,196** | - |

[1] 2023 refers write-off due to sale of Pine Ridge and Biscayne Village and 2022 refers to write-off due to sale of Coral Reef, Village at Tradition, Harbor Grove and Oak Enclave, all project of subsidiary Resia.
[2] As of December 31, 2023, the fair value of this group of assets amounts to R$1,089,084 and refers to Green Park Communities, Resia Dallas West and Village at Old Cutler developments, all own by the subsidiary Resia.

## 10. Property and equipment

Changes in property and equipment for the year ended December 31, 2023 and 2022 are as follows:

| Consolidated | Average annual depreciation rates | Opening balance | Addition | Write-off | Transfer | Currency translation adjustments | Closing balance |
|---|---|---|---|---|---|---|---|
| **Year ended December 31, 2023:** | | | | | | | |
| Cost: | | | | | | | |
| Right-of-use | | 152,204 | 122,919 | - | - | (3,977) | **271,146** |
| Buildings, facilities and leasehold improvements | | 54,594 | 3,228 | (1,494) | 1,328 | (260) | **57,396** |
| Aircraft and vehicles in use | | 50,097 | 65 | (1,124) | - | (50) | **48,988** |
| Machinery and equipment | | 784,930 | 130,066 | (5,115) | 2,253 | (10,083) | **902,051** |
| Furniture and fixtures | | 4,813 | 709 | - | - | (168) | **5,354** |
| IT equipment and installations | | 8,269 | 981 | - | 260 | (139) | **9,371** |
| Sales booths, stores and model apartments | | 71,044 | 39,394 | (318) | 11,736 | - | **121,856** |
| Works in progress | | 18,193 | 7,681 | (60) | (15,577) | - | **10,237** |
| Total cost | | 1,144,144 | 305,043 | (8,111) | - | (14,677) | **1,426,399** |
| Accumulated depreciation: | | | | | | | |
| Right-of-use | Sundry | 51,236 | 18,554 | - | - | (139) | **69,651** |
| Buildings, facilities and leasehold improvements | 12.03% | 35,921 | 6,781 | (913) | - | (115) | **41,674** |
| Aircraft and vehicles in use | 10.02% | 3,223 | 3,593 | (1,004) | - | (44) | **5,768** |
| Machinery and equipment | 12.71% | 235,265 | 37,004 | (2,301) | - | (1,693) | **268,275** |
| Furniture and fixtures | 10.00% | 3,323 | 431 | - | - | (73) | **3,681** |
| IT equipment and installations | 20.00% | 5,752 | 927 | 220 | - | (108) | **6,791** |
| Sales booths, stores and model apartments | 25.19% | 31,034 | 20,599 | (233) | - | - | **51,400** |
| Total accumulated depreciation | | 365,754 | 87,889 | (4,231) | - | (2,172) | **447,240** |
| Total property and equipment, net | | 778,390 | 217,154 | (3,880) | - | (12,505) | **979,159** |
| **Year ended December 31, 2022:** | | | | | | | |
| Total property and equipment, net | | 614,443 | 201,777 | (34,174) | - | (3,656) | 778,390 |

| Parent Company | Average annual depreciation rates | Opening balance | Addition | Write-off | Transfer | Closing balance |
|---|---|---|---|---|---|---|
| **Year ended December 31, 2023:** | | | | | | |
| Cost: | | | | | | |
| Right-of-use | | 133,521 | 30,800 | - | - | **164,321** |
| Buildings, facilities and leasehold improvements | | 44,569 | 1,301 | (866) | 2,051 | **47,055** |
| Aircraft and vehicles in use | | 48,947 | - | - | - | **48,947** |
| Machinery and equipment | | 640,208 | 123,235 | (4,815) | 3,193 | **761,821** |
| Furniture and fixtures | | 2,639 | 5 | - | - | **2,644** |
| IT equipment and installations | | 5,553 | 117 | - | - | **5,670** |
| Sales booths, stores and model apartments | | 40,575 | 12,569 | - | 4,296 | **57,440** |
| Works in progress | | 10,779 | 1,618 | (56) | (8,417) | **3,924** |
| Total cost | | 926,791 | 169,645 | (5,737) | 1,123 | **1,091,822** |
| Accumulated depreciation: | | | | | | |
| Right-of-use | Sundry | 50,606 | 13,869 | - | - | **64,475** |
| Buildings, facilities and leasehold improvements | 12.03% | 30,758 | 5,225 | (594) | 693 | **36,082** |
| Aircraft and vehicles in use | 10.02% | 2,205 | 3,523 | - | - | **5,728** |
| Machinery and equipment | 12.71% | 207,682 | 35,636 | (1,529) | 324 | **242,113** |
| Furniture and fixtures | 10.00% | 2,485 | 3 | - | - | **2,488** |
| IT equipment and installations | 20.00% | 4,215 | 454 | - | - | **4,669** |
| Sales booths, stores and model apartments | 25.19% | 17,573 | 11,922 | - | (114) | **29,381** |
| Total accumulated depreciation | | 315,524 | 70,632 | (2,123) | 903 | **384,936** |
| Total property and equipment, net | | 611,267 | 99,013 | (3,614) | 220 | **706,886** |
| **Year ended December 31, 2022:** | | | | | | |
| Total property and equipment, net | | 514,301 | 130,726 | (32,953) | (807) | 611,267 |

As described in Note 2.2 (h), the Group reviews the useful lives of property and equipment items on an annual basis, at the end of each annual reporting period. The amounts regarding “Aluminum molds” included in line item “Machinery and equipment” by R$489,498 in Consolidated and R$488,523 in Parent Company (net of depreciation) have its depreciation method based on use, which on average are 500 uses, thus they were not considered in the average annual depreciation rates of that line item.

As at December 31, 2023, there are no assets pledged as collateral (R$797 as at December 31, 2022).

## 11. Intangible assets

Changes in intangible assets for the year ended December 31, 2023 and 2022 are as follows:

| Consolidated | Opening balance | Addition | Write-off | Transfer | Currency translation adjustments | Closing balance |
|---|---|---|---|---|---|---|
| **Year ended December 31, 2023:** | | | | | | |
| Cost: | | | | | | |
| Software development | 288,947 | 7,696 | - | 36,700 | (793) | **332,550** |
| Software license | 56,135 | 1,114 | - | - | - | **57,249** |
| Intangibles under development | 37,930 | 36,124 | - | (36,700) | - | **37,354** |
| Trademarks and patents | 24,000 | - | - | - | - | **24,000** |
| Total cost | 407,012 | 44,934 | - | - | (793) | **451,153** |
| Accumulated amortization: | | | | | | |
| Software development | 170,330 | 44,586 | - | - | (303) | **214,613** |
| Software license | 55,600 | 934 | - | - | - | **56,534** |
| Total accumulated amortization | 225,930 | 45,520 | - | - | (303) | **271,147** |
| Total intangible assets | 181,082 | (586) | - | - | (490) | **180,006** |
| **Year ended December 31, 2022:** | | | | | | |
| Total intangible assets | 177,344 | 7,138 | (2,893) | - | (507) | 181,082 |

| Parent Company | Opening balance | Addition | Transfer | Closing balance |
|---|---|---|---|---|
| **Year ended December 31, 2023:** | | | | |
| Cost: | | | | |
| Software development | 277,531 | 1,089 | 35,698 | **314,318** |
| Software license | 56,131 | 1,114 | - | **57,245** |
| Intangibles under development | 36,007 | 36,059 | (35,698) | **36,368** |
| Trademarks and patents | 24,000 | - | - | **24,000** |
| Total cost | 393,669 | 38,262 | - | **431,931** |
| Accumulated amortization: | | | | |
| Software development | 165,068 | 42,068 | - | **207,136** |
| Software license | 55,595 | 934 | - | **56,529** |
| Total accumulated amortization | 220,663 | 43,002 | - | **263,665** |
| Total intangible assets | 173,006 | (4,740) | - | **168,266** |
| **Year ended December 31, 2022:** | | | | |
| Total intangible assets | 167,236 | 5,770 | - | 173,006 |

The amount classified as "trademarks and patents" refers to property rights acquisition of trademark "MRV Engenharia", which contractual value is supported by economic studies. Since it is an intangible asset with an indefinite useful life, its amortization is not expected. This assessment is based on the unforeseeability of the period during which this asset will generate economic benefits for the Group.

The average annual amortization rate for “Software development” and “Software license” is 20%.

Amortization expenses on intangible assets are allocated to line items ‘Cost of real estate sold and services’, ‘Selling expenses’, and ‘General and administrative expenses’, in the statement of profit or loss, according to the nature and allocation of each intangible asset. No intangible assets were pledged as collateral for liabilities.

## 12. Loans, financing and debentures

(a) Loans, financing and debentures:

The position of loans, financing and debentures as at December 31, 2023 and 2022, is as follows:

| Type | Currency | Maturity of principal | Effective rate p.a. | 12/31/23 | | | 12/31/22 |
|---|---|---|---|---|---|---|---|
| | | | | Current | Noncurrent | Total | Total |
| **Parent Company:** | | | | | | | |
| Debenture - 11th Issue - 3rd series | R$ | 9/23 and 9/24 | IPCA + 6.47% | **85,732** | - | **85,732** | 161,782 |
| Debenture - 12th Issue - 1st series | R$ | 7/23 | DI + 1.52% | - | - | - | 320,172 |
| Debenture - 12th Issue - 2nd series | R$ | 7/24 and 7/25 | DI + 1.79% | **29,167** | **25,650** | **54,817** | 55,068 |
| Debenture - 12th Issue - 3rd series | R$ | 7/23 | DI + 1.62% | - | - | - | 117,031 |
| Debenture - 12th Issue - 4th series | R$ | 7/23 | DI + 1.62% | - | - | - | 89,085 |
| Debenture - 13th Issue (CRI) | R$ | 3/24 to 9/24 | DI + 0.83% | **121,808** | - | **121,808** | 122,018 |
| Debenture - 14th Issue (CRI) | R$ | 5/24 | 100.4% DI + 0.28% | **363,731** | - | **363,731** | 364,431 |
| Debenture - 15th Issue | R$ | 11/22 to 11/25 | DI + 1.19% | **76,697** | **75,000** | **151,697** | 228,113 |
| Debenture - 16th Issue | R$ | 4/23 to 4/25 | DI + 1.69% | **35,436** | **33,334** | **68,770** | 103,518 |
| Debenture - 17th Issue | R$ | 4/21 to 4/23 | DI + 3.68% | - | - | - | 11,442 |
| Debenture - 18th Issue | R$ | 8/25 | DI + 2.54% | **24,706** | **500,000** | **524,706** | 527,196 |
| Debenture - 19th Issue (CRI) [1] | R$ | 4/29 to 4/31 | IPCA + 5.87% | **5,139** | **448,652** | **453,791** | 455,842 |
| Debenture - 21st Issue (CRI) [1] | R$ | 2/28 and 2/29 | IPCA + 6.92% | **18,661** | **729,875** | **748,536** | 742,386 |
| Debenture - 22nd Issue - 1st series (CRI) [1] [3] | R$ | 9/28 to 9/30 | IPCA + 8.48% | **6,603** | **344,144** | **350,747** | 351,479 |
| Debenture - 22nd Issue - 2nd series (CRI) [1] [3] | R$ | 9/30 to 9/32 | IPCA + 8.68% | **3,982** | **197,517** | **201,499** | 203,611 |
| Debenture - 23rd Issue | R$ | 6/25 | DI + 3.41% | - | **104,490** | **104,490** | - |
| Debenture - 24th Issue - 1st series (CRI) | R$ | 12/27 | 110.5% DI + 0.65% | **95** | **32,768** | **32,863** | - |
| Debenture - 24th Issue - 2nd series (CRI) | R$ | 12/27 and 12/28 | DI + 1.86% | **191** | **65,292** | **65,483** | - |
| Debenture - 24th Issue - 3rd series (CRI) | R$ | 12/28 | 13.38% | **677** | **239,088** | **239,765** | - |
| Debenture - 24th Issue - 4th series (CRI) | R$ | 12/29 | IPCA + 7.25% | **97** | **62,963** | **63,060** | - |
| (-) Funding cost | | | | **(14,485)** | **(70,227)** | **(84,712)** | (44,754) |
| **Total debentures and CRI - Parent Company** | | | | **758,237** | **2,788,546** | **3,546,783** | 3,808,420 |
| Construction financing | R$ | 11/23 to 5/28 | TR + 8.53% | **36,753** | **305,720** | **342,473** | 160,001 |
| Construction financing | R$ | 1/24 to 3/27 | DI + 2.11% | **1,250** | **77,668** | **78,918** | 155,478 |
| Construction financing | R$ | 5/24 to 2/27 | Savings deposits + 4.00% | **1,080** | **61,038** | **62,118** | 118,223 |
| Construction financing | R$ | 7/24 to 1/27 | TLP + 2.73% | **31,801** | **125,000** | **156,801** | 70,035 |
| Commercial notes - 1st issue | R$ | 8/24 to 5/25 | DI + 3.50% | **77,736** | **75,000** | **152,736** | - |
| Leasing | R$ | 9/19 to 5/23 | DI + 2.00% to 2.93% | - | - | - | 14 |
| (-) Funding cost | | | | **(703)** | **(116)** | **(819)** | - |
| **Total loans and financing - Parent Company** | | | | **147,917** | **644,310** | **792,227** | 503,751 |
| **Total Parent Company** | | | | **906,154** | **3,432,856** | **4,339,010** | 4,312,171 |
| **Subsidiaries:** | | | | | | | |
| Debenture - 2nd Issue - Urba | R$ | 6/21 to 6/23 | DI + 1.73% | - | - | - | 20,202 |
| Debenture - 3rd Issue - Urba (CRI) | R$ | 3/24 | DI + 1.10% | **60,054** | - | **60,054** | 60,093 |
| Debenture - 4th Issue - Urba | R$ | 4/23 to 4/25 | DI + 1.71% | **14,175** | **13,333** | **27,508** | 41,407 |
| Debenture - 5th Issue - Urba | R$ | 4/27 | DI + 2.02% | **1,948** | **80,000** | **81,948** | 82,198 |
| Debenture - 6th Issue - Urba | R$ | 5/25 | DI + 3.71% | **1,715** | **110,000** | **111,715** | - |
| (-) Funding cost | | | | **(1,460)** | **(951)** | **(2,411)** | (1,707) |
| **Total debentures and CRI - Subsidiaries** | | | | **76,432** | **202,382** | **278,814** | 202,193 |
| Project loans | US$ | 2/25 | Libor + 2.75% | - | **226,718** | **226,718** | 360,329 |
| Project loans | US$ | 9/25 | WSJ Prime + 0.25% | - | **66,093** | **66,093** | - |
| Project loans | US$ | 3/24 and 3/25 | 8.65% and 10.44% | **171,188** | **88,446** | **259,634** | 182,620 |
| Project loans | US$ | 6/24 to 1/26 | Sofr + 2.25% to 7.00% | **72,116** | **247,013** | **319,129** | 241,465 |
| Project loans | US$ | 7/25 to 2/26 | Bsby + 2.25% | - | **316,147** | **316,147** | 144,499 |
| Loan agreements [2] | US$ | 2/25 to 2/26 | 3.80% to 4.37% | **310** | **1,180,851** | **1,181,161** | 1,254,836 |
| Construction financing | R$ | 4/16 to 3/23 | TR + 13.53% | - | - | - | 502 |
| Construction financing | R$ | 4/22 to 6/28 | TR + 8.45% | **45,308** | **371,614** | **416,922** | 206,944 |
| Construction financing - Urba | R$ | 3/24 to 2/27 | TR + 9.30% | **4,482** | **11,313** | **15,795** | 15,461 |
| Construction financing | R$ | 4/23 to 3/27 | DI + 2.25% | **37,392** | **85,106** | **122,498** | 226,734 |
| Construction financing - Urba | R$ | 4/23 to 12/27 | DI + 2.45% | **8,102** | **13,344** | **21,446** | 48,424 |
| Construction financing | R$ | 10/24 to 2/27 | Savings deposits + 3.90% | **690** | **21,518** | **22,208** | 100,558 |
| Construction financing | R$ | 5/24 to 4/27 | TLP + 2.53% | **44,637** | **219,392** | **264,029** | 136,228 |
| (-) Funding cost | | | | **(1,176)** | **(1,157)** | **(2,333)** | (3,788) |
| **Total loans and financing - Subsidiaries** | | | | **383,049** | **2,846,398** | **3,229,447** | 2,914,812 |
| **Total subsidiaries** | | | | **459,481** | **3,048,780** | **3,508,261** | 3,117,005 |
| **Total Consolidated** | | | | **1,365,635** | **6,481,636** | **7,847,271** | 7,429,176 |

[1] Measured at fair value through profit or loss, once they were designated as hedged items, according to hedge accounting methodology, as detailed in Note 25 (b).

[2] As mentioned in Note 25 (b), for these debts' interests, the Company hired derivative financial instruments (swaps) to hedge its exposure to US dollar plus fixed rate, by pegging interest to DI rate.

[3] See comments in item (e) below.

Loans, financing and debentures - Noncurrent assets held for sale

Changes in loans, financing and debentures classified as noncurrent assets held for sale are as follows:

| | Consolidated | |
|---|---|---|
| | 2023 | 2022 |
| Opening balance | - | 131,142 |
| Transfer from loans, financing and debentures | **800,200** | 248,785 |
| Funding | **178,589** | 335,240 |
| Accrued interest | **19,592** | - |
| Amortization of funding costs | **1,214** | - |
| Repayment of principal | **(471,236)** | (701,328) |
| Payment of financial charges | **(33,054)** | (4,086) |
| Currency translation adjustments | **(15,276)** | (9,753) |
| Closing balance | **480,029** | - |

Key features of the Group's loans, financing and debentures are as follows:

| Type | Serie | Qty | Funding date | Repayment of principal | Interest payment | Maturity of principal | Contractual rate (p.a.) | Effective rate (p.a.) |
|---|---|---|---|---|---|---|---|---|
| Debenture - 11th Issue | 3rd | 12,120 | 9/17 | Annual | Annual | 9/23 and 9/24 | IPCA + 6.45% | IPCA + 6.47% |
| Debenture - 12th Issue | 2nd | 5,130 | 8/18 | Annual | Semiannual | 7/24 and 7/25 | DI + 1.70% | DI + 1.79% |
| Debenture - 13th Issue (CRI) | Single | 300,000 | 3/19 | Semiannual | Quarterly | 3/24 to 9/24 | 100% DI | DI + 0.83% |
| Debenture - 14th Issue (CRI) | Single | 360,000 | 6/19 | Bullet payment | Semiannual | 5/24 | 100.4% DI | 100.4% DI + 0.28% |
| Debenture - 15th Issue | Single | 300,000 | 11/19 | Annual | Semiannual | 11/22 to 11/25 | DI + 1.06% | DI + 1.19% |
| Debenture - 16th Issue | Single | 100,000 | 4/20 | Annual | Semiannual | 4/23 to 4/25 | DI + 1.50% | DI + 1.69% |
| Debenture - 18th Issue | Single | 500,000 | 8/20 | Bullet payment | Semiannual | 8/25 | DI + 2.40% | DI + 2.54% |
| Debenture - 19th Issue (CRI) | Single | 400,000 | 4/21 | Annual | Semiannual | 4/29 to 4/31 | IPCA + 5.43% | IPCA + 5.87% |
| Debenture - 21st Issue (CRI) | Single | 700,000 | 2/22 | Annual | Semiannual | 2/28 and 2/29 | IPCA + 6.60% | IPCA + 6.92% |
| Debenture - 22nd Issue - (CRI) | 1st | 347,928 | 9/22 | Annual | Semiannual | 9/28 to 9/30 | IPCA + 6.48% | IPCA + 8.48% |
| Debenture - 22nd Issue - (CRI) | 2nd | 202,072 | 9/22 | Annual | Semiannual | 9/30 to 9/32 | IPCA + 6.74% | IPCA + 8.68% |
| Debenture - 23th Issue | Single | 97,380 | 6/23 | Bullet payment | Bullet payment | 6/25 | DI + 2.20% | DI + 3.41% |
| Debenture - 24nd Issue - (CRI) | 1st | 32,768 | 12/23 | Bullet payment | Semiannual | 12/27 | 110.5% DI | 110.5% DI + 0.65% |
| Debenture - 24nd Issue - (CRI) | 2nd | 65,292 | 12/23 | Annual | Semiannual | 12/27 and 12/28 | DI + 1.25% | DI + 1.86% |
| Debenture - 24nd Issue - (CRI) | 3rd | 239,088 | 12/23 | Bullet payment | Semiannual | 12/28 | 12.60% | 13.38% |
| Debenture - 24nd Issue - (CRI) | 4th | 62,852 | 12/23 | Bullet payment | Semiannual | 12/29 | IPCA + 6.69% | IPCA + 7.25% |
| Debenture - 3rd Issue - Urba (CRI) | Single | 60,000 | 3/19 | Bullet payment | Quarterly | 3/24 | DI + 0.20% | DI + 1.10% |
| Debenture - 4th Issue - Urba | Single | 40,000 | 4/20 | Annual | Semiannual | 4/23 to 4/25 | DI + 1.50% | DI + 1.71% |
| Debenture - 5th Issue - Urba | Single | 80,000 | 4/22 | Bullet payment | Semiannual | 4/27 | DI + 1.75% | DI + 2.02% |
| Debenture - 6th Issue - Urba | Single | 110,000 | 5/23 | Bullet payment | Semiannual | 5/25 | DI + 2.65% | DI + 3.71% |
| Construction financing | - | - | Sundry | Sundry | Monthly | 4/22 to 6/28 | TR + 8.49% | TR + 8.49% |
| Construction financing - Urba | - | - | Sundry | Sundry | Monthly | 3/24 to 2/27 | TR + 9.30% | TR + 9.30% |
| Construction financing | - | - | Sundry | Sundry | Monthly | 4/23 to 7/27 | DI + 2.18% | DI + 2.18% |
| Construction financing - Urba | - | - | Sundry | Sundry | Monthly | 4/23 to 12/27 | DI + 2.45% | DI + 2.45% |
| Construction financing | - | - | Sundry | Sundry | Monthly | 5/24 to 2/27 | Savings deposits + 3.95% | Savings deposits + 3.95% |
| Construction financing | - | - | Sundry | Sundry | Sundry | 5/24 to 4/27 | TLP + 2.63% | TLP + 2.63% |
| Commercial notes - 1st issue | - | - | 5/23 | Quarterly | Quarterly | 8/24 to 5/25 | DI + 2.95% | DI + 3.50% |
| Project loans | - | - | Sundry | Bullet payment | Monthly | 2/25 | Libor + 2.75% | Libor + 2.75% |
| Project loans | - | - | Sundry | Sundry | Monthly | 6/24 to 1/26 | Sofr + 2.25% to 7.00% | Sofr + 2.25% to 7.00% |
| Project loans | - | - | Sundry | Sundry | Monthly | 3/24 and 3/25 | 8.65% and 10.44% | 8.65% and 10.44% |
| Project loans | - | - | Sundry | Sundry | Monthly | 7/25 to 2/26 | Bsby + 2.25% | Bsby + 2.25% |
| Project loans | - | - | 3/23 | Bullet payment | Monthly | 9/25 | WSJ Prime + 0.25% | WSJ Prime + 0.25% |
| Loan agreements | - | - | Sundry | Sundry | Semiannual | 2/25 to 2/26 | 3.80% to 4.37% | 3.80% to 4.37% |

The 13th, 14th, 19th, 21st, 22nd and 24th issue of debentures of the Company and 3rd issue of subsidiary Urba were carried out to back transactions of certificates of real estate receivables.

The debentures issued by the Company are simple, nonconvertible, registered, book-entry.

Funding during the year ended December 31, 2023, is as follows:

| Type | Currency | Funding date | Repayment of principal | Interest payment | Maturity of principal | Contractual rate (p.a.) | Amount (*) |
|---|---|---|---|---|---|---|---|
| Construction financing | R$ | Sundry | Sundry | Monthly | 1/23 to 5/28 | TR + 8.53% | 583,548 |
| Construction financing | R$ | Sundry | Sundry | Monthly | 2/23 to 12/27 | DI + 2.11% | 167,736 |
| Construction financing | R$ | Sundry | Sundry | Monthly | 10/23 to 7/27 | Savings deposits + 4.00% | 46,050 |
| Construction financing | R$ | Sundry | Semiannual | Semiannual | 7/24 to 1/27 | TLP + 2.73% | 80,000 |
| Debenture - 23rd Issue | R$ | 6/23 | Bullet payment | Bullet payment | 6/25 | DI + 2.20% | 97,380 |
| Debenture - 24th Issue - 1st series | R$ | 12/23 | Bullet payment | Semiannual | 12/27 | 110.5% DI | 32,768 |
| Debenture - 24th Issue - 2nd series | R$ | 12/23 | Annual | Semiannual | 12/27 and 12/28 | DI + 1.25% | 65,292 |
| Debenture - 24th Issue - 3rd series | R$ | 12/23 | Bullet payment | Semiannual | 12/28 | 12.6% | 239,088 |
| Debenture - 24th Issue - 4th series | R$ | 12/23 | Bullet payment | Semiannual | 12/29 | IPCA + 6.69% | 62,852 |
| Commercial notes - 1st issue | R$ | 5/23 | Quarterly | Quarterly | 8/24 to 5/25 | DI + 2.95% | 150,000 |
| Total - Parent Company | | | | | | | **1,524,714** |
| | | | | | | | |
| Construction financing | R$ | Sundry | Sundry | Monthly | 2/23 to 6/28 | TR + 8.45% | 879,628 |
| Construction financing | R$ | Sundry | Sundry | Monthly | 2/23 to 8/27 | DI + 2.25% | 161,077 |
| Construction financing - Urba | R$ | Sundry | Sundry | Monthly | 4/23 to 12/27 | DI + 2.52% | 11,261 |
| Construction financing | R$ | Sundry | Sundry | Monthly | 5/24 to 2/27 | Savings deposits + 3.90% | 41,062 |
| Construction financing | R$ | Sundry | Sundry | Sundry | 5/24 to 4/27 | TLP + 2.63% | 234,702 |
| Debenture - 6th Issue - Urba | R$ | 5/23 | Bullet payment | Semiannual | 5/25 | DI + 2.65% | 110,000 |
| Project loans | US$ | Sundry | Sundry | Monthly | 12/24 to 2/25 | Libor + 2.00% to 2.75% | 65,554 |
| Project loans | US$ | Sundry | Bullet payment | Monthly | 9/25 | WSJ Prime + 0.25% | 104,777 |
| Project loans | US$ | Sundry | Bullet payment | Monthly | 3/25 | 10.44% | 90,266 |
| Project loans | US$ | Sundry | Sundry | Monthly | 3/24 to 1/26 | Sofr + 2.25% to 7.00% | 581,928 |
| Project loans | US$ | Sundry | Sundry | Monthly | 4/25 to 2/26 | Bsby + 2.25% to 2.35% | 446,040 |
| Loan agreements | US$ | 2/23 | Bullet payment | Bullet payment | 3/23 | WSJ Prime + 0.25% | 57,447 |
| Total - Subsidiaries | | | | | | | **2,783,742** |
| Total - Consolidated | | | | | | | **4,308,456** |

(*) Gross of funding costs.

Changes in loans, financing and debentures are as follows:

| | Consolidated | | Parent Company | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| Opening balance | **7,429,176** | 5,232,777 | **4,312,171** | 3,471,435 |
| Funding | **4,129,867** | 5,018,836 | **1,524,714** | 2,059,850 |
| Accrued interest | **805,884** | 635,351 | **524,795** | 478,938 |
| Fair value adjustment | **(78,694)** | (11,198) | **(78,694)** | (11,198) |
| Funding costs | **(59,592)** | (32,881) | **(54,517)** | (29,084) |
| Amortization of funding costs | **16,522** | 11,131 | **13,740** | 9,045 |
| Repayment of principal | **(2,715,019)** | (2,600,380) | **(1,421,147)** | (1,288,403) |
| Payment of financial charges | **(712,471)** | (505,372) | **(482,052)** | (378,412) |
| Transfer to noncurrent assets held for sale | **(800,200)** | (248,785) | **-** | - |
| Currency translation adjustments | **(168,202)** | (70,303) | **-** | - |
| Closing balance | **7,847,271** | 7,429,176 | **4,339,010** | 4,312,171 |

During the year ended December 31, 2023, the Company paid in advance construction financing in the amount of R$300,360, with maturities between February 2024 to December 2027, subjects to contractual rates of TR + 7.75% to TR + 11.25% p.a., DI + 1.85% to DI + 2.28% p.a. and savings deposits + 3.00% to savings deposits + 5.00% p.a.

(b) Guarantees and surety

The types of guarantees for loans, financing and debentures as at December 31, 2023 are as follows:

| | Consolidated | | | | | | |
|---|---|---|---|---|---|---|---|
| | Debentures | Bank credit notes | Construction financing | Leasing | Project loans | Loan agreements | Total |
| Collateral / surety | - | - | - | - | 600,549 | 1,181,161 | 1,781,710 |
| Collateral / receivables | - | - | 1,082,378 | - | 587,172 | - | 1,669,550 |
| No guarantees | 1,211,383 | 2,701,337 | 420,830 | 152,736 | - | - | 4,486,286 |
| Total (*) | **1,211,383** | **2,701,337** | **1,503,208** | **152,736** | **1,187,721** | **1,181,161** | **7,937,546** |

(*) Amounts of loan, financing and debentures gross of funding cost.

Construction financing agreements are collateralized by receivables (see Note 6) or mortgage of land (see Note 7).

The Company guaranteed loans, financing and debentures obtained by joint ventures from financial institutions, as described below:

| Guarantees, warranties and surety | Start | Maturity | Amount |
|---|---|---|---|
| MRL Engenharia e Empreendimentos S.A. | 4/20 | 4/25 | 41,262 |
| | 3/21 | 3/26 | 113,695 |
| | 9/21 | 9/26 | 169,485 |
| | 4/22 | 4/27 | 102,435 |
| | 5/23 | 5/25 | 91,403 |
| | 12/23 | 12/26 | 120,126 |
| Prime Incorporações e Construções S.A. | 6/19 | 6/24 | 50,072 |
| | 9/21 | 9/26 | 210,321 |
| | 4/22 | 4/27 | 51,218 |
| | | | **950,017** |

(c) Aging

Aging of loans, financing and debentures by maturity, gross of funding cost, is as follows:

| After the reporting period | Consolidated | | Parent Company | |
|---|---|---|---|---|
| | 12/31/23 | 12/31/22 | 12/31/23 | 12/31/22 |
| 1 year | **1,863,488** | 1,159,659 | **921,342** | 887,372 |
| 2 years | **2,675,749** | 1,563,877 | **1,032,096** | 839,761 |
| 3 years | **1,525,343** | 2,148,563 | **269,669** | 867,453 |
| 4 years | **293,530** | 800,170 | **144,715** | 40,666 |
| After 4 years | **2,059,465** | 1,807,156 | **2,056,719** | 1,721,673 |
| Total | **8,417,575** | 7,479,425 | **4,424,541** | 4,356,925 |

(d) Allocation of financial charges

| | Consolidated | | Individual | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| Gross financial charges (*) | **998,481** | 741,903 | **638,957** | 566,408 |
| Capitalized financial charges on: | | | | |
| Real estate under construction and landbank | **(400,713)** | (412,816) | **(208,017)** | (261,383) |
| Investment property (Note 9) | **(193,630)** | (67,895) | **-** | - |
| Equity interest in investees | **-** | - | **(108,427)** | (70,606) |
| Amounts recognized in financial result (Note 24) | **404,138** | 261,192 | **322,513** | 234,419 |
| Financial charges | | | | |
| Opening balance | **756,195** | 564,384 | **658,898** | 504,898 |
| Currency translation adjustments | **(9,312)** | (2,277) | **-** | - |
| Capitalized financial charges | **594,343** | 480,711 | **316,444** | 331,989 |
| Charges allocated to profit or loss: | | | | |
| Cost of real estate sold and services provided (Note 23) | **(259,928)** | (234,441) | **(150,385)** | (144,583) |
| Other operating income (expenses), net | **(29,511)** | (48,824) | **(9,714)** | - |
| Results from equity interest in investees | **-** | (3,358) | **(44,276)** | (33,406) |
| Closing balance | **1,051,787** | 756,195 | **770,967** | 658,898 |
| | | | | |
| Capitalized financial charges related to: | | | | |
| Real estate under construction and landbank (Note 7) | **832,491** | 701,420 | **532,822** | 484,206 |
| Equity interest in investees (Note 8) | **-** | - | **238,145** | 174,692 |
| Investment property | **219,296** | 54,775 | **-** | - |
| | **1,051,787** | 756,195 | **770,967** | 658,898 |

(*) Includes interest on loans, financing and debentures, gains or losses on swap operations and other bank fees.

During the year ended December 31, 2023, total financial charges capitalized on loans, financing and debentures represented an average charge rate of 14.10% p.a. (13.94% p.a. in the year ended December 31, 2022).

(e) Contractual commitments

Related to financial ratios:

Some debentures and loans have obligations related to financial ratios compliance, determined and reviewed on a quarterly basis by the fiduciary agent, as follows:

| Description | Required ratio |
|---|---|
| (Net debt + properties payable) to Equity | Lower than 0.65 |
| (Receivables + unearned revenue + inventories) to (Net debt + properties payable + unrecognized cost) | Higher than 1.6 or lower than 0 |

- Net debt for the 11th, 12th and 14th issuance of the Group's debentures corresponds to the total current and noncurrent loans and financing, less construction loans and permanents loan from Resia (collectively referred to as Project loans) and financing received under the Housing Financial System and the financing granted by the Real Estate Investment Fund of the Severance Pay Fund (FI-FGTS) and less cash, banks, and short-term investments;
- Net debt for the 18th, 19th, 21st, 22nd, 23rd, 24th, 5th (Urba) and 6th (Urba) issuance of the Group's debentures corresponds to total current- and noncurrent loans and financing, less construction loans and permanent loans from Resia (collectively referred to as Project loans) and financing obtained from the Real Estate Investment Fund of the Severance Indemnity Fund - FI-FGTS, minus cash, bank and financial investments;
- Net debt for the 13th and 3rd (Urba) issuance of the Group's debentures, corresponds to total current- and noncurrent loans and financing, less construction financing, financing obtained from the Real Estate Investment Fund of the Severance Indemnity Fund - FI-FGTS, Resia's financing called Permanent Loans, as long as they do not have a guarantee from Resia and/or MRV, and Resia's financing called Construction Loans, minus available cash, banks and financial investments.
- Properties payable corresponds to the sum of line item ‘Land payables’ in current and noncurrent liabilities, less the land acquired through barters, if any.
- Equity represents the value presented in the statement of financial position.
- Receivables corresponds to the total current and noncurrent receivables, disclosed in the financial statements.
- Unearned revenue corresponds to the balance disclosed in notes to the consolidated financial statements related to the sales already contracted of uncompleted real estate units, not disclosed in the statement of financial position in compliance with accounting practices adopted in Brazil.
- Inventories correspond to the amount presented in line item ‘Real estate for sale’, current and noncurrent, in the statement of financial position.
- Unrecognized cost corresponds to costs to be incurred related to the sales of uncompleted projects.

On December 31, 2023, the Group was in compliance with the restrictive clauses of its loan, financing and debenture agreements.

Other contractual commitments:

The Group is subject to certain contractual requirements under the loan, financing, and debentures agreements that must be complied throughout the debt period, such as: comply with the payments provided for in the agreements; items related to discontinuation of activities, bankruptcy or insolence; items related to any judicial measure that may affect the guarantees given in contracts; not to transfer rights on contracts without the consent of financial agents; obtaining the mandatory insurance of project and assets; guarantee completeness of data provided to financial agents; not to have significant changes in statutory structure, without observance of the respective laws, and in the stock control; proving the allocation of funds raised in the projects described in the agreements; provide requested information within contractual deadlines; not to occur cases provided for in Articles 333 and 1425 of the Civil Code; do not perform operations that are not in accordance with its corporate purpose; comply with the statutory, legal and regulatory provisions in force; ensuring compliance with all laws, rules and regulations in any jurisdiction in which conducts businesses or have assets; not to exceed the ceiling of protested bills; guarantee maintenance of the ability to honor the guarantees provided in the agreements; keeping licenses valid for the business operation; expropriation, nationalization (or similar) of assets or shares, by any governmental authority; no completion of the construction project within the contractual period; delay or shutdown of the construction project without proper justification accepted by the financial agent; sell, mortgage, demolition, alterations in order to compromise the maintenance or fulfillment of the guarantee given, without previous and express consent of the financial agent, requirement of a certain risk qualification by the contracted agency, among others. Failure to comply with the mentioned covenants could result in early maturity of the agreements.

Debenture - 22nd Issue (CRI)

The restrictive clauses were in compliance as at March 31, 2023, with the exception of the breach of covenant referring to Clause 9.2, item (i) and 9.5. of the *Instrumento Particular de Escritura* (Private Instrument of Deed) of the 22nd issue of debentures, entered into on July 6, 2022 and Clause 4.1, item (28) and 6.1.2, item (i), of the *termo de securitização* (securitization term) of the 32nd issue of CRI, which dealt with the maintenance of minimum risk classification rating. Thus, the Company reclassified to current liabilities the amount of R$556,193, referring to this debt, which was originally classified in non-current liabilities, exclusively to comply with the requirement of item 69 of CPC 26 (R1). Additionally, the Company assessed the possible consequences of this matter on its other loan, financing and debenture agreements and concluded that additional adjustments would not be necessary.

On April 6, 2023, a Special Meeting of Investors of Real Estate Receivables Certificates of the 32nd issue of True Securitizadora S.A. was held, where the CRI holders decided to approve the non-decreation of the early maturity of the debentures and, consequently of the above-mentioned CRI and the non-need for any minimum level of risk classification. On the other hand, on April 14, 2023, the Company paid the CRI holders the amount of R$40,392, as a waiver fee. Due to said decision, in April 2023 the debt maturities returned to the original contractual terms. On December 31, 2023, the Company was in compliance with the restrictive clauses of its loan, financing and debenture agreements.

## 13. Land payables

| | Consolidated | | Parent Company | |
|---|---|---|---|---|
| | 12/31/23 | 12/31/22 | 12/31/23 | 12/31/22 |
| INCC | **286,499** | 453,513 | **118,468** | 130,549 |
| IGP-M | **39,791** | 73,676 | **39,155** | 66,319 |
| IPCA | **252,456** | 435,432 | **83,859** | 161,300 |
| Other indexes | **349,113** | 160,111 | **203,475** | 60,259 |
| Non-interest bearing | **2,568,709** | 3,296,961 | **1,397,416** | 2,126,132 |
| Present value discount | **(77,660)** | (127,052) | **(43,931)** | (71,776) |
| Total | **3,418,908** | 4,292,641 | **1,798,442** | 2,472,783 |
| | | | | |
| Current | **898,135** | 961,985 | **367,719** | 391,952 |
| Noncurrent | **2,520,773** | 3,330,656 | **1,430,723** | 2,080,831 |
| | **3,418,908** | 4,292,641 | **1,798,442** | 2,472,783 |

As at December 31, 2023, ‘Land payables’ include financial barters in the amount of R$2,362,538 in Consolidated and R$1,306,552 in Parent company (R$2,518,088 and R$1,585,619 as at December 31, 2022, in Consolidated and Parent company, respectively). Interest from updating these balances is fully capitalized under the caption 'Inventories – Real estate for sale' and is appropriated to profit or loss upon the respective development and sale of real estate units. Capitalization of these costs ceases when the related assets are ready for their intended use or sale.

Present value discount for the land payments was calculated according to criteria described in Note 2.2 (v).

Some land suppliers assigned their receivables to financial institutions, with changes, in some cases, in the original conditions of the liability when the operation was carried out, related to interest rate and payment terms, and of the total accounts payable for land acquisition as at December 31, 2023, R$640,394 (R$496,432 as at December 31, 2022) refers to this type of operations in which the financial institution became a creditor of these amounts, with said balances being maintained under the original caption of 'accounts payable for acquisition of land', as this accounts payable already has the nature of onerous liability and is considered for the purposes of calculating the financial ratios required in the loans, financing and debentures (see note 12 (e)). These balances are substantially indexed to the DI, INCC and IPCA rates + 0% to 6.6% p.a., of the total, R$300,329 (R$231,670 as at December 31, 2022) refer to financial exchange due to the fact that the creditors are entitled to receive a portion of the general sales value of the developments to be merged if this exceeds the amounts calculated based on the agreed minimum remuneration.

Several land acquisition agreements have clauses that allow the resolution without any burden to the Company, if certain conditions are not met or reached. These conditions mainly include obtaining legal, municipal or state approvals (incorporation permits, construction licenses, etc.), technical and commercial viability of the projects and obtaining construction financing.

As at December 31, 2023, R$1,011,399 in Consolidated and Parent company, of total 'Land payables', involves repayments linked to the above-mentioned conditions, therefore only will occur if and when the projects become feasible, this is when the Company obtains the respective approvals (R$1,615,367 as at December 31, 2022).

Changes in land payables in Consolidated is as follows:

| | Consolidated | |
|---|---|---|
| | 2023 | 2022 |
| Opening balance | **4,292,641** | 4,798,787 |
| Additions | **881,628** | 840,707 |
| Cancellations | **(974,310)** | (629,655) |
| Payments | **(832,012)** | (802,133) |
| Interest and present value discount | **50,961** | 84,935 |
| Closing balance | **3,418,908** | 4,292,641 |

Aging of 'Land payables' is as follows:

| Periods after the reporting period | Consolidated | | Parent Company | |
|---|---|---|---|---|
| | 12/31/23 | 12/31/22 | 12/31/23 | 12/31/22 |
| 1 year | **898,135** | 961,985 | **367,719** | 391,952 |
| 2 years | **1,213,690** | 1,751,421 | **347,495** | 716,986 |
| 3 years | **416,851** | 546,287 | **321,517** | 433,874 |
| 4 years | **233,857** | 267,875 | **188,557** | 226,029 |
| After 4 years | **656,375** | 765,073 | **573,154** | 703,942 |
| Total | **3,418,908** | 4,292,641 | **1,798,442** | 2,472,783 |

## 14. Customers advances

| | Consolidated | | Parent Company | |
|---|---|---|---|---|
| | 12/31/23 | 12/31/22 | 12/31/23 | 12/31/22 |
| Proceeds in advance | **202,701** | 120,955 | **103,690** | 61,271 |
| Advances for barters | **245,926** | 363,359 | **149,394** | 251,053 |
| | **448,627** | 484,314 | **253,084** | 312,324 |
| | | | | |
| Current | **290,165** | 230,772 | **170,857** | 132,865 |
| Noncurrent | **158,462** | 253,542 | **82,227** | 179,459 |
| | **448,627** | 484,314 | **253,084** | 312,324 |

Several barter agreements have clauses that allow the resolution without any burden to the Company, if certain conditions are not met or reached. These conditions mainly include obtaining legal, municipal or state approvals (incorporation permits, construction licenses, etc.), technical and commercial viability of the projects and obtaining construction financing.

As at December 31, 2023, R$101,301 in Consolidated and Parent company, of total 'Advance for barters', involves obligations linked to the above-mentioned conditions, therefore only will occur if and when the projects become feasible, this is when the Company obtains the respective approvals (R$189,098 as at December 31, 2022).

Advances from customers are broken down as follows:

| Periods after the reporting period | Consolidated | | Parent Company | |
|---|---|---|---|---|
| | 12/31/23 | 12/31/22 | 12/31/23 | 12/31/22 |
| 1 year | **290,165** | 230,772 | **170,857** | 132,865 |
| 2 years | **96,145** | 148,392 | **50,440** | 103,251 |
| After 2 years | **62,317** | 105,150 | **31,787** | 76,208 |
| Total | **448,627** | 484,314 | **253,084** | 312,324 |

Proceeds in advance

In sales of uncompleted units, proceeds that exceed recognized sales revenue are recorded in line item 'Advances from customers', classified in current and noncurrent liabilities, as shown above, according to the expected construction schedule. These balances are not subject to financial charges.

Advances for barters

Advances for barters refer to commitments assumed on land bank purchases for real estate projects and are settled during construction evolution until the unit delivery, according to the underlying contracts.

Bank guarantees provided for land purchases, including barter arrangements and infrastructure works of the Company and its investees are summarized as follows:

| Periods after the reporting period | 12/31/23 | 12/31/22 |
|---|---|---|
| 1 year | **720,086** | 821,148 |
| 2 years | **10,076** | 268,568 |
| After 2 years | - | 10,076 |
| | **730,162** | 1,099,792 |

Beside bank guarantees, advances for barters are covered by property delivery insurance policy, as described in Note 29.

## 15. Payroll and related liabilities

| | Consolidated | | Parent Company | |
|---|---|---|---|---|
| | 12/31/23 | 12/31/22 | 12/31/23 | 12/31/22 |
| Salaries and wages | **33,963** | 31,360 | **15,966** | 14,640 |
| Payroll benefits | **26,491** | 23,751 | **12,001** | 11,422 |
| Accrued vacation, 13th salary and related benefits | **94,759** | 92,994 | **47,156** | 45,315 |
| Provision for employees and management profit sharing | **67,491** | 28,937 | **38,000** | - |
| Other | **1,831** | 1,057 | **1,065** | 759 |
| Total | **224,535** | 178,099 | **114,188** | 72,136 |

Employee and management profit sharing, as provided for by prevailing legislation, can be either under voluntary programs maintained by companies or agreements with employees or labor unions.

## 16. Tax payables

| | Consolidated | | Parent Company | |
|---|---|---|---|---|
| | 12/31/23 | 12/31/22 | 12/31/23 | 12/31/22 |
| Income tax and social contribution | **30,078** | 46,002 | **4,503** | 5,425 |
| Taxes on revenue (PIS and COFINS) | **91,972** | 71,205 | **74,098** | 60,757 |
| Withheld third parties taxes | **15,179** | 14,486 | **7,217** | 7,646 |
| Taxes withheld on interest on salaries | **13,693** | 13,041 | **10,356** | 9,579 |
| Other | **2,338** | 1,090 | **(251)** | 197 |
| Total | **153,260** | 145,824 | **95,923** | 83,604 |

As at December 31, 2023, amounts of recoverable taxes, essentially arising from tax credits claimed on the costs incurred on units sold (PIS and COFINS) and short-term investments (IRRF) are R$137,821 and R$102,358 in Consolidated and Parent company, respectively (R$109,807 and R$79,457 as at December 31, 2022, respectively), and are classified in line item 'Recoverable taxes', in current assets.

## 17. Provision for maintenance

The Company and its subsidiaries offer warranty for construction defects limited to five years, in compliance with Brazilian legislation. To meet this commitment without impacting future years and properly match revenues with costs, for each project under construction, amounts corresponding to 2.20% of the total construction cost incurred were accrued as at December 31, 2023 and 2022. This estimate is based on annually reviewed historical averages according to analysis by the Company's engineering department. The provisions are recorded under the percentage-of-completion method, by applying the percentage above to actual costs incurred.

Changes in provision for maintenance of real estate are as follows:

| | Consolidated | | Parent Company | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| Opening balance | **243,841** | 206,562 | **127,930** | 115,385 |
| Additions | **134,206** | 153,245 | **65,618** | 79,514 |
| Write-off | **(99,543)** | (115,966) | **(57,914)** | (66,969) |
| Closing balance | **278,504** | 243,841 | **135,634** | 127,930 |
| | | | | |
| Current | **78,145** | 55,871 | **45,251** | 32,470 |
| Noncurrent | **200,359** | 187,970 | **90,383** | 95,460 |
| | **278,504** | 243,841 | **135,634** | 127,930 |

## 18. Provision for civil, labor and tax risks

The Company and its subsidiaries are parties to lawsuits and administrative proceedings before courts and governmental bodies, arising in the normal course of their operations, involving essentially civil and labor matters. Accordingly, recognize provisions in sufficient amount to cover contingent liabilities related to proceedings for which a probable cash disbursement is expected.

Based on information from its legal counsel and the analysis of the ongoing proceedings and previous court and administrative decisions, the Company's management believes that the provision recognized for probable unfavorable outcomes is sufficient to cover estimated losses and to ensure that the final decision on each proceeding will not have a significant impact on its financial position.

Changes in provision are as follows:

| | Opening balance | Additions | Reversals | Payments | Inflation adjustment | Closing balance |
|---|---|---|---|---|---|---|
| Consolidated: | | | | | | |
| Civil | 33,088 | 123,416 | (9,626) | (97,032) | 7,234 | 57,080 |
| Labor | 39,348 | 36,562 | (1,799) | (30,632) | 7,439 | 50,918 |
| Others | 393 | 786 | (125) | (679) | 77 | 452 |
| **Total - year 2023** | **72,829** | **160,764** | **(11,550)** | **(128,343)** | **14,750** | **108,450** |
| Total - year 2022 | 94,677 | 151,079 | (13,453) | (173,744) | 14,270 | 72,829 |
| Parent Company: | | | | | | |
| Civil | 15,093 | 67,918 | (4,116) | (52,813) | 3,778 | 29,860 |
| Labor | 34,328 | 31,737 | (1,258) | (28,103) | 6,401 | 43,105 |
| Others | 294 | 403 | (43) | (370) | 57 | 341 |
| **Total - year 2023** | **49,715** | **100,058** | **(5,417)** | **(81,286)** | **10,236** | **73,306** |
| Total - year 2022 | 63,384 | 96,290 | (8,645) | (110,741) | 9,427 | 49,715 |

The total number of the Group's lawsuits and the number of lawsuits classified as a "probable" likelihood of an unfavorable outcome, based on Group's legal counsel and management's assessment, broken down by type, are as follows:

| Nature | Consolidated | | | | Parent Company | | | |
|---|---|---|---|---|---|---|---|---|
| | 12/31/23 | | 12/31/22 | | 12/31/23 | | 12/31/22 | |
| | Total lawsuits | Probable lawsuits | Total lawsuits | Probable lawsuits | Total lawsuits | Probable lawsuits | Total lawsuits | Probable lawsuits |
| Civil | **17,383** | **2,148** | 16,598 | 1,710 | **9,920** | **1,267** | 9,636 | 975 |
| Labor | **2,688** | **805** | 2,471 | 614 | **1,786** | **562** | 1,683 | 432 |
| Others | **1,433** | **24** | 1,363 | 22 | **1,122** | **18** | 1,072 | 17 |
| **Total** | **21,504** | **2,977** | 20,432 | 2,346 | **12,828** | **1,847** | 12,391 | 1,424 |

As shown above the main lawsuits as at December 31, 2023, and 2022 and the additions for the years then ended refer to civil and labor lawsuits, basically related to:

- civil: lawsuits claiming compensations related to delivery of units and request of repairs on delivered units.
- labor: lawsuits claiming employment relationship, lawsuits involving former employees and contractors over which the Company has joint liability.

Civil, labor, tax, and other natures proceedings assessed by the Group's legal advisors as possible losses, which have essentially the same nature as those described above, total R$642,907 and R$492,174 in Consolidated and Parent company, respectively, as at December 31, 2023 (R$577,883 and R$443,768 as at December 31, 2022 in Consolidated and Parent company, respectively). Said amount on December 31, 2023, includes two tax assessment notices for the collection of IRPJ and CSLL, related to fiscal years 2016 and 2017, in the total amount of R$186,944, that were drawn up against the Company on July 14, 2020, having as object the parameters for determining the taxable income and the CSLL calculation basis. The Company's legal advisors, considering the assessments and applicable legislation on the matter, classified the probability of success as possible. In February 2021, the appeal filed by the Company has been sent to the CARF (Administrative Tax Appeals Council) and the Company believes that is probable that the tax authority accepts the tax treatment adopted. No provision was recognized for these contingent liabilities, as its loss probability is classified as a possible.

Lawsuit proceedings universe, as shown in the tables above, is completely spread out, and there are no individually relevant processes to be disclosed, except the already mentioned in the paragraph above.

Considering legal, tax, and regulatory systems' timing and dynamics, the Group's management believes that it is not practical to provide useful information to financial statements´ users about the timing of potential cash disbursements or any possibility of reimbursements. Additionally, the Group's management believes that potential cash disbursements exceeding recognized provision after the outcome of related lawsuits will not have a material impact on the Group's results and financial position.

## 19. Related parties

| | | Consolidated | | | | Parent Company | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Asset | | Liability | | Asset | | Liability | |
| | | 12/31/23 | 12/31/22 | 12/31/23 | 12/31/22 | 12/31/23 | 12/31/22 | 12/31/23 | 12/31/22 |
| **Cash equivalents and marketable securities** | | | | | | | | | |
| Other related parties | | | | | | | | | |
| Banco Inter S.A. | [1] | 50,577 | 15,027 | - | - | 50,496 | 6,801 | - | - |
| **Intercompany receivables** | | | | | | | | | |
| Investees | | | | | | | | | |
| SPEs | [6] | 51,691 | 48,599 | - | - | 1,351,942 | 1,165,368 | - | - |
| Urba Desenvolvimento Urbano S.A. | [7] | - | - | - | - | 8,341 | - | - | - |
| Joint ventures | | | | | | | | | |
| Prime Incorporações e Construções S.A. | [7] | - | 281 | - | - | - | 281 | - | - |
| MRL Engenharia e Empreendimentos S.A. | [7] | 811 | 770 | - | - | 811 | 770 | - | - |
| Other related parties | | | | | | | | | |
| Partners in real estate development projects | [7] | 32,992 | 24,445 | - | - | 17,607 | 18,232 | - | - |
| **Other assets** | | | | | | | | | |
| Investees | | | | | | | | | |
| SCPs and SPEs | [8] | 1,201 | 527 | - | - | 41,634 | 34,042 | - | - |
| Joint ventures | | | | | | | | | |
| Prime Incorporação e Construções S.A. | [8] | 393 | 699 | - | - | 317 | 667 | - | - |
| MRL Engenharia e Empreendimentos S.A. | [8] | 242 | 1,712 | - | - | 60 | 1,707 | - | - |
| Prime Incorporações e Construções S.A. | [23] | 14,795 | 3,975 | - | - | 14,795 | 3,975 | - | - |
| Other related parties | | | | | | | | | |
| Partners in real estate development projects | [8] | 107 | 502 | - | - | 8 | 87 | - | - |
| Controlling shareholder | [9] | 18,605 | 19,082 | - | - | 18,605 | 19,082 | - | - |
| **Suppliers** | | | | | | | | | |
| Subsidiaries | | | | | | | | | |
| MRV Construções Ltda. | [2] | - | - | - | - | - | - | 34,986 | 43,029 |
| Joint ventures | | | | | | | | | |
| Mil Aviação Ltda. | [26] | - | - | 420 | - | - | - | 420 | - |
| Other related parties | | | | | | | | | |
| T Lott Advocacia | [10] | - | - | 5 | 1 | - | - | 3 | 1 |
| Radio Itatiaia Ltda. | [17] | - | - | 100 | - | - | - | 100 | - |
| Novus Midia S.A. | [17] | - | - | 524 | 215 | - | - | 524 | 215 |
| Arena Vencer Complexo Esportivo Multiuso SPE Ltda. | [24] | - | - | 685 | - | - | - | 685 | - |
| **Land payables** | | | | | | | | | |
| Other related parties | | | | | | | | | |
| Banco Inter S.A. | [19] | - | - | 331,112 | 243,951 | - | - | 161,301 | 121,582 |
| **Payables for investment acquisition** | | | | | | | | | |
| Other related parties | | | | | | | | | |
| LOG Commercial Properties e Participações S.A. | [11] | - | - | 13,244 | 13,970 | - | - | - | - |
| **Intercompany payables (Other payables)** | | | | | | | | | |
| Joint ventures | | | | | | | | | |
| Prime Incorporações e Construções S.A. | [12] | - | - | 80,075 | 116,727 | - | - | - | - |
| MRL Engenharia e Empreendimentos S.A. | [12] | - | - | 107,222 | 93,529 | - | - | - | - |
| Other related parties | | | | | | | | | |
| Partners in real estate development projects | [12] | - | - | 6,884 | 9,933 | - | - | - | - |
| Costellis International Limited | [16] | - | - | 24,723 | 25,851 | - | - | 24,723 | 25,851 |
| **Lease liability (Other payables)** | | | | | | | | | |
| Other related parties | | | | | | | | | |
| Conedi Participações Ltda. and MA Cabaleiro Participações Ltda. | [13] | - | - | 92,505 | 69,727 | - | - | 90,001 | 67,276 |
| Lakeside office, LLC | [15] | - | - | - | 8,698 | - | - | - | - |
| **Other liabilities** | | | | | | | | | |
| Other related parties | | | | | | | | | |
| Banco Inter S.A. | [21] | - | - | 9,135 | 8,008 | - | - | 9,135 | 8,008 |
| Banco Inter S.A. | [25] | - | - | 49,900 | - | - | - | 49,900 | - |

| | | Consolidated | | | | Parent Company | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Income | | Cost / expense | | Income | | Cost / expense | |
| | | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| **Net operating revenue** | | | | | | | | | |
| Receivables from services provided | | | | | | | | | |
| Subsidiaries | | | | | | | | | |
| MRV Construções Ltda. | [2] | 4,503 | 3,263 | - | - | - | - | - | - |
| **Financial income** | | | | | | | | | |
| Short-term investments and marketable securities | | | | | | | | | |
| Other related parties | | | | | | | | | |
| Banco Inter S.A. | [1] | 1,067 | 14,550 | - | - | 1,010 | 13,560 | - | - |
| Intercompany receivables | | | | | | | | | |
| Investees | | | | | | | | | |
| Urba Desenvolvimento Urbano S.A. | [7] | - | - | - | - | 1,810 | - | - | - |
| Joint ventures | | | | | | | | | |
| Prime Incorporações e Construções S.A. | [7] | 45 | 61 | - | - | 45 | 61 | - | - |
| MRL Engenharia e Empreendimentos S.A. | [7] | 877 | 126 | - | - | 877 | 126 | - | - |
| Other related parties | | | | | | | | | |
| Partners in real estate development projects | [7] | 4,221 | 2,795 | - | - | 2,210 | 2,222 | - | - |
| **Other operating income (expenses), net** | | | | | | | | | |
| Subsidiaries | | | | | | | | | |
| Urba Desenvolvimento Urbano S.A. | [3] | - | - | - | - | 3,602 | 2,304 | - | - |
| Joint ventures | | | | | | | | | |
| Prime Incorporações e Construções S.A. | [3] | 4,538 | 3,539 | - | - | 4,538 | 3,539 | - | - |
| MRL Engenharia e Empreendimentos S.A. | [3] | 4,431 | 3,665 | - | - | 4,431 | 3,665 | - | - |
| Other related parties | | | | | | | | | |
| LOG Commercial Properties e Participações S.A. | [3] | 4,016 | 2,849 | - | - | 4,016 | 2,849 | - | - |
| MRV Serviços de Engenharia Ltda. | [4] | 95 | 111 | - | - | 95 | 111 | - | - |
| Banco Inter S.A. | [5] | 3,509 | 2,701 | - | - | 3,023 | 2,701 | - | - |
| Controlling shareholder | [9] | - | 977 | 200 | - | - | 977 | 200 | - |
| **Operating costs and expenses** | | | | | | | | | |
| Cost of real estate sales and services | | | | | | | | | |
| Subsidiaries | | | | | | | | | |
| MRV Construções Ltda. | [2] | - | - | - | - | - | - | 269,607 | 320,261 |
| Selling expenses | | | | | | | | | |
| Other related parties | | | | | | | | | |
| Arena Vencer Complexo Esportivo Multiuso SPE Ltda. | [24] | - | - | 8,344 | - | - | - | 8,344 | - |
| General and administrative expenses | | | | | | | | | |
| Joint ventures | | | | | | | | | |
| Mil Aviação Ltda. | [26] | - | - | 4,998 | - | - | - | 4,998 | - |
| Other related parties | | | | | | | | | |
| T Lott Advocacia | [10] | - | - | 5,246 | 4,840 | - | - | 4,491 | 4,539 |
| Conedi Participações Ltda. and MA Cabaleiro Participações Ltda. | [13] | - | - | 9,595 | 8,065 | - | - | 9,331 | 7,776 |
| Luxemburgo Incorporadora SPE Ltda. | [14] | - | - | 404 | 473 | - | - | 404 | 473 |
| Radio Itatiaia Ltda. | [17] | - | - | 727 | 656 | - | - | 727 | 656 |
| Novus Mídia S.A | [17] | - | - | 1,231 | 215 | - | - | 1,231 | 215 |
| LOG Commercial Properties e Participações S.A. | [11] | - | - | 405 | 1,065 | - | - | - | - |
| LOG Commercial Properties e Participações S.A. | [18] | - | - | - | 522 | - | - | - | 522 |
| Lakeside office, LLC | [15] | - | - | 603 | 2,252 | - | - | - | - |
| South Tamiami Airport Park, LLC | [22] | - | - | 218 | 258 | - | - | - | - |
| **Financial expenses** | | | | | | | | | |
| Other related parties | | | | | | | | | |
| Costellis International Limited | [16] | 1,128 | 9,197 | - | - | 1,128 | 9,197 | - | - |
| Banco Inter S.A. | [20] | - | - | 14,726 | 28,037 | - | - | 8,093 | 8,696 |
| Banco Inter S.A. | [21] | - | - | 1,514 | 1,811 | - | - | 1,514 | 1,811 |
| Banco Inter S.A. | [25] | - | - | 3,274 | - | - | - | 3,274 | - |

[1] Refers to cash equivalents and marketable securities with Banco Inter S.A. ("Inter"), which is controlled by the controlling shareholder of the Company. For the year ended December 31, 2023, short-term investments yielded 100.7% DI rate in Consolidated and Parent company (105.3% for the year ended December 31, 2022).

[2] Refers to construction services provided by MC for the Company and its investees and were recorded under the caption "Revenue from construction services". Transactions with the Company and its subsidiaries, in the year ended December 31, 2023, amount to R$708,130, were eliminated in the consolidation process, thus remaining only revenues with associates (Note 22). Accordingly, the remaining balance in the Parent company in caption "Suppliers" refers to the amount payable by the Company to MC.

[3] Refers to administrative services (shared service center) provided by the Company to LOG, an investment property company controlled by the Company's controlling shareholder, to subsidiary Urba and for the joint ventures MRL and Prime, based on the quantity of transactions (receipt of invoices and payments).

[4] The Company provides building services to this related party. Revenue from services rendered is equivalent to 15% of incurred cost.

[5] It refers to "preference premium" paid to the Company by 25% on the credit revenue obtained by the bank referring to invoices from the Company´s suppliers discounted from it. In these transactions, the original conditions and economic substance carried out with the respective suppliers are maintained. As at December 31, 2023, the consolidated balance held on these transactions amounts to R$31,831 (R$30,836 at December 31, 2022).

[6] Refers to the Company's operating contributions in investees, proportional to its interest in each project, to make feasible the projects and will be refunded as the projects reach cash surpluses for allowing the distribution of the amounts priorly contributed. In Consolidated, the remaining balances refer to contributions in associates. These balances do not have pre-determined maturities and does not generate interest.

[7] Intercompany receivables refers mainly to transactions conducted to fund the initial stage of projects in view of the business relationships with these parties for the development of real estate construction operations. No maturities have been defined for these transactions and as at December 31, 2023, R$33,788 in Consolidated and R$26,744 in Parent company (R$23,162 in Consolidated and R$16,949 in Parent company as at December 31, 2022) are subject to interest pegged substantially to DI rate, plus a spread of 3.00% to 4.00% p.a. (DI + 3.00% to 4.00% p.a. as at December 31, 2022).

[8] Refers to amounts receivable from capital contributions and other transactions between group companies and other related parties. These balances do not generate interest and are received immediately after the Company request.

[9] On December 27, 2019, the Company sold its entire interest in MRV PRIME LII INCORPORAÇÕES SPE LTDA. for the controlling shareholder for R$39,783, to be paid in seventy-two consecutive monthly installments, in the amount of R$553 each, starting February 2020. In October 2023, an amendment was signed renegotiating the payment into 25 monthly installments of R$807 each to be paid from January 2024.The referred SPE hold a plot land where the Clube Atlético Mineiro's ("CAM") multipurpose arena was built. As of December 31, 2023, the balance receivable includes adjustment to present value of R$1.561 (R$1,362 at December 31, 2022) and the revenue recognized refers to its realization.

[10] Refers to legal services agreement with entity which has as its managing partner Thiago da Costa e Silva Lott, a member of the Company's fiscal board.

[11] In July 2018, the Company acquired equity interest in MRV LOG MDI SJC I Incorporações SPE Ltda. ("LOG SJC Sony") through its subsidiary MRV MRL CAMP NOU Incorporações e Participações Ltda. The contract determines payments in two tranches as detailed below:

I. R$10,800 referring to 10.81% of the equity interest, to be paid in 24 monthly installments of R$450 each, the first being paid after the approval of the land subdivision project by the Muncipal Administration, an event that took place in July 2018; and

II. R$25,523 (R$24,200 plus updated by IPCA index) referring to 24.22% of the equity interest, which will be paid in 48 monthly installments of R$532 each, the first being paid after approval of a change in the zoning area from industrial to residential by the Municipal Administration, an event that took place in the fourth quarter of 2019. In December 2023, an amendment was signed rescheduling the payment for six installments of R$250 from July to December 2024 and eight installments of R$1,012 from January to August 2025.

As of December 31, 2023, the balance payable includes adjustment to present value of R$544 (R$265 as of December 31, 2022) and the expense recognized refers to its realization.

[12] Refers to amounts contributed by joint ventures and partners in the Company's subsidiaries to make feasible the projects and will be refunded as the projects reach cash surpluses and allow the distribution of the resources initially contributed. These balances do not have pre-determined maturities and does not generate interest.

[13] Refers to headquarters lease agreement for the Company and the subsidiary Urba Desenvolvimento Urbano S.A. This companies have as owners: shareholders, executives or board members of the Company. Rental agreements are effective until February 28, 2035, including term extension, adjustable by the Broad Consumer Price Index (IPCA). As at December 31, 2023 provides for monthly total payment of R$675 (gross of taxes) (R$648 at December 31, 2022).

The joint venture Prime Incorporações e Construções S.A. hold rental agreement of offices and parking lots with Conedi. The rental agreement is adjustable by the Broad Consumer Price Index (IPCA) and as at December 31, 2023 establishes a total monthly payment of R$7 (R$6 as of December 31, 2022). Related expenses, net of PIS/COFINS taxes, for the year ended December 31, 2023, was R$82 (R$78 for the year ended December 31, 2022).

[14] The Company hired hotel services from Hotel Ramada Encore Luxemburgo, asset hold by Luxemburgo Administradora de Imóveis Ltda., company linked to Company's shareholders and management key personnel.

[15] Refers to lease agreement of subsidiary Resia's headquarters. The property owner has as partner the Company's controlling shareholder. On April 6, 2023, the property owner sold the property to a third party. On December 31, 2022, it establishes a total monthly payment of US$39.

[16] Stock warrant from the acquisition of the subsidiary Resia. On January 31, 2020, the acquisition of the subsidiary Resia was carried out through the issuance of 37,286,595 new common shares of the Company and subscription bonus for a certain number of shares to be determined as follows:

a) 8,882,794 common shares, equivalent to 2% of the Company's capital stock on December 26, 2019, if the internal rate of return (IRR) of the Company's investment in Resia (in dollar) is greater than 15% per year, calculated in the period between the date of the merger and the date of calculation of AHS Residential's Net Asset Value (NAV), to be carried out during the year 2027; or

b) 13,324,191 common shares, equivalent to 3% of the Company's capital stock on December 26, 2019, if the internal rate of return (IRR) of the Company's investment (in dollar) is greater than 20% per year, calculated for the same period above.

The subscription bonus was valued at fair value on the transaction date and is revalued annually, with changes in fair value recognized in statement of profit or loss.

[17] Refers to advertising services contracted with press vehicles related to the Company's controlling shareholder.

[18] Refers to equity interest acquisition in Cabral Investimentos SPE Ltda. ("Cabral") concluded in December 2021. The agreement established the payment of installments of R$500 each, updated by INCC and was fully paid in September 2022. The expense refers to the aforementioned correction.

[19] Refers to the acquisition of land for which the supplier sold its of receivables to Banco Inter S.A., thus becoming the creditor of these transactions. These balances are substantially indexed to DI rate and IPCA.

[20] Refers to the assignment discount and/or commissions arising from sales of receivables carried out in 2023 and 2022.

**[21]** Refers to sale of credits arising from the contracting of natural gas supplier for installations in the Company's projects.

**[22]** Refers to a warehouse lease agreement of subsidiary Resia. The property owner has as partner the Company's controlling shareholder. On December 31, 2023, it establishes a total monthly payment of US$4 (US$4 as of December 31, 2022).

**[23]** Refers to dividends receivable.

**[24]** Refers to the naming rights sponsorship agreement signed with Arena Vencer Complexo Esportivo Multiuso SPE Ltda. (Arena), owner of the Clube Atlético Mineiro (CAM) stadium, which grants the Company the exclusive right to officially name the stadium as "Arena MRV" as well as to name various physical and non-physical spaces related to it. The contract establishes the payment of 120 monthly installments of R$587 each, updated by the IPCA rate, starting in January 2023, thus, remaining 108 installments on December 31, 2023.

**[25]** Refers to assignment of credit rights related to shares sell agreement of Luggo Leeds Incorporações Ltda. to Brookfield Asset Management.

**[26]** Refers to expenditure on aircraft use, rental and service.

**Notes:**

- Intercompany loans with related parties are conducted with subsidiaries and partners in real estate projects under terms and conditions negotiated by the parties. As the Company does not conduct similar transactions with unrelated parties, there is no evidence that these transactions would produce the same results had they been conducted with unrelated parties.
- On August 18, 2020, the Company entered into an Operational Agreement with its subsidiary Urba Desenvolvimento Urbano SA, in order to rule the partnership between both, establishing the principles that should guide its operational and commercial relationship, nevertheless not affecting the normal course of business and activities carried out by Urba or the Company independently ("Operating Agreement").

## Compensation of key personnel

Pursuant to CPC 05 / IAS 24, which addresses related party disclosures, and according to the Company's understanding, key management personnel consist of members of the Board of Directors and officers elected by the Board of Directors in conformity with the Company's bylaws, and their roles and responsibilities comprise decision-making powers and control of the Company's activities.

| | Consolidated | | Individual | |
|---|---|---|---|---|
| | **2023** | **2022** | **2023** | **2022** |
| Short-term benefits granted to management: | | | | |
| Management compensation (*) | **41,896** | 42,144 | **25,285** | 21,525 |
| Profit sharing | **13,909** | 2,893 | **9,400** | - |
| Non-monetary benefits | **443** | 646 | **344** | 493 |
| Long-term benefits granted to management: | | | | |
| Retirement private plan | **1,101** | 856 | **1,028** | 773 |
| Stock option plan | **11,955** | 10,739 | **11,448** | 10,155 |
| | **69,304** | 57,278 | **47,505** | 32,946 |

(*) Not included social security contributions at the rate of 20%. Consolidated includes subsidiaries Resia and Urba's management compensation.

On April 25, 2023, the Ordinary Shareholders' Meeting approved the change in the overall Company management compensation threshold to R$47,603.

Besides the benefits above, the Company does not grant any other benefits such as postemployment benefits or severance pay.

## 20. Equity

(a) Capital stock

On December 31, 2023, the Company's capital stock is R$5,616,600 (R$4,615,408 as at December 31, 2022), represented by 561,971 thousand common shares as shown below:

| Shareholders | Number of shares in | | | |
|---|---|---|---|---|
| | 12/31/23 | | 12/31/22 | |
| | Ordinary | % | Ordinary | % |
| Rubens Menin Teixeira de Souza (Controlling shareholder) | **182,561** | **32.5** | 177,050 | 36.6 |
| Officers | **4,588** | **0.8** | 3,530 | 0.7 |
| Fiscal council and executive committees | **135** | **-** | 207 | 0.1 |
| Treasury shares | **1** | **-** | 1 | - |
| Other shareholders | **374,686** | **66.7** | 302,445 | 62.6 |
| Total | **561,971** | **100.0** | 483,233 | 100.0 |

Under Article 5, paragraph 5, of the Company's Bylaws, shareholders are entitled to preemptive rights to the subscription of Company shares, convertible debentures or share warrants, proportionally to the related interest held, which can be exercised within thirty (30) days.

Each share entitles its holder to one vote in the Company’s shareholders meetings. Under the Bylaws and the Novo Mercado Listing Agreement, the Company cannot issue nonvoting shares or restricted voting shares, or beneficial shares.

Under the Company's Bylaws article 6, capital can be increased by means of a resolution of the Board of Directors, regardless of amendments to the bylaws, up to the limit of R$7,000,000 (seven billion reais), including shares already issued, without maintaining proportion between the existing shares. The Company may issue common shares, debentures convertible into common shares, and share warrants within this limit. Any capital increase exceeding the authorized capital limit must be approved by the shareholders at shareholders' meeting. Each common share is undividable and entitles its holder to one vote in decisions of the shareholders’ meetings.

On July 13, 2023, the Company concluded the public offering for the primary distribution of new common shares issued by the Company, all registered, book-entry and without par value, free and clear of any encumbrances or encumbrances ("shares"), in which 78,187,000 new shares were subscribed and paid up at the issue price per share of R$12.80, totaling R$1,000,793, with an issue cost of R$47,280. The main purpose of this follow on is to improve the Company's capital structure.

During the years ended December 31, 2023 and 2022, the Shareholders’ Meeting (SM), approved the following capital increases:

| Date of approval | Number of shares | Unit price | Total capital increase (decrease) | Capital after capital increase (decrease) | Total outstanding shares after issuance |
|---|---|---|---|---|---|
| **Year ended December 31, 2023:** | (thousand) | R$ | R$’000 | R$’000 | (thousand) |
| 7/13/23 Capital increase | **78,187** | **12.80** | **1,000,793** | **5,616,600** | **561,971** |
| 1/9/23 Capital increase | **551** | **0.72** | **399** | **4,615,807** | **483,784** |
| **Year ended December 31, 2022:** | | | | | |
| 1/7/22 Capital increase | 358 | 0.66 | 237 | 4,615,408 | 483,233 |

(b) Treasury shares

On January 19, 2023, the Board of Directors approved the new share buyback program of the Company, which should be completed by March 31, 2024, limited to 24.1 million shares of the Company's total shares, without a capital reduction, using funds from the available earnings or capital reserve, aiming to maximize the generation of value for shareholders, and / or transfer to beneficiaries of the Company's stock option plans.

There were no changes of treasury shares in the years ended December 31, 2023 and 2022, as shown below:

| Type | Number (thousand) | | | | R$ |
|---|---|---|---|---|---|
| | Opening balance | Acquired | Transferred | Closing balance | Market value (*) |
| **Year ended December 31, 2023:** | | | | | |
| Common shares | **1** | **-** | **-** | **1** | **11** |
| **Year ended December 31, 2022:** | | | | | |
| Common shares | 1 | - | - | 1 | 8 |

(*) Market value of shares remaining in treasury as at December 31, 2023 and 2022.

(c) Capital reserves

Capital reserves' balances are derived from share issuance cost related to share public offers (IPOs) and stock options granted to executives and employees of the Company, according to item (e) bellow. In accordance with art. 200 of the Brazilian Corporation Law and considering the Company's Bylaws, it may use the capital reserves to absorb losses, redemption, redemption or purchase of shares and incorporation into the capital stock.

(d) Earnings reserves

*Legal reserve*

The constitution of the legal reserve is mandatory, up to the limits established by law, and its purpose is to ensure the integrity of the share capital, conditional on its use to absorb losses or increase the share capital.

As at December 31, 2023 and 2022, the Company did not recognized legal reserve due to the loss incurred.

*Earnings retention reserve*

According to article 38, paragraph 3, item (e) of the Company´s bylaws, this reserve is intended to meet the funding requirements for future investments, mainly to meet working capital requirements, land purchases, investments in property and equipment and intangible assets, and payment of interest according to the capital budget to be submitted to and approved in Shareholders' Meeting.

As at December 31, 2023 and 2022, the Company absorbed losses of R$29,815 and R$176,648, respectively, with earnings reserves, pursuant to art. 189 of Law No. 6,404/1976.

(e) Stock option plan

The Company's Board of Directors periodically establishes Stock Option Programs, which define the number of shares that will be entitled to subscribe with the exercise of the option, the subscription price, the maximum term for exercising the option, rules on transfer of options and any restrictions on shares received for exercising the option. The issue price of the shares to be subscribed by the stock options plan beneficiaries, as result of exercising the option, will be equivalent to the average of the thirty (30) trading sessions prior to the concession date ("strike price").

The Company's officers and employees, including of direct and indirect subsidiaries, may be eligible for the plan. Should the employment contract or term of office of the employee or officer terminate due to: respectively, (a) quitting or resignation; or (b) dismissal (with or without just cause) or removal from office (with or without fair reason), providing the definition of cause in the Brazilian labor law, as applicable, is observed, the options whose exercise right: (i) had not been vested until such date will be cancelled; and (ii) had already been vested by such date, may be exercised within ninety day of the date of the termination of said employment agreement or mandate, by means of a written notice sent to the Chairman of the Company's Board and, after this period, they will be cancelled.

In case of death or permanent disability of the beneficiary, his or her successors shall have the right to exercise any unexercised stock options, regardless of the share sale restrictions periods set out in the Plan and even if such stock options are unvested, immediately and during the exercise period set out in the related program, where the number of shares to which the beneficiary's successors are entitled will be calculated on a prorated basis, according to the plan.

Under Article 171, paragraph 3, of the Brazilian Corporate Law, the Company's shareholders do not have preemptive rights on the exercise of stock options.

On June 20, 2023, the Board of Directors approved the Program 18 of Plan IV for Stock Options. The grant limit for this Program is 3,000,000 (three million) options, with an exercise price of R$6.96. The fair value of the option based on the Black & Scholes stock option pricing model was R$5.02.

Key features of the stock option plan programs are as follows:

| Program | Plan | Approval | Stock options (thousand) | Vesting period | Strike price | Participants | Exercise deadline |
|---|---|---|---|---|---|---|---|
| 9 | I | 6/1/17 | 1,511 | Up to 5 years | R$ 14.80 | Officers, managers, and key employees | 12/24 |
| 10 | II | 5/25/18 | 1,853 | Up to 5 years | R$ 14.52 | Officers, managers, and key employees | 12/25 |
| 11 | II | 6/5/19 | 2,352 | Up to 5 years | R$ 15.51 | Officers, managers, and key employees | 12/26 |
| 12 | II | 4/30/20 | 2,226 | Up to 5 years | R$ 12.73 | Officers, managers, and key employees | 12/27 |
| 15 | III | 10/28/21 | 3,200 | Up to 10 years | R$ 12.35 | Officers, managers, and key employees | 12/33 |
| 16 | III | 10/28/21 | 2,340 | Up to 5 years | R$ 12.35 | Officers, managers, and key employees | 12/28 |
| 17 | III | 8/8/22 | 2,670 | Up to 5 years | R$ 8.45 | Officers, managers, and key employees | 12/29 |
| 18 | IV | 6/20/23 | 2,951 | Up to 5 years | R$ 6.96 | Officers, managers, and key employees | 12/30 |
| 1 - Urba | I | 8/31/20 | 2,997 | Up to 5 years | R$ 1.34 | Officers, managers, and key employees | 12/27 |
| 2 - Urba | I | 9/2/21 | 687 | Up to 5 years | R$ 1.49 | Officers, managers, and key employees | 12/28 |

Changes in the Company's stock options plan per program for the years ended December 31, 2023 and 2022 and supplemental information is as follows:

| Program | Number of participants | Changes 2023 (thousand shares) | | | | |
|---|---|---|---|---|---|---|
| | | Opening balance | Granted | Expired / forfeited | Exercised | Closing balance |
| 8 | - | 847 | - | (3) | (844) | - |
| 9 | 51 | 1,231 | - | (37) | - | **1,194** |
| 10 | 58 | 1,602 | - | (44) | - | **1,558** |
| 11 | 61 | 2,200 | - | (101) | - | **2,099** |
| 12 | 54 | 2,132 | - | (106) | - | **2,026** |
| 15 | 7 | 3,200 | - | - | - | **3,200** |
| 16 | 57 | 2,308 | - | (139) | - | **2,169** |
| 17 | 69 | 2,627 | - | (130) | (7) | **2,490** |
| 18 | 71 | - | 2,951 | (22) | (5) | **2,924** |
| | | 16,147 | 2,951 | (582) | (856) | **17,660** |
| Weighted average exercise price of options | | 12.50 | 6.96 | 12.21 | 10.38 | **11.68** |

| Program | Number of participants | Changes 2022 (thousand shares) | | | | |
|---|---|---|---|---|---|---|
| | | Opening balance | Granted | Expired / forfeited | Exercised | Closing balance |
| 7 | - | 551 | - | - | (551) | - |
| 8 | 23 | 847 | - | - | - | 847 |
| 9 | 56 | 1,257 | - | (26) | - | 1,231 |
| 10 | 64 | 1,631 | - | (29) | - | 1,602 |
| 11 | 69 | 2,229 | - | (29) | - | 2,200 |
| 12 | 63 | 2,158 | - | (26) | - | 2,132 |
| 15 | 7 | 3,200 | - | - | - | 3,200 |
| 16 | 66 | 2,340 | - | (32) | - | 2,308 |
| 17 | 75 | - | 2,627 | - | - | 2,627 |
| | | 14,213 | 2,627 | (142) | (551) | 16,147 |
| Weighted average exercise price of options | | 13.04 | 8.45 | 13.95 | 6.84 | 12.50 |

| Program | Other information | | | | |
|---|---|---|---|---|---|
| | Number of vested shares (thousand) | Stock option cost for the period | Unrecognized stock option cost | Remaining stock option cost period (in years) | Remaining contractual life (in years) |
| 9 | 1,194 | - | - | - | 1.0 |
| 10 | 1,558 | - | - | - | 2.0 |
| 11 | 2,099 | 1,802 | - | - | 3.0 |
| 12 | 397 | 2,745 | 2,543 | 1.0 | 4.0 |
| 15 | 480 | 3,117 | 11,956 | 7.1 | 10.1 |
| 16 | 651 | 2,308 | 2,862 | 2.0 | 5.0 |
| 17 | 493 | 3,147 | 5,213 | 3.0 | 6.0 |
| 18 | 293 | 3,210 | 9,282 | 4.1 | 7.1 |
| 1 - Urba | 599 | 648 | 599 | 1.0 | 4.0 |
| 2 - Urba | 83 | 156 | 272 | 2.0 | 5.0 |
| **2023** | **7,847** | **17,133** | **32,727** | **5.9** | **9.7** |
| 2022 | 5,953 | 16,668 | 37,368 | 7.5 | 11.1 |

The weighted average market price of exercised shares, considering each exercise date, during the year ended December 31, 2023, was R$10.64 (R$7.54 during the year ended December 31, 2022).

Stock options costs arising from subsidiaries and joint ventures and recognized by the Company totaled R$427 for the year ended December 31, 2023 (R$699 for the year ended December 31, 2022).

The Company records stock options costs in the financial statements based on its fair value. The fair values of the stock option programs were estimated based on the Black & Scholes stock option pricing model, considering the following weighed average assumptions:

| | 9 | 10 | 11 | 12 | 15 | 16 | 17 | 18 | 1 - Urba | 2 - Urba |
|---|---|---|---|---|---|---|---|---|---|---|
| Strike price | R$ 14.80 | R$ 14.52 | R$ 15.51 | R$ 12.73 | R$ 12.35 | R$ 12.35 | R$ 8.45 | R$ 6.96 | R$ 1.34 | R$ 1.49 |
| Risk-free rate | 10.54% | 10.28% | 7.82% | 7.11% | 12.00% | 11.82% | 13.14% | 11.52% | 7.11% | 8.27% |
| Exercise period in years | 8 | 8 | 8 | 8 | 12 | 7 | 7 | 7 | 8 | 8 |
| Expected annualized volatility | 53.20% | 36.47% | 33.39% | 40.75% | 42.90% | 43.40% | 46.01% | 50.94% | 42.14% | 42.49% |
| Expected dividends | 5% | 5% | 5% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Stock options fair value on grant date per share | R$ 5.35 | R$ 5.05 | R$ 4.98 | R$ 7.43 | R$ 7.65 | R$ 4.97 | R$ 4.70 | R$ 5.02 | R$ 1.20 | R$ 1.15 |

The expected volatility was calculated by the Company's historical up to the date of the beginning of each plan. The risk-free interest rate was based on the annualized DI projection, considering the expected period of exercise of the options granted, at each plan´s start date.

The table below shows the plans approved by the Board of Directors of the Company and subsidiary Urba, and the percentage granted of each:

| Plans | Approval | Approved options | Options granted | Percentage granted |
|---|---|---|---|---|
| I | 4/2/07 | 24,098 | 21,113 | 87.61% |
| II | 4/19/18 | 6,500 | 6,421 | 98.78% |
| III | 12/21/20 | 8,200 | 8,167 | 99.60% |
| IV | 3/24/23 | 9,000 | 2,951 | 32.79% |
| I - Urba | 8/14/20 | 5,000 | 3,548 | 70.96% |

As at December 31, 2023, had all options currently granted been exercised, the Company would have issued 17,660 thousand shares, which would represent a 3.05% dilution in relation to total Company shares of 561,971 thousand (3.23% as at December 31, 2022).

(f) Dividends

*Mandatory minimum*

Under the Company's Bylaws and the Brazilian Corporate Law, shareholders are entitled to receive dividends and other distributions related to the Company shares, proportionally to their interests in capital.

Shareholders are entitled to an annual mandatory minimum dividend of no less than 25% (twenty five percent) of profit, which can be decreased or increased by the following amounts: (i) amount to be allocated to the legal reserve; (ii) amount to be allocated to the recognition of a provision for contingencies and reversal of this provision recognized in prior years; and (iii) amount derived from the reversal of prior years' unrealized earnings reserve, pursuant to Article 202, II, of Corporate Law.

In the year ended December 31, 2023 and 2022, the Company did not determine minimum mandatory dividends due to the loss incurred.

(g) Noncontrolling interests

| | Consolidated | |
|---|---|---|
| | **2023** | **2022** |
| Opening balance | **746,865** | 479,992 |
| Capital transactions | **(97,883)** | 9,809 |
| Net distributions to noncontrolling interests | **118,163** | 149,135 |
| Currency translation adjustments | **(40,031)** | 8,844 |
| Changes in indirect ownership | **80,797** | 45,900 |
| Interest in net income for the period | **11,376** | 53,185 |
| Closing balance | **819,287** | 746,865 |

In the year ended December 31, 2023, changes in the Company's equity interests in investees generated an decrease in noncontrolling interests of R$97,883 and a loss in Company owners of R$14.210 (an increase in noncontrolling interests of R$9,809 and a loss in Company owners of R$7,876 for the year ended December 31, 2022), directly recorded in equity.

(h) Earnings per share

The table below shows net income data and the number of shares used to calculate basic and diluted earnings per share:

| | Consolidated and Individual | |
|---|---|---|
| | **2023** | **2022** |
| Basic earnings per share: | | |
| Loss for the year | **(29,815)** | (176,648) |
| Weighted average number of outstanding common shares (thousand) | **520,617** | 483,226 |
| Basic earnings per share - in R$ | **(0.05727)** | (0.36556) |
| | | |
| Diluted earnings per share: | | |
| Loss for the year | **(29,815)** | (176,648) |
| Weighted average number of outstanding common shares (thousand) | **520,617** | 483,226 |
| Dilutive effect of stock options (thousands of shares) | **-** | - |
| Total shares after dilutive effect (thousand) | **520,617** | 483,226 |
| Diluted earnings per share - in R$ | **(0.05727)** | (0.36556) |

(i) Currency translation adjustments

The balances are due to translation of the financial statement of foreign subsidiary MRV (US) Holdings Corporation, whose functional currency is the US dollar, to the Group's presentation currency, as described in Note 2.2 (s).

# 21. Operating segment

The Group's management defined the operating segments based on the reports used by the Board of Directors in its strategic decision-making, product differentiation and geographic location. Four operating segments were identified, which are separately managed, as follows:

i. Real estate development: segment engaged in the development, construction, and sale of own and thirdparty real estate. Project development and construction are carried out directly by the Company, subsidiaries and joint ventures;

ii. Luggo - Rental of residential properties in Brazil: this segment engaged in the development and rent residential properties in Brazil near urban centers and provide various other services to the renter. The Group's strategy is to develop projects (through the construction of its own assets), make them available for renting and, depending on market conditions, selling these properties;

iii. Resia - Rental of residential properties in the United States (USA): this segment engaged in the development and rent residential properties in the United States of America, near urban centers and provide various other services to the renter. The Group's strategy is to develop projects (through the construction of its own assets), make them available for renting and, depending on market conditions, selling these properties;

iv. Land development: segment responsible for the development and sale of residential and commercial urban land subdivisions.

The Group's financial position as at December 31, 2023 and 2022 and results for years ended December 31, 2023 and 2022, split in its operating segments, are as follows:

| | 12/31/23 | | | | | 12/31/22 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Real estate development | Rental of residential properties | | Land subdivisions | Consolidated | Real estate development | Rental of residential properties | | Land subdivisions | Consolidated |
| | | Resia (USA) | Luggo (Brazil) | | | | Resia (USA) | Luggo (Brazil) | | |
| **Assets** | | | | | | | | | | |
| Cash, cash equivalents and marketable securities | 2,712,105 | 280,698 | 198,538 | 91,247 | 3,282,588 | 2,256,359 | 373,478 | 186,809 | 75,306 | 2,891,952 |
| Trade accounts receivable | 5,025,736 | 4,439 | 6,238 | 247,912 | 5,284,325 | 3,891,254 | 1,049 | 22 | 272,779 | 4,165,104 |
| Inventories | 7,899,609 | - | 1,542 | 522,309 | 8,423,460 | 8,667,384 | - | 1,972 | 559,086 | 9,228,442 |
| Investment properties | - | 4,564,324 | 360,398 | - | 4,924,722 | - | 3,732,628 | 363,535 | - | 4,096,163 |
| Other assets | 2,699,331 | 369,987 | 12,680 | 74,609 | 3,156,607 | 1,782,162 | 364,034 | 5,354 | 68,118 | 2,219,668 |
| **Total assets** | 18,336,781 | 5,219,448 | 579,396 | 936,077 | 25,071,702 | 16,597,159 | 4,471,189 | 557,692 | 975,289 | 22,601,329 |
| **Liabilities and equity** | | | | | | | | | | |
| Loans, financing and debentures | 5,129,432 | 2,846,578 | 35,235 | 316,055 | 8,327,300 | 4,915,473 | 2,179,966 | 67,162 | 266,575 | 7,429,176 |
| Land payables | 3,201,728 | - | 26,734 | 190,446 | 3,418,908 | 3,952,336 | - | 42,575 | 297,730 | 4,292,641 |
| Advances from customers | 394,584 | - | 26,751 | 27,292 | 448,627 | 467,251 | - | 617 | 16,446 | 484,314 |
| Other payables | 4,297,898 | 707,392 | 76,191 | 230,744 | 5,312,225 | 2,909,548 | 738,653 | 20,227 | 152,462 | 3,820,890 |
| **Total liabilities** | 13,023,642 | 3,553,970 | 164,911 | 764,537 | 17,507,060 | 12,244,608 | 2,918,619 | 130,581 | 733,213 | 16,027,021 |
| **Operating segment net assets** | 5,313,139 | 1,665,478 | 414,485 | 171,540 | 7,564,642 | 4,352,551 | 1,552,570 | 427,111 | 242,076 | 6,574,308 |
| **Total liabilities and equity** | 18,336,781 | 5,219,448 | 579,396 | 936,077 | 25,071,702 | 16,597,159 | 4,471,189 | 557,692 | 975,289 | 22,601,329 |

| | 2023 | | | | | 2022 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Real estate development | Rental of residential | | Land subdivisions | Consolidated | Real estate development | Rental of residential | | Land subdivisions | Consolidated |
| | | Resia (USA) | Luggo (Brazil) | | | | Resia (USA) | Luggo (Brazil) | | |
| Net operating revenue | 7,234,259 | 31,107 | 3,996 | 160,553 | 7,429,915 | 6,392,884 | 24,173 | 1,372 | 226,856 | 6,645,285 |
| Cost of real estate sold and services | (5,587,238) | (31,120) | (2,547) | (121,832) | (5,742,737) | (5,151,262) | (12,824) | (1,390) | (162,255) | (5,327,731) |
| **Gross profit** | 1,647,021 | (13) | 1,449 | 38,721 | 1,687,178 | 1,241,622 | 11,349 | (18) | 64,601 | 1,317,554 |
| Operating income (expenses): | | | | | | | | | | |
| Selling, general and administrative expenses | (1,175,945) | (160,730) | (18,429) | (53,395) | (1,408,499) | (1,028,296) | (174,019) | (10,450) | (59,504) | (1,272,269) |
| Other operating income (expenses), net | (172,490) | 94,875 | (32,321) | (14,373) | (124,309) | (108,841) | 527,276 | 11,019 | (2,517) | 426,937 |
| Results from equity interest in investees | (78,526) | - | - | (5,983) | (84,509) | (118,395) | - | - | 8,555 | (109,840) |
| **Income (loss) before financial income** | 220,060 | (65,868) | (49,301) | (35,030) | 69,861 | (13,910) | 364,606 | 551 | 11,135 | 362,382 |
| Financial result | (91,819) | (14,952) | (4,305) | (32,172) | (143,248) | (209,233) | (20,224) | 1,323 | (8,655) | (236,789) |
| **Income (loss) before taxes** | 128,241 | (80,820) | (53,606) | (67,202) | (73,387) | (223,143) | 344,382 | 1,874 | 2,480 | 125,593 |
| Income tax and social contribution | 40,950 | 20,000 | (910) | (5,092) | 54,948 | (132,944) | (104,450) | (57) | (11,605) | (249,056) |
| **Net income (loss) for the year** | 169,191 | (60,820) | (54,516) | (72,294) | (18,439) | (356,087) | 239,932 | 1,817 | (9,125) | (123,463) |

## 22. Net operating revenue

The table below shows reconciliation between gross and net revenue stated in the statement of profit or loss for the years ended December 31, 2023 and 2022:

| | Consolidated | | Parent Company | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| Gross operating revenue | | | | |
| Real estate development | **7,865,517** | 7,139,428 | **2,991,795** | 3,330,656 |
| Bartered real estate units | **31,544** | 28,183 | **6,009** | 12,823 |
| Rental revenue and management service | **36,126** | 26,157 | **4,111** | 1,918 |
| Revenue from construction services (Note 19 [2]) | **4,503** | 3,263 | **-** | - |
| Cancellations | **(173,489)** | (303,211) | **(67,528)** | (128,844) |
| Allowance for expected credit loss | **(179,678)** | (102,720) | **(90,177)** | (52,468) |
| | **7,584,523** | 6,791,100 | **2,844,210** | 3,164,085 |
| Taxes on sales | **(154,608)** | (145,815) | **(53,264)** | (65,726) |
| Net operating revenue | **7,429,915** | 6,645,285 | **2,790,946** | 3,098,359 |

Amounts related to units under construction recognized in consolidated for the years ended December 31, 2023 and 2022 are as follows:

| | Consolidated | |
|---|---|---|
| | 2023 | 2022 |
| Net revenue from units under construction | **6,982,401** | 5,541,529 |
| Costs of real estate sold under construction | **(5,237,303)** | (4,443,150) |
| Gross profit recognized | **1,745,098** | 1,098,379 |

The amounts of received advances regarding contracts in progress as at December 31, 2023 and 2022 are R$172,700 and R$141,087, respectively.

The accounting revenue recognition criteria and policies are described in Note 2.2 (a).

The accounting treatment of sale contracts cancellations is described in Notes 2.2 (a) and 6.

## 23. Costs and expenses

| | Consolidated | | Parent Company | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| Cost of real estate sold and services: | | | | |
| Financial charges (Note 12 (d)) | **(259,928)** | (234,441) | **(150,385)** | (144,583) |
| Rental and property management cost | **(33,667)** | (14,214) | **(2,383)** | (1,390) |
| Land, construction and maintenance costs | **(5,449,142)** | (5,079,076) | **(2,242,855)** | (2,484,928) |
| Total cost of real estate sold and services | **(5,742,737)** | (5,327,731) | **(2,395,623)** | (2,630,901) |
| Selling, general and administrative expenses: | | | | |
| Salaries, charges and benefits | **(496,318)** | (491,303) | **(291,662)** | (277,356) |
| Management compensation | **(41,896)** | (42,144) | **(25,285)** | (21,525) |
| Management and employees profit sharing | **(53,978)** | (32,143) | **(38,136)** | - |
| Award | **(66,958)** | (40,485) | **(33,591)** | (21,168) |
| Stock option plan | **(17,133)** | (16,668) | **(16,329)** | (15,768) |
| Commissions and brokers' fees | **(168,130)** | (152,225) | **(63,409)** | (68,752) |
| Outside services | **(133,048)** | (128,117) | **(120,600)** | (114,461) |
| Marketing and advertising | **(195,539)** | (158,264) | **(137,909)** | (106,591) |
| Utilities | **(8,673)** | (10,852) | **(7,585)** | (9,001) |
| Depreciation and amortization | **(80,192)** | (73,292) | **(67,620)** | (60,719) |
| Training | **(1,889)** | (2,361) | **(1,830)** | (2,056) |
| Other | **(144,745)** | (124,415) | **(132,253)** | (124,829) |
| Total selling, general and administrative expenses | **(1,408,499)** | (1,272,269) | **(936,209)** | (822,226) |
| Classified as: | | | | |
| Selling expenses | **(755,131)** | (661,701) | **(478,868)** | (428,896) |
| General and administrative expenses | **(653,368)** | (610,568) | **(457,341)** | (393,330) |
| | **(1,408,499)** | (1,272,269) | **(936,209)** | (822,226) |

| | Consolidated | | Parent Company | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| Other operating income (expenses), net | | | | |
| Provision for civil, labor and tax risks | **(50,528)** | (44,490) | **(30,501)** | (28,577) |
| Results from sale of property and equipment | **397** | 15,941 | **215** | 16,068 |
| Donatives - Instituto MRV | **(2,487)** | (7,059) | **(2,487)** | (7,059) |
| Results from sale of assets / projects [1] | **77,495** | 624,142 | **(16,941)** | 28,970 |
| Other: | | | | |
| Income [2] | **67,001** | 26,791 | **(6,723)** | 19,802 |
| Expenses [3] | **(216,187)** | (188,388) | **(85,454)** | (82,228) |
| Total other operating income (expenses), net | **(124,309)** | 426,937 | **(141,891)** | (53,024) |

[1] In 2023, the Consolidated refers to the sale of the Pine Ridge and Biscayne Village development by the subsidiary Resia and Porto Aruba and Concept by Luggo. The Parent Company refers to the beforementioned Luggo´s sale. In 2022, the Consolidated refers to the sale of the Coral Reef, Village at Tradition, Harbor Grove e Oak Enclave developments by the subsidiary Resia and Florença Garden and Solar dos Campos by Luggo. The Parent Company refers to the beforementioned Luggo´s sale.
[2] In 2023 includes litigation gain in the subsidiary Resia in the amount of R$64.5 million (US$12.8 million).
[3] Includes write-offs of costs incurred with aborted projects during the year.

## 24. Financial expenses and income

| | Consolidated | | Parent Company | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| Financial expenses: | | | | |
| Interest on loans, financing and debentures (Note 12 (d)) | **(404,138)** | (261,192) | **(322,513)** | (234,419) |
| Mark-to-market derivative financial instruments | **164,568** | (210,887) | **164,548** | (210,918) |
| Expense from sale of receivables (*) | **(170,480)** | (53,274) | **(85,268)** | (21,320) |
| Fees and taxes | **(23,996)** | (18,372) | **(11,468)** | (8,361) |
| Other financial expenses | **(33,314)** | (50,401) | **(17,707)** | (18,284) |
| | **(467,360)** | (594,126) | **(272,408)** | (493,302) |
| Financial income: | | | | |
| Short-term investments | **159,532** | 189,959 | **115,514** | 150,914 |
| Interest on intercompany loans (Note 19 [7]) | **5,143** | 2,982 | **4,942** | 2,409 |
| Other financial income | **56,065** | 56,657 | **24,753** | 32,257 |
| | **220,740** | 249,598 | **145,209** | 185,580 |
| Income from real estate development receivables | **103,372** | 107,739 | **58,182** | 56,754 |
| | **324,112** | 357,337 | **203,391** | 242,334 |
| Financial result | **(143,248)** | (236,789) | **(69,017)** | (250,968) |

(*) Includes interest on credit assignment liabilities arising from sales of unrecognized receivables, as mentioned in note 6.

## 25. Financial instruments

(a) Capital risk management

The Group manages its capital to ensure the continuity of its activities, and at the same time maximizes the return of all their stakeholders by optimizing the balance debt and equity.

The Group’s equity structure consists of net debt (debt broken down in Note 12, less cash and cash equivalents and marketable securities, broken down in Notes 4 and 5, respectively) and the Group’s equity.

Management periodically reviews the Group's equity structure. As part of this review, the Management consider the cost of capital, asset liquidity, the risks associated to each class of equity, and the Group’s indebtedness.

Management’s objective is to keep debt ratios in line with the requirements of its loan, financing and debenture agreements. As at December 31, 2023 and 2022, the consolidated debt-to-equity ratio is as follows:

| | Consolidated | | Parent Company | |
|---|---|---|---|---|
| | 12/31/23 | 12/31/22 | 12/31/23 | 12/31/22 |
| Loans, financing and debentures | **8,327,300** | 7,429,176 | **4,339,010** | 4,312,171 |
| Cash, cash equivalents and marketable securities | **(3,282,588)** | (2,891,952) | **(2,181,153)** | (1,745,305) |
| Net debt | **5,044,712** | 4,537,224 | **2,157,857** | 2,566,866 |
| Equity | **7,564,642** | 6,574,308 | **6,745,355** | 5,827,443 |
| Net debt-to-equity ratio | **66.7%** | 69.0% | **32.0%** | 44.0% |

The Group is not subject to any external debt requirements, except for the contractual obligations described in Note 12.

(b) Financial instruments categories and fair value

| Consolidated | Fair value measurement level | Note | 12/31/23 | | 12/31/22 | |
|---|---|---|---|---|---|---|
| | | | Book value | Fair value | Book value | Fair value |
| **Financial assets:** | | | | | | |
| **Amortized cost** | | | **5,705,689** | **5,705,689** | 4,932,915 | 4,932,915 |
| Receivables from real estate development | | 6 | 5,026,997 | 5,026,997 | 4,010,364 | 4,010,364 |
| Intercompany receivables | | | 85,494 | 85,494 | 74,095 | 74,095 |
| Cash and bank accounts | | 4 | 335,870 | 335,870 | 693,716 | 693,716 |
| Receivables from services provided | | 6 | 257,328 | 257,328 | 154,740 | 154,740 |
| **Fair value through prof it or loss (mandatorily measured)** | | | **3,069,762** | **3,069,762** | 2,231,305 | 2,231,305 |
| Restricted investment funds | 2 | 5 | 2,310,532 | 2,310,532 | 1,571,302 | 1,571,302 |
| Investments from bank accounts | 2 | 5 | 404,742 | 404,742 | 336,937 | 336,937 |
| Unrestricted investment funds | 2 | 4 | - | - | 7 | 7 |
| Bank deposit certificates (CDB) | 2 | | 73,036 | 73,036 | 163,954 | 163,954 |
| Securities with repurchase agreement backed by debentures | 2 | 4 | 53,225 | 53,225 | 21,472 | 21,472 |
| Escrow account | 2 | 5 | 42,545 | 42,545 | 56,899 | 56,899 |
| U.S. Treasuries | 2 | 5 | - | - | 10,780 | 10,780 |
| Bank credit notes (CCB) | 2 | 5 | 13,166 | 13,166 | 1,084 | 1,084 |
| Certificate of real estate receivables (CRI) | 2 | 5 | 28,896 | 28,896 | - | - |
| Savings deposits | 2 | | 20,576 | 20,576 | 35,799 | 35,799 |
| Real estate consortium | 2 | 5 | - | - | 2 | 2 |
| Derivative financial instruments [1] | 2 | 25 (b) | 123,044 | 123,044 | 33,069 | 33,069 |
| **Financial liabilities:** | | | | | | |
| **Amortized cost** | | | **11,462,692** | **11,461,400** | 9,468,765 | 9,411,458 |
| Loans, financing and debentures | | | 6,572,727 | 6,571,435 | 5,514,076 | 5,456,769 |
| Land payables | | | 1,056,370 | 1,056,370 | 1,774,553 | 1,774,553 |
| Payables for investment acquisition | | | 35,739 | 35,739 | 55,596 | 55,596 |
| Suppliers | | | 724,177 | 724,177 | 895,087 | 895,087 |
| Credit assignment liability | | 6 | 2,034,761 | 2,034,761 | 357,606 | 357,606 |
| Other liabilities | | | 1,038,918 | 1,038,918 | 871,847 | 871,847 |
| **Fair value through prof it or loss (hedge accounting)** | | | **1,822,529** | **1,822,529** | 2,316,950 | 2,316,950 |
| Loans, financing and debentures [1] | 2 | | 1,754,573 | 1,754,573 | 1,915,100 | 1,915,100 |
| Derivative financial instruments [1] | 2 | 25 (b) | 43,233 | 43,233 | 375,999 | 375,999 |
| Other liabilities | 2 | 19 [16] | 24,723 | 24,723 | 25,851 | 25,851 |
| **Fair value through prof it or loss (mandatorily measured)** | | | **2,362,538** | **2,362,538** | 2,518,088 | 2,518,088 |
| Land payables | 2 | 13 | 2,362,538 | 2,362,538 | 2,518,088 | 2,518,088 |

[1] Recognized in the financial statements at fair value with level 2 measurement, using the discounted cash flows valuation technique, according to hedge accounting methodology.

The fair value of loans, financing and debentures were estimated by the Group's management based on their future value at maturity with the contracted rate, discounted to present value at the market rate at December 31, 2023 and 2022.

Management understands that the other financial instruments, which are recognized in the financial statements at their carrying amounts, do not present significant changes in relation to their fair values.

The Group entered into derivative financial instruments to hedge its exposure to the interest rates in loan, financing and debentures, to US dollar and share price fluctuations. Such transactions aim to patrimonial protections, minimizing the effects of such changes by replacing them.

As at December 31, 2023, the swap contracts position is as follows:

| Type of transaction | Currency | Hiring | Asset / Liability | Maturity | Notional amount | Long position | Short position | 12/31/23 | Total effect accumulated on result | | Other comprehensive results |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | Derivative fair value | Gain or loss on transaction | Mark-to-market | Mark-to-market |
| Swap (**) | R$ | 9/17 | IPCA + 6.45% / 122.1% DI | 9/24 | 121,200 | - | - | - | 27,413 | - | - |
| Swap (**) | R$ | 4/21 | IPCA + 5.43% / DI + 1.65% | 4/31 | 403,720 | 483,637 | 414,591 | 12,211 | 7,689 | (56,835) | - |
| Swap (**) | R$ | 2/22 | IPCA + 6.60% / DI + 1.29% | 2/29 | 700,000 | 783,112 | 734,639 | 21,437 | (26,161) | (27,036) | - |
| Swap (**) | R$ | 9/22 | IPCA + 6.48% / DI + 1.00% | 9/30 | 347,928 | 371,662 | 360,532 | 1,839 | (15,642) | (9,291) | - |
| Swap (**) | R$ | 9/22 | IPCA + 6.74% / DI + 1.27% | 9/32 | 202,072 | 216,002 | 209,550 | (339) | (9,163) | (6,791) | - |
| Swap | R$ | 9/21 | MRVE3 / DI + 1.75% and 1.80% | 1/23 and 2/23 | 328,484 | - | - | - | (213,888) | - | - |
| Swap | R$ | 6/22 | MRVE3 (*) / DI + 1.65% | 12/23 | 49,078 | - | - | - | 6,969 | - | - |
| Swap | R$ | 1/23 and 2/23 | MRVE3 (*)/ DI + 1.38% e 1.40% | 7/24 | 162,273 | 271,149 | 183,603 | 86,107 | - | 86,107 | - |
| Swap | R$ | 12/23 | MRVE3 (*) / DI + 1.40% | 6/25 | 33,994 | 33,690 | 34,011 | (1,015) | - | (1,015) | - |
| Swap (**) | US$ | 2/20 | Dollar + 4% / 76% DI | 2/25 | 208,487 | 31,789 | 43,346 | (9,592) | (11,557) | - | (5,258) |
| Swap (**) | US$ | 3/21 | Dollar + 3.85% / DI - 2.94% | 2/26 | 201,600 | 16,809 | 35,350 | (14,937) | (18,541) | - | (12,784) |
| Swap (**) | US$ | 3/21 | Dollar + 3.85% / DI - 3.20% | 2/26 | 114,900 | 9,364 | 19,451 | (7,874) | (10,087) | - | (6,655) |
| Swap (**) | US$ | 2/21 | Dollar + 3.80% / DI - 2.16% | 2/26 | 80,759 | 7,203 | 15,828 | (7,181) | (8,625) | - | (6,258) |
| Swap (**) | US$ | 1/22 | Dollar + 3.98% / DI - 5.55% | 2/26 | 331,566 | 20,888 | 37,845 | (2,295) | (16,957) | - | (429) |
| Swap (**) | US$ | 2/22 | Dollar + 4.37% / DI - 5.34% | 2/26 | 308,280 | 21,651 | 34,977 | 1,450 | (13,326) | - | 2,873 |
| | | | | | | | | 79,811 | (301,876) | (14,861) | (28,511) |

(*) The closing share price on December 31, 2023 was R$11.23/share. If the share price reaches the floor of 100% of the volatility of the last 12 months, reaching R$4.47/share, it would represent an estimated loss of R$183,626 and if the share price reaches the ceiling of 100% of the volatility of the last 12 months, reaching R$14.57/share, would represent an approximate net gain of R$175,853, thus increasing the gain recorded up to the reporting date. The number of shares considered in these operations is 27,145 thousand.

(**) Recognized at fair value with level 2 measurement, using the discounted cash flows valuation technique, according to hedge accounting methodology.

| Consolidated and Parent Company | | |
|---|---|---|
| Current assets | - | 86,107 |
| Noncurrent assets | | 36,937 |
| Total assets | | 123,044 |
| | | |
| Noncurrent liabilities | | 43,233 |

| | Effect on results / other comprehensive results | | | | | |
|---|---|---|---|---|---|---|
| | Consolidated | | | Parent Company | | |
| | Gain (loss) on transaction | Mark-to-market | Total | Gain (loss) on transaction | Mark-to-market | Total |
| **2023**: | | | | | | |
| Effect in profit or loss | | | | | | |
| Swaps with fair value hedge | (43,676) | (5,381) | (49,057) | (43,676) | (5,381) | (49,057) |
| Swaps with cash flow hedge | (52,247) | - | (52,247) | (52,247) | - | (52,247) |
| Swaps with no hedge | (18) | 91,255 | 91,237 | - | 91,235 | 91,235 |
| Gross effect in profit or loss | (95,941) | 85,874 | (10,067) | (95,923) | 85,854 | (10,069) |
| Reducing effect of hedges | - | 78,694 | 78,694 | - | 78,694 | 78,694 |
| Net effect in profit or loss | (95,941) | 164,568 | 68,627 | (95,923) | 164,548 | 68,625 |
| Other comprehensive results | - | 71,043 | 71,043 | - | 71,043 | 71,043 |

As at December 31, 2022, the swap contracts position is as follows:

| Type of transaction | Currency | Hiring | Asset / Liability | Maturity | Notional amount | Long position | Short position | 12/31/22 | Total effect accumulated on result | | Other comprehensive results |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | Derivative fair value | Gain or loss on transaction | Mark-to-market | Mark-to-market |
| Swap | R$ | 3/16 | TR + 13.29% / DI + 2.55% | 3/23 | 479 | 502 | 484 | (2) | 18 | (20) | - |
| Swap (*) | R$ | 3/17 | IPCA + 8.25% / 132.2% DI | 2/22 | 80,000 | - | - | - | 22,694 | - | - |
| Swap (*) | R$ | 9/17 | IPCA + 6.45% / 122.1% DI | 9/24 | 121,200 | 164,088 | 126,811 | 33,069 | 31,790 | (4,208) | - |
| Swap (*) | R$ | 4/21 | IPCA + 5.43% / DI + 1.65% | 4/31 | 403,720 | 461,831 | 415,924 | (1,556) | 18,912 | (47,463) | - |
| Swap (*) | R$ | 2/22 | IPCA + 6.60% / DI + 1.29% | 2/29 | 700,000 | 748,788 | 738,151 | (15,416) | (10,649) | (26,053) | - |
| Swap (*) | R$ | 9/22 | IPCA + 6.48% / DI + 1.00% | 9/30 | 347,928 | 354,774 | 362,505 | (17,386) | (7,731) | (9,655) | - |
| Swap (*) | R$ | 9/22 | IPCA + 6.74% / DI + 1.27% | 9/32 | 202,072 | 206,195 | 210,705 | (11,703) | (4,510) | (7,193) | - |
| Swap | R$ | 9/21 | MRVE3 / DI + 1.75% and 1.80% | 1/23 and 2/23 | 328,484 | 197,933 | 385,333 | (205,411) | - | (205,411) | - |
| Swap | R$ | 6/22 | MRVE3 / DI + 1.65% | 12/23 | 49,078 | 47,467 | 52,654 | (7,651) | - | (7,651) | - |
| Swap (*) | US$ | 2/20 | Dollar + 4% / 76% DI | 2/25 | 208,487 | 25,242 | 25,850 | (19,392) | (608) | - | (15,106) |
| Swap (*) | US$ | 3/21 | Dollar + 3.85% / DI - 2.94% | 2/26 | 201,600 | 11,715 | 18,525 | (30,821) | (6,810) | - | (27,238) |
| Swap (*) | US$ | 3/21 | Dollar + 3.85% / DI - 3.20% | 2/26 | 114,900 | 6,436 | 10,133 | (16,764) | (3,697) | - | (14,771) |
| Swap (*) | US$ | 2/21 | Dollar + 3.80% / DI - 2.16% | 2/26 | 80,759 | 5,055 | 8,499 | (13,885) | (3,444) | - | (12,356) |
| Swap (*) | US$ | 1/22 | Dollar + 3.98% / DI - 5.55% | 2/26 | 331,566 | 11,232 | 18,261 | (21,562) | (7,029) | - | (18,228) |
| Swap (*) | US$ | 2/22 | Dollar + 4.37% / DI - 5.34% | 2/26 | 308,280 | 10,958 | 16,216 | (14,450) | (5,258) | - | (11,855) |
| | | | | | | | | (342,930) | 23,678 | (307,654) | (99,554) |

(*) Recognized at fair value with level 2 measurement, using the discounted cash flows valuation technique, according to hedge accounting methodology.

| | Consolidated | Parent Company |
|---|---|---|
| Noncurrent assets | 33,069 | 33,069 |
| | | |
| Current liabilities | 213,063 | 213,061 |
| Noncurrent liabilities | 162,936 | 162,936 |
| Total liabilities | 375,999 | 375,997 |

| | Effect on results / other comprehensive results | | | | | |
|---|---|---|---|---|---|---|
| | Consolidated | | | Individual | | |
| | Gain (loss) on transaction | Mark-to-market | Total | Gain (loss) on transaction | Mark-to-market | Total |
| **2022**: | | | | | | |
| Effect in profit or loss | | | | | | |
| Swaps with fair value hedge | (25,775) | (58,931) | (84,706) | (25,775) | (58,931) | (84,706) |
| Swaps with cash flow hedge | (41,009) | - | (41,009) | (41,009) | - | (41,009) |
| Swaps with no hedge | (39) | (163,154) | (163,193) | - | (163,185) | (163,185) |
| Gross effect in profit or loss | (66,823) | (222,085) | (288,908) | (66,784) | (222,116) | (288,900) |
| Reducing effect of hedges | - | 11,198 | 11,198 | - | 11,198 | 11,198 |
| Net effect in profit or loss | (66,823) | (210,887) | (277,710) | (66,784) | (210,918) | (277,702) |
| Other comprehensive results | - | (55,147) | (55,147) | - | (55,147) | (55,147) |

Fair value measurement of these derivative financial instruments is carried out through discounted cash flows at market rates as at the statement of financial position date. Impacts on profit or loss related to derivatives above are recognized in line item “Financial expenses” and “Financial income”, according to their nature and purpose.

As at December 31, 2023 and 2022, the Group does not have financial instruments not recognized in its financial statements.

Hedge accounting

As described in Note 2.2 (e), to represent the effects of risk management activities and eliminate accounting mismatch and volatility in results arising from the measurement of financial instruments on different basis, the Group opted to adopt hedge accounting.

To evaluate whether there is an economic relationship between the hedging instrument and the hedged item, a qualitative evaluation of the effectiveness of the hedge is performed by comparing the critical terms of both instruments.

The Group formally designated derivative financial instruments (swap type) as a hedging instrument and debentures as hedged items, establishing a relationship of economic protection between them, according to the hedge accounting methodology. This designation was classified as a fair value hedge, since it reduces the market risk arising from the fair value fluctuations of the respective debentures. In this way, both the derivatives and the debentures are measured at fair value through profit or loss, with the expectation that changes in fair values will compensate each other. The following are critical terms and effects on the statement of financial position and statement of profit or loss:

| Fair value hedge | Hiring | Maturity | Notional value | Rates | Fair value 12/31/23 | Effects on results 2023 | Fair value 12/31/22 | Effects on results 2022 |
|---|---|---|---|---|---|---|---|---|
| 9th issue (3rd series) | 3/17 | 2/22 | 80,000 | IPCA + 8.25% | - | - | - | 215 |
| 11th issue (3rd series) | 9/17 | 9/24 | 121,200 | IPCA + 6.45% | - | (2,213) | (161,782) | 2,631 |
| CRI - 19th debentures issue | 4/21 | 4/31 | 400,000 | IPCA + 5.43% | (453,791) | 23,809 | (455,842) | (5,395) |
| CRI - 21st debentures issue | 2/22 | 2/29 | 700,000 | IPCA + 6.60% | (748,536) | 28,250 | (742,386) | 7,621 |
| CRI - 22nd debentures issue (1st series) | 9/22 | 9/30 | 347,928 | IPCA + 6.48% | (350,747) | 17,183 | (351,479) | 3,450 |
| CRI - 22nd debentures issue (2nd series) | 9/22 | 9/32 | 202,072 | IPCA + 6.74% | (201,499) | 11,665 | (203,611) | 2,676 |
| Loans, financing and debentures | | | 1,851,200 | | (1,754,573) | 78,694 | (1,915,100) | 11,198 |
| (Hedged items) | | | | | | | | |
| | | | | Long position | | | | |
| Swap | 3/17 | 2/22 | 80,000 | IPCA + 8.25% | - | - | - | (215) |
| Swap | 9/17 | 9/24 | 121,200 | IPCA + 6.45% | - | 2,213 | 161,800 | (2,631) |
| Swap | 4/21 | 4/31 | 403,720 | IPCA + 5.43% | 454,785 | (23,809) | 456,848 | 5,395 |
| Swap | 2/22 | 2/29 | 700,000 | IPCA + 6.60% | 747,282 | (28,250) | 741,175 | (7,621) |
| Swap | 9/22 | 9/30 | 347,928 | IPCA + 6.48% | 351,009 | (17,183) | 351,325 | (3,450) |
| Swap | 9/22 | 9/32 | 202,072 | IPCA + 6.74% | 201,647 | (11,665) | 203,520 | (2,676) |
| Derivative financial instruments | | | 1,854,920 | | 1,754,723 | (78,694) | 1,914,668 | (11,198) |
| (Hedging instruments) | | | | | | | | |
| | | | | Short position | | | | |
| | | | | 132.20% DI | - | - | - | (187) |
| | | | | 122.10% DI | - | 1,995 | (128,731) | 949 |
| | | | | DI + 1.65% | (442,574) | 14,437 | (458,404) | (19,341) |
| | | | | DI + 1.29% | (725,845) | 27,267 | (756,591) | (18,432) |
| | | | | DI + 1.00% | (349,170) | 17,547 | (368,711) | (6,205) |
| | | | | DI + 1.27% | (201,986) | 12,067 | (215,223) | (4,517) |
| | | | | | (1,719,575) | 73,313 | (1,927,660) | (47,733) |
| | | | | Swap net position | 35,148 | (5,381) | (12,992) | (58,931) |
| | | | | Total net position | (1,719,425) | 73,313 | (1,928,092) | (47,733) |

Additionally, the Group contracted swap derivative financial instruments to hedge interest payments on debts denominated in US dollars, formally designating it as a hedging instrument and the interest payments on these debts as hedged items. These designations were classified as cash flow hedge, with the effects of changes in equity. The following are critical terms and effects on the statement of financial position and statement of profit or loss:

| Cash flow hedge | Hiring | Maturity | Notional value | Rates | Fair value | Other comprehensive results | Fair value | Other comprehensive results |
|---|---|---|---|---|---|---|---|---|
| | | | | | 12/31/23 | 2023 | 12/31/22 | 2022 |
| Swap | 2/20 | 2/25 | | Long position | | | | |
| Derivative financial instruments | | | US$ 47,000 | Dollar + 4% | 13,375 | (9,928) | 23,350 | (9,456) |
| (Hedging instruments) | | | | Short position | | | | |
| | | | | 76% DI | (22,967) | 19,776 | (42,742) | 3,727 |
| | | | | Swap net position | (9,592) | 9,848 | (19,392) | (5,729) |
| Swap | 3/21 | 2/26 | | Long position | | | | |
| Derivative financial instruments | | | US$ 35,000 | Dollar + 3.85% | 15,526 | (8,732) | 22,828 | (6,788) |
| (Hedging instruments) | | | | Short position | | | | |
| | | | | DI - 2.94% | (30,463) | 23,186 | (53,649) | (2,743) |
| | | | | Swap net position | (14,937) | 14,454 | (30,821) | (9,531) |
| Swap | 3/21 | 2/26 | | Long position | | | | |
| Derivative financial instruments | | | US$ 20,000 | Dollar + 3.85% | 8,872 | (4,946) | 13,045 | (3,850) |
| (Hedging instruments) | | | | Short position | | | | |
| | | | | DI - 3.20% | (16,746) | 13,062 | (29,809) | (2,095) |
| | | | | Swap net position | (7,874) | 8,116 | (16,764) | (5,945) |
| Swap | 2/21 | 2/26 | | Long position | | | | |
| Derivative financial instruments | | | US$ 15,000 | Dollar + 3.80% | 6,568 | (3,696) | 9,656 | (2,993) |
| (Hedging instruments) | | | | Short position | | | | |
| | | | | DI - 2.16% | (13,749) | 9,794 | (23,541) | (866) |
| | | | | Swap net position | (7,181) | 6,098 | (13,885) | (3,859) |
| Swap | 1/22 | 2/26 | | Long position | | | | |
| Derivative financial instruments | | | US$ 60,000 | Dollar + 3.98% | 27,515 | (14,408) | 40,455 | (16,211) |
| (Hedging instruments) | | | | Short position | | | | |
| | | | | DI - 5.55% | (29,810) | 32,207 | (62,017) | (2,017) |
| | | | | Swap net position | (2,295) | 17,799 | (21,562) | (18,228) |
| Swap | 2/22 | 2/26 | | Long position | | | | |
| Derivative financial instruments | | | US$ 60,000 | Dollar + 4.37% | 30,211 | (15,379) | 44,419 | (12,986) |
| (Hedging instruments) | | | | Short position | | | | |
| | | | | DI - 5.34% | (28,761) | 30,107 | (58,869) | 1,131 |
| | | | | Swap net position | 1,450 | 14,728 | (14,450) | (11,855) |
| | | | | Total net position (*) | (40,429) | 71,043 | (116,874) | (55,147) |

(*) The equity balance on December 31, 2023, considers payments made to financial institutions in the context of these hedge operations in the amount of R$57,649 in the year ended on December 31, 2023.

(c) Risk management

In the normal course of its operations, the Group is exposed to the following risks related to financial instruments:

(i) Market risk: is the risk that fair value or future cash flows of certain financial instrument fluctuate because of interest rates and inflation indices fluctuations. Market risk management is made to ensure that the Group is only exposed to acceptable risk levels on its operational context;

(ii) Liquidity risk: is the risk of lack of funds to settle obligations. Liquidity risk management is made to ensure that the Group holds the necessary funds to settle its liabilities on the maturity dates.

The Group's risks management is performed by the Board of Directors, the Risk Committee, and the Finance Committee, based on financial reports analyses and cash flow forecasts.

*Market risk*

The Group conducted a sensitivity analysis for financial instruments exposed to changes in interest rates and financial indicators. The sensitivity analysis was developed considering the exposure to changes in the indexes of financial assets and financial liabilities, considering the net exposure of these financial instruments as at December 31, 2023, as if such balances were outstanding during the next twelve months, as detailed below:

Exposed net financial asset and exposed financial liability, net: the change in the rate estimated for 2024 ("probable scenario") compared to the effective rate for the year ended in December 31, 2023, multiplied by the exposed net balance as at December 31, 2023, was used to calculate the financial impact, had the probable scenario materialized in 2023. For the impact estimates, a decrease in financial assets and an increase in financial liabilities were considered, at the rate estimated for 2024 of 25% for the possible scenario and 50% for the remote scenario.

| Index | Financial asset | Financial liability | Net exposed financial asset (liability) | Annual rate effective for 2023 | Annual rate estimated for 2024 | | Rates changes for each scenario | Total estimated financial impact | Estimated impact on net income and equity |
|---|---|---|---|---|---|---|---|---|---|
| Probable scenario | | | | | | | | | |
| DI | 2,047,060 | (4,968,989) | (2,921,929) | 12.99% | 10.04% | (i) | -2.95% | 86,197 | 59,845 |
| IGP-M | 87,575 | (39,791) | 47,784 | -3.18% | 4.25% | (ii) | 7.43% | 3,550 | 3,550 |
| INCC-M | 2,026,896 | (286,499) | 1,740,397 | 3.34% | 3.87% | (i) | 0.53% | 9,224 | 9,224 |
| TR | - | (1,124,303) | (1,124,303) | 1.78% | 0.64% | (i) | -1.14% | 12,817 | 12,817 |
| IPCA | 2,210,137 | (3,124,197) | (914,060) | 4.62% | 3.87% | (ii) | -0.75% | 6,855 | 6,855 |
| Savings | 425,318 | (84,326) | 340,992 | 7.45% | 6.68% | (ii) | -0.77% | (2,626) | (2,626) |
| TLP | - | (420,830) | (420,830) | 10.09% | 9.10% | (iii) | -1.00% | 4,208 | 2,922 |
| | | | | | | | | 120,225 | 92,587 |
| Scenario I | | | | | | | | | |
| DI | 2,047,060 | (4,968,989) | (2,921,929) | 12.99% | 12.55% | | -0.44% | 12,856 | 8,926 |
| IGP-M | 87,575 | (39,791) | 47,784 | -3.18% | 3.18% | | 6.36% | 3,039 | 3,039 |
| INCC-M | 2,026,896 | (286,499) | 1,740,397 | 3.34% | 2.90% | | -0.44% | (7,658) | (7,658) |
| TR | - | (1,124,303) | (1,124,303) | 1.78% | 0.80% | | -0.98% | 11,018 | 11,018 |
| IPCA | 2,210,137 | (3,124,197) | (914,060) | 4.62% | 4.83% | | 0.21% | (1,920) | (1,920) |
| Savings | 425,318 | (84,326) | 340,992 | 7.45% | 5.01% | | -2.44% | (8,320) | (8,320) |
| TLP | - | (420,830) | (420,830) | 10.09% | 11.37% | | 1.28% | (5,387) | (3,740) |
| | | | | | | | | 3,628 | 1,345 |
| Scenario II | | | | | | | | | |
| DI | 2,047,060 | (4,968,989) | (2,921,929) | 12.99% | 15.06% | | 2.07% | (60,484) | (41,993) |
| IGP-M | 87,575 | (39,791) | 47,784 | -3.18% | 2.12% | | 5.30% | 2,533 | 2,533 |
| INCC-M | 2,026,896 | (286,499) | 1,740,397 | 3.34% | 1.93% | | -1.41% | (24,540) | (24,540) |
| TR | - | (1,124,303) | (1,124,303) | 1.78% | 0.96% | | -0.82% | 9,219 | 9,219 |
| IPCA | 2,210,137 | (3,124,197) | (914,060) | 4.62% | 5.80% | | 1.18% | (10,786) | (10,786) |
| Savings | 425,318 | (84,326) | 340,992 | 7.45% | 3.34% | | -4.11% | (14,015) | (14,015) |
| TLP | - | (420,830) | (420,830) | 10.09% | 13.65% | | 3.56% | (14,982) | (10,402) |
| | | | | | | | | (113,055) | (89,984) |

(i) Data obtained on B3's website.
(ii) Data obtained on Banco Central website.
(iii) Data obtained on BNDS website.

The total financial effect estimated, basically pegged to DI rate, would be substantially recognized in real estate for sale and development and allocated to profit or loss as the real estate units were sold. Thus, the estimated effect on net income and equity is net of the remaining portion in real estate for sale.

Management believes that the estimated annual rates presented in the probable scenarios above reflect the reasonable possible scenario for 2024.

*Liquidity risk*

The Executive Board of Finance is responsible for the management of the liquidity risk and periodically reviews the cash flow projections, using stress scenarios and assesses the possible funding requirements, maintaining a balanced debt profile, in line with the equity structure and the indebtedness to be maintained by the Group.

*Liquidity and interest rate risk table*

The table below details the remaining contractual maturity of the Group's non-derivative financial liabilities and the contractual amortization periods, basically represented by loans, financing, debentures, trade payables, and payables for acquisition of land. This table was prepared using the undiscounted cash flows of financial liabilities, based on the earliest date on which the Group must settle the related obligations and on the projection for each index at December 31, 2023 through contractual maturity, are as follows:

| | Up to 1 year | 1 to 2 years | 2 to 3 years | Over 3 years | Total |
|---|---|---|---|---|---|
| Consolidated: | | | | | |
| Floating rates liabilities | 2,974,954 | 3,280,522 | 1,625,831 | 5,270,012 | 13,151,319 |
| Fixed rates liabilities | 113,429 | 617,796 | 703,651 | 974,446 | 2,409,322 |
| Non-interest bearing liabilities | 1,626,039 | 1,248,736 | 343,074 | 789,272 | 4,007,121 |
| Total | **4,714,422** | **5,147,054** | **2,672,556** | **7,033,730** | **19,567,762** |
| | | | | | |
| Parent Company: | | | | | |
| Floating rates liabilities | 1,697,147 | 1,673,120 | 699,695 | 4,090,965 | 8,160,927 |
| Fixed rates liabilities | 56,391 | 52,812 | 50,244 | 440,839 | 600,286 |
| Non-interest bearing liabilities | 955,099 | 429,157 | 268,981 | 680,849 | 2,334,086 |
| Total | **2,708,637** | **2,155,089** | **1,018,920** | **5,212,653** | **11,095,299** |

The Group has financial assets (basically represented by cash equivalents marketable, securities, and receivables from real estate development) that it considers sufficient to honor its commitments arising from its operating activities.

(d) Foreign exchange risk

As mentioned in item (b) above, the Company contracted derivative financial instruments of the swap type to protect interest payments on debt in US dollars. The Group formally designated this derivative instrument as a hedge instrument and debt interest as hedged item, establishing an economic relationship between them, according to the hedge accounting methodology. This designation was classified as a cash flow hedge, with the effects of changes in equity.

*Sensitivity analysis*

The group has loans and financing and other balances denominated in US dollars. These loans are recorded in foreign subsidiaries abroad, whose functional currency is the US dollar. Thus, according to financial statements translation rules, the assets and liabilities of these entities are being translated using the closing exchange rates, with the impacts of exchange variations recognized in other comprehensive income, in equity.

The Group estimated, as a probable scenario, a dollar of R$5.08, this is 5% above the closing exchange rate of December 31, 2023 (R$4.84) and performed a sensitivity analysis of the effects on the Company's results and equity, arising from 25% and 50% depreciation of the Real in relation to the book value, as shown below:

| Exchange rate exposure | Dollar value | Book value | Probable scenario | Possible scenario | Remote scenario |
|---|---|---|---|---|---|
| | | R$4.84 | R$5.08 | R$6.05 | R$7.26 |
| Loans and financing | (587,978) | (2,846,578) | (2,988,907) | (3,558,222) | (4,269,867) |
| Suppliers | (39,508) | (191,270) | (200,834) | (239,088) | (286,905) |
| Other payables | (92,292) | (446,809) | (469,154) | (558,517) | (670,220) |
| (-) Cash, cash equivalents and marketable securities | 57,980 | 280,698 | 294,734 | 350,873 | 421,048 |
| Exposed net liabilities | (661,798) | (3,203,959) | (3,364,161) | (4,004,954) | (4,805,944) |
| | | | | | |
| Net effect on income | | | - | - | - |
| Net effect on equity | | | (160,202) | (800,995) | (1,601,985) |

(e) Credit risk

It refers to the risk of a counterparty failing to meet its contractual obligations, leading the Group to incur in financial losses. The Group is exposed to credit risks related to:

i) Accounts receivable from customers: to mitigate this risk, the Group adopts the policy of dealing only with counterparties that have credit capacity and obtain sufficient guarantees. Trade accounts receivables are substantially collateralized by the real estate units themselves and there is no customers concentration, which reduce exposure to credit risk. The Company recognize allowance for expected credit loss, as detailed in Note 2.2 (e).

ii) Financial investments: to mitigate default risk, the Group maintains its investments in financial institutions with a rating above 'A'.

(f) Social and Environmental risks

Social and Environmental risks in the Group operating activities are related to various environmental and labor laws and regulations involving licenses, registrations, among others. The risks are managed in the form of mitigation of environmental and community impacts, as well as guaranteeing decent work conditions, observing compliance with the Company´s Code of Conduct by our employees, partners and suppliers.

## 26. Current and deferred taxes

Deferred tax are broken down as follows:

| | Consolidated | | Parent Company | |
|---|---|---|---|---|
| | 12/31/23 | 12/31/22 | 12/31/23 | 12/31/22 |
| Noncurrent assets: | | | | |
| Income tax (IRPJ) and social contribution (CSLL) | **206,794** | - | **188,068** | - |
| | | | | |
| Liabilities: | | | | |
| Income tax (IRPJ) | **(71,037)** | (75,587) | **(15,691)** | (19,206) |
| Social contribution (CSLL) | **(23,294)** | (24,712) | **(8,195)** | (10,036) |
| Total - IRPJ and CSLL | **(94,331)** | (100,299) | **(23,886)** | (29,242) |
| Tax on revenue (PIS) | **(12,217)** | (13,524) | **(4,097)** | (5,507) |
| Tax on revenue (COFINS) | **(56,644)** | (63,232) | **(18,888)** | (25,957) |
| Total - PIS and COFINS | **(68,861)** | (76,756) | **(22,985)** | (31,464) |
| Total | **(163,192)** | (177,055) | **(46,871)** | (60,706) |
| | | | | |
| Current | **(66,325)** | (84,825) | **(22,749)** | (35,764) |
| Noncurrent | **(96,867)** | (92,230) | **(24,122)** | (24,942) |
| | **(163,192)** | (177,055) | **(46,871)** | (60,706) |

Up to fiscal year 2022, the Company accumulated unused income tax losses, and the related deferred tax asset were not recognized due to the lack of expectation of recovering at the time. In the year of 2023, the Company revised the projections, based on the expectation of growth in the group's activities, substantially related to profit from its subsidiary in the United States. Based on these assumptions, the Company verified the expectation of available future taxable profit against which the deferred tax asset recognized in the amount of R$188,068, as stated above.

Changes in deferred income tax (IRPJ) and social contribution (CSLL) for the years ended December 31, 2023 and 2022 are as follows:

| | Consolidated | | Parent Company | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| Opening balance | **(100,299)** | (178,642) | **(29,242)** | (33,782) |
| Effect of deferred IRPJ and CSLL recognized in: | | | | |
| Net income for the year | **211,998** | 69,248 | **193,424** | 4,540 |
| Currency translation adjustments | **764** | 9,095 | **-** | - |
| Closing balance | **112,463** | (100,299) | **164,182** | (29,242) |

The breakdown of balances related to income tax (IRPJ) and social contribution on net income (CSLL) on tax loss, negative basis and temporary differences are shown as follows:

| | Consolidated | | Parent Company | |
|---|---|---|---|---|
| | 12/31/23 | 12/31/22 | 12/31/23 | 12/31/22 |
| Effects of IRPJ and CSLL on: | | | | |
| Deferred assets: | | | | |
| Tax loss | **248,971** | - | **230,245** | - |
| Reclassified deferred liabilities | **(42,177)** | - | **(42,177)** | - |
| Deferred assets | **206,794** | - | **188,068** | - |
| Deferred liabilities: | | | | |
| Portion not received for real estate development | **(72,694)** | (74,832) | **(26,673)** | (30,670) |
| (-) Advances from customers | **4,603** | 2,813 | **2,787** | 1,428 |
| Temporary differences | **(42,177)** | - | **(42,177)** | - |
| Foreign earnings from subsidiary MRV (US) | **(26,240)** | (28,280) | **-** | - |
| | **(136,508)** | (100,299) | **(66,063)** | (29,242) |
| Reclassified deferred liabilities | **42,177** | - | **42,177** | - |
| Deferred liabilities | **(94,331)** | (100,299) | **(23,886)** | (29,242) |

Reconciliation of income tax and social contribution expenses at the statutory and effective rates for the years ended December 31, 2023 and 2022 is as follows:

| | Consolidated | |
|---|---|---|
| | 2023 | 2022 |
| Loss (income) before income tax and social contribution | **(73,387)** | 125,593 |
| Nominal tax rate | **34.00%** | 34.00% |
| Nominal result (*) | **24,952** | (42,702) |
| | | |
| Revenue from real estate development - subsidiaries | **4,678,260** | 3,584,153 |
| Nominal tax rate (*) | **1.92%** | 1.92% |
| Nominal result | **(89,823)** | (68,816) |
| Effects of IRPJ and CSLL on: | | |
| Results from subsidiary MRV (US) | **20,000** | (96,861) |
| Financial income - subsidiaries (**) | **(25,681)** | (21,766) |
| IRPJ and CSLL in subsidiaries | **(95,504)** | (187,443) |
| IRPJ and CSLL in Individual | **134,808** | (67,069) |
| Other | **15,644** | 5,456 |
| Effective result | **54,948** | (249,056) |
| Breakdown of effective result - Consolidated: | | |
| Current | **(157,050)** | (318,304) |
| Deferred | **211,998** | 69,248 |
| | **54,948** | (249,056) |

(*) Nominal result presented only for information purposes, since the basis on which the rate is applied to certain projects of the Company and subsidiaries, opting for the Special Tax Regime (RET), is the revenue from real estate development and not profit before income tax and social contribution. The RET is detailed in note 2.2 (t). Additionally, the foreign subsidiary MRV (US) Holdings Corporation is subject to a different income tax rate, as detailed in note 2.2 (t).
(**) Financial income of subsidiaries is taxed at 34%

| | Parent Company | |
|---|---|---|
| | 2023 | 2022 |
| Loss before income tax and social contribution | **(164,623)** | (109,579) |
| Tax rate | **34%** | 34% |
| Nominal result | **55,972** | 37,257 |
| Effects of IRPJ and CSLL on: | | |
| Equity results, gross of capitalized interest written off | **214,692** | 72,348 |
| Earmarked assets | **51,727** | 61,911 |
| Nondeductible expenses and unrecognized tax losses | **(427,903)** | (310,574) |
| Results with swaps | **75,980** | (75,503) |
| Consumption of tax losses and tax paid abroad | **-** | 159,920 |
| Tax loss from previous years | **188,068** | - |
| Other permanent add-back | **(23,728)** | (12,428) |
| Effective result | **134,808** | (67,069) |
| | | |
| Breakdown of effective result - Individual: | | |
| Current | **(58,616)** | (71,609) |
| Deferred | **193,424** | 4,540 |
| | **134,808** | (67,069) |

As at December 31, 2023, the estimated realization of deferred tax assets, based on the forecast of future taxable income, prepared by the Company's Management, is as follows:

| | IRPJ and CSLL | |
|---|---|---|
| | Consolidated | Parent Company |
| Expected realization: | | |
| 2024 | 6,527 | 6,527 |
| 2025 | 28,146 | 9,420 |
| 2026 | 16,248 | 16,248 |
| 2027 | 82,925 | 82,925 |
| 2028 | 72,948 | 72,948 |
| Total | **206,794** | **188,068** |

## 27. Supplemental disclosures of cash flow information

During the years ended December 31, 2023 and 2022, the Company and its subsidiaries conducted the following financing and investment transactions that did not involve cash, thus is not reflected in the statement of cash flows:

| | Consolidated | | Parent Company | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| Capitalized financial charges (Note 12 (d)) | **594,343** | 480,711 | **316,444** | 331,989 |
| Right-of-use - CPC 06 (R2) | **122,919** | 145,553 | **30,800** | 8,797 |
| Currency translation adjustments: | | | | |
| Investment properties | **(304,301)** | (126,152) | - | - |
| Property and equipment (Note 10) | **(12,505)** | (3,656) | - | - |
| Intangible assets (Note 11) | **(490)** | (507) | - | - |
| Loans, financing and debentures | **(183,478)** | (80,056) | - | - |
| Transfer investment property (Note 9): | | | | |
| (To inventories) from inventories | **(62,149)** | 75,848 | **(60,926)** | 56,114 |
| To subsidiaries | - | - | **(22,027)** | (129,915) |
| Credit assignment liability additions | **323,128** | 52,247 | **186,975** | 31,367 |

## 28. Unrealized revenues, costs to be incurred and cancellations

In compliance with Circular Letter No. 02/2018 dated December 12, 2018, which deals with revenue recognition of sale contracts of uncompleted real estate units of Brazilian publicly traded companies, hereby is presented the following information, mainly related to revenues to be appropriated, costs to be incurred and cancellations of units under construction.

| | | Consolidated | | Parent Company | | |
|---|---|---|---|---|---|---|
| | | 12/31/23 | 12/31/22 | 12/31/23 | 12/31/22 | |
| **Projects under construction** | | | | | | |
| **(i)** | **Unrealized revenues from sold units** | | | | | |
| | ojects under construction: | | | | | |
| | (a) Revenues from contracted sales | **18,710,803** | 16,615,052 | **7,954,121** | 8,487,320 | |
| | Realized revenues: | | | | | |
| | Realized revenues | **(16,052,005)** | (15,070,341) | **(6,899,755)** | (7,828,404) | |
| | Cancellations - Reversed revenues | **5,796** | 7,339 | **693** | 1,397 | |
| | (b) Realized revenues, net | **(16,046,209)** | (15,063,002) | **(6,899,062)** | (7,827,007) | |
| | Unrealized revenues (a + b) | **2,664,594** | 1,552,050 | **1,055,059** | 660,313 | |
| **(ii)** | **Compensation revenue from cancellations** | **242** | 304 | **2** | 19 | (*) |
| **(iii)** | **Unrealized revenues from contracts from non-qualifying contracts for revenue recognition** | **50** | 9 | **-** | 2 | (*) |
| **(iv)** | **Provision for cancellations** | | | | | |
| | Adjustments on realized revenues | **5,796** | 7,339 | **693** | 1,397 | |
| | Adjustments on receivables from real estate development | **(4,519)** | (5,868) | **(684)** | (1,303) | |
| | Compensation revenue from cancellations | **(242)** | (304) | **(2)** | (19) | |
| | Liability - Rebates from cancellations | **1,035** | 1,167 | **7** | 75 | |
| **(v)** | **Budgeted costs to be realized of sold units (**)** | | | | | |
| | Projects under construction: | | | | | |
| | (a) Budgeted cost | **11,591,645** | 10,744,339 | **4,993,987** | 5,581,775 | |
| | Incurred cost: | | | | | |
| | Construction cost | **(9,986,343)** | (9,731,121) | **(4,381,775)** | (5,164,355) | |
| | Construction cost - cancellations | **1,376** | 2,685 | **-** | 531 | |
| | (b) Incurred cost, net | **(9,984,967)** | (9,728,436) | **(4,381,775)** | (5,163,824) | |
| | Costs to be incurred of sold units (a + b) | **1,606,678** | 1,015,903 | **612,212** | 417,951 | |
| | **Driver CI/CO (does not consider financial cost)** | **86.14%** | 90.54% | **87.74%** | 92.51% | |
| **(vi)** | **Budgeted costs to be ealized of units in inventory (**)** | | | | | |
| | Projects under construction | | | | | |
| | (a) Budgeted cost | **7,126,979** | 6,527,240 | **2,979,162** | 2,605,794 | |
| | (b) Incurred cost | **(2,608,655)** | (2,401,848) | **(1,085,563)** | (938,524) | |
| | Cost to be incurred of units in inventory (a + b) | **4,518,324** | 4,125,392 | **1,893,599** | 1,667,270 | |

(*) Amounts referring to contracts that comprise the provision for cancellations.
(**) Does not consider financial cost and pre-projects.

## 29. Insurance

The Group has an insurance policy that considers primarily risk concentration and their materiality, taking into consideration the nature of its business, and advice of the insurance brokers. As at December 31, 2023, insurance coverage is as follows:

| Items | Type of coverage | Insured amount |
|---|---|---|
| Construction insurance (engineering risk) | Insures, during the project construction period, any compensation for damages caused to the construction, such as: fire, lightning, theft, and other specific coverage of facilities and assemblies of the insured site. | 12,916,600 |
| Professional liability for property damages | Insures the payment of indemnities from borrower or property owner claims against the builder and/or the engineer in charge, duly registered with the CREA/CAU (Regional Engineers and Architects professional Association), related to design errors, construction defects, and/or use of incorrect materials, over a five-year period after the issue of the occupancy permit. | 14,336 |
| Warranty insurance after delivery | Insures the maintenance and resolution of construction issues during up to five years, concerning damages provided for in the Consumer Bill of Rights. | 722,106 |
| Multi-peril insurance | Insures the completion of a project construction, compensation for damages caused by fire, lightning, windstorm, electrical damages, and glass shattering. | 328,777 |
| Civil liability (works under construction) | Insures payments, up to the insured ceiling amount, of compensation for which the Company is held liable for involuntary bodily injuries or property damages caused to third parties. | 2,236,000 |
| Builder guarantee insurance | Insures the project financer that construction will be completed in the event of technical and/or financial inability by the Company. | 1,801,882 |
| Civil liability (officers) | Insures the coverage of pain and suffering payable by Company officers (D&O). | 130,000 |
| Auto | Insures payment to the Company of any amounts arising from damages to insured vehicles, such as theft, collision, property damages, and bodily injuries to passengers. | 463 |
| Lenders insurance | Insures that the Company will receive the outstanding balance of a property sold in case of lender’s death. | 1,101,191 |
| Group life and personal injury insurance | Insures payment of compensation related to involuntary personal injuries to employees, contractors, interns, and officers. | 792,509 |
| Residential | Insures payment of compensation to the Company for covered events in leased residential properties, events such as electric damages, fire, lightning, windstorm, etc. | 14,008 |
| Corporate insurance | Insures payment of compensation to the Company for covered events occurring in leased commercial properties, events such as electric damages, fire, lightning, windstorm, etc. | 107,607 |
| Aircraft insurance | Insures payment of compensation to the Company for damages to aircraft hulls, covered risks, such as expense and liability payment reimbursements claimed from the Company due to the use of insured aircraft. | 588,519 |
| Legal guarantee insurance | Insures to the policyholder the payment of any disputed amount in full related to any lawsuit filed with any court or threatened. The contracted guarantee replaces escrow deposits. | 306,151 |
| Infrastructure insurance | Insures to City authorities the completion of any infrastructure works required under licensing procedures of the projects under construction. | 209,384 |
| Property delivery insurance | Insures to the barters the delivery of the units subject matter of the Barter Instrument entered into by the parties. | 103,223 |
| Warranty insurance for Infrastructure | It guarantees the execution of infrastructure works in the project construction required by the financial institution to make the project feasible. | 386,677 |
| Rent Guarantee Insurance | It guarantees indemnification to the lessor the receipt of rent, property tax, condominium and ancillary expenses if they are not paid by the lessee. | 647 |
| Financial guarantee insurance | It guarantees the indemnity to the seller of the land by means of payment in cash in case of impossibility or insolvency of the Borrower. | 553,673 |

## 30. Approval of the Financial Statements

These financial statements were approved by the Board of Directors on February 29, 2024, as recommended by the Company's Audit Committee and Fiscal Council.

**MRV ENGENHARIA E PARTICIPAÇÕES S.A.**
CNPJ/ME No. 08.343.492/0001-20
NIRE 31.300.023.907
Publicly-held Company

# FISCAL COUNCIL OPINION

The Fiscal Council of **MRV ENGENHARIA E PARTICIPAÇÕES S.A.** ("Company"), in compliance with the legal, regulatory, and statutory provisions, examined the Annual Management Report and the Financial Statements for the fiscal year ended on December 31, 2023 ("Documents"), with absorption of the loss by the earnings retention reserve.

Based on the work carried out of the referred Documents and considering the opinion of the Independent Auditors, Ernst & Young, as well as the information and clarifications received from the Controllership Department, the Company's Officers, the Company's Directors and the Independent Auditors, the Fiscal Council unanimously issues the Opinion that the Annual Management Report and the Financial Statements represents, in all respects material aspects, the equity and financial position of **MRV ENGENHARIA E PARTICIPAÇÕES S.A.** on December 31, 2023 and are in a position to be appreciated and approved by the Company's Annual Shareholders' Meeting, without any reservation.

Belo Horizonte/MG, February 28, 2024.

**Sicomar Benigno de Araújo Soares**
Member of the Fiscal Council

**Marcelo Marques Pacheco**
Member of the Fiscal Council

**Thiago da Costa e Silva Lott**
Member of the Fiscal Council

## About the Statutory Audit Committee:

The Statutory Audit Committee ("Committee") of MRV Engenharia e Participações S.A. ("Company") is a statutory body that operates permanently and provides advice to the Company's Board of Directors, with operational and financial autonomy.

As part of the process of continuous evolution of the Company's corporate governance and compliance with the regulation of the Regulamento do Novo Mercado da B3 – Brasil, Bolsa, Balcão ("Regulamento do Novo Mercado"), the Committee had its installation and its Internal Regulation ("Regulation") approved by the Company's Board of Directors at a meeting held on April 14, 2020. The Committee's Regulation is available on the Company's IR page.

## Composition:

In accordance with Article 31 of the Company's Bylaws, and item 4. of the Regulation, the Company's Committee shall be composed from 3 (three) to 5 (five) effective members, elected by the Board of Directors, for a unified term of office of 2 years, allowed re-election, being that: (i) the majority of its members shall be independent, according to the independence criteria established by the Novo Mercado Regulation and the Securities and Exchange Commission ("CVM"), and other applicable regulations; (ii) at least 1 (one) member shall be an independent board member of the Company, as defined in the Novo Mercado Regulation; and (iii) at least 1 (one) member shall have recognized experience in matters of corporate accounting, internal controls, information, and financial operations and audit, cumulatively, in accordance with the applicable regulations, being possible that such requirement is cumulated by the independent board member provided for in item (i).

Currently, the Company's Committee is composed by 3 (three) members, who were elected at the Board of Directors meeting held on April 14, 2020, and re-elected on January 13, 2022, being: (i) 2 (two) independent members (who fit the independence criteria established in the Novo Mercado Regulation and by CVM); and (ii) 1 (one) of them a specialist in accounting and finance, not performing another role in the Company. Among the members elected to compose the Committee, one exercises the role of Coordinator.

Members of the Committee are: Antônio Kandir (Committee coordinator and independent board member), Leonardo Guimarães Corrêa (Secretary of the Committee), and Pierre Carvalho Magalhães (specialist in accounting and finance).

**Antônio Kandir**

Coordenador do Comitê e conselheiro independente

**Leonardo Guimarães Corrêa**

Secretário do Comitê

**Pierre Carvalho e Magalhães**

Especialista em contabilidade e finanças

## Duties and Responsibilities:

The Committee has as main objectives to supervise the quality and integrity of financial reports, adherence to legal, statutory, and regulatory rules, the adequacy of risk management processes, and the activities of internal audit and independent audit of the Company.

The Committee's analyses are based on the information received by the Company's Management, the Independent Audit, and the areas of internal audit, risk management, and internal controls.

The Committee’s competence is listed in its Regulation and are carried out in strict accordance with the requirements set forth in CVM Resolution No. 80, in the Novo Mercado Regulation, in the recommendations of the “Manual de Melhores Práticas de Governança Corporativa do Instituto Brasileiro de Governança Corporativa” (“Manual de Melhores Práticas de Governança Corporativa do IBGC”), in the Company's Bylaws, which is:

- Monitor the quality control of financial statements, internal controls, and risk management and compliance - Item 22, of Annex D of CVM Resolution 80;

- Monitor the effectiveness of the work of the independent auditors and their independence, reporting to the Board of Directors the evolution of the work - Item 24, of Annex D of CVM Resolution 80.

- Issue opinion on the hiring and removal of independent audit services - Art. 22, item IV, point "a" of the Novo Mercado Regulation.

- Evaluate the quarterly information, interim statements and financial statements - Art. 22, item IV, point "b" of the Novo Mercado Regulations.

- Evaluate and monitor the Company's risk exposures, including operational, financial, strategic and image risks, monitoring and supervising the risk management process - Art. 22, item IV, point "d" of the Novo Mercado Regulation.

- Evaluate, monitor and recommend to management the correction or improvement of internal policies, including the Related Party Transaction Policy - Art. 22, item IV, point "e" of the Novo Mercado Regulation.

- Evaluate through the reception and treatment of information regarding the non-compliance with legal and normative provisions applicable to the Company, in addition to internal regulations and codes, ensuring the protection of the provider and the confidentiality of the information - Art. 22, item IV, point "f" of the Novo Mercado Regulation.

- Inform its activities to the Company's Board of Directors on a quarterly basis, including in the minutes of the mentioned report - Art. 22, §2 of the Novo Mercado Regulations.

Monitor the activities of the internal audit and internal controls area of the Company, including the quality of its work, existing structure, work plan and results of the work held - Recommendation of the "Manual de Melhores Práticas de Governança Corporativa do IBGC".

## Meetings held and main topics discussed in 2022:

The Committee has a Work Plan defined annually for the proper planning and execution of its responsibilities.

The Committee met 11 (eleven) times in the 2023 fiscal year and 01 (one) time in 2024 until the closing of this report, aiming to comply with its legal and regimental obligations. The Committee also attended to the meeting of the following areas (i) Controllership; (ii) Legal; (iii) Internal Audit; (iv) Governance, Risks, Compliance and Privacy; (v) Quality and Post Delivery; (vi) Billing and Renegotiation; (vii) Shared Service Center; (viii) "Banco MRV"; (viii) Real Estate Development; (ix) Back Office Real Estate Development; and (x) RESIA.

Among the topics discussed we can highlight the following:

| **MEETING HELD ON MARCH 6, 2023** | |
|---|---|
| **ORDEM DO DIA** | **FUNÇÃO RELACIONADA** |
| Independent Auditor's Report regarding the Financial Statements for the 2022 fiscal year | To monitor the quality control of financial statements, internal controls, and risk management and compliance. **Item 22, of Annex D of CVM Resolution No. 80** |
| Report of work activities carried out in 2022 by the Independent Auditor | Monitor the effectiveness of the work of the independent auditors and their independence, reporting to the Board of Directors the progress of the work. **Item 24 of Annex D of CVM Resolution No. 80** |
| Independence of the Independent Auditor | |
| Approval of the Committee's Annual Report | Release, annually, summary report of the Audit Committee including the meetings held and the main topics discussed, highlighting the recommendations made by the Committee to the Company's Board of Directors. **Art. 22, §1 of the Regulamento do Novo Mercado** |
| Approval of the meetings annual calendar for the 2023 fiscal year | To have an annual meeting calendar, established at the first annual meeting of the Committee. **Item 5.1.do Rules of Procedure of the Committee** |
| Start of the evaluation process of the Committee regarding work made in the 2022 fiscal year | Structure and release a committee evaluation process. **Art. 18 of the Regulamento do Novo Mercado** |
| Evaluation of the Work Plan to be developed by the Internal Audit, Risks, Compliance and Privacy areas for the 2023 fiscal year | Monitor the activities of the Company's internal audit and internal controls area, including the quality of its work, existing structure, work plan and results of the work carried out**. Recommendation from the IBGC Corporate Governance Best Practices Manual** Evaluate and monitor the Company's risk exposures, including operational, financial, strategic and image risks, monitoring and supervising the risk management process - **Art. 22, item IV, item "d" of the Novo Mercado Regulation.** |
| Report of activities carried out by the areas of Privacy; Risks and Internal Audit; and Compliance | |

| **MEETING HELD ON MAY 10, 2023** | |
|---|---|
| **AGENDA** | **RELATED COMPETENCE** |

| | |
|---|---|
| Quarterly Information Analysis (ITR) of the first quarter of 2023 for disclosure on May 11th, 2023 | Evaluate whether the Quarterly Information has been correctly prepared, whether it adequately reflects the company's situation and whether it is in line with other information presented by the organization. **Art. 22, item IV, point "b" of the Regulamento do Novo Mercado** |
| Conclusion of the Committee's evaluation process regarding the work carried out in the 2022 fiscal year | Structure and release a committee evaluation process. **Art. 18 of the Novo Mercado Regulation** |

| MEETING HELD ON JUNE 07, 2023 | |
|---|---|
| **AGENDA** | **RELATED COMPETENCE** |
| Extra Audit Service - EY | Hiring Independent External Audit and Extra Audit Services. **Art. 22, item IV, paragraph "a" of the Novo Mercado Regulation** |

| MEETING HELD ON JUNE 23, 2023 | |
|---|---|
| **AGENDA** | **RELATED COMPETENCE** |
| Quarterly report on activities carried out by the Governance, Risks, Compliance and Privacy sector | Monitor the activities of the Company's internal audit and internal controls area, including the quality of its work, existing structure, work plan and results of the work carried out**. Recommendation from the IBGC Corporate Governance Best Practices Manual**<br>Evaluate and monitor the Company's risk exposures, including operational, financial, strategic and image risks, monitoring and supervising the risk management process - **Art. 22, item IV, item "d" of the Novo Mercado Regulation.** |

| MEETING HELD ON JUNE 27, 2023 | |
|---|---|
| **AGENDA** | **RELATED COMPETENCE** |
| Extra Audit Service - EY | Hiring Independent External Audit and Extra Audit Services. **Art. 22, item IV, paragraph "a" of the Novo Mercado Regulation** |

| MEETING HELD ON JULY 05, 2023 | |
|---|---|
| **AGENDA** | **RELATED COMPETENCE** |
| Presentation of Financial Statements | Evaluate the Company's Financial Statements. **Art. 22, item IV, paragraph "b" of the Novo Mercado Regulation** |

| MEETING HELD ON JULY 21, 2023 | |
|---|---|
| **AGENDA** | **RELATED COMPETENCE** |
| Pro Soluto and Default Monitoring | Evaluate and monitor the Company's risk exposures, including operational, financial, strategic and image risks, accompanying and supervising the risk management process. **Art. 22, item IV, point "d" of the Regulamento do Novo Mercado** |

| | |
|---|---|
| Independent Auditor's Report on internal controls | Monitor the effectiveness of the work of the independent auditors and their independence, reporting to the Board of Directors the evolution of the work. **Item 24, of Annex D of CVM Resolution No. 80** |
| Report of activities carried out by the areas of Privacy; Risks and Internal Audit; and Compliance | Monitor the activities of the Company's internal audit and internal controls area, including the quality of its work, existing structure, work plan and results of the work carried out**. Recommendation from the IBGC Corporate Governance Best Practices Manual** Evaluate and monitor the Company's risk exposures, including operational, financial, strategic and image risks, monitoring and supervising the risk management process - **Art. 22, item IV, item "d" of the Novo Mercado Regulation** |

| **MEETING HELD ON AUGUST 08, 2023** | |
|---|---|
| **AGENDA** | **RELATED COMPETENCE** |
| Quarterly Information Analysis (ITR) of the first quarter of 2023 for disclosure on August, 09th, 2023 | Evaluate whether the Quarterly Information has been correctly prepared, whether it adequately reflects the company's situation and whether it is in line with other information presented by the organization. **Art. 22, item IV, point "b" of the Regulamento do Novo Mercado** |
| Stock and provisions for contingencies | Evaluate and monitor the Company's risk exposures, including operational, financial, strategic and image risks, monitoring and supervising the risk management process - **Art. 22, item IV, item "d" of the Novo Mercado Regulation** |

| **MEETING HELD ON SEPTEMBER 13, 2023** | |
|---|---|
| **AGENDA** | **RELATED COMPETENCE** |
| Presentation of Real Estate Development. | Evaluate and monitor the Company's risk exposures, including operational, financial, strategic and image risks, monitoring and supervising the risk management process - **Art. 22, item IV, item "d" of the Novo Mercado Regulation** |
| Independent Audit Work Plan | Monitor the effectiveness of the work of the independent auditors and their independence, reporting to the Board of Directors the evolution of the work. **Item 24, of Annex D of CVM Resolution No. 80** |

| **MEETING HELD ON NOVEMBER 07, 2023** | |
|---|---|
| **AGENDA** | **RELATED COMPETENCE** |
| Quarterly Information Analysis (ITR) of the third quarter of 2023 for disclosure on November 11th, 2023 | Evaluate whether the Quarterly Information has been correctly prepared, whether it adequately reflects the company's situation and whether it is in line with other information presented by the organization. **Art. 22, item IV, point "b" of the Regulamento do Novo Mercado** |
| RESIA Presentation | Evaluate and monitor the Company's risk exposures, including operational, financial, strategic and image risks, monitoring and supervising the risk management process - **Art. 22, item IV, item "d" of the Novo Mercado Regulation** |

| | |
|---|---|
| Approval of the annual meeting calendar for the 2024 fiscal year | Have an annual calendar of meetings, established at the first annual meeting of the Committee.<br>**Item 5.1. of the Committee's Internal Regulations** |

| MEETING HELD ON DECEMBER 07, 2023 | |
|---|---|
| **AGENDA** | **RELATED COMPETENCE** |
| Presentation - Provisions for guarantees | Evaluate and monitor the Company's risk exposures, including operational, financial, strategic and image risks, monitoring and supervising the risk management process - **Art. 22, item IV, item "d" of the Novo Mercado Regulation** |
| Presentation – SPEs with losses | |
| Report of activities carried out by the areas of Privacy; Risks and Internal Audit; and Compliance | Monitor the activities of the Company's internal audit and internal controls area, including the quality of its work, existing structure, work plan and results of the work carried out**. Recommendation from the IBGC Corporate Governance Best Practices Manual**<br>Evaluate and monitor the Company's risk exposures, including operational, financial, strategic and image risks, monitoring and supervising the risk management process - **Art. 22, item IV, item "d" of the Novo Mercado Regulation** |
| Approval of the Work Plan, developed in 2023 and planned for 2024, of the Governance, Risks, Compliance and Privacy sector | Monitor the activities of the Company's internal audit and internal controls area, including the quality of its work, existing structure, work plan and results of the work carried out**. Recommendation from the IBGC Corporate Governance Best Practices Manual**<br>Evaluate and monitor the Company's risk exposures, including operational, financial, strategic and image risks, monitoring and supervising the risk management process - **Art. 22, item IV, item "d" of the Novo Mercado Regulation.** |

| MEETING HELD ON JANUARY 28, 2024 | |
|---|---|
| **ORDEM DO DIA** | **FUNÇÃO RELACIONADA** |
| Independent Auditor's Report regarding the Financial Statements for the 2023 fiscal year | To monitor the quality control of financial statements, internal controls, and risk management and compliance.<br>**Item 22, of Annex D of CVM Resolution No. 80** |
| Independence of the Independent Auditor | Monitor the effectiveness of the work of the independent auditors and their independence, reporting to the Board of Directors the progress of the work.<br>**Item 24 of Annex D of CVM Resolution No. 80** |
| Approval of the Annual Report of the Statutory Audit Committee | Release, annually, summary report of the Audit Committee including the meetings held and the main topics discussed, highlighting the recommendations made by the Committee to the Company's Board of Directors.<br>**Art. 22, §1 of the Regulamento do Novo Mercado** |
| Conclusion of the Committee's evaluation process regarding the work carried out in the 2023 fiscal year | Structure and release a committee evaluation process.<br>**Art. 18 of the Regulamento do Novo Mercado** |

It should be noted that in order to comply with the proper management of the Company's financial information and internal controls, the Controllership area attended in all meetings held.

Regarding the monitoring and analysis of the Company's risk management process, the Internal Audit department attended in the meetings held on March 06, 2023, June 23, 2023 and December 07, 2023 and the Independent Audit attended in the meetings held on March 06, 2023, May 10, 2023, July 21, 2023, August 08, 2023, September 13, 2023 and November 07, 2023.

In accordance with Article 32 of the Company's Bylaws, the members of the Committee interact and cooperate with the members of the Fiscal Council whenever necessary, receiving and analyzing relevant information of the bodies.

All meetings were recorded in minutes and signed by its members, being duly archived at the Company's headquarters.

## Risk Assessment and Exposure Monitoring:

The Company's Internal Audit department, in a meeting held on March 6, 2023, presented to the Committee its Work Plan for the fiscal year 2023, and the presented plan was approved by the Committee. In addition to the periodic interaction carried out between the Internal Audit area and the Committee, the reporting of the activities carried out by the referred department was formally carried out at the Committee meetings held on June 23, 2023, July 21, 2023 and December 7, 2023.

In relation to the Independent Audit, it presented to the Committee its Work Plan for the fiscal year 2023 at the meeting held on September 13, 2023, and the presented plan was approved by the Committee.

## Report to the Board of Directors:

The Committee reports itself to the Board of Directors and acts with operational autonomy and with its own budget in the performance of its competence, acting as an auxiliary, consultative and advisory body for the Company's Board of Directors regarding the control over the quality of financial statements and internal controls, aiming at the reliability and integrity of the information. The function of its members is nondelegable and must be exercised exclusively by the elected members.

The Committee reported to the Board of Directors, in the meeting held on December 22, 2023, on the activities carried out in the exercise, including the work performed and the discussions.

## Committee Evaluation Process:

The Audit Committee Regulation, in its article 8.1 and the Regulamento Novo Mercado, in Article 18 and paragraphs, require the Company to structure and disclose an Evaluation Process of the Committee and its members, to be carried out at least once during the term of its term of office. This evaluation is a fundamental step to ensure the autonomy and effectiveness of the Committee, allowing its strengthening and improvement of the Company's corporate governance.

The Evaluation Process of the Committee, concerning the work carried out in the fiscal year 2022, started at a meeting held on March 6, 2023 discussed at a meeting held on May 10, 2023.

Regarding the fiscal year 2023, the Evaluation Process started on January 15, 2024, with its results analyzed and discussed in a meeting held on the current date (February 28, 2024). Furthermore, it was stated that the result of the Evaluation Process will be duly reported to the Board of the Directors.

## Planning for the 2024 Fiscal Year:

According to the Work Plan analyzed and approved by the Committee at the meeting held on November 7, 2023, the Committee will hold 10 (ten) ordinary meetings in the fiscal year 2024, which will have as their agenda the legal and regulatory duties listed in this Annual Report in item "Duties and Responsibilities", without prejudice to any extraordinary meetings in which the Committee's action is necessary.

## Conclusion and recommendations

The members of the Company's Committee, in the exercise of their legal duties and responsibilities, analyzed the Financial Statements, including the Independent Audit's opinion and the Annual Management Report, regarding to the fiscal year ended on December 31, 2023, with absorption of the loss by the profit retention reserve, ad referendum to the Company's Board of Directors.

Considering the information provided by the Company's Management and by the Independent Audit, the Committee concluded that the information and documents submitted regarding the Financial Statements for the fiscal year ended on December 31, 2023, including Independent Audit's opinion and the Annual Management Report, adequately reflect, in all relevant aspects, the Company's financial and equity positions, unanimously recommending the Company's Board of Directors' statement in favor of the mentioned documents.

Belo Horizonte/MG, February 28, 2024.

**Antonio Kandir**
Committee Member and Coordinator

**Leonardo Guimarães Corrêa**
Committee Member and Secretary

**Pierre Carvalho Magalhães**
Committee Member

Belo Horizonte, February 29, 2024

By this instrument, the Chief Executive Officer and the other Directors of MRV Engenharia e Participações S.A. (“MRV”), a publicly-held corporation, headquartered at Avenida Professor Mário Werneck, 621 - Estoril - Belo Horizonte - Minas Gerais, for the purposes of the provisions of item II, of paragraph 1 of article 29 and of items V and VI of paragraph 1 of article 25 of CVM Instruction nº 480 of December 7, 2009 (“INSTRUCTION”) declare that:

(i) reviewed, discussed and agreed with MRV's financial statements for the fiscal year ended December 31, 2023.

(ii) reviewed, discussed and agreed with the opinions expressed in the Ernst & Young Auditores Independentes S.S. independent auditors’ report, regarding MRV's financial statements for the fiscal year ended December 31, 2023.

____________________________________________

Rafael N. Menin Teixeira de Souza

Chief Executive Officer of Region MG, RJ, ES, CO, NE and NO

____________________________________________

Ricardo Paixão Pinto Rodrigues

Chief Financial and Investor Relations Officer

__________________________________________

Marcelo Paulino Santana

Controllership Director