

INTERIM FINANCIAL STATEMENTS

2Q23

MRV & CO



SENSIA
INCORPORADORA

RESIA

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	Notes	Consolidated		Parent Company	
		6/30/23	12/31/22	6/30/23	12/31/22
Assets					
Current assets					
Cash and cash equivalents	4	609,856	733,748	73,751	145,593
Marketable securities	5	1,858,609	1,784,495	1,290,473	1,288,450
Receivables from real estate development	6	2,469,788	2,487,534	1,099,915	1,204,693
Receivables from services provided and rents	6	219,450	154,740	91,946	74,228
Inventories	7	4,716,628	4,583,823	2,120,466	2,058,187
Recoverable taxes	16	119,012	109,807	84,962	79,457
Prepaid expenses		112,192	102,498	58,891	51,628
Derivative financial instruments	25 (b)	14,710	-	14,710	-
Other assets		452,645	346,827	221,811	192,450
		10,572,890	10,303,472	5,056,925	5,094,686
Investment properties - Noncurrent assets held for sale	9	435,362	-	-	-
Total current assets		11,008,252	10,303,472	5,056,925	5,094,686
Noncurrent assets					
Marketable securities	5	382,028	373,709	310,797	311,262
Receivables from real estate development	6	1,954,635	1,522,830	844,138	676,916
Inventories	7	3,922,938	4,644,619	2,421,524	3,096,574
Deferred tax assets		194,834	-	188,068	-
Intercompany receivables		78,623	74,095	1,188,957	1,184,651
Prepaid expenses		110,947	65,043	56,432	30,278
Derivative financial instruments	25 (b)	220,883	33,069	220,883	33,069
Other assets		357,579	337,491	222,284	224,004
Total long-term realisable		7,222,467	7,050,856	5,453,083	5,556,754
Equity interest in investees	8	245,570	191,366	3,468,826	3,389,372
Investment properties	9	3,855,938	4,096,163	64,493	131,394
Property and equipment	10	832,637	778,390	659,601	611,267
Intangible assets	11	179,810	181,082	170,484	173,006
Total noncurrent assets		12,336,422	12,297,857	9,816,487	9,861,793
Total assets		23,344,674	22,601,329	14,873,412	14,956,479
Liabilities and Equity					
Current liabilities					
Suppliers		740,500	895,087	448,113	532,270
Payables for investment acquisition		32,343	34,730	13,511	-
Derivative financial instruments	25 (b)	-	213,063	-	213,061
Loans, financing and debentures	12	1,781,876	1,148,232	1,278,680	878,074
Land payables	13	855,269	961,985	334,892	391,952
Advances from customers	14	268,554	230,772	166,292	132,865
Payroll and related liabilities	15	201,847	178,099	91,669	72,136
Tax payables	16	142,384	145,824	85,136	83,604
Provision for maintenance of real estate	17	60,328	55,871	35,182	32,470
Deferred tax liabilities	26	63,196	84,825	24,216	35,764
Net capital deficiency liability - Equity interest in investees	8	491,979	421,256	277,771	232,354
Credit assignment liability	6	313,620	248,350	160,115	152,285
Other liabilities		391,918	445,638	90,957	99,173
		5,343,814	5,063,732	3,006,534	2,856,008
Loans, financing and debentures - Noncurrent assets held for sale	12	282,940	-	-	-
Total current liabilities		5,626,754	5,063,732	3,006,534	2,856,008
Noncurrent liabilities					
Payables for investment acquisition		11,708	20,866	1,765	15,602
Derivative financial instruments	25 (b)	62,414	162,936	62,414	162,936
Loans, financing and debentures	12	6,346,410	6,280,944	3,396,254	3,434,097
Land payables	13	2,597,135	3,330,656	1,473,789	2,080,831
Advances from customers	14	268,492	253,542	164,337	179,459
Provision for maintenance of real estate	17	200,380	187,970	96,381	95,460
Provision for civil, labor and tax risks	18	85,796	72,829	60,823	49,715
Deferred tax liabilities	26	113,286	92,230	31,735	24,942
Credit assignment liability	6	759,062	109,256	400,825	61,572
Other liabilities		461,680	452,060	159,565	168,414
Total noncurrent liabilities		10,906,363	10,963,289	5,847,888	6,273,028
Total liabilities		16,533,117	16,027,021	8,854,422	9,129,036
Equity					
Paid-in capital	20 (a)	4,615,807	4,615,408	4,615,807	4,615,408
Treasury shares		(388)	(388)	(388)	(388)
Capital reserves		95,507	88,734	95,507	88,734
Earnings reserves		1,147,744	1,148,381	1,147,744	1,148,381
Equity valuation adjustments		(51,355)	(24,692)	(51,355)	(24,692)
Earnings accumulated		211,675	-	211,675	-
Equity attributable to the Company' shareholders		6,018,990	5,827,443	6,018,990	5,827,443
Noncontrolling interests	20 (g)	792,567	746,865	-	-
Total equity		6,811,557	6,574,308	6,018,990	5,827,443
Total liabilities and equity		23,344,674	22,601,329	14,873,412	14,956,479

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

STATEMENTS OF PROFIT OR LOSS FOR THE THREE AND SIX MONTHS PERIODS ENDED ON JUNE 30, 2023 AND 2022

(In thousands of Brazilian reais - R\$, except earnings per share)

	Notes	Consolidated				Parent Company			
		2023		2022		2023		2022	
		2 nd quarter	1 st half	2 nd quarter	1 st half	2 nd quarter	1 st half	2 nd quarter	1 st half
Net operating revenue	22	1,825,658	3,515,543	1,601,640	3,276,741	676,212	1,388,968	779,035	1,643,519
Cost of real estate sales and services	23	(1,420,456)	(2,756,888)	(1,290,615)	(2,634,040)	(577,745)	(1,221,053)	(657,337)	(1,360,211)
Gross profit		405,202	758,655	311,025	642,701	98,467	167,915	121,698	283,308
Operating income (expenses):									
Selling expenses	23	(190,705)	(352,769)	(162,086)	(320,508)	(122,975)	(227,996)	(109,036)	(214,234)
General and administrative expenses	23	(160,480)	(307,525)	(113,494)	(250,638)	(105,152)	(211,442)	(96,983)	(191,688)
Other operating income (expenses), net	23	72,172	21,402	333,822	432,617	(34,238)	(54,667)	9,585	10,673
Results from equity interest in investees	8	(13,605)	(38,325)	(27,490)	(46,306)	195,229	284,506	303,751	416,924
Income (loss) before financial income and taxes		112,584	81,438	341,777	457,866	31,331	(41,684)	229,015	304,983
Financial income (expenses):									
Financial expenses	24	48,673	(124,516)	(228,992)	(282,456)	113,607	(13,985)	(218,249)	(253,915)
Financial income	24	47,362	100,915	65,210	117,172	30,204	71,069	50,007	92,010
Financial income from receivables from real estate development	24	33,445	63,798	36,544	59,536	18,621	36,103	19,424	31,260
Income (loss) before taxes		242,064	121,635	214,539	352,118	193,763	51,503	80,197	174,338
Income tax and social contribution:									
Current	26	(40,336)	(80,010)	(192,436)	(242,216)	(15,773)	(30,364)	(22,613)	(38,488)
Deferred	26	(9,248)	191,591	64,245	59,783	3,108	190,536	(47)	(1,897)
	26	(49,584)	111,581	(128,191)	(182,433)	(12,665)	160,172	(22,660)	(40,385)
Net income for the period		192,480	233,216	86,348	169,685	181,098	211,675	57,537	133,953
Net income attributable to:									
Company' shareholders		181,098	211,675	57,537	133,953				
Noncontrolling interests		11,382	21,541	28,811	35,732				
		192,480	233,216	86,348	169,685				
Earnings per share (In Reais - R\$):									
Basic	20 (h)	0.37434	0.43756	0.11907	0.27721	0.37434	0.43756	0.11907	0.27721
Diluted	20 (h)	0.37370	0.43726	0.11903	0.27707	0.37370	0.43726	0.11903	0.27707

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



	Consolidated				Parent Company			
	2023		2022		2023		2022	
	2 nd quarter	1 st half	2 nd quarter	1 st half	2 nd quarter	1 st half	2 nd quarter	1 st half
Net income for the period	192,480	233,216	86,348	169,685	181,098	211,675	57,537	133,953
Other components of comprehensive income:								
Currency translation adjustments	(84,274)	(125,031)	132,712	(29,434)	(54,930)	(83,599)	94,575	(40,044)
Cash flow hedge reserve	41,904	56,936	(17,432)	(56,586)	41,904	56,936	(17,432)	(56,586)
Total comprehensive income for the period	150,110	165,121	201,628	83,665	168,072	185,012	134,680	37,323
Comprehensive income attributable to:								
Company' shareholders	168,072	185,012	134,680	37,323	168,072	185,012	134,680	37,323
Noncontrolling interests	(17,962)	(19,891)	66,948	46,342	-	-	-	-
	150,110	165,121	201,628	83,665	168,072	185,012	134,680	37,323

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



	Paid-in capital	Treasury shares	Capital reserves		Earnings reserves		Equity valuation adjustments		Retained earnings	Proposed additional dividends	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	-	-	-	-	-	(14,959)	-	-	-	-	(14,959)	22,432	7,473
Net contributions from noncontrolling shareholders	-	-	-	-	-	-	-	-	-	-	-	214,891	214,891
Currency translation adjustments	-	-	-	-	-	-	-	(40,044)	-	-	(40,044)	10,610	(29,434)
Cash flow hedge reserve	-	-	-	-	-	-	(56,586)	-	-	-	(56,586)	-	(56,586)
Stock options	-	-	-	7,303	-	-	-	-	-	-	7,303	-	7,303
Changes in indirect ownership	-	-	-	-	-	-	-	-	-	-	-	(2,594)	(2,594)
Net income for the period	-	-	-	-	-	-	-	-	133,953	-	133,953	35,732	169,685
BALANCE AT JUNE 30, 2022	4,615,408	(388)	(26,309)	105,581	102,266	1,215,680	(100,993)	78,340	133,953	-	6,123,538	761,063	6,884,601
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	399	-	-	-	-	-	-	-	-	-	399	-	399
Capital transactions	-	-	-	-	-	(637)	-	-	-	-	(637)	(9,152)	(9,789)
Net contributions from noncontrolling shareholders	-	-	-	-	-	-	-	-	-	-	-	79,713	79,713
Currency translation adjustments	-	-	-	-	-	-	-	(83,599)	-	-	(83,599)	(41,432)	(125,031)
Cash flow hedge reserve	-	-	-	-	-	-	56,936	-	-	-	56,936	-	56,936
Stock options	-	-	-	6,773	-	-	-	-	-	-	6,773	-	6,773
Changes in indirect ownership	-	-	-	-	-	-	-	-	-	-	-	(4,968)	(4,968)
Net income for the period	-	-	-	-	-	-	-	-	211,675	-	211,675	21,541	233,216
BALANCE AT JUNE 30, 2023	4,615,807	(388)	(26,309)	121,816	102,266	1,045,478	(42,618)	(8,737)	211,675	-	6,018,990	792,567	6,811,557

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

STATEMENTS OF CASH FLOWS FOR THE SIX MONTHS PERIODS ENDED JUNE 30, 2023 AND 2022 - INDIRECT METHOD
(In thousands of Brazilian reais - R\$)

	Notes	Consolidated		Parent Company	
		1 st half of		1 st half of	
		2023	2022	2023	2022
Cash flows from operating activities					
Net income for the period		233,216	169,685	211,675	133,953
Adjustments to reconcile net income to cash generated by operating activities:					
Depreciation and amortization		59,944	71,226	50,813	54,820
Recognized stock options granted	23	6,962	7,284	6,560	6,834
Property and equipment write off		1,641	23,926	1,771	22,886
Financial results		116,472	(41,342)	64,208	(16,273)
Results from equity interest in investees	8	38,325	46,306	(284,506)	(416,924)
Results from sale of assets / projects	23	(57,019)	(482,074)	7,061	(28,970)
Provision for maintenance of real estate		55,187	52,159	23,773	26,396
Provision for civil, labor and tax risks		70,516	66,963	44,449	40,796
Allowance for expected credit loss		137,837	110,826	71,581	58,321
Amortization of prepaid expenses		76,749	76,091	30,704	37,315
Results from derivative financial instruments		(149,812)	127,145	(149,810)	135,233
Deferred income tax and social contribution	26	(191,591)	(59,783)	(190,536)	1,897
Deferred taxes on revenue (PIS & COFINS)		(2,676)	2,408	(2,287)	2,264
		395,751	170,820	(114,544)	58,548
(Increase) decrease in operating assets:					
(Increase) decrease in trade receivables		(555,685)	(198,229)	(112,206)	(111,329)
(Increase) decrease in real estate for sale		136,556	89,463	130,716	189,793
(Increase) decrease in prepaid expenses		(100,733)	(61,901)	(47,534)	(28,406)
(Increase) decrease in other assets		(70,957)	(18,602)	7,751	12,312
Increase (decrease) in operating liabilities:					
Increase (decrease) in trade payables		(134,189)	(86,859)	(84,157)	29,334
Increase (decrease) in payroll and related taxes		25,284	6,665	19,533	(7,553)
Increase (decrease) in taxes, fees and contributions		86,812	207,695	31,936	27,930
Increase (decrease) in advances from customers		(24,617)	35,861	21,077	5,325
Increase (decrease) in other payables		5,044	40,739	(17,065)	(22,795)
Interest paid		(374,452)	(244,633)	(227,903)	(184,905)
Income tax and social contribution paid		(89,200)	(65,686)	(31,040)	(32,929)
Amounts paid of real estate maintenance	17	(51,965)	(59,521)	(30,522)	(34,220)
Amounts paid for civil, labor and tax risks	18	(64,305)	(86,141)	(38,073)	(56,315)
Net cash (used in) generated by operating activities		(816,656)	(270,329)	(492,031)	(155,210)
Cash flows from investing activities					
Increase in marketable securities		(4,422,617)	(3,819,150)	(2,351,886)	(2,343,124)
Decrease in marketable securities		4,394,125	3,428,265	2,397,750	2,082,006
Advances to related companies		(73,974)	(28,187)	(1,150,594)	(623,668)
Receipts from related companies		72,127	30,104	1,149,789	568,720
Distribution from (acquisition of/contribution to) investees	8	(3,273)	(2,632)	216,512	45,888
Payment for acquisition of investees		(31,917)	(47,302)	(18,249)	(46,236)
Receipts for sale of investees / assets		402,064	1,415,127	21,482	161,392
Purchase of investment property		(851,961)	(1,543,592)	1,113	(35,618)
Purchase of property and equipment and intangible assets		(122,969)	(216,232)	(97,742)	(130,867)
Net cash (used in) generated by investing activities		(638,395)	(783,599)	168,175	(321,507)
Cash flows from financing activities					
Proceeds from issue of shares		399	237	399	237
Loans from related parties		(25,456)	(4,534)	-	(11,454)
Proceeds from loans, financing and debentures		2,386,530	2,737,926	646,670	1,075,311
Repayment of borrowings, financing and debentures		(1,301,368)	(1,678,014)	(343,616)	(755,411)
Amounts received from credit assignment liabilities (sale of receivables)		738,594	346,108	370,833	217,294
Amounts paid for credit assignment liabilities (sale of receivables)		(198,688)	(76,226)	(112,274)	(38,009)
Addition of other financial liabilities		-	-	-	-
Contracted and redeemed derivative financial instruments		(309,361)	9,323	(309,361)	9,323
Capital transactions		(9,789)	7,473	(637)	(14,959)
Dividends paid		-	(3,031)	-	-
Contribution from (distribution to) noncontrolling shareholders	20 (g)	79,713	214,891	-	-
Net cash generated (used in) by financing activities		1,360,574	1,554,153	252,014	482,332
Effects of exchange rates on cash and cash equivalents					
		(29,415)	15,111	-	-
(Decrease) increase in cash and cash equivalents, net		(123,892)	515,336	(71,842)	5,615
Cash and cash equivalents					
At the beginning of the period		733,748	947,928	145,593	308,053
At the end of the period		609,856	1,463,264	73,751	313,668
(Decrease) increase in cash and cash equivalents, net		(123,892)	515,336	(71,842)	5,615

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



	Notes	Consolidated		Parent Company	
		1 st half of		1 st half of	
		2023	2022	2023	2022
Revenues					
Gross operating revenue		3,683,030	3,443,198	1,466,231	1,728,986
Other income		2,777	51,805	82	51,941
Revenues related to construction of own assets		18,219	22,255	18,216	21,818
Allowance for expected credit loss		(137,837)	(110,826)	(71,581)	(58,321)
		3,566,189	3,406,432	1,412,948	1,744,424
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		(2,343,423)	(2,029,713)	(1,198,950)	(1,463,887)
Gross added value		1,222,766	1,376,719	213,998	280,537
Depreciation and amortization		(59,944)	(71,226)	(50,813)	(54,820)
Net added value generated by the Company		1,162,822	1,305,493	163,185	225,717
Added value received in transfer					
Results from equity interest in investees	8	(38,325)	(46,306)	284,506	416,924
Financial income		211,848	195,095	132,684	134,639
		173,523	148,789	417,190	551,563
Total added value for distribution		1,336,345	1,454,282	580,375	777,280
Added value distributed					
Personnel:		570,338	566,686	184,019	241,154
Salaries and wages		455,160	442,002	122,820	160,540
Benefits		86,477	93,042	46,270	59,793
Severance Pay Fund (FGTS)		28,701	31,642	14,929	20,821
Taxes and fees:		160,563	470,341	(12,759)	233,037
Federal		64,805	363,836	(62,641)	161,499
Municipal		94,804	105,689	48,991	70,936
State		954	816	891	602
Lenders and lessors:		372,228	247,570	197,440	169,136
Interest		291,237	170,737	149,298	116,826
Rentals / Leases		80,991	76,833	48,142	52,310
Shareholders:		233,216	169,685	211,675	133,953
Earnings retained in the period		211,675	133,953	211,675	133,953
Noncontrolling interests	20 (g)	21,541	35,732	-	-
Added value distributed		1,336,345	1,454,282	580,375	777,280

The accompanying notes are an integral part of these interim 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.

Resia (Ex. AHS)

In May 2022, the Group went through a rebranding of its subsidiary in the United States AHS Residential ("AHS"), changing its name to "Resia".

In the first semester of 2023, Resia completed the sale of one asset for a total amount of US\$75 million (R\$361 million), with cash generation of US\$23 million (R\$117 million) and profit of US\$13.2 million (R\$64 million).

In the first semester of 2022, Resia completed the sale of three assets for a total amount of US\$245 million (R\$1.3 billion), with cash generation of US\$149 million (R\$759 million) and profit of US\$90 million (R\$595 million).

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

Sale of receivables

In the first half of 2023, the Company carried out seven transactions of sale of receivables, transferring receivables in the total amount of R\$1.1 billion, with amounts received in cash of R\$878 million. The servicer role was retained by the Group in some of these transactions. See Note 6 for more details.

2. Presentation of interim financial statements and significant accounting policies

2.1. Presentation of interim financial statements

The Company's interim financial statements comprise:

- The consolidated interim financial statements prepared in accordance with CPC 21 (R1) – Demonstração Intermediária (Interim Financial Reporting) and IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board (IASB), identified as Consolidated; and
- The parent company interim financial statements prepared in accordance with CPC 21 (R1) – Demonstração Intermediária (Interim Financial Reporting), identified as parent company.

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), in a manner consistent with the standards issued by CVM, applicable to the preparation of interim financial reporting.

The parent company financial statements are not in accordance with International Financial Reporting Standards (IFRS) because it considers the borrowing cost's capitalization on its investees' qualifying assets.

This interim financial information should be read in conjunction with the financial statements as of December 31, 2022. Other information in relation to basis of preparation and basis of presentation, did not significantly change in relation to the information disclosed in Note 2 to the financial statements for the year ended December 31, 2022, issued on July 5, 2023.

2.2. Significant accounting policies

The accounting policies applied in this interim financial statements are the same as those applied in the Group's financial statements for the year ended December 31, 2022.

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 interim 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 other standards and interpretations issued, and which have not yet come into force are the same as those mentioned in the Group's financial statements for the year ended December 31, 2022.

4. Cash and cash equivalents

	Consolidated		Parent Company	
	6/30/23	12/31/22	6/30/23	12/31/22
Cash	201	212	191	192
Bank accounts	569,483	693,504	61,460	132,083
	569,684	693,716	61,651	132,275
Short-term investments:				
Savings deposits	2	905	1	2
Unrestricted investment funds	-	7	-	7
Bank deposit certificates (CDB)	19,979	17,648	12,099	13,309
Securities with repurchase agreement backed by debentures	20,191	21,472	-	-
	40,172	40,032	12,100	13,318
Total	609,856	733,748	73,751	145,593

In the six-month period ended June 30, 2023, short-term investments yielded interest equivalent to 92.7% of Interbank Deposit rate (DI rate) in Consolidated and 99.5% DI rate in parent company (103.9% DI rate in Consolidated and 109.2% DI rate in Parent company, for the same period of 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	
		6/30/23	12/31/22	6/30/23	12/31/22
Restricted investment funds	(i)	1,816,138	1,571,302	1,475,078	1,312,270
Investments from bank accounts	(ii)	302,715	336,937	103,950	141,421
Bank deposit certificates (CDB)	(iii)	23,564	146,306	1,959	138,156
Savings deposits	(iv)	41,389	34,894	12,816	6,781
Escrow account	(v)	49,358	56,899	-	-
U.S. Treasuries		5	10,780	-	-
Bank credit notes (CCB)		7,467	1,084	7,467	1,084
Real estate consortium and others		1	2	-	-
Total		2,240,637	2,158,204	1,601,270	1,599,712
Current		1,858,609	1,784,495	1,290,473	1,288,450
Noncurrent		382,028	373,709	310,797	311,262
		2,240,637	2,158,204	1,601,270	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 six-month period ended June 30, 2023, the mentioned funds yielded average interest equivalent to 83.6% DI rate in Consolidated and 82.6% DI rate in Parent company (115.4% DI rate in Consolidated and 115.8% DI rate in Parent company, for the same period of 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 Asociativo" 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:	6/30/23				
	Consolidated			Parent Company	
	Restricted investment funds	Escrow account	Bank certificates of deposit	Restricted investment funds	Bank certificates of deposit
Infrastructure works	34,523	-	-	14,588	-
Construction debt	-	39,286	-	-	-
Sold properties escrow	-	5,783	-	-	-
Other	6,127	4,289	23,564	5,185	1,959
Total	40,650	49,358	23,564	19,773	1,959

Blocked amounts guaranteeing:	12/31/22				
	Consolidated			Parent Company	
	Restricted investment funds	Escrow account	Bank certificates of deposit	Restricted investment funds	Bank certificates of deposit
Infrastructure works	38,685	-	-	20,055	-
Construction debt	-	41,721	137,176	-	137,176
Sold properties escrow	-	10,435	-	-	-
Other	7,074	4,743	9,130	6,432	980
Total	45,759	56,899	146,306	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	
	6/30/23	12/31/22	6/30/23	12/31/22
Investment funds	1,085,212	621,138	881,415	518,742
Private bonds	140,782	326,124	114,345	272,362
Securities with repurchase agreement	-	7,425	-	6,201
Bank certificates of deposit (CDB)	35,314	78,104	28,682	65,228
Debentures	18,393	32,650	14,939	27,267
Federal securities:				
Financial Treasury Bills (LFT)	39,167	45,687	31,811	38,155
National Treasury Notes - B (NTN-B)	370,089	367,107	300,588	306,589
National Treasury Notes - F (NTN-F)	-	10,005	-	8,356
National Treasury Bills (LTN)	127,163	82,682	103,283	69,052
Others	18	380	15	318
Total	1,816,138	1,571,302	1,475,078	1,312,270

As of June 30, 2023, and December 31, 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

	Consolidated		Parent Company	
	6/30/23	12/31/22	6/30/23	12/31/22
<u>Receivables from:</u>				
Real estate development	5,073,221	4,468,525	2,270,999	2,116,379
Present value discount	(232,840)	(126,961)	(109,865)	(60,978)
Allowance for expected credit loss	(415,958)	(331,200)	(217,081)	(173,792)
	4,424,423	4,010,364	1,944,053	1,881,609
Current	2,469,788	2,487,534	1,099,915	1,204,693
Noncurrent	1,954,635	1,522,830	844,138	676,916
	4,424,423	4,010,364	1,944,053	1,881,609
Receivables from services provided, rents and other sales	219,450	154,740	91,946	74,228

The rates used to discount to present value for sales performed during the quarter ended June 30, 2023 ranged from 0.67018% per month to 0.81650% per month (0.75640% per month to 0.87267% per month for the same period of 2022).

The agreements entered and to be entered with Caixa Econômica Federal (CEF), and other banks in “Crédito Associativo” modality correspond to approximately 44.9% of the balance of receivables from real estate development and unearned sales revenue, corresponding to R\$2,908,654, as at March 31, 2023 (47.5%, corresponding to R\$2,642,087, at December 31, 2022). Of this same total, the agreements already entered with the financial institutions above mentioned, correspond to 37.7% for CEF and 0.04% for other banks (43.2% and 0.03% as at December 31, 2022 respectively).

Sale of receivables

In the first half of 2023 and 2022, the Company and its subsidiary Urba carried out sales of receivables that were derecognized and are detailed in the table below:

	MRV	URBA	URBA	1 st half of 2023	1 st half of 2022
Month / year of transaction	mar/23	mar/22	mar/22		
Securitisation vehicle / Transferee	Inter	Opea	Opea		
Servicer role retained	Yes	No	No		
Derecognized receivables	49,762	39,840	55,064	144,666	75,370
(-) Assignment discount	1,396	931	7,591	9,918	8,774
Transaction size	48,366	38,909	47,473	134,748	66,596
(-) Reserve fund	-	-	473	473	-
(-) Expense fund and others	967	1,697	1,385	4,049	632
Net amount received	47,399	37,212	45,615	130,226	65,964

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 first half of 2023 and 2022, the Company carried out operations for the sale of receivables with the registration of credit assignment liabilities, as there was no derecognition of receivables and are detailed in the table below:

	MRV	MRV	MRV	MRV	1 st half of 2023	1 st half of 2022
Month of transaction	mar/23	mar/23	jun/23	jun/23		
Securitisation vehicle	True	True	True	True		
Servicer role retained	Yes	Yes	Yes	Yes		
Derecognized receivables	225,675	212,429	321,899	192,848	952,851	527,725
(-) Assignment discount	13,575	12,229	26,899	30,848	83,551	131,445
Transaction size	212,100	200,200	295,000	162,000	869,300	396,280
(-) Reserve fund	12,800	12,700	57,000	6,000	88,500	34,742
(-) Expense fund and others	8,957	8,554	6,740	8,277	32,528	12,109
Net amount received	190,343	178,946	231,260	147,723	748,272	349,429

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.

As at June 30, 2023, the total credit assignment liability amount to R\$1,072,682 (R\$357,606 at December 31, 2022), of which R\$313,620 in current and R\$759,062 in non-current (R\$248,350 in current and R\$109,256 in non-current at December 31, 2022). From this balance, R\$381,097 is indexed to DI rate + 0.54% to 3.5% p.a. and R\$691,585 to the IPCA rate + 8,5% to 12.4% p.a. These operations states a maximum maturity of up to 2035 and their corresponding financial expenses recorded in the income statement for the six-month period ended June 30, 2023, amount to R\$55,955 in the consolidated.

Changes in allowance for expected credit loss for the six-month period ended June 30, 2023, and 2022 are as follows:

	Consolidated		Parent Company	
	1 st half of		1 st half of	
	2023	2022	2023	2022
Opening balance	(331,200)	(347,748)	(173,792)	(181,326)
Additions	(228,800)	(182,511)	(120,778)	(96,217)
Reversals	90,963	100,622	49,197	52,494
Write-offs	53,079	48,753	28,292	24,102
Closing balance	(415,958)	(380,884)	(217,081)	(200,947)
Current	(260,828)	(239,384)	(136,763)	(125,630)
Noncurrent	(155,130)	(141,500)	(80,318)	(75,317)
	(415,958)	(380,884)	(217,081)	(200,947)

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	
	6/30/23	12/31/22	6/30/23	12/31/22
Unearned gross sales revenue (*)	2,059,215	1,552,050	930,411	660,313
Costs to be Incurred (*)	(1,283,759)	(1,015,903)	(588,070)	(417,951)

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

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

	Consolidated		Parent Company	
	6/30/23	12/31/22	6/30/23	12/31/22
<u>Expectation of receipt</u>				
12 months	3,388,568	3,296,602	1,497,235	1,548,712
13 to 24 months	1,499,442	1,274,509	666,641	588,390
25 to 36 months	630,853	453,183	282,405	204,439
37 to 48 months	373,761	240,750	157,255	101,754
After 48 months	591,014	297,370	270,928	98,627
	6,483,638	5,562,414	2,874,464	2,541,922
Unearned sales revenue	2,059,215	1,552,050	930,411	660,313
Receivables from real estate development	4,424,423	4,010,364	1,944,053	1,881,609
	6,483,638	5,562,414	2,874,464	2,541,922

As at June 30, 2023, the Group has trade accounts receivable pledged as collateral of construction financing totaling R\$2,834,355 (R\$2,478,159 at December 31, 2022). The risks and rewards of these receivables belong to the Company.

Other information on 'Trade accounts receivable' is not significantly different from the information disclosed in Note 6 to the financial statements for the year ended December 31, 2022.

7. Inventories (real estate for sale)

	Consolidated		Parent Company	
	6/30/23	12/31/22	6/30/23	12/31/22
Real estate under construction	3,723,966	3,557,540	1,687,980	1,545,915
Completed units	182,879	106,876	60,864	44,679
Landbank	4,645,409	5,495,633	2,733,111	3,523,095
Advances to suppliers	87,074	68,069	59,923	40,954
Materials stock	238	324	112	118
Total	8,639,566	9,228,442	4,541,990	5,154,761
Current	4,716,628	4,583,823	2,120,466	2,058,187
Noncurrent	3,922,938	4,644,619	2,421,524	3,096,574
	8,639,566	9,228,442	4,541,990	5,154,761

As at June 30, 2023, of the total consolidated balance of real estate under construction and completed units, R\$3,025,218 refers to projects launched and R\$881,627 refers to projects started but not yet launched (R\$2,934,953 and R\$729,463 at December 31, 2022, respectively).

As at June 30, 2023, line items "Real estate under construction", "Completed units" and "Landbank" includes capitalized financial charges, as detailed in Note 12 (d), totaling R\$773,781 and R\$505,646 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 June 30, 2023, the Group has real estate under construction recognized in assets, used as collateral of loans and financing agreements, totaling R\$451,378 and R\$179,236 in Consolidated and Parent company, respectively (R\$472,850 and R\$190,572 at December 31, 2022, in Consolidated and Parent company, respectively).

Other information on 'Inventories (real estate for sale)' is not significantly different from the information disclosed in Note 7 to the financial statements for the year ended December 31, 2022.

8. Equity interests in investees

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

	6/30/23			12/31/22		
	Equity interest	Equity	Investments	Equity interest	Equity	Investments
Joint ventures:						
MRL Engenharia e Empreendimentos S.A.						
Cost	82.22%	8,481	6,973	78.44%	8,138	6,383
Fair Value		-	9,725		-	8,744
Goodwill		-	21,295		-	21,003
Total MRL [1]		8,481	37,993		8,138	36,130
Prime Incorporações e Construções S.A.						
Cost	78.30%	115,374	90,338	68.67%	65,776	45,168
Fair Value		-	2,396		-	826
Goodwill		-	18,292		-	17,174
Total Prime [2]		115,374	111,026		65,776	63,168
Parque Castelo de Gibraltar SPE Ltda.	65.00%	4,557	2,962	65.00%	6,295	4,092
Parque Castelo de Andorra SPE Ltda.	50.00%	9,173	4,587	50.00%	14,768	7,384
SPEs and others (38)		91,565	47,085		86,729	43,849
SCPs (34)		5,682	3,068		6,601	3,713
Total joint ventures		234,832	206,721		188,307	158,336
Elimination of indirect participations		-	(453,130)		-	(388,226)
Total joint ventures		234,832	(246,409)		188,307	(229,890)
Equity interest in investees - Consolidated			245,570			191,366
Net capital deficiency liability - Equity interest in investees - Consolidated			(491,979)			(421,256)
Total joint ventures			(246,409)			(229,890)
Subsidiaries:						
MRV (US) Holdings Corporation	100.00%	1,030,770	1,030,770	100.00%	1,091,116	1,091,116
MRV Construções Ltda	95.00%	31,527	29,951	95.00%	31,693	30,108
Urba Desenvolvimento Urbano S.A. [3]	53.55%	198,953	104,235	51.20%	231,545	116,691
SCP Área Juliana	99.00%	3,717	3,680	80.00%	6,649	5,319
SCP Golden Park	50.00%	29,636	14,818	50.00%	21,670	10,835
SCP Gran Turques	50.00%	15,866	7,933	50.00%	7,002	3,501
SCP MRV MRL Galpão CCP 2	50.00%	11,529	5,765	50.00%	15,792	7,896
SCP MRV MRL Goiaba 1	50.00%	(2,149)	(1,075)	50.00%	4,493	2,247
SCP MRV MRL Goiaba 2	50.00%	11,454	5,727	50.00%	1,846	923
SCP MRV MRL Oásis	50.00%	17,587	8,794	50.00%	23,454	11,727
SCP MRV MRL Reserva Vila Jardim	50.00%	27,752	13,876	50.00%	28,545	14,273
SCP MRV MRL RJ Happyland LII Emp 03	60.00%	15,701	9,421	60.00%	7,492	4,495
SCP Trento 04	50.00%	10,591	5,296	50.00%	2,782	1,391
SCPs (231)		669,959	382,679		694,483	392,765
MRV MDI Nasbe Incorporações SPE Ltda.	100.00%	(18,325)	(18,325)	100.00%	25,321	25,321
Baleia LI SPE Ltda.	100.00%	14,673	14,673	100.00%	14,463	14,463
Campo Di Napoli SPE Ltda.	99.00%	942	933	99.00%	945	936
Casasmais Macaúba SPE Ltda.	67.00%	2,640	1,769	67.00%	5,392	3,613
Casasmais Santa Iria SPE Ltda.	60.00%	4,099	2,459	60.00%	27,150	16,290
Jardim Di Stuttgart SPE Ltda.	100.00%	(841)	(841)	100.00%	1,735	1,735
MD RN MRV Novas Nações SPE Ltda.	100.00%	19,407	19,407	100.00%	14,992	14,992
MRV & MRL Paraná Incorporações SPE Ltda.	99.00%	66,459	65,794	99.00%	35,125	34,774
MRV Clube Espanhol Ltda QTO1 SPE Ltda.	100.00%	4,394	4,394	100.00%	857	857
MRV Lincoln Veloso Incorporações SPE Ltda.	100.00%	5,808	5,808	80.00%	973	778
MRV Lincoln Veloso Top Life Acapulco SPE Ltda.	100.00%	4,442	4,442	100.00%	9,954	9,954
MRV LXXXV Incorporações SPE Ltda.	100.00%	99,094	99,094	100.00%	104,616	104,616
MRV MD Lagoa Olhos D'Água SPE Ltda.	100.00%	14,038	14,038	100.00%	4,988	4,988
MRV MDI Bahia Incorporações SPE Ltda.	100.00%	4,863	4,863	100.00%	50,207	50,207
MRV MRL 20 de Janeiro SPE Ltda.	100.00%	5,444	5,444	100.00%	1,023	1,023
MRV MRL Baía da Babilônia SPE Ltda.	100.00%	30,941	30,941	100.00%	62,022	62,022
MRV MRL LXXXIX Incorporações SPE Ltda.	99.00%	(926)	(917)	99.00%	2,946	2,917
MRV MRL Plural 2 Incorporações SPE Ltda.	100.00%	14,681	14,681	100.00%	7,057	7,057
MRV MRL Plural 3 Incorporações SPE Ltda.	100.00%	12,737	12,737	100.00%	2,100	2,100
MRV MRL RJ e Grande Rio SPE Ltda.	50.00%	114,553	57,277	50.00%	57,140	28,570
MRV Prime Incorporações Mato Grosso do Sul SPE Ltda.	50.00%	56,816	28,408	50.00%	24,561	12,281
MRV Prime LX Incorporações SPE Ltda.	99.00%	(1,591)	(1,575)	99.00%	(337)	(334)
MRV Prime LXIV Incorporações SPE Ltda.	99.00%	139,536	138,141	99.00%	113,782	112,644
MRV Prime LXV Incorporações SPE Ltda.	99.00%	726	719	99.00%	1,636	1,620
MRV Prime LXXIV SPE Ltda.	99.00%	19,522	19,327	99.00%	14,040	13,900
MRV Prime Proj MT B2 Incorporações SPE Ltda.	50.00%	5,078	2,539	50.00%	8,635	4,318
MRV Prime Projeto Campo Grande J SPE Ltda.	50.00%	14,028	7,014	50.00%	7,923	3,962
MRV Prime Projeto MT E Incorporações SPE Ltda.	50.00%	27,291	13,646	50.00%	12,842	6,421
MRV Prime Projeto MT J2 Incorporações SPE Ltda.	50.00%	3,412	1,706	50.00%	8,070	4,035
MRV Prime Projeto Palmas D SPE Ltda.	40.00%	13,894	5,558	40.00%	1,317	527
MRV XC Incorporações SPE Ltda.	100.00%	124,865	124,865	100.00%	83,910	83,910
MRV XCV Incorporações QRO1 SPE Ltda.	100.00%	6,785	6,785	100.00%	661	661
Parque Lagoa dos Diamantes Incorporações SPE Ltda.	100.00%	11,655	11,655	89.43%	13,742	12,289
Prive Praia de Piedade SPE Ltda.	100.00%	(14,398)	(14,398)	100.00%	(10,930)	(10,930)
MRV MRL Santa Catarina Incorporações SPE Ltda.	100.00%	3,479	3,479	100.00%	83	83
Reserva Real SPE Ltda.	100.00%	24,381	24,381	100.00%	16,301	16,301
Vila Velha SPE Ltda.	100.00%	11,602	11,602	100.00%	12,785	12,785
SPEs and others (476)		595,288	424,598		652,778	469,017
Capitalized interest		-	215,343		-	174,692
Total subsidiaries		3,514,385	2,984,334		3,559,367	2,998,682
Total of subsidiaries and joint ventures		3,749,217	3,191,055		3,747,674	3,157,018
Equity interest in investees - Parent Company			3,468,826			3,389,372
Net capital deficiency liability - Equity interest in investees - Parent Company			(277,771)			(232,354)
Total of subsidiaries and joint ventures			3,191,055			3,157,018

	Equity interest		Net income				Results from equity interest in investees			
			2 nd quarter of		1 st half of		2 nd quarter of		1 st half of	
	6/30/23	6/30/22	2023	2022	2023	2022	2023	2022	2023	2022
Joint ventures:										
MRL Engenharia e Empreendimentos S.A.										
Cost	82.22%	77.91%	6,652	(11,023)	339	(16,955)	5,320	(8,143)	368	(12,540)
Fair Value			-	-	-	-	(710)	(1,640)	(1,715)	(3,302)
Total MRL [1]			6,652	(11,023)	339	(16,955)	4,610	(9,783)	(1,347)	(15,842)
Prime Incorporações e Construções S.A.										
Cost	78.30%	69.70%	24,067	4,505	49,304	9,024	18,472	3,335	35,802	5,997
Fair Value			-	-	-	-	(1,406)	(986)	(1,840)	(986)
Total Prime [2]			24,067	4,505	49,304	9,024	17,066	2,349	33,962	5,011
Parque Castelo de Gibraltar SPE Ltda.	65.00%	65.00%	(168)	(584)	(252)	(604)	(109)	(380)	(164)	(393)
Parque Castelo de Andorra SPE Ltda.	50.00%	50.00%	(101)	1,018	(331)	4,985	(51)	509	(166)	2,493
SPEs and others (38)			4,125	(4,308)	2,278	(9,372)	1,894	(1,231)	(872)	(3,658)
SCPs (34)			(2,552)	(2,125)	(5,558)	(3,679)	(1,425)	(1,045)	(3,407)	(2,207)
Capitalized interest			-	-	-	-	-	(104)	-	(218)
Total joint ventures			32,023	(12,517)	45,780	(16,601)	21,985	(9,685)	28,006	(14,814)
Elimination of indirect participations			-	-	-	-	(35,590)	(17,805)	(66,331)	(31,492)
Total joint ventures			32,023	(12,517)	45,780	(16,601)	(13,605)	(27,490)	(38,325)	(46,306)
Subsidiaries:										
MRV (US) Holdings Corporation	100.00%	100.00%	40,912	237,006	(2,626)	297,559	40,912	237,006	(2,626)	297,559
MRV Construções Ltda	95.00%	95.00%	138	(4)	(165)	(84)	131	(4)	(157)	(80)
Urba Desenvolvimento Urbano S.A. [3]	53.55%	51.20%	(17,175)	3,450	(31,549)	(10,728)	(9,641)	1,766	(17,000)	(5,493)
SCP Área Juliana	99.00%	80.00%	(3,640)	1,590	(3,967)	3,236	(3,604)	1,272	(3,927)	2,589
SCP Golden Park	50.00%	50.00%	4,533	2,559	12,906	3,378	2,267	1,280	6,453	1,689
SCP Gran Turques	50.00%	50.00%	2,634	(26)	9,433	(137)	1,317	(13)	4,717	(69)
SCP MRV MRL Galpão CCP 2	50.00%	50.00%	(1,372)	7,910	(1,827)	12,647	(686)	3,955	(914)	6,324
SCP MRV MRL Goiaba 1	50.00%	50.00%	(6,088)	(2,510)	(8,699)	(5,395)	(3,044)	(1,255)	(4,350)	(2,698)
SCP MRV MRL Goiaba 2	50.00%	50.00%	8,362	590	9,484	7,033	4,181	295	4,742	3,517
SCP MRV MRL Oásis	50.00%	50.00%	(3,741)	1,304	(7,565)	2,762	(1,871)	652	(3,783)	1,381
SCP MRV MRL Reserva Vila Jardim	50.00%	50.00%	4,295	3,900	4	7,404	2,148	1,950	2	3,702
SCP MRV MRL RJ Happyland LII Emp 03	60.00%	60.00%	1,691	(75)	7,088	(67)	1,015	(45)	4,253	(40)
SCP Trento 04	50.00%	50.00%	4,126	-	6,933	(1)	2,063	-	3,467	(1)
SCPs (231)			(8,598)	(412)	(5,198)	9,101	(5,637)	(1,278)	(6,160)	2,554
MRV MDI Nasbe Incorporações SPE Ltda.	100.00%	100.00%	(6,543)	(4,687)	(15,715)	381	(6,543)	(4,687)	(15,715)	381
Baleia LI SPE Ltda.	100.00%	100.00%	(38)	961	10,378	1,024	(38)	961	10,378	1,024
Campo Di Napoli SPE Ltda.	99.00%	99.00%	(25)	(2,177)	(2)	(5,090)	(25)	(2,155)	(2)	(5,039)
Casasmais Macaúba SPE Ltda.	67.00%	67.00%	1,855	185	6,196	(114)	1,243	124	4,151	(76)
Casasmais Santa Iria SPE Ltda.	60.00%	60.00%	(3,694)	10,980	(9,407)	16,710	(2,216)	6,588	(5,644)	10,026
Jardim Di Stuttgart SPE Ltda.	100.00%	100.00%	(1,116)	(1,883)	(2,576)	(4,317)	(1,116)	(1,883)	(2,576)	(4,317)
MD RN MRV Novas Nações SPE Ltda.	100.00%	100.00%	3,568	2,509	5,831	2,691	3,568	2,509	5,831	2,691
MRV & MRL Paraná Incorporações SPE Ltda.	99.00%	99.00%	22,536	9,599	40,198	12,516	22,311	9,503	39,796	12,391
MRV Clube Espanhol Ltda QTO1 SPE Ltda.	100.00%	100.00%	2,449	(28)	3,991	(32)	2,449	(28)	3,991	(32)
MRV Lincoln Veloso Incorporações SPE Ltda.	100.00%	80.00%	2,773	(229)	4,836	(233)	2,773	(183)	4,836	(186)
MRV Lincoln Veloso Top Life Acaapulco SPE Ltda.	100.00%	100.00%	(4,254)	655	(4,945)	3,378	(4,254)	655	(4,945)	3,378
MRV LXXXV Incorporações SPE Ltda.	100.00%	100.00%	5,130	19,887	29,122	32,989	5,130	19,887	29,122	32,989
MRV MD Lagoa Olhos D'Água SPE Ltda.	100.00%	100.00%	5,479	(68)	8,979	(130)	5,479	(68)	8,979	(130)
MRV MDI Bahia Incorporações SPE Ltda.	100.00%	100.00%	1,161	18,611	6,182	36,616	1,161	18,611	6,182	36,616
MRV MRL 20 de Janeiro SPE Ltda.	100.00%	100.00%	1,655	-	4,421	(1)	1,655	-	4,421	(1)
MRV MRL Baía da Babitonga SPE Ltda.	100.00%	100.00%	(6,992)	8,345	(10,355)	15,537	(6,992)	8,345	(10,355)	15,537
MRV MRL LXXXIX Incorporações SPE Ltda.	99.00%	99.00%	(1,183)	(2,035)	(3,879)	3,414	(1,171)	(2,015)	(3,840)	3,380
MRV MRL Plural 2 Incorporações SPE Ltda.	100.00%	100.00%	6,164	1,033	8,123	1,408	6,164	1,033	8,123	1,408
MRV MRL Plural 3 Incorporações SPE Ltda.	100.00%	100.00%	1,907	55	11,304	10	1,907	55	11,304	10
MRV MRL RJ e Grande Rio SPE Ltda.	50.00%	50.00%	37,978	7,990	69,790	9,694	18,989	3,995	34,895	4,847
MRV Prime Incorporações Mato Grosso do Sul SPE Ltda.	50.00%	50.00%	19,166	2,656	33,600	6,912	9,583	1,328	16,800	3,456
MRV Prime LX Incorporações SPE Ltda.	99.00%	99.00%	(345)	(1,807)	194	(4,358)	(342)	(1,789)	192	(4,314)
MRV Prime LXIV Incorporações SPE Ltda.	99.00%	99.00%	27,579	17,065	61,738	23,704	27,303	16,894	61,121	23,467
MRV Prime LXV Incorporações SPE Ltda.	99.00%	99.00%	(105)	398	(910)	4,744	(104)	394	(901)	4,697
MRV Prime LXXIV SPE Ltda.	99.00%	99.00%	2,269	2,761	5,481	2,739	2,246	2,733	5,426	2,712
MRV Prime Proj MT B2 Incorporações SPE Ltda.	50.00%	50.00%	92	4,017	1,130	6,763	46	2,009	565	3,382
MRV Prime Projeto Campo Grande J SPE Ltda.	50.00%	50.00%	4,288	1,096	8,021	2,957	2,144	548	4,011	1,479
MRV Prime Projeto MT E Incorporações SPE Ltda.	50.00%	50.00%	12,117	2,149	18,390	5,453	6,059	1,075	9,195	2,727
MRV Prime Projeto MT J2 Incorporações SPE Ltda.	50.00%	50.00%	(1,010)	9,843	(792)	13,241	(505)	4,922	(396)	6,621
MRV Prime Projeto Palmas D SPE Ltda.	40.00%	40.00%	5,458	(30)	12,577	(34)	2,183	(12)	5,031	(14)
MRV XC Incorporações SPE Ltda.	100.00%	100.00%	50,796	4,845	68,058	8,537	50,796	4,845	68,058	8,537
MRV XCV Incorporações QR01 SPE Ltda.	100.00%	100.00%	4,350	-	4,317	(2)	4,350	-	4,317	(2)
Parque Lagoa dos Diamantes Incorporações SPE Ltda.	100.00%	89.43%	2,896	2,001	2,091	6,617	2,896	1,789	2,091	5,918
Prive Praia de Piedade SPE Ltda.	100.00%	100.00%	(2,942)	(139)	(3,467)	(421)	(2,942)	(139)	(3,467)	(421)
MRV MRL Santa Catarina Incorporações SPE Ltda.	100.00%	100.00%	3,166	(2)	3,151	(9)	3,166	(2)	3,151	(9)
Reserva Real SPE Ltda.	100.00%	100.00%	4,066	94	9,198	1,017	4,066	94	9,198	1,017
Vila Velha SPE Ltda.	100.00%	100.00%	(5)	(254)	6,501	3,136	(5)	(254)	6,501	3,136
SPEs and others (476)			(3,458)	(13,051)	(24,031)	(36,602)	(7,295)	(20,306)	(28,563)	(41,191)
Capitalized interest			-	-	-	-	(10,426)	(7,521)	(19,479)	(15,291)
Total subsidiaries			223,265	356,627	351,971	497,553	173,244	313,436	256,500	431,738
Total of subsidiaries and joint ventures			255,288	344,110	397,751	480,952	195,229	303,751	284,506	416,924

- [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\$36,557 (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 82.22%. This transaction generated an adjustment on this investment's fair value of R\$5,387 and the reversal of the previously recorded goodwill of R\$7,043, 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 June 30, 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 March 31, 2023 the restricted amounts for distribution amounted to R\$123,314 (R\$122,175, as at December 31, 2022).

b) Changes in equity investments are as follows:

	Opening balance	Capital subscription (reduction and distribution of profits)	Results from equity interest in investees	Others	Closing balance
Six-month period ended June 30, 2023:					
Joint ventures:					
MRL Engenharia e Empreendimentos S.A.					
Cost	6,383	-	368	222	6,973
Fair Value	8,744	-	(1,715)	2,696	9,725
Goodwill	21,003	-	-	292	21,295
Total MRL	36,130	-	(1,347)	3,210	37,993
Prime Incorporações e Construções S.A.					
Cost	45,168	-	35,802	9,368	90,338
Fair Value	826	-	(1,840)	3,410	2,396
Goodwill	17,174	-	-	1,118	18,292
Total Prime	63,168	-	33,962	13,896	111,026
Parque Castelo de Gibraltar SPE Ltda.	4,092	(966)	(164)	-	2,962
Parque Castelo de Andorra SPE Ltda.	7,384	(2,631)	(166)	-	4,587
SPEs and others (37)	43,849	4,108	(872)	-	47,085
SCPs (34)	3,713	2,762	(3,407)	-	3,068
Total joint ventures	158,336	3,273	28,006	17,106	206,721
Elimination of indirect ownership	(388,226)	-	(66,331)	1,427	(453,130)
Total joint ventures	(229,890)	3,273	(38,325)	18,533	(246,409)
Total Joint ventures and associated companies - Consolidated	191,366	3,194	(29,396)	80,406	245,570
Net capital deficiency liability - Equity interest in investees - Consolidated	(421,256)	79	(8,929)	(61,873)	(491,979)
Total joint ventures	(229,890)	3,273	(38,325)	18,533	(246,409)
Subsidiaries:					
MRV (US) Holdings Corporation [1]	1,091,116	25,852	(2,626)	(83,572)	1,030,770
MRV Construções Ltda	30,108	-	(157)	-	29,951
Urba Desenvolvimento Urbano S.A.	116,691	4,175	(17,000)	369	104,235
MRV LXXXV Incorporações SPE Ltda.	104,616	(34,644)	29,122	-	99,094
MRV Prime LXIV Incorporações SPE Ltda.	112,644	(35,624)	61,121	-	138,141
MRV XC Incorporações SPE Ltda.	83,910	(27,103)	68,058	-	124,865
SCPs (241)	455,372	(2,958)	4,500	-	456,914
SPEs (510)	829,533	(149,483)	132,961	(27,990)	785,021
Capitalized interest	174,692	-	(19,479)	60,130	215,343
Total of subsidiaries	2,998,682	(219,785)	256,500	(51,063)	2,984,334
Total of subsidiaries and joint ventures	3,157,018	(216,512)	284,506	(33,957)	3,191,055
Total of subsidiaries, joint ventures and associated companies - Parent Company	3,389,372	(226,373)	339,784	(33,957)	3,468,826
Net capital deficiency liability - Equity interest in investees - Parent Company	(232,354)	9,861	(55,278)	-	(277,771)
Total of subsidiaries and joint ventures	3,157,018	(216,512)	284,506	(33,957)	3,191,055
Six-month period ended June 30, 2022:					
Total joint ventures - Consolidated	190,530	144	(42,215)	55,779	204,238
Net capital deficiency liability - Equity interest in investees - Consolidated	(375,103)	2,488	(4,091)	(38,298)	(415,004)
Total Joint ventures	(184,573)	2,632	(46,306)	17,481	(210,766)
Total joint ventures and associated companies - Parent Company	2,853,760	(51,380)	443,124	12,182	3,257,686
Net capital deficiency liability - Equity interest in investees - Parent Company	(188,669)	5,492	(26,200)	-	(209,377)
Total of subsidiaries and joint ventures	2,665,091	(45,888)	416,924	12,182	3,048,309

[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:

	6/30/23						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 (40)	SCPs (35)
Current assets	38,769	38,794	4,006	10,551	58,690	7,161	14,640	11,583	4,718	19,263	46,171	7,027
Noncurrent assets	483,951	417,835	3,156	6,119	191,663	5,349	438,335	417,338	2,895	5,585	185,868	4,472
	522,720	456,629	7,162	16,670	250,353	12,510	452,975	428,921	7,613	24,848	232,039	11,499
Current liabilities	73,689	64,604	1,184	2,966	100,848	3,824	39,305	69,445	630	4,831	98,916	3,657
Noncurrent liabilities	440,550	276,651	1,421	4,531	57,940	3,004	405,532	293,700	688	5,249	46,394	1,241
Equity	8,481	115,374	4,557	9,173	91,565	5,682	8,138	65,776	6,295	14,768	86,729	6,601
	522,720	456,629	7,162	16,670	250,353	12,510	452,975	428,921	7,613	24,848	232,039	11,499
Total interest %	82.22	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

	1 st half of 2023						1 st half of 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 (37)	SCPs (35)
Net operating revenue	-	-	(448)	6,088	37,603	143	-	-	(350)	23,916	6,465	(818)
Cost of real estate sold	-	-	(328)	(5,403)	(15,681)	(2,646)	-	-	(566)	(17,048)	(10,833)	(1,259)
Operating income (expenses)	(4,792)	(9,295)	(62)	(712)	(18,475)	(3,160)	(6,998)	(6,986)	(348)	(1,408)	(5,609)	(1,888)
Results from equity interest in investees	23,169	64,595	-	-	-	-	10,339	31,711	-	-	-	-
Financial results	(18,038)	(5,996)	603	(200)	(472)	159	(20,296)	(15,701)	679	1	629	266
Income tax and social contribution	-	-	(17)	(104)	(697)	(54)	-	-	(19)	(476)	(24)	20
(Loss) net income for the year	339	49,304	(252)	(331)	2,278	(5,558)	(16,955)	9,024	(604)	4,985	(9,372)	(3,679)
Total interest %	82.22	78.30	65.00	50.00	From 30 to 70	From 32 to 95	77.91	69.70	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 June 30, 2023 and December 31, 2022, are as follows:

	Consolidated			
	6/30/23		12/31/22	
Projects under Law 10931/04 (segregate estates)	9,417,532	40.34%	8,162,218	36.11%
Silent partnerships (SCPs)	336,501	1.44%	335,838	1.49%
Special Purpose Entities (SPEs)	342,741	1.47%	335,410	1.48%
Other entities	7,705,243	33.01%	7,899,696	34.95%
Projects with segregation	17,802,017	76.26%	16,733,162	74.03%
Balances without segregation	5,542,657	23.74%	5,868,167	25.97%
Total Consolidated	23,344,674	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 6/30/23	Fair value with level measurement	Fair value 6/30/23	Net cost 12/31/22
Properties under construction	2,506,413	3	2,957,225	2,731,450
Landbank	905,186	3	1,053,472	896,907
Right of use	95,362		95,362	104,271
Subtotal Resia	3,506,961		4,106,059	3,732,628
Properties under construction	219,059	3	321,847	178,583
Landbank	65,425		65,425	53,558
Subtotal Subsidiaries	3,791,445		4,493,331	3,964,769
Properties under construction	8,874	3	8,874	3,505
Landbank	55,619		55,619	127,889
Subtotal Parent Company [1]	64,493		64,493	131,394
Properties under construction	2,734,346		3,287,946	2,913,538
Landbank	1,026,230		1,174,516	1,078,354
Right of use	95,362		95,362	104,271
Total Consolidated [1]	3,855,938		4,557,824	4,096,163

[1] Stated at cost, as mentioned in the investment property policy described in note 2.2 (c) to the financial statements for the year ended 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 six-month period ended June 30, 2023 and 2022 were as follows:

	Consolidated		Parent Company	
	1 st half of		1 st half of	
	2023	2022	2023	2022
Opening balance	4,096,163	2,319,080	131,394	281,937
Additions	844,705	1,658,543	9,077	35,618
Transfer from (investment property to inventories) inventories to investment property	(55,174)	23,348	(53,951)	-
Transfer to subsidiaries	-	-	(22,027)	(99,049)
Transfer to noncurrent assets held for sale	(754,532)	(464,670)	-	-
Capitalized interest (Note 12 (d))	43,945	26,930	-	-
Write-off of capitalized interest	(2,953)	-	-	-
Write-off due to asset sale	(27,990)	(742,872)	-	(112,509)
Currency translation adjustments	(288,226)	(107,792)	-	-
Closing balance	3,855,938	2,712,567	64,493	105,997

Noncurrent assets held for sale

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

	Consolidated	
	1 st half of	
	2023	2022
Opening balance	-	174,134
Transfer from noncurrent assets held for sale (*)	754,532	464,670
Additions	17,446	-
Write-off due to asset sales (**)	(299,788)	(163,195)
Currency translation adjustments	(36,828)	3,678
Closing balance	435,362	479,287

(*) 2023 refers to transfer of Pine Ridge, Biscayne Village, Hutto Square and PGA at St Lucie Constry and 2022 refers to transfer of Oak Enclave projects of subsidiary Resia.

(**) 2023 refers write-off due to sale of Pine Ridge and 2022 refers to write-off due to sale of Coral Reef project of subsidiary Resia.

Other information on 'Investment property' is not significantly different from the information disclosed in Note 9 to the financial statements for the year ended December 31, 2022.

10. Property and equipment

Changes in property and equipment for the six-month period ended June 30, 2023 and 2022 are as follows:

Consolidated	Average annual depreciation rates	Opening balance	Addition	Write-off	Transfer	Currency translation adjustments	Closing balance
Six-month period ended June 30, 2023:							
Cost:							
Right-of-use		152,204	2,453	-	-	(1,329)	153,328
Buildings, facilities and leasehold improvements		54,594	335	(917)	1,329	(216)	55,125
Aircraft and vehicles in use		50,097	66	-	-	(91)	50,072
Machinery and equipment		784,930	79,318	(2,222)	2,249	(10,766)	853,509
Furniture and fixtures		4,813	-	-	-	(156)	4,657
IT equipment and installations		8,269	56	-	264	(123)	8,466
Sales booths, stores and model apartments		71,044	5,304	(318)	5,705	-	81,735
Works in progress		18,193	16,776	(56)	(9,547)	-	25,366
Total cost		1,144,144	104,308	(3,513)	-	(12,681)	1,232,258
Accumulated depreciation:							
Right-of-use	Sundry	51,236	8,866	-	-	(92)	60,010
Buildings, facilities and leasehold improvements	13.36%	35,921	3,401	(635)	-	(117)	38,570
Aircraft and vehicles in use	10.02%	3,223	1,813	-	-	(80)	4,956
Machinery and equipment	11.65%	235,265	15,617	(1,222)	-	(1,805)	247,855
Furniture and fixtures	10.00%	3,323	236	-	-	(75)	3,484
IT equipment and installations	20.00%	5,752	456	218	-	(114)	6,312
Sales booths, stores and model apartments	25.19%	31,034	7,633	(233)	-	-	38,434
Total accumulated depreciation		365,754	38,022	(1,872)	-	(2,283)	399,621
Total property and equipment, net		778,390	66,286	(1,641)	-	(10,398)	832,637
Six-month period ended June 30, 2022:							
Total property and equipment, net		614,443	137,383	(23,926)	-	(3,250)	724,650

Parent Company	Average annual depreciation rates	Opening balance	Addition	Write-off	Transfer	Closing balance
Six-month period ended June 30, 2023:						
Cost:						
Right-of-use		133,521	-	-	-	133,521
Buildings, facilities and leasehold improvements		44,569	331	(547)	1,864	46,217
Aircraft and vehicles in use		48,947	-	-	-	48,947
Machinery and equipment		640,208	72,888	(2,222)	3,193	714,067
Furniture and fixtures		2,639	-	-	-	2,639
IT equipment and installations		5,553	56	-	-	5,609
Sales booths, stores and model apartments		40,575	1,889	-	3,278	45,742
Works in progress		10,779	4,267	(56)	(6,814)	8,176
Total cost		926,791	79,431	(2,825)	1,521	1,004,918
Accumulated depreciation:						
Right-of-use	Sundry	50,606	6,935	-	-	57,541
Buildings, facilities and leasehold improvements	13.36%	30,758	2,535	(380)	543	33,456
Aircraft and vehicles in use	10.02%	2,205	1,762	-	-	3,967
Machinery and equipment	11.65%	207,682	14,313	(674)	324	221,645
Furniture and fixtures	10.00%	2,485	2	-	-	2,487
IT equipment and installations	20.00%	4,215	233	-	-	4,448
Sales booths, stores and model apartments	25.19%	17,573	4,200	-	-	21,773
Total accumulated depreciation		315,524	29,980	(1,054)	867	345,317
Total property and equipment, net		611,267	49,451	(1,771)	654	659,601
Six-month period ended June 30, 2022:						
Total property and equipment, net		514,301	68,883	(22,886)	(1,332)	558,966

As at June 30, 2023, there are no assets pledged as collateral (R\$797 as at December 31, 2022).

Other information on 'Property and equipment' is not significantly different from the information disclosed in Note 10 to the financial statements for the year ended December 31, 2022.

11. Intangible assets

Changes in intangible assets for the six-month period ended June 30, 2023 and 2022 are as follows:

Consolidated	Opening balance	Addition	Transfer	Currency translation adjustments	Closing balance
Six-month period ended June 30, 2023:					
Cost:					
Software development	288,947	2,895	34,563	(765)	325,640
Software license	56,135	-	-	-	56,135
Intangibles under development	37,930	18,219	(34,563)	-	21,586
Trademarks and patents	24,000	-	-	-	24,000
Total cost	407,012	21,114	-	(765)	427,361
Accumulated amortization:					
Software development	170,330	21,648	-	(301)	191,677
Software license	55,600	274	-	-	55,874
Total accumulated amortization	225,930	21,922	-	(301)	247,551
Total intangible assets	181,082	(808)	-	(464)	179,810
Six-month period ended June 30, 2022:					
Total intangible assets	177,344	7,785	-	(442)	184,687

Parent Company	Opening balance	Addition	Transfer	Closing balance
Six-month period ended June 30, 2023:				
Cost:				
Software development	277,531	95	33,561	311,187
Software license	56,131	-	-	56,131
Intangibles under development	36,007	18,216	(33,561)	20,662
Trademarks and patents	24,000	-	-	24,000
Total cost	393,669	18,311	-	411,980
Accumulated amortization:				
Software development	165,068	20,559	-	185,627
Software license	55,595	274	-	55,869
Total accumulated amortization	220,663	20,833	-	241,496
Total intangible assets	173,006	(2,522)	-	170,484
Six-month period ended June 30, 2022:				
Total intangible assets	167,236	7,164	-	174,400

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

Other information on ‘Intangible assets’ is not significantly different from the information disclosed in Note 11 to the financial statements for the year ended December 31, 2022.

12. Loans, financing and debentures

(a) Loans, financing and debentures:

The position of loans, financing and debentures as at June 30, 2023 and December 31, 2022, is as follows:

Type	Currency	Maturity of principal	Effective rate p.a.	6/30/23			12/31/22
				Current	Noncurrent	Total	Total
Parent Company:							
Debenture - 11 th Issue - 3 rd series [1]	R\$	9/23 and 9/24	IPCA + 6.47%	90,138	81,758	171,896	161,782
Debenture - 12 th Issue - 1 st series	R\$	7/23	DI + 1.52%	319,574	-	319,574	320,172
Debenture - 12 th Issue - 2 nd series	R\$	7/24 and 7/25	DI + 1.79%	3,662	51,300	54,962	55,068
Debenture - 12 th Issue - 3 rd series	R\$	7/23	DI + 1.62%	116,811	-	116,811	117,031
Debenture - 12 th Issue - 4 th series	R\$	7/23	DI + 1.62%	88,917	-	88,917	89,085
Debenture - 13 th Issue (CRI)	R\$	3/24 to 9/24	DI + 0.83%	22,018	100,000	122,018	122,018
Debenture - 14 th Issue (CRI)	R\$	5/24	100.4% DI + 0.28%	364,246	-	364,246	364,431
Debenture - 15 th Issue	R\$	11/22 to 11/25	DI + 1.19%	78,113	150,000	228,113	228,113
Debenture - 16 th Issue	R\$	4/23 to 4/25	DI + 1.69%	35,640	33,333	68,973	103,518
Debenture - 17 th Issue	R\$	4/21 to 4/23	DI + 3.68%	-	-	-	11,442
Debenture - 18 th Issue	R\$	8/25	DI + 2.54%	26,562	500,000	526,562	527,196
Debenture - 19 th Issue (CRI) [1]	R\$	4/29 to 4/31	IPCA + 5.87%	5,087	458,519	463,606	455,842
Debenture - 21 st Issue (CRI) [1]	R\$	2/28 and 2/29	IPCA + 6.92%	18,006	738,821	756,827	742,386
Debenture - 22 nd Issue - 1 st series (CRI) [1] [3]	R\$	9/28 to 9/30	IPCA + 8.48%	6,820	350,886	357,706	351,479
Debenture - 22 nd Issue - 2 nd series (CRI) [1] [3]	R\$	9/30 to 9/32	IPCA + 8.68%	4,052	202,802	206,854	203,611
Debenture - 24 th Issue	R\$	6/25	DI + 3.43%	-	87,000	87,000	-
(-) Funding cost				(13,837)	(67,648)	(81,485)	(44,754)
Total debentures and CRI - Parent Company				1,165,809	2,686,771	3,852,580	3,808,420
Construction financing	R\$	1/23 to 3/28	TR + 8.47%	18,414	212,482	230,896	160,001
Construction financing	R\$	9/23 to 9/27	DI + 2.27%	80,161	99,323	179,484	155,478
Construction financing	R\$	4/24 to 2/27	Savings deposits + 4.31%	1,017	98,107	99,124	118,223
Construction financing	R\$	7/24 to 1/27	TLP + 2.73%	11,602	150,000	161,602	70,035
Commercial notes - 1 st issue	R\$	8/24 to 5/25	DI + 3.50%	2,450	150,000	152,450	-
Leasing	R\$	9/19 to 5/23	DI + 2.00% to 2.93%	-	-	-	14
(-) Funding cost				(773)	(429)	(1,202)	-
Total loans and financing - Parent Company				112,871	709,483	822,354	503,751
Total Parent Company				1,278,680	3,396,254	4,674,934	4,312,171
Subsidiaries:							
Debenture - 2 nd Issue - Urba	R\$	6/21 to 6/23	DI + 1.73%	-	-	-	20,202
Debenture - 3 rd Issue - Urba (CRI)	R\$	3/24	DI + 1.10%	60,093	-	60,093	60,093
Debenture - 4 th Issue - Urba	R\$	4/23 to 4/25	DI + 1.71%	14,256	13,333	27,589	41,407
Debenture - 5 th Issue - Urba	R\$	4/27	DI + 2.02%	2,198	80,000	82,198	82,198
Debenture - 6 th Issue - Urba	R\$	5/25	DI + 3.71%	1,490	110,000	111,490	-
(-) Funding cost				(1,718)	(1,615)	(3,333)	(1,707)
Total debentures and CRI - Subsidiaries				76,319	201,718	278,037	202,193
Project loans	US\$	2/25	Libor + 2.75%	-	205,298	205,298	360,329
Project loans	US\$	9/23	WSJ Prime + 0.25%	101,801	-	101,801	-
Project loans	US\$	3/24 and 4/25	8.65% and 10.44%	170,320	87,917	258,237	182,620
Project loans	US\$	6/24 to 8/25	SoFr + 2.25% to 3.50%	49,305	209,693	258,998	241,465
Project loans	US\$	7/25 to 2/26	Bsby + 2.25%	-	311,807	311,807	144,499
Loan agreements [2]	US\$	2/25 to 2/26	3.80% to 4.37%	16,284	1,142,150	1,158,434	1,254,836
Construction financing	R\$	4/16 to 3/23	TR + 13.53%	-	-	-	502
Construction financing	R\$	11/21 to 1/28	TR + 8.39%	27,148	265,312	292,460	222,405
Construction financing	R\$	4/23 to 12/27	DI + 2.22%	51,407	219,472	270,879	275,158
Construction financing	R\$	5/24 to 8/26	Savings deposits + 4.51%	1,131	55,451	56,582	100,558
Construction financing	R\$	7/24 to 1/27	TLP + 2.73%	2,420	37,470	39,890	121,560
Construction financing	R\$	2/25 to 1/27	TLP + 2.15%	3,820	130,042	133,862	14,668
Construction financing	R\$	7/24 to 6/25	TLP + 2.85%	41	43,330	43,371	-
Construction financing	R\$	5/24 to 4/27	TLP + 3.15%	4,371	43,407	47,778	-
(-) Funding cost				(1,171)	(2,911)	(4,082)	(3,788)
Total loans and financing - Subsidiaries				426,877	2,748,438	3,175,315	2,914,812
Total subsidiaries				503,196	2,950,156	3,453,352	3,117,005
Total Consolidated				1,781,876	6,346,410	8,128,286	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	
	1 st half of	
	2023	2022
Opening balance	-	131,142
Transfer from loans, financing and debentures (*)	442,526	244,584
Funding	175,575	-
Accrued interest	6,673	-
Repayment of principal	(312,473)	(122,903)
Payment of financial charges	(14,376)	-
Currency translation adjustments	(14,985)	(545)
Closing balance	282,940	252,278

(*) 2023 refers to transfer of Project loans from Pine Ridge, Biscayne Village and Hutto Square. 2022 refers to transfer of Project loans from Oak Enclave. All projects of subsidiary Resia.

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 - 11 th Issue - 3 rd series	Single	12,120	9/17	Annual	Annual	9/23 and 9/24	IPCA + 6.45%	IPCA + 6.47%
Debenture - 12 th Issue - 1 st series	Single	29,870	8/18	Bullet payment	Semiannual	7/23	DI + 1.40%	DI + 1.52%
Debenture - 12 th Issue - 2 nd series	Single	5,130	8/18	Annual	Semiannual	7/24 and 7/25	DI + 1.70%	DI + 1.79%
Debenture - 12 th Issue - 3 rd series	Single	10,913	8/18	Bullet payment	Semiannual	7/23	DI + 1.50%	DI + 1.62%
Debenture - 12 th Issue - 4 th series	Single	8,307	8/18	Bullet payment	Semiannual	7/23	DI + 1.50%	DI + 1.62%
Debenture - 13 th Issue (CRI)	-	-	3/19	Semiannual	Quarterly	3/24 to 9/24	100% DI	DI + 0.83%
Debenture - 14 th Issue (CRI)	-	-	6/19	Bullet payment	Semiannual	5/24	100.4% DI	100.4% DI + 0.28%
Debenture - 15 th Issue	Single	300,000	11/19	Annual	Semiannual	11/22 to 11/25	DI + 1.06%	DI + 1.19%
Debenture - 16 th Issue	Single	100,000	4/20	Annual	Semiannual	4/23 to 4/25	DI + 1.50%	DI + 1.69%
Debenture - 17 th Issue	Single	50,000	4/20	Quarterly	Quarterly	4/21 to 4/23	DI + 3.00%	DI + 3.68%
Debenture - 18 th Issue	Single	500,000	8/20	Bullet payment	Semiannual	8/25	DI + 2.40%	DI + 2.54%
Debenture - 19 th Issue (CRI)	-	-	4/21	Annual	Semiannual	4/29 to 4/31	IPCA + 5.43%	IPCA + 5.87%
Debenture - 21 st Issue (CRI)	-	-	2/22	Annual	Semiannual	2/28 and 2/29	IPCA + 6.60%	IPCA + 6.92%
Debenture - 22 nd Issue - 1 st series (CRI)	-	-	9/22	Annual	Semiannual	9/28 to 9/30	IPCA + 6.48%	IPCA + 8.48%
Debenture - 22 nd Issue - 2 nd series (CRI)	-	-	9/22	Annual	Semiannual	9/30 to 9/32	IPCA + 6.74%	IPCA + 8.68%
Debenture - 24 th Issue	Single	97,380	6/23	Bullet payment	Bullet payment	6/25	DI + 2.20%	DI + 3.43%
Debenture - 2 nd Issue - Urba	Single	6,000	6/18	Annual	Semiannual	6/21 to 6/23	DI + 1.22%	DI + 1.73%
Debenture - 3 rd Issue - Urba (CRI)	-	-	3/19	Bullet payment	Quarterly	3/24	DI + 0.20%	DI + 1.10%
Debenture - 4 th Issue - Urba	Single	40,000	4/20	Annual	Semiannual	4/23 to 4/25	DI + 1.50%	DI + 1.71%
Debenture - 5 th Issue - Urba	Single	80,000	4/22	Bullet payment	Semiannual	4/27	DI + 1.75%	DI + 2.02%
Debenture - 6 th Issue - Urba	Single	110,000	5/23	Bullet payment	Semiannual	5/25	DI + 2.65%	DI + 3.71%
Construction financing	-	-	3/16	Monthly	Monthly	4/16 to 3/23	TR + 13.29%	TR + 13.53%
Construction financing	-	-	Sundry	Sundry	Monthly	11/21 to 7/27	TR + 8.43%	TR + 8.43%
Construction financing	-	-	Sundry	Sundry	Monthly	4/23 to 12/27	DI + 2.24%	DI + 2.24%
Construction financing	-	-	Sundry	Sundry	Monthly	4/24 to 2/27	Savings deposits + 4.41%	Savings deposits + 4.41%
Construction financing	-	-	Sundry	Semiannual	Semiannual	7/24 to 1/27	TLP + 2.73%	TLP + 2.73%
Construction financing	-	-	Sundry	Monthly	Sundry	2/25 to 1/27	TLP + 2.15%	TLP + 2.15%
Construction financing	-	-	Sundry	Monthly	Sundry	7/24 to 6/25	TLP + 2.85%	TLP + 2.85%
Construction financing	-	-	Sundry	Monthly	Sundry	5/24 to 4/27	TLP + 3.15%	TLP + 3.15%
Commercial notes - 1 st issue	-	-	5/23	Quarterly	Quarterly	8/24 to 5/25	DI + 2.95%	DI + 3.50%
Leasing	-	-	Sundry	Monthly	Monthly	9/19 to 5/23	DI + 2.00% to 2.93%	DI + 2.00% to 2.93%
Project loans	-	-	Sundry	Bullet payment	Monthly	2/25	Libor + 2.75%	Libor + 2.75%
Project loans	-	-	Sundry	Sundry	Monthly	6/24 to 8/25	SoFr + 2.25% to 3.50%	SoFr + 2.25% to 3.50%
Project loans	-	-	Sundry	Sundry	Monthly	3/24 and 4/25	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	9/23	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 and 22nd 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 six-month period ended June 30, 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 3/28	TR + 8.47%	235,926
Construction financing	R\$	Sundry	Sundry	Monthly	2/23 to 12/27	DI + 2.27%	111,170
Construction financing	R\$	Sundry	Sundry	Monthly	5/24 to 7/27	Savings deposits + 4.31%	26,633
Construction financing	R\$	Sundry	Semiannual	Semiannual	7/24 to 1/27	TLP + 2.73%	80,000
Debenture - 24 th Issue	R\$	6/23	Bullet payment	Bullet payment	6/25	DI + 2.20%	87,000
Commercial notes - 1 st issue	R\$	5/23	Quarterly	Quarterly	8/24 to 5/25	DI + 2.95%	150,000
Total - Parent Company							690,729
Construction financing	R\$	Sundry	Sundry	Monthly	2/23 to 1/28	TR + 8.39%	321,133
Construction financing	R\$	Sundry	Sundry	Monthly	2/23 to 4/27	DI + 2.22%	121,806
Construction financing	R\$	Sundry	Sundry	Monthly	5/24 to 9/26	Savings deposits + 4.51%	24,470
Construction financing	R\$	Sundry	Sundry	Sundry	4/23 to 1/27	TLP + 2.15% to 3.15%	233,276
Debenture - 6 th 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%	45,310
Project loans	US\$	3/23	Bullet payment	Monthly	9/23	WSJ Prime + 0.25%	106,436
Project loans	US\$	Sundry	Bullet payment	Monthly	3/25	10.44%	91,695
Project loans	US\$	Sundry	Sundry	Monthly	3/24 to 8/25	SoFr + 2.25% to 7.00%	363,761
Project loans	US\$	Sundry	Sundry	Monthly	4/25 to 2/26	Bsby + 2.25% to 2.35%	302,638
Loan agreements	US\$	2/23	Bullet payment	Bullet payment	3/23	WSJ Prime + 0.25%	22,835
Total - Subsidiaries							1,743,360
Total - Consolidated							2,434,089

(*) Gross of funding costs.

Changes in loans, financing and debentures are as follows:

	Consolidated		Parent Company	
	1 st half of		1 st half of	
	2023	2022	2023	2022
Opening balance	7,429,176	5,232,776	4,312,171	3,471,435
Funding	2,258,514	2,753,058	690,729	1,086,694
Accrued interest	431,476	312,289	298,806	251,260
Fair value adjustment	(28,966)	(9,339)	(28,966)	(9,339)
Funding costs	(47,559)	(15,132)	(44,059)	(11,383)
Amortization of funding costs	7,386	5,308	6,125	4,340
Repayment of principal	(988,895)	(1,555,111)	(343,616)	(755,411)
Payment of financial charges	(309,154)	(218,774)	(216,256)	(171,337)
Transfer to noncurrent assets held for sale	(442,526)	(244,584)	-	-
Currency translation adjustments	(181,166)	(61,339)	-	-
Closing balance	8,128,286	6,199,152	4,674,934	3,866,259

During the six-month period ended June 30, 2023, the Company paid in advance construction financing in the amount of R\$23,059, with maturities between February 2024 to August 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 June 30, 2023 are as follows:

	Consolidated						
	Debentures	Bank credit notes	Construction financing	Commercial notes	Project loans	Loan agreements	Total
Collateral / surety	-	-	225,011	-	485,212	1,158,434	1,868,657
Collateral / receivables	-	-	1,129,425	-	650,929	-	1,780,354
No guarantees	1,884,085	2,331,350	201,492	152,450	-	-	4,569,377
Total (*)	1,884,085	2,331,350	1,555,928	152,450	1,136,141	1,158,434	8,218,388

(*) 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.	4/8/20	4/1/25	41,384
	3/31/21	3/30/26	114,168
	9/23/21	9/16/26	167,834
	4/29/22	4/22/27	102,747
	5/30/23	5/19/25	91,219
Prime Incorporações e Construções S.A.	6/26/19	6/26/24	50,110
	9/23/21	9/14/26	208,280
	4/29/22	4/22/27	51,374
	5/30/23	5/19/25	30,406
			857,522

(c) Aging

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

After the reporting period	Consolidated		Parent Company	
	6/30/23	12/31/22	6/30/23	12/31/22
12 months	2,082,315	1,159,659	1,293,290	887,372
13 to 24 months	2,088,187	1,563,877	751,464	839,761
25 to 36 months	2,238,054	2,148,563	835,202	867,453
37 to 48 months	336,683	800,170	124,028	40,666
After 48 months	1,756,089	1,807,156	1,753,637	1,721,673
Total	8,501,328	7,479,425	4,757,621	4,356,925

(d) Allocation of financial charges

	Consolidated			
	2023		2022	
	2 nd quarter	1 st half	2 nd quarter	1 st half
Gross financial charges (*)	255,893	489,258	170,655	318,055
Capitalized financial charges on:				
Real estate under construction and landbank	(96,353)	(201,898)	(100,201)	(191,156)
Investment property	(32,253)	(43,945)	(12,150)	(26,930)
Amounts recognized in financial result (Note 24)	127,287	243,415	58,304	99,969
<u>Financial charges</u>				
Opening balance	809,039	756,195	611,485	564,384
Currency translation adjustments	(4,205)	(5,907)	5,563	(1,559)
Capitalized financial charges	128,606	245,843	112,351	218,086
Charges allocated to profit or loss:				
Cost of real estate sold and services provided (Note 23)	(66,846)	(129,537)	(56,654)	(108,010)
Sale of assets	(9,677)	(9,677)	(2,345)	(2,387)
Results from equity interest in investees	-	-	(104)	(218)
Closing balance	856,917	856,917	670,296	670,296
Capitalized financial charges related to:				
Real estate under construction and landbank	773,781	773,781	606,191	606,191
Equity interest in investees	-	-	3,140	3,140
Investment property	83,136	83,136	60,965	60,965
	856,917	856,917	670,296	670,296

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

	Parent Company			
	2023		2022	
	2 nd quarter	1 st half	2 nd quarter	1 st half
Gross financial charges (*)	170,465	340,538	134,007	248,300
Capitalized financial charges on:				
Real estate under construction and landbank	(50,988)	(99,563)	(69,614)	(127,233)
Equity interest in investees	(27,069)	(60,130)	(11,764)	(29,226)
Amounts recognized in financial result (Note 24)	92,408	180,845	52,629	91,841
Financial charges				
Opening balance	693,672	658,898	540,484	504,898
Capitalized financial charges	78,057	159,693	81,378	156,459
Charges allocated to profit or loss:				
Cost of real estate sold and services provided (Note 23)	(40,314)	(78,123)	(34,695)	(66,306)
Results from equity interest in investees	(10,426)	(19,479)	(7,625)	(15,509)
Closing balance	720,989	720,989	579,542	579,542
Capitalized financial charges related to:				
Real estate under construction and landbank	505,646	505,646	428,333	428,333
Equity interest in investees	215,343	215,343	151,209	151,209
	720,989	720,989	579,542	579,542

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

During the six-month period ended June 30, 2023, total financial charges capitalized on loans, financing and debentures represented an average charge rate of 14.57% p.a. (12.82% p.a. in the same period of 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
<ul style="list-style-type: none"> 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 (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, 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 (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 barter, 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 interim financial statements. Unearned revenue corresponds to the balance disclosed in notes to the consolidated interim 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. 	

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 June 30, 2023, the Company was in compliance with the restrictive clauses of its loan, financing and debenture agreements.

Other information on 'Loans, financing and debentures' is not significantly different from the information disclosed in Note 12 to the financial statements for the year ended December 31, 2022.

13. Land payables

	Consolidated		Parent Company	
	6/30/23	12/31/22	6/30/23	12/31/22
INCC	302,686	453,513	97,151	130,549
IGP-M	46,540	73,676	44,031	66,319
IPCA	281,129	435,432	71,209	161,300
Other indexes	265,590	160,111	128,237	60,259
Non-interest bearing	2,645,625	3,296,961	1,513,432	2,126,132
Present value discount	(89,166)	(127,052)	(45,379)	(71,776)
Total	3,452,404	4,292,641	1,808,681	2,472,783
Current	855,269	961,985	334,892	391,952
Noncurrent	2,597,135	3,330,656	1,473,789	2,080,831
	3,452,404	4,292,641	1,808,681	2,472,783

As at June 30, 2023, 'Land payables' include financial barter in the amount of R\$2,287,853 in Consolidated and R\$1,307,842 in Parent company (R\$2,518,088 and R\$1,585,619 as at December 31, 2022, in Consolidated and Parent company, respectively).

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 June 30, 2023, R\$521,097 (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%, of the total, R\$264,701 (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 June 30, 2023, R\$1,318,883 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	
	1 st half of	
	2023	2022
Opening balance	4,292,641	4,798,787
Additions	411,496	391,072
Cancellations	(782,410)	(247,716)
Payments	(474,780)	(592,798)
Interest and present value discount	5,457	65,219
Closing balance	3,452,404	4,414,564

Aging of 'Land payables' is as follows:

Periods after the reporting period	Consolidated		Parent Company	
	6/30/23	12/31/22	6/30/23	12/31/22
12 months	855,269	961,985	334,892	391,952
13 to 24 months	1,437,610	1,751,421	479,507	716,986
25 to 36 months	380,154	546,287	301,251	433,874
37 to 48 months	175,841	267,875	141,575	226,029
After 48 months	603,530	765,073	551,456	703,942
Total	3,452,404	4,292,641	1,808,681	2,472,783

Other information on 'Land payables' is not significantly different from the information disclosed in Note 13 to the financial statements for the year ended December 31, 2022.

14. Customers advances

	Consolidated		Parent Company	
	6/30/23	12/31/22	6/30/23	12/31/22
Proceeds in advance	165,254	120,955	106,545	61,271
Advances for barter	371,792	363,359	224,084	251,053
	537,046	484,314	330,629	312,324
Current	268,554	230,772	166,292	132,865
Noncurrent	268,492	253,542	164,337	179,459
	537,046	484,314	330,629	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 June 30, 2023, R\$158,604 in Consolidated and Parent company, of total 'Advance for barter', 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	
	6/30/23	12/31/22	6/30/23	12/31/22
12 months	268,554	230,772	166,292	132,865
13 to 24 months	154,939	148,392	92,036	103,251
After 24 months	113,553	105,150	72,301	76,208
Total	537,046	484,314	330,629	312,324

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	6/30/23	12/31/22
12 months	805,943	821,148
13 to 24 months	10,076	268,568
After 24 months	-	10,076
	816,019	1,099,792

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

Other information on 'Advances from customers' is not significantly different from the information disclosed in Note 14 to the financial statements for the year ended December 31, 2022.

15. Payroll and related liabilities

	Consolidated		Parent Company	
	6/30/23	12/31/22	6/30/23	12/31/22
Salaries and wages	33,716	31,360	16,198	14,640
Payroll benefits	24,460	23,751	10,873	11,422
Accrued vacation, 13 th salary and related benefits	126,423	92,994	63,476	45,315
Provision for employees and management profit sharing	15,470	28,937	-	-
Other	1,778	1,057	1,122	759
Total	201,847	178,099	91,669	72,136

Other information on 'Payroll and related liabilities' is not significantly different from the information disclosed in Note 15 to the financial statements for the year ended December 31, 2022.

16. Tax payables

	Consolidated		Parent Company	
	6/30/23	12/31/22	6/30/23	12/31/22
Income tax and social contribution	33,415	46,002	4,714	5,425
Taxes on revenue (PIS and COFINS)	83,385	71,205	66,421	60,757
Withheld third parties taxes	14,908	14,486	7,529	7,646
Taxes withheld on interest on salaries	8,486	13,041	6,661	9,579
Other	2,190	1,090	(189)	197
Total	142,384	145,824	85,136	83,604

As at June 30, 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 are R\$119,012 and R\$84,962 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

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

	Consolidated		Parent Company	
	1 st half of		1 st half of	
	2023	2022	2023	2022
Opening balance	243,841	206,562	127,930	115,385
Additions	68,832	72,982	34,155	39,687
Write-off	(51,965)	(59,521)	(30,522)	(34,220)
Closing balance	260,708	220,023	131,563	120,852
Current	60,328	46,679	35,182	26,450
Noncurrent	200,380	173,344	96,381	94,402
	260,708	220,023	131,563	120,852

As at June 30, 2023 and December 31, 2022, amounts corresponding to 2.20% of the total construction cost actually incurred were accrued.

Other information on 'Provision for maintenance of real estate' is not significantly different from the information disclosed in Note 17 to the financial statements for the year ended December 31, 2022.

18. Provision for civil, labor and tax risks

Changes in provision are as follows:

	Opening balance	Additions	Reversals	Payments	Inflation adjustment	Closing balance
Consolidated:						
Civil	33,088	61,447	(4,584)	(50,730)	3,084	42,305
Labor	39,348	14,189	(770)	(13,332)	3,635	43,070
Others	393	343	(109)	(243)	37	421
Total - 1st half of 2023	72,829	75,979	(5,463)	(64,305)	6,756	85,796
Total - 1 st half of 2022	94,677	77,460	(10,497)	(86,141)	7,421	82,920
Parent Company:						
Civil	15,093	34,161	(2,121)	(26,131)	1,548	22,550
Labor	34,328	12,706	(375)	(11,849)	3,157	37,967
Others	294	116	(38)	(93)	27	306
Total - 1st half of 2023	49,715	46,983	(2,534)	(38,073)	4,732	60,823
Total - 1 st half of 2022	63,384	48,296	(7,500)	(56,315)	4,864	52,729

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			
	6/30/23		12/31/22		6/30/23		12/31/22	
	Total lawsuits	Probable lawsuits	Total lawsuits	Probable lawsuits	Total lawsuits	Probable lawsuits	Total lawsuits	Probable lawsuits
Civil	16,866	1,906	16,598	1,710	9,718	1,118	9,636	975
Labor	2,629	683	2,471	614	1,801	482	1,683	432
Others	1,450	29	1,363	22	1,140	17	1,072	17
Total	20,945	2,618	20,432	2,346	12,659	1,617	12,391	1,424

As shown above the main lawsuits as at June 30, 2023, and December 31, 2022 and the additions for the periods 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\$628,350 and R\$474,775 in Consolidated and Parent company, respectively, as at June 30, 2023 (R\$577,883 and R\$443,768 as at December 31, 2022 in Consolidated and Parent company, respectively). Said amount on June 30, 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.

Other information on 'Provision for civil, labor and tax risks' is not significantly different from the information disclosed in Note 18 to the financial statements for the year ended December 31, 2022.

19. Related parties

		Consolidated				Parent Company			
		Asset		Liability		Asset		Liability	
		6/30/23	12/31/22	6/30/23	12/31/22	6/30/23	12/31/22	6/30/23	12/31/22
Cash equivalents and marketable securities									
Other related parties									
Banco Inter S.A.	[1]	6,246	15,027	-	-	6,202	6,801	-	-
Intercompany receivables									
Investees									
SPEs	[6]	53,067	48,599	-	-	1,171,845	1,165,368	-	-
Joint ventures									
Prime Incorporações e Construções S.A.	[7]	-	281	-	-	-	281	-	-
MRL Engenharia e Empreendimentos S.A.	[7]	847	770	-	-	847	770	-	-
Other related parties									
Partners in real estate development projects	[7]	24,709	24,445	-	-	16,265	18,232	-	-
Other assets									
Investees									
SCPs and SPEs	[8]	7,162	527	-	-	45,991	34,042	-	-
Joint ventures									
Prime Incorporação e Construções S.A.	[8]	953	699	-	-	102	667	-	-
MRL Engenharia e Empreendimentos S.A.	[8]	218	1,712	-	-	213	1,707	-	-
Prime Incorporações e Construções S.A.	[23]	-	3,975	-	-	-	3,975	-	-
Other related parties									
Partners in real estate development projects	[8]	460	502	-	-	148	87	-	-
Controlling shareholder	[9]	18,924	19,082	-	-	18,924	19,082	-	-
Suppliers									
Subsidiaries									
MRV Construções Ltda.	[2]	-	-	-	-	-	-	44,253	43,029
Other related parties									
T Lott Advocacia	[10]	-	-	45	1	-	-	45	1
Radio Itatiaia Ltda.	[17]	-	-	109	-	-	-	109	-
Novus Midia S.A.	[17]	-	-	-	215	-	-	-	215
Arena Vencer Complexo Esportivo Multiuso SPE Ltda.	[24]	-	-	631	-	-	-	631	-
Land payables									
Other related parties									
Banco Inter S.A.	[19]	-	-	233,565	243,951	-	-	110,688	121,582
Payables for investment acquisition									
Other related parties									
LOG Commercial Properties e Participações S.A.	[11]	-	-	14,326	13,970	-	-	-	-
Intercompany payables (Other payables)									
Joint ventures									
Prime Incorporações e Construções S.A.	[12]	-	-	87,738	116,727	-	-	-	-
MRL Engenharia e Empreendimentos S.A.	[12]	-	-	100,137	93,529	-	-	-	-
Other related parties									
Partners in real estate development projects	[12]	-	-	6,858	9,933	-	-	-	-
Costellis International Limited	[16]	-	-	25,851	25,851	-	-	25,851	25,851
Lease liability (Other payables)									
Other related parties									
Conedi Participações Ltda. e MA Cabaleiro Participações Ltda.	[13]	-	-	65,785	69,727	-	-	63,317	67,276
Lakeside office, LLC	[15]	-	-	-	8,698	-	-	-	-
Other liabilities									
Other related parties									
Banco Inter S.A.	[21]	-	-	3,522	8,008	-	-	3,522	8,008

	Consolidated								
	Income				Expense				
	2 nd quarter of		1 st half of		2 nd quarter of		1 st half of		
	2023	2022	2023	2022	2023	2022	2023	2022	
Net operating revenue									
Receivables from services provided									
Subsidiaries									
MRV Construções Ltda.	[2]	623	1,184	1,107	2,044	-	-	-	-
Financial income									
Short-term investments and marketable securities									
Other related parties									
Banco Inter S.A.	[1]	487	6,323	759	10,195	-	-	-	-
Intercompany receivables									
Joint ventures									
Prime Incorporações e Construções S.A.	[7]	11	15	25	28	-	-	-	-
MRL Engenharia e Empreendimentos S.A.	[7]	729	35	799	62	-	-	-	-
Other related parties									
Partners in real estate development projects	[7]	1,210	629	2,063	1,098	-	-	-	-
Other operating income (expenses), net									
Joint ventures									
Prime Incorporações e Construções S.A.	[3]	1,182	877	2,264	1,646	-	-	-	-
MRL Engenharia e Empreendimentos S.A.	[3]	1,104	929	2,139	1,820	-	-	-	-
Other related parties									
LOG Commercial Properties e Participações S.A.	[3]	1,009	730	1,949	1,306	-	-	-	-
MRV Serviços de Engenharia Ltda.	[4]	23	23	49	46	-	-	-	-
Banco Inter S.A.	[5]	832	536	1,665	1,159	-	-	-	-
Controlling shareholder	[9]	189	252	394	520	-	-	-	-
Operating costs and expenses									
Selling expenses									
Other related parties									
Arena Vencer Complexo Esportivo Multiuso SPE Ltda.	[24]	-	-	-	-	1,822	-	3,756	-
General and administrative expenses									
Other related parties									
T Lott Advocacia	[10]	-	-	-	-	1,361	1,310	2,638	2,278
Conedi Participações Ltda. e MA Cabaleiro Participações Ltda.	[13]	-	-	-	-	2,429	2,055	4,872	4,034
Luxemburgo Incorporadora SPE Ltda.	[14]	-	-	-	-	105	116	228	222
Radio Itatiaia Ltda.	[17]	-	-	-	-	178	113	404	368
LOG Commercial Properties e Participações S.A.	[11]	-	-	-	-	111	98	409	205
LOG Commercial Properties e Participações S.A.	[18]	-	-	-	-	-	108	-	345
Lakeside office, LLC	[15]	-	-	-	-	-	571	603	1,178
South Tamiami Airport Park, LLC	[22]	-	-	-	-	65	-	130	-
Financial expenses									
Other related parties									
Banco Inter S.A.	[20]	-	-	-	-	218	-	2,363	24,269
Banco Inter S.A.	[21]	-	-	-	-	-	-	-	1,811

		Parent Company							
		Income				Expense			
		2 nd quarter of		1 st half of		2 nd quarter of		1 st half of	
		2023	2022	2023	2022	2023	2022	2023	2022
Financial income									
Short-term investments and marketable securities									
Other related parties									
Banco Inter S.A.	[1]	487	5,342	702	9,214	-	-	-	-
Intercompany receivables									
Investees									
Urba Desenvolvimento Urbano S.A.	[7]	1,091	-	1,734	-	-	-	-	-
Joint ventures									
Prime Incorporações e Construções S.A.	[7]	11	15	25	28	-	-	-	-
MRL Engenharia e Empreendimentos S.A.	[7]	729	35	799	62	-	-	-	-
Other related parties									
Partners in real estate development projects	[7]	536	613	1,102	1,082	-	-	-	-
Other operating income (expenses), net									
Subsidiaries									
Urba Desenvolvimento Urbano S.A.	[3]	1,106	543	1,782	1,058	-	-	-	-
Joint ventures									
Prime Incorporações e Construções S.A.	[3]	1,182	877	2,264	1,646	-	-	-	-
MRL Engenharia e Empreendimentos S.A.	[3]	1,104	929	2,139	1,820	-	-	-	-
Other related parties									
LOG Commercial Properties e Participações S.A.	[3]	1,009	730	1,949	1,306	-	-	-	-
MRV Serviços de Engenharia Ltda.	[4]	23	23	49	46	-	-	-	-
Banco Inter S.A.	[5]	832	536	1,665	1,159	-	-	-	-
Controlling shareholder	[9]	189	252	394	520	-	-	-	-
Operating costs and expenses									
Cost of real estate sales and services									
Subsidiaries									
MRV Construções Ltda.	[2]	-	-	-	-	70,703	171,666	139,380	263,625
Selling expenses									
Other related parties									
Arena Vencer Complexo Esportivo Multiuso SPE Ltda.	[24]	-	-	-	-	1,822	-	3,756	-
General and administrative expenses									
Other related parties									
T Lott Advocacia	[10]	-	-	-	-	1,122	791	2,248	1,668
Conedi Participações Ltda. e MA Cabaleiro Participações Ltda.	[13]	-	-	-	-	2,341	1,486	4,696	3,396
Luxemburgo Incorporadora SPE Ltda.	[14]	-	-	-	-	105	116	228	222
Radio Itatiaia Ltda.	[17]	-	-	-	-	178	113	404	368
LOG Commercial Properties e Participações S.A.	[18]	-	-	-	-	-	108	-	345
Financial expenses									
Other related parties									
Banco Inter S.A.	[20]	-	-	-	-	967	-	2,363	9,406
Banco Inter S.A.	[21]	-	-	-	-	-	-	-	1,811

- [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 six-month period ended June 30, 2023, short-term investments yielded 98.5% DI rate in Consolidated and Parent company (113.9% for the same period of 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 six-month period ended June 30, 2023 amount to R\$340,882, 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 June 30, 2023, the consolidated balance held on these transactions amounts to R\$31,732 (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 June 30, 2023, R\$33,060 in Consolidated and R\$19,585 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 4.00% p.a. (DI + 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. The referred SPE hold a plot land where the Clube Atlético Mineiro's ("CAM") multipurpose arena is being built. As of June 30, 2023, the balance receivable includes adjustment to present value of R\$968 (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 Municipal 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 February 2023, an amendment was signed rescheduling the payment for six installments of R\$250 from July to December 2023 and twenty installments of R\$480 from January 2024 to August 2025.
- As of June 30, 2023, the balance payable includes adjustment to present value of R\$394 (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 June 30, 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 June 30, 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 three and six-month periods ended June 30, 2023, was R\$20 and R\$41, respectively (R\$19 e R\$38 for the same period of 2022, respectively).
- [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 June 30, 2023, it establishes a total monthly payment of US\$4 (US\$4 as of December 31, 2022).
- [23] Refers to dividends received on June 20, 2023.
- [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 114 installments on June 30, 2023.

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			
	2023		2022	
	2 nd quarter	1 st half	2 nd quarter	1 st half
Short-term benefits granted to management:				
Management compensation (*)	10,424	20,693	11,208	27,433
Profit sharing	1,033	3,927	409	817
Non-monetary benefits	167	339	160	317
Long-term benefits granted to management:				
Retirement private plan	259	510	204	396
Stock option plan	2,553	4,785	2,389	4,774
	14,436	30,254	14,370	33,737

	Parent Company			
	2023		2022	
	2 nd quarter	1 st half	2 nd quarter	1 st half
Short-term benefits granted to management:				
Management compensation (*)	6,151	12,223	5,642	10,758
Profit sharing	-	-	-	-
Non-monetary benefits	138	266	122	248
Long-term benefits granted to management:				
Retirement private plan	242	472	183	355
Stock option plan	2,427	4,529	2,243	4,482
	8,958	17,490	8,190	15,843

(*) 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 June 30, 2023, the Company's capital stock is R\$4,615,807 (R\$4,615,408 as at December 31, 2022), represented by 483,784 thousand common shares as shown below:

Shareholders	Number of shares in			
	6/30/23		12/31/22	
	Ordinary	%	Ordinary	%
Rubens Menin Teixeira de Souza (Controlling shareholder)	176,221	36.4	177,050	36.6
Officers	3,440	0.7	3,530	0.7
Fiscal council and executive committees	152	0.1	207	0.1
Treasury shares	1	-	1	-
Other shareholders	303,970	62.8	302,445	62.6
Total	483,784	100.0	483,233	100.0

The Company is authorized to increase its capital up to R\$7,000,000 (Seven billion reais).

During the six-month period ended June 30, 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
Six-month period ended June 30, 2023:	(thousand)	R\$	R\$'000	R\$'000	(thousand)
1/9/23 Capital increase	551	0.72	399	4,615,807	483,784
Six-month period ended June 30, 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 six-month period ended June 30, 2023 and 2022, as shown below:

Type	Number (thousand)				R\$
	Opening balance	Acquired	Transferred	Closing balance	Market value (*)
Six-month period ended June 30, 2023:					
Common shares	1	-	-	1	12
Six-month period ended June 30, 2022:					
Common shares	1	-	-	1	8

(*) Market value of shares remaining in treasury as at June 30, 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) below. 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, 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, 2022, the Company absorbed the loss of R \$176,648 incurred in the year within earnings reserves, pursuant to art. 189 of Law No. 6,404/1976.

(e) Stock option plan

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
8	I	7/1/16	1,538	Up to 5 years	R\$ 10.42	Officers, managers, and key employees	12/23
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	2,927	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 six-month period ended June 30, 2023 and 2022 and supplemental information is as follows:

Program	Number of participants	Changes in 1 st half of 2023 (thousand shares)				
		Opening balance	Granted	Expired / forfeited	Exercised	Closing balance
8	23	847	-	-	-	847
9	54	1,231	-	(10)	-	1,221
10	62	1,602	-	(12)	-	1,590
11	67	2,200	-	(13)	-	2,187
12	60	2,132	-	(26)	-	2,106
15	7	3,200	-	-	-	3,200
16	60	2,308	-	(103)	-	2,205
17	72	2,627	-	(110)	-	2,517
18	72	-	2,927	-	-	2,927
		16,147	2,927	(274)	-	18,800
Weighted average exercise price of options		12.50	6.96	11.16	-	11.65

Program	Number of participants	Changes in 1 st half of 2022 (thousand shares)				
		Opening balance	Granted	Expired / forfeited	Exercised	Closing balance
7	11	551	-	(1)	-	550
8	23	847	-	(5)	-	842
9	60	1,257	-	(5)	-	1,252
10	67	1,631	-	(10)	-	1,621
11	71	2,229	-	(13)	-	2,216
12	65	2,158	-	(9)	-	2,149
15	7	3,200	-	-	-	3,200
16	68	2,340	-	(20)	-	2,320
		14,213	-	(63)	-	14,150
Weighted average exercise price of options		13.04	-	13.84	-	13.04

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)
8	847	-	-	-	0.5
9	1,221	-	-	-	1.5
10	1,590	-	-	-	2.5
11	411	901	901	0.5	3.5
12	306	1,372	3,915	1.5	4.5
15	320	1,559	13,515	7.6	10.6
16	441	1,154	4,016	2.5	5.5
17	252	1,574	6,787	3.6	6.6
18	-	-	13,224	4.6	7.6
1 - Urba	450	324	923	1.5	4.5
2 - Urba	55	78	350	2.5	5.5
2023	5,893	6,962	43,631	6.6	10.4
2022	4,147	7,284	37,854	8.5	11.7

Stock options costs arising from subsidiaries and joint ventures and recognized by the Company totaled R\$213 for the six-month period ended June 30, 2023 (R\$469 for the same period of 2022).

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	2,927	32.52%
I - Urba	8/14/20	5,000	3,548	70.96%

As at June 30, 2023, had all options currently granted been exercised, the Company would have issued 18,800 thousand shares, which would represent a 3.74% dilution in relation to total Company shares of 483,784 thousand (3.23% as at December 31, 2022).

(f) Dividends

Mandatory minimum

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

The minimum mandatory dividends for the year 2021, in the amount of R\$191,174, were approved at the Annual and Extraordinary General Meeting on April 29, 2022. On June 20, 2022, the Board of Directors approved the partial payment of such dividends in the amount of R\$95,587, representing R\$0.197808371 per share, which were paid on July 5, 2022. On September 16, 2022, the Board of Directors approved remaining payment of such dividends in the amount of R\$95,587, representing R\$0.197808371 per share, which were paid on October 4, 2022.

(g) Noncontrolling interests

	Consolidated	
	1 st half of	
	2023	2022
Opening balance	746,865	479,992
Capital transactions	(9,152)	22,432
Net distributions to noncontrolling interests	79,713	214,891
Currency translation adjustments	(41,432)	10,610
Changes in indirect ownership	(4,968)	(2,594)
Interest in net income for the period	21,541	35,732
Closing balance	792,567	761,063

In the six-month period ended June 30, 2023, changes in the Company's equity interests in subsidiaries generated an decrease in noncontrolling interests of R\$9,152 and a loss in Company owners of R\$637 (an increase in noncontrolling interests of R\$22,432 and a loss in Company owners of R\$14,959 for the same period of 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 Parent Company			
	2023		2022	
	2 nd quarter	1 st half	2 nd quarter	1 st half
Basic earnings per share:				
Net income for the year	181,098	211,675	57,537	133,953
Weighted average number of outstanding common shares (thousand)	483,782	483,758	483,231	483,220
Basic earnings per share - in R\$	0.37434	0.43756	0.11907	0.27721
Diluted earnings per share:				
Net income for the year	181,098	211,675	57,537	133,953
Weighted average number of outstanding common shares (thousand)	483,782	483,758	483,231	483,220
Dilutive effect of stock options (thousands of shares)	830	341	169	239
Total shares after dilutive effect (thousand)	484,612	484,099	483,400	483,459
Diluted earnings per share - in R\$	0.37370	0.43726	0.11903	0.27707

(i) Currency translation adjustments

The balances are essentially due to translation of the interim 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) to the financial statements for the year ended December 31, 2022.

Other information on 'Equity' is not significantly different from the information disclosed in Note 20 to the financial statements for the year ended December 31, 2022.

21. Operating segment

The Group's financial position as at June 30, 2023 and December 31, 2022 and results for the six-month period ended June 30, 2023 and 2022, split in its operating segments, are as follows:

	6/30/23					12/31/22				
	Real estate development	Rental of residential properties		Land subdivisions	Consolidated	Real estate development	Rental of residential properties		Land subdivisions	Consolidated
		USA	Brazil				USA	Brazil		
Assets										
Cash, cash equivalents and marketable securities	2,145,247	428,798	206,090	70,358	2,850,493	2,256,359	373,478	186,809	75,306	2,891,952
Trade accounts receivable	4,400,173	3,759	1,753	238,188	4,643,873	3,891,254	1,049	22	272,779	4,165,104
Inventories	8,065,427	-	2,300	571,839	8,639,566	8,667,384	-	1,972	559,086	9,228,442
Investment properties	-	3,942,323	348,977	-	4,291,300	-	3,732,628	363,535	-	4,096,163
Other assets	2,467,395	373,299	10,700	68,048	2,919,442	1,782,162	364,034	5,354	68,118	2,219,668
Total assets	17,078,242	4,748,179	569,820	948,433	23,344,674	16,597,159	4,471,189	557,692	975,289	22,601,329
Liabilities and equity										
Loans, financing and debentures	5,387,936	2,573,433	110,624	339,233	8,411,226	4,915,473	2,179,966	67,162	266,575	7,429,176
Land payables	3,207,325	-	33,102	211,977	3,452,404	3,952,336	-	42,575	297,730	4,292,641
Advances from customers	430,501	-	40,898	65,647	537,046	467,251	-	617	16,446	484,314
Other payables	3,392,884	600,448	27,058	112,051	4,132,441	2,909,548	738,653	20,227	152,462	3,820,890
Total liabilities	12,418,646	3,173,881	211,682	728,908	16,533,117	12,244,608	2,918,619	130,581	733,213	16,027,021
Operating segment net assets	4,659,596	1,574,298	358,138	219,525	6,811,557	4,352,551	1,552,570	427,111	242,076	6,574,308
Total liabilities and equity	17,078,242	4,748,179	569,820	948,433	23,344,674	16,597,159	4,471,189	557,692	975,289	22,601,329

	1 st half of 2023					1 st half of 2022				
	Real estate development	Rental of residential properties		Land subdivisions	Consolidated	Real estate development	Rental of residential properties		Land subdivisions	Consolidated
		USA	Brazil				USA	Brazil		
Net operating revenue	3,414,404	8,725	1,762	90,652	3,515,543	3,186,367	8,134	567	81,673	3,276,741
Cost of real estate sold and services	(2,683,297)	(11,839)	(1,111)	(60,641)	(2,756,888)	(2,570,072)	(6,292)	(416)	(57,260)	(2,634,040)
Gross profit	731,107	(3,114)	651	30,011	758,655	616,295	1,842	151	24,413	642,701
Operating income (expenses):										
Selling, general and administrative expenses	(546,883)	(76,500)	(8,013)	(28,898)	(660,294)	(502,880)	(36,695)	(4,229)	(27,342)	(571,146)
Other operating income (expenses), net	(66,892)	102,198	(12,916)	(988)	21,402	(45,597)	451,624	27,675	(1,085)	432,617
Results from equity interest in investees	(36,968)	-	-	(1,357)	(38,325)	(53,368)	-	-	7,062	(46,306)
Income before financial income	80,364	22,584	(20,278)	(1,232)	81,438	14,450	416,771	23,597	3,048	457,866
Financial result	80,874	(24,132)	946	(17,491)	40,197	(103,183)	8,048	984	(11,597)	(105,748)
Income before taxes	161,238	(1,548)	(19,332)	(18,723)	121,635	(88,733)	424,819	24,581	(8,549)	352,118
Income tax and social contribution	116,545	1,126	(580)	(5,510)	111,581	(67,610)	(110,511)	(1)	(4,311)	(182,433)
Net income (loss) for the period	277,783	(422)	(19,912)	(24,233)	233,216	(156,343)	314,308	24,580	(12,860)	169,685

Other information on 'Segment information' is not significantly different from the information disclosed in Note 21 to the financial statements for the year ended December 31, 2022.

22. Net operating revenue

The table below shows reconciliation between gross and net revenue stated in the statement of profit or loss for the three and six-month period ended June 30, 2023 and 2022:

	Consolidated			
	2023		2022	
	2 nd quarter	1 st half	2 nd quarter	1 st half
Gross operating revenue				
Real estate development	1,921,213	3,742,014	1,748,195	3,580,819
Bartered real estate units	8,116	16,050	7,344	15,136
Rental revenue and management service	8,094	11,102	6,818	8,976
Revenue from construction services (Note 19 [2])	623	1,107	1,184	2,044
Cancellations	(33,773)	(87,242)	(82,691)	(163,776)
Allowance for expected credit loss	(41,369)	(88,275)	(43,101)	(92,432)
	1,862,904	3,594,756	1,637,749	3,350,767
Taxes on sales	(37,246)	(79,213)	(36,109)	(74,026)
Net operating revenue	1,825,658	3,515,543	1,601,640	3,276,741

	Parent Company			
	2023		2022	
	2 nd quarter	1 st half	2 nd quarter	1 st half
Gross operating revenue				
Real estate development	724,324	1,494,738	848,084	1,799,568
Bartered real estate units	1,228	2,889	3,840	6,834
Rental revenue and management service	999	2,112	407	794
Cancellations	(14,835)	(33,509)	(33,359)	(78,210)
Allowance for expected credit loss	(21,329)	(45,945)	(22,929)	(49,188)
	690,387	1,420,285	796,043	1,679,798
Taxes on sales	(14,175)	(31,317)	(17,008)	(36,279)
Net operating revenue	676,212	1,388,968	779,035	1,643,519

Amounts related to units under construction recognized in consolidated. In the six-month period ended June 30, 2023 and 2022 are as follows:

	Consolidated			
	2023		2022	
	2 nd quarter	1 st half	2 nd quarter	1 st half
Net revenue from units under construction	1,707,688	3,222,577	1,464,175	2,981,963
Costs of real estate sold under construction	(1,279,675)	(2,472,252)	(1,178,849)	(2,392,588)
Gross profit recognized	428,013	750,325	285,326	589,375

The amounts of received advances regarding contracts in progress as at June 30, 2023 and December 31, 2022 are R\$133,841 and R\$141,087, respectively.

Other information on 'Net operating revenue' is not significantly different from the information disclosed in Note 22 to the financial statements for the year ended December 31, 2022.

23. Costs and expenses

	Consolidated			
	2023		2022	
	2 nd quarter	1 st half	2 nd quarter	1 st half
Cost of real estate sold and services:				
Financial charges (Note 12 (d))	(66,846)	(129,537)	(56,654)	(108,010)
Cost of rental operations	(9,857)	(12,950)	(5,393)	(6,708)
Land, construction and maintenance costs	(1,343,753)	(2,614,401)	(1,228,568)	(2,519,322)
Total cost of real estate sold and services	(1,420,456)	(2,756,888)	(1,290,615)	(2,634,040)
Selling, general and administrative expenses:				
Salaries, charges and benefits	(126,645)	(253,301)	(118,676)	(228,325)
Management compensation	(10,424)	(20,693)	(11,208)	(27,433)
Management and employees profit sharing	(6,461)	(3,775)	559	416
Stock option plan	(3,481)	(6,962)	(3,642)	(7,284)
Commissions and brokers' fees	(42,171)	(76,415)	(35,751)	(74,715)
Outside services	(32,874)	(66,475)	(33,563)	(63,013)
Marketing and advertising	(50,953)	(88,599)	(43,392)	(78,497)
Utilities	(2,354)	(4,942)	(2,509)	(5,940)
Depreciation and amortization	(18,236)	(36,522)	(18,163)	(36,172)
Training	(555)	(1,246)	(450)	(1,049)
Other	(57,031)	(101,364)	(8,785)	(49,134)
Total selling, general and administrative expenses	(351,185)	(660,294)	(275,580)	(571,146)
Classified as:				
Selling expenses	(190,705)	(352,769)	(162,086)	(320,508)
General and administrative expenses	(160,480)	(307,525)	(113,494)	(250,638)
	(351,185)	(660,294)	(275,580)	(571,146)

	Parent Company			
	2023		2022	
	2 nd quarter	1 st half	2 nd quarter	1 st half
Cost of real estate sold and services:				
Financial charges (Note 12 (d))	(40,314)	(78,123)	(34,695)	(66,306)
Land, construction and maintenance costs	(537,431)	(1,142,930)	(622,642)	(1,293,905)
Total cost of real estate sold and services	(577,745)	(1,221,053)	(657,337)	(1,360,211)
Selling, general and administrative expenses:				
Salaries, charges and benefits	(73,923)	(149,840)	(68,956)	(138,386)
Management compensation	(6,151)	(12,223)	(5,642)	(10,758)
Stock option plan	(3,280)	(6,560)	(3,417)	(6,834)
Commissions and brokers' fees	(16,378)	(30,493)	(16,455)	(36,270)
Outside services	(29,674)	(60,273)	(30,148)	(57,050)
Marketing and advertising	(36,636)	(62,211)	(31,493)	(55,566)
Utilities	(2,197)	(4,384)	(2,017)	(4,869)
Depreciation and amortization	(15,882)	(31,473)	(14,840)	(29,358)
Training	(549)	(1,230)	(341)	(904)
Other	(43,457)	(80,751)	(32,710)	(65,927)
Total selling, general and administrative expenses	(228,127)	(439,438)	(206,019)	(405,922)
Classified as:				
Selling expenses	(122,975)	(227,996)	(109,036)	(214,234)
General and administrative expenses	(105,152)	(211,442)	(96,983)	(191,688)
	(228,127)	(439,438)	(206,019)	(405,922)

	Consolidated			
	2023		2022	
	2 nd quarter	1 st half	2 nd quarter	1 st half
Other operating income (expenses), net				
Provision for civil, labor and tax risks	(13,063)	(24,846)	(12,970)	(22,992)
Results on the sale of property and equipment	15	143	(483)	20,350
Donatives - Instituto MRV	(1,349)	(1,755)	(1,634)	(3,468)
Results from sale of assets / projects [1]	57,019	57,019	386,806	482,074
Other:				
Income [2]	72,482	78,307	(6,381)	11,334
Expenses [3]	(42,932)	(87,466)	(31,516)	(54,681)
Total other operating income (expenses), net	72,172	21,402	333,822	432,617

[1] In 2023, refers to the sale of the Pine Ridge development by the subsidiary Resia and Porto Aruba by Luggo. In 2022, refers to the sale of the Village at Tradition and Harbor Grove developments by the subsidiary Resia and Florença Garden and Solar dos Campos by Luggo.

[2] The second quarter of 2023 includes litigation gain in the subsidiary Resia in the amount of R\$64.5 million (US\$12.8 million).

[3] Includes write-offs and/or fines related to aborted projects.

	Parent Company			
	2023		2022	
	2 nd quarter	1 st half	2 nd quarter	1 st half
Other operating income (expenses), net				
Provision for civil, labor and tax risks	(7,166)	(15,197)	(7,625)	(12,717)
Results on the sale of property and equipment	15	143	(537)	20,318
Donatives - Instituto MRV	(1,349)	(1,755)	(1,634)	(3,468)
Results from sale of assets / projects [1]	(7,061)	(7,061)	28,970	28,970
Other:				
Income	4,470	10,572	7,158	10,388
Expenses [2]	(23,147)	(41,369)	(16,747)	(32,818)
Total other operating income (expenses), net	(34,238)	(54,667)	9,585	10,673

[1] In 2023, refers to the sale of the Porto Aruba by Luggo. In 2022, refers to the sale of the Florença Garden and Solar dos Campos by Luggo.

[2] Includes write-offs and/or fines related to aborted projects.

24. Financial expenses and income

	Consolidated			
	2023		2022	
	2 nd quarter	1 st half	2 nd quarter	1 st half
Financial expenses:				
Interest on loans, financing and debentures (Note 12 (d))	(127,287)	(243,415)	(58,304)	(99,969)
Mark-to-market of derivative financial instruments	227,403	212,404	(158,035)	(133,264)
Expense from sale of receivables (*)	(31,602)	(58,419)	(1,870)	(25,664)
Fees and taxes	(6,112)	(11,126)	(4,176)	(8,357)
Other financial expenses	(13,729)	(23,960)	(6,607)	(15,202)
	48,673	(124,516)	(228,992)	(282,456)
Financial income:				
Short-term investments	31,567	67,830	48,348	87,581
Interest on intercompany loans	3,228	4,808	679	1,188
Other financial income	12,567	28,277	16,183	28,403
	47,362	100,915	65,210	117,172
Income from real estate development receivables	33,445	63,798	36,544	59,536
	80,807	164,713	101,754	176,708
Financial result	129,480	40,197	(127,238)	(105,748)

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

	Parent Company			
	2023		2022	
	2 nd quarter	1 st half	2 nd quarter	1 st half
Financial expenses:				
Interest on loans, financing and debentures (Note 12 (d))	(92,408)	(180,845)	(52,629)	(91,841)
Mark-to-market derivative financial instruments	227,403	212,384	(159,922)	(141,369)
Expense from sale of receivables (*)	(16,663)	(33,946)	915	(5,131)
Fees and taxes	(3,031)	(4,705)	(1,812)	(3,764)
Other financial expenses	(1,694)	(6,873)	(4,801)	(11,810)
	113,607	(13,985)	(218,249)	(253,915)
Financial income:				
Short-term investments	21,409	50,275	39,366	73,994
Interest on intercompany loans	2,558	3,851	663	1,172
Other financial income	6,237	16,943	9,978	16,844
	30,204	71,069	50,007	92,010
Income from real estate development receivables	18,621	36,103	19,424	31,260
	48,825	107,172	69,431	123,270
Financial result	162,432	93,187	(148,818)	(130,645)

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

25. Financial instruments

(a) Capital risk management

As at June 30, 2023 and December 31, 2022, the consolidated debt-to-equity ratio is as follows:

	Consolidated		Parent Company	
	6/30/23	12/31/22	6/30/23	12/31/22
Loans, financing and debentures	8,411,226	7,429,176	4,674,934	4,312,171
Cash, cash equivalents and marketable securities	(2,850,493)	(2,891,952)	(1,675,021)	(1,745,305)
Net debt	5,560,733	4,537,224	2,999,913	2,566,866
Equity	6,811,557	6,574,308	6,018,990	5,827,443
Net debt-to-equity ratio	81.6%	69.0%	49.8%	44.0%

(b) Financial instruments categories and fair value

Consolidated	Note	6/30/23		12/31/22	
		Book value	Fair value	Book value	Fair value
Financial assets:					
Amortized cost		5,292,180	5,292,180	4,932,915	4,932,915
Receivables from real estate development	6	4,424,423	4,424,423	4,010,364	4,010,364
Intercompany receivables		78,623	78,623	74,095	74,095
Cash and bank accounts	4	569,684	569,684	693,716	693,716
Receivables from services provided	6	219,450	219,450	154,740	154,740
Fair value through prof it or loss (mandatorily measured) [1]		2,516,402	2,516,402	2,231,305	2,231,305
Restricted investment funds	5	1,816,138	1,816,138	1,571,302	1,571,302
Investments from bank accounts	5	302,715	302,715	336,937	336,937
Unrestricted investment funds	4	-	-	7	7
Bank deposit certificates (CDB) [3]		43,543	43,543	163,954	163,954
Securities with repurchase agreement backed by debentures	4	20,191	20,191	21,472	21,472
Escrow account	5	49,358	49,358	56,899	56,899
U.S. Treasuries	5	5	5	10,780	10,780
Bank credit notes (CCB)	5	7,467	7,467	1,084	1,084
Savings deposits		41,391	41,391	35,799	35,799
Real estate consortium	5	1	1	2	2
Derivative financial instruments [2]	25 (b)	235,593	235,593	33,069	33,069
Financial liabilities:					
Amortized cost		12,617,572	12,617,741	12,012,704	11,955,397
Loans, financing and debentures		6,454,337	6,454,506	5,514,076	5,456,769
Land payables	13	3,452,404	3,452,404	4,292,641	4,292,641
Payables for investment acquisition		44,051	44,051	55,596	55,596
Suppliers		740,500	740,500	895,087	895,087
Credit assignment liability	6	1,072,682	1,072,682	357,606	357,606
Other liabilities		853,598	853,598	897,698	897,698
Fair value through prof it or loss (hedge accounting)		2,045,154	2,045,154	2,316,950	2,316,950
Loans, financing and debentures [2]		1,956,889	1,956,889	1,915,100	1,915,100
Derivative financial instruments [2]	25 (b)	62,414	62,414	375,999	375,999
Other liabilities [4]		25,851	25,851	25,851	25,851

[1] Financial assets recognized in the interim financial statements at fair value with level 2 measurement, using the discounted cash flows valuation technique. Pursuant to CPC 48 / IFRS 9, these financial assets were designated as measured at fair value through profit or loss (FVTPL) because they are managed, and their performance is monitored on a fair value basis.

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

[3] Financial assets recognized in the financial statements at fair value with level 1 hierarchy.

[4] Financial assets recognized in the financial statements at fair value with level 3 hierarchy.

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 June 30, 2023, the swap contracts position is as follows:

Type of transaction	Currency	Hiring	Asset / Liability	Maturity	Notional amount	Long position	Short position	6/30/23	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	174,678	136,943	36,339	32,248	(1,396)	-
Swap (**)	R\$	4/21	IPCA + 5.43% / DI + 1.65%	4/31	403,720	478,746	415,686	32,525	18,520	(30,535)	-
Swap (**)	R\$	2/22	IPCA + 6.60% / DI + 1.29%	2/29	700,000	772,194	736,504	33,721	(13,175)	(1,969)	-
Swap (**)	R\$	9/22	IPCA + 6.48% / DI + 1.00%	9/30	347,928	368,087	362,108	8,812	(7,588)	2,833	-
Swap (**)	R\$	9/22	IPCA + 6.74% / DI + 1.27%	9/32	202,072	213,928	210,471	4,450	(4,458)	993	-
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	71,695	56,530	14,710	-	14,710	-
Swap	R\$	1/23 and 2/23	MRVE3 (*) / DI + 1.38% e 1.40%	7/24	162,273	279,359	171,787	105,036	-	105,036	-
Swap (**)	US\$	2/20	Dollar + 4% / 76% DI	2/25	208,487	27,414	34,893	(13,863)	(7,479)	-	(8,096)
Swap (**)	US\$	3/21	Dollar + 3.85% / DI - 2.94%	2/26	201,600	13,729	27,272	(19,732)	(13,543)	-	(16,058)
Swap (**)	US\$	3/21	Dollar + 3.85% / DI - 3.20%	2/26	114,900	7,606	14,972	(10,608)	(7,366)	-	(8,560)
Swap (**)	US\$	2/21	Dollar + 3.80% / DI - 2.16%	2/26	80,759	5,900	12,292	(9,385)	(6,392)	-	(7,829)
Swap (**)	US\$	1/22	Dollar + 3.98% / DI - 5.55%	2/26	331,566	15,512	28,564	(6,943)	(13,052)	-	(3,291)
Swap (**)	US\$	2/22	Dollar + 4.37% / DI - 5.34%	2/26	308,280	15,760	26,117	(1,883)	(10,357)	-	1,216
								173,179	(246,530)	89,672	(42,618)

(*) The closing share price on June 30, 2023 was R\$11.57/share. If the share price reaches the floor of 100% of the volatility of the last 12 months, reaching R\$3.54/share, it would represent an estimated loss of R\$242,717 and if the share price reaches the ceiling of 100% of the volatility of the last 12 months, reaching R\$14.20/share, would represent an approximate net gain of R\$198,930, thus increasing the gain recorded up to the reporting date. The number of shares considered in these operations is 30,228 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	-	14,710
Noncurrent assets		220,883
Total assets		235,593
Noncurrent liabilities		62,414

	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
2nd quarter of 2023:						
Effect in profit or loss						
Swaps with fair value hedge	(4,447)	51,544	47,097	(4,447)	51,544	47,097
Swaps with cash flow hedge	(19,678)	-	(19,678)	(19,678)	-	(19,678)
Swaps with no hedge	-	149,867	149,867	-	149,867	149,867
Gross effect in profit or loss	(24,125)	201,411	177,286	(24,125)	201,411	177,286
Reducing effect of hedges	-	25,992	25,992	-	25,992	25,992
Net effect in profit or loss	(24,125)	227,403	203,278	(24,125)	227,403	203,278
Other comprehensive results	-	41,904	41,904	-	41,904	41,904
1st half of 2023:						
Effect in profit or loss						
Swaps with fair value hedge	(2,265)	64,498	62,233	(2,265)	64,498	62,233
Swaps with cash flow hedge	(31,343)	-	(31,343)	(31,343)	-	(31,343)
Swaps with no hedge	(18)	118,940	118,922	-	118,920	118,920
Gross effect in profit or loss	(33,626)	183,438	149,812	(33,608)	183,418	149,810
Reducing effect of hedges	-	28,966	28,966	-	28,966	28,966
Net effect in profit or loss	(33,626)	212,404	178,778	(33,608)	212,384	178,776
Other comprehensive results	-	56,936	56,936	-	56,936	56,936

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			Parent Company		
	Gain (loss) on transaction	Mark-to-market	Total	Gain (loss) on transaction	Mark-to-market	Total
2nd quarter of 2022:						
Effect in profit or loss						
Swaps with fair value hedge	18,862	(21,275)	(2,413)	18,862	(21,275)	(2,413)
Swaps with cash flow hedge	(10,131)	-	(10,131)	(10,131)	-	(10,131)
Swaps with no hedge	(7)	(134,061)	(134,068)	-	(135,948)	(135,948)
Gross effect in profit or loss	8,724	(155,336)	(146,612)	8,731	(157,223)	(148,492)
Reducing effect of hedges	-	(2,699)	(2,699)	-	(2,699)	(2,699)
Net effect in profit or loss	8,724	(158,035)	(149,311)	8,731	(159,922)	(151,191)
Other comprehensive results	-	(17,432)	(17,432)	-	(17,432)	(17,432)
1st half of 2022:						
Effect in profit or loss						
Swaps with fair value hedge	33,346	(27,048)	6,298	33,346	(27,048)	6,298
Swaps with cash flow hedge	(17,871)	-	(17,871)	(17,871)	-	(17,871)
Swaps with no hedge	(17)	(115,555)	(115,572)	-	(123,660)	(123,660)
Gross effect in profit or loss	15,458	(142,603)	(127,145)	15,475	(150,708)	(135,233)
Reducing effect of hedges	-	9,339	9,339	-	9,339	9,339
Net effect in profit or loss	15,458	(133,264)	(117,806)	15,475	(141,369)	(125,894)
Other comprehensive results	-	(56,586)	(56,586)	-	(56,586)	(56,586)

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 June 30, 2023 and December 31, 2022, the Group does not have financial instruments not recognized in its financial statements.

Hedge accounting

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	Effects on results	Fair value	Effects on results
					6/30/23	1 st half of 2023	12/31/22	1 st half of 2022
9 th issue (3 rd series)	3/17	2/22	80,000	IPCA + 8.25%	-	-	-	215
11 th issue (3 rd series)	9/17	9/24	121,200	IPCA + 6.45%	(171,896)	474	(161,782)	2,688
CRI - 19 th debentures issue	4/21	4/31	400,000	IPCA + 5.43%	(463,606)	9,114	(455,842)	(3,944)
CRI - 21 st debentures issue	2/22	2/29	700,000	IPCA + 6.60%	(756,827)	8,512	(742,386)	10,380
CRI - 22 nd debentures issue (1 st series)	9/22	9/30	347,928	IPCA + 6.48%	(357,706)	6,637	(351,479)	-
CRI - 22 nd debentures issue (2 nd series)	9/22	9/32	202,072	IPCA + 6.74%	(206,854)	4,229	(203,611)	-
Loans, financing and debentures (Hedged items)			1,851,200		(1,956,889)	28,966	(1,915,100)	9,339
Long position								
Swap	3/17	2/22	80,000	IPCA + 8.25%	-	-	-	(215)
Swap	9/17	9/24	121,200	IPCA + 6.45%	171,912	(474)	161,800	(2,688)
Swap	4/21	4/31	403,720	IPCA + 5.43%	464,629	(9,114)	456,848	3,944
Swap	2/22	2/29	700,000	IPCA + 6.60%	756,069	(8,512)	741,175	(10,380)
Swap	9/22	9/30	347,928	IPCA + 6.48%	357,987	(6,637)	351,325	-
Swap	9/22	9/32	202,072	IPCA + 6.74%	207,017	(4,229)	203,520	-
Derivative financial instruments (Hedging instruments)			1,854,920		1,957,614	(28,966)	1,914,668	(9,339)
Short position								
				132.20% DI	-	-	-	(185)
				122.10% DI	(135,573)	3,286	(128,731)	424
				DI + 1.65%	(432,104)	26,042	(458,404)	(13,399)
				DI + 1.29%	(722,348)	32,596	(756,591)	(4,549)
				DI + 1.00%	(349,175)	19,125	(368,711)	-
				DI + 1.27%	(202,567)	12,415	(215,223)	-
					(1,841,767)	93,464	(1,927,660)	(17,709)
				Swap net position	115,847	64,498	(12,992)	(27,048)
				Total net position	(1,841,042)	93,464	(1,928,092)	(17,709)

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
					6/30/23	1 st half of 2023	12/31/22	1 st half of 2022
Swap	2/20	2/23		Long position				
Derivative financial instruments (Hedging instruments)			US\$ 47,000	Dollar + 4%	17,511	(4,359)	23,350	(4,093)
				Short position				
				76% DI	(31,374)	11,369	(42,742)	(2,410)
				Swap net position	(13,863)	7,010	(19,392)	(6,503)
Swap	3/21	2/26		Long position				
Derivative financial instruments (Hedging instruments)			US\$ 35,000	Dollar + 3.85%	18,289	(4,449)	22,828	(3,263)
				Short position				
				DI - 2.94%	(38,021)	15,629	(53,649)	(7,480)
				Swap net position	(19,732)	11,180	(30,821)	(10,743)
Swap	3/21	2/26		Long position				
Derivative financial instruments (Hedging instruments)			US\$ 20,000	Dollar + 3.85%	10,366	(2,623)	13,045	(1,860)
				Short position				
				DI - 3.20%	(20,974)	8,834	(29,809)	(4,698)
				Swap net position	(10,608)	6,211	(16,764)	(6,558)
Swap	2/21	2/26		Long position				
Derivative financial instruments (Hedging instruments)			US\$ 15,000	Dollar + 3.80%	7,674	(1,956)	9,656	(1,452)
				Short position				
				DI - 2.16%	(17,059)	6,483	(23,541)	(2,946)
				Swap net position	(9,385)	4,527	(13,885)	(4,398)
Swap	1/22	2/26		Long position				
Derivative financial instruments (Hedging instruments)			US\$ 60,000	Dollar + 3.98%	32,150	(7,987)	40,455	(9,518)
				Short position				
				DI - 5.55%	(39,093)	22,924	(62,017)	(8,242)
				Swap net position	(6,943)	14,937	(21,562)	(17,760)
Swap	2/22	2/26		Long position				
Derivative financial instruments (Hedging instruments)			US\$ 60,000	Dollar + 4.37%	35,587	(8,327)	44,419	(6,973)
				Short position				
				DI - 5.34%	(37,470)	21,398	(58,869)	(3,651)
				Swap net position	(1,883)	13,071	(14,450)	(10,624)
				Total net position (*)	(62,414)	56,936	(116,874)	(56,586)

(*) The equity balance on June 30, 2023 considers payments made to financial institutions in the context of these hedge operations in the amount of R\$28,867 in the six-month period ended on June 30, 2023.

(c) Risk management

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 June 30, 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 2023 ("probable scenario") compared to the effective rate for twelve-month period ended in June 30, 2023, multiplied by the exposed net balance as at June 30, 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 2023 of 25% for the possible scenario and 50% for the remote scenario.

Index	Financial asset	Financial liability	Net exposed financial asset (liability)	Effective rate for the 12 months ended 6/30/23	Annual rate estimated for 2023 (*)	Rates changes for each scenario	Total estimated financial impact	Estimated impact on net income and equity
Probable scenario								
DI	1,542,843	(5,557,211)	(4,014,368)	13.49%	12.86% (i)	-0.63%	25,291	15,950
IGP-M	85,064	(46,540)	38,524	-6.86%	-2.59% (ii)	4.27%	1,645	1,645
INCC-M	1,751,425	(302,686)	1,448,739	4.31%	4.40% (i)	0.09%	1,304	1,304
TR	-	(788,946)	(788,946)	2.08%	1.60% (i)	-0.48%	3,787	3,787
IPCA	2,262,146	(2,929,603)	(667,457)	3.16%	5.08% (ii)	1.91%	(12,748)	(12,748)
Savings	344,106	(155,706)	188,400	7.68%	7.70% (ii)	0.01%	19	19
TLP	-	(426,503)	(426,503)	8.39%	10.31% (iii)	1.91%	(8,146)	(5,137)
							11,152	4,820
Scenario I								
DI	1,542,843	(5,557,211)	(4,014,368)	13.49%	16.08%	2.59%	(103,972)	(65,571)
IGP-M	85,064	(46,540)	38,524	-6.86%	-1.94%	4.92%	1,895	1,895
INCC-M	1,751,425	(302,686)	1,448,739	4.31%	3.30%	-1.01%	(14,632)	(14,632)
TR	-	(788,946)	(788,946)	2.08%	2.00%	-0.08%	631	631
IPCA	2,262,146	(2,929,603)	(667,457)	3.16%	6.34%	3.18%	(21,225)	(21,225)
Savings	344,106	(155,706)	188,400	7.68%	5.77%	-1.91%	(3,598)	(3,598)
TLP	-	(426,503)	(426,503)	8.39%	12.88%	4.49%	(19,150)	(12,077)
							(160,051)	(114,577)
Scenario II								
DI	1,542,843	(5,557,211)	(4,014,368)	13.49%	19.29%	5.80%	(232,833)	(146,838)
IGP-M	85,064	(46,540)	38,524	-6.86%	-1.30%	5.56%	2,142	2,142
INCC-M	1,751,425	(302,686)	1,448,739	4.31%	2.20%	-2.11%	(30,568)	(30,568)
TR	-	(788,946)	(788,946)	2.08%	2.40%	0.32%	(2,525)	(2,525)
IPCA	2,262,146	(2,929,603)	(667,457)	3.16%	7.61%	4.45%	(29,702)	(29,702)
Savings	344,106	(155,706)	188,400	7.68%	3.85%	-3.83%	(7,216)	(7,216)
TLP	-	(426,503)	(426,503)	8.39%	15.46%	7.07%	(30,154)	(19,017)
							(330,856)	(233,724)

(i) Data obtained on B3's website.

(ii) Data obtained on Banco Central website.

(iii) Data obtained on BNDS website.

(*) Effective change for the first six months plus a projection for the next six months of 2023.

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.

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 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 June 30, 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	3,244,776	2,615,855	2,246,307	3,763,974	11,870,912
Fixed rates liabilities	61,417	576,466	669,166	516,916	1,823,965
Non-interest bearing liabilities	1,618,851	1,433,530	296,759	702,364	4,051,504
Total	4,925,044	4,625,851	3,212,232	4,983,254	17,746,381
Parent Company:					
Floating rates liabilities	2,010,257	1,327,046	1,241,088	3,165,791	7,744,182
Fixed rates liabilities	14,609	11,116	14,256	82,658	122,639
Non-interest bearing liabilities	804,837	580,224	246,854	635,426	2,267,341
Total	2,829,703	1,918,386	1,502,198	3,883,875	10,134,162

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\$5.06, this is 5% above the closing exchange rate of June 30, 2023 (R\$4.82) 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\$4.82	R\$5.06	R\$6.02	R\$7.23
Loans and financing	(533,996)	(2,573,433)	(2,702,105)	(3,216,792)	(3,860,150)
Suppliers	(45,878)	(221,095)	(232,150)	(276,369)	(331,643)
Other payables	(66,469)	(320,323)	(336,344)	(400,409)	(480,491)
(-) Cash, cash equivalents and marketable securities	88,977	428,798	450,238	535,997	643,197
Exposed net liabilities	(557,366)	(2,686,053)	(2,820,361)	(3,357,573)	(4,029,087)
Net effect on income			-	-	-
Net effect on equity			(134,308)	(671,520)	(1,343,034)

(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) to the financial statements for the year ended December 31, 2022.
- ii) Financial investments: to mitigate default risk, the Group maintains its investments with highly rated financial institutions (above rating '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.

Other information on 'Financial instruments and risk management' is not significantly different from the information disclosed in Note 25 to the financial statements for the year ended December 31, 2022.

26. Current and deferred taxes

Deferred tax are broken down as follows:

	Consolidated		Parent Company	
	6/30/23	12/31/22	6/30/23	12/31/22
Noncurrent assets:				
Income tax (IRPJ) and social contribution (CSLL)	194,834	-	188,068	-
Liabilities:				
Income tax (IRPJ)	(78,546)	(75,587)	(17,586)	(19,206)
Social contribution (CSLL)	(23,859)	(24,712)	(9,188)	(10,036)
Total - IRPJ and CSLL	(102,405)	(100,299)	(26,774)	(29,242)
Tax on revenue (PIS)	(13,145)	(13,524)	(5,198)	(5,507)
Tax on revenue (COFINS)	(60,932)	(63,232)	(23,979)	(25,957)
Total - PIS and COFINS	(74,077)	(76,756)	(29,177)	(31,464)
Total	(176,482)	(177,055)	(55,951)	(60,706)
Current	(63,196)	(84,825)	(24,216)	(35,764)
Noncurrent	(113,286)	(92,230)	(31,735)	(24,942)
	(176,482)	(177,055)	(55,951)	(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 six-month period ended June 30, 2023 and 2022 are as follows:

	Consolidated		Parent Company	
	1 st half of		1 st half of	
	2023	2022	2023	2022
Opening balance	(100,299)	(178,642)	(29,242)	(33,782)
Effect of deferred IRPJ and CSLL recognized in:				
Net income (loss) for the period	191,591	59,783	190,536	(1,897)
Currency translation adjustments	1,137	8,969	-	-
Closing balance	92,429	(109,890)	161,294	(35,679)

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	
	6/30/23	12/31/22	6/30/23	12/31/22
Effects of IRPJ and CSLL on:				
Foreign earnings from subsidiary MRV (US)	(26,014)	(28,280)	-	-
Portion not received for real estate development	(72,854)	(74,832)	(28,562)	(30,670)
(-) Advances from customers	3,229	2,813	1,788	1,428
Tax loss	188,068	-	188,068	-
Net amount	92,429	(100,299)	161,294	(29,242)

Reconciliation of income tax and social contribution expenses at the statutory and effective rates for the three and six-month period ended June 30, 2023 and 2022 is as follows:

	Consolidated			
	2023		2022	
	2 nd quarter	1 st half	2 nd quarter	1 st half
Revenue from real estate development - subsidiaries	1,157,911	2,151,213	830,607	1,652,441
Nominal tax rate (*)	1.92%	1.92%	1.92%	1.92%
IRPJ and CSLL tax expenses on:				
Real estate development	(22,232)	(41,303)	(15,948)	(31,727)
Profit from subsidiary MRV (US)	(13,602)	1,126	(84,994)	(102,922)
Financial income - subsidiaries (**)	(4,874)	(8,349)	(5,162)	(8,542)
IRPJ and CSLL in subsidiaries	(40,708)	(48,526)	(106,104)	(143,191)
IRPJ and CSLL in Individual	(12,665)	160,172	(22,660)	(40,385)
Other	3,789	(65)	573	1,143
Expenses in profit or loss	(49,584)	111,581	(128,191)	(182,433)
Breakdown of expense in profit or loss - Consolidated:				
Current	(40,336)	(80,010)	(192,436)	(242,216)
Deferred	(9,248)	191,591	64,245	59,783
	(49,584)	111,581	(128,191)	(182,433)

(*) Tax rate for earmarked assets projects that opted for the special taxation regime (RET), as detailed in Note 2.2 (t) to the financial statements for the year ended December 31, 2022.

(**) Financial income of subsidiaries is taxed at 34%

	Parent Company			
	2023		2022	
	2 nd quarter	1 st half	2 nd quarter	1 st half
Income before income tax and social contribution	193,763	51,503	80,197	174,338
Tax rate - IRPJ and CSLL	34%	34%	34%	34%
Nominal expense	(65,879)	(17,511)	(27,267)	(59,275)
Effects of IRPJ and CSLL on:				
Equity results, gross of capitalized interest written off	69,923	103,355	105,868	147,027
Earmarked assets	7,046	16,764	22,855	48,125
Nondeductible expenses and unrecognized tax losses	(23,055)	(220,545)	(74,799)	(126,452)
Result with swaps	2,357	93,244	(51,404)	(42,804)
Tax loss from previous years	-	188,068	-	-
Foreign earnings from subsidiary MRV (US)	-	-	(7,589)	(7,589)
Other permanent add-back	(3,057)	(3,203)	9,676	583
Expenses in profit or loss	(12,665)	160,172	(22,660)	(40,385)
Breakdown of expense in profit or loss - Individual:				
Current	(15,773)	(30,364)	(22,613)	(38,488)
Deferred	3,108	190,536	(47)	(1,897)
	(12,665)	160,172	(22,660)	(40,385)

As at June 30, 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	Individual
Expected realization:		
2023	22,726	15,960
2024	61,918	61,918
2025	58,994	58,994
2026	51,196	51,196
Total	194,834	188,068

27. Supplemental disclosures of cash flow information

During the six-month period ended June 30, 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	
	1 st half of		1 st half of	
	2023	2022	2023	2022
Capitalized financial charges (Note 12 (d))	245,843	218,086	159,693	156,459
Right-of-use - CPC 06 (R2)	2,453	118,729	-	-
Currency translation adjustments:				
Investment properties	(325,054)	(104,114)	-	-
Property and equipment (Note 10)	(10,398)	(3,250)	-	-
Intangible assets (Note 11)	(464)	(442)	-	-
Loans, financing and debentures	(196,151)	(61,884)	-	-
Transfer investment property (Note 9):				
(To inventories) from inventories	(55,174)	23,348	(53,951)	-
To subsidiaries	-	-	(22,027)	(99,049)

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	
	6/30/23	12/31/22	6/30/23	12/31/22
Projects under construction				
(i) Unrealized revenues from sold units				
<u>Projects under construction:</u>				
(a) Revenues from contracted sales	15,715,626	16,615,052	7,189,337	8,487,320
<u>Realized revenues:</u>				
Realized revenues	(13,663,571)	(15,070,341)	(6,260,760)	(7,828,404)
Cancellations - Reversed revenues	7,160	7,339	1,834	1,397
(b) Realized revenues, net	(13,656,411)	(15,063,002)	(6,258,926)	(7,827,007)
Unrealized revenues (a + b)	2,059,215	1,552,050	930,411	660,313
(ii) Compensation revenue from cancellations	286	304	17	19 (*)
(iii) Unrealized revenues from contracts from non-qualifying contracts for revenue recognition	32	9	31	2 (*)
(iv) Provision for cancellations				
Adjustments on realized revenues	7,160	7,339	1,834	1,397
Adjustments on receivables from real estate development	(5,573)	(5,868)	(1,750)	(1,303)
Compensation revenue from cancellations	(286)	(304)	(17)	(19)
Liability - Rebates from cancellations	1,301	1,167	67	75
(v) Budgeted costs to be realized of sold units (**)				
<u>Projects under construction:</u>				
(a) Budgeted cost	9,922,456	10,744,339	4,627,298	5,581,775
<u>Incurred cost:</u>				
Construction cost	(8,640,366)	(9,731,121)	(4,039,451)	(5,164,355)
Construction cost - cancellations	1,669	2,685	223	531
(b) Incurred cost, net	(8,638,697)	(9,728,436)	(4,039,228)	(5,163,824)
Costs to be incurred of sold units (a + b)	1,283,759	1,015,903	588,070	417,951
Driver CI/CO (does not consider financial cost)	87.06%	90.54%	87.29%	92.51%
(vi) Budgeted costs to be realized of units in inventory (**)				
<u>Projects under construction</u>				
(a) Budgeted cost	7,050,882	6,527,240	2,721,108	2,605,794
(b) Incurred cost	(2,402,363)	(2,401,848)	(928,559)	(938,524)
Cost to be incurred of units in inventory (a + b)	4,648,519	4,125,392	1,792,549	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 June 30, 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.	12,145,436
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.	26,793
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.	681,353
Multi-peril insurance	Insures the completion of a project construction, compensation for damages caused by fire, lightning, windstorm, electrical damages, and glass shattering.	172,931
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.	2,372,000
Builder guarantee insurance	Insures the project financier that construction will be completed in the event of technical and/or financial inability by the Company.	1,785,800
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.	218,004
Group life and personal injury insurance	Insures payment of compensation related to involuntary personal injuries to employees, contractors, interns, and officers.	904,591
Residential	Insures payment of compensation to the Company for covered events in leased residential properties, events such as electric damages, fire, lightning, windstorm, etc.	12,743
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.	105,825
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.	585,048
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.	284,361
Infrastructure insurance	Insures to City authorities the completion of any infrastructure works required under licensing procedures of the projects under construction.	257,523
Property delivery insurance	Insures to the barterers the delivery of the units subject matter of the Barter Instrument entered into by the parties.	141,629
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.	408,219
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.	511,774

30. Subsequent events

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\$1,000,794, with an issue cost of R\$40,135. The main purpose of this follow on is to improve the Company's capital structure.

In July 2023, the 1st, 2nd and 3rd series of the 12th issue of debentures by the Company were settled, totaling R\$525 million, according to the maturity schedule of these series.

31. Approval of the Interim Financial Statements

These interim financial statements were analyzed by the Audit Committee and the Fiscal Board and authorized for issue by the Executive Board on August 9, 2023.