

Interim Financial Statements

3Q22

MRV&CO



Resia Tradition
Port Saint Lucie, Florida

RESIA

SENSIA

INCORPORADORA



Sensja
Ponta Negra



MRV
Reserva Vila do Sol

MRV

Luggo



Luggo
Cabral



Urba
Parque Atlânta

Urba

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	Notes	Consolidated		Individual	
		9/30/22	12/31/21	9/30/22	12/31/21
Assets					
Current assets					
Cash and cash equivalents	4	707,703	947,928	122,910	308,053
Marketable securities	5	2,146,769	1,492,808	1,596,543	1,055,908
Receivables from real estate development	6	2,433,850	2,142,414	1,240,957	1,126,218
Receivables from services provided and rents	6	150,087	133,036	74,277	77,571
Inventories	7	4,390,144	4,319,247	2,035,134	2,277,141
Recoverable taxes	16	163,260	112,659	72,279	62,048
Prepaid expenses		108,050	87,739	54,350	40,833
Derivative financial instruments	25 (b)	-	22,368	-	22,368
Other assets		430,286	150,056	221,816	130,079
		10,530,149	9,408,255	5,418,266	5,100,219
Investment properties - Noncurrent assets held for sale	9	465,789	174,134	-	-
Total current assets		10,995,938	9,582,389	5,418,266	5,100,219
Noncurrent assets					
Marketable securities	5	349,594	309,131	288,761	253,327
Receivables from real estate development	6	1,628,888	1,640,593	751,181	789,447
Inventories	7	4,558,240	4,847,627	3,068,335	3,546,995
Intercompany receivables		67,311	68,227	1,079,572	974,938
Prepaid expenses		61,758	43,955	30,674	24,079
Derivative financial instruments	25 (b)	69,103	28,281	58,674	28,275
Other noncurrent assets		366,628	403,359	224,566	275,361
Total long-term realisable		7,101,522	7,341,173	5,501,763	5,892,422
Equity interest in investees	8	199,304	190,530	3,348,234	2,865,321
Investment properties	9	3,623,438	2,319,080	151,353	281,937
Property and equipment	10	749,159	614,443	602,584	514,301
Intangible assets	11	185,389	177,344	174,129	167,236
Total noncurrent assets		11,858,812	10,642,570	9,778,063	9,721,217
Total assets		22,854,750	20,224,959	15,196,329	14,821,436
Liabilities and Equity					
Current liabilities					
Suppliers		865,969	716,428	418,718	362,851
Payables for investment acquisition		15,333	26,634	(636)	19,646
Derivative financial instruments	25 (b)	89,829	-	89,826	-
Loans, financing and debentures	12	1,013,016	859,817	862,956	694,126
Land payables	13	1,037,410	768,854	639,944	520,020
Advances from customers	14	352,905	227,884	167,100	125,742
Payroll and related liabilities	15	224,849	178,370	96,311	93,309
Tax payables	16	199,704	120,369	73,647	86,103
Provision for maintenance of real estate	17	51,359	46,367	28,979	24,520
Deferred tax liabilities	26	79,492	79,056	36,264	40,128
Proposed dividends		95,587	194,205	95,587	191,174
Net capital deficiency liability - Investments	8	417,411	375,103	228,325	188,669
Credit assignment liability	6	152,889	-	91,930	-
Other payables		400,616	323,202	97,463	92,924
		4,996,369	3,916,289	2,926,414	2,439,212
Loans, financing and debentures - Noncurrent assets held for sale	12	354,576	131,142	-	-
Total current liabilities		5,350,945	4,047,431	2,926,414	2,439,212
Noncurrent liabilities					
Payables for investment acquisition		20,132	21,001	15,438	13,193
Derivative financial instruments	25 (b)	69,061	105,156	69,061	105,156
Loans, financing and debentures	12	5,896,901	4,372,960	3,409,154	2,777,309
Land payables	13	3,258,401	4,029,933	1,857,438	2,795,360
Advances from customers	14	217,322	328,848	186,635	186,967
Provision for maintenance of real estate	17	175,436	160,195	90,764	90,865
Provision for civil, labor and tax risks	18	83,676	94,677	55,231	63,384
Deferred tax liabilities	26	81,066	176,513	27,866	30,192
Credit assignment liability	8	279,268	-	167,670	-
Other payables	6	446,879	288,747	181,041	200,292
Total noncurrent liabilities		10,528,142	9,578,030	6,060,298	6,262,718
Total liabilities		15,879,087	13,625,461	8,986,712	8,701,930
Equity					
Paid-in capital		4,615,408	4,615,171	4,615,408	4,615,171
Treasury shares	20 (a)	(388)	(388)	(388)	(388)
Capital reserves		83,764	71,969	83,764	71,969
Earnings reserves		1,336,995	1,358,777	1,336,995	1,358,777
Equity valuation adjustments		42,909	73,977	42,909	73,977
Earnings accumulated		130,929	-	130,929	-
Equity attributable to the Company' shareholders		6,209,617	6,119,506	6,209,617	6,119,506
Noncontrolling interests		766,046	479,992	-	-
Total equity		6,975,663	6,599,498	6,209,617	6,119,506
Total liabilities and equity	20 (g)	22,854,750	20,224,959	15,196,329	14,821,436

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

INCOME STATEMENTS FOR THE THREE AND NINE MONTHS PERIODS ENDED ON SEPTEMBER 30, 2022 AND 2021
(In thousands of Brazilian reais - R\$, except earnings per share)

	Notes	Consolidated				Individual			
		2022		2021		2022		2021	
		3 ^o quarter	nine months	3 ^o quarter	nine months	3 ^o quarter	nine months	3 ^o quarter	nine months
Net operating revenue	22	1,694,859	4,971,600	1,800,098	5,214,533	749,599	2,393,118	931,549	2,793,544
Cost of real estate sales and services	23	(1,367,148)	(4,001,188)	(1,311,903)	(3,819,697)	(657,369)	(2,017,580)	(715,532)	(2,106,695)
Gross profit		327,711	970,412	488,195	1,394,836	92,230	375,538	216,017	686,849
Operating income (expenses):									
Selling expenses	23	(164,515)	(485,023)	(167,732)	(473,473)	(104,363)	(318,597)	(111,346)	(311,306)
General and administrative expenses	23	(176,176)	(426,814)	(124,075)	(359,249)	(98,314)	(290,002)	(93,297)	(280,602)
Other operating income (expenses), net	23	(41,123)	391,494	132,584	161,448	(27,297)	(16,624)	(20,885)	(61,018)
Results from equity interest in investees	8	(30,719)	(77,025)	(11,334)	(35,064)	50,645	468,079	238,307	537,404
Income before financial income and taxes		(84,822)	373,044	317,638	688,498	(87,099)	218,394	228,796	571,327
Financial income (expenses):									
Financial expenses	24	20,189	(266,878)	(115,494)	(172,257)	41,787	(217,249)	(88,713)	(126,355)
Financial income	24	66,279	183,451	39,281	94,786	45,412	137,422	29,348	65,115
Financial income from receivables from real estate development	24	26,713	86,249	26,219	94,366	14,493	45,753	13,252	47,316
Income before taxes		28,359	375,866	267,644	705,393	14,593	184,320	182,683	557,403
Income tax and social contribution:									
Current	26	(46,062)	(288,278)	(75,661)	(135,383)	(17,995)	(56,483)	(19,161)	(51,688)
Deferred	26	25,015	84,798	2,482	(3,541)	4,989	3,092	1,639	(866)
	26	(21,047)	(203,480)	(73,179)	(138,924)	(13,006)	(53,391)	(17,522)	(52,554)
Net income for the period		7,312	172,386	194,465	566,469	1,587	130,929	165,161	504,849
Net income attributable to:									
Company' shareholders		1,587	130,929	165,161	504,849				
Noncontrolling interests		5,725	41,457	29,304	61,620				
		7,312	172,386	194,465	566,469				
Earnings per share (In Reais - R\$):									
Basic	20 (h)	0.00328	0.27095	0.34181	1.04489	0.00328	0.27095	0.34181	1.04489
Diluted	20 (h)	0.00328	0.27051	0.34116	1.04078	0.00328	0.27051	0.34116	1.04078

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



	Consolidated				Individual			
	2022		2021		2022		2021	
	3 rd quarter	nine months	3 rd quarter	nine months	3 rd quarter	nine months	3 rd quarter	nine months
Net income for the period	7,312	172,386	194,465	566,469	1,587	130,929	165,161	504,849
Other components of comprehensive income								
Currency translation adjustments	51,866	22,432	52,086	33,394	36,569	(3,475)	45,233	29,592
Cash flow hedge reserve	28,993	(27,593)	(24,521)	(53,502)	28,993	(27,593)	(24,521)	(53,502)
Total comprehensive income for the period	88,171	167,225	222,030	546,361	67,149	99,861	185,873	480,939
Comprehensive income attributable to:								
Company' shareholders	67,149	99,861	185,873	480,939	67,149	99,861	185,873	480,939
Noncontrolling interests	21,022	67,364	36,157	65,422	-	-	-	-
	88,171	167,225	222,030	546,361	67,149	99,861	185,873	480,939

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, 2020	4,609,424	(1,120)	(26,309)	85,811	62,019	781,502	8,666	74,943	-	78,395	5,673,331	361,254	6,034,585
Capital increase	5,747	-	-	-	-	-	-	-	-	-	5,747	-	5,747
Capital transactions	-	-	-	-	-	2,311	-	-	-	-	2,311	7,266	9,577
Net contributions from noncontrolling shareholders	-	-	-	-	-	-	-	-	-	-	-	(65,643)	(65,643)
Currency translation adjustments	-	-	-	-	-	-	-	29,592	-	-	29,592	3,802	33,394
Cash flow hedge reserve	-	-	-	-	-	-	(53,502)	-	-	-	(53,502)	-	(53,502)
Reflection of bonus exercise in subsidiary	-	732	-	-	-	75	-	-	-	-	807	-	807
Prior period adjustments in subsidiary	-	-	-	-	-	(4,503)	-	-	-	-	(4,503)	(417)	(4,920)
Extraordinary dividends	-	-	-	-	-	(100,000)	-	-	-	-	(100,000)	-	(100,000)
Proposed additional dividends	-	-	-	-	-	-	-	-	(78,395)	(78,395)	-	-	(78,395)
Stock options	-	-	-	13,612	-	-	-	-	-	-	13,612	-	13,612
Changes in indirect ownership	-	-	-	-	-	-	-	-	-	-	-	11,972	11,972
Net income for the period	-	-	-	-	-	-	-	-	504,849	-	504,849	61,620	566,469
BALANCE AT SEPTEMBER 30, 2021	4,615,171	(388)	(26,309)	99,423	62,019	679,385	(44,836)	104,535	504,849	-	5,993,849	379,854	6,373,703
BALANCE AT DECEMBER 31, 2021	4,615,171	(388)	(26,309)	98,278	102,266	1,256,511	(44,407)	118,384	-	-	6,119,506	479,992	6,599,498
Capital increase	237	-	-	-	-	-	-	-	-	-	237	-	237
Capital transactions	-	-	-	-	-	(21,782)	-	-	-	-	(21,782)	16,413	(5,369)
Net contributions from noncontrolling shareholders	-	-	-	-	-	-	-	-	-	-	-	178,988	178,988
Currency translation adjustments	-	-	-	-	-	-	-	(3,475)	-	-	(3,475)	25,907	22,432
Cash flow hedge reserve	-	-	-	-	-	-	(27,593)	-	-	-	(27,593)	-	(27,593)
Stock options	-	-	-	11,795	-	-	-	-	-	-	11,795	-	11,795
Changes in indirect ownership	-	-	-	-	-	-	-	-	-	-	-	23,289	23,289
Net income for the period	-	-	-	-	-	-	-	-	130,929	-	130,929	41,457	172,386
BALANCE AT SEPTEMBER 30, 2022	4,615,408	(388)	(26,309)	110,073	102,266	1,234,729	(72,000)	114,909	130,929	-	6,209,617	766,046	6,975,663

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

STATEMENTS OF CASH FLOWS FOR THE NINE MONTHS PERIODS ENDED SEPTEMBER 30, 2022 AND 2021 - INDIRECT METHOD
(In thousands of Brazilian reais - R\$)

	Notes	Consolidated		Individual	
		nine months of		nine months of	
		2022	2021	2022	2021
Cash flows from operating activities					
Net income for the period		172,386	566,469	130,929	504,849
Adjustments to reconcile net income to cash generated by operating activities:					
Depreciation and amortization		108,081	99,668	89,340	71,596
Recognized stock options granted	23	11,886	13,815	11,210	13,162
Property and equipment write off	10	27,405	7,187	25,923	5,727
Financial results		(95,589)	(51,233)	(34,228)	(27,125)
Results from equity interest in investees	8	77,025	35,064	(468,079)	(537,404)
Results from sale of assets / projects	23	(483,957)	(270,662)	(28,970)	-
Provision for maintenance of real estate		78,919	75,037	38,699	41,129
Provision for civil, labor and tax risks		108,994	87,939	69,062	56,972
Allowance for credit risk		152,525	61,971	79,545	28,906
Amortization of prepaid expenses		113,993	123,213	52,877	64,424
Results from derivative financial instruments		47,114	34,869	56,795	44,093
Deferred income tax and social contribution	26	(84,798)	3,541	(3,092)	866
Deferred taxes on revenue (PIS & COFINS)		(1,694)	3,342	(3,098)	836
		232,290	790,220	16,913	268,031
(Increase) decrease in operating assets:					
(Increase) decrease in trade receivables		60,285	(228,920)	151,933	(74,346)
(Increase) decrease in real estate for sale		(24,578)	(339,902)	193,739	(159,106)
(Increase) decrease in prepaid expenses		(152,912)	(100,761)	(72,989)	(49,861)
(Increase) decrease in other assets		(141,979)	(114,382)	(23,348)	(67,013)
Increase (decrease) in operating liabilities:					
Increase (decrease) in trade payables		145,606	193,238	55,867	88,500
Increase (decrease) in payroll and related taxes		45,846	73,613	3,002	21,466
Increase (decrease) in taxes, fees and contributions		248,197	130,899	38,142	50,614
Increase (decrease) in advances from customers		59,810	32,916	33,887	59,925
Increase (decrease) in other payables		35,380	(4,334)	(49,750)	(36,805)
Interest paid		(453,716)	(230,613)	(322,086)	(152,695)
Income tax and social contribution paid		(230,083)	(98,679)	(50,747)	(52,424)
Amounts paid of real estate maintenance	17	(88,797)	(101,880)	(51,340)	(56,511)
Amounts paid for civil, labor and tax risks	18	(130,977)	(109,036)	(84,426)	(74,063)
Net cash used in operating activities		(395,628)	(107,621)	(161,203)	(234,288)
Cash flows from investing activities					
Increase in marketable securities		(5,994,425)	(4,466,840)	(3,936,044)	(2,929,089)
Decrease in marketable securities		5,440,795	4,534,204	3,469,230	3,101,039
Advances to related companies		(38,528)	(89,675)	(972,116)	(992,527)
Receipts from related companies		41,038	85,714	869,033	831,112
Distribution from (acquisition of/contribution to) investees	8	(2,580)	37,414	93,624	379,787
Payment for acquisition of investees		(48,891)	(36,474)	(47,736)	(32,607)
Receipts for sale of investees / assets		1,432,287	862,071	163,050	4,973
Purchase of investment property		(2,286,350)	(1,138,770)	(29,249)	(77,824)
Purchase of property and equipment and intangible assets		(277,980)	(130,494)	(211,303)	(89,761)
Net cash (used in) generated by investing activities		(1,734,634)	(342,850)	(601,511)	195,103
Cash flows from financing activities					
Proceeds from issue of shares		237	5,747	237	5,747
Loans from related parties		10,354	38,063	(5,627)	(34,751)
Proceeds from loans, financing and debentures		4,223,403	2,123,251	1,768,955	727,398
Repayment of borrowings, financing and debentures		(2,404,345)	(1,341,258)	(1,029,937)	(660,768)
Contracted and redeemed derivative financial instruments		(38,688)	22,221	(38,688)	22,221
Capital transactions		(5,369)	9,577	(21,782)	2,311
Dividends paid		(98,618)	(231,986)	(95,587)	(230,658)
Contribution from (distribution to) noncontrolling shareholders	20 (g)	178,988	(65,643)	-	-
Net cash generated (used in) by financing activities		1,865,962	559,972	577,571	(168,500)
Effects of exchange rates on cash and cash equivalents		24,075	17,119	-	-
(Decrease) increase in cash and cash equivalents, net		(240,225)	126,620	(185,143)	(207,685)
Cash and cash equivalents					
At the beginning of the period		947,928	1,080,705	308,053	485,346
At the end of the period		707,703	1,207,325	122,910	277,661
(Decrease) increase in cash and cash equivalents, net		(240,225)	126,620	(185,143)	(207,685)

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

	Notes	Consolidated		Individual	
		nine months of		nine months of	
		2022	2021	2022	2021
REVENUES					
Gross operating revenue		5,206,279	5,367,129	2,509,285	2,870,441
Other income		53,635	15,457	54,072	15,950
Revenues related to construction of own assets		31,435	35,454	30,645	35,209
Allowance for credit risk		(152,525)	(61,971)	(79,545)	(28,906)
		5,138,824	5,356,069	2,514,457	2,892,694
Inputs purchased from third-parties (includes the taxes ICMS, IPI, PIS and COFINS)					
Cost of real estate and services sold: supplies, land, power, outside services and other items		(3,192,999)	(3,276,268)	(2,051,188)	(2,165,577)
GROSS VALUE ADDED		1,945,825	2,079,801	463,269	727,117
Depreciation and amortization		(108,081)	(99,668)	(89,340)	(71,596)
NET VALUE ADDED GENERATED BY THE COMPANY		1,837,744	1,980,133	373,929	655,521
VALUE ADDED RECEIVED IN TRANSFER					
Results from equity interest in investees	8	(77,025)	(35,064)	468,079	537,404
Financial income		295,771	206,251	199,711	122,925
		218,746	171,187	667,790	660,329
TOTAL VALUE ADDED FOR DISTRIBUTION		2,056,490	2,151,320	1,041,719	1,315,850
VALUE ADDED DISTRIBUTED					
Personnel:					
Salaries and wages		687,838	591,043	217,787	203,924
Benefits		132,597	138,148	80,222	86,770
Severance Pay Fund (FGTS)		44,569	40,317	26,807	23,593
Taxes and fees:		615,078	516,124	317,997	293,160
Federal		459,019	369,850	213,367	200,041
Municipal		155,076	145,439	103,911	92,353
State		983	835	719	766
Lenders and lessors:		404,022	299,219	267,977	203,554
Interest		286,925	201,479	188,508	134,023
Rentals / Leases		117,097	97,740	79,469	69,531
Shareholders:		172,386	566,469	130,929	504,849
Earnings retained in the period		130,929	504,849	130,929	504,849
Noncontrolling interests	20 (g)	41,457	61,620	-	-
VALUE ADDED DISTRIBUTED		2,056,490	2,151,320	1,041,719	1,315,850

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 silent partnerships ("SCP"), a consortium, and special purpose entities ("SPE") 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".

During 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 net income of US\$90 million (R\$ \$455 million), recorded under caption "Other operating income (expenses), net".

Luggo

On December 29, 2021, the Company signed an investment agreement with BPG IV Multifamily Fundo de Investimento em Participações Multiestratégia, an investment vehicle of Brookfield Asset Management, for the sale of Luggo properties in the estimated amount of R\$1.26 billion. The effective acquisition and disposal of the properties will take place after the issuance of "Habite-se" and completion of each property, when the payment, receipt and transfer of the asset will occur. After each sale, Luggo will remain as the property manager.

In this context, on June 30, 2022, Luggo completed the sale of Florence Garden and Solar dos Campos for the total amount of R\$141 million, with a net income of R\$29 million, recorded under the heading "Other operating income (expenses), net".

Sale of receivables

During 2022, the Company carried out a total of nine sale of receivables' transactions, transferring receivables in the total amount of R\$1 billion, with amounts received in cash of R\$732 million. The servicer role was retained by the Group in some of these transactions. See Note 6 for more details.

2. Presentation of quarterly information 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 individual interim financial statements prepared in accordance with CPC 21 (R1) – Demonstração Intermediária (Interim Financial Reporting), identified as Individual.

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 individual financial statements are not in conformity 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, 2021. 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, 2021, issued on March 16, 2022.

2.2. Significant accounting policies

The accounting policies applied in this quarterly information are the same as those applied in the Group's financial statements for the year ended December 31, 2021, except for the policies described below.

3. Adoption of new standards and new standards issued and not yet adopted

3.1. Adoption of new standards

There are no new standard or interpretation, valid for the annual periods beginning on or after January 1st, 2022 which had material effects on the Group's financial statements. The Group decided not to early adopt any other standard, interpretation or amendment that have been issued, but are not yet in force.

3.2. New standards issued and not yet adopted

The 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, 2021.

4. Cash and cash equivalents

	Consolidated		Individual	
	9/30/22	12/31/21	9/30/22	12/31/21
Cash	210	246	195	235
Bank accounts	689,123	939,788	111,480	300,398
	689,333	940,034	111,675	300,633
Short-term investments:				
Savings deposits	129	6,432	31	6,076
Unrestricted investment funds	7	86	6	6
Bank deposit certificates (CDB)	17,474	1,376	11,198	1,338
Securities with repurchase agreement backed by debentures	760	-	-	-
	18,370	7,894	11,235	7,420
Total	707,703	947,928	122,910	308,053

In the nine-month period ended September 30, 2022, short-term investments yielded interest equivalent to 97.4% of CDI in Consolidated and 103.7% of CDI in Individual (94.3% of CDI in Consolidated and 98.5% of CDI in Individual, for the same period of 2021). They 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		Individual	
	9/30/22	12/31/21	9/30/22	12/31/21
Restricted investment funds (i)	1,940,133	1,539,149	1,607,865	1,262,539
Linked applications in bank accounts (ii)	356,662	-	144,954	-
Bank deposit certificates (CDB) (iii)	117,732	688	117,732	688
Savings deposits (iv)	34,398	70,535	14,580	45,792
Escrow account (v)	19,945	188,576	-	-
U.S. Treasuries	27,319	2,774	-	-
Real estate consortium	174	217	173	216
Total	2,496,363	1,801,939	1,885,304	1,309,235
Current	2,146,769	1,492,808	1,596,543	1,055,908
Noncurrent	349,594	309,131	288,761	253,327
	2,496,363	1,801,939	1,885,304	1,309,235

- (i) The Group established investment funds restricted, managed by first-rate banks, responsible for the custody of the assets and financial settlement of its transactions. The established funds aim at yielding interest equivalent to the Certificate of Interbank Deposit rate (CDI). 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. In the nine-month period ended September 30, 2022, the mentioned funds yielded average interest equivalent to 101.7% of CDI in Consolidated and 100.6% of CDI in Individual (171.6% of CDI in Consolidated and 173.7% of CDI in Individual, for the same period of 2021).
- (ii) Refers to credits to be realized 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 on the projects financed by the financial institution 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 the construction evolution.
- (v) Refers to escrow accounts of the subsidiary Resia to honor commitments substantially related to the land purchase and construction debt.

The Group presents amounts blocked classified as Marketable securities regarding granted guarantees, as shown below:

Blocked amounts guaranteeing:	9/30/22				
	Consolidated			Individual	
	Restricted investment funds	Escrow account	Bank certificates of deposit	Restricted investment funds	Bank certificates of deposit
Infrastructure works	38,100	-	-	19,729	-
Construction debt	-	5,439	116,262	-	116,262
Sold properties escrow	-	10,813	-	-	-
Other	2,292	3,693	1,470	1,301	1,470
	40,392	19,945	117,732	21,030	117,732

Blocked amounts guaranteeing:	12/31/21				
	Consolidated			Individual	
	Restricted investment funds	Escrow account	Bank certificates of deposit	Restricted investment funds	Bank certificates of deposit
Infrastructure works	48,204	-	-	29,625	-
Purchase of land	-	161,634	-	-	-
Construction debt	-	19,984	688	-	688
Other	2,140	6,958	-	1,214	-
Total	50,344	188,576	688	30,839	688

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

	Consolidated		Individual	
	9/30/22	12/31/21	9/30/22	12/31/21
Unrestricted investment funds	607,236	656,475	503,241	538,496
Private bonds	507,136	275,507	420,284	225,994
Securities with repurchase agreement	-	173,220	-	142,090
Bank certificates of deposit (CDB)	54,680	21,675	45,316	17,779
Debentures	46,136	39,326	38,235	32,258
Federal securities:				
Financial Treasury Bills (LFT)	141,680	65,364	117,416	53,617
National Treasury Notes - B (NTN-B)	380,986	307,343	315,738	252,108
National Treasury Bills (LTN)	201,965	-	167,376	-
Others	314	239	259	197
Total	1,940,133	1,539,149	1,607,865	1,262,539

As of September 30, 2022, and December 31, 2021, the portfolio of unrestricted 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		Individual	
	9/30/22	12/31/21	9/30/22	12/31/21
Receivables from:				
Real estate development	4,581,461	4,164,710	2,260,316	2,116,415
Present value discount	(125,993)	(62,892)	(62,298)	(34,022)
Allowance for credit risk	(392,730)	(318,811)	(205,880)	(166,728)
	4,062,738	3,783,007	1,992,138	1,915,665
Current	2,433,850	2,142,414	1,240,957	1,126,218
Noncurrent	1,628,888	1,640,593	751,181	789,447
	4,062,738	3,783,007	1,992,138	1,915,665
Receivables from services provided, rents and other sales	150,087	133,036	74,277	77,571

The rates used to discount to present value for sales performed during the nine-month period ended September 30, 2022 ranged from 0.74635% per month to 0.87627% per month (0.11799% per month to 0.35101% per month for the same period of 2021).

The agreements entered and to be entered with Caixa Econômica Federal (CEF), and other banks in “Crédito Associativo” modality correspond to approximately 48.6% of the balance of receivables from real estate development and unearned sales revenue, as at September 30, 2022 (50.3% at December 31, 2021). Of this same total, the agreements already entered with the financial institutions above mentioned, correspond to 42.1% for CEF and 0.03% for other banks (42.8% and 0.11% as at December 31, 2021 respectively).

Sale of receivables

In September 2022, the Company carried out two sale of receivables' transactions through the issuance of certificates of real estate receivables, distributed by the securitization company through a public offering with restricted efforts. The total value of the offer corresponded to R\$199 million, to which discounts were applied related to the constitution of the reserve fund and expenses, with net amount received in cash by the Company of R\$169 million. In one transaction, the Company assigned receivables in the amount of R\$156 million, which were not derecognised. As per the accounting guideline mentioned in item 3.2.15 of CPC 48 / IFRS 9 – Financial instruments, the Group recorded 'Credit assignment Liability' of R\$114 million, reserve and expenses fund assets of R\$11 million and R\$3 million, recorded under 'Other assets' and 'Prepaid expenses', respectively. In the other transaction, the Company derecognized receivables in the total amount of R\$95 million, recognized reserve and expenses fund assets of R\$9 million and R\$5 million, recorded in 'Other assets' and 'Prepaid expenses', respectively, with a net amount received in cash of R\$68 million. According to the accounting guideline mentioned in item 3.2.12 of CPC 48 / IFRS 9 – Financial instruments, the difference between the book value of the derecognized securities and the amount of the consideration received was recognized in profit or loss under caption 'Financial expenses' in the amount of R\$12 million. The servicer role was retained by the Company in both transactions.

On the same date, the Company carried out two sale of receivables' transactions with Banco Inter. In these transactions, the Group derecognised receivables in the total amount of R\$49 million, with a net amount received in cash of R\$44 million. According to the accounting guideline mentioned in item 3.2.12 of CPC 48 / IFRS 9 – Financial instruments, the difference between the book value of the derecognized securities and the amount of the consideration received was recognized in profit or loss under caption 'Financial expenses' in the amount of R\$5 million. The servicer role was retained by the Group in one of these transactions.

In June 2022, the Company carried out two sale of receivables' transactions through the issuance of certificates of real estate receivables, distributed by the securitization company through a public offering with restricted efforts. The total value of the offer corresponded to R\$396 million, to which discounts were applied related to the constitution of the reserve fund and expenses, with a net amount received in cash by the Company of R\$349 million. In these sales transactions, the Company assigned receivables in the amount of R\$528 million, which were not derecognized. As per the accounting guideline mentioned in item 3.2.15 of CPC 48 / IFRS 9 – Financial instruments, the Group recorded 'Credit Assignment Liability' of R\$396 million, reserve and expenses fund assets of R\$39 million and R\$5 million, recorded in caption 'Other assets' and 'Prepaid expenses', respectively. The servicer role was retained by the Company.

As of September 30, 2022, the total credit assignment liability amount to R\$432,157, of which R\$152,889 in current and R\$279,268 in non-current.

In March 2022, the Company and its subsidiary Urba entered into three sale of receivables agreements with Banco Inter. In these transactions, the Group derecognized receivables in the total amount of R\$194 million, with net amount received in cash of R\$170 million. According to the accounting guideline mentioned in item 3.2.12 of CPC 48 / IFRS 9 - Financial instruments, the difference between the book value of the derecognized securities and the amount of the consideration received was recognized in profit or loss under caption 'Financial expenses' in the amount of R\$24 million. The servicer role was retained by the Group in two of these transactions.

In July 2021, the Company carried out its first sale of receivables by issuing certificates of real estate receivables, distributed by the securitization company through a public offering with restricted efforts, which also included the classification "AA (bra)" by Fitch Ratings Brasil Ltda. The total value of the offer corresponded to R\$241 million, to which discounts were applied related to the constitution of the reserve and expense fund, with a net amount received in cash by the Company of R\$198 million. In this sale transaction, the Company derecognized receivables in the amount of R\$314 million. 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, including the new financial asset arising from the transfer, was recognized in profit or loss under the caption 'Financial expenses' in the amount of R\$23 million. The servicer role has been retained by the Company.

To conclude on the derecognition from balance sheet, 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, that is, considering the face value of the same R\$314 million, with its exposure to the variability of post-transfer cash flows, which were reduced to the reserve fund of R\$33 million and the value of the securities to be received in the eventual retrocession of R\$89 million, since the amount already received of R\$198 million is not subject to variability as it will not be reimbursed under any circumstances.

As a result of this assessment, the Company found that its exposure to the variability of cash flows changed significantly as a result of the transfer and started to analyze the control of the transferred asset as per item 3.2.6 of CPC 48 / IFRS 9 – Financial instruments.

Regarding control, considering that the right to receive the cash flows arising from real estate credits belongs to the holders of CRI, securities traded on the capital market and that the form and methodology for collecting such credits are defined by the assignee (securitization company), the Company concluded that did not retain control of the asset, proceeding to derecognize the transferred credits and recognize the new retrocession asset at fair value through profit or loss, as per item 3.2.11 of CPC 48 / IFRS 9 – Financial instruments, which is recorded under caption 'Other noncurrent assets'.

Changes in allowance for credit risk for the nine-month ended September 30, 2022 and 2021 are as follows:

	Consolidated		Individual	
	nine months of		nine months of	
	2022	2021	2022	2021
Opening balance	(318,811)	(281,267)	(166,728)	(148,570)
Additions	(253,998)	(161,227)	(132,981)	(83,527)
Reversals	101,473	99,256	53,436	54,621
Write-offs	78,606	39,581	40,393	18,571
Closing balance	(392,730)	(303,657)	(205,880)	(158,905)
Current	(246,514)	(195,019)	(128,904)	(101,110)
Noncurrent	(146,216)	(108,638)	(76,976)	(57,795)
	(392,730)	(303,657)	(205,880)	(158,905)

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		Individual	
	9/30/22	12/31/21	9/30/22	12/31/21
Unearned gross sales revenue (*)	1,642,730	2,033,758	703,269	1,037,638
Costs to be Incurred (*)	(1,099,329)	(1,333,534)	(469,194)	(672,791)

(*) 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		Individual	
	9/30/22	12/31/21	9/30/22	12/31/21
<u>Expectation of receipt</u>				
12 months	3,290,947	3,343,599	1,620,064	1,758,774
13 to 24 months	1,383,427	1,535,310	652,290	801,714
25 to 36 months	510,786	508,902	234,241	245,962
37 to 48 months	250,740	220,619	109,121	100,799
After 48 months	269,568	208,335	79,691	46,054
	5,705,468	5,816,765	2,695,407	2,953,303
Unearned sales revenue	1,642,730	2,033,758	703,269	1,037,638
Receivables from real estate development	4,062,738	3,783,007	1,992,138	1,915,665
	5,705,468	5,816,765	2,695,407	2,953,303

As at September 30, 2022, the Group has trade accounts receivable pledged as collateral of construction financing totaling R\$2,554,852 (R\$2,338,788 at December 31, 2021).

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, 2021.

7. Inventories (real estate for sale)

	Consolidated		Individual	
	9/30/22	12/31/21	9/30/22	12/31/21
Real estate under construction	3,136,192	3,076,809	1,455,010	1,517,247
Completed units	104,926	116,124	32,887	58,871
Landbank	5,635,785	5,885,005	3,574,888	4,198,173
Advances to suppliers	71,119	88,308	40,552	49,577
Materials stock	362	628	132	268
Total	8,948,384	9,166,874	5,103,469	5,824,136
Current	4,390,144	4,319,247	2,035,134	2,277,141
Noncurrent	4,558,240	4,847,627	3,068,335	3,546,995
	8,948,384	9,166,874	5,103,469	5,824,136

As at September 30, 2022, of the total consolidated balance of real estate under construction and completed units, R\$2,612,283 refers to projects launched and R\$628,835 refers to projects started but not yet launched (R\$2,600,672 and R\$592,261 at December 31, 2021, respectively).

As at September 30, 2022, line items “Real estate under construction”, “Completed units” and “Landbank” includes capitalized financial charges, as detailed in Note 12 (d), totaling R\$651,770 and R\$455,852 in Consolidated and Individual, respectively (R\$523,045 and R\$367,406 as at December 31, 2021, in Consolidated and Individual, respectively). A project’s land 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 September 30, 2022, the Group has real estate under construction recognized in assets, used as collateral of loans and financing agreements, totaling R\$411,369 and R\$177,179 in Consolidated and Individual, respectively (R\$276,194 and R\$112,624 at December 31, 2021, in Consolidated and Individual, 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, 2021.

8. Equity interests in investees

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

	9/30/22			12/31/21		
	Equity interest	Equity	Investments	Equity interest	Equity	Investments
Joint ventures:						
MRL Engenharia e Empreendimentos S.A.						
Cost	78.44%	30,964	24,288	74.14%	48,929	36,276
Fair Value		-	10,233		-	12,613
Goodwill		-	21,003		-	28,162
Total MRL [1]		30,964	55,524		48,929	77,051
Prime Incorporações e Construções S.A.						
Cost	68.67%	59,545	40,890	58.91%	40,389	23,793
Fair Value		-	1,536		-	-
Goodwill		-	17,174		-	-
Total Prime [2]		59,545	59,600		40,389	23,793
Parque Castelo de Gibraltar SPE Ltda	65.00%	6,100	3,965	65.00%	9,049	5,882
Parque Castelo de Andorra SPE Ltda	50.00%	12,403	6,202	50.00%	6,496	3,248
SPEs (37)		83,319	32,256		104,718	43,963
SCPs (34)		8,569	5,069		7,175	4,293
Capitalized interest		-	3,053		-	3,358
Total Joint ventures		200,900	165,669		216,756	161,588
Elimination of indirect participations		-	(383,776)		-	(346,161)
Total Joint ventures		200,900	(218,107)		216,756	(184,573)
Investments - Consolidated			199,304			190,530
Net capital deficiency liability - Investments - Consolidated			(417,411)			(375,103)
Total Joint ventures			(218,107)			(184,573)
Subsidiaries:						
MRV (US) Holdings Corporation	100.00%	1,152,183	1,152,183	100.00%	870,408	870,408
MRV Construções Ltda	95.00%	31,672	30,088	95.00%	31,740	30,153
Urba Desenvolvimento Urbano S.A. [3]	51.20%	226,917	114,322	51.54%	230,509	116,944
SCP Abilio Tavora	50.00%	16,920	8,460	50.00%	29,775	14,888
SCP Colégio Amarela	50.00%	10,852	5,426	50.00%	25,915	12,958
SCP MRV MRL Cabuçu Vida Boa	50.00%	13,526	6,763	50.00%	21,199	10,600
SCP MRV MRL Galpão CCP 2	50.00%	19,117	9,559	50.00%	18,400	9,200
SCP MRV MRL Goiaba 2	50.00%	13,410	6,705	50.00%	6,639	3,320
SCP MRV MRL Reserva Vila Jardim	50.00%	25,737	12,869	50.00%	9,338	4,669
SCP Parque das Águas 1	50.00%	13,520	6,760	50.00%	15,114	7,557
SCP Parque das Águas 4	50.00%	29,550	14,775	50.00%	7,042	3,521
SCPs (235)		678,440	387,575		700,771	401,657
MRV MDI Nasbe Incorporações SPE Ltda	100.00%	38,532	38,532	100.00%	55,454	55,454
Baleia LI SPE Ltda	100.00%	9,391	9,391	100.00%	60	60
Caminho Baraunas SPE Ltda	100.00%	1,920	1,920	100.00%	6,514	6,514
Campo Di Napoli SPE Ltda	99.00%	1,456	1,441	99.00%	6,872	6,803
Casasmias Santa Iria SPE Ltda	60.00%	38,140	22,884	60.00%	26,474	15,884
Jardim Di Stuttgart SPE Ltda	100.00%	3,768	3,768	100.00%	11,906	11,906
MD RN MRV Novas Nações SPE Ltda	100.00%	15,222	15,222	100.00%	9,393	9,393
MRV & MRL Paraná Incorporações SPE Ltda	99.00%	32,031	31,711	99.00%	19,500	19,305
MRV Lincoln Veloso Top Life Acapulco SPE Ltda	100.00%	12,119	12,119	73.17%	6,518	4,769
MRV LXXXV Incorporações SPE Ltda	100.00%	85,731	85,731	100.00%	54,914	54,914
MRV MD Vila das Amoreiras SPE Ltda	100.00%	5,450	5,450	100.00%	14,170	14,170
MRV MDI Bahia Incorporações SPE Ltda	100.00%	69,529	69,529	100.00%	27,745	27,745
MRV MDI ES Residencial Venice SPE Ltda	100.00%	2,712	2,712	100.00%	7,231	7,231
MRV MDI Reserva Ouro Branco LI SPE Ltda	100.00%	32,748	32,748	100.00%	27,269	27,269
MRV MRL Baía Da Babitonga SPE Ltda	100.00%	67,288	67,288	100.00%	46,508	46,508
MRV MRL IV Incorporações SPE Ltda	99.00%	6,108	6,047	99.00%	9,980	9,880
MRV MRL LVIII Incorporações SPE Ltda	99.00%	1,447	1,433	99.00%	3,807	3,769
MRV MRL LXIII SPE Ltda	99.00%	3,428	3,394	99.00%	8,089	8,008
MRV MRL LXXXIX Incorporações SPE Ltda	99.00%	5,487	5,432	99.00%	16,985	16,815
MRV MRL Plural 1 Incorporações SPE Ltda	100.00%	710	710	100.00%	3,698	3,698
MRV MRL Plural 2 Incorporações SPE Ltda	100.00%	8,395	8,395	100.00%	152	152
MRV MRL RJ e Grande Rio SPE Ltda	50.00%	48,699	24,350	50.00%	17,963	8,982
MRV MRL RJ SG5 SPE Ltda	50.00%	11,490	5,745	50.00%	20,293	10,147
MRV Prime LX Incorporações SPE Ltda	99.00%	691	684	99.00%	8,617	8,531
MRV Prime LXIV Incorporações SPE Ltda	99.00%	82,969	82,139	99.00%	57,689	57,112
MRV Prime LXXIV SPE Ltda	99.00%	13,533	13,398	99.00%	1,339	1,326
MRV Prime Projeto MT R SPE Ltda	40.00%	10,183	4,073	40.00%	(997)	(399)
MRV Prime Projeto MT U SPE Ltda	50.00%	5,094	2,547	50.00%	9,341	4,671
MRV Prime Projeto MT G2 SPE Ltda	50.00%	12,068	6,034	50.00%	227	114
MRV Prime Projeto MT J2 Incorporações SPE Ltda	50.00%	12,787	6,394	50.00%	2,107	1,054
MRV Prime Projeto MT P Incorporações SPE Ltda	40.00%	5,338	2,135	40.00%	7,421	2,968
MRV Prime XC Incorporações SPE Ltda	99.00%	1,566	1,550	99.00%	4,663	4,616
MRV XC Incorporações SPE Ltda	100.00%	52,539	52,539	100.00%	11,968	11,968
Parque Lagoa dos Diamantes Incorporações SPE Ltda	89.43%	9,743	8,713	89.43%	13,381	11,967
Reserva Real SPE Ltda	100.00%	16,174	16,174	100.00%	22,316	22,316
Residencial dos Lirios Incorporações SPE Ltda	99.00%	2,429	2,405	99.00%	8,721	8,634
Roc 1 SPE Ltda	65.00%	17,209	11,186	65.00%	20,551	13,358
SPEs (469)		556,950	372,616		565,104	377,443
Capitalized interest		-	160,216		-	134,134
Total subsidiaries		3,532,918	2,954,240		3,100,793	2,515,064
Total of subsidiaries and joint ventures		3,733,818	3,119,909		3,317,549	2,676,652
Investments - Individual			3,348,234			2,865,321
Net capital deficiency liability - Investments - Individual			(228,325)			(188,669)
Total of subsidiaries and joint ventures			3,119,909			2,676,652

	Equity interest		Net income				Results from equity interest in investees			
			3 rd quarter of		nine months of		3 rd quarter of		nine months of	
	9/30/22	9/30/21	2022	2021	2022	2021	2022	2021	2022	2021
Joint ventures:										
MRL Engenharia e Empreendimentos S.A.										
Cost	78.44%	74.14%	(7,071)	8,592	(24,026)	22,736	(5,542)	6,267	(18,082)	16,959
Fair Value			-	-	-	-	(2,559)	(3,150)	(5,861)	(10,898)
Total MRL [1]			(7,071)	8,592	(24,026)	22,736	(8,101)	3,117	(23,943)	6,061
Prime Incorporações e Construções S.A.										
Cost	68.67%	58.91%	9,854	17,591	18,878	46,342	6,702	10,394	12,699	27,504
Fair Value			-	-	-	-	(901)	-	(1,887)	-
Total Prime [2]			9,854	17,591	18,878	46,342	5,801	10,394	10,812	27,504
Parque Castelo de Gibraltar SPE Ltda	65.00%	65.00%	(331)	(262)	(935)	5,478	(215)	(170)	(608)	3,561
Parque Castelo de Andorra SPE Ltda	50.00%	50.00%	805	1,156	5,790	1,314	403	578	2,895	657
SPEs (37)			(5,785)	4,329	(15,157)	6,298	(3,206)	4,947	(6,863)	6,148
SCPs (34)			(1,806)	(2,433)	(5,485)	(7,246)	(1,239)	(1,351)	(3,446)	(4,104)
Juros capitalizados			-	-	-	-	(88)	(18)	(305)	(966)
Total Joint ventures			(4,334)	28,973	(20,935)	74,922	(6,645)	17,497	(21,458)	38,861
Elimination of indirect participations			-	-	-	-	(24,074)	(28,831)	(55,567)	(73,925)
Total Joint ventures			(4,334)	28,973	(20,935)	74,922	(30,719)	(11,334)	(77,025)	(35,064)
Subsidiaries:										
MRV (US) Holdings Corporation	100.00%	100.00%	(50,518)	100,504	247,041	156,933	(50,518)	100,504	247,041	156,933
MRV Construções Ltda	95.00%	95.00%	16	(70)	(68)	440	15	(67)	(65)	418
Urba Desenvolvimento Urbano S.A. [3]	51.20%	51.54%	(1,521)	7,235	(12,249)	13,095	(779)	3,729	(6,271)	6,749
SCP Abílio Tavora	50.00%	50.00%	(2,159)	3,932	(4,185)	10,148	(1,080)	1,966	(2,093)	5,074
SCP Colégio Amarela	50.00%	50.00%	(1,388)	(1,167)	(6,122)	17,900	(694)	(584)	(3,061)	8,950
SCP MRV MRL Cabuçu Vida Boa	50.00%	50.00%	(3,556)	6,247	(1,928)	11,455	(1,778)	3,124	(964)	5,728
SCP MRV MRL Galpão CCP 2	50.00%	50.00%	1,573	1,793	14,220	3,164	787	897	7,110	1,582
SCP MRV MRL Goiaba 2	50.00%	50.00%	4,497	1,737	11,530	3,767	2,249	869	5,765	1,884
SCP MRV MRL Reserva Vila Jardim	50.00%	50.00%	8,487	438	15,891	679	4,244	219	7,946	340
SCP Parque das Águas 1	50.00%	50.00%	(789)	4,395	727	12,295	(395)	2,198	364	6,148
SCP Parque das Águas 4	50.00%	50.00%	11,749	(100)	12,482	(102)	5,875	(50)	6,241	(51)
SCPs (235)			384	27,817	16,144	69,387	(3,008)	14,352	3,839	32,926
MRV MDI Nasbe Incorporações SPE Ltda	100.00%	100.00%	(3,689)	11,633	(3,308)	66,461	(3,689)	11,633	(3,308)	66,461
Baleia LI SPE Ltda	100.00%	100.00%	8,487	(28)	9,511	(185)	8,487	(28)	9,511	(185)
Caminho Baraunas SPE Ltda	100.00%	100.00%	(25)	1,456	(526)	5,607	(25)	1,456	(526)	5,607
Campo Di Napoli SPE Ltda	99.00%	99.00%	(324)	4,044	(5,414)	9,529	(321)	4,004	(5,360)	9,434
Casasmais Santa Iria SPE Ltda	60.00%	60.00%	2,913	3,986	19,623	6,596	1,748	2,392	11,774	3,958
Jardim Di Stuttgart SPE Ltda	100.00%	100.00%	(3,001)	3,056	(7,318)	7,822	(3,001)	3,056	(7,318)	7,822
MD RN MRV Novas Nações SPE Ltda	100.00%	100.00%	6,660	257	9,351	4,084	6,660	257	9,351	4,084
MRV & MRL Paraná Incorporações SPE Ltda	99.00%	99.00%	323	2,673	12,839	9,094	320	2,646	12,711	9,003
MRV Lincoln Veloso Top Life Acapulco SPE Ltda	100.00%	73.17%	2,267	2,258	5,645	4,120	2,267	1,652	5,645	3,015
MRV LXXXV Incorporações SPE Ltda	100.00%	100.00%	6,869	7,075	39,858	16,233	6,869	7,075	39,858	16,233
MRV MD Vila das Amoreiras SPE Ltda	100.00%	100.00%	(1,238)	663	(1,714)	9,073	(1,238)	663	(1,714)	9,073
MRV MDI Bahia Incorporações SPE Ltda	100.00%	100.00%	22,458	2,078	59,074	3,930	22,458	2,078	59,074	3,930
MRV MDI ES Residencial Venice SPE Ltda	100.00%	100.00%	(720)	2,200	(3,178)	5,090	(720)	2,200	(3,178)	5,090
MRV MDI Reserva Ouro Branco LI SPE Ltda	100.00%	100.00%	4,320	3,080	6,455	3,520	4,320	3,080	6,455	3,520
MRV MRL Baía Da Babitonga SPE Ltda	100.00%	100.00%	12,107	1,312	27,644	14,256	12,107	1,312	27,644	14,256
MRV MRL IV Incorporações SPE Ltda	99.00%	99.00%	(1,248)	3,004	(1,848)	6,836	(1,236)	2,974	(1,830)	6,768
MRV MRL LVIII Incorporações SPE Ltda	99.00%	99.00%	(369)	1,482	(2,665)	8,276	(365)	1,467	(2,638)	8,193
MRV MRL LXIII SPE Ltda	99.00%	99.00%	(2,771)	1,983	(4,819)	3,196	(2,743)	1,963	(4,771)	3,164
MRV MRL LXXXIX Incorporações SPE Ltda	99.00%	99.00%	(3,168)	5,446	246	12,768	(3,136)	5,392	244	12,640
MRV MRL Plural 1 Incorporações SPE Ltda	100.00%	100.00%	(518)	1,003	(3,124)	7,593	(518)	1,003	(3,124)	7,593
MRV MRL Plural 2 Incorporações SPE Ltda	100.00%	100.00%	6,621	(1)	8,029	(2)	6,621	(1)	8,029	(2)
MRV MRL RJ e Grande Rio SPE Ltda	50.00%	50.00%	15,304	42	24,999	181	7,652	21	12,500	91
MRV MRL RJ S65 SPE Ltda	50.00%	50.00%	(3,673)	6,397	(1,891)	9,845	(1,837)	3,199	(946)	4,923
MRV Prime LX Incorporações SPE Ltda	99.00%	99.00%	(1,450)	(776)	(5,808)	6,303	(1,436)	(768)	(5,750)	6,240
MRV Prime LXIV Incorporações SPE Ltda	99.00%	99.00%	23,206	10,582	46,910	23,607	22,974	10,476	46,441	23,371
MRV Prime LXXIV SPE Ltda	99.00%	99.00%	9,454	(123)	12,193	(219)	9,359	(122)	12,071	(217)
MRV Prime Projeto MT R SPE Ltda	40.00%	40.00%	4,366	(13)	11,664	(17)	1,746	(5)	4,666	(7)
MRV Prime Projeto MT U SPE Ltda	50.00%	50.00%	289	3,493	672	12,472	145	1,747	336	6,236
MRV Prime Projeto MT G2 SPE Ltda	50.00%	50.00%	10,258	(39)	11,968	(42)	5,129	(20)	5,984	(21)
MRV Prime Projeto MT J2 Incorporações SPE Ltda	50.00%	50.00%	1,420	(101)	14,661	(107)	710	(51)	7,331	(54)
MRV Prime Projeto MT P Incorporações SPE Ltda	40.00%	40.00%	314	5,608	(55)	19,165	126	2,243	(22)	7,666
MRV Prime XC Incorporações SPE Ltda	99.00%	99.00%	(142)	789	(1,572)	5,390	(141)	781	(1,556)	5,336
MRV XC Incorporações SPE Ltda	100.00%	100.00%	11,404	1,088	19,941	2,757	11,404	1,088	19,941	2,757
Parque Lagoa dos Diamantes Incorporações SPE Ltda	89.43%	89.43%	2,038	1,165	8,655	3,381	1,823	1,042	7,740	3,024
Reserva Real SPE Ltda	100.00%	100.00%	41	2,004	1,058	6,382	41	2,004	1,058	6,382
Residencial dos Lirios Incorporações SPE Ltda	99.00%	99.00%	(383)	(582)	(3,269)	5,168	(379)	(576)	(3,236)	5,116
Roc 1 SPE Ltda	65.00%	65.00%	2,905	5,493	3,424	13,398	1,888	3,570	2,226	8,709
SPEs (469)			2,765	33,083	(2,996)	44,713	(4,177)	19,764	(18,817)	22,342
Capitalized interest			-	-	-	-	(7,014)	(7,014)	(22,811)	(29,689)
Total subsidiaries			100,845	279,531	598,398	655,435	57,290	220,810	489,537	498,543
Total of subsidiaries and joint ventures			96,511	308,504	577,463	730,357	50,645	238,307	468,079	537,404

- [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 payables" and its counterpart in caption "other noncurrent assets", being R\$3,206 paid in May 2022, representing 7,221,082 shares and R\$20,526 and R\$12,825 to be paid in May 2023 and 2024, 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 78.44%. This transaction generated an adjustment on this investment's fair value of R\$2,690 and the reversal of the previously recorded goodwill of R\$7,334, 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 payables" against "other noncurrent assets", being R\$14,414, R\$14,441 and R\$15,886 to be paid in May 2023, 2024 and 2025, respectively, and their settlement may be lower, as they depend on Prime's financial performance. Prime's net assets were valued at fair value, thus, the transaction generated a fair value adjustment of R\$3,423, goodwill of R\$17,174 and other assets of R\$10,774. 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 September 30, 2022, unrealized profit of R\$1,860 raised from sales of lots were eliminated (R\$1,860 at December 31, 2021).

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 September 30, 2022 the restricted amounts for distribution amounted to R\$92,554 (R\$79,458, as at December 31, 2021).

b) Changes in investments are as follows:

	Opening balance	Capital subscription (reduction and distribution of profits)	Results from equity interest in investees	Others	Closing balance
Nine-month period ended September 30, 2022:					
Joint ventures:					
MRL Engenharia e Empreendimentos S.A.					
Cost	36,276	4,452	(18,082)	1,642	24,288
Fair Value	12,613	-	(5,861)	3,481	10,233
Goodwill	28,162	-	-	(7,159)	21,003
Total MRL [1]	77,051	4,452	(23,943)	(2,036)	55,524
Prime Incorporações e Construções S.A.					
Cost	23,793	-	12,699	4,398	40,890
Fair Value	-	-	(1,887)	3,423	1,536
Goodwill	-	-	-	17,174	17,174
Total Prime [2]	23,793	-	10,812	24,995	59,600
Parque Castelo de Gibraltar SPE Ltda	5,882	(1,309)	(608)	-	3,965
Parque Castelo de Andorra SPE Ltda	3,248	59	2,895	-	6,202
SPEs (37)	43,963	(4,844)	(6,863)	-	32,256
SCPs (34)	4,293	4,222	(3,446)	-	5,069
Capitalized interest	3,358	-	(305)	-	3,053
Total Joint ventures	161,588	2,580	(21,458)	22,959	165,669
Elimination of indirect ownership	(346,161)	-	(55,567)	17,952	(383,776)
Total Joint ventures	(184,573)	2,580	(77,025)	40,911	(218,107)
Total Joint ventures and associated companies - Consolidated					
	190,530	3,482	(70,262)	75,554	199,304
Net capital deficiency liability - Investments - Consolidated					
	(375,103)	(902)	(6,763)	(34,643)	(417,411)
Total Joint ventures	(184,573)	2,580	(77,025)	40,911	(218,107)
Subsidiaries:					
MRV (US) Holdings Corporation	870,408	38,208	247,041	(3,474)	1,152,183
MRV Construções Ltda	30,153	-	(65)	-	30,088
Urba Desenvolvimento Urbano S.A.	116,944	3,225	(6,271)	424	114,322
MRV MDI Nasbe Incorporações SPE Ltda	55,454	(13,614)	(3,308)	-	38,532
SCPs (243)	468,370	(34,625)	25,147	-	458,892
SPEs (496)	839,601	(89,398)	249,804	-	1,000,007
Capitalized interest	134,134	-	(22,811)	48,893	160,216
Total of subsidiaries	2,515,064	(96,204)	489,537	45,843	2,954,240
Total of subsidiaries and joint ventures	2,676,652	(93,624)	468,079	68,802	3,119,909
Total of subsidiaries, joint ventures and associated companies - Individual					
	2,865,321	(91,410)	505,521	68,802	3,348,234
Net capital deficiency liability - Investments - Individual					
	(188,669)	(2,214)	(37,442)	-	(228,325)
Total of subsidiaries and joint ventures	2,676,652	(93,624)	468,079	68,802	3,119,909
Nine-month period ended September 30, 2021:					
Total joint ventures - Consolidated	121,002	45,903	(28,967)	58,323	196,261
Net capital deficiency liability - Investments - Consolidated	(287,580)	(83,317)	(6,097)	(851)	(377,845)
Total Joint ventures	(166,578)	(37,414)	(35,064)	57,472	(181,584)
Total Joint ventures and associated companies - Individual					
	2,295,412	(401,459)	575,443	109,962	2,579,358
Net capital deficiency liability - Investments - Individual					
	(163,681)	21,673	(38,039)	-	(180,047)
Total of subsidiaries and joint ventures	2,131,731	(379,786)	537,404	109,962	2,399,311

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

	9/30/22						12/31/21					
	MRL	Prime	Pq. Castelo de Gibraltar SPE Ltda.	Pq. Castelo de Andorra SPE Ltda.	Other SPEs (37)	Other SCPs (34)	MRL	Prime	Pq. Castelo de Gibraltar SPE Ltda.	Pq. Castelo de Andorra SPE Ltda.	Other SPEs (40)	Other SCPs (35)
Current assets	36,419	52,808	4,397	26,586	39,179	9,998	58,518	81,027	4,290	23,265	41,632	10,100
Noncurrent assets	439,029	368,594	3,501	5,493	191,365	4,140	405,934	308,685	5,470	3,276	156,431	4,291
	475,448	421,402	7,898	32,079	230,544	14,138	464,452	389,712	9,760	26,541	198,063	14,391
Current liabilities	39,364	68,193	912	7,019	97,258	3,462	95,244	62,982	367	13,551	78,577	1,354
Noncurrent liabilities	405,120	293,664	886	12,657	49,967	2,107	320,279	286,341	344	6,494	14,768	5,862
Equity	30,964	59,545	6,100	12,403	83,319	8,569	48,929	40,389	9,049	6,496	104,718	7,175
	475,448	421,402	7,898	32,079	230,544	14,138	464,452	389,712	9,760	26,541	198,063	14,391
Total interest %	78.44	68.67	65.00	50.00	From 30 to 70	From 32 to 95	74.14	58.91	65.00	50.00	From 30 to 70	From 32 to 95

	nine months of						nine months of					
	2022						2021					
	MRL	Prime	Pq. Castelo de Gibraltar SPE Ltda.	Pq. Castelo de Andorra SPE Ltda.	Other SPEs (37)	Other SCPs (34)	MRL	Prime	Pq. Castelo de Gibraltar SPE Ltda.	Pq. Castelo de Andorra SPE Ltda.	Other SPEs (40)	Other SCPs (35)
Net operating revenue	-	-	(684)	35,550	7,975	(849)	-	-	19,522	5,984	67,742	(428)
Cost of real estate sold	-	-	(766)	(26,888)	(14,811)	(2,374)	-	-	(12,360)	(3,717)	(50,390)	(2,987)
Operating income (expenses)	(10,629)	(10,806)	(422)	(2,201)	(8,980)	(2,767)	(10,565)	(9,819)	(1,229)	(831)	(10,470)	(4,771)
Results from equity interest in investees	18,110	54,295	-	-	-	-	46,765	64,400	-	-	-	-
Financial results	(31,507)	(24,611)	944	37	708	489	(13,464)	(8,239)	(94)	(4)	1,062	947
Income tax and social contribution	-	-	(7)	(708)	(49)	16	-	-	(361)	(118)	(1,646)	(7)
Net income for the year	(24,026)	18,878	(935)	5,790	(15,157)	(5,485)	22,736	46,342	5,478	1,314	6,298	(7,246)
Total interest %	78.44	68.67	65.00	50.00	From 30 to 70	From 32 to 95	74.14	58.91	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 asset proportion related to the Group's projects that have real estate development equity segregation, as at September 30, 2022 and December 31, 2021, are as follows:

	Consolidated			
	9/30/22		12/31/21	
Projects under Law 10931/04 (Earmarked Assets)	8,014,769	35.07%	7,538,791	37.27%
Silent partnerships (SCPs)	433,612	1.90%	460,180	2.28%
Special Purpose Entities (SPEs)	1,201,715	5.26%	736,407	3.64%
Other entities	6,692,436	29.28%	4,589,128	22.69%
Projects with segregation	16,342,532	71.51%	13,324,506	65.88%
Balances without segregation	6,512,218	28.49%	6,900,453	34.12%
Total Consolidated	22,854,750	100.00%	20,224,959	100.00%

Other information on 'Equity interests in investees' is not significantly different from the information disclosed in Note 8 to the financial statements for the year ended December 31, 2021.

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 9/30/22	Fair value with level measurement	Fair value 9/30/22	Net cost 12/31/21
Properties under construction	2,214,954	3	2,725,710	1,471,589
Landbank	944,620	3	1,080,098	552,866
Right of use	120,048		120,048	-
Subtotal Resia	3,279,622		3,925,856	2,024,455
Properties under construction	124,190	3	154,260	12,688
Landbank	68,273		68,273	-
Subtotal Subsidiaries	3,472,085		4,148,389	2,037,143
Properties under construction	1,750	3	1,750	137,238
Landbank	149,603		149,603	144,699
Subtotal Individual [1]	151,353		151,353	281,937
Properties under construction	2,340,894		2,881,720	1,621,515
Landbank	1,162,496		1,297,974	697,565
Right of use	120,048		120,048	-
Total Consolidated [1]	3,623,438		4,299,742	2,319,080

[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, 2021.

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:

Lands

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 6.25% 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 nine-month ended September 30, 2022 and 2021 were as follows:

	Consolidated		Individual	
	nine months of		nine months of	
	2022	2021	2022	2021
Opening balance	2,319,080	1,797,960	281,937	173,075
Additions	2,401,065	1,138,770	29,925	77,824
Transfer from inventories to investment property	78,793	88,774	68,504	88,774
Transfer to subsidiaries	-	-	(116,504)	-
Transfer to noncurrent assets held for sale	(464,670)	(1,206,167)	-	-
Capitalized interest (Note 12 (d))	55,238	19,077	-	-
Write-off due to assets sales	(763,676)	(15,995)	(112,509)	-
Depreciation	-	(11,511)	-	-
Currency translation adjustments	(2,392)	72,058	-	-
Closing balance	3,623,438	1,882,966	151,353	339,673

Noncurrent assets held for sale

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

	Consolidated	
	nine months of	
	2022	2021
Opening balance	174,134	-
Transfer from noncurrent assets held for sale	464,670	1,206,167
Write-off due to asset sales (*)	(163,195)	(797,090)
Other write-off	(27,478)	-
Currency translation adjustments	17,658	8,261
Closing balance	465,789	417,338

(*) 2022 refers to transfer of Oak Enclave project and 2021 refers to transfer of Lake Osborne, Mangonia Lake, Banyan Ridge, Tamiami Landings, Pine Groves, Princeton Groves and Lake Worth projects, all projects of subsidiary Resia.

(**) 2022 refers to write-off due to sale of Village at Tradition and Harbor Grove project of subsidiary Resia, as mentioned in note 1.

2021 refers to write-off due to sale of Lake Osborne, Mangonia Lake, Banyan Ridge and Tamiami Landings 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, 2021.

10. Property and equipment

Changes in property and equipment for the nine-month period ended September 30, 2022 and 2021 are as follows:

Consolidated	Average annual depreciation rates	Opening balance	Addition	Write-off	Transfer	Currency translation adjustments	Closing balance
Nine-month period ended September 30, 2022:							
Cost:							
Right-of-use		130,986	162	-	-	(112)	131,036
Buildings, facilities and leasehold improvements		55,124	1,089	(3,109)	2,232	(115)	55,221
Aircraft and vehicles in use		24,856	49,184	(23,863)	-	(39)	50,138
Machinery and equipment		566,800	172,730	(9,486)	174	464	730,682
Furniture and fixtures		5,272	261	(574)	-	(94)	4,865
IT equipment and installations		9,750	453	(1,985)	-	(114)	8,104
Sales booths, stores and model apartments		118,450	7,045	(58,002)	11,051	-	78,544
Advances		2,832	-	(2,832)	-	-	-
Works in progress		16,627	12,389	(284)	(13,457)	-	15,275
Total cost		930,697	243,313	(100,135)	-	(10)	1,073,865
Accumulated depreciation:							
Right-of-use	Sundry	37,414	12,366	-	-	(83)	49,697
Buildings, facilities and leasehold improvements	14.34%	31,550	5,163	(1,898)	(115)	(37)	34,663
Aircraft and vehicles in use	10.08%	8,312	1,652	(7,590)	-	(26)	2,348
Machinery and equipment	12.11%	150,885	46,035	(3,576)	115	(25)	193,434
Furniture and fixtures	10.00%	3,631	266	(571)	-	(45)	3,281
IT equipment and installations	20.00%	6,727	806	(1,912)	-	(79)	5,542
Sales booths, stores and model apartments	25.19%	77,735	15,189	(57,183)	-	-	35,741
Total accumulated depreciation		316,254	81,477	(72,730)	-	(295)	324,706
Total property and equipment, net		614,443	161,836	(27,405)	-	285	749,159
Nine-month period ended September 30, 2021:							
Total property and equipment, net		564,393	29,843	(7,187)	-	2,293	589,342

Individual	Average annual depreciation rates	Opening balance	Addition	Write-off	Transfer	Closing balance
<u>Nine-month period ended September 30, 2022:</u>						
Cost:						
Right-of-use		124,724	-	-	-	124,724
Buildings, facilities and leasehold improvements		42,507	721	(999)	2,001	44,230
Aircraft and vehicles in use		23,626	49,184	(23,863)	-	48,947
Machinery and equipment		486,421	119,592	(9,105)	(1,433)	595,475
Furniture and fixtures		2,730	-	(91)	-	2,639
IT equipment and installations		6,772	-	(1,222)	-	5,550
Sales booths, stores and model apartments		66,787	2,854	(32,357)	7,286	44,570
Advances		2,832	-	(2,832)	-	-
Works in progress		12,820	6,988	(218)	(9,747)	9,843
Total cost		769,219	179,339	(70,687)	(1,893)	875,978
Accumulated depreciation:						
Right-of-use	Sundry	34,292	12,236	-	-	46,528
Buildings, facilities and leasehold improvements	14.34%	26,400	3,691	(733)	(75)	29,283
Aircraft and vehicles in use	10.08%	7,340	1,575	(7,590)	-	1,325
Machinery and equipment	12.11%	136,430	38,276	(3,379)	(870)	170,457
Furniture and fixtures	10.00%	2,558	14	(88)	-	2,484
IT equipment and installations	20.00%	4,885	361	(1,149)	-	4,097
Sales booths, stores and model apartments	25.19%	43,013	8,116	(31,825)	(84)	19,220
Total accumulated depreciation		254,918	64,269	(44,764)	(1,029)	273,394
Total property and equipment, net		514,301	115,070	(25,923)	(864)	602,584
<u>Nine-month period ended September 30, 2021:</u>						
Total property and equipment, net		494,158	4,553	(5,727)	(171)	492,813

As at September 30, 2022, the residual value of items pledged as collateral for liabilities amount R\$797 in Consolidated and Individual (R\$16,372 as at December 31, 2021).

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, 2021.

11. Intangible assets

Changes in intangible assets for the nine-month period ended September 30, 2022 and 2021 are as follows:

Consolidated	Opening balance	Addition	Write-off	Transfer	Currency translation adjustments	Closing balance
Nine-month period ended September 30, 2022:						
Cost:						
Software development	239,596	3,394	-	40,841	(193)	283,638
Software license	56,144	-	(9)	-	-	56,135
Intangibles under development	47,269	31,435	-	(40,841)	-	37,863
Trademarks and patents	24,000	-	-	-	-	24,000
Total cost	367,009	34,829	(9)	-	(193)	401,636
Accumulated amortization:						
Software development	134,711	26,105	-	-	(13)	160,803
Software license	54,954	499	(9)	-	-	55,444
Total accumulated amortization	189,665	26,604	(9)	-	(13)	216,247
Total intangible assets	177,344	8,225	-	-	(180)	185,389
Nine-month period ended September 30, 2021:						
Total intangible assets	164,431	12,639	-	-	585	177,655

Individual	Opening balance	Addition	Write-off	Transfer	Closing balance
Nine-month period ended September 30, 2022:					
Cost:					
Software development	226,715	1,319	-	40,841	268,875
Software license	56,140	-	(9)	-	56,131
Intangibles under development	46,632	30,645	-	(40,841)	36,436
Trademarks and patents	24,000	-	-	-	24,000
Total cost	353,487	31,964	(9)	-	385,442
Accumulated amortization:					
Software development	131,302	24,572	-	-	155,874
Software license	54,949	499	(9)	-	55,439
Total accumulated amortization	186,251	25,071	(9)	-	211,313
Total intangible assets	167,236	6,893	-	-	174,129
Nine-month period ended September 30, 2021:					
Total intangible assets	148,771	13,611	-	-	162,382

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, 2021.

12. Loans, financing and debentures

(a) Loans, financing and debentures:

The position of loans, financing and debentures as at September 30, 2022 and December 31, 2021, is as follows:

Type	Currency	Maturity of principal	Effective rate p.a.	9/30/22			12/31/21
				Current	Noncurrent	Total	Total
Individual:							
Debenture - 9 th Issue - 2 nd series	R\$	2/20 to 2/22	CDI + 2.57%	-	-	-	102,830
Debenture - 9 th Issue - 3 rd series (*)	R\$	2/22	IPCA + 8.52%	-	-	-	104,841
Debenture - 11 th Issue - 2 nd series	R\$	9/21 to 9/22	CDI + 1.56%	-	-	-	109,863
Debenture - 11 th Issue - 3 rd series (*)	R\$	9/23 and 9/24	IPCA + 6.47%	78,711	78,331	157,042	155,421
Debenture - 12 th Issue - 1 st series	R\$	7/23	CDI + 1.52%	309,190	-	309,190	309,902
Debenture - 12 th Issue - 2 nd series	R\$	7/24 and 7/25	CDI + 1.79%	1,840	51,300	53,140	53,302
Debenture - 12 th Issue - 3 rd series	R\$	7/23	CDI + 1.62%	112,990	-	112,990	113,278
Debenture - 12 th Issue - 4 th series	R\$	7/23	CDI + 1.62%	86,008	-	86,008	86,228
Debenture - 13 th Issue (CRI)	R\$	9/23 to 9/24	CDI + 0.83%	736	121,282	122,018	301,358
Debenture - 14 th Issue (CRI)	R\$	5/24	100.4% CDI + 0.28%	16,121	360,000	376,121	362,886
Debenture - 15 th Issue	R\$	11/22 to 11/25	CDI + 1.19%	89,848	225,000	314,848	302,885
Debenture - 16 th Issue	R\$	4/23 to 4/25	CDI + 1.69%	40,394	66,667	107,061	102,190
Debenture - 17 th Issue	R\$	4/21 to 4/23	CDI + 3.68%	17,172	-	17,172	34,006
Debenture - 18 th Issue	R\$	8/25	CDI + 2.54%	7,886	500,000	507,886	516,256
Debenture - 19 th Issue (CRI) (*)	R\$	4/29 to 4/31	IPCA + 5.87%	11,199	450,551	461,750	423,786
Debenture - 21 st Issue (CRI) (*)	R\$	2/28 and 2/29	IPCA + 6.92%	6,439	718,037	724,476	-
Debenture - 22 nd Issue - 1 st series (CRI) (*)	R\$	9/28 to 9/30	IPCA + 7.09%	1,213	346,996	348,209	-
Debenture - 22 nd Issue - 2 nd series (CRI) (*)	R\$	9/30 to 9/32	IPCA + 7.25%	731	201,531	202,262	-
(-) Funding cost				(9,626)	(37,570)	(47,196)	(24,714)
Total debentures and CRI - Individual				770,852	3,082,125	3,852,977	3,054,318
Construction financing	R\$	12/22 to 7/27	TR + 8.33%	18,360	127,612	145,972	119,138
Construction financing	R\$	11/22 to 11/26	CDI + 2.20%	73,512	177,719	251,231	160,908
Construction financing	R\$	12/24 to 5/26	Savings deposits + 3.49%	210	21,698	21,908	30,565
Leasing	R\$	9/19 to 5/23	CDI + 2.00% to 2.93%	22	-	22	4,580
Working Capital	R\$	4/21 and 4/22	CDI + 3.10%	-	-	-	101,926
Total loans and financing - Individual				92,104	327,029	419,133	417,117
Total Individual				862,956	3,409,154	4,272,110	3,471,435
Subsidiaries:							
Debenture - 2 nd Issue - Urba	R\$	6/21 to 6/23	CDI + 1.73%	20,915	-	20,915	40,298
Debenture - 3 rd Issue - Urba (CRI)	R\$	3/24	CDI + 1.10%	93	60,000	60,093	60,085
Debenture - 4 th Issue - Urba	R\$	4/23 to 4/25	CDI + 1.71%	16,158	26,666	42,824	40,875
Debenture - 5 th Issue - Urba	R\$	4/27	CDI + 2.02%	4,976	80,000	84,976	-
(-) Funding cost				(896)	(1,046)	(1,942)	(1,587)
Total debentures and CRI - Subsidiaries				41,246	165,620	206,866	139,671
Project loans	US\$	12/24 and 2/25	Libor + 5.14% and 5.89%	-	281,046	281,046	343,323
Project loans	US\$	4/23	Prime + 4.25%	-	-	-	137,677
Project loans	US\$	3/24	8.65%	-	189,231	189,231	-
Project loans	US\$	6/23 to 12/24	Sofr + 4.53% e 6.48%	55,147	67,572	122,719	-
Project loans	US\$	4/25	Bsby + 5.44%	-	48,557	48,557	-
Loan agreements (**)	US\$	12/22 to 2/26	3.80% to 5.94%	5,785	1,281,364	1,287,149	662,305
Credit line	US\$	1/22	Libor + 3.17%	-	-	-	97,659
Construction financing (***)	R\$	4/16 to 3/23	TR + 13.53%	1,000	-	1,000	2,473
Construction financing	R\$	10/23 a 5/27	TR + 8.33%	34,721	152,591	187,312	169,647
Construction financing	R\$	2/23 a 12/26	CDI + 2.10%	13,436	297,518	310,954	210,921
Construction financing	R\$	6/25 a 3/26	Savings deposits + 3.24%	51	7,179	7,230	-
(-) Funding cost				(1,326)	(2,931)	(4,257)	(2,334)
Total loans and financing - Subsidiaries				108,814	2,322,127	2,430,941	1,621,671
Total subsidiaries				150,060	2,487,747	2,637,807	1,761,342
Total Consolidated				1,013,016	5,896,901	6,909,917	5,232,777

(*) 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).

(**) 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 CDI.

(***) As mentioned in Note 25 (b), for this debt the Company hired derivative financial instrument (interest rate swap) to hedge its exposure to TR plus fixed rate, by pegging interest to CDI.

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	
	nine months of	
	2022	2021
Opening balance	131,142	-
Transfer from loans, financing and debentures	247,365	894,570
Funding	333,326	8,243
Accrued financial charges	3,503	-
Amortization of funding costs	-	1,354
Repayment of principal	(363,998)	(340,282)
Payment of financial charges	(4,063)	-
Write off upon sale of asset (*)	-	(220,178)
Currency translation adjustments	7,301	9,120
Closing balance	354,576	352,827

(*) Write-off due to sale of assets Lake Osborne and Mangonia Lake 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 - 9 th Issue - 2 nd series	Single	49,727	3/17	Semiannual	Semiannual	2/20 to 2/22	CDI + 2.30%	CDI + 2.57%
Debenture - 9 th Issue - 3 rd series	Single	8,000	3/17	Bullet payment	Semiannual	2/22	IPCA + 8.25%	IPCA + 8.52%
Debenture - 11 th Issue - 2 nd series	Single	21,430	9/17	Annual	Semiannual	9/21 to 9/22	CDI + 1.50%	CDI + 1.56%
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	CDI + 1.40%	CDI + 1.52%
Debenture - 12 th Issue - 2 nd series	Single	5,130	8/18	Annual	Semiannual	7/24 and 7/25	CDI + 1.70%	CDI + 1.79%
Debenture - 12 th Issue - 3 rd series	Single	10,913	8/18	Bullet payment	Semiannual	7/23	CDI + 1.50%	CDI + 1.62%
Debenture - 12 th Issue - 4 th series	Single	8,307	8/18	Bullet payment	Semiannual	7/23	CDI + 1.50%	CDI + 1.62%
Debenture - 13 th Issue (CRI)	-	-	3/19	Semiannual	Quarterly	9/23 to 9/24	100% CDI	CDI + 0.83%
Debenture - 14 th Issue (CRI)	-	-	6/19	Bullet payment	Semiannual	5/24	100.4% CDI	100.4% CDI + 0.28%
Debenture - 15 th Issue	Single	300,000	11/19	Annual	Semiannual	11/22 to 11/25	CDI + 1.06%	CDI + 1.19%
Debenture - 16 th Issue	Single	100,000	4/20	Annual	Semiannual	4/23 to 4/25	CDI + 1.50%	CDI + 1.69%
Debenture - 17 th Issue	Single	50,000	4/20	Quarterly	Quarterly	4/21 to 4/23	CDI + 3.00%	CDI + 3.68%
Debenture - 18 th Issue	Single	500,000	8/20	Bullet payment	Semiannual	8/25	CDI + 2.40%	CDI + 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	-	-	9/22	Annual	Semiannual	9/28 to 9/30	IPCA + 6.48%	IPCA + 7.09%
Debenture - 22 nd Issue - 2 nd series	-	-	9/22	Annual	Semiannual	9/30 to 9/32	IPCA + 6.74%	IPCA + 7.25%
Debenture - 2 nd Issue - Urba	Single	6,000	6/18	Annual	Semiannual	6/21 to 6/23	CDI + 1.22%	CDI + 1.73%
Debenture - 3 rd Issue - Urba (CRI)	-	-	3/19	Bullet payment	Quarterly	3/24	CDI + 0.20%	CDI + 1.10%
Debenture - 4 th Issue - Urba	Single	40,000	4/20	Annual	Semiannual	4/23 to 4/25	CDI + 1.50%	CDI + 1.71%
Debenture - 5 th Issue - Urba	Single	80,000	4/22	Bullet payment	Semiannual	4/27	CDI + 1.75%	CDI + 2.02%
Construction financing	-	-	3/16	Monthly	Monthly	4/16 to 3/23	TR + 13.29%	TR + 13.53%
Construction financing	-	-	Sundry	Sundry	Monthly	12/22 to 7/27	TR+ 8.33%	TR+ 8.33%
Construction financing	-	-	Sundry	Sundry	Monthly	11/22 to 12/26	CDI + 2.15%	CDI + 2.15%
Construction financing	-	-	Sundry	Sundry	Monthly	12/24 to 5/26	Savings deposits + 3.37%	Savings deposits + 3.37%
Leasing	-	-	Sundry	Monthly	Monthly	9/19 to 5/23	CDI + 2.00% to 2.93%	CDI + 2.00% to 2.93%
Working Capital	-	-	4/20	Annual	Quarterly	4/21 and 4/22	CDI + 3.10%	CDI + 3.10%
Project loans	-	-	Sundry	Bullet payment	Monthly	12/24 and 2/25	Libor + 2.00% and 2.75%	Libor + 5.14% and 5.89%
Project loans	-	-	Sundry	Bullet payment	Monthly	6/23 to 12/24	Sofr + 1.55% and 3.50%	Sofr + 4.53% e 6.48%
Project loans	-	-	Sundry	Bullet payment	Monthly	3/24	8.65%	8.65%
Project loans	-	-	Sundry	Bullet payment	Monthly	4/25	Bsby + 2.35%	Bsby + 5.44%
Loan agreements	-	-	Sundry	Bullet payment	Semiannual	12/22 to 2/26	3.80% to 5.94%	3.80% to 5.94%

The 13rd, 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, as detailed above.

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

Funding during the nine-month period ended September 30, 2022, 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	2/22 to 7/27	TR + 8.33%	199,752
Construction financing	R\$	Sundry	Sundry	Monthly	6/22 to 7/27	CDI + 2.20%	320,968
Construction financing	R\$	Sundry	Sundry	Monthly	7/22 to 5/26	Savings deposits + 3.49%	27,319
Debenture - 21 th Issue (CRI)	R\$	2/22	Annual	Semiannual	2/28 and 2/29	IPCA + 6.60%	700,000
Debenture - 22 th Issue - 1 st series	R\$	9/22	Annual	Semiannual	9/28 to 9/30	IPCA + 6.48%	347,928
Debenture - 22 th Issue - 2 nd series	R\$	9/22	Annual	Semiannual	9/30 to 9/32	IPCA + 6.74%	202,072
Total - Individual							1,798,039
Construction financing	R\$	Sundry	Sundry	Monthly	11/21 to 9/27	TR + 8.33%	280,076
Construction financing	R\$	Sundry	Sundry	Monthly	4/22 to 1/27	CDI + 2.10%	368,248
Construction financing	R\$	Sundry	Sundry	Monthly	2/23 to 3/26	Savings deposits + 3.24%	10,697
Debenture - 5 th Issue - Urba	R\$	4/22	Bullet payment	Semiannual	4/27	CDI + 1.75%	80,000
Project loans	US\$	Sundry	Bullet payment	Monthly	3/24 to 2/25	Libor + 2.00% to 3.00%	389,915
Project loans	US\$	Sundry	Bullet payment	Monthly	4/23	Prime + 1.00%	38,160
Project loans	US\$	3/22	Bullet payment	Monthly	3/24	8.65%	179,760
Project loans	US\$	Sundry	Bullet payment	Monthly	6/23 and 12/24	Sofr + 2.35% and 3.50%	115,673
Project loans	US\$	7/22	Bullet payment	Monthly	4/25	Bsby + 2.35%	46,054
Loan agreements	US\$	Sundry	Annual	Semiannual	2/25 and 2/26	3.98% to 4.37%	616,320
Total - Subsidiaries							2,124,903
Total - Consolidated							3,922,942

(*) Gross of funding costs.

Changes in loans, financing and debentures are as follows:

	Consolidated		Individual	
	nine months of		nine months of	
	2022	2021	2022	2021
Opening balance	5,232,777	4,651,531	3,471,435	3,239,635
Funding	3,922,942	2,128,572	1,798,039	739,096
Accrued financial charges	467,753	202,615	354,330	155,720
Fair value adjustment	(1,247)	(23,420)	(1,247)	(23,420)
Funding costs	(32,865)	(13,564)	(29,084)	(11,698)
Amortization of funding costs	8,133	11,359	6,602	6,662
Repayment of principal	(2,040,347)	(1,000,976)	(1,029,937)	(660,768)
Payment of financial charges	(397,520)	(166,755)	(298,028)	(118,250)
Transfer to noncurrent assets held for sale	(247,365)	(894,570)	-	-
Currency translation adjustments	(2,344)	57,371	-	-
Closing balance	6,909,917	4,952,163	4,272,110	3,326,977

During the nine-month period ended September 30, 2022, the Company paid in advance:

- construction financing in the amount of R\$53,438, with maturities between June 2022 to September 2026, subjects to contractual rate of TR + 7.75% to TR + 11.25% p.a. and CDI + 2.08% to CDI + 2.47% p.a. and,
- 13th issue of debenture in the amount of R\$178,718, with maturities in September 2023 and March 2024, subjects to contractual rate of 100% of CDI p.a.

(b) Guarantees and surety

The types of guarantees for loans, financing and debentures as at September 30, 2022 are as follows:

	Consolidated						
	Debentures	Bank credit notes	Construction financing	Leasing	Project loans	Loan agreements	Total
Collateral / surety	-	-	-	22	221,482	1,287,149	1,508,653
Collateral / receivables	-	-	925,607	-	420,071	-	1,345,678
No guarantees	1,814,052	2,294,929	-	-	-	-	4,108,981
Total (*)	1,814,052	2,294,929	925,607	22	641,553	1,287,149	6,963,312

(*) 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). Leasing contracts are collateralized by assets referred in Note 10.

The Company guaranteed loans, financing and debentures obtained by a subsidiary and several jointly 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	64,236
	3/31/21	3/30/26	110,000
	9/23/21	9/16/26	159,230
	4/29/22	4/22/27	106,220
Prime Incorporações e Construções S.A.	6/26/19	6/26/24	103,757
	9/23/21	9/14/26	197,657
	4/29/22	4/22/27	53,110
Urba Desenvolvimento Urbano S.A.	3/18/16	3/6/23	1,000
	6/13/18	6/6/23	20,915
	3/28/19	3/27/24	60,093
	1/27/22	11/12/25	5,212
	4/8/20	4/1/25	42,824
MRV US Holdings Corporation	4/29/22	4/22/27	84,976
	2/21/20	2/21/25	254,503
	2/18/21	2/18/26	81,207
	3/3/21	2/18/26	189,493
Reserva Regatas Loteamento Ltda.	3/25/21	2/18/26	108,282
	1/14/22	2/18/26	324,891
	2/22/22	2/18/26	325,027
	10/20/21	7/28/25	8,724
			2,301,357

(c) Aging

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

After the reporting period	Consolidated		Individual	
	9/30/22	12/31/21	9/30/22	12/31/21
12 months	1,379,440	868,351	872,582	701,278
13 to 24 months	1,216,321	1,472,352	808,581	859,614
25 to 36 months	2,052,901	1,122,932	819,240	872,763
37 to 48 months	866,728	1,000,790	98,348	667,690
After 48 months	1,802,498	796,987	1,720,555	394,804
Total	7,317,888	5,261,412	4,319,306	3,496,149

(d) Allocation of financial charges

	Consolidated			
	2022		2021	
	3 rd quarter	nine months	3 rd quarter	nine months
Gross financial charges	215,732	533,787	79,405	191,532
Capitalized financial charges on:				
Real estate under construction and landbank	(116,526)	(307,682)	(51,396)	(112,329)
Investment property	(28,308)	(55,238)	(7,598)	(19,077)
Amounts recognized in financial result (Note 24)	70,898	170,867	20,411	60,126
<u>Financial charges</u>				
Opening balance	670,296	564,384	507,332	510,941
Currency translation adjustments	2,463	904	1	1,111
Capitalized financial charges	144,834	362,920	58,994	131,406
Charges allocated to profit or loss:				
Cost of real estate sold and services provided (Note 23)	(70,946)	(178,957)	(33,948)	(104,416)
Depreciation	-	-	(12)	(69)
Sale of assets	(13,211)	(15,598)	54	(5,604)
Results from equity interest in investees	(88)	(305)	(18)	(966)
Closing balance	733,348	733,348	532,403	532,403
Capitalized financial charges related to:				
Real estate under construction and landbank	651,770	651,770	497,338	497,338
Equity interest in investees	3,053	3,053	3,700	3,700
Investment property	78,525	78,525	31,365	31,365
	733,348	733,348	532,403	532,403

	Individual			
	2022		2021	
	3 rd quarter	nine months	3 rd quarter	nine months
Gross financial charges	154,538	402,838	58,385	131,497
Capitalized financial charges on:				
Real estate under construction and landbank	(72,429)	(199,662)	(36,214)	(69,268)
Equity interest in investees	(19,667)	(48,893)	(7,072)	(25,400)
Amounts recognized in financial result (Note 24)	62,442	154,283	15,099	36,829
<u>Financial charges</u>				
Opening balance	579,543	504,898	467,903	479,190
Capitalized financial charges	92,096	248,555	43,286	94,668
Charges allocated to profit or loss:				
Cost of real estate sold and services provided (Note 23)	(44,910)	(111,216)	(21,440)	(60,486)
Results from equity interest in investees	(7,608)	(23,116)	(7,032)	(30,655)
Closing balance	619,121	619,121	482,717	482,717
Capitalized financial charges related to:				
Real estate under construction and landbank	455,852	455,852	349,378	349,378
Equity interest in investees	163,269	163,269	133,339	133,339
	619,121	619,121	482,717	482,717

During the nine-month period ended September 30, 2022, total financial charges capitalized on loans, financing and debentures represented an average charge rate of 13.55% p.a. (5.04% p.a. in the same period of 2021).

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, 2021.

13. Land payables

	Consolidated		Individual	
	9/30/22	12/31/21	9/30/22	12/31/21
INCC	672,414	708,215	249,601	464,630
IGP-M	93,468	152,406	80,777	121,932
IPCA	345,016	310,971	113,534	117,195
Other indexes	109,343	125,715	33,542	71,088
Non-interest bearing	3,207,114	3,629,440	2,086,877	2,621,181
Present value discount	(131,544)	(127,960)	(66,949)	(80,646)
Total	4,295,811	4,798,787	2,497,382	3,315,380
Current	1,037,410	768,854	639,944	520,020
Noncurrent	3,258,401	4,029,933	1,857,438	2,795,360
	4,295,811	4,798,787	2,497,382	3,315,380

As at September 30, 2022, 'Land payables' include financial barterers in the amount of R\$2,458,935 in Consolidated and R\$1,614,303 in Individual (R\$2,702,642 and R\$1,889,299 as at December 31, 2021, in Consolidated and Individual, respectively).

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 September 30, 2022, R\$1,624,943 in Consolidated and Individual, 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\$1,810,970 as at December 31, 2021).

Aging of 'Land payables' is as follows:

Periods after the reporting period	Consolidated		Individual	
	9/30/22	12/31/21	9/30/22	12/31/21
12 months	1,037,410	768,854	639,944	520,020
13 to 24 months	1,704,265	1,967,439	682,435	941,483
25 to 36 months	569,012	742,914	383,272	622,045
37 to 48 months	304,986	459,925	237,992	416,856
After 48 months	680,138	859,655	553,739	814,976
Total	4,295,811	4,798,787	2,497,382	3,315,380

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, 2021.

14. Advances from customers

	Consolidated		Individual	
	9/30/22	12/31/21	9/30/22	12/31/21
Proceeds in advance	185,513	154,843	90,502	80,165
Advances for barterers	384,714	401,889	263,233	232,544
	570,227	556,732	353,735	312,709
Current	352,905	227,884	167,100	125,742
Noncurrent	217,322	328,848	186,635	186,967
	570,227	556,732	353,735	312,709

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 September 30, 2022, R\$219,393 in Consolidated and Individual, of total 'Advance for barterers', 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\$157,767 as at December 31, 2021).

Advances from customers are broken down as follows:

Periods after the reporting period	Consolidated		Individual	
	9/30/22	12/31/21	9/30/22	12/31/21
12 months	352,905	227,884	167,100	125,742
13 to 24 months	116,786	187,663	103,997	104,084
After 24 months	100,536	141,185	82,638	82,883
Total	570,227	556,732	353,735	312,709

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	9/30/22	12/31/21
12 months	935,326	752,419
13 to 24 months	199,636	8,767
After 24 months	10,076	10,077
Total	1,145,038	771,263

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, 2021.

15. Payroll and related liabilities

	Consolidated		Individual	
	9/30/22	12/31/21	9/30/22	12/31/21
Salaries and wages	39,938	40,794	15,133	15,054
Payroll benefits	37,100	22,891	10,416	11,456
Accrued vacation, 13 th salary and related benefits	142,145	88,819	70,018	44,177
Provision for employees and management profit sharing	3,064	24,325	-	21,825
Other	2,602	1,541	744	797
Total	224,849	178,370	96,311	93,309

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, 2021.

16. Tax payables

	Consolidated		Individual	
	9/30/22	12/31/21	9/30/22	12/31/21
Income tax and social contribution	111,668	34,440	4,645	21,102
Taxes on revenue (PIS and COFINS)	66,294	60,022	55,943	48,187
Withheld third parties taxes	12,988	13,401	6,925	7,927
Taxes withheld on interest on salaries	8,294	11,922	6,167	9,035
Other	460	584	(33)	(148)
Total	199,704	120,369	73,647	86,103

As at September 30, 2022, 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\$163,260 and R\$72,279 in Consolidated and Individual, respectively (R\$112,659 and R\$62,048 as at December 31, 2021, respectively), and are classified in line item 'Recoverable taxes', in current assets.

17. Provision for maintenance of real estate

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

	Consolidated		Individual	
	nine months of		nine months of	
	2022	2021	2022	2021
Opening balance	206,562	165,899	115,385	90,816
Additions	109,030	125,832	55,698	73,014
Write-off	(88,797)	(101,880)	(51,340)	(56,511)
Closing balance	226,795	189,851	119,743	107,319
Current	51,359	42,664	28,979	21,417
Noncurrent	175,436	147,187	90,764	85,902
	226,795	189,851	119,743	107,319

As at September 30, 2022 and December 31, 2021, 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, 2021.

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	51,989	91,220	(7,058)	(98,781)	5,837	43,207
Labor	42,293	27,813	(3,811)	(31,292)	5,084	40,087
Others	395	1,256	(426)	(904)	61	382
Total - nine months of 2022	94,677	120,289	(11,295)	(130,977)	10,982	83,676
Total - nine months 2021	102,144	107,729	(19,790)	(109,036)	12,169	93,216
Individual:						
Civil	26,175	51,600	(4,623)	(55,554)	2,720	20,318
Labor	36,909	24,214	(2,677)	(28,264)	4,444	34,626
Others	300	916	(368)	(608)	47	287
Total - nine months of 2022	63,384	76,730	(7,668)	(84,426)	7,211	55,231
Total - nine months 2021	71,706	70,344	(13,372)	(74,063)	8,349	62,964

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's assessment, broken down by type, are as follows:

Nature	Consolidated				Individual			
	9/30/22		12/31/21		9/30/22		12/31/21	
	Total lawsuits	Probable lawsuits	Total lawsuits	Probable lawsuits	Total lawsuits	Probable lawsuits	Total lawsuits	Probable lawsuits
Civil	17,477	2,223	19,169	2,664	10,022	1,272	10,796	1,444
Labor	2,678	657	2,589	615	1,825	456	1,714	431
Others	1,311	20	1,336	27	1,033	16	1,066	22
Total	21,466	2,900	23,094	3,306	12,880	1,744	13,576	1,897

As shown above the main lawsuits as at September 30, 2022 and December 31, 2021 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\$568,575 and R\$433,055 in Consolidated and Individual, respectively, as at September 30, 2022 (R\$519,920 and R\$396,735 as at December 31, 2021 in Consolidated and Individual, respectively). Said amount on September 30, 2022, 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. In accordance with international accounting standards, accounting practices adopted in Brazil and applicable legislation, no provision was recognized for these contingent liabilities.

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, 2021.

19. Related parties

	Consolidated				Individual				
	Asset		Liability		Asset		Liability		
	9/30/22	12/31/21	9/30/22	12/31/21	9/30/22	12/31/21	9/30/22	12/31/21	
Short-term investments and marketable securities									
Other related parties									
Banco Inter S.A.	[1]	8,452	135,243	-	-	8,452	135,243	-	-
Dividends receivables									
Subsidiaries									
Urba Desenvolvimento Urbano S.A.		-	-	-	-	-	3,223	-	-
Joint ventures									
MRL Engenharia e Empreendimentos S.A.		-	4,451	-	-	-	4,451	-	-
Intercompany receivables									
Investees									
SPEs	[6]	46,716	41,247	-	-	1,058,977	950,658	-	-
Joint ventures									
Prime Incorporações e Construções S.A.	[7]	194	92	-	-	194	92	-	-
MRL Engenharia e Empreendimentos S.A.	[7]	747	730	-	-	747	730	-	-
Other related parties									
Partners in real estate development projects	[7]	19,654	26,158	-	-	19,654	23,458	-	-
Other assets									
Investees									
SCPs and SPEs	[8]	787	822	-	-	24,310	26,778	-	-
Joint ventures									
Prime Incorporação e Construções S.A.	[8]	1,955	1,052	-	-	1,655	471	-	-
MRL Engenharia e Empreendimentos S.A.	[8]	315	379	-	-	279	-	-	-
Other related parties									
Banco Inter S.A.	[5]	171	288	-	-	171	288	-	-
Partners in real estate development projects	[8]	1,101	1,072	-	-	405	660	-	-
Controlling shareholder	[9]	20,519	24,735	-	-	20,519	24,735	-	-
Suppliers									
Subsidiaries									
MRV Construções Ltda.	[2]	-	-	-	-	-	-	52,196	61,492
Other related parties									
T Lott Advocacia	[10]	-	-	1	51	-	-	1	47
Radio Itatiaia Ltda.	[18]	-	-	66	19	-	-	66	19
Land payables									
Other related parties									
Banco Inter S.A.	[20]	-	-	152,980	129,144	-	-	21,414	49,349
Payables for investment acquisition									
Other related parties									
LOG Commercial Properties e Participações S.A.	[11]	-	-	13,642	14,797	-	-	-	-
LOG Commercial Properties e Participações S.A.	[19]	-	-	-	6,423	-	-	-	6,423
Intercompany payables (Other payables)									
Investees									
SPEs	[12]	-	-	-	4,326	-	-	-	5,627
Joint ventures									
Prime Incorporações e Construções S.A.	[13]	-	-	75,699	60,701	-	-	-	-
MRL Engenharia e Empreendimentos S.A.	[13]	-	-	87,546	74,352	-	-	-	-
Other related parties									
Partners in real estate development projects	[13]	-	-	25,146	38,658	-	-	-	-
Costellis International Limited	[17]	-	-	35,048	35,048	-	-	35,048	35,048
Lease liability (Other payables)									
Other related parties									
Conedi Participações Ltda. e MA Cabaleiro Participações Ltda.	[14]	-	-	72,182	74,042	-	-	69,730	72,347
Lakeside office, LLC	[16]	-	-	9,218	-	-	-	-	-
Other payables									
Other related parties									
Banco Inter S.A.	[22]	-	-	10,350	-	-	-	10,350	-

	Consolidated								
	Income				Expense				
	3 rd quarter of		nine months of		3 rd quarter of		nine months of		
	2022	2021	2022	2021	2022	2021	2022	2021	
Net operating revenue									
Receivables from services provided									
Subsidiaries									
MRV Construções Ltda.	[2]	647	558	2,691	2,672	-	-	-	-
Financial income									
Short-term investments and marketable securities									
Other related parties									
Banco Inter S.A.	[1]	3,180	2,789	13,375	5,129	-	-	-	-
Intercompany receivables									
Joint ventures									
Prime Incorporações e Construções S.A.	[7]	14	-	42	9	-	-	-	-
MRL Engenharia e Empreendimentos S.A.	[7]	31	26	93	202	-	-	-	-
Reserva Macaúba Loteamento Ltda.	[7]	-	-	-	165	-	-	-	-
Other related parties									
Partners in real estate development projects	[7]	631	389	1,729	1,102	-	-	-	-
Other operating income (expenses), net									
Joint ventures									
Prime Incorporações e Construções S.A.	[3]	908	800	2,554	2,151	-	-	-	-
MRL Engenharia e Empreendimentos S.A.	[3]	900	913	2,720	2,427	-	-	-	-
Other related parties									
LOG Commercial Properties e Participações S.A.	[3]	743	373	2,049	1,230	-	-	-	-
MRV Serviços de Engenharia Ltda.	[4]	34	21	80	61	-	-	-	-
Banco Inter S.A.	[5]	714	673	1,873	1,926	-	-	-	-
Controlling shareholder	[9]	236	200	756	840	-	-	-	-
Operating costs and expenses									
General and administrative expenses									
Other related parties									
T Lott Advocacia	[10]	-	-	-	-	1,472	2,417	3,750	4,582
Conedi Participações Ltda. e MA Cabaleiro Participações Ltda.	[14]	-	-	-	-	2,050	1,995	6,084	3,860
Luxemburgo Incorporadora SPE Ltda.	[15]	-	-	-	-	146	69	368	115
Radio Itatiaia Ltda.	[18]	-	-	-	-	169	310	537	360
Novus Mídia S.A.	[18]	-	-	-	-	-	194	-	194
LOG Commercial Properties e Participações S.A.	[11]	-	-	-	-	(96)	-	730	-
LOG Commercial Properties e Participações S.A.	[19]	-	-	-	-	177	121	522	363
Lakeside office, LLC	[16]	-	-	-	-	609	240	1,787	720
South Tamiami Airport Park, LLC	[23]	-	-	-	-	77	32	185	96
Financial expenses									
Other related parties									
Banco Inter S.A.	[21]	-	-	-	-	4,424	-	28,422	-
Banco Inter S.A.	[22]	-	-	-	-	-	-	1,811	-

	Individual								
	Income				Expense				
	3 rd quarter of		nine months of		3 rd quarter of		nine months of		
	2022	2021	2022	2021	2022	2021	2022	2021	
Financial income									
Short-term investments and marketable securities									
Other related parties									
Banco Inter S.A.	[1]	3,180	2,789	12,394	5,129	-	-	-	-
Intercompany receivables									
Joint ventures									
Prime Incorporações e Construções S.A.	[7]	14	-	42	9	-	-	-	-
MRL Engenharia e Empreendimentos S.A.	[7]	31	26	93	202	-	-	-	-
Other related parties									
Partners in real estate development projects	[7]	592	330	1,674	937	-	-	-	-
Other operating income (expenses), net									
Subsidiaries									
Urba Desenvolvimento Urbano S.A.	[3]	607	408	1,665	1,175	-	-	-	-
Joint ventures									
Prime Incorporações e Construções S.A.	[3]	908	800	2,554	2,151	-	-	-	-
MRL Engenharia e Empreendimentos S.A.	[3]	900	913	2,720	2,427	-	-	-	-
Other related parties									
LOG Commercial Properties e Participações S.A.	[3]	743	373	2,049	1,230	-	-	-	-
MRV Serviços de Engenharia Ltda.	[4]	34	21	80	61	-	-	-	-
Banco Inter S.A.	[5]	714	673	1,873	1,926	-	-	-	-
Controlling shareholder	[9]	236	200	756	840	-	-	-	-
Operating costs and expenses									
Cost of real estate sales and services									
Subsidiaries									
MRV Construções Ltda.	[2]	-	-	-	-	(14,360)	103,819	249,265	285,952
General and administrative expenses									
Other related parties									
T Lott Advocacia	[10]	-	-	-	-	1,670	2,196	3,338	4,256
Conedi Participações Ltda. e MA Cabaleiro Participações Ltda.	[14]	-	-	-	-	2,472	1,876	5,868	5,607
Luxemburgo Incorporadora SPE Ltda.	[15]	-	-	-	-	146	69	368	115
Radio Itatiaia Ltda.	[18]	-	-	-	-	169	310	537	360
Novus Mídia S.A.	[18]	-	-	-	-	-	194	-	194
LOG Commercial Properties e Participações S.A.	[19]	-	-	-	-	177	121	522	363
Financial expenses									
Other related parties									
Banco Inter S.A.	[21]	-	-	-	-	2,802	-	8,696	-
Banco Inter S.A.	[22]	-	-	-	-	-	-	1,811	-

- [1] Refers to short-term investments with Banco Inter S.A. and/or subsidiaries ("Inter"), which is controlled by controlling shareholder of the Company. For the nine-month ended September 30, 2022, short-term investments yielded 107.9% of CDI in Consolidated and Individual (157.0% for the same period of 2021).
- [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 three and nine-month period ended September 30, 2022 which amount to R\$169,963 and R\$525,633, respectively, were eliminated in the consolidation process, thus remaining only revenues with associates (Note 22). Accordingly, the remaining balance in the Individual 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.
- [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 September 30, 2022, R\$17,992 in Consolidated and Individual (R\$22,722 in Consolidated and R\$21,209 in Individual as at December 31, 2021) are subject to interest pegged substantially to interbank deposit rate (CDI), plus a spread of 4.00% p.a. in Consolidated and Individual (2.98% to 4.00% p.a. as at December 31, 2021).
- [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 multipurpose arena is being built. As of September 30, 2022, the balance receivable includes adjustment to present value of R\$1,583 (R\$2,339 at December 31, 2021) 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.
- As of September 30, 2022, the balance payable includes adjustment to present value of R\$365 (R\$669 as of December 31, 2021) and the expense recognized refers to its realization.
- [12] Refers to amounts received from subsidiaries which will reflect in the Company's interest in these SPEs essentially after the completion of the formal capital reduction process. In Consolidated balance, the remaining amounts refer to intercompany balances with associates. These balances do not have pre-determined maturities and does not generate interest.
- [13] 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.
- [14] 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 September 30, 2022 provides for monthly total payment of R\$683 (gross of taxes) (R\$660 at December 31, 2021).
- 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 September 30, 2022 and as at December 31, 2021 establishes a total monthly payment of R\$6. Related expenses, net of PIS/COFINS taxes, for the three and nine-month period ended September 30, 2022, was R\$19 and R\$57, respectively (R\$18 and R\$58 for the same period of 2021).
- [15] 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.
- [16] Refers to lease agreement of subsidiary Resia's headquarters. This entity has as partner the Company's controlling shareholder. The contract is effective until October 31, 2026. On September 30, 2022, it establishes a total monthly payment of US\$39 (US\$15 as of December 31, 2021).
- [17] Refers to a warehouse lease agreement of subsidiary Resia.
- [18] Refers to advertising services contracted with press vehicles related to the Company's controlling shareholder.
- [19] 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.
- [20] 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.
- [21] Refere-se a operação de venda de recebíveis efetuadas em março de 2022, conforme detalhado na nota 6.
- [22] Refere-se a cessão de créditos originários da contratação de fornecedor de gás natural para instalações em empreendimentos da Companhia.
- [21] Refers to sales of receivables carried out in March 2022, as detailed in Note 6.
- [22] Refers to sale of credits arising from the contracting of natural gas supplier for installations in the Company's projects.
- [23] Refers to a warehouse lease agreement of subsidiary Resia. This entity has as partner the Company's controlling shareholder. On September 30, 2022, it establishes a total monthly payment of US\$5 (US\$2 as of December 31, 2021).

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.
- Company shareholders Marcos Alberto Cabaleiro Fernandez and Rubens Menin Teixeira de Souza entered into a noncompetition agreement with the Company, under which they agree not to engage in any activity in Brazil, in the construction industry outside the Company for up to a two-year period after a possible withdrawal as shareholders. Their activities in the industry are, therefore, restricted to the Company.

- On August 18, 2020, the Company entered into an Operational Agreement with its subsidiary Urba Desenvolvimento Urbano SA, in order to discipline 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			
	2022		2021	
	3 rd quarter	nine months	3 rd quarter	nine months
Short-term benefits granted to management:				
Management compensation (*)	10,864	32,716	10,210	28,980
Profit sharing	409	1,226	1,598	6,872
Non-monetary benefits	163	480	153	450
Long-term benefits granted to management:				
Retirement private plan	220	616	189	571
Stock option plan	2,945	7,719	4,104	9,430
	14,601	42,757	16,254	46,303

	Individual			
	2022		2021	
	3 rd quarter	nine months	3 rd quarter	nine months
Short-term benefits granted to management:				
Management compensation (*)	5,900	16,658	5,132	15,402
Profit sharing	-	-	1,283	6,249
Non-monetary benefits	122	370	126	374
Long-term benefits granted to management:				
Retirement private plan	199	554	172	520
Stock option plan	2,799	7,281	3,922	8,918
	9,020	24,863	10,635	31,463

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

On April 29, 2022, the Ordinary Shareholders' Meeting approved the change in the overall Company management compensation threshold to R\$37,477.

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 September 30, 2022, the Company's capital stock is R\$4,615,408 (R\$4,615,171 as at December 31, 2021), represented by 483,233 thousand common shares as shown below:

Shareholders	Number of shares in			
	9/30/22		12/31/21	
	Ordinary	%	Ordinary	%
Rubens Menin Teixeira de Souza (Controlling shareholder)	173,647	35.9	182,208	37.7
Officers	4,025	0.8	5,779	1.2
Fiscal council and executive committees	207	0.1	262	0.1
Treasury shares	1	-	1	-
Other shareholders	305,353	63.2	294,625	61.0
Total	483,233	100.0	482,875	100.0

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

During the nine-month period ended September 30, 2022 and 2021, 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
Nine-month period ended September 30, 2022:	(thousand)	R\$	R\$'000	R\$'000	(thousand)
1/7/22 Capital increase	358	0.66	237	4,615,408	483,233
Nine-month period ended September 30, 2021:					
1/7/21 Capital increase	921	6.24	5,747	4,615,171	482,875

(b) Treasury shares

On August 31, 2021, the Board of Directors approved the new share buyback program of the Company, which should be settled by March 3, 2023, 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 nine-month period ended September 30, 2022 and 2021, as shown below:

Type	Number (thousand)				R\$
	Opening balance	Acquired	Transferred	Closing balance	Market value (*)
Nine-month period ended September 30, 2022:					
Common shares	1	-	-	1	12
Nine-month period ended September 30, 2021:					
Common shares	1	-	-	1	12

(*) Market value of shares remaining in treasury as at September 30, 2022 and 2021.

During the nine-month period ended September 30, 2021, the subsidiary Urba Desenvolvimento Urbano S.A. transferred 967 thousand own shares kept in treasury to new minority shareholders for total amount of R\$1,570. The Company recorded the effect of this transaction, in the amount of R\$732, under the caption "Treasury shares" in the statement of changes in equity, according to its interest.

(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, 2021, the Company recognized legal reserve in the amount of R\$40,247 (R\$27,507 as at December 31, 2020) equivalent to 5% of annual net income for the year, as prescribed by Article 193 of the Brazilian Corporate Law.

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.

The Annual and Extraordinary Shareholders' Meeting held on April 29, 2022 approved the allocation of the remaining net income of year 2021, amounting to R\$573,524, to this reserve.

(e) Stock option plan

On August 8, 2022, the Company's Board of Directors approved the issuance of program 17 of the stock option plan, granting to directors and managers up to 2,670 thousand options with vesting period of up to 5 years and with exercise deadline date in December of 2029. The stock option fair value is R\$4.70 each, totaling, after cancellation estimate, a remuneration cost of R\$11,296, which will be recognized in profit or loss over the vesting period.

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

Program	Plan	Approval	Stock options (thousand)	Vesting period	Strike price	Participants	Exercise deadline
7	I	6/1/15	1,454	Up to 5 years	R\$ 6.84	Officers, managers, and key employees	12/22
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
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 nine-month period ended September 30, 2022 and 2021 and supplemental information is as follows:

Program	Number of participants	Changes in nine months of 2022 (thousand shares)				
		Opening balance	Granted	Expired / forfeited	Exercised	Closing balance
7	11	551	-	(1)	-	550
8	23	847	-	(5)	-	842
9	56	1,257	-	(20)	-	1,237
10	64	1,631	-	(28)	-	1,603
11	69	2,229	-	(29)	-	2,200
12	63	2,158	-	(26)	-	2,132
15	7	3,200	-	-	-	3,200
16	66	2,340	-	(32)	-	2,308
17	75	-	2,627	-	-	2,627
		14,213	2,627	(141)	-	16,699
Weighted average exercise price of options		13.04	8.45	13.95	-	12.31

Program	Number of participants	Changes in nine months of 2021 (thousand shares)				
		Opening balance	Granted	Expired / forfeited	Exercised	Closing balance
6	7	351	-	-	-	351
7	11	551	-	-	-	551
8	24	848	-	-	-	848
9	65	1,290	-	(12)	-	1,278
10	73	1,666	-	(15)	-	1,651
11	77	2,282	-	(19)	-	2,263
12	71	2,208	-	(5)	-	2,203
13	7	-	3,200	-	-	3,200
14	73	-	2,377	-	-	2,377
		9,196	5,577	(51)	-	14,722
Weighted average exercise price of options		13.23	18.58	14.78	-	15.25

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)
7	550	-	-	-	0.2
8	842	-	-	-	1.2
9	1,237	-	-	-	2.2
10	285	1,089	363	0.3	3.3
11	302	1,459	2,288	1.3	4.3
12	203	2,267	6,043	2.3	5.3
15	160	3,040	17,181	8.4	11.4
16	231	2,397	6,436	3.3	6.3
17	-	958	10,338	4.3	7.3
1 - Urba	288	538	1,425	2.3	5.3
2 - Urba	28	138	474	3.3	6.3
2022	4,126	11,886	44,548	7.8	11.4
2021	2,591	13,815	71,510	10.0	13.0

Stock options costs arising from subsidiaries and joint ventures and recognized by the Company totaled R\$585 for the nine-month period ended September 30, 2022 (R\$450 for the same period of 2021).

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

As at September 30, 2022, had all options currently granted been exercised, the Company would have issued 16,699 thousand shares, which would represent a 3.34% dilution in relation to total Company shares of 483,233 thousand.

(f) Dividends

Mandatory minimum and additional proposed

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.

The mandatory minimum dividends of fiscal year 2020 by R\$130,658 were approved at the Extraordinary and Annual Shareholders' Meeting (EASM) held on April 23, 2021 and paid on May 11, 2021 and are equivalent to R\$0.27058506 per share, net of inflation adjustment, as per the shareholding position effective on April 29, 2021.

Extraordinary

On January 13, 2021, it was approved at the Board of Directors' Meeting the distribution of extraordinary dividends in the amount of R\$100,000, to 2019 earnings, which were paid on January 28, 2021, being R\$0.207093497 per share, as per the shareholding position effective on January 18, 2021.

(g) Noncontrolling interests

	Consolidated	
	nine months of	
	2022	2021
Opening balance	479,992	361,254
Capital transactions	16,413	7,266
Net distributions to noncontrolling interests	178,988	(65,643)
Currency translation adjustments	25,907	3,802
Changes in indirect ownership	23,289	11,972
Reflection of error correction in subsidiary	-	(417)
Interest in net income for the period	41,457	61,620
Closing balance	766,046	379,854

In the nine-month period ended September 30, 2022, changes in the Company's equity interests in subsidiaries generated an increase in noncontrolling interests of R\$16,413 and a decrease in Company owners of R\$21,782 (an increase in noncontrolling interests of R\$7,266 and an increase in Company owners of R\$2,311 for the same period of 2021), directly recorded in equity.

(h) Earnings per share

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

	Consolidated and Individual			
	2022		2021	
	3 rd quarter	nine months	3 rd quarter	nine months
Basic earnings per share:				
Net income for the year	1,587	130,929	165,161	504,849
Weighted average number of outstanding common shares (thousand)	483,231	483,224	483,191	483,159
Basic earnings per share - in R\$	0.00328	0.27095	0.34181	1.04489
Diluted earnings per share:				
Net income for the year	1,587	130,929	165,161	504,849
Weighted average number of outstanding common shares (thousand)	483,231	483,224	483,191	483,159
Dilutive effect of stock options (thousands of shares)	706	785	928	1,910
Total shares after dilutive effect (thousand)	483,937	484,009	484,119	485,069
Diluted earnings per share - in R\$	0.00328	0.27051	0.34116	1.04078

(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).

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, 2021.

21. Segment information

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

- i. Real estate development: segment engaged in the development, construction, and sale of own and third-party real estate. Project development and construction are carried out directly by the Company, subsidiaries and joint ventures;
- ii. Rental of residential properties: this segment engaged in the development and rent residential properties near urban centers and provide various other services to the renter. The Group's strategy is to develop projects (through the construction of its own assets), make them available for renting and, depending on market conditions, selling these properties. In Brazil, this segment is operated by the "Luggo" business line and, in the United States, by the indirect subsidiary Resia;
- iii. Urban land subdivisions: division responsible for the development and sale of residential and commercial urban land subdivisions.

The rental of residential properties segment was split in "United States (USA)" and "Brazil" since they are inserted in different environments and economic characteristics and have different managers.

The Group's financial position as at September 30, 2022 and December 31, 2021 and results for the nine-month period ended September 30, 2022 and 2021, split in its operating segments, are as follows:

	9/30/22					12/31/21				
	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	2,366,819	529,863	188,658	118,726	3,204,066	2,167,017	448,968	85,568	48,314	2,749,867
Trade accounts receivable	3,978,289	1,909	46	232,581	4,212,825	3,627,896	1,602	15,410	271,135	3,916,043
Inventories	8,496,983	-	1,639	449,762	8,948,384	8,865,443	-	1,819	299,612	9,166,874
Investment properties	-	3,745,411	343,816	-	4,089,227	-	2,198,589	294,625	-	2,493,214
Other assets	1,840,768	456,214	4,491	98,775	2,400,248	1,628,670	176,997	9,402	83,892	1,898,961
Total assets	16,682,859	4,733,397	538,650	899,844	22,854,750	16,289,026	2,826,156	406,824	702,953	20,224,959
Liabilities and equity										
Loans, financing and debentures	4,692,047	2,279,034	80,346	213,066	7,264,493	3,778,998	1,369,812	73,002	142,107	5,363,919
Land payables	3,967,608	-	42,387	285,816	4,295,811	4,583,482	-	5,704	209,601	4,798,787
Advances from customers	539,702	-	-	30,525	570,227	545,719	-	2,706	8,307	556,732
Other payables	2,809,675	814,847	14,980	109,054	3,748,556	2,392,479	404,596	31,086	77,862	2,906,023
Total liabilities	12,009,032	3,093,881	137,713	638,461	15,879,087	11,300,678	1,774,408	112,498	437,877	13,625,461
Operating segment net assets	4,673,827	1,639,516	400,937	261,383	6,975,663	4,988,348	1,051,748	294,326	265,076	6,599,498
Total liabilities and equity	16,682,859	4,733,397	538,650	899,844	22,854,750	16,289,026	2,826,156	406,824	702,953	20,224,959

	Nine months of 2022					Nine months of 2021				
	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	4,818,283	15,025	1,051	137,241	4,971,600	5,049,723	56,595	638	107,577	5,214,533
Cost of real estate sold and services	(3,893,318)	(9,700)	(843)	(97,327)	(4,001,188)	(3,716,252)	(36,980)	(368)	(66,097)	(3,819,697)
Gross profit	924,965	5,325	208	39,914	970,412	1,333,471	19,615	270	41,480	1,394,836
Operating income (expenses):										
Selling, general and administrative expenses	(758,917)	(101,877)	(6,974)	(44,069)	(911,837)	(747,116)	(54,077)	(2,999)	(28,530)	(832,722)
Other operating income (expenses), net	(78,019)	447,682	23,299	(1,468)	391,494	(87,336)	252,711	(706)	(3,221)	161,448
Results from equity interest in investees	(87,230)	-	-	10,205	(77,025)	(41,959)	-	-	6,895	(35,064)
Income before financial income	799	351,130	16,533	4,582	373,044	457,060	218,249	(3,435)	16,624	688,498
Financial result	6,680	4,756	1,019	(9,633)	2,822	24,333	(9,271)	(62)	1,895	16,895
Income before taxes	7,479	355,886	17,552	(5,051)	375,866	481,393	208,978	(3,497)	18,519	705,393
Income tax and social contribution	(99,670)	(96,120)	(15)	(7,675)	(203,480)	(98,319)	(36,916)	(2)	(3,687)	(138,924)
Net income for the period	(92,191)	259,766	17,537	(12,726)	172,386	383,074	172,062	(3,499)	14,832	566,469

The accounting practices and measurement bases for each operating segment are the same as described in Note 2 to the financial statements for the year ended December 31, 2021.

22. Net operating revenue

The table below shows reconciliation between gross and net revenue stated in the income statement for the three and nine-month period ended September 30, 2022 and 2021:

	Consolidated			
	2022		2021	
	3 rd quarter	nine months	3 rd quarter	nine months
Gross operating revenue				
Real estate development	1,820,931	5,401,750	1,905,488	5,714,350
Bartered real estate units	5,971	21,107	11,634	19,880
Rental revenue and management service	7,561	16,537	24,708	56,595
Revenue from construction services (Note 19 [2])	647	2,691	558	2,672
Cancellations	(72,029)	(235,805)	(115,186)	(426,367)
Allowance for credit risk	(33,865)	(126,297)	9,464	(47,333)
	1,729,216	5,079,983	1,836,666	5,319,797
Taxes on sales	(34,357)	(108,383)	(36,568)	(105,264)
Net operating revenue	1,694,859	4,971,600	1,800,098	5,214,533

	Individual			
	2022		2021	
	3 rd quarter	nine months	3 rd quarter	nine months
Gross operating revenue				
Real estate development	804,142	2,603,712	1,001,862	3,087,570
Bartered real estate units	3,453	10,287	3,642	3,529
Rental revenue and management service	652	1,446	294	892
Cancellations	(27,948)	(106,160)	(62,048)	(221,550)
Allowance for credit risk	(16,922)	(66,110)	6,233	(21,816)
	763,377	2,443,175	949,983	2,848,625
Taxes on sales	(13,778)	(50,057)	(18,434)	(55,081)
Net operating revenue	749,599	2,393,118	931,549	2,793,544

Amounts related to units under construction recognized in consolidated. In the three and nine-month period ended September 30, 2022 and 2021 are as follows:

	Consolidated			
	2022		2021	
	3 rd quarter	nine months	3 rd quarter	nine months
Net revenue from units under construction	1,543,295	4,525,257	1,646,286	4,725,513
Costs of real estate sold under construction	(1,213,925)	(3,606,513)	(1,195,899)	(3,404,483)
Gross profit recognized	329,370	918,744	450,387	1,321,030

The amounts of received advances regarding contracts in progress as at September 30, 2022 and December 31, 2021 are R\$208,676 and R\$181,843, respectively.

Other information on 'Net operating revenue' is not significantly different from the information disclosed in Note 20 to the financial statements for the year ended December 31, 2021.

23. Costs and expenses

	Consolidated			
	2022		2021	
	3 rd quarter	nine months	3 rd quarter	nine months
Cost of real estate sold and services:				
Financial charges (Note 12 (d))	(70,946)	(178,957)	(33,948)	(104,416)
Cost of rental operations	(3,835)	(10,543)	(12,728)	(36,980)
Land, construction and maintenance costs	(1,292,367)	(3,811,688)	(1,265,227)	(3,678,301)
Total cost of real estate sold and services	(1,367,148)	(4,001,188)	(1,311,903)	(3,819,697)
Selling, general and administrative expenses:				
Salaries, charges and benefits	(145,244)	(379,150)	(105,480)	(296,340)
Management compensation	(10,864)	(32,716)	(10,210)	(28,980)
Management and employees profit sharing	(3,127)	(2,711)	(3,720)	(17,148)
Stock option plan	(4,601)	(11,886)	(6,101)	(13,815)
Commissions and brokers' fees	(38,120)	(112,835)	(40,025)	(119,548)
Outside services	(31,546)	(94,559)	(27,822)	(87,645)
Marketing and advertising	(37,522)	(116,018)	(43,822)	(106,361)
Utilities	(2,325)	(8,265)	(2,275)	(8,073)
Depreciation and amortization	(18,536)	(54,708)	(15,353)	(45,930)
Training	(345)	(1,394)	(1,295)	(2,870)
Other	(48,461)	(97,595)	(35,704)	(106,012)
Total selling, general and administrative expenses	(340,691)	(911,837)	(291,807)	(832,722)
Classified as:				
Selling expenses	(164,515)	(485,023)	(167,732)	(473,473)
General and administrative expenses	(176,176)	(426,814)	(124,075)	(359,249)
	(340,691)	(911,837)	(291,807)	(832,722)

	Individual			
	2022		2021	
	3 rd quarter	nine months	3 rd quarter	nine months
Cost of real estate sold and services:				
Financial charges (Note 12 (d))	(44,910)	(111,216)	(21,440)	(60,486)
Land, construction and maintenance costs	(612,459)	(1,906,364)	(694,092)	(2,046,209)
Total cost of real estate sold and services	(657,369)	(2,017,580)	(715,532)	(2,106,695)
Selling, general and administrative expenses:				
Salaries, charges and benefits	(67,611)	(205,996)	(65,160)	(194,703)
Management compensation	(5,900)	(16,658)	(5,132)	(15,402)
Management and employees profit sharing	(234)	182	(3,449)	(15,157)
Stock option plan	(4,376)	(11,210)	(5,868)	(13,162)
Commissions and brokers' fees	(16,039)	(52,309)	(20,124)	(62,483)
Outside services	(27,960)	(85,009)	(24,441)	(77,031)
Marketing and advertising	(23,682)	(79,248)	(31,944)	(73,122)
Utilities	(1,983)	(6,852)	(1,813)	(6,367)
Depreciation and amortization	(15,479)	(44,837)	(13,102)	(38,950)
Training	(256)	(1,160)	(157)	(598)
Other	(39,157)	(105,502)	(33,453)	(94,933)
Total selling, general and administrative expenses	(202,677)	(608,599)	(204,643)	(591,908)
Classified as:				
Selling expenses	(104,363)	(318,597)	(111,346)	(311,306)
General and administrative expenses	(98,314)	(290,002)	(93,297)	(280,602)
	(202,677)	(608,599)	(204,643)	(591,908)

	Consolidated			
	2022		2021	
	3 rd quarter	nine months	3 rd quarter	nine months
Other operating income (expenses), net				
Provision for civil, labor and tax risks	(11,318)	(34,310)	(10,371)	(36,455)
Results on the sale of property and equipment	(1,000)	19,349	(296)	(376)
Donatives - Instituto MRV	(2,026)	(5,495)	(750)	(5,450)
Results from sale of assets / projects (*)	1,883	483,957	181,798	270,662
Other:				
Income	3,919	15,254	(5,065)	2,686
Expenses	(32,581)	(87,261)	(32,732)	(69,619)
Total other operating income (expenses), net	(41,123)	391,494	132,584	161,448

(*) 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. In 2021, refers to the sale of the Lake Osborne, Mangonia Lake, Banyan Ridge and Tamiami Landings of the subsidiary Resia.

	Individual			
	2022		2021	
	3 rd quarter	nine months	3 rd quarter	nine months
Other operating income (expenses), net				
Provision for civil, labor and tax risks	(8,336)	(21,053)	(7,675)	(25,261)
Results on the sale of property and equipment	(992)	19,326	(309)	(359)
Donatives - Instituto MRV	(2,026)	(5,495)	(750)	(5,450)
Results from sale of assets / projects (*)	-	28,970	-	-
Other:				
Income	4,236	14,626	6,164	13,397
Expenses	(20,179)	(52,998)	(18,315)	(43,345)
Total other operating income (expenses), net	(27,297)	(16,624)	(20,885)	(61,018)

(*) Refers to the sale of Florença Garden and Solar dos Campos by Luggo.

24. Financial expenses and income

	Consolidated			
	2022		2021	
	3 rd quarter	nine months	3 rd quarter	nine months
Financial expenses:				
Interest on loans, financing and debentures (Note 12 (d))	(70,898)	(170,867)	(20,411)	(60,126)
Mark-to-market of derivative financial instruments	119,284	(13,980)	(60,004)	(67,577)
Expense from sale of receivables	(11,623)	(41,898)	(23,325)	(23,325)
Fees and taxes	(5,049)	(13,407)	(3,678)	(10,471)
Other financial expenses	(11,525)	(26,726)	(8,076)	(10,758)
	20,189	(266,878)	(115,494)	(172,257)
Financial income:				
Short-term investments	50,747	138,329	29,406	58,271
Mark-to-market of derivative financial instruments	-	-	(4,327)	7,831
Interest on intercompany loans	676	1,864	415	1,478
Other financial income	14,856	43,258	13,787	27,206
	66,279	183,451	39,281	94,786
Income from real estate development receivables	26,713	86,249	26,219	94,366
	92,992	269,700	65,500	189,152
Financial result	113,181	2,822	(49,994)	16,895

	Individual			
	2022		2021	
	3 rd quarter	nine months	3 rd quarter	nine months
Financial expenses:				
Interest on loans, financing and debentures (Note 12 (d))	(62,442)	(154,283)	(15,099)	(36,829)
Mark-to-market derivative financial instruments	117,683	(23,686)	(59,949)	(67,404)
Expense from sale of receivables	(6,236)	(16,488)	(9,129)	(9,129)
Fees and taxes	(2,525)	(6,289)	(1,842)	(5,542)
Other financial expenses	(4,693)	(16,503)	(2,694)	(7,451)
	41,787	(217,249)	(88,713)	(126,355)
Financial income:				
Short-term investments	36,313	110,307	26,443	52,874
Interest on intercompany loans	637	1,809	356	1,148
Other financial income	8,462	25,306	2,549	11,093
	45,412	137,422	29,348	65,115
Income from real estate development receivables	14,493	45,753	13,252	47,316
	59,905	183,175	42,600	112,431
Financial result	101,692	(34,074)	(46,113)	(13,924)

25. Financial instruments and risk management

(a) Capital risk management

As at September 30, 2022 and December 31, 2021, the consolidated debt-to-equity ratio is as follows:

	Consolidated		Individual	
	9/30/22	12/31/21	9/30/22	12/31/21
Loans, financing and debentures	7,264,493	5,363,919	4,272,110	3,471,435
Cash, cash equivalents and marketable securities	(3,204,066)	(2,749,867)	(2,008,214)	(1,617,288)
Net debt	4,060,427	2,614,052	2,263,896	1,854,147
Equity	6,975,663	6,599,498	6,209,617	6,119,506
Net debt-to-equity ratio	58.2%	39.6%	36.5%	30.3%

(b) Financial instruments categories and fair value

Consolidated	Note	9/30/22		12/31/21	
		Book value	Fair value	Book value	Fair value
Financial assets:					
Amortized cost					
		4,969,469	4,969,469	4,924,304	4,924,304
Receivables from real estate development	6	4,062,738	4,062,738	3,783,007	3,783,007
Intercompany receivables		67,311	67,311	68,227	68,227
Cash and bank accounts	4	689,333	689,333	940,034	940,034
Receivables from services provided	6	150,087	150,087	133,036	133,036
Fair value through profit or loss (mandatorily measured) (*)					
		2,583,836	2,583,836	1,860,482	1,860,482
Restricted investment funds	5	1,940,133	1,940,133	1,539,149	1,539,149
Linked applications in bank accounts		356,662	356,662	-	-
Unrestricted investment funds	4	7	7	86	86
Bank deposit certificates (CDB)		135,206	135,206	2,064	2,064
Short-term investments	4	760	760	6,432	6,432
Escrow account	5	19,945	19,945	188,576	188,576
U.S. Treasuries	5	27,319	27,319	2,774	2,774
Savings deposits		34,527	34,527	70,535	70,535
Real estate consortium	5	174	174	217	217
Derivative financial instruments		69,103	69,103	50,649	50,649
Financial liabilities:					
Amortized cost					
		11,847,651	11,840,892	10,854,670	10,872,220
Loans, financing and debentures		5,370,754	5,363,995	4,679,871	4,697,421
Land payables	13	4,295,811	4,295,811	4,798,787	4,798,787
Suppliers		865,969	865,969	716,428	716,428
Payables for investment acquisition		35,465	35,465	47,635	47,635
Credit assignment liability	6	432,157	432,157	-	-
Other payables		847,495	847,495	611,949	611,949
Fair value through profit or loss (hedge accounting)					
		2,052,629	2,052,629	789,204	789,204
Loans, financing and debentures		1,893,739	1,893,739	684,048	684,048
Derivative financial instruments	25 (b)	158,890	158,890	105,156	105,156

(*) 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.

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 September 30, 2022, the swap contracts position is as follows:

Type of transaction	Currency	Hiring	Asset / Liability	Maturity	Notional amount	Long position	Short position	9/30/22	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% / CDI + 2.55%	3/23	957	1,000	968	(3)	32	(35)	-
Swap (*)	R\$	3/17	IPCA + 8.25% / 132.2% CDI	2/22	80,000	0	0	-	22,694	-	-
Swap (*)	R\$	9/17	IPCA + 6.45% / 122.1% CDI	9/24	121,200	159,708	122,029	32,608	32,192	(5,071)	-
Swap (*)	R\$	4/21	IPCA + 5.43% / CDI + 1.65%	4/31	403,720	466,532	430,377	(4,403)	26,105	(40,558)	-
Swap (*)	R\$	2/22	IPCA + 6.60% / CDI + 1.29%	2/29	700,000	728,552	713,024	2,520	(5,758)	(13,008)	-
Swap (*)	R\$	9/22	IPCA + 6.48% / CDI + 1.00%	9/30	347,928	348,182	350,412	(2,230)	(2,230)	-	-
Swap (*)	R\$	9/22	IPCA + 6.74% / CDI + 1.27%	9/32	202,072	202,244	203,542	(1,298)	(1,298)	-	-
Swap	R\$	9/21	MRVE3 / CDI + 1.75% and 1.80%	1/23 and 2/23	328,484	313,865	371,787	(75,360)	-	(75,360)	-
Swap	R\$	6/22	MRVE3 / CDI + 1.65%	12/23	49,078	76,746	50,818	23,546	-	23,546	-
Swap (*)	US\$	2/20	Dollar + 4% / 76% CDI	2/23	208,487	22,727	20,747	(14,466)	1,980	-	(12,768)
Swap (*)	US\$	3/21	Dollar + 3.85% / CDI - 2.94%	2/26	201,600	9,919	13,543	(23,631)	(3,624)	-	(23,234)
Swap (*)	US\$	3/21	Dollar + 3.85% / CDI - 3.20%	2/26	114,900	5,410	7,381	(12,668)	(1,971)	-	(12,401)
Swap (*)	US\$	2/21	Dollar + 3.80% / CDI - 2.16%	2/26	80,759	4,295	6,341	(10,935)	(2,046)	-	(10,804)
Swap (*)	US\$	1/22	Dollar + 3.98% / CDI - 5.55%	2/26	331,566	8,059	12,419	(10,203)	(4,360)	-	(9,538)
Swap (*)	US\$	2/22	Dollar + 4.37% / CDI - 5.34%	2/26	308,280	7,476	10,578	(3,693)	(3,102)	-	(3,255)
CAP (**)	US\$	4/21	-	10/23	41,000	-	-	10,429	-	9,690	-
								(89,787)	58,614	(100,796)	(72,000)

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

(**) Includes currency translation adjustment.

	Consolidated	Individual
Noncurrent assets	69,103	58,674
Current liabilities	89,829	89,826
Noncurrent liabilities	69,061	69,061
Total liabilities	158,890	158,887

	Effect on results / other comprehensive results					
	Consolidated			Individual		
	Gain (loss) on transaction	Mark-to-market	Total	Gain (loss) on transaction	Mark-to-market	Total
3rd quarter of 2022:						
Effect in profit or loss						
Swaps with fair value hedge	(37,922)	4,052	(33,870)	(37,922)	4,052	(33,870)
Swaps with cash flow hedge	(9,415)	-	(9,415)	(9,415)	-	(9,415)
Swaps with no hedge	(8)	123,324	123,316	-	121,723	121,723
Gross effect in profit or loss	(47,345)	127,376	80,031	(47,337)	125,775	78,438
Reducing effect of hedges	-	(8,092)	(8,092)	-	(8,092)	(8,092)
Net effect in profit or loss	(47,345)	119,284	71,939	(47,337)	117,683	70,346
Other comprehensive results	-	28,993	28,993	-	28,993	28,993
Nine months of 2022:						
Effect in profit or loss						
Swaps with fair value hedge	(4,576)	(22,996)	(27,572)	(4,576)	(22,996)	(27,572)
Swaps with cash flow hedge	(27,286)	-	(27,286)	(27,286)	-	(27,286)
Swaps with no hedge	(25)	7,769	7,744	-	(1,937)	(1,937)
Gross effect in profit or loss	(31,887)	(15,227)	(47,114)	(31,862)	(24,933)	(56,795)
Reducing effect of hedges	-	1,247	1,247	-	1,247	1,247
Net effect in profit or loss	(31,887)	(13,980)	(45,867)	(31,862)	(23,686)	(55,548)
Other comprehensive results	-	(27,593)	(27,593)	-	(27,593)	(27,593)

As at December 31, 2021, the swap contracts position was as follows:

Type of transaction	Currency	Hiring	Asset / Liability	Maturity	Notional amount	Long position	Short position	12/31/21	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% / CDI + 2.55%	3/23	2,393	2,470	2,413	6	57	(51)	-
Swap (*)	R\$	3/17	IPCA + 8.25% / 132.2% CDI	2/22	80,000	104,634	82,668	22,368	21,966	402	-
Swap (*)	R\$	9/17	IPCA + 6.45% / 122.1% CDI	9/24	121,200	155,092	124,291	28,275	30,801	(2,526)	-
Swap (*)	R\$	4/21	IPCA + 5.43% / CDI + 1.65%	4/31	403,720	435,111	411,597	(10,003)	23,514	(33,517)	-
Swap	R\$	9/21	MRVE3 / CDI + 1.75%	1/23 and 2/23	328,484	293,676	336,981	(49,877)	-	(49,877)	-
Swap (*)	US\$	2/20	Dollar + 4% / 76% CDI	2/23	208,487	17,826	9,334	(10,082)	8,492	-	(9,377)
Swap (*)	US\$	3/21	Dollar + 3.85% / CDI -	2/26	201,600	5,902	2,836	(17,763)	3,066	-	(17,707)
Swap (*)	US\$	3/21	Dollar + 3.85% / CDI -	2/26	114,900	3,094	1,463	(8,775)	1,631	-	(8,826)
Swap (*)	US\$	2/21	Dollar + 3.80% / CDI -	2/26	80,759	2,604	1,630	(8,656)	974	-	(8,497)
Swap (**)	US\$	11/19	Libor dollar / 1.60%	11/29	-	-	-	-	-	(3,075)	-
								(54,507)	90,501	(88,644)	(44,407)

(*) Derivatives designed as hedge instruments, according to hedge accounting methodology.

(**) Derivative redeemed in advance in December 2021.

	Consolidated	Individual
Current assets	22,368	22,368
Noncurrent assets	28,281	28,275
Total assets	50,649	50,643
Noncurrent liabilities	105,156	105,156

	Effect on results / other comprehensive results					
	Consolidated			Individual		
	Gain on transaction	Mark-to-market	Total	Gain on transaction	Mark-to-market	Total
3rd quarter of 2021:						
Effect on results						
Fair value hedge	16,898	(25,053)	(8,155)	16,914	(25,002)	(8,088)
Cash flow hedge	2,461	1,677	4,138	2,460	-	2,460
No hedge	(32,551)	(7,876)	(40,427)	(32,551)	(7,876)	(40,427)
Total - effect on results	(13,192)	(31,252)	(44,444)	(13,177)	(32,878)	(46,055)
Other comprehensive results	-	(32,858)	(32,858)	-	(32,859)	(32,859)
Nine month of 2021:						
Effect on results						
Fair value hedge	34,790	(47,526)	(12,736)	34,840	(47,291)	(12,451)
Cash flow hedge	8,786	9,508	18,294	8,785	-	8,785
No hedge	(32,551)	(7,876)	(40,427)	(32,551)	(7,876)	(40,427)
Total - effect on results	11,025	(45,894)	(34,869)	11,074	(55,167)	(44,093)
Other comprehensive results	-	(53,502)	(53,502)	-	(53,502)	(53,502)

Fair value measurement of these derivative financial instruments is carried out through discounted cash flows at market rates as at the balance sheet 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 September 30, 2022 and December 31, 2021, 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 balance sheet and income statement:

Fair value hedge	Hiring	Maturity	Notional value	Rates	Fair value	Effects on results	Fair value	Effects on results
					9/30/22	Nine months of 2022	12/31/21	Nine months of 2021
9 th issue (3 rd series)	3/17	2/22	80,000	IPCA + 8.25%	-	215	(104,841)	4,846
11 th issue (3 rd series)	9/17	9/24	121,000	IPCA + 6.45%	(157,042)	2,993	(155,421)	8,143
CRI - 19 th debentures issue	4/21	4/31	400,000	IPCA + 5.43%	(461,750)	(6,612)	(423,786)	10,431
CRI - 21 st debentures issue	2/22	2/29	700,000	IPCA + 6.60%	(724,476)	4,651	-	-
CRI - 22 nd debentures issue (1 st series)	9/22	9/30	347,928	IPCA + 6.48%	(348,209)	-	-	-
CRI - 22 nd debentures issue (2 nd series)	9/22	9/32	202,072	IPCA + 6.74%	(202,262)	-	-	-
Loans, financing and debentures (Hedged items)			1,851,000		(1,893,739)	1,247	(684,048)	23,420
				Long position				
Swap	3/17	2/22	80,000	IPCA + 8.25%	-	(215)	104,841	(4,846)
Swap	9/17	9/24	121,000	IPCA + 6.45%	157,060	(2,993)	155,421	(8,143)
Swap	4/21	4/31	403,720	IPCA + 5.43%	462,769	6,612	423,786	(10,431)
Swap	2/22	2/29	700,000	IPCA + 6.60%	723,902	(4,651)	-	-
Swap	9/22	9/30	347,928		348,182	-	-	-
Swap	9/22	9/32	202,072		202,244	-	-	-
Derivative financial instruments (Hedging instruments)			1,854,720		1,894,157	(1,247)	684,048	(23,420)
				Short position				
				132.20% CDI	-	(185)	(82,473)	(852)
				122.10% CDI	(124,452)	452	(127,146)	(5,714)
				CDI + 1.65%	(467,172)	(13,655)	(433,789)	(17,305)
				CDI + 1.29%	(721,382)	(8,361)	-	-
				CDI + 1.00%	(350,412)	-	-	-
				CDI + 1.27%	(203,542)	-	-	-
					(1,866,960)	(21,749)	(643,408)	(23,871)
				Swap net position	27,197	(22,996)	40,640	(47,291)
				Total net position	(1,866,542)	(21,749)	(643,408)	(23,871)

The swap-type financial instruments (hedge instruments) detailed below are hedging interest payments on US dollar debt (hedged items) whose notional amounts and remuneration rates correspond exactly to those of the long positions of said swaps:

Cash flow hedge	Hiring	Maturity	Notional value	Rates	Fair value	Other comprehensive results	Fair value	Other comprehensive results
					9/30/22	Nine months of 2022	12/31/21	Nine months of 2021
Swap	2/20	2/23		Long position				
Derivative financial instruments (Hedging instruments)			US\$ 47,000	Dollar + 4%	23,924	(11,469)	36,387	(5,290)
				Short position				
				76% CDI	(38,390)	8,078	(46,469)	(11,968)
				Swap net position	(14,466)	(3,391)	(10,082)	(17,258)
Swap	3/21	2/26		Long position				
Derivative financial instruments (Hedging instruments)			US\$ 35,000	Dollar + 3.85%	23,378	(9,424)	33,143	(2,688)
				Short position				
				CDI - 2.94%	(47,009)	3,897	(50,906)	(15,690)
				Swap net position	(23,631)	(5,527)	(17,763)	(18,378)
Swap	3/21	2/26		Long position				
Derivative financial instruments (Hedging instruments)			US\$ 20,000	Dollar + 3.85%	13,396	(5,226)	18,939	(1,466)
				Short position				
				CDI - 3.20%	(26,064)	1,651	(27,714)	(7,600)
				Swap net position	(12,668)	(3,575)	(8,775)	(9,066)
Swap	2/21	2/26		Long position				
Derivative financial instruments (Hedging instruments)			US\$ 15,000	Dollar + 3.80%	9,916	(4,131)	14,020	(1,243)
				Short position				
				CDI - 2.16%	(20,851)	1,824	(22,676)	(7,557)
				Swap net position	(10,935)	(2,307)	(8,656)	(8,800)
Swap	1/22	2/26		Long position				
Derivative financial instruments (Hedging instruments)			US\$ 60,000	Dollar + 3.98%	41,544	(17,791)	-	-
				Short position				
				CDI - 5.55%	(51,747)	8,253	-	-
				Swap net position	(10,203)	(9,538)	-	-
Swap	2/22	2/26		Long position				
Derivative financial instruments (Hedging instruments)			US\$ 60,000	Dollar + 4.37%	45,489	(14,073)	-	-
				Short position				
				CDI - 5.34%	(49,182)	10,818	-	-
				Swap net position	(3,693)	(3,255)	-	-
				Total net effect	(75,596)	(27,593)	(45,276)	(53,502)

(c) Risk management

Market risk

The Group is exposed to usual market risks arising from changes in interest rates and indexes. The Company 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 September 30, 2022, 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 2022 (“probable scenario”) compared to the effective rate for twelve-month period ended in September 30, 2022, multiplied by the exposed net balance as at September 30, 2022, was used to calculate the financial impact, had the probable scenario materialized in 2022. For the impact estimates, a decrease in financial assets and an increase in financial liabilities were considered, at the rate estimated for 2022 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 period ended 9/30/22	Annual rate estimated for 2022 (*)	Rates changes for each scenario	Total estimated financial impact	Estimated impact on net income and equity
Probable scenario								
CDI	2,094,098	(4,930,888)	(2,836,790)	10.87%	13.70%	(i) 2.83%	(80,281)	(44,218)
IGP-M	89,886	(93,468)	(3,582)	8.25%	7.91%	(ii) -0.34%	12	12
INCC-M	1,576,423	(672,414)	904,009	10.90%	10.36%	(i) -0.54%	(4,882)	(4,882)
TR	957	(443,627)	(442,670)	1.19%	2.20%	(i) 1.01%	(4,471)	(4,471)
IPCA	1,899,331	(2,238,755)	(339,424)	7.17%	5.47%	(ii) -1.70%	5,770	5,770
Savings	391,189	(29,138)	362,051	6.40%	8.33%	(ii) 1.93%	6,988	6,988
							(76,864)	(40,801)
Scenario I								
CDI	2,094,098	(4,930,888)	(2,836,790)	10.87%	17.13%	6.26%	(177,583)	(97,810)
IGP-M	89,886	(93,468)	(3,582)	8.25%	9.89%	1.64%	(59)	(59)
INCC-M	1,576,423	(672,414)	904,009	10.90%	7.77%	-3.13%	(28,295)	(28,295)
TR	957	(443,627)	(442,670)	1.19%	2.75%	1.56%	(6,906)	(6,906)
IPCA	1,899,331	(2,238,755)	(339,424)	7.17%	6.84%	-0.33%	1,120	1,120
Savings	391,189	(29,138)	362,051	6.40%	6.25%	-0.15%	(543)	(543)
							(212,266)	(132,493)
Scenario II								
CDI	2,094,098	(4,930,888)	(2,836,790)	10.87%	20.55%	9.68%	(274,601)	(151,247)
IGP-M	89,886	(93,468)	(3,582)	8.25%	11.87%	3.62%	(130)	(130)
INCC-M	1,576,423	(672,414)	904,009	10.90%	5.18%	-5.72%	(51,709)	(51,709)
TR	957	(443,627)	(442,670)	1.19%	3.30%	2.11%	(9,340)	(9,340)
IPCA	1,899,331	(2,238,755)	(339,424)	7.17%	8.21%	1.04%	(3,530)	(3,530)
Savings	391,189	(29,138)	362,051	6.40%	4.17%	-2.23%	(8,074)	(8,074)
							(347,384)	(224,030)

(i) Data obtained on B3's website.

(ii) Data obtained on Banco Central website.

(*) Effective change for the first nine months plus a projection for the next three months of 2022.

The total financial effect estimated, basically pegged to CDI, 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 September 30, 2022 through contractual maturity, are as follows:

	Up to 1 year	1 to 2 years	2 to 3 years	Over 3 years	Total
Consolidated:					
Floating rates liabilities	2,042,442	1,914,133	1,975,168	3,256,555	9,188,298
Fixed rates liabilities	52,761	37,991	287,832	867,038	1,245,622
Non-interest bearing liabilities	1,574,501	1,464,667	409,701	735,016	4,183,885
Total	3,669,704	3,416,791	2,672,701	4,858,609	14,617,805
Individual:					
Floating rates liabilities	1,420,255	1,254,300	1,108,649	2,927,688	6,710,892
Fixed rates liabilities	14,719	10,816	10,002	84,126	119,663
Non-interest bearing liabilities	985,001	583,581	343,784	647,097	2,559,463
Total	2,419,975	1,848,697	1,462,435	3,658,911	9,390,018

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\$5.68, this is 5% above the closing exchange rate of September 30, 2022 (R\$5.41) 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\$5.41	R\$5.68	R\$6.76	R\$8.11
Loans and financing	(421,528)	(2,279,034)	(2,392,985)	(2,848,792)	(3,418,550)
Suppliers	(69,725)	(376,975)	(395,824)	(471,219)	(565,463)
(-) Cash, cash equivalents and marketable securities	98,003	529,863	556,356	662,329	794,795
Exposed net liabilities	(393,250)	(2,126,146)	(2,232,453)	(2,657,682)	(3,189,218)
Net effect on income			-	-	-
Net effect on equity			(106,307)	(531,536)	(1,063,072)

(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, 2021.
- ii) Financial investments: to mitigate default risk, the Group maintains its investments with first class financial institutions.

(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, 2021.

26. Current and deferred taxes

Deferred tax liabilities are broken down as follows:

	Consolidated		Individual	
	9/30/22	12/31/21	9/30/22	12/31/21
Income tax (IRPJ)	61,035	154,207	20,126	22,185
Social contribution (CSLL)	24,284	24,435	10,564	11,597
Total - IRPJ and CSLL	85,319	178,642	30,690	33,782
Tax on revenue (PIS)	13,351	13,652	5,972	6,508
Tax on revenue (COFINS)	61,888	63,275	27,468	30,030
Total - PIS and COFINS	75,239	76,927	33,440	36,538
Total	160,558	255,569	64,130	70,320
Current	79,492	79,056	36,264	40,128
Noncurrent	81,066	176,513	27,866	30,192
	160,558	255,569	64,130	70,320

Changes in deferred income tax (IRPJ) and social contribution (CSLL) liabilities for the nine-month period ended September 30, 2022 and 2021 are as follows:

	Consolidated		Individual	
	nine months of		nine months of	
	2022	2021	2022	2021
Opening balance	178,642	62,721	33,782	31,991
Effect of deferred IRPJ and CSLL recognized in:				
Net income for the period	(84,798)	3,541	(3,092)	866
Currency translation adjustments	(8,525)	-	-	-
Closing balance	85,319	66,262	30,690	32,857

The effects of corporate income tax (IRPJ) and social contribution on income (CSLL) on temporary differences are shown as follows:

	Consolidated		Individual	
	9/30/22	12/31/21	9/30/22	12/31/21
Effects of IRPJ and CSLL on:				
Foreign earnings from subsidiary MRV (US)	14,436	107,676	-	-
Portion not received for real estate development	75,145	75,775	32,742	37,194
(-) Advances from customers	(4,262)	(4,809)	(2,052)	(3,412)
Net amount	85,319	178,642	30,690	33,782

Reconciliation of income tax and social contribution expenses at the statutory and effective rates for the three and nine-month period ended September 30, 2022 and 2021 is as follows:

	Consolidated			
	2022		2021	
	3 rd quarter	nine months	3 rd quarter	nine months
Revenue from real estate development - subsidiaries	955,765	2,608,206	853,425	2,395,554
Nominal tax rate (*)	1.92%	1.92%	1.92%	1.92%
IRPJ and CSLL tax expenses on:				
Real estate development	(18,351)	(50,078)	(16,386)	(45,995)
Profit from subsidiary MRV (US)	14,391	(88,531)	(36,916)	(36,916)
Financial income - subsidiaries (**)	(5,461)	(14,004)	(2,732)	(6,772)
IRPJ and CSLL in subsidiaries	(9,421)	(152,613)	(56,034)	(89,683)
IRPJ and CSLL in Individual	(13,006)	(53,391)	(17,522)	(52,554)
Other	1,380	2,524	377	3,313
Expenses in profit or loss	(21,047)	(203,480)	(73,179)	(138,924)
Breakdown of expense in profit or loss - Consolidated:				
Current	(46,062)	(288,278)	(75,661)	(135,383)
Deferred	25,015	84,798	2,482	(3,541)
	(21,047)	(203,480)	(73,179)	(138,924)

(*) 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, 2021.

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

	Individual			
	2022		2021	
	3 rd quarter	nine months	3 rd quarter	nine months
Income before income tax and social contribution	14,593	184,320	182,683	557,403
Tax rate - IRPJ and CSLL	34%	34%	34%	34%
Nominal expense	(4,962)	(62,669)	(62,112)	(189,517)
Effects of IRPJ and CSLL on:				
Equity results, gross of capitalized interest written off	19,806	167,006	83,415	193,140
Earmarked assets	12,871	60,996	39,215	143,345
Nondeductible expenses and unrecognized tax losses	(76,822)	(203,274)	(60,775)	(191,149)
Result with swaps	40,243	(5,731)	(7,632)	526
Foreign earnings from subsidiary MRV (US)	-	(7,589)	-	-
Other permanent add-back	(4,142)	(2,130)	(9,633)	(8,899)
Expenses in profit or loss	(13,006)	(53,391)	(17,522)	(52,554)
Breakdown of expense in profit or loss - Individual:				
Current	(17,995)	(56,483)	(19,161)	(51,688)
Deferred	4,989	3,092	1,639	(866)
	(13,006)	(53,391)	(17,522)	(52,554)

27. Noncash transactions

During the nine-month period ended September 30, 2022 and 2021, 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		Individual	
	nine months of		nine months of	
	2022	2021	2022	2021
Capitalized financial charges (Note 12 (d))	362,920	131,406	248,555	94,668
Right-of-use - CPC 06 (R2)	120,210	145	-	-
Currency translation adjustments:				
Investment properties (note 9)	15,266	72,058	-	-
Property and equipment (note 10)	285	2,293	-	-
Intangible assets (note 11)	(180)	585	-	-
Loans, financing and debentures	4,957	66,491	-	-
Transfer investment property (note 9):				
From inventories	79,469	88,774	69,180	88,774
To subsidiaries	-	-	(116,504)	-

28. Unappropriated 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		Individual	
	9/30/22	12/31/21	9/30/22	12/31/21
Projects under construction				
(i) Unappropriated revenues from sold units				
(a) Revenues from contracted sales	17,265,116	27,661,684	9,158,544	15,721,046
:				
Appropriated revenues	(15,632,316)	(25,639,708)	(8,457,322)	(14,686,281)
Cancellations - Reversed revenues	9,930	11,782	2,047	2,873
(b) Appropriated revenues, net	(15,622,386)	(25,627,926)	(8,455,275)	(14,683,408)
Unappropriated revenues (a + b)	1,642,730	2,033,758	703,269	1,037,638
(ii) Indemnity revenue from cancellations	397	369	22	11 (*)
(iii) Unappropriated revenues from contracts from non-qualifying contracts for revenue recognition	19	276	1	139 (*)
(iv) Provision for cancellations				
Adjustments on appropriated revenues	9,930	11,782	2,047	2,873
Adjustments on receivables from real estate development	(8,033)	(10,278)	(1,935)	(2,819)
Indemnity revenue from cancellations	(397)	(369)	(22)	(11)
Liability - Rebates from cancellations	1,500	1,135	90	43
(v) Budgeted costs to be appropriated of sold units (**)				
Projects under construction:				
(a) Budgeted cost	10,956,774	16,961,327	5,874,457	9,650,196
Construction cost	(9,860,531)	(15,631,929)	(5,405,716)	(8,978,253)
Construction cost - cancellations	3,086	4,136	453	848
(b) Incurred cost, net	(9,857,445)	(15,627,793)	(5,405,263)	(8,977,405)
Costs to be incurred of sold units (a + b)	1,099,329	1,333,534	469,194	672,791
Costs to be incurred of sold units (a + b)	89.97%	92.14%	92.01%	83.25%
Driver CI/CO (does not consider financial cost)				
(vi) Budgeted costs to be appropriated of units in inventory (**)				
Projects under construction				
(a) Budgeted cost	6,551,956	5,839,733	2,798,047	2,811,209
(b) Incurred cost	(2,316,318)	(2,394,309)	(946,759)	(1,096,060)
Cost to be incurred of units in inventory (a + b)	4,235,638	3,445,424	1,851,288	1,715,149

(*) 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 September 30, 2022, 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.	11,789,186
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.	62,769
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.	618,791
Multi-peril insurance	Insures the completion of a project construction, compensation for damages caused by fire, lightning, windstorm, electrical damages, and glass shattering.	153,772
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.	2,581,000
Builder guarantee insurance	Insures the project financier that construction will be completed in the event of technical and/or financial inability by the Company.	1,739,292
Sundry risks insurance	Insures the payment to the financial agent of compensation for property damages caused to financed/leased equipment.	2,495
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.	763
Lenders insurance	Insures that the Company will receive the outstanding balance of a property sold in case of lender's death.	44,508
Group life and personal injury insurance	Insures payment of compensation related to involuntary personal injuries to employees, contractors, interns, and officers.	925,705
Residential	Insures payment of compensation to the Company for covered events in leased residential properties, events such as electric damages, fire, lightning, windstorm, etc.	12,610
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.	86,598
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.	647,548
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.	48,573
Infrastructure insurance	Insures to City authorities the completion of any infrastructure works required under licensing procedures of the projects under construction.	206,346
Property delivery insurance	Insures to the barterers the delivery of the units subject matter of the Barter Instrument entered into by the parties.	140,579
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.	416,321
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.	113
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.	183,730

30. Commitments

On December 23, 2020, the Company signed with Arena Vencer Complexo Esportivo Multiuso SPE Ltda. and Clube Atlético Mineiro (CAM) a naming rights sponsorship agreement for the new CAM stadium, which grants MRV the exclusive right to officially name the stadium as “Arena MRV” as well as naming of several physical and non-physical spaces. The contract came into force in March 2021, the date of approval by the Company's Board of Directors, with a ten-year term after the granting of the “Operation License”, an event that will determine the payments’ beginning of 120 monthly and successive installments of R\$565 each (total R\$67,831) and the effective possession of the aforementioned rights. As result of this future event, no asset and liability were recorded in the interim financial statements of September 30, 2022.

31. Approval of the Financial Statements

These interim financial statements were analyzed by the Audit Committee and the Fiscal Board and authorized for issue by the Board of Directors on November 9, 2022.