



Interim Financial Statements

MRV Engenharia e Participações S.A.

**Interim Consolidated and Parent Company Financial
Statements as of March 31, 2023 with Independent
auditor's review report on quarterly information**



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Independent auditor's review report on quarterly information

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

Introduction

We have reviewed the accompanying parent company and consolidated interim financial information, contained in the Quarterly Information Form (ITR) of MRV Engenharia e Participações S.A. ("Company") for the quarter ended March 31, 2023, comprising the statement of financial position as of March 31, 2023 and the related statements of profit or loss, comprehensive income, changes in equity and of cash flows for the three-month period then ended, including the explanatory notes.

The executive board is responsible for preparation of the parent company interim financial information in accordance with Accounting Pronouncement NBC TG 21 – Interim Financial Reporting and consolidated interim financial information in accordance with Accounting Pronouncement NBC TG 21 and IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), applicable to real estate development entities in Brazil registered with the Brazilian Securities Commission (CVM), as well as for the fair presentation of this information in conformity with the rules issued by the CVM applicable to the preparation of the Quarterly Information Form (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and international standards on review engagements (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information performed by the Independent Auditor of the Entity). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the parent company interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying parent company interim financial information included in the quarterly information referred to above are not prepared, in all material respects, in accordance with NBC TG 21 applicable to real estate development entities in Brazil registered with the Brazilian Securities Commission (CVM), and presented consistently with the rules issued by the CVM applicable to the preparation of the Quarterly Information Form (ITR).

Conclusion on the consolidated interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information included in the quarterly information referred to above are not prepared, in all material respects, in accordance with NBC TG 21 and IAS 34 applicable to real estate development entities in Brazil registered with the Brazilian Securities Commission (CVM), and presented consistently with the rules issued by the CVM applicable to the preparation of the Quarterly Information Form (ITR).

Emphasis of matters

Restatement of the parent company and consolidated interim accounting information

We draw attention to Note 2.3 to the parent company and consolidated interim financial information, which have been amended and are being restated to reflect adjustments to the corresponding values as of March 31, 2022, presented for comparison purposes, due to the derecognition of financial assets related to the issuance of Real Estate Receivables Certificates (CRI) carried out in July 2021 and recognition of retrocession asset and other assets, where the transaction does not meet the requirements for derecognition of a financial asset under IFRS 9/CPC 48 - Financial Instruments, considering that the Company substantially retained the risks and rewards of the asset. On May 11, 2023, we issued a review report with unqualified conclusion on the parent company and consolidated interim financial information of the Company, which are now being restated. Our conclusion remains unqualified, as the parent company and consolidated interim financial information and their corresponding values for the previous period have been adjusted retrospectively.

Circular Letter/CVM/SNC/SEP No. 02/2018

As described in Note 2, the parent company interim financial information contained in the Quarterly Information Form (ITR) was prepared in accordance with NBC TG 21, applicable to Brazilian real estate development entities registered with the CVM and the consolidated interim financial information contained in the Quarterly Information Form (ITR) was prepared in accordance with NBC TG 21 and IAS 34, applicable to Brazilian real estate development entities registered with the CVM. Accordingly, the determination of the accounting policy adopted by the Company for recognition of revenue in contracts for the purchase and sale of unfinished real estate units on the aspects related to transfer of control follow the Company's executive board understanding as to application of NBC TG 47, aligned with CVM's determination expressed in Circular Letter CVM/SNC/SEP No. 02/2018. Our conclusion is not qualified in respect of this matter.

Other matters

Statements of value added

The above mentioned quarterly information include the parent company and consolidated statement of value added (SVA) for the three-month period ended March 31, 2023, prepared under Company's Management responsibility and presented as supplementary information by IAS 34. These statements have been subject to review procedures performed together with the review of the quarterly information with the objective to conclude whether they are reconciled to the interim financial information and the accounting records, as applicable, and if its format and content are in accordance with the criteria set forth by NBC TG 09 – Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that they were not prepared, in all material respects, consistently with the overall parent company and consolidated interim financial information.

Belo Horizonte (MG), July 5, 2023.

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

Bruno Costa Oliveira
Contador CRC-BA031359/O

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

	Notes	Consolidated		Individual	
		3/31/23	12/31/22	3/31/23	12/31/22
Assets					
Current assets					
Cash and cash equivalents	4	988,881	733,748	453,283	145,593
Marketable securities	5	1,204,161	1,784,495	716,977	1,288,450
Receivables from real estate development	6	2,503,266	2,487,534	1,174,945	1,204,693
Receivables from services provided and rents	6	172,289	154,740	81,448	74,228
Inventories	7	4,578,447	4,583,823	1,959,183	2,058,187
Recoverable taxes	16	109,122	109,807	78,726	79,457
Prepaid expenses		120,894	102,498	54,878	51,628
Other assets		374,990	346,827	164,221	192,450
		10,052,050	10,303,472	4,683,661	5,094,686
Investment properties - Noncurrent assets held for sale	9	527,691	-	-	-
Total current assets		10,579,741	10,303,472	4,683,661	5,094,686
Noncurrent assets					
Marketable securities	5	384,129	373,709	275,069	311,262
Receivables from real estate development	6	1,709,682	1,522,830	751,067	676,916
Inventories	7	4,225,270	4,644,619	2,831,333	3,096,574
Deferred tax assets	26	202,425	-	188,068	-
Intercompany receivables		85,625	74,095	1,287,342	1,184,651
Prepaid expenses		81,208	65,043	44,698	30,278
Derivative financial instruments	25 (b)	57,442	33,069	57,442	33,069
Other noncurrent assets		378,321	337,491	234,970	224,004
Total long-term realisable		7,124,102	7,050,856	5,669,989	5,556,754
Equity interest in investees	8	201,023	191,366	3,402,944	3,389,372
Investment properties	9	3,851,014	4,096,163	71,514	131,394
Property, plant and equipment	10	803,989	778,390	636,079	611,267
Intangible assets	11	179,812	181,082	171,645	173,006
Total noncurrent assets		12,159,940	12,297,857	9,952,171	9,861,793
Total assets		22,739,681	22,601,329	14,635,832	14,956,479
Liabilities and Equity					
Current liabilities					
Suppliers		792,333	895,087	570,740	532,270
Payables for investment acquisition		17,113	34,730	-	-
Derivative financial instruments	25 (b)	15,160	213,063	15,160	213,061
Loans, financing and debentures	12	2,003,642	1,148,232	1,413,981	878,074
Land payables	13	978,686	961,985	429,421	391,952
Customer advances	14	221,581	230,772	131,217	132,865
Payroll and related liabilities	15	172,160	178,099	79,742	72,136
Tax payables	16	132,375	145,824	81,839	83,604
Provision for maintenance	17	59,010	55,871	34,426	32,470
Deferred tax liabilities	26	80,897	84,825	33,994	35,764
Net capital deficiency liability - Investments	8	432,687	421,256	245,508	232,354
Credit assignment liability	6	261,152	248,350	136,628	152,285
Other liabilities		431,611	445,638	99,925	99,173
		5,598,407	5,063,732	3,272,581	2,856,008
Loans, financing and debentures - Noncurrent assets held for sale	12	317,891	-	-	-
Total current liabilities		5,916,298	5,063,732	3,272,581	2,856,008
Noncurrent liabilities					
Payables for investment acquisition		29,919	20,866	15,767	15,602
Derivative financial instruments	25 (b)	105,837	162,936	105,837	162,936
Loans, financing and debentures	12	5,757,740	6,280,944	2,994,493	3,434,097
Land payables	13	2,728,816	3,330,656	1,657,116	2,080,831
Customer advances	14	234,780	253,542	166,180	179,459
Provision for maintenance	17	192,487	187,970	95,017	95,460
Provision for civil, labor and tax risks	18	78,927	72,829	55,049	49,715
Deferred tax liabilities	26	99,426	92,230	28,396	24,942
Credit assignment liability	6	444,594	109,256	228,612	61,572
Other liabilities		445,211	452,060	168,071	168,414
Total noncurrent liabilities		10,117,737	10,963,289	5,514,538	6,273,028
Total liabilities		16,034,035	16,027,021	8,787,119	9,129,036
Equity					
Paid-in capital	20 (a)	4,615,807	4,615,408	4,615,807	4,615,408
Treasury shares		(388)	(388)	(388)	(388)
Capital reserves		92,117	88,734	92,117	88,734
Earnings reserves		1,148,929	1,148,381	1,148,929	1,148,381
Equity valuation adjustments		(38,329)	(24,692)	(38,329)	(24,692)
Earnings accumulated		30,577	-	30,577	-
Equity attributable to the Company' shareholders		5,848,713	5,827,443	5,848,713	5,827,443
Noncontrolling interests	20 (g)	856,933	746,865	-	-
Total equity		6,705,646	6,574,308	5,848,713	5,827,443
Total liabilities and equity		22,739,681	22,601,329	14,635,832	14,956,479

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



	Notes	Consolidated		Individual	
		1 st quarter of		1 st quarter of	
		2023	2022	2023	2022
		(Restated)		(Restated)	
Net operating revenue	22	1,689,885	1,675,101	712,756	864,484
Cost of real estate sales and services	23	(1,336,432)	(1,343,425)	(643,308)	(702,874)
Gross profit		353,453	331,676	69,448	161,610
Operating income (expenses):					
Selling expenses	23	(162,064)	(158,422)	(105,021)	(105,198)
General and administrative expenses	23	(147,045)	(137,144)	(106,290)	(94,705)
Other operating income (expenses), net	23	(50,770)	98,795	(20,429)	1,088
Results from equity interest in investees	8	(24,720)	(18,816)	89,277	113,173
(Loss) income before financial income and taxes		(31,146)	116,089	(73,015)	75,968
Financial results:					
Financial expenses	24	(173,189)	(53,464)	(127,592)	(35,666)
Financial income	24	53,553	51,962	40,865	42,003
Financial income from results real estate development	24	30,353	22,992	17,482	11,836
(Loss) income before taxes		(120,429)	137,579	(142,260)	94,141
Income tax and social contribution:					
Current	26	(39,674)	(49,780)	(14,591)	(15,875)
Deferred	26	200,839	(4,462)	187,428	(1,850)
	26	161,165	(54,242)	172,837	(17,725)
Net income for the period		40,736	83,337	30,577	76,416
Net income attributable to:					
Company' shareholders		30,577	76,416		
Noncontrolling interests		10,159	6,921		
		40,736	83,337		
Earnings per share (In Reais - R\$):					
Basic	20 (h)	0.06321	0.15814	0.06321	0.15814
Diluted	20 (h)	0.06321	0.15803	0.06321	0.15803

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



	Consolidated		Individual	
	1 st quarter of		1 st quarter of	
	2023	2022	2023	2022
		(Restated)		(Restated)
Net income for the period	40,736	83,337	30,577	76,416
Other components of comprehensive income				
Currency translation adjustments	(40,757)	(161,346)	(28,669)	(133,819)
Cash flow hedge reserve	15,032	(39,154)	15,032	(39,154)
Total comprehensive income (loss) for the period	15,011	(117,163)	16,940	(96,557)
Comprehensive income (loss) attributable to:				
Company' shareholders	16,940	(96,557)	16,940	(96,557)
Noncontrolling interests	(1,929)	(20,606)	-	-
	15,011	(117,163)	16,940	(96,557)

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	Equity attributable to the Company's shareholders	Noncontrolling interests	Total
			Share issuance costs	Recognized options granted	Legal	Earnings retention	Cash flow hedge reserve	Cumulative translation adjustment				
BALANCE AT DECEMBER 31, 2021 (restated)	4,615,171	(388)	(26,309)	98,278	102,266	1,230,639	(44,407)	118,384	-	6,093,634	479,992	6,573,626
Capital increase	237	-	-	-	-	-	-	-	-	237	-	237
Capital transactions	-	-	-	-	-	294	-	-	-	294	1,476	1,770
Net contributions from noncontrolling shareholders	-	-	-	-	-	-	-	-	-	-	87,650	87,650
Currency translation adjustments	-	-	-	-	-	-	-	(133,819)	-	(133,819)	(27,527)	(161,346)
Cash flow hedge reserve	-	-	-	-	-	-	(39,154)	-	-	(39,154)	-	(39,154)
Stock options	-	-	-	3,533	-	-	-	-	-	3,533	-	3,533
Changes in indirect ownership	-	-	-	-	-	-	-	-	-	-	6,203	6,203
Net income for the period (restated)	-	-	-	-	-	-	-	-	76,416	76,416	6,921	83,337
BALANCE AT MARCH 31, 2022 (restated)	4,615,408	(388)	(26,309)	101,811	102,266	1,230,933	(83,561)	(15,435)	76,416	6,001,141	554,715	6,555,856
BALANCE AT DECEMBER 31, 2022	4,615,408	(388)	(26,309)	115,043	102,266	1,046,115	(99,554)	74,862	-	5,827,443	746,865	6,574,308
Capital increase	399	-	-	-	-	-	-	-	-	399	-	399
Capital transactions	-	-	-	-	-	548	-	-	-	548	(3,864)	(3,316)
Net contributions from noncontrolling shareholders	-	-	-	-	-	-	-	-	-	-	83,265	83,265
Currency translation adjustments	-	-	-	-	-	-	-	(28,669)	-	(28,669)	(12,088)	(40,757)
Cash flow hedge reserve	-	-	-	-	-	-	15,032	-	-	15,032	-	15,032
Stock options	-	-	-	3,383	-	-	-	-	-	3,383	-	3,383
Changes in indirect ownership	-	-	-	-	-	-	-	-	-	-	32,596	32,596
Net income for the period	-	-	-	-	-	-	-	-	30,577	30,577	10,159	40,736
BALANCE AT MARCH 31, 2023	4,615,807	(388)	(26,309)	118,426	102,266	1,046,663	(84,522)	46,193	30,577	5,848,713	856,933	6,705,646

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

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

	Notes	Consolidated		Individual	
		1 st quarter of		1 st quarter of	
		2023	2022	2023	2022
Cash flows from operating activities		(Reapresentado)		(Reapresentado)	
Net income for the period		40,736	83,337	30,577	76,416
Adjustments to reconcile net income to cash generated by operating activities:					
Depreciation and amortization		31,443	30,908	23,548	24,751
Recognized stock options granted	23	3,481	3,642	3,280	3,417
Property, plant and equipment write off		925	21,525	893	20,857
Financial results		66,708	(17,257)	49,959	(13,948)
Results from equity interest in investees	8	24,720	18,816	(89,277)	(113,173)
Results from sale of assets / projects	23	-	(95,267)	-	-
Provision for maintenance		26,821	26,851	12,594	13,761
Provision for civil, labor and tax risks		38,577	29,228	24,050	18,096
Allowance for expected credit loss		89,936	57,591	46,665	30,334
Amortization of prepaid expenses		34,229	39,550	14,150	20,218
Results from derivative financial instruments		27,474	(19,467)	27,476	(13,259)
Deferred income tax and social contribution	26	(200,839)	4,462	(187,428)	1,850
Deferred taxes on revenue (PIS & COFINS)		2,055	4,493	1,044	2,054
		186,266	188,412	(42,469)	71,374
(Increase) decrease in operating assets:					
(Increase) decrease in trade receivables		(280,007)	(151,992)	(81,088)	(123,199)
(Increase) decrease in real estate for sale		8,379	1,352	86,391	82,117
(Increase) decrease in prepaid expenses		(51,827)	(26,264)	(24,019)	(14,239)
(Increase) decrease in other assets		(49,460)	(7,408)	21,766	(34,296)
Increase (decrease) in operating liabilities:					
Increase (decrease) in trade payables		(95,308)	(60,567)	38,470	(18,365)
Increase (decrease) in payroll and related taxes		(5,616)	11,299	7,606	3,574
Increase (decrease) in taxes, fees and contributions		39,166	29,424	12,859	11,933
Increase (decrease) in customer advances		(12,953)	70,558	775	25,147
Increase (decrease) in other liabilities		(23,312)	40,985	409	525
Interest paid		(211,064)	(132,728)	(145,862)	(104,365)
Income tax and social contribution paid		(52,301)	(31,492)	(14,906)	(15,948)
Amounts paid of maintenance	17	(26,037)	(28,732)	(15,582)	(17,019)
Amounts paid for civil, labor and tax risks	18	(35,732)	(39,100)	(20,953)	(25,622)
Net cash used in operating activities		(609,806)	(136,253)	(176,603)	(158,383)
Cash flows from investing activities					
Increase in marketable securities		(1,621,879)	(1,772,276)	(700,526)	(1,176,194)
Decrease in marketable securities		2,221,234	1,967,453	1,334,833	1,171,362
Advances to related companies		(19,180)	(8,218)	(536,235)	(310,154)
Receipts from related companies		8,496	3,797	434,840	236,202
Distribution from (acquisition of/contribution to) investees	8	8,541	361	101,099	35,753
Payment for acquisition of investees		(10,488)	(4,482)	-	(3,186)
Receipts for sale of investees / assets		553	265,137	553	1,658
Purchase of investment property		(421,814)	(862,460)	(5,908)	(22,110)
Purchase of property, plant and equipment and intangible assets		(60,268)	(91,157)	(47,892)	(67,349)
Net cash generated by (used in) investing activities		105,195	(501,845)	580,764	(134,018)
Cash flows from financing activities					
Proceeds from issue of shares		399	237	399	237
Loans from related parties		10,755	3,974	-	(4,052)
Proceeds from loans, financing and debentures		1,201,910	1,948,717	238,346	848,049
Repayment of borrowings, financing and debentures		(511,066)	(871,213)	(157,881)	(516,405)
Amounts received from credit assignment liabilities (sale of receivables)		363,844	-	165,562	-
Amounts paid for credit assignment liabilities (sale of receivables)		(87,194)	(41,698)	(51,039)	(20,626)
Contracted and redeemed derivative financial instruments		(291,817)	19,373	(291,817)	19,373
Capital transactions		(3,316)	1,770	(41)	294
Contribution from (distribution to) noncontrolling shareholders	20 (g)	83,265	87,650	-	-
Net cash generated (used in) by financing activities		766,780	1,148,810	(96,471)	326,870
Effects of exchange rates on cash and cash equivalents		(7,036)	(65,387)	-	-
Increase in cash and cash equivalents, net		255,133	445,325	307,690	34,469
Cash and cash equivalents					
At the beginning of the period		733,748	947,928	145,593	308,053
At the end of the period		988,881	1,393,253	453,283	342,522
Increase in cash and cash equivalents, net		255,133	445,325	307,690	34,469

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

	Notes	Consolidated		Individual	
		1 st quarter of		1 st quarter of	
		2023	2022	2023	2022
REVENUES		(Reapresentado)		(Reapresentado)	
Gross operating revenue		1,778,757	1,762,347	754,514	910,015
Other income		6,147	13,899	3,729	14,317
Revenues related to construction of own assets		8,789	12,365	8,784	12,280
Allowance for expected credit loss		(89,936)	(57,591)	(46,665)	(30,334)
		1,703,757	1,731,020	720,362	906,278
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		(1,269,974)	(1,078,013)	(697,276)	(693,523)
GROSS ADDED VALUE		433,783	653,007	23,086	212,755
Depreciation and amortization		(31,443)	(30,908)	(23,548)	(24,751)
NET added value GENERATED BY THE COMPANY		402,340	622,099	(462)	188,004
ADDED VALUE RECEIVED IN TRANSFER					
Results from equity interest in investees	8	(24,720)	(18,816)	89,277	113,173
Financial income		125,751	82,970	80,395	58,880
		101,031	64,154	169,672	172,053
TOTAL ADDED VALUE FOR DISTRIBUTION		503,371	686,253	169,210	360,057
added value DISTRIBUTED					
Personnel:		296,279	291,883	121,356	101,359
Salaries and wages		231,442	230,407	79,850	67,407
Benefits		48,559	47,235	30,881	26,503
Severance Pay Fund (FGTS)		16,278	14,241	10,625	7,449
Taxes and fees:		(15,695)	202,091	(83,984)	109,647
Federal		(59,261)	137,149	(106,325)	67,438
Municipal		43,345	64,386	22,182	41,860
State		221	556	159	349
Lenders and lessors:		182,051	108,942	101,261	72,635
Interest		140,233	70,569	74,698	47,049
Rentals / Leases		41,818	38,373	26,563	25,586
Shareholders:		40,736	83,337	30,577	76,416
Earnings retained in the period		30,577	76,416	30,577	76,416
Noncontrolling interests	20 (g)	10,159	6,921	-	-
ADDED VALUE DISTRIBUTED		503,371	686,253	169,210	360,057

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

1. General information

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

Resia (Ex. AHS)

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

During 2022, Resia completed the sale of four assets for a total amount of US\$361 million (R\$1.9 billion), with cash generation of US\$199 million (R\$1 billion). Resia is currently assessing future asset sales, depending on market conditions.

Sale of receivables

In the first quarter of 2023, the Company carried out four transactions of sale of receivables, transferring receivables in the total amount of R\$528 million, with amounts received in cash of R\$454 million. The servicer role was retained by the Group in some of these transactions. See Note 6 for more details.

2. Presentation of interim financial statements and significant accounting policies

2.1. Presentation of interim financial statements

The Company's interim financial statements comprise:

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

Aspects related to transfer of control of real estate units follow the Company's management understanding aligned with that expressed by CVM in Circular Letter CVM/SNC/SEP n.º 02/2018, regarding the application of Technical Pronouncement CPC 47 (IFRS 15), in a manner consistent with the standards issued by CVM, applicable to the preparation of interim financial reporting.

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

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

2.2. Significant accounting policies

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

2.3. Restatement of financial information

The consolidated and parent company interim financial information of March 31, 2022, originally issued on May 11, 2023, are being restated in accordance with CPC 23 - Accounting Policies, Changes in Estimates and Errors (IAS 8) and CPC 26 (R1) - Presentation of the financial statements (IAS 1), due to the review of the derecognition of financial assets carried out in 2021.

On July 30, 2021, the Company issued a Real Estate Receivables Certificate (CRI) and, as a result of this operation, on December 31, 2021, derecognized real estate receivables in the amount of R\$201,687 in the consolidated and R\$101,883 in the parent company, and recognized retrocession asset and other assets in the amount of R\$105,218 in the consolidated and R\$56,269 in the parent company. The effects of this operation on March 31, 2022 corresponded to the derecognition of real estate receivables in the amount of R\$159,990 in the consolidated and R\$81,527 in the parent company and the recognition of retrocession assets and other assets in the amount of R\$100,095 in the consolidated and R\$53,551 in the parent company.

At the time, the Company understood that the transaction complied with the requirements for derecognition of a financial asset under the terms of IFRS 9/CPC 48 - Financial Instruments. The Company reviewed the aforementioned operation and concluded that the financial asset should not have been derecognized, since the Company substantially retained the risks and rewards of the asset. Therefore, restated the consolidated and parent company interim financial information as of March 31, 2022 (presented for comparison purposes), as follows:

Statements of profit or loss	Consolidated			Parent Company		
	1 st quarter of 2022			1 st quarter of 2022		
	Originally stated	Adjustment	Restated	Originally stated	Adjustment	Restated
Net operating revenue	1,675,101	-	1,675,101	864,484	-	864,484
Cost of real estate sales and services	(1,343,425)	-	(1,343,425)	(702,874)	-	(702,874)
Gross profit	331,676	-	331,676	161,610	-	161,610
Results from equity interest in investees	(18,816)	-	(18,816)	110,767	2,406	113,173
Other operating income (expenses), net	(196,771)	-	(196,771)	(198,815)	-	(198,815)
Financial results	16,366	5,124	21,490	15,455	2,718	18,173
Income tax and social contribution	(54,242)	-	(54,242)	(17,725)	-	(17,725)
Net income for the period	78,213	5,124	83,337	71,292	5,124	76,416
Earnings per share (In Reais - R\$):						
Basic	0.14754	0.01060	0.15814	0.14754	0.01060	0.15814
Diluted	0.14744	0.01060	0.15803	0.14744	0.01060	0.15803

Statements of cash flows	Consolidated			Parent Company		
	1 st quarter of 2022			1 st quarter of 2022		
	Originally stated	Adjustment	Restated	Originally stated	Adjustment	Restated
Cash flows from operating activities						
Net income for the period	78,213	5,124	83,337	71,292	5,124	76,416
Adjustments to reconcile net income to cash generated by operating activities:						
Financial results	(12,133)	(5,124)	(17,257)	(11,230)	(2,718)	(13,948)
Results from equity interest in investees	18,816	-	18,816	(110,767)	(2,406)	(113,173)
Others	103,516	-	103,516	122,079	-	122,079
	188,412	-	188,412	71,374	-	71,374
(Increase) decrease in operating assets:						
(Increase) decrease in trade receivables	(193,690)	41,698	(151,992)	(143,825)	20,626	(123,199)
(Increase) decrease in other operating assets	(32,320)	-	(32,320)	33,582	-	33,582
Increase in operating liabilities	91,699	-	91,699	22,814	-	22,814
Others	(232,052)	-	(232,052)	(162,954)	-	(162,954)
Net cash used in operating activities	(177,951)	41,698	(136,253)	(179,009)	20,626	(158,383)
Net cash used in investing activities	(501,845)	-	(501,845)	(134,018)	-	(134,018)
Amounts paid for credit assignment liabilities (sale of receivables)	-	(41,698)	(41,698)	-	(20,626)	(20,626)
Others	1,190,508	-	1,190,508	347,496	-	347,496
Net cash generated by financing activities	1,190,508	(41,698)	1,148,810	347,496	(20,626)	326,870
Effects of exchange rates on cash and cash equivalents	(65,387)	-	(65,387)	-	-	-
Increase in cash and cash equivalents, net	445,325	-	445,325	34,469	-	34,469

Statements of added value	Consolidated			Parent Company		
	1 st quarter of 2022			1 st quarter of 2022		
	Originally stated	Adjustment	Restated	Originally stated	Adjustment	Restated
Revenues	1,731,020	-	1,731,020	906,278	-	906,278
Inputs purchased from third-parties	(1,083,137)	5,124	(1,078,013)	(696,241)	2,718	(693,523)
Gross added value	647,883	5,124	653,007	210,037	2,718	212,755
Depreciation and amortization	(30,908)	-	(30,908)	(24,751)	-	(24,751)
Net added value generated	616,975	5,124	622,099	185,286	2,718	188,004
Added value received in transfer:						
Results from equity interest in investees	(18,816)	-	(18,816)	110,767	2,406	113,173
Financial income	82,970	-	82,970	58,880	-	58,880
Total added value for distribution	681,129	5,124	686,253	354,933	5,124	360,057
Added value distributed						
Personnel	291,883	-	291,883	101,359	-	101,359
Taxes and fees	202,091	-	202,091	109,647	-	109,647
Lenders and lessors	108,942	-	108,942	72,635	-	72,635
Shareholders	78,213	5,124	83,337	71,292	5,124	76,416
Added value distributed	681,129	5,124	686,253	354,933	5,124	360,057

The effects of restatement on the statements of comprehensive income and shareholders' equity for the quarter ended March 31, 2022 were limited to the effects of adjustments to the loss for the year.

3. New standards and interpretations issued but not yet effective

3.1. Adoption of new standards

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

3.2. New standards issued and not yet adopted

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

4. Cash and cash equivalents

	Consolidated		Parent Company	
	3/31/23	12/31/22	3/31/23	12/31/22
Cash	212	212	199	192
Bank accounts	949,378	693,504	441,306	132,083
	949,590	693,716	441,505	132,275
Short-term investments:				
Savings deposits	-	905	-	2
Unrestricted investment funds	-	7	-	7
Bank deposit certificates (CDB)	21,824	17,648	11,778	13,309
Securities with repurchase agreement backed by debentures	17,467	21,472	-	-
	39,291	40,032	11,778	13,318
Total	988,881	733,748	453,283	145,593

For the quarter ended March 31, 2023, short-term investments yielded interest equivalent to 92.2% of Interbank Deposit rate (DI rate) in Consolidated and 101.0% DI rate in parent company (81.6% DI rate in Consolidated and 101.4% DI rate in parent company, for the same period of 2022). 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		Parent Company	
		3/31/23	12/31/22	3/31/23	12/31/22
Restricted investment funds	(i)	1,178,836	1,571,302	845,215	1,312,270
Investments from bank accounts	(ii)	301,680	336,937	122,247	141,421
Bank deposit certificates (CDB)	(iii)	1,814	146,306	1,814	138,156
Savings deposits	(iv)	45,434	34,894	18,855	6,781
Escrow account	(v)	56,611	56,899	-	-
U.S. Treasuries		-	10,780	-	-
Bank credit notes (CCB)		3,915	1,084	3,915	1,084
Real estate consortium and others		-	2	-	-
Total		1,588,290	2,158,204	992,046	1,599,712
Current		1,204,161	1,784,495	716,977	1,288,450
Noncurrent		384,129	373,709	275,069	311,262
		1,588,290	2,158,204	992,046	1,599,712

- (i) The Group established restricted investment funds, managed by banks responsible for the custody of the assets and financial settlement of its transactions. The established funds aim at yielding interest equivalent to the DI rate. The funds invest in government and other banks securities and in other unrestricted investment funds, which in turn invest primarily in fixed-income securities. The balance includes restricted amounts essentially resulting from collateral, as detailed in the table below. For the quarter ended March 31, 2023, the mentioned funds yielded average interest equivalent to 81.6% DI rate in Consolidated and 82.2% DI rate in parent company (119.4% DI rate in Consolidated and 120.1% DI rate in parent company, for the same period of 2022).
- (ii) Refers to credits to be released by the financial institution upon proof of registration of the financing agreements that originated them.
- (iii) Bank deposit certificates (CDB) held as collateral for loans, financing and debentures and others, as detailed in the table below.
- (iv) Savings deposits correspond to amounts contributed by the financial institution on the financed projects for contracting "Crédito Asociativo" financing modality and are maintained in this condition until the funds are released by the financial institution when the contracts are signed by the customers or by real estate constructions in progress.
- (v) Refers to escrow accounts of the subsidiary Resia to honor commitments substantially related to the land purchase and construction debt.

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

Blocked amounts guaranteeing:	3/31/23				
	Consolidated			Parent Company	
	Restricted investment funds	Escrow account	Bank certificates of deposit	Restricted investment funds	Bank certificates of deposit
Infrastructure works	34,918	-	-	15,354	-
Construction debt	-	41,014	-	-	-
Sold properties escrow	-	10,161	-	-	-
Other	2,295	5,436	1,814	1,367	1,814
Total	37,213	56,611	1,814	16,721	1,814

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

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

	Consolidated		Parent Company	
	3/31/23	12/31/22	3/31/23	12/31/22
Investment funds	231,543	621,138	166,015	518,742
Private bonds	225,022	326,124	161,339	272,362
Securities with repurchase agreement	-	7,425	-	6,201
Bank certificates of deposit (CDB)	54,132	78,104	38,812	65,228
Debentures	25,416	32,650	18,223	27,267
Federal securities:				
Financial Treasury Bills (LFT)	41,578	45,687	29,811	38,155
National Treasury Notes - B (NTN-B)	378,874	367,107	271,649	306,589
National Treasury Notes - F (NTN-F)	-	10,005	-	8,356
National Treasury Bills (LTN)	221,991	82,682	159,166	69,052
Others	280	380	200	318
Total	1,178,836	1,571,302	845,215	1,312,270

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

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

6. Trade accounts receivable

	Consolidated		Parent Company	
	3/31/23	12/31/22	3/31/23	12/31/22
Receivables from:				
Real estate development	4,764,465	4,468,525	2,206,498	2,116,379
Present value discount	(161,967)	(126,961)	(76,903)	(60,978)
Allowance for credit risk	(389,550)	(331,200)	(203,583)	(173,792)
	4,212,948	4,010,364	1,926,012	1,881,609
Current	2,503,266	2,487,534	1,174,945	1,204,693
Noncurrent	1,709,682	1,522,830	751,067	676,916
	4,212,948	4,010,364	1,926,012	1,881,609
Receivables from services provided, rents and other sales	172,289	154,740	81,448	74,228

The rates used to discount to present value for sales performed during the quarter ended March 31, 2023 ranged from 0.78090% per month to 0.81650% per month (0.75640% per month to 0.87267% per month for the same period of 2022).

The agreements entered and to be entered with Caixa Econômica Federal (CEF), and other banks in “Crédito Associativo” modality correspond to approximately 47.0% of the balance of receivables from real estate development and unearned sales revenue, corresponding to R\$2,771,223, as at March 31, 2023 (47.5%, corresponding to R\$2,642,087, at December 31, 2022). Of this same total, the agreements already entered with the financial institutions above mentioned, correspond to 40.2% for CEF and 0.05% for other banks (43.2% and 0.03% as at December 31, 2022 respectively).

Sale of receivables

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

	MRV	URBA	1 st quarter of 2023	1 st quarter of 2022
Month / year of transaction	mar/23	mar/23		
Securitisation vehicle / Transferee	Inter	Opea		
Servicer role retained	Yes	No		
Derecognized receivables	49,762	39,840	89,602	75,370
(-) Assignment discount	1,396	931	2,327	8,774
Transaction size	48,366	38,909	87,275	66,596
(-) Expense fund and others	967	1,697	2,664	632
Net amount received	47,399	37,212	84,611	65,964

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

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

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

	MRV	MRV	1 st quarter of 2023
Month of transaction	mar/23	mar/23	
Securitisation vehicle	True	True	
Servicer role retained	Yes	Yes	
Derecognized receivables	225,675	212,429	438,104
(-) Assignment discount	13,575	12,229	25,804
Transaction size	212,100	200,200	412,300
(-) Reserve fund	12,800	12,700	25,500
(-) Expense fund and others	8,957	8,554	17,511
Net amount received	190,343	178,946	369,289

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

As at March 31, 2023, the total credit assignment liability amount to R\$705,746 (R\$357,606 at December 31, 2022), of which R\$261,152 in current and R\$444,594 in non-current (R\$248,350 in current and R\$109,256 in non-current at December 31, 2022). From this balance, R\$233,676 is indexed to DI rate + 0.54% to 3.5% p.a. and R\$472,070 to the IPCA rate + 9% to 10.64% p.a. These operations states a maximum maturity of up to 2029 and their corresponding financial expenses recorded in the statement of profit or loss for the quarter ended March 31, 2023, amount to R\$29,123 in the consolidated.

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

	Consolidated		Parent Company	
	1 st quarter of		1 st quarter of	
	2023	2022	2023	2022
	(Restated)		(Restated)	
Opening balance	(331,200)	(347,748)	(173,792)	(181,326)
Additions	(137,495)	(85,101)	(71,957)	(43,822)
Reversals	47,559	56,447	25,292	28,086
Write-offs	31,586	27,180	16,874	14,062
Closing balance	(389,550)	(349,222)	(203,583)	(183,000)
Current	(246,859)	(222,279)	(129,611)	(113,067)
Noncurrent	(142,691)	(126,943)	(73,972)	(69,933)
	(389,550)	(349,222)	(203,583)	(183,000)

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

	Consolidated		Parent Company	
	3/31/23	12/31/22	3/31/23	12/31/22
Unearned gross sales revenue (*)	1,682,166	1,552,050	702,986	660,313
Costs to be Incurred (*)	(1,076,735)	(1,015,903)	(444,547)	(417,951)

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

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

	Consolidated		Parent Company	
	3/31/23	12/31/22	3/31/23	12/31/22
<u>Expectation of receipt</u>				
12 months	3,352,338	3,296,602	1,535,610	1,548,712
13 to 24 months	1,347,916	1,274,509	596,131	588,390
25 to 36 months	522,468	453,183	228,608	204,439
37 to 48 months	294,050	240,750	121,362	101,754
After 48 months	378,342	297,370	147,287	98,627
	5,895,114	5,562,414	2,628,998	2,541,922
Unearned sales revenue	1,682,166	1,552,050	702,986	660,313
Receivables from real estate development	4,212,948	4,010,364	1,926,012	1,881,609
	5,895,114	5,562,414	2,628,998	2,541,922

As at March 31, 2023, the Group has trade accounts receivable pledged as collateral of construction financing totaling R\$2,485,515 (R\$2,478,159 at December 31, 2022). The risks and benefits of these receivables belong to the Company.

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

7. Inventories (real estate for sale)

	Consolidated		Parent Company	
	3/31/23	12/31/22	3/31/23	12/31/22
Real estate under construction	3,562,894	3,557,540	1,565,787	1,545,915
Completed units	114,367	106,876	26,620	44,679
Landbank	5,040,915	5,495,633	3,149,575	3,523,095
Advances to suppliers	85,272	68,069	48,395	40,954
Materials stock	269	324	139	118
Total	8,803,717	9,228,442	4,790,516	5,154,761
Current	4,578,447	4,583,823	1,959,183	2,058,187
Noncurrent	4,225,270	4,644,619	2,831,333	3,096,574
	8,803,717	9,228,442	4,790,516	5,154,761

As at March 31, 2023, of the total consolidated balance of real estate under construction and completed units, R\$2,849,017 refers to projects launched and R\$828,244 refers to projects started but not yet launched (R\$2,934,953 and R\$729,463 at December 31, 2022, respectively).

As at March 31, 2023, line items “Real estate under construction”, “Completed units” and “Landbank” includes capitalized financial charges, as detailed in Note 12 (d), totaling R\$744,274 and R\$494,972 in Consolidated and parent company, respectively (R\$701,420 and R\$484,206 as at December 31, 2022, in Consolidated and parent company, respectively). A real estate development is transferred to line item ‘Real estate under construction’ when development of the respective project begins.

The Group has agreements with financial institutions to finance the construction of real estate (see Note 12). As at March 31, 2023, the Group has real estate under construction recognized in assets, used as collateral of loans and financing agreements, totaling R\$443,793 and R\$158,116 in Consolidated and parent company, respectively (R\$472,850 and R\$190,572 at December 31, 2022, in Consolidated and parent company, respectively).

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

8. Equity interests in investees

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

		3/31/23			1 st quarter of 2023		12/31/22			1 st quarter of 2022	
		Equity interest	Equity	Invest-ments	Net income	Results from equity interest in investees	Equity interest	Equity	Invest-ments	Net income	Results from equity interest in investees
Joint ventures:											
(Restated)											
MRL Engenharia e Empreendimentos S.A.											
Cost	78.44%	1,825	1,432	(6,313)	(4,952)	78.44%	8,138	6,384	(5,932)	(4,397)	
Fair Value		-	7,739	-	(1,005)		-	8,744	-	(1,662)	
Goodwill		-	21,003	-	-		-	21,003	-	-	
Total MRL [1]		1,825	30,174	(6,313)	(5,957)		8,138	36,131	(5,932)	(6,059)	
Prime Incorporações e Construções S.A.											
Cost	68.67%	91,012	62,498	25,237	17,330	68.67%	65,776	45,168	4,519	2,662	
Fair Value		-	392	-	(434)		-	826	-	-	
Goodwill		-	17,174	-	-		-	17,174	-	-	
Total Prime [2]		91,012	80,064	25,237	16,896		65,776	63,168	4,519	2,662	
Parque Castelo de Gibraltar SPE Ltda.	65.00%	5,690	3,699	(84)	(55)	65.00%	6,295	4,092	(20)	(13)	
Parque Castelo de Andorra SPE Ltda.	50.00%	11,586	5,793	(230)	(115)	50.00%	14,768	7,384	3,967	1,984	
Parque Chapada do Mirante SPE Ltda.	65.00%	(3,388)	(2,202)	(2,413)	(1,568)	65.00%	(975)	(634)	(263)	(171)	
SPes and others (38)		89,474	42,953	566	(1,198)		87,704	44,482	(4,801)	(2,255)	
SCPs (34)		17,100	3,101	(3,006)	(1,982)		6,601	3,713	(1,554)	(1,163)	
Capitalized interest		-	-	-	-		-	-	-	(113)	
Total Joint ventures		213,299	163,582	13,757	6,021		188,307	158,336	(4,084)	(5,128)	
Elimination of indirect participations		-	(395,246)	-	(30,741)		-	(388,226)	-	(13,688)	
Total Joint ventures		213,299	(231,664)	13,757	(24,720)		188,307	(229,890)	(4,084)	(18,816)	
Investments - Consolidated			201,023					191,366			
Net capital deficiency liability - Investments - Consolidated			(432,687)					(421,256)			
Total Joint ventures			(231,664)					(229,890)			
Subsidiaries:											
MRV (US) Holdings Corporation	100.00%	1,045,350	1,045,350	(43,538)	(43,538)	100.00%	1,091,116	1,091,116	60,553	60,553	
MRV Construções Ltda.	95.00%	31,389	29,820	(303)	(288)	95.00%	31,693	30,108	(80)	(76)	
Urba Desenvolvimento Urbano S.A. [3]	51.20%	216,182	108,825	(14,374)	(7,359)	51.20%	231,545	116,691	(14,178)	(7,259)	
SCP Área Italianos	100.00%	6,161	6,161	(1,870)	(1,870)	80.00%	8,378	6,702	1,624	1,299	
SCP Golden Park	50.00%	36,313	18,157	8,373	4,187	50.00%	21,670	10,835	819	410	
SCP Gran Club	50.00%	2,643	1,322	31	16	50.00%	4,493	2,247	3,025	1,513	
SCP Gran Turques	50.00%	15,223	7,612	6,799	3,400	50.00%	7,002	3,501	(111)	(56)	
SCP MRV MRL Galpão CCP 2	50.00%	12,098	6,049	(455)	(228)	50.00%	15,792	7,896	4,737	2,369	
SCP MRV MRL Goiaba 2	50.00%	3,092	1,546	1,122	561	50.00%	1,846	923	6,443	3,222	
SCP MRV MRL Oásis	50.00%	18,567	9,284	(3,824)	(1,912)	50.00%	23,454	11,727	1,458	729	
SCP MRV MRL Reserva Vila Jardim	50.00%	22,556	11,278	(4,291)	(2,146)	50.00%	28,545	14,273	3,504	1,752	
SCP MRV MRL RJ Happyland LII Emp 03	60.00%	13,269	7,961	5,397	3,238	60.00%	7,492	4,495	8	5	
SCP MRV Quinto Tolentino 1	65.00%	36,099	23,464	(1)	(1)	65.00%	34,220	22,243	3,295	2,142	
SCP QN 110 Terracap	50.00%	31,507	15,754	7,943	3,972	50.00%	28,143	14,072	34	17	
SCPs (230)		612,048	348,567	(2,834)	(2,885)		633,173	356,457	295	(1,265)	
MRV MDI Nasbe Incorporações SPE Ltda.	100.00%	16,137	16,137	(9,172)	(9,172)	100.00%	25,321	25,321	5,068	5,068	
Baleia LI SPE Ltda.	100.00%	24,884	24,884	10,416	10,416	100.00%	14,463	14,463	63	63	
Campo Di Napoli SPE Ltda.	99.00%	967	957	23	23	99.00%	945	936	(2,913)	(2,884)	
Casasmals Macaúba SPE Ltda.	67.00%	7,789	5,219	4,341	2,908	67.00%	5,392	3,613	(299)	(200)	
Casasmals Santa Iria SPE Ltda.	60.00%	7,793	4,676	(5,713)	(3,428)	60.00%	27,150	16,290	5,730	3,438	
Jardim Di Stuttgart SPE Ltda.	100.00%	275	275	(1,460)	(1,460)	100.00%	1,735	1,735	(2,434)	(2,434)	
MD RN MRV Novas Nações SPE Ltda.	100.00%	15,971	15,971	2,263	2,263	100.00%	14,992	14,992	182	182	
MRV & MRL Paraná Incorporações SPE Ltda.	99.00%	48,581	48,095	17,662	17,485	99.00%	35,125	34,774	2,917	2,888	
MRV Clube Espanhol QTO1 SPE Ltda.	100.00%	2,400	2,400	1,542	1,542	100.00%	857	857	(4)	(4)	
MRV Lincoln Veloso Incorporações SPE Ltda.	100.00%	3,036	3,036	2,063	2,063	80.00%	973	778	(4)	(3)	
MRV Lincoln Veloso Top Life Aca pulco SPE Ltda.	100.00%	9,231	9,231	(691)	(691)	100.00%	9,954	9,954	2,723	2,723	
MRV LXXXV Incorporações SPE Ltda.	100.00%	99,498	99,498	23,992	23,992	100.00%	104,616	104,616	13,102	13,102	
MRV MD Lagoa Olhos D´Água SPE Ltda.	100.00%	8,526	8,526	3,500	3,500	100.00%	4,988	4,988	(62)	(62)	
MRV MDI Bahia Incorporações SPE Ltda.	100.00%	11,934	11,934	5,021	5,021	100.00%	50,207	50,207	18,005	18,005	
MRV Minas Incorporações SPE Ltda.	100.00%	13,955	13,955	1,573	1,573	100.00%	11,427	11,427	(23)	(23)	
MRV MRL 20 de Janeiro SPE Ltda.	99.00%	3,789	3,751	2,766	2,738	99.00%	1,023	1,013	(1)	(1)	
MRV MRL Baía da Babitonga SPE Ltda.	100.00%	43,001	43,001	(3,363)	(3,363)	100.00%	62,022	62,022	7,192	7,192	
MRV MRL LXII SPE Ltda.	99.00%	155	153	(1,257)	(1,244)	99.00%	1,412	1,398	1,661	1,644	
MRV MRL LXXXIX Incorporações SPE Ltda.	99.00%	257	254	(2,696)	(2,669)	99.00%	2,946	2,917	5,449	5,395	
MRV MRL Plural 2 Incorporações SPE Ltda.	100.00%	9,078	9,078	1,959	1,959	100.00%	7,057	7,057	375	375	
MRV MRL Plural 3 Incorporações SPE Ltda.	99.00%	11,332	11,219	9,397	9,303	99.00%	2,100	2,079	(45)	(45)	
MRV MRL RJ e Grande Rio SPE Ltda.	50.00%	82,114	41,057	31,812	15,906	50.00%	57,140	28,570	1,704	852	
MRV Prime Incorporações Mato Grosso do Sul SPE Ltda.	50.00%	38,535	19,268	14,434	7,217	50.00%	24,561	12,281	4,256	2,128	
MRV Prime LX Incorporações SPE Ltda.	99.00%	203	201	539	534	99.00%	(337)	(334)	(2,551)	(2,525)	
MRV Prime LXIV Incorporações SPE Ltda.	99.00%	132,321	130,998	34,159	33,817	99.00%	113,782	112,644	6,639	6,573	
MRV Prime LXV Incorporações SPE Ltda.	99.00%	831	823	(805)	(797)	99.00%	1,636	1,620	4,346	4,303	
MRV Prime LXXIV SPE Ltda.	99.00%	17,254	17,081	3,212	3,180	99.00%	14,040	13,900	(22)	(22)	
MRV Prime Projeto Campo Grande J SPE Ltda.	50.00%	11,581	5,791	3,733	1,867	50.00%	7,923	3,962	1,861	931	
MRV Prime Projeto MT E Incorporações SPE Ltda.	50.00%	15,862	7,931	6,273	3,137	50.00%	12,842	6,421	3,304	1,652	
MRV Prime Projeto MT J2 Incorporações SPE Ltda.	50.00%	5,702	2,851	218	109	50.00%	8,070	4,035	3,398	1,699	
MRV Prime Projeto MT O Incorporações SPE Ltda.	40.00%	13,472	5,389	4,316	1,726	40.00%	9,156	3,662	1,549	620	
MRV Prime Projeto Palmas D SPE Ltda.	40.00%	8,436	3,374	7,119	2,848	40.00%	1,317	527	(4)	(2)	
MRV XC Incorporações SPE Ltda.	100.00%	97,777	97,777	17,262	17,262	100.00%	83,910	83,910	3,692	3,692	
Parque Lagoa dos Diamantes Incorporações SPE Ltda.	89.43%	10,903	9,751	(805)	(720)	89.43%	13,742	12,289	4,616	4,128	
Reserva Real SPE Ltda.	100.00%	20,207	20,207	5,132	5,132	100.00%	16,301	16,301	923	923	
Residencial dos Lirios Incorporações SPE Ltda.	99.00%	1,738	1,721	(684)	(677)	99.00%	2,422	2,398	(2,034)	(2,014)	
Vila Velha SPE Ltda.	100.00%	18,966	18,966	6,506	6,506	100.00%	12,785	12,785	3,390	3,390	
SPes e outras (475)		607,084	438,568	(24,056)	(22,644)	0.00%	626,811	444,296	(22,249)	(20,031)	
Capitalized interest		-	198,700	-	(9,053)		-	174,692	-	(7,770)	
Total subsidiaries		3,524,072	2,993,854	128,706	83,256		3,559,368	2,998,682	140,926	118,301	
Total of subsidiaries and joint ventures		3,737,371	3,157,436	142,463	89,277		3,747,675	3,157,018	136,842	113,173	
Investments - Parent Company			3,402,944					3,389,372			
Net capital deficiency liability - Investments - Parent Company			(245,508)					(232,354)			
Total of subsidiaries and joint ventures			3,157,436					3,157,018			

- [1] In February 2021, the Company acquired an additional equity interest in this joint venture, reaching 73.56% for the amount of R\$62,868, representing 70,796,496 shares, without obtaining control. MRL's net assets were valued at fair value, thus, the transaction generated a capital gain of R\$26,132 and additional goodwill to the previously recorded goodwill of R\$24,925. Of the consideration transferred, R\$21,171 (R\$18,813 net of AVP), recorded under caption "Payables for investment acquisition", R\$7,057 was paid in May 2022 and R\$14,114 will be paid in May 2024, and its settlement may be lower, as they depend on the financial performance of MRL. Additionally, on the same date, it signed a forward share purchase agreement for R\$36,557 (R\$32,574 net of AVP) representing 44,778,181 shares, recorded under caption "Other liabilities" and its counterpart in caption "other noncurrent assets", being R\$3,206 paid in May 2022, 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 liabilities" 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 March 31, 2023, unrealized profit of R\$1,860 raised from sales of lots were eliminated (R\$1,860 at December 31, 2022).

Some subsidiaries have restrictions on transferring cash to the Company, based on their option for the equity segregation called "Patrimônio de afetação" (Earmarked assets) that establishes the permanence of amounts in cash accounts that ensure the continuity and delivery of uncompleted units to future customers. At March 31, 2023 the restricted amounts for distribution amounted to R\$105,204 (R\$122,175, as at December 31, 2022).

b) Changes in equity interests are as follows:

	Opening balance	Capital subscription (reduction and profits distributions)	Results from equity interest in investees	Others	Closing balance
Quarter ended March 31, 2023:					
Joint Ventures:					
MRL Engenharia e Empreendimentos S.A.					
Cost	6,384	-	(4,952)	-	1,432
Fair value	8,744	-	(1,005)	-	7,739
Goodwill	21,003	-	-	-	21,003
Total MRL	36,131	-	(5,957)	-	30,174
Prime Incorporações e Construções S.A.					
Cost	45,168	-	17,330	-	62,498
Fair value	826	-	(434)	-	392
Goodwill	17,174	-	-	-	17,174
Total Prime	63,168	-	16,896	-	80,064
Parque Castelo de Gibraltar SPE Ltda.	4,092	(338)	(55)	-	3,699
Parque Castelo de Andorra SPE Ltda.	7,384	(1,476)	(115)	-	5,793
Parque Chapada do Mirante SPE Ltda.	(634)	-	(1,568)	-	(2,202)
SPEs and others (38)	44,482	(8,097)	(1,198)	7,766	42,953
SCPs (34)	3,713	1,370	(1,982)	-	3,101
Total Joint Ventures	158,336	(8,541)	6,021	7,766	163,582
Elimination of indirect ownership	(388,226)	-	(30,741)	23,721	(395,246)
Total Joint Ventures	(229,890)	(8,541)	(24,720)	31,487	(231,664)
Investments - Consolidated	191,366	(8,524)	(19,059)	37,240	201,023
Net capital deficiency liability - Investments - Consolidated	(421,256)	(17)	(5,661)	(5,753)	(432,687)
Total Joint Ventures	(229,890)	(8,541)	(24,720)	31,487	(231,664)
Subsidiaries:					
MRV (US) Holdings Corporation [1]	1,091,116	25,852	(43,538)	(28,080)	1,045,350
MRV Construções Ltda.	30,108	-	(288)	-	29,820
Urba Desenvolvimento Urbano S.A.	116,691	-	(7,359)	(507)	108,825
MRV LXXXV Incorporações SPE Ltda.	104,616	(29,110)	23,992	-	99,498
MRV Prime LXIV Incorporações SPE Ltda.	112,644	(15,463)	33,817	-	130,998
SCPs (241)	455,371	(4,548)	6,332	-	457,155
SPEs and others (506)	913,444	(69,289)	79,353	-	923,508
Capitalized interest	174,692	-	(9,053)	33,061	198,700
Total of subsidiaries	2,998,682	(92,558)	83,256	4,474	2,993,854
Total of subsidiaries and Joint Ventures	3,157,018	(101,099)	89,277	12,240	3,157,436
Investments - Parent Company	3,389,372	(103,089)	104,421	12,240	3,402,944
Net capital deficiency liability - Investments - Parent Company	(232,354)	1,990	(15,144)	-	(245,508)
Total of subsidiaries and Joint Ventures	3,157,018	(101,099)	89,277	12,240	3,157,436
Quarter ended March 31, 2022:					
Investments - Consolidated	190,530	(4,021)	(16,520)	17,793	187,782
Net capital deficiency liability - Investments - Consolidated	(375,103)	3,660	(2,296)	(13,004)	(386,743)
Total Joint Ventures	(184,573)	(361)	(18,816)	4,789	(198,961)
Investments - Parent Company (restated)	2,853,760	(36,388)	123,747	(116,164)	2,824,955
Net capital deficiency liability - Investments - Parent Company	(188,669)	635	(10,574)	-	(198,608)
Total of subsidiaries and Joint Ventures (restated)	2,665,091	(35,753)	113,173	(116,164)	2,626,347

[1] Other refers to currency translation adjustments.

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

	3/31/23							12/31/22						
	MRL	Prime	Pq. Castelo de Gibraltar SPE Ltda	Pq. Castelo de Andorra SPE Ltda	Pq. Chapada do Mirante SPE Ltda.	SPEs and others (37)	SCPs (34)	MRL	Prime	Pq. Castelo de Gibraltar SPE Ltda	Pq. Castelo de Andorra SPE Ltda	Pq. Chapada do Mirante SPE Ltda.	SPEs and others (37)	SCPs (34)
Current assets	7,813	12,814	5,353	12,351	612	53,433	17,530	14,640	11,583	4,718	19,263	586	45,585	7,027
Noncurrent assets	449,682	448,520	2,755	5,814	743	187,603	4,643	438,335	417,338	2,895	5,585	874	184,994	4,472
	457,495	461,334	8,108	18,165	1,355	241,036	22,173	452,975	428,921	7,613	24,848	1,460	230,579	11,499
Current liabilities	47,195	72,981	1,099	2,532	2,467	100,064	3,547	39,305	69,445	630	4,831	2,173	96,743	3,657
Noncurrent liabilities	408,475	297,341	1,319	4,047	2,276	51,498	1,526	405,532	293,700	688	5,249	262	46,132	1,241
Equity	1,825	91,012	5,690	11,586	(3,388)	89,474	17,100	8,138	65,776	6,295	14,768	(975)	87,704	6,601
	457,495	461,334	8,108	18,165	1,355	241,036	22,173	452,975	428,921	7,613	24,848	1,460	230,579	11,499
Total interest %	78.44	68.67	65.00	50.00	65.00	From 30 to 70	From 32 to 95	78.44	68.67	65.00	50.00	65.00	From 30 to 70	From 32 to 95

	1 st quarter of 2023							1 st quarter of 2022						
	MRL	Prime	Pq. Castelo de Gibraltar SPE Ltda	Pq. Castelo de Andorra SPE Ltda	Pq. Chapada do Mirante SPE Ltda.	SPEs and others (37)	SCPs (34)	MRL	Prime	Pq. Castelo de Gibraltar SPE Ltda	Pq. Castelo de Andorra SPE Ltda	Pq. Chapada do Mirante SPE Ltda.	SPEs (37)	SCPs (34)
Net operating revenue	-	-	(321)	4,014	(102)	16,185	13	-	-	32	11,320	(32)	4,432	(733)
Cost of real estate sold	-	-	(198)	(3,627)	(165)	(6,661)	(1,929)	-	-	(301)	(6,682)	(148)	(6,780)	(717)
Operating income (expenses)	(3,196)	(4,310)	(43)	(464)	(2,151)	(8,783)	(1,118)	(3,766)	(4,055)	(26)	(437)	(104)	(2,655)	(257)
Results from equity interest in investees	7,185	34,219	-	-	-	-	-	5,762	14,321	-	-	-	-	-
Financial results	(10,302)	(4,672)	500	(77)	3	149	61	(7,928)	(5,747)	286	(8)	21	161	129
Income tax and social contribution	-	-	(22)	(76)	2	(324)	(33)	-	-	(11)	(226)	-	41	24
(Loss) net income for the year	(6,313)	25,237	(84)	(230)	(2,413)	566	(3,006)	(5,932)	4,519	(20)	3,967	(263)	(4,801)	(1,554)
Total interest %	78.44	68.67	65.00	50.00	65.00	From 30 to 70	From 32 to 95	74.14	58.91	65.00	50.00	65.00	From 30 to 70	From 32 to 95

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

The total asset split related to the Group's projects that have real estate development equity segregation, as at March 31, 2023 and December 31, 2022, are as follows:

	Consolidated			
	3/31/23		12/31/22	
Projects under Law 10931/04 (segregate estates)	8,860,484	38.96%	8,162,218	36.11%
Silent partnerships (SCPs)	360,706	1.59%	382,063	1.69%
Special Purpose Entities (SPEs)	1,359,956	5.98%	1,367,774	6.05%
Other entities	6,690,141	29.42%	6,821,107	30.18%
Projects with segregation	17,271,287	75.95%	16,733,162	74.03%
Balances without segregation	5,468,394	24.05%	5,868,167	25.97%
Total Consolidated	22,739,681	100.00%	22,601,329	100.00%

9. Investment property

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

Description	Net cost 3/31/23	Fair value with level measurement	Fair value 3/31/23	Net cost 12/31/22
Properties under construction	2,520,493	3	2,888,385	2,731,450
Landbank	878,757	3	994,016	896,907
Right of use	101,029		101,029	104,271
Subtotal Resia	3,500,279		3,983,430	3,732,628
Properties under construction	202,536	3	292,038	178,583
Landbank	76,685		76,685	53,558
Subtotal Subsidiaries	3,779,500		4,352,153	3,964,769
Properties under construction	6,043	3	6,043	3,505
Landbank	65,471		65,471	127,889
Subtotal Parent Company [1]	71,514		71,514	131,394
Properties under construction	2,729,072		3,186,466	2,913,538
Landbank	1,020,913		1,136,172	1,078,354
Right of use	101,029		101,029	104,271
Total Consolidated [1]	3,851,014		4,423,667	4,096,163

[1] Stated at cost, as mentioned in the investment property policy described in note 2.2 (c) to the financial statements for the year ended December 31, 2022.

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

Land

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

Projects under construction

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

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

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

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

	Consolidated		Parent Company	
	1 st quarter of		1 st quarter of	
	2023	2022	2023	2022
Opening balance	4,096,163	2,319,080	131,394	281,937
Additions	421,814	862,460	5,908	22,110
Transfer from inventories to investment property	(43,761)	-	(43,761)	(15,113)
Transfer to subsidiaries	-	-	(22,027)	(52,945)
Transfer to noncurrent assets held for sale	(539,733)	-	-	-
Capitalized interest (Note 12 (d))	11,692	14,780	-	-
Currency translation adjustments	(95,161)	(385,476)	-	-
Closing balance	3,851,014	2,810,844	71,514	235,989

Noncurrent assets held for sale

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

	Consolidated	
	1 st quarter of	
	2023	2022
Opening balance	-	174,134
Transfer from noncurrent assets held for sale (*)	539,733	-
Write-off due to asset sales (**)	-	(163,195)
Currency translation adjustments	(12,042)	(10,939)
Closing balance	527,691	-

(*) Refers to transfer of Pine Ridge, Biscayne Village and PGA at St Lucie Constry projects of subsidiary Resia.

(**) Write-off due to sale of Coral Reef project of subsidiary Resia.

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

10. Property, plant and equipment

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

Consolidated	Average annual depreciation rates	Opening balance	Addition	Write-off	Transfer	Currency translation adjustments	Closing balance
Quarter ended March 31, 2023:							
<u>Cost:</u>							
Right-of-use		152,204	83	-	-	(417)	151,870
Buildings, facilities and leasehold improvements		54,594	6	(276)	724	(76)	54,972
Aircraft and vehicles in use		50,097	-	-	-	(30)	50,067
Machinery and equipment		784,930	43,222	(1,201)	-	(3,749)	823,202
Furniture and fixtures		4,813	-	-	-	(54)	4,759
IT equipment and installations		8,269	-	-	-	(38)	8,231
Sales booths, stores and model apartments		71,044	1,704	(114)	-	-	72,634
Works in progress		18,193	5,776	-	(724)	-	23,245
Total cost		1,144,144	50,791	(1,591)	-	(4,364)	1,188,980
<u>Accumulated depreciation:</u>							
Right-of-use	Sundry	51,236	4,584	-	-	(23)	55,797
Buildings, facilities and leasehold improvements	13.36%	35,921	1,744	(200)	-	(39)	37,426
Aircraft and vehicles in use	10.02%	3,223	876	-	-	(28)	4,071
Machinery and equipment	11.65%	235,265	9,401	(384)	-	(692)	243,590
Furniture and fixtures	10.00%	3,323	144	-	-	(25)	3,442
IT equipment and installations	20.00%	5,752	228	-	-	(35)	5,945
Sales booths, stores and model apartments	25.19%	31,034	3,768	(82)	-	-	34,720
Total accumulated depreciation		365,754	20,745	(666)	-	(842)	384,991
Total property and equipment, net		778,390	30,046	(925)	-	(3,522)	803,989

Consolidated	Average annual depreciation rates	Opening balance	Addition	Write-off	Transfer	Currency translation adjustments	Closing balance
Quarter ended March 31, 2022:							
<u>Cost:</u>							
Right-of-use		130,986	17	-	-	(540)	130,463
Buildings, facilities and leasehold improvements		55,124	394	(367)	1,905	(511)	56,545
Aircraft and vehicles in use		24,856	505	(23,863)	-	(186)	1,312
Machinery and equipment		566,800	22,926	(2,307)	-	(13,069)	574,350
Furniture and fixtures		5,272	167	-	-	(396)	5,043
IT equipment and installations		9,750	217	-	-	(357)	9,610
Sales booths, stores and model apartments		118,450	2,188	(1,973)	3,146	-	121,811
Advances		2,832	48,687	(2,832)	-	-	48,687
Works in progress		16,627	2,986	-	(5,051)	-	14,562
Total cost		930,697	78,087	(31,342)	-	(15,059)	962,383
<u>Accumulated depreciation:</u>							
Right-of-use	Sundry	37,414	4,121	-	-	(402)	41,133
Buildings, facilities and leasehold improvements	14.34%	31,550	1,626	(108)	-	(204)	32,864
Aircraft and vehicles in use	10.08%	8,312	460	(7,590)	-	(153)	1,029
Machinery and equipment	12.11%	150,885	10,834	(796)	-	(2,084)	158,839
Furniture and fixtures	10.00%	3,631	79	-	-	(166)	3,544
IT equipment and installations	20.00%	6,727	290	-	-	(281)	6,736
Sales booths, stores and model apartments	25.19%	77,735	5,555	(1,323)	-	-	81,967
Total accumulated depreciation		316,254	22,965	(9,817)	-	(3,290)	326,112
Total property and equipment, net		614,443	55,122	(21,525)	-	(11,769)	636,271

Parent Company	Average annual depreciation rates	Opening balance	Addition	Write-off	Transfer	Closing balance
Quarter ended March 31, 2023:						
Cost:						
Right-of-use		133,521	-	-	-	133,521
Buildings, facilities and leasehold improvements		44,569	6	(276)	419	44,718
Aircraft and vehicles in use		48,947	-	-	-	48,947
Machinery and equipment		640,208	36,580	(1,201)	-	675,587
Furniture and fixtures		2,639	-	-	-	2,639
IT equipment and installations		5,553	-	-	-	5,553
Sales booths, stores and model apartments		40,575	855	-	-	41,430
Works in progress		10,779	1,662	-	(419)	12,022
Total cost		926,791	39,103	(1,477)	-	964,417
Accumulated depreciation:						
Right-of-use	Sundry	50,606	3,467	-	-	54,073
Buildings, facilities and leasehold improvements	13.36%	30,758	1,276	(200)	-	31,834
Aircraft and vehicles in use	10.02%	2,205	881	-	-	3,086
Machinery and equipment	11.65%	207,682	5,568	(384)	-	212,866
Furniture and fixtures	10.00%	2,485	-	-	-	2,485
IT equipment and installations	20.00%	4,215	116	-	-	4,331
Sales booths, stores and model apartments	25.19%	17,573	2,090	-	-	19,663
Total accumulated depreciation		315,524	13,398	(584)	-	328,338
Total property and equipment, net		611,267	25,705	(893)	-	636,079

Individual	Average annual depreciation rates	Opening balance	Addition	Write-off	Transfer	Closing balance
Quarter ended March 31, 2022:						
Cost:						
Right-of-use		124,724	-	-	-	124,724
Buildings, facilities and leasehold improvements		42,507	211	-	1,393	44,111
Aircraft and vehicles in use		23,626	505	(23,863)	-	268
Machinery and equipment		486,421	3,326	(2,156)	(2,176)	485,415
Furniture and fixtures		2,730	-	-	-	2,730
IT equipment and installations		6,772	-	-	-	6,772
Sales booths, stores and model apartments		66,787	962	(1,354)	919	67,314
Advances		2,832	48,687	(2,832)	-	48,687
Works in progress		12,820	1,378	-	(2,824)	11,374
Total cost		769,219	55,069	(30,205)	(2,688)	791,395
Accumulated depreciation:						
Right-of-use	Sundry	34,292	4,079	-	-	38,371
Buildings, facilities and leasehold improvements	14.34%	26,400	1,138	-	(139)	27,399
Aircraft and vehicles in use	10.08%	7,340	397	(7,590)	-	147
Machinery and equipment	12.11%	136,430	8,544	(776)	(1,161)	143,037
Furniture and fixtures	10.00%	2,558	6	-	-	2,564
IT equipment and installations	20.00%	4,885	123	-	-	5,008
Sales booths, stores and model apartments	25.19%	43,013	3,040	(982)	-	45,071
Total accumulated depreciation		254,918	17,327	(9,348)	(1,300)	261,597
Total property and equipment, net		514,301	37,742	(20,857)	(1,388)	529,798

As at March 31, 2023, the residual value of items pledged as collateral for liabilities amount R\$797 in Consolidated and Parent Company (R\$797 as at December 31, 2022).

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

11. Intangible assets

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

Consolidated	Opening balance	Addition	Transfer	Currency translation adjustments	Closing balance
Quarter ended March 31, 2023:					
<u>Cost:</u>					
Software development	288,947	771	31,143	(232)	320,629
Software license	56,135	-	-	-	56,135
Intangibles under development	37,930	8,789	(31,143)	-	15,576
Trademarks and patents	24,000	-	-	-	24,000
Total cost	407,012	9,560	-	(232)	416,340
<u>Accumulated amortization:</u>					
Software development	170,330	10,550	-	(100)	180,780
Software license	55,600	148	-	-	55,748
Total accumulated amortization	225,930	10,698	-	(100)	236,528
Total intangible assets	181,082	(1,138)	-	(132)	179,812

Consolidated	Opening balance	Addition	Currency translation adjustments	Closing balance
Quarter ended March 31, 2022:				
<u>Cost:</u>				
Software development	239,596	722	(1,531)	238,787
Software license	56,144	-	-	56,144
Intangibles under development	47,269	12,365	-	59,634
Trademarks and patents	24,000	-	-	24,000
Total cost	367,009	13,087	(1,531)	378,565
<u>Accumulated amortization:</u>				
Software development	134,711	7,764	(371)	142,104
Software license	54,954	179	-	55,133
Total accumulated amortization	189,665	7,943	(371)	197,237
Total intangible assets	177,344	5,144	(1,160)	181,328

Parent Company	Opening balance	Addition	Write-off	Transfer	Closing balance
Quarter ended March 31, 2023:					
<u>Cost:</u>					
Software development	277,531	5	-	30,141	307,677
Software license	56,131	-	-	-	56,131
Intangibles under development	36,007	8,784	-	(30,141)	14,650
Trademarks and patents	24,000	-	-	-	24,000
Total cost	393,669	8,789	-	-	402,458
<u>Accumulated amortization:</u>					
Software development	165,068	10,002	-	-	175,070
Software license	55,595	148	-	-	55,743
Total accumulated amortization	220,663	10,150	-	-	230,813
Total intangible assets	173,006	(1,361)	-	-	171,645

Individual	Opening balance	Addition	Transfer	Closing balance
Quarter ended March 31, 2022:				
<u>Cost:</u>				
Software development	226,715	-	-	226,715
Software license	56,140	-	-	56,140
Intangibles under development	46,632	12,280	-	58,912
Trademarks and patents	24,000	-	-	24,000
Total cost	353,487	12,280	-	365,767
<u>Accumulated amortization:</u>				
Software development	131,302	7,245	-	138,547
Software license	54,949	179	-	55,128
Total accumulated amortization	186,251	7,424	-	193,675
Total intangible assets	167,236	4,856	-	172,092

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

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

12. Loans, financing and debentures

(a) Loans, financing and debentures:

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

Type	Currency	Maturity of principal	Effective rate p.a.	3/31/23			12/31/22
				Current	Noncurrent	Total	Total
Parent Company:							
Debenture - 11 th Issue - 3 rd series [1]	R\$	9/23 and 9/24	IPCA + 6.47%	86,813	81,226	168,039	161,782
Debenture - 12 th Issue - 1 st series	R\$	7/23	DI + 1.52%	308,787	-	308,787	320,172
Debenture - 12 th Issue - 2 nd series	R\$	7/24 and 7/25	DI + 1.79%	1,769	51,300	53,069	55,068
Debenture - 12 th Issue - 3 rd series	R\$	7/23	DI + 1.62%	112,841	-	112,841	117,031
Debenture - 12 th Issue - 4 th series	R\$	7/23	DI + 1.62%	85,895	-	85,895	89,085
Debenture - 13 th Issue (CRI)	R\$	3/24 to 9/24	DI + 0.83%	22,080	100,000	122,080	122,018
Debenture - 14 th Issue (CRI)	R\$	5/24	100.4% DI + 0.28%	16,326	360,000	376,326	364,431
Debenture - 15 th Issue	R\$	11/22 to 11/25	DI + 1.19%	86,149	150,000	236,149	228,113
Debenture - 16 th Issue	R\$	4/23 to 4/25	DI + 1.69%	40,615	66,667	107,282	103,518
Debenture - 17 th Issue	R\$	4/21 to 4/23	DI + 3.68%	5,718	-	5,718	11,442
Debenture - 18 th Issue	R\$	8/25	DI + 2.54%	7,580	500,000	507,580	527,196
Debenture - 19 th Issue (CRI) [1]	R\$	4/29 to 4/31	IPCA + 5.87%	11,341	459,370	470,711	455,842
Debenture - 21 st Issue (CRI) [1]	R\$	2/28 and 2/29	IPCA + 6.92%	6,084	736,581	742,665	742,386
Debenture - 22 nd Issue - 1 st series (CRI) [1] [3]		9/28 to 9/30	IPCA + 7.09%	352,017	-	352,017	351,479
Debenture - 22 nd Issue - 2 nd series (CRI) [1] [3]		9/30 to 9/32	IPCA + 7.25%	203,879	-	203,879	203,611
(-) Funding cost				(23,755)	(18,559)	(42,314)	(44,754)
Total debentures and CRI - Parent Company				1,324,139	2,486,585	3,810,724	3,808,420
Construction financing	R\$	2/22 to 3/28	TR + 8.44%	12,289	160,399	172,688	160,001
Construction financing	R\$	3/23 to 9/27	DI + 2.25%	70,124	95,912	166,036	155,478
Construction financing	R\$	10/23 to 2/27	Savings deposits + 4.57%	1,694	101,597	103,291	118,223
Construction financing		7/24 to 1/27	TLP + 2.73%	5,730	150,000	155,730	70,035
Leasing	R\$	9/19 to 5/23	DI + 2.00% to 2.93%	5	-	5	14
Total loans and financing - Parent Company				89,842	507,908	597,750	503,751
Total Parent Company				1,413,981	2,994,493	4,408,474	4,312,171
Subsidiaries:							
Debenture - 2 nd Issue - Urba	R\$	6/21 to 6/23	DI + 1.73%	20,922	-	20,922	20,202
Debenture - 3 rd Issue - Urba (CRI)	R\$	3/24	DI + 1.10%	60,124	-	60,124	60,093
Debenture - 4 th Issue - Urba	R\$	4/23 to 4/25	DI + 1.71%	16,246	26,667	42,913	41,407
Debenture - 5 th Issue - Urba	R\$	4/27	DI + 2.02%	5,238	80,000	85,238	82,198
(-) Funding cost				(817)	(655)	(1,472)	(1,707)
Total debentures and CRI - Subsidiaries				101,713	106,012	207,725	202,193
Project loans	US\$	2/25	Libor + 2.75%	-	204,029	204,029	360,329
Project loans	US\$	9/23	WSJ Prime + 0.25%	106,561	-	106,561	-
Project loans	US\$	3/24 and 3/25	8.65% and 10.44%	177,814	76,714	254,528	182,620
Project loans	US\$	6/23 to 8/25	Sofr + 2.25% to 7.00%	78,838	150,741	229,579	241,465
Project loans	US\$	4/25 to 2/26	Bsby + 2.25% to 2.35%	-	315,782	315,782	144,499
Loan agreements [2]	US\$	2/25 to 2/26	3.80% to 4.37%	4,867	1,204,055	1,208,922	1,254,836
Construction financing	R\$	4/16 to 3/23	TR + 13.53%	-	-	-	502
Construction financing	R\$	11/21 to 9/27	TR + 8.36%	25,487	235,171	260,658	222,405
Construction financing	R\$	4/23 to 12/27	DI + 2.22%	44,743	236,292	281,035	275,158
Construction financing	R\$	5/24 to 8/26	Savings deposits + 4.65%	936	76,721	77,657	100,558
Construction financing	R\$	7/24 to 1/27	TLP + 2.73%	1,137	29,827	30,964	121,560
Construction financing	R\$	7/24 to 1/27	TLP + 2.15%	4,226	130,042	134,268	14,668
Construction financing	R\$	4/23	TLP + 3.15%	44,573	-	44,573	-
(-) Funding cost				(1,234)	(2,139)	(3,373)	(3,788)
Total loans and financing - Subsidiaries				487,948	2,657,235	3,145,183	2,914,812
Total subsidiaries				589,661	2,763,247	3,352,908	3,117,005
Total Consolidated				2,003,642	5,757,740	7,761,382	7,429,176

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

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

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

Loans, financing and debentures - Noncurrent assets held for sale

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

	Consolidated	
	1 st quarter of	
	2023	2022
Opening balance	-	131,142
Transfer from loans, financing and debentures (*)	325,145	-
Repayment of principal	-	(122,903)
Currency translation adjustments	(7,254)	(8,239)
Closing balance	317,891	-

(*) Refers to transfer of Project loans from Pine Ridge and Biscayne Village projects of subsidiary Resia.

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

Type	Serie	Qty	Funding date	Repayment of principal	Interest payment	Maturity of principal	Contractual rate (p.a.)	Effective rate (p.a.)
Debenture - 11 th Issue - 3 rd series	Single	12,120	9/17	Annual	Annual	9/23 and 9/24	IPCA + 6.45%	IPCA + 6.47%
Debenture - 12 th Issue - 1 st series	Single	29,870	8/18	Bullet payment	Semiannual	7/23	DI + 1.40%	DI + 1.52%
Debenture - 12 th Issue - 2 nd series	Single	5,130	8/18	Annual	Semiannual	7/24 and 7/25	DI + 1.70%	DI + 1.79%
Debenture - 12 th Issue - 3 rd series	Single	10,913	8/18	Bullet payment	Semiannual	7/23	DI + 1.50%	DI + 1.62%
Debenture - 12 th Issue - 4 th series	Single	8,307	8/18	Bullet payment	Semiannual	7/23	DI + 1.50%	DI + 1.62%
Debenture - 13 th Issue (CRI)	-	-	3/19	Semiannual	Quarterly	3/24 to 9/24	100% DI	DI + 0.83%
Debenture - 14 th Issue (CRI)	-	-	6/19	Bullet payment	Semiannual	5/24	100.4% DI	100.4% DI + 0.28%
Debenture - 15 th Issue	Single	300,000	11/19	Annual	Semiannual	11/22 to 11/25	DI + 1.06%	DI + 1.19%
Debenture - 16 th Issue	Single	100,000	4/20	Annual	Semiannual	4/23 to 4/25	DI + 1.50%	DI + 1.69%
Debenture - 17 th Issue	Single	50,000	4/20	Quarterly	Quarterly	4/21 to 4/23	DI + 3.00%	DI + 3.68%
Debenture - 18 th Issue	Single	500,000	8/20	Bullet payment	Semiannual	8/25	DI + 2.40%	DI + 2.54%
Debenture - 19 th Issue (CRI)	-	-	4/21	Annual	Semiannual	4/29 to 4/31	IPCA + 5.43%	IPCA + 5.87%
Debenture - 21 st Issue (CRI)	-	-	2/22	Annual	Semiannual	2/28 and 2/29	IPCA + 6.60%	IPCA + 6.92%
Debenture - 22 nd Issue - 1 st series	-	-	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	DI + 1.22%	DI + 1.73%
Debenture - 3 rd Issue - Urba (CRI)	-	-	3/19	Bullet payment	Quarterly	3/24	DI + 0.20%	DI + 1.10%
Debenture - 4 th Issue - Urba	Single	40,000	4/20	Annual	Semiannual	4/23 to 4/25	DI + 1.50%	DI + 1.71%
Debenture - 5 th Issue - Urba	Single	80,000	4/22	Bullet payment	Semiannual	4/27	DI + 1.75%	DI + 2.02%
Construction financing	-	-	3/16	Monthly	Monthly	4/16 to 3/23	TR + 13.29%	TR + 13.53%
Construction financing	-	-	Sundry	Sundry	Monthly	11/21 to 7/27	TR + 8.40%	TR + 8.40%
Construction financing	-	-	Sundry	Sundry	Monthly	3/23 to 12/27	DI + 2.23%	DI + 2.23%
Construction financing	-	-	Sundry	Sundry	Monthly	10/23 to 2/27	Savings deposits + 4.61%	Savings deposits + 4.61%
Construction financing	-	-	Sundry	Semiannual	Semiannual	7/24 to 1/27	TLP + 2.73%	TLP + 2.73%
Construction financing	-	-	Sundry	Monthly	Sundry	7/24 to 1/27	TLP + 2.15%	TLP + 2.15%
Construction financing	-	-	Sundry	Monthly	Sundry	4/23	TLP + 3.15%	TLP + 3.15%
Leasing	-	-	Sundry	Monthly	Monthly	9/19 to 5/23	DI + 2.00% to 2.93%	DI + 2.00% to 2.93%
Project loans	-	-	Sundry	Bullet payment	Monthly	2/25	Libor + 2.75%	Libor + 2.75%
Project loans	-	-	Sundry	Sundry	Monthly	6/23 to 8/25	SoFr + 2.25% to 7.00%	SoFr + 2.25% to 7.00%
Project loans	-	-	Sundry	Sundry	Monthly	3/24 and 3/25	8.65% and 10.44%	8.65% and 10.44%
Project loans	-	-	Sundry	Sundry	Monthly	4/25 to 2/26	Bsby + 2.25% to 2.35%	Bsby + 2.25% to 2.35%
Project loans	-	-	3/23	Bullet payment	Monthly	9/23	WSJ Prime + 0.25%	WSJ Prime + 0.25%
Loan agreements	-	-	Sundry	Sundry	Semiannual	2/25 to 2/26	3.80% to 4.37%	3.80% to 4.37%

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

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

Funding during the quarter ended March 31, 2023, is as follows:

Type	Currency	Funding date	Repayment of principal	Interest payment	Maturity of principal	Contractual rate (p.a.)	Amount (*)
Construction financing	R\$	Sundry	Sundry	Monthly	1/23 to 3/28	TR + 8.44%	94,046
Construction financing	R\$	Sundry	Sundry	Monthly	2/23 to 12/27	DI + 2.25%	45,012
Construction financing	R\$	Sundry	Sundry	Monthly	5/24 to 7/27	Savings deposits + 4.57%	19,288
Construction financing	R\$	Sundry	Semiannual	Semiannual	7/24 to 1/27	TLP + 2.73%	80,000
Total - Parent Company							238,346
Construction financing	R\$	Sundry	Sundry	Monthly	2/23 to 9/27	TR + 8.36%	145,678
Construction financing	R\$	Sundry	Sundry	Monthly	2/23 to 4/27	DI + 2.22%	78,413
Construction financing	R\$	Sundry	Sundry	Monthly	5/24 to 9/26	Savings deposits + 4.65%	11,010
Construction financing	R\$	Sundry	Sundry	Sundry	4/23 to 1/27	TLP + 2.15% to 3.15%	180,915
Project loans	US\$	Sundry	Sundry	Monthly	12/24 to 2/25	Libor + 2.00% to 2.75%	33,350
Project loans	US\$	3/23	Bullet payment	Monthly	9/23	WSJ Prime + 0.25%	108,993
Project loans	US\$	Sundry	Bullet payment	Monthly	3/25	10.44%	78,465
Project loans	US\$	Sundry	Sundry	Monthly	3/24 to 8/25	Sofr + 2.25% to 7.00%	126,858
Project loans	US\$	Sundry	Sundry	Monthly	4/25 to 2/26	Bsby + 2.25% to 2.35%	176,498
Loan agreements	US\$	2/23	Bullet payment	Bullet payment	3/23	WSJ Prime + 0.25%	23,384
Total - Subsidiaries							963,564
Total - Consolidated							1,201,910

(*) Gross of funding costs.

Changes in loans, financing and debentures are as follows:

	Consolidated		Parent Company	
	1 st quarter of		1 st quarter of	
	2023	2022	2023	2022
Opening balance	7,429,176	5,232,777	4,312,171	3,471,435
Funding	1,201,910	1,962,924	238,346	859,432
Accrued interest	212,133	143,141	155,717	114,392
Fair value adjustment	(2,974)	(12,038)	(2,974)	(12,038)
Funding costs	-	(14,207)	-	(11,383)
Amortization of funding costs	2,997	2,661	2,439	2,238
Repayment of principal	(511,066)	(748,310)	(157,881)	(516,405)
Payment of financial charges	(183,871)	(131,304)	(139,344)	(102,981)
Transfer to noncurrent assets held for sale	(325,145)	-	-	-
Currency translation adjustments	(61,778)	(265,774)	-	-
Closing balance	7,761,382	6,169,870	4,408,474	3,804,690

During the quarter ended March 31, 2023, the Company paid in advance construction financing in the amount of R\$4,579, with maturities between March 2024 to August 2027, subjects to contractual rates of TR + 7.75% to TR + 11.25% p.a., DI + 2.08% to DI + 2.28% p.a. and savings deposits + 3.00% to savings deposits + 5.00% p.a.

(b) Guarantees and surety

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

	Consolidated						
	Debentures	Bank credit notes	Construction financing	Leasing	Project loans	Loan agreements	Total
Collateral / surety	-	-	178,841	5	483,385	1,208,922	1,871,153
Collateral / receivables	-	-	1,061,365	-	627,094	-	1,688,459
No guarantees	1,734,433	2,327,802	186,694	-	-	-	4,248,929
Total (*)	1,734,433	2,327,802	1,426,900	5	1,110,479	1,208,922	7,808,541

(*) 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 some investees 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	64,369
	3/31/21	3/30/26	110,066
	9/23/21	9/16/26	162,794
Prime Incorporações e Construções S.A.	4/29/22	4/22/27	106,548
	6/26/19	6/26/24	103,751
	9/23/21	9/14/26	202,013
Urba Desenvolvimento Urbano S.A.	4/29/22	4/22/27	53,274
	6/13/18	6/6/23	20,922
	3/28/19	3/27/24	60,124
	4/8/20	4/1/25	42,913
	8/4/22	11/12/25	16,092
	4/29/22	4/22/27	85,238
	12/5/22	2/10/27	5,766
	12/9/22	11/15/25	8,214
	12/28/22	2/15/27	15,596
	12/30/22	12/15/27	11,983
	12/30/22	4/10/27	2,951
MRV (US) Holdings Corporation	2/21/20	2/21/25	241,857
	2/18/21	2/18/26	77,173
	3/3/21	2/18/26	180,080
	3/25/21	2/18/26	102,903
	1/14/22	2/18/26	308,748
Reserva Regatas Loteamento Ltda.	2/22/22	2/18/26	308,868
	10/20/21	7/28/25	7,192
Casasmais Santa Iria Ltda.	12/29/22	1/15/27	15,212
MRV XC Incorporações Ltda.	1/2/23	1/15/27	18,501
MRV LXXXV Incorporações Ltda.	1/2/23	1/15/27	41,083
MRV Prime Incorporações Mato Grosso do Sul Ltda	1/3/23	1/15/27	14,968
MRV MDI Bahia Incorporações Ltda.	1/3/23	1/15/27	29,789
MRV Prime LXIV Incorporações Ltda.	1/3/23	1/15/27	33,215
			2,452,203

(c) Aging

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

After the reporting period	Consolidated		Parent Company	
	3/31/23	12/31/22	3/31/23	12/31/22
12 months	2,347,339	1,159,659	1,437,736	887,372
13 to 24 months	1,847,126	1,563,877	824,296	839,761
25 to 36 months	2,384,674	2,148,563	870,910	867,453
37 to 48 months	261,342	800,170	115,769	40,666
After 48 months	1,285,951	1,807,156	1,202,077	1,721,673
	8,126,432	7,479,425	4,450,788	4,356,925

(d) Allocation of financial charges

	Consolidated		Parent Company	
	1 st quarter of		1 st quarter of	
	2023	2022	2023	2022
Gross financial charges (*)	233,365	147,400	170,073	114,293
Capitalized financial charges on:				
Real estate under construction and landbank	(105,545)	(90,955)	(48,575)	(57,619)
Investment property (Note 9)	(11,692)	(14,780)	-	-
Equity interest in investees	-	-	(33,061)	(17,462)
Amounts recognized in financial result (Note 24)	116,128	41,665	88,437	39,212
Financial charges				
Opening balance	756,195	564,384	658,898	504,898
Currency translation adjustments	(1,702)	(7,122)	-	-
Capitalized financial charges	117,237	105,735	81,636	75,081
Charges allocated to profit or loss:				
Cost of real estate sold and services provided (Note 23)	(62,691)	(51,357)	(37,809)	(31,612)
Other operating income (expenses), net	-	(42)	-	-
Results from equity interest in investees	-	(113)	(9,053)	(7,883)
Closing balance	809,039	611,485	693,672	540,484
Capitalized financial charges related to:				
Real estate under construction and landbank (Note 7)	744,274	562,643	494,972	393,413
Equity interest in investees	-	3,245	198,700	147,071
Investment property	64,765	45,597	-	-
	809,039	611,485	693,672	540,484

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

During the quarter ended March 31, 2023, total financial charges capitalized on loans, financing and debentures represented an average charge rate of 14.75% p.a. (11.73% p.a. in the same period of 2022).

(e) Contractual commitments

Related to financial ratios:

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

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

- Net debt for the 11th, 12th, 14th and 2nd (Urba) issuance of the Group's debentures corresponds to the total current and noncurrent loans and financing, less construction loans and permanent loan from Resia (Project loans) and financing received under the Housing Financial System and the financing granted by the Real Estate Investment Fund of the Severance Pay Fund (FI-FGTS) and less cash, banks, and short-term investments;
- Net debt for the 17th, 18th, 19th, 21st, 22nd and 5th (Urba) issuance of the Group's debentures corresponds to total current- and noncurrent loans and financing, less construction loans and permanent loans from Resia (Project loans) and financing obtained from the Real Estate Investment Fund of the Severance Indemnity Fund - FI-FGTS, minus cash, bank and financial investments;
- Net debt for the 13th and 3rd (Urba) issuance of the Group's debentures, corresponds to total current- and noncurrent loans and financing, less construction financing, financing obtained from the Real Estate Investment Fund of the Severance Indemnity Fund - FI-FGTS, Resia's financing called Permanent Loans, as long as they do not have a guarantee from Resia and/or MRV, and Resia's financing called Construction Loans, minus available cash, banks and financial investments.
- Properties payable corresponds to the sum of line item 'Land payables' in current and noncurrent liabilities, less the land acquired through barter, if any.
- Equity represents the value presented in the statements of financial position.
- Receivables corresponds to the total current and noncurrent receivables, disclosed in the interim financial statements.
- Unearned revenue corresponds to the balance disclosed in notes to the consolidated interim financial statements related to the sales already contracted of uncompleted real estate units, not disclosed in the statements of financial position in compliance with accounting practices adopted in Brazil.
- Inventories correspond to the amount presented in line item 'Real estate for sale' in the statements of financial position.
- Unrecognized cost corresponds to costs to be incurred related to the sales of uncompleted projects.

Debenture - 22nd Issue (CRI)

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

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

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

13. Land payables

	Consolidated		Parent Company	
	3/31/23	12/31/22	3/31/23	12/31/22
INCC	365,908	453,513	109,900	130,549
IGP-M	51,003	73,676	47,385	66,319
IPCA	398,328	435,432	157,482	161,300
Other indexes	251,420	160,111	117,875	60,259
Non-interest bearing	2,735,475	3,296,961	1,697,692	2,126,132
Present value discount	(94,632)	(127,052)	(43,797)	(71,776)
Total	3,707,502	4,292,641	2,086,537	2,472,783
Current	978,686	961,985	429,421	391,952
Noncurrent	2,728,816	3,330,656	1,657,116	2,080,831
	3,707,502	4,292,641	2,086,537	2,472,783

As at March 31, 2023, 'Land payables' include financial barter in the amount of R\$2,427,718 in Consolidated and R\$1,544,019 in Parent Company (R\$2,518,088 and R\$1,585,619 as at December 31, 2022, in Consolidated and Parent Company, respectively).

Some land suppliers assigned their receivables to financial institutions, with changes, in some cases, in the original conditions of the liability when the operation was carried out, related to interest rate and payment terms, and of the total accounts payable for land acquisition as at March 31, 2023, R\$540,276 (R\$496,432 as at December 31, 2022) refers to this type of operations in which the financial institution became a creditor of these amounts, with said balances being maintained under the original caption of 'accounts payable for acquisition of land', as this accounts payable already has the nature of onerous liability and is considered for the purposes of calculating the financial ratios required in the loans, financing and debentures (see note 12 (e)). These balances are substantially indexed to the DI, INCC and IPCA rates + 0% to 6.6%, of the total, R\$279,972 (R\$231,670 as at December 31, 2022) refer to financial exchange due to the fact that the creditors are entitled to receive a portion of the general sales value of the developments to be merged if this exceeds the amounts calculated based on the agreed minimum remuneration.

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

As at March 31, 2023, R\$1,421,082 in Consolidated and Parent Company, of total 'Land payables', involves repayments linked to the above-mentioned conditions, therefore only will occur if and when the projects become feasible, this is when the Company obtains the respective approvals (R\$1,615,367 as at December 31, 2022).

Changes in land payables in Consolidated is as follows:

	Consolidated	
	1 st quarter of	
	2023	2022
Opening balance	4,292,641	4,798,787
Additions	151,988	194,979
Cancellations	(501,836)	(187,045)
Payments	(252,258)	(228,152)
Interest and present value discount	16,967	37,138
Closing balance	3,707,502	4,615,707

Aging of 'Land payables' is as follows:

Periods after the reporting period	Consolidated		Parent Company	
	3/31/23	12/31/22	3/31/23	12/31/22
12 months	978,686	961,985	429,421	391,952
13 to 24 months	1,186,415	1,751,421	332,676	716,986
25 to 36 months	536,318	546,287	422,029	433,874
37 to 48 months	189,993	267,875	143,283	226,029
After 48 months	816,090	765,073	759,128	703,942
Total	3,707,502	4,292,641	2,086,537	2,472,783

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

14. Customers advances

	Consolidated		Parent Company	
	3/31/23	12/31/22	3/31/23	12/31/22
Proceeds in advance	118,867	120,955	69,326	61,271
Advances for barter	337,494	363,359	228,071	251,053
	456,361	484,314	297,397	312,324
Current	221,581	230,772	131,217	132,865
Noncurrent	234,780	253,542	166,180	179,459
	456,361	484,314	297,397	312,324

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

As at March 31, 2023, R\$188,650 in Consolidated and Parent Company, of total 'Advance for barter', involves obligations linked to the above-mentioned conditions, therefore only will occur if and when the projects become feasible, this is when the Company obtains the respective approvals (R\$189,098 as at December 31, 2022).

Advances from customers are broken down as follows:

Periods after the reporting period	Consolidated		Parent Company	
	3/31/23	12/31/22	3/31/23	12/31/22
12 months	221,581	230,772	131,217	132,865
13 to 24 months	136,591	148,392	93,549	103,251
After 24 months	98,189	105,150	72,631	76,208
Total	456,361	484,314	297,397	312,324

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

Periods after the reporting period	3/31/23	12/31/22
12 months	1,029,841	821,148
13 to 24 months	18,738	268,568
After 24 months	-	10,076
	1,048,579	1,099,792

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

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

15. Payroll and related liabilities

	Consolidated		Parent Company	
	3/31/23	12/31/22	3/31/23	12/31/22
Salaries and wages	31,323	31,360	15,091	14,640
Payroll benefits	20,879	23,751	10,442	11,422
Accrued vacation, 13 th salary and related benefits	108,174	92,994	53,388	45,315
Provision for employees and management profit sharing	11,018	28,937	-	-
Other	766	1,057	821	759
Total	172,160	178,099	79,742	72,136

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

16. Tax payables

	Consolidated		Parent Company	
	3/31/23	12/31/22	3/31/23	12/31/22
Income tax and social contribution	31,774	46,002	5,073	5,425
Taxes on revenue (PIS and COFINS)	78,555	71,205	63,671	60,757
Withheld third parties taxes	12,851	14,486	6,534	7,646
Taxes withheld on interest on salaries	8,535	13,041	6,561	9,579
Other	660	1,090	-	197
Total	132,375	145,824	81,839	83,604

As at March 31, 2023, amounts of recoverable taxes, essentially arising from tax credits claimed on the costs incurred on units sold (PIS and COFINS) and short-term investments are R\$109,122 and R\$78,726 in Consolidated and Parent Company, respectively (R\$109,807 and R\$79,457 as at December 31, 2022, respectively), and are classified in line item 'Recoverable taxes', in current assets.

17. Provision for maintenance

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

	Consolidated		Parent Company	
	1 st quarter of		1 st quarter of	
	2023	2022	2023	2022
Opening balance	243,841	206,562	127,930	115,385
Additions	33,693	39,738	17,095	21,877
Write-off	(26,037)	(28,732)	(15,582)	(17,019)
Closing balance	251,497	217,568	129,443	120,243
Current	59,010	51,449	34,426	27,317
Noncurrent	192,487	166,119	95,017	92,926
	251,497	217,568	129,443	120,243

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

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

18. Provision for civil, labor and tax risks

Changes in provision are as follows:

	Opening balance	Additions	Reversals	Payments	Inflation adjustment	Closing balance
Consolidated:						
Civil	33,088	32,667	(2,609)	(27,893)	1,442	36,695
Labor	39,348	9,284	(854)	(7,752)	1,792	41,818
Others	393	176	(87)	(87)	19	414
Total - 1st quarter of 2023	72,829	42,127	(3,550)	(35,732)	3,253	78,927
Total - 1 st quarter of 2022	94,677	36,973	(7,745)	(39,100)	3,845	88,650
Parent Company:						
Civil	15,093	18,025	(943)	(13,945)	687	18,917
Labor	34,328	7,460	(550)	(6,948)	1,537	35,827
Others	294	74	(16)	(60)	13	305
Total - 1st quarter of 2023	49,715	25,559	(1,509)	(20,953)	2,237	55,049
Total - 1 st quarter of 2022	63,384	23,830	(5,734)	(25,622)	2,574	58,432

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 counsel and management assessment, broken down by type, are as follows:

Nature	Consolidated				Parent Company			
	3/31/23		12/31/22		3/31/23		12/31/22	
	Total lawsuits	Probable lawsuits	Total lawsuits	Probable lawsuits	Total lawsuits	Probable lawsuits	Total lawsuits	Probable lawsuits
Civil	16,373	1,825	16,598	1,710	9,364	1,108	9,636	975
Labor	2,590	622	2,471	614	1,770	445	1,683	432
Others	1,429	26	1,363	22	1,126	17	1,072	17
Total	20,392	2,473	20,432	2,346	12,260	1,570	12,391	1,424

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

- civil: lawsuits claiming compensations related to delivery of units and request of repairs on delivered units.

- labor: lawsuits claiming employment relationship, lawsuits involving former employees and contractors over which the Company has joint liability.

Civil, labor, tax, and other natures proceedings assessed by the Group's legal advisors and management as possible losses, which have essentially the same nature as those described above, total R\$592,373 and R\$451,800 in Consolidated and Parent Company, respectively, as at March 31, 2023 (R\$577,883 and R\$443,768 as at December 31, 2022 in Consolidated and Parent Company, respectively). Said amount on March 31, 2023, includes two tax assessment notices for the collection of IRPJ and CSLL, related to fiscal years 2016 and 2017, in the total amount of R\$186,944, that were drawn up against the Company on July 14, 2020, having as object the parameters for determining the taxable income and the CSLL calculation basis. The Company's legal advisors, considering the assessments and applicable legislation on the matter, classified the probability of success as possible. In February 2021, the appeal filed by the Company has been sent to the CARF (Administrative Tax Appeals Council) and the Company believes that is probable that the tax authority accepts the tax treatment adopted. No provision was recognized for these contingent liabilities, as its loss probability is classified as a possible.

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

19. Related parties

		Consolidated				Parent Company			
		Asset		Liability		Asset		Liability	
		3/31/23	12/31/22	3/31/23	12/31/22	3/31/23	12/31/22	3/31/23	12/31/22
Cash equivalents and marketable securities									
Other related parties									
Banco Inter S.A.	[1]	53,765	15,027	-	-	53,700	6,801	-	-
Intercompany receivables									
Investees									
SPEs	[6]	51,710	48,599	-	-	1,221,177	1,165,368	-	-
Urba Desenvolvimento Urbano S.A.	[7]	-	-	-	-	39,773	-	-	-
Joint ventures									
Prime Incorporações e Construções S.A.	[7]	6	281	-	-	6	281	-	-
MRL Engenharia e Empreendimentos S.A.	[7]	9,994	770	-	-	9,994	770	-	-
Other related parties									
Partners in real estate development projects	[7]	23,915	24,445	-	-	16,392	18,232	-	-
Other assets									
Investees									
SCPs and SPEs	[8]	113	527	-	-	27,762	34,042	-	-
Joint ventures									
Prime Incorporação e Construções S.A.	[8]	1,358	699	-	-	516	667	-	-
MRL Engenharia e Empreendimentos S.A.	[8]	522	1,712	-	-	515	1,707	-	-
Prime Incorporações e Construções S.A.	[23]	3,975	3,975	-	-	3,975	3,975	-	-
Other related parties									
Partners in real estate development projects	[8]	3,388	502	-	-	179	87	-	-
Controlling shareholder	[9]	18,735	19,082	-	-	18,735	19,082	-	-
Suppliers									
Subsidiaries									
MRV Construções Ltda.	[2]	-	-	-	-	-	-	43,953	43,029
Other related parties									
T Lott Advocacia	[10]	-	-	17	1	-	-	17	1
Radio Itatiaia Ltda.	[17]	-	-	63	-	-	-	63	-
Novus Midia S.A.	[17]	-	-	-	215	-	-	-	215
Land payables									
Other related parties									
Banco Inter S.A.	[19]	-	-	249,115	243,951	-	-	110,931	121,582
Payables for investment acquisition									
Other related parties									
LOG Commercial Properties e Participações S.A.	[11]	-	-	14,151	13,970	-	-	-	-
Intercompany payables (Other payables)									
Joint ventures									
Prime Incorporações e Construções S.A.	[12]	-	-	125,611	116,727	-	-	-	-
MRL Engenharia e Empreendimentos S.A.	[12]	-	-	95,753	93,529	-	-	-	-
Other related parties									
Partners in real estate development projects	[12]	-	-	9,580	9,933	-	-	-	-
Costellis International Limited	[16]	-	-	25,851	25,851	-	-	25,851	25,851
Lease liability (Other payables)									
Other related parties									
Conedi Participações Ltda. e MA Cabaleiro Participações Ltda.	[13]	-	-	68,937	69,727	-	-	66,435	67,276
Lakeside office, LLC	[15]	-	-	7,880	8,698	-	-	-	-
Other payables									
Other related parties									
Banco Inter S.A.	[21]	-	-	6,075	8,008	-	-	6,075	8,008

		Consolidated				Parent Company			
		Income		Cost / expense		Income		Cost / expense	
		1 st quarter of		1 st quarter of		1 st quarter of		1 st quarter of	
		2023	2022	2023	2022	2023	2022	2023	2022
Net operating revenue									
Receivables from services provided									
Subsidiaries									
MRV Construções Ltda.	[2]	484	860	-	-	-	-	-	-
Financial income									
Short-term investments and marketable securities									
Other related parties									
Banco Inter S.A.	[1]	272	3,872	-	-	215	3,872	-	-
Intercompany receivables									
Investees									
Urba Desenvolvimento Urbano S.A.	[7]	-	-	-	-	643	-	-	-
Joint ventures									
Prime Incorporações e Construções S.A.	[7]	14	13	-	-	14	13	-	-
MRL Engenharia e Empreendimentos S.A.	[7]	70	27	-	-	70	27	-	-
Other related parties									
Partners in real estate development projects	[7]	853	469	-	-	566	469	-	-
Other operating income (expenses), net									
Subsidiaries									
Urba Desenvolvimento Urbano S.A.	[3]	-	-	-	-	676	515	-	-
Joint ventures									
Prime Incorporações e Construções S.A.	[3]	1,082	769	-	-	1,082	769	-	-
MRL Engenharia e Empreendimentos S.A.	[3]	1,035	891	-	-	1,035	891	-	-
Other related parties									
LOG Commercial Properties e Participações S.A.	[3]	940	576	-	-	940	576	-	-
MRV Serviços de Engenharia Ltda.	[4]	26	23	-	-	26	23	-	-
Banco Inter S.A.	[5]	833	623	-	-	833	623	-	-
Controlling shareholder	[9]	205	268	-	-	205	268	-	-
LOG Commercial Properties e Participações S.A.	[18]	-	-	-	237	-	-	-	237
Financial result									
Other related parties									
Banco Inter S.A.	[20]	-	-	2,145	24,269	-	-	1,396	9,406
Banco Inter S.A.	[21]	-	-	-	1,811	-	-	-	1,811
Operating costs and expenses									
Cost of real estate sales and services									
Subsidiaries									
MRV Construções Ltda.	[2]	-	-	-	-	-	-	68,677	91,959
Selling expenses									
Other related parties									
Arena Vencer Complexo Esportivo Multiuso SPE Ltda.	[24]	-	-	1,934	-	-	-	1,934	-
General and administrative expenses									
Other related parties									
T Lott Advocacia	[10]	-	-	1,277	968	-	-	1,126	877
Conedi Participações Ltda. e MA Cabaleiro	[13]	-	-	2,443	1,979	-	-	2,355	1,910
Luxemburgo Incorporadora SPE Ltda.	[14]	-	-	123	106	-	-	123	106
Radio Itatiaia Ltda.	[17]	-	-	226	255	-	-	226	255
Lakeside office, LLC	[15]	-	-	603	607	-	-	-	-
South Tamiami Airport Park, LLC	[22]	-	-	62	-	-	-	-	-

- [1] Refers to cash equivalents and marketable securities with Banco Inter S.A. ("Inter"), which is controlled by the controlling shareholder of the Company. For the quarter ended March 31, 2023, short-term investments yielded 101.7% DI rate in Consolidated and Parent Company (118.0% for the same period of 2022).
- [2] Refers to construction services provided by MRV Construções 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 quarter ended March 31, 2023 amount to R\$165,582, were eliminated in the consolidation process, thus remaining only revenues with associates (Note 22). Accordingly, the remaining balance in the Parent Company in caption "Suppliers" refers to the amount payable by the Company to MC.
- [3] Refers to administrative services (shared service center) provided by the Company to LOG, an investment property company controlled by the Company's controlling shareholder, to subsidiary Urba and for the joint ventures MRL and Prime, based on the quantity of transactions (receipt of invoices and payments).
- [4] The Company provides building services to this related party. Revenue from services rendered is equivalent to 15% of incurred cost.
- [5] It refers to "preference premium" paid to the Company by 25% on the credit revenue obtained by the bank referring to invoices from the Company's suppliers discounted from it. In these transactions, the original conditions and economic substance carried out with the respective suppliers are maintained. As at March 31, 2023, the consolidated balance held on these transactions amounts to R\$33,134 (R\$30,836 at December 31, 2022).
- [6] Refers to the Company's operating contributions in investees, proportional to its interest in each project, to make feasible the projects and will be refunded as the projects reach cash surpluses for allowing the distribution of the amounts priorly contributed. In Consolidated, the remaining balances refer to contributions in associates. These balances do not have pre-determined maturities and does not generate interest.
- [7] Intercompany receivables refers mainly to transactions conducted to fund the initial stage of projects in view of the business relationships with these parties for the development of real estate construction operations. No maturities have been defined for these transactions and as at March 31, 2023,

R\$36,005 in Consolidated and R\$68.166 in Parent Company (R\$23,162 in Consolidated and R\$16,949 in Parent Company as at December 31, 2022) are subject to interest pegged substantially to DI rate, plus a spread of 4.00% p.a. in Consolidated and Parent Company (4.00% p.a. as at December 31, 2022).

- [8] Refers to amounts receivable from capital contributions and other transactions between group companies and other related parties. These balances do not generate interest and are received immediately after the Company request.
- [9] On December 27, 2019, the Company sold its entire interest in MRV PRIME LII INCORPORAÇÕES SPE LTDA. to the controlling shareholder for R\$39,783, to be paid in seventy-two consecutive monthly installments, in the amount of R\$553 each, starting February 2020. The referred SPE hold a plot land where the Clube Atlético Mineiro's ("CAM") multipurpose arena is being built. As of March 31, 2023, the balance receivable includes adjustment to present value of R\$1,157 (R\$1,362 at December 31, 2022) and the revenue recognized refers to its realization.
- [10] Refers to legal services agreement with entity which has as its managing partner Thiago da Costa e Silva Lott, a member of the Company's fiscal board.
- [11] In July 2018, the Company acquired equity interest in MRV LOG MDI SJC I Incorporações SPE Ltda. ("LOG SJC Sony") through its subsidiary MRV MRL CAMP NOU Incorporações e Participações Ltda. The contract determines payments in two tranches as detailed below:
 - I. R\$10,800 referring to 10.81% of the equity interest, to be paid in 24 monthly installments of R\$450 each, the first being paid after the approval of the land subdivision project by the Municipal Administration, an event that took place in July 2018; and
 - II. R\$25,523 (R\$24,200 plus updated by IPCA index) referring to 24.22% of the equity interest, which will be paid in 48 monthly installments of R\$532 each, the first being paid after approval of a change in the zoning area from industrial to residential by the Municipal Administration, an event that took place in the fourth quarter of 2019. In February 2023, an amendment was signed rescheduling the payment for six installments of R\$250 from July to December 2023 and twenty installments of R\$480 from January 2024 to August 2025.

As of March 31, 2023, the balance payable includes adjustment to present value of R\$382 (R\$265 as of December 31, 2022) and the expense recognized refers to its realization.

- [12] Refers to amounts contributed by joint ventures and partners in the Company's subsidiaries to make feasible the projects and will be refunded as the projects reach cash surpluses and allow the distribution of the resources initially contributed. These balances do not have pre-determined maturities and does not generate interest.
- [13] Refers to headquarters lease agreement for the Company and the subsidiary Urba Desenvolvimento Urbano S.A. This companies have as owners: shareholders, executives or board members of the Company. Rental agreements are effective until February 28, 2035, including term extension, adjustable by the Broad Consumer Price Index (IPCA). As at March 31, 2023 provides for monthly total payment of R\$648 (gross of taxes) (R\$648 at December 31, 2022).

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 March 31, 2023 and December 31, 2022 establishes a total monthly payment of R\$6. Related expenses, net of PIS/COFINS taxes, for the quarter ended March 31, 2023, was R\$21 (R\$19 for the same period of 2022).
- [14] The Company hired hotel services from Hotel Ramada Encore Luxemburgo, asset hold by Luxemburgo Administradora de Imóveis Ltda., company linked to Company's shareholders and management key personnel.
- [15] Refers to lease agreement of subsidiary Resia's headquarters. The property owner has as partner the Company's controlling shareholder. The contract is effective until October 31, 2026. On March 31, 2023, it establishes a total monthly payment of US\$39 (US\$39 as of December 31, 2022).
- [16] Stock warrant from the acquisition of the subsidiary Resia. On January 31, 2020, the acquisition of the subsidiary Resia was carried out through the issuance of 37,286,595 new common shares of the Company and subscription bonus for a certain number of shares to be determined as follows:
 - a) 8,882,794 common shares, equivalent to 2% of the Company's capital stock on December 26, 2019, if the internal rate of return (IRR) of the Company's investment in Resia (in dollar) is greater than 15% per year, calculated in the period between the date of the merger and the date of calculation of AHS Residential's Net Asset Value (NAV), to be carried out during the year 2027; or
 - b) 13,324,191 common shares, equivalent to 3% of the Company's capital stock on December 26, 2019, if the internal rate of return (IRR) of the Company's investment (in dollar) is greater than 20% per year, calculated for the same period above.

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

- [17] Refers to advertising services contracted with press vehicles related to the Company's controlling shareholder.
- [18] Refers to equity interest acquisition in Cabral Investimentos SPE Ltda. ("Cabral") concluded in December 2021. The agreement established the payment of installments of R\$500 each, updated by INCC and was fully paid in September 2022. The expense refers to the aforementioned correction.
- [19] Refers to the acquisition of land for which the supplier sold its of receivables to Banco Inter S.A., thus becoming the creditor of these transactions. These balances are substantially indexed to DI rate and IPCA.
- [20] Refers to the assignment discount and/or commissions arising from sales of receivables carried out in 2023 and 2022.
- [21] Refers to sale of credits arising from the contracting of natural gas supplier for installations in the Company's projects.
- [22] Refers to a warehouse lease agreement of subsidiary Resia. The property owner has as partner the Company's controlling shareholder. On March 31, 2023, it establishes a total monthly payment of US\$4 (US\$4 as of December 31, 2022).
- [23] Refers to dividends' receivables.

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

Notes:

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

Compensation of key personnel

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

	Consolidated		Parent Company	
	1 st quarter of		1 st quarter of	
	2023	2022	2023	2022
Short-term benefits granted to management:				
Management compensation (*)	10,269	16,225	6,072	5,116
Profit sharing	2,895	409	-	-
Non-monetary benefits	172	157	128	126
Long-term benefits granted to management:				
Retirement private plan	251	192	230	172
Stock option plan	2,232	2,385	2,102	2,239
	15,819	19,368	8,532	7,653

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

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

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

20. Equity

(a) Capital stock

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

Shareholders	Number of shares in			
	3/31/23		12/31/22	
	Ordinary	%	Ordinary	%
Rubens Menin Teixeira de Souza (Controlling shareholder)	174,871	36.1	177,050	36.6
Officers	4,078	0.8	3,530	0.7
Fiscal council and executive committees	211	0.1	207	0.1
Treasury shares	1	-	1	-
Other shareholders	304,623	63.0	302,445	62.6
Total	483,784	100.0	483,233	100.0

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

During the quarter ended March 31, 2023 and 2022, the Shareholders' Meeting (SM), approved the following capital increases:

Date of approval	Number of shares	Unit price	Total capital increase (decrease)	Capital after capital increase (decrease)	Total outstanding shares after issuance
Quarter ended March 31, 2023:	(thousand)	R\$	R\$'000	R\$'000	(thousand)
1/9/23 Capital increase	551	0.72	399	4,615,807	483,784
Quarter ended March 31, 2022:					
1/7/22 Capital increase	358	0.66	237	4,615,408	483,233

(b) Treasury shares

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

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

Type	Number (thousand)				R\$
	Opening balance	Acquired	Transferred	Closing balance	Market value (*)
Quarter ended March 31, 2023:					
Common shares	1	-	-	1	6
Quarter ended March 31, 2022:					
Common shares	1	-	-	1	13

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

(c) Capital reserves

Capital reserves' balances are derived from share issuance cost related to share public offers (IPOs) and stock options granted to executives and employees of the Company, according to item (e) 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.

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.

(e) Stock option plan

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

Program	Plan	Approval	Stock options (thousand)	Vesting period	Strike price	Participants	Exercise deadline
8	I	7/1/16	1,538	Up to 5 years	R\$ 10.42	Officers, managers, and key employees	12/23
9	I	6/1/17	1,511	Up to 5 years	R\$ 14.80	Officers, managers, and key employees	12/24
10	II	5/25/18	1,853	Up to 5 years	R\$ 14.52	Officers, managers, and key employees	12/25
11	II	6/5/19	2,352	Up to 5 years	R\$ 15.51	Officers, managers, and key employees	12/26
12	II	4/30/20	2,226	Up to 5 years	R\$ 12.73	Officers, managers, and key employees	12/27
15	III	10/28/21	3,200	Up to 10 years	R\$ 12.35	Officers, managers, and key employees	12/33
16	III	10/28/21	2,340	Up to 5 years	R\$ 12.35	Officers, managers, and key employees	12/28
17	III	8/8/22	2,670	Up to 5 years	R\$ 8.45	Officers, managers, and key employees	12/29
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 quarter ended March 31, 2023 and 2022 and supplemental information is as follows:

Program	Number of participants	Changes in 1 st quarter of 2023 (thousand shares)				
		Opening balance	Granted	Expired / forfeited	Exercised	Closing balance
8	23	847	-	-	-	847
9	54	1,231	-	(10)	-	1,221
10	62	1,602	-	(12)	-	1,590
11	67	2,200	-	(13)	-	2,187
12	61	2,132	-	(11)	-	2,121
15	7	3,200	-	-	-	3,200
16	62	2,308	-	(78)	-	2,230
17	74	2,627	-	(80)	-	2,547
		16,147	-	(204)	-	15,943
Weighted average exercise price of options		12.50	-	11.30	-	12.51

Program	Number of participants	Changes in 1 st quarter of 2022 (thousand shares)				
		Opening balance	Granted	Expired / forfeited	Exercised	Closing balance
7	11	551	-	-	-	551
8	23	847	-	-	-	847
9	60	1,257	-	(1)	-	1,256
10	67	1,631	-	(6)	-	1,625
11	71	2,229	-	(8)	-	2,221
12	65	2,158	-	(4)	-	2,154
15	7	3,200	-	-	-	3,200
16	68	2,340	-	(10)	-	2,330
		14,213	-	(29)	-	14,184
Weighted average exercise price of options		13.04	-	13.83	-	13.04

Program	Other information				
	Number of vested shares (thousand)	Stock option cost for the period	Unrecognized stock option cost	Remaining stock option cost period (in years)	Remaining contractual life (in years)
8	847	-	-	-	0.7
9	1,221	-	-	-	1.7
10	1,590	-	-	-	2.8
11	411	451	1,351	0.8	3.8
12	309	686	4,601	1.8	4.8
15	320	779	14,294	7.9	10.9
16	446	577	4,594	2.8	5.8
17	255	787	7,574	3.8	6.8
1 - Urba	450	162	1,085	1.8	4.8
2 - Urba	55	39	389	2.8	5.8
2023	5,904	3,481	33,888	7.1	10.6
2022	4,157	3,642	41,496	8.9	12.2

Stock options costs arising from subsidiaries and joint ventures and recognized by the Company totaled R\$103 for the quarter ended March 31, 2023 (R\$116 for the year ended December 31, 2022).

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

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

As at March 31, 2023, had all options currently granted been exercised, the Company would have issued 15,943 thousand shares, which would represent a 3.19% dilution in relation to total Company shares of 483,784 thousand (3.23% as at December 31, 2022).

(f) Dividends

Mandatory minimum

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

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

(g) Noncontrolling interests

	Consolidated	
	1 st quarter of	
	2023	2022
Opening balance	746,865	479,992
Capital transactions	(3,864)	1,476
Net distributions to noncontrolling interests	83,265	87,650
Currency translation adjustments	(12,088)	(27,527)
Changes in indirect ownership	32,596	6,203
Interest in net income for the period	10,159	6,921
Closing balance	856,933	554,715

In the quarter ended March 31, 2023, changes in the Company's equity interests in subsidiaries generated an decrease in noncontrolling interests of R\$3,864 and a increase in Company owners of R\$548 (an increase in noncontrolling interests of R\$1,476 and an increase in Company owners of R\$294 for the same period of 2022), directly recorded in equity.

(h) Earnings per share

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

	Consolidated and Parent Company	
	1 st quarter of	
	2023	2022
	(Restated)	
Basic earnings per share:		
Net income for the period	30,577	76,416
Weighted average number of outstanding common shares (thousand)	483,733	483,208
Basic earnings per share - in R\$	0.06321	0.15814
Diluted earnings per share:		
Net income for the period	30,577	76,416
Weighted average number of outstanding common shares (thousand)	483,733	483,208
Dilutive effect of stock options (thousands of shares)	-	337
Total shares after dilutive effect (thousand)	483,733	483,545
Diluted earnings per share - in R\$	0.06321	0.15803

(i) Currency translation adjustments

The balances are essentially due to translation of the interim financial statement of foreign subsidiary MRV (US) Holdings Corporation, whose functional currency is the US dollar, to the Group's presentation currency, as described in Note 2.2 (s) to the financial statements for the year ended December 31, 2022.

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

21. Operating segment

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

	3/31/23					12/31/22				
	Real estate development	Resia	Luggo	Land development	Consolidated	Real estate development	Resia	Luggo	Land subdivisions	Consolidated
Assets										
Cash, cash equivalents and marketable securities	1,889,068	418,508	208,039	61,556	2,577,171	2,256,359	373,478	186,809	75,306	2,891,952
Trade accounts receivable	4,137,612	2,230	392	245,003	4,385,237	3,891,254	1,049	22	272,779	4,165,104
Inventories	8,215,123	-	2,023	586,571	8,803,717	8,667,384	-	1,972	559,086	9,228,442
Investment properties	-	4,027,970	350,735	-	4,378,705	-	3,732,628	363,535	-	4,096,163
Other assets	2,095,451	426,079	11,295	62,026	2,594,851	1,782,162	364,034	5,354	68,118	2,219,668
Total assets	16,337,254	4,874,787	572,484	955,156	22,739,681	16,597,159	4,471,189	557,692	975,289	22,601,329
Liabilities and equity										
Loans, financing and debentures	5,079,868	2,633,919	97,159	268,327	8,079,273	4,915,473	2,179,966	67,162	266,575	7,429,176
Land payables	3,389,931	-	41,158	276,413	3,707,502	3,952,336	-	42,575	297,730	4,292,641
Advances from customers	441,561	-	898	13,902	456,361	467,251	-	617	16,446	484,314
Other payables	2,973,178	626,863	28,664	162,194	3,790,899	2,909,548	738,653	20,227	152,462	3,820,890
Total liabilities	11,884,538	3,260,782	167,879	720,836	16,034,035	12,244,608	2,918,619	130,581	733,213	16,027,021
Operating segment net assets	4,452,716	1,614,005	404,605	234,320	6,705,646	4,352,551	1,552,570	427,111	242,076	6,574,308
Total liabilities and equity	16,337,254	4,874,787	572,484	955,156	22,739,681	16,597,159	4,471,189	557,692	975,289	22,601,329

	1 st quarter of 2023					1 st quarter of 2022				
	Real estate development	Resia	Luggo	Land development	Consolidated	Real estate development	Resia	Luggo	Land development	Consolidated
Net operating revenue	1,643,349	1,780	960	43,796	1,689,885	1,632,843	1,770	272	40,216	1,675,101
Cost of real estate sold and services	(1,304,442)	(2,583)	(510)	(28,897)	(1,336,432)	(1,314,201)	(1,141)	(174)	(27,909)	(1,343,425)
Gross profit	338,907	(803)	450	14,899	353,453	318,642	629	98	12,307	331,676
Operating income (expenses):										
Selling, general and administrative expenses	(260,217)	(30,848)	(3,513)	(14,531)	(309,109)	(248,476)	(32,800)	(2,044)	(12,246)	(295,566)
Other operating income (expenses), net	(28,005)	(17,902)	(4,350)	(513)	(50,770)	(10,479)	109,885	(162)	(449)	98,795
Results from equity interest in investees	(23,651)	-	-	(1,069)	(24,720)	(21,150)	-	-	2,334	(18,816)
Income before financial income	27,034	(49,553)	(7,413)	(1,214)	(31,146)	38,537	77,714	(2,108)	1,946	116,089
Financial result	(75,639)	(10,765)	131	(2,976)	(89,283)	30,158	6,164	(36)	(14,796)	21,490
Income before taxes	(48,605)	(60,318)	(7,282)	(4,190)	(120,429)	68,695	83,878	(2,144)	(12,850)	137,579
Income tax and social contribution	151,835	14,728	(53)	(5,345)	161,165	(34,655)	(17,928)	(27)	(1,632)	(54,242)
Net income (loss) for the period	103,196	(45,590)	(7,335)	(9,535)	40,736	34,040	65,950	(2,171)	(14,482)	83,337

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

22. Net operating revenue

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

	Consolidated		Parent Company	
	1 st quarter of		1 st quarter of	
	2023	2022	2023	2022
Gross operating revenue				
Real estate development	1,820,802	1,832,627	770,415	951,485
Bartered real estate units	7,934	7,791	1,661	2,994
Rental revenue and management service	3,008	2,157	1,113	387
Revenue from construction services (Note 19 [2])	484	860	-	-
Cancellations	(53,471)	(81,087)	(18,676)	(44,851)
Allowance for credit risk	(46,905)	(49,330)	(24,616)	(26,260)
	1,731,852	1,713,018	729,897	883,755
Taxes on sales	(41,967)	(37,917)	(17,141)	(19,271)
Net operating revenue	1,689,885	1,675,101	712,756	864,484

Amounts related to units under construction recognized in consolidated. In the quarter ended March 31, 2023 and 2022 are as follows:

	Consolidated	
	1 st quarter of	
	2023	2022
Net revenue from units under construction	1,514,889	1,517,788
Costs of real estate sold under construction	(1,192,577)	(1,213,739)
Gross profit recognized	322,312	304,049

The amounts of received advances regarding contracts in progress as at March 31, 2023 and December 31, 2022 are R\$135,946 and R\$141,087, respectively.

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

23. Costs and expenses

	Consolidated		Parent Company	
	1 st quarter of		1 st quarter of	
	2023	2022	2023	2022
Cost of real estate sold and services:				
Financial charges (Note 12 (d))	(62,691)	(51,357)	(37,809)	(31,612)
Rental and property management cost	(3,093)	(1,315)	(510)	(174)
Land, construction and maintenance costs	(1,270,648)	(1,290,753)	(604,989)	(671,088)
Total cost of real estate sold and services	(1,336,432)	(1,343,425)	(643,308)	(702,874)
Selling, general and administrative expenses:				
Salaries, charges and benefits	(126,655)	(109,649)	(75,917)	(69,429)
Management compensation	(10,269)	(16,225)	(6,072)	(5,116)
Management and employees profit sharing	2,686	(144)	-	(144)
Stock option plan	(3,481)	(3,642)	(3,280)	(3,417)
Commissions and brokers' fees	(34,244)	(38,964)	(14,115)	(19,815)
Outside services	(33,602)	(29,450)	(30,598)	(26,903)
Marketing and advertising	(37,645)	(35,104)	(25,575)	(24,073)
Utilities	(2,588)	(3,432)	(2,187)	(2,852)
Depreciation and amortization	(18,286)	(17,650)	(15,590)	(14,518)
Training	(691)	(599)	(681)	(563)
Other	(44,334)	(40,707)	(37,296)	(33,073)
Total selling, general and administrative expenses	(309,109)	(295,566)	(211,311)	(199,903)
Classified as:				
Selling expenses	(162,064)	(158,422)	(105,021)	(105,198)
General and administrative expenses	(147,045)	(137,144)	(106,290)	(94,705)
	(309,109)	(295,566)	(211,311)	(199,903)

	Consolidated		Parent Company	
	1 st quarter of		1 st quarter of	
	2023	2022	2023	2022
Other operating income (expenses), net				
Provision for civil, labor and tax risks	(11,783)	(10,022)	(8,030)	(5,092)
Results from sale of property and equipment	128	20,833	128	20,855
Donatives - Instituto MRV	(406)	(1,835)	(406)	(1,835)
Results from sale of assets / projects	-	95,267	-	-
Other:				
Income	5,826	17,716	6,102	3,229
Expenses (*)	(44,535)	(23,164)	(18,223)	(16,069)
Total other operating income (expenses), net	(50,770)	98,795	(20,429)	1,088

(*) Includes write-offs and/or fines related to aborted projects.

24. Financial expenses and income

	Consolidated		Parent Company	
	1 st quarter of		1 st quarter of	
	2023	2022	2023	2022
	(Restated)		(Restated)	
Financial expenses:				
Interest on loans, financing and debentures (Note 12 (d))	(116,128)	(41,665)	(88,437)	(39,212)
Mark-to-market derivative financial instruments	(14,999)	24,771	(15,019)	18,553
Expense from sale of receivables (*)	(26,816)	(23,794)	(17,284)	(6,046)
Fees and taxes	(5,014)	(4,182)	(1,674)	(1,952)
Other financial expenses	(10,232)	(8,594)	(5,178)	(7,009)
	(173,189)	(53,464)	(127,592)	(35,666)
Financial income:				
Short-term investments	36,263	39,233	28,866	34,628
Interest on intercompany loans (Note 19 [7])	937	509	1,293	509
Other financial income	16,353	12,220	10,706	6,866
	53,553	51,962	40,865	42,003
Income from real estate development receivables	30,353	22,992	17,482	11,836
	83,906	74,954	58,347	53,839
Financial result	(89,283)	21,490	(69,245)	18,173

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

25. Financial instruments

(a) Capital risk management

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

	Consolidated		Parent Company	
	3/31/23	12/31/22	3/31/23	12/31/22
Loans, financing and debentures	8,079,273	7,429,176	4,408,474	4,312,171
Cash, cash equivalents and marketable securities	(2,577,171)	(2,891,952)	(1,445,329)	(1,745,305)
Net debt	5,502,102	4,537,224	2,963,145	2,566,866
Equity	6,705,646	6,574,308	5,848,713	5,827,443
Net debt-to-equity ratio	82.1%	69.0%	50.7%	44.0%

(b) Financial instruments categories and fair value

Consolidated	Note	3/31/23		12/31/22	
		Book value	Fair value	Book value	Fair value
Financial assets:					
Amortized cost		5,420,452	5,420,452	4,932,915	4,932,915
Receivables from real estate development	6	4,212,948	4,212,948	4,010,364	4,010,364
Intercompany receivables		85,625	85,625	74,095	74,095
Cash and bank accounts	4	949,590	949,590	693,716	693,716
Receivables from services provided	6	172,289	172,289	154,740	154,740
Fair value through profit or loss (mandatorily measured) (*)		1,685,023	1,685,023	2,231,305	2,231,305
Restricted investment funds	5	1,178,836	1,178,836	1,571,302	1,571,302
Investments from bank accounts	5	301,680	301,680	336,937	336,937
Unrestricted investment funds	4	-	-	7	7
Bank deposit certificates (CDB)		23,638	23,638	163,954	163,954
Securities with repurchase agreement backed by	4	17,467	17,467	21,472	21,472
Escrow account	5	56,611	56,611	56,899	56,899
U.S. Treasuries	5	-	-	10,780	10,780
Bank credit notes (CCB)	5	3,915	3,915	1,084	1,084
Savings deposits		45,434	45,434	35,799	35,799
Real estate consortium	5	-	-	2	2
Derivative financial instruments	25 (b)	57,442	57,442	33,069	33,069
Financial liabilities:					
Amortized cost		12,271,397	12,247,679	12,012,704	11,955,397
Loans, financing and debentures		6,141,962	6,118,244	5,514,076	5,456,769
Land payables	13	3,707,502	3,707,502	4,292,641	4,292,641
Payables for investment acquisition		47,032	47,032	55,596	55,596
Suppliers		792,333	792,333	895,087	895,087
Credit assignment liability	6	705,746	705,746	357,606	357,606
Other payables		876,822	876,822	897,698	897,698
Fair value through profit or loss (hedge accounting) (**)		2,058,308	2,058,308	2,291,099	2,291,099
Loans, financing and debentures		1,937,311	1,937,311	1,915,100	1,915,100
Derivative financial instruments	25 (b)	120,997	120,997	375,999	375,999

(*) 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.

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

The 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 March 31, 2023, the swap contracts position is as follows:

Type of transaction	Currency	Hiring	Asset / Liability	Maturity	Notional amount	Long position	Short position	3/31/23	Total effect accumulated on result		Other comprehensive results
								Derivative fair value	Gain or loss on transaction	Mark-to-market	Mark-to-market
Swap (**)	R\$	9/17	IPCA + 6.45% / 122.1% DI	9/24	121,200	170,140	131,862	35,984	32,791	(2,294)	-
Swap (**)	R\$	4/21	IPCA + 5.43% / DI + 1.65%	4/31	403,720	476,515	431,204	1,581	18,316	(43,729)	-
Swap (**)	R\$	2/22	IPCA + 6.60% / DI + 1.29%	2/29	700,000	751,883	711,830	19,877	(8,812)	(20,176)	-
Swap (**)	R\$	9/22	IPCA + 6.48% / DI + 1.00%	9/30	347,928	356,029	350,220	(2,449)	(7,758)	(8,259)	-
Swap (**)	R\$	9/22	IPCA + 6.74% / DI + 1.27%	9/32	202,072	206,801	203,429	(3,788)	(4,543)	(7,160)	-
Swap	R\$	9/21	MRVE3 / DI + 1.75% and 1.80%	1/23 and 2/23	328,484	-	-	-	(213,888)	-	-
Swap	R\$	6/22	MRVE3 (*) / DI + 1.65%	12/23	49,078	40,087	54,589	(15,160)	-	(15,160)	-
Swap	R\$	1/23 and 2/23	MRVE3 (*) / DI + 1.38% e 1.40%	7/24	162,273	154,046	165,993	(14,961)	-	(14,961)	-
Swap (**)	US\$	2/20	Dollar + 4% / 76% DI	2/25	208,487	26,970	29,875	(14,171)	(2,905)	-	(12,979)
Swap (**)	US\$	3/21	Dollar + 3.85% / DI - 2.94%	2/26	201,600	12,972	22,374	(23,715)	(9,402)	-	(24,182)
Swap (**)	US\$	3/21	Dollar + 3.85% / DI - 3.20%	2/26	114,900	7,156	12,284	(12,955)	(5,128)	-	(13,145)
Swap (**)	US\$	2/21	Dollar + 3.80% / DI - 2.16%	2/26	80,759	5,586	10,178	(10,918)	(4,592)	-	(11,162)
Swap (**)	US\$	1/22	Dollar + 3.98% / DI - 5.55%	2/26	331,566	13,517	22,902	(14,506)	(9,385)	-	(14,521)
Swap (**)	US\$	2/22	Dollar + 4.37% / DI - 5.34%	2/26	308,280	13,475	20,574	(8,374)	(7,099)	-	(8,533)
								(63,555)	(222,405)	(111,739)	(84,522)

(*) The closing share price on March 31, 2023 was R\$6.38/share. If the share price reaches the floor of 100% of the volatility of the last 12 months, reaching R\$4.06/share, it would represent an estimated additional loss of R\$70,207 and if the share price reaches the ceiling of 100% of the volatility of the last 12 months, reaching R\$14.02/share, would represent an approximate net gain of R\$200,631, thus reversing the loss recorded up to the reporting date. The number of shares considered in these operations is 30,228 thousand.

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

	Consolidated	Parent Company
Noncurrent assets	57,442	57,442
Current liabilities	15,160	15,160
Noncurrent liabilities	105,837	105,837
Total liabilities	120,997	120,997

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

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

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

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

	Effect on results / other comprehensive results					
	Consolidated			Parent Company		
	Gain (loss) on transaction	Mark-to-market	Total	Gain (loss) on transaction	Mark-to-market	Total
1st quarter of 2023:						
Effect in profit or loss						
Swaps with fair value hedge	2,182	12,954	15,136	2,182	12,954	15,136
Swaps with cash flow hedge	(11,665)	-	(11,665)	(11,665)	-	(11,665)
Swaps with no hedge	(213,906)	182,961	(30,945)	(213,888)	182,941	(30,947)
Gross effect in profit or loss	(223,389)	195,915	(27,474)	(223,371)	195,895	(27,476)
Reducing effect of hedges	-	2,974	2,974	-	2,974	2,974
Net effect in profit or loss	(223,389)	198,889	(24,500)	(223,371)	198,869	(24,502)
Other comprehensive results	-	15,032	15,032	-	15,032	15,032
1st quarter of 2022:						
Effect in profit or loss						
Swaps with fair value hedge	14,484	(5,773)	8,711	14,484	(5,773)	8,711
Swaps with cash flow hedge	(7,740)	-	(7,740)	(7,740)	-	(7,740)
Swaps with no hedge	(10)	18,506	18,496	-	12,288	12,288
Gross effect in profit or loss	6,734	12,733	19,467	6,744	6,515	13,259
Reducing effect of hedges	-	12,038	12,038	-	12,038	12,038
Net effect in profit or loss	6,734	24,771	31,505	6,744	18,553	25,297
Other comprehensive results	-	(39,154)	(39,154)	-	(39,154)	(39,154)

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

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

Hedge accounting

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

Fair value hedge	Hiring	Maturity	Notional value	Rates	Fair value	Effects on results	Fair value	Effects on results
					3/31/23	1 st quarter of 2023	12/31/22	1 st quarter of 2022
9 th issue (3 rd series)	3/17	2/22	80,000	IPCA + 8.25%	-	-	-	215
11 th issue (3 rd series)	9/17	9/24	121,000	IPCA + 6.45%	(168,039)	(205)	(161,782)	172
CRI - 19 th debentures issue	4/21	4/31	400,000	IPCA + 5.43%	(470,711)	(217)	(455,842)	(1,093)
CRI - 21 st debentures issue	2/22	2/29	700,000	IPCA + 6.60%	(742,665)	2,881	(742,386)	12,744
CRI - 22 nd debentures issue (1 st series)	9/22	9/30	347,928	IPCA + 6.48%	(352,017)	376	(351,479)	-
CRI - 22 nd debentures issue (2 nd series)	9/22	9/32	202,072	IPCA + 6.74%	(203,879)	139	(203,611)	-
Loans, financing and debentures (Hedged items)			1,851,000		(1,937,311)	2,974	(1,915,100)	12,038
Long position								
Swap	3/17	2/22	80,000	IPCA + 8.25%	-	-	-	(215)
Swap	9/17	9/24	121,000	IPCA + 6.45%	168,056	205	161,800	(172)
Swap	4/21	4/31	403,720	IPCA + 5.43%	471,750	217	456,848	1,093
Swap	2/22	2/29	700,000	IPCA + 6.60%	741,393	(2,881)	741,175	(12,744)
Swap	9/22	9/30	347,928	IPCA + 6.48%	352,200	(376)	351,325	-
Swap	9/22	9/32	202,072	IPCA + 6.74%	203,984	(139)	203,520	-
Derivative financial instruments (Hedging instruments)			1,854,720		1,937,383	(2,974)	1,914,668	(12,038)
Short position								
132.20% DI					-	-	-	(187)
122.10% DI					(132,072)	1,709	(128,731)	790
DI + 1.65%					(470,169)	3,517	(458,404)	(4,828)
DI + 1.29%					(721,516)	8,758	(756,591)	10,490
DI + 1.00%					(354,649)	1,772	(368,711)	-
DI + 1.27%					(207,772)	172	(215,223)	-
					(1,886,178)	15,928	(1,927,660)	6,265
Swap net position					51,205	12,954	(12,992)	(5,773)
Total net position					(1,886,106)	15,928	(1,928,092)	6,265

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

Cash flow hedge	Hiring	Maturity	Notional value	Rates	Fair value	Other comprehensive results	Fair value	Other comprehensive results
					3/31/23	1 st quarter of 2023	12/31/22	1 st quarter of 2022
Swap	2/20	2/25		Long position				
Derivative financial instruments (Hedging instruments)			US\$ 47,000	Dollar + 4%	18,339	(8,106)	23,350	(8,455)
				Short position				
				76% DI	(32,510)	10,233	(42,742)	2,368
				Swap net position	(14,171)	2,127	(19,392)	(6,087)
Swap	3/21	2/26		Long position				
Derivative financial instruments (Hedging instruments)			US\$ 35,000	Dollar + 3.85%	19,219	(7,659)	22,828	(8,038)
				Short position				
				DI - 2.94%	(42,934)	10,715	(53,649)	149
				Swap net position	(23,715)	3,056	(30,821)	(7,889)
Swap	3/21	2/26		Long position				
Derivative financial instruments (Hedging instruments)			US\$ 20,000	Dollar + 3.85%	10,886	(4,342)	13,045	(4,568)
				Short position				
				DI - 3.20%	(23,841)	5,968	(29,809)	(387)
				Swap net position	(12,955)	1,626	(16,764)	(4,955)
Swap	2/21	2/26		Long position				
Derivative financial instruments (Hedging instruments)			US\$ 15,000	Dollar + 3.80%	8,058	(3,372)	9,656	(3,584)
				Short position				
				DI - 2.16%	(18,976)	4,566	(23,541)	131
				Swap net position	(10,918)	1,194	(13,885)	(3,453)
Swap	1/22	2/26		Long position				
Derivative financial instruments (Hedging instruments)			US\$ 60,000	Dollar + 3.98%	33,760	(10,044)	40,455	(15,551)
				Short position				
				DI - 5.55%	(48,266)	13,751	(62,017)	3,796
				Swap net position	(14,506)	3,707	(21,562)	(11,755)
Swap	2/22	2/26		Long position				
Derivative financial instruments (Hedging instruments)			US\$ 60,000	Dollar + 4.37%	37,396	(9,775)	44,419	(12,660)
				Short position				
				DI - 5.34%	(45,770)	13,097	(58,869)	7,645
				Swap net position	(8,374)	3,322	(14,450)	(5,015)
				Total net effect	(84,639)	15,032	(116,874)	(39,154)

(c) Risks

Market risk

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

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

Index	Financial asset	Financial liability	Net exposed financial asset (liability)	Effective rate for the 12 months ended 3/31/23	Annual rate estimated for 2023 (*)	Rates changes for each scenario	Total estimated financial impact	Estimated impact on net income and equity
Probable scenario								
DI	877,072	(5,120,431)	(4,243,359)	13.23%	13.20% (i)	-0.03%	1,273	872
IGP-M	84,961	(51,003)	33,958	0.17%	3.62% (ii)	3.45%	1,172	1,172
INCC-M	1,632,353	(365,908)	1,266,445	8.17%	4.56% (i)	-3.61%	(45,719)	(45,719)
TR	-	(684,766)	(684,766)	1.95%	1.93% (i)	-0.02%	137	137
IPCA	2,271,208	(2,807,709)	(536,501)	4.65%	6.00% (ii)	1.35%	(7,243)	(7,243)
Savings	347,114	(180,948)	166,166	7.51%	8.05% (ii)	0.54%	897	897
TLP	-	(365,535)	(365,535)	9.88%	11.23% (iii)	1.35%	(4,935)	(3,379)
							(54,418)	(53,263)
Scenario I								
DI	877,072	(5,120,431)	(4,243,359)	13.23%	16.50%	3.27%	(138,758)	(95,010)
IGP-M	84,961	(51,003)	33,958	0.17%	2.71%	2.54%	863	863
INCC-M	1,632,353	(365,908)	1,266,445	8.17%	3.42%	-4.75%	(60,156)	(60,156)
TR	-	(684,766)	(684,766)	1.95%	2.41%	0.46%	(3,150)	(3,150)
IPCA	2,271,208	(2,807,709)	(536,501)	4.65%	7.50%	2.85%	(15,290)	(15,290)
Savings	347,114	(180,948)	166,166	7.51%	6.03%	-1.48%	(2,459)	(2,459)
TLP	-	(365,535)	(365,535)	9.88%	14.04%	4.16%	(15,206)	(10,412)
							(234,156)	(185,614)
Scenario II								
DI	877,072	(5,120,431)	(4,243,359)	13.23%	19.80%	6.57%	(278,789)	(190,891)
IGP-M	84,961	(51,003)	33,958	0.17%	1.81%	1.64%	557	557
INCC-M	1,632,353	(365,908)	1,266,445	8.17%	2.28%	-5.89%	(74,594)	(74,594)
TR	-	(684,766)	(684,766)	1.95%	2.90%	0.95%	(6,505)	(6,505)
IPCA	2,271,208	(2,807,709)	(536,501)	4.65%	9.00%	4.35%	(23,338)	(23,338)
Savings	347,114	(180,948)	166,166	7.51%	4.02%	-3.49%	(5,799)	(5,799)
TLP	-	(365,535)	(365,535)	9.88%	16.84%	6.96%	(25,441)	(17,420)
							(413,909)	(317,990)

(i) Data obtained on B3's website.

(ii) Data obtained on Banco Central website.

(iii) Data obtained on BND's website.

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

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

Liquidity risk

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

Liquidity and interest rate risk table

The undiscounted cash flows of financial liabilities, based on the earliest date on which the Group must settle the related obligations and on the projection for each index at March 31, 2023 through contractual maturity, are as follows:

	Up to 1 year	1 to 2 years	2 to 3 years	Over 3 years	Total
Consolidated:					
Floating rates liabilities	2,930,312	2,331,310	2,340,734	3,759,694	11,362,050
Fixed rates liabilities	64,826	607,446	701,405	517,657	1,891,334
Non-interest bearing liabilities	1,715,025	1,135,865	411,348	929,703	4,191,941
Total	4,710,163	4,074,621	3,453,487	5,207,054	17,445,325
Parent Company:					
Floating rates liabilities	1,659,054	1,390,354	1,265,092	3,321,657	7,636,157
Fixed rates liabilities	15,959	10,881	10,639	82,659	120,138
Non-interest bearing liabilities	921,799	422,103	353,988	854,303	2,552,193
Total	2,596,812	1,823,338	1,629,719	4,258,619	10,308,488

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\$5.33, this is 5% above the closing exchange rate of March 31, 2023 (R\$5.08) 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\$5.08	R\$5.33	R\$6.35	R\$7.62
Loans and financing	(518,447)	(2,633,919)	(2,765,614)	(3,292,398)	(3,950,877)
Suppliers	(53,100)	(269,769)	(283,258)	(337,212)	(404,654)
Other payables	(60,524)	(307,478)	(322,860)	(384,358)	(461,229)
(-) Cash, cash equivalents and marketable securities	82,377	418,508	439,434	523,135	627,762
Exposed net liabilities	(549,694)	(2,792,658)	(2,932,298)	(3,490,833)	(4,188,998)
Net effect on income			-	-	-
Net effect on equity			(139,640)	(698,175)	(1,396,340)

(e) Credit risk

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

- i) Accounts receivable from customers: to mitigate this risk, the Group adopts the policy of dealing only with counterparties that have credit capacity and obtain sufficient guarantees. Trade accounts receivables are substantially collateralized by the real estate units themselves and there is no customers concentration, which reduce exposure to credit risk. The Company recognize allowance for expected credit loss, as detailed in Note 2.2 (e) to the financial statements for the year ended December 31, 2022.
- ii) Financial investments: to mitigate default risk, the Group maintains its investments with highly rated financial institutions (above rating 'A').

(f) Social and Environmental risks

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

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

26. Current and deferred taxes

Deferred tax are broken down as follows:

	Consolidated		Parent Company	
	3/31/23	12/31/22	3/31/23	12/31/22
Noncurrent assets:				
Income tax (IRPJ) and social contribution (CSLL)	202,425	-	188,068	-
Liabilities:				
Income tax (IRPJ)	(76,155)	(75,587)	(19,626)	(19,206)
Social contribution (CSLL)	(25,358)	(24,712)	(10,256)	(10,036)
Total - IRPJ and CSLL	(101,513)	(100,299)	(29,882)	(29,242)
Tax on revenue (PIS)	(13,988)	(13,524)	(5,791)	(5,507)
Tax on revenue (COFINS)	(64,822)	(63,232)	(26,717)	(25,957)
Total - PIS and COFINS	(78,810)	(76,756)	(32,508)	(31,464)
Total	(180,323)	(177,055)	(62,390)	(60,706)
Current	(80,897)	(84,825)	(33,994)	(35,764)
Noncurrent	(99,426)	(92,230)	(28,396)	(24,942)
	(180,323)	(177,055)	(62,390)	(60,706)

Up to fiscal year 2022, the Company accumulated unused income tax losses, and the related deferred tax asset were not recognized due to the lack of expectation of recovering at the time. In the quarter ended March 31, 2023, the Company revised the projections, based on the expectation of growth in the group's activities, substantially related to profit from its subsidiary in the United States. Based on these assumptions, the Company verified the expectation of available future taxable profit against which the deferred tax asset recognized on March 31, 2023, in the amount of R\$188,068, can be used.

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

	Consolidated		Parent Company	
	1 st quarter of		1 st quarter of	
	2023	2022	2023	2022
Opening balance	(100,299)	(178,642)	(29,242)	(33,782)
Effect of deferred IRPJ and CSLL recognized in:				
Net income (loss) for the period	200,839	(4,462)	187,428	(1,850)
Currency translation adjustments	372	16,260	-	-
Closing balance	100,912	(166,844)	158,186	(35,632)

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

	Consolidated		Parent Company	
	3/31/23	12/31/22	3/31/23	12/31/22
Effects of IRPJ and CSLL on:				
Foreign earnings from subsidiary MRV (US)	(27,536)	(28,280)	-	-
Portion not received for real estate development	(76,777)	(74,832)	(31,511)	(30,670)
(-) Advances from customers	2,800	2,813	1,629	1,428
Tax loss	202,425	-	188,068	-
Net amount	100,912	(100,299)	158,186	(29,242)

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

	Consolidated		Parent Company	
	1 st quarter of		1 st quarter of	
	2023	2022	2023	2022
	(Restated)		(Restated)	
Income before income tax and social contribution	(120,429)	137,579	(142,260)	94,141
Tax rate - IRPJ and CSLL	34%	34%	34%	34%
Nominal expense	40,946	(46,777)	48,368	(32,008)
Effects of IRPJ and CSLL on:				
Equity results, gross of capitalized interest written off	(8,405)	(6,359)	33,432	41,159
Earmarked assets	62,358	46,154	9,718	25,270
Nondeductible expenses and unrecognized tax losses	(197,490)	(51,653)	(197,490)	(51,653)
Results with swaps	90,887	2,015	90,887	2,015
Tax loss from previous years	188,068	-	188,068	-
Subsidiaries taxable by RET regime	(19,071)	(15,779)	-	-
Other permanent differences	3,872	18,157	(146)	(2,508)
Expenses in profit or loss	161,165	(54,242)	172,837	(17,725)
Current	(39,674)	(49,780)	(14,591)	(15,875)
Deferred	200,839	(4,462)	187,428	(1,850)
	161,165	(54,242)	172,837	(17,725)
Effective rate	134%	39%	121%	19%

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

	IRPJ and CSLL	
	Consolidated	Parent Company
Expected realization:		
2023	30,317	15,960
2024	61,918	61,918
2025	58,994	58,994
2026	51,196	51,196
Total	202,425	188,068

27. Supplemental disclosures of cash flow information

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

	Consolidated		Parent Company	
	1 st quarter of		1 st quarter of	
	2023	2022	2023	2022
Capitalized financial charges (Note 12 (d))	117,237	105,735	81,636	75,081
Right-of-use - CPC 06 (R2)	83	17	-	-
Capital transaction	-	-	589	-
Currency translation adjustments:				
Investment properties	(107,203)	(385,476)	-	-
Property and equipment (Note 10)	(3,522)	(11,769)	-	-
Intangible assets (Note 11)	(132)	(1,160)	-	-
Loans, financing and debentures	(69,032)	(274,013)	-	-
Transfer investment property (Note 9):				
To inventories	(43,761)	-	(43,761)	(15,113)
To subsidiaries	-	-	(22,027)	(52,945)

28. Unrealized revenues, costs to be incurred and cancellations

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

	Consolidated		Parent Company	
	3/31/23	12/31/22	3/31/23	12/31/22
Projects under construction				
(i) Unrealized revenues from sold units				
(a) Revenues from contracted sales	15,877,976	16,615,052	7,659,579	8,487,320
Realized revenues:				
Realized revenues	(14,202,686)	(15,070,341)	(6,958,297)	(7,828,404)
Cancellations - Reversed revenues	6,876	7,339	1,704	1,397
(b) Realized revenues, net	(14,195,810)	(15,063,002)	(6,956,593)	(7,827,007)
Unrealized revenues (a + b)	1,682,166	1,552,050	702,986	660,313
(ii) Compensation revenue from cancellations	274	304	20	19 (*)
(iii) Unrealized revenues from contracts from non-qualifying contracts for revenue recognition	109	9	108	2 (*)
(iv) Provision for cancellations				
Adjustments on realized revenues	6,876	7,339	1,704	1,397
Adjustments on receivables from real estate development	(5,461)	(5,868)	(1,602)	(1,303)
Compensation revenue from cancellations	(274)	(304)	(20)	(19)
Liability - Rebates from cancellations	1,141	1,167	82	75
(v) Budgeted costs to be realized of sold units (**)				
Projects under construction:				
(a) Budgeted cost	10,201,292	10,744,339	5,050,457	5,581,775
Construction cost	(9,126,993)	(9,731,121)	(4,606,219)	(5,164,355)
Construction cost - cancellations	2,436	2,685	309	531
(b) Incurred cost, net	(9,124,557)	(9,728,436)	(4,605,910)	(5,163,824)
Costs to be incurred of sold units (a + b)	1,076,735	1,015,903	444,547	417,951
Driver CI/CO (does not consider financial cost)	89.45%	90.54%	91.20%	92.51%
(vi) Budgeted costs to be realized of units in inventory (**)				
Projects under construction				
(a) Budgeted cost	7,084,456	6,527,240	2,718,249	2,605,794
(b) Incurred cost	(2,503,742)	(2,401,848)	(934,228)	(938,524)
Cost to be incurred of units in inventory (a + b)	4,580,714	4,125,392	1,784,021	1,667,270

(*) Amounts referring to contracts that comprise the provision for cancellations.

(**) Does not consider financial cost and pre-projects.

29. Insurance

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

Items	Type of coverage	Insured amount
Construction insurance (engineering risk)	Insures, during the project construction period, any compensation for damages caused to the construction, such as: fire, lightning, theft, and other specific coverage of facilities and assemblies of the insured site.	12,347,593
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.	29,801
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.	658,554
Multi-peril insurance	Insures the completion of a project construction, compensation for damages caused by fire, lightning, windstorm, electrical damages, and glass shattering.	144,122
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.	2,540,000
Builder guarantee insurance	Insures the project financier that construction will be completed in the event of technical and/or financial inability by the Company.	1,760,683
Sundry risks insurance	Insures the payment to the financial agent of compensation for property damages caused to financed/leased equipment.	452
Civil liability (officers)	Insures the coverage of pain and suffering payable by Company officers (D&O).	130,000
Auto	Insures payment to the Company of any amounts arising from damages to insured vehicles, such as theft, collision, property damages, and bodily injuries to passengers.	463
Lenders insurance	Insures that the Company will receive the outstanding balance of a property sold in case of lender's death.	170,394
Group life and personal injury insurance	Insures payment of compensation related to involuntary personal injuries to employees, contractors, interns, and officers.	887,846
Residential	Insures payment of compensation to the Company for covered events in leased residential properties, events such as electric damages, fire, lightning, windstorm, etc.	12,246
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.	100,601
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.	616,549
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.	250,214
Infrastructure insurance	Insures to City authorities the completion of any infrastructure works required under licensing procedures of the projects under construction.	261,386
Property delivery insurance	Insures to the barterers the delivery of the units subject matter of the Barter Instrument entered into by the parties.	141,875
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.	364,325
Rent Guarantee Insurance	It guarantees indemnification to the lessor the receipt of rent, property tax, condominium and ancillary expenses if they are not paid by the lessee.	647
Financial guarantee insurance	It guarantees the indemnity to the seller of the land by means of payment in cash in case of impossibility or insolvency of the Borrower.	358,376

30. Subsequent events

On June 21, 2023, the public distribution of the 24th issue of simple, non-convertible, of the unsecured type, in a single series of debentures was concluded. The issuance comprises 97,380 debentures of R\$1 each, in the total amount of R\$97,380, maturing in 2 years, yielding CDI + 2.20% p.a. with interest and principal payments at maturity.

On June 29, 2023, the subsidiary Resia concluded the sale of the Pine Ridge project for the total amount of R\$374,220 and profit of R\$83,087, which on March 31, 2023, was recorded under line item 'Assets held for sale'.

The Company is analyzing the possibility of carrying out a public offering of shares ("Potential Offering"), having commissioned certain financial institutions and affiliates of these institutions to provide financial advisory services within the scope of the Potential Offering, including the analysis of the feasibility of the Potential Offering and the possible provision of services within the scope of this Potential Offering and preliminary work for the definition of the feasibility and terms of the Potential Offering. The effective completion of the Potential Offering is still under analysis by the Company and, until the issuance date of these interim financial statements, no final decision has been made yet regarding the effective implementation of the Potential Offering or its terms and conditions, which remains subject to the receipt of the necessary approvals both internally and externally, conditions of the Brazilian capital markets, favorable political and macroeconomic conditions, among other factors beyond the control of the Company.

31. Approval of the Interim Financial Statements

These interim financial statements were analyzed by the Audit Committee and the Fiscal Board and authorized for issue by the Executive Board on July 5, 2023.