



Belo Horizonte, August 8<sup>th</sup>, 2022 - Direcional Engenharia S.A., one of the largest homebuilders and real estate development companies in Brazil, focused on the development of low-income and medium-income projects, and operating in several regions of the Brazilian Territory, discloses here its operating and financial statements for the second quarter of 2022 (2Q22). Unless otherwise expressed, the information in this document is expressed in the national currency (Brazilian Reais – R\$ or BRL) and the Potential Sales Value (PSV) demonstrates the value consolidated (100%). The Company's consolidated financial statements are prepared in accordance with accounting practices adopted in Brazil, which are based on Brazilian Corporate Law and on the regulations issued by the Brazilian Securities Commission (CVM).

## 2Q22 EARNINGS RELEASE

- ✓ RECORD-HIGH NET REVENUE: BRL 586 MILLION IN 2Q22, GROWING 25% VERSUS 1Q22 AND 39% VERSUS 2Q21
- ✓ ADJUSTED GROSS MARGIN<sup>1</sup> OF 35.4% IN 2Q22 AND 35.6% IN 1H22
- ✓ ADJUSTED EBITDA<sup>1</sup> OF BRL 119 MILLION IN 2Q22, +23% VERSUS 1Q22 AND +32% VERSUS 2Q21
- ✓ ADJUSTED NET INCOME<sup>2</sup> OF BRL 55 MILLION IN 2Q22 AND BRL 91 MILLION IN 1H22, AND ADJUSTED ANNUALIZED ROE<sup>2</sup> OF 16%

### HIGHLIGHTS

- Net Sales record in 2Q22: BRL 836 million, growing 34% versus 1Q22 and 36% versus 2Q21.
- Net sales speed index (VSO) reached 20% in the quarter and 23% in Direcional segment.
- Dilution of 1.2 p.p. of Sales Expenses over Development Gross Revenue when compared to 2Q21.
- Dilution of 1.4 p.p. of G&A over Gross Revenue when compared to 2Q21.
- Adjusted EBITDA Margin<sup>1</sup> of 20.3% in the quarter and 20.5% in the semester.
- Cash Generation of BRL 20 million in 2Q22.
- Subsequent event: payment of dividends of BRL 0.47 per share, an approximate amount of BRL 70 million.
- Subsequent event: Direcional's 1<sup>st</sup> social bond issuance, with a fund raising of BRL 300 million, and maturity in 10 years, extending the weighted average maturity of debt to 47 months.

### RIVA

- 2Q22 net sales totaled BRL 236 million, a 38% growth versus 2Q21.
- In 1H22, net sales grew 35% over 1H21, totaling BRL 407 million.
- Riva's VSO reached 17% in the quarter, 3 p.p. above 1Q22.

1 - Adjustment excluding capitalized interest for financing of production.

2 - Adjustment excluding expenses with the sale of receivables and the equity swap result.



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## MESSAGE FROM THE BOARD

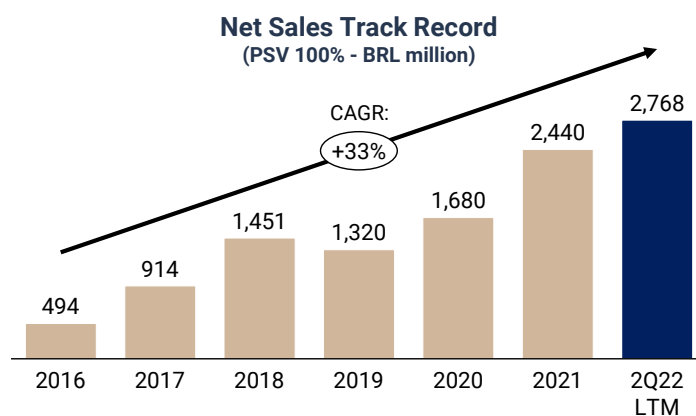
The changes we observed over the latest months in the real estate industry, especially with the current economic conditions, brought new challenges to the Companies. The dynamism of that scenario has tested the resilience of players and their capability to overcome setbacks, resulting in a wary view of the market in relation to the execution capacity of the participants.

In parallel, significant changes recently occurred within the *Casa Verde e Amarela* housing program, in order to recover the purchasing power of families eligible for the benefit and the pace of contracts, opened new possibilities for the players, which we see to be beneficial for Direcional, the industry, and Brazil. The results we are presenting below make us believe we have conducted our operations in line with our planning and enjoyed all the opportunities that come.

In the second quarter of 2022, we launched 3,261 units, distributed in 10 new projects, which are part of Direcional and Riva's product portfolio. The Potential Sales Value for the launches totaled BRL 790 million in 2Q22, contributing to an accumulated volume of BRL 1.4 billion in the first half of the year.

Despite the uncertainties of the current scenario about the pace of the economy and the consumer's confidence, we saw a strong demand for our products as we had already seen in the latest years. In that sense, we set another record in Net Sales in the quarter, with BRL 836 million in 2Q22, surpassing by 25% the previous record, which was set in 4Q21. Likewise, Net Sales Speed ratio (VSO) went up by 4.4 p.p. when compared to 1Q22, reaching 20% – 23% in Direcional segment and 17% in Riva segment. Considering the first quarter of 2022, net contracted PSV totaled BRL 1.5 billion. It is worth mentioning that Riva's Net Sales in 2Q22 went up by 38% when compared to the previous quarter and 32% when compared to the same quarter of the previous year, totaling BRL 236 million. In 1H22, Riva's Net Sales accounted for BRL 407 million of the volume sold by Direcional Group.

Graph below shows Net Sales over the latest years, including the last twelve months ended in 2Q22 (2Q22 LTM). We can see how evident our operations are rising, with an expressive compound annual growth rate in the period.



In the latest earnings releases, we have commented that the successive records in sales we have had since 2020, and the consequent increased backlog revenue, pointed out to a positive expectation about the revenue in the upcoming quarters. The progress of construction works is allowing us to recognize good part of the revenue contracted, as evidenced in the 2Q22 results.

Gross Revenue in 2Q22 totaled BRL 614 million, an all-time high level for the Company, with 96% accounting for revenue from real estate sales and 4% accounting for revenue from services. As a result, Net Revenue in 2Q22 set a new record in 2Q22, reaching BRL 586 million – 20% above the previous record. In 1H22, Net Revenue reached BRL 1.1 billion, a growth rate of 26% versus 1H21.



We also stand out our resilient Gross Margin, despite another challenging quarter when it comes to the prices of inputs. Our constant attention to the unit prices dynamics – always adjusted under the pricing policy –, the management of supply inventories, the product *mix*, and the frequent follow-up of the budgets of construction works in progress – and those of products yet to be launched – has allowed us to keep our Gross Margin in stable levels over time. Adjusted Gross Profit<sup>1</sup> totaled BRL 207 million in 2Q22, a growth rate of 23% over 1Q22 and 29% over 2Q21, resulting in an Adjusted Gross Margin<sup>1</sup> of 35.4%. In 1H22, Adjusted Gross Profit totaled BRL 375 million, a 21% increase versus 1H21, with an Adjusted Gross Margin of 35.6%.

The increased earned revenue also resulted in another positive factor for the quarterly results: the dilution in both Sales Expenses and General & Administrative Expenses. In that sense, we have:

- (i) Sales Expenses accounted for 9.0% over Development Gross Revenue in 2Q22, resulting in a dilution of 1.2 p.p. when compared to 2Q21. Sales Expenses over Net Sales index went down to 6.3%, resulting in a 1.1 p.p. dilution in the same period;
- (ii) General & Administrative Expenses accounted for 5.9% of the Gross Revenue in 2Q22, versus 7.3% in 2Q21, resulting in a dilution of 1.4 p.p. when comparing both periods.

We have once more translated our operational efficiency into positive signs, with an Adjusted EBITDA<sup>1</sup> achieving the highest level in our history. We reached BRL 119 million in EBITDA in 2Q22, a 23% growth when compared to 1Q22 and a 32% growth when compared to 2Q21, with an Adjusted EBITDA Margin<sup>1</sup> of 20.3%. Adjusted EBITDA reached BRL 216 million in 1H22, a growth rate of 29% versus 1H21, and Adjusted EBITDA Margin reached 20.5%.

Net Income totaled BRL 41 million in 2Q22, a 50% increase versus 1Q22, with a Net Margin of 7.0%. In 1H22, it totaled BRL 69 million, in line with the results observed in 1H21. To analyze the Net Income disregarding the effects caused by (i) the equity swap indexed to the Company's stocks, within the scope of the share buyback program, in the amount of BRL 9 million in 2Q22; and (ii) the expenses arising from the portfolio sale operation incurred in the lines of financial expenses and other revenues and expenses, in the total amount of approximately BRL 5 million, Adjusted Net Income<sup>2</sup> totaled BRL 55 million in 2Q22, with an Adjusted Net Margin<sup>2</sup> of 9,4%. In 1H22, Adjusted Net Income totaled BRL 91 million, and Adjusted Net Margin reached 8.6%.

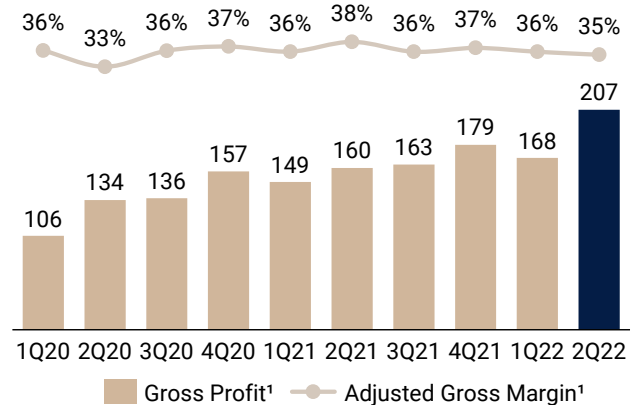
Considering the benefits from the accelerated revenue with real estate sales, we reduced our Accounts Receivable Days to 85 days in 2Q22, one of the best in the industry. The indicator is a result from the ratio between the Accounts Receivable for real estate sales and the Net Revenue for that segment within a determined time frame. The 16% drop when compared to 1Q22 and 15% versus 2Q21 shows the receivables management has kept controlled levels.

Our leverage ratio, calculated by the Adjusted Net Debt<sup>3</sup> over Equity, closed the quarter at 14.1% and went down by 1.3 p.p. when compared to 1Q22, with a net debt of BRL 215 million. Our leverage ratio, calculated by the Adjusted Net Debt<sup>3</sup> over Equity, closed the quarter at 14.1% and went down by 1.3 p.p. when compared to 1Q22, with a net debt of BRL 215 million. It is worth mentioning that 88% of our total indebtedness is long-term, and the average maturity of our indebtedness is of 38 months in 2Q22.

Taking advantage of the opportunities that we have identified, we closed, after the end of 2Q22, another public offering of Certificates of Real Estate Receivables (CRI), pursuant to CVM Instruction No. 400. The success we had in the proceeds allowed us to issue additional bonds, with the fundraising reaching BRL 300 million – 20% above the initial estimated amount. With a brAAA rating, the CRI has a 10-year maturity, a time frame that is very uncommon among the bonds in the industry. We managed to extend the Company's debt profile, which is now above 47 months, with a final cost of CDI + 1.22% *per annum*, already including the interest rate swap.

Considering the allocation of funds raised in the proceeds for developing projects for low-income families, there are several social and economic impacts that will result from those projects. Therefore, our CRI has been classified as a bond with social

Adjusted Gross Profit<sup>1</sup> Track Record  
(BRL million and %)





positive outcomes (social bond) by a Second-Party Opinion, issued by an independent company. Of the four components assessed for alignment with the best practices of the *Social Bond Principles*, governed by the *International Capital Market Association* (ICMA), we had the best rating (“leadership”) in three of them. The Second-Party Opinion pointed out the offer is in line with the Sustainable Development Goals (SDGs), especially within the SDGs 1, 8, 10, and 11.

The maintenance of a responsible and balanced capital structure allows us to keep committed to value creation to our shareholders. In that sense, we made a buyback of 549,000 shares in 2Q22, corresponding to an amount of approximately BRL 5.5 million. Additionally, in an event subsequent to the end of the quarter, our Board of Directors approved the distribution of interim dividends at BRL 0.47 per share, totaling an approximate amount of BRL 70 million. The payment was made on July 25<sup>th</sup>, 2022. Considering dividends and share buyback, Direcional has already returned over BRL 1.0 billion to its shareholders since the IPO, in 2009.

We thank everyone who contributed to another quarter full of historical milestones and achievements, taking our results to another level and making Direcional soar high.

Thank You,

#### The Management - Direcional Engenharia S.A.

- 1 - Adjustment excluding capitalized interest for financing of production.
- 2 - Adjustment excluding expenses with the sale of receivables and the equity swap result.
- 3 - Adjustment by balance of interest swap operations contracts.



## MAIN INDICATORS

	2Q22 (a)	1Q22 (b)	2Q21 (c)	Δ % (a/b)	Δ % (a/c)	1H22 (d)	1H21 (e)	Δ % (d/e)
<b>Financial Indicators</b>								
Net Revenue (BRL '000)	586,126	468,094	422,162	25,2%	38,8%	1,054,220	836,047	26,1%
Gross Profit (BRL '000)	205,165	167,158	159,582	22,7%	28,6%	372,323	307,250	21,2%
Gross Margin	35.0%	35.7%	37.8%	-0.7 p.p.	-2.8 p.p.	35.3%	36.8%	-1.4 p.p.
Adjusted Gross Profit <sup>1</sup> (BRL '000)	207,199	168,298	160,274	23,1%	29,3%	375,497	309,229	21,4%
Adjusted Gross Margin <sup>1</sup>	35.4%	36.0%	38.0%	-0.6 p.p.	-2.6 p.p.	35.6%	37.0%	-1.4 p.p.
Adjusted EBITDA <sup>1</sup> (BRL '000)	118,941	97,033	89,996	22,6%	32,2%	215,974	167,799	28,7%
Adjusted EBITDA Margin <sup>1</sup>	20.3%	20.7%	21.3%	-0.4 p.p.	-1.0 p.p.	20.5%	20.1%	0.4 p.p.
Adjusted Net Income <sup>2</sup> (BRL '000)	55,143	35,632	40,688	54,8%	35,5%	90,775	67,793	33,9%
Adjusted Net Margin <sup>2</sup>	9.4%	7.6%	9.6%	1.8 p.p.	-0.2 p.p.	8.6%	8.1%	0.5 p.p.
<b>Launches</b>								
PSV Launched - 100% (BRL '000)	790,369	599,069	786,923	31.9%	0.4%	1,389,438	1,363,983	1.9%
Direcional	489,581	396,445	599,155	23.5%	-18.3%	886,026	1,050,017	-15.6%
Riva	300,788	202,623	187,768	48.4%	60.2%	503,412	313,965	60.3%
PSV Launched - % Company (BRL '000)	703,651	557,281	662,361	26.3%	6.2%	1,260,933	1,116,590	12.9%
Direcional	467,161	354,658	474,593	31.7%	-1.6%	821,819	802,625	2.4%
Riva	236,490	202,623	187,768	16.7%	25.9%	439,113	313,965	39.9%
Launched Units	3,261	2,831	4,153	15.2%	-21.5%	6,092	6,624	-8.0%
Direcional	2,436	2,136	3,385	14.0%	-28.0%	4,572	5,394	-15.2%
Riva	825	695	768	18.7%	7.4%	1,520	1,230	23.6%
<b>Contracted Net Sales</b>								
Net PSV Contracted - 100% (BRL '000)	835,691	621,942	614,496	34.4%	36.0%	1,457,633	1,129,460	29.1%
Direcional	600,542	447,912	433,406	34.1%	38.6%	1,048,454	818,474	28.1%
Riva	235,603	171,226	178,387	37.6%	32.1%	406,829	300,537	35.4%
Old Harvest <sup>3</sup>	-454	2,803	2,703	-116.2%	-116.8%	2,349	10,449	-77.5%
Net PSV Contracted - % Co. (BRL '000)	674,215	507,991	515,665	32.7%	30.7%	1,182,205	954,609	23.8%
Direcional	493,738	371,973	364,201	32.7%	35.6%	865,711	687,669	25.9%
Riva	180,563	134,559	149,183	34.2%	21.0%	315,123	259,201	21.6%
Old Harvest	-86	1,458	2,281	-105.9%	-103.8%	1,372	7,740	-82.3%
Contracted Units	3,920	2,945	3,168	33.1%	23.7%	6,865	5,870	17.0%
Direcional	3,118	2,347	2,491	32.9%	25.2%	5,465	4,741	15.3%
Riva	804	592	668	35.8%	20.4%	1,396	1,098	27.1%
Old Harvest	-2	6	9	-133.3%	-122.2%	4	31	-87.1%
Consolidated Net Sales Speed - (% PSV)	20%	16%	18%	4 p.p.	2 p.p.	31%	29%	2 p.p.
Direcional VSO - (% PSV)	23%	18%	17%	5 p.p.	6 p.p.	35%	28%	7 p.p.
Riva VSO - (% PSV)	17%	14%	26%	3 p.p.	-9 p.p.	26%	37%	-11 p.p.
Old Harvest VSO - (% PSV)	0%	3%	2%	-3 p.p.	-2 p.p.	2%	7%	-5 p.p.
<b>Other Indicators</b>								
Adjusted Annualized ROE <sup>2</sup>	16%	11%	16%	16%	14%	9%	13%	9%
Cash and Cash Equivalents (BRL '000)	959,132	1,060,253	1,049,160	934,763	946,589	974,980	926,929	1,093,709
Gross Debt (BRL '000)	1,174,460	1,290,949	1,241,402	1,201,201	1,190,639	1,077,179	1,031,168	1,121,350
Adjusted Net Debt <sup>4</sup> (BRL '000)	215,328	230,696	195,910	266,238	241,610	104,208	97,234	18,614
Total Shareholder's Equity (BRL '000)	1,534,449	1,491,187	1,458,780	1,356,494	1,297,797	1,348,987	1,339,998	1,450,377
Cash Generation (Cash Burn) <sup>5</sup>	19,883	-34,406	19,542	-22,700	-28,929	14,735	62,704	14,319
Net Debt <sup>4</sup> / Equity	14.1%	15.4%	13.4%	19.6%	18.6%	7.7%	7.3%	1.3%
Inventory - 100 % (PSV - BRL '000)	3,265,973	3,310,357	3,257,244	3,178,011	2,721,703	2,555,989	2,502,447	2,328,376
LandBank - 100 % (PSV - BRL '000)	28,203,973	27,797,921	26,806,722	25,474,475	26,486,852	24,936,829	24,799,480	24,506,867
LandBank - Units	156,148	156,004	151,744	147,702	151,357	144,223	143,844	142,379

1 - Adjustment excluding capitalized interest for financing of production.

2 - Adjustment excluding expenses with the sale of receivables and the equity swap result.

3 - Old Harvest: comprises projects of the middle-income, upper-middle income and commercial segments developed in the former model.

4 - Adjustment: balance of open positions in swap agreements.

5 - Cash Generation (Cash Burn): net debt variation adjusted by payment of dividends, stock repurchase, and variation in the balance of interest swap operation agreements.

## LAUNCHES

During 2Q22, Direcional launched 10 new projects, totaling a PSV of BRL 790 million (BRL 704 million % Company), 32% above the amount launched in 1Q22 and in line with launched PSV in 2Q21. The representativeness of Direcional's products in the mix of launches reached 62% in the quarter, while Riva's represented 38% of launched PSV.

Considering the the first semester of 2022 (1H22), the volume of launches grew 2% compared to the first semester of 2021 (1H21).

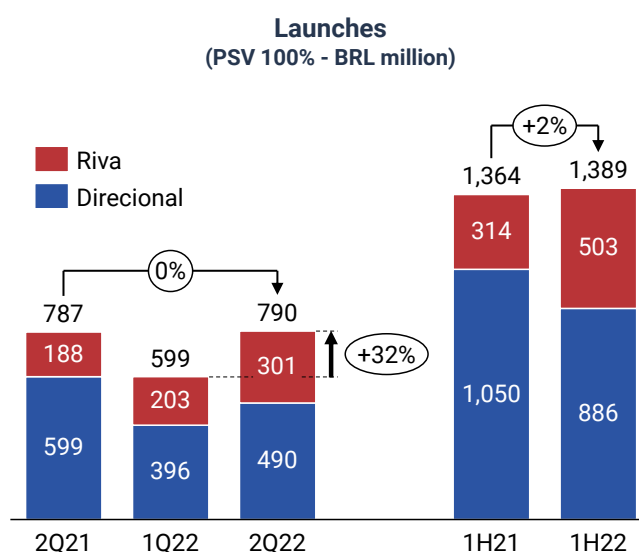


Table below provides further information on projects launched in 2Q22 and in 1H22:

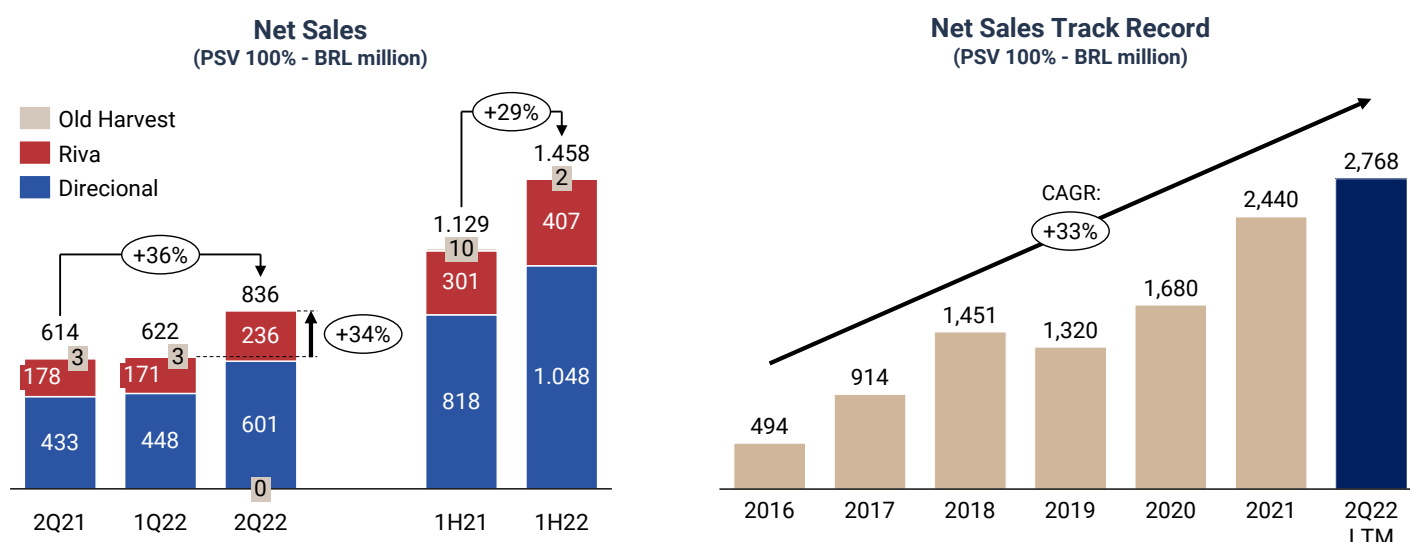
Launches	2Q22 (a)	1Q22 (b)	2Q21 (c)	Δ % (a/b)	Δ % (a/c)	1H22 (d)	1H21 (e)	Δ % (d/e)
<b>PSV Launched - 100% (BRL '000)</b>	<b>790,369</b>	<b>599,069</b>	<b>786,923</b>	<b>31.9%</b>	<b>0.4%</b>	<b>1,389,438</b>	<b>1,363,983</b>	<b>1.9%</b>
Direcional	489,581	396,445	599,155	23.5%	-18.3%	886,026	1,050,017	-15.6%
Riva	300,788	202,623	187,768	48.4%	60.2%	503,412	313,965	60.3%
<b>PSV Launched - % Company (BRL '000)</b>	<b>703,651</b>	<b>557,281</b>	<b>662,361</b>	<b>26.3%</b>	<b>6.2%</b>	<b>1,260,933</b>	<b>1,116,590</b>	<b>12.9%</b>
Direcional	467,161	354,658	474,593	31.7%	-1.6%	821,819	802,625	2.4%
Riva	236,490	202,623	187,768	16.7%	25.9%	439,113	313,965	39.9%
<b>Launched Units</b>	<b>3,261</b>	<b>2,831</b>	<b>4,153</b>	<b>15.2%</b>	<b>-21.5%</b>	<b>6,092</b>	<b>6,624</b>	<b>-8.0%</b>
Direcional	2,436	2,136	3,385	14.0%	-28.0%	4,572	5,394	-15.2%
Riva	825	695	768	18.7%	7.4%	1,520	1,230	23.6%
Average % Company	89.0%	93.0%	84.2%	-4 p.p.	5 p.p.	90.8%	81.9%	9 p.p.
<b>Average Price (BRL/unit)</b>	<b>242,370</b>	<b>211,610</b>	<b>189,483</b>	<b>14.5%</b>	<b>27.9%</b>	<b>228,076</b>	<b>205,915</b>	<b>10.8%</b>
Direcional	200,977	185,602	177,003	8.3%	13.5%	193,794	194,664	-0.4%
Riva	364,592	291,544	244,490	25.1%	49.1%	331,192	255,256	29.7%

## CONTRACTED SALES

Contracted Net Sales reached a PSV of BRL 863 million in 2Q22 (BRL 674 million % Company), a growth rate of 34% in comparison with 1Q22 and 36% when compared to 2Q21. This performance marked 2Q22 as the **best quarter in terms of net sales in Direcional's history**, surpassing by 25% the previous record, which had been reached in 4Q21.

Considering the sales mix in 2Q22, in the Direcional segment, net sales reached BRL 601 million (BRL 494 million % Company), growing 34% over 1Q22 and 39% over 2Q21. In the Riva segment, net sales reached a PSV of BRL 236 million (BRL 181 million % Company), 38% above the previous quarter and 32% above the same quarter of 2021.

In 1H22, net sales totaled BRL 1.5 billion (BRL 1.2 billion % Company), a 29% increase in comparison with 1H21. As a result, Direcional products represented about 72% of the volume sold in the period, while Riva products accounted for 28%. In both segments, there was an increase in net contracted PSV.



The table below presents information about Net Sales in 2Q22 and in 1H22:

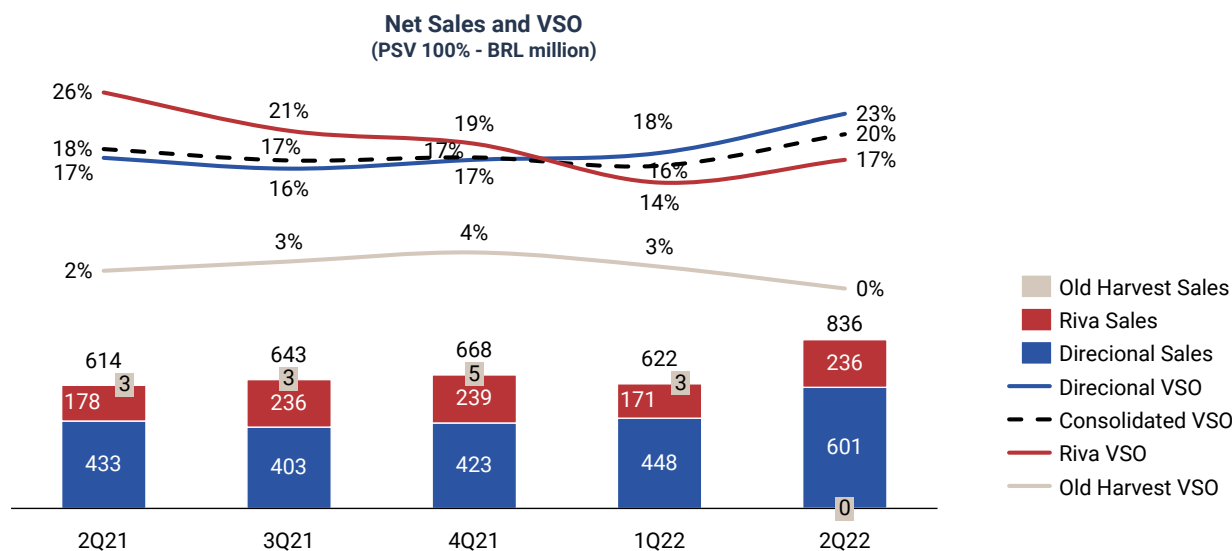
Contracted Net Sales	2Q22 (a)	1Q22 (b)	2Q21 (c)	Δ % (a/b)	Δ % (a/c)	1H22 (d)	1H21 (e)	Δ % (d/e)
<b>Net Contracted Sales - PSV 100% (BRL '000)</b>	<b>835,691</b>	<b>621,942</b>	<b>614,496</b>	<b>34.4%</b>	<b>36.0%</b>	<b>1,457,633</b>	<b>1,129,460</b>	<b>29.1%</b>
Direcional	600,542	447,912	433,406	34.1%	38.6%	1,048,454	818,474	28.1%
Riva	235,603	171,226	178,387	37.6%	32.1%	406,829	300,537	35.4%
Old Harvest <sup>1</sup>	-454	2,803	2,703	-116.2%	-116.8%	2,349	10,449	-77.5%
<b>Net Contracted Sales - PSV % Company (BRL '000)</b>	<b>674,215</b>	<b>507,991</b>	<b>515,665</b>	<b>32.7%</b>	<b>30.7%</b>	<b>1,182,205</b>	<b>954,609</b>	<b>23.8%</b>
Direcional	493,738	371,973	364,201	32.7%	35.6%	865,711	687,669	25.9%
Riva	180,563	134,559	149,183	34.2%	21.0%	315,123	259,201	21.6%
Old Harvest	-86	1,458	2,281	-105.9%	-103.8%	1,372	7,740	-82.3%
<b>Contracted Units</b>	<b>3,920</b>	<b>2,945</b>	<b>3,168</b>	<b>33.1%</b>	<b>23.7%</b>	<b>6,865</b>	<b>5,870</b>	<b>17.0%</b>
Direcional	3,118	2,347	2,491	32.9%	25.2%	5,465	4,741	15.3%
Riva	804	592	668	35.8%	20.4%	1,396	1,098	27.1%
Old Harvest	-2	6	9	-133.3%	-122.2%	4	31	-87.1%
<b>Net Sales Speed (VSO) in PSV</b>	<b>20%</b>	<b>16%</b>	<b>18%</b>	<b>4 p.p.</b>	<b>2 p.p.</b>	<b>31%</b>	<b>29%</b>	<b>2 p.p.</b>
Direcional	23%	18%	17%	5 p.p.	6 p.p.	35%	28%	7 p.p.
Riva	17%	14%	26%	3 p.p.	-9 p.p.	26%	37%	-11 p.p.
Old Harvest	0%	3%	2%	-3 p.p.	-2 p.p.	2%	7%	-5 p.p.

1 - Old Harvest: Comprises projects of the middle income, upper-middle income and commercial segments, developed in the former model.



## NET SALES SPEED (VSO)

In 2Q22, net sales speed, measured by the VSO index (Sales-Over-Supply ratio), reached 20%, establishing an increase of 4 p.p. versus 1Q22. The VSO of projects at Direcional, excluding Old Harvest segment, reached 23% in the quarter (+ 5 p.p. over 1Q22). Riva's VSO reached 17% in the period (+ 3 p.p. over 1Q22).

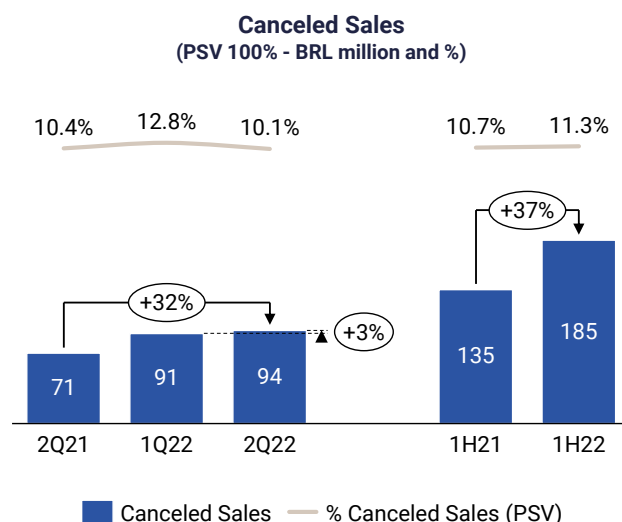


## Canceled Sales

In 2Q22, Canceled Sales totaled BRL 94 million (BRL 80 million % Company), representing a nominal increase of 3% over 1Q22. However, the percentage of Canceled Sales over Gross Sales reached 10.1% in the quarter, going down by 2.7 p.p. in the period. When compared to 2Q21, the dilution rate was 0.3 p.p.

Considering the first semester of 2022, PSV of Canceled Sales totaled BRL 185 million (BRL 154 million % Company), a volume 37% higher than that recorded in 1H21, following the Company's operational growth. Canceled Sales over Gross Sales had an 11.3% ratio in the period.

The table below shows more information regarding 2Q22 and 1H22:



Canceled Sales <sup>1</sup>	2Q22 (a)	1Q22 (b)	2Q21 (c)	Δ % (a/b)	Δ % (a/c)	1H22 (d)	1H21 (e)	Δ % (d/e)
Canceled Sales (100% - BRL '000)	-94,057	-91,020	-71,100	3.3%	32.3%	-185,077	-135,277	36.8%
Gross PSV Contracted (100%)	929,749	712,961	685,596	30.4%	35.6%	1,642,710	1,264,737	29.9%
% Canceled Sales / Gross PSV Contracted	10.1%	12.8%	10.4%	-3 p.p.	0 p.p.	11.3%	10.7%	1 p.p.
Canceled Sales (% Company - BRL '000)	-79,661	-73,923	-65,351	7.8%	21.9%	-153,584	-122,949	24.9%
Gross PSV Contracted (% Company)	753,876	581,914	581,016	29.6%	29.8%	1,335,789	1,077,558	24.0%
% Canceled Sales / Gross PSV Contracted	10.6%	12.7%	11.2%	-2 p.p.	-1 p.p.	11.5%	11.4%	0 p.p.

1 - In canceled PSV, transfers of credit from customers of the unit originally acquired to another unit of our inventory are disregarded.



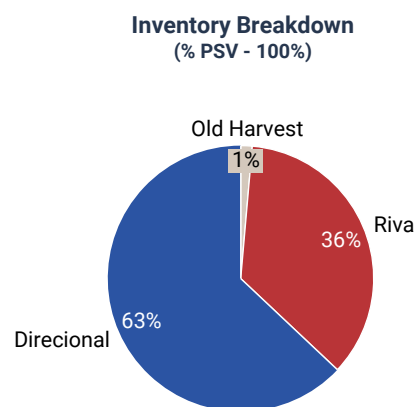
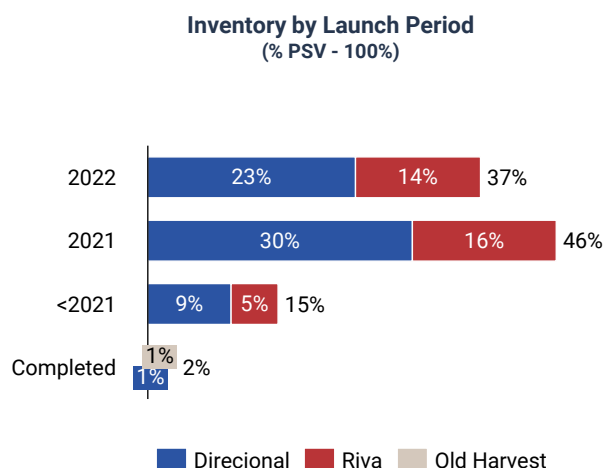
## INVENTORY

Direcional ended 2Q22 with 13,678 units in inventory, totaling a PSV of BRL 3.3 billion (BRL 2.8 billion % Company).

Table below shows the inventory at market value, detailed by stage of construction and by type of product. It is worth mentioning that **about 2% of the total PSV refers to completed units, with 1% related to Direcional projects (ex-Old Harvest products), and less than 1% related to Riva products.**

Breakdown of Inventory at Market Value	PSV Total				PSV % Company			
	Direcional	Riva	Old Harvest	Total	Direcional	Riva	Old Harvest	Total
<b>In progress (BRL million)</b>	2,034	1,157	0	3,191	1,793	938	0	2,731
<i>% Total</i>	62%	35%	0%	98%	64%	34%	0%	98%
<b>Completed (BRL million)</b>	22	8	46	76	19	7	29	56
<i>% Total</i>	1%	0%	1%	2%	1%	0%	1%	2%
<b>Total (BRL million)</b>	<b>2,057</b>	<b>1,164</b>	<b>46</b>	<b>3,267</b>	<b>1,812</b>	<b>946</b>	<b>29</b>	<b>2,787</b>
<i>% Total</i>	63%	36%	1%	100%	65%	34%	1%	100%
<b>Total Units</b>	<b>9,881</b>	<b>3,672</b>	<b>125</b>	<b>13,678</b>	<b>9,880</b>	<b>3,672</b>	<b>124</b>	<b>13,676</b>
<i>% Total Units</i>	72%	27%	1%	100%	72%	27%	1%	100%

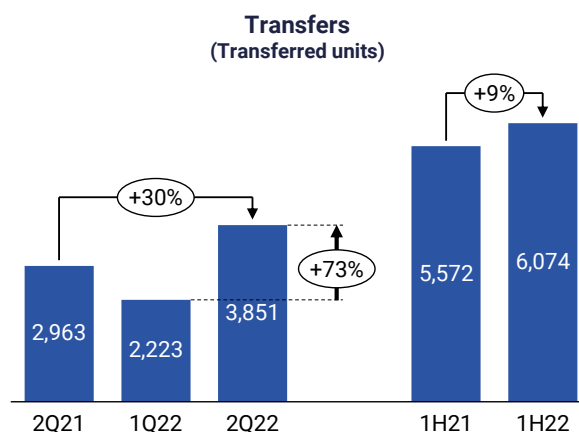
The following charts show further information on the evolution and breakdown of the inventory. It should be noted that **83% of the PSV in inventory accounts for projects launched from 2021 on.**



## TRANSFERS

In 2Q22, transfers totaled 3,851 units, representing a growth rate of 73% over the results observed in 1Q22. When comparing with 2Q21, the growth rate was 30%.

Considering the 1H22, we had a total of 6,074 transfers, accounting for a growth rate of 9% when compared to 1H21.



## PROJECTS DELIVERED

Direcional delivered 6 projects/stages in 2Q22, which corresponds to 1,792 units, all within the *Programa Casa Verde e Amarela* (PCVA).

We delivered 15 projects/stages in 1H22, totaling 4,512 units. Of these, 93% accounts for Direcional segment and 7% accounts for Riva segment.

## LANDBANK

Direcional's landbank ended 2Q22 with a development potential of 156,148 units and PSV of BRL 28 billion (BRL 26 billion % Company).

The average cost of acquisition was equivalent to 11% of the PSV, and 80% of the payment shall be made through swaps, which causes a reduced impact on the Company's cash position before the beginning of the development stage of the projects.

Evolution of Landbank (BRL million)	2021 Lands	1H22 Acquisitions	1H22 Launches	Adjustments <sup>1</sup>	1H22 Lands	1H22 PSV % Co.	Units
Total PSV	26,807	2,971	(1,389)	(184)	28,204	25,503	156,148

<sup>1</sup> Adjustments: update of sales price; canceled sales and swaps.

## Land Acquisition

During 2Q22, 9 plots of lands were acquired, with a construction potential of more than 6,100 units and a PSV of BRL 1.6 billion (BRL 1.3 billion % Company).

The average cost of acquisition in the quarter was equivalent to 12% of PSV, and 76% of the payment shall be made via swaps.

## ECONOMIC AND FINANCIAL PERFORMANCE

## Gross Operating Revenue

Direcional's Gross Revenue totaled BRL 614 million in 2Q22, a growth rate of 25% when compared to 1Q22, and 33% to 2Q21. **That was the highest level of Gross Revenue registered by the Company in a quarter.** Considering the first semester of 2022, Gross Operational Revenue reached BRL 1.1 billion, a growth rate of 22% when compared to 1H21.

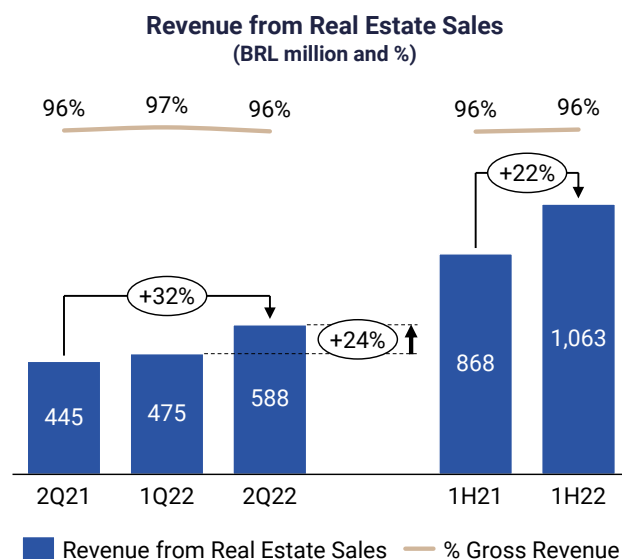
Revenue from Real Estate Sales accounted for 96% of the total revenue both in the quarter and the semester.

Gross Revenue (BRL '000)	2Q22 (a)	1Q22 (b)	2Q21 (c)	Δ % (a/b)	Δ % (a/c)	1H22 (d)	1H21 (e)	Δ % (d/e)
Gross Operating Revenue	613,534	488,974	462,554	25.5%	32.6%	1,102,508	906,436	21.6%
Real Estate Sales	587,855	474,798	444,503	23.8%	32.2%	1,062,653	867,683	22.5%
Services	25,679	14,176	18,051	81.1%	42.3%	39,855	38,753	2.8%

## Revenue from Real Estate Sales

Gross Revenue from Real Estate Sales, which encompasses the results from sales of Direcional, Riva and Old Harvest products, reached BRL 588 million in 2Q22, a 24% growth over 1Q22, and a 32% growth over 2Q21. Regarding 1H22, it went up by 22% when compared to 1H21, to BRL 1.1 billion. Gross Revenue from Real Estate Sales performance is mainly related to the volume of sales and the evolution of the construction works in a determined period.

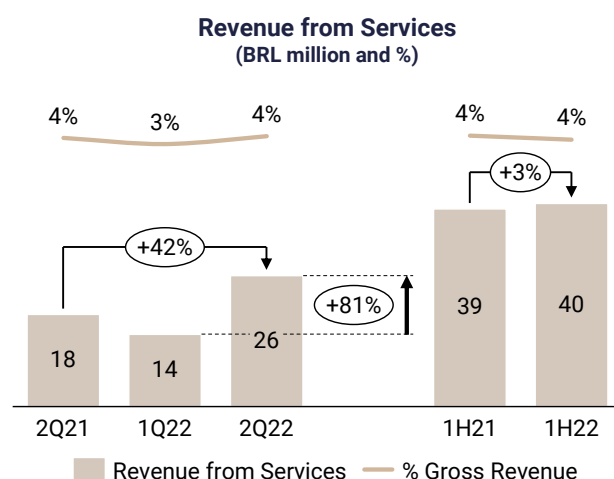
In that sense, as observed in the latest earnings releases, the successive sales records in the previous quarters contributed to the increased backlog revenue. According to the accounting method we use (Percentage of Completion - PoC), the recognition of those amounts is proportional to the execution of the projects. The high sales volume and the evolution of the pace of construction are allowing us to recognize the contracted revenue, granting a significant growth.



## Revenue from Services

Gross Revenue from Services accounted for 4% of the total Gross Revenue in the quarter. It consists of (i) brokerage on sales made by a brokerage firm; (ii) works management fee; and (iii) recognition of revenue from works under contract (former *Minha Casa, Minha Vida Faixa 1*).

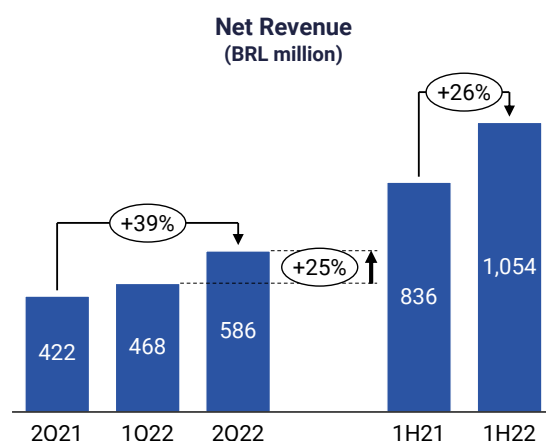
In 2Q22, it reached BRL 26 million, a growth rate of 81% versus 1Q22 and 42% versus 2Q21. In 1H22, earned revenue reached BRL 40 million, going up by 3% when compared to 1H21. As disclosed in previous releases, this revenue line is expected to have low representativeness in total Gross Revenue.





## Net Revenue

In 2Q22, Net Operational Revenue reached BRL 586 million, a growth rate of 25% in relation to 1Q22, and 39% in relation to 2Q21. In 1H22, Net Revenue was 26% higher than in 1H21, totaling BRL 1.1 billion.

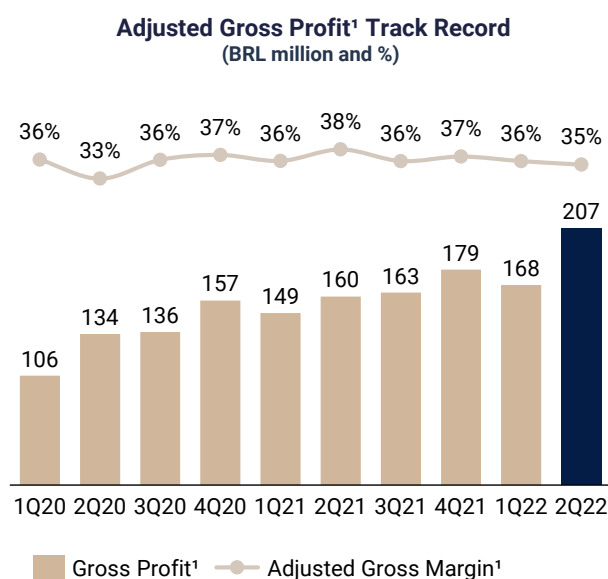
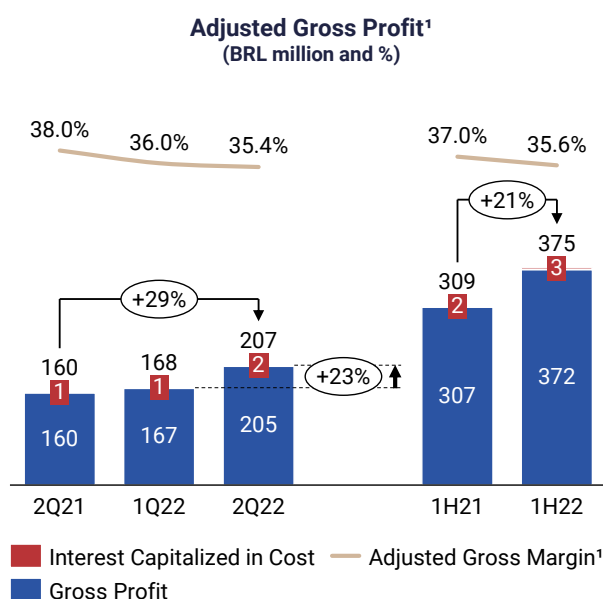


## Gross Profit

Adjusted Gross Profit<sup>1</sup> reached BRL 207 million in 2Q22, 23% more than in 1Q22 and 29% more than in 2Q21. Adjusted Gross Margin<sup>1</sup> totaled 35.4% in the quarter.

Adjusted Gross Profit totaled BRL 375 million in 1H22, a growth rate of 21% when compared to 1H21. Adjusted Gross Margin totaled 35.6% in 1H22.

Despite the high inflation scenario, observed especially since 2020, the Company maintains its operation focused on efficiency and profitability. Factors such as the constant revision of unit prices, the management of supply inventories, the adjustment in the product *mix*, and the diligent follow-up of the budgets of construction works in progress – and those of products yet to be launched – have allowed Direcional to keep its Gross Margin at solid levels over time.



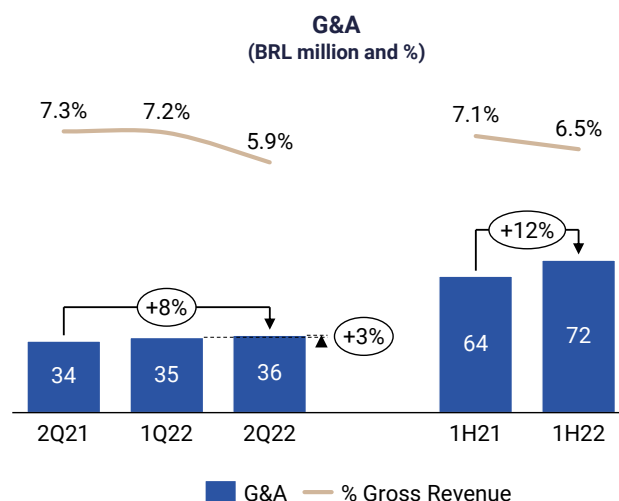
1 - Adjusted Gross Profit and Margin: excluding capitalized interest for financing of production.



## General and Administrative Expenses (G&A)

General & Administrative Expenses totaled BRL 36 million in 2Q22, a growth rate of 3% when compared to 1Q22 and 8% to 2Q21. The relevant increased revenue in the period, as commented above, allowed a dilution of those expenses. General & Administrative Expenses over Gross Revenue went down by 5.9%, representing a growth rate of 1.3 p.p. when compared to 1Q22 and 1.4 p.p. to 2Q21.

Considering 1H22, G&A Expenses totaled BRL 72 million, a 12% increase versus 1H21. In that case, the dilution of G&A over Gross Revenue corresponded to 0.6 p.p., reaching 6.5%.

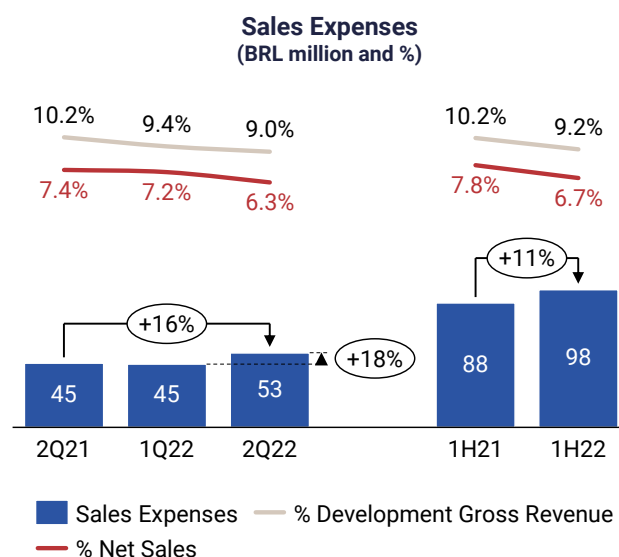


## Sales Expenses

Sales Expenses, which comprise expenses with commissions, marketing, and maintenance of points of sale, totaled BRL 53 million in 2Q22, a growth rate of 18% when compared to 1Q22 and 16% when compared to 2Q21. However, Sales Expenses over Development Gross Revenue ratio reached 9.0%, resulting in a dilution of 0.4 p.p. when compared to 1Q22. When compared to 2Q21, the dilution was even more relevant, reaching 1.2 p.p.

Considering the Net Sales in the quarter, Sales Expenses accounted for 6.3%, resulting in a dilution of 0.9 p.p. over 1Q22 and 1.1 p.p. over 2Q21.

In 1H22, Sales Expenses reached BRL 98 million, +11% when compared to 1H21, with a relevant dilution over the Development Gross Revenue and Net Sales.



## Other Operational Revenues and Expenses

Other Operating Revenue and Expenses in 2Q22 had BRL 18 million in loss, an amount higher than the recurring volume. The main impacts on other operating revenue and expenses are: (i) legal expenses, provisions and others, totaling an approximate amount of BRL 9.9 million; (ii) corporate expenses, such as amortization of premium by acquisition of ownership, totaling an approximate amount of BRL 4.8 million; (iii) expenses with discontinued projects in the amount of BRL 1.8 million; and (iv) expenses related to the sale of receivables in the amount of BRL 0.9 million.

## Financial Results

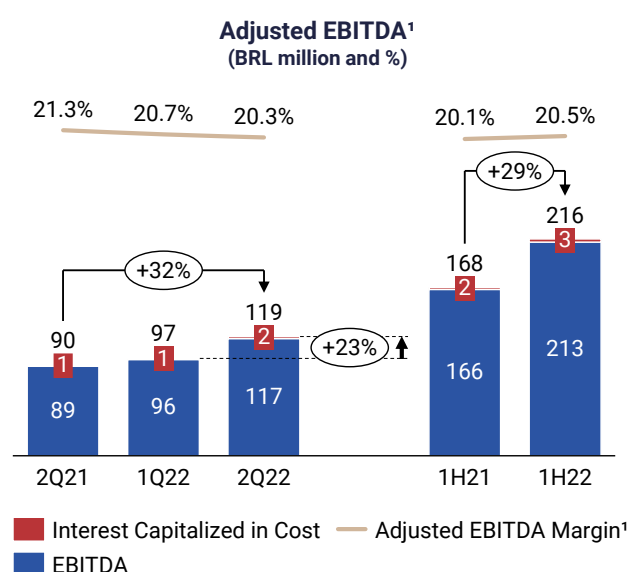
In 2Q22, Financial Results had a net loss of BRL 33 million. The main factors impacting Financial Results are: (i) the negative result of BRL 9 million from an equity swap referenced in the Company's stocks, contracted under the share buyback program approved in December 2021; (ii) the two increases in the Selic rate in the period, from 11.75% p.a. to 13.25% p.a., which directly reflected in the remuneration of cash and financial expenses linked to the Company's indebtedness; and (iii) expenses related to the sale of part of the receivables portfolio, in an approximate amount of BRL 4 million.

## EBITDA

In 2Q22, EBITDA reached BRL 117 million, which is the **highest level already registered by Direcional in one quarter**. EBITDA margin reached 19.9% in 2Q22. Considering 1H22, EBITDA totaled BRL 213 million, with EBITDA Margin of 20.2%.

Adjusted EBITDA<sup>1</sup> was also calculated, considering the adjustment for capitalized interest on production financing, which makes up the Costs line. It reached BRL 119 million in 2Q22, up by 23% when compared to 1Q22 and 32% versus 2Q21. Adjusted EBITDA Margin<sup>1</sup> reached 20.3%.

In 1H22, Adjusted EBITDA reached BRL 216 million, a growth rate of 29% when compared to 1H21. Adjusted EBITDA Margin reached 20.5% in the semester. Thus, the Company continues to show its focus on operational efficiency and the continuous search for improvement.



EBITDA (BRL '000)	2Q22 (a)	1Q22 (b)	2Q21 (c)	Δ % (a/b)	Δ % (a/c)	1H22 (d)	1H21 (e)	Δ % (d/e)
<b>Net Income</b>	<b>41,272</b>	<b>27,431</b>	<b>40,688</b>	<b>50.5%</b>	<b>1.4%</b>	<b>68,702</b>	<b>67,793</b>	<b>1.3%</b>
(+) Depreciation and Amortization	13,644	14,185	12,453	-3.8%	9.6%	27,829	24,621	13.0%
(+) Income Tax and Social Contribution	12,572	9,805	9,448	28.2%	33.1%	22,377	17,405	28.6%
(+) Minority Interest	16,892	18,639	12,292	-9.4%	37.4%	35,531	21,296	66.8%
(+/-) Financial Results	32,527	25,834	14,423	25.9%	125.5%	58,361	34,705	68.2%
<b>EBITDA</b>	<b>116,907</b>	<b>95,893</b>	<b>89,304</b>	<b>21.9%</b>	<b>30.9%</b>	<b>212,800</b>	<b>165,820</b>	<b>28.3%</b>
<b>EBITDA Margin</b>	<b>19.9%</b>	<b>20.5%</b>	<b>21.2%</b>	<b>-1 p.p.</b>	<b>-1 p.p.</b>	<b>20.2%</b>	<b>19.8%</b>	<b>0 p.p.</b>
(+) Cost of production financing	2,034	1,140	692	78.4%	193.9%	3,174	1,979	60.4%
<b>Adjusted EBITDA<sup>1</sup></b>	<b>118,941</b>	<b>97,033</b>	<b>89,996</b>	<b>22.6%</b>	<b>32.2%</b>	<b>215,974</b>	<b>167,799</b>	<b>28.7%</b>
<b>Adjusted EBITDA Margin<sup>1</sup></b>	<b>20.3%</b>	<b>20.7%</b>	<b>21.3%</b>	<b>0 p.p.</b>	<b>-1 p.p.</b>	<b>20.5%</b>	<b>20.1%</b>	<b>0 p.p.</b>

1 - Adjusted EBITDA and Margin: excluding capitalized interest for financing of production.

## Net Income before Minority Interest

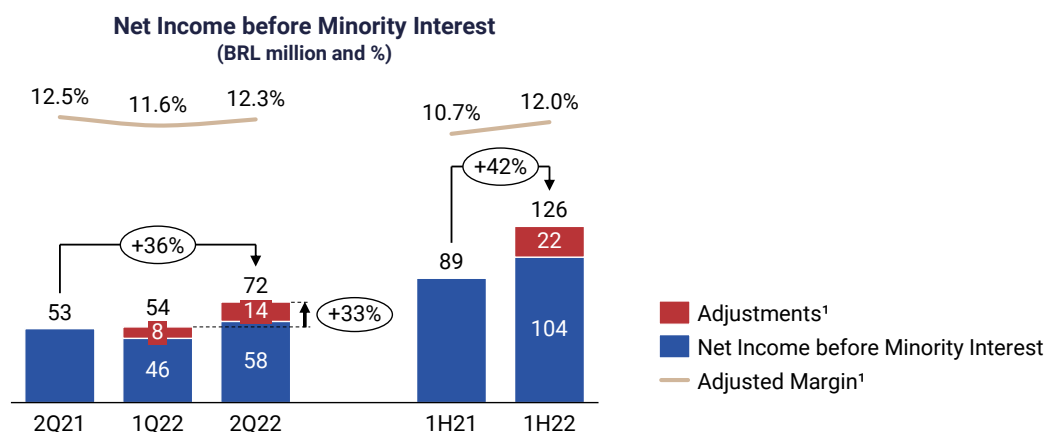
In 2Q22, net income before non-controlling shareholders in SPE and SCP ("Minority Interest") reached BRL 58 million, a growth rate of 26% in comparison with 1Q22. The resulting Margin reached 9.9%.

We stress out the nominal decrease of 9% in the net income attributed to noncontrolling shareholders. With that, the representativeness of those participants to the Net Income before Minority Interest was diluted in 11.4 p.p. when compared to 1Q22, in line with the Company's strategy in reducing those figures.

In 1H22, Net Income before Minority Interest reached BRL 104 million, a growth rate of 17% when compared to 1H21, with Margin of 9.9% in the period.

In addition, analyzing the results disregarding the effects caused by (i) the equity swap indexed to the Company's stocks, within the scope of the share buyback program, in the amount of BRL 9 million in 2Q22; and (ii) the expenses arising from the portfolio sale operation incurred in the lines of financial expenses and other revenues and expenses, in the total amount of approximately BRL 5 million, Adjusted Net Income before Minority Interest<sup>1</sup> came in at BRL 72 million in the quarter, a 33% growth over 1Q22 and a 36% growth versus 2Q21. In this scenario, Adjusted Margin<sup>1</sup> reached 12.3% in the period. In 1H22, the result totaled BRL 126 million, growing 42% over 1H21, with a 12.0% margin.

It is worth mentioning that the development of projects in partnerships was part of the strategy to accelerate the Company's expansion at the beginning of the growth cycle, allowing greater dilution of expenses.



1 - Adjustment excluding expenses with the sale of receivables and the equity swap result.

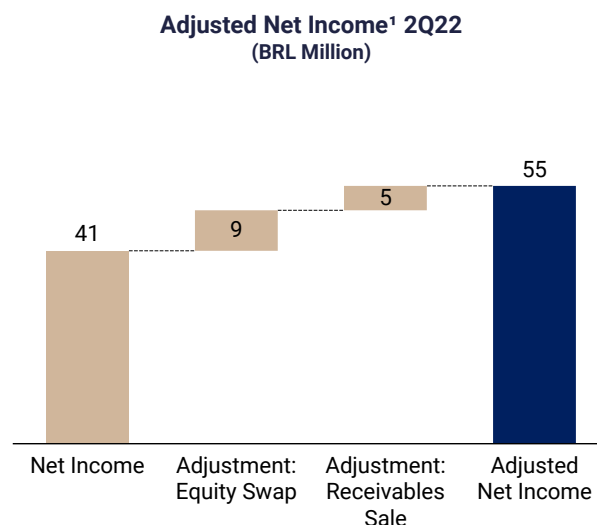
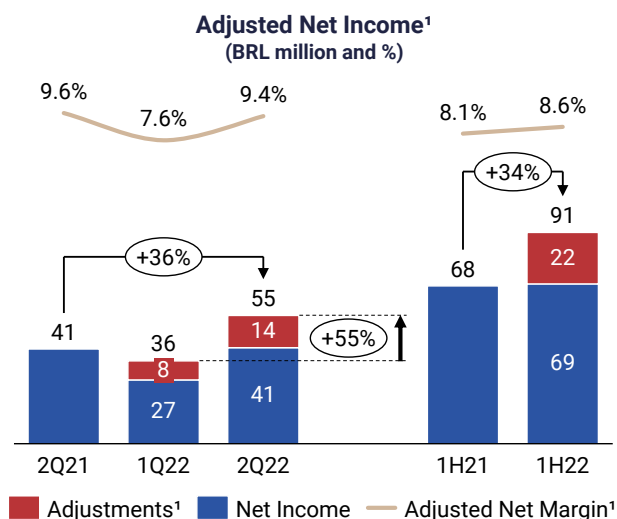
## Net Income

In 2Q22, Net Income reached BRL 41 million, a 50% increase when compared to the 1Q22 results. Net Margin totaled 7.0% in the quarter. In 1H22, Net Income totaled BRL 69 million, in line with the 1H21 results.

Analyzing the Net Income considering the adjustments resulting from the equity swap operation and the expenses with sale of receivables, Adjusted Net Income<sup>1</sup> totaled BRL 55 million in 2Q22, a 55% growth versus 1Q22 and a 36% growth compared to 2Q21. Adjusted Net Margin<sup>1</sup> reached 9.4% in this scenario.

Considering the impact from the operations in 1H22, Adjusted Net Income totaled BRL 91 million, growing 34% over 1H21, resulting in an Adjusted Net Margin of 8.6%.





1 - Adjustment excluding expenses with the sale of receivables and the equity swap result.

## Deferred Results from Real Estate Sales

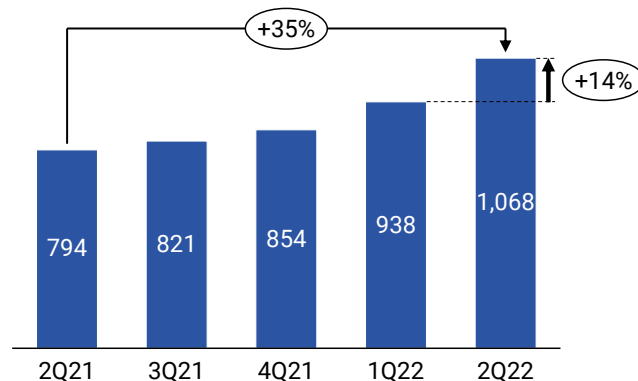
At the end of 2Q22, the Deferred Revenue from Real Estate Sales (REF) totaled BRL 1.1 billion, corresponding to a growth rate of 14% when compared to 1Q22 and 35% when compared to 2Q21.

As observed in the latest earnings releases, the successive sales records in the previous quarters contributed to the increased backlog revenue, quarter after quarter. With the acceleration in the construction of projects, **the increased REF should affect positively the growth of Net Revenue in the following quarters**, as we saw in 2Q22.

The Backlog Margin in the quarter reached 39.5%, 0.5 p.p. above 1Q22 and 1.0 p.p. above 2Q21. The table below presents a breakdown of the Deferred Results from Real Estate Sales:

## Deferred Revenue from Real Estate Sales

(BRL million)



Deferred Results from Real Estate Sales (BRL '000)	2Q22 (a)	1Q22 (b)	2Q21 (c)	Δ % (a/b)	Δ % (a/c)
Deferred Revenue from Real Estate Sales	1,068	938	794	13.9%	34.5%
Deferred Costs from Real Estate Sales	-647	-573	-473	12.9%	36.8%
<b>Deferred Results from Real Estate Sales</b>	<b>422</b>	<b>365</b>	<b>321</b>	<b>15.4%</b>	<b>31.2%</b>
<b>Backlog Margin</b>	<b>39.5%</b>	<b>38.9%</b>	<b>40.5%</b>	<b>0.5 p.p.</b>	<b>-1.0 p.p.</b>

## BALANCE SHEET HIGHLIGHTS

## Cash, Cash Equivalents and Financial Investments

The balance of Cash, Cash Equivalents and Financial Investments totaled BRL 959 million at the end of 2Q22. Thus, the Company continues to maintain its cash position at a comfortable level to sustain the growth of its operations in accordance with the business plan and still maintain its solid capital return policy for shareholders.

Cash, Cash Equivalents and Investments (BRL '000)	2Q22 (a)	1Q22 (b)	2Q21 (c)	Δ % (a/b)	Δ % (a/c)
Cash and Cash Equivalents	610,663	753,588	757,124	-19.0%	-19.3%
Financial Investments	348,469	306,665	189,465	13.6%	83.9%
<b>Total</b>	<b>959,132</b>	<b>1,060,253</b>	<b>946,589</b>	<b>-9.5%</b>	<b>1.3%</b>

## Accounts Receivable

At the end of 2Q22, Accounts Receivable<sup>1</sup> totaled BRL 557 million, representing a growth rate of 4% versus 1Q22 and 15% versus 2Q21. Considering the balance of Accounts Receivable for Real Estate Sales, as well as the Net Operating Revenue of this segment, the Accounts Receivable Days<sup>2</sup> index reached 85 days, a 16% reduction in relation to 1Q22 and a 15% reduction when compared to 2Q21. We observed a relevant drop in the indicator, especially as a result of the increased revenue with sales. This result keeps receivables management at well-controlled levels, with one of the best indicators in the sector.

Accounts Receivable <sup>1</sup> (BRL '000)	2Q22 (a)	1Q22 (b)	2Q21 (c)	Δ % (a/b)	Δ % (a/c)
Real Estate Sales	533,558	515,643	451,879	3.5%	18.1%
Services	19,071	15,822	29,199	20.5%	-34.7%
Land Sales	3,980	2,123	2,042	87.5%	94.9%
<b>Total</b>	<b>556,609</b>	<b>533,588</b>	<b>483,120</b>	<b>4.3%</b>	<b>15.2%</b>
Current	351,399	307,780	274,074	14.2%	28.2%
Non-current	205,210	225,808	209,046	-9.1%	-1.8%
Accounts Receivable – Real Estate Sales	533,558	515,643	451,879	3.5%	18.1%
Net Operating Revenue – Real Estate Sales	565,741	456,916	406,470	23.8%	39.2%
Accounts Receivable Days <sup>2</sup>	85	102	100	-16.4%	-15.2%

1 - Short-term accountable accounts receivable is composed of the debit balance of customers corrected and recognized in the income proportionally to the PoC (Percentage of Completion), considering the date of permission for occupancy for payment of the financing installment by part of customers to Direcional, plus the recognized revenue of contract works.

2 - Accounts Receivable Days index calculated as Accounts Receivable from Real Estate Sales over Net Revenue from Real Estate Sales in the quarter, multiplied by 90 (number of days in one quarter).

According to current accounting rules, the recognition of Accounts Receivable is proportional to the performance index of the respective works (Percentage of Completion - PoC). Therefore, the Accounts Receivable balance from development units sold and not completed yet is not totally reflected in the Financial Statements. It is worth to emphasize that the total balance of Direcional's Accounts Receivable at the end of 2Q22 totaled BRL 1.6 billion.

## Indebtedness

At the end of 2Q22, the gross balance of Loans and Financing was BRL 1.2 billion, 9% below the balance of the previous quarter and in line with the balance of the same quarter of the previous year.

It should be noted that the current cash position is more than sufficient to cover the next 4 years of total gross indebtedness. The leverage ratio, measured by Adjusted Net Debt<sup>2</sup> in relation to Shareholders' Equity, closed the quarter at 14.1%, with approximately **88% of total indebtedness being long-term**. The weighted average maturity was 38 months.

After the closing of the quarter, Direcional completed a successful public offer of Real Estate Receivables Certificates (CRI), pursuant to the CVM Instruction no. 400, the Company's first social bond issuance. Due to the strong demand observed, there was the issuance of additional bonds, increasing the previous amount in 20%. The amount raised totaled BRL 300 million, with 10-year maturity – extending the weighted average maturity of debt to 47 months – and final cost of CDI + 1.22% per annum, already considering an interest rate swap agreement. Further details on the issuance of the social bond are presented below in the earnings release, on the "Subsequent Events" topic.

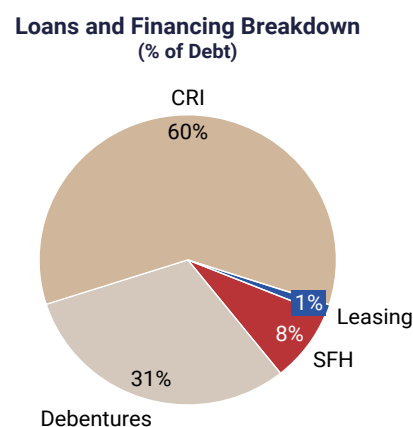
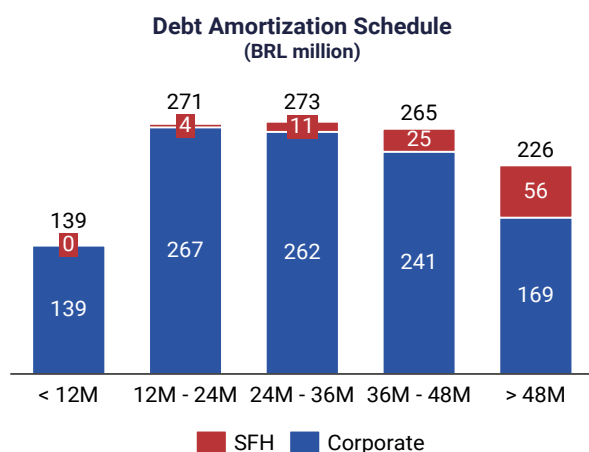
The table and graphs below show more details on the debt breakdown and its amortization schedule.

Indebtedness (BRL '000)	2Q22 (a)	1Q22 (b)	2Q21 (c)	Δ % (a/b)	Δ % (a/c)
<b>Loans and Financing Operations</b>	<b>1,174,461</b>	<b>1,290,949</b>	<b>1,190,639</b>	<b>-9.0%</b>	<b>-1.4%</b>
CRI	704,108	742,816	787,591	-5.2%	-10.6%
Debentures	361,357	354,146	252,834	2.0%	42.9%
Construction Financing	95,892	96,616	37,430	-0.8%	156.2%
CCB	0	83,617	100,232	-100.0%	-100.0%
Working Capital	0	0	0	n/a	n/a
FINAME and Leasing	13,104	13,753	12,552	-4.7%	4.4%
<b>Cash, Cash Equivalents and Financial Investments</b>	<b>959,132</b>	<b>1,060,253</b>	<b>946,589</b>	<b>-9.5%</b>	<b>1.3%</b>
Net Debt <sup>1</sup>	215,329	230,696	244,050	-6.7%	-11.8%
Swap agreements position	-669	353	2,440	-289.5%	-127.4%
Adjusted Net Debt <sup>2</sup>	215,998	230,343	241,610	-6.2%	-10.6%
<b>Adjusted Net Debt / Equity</b>	<b>14.1%</b>	<b>15.4%</b>	<b>18.6%</b>	<b>-1.4 p.p.</b>	<b>-4.5 p.p.</b>
<b>Loans and Financing Operations by index</b>	<b>1,169,298</b>	<b>1,290,949</b>	<b>1,190,639</b>	<b>-9.4%</b>	<b>-1.8%</b>
TR	80,558	86,462	105	-6.8%	76,330.3%
IPCA <sup>3</sup>	459,196	445,501	478,377	3.1%	-4.0%
CDI	629,545	758,986	712,156	-17.1%	-11.6%

1 - Net Debt: Total balance of Loans and Financing Operations reduced by the balance of Cash, Cash Equivalents and Financial Investments.

2 - Adjusted Net Debt: Net debt plus the balance of open positions in swap agreements for protection against interest rate float.

3 - For all bonds indexed to the IPCA (Brazil's Consumer Price Index), we contracted interest rate *swap* agreements to exchange the interest rate into CDI.





## Cash Generation (Cash Burn)<sup>1</sup>

Direcional reported cash generation of BRL 20 million in 2Q22. Thus, in the first semestre of 2022, there was a cash consumption of BRL 14 million. As published in the previous quarter, this consumption is due to the significant expansion of launches and sales volumes in recent periods, in addition to the active management of supply inventories, aiming to mitigate the effects of inflation on construction materials.

1 - Cash Generation (Cash Burn): variation in net debt adjusted by payment of dividends, repurchase of shares and the variation in the balance of interest swap operation agreements.

## SHARE BUYBACK PROGRAM

In effect since December 27<sup>th</sup>, 2021, Direcional's share buyback program aims to manage the Company's available resources to enhance value generation for its shareholders, especially through an efficient management of the capital structure. During 2Q22, 549,000 shares were repurchased, for a total amount of around BRL 5.5 million.

## SUBSEQUENT EVENT: DIVIDENDS

Following the already consolidated profile of Direcional as one of the greatest exponents in terms of value generation for shareholders, the Company's Board of Directors has approved, according to the Material Fact published on July 11<sup>th</sup>, 2022, the payment of dividends equivalent to the amount of BRL 0.47 per share, totaling an approximate amount of BRL 70 million.

Shareholders with equity position on July 14<sup>th</sup>, 2022 (after market closes) were entitled to proceeds, with the Company's shares trading "ex right" as of July 15<sup>th</sup>, 2022. The dividends' proceeds were transferred to the shareholders on July 25<sup>th</sup>, 2022.

## SUBSEQUENT EVENT: DEBT ISSUANCE (CRI)

Shortly after the end of 2Q22, the Company concluded another successful debt issuance. The public offering of Certificates of Real Estate Receivables (CRI) took place pursuant to CVM Instruction No. 400. Due to the strong demand observed, there was the issuance of additional bonds, increasing the previous amount in 20%, allowing the Company to raise a total amount of BRL 300 million.

With a brAAA rating assigned by S&P, the CRI mature in 10 years, allowing for an even greater extension of the Company's indebtedness. The interest rate is IPCA<sup>1</sup> + 6.4899% per annum, and an interest rate swap was contracted to transform the rate into CDI + 1.22% per annum.

In addition, through a Second Party Opinion issued by an independent company, the CRI was labeled as a social bond. The achievement was mainly based on (i) the analysis of the profile of the target families for which the projects to be built (using the proceeds) will be destined; and (ii) the socioeconomic impacts to be generated in the surroundings of the projects, confirming the alignment of the public offering to the Social Bond Principles and the Sustainable Development Goals (SDG).

<sup>1</sup> IPCA: Brazil's Consumer Price Index.

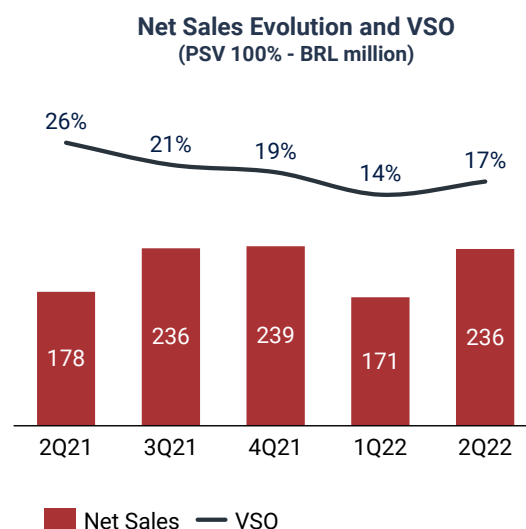
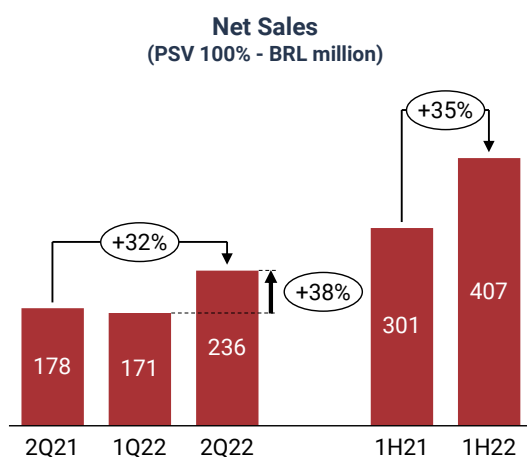
## RIVA – Operating Highlights

Riva, a subsidiary with operations focused on the mid-low income segment, launched 3 projects in 2Q22, totaling PSV of BRL 301 million (BRL 236 million % Company), up 48% in comparison with 1Q22 and 60% in comparison with 2Q21.

Net sales reached BRL 236 million in 2Q22 (BRL 181 million % Company), a 38% growth in relation to 1Q22 and a 32% growth over 2Q21. Thus, Riva's net sales speed (VSO) reached 17% in the quarter.

In 1H22, net sales grew 35% in comparison with the amount sold in 1H21, totaling BRL 407 million in the period (BRL 315 million % Company).

At the end of 2Q22, PSV in inventory totaled BRL 1.2 billion (BRL 946 million % Company), of which less than 1% refers to completed products.



Statements contained in this notice regarding business perspectives, operational and financial projection results, and references to the Company's potential of growth constitute mere estimates and were based on the Board's expectations and estimates regarding the Company's future performance. Although the Company believes that such estimates are based on reasonable assumptions, Company does not ensure they are achievable. The expectations and estimates underlying the Company's future perspectives are highly dependent on the market behavior, the Brazil's economic and political situation, the current and future state regulations, the industry and international markets, and are therefore subject to changes which are beyond control by part of the Company and its Board. The Company shall not commit to publish updates neither to revise the expectations, estimates, and provisions contained herein arising from future information or events.

**STOCK TICKER: DIRR3**

Quotation on 06/30/2022: BRL 10.31

**Number of Stocks (Ex-Treasury Shares):**  
149 million

**Market Capitalization:**  
BRL 1,535 million / US\$ 293 million

**Free Float:**  
54%

**2Q22 Average Daily Volume:**  
1,549 thousand shares  
BRL 16,645 thousand  
5,415 transactions

**CONFERENCE CALL**

(In Portuguese with simultaneous  
translation into English)

Data: 08/09/2022 - Tuesday  
09:00 a.m. – New York Time  
10:00 a.m. – Brasília Time

Access:

Zoom

<https://us06web.zoom.us/j/83881044030>

YouTube

[https://www.youtube.com/watch?v=Ldgio  
wQlvqM](https://www.youtube.com/watch?v=LdgiowQlvqM)

**CONTACTS**

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Belo Horizonte - MG  
Zip Code: 30.150-270



## CONSOLIDATED BALANCE SHEET

IFRS

Consolidated Balance Sheet (BRL '000)	06/30/2022	12/31/2021	Δ %
<b>Current Assets</b>			
Cash, cash equivalents and financial investments	959,132	1,049,160	-9%
Accounts receivable	351,399	231,761	52%
Inventory	1,315,234	1,230,591	7%
Receivables from related parties	59,775	82,261	-27%
Taxes recoverable	28,686	24,462	17%
Accounts receivable from divestiture	4,865	17,540	-72%
Other receivables	267,847	220,565	21%
<b>Total Current Assets</b>	<b>2,986,938</b>	<b>2,856,340</b>	<b>5%</b>
<b>Non-Current Assets</b>			
Accounts receivable	205,210	244,585	-16%
Inventory	2,251,142	2,303,436	-2%
Receivables from related parties	0	1,636	-100%
Judicial deposits	17,595	16,097	9%
Accounts receivable from divestiture	12,297	0	-
Other receivables	22,830	21,457	6%
Investments	126,559	117,980	7%
Fixed assets	110,185	99,075	11%
Intangible assets	20,539	19,013	8%
<b>Total Non-Current Assets</b>	<b>2,766,357</b>	<b>2,823,279</b>	<b>-2%</b>
<b>Total Assets</b>	<b>5,753,295</b>	<b>5,679,619</b>	<b>1%</b>



Consolidated Balance Sheet (BRL '000)	06/30/2022	12/31/2021	Δ %
<b>Current Liabilities</b>			
Loans and financing operations	139,362	127,205	10%
Suppliers	101,161	92,054	10%
Labor obligations	45,393	31,827	43%
Tax obligations	29,073	25,094	16%
Lease financing	9,952	10,088	-1%
Real estate commitments payable	130,501	62,779	108%
Advances from customers	40,483	14,705	175%
Other accounts payable	102,146	90,346	13%
Provision for guarantee	30,591	28,143	9%
Payables to related parties	14,955	14,600	2%
<b>Total Current Liabilities</b>	<b>643,617</b>	<b>496,841</b>	<b>30%</b>
<b>Non-Current Liabilities</b>			
Loans and financing operations	1,035,098	1,114,197	-7%
Suppliers	7,261	5,958	22%
Provision for guarantee	11,948	12,051	-1%
Tax obligations	7,882	9,701	-19%
Lease financing	22,264	25,129	-11%
Real estate commitments payable	2,003,012	2,060,218	-3%
Advances from customers	364,515	375,344	-3%
Provision for labor, tax, and civil contingencies	25,857	24,008	8%
Other accounts payable	97,392	97,392	-
Payables to related parties	0	0	-
<b>Total Non-Current Liabilities</b>	<b>3,575,229</b>	<b>3,723,998</b>	<b>-4%</b>
<b>Shareholder's Equity</b>			
Capital	752,982	752,982	-
Capital reserves	177,690	177,690	-
Stock options granted	1,969	2,259	-13%
Equity adjustment	-30,208	-29,847	1%
Treasury shares	-10,946	-7,360	49%
Income reserves	472,675	404,153	17%
	<b>1,364,162</b>	<b>1,299,877</b>	<b>5%</b>
Non-controlling interest	170,287	158,903	7%
<b>Total Shareholder's Equity</b>	<b>1,534,449</b>	<b>1,458,780</b>	<b>5%</b>
<b>Total Liabilities and Shareholder's Equity</b>	<b>5,753,295</b>	<b>5,679,619</b>	<b>1%</b>





## CONSOLIDATED INCOME STATEMENT

Consolidated Income Statement (BRL '000)	2Q22 (a)	1Q22 (b)	2Q21 (c)	Δ % (a/b)	Δ % (a/c)	1H22 (d)	1H21 (e)	Δ % (d/e)
Real Estate Sales Revenue	587,855	474,798	444,503	23.8%	32.2%	1,062,653	867,683	22.5%
Revenue from Services	25,679	14,176	18,051	81.1%	42.3%	39,855	38,753	2.8%
<b>Gross Revenue</b>	<b>613,534</b>	<b>488,974</b>	<b>462,554</b>	<b>25.5%</b>	<b>32.6%</b>	<b>1,102,508</b>	<b>906,436</b>	<b>21.6%</b>
Deductions from Gross Revenue - Taxes and others	-27,408	-20,880	-40,392	31.3%	-32.1%	-48,288	-70,389	-31.4%
<b>Net Operating Revenue</b>	<b>586,126</b>	<b>468,094</b>	<b>422,162</b>	<b>25.2%</b>	<b>38.8%</b>	<b>1,054,220</b>	<b>836,047</b>	<b>26.1%</b>
Cost of real property sale and services rendered	-380,961	-300,936	-262,580	26.6%	45.1%	-681,897	-528,797	29.0%
<b>Gross Profit</b>	<b>205,165</b>	<b>167,158</b>	<b>159,582</b>	<b>22.7%</b>	<b>28.6%</b>	<b>372,323</b>	<b>307,250</b>	<b>21.2%</b>
General and administrative expenses	-36,394	-35,322	-33,690	3.0%	8.0%	-71,717	-64,167	11.8%
Sales expenses	-52,798	-44,831	-45,477	17.8%	16.1%	-97,629	-88,227	10.7%
Equity in the results of investees	5,524	3,530	2,536	56.5%	117.8%	9,054	5,240	72.8%
Other operating income and expenses	-18,234	-8,827	-6,100	106.6%	198.9%	-27,060	-18,897	43.2%
<b>Other Operating Revenues (Expenses)</b>	<b>-101,902</b>	<b>-85,450</b>	<b>-82,731</b>	<b>19.3%</b>	<b>23.2%</b>	<b>-187,352</b>	<b>-166,051</b>	<b>12.8%</b>
Financial Expenses	-66,753	-62,142	-27,319	7.4%	144.3%	-128,894	-56,430	128.4%
Financial Revenues	34,226	36,308	12,896	-5.7%	165.4%	70,534	21,725	224.7%
<b>Financial Results</b>	<b>-32,527</b>	<b>-25,834</b>	<b>-14,423</b>	<b>25.9%</b>	<b>125.5%</b>	<b>-58,361</b>	<b>-34,705</b>	<b>68.2%</b>
<b>Income before Income and Social Contribution Taxes</b>	<b>70,736</b>	<b>55,875</b>	<b>62,428</b>	<b>26.6%</b>	<b>13.3%</b>	<b>126,610</b>	<b>106,494</b>	<b>18.9%</b>
Income and social contribution taxes - current and def.	-12,572	-9,805	-9,448	28.2%	33.1%	-22,377	-17,405	28.6%
<b>Net Income before Interests in SPCs and SPEs</b>	<b>58,164</b>	<b>46,070</b>	<b>52,979</b>	<b>26.3%</b>	<b>9.8%</b>	<b>104,234</b>	<b>89,090</b>	<b>17.0%</b>
Interest in SPCs and SPEs	-16,892	-18,639	-12,292	-9.4%	37.4%	-35,531	-21,296	66.8%
<b>Net Income</b>	<b>41,272</b>	<b>27,431</b>	<b>40,688</b>	<b>50.5%</b>	<b>1.4%</b>	<b>68,702</b>	<b>67,793</b>	<b>1.3%</b>
<b>Gross Margin</b>	<b>35.0%</b>	<b>35.7%</b>	<b>37.8%</b>	<b>-0.7 p.p.</b>	<b>-2.8 p.p.</b>	<b>35.3%</b>	<b>36.8%</b>	<b>-1.4 p.p.</b>
<b>Gross Adjusted Margin</b>	<b>35.4%</b>	<b>36.0%</b>	<b>38.0%</b>	<b>-0.6 p.p.</b>	<b>-2.6 p.p.</b>	<b>35.6%</b>	<b>37.0%</b>	<b>-1.4 p.p.</b>
<b>Net Margin</b>	<b>7.0%</b>	<b>5.9%</b>	<b>9.6%</b>	<b>1.2 p.p.</b>	<b>-2.6 p.p.</b>	<b>6.5%</b>	<b>8.1%</b>	<b>-1.6 p.p.</b>



## CONSOLIDATED CASH FLOW STATEMENT

Consolidated Cash Flow Statement (BRL '000)	06/30/2022	06/30/2021
<b>Cash Flow from Operating Activities</b>		
Profit before income and social contribution taxes	126,611	106,495
Adjustments for conciliating the result to the availability generated by the operating	27,828	24,620
Depreciations and Amortizations	-9,054	-5,240
Equity earnings	-9,624	-1,276
Revenue from financial investments	10,549	11,688
Provision for guarantee	87,647	43,314
Interest on charges and financing	-7,631	0
Hedge accounting – fair value	0	1,097
Exchange Rate on loans and financing	7,521	2,541
Provision for labor, tax, and civil contingencies	-4,863	-8,434
Gains (losses) on physical swaps	-5,297	-17,500
Gains (losses) on disposal of equity interests	-1,154	-292
Present value adjustment of accounts receivable	-314	4,601
Present value adjustment on lease financing	1,035	1,245
Adjustment to net realizable amount on inventory completed	32	-406
Provision for losses on accounts receivable	4,541	5,712
Provision for stock option plan	1,483	1,781
Provision for profit sharing	4,958	3,975
Increase (decrease) in assets		
Accounts receivable	-84,490	-117,989
Inventory	112,734	53,678
Other credits	-92,515	-11,432
Related parties	25,882	-15,479
Escrow deposits	-1,498	-155
Taxes recoverable	-4,224	-1,077
(Decrease) increase in liabilities		
Suppliers	-2,347	-17,326
Labor obligations	8,608	1,314
Tax liabilities	470	-1,725
Real estate commitments payable	-123,227	-82,171
Advances from clients	7,520	-4,049
Accounts payable	55,660	86,419
Provision for labor, tax, and civil contingencies	-5,672	-5,635
Related parties	355	-2,898
Collateral for works	-8,204	-9,794
Paid income and social contribution tax	-20,687	-17,109
<b>Net Cash generated (applied) in Operating Activities</b>	<b>102,633</b>	<b>28,493</b>
<b>Cash Flow from Investment Activities</b>		
Increase (Decrease) of investments (SPCs and SPEs)	-3,635	-48,912
Received dividend	4,110	9,830
Stockholding sales	6,829	68,974
Increase of fixed assets	-5,190	-4,812
Leased fixed assets	0	-1,717
Increase of intangible assets	-10,400	-8,000
Financial Investments	-13,639	7,171
<b>Net Cash generated (applied) in Investment Activities</b>	<b>-21,925</b>	<b>22,534</b>
<b>Cash Flow from Financing Activities</b>		
Dividends paid	-2	-100,135
Stock repurchase	-5,539	-27,054
Increase in leasing investment	0	1,717
Leasing investment amortization	-3,949	-4,495
Interest paid on lease	-386	-328
Loan	129,094	311,784
Payment of debt structuring costs	-856	0
Loan amortization	-239,073	-178,165
Interest paid	-48,781	-22,915
Increase (Reduction) of capital by non-controlling shareholders	-24,507	-5,881
<b>Net cash generated (applied) in financing activities</b>	<b>-193,999</b>	<b>-25,472</b>
<b>Increase of Cash and Cash Equivalents</b>	<b>-113,291</b>	<b>25,555</b>
<b>Cash and Cash Equivalents</b>		
At the beginning of the period	723,954	731,569
At the end of the period	610,663	757,124

## GLOSSARY

**Landbank** - lands maintained in inventory with an estimate of a future PSV for such.

**Classification of the projects by Direcional as the economic segment for which they are destined:**

MCMV Level 1	Low-income projects made as contract works within the “ <i>Minha Casa, Minha Vida</i> ” (MCMV) housing program, contracted directly with the Financing Agent, destined to families with a monthly income up to BRL 1,600. Properties of this segment has their final price determined by the Financing Agent, pursuant to the ordinance No. 435/2012 of the Ministry of Cities, and their acquisition may be subsidized by the government.
MCMV 2 and 3	Residential projects with an average price per unit up to BRL 240 thousand within the “ <i>Minha Casa, Minha Vida</i> ” housing program - levels 1.5, 2 and 3. Until 3Q15, the projects belonging to this segment were called “Low-income”.
Riva	A project destined to middle-income customers, developed at the SPEs of the wholly owned subsidiary of Direcional called Riva Incorporadora S.A.
Middle-Income	Residential projects with an average price per unit above the MCMV ceiling price up to BRL 500 thousand.
Upper Middle-Income	Residential projects with an average price per unit above BRL 500 thousand.
MUC	Comprises projects of the Middle-income, Upper-middle income, and Commercial segments.
Old Harvest	Projects of the MUC segment developed under the previous development and building model.
New Model	A business model consolidated in 2015 for the development of the Company’s residential projects. One of its main characteristics is the possibility of off-plan transfer and industrialized construction.

**Adjusted EBITDA** - Adjusted EBITDA is equal to EBITDA (earnings before financial result, Income Tax and Social Contribution, depreciation and amortization expenses) less the participation of non-controlling stockholders and less the financial charges included in cost of property sold. We understand that the adjustment to present value of accounts receivable of units sold and not delivered recorded as gross operating revenue (expense) is part of our operating activities and, therefore, we do not exclude this revenue (expense) in the calculation of Adjusted EBITDA. Adjusted EBITDA is not a measure of financial performance under Brazilian Accounting Practices, nor should it be considered in isolation or as an alternative to net income as an operational performance measure or alternative to operating Cash Burns or as a liquidity measure. Adjusted EBITDA is an indicator of our overall economic performance, which is not affected by fluctuations in interest rates, changes in the tax burden of Income Tax and Social Contribution or depreciation and amortization levels.

**PoC Method** - Under IFRS, revenues, costs and expenses related to real estate projects are appropriated based on the accounting method of the cost incurred (“PoC”), by measuring the progress of the work by the actual costs incurred versus the total budgeted expenses for each stage of the project.

**Novo Mercado** - B3’s special listing segment, where companies adopt differentiated practices of corporate governance, which exceed the requirements of the traditional segment. Direcional joined Novo Mercado in November 19th, 2009.

**LTM** – Last twelve months.

**Financial Swap** – Land purchase system whereby the owner of the land receives the payment, in cash, calculated as a percentage of the PSV of the project, to be paid according to the determination of the revenue from the sales of units of the project.

**Physical Swap** - Land purchase system whereby the owner of the land receives in payment a certain number of units of the project to be built in it.

**Programa Casa Verde e Amarela (PCVA)** - New name attributed to the popular housing program previously known as “*Minha Casa, Minha Vida*” Program

**SFH Resources** - Housing Financial System (SFH) resources originated from the FGTS and savings account deposits.

**Deferred Results**- The result of the balance of real estate sales transactions already contracted (arising from properties whose construction has not yet been completed) and their respective budgeted costs to be earned.

**Contracted Net Sales** - PSV arising from all contracts for the sale of properties entered into in a given period, including the sale of units launched in the period and the sale of units in stock, net from rescissions.

**PSV** - Total Potential Sales Value. Total amount to be potentially obtained from the sale of all units of a given real estate development at the launch price. There is a possibility that the PSV launched shall not be realized or differ significantly from the value of Contracted Sales, since the quantity of Units actually sold may differ from the number of units launched and/or the actual selling price of each unit may differ from the launch price.

**Launched PSV** – Total Potential Sales Value of the units launched in a determined period.