

# **Quarterly Information (ITR)**

## **Direcional Engenharia S.A.**

March 31, 2022

with Independent Auditor's Review Report

# **Direcional Engenharia S.A.**

Interim financial information

March 31, 2022

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**A free translation from Portuguese into English of Independent Auditor's Review Report on individual and consolidated quarterly information prepared in Brazilian currency in accordance Brazilian Accounting Standard NBC TG 21 - Interim Financial Reporting and with IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), applicable to Brazilian real estate development entities registered with the Brazilian Securities and Exchange Commission (CVM)**

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## **Independent auditor's review report on quarterly information**

Shareholders, Board of Directors and Officers

**Direcional Engenharia S.A.**

Belo Horizonte - MG

### **Introduction**

We have reviewed the accompanying individual and consolidated interim financial information, contained in the Quarterly Information Form (ITR) of Direcional Engenharia S.A. for the quarter ended March 31, 2022, comprising the statement of financial position as of March 31, 2022 and the related statements of profit or loss, of comprehensive income, of changes in equity and of cash flows for the three-month period then ended, including the explanatory notes.

Management is responsible for preparation of the individual and consolidated interim financial information in accordance with Accounting Pronouncement NBC TG 21 – Interim Financial Reporting, and IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), applicable to Brazilian real estate development entities registered with the Brazilian Securities and Exchange 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, respectively). 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 individual and consolidated interim financial information prepared in accordance with accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) applicable to Brazilian real estate development entities registered with the CVM**

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

**Emphasis of matter**

**Revenue recognition in purchase and sale contracts for real estate units under construction**

As described in Note 2, the individual and 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 real estate units under construction, on the aspects related to transfer of control, follows the Company management's understanding as to application of NBC TG 47, aligned with CVM's determination expressed in CVM/SNC/SEP Memorandum Circular No. 02/2018. Our conclusion is not qualified in respect of this matter.



## **Other matters**

### **Statements of value added**

The quarterly information referred to above includes the individual and consolidated Statements of Value Added (SVA) for the three-month period ended March 31, 2022, prepared under the responsibility of Company management and presented as supplementary information for IAS 34 purposes applicable to Brazilian real estate development entities registered with the CVM. These statements have been subject to review procedures performed in conjunction with the review of quarterly information, to conclude whether they are prepared consistently with the interim financial information and accounting records, as applicable, and whether their form and content are in accordance with the criteria defined in NBC TG 09 - Statements of Value Added. Based on our review, nothing has come to our attention that causes us to believe that these statements of value added were not prepared, in all material respects, in accordance with the criteria set forth by this Standard and consistently with the individual and consolidated interim financial information taken as a whole.

Belo Horizonte, May 05, 2022.

ERNST & YOUNG  
Auditores Independentes S.S.  
CRC-2SP015199/O-6

Rogério Xavier Magalhães  
Accountant CRC-1MG080613/O-1

A free translation from Portuguese into English of individual and consolidated interim financial information prepared in Brazilian currency in accordance Brazilian Accounting Standard NBC TG 21 - Interim Financial Reporting and with IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), applicable to Brazilian real estate development entities registered with the Brazilian Securities and Exchange Commission (CVM)

## Direcional Engenharia S.A.

Statements of financial position  
March 31, 2022  
(In thousands of reais)

	Note	Individual		Consolidated	
		03/31/2022	12/31/2020	03/31/2022	12/31/2020
Current assets					
Cash and cash equivalents	3.1	<b>323,244</b>	287,215	<b>753,588</b>	723,954
Short-term investments	3.2	<b>305,304</b>	323,337	<b>306,665</b>	325,206
Accounts receivable	4.1	<b>11,797</b>	11,340	<b>307,780</b>	231,761
Inventories	5	<b>181</b>	181	<b>1,295,806</b>	1,230,591
Receivables from related parties	6.1	<b>123,278</b>	132,735	<b>75,546</b>	82,261
Taxes recoverable	-	<b>10,575</b>	12,228	<b>23,692</b>	24,462
Accounts receivable for disposal of investments	4.2	<b>10,258</b>	10,258	<b>11,654</b>	17,540
Other receivables	4.3	<b>129,215</b>	130,126	<b>260,077</b>	220,565
Total current assets		<b>913,852</b>	907,420	<b>3,034,808</b>	2,856,340
Noncurrent assets					
Accounts receivable	4.1	<b>1,449</b>	1,026	<b>225,808</b>	244,585
Inventories	5	<b>17,651</b>	97,322	<b>2,273,294</b>	2,303,436
Receivables from related parties	6.1	-	-	<b>1,636</b>	1,636
Judicial deposits	-	<b>9,234</b>	8,918	<b>16,710</b>	16,097
Other receivables	4.3	<b>21,083</b>	21,247	<b>21,328</b>	21,457
Investments	7	<b>1,578,853</b>	1,519,013	<b>119,611</b>	117,980
Property and equipment	8	<b>70,547</b>	68,011	<b>103,721</b>	99,075
Intangible assets		<b>19,123</b>	17,315	<b>20,756</b>	19,013
Total noncurrent assets		<b>1,717,940</b>	1,732,852	<b>2,782,864</b>	2,823,279
Total assets		<b>2,631,792</b>	2,640,272	<b>5,817,672</b>	5,679,619

	Note	Individual		Consolidated	
		03/31/2022	12/31/2020	03/31/2022	12/31/2020
Current liabilities					
Loans and financing	9.1	176,237	125,358	178,275	127,205
Trade accounts payable		7,188	8,337	90,528	92,054
Labor obligations	10	16,973	12,649	38,047	31,827
Tax obligations	11	1,154	1,480	24,061	25,094
Financing - Lease	9.2	9,469	9,339	10,188	10,088
Real estate commitments payable	12	-	-	96,367	62,779
Advance from customers	13	-	-	26,466	14,705
Other accounts payable	14	75,062	28,991	115,660	90,346
Provision for warranty	15.1	1,952	2,258	26,159	28,143
Payables to related parties	6.1	10,393	10,741	16,473	14,600
Total current liabilities		298,428	199,153	622,224	496,841
Noncurrent liabilities					
Loans and financing	9.1	955,996	1,012,001	1,112,674	1,114,197
Trade accounts payable		225	210	6,845	5,958
Provision for warranty	15.1	60	-	15,074	12,051
Tax obligations	11	-	-	8,834	9,701
Financing - Lease	9.2	23,556	24,985	23,687	25,129
Real estate commitments payable	12	17,952	70,877	2,049,724	2,060,218
Advance from customers	13	380	27,086	364,327	375,344
Provision for tax, labor and civil contingencies	15.2	4,954	4,055	25,704	24,008
Other accounts payable	14	2,028	2,028	97,392	97,392
Total noncurrent liabilities		1,005,151	1,141,242	3,704,261	3,723,998
Equity					
Capital	16.1	752,982	752,982	752,982	752,982
Capital reserves	16.3	177,690	177,690	177,690	177,690
Stock option plan		1,230	2,259	1,230	2,259
Equity adjustment		(29,685)	(29,847)	(29,685)	(29,847)
Treasury shares		(5,407)	(7,360)	(5,407)	(7,360)
Income reserve	16.4	431,403	404,153	431,403	404,153
		1,328,213	1,299,877	1,328,213	1,299,877
Noncontrolling interests					
		-	-	162,974	158,903
		1,328,213	1,299,877	1,491,187	1,458,780
Total liabilities and equity					
		2,631,792	2,640,272	5,817,672	5,679,619

See accompanying notes.

## Direcional Engenharia S.A.

Statements of profit or loss  
 Period ended March 31, 2022  
 (In thousands of reais, unless otherwise stated)

	Note	Individual		Consolidated	
		03/31/2022	03/31/2021	03/31/2022	03/31/2021
Net revenue	17	<b>5,082</b>	12,646	<b>468,094</b>	413,885
Cost of real estate sold and services rendered	18	<b>(3,527)</b>	(2,511)	<b>(300,936)</b>	(266,217)
Gross profit		<b>1,555</b>	10,135	<b>167,158</b>	147,668
Operating income (expenses)					
General and administrative expenses	18	<b>(29,747)</b>	(25,317)	<b>(35,322)</b>	(30,477)
Selling expenses	18	<b>(2,412)</b>	(529)	<b>(44,831)</b>	(42,750)
Equity pickup	7	<b>84,388</b>	62,945	<b>3,530</b>	2,704
Other operating income (expenses)	-	<b>(1,859)</b>	(2,345)	<b>(8,827)</b>	(12,797)
		<b>50,370</b>	34,754	<b>(85,450)</b>	(83,320)
Finance costs	19	<b>(55,939)</b>	(25,201)	<b>(62,142)</b>	(29,111)
Finance income	19	<b>31,450</b>	7,433	<b>36,308</b>	8,829
Finance income (costs)	19	<b>(24,489)</b>	(17,768)	<b>(25,834)</b>	(20,282)
Income before income and social contribution taxes (IRPJ and CSLL)		<b>27,436</b>	27,121	<b>55,874</b>	44,066
Income and social contribution taxes	20	<b>(5)</b>	(15)	<b>(9,805)</b>	(7,956)
Net income for the period		<b>27,431</b>	27,106	<b>46,069</b>	36,110
Net income attributable to Direcional Engenharia S.A.		<b>27,431</b>	27,106	<b>27,431</b>	27,106
Noncontrolling interests in SPEs and SCPs		-	-	<b>18,638</b>	9,004
Earnings per share					
Basic		<b>0.18</b>	<b>0.19</b>		
Diluted		<b>0.18</b>	<b>0.18</b>		

See accompanying notes.



## Direcional Engenharia S.A.

Statements of comprehensive income  
Period ended March 31, 2022  
(In thousands of reais)

	Individual		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Net income for the period	<b>27,431</b>	27,106	<b>46,069</b>	36,110
Total comprehensive income for the period	<b>27,431</b>	27,106	<b>46,069</b>	36,110
Attributable to:				
Company shareholders			<b>27,431</b>	27,106
Noncontrolling interests			<b>18,638</b>	9,004
			<b>46,069</b>	36,110

See accompanying notes.

## Direcional Engenharia S.A.

Statements of changes in equity  
 Period ended March 31, 2022  
 (In thousands of reais)

	Note	Attributable to Company shareholders									Noncontrolling interests	Consolidated equity
		Capital reserves				Income reserves						
		Capital	Treasury shares	Shares issued/ disposed of	Stock options granted	Equity adjustment	Legal	For investment	Retained earnings/ (accumulated losses)	Individual equity		
Balances at December 31, 2020		752,982	(52,129)	208,484	4,050	(19,023)	36,022	295,926	-	1,226,312	113,686	1,339,998
Stock options recognized	16.3	-	-	-	541	-	-	-	-	541	-	541
Capital reduction - noncontrolling interests	16.6	-	-	-	-	-	-	-	-	-	(6,959)	(6,959)
Net income for the period		-	-	-	-	-	-	-	27,106	27,106	9,004	36,110
Disposal of treasury shares	16.2	-	4,527	-	(3,609)	-	-	-	(920)	(2)	-	(2)
Share buyback		-	(21,254)	-	-	-	-	-	-	(21,254)	-	(21,254)
Transactions with noncontrolling shareholders	16.6	-	-	-	-	553	-	-	-	553	-	553
Balances at March 31, 2021		752,982	(68,856)	208,484	982	(18,470)	36,022	295,926	26,186	1,233,256	115,731	1,348,987
Balances at December 31, 2021		752,982	(7,360)	177,690	2,259	(29,847)	43,997	360,156	-	1,299,877	158,903	1,458,780
Stock options recognized	16.3	-	-	-	744	-	-	-	-	744	-	744
Capital reduction - noncontrolling interests	16.6	-	-	-	-	-	-	-	-	-	(14,567)	(14,567)
Net income for the period		-	-	-	-	-	-	-	27,431	27,431	18,638	46,069
Dividends proposed	16.4.3	-	-	-	-	-	-	-	(1)	(1)	-	(1)
Disposal of treasury shares	16.2	-	1,953	-	(1,773)	-	-	-	(180)	-	-	-
Transactions with noncontrolling shareholders	16.6	-	-	-	-	162	-	-	-	162	-	162
Balances at March 31, 2022		<b>752,982</b>	<b>(5,407)</b>	<b>177,690</b>	<b>1,230</b>	<b>(29,685)</b>	<b>43,997</b>	<b>360,156</b>	<b>27,250</b>	<b>1,328,213</b>	<b>162,974</b>	<b>1,491,187</b>

See accompanying notes.

## Direcional Engenharia S.A.

Statements of cash flows  
 Period ended March 31, 2022  
 (In thousands of reais)

	Individual		Consolidated	
	03/31/2022	03/31/2021 (Restated)	03/31/2022	03/31/2021 (Restated)
From operating activities				
Income before income and social contribution taxes	<b>27,436</b>	27,121	<b>55,874</b>	44,066
Adjustments to reconcile income to cash from operating activities				
Depreciation and amortization	<b>6,226</b>	4,798	<b>14,185</b>	12,168
Equity pickup	<b>(84,388)</b>	(62,945)	<b>(3,530)</b>	(2,704)
Short-term investment yield	<b>(7,133)</b>	(793)	<b>(7,164)</b>	(798)
Provision for warranty	<b>268</b>	86	<b>4,907</b>	6,027
Interest on loans and financing	<b>37,531</b>	18,007	<b>40,788</b>	19,919
Hedge accounting – fair value	<b>1,668</b>	-	<b>1,668</b>	-
Exchange differences on loans and financing	-	1,098	-	1,098
Provision for tax, labor and civil contingencies	<b>1,367</b>	(655)	<b>3,502</b>	1,009
Gains (losses) on barter transactions	-	-	<b>(1,552)</b>	(6,984)
Gains (losses) on disposal of equity interest	-	(142)	-	(142)
Present value adjustment on accounts receivable	-	-	<b>(381)</b>	2,436
Present value adjustment on lease financing	<b>516</b>	602	<b>529</b>	616
Adjustment to net realizable value of finished inventories	-	-	<b>31</b>	(79)
Allowance for doubtful accounts	-	-	<b>406</b>	2,864
Provision for stock options plan	<b>744</b>	541	<b>744</b>	541
Provision for profit sharing	<b>1,245</b>	2,454	<b>1,248</b>	3,089
Increase (decrease) in assets				
Accounts receivable	<b>(880)</b>	(2,641)	<b>(57,267)</b>	(59,214)
Inventories	<b>39</b>	798	<b>36,955</b>	71,187
Sundry receivables	<b>1,075</b>	4,366	<b>(39,383)</b>	934
Transactions with related parties	<b>21,644</b>	(8,698)	<b>7,881</b>	(4,257)
Judicial deposits	<b>(316)</b>	(113)	<b>(613)</b>	302
Taxes recoverable	<b>1,653</b>	(625)	<b>770</b>	(1,062)
(Decrease) increase in liabilities				
Trade accounts payable	<b>(2,840)</b>	(1,816)	<b>(3,111)</b>	(23,720)
Labor obligations	<b>3,079</b>	1,021	<b>4,972</b>	395
Tax obligations	<b>(326)</b>	(1)	<b>41</b>	(1,613)
Real estate commitments payable	-	-	<b>(53,152)</b>	(39,942)
Advance from customers	-	(2,362)	<b>5,880</b>	(868)
Accounts payable	<b>46,071</b>	40,370	<b>25,314</b>	22,095
Provision for tax, labor and civil contingencies	<b>(468)</b>	(174)	<b>(1,806)</b>	(3,873)
Transactions with related parties	<b>(348)</b>	1,003	<b>1,873</b>	(4,434)
Construction warranty	<b>(514)</b>	(464)	<b>(3,868)</b>	(5,011)
Income and social contribution taxes paid	<b>(5)</b>	-	<b>(11,746)</b>	(9,438)
Net cash flow from operating activities	<b>53,344</b>	20,836	<b>23,995</b>	24,607

## Direcional Engenharia S.A.

Statements of cash flows (Continued)  
 Period ended March 31, 2022  
 (In thousands of reais)

	Individual		Consolidated	
	03/31/2022	03/31/2021 (Restated)	03/31/2022	03/31/2021 (Restated)
Cash flows from investing activities				
Increase (decrease) in investments (SCPs and SPEs)	<b>(146,080)</b>	(60,306)	<b>(363)</b>	(6,788)
Dividends received	<b>163,331</b>	42,912	<b>2,262</b>	4,895
Sale of equity interests	-	40,000	<b>5,886</b>	40,000
Increase in property and equipment	<b>(307)</b>	(153)	<b>(2,876)</b>	(2,392)
Increase in intangible assets	<b>(6,336)</b>	(6,756)	<b>(6,936)</b>	(6,787)
Short-term investments	<b>25,166</b>	22,651	<b>25,705</b>	22,661
Net cash flows from investing activities	<b>35,774</b>	38,348	<b>23,678</b>	51,589
Cash flows from financing activities				
Dividends paid out	<b>(1)</b>	-	<b>(1)</b>	-
Share buyback	-	(21,254)	-	(21,254)
Amortization of lease financing	<b>(1,921)</b>	(2,190)	<b>(1,977)</b>	(2,297)
Interest paid on lease	<b>(193)</b>	(127)	<b>(193)</b>	(127)
Loans taken out	-	(7)	<b>83,189</b>	100,438
Payment of debt structuring costs	<b>(830)</b>	-	<b>(830)</b>	-
Repayment of loans	<b>(23,026)</b>	(53,079)	<b>(53,485)</b>	(65,538)
Interest paid	<b>(27,280)</b>	(10,332)	<b>(30,337)</b>	(11,098)
Capital increase (decrease) - noncontrolling shareholders	<b>162</b>	553	<b>(14,405)</b>	(6,406)
Net cash flows used in financing activities	<b>(53,089)</b>	(86,436)	<b>(18,039)</b>	(6,282)
Increase (decrease) in cash and cash equivalents	<b>36,029</b>	(27,252)	<b>29,634</b>	69,914
Cash and cash equivalents				
At beginning of period	<b>287,215</b>	416,630	<b>723,954</b>	731,569
At end of period	<b>323,244</b>	389,378	<b>753,588</b>	801,483

See accompanying notes.

## Direcional Engenharia S.A.

Statements of value added  
 Period ended March 31, 2022  
 (In thousands of reais)

	Individual		Consolidated	
	03/31/2022	03/31/2021	03/31/2022	03/31/2021
Revenue				
Real estate sold and services rendered	<b>6,755</b>	14,049	<b>489,762</b>	444,311
Other operating income (expenses)	<b>(1,859)</b>	(2,345)	<b>(8,827)</b>	(12,797)
(Set-up) reversal of allowance for doubtful accounts	-	-	<b>(406)</b>	(2,864)
	<b>4,896</b>	11,704	<b>480,529</b>	428,650
Bought-in inputs				
Raw materials consumed	<b>(559)</b>	(2,484)	<b>(245,080)</b>	(212,952)
Materials, power, outsourced services and other operating expenses	<b>(1,837)</b>	(1,932)	<b>(5,224)</b>	(5,831)
Other	<b>(3,957)</b>	(2,509)	<b>(44,865)</b>	(43,812)
	<b>(6,353)</b>	(6,925)	<b>(295,169)</b>	(262,595)
Gross value added	<b>(1,457)</b>	4,779	<b>185,360</b>	166,055
Depreciation and amortization, net	<b>(6,226)</b>	(4,798)	<b>(14,185)</b>	(12,168)
Net value added produced by the Company	<b>(7,683)</b>	(19)	<b>171,175</b>	153,887
Value added received in transfer				
Equity pickup	<b>84,388</b>	62,945	<b>3,530</b>	2,704
Finance income	<b>31,450</b>	7,433	<b>36,308</b>	8,829
	<b>115,838</b>	70,378	<b>39,838</b>	11,533
Total value added to be distributed	<b>108,155</b>	70,359	<b>211,013</b>	165,420
Distribution of value added				
Personnel	<b>23,107</b>	16,634	<b>70,596</b>	63,395
Taxes, charges and contributions	<b>1,678</b>	1,418	<b>31,066</b>	35,517
Debt remuneration	<b>55,939</b>	25,201	<b>63,282</b>	30,398
Retained profits/losses	<b>27,431</b>	27,106	<b>27,431</b>	27,106
Portion of profit or loss attributed to noncontrolling interests	-	-	<b>18,638</b>	9,004
	<b>108,155</b>	70,359	<b>211,013</b>	165,420

See accompanying notes.

# Direcional Engenharia S.A.

Notes to interim financial information

March 31, 2022

(In thousands of reais, unless otherwise stated)

## 1. Operations

Direcional Engenharia S.A. (“Direcional” or “Company”) is a publicly-held company headquartered in Belo Horizonte, Minas Gerais state, with shares traded on B3, under ticker symbol DIRR3.

Direcional is a real estate development and construction company engaged in developing medium low-income-oriented projects through its wholly-owned subsidiary Riva, primarily in the Northern, Northeastern, Midwestern and Southeastern regions of Brazil. Over its 41 years’ experience in developing and building low-income-oriented projects, the Company established a verticalized structure and a standardized and industrial construction process, which has allowed the construction of projects with high operational efficiency.

The Company carries out its development and construction activities through Silent Partnerships (SCPs) and Special Purpose Entities (SPEs) used in the ordinary course of business with a view to establishing partnerships, allowing the individual monitoring of projects, facilitating new financing lines for production as well as financial accounting control. The SCPs and the SPEs operate exclusively in the real estate sector, and in most cases are linked to a specific project.

On May 05, 2022, the Company’s Board of Directors approved this interim financial information and authorized its disclosure.

### 1.1. Covid-19 analysis

In March 2020, the World Health Organization (WHO) declared a state of global pandemic due to the new coronavirus, Covid-19. This disease spread rapidly around the world, which led governments and private sector entities to adopt social distancing measures in order to curb the pandemic.

To deal with this unexpected situation, Company management created a crisis committee, comprised of Executive Board members, to address the matters relating to Covid-19. This committee continuously monitors the news about this matter in the media and from government authorities, so as to define the best strategy for keeping all employees safe, in the first place, and for the smooth running of the Company’s business.

Throughout 2021, the Company carried out several actions that aimed to reinforce the importance of vaccination among its employees, to remain attentive with personal hygiene, with the use of masks, and to avoid agglomerations.

All measures adopted also aimed at preserving, to the highest extent possible, all the ecosystem involved in the business, i.e. from the Company employees to suppliers and service providers.

## Direcional Engenharia S.A.

Notes to interim financial information (Continued)  
March 31, 2022  
(In thousands of reais, unless otherwise stated)

### 1. Operations (Continued)

#### 1.1. Covid-19 analysis (Continued)

In general terms, these measures were as follows:

##### Safety measures

###### *Procedures at construction sites*

For our construction workers to be kept safe and appropriately perform their roles, the following procedures became mandatory: before entering the construction site, measuring the employee's or visitor's temperature (this procedure is repeated after lunch), wearing appropriate protection masks (mandatorily during the entire work shift), hand hygiene procedures (inputs provided by the Company), daily screening by a security technician and the recurring presence of a nurse technician in each regional office to assess the employees' health. Construction sites are well-ventilated and spacious, which enables Company employees to maintain the appropriate security distancing suggested by WHO.

Common spaces such as canteens, water fountains and dressing rooms at construction sites are sanitized at least 4 times a day. For the hygiene of work tools, the Company provides 70% alcohol-based hand rub, disinfectants and bleach. Work and meal times are also more flexible in order to prevent crowds.

###### *Procedures at the administrative office*

For the safety and proper performance of administrative activities, the Company made the working schedule more flexible for main office workers. Employees whose activities do not require their physical presence at the Company's main office as well as professionals belonging to risk groups are working from home.

For employees who perform activities that require physical presence, masks are provided and must be used during working hours, in addition to 70% alcohol-based hand rub in all floors and restrooms. Work stations and the building's common areas are sanitized at least twice a day. Additionally, the employees' temperature is measured twice a day. The employees that display any COVID-19 symptoms are released from work and take the appropriate tests and, if necessary, go into quarantine.

## Direcional Engenharia S.A.

Notes to interim financial information (Continued)  
March 31, 2022  
(In thousands of reais, unless otherwise stated)

### 1. Operations (Continued)

#### 1.1. Covid-19 analysis (Continued)

##### Safety measures (Continued)

##### *Procedures at the administrative office* (Continued)

Additionally, the Company monitors suspected and confirmed cases until full recovery with the aid of a medical team. Before the affected employee returns to work, tests are performed to confirm that he/she can return to work, in order to control and avoid further contamination.

Employees allocated in areas that permit remote work are currently working from home.

##### *Cash protection*

With a view to reinforcing Company cash in these unstable times, the Board of Directors approved the 1<sup>st</sup> issue of commercial promissory notes amounting to R\$100,000 over a one-year period at the CDI+4% p.a. rate. On June 16, 2020, the Company took out another longer credit facility of R\$100,000, at a more attractive rate (CDI+2.5% p.a.) and settled the previously contracted promissory notes. On September 21, 2020, the Company carried out the 6<sup>th</sup> issue of Debentures where the total par value was R\$250,000,000.00, maturing on September 21, 2025 at CDI + 2.85% p.a.

In 2021 and 2022, there was no need for additional borrowings to protect cash due to the pandemic in addition to those usually raised to maintain the Company's activities.

##### *Analysis of impacts on the business*

Management carefully considers the information available and government decisions in the Company decision-making process. Its activities are classified as essential and, as such, the construction sites are operating normally. In the state of Ceará, due to a state decree, activities were suspended from April 20 to May 29, 2020, resuming in June 2020. Prudently, the Company took all safety measures required, both at the construction sites and the main office, with a view to protecting the health of employees.



## Direcional Engenharia S.A.

Notes to interim financial information (Continued)  
March 31, 2022  
(In thousands of reais, unless otherwise stated)

### 1. Operations (Continued)

#### 1.1. Covid-19 analysis (Continued)

##### Safety measures (Continued)

##### *Analysis of impacts on the business* (Continued)

In the 1<sup>st</sup> quarter of 2021, due to the advance of Covid, several states and municipalities adopted stricter measures to contain the disease, including lockdown. In the city of Manaus, construction works were interrupted from January 25 to February 11, in São Paulo, from March 26 to April 5, and in Ribeirão Preto, from March 17 to March 19. Operations resumed in the second quarter of 2021.

From March to August 2020, the working hours of administrative employees was also changed, leading to significant reduction in the work volume. Employees were put on furlough in locations where, due to a state or municipal decree, the Company is not allowed to operate, in accordance with the guidance set out by Provisional Executive Order No. 936/2020. In September 2020, all employees resumed full-time work.

The Company understands the strong sales performance is due to the is business model focused on the Casa Verde Amarela (CVA) Program (former MCMV Program), in which the transfer from the customer to the financing agent occurs at the time of sale during the construction work (associative method) and not at the end of the project, allowing the shortening of the business financial cycle and reducing the impacts on the operation's cash flow. In addition, there was no restriction on bank credit for the sector. Stands and points of sale were gradually opened and the Company is working hard on the online digital sales channels. There was no significant increase in the Company's defaults in the period.

##### *Social cooperation*

The Company is inserted in the social context of the cities where it develops its projects. As such, the Company believes in the large social impact that safe and decent housing represents for a family. Therefore, it is sparing no efforts to maintain its operations running, always keeping in mind all WHO recommendations and prioritizing its employees' health.

## Direcional Engenharia S.A.

Notes to interim financial information (Continued)

March 31, 2022

(In thousands of reais, unless otherwise stated)

### 1. Operations (Continued)

#### 1.2. Going concern

Management assessed the Company's ability to continue as a going concern and is comfortable with its financial and operating position. It is not aware of any significant uncertainty that could put its operational capacity at risk. Accordingly, this interim financial information has been prepared based on the going concern assumption.

### 2. Summary of significant accounting practices and policies and statement of compliance

The individual and consolidated interim financial information has been prepared in accordance with CPC 21 (R1) - Interim Financial Reporting and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), including the pronouncements issued by Brazil's Financial Accounting Standards Board - FASB ("CPC") and the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB). Accordingly, all relevant information in the interim information is being disclosed and corresponds to the information used to manage the Company's operations.

The accounting practices adopted in the accompanying interim financial information are consistent with those described in Note 2 to the Company's financial statements for the year ended December 31, 2021, as filed with the CVM. Those accounting practices have been consistently applied to the periods presented.

#### 2.1. Restatement of the Interim Financial Information as of 03/31/2021

As of March 31, 2022, the Company carried out accounting reclassifications reflecting the breakdown of short-term investment yield in the cash flow. The amounts after reclassification are as follows:

	03/31/2021					
	Individual			Consolidated		
	As originally stated	Adjustments	(Restated)	As originally stated	Adjustments	(Restated)
Cash flows from operating activities						
Short-term investment yield	-	(793)	(793)	-	(798)	(798)
Net cash flows from operating activities	21,629	(793)	20,836	25,405	(798)	24,607
Cash flows from investing activities						
Short-term investments	21,858	793	22,651	21,863	798	22,661
Net cash flows from investing activities	37,555	793	38,348	50,791	798	51,589

## Direcional Engenharia S.A.

Notes to interim financial information (Continued)

March 31, 2022

(In thousands of reais, unless otherwise stated)

### 3. Cash and cash equivalents and short-term investments

#### 3.1. Cash and cash equivalents

Description	Individual		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Cash and banks	43,486	1,332	334,181	239,215
Cash equivalents – short-term investments	279,758	285,883	419,407	484,739
Total	323,244	287,215	753,588	723,954

The Company's investments are made through investment funds or in transactions performed directly with first-tier financial institutions. The Company's policy is to invest resources in funds or directly in conservative, highly liquid financial instruments. These short-term investments have yields pegged to the Interbank Deposit Certificate (CDI) rate, ranging from 93.00% to 107.52% of the CDI, according to the nature and timing of each instrument. At March 31, 2022, the accumulated average gross remuneration of the Company's short-term investments was 106.39% of the CDI.

#### 3.2. Short-term investments

	Individual		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Investment in Financial Treasury Bills (government bonds)	296,328	251,412	297,689	252,985
Financial Bills (corporate bonds)	8,976	71,925	8,976	72,221
Total	305,304	323,337	306,665	325,206

The Company invests in funds limited to the Group companies, managed by first-tier banks, aimed at ensuring investments in conservative instruments that ensure capital preservation. The funds set up are intended to monitor the variation of the Interbank Deposit Certificate (CDI), with investments in fixed income securities, government securities of other financial institutions, and open-ended investment funds, which provide liquidity and allow the best financial return within the pre-established risk limits.

## Direcional Engenharia S.A.

Notes to interim financial information (Continued)  
 March 31, 2022  
 (In thousands of reais, unless otherwise stated)

### 4. Accounts receivable

#### 4.1. Accounts receivable from operations

Accounts receivable for real estate development	Individual		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Completed units	4,234	4,215	243,259	170,034
Units under construction	-	-	312,686	329,174
Receivables for land sold	-	-	2,123	2,126
(-) Allowance for doubtful accounts	-	-	(25,942)	(25,536)
(-) Present value adjustment	-	-	(14,360)	(14,741)
	<b>4,234</b>	<b>4,215</b>	<b>517,766</b>	<b>461,057</b>
<b>Accounts receivable for services rendered</b>				
Real estate intermediation	-	-	1,210	1,476
Firm-price construction contract	6,941	5,802	12,396	11,323
Other services	2,071	2,349	2,216	2,490
	<b>9,012</b>	<b>8,151</b>	<b>15,822</b>	<b>15,289</b>
	<b>13,246</b>	<b>12,366</b>	<b>533,588</b>	<b>476,346</b>
Current	11,797	11,340	307,780	231,761
Noncurrent liabilities	1,449	1,026	225,808	244,585

The Company recognizes allowance for doubtful accounts and changes in the balance of this allowance were as follows:

	12/31/2021	(-) Allowance	(+) Reversal	03/31/2022
Changes in ADA	(25,536)	(6,750)	6,344	(25,942)

Because of the revenue recognition criteria, the balance of accounts receivable from units under construction sold is not fully reflected in the interim financial information since its recording is limited to the portion of revenue recognized, net of installments already received. Balances receivable not recognized in the interim financial information are presented in Note 17 (a).

The Company calculated the present value of accounts receivable for units under construction and recorded the amount considering the average discount rate of 5.04% p.a., which is represented by the average funding rate of loans and financing, less the Extended Consumer Price Index (IPCA).

## Direcional Engenharia S.A.

Notes to interim financial information (Continued)  
March 31, 2022  
(In thousands of reais, unless otherwise stated)

### 4. Accounts receivable (Continued)

#### 4.1. Accounts receivable from operations (Continued)

Accounts receivable from real estate sales are restated according to the Brazilian Construction Cost Index ("INCC") variation until the occupancy permit has been registered, or a fixed rate equivalent to the INCC. After the occupancy permit is registered, these amounts are mostly restated by reference to IPCA, bearing interest of 12% p.a., or a fixed rate equivalent to the IPCA + 12% p.a.

On December 15, 2020, the Company entered into a Real Estate Credit Assignment agreement, through its subsidiaries, with True Securitizadora S.A. The net value of the transaction was of R\$116,968. At March 31, 2022, the balance receivable related to this transaction was R\$156.

On March 30, 2021, the Company entered into a new Real Estate Credit Assignment agreement, through its subsidiaries, with ISEC Securitizadora S.A. The net amount of the transaction was of R\$38,920. On April 21, 2021, the balance was fully received.

On December 13, 2021, the Company entered into a new Real Estate Credit Assignment agreement, through its subsidiaries, with True Securitizadora S.A. The net value of the assignment was of R\$100,789. At March 31, 2022, the balance receivable related to this transaction was R\$3,685.

On March 31, 2022, the Company entered into a new Real Estate Credit Assignment agreement, through its subsidiaries, with Banco XP S.A. The net value of the assignment was of R\$36,818. The assignment was fully settled on the agreement date, with no outstanding amount receivable.

At March 31, 2022 and December 31, 2021, the aging list of trade receivables from real estate development and services rendered, recorded in current assets, is as follows:

	Consolidated	
	03/31/2022	12/31/2021
Falling due		
Within 3 months	133,443	97,924
From 3 to 6 months	28,696	26,915
From 6 to 9 months	57,865	27,090
From 9 months to 1 year	50,139	38,572
	<u>270,143</u>	<u>190,501</u>
Overdue		
Within 1 month	3,423	8,847
From 1 to 2 months	1,335	1486
From 2 to 3 months	1,648	936
From 3 to 4 months	1,855	1,066
From 4 to 6 months	2,325	1,309
Above 6 months	27,051	27,616
	<u>37,637</u>	<u>41,260</u>
	<u>307,780</u>	<u>231,761</u>

## Direcional Engenharia S.A.

Notes to interim financial information (Continued)

March 31, 2022

(In thousands of reais, unless otherwise stated)

### 4. Accounts receivable (Continued)

#### 4.1. Accounts receivable from operations (Continued)

The maturity of amounts falling due, recorded in noncurrent assets at March 31, 2022 and December 31, is scheduled as follows:

	<u>03/31/2022</u>	<u>12/31/2021</u>
1-2 years	<b>128,829</b>	153,089
Up to 3 years	<b>53,870</b>	52,957
Up to 4 years	<b>14,161</b>	12,548
After 4 years	<b>28,948</b>	25,991
	<u><b>225,808</b></u>	<u>244,585</u>

#### 4.2. Other accounts receivable

	<u>Individual</u>		<u>Consolidated</u>	
	<u>03/31/2022</u>	<u>12/31/2021</u>	<u>03/31/2022</u>	<u>12/31/2021</u>
Accounts receivable for disposal of units of interest	<b>10,258</b>	10,258	<b>11,654</b>	17,540
	<u><b>10,258</b></u>	<u>10,258</u>	<u><b>11,654</b></u>	<u>17,540</u>
Current	<b>10,258</b>	10,258	<b>11,654</b>	17,540
Noncurrent liabilities	-	-	-	-

Changes in accounts receivable for disposal of units of interest are as follows:

	<u>Individual</u>	<u>Consolidated</u>
12/31/2021	10,258	17,540
(-) Receipts	-	<b>(5,886)</b>
<b>03/31/2022</b>	<u><b>10,258</b></u>	<u><b>11,654</b></u>

On September 3, 2018, the Company sold Lago da Pedra Participações S.A. to a real estate investment fund for R\$183,156. The amount receivable for this sale was settled on August 19, 2021. On that same date, the Company exercised the right to repurchase Lago da Pedra for the amount of R\$8,098 paid upon exercise of the option. It also entered into a Share Purchase and Sale Agreement and Other Covenants and acquired all the shares belonging to Vila Alba Participações S.A., becoming the sole shareholder of Lago da Pedra.

## **Direcional Engenharia S.A.**

Notes to interim financial information (Continued)  
March 31, 2022  
(In thousands of reais, unless otherwise stated)

### **4. Accounts receivable (Continued)**

#### **4.2. Other accounts receivable (Continued)**

On May 24, 2019, the Company sold all the units of interest held in Linha Verde Participações Ltda. to LMN Empreendimentos e Participações Ltda. for R\$19,000, which will be paid in 19 fixed installments of R\$1,000. The last 10 installments are conditioned on issue of the construction permit in the land paid relating to the SPE sold, which is expected to occur by June 30, 2022. In the 3<sup>rd</sup> quarter of 2021, an agreement was reached between the parties and three (3) installments were paid relating to those 10 installments, remaining only 7 installments conditioned on the permit. At March 31, 2022, the balance receivable is R\$7,000.

On December 10, 2020, Riva Incorporadora S.A, a Company subsidiary, sold 50% of the interest held in Osasco Lote 2 Empreendimentos Imobiliarios SPE Ltda. to Eztec Empreendimentos e Participações S.A. for R\$8,250. At December 31, 2021, the balance receivable totaled R\$4,153, which was fully settled on February 23, 2022.

On June 2, 2021, the Company entered into another transaction with Eztec and sold 50% of the interest held in Osasco Lote 2 Empreendimentos Imobiliários SPE Ltda. for R\$9,250. In the first quarter of 2022, the amount of R\$1,797 was paid and, as of March 31, the balance receivable is R\$4,153.

On June 29, 2021, Riva Incorporadora S.A. sold 59,81% of the units of interest held in Riva Incorporadora S/A - SCP SELETO to Grendene S.A. for R\$40,000, settled on the transaction date.

On August 20, 2021, the Company entered into an Agreement for Purchase and Sale of Units of Interest with Lago da Pedra S.A., through which it sold all units of interest held in SPEs Leme Empreendimentos Imobiliários Ltda., Xapuri Empreendimentos Imobiliários Ltda., Valença Empreendimentos Imobiliários Ltda. and Itaguatins Empreendimentos Imobiliários Ltda. for the amount of R\$89,617. The balance was fully settled on November 19, 2021.

On August 20, 2021, the Company carried out a new sale transaction of Lago da Pedra Participações S.A. to a new real estate fund, with disposal of 90% of the units of interest for R\$55,051. The balance receivable at March 31, 2022 amounts to R\$501.

On February 3, 2021, the Company sold 100% of the units of interest of SPE Braga Empreendimentos Imobiliarios Ltda. for R\$6,822. This amount remains outstanding in March 2022.

## Direcional Engenharia S.A.

Notes to interim financial information (Continued)  
 March 31, 2022  
 (In thousands of reais, unless otherwise stated)

### 4. Accounts receivable (Continued)

#### 4.2. Other accounts receivable (Continued)

On April 13, 2021, the Company sold 100% of the units of interest of SPE Nova Brasilia Empreendimentos Imobiliarios Ltda. for R\$8. This amount remains outstanding as of March 31, 2022.

On March 9, 2021, the Company sold 100% of the units of interest of SPE Verona Empreendimentos Imobiliários Ltda. for R\$2,927. This amount remains outstanding as of March 31, 2022.

On October 18, 2021, Riva Incorporadora S.A. sold 50% of the units of interest of SPE Verona Empreendimentos Imobiliários Ltda. for R\$1,788, which was settled in November 2021.

#### 4.3. Other receivables

Description	Individual		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Receivables for sale of property and equipment	7,406	7,272	7,406	7,272
Sundry advances	17,700	17,700	18,020	18,020
Receivables from customer	39,728	39,736	52,219	49,155
Derivatives receivable	5,126	-	5,126	-
Loan agreements receivable	21,079	21,243	21,079	21,243
New business prospecting	4,369	6,470	7,170	8,927
Prepaid selling expenses	30	27	26,776	26,638
Prepaid finance costs	-	-	40,717	32,891
Other receivables	54,860	58,925	102,892	77,876
<b>Total</b>	<b>150,298</b>	<b>151,373</b>	<b>281,405</b>	<b>242,022</b>
Current	129,215	130,126	260,077	220,565
Noncurrent	21,083	21,247	21,328	21,457

### 5. Inventories

	Individual		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Completed units	181	181	79,360	77,447
Units under construction	-	-	646,026	660,864
Land to be developed	17,651	97,322	2,843,714	2,795,716
<b>Total</b>	<b>17,832</b>	<b>97,503</b>	<b>3,569,100</b>	<b>3,534,027</b>
Current	181	181	1,295,806	1,230,591
Noncurrent	17,651	97,322	2,273,294	2,303,436



## Direcional Engenharia S.A.

Notes to interim financial information (Continued)  
 March 31, 2022  
 (In thousands of reais, unless otherwise stated)

### 5. Inventories (Continued)

As of March 31, 2022, inventories of completed real estate units were submitted to impairment tests. The total balance of adjustment to realizable value in March 2022 is R\$3,087 (R\$3,056 in December 2021).

	12/31/2021	(+) Adjustment to net recoverable amount	(-) Reversal of adjustment to net recoverable amount	03/31/2022
Individual	-	-	-	-
Subsidiaries	(3,056)	(31)	-	(3,087)
Consolidated	(3,056)	(31)	-	(3,087)

#### 5.1. Capitalized interest

Interest incurred in connection with project financing is recorded under “Units under construction” and “Completed units” in accordance with OCPC 01, and posted to profit or loss when the units are sold. At March 31, 2022, interest totaling R\$1,135 (R\$256 for the period ended March 31, 2021) was capitalized in the inventories account. The amount of R\$6,925 (R\$6,929 at December 31, 2021) remains capitalized in the inventories account, referring to unsold units. The average interest capitalization rate was 11.67% in March 2022 (9.70% for the year ended December 31, 2021). As at March 31, 2022 and December 31, 2021, there was no production financing in the individual financial statements.

## 6. Transactions with related parties

### 6.1. Related companies

Assets	Individual		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Receivables from venture partners in projects (a)	5,393	5,578	36,307	36,120
Checking account with ventures in projects (b)	117,885	127,157	40,875	47,777
	<b>123,278</b>	<b>132,735</b>	<b>77,182</b>	<b>83,897</b>
Current	123,278	132,735	75,546	82,261
Noncurrent	-	-	1,636	1,636

## Direcional Engenharia S.A.

Notes to interim financial information (Continued)

March 31, 2022

(In thousands of reais, unless otherwise stated)

### 6. Transactions with related parties (Continued)

#### 6.1. Related companies (Continued)

Liabilities	Individual		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Payables to venture partners in projects (a)	325	325	13,530	8,264
Checking account with ventures in projects (b)	10,068	10,416	2,943	6,336
	<b>10,393</b>	<b>10,741</b>	<b>16,473</b>	<b>14,600</b>
Current	10,393	10,741	16,473	14,600
Noncurrent	-	-	-	-

(a) Receivables and payables to venture partners: The Company carries out loan transactions with certain venture partners, generally noncontrolling shareholders of said SPEs, which are settled upon completion of the construction work. These transactions are adjusted by reference to the CDI rate variation plus spread of up to 4.13% p.a. or by the IGPM plus spread of up to 1% p.m., and are secured by the results obtained from the ventures, so that the partners' right to share such results is conditional upon settlement of the transactions. In 2020, the Company recognized a provision for loss of R\$5,240 referring to receivables from a specific partner. There was no additional provision in the year ended December 31, 2021 and period ended March 31, 2022.

(b) These transactions refer exclusively to the contribution of funds for the construction of units, and are not subject to interest. On February 17, 2021, Riva reduced its capital in order to return capital to shareholders, in the amount of R\$86,531, with R\$85,666 paid to the Company. The amounts of R\$40,000 and R\$18,246 were paid to the Company on June 30, 2021 and November 5, 2021, respectively, as capital reduction made on February 17, 2021. As at March 31, 2022, the balance receivable from Riva was R\$28,285. The Company still has R\$27,092 receivable from other subsidiaries as a capital reduction.

#### Profit or loss

The Company charters aircraft from ALVG Investimentos e Participações Ltda. ("ALVG") for the transportation of executives during the performance of business-related activities. In the period ended March 31, 2022, the average monthly amount of R\$169 related to aircraft chartering was paid. ALVG is a company controlled by the same controlling group as that of Direcional.

On December 10, 2014, the Company entered into a sale and lease back contract relating to the property where its head office is located, effective for 12 years, with Fundo de Investimentos BRL Edifícios Comerciais, the buyer of this property. This transaction was approved by the Company's Board of Directors and carried out at market value, as assessed by CB Richard Ellis (CBRE). In the period ended March 31, 2022, the average amount of R\$598 was paid monthly (monthly amounts of R\$591 as of December 31, 2021) in connection with the property lease. This investment fund is controlled by the same controlling group as that of Direcional.

During assessment of the lease contracts for adoption of CPC 06 (R2)/IFRS 16, the Company identified that the lease contract of the property met the requirements of the standard and, as such, the amount of the net debt discounted at the incremental borrowing rate on right-of-use assets was recognized against lease liabilities payable.

## Direcional Engenharia S.A.

Notes to interim financial information (Continued)

March 31, 2022

(In thousands of reais, unless otherwise stated)

### 6. Transactions with related parties (Continued)

#### 6.2. Management and Supervisory Board compensation

Total annual compensation of management and board members (i) proposed by Company management for decision at the GSM that will take place on April 29, 2022; and (ii) paid in 2021 is as follows:

Proposal for 2022	2022			Total
	Board of Directors	Supervisory Board	Statutory Board	
Number of members (*)	7	3	7	17
Fixed annual compensation (R\$)	1,800	200	4,100	6,100
Variable compensation (R\$)	500	-	2,500	3,000
Share-based payment (R\$) (**)	-	-	4,000	4,000
	<b>2,300</b>	<b>200</b>	<b>10,600</b>	<b>13,100</b>

Paid in 2021	2021			Total
	Board of Directors	Supervisory Board	Statutory Board	
Number of members (*)	7	3	6	16
Fixed annual compensation (R\$)	1,610	157	3,320	5,087
Variable compensation (R\$)	337	-	1,871	2,208
Share-based payment (R\$) (**)	42	-	716	758
	<b>1,989</b>	<b>157</b>	<b>5,907</b>	<b>8,053</b>

(\*) The number of members of the Company's Board of Directors, Supervisory Board and Statutory Board was calculated in accordance with the provisions in CVM/SEP Memorandum Circular No. 02/2020.

(\*\*) Share-based payment of Riva is made through the Company's stock option plan. The amount for 2021 was R\$386, while the amount proposed for 2022 is R\$246.

Key management personnel also receive compensation through the stock option plan of the Company, as described in Note 22. The Company does not offer private pension plans or any post-employment pension plan or benefits.

## Direcional Engenharia S.A.

Notes to interim financial information (Continued)

March 31, 2022

(In thousands of reais, unless otherwise stated)

### 7. Investments

#### a) Changes in the most significant balances from December 31, 2021 to March 31, 2022

Subsidiaries	Equity interest	12/31/2021	Dividends/ amortization	Equity pickup	Capital subscription (reduction)/ Future capital contribution	03/31/2022
RIVA INCORPORADORA S/A	94.50%	305,477	-	12,001	61	317,539
CANARIO ENGENHARIA LTDA.	100.00%	92,444	-	3,618	14,123	110,185
ITAPEMA EMPREENDIMENTOS IMOBILIÁRIOS SPE LTDA	99.90%	55,643	(29,509)	5,688	4,069	35,891
DIRECIONAL TAGUATINGA ENGENHARIA LTDA	100.00%	53,184	(3,167)	2,972	(3,166)	49,823
BELLA MOEDA EMPREENDIMENTOS IMOBILIÁRIOS LTDA	100.00%	44,467	-	-	16	44,483
AZURITA EMPREENDIMENTOS IMOBILIARIOS LTDA	99.90%	30,879	-	(624)	141	30,396
RIO LARGO EMPREENDIMENTO IMOBILIÁRIOS LTDA	99.90%	28,331	-	724	(852)	28,203
ARAGUACEMA EMPREENDIMENTOS IMOBILIARIOS LTDA	99.90%	27,251	-	3,308	(3,681)	26,878
CONSTANTINA EMPREENDIMENTOS IMOBILIÁRIOS LTDA	99.90%	24,599	(9,279)	634	(1,708)	14,246
PARQUE DAS CEREJEIRAS EMPREENDIMENTOS IMOBILIARIOS LTDA	75.00%	24,349	-	(3,734)	(2,000)	18,615
ARARI EMPREENDIMENTOS IMOBILIARIOS LTDA	99.90%	24,213	-	497	(11,715)	12,995
SAQUAREMA EMPREENDIMENTOS IMOBILIARIOS LTDA	99.90%	23,933	-	746	(4,088)	20,591
ARANTINA EMPREENDIMENTOS IMOBILIARIOS LTDA	99.90%	23,040	-	3,221	(4,819)	21,442
COLINA EMPREENDIMENTOS IMOBILIARIOS SPE LTDA	100.00%	20,198	-	2,580	4,753	27,531
ALCOBAÇA CONSTRUÇÕES E EMPREENDIMENTOS IMOBILIÁRIOS SPE LTDA	99.90%	18,761	-	1	53	18,815
SAO GOTARDO EMPREENDIMENTOS IMOBILIARIOS LTDA	99.90%	18,590	-	6,159	(2,580)	22,169
VISTA SERRANA EMPREENDIMENTOS IMOBILIARIOS LTDA	99.90%	18,118	-	3,266	2,404	23,788
ALTO SANTO EMPREENDIMENTOS IMOBILIARIOS LTDA.	99.90%	17,568	(15,459)	2,030	14,153	18,292
NOVA ALMENARA EMPREENDIMENTOS IMOBILIARIOS LTDA	99.90%	17,052	-	170	(1,907)	15,315
Other subsidiaries	-	588,605	(104,635)	38,280	136,562	658,812
<b>Total – Subsidiaries:</b>		<b>1,456,702</b>	<b>(162,049)</b>	<b>81,537</b>	<b>139,819</b>	<b>1,516,009</b>
<b>Joint ventures (Individual)</b>	-	<b>62,311</b>	<b>(1,282)</b>	<b>2,851</b>	<b>(1,036)</b>	<b>62,844</b>
<b>Total - Individual</b>		<b>1,519,013</b>	<b>(163,331)</b>	<b>84,388</b>	<b>138,783</b>	<b>1,578,853</b>
Joint ventures (Individual)	-	62,311	(1,282)	2,851	(1,036)	62,844
Joint ventures (subsidiaries)	-	55,669	(980)	679	1,399	56,767
<b>Total - Consolidated</b>		<b>117,980</b>	<b>(2,262)</b>	<b>3,530</b>	<b>363</b>	<b>119,611</b>

## Direcional Engenharia S.A.

Notes to interim financial information (Continued)

March 31, 2022

(In thousands of reais, unless otherwise stated)

### 7. Investments (Continued)

#### b) Breakdown of balances of subsidiaries and joint ventures at March 31, 2022

Subsidiaries	Equity interest	Assets		Liabilities and equity		
		Current	Noncurrent	Current	Noncurrent	Equity
Riva Incorporadora S/A	94.50%	63,289	546,962	87,109	187,715	335,427
Canario Engenharia Ltda.	100.00%	163,693	2,653	16,749	39,412	110,185
Direcional Taguatinga Engenharia Ltda	100.00%	43,729	23,555	13,016	4,445	49,823
Manauara Vii Empreendimentos Imobiliarios Spe Ltda	100.00%	46,527	2,314	744	247	47,850
Bella Moeda Empreendimentos Imobiliários Ltda	100.00%	-	44,487	4	-	44,483
Alto Burity Participações Societárias Ltda	60.00%	4,008	38,797	2,253	-	40,552
Coroados Empreendimentos Imobiliários Ltda	99.90%	40,877	5,576	5,935	7,535	36,983
Itapema Empreendimentos Imobiliários Spe Ltda	99.90%	56,973	57,811	12,652	66,205	35,927
Azurita Empreendimentos Imobiliarios Ltda	99.90%	29,846	211	(823)	454	30,426
Altos Pilares Empreendimentos Imobiliários Ltda	100.00%	27,029	2,406	8	-	29,427
Rio Largo Empreendimento Imobiliários Ltda	99.90%	31,672	1,741	4,543	639	28,231
Novo Hamburgo Empreendimentos Imobiliarios Ltda	50.00%	40,896	2,960	3,803	11,992	28,061
Santa Ines Empreendimentos Imobiliarios Ltda	100.00%	30,329	32,254	10,379	24,639	27,565
Colina Empreendimentos Imobiliarios Spe Ltda	100.00%	32,982	5,635	3,399	7,687	27,531
Araguacema Empreendimentos Imobiliarios Ltda	99.90%	24,259	5,791	2,489	656	26,905
Direcional Santo Antônio Empreendimentos Imobiliários Ltda	100.00%	1	26,769	72	-	26,698
Riacho Branco Empreendimentos Imobiliários Ltda	95.87%	28,201	8,763	8,294	2,460	26,210
Bello Villarinho Empreendimentos Imobiliarios Spe Ltda	50.00%	18,303	8,589	1,431	135	25,326
Parque Das Cerejeiras Empreendimentos Imobiliarios Ltda	75.00%	27,117	5,027	3,762	3,562	24,820
Vista Serrana Empreendimentos Imobiliarios Ltda	99.90%	23,059	51,556	5,972	44,832	23,811
Sao Gotardo Empreendimentos Imobiliarios Ltda	99.90%	23,904	1,270	2,843	140	22,191
Arantina Empreendimentos Imobiliarios Ltda	99.90%	27,147	4,855	2,161	8,378	21,463
Nova Itabira Empreendimentos Imobiliarios Ltda - Scp Confisco	50.00%	17,562	7,572	1,680	2,346	21,108
Nova Olinda Empreendimentos Imobiliarios Ltda	99.90%	26,985	34,547	4,302	36,392	20,838
Other subsidiaries	-	1,381,197	2,010,358	337,301	2,060,087	994,167
<b>TOTAL - SUBSIDIARIES</b>		<b>2,209,585</b>	<b>2,936,459</b>	<b>530,078</b>	<b>2,509,958</b>	<b>2,106,008</b>
<b>JOINT VENTURES</b>		<b>201,412</b>	<b>125,008</b>	<b>52,303</b>	<b>58,225</b>	<b>215,892</b>

As at March 31, 2022 and December 31, 2021, 52.90% and 51.23% of the Company's assets were respectively included in the equity segregation structure, as established by Law No. 10931/04.

## Direcional Engenharia S.A.

Notes to interim financial information (Continued)

March 31, 2022

(In thousands of reais, unless otherwise stated)

### 8. Property and equipment

#### Individual

	Machinery and equipment	Aluminum molds	Furniture and fixtures	Vehicles	IT equipment	Leasehold improvements	Right-of-use assets	Other	Total property and equipment
Depreciation rate	10%	(b)	10%	20%	20%	8.33%	(c)	-	-
Cost									
Balance at 12/31/2021	12,186	144,516	3,568	779	8,122	9,353	52,806	227	231,557
Additions	-	9,148	3	-	316	34	299	-	9,800
Write-offs	-	-	-	-	-	-	-	-	-
Balance at 03/31/2022	<b>12,186</b>	<b>153,664</b>	<b>3,571</b>	<b>779</b>	<b>8,438</b>	<b>9,387</b>	<b>53,105</b>	<b>227</b>	<b>241,357</b>
Depreciation									
Balance at 12/31/2021	(11,729)	(116,088)	(2,531)	(753)	(4,952)	(5,251)	(22,022)	(220)	(163,546)
Depreciation for the period	(40)	(4,886)	(69)	(4)	(245)	(204)	(1,813)	(3)	(7,264)
Write-offs	-	-	-	-	-	-	-	-	-
Balance at 03/31/2022	<b>(11,769)</b>	<b>(120,974)</b>	<b>(2,600)</b>	<b>(757)</b>	<b>(5,197)</b>	<b>(5,455)</b>	<b>(23,835)</b>	<b>(223)</b>	<b>(170,810)</b>
Carrying amount									
At 12/31/2021	457	28,428	1,037	26	3,170	4,102	30,784	7	68,011
At 03/31/2022	<b>417</b>	<b>32,690</b>	<b>971</b>	<b>22</b>	<b>3,241</b>	<b>3,932</b>	<b>29,270</b>	<b>4</b>	<b>70,547</b>

## Direcional Engenharia S.A.

Notes to interim financial information (Continued)

March 31, 2022

(In thousands of reais, unless otherwise stated)

### 8. Property and equipment (Continued)

#### Consolidated

	<b>Machinery and equipment</b>	<b>Aluminum molds</b>	<b>Furniture and fixtures</b>	<b>Vehicles</b>	<b>IT equipment</b>	<b>Leasehold improvements</b>	<b>Sales stands</b>	<b>Right-of-use assets</b>	<b>Other</b>	<b>Total property and equipment</b>
Depreciation rate	10%	(b)	10%	20%	20%	8%	(a)	(c)	-	
Cost										
Balance at 12/31/2021	23,970	148,871	8,629	2,458	14,538	9,903	100,011	54,271	1,260	363,911
Additions	<b>60</b>	<b>10,896</b>	<b>80</b>	-	<b>905</b>	<b>34</b>	<b>3,021</b>	<b>299</b>	-	<b>15,295</b>
Write-offs	-	-	-	-	-	-	-	-	-	-
Balance at 03/31/2022	<b>24,030</b>	<b>159,767</b>	<b>8,709</b>	<b>2,458</b>	<b>15,443</b>	<b>9,937</b>	<b>103,032</b>	<b>54,570</b>	<b>1,260</b>	<b>379,206</b>
Depreciation										
Balance at 12/31/2021	(21,600)	(119,601)	(6,156)	(2,419)	(9,392)	(5,313)	(76,117)	(23,016)	(1,222)	(264,836)
Depreciation for the period	<b>(179)</b>	<b>(4,886)</b>	<b>(151)</b>	<b>(6)</b>	<b>(412)</b>	<b>(231)</b>	<b>(2,858)</b>	<b>(1,922)</b>	<b>(4)</b>	<b>(10,649)</b>
Write-offs	-	-	-	-	-	-	-	-	-	-
Balance at 03/31/2022	<b>(21,779)</b>	<b>(124,487)</b>	<b>(6,307)</b>	<b>(2,425)</b>	<b>(9,804)</b>	<b>(5,544)</b>	<b>(78,975)</b>	<b>(24,938)</b>	<b>(1,226)</b>	<b>(275,485)</b>
Carrying amount										
At 12/31/2021	2,370	29,270	2,473	39	5,146	4,590	23,894	31,255	38	99,075
At 03/31/2022	<b>2,251</b>	<b>35,280</b>	<b>2,402</b>	<b>33</b>	<b>5,639</b>	<b>4,393</b>	<b>24,057</b>	<b>29,632</b>	<b>34</b>	<b>103,721</b>

(a) Sales stands are subject to depreciation in accordance with the estimated flow of sales of each project, written off or due to discontinuance.

(b) The aluminum molds used in the construction of units are subject to depreciation using the unit of production method, which results in expenses recognized based on production.

(c) Right-of-use assets are subject to depreciation on a straight-line basis over the life of each lease contract.

## Direcional Engenharia S.A.

Notes to interim financial information (Continued)  
March 31, 2022  
(In thousands of reais, unless otherwise stated)

### 8. Property and equipment (Continued)

#### Consolidated (Continued)

The Company's right-of-use assets comprise properties, vehicles, machinery and equipment. The most significant leased asset is the Company's administrative head office.

The Company and its subsidiaries have entered into 29 finance lease agreements for the acquisition of aluminum molds. The book value of property and equipment items under finance lease agreements at March 31, 2022 totaled R\$159,767 (R\$148,871 at December 31, 2021). Property and equipment items acquired in the period on a conditional sale basis amounted to R\$10,896 and are guaranteed by the leased items.

### 9. Loans, financing and leases

#### 9.1. Loans and financing

	Individual		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Construction financing	-	-	<b>96,616</b>	42,172
FINAME and finance lease of equipment	<b>11,589</b>	10,800	<b>13,753</b>	12,768
Mortgage-backed securities (CRI)	<b>682,880</b>	668,981	<b>742,816</b>	728,884
Bank Credit Note (CCB)	<b>83,617</b>	100,445	<b>83,617</b>	100,445
Debentures	<b>354,147</b>	357,133	<b>354,147</b>	357,133
Grand total	<b>1,132,233</b>	1,137,359	<b>1,290,949</b>	1,241,402
Current	<b>176,237</b>	125,358	<b>178,275</b>	127,205
Noncurrent	<b>955,996</b>	1,012,001	<b>1,112,674</b>	1,114,197
Current	<b>176,237</b>	125,358	<b>178,275</b>	127,205
Noncurrent	<b>955,996</b>	1,012,001	<b>1,112,674</b>	1,114,197

#### Construction financing

This type of loan aims to finance projects during construction. Interest rates applicable to these loans range between 8.3% and 9.75% p.a., according to the transaction, restated by the Referential Rate (TR) and also 127% and 137% of the CDI. These transactions are backed by mortgages of properties of the respective projects.



## Direcional Engenharia S.A.

Notes to interim financial information (Continued)  
March 31, 2022  
(In thousands of reais, unless otherwise stated)

### 9. Loans, financing and leases (Continued)

#### 9.1. Loans and financing (Continued)

##### Leases

This type of loan aims to finance investments in machinery and equipment. Interest rates applicable to these loans are variable interest with margins on CDI of 1.49% to 3.43% per annum, according to the transaction. These transactions are guaranteed by machinery and equipment acquired through the financing arrangements.

##### Mortgage-backed securities (CRI)

*107<sup>th</sup> series:* This consists of a registered credit instrument exclusively issued by securitization companies and backed by mortgages, representing a promise to pay in cash. The remuneration of CRIs, on the balance of unit par value of CRIs from the issue date of CRIs, comprises conventional interest of 0.80% per annum, plus accumulated variation of the DI rate. No specific guarantees were established, whether as a security interest or personal guarantee, on CRIs, which will not have an issuer's floating guarantee either. This security was settled in April 2021.

*175<sup>th</sup> series:* This consists of a registered credit instrument exclusively issued by securitization companies and backed by mortgages, representing a promise to pay in cash. The remuneration of CRIs, on the balance of unit par value of CRIs from the issue date of CRIs, comprises conventional interest of 5.08% per annum, plus IPCA. No specific guarantees were established, whether as a security interest or personal guarantee, on CRIs, which will not have an issuer's floating guarantee either. Maturity is in December 2024.

In March 2021, a derivative financial instrument (swap) was entered into for the same period (up to December 2024), to hedge the Company exposure to the IPCA rate. The swap transaction aims at equity hedge, mitigating the effects of rate fluctuations by replacing IPCA for CDI less 1.45% p.a. In December 2021, this swap was settled, so as to enable - from a new swap contract taken out on the same date - accounting for the operation under the hedge accounting methodology. The purpose of this change is of a purely accounting nature, to protect the Company's statement of financial position from possible fluctuations arising from the mark-to-market (MtM), while ensuring continuing protection in relation to the variation of the IPCA. This contract allowed the replacement of the IPCA with CDI minus 0.89% p.a. The impacts of this transaction are presented in Note 21.

## Direcional Engenharia S.A.

Notes to interim financial information (Continued)  
March 31, 2022  
(In thousands of reais, unless otherwise stated)

### 9. Loans, financing and leases (Continued)

#### 9.1. Loans and financing (Continued)

##### Mortgage-backed securities (CRI) (Continued)

*193<sup>rd</sup> series:* This consists of a registered credit instrument exclusively issued by securitization companies and backed by mortgages, representing a promise to pay in cash. The remuneration of CRIs, on the balance of unit par value of CRIs from the issue date of CRIs, comprises conventional interest of 104% of the accumulated variation of the DI rate. No specific guarantees were established, whether as a security interest or personal guarantee, on CRIs, which will not have an issuer's floating guarantee either. Maturity is in July 2025.

*356<sup>th</sup> and 357<sup>th</sup> series:* These consist of a registered credit instrument exclusively issued by securitization companies and backed by mortgages, representing a promise to pay in cash. This is the 1<sup>st</sup> issue of subsidiary Riva Incorporadora S/A, carried out in two series, and Direcional is its guarantor within the scope of the debenture issue indenture. For each series, thirty thousand (30,000) unsecured debentures were issued. The remuneration of CRIs, on the balance of unit par value from the issue date, comprises conventional interest ranging from 3.60% to 3.40% p.a., plus accumulated variation of the DI rate. No specific guarantees were established, whether as a security interest or personal guarantee, on CRIs, which will not have an issuer's floating guarantee either. This issue will mature in July 2033 and July 2032, respectively.

*371<sup>st</sup> series:* This consists of a registered credit instrument exclusively issued by securitization companies and backed by mortgages, representing a promise to pay in cash. This is the 7<sup>th</sup> issue of non-privileged unsecured nonconvertible debentures of Direcional. Two hundred thousand (200,000) debentures were issued. The remuneration of CRIs, on the balance of unit par value of CRI from the issue date of CRIs, comprises conventional interest of 4.8444% p.a., plus 100% of the accumulated variation of IPCA. No specific guarantees were established, whether as a security interest or personal guarantee, on CRIs, which will not have an issuer's floating guarantee either. Maturity is in April 2028.

Subsequently to the issue, another derivative financial instrument (swap) was entered into for the same period (up to April 2028), to hedge the Company exposure to the IPCA rate. The swap transaction aims at equity hedge, mitigating the effects of the price index volatility. Accordingly, the exposure to the debenture yield is now pegged to the CDI variation plus 1.4522% p.a. The impacts of this transaction are presented in Note 21.

## Direcional Engenharia S.A.

Notes to interim financial information (Continued)  
March 31, 2022  
(In thousands of reais, unless otherwise stated)

### 9. Loans, financing and leases (Continued)

#### 9.1. Loans and financing (Continued)

##### Working capital

Foreign loan issued by Banco Itaú, referring to Loan 4131, amounting to EUR7,497,656.98 (seven million, four hundred and ninety-seven thousand, six hundred and fifty-six euros and ninety-eight cents). The exchange rate agreed for this transaction was R\$5.3350, which resulted in R\$39,999,999.99 (thirty-nine million, nine hundred and ninety-nine thousand, nine hundred and ninety-nine reais and ninety-nine cents). The CCBs were issued in March 2020 and will mature within one year. The interest rate is 2.3625% p.a. No specific guarantees were established, whether as a security interest or personal guarantee, on the loan, which will not have an issuer's floating guarantee either. For this transaction, a derivative financial instrument (swap) was entered into for the same period (March 2020 to March 2021), to hedge the Company exposure to foreign currency. The swap transaction aims at equity hedge, mitigating the effects of currency fluctuation by replacing BRL/EUR for CDI plus a fixed spread of 4% p.a. This agreement was settled in March 2021.

##### Corporate Bank Credit Notes

CCB Compror issued by Banco Santander in the amount of R\$100,000.00 (one hundred million reais). The interest rate charged is 2.50% p.a. plus CDI rate, as calculated and disclosed by CETIP ("DI rate"). No specific guarantees were established, whether as a security interest or personal guarantee, on this CCB Compror, which will not have an issuer's floating guarantee either. This issue will mature in July 2023.

##### Debentures

*6<sup>th</sup> Issue:* In September 2020, the Company carried out the 6<sup>th</sup> issue of single-series non-privileged unsecured nonconvertible debentures, for public distribution with restricted distribution efforts. The Debentures have a maturity of five years, counting from the Issue Date, therefore, maturing in September 2025. Debentures totaling 250,000 (two hundred and fifty thousand) were issued, whose unit value on the issue date was R\$1,000.00 (one thousand reais). Regarding the remuneration, the debenture unit par value will bear conventional interest equivalent to 100% (one hundred percent) of the accumulated variation of the DI Rate, plus a spread (surcharge) equivalent to 2.85% (two point eighty-five percent) p.a. No specific guarantees were established, whether as a security interest or personal guarantee, on debentures, which will not have an issuer's floating guarantee either.

## Direcional Engenharia S.A.

Notes to interim financial information (Continued)  
March 31, 2022  
(In thousands of reais, unless otherwise stated)

### 9. Loans, financing and leases (Continued)

#### 9.1. Loans and financing (Continued)

##### Debentures (Continued)

*8<sup>th</sup> Issue:* In October 2021, the Company carried out its 8<sup>th</sup> issue of single-series non-privileged unsecured nonconvertible debentures, for public distribution with restricted distribution efforts. The Debentures have a maturity of five years, counting from the Issue Date, therefore, maturing in October 2026. Debentures totaling 100,000 (one hundred thousand) were issued, whose unit value on the issue date was R\$1,000.00 (one thousand reais). Regarding the remuneration, the debenture unit par value will bear conventional interest equivalent to 100% (one hundred percent) of the accumulated variation of the DI Rate, plus a spread (surcharge) equivalent to 1.65% (one point sixty-five percent) p.a. No specific guarantees were established, whether as a security interest or personal guarantee, on debentures, which will not have an issuer's floating guarantee either.

Debenture contracts and CRIs are subject to a financial covenant, which can be calculated using the formula below. Maturities will only be brought forward if they exceed this limit, which at March 31, 2022, was 0.15.

$$\frac{\text{Corporate net debt}}{\text{Equity}} < 0.5$$

The noncurrent portion of loans as at March 31, 2022 matures as follows:

Period	03/31/2022	
	Individual	Consolidated
April 2023 to March 2024	284,028	284,910
April 2024 to March 2025	266,477	270,704
April 2025 to March 2026	173,683	190,394
April 2026 onwards	231,808	366,666
	<u>955,996</u>	<u>1,112,674</u>

#### 9.2. Lease financing

The Company has real estate and vehicle leases. The term of real estate leases ranges from 1 to 5 years, while vehicles have a term of one year.

The Company's main leases are the building where the headquarters are located, properties for regional offices, and fleet vehicles.

## Direcional Engenharia S.A.

Notes to interim financial information (Continued)

March 31, 2022

(In thousands of reais, unless otherwise stated)

### 9. Loans, financing and leases (Continued)

#### 9.2. Lease financing (Continued)

Breakdown of leases is as follows:

	<b>03/31/2022</b>	
	<b>Individual</b>	<b>Consolidated</b>
Balance at 12/31/2021	34,324	35,217
Additions	299	299
Payment of principal	(1,921)	(1,977)
Payment of interest	(193)	(193)
PVA (interest allocated)	516	529
Balance at 03/31/2022	<u>33,025</u>	<u>33,875</u>
Current	9,469	10,188
Noncurrent	23,556	23,687

	<b>12/31/2021</b>	
	<b>Individual</b>	<b>Consolidated</b>
Balance at 12/31/2020	38,389	39,566
Additions	795	793
Payment of principal	(8,158)	(8,502)
Payment of interest	(713)	(713)
Restatement	1,717	1,717
PVA (interest allocated)	2,294	2,356
Balance at 12/31/2021	<u>34,324</u>	<u>35,217</u>
Current	9,339	10,088
Noncurrent	24,985	25,129

Breakdown of the lease balance by maturity of the installments is as follows:

	<b>03/31/2022</b>	
	<b>Individual</b>	<b>Consolidated</b>
Within one year	9,469	10,188
Between 1 and 2 years	6,758	6,815
Between 2 and 3 years	6,113	6,164
More than 3 years	10,685	10,708
	<u>33,025</u>	<u>33,875</u>

The table below shows the effects of projected inflation on the balance of lease contracts:

## Direcional Engenharia S.A.

Notes to interim financial information (Continued)

March 31, 2022

(In thousands of reais, unless otherwise stated)

### 9. Loans, financing and leases (Continued)

#### 9.2. Lease financing (Continued)

Consolidated	Consideration (no future inflation)	Consideration (with future inflation)	Inflation not included in contracts
1 <sup>st</sup> year	10,188	10,749	561
2 <sup>nd</sup> year	6,815	7,234	419
3 <sup>rd</sup> year	6,164	6,525	361
4 <sup>th</sup> year	5,761	6,092	331
5 <sup>th</sup> year	4,947	5,232	285
	<b>33,875</b>	<b>35,832</b>	<b>1,957</b>

### 10. Labor obligations

Breakdown of labor obligations is as follows:

Description	Individual		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Salaries and withdrawals payable	3,261	2,249	7,089	6,338
Labor and social security charges	1,741	2,032	4,858	5,332
Labor accruals	11,102	6,988	24,403	17,612
Other	869	1,380	1,697	2,545
	<b>16,973</b>	12,649	<b>38,047</b>	31,827

### 11. Tax obligations

The balances below comprise the provision for current taxes whose triggering event is the realization of accounts receivable, as well as the provision for deferred taxes upon recognition of revenue using the POC method, in which the realization of accounts receivable is deferred throughout the flow of each contract:

## Direcional Engenharia S.A.

Notes to interim financial information (Continued)

March 31, 2022

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### 11. Tax obligations (Continued)

Current taxes	Individual		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Contribution Tax on Gross Revenue for Social Integration Program (PIS)	116	157	179	238
Contribution Tax on Gross Revenue for Social Security Financing (COFINS)	667	853	958	1,228
Special taxation regime	-	-	7,268	11,027
Corporate Income Tax (IRPJ)	-	-	776	703
Social Contribution Tax on Net Profit (CSLL)	-	-	369	331
Other	301	411	2,848	3,093
	<b>1,084</b>	<b>1,421</b>	<b>12,398</b>	<b>16,620</b>
<b>Deferred taxes</b>				
PIS	6	6	2,000	1,783
COFINS	31	26	9,178	8,176
Present value adjustment	-	-	(587)	(605)
IRPJ	22	18	6,768	6,031
CSLL	11	9	3,545	3,159
Other	-	-	(407)	(369)
	<b>70</b>	<b>59</b>	<b>20,497</b>	<b>18,175</b>
	<b>1,154</b>	<b>1,480</b>	<b>32,895</b>	<b>34,795</b>
Current	1,154	1,480	24,061	25,094
Noncurrent	-	-	8,834	9,701

### 12. Real estate commitments payable

Accounts payable arising from the acquisition of land for real estate development, with land itself being part of the guarantee. These contracts are restated by reference to INCC.

	12/31/2021	(+) Acquisitions	(-) Payments	(+/-) Revisions	(+/-) Transfer to SPEs	03/31/2022
Individual	70,877	-	-	-	(52,925)	17,952
Current	-					-
Noncurrent	70,877					17,952
		(+) Acquisitions	(-) Payments	(+/-) Revisions	(-) Cancellation of contracts	03/31/2022
Consolidated	2,122,997	88,657	(53,152)	(12,411)	-	2,146,091
Current	62,779					96,367
Noncurrent	2,060,218					2,049,724

## Direcional Engenharia S.A.

Notes to interim financial information (Continued)

March 31, 2022

(In thousands of reais, unless otherwise stated)

### 12. Real estate commitments payable (Continued)

	<b>Consolidated</b>	
	<b>03/31/2022</b>	<b>12/31/2021</b>
<i>Aging list:</i>		
Within 1 year	96,367	62,779
1-2 years	1,169,459	1,289,516
2-3 years	489,000	446,073
3-4 years	128,527	105,703
After 4 years	262,738	218,926
	<b>2,146,091</b>	<b>2,122,997</b>

### 13. Advances from customers

<b>Individual</b>	<b>12/31/2021</b>	<b>(+) Acquisitions/ receipts</b>	<b>(-) Amortization</b>	<b>(-) Transfer to SPEs</b>	<b>03/31/2022</b>
Advance - physical barter of plot of land (i)	27,086	-	-	(26,706)	380
Total advances	27,086	-	-	(26,706)	380
Current	-				-
Noncurrent	27,086				380

  

<b>Consolidated</b>	<b>12/31/2021</b>	<b>(+) Acquisitions/ receipts</b>	<b>(-) Amortization</b>	<b>(+/-) Revisions</b>	<b>(-) Write-offs/ cancelations</b>	<b>03/31/2022</b>
Advance - physical barter of plot of land (i)	377,060	-	(1,552)	(3,584)	-	371,924
Advances for receipt (ii)	12,989	10,593	(4,713)	-	-	18,869
Total advances	390,049	10,593	(6,265)	(3,584)	-	390,793
Current	14,705					26,466
Noncurrent	375,344					364,327

- (i) Commitments to deliver ready and completed real estate units in connection with acquisition of plots of land through barter, i.e. exchange of plot of land for units to be built;
- (ii) Advances from customers in connection with sales of real estate units.



## Direcional Engenharia S.A.

Notes to interim financial information (Continued)  
 March 31, 2022  
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### 14. Other accounts payable

	Individual		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Debts to customers	7,703	6,571	11,503	9,760
Debts to partners (a)	-	-	26,920	26,920
Accounts payable for acquisition of equity interest (b)	2,028	2,028	102,385	116,129
Dividends proposed	-	-	417	417
Capital deficiency (c)	14,961	8,904	231	-
Derivatives payable	4,773	3,669	4,773	3,669
Credit assignment – sale of portfolio	43,931	-	43,450	-
Other	3,694	9,847	23,373	30,843
<b>Total</b>	<b>77,090</b>	<b>31,019</b>	<b>213,052</b>	<b>187,738</b>
Current	75,062	28,991	115,660	90,346
Noncurrent	2,028	2,028	97,392	97,392

(a) On April 20, 2011 the Company entered into a commercial agreement with an investor for the development of projects that will be built in four plots of land located in the Federal District, in exchange for R\$44,300 received in cash, with no further remuneration thereon. In December 2012, the green light was given to the project of one of the plots of land addressed by the commercial agreement, capitalizing R\$10,380 in SPE Direcional Turquesa Empreendimentos Imobiliários, responsible for the development, construction and sales of the project to be constructed. In April 2014, R\$7,000 was capitalized in SPE Ouro Branco Empreendimentos Imobiliários Ltda., responsible for the construction and sale of the second project to be built.

(b) This account represents the balance of accounts payable for acquisition of equity interest in companies in which the Group has investments. On June 15, 2021, the Company acquired 83.33% interest in Jardim Santo Antonio Incorporação Imobiliária SPE Ltda. for R\$4,607, payable in a lump sum on June 15, 2024. On May 5, 2021, Riva Incorporadora S.A., a Direcional subsidiary, acquired 100% interest in BFRE Assessoria Empresarial e Participações Ltda. for R\$86,564. The balance payable at December 31 was R\$76,364. On June 2, 2021, Riva acquired 100% of the units of interest of Osasco Lote 3 Empreendimentos Imobiliários SPE Ltda. for R\$18,500, whose installments are subject to restatement by reference to the IPCA rate. The balance was settled on February 25, 2022. On August 23, 2021, the Company acquired all units of interest of companies Muqui, Mirante, Guarinos, Arapiraca, Mar Turmalina and Lagoa for the amount of R\$28,163, settled on that same date.

(c) This account shows investments in subsidiaries or joint ventures with capital deficiency.

### 15. Provisions

#### 15.1. Provision for warranty

	Individual	Consolidated
Balance at 12/31/2021	2,258	40,194
(+) Provisions	268	5,039
(-) Reversals/write-offs	-	(132)
(-) Payments	(514)	(3,868)
<b>Balance at 03/31/2022</b>	<b>2,012</b>	<b>41,233</b>

## Direcional Engenharia S.A.

Notes to interim financial information (Continued)  
 March 31, 2022  
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### 15. Provisions (Continued)

#### 15.1. Provision for warranty (Continued)

	Individual		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Current	1,952	2,258	26,159	28,143
Noncurrent	60	-	15,074	12,051
	<b>2,012</b>	2,258	<b>41,233</b>	40,194

The Company recognizes provisions for warranty expenses during the construction period only for units already sold, so that maintenance costs, if any, after handover of keys of real estate units will be deducted from the provision.

The provisions for construction warranty are based on reviews of historical cash outflows regarding maintenance expenses, which represent 1.21% in development work and 0.97% in service work of the total budgeted cost of each project in March 2022.

#### 15.2. Provision for tax, labor and civil contingencies

	Individual			Total
	Tax	Labor	Civil	
Balance at December 31, 2021	-	1,771	2,284	4,055
Provisions	-	-	1,519	1,519
Reversals	-	(6)	(146)	(152)
Payments	-	(281)	(187)	(468)
<b>Balance at March 31, 2022</b>	-	<b>1,484</b>	<b>3,470</b>	<b>4,954</b>

  

	Consolidated			Total
	Tax	Labor	Civil	
Balance at December 31, 2021	102	7,508	16,398	24,008
Provisions	-	180	3,825	4,005
Reversals	-	(253)	(250)	(503)
Payments	-	(699)	(1,107)	(1,806)
<b>Balance at March 31, 2022</b>	<b>102</b>	<b>6,736</b>	<b>18,866</b>	<b>25,704</b>

The Company is a party to other tax, civil and labor claims arising from its ordinary course of business for which the likelihood of loss is considered possible by management and its legal advisors. At March 31, 2022, consolidated amounts are as follows: labor claims total R\$25,544, tax proceedings total R\$14,738, and civil proceedings total R\$283,396. Consequently, no provision was set up to cover possible unfavorable outcomes.

## Direcional Engenharia S.A.

Notes to interim financial information (Continued)  
March 31, 2022  
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### 16. Equity

#### 16.1. Capital

In May 2021, the Company's Board of Directors approved the cancelation of 3,398,749 (three million, three hundred and ninety-eight thousand, seven hundred and forty-nine) common shares held in treasury.

In December 2021, the Company's Board of Directors approved the contracting of a derivative transaction referenced to the Company's shares, which resulted in 4,000,000 shares sold for the consummation of this transaction. This contract was executed with a first-rate financial institution and will be effective for at most 18 (eighteen) months.

Accordingly, the Company's fully subscribed and paid in capital amounts to R\$752,982, comprising 150,000,000 registered, book-entry common shares with no par value, of which 149,196,408 are outstanding shares and 803,592 treasury shares.

Authorized capital as at the reporting date is R\$1,200,000.

For the period ended March 31, 2022, the number of treasury shares assigned under the Share Matching Programs I and II was 213,224, resulting in 149,409,632 outstanding shares and 590,368 treasury shares.

	<b>Number of shares</b>	<b>Treasury shares</b>	<b>Total</b>
<b>December 31, 2017</b>	146,437,554	6,961,195	153,398,749
Treasury shares assigned	556,486	(556,486)	-
<b>December 31, 2018</b>	146,994,040	6,404,709	153,398,749
Treasury shares assigned	930,970	(930,970)	-
<b>December 31, 2019</b>	147,925,010	5,473,739	153,398,749
Treasury shares assigned	663,209	(663,209)	-
Share buyback	(1,882,500)	1,882,500	-
<b>December 31, 2020</b>	146,705,719	6,693,030	153,398,749
Cancelation of treasury shares	-	(3,398,749)	(3,398,749)
Treasury shares sold/assigned	4,733,489	(4,733,489)	-
Share buyback	(2,242,800)	2,242,800	-
<b>December 31, 2021</b>	149,196,408	803,592	150,000,000
Cancelation of treasury shares	-	-	-
Treasury shares sold/assigned	213,224	(213,224)	-
Share buyback	-	-	-
<b>March 31, 2022</b>	<b>149,409,632</b>	<b>590,368</b>	<b>150,000,000</b>

## **Direcional Engenharia S.A.**

Notes to interim financial information (Continued)  
March 31, 2022  
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### **16. Equity (Continued)**

#### **16.2. Treasury shares**

The Board of Directors approved five buyback programs of Company shares issued between 2011 and 2021, to be held in treasury and later canceled or sold, without capital reduction, in order to maximize shareholder value. Accordingly, 12,769,705 shares were acquired, with disbursement of R\$110,416 at an average price of R\$8.65 per share. In May 2021, the Company's Board of Directors approved the cancelation of 3,398,749 (three million, three hundred and ninety-eight thousand, seven hundred and forty-nine) common shares held in treasury. In December 2021, the Company's Board of Directors approved the contracting of a derivative transaction referenced to the Company's shares, which resulted in 4,000,000 shares sold and 803,592 treasury shares for the consummation of this transaction. The total value of the transaction was of R\$50,760.

For the period ended March 31, 2022, the number of treasury shares assigned under the Share Matching Programs I and II was 213,224, with a remaining balance of 590,368 shares. The expense recognized with respect to assigned treasury shares was R\$1,773 and the average acquisition price of the assigned shares was R\$1,953, thus generating a loss of R\$180 recognized directly in P&L for the period.

#### **16.3. Capital reserves**

##### **16.3.1. Capital reserve for stock option grants**

As described in Note 22, the Company recognizes in this account the services received in consideration for the grant of stock options, together with the exercise of stock options.

#### **16.4. Income reserve**

##### **16.4.1. Legal reserve**

The legal reserve is set up at 5% of net income for each period, under the terms of article 193 of Law No. 6404/76, limited to 20% of capital.

## Direcional Engenharia S.A.

Notes to interim financial information (Continued)  
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### 16. Equity (Continued)

#### 16.4. Income reserve (Continued)

##### 16.4.2. Retained profits reserve

This reserve is set up especially for maintenance of the Company's investment ability and completion of construction in progress. Additionally, the Annual General Meeting will decide on the allocation of the amount of income reserves in excess of total capital, pursuant to article 199 of Brazil's Corporation Law (Law No. 11638/2007).

##### 16.4.3. Distribution of dividends

The holders of common shares are entitled to a minimum mandatory dividend of 25%, based on net income adjusted for changes in reserves, according to the corporation law in force.

On May 10, 2021, the Board of Directors approved the distribution of interim dividends, in the estimated amount of R\$100,152, corresponding to R\$0.69 (sixty-nine cents) per share, considering the position of 145,147,118 shares on the date in question, not including treasury shares.

Shareholders holding Company shares on May 19, 2021 were entitled to the dividends, which were paid out in June 2021, in the total amount of R\$100,135, corresponding to R\$0.69 (sixty-nine cents) per share. The amount paid out amounted to R\$12 in the 3<sup>rd</sup> quarter of 2021 and R\$1 in February 2022, maintaining the equivalence of R\$0.69 (sixty-nine cents) per share, totaling R\$100,148 in dividends paid out. The variation between the estimated and the paid amount is due to the transfer of shares carried out under the "Matching Program", which is provided for in the stock option and incentive plan linked to the shares of the Company.

#### 16.5. Earnings per share

The table below shows the calculation of earnings per share for the periods ended March 31, 2022 and 2021:

	<u>03/31/2022</u>	<u>03/31/2021</u>
Income for the period	27,431	27,106
Weighted average number of shares	<u>149,254,986</u>	<u>145,985,110</u>
Basic earnings per share, net - R\$	0.18	0.19
Weighted average number of shares (diluted)	<u>149,940,384</u>	<u>147,246,992</u>
Diluted earnings per share, net - R\$	0.18	0.18

## Direcional Engenharia S.A.

Notes to interim financial information (Continued)  
March 31, 2022  
(In thousands of reais, unless otherwise stated)

### 16. Equity (Continued)

#### 16.6. Noncontrolling interests

For the period ended March 31, 2022, changes in subsidiaries' equity reduced equity by R\$14,567 in connection with noncontrolling interests. In the same period, noncontrolling interests in profit or loss amounted to R\$18,638.

Acquisitions of interests from noncontrolling shareholders generated an increase of R\$162, recorded directly in the Company's equity.

### 17. Net revenue

	Individual		Consolidated	
	03/31/2022	03/31/2021	03/31/2022	03/31/2021
Gross revenue from sales	-	910	<b>474,798</b>	423,180
Gross revenue from services	<b>6,755</b>	13,139	<b>14,176</b>	20,702
Total gross revenue	<b>6,755</b>	14,049	<b>488,974</b>	443,882
Present value adjustment	-	-	381	(2,435)
Taxes on sales	<b>(1,647)</b>	(1,339)	<b>(12,739)</b>	(10,917)
Canceled sales	<b>(26)</b>	(64)	<b>(8,522)</b>	(16,645)
Operating revenue, net	<b>5,082</b>	12,646	<b>468,094</b>	413,885

Taxes on sales and services consist of Contribution Tax on Gross Revenue for Social Integration Program (PIS) and Contribution Tax on Gross Revenue for Social Security Financing (COFINS), i.e. 1.65% and 7.6%, respectively, for revenue earned under the noncumulative regime, 0.65% and 3%, respectively, for revenue earned under the cumulative regime, 0.37% and 1.71%, respectively, for revenue earned under the special taxation regime applied to construction and real estate development companies, and 0.09% and 0.44%, respectively, for revenue earned in connection with "Programa Casa Verde e Amarela" (PCVA) for units up to R\$100.

The Company also recognized gross revenue for the period of projects under construction amounting to R\$1,552 at March 31, 2022 (R\$6,984 at March 31, 2021) regarding barter of units to be constructed for land plots.

## Direcional Engenharia S.A.

Notes to interim financial information (Continued)

March 31, 2022

(In thousands of reais, unless otherwise stated)

### 17. Net revenue (Continued)

#### a) Unearned revenue

Budgeted costs to be incurred in units sold under construction and unearned revenue from sale of real estate in connection with projects in course, not reflected in the interim financial information, are as follows:

<b>I) Unearned revenue from units sold</b>	<b>940,096</b>
Projects under construction	
<b>a) Revenue from contracted sales</b>	<b>3,120,175</b>
<b>b) Allocated sales revenue, net</b>	<b>2,180,079</b>
Allocated sales revenue	2,214,736
Dissolution of agreements – Reversed revenue	(34,657)
<b>II) Revenues from indemnification for dissolution of agreements</b>	<b>2,078</b>
<b>III) Budgeted cost to be allocated from units sold</b>	<b>574,328</b>
Projects under construction	
<b>a) Budgeted cost of units (no financial charges)</b>	<b>1,869,244</b>
<b>b) Construction cost incurred</b>	<b>1,309,752</b>
Accrued financial charges	2,437
<b>c) Dissolution of agreements – Construction cost</b>	<b>(14,836)</b>
Dissolution of agreements – Financial charges	(23)
Drive CI / CO (no financial charges)	69.27%
<b>IV) Budgeted cost to be allocated to inventories</b>	<b>988,147</b>
Projects under construction	
<b>a) Budgeted cost of units (no financial charges)</b>	<b>1,634,172</b>
<b>b) Construction cost incurred</b>	<b>645,322</b>
Accrued financial charges	703
Units sold	18,636

## Direcional Engenharia S.A.

Notes to interim financial information (Continued)  
 March 31, 2022  
 (In thousands of reais, unless otherwise stated)

### 17. Net revenue (Continued)

#### b) Earned revenue

Income earned from:	03/31/2022		03/31/2021	
	Revenues from units sold	(-) Cost of units sold	Revenues from units sold	(-) Cost of units sold
Individual				
Services	5,082	(3,527)	12,646	(2,511)
Development – completed units	-	-	-	-
Total - Individual	5,082	(3,527)	12,646	(2,511)
Subsidiaries				
Development – completed units	87,740	(62,243)	38,092	(30,613)
Development – units under construction	369,176	(227,892)	356,645	(223,500)
Services	6,096	(7,274)	6,502	(9,593)
Total - Subsidiaries	463,012	(297,409)	401,239	(263,706)
Total - Consolidated	468,094	(300,936)	413,885	(266,217)

### 18. Costs and expenses by nature

Description	Individual		Consolidated	
	03/31/2022	03/31/2021	03/31/2022	03/31/2021
Raw materials and materials for use and consumption	(559)	(2,484)	(245,080)	(212,952)
Personnel expenses	(21,862)	(16,634)	(69,348)	(63,395)
Capitalized interest	-	-	(1,140)	(1,287)
Depreciation and amortization	(6,226)	(4,798)	(14,185)	(12,168)
Third-party services	(1,251)	(1,544)	(3,857)	(4,756)
Electric power, water supply and telephone services	(586)	(388)	(1,366)	(1,075)
General selling expenses	(708)	68	(16,772)	(15,590)
Sales commissions	-	-	(23,154)	(22,281)
Provision for profit sharing	(1,245)	-	(1,248)	-
Provision for stock option plan	(744)	-	(744)	-
Other costs	(2,505)	(2,577)	(4,195)	(5,940)
	(35,686)	(28,357)	(381,089)	(339,444)
<b>Classified as</b>				
Costs of real estate sold	(266)	(868)	(290,401)	(254,982)
Costs of services rendered	(3,261)	(1,643)	(10,535)	(11,235)
Selling expenses	(2,412)	(529)	(44,831)	(42,750)
General and administrative expenses	(29,747)	(25,317)	(35,322)	(30,477)
	(35,686)	(28,357)	(381,089)	(339,444)



## Direcional Engenharia S.A.

Notes to interim financial information (Continued)

March 31, 2022

(In thousands of reais, unless otherwise stated)

### 19. Finance income (costs)

The balances below present the Company's net earnings from short-term investments, collection of interest from contracts, finance costs from some credit facilities used by the Company, and finance costs of accounts held with financial institutions.

Finance income	Individual		Consolidated	
	03/31/2022	03/31/2021	03/31/2022	03/31/2021
Income from short-term investments	14,411	2,939	18,514	3,624
Gain - hedge accounting	4,346	-	4,346	-
Monetary restatement and contract interest	422	618	1,175	1,329
Income from derivatives	12,271	2,453	12,271	2,453
Foreign exchange differences	-	1,423	-	1,423
	<b>31,450</b>	<b>7,433</b>	<b>36,306</b>	<b>8,829</b>
<b>Finance costs</b>				
Interest expenses	(38,018)	(18,014)	(40,506)	(19,290)
Foreign exchange differences	-	(2,521)	-	(2,521)
Bank charges	(293)	(381)	(1,657)	(1,513)
Expenses with sale of portfolio	-	-	(2,312)	(1,475)
Hedge accounting expense	(6,014)	-	(6,014)	-
Interest paid on leases	(577)	(713)	(614)	(740)
Expenses with derivatives	(11,037)	(3,572)	(11,037)	(3,572)
	<b>(55,939)</b>	<b>(25,201)</b>	<b>(62,140)</b>	<b>(29,111)</b>
Finance income (costs), net	<b>(24,489)</b>	<b>(17,768)</b>	<b>(25,834)</b>	<b>(20,282)</b>

## Direcional Engenharia S.A.

Notes to interim financial information (Continued)  
 March 31, 2022  
 (In thousands of reais, unless otherwise stated)

### 20. Income and social contribution taxes

	Individual		Consolidated	
	03/31/2022	03/31/2021	03/31/2022	03/31/2021
<b>Income before IRPJ and CSLL</b>	<b>27,436</b>	27,121	<b>55,874</b>	44,066
IRPJ and CSLL at 34%	<b>34%</b>	34%	<b>34%</b>	34%
<b>Estimated expenses with IRPJ and CSLL</b>	<b>9,328</b>	9,221	<b>18,997</b>	14,982
<b>Companies computing taxable profit based on accounting records</b>				
Additions and exclusions	<b>39,054</b>	5,591	-	-
Addition (exclusion) of equity pickup	<b>(289,413)</b>	(62,945)	-	-
Tax base	<b>(222,923)</b>	(30,233)	-	-
<b>Companies computing taxable profit as a percentage of gross sales</b>				
Tax base	-	-	<b>3,090</b>	389
Rates applicable to taxable profit computed as a percentage of gross sales	<b>34.00%</b>	34.00%	<b>34.00%</b>	34.00%
Tax expenses	-	-	<b>1,224</b>	7
Expenses with deferred tax	-	-	<b>(173)</b>	2
<b>Companies taxed under the Special Taxation Regime - RET (1%)</b>				
Tax base	<b>1,139</b>	3,231	<b>1,149</b>	22,688
Rates applicable to the RET	<b>0.47%</b>	0.47%	<b>0.47%</b>	0.47%
Tax expenses	<b>1</b>	-	<b>1</b>	92
Expenses with deferred tax	<b>4</b>	15	<b>4</b>	15
<b>Companies taxed under the Special Taxation Regime - RET (4%)</b>				
Tax base	-	-	<b>455,668</b>	408,373
Rates applicable to the RET	<b>1.92%</b>	1.92%	<b>1.92%</b>	1.92%
Tax expenses	-	-	<b>7,771</b>	6,889
Expenses with deferred tax	-	-	<b>978</b>	951
Expenses with IRPJ and CSLL for the period	<b>5</b>	15	<b>9,805</b>	7,956
<b>Effective rate</b>	<b>0.02%</b>	0.06%	<b>17.55%</b>	18.05%

The breakdown of expenses with income and social contribution taxes for the periods ended March 31, 2022 and 2021 shows the timing difference between the cash basis used by SCPs and SPEs, whose taxable profit is computed as a percentage of gross sales and RET (Special Taxation Regime), and the provision for taxes on the balance of accounts receivable.

The Company (parent company) has a balance of income and social contribution tax loss carryforwards on which deferred taxes recoverable were not recognized due to the absence of perspectives for realization through future taxable profit, as the Company has characteristics of a holding company. Due to the taxation regime of SCPs and SPEs (taxable profit computed as a percentage of gross sales or RET), they do not present temporary differences and the profits calculated in the SPEs are not subject to offset with the loss determined by the Holding company.

## Direcional Engenharia S.A.

Notes to interim financial information (Continued)

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### 21. Financial instruments

The Company and its subsidiaries engage in transactions involving financial instruments in order to fund their activities or invest available financial resources. These risks are managed through conservative strategies to ensure liquidity, profitability and security. The control policy consists of actually monitoring contract rates versus those effective in the market.

The financial instruments usually entered into by Direcional and its subsidiaries are those recorded under "Cash and cash equivalents," and financing for construction of real estate projects and for acquisition of machinery and equipment.

#### Interest rate risk

The Company is exposed to floating interest rates, substantially to the CDI rate, which remunerates short-term investments in Brazilian reais, interest on loans obtained from the Housing Financial System and pegged to the Referential Rate (TR), interest on loans for acquisition of machinery and equipment obtained from BNDES (FINAME) and pegged to the long-term interest rate (TJLP) and TJ462 and interest on working capital loans, leases, debentures and CRI pegged to the CDI and IPCA.

To manage part of the interest rate risk, the Company contracts different swaps, aiming to exchange the variation of the IPCA for the CDI, based on the par value referring to the CRIs indexed to the price index. These derivative instruments are solely intended to hedge debt obligations.

#### Liquidity risk

The Company manages its liquidity risk by managing its cash flows, in order to maintain a level of cash and cash equivalents sufficient to meet its needs. The contractual exposures of financial liabilities are as follows:

	Consolidated				Total
	Less than 1 year	From 1 to 2 years	From 2 to 3 years	More than 3 years	
At March 31, 2022					
Loans and financing (Note 9)	178,275	284,910	270,704	557,060	1,290,949
Trade accounts payable	90,528	6,845	-	-	97,373
Related parties (Note 6.1)	16,473	-	-	-	16,473
Real estate commitments payable (Note 12)	96,367	1,169,459	489,000	391,265	2,146,091
Advances for receipt (Note 13)	18,869	-	-	-	18,869

Cash flows included in the analysis of maturity of the Company and its subsidiaries are not expected to occur significantly earlier or in significantly different amounts.

## Direcional Engenharia S.A.

Notes to interim financial information (Continued)  
 March 31, 2022  
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### 21. Financial instruments (Continued)

#### Liquidity risk (Continued)

Regarding accounts receivable, the Company limits its exposure to credit risks through sales to a wide customer base and ongoing credit rating.

At March 31, 2022, there was no significant concentration of credit risk associated to customers. Today, most trade accounts receivable are transferred while the project is under construction through the “crédito associativo” financing (a type of financing for off-plan projects granted by public banks in which buyers of the project units participate). Installment payments of direct sales are mostly guaranteed by the units themselves. The Company records an Allowance for ECL for installments that are not guaranteed by the units based on their history of default.

#### Fair value of financial instruments by category

The carrying amounts of trade accounts receivable and payable, less impairment loss for the case of accounts receivable, are assumed to approximate their fair values.

Fair value hierarchy of assets and liabilities of the Company and its subsidiaries is as follows:

	Note	Individual		Consolidated	
		03/31/2022	12/31/2021	03/31/2022	12/31/2021
Financial assets					
Amortized cost					
		<b>31,034</b>	30,044	<b>553,046</b>	501,579
Accounts receivable	4.1	<b>13,246</b>	12,366	<b>533,588</b>	476,346
Accounts receivable from divestiture		<b>10,258</b>	10,258	<b>11,654</b>	17,540
Other accounts receivable	-	<b>7,530</b>	7,420	<b>7,804</b>	7,693
Fair value through profit or loss (*)					
		<b>633,674</b>	610,552	<b>1,065,379</b>	1,049,160
Cash and banks	3.1	<b>43,486</b>	1,332	<b>334,181</b>	239,215
Cash equivalents	3.1	<b>279,758</b>	285,883	<b>419,407</b>	484,739
Short-term investments	3.2	<b>305,304</b>	323,337	<b>306,665</b>	325,206
Derivatives receivable		<b>5,126</b>	-	<b>5,126</b>	-
<b>Total financial assets</b>					
		<b>664,708</b>	640,596	<b>1,618,425</b>	1,550,739
Financial liabilities					
Amortized cost					
		<b>1,245,081</b>	1,258,543	<b>3,782,807</b>	3,677,738
Real estate commitments payable	12	<b>17,952</b>	70,877	<b>2,146,091</b>	2,122,997
Advances for receipt	13	-	-	<b>18,869</b>	12,989
Loans and financing	9	<b>1,132,233</b>	1,137,359	<b>1,290,949</b>	1,241,402
Trade accounts payable	-	<b>7,413</b>	8,547	<b>97,373</b>	98,012
Transactions with related parties	6.1	<b>10,393</b>	10,741	<b>16,473</b>	14,600
Other accounts payable	14	<b>77,090</b>	31,019	<b>213,052</b>	187,738
<b>Financial liabilities</b>					
		<b>1,245,081</b>	1,258,543	<b>3,782,807</b>	3,677,738

(\*) Financial assets recognized in the interim financial information at fair value through profit or loss with level 2 measurement in the fair value hierarchy.

## Direcional Engenharia S.A.

Notes to interim financial information (Continued)  
 March 31, 2022  
 (In thousands of reais, unless otherwise stated)

### 21. Financial instruments (Continued)

#### Fair value of financial instruments by category (Continued)

At March 31, 2022, fair value of financial instruments is as follows:

	Individual			Consolidated		
	Carrying amount	Fair value	Difference	Carrying amount	Fair value	Difference
Financial assets						
Amortized cost	<b>31,034</b>	<b>31,034</b>	-	<b>553,046</b>	<b>553,046</b>	-
Accounts receivable	<b>13,246</b>	<b>13,246</b>	-	<b>533,588</b>	<b>533,588</b>	-
Accounts receivable from divestiture	<b>10,258</b>	<b>10,258</b>	-	<b>11,654</b>	<b>11,654</b>	-
Other accounts receivable	<b>7,530</b>	<b>7,530</b>	-	<b>7,804</b>	<b>7,804</b>	-
Fair value through profit or loss	<b>633,674</b>	<b>633,674</b>	-	<b>1,065,379</b>	<b>1,065,379</b>	-
Cash and banks	<b>43,486</b>	<b>43,486</b>	-	<b>334,181</b>	<b>334,181</b>	-
Cash equivalents	<b>279,758</b>	<b>279,758</b>	-	<b>419,407</b>	<b>419,407</b>	-
Short-term investments	<b>305,304</b>	<b>305,304</b>	-	<b>306,665</b>	<b>306,665</b>	-
Derivatives receivable	<b>5,126</b>	<b>5,126</b>	-	<b>5,126</b>	<b>5,126</b>	-
Total financial assets	<b>664,708</b>	<b>664,708</b>	-	<b>1,618,425</b>	<b>1,618,425</b>	-
Financial liabilities						
Amortized cost	<b>1,245,081</b>	<b>1,286,317</b>	<b>(41,236)</b>	<b>3,782,807</b>	<b>3,824,053</b>	<b>(41,246)</b>
Real estate commitments payable	<b>17,952</b>	<b>17,952</b>	-	<b>2,146,091</b>	<b>2,146,091</b>	-
Advances for receipt	-	-	-	<b>18,869</b>	<b>18,869</b>	-
Loans and financing	<b>1,132,233</b>	<b>1,173,469</b>	<b>(41,236)</b>	<b>1,290,949</b>	<b>1,332,195</b>	<b>(41,246)</b>
Trade accounts payable	<b>7,413</b>	<b>7,413</b>	-	<b>97,373</b>	<b>97,373</b>	-
Transactions with related parties	<b>10,393</b>	<b>10,393</b>	-	<b>16,473</b>	<b>16,473</b>	-
Other accounts payable	<b>77,090</b>	<b>77,090</b>	-	<b>213,052</b>	<b>213,052</b>	-
Financial liabilities	<b>1,245,081</b>	<b>1,286,317</b>	<b>(41,236)</b>	<b>3,782,807</b>	<b>3,824,053</b>	<b>(41,246)</b>

## Direcional Engenharia S.A.

Notes to interim financial information (Continued)  
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### 21. Financial instruments (Continued)

#### Fair value of financial instruments by category (Continued)

At December 31, 2021, fair value of financial instruments is as follows:

	Individual			Consolidated		Dif fer en ce
	Carrying amount	Fair value	Differen ce	Carrying amount	Fair value	
Financial assets						
Amortized cost	30,044	30,044	-	501,579	501,579	-
Accounts receivable	12,366	12,366	-	476,346	476,346	-
Accounts receivable from divestiture	10,258	10,258	-	17,540	17,540	-
Other accounts receivable	7,420	7,420	-	7,693	7,693	-
Fair value through profit or loss	610,552	610,552	-	1,049,160	1,049,160	-
Cash and banks	1,332	1,332	-	239,215	239,215	-
Cash equivalents	285,883	285,883	-	484,739	484,739	-
Short-term investments	323,337	323,337	-	325,206	325,206	-
Total financial assets	640,596	640,596	-	1,550,739	1,550,739	-
Financial liabilities						
Amortized cost	1,258,543	1,266,561	(8,018)	3,677,738	3,683,542	(5,804)
Real estate commitments payable	70,877	70,877	-	2,122,997	2,122,997	-
Advances for receipt	-	-	-	12,989	12,989	-
Loans and financing	1,137,359	1,145,377	(8,018)	1,241,402	1,247,206	(5,804)
Trade accounts payable	8,547	8,547	-	98,012	98,012	-
Transactions with related parties	10,741	10,741	-	14,600	14,600	-
Other accounts payable	31,019	31,019	-	187,738	187,738	-
Financial liabilities	1,258,543	1,266,561	(8,018)	3,677,738	3,683,542	(5,804)

Management is of the understanding that the financial instruments present no significant changes compared with their respective fair values.

The Company contracted a derivative financial instrument (SWAP) to hedge against a debt pegged to Euro. This derivative is aimed at reducing, or mitigating, the Company's risk of exposure to exchange fluctuation by replacing the exchange rate for CDI. In March 2021 the debt pegged to the Euro was settled and the SWAP was terminated, and the position at the date of termination is as follows:

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Notes to interim financial information (Continued)

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(In thousands of reais, unless otherwise stated)

### 21. Financial instruments (Continued)

#### Fair value of financial instruments by category (Continued)

<b>Fair value hedge</b>	<b>Notional value</b>	<b>Rates</b>	<b>Fair value</b>	<b>Gain (loss) on transaction – P&amp;L</b>
Bank Credit Notes (hedged item)	200,000	IPCA	202,983	-
Swap transaction:	<b>Long position</b>	IPCA	202,983	2,983
	<b>Short position</b>	CDI -1.45%	(201,268)	(1,268)
Swap position, net			1,715	1,715
(+/-) Hedge accounting - Fair value			16,602	16,602

<b>Fair value hedge</b>	<b>Notional value</b>	<b>Rates</b>	<b>Fair value</b>	<b>Gain (loss) on transaction – P&amp;L</b>
Mortgage-backed Securities (CRI) (hedged item)	229,554	IPCA + 4.8444%	239,901	-
Swap transaction:	<b>Long position</b>	IPCA + 4.8444%	239,901	10,347
	<b>Short position</b>	CDI + 1.4522%	(236,490)	(6,936)
Swap position, net			3,411	3,411
(+/-) Hedge accounting - Fair value			(1,026)	(1,026)

<b>Fair value hedge</b>	<b>Notional value</b>	<b>Rates</b>	<b>Fair value</b>	<b>Gain (loss) on transaction – P&amp;L</b>
Sale of treasury shares (hedged item)	16,920	DIRR3+Proceeds	16,206	-
Swap transaction:	<b>Long position</b>	DIRR3+Proceeds	16,206	(714)
	<b>Short position</b>	CDI + 1.75%	(17,787)	(867)
Swap position, net			(1,581)	(1,581)

## Direcional Engenharia S.A.

Notes to interim financial information (Continued)

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### 21. Financial instruments (Continued)

#### Fair value of financial instruments by category (Continued)

Fair value hedge	Notional value	Rates	Fair value	Gain (loss) on transaction – P&L
Sale of treasury shares (hedged item)	16,920	DIRR3+Proceeds	16,206	-
Swap transaction:	<b>Long position</b>	DIRR3+Proceeds	16,206	(714)
	<b>Short position</b>	CDI + 1.75%	(17,799)	(879)
Swap position, net			(1,593)	(1,593)

Fair value hedge	Notional value	Rates	Fair value	Gain (loss) on transaction – P&L
Sale of treasury shares (hedged item)	16,920	DIRR3+Proceeds	16,206	-
Swap transaction:	<b>Long position</b>	DIRR3+Proceeds	16,206	(714)
	<b>Short position</b>	CDI + 1.75%	(17,805)	(885)
Swap position, net			(1,599)	(1,599)

At March 31, 2022, the position of SWAP contracts is as follows:

Transaction type	Taken out in	Assets/Liabilities	Maturity	Notional value	Long position	Short position	Gain (loss) on transaction – P&L	Hedge
SWAP (b)	Apr/21	IPCA + 4.8444% / CDI + 1.4522%	Apr/28	200,000	202,983	201,268	1,715	16,602
SWAP (b)	Dec/21	IPCA+4.00% / CDI – 0.8900%	Dec-24	229,554	239,901	236,490	3,411	(1,026)
SWAP (a)	Dec/21	DIRR3+Proceeds / CDI + 1.75%	May/23	16,920	16,206	17,787	(1,581)	-
SWAP (a)	Dec/21	DIRR3+Proceeds / CDI + 1.75%	Jun/23	16,920	16,206	17,799	(1,593)	-
SWAP (a)	Dec/21	DIRR3+Proceeds / CDI + 1.75%	Jun/23	16,920	16,206	17,805	(1,599)	-

(a) Derivatives not designated as hedging instruments: In December 2021, the Company sold 4,000,000 (four million) shares that were held in treasury for the amount of R\$50,760. On the same date, the Company contracted a swap, where it committed to pay CDI +1.75% p.a. in exchange for the variation in the price of its shares plus any proceeds eventually paid during the term of the swap.

(b) Derivatives designated as fair value hedging instruments: At March 31, 2022, the Company had an interest rate SWAP contract at the notional amount of R\$200,000 (there was no balance in December 2020), which provides that the Company will receive interest rates of IPCA+4.8444% p.a. and pay a rate of CDI+1.4522% p.a. on the Notional amount. The Swap has been used to hedge the exposure in the loan's fair value. There is a savings relationship between the hedged item and the hedging instrument, as the interest rate swap term matches the loan terms (i.e., amount, notional, term, and payment). The Group established a coverage ratio of 100% for hedging relationships, considering that the swap risk is identical to the hedged risk component. To test the hedge effectiveness, the Company uses the hypothetical derivative method and compares changes in the fair value of the hedging instrument with changes in the fair value of the hedged item. Hedge ineffectiveness may arise from: 1) Different interest rate curve applied to discount hedged item and hedging instrument. 2) Temporary differences in cash flows of hedged items and hedging instruments. 3) Difference in Credit Risk of counterparties and changes in the fair value of the hedging instrument and hedged item.



## Direcional Engenharia S.A.

Notes to interim financial information (Continued)

March 31, 2022

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### 21. Financial instruments (Continued)

#### Sensitivity analysis

The Company and its subsidiaries should present a sensitivity analysis for each type of market risk originating from financial instruments and considered significant by management, to which the Company is exposed at each period end. The exposure refers only to the fluctuation of variable rates that affect both finance income from short-term investments and finance cost from borrowings. Therefore, the financial assets of the Company and its subsidiaries are free of significant risks, as they yield interest at a fixed spread rate plus the CDI, TR or IPCA rate, where, for the latter, a swap of rates pegged to the CDI was used. In March 2021, the Company settled a loan in foreign currency (Euro) which was, however, not subject to currency fluctuation (currency risk), since the Company had a swap pegged to the CDI, maturing on the same date, for hedging purposes. The Company understands that there was no actual impact from analyzing the risk relating to foreign currency for this contract, reason why management considered, for the sensitivity analysis, the swap contract pegged to the CDI.

To conduct the sensitivity analysis, the Company relied on financial market projections for 2022, considering it as probable scenario. Increasing and decreasing scenarios of 25% and 50% on Net Assets and Liabilities were calculated. The probable scenario adopted by the Company corresponds to the abovementioned projections, that is, the projections expected by the Financial market for the CDI, IPCA and INCC, and the statement of sensitivity analysis is as follows:

Net assets and liabilities (in thousands of reais)	Net balance at 03/31/2022	50% decrease	25% decrease	Probable scenario	25% increase	50% increase
TR	(86,462)	-	-	-	-	-
CDI	(37,590)	(2,562)	(3,843)	(5,124)	(6,405)	(7,686)
IPCA	(1,137,053)	(42,727)	(64,090)	(85,453)	(106,816)	(128,180)
INCC	(919,444)	(34,603)	(51,905)	(69,207)	(86,509)	(103,810)
<b>Total</b>	<b>(2,180,549)</b>					
		<b>-50%</b>	<b>-25%</b>	<b>-</b>	<b>25%</b>	<b>50%</b>
	<b>Index/rate</b>	<b>50% decrease</b>	<b>25% decrease</b>	<b>Probable scenario</b>	<b>25% increase</b>	<b>50% increase</b>
	CDI	6.82%	10.22%	13.63%	17.04%	20.45%
	IPCA	3.76%	5.64%	7.52%	9.39%	11.27%
	INCC	3.76%	5.65%	7.53%	9.41%	11.29%

## **Direcional Engenharia S.A.**

Notes to interim financial information (Continued)  
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### **21. Financial instruments (Continued)**

#### Business risk management

##### *Risk control system*

In order to efficiently manage its risk, the Company carries out the operational control of all projects in course. In light of the management model, the Company calculates potential losses in simulations of unfavorable conditions for each individual project and for the set of projects as a whole, as well as the required maximum cash exposure.

##### *Control over maximum cash exposure*

The risk control system monitors the future cash requirements to develop the scheduled portfolio projects, based on an economic feasibility study of each project, as well as the individual cash flow requirements in relation to projected cash flows of the set of projects as a whole. This projection assists with the designing of the financing strategy and in making decisions about the selection of projects.

#### Demand risk management

Through market knowledge and local partners' support, Direcional identifies the demand for new projects in different regions, and the income bracket of potential buyers to be served. Launches are defined in view of the potential each region has to absorb a certain amount of real estate and respond to price changes. The Company does not intend to operate in markets where there are no reliable data available for analysis of market potential. Accordingly, the Company understands the demand risk of its launches is reduced.

#### Operational risks

Operational risk management consists basically of ongoing monitoring of projects as to the completion of the physical and financial schedule of work, in relation to the initial planning of the financial and accounting audit by an independent firm, of judicious analysis of legal risks and credit risks of buyers of units through active management of receivables from projects.

## Direcional Engenharia S.A.

Notes to interim financial information (Continued)  
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### 21. Financial instruments (Continued)

#### Capital management

Capital management risk arises from the Company's decision to adopt a financing structure for its operations. The Company manages its capital structure, which consists of a financial debt to equity (net assets, retained earnings and income reserves) ratio, based on internal policies and benchmarks. The key indicators related to this objective are: WACC (Weighted Average Cost of Capital), Net Debt/EBITDA and Net Debt/Equity. Total Debt comprises Loans and Financing (Note 9). The Company may change its capital structure, according to the economic and financing conditions in order to improve its financial leverage and debt management.

The Net Debt structure comprises loans and financing less cash and cash equivalents.

	<b>Consolidated</b>	
	<b>03/31/2022</b>	<b>12/31/2020</b>
Loans and financing	<b>1,290,949</b>	1,241,402
(-) Cash and cash equivalents	<b>753,588</b>	723,954
(-) Short-term investments	<b>306,665</b>	325,206
(-) Derivatives	<b>353</b>	(3,668)
Net debt	<b>230,343</b>	195,910
Payment of dividends	<b>(1)</b>	100,147
Share buyback	-	31,965
Sale of treasury shares	-	(50,760)
Equity	<b>1,491,187</b>	1,458,804
Net debt on equity	<b>15.45%</b>	13.43%

In the period ended March 31, 2022, the Company used R\$34,434 in cash, compared to a cash generation of R\$17,374 in 2021 (adjusted for derivatives, payment of dividends and share buybacks).

#### Assets pledged as guarantees

Assets pledged as a guarantee of loans and financing are described in Notes 8 and 9. The Company and its subsidiaries recorded judicial deposits at March 31, 2022 of R\$16,709 (R\$16,097 at December 31, 2021) as part of the discussion of its contingent liabilities.

## Direcional Engenharia S.A.

Notes to interim financial information (Continued)  
March 31, 2022  
(In thousands of reais, unless otherwise stated)

### **22. Stock option plan and incentives associated with Company shares - share-based payment**

#### Shared-based payment (“Matching Program”)

At the Board of Directors’ meetings held on May 15, 2015 and March 20, 2017, the regulations of the 1<sup>st</sup> and 2<sup>nd</sup> Incentive Programs tied to Direcional Engenharia S.A.’s shares (“Program 1 and Program 2, respectively”), were approved, as amended.

The Programs establish the rules and conditions for granting the right to purchase of shares and granting incentive shares to management and employees of the Company and/or Specific Purpose Entities in which the Company holds an interest (“beneficiaries”), previously selected by the Board of Directors, in order to attract, encourage and retain them, and align their interests with those of the Company and its shareholders.

To participate in the Matching Program, the Beneficiaries should acquire common shares issued by the Company, whose number and deadline are set individually by the Board of Directors. For each common share of the Company acquired by the beneficiaries under the 1<sup>st</sup> Program, the Company will grant the beneficiaries two common shares, while under the 2<sup>nd</sup> Program, five common shares will be granted, to be delivered in lots of 25% of total shares over four years. For the beneficiary to be entitled to receive incentive shares at the end of each Vesting Period, the shares held by such beneficiary under the Program may not be fully or partially sold or transferred.

In the case of termination at the initiative of the beneficiary or termination at the initiative of the Company for cause during a given vesting period, the beneficiary will cease to be entitled to all shares granted thereto under the programs, except for those already transferred due to expiration of previous vesting periods. In cases of termination by the Company without cause or retirement during a given vesting period, the beneficiary will be entitled (i) to the lot of shares that would be transferred at the end of the respective vesting period in proportion to the number of months of the beneficiary’s relationship with the Company over the respective vesting period; and (ii) to all shares that have already been transferred due to expiration of previous vesting periods. The beneficiary of the new plan, however, will not be entitled to the shares that would be transferred due to expiration of the vesting periods that would start after his/her termination. In cases of termination due to death or disability retirement, the retired beneficiary or his/her legal heirs, as the case may be, will receive, regardless of the expiration of the respective vesting periods, all the shares to which they would be entitled under the Matching Programs.

## Direcional Engenharia S.A.

Notes to interim financial information (Continued)

March 31, 2022

(In thousands of reais, unless otherwise stated)

### 22. Stock option plan and incentives associated with Company shares - share-based payment (Continued)

Shared-based payment ("Matching Program") (Continued)

Over year 2021, the Company granted R\$4.991 to the Plan beneficiaries, corresponding to 733,489 shares. In the first quarter of 2022, the amount of R\$2,189 was granted to the Plan beneficiaries, corresponding to 213,224 shares. The number of shares granted, vesting periods and exercise, approved by the Board of Directors are shown below:

Program	Year of grant	Period for transfer of shares	Beginning	Shares granted (a)	Grants activated	Grants not activated (b)	Grants canceled (c)	Shares transferred	Grants in force (a-b-c-d)
1 <sup>st</sup> Matching	2015	4 years	2017	506,000	444,800	61,200	127,557	317,243	-
1 <sup>st</sup> Matching	2017	4 years	2018	450,000	363,944	86,056	47,058	316,884	2
2 <sup>nd</sup> Matching	2017	4 years	2018	1,760,000	1,760,000	-	100,000	1,660,000	-
2 <sup>nd</sup> Matching	2018	4 years	2019	360,000	360,000	-	-	270,000	90,000
2 <sup>nd</sup> Matching	2018	4 years	2020	170,923	170,923	-	10,768	148,244	11,911
1 <sup>st</sup> Matching	2019	1 years	2020	13,628	13,628	-	1,286	12,342	-
2 <sup>nd</sup> Matching	2019	3 years	2020	58,985	58,985	-	4,559	50,320	4,106
1 <sup>st</sup> Matching	2019	3 years	2020	9,662	9,662	-	804	8,858	-
2 <sup>nd</sup> Matching	2019	3 years	2020	52,888	52,780	108	4,620	44,031	4,129
1 <sup>st</sup> Matching	2020	4 years	2020	60,000	60,000	-	-	30,000	30,000
2 <sup>nd</sup> Matching	2020	4 years	2020	340,000	340,000	-	-	170,000	170,000
1 <sup>st</sup> Matching	2020	4 years	2020	8,105	8,105	-	106	6,255	1,744
2 <sup>o</sup> Matching	2020	4 years	2020	55,947	55,947	-	-	39,830	16,117
1 <sup>st</sup> Matching	2020	4 years	2021	<b>378,000</b>	367,600	10,400	4,400	90,800	<b>272,400</b>
2 <sup>nd</sup> Matching	2021	4 years	2021	<b>26,804</b>	26,804	-	236	10,197	<b>16,371</b>
2 <sup>nd</sup> Matching	2021	4 years	2021	<b>26,853</b>	26,703	150	-	10,950	<b>15,753</b>
<b>Total</b>				<b>4,277,795</b>	<b>4,119,881</b>	<b>157,914</b>	<b>301,394</b>	<b>3,185,954</b>	<b>632,533</b>

### 23. Insurance

The Group adopts a policy on insurance coverage that considers mainly the concentration of risks and their materiality, considering the nature of its activities and advice of insurance advisors. At March 31, 2022, insurance coverage is as follows:

## Direcional Engenharia S.A.

Notes to interim financial information (Continued)

March 31, 2022

(In thousands of reais, unless otherwise stated)

### 23. Insurance (Continued)

Items	Type of coverage	Insured amount
Civil works (engineering risks)	Guarantees, during the period of construction of the project, indemnification arising from damages caused to the work, such as: fire, lightning, theft, among other specific coverages for facilities and assemblies at the insured location.	3,092,402
Post-delivery warranty insurance	Guarantees the maintenance and resolution of problems in works delivered for up to 5 years, on damages set forth in the consumer code.	94,928
Civil liability (construction in progress)	Guarantees compensation (limited to the sum insured) of the amounts for which the Company may come to be liable for civil damages related to involuntary personal injuries and/or material damages caused to third parties	482,809
Infrastructure	Guarantees given to the Local Government as to execution of the infrastructure works that are required for the licensing processes of the projects under construction	225,801
Business insurance	Guarantees indemnification to the Company related to the events covered that take place in the commercial property leased, such as fire, lightning and explosion of any nature, and flood, riots, strike and lockout, windstorm, and smoke.	58,500
Civil liability (D&O)	Guarantees coverage of pain and suffering to the Company's Directors and Officers	60,000
Civil liability (D&O)	Guarantees coverage of "Multiple perils – cyber risks" insurance	10,000

### 24. Noncash transactions

	Individual		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
<b>Financing activities</b>	<b>299</b>	2,512	<b>1,434</b>	2,510
Right-of-use financing	<b>299</b>	2,512	<b>299</b>	2,510
Capitalization of interest	-	-	<b>1,135</b>	-
<b>Investing activities</b>	<b>299</b>	2,842	<b>299</b>	2,840
Restatement - Sale of equity interest	-	330	-	330
Acquisition of property and equipment - Lease	<b>299</b>	2,512	<b>299</b>	2,510