



Belo Horizonte, April 11th, 2022 - Direcional Engenharia S.A., one of the largest homebuilders and real estate development companies in Brazil, focused on the development of low-income and medium-income projects and operating in several regions of the Brazilian Territory, discloses here its operating statements for the first quarter of 2022 (1Q22). Unless otherwise stated, the information in this document is expressed in national currency (Brazilian Reais - BRL or BRL) and the Potential Sales Value ("PSV") demonstrates the consolidated amount (100%).

NOTICE TO THE MARKET

1Q22 OPERATING PREVIEW

- ✓ NET SALES OF BRL 622 MILLION IN 1Q22, GROWING 21% WHEN COMPARED TO 1Q21;
- ✓ LAUNCHES REACHED BRL 599 MILLION IN 1Q22, 4% ABOVE 1Q21 LAUNCHED PSV.

HIGHLIGHTS

- In the last twelve months (1Q22 LTM), launches totaled BRL 3.2 billion, a 44% growth versus 1Q21 LTM.
- Contracted net sales reached BRL 2.5 billion in 1Q22 LTM, a growth rate of 34% in relation to the volume of 1Q21 LTM.
- In 1Q22, net sales of Direcional projects reached BRL 448 million, up 6% in relation to 4Q21 and 16% in comparison with 1Q21.
- Inventory net sales speed index (Inventory VSO) reached 17% in the quarter.
- In its first month of activity, Direto originated more than BRL 40 million in real estate credit operations.

RIVA

- In 1Q22 LTM, Riva's launches reached BRL 1.4 billion, a 240% increase versus 1Q21 LTM.
- In 1Q22, net sales grew 40% when compared to 1Q21, reaching BRL 171 million.
- Considering 1Q22 LTM, Riva's net sales totaled BRL 825 million, up 136% versus 1Q21 LTM.

LAUNCHES

Direcional launched 9 new projects in 1Q22, totaling a PSV of BRL 599 million (BRL 557 million % Company), 4% above the amount launched in 1Q21 and 14% below 4Q21. The representativeness of Direcional's products in the mix of launches reached 66%, while Riva's represented 34% of launched PSV.

Considering the last twelve months ended in the 1st quarter of 2022 (1Q22 LTM), the volume of launches grew 44% compared to the same period of the previous year (1Q21 LTM). In this sense, it is worth noting Riva's important contribution to the total amount launched in the last twelve months.

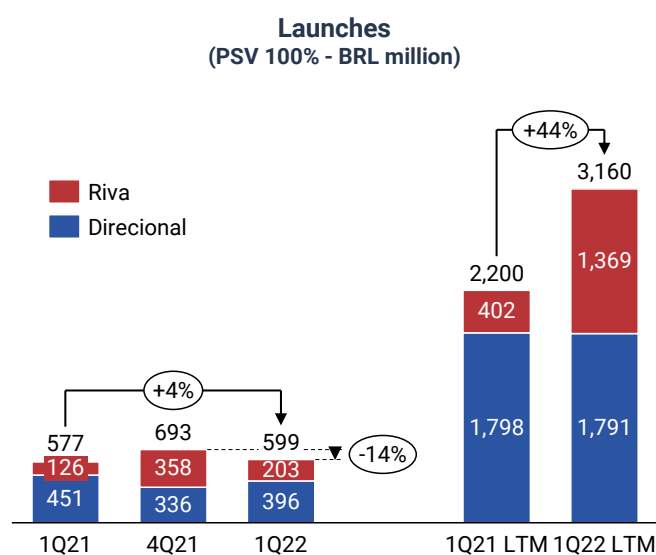


Table below provides further information on projects launched in 1Q22:

Launches	1Q22 (a)	4Q21 (b)	1Q21 (c)	Δ % (a/b)	Δ % (a/c)
PSV Launched - 100% (BRL '000)	599,069	693,381	577,060	-13.6%	3.8%
Direcional	396,445	335,827	450,862	18.1%	-12.1%
Riva	202,623	357,554	126,197	-43.3%	60.6%
PSV Launched - % Company (BRL '000)	557,281	633,817	454,230	-12.1%	22.7%
Direcional	354,658	335,827	328,032	5.6%	8.1%
Riva	202,623	297,990	126,197	-32.0%	60.6%
Launched Units	2,831	3,146	2,471	-10.0%	14.6%
Direcional	2,136	1,909	2,009	11.9%	6.3%
Riva	695	1,237	462	-43.8%	50.4%
Average % Company	93.0%	91.4%	78.7%	2 p.p.	14 p.p.
Average Price (BRL/unit)	211,610	220,401	233,533	-4.0%	-9.4%
Direcional	185,602	175,918	224,421	5.5%	-17.3%
Riva	291,544	289,049	273,155	0.9%	6.7%

CONTRACTED SALES

Net sales contracted during 1Q22 totaled BRL 622 million (BRL 508 million % Company), growing 21% versus 1Q21, and dropping 7% versus 4Q21. It is worth noting that March 2022 marked **the best month of net sales in Company's history**. As a result, Direcional recorded its highest sales volume for a 1st quarter.

In the Direcional segment, net sales reached BRL 448 million in 1Q22, growing 6% over 4Q21 and 16% over 1Q21, confirming the segment's resilience.

In 1Q22 LTM, net sales totaled BRL 2.5 billion (BRL 2.1 billion % Company), a 34% increase in comparison with 1Q21 LTM. In this period, Riva represented about 32% in the sales *mix*, while Direcional products accounted for 67% of the total sales. In both segments, there was an increase in net contracted PSV.

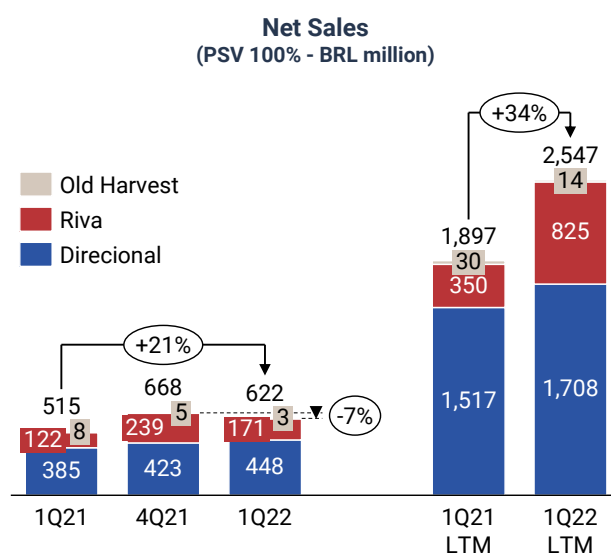


Table below consolidates the information on contracted net sales in 1Q22:

Contracted Net Sales	1Q22 (a)	4Q21 (b)	1Q21 (c)	Δ % (a/b)	Δ % (a/c)
Net Contracted Sales - PSV 100% (BRL '000)	621,942	667,758	514,964	-6.9%	20.8%
Direcional	447,912	423,415	385,068	5.8%	16.3%
Riva	171,226	239,152	122,150	-28.4%	40.2%
Old Harvest ¹	2,803	5,190	7,747	-46.0%	-63.8%
Net Contracted Sales - PSV % Company (BRL '000)	507,991	537,662	438,944	-5.5%	15.7%
Direcional	371,973	358,639	323,468	3.7%	15.0%
Riva	134,559	175,889	110,017	-23.5%	22.3%
Old Harvest	1,458	3,135	5,459	-53.5%	-73.3%
Contracted Units	2,945	3,146	2,702	-6.4%	9.0%
Direcional	2,347	2,318	2,250	1.3%	4.3%
Riva	592	813	430	-27.2%	37.7%
Old Harvest	6	15	22	-60.0%	-72.7%
Net Sales Speed (VSO) in PSV	16%	17%	17%	-1 p.p.	-1 p.p.
Direcional	18%	17%	17%	1 p.p.	1 p.p.
Riva	14%	19%	20%	-5 p.p.	-6 p.p.
Old Harvest	3%	4%	5%	-2 p.p.	-2 p.p.

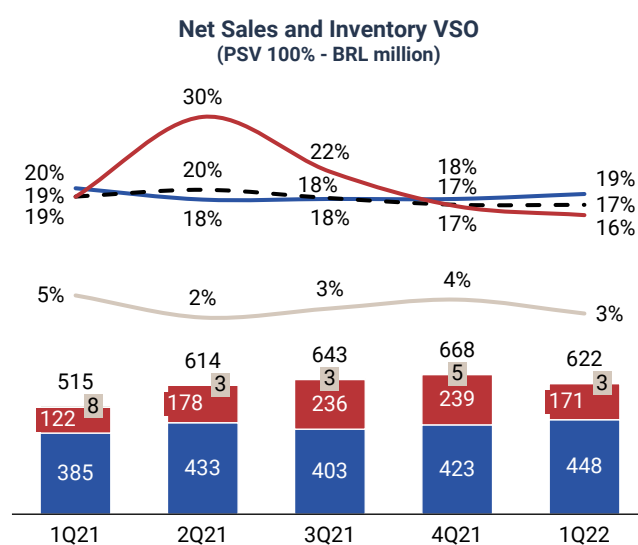
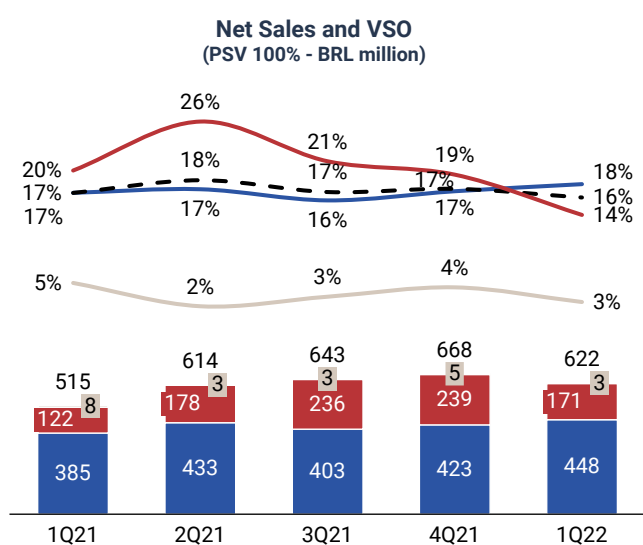
¹ Old Harvest: Comprises projects of the middle income, upper-middle income and commercial segments, developed in the former model.



NET SALES SPEED (VSO)

In 1Q22, net sales speed, measured by the VSO index (sales-over-supply ratio), reached 16%. The VSO of projects at Direcional, excluding Old Harvest segment, reached 18% in the quarter, while the VSO of Riva segment was 14%.

However, it should be noted that a relevant part of the launches took place at the end of the quarter. Consequently, these products did not have enough sales time in the period. In order to properly analyze the speed of sales, disregarding this distortion, the inventory VSO was also calculated, that is, excluding the PSV launched in 1Q22 and its respective sales. In this scenario, the index reached 17%. In Direcional ex-Old Harvest projects, the inventory VSO reached 19%, and in the Riva segment, it was 16%.



Old Harvest Sales Riva Sales Direcional Sales Direcional VSO Consolidated VSO Riva VSO Old Harvest VSO

INVENTORY

Direcional ended 1Q22 with 14,513 units in inventory, totaling a PSV of BRL 3.3 billion (BRL 2.7 billion % Company).

Table below shows the inventory at market value, detailed by stage of construction and by type of product. It is worth mentioning that less than 6% of the total PSV refers to completed units, with 2% related to Direcional projects (ex-Old Harvest), and less than 1% related to Riva products.

Breakdown of Inventory at Market Value	PSV Total				PSV % Company			
	Direcional	Riva	Old Harvest	Total	Direcional	Riva	Old Harvest	Total
In progress (BRL million)	2,046	1,078	0	3,124	1,697	857	0	2,554
% Total	62%	33%	0%	94%	62%	32%	0%	94%
Completed (BRL million)	61	14	111	186	55	14	95	164
% Total	2%	0%	3%	6%	2%	1%	4%	6%
Total (BRL million)	2,107	1,092	111	3,310	1,753	870	95	2,719
% Total	64%	33%	3%	100%	64%	32%	4%	100%
Total Units	10,561	3,651	301	14,513	10,561	3,651	301	14,513
% Total Units	73%	25%	2%	100%	73%	25%	2%	100%

LANDBANK

Direcional's landbank ended 1Q22 with a development potential of 156 thousand units and a PSV of BRL 28 billion (BRL 25 billion % Company).

The average cost of acquisition was equivalent to 11% of the PSV, and 78% of the payment shall be made through swaps, which causes a reduced impact on the Company's cash position before the beginning of the development of the projects.

During 1Q22, 9 plots of lands were acquired, with a construction potential of 7,800 units and a PSV of BRL 1.6 billion (BRL 1.1 billion % Company).

The average cost of acquisition in the quarter was equivalent to 10% of PSV, and 67% of the payment shall be made via swaps.

Evolution of Landbank (BRL million)	2021 Landbank	1Q22 Acquisitions	1Q22 Launches	Adjustments ¹	1Q22 Landbank	1Q22 PSV % Co.	Units
Total PSV	26,807	1,585	(599)	6	27,798	25,276	156,004

¹ Adjustments: update of sales price, canceled sales and swaps.

CASH GENERATION (CASH BURN) ¹

In 1Q22, there was a cash consumption in the amount of BRL 34 million. This consumption is due to the relevant operational growth that the Company has been reporting in recent periods, with a significant expansion of launches and sales volumes, in addition to the active management of inventories, with a cautious evaluation regarding the acquisition of inputs, which aims to mitigate possible inflation pressures and to maintain the profitability of projects at levels that the Company considers to be healthy.

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

DIRETO

After the approval by the Administrative Council for Economic Defense (CADE), which took place during 1Q22, Direto started its activities in wholesale and retail during the month of February.

According to the Notice to the Market published on April 4th, 2022, in its first month of operations, Direto originated real estate credit operations that exceeded BRL 40 million.



RIVA – Operating Highlights

Riva, a subsidiary with operations focused on the mid-low income segment, launched 2 projects in 1Q22, totaling a PSV of BRL 203 million (BRL 203 million % Company), up 61% in comparison with 1Q21.

Net sales reached BRL 171 million in 1Q22 (BRL 135 million % Company), a 40% growth over 1Q21, and a 28% drop versus 4Q21.

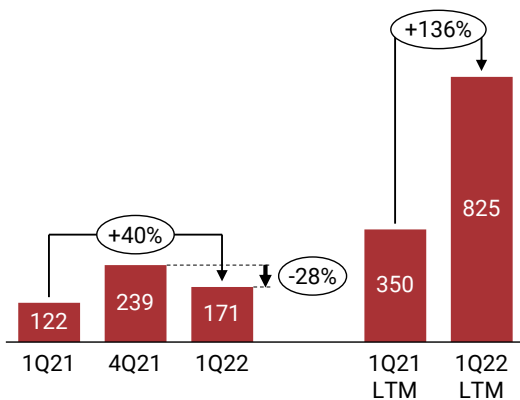
As previously mentioned, VSO in 1Q22 was 14%, mainly due to the launches having taken place at the end of March, which limited the time for sales of these projects still within the quarter. Thus, taking into account only sales related to products in inventory, the inventory VSO index reached 16% in the Riva segment.

In 1Q22 LTM, net sales grew 136% in relation to the amount sold in 1Q21 LTM, totaling BRL 825 million in the period (BRL 640 million % Company).

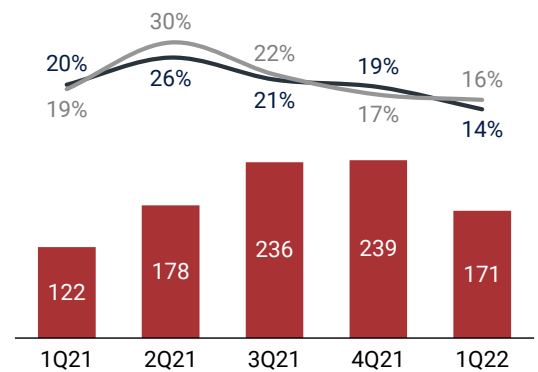
At the end of 1Q22, PSV in inventory totaled BRL 1.1 billion, of which about 1% refers to completed products.



Net Sales
(PSV 100% - BRL million)



Net Sales Evolution and VSO
(PSV 100% - BRL million)



■ Net Sales — VSO — Inventory VSO

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

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GLOSSARY

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

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

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

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

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

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

LTM – Last twelve months.

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

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

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

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

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

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

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

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