

***CYRELA BRAZIL REALTY S.A.
EMPREENHIMENTOS E PARTICIPAÇÕES***

***Parent company and consolidated
financial statements at
December 31, 2020***

(A free translation of the original report in Portuguese as published in Brazil containing Financial Statement prepared in accordance with accounting practices adopted in Brazil and IFRS) applicable to the Brazilian Real Estate development entities and registered with the Brazilian Securities and Exchange Commission (CVM)).

MESSAGE FROM MANAGEMENT

In a challenging year highlighted by the context of the coronavirus pandemic (COVID-19) and all the developments this serious health crisis has caused to society throughout 2020, the civil construction sector has proven as one of the most resilient, with construction sites practically uninterrupted and continuous job creation. Helped by the local macroeconomic scenario, which saw its historical lowest level of interest rate and, consequently, better purchase conditions and credit affordability to our customers, the Company delivered strong operating figures, especially in the second half of the year.

Thus, Cyrela reported launches that totaled R\$5.8 billion, 34.1% higher than the presented in 2019, while sales amounted to R\$4.9 billion, 7.4% higher than the 2019. In the quarter, we had launches of R\$2.9 billion and sales of R\$ 1.9 billion, corroborating with the macro and micro economic context in which the Company is inserted.

The solid operating numbers reflected positively on Cyrela's quarterly financial result, which presented net operating revenue of R\$1.1 billion and net profit of R\$261 million. The highlight of the quarter, and in line with the Company's positive operating momentum, was the strong cash generation, which reached R\$439 million. Accordingly, the Company maintained its leverage at a low and healthy level, with a Net Debt / Equity indicator of 5.1%.

We enter 2021 with positive perspectives for the year, with the expectation of GDP and employment recovery, in addition to maintenance of interest rates at healthy levels, and prepared to deliver solid operational and financial indicators again.

ARBITRATION CHAMBER

The Company is subject to the Market Arbitration Chamber, in accordance with the Arbitration Clause included in the Company's Bylaws.

RELATIONSHIP WITH INDEPENDENT AUDITORS

In compliance with CVM Instruction 381/03, we hereby inform you that we engaged KPMG Auditores Independentes to provide the following services in 4Q20: audit of the financial statements prepared in accordance with accounting practices adopted in Brazil and International Financial Reporting Standards ("IFRS"s); and review of the quarterly interim financial information in accordance with Brazilian and international standards on review of interim financial information (NBC TR 2410 - "Revisão de Informações Intermediárias Executadas pelo Auditor da Entidade" and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). The Company did not engage the independent auditors to perform any other work, other than the audit of the financial statements.

The engagement of independent auditors is based on principles that protect the auditor's independence, which consist of the following: (a) the auditor should not audit his/her own work; (b) the auditor should not exercise managerial duties; and (c) the auditor should not provide any services that can be considered a prohibited under prevailing standards. Additionally, Management obtains from the independent auditors a statement in the sense that the special services provided do not affect their professional independence.

The information in the performance report is not clearly identified as copy of the information included in the financial statements, nor has it been subjected to audit or review.



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Independent auditors' report on parent company and consolidated financial statements

To the Shareholders and Administrators of Cyrela Brazil Realty S.A. Empreendimentos e Participações São Paulo – São Paulo State

Opinion

We have audited the individual and consolidated financial statements of Cyrela Brazil Realty S.A. Empreendimentos e Participações ("Company"), identified as Parent Company and Consolidated, respectively, which comprise the balance sheet as of December 31, 2020 and the related statements of income, comprehensive income, changes in shareholders' equity and cash flows, for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

Opinion on the individual financial statements

In our opinion, the accompanying individual financial statements present fairly, in all material respects, the financial position of Cyrela Brazil Realty S.A. Empreendimentos e Participações as of December 31, 2020, the performance of its operations and its cash flows, for the year then ended, in accordance with the accounting practices adopted in Brazil, applicable to Real Estate Development Entities in Brazil, registered in the Brazilian Securities and Exchange Commission (CVM).

Opinion on the consolidated financial statements

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Cyrela Brazil Realty S.A. Empreendimentos e Participações as of December 31, 2020, the consolidated performance of its operations and its cash flows and respective consolidated cash flows for the year then ended, in accordance with the accounting practices adopted in Brazil and International Financial Reporting Standards (IFRS) applicable to real estate development entities in Brazil, recorded in the Brazilian Securities and Exchange Commission (CVM).

Basis for opinion

We conducted our audit in accordance with Brazilian and international auditing standards (ISAs). Our responsibilities, under those standards, are further described in the Auditor's responsibilities for the audit of the parent company and consolidated financial statements section of our report. We are independent of the Company and its subsidiaries, in accordance with the relevant ethical requirements included in the Accountant Professional Code of Ethics ("*Código de Ética Profissional do Contador*") and the professional standards issued by the Brazilian Federal Accounting Council ("*Conselho Federal de Contabilidade*"), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide basis for our opinion.

Emphasis of a matter

As described in Note 2.1(i), the individual financial statements were prepared in accordance with the accounting practices adopted in Brazil applicable to Real Estate Development Entities in Brazil, recorded at Brazilian Securities and Exchange Commission (CVM) and consolidated financial statements were prepared in accordance with the accounting practices adopted in Brazil and International Financial Reporting Standards (IFRS) applicable to Real Estate Development Entities in Brazil, recorded at Brazilian Securities and Exchange Commission (CVM). Thus, the determination of the accounting policy adopted by the Company for the recognition of revenue in contracts for the purchase and sale of unfinished estate units on the aspects related to the transfer of control follows the understanding of Company's management on the application of CPC 47 - Revenue from Contract with Customer (IFRS 15), pursuant to that expressed by Brazilian Exchange and Securities Commission in CVM/SNC/SEP Circular Letter No. 02/2018. Our opinion is not qualified in this respect.

Key audit matters

The key audit matters are those matters that, in our professional judgment, were of most significance in our audit of current year. These matters were addressed in the context of our audit of the individual and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue Recognition – estimated construction costs and construction work percentage of completion (“POC”)

See Notes 2.2 (i), 2.3.1(i) and 24 of individual and consolidated financial statements

Key audit matter

The Company and its subsidiaries recognize its revenues deriving from sale of real estate units under construction based on Percentage of Completion (POC) of respective traded projects and traded real estate units. Determination of real estate units' completion stage and their respective non-incurred costs, which are used to determine the amount of revenues to be recognized, requires a high level of judgment by the Company and its subsidiaries. Due to transactions volume, judgments involved in estimates of costs to be incurred, stage of completion of real estate units, and possible impact of these judgments on revenue recognition in the Company's individual and consolidated financial statements and investments recorded under the equity method in individual financial statements, we consider this matter as a key audit matter.

How our audit conducted this matter

We evaluated key design and controls implemented by the Company and its subsidiaries in the process of determining completion stage of respective real estate units and estimates of costs to be incurred.

Using a sampling, we inspected the formalizations of budget internal approvals of civil works in progress.

Also on a sampling basis, we matched the amount of costs incurred with the respective supporting documentation. We calculated the changes in the budgeted cost during the year, within a certain parameter, and obtained explanations as to these changes. In addition, we confronted indices used by the Company to calculate restatement of estimated non-incurred budget costs under construction against respective market indices.

Additionally, we evaluated the disclosures made by the Company in its financial statements.

Based on the evidence obtained by means of procedures summarized above, we consider the revenue recognized and respective disclosures in the context of individual and consolidated financial statements taken as a whole as acceptable.

Impairment of assets – real estate inventories and accounts receivable

Notes 2.3.5, 2.3.6 (i), 5 and 6 of individual and consolidated financial statements

Key audit matter	How our audit conducted this matter
<p>The Company and its subsidiaries have a significant volume of inventory of real estate units at several development stages, measured at cost value or Net realizable value, whichever is lower, and accounts receivable due to sale of real estate units, directly controlled by the Company or through associated entities.</p> <p>Any change in market conditions may impact the book values of these inventories and expected losses on accounts receivable, and investments recorded under the equity method of individual financial statements. As a consequence, we consider this to be the key audit matter.</p>	<p>For finished inventories and inventories under construction, based on sample, we analyzed documentation and assumptions that support the evaluation of the Company and its subsidiaries regarding these assets' realizable value, including comparison of realization value of similar assets.</p> <p>Also on a sampling basis, we evaluated the consistency of the data and assumptions used in the statements of calculation for net realizable value of the land, prepared by the Company and its subsidiaries, as well as the business plans and due internal approvals and compared the net realizable value with the book value of the land.</p> <p>For accounts receivable, we evaluated the criteria and assumptions used by the Company to calculate the expected losses on these assets. We inspected the documents that support these valuations on a sampling basis.</p> <p>Additionally, we evaluated the disclosures made by the Company in its financial statements.</p> <p>Based on evidences obtained through above-summarized procedures, we consider the balances of real estate inventories and accounts receivable as acceptable, as well as related disclosures, are acceptable in the context of individual and consolidated financial statements taken as a whole.</p>

Transactions for the sale of equity interest in the investees “Plano & Plano”, “Cury” and “Lavvi”

Note 7(d) of individual and consolidated financial statements

Key audit matter	How our audit conducted this matter
<p>In 2020, the subsidiaries Plano & Plano Desenvolvimento Imobiliário S.A. (“Plano & Plano”) and Lavvi Empreendimentos Imobiliários S.A. (“Lavvi”), as well as the associated company Cury Construtora e Incorporadora S.A. (“Cury”), made an Initial Public Offering (IPO).</p> <p>The Initial Public Offerings involved partial sales of shares held by the Company and resulted in the loss of control of the investees Plano & Plano and Lavvi.</p> <p>Transactions for the sale of equity interests involved</p>	<p>Our audit procedures included, among others, periodic meetings with the Company and the Audit Committee to understand the impacts of these transactions on the individual and consolidated financial statements as of December 31, 2020.</p> <p>We analyzed the effects of the loss of control over the investees Plano & Plano and Lavvi and the derecognition of the assets and liabilities of these investees and the reduction in Cury’s interest in the individual and consolidated financial statements. Furthermore, we read the prospectuses, Shareholders’ Agreements and</p>

the amount of R\$ 1,327 billion. According to CPC 36 – Consolidated Financial Statements, in the event of loss of control in a subsidiary, the book values related to the subsidiary should be derecognized. The consideration received and any remaining investment retained in the former subsidiary should be recognized at fair value, and any resulting difference should be recognized as a gain or loss in the income (loss).

Since these transactions involved the loss of control of the investees Plano & Plano and Lavvi and the sale of equity interests in material amounts with significant effects on the Company's individual and consolidated financial statements, we consider this as the key audit matter.

other documents related to these transactions to validate the results obtained for the year.

With the technical support of our corporate finance experts, we evaluated the fair value methodology of the remaining investments, after the loss of control. Additionally, we evaluated the disclosures made by the Company in its financial statements.

Based on the evidence obtained by means of procedures summarized above, we consider the measurement of remaining investments and gain related to loss of control over these investees acceptable, as well related disclosures, in the context of individual and consolidated financial statements taken as a whole.

Other matters - Statements of added value

Individual and consolidated statement of added (DVA) value for the year ended December 31, 2020, prepared under responsibility of Company's management, and presented as supplementary information for IFRS purposes applicable to Real Estate Development Entities in Brazil recorded at Brazilian Securities and Exchange Commission (CVM), were submitted to audit procedures carried out together with the audit of Company's financial statements. To form our opinion, we evaluated whether these statements are reconciled with the financial statements and accounting records, as applicable, and whether their form and content are in accordance with the criteria defined in CPC 09 Technical Pronouncement - Statement of Added Value. In our opinion, these statements of added value were prepared, in all material respects, in accordance with the criteria defined in this Technical Pronouncement and are consistent in relation to the individual and consolidated financial statements taken as a whole.

Other information accompanying individual and consolidated financial statements and the auditors' report

The Company's management is responsible for such other information that comprises the Management Report. Our opinion on the individual and consolidated financial statements does not include the Management Report and we do not express any form of audit conclusion on such report.

Regarding the audit of individual and consolidated financial statements, our responsibility is to read the Management Report and, in doing so, consider whether this report is, in a material way, inconsistent with the financial statements or with our knowledge gained in the audit or otherwise appears to be materially misstated. If, based on the works performed, we conclude that there is a material misstatement in the Management Report, we are required to disclose this fact. We have nothing to report in this regard.

Responsibilities of management and governance for the individual and consolidated financial statements

The Management is responsible for the preparation and adequate presentation of the individual financial statements in accordance with the accounting practices adopted in Brazil applicable to Real Estate Development Entities in Brazil registered at Brazilian Securities and Exchange Commission (CVM) and consolidated financial statements in accordance with the accounting practices adopted in Brazil and International Financial Reporting Standards (IFRS) applicable to Real Estate Development Entities in Brazil, registered at Brazilian Securities and Exchange Commission (CVM) as well as for the internal controls that it deemed necessary to enable the preparation of financial statements free of significant distortions, regardless of whether the latter were caused by fraud or error.

In the preparation of individual and consolidated financial statements, management is responsible for assessing the ability of the Company to continue as a going concern, disclosing, where applicable, the matters relating to its going concern and the use of this basis of accounting in preparing the financial statements, unless management intends to wind-up the Company and its subsidiaries or cease its operations, or has no realistic alternative to avoid the closure of operations.

Those charged with governance of the Company and its subsidiaries are the people responsible for overseeing the process of preparation of the financial statements.

Auditors' Responsibilities for the Audit of the Individual and Consolidated Financial Statements

Our purposes are to obtain reasonable assurance that the individual and consolidated financial statements, taken as a whole, are free from material misstatement, whether caused by fraud or error, and to issue audit report containing our opinion. Reasonable assurance means a high level of security, but not a guarantee that an audit conducted in accordance with Brazilian and international auditing standards always detects any existing material misstatements. Misstatements may be due to fraud or error and are considered material when, individually or taken as a whole, can influence, within a reasonable perspective, the economic decisions of users taken based on these financial statements.

As part of the audit conducted in accordance with Brazilian and international auditing standards, we exercise

professional judgment and maintain our professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the parent company and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement due to fraud is higher than due to error, since a fraud can involve the act of circumventing internal controls, collusion, falsification, omission or intentional misrepresentations.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of the Company and its subsidiaries.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the use of the going concern accounting basis by management, and based on the audit evidence obtained, whether there is significant uncertainty in relation to events or conditions that may cast significant doubt on the ability of the Company and its subsidiaries to continue as a going concern. If we conclude that there is a material uncertainty, we must highlight the related disclosures in the individual and consolidated financial statements in our report, or include a modification in our opinion if disclosures are inadequate. Our conclusions are based on audit evidence obtained up to the date of our report. However, future events or conditions may lead the Company and its subsidiaries to no longer remain as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the parent company and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the parent company and consolidated financial statements. We are responsible for directing, supervising and carrying out the group's audit and, therefore, for the audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identified during our audit.

We also provide to those responsible for governance a statement that we fulfilled the material ethical requirements, including the applicable independence requirements, and report all the possible relationships or issues that could considerably affect our independence, including, when applicable, the respective disclaimers.

Out of matters that were communicated to people responsible for governance, we determined those that were considered as the most significant in the audit of financial statements for current year and that, accordingly, comprise the key audit matters. We describe these issues in our audit report, unless a law or regulation has prohibited the public disclosure of the issue, or when, under extremely rare circumstances, we determine that the issue shall not be reported in our report, because the adverse consequences from such report may, from a reasonable perspective, exceed the benefits from the report for public interest.

São Paulo, March 16, 2021

KPMG Auditores Independentes
CRC 2SP014428/O-6

Original report in Portuguese signed by

Eduardo Tomazelli Remedi
Accountant CRC SP259915/O-0

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CYRELA BRAZIL REALTY S.A. EMPREENDIMENTOS E PARTICIPACOES
Balance sheets as of December 31, 2020
(In thousands of reais)

Assets	Notes	Parent company		Consolidated		Liabilities and shareholders' equity	Notes	Parent company		Consolidated	
		2020	2019	2020	2019			2020	2019	2020	2019
Current assets						Current liabilities					
Cash and cash equivalents	3	5,589	5,828	200,083	212,437	Suppliers of assets and services		35,621	29,110	151,524	134,825
Securities	4	751,456	537,382	1,641,817	1,152,619	Loans and financing	10	266,495	114,462	359,373	179,896
Accounts receivable	5	12,568	2,932	1,355,208	1,251,679	Debentures	11	-	153,860	1,886	155,105
Real estate for sale	6	48,730	97,206	2,700,146	2,637,665	Certificates of Real Estate Receivables - CRI	12	171,962	178,249	202,137	217,706
Taxes and contributions recoverable		120	(0)	14,435	17,539	Provision for property maintenance	17	-	-	45,160	66,196
Taxes and contributions for deferred payments	20	-	-	757	435	Taxes and contributions payable		1,387	1,486	30,238	28,226
Unrecorded sales expenses		-	-	31,965	12,608	Taxes and contributions for deferred payments	20	-	376	28,801	30,140
Prepaid expenses		5,415	7,597	15,019	12,894	Salaries, payroll charges and profit sharing		28,129	23,016	49,576	50,882
Derivative financial instruments		32,287	-	32,287	-	Accounts payable for acquisition of real estate	18	2,521	2,516	223,567	550,548
Sundry accounts		8,982	2,320	66,916	55,481	Dividends payable		418,061	98,762	418,062	98,762
		865,146	653,266	6,058,632	5,353,358	Obligations payable with related parties	13	100,214	99,608	89,792	110,647
						Checking accounts with partners of joint ventures	14	(0)	-	53,094	46,299
Non-current assets						Advances from clients	16	-	-	286,428	345,380
Long-term assets						Provision for tax, labor and civil risks	19	6,039	4,281	104,392	83,544
Securities	4	351,423	297,612	559,437	298,112	Sundry accounts		182,033	193,889	62,330	91,888
Accounts receivable	5	6,052	6,065	708,346	817,795			1,212,461	899,616	2,106,359	2,190,044
Accounts receivables from expropriation		-	-	-	-						
Checking accounts with partners of joint ventures	14	5,574	5,643	22,278	16,687	Non-current liabilities					
Credits Receivable from Related Parties	13	487,047	434,030	383,831	368,995	Long-term liabilities					
Taxes and contributions recoverable		67,178	74,123	125,606	139,512	Suppliers of assets and services		0	0	(0)	0
Taxes and contributions for deferred payments	20	-	-	283	402	Loans and financing	10	652,280	426,160	849,248	756,790
Real estate for sale	6	-	-	1,341,441	1,996,082	Debentures	11	-	-	4,000	4,000
Sundry accounts		8,356	9,010	73,650	61,734	Certificates of Real Estate Receivables - CRI	12	1,165,012	1,121,167	1,286,361	1,190,779
		925,830	826,483	3,214,871	3,699,318	Provision for property maintenance	17	-	-	32,291	39,604
						Taxes and contributions payable		-	-	-	-
Investments in subsidiaries and associated companies	7	6,959,722	5,670,814	2,066,024	815,990	Accounts payable for acquisition of real estate	18	-	-	292,195	6,520
Property, plant and equipment	8	10,344	17,593	73,436	92,389	Provision for tax, labor and civil risks	19	4,559	3,733	84,333	64,866
Intangible assets	9	36,242	45,773	20,962	27,622	Taxes and contributions for deferred payments	20	258,239	878	314,127	56,275
		7,006,308	5,734,181	2,160,422	935,101	Advances from clients	16	-	-	668,384	503,457
						Sundry accounts		-	-	-	-
		7,932,138	6,560,663	5,375,294	4,634,419			2,080,090	1,551,938	3,530,939	2,622,291
						Shareholders' equity					
						Capital	21 (a)	3,395,744	3,395,744	3,395,744	3,395,744
						Other reserves		(103,967)	(103,967)	(103,967)	(103,967)
						Capital reserves:					
						Reserve for granting stock option	24 (c)	31,212	32,131	31,212	32,131
						Profit reserves					
						Legal reserve	21 (c)	399,909	311,896	399,909	311,896
						Profit retention	21 (f)	1,873,960	1,319,777	1,873,960	1,319,777
						Treasury shares and other reserves	21 (b)	(192,224)	(193,203)	(192,224)	(193,203)
						Retained Earnings/Losses		0	-	0	-
						Other comprehensive income		99	(2)	99	(2)
						Shareholders' equity attributed to interest:					
						Parent company's shareholders		5,504,733	4,762,376	5,504,733	4,762,376
						Non-controlling shareholders		-	-	291,895	413,067
						Total shareholders' equity		5,504,733	4,762,376	5,796,628	5,175,443
						Total liabilities and shareholders' equity		8,797,284	7,213,929	11,433,926	9,987,778
Total assets		8,797,284	7,213,929	11,433,926	9,987,778						

SEE THE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS.

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CYRELA BRAZIL REALTY S.A. EMPREENDIMENTOS E PARTICIPACOES
STATEMENTS OF INCOME FOR THE YEAR
FOR THE QUARTER ENDED DECEMBER 31, 2019 AND 2020
(In thousands of reais)

	Notes	Parent company		Consolidated	
		2020	2019	2020	2019
Net operating revenue	24	37,981	15,381	3,823,695	3,930,822
Cost of sales and services	24	(27,712)	(11,596)	(2,573,313)	(2,715,109)
Gross operating income		10,269	3,785	1,250,382	1,215,713
Operating revenues (expenses)					
Sales expenses	25	(2,924)	(6,339)	(326,318)	(382,005)
General and administrative expenses	26	(116,268)	(113,669)	(384,720)	(388,305)
Directors' fees expenses	13 (c)	(5,957)	(5,050)	(5,957)	(5,050)
Income (loss) from ownership interest:					
Equity in net income of subsidiaries	7 (a)	922,072	476,607	405,712	104,200
Other investment results		-	-	-	-
Other losses in investments		(144,185)	(29,422)	(161,611)	(24,458)
Other gains in investments		1,440,689	85,921	1,480,549	110,587
Other operating income (expenses), net		-	-	-	-
Other expenses		(19,912)	(9,827)	(64,707)	(46,506)
Other revenues		1,508	1	11,547	5,721
Gross income before financial income (loss)		2,085,292	402,006	2,204,877	589,896
Financial income (loss)					
Financial expenses	27	(89,050)	(113,715)	(117,930)	(149,929)
Financial revenues	27	145,580	127,363	202,431	180,522
Income before taxes		2,141,821	415,655	2,289,379	620,490
Income tax and social contribution					
Deferred	20 (b)	(256,996)	187	(262,343)	(2,956)
Current	20 (d)	(124,568)	-	(197,539)	(83,217)
		(381,564)	187	(459,883)	(86,173)
Net income for the year from continued operations		1,760,257	415,841	1,829,496	534,317
Portion of income attributed to non-controlling shareholders		-	-	(69,239)	(118,475)
Profit attributable to the parent company's shareholders	21 (e)	1,760,257	415,841	1,760,257	415,841
Basic earnings (losses) per share - in RS		4.57800	1.08172	4.57800	1.08172
Diluted earnings (losses) per share - in RS		4.57800	1.08150	4.57800	1.08150

SEE THE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS.

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CYRELA BRAZIL REALTY S.A. EMPREENDIMENTOS E PARTICIPAÇÕES STATEMENTS OF COMPREHENSIVE INCOME

FOR THE QUARTER ENDED DECEMBER 31, 2019 AND 2020

(In thousands of reais)

	Parent company		Consolidated	
	2020	2019	2020	2019
NET INCOME (LOSS) FOR THE YEAR FROM CONTINUED OPERATIONS	1,760,257	415,841	1,829,496	534,317
Other comprehensive income:				
Items that may be reclassified in the statement of income				
Investment translation adjustments	(453)	(185)	(453)	(185)
FVTOCI adjustments of interest earning bank deposits	554	-	554	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAXES	1,760,358	415,657	1,829,597	534,132
NET INCOME (LOSS) ATTRIBUTABLE TO:				
Controlling shareholders	1,760,358	415,656	1,760,358	415,657
Non-controlling shareholders	-	-	69,239	118,475
	1,760,358	415,656	1,829,598	534,132

SEE THE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS.

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CYRELA BRAZIL REALTY S.A. EMPREENDIMENTOS E PARTICIPAÇÕES
 STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (PARENT COMPANY AND CONSOLIDATED)
 FOR THE QUARTER ENDED DECEMBER 31, 2019 AND 2020
 (In thousands of reais – R\$)

	Note	Capital reserves			Profit reserves		Retained earnings/accumulated losses	Other comprehensive income	Total Parent company	Non-controlling interest	Total Consolidated	
		Capital	Other reserves	Reserve for granting stock option	Treasury shares	Legal reserve						Profit retention
December 31, 2018		3,395,744	(103,967)	36,041	(194,047)	291,104	1,723,490	0	183	5,148,548	389,263	5,537,811
Capital transactions:												
Other changes	21 (g)	-	-	-	-	-	-	-	-	-	374,439	374,439
Recognized/exercised and granted options	23 (c)	-	-	(3,910)	844	-	-	-	-	(3,066)	-	(3,066)
Income (loss) for the period:												
Net revenue for the period		-	-	-	-	-	415,841	-	-	415,841	118,475	534,317
Profit distribution												
Legal reserve	21 (c)	-	-	-	-	20,792	-	(20,792)	-	-	-	-
Investment translation adjustments		-	-	-	-	-	-	(185)	(185)	-	-	(185)
Dividends	21 (d) / 21 (e)	-	-	-	-	-	(700,000)	-	(798,762)	(469,110)	-	(1,267,873)
Profit retention reserve	21 (d)	-	-	-	-	-	296,287	-	-	-	-	-
December 31, 2019		3,395,744	(103,967)	32,131	(193,203)	311,896	1,319,777	0	(2)	4,762,376	413,067	5,175,443
Capital transactions:												
Other changes	21 (g)	-	-	-	-	-	-	-	-	-	(93,569)	(93,569)
Recognized/exercised and granted options	23 (c)	-	-	(919)	979	-	-	-	-	60	-	60
Income (loss) for the period:												
Net revenue for the period		-	-	-	-	-	1,760,257	-	-	1,760,257	69,239	1,829,496
Profit distribution												
Legal reserve	21 (c)	-	-	-	-	88,013	-	(88,013)	-	-	-	-
Investment translation adjustments		-	-	-	-	-	-	(453)	(453)	-	-	(453)
FVTOCI adjustments of interest earning bank deposits		-	-	-	-	-	-	554	554	-	-	554
Interim dividends		-	-	-	-	-	(600,000)	-	(600,000)	(96,841)	-	(696,841)
Dividends payable	21 (d) / 21 (e)	-	-	-	-	-	-	-	(418,061)	-	-	(418,061)
Profit retention reserve	21 (d)	-	-	-	-	-	1,254,183	-	(1,254,183)	-	-	-
December 31, 2020		3,395,744	(103,967)	31,212	(192,224)	399,909	1,973,960	0	99	5,504,733	291,895	5,796,628

SEE THE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS.

CYRELA

CYRELA BRAZIL REALTY S.A. EMPREENDIMENTOS E PARTICIPAÇÕES
STATEMENTS OF CASH FLOWS
FOR THE QUARTER ENDED DECEMBER 31, 2019 AND 2020
(In thousands of reais – R\$)

	Parent company		Consolidated	
	2020	2019	2020	2019
CASH FLOW FROM OPERATING ACTIVITIES				
Income (loss) before income tax and social contribution	2,141,821	415,655	2,289,379	620,490
Adjustments due to:				
Depreciation and amortization of fixed and intangible assets	14,615	16,761	51,163	74,678
Write-off of property, plant and equipment and intangible assets	(133)	-	(13,688)	24,322
Amortization of surplus of assets	4,135	12,022	346	1,004
Equity in net income of subsidiaries	(922,072)	(476,607)	(405,712)	(104,200)
Interest and inflation adjustments on loans, debentures and unrealized CRI	106,011	33,697	123,926	41,008
Deferred taxes	(11)	(79)	(6,033)	3,700
Adjustment to present value	-	-	36,450	55,097
Provisions for guarantee	-	-	44,966	79,868
Yield from securities	(94,882)	(77,011)	(130,819)	(114,419)
Swap operating income (loss)	(27,404)	-	(27,404)	-
Provision for tax, labor and civil risks	2,584	3,808	40,315	1,391
Investment translation adjustments	(453)	(185)	(453)	(185)
FVTOCI adjustments of interest earning bank deposits	554	-	554	-
Provisions for credit risk	29	0	(43,270)	(98,587)
Other taxes and contributions	-	-	-	-
Provision for stock option program	60	(3,065)	60	(3,065)
Capitalized charges	2,124	-	67,353	-
	<u>1,226,977</u>	<u>(75,005)</u>	<u>2,027,133</u>	<u>581,102</u>
Changes in operating assets and liabilities:				
Accounts receivable	(63,477)	2,321	(358,034)	(77,168)
Real estate for sale	46,352	(12,398)	524,808	83,174
Current accounts with partners in joint ventures	69	(1,048)	1,203	1,744
From related parties	266,888	149,700	283,610	100,030
Taxes and contributions recoverable	6,825	(3,026)	17,010	(3,874)
Unrecorded sales expenses	-	-	(19,357)	(5,053)
Prepaid expenses	2,182	(1,306)	(2,125)	(4,243)
Other asset accounts	(6,207)	51,188	(23,351)	46,130
Accounts payable for acquisition of real estate	5	(62,588)	(41,305)	136,939
Taxes and contributions payable	(124,668)	(496)	(807)	1,065
Suppliers of assets and services	6,511	11,589	16,700	12,938
Provision for property maintenance	-	-	(73,316)	(150,800)
Salaries, payroll charges and profit sharing	5,113	9,983	(1,306)	11,419
Advances from clients	-	-	105,975	184,551
Other liabilities	(11,855)	36,291	(29,560)	(74,533)
Cash and cash equivalents (invested in) operating activities:	<u>1,354,715</u>	<u>105,205</u>	<u>2,427,277</u>	<u>843,422</u>
Taxes and contributions paid	-	-	(194,721)	(83,141)
Interest paid	(83,865)	(46,234)	(102,676)	(70,920)
Net cash and cash equivalents from (invested in) operating activities	<u>1,270,850</u>	<u>58,971</u>	<u>2,129,881</u>	<u>689,361</u>
CASH FLOW FROM INVESTMENT ACTIVITIES				
Acquisition of fixed assets	(7,232)	(24,940)	(65,985)	(122,491)
Dividends received	671,910	993,660	83,242	54,751
Increase (decrease) in investments	(1,038,746)	(812,078)	(1,367,304)	110,754
Acquisition of intangible assets	5,396	(26,710)	6,313	(1,549)
Securities	(119,179)	113,635	(248,930)	38,515
Derivative financial instruments	23,025	-	23,025	-
Cash and cash equivalents from (invested in) investment activities	<u>(464,826)</u>	<u>243,566</u>	<u>(1,569,840)</u>	<u>79,981</u>
CASH FLOW FROM FINANCING ACTIVITIES				
New loans, financing and CRIs	984,913	812,364	1,531,746	1,149,149
Payment of borrowings, financing and CRI	(773,115)	(311,351)	(895,669)	(986,450)
Distribution of dividends	(600,000)	(700,000)	(600,000)	(700,000)
Distribution of dividends to non-controlling shareholders	-	-	(96,841)	(469,110)
Actions in Treasury	-	-	-	-
Increase (Decrease) in non-controlling interest	-	-	(93,569)	374,439
Dividends payable	(418,061)	(98,762)	(418,061)	(98,762)
Cash and cash equivalents invested in financing activities	<u>(806,263)</u>	<u>(297,749)</u>	<u>(572,395)</u>	<u>(730,735)</u>
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	<u>(239)</u>	<u>4,788</u>	<u>(12,354)</u>	<u>38,607</u>
Opening balance	5,828	1,040	212,437	173,830
Closing balance	5,589	5,828	200,083	212,437
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	<u>(239)</u>	<u>4,788</u>	<u>(12,354)</u>	<u>38,607</u>

SEE THE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS.

CYRELA

CYRELA BRAZIL REALTY S.A. EMPREENDIMENTOS E PARTICIPAÇÕES
STATEMENTS OF ADDED VALUE
FOR THE QUARTER ENDED DECEMBER 31, 2019 AND 2020
(In thousands of reais – R\$)

	Parent company		Consolidated	
	2020	2019	2020	2019
REVENUES				
Sale of goods, products and services	40,929	17,394	3,877,332	3,927,089
Other revenues	1,508	1	11,547	5,723
	<u>42,437</u>	<u>17,395</u>	<u>3,888,881</u>	<u>3,932,813</u>
INPUTS ACQUIRED FROM THIRD PARTIES				
Costs of products, goods and services rendered	(27,712)	(11,596)	(2,524,741)	(2,609,481)
Materials, energy, outsourced services and other	(50,545)	(51,352)	(464,683)	(502,013)
Other expenses	(19,913)	(9,827)	(64,708)	(46,508)
	<u>(98,170)</u>	<u>(72,775)</u>	<u>(3,054,131)</u>	<u>(3,158,002)</u>
GROSS ADDED VALUE	<u>(55,732)</u>	<u>(55,380)</u>	<u>834,749</u>	<u>774,810</u>
RETENTIONS				
Depreciation, amortization and depletion	(9,410)	(9,492)	(40,908)	(33,203)
Amortization of surplus of assets	(9,640)	(19,291)	(7,264)	(10,989)
	<u>(19,049)</u>	<u>(28,783)</u>	<u>(48,172)</u>	<u>(44,192)</u>
NET ADDED VALUE PRODUCED BY THE COMPANY	<u>(74,781)</u>	<u>(84,163)</u>	<u>786,577</u>	<u>730,618</u>
ADDED VALUE RECEIVED AS TRANSFERS				
Equity in income of subsidiaries	922,072	476,607	405,712	104,200
Other income (loss) from investments	1,300,638	68,521	1,319,284	87,133
Financial revenues	145,580	127,363	202,431	180,522
	<u>2,368,290</u>	<u>672,491</u>	<u>1,927,428</u>	<u>371,854</u>
TOTAL ADDED VALUE RECEIVED AS TRANSFERS	<u>2,368,290</u>	<u>672,491</u>	<u>1,927,428</u>	<u>371,854</u>
TOTAL ADDED VALUE PAYABLE	<u>2,293,509</u>	<u>588,328</u>	<u>2,714,005</u>	<u>1,102,472</u>
DISTRIBUTION OF ADDED VALUE				
Personnel and charges				
Salaries and payroll charges	44,967	43,026	152,861	196,444
Sales commissions	16	96	27,143	16,099
Management compensation	5,957	5,050	5,957	5,050
Employee profit share	8,749	8,773	18,633	12,565
	<u>59,689</u>	<u>56,945</u>	<u>204,595</u>	<u>230,159</u>
Taxes, duties and contributions	384,512	1,826	561,984	188,068
Interest	89,050	113,715	117,930	149,929
	<u>533,252</u>	<u>172,486</u>	<u>884,509</u>	<u>568,155</u>
REMUNERATION OF OWN CAPITAL				
Net income for the year	1,760,257	415,841	1,760,257	415,841
Portion of income attributed to non-controlling shareholders	-	-	69,239	118,475
	<u>1,760,257</u>	<u>415,841</u>	<u>1,829,496</u>	<u>534,317</u>
TOTAL ADDED VALUE PAID	<u>2,293,509</u>	<u>588,328</u>	<u>2,714,005</u>	<u>1,102,472</u>

SEE THE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS.

CYRELA BRAZIL REALTY S.A. EMPREENDIMENTOS E PARTICIPAÇÕES
NOTES TO FINANCIAL STATEMENTS FOR THE TWELVE-MONTH PERIOD ENDED
DECEMBER 31, 2020 AND 2019
(In thousands of reais, unless otherwise indicated)

1. OPERATIONS

Cyrela Brazil Realty S.A. Empreendimentos e Participações (“Company”) is a publicly-held corporation headquartered in the city of São Paulo, state of São Paulo; its shares are traded on the B3 S.A. – Brasil Bolsa Balcão - Novo Mercado - under the acronym CYRE3.

The Company’s headquarters is located in Brazil, at 109, Rocio St, 2nd Floor, Room 1, São Paulo/SP.

The Company is primarily engaged in the development and construction of residential properties, alone or jointly with other companies. The subsidiaries, companies under shared control and associated companies share with the parent company the corporate, managerial and operating costs and structures of the Company or of the partner, according to each situation.

On March 11, 2020, the World Health Organization (WHO) declared the coronavirus (COVID-19) as a pandemic. Since then, the virus has been spreading rapidly around the world, creating a health crisis and, consequently, an economic crisis.

The Company is closely monitoring all developments and taking mitigation measures to ensure the safety of all its stakeholders. The initiatives aim to ensure the health of our employees (whether third parties or not), in construction sites or offices, and consequently of the whole society. Our action plan aims to reduce the coronavirus growth curve in Brazil, so as not to overburden the healthcare system and guarantee the effective care for the most serious cases. Moreover, we seek to understand the best financial solution for our clients and suppliers, aiming to preserve the Company’s contracts and cash. Among our initiatives, we highlight:

At civil works area:

- Disclosure of good behavioral practices for third parties and employees, and trainings;
- Leave of absence for employees considered to be at risk (over 60 years old and/or with diseases as hypertension, diabetes, etc.)
- Employees who show any symptoms are immediately isolated, without the need to a medical certificate;
- Distribution of masks to all employees, in addition to the temperature screening as a protocol for entering the works;
- Availability of a quadrivalent influenza vaccine for all construction workers (own and contracted), administered at the construction site;
- Limit of 2 employees on the elevator and 4 on the rack concurrently.

CYRELA BRAZIL REALTY S.A. EMPREENDIMENTOS E PARTICIPAÇÕES

NOTES TO FINANCIAL STATEMENTS FOR THE TWELVE-MONTH PERIOD ENDED DECEMBER 31, 2020 AND 2019

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In the office/corporate:

- Wide adoption of the home office regime, being mandatory for risk groups, and respecting the daily workload, in addition to protocols, materials and technologies for its proper functioning;
- Detailed analysis of cases of requests for postponement of installment payments by clients, seeking to preserve contracts;
- Donation campaigns carried out by the Cyrela Institute, in collaboration with our employees: Campaigns #Juntos Combatemos 3x Mais and #Juntos Fazemos Mais.

The Company had no material impact on its receivables in the fourth quarter. Furthermore, Cyrela carries out periodic cash flow exercises comprising several scenarios aimed at maintaining the Company's cash at healthy levels. Based on said projections, Cyrela does not expect cash pressures in the next 12 months.

2. PRESENTATION OF FINANCIAL STATEMENTS AND SUMMARY OF SIGNIFICANT ACCOUNTING PRACTICES ADOPTED

2.1. Basis of presentation and preparation of individual and consolidated financial statements.

i) Compliance statement

The Company's individual and consolidated financial statements have been prepared and presented in accordance with accounting practices adopted in Brazil (NBC TG36 (R3)) and the International Financial Reporting Standards (IFRS), and for the consolidated financial statements in accordance with international standards and IFRS 10 – Consolidated Financial Statements), applicable to real estate entities in Brazil recorded in the Brazilian Securities and Exchange Commission (CVM). The aspects related to transfer of control in the sale of real estate units follow the understanding of the company's management, aligned with that expressed by the Brazilian Securities and Exchange Commission (CVM) in CVM/SNC/SEP Circular Letter 02/18 on the application of the Technical Pronouncement NBC TG 47 (IFRS 15).

Management affirms that all relevant information characteristic of financial statements, are being evidenced and correspond to those used by Management.

Presentation of individual and consolidated Statements of Added Value is required by the Brazilian corporate law and Brazilian accounting practices applicable to publicly-held companies and has been prepared in accordance with CVM Resolution 557, of November 12, 2008, which approved accounting pronouncement NBC TG09 – Statement of Added Value. The IFRS standards applicable to Real Estate Development Entities in Brazil, registered with the Brazilian Securities and Exchange Commission ("CVM"), do not require the presentation of this statement. Thus, this statement is presented as supplementary information, without prejudice to the set of financial

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statements under IFRS standards applicable to real estate development entities in Brazil, registered with the Brazilian Securities and Exchange Commission (“CVM”).

ii) Basis of preparation

The individual and consolidated financial statements were prepared based on the historical cost, except for certain financial instruments measured at its fair values, as described in the description of significant accounting practices of this report.

The Company’s individual financial statements are considered in conformity with accounting practices adopted in Brazil as they are not in conformity with the International Financial Reporting Standards (IFRS). Once there are considered capitalization of interest on investees’ qualifiable assets in individual financial statements.

The consolidated financial statements are in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) applicable to real estate development entities in Brazil, registered with the Brazilian Securities and Exchange Commission (“CVM”). The aspects related to transfer of control in the sale of real estate units follow the understanding of the company’s management, aligned with that expressed by the Brazilian Securities and Exchange Commission (CVM) in CVM/SNC/SEP Circular Letter 02/18 on the application of the Technical Pronouncement NBC TG 47 (IFRS 15).

The financial statements were prepared in the normal course of business. Management assessed the Company's ability to continue as a going concern and did not identify any doubts regarding its operational capacity.

iii) Basis of consolidation

The Company’s consolidated financial statements include financial information of Cyrela, its direct and indirect subsidiaries. The Company controls an entity when it is exposed to, or has a right over the variable return arising from its involvement with the entity and has the ability to interfere in those returns due to its power over the entity. The existence and effects of potential voting rights, currently exercisable or convertible, are taken into account when assessing whether the Company controls other entity.

The subsidiaries are fully consolidated as of the date control is transferred, and stop being consolidated as of the date when control no longer exists. Accounting practices were uniformly applied to all subsidiaries included in consolidated financial statements and these entities’ years coincide with that of the Company.

When necessary, financial statements of subsidiaries are adjusted in order to comply with its accounting practices to those established by the Company.

CYRELA BRAZIL REALTY S.A. EMPREENDIMENTOS E PARTICIPAÇÕES

NOTES TO FINANCIAL STATEMENTS FOR THE TWELVE-MONTH PERIOD ENDED DECEMBER 31, 2020 AND 2019

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All transactions, balances, revenues and expenses among subsidiaries or jointly-controlled subsidiaries are fully eliminated in consolidated financial statements.

iv) Segment reporting

The operating segment reporting is disclosed in a consistent manner with the internal report provided to the main operating decision makers, represented by the Company's Management, who are responsible for resource allocation, performance evaluation of the operating segments and strategic decision making.

2.2. Accounting judgments, estimates and assumptions

Accounting estimates and judgments are constantly assessed and are based on prior experience and other factors, including expected future events considered as reasonable in view of circumstances.

The preparation of Company's individual and consolidated financial statements requires Management to make judgments and estimates and adopt assumptions that affect the amounts presented for revenues, expenses, assets and liabilities, as well as the disclosure of contingent liabilities, on the base date of the financial statements.

Assets and liabilities subject to estimates and assumptions include provision for impairment of assets, transactions with share-based payments, provision for lawsuits, financial instruments' fair value, measurement of projects' budgeted cost, deferred tax assets, among others.

i) Projects' budgeted costs

Budgeted costs, comprised mainly of costs incurred and costs to be incurred for the conclusion of construction work, are regularly reviewed according to evolution of construction work, and possible adjustments identified based on such review are reflected on the Company's results.

ii) Transactions with share-based payments

The Company measures the cost of transactions to be settled with employees' shares based on the fair value of equity instruments at the date of their respective granting. Estimates of share-based payments' fair values require the most adequate evaluation method for the granting of equity instruments, which depends on grant terms and conditions.

CYRELA BRAZIL REALTY S.A. EMPREENDIMENTOS E PARTICIPAÇÕES
NOTES TO FINANCIAL STATEMENTS FOR THE TWELVE-MONTH PERIOD ENDED
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2.3. Description of significant accounting practices

2.3.1 Determination of real estate income, sale of properties and other

- i) Determination of income from real estate development and sale of properties is carried out according to the following criteria:
- a) On sales of completed units, revenue is recognized at the time sale is completed (transfer of risks and rewards), regardless of contract value receipt period; and revenues are measured at fair value of received or receivable consideration.
 - b) On sale of incomplete units, the following procedures are followed:

The Company, its subsidiaries and investees adopted CPC 47/IFRS 15 – “Revenue from Contracts with Customers” as of January 1st, 2018, also contemplating the guidance contained in CVM/SNC/SEP Circular Letter No. 02/2018, dated December 12, 2018, which provides for the accounting procedures related to the recognition, measurement and disclosure of certain types of transactions arising from contracts for the purchase and sale of unfinished estate units in Brazilian publicly-held companies in the real estate development industry. There were no material effects with the adoption of CPC 47 and said Circular Letter to the Group.

The Circular Letter states that the adoption of NBC TG 47 (IFRS 15) to transactions involving the sale of unfinished real estate units by entities from the real estate development industry registered with the CVM presents core issues, such as: (a) focus on the contract (account unit); (b) ongoing monitoring of contracts; (c) an internal control framework in a quality standard considered to be at least acceptable for the purposes for which it is intended; (d) making timely adjustments; and (e) the quality of the information (predictive and confirming value of the financial statements).

The sales contracts entered into by the Company are based on the model in which the developer finances the committed buyer during the project’s construction, through own funds and/or obtaining financing (SFH) from financial institutions. As a rule, construction projects for real estate units aimed at middle and high-income people. Upon the signing of the contract, the borrower agrees to pay up to 30% of the value of the real estate unit directly to the developer during the construction phase, thus supporting all credit risk during this phase. Upon completion of the project, the borrower shall pay the debtor balance with his/her own funds (including the use of the FGTS balance) and/or obtain the required financing from a financial institution to pay the outstanding balance to the developer, of approximately 70% of the value of the real estate unit (the finished real estate unit is then pledged through a lien to the financial institution). The market risk of the real estate unit as of the time of the sale rests entirely on the borrower, who can benefit from any valuations and carry them out by means of the onerous transfer of his/her contract with third parties, with the agreement of

CYRELA BRAZIL REALTY S.A. EMPREENDIMENTOS E PARTICIPAÇÕES

NOTES TO FINANCIAL STATEMENTS FOR THE TWELVE-MONTH PERIOD ENDED
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(In thousands of reais, unless otherwise indicated)

the developer, or bearing any devaluations (at which time some borrowers require the contractual cancellation).

Due to this, sales of incomplete units, the following procedures are followed:

- Sales revenues, land and construction costs, and sales commissions are recognized in income (loss) using the percentage of completion of each joint venture, and this percentage is measured based on costs incurred in relation to total budgeted costs of respective joint ventures;
 - Incurred cost (including land cost and other expenditures directly related to formation of inventories) corresponding to sold units is fully recognized in income. For units not yet traded, incurred cost is recognized in inventories under caption “Real estate for sale”;
 - Recognized amounts of sales revenues that are higher than those effectively received from clients are recorded in current assets or long-term receivables, under caption “Accounts receivable”. Received amounts referring to sale of units that are higher than recognized revenues’ amounts are accounted for under caption "Advances from clients";
 - Interest and inflation adjustment on accounts receivable balance, as well as adjustment to present value of accounts receivable balance, are recognized in income from real estate development and sale of properties when incurred, following the accrual system for “pro rata temporis” years;
 - Financial charges due to acquisition of land and those directly associated to financing of construction work are capitalized and recorded in real estate for sale, and recognized in incurred cost of units under construction up to their completion, following the same criteria for recognition of real estate development cost in proportion to units sold during construction;
 - Taxes levied and deferred on the difference between real estate development revenue and accumulated revenue submitted to taxation are calculated and recorded in accounting books when this revenue difference is recognized;
 - Other expenses, including those with marketing and publicity are recognized in income (loss) when incurred.
- c) In cancellations of contracts for the purchase and sale commitment of real estate, revenue and cost recognized in income (loss) are reversed according to previously mentioned determination criteria. Reversal of cost increases inventories. The Company also recognizes, due to cancellation, liabilities deriving from return of

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advances from clients and gain or loss effects are immediately recognized in income (loss).

- d) The Company records the provision for cancellations when its analysis identifies uncertainties as to the inflow of future cash flows in the entity. Such adjustments are related to the fact that revenue recognition is conditioned to the degree of reliability regarding the entity's receipt of cash flows generated from the recognized revenue.

ii) Provision of construction services

Revenues deriving from the provision of real estate services are recognized as services are provided and are linked to construction work management for third parties and to technical advisory.

iii) Barter transactions

Barter of pieces of land refers to receipt of land from third parties to be settled through delivery of real estate units or transfer of installments deriving from sale of projects' real estate units. Pieces of land acquired by the Company and its subsidiaries are recorded at fair value, as a component of inventories, as a contra-entry to advances from clients in liabilities. Revenues and costs derived from barter operations are allocated to income (loss) over the construction period of the developments, as criteria described in item i) b) above.

2.3.2 Financial instruments

The main financial instruments of the Company and entities include cash and cash equivalents, financial interest earning bank deposits, securities, accounts receivable and payable, financing, loans, debentures and CRI, among others.

After the initial recognition, the financial instruments are measured as described below:

i) Financial assets at fair value through profit or loss

An instrument is classified by fair value through profit or loss if it is held for trading, that is, stated as such when initially recognized.

Financial instruments are stated at fair value through profit or loss if the Company manages these investments and makes decisions on investment and redemption based on fair value according to the strategy of investment and risk management. After initial recognition, attributable transaction costs are recognized in statement of income when incurred. Financial instruments at fair value through profit or loss are measured at fair value, and their fluctuations are recognized in income (loss).

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ii) Financial assets at amortized cost

A financial asset is measured at amortized cost if it meets both conditions below and is not designated as measured at FVTPL:

- it is held within a business model whose purpose is to maintain financial assets to receive contractual cash flows; and
- its contractual terms generate, on specific dates, cash flows only related to the payment of principal and interest on outstanding principal value.

A financial asset is derecognized (written-off), partially or fully, when the rights to receive cash flows from the asset expire; when the Company substantially transfers all risks and rewards of the asset, or when the Company does not transfer either retains substantially all the risks and rewards related to the asset, but transfers control over the asset.

iii) Financial assets at fair value through other comprehensive income

A debt instrument is measured at FVTOCI if it meets both conditions below and is not designated as measured at FVTPL and amortized cost:

- it is maintained within a business model whose purpose is achieved by both the receipt of contractual cash flows and the sale of financial assets; and
- its contractual terms generate, on specific dates, cash flows which are only payments of principal and interest on principal outstanding value.

In the initial recognition of an investment in an equity instrument not held for trading, the Group may irrevocably choose to present subsequent changes in the fair value of the investment in OCI. This choice is made on an investment basis.

All financial assets not classified as measured at amortized cost as described above or at FVTOCI, are classified as FVTPL. It includes all derivative financial assets. At initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or as FVTOCI, as FVTPL if it eliminates or significantly reduces an accounting mismatch that would otherwise arise.

iv) Financial liabilities at amortized cost

Other financial liabilities, including loans, financing, debentures, CRIs, suppliers and other accounts payable are initially recognized at fair value, net of transaction costs. Financial liabilities subject to interest are subsequently measured at amortized cost, using the effective interest rate method. Gains and losses are recognized in the income statement upon write-off of liabilities, as well as during the amortization process by the effective interest rate method.

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A financial liability is derecognized (written off) when the obligation under the liability is discharged, canceled or expired.

When an existing financial liability is replaced by another of the same lender with substantially different terms, or the terms of an existing liability are significantly changed, this substitution or alteration is treated as a write-off of the original liability and recognition of a new liability, whereas the difference in the corresponding book value is recognized in the statement of income.

2.3.3 Cash and cash equivalents

The Company and its subsidiaries classify in this category cash balances, bank account balances, highly-liquid balances, which are readily convertible into a known cash amount subject to insignificant risk of change in value and whose maturity is lower than 90 days.

2.3.4 Securities

Securities include bank deposit certificates, Government bonds issued by the Federal Government, and exclusive investment funds that are fully consolidated.

2.3.5 Accounts receivable

“Accounts receivable” caption balance is measured at original amount of contract sale, adjusted at fixed interest and recognized in income at the accrual system, regardless of whether it was received.

Credit sales of units not concluded, receivables with inflation adjustment, including the portion related to the keys, without interest, which should be discounted at present value, since the contracted inflation adjustment indexes do not include interest. Formation of adjustment and its reversal, when carried out during construction work, are recorded as a contra-entry to real estate development revenues.

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2.3.6 Real estate for sale

i) Cost formation

Real estate properties that are ready for sales and those under construction are stated at formation cost, not exceeding net realizable value.

Net realizable value is the estimated sales price, less cost to complete the project (when applicable), selling expenses and taxes.

Formation cost includes cost for acquisition of land (which includes barter transactions described in note 2.3.1 iii), expenditures required to approve the project with government authorities, real estate development expenditures, construction material, labor (own or hired from third parties) and other related construction costs, including financial cost incurred during construction work up to completion of construction work.

ii) Segregation between current and non-current

Classification between current and non-current is carried out based on expected launching of real estate development, subject to periodic reviews.

2.3.7 Unrecorded sales expenses

Brokerage expenditures on sale of properties are stated as prepayments and are allocated to income (loss) as part of trading expenses, following the same criterion adopted for recognition of revenues and sold units' costs (note 2.3.1 i)), except for commissions on cancelled sales, which are recorded in income (loss) in case of cancellation or when it is probable that there will be no payment of contracted amounts.

Charges related to sales commission belonging to the property's acquirer do not form revenue or expense of the Company and its subsidiaries.

2.3.8 Prepaid expenses

Expenses that are paid in advance are recognized in income (loss) for the year when incurred at the accrual system.

2.3.9 Equity interest investments

Investments in shareholding interest are recorded at the equity method in the parent company. In consolidated financial statements, investees classified as jointly-controlled subsidiaries and associated companies are also recorded under the equity method, based on financial statements of respective investees of the same base dates and accounting criteria used by the Company.

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Investments in foreign companies

Brazil Realty Serviços e Investimentos Ltd.: This subsidiary is located in Bahamas and, in essence, is an extension of the Company's financial activities; its functional currency is the dollar.

Cyrsa S.A.: Associated company whose purpose is to develop and trade property. Located in Argentina, it has its own management, as well as administrative, financial and operating independence. Its functional currency is the Argentinian Peso.

Assets, liabilities and income are translated into the Company's presentation currency at the following method: (i) assets and liabilities translated at the closing rate; (ii) shareholders' equity translated at the rate prevailing on transaction dates; and (iii) revenues and expenses translated into average rate. Effects of this translation into presentation currency are recorded in caption "Accumulated translation adjustment", accumulated in caption "Other comprehensive income" in shareholders' equity. In case investment is disposed of or written-off, effects from translation recorded in account "Other comprehensive income" should be accounted for in income for the year in the same period in which this investment was disposed of or written-off.

2.3.10 Property, plant and equipment

Stated at acquisition cost, less accumulated depreciation, calculated at the straight-line method, based on estimated useful life of assets, according to note 8.

Expenditures incurred with construction of sale stands, model apartments and respective furniture will be incorporated into the Company and its subsidiaries' property, plant and equipment. These assets start to be depreciated after project's launch and completion, and this expense is recorded in income under caption "Sales expenses", at estimated useful life.

2.3.11 Intangible assets

Expenditures related to acquisition and implementation of information systems and software licenses of use are recorded at acquisition cost, being amortized on a straight-line basis and subject to periodic analysis of assets' impairment.

Shareholding investments in the Company include surplus and goodwill when acquired company's acquisition cost exceeds its net assets' market value.

Goodwill is amortized as assets in these investees are realized.

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2.3.12 Income tax and social contribution on net income

i) Current income tax and social contribution

Current tax is the expected tax payable or receivable/to be offset on taxable income for the year.

The income tax (25%) and the social contribution on net income (9%) are calculated in conformity with their nominal rates, which together add up to 34%. Deferred income tax is generated by temporary differences on the date of the statement of financial position between the tax bases of assets and liabilities and their book values.

As allowed by tax legislation, certain subsidiaries have opted to use the deemed profit regime. For those companies, the calculation basis for income tax and social contribution is based on estimated profit, at the rate of 8% and 12% of gross revenues, respectively, on which nominal rates for the respective tax or contribution are applied.

As permitted by the law, developments of some projects are subject to the segregation system, according to which the piece of land and accessions that are the object of real estate development, as well as other assets, rights and obligations related to it, are segregated from the developer's assets and form segregated appropriation of assets, intended to the achievement of corresponding real estate and delivery of real estate units to respective acquirers. In addition, certain subsidiaries irrevocably opted for the "Special Taxation System (RET)", according to which income tax and social contribution are calculated at the rate of 1.92% on gross revenues (4% also considering PIS and COFINS on revenues).

ii) Deferred income tax and social contribution

Deferred taxes are recognized in relation to the temporary differences between the amounts of assets and liabilities for purposes and the related amounts used for taxation purposes.

When applicable, the Company recognizes deferred tax on tax losses and social contribution negative basis. Accumulated tax losses have no statute of limitations; however, their offset is limited to up to 30% of taxable income of each year. Entities that choose deemed income system may not offset tax losses for a period in subsequent years.

Deferred income tax and social contribution assets and liabilities are presented at net value in balance sheet only when there is the legal right and the intention of offsetting them upon calculation of current taxes, related to the same legal entity and the same tax authority.

2.3.13 Accounts payable upon acquisition of properties, and advances from clients referring to barter

Obligations upon property acquisition are recognized at amounts corresponding to assumed contract obligations. Later, they are presented at amortized cost, that is, plus or less, as

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applicable, charges and interest proportional to incurred year and adjustment to present value up to balance sheet date.

Transactions that barter land for real estate units are recorded in inventories as a contra-entry to caption "Advance from clients". This transaction is carried out only when land risks and benefits fully flow to the Company and amounts are stated at realization fair value. Recognition of revenue in income (loss) is carried out in "Revenue from sale of real estate units" caption at the same criteria explained in note 2.3.1 i).

2.3.14 Other assets and liabilities

Other assets and liabilities are presented at cost or realization (assets) value or, when referring to known or calculable (liabilities) value, plus earnings and incurred financial charges, as applicable.

2.3.15 Adjustment to present value of assets and liabilities

Adjustment to present value recorded under "Accounts receivable" caption was calculated considering the estimated period until the delivery of the keys of the properties sold, using the average rate of funding adopted by the Company, without inflation, for the financing obtained.

Adjustment to present value of "Accounts receivable" caption is recorded in income (loss) under caption "Net Revenue". Reversal of adjustment to present value is recognized in the same caption.

2.3.16 Loans, financing, Real Estate Receivables Certificate - CRI, bank credit bills and debentures.

Obtained financial funds, either loans, financing, debentures, Real Estate Receivable Certificates (CRIs) or Bank Credit Notes (CCBs) are initially recognized at receipt of funds, net of transaction cost, and measured at amortized cost, that is, plus charges and interest proportional to year up to the date when information is presented.

2.3.17 Expenditures upon issuance of securities

Expenditures with recognition of public distribution of securities are recorded in an account that reduces account that originated received funds. Accordingly, expenditures with public distribution of shares are classified in "Capital Reserve" caption and expenditures with issuance of CRIs are classified in caption "Certificates of Real Estate Receivables - CRIs", as disclosed in note 12.

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2.3.18 Stock options

The Company granted to employees and management, as duly approved by the Board of Directors, a share-based remuneration plan (stock option plan), according to which the Company receives services as consideration for granted stock options.

Options' fair value is established on grant date and is recognized as expenses in income for the year (as a contra-entry to shareholders' equity), as services are provided (vesting period) by employees and management. Remuneration costs were estimated based on stock valuation model denominated Black & Scholes.

In case a stock option plan is cancelled, it is treated as if it had been granted on cancellation date, and any expense not recognized in the plan is immediately recognized. However, if a new plan substitutes the canceled plan, and is designated as substitute plan on the granting date, the canceled plan and the new plan are treated as if they were a modification of the original plan, as previously described.

2.3.19 Other employee benefits

Salaries and benefits granted to employees and managers of the Company include fixed remuneration (salary, INSS, FGTS, vacation, 13th salary, etc.) variable remuneration, such as profit sharing and share-based payments. These benefits are recorded in income for the year, under caption "General and administrative expenses", as they are incurred.

Bonus system operates with corporate and individual goals, structured on corporate goals' efficiency, followed by business goals and individual goals.

The Company and its subsidiaries do not have private pension plan and retirement plan.

2.3.20 Provisions

i) Provision for tax, labor and civil risks

The Company is a party to several judicial and administrative proceedings. Provisions are established for all demands referring to lawsuits whose likelihood of loss is probable.

Contingent liabilities evaluated as possible and remote losses are only disclosed in notes.

Contingent assets are only recognized when there are real guarantees, or favorable, final and unappealable decisions. Contingent assets with chance of success classified as probable are only disclosed in a note. As of December 31, 2020 and 2019, there are no lawsuits involving contingent assets recorded in the Company's financial statements.

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The Company and its subsidiaries, in the normal course of business, are subject to investigations, audits, judicial and administrative proceedings in civil, tax and labor matters.

ii) Allowance for doubtful accounts and cancellation of clients' contract

The Company measures the allowance for doubtful accounts and contract cancellations based on assumptions that consider the history and estimates of expected losses of its current transactions and their estimates. Examples: (a) late payment of installments; (b) unfavorable local or national economic conditions; among others. In case there are such evidences, respective provision is recorded and the model adopted by the Company is the simplified approach. These assumptions are reviewed on an annual basis to consider possible changes in circumstances and histories.

iii) Provision for guarantee

Established to cover expenditures with warranty repairs in projects, based on history of incurred expenses. This provision is recognized as a contra-entry to income (cost), as sold unit costs are incurred. This provision's possible unused remaining balance is reversed after warranty period, in general five years counted as of delivery.

iv) Provision for impairment (impairment test)

The Company evaluates events or changes in economic, operating or technological circumstances that may indicate deterioration or impairment losses of assets with defined useful lives. When these evidences are detected and the net book value exceeds recoverable value, an impairment provision is created to adjust net book value to recoverable value. Main captions subject to evaluation of recovery are: "Real estate for sale", "Investments", "Property, plant and equipment", "Intangible assets" and "Securities".

For assets with undefined useful life, the Company evaluates, at least on an annual basis, regardless of any indication, recoverable value. In case recoverable value is lower than book value, a provision for impairment is recognized, adjusting net book value to recoverable value.

v) IFRIC 23/ICPC 22 – Uncertainty over income tax treatments

On December 31, 2020, there were no impacts from IFRIC 23 on the Company's financial statements.

2.3.21 Sales tax

For companies using non-cumulative taxable income taxation system, PIS and COFINS rates are respectively 1.65% and 7.6%, calculated on gross operating revenue and with discount of some credits calculated based on costs and incurred expenses. For companies opting the

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deemed income taxation basis, the rates of deemed income with the cumulative system, PIS and COFINS are respectively 0.65% and 3% on gross operating revenue.

2.3.22 Treasury shares

They are equity instruments that are bought back, recognized at cost, and deducted from shareholders' equity. No gain or loss is recognized in the income statement on the purchase, sale, issuance or cancellation of the Company's equity instruments. Any difference between the book value and the remuneration is recognized in "Other capital reserves".

2.3.23 Dividends

The proposal for distribution of dividends made by the Company's Management and the portion equivalent to minimum mandatory dividends is recorded as current liabilities, under caption "Dividends payable", as it is considered as a legal obligation provided for in the Company's bylaws.

2.3.24 Basic earnings and diluted per share

Basic and diluted earnings per share is calculated through income (loss) for the year attributable to the Company's shareholders, and weighted average of outstanding common shares is calculated in respective year, considering, when applicable, stock split adjustments.

2.4. New and revised standards and interpretations already issued but not yet adopted

Although early adoption is permitted, the Company and its subsidiaries did not adopt the new IFRSs listed below:

IFRS	CPC	Theme	Maturity
IAS 1	CPC 26	Classification of Current or Non-current Liabilities (amendment)	-
IAS 16	CPC 27	Property, plant and equipment: Revenues before intended use (amendment)	-
IFRS 3	CPC 15	Reference to Conceptual Framework (amendment)	-
IFRS 16	CPC 06	Rental concessions related to COVID-19 (amendment)	-
IFRS 17	-	Insurance contracts	January 1 st , 2021

The Company expects no material impact on Group's financial statements, whether by amendments or new standards during the first-time adoption.

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3. CASH AND CASH EQUIVALENTS

	Parent company		Consolidated	
	2020	2019	2020	2019
Cash and banks	5,528	5,828	141,199	137,835
Bank Certificates of deposit and repurchase agreements (i)	61	-	58,885	74,602
	5,589	5,828	200,084	212,437

- (i) Interest earning bank deposits that have immediate convertibility into a known amount of cash and are not subject to significant risk of change in value, and the Company has immediate redemption rights, have an average yield of 108.47% of the Interbank Deposit Certificate (CDI) rate.

4. SECURITIES

	Parent company		Consolidated	
	2020	2019	2020	2019
Interest earning bank deposits (i)	215,053	15,745	242,187	190,584
Exclusive investment funds (ii)	261,688	326,368	1,032,917	762,050
Government Bonds – NTN-B (iii)	14,718	-	14,718	-
Financial bills (iv)	155,500	39,544	155,500	39,544
Sundry investment funds (v)	70,146	65,843	70,202	71,059
Real Estate Credit Certificates (vi)	922	2,170	922	2,170
Other real estate credits (vii)	384,852	385,324	684,807	385,324
	1,102,879	834,994	2,201,253	1,450,731
Current	751,456	537,382	1,641,816	1,152,619
Non-current	351,423	297,612	559,437	298,112

- (i) Interest earning bank deposits are remunerated at an average rate of 102.69% of the Interbank Deposit Certificate (CDI), and do not have immediate liquidity, R\$ 207,294 measured at amortized cost and R\$ 34,893 is measured as adjustment to fair value, in line with CPC 48/IFRS 9, which considers both the Company's business model regarding the contractual cash flow characteristics of the financial asset.
- (ii) The Company has investments in the exclusive funds managed by Banco Safra S.A., Banco Santander S.A. and Caixa Econômica Federal. The financial institution is responsible for the custody of the assets of the fund's portfolio and for the financial settlement of its operations. The funds are composed of fixed income securities and were remunerated at an average rate of 106.92% of the CDI rate, with the total amount measured as adjustment to fair value, in line with CPC 48/IFRS 9, which considers both the Company's business model regarding the contractual cash flow characteristics of the financial asset.
- (iii) Investment in national treasury bonds, indexed to inflation + average interest of 3.57% p.a., the total amount being measured as adjustment to fair value through other comprehensive income, in line with CPC 48/IFRS 9, which considers both the Company's business model regarding the contractual cash flow characteristics of the financial asset.
- (iv) Financial bills remunerated at an average rate of 118.43% of the CDI rate, of which R\$ 17,115 is measured as adjustment to fair value through other comprehensive income, and R\$ 138,385 is measured at amortized cost, in line with CPC 48/IFRS 9, which considers both the Company's business model for this classification, according to the contractual cash flow characteristics of the financial asset.

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- (v) The Company has investments in multimarket investment funds, administered by Credit Suisse Hedging-Griffo Corretora de Valores S.A, XP Investimentos CCTVM S/A Banco Safra S.A, Banco Santander S.A, Caixa Econômica Federal, Banco Bradesco S.A and Banco BNY Mellon Banco S.A. The financial institution is responsible for the custody of the assets of the fund's portfolio and for the financial settlement of its operations. The Funds are comprised of variable income securities and remunerated at an average rate of 201.65% of the CDI. Moreover, the Company has multi-strategy investment funds and a real estate investment fund, managed by the bank Caixa Econômica Federal and bank Ourinvest S.A. respectively. The total amount is measured as adjustment to fair value, in line with CPC 48/IFRS 9, which considers both the Company's business model for this classification, according to the contractual cash flow characteristics of the financial asset.
- (vi) The Company has investments in senior Real Estate Receivables Certificates (CRI's) of Tecnisa S.A. Said certificates are remunerated at 140% of the CDI rate, and the total amount is measured through amortized cost, in line with CPC 48/IFRS 9, which considers both the Company's business model regarding the contractual cash flow characteristics of the financial asset.
- (vii) Mainly represented by real estate credit notes. They have an average yield of 12.43% p.a. + inflation, and the total value is measured as adjustment to fair value, in line with CPC 48/IFRS 9, which considers both the Company's business model regarding the contractual cash flow characteristics of the financial asset.

The breakdown of the exclusive investment fund, in proportion to the shares held by the Company, is shown below:

	Consolidated	
	2020	2019
Federal government bonds (i)	409,493	341,517
Financial bills (ii)	345,607	267,906
Investment funds and quotas (iii)	72,014	34,817
CDB/RDB	120,419	106,889
Purchase and sale commitments	85,383	10,921
	1,032,917	762,050

- (i) Federal Government Bond at the average rate of 100% of the SELIC rate.
- (ii) Financial Bills remunerated at the average rate of 115.97% of the CDI rate.
- (iii) Investment funds at the average rate of 201.65% of CDI.

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5. ACCOUNTS RECEIVABLE

	Parent company		Consolidated	
	2020	2019	2020	2019
Completed projects	18,575	8,997	829,785	1,102,434
Joint ventures under construction				
Revenue appropriated	-	-	4,157,837	4,246,586
Installments received	-	-	(2,595,966)	(2,857,100)
	-	-	1,561,871	1,389,486
Adjustment to present value				
	-	-	(26,132)	(43,006)
	-	-	1,535,739	1,346,480
Accounts receivable from sales - appropriated	18,575	8,997	2,365,524	2,448,914
Provision for credit risk (i)	(29)	-	(22,876)	(20,467)
Provision for cancellation (ii)	-	-	(281,042)	(362,504)
Rendering of services	74	-	1,948	3,531
Total accounts receivable	18,620	8,997	2,063,554	2,069,474
Current	12,568	2,932	1,355,208	1,251,679
Non-current	6,052	6,065	708,346	817,795

(i) Refers to provision for credit risk deriving from adoption of CPC 48/IFRS 9, which included the provision for expected loss.

(ii) Refers to the provision for cancellations in compliance with CVM Official Letter 02/2018, which considers adjustments that are predictive of revenue recognition.

Changes in provision for credit risk is recognized under “Other expenses” caption and can be stated as follows:

	Consolidated	
	2020	2019
Opening balance	20,467	11,270
Additions	17,038	16,838
Write-offs	(7,934)	(6,579)
Reversals	(6,695)	(1,062)
Closing balance	22,876	20,467

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Changes in the provision for dissolution may be stated as follows:

	Consolidated	
	2020	2019
Opening balance	362,504	444,329
Additions	130,432	208,313
Reversals	(211,894)	(290,138)
Closing balance	281,042	362,504

Balance of accounts receivable from sale of properties under construction is adjusted at the Civil Construction National Index (INCC) until keys are delivered. After the delivery of keys, receivables accrue interest of 12% per annum plus correction for inflation through the General Market Price Index (IGP-M) and agreements signed as of 3Q19, the ratio will start to be restated at IPCA - Amplified Consumer Price Index.

The adjustment to present value is calculated on balances of accounts receivable from unfinished units considering the estimated period until the delivery of the keys, using the average rate of funding practiced by the Company, without inflation, for the financing obtained. Average rate used for period ended December 31, 2020 was 2.24% p.a. (3.38% as of December 31, 2019). Adjustment to present value accounted for in income (loss), under “Net Revenue” caption totaled R\$ 7,072 in period ended December 31, 2020 (R\$ 3,119 as of December 30, 2019).

The balance of accounts receivable from the unfinished properties sold is not fully shown in consolidated financial statements, because it is recorded only to the extent of the revenue recognized according to the progress of civil works, net of installments received.

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As additional information, full balances, considering the total of unrecognized contracted sales, which are not yet reflected in financial statements are as follows:

	Parent company		Consolidated	
	2020	2019	2020	2019
Development and property resale:				
Total current assets	12,523	2,932	1,584,467	1,533,836
Total non-current assets	6,052	6,065	781,058	915,079
	<u>18,575</u>	<u>8,997</u>	<u>2,365,525</u>	<u>2,448,915</u>
Provision for credit risk (i)	(29)	-	(22,876)	(20,468)
Provision for cancellation (ii)	-	-	(281,042)	(362,504)
Total unrecognized contracted sales	-	-	3,355,329	2,965,999
Portion classified in advance from clients	-	-	(32,109)	(65,796)
	<u>18,546</u>	<u>8,997</u>	<u>5,384,827</u>	<u>4,966,146</u>
Current	12,494	2,932	2,017,830	1,940,340
Non-current	6,052	6,065	3,366,997	3,025,806

(i) Refers to provision for credit risk deriving from adoption of CPC 48/IFRS 9, which included the provision for expected loss.

(ii) Refers to the provision for cancellations in compliance with CVM Official Letter 02/2018, which considers adjustments that are predictive of revenue recognition.

Classification in non-current assets is determined by amounts that are expected to be received, according to contract flow, with maturity beginning as of the 12th month.

Schedule of the portfolio of receivables for real estate development and resale

The following portfolio is presented based on the expectation of receipts, considering the revenue already recognized and yet to be recognized, as follows:

	Parent company		Consolidated	
	2020	2019	2020	2019
12 months	12,494	2,932	2,017,830	1,940,339
24 months	1,475	1,603	1,619,013	1,269,258
36 months	1,262	1,433	1,407,936	1,355,515
48 months	1,124	1,279	248,444	325,428
>48 months	2,191	1,750	91,604	75,606
Total	<u>18,546</u>	<u>8,997</u>	<u>5,384,827</u>	<u>4,966,146</u>

As of December 31, 2020, the amount of installments overdue for more than 360 days in our consolidated receivables portfolio was R\$ 55,805 (R\$ 48,546 as of December 31, 2019).

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6. REAL ESTATE FOR SALE

Represented by the costs of real estate units available for sale (real estate properties completed and under construction), land for future developments and advances to acquisition of land as shown below:

	Parent company		Consolidated	
	2020	2019	2020	2019
Real estate under construction	-	-	592,313	740,162
Real estate concluded	33,908	59,960	813,979	1,161,537
Lands for future developments (a)	14,822	37,246	2,311,198	2,249,862
Advance for acquisition of lands	-	-	66,420	113,141
Charges capitalized to the inventory (b)	-	-	74,272	127,328
Provision for cancellations (c)	-	-	183,405	241,718
	48,730	97,206	4,041,587	4,633,748
Current	48,730	97,206	2,700,146	2,637,666
Non-current	-	-	1,341,441	1,996,082

- (a) The classification of land for future developments between current and non-current assets is made based on the expectation of the period for launching of the real estate developments, periodically reviewed by Management. The properties under construction and finished properties are classified in current assets, considering their availability for sale.
- (b) The balance of capitalized charges in consolidated represented R\$ 28,807 relating to the Housing Financial System ("SFH") and R\$ 45,465 relating to charges of other debts, totaling R\$ 74,272 on December 31, 2020 (SFH charges: R\$ 61,529; charges of other debts: R\$ 65,799; totaling R\$ 127,328 on December 31, 2019).
- (b.1) Recognition of charges capitalized in the consolidated statement of income, under caption "Cost of properties sold", totaled R\$ 44,697 referring to charges of the Sistema Financeiro de Habitação (home financial system - SFH) and R\$ 22,656 referring to other debts' charges, totaling R\$ 67,353 as of December 31, 2020, (SFH charges of R\$ 68,045, other debts' charges of R\$ 13,349, totaling R\$ 81,394 as of December 31, 2019), being recognized in income (loss).
- (c) Relating to the costs of the properties for which they have corresponding provision for cancellations. The effect of the provision is in accordance with CVM Instruction 02/2018, which considers adjustments that are predictive of revenue recognition.

CYRELA BRAZIL REALTY S.A. EMPREENDIMENTOS E PARTICIPAÇÕES
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7. INVESTMENTS

a) The main information on ownership interest held is summarized below:

	Direct		Shareholders' equity		Net income (loss) for the period		Investment		Equity in net income of subsidiaries	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Canargo Correa Cyrela Empreendimentos Imobiliários Spe Ltda.	50,00	50,00	23,402	22,996	(9)	(99)	11,701	11,498	(5)	(50)
Canos Quebrada Empreendimentos Imobiliários Ltda.	100,00	100,00	51,871	31,487	14,050	(66)	51,871	31,487	14,050	(66)
Carapa Empreendimentos Imobiliários S/A	60,00	60,00	32,052	31,832	407	189	19,231	19,111	244	114
Carlos Petit Empreendimentos Imobiliários Ltda.	75,00	75,00	25,879	29,534	5,356	9,388	19,409	22,150	4,017	7,041
Cashme Soluções Financeiras Ltda.	(i) 100,00	99,99	318,103	2	(3,319)	(0)	318,103	2	(3,319)	(0)
Cbr 011 Empreendimentos Imobiliários Ltda.	32,50	32,50	40,879	38,348	2,531	(5,394)	13,286	12,465	822	(1,753)
Cbr 021 Empreendimentos Imobiliários Ltda.	81,06	81,06	11,966	18,516	3,498	3,532	9,700	15,010	2,836	2,863
Cbr 024 Empreendimentos Imobiliários Ltda.	50,00	50,00	195,251	193,103	(5,828)	(7,803)	97,625	96,551	(2,914)	(3,901)
Cbr 030 Empreendimentos Imobiliários Ltda.	50,00	50,00	167,665	166,895	(6,335)	(7,789)	83,833	83,448	(3,167)	(3,895)
Cbr 031 Empreendimentos Imobiliários Ltda.	100,00	100,00	57,815	116,953	26,101	68,186	57,815	116,953	26,101	68,186
Cbr 040 Empreendimentos Imobiliários Ltda.	100,00	100,00	95,377	62,734	28,255	10,838	95,377	62,734	28,255	10,838
Cbr 048 Empreendimentos Imobiliários Ltda.	100,00	100,00	10,590	19,060	2,765	(1,948)	10,590	19,060	2,765	(1,948)
Cbr 049 Empreendimentos Imobiliários Ltda.	100,00	100,00	23,864	6,202	8,195	2,740	23,864	6,202	8,195	2,740
Cbr 051 Empreendimentos Imobiliários Ltda.	50,00	50,00	140,289	123,163	35,226	(4,098)	70,145	62,582	17,613	(2,049)
Cbr 052 Empreendimentos Imobiliários Ltda.	60,00	60,00	27,323	27,100	3,298	12,776	16,394	16,280	1,979	7,666
Cbr 057 Empreendimentos Imobiliários Ltda.	(i) 100,00	99,99	17,791	11,078	(916)	(15)	17,791	11,077	(916)	(15)
Cbr 059 Empreendimentos Imobiliários Ltda.	100,00	100,00	16,700	8,505	2,076	9	16,700	8,505	2,076	9
Cbr 060 Empreendimentos Imobiliários Ltda.	(i) 94,86	100,00	48,825	56,130	73,001	(125)	46,316	56,130	69,249	(125)
Cbr 081 Empreendimentos Imobiliários Ltda.	(i) 100,00	99,99	86,681	43,006	(72)	(1)	86,681	43,002	(72)	(1)
Cbr 097 Empreendimentos Imobiliários	99,99	99,99	13,030	-	(1)	-	13,028	-	(1)	-
Cbr Magik 03 Lz Empreendimentos Imobiliários	75,00	75,00	15,199	1,021	12,656	(1)	11,400	766	9,492	(1)
Cbr Magik Lz 01 Empreendimentos Imobiliários	75,00	75,00	15,228	2,634	5,858	(2)	11,421	1,975	4,394	(1)
Cbr Magik Lz 04 Empreendimentos Imobiliários Ltda.	75,00	75,00	17,665	2,954	12,571	(1)	13,248	2,216	9,429	(1)
Cury Construtora E Incorporadora S/A	(i) 30,97	46,75	489,464	213,698	160,814	160,212	151,575	99,904	113,447	74,899
Cyma 04 Empreendimentos Imobiliários Ltda.	(i) 19,99	20,00	11,985	2,240	12,015	(26)	2,396	448	2,402	(5)
Cyma Desenvolvimento Imobiliário S/A	75,00	75,00	26,255	9,815	16,768	15,149	19,691	7,361	12,576	11,362
Cyrela Aconagua Empreendimentos Imobiliários Ltda.	100,00	100,00	48,241	49,130	(2,467)	5,655	48,241	49,130	(2,467)	5,655
Cyrela Alasca Empreendimentos Imobiliários Ltda.	100,00	100,00	28,191	20,416	13,961	5,009	28,191	20,416	13,961	5,009
Cyrela Asteca Empreendimentos Imobiliários Ltda.	100,00	100,00	12,287	48,343	(37,259)	(54)	12,287	48,343	(37,259)	(54)
Cyrela Begonia Empreendimentos Imobiliária Ltda.	100,00	100,00	15,761	13,143	1,738	1,336	15,761	13,143	1,738	1,336
Cyrela Belgrado Empreendimentos Imobiliários Ltda.	100,00	100,00	69,629	0	3	1	69,629	0	3	1
Cyrela Brazil Realty Rjz Empreendimentos Imobiliária Ltda.	100,00	100,00	75,097	71,959	(599)	(626)	75,097	71,959	(599)	(626)
Cyrela Cristal Empreendimentos Imobiliários Ltda.	100,00	100,00	66,359	39,853	2,034	4,045	66,359	39,853	2,034	4,045
Cyrela Df 01 Empreendimentos Imobiliários Ltda.	100,00	100,00	33,294	34,136	(880)	(76)	33,294	34,136	(880)	(76)
Cyrela Empreendimentos Imobiliários Comercial Importadora E Exportadora Ltda.	100,00	100,00	13,829	15,935	(357)	(4,399)	13,829	15,935	(357)	(4,399)
Cyrela Esmeralda Empreendimentos Imobiliários Ltda.	100,00	100,00	30,979	5,297	1,006	894	30,979	5,297	1,006	894
Cyrela Europa Empreendimentos Imobiliários Ltda.	100,00	100,00	19,987	22,169	6,253	(21,291)	19,987	22,169	6,253	(21,291)
Cyrela Extrema Empreendimentos Imobiliários Ltda.	100,00	100,00	35,234	57,819	(14,227)	(12,246)	35,234	57,819	(14,227)	(12,246)
Cyrela Gerbera Empreendimentos Imobiliários Ltda.	80,00	80,00	35,131	25,373	16,859	6,078	28,105	20,298	13,487	4,863
Cyrela Greenwood De Investimento Imobiliária Ltda.	75,00	75,00	84,205	48,473	37,123	7,092	63,154	36,355	27,842	5,319
Cyrela Imobiliária Ltda.	100,00	100,00	28,195	22,880	6,093	(1,169)	28,195	22,880	6,093	(1,169)
Cyrela Índico Empreendimentos Imobiliários Ltda.	72,00	72,00	17,330	16,571	759	842	12,478	11,931	547	606
Cyrela Indonésia Empreendimentos Imobiliários Ltda.	(i) 88,25	100,00	27,788	21,152	(906)	265	24,523	21,151	(800)	265
Cyrela Magikz Campinas 01 Empreendimentos Imobiliários Ltda.	80,00	80,00	42,890	32,829	13,020	15,067	34,312	26,263	10,416	12,053
Cyrela Magikz Nazar Empreendimentos Imobiliários Ltda.	75,00	75,00	21,544	31,556	2,093	14,955	16,158	23,667	1,569	11,216
Cyrela Maguari Empreendimentos Imobiliários Ltda.	100,00	100,00	62,875	46,833	348	(3,090)	62,875	46,833	348	(3,090)
Cyrela Malasia Empreendimentos Imobiliários Ltda.	100,00	100,00	12,435	12,350	(667)	(2,486)	12,435	12,350	(667)	(2,486)
Cyrela Montblanc Empreendimentos Imobiliários S.A.	100,00	100,00	87,353	139,965	13,904	5,264	87,353	139,965	13,904	5,264
Cyrela Monza Empreendimentos Imobiliários Ltda.	100,00	100,00	160,304	161,266	(37)	1,478	160,304	161,266	(37)	1,478
Cyrela Nordeste Empreendimentos Imobiliários Ltda.	100,00	100,00	35,704	41,901	(3,530)	(11,877)	35,704	41,901	(3,530)	(11,877)
Cyrela Normandia Empreendimentos Imobiliários Ltda.	100,00	100,00	32,596	43,994	9,144	12,824	32,596	43,994	9,144	12,824
Cyrela Pacifico Empreendimentos Imobiliários S/A	80,00	80,00	29,400	29,385	15	(10)	23,520	23,508	12	(8)
Cyrela Pamplona Empreendimentos Imobiliários Ltda.	(i) 47,93	100,00	10,645	2,480	5,794	801	5,102	2,480	2,777	801
Cyrela Paris Empreendimentos Imobiliários Ltda.	100,00	100,00	82,861	100,928	(11,746)	(2,358)	82,861	100,928	(11,746)	(2,358)
Cyrela Perola Empreendimentos Imobiliária Ltda.	100,00	100,00	30,730	25,537	9,134	10,287	30,730	25,537	9,134	10,287
Cyrela Piracema Empreendimentos Imobiliários Ltda.	100,00	100,00	36,631	28,286	(63)	(6)	36,631	28,286	(63)	(6)
Cyrela Pompeia Empreendimentos Imobiliários Ltda.	100,00	100,00	10,295	5,224	561	(361)	10,295	5,224	561	(361)
Cyrela Portugal Empreendimentos Imobiliários Ltda.	100,00	100,00	121,597	75,626	110,073	46,661	121,597	75,626	110,073	46,661
Cyrela Recife Empreendimentos Imobiliários Ltda.	100,00	100,00	350,471	323,294	(2,927)	(17,825)	350,471	323,294	(2,927)	(17,825)
Cyrela Rjz Construtora E Empreendimentos Imobiliários Ltda.	84,17	84,17	69,793	79,670	1,093	(26,354)	58,745	67,057	920	(22,182)
Cyrela Rjz Empreendimentos Imobiliários Ltda.	59,90	59,90	13,199	15,903	509	(7,640)	7,906	8,328	305	(4,577)
Cyrela Rjz Jcogonjo Empreendimentos Imobiliária Ltda.	25,00	25,00	53,705	55,225	2,814	3,251	13,426	13,806	704	813
Cyrela Suecia Empreendimentos Imobiliários Ltda.	50,00	50,00	41,065	48,034	(6,970)	(2,986)	20,532	24,017	(3,485)	(1,493)
Cyrela Tolteca Empreendimentos Imobiliários Ltda.	100,00	100,00	37,566	15,280	10,908	6,135	37,566	15,280	10,908	6,135
Cyrela Trentino Empreendimentos Imobiliários Ltda.	100,00	100,00	42,236	37,902	19,198	(186)	42,236	37,902	19,198	(186)
Cyrela Vermont De Investimento Imobiliária Ltda.	85,00	85,00	13,502	13,548	(250)	(23)	11,477	11,516	(213)	(20)
Cyrela Violeta Empreendimentos Imobiliários Ltda.	100,00	100,00	27,398	20,095	7,413	3,432	27,398	20,095	7,413	3,432
Empoio Jardim Shoppings Centers S.A.	80,00	80,00	12,467	10,737	2,269	592	9,974	8,590	1,815	474
Fazenda Sao Joao Empreendimentos Imobiliários Spe Ltda.	85,00	85,00	13,497	13,428	(13)	(10,004)	11,472	11,414	(11)	(8,504)
Flamingo Investimento Imobiliária Ltda.	100,00	100,00	21,215	19,700	9,678	2,600	21,215	19,700	9,678	2,600
Forest Hill De Investimento Imobiliária Ltda.	25,00	25,00	10,098	10,098	0	(3)	2,525	2,524	0	(1)
Goldstein Cyrela Empreendimentos Imobiliários Ltda.	100,00	100,00	565,102	608,854	20,458	45,391	565,102	608,854	20,458	45,391
Gr 03 Incorporações E Participações Ltda.	100,00	100,00	11,991	11,254	2,751	2,533	11,991	11,254	2,751	2,533
Himalaia Empreendimentos Imobiliários Ltda.	100,00	100,00	37,976	10,285	10,831	425	37,976	10,285	10,831	425

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(In thousands of reais, unless otherwise indicated)

	Direct		Shareholders' equity		Net income (loss) for the period		Investment		Equity in net income of subsidiaries	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Iracema Incorporadora Ltda.	50.00	50.00	51,548	58,743	(10,367)	(134)	25,774	29,371	(5,184)	(67)
Laplace Investimentos Imobiliários SPE Ltda.	(ii) 70.00	-	22,506	-	(1,174)	-	15,754	-	(822)	-
Lavvi Empreendimentos Imobiliários S.A.	(i) 22.33	45.00	1,212,007	106,738	86,924	33,407	452,644	48,032	211,082	15,033
Lavvi Madri Empreendimentos Imobiliários Ltda.	20.00	20.00	32,999	36,905	4,657	17,569	6,600	7,381	931	3,514
Lavvi Paris Empreendimentos Imobiliários Ltda.	30.00	30.00	24,518	15,080	11,099	(2,055)	7,355	3,924	3,330	(617)
Lb 2017 Empreendimentos E Participações Imobiliárias S.A.	100.00	100.00	37,413	35,538	17,094	34,575	37,413	35,538	17,094	34,575
Living 001 Empreendimentos Imobiliários Ltda.	100.00	100.00	32,126	27,536	3,364	4,085	32,126	27,536	3,364	4,085
Living Araraquara Empreendimentos Imobiliários Ltda.	100.00	100.00	11,837	3,194	(1,106)	(2)	11,837	3,194	(1,106)	(2)
Living Botucatu Empreendimentos Imobiliários Ltda.	50.00	50.00	62,472	57,192	11,421	9,312	31,236	28,596	5,710	4,656
Living Cabreúva Empreendimentos Imobiliária Ltda.	100.00	100.00	15,099	8,299	8,224	570	15,099	8,299	8,224	570
Living Cacoal Empreendimentos Imobiliários Ltda.	100.00	100.00	20,483	11,160	1,830	(319)	20,483	11,160	1,830	(319)
Living Cantagalo Empreendimentos Imobiliários Ltda.	100.00	100.00	18,719	14,914	5,298	3,204	18,719	14,914	5,298	3,204
Living Cedro Empreendimentos Imobiliários Ltda.	100.00	100.00	10,638	28,472	2,465	3,497	10,638	28,472	2,465	3,497
Living Cerejeira Empreendimentos Imobiliários Ltda.	70.00	70.00	34,916	24,157	10,760	12,514	24,441	16,910	7,532	8,759
Living Empreendimentos Imobiliários S/A	100.00	100.00	397,006	625,910	65,875	72,230	397,006	625,910	65,875	72,230
Living Loreto Empreendimentos Imobiliários Ltda.	100.00	100.00	60,495	21,437	18,047	5,360	60,495	21,437	18,047	5,360
Living Salinas Empreendimentos Imobiliários Ltda.	100.00	100.00	30,724	14,120	4,162	(459)	30,724	14,120	4,162	(459)
Living Tallinn Empreendimentos Imobiliários Ltda.	100.00	100.00	21,050	21,725	2,139	5,208	21,050	21,725	2,139	5,208
Luanda Empreendimentos Imobiliários Ltda.	100.00	100.00	88,772	90,574	2,709	(1,472)	88,772	90,574	2,709	(1,472)
Mac Empreendimentos Imobiliários Ltda.	50.00	50.00	24,849	30,617	(5,800)	18,956	12,425	15,309	(2,900)	9,478
Magnum Investimento Imobiliária Ltda.	30.00	30.00	12,220	12,219	1	(2)	3,666	3,666	0	(0)
Peru Empreendimentos Imobiliários Ltda.	100.00	100.00	10,503	309	4,548	1,424	10,503	309	4,548	1,424
Pionner-4 Empreendimentos Imobiliários Ltda.	100.00	100.00	21,674	20,500	(30)	(555)	21,674	20,500	(30)	(555)
Piano & Piano Construções E Participações Ltda.	86.40	86.40	134,676	169,984	(13,458)	7,609	116,366	146,874	(11,629)	6,575
Piano & Piano Desenvolvimento Imobiliários S.A.	(i) 33.50	50.00	230,145	87,969	132,204	95,816	651,088	43,985	68,630	47,908
Piano Amoreira Empreendimentos Imobiliários Spe Ltda.	60.00	60.00	28,397	42,057	(3,661)	(904)	17,038	25,234	(2,196)	(542)
Piarcon Cyrela Empreendimentos Imobiliários Spe Ltda.	50.00	50.00	15,869	12,727	3,142	(2,189)	7,935	6,364	1,571	(1,094)
Pre 52 Empreendimentos Imobiliários Spe	(i) 70.00	49.00	10,420	6,234	4,254	3,443	7,294	3,055	2,978	1,687
Pre 72 Empreendimentos Imobiliários Spe	(i) 70.00	49.00	10,659	13,405	(1,797)	10,348	7,461	6,568	(1,258)	5,071
Queiroz Galvão Mac Cyrela Veneza Empreendimentos Imobiliários S/A	15.00	15.00	11,151	20,413	(9,262)	2,710	1,673	3,062	(1,389)	407
Ravenna Empreendimentos Imobiliários Ltda.	100.00	100.00	62,600	32,136	7,264	5,010	62,600	32,136	7,264	5,010
Reserva Casa Grande Empreendimentos Imobiliários Ltda.	50.00	50.00	38,115	28,493	3,838	(1,911)	19,058	14,247	1,919	(956)
Rua Dos Alpes Empreendimentos Imobiliários Ltda.	100.00	100.00	18,221	74,227	13,636	20,548	18,221	74,227	13,636	20,548
Scp Veredas Buitits Fase II	6.00	6.00	20,841	19,308	1,442	1,102	1,250	1,158	87	66
Seattle Empreendimentos Imobiliários Ltda.	50.00	50.00	81,067	89,541	21,425	16,602	40,533	44,771	10,713	8,301
Seller Consultoria Imobiliária E Representações Ltda.	100.00	100.00	33,178	(20,684)	(34,768)	(38,106)	33,178	-	(34,768)	(38,106)
Sig 10 Empreendimentos	50.00	50.00	72,771	67,778	21,768	(53)	36,386	32,889	10,884	(26)
Sk Realty Empreendimentos Imobiliários Ltda.	50.00	50.00	161,868	167,484	(5,208)	25,068	80,934	83,742	(2,604)	12,534
Snowbird Master Fundo De Investimento Imobiliários	20.00	20.00	118,185	63,181	(33,279)	(86)	23,637	12,636	(6,656)	(17)
Spe 131 Brasil Incorporação Ltda.	50.00	50.00	14,524	11,852	85	(313)	7,262	5,926	43	(157)
Spe Barbacena Empreendimentos Imobiliários S/A	50.00	50.00	39,815	51,824	1,043	(1,171)	19,908	25,912	521	(586)
Spe Brasil Incorporação S3 Ltda.	50.00	50.00	53,049	53,366	(429)	(818)	26,525	26,683	(214)	(409)
Spe Chl Cv Incorporações Ltda.	50.00	50.00	16,568	18,087	(1,535)	(1,560)	8,284	9,043	(768)	(780)
Tamoios Empreendimentos Imobiliários Spe Ltda.	60.00	60.00	28,976	27,226	1,763	414	17,385	16,335	1,058	249
Toulon Empreendimentos Imobiliários Spe Ltda.	100.00	100.00	21,299	21,300	(11)	(0)	21,299	21,300	(11)	(0)
Vinson Empreendimentos Imobiliários Ltda.	(i) 49.02	74.51	116,200	134,216	33,669	11,958	56,961	100,005	16,505	8,910
Vivaz Vendas - Consultoria Imobiliária Ltda.	(i) 100.00	99.99	15,489	1,948	(13,538)	(5,562)	15,489	1,948	(13,538)	(5,561)
Other 353 SPEs with SE of up to 10M			334,486	451,753	(14,183)	37,649	436,641	569,976	(34,642)	(3,395)
Subtotal							6,937,859	5,634,411	936,614	481,192
Interest capitalization (iii)							21,863	36,402	(14,539)	(4,585)
Total							6,959,722	5,670,814	922,072	476,607

(i) Change derived from increase/(decrease) in interest

(ii) Refers to formation/entry of new company

(iii) The parent company's investments have capitalization of interest on loans, financing and debentures, which are identified directly to the real estate developments of its investees. In consolidated, these amounts are capitalized to inventories, according to Note 6.

Changes in the Company's investments may be presented as follow:

CYRELA BRAZIL REALTY S.A. EMPREENDIMENTOS E PARTICIPAÇÕES
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(In thousands of reais, unless otherwise indicated)

	<u>Parent company</u>	<u>Consolidated</u>
Balance at December 31, 2018	<u>5,375,789</u>	<u>876,395</u>
Subscription / Capital (decrease)	812,757	(110,764)
Dividends	(993,660)	(54,741)
Equity in net income of subsidiaries	476,607	104,200
Interest capitalization	(679)	-
Balance at December 31, 2019	<u>5,670,814</u>	<u>815,090</u>
Subscription / Capital (decrease)	297,337	172,516
Fair value (i)	755,948	755,948
Dividends	(671,910)	(83,242)
Equity in net income of subsidiaries	922,072	405,712
Interest capitalization	(14,539)	-
Balance at December 31, 2020	<u>6,959,722</u>	<u>2,066,024</u>

- (i) According to the preliminary allocation of PPA, the Company recorded R\$ 14 million in fair value and R\$ 742 million in goodwill after the initial public offerings (IPO), of which R\$ 574 million with Plano & Plano Desenvolvimento Imobiliários S/A and R\$ 182 million with Lavvi Empreendimentos Imobiliários S/A.

CYRELA BRAZIL REALTY S.A. EMPREENDIMENTOS E PARTICIPAÇÕES
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(In thousands of reais, unless otherwise indicated)

b) The total balances of the equity accounts and income (loss) accounts of consolidated and jointly-controlled companies or associated companies, directly and indirectly, included in the consolidated financial information, as of December 31, 2020 and December 31, 2019, can be demonstrated as follows:

	% Interest		2020				2019					
	2020	2019	Assets	Liabilities	Shareholders' equity	Net income (loss) for the period	Assets	Liabilities	Shareholders' equity	Net income (loss) for the period		
Ak 19 - Empreendimentos E Participações Ltda			22,47	22,47	34.733	13.598	21.135	(1.917)	36.827	16.372	20.255	(10.980)
Anônimo Empreendimentos Imobiliários Ltda.			80,00	80,00	20.167	2.948	17.219	20.205	44.421	3.951	40.470	31.713
Belo Horizonte Empreendimentos Imobiliários Ltda.			50,00	50,00	25.080	3.895	20.185	401	13.593	1.856	11.017	(383)
Canagó Correa Cyrela Empreendimentos Imobiliários Spe Ltda.			50,00	50,00	21.802	100	23.402	(9)	23.086	89	22.996	(99)
Campos Nales Empreendimentos Imobiliários Ltda.			95,00	95,00	16.302	3.600	12.702	(193)	25.717	3.455	25.262	1.358
Canoa Quabrada Empreendimentos Imobiliários Ltda.			100,00	100,00	152.632	100.761	51.871	14.050	31.634	146	31.487	(66)
Canpa Empreendimentos Imobiliários S/A			60,00	60,00	33.636	1.628	32.008	407	43.778	11.926	31.852	139
Carlos Petr Empreendimentos Imobiliários Ltda.			75,00	75,00	32.401	6.523	25.879	5.356	37.763	8.229	29.534	9.388
Castelo Solóves Financeira Ltda.			100,00	100,00	467.083	148.080	318.003	(3.199)	2	0	2	(9)
Chr 008 Empreendimentos Imobiliários Ltda.			100,00	100,00	34.564	8.457	26.107	1.443	52.010	2.628	50.282	(6.499)
Chr 011 Empreendimentos Imobiliários Ltda.			32,50	32,50	80.255	39.376	40.879	2.531	72.719	34.371	38.348	(5.394)
Chr 021 Empreendimentos Imobiliários Ltda.			100,00	100,00	18.520	6.554	11.966	3.498	28.605	10.089	18.516	3.512
Chr 024 Empreendimentos Imobiliários Ltda.			50,00	50,00	267.265	72.014	195.251	(5.826)	265.245	72.143	193.103	(7.803)
Chr 030 Empreendimentos Imobiliários Ltda.			50,00	50,00	241.268	75.602	165.666	(6.335)	242.241	75.348	166.893	(7.789)
Chr 033 Empreendimentos Imobiliários Ltda.			100,00	100,00	66.372	8.557	57.815	26.101	131.024	14.071	116.953	68.186
Chr 040 Empreendimentos Imobiliários Ltda.			100,00	100,00	122.237	26.360	95.877	28.255	104.839	42.125	62.714	10.838
Chr 048 Empreendimentos Imobiliários Ltda.			100,00	100,00	33.698	23.108	10.590	2.765	25.247	10.187	15.060	(1.948)
Chr 049 Empreendimentos Imobiliários Ltda.			100,00	100,00	26.073	2.289	23.864	8.193	12.503	6.301	6.202	2.740
Chr 051 Empreendimentos Imobiliários Ltda.			50,00	50,00	165.809	23.520	140.289	35.226	130.642	5.479	125.163	(4.098)
Chr 052 Empreendimentos Imobiliários Ltda.			70,33	78,00	37.976	10.653	27.323	3.298	39.006	11.506	27.500	12.736
Chr 057 Empreendimentos Imobiliários Ltda.	(i)		100,00	100,00	48.533	30.763	17.771	(916)	23.450	14.372	11.078	(14)
Chr 059 Empreendimentos Imobiliários Ltda.			100,00	100,00	18.013	1.312	16.700	2.016	12.310	3.804	8.505	9
Chr 060 Empreendimentos Imobiliários Ltda.			100,00	100,00	64.212	15.407	48.805	73.001	56.238	128	56.110	(125)
Chr 081 Empreendimentos Imobiliários Ltda.			100,00	100,00	97.024	10.343	86.681	(72)	50.052	50.046	43.006	(1)
Chr 097 Empreendimentos Imobiliários			100,00	100,00	13.130	101	13.030	(1)	-	-	-	-
Chr Magik 01 Lz Empreendimentos Imobiliários			75,00	75,00	36.431	15.252	21.179	12.656	1.026	5	1.021	(1)
Chr Magik Lz 01 Empreendimentos Imobiliários			75,00	75,00	19.274	4.506	14.768	5.838	2.644	10	2.634	23
Chr Magik Lz 04 Empreendimentos Imobiliários Ltda.			75,00	75,00	42.039	24.374	17.665	12.571	12.141	9.788	2.354	(1)
Coisa 02 Incorporadora Ltda.	(i)		30,94	48,20	16.592	631	15.961	1.687	16.444	-	15.827	1.952
Coisa 03 Incorporadora Ltda.	(i)		15,48	24,13	67.234	19.271	47.963	11.635	64.772	23.412	41.361	6.734
Coisa 04 Incorporadora Ltda.	(i)		30,94	48,20	20.627	744	19.883	4.055	20.115	945	19.170	1.239
Coisa 05 Incorporadora Ltda.	(i)		15,48	24,13	303.357	22.541	300.816	27.323	98.249	32.958	65.291	26.819
Coisa 11 Incorporadora Ltda.	(i)		30,94	48,20	48.255	19.907	28.348	4.876	68	78	60	(7)
Coisa20 Incorporadora Ltda.	(i)		30,94	48,20	56.548	22.144	34.404	20.914	26.569	25.802	667	769
Coisa22 Incorporadora Ltda.	(i)		30,94	48,20	11.387	403	11.184	4.340	1.579	6.723	655	(1.572)
Coisa23 Incorporadora Ltda.	(i)		30,94	48,20	15.145	2.230	12.914	3.296	27.738	14.663	12.875	16.278
Coisa27 Incorporadora Ltda.	(i)		30,94	48,20	13.930	11.019	34.726	3.426	27.090	7.639	12.565	12.565
Coisa30 Incorporadora Ltda.	(i)		30,94	48,20	34.317	21.379	12.939	22.250	50.691	41.548	8.946	8.988
Coisa33 Incorporadora Ltda.	(i)		30,94	48,20	68.108	90.586	11.519	20.234	43.314	58.395	2.470	2.500
Coisa30 Incorporadora Ltda.	(i)		30,94	48,20	31.844	14.310	17.534	3.273	13.308	14.060	(602)	(569)
Coisa31 Incorporadora Ltda.	(i)		30,94	48,20	78.580	58.765	19.815	6.883	817	834	(17)	(16)
Coisa34 Incorporadora Ltda.	(i)		30,94	48,20	92.754	69.573	23.181	10.652	19.254	19.273	(19)	(19)
Coisa35 Incorporadora Ltda.	(i)		30,94	48,20	33.544	14.799	18.745	9.905	23.079	23.620	1.459	1.460
Coisa39 Incorporadora Ltda.	(i)		30,94	48,20	78.146	62.867	15.279	7.960	2.701	2.746	(45)	(39)
Coisa2 Incorporadora Ltda.	(i)		30,94	48,20	113.245	80.661	30.584	19.633	3.956	3.984	(27)	(38)
Coisa66 Incorporadora Ltda.	(i)		30,97	-	23.521	6.073	17.448	(74)	-	-	-	-
Chilam Investimentos Imobiliários Ltda	(i)		15,48	24,13	17.023	465	16.558	349	28.010	451	27.559	1.856
City Construtora E Incorporadora S/A	(i)		30,97	48,25	889.241	399.778	489.464	180.834	899.278	685.580	213.698	160.212
Cyma 04 Empreendimentos Imobiliários Ltda.			80,00	80,00	16.304	24.319	11.985	12.015	2.399	159	2.240	(26)
Cyma Desenvolvimento Imobiliário S/A			75,00	75,00	27.181	927	26.255	16.768	10.315	500	9.815	15.149
Cyrela Americana Empreendimentos Imobiliários Ltda.			100,00	100,00	51.257	3.017	48.241	(2.467)	50.673	1.542	49.130	5.655
Cyrela Alasca Empreendimentos Imobiliários Ltda.			100,00	100,00	54.711	26.519	28.191	15.961	51.467	31.051	20.416	3.009
Cyrela Ataca Empreendimentos Imobiliários Ltda.			100,00	100,00	12.307	19	12.287	(17.299)	48.347	4	48.343	(34)
Cyrela Beqorta Empreendimentos Imobiliários Ltda.			100,00	100,00	33.535	17.774	15.761	1.758	23.100	11.956	13.143	3.336
Cyrela Belgrado Empreendimentos Imobiliários Ltda.			100,00	100,00	69.634	5	69.629	3	2	2	0	1
Cyrela Buzby Kys Empreendimentos Imobiliários Ltda.			100,00	100,00	67.296	(7.891)	75.097	(999)	65.143	(6.816)	71.959	(826)
Cyrela Cpy Casca Empreendimentos Imobiliários Ltda.			50,78	50,78	32.156	3	32.152	4	31.918	5	31.914	2
Cyrela Cristal Empreendimentos Imobiliários Ltda.			100,00	100,00	79.372	13.014	66.359	2.034	42.181	3.328	39.853	4.945
Cyrela Df 01 Empreendimentos Imobiliários Ltda.			100,00	100,00	33.582	288	33.294	(880)	34.468	331	34.136	(76)
Cyrela Diamante Empreendimentos Imobiliários Ltda.			51,02	51,02	11.251	617	10.634	(1.368)	13.049	957	12.092	(936)
Cyrela Empreendimentos Imobiliários Comercial Importadora E Exportadora Ltda.			100,00	100,00	16.302	2.473	13.829	(357)	20.709	4.773	15.935	(4.399)
Cyrela Emeralda Empreendimentos Imobiliários Ltda.			100,00	100,00	54.470	21.490	30.979	1.906	6.028	752	5.297	864
Cyrela Europa Empreendimentos Imobiliários Ltda.			100,00	100,00	98.508	78.521	19.987	6.255	104.070	81.911	22.169	(23.291)
Cyrela Extrema Empreendimentos Imobiliários Ltda.			100,00	100,00	36.522	1.289	35.234	(14.227)	61.914	4.096	57.819	(12.346)
Cyrela Garbera Empreendimentos Imobiliários Ltda.			80,00	80,00	27.864	37.733	35.131	16.859	44.451	19.079	25.373	6.078
Cyrela Greenwood De Investimentos Imobiliários Ltda.			95,75	95,75	301.823	17.617	84.205	37.123	49.188	715	48.473	7.092
Cyrela Imobiliária Ltda.			100,00	100,00	37.023	8.858	28.165	6.093	31.024	8.144	22.880	(1.169)
Cyrela Indico Empreendimentos Imobiliários Ltda.			72,00	72,00	17.833	2	17.830	35.574	3	36.571	842	
Cyrela Indiana Empreendimentos Imobiliários Ltda.			100,00	100,00	51.012	23.224	27.788	(996)	23.615	2.503	21.112	264
Cyrela Magick Campinas 01 Empreendimentos Imobiliários Ltda.			80,00	80,00	17.108	28.217	42.890	(3.020)	56.480	28.657	32.829	15.067
Cyrela Magick Niza Empreendimentos Imobiliários Ltda.			75,00	75,00	41.358	19.814	21.544	2.093	52.435	20.879	31.556	14.955
Cyrela Maguan Empreendimentos Imobiliários Ltda.			100,00	100,00	83.370	20.495	62.875	348	55.695	8.861	46.833	(3.090)
Cyrela Malawa Empreendimentos Imobiliários Ltda.			100,00	100,00	14.617	2.183	12.433	(667)	15.292	2.942	12.350	(2.486)
Cyrela Mantiqueira Empreendimentos Imobiliários S.A.			100,00	100,00	87.222	369	87.591	13.964	143.567	3.622	139.945	5.254
Cyrela Mosaico Empreendimentos Imobiliários Ltda.			100,00	100,00	175.795	15.491	160.304	(37)	178.330	17.084	161.246	1.478
Cyrela Nordeste Empreendimentos Imobiliários Ltda.			100,00	100,00	37.869	2.164	35.704	(3.530)	45.612	3.712	41.901	(11.871)
Cyrela Normandia Empreendimentos Imobiliários Ltda.			100,00	100,00	38.906	6.304	32.606	9.144	49.833	5.839	43.994	12.824
Cyrela Pacifico Empreendimentos Imobiliários S/A			80,00	80,00	29.463	3	29.460	15	29.394	9	29.385	(10)
Cyrela Pampoula Empreendimentos Imobiliários Ltda.			100,00	100,00	34.462	23.817	10.645	5.764	26.794	24.315	2.480	801

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	% Interest		2020				2019			
	2020	2019	Assets	Liabilities	Shareholders' equity	Net income (loss) for the period	Assets	Liabilities	Shareholders' equity	Net income (loss) for the period
Cyrela Paraná Empreendimentos Imobiliários Ltda	100,00	100,00	32.388	2.051	30.337	(181)	38.873	4.202	34.673	(3.613)
Cyrela Porto Empreendimentos Imobiliários Ltda	100,00	100,00	112.253	19.452	92.801	(11.746)	114.515	13.588	100.928	(2.338)
Cyrela Ponta Empreendimentos Imobiliários Ltda	100,00	100,00	32.853	2.125	30.728	9.134	27.456	1.919	25.537	10.287
Cyrela Pinacota Empreendimentos Imobiliários Ltda	100,00	100,00	36.802	1.70	36.632	(63)	33.007	4.721	28.286	(6)
Cyrela Pinusoma Empreendimentos Imobiliários Ltda	100,00	100,00	41.986	10.259	31.727	19.487	94.207	7.930	86.276	16.289
Cyrela Pompeia Empreendimentos Imobiliários Ltda	100,00	100,00	15.438	1.342	14.096	961	12.215	6.991	5.224	(161)
Cyrela Portugal Empreendimentos Imobiliários Ltda	100,00	100,00	129.077	7.430	121.647	(110.073)	99.327	23.701	75.626	46.661
Cyrela Recife Empreendimentos Imobiliários Ltda	100,00	100,00	417.787	67.316	350.471	(2.927)	449.131	125.887	323.244	(17.825)
Cyrela Rje Cosmopolis II Empreendimentos Imobiliários Ltda	100,00	100,00	109.123	39.130	69.993	1.093	109.739	10.668	79.670	(26.354)
Cyrela Rje Empreendimentos Imobiliários Ltda	97,45	97,45	15.426	2.227	13.199	509	21.010	7.107	13.903	(7.640)
Cyrela Rje Agropolis Empreendimentos Imobiliários Ltda	43,00	43,00	115.866	62.161	53.705	2.814	119.962	64.767	55.225	3.231
Cyrela Somerset De Investimentos Imobiliários Ltda	83,00	83,00	24.912	266	23.746	7.915	17.290	315	16.996	323
Cyrela Summa Empreendimentos Imobiliários Ltda	93,20	93,20	212.912	171.848	41.065	(6.970)	223.281	175.247	48.034	(2.996)
Cyrela Sui 001 Empreendimentos Imobiliários Sps Ltda	92,50	92,50	38.814	3.244	35.569	4.343	38.629	3.312	35.297	3.004
Cyrela Sui 003 Empreendimentos Imobiliários Sps Ltda	92,50	92,50	23.597	1.616	21.981	2.847	33.391	8.497	24.895	5.244
Cyrela Sui 004 Empreendimentos Imobiliários Sps Ltda	92,50	92,50	29.466	2.294	27.172	4.015	23.532	1.040	22.492	(20)
Cyrela Sui 008 Empreendimentos Imobiliários Sps Ltda	90,00	90,00	52.411	4.316	48.094	12.667	48.753	7.820	40.933	4.145
Cyrela Sui 009 Empreendimentos Imobiliários Ltda	80,00	80,00	40.583	21.237	19.346	2.382	52.220	22.211	29.988	12.952
Cyrela Sui 010 Empreendimentos Imobiliários Ltda	90,00	90,00	30.725	21	30.704	136	197	0	197	6
Cyrela Sui 011 Empreendimentos Imobiliários Ltda	90,00	90,00	26.595	10.744	15.851	2.611	17.392	2.762	14.630	7.703
Cyrela Sui 012 Empreendimentos Imobiliários Ltda	80,00	80,00	17.585	6.720	10.865	3.816	15.213	6.164	9.049	5.911
Cyrela Sui 013 Empreendimentos Imobiliários Ltda	92,50	92,50	22.574	1.443	21.131	1.101	32.113	2.922	29.191	4.878
Cyrela Sui 014 Empreendimentos Imobiliários Sps Ltda	90,00	90,00	37.183	10.078	27.105	(2.537)	54.660	15.426	39.174	12.307
Cyrela Sui 016 Empreendimentos Imobiliários Ltda	90,00	90,00	65.513	36.772	28.741	(1.972)	12.464	271	12.423	(120)
Cyrela Sui 022 Empreendimentos Imobiliários Sps Ltda	80,00	80,00	28.614	12	28.602	924	21.665	13	21.682	14
Cyrela Toluca Empreendimentos Imobiliários Ltda	100,00	100,00	43.993	6.427	37.566	10.908	34.109	18.829	15.280	6.135
Cyrela Uremim Empreendimentos Imobiliários Ltda	100,00	100,00	46.277	4.341	41.936	19.198	46.242	8.340	37.902	(186)
Cyrela Vermont De Investimentos Imobiliários Ltda	97,00	97,00	13.634	132	13.502	(280)	13.596	8	13.588	(20)
Cyrela Viola Empreendimentos Imobiliários Ltda	100,00	100,00	29.238	1.840	27.398	7.413	21.403	1.308	20.095	3.432
Digo João Gualberto Ltda	95,00	95,00	22.437	3.297	19.140	(348)	28.342	1.554	26.788	1.212
Digo Map Parma Empreendimentos Imobiliários Ltda	88,25	88,25	16.976	1.377	15.599	1.218	27.469	2.088	25.381	9.006
Digo De Faria Empreendimentos Imobiliários Ltda	50,00	50,00	12.739	1.299	11.439	(109)	10.929	581	10.348	(211)
Dimonim Incorporações Ltda	(i)	30,94	48.20	29.182	1.348	27.858	49.194	19.824	29.370	16.375
Esportivo Jardim Shopping Center S.A.	80,00	80,00	16.582	4.099	12.483	2.269	13.854	3.097	10.757	592
Fazenda São João Empreendimentos Imobiliários Sps Ltda	85,00	85,00	13.409	2	13.407	(13)	15.428	0	13.428	(10.094)
Fleming Investimento Imobiliária Ltda	100,00	100,00	61.443	39.828	21.615	9.678	58.620	38.920	19.700	2.600
Flores Hill De Investimentos Imobiliária Ltda	49,45	49,45	10.969	0	10.969	0	10.998	0	10.998	(3)
Fluência (Redevelop) Vigoroso Empreendimentos S.A.	48,62	48,62	14.952	2.373	12.579	(2)	14.199	2.378	11.821	8
Garibaldi Empreendimentos Imobiliários Ltda	100,00	100,00	27.905	5.569	22.336	(345)	2.029	577	1.452	1.523
Gez Capax Da Capax Empreendimentos Imobiliários Ltda	60,00	60,00	20.859	1.400	19.459	12.897	6.564	2	6.562	(4)
Goldstein Imóveis Empreendimentos Imobiliários Ltda	100,00	100,00	397.903	32.801	365.102	20.458	630.518	21.664	608.854	43.391
Gre 03 Incorporações E Participações Ltda	100,00	100,00	14.326	2.335	11.991	13.623	2.369	11.254	2.533	
Himalaya Empreendimentos Imobiliários Ltda	100,00	100,00	64.443	28.468	35.975	10.821	41.069	30.764	10.285	425
Imagem Incorporações Ltda	80,00	80,00	64.900	13.351	51.549	(10.367)	59.298	46.5	58.743	(134)
Jardim Lago Empreendimentos Imobiliários Ltda	100,00	100,00	20.442	881	19.561	533	14.956	412	14.544	(670)
Jardim Loureiro Da Silva Empreendimentos Imobiliários Ltda	65,00	65,00	36.466	4.829	31.637	429	35.301	3.111	3.998	
Joaquina Ramalho Empreendimento Imobiliário	(i)	24,77	38,60	14.560	1.909	12.651	9.110	50.454	24.619	12.537
Lamballe Incorporações Ltda	(i)	38,58	68,95	21.014	717	20.297	(241)	21.428	890	6.562
Laplace Empreendimentos Imobiliários SPS Ltda	(ii)	70,00	-	33.871	11.365	22.506	(1.174)	-	-	-
Lavri Caribé Empreendimentos Imobiliários Ltda	(i)	24,27	42,30	81.124	30.274	50.850	27.742	67.211	37.060	30.121
Lavri Empreendimentos Imobiliários S.A.	(i)	25,82	43,00	1.293.948	81.941	1.212.007	86.924	158.493	11.754	105.738
Lavri Lisboa Empreendimentos Imobiliários Ltda	(i)	25,82	43,00	1.223.779	86.123	36.254	(1.874)	31.797	14.956	16.841
Lavri Loureiro Empreendimentos Imobiliários Ltda	(i)	20,66	36,00	60.575	28.683	31.892	14.435	49.727	30.295	19.432
Lavri Madri Empreendimentos Imobiliários Ltda	(i)	40,66	36,00	37.345	24.747	12.598	4.637	57.150	20.843	36.903
Lavri Mirim Empreendimentos Imobiliários Ltda	(i)	25,82	-	89.912	40.552	49.360	17.281	-	-	-
Lavri Nova Torque Empreendimentos Imobiliários Ltda	(i)	25,82	-	31.217	7.654	23.563	(24)	-	-	-
Lavri Paris Empreendimentos Imobiliários Ltda	(i)	48,07	61,50	32.923	8.405	24.518	11.099	23.688	10.608	11.080
Lavri Roma Empreendimentos Imobiliários Ltda	(ii)	25,82	-	25.014	10.992	14.022	-	-	-	(2.055)
Lb 2017 Empreendimentos E Participações Imobiliárias S.A.	100,00	100,00	36.415	19.002	17.413	17.094	51.471	15.933	35.538	34.575
Living 001 Empreendimentos Imobiliários Ltda	100,00	100,00	33.566	1.439	32.126	3.364	29.259	1.725	27.536	4.085
Living Acropolis Empreendimentos Imobiliários Ltda	100,00	100,00	46.818	15.779	31.039	9.806	59.159	11.514	27.644	(1.356)
Living Ampan Empreendimentos Imobiliários Ltda	100,00	100,00	18.765	6.910	11.855	(4.280)	44.652	2.221	42.331	(5.911)
Living Apax Empreendimentos Imobiliários Ltda	100,00	100,00	57.562	7.206	50.356	9.131	119.818	11.348	108.650	15.837
Living Aquarena Empreendimentos Imobiliários Ltda	100,00	100,00	45.273	33.437	11.837	(1.106)	3.198	5	3.194	(2)
Living Beldano Empreendimentos Imobiliários Ltda	100,00	100,00	21.769	2.999	18.770	3.064	30.020	2.859	27.170	3.844
Living Beldano Empreendimentos Imobiliários Ltda	(i)	65,48	74,13	92.755	30.285	62.472	11.421	87.730	30.517	57.192
Living Beldano Empreendimentos Imobiliários Ltda	(i)	33,50	50,00	37.766	1.056	36.710	22	765	4.199	(1.434)
Living Cabreua Empreendimentos Imobiliários Ltda	100,00	100,00	32.468	17.369	15.099	8.224	11.899	3.510	8.299	570
Living Caçal Empreendimentos Imobiliários Ltda	100,00	100,00	40.399	19.916	20.483	1.830	28.112	18.911	11.160	(319)
Living Camargo Empreendimentos Imobiliários Ltda	100,00	100,00	33.143	14.425	18.719	5.298	17.998	3.084	14.914	3.204
Living Carta Empreendimentos Imobiliários Ltda	100,00	100,00	16.707	4.422	12.284	12.258	77.761	18.038	59.703	19.454
Living Cedo Empreendimentos Imobiliários Ltda	100,00	100,00	30.222	5.385	24.837	2.465	31.888	3.417	28.472	3.497
Living Conquist Empreendimentos Imobiliários Ltda	70,00	70,00	33.314	18.197	15.117	10.760	43.708	19.531	24.157	12.514
Living Empreendimentos Imobiliários S/A	100,00	100,00	455.304	58.298	397.006	63.875	639.874	13.963	625.910	72.230
Living Loretto Empreendimentos Imobiliários Ltda	100,00	100,00	78.531	18.036	60.495	18.047	44.922	23.486	21.437	5.360
Living Panama Empreendimentos Imobiliários Ltda	100,00	100,00	63.890	26.287	37.603	(2.756)	67.490	17.505	49.985	(2.961)
Living Pinaranga Empreendimentos Imobiliários Ltda	100,00	100,00	27.799	12.962	14.837	9.288	12.531	884	11.227	3.286
Living Pousada Empreendimentos Imobiliários Ltda	100,00	100,00	85.587	16.197	69.390	7.467	81.657	16.933	64.724	15.943
Living Salinas Empreendimentos Imobiliários Ltda	100,00	100,00	46.331	15.607	30.724	4.162	30.706	16.677	14.120	(459)
Living Sal Empreendimentos Imobiliários Ltda	100,00	100,00	29.942	4.570	24.472	(3.039)	52.203	1.675	50.528	(1.812)
Living Tallino Empreendimentos Imobiliários Ltda	100,00	100,00	26.152	5.102	21.050	2.139	24.642	3.117	21.525	5.208
Living Topica Empreendimentos Imobiliários Ltda	100,00	100,00	19.544	1.259	18.285	2.780	23.171	1.846	21.325	256
Luanda Empreendimentos Imobiliários Ltda	100,00	100,00	64.586	5.814	58.772	2.709	93.436	2.863	90.574	(1.472)
Luminária Empreendimentos Imobiliários SPS Ltda	30,00	30,00	24.596	4.447	20.148	(215)	20.783	3.139	17.645	(37)
Mae Empreendimentos Imobiliários Ltda	30,00	30,00	28.333	3.484	24.849	(5.800)	49.070	18.433	30.637	18.956
Magnus Investimento Imobiliária Ltda	30,00	30,00	12.220	0	12.220	1	12.220	1	12.219	(2)

CYRELA BRAZIL REALTY S.A. EMPREENDIMENTOS E PARTICIPAÇÕES
 NOTES TO FINANCIAL STATEMENTS FOR THE TWELVE-MONTH PERIOD ENDED
 DECEMBER 31, 2020 AND 2019

(In thousands of reais, unless otherwise indicated)

	% Interest	2020				2019					
		2020	2019	Assets	Liabilities	Shareholders' equity	Net income (loss) for the period	Assets	Liabilities	Shareholders' equity	Net income (loss) for the period
Mnrg Empreendimentos Imobiliários S/A	(i)	21,68	33,78	18,453	375	18,078	(5,978)	24,425	369	24,056	2,381
Nova Carlos Gomes Empreendimentos Imobiliários Spe S/A		90,00	90,00	78,319	55,544	22,774	5,896	62,315	41,896	20,419	(258)
Oxaca Incorporadora Ltda		100,00	100,00	27,709	7,450	20,259	(5,229)	30,407	7,637	22,770	(5,720)
Peru Empreendimentos Imobiliários Ltda.		100,00	100,00	13,578	3,075	10,503	4,548	4,057	3,748	309	1,424
Piedade SPE Empreendimentos Imobiliários Ltda.	(i)	15,48	24,13	79,893	49,094	30,799	6,696	55,539	47,915	7,624	3,431
Piomet-4 Empreendimentos Imobiliários Ltda.		100,00	100,00	23,810	2,136	21,674	(30)	22,509	2,008	20,500	(555)
Plano & Plano Construções E Participações Ltda.		86,40	86,40	680,444	545,768	134,676	(13,458)	189,755	19,770	169,984	7,609
Plano & Plano Desenvolvimento Imobiliários S.A.	(i)	33,50	50,00	729,079	498,934	230,145	132,204	161,564	73,593	87,969	95,816
Plano Amazonas Empreendimentos Imobiliários Ltda.	(i)	33,50	50,00	58,411	21,182	37,229	14,901	48,833	47,585	1,248	15,882
Plano Amoreira Empreendimentos Imobiliários Spe Ltda.		94,56	94,56	29,644	1,248	28,397	(3,661)	42,517	460	42,057	(904)
Plano Angelim Empreendimentos Imobiliários Ltda.	(i)	33,50	50,00	44,015	6,067	37,949	3,017	27,251	18,733	8,518	16,656
Plano Araucaria Empreendimentos Imobiliários Ltda.		86,41	86,41	19,437	32	19,405	(13)	(31)	(35)	5	(9)
Plano Aroeira Empreendimentos Imobiliários Ltda.		86,41	86,41	32,729	297	32,431	620	1,682	1,057	625	(1,034)
Plano Cabreuva Empreendimentos Imobiliários Ltda.	(i)	33,50	50,00	81,912	68,276	13,636	14,739	5,800	688	5,112	(1,077)
Plano Cambui Empreendimentos Imobiliários Ltda.	(i)	33,50	50,00	110,351	69,984	40,368	10,832	5,407	2,645	2,762	59
Plano Carvalho Empreendimentos Imobiliários Ltda.	(i)	33,50	50,00	87,683	73,041	14,642	15,589	59,496	32,389	27,107	(402)
Plano Cedro Empreendimentos Imobiliários Ltda.		86,41	86,41	30,107	1,037	29,070	2,756	10,363	273	10,091	1,588
Plano Cerejeiras Empreendimentos Imobiliários Ltda.		86,41	86,41	50,790	486	50,304	(899)	235	(478)	713	(43)
Plano Coqueiro Empreendimentos Imobiliários Ltda.	(i)	33,50	50,00	19,182	553	18,629	(492)	2,037	740	1,297	(1,599)
Plano Figueira Empreendimentos Imobiliários Ltda.		86,41	86,41	32,926	91	32,835	(340)	478	315	163	(390)
Plano Flamboyant Empreendimentos Imobiliários Ltda.		86,41	86,41	48,410	181	48,229	(418)	1,412	(135)	1,547	(104)
Plano Guapira Empreendimentos Imobiliários Ltda.		86,41	86,41	38,514	2,901	35,613	(453)	2,592	2,641	(49)	437
Plano Guarita Empreendimentos Imobiliários Ltda.	(i)	33,50	50,00	117,866	103,296	14,590	15,362	46,192	38,953	7,239	(787)
Plano Iguaçu Empreendimentos Imobiliários Ltda.	(i)	33,50	50,00	11,473	812	10,661	7,402	17,790	6,084	11,706	3,167
Plano Ipe Empreendimentos Imobiliários Ltda.		86,41	86,41	31,539	205	31,335	(272)	4,316	170	4,146	31
Plano Jacaranda Empreendimentos Imobiliários Ltda.	(i)	33,50	50,00	75,062	30,566	44,496	13,978	40,665	24,524	16,141	(540)
Plano Jatoba Empreendimentos Imobiliários Ltda.		86,41	86,41	13,540	253	13,287	(140)	2,577	1,034	1,542	(366)
Plano Jequitiba Empreendimentos Imobiliários Ltda.		86,41	86,41	21,926	136	21,790	(102)	324	(230)	554	(154)
Plano Limeira Empreendimentos Imobiliários Ltda.	(i)	33,50	50,00	35,693	14,267	21,427	13,123	39,781	33,471	6,309	8,774
Plano Limeiro Empreendimentos Imobiliários Ltda.		86,41	86,41	23,635	341	23,295	(1,233)	7,343	1,784	5,559	6,205
Plano Macieira Empreendimentos Imobiliários Ltda.		86,41	86,41	40,718	22,344	18,374	(374)	40,589	583	40,006	(387)
Plano Madeira Empreendimentos Imobiliários Ltda.	(i)	33,50	50,00	77,879	4,938	72,941	28,097	28,570	22,698	5,872	28,080
Plano Magnolia Empreendimentos Imobiliários Ltda.	(i)	33,50	50,00	18,440	5,106	13,334	11,169	23,461	18,247	5,215	2,411
Plano Mangueira Empreendimentos Imobiliários Ltda.		86,41	86,41	23,515	330	23,185	851	7,938	4,568	3,370	13,052
Plano Mogno Empreendimentos Imobiliários Ltda.		86,41	86,41	50,414	971	49,443	(2,553)	949	852	96	(1,599)
Plano Palmeiras Empreendimentos Imobiliários Ltda.		86,41	86,41	12,401	378	12,023	(1,141)	2,263	127	2,136	(481)
Plano Parabi Empreendimentos Imobiliários Ltda.	(i)	33,50	50,00	10,880	660	10,221	7,280	19,379	20,773	(1,394)	4,333
Plano Peroba Empreendimentos Imobiliários Ltda.	(i)	33,50	50,00	47,506	595	46,911	11,474	29,419	26,001	3,418	15,980
Plano Pinheiro Empreendimentos Imobiliários Ltda.	(i)	33,50	50,00	31,947	10,139	21,808	9,839	61,664	60,080	1,583	14,300
Plano Seringueira Empreendimentos Imobiliários Ltda.		86,41	86,41	41,449	1,071	40,378	(1,132)	655	49	586	(44)
Plano Solimões Empreendimentos Imobiliários Ltda.	(i)	33,50	50,00	27,365	606	26,759	1,676	6,570	4,249	2,321	15,086
Plano Videira Empreendimentos Imobiliários Ltda.	(i)	33,50	50,00	26,837	877	25,960	4,206	27,421	14,789	12,632	22,140
Plano Xingu Empreendimentos Imobiliários Ltda.	(i)	33,50	50,00	39,495	38,838	20,657	12,093	36,920	35,213	1,707	4,675
Plarcon Cyrela Empreendimentos Imobiliários Spe Ltda.		50,00	50,00	18,613	2,744	15,869	3,142	17,094	4,367	12,727	(2,189)
Pre 52 Empreendimentos Imobiliários Spe	(i)	70,00	49,00	21,916	11,496	10,420	4,254	19,184	12,950	6,234	3,443
Pre 72 Empreendimentos Imobiliários Spe	(i)	70,00	49,00	12,813	2,153	10,659	(1,797)	19,296	5,891	13,405	10,348
Queiroz Galvao Mac Cyrela Veneza Empreendimentos Imobiliários S/A		30,00	30,00	53,603	42,452	11,151	(9,262)	52,505	32,092	20,413	2,710
R023 Ouvides Empreendimentos Participações Ltda.	(i)	15,48	24,13	45,938	19,098	26,840	6,299	50,600	33,561	24,099	6,077
R033 Vila Ema 3000 Empreendimentos Participações Ltda.	(i)	15,48	24,13	19,816	2,787	17,029	7,867	51,462	25,776	25,686	16,856
Ravenna Empreendimentos Imobiliários Ltda.		100,00	100,00	65,727	3,127	62,600	7,264	35,742	3,707	32,136	5,010
Reserva Casa Grande Empreendimentos Imobiliários Ltda.		50,00	50,00	40,233	2,118	38,115	3,838	40,674	12,181	28,493	(1,911)
Rua Dos Alpes Empreendimentos Imobiliários Ltda.		100,00	100,00	20,707	2,486	18,221	13,636	78,641	4,414	74,227	20,548
SCP CCISA19 Incorporadora Ltda	(i)	24,77	38,60	12,328	1,067	11,261	(135)	29,996	12,601	17,396	3,845
Scp Verdaz Bunitis Fase II		60,00	60,00	21,567	726	20,841	1,442	20,179	871	19,308	1,102
Seattle Empreendimentos Imobiliários Ltda.		50,00	50,00	165,217	84,150	81,067	21,425	128,098	38,557	89,541	16,602
Seller Consultoria Imobiliária E Representações Ltda.		100,00	100,00	113,490	80,312	33,178	(34,768)	42,966	63,650	(20,684)	(38,106)
Sig 10 Empreendimentos		50,00	50,00	75,695	2,924	72,771	21,768	66,096	318	65,778	(53)
Sk Catio Empreendimentos Imobiliários Ltda.		50,00	50,00	27,143	11,924	15,219	(4,583)	21,152	9,527	11,625	(908)
Sk Demostenes Empreendimentos Imobiliários Ltda.		50,00	50,00	26,613	11,367	15,246	(49)	1	0	0	(6)
Sk Joaquim Ferreira Lobo Empreendimentos Imobiliários Spe Ltda.		50,00	50,00	25,882	7,935	17,947	1,899	17,023	2,463	14,560	(1,466)
SK Lavandisca Empreendimentos Imobiliários Ltda.		50,00	50,00	50,460	26,297	24,163	7,173	68,284	43,181	25,103	20,995
SK Loefgreen Empreendimentos Imobiliários Ltda.		50,00	50,00	27,037	9,623	17,433	(8)	6	0	6	(4)
Sk Minerva Empreendimentos Imobiliários Ltda.		50,00	50,00	19,936	5,341	14,595	(441)	18,672	5,173	13,500	(314)
Sk Realty Empreendimentos Imobiliários Ltda.		50,00	50,00	228,935	67,087	161,848	(5,208)	213,718	46,233	167,484	25,068
Snowbird Master Fundo De Investimento Imobiliários		20,00	20,00	171,006	52,821	118,185	(33,279)	63,590	409	63,181	(86)
Snowbird Parallel Fundo De Investimento Imobiliários		10,00	10,00	62,447	47	62,399	(26,751)	65,661	10,548	55,113	(107)
Spe 131 Brasil Incorporação Ltda.		50,00	50,00	21,046	6,523	14,524	85	11,880	27	11,852	(313)
Spe Barbacena Empreendimentos Imobiliários S/A		50,00	50,00	45,277	5,462	39,815	1,043	55,726	3,902	51,824	(1,171)
Spe Brasil Incorporação S3 Ltda.		50,00	50,00	53,168	1,119	53,049	(429)	53,462	96	53,366	(818)
Spe Chi Cv Incorporações Ltda		50,00	50,00	18,361	1,793	16,568	(1,535)	19,863	1,776	18,087	(1,560)
Tamoiis Empreendimentos Imobiliários Spe Ltda.		60,00	60,00	29,120	144	28,976	1,765	27,510	284	27,226	414
Terropolis Empreendimentos Imobiliários Ltda.		80,00	80,00	24,283	12,545	11,737	(5)	24,162	12,419	11,742	(92)
Toulon Empreendimentos Imobiliários Spe Ltda.		100,00	100,00	21,300	1	21,299	(11)	21,300	0	21,300	(0)
Vero Santa Isabel Empreendimentos Imobiliários Spe Ltda.		86,41	86,41	87,283	11,269	76,014	(784)	19,081	12,418	6,663	(277)
Vinson Empreendimentos Imobiliários Ltda.	(i)	62,18	74,51	168,902	52,702	116,200	33,669	171,339	37,122	134,216	11,938
Vivaz Vendas - Consultoria Imobiliária Ltda.		100,00	100,00	24,348	8,859	15,489	(13,538)	3,962	2,015	1,948	(5,562)
Vms Empreendimentos Imobiliários Spe S/A		84,95	84,95	17,264	1,968	15,296	(35)	17,408	2,078	15,331	3,334
Other 701 SPEs with SE of up to 10M				3,248,776	2,514,185	734,591	(12,717)	2,936,060	1,996,888	959,171	112,164

- (i) Change derived from increase/(decrease) in interest
 (ii) Refers to formation/entry of new company

CYRELA BRAZIL REALTY S.A. EMPREENDIMENTOS E PARTICIPAÇÕES
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(In thousands of reais, unless otherwise indicated)

c) Foreign investments:

The financial information of the jointly-controlled subsidiary Cyrsa S.A. (headquartered in Argentina), whose functional currency corresponds to the Argentine peso, were converted into Brazilian Real using the exchange rate in force on December 31, 2020 - R\$ 0.0732 (December 31, 2019: R\$ 0.0673). Effects of this balance sheet translation into the Company's presentation currency are reflected on "Other comprehensive income" in shareholders' equity, represented by R\$(453) as of December 31, 2020 (As of December 31, 2019, R\$ (185)).

Investments in foreign companies

Brazil Realty Serviços e Investimentos Ltda.: This subsidiary is located in Bahamas and, in essence, is an extension of the Company's financial activities; its functional currency is the dollar. It does not have relevant assets and liabilities as of December 31, 2020.

d) Breakdown of investments presented in consolidated:

	% Interest		Shareholders' equity		Net income (loss) for the period		Investment		Equity in net income of subsidiaries	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Ak 19 - Empreendimentos E Participações Ltda.	26.00	26.00	21,135	20,255	(1,917)	(10,980)	5,495	5,266	(498)	(2,835)
Bello Villinho Empreendimentos Imobiliários Ltda.	50.00	50.00	20,185	11,937	401	(385)	10,093	5,968	201	(194)
Canargo Correa Empreendimentos Imobiliários Spe Ltda.	50.00	50.00	23,402	22,996	(9)	(99)	11,701	11,498	(5)	(50)
Carapa Empreendimentos Imobiliários S/A	60.00	60.00	32,052	31,852	407	189	19,231	19,111	244	114
Cbr 011 Empreendimentos Imobiliários Ltda.	32.50	32.50	40,879	38,348	2,531	(5,394)	13,286	12,465	822	(1,753)
Cbr 051 Empreendimentos Imobiliários Ltda.	50.00	50.00	149,389	125,163	35,226	(4,095)	70,145	62,582	17,613	(2,049)
Cusy Construtora E Incorporadora S/A	30.97	48.25	489,464	213,698	160,814	160,212	151,575	103,109	113,447	77,392
Cyrela Diamante Empreendimentos Imobiliários Ltda.	(i)	51.02	10,674	12,092	(1,368)	(976)	5,446	-	(688)	-
Forest Hill De Investimento Imobiliária Ltda.	(i)	50.00	10,098	10,098	0	(3)	5,049	5,049	0	(2)
Galetia Boulevard Negocios Imobiliários S/A	50.00	50.00	11,819	11,821	(2)	8	5,909	5,911	(1)	4
Gcw Capao Da Canoa Empreendimentos Imobiliários Ltda.	60.00	60.00	19,459	6,942	12,497	(4)	11,676	4,165	7,498	(2)
Iracema Incorporadora Ltda.	50.00	50.00	51,548	58,743	(10,367)	(134)	25,774	29,371	(5,184)	(67)
Jardim Loureiro Da Silva Empreendimentos Imobiliários Ltda.	65.00	65.00	31,637	31,111	526	3,598	20,564	20,222	342	2,339
Lamballe Incorporadora Ltda	40.00	40.00	20,297	20,538	(241)	6,562	8,119	8,215	(97)	2,625
Lavvi Empreendimentos Imobiliários S.A.	(i)	25.82	45.00	1,212,007	106,738	86,924	33,407	523,750	-	199,669
Lavvi Madri Empreendimentos Imobiliários Ltda.	(i)	20.00	20.00	32,999	36,905	4,657	17,569	6,600	931	-
Lavvi Paris Empreendimentos Imobiliários Ltda.	(i)	30.00	30.00	24,518	13,080	11,099	(2,055)	7,355	-	3,330
Living Botucatu Empreendimentos Imobiliários Ltda.	50.00	50.00	62,472	57,192	11,421	9,312	31,236	28,596	5,710	4,656
Living Cerejeira Empreendimentos Imobiliários Ltda.	70.00	70.00	34,916	24,157	10,760	12,514	24,441	16,910	7,532	8,759
Mac Empreendimentos Imobiliários Ltda.	50.00	50.00	24,849	30,617	(5,800)	18,956	12,425	15,309	(2,900)	9,478
Magnum Investimento Imobiliária Ltda.	30.00	30.00	12,220	12,219	1	(2)	3,666	-	0	(0)
Plano & Plano Desenvolvimento Imobiliários S.A.	(i)	33.50	50.00	230,145	87,969	132,204	95,816	651,088	-	43,958
Placcon Cyrela Empreendimentos Imobiliários Spe Ltda.	50.00	50.00	15,869	12,727	3,142	(2,189)	7,935	6,364	1,571	(1,094)
Pre 72 Empreendimentos Imobiliários Spe	(i)	70.00	49.00	10,420	6,234	4,254	3,443	7,294	3,055	2,978
Pre 72 Empreendimentos Imobiliários Spe	(i)	70.00	49.00	10,659	13,405	(1,797)	10,348	7,461	6,588	(1,258)
Queiroz Galvao Mac Cyrela Veneza Empreendimentos Imobiliários S/A	15.00	15.00	11,151	20,413	(9,262)	2,710	1,673	3,062	(1,389)	407
Reserva Casa Grande Empreendimentos Imobiliários Ltda.	50.00	50.00	38,115	28,493	3,838	(1,911)	19,058	14,247	1,919	(956)
Sop Veredas Buntis Fase II	6.00	6.00	20,841	19,308	1,442	1,102	1,250	1,158	87	66
Seattle Empreendimentos Imobiliários Ltda.	50.00	50.00	81,067	89,541	21,425	16,602	40,533	44,771	10,713	8,301
Sig 10 Empreendimentos	50.00	50.00	72,771	65,778	21,768	(53)	36,386	32,889	10,884	(26)
Snowbird Master Fundo De Investimento Imobiliários	20.00	20.00	118,185	63,181	(33,279)	(86)	23,637	12,636	(6,656)	(17)
Snowbird Parallel Fundo De Investimento Imobiliários	20.00	20.00	62,399	55,113	(26,751)	(107)	12,480	11,023	(5,350)	(21)
Spe 131 Brasil Incorporação Ltda.	50.00	50.00	14,524	11,852	85	(313)	7,262	5,926	43	(157)
Spe Barbacena Empreendimentos Imobiliários S/A	50.00	50.00	39,815	51,824	1,043	(1,171)	19,908	25,912	521	(586)
Spe Brasil Incorporação 83 Ltda.	50.00	50.00	55,049	53,366	(429)	(818)	26,525	26,683	(214)	(409)
Spe Cid Cv Incorporações Ltda	50.00	50.00	16,568	18,087	(1,555)	(1,569)	8,284	9,043	(768)	(780)
Tamoios Empreendimentos Imobiliários Spe Ltda.	60.00	60.00	28,976	27,226	1,763	414	17,385	16,335	1,058	249
Vinson Empreendimentos Imobiliários Ltda.	(i)	49.02	74,51	116,200	134,216	33,669	11,958	56,961	-	16,505
Other 186 SPEs with SE of up to 10M			241,928	281,604	(7,176)	14,475	147,370	238,006	(16,846)	(5,839)
							2,066,024	818,090	405,712	104,200

(i) The Company started being recognized under the equity method in 2020.

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In the third quarter of 2020, the Company recorded a positive impact in “Other income (loss) from investments” in the amount of approximately R\$ 1,326 billion, due to the appreciation of investments, after the initial public offerings (IPO) for primary and secondary distribution of shares issued of the Joint Ventures signed by the Company over the last few years, of which R\$ 831,869 million with Plano & Plano Desenvolvimento Imobiliários S/A, R\$ 323,527 million with Cury Construtora e Incorporadora S/A and R\$ 170,554 million with Lavvi Empreendimentos Imobiliários S/A.

e) Investment recorded at fair value

As of December 31, 2020, the investment of Cyrela Commercial Properties S/A Empreendimentos e Participações totaled R\$ 24,845 (R\$ 46,080 as of December 31, 2019) considering 1,813,472 shares held by the Company and marked-to-market per share of R\$ 13.70. Net changes in income (loss) were recognized in the caption “Other investments”, in the approximate amount of R\$ 21,235. As of December 31, 2020, the investment of Tecnisa S/A totaled R\$ 10,175 (R\$ 43,868 as of December 31, 2019) considering 1,018,480 shares held by the Company and marked-to-market per share of R\$ 9.99. Net changes in income (loss) were recognized in the caption “Other investments”, in the approximate amount of R\$ 8,464. The Company also recorded a positive impact of R\$ 33 million due to the operation carried out with the Canada Pension Plan Investment Board (CPPIB), under “Other Investment Results”.

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8. PROPERTY, PLANT AND EQUIPMENT

Changes are shown below:

Cost:	Parent company							Total
	Machinery and equipment	Furniture and fixtures	Computers	Facilities	Vehicles	Leasehold improvements (i)	Right-of-use (iii)	
Balance at 12.31.2018	1,361	5,921	11,295	374	92	29,357	-	48,400
Additions	561	-	-	-	-	1,109	14,177	15,847
Balance at 12.31.2019	1,922	5,921	11,295	374	92	30,466	14,177	64,247
Additions	60	4	1,808	-	-	366	1,292	3,530
Decrease	(576)	-	-	-	-	-	(1,870)	(2,538)
Balance at 12.31.2020	1,406	5,925	13,103	374	92	30,832	13,599	65,239

Depreciation:	Parent company							Total
	10% p.a. - Machinery and equipment	10% p.a. - Furniture and fixtures	20% p.a. - Computers	10% p.a. - Facilities	20% p.a. - Vehicles	Leasehold improvements (i)	Right-of-use (iii)	
Balance at 12.31.2018	(1,231)	(5,313)	(11,003)	(341)	(92)	(21,006)	-	(38,986)
Depreciations	(82)	(324)	(140)	(27)	-	(2,598)	(4,496)	(7,668)
Balance at 12.31.2019	(1,313)	(5,637)	(11,143)	(368)	(92)	(23,604)	(4,496)	(46,654)
Depreciations	(45)	(190)	(364)	(6)	-	(2,833)	(4,939)	(8,377)
Decrease	41	-	-	-	92	-	-	133
Balance at 12.31.2020	(1,317)	(5,827)	(11,507)	(374)	-	(26,437)	(9,435)	(54,898)
Residual balance at 12.31.2019	609	284	152	6	-	6,862	9,681	17,593
Residual balance at 12.31.2020	89	97	1,596	-	-	4,395	4,166	10,344

Cost:	Consolidated								Total
	Machinery and equipment	Furniture and fixtures	Computers	Facilities	Vehicles	Leasehold improvements (i)	Right-of-use (iii)	Sales Stand (ii)	
Balance at 12.31.2018	5,690	13,112	17,054	1,083	162	45,799	-	225,262	308,163
Additions	1,291	1,720	-	-	-	1,525	17,024	102,453	124,013
Items fully depreciated	-	-	-	-	-	-	-	(59,638)	(59,638)
Balance at 12.31.2019	6,981	11,693	17,054	1,083	162	47,325	17,024	210,317	311,638
Additions	309	346	3,838	3	-	1,663	12,028	60,664	78,852
Decrease	(1,137)	-	-	-	(124)	-	(1,837)	(53,906)	(57,003)
Criterion change (iv)	(1,008)	(338)	(110)	(1)	-	(2,038)	(4,805)	(49,396)	(57,696)
Balance at 12.31.2020	5,145	11,701	20,782	1,085	38	46,950	22,410	167,679	275,791

Depreciation:	Consolidated								Total
	10% p.a. - Machinery and equipment	10% p.a. - Furniture and fixtures	20% p.a. - Computers	10% p.a. - Facilities	20% p.a. - Vehicles	Leasehold improvements (i)	Right-of-use (iii)	Sales Stand (ii)	
Balance at 12.31.2018	(4,710)	(12,588)	(16,454)	(999)	(161)	(31,464)	-	(172,887)	(239,263)
Decrease	-	2,465	-	-	-	-	-	21,857	24,322
Items fully depreciated	-	-	-	-	-	-	-	59,638	59,638
Balance at 12.31.2019	(5,128)	10,760	(16,779)	(1,052)	(162)	(36,611)	(5,659)	(143,099)	(219,250)
Depreciations	(288)	(430)	(746)	(23)	-	(4,434)	(8,412)	(29,924)	(44,255)
Decrease	185	-	-	-	124	-	-	13,379	13,688
Criterion change (iv)	352	86	60	1	-	890	879	45,195	47,463
Balance at 12.31.2020	(4,879)	(11,104)	(17,465)	(1,074)	(38)	(40,155)	(13,192)	(114,449)	(202,355)
Residual balance at 12.31.2018	980	524	600	84	1	14,335	-	52,375	68,899
Residual balance at 12.31.2019	1,853	933	275	31	-	10,174	11,364	67,219	92,389
Residual balance at 12.31.2020	266	596	3,318	11	-	6,795	9,218	53,230	73,437

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- (i) The expenses are appropriated to P/L according to the term of lease of the properties, ranging from three to five years.
- (ii) The depreciation is made according to the useful life of the assets, with average term of 24 months used during the year of sale of the joint ventures and recorded in the result under the caption "Sales Expenses".
- (iii) Addition related to the adoption of IFRS 16 – Leases, in which the Company is the lessee of some assets.
- (iv) Referring to change of control in investees

As of December 3, 2020 and 2019, no assets requiring provision for impairment were identified.

9. INTANGIBLE ASSETS

Changes are shown below:

Cost:	Parent company					Total
	Trademarks, patents and rights	Deployment expenditures	Right to use software	Sub-total	Goodwill	
Balance at 12.31.2018	37	72,788	25,380	98,205	142,717	240,922
Additions	11,966	-	-	11,966	23,875	35,841
Decrease	(37)	-	-	(37)	-	(37)
Balance at 12.31.2019	11,966	72,788	25,380	110,134	166,592	276,726
Additions	-	72	768	841	-	841
Balance at 12.31.2020	11,966	72,860	26,148	110,975	166,592	277,567

Amortization:	Parent company					Total
	Trademarks, patents and rights	14% pa - Expenses with deployments	20% p.a. - Right to use software	Sub-total	Goodwill	
Balance at 12.31.2018	-	(56,327)	(21,741)	(78,068)	(131,770)	(209,838)
Amortizations	-	(7,269)	(1,824)	(9,093)	(12,022)	(21,115)
Balance at 12.31.2019	-	(63,596)	(23,565)	(87,161)	(143,792)	(230,953)
Amortizations	-	(4,830)	(1,408)	(6,238)	(4,135)	(10,373)
Balance at 12.31.2020	-	(68,426)	(24,973)	(93,399)	(147,926)	(241,325)
Residual balance at 12.31.2018	37	16,461	3,639	20,137	10,947	31,084
Residual balance at 12.31.2019	11,966	9,192	1,815	22,972	22,801	45,773
Residual balance at 12.31.2020	11,966	4,434	1,175	17,576	18,666	36,242

CYRELA BRAZIL REALTY S.A. EMPREENDIMENTOS E PARTICIPAÇÕES

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Cost:	Consolidated					Total
	Trademarks, patents and rights	Deployment expenditures	Right to use software	Sub-total	Goodwill	
Balance at 12.31.2018	74	89,716	38,714	128,503	133,960	262,464
Additions	11,966	-	385	12,351	-	12,351
Decrease	(72)	-	-	(72)	-	(72)
Balance at 12.31.2019	11,968	89,716	39,099	140,782	133,960	274,743
Additions	-	339	1,127	1,466	-	1,466
Decrease	-	(267)	(444)	(711)	-	(711)
Criterion change (i)	(2)	-	(555)	(556)	-	(556)
Balance at 12.31.2020	11,966	89,789	39,227	140,981	133,960	274,942

Amortization:	Consolidated			Sub-total	Goodwill	Total
	Trademarks, patents and rights	14% pa - Expenses with deployments	20% p.a. - Right to use software			
Balance at 12.31.2018	-	(71,423)	(34,425)	(105,848)	(129,538)	(235,386)
Amortizations	-	(8,616)	(2,115)	(10,731)	(1,004)	(11,734)
Balance at 12.31.2019	-	(80,038)	(36,540)	(116,579)	(130,542)	(247,121)
Amortizations	-	(5,322)	(1,586)	(6,908)	(346)	(7,254)
Decrease	-	7	388	395	-	395
Balance at 12.31.2020	-	(85,354)	(37,738)	(123,092)	(130,888)	(253,980)
Residual balance at 12.31.2018	74	18,293	4,288	22,655	4,422	27,077
Residual balance at 12.31.2019	11,968	9,677	2,559	24,204	3,418	27,622
Residual balance at 12.31.2020	11,966	4,435	1,489	17,890	3,072	20,962

(i) Referring to change of control in investees

Asset gains balances have a defined useful life according to the construction of the joint ventures, and are allocated to the headings of “Real Estate to be Sold” in the consolidated financial statements, and at the parent company, are in the Intangible Assets group.

For other intangibles, Management periodically reviews the useful life of the Company’s intangible assets.

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The analytical movement of asset gains balances with defined useful lives is shown below:

	Parent company		
	2019	Amortization	2020
Goodwill in the Company			
Spe Mg 02 Empreendimentos Imobiliários Ltda. (i)	4,410	-	4,410
Spe Mg 03 Empreendimentos Imobiliários Ltda. (i)	3,289	-	3,289
Spe Barbacena Empreendimentos Imobiliários S/A	499	(208)	291
Cyma Desenvolvimento Imobiliario S/A	1,606	-	1,606
Trimmo Emp e Participações S/A	139	(138)	1
LB 2017 Empreendimentos E Participações Imobiliárias S/A (i)	12,857	(3,788)	9,069
Total	22,801	(4,135)	18,666

	Consolidated		
	2019	Amortization	2020
Goodwill in the Company			
Cyma Desenvolvimento Imobiliario S/A	1,606	-	1,606
Living Sul Empreendimentos imobiliarios Ltda.	1,174	-	1,174
Spe Barbacena Empreendimentos Imobiliários S/A	499	(208)	291
Trimmo Emp e Participações S/A	139	(138)	1
Total	3,418	(346)	3,072

(i) Goodwill of investee, from consolidated point of view, they are reclassified to "Inventory" caption.

10. LOANS AND FINANCING

	Parent company		Consolidated	
	2020	2019	2020	2019
Loans - principal	910,413	550,000	1,031,226	620,695
Loans - interest payable	6,934	7,156	8,191	8,596
Loans - Transaction costs	(579)	(939)	(580)	(939)
Financings - principal	2,000	12,244	169,452	335,035
Financing - interest payable	8	68	332	1,206
Interest payable/receivable - Swap transaction	-	(27,907)	-	(27,907)
Total	918,776	540,622	1,208,621	936,686
Current	266,496	114,462	359,373	179,896
Non-current	652,280	426,160	849,248	756,790

As of December 31, 2020, financing of R\$ 169,452 (R\$ 335,035 on December 31, 2019) corresponds to real estate loan agreements, part subject to interest between 5.45% and 8% per annum, plus TR and part subject to interest of 126% of CDI. They have early maturity clauses in case of non-

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compliance with the commitments assumed therein, such as the investment of the resources in the object of the agreement, registration of the mortgage of the joint venture, compliance with the construction timetables, and others. The financing guarantees are comprised of collateral of receivables, representing 120% to 130% of the loan amounts, mortgage of the land and future units, as well as the Company's surety.

The "Pre Swap x DI" operations are presented by:

Original amount in thousands of RS	Engagement	Maturity	Long position (Cyrela)	Short position (BTG Pactual)	2020	2019
164,013	dec.17	feb.22	8.30% p.a.	88.70% CDI	2,335	7,244
20,498	jun.18	nov.19	9.20% p.a.	105.05% CDI	-	44
14,000	jun.18	may.20	8.70% p.a.	102.24% CDI	-	150
93,500	oct.18	jul.22	8.25% p.a.	79.30% CDI	6,062	7,386
332,949	feb.19	set.23	8.26% p.a.	105.56% CDI	19,506	13,083
100,000	mar.20	apr.24	6.20% p.a.	79.00% CDI	2,210	-
199,928	mar.20	apr.24	6.20% p.a.	93.00% CDI	2,174	-
					32,287	27,907

In 2020, swap operations were reclassified to the caption financial instruments and derivatives for a better readjustment of the balance sheet and greater transparency of the financial statements.

Loans in domestic currency are represented by:

Issuance	2020	2019	Rate
dec.13	70,813	70,567	TJLP + 3.78%
jun.15	-	8	6.0% p.a
dec.15	-	120	9.5% p.a
jun.18	200,000	300,000	110% of CDI
aug.18	67,742	100,000	104% CDI
sep.18	150,000	150,000	110% of CDI
apr.20	100,000	-	CDI + 2.50%
apr.20	104,671	-	CDI + 2.50%
jul.20	100,000	-	CDI + 2.50%
jul.20	170,000	-	CDI + 2.50%
jul.20	18,000	-	CDI + 1.70%
nov.20	50,000	-	CDI + 2.10%
Total	1,031,226	620,695	

Loan interest of real estate credit contracts, eligible to capitalization of inventories, net of yield from interest earning bank deposits, total R\$ 24,221 in the period ended December 31, 2020, (R\$ 29,046 as of December 31, 2019).

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The breakdown of these balances is as follows:

Changes in the balances are as follows:

	Parent company		Consolidated	
	2020	2019	2020	2019
Opening balance	540,622	827,325	936,686	1,615,836
Additions	766,400	22,286	1,169,883	414,918
Payment of principal	(415,940)	(267,136)	(522,699)	(1,079,504)
Interest payment	(35,714)	(50,546)	(53,950)	(96,087)
Interests and charges	63,407	8,693	85,207	81,522
Criterion change (i)	-	-	(406,505)	-
Total	918,776	540,622	1,208,621	936,685

(i) Referring to change of control in investees

Covenants

Some loan agreements mentioned above have covenants that determine maximum levels of indebtedness and leverage, as well as minimum levels of coverage of installments falling due, which must be met on a quarterly basis. Below, we demonstrate the required indices:

	<u>Requeired indez contractually</u>
Net debt (added from properties payable and deducted from SFH debt) / Shareholders' equity	Equal or lower than 0.7
Receivables (added from real estate for sale) / net debt (added from real estate payable and unappropriated costs and expenses)	Equal or higher than 1.5 or lower than 0

All contractual clauses were addressed as of December 31, 2020 and December 31, 2019.

11. DEBENTURES (PARENT COMPANY AND CONSOLIDATED)

a) The summary of the characteristics and the balances of the debentures shown below:

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	Cyma 01
Series Issued	First
Type of issuance	Simple
Issuance nature	Private
Issuance date	10/31/2017
Maturity	10/31/2022
Type of Debentures	Unsecured
Condition of remuneration	0.3% of net sales revenue of standalone units of the Klabin Cyma project
Nominal value (unit)	500
Securities issued (unit)	8
Securities in the market (unit)	8
Securities redeemed (unit)	-
Interest Payment Method	6 months after expiration
Amortization installments	1
	Consolidated
	CYMA 01
Debentures payable	4,000
Interest on debentures payable	1,886
Expenses	-
Total	5,886
Current	1,886
Non-current	4,000

The debentures may be redeemed in advance, at the sole discretion of the Company. The Company may also acquire debentures circulating on the market, subject to current legislation.

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The breakdown of these balances is as follows:

Term	Consolidated	
	2020	2019
24 months	4,000	4,000
Total	4,000	4,000

Changes in the “Debentures” balance are shown below:

	Parent company		Consolidated	
	2020	2019	2020	2019
Opening balance	153,860	153,710	159,105	158,401
Payment of principal	(150,000)	-	(150,000)	-
Interest payment	(5,045)	(6,762)	(5,045)	(6,762)
Interests and charges	1,185	6,912	1,826	7,466
Total	(0)	153,860	5,886	159,105

b) Covenants

Debentures issuance deed CYMA 01 presents clauses that determine early maturity in case of Issuer’s bankruptcy or court-ordered reorganization claims.

These covenants were fully complied with in the year ended December 31, 2020 and December 31, 2019.

12. CERTIFICATES OF REAL ESTATE RECEIVABLE - CRI (PARENT COMPANY AND CONSOLIDATED)

a) Brazil Realty Companhia Securitizadora de Créditos Imobiliários S/A (“Securitizadora”)

On December 14, 2011, Securitizadora carried out its 1st series of the 1st issuance of CRI operations, approved at a meeting of the Board of Directors held on February 23, 2011. On May 09, 2018, Securitizadora carried out the 8th issuance of CRI, approved at a meeting of the Board of Directors held on May 08, 2018.

The placement of the CRIs on the market of the 1st series of the 1st issuance occurred through the public offering of 900 nominative and book-entry CRIs with a unit value of R\$ 300, totaling R\$ 270,000; the 8th issuance with 390,000 nominative and book-entry CRIs, with an unit value of R\$ 1, totaling R\$ 390,000. As defined in the Terms of Securitization of Real Estate Credit, the CRIs of the 1st issuance is guaranteed by the lien of:

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- Credit rights arising from the sale of real estate development units owned by the fiduciary assignor (investees of the Parent Company) and of the Company, rights and amounts deposited by the purchasers of the real estate units, by the fiduciary assignor or by the Parent Company, in bank accounts specifically designated for the receipt of such amounts, pursuant to the agreement on fiduciary assignment.

The CRIs of 1st Issuance are backed by real estate credits arising from CCBs issued by the Company, while the CRIs of the 8th Issuance are backed by real estate credits arising from Debentures issued by the Company. Securitizadora established the “Fiduciary Regime” on Real Estate Credits, in accordance with the Term of Securitization, pursuant to article 9 of Law 9.514/97, with the appointment of Pentágono S.A. Distributor of Securities as a fiduciary agent. The Real Estate Credits and the Guarantee subject to the Fiduciary Regime will be detached from the shareholders' equity of the subsidiary and will become separate assets, specifically for the payment of CRIs and other obligations related to the Fiduciary Regime, pursuant to article 11 of Law 9514/97. The CRIs were admitted to negotiation in the CETIP 21 da CETIP S.A. - Balcão Organizado de Ativos e Derivativos and, in the Bovespafix System of B3 S.A. - Brasil Bolsa Balcão - Novo Mercado, respectively.

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The main characteristics of the 1st and 8th issuances, are:

Characteristics	1st Series of 1st issuance (i)	1st series of the 8th issuance (ii)
Issuing date	06/14/2011	05/09/2018
Amortization date	Half-yearly interest and principal as of June 1st, 2023.	June 09th, 2020, June 09th, 2021 and June 9th, 2022.
Unit nominal value in issuance	300	1
Number of certificates issued	900	390.000
Remuneration	There will be no monetary restatement and there will be interest on the balance of the nominal unit value, as of the date of issuance, corresponding to the rate of 107% of the DI rate, calculated and disclosed by CETIP.	Remuneration interest corresponding to 102% (one hundred and two percent) of the DI Rate calculated and disclosed by CETIP.
Retrocession	None. The calculation of the minimum coverage ratio is carried out by dividing: (a) the balance of restricted accounts multiplied by a weighting factor of 1.1, plus the amount equivalent to the balance due on real estate credit rights multiplied by a weighting factor equivalent to 1, and (b) the debt balance of the guaranteed obligations in the calculation date. The result of said division must be equal to or greater than 110%.	None. Non-compliance with any of the financial ratios listed below, to be calculated quarterly by the Issuer based on its audited consolidated financial statements for the quarters ended March, June, September and December of each year, and verified by the Securitization Company up to 5 days after receiving the calculation sent by the Issuer ("Financial Ratios"): (i) the ratio between (A) the sum of Net Debt and Real Estate Payable; and (B) Shareholders' Equity; shall always be equal or less than 0.80 (eighty hundredths); and (ii) the ratio between (A) the sum of Total Receivables and Real Estate for Sale; and (B) the sum of Net Debt, Real Estate Payable and Unappropriated Costs and Expenses; it must always be equal to or greater than 1.5 (one point fifty) or less than 0(zero).
Covenants		

- (i) The default of receivables linked to the issuance of the CRI does not have any impact on the operation, since the receivables are only a guarantee of future payment.
- (ii) Risk rating: on November 09, 2020, the Company obtained a report containing the risk assessment of 1st Series of 8th Issuance of CRI from Securitization Company of Ba2 (global scale) and Aa3.br (national scale) from a rating agency Moody's Investors Service. The Company monitors the rating reports (risk assessment) of the securitization operations on a regular basis

b) Gaia Securitizadora S/A ("Gaia")

CRIs of Gaia's fourth issuance of the 102nd and 103rd series are backed by receivables portfolio acquired by Gaia, which, on its turn, issued 256 per Real Estate Credit Bills (CCI) in conformity with Law 10,931/04 ("Real Estate Credits"). Gaia established the "Fiduciary Regime" on Real Estate Credits, in accordance with the Term of Securitization, pursuant to article 9th of Law 9,514/97, with the appointment of Pentágono S.A. Distribuidora de Títulos e Valores Mobiliários as a fiduciary agent. The Real Estate Credits and the Guarantee subject to the Fiduciary Regime will be detached from the shareholders' equity of Gaia and will become separate assets, specifically for the payment of CRIs and other obligations related to the Fiduciary Regime, pursuant to article 11 of Law 9,514/97. CRIs were accepted for negotiation in CETIP 21 System of B3.

The placement of the CRIs in the market occurred through a public offer of 792 nominative and book-entry senior CRIs (102nd series), with an unit value of R\$ 100, totaling R\$ 79,210, and 210 nominative and book-entry subordinated CRIs (103rd series), with an unit value of R\$ 100, totaling R\$ 21,056, fully acquired by the Company. The Senior CRIs have preference in receiving interest, principal and late payment charges incurred in relation to Subordinated CRIs. Accordingly, Subordinated CRIs cannot be redeemed by the Issuer prior to the full redemption of Senior CRIs.

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CRIs of Gaia’s fourth issuance of the 109th and 110th series are backed by receivables portfolio acquired by Gaia, which, on its turn, issued 147 per Real Estate Credit Bills (CCI) in conformity with Law 10,931/04 (“Real Estate Credits”). Gaia established the “Fiduciary Regime” on Real Estate Credits, in accordance with the Term of Securitization, pursuant to article 9th of Law 9,514/97, with the appointment of Pentágono S.A. Distribuidora de Títulos e Valores Mobiliários as a fiduciary agent. The Real Estate Credits and the Guarantee subject to the Fiduciary Regime will be detached from the shareholders’ equity of Gaia and will become separate assets, specifically for the payment of CRIs and other obligations related to the Fiduciary Regime, pursuant to article 11 of Law 9,514/97. CRIs were accepted for negotiation in CETIP 21 System of B3.

The placement of the CRIs in the market occurred through a public offer with restricted efforts of 802 nominative and book-entry senior CRIs (109th series), with par value of R\$ 126, totaling R\$ 101,234, and 213 nominative and book-entry subordinated CRIs (110th series), with par value of R\$ 126, totaling R\$ 26,910, fully acquired by the Company. The Senior CRIs have preference in receiving interest, principal and late payment charges incurred in relation to Subordinated CRIs. Accordingly, Subordinated CRIs cannot be redeemed by the Issuer prior to the full redemption of Senior CRIs.

Characteristic	102nd series of the 4th issuance	103rd series of the 4th issuance	109th series of the 4th issuance	110th series of the 4th issuance	
Issuing date	07/06/2017	07/06/2017	06/20/2018	06/20/2018	
Amortization date	Monthly according to Attachment II to the Securitization Term				
Unit nominal value in issuance	100.013,04	100.266,24	126.237,45	126.340,07	
Remuneration	Remuneration interest corresponding to 100% of the DI Rate, plus a spread of 1.2% per annum.	Remuneration interest corresponding to 100% of the DI Rate, plus a spread of 5% per annum.	Remuneration interest corresponding to 100% of the DI Rate, plus a spread of 1.2% per annum.	Remuneration interest corresponding to 100% of the DI Rate, plus a spread of 5% per annum.	
Retrocession	None.		None.		
Comments	Payment of Senior Certificates of Real Estate Receivables (CRI). The proceeds from payments and prepayments of Total Real Estate Credits will be fully used, according to the Payment Cascade, for the exclusive payment of Senior CRI (“Payment of Senior CRI”) whenever, on a monthly basis, the ratio between (i) the payment amount due to the Senior CRI for the period, and (ii) the sum of the total amounts received for the period, is greater than or equal to 80%. (“Event Payment of Senior CRI”). Payment of Subordinated CRI. Observing the Cascade of Payments, the funds from payments and prepayments of Total Real Estate Credits due to the Subordinated CRI will be retained in the Centralizing Account if it is verified, monthly, that the ratio between (i) the payment amount due to the Senior CRI for the period, and (ii) the sum of the total amounts received for the period, is lower than 80% and greater than or equal to 77.50% during the respective month, as verified by the Issuer (“Subordinated CRI Payment Event”). The funds retained in the Centralizing Account, as provided for in item 9.5 above, will be used for payment of the Subordinated CRI (“Payment of the Subordinated CRI”) whenever (i) the ratio between (i) the payment amount due to the Senior CRI in the period, and (ii) the sum of the total amounts received for the period, is lower than 77.50%, during the respective month, as verified by the Issuer, and (ii) the following equation is complied with, respecting the payment dates provided for in the Current Table: Senior CRI NPV/Total CRI NPV >= 80%.		Payment of Senior Certificates of Real Estate Receivables (CRI). The proceeds from payments and prepayments of Total Real Estate Credits and Cyrela CCI Real Estate Credits Issued will be fully used, according to the Payment Cascade, for the exclusive payment of Senior CRI (“Payment of Senior CRI”) whenever, on a monthly basis, the ratio between (i) the payment amount due to the Senior CRI for the period, and (ii) the sum of the total amounts received for the period, is greater than or equal to 80%. (“Event Payment of Senior CRI”). Payment of Subordinated CRI. Observing the Cascade of Payments, the funds from payments and prepayments of Total Real Estate Credits and Cyrela CCI Real Estate Credits Issued due to the Subordinated CRI will be retained in the Centralizing Account if it is verified, monthly, that the ratio between (i) the payment amount due to the Senior CRI for the period, and (ii) the sum of the total amounts received for the period, is lower than 80% and greater than or equal to 77.50% during the respective month, as verified by the Issuer (“Subordinated CRI Payment Event”). The funds retained in the Centralizing Account will be used for payment of the Subordinated CRI (“Payment of the Subordinated CRI”) whenever (i) the ratio between (i) the payment amount due to the Senior CRI in the period, and (ii) the sum of the total amounts received for the period, is lower than 77.50%, during the respective month, as verified by the Issuer, and (ii) the following equation is complied with, respecting the payment dates provided for in the Current Table: Senior CRI Balance/Total CRI NPV >= 80%.		

CRIs of Gaia’s fourth issuance of the 131st and 134th series are backed by receivables portfolio acquired by Gaia, which, on its turn, issued 160 per Real Estate Credit Bills (CCI) in conformity with Law 10,931/04 (“Real Estate Credits”). Gaia established the “Fiduciary Regime” on Real Estate Credits, in accordance with the Term of Securitization, pursuant to article 9th of Law 9,514/97, with the appointment of Pentágono S.A. Distribuidora de Títulos e Valores Mobiliários as a fiduciary agent. The Real Estate Credits and the Guarantee subject to the Fiduciary Regime will be detached from the shareholders’ equity of Gaia and will become separate assets, specifically for the payment of CRIs and other obligations related to the Fiduciary Regime, pursuant to article 11 of Law 9,514/97. CRIs were accepted for negotiation in CETIP 21 System of B3.

The placement of the CRIs on the market occurred through the public offering with restricted efforts of 74,072 units of Senior CRIs (131st series) nominative and book-entry CRIs with a unit value of R\$ 1, totaling R\$ 74,072; 10,581 nominative and book-entry Mezzanine CRIs 1 (132nd series), with a unit value of R\$ 1, totaling R\$ 10,852; 3,174 nominative and book-entry Mezzanine CRIs 2 (133rd series), with a unit value of R\$ 1, totaling R\$ 3,174; and 17,088 nominative and book-entry Subordinated CRIs (134th series), with a unit value of R\$ 1, totaling R\$ 17,989 fully acquired by

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the Company. The Senior CRIs have preference in receiving interest, principal and late payment charges incurred in relation to Subordinated CRIs. Accordingly, Subordinated CRIs cannot be redeemed by the Issuer prior to the full redemption of Senior CRIs.

Characteristics	131st series of 4th issuance	132nd series of the 4th issuance	133rd series of 4th issuance	134th series of 4th issuance
Issuing date	12/13/2019	12/13/2019	12/13/2019	12/13/2019
Amortization date	Monthly			
Remuneration	Interest corresponding to 100% of CDI plus a spread of 1%	Interest corresponding to 100% of CDI plus a spread of 3.4%	Interest corresponding to 100% of CDI plus a spread of 6%	Interest corresponding to 100% of CDI plus a spread of 7%
Retraction	None			
Covenants	<p>4th Issuance of CRI by GAIA Securitizadora, 131, 132, 133 and 134 Series. The Payment Order must follow the seniority level of each series, sequentially, as follows: Senior Series (No. 131), Mezzanine Series (No. 132), mezzanine Series 2 (No. 133), Subordinates Series (No. 134) and all remuneration payments to CRI holders will only be made after payments of the appropriate equity costs separate from the issue. The Subordinated Series will only be paid after payments for the series with the highest seniority level; the Subordinated Series will also feature a non-sequential/monthly performance premium. The funds retained in the Centralizing Account, as provided for in item 7.2. of the Securitization Term, will be used to pay the Junior CRIs whenever the following equation is fulfilled, respecting the payment dates provided for in the Current Table: (Balance Senior CRI, Mezzanine CRI 1 and Mezzanine CRI 2/Total CRI NPV) \geq Seniority Index. The present issue observes the following CVM instructions (iCVM): CVM Instruction 414; CVM Instruction 476; CVM Instruction 539; CVM Instruction 583; The issuance process took place through Public Issuance with restricted placement efforts, in compliance with iCVM 476. This issue complies with the following laws: "Corporate Law" or "Law 6404; Law 8.981; Law 9.307; Law 9.514; Law 10.931; Law 12846 and, where applicable, the US Foreign Corrupt Practice Act of 1977 and the UK Bribery Act of 2000.</p>			

CRIs of Gaia's fourth issuance of the 140th and 141st series are backed by receivables portfolio acquired by Gaia, represented by 80 Real Estate Credit Bills (CCI) in conformity with Law 10,931/04 ("Real Estate Credits"). Gaia established the "Fiduciary Regime" on Real Estate Credits, in accordance with the Term of Securitization, pursuant to article 9th of Law 9,514/97, with the appointment of Pentágono S.A. Distribuidora de Títulos e Valores Mobiliários as a fiduciary agent. The Real Estate Credits and the Guarantee subject to the Fiduciary Regime will be detached from the shareholders' equity of Gaia and will become separate assets, specifically for the payment of CRIs and other obligations related to the Fiduciary Regime, pursuant to article 11 of Law 9,514/97. CRIs were accepted for negotiation in CETIP 21 System of B3.

The placement of the CRIs on the market occurred through the public offering with restricted efforts of 86,465 units of Senior CRIs (140th series) nominative, with an unit par value of R\$ 1,000.01; and 37,056 Units of Subordinated CRIs (141st series), with unit face value of R\$ 1,000.01, fully acquired by the Company. The Senior CRIs have preference in receiving interest, principal and late payment charges incurred in relation to Subordinated CRIs. Accordingly, Subordinated CRIs cannot be redeemed by the Issuer prior to the full redemption of Senior CRIs.

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Characteristics	140th series of the 4th issuance	141st series of the 4th issuance
Issuing date	09/30/2020	09/30/2020
Unit nominal value in issuance	1000,01	1000,01
Amortization date	Monthly	
Remuneration	IPCA + 5%	IPCA + 7.5%

Retrocession None

Covenants	<p>4th Issue of CRI by GAIA Securitizadora, 140 and 141 Series. All remuneration payments to CRI holders will only be made after payments of the appropriate equity costs separate from the issue. The Subordinated Series will only be paid after payments for the series with the highest seniority level; the Subordinated Series will also feature a non-sequential/monthly performance premium. The funds retained in the Centralizing Account, as provided for in item 7.2. of the Securitization Term, will be used to pay the Junior CRIs whenever the following equation is fulfilled, respecting the payment dates provided for in the Current Table: (Balance of Senior CRI / Total CRI VPL) ≤ Seniority Index. The present issue observes the following CVM instructions (iCVM): CVM Instruction 414; CVM Instruction 476; CVM Instruction 539; CVM Instruction 583; The issuance process took place through Public Issuance with restricted placement efforts, in compliance with iCVM 476. This issue complies with the following laws: "Corporate Law" or "Law 6404; Law 8,981; Law 9,307; Law 9,514; Law 10,931; Law 12846 and, where applicable, the US Foreign Corrupt Practice Act of 1977 and the UK Bribery Act of 2000.</p>	
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CRIs of Gaia's fourth issuance of the 145th and 146th series are backed by receivables portfolio acquired by Gaia, represented by 74 Real Estate Credit Bills (CCI) in conformity with Law 10,931/04 ("Real Estate Credits"). Gaia established the "Fiduciary Regime" on Real Estate Credits, in accordance with the Term of Securitization, pursuant to article 9th of Law 9,514/97, with the appointment of Simplific Pavarini DTVM Ltda. as a fiduciary agent. The Real Estate Credits and the Guarantee subject to the Fiduciary Regime will be detached from the shareholders' equity of Gaia and will become separate assets, specifically for the payment of CRIs and other obligations related to the Fiduciary Regime, pursuant to article 11 of Law 9,514/97. CRIs were accepted for negotiation in CETIP 21 System of B3.

The placement of the CRIs on the market occurred through the public offering with restricted efforts of 33,674 units of Senior CRIs (145th series), with an unit par value of R\$ 1; and 14,431 Units of Subordinated CRIs (146th series), with a unit face value of R\$ 1, totaling R\$ 14,431, fully acquired by the Company. The Senior CRIs have preference in receiving interest, principal and late payment charges incurred in relation to Subordinated CRIs. Accordingly, Subordinated CRIs cannot be redeemed by the Issuer prior to the full redemption of Senior CRIs.

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Characteristics	145th series of the 4th issuance	146th series of the 4th issuance
Issuing date	10/16/2020	10/16/2020
Unit nominal value in issuance	1,00	1,00
Amortization date	Monthly	
Remuneration	CDI + 3.75%	CDI + 5%
Retrocession	None	
Covenants	<p style="text-align: center;">4th Issuance of CRI by GAIA Securitizadora, 145 and 146 Series</p> <p>The Payment Order must follow the seniority level of each series, sequentially, as follows: Senior Series (No. 145), Subordinated Series (No. 146). All remuneration payments to CRI holders will only be made after payments of the appropriate equity costs separate from the issuance. The Subordinated Series will only be paid after payments for the series with the highest seniority level; the Subordinated Series will also feature a non-sequential/monthly performance premium. The funds retained in the Centralizing Account, as provided for in item 7.2. of the Securitization Term, will be used to pay the Junior CRIs whenever the following equation is fulfilled, respecting the payment dates provided for in the Current Table: $(\text{Balance of Senior CRI} / \text{Total CRI VPL}) \leq \text{Seniority Index}$. The present issue observes the following CVM instructions (iCVM): CVM Instruction 414; CVM Instruction 476; CVM Instruction 539; CVM Instruction 583; The issuance process took place through Public Issuance with restricted placement efforts, in compliance with iCVM 476. This issue complies with the following laws: "Corporate Law" or "Law 6404; Law 8,981; Law 9,307; Law 9,514; Law 10,931; Law 12846 and, where applicable, the US Foreign Corrupt Practice Act of 1977 and the UK Bribery Act of 2000.</p>	

CRIs of Gaia's fourth issuance of the 167th and 168th series are backed by receivables portfolio acquired by Gaia, represented by 188 Real Estate Credit Bills (CCI) in conformity with Law 10,931/04 ("Real Estate Credits"). Gaia established the "Fiduciary Regime" on Real Estate Credits, in accordance with the Term of Securitization, pursuant to article 9th of Law 9,514/97, with the appointment of VÓRTX DISTRIBUIDORA DE TÍTULOS E VALORES MOBILIÁRIOS LTDA. as a fiduciary agent. The Real Estate Credits and the Guarantee subject to the Fiduciary Regime will be detached from the shareholders' equity of Gaia and will become separate assets, specifically for the payment of CRIs and other obligations related to the Fiduciary Regime, pursuant to article 11 of Law 9,514/97. CRIs were accepted for negotiation in CETIP 21 System of B3.

The placement of the CRIs on the market occurred through the public offering with restricted efforts of 142,875 units of Senior CRIs (167th series), with an unit par value of R\$ 1; and 47,625 Units of Subordinated CRIs (168th series), with a unit face value of R\$ 1, totaling R\$ 47,625, fully acquired by the Company. The Senior CRIs have preference in receiving interest, principal and late payment charges incurred in relation to Subordinated CRIs. Accordingly, Subordinated CRIs cannot be redeemed by the Issuer prior to the full redemption of Senior CRIs.

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Characteristics	167th series of the 4th issuance	168th series of the 4th issuance
Issuing date	12/15/2020	12/15/2020
Unit nominal value in issuance	1.00	1.00
Amortization date	Monthly	
Remuneration	IPCA + 5%	IPCA + 8%
Retrocession	None	
Covenants	<p style="text-align: center; margin: 0;">4th Issuance of CRI by GAIA Securitizadora, 167 and 168 Series</p> <p style="margin: 0;">The Payment Order must follow the seniority level of each series, sequentially, as follows: Senior Series (No. 167), Subordinated Series (No. 168). All remuneration payments to CRI holders will only be made after payments of the appropriate equity costs separate from the issuance. The Subordinated Series will only be paid after payments for the series with the highest seniority level; the Subordinated Series will also feature a non-sequential/monthly performance premium. The funds retained in the Centralizing Account, as provided for in item 7.2. of the Securitization Term, will be used to pay the Junior CRIs whenever the following equation is fulfilled, respecting the payment dates provided for in the Current Table: $(\text{Balance of Senior CRI} / \text{Total CRI VPL}) \leq \text{Seniority Index}$. The present issue observes the following CVM instructions (iCVM): CVM Instruction 414; CVM Instruction 476; CVM Instruction 539; CVM Instruction 583; The issuance process took place through Public Issuance with restricted placement efforts, in compliance with iCVM 476. This issue complies with the following laws: "Corporate Law" or "Law 6404; Law 8,981; Law 9,307; Law 9,514; Law 10,931; Law 12846 and, where applicable, the US Foreign Corrupt Practice Act of 1977 and the UK Bribery Act of 2000.</p>	

c) RB Capital Companhia de Securitização S/A ("RB Capital")

On April 5, 2019 RB Capital issued the 211st Series of the 1st Issuance of Certificates of Real Estate Receivables (CRIs).

The placement of the CRIs on the market occurred through the public offering by means of CVM Instruction 476 (restricted efforts) of 100,000 nominative and book-entry CRIs with a unit value of R\$ 1, totaling R\$ 100,000.

On July 15, 2019 RB Capital issued the 212nd Series of the 1st Issuance of Certificates of Real Estate Receivables (CRIs).

The placement of the CRIs on the market occurred through the public offering by means of CVM Instruction 400 of 601,809 nominative and book-entry CRIs with an unit value of R\$ 1, totaling R\$ 601,809.

On July 23, 2020 RB Capital issued the 283rd and 285th Series of the 1st Issuance of Certificates of Real Estate Receivables (CRIs).

The placement of the CRIs on the market occurred through the public offering by means of CVM Instruction 476 (restricted efforts) of 100,000 nominative and book-entry CRIs with a unit value of R\$ 1, totaling R\$ 100,000.

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The CRIs of 211st and 212nd Series of 1st Issuance of RB Capital and also CRI of 283rd and 285th Series of 1st Issue are backed by real estate credits arising from debentures issued by the Company. All real estate credits are represented by a Real Estate Credit Bill - CCI, which were acquired by RB Capital pursuant to Law 10,931/04 (“RB Capital Real Estate Credits”) by means of private instrument regarding a real estate credit assignment agreement. RB Capital established the “Fiduciary Regime” on RB Capital Real Estate Credits, in accordance with the Term of Securitization, pursuant to article 9th of Law 9,514/97, with the appointment of Simplific Pavarini DTVM Ltda as a fiduciary agent of 211st and 212nd series of 1st Issuance of RB Capital and appointment of Pentágono S.A. Distribuidora de Títulos e Valores Mobiliários as a fiduciary agent of 283rd and 285th Series of 1st Issuance of RB Capital. The RB Capital Real Estate Credits and the Guarantee subject to the Fiduciary Regime will be detached from the shareholder’s equity of the subsidiary and will become separate assets, specifically for the payment of CRIs and other obligations related to the Fiduciary Regime, pursuant to article 11 of Law 9,514/97. The CRIs were admitted to negotiation in the CETIP 21 da CETIP S.A. - Balcão Organizado de Ativos e Derivativos and, in the Bovespafix System of B3 S.A. - Brasil Bolsa Balcão - Novo Mercado, respectively.

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The main characteristics of the 211st, 212nd, 283rd and 285th series of the 1st Issuance of RB Capital are

Characteristics	211st Series of 1st Issuance	212nd Series of 1st Issuance (i)	283rd and 285th Series of the 1st Issuance
Issuing date	05/04/2019	07/15/2019	07/23/2019
Amortization date	Quarterly interest and principal value as of April 9, 2023, October 9, 2023 and April 09, 2024	Semi-annual interest and principal value as of January 15, 2023, July 15, 2023, January 15, 2024 and July 15, 2024	Monthly interest and amortization and 87.3% of the principal amount due on April 15, 2025
Unit nominal value in issuance	1	1	1
Number of certificates issued	100,000	601,809	100,000
Remuneration	There will be no monetary restatement and there will be interest on the balance of the nominal unit value, as of the date of issuance, corresponding to the rate of 100% of the DI rate, calculated and disclosed by CETIP.	There will be no monetary restatement and there will be interest on the balance of the nominal unit value, as of the date of issue, corresponding to the rate of 100% of the DI rate, calculated and disclosed by CETIP.	The underlying Debentures will have their Unit Nominal Value or balance of the Unit Nominal Value, as the case may be, monetarily restated as of the first date of payment of the Debentures, by the accumulated variation of the IPCA, calculated exponentially and cumulatively on a pro rata temporis basis by Working Days. Without prejudice to the Monetary Updating, the remuneration that the CRI Holders will be entitled to corresponds to a surcharge of 3.91% per annum, based on 252 working days, calculated exponentially and cumulatively on a pro rata temporis basis per working day, incurred on the Updated Nominal Value.
Retrocession	None	None	None
Covenants	Non-compliance with any of the financial ratios listed below, to be calculated quarterly by the Issuer based on its audited consolidated financial statements for the quarters ended March, June, September and December of each year, and verified by the Securitization Company up to 5 days after receiving the calculation sent by the Issuer ("Financial Ratios"): (i) the ratio between (A) the sum of Net Debt and Real Estate Payable; and (B) Shareholders' Equity; shall always be equal or less than 0.80; and (ii) the ratio between (A) the sum of Total Receivables and Real Estate for Sale; and (B) the sum of Net Debt, Real Estate Payable and Unappropriated Costs and Expenses; it must always be equal to or greater than 1.5 or less than 0.	Non-compliance with any of the financial ratios listed below, to be calculated quarterly by the Issuer based on its audited consolidated financial statements for the quarters ended March, June, September and December of each year, and verified by the Securitization Company up to 5 days after receiving the calculation sent by the Issuer ("Financial Ratios"): (i) the ratio between (A) the sum of Net Debt and Real Estate Payable; and (B) Shareholders' Equity; shall always be equal or less than 0.80; and (ii) the ratio between (A) the sum of Total Receivables and Real Estate for Sale; and (B) the sum of Net Debt, Real Estate Payable and Unappropriated Costs and Expenses; it must always be equal to or greater than 1.5 or less than 0.	Non-compliance with any of the financial ratios listed below, to be calculated quarterly by the Issuer based on its audited consolidated financial statements for the quarters ended March, June, September and December of each year, and verified by the Securitization Company up to 5 days after receiving the calculation sent by the Issuer ("Financial Ratios"): (i) the ratio between (A) the sum of Net Debt and Real Estate Payable; and (B) Shareholders' Equity; shall always be equal or less than 0.80; and (ii) the ratio between (A) the sum of Total Receivables and Real Estate for Sale; and (B) the sum of Net Debt, Real Estate Payable and Unappropriated Costs and Expenses; it must always be equal to or greater than 1.5 or less than 0.

- (i) Risk rating: on February 14, 2020, S&P Global Ratings assigned the rating brAAA (national scale) to the 212th Series of the 1st Issuance of real estate receivables (CRIs) of RB Capital, through a report covering the risk assessment of said issue. The Company monitors the rating reports (risk assessment) of the securitization operations on a regular basis

d) Balances, maturities and changes in CRIs

The consolidated balance in liabilities, reported in the financial statements, can be demonstrated as follows:

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Issuance	Parent company					
	2020			2019		
	Balance	Interest payable	Total	Balance	Interest payable	Total
1st Series of 1st issuance - code 12E0019753	43,200	76	43,276	43,200	174	43,374
less: Expenses with issuance of CRI	(125)	-	(125)	-	-	-
1st series of the 8th issue - code 18E0907339	260,000	220	260,220	390,000	1,210	391,210
less: expenses with issuance of CRI	(2,502)	-	(2,502)	(4,253)	-	(4,253)
102nd series of the 4th issue - code 17G0848381	14,618	14	14,632	14,048	40	14,088
less: expenses with issuance of CRI	-	-	-	-	-	-
109th series of the 4th issue - code 18F0924515	36,847	36	36,883	58,830	94	58,924
less: expenses with issuance of CRI	-	-	-	-	-	-
131st, 132nd and 133rd series of the 4th issue - code 19K1139473, 19K1139655 and 19K1139656	63,761	118	63,879	87,828	441	88,269
less: expenses with issuance of CRI	-	-	-	-	-	-
140th series of the 4th issue - code 20H0794682	86,950	183	87,132	-	-	-
less: expenses with issuance of CRI	-	-	-	-	-	-
211st Series of 1st issuance - code 19D0618118	100,000	449	100,449	100,000	1,260	101,260
less: expenses with issuance of CRI	(853)	-	(853)	(1,197)	-	(1,197)
212nd Series of 1st issuance - code 19G0000001	601,809	5,406	607,215	601,809	15,651	617,460
less: expenses with issuance of CRI	(7,371)	-	(7,371)	(9,719)	-	(9,719)
283rd and 285th Series of the 1st issue - code 20G0855350 and 20G0855277	101,053	77	101,130	-	-	-
less: expenses with issuance of CRI	(280)	-	(280)	-	-	-
145th Series of the 4th issue - code 20J0647410	33,200	88	33,289	-	-	-
less: expenses with issuance of CRI	-	-	-	-	-	-
167th Series of the 4th issue - code 20L0610016	-	-	-	-	-	-
less: expenses with issuance of CRI	-	-	-	-	-	-
	1,330,306	6,668	1,336,973	1,280,546	18,870	1,299,416
Current	165,294	6,668	171,962	159,379	18,870	178,249
Non-current	1,165,012	-	1,165,012	1,121,167	-	1,121,167

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Issuance	Consolidated					
	2020			2019		
	Balance	Interest payable	Total	Balance	Interest payable	Total
1st Series of 1st issuance - code 12E0019753	43,200	76	43,276	43,200	174	43,374
less:						
Expenses with issuance of CRI	(125)	-	(125)	-	-	-
1st series of the 7th issue - code 16L0195217	-	-	-	30,000	59	30,059
less:						
expenses with issuance of CRI	-	-	-	-	-	-
1st series of the 8th issue - code 18E0907339	260,000	220	260,220	390,000	1,210	391,210
less:						
expenses with issuance of CRI	(2,502)	-	(2,502)	(4,253)	-	(4,253)
102nd series of the 4th issue - code 17G0848381	16,917	14	16,931	30,206	40	30,246
less:						
expenses with issuance of CRI	-	-	-	-	-	-
109th series of the 4th issue - code 18F0924515	42,502	36	42,538	71,608	94	71,702
less:						
expenses with issuance of CRI	-	-	-	-	-	-
131st, 132nd and 133rd series of the 4th issue - code 19K1139473, 19K1139655 and 19K1139656	63,761	118	63,879	87,828	441	88,269
less:						
expenses with issuance of CRI	-	-	-	-	-	-
140th series of the 4th issue - code 20H0794682	86,950	183	87,132			
less:						
expenses with issuance of CRI	-	-	-			
211st Series of 1st issuance - code 19D0618118	100,000	449	100,449	100,000	1,260	101,260
less:						
expenses with issuance of CRI	(853)	-	(853)	(1,197)	-	(1,197)
212nd Series of 1st issuance - code 19G0000001	601,809	5,406	607,215	601,809	15,651	617,460
less:						
expenses with issuance of CRI	(7,371)	-	(7,371)	(9,719)	-	(9,719)
283rd and 285th Series of the 1st issue - code 20G0855350 and 20G0855277	101,053	77	101,130			
less:						
expenses with issuance of CRI	(280)	-	(280)			
236th Series of 1st issuance - code 19K1036630	-	-	-	50,000	233	50,233
less:						
expenses with issuance of CRI	-	-	-	(160)	-	(160)
145th Series of the 4th issue - code 20J0647410	33,200	88	33,289	50,000	233	50,233
less:						
expenses with issuance of CRI	-	-	-	(160)	-	(160)
167th Series of the 4th issue - code 20L0610016	143,351	219	143,569	50,000	233	50,233
less:						
expenses with issuance of CRI	-	-	-	(160)	-	(160)
	1,481,610	6,886	1,488,497	1,389,322	19,162	1,408,484
Current	195,250	6,886	202,136	198,544	19,162	217,706
Non-current	1,286,361	-	1,286,361	1,190,779	-	1,190,779

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The breakdown of these balances is as follows:

Year	Parent company		Consolidated	
	2020	2019	2020	2019
12 months	171,962	178,249	202,137	217,706
24 months	166,230	153,858	191,562	160,627
36 months	443,170	147,039	458,574	201,441
48 months	365,204	427,784	378,777	430,348
60 months	111,113	371,675	122,752	373,665
> 60 months	79,295	20,810	134,696	24,697
Total	1,336,974	1,299,416	1,488,499	1,408,484

The movements of the balances are shown below:

	Parent company		Consolidated	
	2020	2019	2020	2019
Opening balance	1,299,416	524,387	1,408,484	597,250
Additions	218,513	790,078	361,863	840,078
Payment of principal	(179,268)	(21,929)	(195,063)	(19,196)
Interest payment	(43,106)	(29,410)	(43,680)	(52,698)
Interests and charges	41,420	36,290	36,893	43,050
Criterion change (i)	-	-	(80,000)	-
Total	1,336,974	1,299,416	1,488,497	1,408,484

(i) Referring to change of control in investees

13. CREDITS RECEIVABLE AND OBLIGATIONS PAYABLE WITH RELATED PARTIES

a) Loan operations with related parties to finance civil works

The balances of the loan operations maintained with related parties have no predetermined maturity and are not subject to financial charges, except those signed with the joint ventures, when indicated.

Balances in parent company's and consolidated financial statements are presented as follows:

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	Parent company				Consolidated			
	Credits Receivable from Related Parties		Obligations payable with related parties		Credits Receivable from Related Parties		Obligations payable with related parties	
	2020	2019	2020	2019	2020	2019	2020	2019
Alleric Participações Ltda.	-	1	-	-	4,491	-	1	-
Angra Dos Reis Empreendimentos Imobiliários Ltda.	5,554	5,966	8,850	8,850	-	-	1,169	1,168
Anzonia Investimento Imobiliária Ltda.	-	-	5,724	5,724	-	-	5,724	5,724
Cashme Soluções Financeiras Ltda.	-	-	0	-	12,926	-	4	-
Cbr 044 Empreendimentos Imobiliários Ltda.	4,490	60	46	-	-	-	-	-
Cipasa Santa Maria Empreendimentos Imobiliários S/A	2,796	3,517	-	-	2,796	3,517	-	-
Corcovado Emp. Imob. Part.Ltda	-	-	16,797	16,797	-	-	16,797	16,797
Cury Construtora E Incorporadora S/A	14,300	81,947	-	-	14,300	81,947	-	-
Cybra De Investimento Imobiliária Ltda.	25	34	-	-	5,359	5,359	16	-
Cyrela Empreendimentos Imobiliários Comercial Importadora E Exportadora Ltda.	1,480	4,294	-	3,512	15	15	-	0
Cyrela Manaus Empreendimentos Imobiliários Ltda.	4,629	4,631	-	-	1,475	1,475	-	-
Cyrela Rjz Construtora E Empreendimentos Imobiliários Ltda.	10,197	5,582	20	23	66,514	66,150	0	17
Cyrela Sul 003 Empreendimentos Imobiliários Spe Ltda.	39	5,472	-	-	-	-	-	-
Cyrela Sul 008 Empreendimentos Imobiliários Spe Ltda.	98	5,716	-	-	-	-	-	-
Dona Margarida II Empreendimentos Imobiliários Ltda.	4,817	6	-	-	40	-	-	-
Goldstein Cyrela Empreendimentos Imobiliários S/A	153	142	-	3	39,287	41,193	-	3
Jacira Reis Empreendimentos Imobiliários Ltda.	-	-	5,351	2,781	-	-	5,351	2,781
Joe Horn	12,819	8,985	-	-	12,819	8,985	-	-
Jose Celso Gontijo Eng S/A	3,969	1,679	1,237	1,237	3,969	1,679	1,237	1,237
Lavvi Empreendimentos Imobiliários Ltda.	4,610	1,222	-	-	4,610	-	-	0
Little Hat Participações Ltda	-	-	9,059	12,647	-	-	9,059	12,647
Living 010 Empreendimentos Imobiliários Ltda.	6,520	6	-	-	36	-	-	-
Living Cedro Empreendimentos Imobiliários Ltda.	7,447	2	-	26	260	140	1	-
Living Empreendimentos Imobiliários S/A	51,532	1	-	519	284	161	2,843	7,354
Living Sul Empreendimentos Imobiliários Ltda.	9	8	-	-	4,760	6,221	-	-
Mac Empreendimentos Imobiliários Ltda.	766	8,366	100	258	766	8,366	100	258
Magik Lz Empreend Imob Ltda.	5,444	-	-	-	5,444	-	-	-
Moshe Mordenai Horn	7,661	2,348	-	-	7,661	2,348	-	-
Plano & Plano Desenvolvimento Imobiliários Ltda.	10,520	-	-	-	10,520	-	-	-
Plano Eucalipto Empreendimentos Imobiliários Ltda.	-	-	-	-	4,654	-	-	-
Precon Engenharia S.A.	120,389	74,019	-	-	120,389	74,019	-	-
Reserva Casa Grande Empreendimentos Imobiliários Ltda.	1	10,311	-	-	1	10,311	-	-
Sabia Salvador Alende Empreendimentos	-	-	3,652	-	-	-	3,652	-
Seller Consultoria Imobiliária E Representações Ltda.	471	1,951	14	-	18,834	17,049	-	-
SIG Empreendimentos Imobiliários Ltda.	-	-	11,029	12,647	-	-	11,029	12,647
Sk Realty Empreendimentos Imobiliários Ltda.	-	20,000	-	-	-	-	13	20,000
Spe Faicalville Incorporação I Ltda.	6,060	6,165	7,881	7,881	6,060	6,165	7,881	7,881
Vix One Empreendimentos Imobiliários Spe Ltda.	140,911	129,773	-	-	2,246	2,246	364	3
Other 647 SPEs with balances of up to R\$ 3.5M	59,341	51,826	30,456	26,704	33,313	31,649	24,555	22,132
	487,047	434,030	100,214	99,608	383,831	368,995	89,792	110,647

As of December 31, 2020, Cyrela Rjz Construtora e Empreendimento Imobiliários Ltda. has a balance of R\$ 63,152 (R\$ 61,451 as of December 31, 2019), which corresponds to advances granted to the company from which the land was acquired, as established in contract. Advances are subject to restatement based on the changes in CDI Interest is payable monthly, and the principal will be amortized through receipts corresponding to its stake in the joint venture.

As of December 31, 2020, the Company has dividends receivable from the investee Cury Construtora e Incorporadora S/A, totaling R\$ 14,103.

b) Operations

Operations maintained with related parties mainly represent services that involve the technical responsibility of projects and the control of all contractors who provide skilled construction labor, applied in the development of the joint ventures of the Company and its investees.

These operations are classified as costs incurred by the units under construction and allocated to P/L according to the stage of marketing of the units of the joint venture.

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c) Directors' fees

i) Global remuneration

The Company's global remuneration for 2020 was defined during the Ordinary General Meeting on July 23, 2020 in the amount of R\$ 15,838 (in 2019, the global remuneration was up to R\$ 12,398).

ii) Fixed Compensation

The fixed remunerations recorded in the Company's income (loss) are included under "Expenses on Management Fees" and may be stated as follows:

	Parent company		Consolidated		Total members	
	2020	2019	2020	2019	2020	2019
Board of Directors	2,282	1,583	2,282	1,583	7	7
Fiscal Council	145	145	145	145	3	3
Executive Board	2,537	2,480	2,537	2,480	5	5
Charges	993	842	993	842	-	-
	5,957	5,050	5,957	5,050	15	15
Benefits Board	3,211	3,178	3,211	3,178		
Executive Board's benefits	475	392	475	392		
	3,686	3,570	3,686	3,570		
Total	9,643	8,620	9,643	8,620		
Board of Directors - greater	372	269	372	269		
Board of Directors - lower	276	181	276	181		
Executive Board - greater	725	665	725	665		
Executive Board - lower	393	165	393	165		
Fiscal Council - greater	48	48	48	48		
Fiscal Council - lower	48	48	48	48		

iii) Variable remuneration

Pursuant to Article 41 of Company's bylaws, paragraph first, the assignment and profit sharing to administrators and employees, may only occur in fiscal years in which shareholders are assured the payment of the minimum mandatory dividend provided for in item IV of Article 38 in the Bylaws.

The Company has no stock option plans in force for new grants. Losses/gains related to contracts still in progress (vesting period) are recorded in a specific caption of "General and administrative expenses".

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The Company did not pay values as: (1) post-employment benefits (pensions, other retirement benefits, post-employment life insurance and medical care); (2) long-term benefits (license for years of service and long-term disability benefits); and (3) benefits on termination of employment contract.

14. CHECKING ACCOUNTS WITH PARTNERS OF JOINT VENTURES

The balances in net assets and liabilities are shown below:

	Parent company		Consolidated	
	2020	2019	2020	2019
Abc Realty De Investimento Imobiliária Ltda	-	-	1,124	1,125
Baronesa Empreendimentos Imobiliários S.A.	-	-	1,185	-
Cbr 014 Empreendimentos Imobiliários Ltda.	-	-	(2,086)	(1,837)
CBR 048 Empreendimentos Imobiliários Ltda.	-	-	(3,908)	(2,945)
Consórcio de Urbanização Jundiaí	5,574	5,643	5,574	5,643
Coroados Empreendimentos Imobiliários	-	-	261	-
Corsega Empreendimentos Imobiliários Ltda.	-	-	118	287
Country De Investimento Imobiliária Ltda.	-	-	1,559	1,793
Cybra De Investimento Imobiliária Ltda.	-	-	(584)	(584)
Cyrela Bahia Empreendimentos Imobiliários Ltda.	-	-	-	(130)
Cyrela Begonia Empreendimentos Imobiliária Ltda.	-	-	(2,204)	(1,306)
Cyrela Brazil Realty Rjz Empreendimentos Imobiliária Ltda.	-	-	3,112	2,898
Cyrela Construtora Ltda.	-	-	238	370
Cyrela Europa Empreendimentos Imobiliários Ltda.	-	-	(5,372)	(4,533)
Cyrela Iberia Empreendimentos Imobiliários Ltda.	-	-	612	612
Cyrela Imobiliária Ltda.	-	-	165	-
Cyrela Jasmim Ltda.	-	-	1,041	784
Cyrela Lambari Empreendimentos Imobiliários Ltda.	-	-	(1,244)	(1,246)
Cyrela Paris Empreendimentos Imobiliários Ltda.	-	-	(270)	(270)
Cyrela Polinesia Empreendimentos Imobiliários Ltda.	-	-	487	487
Cyrela Rjz Construtora E Empreendimentos Imobiliários Ltda.	-	-	(2,699)	(2,699)
Cyrela Roraima Empreendimentos Imobiliários Ltda.	-	-	(2,687)	(2,369)
Cyrela Suecia Empreendimentos Imobiliários Ltda.	-	-	(10,837)	(12,579)
Cyrela Urbanismo 5 - Empreendimentos Imobiliários Ltda.	-	-	(3,689)	(3,570)
Dona Margarida I Empreendimentos Imobiliários S/A	-	-	1,257	-
Goldsztein Cyrela Empreendimentos Imobiliários Ltda.	-	-	244	244
Sub-total	5,574	5,643	(18,603)	(19,824)

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	Parent company		Consolidated	
	2020	2019	2020	2019
JTS Empreendimentos Imobiliários Ltda.	-	-	902	-
Kalahari Empreendimentos Imobiliários Ltda.	-	-	-	183
Living Sabara Empreendimentos Imobiliários Ltda.	-	-	(116)	459
Living Sabino Empreendimentos Imobiliários Ltda.	-	-	(207)	587
Maiastra 1 Empreendimentos Imobiliários Ltda.	-	-	-	177
Maiastra 2 Empreendimentos Imobiliários Ltda.	-	-	-	(192)
Maracana Empreendimentos Imobiliários S/A	-	-	2,897	-
Pitombeira Empreendimentos Imobiliários Ltda.	-	-	(2,315)	(242)
Plano Amazonas Empreendimentos Imobiliários Ltda.	-	-	-	(4,085)
Plano Aroeira Empreendimentos Imobiliários Ltda.	-	-	1,100	1,100
Plano Eucalipto Empreendimentos Imobiliários Ltda.	-	-	105	-
Plano Limeira Empreendimentos Imobiliários Ltda.	-	-	-	(244)
Plano Pinheiro Empreendimentos Imobiliários Ltda.	-	-	-	(2,810)
Plano Pitangueiras Empreendimentos Imobiliários Ltda.	-	-	(12,639)	-
Plano Xingu Empreendimentos Imobiliários Ltda.	-	-	-	(2,435)
Tal Empreendimentos Imobiliários Ltda.	-	-	(149)	(383)
Vero Santa Isabel Empreendimentos Imobiliários SPE Ltda.	-	-	(1,878)	(1,966)
Another 10 SPEs with balances of up to R\$ 100	-	-	89	64
Sub-total	-	-	(12,212)	(9,789)
Total	5,574	5,643	(30,815)	(29,613)
Non-current assets	5,574	5,643	22,278	16,687
Current liabilities	-	-	(53,094)	(46,299)

15. WORKS IN PROGRESS

As a result of the procedure established by CVM Resolution 561/08, amended by Resolution 624/10, the balances of sales revenues and corresponding budgeted costs, for the units sold and with costs not yet incurred, are not reflected in the financial statements of the Company and its subsidiaries.

The main balances to be reflected as costs are incurred are presented below:

- Contracted real estate operations to be appropriated from accumulated construction works in progress.

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	Consolidated	
	2020	2019
(+) Total gross sales	9,216,956	8,994,816
(-) Total appropriated gross revenue	(5,861,627)	(6,028,816)
(=) Balance of unearned revenue	3,355,329	2,966,000
	(i)	
(+) Total cost of properties sold	5,542,825	5,325,896
(-) Total appropriated cost	(3,416,992)	(3,491,406)
(=) Balance of unearned cost	2,125,833	1,834,490
	(ii)	
Unearned income (loss)	1,229,496	1,131,510

(i) It does not include taxes on revenues

(ii) It does not include expenses with unrecognized guarantees

b) Commitments to costs budgeted and not yet incurred, referring to units sold:

	Consolidated	
	2020	2019
Amounts not reflected in the financial statements		
Current	1,003,007	709,602
Non-current	1,122,826	1,124,888
	2,125,833	1,834,490

16. ADVANCES FROM CLIENTS

	Consolidated	
	2020	2019
Due to receipt from sale of properties		
Amounts received from sale of projects:		
Other advances	114,897	82,569
	114,897	82,569
Units of projects completed sold		
Revenues appropriated	(1,703,790)	(1,782,231)
Revenues received	1,735,899	1,848,028
	147,006	148,366
By physical barter in the purchase of real estate		
Amounts for barter of pieces of land	807,806	700,471
Total advance from clients	954,812	848,837
Current	286,428	345,380
Non-current	668,384	503,457

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17. PROVISION FOR PROPERTY MAINTENANCE

	Consolidated	
	2020	2019
Provision for guarantee of construction works (i)	80,911	104,649
Other provisions	-	5,475
Provision for cancellation	(3,461)	(4,324)
Total	77,450	105,800
Current	45,160	66,196
Non-current	32,290	39,604

- (i) The Company and its subsidiaries offer guarantees to their clients in the sale of their properties. These warranties have specific characteristics in accordance with certain items and are provided for years that vary to up to 5 years after the completion of the work and are partially shared with suppliers of goods and services.

18. ACCOUNTS PAYABLE FOR ACQUISITION OF REAL ESTATE

Refer to pieces of land acquired for the purpose of launching new joint ventures, isolated or with participation of third parties, with the following maturity schedule:

Year	Parent company		Consolidated	
	2020	2019	2020	2019
2021	-	-	-	5,328
2022	-	-	144,587	654
2023	-	-	106,197	538
2024	-	-	41,411	-
Non-current	-	-	292,195	6,520
Current	2,521	2,516	223,567	550,548
Total	2,521	2,516	515,762	557,068

They are adjusted at INCC change, IGP-M change, or change in the Special Clearance and Custody System (SELIC) rate.

Interest and inflation adjustment eligible to capitalization of inventories referring to land balance payable totaled R\$ 2,389 in period ended December 31, 2020 (Reversal of R\$ 4,511 as of December 31, 2019).

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19. PROVISION FOR TAX, LABOR AND CIVIL RISKS

Provisions for risks of probable losses are summarized as follows:

	Parent company		Consolidated	
	2020	2019	2020	2019
Civil lawsuits	4,828	4,946	94,002	69,756
Tax proceedings	3,990	600	7,619	4,153
Labor lawsuits	1,781	2,468	87,103	74,501
Total	10,598	8,014	188,724	148,410
Current	6,039	4,281	104,392	83,544
Non-current	4,559	3,733	84,332	64,866

Total amount involving lawsuits classified as possible and remote loss in consolidated financial statements is as follows:

	2020		
	Possible	Remote	Total
Civil	70,233	414	75,211
Labor	14,903	117	14,971
Tax	52,450	91,481	155,717
	137,586	92,012	245,899
	2019		
	Possible	Remote	Total
Civil	75,979	640	76,620
Labor	27,642	458	28,100
Tax	81,365	90,048	171,414
	184,986	91,148	276,136

Main lawsuits classified as possible loss are as follows:

- The Company and its investees are parties to tax administrative proceedings deriving from Federal Revenue Service decision on non-homologation of taxes paid through credit offset. These credits mostly derive from the use of withheld taxes of balance determined in annual adjustment return. These lawsuits are being defended in the administrative sphere and have not yet been analyzed by tax authorities. As of December 31, 2020, the amount of these lawsuits totaled R\$ 13,663 (R\$ 13,132 as of December 31, 2019).

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- Certain Company's subsidiaries are parties to administrative proceeding deriving from tax assessment notice referring to collection of social security contributions on Profit Sharing distribution for calendar year 2008 and on contributions of self-employed workers. Companies challenged decisions and are awaiting tax authorities' position. As of December 31, 2020, this lawsuit amounted to R\$ 3,490 (R\$ 6,590 as of December 31, 2019).
- Queiroz Galvão MAC Cyrela Veneza, organization in which the Company holds 30% of interest, is a party to public civil lawsuit that discusses validity of Construction License for joint venture Domínio Marajoara.

Change in provision balances is as follows:

	Parent company			
	Civil	Tax	Labor	Total
Balance at 12.31.2018	2,866	28	1,314	4,207
Additions	1,969	547	2,708	5,224
Payment	(3,584)	-	(459)	(4,043)
Reversal	-	(396)	-	(396)
Restatements	3,695	421	(1,095)	3,021
Balance at 12.31.2019	4,946	600	2,468	8,014
Additions	1,180	3,600	334	5,115
Payment	(1,515)	-	(649)	(2,165)
Reversal	(496)	(204)	(772)	(1,473)
Restatements	713	(6)	400	1,108
Balance at 12.31.2020	4,827	3,990	1,781	10,599

	Consolidated			
	Civil	Tax	Labor	Total
Balance at 12.31.2018	92,465	2,191	52,364	147,020
Additions	48,180	4,453	42,039	94,672
Payment	(67,661)	-	(27,266)	(94,927)
Reversal	(16,116)	(3,238)	(4,076)	(23,430)
Restatements	12,888	748	11,441	25,077
Balance at 12.31.2019	69,756	4,154	74,501	148,412
Additions (i)	54,673	8,170	20,007	82,851
Payment	(51,027)	-	(21,346)	(72,373)
Reversal (ii)	(2,922)	(4,553)	(5,939)	(13,415)
Restatements	23,524	(153)	19,881	43,252
Balance at 12.31.2020	94,004	7,618	87,104	188,727

(i) Includes reclassification of the amount of R\$ 6,088, referring to change of control in investees.

(ii) Includes reclassification of the amount of R\$ 1,083, referring to change of control in investees.

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During 2020, one-off payments were made, referring to administrative agreements of approximately R\$ 6,740, recognized under “Other expenses” caption.

Segregation between current and non-current may be presented as follows:

	Parent company		Consolidated	
	2020	2019	2020	2019
Current				
Civil	2,172	2,226	40,928	30,844
Tax	2,673	402	5,105	2,784
Labor	1,193	1,654	58,359	49,915
	6,039	4,281	104,392	83,544
Non-current				
Civil	2,655	2,720	53,074	38,911
Tax	1,317	198	2,514	1,369
Labor	588	814	28,744	24,587
	4,559	3,733	84,333	64,867
Total	10,598	8,014	188,725	148,410

20. DEFERRED TAXES AND CONTRIBUTIONS FOR PAYMENT

a) Breakdown of income tax, social contribution, PIS and COFINS for deferred payment

These are recorded to reflect tax effects deriving from tax basis temporary differences, which determine the time of payment, as property sales are received (SRF Regulatory Instruction 84/79), and effective recognition of real estate earnings, in conformity with CFC Resolution 1,266/09 and CVM Decision 561/08, as amended by CVM Resolution 624/10 (OCPC 01(R1)).

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Balances of taxes and contributions with deferred payments are as follows:

	Consolidated	
	2020	2019
In the assets		
IRPJ	327	264
CSLL	172	138
Subtotal	499	402
PIS	96	77
COFINS	444	358
Subtotal	540	435
Total	1,039	837
Current	757	435
Non-current	283	402

	Parent company		Consolidated	
	2020	2019	2020	2019
In the liabilities				
IRPJ	189,613	645	219,710	31,906
CSLL	68,261	232	83,962	16,478
Provision for cancellations	-		(5,051)	(6,370)
Subtotal	257,874	878	298,620	42,015
PIS	65	67	8,856	9,127
COFINS	300	309	40,923	42,174
Provision for cancellations	-		(5,472)	(6,901)
Subtotal	365	376	44,307	44,400
Total	258,239	1,253	342,927	86,415
Current	-	376	28,801	30,140
Non-current	258,239	878	314,127	56,275

Effective payment of these taxes occurs as sales installments are received and interest is disposed.

As a result of previously-mentioned tax credits and obligations, corresponding tax effects (deferred income tax and social contribution) were recognized, as follows:

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	Parent company		Consolidated	
	2020	2019	2020	2019
In current and non-current assets				
Profit difference in real estate activities - deemed income	-	-	-	1
Profit difference in real estate activities - RET	-	-	499	401
	<u>-</u>	<u>-</u>	<u>499</u>	<u>402</u>
In current and non-current liabilities				
Profit difference in real estate activities - taxable income	(257,874)	(878)	(258,698)	(2,261)
Profit difference in real estate activities - deemed income	-	-	(4,383)	(9,034)
Profit difference in real estate activities - RET	-	-	(35,540)	(30,719)
	<u>(257,874)</u>	<u>(878)</u>	<u>(298,621)</u>	<u>(42,014)</u>

b) Calculation basis for temporary differences from deferred income

As of December 31, 2020, the Company has deferred tax assets which were not recognized in the consolidated amount of R\$ 2,529,507 (As of December 31, 2019, the amount was R\$ 3,054,333), because is not probable that future taxable income will be available so the Group may use these benefits.

c) Balance of PIS and COFINS

Deferred PIS and COFINS calculated on the difference between revenue taxed at the cash system and revenues recognized at the accrual system are recorded under caption "Taxes and contributions with deferred payment" in current and non-current liabilities, according to expected settlement:

	Parent company		Consolidated	
	2020	2019	2020	2019
Current	147	-	2,240	1,591
Deferred collection	365	376	49,779	51,301
Provision for cancellations	-	-	(5,472)	(6,901)
	<u>511</u>	<u>376</u>	<u>46,548</u>	<u>45,991</u>

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d) Income tax and social contribution expense for the period

Income and social contribution tax expenses for periods ended December 31, 2020 and 2019 may be reconciled with income (loss) before taxes:

	Parent company		Consolidated	
	2020	2019	2020	2019
Income before income tax and social contribution	2,141,821	415,655	2,289,378	620,489
(x) nominal rate of:	-34%	-34%	-34%	-34%
(=) Expected IRPJ and CSLL credits (expense)	(728,219)	(141,323)	(778,389)	(210,966)
(+/-) Effect of the nominal rate on:				
Equity in the net income of subsidiaries	313,505	162,046	137,942	35,428
Permanent additions and deductions and other	(334,087)	(189,390)	(180,200)	(75,375)
Tax credits not formed	(i) 367,238	168,853	151,760	(65,853)
Presumed income or RET	(ii) -	-	209,005	230,593
(=) Income tax and social contribution expense	(381,564)	187	(459,882)	(86,172)
Deferred taxes for payment	(256,996)	187	(262,343)	(2,956)
Current taxes	(124,568)	-	(197,539)	(83,217)
	(381,564)	187	(459,882)	(86,173)

(i) Refers to balance of unaccounted tax losses and negative basis.

(ii) Refers to balances of unrecorded tax losses.

21. SHAREHOLDERS' EQUITY

a) Capital

On December 31, 2020, subscribed and paid-up capital totals R\$ 3,395,744 (R\$ 3,395,744 as of December 31, 2019) is represented by 399,742,799 nominative common shares.

The Company's Board of Directors is authorized to increase capital - regardless of Shareholders' Meeting or amendments to the Bylaws - up to the limit of 750,000,000 common nominative shares for distribution in the country and/or abroad, either publicly or privately.

b) Treasury shares

According to decision of the Board of Directors, the Company may acquire its own shares to keep them in treasury and, then, cancel them or dispose of them.

Considering provisions of Article 8 of CVM Instruction 10/80, the following was decided:

- (i) The Company's purpose is to acquire its own shares to keep them in treasury and then cancel them or dispose of them in order to invest funds available and maximize value to shareholders.

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- (ii) The number of common shares issued by the Company that is outstanding in the market is 281,391,424, as informed by depositary institution on December 31, 2020 (281,238,496 as of December 31, 2019).

Program for repurchase of shares / cancellation of shares

Quotation of said shares on December 31, 2020 was R\$ 29.48 per share, market value expressed in reais (R\$ 29.69 – value expressed in Reais as of December 31, 2019). Market value is obtained using quotation of the Company's shares at B3 S.A. – Brasil Bolsa Balcão - Novo Mercado. as reference.

The balance may be shown as follows as of December 31, 2020:

	<u>Quantity</u>	<u>Value of acquisition</u>	<u>Average amount on acquisition</u>	<u>Market value</u>
Balance at 12.31.2019	15,316,495	193,202	12.61	454,747
2013 Plan - 5 years	-	-	-	
2014 Plan - 5 Years	(77,600)	(978)	-	(1,866)
Balance at 12.31.2020	15,238,895	192,224	12.61	449,243

c) Other reserves

These are represented by expenditures with issuance of shares and changes in capital transactions. Capital reserves are primarily explained by acquisition of minority interests in entities that were already consolidated in the Company's financial statements.

d) Intermediary dividends

On December 10, 2020, the distribution of interim dividends for profit reserves, totaling R\$ 600,000 was approved by unanimous vote of the members attending the Board of Directors' meeting, pursuant to article 27, sub-items "n", of the Company's bylaws. The payment was made on December 29, 2020 to Company's shareholders on December 15, 2020.

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e) Allocation of net income for the year

Net income for the year, after offsets and deductions set forth in law and adequate statutory provision:

- 5% for legal reserve, up to the limit of 20% of paid-up capital.
- 25% of balance, after allocation to legal reserve, shall be allocated to pay mandatory minimum dividend to all shareholders.

	<u>2020</u>	<u>2019</u>
Net income attributed to the parent company's shareholders	1,760,257	415,841
Formation of legal reserve - %	5%	5%
(-) Legal reserve	88,013	20,792
(=) Calculation basis on net income	1,672,244	395,049
Minimum statutory dividend - %	25%	25%
Minimum mandatory dividend on net income	418,061	98,762
Total dividends payable	418,061	98,762
Total allocated to profit reserve	1,254,183	296,287

f) Profit reserve (Expansion)

Remaining balance of net income for the year ended December 31, 2020, after formation of legal reserve and preposition of dividends, in the amount of R\$ 1,254,183, was transferred to caption "reserve for expansion", according to Article 40 of the Bylaws. Reserve for expansion will be invested in the Company itself, to finance its activities, complying with business growth plan Management expects for 2021.

g) Other changes

The balance in this caption is mainly represented by increases and/or decreases in non-controlling interest.

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22. BENEFITS TO DIRECTORS AND EMPLOYEES

Benefits to employees and administrators are all in the form of remuneration paid, payable, provided by the Company or on behalf of it, in exchange for services that are provided to the Company.

a) Post-retirement benefits

The Company and its subsidiaries do not provide private pension plans to its employees, but make monthly contributions based on social security payroll, which are recorded in expenses at the accrual system.

b) Profit sharing program - PLR

The Company and other Group's companies have a profit sharing program in accordance with the collective agreement entered into with the São Paulo Civil Construction Worker Industries' Union. On December 31, 2020, the provision is R\$ 23,289 (R\$ 18,000 on December 31, 2019), recorded in income (loss) under caption "General and administrative expenses" and in liabilities under "Salaries, payroll charges and interests", based on indicators and parameters defined in signed agreement and on projections of results.

c) Stock options

On August 10, 2020, the last contract granted by the Company for the stock option was exercised and there are no plans in force for new grants.

Calculation of these amounts and accounting recognition of stock options are performed in accordance with criteria established in CVM Resolution No. 650/10 – Share-based Payments (CPC 10 (R1)).

Number of granted stock options, grace period and exercise period approved in the Company's Shareholders' Meeting are commented below:

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Plan's quantities, values and terms

	Plans granted on:						
	2007	2008	2013	2014	2015	2016	
05.17.2007							
10.08.2007							
10.01.2009							
12.01.2010			03.28.2013				
02.01.2011			05.02.2013				
08.01.2012			10.01.2013				
09.02.2013			12.12.2013				
Grant Date		04.29.2008		05.02.2014	08.10.2015	10.01.2016	
Grace Period to Exercise	05 (five) years	05 (five) years	5 (five) years 3 (three) years 2 (two) years	05 (five) years 03 (three) years	05 (five) years	05 (five) years	
05.17.2012							
10.08.2012							
10.01.2014							
12.01.2015			05.30.2015				
02.01.2016			04.30.2016				
08.01.2017			03.30.2018	05.02.2017			
09.02.2018			12.12.2018	05.02.2019	08.10.2020	10.01.2021	
Maturity Date to Exercise		04.28.2013					
Average exercise price	R\$ 0.01	R\$ 0.01	R\$ 0.01	R\$ 0.01	R\$ 0.01	R\$ 0.01	
Quantity on 12.31.2018	-	-	202,293	130,359	77,600	200,000	610,252
Reactivated	-	-	-	-	-	-	-
Shares exercised	-	-	(202,293)	(66,906)	-	-	(269,199)
Cancelled shares	-	-	-	(63,453)	-	(200,000)	(263,453)
Quantity on 12.31.2019	-	-	-	-	77,600	-	77,600
Reactivated	-	-	-	-	-	-	-
Shares exercised	-	-	-	-	(77,600)	-	(77,600)
Cancelled shares	-	-	-	-	-	-	-
Quantity on 12.31.2020	-	-	-	-	-	-	-

Market value of each stock option is estimated on grant date using “Black-Scholes” model of share pricing, which uses grant price, exercise price, grace period, volatility of share price, percentage of distributed dividends, and risk-free rate as basic assumptions.

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Amounts of amortizations recorded as expense in financial statements, as a contra-entry to the Company's shareholders' equity from grant date to December 31, 2020, are described below:

Plan	Price Average of Year	Date of Grant	Accumulated expense up to 12.2020	Accumulated expense up to 12.2019
2006	14.60	05.04.2006 05.17.2007	2,744	2,744
2007	0.01	10.08.2007 10.01.2009 12.01.2010 02.01.2011 08.01.2012 09.02.2013	78,492	78,492
2008	0.01	04.29.2008	22,457	22,457
2011	0.01	08.11.2011	3,794	3,794
2012	0.01	05.02.2012	5,029	5,029
2013	0.01	03.28.2013 05.02.2013 10.01.2013 12.12.2013	5,694	32,880
2014	0.01	05.02.2017 05.02.2019	5,592	5,694
2015	0.01	08.10.2015	502	442
2016	0.01	09.01.2016	-	780
		Total	152,168	152,313

23. FINANCIAL INSTRUMENTS

a) Description of significant financial instruments

The Company and its subsidiaries are parties in transactions involving financial instruments, all recorded in assets and liabilities, which are designed to satisfy their needs, and to reduce credit, currency and foreign exchange and interest rate risk exposure. The management of these risks is performed by means of the definition of strategies, establishment of control systems and determination of limits of positions. The Company does not carry out financial instrument transactions for speculative purposes.

	Parent company		Consolidated		Rating
	2020	2019	2020	2019	
FINANCIAL ASSETS	1,619,708	1,289,492	4,870,999	4,118,324	
Cash and cash equivalents	5,589	5,828	200,083	212,437	Fair value through profit or loss
Securities (i)	724,945	832,824	1,822,818	1,448,061	Fair value through profit or loss
Securities	346,101	2,170	346,601	2,670	Amortized cost
Securities	31,834	-	31,834	-	Fair value through other comprehensive income
Accounts receivable	18,620	8,997	2,063,554	2,069,474	Amortized cost
Credits Receivable from Related Parties	487,047	434,030	383,831	368,995	Amortized cost
Checking accounts with partners of joint ventures	5,574	5,643	22,278	16,687	Amortized cost
FINANCIAL LIABILITIES	2,394,105	2,125,132	3,513,177	3,353,113	
Loans and financing	918,775	540,622	1,208,621	936,686	Amortized cost
Debentures	-	153,860	5,886	159,105	Amortized cost
Certificates of Real Estate Receivables - CRI	1,336,974	1,299,416	1,488,498	1,408,484	Amortized cost
Accounts payable for acquisition of real estate	2,521	2,516	515,762	557,067	Amortized cost
Suppliers of assets and services	35,621	29,110	151,524	134,825	Amortized cost
Obligations payable with related parties	100,214	99,608	89,792	110,647	Amortized cost
Checking accounts with partners of joint ventures	-	-	53,094	46,299	Amortized cost

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The Company has financial instruments measured at fair value. Considering this scenario, the fair value hierarchy rule is adopted (see CPC 46). This requires the Company to make an assessment of the fair value hierarchy, classified in three levels, as follows:

- (i) Level 1 – prices quoted (not adjusted) in active markets for identical assets and liabilities to which the entity may have access on the measurement date.
- (ii) Level 2 - inputs that are observable for assets or liabilities, whether directly or indirectly, except for quoted prices, included in Level 1.
- (iii) Level 3 – Level 3 inputs are observed data for the asset or liability.

b) Sensitivity analysis of financial assets and liabilities

Financial assets

Based on probable scenario in the next 12 months for accumulated CDI, scenarios with financial assets' deterioration of 25% and 50% were defined. Probable rate for accumulated CDI in the next 12 months was defined – 2.77% p.a. – based on pre-swap reference rates x one-year DI disclosed by BM&FBOVESPA and alternative scenarios considering CDI of 2.08% p.a. and 1.39% p.a. The "gross financial revenue" was calculated for each scenario, not taking into account the incidence of taxes on investment yields. Sensitivity of securities to scenarios of monthly average remuneration was calculated based on balance on December 31, 2020. For cases in which risk factor is the change in USD rate over the following 12-month scenario, of R\$ 4.60, scenarios with deterioration of 25% and 50% were defined, considering US Dollar at R\$ 3.45 and R\$ 2.30, respectively.

Based on probable scenario in the next 12 months for accumulated IPCA, scenarios with securities' deterioration of 25% and 50% were defined. Probable rate for accumulated IPCA in the next 12 months was defined 2.94% p.a. – based on report disclosed by Santander and alternative scenarios considering IPCA of 2.21% p.a. and 1.47% p.a.

Based on probable scenario in the next 12 months for accumulated IGPM, scenarios with financial assets' deterioration of 25% and 50% were defined to the realized portfolio of accounts receivable. Probable rate for accumulated IGPM (General Market Price Index) in the next 12 months was defined – 5.02% p.a. – based on report disclosed by Santander and alternative scenarios considering IGPM of 3.77% p.a. and 2.51% p.a. Realized portfolios have contractual interest of 12% p.a.

Based on probable scenario in the next 12 months for accumulated INCC, scenarios with financial assets' deterioration of 25% and 50% were defined to the unrealized portfolio of accounts receivable. Probable rate for accumulated INCC in the next 12 months was defined

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4.83% p.a. – based on report disclosed by Santander and alternative scenarios considering INCC of 3.62% p.a. and 2.41% p.a.

Said rates used for market projections were extracted from an external source.

Financial operations	Position - 12/2020	Risk factor	Probable Scenario I	Scenario II	Scenario III
Exclusive investment funds	1,032,917	CDI	2.80%	2.10%	1.40%
Projected revenue			28,952	21,714	14,476
Sundry investment funds	70,202	CDI	5.16%	3.87%	2.58%
Projected revenue			3,620	2,715	1,810
Bank deposit certificates	301,072	CDI	2.08%	1.56%	1.04%
Projected revenue			6,256	4,692	3,128
Government Bonds – NTNB	14,718	IPCA	2.94%	2.21%	1.47%
Projected revenue			433	325	217
Financing bills	155,500	CDI	3.11%	2.33%	1.55%
Projected revenue			4,832	3,624	2,416
Real Estate Credit Certificates - Senior	922	CDI	3.88%	2.91%	1.94%
Projected revenue			36	27	18
Other	684,807	IGPM	5.02%	3.77%	2.51%
Projected revenue			34,377	25,783	17,189
	2,260,138		78,507	58,880	39,253

Accounts receivable	Position - 12/2020	Risk factor	Probable Scenario I	Scenario II	Scenario III
Performing portfolio (i)	829,785	IGPM	5.02%	3.77%	2.51%
Projected revenue			41,656	31,242	20,828
Non-performing portfolio (i)	1,535,739	INCC	4.83%	3.62%	2.41%
Projected revenue			74,143	55,607	37,072
	2,365,524		115,799	86,849	57,900

(i) Balance before provision for credit risk and service provision.

Financial liabilities

The Company has securities (debentures and CRIs) at the total amount of R\$ 1,573,655, gross of issuance expenditures, that are remunerated at interest rates of 100% that may vary from CDI to IPCA +3.91%. In order to verify the sensitivity of indebtedness linked to CDI, interest rate risk factor to which the Company had a liability exposure on December 31, 2020, 03 different scenarios were defined. Accumulated CDI probable rate for the next 12-month period of 2.77% p.a. was defined based on pre-swap reference rate x one-year DI disclosed by

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BM&FBOVESPA, which is equivalent to possible scenarios listed below. Based on probable scenario for CDI, deterioration scenarios with average rate of 3.46% p.a. and 4.16% p.a. were defined for the following 12 months. Sensitivity of financial expenses to the scenarios for risk of changes in CDI rate was calculated based on balances existing on December 31, 2020, gross of issuance expenditures. as highlighted below:

Financial operations	Position - 12/2020	Risk factor	Probable Scenario I	Scenario II	Scenario III
Debentures - CYMA 01 Projected expense	5,886	IPCA	2.94% 173	3.68% 217	4.42% 260
CRI - 1st Issue (Securitization Company) Projected expense	43,276	CDI	2.97% 1,285	3.71% 1,607	4.46% 1,928
CRI - 8th Issue (Securitization Company) Projected expense	260,220	CDI	2.83% 7,364	3.54% 9,205	4.25% 11,046
CRI - 4th Issue - 102nd series (Gaia) Projected expense	16,931	CDI	4.00% 677	5.00% 847	6.00% 1,016
CRI - 4th Issue - 109th series (Gaia) Projected expense	42,538	CDI	4.00% 1,702	5.00% 2,127	6.00% 2,552
CRI - 4th Issue - 131st 132nd and 133th series (Gaia) Projected expense	63,879	CDI	8.94% 5,711	11.18% 7,138	13.41% 8,566
CRI - 4th Issue - 140th series (Gaia) Projected expense	87,132	IPCA	8.09% 7,049	10.11% 8,811	12.14% 10,573
CRI - 1st Issue - 211st series (RB) Projected expense	100,449	CDI	2.77% 2,782	3.46% 3,478	4.16% 4,174
CRI - 1st Issue - 212th series (RB) Projected expense	607,215	CDI	2.77% 16,820	3.46% 21,025	4.16% 25,230
CRI - 1st Issue - 283rd and 285th series (RB) Projected expense	101,130	IPCA	6.97% 7,049	8.71% 8,811	10.46% 10,573
CRI - 4th Issue - 145th series (Gaia) Projected expense	33,289	CDI	6.62% 6,695	8.28% 8,369	9.93% 10,042
CRI - 4th Issue - 167th series (Gaia) Projected expense	143,569	IPCA	8.09% 8,181	10.11% 10,227	12.14% 12,272
	1,505,515		65,488	81,860	98,232

Debt assumed with the National Bank for Economic and Social Development (BNDES) is remunerated at 3.78% p.a., added to TJLP (long-term reference rate). For the purpose of verifying sensitivity of indebtedness pegged to TJLP, interest rates risk factors to which the Company was exposed on base date December 31, 2020, three different scenarios were defined using TJLP of 4.60% p.a. for probable scenario. Based on it, scenarios with deteriorations of 25% and 50% were defined and annual rate applied to this financing was recalculated.

The Company has loans in local currency, partially remunerated with interest rates between 104% and 110% of the CDI rate, while the remaining portion is remunerated with interest rates

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between CDI + 1.70% and CDI + 2.50%. In order to verify the sensitivity of indebtedness linked to CDI, interest rate risk factor to which the Company had a liability exposure on December 31, 2020, 03 different scenarios were defined. Accumulated CDI probable rate for the next 12-month period of 2.77% p.a. was defined based on pre-swap reference rate x one-year DI disclosed by B3. Based on probable scenario for CDI, deterioration scenarios with average rate of 3.46% p.a. and 4.16% p.a. were defined for the following 12 months. Sensitivity of financial expenses to the scenarios for risk of changes in CDI rate was calculated based on balances existing on December 31, 2020, which is equivalent to the possible scenarios listed.

The Company has financing lines for construction in local currency that is remunerated with interest rates of 5.77% per annum on average, plus the Reference Rate. For the purpose of verifying sensitivity of indebtedness pegged to TR, interest rates risk factor to which the Company was exposed on base date December 31, 2020, three different scenarios were defined using TR of 0.01% p.a., based on swap reference rates, TR vs. pre in one year disclosed by B3, for probable scenario. Based on the probable rate for the TR, scenarios were defined with deteriorations of 25% and 50% for the next 12 months and the annual rate applied to these financings was recalculated, as well as the sensitivity of financial expenses to the scenarios for risk of changes in TR rate was calculated based on balances existing on December 31, 2020, which is equivalent to the possible scenarios listed.

The analyzes of BNDES debt, national loans and financing are presented below.

Financial operations	Position - 12/2020	Risk factor	Probable Scenario I	Scenario II	Scenario III
BNDES	71,912	TJLP	8.55%	9.75%	10.94%
Projected expense			6,148	7,011	7,867
Domestic loan	419,827	% CDI	3.02%	3.78%	4.54%
Projected expense			12,695	15,862	19,077
Domestic loan	547,678	CDI +	5.23%	5.93%	6.65%
Projected expense			28,644	32,477	36,421
Financing of work	169,783	Ref. rate	6.28%	6.28%	6.29%
Projected expense			10,662	10,662	10,679
	<u>1,209,201</u>		<u>58,150</u>	<u>66,014</u>	<u>74,045</u>

c) Operation with derivative financial instrument

According to CVM Resolution no. 550 dated October 17, 2008 states that public companies must disclose, in a specific explanatory note, information on all derivative financial instruments. Derivative financial instruments are used by the Company to manage market risks related to interest rate, mainly for CCB-type loans, which are prefixed.

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(i) Cash flow swap

This type of swap permits payment of interest difference during contract period at periodic intervals (constant flow).

The Company has swap operations with an asset position at fixed rates and as a liability position based on the CDI percentages, with amortization of the principal according to the debt maturities to which the contracts are linked.

Financial operations	Original value	Engagement	Maturity	Asset	Short position	2020	2019
Cash flow swap tied to the funding	164,013	dec/17	feb/22	8.30% p.a.	88.70% CDI	2,335	7,244
Cash flow swap tied to the funding	20,498	jun/18	nov/19	9.20% p.a.	105.05% CDI	-	44
Cash flow swap tied to the funding	14,000	jun/18	may/20	8.70% p.a.	102.24% CDI	-	150
Cash flow swap tied to the funding	93,500	oct/18	jul/22	8.25% p.a.	79.30% CDI	6,062	7,386
Cash flow swap tied to the funding	332,949	feb/19	sep/23	8.26% p.a.	105.56% CDI	19,506	13,083
Cash flow swap tied to the funding	100,000	mar/20	apr/24	6.20% p.a.	79.00% CDI	2,210	-
Cash flow swap tied to the funding	199,928	mar/20	apr/24	6.20% p.a.	93.00% CDI	2,174	-
						32,287	27,907

d) Considerations on capital risks and management

Key market risks to which the Company and its subsidiaries are exposed to in conducting their activities are:

(i) Market risk

Market risk is linked to fluctuations in fair value of a financial instrument's future cash flows in active market. Market prices are mainly affected by the change in interest rate (inflation) and by foreign currency fluctuation. Financial instruments affected by market risk include securities, accounts receivable, accounts payable, loans payable, financial instruments available for sale and derivative financial instruments.

- Interest rate risk: the Company and its subsidiaries' income (loss) is subject to changes in interest rates levied on interest earning bank deposits, securities, debts, and trade accounts receivable.
- Risk of client contract cancellation: The Company efficiently applies its policies for credit analysis for the purpose of guaranteeing credit at the end of construction work and definitive client transfer to the bank. In spite of that, clients have sought the Company to cancel their respective purchase and sale promise agreements.
- Currency risk: the Company maintains foreign currency transactions that are exposed to market risks deriving from changes in these currencies' quotations. Any change in foreign exchange rate may increase or reduce said balances. As of December 31, 2020 and December 31, 2019, the Company did not present balance of loans in foreign currency. Securities in foreign currency presented balance of R\$ 8,052 on December 31,

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2020 (R\$ 6,665 as of December 31, 2019), and this exposure was protected by future receivables from real estate development already delivered in Argentina, in US dollars.

- Risk COVID-19: On March 11, 2020, the World Health Organization (WHO) declared the coronavirus (COVID-19) as a pandemic. Since then, the virus has been spreading rapidly around the world. The Company is closely monitoring all developments and taking mitigation measures to ensure the safety of all its stakeholders.

(ii) Credit risk

Credit risk is the risk of a deal counterparty not complying with an obligation provided for in financial instruments and contracts for the purchase and sale of properties, which would lead to financial loss. The Company is exposed to credit risk in its operating activities.

The credit risk in Company's operating activities is managed by specific client acceptance standards, credit analysis and setting of limits of exposure by the client, which are periodically reviewed.

In addition, Management conducts periodic analyses to identify if there are objective evidences that economic benefits associated to recognized revenue may not flow to the entity. Examples: (i) late payment of installments; (ii) unfavorable local or national economic conditions; among others. In case there are such evidences, respective provision for doubtful accounts is recorded. Amount to be recorded in this provision considers that the property will be recovered by the Company, that possible amounts may be retained upon payment of indemnities to respective promising buyers, among others.

(iii) Liquidity risk

The liquidity risk consists of the eventuality of the Company and its subsidiaries not having sufficient financial resources to honor their commitments on account of the different currencies and settlement terms of their rights and obligations.

Control of the liquidity and cash flow of the Company and its subsidiaries is monitored daily by the Company's management areas, in order to guarantee that operating cash generation and the previous obtainment of funding, when necessary, are sufficient for the maintenance of its schedule of commitments, not generating liquidity risks for the Company and its subsidiaries.

The Company's net debt could be presented as follows:

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	Parent company		Consolidated	
	2020	2019	2020	2019
(+) Restated debt (principal): (i)	2,253,851	2,007,959	2,697,272	2,514,381
(-) Cash and cash equivalents - interest earning bank deposits interest earning bank deposits and securities:	(1,108,468)	(840,822)	(2,401,336)	(1,663,167)
	1,145,383	1,167,137	295,936	851,214

- (i) Comprised of loans and financing, debentures and CRIs, gross of issuance expenditures.
- (iv) Capital management

Company's capital management aims to ensure that a proper credit rating is maintained before institutions, as well as a strong capital relationship, so as to support business and leverage shareholders' value.

The Company controls its capital structure by adjusting it to the current economic conditions. In order to maintain an adjusted structure, the Company may pay dividends, return capital to the shareholders, take out new loans and issuances of debentures.

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24. GROSS INCOME (LOSS)

We present below the breakdown of net revenue and costs related to revenues, presented in the statement of income:

	<u>Parent company</u>		<u>Consolidated</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Gross revenue				
Merger and resale of real estate	26,540	11,018	3,765,116	3,867,086
Allotment	2,041	305	41,562	34,904
Provision for cancellation	-	-	48,464	105,628
Rendering of services and other	12,348	6,071	70,655	25,100
	<u>40,929</u>	<u>17,394</u>	<u>3,925,796</u>	<u>4,032,717</u>
Deductions from gross revenue	(2,948)	(2,013)	(102,101)	(101,895)
Net revenue	<u>37,981</u>	<u>15,381</u>	<u>3,823,695</u>	<u>3,930,822</u>
Cost of sales and services				
Properties sold	(27,469)	(11,744)	(2,476,312)	(2,612,140)
Allotment	(242)	148	(25,396)	(20,365)
Provision for cancellation	-	-	(35,830)	(67,551)
Rendering of services	-	-	(35,775)	(15,054)
	<u>(27,712)</u>	<u>(11,596)</u>	<u>(2,573,313)</u>	<u>(2,715,109)</u>
	<u>10,269</u>	<u>3,785</u>	<u>1,250,382</u>	<u>1,215,713</u>

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25. SALES EXPENSES

The main expenditures incurred in the periods may be presented as follows:

	Parent company		Consolidated	
	2020	2019	2020	2019
Sales Stand	(3)	-	(95,597)	(97,338)
Advertising and publicity (media)	(165)	(138)	(73,824)	(93,480)
Professional services	(1,822)	(5,380)	(66,460)	(77,605)
Maintenance of ready inventory	(765)	(691)	(43,731)	(57,857)
Other commercial expenses (i)	(169)	(130)	(46,706)	(55,725)
	(2,924)	(6,339)	(326,318)	(382,005)

(i) Refers to recognized expenses with sales commission, salaries and other expenses of the Group's sale companies.

26. GENERAL AND ADMINISTRATIVE EXPENSES

Main expenditures incurred over the years may be presented as follows:

	Parent company		Consolidated	
	2020	2019	2020	2019
Salaries and payroll charges	(42,000)	(39,723)	(122,898)	(113,939)
Profit sharing of employees and administrators	(11,982)	(11,839)	(27,943)	(15,631)
Stock options expense	(60)	3,066	(60)	3,066
Outsourced services	(31,467)	(29,210)	(102,075)	(89,763)
Rent, utilities and travel	(11,947)	(12,367)	(17,542)	(25,773)
Indemnities for sundry risks (i)	(3,301)	(4,043)	(71,212)	(94,928)
Other administrative expenses	(15,511)	(19,553)	(42,990)	(51,337)
	(116,268)	(113,669)	(384,720)	(388,305)

(i) As Note 19.

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27. FINANCIAL INCOME (LOSS)

The main expenditures and revenues incurred in the periods may be presented as follows:

	Parent company		Consolidated	
	2020	2019	2020	2019
Financial expenses:				
Interest of Housing Financial System (SFH)	(1,863)	(4,474)	(12,831)	(27,706)
Interest on domestic and foreign loans	(68,896)	(99,067)	(76,760)	(109,490)
Interest capitalization	1,863	4,474	9,479	13,161
Inflation adjustments	(644)	(630)	(10,672)	(1,273)
Bank expenses	(1,882)	(2,529)	(6,919)	(9,352)
Discounts granted	(7)	(1)	(61)	(45)
Other financial expenses	(17,622)	(11,488)	(20,166)	(15,223)
	(89,050)	(113,715)	(117,930)	(149,929)
Financial revenues:				
Yields of interest earning bank deposits	94,882	77,011	130,819	114,419
Inflation adjustments	5,504	4,280	16,893	13,952
Discounts obtained	1	0	94	496
Sundry interest gains	13,772	23,278	22,527	26,469
Other financial revenues	37,893	28,819	39,996	32,187
Cofins/Pis on financial revenues	(6,474)	(6,026)	(7,898)	(7,001)
	145,580	127,363	202,431	180,522
Financial income (loss)	56,529	13,649	84,502	30,595

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28. EARNING (LOSSES) PER SHARE

Basic and diluted earnings (losses) per share are as follows:

	Consolidated	
	2020	2019
Diluted earnings (loss) per share:		
Net income (loss) for the year	1.760.257	415.841
Total number of shares (-) treasury shares (in thousands)	384.504	384.426
Basic earnings (losses) per share - in R\$	4.57800	1.08173
Diluted earnings (losses) per share:		
Net income (loss) for the period	1.760.257	415.841
Weighted average of outstanding shares (in thousands of shares)	384.504	384.426
Effect of granted stock options (in thousands of shares)	-	78
Weighted average of outstanding shares - diluted	384.504	384.504
Diluted earnings (losses) per share - in R\$	4.57800	1.08150

29. SEGMENT REPORTING

a) Criteria for identifying operating segments

The Company defined segmentation of its operating structure taking into consideration the way in which Management manages the business. Operating segments presented in financial statements are as follows:

- (i) Merger activity.
- (ii) Service fee income

Development segment contemplates sale and resale of properties, allotment activity and it is subdivided, as follows:

- (i) Cyrela: projects defined by the Launching Committee as high standard and luxury, both belonging to the parent company and to joint ventures, are classified.
- (ii) Living: projects defined by the Launching Committee as Living, belonging to the parent company and to joint ventures are classified.
- (iii) MCMV: projects defined by the Launching Committee as Minha Casa, Minha Vida (MCMV), belonging to the parent company and to joint ventures are classified.

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Information on allotment activities and provision of services is presented in this note under term “Others”.

b) Consolidated statements from operating segments

	Consolidated 12/2020					
	Cyrela	Living	MCMV	Other	Corporate	Total
Net revenue	1,904,187	1,155,663	691,869	71,975	-	3,823,695
Cost of sales and services	(1,297,890)	(768,468)	(469,273)	(37,682)	-	(2,573,313)
Gross income	606,296	387,195	222,596	34,293	-	1,250,381
Operating revenues (expenses)	(237,714)	(102,540)	(138,238)	(41,596)	1,474,583	954,496
Operating income/(loss) before financial income (loss)	368,581	284,655	84,357	(7,303)	1,474,583	2,204,877
Assets Total	4,445,921	1,693,253	732,267	87,655	4,474,829	11,433,926
Total liabilities	1,402,180	669,944	233,190	196,997	3,134,986	5,637,298
Shareholders' equity	3,043,741	1,023,309	499,077	(109,342)	1,339,844	5,796,628

	Consolidated 12/2019					
	Cyrela	Living	MCMV	Other	Corporate	Total
Net revenue	1,844,617	1,257,304	811,625	17,274	-	3,930,822
Cost of sales and services	(1,289,587)	(866,336)	(545,301)	(13,885)	-	(2,715,109)
Gross income	555,030	390,969	266,324	3,389	-	1,215,713
Operating expenses	(299,131)	(135,068)	(148,359)	(48,416)	5,158	(625,816)
Operating income/(loss) before financial income (loss)	255,899	255,900	117,966	(45,027)	5,158	589,897
Assets Total	4,151,644	1,988,058	856,905	91,588	2,899,582	9,987,778
Total liabilities	1,149,702	490,537	392,044	172,702	2,607,349	4,812,334
Shareholders' equity	3,001,942	1,497,521	464,861	(81,114)	292,233	5,175,444

Amounts presented as corporative values involve mainly expenses of the corporate unit not allocated to other segments.

c) Information on main clients

The Company and its investees' clients do not concentrate relevant interest (above 10%) in their joint ventures which could affect operating results.

30. INSURANCE

The Company and its subsidiaries maintain insurance as shown below, to cover possible risks on its assets and/or responsibilities:

a) Engineering risk:

- (i) Basic - R\$ 3,986: accidents (sudden and unforeseen cause) at the construction site such as: damages caused by nature or by force majeure, wind, storm, ray, flood, earthquake, etc.,

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damage inherent to construction work, use of faulty or improper material, failures in construction, and collapse of structures.

(ii) Projects - R\$ 3,986: coverage of indirect damages caused by possible project errors.

(iii) Other – R\$6,666: refer to extraordinary expenses, debris removal, riots, strikes and civil commotion, among others.

b) Sales stand: fire - R\$ 37, theft - R\$ 1 and other risks - R\$ 8.

c) Contractual guarantees: R\$ 2,934

d) Construction risks: civil liability - R\$ 453

e) Civil Liability on actions of Directors and Managers – R\$ 104.

31. APPROVAL OF FINANCIAL STATEMENTS

The Company's individual and consolidated financial statements were approved in the Board of Directors' Meeting held on March 16, 2021.

In compliance with provisions of CVM Instruction 480/09, the Company's Executive Board declared that it discussed, reviewed and agreed with the Company's individual and consolidated financial statements and with conclusion expressed in the independent auditors' report for the period ended December 31, 2020.

DECLARATIONS FOR THE PURPOSES OF ARTICLE 25, PARAGRAPH 1, ITEM V, OF CVM RULE 480/09

We hereby declare, in the capacity of Executive Officers of Cyrela Brazil Realty S.A. Empreendimentos e Participações, a corporation headquartered in the city and state of São Paulo, at Rua do Rócio, nº 109, 2º floor, room 1, Zip Code 04552-000, Vila Olímpia, Corporate Taxpayer's ID (CNPJ/MF) no. 73.178.600/0001-18 ("Company"), pursuant to item V, Paragraph 1st, of Article 25 of CVM Instruction 480 of December 7, 2009, that we have reviewed, discussed and agreed with the opinion stated in the report of the Company's independent auditors (KPMG) related to the Company's financial statements for the interim financial statements of the Company for the quarter ended on December 31, 2020.

São Paulo, March 16, 2021.

The Management

DECLARATIONS FOR THE PURPOSES OF ARTICLE 25, PARAGRAPH 1, ITEM VI, OF CVM RULE 480/09

We hereby declare, in the capacity of Executive Officers of Cyrela Brazil Realty S.A. Empreendimentos e Participações, a corporation headquartered in the city and state of São Paulo, Rua do Rócio, nº 109, 2º floor, room 1, Zip Code 04552-000, Vila Olímpia, Corporate Taxpayer's ID (CNPJ/MF) no. 73.178.600/0001-18 ("Company"), pursuant to item VI, Paragraph 1st, of Article 25 of CVM Instruction 480 of December 7, 2009, that we have reviewed, discussed and approved the interim financial statements of the Company for the quarter ended on December 31, 2020.

São Paulo, March 16, 2021.

The Management

DECLARATIONS FOR THE PURPOSES OF ARTICLE 25, PARAGRAPH 1, ITEM III, OF CVM RULE 480/09

The Fiscal Council of CYRELA BRAZIL REALTY S/A EMPREENDIMENTO E PARTICIPAÇÕES (“Companhia”), pursuant to the article 163 from the Law 6,404/76, in a meeting that took place on this date, after the examination of **(i)** The administrators Annual Report from the year ended on December 31, 2020, **(ii)** financial statements of the Company for December 31, 2020; and **(iii)** the proposal for Dividends distribution, concluding, based on the same examination and yet considering the Independent Auditors declaration, which does not include any safeguards, that all referred documents reflect properly the financial situation of the Company and that are in conditions to be presented to the Board.

São Paulo, March 16, 2021.

Fiscal Counseleurs.

SHAREHOLDING OF HOLDERS OF OVER 5% OF COMPANY'S SHARES OF ANY TYPE AND CLASS, UP TO INDIVIDUAL LEVEL				
Company: Cyrela Brazil Realty S.A. Empreendimentos e Participações			Shareholding on 12/31/2021 (Shares in Units)	
Shareholder	Common Shares		Total	
	Number	%	Number	%
Elie Horn	72,389,100	18.1%	72,389,100	18.1%
Errenor Sociedad Anonima (1)	21,900,008	5.5%	21,900,008	5.5%
EH Capital Management (2)	7,502,400	1.9%	7,502,400	1.9%
Susette Horn (3)	2	0.0%	2	0.0%
Dynamo Adm. de Recursos	20,596,300	5.2%	20,596,300	5.2%
BlackRock, Inc.	20,045,425	5.0%	20,045,425	5.0%
Truxt Investimentos Ltda.	20,609,400	5.2%	20,609,400	5.2%
Treasury Shares	15,238,895	3.8%	15,238,895	3.8%
Others	221,461,269	55.4%	221,461,269	55.4%
Total	399.742.799	100.0%	399,742,999	100,00%

- (1) Holding company incorporated pursuant to the laws of Uruguay, in which Elie Horn holds a 100,0% stake,
- (2) Holding company incorporated pursuant to the laws of the British Virgin Islands, in which Elie Horn holds a 100,0% stake,
- (3) Person related to Elie Horn

CONSOLIDATED SHAREHOLDIGN OF CONTROLLING SHAREHOLDES, MANAGEMENT AND FREE FLOAT Shareholding on 12/31/2020				
<u>Shreholders</u>	Number of Common Shares (In Units)	%	Number of Common Shares (In Units)	%
Controlling Shareholder	101,791,510	25.5%	101,791,510	25.5%
Managers				
Board of Directors	931,272	0.2%	931,272	0.2%
Board of Executive Officers	389,698	0.1%	389,698	0.1%
Fiscal Council	1	0.0%	1	0.0%
Treasury Shares	15,238,895	3.8%	15,238,895	3.8%
Others Shareholders	281,391,423	70.4%	281,391,423	70.4%
Total	399,742,799	100.0%	399,742,799	100.0%
Outstanding Shares	281,391,424	70.4%	281,391,442	70.4%

CONSOLIDATED SHAREHOLDIGN OF CONTROLLING SHAREHOLDES, MANAGEMENT AND FREE FLOAT				
Shareholding on 12/31/2019				
<u>Shreholders</u>	Number of Common Shares (In Units)	%	Number of Common Shares (In Units)	%
Controlling Shareholder	101,791,510	25.5%	101,791,510	25.5%
Managers				
Board of Directors	994,552	0.2%	994,552	0.2%
Board of Executive Officers	401,775	0.1%	401,775	0.1%
Fiscal Council	1	0.0%	1	0.0%
Treasury Shares	15,316,495	3.8%	15.316.495	3.8%
Others Shareholders	281,238,496	70.4%	281.238.496	70.4%
Total	399,742,799	100.0%	399,742,799	100.0%
Outstanding Shares	281,238,496	70.4%	281,238,496	70.4%

In accordance with the Bylaws, chapter X, article 51, the Company, its shareholders, managers and the Fiscal Council members undertake to resolve by means of arbitration every and all dispute or controversy which may arise among them, especially related to or derived from enforcement, validity, effectiveness, construal, violation and their effects of provisions contained in these Bylaws, in the possible shareholders' agreements filed at the Company's headquarters, in Law no, 6,404/76, in the rules issued by the Brazilian Monetary Council (CMN), by the Brazilian Central Bank and by the Brazilian Securities and Exchange Commission (CVM), as well as other rules applicable to the capital markets operation in general and those included in the "Novo Mercado" Listing Regulation, in the "Novo Mercado" Listing Agreement and in the Arbitration Regulation of the Market Arbitration Panel, in conformity with the Market Arbitration Panel Regulation established by B3.