Viver Incorporadora e Construtora S.A.

(Free translation from the original issued in Portuguese. In the event of discrepancies, the Portuguese language version prevails)

Company and consolidated financial statements

Independent Auditors' Report

Year ended December 31, 2021

NVS/TG/TP
368i/2022

Viver Incorporadora e Construtora S.A.

Company and consolidated financial statements

Year ended on December 31, 2021

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(Free translation from the original issued in Portuguese. In the event of discrepancies, the Portuguese language version prevails. See Note 32 to the financial statements.)

Independent auditors' report on the Company and consolidated financial statements

To
Shareholders, Directors and Managers of
Viver Incorporadora e Construtora S.A.
São Paulo - SP

Opinion

We have audited the Company and the consolidated financial statements of Viver Incorporadora e Construtora S.A. (“Company”), identified as the Company and the consolidated respectively, which comprise the balance sheet as of December 31, 2021 and the respective statements of income, comprehensive income, changes in equity (negative equity) and cash flows for the year ended on that date, as well as the corresponding explanatory notes, including a summary of the main accounting policies and other significant information.

Opinion on the Company financial statements prepared in accordance with accounting practices adopted in Brazil, applicable to real estate development entities in Brazil, registered with the Securities and Exchange Commission (CVM)

In our opinion, the Company financial statements referred to above adequately present, in all material respects, the Company equity and financial position of Viver Incorporadora e Construtora S.A. on December 31, 2021, the individual performance of its operations and its Company cash flows for the year ended on that date, in accordance with accounting practices adopted in Brazil, applicable to real estate development entities in Brazil, registered with the Securities and Exchange Commission (CVM).

Opinion on the consolidated financial statements prepared in accordance with accounting practices adopted in Brazil and with international financial reporting standards (IFRS), applicable to real estate development entities in Brazil, registered with the Brazilian Securities and Exchange Commission (CVM)

In our opinion, the consolidated financial statements referred to above adequately present, in all material respects, the consolidated equity and financial position of Viver Incorporadora e Construtora S.A. on December 31, 2021, the consolidated performance of its operations and its consolidated cash flows for the year ended on that date, in accordance with accounting practices adopted in Brazil and with international financial reporting standards (IFRS), applicable to real estate development entities in Brazil, registered with the Securities and Exchange Commission (CVM).

Basis for opinion

Our audit was handled in accordance with Brazilian and international auditing standards. Our responsibilities, in accordance with these standards, are described in the section below entitled “Auditors' responsibilities for auditing the Company and consolidated financial statements”. We are independent in relation to the Company and its subsidiaries, in accordance with the relevant ethical principles set out in the Accountant's Code of Professional Ethics and in the professional standards issued by the Federal Accounting Council, and we comply with other ethical responsibilities in accordance with these standards. We believe that the audit evidence we have obtained is sufficient and appropriate to substantiate our opinion.

Material uncertainty related to going concern

As of December 31, 2021, the Company incurred losses of R$ 57,926 thousand (loss of R$ 181,244 thousand in 2020), negative equity of R$ 201,051 thousand, accumulated losses of R$ 2,567,844 thousand, as well as states Company and consolidated current liabilities, which exceed Company and consolidated current assets of R$ 259,419 thousand and R$ 198,570 thousand, respectively. Although the Company’s legally-backed financial restructuring process is over, Management has been using its efforts to comply with the proposed measures, as described in Note 1 to the Company and consolidated financial statements, to ensure the Company’s going concern. The operating and financial condition of the Company, together with other matters described in the same Note, indicate a material uncertainty that may cast significant doubt on the Company’s ability to continue as a going concern. The Company and consolidated financial statements have been prepared on a going concern basis and do not include any adjustments relating to the realization and classification of asset values or the settlement and classification of liabilities that would be required if the Company were unable to continue as a going concern. Should the Company and consolidated financial statements had been prepared taking into account the discontinuance of operations, they might present values different from those presented. Our opinion is not qualified with respect to this matter.

Emphasis - Properties for sale - Chácara Europa Land

As described in Note 7, the Company owns the property named “Chácara Europa Land”, recorded in the consolidated financial statements ended December 31, 2021 at R$ 45,420 thousand, net of the provision for asset impairment and supported by a technical report issued by a third party. The aforementioned land is subject to a lawsuit filed with the São Paulo City Hall, which enquires several technical aspects covering environmental issues and, in parallel to this fact, an old procedure of provisional registration of the area by the Municipal Council for the Preservation of the Historical, Cultural, and Environmental Heritage of the City of São Paulo (Conpresp) was resumed. The litigation is still ongoing, with no final decision having been reached, and its conclusion may produce impacts on the best estimate of value recognized by the Company. Our opinion is not qualified with respect to this matter.

Emphasis– Debentures payable

As described in Note 14, as of December 31, 2021, the Company has recorded the amount of R$ 210,566 thousand, recognized on behalf of Federal Savings Bank/FGTS[1] and which is related to the debt arising from the 1st issue of the Company's Debentures. Due to divergences regarding the procedures and criteria to be adopted for the settlement of this liability, linked to the conditions presented in the legally-backed financial restructuring plan, a lawsuit was filed by the creditor. Even with the end of the legally-backed financial restructuring, decreed on December 17, 2021, said litigation remains in progress, without any final decision rendered. In view of said uncertain scenario, the Company maintained the balance recognized in current liabilities and used the best estimate available for its valuation. Our opinion is not qualified in this matter.

Emphasis – Recognition of revenue from real estate unit under construction

As described in Explanatory Note 2, the Company financial statements were prepared in accordance with accounting practices adopted in Brazil, applicable to real estate development entities in Brazil registered with the CVM, and the consolidated financial statements were prepared in accordance with accounting practices adopted. in Brazil and with the international financial reporting standards (IFRS), applicable to real estate development entities in Brazil, registered with the CVM. Accordingly, the determination of the accounting policy adopted by the Company, for the recognition of revenues in the purchase and sale agreements for a real estate unit not completed, on the aspects related to the transfer of control, follows the understanding expressed by CVM in Official Memorandum / CVM / SNC / SEP No. 02/2018 on the application of NBC TG 47 (IFRS 15). Our opinion is no qualified in relation to this subjects.

Main audit subjects

Main audit subjects are those that, in our professional judgment, were the most significant in our current year audit. These subjects were dealt with in the context of our audit of the Company and consolidated financial statements as a whole and in forming our opinion on these Company and consolidated financial statements and, therefore, we do not express a separate opinion on these subjects.

[1] Government Severance Indemnity Fund for Employees.

Recoverability of assets ("impairment") - properties for sale, provision for losses in accounts receivable and related parties

The Company and its subsidiaries have a significant volume of Properties for sale at different stages of development (land, real estate under construction and completed properties), accounts receivable from sales of real estate units and balances of transactions with related parties, which are controlled directly by the Company or through subsidiaries or affiliated companies. Any change in market conditions may impact the value of land bank, the value of balances of transactions with related parties, the value of accounts receivable in the financial statements and, as a consequence, we consider this subject significant to our audit.

How our audit handled this subject:

For the properties for sale, based on sampling, we analyzed the documentation and assumptions that support the Company's decision regarding the realizable value of these assets, including the comparison of the realizable value of similar assets for the properties for sale completed and under construction, and for the land, the feasibility and / or comparative market value analyses. For accounts receivable, we assess the reasonableness of the criteria and assumptions used by the Company for its registration and for calculating the provisions for losses and dissolutions, compare it with the history of losses and evaluate the sufficiency of the recognized provisions. For the balances of transactions with related parties, through sampling, we carry out confirmation procedures with third parties and analyzed the responses obtained, as well as we assessed the supporting documents of the amounts disbursed and any guarantees. In addition, we assessed the adequacy of the disclosures made by the Company.

Based on the evidence obtained, through the main audit procedures described above, we consider that, with respect to their recoverability, the balances of properties for sale, accounts receivable and balances of transactions with related parties, recorded in the Company and consolidated financial statements, as well as their respective disclosures, are represented in an acceptable manner.

Provisions and contingent liabilities - tax, labor and civil

The measurement, recognition and disclosure of provisions and contingent liabilities requires professional judgment by the Company's management. The risk rating of such processes involves significant judgments that may result in significant impacts on the amounts recognized in the Company and consolidated financial statements, including their disclosures, as well as the value of investments recorded using the equity method in the company's financial statements. Due to the relevance, complexity and judgment involved in the assessment and measurement of Provisions and Contingent Liabilities, we consider this subject significant for our audit.

How our audit handled this subject:

We evaluated the design, implementation and, based on sampling, the operational effectiveness of the main internal controls related to the identification, assessment, measurement and disclosure of Provisions and Contingent Liabilities. In addition, we requested and analyzed the confirmation letters of reply from the Company's internal and external consultants and assessed the sufficiency of the recognized provisions and the contingency values disclosed, the reasonableness of the criteria and assumptions used in the measurement methodology of the provisioned and / or disclosed amounts , also considering the evaluation of the Company's internal and external legal advisors, as well as certain historical data and information. We also assessed the adequacy of the disclosures in explanatory notes made by the Company.

Based on the evidence that was obtained, through the main audit procedures described above, we consider that the balances of Provisions and Contingent Liabilities recorded in the Company and consolidated financial statements, as well as their respective disclosures, are represented in an acceptable manner.

Recognition of revenue from real estate units under construction

The Company and its subsidiaries use the Percentage of Completion ("POC") method to record revenue from agreements for the sale of units in real estate development projects in progress, in compliance with the procedures established by Circular Letter/CVM/SNC/SEP No. 02/2018, issued by the CVM. The method of revenue recognition through the POC requires that the Company’s management consider, among other aspects, the estimate of the costs to be incurred up to the completion of construction and delivery of the keys of the real estate units, in order to establish a proportion in relation to the costs already incurred and the construction work cost budget. Said proportion is applied to the sale value of the units already sold and, subsequently, the value is readjusted according to the conditions of the sales agreements, and the amount of revenue is determined to be recognized in each period. Such area was considered a focus in our audit, as the revenue recognition process involves critical management estimates in determining cost budgets, their periodic review and the stage of execution of the work. Therefore, any changes in these estimates may have a material impact on the equity position and the income statement.

How our audit handled this subject:

We performed our understanding of the key internal controls established by management for the recognition of sales revenue of the real estate units under construction, as well as for the preparation and approval of estimates of costs to be incurred and for the monitoring of costs incurred. We test the costs incurred, on a sample basis, by inspecting agreements, tax documents and payments made. For revenue transactions with sales of real estate units, we performed tests by inspecting sales agreements, financial settlement documents, and recalculated the receivable balance according to the prevailing contractual index. Our audit procedures stated that the estimates used by the management in relation to this subject are reasonable and duly supported.

Other subjects

Added value statements

The Company and consolidated statements of added value (DVA) for the year ended December 31, 2021, prepared under the responsibility of the Company's management, and presented as supplementary information for IFRS purposes, were submitted to audit procedures performed along with the audit of the Company's financial statements. For the purposes of forming our opinion, we assessed whether these statements are reconciled with the financial statements and accounting records, as applicable, and if their form and content are in accordance with the criteria set forth in NBC TG 09 - Added Value Statement. In our opinion, these added value statements have been properly prepared, in all material respects, in accordance with the criteria set forth in this technical pronouncement and are consistent with the Company and consolidated financial statements taken as a whole.

Other information accompanying the Company and consolidated financial statements and the auditor's report

The Company's management is responsible for these other information, which comprise the Management Report.
Our opinion on the Company and consolidated financial statements does not cover the Management Report and, therefore, we do not express any form of audit conclusion on this report.

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

Management and governance responsibilities for Company and consolidated financial statements

The Company's management is responsible for preparing and presenting the Company and consolidated financial statements in accordance with accounting practices adopted in Brazil and with the international financial reporting standards (IFRS), applicable to real estate entities in Brazil, registered with the CVM, and the internal controls that it has determined to be necessary to allow the preparation of financial statements free of material misstatement, regardless of whether caused by fraud or error.

In the preparation of the Company and consolidated financial statements, management is responsible for assessing the Company's ability to continue operating, disclosing, when applicable, the subjects related to its operational continuity and the use of this accounting basis in the preparation of the financial statements, unless management intends to liquidate the Company and its subsidiaries or cease its operations, or has no realistic alternative to avoid closing operations.

Those responsible for the governance of the Company and its subsidiaries are those responsible for supervising the process of preparing the Company and consolidated financial statements.

Auditors' responsibilities for auditing the Company and consolidated financial statements

Our objectives are to obtain reasonable assurance that the Company and consolidated financial statements, taken as a whole, are free from material misstatement, irrespective of whether it is caused by fraud or error, as well as to issue the audit report containing our opinion. Reasonable safety is a high level of security, but not a guarantee that the audit handled in accordance with Brazilian and international auditing standards will always detect any possible existing material misstatements. The misstatements may be due to fraud or error and are considered material when, individually or together, they can influence, from a reasonable perspective, the economic decisions of users taken based on the said financial statements.

As part of the audit handled in accordance with Brazilian and international auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. Besides that:

- We identify and assess the risks of material misstatement in the Company and consolidated financial statements, whether caused by fraud or error, we plan and perform audit procedures in response to such risks, and we obtain audit evidence appropriate and sufficient to substantiate our opinion. The risk of not detecting material misstatement resulting from fraud is greater than that arising from error, since fraud may involve the act of circumventing internal controls, collusion, forgery, omission, or false intentional representations;
- We obtain an understanding of the internal controls material to the audit in order for us to plan audit procedures appropriate to the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls and its subsidiaries;
- We evaluate the adequacy of the accounting policies used and the reasonableness of the accounting estimates and respective disclosures made by the management;
- We concluded about the adequacy of the use, by management, of the accounting basis for operational continuity and, based on the audit evidence obtained, whether there is significant uncertainty in relation to events or conditions that may raise significant doubts regarding the Company's operation continuity capacity and its subsidiaries. If we conclude that there is material uncertainty, we must draw attention in our audit report to the respective disclosures in the Company and consolidated financial statements or include changes in our opinion, if the disclosures are inappropriate. Our findings are based on audit evidence obtained until the date of our report. However, future events or conditions may cause the Company and its subsidiaries to no longer remain in operating continuity;
- We evaluate the general presentation, structure and content of financial statements, including disclosures, and whether the Company and consolidated financial statements represent the related transactions and events in a manner consistent with the appropriate presentation objective;
- We obtained sufficient and appropriate audit evidence regarding the financial information of the group's entities or business activities to express an opinion on the Company and consolidated financial statements. We are responsible for the direction, supervision and performance of the Company and its subsidiaries' audit and, consequently, for the audit opinion.

Auditors' responsibilities for auditing the Company and consolidated financial statements–Continued

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements, including the applicable independence requirements, and communicate any possible relationships or matters that could significantly affect our independence, including, where applicable, the respective safeguards.

The subjects that were the subject matter of communication with those charged with governance, we determined those that were considered most significant in the audit of the Company and consolidated financial statements for the current year and, therefore, constitute the main audit matters. We describe these matters in our audit report, unless the law or regulation has prohibited public disclosure of the matter, or when, in extremely rare circumstances, we determine that the matter should not be reported in our report because the adverse consequences of such communication may, within a reasonable perspective, overcome the benefits of communication to the public interest.

São Paulo, March 29, 2022.

Baker Tilly 4Partners Auditores Independentes S.S.
CRC 2SP-031.269/O-1

Nelson Varandas dos Santos
Accountant CRC 1SP-197.110/O-3

Viver Incorporadora e Construtora S.A.

Balance sheet
In thousands of Reais

Assets	Notes	Company 12-31-21	Company 12-31-20	Consolidated 12-31-21	Consolidated 12-31-20
Current					
Cash and cash equivalents	5	7	19	63,467	28,993
Trade accounts receivable	6	388	20	16,456	22,682
Properties for sale	7	-	-	65,126	59,124
Other credits	8	1,525	2,068	14,762	3,245
Taxes and contributions to offset	10	295	753	2,948	2,183
Expenses with unearned sales		31	246	512	246
		2,246	3,106	163,271	116,473
Non-current					
Trade accounts receivable	6	-	-	8,646	1,826
Properties for sale	7	-	-	136,317	175,012
Checking accounts with partners in the projects	9	1,354	8,286	1,347	8,297
Related-party transactions	19	22,624	11,897	1,203	2,073
Other credits	8	387	473	7,259	5,856
Taxes and contributions to offset	10	40	40	2,580	2,128
Expenses with unearned sales		-	-	1,158	-
		24,405	20,696	158,510	195,192
Investments	11	50,019	198,650	4,034	8,464
Fixed assets - net	12	628	654	2,555	2,823
Intangible asset	13	233	529	233	529
		75,285	220,529	165,332	207,008
Total assets		77,531	223,635	328,603	323,481

Liabilities	Notes	Company 12-31-21	Company 12-31-20	Consolidated 12-31-21	Consolidated 12-31-20
Current					
Loans and financing	14	-	362	602	362
Debentures	14	210,624	209,969	210,624	209,969
Shared obligation on assignment of receivables	15	-	-	1,433	3,339
Trade accounts payable	16	1,343	2,381	13,089	9,249
Labor and tax liabilities	20	15,492	5,101	46,833	33,528
Accounts payables	17	3,720	13,808	73,456	95,408
Lease payable	17	128	153	494	589
Advances from customers and others	18	-	30	4,447	5,293
Related-party transactions	19	9,161	165,343	8,551	101
Provisions	21	-	-	1,628	2,080
Provisions for loss in investments	11	21,197	36,035	684	282
		261,665	433,182	361,841	360,200
Non-current					
Loans and financing	14	-	-	15,000	-
Shared obligation on assignment of receivables	15	-	-	53	298
Labor and tax liabilities	20	1,038	1,271	23,462	27,163
Accounts payables	17	-	-	1,293	3,525
Advances from customers and others	18	-	-	5,225	-
Lease payable	17	279	503	1,072	1,934
Provisions	21	15,600	15,967	121,708	157,649
		16,917	17,741	167,813	190,569
Total liabilities		278,582	450,923	529,654	550,769
Equity (negative equity)					
Share capital	22	2,449,892	2,339,025	2,449,892	2,339,025
Share issuance expenses	22	(37,855)	(37,855)	(37,855)	(37,855)
Subscribed shares to be cancelled	22	(45,244)	(18,145)	(45,244)	(18,145)
Accrued losses		(2,567,844)	(2,510,313)	(2,567,844)	(2,510,313)
		(201,051)	(227,288)	(201,051)	(227,288)
Non-controlling interest		-	-	-	-
Total equity (negative equity)		(201,051)	(227,288)	(201,051)	(227,288)
Total liabilities and equity (negative equity)		77,531	223,635	328,603	323,481

Management's explanatory notes are an integral part of the financial statements.

Viver Incorporadora e Construtora S.A.

Income statement
Financial years ended December 31
In thousands of Reais

	Notes	Company		Consolidated	
		12-31-21	12-31-20	12-31-21	12-31--20
Net operating revenue	24	4,380	1,297	67,981	44,011
(-) Cost with real estate sales	24	(7)	(40)	(55,376)	(58,040)
(=) Gross profit (loss)		4,373	1,257	12,605	(14,029)
(-) Operating revenues (expenses)					
General and administrative expenses	25	(30,247)	(20,532)	(48,109)	(29,342)
Expenses with sales	26	26	39	(6,581)	(4,518)
Other operating revenues (expenses)	28	(28,735)	19,732	(3,728)	(97,507)
Equity accounting result	11	1,951	(152,502)	(4,149)	(805)
(=) Loss before net financial income		(52,632)	(152,006)	(49,962)	(146,201)
Financial expenses	27	(5,115)	(29,319)	(13,061)	(39,600)
Financial revenues	27	216	544	4,973	3,607
(=) Net financial income		(4,899)	(28,775)	(8,088)	(35,993)
(=) Loss before income tax and social contribution		(57,531)	(180,781)	(58,050)	(182,194)
(-) Income tax and social contribution - current	20	-	-	(627)	(418)
(-) Income tax and social contribution - deferred	20	-	-	751	1,368
(=) Loss for the year		(57,531)	(180,781)	(57,926)	(181,244)
Attributable to					
Company Shareholders				(57,531)	(180,781)
Non-controlling interest				(395)	(463)
				(57,926)	(181,244)
Basic and diluted loss per share	23	(0.4778)	(2.6963)		

Management's explanatory notes are an integral part of the financial statements.

Viver Incorporadora e Construtora S.A.

Comprehensive income statement
Financial years ended December 31
In thousands of Reais

	Company		Consolidated	
	12-31-21	**12-31-20**	**12-31-21**	**12-31-20**
Loss for the year	(57,531)	(180,781)	(57,926)	(181,244)
Other comprehensive income	-	-	-	-
(=) Comprehensive income for the year	(57,531)	(180,781)	(57,926)	(181,244)
Attributable to				
Company Shareholders	(57,531)	(180,781)	(57,531)	(180,781)
Non-controlling interest	-	-	(395)	(463)
	(57,531)	(180,781)	(57,926)	(181,244)

Management's explanatory notes are an integral part of the financial statements.

Statements of changes in equity (unfunded liability)

In thousands of Reais

	Notes	Paid-in capital	Share issuance expenses	Subscribed shares to be cancelled	Accrued losses	Equity	Non-controlling interest	Consolidated equity
Balances as of December 31, 2019		2,233,232	(37,855)	-	(2,329,532)	(134,155)	-	(134,155)
Capital increase due to private subscription	22.1	105,793	-	-	-	105,793	-	105,793
Subscribed shares to be canceled	22.3	-	-	(18,145)	-	(18,145)	-	(18,145)
Non-controlling interest		-	-	-	-	-	463	463
Loss for the year		-	-	-	(180,781)	(180,781)	(463)	(181,244)
Balances as of December 31, 2020		2,339,025	(37,855)	(18,145)	(2,510,313)	(227,288)	-	(227,288)
Capital increase due to private subscription	22.1	110,867	-	-	-	110,867	-	110,867
Subscribed shares to be canceled	22.3	-	-	(27,099)	-	(27,099)	-	(27,099)
Non-controlling interest		-	-	-	-	-	395	395
Loss for the year		-	-	-	(57,531)	(57,531)	(395)	(57,926)
				-				
Balances as of December 31, 2021		2,449,892	(37,855)	(45,244)	(2,567,844)	(201,051)	-	(201,051)

Management's explanatory notes are an integral part of the financial statements.

Viver Incorporadora e Construtora S.A.

Cash flow statement
Years ended December 31th
In thousands of Reais

	Company		Consolidated	
	12-31-21	12-31-20	12-31-21	12-31-20
Cash flow from operating activities				
Loss before income tax and social contribution	(57,531)	(180,781)	(58,050)	(182,194)
Reconciliation of income to net cash provided by operating activities				
Depreciation and amortization	476	2,376	1,038	2,764
Provisions for loss of assets	3,568	3,896	(35,172)	56,391
Provisions for lawsuits	(367)	(83)	(36,393)	28,450
Provisions for work guaranty	-	-	269	(631)
Deferred taxes	3	-	(1,134)	(1,596)
Financial charges on financing	5,006	26,426	5,663	30,454
Capitalized installment of financial charges	-	2,546	-	8,612
Equity accounting result	(1,951)	152,502	4,149	805
Debt forgiveness	-	(24,792)	-	(24,792)
Non-controlling interest	-	-	395	463
	(50,796)	(17,910)	(119,235)	(81,274)
Changes in assets and liabilities				
(Increase)/decrease in asset accounts				
Trade accounts receivable	(368)	140	37,497	94,277
Properties for sale	-	-	33,073	50,283
Taxes and contributions to offset	458	645	(1,218)	432
Other receivables	629	(845)	(12,920)	(1,700)
Related-party transactions	(10,727)	(11,692)	870	4,239
Checking accounts with partners in the projects	3,364	(258)	3,382	(174)
Expenses with unearned sales	215	167	(1,424)	167
Increase/(decrease) in liability accounts				
Labor and tax liabilities	10,155	3,584	10,863	(250)
Trade accounts payable	(1,038)	(2,654)	3,840	(4,907)
Other payables	(10,088)	21,445	(26,390)	5,562
Lease payable	(528)	47	3,196	181
Related-party transactions	(16,429)	(1,336)	8,450	(7,981)
Advance from customers	249	-	226	(20,763)
Provisions	-	-	-	(19,307)
Net cash from/ (used in) operating activities	(74,904)	(8,667)	(59,790)	18,785
Payment of interest on loans and financing, debentures, shared obligation on assignment of receivables and related parties	-	(9,681)	-	(9,686)
Net cash from operating activities	(74,904)	(18,348)	(59,790)	9,099
Cash flow from investing activities				
Investments in affiliates/subsidiaries	(4,009)	-	683	-
In fixed assets	(450)	191	(770)	(585)
In intangible assets	296	(123)	296	(123)
Net cash from/ (used) in investing activities	(4,163)	68	209	(708)
Cash flow from financing activities				
Obtainment of loans and financing, debentures, shared obligation on assignment of receivables	-	-	15,000	-
Payment of loans and financing, debentures, shared obligation on assignment of receivables	(4,713)	-	(4,713)	(3,118)
Subscribed shares to be cancelled	(27,099)	(18,145)	(27,099)	(18,145)
Payment of related-party transactions	-	(69,389)	-	(69,389)
Capital increase	110,867	105,793	110,867	105,793
Net cash from financing activities	79,055	18,259	94,055	15,141
Balance of cash and equivalents at the end of the year	7	19	63,467	28,993
Increase/(decrease) in cash and equivalents	(12)	(21)	34,474	23,532
Balance of cash and equivalents at the beginning of the year	19	40	28,993	5,461
Balance of cash and equivalents at the end of the year	7	19	63,467	28,993

Management's explanatory notes are an integral part of the financial statements.

Added value statement
Years ended December 31th
In thousands of Reais

	Company		Consolidated	
	12-31-21	12-31-20	12-31-21	12-31-20
Revenues				
Sales and services	5,107	1,513	62,835	44,011
	5,107	1,513	62,835	44,011
Inputs purchased from third parties				
Cost of products, goods and services sold	(42)	(40)	(50,047)	(50,733)
Material, electric power, outsourced service and other operating services	(33,780)	12,552	(31,147)	(107,675)
Other	(4,950)	64	11,492	(2,438)
	(38,772)	12,576	(69,702)	(160,846)
Gross added value	(33,665)	14,089	(6,867)	(116,835)
Depreciation, amortization and depletion - net	(476)	(2,376)	(1,038)	(2,764)
Net added value provided by the Company	(34,141)	11,713	(7,905)	(119,599)
Added value received upon transfer				
Equity accounting result	1,951	(152,502)	(4,149)	(805)
Financial revenues	216	544	4,973	3,607
	2,167	(151,958)	824	2,802
Total added value to be distributed	(31,974)	(140,245)	(7,081)	(116,797)
Added value distribution				
Personnel				
Wages and Charges	3,434	7,936	10,887	11,039
Commissions on sale	-	38	1,316	703
Management fees	16,007	2,840	16,007	5,156
Taxes, fees and contributions				
Federal	480	140	(803)	341
Municipal	375	76	485	84
Compensation of third-party capital				
Interests	5,115	29,319	22,778	46,907
Rents	146	187	175	217
Compensation of owner's equity				
Loss for the year	(57,531)	(180,781)	(57,531)	(180,781)
Non-controlling interest	-	-	(395)	(463)
	(31,974)	(140,245)	(7,081)	(116,797)

Management's explanatory notes are an integral part of the financial statements.

1 General information

Viver Incorporadora e Construtora S.A. ("Company" or "Viver") is a public limited-liability company with its head offices in São Paulo, State of São Paulo, and its shares are traded at B3 S.A. under ticker VIVR3, and there is no agreement amongst shareholders to form a controlling block.

The Company's main activity is, along with its subsidiaries and jointly-owned subsidiaries, the development of real estate projects, especially residential and commercial ones, upon interest in the projects, through companies established with specific purposes, partnerships or also through consortia, as well as the provision of management services for the real estate projects.

The Company has a unfunded equity of BRL 201,051, accrued losses of BRL 2,567,844 in its operations and have recorded a loss of BRL 57,926 in 2021 (BRL 181,244 in 2020).

Legally-backed Financial Restructuring

Following the IPO in 2007, the Company adopted an expansionary strategy, following the industry trend, and later, with the market deteriorating, started facing the consequences of this growth model, both due to the market aspect and to the existing capital structure, which proved to be incompatible with the strategy adopted.

As from 2012, the Brazilian macroeconomic scenario started challenging the industry's expansion and cash generation expectations. Faced with this combination of factors, in 2012, Viver came to a crisis. At that time, Viver had extremely high fixed expenses, an organizational structure disproportionate to its operation, corporate debts with short-term maturities of over BRL 700 million, over 30 halted projects and no expectancy of funding to complete the works.

Also in 2012, the Company chose to start restructuring its activities by changing its board of directors and conducting business based on 5 pillars: (i) cost reduction and cash preservation; (ii) deleverage/sale of assets; (iii) delivery of projects; (iv) strengthening of the capital structure; and (v) generating value.

The restructuring strategy was thus implemented. 75% of the overall and administrative costs were reduced, assets were sold for around BRL 500 million Reais, 62% of corporate debts were reduced (over BRL 400 million Reais), in addition to the renegotiation of the other liabilities, over BRL 150 million Reais in funds were raised for the completion of work, and, finally and extremely important, the delivery of virtually every project under construction.

Notwithstanding all efforts and success in implementing the guiding pillars, the macroeconomic scenario impacted enormously the business model which was being developed under the new management and which resulted in the crisis faced by the Company at the time:

a) The expected gain in prices was not confirmed, just the opposite, the real estate market became drastically worse;
b) Sales speed at levels well below what history shows;
c) Transfer volume highly impacted by the macroeconomic perspective – Banks limiting a lot the granting of credit to individuals;
d) Heavy increase in returned units through dissolutions between buyers;
e) Exponential increase in the number of lawsuits, especially regarding dissolutions of promises of purchase and sale of real estate units, which affected and still affect the cash generation of the SPEs.

In 2016, the Company underwent a number of successfuls operational restructuring, which allowed it to improve its structure, and, consequently, the structure of the other subsidiaries. Some of the projects performed are: (i) Specific efforts to sell and monetize assets; (ii) Project for monetizing complex, "free cash" assets, with low conversion of sales into cash; (iii) Renegotiation of expenses with suppliers and lawyers; (iv) Negotiation with financial creditors, closing operations of discharge of financial debt with a discount; (v) Operational restructuring of key areas in the administrative structure, resulting in the reorganization of areas and in a reduced number of employees; (vi) Raising funds for the operations, in particular; and (vii) Equalization of lawsuits to reduce the contingent liabilities.

However, within the financial scope, the Company did not succeed in implementing the planned measures, which resulted in the worsening of its financial crisis and of that of the other subsidiaries: (i) Attempts to renegotiate debts faced resistance from its main creditors regarding the terms proposed; and (ii) Without a solution with its creditors, the Company went back to not being in good conditions for the entry of new capital. Several dealings with this purpose were finished due to there having been no agreement with the banks. With insufficient funds, the Company started renegotiating the installments of the payment of its debts with banks and suppliers, which caused a reduction in the amount of credit available for it.

The Company was currently in a cycle of deterioration of its value. In order to reverse this cycle, the Legally-backed Financial Restructuring was implemented on September 16th, 2016, which was the most appropriate measure in order to preserve value for all the stakeholders of the Viver Group, with the purpose of allowing the equalization of liabilities, the restoration of the relation of trust with the customers, suppliers and banks, the resumption of deployments and, finally, the overcoming of the economic-financial crisis.

On September 28, 2016, the Trial Court Judge of the 2nd Bankruptcy and Legally-backed Financial Restructuring Court of the Judicial District of the Capital of the State of São Paulo accepted the Company's application for its Legally-backed Financial Restructuring, along with other companies in its corporate group, determining, among other measures: (i) Exemption from submitting debt clearance certificates so that the Company may perform its activities; (ii) Suspension of actions and executions against the Company and the other companies who are part of the restructuring for 180 (one hundred and eighty) business days, pursuant to the Law; (iii) Submission of demonstrative accounts, by the Company, by the 30th every month, under penalty of removal of its controllers and managers; (iv) Submission of the restructuring plan within 60 business days; and (v) Issuance of a public notice, pursuant to Paragraph 1 of article 52 of Law No. 11.101/2005, with a period of 15 (fifteen) business days for qualifications or discrepancies from creditors by any chance not listed in the application for the Legally-backed Financial Restructuring.

The full ruling that accepted the application for the Legally-backed Financial Restructuring is available for the Company Shareholders on its website.

For this process, KPMG Corporate Finance Ltda. ("KPMG") was appointed as the bankruptcy trustee.

Legally-backed Financial Restructuring Plan

The Company's Consolidated Legally-backed Financial Restructuring Plan ("Plan") had as economic assumption, among others, the capitalization of tender credits, through the issuance of new shares of the Company, which caused the dilution of the ownership equity of the shareholders who choose to not exercising its preemptive right in the subscription of new shares.

The Plan's assumption was to divide creditors into the following classes: (i) labor; (ii) creditors with real collateral; (iii) unsecured creditors; (iv) micro and small business creditors.

For labor creditors, the Plan provided for a linear payment of BRL 12,000, limited to the credit amount, to all creditors. The remaining balance will be capitalized, through the issuance of the Company's new shares.

Creditors with collateral are those who have credits secured by collateral rights (such as a pledge or a mortgage), up to the limit of the value of the respective asset. Credits with real collateral may be capitalized through the issuance of new shares of the Company. For the capitalization of credit with real collateral, its face value will be considered on the date of the Legally-backed Financial Restructuring application, without any reduction or discount, but also without the incidence of interest or monetary correction, from the date of the request.

Unsecured creditors, in turn, are divided into two subclasses: (i) acquiring creditors; and (ii) other unsecured creditors.

a) Acquiring creditors are those who (i) have a real estate unit in any of the Company's projects; (ii) still have a balance payable to the Company due to the purchase and sale of the unit; (iii) the unit is still linked to the purchase and sale operation; (iv) have filed a lawsuit against the Company.
   In such cases, creditors will be able to choose the following payment methods: (i) remain with the unit, pay the remaining balance at a discount and withdraw from the lawsuit; (ii) terminate the purchase and sale commitment, through dissolution, with the return of the amount paid to the Company and withdraw from the lawsuit; or (iii) proceed with the lawsuit and receive its credit, with a 50% discount, through capitalization, through the issuance of new shares of the Company.

b) The credits of the other unsecured creditors, as well as the credits of the micro and small business creditors, will be fully capitalized, through the issuance of new shares of the Company.

The Plan also provides basic assumptions about the issuance of new shares to be subscribed by tender creditors. The Company also informs that the option for creditors to use the Commissioner's service.

Concerning the issuance of new shares, the Company made available to the creditors the use of the so-called Commissioner, who will receive the new shares in favor of creditors who opt to use them, will sell them at their current value at the time of the reverse auction and will deliver the net funds arising from the sale to the creditor.

Increase in authorized capital for private subscription

The amounts paid with shares and cash disbursements were calculated based on the General Table of Creditors submitted by the bankruptcy trustee, which is published at Viver's website and at CVM. Any discrepancies in values and credit ratings are still under analysis before the Court of the Financial Restructuring, and should therefore be converted into the following tranches of the capital increase, which will produce the issuance of new shares and the decrease of Viver's liabilities.

The capital increase is intended to comply strictly with the provisions contained in the Legally-backed Financial Restructuring Plan approved by the Company's creditors and ratified by the qualified Court, as well as to strengthen the Company's capital structure and balance sheet, aimed at developing, expanding and maintaining its business, within a more solid capital structure, with the consequent restructuring of a significant portion of the Company's group credits, and the Company Shareholders' right to first refusal is assured for the subscription of new shares.

Considering that the Company Shareholders will be entitled to first refusal pursuant to article 171, paragraph 2, of the Brazilian Stock Corporation Law, there will be no dilution of shareholders who subscribe to all the shares to which they are entitled Only shareholders who choose not to exercise their right to first refusal, either in full or in part, will have their interest diluted. The price of issuance was set, without undue dilution of the current Company Shareholders' interest, based on the share ratings at B3 prior to the presentation of the first version of the plan, in order to eliminate any possibility of the share prices being impacted by the price variation of the Company's shares after the presentation of the first version of the Legally-backed Financial Restructuring Plan.

1st Tranche of capital increase

On May 21, 2018, the capital stock increase was approved, which capital subscription amount reached BRL 571,243 Reais, with the issuance of 288,508,781 common shares, and, as mentioned before, this increase was to comply strictly with the provisions contained in the Legally-backed Financial Restructuring Plan.

2nd Tranche of capital increase

On November 12, 2018, the Board of Directors approved the Company's capital increase, within the authorized capital, in the amount of BRL 302,118 Reais, upon the issuance of 152,584,772 new common, registered non-par value shares.

3rd Tranche of capital increase

On March 08, 2019, the Board of Directors' meeting approved the Company's capital increase, within the authorized capital limit, in the amount of BRL 35,196 Reais, upon the issuance of 17,775,438 new common, registered non-par value shares.

4th Tranche of capital increase

On December 19, 2019, the Board of Directors approved the capital increase of the Company in the amount of BRL 5,049, with the issuance of 255,001 common, registered non-par value shares.

5th Tranche of capital increase

On November 6, 2020, the Board of Directors approved the capital increase of the Company in the amount of R$ 36,850, with the issue of 1,861,113 common, registered non-par value shares.

6ª Tranche of capital increase

On November 26, 2021, the Board of Directors approved the capital increase of the Company in the amount of R$ 48,963, with the issue of 2,472,901 common, registered non-par value shares.

Termination of Legally-backed financial Restructuring

On December 17, 2021, a final and unappealable decision was issued ordering the termination of the Company's legally-backed financial restructuring, in the records of proceeding No. 1103236-83.2016.8.26.0100, in progress at the 2nd Bankruptcy and Legally-backed financial Court of São Paulo, and the judge's decision is final and indisputable. The remaining concurrent claims, as well as all illiquid claims, the triggering event of which is prior to the filing for Legally-backed financial Restructuring, remain subject to the effects of the Legally-backed financial Restructuring Plan, in compliance with the legal standards regarding the amount due.

1.2 COVID-19 impacts on financial statements

In compliance with CVM / SNC / SEP Circular Letter No. 02/2020 of March 10, 2020, which deals with the economic and financial impacts of COVID-19 in the financial statements, Management assessed the risks and uncertainties that could affect the financial statements now presented. In this regard, special attention was given to those economic events which are related to the Company's going concern and/ or to the estimates carried out, and the main issues analyzed are: asset recoverability, provisions for dissolutions, estimated losses from accounts receivable from customers and partners in projects and provisions for contingencies.

Taking into consideration the scenario of uncertainties regarding the eradication of the pandemic outbreak for the normal resumption of activities and its negative impact on the country's economy, management assessed the effects subsequent to the financial statements, including in its forecasts of results and cash generation, and apply its best estimate, and made additions to certain provisions at the time of its Company and consolidated financial statements as of December 31, 2021. After making these forecasts, management reached a conclusion that there is no need to account for provisions for losses in addition to those already made. The Company will continue to monitor the situation of the pandemic in order to keep its forecasts for generating income up to date and corresponding analyzes of any effects on its financial information.

1.3. Continuity of operations

The financial statements for the financial year ended December 31, 2021 were prepared based on the assumption of Company's going concern and on forecasts and management's assessment due to the termination of the legally-backed financial restructuring plan.

The Company continues with the following main measures, aiming at the resumption of its preponderant activities, the best adequacy of its capital structure, aiming at the investments required for growth, the future generation of operating income, and consequently the resumption of its profitability:

(a) Continuous negotiation with creditors, in order to find solutions in the settlement of remaining concursal and extra concursal debts, either through the translation of credits in the context of legally-backed financial restructuring or with the execution of guarantees;

(b) Focus on the process of transfers from customers for the generation of free cash for the Company, as well as negotiation with delinquent customers with lawsuits, and the period ended with BRL 25,102 of receivables (net of provisions for losses and dissolutions);

(c) Sale of land which is not in the Company's deployment plans;

(d) A new business unit of Viver Group named Solv was created and is in the initial cycle of operations with the mission of resumption and concluding stalled real estate projects.

(e) Interest in new projects in the real estate development segment, either as a partner or main partner, in distressed operations (acquisition of stalled projects aiming at resumption of the construction works) or in greenfield operations (acquisition of land, development, construction and sale of the real estate units).

The Company is bound to Arbitration with the Market Arbitration Chamber, pursuant to a binding clause contained in its bylaws.

2 Main Accounting Policies

The main accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to the financial years presented, unless otherwise stated.

2.1 Basis for preparation and declaration of compliance

The financial statements have been prepared considering historical cost as the basis for value and certain financial assets measured at fair value. The preparation of financial statements requires the use of certain critical accounting estimates and the exercise of judgment by the Company's management in the process of applying accounting policies. Estimates are used to, among others, determine the useful lives of assets and equipment, provisions required for contingent liabilities, allowance for doubtful accounts and provision for dissolutions, provision for asset deterioration ("impairment"), budgeted costs for projects, taxes and other similar charges. Based on this fact, the actual results may differ from the results considered by these estimates.

Settlement of transactions involving these estimates may result in values that are significantly discrepant from those recorded in the financial statements due to the probabilistic treatment inherent in the estimation process. The Company reviews its estimates and assumptions periodically for a period not exceeding one year.

Those areas that require a higher level of judgment on the part of the Company's management in the process of applying accounting policies and which are more complex, as well as the areas in which assumptions and estimates are significant for the preparation of the financial statements, are disclosed in Note 2.4 .

The Company's Management declares that all material information specific to the financial statements, and only them, are being disclosed and that correspond to those used by it in its management.

(a) Company financial statements

The company financial statements were prepared in accordance with accounting practices adopted in Brazil issued by the Accounting Pronouncements Committee (CPCs) and approved by the Brazilian Securities and Exchange Commission (CVM) and are published along with the consolidated financial statements.

In the Company financial statements, subsidiaries and jointly-owned subsidiaries are recorded by using the equity method. The same adjustments are made both in the Company financial statements and in the consolidated financial statements to arrive at the same result and equity attributable to the shareholders of the company. The financial charges incurred on certain loans and financing and on the debentures, the funds of which were used by the company in the purchase of land and in the construction of the projects of the subsidiaries and jointly-owned subsidiaries, were capitalized and are presented in the Company financial statements under the line item of investments arrive at the same result and equity attributable to the shareholders of the company that are presented in the consolidated financial statements. This adjustment, corresponding to the financial charges appropriated to the unsold units of the projects under construction, in the consolidated financial statements, are presented in the line item of Properties for sale and are taken to the line item of costs of units sold as the corresponding units are sold. The reflection of the realization of financial charges in the consolidated financial statements is recorded in the Company financial statements, based on the equity method.

The financial statements of the subsidiaries and jointly-owned subsidiaries, for purposes of equity accounting, are prepared for the same reporting period as the Company and, when necessary, adjustments are made so that the accounting policies are in accordance with those adopted by the Company.

The ownership interest in the income of the subsidiaries and jointly-owned subsidiaries is shown in the company's income statement as equity, representing the net profit or loss of the investee attributable to the controllers.

In thousand Reais, except when otherwise indicated

After applying the equity method, the Company determines whether it is necessary to recognize additional impairment loss on the Company's investment in its subsidiary or jointly-owned subsidiary. The Company determines, on each closing date, whether there is objective evidence that investments in subsidiaries and jointly-owned subsidiaries have suffered losses due to impairment. If so, the Company calculates the amount of the impairment loss as the difference between the recoverable amount of the subsidiary or jointly-owned subsidiary and the book value, recognizing the amount in the income statement of the company.

(b) Consolidated financial statements

The consolidated financial statements have been prepared and presented in accordance with accounting practices adopted in Brazil and in accordance with International Financial Reporting Standards - IFRS, issued by the International Accounting Standard Board - IASB, applicable to real estate entities in Brazil, registered with the CVM. The aspects related to the transfer of control in the sale of real estate units follow the understanding of the Company's management, in line with that expressed by CVM in Official Memorandum CVM/SNC/SEP/No. 02/2018 on the application of Technical Pronouncement CPC 47 (IFRS 15), and the basis for revenue recognition is described in more detail in Note 2.21.

The following accounting policies are applied in the preparation of the consolidated financial statements:

(i) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Company has control. The Company controls an entity when it is exposed or has the right to variable returns arising from its involvement with the entity and has the ability to interfere in these returns due to the power it exercises over the entity.

The subsidiaries are consolidated from the date on which control is transferred to the Company and are interrupted from the date on which control ends.

The consolidated financial statements include the operations of the Company and the following subsidiaries and respective percentage interest on the date of the financial statements:

Directly subsidiary and jointly-owned subsidiaries	2021	2020
Inpar Investimentos II S A.	100.00	100.00
Inpar Legacy Empreendimentos Ltda.	100.00	100.00
Inpar Participações e Associados Ltda.	100.00	100.00
Inpar Projeto 105 SPE Ltda.	100.00	100.00
Inpar Projeto 108 SPE Ltda.	100.00	100.00
Inpar Projeto 109 SPE Ltda.	100.00	100.00
Inpar Projeto 111 SPE Ltda.	100.00	100.00
Inpar Projeto 112 SPE Ltda.	100.00	100.00
Inpar Projeto 113 SPE Ltda.	100.00	100.00
Inpar Projeto 116 SPE Ltda.	100.00	100.00
Inpar Projeto 126 SPE Ltda.	100.00	100.00
Projeto Imob. Res. Viver Reserva SPE 127 LTDA.	100.00	100.00
Inpar Projeto 44 SPE Ltda.	100.00	100.00
Inpar Projeto 45 SPE Ltda.	100.00	100.00
Inpar Projeto 47 SPE Ltda.	100.00	100.00
Inpar Projeto 50 SPE Ltda.	100.00	100.00
Inpar Projeto 71 SPE Ltda.	100.00	100.00
Inpar Projeto 76 SPE Ltda.	100.00	100.00
Inpar Projeto 79 SPE Ltda.	100.00	100.00

In thousand Reais, except when otherwise indicated

Directly subsidiary and jointly-owned subsidiaries	2021	2020
Inpar Projeto 84 SPE Ltda.	100.00	100.00
Inpar Projeto 86 SPE Ltda.	100.00	100.00
Inpar Projeto 87 SPE Ltda.	100.00	100.00
Inpar Projeto 90 SPE Ltda.	100.00	100.00
Inpar Projeto 94 SPE Ltda.	100.00	100.00
Inpar Projeto Lagoa Dos Ingleses SPE Ltda.	100.00	100.00
Inpar Projeto Residencial Calogero Calia SPE Ltda.	100.00	100.00
Inpar Projeto Residencial Cond. Eredita SPE Ltda.	100.00	100.00
Inpar Projeto Res. Cond. Wellness Resort SPE 42 Ltda.	100.00	100.00
Inpar Projeto Residencial Grand Jardins SPE Ltda.	100.00	100.00
Inpar Projeto Residencial Quatro Estacoes Ltda.	100.00	100.00
Inpar Projeto Residencial Rio Claro Village SPE 67 Ltda.	100.00	100.00
Inpar Projeto Residencial Sports Garden Leste SPE Ltda.	100.00	100.00
Inpar Projeto Residencial Venâncio Alves SPE Ltda.	100.00	100.00
Inpar Projeto Residencial Vinhedo SPE Ltda.	100.00	100.00
Inpar Projeto Residencial Viver Mooca SPE Ltda.	100.00	100.00
Inpar Projeto Residencial Viver Morumbi SPE Ltda.	100.00	100.00
Inpar Projeto Residencial Von Schilgen SPE Ltda.	100.00	100.00
Inpar Projeto Samoa SPE 75 Ltda.	100.00	100.00
Inpar Projeto Unique SPE 93 Ltda.	100.00	100.00
Inpar Projeto Wave SPE Ltda.	100.00	100.00
JMT Propriedade Imobiliaria Ltda.	100.00	100.00
Plarcon Incorporações Imobiliárias S/A	100.00	100.00
Projeto Imobiliário Altos Do Umarizal SPE 64 Ltda.	100.00	100.00
Projeto Imobiliário Barra Bali SPE 99 Ltda.	100.00	100.00
Projeto Imobiliário Canoas Happiness SPE 72 Ltda.	100.00	100.00
Projeto Imobiliário Condominio Park Plaza SPE 52 Ltda.	100.00	100.00
Projeto Imob. Res. Esporte & Vida Cond. Gravataí SPE 53 Ltda.	100.00	100.00
Projeto Imob. Res. Linea SPE 96 Ltda.	100.00	100.00
Projeto Imob. Res. Viver Bosque SJP SPE 91 Ltda.	100.00	100.00
Projeto Imob. Res. Viver Zona Sul SPE 62 Ltda.	100.00	100.00
Projeto Imobiliário SPE 103 Ltda.	100.00	100.00
Projeto Imobiliário SPE 46 Ltda.	100.00	100.00
Projeto Imobiliário SPE 65 Ltda.	100.00	100.00
Projeto Imobiliário SPE 77 Ltda.	100.00	100.00
Projeto Imob. Sports Garden Batista Campos SPE 61 Ltda.	100.00	100.00
Projeto Imobiliário Viver Ananindeua SPE 40 Ltda.	100.00	100.00
Projeto Imobiliário Viver Castanheira SPE 85 Ltda.	100.00	100.00
Projeto Residencial Marine Home Resort SPE 66 Ltda.	100.00	100.00
Solv Real Estate Distressed Gestão Imobiliária Ltda	100.00	100.00
Viver Desenvolv. e Construção Imobiliária Ltda.	100.00	100.00
Viver Desenvolv. e Construção Imobiliária SPE 141 Ltda.	100.00	100.00
Viver Desenvolvimento Imobiliário Ltda.	100.00	100.00
Viver Empreendimentos Ltda.	100.00	100.00
Viver Participações Ltda.	100.00	100.00
XYZ Real Estate Incorporações Imobiliárias Ltda	100.00	100.00
Vila Madalena Empreendimentos Imobiliários SPE Ltda	100.00	100.00
F5 Crédito e Intermediação de Negócios Ltda	100.00	100.00
F5 Intermediação de Negócios Ltda	100.00	100.00
Inpar - Agra - Projeto Residencial Santo Amaro SPE Ltda.	70.00	70.00
Inpar - Agra - Projeto Residencial America SPE Ltda.	70.00	70.00

(ii) Transactions with non-controlling interests

The Company treats transactions with non-controlling interests as transactions with asset owners. For purchases from non-controlling interests, the difference between any consideration paid and the acquired portion of the book value of the subsidiary's net assets is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded directly in equity, in the "Accrued losses" account.

When the Company ceases to have control, any interest retained in the entity is measured at fair value, with the change in book value recognized in the income. The fair value is the initial book value for the subsequent recording of the retained interest in a joint venture or a financial asset.

Minority interests are shown in equity.

(iii) Joint ventures

Investments in joint ventures are recorded by using the equity method and are initially recognized at their cost values.

Unrealized gains from joint ventures are eliminated to the extent of ownership interest. Unrealized losses are also eliminated, unless the transaction provides evidence of a loss (impairment) of the transferred asset. The accounting policies of jointly-owned subsidiaries are changed, when necessary, to ensure consistency with the Company's accounting policies.

2.2 Presentation of information by segment and nature

The main revenue of the Company and its subsidiaries and jointly-owned subsidiaries comes from the real estate incorporation activity. The main operations manager analyzes analytical information by project to decide on fund allocation and assesses its performance. The management of activities related to strategic, financial planning, purchasing, investment of funds and performance assessment in the projects is centralized, with no segregation of management in sets by type of project (high, medium and low standard residential real state and commercial real state), that could characterize management by segment, or other factors that may identify a set of components as operating segments of the entity, the information being presented to the Board of Directors in an analytical manner by project and also consolidated as a single operating segment.

As described in Note 1, the Company has as its main activity the incorporation of real estate projects, acting mainly with selected partners for the development of construction activities linked to its real estate projects, which are the subject matters of its incorporation.

2.3 Functional currency

The functional currency of the Company and its subsidiaries and jointly-owned subsidiaries is the Brazilian Real and all amounts presented in the financial statements are expressed in thousands reais (presentation currency), except when expressly stated otherwise.

There are no significant foreign currency transactions.

2.4 Critical accounting estimates and judgments

Accounting estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events, considered reasonable under the circumstances.

2.4.1 Critical accounting estimates and assumptions

Based on assumptions, the Company and its investees make estimates regarding the future. By definition, the resulting accounting estimates will rarely be equal to the respective actual results. The estimates and assumptions that present a significant risk, with the probability of causing a material adjustment in the book values of assets and liabilities for the next financial year, are contemplated below.

(a) Revenue recognition and estimated work margin

The Company and its subsidiaries and jointly-owned subsidiaries use the Percentage of Completion (POC) method to account for their sale agreements for units in real estate development projects under construction. The use of the POC method requires the Company to estimate the costs to be incurred until the completion of the construction and delivery of the keys to the real estate units belonging to each real estate development project to establish a ratio concerning the costs already incurred.

The total budgeted costs, consisting of costs incurred and expected to be incurred for the closure of works, are regularly reviewed as the works progress, and the adjustments based on this review are reflected in the Company's results in accordance with the accounting method used.

(b) Contingencies

The Company and its subsidiaries and jointly-owned subsidiaries are subject, in the normal course of business, to investigations, audits, lawsuits and administrative proceedings in civil, tax-related, labor, environmental, corporate and consumer law matters, among others. Depending on the subject matter of the investigations, lawsuits or administrative proceedings brought against the Company and its subsidiaries and jointly-owned subsidiaries, may adversely affect the Company and its subsidiaries and jointly-owned subsidiaries, regardless of the final outcome. The Company and its subsidiaries and jointly-owned subsidiaries may be periodically inspected by different authorities, including tax-related, labor, social security, environmental and health surveillance authorities. There can be no assurance that these authorities will not fine the Company and its subsidiaries and jointly-owned subsidiaries, or that such violations will not be converted into administrative proceedings and, subsequently, into lawsuits, or the final outcome of any lawsuit or administrative proceeding.

The Company recognizes a provision for tax-related, civil and labor claims. The assessment of likelihood of loss includes assessing the available evidence, the hierarchy of laws, available case laws, the most recent court decisions and their relevance to the legal system, as well as the evaluation of external lawyers. The provisions are reviewed and adjusted to take into account changes in circumstances, such as applicable statutory period of limitation, findings of tax inspections or additional exposures identified on the basis of new subjects or court decisions.

2.4.2 Judgments in the adoption of an accounting policy

(a) Revenue recognition

For purposes of applying the revenue recognition accounting policy, management follows the principles described in Note 2.21 which are applicable to Real Estate Units in Brazil and are in line with standards issued by the Brazilian Accounting Pronouncements Commission (CPC) and approved by the Securities and Exchange Commission (CVM) and by the Brazilian Federal Accounting Council (CFC).

Based on these standards and management judgment, the appropriation of revenue from real estate development projects under construction is carried out using the percentage of completion of the work (POC) method.

(b) Revenue recognition - responsibility for contracting and paying the brokerage fee

The charge related to the sales commission tends to be the responsibility of the property buyer, without the incorporation of the sales price established in the agreements executed with the buyers of the property and the corresponding revenue recognized by the Company. Company management has been monitoring, along with its legal advisors, the position of the Public Prosecutor's Office, which has been requesting from the brokerage firms that clear and accurate information are provided in the offers for the purchase of property that the responsibility for the payment of the brokerage fee is not of the property buyer, and which has already executed a Behavior Modification Agreement (TAC) with one of the brokerage firms in the market, to determine any possible impacts in its operations and consequent repercussions in the financial statements, and we already have favorable decisions made by the Public Prosecutor's Office.

In addition, they also monitor the movements occurring in the industry concerning this subject, in order to constantly reassess the impacts in their operations and consequent repercussions in the financial statements.

(c) Estimated losses - indemnifications arising from the delivery of real estate units in arrears

Law No. 4.591 from December 16, 1964, which provides for real estate developments, and the sale agreements of real estate units have a 180-day grace period in relation to the delivery period established in such agreements of the units sold under construction. However, agreements entered into up to mid-2011 do not establish any fine or other penalty on the Company and its subsidiaries and jointly-owned subsidiaries for delays exceeding such grace period. Agreements entered into as of the second half of 2011 started posting a penalty corresponding to 2% of the amounts received, corrected according to the Brazilian National Civil Construction Index (INCC) and, after completion of the construction and delivery of the units sold, they will be corrected according to the Brazilian General Market Price Index (IGP-M) plus 0.5% per month of delay after the 180-day grace period (Note 6).

The Company and its subsidiaries and jointly-owned subsidiaries have been monitoring, along with their legal advisors, the lawsuits which have been filed individually by each buyer who has received their unit purchased under construction in a period exceeding that of such grace period, requiring such compensation, as well as compensation for moral damages and material losses, and establishes specific losses for them based on individual analyses of the lawsuits (Note 21 (b)).

(d) Adoption of accounting policies

As mentioned before in Note 1, management has been adopting measures to manage its debt and obtain the funds needed to complete the development of its current projects, which total cost projected to complete them amounts to BRL 23,901 (BRL 1,077 Reais as of December 31, 2020) (Note 29), as well as to recover its profitability by reducing costs and expenses and to resume the pace of the works on current projects, thus maintaining the continuity of the Company's and its subsidiaries' operations, and believes that these measures will be sufficient to improve the Company's capital structure and the cash generation needed for its going concern.

Hence, management prepared the quarterly financial information using accounting policies applicable to companies with business continuity (*going-concern basis*), which do not consider any adjustments arising from uncertainties about their ability to operate on a going-concern basis.

2.5 Cash and cash equivalents

They include cash, bank deposits and other highly liquid short-term investments, redeemable within 90 days following the transaction dates and with an insignificant risk of changing their market value. Most financial investments included in cash equivalents are rated in the category "Financial assets at fair value through profit or loss".

2.6 Financial assets

2.6.1 Rating

The Company rates its financial assets, upon initial recognition, under the following categories: valued at fair value through the result and loans and receivables. The rating depends on the purpose for which the financial assets were acquired.

With the exception of financial assets at fair value (Note 5), other financial assets are rated as "Loans and receivables" and liabilities as "Other financial liabilities".

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are held for trading. A financial asset is rated in this category if it was acquired, specially, for the purpose of the short term sale. Assets in this category are rated as current assets.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets, with fixed or determinable payments, which are not quoted in an active market. They are presented as current assets, except those with a maturity of more than 12 months after the balance sheet issue date (these are rated as non-current assets). The Company's loans and receivables comprise "Accounts receivable from customers", "Taxes and contributions to offset", "Checking accounts with partners in the projects", "Related parties" and "Other assets".

2.6.2 Recognition and measurement

Purchases and sales of financial assets are usually recognized on the trade date. Investments are initially recognized at fair value, plus transaction costs for all financial assets not rated as at fair value through profit or loss. Financial assets at fair value through profit or loss are initially recognized at fair value, and transaction costs are charged to the income statement. Financial assets are written off when the rights to receive cash flows have expired or have been transferred; in the latter case, provided that the Company and its subsidiaries and jointly-owned subsidiaries have significantly transferred all risks and benefits of ownership. Assets at fair value through profit and loss statement are subsequently recorded at fair value. Loans and receivables are carried at amortized cost using the effective interest method.

Gains or losses arising from variations in the fair value of financial assets valued at fair value through the result are presented in the income statement under "Financial revenues" in the period in which they occur.

2.6.3 Offset of financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legal right to offset the recognized amounts and there is an intention to settle them on a net basis, or to realize the asset and settle the liability simultaneously.

2.6.4 Impairment of financial assets

The Company assesses on the date of each balance sheet whether there is objective evidence that a financial asset or group of financial assets is impaired. An asset or group of assets is impaired and impairment losses are recognized only if there is objective evidence of impairment as a result of one or more events occurring after the initial recognition of the assets (a "loss event") and that event (or Loss events) have an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.
The criteria that the Company and its subsidiaries and jointly-owned subsidiaries use to determine whether there is objective evidence of an impairment loss include the following:

(i) material financial difficulty of the issuer or debtor;

(ii) a breach of contract, such as default or late payment of interest or principal;

(iii) the Company, for economic or legal reasons related to the borrower's financial difficulty, extends to the borrower a concession that a lender would not normally consider;

(iv) it is probable that the borrower will declare bankruptcy or other financial restructuring;

(v) the disappearance of an active market for that financial asset due to financial difficulties; or

(vi) observable data indicating that there is a measurable reduction in estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:

. adverse changes in the payment status of borrowers in the portfolio;

. national or local economic conditions that correlate with defaults on the assets in the portfolio.

The amount of impairment loss is measured as the difference between the book value of the assets and the present value of estimated future cash flows (excluding future credit losses that are not incurred) discounted at the original effective interest rate of the assets. The book value of the asset is reduced and the amount of loss is recognized in the income statement. If a loan or investment held to maturity has a variable interest rate, the discount rate for valuing an impairment loss is the current effective interest rate determined in accordance with the agreement. As a practical expedient, management can value impairment based on the fair value of an instrument using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be objectively related to an event that occurred after the impairment was recognized (such as an improvement in the debtor's credit rating), the reversal of that previously recognized loss will be recognized in the income statement.

2.7 Derivative financial instruments and hedge activities

Derivatives are recognized at fair value on the date the agreement is signed and are subsequently re-valued at fair value. As the Company does not adopt hedge accounting as its accounting policy, changes in the fair value of any of these derivative instruments are immediately recognized in the income statement, in the financial revenues or expenses account.

There are no derivative financial investment transactions and hedge activities outstanding as of December 31, 2021 and 2020.

2.8 Accounts receivable

Accounts receivable is substantially represented by the sale of real estate units under construction and completed.

Accounts receivable from customers, when originating from real estate units under construction, are constituted by applying the Percentage of Completion (POC) over the revenue from units sold, adjusted according to the conditions of the sales agreements, deducting the installments received.

If the amount of the installments received is higher than the accrued revenue recognized, the balance is rated as an advance from customers, in liabilities.

When the construction is completed, the total amount of accounts receivable will be appropriated to the accounts and which bear interest and monetary variation, appropriated to the financial income when earned, in accordance with the accrual basis.
In installment sales of completed units, total accounts receivable are recorded at the time the sale takes place, regardless of the maturity for receiving the contractual amount.

Accounts receivable are rated in current assets, taking into account the amount that comprises all accounts receivable past due and due within one year and the prospect of their realization, over time, by management. The excess portion is shown in non-current assets.

Accounts receivable from customers are initially recognized at fair value and subsequently valued at amortized cost using the effective interest rate method minus Estimated Losses for Allowance for Doubtful Accounts (impairment). In relation to the accounts receivable existing on December 31th, management recorded an estimated loss of an amount sufficient to cover the expected losses on the realization of accounts receivable from old sales that do not have a fiduciary sale (Note 6). For accounts receivable related to the most recent sales, management considers that there is no objective evidence for the constitution of the estimated loss, since, according to current agreements, the ownership of the property by the customer is only effective if it is fulfilling with their contractual obligations and, in the case of delivery of sales keys financed by the Company, the agreements are signed with fiduciary sale of the corresponding properties.

Accounts receivable are also deducted from the provision for cancellations (Note 6), in accordance with the measurement and registration criteria described in Note 2.21.1.

2.9 Properties for sale

Ready-to-sell properties are stated at construction cost that does not exceed their net realizable value. In the case of real estate under construction, the parcel of land in land bank corresponds to the cost incurred for the units not yet sold.

The cost comprises land acquisition, construction contracting and other related costs, including the financial cost of capital invested (financial charges on real estate credit operations incurred during the construction period and interest on other financing lines, including debentures), which are appropriated to the total cost of the work and taken to the result in proportion to the ideal fraction of the units sold, under the line item "Cost of sales".

The net realizable value is the estimated sale price for the normal course of business, minus the estimated costs for completion and sale expenses.

Land is stated at acquisition cost and there being projects development, plus capitalized financial charges, net of loss estimates.

In the case of land physical exchanges operations, aimed at delivering apartments to be built, the value of the land acquired by the Company and its subsidiaries and jointly-owned subsidiaries is calculated based on the fair value, valued at the cash sale value of the real estate units to be delivered. The fair value of the land is recorded as a component of the land bank for Properties for sale, in return for advances from customers in liabilities, at the time of signing the private instrument or agreement related to the referred transaction. Revenues and costs arising from physical exchanges operations are allocated to income over the period of construction of the projects using the criteria described in Note 2.21.

The real estate units eligible for sales and accounts receivable dissolutions, had their costs reversed to the result and are presented in a specific provision line for dissolution.

2.10 Expenses with unearned sales

Expenses with unearned sales are mainly represented by expenses with commissions on sales realized, which are appropriated to the result, observing the same criterion adopted for the recognition of revenues from units sold (Note 2.21).

2.11 Fixed asset

The Company's head office and subsidiaries and jointly-owned subsidiaries are located in properties rented from third parties.

Fixed assets are recorded at acquisition cost, minus depreciation calculated using the straight-line method, at the rates mentioned in Note 12, which takes into account the estimated useful lives of the assets. Considering that historically the Company does not dispose of its fixed assets items, the residual value of the assets is considered to be zero. The economic useful life of the assets is reviewed and adjusted, if appropriate, at the end of each year.

Expenses incurred with the construction of sales booths and decorated apartments are subject to periodic analyses on the impairment of assets, having only been capitalized those whose estimated useful life on the construction date was more than one year.

An item of fixed asset is written off when sold or when no future economic benefit is expected from its use or sale. Any gain or loss resulting from the write-off of the asset (calculated as the difference between the net sale value and the book value of the asset) is included in the income statement, in the year in which the asset is written off.

2.12 Intangible assets

The software licenses purchased were capitalized based on the costs incurred to purchase the softwares and make them ready for use. These costs are amortized over their estimated useful life of three to five years. Costs associated with software maintenance are recognized as an expense, as incurred.

2.13 Impairment of non-financial assets

Assets that are subject to depreciation or amortization are reviewed for impairment whenever events or changes in circumstances indicate that the book value may not be recoverable. An impairment loss is recognized at the amount at which the book value of the asset exceeds its recoverable amount. The latter is the higher of an asset's fair value minus the costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (Cash-Generating Units (CGUs)). Non-financial assets that have undergone impairment are subsequently reviewed for the analysis of a possible reversal of the impairment on the reporting date.

2.14 Suppliers, creditors under committed property and miscellaneous accounts payable

Accounts payable to suppliers are obligations to pay for goods or services that were acquired in the normal course of business. Accounts payable for the acquisition of real estate are related to the acquisition of land for the development of real estate development projects. Accounts payable to suppliers and creditors for the acquisition of real estate are rated as current liabilities if payment is due within a period of up to one year; otherwise, they are presented as non-current liabilities. Miscellaneous accounts receivables include, substantially, dissolutions payable, obligations arising from charges for condominiums and taxes on real estate units in land bank or in court and commissions payable.

They are initially recognized at fair value and subsequently valued at amortized cost using the effective interest rate method. In practice, they are usually recognized at the corresponding invoice / agreement value plus the financial charges incurred and the respective write-offs for the settlement of the obligations.

Obligations in the acquisition of real estate are initially recognized at the amounts corresponding to the contractual obligations assumed and are presented plus financial charges incurred, when applicable.

2.15 Loans, financing and debentures

Loans, financing and debentures are initially recognized at fair value, net of costs incurred in the transaction and are subsequently stated at amortized cost. Any difference between the amounts raised (net of transaction costs) and the settlement value is recognized during the period in which the loans, financing and debentures are outstanding, using the effective interest rate method, as a complementary portion of the cost of the project (qualifying asset under construction) or in the income statement.

Loans are rated as current liabilities, unless the Company and its subsidiaries and jointly-owned subsidiaries have an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

2.16 Provisions

Provisions are recognized when the Company and its subsidiaries and jointly-owned subsidiaries have a present, legal or non-formalized obligation, as a result of past events and it is likely that an outflow of funds will be necessary to settle the obligation and that a reliable estimation of the amount may be made.

When there are a series of similar obligations, the probability of settling them is determined, taking into account the class of obligations as a whole. A provision is recognized even if the probability of settlement related to any individual item included in the same class of obligations is small.

Provisions are measured at the present value of expenses that must be required to settle the obligation, using a pre-tax rate, which reflects current market assessments of the time value of money and the specific risks of the obligation. The increase in the obligation due to the passage of time is recognized as a financial expense.

(a) Provisions for tax, civil and labor risks

The Company is a party to several legal and administrative proceedings. Provisions are recorded for all contingencies related to judicial proceedings for which it is probable that an outflow of proceeds will be made to settle the contingency / obligation and a reasonable estimate can be made. The assessment of likelihood of loss includes assessing the available evidence, the hierarchy of laws, available case laws, the most recent court decisions and their relevance to the legal system, as well as the evaluation of external lawyers. The provisions are reviewed and adjusted to take into account changes in circumstances, such as applicable statutory period of limitation, findings of tax inspections or additional exposures identified on the basis of new subjects or court decisions.

(b) Collaterals

Limited collaterals are provided for a period of up to five years, covering structural defects in commercial real estate projects.

The Company and its subsidiaries and jointly-owned subsidiaries hire specialized construction companies to carry out the construction of the projects to be sold, which have a 5-year guaranty period. The agreements signed with the construction companies ensure that the coverage of any damage be under your responsibility, which is why certain collaterals for the performance of the services (responsibilities and costs) are normally carried out by the subcontractors. It is estimated that the amounts to be disbursed will not be significant, and the Company records the best possible estimate to face future occurrences of this nature.

(c) Delay in delivering projects

Law No. 4.591 from December 16, 1964, which provides for real estate developments, and the sale agreements of real estate units have a 180-day grace period in relation to the delivery period forecast in such agreements of the units sold under construction. However, agreements entered into up to mid-2011 do not establish any fine or other penalty on the Company and its subsidiaries and jointly-owned subsidiaries for delays exceeding such grace period.

The Company and its subsidiaries and jointly-owned subsidiaries have been monitoring, along with their legal advisors, the lawsuits which have been filed individually by each buyer who has received their unit purchased under construction in a period exceeding that of such grace period, requiring such compensations, as well as indemnification for moral damages and material losses. As previously mentioned, the construction of the projects is contracted with specialized construction companies, whose signed agreements ensure that the coverage of any claim for indemnification by customers who have received their units late is their responsibility. The Company set up a provision in an amount that corresponds to the estimate regarding collaterals not covered by the construction companies (Note 21 (a)).

(d) Onerous contracts

With the budget review carried out, we carried out an analysis of the projects, aiming at assessing whether they have a budgeted cost for the completion of the projects in an amount higher than the recoverable net value, regardless of the current stage in which the work is progressing. We did not identify any significant losses that would require the establishment of a specific provision.

2.17 Income tax and social contribution on current and deferred profit

Income tax and social contribution expenses for the year comprise current and deferred taxes, both recognized in the income statement.

The current and deferred income tax and social contribution charge is calculated based on the tax laws enacted on the balance sheet date. Management periodically evaluates the positions taken by the Company and its subsidiaries and jointly-owned subsidiaries in the income tax returns in relation to situations in which the applicable tax regulations give rise to interpretations. Establishes provisions, when appropriate, based on estimated amounts of payment to tax authorities.

In companies taxed on real profit, the income tax and social contribution are calculated at regular rates of 15% plus an additional 10% for income tax and 9% for social contribution, on the accounting profit for the year, adjusted according to criteria established by current tax legislation.

As permitted by the tax legislation, certain subsidiaries and jointly-owned subsidiaries, whose annual revenue for the previous year was less than BRL 78,000, opted for the deemed profit method. For these companies, the income tax calculation base is calculated at the rate of 8% and that of the social contribution at the rate of 12% on gross revenues (32% when the revenue comes from the provision of services and 100% of the financial revenues), on which the regular rates of the respective tax and contribution, apply.

Some of these subsidiaries and affiliates of the Company opted for the method of property subject to encumbrance (liens, etc.). Therefore, taxation is carried out in accordance with the Special Taxation Regime (RET), where operating revenues from the sale of real estate is definitively taxed at the rate of 4%, of which 1.92% is for income tax and social contribution and 2.08% for PIS and COFINS, as defined by Law 12.844/13.

Deferred income and social contribution taxes are recognized using the liability method on temporary differences arising from differences between the tax bases of assets and liabilities and their book values in the financial statements (Note 21 (a)). One of the main differences corresponds to the criterion for calculating revenues under the tax (cash basis) and corporate regime (Note 2.21.1 (b) POC).

Deferred income tax and social contribution assets are recognized only if it is probable that future taxable profit will be available and against which tax losses and temporary differences can be used.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when deferred income tax assets and liabilities relate to income taxes incurred by the same tax authority over the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.18 Benefits to employees and officers

The benefits granted to the Company's employees and managers include, in addition to fixed compensation (salaries and social security contributions (INSS), vacation and 13th salary), medical assistance, benefit allowance, life insurance, meal, internal training program,- transportation voucher and parking, in addition to variable compensation such as profit sharing (bonus). These benefits are recorded in the income for the year when the Company has an obligation on an accrual basis, as they are incurred.

The Company does not maintain private pension plans for its employees, however, it makes monthly contributions based on the payroll to the official retirement and social security funds, which are charged to expenses on an accrual basis.

(a) Variable compensation (bonuses) for employees and managers

The variable compensation policy is based on performance indicators. The main performance indicators are: improving the capital structure, reducing litigation liabilities, debt renegotiation, generating revenue for SOLV, credit recovery and assessing the performance of individual goals. As of December 31, 2021, a provision for variable compensation of employees and managers was set up in the amount of R $ 5,360 (note 20).

2.19 Capital stock and public offering expenses

It is represented exclusively by common shares, rated as equity.
The incremental costs attributable to the process of issuing shares at the time of public listing are shown in a reduction account of the capital stock in equity, according to Pronouncement CPC 08 - "Transaction Costs and Premiums on the Issuance of Securities" (IAS 39) .

2.20 Dividends

In the financial years ended on December 31, 2021 and 2020, the Company presented a loss, with no dividends to be distributed. Under corporate law, when generating profits, the primary purpose is to offset accrued losses.

2.21 Revenue recognition

2.21.1 Calculation and appropriation of the income of real estate development and sale of properties

(a) Completed units and land

In installment sales of completed units and land, the income is appropriated when the most significant risks and benefits inherent to the property are transferred, regardless of the maturity for receiving the contractual amount.

Predetermined interest and monetary variation are appropriated *pro rata temporis* to the income, under the line item "Financial revenues", observing the accrual basis, regardless of their receipt.

(b) Units under construction

For the sale of unfinished units, the transfer of control in the sale of real estate units and compliance with the performance obligation are in accordance with the understanding of the Company's management, as established by Official Memorandum/ CVM/SNC/SEP No. 02/2018 of December 2018, which disciplines the application of Technical Pronouncement NBC TG 47 (IFRS 15) to Brazilian Real Estate Development Entities.

In accordance with CPC 47, the recognition of revenue from agreements with customers now has a new normative discipline, based on the transfer of control of the promised good or service, which may be at a specific point in time (at a point in time) or over time, according to the compliance or not with the so-called "contractual performance obligations". Revenue is valued at the amount that reflects the consideration to which it is expected to be entitled and is based on a five-step model detailed below: 1) agreement identification; 2) identification of performance obligations; 3) determining the transaction price; 4) allocation of the transaction price to performance obligations; 5) revenue recognition.

The Company's business model is predominantly based on agreements for the purchase and sale of properties with "the outstanding balance of the real estate unit financed by a private bank, after the construction project is completed". In this model, the real estate developer finances the borrower during the construction phase of the project, through its own funds and / or obtaining financing (SFH) from financial institutions. As a rule, construction projects for real estate units are aimed at middle and upper class people. With the signing of the agreement, the borrower undertakes to pay up to 30% of the value of the real estate unit during the construction phase directly to the developer, which bears the entire credit risk during the construction phase. After the project is physically finished, the borrower must pay the debt balance with its own funds (including the use of the FGTS balance) and / or obtain from the financial institution - IF the necessary financing to pay the debt balance with the developer, which is around 70% of the value of the real estate unit (the completed real estate unit is then pledged as a collateral through a fiduciary sale to the financial institution). The market risk of the real estate unit, from the moment of sale, falls entirely on the borrower, who can benefit from any appreciations and realize them through the onerous transfer of its agreement with third parties, with the consent of the real estate developer, or be harmed with possible devaluations (moment when some borrowers force the dissolution).

Thus, the practices adopted for determining and appropriating the income and recording the amounts in the real estate development revenue accounts, Properties for sale, customers for real estate development and advances received from customers follow the procedures described above and detailed as follows:

- In sales of unfinished units, the income is appropriated based on the following criteria:

(i) Sales revenues are appropriated to income as construction progresses, since the transfer of control occurs continuously. Thus, the method called "POC", "percentage of execution or percentage of completion" of each project is adopted. The POC method is made using the ratio of the cost incurred to the total budgeted cost of the respective projects and the revenue is calculated by multiplying this percentage (POC) by the contracted sales. The total budgeted cost of the projects is estimated initially when they are posted and regularly reviewed; any adjustments identified in this estimate based on said reviews are reflected in the Company's results. Land and construction costs inherent to the respective real estate developers of units sold are appropriated to income when incurred.

(ii) Sales revenue determined, according to item (i), valued at fair value, including monetary restatement, net of installments already received, are recorded as accounts receivable, or as advances from customers, depending on the ratio between the revenue recorded and the amounts received.

- In installment sales of completed units, the income is appropriated at the time the sale takes place, regardless of the maturity for receiving the contractual amount, with revenues valued at the fair value of the consideration received and receivable.

- Monetary restatements and adjustment to present value are recognized in the income statement under the line item of real estate development revenue, in the pre-key period. Monetary restatements and predetermined interest are allocated to financial income in the post-key period, observing the accrual basis, regardless of their receipt.

- Revenues from exchanged real estate units are recorded as the work progresses until the delivery of completed units, in accordance with the agreements.

The Company, following the guidelines contained in the Official Memorandum CVM/SNC/SEP on 02/2018, prepared a study with the objective of evaluating the need to record the timely and predictive adjustments related to dissolutions of the agreements for the purchase and sale of real estate units completed and under construction (provision for dissolutions). The analysis considered the identification of the cash flow entry uncertainty and the objective evidence of conditions that already existed at the end of the accounting period, to constitute the provision for dissolutions and, consequently, the Company constituted a provision for dissolutions for those customers who had doubts in relation to the continuity of the contractual relationship and receipts of contracted cash flows.

In dissolutions of purchase and sale commitments for real estate units, the revenue and cost recognized in the income statement are reversed, according to the criteria described in note 2.21.1. The cost reversal increases the Properties for sale and the revenue reversal decreases the accounts receivable. The Company also recognizes, as a result of the dissolution, the liability for the return of advances from customers and the effects of gain or loss are immediately recognized in the income statement.

(c) Exchange operations

Land exchanges, aimed at delivering real estate to be built, are calculated based on the fair value of the real estate units to be delivered. The fair value of the land is recorded as a component of the land bank of Properties for sale, as a consideration to advances from customers in liabilities, at the moment when possible resolution clauses of the private instrument or agreement related to the referred transaction, no longer produce effects.

The land cost becomes part of the cost of the corresponding real estate development project.

Advances from customers arising from exchange operations are allocated to income based on the POC. The non-appropriated portion is rated in current or non-current liabilities, taking into account the estimated maturity for completion of the project.

2.21.2 Administration fee revenues

Administration fee revenue comes from the provision of project management services to jointly-owned subsidiaries, proportionally consolidated. These revenues are recorded in the period in which the services are provided, in accordance with the accrual basis for the years.

2.21.3 Financial income

Financial income is recognized according to the elapsed period, using the effective interest rate method.

2.22 Basic and diluted earnings (loss) per share

Basic and diluted earnings (loss) per share are calculated by dividing the income for the period attributable to the Company's shareholders by the weighted average of common shares outstanding in the respective period. The Company does not have operations that influence the calculation of diluted earnings/(loss), therefore, diluted earnings/(loss) per share is equal to the amount of basic earnings/(loss) per share, as per Note 23.

2.23 Cash flow statements

The cash flow statements are prepared using the indirect method and are presented in accordance with CVM Resolution No. 547, of August 13, 2008, which approved Accounting Pronouncement CPC 03 (R2) (IAS 7) - "Cash Flows Statement", issued by the CPC.

2.24 Added value statements

The added value statements are prepared and are presented in accordance with CVM Resolution No. 557, of November 12, 2008, which approved the Accounting Pronouncement CPC 09 - "Added Value Statement", issued by CPC.

3 New standards, interpretations and amendments

3.1 Adopted as from January 1, 2021

During 2021 the Accounting Pronouncements Committee (CPC) issued the review of the standards below, already effective for 2021:

- CPC 06 (R2) - Leases;
- CPC 11 - Insurance Agreements;
- CPC 38 –Financial Instruments: Recognition and Measurement;
- CPC 40 –Financial Instruments: Evidencing;
- CPC 48 –Financial Instruments.

3.2 To be adopted after January 1, 2022

New standards were effective for financial years beginning after January 1, 2022. The Company and its subsidiaries did not adopt these standards in the preparation of these financial statements. The following amended standards and interpretations are not expected to have a significant impact on the Company and consolidated financial statements:

- IFRS 17 - Insurance agreements;
- IAS 1 - Classification of Liabilities as Current or Non-Current;
- IAS 8 - Accounting Policies, Changes in Estimates, and Accounting Errors.

There are no other IFRS standards or IFRIC interpretations that have not yet come into force that could have a significant impact on the financial statements of the Company and its subsidiaries.

4 Financial risk management

The activities of the Company and its subsidiaries and jointly-owned subsidiaries expose them to several financial risks: market risk (including interest rate on mortgage loans, cash flow interest rate risk and price risk of certain assets valued at fair value), credit risk and liquidity risk. The risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Company and its subsidiaries and jointly-owned subsidiaries. The Company and its subsidiaries and jointly-owned subsidiaries do not have the practice of using derivative financial instruments to protect against risk exposures.

Risk management is carried out by the Company's central treasury, which identifies, assesses and protects the Company against possible financial risks in cooperation with the subsidiaries and jointly-owned subsidiaries.

(a) Market risk

(i) Exchange rate risk

Considered virtually null due to the fact that the Company and its subsidiaries and jointly-owned subsidiaries do not have assets or liabilities denominated in foreign currency, as well as not having significant dependence on imported materials in their production chain. In addition, the Company and its subsidiaries and jointly-owned subsidiaries do not carry out sales indexed to foreign currency.

(ii) Interest rate risk

Accounts receivable for completed properties, as mentioned in Note 6, bear interest of 12% per year. The balances of current account partners in projects (Note 9) are subject to variation in the IGP-M, plus interest ranging from 9 to 12% per year, when applicable. The interest rates contracted on financial investments are mentioned in Note 5.

Interest rates on loans and financing, debentures and certificates of real estate receivables are mentioned in Notes 14 and 15, respectively.

In addition, as mentioned in Note 19, balances with related parties are not subject to financial charges.

The Company dynamically analyzes its exposure to interest rates. Several scenarios are simulated taking into account refinancing, renewing existing positions and financing. Based on these scenarios, the Company defines a reasonable change in the interest rate and calculates the impact on the financial income, as detailed in item (d), where the assets and liabilities subject to variable interest rates are also indicated.

(b) Credit risk

Credit risk is managed corporately. Credit risk arises from accounts receivable from customers, bank deposits and financial assets at fair value through profit or loss.

With respect to the credit risk of accounts receivable from customers, these risks are managed by specific credit analysis standards at the time of each sale. In general, the risk is judged to be practically null, since (i) all sales are made with fiduciary sale of the goods sold; (ii) the ownership of the properties is granted only upon approval of the transfer of bank financing to the buyer of the property. In the case of units for which the Company and its subsidiaries and jointly-owned subsidiaries are directly financing the buyer, the fiduciary sale of the assets sold provides the necessary security to mitigate credit risks.

The Company and its subsidiaries and jointly-owned subsidiaries maintain a substantial portion of the available cash and cash equivalents and financial investments (Note 5) in bank deposit certificates and prime financial conglomerate papers.

In thousand Reais, except when otherwise indicated

(c) Liquidity risk

In the context described in Note 1, the Company has prioritized efforts to seek efficiency of transfers, obtaining lines for financing working capital and commitments to its works and obtaining funds from its shareholders. Liquidity risk consists of the possibility that the Company and its subsidiaries and jointly-owned subsidiaries do not have sufficient funds to meet their commitments due to different maturities for the realization and settlement of their rights and obligations.

Cash flow forecasting is carried out by the project and aggregated by the Finance department. This department monitors the continuous forecasts of the liquidity requirements of the Company and its subsidiaries and jointly-owned subsidiaries to ensure that it has sufficient cash to meet operating needs.

The table below analyzes the Company's non-derivative financial liabilities, by maturity, corresponding to the period remaining on the balance sheet until the contractual maturity date. The amounts disclosed in the table are the book balances as of December 31, 2021.

				Consolidated
Description	**Less than one year**	**Between 1 and 2 years**	**Between two and five years**	**Total**
Loans and financing	-	-	15,602	15,602
Debentures	210,624	-	-	210,624
Shared obligation in the assignment of receivables	1,433	50	3	1,486
As of December 31, 2021	212,057	50	15,605	227,712
Loans and financing	362	-	-	362
Debentures	209,969	-	-	209,969
Shared obligation in the assignment of receivables	3,339	245	53	3,637
As of December 31, 2020	213,670	245	53	213,968

In thousand Reais, except when otherwise indicated

(d) Sensitivity analysis of changes in interest rates and other indexes of financial assets and liabilities

In order to verify the sensitivity of financial assets and liabilities linked to different indexes (CDI, IPCA, IGP-M and TR), which make up the interest rate risk factor, three different scenarios were defined. Based on projections released by financial institutions in Brazil on December 31, 2021, except for TR, for which a zero rate was deemed in the year, the following was defined:

			Percentage
Scenario	**Probable (expected)**	**Possible stress 25%**	**Remote stress 50%**
CDI Fall	5.50	4.13	2.75
CDI Rise	5.50	6.88	8.25
IGP-M	7.33	9.16	11.00
INCC	7.50	9.38	11.25
TR	0.00	0.00	0.00
IPCA	4.99	6.24	7.49

The Company seeks to avoid mismatches in terms of currencies and interest rates. The obligations are mainly linked to inflation (CDI or TR). There are no assets or liabilities denominated in foreign currency and there is no significant dependence on imported materials in the production chain. The Company seeks to maintain a balance between liabilities and assets indexes, maintaining cash invested in CDI to balance financial obligations and receivables indexed to INCC on the active side, to balance the construction cost to be incurred (Commitments assumed - Note 29).

In thousand Reais, except when otherwise indicated

	December 31, 2021		December 31, 2020			Amounts for 2021		
							Impairment	
Consolidated Data	**Assets**	**Liabilities**	**Assets**	**Liabilities**	**Risk**	**Probable**	**25%**	**50%**
Financial investments (Note 5) (i)	62,990		26,553					
100% to 140% of the CDI	62,990		26,553		CDI Fall	2,833	2,125	1,416
Accounts receivable from customers (Note 6)	24,715		24,431					
IGP-M	18,167		23,224		IGP-M Rise	1,332	1,665	1,997
INCC	6,548		1,207		INCC Rise	491	614	737
Checking account with partners in the projects (Note 9)	1,347		8,297					
IGP-M	1,347		8,297		IGP-M Rise	99	123	148
Loans and financing (Note 14)		15,602		362				
IPCA		15,602		-	IPCA Rise	(779)	(973)	(1,168)
IGP-M		-		362	IGP-M Rise	-	-	-
Debentures (Note 14)		210,624		209,969				
TR		210,566		205,469	TR Rise	-	-	-
CDI		58		4,500	CDI Rise	(3)	(4)	(5)
Lease payable (Note 17)		1,566		2,523				
IGP-M		1,566		2,523	Alta do IGP-M	(115)	(143)	(172)

(i) In determining the scenarios, financial investments in fixed income, which have pre-fixed yields were not considere

In thousand Reais, except when otherwise indicated

(e) Capital management:

The objectives of the Company and its subsidiaries when managing their capital are to safeguard the capacity of their operating continuity, strengthening their credit rating with financial institutions, in order to support business and reduce this cost.

In line with other companies in the industry, the Company monitors capital based on an index that corresponds to net debt divided by total capital. Net debt, in turn, corresponds to total loans (including loans and debentures, both short and long term, as shown in the consolidated balance sheet), minus the amount of cash and cash equivalents, of the financial assets valued at the fair value through the result and restricted accounts. Total capital is calculated by adding the equity, as shown in the consolidated balance sheet, with the net debt.

These indexes, according to the consolidated financial information, can be summarized as follows:

	Company		Consolidated	
Description	**December 31, 2021**	**December 31, 2020**	**December 31, 2021**	**December 31, 2020**
Loans and financing	-	362	15,602	362
Debentures	210,624	209,969	210,624	209,969
Shared obligation - receivables	-	-	1,486	3,637
	210,624	210,331	227,712	213,968
Cash and cash equivalents and bonds and securities	(7)	(19)	(63,467)	(28,993)
Net debt	210,617	210,312	164,245	184,975
Equity	(201,051)	(227,288)	(201,051)	(227,288)
Equity and net debt	9,566	(16,976)	(36,806)	(42,313)
Percentage	2201.72%	N.A.	N.A.	N.A.

(f) Estimation of fair value

The fair value of financial assets and liabilities is included in the amount for which the instrument could be exchanged in a current transaction between parties willing to negotiate, and not in a forced sale or liquidation. The following methods and assumptions were used to estimate the fair value:

. As described in Note 14, the debentures issued by the Company are of a private nature and have their own characteristics, which make it impossible to obtain a market value. Accordingly, the Company considers that the book value of the debentures is the closest to the market value for these securities.

. The financial investments remunerated by the CDI are recorded at market value, according to the quotation published by the respective financial institutions, and the remainder refer, for the most part, to bank deposit certificates and repurchase operations, therefore, the registered value of these securities does not differ to market value.

. Cash and cash equivalents, accounts receivable from customers, accounts payable to suppliers and other short-term obligations approximate their respective book value largely due to the short-term maturity of these instruments; the same assumption is valid for financial liabilities.

The Company applies CPC 40 (R1) / IFRS 7 for financial instruments valued in the balance sheet at fair value, which requires disclosure of fair value valuations at the level of the following fair value valuation hierarchy:

. Quoted prices (unadjusted) in active markets for identical assets and liabilities (level 1).

. Information, in addition to quoted prices, included in level 1 that are adopted by the market for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).

. Inputs for assets or liabilities that are not based on data adopted by the market (ie, unobservable inputs) (level 3).

Level 2 of the fair value hierarchy is that used by the Company and its subsidiaries and jointly-owned subsidiaries for financial instruments valued at fair value through the result, which comprise the financial investments mentioned in Note 5. The Company and its subsidiaries and jointly-owned subsidiaries did not have financial assets valued at level 3.

The fair value of financial instruments that are not traded on active markets (for example, deposit certificates) is determined using the data provided by the financial institution where it is available and rely as little as possible on the entity's specific estimates. If all relevant information required for an instrument's fair value are adopted by the market, the instrument will be included in level 2.

Due to the request for legally-backed financial restructuring in September 2016, tender debts are not being updated by their respective indexes established in agreements, and the Plan was approved by creditors at the General Meeting of Creditors on November 29, 2017, having been ratified by the Judicial Legally-backed Financial Restructuring Court on December 14, 2017. The final and unappealable decision, which decreed the termination of the legally-backed financial restructuring was certified on December 17, 2021.

In thousand Reais, except when otherwise indicated

(g) Credit quality of financial assets

The credit quality of other financial assets can be assessed by reference to the corresponding collaterals:

	Company		Consolidated	
Description	**December 31, 2021**	**December 31, 2020**	**December 31, 2021**	**December 31, 2020**
Units submitted				
With fiduciary sale	-	-	84,541	98,193
With no fiduciary sale	209	209	1,292	1,839
	209	209	85,833	100,032
Units under construction				
With fiduciary sale	-	-	6,821	1,207
Accounts receivable from customers	209	209	92,654	101,239
Estimated losses for allowance for doubtful accounts and dissolutions	(209)	(209)	(67,939)	(76,808)
Accounts receivable from customers	-	-	24,715	24,431

Of the total accounts receivable from completed units, approximately BRL 73.626 (BRL 84,169 as of December 31, 2020) are past due, mainly due to unresolved lawsuits and delays in the transfer of financing from financial institutions to committed buyers, who do not take possession of the property until the price has been settled based on the financing obtained.

Hence, the worse risk in this portfolio corresponds to the dissolution of the sale made, with the resumption of the unit for land banks available for sale (Note 7). Based on past experience and the speed of sale of each of the projects, an analysis was made of potential cases that may generate losses or dissolutions and a provision for losses and dissolutions was set up, as shown in Note 6.

5 Cash and cash equivalents

	Company		Consolidated	
Description	**December 31, 2021**	**December 31, 2020**	**December 31, 2021**	**December 31, 2020**
Cash and bank - checking account	7	17	477	2,440
Investment funds	-	-	317	967
Bank Deposit Certificates	-	-	62,673	25,584
Automatic application	-	2	-	2
Total cash and cash equivalents	7	19	63,467	28,993

Investments are rated as cash equivalents, as described in CPC 3 (R2) (IAS 7). Financial investments are remunerated between 94% and 140% of yield on the Interbank Deposit Certificate (CDI).

In thousand Reais, except when otherwise indicated

As of December 31, 2021, around BRL 970, rated in bank accounts-transfers and investment funds are bound to restricted operations and payment of debt.

6 Accounts Receivable

	Company		Consolidated	
Description	**December 31, 2021**	**December 31, 2020**	**December 31, 2021**	**December 31, 2020**
Amounts receivable from completed projects	209	209	85,833	100,032
Estimated losses for allowance for doubtful accounts and provision for dissolutions	(209)	(209)	(67,666)	(76,808)
Net amount receivable from completed projects	-	-	18,167	23,224
Total from the portfolio receivable from projects under construction	-	-	16,506	1,247
Estimated losses for allowance for doubtful accounts and provision for dissolutions	-	-	(273)	-
(+) Received amounts divided into installments	-	-	303	40,299
(=) Updated contracted sales	-	-	16,536	41,546
(-) Contracted unearned sales	-	-	(8,327)	(1,499)
(+) Amounts divided into installments rated as advances from customers (Note 18)	-	-	-	1,459
(=) Unearned revenue	-	-	8,209	41,506
(-) Adjustment at present value	-	-	(1,358)	-
(-) Received amounts divided into installments	-	-	(303)	(40,299)
Net amount receivable from projects under construction	-	-	6,548	1,207
Receivables from unearned sales (completed and under construction projects)	-	-	24,715	24,431
Other receivables and services	10,692	10,324	10,691	10,538
Estimated losses for allowance for doubtful accounts	(10,304)	(10,304)	(10,304)	(10,461)
Receivables from other operations	388	20	387	77
Total accounts receivable	388	20	25,102	24,508
(-) Current	(388)	(20)	(16,456)	(22,682)
Non-current	-	-	8,646	1,826

In thousand Reais, except when otherwise indicated

Amounts are corrected according to clauses contained in the agreements, namely:

. until the keys for the properties sold are delivered, according to the Brazilian National Civil Construction Index (INCC);
. after the keys for the properties sold are delivered, according to the Brazilian General Market Price Index (IGP-M), plus a 12% interest per year, appropriated on a *pro rata temporis* basis and recorded as financial income in the income statement for the financial year.

Accounts receivable from unfinished real estate were valued at the fair value of the considerations receivable, considering the Company's weighted average cost of financing charges, disregarding the effect of inflation during the period (expected IGP-M variation for the following 12 months – smoothed, announced by the Focus Report of the Brazilian Central Bank). However, if the NTN-B's compensation rate is higher, the higher rate found is used.

The interest rate charged for the accounts receivable from completed properties is considered identical to the usual market rates, which is why they are presented at their fair value. The considerations of the reversal of the fair value occur until the date the keys are delivered, and are thus reversed in consideration of the revenue from real estate development.

Estimated schedule of receipt of the total receivables portfolio (earned revenues plus unearned revenues), minus the estimated losses for allowance for doubtful accounts and the adjustment at present value, per year:

			Consolidated	
			December 31, 2021	December 31, 2020
Year - description	**Completed projetcts**	**Real estate under construction**	**Total**	**Total**
Past due	12,285	302	12,587	9,221
Falling due				
2021	-	-	-	14,599
2022	4,883	8,487	13,370	430
2023	930	7,652	8,582	161
2024 onwards	69	65	134	60
	18,167	16,506	34,673	24,471

The Company has completed projects, from which customers are in the process of obtaining financing for the property from financial institutions at more attractive rates than those established in the sales agreements entered into with the Company (in general, these are subject to IGP-M variation, plus a 12% interest per year). Due to the slow nature of this process, a significant portion of the accounts receivable from completed properties is pending financial realization.

In thousand Reais, except when otherwise indicated

As mentioned in Note 4 (g), the Company has active customers with lawsuits.

The Company opens as estimated losses by group of financial accounts. Hence, the adjustments carry over by accounts receivable, land banks and dissolutions payable. In order to cover the risks of such portfolio not being realized and the sale being canceled, Management incorporated estimated losses for dissolutions, from operations in which it expects risks of dissolutions, and returned unit costs to land banks of Properties for sale (Note 7). Such estimate is based on analysis of historical information and legal proceedings. The estimated losses recorded on operations that can be canceled amount to R$ 57,674 (R$ 66,562 as of December 31, 2020).

The estimated losses for allowance for doubtful accounts and provision for dissolutions in accounts receivable may be shown as follows:

	Company		Consolidated	
Description	**December 31, 2021**	**December 31, 2020**	**December 31, 2021**	**December 31, 2020**
Provision for losses	10,513	10,513	20,569	20,707
Provision for dissolutions	-	-	57,674	66,562
	10,513	10,513	78,243	87,269
Completed projects			67,666	76,808
Projects under construction			273	-
Other receivables			10,304	10,461
			78,243	87,269

The table below shows the transfers of estimated losses from accounts receivable:

Description	**Company**	**Consolidated**
As of December 31, 2019	(12,654)	(140,824)
Reversal of provision for dissolutions	-	39,418
Adjustments to ownership interest (i)	-	15,338
Actual Loss	2,000	2,000
Reversal/(complement) of provision for estimated loss	141	(3,201)
As of December 31, 2020	(10,513)	(87,269)
Reversal of provision for dissolutions	-	8,888
Reversal of estimated losses	-	138
As of December 31, 2021	(10,513)	(78,243)

(i) Write-off of the provision for dissolutions of the Alto Belvedere project.

The Company has active customers with lawsuits, but dissolutions are not necessarily required for such actions, so the Company acts along with its lawyers and its customers to resolve the cases and to be able to receive the outstanding balances. The table below shows the balance of accounts receivable that are in the legal department:

In thousand Reais, except when otherwise indicated

Description	**Completed projects**
Past due	49,820
Falling due	3,812
As of December 31, 2021	53,632

As described in note 21 (b), the Company keeps, a provision of BRL 105,392 as of December 31, 2021 (BRL 117,947 as of December 31, 2020) for the probable payment of damages to customers who have filed lawsuits.

7 Properties for sale

	Company		**Consolidated**	
Description	**December 31, 2021**	**December 31, 2020**	**December 31, 2021**	**December 31, 2020**
Land for real estate development	2,670	2,670	157,408	193,397
Real estate under construction	-	-	26,265	147
Completed properties	-	-	37,274	71,359
Advances to suppliers	-	-	1,000	1,156
Provision for dissolutions - completed properties (i)	-	-	43,604	64,169
	2,670	2,670	265,551	330,228
(-) Impairment of land (ii)	(2,670)	(2,670)	(44,152)	(64,002)
(-) Impairment of real estate under construction (ii)	-	-	(7,042)	(33)
(-) Impairment of completed properties (ii)	-	-	(6,154)	(17,581)
(-) Impairment of real estate agreement to be cancelled (ii)	-	-	(6,760)	(14,476)
	(2,670)	(2,670)	(64,108)	(96,092)
	-	-	201,443	234,136
Current	-	-	(65,126)	(59,124)
Noncurrent	-	-	136,317	175,012

(i) As mentioned in Note 6, the Company recognized estimated losses for dissolutions based on the analysis of sales agreements with lawsuits, and returned the cost of units to the land bank of properties for sale;
(ii) As a result of the market prices practiced and the strategies adopted by the Company in relation to the repricing of land banks and land valuations by sales value or economic viability.

In February 2021 a pledge of the land called "Parque das Árvores" was executed. The process which originated the land purchase amounted to R$ 2,234 and is recognized in liabilities (note 21). The land was sold at a judicial auction for the amount of R$ 4,512, with a down payment of R$ 1,214 and the remaining balance in 25 consecutive monthly installments, corrected by the INPC and with interest of 1% per month. The amount of R$ 2,657 was received, through judicial deposits (note 8) up to December 31, 2021. The accounting cost of the land disposed of, net of impairment, is R$ 4,076.

In March 2021 the plot of land number 11, from block AC-06, of the subdivision called "Alphaville Lagoa dos Ingleses", was sold for R$ 2,350. The book cost of the land sold is R$ 2,686.

In October 2021 the plot of land number 18, from block C-05, of the subdivision called "Alphaville Lagoa dos Ingleses", was sold for R$ 2,328. The book cost of the land sold is R$ 2,808.

Chácara Europa Land

In November 2020, the Department of Park and Green Areas approved the revalidation of the Environmental Commitment Terms signed with the Municipality of São Paulo, of the land located at Rua Visconde de Porto Seguro in Chácara Flora. The licensing of a future project, as well as the deletion necessary to carry it out, were the subject of administrative proceedings that were regularly processed before the Municipality of São Paulo and other competent bodies in 2004. In a judgment rendered in September 2017, the São Paulo Court of Justice granted the Company's appeal, recognizing the regularity of all administrative procedures taken by the Company, the lack of any damage to the environment and the authorization for the implementation of real estate projects.

In view of the court decision rendered by the São Paulo Court of Justice, as well as after the revalidation of the Environmental Commitment Terms, the Company initiated the vegetation removal procedures. In December 2020, the Secretariat of Green and Environment of the Municipality of São Paulo drew up Notice of Infraction No. 044346 (without penalty) for which the suspension of the construction works was determined (which were not being executed at the moment) until the presentation of the fauna report. Said report, although not mandatory, had already been prepared by the Company before the beginning of the suppression and, thus, it was presented by the Company, occasion of which it also required the review of the referred suspension (still pending resolution). Notwithstanding the legality of all acts performed by the Company, as well as the right to carry out the aforementioned venture, the Company has temporarily ceased activities in the area.

On 11/21/2021, the judge of the 8th São Paulo State Public Treasury Court issued a decision ordering the City Hall not to maintain new obstacles to the development under penalty of a daily fine of R$ 100,000.00 (one hundred thousand reais), limited to R$ 10,000,000.00 (ten million reais). Such decision was subject to interlocutory appeals filed by the Public Prosecutor's Office under No. 2273731-79.2021.8.26.0000 and by the São Paulo City Hall under No. 2281730-83.2021.8.26.0000, which were granted suspensive effect, and is still pending review by the São Paulo Court of Justice.

As of December 31, the amount recorded in non-current assets, net of a provision for losses (impairment), amounts to R$ 45,420.

In thousand Reais, except when otherwise indicated

Viver Fama Land

In December 2020, the Company and NPL Brasil Gestão de Ativos Financeiros entered into an agreement in which NPL Brasil intended to acquire from Banco Pan S.A the credit and all rights related to it, including, but not limited to, the existing guarantees. Banco Pan S.A held until then three bank credit notes issued by Inpar Projeto 45 SPE Ltda., which are guaranteed by a mortgage under the autonomous units of the real estate project "Viver Fama" and a fiduciary assignment of the credit rights resulting from the sale of the autonomous units of the referred project, in addition to a personal guarantee from the Guarantors, Viver Incorporadora e Construtora S.A and Residencial Marine Home Resort SPE Ltda. In March 2019, Banco Pan S.A obtained its credits in the amount of R$ 18,145 converted into the 3rd tranche of capital increase in compliance with the Legally-Backed Financial Restructuring Plan. Subsequent to the filing of the Legally-Bak Financial Restructuring, Inpar Projeto 45 SPE Ltda was excluded from the lawsuit, since the existence of segregate asset in said company. Banco Pan S.A filed an enforcement action against the debtors, under Lawsuit No. 1111698-92.2017.8.26.0100 pending before the 23rd Civil Court of the Central Court of the District of São Paulo.

On January 21, 2021, the Company was notified by NPL Brasil, which informed on the acquisition of the full amount of the credit held by Banco Pan S.A together with all existing guarantees. As a result of the agreement signed with the Company, the debt of R$ 9,310 (note 17), which was partially paid through the conversion of the credit into the Company's shares on April 13, 2021 and July 8, 2021. The Company recorded in its Financial Statements the effect of the future cancellation of shares converted into the 3rd tranche of capital increase to Banco Pan S.A (note 22).

With regard to the outstanding balance, on September 28, 2021 the Company signed an amendment to the agreement entered into directly with third parties to whom NPL assigned the credit ("New Creditors"), whereby it was established that the Company would pay the credit balance (914,636 shares), in the amount of R$ 1,344,514.92 (one million, three hundred and forty-four thousand, five hundred and fourteen reais and ninety-two cents), equivalent to R$ 1.47 (one real and forty-seven cents) per share, under the terms of article 171, paragraph 2 of Law 6,404/76, and such amount was paid in October 2021.

After the payment of the debt to NPL Brasil, guarantees related to the land of the real estate project "Viver Fama" were released, as well as part of the credit rights resulting from the sale of the units of the second phase of the Viver Fama Real Estate Project, which was re-launched as "Nova Fama" during the 3rd Quarter of 2021.

The table below shows the breakdown of costs incurred for projects under construction:

	Consolidated	
Description	**December 31, 2021**	**December 31, 2020**
Accrued cost incurred	27,422	36,458
Cost appropriated to units sold	(9,141)	(36,362)
Capitalized interest	11,976	19,390
Capitalized interest appropriated to units sold	(3,992)	(19,339)
At the end of the financial year	26,265	147

The transfers and the balance of the interest capitalized in land banks are shown in Note 14.

In thousand Reais, except when otherwise indicated

8 Other credits

	Company		Consolidated	
Description	**December 31, 2021**	**December 31, 2020**	**December 31, 2021**	**December 31, 2020**
Advances to suppliers	358	354	3,167	692
Judicial deposits	387	473	6,007	5,856
Transfers on undue financing (i)	-	-	476	476
Advances to employees	30	228	202	501
Federal Savings Bank (Debentures - 1st issue) (ii)	1,400	1,400	3,922	1,400
Habitasec Securitizadora (iii)	-	-	8,587	-
Other	112	103	559	193
Estimated losses for other credits	(375)	(17)	(898)	(17)
	1,912	2,541	22,021	9,101
Current	(1,525)	(2,068)	(14,762)	(3,245)
Noncurrent	387	473	7,259	5,856

(i) Amortizations made by the banks which funded some projects following the request for the legally-backed financial restructuring, however, the Company appealed in court to have the amounts returned.

(ii) Amount arising from payments/withholdings related to the 1st issue of Debentures, which the Company appealed against with Federal Savings Bank. At the moment, the Company is in the process of negotiating the debt with Federal Savings Bank to define how the Debentures will be settled and, for this reason, this amount was rated in the line item "Other credits";

(iii) Amount of CCB to be released presented in Note 14.

Changes in estimated losses may be shown as follows:

Description	**Company**	**Consolidated**
As of December 31, 2020	(17)	(17)
Actual loss	(358)	(881)
As of December 31, 2021	(375)	(898)

In thousand Reais, except when otherwise indicated

9 Checking accounts with partners in the projects

	Company		Consolidated	
Description	**December 31, 2021**	**December 31, 2020**	**December 31, 2021**	**December 31, 2020**
Zappi Const. e Empreend. Imobi. Ltda.	14,198	14,198	14,198	14,198
CTS Empreend. Imob. Ltda	-	-	17,624	17,624
Meta Holding S.A.	1,520	1,490	1,518	1,490
Outros	946	946	946	946
Estimated losses for allowance for doubtful accounts	(16,664)	(16,634)	(34,286)	(34,258)
	-	-	-	-
Mamute Incorporações e Participações Ltda.	22	-	22	-
Menin Incorporadora Ltda. (i)	1,332	1,612	1,325	1,623
L. Priori Incorporações Ltda. (ii)	33,076	30,072	33,076	30,072
Estimated losses for allowance for doubtful accounts	(33,076)	(23,398)	(33,076)	(23,398)
	1,354	8,286	1,347	8,297
Noncurrent	1,354	8,286	1,347	8,297

(i) The Company participates in the development of real estate development projects jointly with other partners, through corporate participation or through the formation of consortia. The management structure of these projects and the cash management are centered in Viver Incorporadora e Construtora S.A., which oversees the development of the works and budgets. Thus, the leader of the project ensures that the applications of the necessary funds are made and allocated as planned. The balances are not subject to financial charges and do not have predetermined maturity. The financial funds are invested directly in the real estate projects being developed with the partners. These amounts will be received through the realization of the receivables of each real estate project;

(ii) The Company estimated a loss of BRL 33,076 from the amount receivable from partner L.Priori Incorporações Ltda., based on the assets recovery of the Real Estate Development Beira Mar. The checking account value with such partner increased considerably with the payment of the SFH debt of the aforementioned real estate development with common shares of Viver in the 2nd Tranche of capital increase (Note 1).

Changes in the estimated losses may be shown as follows:

Description	**Company**	**Consolidated**
As of December 31, 2019	(35,995)	(53,619)
Complement of estimated losses	(4,037)	(4,037)
As of December 31, 2020	(40,032)	(57,656)
Complement of estimated losses	(9,708)	(9,706)
As of December 31, 2021	(49,740)	(67,362)

10 Taxes and contributions to offset

In thousand Reais, except when otherwise indicated

The Company and its subsidiaries and jointly-owned subsidiaries have recoverable taxes (federal taxes) in the amounts described below, which will be offset against future and/or restitution and compensation taxes with debits in installments, as provided for in the tax-related legislation:

	Company		**Consolidated**	
Description	**December 31, 2021**	**December 31, 2020**	**December 31, 2021**	**December 31, 2020**
PIS	71	152	1,605	1,380
COFINS	142	527	7,179	6,192
CSLL	65	44	110	185
IRPJ	45	45	309	558
IRRF on financial investments	-	-	511	165
Other	12	25	33	50
Estimated losses on taxes to be offset (i)	-	-	(4,219)	(4,219)
	335	793	5,528	4,311
Current	(295)	(753)	(2,948)	(2,183)
Noncurrent	40	40	2,580	2,128

(i) The Company estimated a loss of BRL 4,219 on the use of PIS and COFINS tax credits (Law No. 10833/03) on the costs of real estate units sold, as there is no estimate of use within the prescriptive period.

In thousand Reais, except when otherwise indicated

The change in estimated losses with taxes to be offset can be stated as follows:

Description	Consolidated
As of December 31, 2019	(3,839)
Complement of estimated losses	(380)
As of December 31, 2020	(4,219)
Complement of estimated losses	-
As of December 31, 2021	(4,219)

11 Investments and provision for negative equity

	Company		Consolidated	
Description	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Investments in subsidiaries and jointly-owned subsidiaries	48,471	197,068	4,188	8,464
Provision for investment loss (b)	(21,197)	(36,035)	(684)	(282)
Investments (a)	27,274	161,033	3,504	8,182
Re-rating for the liability	21,197	36,035	684	282
Appropriated financial charges (*)	1,548	1,582	-	-
	50,019	198,650	4,188	8,464

(*) The Company raised interest-bearing financial funds, which were invested in the subsidiaries and jointly-owned subsidiaries to fund their real estate projects. The financial charges of these funds raised by the Company and related to the real estate units in land banks with the subsidiaries and jointly-owned subsidiaries are presented under this line item. In the consolidated balance sheet, they were re-rated for line item "Properties for sale", which transfers are shown in Note 14.

In thousand Reais, except when otherwise indicated

(a) Changes in Investments

Subsidiary	Balance as of December 31, 2019	Equity pickup	Balance as of December 31, 2020	Subscription (decrease) of capital	Equity pickup	Balance as of December 31, 2021
Viver Desenvolv, Imob, Ltda,	(4,413)	(29,541)	(33,954)	-	17,835	(16,119)
Viver Empreend, Ltda,	308,668	(125,413)	183,255	(132,137)	(10,998)	40,120
Viver Participações Ltda,	1	(14)	(13)	-	(2)	(15)
Inpar Particip, e Assoc, Ltda,	(1,460)	404	(1,056)	-	(555)	(1,611)
Inpar Invest, II S A,	1	-	1	-	(1)	-
Viver Desenvolv, e Constr, Imob, Ltda,	45	(42)	3	-	(2)	1
Inpar Projeto 126 SPE Ltda,	(4,096)	3,295	(801)	-	207	(594)
Inpar Projeto 50 SPE Ltda,	5,802	(386)	5,416	(7,616)	(382)	(2,582)
Vila Madalena Empreend, Imob, Ltda	-	-	-	4,519	(2)	4,517
F5 Credito e Intermediação de Negócios Ltda	-	-	-	44	-	44
F5 Intermediação de Negócios Ltda	-	-	-	9	-	9
Subsidiaries	304,548	(151,697)	152,851	(135,181)	6,100	23,770
Jointly-owned subsidiaries controlled by Viver Empreend, Ltda,	5,545	(444)	5,101	(1,112)	(3,977)	12
Inpar Proj, 33 SPE Ltda,	53	-	53	-	(1)	52
Inpar Proj, 107 SPE Ltda,	77	(1)	76	-	-	76
Inpar Proj, 110 SPE Ltda,	2,947	(1)	2,946	-	(2)	2,944
Tibério - Inpar Proj, 133 SPE Ltda,	53	(3)	50	-	(3)	47
Tibério - Inpar Proj, Res, Guarulhos SPE Ltda,	199	(32)	167	-	(25)	142
Tibério - Inpar Proj, Res, ER-Barueri SPE Ltda,	(158)	-	(158)	-	-	(158)
Tibério - Inpar Proj, Residencial Ernesto Igel SPE Ltda,	271	(324)	(53)	-	(141)	(194)
SCP AF Lapa III	-	-	-	300	-	300
SCP VI-Revflo Jose dos Reis	-	-	-	178	-	178
SCP VI-Revflo Criciumal	-	-	-	5	-	5
SCP VI-Revflo Herval	-	-	-	100	-	100
Jointly-owned subsidiaries	8,987	(805)	8,182	(529)	(4,149)	3,504
Total	**313,535**	**(152,502)**	**161,033**	**(135,710)**	**1,951**	**27,274**

In thousand Reais, except when otherwise indicated

(b) Provisions for loss in investments

The Company undertakes the obligations related to its subsidiaries and jointly-owned subsidiaries and, due to this, provisions for losses for the following investments were made and recorded as current liabilities:

	Company			Consolidated		
Companies	December 31, 2020	Increase/ decrease	December 31, 2021	December 31, 2020	Increase/ decrease	December 31, 2021
Viver Desenvolvimento Imobiliário Ltda.	33,954	(17,835)	16,119	-	-	-
Inpar Participações e Associados Ltda.	1,056	555	1,611	-	-	-
Inpar Projeto 50 SPE Ltda.	-	2,582	2,582			
Inpar Projeto 126 SPE Ltda.	801	(207)	594	-	-	-
Viver Participações Ltda.	13	2	15	-	-	-
Inpar Projeto 107 SPE Ltda	-	(76)	(76)	-	(76)	(76)
Acanto Incorporadora Ltda	-	-	-	-	337	337
Tibério - Inpar Projeto Residencial ER-Barueri SPE Ltda.	158	-	158	158	-	158
Tibério - Inpar Projeto Residencial Ernesto Igel SPE Ltda.	53	141	194	53	141	194
PMCS Participacoes S.A .	-	-	-	71	-	71
Provision for investment losses	36,035	(14,838)	21,197	282	402	684

In thousand Reais, except when otherwise indicated

(c) Information of subsidiaries and jointly-owned subsidiaries - indirect

	Summarized financial information					Investments		Equity pickup	
Indirect Subsidiary	**Assets**	**Liabilities**	**Equity**	**Gross Revenue**	**Income for the financial year**	**December 31, 2021**	**December 31, 2020**	**December 31, 2021**	**December 31, 2020**
Inpar Legacy Empreendimentos Ltda.	1,501	7,559	(6,058)	(139)	(461)	(6,058)	(2,316)	(461)	(1,393)
Inpar Projeto Res. Grand Jardins SPE Ltda.	-	33	(33)	-	(2)	(33)	14,220	(2)	(4)
Inpar Projeto Res. Vinhedo SPE Ltda.	51	14	37	-	(1)	37	11,391	(1)	(7)
Inpar Projeto Res. Viver Mooca SPE Ltda.	17	67	(50)	27	(41)	(50)	1,279	(41)	75
Inpar Projeto Res. Sports Garden Leste SPE Ltda.	8,829	301	8,528	1	(26)	8,528	18,455	(26)	(24)
Inpar Projeto Res. Von Schilgen SPE Ltda.	1,943	3,236	(1,293)	2	5,304	(1,293)	7,464	5,304	(3,908)
Inpar Projeto Res. Condominio Eredita SPE Ltda.	7,321	4,202	3,119	18	663	3,119	16,614	663	(260)
Inpar Projeto Res. Quatro Estacoes Ltda.	6,992	207	6,785	5	(63)	6,785	10,860	(63)	445
Inpar Projeto Lagoa Dos Ingleses SPE Ltda.	41,836	32,242	9,594	18,576	(4,003)	9,594	13,597	(4,003)	(23,386)
Inpar Projeto Res. Venancio Alves SPE Ltda.	4	261	(257)	1	(23)	(257)	16,876	(23)	(12)
Inpar Projeto Res. Viver Morumbi SPE Ltda.	895	14	881	31	(7)	881	888	(7)	16
Inpar Projeto Res. Calogero Calia SPE Ltda.	61	165	(104)	62	(107)	(104)	2,818	(107)	(42)
Projeto Imobiliário Viver Ananindeua SPE 40 Ltda.	4,397	4,299	98	1,100	457	98	27,238	457	(2,615)
Projeto Imobiliário Condominio Park Plaza SPE 52 Ltda.	2,997	1,624	1,373	208	1,417	1,373	(44)	1,417	(392)
Proj. Imob. Res. Esporte & Vida Cond. Gravatai SPE 53 Ltda.	68	59	9	-	14	9	4,091	14	38
Inpar Projeto 45 SPE Ltda.	55,776	39,054	16,722	11,314	2,751	16,722	13,971	2,751	(14,902)
Projeto Imobiliário SPE 46 Ltda.	41,371	15,969	25,402	12,026	274	25,402	27,590	274	(6,291)

In thousand Reais, except when otherwise indicated

	Summarized financial information					Investments		Equity pickup	
Indirect Subsidiary	**Assets**	**Liabilities**	**Equity**	**Gross Revenue**	**Income for the financial year**	**December 31, 2021**	**December 31, 2020**	**December 31, 2021**	**December 31, 2020**
Inpar Projeto Res. Cond. Wellness Resort SPE 42 Ltda.	2,565	4,470	(1,905)	86	2,027	(1,905)	(2,087)	2,027	(624)
Inpar Projeto 44 SPE Ltda.	3,341	15,752	(12,411)	363	(1,635)	(12,411)	(6,550)	(1,635)	(4,847)
Plarcon Incorporações Imobiliárias S/A	18,760	81	18,679	-	(1,116)	18,679	19,795	(1,116)	50
Projeto Imobiliário Res. Viver Zona Sul SPE 62 Ltda.	503	1,454	(951)	17	2,335	(951)	4,275	2,335	(1,290)
Projeto Res. Marine Home Resort SPE 66 Ltda.	122	6,887	(6,765)	1,106	164	(6,765)	5,843	164	(2,407)
Inpar Projeto Res. Rio Claro Village SPE 67 Ltda.	2,338	68	2,270	66	63	2,270	2,207	63	116
Projeto Imob. Sports Garden Batista Campos SPE 61 Ltda.	7,194	4,163	3,031	190	3,392	3,031	11,391	3,392	(967)
Projeto Imobiliário Altos Do Umarizal SPE 64 Ltda.	1,789	6,080	(4,291)	359	(1,229)	(4,291)	(3,062)	(1,229)	(2,561)
Projeto Imobiliário SPE 65 Ltda.	9,039	5,366	3,673	5,882	2,160	3,673	1,513	2,160	(1,413)
JMT Propriedade Imobiliária Ltda.	2,684	17,055	(14,371)	11	(4,075)	(14,371)	(10,296)	(4,075)	(14,729)
Projeto Imobiliário Canoas Happiness SPE 72 Ltda.	688	1,658	(970)	67	1,892	(970)	(2,862)	1,892	(1,806)
Inpar Projeto 47 SPE Ltda.	1,866	489	1,377	-	(58)	1,377	26,097	(58)	142
Inpar Projeto 86 SPE Ltda.	20,331	4,803	15,528	2,359	3,513	15,528	48,463	3,513	1,704
Projeto Imobiliário Viver Castanheira SPE 85 Ltda.	215	2,179	(1,964)	150	(19)	(1,964)	4,988	(19)	(70)
Inpar Projeto 84 SPE Ltda.	873	2	871	-	(2)	871	1,864	(2)	8
Inpar Projeto 90 SPE Ltda.	2,194	185	2,009	7	(40)	2,009	6,010	(40)	(84)
Inpar Projeto 71 SPE Ltda.	5,139	7,289	(2,150)	1,891	8,421	(2,150)	(10,571)	8,421	(12,595)
Inpar Projeto Wave SPE Ltda.	17	1,471	(1,454)	462	369	(1,454)	(1,823)	369	1,463
Inpar Projeto 79 SPE Ltda.	374	206	168	22	2	168	9,639	2	(3)
Inpar Projeto Samoa SPE 75 Ltda.	1,537	550	987	22	(334)	987	1,321	(334)	106

In thousand Reais, except when otherwise indicated

Indirect Subsidiary	Summarized financial information: Assets	Liabilities	Equity	Gross Revenue	Income for the financial year	Investments: December 31, 2021	December 31, 2020	Equity pickup: December 31, 2021	December 31, 2020
Inpar Projeto 76 SPE Ltda.	32	16	16	3	1	16	24,670	1	(55)
Projeto Imobiliário SPE 77 Ltda.	2,376	5,876	(3,500)	1,080	1,058	(3,500)	12,990	1,058	(2,167)
Inpar Projeto 87 SPE Ltda.	5,916	1,640	4,276	30	(73)	4,276	5,587	(73)	268
Projeto Imobiliário Res. Viver Bosque SJP SPE 91 Ltda.	646	1,575	(929)	146	(150)	(929)	4,491	(150)	1,464
Inpar Projeto Unique SPE 93 Ltda.	3,307	421	2,886	1	357	2,886	2,529	357	(138)
Inpar Projeto 94 SPE Ltda.	2,220	15,133	(12,913)	679	(749)	(12,913)	32,440	(749)	(488)
Projeto Imobiliário Res. Linea SPE 96 Ltda.	18,137	20,187	(2,050)	6,660	(2,853)	(2,050)	5,007	(2,853)	(4,978)
Projeto Imobiliário Barra Bali SPE 99 Ltda.	1,121	3,080	(1,959)	1,588	1,023	(1,959)	(2,982)	1,023	(1,304)
Inpar Projeto 111 SPE Ltda.	2,298	900	1,398	840	668	1,398	13,601	668	(781)
Projeto Imobiliário SPE 103 Ltda.	23,478	7,467	16,011	4,930	438	16,011	22,512	438	(670)
Inpar Projeto 105 SPE Ltda.	15,843	405	15,438	117	(28)	15,438	15,466	(28)	516
Inpar Projeto 108 SPE Ltda.	795	150	645	22	(138)	645	11,512	(138)	(63)
Inpar Projeto 109 SPE Ltda.	33,976	30,892	3,084	1,695	594	3,084	2,490	594	115
Inpar Projeto 112 SPE Ltda.	619	103	516	2	(457)	516	5,895	(457)	(76)
Inpar Projeto 113 SPE Ltda.	-	-	-	-	(23)	-	23	(23)	(1)
Inpar Projeto 116 SPE Ltda.	3,352	124	3,228	-	74	3,228	3,154	74	(127)
Projeto Imobiliário Res. Viver Reserva SPE 127 Ltda.	6,327	6,245	82	(104)	(1,402)	82	1,484	(1,402)	2,409
Solv Real Estate Distressed Gestão Imobiliária Ltda	6,101	23,021	(16,920)	24	(13,251)	(16,920)	(7,598)	(13,251)	(7,495)
XYZ Real Estate Incorporações Imobiliárias Ltda	29,029	29,674	(645)	1,007	(645)	(645)	-	(645)	(1)

In thousand Reais, except when otherwise indicated

	Summarized financial information					Investments		Equity pickup	
Jointly-owned subsidiary	**Assets**	**Liabilities**	**Equity**	**Gross Revenue**	**Income for the financial year**	**December 31, 2021**	**December 31, 2020**	**December 31, 2021**	**December 31, 2020**
Inpar - Agra - Projeto Res. Santo Amaro SPE Ltda.	46,803	2,895	43,908	21	578	43,908	43,330	578	(120)
Inpar - Agra - Projeto Res. America SPE Ltda.	26,070	8,195	17,875	(90)	738	17,875	17,137	738	(1,425)

12 Fixed assets

	Company						Consolidated					
Cost	**Machinery and equipment**	**Furniture and fixtures**	**Leasehold improvement**	**Property use right (i)**	**Other assets**	**Total**	**Machinery and equipment**	**Furniture and fixtures**	**Leasehold improvement**	**Property use right**	**Other assets**	**Total**
As of December 31, 2019	2,772	352	2,322	-	256	5,702	2,884	435	2,801		256	6,376
Additions	8	-	-	609	-	617	107	115	600	2,341	-	3,163
Write-off	-	-	(2,322)	-	(256)	(2,578)	(8)		(2,801)	-	(256)	(3,065)
As of December 31, 2020	2,780	352	-	609	-	3,741	2,983	550	600	2,341	-	6,474
Additions	14		-	-	140	154	278	-	34	-	140	452
Write-off		(94)	-	-	-	(94)	-	(73)	-	-	-	(73)
As of December 31, 2021	2,794	257	-	609	140	3,801	3,261	477	634	2,341	140	6,854
Depreciation												
As of December 31, 2019	(2,582)	(342)	(2,104)	-	(231)	(5,259)	(2,687)	(423)	(2,547)	-	(231)	(5,888)
Depreciation	(67)	(5)	-	(91)	-	(163)	(89)	(17)	(129)	(118)	(3)	(356)
Write-off	-	-	2,104	-	231	2,335	8	-	2,586	(235)	234	2,593
As of December 31, 2020	(2,649)	(347)	-	(91)	-	(3,087)	(2,768)	(440)	(90)	(353)	-	(3,651)
Depreciation	(56)	-	-	(122)	-	(178)	(125)	(14)	(132)	(468)	-	(739)
Write-off	-	92	-		-	92	-	92	-	-	-	92
As of December 31, 2021	(2,705)	(255)	-	(213)	-	(3,173)	(2,893)	(362)	(222)	(821)	-	(4,299)
Residual balance as of December 31, 2021	89	2	-	396	140	628	368	115	412	1,520	140	2,555
Residual balance as of December 31, 2020	131	5	-	518	-	654	215	110	510	1,988	-	2,823
Weighted average annual rate - %	10	10	20	20			10	10	20	20		

(i) Addition referring to the lease agreement for the Company's headquarters for a period of 60 months, starting on April 1, 2020. In accordance with CPC 06 - R2 (IFRS

16), the Company recognized a right-of-use asset, which represents your right to use the leased asset and a lease liability, which represents your obligation to make lease payments (note 17b). A rate of 4% p.y. as projected future IGP-M inflation, discounted at a nominal rate of 8.5% p.y. for the initial measurement of the right-of-use asset, which corresponds to the lease liability at its present values, on the date of its initial registration. Depreciation is calculated using the straight-line method according to the term of the lease.

In thousand Reais, except when otherwise indicated

The Company and its subsidiaries assessed that there were no circumstances in the year that led to the need to change the economic useful lives of these assets and, therefore, concluded that there are no relevant adjustments or changes to be recognized.

13 Intangible assets

The changes are stated below:

Description	Company *Software*	Consolidated *Software*
Cost		
Balance as of December 31, 2020	20,585	20,810
Additions	-	-
Balance as of December 31, 2021	20,585	20,810
Amortization		
Balance as of December 31, 2019	(17,887)	(18,108)
Amortization	(2,169)	(2,173)
Balance as of December 31, 2020	(20,056)	(20,281)
Amortization	(296)	(296)
Balance as of December 31, 2021	(20,352)	(20,577)
Residual balance as of December 31, 2021	233	233
Residual balance as of December 31, 2020	529	529
Weighted average annual rate - %	10	10

14 Loans, financing, and Debentures

Composition of loans, financing and debentures net of transaction costs:

Type	Indexer	Annual commissions and interest rate	Company As of December 31, 2021	Company As of December 31, 2020	Consolidated As of December 31, 2021	Consolidated As of December 31, 2020
Loans and financing						
Projects – CCB (c)	IPCA	Up to 13%	-	-	15,602	-
Projects - CCB/CCI	IGP-M	Up to 12%	-	362	-	362
			-	362	15,602	362
Debentures						
Issuance on January 18, 2011 (a)	TR	8.77%	210,566	205,469	210,566	205,469
Issuance on June 24, 2011 (b)	DI	5.75%	58	4,500	58	4,500
			210,624	209,969	210,624	209,969
Total debts			210,624	210,331	226,226	210,331
Current			(210,624)	(210,331)	(211,226)	(210,331)
Noncurrent			-	-	15,000	-

As collateral for the loans and financing made by the Company, fiduciary sale of purchase rights over property, fiduciary sale of ownership interest rights over the capital stock of subsidiaries and jointly-owned subsidiaries, fiduciary sale of property, collateral of purchase rights over property and conditional assignment of quotas were granted.

Extra-bankruptcy debts continue to be negotiated by the Company with its creditors and its settlement is being realized through the monetization of the assets pledged as collateral or, if there is a residual balance due in any execution, the creditor with debt in the jurisdiction until the beginning of the legally-backed financial restructuring, may claim its qualification in the approved plan and receive its balance according to the rules applied to the unsecured creditors.

(a) Issuance on January 18, 2011 (first issue)

The Company obtained an approval for its first public issuance program for the distribution of simple debentures, non-convertible into shares, in a single series, with collateral and floating charge in the amount of BRL 300,000 in the amount of 300 debentures with a unit rated value of BRL 1,000 each.

The funds obtained through the issuance were used solely to fund real estate projects which met the eligibility criteria.

Collaterals comprise the conditional assignment of credit rights, fiduciary sale of quotas of legal entities controlled directly or indirectly by the Company, fiduciary assignment of funds in bank accounts and fiduciary sale of properties owned by the Company and its subsidiaries and jointly-owned subsidiaries.

In view of the request for legally-backed financial restructuring of the Company and taking into account the terms contained in the Deed of 1st Issue of Debentures, the debt matured in advance, the debit balance of which corresponds to the credit qualified in the list of creditors within the scope of the legally-backed financial restructuring and is still in negotiation taking into account the Company's legally-backed financial restructuring plan.

(b) Issuance on June 24, 2011 (second issue)

The Company obtained an approval for its second public issuance program for the distribution of simple debentures, non-convertible into shares, in a single series, with collateral in the amount of BRL 100,000 in the amount of 10,000 debentures with a un it rated value of BRL 10,000 each. The net proceeds obtained by the Company were used to refinance the financial debts of the Company and subsidiaries and jointly-owned subsidiaries.

Collaterals comprise fiduciary sale of property owned by the Company and by subsidiaries and jointly-owned subsidiaries, fiduciary sale of quotas of legal entities controlled directly or indirectly by the Company and fiduciary assignment of credit rights.

In view of the request for legally-backed financial restructuring of the Company and taking into account the terms contained in the Deed of 2nd Issue of Debentures, the debt matured in advance.

In thousand Reais, except when otherwise indicated

At the Debenture Holders' General Meeting of the Second Issue of Debentures, held on December 11, 2020, the proposal for the settlement of the extra-bankruptcy credit and other obligations arising from the Debentures was accepted, through the donation in payment of shares of Viver, in a total amount of R$ 4,500, for the full payment of the debenture holders' debit balance, with the consequent release of guarantees still linked to the Debentures, as well as the discharge of any and all liabilities arising from the Debentures. The settlement of the balance of R$ 4,500 was made on 04/13/2021 through the issue of the Company's shares. There is an amount of R$ 58, which is waiting for the subscription bulletin to be signed by the debenture holders.

(c) **Issuance on September 1, 2021**

The Company contracted a Bank Credit Bill (CCB) in the total amount of R$ 35,000, divided into four tranches, the first in the amount of R$ 15,000, the second in the amount of R$ 12,000, the third in the amount of R$ 2,500, and the fourth in the amount of R$ 5,500. Such financing was raised for the Nova Fama project, located in the municipality of Goiânia

The real estate units of the project were assigned through fiduciary sale to guarantee the CCB operation, the market value of the guarantees of which totals R$ 55,929, which represents 160% of guarantees in relation to the contracted value of the financing. The maturity of the operation is foreseen for September 2025.

Capitalized financial charges

Financial charges arising from loans, financing and debentures, which funds are attributable to the construction of the projects, are capitalized at the cost of each project, according to the use of the funds by subsidiaries and jointly-owned subsidiaries, and appropriated on the income statement according to the ratio of units sold, as shown below. All other financial charges are allocated on the income statement of the financial year, when incurred.

	Company		Consolidated	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Incurred financial charges	5,006	26,529	11,615	30,908
Capitalized financial charges (*)	-	-	-	-
Financial charges appropriated at the income of the financial year (Note 27)	5,006	26,529	11,615	30,908

	Company		Consolidated	
Financial charges included in the line item "Properties for sale"	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Opening balance	1,582	4,128	25,238	39,331
Charges appropriated to income (Note 24)	(34)	(1,242)	(9,717)	(7,308)
Write-off of capitalized financial charges (Notes 7 and 27)	-	(1,304)	-	(1,304)
Adjustments to ownership interest	-	-	-	(5,481)
Final balance (Notes 7 and 11)	1,548	1,582	15,521	25,238

In thousand Reais, except when otherwise indicated

(*) Capitalized financial charges arise from loans obtained through the Brazilian Housing Finance System (SFH) and other funding lines such as the issue of debentures, used to purchase land for real estate development, as well as for the funding for the construction of projects. As a result of the measures being taken by Company management referred to in Note 1, the lots no longer have a defined date for the deployment of the corresponding projects, and, as a result, as of May 2012, interests are no longer capitalized, and are directly appropriated on the financial statement.

15 Shared obligation on assignment of receivables

The transactions for assigning receivables through the issuance of Real Estate Credit Notes (CCIs), which the Company retained the risks and responsibilities on the assigned credits, with the obligation to repurchase defaulted real estate credits (shared obligation), are rated in liabilities and balances are composed according to collaterals and interest rates:

		Consolidated	
Collateral	**Discount rate - %**	**As of December 31, 2021**	**As of December 31, 2020**
Fidejussion	12.00%	1,353	2,765
Fidejussion Guarantee/ Fiduciary sale	11.25%	120	794
Fidejussion	10.95%	13	78
		1,486	3,637
Current		(1,433)	(3,339)
Noncurrent		53	298

Non-current balances can be presented as per year of maturity:

	Consolidated	
Year of maturity	**As of December 31, 2021**	**As of December 31, 2020**
2022	-	245
2023	53	53
	53	298

In thousand Reais, except when otherwise indicated

16 Suppliers

Certain balances of operations carried out with suppliers that were past due have been negotiated. and the remaining bankruptcy claims will be subject to legally-backed financial restructuring. The table below shows the balance of trade payables, considering the renegotiation of maturity dates:

	Company		Consolidated	
Maturity dates	**December 31, 2021**	**December 31, 2020**	**December 31, 2021**	**December 31, 2020**
Past due	1,204	1,359	7,284	7,631
Falling due:				
Up to 30 days	112	149	1,984	712
From 31 to 60 days	20	10	520	21
From 61 to 90 days	6	856	500	870
From 91 to 120 days	1	2	484	2
From 121 to 180 days	-	4	953	4
After 180 days	-	1	1,364	9
	139	1,022	5,805	1,618
	1,343	2,381	13,089	9,249

17 Accounts and lease payable

(a) Accounts payable

	Company		Consolidated	
Description	**December 31, 2021**	**December 31, 2020**	**December 31, 2021**	**December 31, 2020**
Commissions payable (i)	-	-	3,921	3,773
Dissolutions payable (ii)	-	-	49,871	54,655
Construction costs payable	-	-	-	70
Behavior modification agreement (iii)	3,355	3,355	3,355	4,155
Condo fee of completed units payable (iv)	-	-	16,656	25,401
NPL Brasil Gestão de Ativos Financeiros (v)	59	9,310	59	9,310
Other accounts payable	306	1,143	887	1,569
	3,720	13,808	74,749	98,933
Current	(3,720)	(13,808)	(73,456)	(95,408)
Non-current	-	-	1,293	3,525

(i) Related to the sales of real estate units, by prospection of land or partners for the development of real estate projects and by bank fees;

(ii) As described in Note 6, the Company recognized a reversal of estimated losses on possible dissolutions of units which have lawsuits. The accumulated impact of such dissolutions amounts to BRL 2,418. The provision refers to the estimated amount payable arising from the reversal of sales of real estate units;

(iii) Estimated amount to be spent with Behavior Modification Agreements (TACs) with the town halls of Nova Lima and Porto Alegre;

In thousand Reais, except when otherwise indicated

(iv) The debts of completed real estate units with lawsuits that are considered as possible dissolutions are also foreseen in the amount of condominium payable, with the return thereof to the land banks of Properties for sale. From the amount provisioned, BRL 7,412 are related to debts with condominiums payable referring to units that may be canceled;

(v) As mentioned in note 7, Banco Pan S.A assigned the full amount of credits held against the Company to NPL Brasil. The credits were paid upon conversion into Company shares, in which 7,448 were converted in the 1st Quarter of 2021, R$ 517 were converted in the 2nd Quarter of 2021 and R$ 1,286 were converted in the 4th Quarter of 2021.

The long-term amount refers to commissions, which are broken down as follows, by year of maturity:

	Consolidated	
Description	**December 31, 2021**	**December 31, 2020**
2022	-	506
2023	-	4
As from 2024	1,293	3,015
	1,293	3,525

(d) Lease payable

As mentioned in Note 12, the Company has its current headquarters as its only lease agreement as from April 2020. The Company adopted CPC 06 - R2 (IFRS 16) using a modified retrospective approach, according to which the cumulative effect of the initial investment is recognized as the adjustment to the opening balance of retained earnings and, consequently, the comparative information for 2019 has not been restated. There were no effects on the profit reserves and income from its initial adoption on April 1, 2020.

	Company	Consolidated
Description	**December 31, 2021**	**December 31, 2021**
Fixed assets - right to use property	609	2,342
Lease payable (current and noncurrent liabilities)	(609)	(2,342)
Effects of initial adoption	-	-

The lease agreement term is 60 months, starting on April 1, 2020 and ending on March 31, 2025. The agreement shall be restated annually by the positive percentage variance of the IGP-M.

The lease liability was recognized at present value, taking into consideration a projected future IGP-M rate of 4% per year, and discounted at a nominal rate of 8.5% per year. Financial charges will be recognized in the income statement as financial expenses on an accrual basis and according to the flow of payments.

In thousand Reais, except when otherwise indicated

	Company		Consolidated	
Description	**December 31, 2021**	**December 31, 2020**	**December 31, 2021**	**December 31, 2020**
Lease payable- Right to use property	536	831	2,062	3,198
(-) Financial charges to be appropriated	(129)	(175)	(496)	(675)
	407	656	1,566	2,523
Current	(128)	(153)	(494)	(589)
Noncurrent	279	503	1,072	1,934

Non-current payments are distributed as follows:

	Company		Consolidated	
Description	**December 31, 2021**	**December 31, 2020**	**December 31, 2021**	**December 31, 2020**
2022	-	159	-	610
2023	133	152	512	585
2024	118	146	452	560
2025	28	46	108	179
	279	503	1,072	1,934

In thousand Reais, except when otherwise indicated

18 Advances from customers and other

	Company		Consolidated	
Description	**December 31, 2021**	**December 31, 2020**	**December 31, 2021**	**December 31, 2020**
Advances from customers - real estate developments	-	30	518	3,804
Real estate creditors	-	-	3,929	-
Receipt from customers exceeding the earned revenue (Note 6) (i)	-	-	-	1,459
Physical exchanges (ii)	-	-	5,225	-
Other advances	-	-	-	30
	-	30	9,672	5,293
Current	-	(30)	(4,447)	(5,293)
Noncurrent	-	-	5,225	-

(i) Receipts from customers with amounts higher than the balances of receivables arising from the sale of properties are recorded as advances from customers in current liabilities;

(ii) In certain land purchase operations, the Company made physical exchanges with units to be built. These physical exchanges were recorded at fair value as a land bank for real estate development, in consideration of advances from customers, considering the lump sum value of the real estate units delivered in accord and satisfaction, considering that these exchange operations are appropriated on the income statement considering the same assumptions used to recognize the sales of real estate units.

In thousand Reais, except when otherwise indicated

19 Related parties

(a) Loan operations in checking accounts

Description (noncurrent assets)	Company December 31, 2021	Company December 31, 2020	Consolidated December 31, 2021	Consolidated December 31, 2020
Inpar Investimentos II S A.	1	-	-	-
Viver Desenv. e Constr. Imob. Ltda.	4	3	-	-
Viver Desenv. Imob. Ltda.	15,750	11,591	-	-
Viver Empreend. Ltda.	5,624	-	-	-
Viver Participações Ltda.	20	14	-	-
Inpar Incorp. Imob. e Associados Ltda.	1,009	80	-	-
Inpar Projeto 126 Spe Ltda.	11	4	-	-
Jive Asset Gestão de Recursos Ltda	-	-	-	531
Agre API Empreend. Imob. S.A. (i)	-	-	4,732	5,071
Tiberio Inpar Proj. Res. Er-Barueri Spe Ltda.	153	153	153	153
Inpar Projeto 110 SPE Ltda.	52	52	52	52
Estimated losses from related parties (i)	-	-	(3,734)	(3,734)
	22,624	11,897	1,203	2,073

(i) The Company estimated a loss of R$ 3,734 from related parties to Agre API Empreendimentos Imobiliários S.A., based on the return assessment of jointly-owned companies.

Description (current Liabilities)	Company December 31, 2021	Company December 31, 2020	Consolidated December 31, 2021	Consolidated December 31, 2020
Viver Empreendimentos Ltda. (i)	-	157,608	-	-
F5 Credito e Intermediacao de Negocios Ltda	86	-	-	-
Vila Madalena Empreend. Imobiliários Ltda.	509	-	-	-
Inpar Projeto 50 SPE Ltda.	16	7,634	-	-
Jive Asset Gestão de Recursos Ltda (ii)	8,450	-	8,450	-
Inpar Projeto 33 SPE Ltda.	45	45	45	45
Tiberio - Inpar Projeto 133 SPE Ltda	46	46	46	46
Tiberio - Inpar Projeto 107 SPE Ltda	10	10	10	10
	9,161	165,343	8,551	101

(i) During 2021 it was decided to reduce the subsidiary's capital in the amount of R$ 132,137.

(ii) The balance payable to Financial Settlement Fund - Non-Standardized Credit Rights Investment Fund, under management of Jive Asset Gestão de Recursos Ltda. results from the acquisition via endorsement made by Gaia Cred III Companhia Securitizadora de Créditos Financeiros, becoming a creditor of bank credit bills (CCB), now converted into the 1st tranche of capital increase of the legally-backed financial restructurin plan, as mentioned in Note 22.3. Of the principal amount of R$ 27,099, there remains an outstanding balance of R$ 6,596, which, monetarily restated to December 31, 2021, totals R$ 8,450.

In thousand Reais, except when otherwise indicated

The balances of accounts held with subsidiaries and jointly-owned subsidiaries represent loan operations in the form of checking account loans, with no financial charges being levied upon and do not have a pre-defined maturity.

Balances receivable by the Company correspond to funds transferred to subsidiaries and jointly-owned subsidiaries, with the purpose of developing real estate development projects in those companies. Balances in the liabilities correspond to the receipt of funds from subsidiaries and jointly-owned subsidiaries, arising from receipts from customers for the sale of the projects.

(b) Commercial transactions with subsidiaries and jointly-owned subsidiaries

The commercial operations made with subsidiaries and jointly-owned subsidiaries are for the real estate development and construction of projects. These operations could produce a different result in the Company, if they had been made with unrelated parties, not producing an effect on the consolidated income statement.

Among the current business with subsidiaries and jointly-owned subsidiaries, the following stand out: (i) the execution of construction agreements for projects; (ii) development or joint development agreements for projects; (iii) agreements for granting reciprocal guarantees, where all investments in subsidiaries are decided by management, which activities are controlled by the Company.

(c) Compensation of managers

The compensation of managers and directors as of December 31, 2021, was BRL 16,007 (BRL 5,156 as of December 31, 2020) and is appropriated as General and administrative expenses, as shown below:

Description	Board of Directors	Statutory Management	Fiscal Counsel	Audit Committee	Total
Number of members (*)	5	3	3	3	14
Wage/compensation	794	1,560	252	37	2,643
Bonus (Note 2.18a)	-	2,400	-	-	2,400
Benefit Grant Plan	2,716	8,148	-	-	10,864
Direct and indirect benefits	-	100	-	-	100
As of December 31, 2021	3,510	12,208	252	37	16,007

Description	Board of Directors	Statutory Management	Fiscal Counsel	Audit Committee	Total
Number of members (*)	5	3	3	-	11
Wage/compensation	380	2,291	186	-	2,857
Bonus (Note 2.18a)	-	2,160	-	-	2,160
Direct and indirect benefits	8	123	8	-	139
As of December 31, 2020	388	4,574	194	-	5,156

(*) The number of members was calculated by weighing the period in which they worked at the Company.

In thousand Reais, except when otherwise indicated

The Annual General Meeting (AGO) held on April 30, 2021, established the annual global compensation of the Company’s managers for the 2021 financial year up to BRL R$7,200, excluding the benefit grant plan.

From the amount of R$ 16,007 as of December 31, 2021, R$ 10,864 refer to the provision for the Restricted Shares Grant Program, approved by the Board of Directors on January 14, 2021. The aforementioned program aims to grant eligible persons the opportunity to receive shares of the Company, in order to maintain the alignment of interests between the Company's shareholders and eligible persons, promoting the retention of such persons.

The Program consists of 4 tranches, limited to a maximum of 14% of the Company's total capital stock, divided as follows:

Tranche	Grant Condition	Amount of Restricted Shares Subject to Grant
Tranche 1	Plan and Program Approval.	Up to 4% of the Company's capital stock on the grant date.
Tranche 2	The Company's Marketcap (**) must reach the amount of R$ 120 million, within 36 months, as of the EGM, and remain so for at least 2/3 of the period of 66 consecutive trading sessions, as of the achievement of the Condition.	Up to 4% of the shares issued by the Company on the grant date.
Tranche 3	The Company's Marketcap (**) must reach the amount of R$180 million within 36 months from the EGM, and remain so for at least 2/3 of the period of 66 consecutive trading sessions counted from the achievement of the Condition	Up to 3% of the shares issued by the Company on the grant date.
Tranche 4	The Company's Marketcap (**) must reach the amount of R$ 240 million, within 36 months, as of the EGM, and remain so for at least 2/3 of the period of 66 consecutive trading sessions, as of the achievement of the Condition.	Up to 3% of the shares issued by the Company on the grant date.

(**) Marketcap is the Company's market value, obtained by multiplying the total number of shares issued by the Company by the trading value of each share. The grant conditions have been met, with the vesting period for Tranche 1 beginning in January 2021 and the vesting period for Tranches 2, 3 and 4 beginning in July 2021.

In thousand Reais, except when otherwise indicated

20 Labor and tax liabilities

	Company		Consolidated	
Description	**December 31, 2021**	**December 31, 2020**	**December 31, 2021**	**December 31, 2020**
Charges from the labor regulations	336	318	785	519
Variable compensation - Bonus (i)	1,939	3,900	5,360	3,900
Benefit Grant Plan (ii)	12,727	-	12,727	-
Labor liabilities	15,002	4,218	18,872	4,419
Payment divided into installments - Law No. 11.941/09	-	-	661	916
Tax-related payment divided into installments	1,244	2,026	5,603	6,954
Payment divided into installments - Law No. 12.996/14	-	-	178	199
PERT payment divided into installments - Law No. 13.496/17	-	-	21,120	23,987
IPTU[2] payment divided into installments	-	-	768	-
Current taxes (iii)	284	128	1,855	1,840
IPTU payable (iv)	-	-	20,128	20,189
Deferred IRPJ and CSLL	-	-	(2)	1,020
Deferred PIS and COFINS	-	-	1,112	1,167
Tax-related liabilities	1,528	2,154	51,423	56,272
Total	16,530	6,372	70,295	60,691
Current	(15,492)	(5,101)	(46,833)	(33,528)
Noncurrent	1,038	1,271	23,462	27,163

(i) As mentioned in note 2.18 (a), a provision for variable compensation - Bonuses for employees and managers was set up as of December 31, 2021;

(ii) As described in note 19(c), the Company has made a provision for the Management Benefit Grant Plan;

(iii) Current taxes include past due installments, plus interest and a fine, in the amount of BRL 47 (BRL 254 as of December 31, 2020), for which management plans to enter a process of payment in installments;

(iv) The Company has IPTU tax debts from lands in the amount of BRL 17,718 and from units completed in land bank in the amount of BRL 2,410.

[2] Municipal Real Estate Tax.

In thousand Reais, except when otherwise indicated

Long-term amounts are broken down as follows, by year of maturity:

	Company		Consolidated	
Description	**December 31, 2021**	**December 31, 2020**	**December 31, 2021**	**December 31, 2020**
2022	-	650	-	6,511
2023	258	447	5,651	4,326
2024	312	165	3,798	3,358
2025	312	9	3,228	2,645
2026	156	-	2,855	2,541
2027	-	-	2,614	2,514
As from 2028	-	-	5,316	5,268
	1,038	1,271	23,462	27,163

In PERT, it was possible to migrate previous payments in installments, as well as the possibility of paying in installments all other past due debts until April 30, 2017. The consolidation of the debts with the Brazilian Federal Internal Revenue Services (RFB) and with the Brazilian National Treasury Attorney's Office (PGFN) occurred during 2018, the year of adherence to the PERT. The payment in installments will be amortized according to the table below:

	Consolidated	
Description	**December 31, 2021**	**December 31, 2020**
2021	-	3,684
2022	3,099	2,578
2023	2,580	2,553
2024	2,565	2,530
2025	2,564	2,528
2026	2,542	2,506
2027	2,521	2,485
As from 2028	5,249	5,123
	21,120	23,987

The Company is still discussing with the PGFN regarding the use of the compensation for Tax-related Losses and Negative Social Contribution Tax basis by the Company, as PGFN Ordinance No. 1.207/2017 provides only for the compensation of their own credits, and due to this, MS (Writ of Mandamus) No. 5002232-78.2018.4.03.6100 was brought upon, in process before the 12th Federal Justice Court of São Paulo.

In thousand Reais, except when otherwise indicated

(a) Deferred income tax and social contribution and deferred PIS and COFINS

Deferred income tax, social contribution, PIS and COFINS are recorded to reflect future tax effects resulting from temporary differences between the tax base, determined by receipt (cash basis) - Normative Instruction SRF no 84/79, and the real estate profit accounting basis, calculated based on the criteria in Note 2.21.

		Consolidated
Description	**December 31, 2021**	**December 31, 2020**
At the beginning of the financial year	1,020	4,003
Adjustments	(267)	(1,615)
Expenses (revenues) in the income statement	(751)	(1,368)
Deferred income tax and social contribution	(2)	1,020
Deferred PIS and COFINS	1,112	1,167
Deferred taxes	1,112	2,187

As a result of the tax credits and obligations as mentioned above, the corresponding tax effects (deferred income and social contribution taxes) were recorded, as follows:

(i) Credits to offset - real profit

Tax losses and negative social contribution tax bases to be offset against future taxable income do not have prescriptive periods, their offsets being limited to 30% of taxable income calculated in each future base period.

The Company and its subsidiaries and jointly-owned subsidiaries have a stock of tax losses to be offset as follows:

		Company		Consolidated
Description	**December 31, 2021**	**December 31, 2020**	**December 31, 2021**	**December 31, 2020**
Credits to offset - real profit (i)				
Tax losses to be offset with future taxable profits	1,203,765	1,162,296	1,497,521	1,162,296
Negative social contribution tax basis to offset with future taxable profit	1,353,797	1,312,328	1,658,924	1,312,328

In thousand Reais, except when otherwise indicated

Taking into account the current context of the Company's operations, which substantially constitutes interest in other companies, under the terms of CPC 32 - "Taxes on Profit", no tax credit was created on: (i) the total accrued balance of tax losses and negative social contribution tax bases; and (ii) on the balance of temporarily non-deductible expenses in determining taxable profit. The deferred income tax on such credits was recorded at the limit of the liability related to the portions to be taxed on the difference between the profit on real estate activities taxed on a cash basis and the amount recorded on an accrual basis, thus eliminating its effects on the equity accounts.

(ii) Deferred IRPJ and CSLL - taxable income, deemed income and RET

They are represented by income tax and social contribution on the difference between the revenue from real estate development appropriated on an accrual basis and that submitted to taxation, in accordance with the cash regime.

The taxation of the difference between the profit earned on a cash basis and that determined on an accrual basis is in line with the expectation of realization of accounts receivable, as shown below:

	Consolidated	
Description	**December 31, 2021**	**December 31, 2020**
In one year	-	324
Over one year	-	696
	-	1.020

(iii) Deferred PIS and COFINS

The taxation of the difference between the profit earned on a cash basis and that determined on an accrual basis is in line with the expectation of realization of accounts receivable, as shown below:

	Consolidated	
Description	**December 31, 2021**	**December 31, 2020**
In one year	186	375
Over one year	926	792
	1,112	1,167

In thousand Reais, except when otherwise indicated

(b) Reconciliation between the income tax and the social contribution consolidated charge by the nominal and the actual tax rates

	Company		Consolidated	
Description	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Profit (loss) before income tax and social contribution	(57.531)	(180.781)	(58.050)	(182.194)
Income from ownership interest				
Income from ownership interest	(1.951)	152.502	4.149	805
Calculation basis	(59.482)	(28.279)	(53.901)	(181.389)
Nominal rate - %	34	34	34	34
Nominal charge (credit)	(20.224)	(9.615)	18.326	(61.672)
Unconsolidated credit	20.224	6.528	18.326	12.638
Effect of subsidiaries and jointly-owned subsidiaries taxed by presumed profit tax system and RET	-	3.087	124	49.984
Income tax and social contribution	-	-	124	950
Current	-	-	(627)	(418)
Deferred	-	-	751	1.368
Income tax and social contribution	-	-	124	950

21 Provisions

	Company		Consolidated	
Description	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Provision for completion bond of construction work (a)	-	-	1,628	2,080
Provision for lawsuits (b)	15,600	15,967	121,708	157,649
	15,600	15,967	123,336	159,729
Current	-	-	(1,628)	(2,080)
Non-current	15,600	15,967	121,708	157,649

In thousand Reais, except when otherwise indicated

(a) Provision for completion bond of construction work

The money transfers for the provision may be as follows:

	Consolidated	
	December 31, 2021	December 31, 2020
At the beginning of the financial year	2,080	3,328
Adjustments to ownership interest (i)	-	(617)
Net reversal	(452)	(631)
At the end of the financial year	1,628	2,080

(i) Write-off of the provision for guaranteeing the Alto Belvedere project.

The provision for completion bond of construction work is made up to cover any disbursements to cover expenses during the guaranty period of the projects, which are not the responsibility or which are not by chance covered by the companies contracted to build the project.

(b) Provisions for lawsuits

	Company		Consolidated	
Description	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
From labor regulations	2,639	4,354	5,394	8,651
Tax-related	-	-	3,233	6,657
Civil	1,304	1,279	7,689	24,394
Civil - indemnities, fines and other losses with customers	11,657	10,334	105,392	117,947
Noncurrent	15,600	15,967	121,708	157,649

In thousand Reais, except when otherwise indicated

Changes in the provision are shown in the table below:

	Company		Consolidated	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
At the beginning of the financial year	15,967	16,050	157,649	147,889
Adjustments to ownership interest (i)	-	-	-	(18,690)
Closed lawsuits	(19,933)	-	(24,560)	-
Complement (reversal) of provision (Note 28)	19,566	(83)	(11,381)	28,450
At the end of the financial year / period	15,600	15,967	121,708	157,649

(i) Write-off of the provision for contingencies of the Alto Belvedere project.

Among the provisions from labor regulations, as of December 31, 2021, the Company and its subsidiaries are party to 143 lawsuits, including probable, possible and remote estimates, 65.0% of which relate to cases in which the request in relation to the Company is a condemnation of joint and several liability, for which a provision for probable losses was made, the balance of which is BRL 5,394 as of December 31, 2020 (BRL 8,651 as of December 31, 2020).

Among the civil provisions, a material portion corresponds to lawsuits filed by customers claiming, among other things, (i) fines for the delayed delivery of real estate units; (ii) premature termination of agreements; (iii) interest charges on the agreements executed and (iv) suits with partners.

Along with their legal advisors, the Company, its subsidiaries and jointly-owned subsidiaries have been monitoring the lawsuits which have been filed individually by each buyer who has received their unit purchased under construction after the 180 days provided for in the Real Estate Development Law, requiring such compensation and indemnification due to moral and material damages, and determines specific provisions for them, based on individual analyses of the lawsuits.

The Company also monitors the movements occurring in the industry concerning this subject, in order to constantly reassess the impacts in its operations and consequent repercussions in the financial statements. All accounting provisions necessary to reflect the effects of these lawsuits were made in the accounting.

In thousand Reais, except when otherwise indicated

No provision was made for lawsuits in progress which management and its legal advisors consider as possible losses. The amounts of these lawsuits are shown below:

	Consolidated		Consolidated	
Description	**December 31, 2021**	**December 31, 2020**	**December 31, 2021**	**December 31, 2020**
From labor regulations	318	426	1,781	1,090
Environmental	-		-	
Tax-related	29	28	520	395
Civil (i)	5,785	4,348	7,226	58,429
Civil - indemnities, fines and other losses with customers (i)	5,474	13,436	66,027	81,831
	11,606	18,238	75,554	141,745

(i) There is a significant reduction in civil lawsuits with possible probability due to the execution of Court settlement, mainly related to customers, constructive defects and condominium quotas.

22 Equity

22.1 Capital stock

Description	Number of shares
Balance as of December 31, 2019	**46,572,036**
Capital increase for partial settlement of the DIP - 06/ 18/2020 Capital increase for partial settlement of the DIP - 08/19/2020	13,857,776
Capital increase for the settlement of the DIP and payment of extra-tender creditors - 11/06/2020	34,737,839
Capital increase in compliance with the Legally-backed Financial Restructuring Plan – 5th Tranche - 06/11/2020	1,861,113
Balance as of December 31, 2020	**97,028,764**
Capital increase for the payment of extra-tender creditors - 04/13/2021	9,478,553
Capital increase for the payment of extra-tender creditors – 07/08/2021	33,922,495
Capital increase in compliance with the Legally-backed Financial Restructuring Plan – 6th Tranche – 11/26/2021	2,472,901
Balance as of December 31, 2021	**142,902,713**

On June 18, 2020, the Company's Board of Directors approved the capital increase, within the authorized capital limit, approved at the Board of Directors' Meeting held on April 23, 2020. The capital increase was intended for the partial settlement of the Credits held by the Lender against the Company (debtor-in-possession-financing - DIP Financing), with the consequent reduction of its indebtedness. 13,857,776 new common, registered, book-entry non-par value shares in the total amount of R$ 17,184 were subscribed and paid up, at the issue price of R$ 1.24 (one real and twenty-four cents) per share, being : (i) 488,654 common shares subscribed and paid up by the shareholders who exercised the preemptive right, totaling R$ 606; (ii) 1,905,207 common shares, by the shareholders who subscribed for the remaining shares of the capital increase, totaling R$ 2,363; and (iii) 11,463,915 subscribed and paid in by the Company's creditor, Financial Settlement Fund - Non-Standardized Credit Rights Investment Fund, through the capitalization of credits held against the Company, in the amount of R$ 14,215.

On August 19, 2020, the Company's Board of Directors approved the capital increase, within the authorized capital limit. The capital increase was intended to reduce the Company's indebtedness and to settle outstanding debts without using cash, aiming at the full settlement of the credits of the financing agreement in the "debtor-in-possession-financing" mode - DIP financing held by the Financial Settlement Fund - Non-standardized Credit Rights Investment Fund, credit rights investment fund, and the settlement of debts with law firms, court managers and lawsuits. 34,737,839 new common, registered, book-entry non-par value shares were subscribed and paid up, at the issue price of R$ 1.49 (one real and forty-nine cents) per share, totaling R$ 51,759, of which : (i) 8,222,718 common, registered non-par value shares, subscribed and paid up, in domestic currency, by the shareholders who exercised the preemptive right in the total amount of R$ 12,252; (ii) 955,422 common, registered, non-par value shares, subscribed and paid up, in domestic currency, by the shareholders who subscribed the remaining shares of the capital increase, totaling an amount of R$ 1,423; and (iii) 25,559,699 common, registered, non-par value shares, subscribed and paid in by the Company's creditor, Financial Settlement Fund - Non-Standardized Credit Rights Investment Fund and by other non-tender creditors holding debts arising from fees attorneys, lawsuit and judicial management, through the capitalization of credits held against the Company, totaling R$ 38,084.

On November 6, 2020, the Company's Board of Directors approved the capital increase, within the authorized capital limit. 1,861,113 new common, registered, book-entry non-par value shares were subscribed and paid up, in the total amount of R$ 36,850, of which: (i) 141,533 common, registered, non-par value shares, subscribed and paid up, in domestic currency , by the shareholders who exercised the preemptive right, totaling R$ 2,802; and (ii) 1,719,580 common, registered non-par value shares, subscribed and paid up by the creditors whose credits were qualified in the general list of the Company's creditors as provided for in the Legally-Backed Financial Restructuring Plan, as defined and approved in the Legally-Backed Financial Restructuring Plan, through the capitalization of its credits held against the Company, at the issue price of R$ 19.80 (nineteen reais and eighty cents) per share, totaling R$ 34,048.

On April 13, 2021, the Company's Board of Directors approved the capital increase, within the limit of the authorized capital. A total of 9,478,553 new common, registered, book-entry non-par value shares, in the total amount of R$ 12,038, of which (i) 115,619 common, registered, non-par value shares, subscribed and paid up, in domestic currency, by shareholders who exercised their preemptive rights, totaling an amount of R$ 147; (ii) 1,117 common, registered, non-par value shares, subscribed and paid up, in domestic currency, by shareholders who subscribed to leftovers of the capital increase, totaling an amount of R$ 1; (iii) 5,864,567 common, registered, non-par value shares, subscribed and paid-up by the Company's creditor, NPL Brasil Gestão de Ativos Financeiros Ltda. and by other assignees of contractual rights of Banco Pan, through capitalization of credits held against the Company, totaling an amount of R$ 7,448; and (iv) 3,497,250 common, registered, non-par value shares, subscribed and paid up by debenture holders of the 2nd Issue of Debentures of the Company, through the capitalization of credits, totaling an amount of R$ 4,442.

On July 8, 2021, the Company's Board of Directors approved the capital increase, within the limit of the authorized capital. A total of 33,922,495 new common, registered, book-entry non-par value shares, in the total amount of R$49,866, at an issue price of R$1.47, of which (i) 28,808,859 common, registered, non-par value shares, subscribed and paid up, in domestic currency, by shareholders who exercised their preemptive rights, totaling an amount of R$ 42,349; (ii) 4,762,080 common, registered, non-par value shares, subscribed and paid up, in domestic currency, by shareholders who subscribed to leftovers from the capital increase, totaling an amount of R$ 7,000 and (iii) 351,556 common, registered, non-par value shares, subscribed and paid up, in local currency, by NPL Brasil Gestão de Ativos Financeiros Ltda. and its assignees of Banco Pan's contractual rights, totaling an amount of R$ 517.

On November 26, 2021, the Company's Board of Directors approved the capital increase, within the authorized capital limit. A total of 2,472,901 new common, registered, book-entry non-par value shares were subscribed and paid up, in the amount of R$ 48,963 at an issue price of R$ 19.80 per share, and 2,235,773 common shares were subscribed by creditors the credits of which were qualified in the Company's general list of creditors as provided for in the Legally-Backed Financial Restructuring Plan, through capitalization of credits held against the Company, totaling an amount of R$ 44, 268 and 237,128 common, registered, book-entry non-par value shares, subscribed and paid up, in Brazilian currency, by the shareholders who subscribed the preemptive rights and the leftovers from the capital increase, in the amount of R$ 4,695.

On December 31, 2021 the Company's capital stock is R$2,449,892 represented by 142,902,713 common, registered non-par value shares (R$2,339,025 represented by 97,028,764 common shares on December 31, 2020).

The payment of Credits through the issuance of shares by the Company aims to strengthen its capital structure and balance sheet, aiming at the development, expansion and maintenance of its business, within a more solid capital structure through the consequent reduction of its liabilities without the need for cash disbursement.

22.2 Share subscription expenses

The amount of capital subscription expenses, considering the bank commissions and the financial, legal and market advisory services in the subscription of shares realized in previous financial years, totaling BRL 37,855.

22.3 Subscribed shares to be canceled

In March 2019 Banco Pan S.A obtained its credits in the amount of R$ 18,145 converted into the 3rd tranche of capital increase in compliance with the Legally-Backed Financial Restructuring Plan. Banco Pan filed an interlocutory appeal before the São Paulo State Court of Justice against the decision that ratified the legally-backed financial restructuring plan of Projeto Residencial Marine Home Resort SPE Ltda., which is guarantor of the credit notes issued by Inpar Projeto 45 SPE Ltda., an appeal filed under No. 2010112-33.2019.8.26.0000. In view of the agreement signed between the Company and NPL Brasil Gestão de Ativos Financeiros, which acquired the credits held by Banco Pan, the reduction in Shareholders' Equity of R$ 18,145, referring to the future cancellation of 916,407 shares converted from Banco Pan was recognized, according to the 3rd payment tranche provided for in the Legally-Backed Financial Restructuring Plan, which are deposited with the bank that records the shares.

In thousand Reais, except when otherwise indicated

On July 16, 2019, the Financial Settlement Fund - Non-standardized Credit Rights Investment Fund, under management of Jive Asset Gestão de Recursos Ltda. via endorsement made by Gaia Cred III Companhia Securitizadora de Créditos Financeiros, became a creditor of the bank credit bills (CCBs). The CCBs were included in the Legally-Backed Financial Restructuring as concurrent credits and paid under the terms of the Legally-Backed Financial Restructuring Plan, and the amount of R$ 27,099 was converted into 1,387,2,44 common shares issued by the Company (taking into consideration the split of shares in the ratio 10 to 1), through a capital increase. By virtue of the decision of challenge reformed through judgment of the TJSP, which granted the interlocutory appeal n. 2066365-75.2018.8.26.0000 by understanding that the CCB credit is extra-bankrupt in the limit of the asset given in guarantee, it was requested to the Legally-Backed Financial Restructuring Judge the cancellation of the shares issued in a compulsory manner to Gaia Cred III. In view of the agreement signed between the Company and the Financial Settlement Fund - Non-standardized Credit Rights Investment Fund, a reduction to Equity in the amount of R$ 27,099 was recognized, referring to the future cancellation of 1,387,244 shares converted on behalf of Gaia Cred III, as per the 1st payment tranche provided for in the legally-backed financial restructuring plan, which are deposited with the bookkeeping bank of the shares.

22.4 Dividend policy

According to the Company's bylaws, 5% out of the net income for the financial year will be allocated for legal reserve, limited to 20% of the fully paid-in capital stock and minimum dividends of 25% on the net income.

23 Loss per share

The basic calculation of loss per share is made by dividing the loss for the year, attributed to the holders of common shares of the company by the weighted average number of common shares available during the period.

Loss per share is calculated by dividing the loss for the year attributed to holders of common shares of the company by the weighted average number of common shares available during the year plus the weighted average number of common shares that would be issued upon conversion of all potential common shares diluted into common shares.

The following tables present the data of income and shares used to calculate the weighted average number of outstanding common shares:

			Financial year of 2021
Date	**Number of shares**	**Number of days/%**	**Weighted Average of shares**
December 31, 2020	97,028,764	365/100	97,028,764
April 14, 2021	9,478,553	261/100	6,777,815
July 8, 2021	33,922,495	176/100	16,357,148
November 26, 2021	2,472,901	35/100	237,127
December 31, 2021	142,902,713		120,400,854

In thousand Reais, except when otherwise indicated

The basic and diluted loss per share on December 31, 2021 is BRL 0.4778 (basic and diluted loss of BRL 2,6963 as of December 31, 2020).

	December 31, 2021	December 31, 2020
Profit (Loss) attributable to Company shareholder	(57,531)	(180,781)
Weighted average number of outstanding common shares	120,400,854	67,046,983
Basic and diluted loss per share - BRL	(0.4778)	(2.6963)

24 Gross profit (loss)

	Company		Consolidated	
Description	**December 31, 2021**	**December 31, 2020**	**December 31, 2021**	**December 31, 2020**
Revenue from real estate	122	-	57,817	7,642
Reversal/(provision) for estimated loss	-	-	9,351	39,753
Estimated losses	-	-	119	(3,688)
Revenue from services	4,985	1,513	5,019	1,679
Gross operating revenue	5,107	1,513	72,306	45,386
Taxes levied	(727)	(216)	(4,325)	(1,375)
Net operating revenue	4,380	1,297	67,981	44,011
Costs with land, real estate development, construction and services	(7)	(40)	(46,309)	(12,056)
Provision/(reversal) for cost with units to be cancelled (i)	-	-	(20,565)	(36,728)
Reversal/(provision) for inventory impairment	-	-	21,215	(1,948)
Financial charges (Note 14)	-	-	(9,717)	(7,308)
Cost with real estate sales	(7)	(40)	(55,376)	(58,040)
Gross profit (loss)	4,373	1,257	12,605	(14,029)

(i) As mentioned in Explanatory Note 6, the Company opened the estimated losses with customers which are in legal disputes, reversing accounts receivable balances and returning unit costs to the land bank of Properties for sale (Explanatory Note 7).

In thousand Reais, except when otherwise indicated

In September 2021 the Nova Fama project was launched. In addition, the Company has been working to expedite the money transfer processes for the financing of the completed units, which indirectly cause dissolutions to increase, with the reversal of the margin then appropriate in these sales. The reconciliation of the gross profit with the projects under construction is shown in Note 29.

25 General and administrative expenses

	Company		Consolidated	
Description	**December 31, 2021**	**December 31, 2020**	**December 31, 2021**	**December 31, 2020**
Wages and Charges	(10,173)	(10,776)	(23,368)	(16,195)
Restricted shares grant plan	(12,727)	-	(12,727)	-
Advisory and consulting	(4,063)	(4,569)	(6,246)	(6,646)
Corporate expenditures	(1,528)	(1,194)	(3,445)	(2,090)
Rents	(147)	(187)	(152)	(217)
Depreciation right to use property	(122)	(92)	(468)	(351)
	(28,760)	(16,818)	(46,406)	(25,499)
Restructuring expenses	(1,133)	(1,430)	(1,133)	(1,430)
Depreciation and amortization	(354)	(2,284)	(570)	(2,413)
	(1,487)	(3,714)	(1,703)	(3,843)
	(30,247)	(20,532)	(48,109)	(29,342)

26 Expenses with sales

	Company		Consolidated	
Description	**December 31, 2021**	**December 31, 2020**	**December 31, 2021**	**December 31, 2020**
Advertising and publicity	26	(62)	(2,439)	(1,549)
Commissions	-	(38)	(1,316)	(703)
Maintenance with land bank and completed units	-	-	(921)	(2,461)
Expenses with completion bond of construction works	-	(1)	(1,924)	(292)
Estimated losses	-	141	19	487
Other expenses	-	(1)	-	-
	26	39	(6,581)	(4,518)

In thousand Reais, except when otherwise indicated

27 Financial income

	Company		Consolidated	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Financial revenues				
Interest and monetary restatement	216	544	2,224	2,327
Income from financial investments	-	-	2,749	268
Other financial revenues	-	-	-	1,012
	216	544	4,973	3,607
Financial expenses				
Charges on agreements (Note 14)	(5,006)	(26,529)	(11,615)	(30,908)
Write-off of capitalized corporate charges (Note 14)	-	(1,304)	-	(1,304)
Appropriated corporate charges (Note 14)	(90)	(1,242)	-	-
Fines	(5)	(77)	(173)	(269)
Interest	-	(83)	(880)	(1,587)
Customer Deductions/ Monetary Restatements	-	(72)	(310)	(5,449)
Other financial expenses	(14)	(12)	(83)	(83)
	(5,115)	(29,319)	(13,061)	(39,600)
(=) Financial income	(4,899)	(28,775)	(8,088)	(35,993)

In thousand Reais, except when otherwise indicated

28 Other operating revenues (expenses)

	Company		Consolidated	
Other operating revenues (expenses)	**December 31, 2021**	**December 31, 2020**	**December 31, 2021**	**December 31, 2020**
Income from assignment of ownership interest (i)	-	-	-	(26,845)
Disposal (write-off) of fixed assets	1	-	1	-
Reversal (provision) for lawsuits (Note 21)	(19,566)	83	11,381	(28,450)
Estimated losses	(6,222)	(4,037)	(6,222)	(8,151)
IPTU and condo fees of completed units in land bank	(42)	-	(6,886)	(8,990)
Agreements with creditors - Legally-backed Financial Restructuring	-	(67)	-	(129)
Impairment of real estate	-	-	-	(45,781)
Land losses (note 7)	-	-	-	(3,156)
Debt agreements with related parties (note 19)	-	10,414	-	10,414
2nd issue debentures agreement (note 14)	-	5,543	-	5,543
Assignment of debt credits Banco Pan S.A (Note 7)	-	8,835	-	8,835
Other operating revenues (expenses)	(2,906)	(1,039)	(2,002)	(797)
	(28,735)	19,732	(3,728)	(97,507)

(i) In September 2020, the Second Amendment to the Private Instrument of Debt Restructuring and Other Covenants was signed between the Company and the Association of Purchasers of the Units of the Alto Belvedere Development with the consequent transfer of the SPE to the Association of the Alto Belvedere Development.

In thousand Reais, except when otherwise indicated

29 Commitments undertaken in real estate development operations in progress

In order to complete the projects under construction, the Company expects the following costs to be incurred:

		Consolidated
Description	**December 31, 2021**	**December 31, 2020**
Units sold under construction	7,967	1,074
Units in land bank under construction	15,934	3
Budgeted cost to be incurred (*)	23,901	1,077
Land bank of real estate under construction, net of impairment (Note 7)	26,265	147
Total cost to be appropriated in the future	50,166	1,224

(*) Construction commitments do not include financial charges and provision for collateral, which are appropriated at the cost of the properties, proportionally to the real estate units sold, when incurred.

The margin to be appropriated related to the units sold, taking into account the estimate of the cost to be incurred with the commitments undertaken, may be shown as follows:

		Consolidated
Description	**December 31, 2021**	**December 31, 2020**
Contracted unearned sales (Note 6)	8,327	1,499
Cost to be incurred on units sold (*)	(7,967)	(1,074)
	360	425
Gross margin percentage to be appropriated (*)	4,3%	28,4%
Estimate of taxes (PIS and COFINS) (**)	(173)	(31)
	187	394
Margin percentage to be appropriated (*)	2.2%	26.3%

(*) Construction commitments do not include financial charges and provision for collateral, which are appropriated at the cost of the properties, proportionally to the real estate units sold, when incurred.
(**) Estimated value of 0.65% as PIS and 3.00% as Cofins.

In thousand Reais, except when otherwise indicated

The changes in contracted sales to appropriate and cost to incur on units sold, compared to December 31, 2020, are substantially represented by the movements related to normal sales activities, dissolutions and recognition of revenues and costs as the construction of the Beira Mar (2020) and Nova Fama (2021) developments progresses. The margin to be appropriated decreased substantially from 2020 to 2021 because the Nova Fama project had its construction halted for more than 5 years and, when the construction was resumed in 2021, a review of the budgets for the completion and maintenance of the improvements already made in the project was performed, generating an increase in the cost to be incurred, which resulted in the decrease of the margin to be appropriated.

The contracted unearned sales are not restated at present value, since it is only materialized for the earned sales.

The table below shows the appropriated results of the units sold of projects under construction:

	Consolidated	
Description	**December 31, 2021**	**December 31, 2020**
Appropriate revenue from projects under construction (Note 6)	8,209	42,385
(-)Adjustment at present value (Note 6)	(1,358)	-
(-)Estimated losses and provision for dissolutions	(273)	-
(-)PIS and COFINS Contributions	(171)	(1,066)
Appropriated cost of projects under construction (Note 7)	(9,141)	(36,362)
Total	(2,734)	4,957
Appropriated income in previous financial years	-	(3,225)
Appropriated net income for the year	(2,734)	1,732
Financial charges appropriated at the income of the financial year (Note 14)	(3,991)	(492)
Gross income from projects under construction	(6,725)	1,240
Gross income from completed projects and other	19,330	(15,269)
Total Gross income	12,605	(14,029)

The difference from the expected and the realized margin is substantially represented by the allocation of the financial charges (Note 24).

30 Insurance

The Company maintains insurance coverage in an amount considered sufficient by management to cover possible risks on its assets and / or liabilities, as shown below:

(a) Administrative headquarters and branches - fire, lightning, explosion, theft, robbery civil liability and others - BRL 9,733;

(b) Directors and officers liability insurance (D&O) - BRL 35,000.

(c) Engineering risks insurance - civil works in construction - R$35,100.

The risk assumptions adopted and their respective coverage, given their nature and peculiarity, are not part of the scope of the audit of the financial statements, therefore, they were not reviewed by our independent auditors.

31 Disclosure of financial statements

The Company and consolidated financial statements of December 31, 2021 were analyzed and their disclosure was authorized by Management on March 29, 2022.

32. Explanation added to the translation for the English version

The accompanying financial statements were translated into English from the original Portuguese version prepared for local purposes. Certain accounting practices applied by the Company that conform to those accounting practices adopted in Brazil may not comply with the generally accepted accounting principles in the countries where these financial statements may be used.