

Operational Preview

4Q22

MRV&CO



Resia Tradition
Port Saint Lucie, Florida

RESIA

SENSIA

INCORPORADORA



Sensja
Ponta Negra



MRV
Reserva Vila do Sol

MRV

Luggo



Luggo
Cabral



Urba
Parque Atlânta

Urba

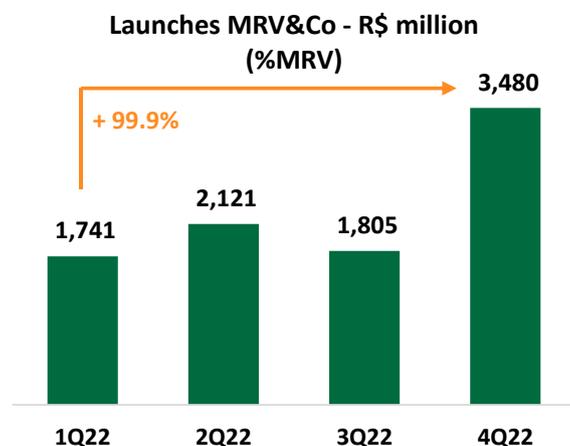
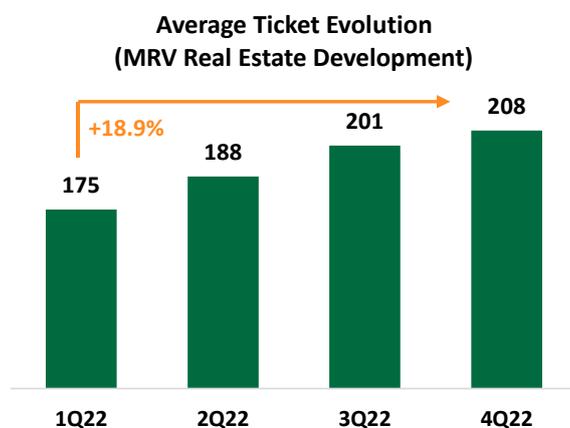


Operational Preview 4Q22

Belo Horizonte, January 18, 2023 – MRV Engenharia e Participações S.A. (B3: MRVE3), the largest homebuilder in Latin America, informs its preliminary and non-audited operational results of Launches, Pre-Sales, Land bank, Production, Real Estate Financing, Cash Generation and Cancellations for the fourth quarter of 2022.

HIGHLIGHTS

- **Sale of another Resia development:** Oak Enclave, located in Florida, USA, totaling **420 units** and a PSV of **R\$ 113 million** (100%);
- **Launch of the Pine Ridge development in the US:** Sale of the project expected for 2Q23, with a total of **288 units** and PSV of **R\$ 86.2 million** (100%);
- **22.7% increase in the average ticket for MRV Real Estate Development when compared to 4Q21**, reaching R\$ 208 thousand in 4Q22;
- **Launch of MRV Real Estate Development:** total of **R\$ 2.76 billion** in PSV launched (%MRV), representing **12,508 units** launched (% MRV) over the quarter, **an increase of 74.8% when compared to 3Q22**, and **12% ahead of 4Q21**;
- **Launch of 2 new Luggo developments under the investment agreement with Brookfield:** Total of **517 units** and a PSV of **R\$ 198 million**.



OPERATIONAL DATA

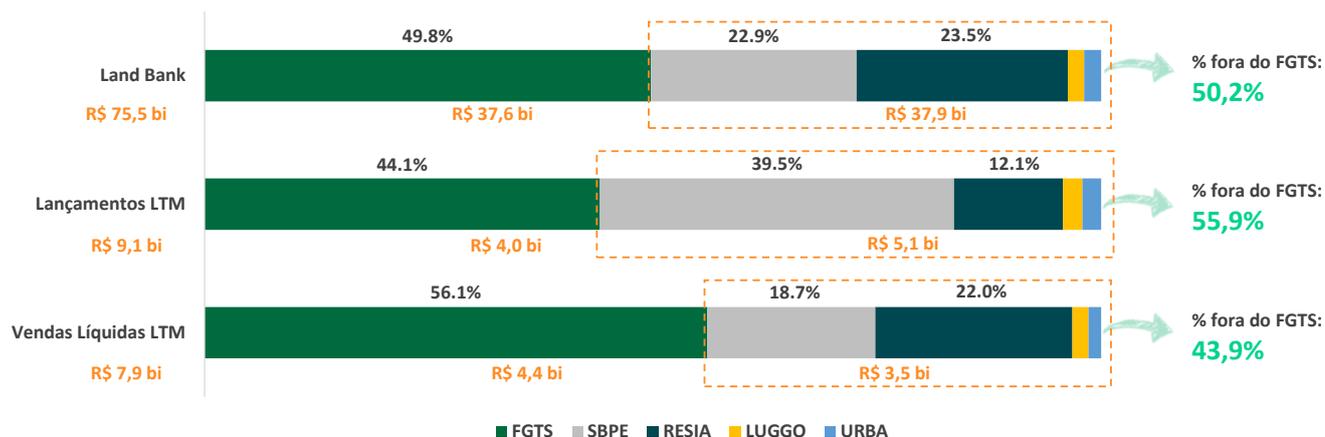
Click and access the data in Excel



MRV&Co

Operational Indicators (%MRV)	4Q22	3Q22	4Q21	Chg. 4Q22 x 3Q22	Chg. 4Q22 x 4Q21	2022	2021	Chg. 2022 x 2021
LAND BANK								
PSV (R\$ billion)	75.5	78.3	72.9	3.6% ↓	3.5% ↑	75.5	72.9	3.5% ↑
Units	289,571	300,569	347,254	3.7% ↓	16.6% ↓	289,571	347,254	16.6% ↓
Average Price (R\$ thousand)	261	261	210	0.1% ↑	24.2% ↑	261	210	24.2% ↑
LAUNCHES								
PSV (R\$ million)	3,480	1,805	3,243	92.8% ↑	7.3% ↑	9,146	9,442	3.1% ↓
Units	14,098	7,426	12,479	89.9% ↑	13.0% ↑	36,086	44,651	19.2% ↓
Average Price (R\$ thousand)	247	243	260	1.6% ↑	5.0% ↓	253	211	19.9% ↑
PRE-SALES								
PSV (R\$ million)	2,062	1,464	2,402	40.8% ↑	14.2% ↓	7,877	8,101	2.8% ↓
Units	7,749	7,328	10,147	5.7% ↑	23.6% ↓	33,326	38,758	14.0% ↓
Average Price (R\$ thousand)	266	200	237	33.2% ↑	12.4% ↑	236	209	13.1% ↑
TRANSFERED UNITS								
Units	6,979	7,103	8,706	1.7% ↓	19.8% ↓	30,707	37,628	18.4% ↓
PRODUCTION								
Units	8,840	9,319	9,722	5.1% ↓	9.1% ↓	35,550	40,409	12.0% ↓
INVESTMENT PROPERTY								
Under Construction - PSV (R\$ million)	5,192	7,316	4,771	29.0% ↓	8.8% ↑	5,192	4,771	8.8% ↑
Leasing up - PSV (R\$ million)	-	683	-	100.0% ↓	-	-	-	-
Stabilized - PSV (R\$ million)	-	-	261	-	100.0% ↓	-	261	100.0% ↓
CASH GENERATION (R\$ thousand)	(539.5)	(1,220.3)	(150.6)	55.8% ↑	258.3% ↓	(2,233.9)	(554.0)	303.2% ↓

4T22 (LTM)



MRV Real Estate Development

Operational Indicators (%MRV)	4Q22	3Q22	4Q21	Chg. 4Q22 x 3Q22	Chg. 4Q22 x 4Q21	2022	2021	Chg. 2022 x 2021
LAND BANK								
PSV (R\$ billion)	54.9	55.5	59.3	1.1% ↓	7.5% ↓	54.9	59.3	7.5% ↓
Units	262,933	273,118	323,644	3.7% ↓	18.8% ↓	262,933	323,644	18.8% ↓
Average Price (R\$ thousand)	209	203	183	2.8% ↑	13.9% ↑	209	183	13.9% ↑
LAUNCHES								
MRV (CVA + SBPE)								
PSV (R\$ million)	2,764	1,542	2,140	79.3% ↑	29.2% ↑	7,153	7,025	1.8% ↑
Units	12,508	6,795	11,171	84.1% ↑	12.0% ↑	32,488	39,903	18.6% ↓
Average Price (R\$ thousand)	221	227	192	2.6% ↓	15.4% ↑	220	176	25.1% ↑
SENSIA								
PSV (R\$ million)	-	218	-	100.0% ↓	-	492	215	128.9% ↑
Units	-	360	-	100.0% ↓	-	912	543	68.0% ↑
Average Price (R\$ thousand)	-	606	-	100.0% ↓	-	539	396	36.2% ↑
TOTAL REAL ESTATE DEVEL. (MRV + SENSIA)								
PSV (R\$ million)	2,764	1,760	2,140	57.0% ↑	29.2% ↑	7,645	7,240	5.6% ↑
Units	12,508	7,155	11,171	74.8% ↑	12.0% ↑	33,400	40,445	17.4% ↓
Average Price (R\$ thousand)	221	246	192	10.2% ↓	15.4% ↑	229	179	27.9% ↑
PRE-SALES								
MRV (CVA + SBPE)								
PSV (R\$ million)	1,448	1,396	1,449	3.8% ↑	0.0% ↓	5,795	5,977	3.0% ↓
Units	7,067	7,046	8,619	0.3% ↑	18.0% ↓	30,485	35,587	14.3% ↓
Average Price (R\$ thousand)	205	198	168	3.5% ↑	21.9% ↑	190	168	13.2% ↑
SENSIA								
PSV (R\$ million)	34	37	19	8.6% ↓	75.9% ↑	99	116	15.1% ↓
Units	62	67	45	7.5% ↓	38.0% ↑	194	297	34.8% ↓
Average Price (R\$ thousand)	542	549	425	1.2% ↓	27.5% ↑	510	392	30.1% ↑
TOTAL REAL ESTATE DEVEL. (MRV + SENSIA)								
PSV (R\$ million)	1,482	1,432	1,468	3.5% ↑	1.0% ↑	5,894	6,093	3.3% ↓
Units	7,129	7,113	8,664	0.2% ↑	17.7% ↓	30,678	35,885	14.5% ↓
Average Price (R\$ thousand)	208	201	169	3.2% ↑	22.7% ↑	192	170	13.1% ↑
TRANSFERED / DIRECT SALES								
Transferred Units	6,952	7,065	8,660	1.6% ↓	19.7% ↓	30,550	37,456	18.4% ↓
Units Direct Sales	212	143	399	48.4% ↑	46.8% ↓	966	1,888	48.8% ↓
PRODUCTION								
Units	7,658	8,315	8,992	7.9% ↓	14.8% ↓	32,021	38,075	15.9% ↓
CASH GENERATION (R\$ thousand)	(286.3)	(142.2)	(249.7)	101.4% ↓	14.7% ↓	(847.3)	(509.8)	66.2% ↓

Increase in pricing of sales:

MRV Real Estate Development operations ended the year 2022 by significantly increasing the average ticket sold, forging forward with the Company's strategy to prioritize its gross margins recovery. From 4Q22 to 4Q21, the average MRV ticket increased 22.7%, reaching a mark of R\$ 208 thousand.

Launches:

With the better conditions presented by the housing program, the Company is more confident in the absorption of its products, thanks to the improved affordability of customers.

As a result, the Company's launch strategy has been adapted and in 4Q22 a total of 12,508 units were launched, amounting to R\$ 2.76 billion in PSV (% MRV), an 74.8% increase in the number of units launched when compared to 3Q22.

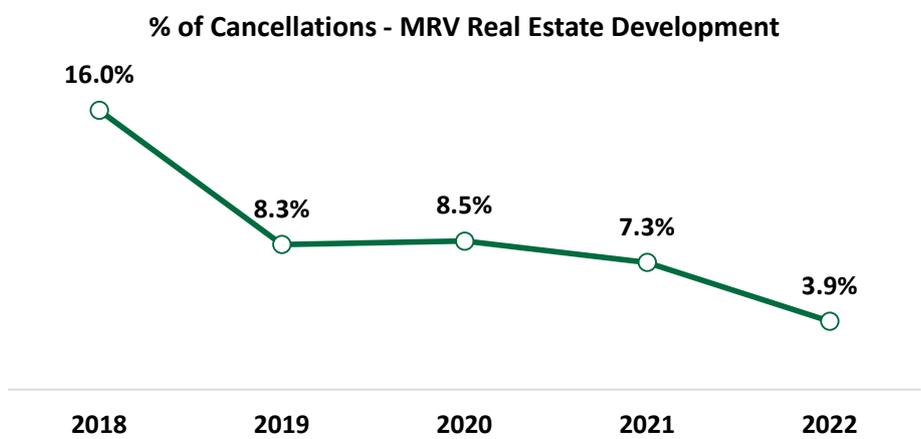


Greater concentration on launches in the second half of the quarter did not allow 4Q22 pre-sales to capture the positive impacts on higher launch volumes, however these figures should bear fruit on 1Q23 sales reports.

Net Pre-Sales:

4Q22 recorded a 3.5% increase in PSV for MRV’s Real Estate Development net pre-sales when compared to 3Q22, and have remained in line with PSV sold in 4Q21, despite the impacts of the election and World Cup, which negatively impacted pre-sales figures over the quarter.

The Company’s cancellation figures saw their lowest ever since 2013, registering 3.6% in 4Q22 and 3.9% consolidated for the year 2022.



Cash Generation:

The cash burn recorded for the MRV&Co Real Estate Development operation is due to the current level of reported gross margins, and should gradually balance out over the year 2023 as gross margins recover.

In 4Q22, provisions for interest, coupled with expenses on debt and moving from the indicator of the market debt swap to the CDI, resulted in a consumption of R\$ 229 million, up R\$ 88 million when compared to 3Q22.

In addition to the above impacts, seasonal G&A expenses represented and additional cash consumption of R\$ 28 million in 4Q22, compared to 3Q22.

OPERATIONAL PREVIEW

4th Quarter 2022



Resia:

Operational Indicators (%MRV)	4Q22	3Q22	4Q21	Chg. 4Q22 x 3Q22	Chg. 4Q22 x 4Q21	2022	2021	Chg. 2022 x 2021
LAND BANK								
PSV (R\$ billion)	17.8	19.0	11.4	6.6% ↓	55.6% ↑	17.8	11.4	55.6% ↑
Units	10,236	9,234	7,402	10.8% ↑	38.3% ↑	10,236	7,402	38.3% ↑
Average Price (R\$ thousand)	1,736	2,060	1,543	15.7% ↓	12.6% ↑	1,736	1,543	12.6% ↑
LAUNCHES								
PSV (R\$ million)	421	-	1,009	-	58.3% ↓	1,111	1,580	29.7% ↓
Units	269	-	645	-	58.3% ↓	662	1,102	39.9% ↓
Average Price (R\$ thousand)	1,562	-	1,564	-	0.1% ↓	1,677	1,434	17.0% ↑
PRE-SALES								
PSV (R\$ million)	551	-	771	-	28.5% ↓	1,730	1,755	1.5% ↓
Units	393	-	590	-	33.4% ↓	1,207	1,378	12.4% ↓
Average Price (R\$ thousand)	1,404	-	1,307	-	7.4% ↑	1,433	1,274	12.5% ↑
PRODUCTION								
Units	454	592	366	23.3% ↓	23.9% ↑	1,831	1,134	61.5% ↑
INVESTMENT PROPERTY								
Under Construction - PSV (R\$ million)	4,777	7,116	4,473	32.9% ↓	6.8% ↑	4,777	4,473	6.8% ↑
Leasing up - PSV (R\$ million)	-	683	-	100.0% ↓	-	-	-	-
Stabilized - PSV (R\$ million)	-	-	261	-	100.0% ↓	-	261	100.0% ↓
CASH GENERATION (R\$ thousand)	(132.6)	(967.1)	85.0	86.3% ↑	-	(1,297.2)	61.5	-

Launches:

Due to the beginning of sales negotiations, 4Q22 recorded the launch of the Pine Ridge development in Florida, USA, totaling **269 units, and a PSV of R\$ 421 million (%MRV)**. The development is scheduled for sale in 2Q23.

Sales:

The Oak Enclave development, also located in Florida, USA, was sold in 4Q22 **at a value of R\$ 551 million (%MRV), registering a Yield on Cost of 7.4% and 5.68% Cap Rate**, coming in a 24% Gross Margin.

OPERATIONAL PREVIEW

4th Quarter 2022

MRV & CO

Luggo

Operational Indicators (%MRV)	4Q22	3Q22	4Q21	Chg. 4Q22 x 3Q22	Chg. 4Q22 x 4Q21	2022	2021	Chg. 2022 x 2021
LAND BANK								
PSV (R\$ billion)	1.4	2.2	0.8	37.1% ↓	76.6% ↑	1.4	0.8	76.6% ↑
Units	4,630	5,118	3,124	9.5% ↓	48.2% ↑	4,630	3,124	48.2% ↑
Average Price (R\$ thousand)	297	427	249.3	30.5% ↓	19.1% ↑	297	249	19.1% ↑
LAUNCHES								
PSV (R\$ million)	198	-	38	-	424.9% ↑	198	428	53.8% ↓
Units	517	-	144	-	259.0% ↑	517	1,791	71.1% ↓
Average Price (R\$ thousand)	383	-	262	-	46.2% ↑	383	239	60.1% ↑
PRE-SALES								
PSV (R\$ million)	-	-	106	-	100.0% ↓	141	106	33.6% ↑
Units	-	-	432	-	100.0% ↓	600	432	38.9% ↑
Average Price (R\$ thousand)	-	-	245	-	100.0% ↓	236	245	3.8% ↓
PRODUCTION								
Units	106	90	188	17.6% ↑	43.5% ↓	436	709	38.6% ↓
INVESTMENT PROPERTY								
Under Construction - PSV (R\$ million)	415	201	298	107.0% ↑	39.4% ↑	415	298	39.4% ↑
Leasing up - PSV (R\$ million)	-	-	-	-	-	-	-	-
Stabilized - PSV (R\$ million)	-	-	-	-	-	-	-	-
CASH GENERATION (R\$ thousand)	(50.1)	(42.7)	64.1	17.3% ↓	-	(10.4)	(25.7)	59.3% ↑

Launches:

Two new developments were launched in 4Q22 (Luggo Jardim Botânico and Luggo Samambaia), which are included in the investment agreement with Brookfield and construction has gotten underway. The developments total 517 units, representing an estimated PSV of R\$ 198 million.

Urba

Operational Indicators (%MRV)	4Q22	3Q22	4Q21	Chg. 4Q22 x 3Q22	Chg. 4Q22 x 4Q21	2022	2021	Chg. 2022 x 2021
LAND BANK								
PSV (R\$ billion)	1.4	1.6	1.4	10.4% ↓	5.6% ↑	1.4	1.4	5.6% ↑
Units	11,773	13,098	13,083	10.1% ↓	10.0% ↓	11,773	13,083	10.0% ↓
Average Price (R\$ thousand)	123	123	105	0.3% ↓	17.4% ↑	123	105	17.4% ↑
LAUNCHES								
PSV (R\$ million)	98	45	57	119.2% ↑	71.8% ↑	193	194	0.6% ↓
Units	804	271	518	196.5% ↑	55.1% ↑	1,507	1,313	14.7% ↑
Average Price (R\$ thousand)	121	164	110	26.1% ↓	10.7% ↑	128	148	13.3% ↓
PRE-SALES								
PSV (R\$ million)	29	32	58	9.4% ↓	49.6% ↓	112	146	23.1% ↓
Units	227	215	462	5.6% ↑	50.8% ↓	840	1,063	21.0% ↓
Average Price (R\$ thousand)	128	149	125	14.2% ↓	2.5% ↑	134	137	2.7% ↓
TRANSFERED UNITS								
Units	27	38	46	28.9% ↓	41.3% ↓	157	172	8.6% ↓
PRODUCTION								
Units	622	322	176	93.2% ↑	253.4% ↑	1,263	490	157.6% ↑
CASH GENERATION (R\$ thousand)	(70.5)	(68.3)	(50.0)	3.2% ↓	40.8% ↓	(78.9)	(80.1)	1.4% ↑

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ABOUT MRV&CO

MRV Engenharia e Participações S.A. is the largest Brazilian real estate developer and homebuilder in the lower-income segment, with more than 43 years of experience, active in 163 cities, in 22 Brazilian states including the Federal District. Since 2020, the Company started to operate in the United States through its subsidiary Resia in 05 macro-regions. MRV is listed on the Novo Mercado - B3 under the ticker MRVE3 and is included, among others, in the theoretical portfolio IBOV.