

EARNINGS RELEASE

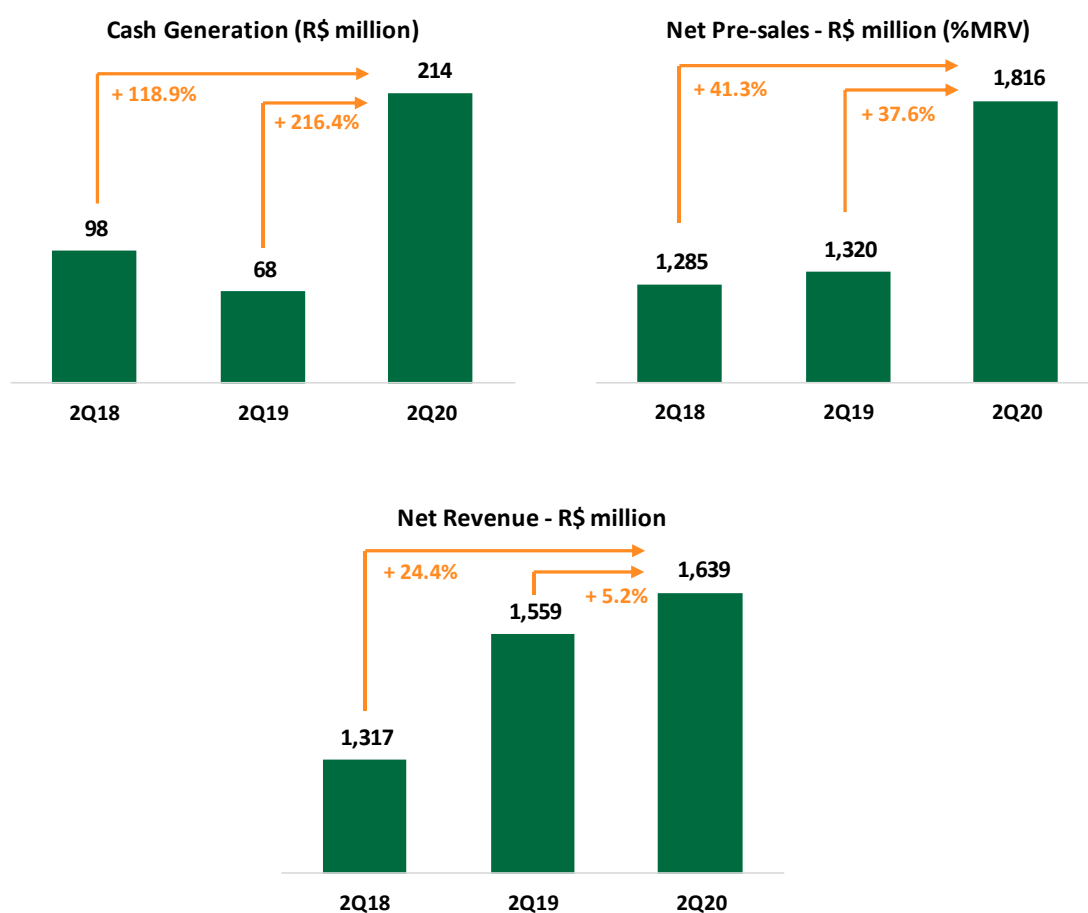
2nd Quarter 2020

2nd Quarter 2020 Results

Belo Horizonte, August 12, 2020 – MRV Engenharia e Participações S.A. (B3: MRVE3), the largest residential housing developer in Latin America posts its results for the second quarter of 2020 (2Q20). All financial information has been presented in millions of Brazilian reais (R\$ millions), except where indicated otherwise, and has been based on consolidated accounting data that have been gathered and presented according to Brazilian accounting practices and in accordance with the International Financial Reporting Standards - IFRS – issued by the International Accounting Standards Board - IASB, applicable to real estate developers in Brazil, approved by the CPC – Accounting Pronouncements Committee, the CVM – Brazilian SEC and the CFC – Federal Accounting Council, in accordance with all pronouncements issued by the CPC.

HIGHLIGHTS

- **Cash Generation totaling R\$ 213.9 million in 2Q20;**
- **Highest net sales volume in the Company's history**, totaling R\$ 1.82 billion and 11,479 units sold, an increase of 37.6% compared to 2Q19 and 8.5% compared to 1Q20;
- **All-time Record Net Revenue**, reaching R\$ 1.6 billion for the quarter, 9.3% growth compared to 1Q20;
- **Highest number of transfers issued in the company's history**, totaling 12,076 units in 2Q20, an increase of 20.1% compared to 2Q19 and 78.8% compared to 1Q20;
- **Significant increase in Speed of Sales (SoS - Sales over Supply), reaching 19.7%**, the highest figure since 4Q17, totaling an increase of 5.2 p.p. compared to 2Q19 and 3.1 p.p. compared to 1Q20.



Message from the Board

COVID-19

The second quarter of 2020 has been a quarter riddled with challenges resulting from the Covid-19 pandemic in Brazil, although the country has shown great resilience in rising up to face this global issue. MRV has adopted all of the necessary measures in order to contain the spread of the virus, as well as protect its employees, customers and their respective families.

Amid this difficult scenario, the resiliency of the affordable housing segment has been tried and proven true. Finishing the quarter with record net sales, MRV has proven once again that it is prepared to meet the current market demands through the use of a solid technological platform that has become a forerunner in the construction sector.

ESG

To reiterate its social commitment, which begins with the mission of building dreams that transform the world, as well as delivering quality housing to low-income families, MRV was committed to fighting the COVID-19 pandemic in 2Q20 and engaged in many solidarity campaigns in several locations

Overall, MRV Group, together with the Menin Family, Log CP and Banco Inter, have donated R\$ 18.5 million during the quarter, for this cause.



Keenly focused on ESG, the **company has released its 2019 Sustainability Report** (in its ninth consecutive edition), in which it has set out a detailed description to all of its stakeholders regarding the challenges, victories and results of the company's environmental, social and corporate governance practices have faced and overcome.

The following are some of the highlights released in the company's Sustainability Report ([link](#)):



Check below some of the highlights presented in the Sustainability Report:

2019 HIGHLIGHTS

Attended the 2019 UN Forum

on Business and Human Rights



Created the Institutional Relations and Sustainability Officer/Department

Part of the Corporate Sustainability Index for the Fourth Year Running

Attended the 25th edition of the UN Climate Change Conference COP-25



Awarded

by “Guia Exame Sustentabilidade” as the most developed Company in the sector, with the largest number of sustainable initiatives.



Application of Sustainable Initiatives

at the Real Estate Development Department

Invitation from Brazil UN Global Compact for our CEO, Mr. Eduardo

to become leader of the project ImPacto and ambassador of SDG-11 – Sustainable Cities and Communities.



Environmental Initiatives

MRV compensates 100% of its Greenhouse Gases referring to its direct emissions and energy emissions, through the purchase of carbon credits, carried out annually since 2015.



+ than 1.2 million

Trees planted since 2010

+ than 700 thousand

Tons of CO₂ removed from the atmosphere

Important Theme Projects environmental solutions



In the planning and construction stages of its projects, MRV has initiatives aimed at creating a positive environmental impact, such as the use of solar energy, the reduction of costs and use of energy and water, the generation of social and environmental benefits for customers, and digital transformation through investment in technology.

Connected with the Sustainable Development Goals (SDGs) and the UN 10 Global Compact

MRV's sustainability management is connected to the Sustainable Development Goals (SDGs) and the UN 10 Principles of the Global Compact. The SDGs are present in our team training process, in our activities carried out through our internal social network know as Workplace and our corporate TV screens, which are part of our sustainability strategy and our risk matrix, it's also part of our Sustainability Policy and in the goals of our Chief Officers (Bonus), senior management and selected operational positions.

MRV also develops other programs and initiatives linked to the SDGs and the 2030 Agenda goals, as detailed in our 2030 MRV View for the Sustainable Development Goals, briefing on our priority and secondary goals that are in line with our business goals, the view, beyond the milestones to reach the goal.

2030 Agenda



Our CEO, Eduardo Fischer, is the Leader of the project ImPacto from Brazilian UN Global Compact and ambassador of SDG 11 - Making cities and human settlements inclusive, safe, resilient and sustainable, where MRV can directly contribute to the goals:

11.1 - By 2030, ensure access for all to adequate, safe and affordable housing; provide basic services and urbanize dangerous settlements in accordance with the goals assumed in the National Housing Plan, with special attention to vulnerable groups;

11.3 - By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all states.

11.6 - By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management; and ensure that all cities with more than 500,000 inhabitants have implemented air quality monitoring systems and solid waste management method;

11.a - Support positive economic, social and environmental links between urban, pre-urban, rural areas and twin cities, considering territories of local communities, through different state cooperation by strengthening national and regional development planning.



The theme management is guided by our Sustainability and our Climate Change Policy and our Opportunities and Risk Matrix.

SUSTAINABILITY





360 Projects

Launched with solar panels,
equivalent to

113,481 Units

MRV is the pioneer of large-scale
photovoltaic energy use in Latin
America Real Estate Sector



Since 2016, MRV has been a signatory to the UN Global Compact, which aims to mobilize the international business community to adopt, in its business practices, essential and internationally accepted values in the areas of human rights, labor relations, the environment and fighting corruption.



MRV's Chief Institutional Relations and Sustainability Officer, Mr. Raphael Lafetá, took part in the panel "Corrupting the Human Rights Agenda: Private & Public Sector Voices", which took place on November 26th. **"We are very proud to be recognized by the UN as a model company in human rights practices. MRV is a company committed to building a more sustainable and fairer world, with practices that ensure respect for human rights and the fight against corruption"**, highlights Mr. Lafetá.

Sustainable Construction Method

Technological innovations and environmental solutions are part of MRV's projects. In our construction process, the Company constantly manages the use of energy, water, waste and Greenhouse Gas Emissions (GHG).

The company manage with strict control the use of materials, processes and procedures in its projects. All projects follow the rules of the Brazilian Association of Technical Standards (ABNT) and accessibility required by Brazilian law.

The company is ISO 9001 certified, granted by the Brazilian Habitat Quality and Productivity Program (PBQP-H). **GRI 103-2, 103-3 | 416, 416-1**

Internal Certifications

Further to these standards, the company created the MRV + Verde and Obra Verde MRV certificates. These are internal certifications that corroborate to the sustainability of our certified projects. They use strict standards and specific objectives that determine sustainable construction parameters for their projects. **GRI 103-2|307|419**

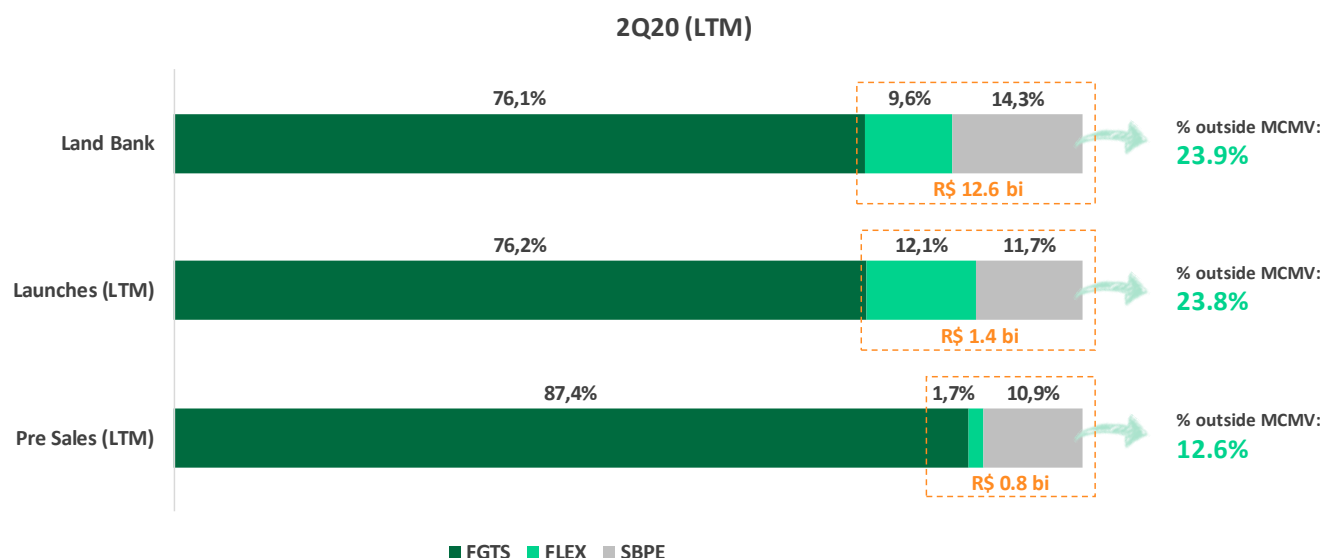
Concrete wall

The use of the concrete wall construction method makes the task more organized and cleaner as it reduces to less than 1/3 the volume of waste generated. Another benefit is the increase in productivity (from 32% in 2017 to 91%, in 2019).

Diversified funding Housing Platform

Advancing with the creation of a Multi-funding Housing Platform, the Company has been progressively increasing its land bank, launches and sales outside the Minha Casa Minha Vida program (MCMV).

When considering MCMV bracket 3 clients and our products as “Flexible”, that is to say, qualified for funding within the program or by SBPE, depending on individual condition and preferences, it is clear that the Company has improving its ability to operate independently from FGTS funding and the MCMV program grew significantly, as can be seen in the graph below.



Overall, MRV's Land bank oriented to products non-dependent of the MCMV program, like Premium Line, Luggo, Urba and the “Flexible” products, already stands at R\$ 12.6 billion.

EARNINGS RELEASE

2st Quarter 2020



Financial Performance – MRV (ex. AHS)

Consolidated Financial Highlights (R\$ million)	2Q20	1Q20	2Q19	Chg. 2Q20 x 1Q20	Chg. 2Q20 x 2Q19	1H20	1H19	Chg. 1H20 x 1H19
Total Net Revenue	1,639	1,499	1,559	9.3% ↑	5.2% ↑	3,138	3,067	2.3% ↑
Financial Cost recorded under COGS	46	45	47	2.4% ↑	0.1% ↓	92	95	2.8% ↓
Gross Profit	465	423	478	9.7% ↑	2.7% ↓	888	960	7.5% ↓
Gross Margin (%)	28.4%	28.2%	30.7%	0.1 p.p. ↑	2.3 p.p. ↓	28.3%	31.3%	3.0 p.p. ↓
Gross Margin ex. financial cost (%)	31.2%	31.3%	33.6%	0.1 p.p. ↓	2.5 p.p. ↓	31.2%	34.4%	3.2 p.p. ↓
Selling expenses	(160)	(148)	(143)	8.0% ↑	11.7% ↑	(308)	(291)	6.1% ↑
Selling expenses / net revenues (%)	9.8%	9.9%	9.2%	0.1 p.p. ↓	0.6 p.p. ↑	9.8%	9.5%	0.4 p.p. ↑
Selling expenses / net pre-sales (%)	8.8%	8.9%	10.9%	0.0 p.p. ↓	2.0 p.p. ↓	8.8%	11.1%	2.2 p.p. ↓
General & Administrative Expenses	(92)	(93)	(95)	1.8% ↓	3.8% ↓	(185)	(180)	2.9% ↑
G&A expenses / net revenues (%)	5.6%	6.2%	6.1%	0.6 p.p. ↓	0.5 p.p. ↓	5.9%	5.9%	0.0 p.p. ↑
G&A expenses / net pre-sales (%)	5.0%	5.6%	7.2%	0.5 p.p. ↓	2.2 p.p. ↓	5.3%	6.8%	1.5 p.p. ↓
Equity Income	(15)	(11)	(14)	43.6% ↓	6.8% ↓	(26)	(33)	20.6% ↑
EBITDA	232	205	257	13.1% ↑	9.9% ↓	437	531	17.6% ↓
% EBITDA Margin	14.2%	13.7%	16.5%	0.5 p.p. ↑	2.4 p.p. ↓	13.9%	17.3%	3.4 p.p. ↓
Net Income	124	115	190	8.2% ↑	34.6% ↓	239	379	36.8% ↓
Net Margin (%)	7.6%	7.7%	12.2%	0.1 p.p. ↓	4.6 p.p. ↓	7.6%	12.4%	4.7 p.p. ↓
Earnings per share (R\$)	0.258	0.245	0.431	5.5% ↑	40.0% ↓	0.503	0.858	41.4% ↓
ROE (LTM)	11.3%	12.8%	14.6%	1.5 p.p. ↓	3.3 p.p. ↓	11.3%	14.6%	3.3 p.p. ↓
ROE (annualized)	10.0%	9.4%	16.0%	0.5 p.p. ↑	6.1 p.p. ↓	9.7%	16.1%	6.4 p.p. ↓
Unearned Gross Sales Revenues	2,077	1,847	1,852	12.5% ↑	12.2% ↑	2,077	1,852	12.2% ↑
Unearned Costs of Units Sold	(1,253)	(1,112)	(1,082)	12.7% ↑	15.8% ↑	(1,253)	(1,082)	15.8% ↑
Unearned Results	825	735	770	12.2% ↑	7.2% ↑	825	770	7.2% ↑
% Unearned Margin	39.7%	39.8%	41.6%	0.1 p.p. ↓	1.9 p.p. ↓	39.7%	41.6%	1.9 p.p. ↓
Cash Generation	214	(182)	68	-	216.4% ↑	32	49	34.1% ↓
Net Debt (Net Cash)	1,039	1,252	522	17.0% ↓	99.1% ↑	1,039	522	99.1% ↑
Net Debt/ Equity	19.3%	23.9%	10.5%	4.5 p.p. ↓	8.8 p.p. ↑	19.3%	10.5%	8.8 p.p. ↑
Net Debt/EBITDA LTM	1.13x	1.33x	0.50x	14.7% ↓	126.3% ↑	1.13x	0.50x	126.3% ↑

Net Income

Bearing in mind the effects of donating a total of R\$ 7,5 million in 2Q20, in addition to the measures taken to combat the COVID-19 pandemic and the donations to the MRV Institute, net profits for the 2Q20 would have totaled R\$ 131,5 million.

Operational Performance - MRV (ex. AHS)

Land Bank

The Company has built a solid Multi-funding Land Bank of R\$ 52.6 billion, with quality land plots, strategically distributed throughout the country and capable of comfortably sustaining its operation for the next years. The current strategic target regarding land acquisition, is focused on products above MCMV program, with funding from SBPE, as well as Luggo.

Land bank	2Q20	1Q20	2Q19	Chg. 2Q20 x 1Q20	Chg. 2Q20 x 2Q19	1H20	1H19	Chg. 1H20 x 1H19
%MRV								
Land Bank (R\$ billion)*	52.6	52.1	49.0	1.0% ↑	7.4% ↑	52.6	49.0	7.4% ↑
Acquisitions/Adjustments (R\$ million)	1,470	720	1,992	104.2% ↑	26.2% ↓	2,189	2,209	0.9% ↓
Units	321,507	321,988	311,870	0.1% ↓	3.1% ↑	321,507	311,870	3.1% ↑
Average Price - R\$'000 / unit	162	160	155	1.3% ↑	4.3% ↑	162	155	4.3% ↑
% Swap - land bank	51%	54%	49%	3.0 p.p. ↓	2.2 p.p. ↑	51%	49%	2.2 p.p. ↑
% Swap - acquisitions in the period	46%	61%	18%	15.7 p.p. ↓	27.7 p.p. ↑	51%	39%	11.5 p.p. ↑

* Includes the residential, allotment segments and LUGGO projects

Launches

Aiming to take advantage of the elevated inventory levels the company held at the beginning of the year, a strategy to reduce the volume of releases over the quarter was implemented, prioritizing lesser supplied cities.

Another factor that has impacted releases were safety measures, such as social distancing, in light of the COVID-19 pandemic during 2Q20, in which a number of local governments and registry offices, essential in carrying out activities related to real estate, were forced to work remotely and/or attend customers by appointment only.

As a result, the total number of releases for the semester tallied out at 5,349 units, 20.4% lower than 1Q20 and 51.7% lower than 2Q19.

Nevertheless, the company has seen its inventory return to a healthy level and hopes that the local government offices and registry departments will soon stabilize and return to normal operations in the upcoming months; **based on the heightened sales registered in the last few quarters, the company plans to significantly step up the volume of releases over the second half of 2020.**

Launches	2Q20	1Q20	2Q19	Chg. 2Q20 x 1Q20	Chg. 2Q20 x 2Q19	1H20	1H19	Chg. 1H20 x 1H19
%MRV								
Launches (R\$ million) *	942	1,083	1,808	13.0% ↓	47.9% ↓	2,025	2,901	30.2% ↓
Units	5,349	6,719	11,083	20.4% ↓	51.7% ↓	12,068	17,929	32.7% ↓
Average Launching Size (units)	233	292	277	20.4% ↓	16.1% ↓	262	272	3.4% ↓
Average Price - R\$'000 / unit	174	161	161	8.2% ↑	8.0% ↑	167	161	3.9% ↑

* Includes the residential, allotment segments and LUGGO projects

** Includes the residential and LUGGO projects

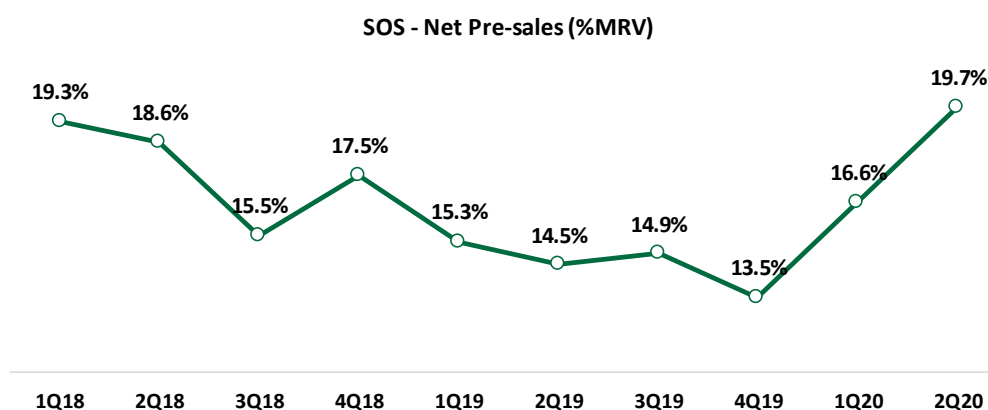
Net Sales

MRV has once again set an historical record for sales in 2Q20, totaling **R\$ 1.82 billion sold, for a total number of 11,479 units (%MRV)**. These figures represent **an increase of 37.6% as compared to 2Q19 and 8.5% as compared to 1Q20**.

Recording-breaking sales figures have solidified the company's successful strategy to diversify its product range and funding, thus positioning it as one of the true leaders in the sector offering a complete residential platform.

In the last twelve months ending in the 2Q20 (LTM), sales outside of the MCMV program hit R\$ 790.0 million, or 12.6% of total sales, representing an increase of 4.5 p.p. when compared to 2Q19 and 11.4 p.p. when compared to 2Q18.

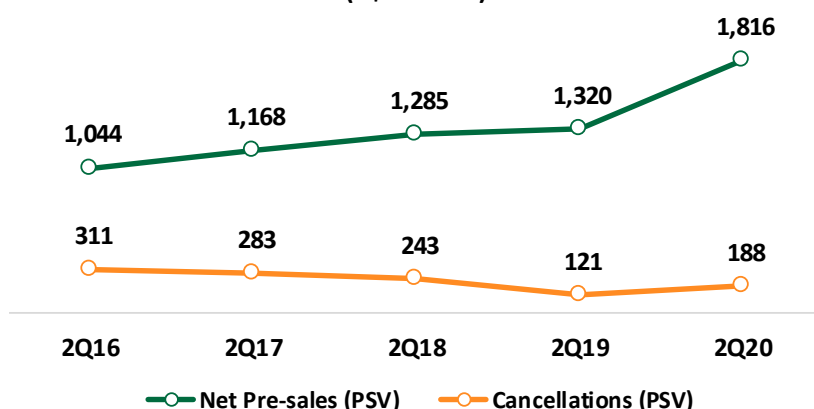
Mirroring the company's positive sales upturn, Speed of Sales (SoS – Sales over Supply) has risen sharply, reaching similar levels seen in 4Q17, for an increase of 5.2 p.p. as regards 2Q19 and 3.1 p.p. as regards 1Q20.



Throughout the quarter, customer interest remained high and a more aggressive commercial strategy has shown positive results. Noteworthy of this strategy, is that it does not increase credit concessions (pro soluto) to customers.

Once again, the company's solid technological structure has staved off and mitigated the negative effects of the COVID-19 pandemic as regards sales figures, thanks to our digital sales platform, which has proven itself as one of the most advanced platforms in the sector.

Cancellations Evolution
(R\$ Million)



Net Pre-sales Contracted	2Q20	1Q20	2Q19	Chg. 2Q20 x 1Q20	Chg. 2Q20 x 2Q19	1H20	1H19	Chg. 1H20 x 1H19
%MRV								
Net Pre-sales (R\$ million) *	1,816	1,673	1,320	8.5% ↑	37.6% ↑	3,489	2,628	32.7% ↑
Units **	11,479	10,493	8,587	9.4% ↑	33.7% ↑	21,973	17,252	27.4% ↑
Average Price - R\$'000 / unit **	155	159	150	2.3% ↓	3.4% ↑	157	150	4.5% ↑
By financing source - FGTS (PSV)	88%	90%	93%	1.7 p.p. ↓	4.4 p.p. ↓	89%	93%	4.1 p.p. ↓
By financing source - Savings accounts (PSV)	12%	10%	7%	1.7 p.p. ↑	4.4 p.p. ↑	11%	7%	4.1 p.p. ↑
By financing source - Individual Investors (PSV)	0%	0%	0%	0.0 p.p. ↑	0.0 p.p. ↑	0%	0%	0.0 p.p. ↑
Sales over supply (%) - net sales	20%	17%	15%	3.1 p.p. ↑	5.2 p.p. ↑	33%	26%	7.1 p.p. ↑

* Includes the residential, allotment segments and LUGGO projects

** Includes the residential and LUGGO projects

Real Estate Credit

With the stabilization of the transfers in the MCMV program, **the company transferred contracts on 12,076 units to Caixa Economica Federal throughout the quarter**, totaling an increase of 78.8% compared to 1Q20 and 20.1% compared to 2Q19.

These figures represent the highest volume of transfers in a quarter in the company's history; moreover, given the efficiency with which the bank, Caixa Economica Federal, has shown in June, expectations remain very high for the volume of transfers over the upcoming quarters.

This historic milestone for quarterly transfers, coupled with the record figures in net sales, **has driven the company's cash generation figures to R\$ 213.9 million in 2Q 20.**

Forecasts for the second half of the year are continued cash generation, with an outlook of continued, strong sales and high figures for transfers.

Real Estate Financing	2Q20	1Q20	2Q19	Chg. 2Q20 x 1Q20	Chg. 2Q20 x 2Q19	1H20	1H19	Chg. 1H20 x 1H19
%MRV								
Client Financing (units)	12,076	6,752	10,059	78.8% ↑	20.1% ↑	18,828	17,872	5.4% ↑
Construction Financing	14,053	8,186	9,481	71.7% ↑	48.2% ↑	22,239	15,845	40.4% ↑

Production

Due to the COVID-19 pandemic, the company has chosen to push back breaking ground on a large number of worksites scheduled to begin in 2Q20. In addition, as a result of legislative state and municipal ordinances, some of the company's worksites were temporarily put on hold throughout the quarter, as part of preventative measures to combat the pandemic.

These factors negatively impacted production throughout the quarter, which totaled 7,976 units, in line with figures from 1Q20, however resulting in a drop of 24.9% when compared to 2Q19.

Most worksites had already resumed its operations by the end of the quarter and the company saw just 2% of worksites on hold at the end of the quarter. Therefore, production forecasts are expected to return to normal and activities are scheduled to return to fully operational shortly.

Effects of the pandemic notwithstanding, **the resilience of the affordable housing segment has been strengthened by booming sales reports throughout the first half of the year, which has fueled the company's confidence in stepping up production on worksites in the upcoming months** which are forecast to result in significant increases in overall production of units.

Production	2Q20	1Q20	2Q19	Chg. 2Q20 x 1Q20	Chg. 2Q20 x 2Q19	1H20	1H19	Chg. 1H20 x 1H19
%MRV								
Built Units*	7,976	7,927	10,624	0.6% ↑	24.9% ↓	15,903	20,505	22.4% ↓
Finished units	8,339	9,429	10,164	11.6% ↓	18.0% ↓	17,768	16,554	7.3% ↑

* Includes the residential, allotment segments and LUGGO

Inventory at Market Value

Inventory at Market Value	2Q20	1Q20	2Q19	Chg. 2Q20 x 1Q20	Chg. 2Q20 x 2Q19
%MRV					
Inventory at Market Value (R\$ billion)*	7.41	8.26	7.73	10.4% ↓	4.2% ↓
Inventory Duration **	4.1	4.9	5.9	17.3% ↓	30.3% ↓
By Construction phase (units)					
Not initiated	7%	9%	8%	2.6 p.p. ↓	1.4 p.p. ↓
Under construction	90%	87%	86%	2.8 p.p. ↑	4.6 p.p. ↑
Finished	3%	3%	6%	0.2 p.p. ↓	3.3 p.p. ↓

* Only launches. Does not include landbank.

** Inventory duration = final inventory / Net Pre-sales (per quarter)

In 2Q20, the Company presented a reduction in inventory at market value equivalent to 10.4% compared to 1Q20 and 4.2% compared to 2Q19.

Inventory Duration, on the other hand, decreased by 17.3% and 30.3% compared to 1Q20 and 2Q19, respectively.

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Financial Performance - MRV (ex. AHS)

Net Operational Revenue and Gross Profit

(R\$ million)	2Q20	1Q20	2Q19	Chg. 2Q20 x 1Q20	Chg. 2Q20 x 2Q19	1H20	1H19	Chg. 1H20 x 1H19
Total Net Revenue	1,639	1,499	1,559	9.3% ↑	5.2% ↑	3,138	3,067	2.3% ↑
Cost of Real Estate Sales and Services	(1,174)	(1,076)	(1,081)	9.2% ↑	8.7% ↑	(2,250)	(2,107)	6.8% ↑
Gross Profit	465	423	478	9.7% ↑	2.7% ↓	888	960	7.5% ↓
Gross Margin (%)	28.4%	28.2%	30.7%	0.1 p.p. ↑	2.3 p.p. ↓	28.3%	31.3%	3.0 p.p. ↓

As production has continued in line with 1Q20 and the company has recorded its highest net sales figures, **net operating revenue for 2Q20 has also reached peak numbers, registering R\$ 1.64 billion, or an increase of 9.3% as compared to 1Q20 and 5.2% as compared to 2Q19.**

Financial Cost recorded under COGS

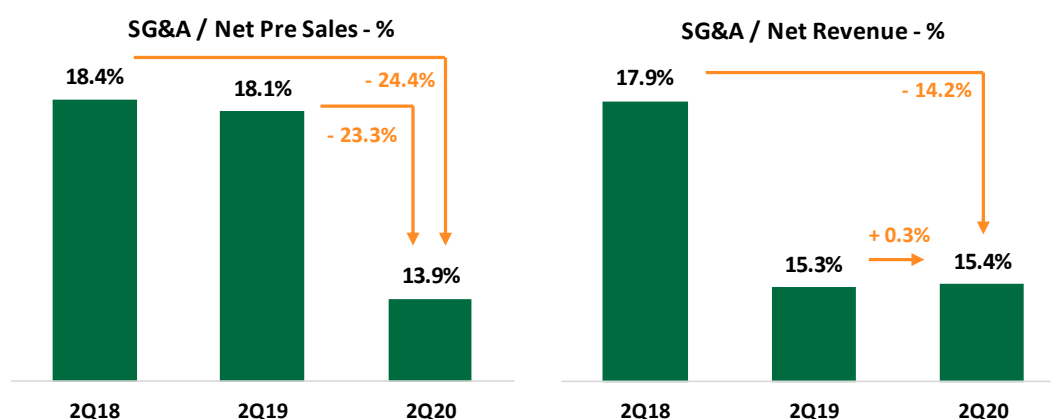
(R\$ million)	2Q20	1Q20	2Q19	Chg. 2Q20 x 1Q20	Chg. 2Q20 x 2Q19	1H20	1H19	Chg. 1H20 x 1H19
Financial Cost recorded under COGS	(46)	(45)	(47)	2.4% ↑	0.1% ↓	(92)	(95)	2.8% ↓
% of Net Revenue	2.8%	3.0%	3.0%	0.2 p.p. ↓	0.0 p.p. ↑	2.9%	3.1%	0.2 p.p. ↓
Gross profit with financial cost	465	423	478	9.7% ↑	2.7% ↓	888	960	7.5% ↓
Gross profit ex. financial cost	511	469	524	9.0% ↑	2.5% ↓	980	1,054	7.1% ↓
Gross Margin ex. financial cost (%)	31.2%	31.3%	33.6%	0.1 p.p. ↓	2.5 p.p. ↓	31.2%	34.4%	3.2 p.p. ↓

Selling, General and Administrative Expenses (SG&A) and other Operational Income (Expenses)

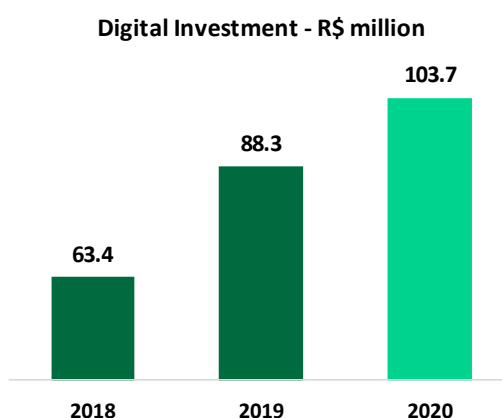
(R\$ million)	2Q20	1Q20	2Q19	Chg. 2Q20 x 1Q20	Chg. 2Q20 x 2Q19	1H20	1H19	Chg. 1H20 x 1H19
Selling expenses	(160)	(148)	(143)	8.0% ↑	11.7% ↑	(308)	(291)	6.1% ↑
Selling expenses / net revenues (%)	9.8%	9.9%	9.2%	0.1 p.p. ↓	0.6 p.p. ↑	9.8%	9.5%	0.4 p.p. ↑
Selling expenses / net pre-sales (%)	8.8%	8.9%	10.9%	0.0 p.p. ↓	2.0 p.p. ↓	8.8%	11.1%	2.2 p.p. ↓
General & Administrative Expenses	(92)	(93)	(95)	1.8% ↓	3.8% ↓	(185)	(180)	2.9% ↑
G&A expenses / net revenues (%)	5.6%	6.2%	6.1%	0.6 p.p. ↓	0.5 p.p. ↓	5.9%	5.9%	0.0 p.p. ↑
G&A expenses / net pre-sales (%)	5.0%	5.6%	7.2%	0.5 p.p. ↓	2.2 p.p. ↓	5.3%	6.8%	1.5 p.p. ↓

Due to high sales figures throughout the quarter, the company has registered elevated expenses. However, these expenses have been adequately diluted, as seen when analyzing commercial expenses over net operating income, registering expenses similar to those recorded in 1Q20 and 2Q19.

SG&A fell 1.8%, when compared to 1Q20 and 3.8% when compared to 2Q19, representing diluted expenses of SG&A over net operating income of 0.6 p.p and 0.5 p.p., respectively.



The Company continues to invest in technology fronts, in the 1H20 alone, it has already invested R\$ 50 million of an approved budget of R\$ 103,7 million for the year.



(R\$ million)	2Q20	1Q20	2Q19	Chg. 2Q20 x 1Q20	Chg. 2Q20 x 2Q19	1H20	1H19	Chg. 1H20 x 1H19
Other operating (income) expenses	(31)	(31)	(32)	0.8% ↓	2.5% ↑	(62)	(58)	6.0% ↓

Equity Income

(R\$ million)	2Q20	1Q20	2Q19	Chg. 2Q20 x 1Q20	Chg. 2Q20 x 2Q19	1H20	1H19	Chg. 1H20 x 1H19
Equity Income	(15)	(11)	(14)	43.6% ↓	6.8% ↓	(26)	(33)	20.6% ↑

The line of Equity Income was negatively impacted by contract cancellations and provisions distributed to work sites controlled by former company partners.

EARNINGS RELEASE

2st Quarter 2020



PRIME and MRL (R\$ million)	2Q20	1Q20	2Q19	Chg. 2Q20 x 1Q20	Chg. 2Q20 x 2Q19	1H20	1H19	Chg. 1H20 x 1H19
Net Revenue	171	153	134	12.2% ↑	27.4% ↑	324	259	25.0% ↑
Gross Profit	51	45	39	14.9% ↑	33.0% ↑	96	74	30.6% ↑
Gross Margin (%)	30.0%	29.3%	28.8%	2.4% ↑	4.3% ↑	29.7%	28.4%	4.5% ↑
Net Income	20	14	8	39.4% ↑	155.7% ↑	34	11	196.9% ↑
Net Margin (%)	11.4%	9.2%	5.7%	24.2% ↑	100.6% ↑	10.4%	4.4%	137.6% ↑

The second quarter of 2020 again saw **significant operational improvements in the company's Prime and MRL subsidiaries, recording an increase of 25% in Net Revenue and 197% in net profits, when comparing 1H20 with 1H19.**

Financial Results

(R\$ million)	2Q20	1Q20	2Q19	Chg. 2Q20 x 1Q20	Chg. 2Q20 x 2Q19	1H20	1H19	Chg. 1H20 x 1H19
Financial Expenses	(18)	(11)	(16)	65.0% ↑	13.0% ↑	(29)	(29)	0.5% ↓
Financial Income	18	14	32	27.5% ↑	46.1% ↓	31	61	48.6% ↓
Financial income from receivables	16	27	27	40.2% ↓	41.9% ↓	43	36	19.3% ↑
Total	15	30	44	47.6% ↓	64.8% ↓	45	68	33.4% ↓

Increased financial expenses can be explained by bond issuance established by the company throughout the quarter, totaling R\$ 492 million.

Whereas financial revenue from customers was negatively impacted by low IPCA and IGPM rates over the same period.

(R\$ million)	2Q20	1Q20	2Q19	Chg. 2Q20 x 1Q20	Chg. 2Q20 x 2Q19	1H20	1H19	Chg. 1H20 x 1H19
Financial result	15	30	44	47.6% ↓	64.8% ↓	45	68	33.4% ↓
Financial Cost recorded under COGS	(46)	(45)	(47)	2.4% ↑	0.1% ↓	(92)	(95)	2.8% ↓
Adjusted Total	(31)	(16)	(3)	95.5% ↑	1117.1% ↑	(47)	(27)	73.6% ↑

EBITDA

(R\$ million)	2Q20	1Q20	2Q19	Chg. 2Q20 x 1Q20	Chg. 2Q20 x 2Q19	1H20	1H19	Chg. 1H20 x 1H19
Income before Income Tax and Social Contribution	182	170	237	7.1% ↑	23.2% ↓	352	466	24.5% ↓
Depreciation and Amortization	19	19	18	2.1% ↓	6.2% ↑	38	37	2.3% ↑
Financial Results	(15)	(30)	(44)	47.6% ↓	64.8% ↓	(45)	(68)	33.4% ↓
Financial Cost recorded under COGS	46	45	47	2.4% ↑	0.1% ↓	92	95	2.8% ↓
EBITDA	232	205	257	13.1% ↑	9.9% ↓	437	531	17.6% ↓
EBITDA Margin	14.2%	13.7%	16.5%	0.5 p.p. ↑	2.4 p.p. ↓	13.9%	17.3%	3.4 p.p. ↓

Net Income

(R\$ million)	2Q20	1Q20	2Q19	Chg. 2Q20 x 1Q20	Chg. 2Q20 x 2Q19	1H20	1H19	Chg. 1H20 x 1H19
Net Income	124	115	190	8.2% ↑	34.6% ↓	239	379	36.8% ↓
% Net margin	7.6%	7.7%	12.2%	0.1 p.p. ↓	4.6 p.p. ↓	7.6%	12.4%	4.7 p.p. ↓

EARNINGS RELEASE

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Not taking into consideration the non-recurring effect of the donations of R\$ 7.5 million, made in 2Q20, in order to battle the pandemic of COVID-19 and donations to the MRV Institute, the net profit obtained in the quarter would have totaled R\$ 131.5 million.

Unearned Results

(R\$ million)	2Q20	1Q20	2Q19	Chg. 2Q20 x 1Q20	Chg. 2Q20 x 2Q19
Unearned Gross Sales Revenues	2,077	1,847	1,852	12.5% ↑	12.2% ↑
(-) Unearned Costs of Units Sold	(1,253)	(1,112)	(1,082)	12.7% ↑	15.8% ↑
Unearned Results	825	735	770	12.2% ↑	7.2% ↑
Unearned Results Margin	39.7%	39.8%	41.6%	0.1 p.p. ↓	1.9 p.p. ↓

Balance Sheet - MRV (ex. AHS)

Cash and Cash Equivalents and Market Securities

(R\$ million)	Jun/20	Mar/20	Jun/19	Chg. Jun/20 x Mar/20	Chg. Jun/20 x Jun/19
Cash and cash equivalents	1,630	847	636	92.4% ↑	156.2% ↑
Marketable Securities	928	923	1,842	0.6% ↑	49.6% ↓
Total	2,558	1,770	2,478	44.5% ↑	3.2% ↑

Receivables from Real Estate Development

(R\$ million)	Jun/20	Mar/20	Jun/19	Chg. Jun/20 x Mar/20	Chg. Jun/20 x Jun/19
Clients	3,659	3,371	2,790	8.5% ↑	31.1% ↑
Fair value adjustment	(64)	(64)	(54)	0.6% ↑	18.0% ↑
Bad debt provision	(251)	(235)	(207)	6.8% ↑	21.0% ↑
Receivables from real estate development	3,344	3,072	2,529	8.8% ↑	32.2% ↑
Current	1,806	1,736	1,582	4.1% ↑	14.1% ↑
Noncurrent	1,538	1,336	946	15.1% ↑	62.5% ↑

Mortgage with MRV (R\$ million)	Jun/20	Mar/20	Jun/19	Chg. Jun/20 x Mar/20	Chg. Mar/20 x Jun/19
After Keys Delivery	979	933	715	5.0% ↑	37.0% ↑
Before Keys Delivery	986	822	849	19.9% ↑	16.2% ↑
Total	1,966	1,755	1,563	12.0% ↑	25.7% ↑

The increase noted on MRV Portfolio is due to the increase in sales volume for the period. The Company's strategy has been to reduce the percentage of *Pro Soluto* granted per unit, which has been reflected in the gradual reduction of total risk.

Advances from Customers

(R\$ million)	Jun/20	Mar/20	Jun/19	Chg. Jun/20 x Mar/20	Chg. Jun/20 x Jun/19
12 months	191	213	222	10.4% ↓	14.0% ↓
13 to 24 months	240	238	289	0.7% ↑	17.0% ↓
Over 24 months	168	183	217	8.1% ↓	22.8% ↓
Total	599	634	729	5.6% ↓	17.8% ↓
Advanced receivables	58	62	69	7.8% ↓	17.0% ↓
Advances for barbers	541	572	659	5.3% ↓	17.9% ↓
Total	599	634	729	5.6% ↓	17.8% ↓

EARNINGS RELEASE

2st Quarter 2020



Inventories (Real Estate for Sale)

(R\$ million)	Jun/20	Mar/20	Jun/19	Chg. Jun/20 x Mar/20	Chg. Jun/20 x Jun/19
Properties under construction	2,517	2,719	2,585	7.4% ↓	2.6% ↓
Completed Units	145	181	264	19.9% ↓	45.1% ↓
Land bank	5,388	5,396	5,251	0.1% ↓	2.6% ↑
Advances to Suppliers	72	80	51	9.9% ↓	41.1% ↑
Inventories of supplies	0	0	0	13.6% ↑	72.8% ↑
Total	8,123	8,376	8,152	3.0% ↓	0.3% ↓
Current	3,721	3,891	3,828	4.4% ↓	2.8% ↓
Non-current	4,402	4,485	4,323	1.8% ↓	1.8% ↑

The company's successful sales strategy adopted in 2Q20 has resulted in decreased number of Completed Units, reducing 20% when compared to 1Q20 and 45% when compared to 2Q19.

Properties under construction has fallen by 7.4% and 2.6% when compared to 1Q20 and 2Q19, respectively.

Debt Maturity Schedule

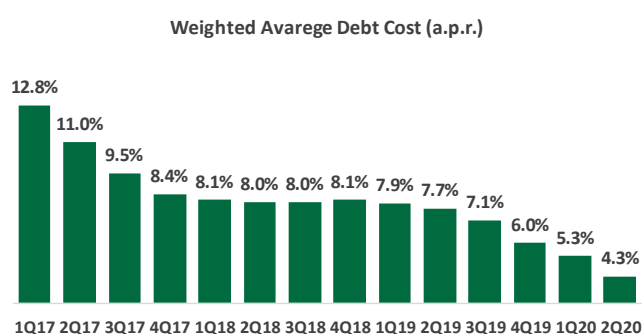
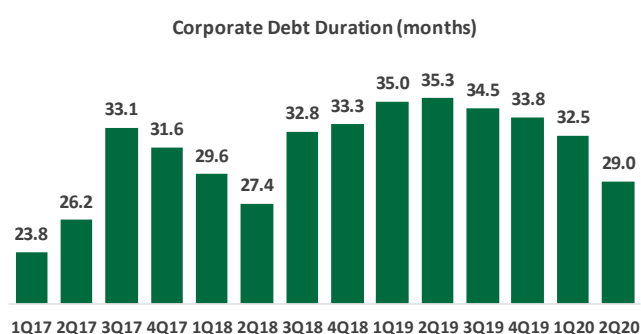
(R\$ million)	Construction Financing	Corporate Debt*	Total
12 months	72	807	879
13 to 24 months	155	542	698
25 to 36 months	94	267	360
37 to 48 months	3	1,301	1,303
Over 48 months	0	419	419
Total Debt	324	3,336	3,659

*Include leases and Finame

Weighted Average Debt Cost

(R\$ Million)	Debit Balance Jun/20	Balance Due / Total (%)	Average Cost
CDI	3,336	91.2%	CDI + 1,28%
TR	324	8.8%	TR + 8,34%
Total	3,659	100.0%	4.33%

Debt Breakdown



EARNINGS RELEASE

2st Quarter 2020



(R\$ million)	Maturity	Charges (p.a)	Balance Due	
			Jun/20	Mar/20
Corporate Debt – CDI			3,336	2,885
Debentures - 2nd Issuance (Urba)	06/21 to 06/23	CDI + 1.22%	60	61
Debentures - 4nd Issuance (Urba)	04/2025	CDI + 1.50%	40	-
Debentures - 9th Issuance (2nd serie)	02/20 to 02/22	CDI + 2.30%	404	398
Debentures - 9th Issuance (3rd serie)	02/2022	132.2% CDI	99	96
Debentures - 11th Issuance (1st serie)	09/2020	CDI + 1.00%	287	284
Debentures - 11th Issuance (2nd serie)	09/21 to 09/22	CDI + 1.50%	216	214
Debentures - 11th Issuance (3rd serie)	09/23 to 09/24	122.1% CDI	149	144
Debentures - 12th Issuance (1st serie)	07/2023	CDI + 1.40%	305	301
Debentures - 12th Issuance (2nd serie)	07/24 to 07/25	CDI + 1.70%	52	52
Debentures - 12th Issuance (3rd serie)	07/2023	CDI + 1.50%	111	110
Debentures - 12th Issuance (4th serie)	07/2023	CDI + 1.50%	85	84
Debentures - 15th Issuance	11/2025	CDI + 1.06%	300	304
Debentures - 16th Issuance	04/2025	CDI + 1.50%	100	-
Debentures - 17th Issuance	04/21 to 04/23	CDI + 3.00%	50	-
CCB which backed the CRI operation	06/20 to 06/21	CDI + 1.60%	57	115
3rd issue of Urba debentures that back CRI operations	03/2024	CDI + 0.20%	58	58
13th issue of debentures that back CRI operations	09/23 to 09/24	100% CDI	291	291
14th issue of debentures that back CRI operations	05/2024	100.4% CDI	357	361
Working capital (MRV)	04/2022	CDI + 3.10%	202	-
1st Promissory note - 1st Series	11/2020	CDI + 2.50%	3	-
1st Promissory note - 2st Series	05/2021	CDI + 2.50%	97	-
Leasing	03/18 to 05/23	CDI + 2.00% to + 2.93%	13	14
Construction Finance - TR			324	179
Construction Financing	12/20 to 02/24	TR + 8.30%	318	173
Working capital (Urba) - TR	04/16 to 03/23	TR + 13.29%	5	6
Total			3,659	3,065

Net Debt (ex. AHS)

(R\$ million)	Jun/20	Mar/20	Jun/19	Chg. Jun/20 x Mar/20	Chg. Jun/20 x Jun/19
Total debt	3,659	3,065	3,037	19.4% ↑	20.5% ↑
(-) Cash and cash equivalents and Marketable Securities	(2,558)	(1,770)	(2,478)	44.5% ↑	3.2% ↑
(-) Derivative Financial Instruments	(62)	(42)	(36)	45.0% ↑	70.1% ↑
Net Debt*	1,039	1,252	522	17.0% ↓	99.1% ↑
Total Shareholders' Equity	5,372	5,246	4,966	2.4% ↑	8.2% ↑
Net Debt / Total Shareholders' Equity	19.3%	23.9%	10.5%	4.5 p.p. ↓	8.8 p.p. ↑
EBITDA LTM	916	941	1,042	2.7% ↓	12.0% ↓
Net Debt / EBITDA LTM	1.13x	1.33x	0.50x	14.7% ↓	126.3% ↑

* Considering the Derivative Financial Instruments gains

Covenants & Corporate Risk

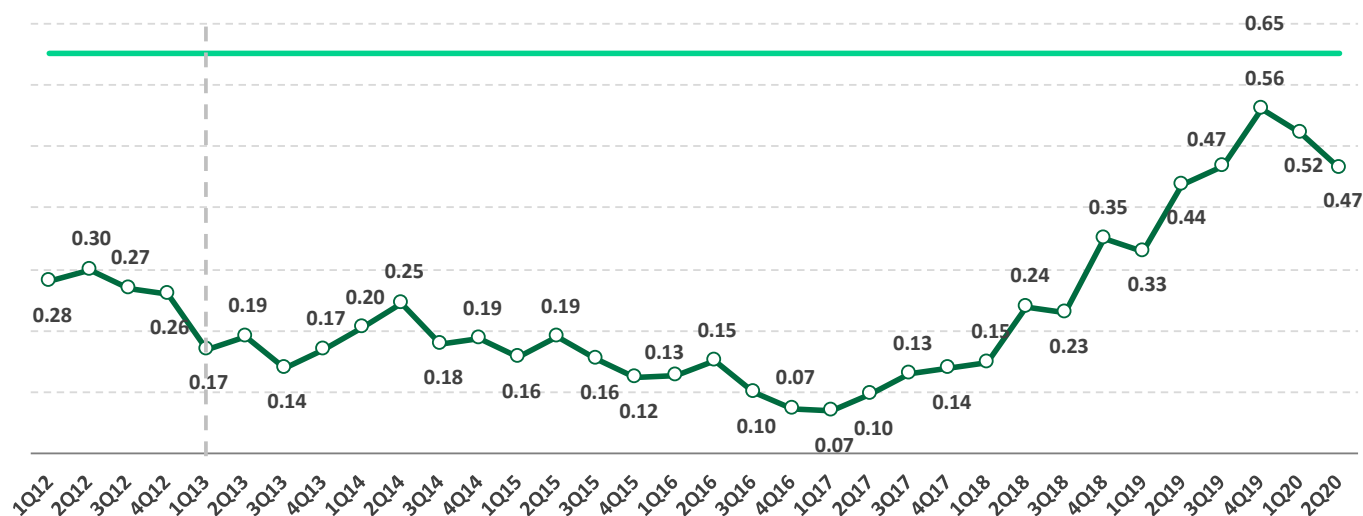


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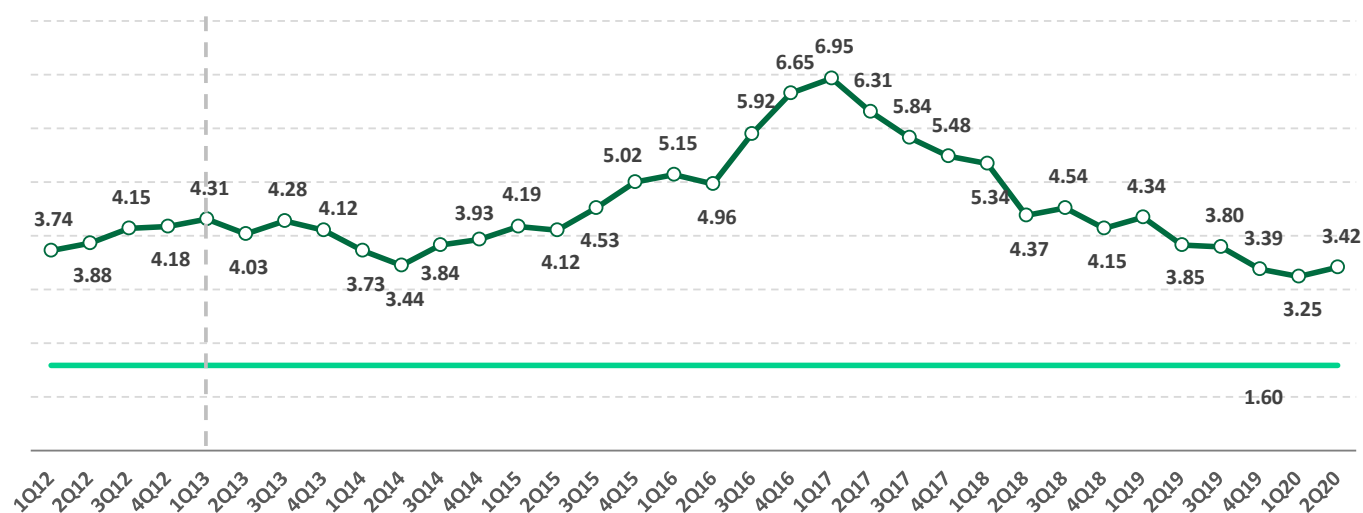
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Debt Covenant (Including AHS)



$$\frac{\text{Net Debt} + \text{Properties Payable}}{\text{Equity}} < 0.65$$

Receivables Covenant (Including AHS)



$$\frac{\text{Receivables} + \text{Unearned Income} + \text{Inventories}}{\text{Net Debt} + \text{Properties Payable} + \text{Unincurred Costs}} > 1.6$$

The debt covenant improved further in 2Q20, thanks to cash generation in the period.

URBA

MRV also witnessed strong sales results with its URBA operations over 2Q20. A total of R\$ 51.5 million (in net sales) was recorded, totaling 406.2% increase as compared to 1Q20.

Urba Operation	2Q20	1Q20	2Q19	Var. 2Q20 x 1Q20	Var. 2Q20 x 2Q19	1H20	1H19	Var. 1H20 x 1H19
Land Bank								
Land bank (R\$ million - %Urba)	1,053	1,148	1,077	8.3% ↓	2.2% ↓	1,053	1,077	2.2% ↓
Landbank Units (%Urba)	10,061	11,256	11,848	10.6% ↓	15.1% ↓	10,061	11,848	15.1% ↓
Land bank (R\$ million - 100%)	1,942	2,090	1,892	7.1% ↓	2.7% ↑	1,942	1,892	2.7% ↑
Landbank Units (100%)	16,709	18,473	20,130	9.5% ↓	17.0% ↓	16,709	20,130	17.0% ↓
Launches								
Launches (R\$ million - %Urba)	22.3	-	36.3	-	38.5% ↓	22.3	36.3	38.5% ↓
Launches Units (%Urba)	84	-	390	-	78.5% ↓	84	390	78.5% ↓
Launches (R\$ million - 100%)	39.8	-	52.5	-	24.2% ↓	39.8	52.5	24.2% ↓
Launches Units (100%)	150	-	564	-	73.4% ↓	150	564	73.4% ↓
Net Pre-sales								
Net Pre-sales (R\$ million - %Urba)	31.0	7.1	57.1	335.1% ↑	45.7% ↓	38.1	59.8	36.3% ↓
Net Pre-sales (Units - %Urba)	206	90	628	128.6% ↑	67.1% ↓	297	668	55.6% ↓
Net Pre-sales (R\$ million - 100%)	51.5	10.2	60.8	406.2% ↑	15.3% ↓	61.7	64.7	4.6% ↓
Net Pre-sales (Units - 100%)	344	151	656	127.8% ↑	47.6% ↓	495	704	29.7% ↓
Production								
Construction Sites	4	3	5	33.3% ↑	20.0% ↓	4	5	20.0% ↓
Built Units (%Urba)	172	81	162	112.5% ↑	6.2% ↑	253	278	9.0% ↓
Built Units (100%)	185	110	333	68.8% ↑	44.4% ↓	295	488	39.6% ↓
Finished Units (%Urba)	-	-	-	-	-	-	-	-
Finished Units (100%)	-	-	-	-	-	-	-	-

LUGGO

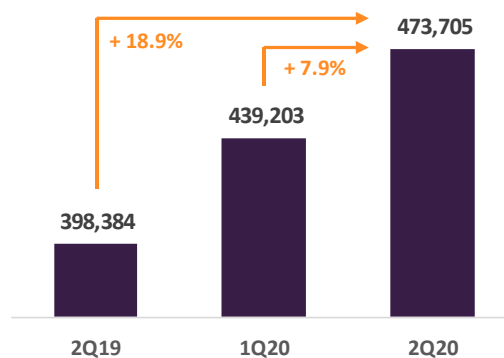
With 15 projects under development, 4 of which are under construction and the others in different stages of project approval, Luggo is already present in a total of 6 states and has 3,177 units in its production line, in addition to the 452 units of the 4 developments already sold to FII LUGG11 in the 4Q19.

LUGGO Operation	2T20	1T20	Var. 2T20 x 1T20
Land Bank			
Units	2,129	2,052	3.8% ↑
Number of Projects	11	9	22.2% ↑
Current Asset Value (R\$ thousand)	473,705	439,203	7.9% ↑
Units under Construction			
Units	1,032	432	138.9% ↑
Number of Projects	4	2	100.0% ↑
% of Project Progression	11.1%	13.7%	2.5 p.p. ↓
Current Asset Value (R\$ thousand)	210,223	86,813	142.2% ↑

Furthermore, to the consistent growth of its land bank, **new projects and projects waiting for approval, the operation of the projects already sold to FII LUGG11 remains a success, with the occupancy rate of the developments at stabilized levels. The Luggo Lindóia project, which was leased in April, continues to develop very well, with expectations to stabilize in the coming months.**

LUGGO - Sold Projects	2T20
Units under Construction / Waiting for permits	
Units	120
Number of Projects	1
% of Project Progression	100.0%
Completed Units	
Number of Projects	3
Available Units	332
Leased Units	263
% Leased Units	79.2%

Land Bank - PSV (R\$ thousands)

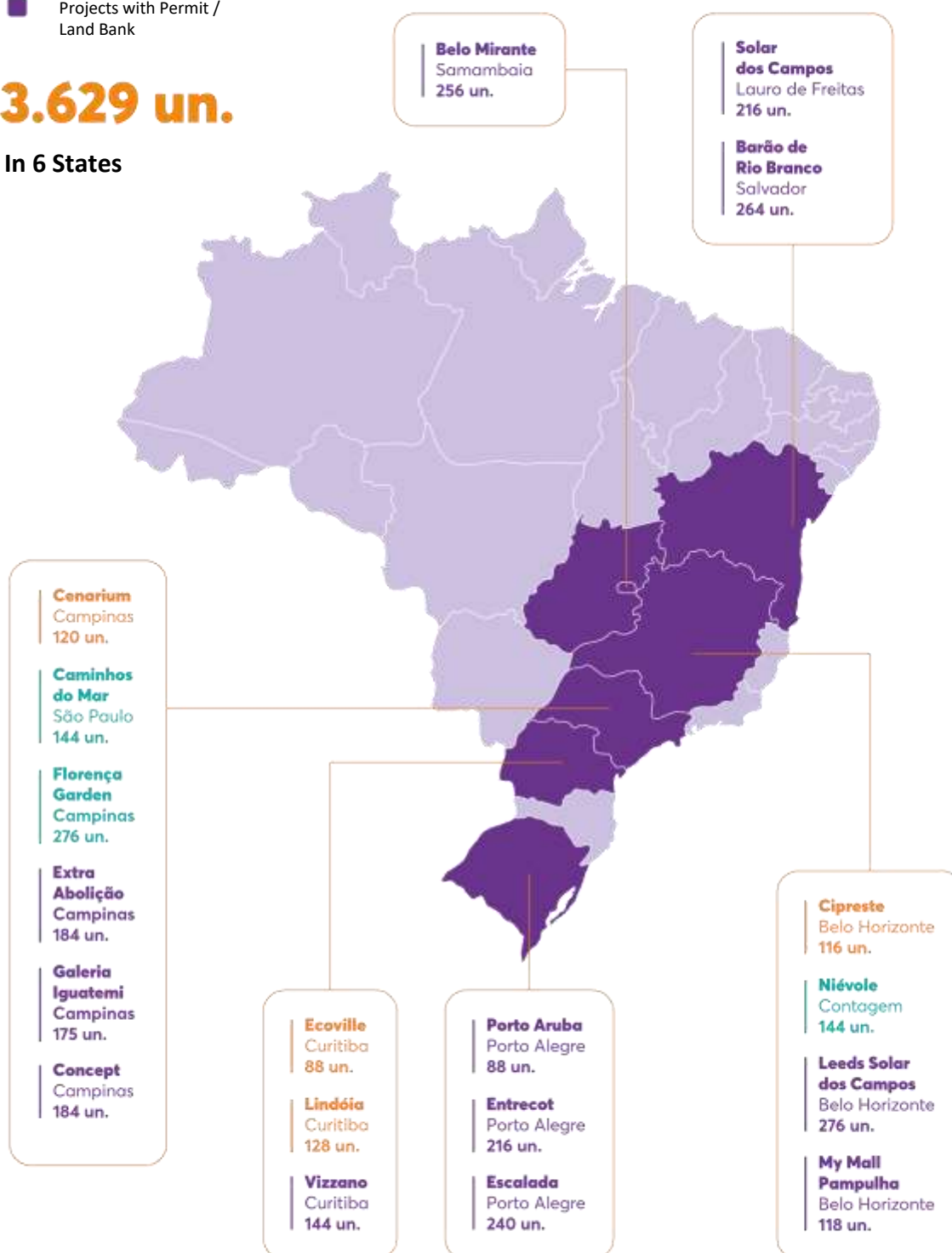


Our Footprint

- LUGG11's sold projects
- Upcoming Launches
- Projects with Permit / Land Bank

3.629 un.

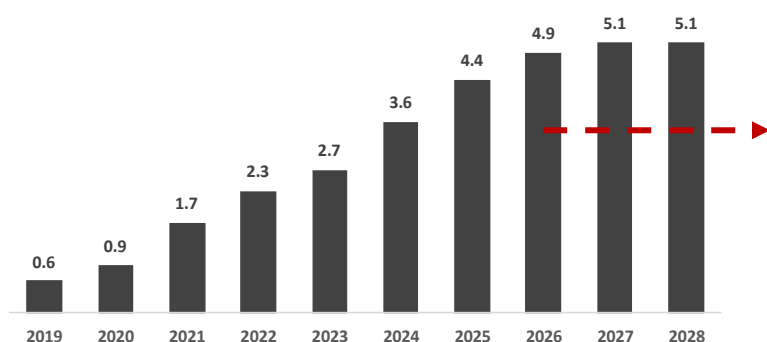
In 6 States



AHS

In accordance with the business plan set out and approved at the Extraordinary General Shareholders Meeting, the AHS operation aims to build and recycle **5,000 units annually**. The operation rests upon a solid strategy and continues as part of the company's plans.

Original Growth Plan (in thousands)



$$5,000 \text{ UNITS} \times \text{US\$ } 220\text{k} = \text{US\$ } 1.1 \text{ BI}$$

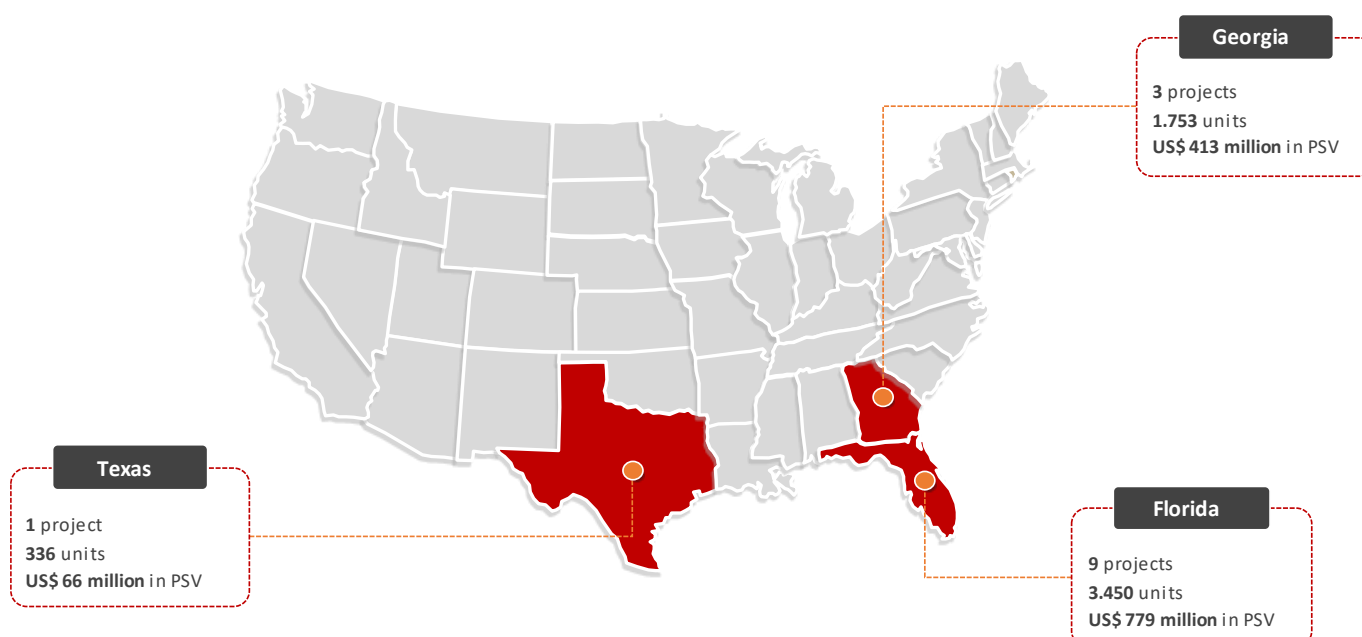
$$\times \text{R\$ } 5.46^1$$

R\$ 6 BI
¹ As of 08/11/2020

Land Bank

The company has already amassed a land bank totaling **5,539** units and is in the process of prospecting and negotiating new properties aligned with the company's projected plans for growth.

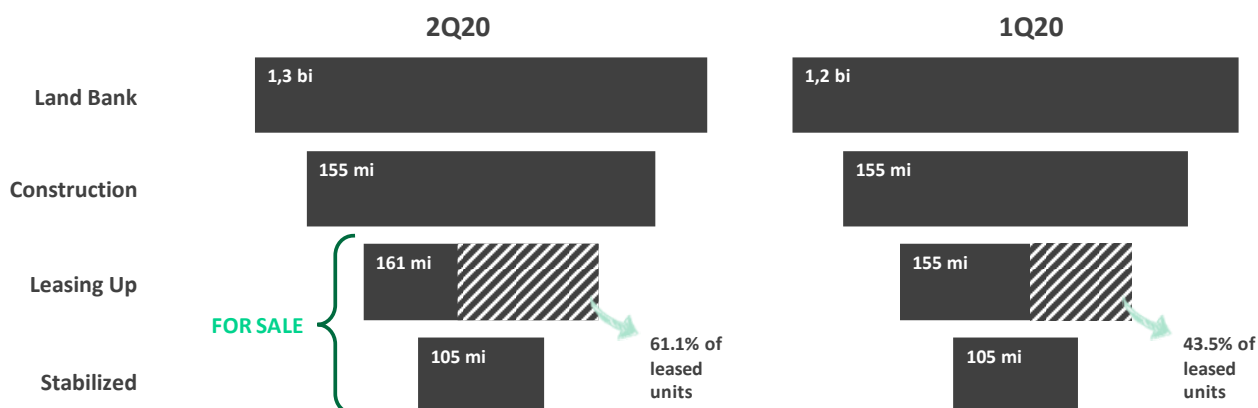
AHS Operation	2T20	1T20	Var. 2T20 x 1T20
Land Bank			
Units	5.539	5.235	5,8% ↑
Number of Projects	13	13	0,0% ↑
Current Asset Value (US\$ thousand)	1.258.604	1.166.199	7,9% ↑



AHS Operation

The AHS operation displayed the expected resilience in a time of crisis and quickly recovered from the initial impact suffered in March, recovering its occupancy and default rates to the same pre-pandemic levels.

Operational Process



Valuation AHS (NAV)

Seeking to maximize transparency, AHS valuation will be periodically updated employing the same net asset valuation methods used by the company, as agreed upon and approved by the shareholders:

NAV AHS (values in US\$)	2Q19*	2Q20
Operation	109.853.896	129.145.965
Construction	27.979.811	62.489.527
Land bank	19.850.000	40.062.845
Holding	18.249.995	3.575.936
Additional Capital@jul/19	10.000.000	-
Total	185.933.702	235.274.273

*the method used individually evaluates each development, according to its condition as described below:

- Developments in operation and sold: NOI / Cap Rate - Debt
 - NOI takes vacancy rates, rentals and OPEX rates into consideration on the date of evaluation
 - Cap Rate should be based on real business and public materials on the date of evaluation
- **Developments for rent and construction:** (cash flow discounted from expected NOI on the date of evaluation) - (remaining construction costs)
- **Landbank**
 - **Recently Acquired:** book value
 - **If Licensed and Construction Approval:** evaluation at market value

Balance Sheet - MRV US

ASSETS (US\$ Thousands)	30/06/2020	31/03/2020	Var. Jun/20 x Mar/20
CURRENT ASSETS			
Cash and cash equivalents	17,125	27,307	37.3% ↓
Marketable Securities	3,134	2,603	20.4% ↑
Receivables from services provided	683	329	107.6% ↑
Prepaid expenses	919	870	5.6% ↑
Other assets	1,444	1,125	28.4% ↑
Total Current Assets	23,305	32,234	27.7% ↓
NONCURRENT ASSETS			
Other noncurrent assets	1,434	2,014	28.8% ↓
Investment property	285,280	265,088	7.6% ↑
Property and equipment	6,891	4,778	44.2% ↑
Intangible Assets	2,071	1,882	10.0% ↑
Total Noncurrent Assets	295,676	273,762	8.0% ↑
TOTAL ASSETS	318,981	305,996	4.2% ↑
LIABILITIES AND EQUITY (US\$ Thousands)	30/06/2020	31/03/2020	Var. Jun/20 x Mar/20
CURRENT LIABILITIES			
Suppliers	9,673	12,971	25.4% ↓
Loans, financing and debentures	6,358	27,746	77.1% ↓
Payroll and related liabilities	852	422	101.9% ↑
Other payables	5,482	2,797	96.0% ↑
Total Current Liabilities	22,365	43,936	49.1% ↓
NONCURRENT LIABILITIES			
Derivative Financial Instruments	3,479	-	-
Loans, financing and debentures	209,294	171,617	22.0% ↑
Other liabilities	381	3,525	89.2% ↓
Total Noncurrent Liabilities	213,154	175,142	21.7% ↑
EQUITY			
Equity attributable to Company' Shareholders	72,405	75,845	4.5% ↓
Noncontrolling Interests	11,057	11,073	0.1% ↓
Total Equity	83,462	86,918	4.0% ↓
TOTAL LIABILITIES AND TOTAL EQUITY	318,981	305,996	4.2% ↑

EARNINGS RELEASE

2st Quarter 2020



P&L - MRV US

US\$ thousands	2Q20	1Q20	Chg. 2Q20 x 1Q20
NET REVENUE	3,138	2,044	53.5% ↑
COST OF REAL ESTATE SALES AND SERVICES	(2,542)	(1,922)	32.3% ↑
GROSS PROFIT	596	122	386.8% ↑
<i>Gross Margin</i>	<i>19.0%</i>	<i>6.0%</i>	<i>13.0 p.p. ↑</i>
OPERATING INCOME (EXPENSES)			
Selling expenses	(190)	(114)	67.3% ↑
General & Administrative Expenses	(2,355)	(1,444)	63.1% ↑
Other operating income (expenses), net	(16)	(17)	5.1% ↑
Equity Income	-	-	-
INCOME BEFORE FINANCIAL INCOME (EXPENSES)	(1,964)	(1,452)	35.3% ↑
FINANCIAL RESULTS			
Financial expenses	(1,012)	(1,121)	9.7% ↓
Financial income	36	11	232.0% ↑
Financial income from receivables from real estate development	-	-	-
INCOME BEFORE INCOME TAX AND SOCIAL CONTRIBUTION	(2,940)	(2,562)	14.8% ↓
Income Tax and Social Contribution	-	-	-
NET INCOME (LOSS)	(2,940)	(2,562)	14.8% ↓
NET INCOME (LOSS) ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	(166)	(271)	38.7% ↑
NET INCOME (LOSS) ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY	(2,774)	(2,291)	21.1% ↓
<i>Net Margin</i>	<i>-88.4%</i>	<i>-112.0%</i>	<i>23.6 p.p. ↑</i>

Debt Breakdown

(US\$ thousands)	Maturity	Contractual rate (p.a.)	Balance due Jun/20
Construction Financing (equivalent to Brazilian SFH)			162,472
Construction Loan			37,757
Coral Reef	February, 2022	LIBOR 1M + 2,00%	21,941
Pine Groves	April, 2022	LIBOR 1M + 2,25%	11,964
Tamiami Landings	September, 2022	LIBOR 1M + 2,25%	2,875
Banyan Ridge	March, 2022	LIBOR 1M + 2,15%	977
Permanent Loan			124,715
Mangonia Lake	May, 2023	LIBOR 1M + 2,25%	28,500
Princeton Groves	October, 2027	Fixed at 4,38%	24,492
Lake Worth	May, 2026	Fixed at 3,95%	23,642
Lake Osborne	December, 2027	Fixed at 4,63%	13,081
Deering Groves	November, 2029	Fixed at 3,15%	35,000
Corporate Debt			54,382
Credit Line	April, 2021	LIBOR 1M + 3,00%	5,500
Vehicle Loan	December, 2022	Fixed at 5,94%	32
Itau Bond Debt	February, 2025	Fixed at 4,00%	47,000
SBA CARES Loan	April, 2022	Fixed at 1,00%	1,850
Funding Costs			(1,203)
Total			215,652

Main Details of AHS Debt:

- ❑ **Construction loan:** financing for construction taken at the outset of construction, representing an LTC (Loan to Cost) of up to 73% (Property + Construction).
- ❑ **Permanent loan:** construction loan refinancing, after stabilization of the property, representing an LTV (Loan to Value) of up to 70% of the development project.

Notes on Permanent Loan:

- 1) The value has been financed for a period of 10 years, amortized over 30 years. Therefore, at the end of 10 years financing, principle will be partially amortized and there could be a refinancing of the remainder over another 10 years, amortized over 30 years and so on.
- 2) **Assets + Receivables make up the entirety of collateral for this loan, therefore classifying it as a Non-Recourse Debt.**

Debt Maturity Schedule

(US\$ thousands)	Construction Loan	Permanent Loan	Corporate Debt	Funding Costs	Total
12 months	-	1,065	5,505	(212)	6,358
13 to 24 months	34,882	1,111	1,873	(212)	37,654
25 to 36 months	2,875	30,183	4	(207)	32,855
37 to 48 months	-	1,989	-	(151)	1,839
After 48 months	-	90,367	47,000	(421)	136,946
Total	37,757	124,715	54,382	(1,203)	215,652

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ATTACHMENTS

The financial statements that are presented in attachment I, II and III, below, refer to the company's equity structure and consolidated results, including MRV's operations abroad (AHS Residential).

Attachment IV, V and VI, in turn, refer only to MRV's operation in Brazil, (excluding AHS Residential).

Attachment I – Consolidated Income Statement MRV [R\$ million]

R\$ million	2Q20	1Q20	2Q19	Chg. 2Q20 x 1Q20	Chg. 2Q20 x 2Q19	1H20	1H19	Chg. 1H20 x 1H19
NET REVENUE	1,656	1,508	1,559	9.8% ↑	6.3% ↑	3,164	3,067	3.2% ↑
COST OF REAL ESTATE SALES AND SERVICES	(1,188)	(1,084)	(1,081)	9.6% ↑	10.0% ↑	(2,273)	(2,107)	7.9% ↑
GROSS PROFIT	468	424	478	10.3% ↑	2.1% ↓	892	960	7.1% ↓
<i>Gross Margin</i>	28.2%	28.1%	30.7%	0.1 p.p. ↑	2.4 p.p. ↓	28.2%	31.3%	3.1 p.p. ↓
OPERATING INCOME (EXPENSES)								
Selling expenses	(161)	(149)	(143)	8.4% ↑	12.4% ↑	(310)	(291)	6.6% ↑
General & Administrative Expenses	(104)	(100)	(95)	4.3% ↑	9.5% ↑	(204)	(180)	13.6% ↑
Other operating income (expenses), net	(31)	(31)	(32)	0.8% ↓	2.3% ↑	(62)	(58)	6.2% ↓
Equity Income	(15)	(11)	(14)	43.6% ↓	6.8% ↓	(26)	(33)	20.6% ↑
INCOME BEFORE FINANCIAL INCOME (EXPENSES)	156	134	193	16.5% ↑	19.2% ↓	290	399	27.3% ↓
FINANCIAL RESULTS								
Financial expenses	(24)	(16)	(16)	47.8% ↑	49.2% ↑	(40)	(29)	37.2% ↑
Financial income	18	14	32	28.5% ↑	45.5% ↓	31	61	48.2% ↓
Financial income from receivables from real estate development	16	27	27	40.2% ↓	41.9% ↓	43	36	19.3% ↑
INCOME BEFORE INCOME TAX AND SOCIAL CONTRIBUTION	166	158	237	4.8% ↑	30.1% ↓	324	466	30.5% ↓
Income Tax and Social Contribution	(35)	(32)	(33)	7.5% ↑	6.0% ↑	(67)	(65)	3.0% ↑
NET INCOME	131	126	204	4.1% ↑	35.8% ↓	257	401	36.0% ↓
PROFIT ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	22	21	14	2.2% ↑	58.8% ↑	43	22	97.6% ↑
PROFIT ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY	109	104	190	4.5% ↑	42.7% ↓	214	379	43.7% ↓
<i>Net Margin</i>	6.6%	6.9%	12.2%	0.3 p.p. ↓	5.6 p.p. ↓	6.7%	12.4%	5.6 p.p. ↓
BASIC EARNINGS PER SHARE	0.226	0.222	0.431	1.8% ↑	47.4% ↓	0.449	0.858	47.7% ↓

Attachment II – Consolidated MRV Balance Sheet [R\$ million] - Assets

ASSETS	30/06/2020	31/03/2020	30/06/2019	Var. Jun/20 x Mar/20	Var. Jun/20 x Jun/19
CURRENT ASSETS					
Cash and cash equivalents	1,724	989	636	74.3% ↑	171.0% ↑
Marketable Securities	901	882	1,809	2.2% ↑	50.2% ↓
Receivables from real estate development	1,806	1,736	1,582	4.1% ↑	14.1% ↑
Receivables from services provided	6	3	1	108.0% ↑	413.2% ↑
Inventories	3,721	3,891	3,828	4.4% ↓	2.8% ↓
Recoverable current taxes	94	97	93	3.7% ↓	0.8% ↑
Prepaid expenses	95	94	101	1.9% ↑	5.2% ↓
Derivative Financial Instruments	-	-	-	-	-
Other assets	104	158	66	34.3% ↓	56.6% ↑
Total Current Assets	8,451	7,850	8,117	7.7% ↑	4.1% ↑
NONCURRENT ASSETS					
Marketable Securities	44	54	33	18.9% ↓	30.5% ↑
Receivables from real estate development	1,538	1,336	946	15.1% ↑	62.5% ↑
Real estate for sale and development	4,402	4,485	4,323	1.8% ↓	1.8% ↑
Intercompany Expenses	42	41	48	2.0% ↑	12.4% ↓
Prepaid expenses	40	38	31	6.4% ↑	29.4% ↑
Derivative Financial Instruments	62	42	36	45.0% ↑	70.1% ↑
Other noncurrent assets	172	179	127	4.0% ↓	35.4% ↑
Equity Interest in investees	8	44	90	82.8% ↓	91.5% ↓
Investment property	1,664	1,436	-	15.9% ↑	-
Property and equipment	544	516	442	5.4% ↑	23.0% ↑
Intangible Assets	148	136	103	9.3% ↑	44.5% ↑
Total Noncurrent Assets	8,663	8,307	6,179	4.3% ↑	40.2% ↑
TOTAL ASSETS	17,114	16,157	14,295	5.9% ↑	19.7% ↑

Attachment II – Consolidated MRV Balance Sheet [R\$ million] – Liabilities and Equity

LIABILITIES AND EQUITY	30/06/2020	31/03/2020	30/06/2019	Var. Jun/20 x Mar/20	Var. Jun/20 x Jun/19
CURRENT LIABILITIES					
Suppliers	371	391	439	5.3% ↓	15.5% ↓
Payables for investment aquisition	7	9	5	16.8% ↓	35.1% ↑
Loans, financing and debentures	914	751	439	21.6% ↑	108.2% ↑
Land Payables	904	888	866	1.8% ↑	4.4% ↑
Advances from customers	191	213	222	10.4% ↓	14.0% ↓
Payroll and related liabilities	181	155	157	16.6% ↑	15.0% ↑
Tax payables	84	74	72	13.2% ↑	17.0% ↑
Provision for maintenance of real estate	42	37	36	13.5% ↑	15.9% ↑
Deferred tax liabilities	64	62	55	4.3% ↑	17.5% ↑
Proposed dividends	164	164	328	0.0% ↑	50.0% ↓
Net Capital deficiency liabilities - Investments	175	180	198	2.6% ↓	11.4% ↓
Other payables	245	228	209	7.6% ↑	17.4% ↑
Total Current Liabilities	3,343	3,153	3,026	6.0% ↑	10.5% ↑
NONCURRENT LIABILITIES					
Payables for investment aquisition	16	16	1	0.0% ↓	1035.8% ↑
Derivative Financial Instruments	19	-	-	-	-
Loans, financing and debentures	3,926	3,350	2,598	17.2% ↑	51.1% ↑
Land Payables	3,172	3,125	2,877	1.5% ↑	10.2% ↑
Advances from customers	408	421	507	3.1% ↓	19.5% ↓
Provision for maintenance of real estate	106	108	103	1.5% ↓	3.5% ↑
Provision for civil, labor, and tax risks	106	98	102	8.5% ↑	3.5% ↑
Deferred tax liabilities	63	54	39	16.0% ↑	64.1% ↑
Other liabilities	126	136	76	7.4% ↓	65.2% ↑
Total Noncurrent Liabilities	7,942	7,307	6,303	8.7% ↑	26.0% ↑
EQUITY					
Equity attributable to Company' Shareholders	5,465	5,328	4,685	2.6% ↑	16.6% ↑
Noncontrolling Interests	364	370	281	1.8% ↓	29.6% ↑
Total Equity	5,829	5,698	4,966	2.3% ↑	17.4% ↑
TOTAL LIABILITIES AND TOTAL EQUITY	17,114	16,157	14,295	5.9% ↑	19.7% ↑

Attachment III – Consolidated Statement of Cash Flow [R\$ million]

Consolidated (R\$ million)	2Q20	1Q20	2Q19	Chg. 2Q20 x 1Q20	Var. 2Q20 x 2Q19	1H20	1H19	Chg. 1H20 x 1H19
CASH FLOWS FROM OPERATING ACTIVITIES								
NET INCOME	131	126	204	4.1% ↑	35.8% ↓	257	401	36.0% ↓
Adjustments to reconcile net income to cash used in operating activities	185	184	92	0.5% ↑	101.4% ↑	369	241	53.1% ↑
(Increase) decrease in operating assets	46	(399)	(135)	-	196.3% ↑	(353)	(408)	13.5% ↓
Increase (decrease) in operating liabilities	(60)	(79)	(130)	23.8% ↓	53.6% ↓	(139)	(203)	31.6% ↓
Net cash generated by (used in) operating activities	302	(168)	32	-	850.3% ↑	134	31	338.8% ↑
CASH FLOWS FROM INVESTING ACTIVITIES								
Decrease (increase) in marketable securities	(15)	504	6	-	-	489	(170)	387.4% ↓
Advances to related parties	(11)	(8)	(23)	35.7% ↑	52.2% ↓	(19)	(33)	40.9% ↓
Receipts from related parties	11	6	19	65.6% ↑	43.4% ↓	17	28	38.6% ↓
Decrease in (acquisition of/contribution to) investments	17	33	45	48.7% ↓	62.9% ↓	50	42	18.1% ↑
Payment for acquisition of subsidiary	14	(4)	(2)	-	-	10	(3)	447.8% ↓
Receipts for sale of investees	2	1	-	-	-	3	-	-
Acquisition of investment properties	(158)	(172)	-	8.1% ↑	-	(330)	-	-
Acquisition of fixed and intangible assets	(59)	(39)	(67)	50.1% ↑	12.4% ↓	(98)	(113)	13.4% ↓
Net cash generated by (used in) investing activities	(200)	321	(22)	-	829.7% ↓	121	(249)	148.5% ↓
CASH FLOWS FROM FINANCING ACTIVITIES								
Proceeds from shares issuance	-	1	-	100.0% ↓	-	1	-	-
Proceeds from stock options' exercise	-	1	0	100.0% ↓	100% ↓	1	2	69.3% ↓
Loans from related parties	(7)	(16)	60	58.3% ↑	-	(23)	63	136.1% ↓
Treasury shares	-	-	-	-	-	-	-	-
Proceeds from loans, financing and debenture	1,054	478	714	120.5% ↑	47.7% ↑	1,533	1,318	16.3% ↑
Payment of loans, financing and debenture	(376)	(340)	(682)	10.7% ↓	44.9% ↑	(715)	(1,173)	39.0% ↓
Receive of financial instruments and derivatives	(0)	1	-	-	-	1	0	901.0% ↑
Capital transaction	2	2	7	0.3% ↓	72.2% ↓	4	7	100.0% ↓
Dividends payment	-	-	(164)	-	-	-	(164)	100.0% ↓
Net contributions (distributions) of noncontrolling interests	(32)	19	13	-	-	(13)	6	330.3% ↓
Net cash (used in) generated by financing activities	641	146	(52)	338.1% ↑	-	788	60	1217.9% ↑
effects of exchange rates on cash and cash equivalents	(9)	15	-	-	-	7	-	-
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS, NET	735	314	(42)	133.8% ↑	-	1,049	(159)	761.8% ↑
CASH AND CASH EQUIVALENTS								
Cash and cash equivalents at beginning of the period	989	675	678	46.6% ↑	45.9% ↑	675	795	15.1% ↓
Cash and cash equivalents at end of the period	1,724	989	636	74.3% ↑	171.0% ↑	1,724	636	171.0% ↑

EARNINGS RELEASE

2st Quarter 2020



Attachment IV - Consolidated Income Statement MRV (ex. AHS Residential) [R\$ million]

R\$ million	2Q20	1Q20	2Q19	Chg. 2Q20 x 1Q20	Chg. 2Q20 x 2Q19	1H20	1H19	Chg. 1H20 x 1H19
NET REVENUE	1,639	1,499	1,559	9.3% ↑	5.2% ↑	3,138	3,067	2.3% ↑
COST OF REAL ESTATE SALES AND SERVICES	(1,174)	(1,076)	(1,081)	9.2% ↑	8.7% ↑	(2,250)	(2,107)	6.8% ↑
GROSS PROFIT	465	423	478	9.7% ↑	2.7% ↓	888	960	7.5% ↓
<i>Gross Margin</i>	28.4%	28.2%	30.7%	0.1 p.p. ↑	2.3 p.p. ↓	28.3%	31.3%	3.0 p.p. ↓
OPERATING INCOME (EXPENSES)								
Selling expenses	(160)	(148)	(143)	8.0% ↑	11.7% ↑	(308)	(291)	6.1% ↑
General & Administrative Expenses	(92)	(93)	(95)	1.8% ↓	3.8% ↓	(185)	(180)	2.9% ↑
Other operating income (expenses), net	(31)	(31)	(32)	0.8% ↓	2.5% ↑	(62)	(58)	6.0% ↓
Equity Income	(15)	(11)	(14)	43.6% ↓	6.8% ↓	(26)	(33)	20.6% ↑
INCOME BEFORE FINANCIAL INCOME (EXPENSES)	167	140	193	18.6% ↑	13.7% ↓	307	399	23.0% ↓
FINANCIAL RESULTS								
Financial expenses	(18)	(11)	(16)	65.0% ↑	13.0% ↑	(29)	(29)	0.5% ↓
Financial income	18	14	32	27.5% ↑	46.1% ↓	31	61	48.6% ↓
Financial income from receivables from real estate development	16	27	27	40.2% ↓	41.9% ↓	43	36	19.3% ↑
INCOME BEFORE INCOME TAX AND SOCIAL CONTRIBUTION	182	170	237	7.1% ↑	23.2% ↓	352	466	24.5% ↓
Income Tax and Social Contribution	(35)	(32)	(33)	7.5% ↑	6.0% ↑	(67)	(65)	3.0% ↑
NET INCOME	147	138	204	7.0% ↑	27.9% ↓	285	401	28.9% ↓
PROFIT ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	23	23	14	0.9% ↑	65.9% ↑	46	22	107.7% ↑
PROFIT ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY	124	115	190	8.2% ↑	34.6% ↓	239	379	36.8% ↓
<i>Net Margin</i>	7.6%	7.7%	12.2%	0.1 p.p. ↓	4.6 p.p. ↓	7.6%	12.4%	4.7 p.p. ↓
BASIC EARNINGS PER SHARE	0.258	0.245	0.431	5.5% ↑	40.0% ↓	0.503	0.858	41.4% ↓

Attachment IV – Consolidated MRV Balance Sheet (ex. AHS) [R\$ million] – Assets

ASSETS	30/06/2020	31/03/2020	30/06/2019	Var. Jun/20 x Mar/20	Var. Jun/20 x Jun/19
CURRENT ASSETS					
Cash and cash equivalents	1,630	847	636	92.4% ↑	156.2% ↑
Marketable Securities	884	869	1,809	1.8% ↑	51.1% ↓
Receivables from real estate development	1,806	1,736	1,582	4.1% ↑	14.1% ↑
Receivables from services provided	2	1	1	88.6% ↑	65.3% ↑
Inventories	3,721	3,891	3,828	4.4% ↓	2.8% ↓
Recoverable current taxes	94	97	93	3.7% ↓	0.8% ↑
Prepaid expenses	90	89	101	1.4% ↑	10.2% ↓
Derivative Financial Instruments	-	-	-	-	-
Other assets	96	152	66	37.0% ↓	44.6% ↑
Total Current Assets	8,324	7,683	8,117	8.3% ↑	2.6% ↑
NONCURRENT ASSETS					
Marketable Securities	44	54	33	18.9% ↓	30.5% ↑
Receivables from real estate development	1,538	1,336	946	15.1% ↑	62.5% ↑
Real estate for sale and development	4,402	4,485	4,323	1.8% ↓	1.8% ↑
Intercompany Expenses	42	41	48	2.0% ↑	12.4% ↓
Prepaid expenses	40	38	31	6.4% ↑	29.4% ↑
Derivative Financial Instruments	62	42	36	45.0% ↑	70.1% ↑
Other noncurrent assets	164	168	127	2.7% ↓	29.2% ↑
Equity Interest in investees	8	44	90	82.8% ↓	91.5% ↓
Investment property	102	58	-	76.4% ↑	-
Property and equipment	506	491	442	3.0% ↑	14.5% ↑
Intangible Assets	137	126	103	8.8% ↑	33.5% ↑
Total Noncurrent Assets	7,044	6,884	6,179	2.3% ↑	14.0% ↑
TOTAL ASSETS	15,367	14,567	14,295	5.5% ↑	7.5% ↑

Attachment IV – Consolidated MRV Balance Sheet (ex. AHS) [R\$ million] – Liabilities and Equity

LIABILITIES AND EQUITY	30/06/2020	31/03/2020	30/06/2019	Var. Jun/20 x Mar/20	Var. Jun/20 x Jun/19
CURRENT LIABILITIES					
Suppliers	318	324	439	1.9% ↓	27.6% ↓
Payables for investment aquisition	7	9	5	16.8% ↓	35.1% ↑
Loans, financing and debentures	879	607	439	44.8% ↑	100.3% ↑
Land Payables	904	888	866	1.8% ↑	4.4% ↑
Advances from customers	191	213	222	10.4% ↓	14.0% ↓
Payroll and related liabilities	176	153	157	15.2% ↑	12.1% ↑
Tax payables	84	74	72	13.2% ↑	17.0% ↑
Provision for maintenance of real estate	42	37	36	13.5% ↑	15.9% ↑
Deferred tax liabilities	64	62	55	4.3% ↑	17.5% ↑
Proposed dividends	164	164	328	0.0% ↑	50.0% ↓
Net Capital deficiency liabilities - Investments	175	180	198	2.6% ↓	11.4% ↓
Other payables	215	213	209	0.8% ↑	3.0% ↑
Total Current Liabilities	3,220	2,924	3,026	10.1% ↑	6.4% ↑
NONCURRENT LIABILITIES					
Payables for investment aquisition	16	16	1	0.0% ↓	1035.8% ↑
Derivative Financial Instruments	-	-	-	-	-
Loans, financing and debentures	2,780	2,457	2,598	13.1% ↑	7.0% ↑
Land Payables	3,172	3,125	2,877	1.5% ↑	10.2% ↑
Advances from customers	408	421	507	3.1% ↓	19.5% ↓
Provision for maintenance of real estate	106	108	103	1.5% ↓	3.5% ↑
Provision for civil, labor, and tax risks	106	98	102	8.5% ↑	3.5% ↑
Deferred tax liabilities	63	54	39	16.0% ↑	64.1% ↑
Other liabilities	124	118	76	5.3% ↑	62.4% ↑
Total Noncurrent Liabilities	6,775	6,396	6,303	5.9% ↑	7.5% ↑
EQUITY					
Equity attributable to Company' Shareholders	5,069	4,933	4,685	2.7% ↑	8.2% ↑
Noncontrolling Interests	303	313	281	3.0% ↓	8.0% ↑
Total Equity	5,372	5,246	4,966	2.4% ↑	8.2% ↑
TOTAL LIABILITIES AND TOTAL EQUITY	15,367	14,567	14,295	5.5% ↑	7.5% ↑

Attachment VI – Consolidated Statement of Cash Flow (ex. AHS) [R\$ million]

Consolidated (R\$ million)	2Q20	1Q20	2Q19	Chg. 2Q20 x 1Q20	Var. 2Q20 x 2Q19	1H20	1H19	Chg. 1H20 x 1H19
CASH FLOWS FROM OPERATING ACTIVITIES								
NET INCOME	147	138	204	7.0% ↑	27.9% ↓	285	401	28.9% ↓
Adjustments to reconcile net income to cash used in operating activities	185	185	92	0.2% ↓	101.0% ↑	360	241	49.0% ↑
(Increase) decrease in operating assets	46	(394)	(135)	-	192.4% ↑	(348)	(408)	14.8% ↓
Increase (decrease) in operating liabilities	(63)	(111)	(130)	43.1% ↓	51.4% ↓	(174)	(203)	14.5% ↓
Net cash generated by (used in) operating activities	315	(192)	32	-	891.1% ↑	123	31	301.7% ↑
CASH FLOWS FROM INVESTING ACTIVITIES								
Decrease (increase) in marketable securities	1	492	6	99.8% ↓	83.9% ↓	493	(170)	389.6% ↓
Advances to related parties	(11)	(8)	(23)	35.7% ↑	52.2% ↓	(19)	(33)	40.9% ↓
Receipts from related parties	11	6	19	65.6% ↑	43.4% ↓	17	28	38.6% ↓
Decrease in (acquisition of/contribution to) investments	17	33	45	48.7% ↓	62.9% ↓	50	42	18.1% ↑
Payment for acquisition of subsidiary	(1)	(4)	(2)	64.9% ↓	10.9% ↓	(6)	(3)	99.5% ↑
Receipts for sale of investees	-	-	-	-	-	-	-	-
Acquisition of investment properties	(44)	(24)	-	81.3% ↑	-	(69)	-	-
Acquisition of fixed and intangible assets	(40)	(33)	(67)	22.9% ↑	40.0% ↓	(73)	(113)	35.4% ↓
Net cash generated by (used in) investing activities	(67)	463	(22)	-	210.9% ↓	396	(249)	259.1% ↓
CASH FLOWS FROM FINANCING ACTIVITIES								
Proceeds from shares issuance	-	1	-	100.0% ↓	-	1	-	-
Proceeds from stock options' exercise	-	1	0	100.0% ↓	100% ↓	1	2	69.3% ↓
Loans from related parties	(7)	(16)	60	58.3% ↑	-	(23)	63	136.1% ↓
Treasury shares	-	-	-	-	-	-	-	-
Proceeds from loans, financing and debenture	809	217	714	273.6% ↑	13.4% ↑	1,026	1,318	22.2% ↓
Payment of loans, financing and debenture	(237)	(322)	(682)	26.5% ↑	65.2% ↑	(559)	(1,173)	52.3% ↓
Receive of financial instruments and derivatives	(0)	1	-	-	-	1	0	901.0% ↑
Capital transaction	2	2	7	0.3% ↓	72.2% ↓	4	7	100.0% ↓
Dividends payment	-	-	(164)	-	-	-	(164)	100.0% ↓
Net contributions (distributions) of noncontrolling interests	(32)	19	13	-	-	(13)	6	330.3% ↓
Advanced payment from related companies	-	-	-	-	-	-	-	-
Net cash (used in) generated by financing activities	535	(98)	(52)	-	-	437	60	630.8% ↑
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS, NET	783	172	(42)	354.4% ↑	-	956	(159)	702.7% ↑
CASH AND CASH EQUIVALENTS								
Cash and cash equivalents at beginning of the period	847	675	678	25.5% ↑	25.0% ↑	675	795	15.1% ↓
Cash and cash equivalents at end of the period	1,630	847	636	92.4% ↑	156.2% ↑	1,630	636	156.2% ↑

Glossary

Useful Area – the sum of all useful areas from all units.

Land Bank – property held in stock with an estimated future PSV.

Cash Burn – measured by the change in net debt, excluding capital increases, purchased shares held in treasury and dividend payments, when occurred.

Cash – made up of the balance of cash and cash equivalents and financial investments (bonds and securities).

CPC 47 and Percent of Conclusion (POC) – in order to better understand revenue, the Group has adopted the CPC 47, effective January 1, 2018 – ‘Contract revenue from Clients’. Sales revenue is appropriated as construction progresses, as the transfer of control takes place over time. As such, the POC method has been adopted for each construction project.

Net Debt – the difference between the sum of Cash & Derivative Financial Instruments and Total Debt.

Duration – average term for debt expiration.

EBIDTA – equal to net income plus income tax and social contributions, net financial results, financial charges recorded under cost of goods sold, depreciation, amortization and minority interest. MRV believes that the reversion of the adjustment to present value of receivables from units sold, not yet delivered, recorded as gross operating revenue is part of our operating activities and therefore we do not exclude these revenues from the calculation of EBIDTA. EBIDTA is not a Brazilian GAAP measurement and should not be considered in isolation, nor should it be considered an alternative to net income, as an indicator of our operating performance or cash flow, or as a measurement of our liquidity. EBIDTA does not have a standard definition and other companies may measure their EBIDTA by different means. As the calculation of EBIDTA does not take into consideration income tax and social contributions, net financial results, financial charges recorded under the cost of goods sold, depreciation, amortization, minority interest, and expenses related to financial and legal advisory fees in connection with the entry of the sales of shares and MRV initial public offering, EBIDTA is an indicator of our general economic performance which is not affected by changes in interest rates, income tax and social contribution rates, as well as rates of depreciation and amortization. As EBIDTA does not consider certain costs related to our business which could materially affect our profits, such as financial results, taxes, depreciation, amortization and capital expenditures, among other issues, EBIDTA is subject to limitations that impair its use as a measurement of our profitability.

Construction Financing - total of units from projects that had the construction financing (PJ) approved by a financial institution during the period.

Inventory at Market Value – equal to the PSV of current inventory, only considering developments already launched. Does not consider land bank.

LUGGO – MRV startup focused on the development of apartment buildings for the rental market.

Profit per share – basic profit per share is calculated by dividing net profit for the quarter by the number of ordinary shares issued, by the average quantity of ordinary shares available during the period, excluding treasury notes, if available.

Minha Casa Minha Vida (MCMV) housing program – A national housing incentive sponsored by the Federal Government, aiming to reduce the national housing deficit.

Novo Mercado – Special listings on the BOVESPA, with a specific, more strict, set of corporate governance rules, of which the company has been a member since July 23, 2007.

Physical Swap – system of purchase in which the land owner is issued a determined number of units of construction to be developed.

SFH Resources – Housing Finance System (SFH) resources are borne from the FGTS (severance pay fund) and deposits taken from savings accounts (SBPE).

Real estate sales results to be appropriated – generated from the sum of pre-sales contracts, referring to projects under construction and its respective costs to be incurred.

RET – Special Taxing Regimen

ROE – Return on Equity is defined by the quotient between net income to the average shareholder's equity.

SBPE – Brazilian System of Savings and Loans – bank financing based on savings accounts.

Finished units – finished units, registered after construction has finished.

Produced units – units produced over the evolution of construction, equivalent construction.

Transferred units – quantity of individuals who have signed a mortgage with a financial institution for the period.

Sales units – value of mortgages signed by clients, referring to the sales of units ready or for future delivery.

Net sales – overall sales, minus the number of cancellations for the period.

VSO – sales on offer.

Gross VSO – Gross sales / (initial stock for period + launches for period)

Net VSO – Net sales / (initial stock for period + launches for period)

PSV Launched – equals the total number of units launched, multiplied by the average estimated sale price of units.

Disclaimer

Unless otherwise stated, the operating data refer to MRV's share in projects.

This presentation contains forward-looking statements relating to the prospects of the business, estimates for operating and financial results, and those related to growth prospects of MRV. These are mere projections and, as such, are based exclusively on the Management's expectations about the future of the business.

These expectations are highly dependent upon required approvals and licenses for projects, market conditions, performance of the Brazilian economy, the sector and international markets and, therefore, are subject to changes without prior notice.

This performance report includes accounting data and non-accounting data such as operating and financial results and outlooks based on the expectations of the Board of Directors. The non-accounting data such as values and units of Launches, Pre-Sales, amounts related to the housing program "Minha Casa Minha Vida", Inventory at Market Value, Land bank, Unearned Results, cash disbursement and Guidance were not subject to review by the Company's independent auditors.

The EBITDA, in this report, represents the net income before income tax and social contribution, net financial result, financial costs recorded under cost of goods sold, depreciation, amortization and minority interest. MRV believes that the reversion of the adjustment to present value of receivables from units sold and not yet delivered that is recorded as gross operating revenue is part of our operating activities and therefore we do not exclude these revenues from EBITDA's calculation. EBITDA is not a Brazilian GAAP and IFRS measure and should not be considered in isolation and should not be considered an alternative to net income, as an indicator of our operating performance or cash flows or as a measure of our liquidity. Because the calculation of EBITDA does not take into consideration income tax and social contribution, net financial result, financial charges recorded under cost of goods sold, depreciation, amortization and minority interest, EBITDA is an indicator of MRV general economic performance which is not affected by changes in interest rates, income tax and social contribution rates and rates of depreciation and amortization. Because EBITDA does not take into account certain costs related to our business which could materially affect our profits, such as financial result, taxes, depreciation, amortization and capital expenditures, among others, EBITDA is subject to limitations that impair its use as a measure of our profitability.

Relationship with Independent Auditors

Pursuant to CVM Instruction 381/03, we inform that the Company's independent auditors KPMG Auditores Independentes S/S ("KPMG") did not provide services during the first semester of 2020 other than those related to external auditing. The Company's policy for hiring independent auditors ensures that there is no conflict of interest, loss of autonomy or objectiveness.

About MRV

MRV Engenharia e Participações S.A. is the largest Brazilian real estate developer and homebuilder in the lower-income segment, with more than 40 years of experience, active in 162 cities, in 22 Brazilian states including the Federal District. MRV is listed on the Novo Mercado - B3 under the ticker MRVE3 and is included, among others, in the theoretical portfolio IBOV.