

INTERIM FINANCIAL STATEMENTS 1Q21

Cenarium
Campinas - SP



Parque Padre
Campinas - SP



Porto Bahamas
Porto Alegre - RS



Banyan Ridge
Florida - USA



Recanto Macaúba
Ribeirão Preto - SP



Luggo

SENSIA
INCORPORADORA

MRV

ahs
RESIDENCIAL

Urba

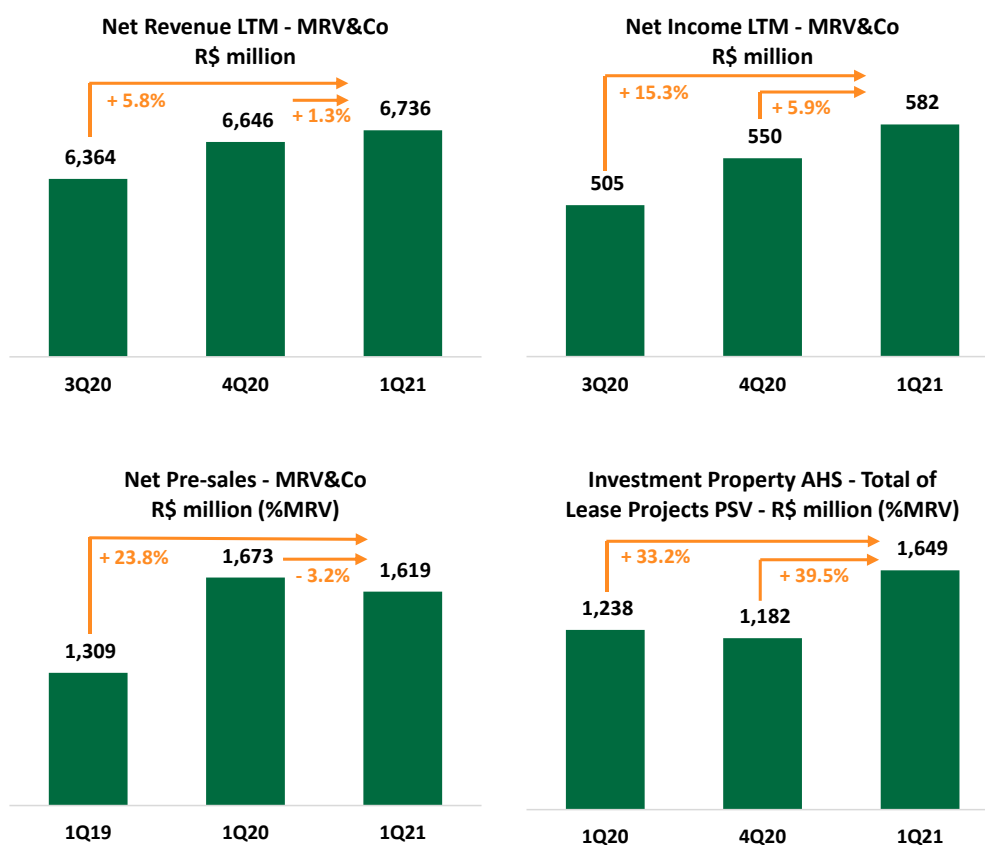
MRV&CO

1st Quarter 2021 Results

Belo Horizonte, May 12, 2021 – MRV Engenharia e Participações S.A. (B3: MRVE3), the largest residential housing developer in Latin America posts its results for the first quarter of 2021. 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

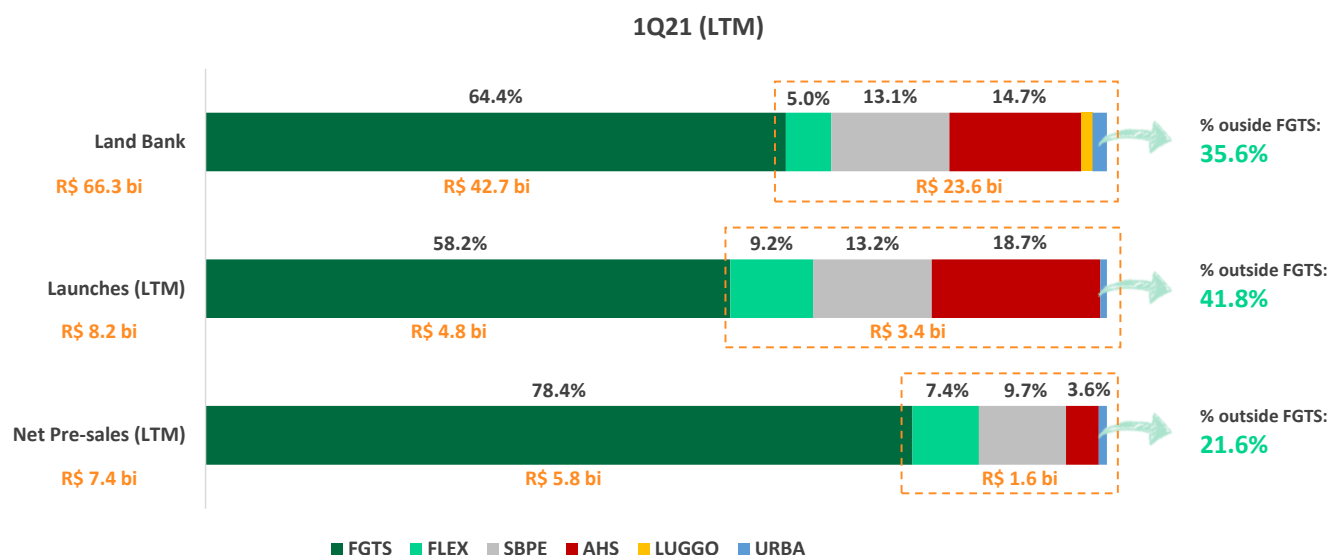
- **MRV&Co's Net Income of R\$ 137 million for the quarter, totaling growth of 30.9% when compared to 1Q20, in which R\$ 146 million.**
- **Highest number of launches in a first quarter in the Company's history, totaling R\$ 1.7 billion in PSV, 9,996 units,** totaling an increase of 58.0% over 1Q20.
- **Net sales of R\$ 1.6 billion, 9,714 units,** the second highest first quarter figures in the Company's history.
- **Steady evolution in the implementation of the Zero Cancellation program, reaching 65% of sales in 1Q21.**
- **Significant advancement of AHS operations, reaching R\$ 1.65 billion in PSV in Rental Investment Properties,** increase of 39.5% from 4Q20 and 33.2% over 1Q20.
- **A total of 10,552 units transferred in the quarter.**



Message from the board

Multifunding Housing Platform:

MRV&Co continues to forge forward with the strategy to diversify multi funding housing platform, recording 21.6% of its sales outside of the CVA (Casa Verde e Amarela) housing program, considering the Company's overall sales in the last 12 months (LTM).



Sensia Incorporadora:

In 1Q21, was launched the first project from Sensia, a MRV&Co Company aimed at the middle-income segment. The Project, based in the city of Campinas, has an estimate PSV of R\$ 108 million and offers 304 units.

With its launch on February 24, 2021, the project has been a great success and registered 101 units sold on the 1Q21, representing a Sales over Offer (SoS) equivalent to 33%.

This result confirms an extremely strong demand, also in the middle-income segment.



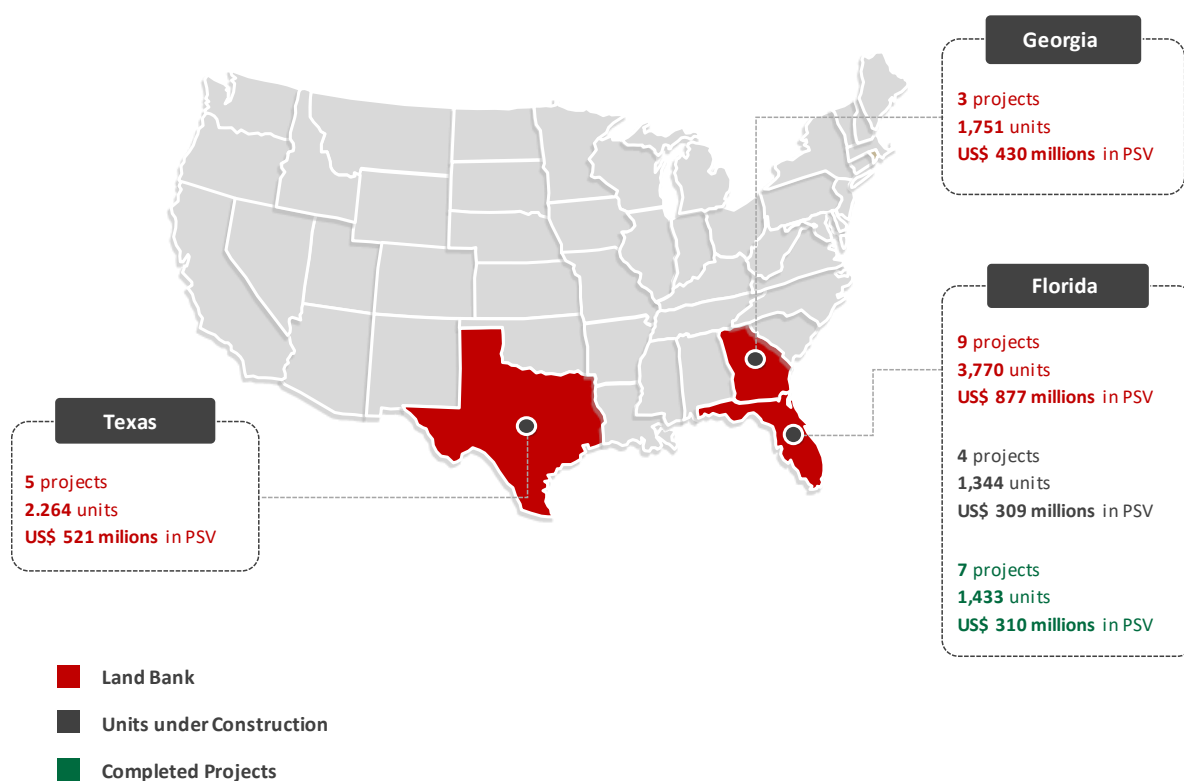
AHS:

AHS continue expanding its operations in the US and already has land plots in the states of Texas, Georgia, and Florida, according to the plan to build 5,000 units a year from 2025.

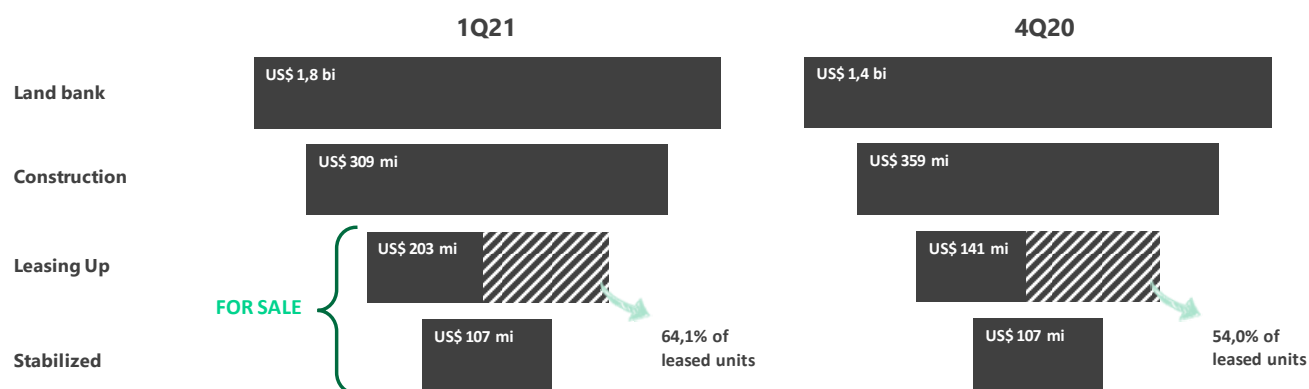
EARNINGS RELEASE

1st Quarter 2021

MRV&CO



The construction of another project was concluded, and the leasing process is already underway. Some 64% of the units in stabilization have been leased out, and the overall PSV, considering both the stabilized projects and those leasing up, has already reached US\$ 310 million.



ESG:

MRV&Co is the leader in the ESG agenda among the Real Estate companies and a benchmark the country, with a long record of investment in important projects linked to Sustainability, Corporate Governance and preservation of the Environment.

Since 2016 the Company has been a signatory of the UN Global Pact, and the Company's sustainability is strongly aligned with the **Sustainable Development Goals** and the 10 driving principles of the **Global Pact**.

Furthermore, **the Company is the only homebuilder that has been part of the Business Sustainability Index (ISE B3) for five consecutive years** - an index that oversees the performance of large-scale companies listed on the B3 market regarding their sustainability practices.

Environment:

Brazilian Waters Project (“Projeto Águas Brasileiras”):

To help revitalize the São Francisco River hydrographic basin, **MRV&Co joined the “Projeto Águas Brasileiras”, to which it will allocate R\$ 1.64 million in order to help the initiatives for the preservation and recovery of degraded and vulnerable areas.**

The decision aims to promote positive environmental impact and high social impact, considering the following SDGs:



Adopt a Park Project (“Adote um Parque”):

In April, MRV&Co signed the protocol of intentions for the adoption of a conservation unit (UC) *Reserva Extrativista* (Resex) *Marinha Cuinarana* through the “Adote um Parque” project. **The reserve located in Pará has 11,107 hectares and aims to preserve and conserve the region's ecosystems.**

Originating from the project, MRV&Co will allocate R\$ 550 thousand in donations for monitoring services, protection of local biodiversity and fire prevention and fighting in Conservation Units (UC) throughout Brazil.

Social:

MRV&Co’s social commitment begins with the mission of **building dreams that transform the world, delivering quality housing to lower income families.** Remaining committed to helping the country, **the Company has donated, in 1Q21, a total of R\$ 3 million for MRV Institute and initiatives aimed at fighting COVID-19.**

EARNINGS RELEASE

1st Quarter 2021



MRV&Co Financial Result

Income Statement MRV&Co - R\$ thousands	1Q21					1Q20				
	MRV (Real Estate Develop.)	Urba (Land Subdivisions)	Luggo (Leased)	AHS (MRV US) (Leased EUA)	Consolidated MRV&Co	MRV (Real Estate Develop.)	Urba (Land Subdivisions)	Luggo (Leased)	AHS (MRV US) (Leased EUA)	Consolidated MRV&Co
Net Revenue	1,569,607	9,042	222	19,065	1,597,936	1,487,023	12,003	-	9,442	1,508,468
Costs of Real Estate Sales and Services	(1,131,244)	(5,545)	(92)	(16,274)	(1,153,155)	(1,069,045)	(6,563)	-	(8,863)	(1,084,471)
Gross Profit	438,363	3,497	130	2,791	444,781	417,978	5,440	-	579	423,997
<i>Gross Margin</i>	27.9%	38.7%	58.6%	14.6%	27.8%	28.1%	45.3%	-	6.1%	28.1%
Operating Income (Expenses)	(278,638)	(6,824)	(1,769)	(12,802)	(300,034)	(277,356)	(4,182)	(1,444)	(7,266)	(290,249)
Selling Expenses	(149,037)	(1,850)	(815)	(453)	(152,155)	(145,508)	(1,611)	(1,062)	(525)	(148,706)
Selling Expenses / Net Revenue	-9.5%	-20.5%	-367.1%	-2.4%	-9.5%	-9.8%	-13.4%	-	-5.6%	-9.9%
General & Administrative Expenses	(94,527)	(5,041)	(468)	(16,419)	(116,455)	(90,129)	(2,959)	(257)	(6,668)	(100,013)
G&A / Net Revenue	-6.0%	-55.7%	-210.8%	-86.1%	-7.3%	-6.1%	-24.7%	-	-70.6%	-6.6%
Other operating income (expenses), net	(30,429)	(217)	(486)	4,070	(27,063)	(30,622)	(112)	(125)	(73)	(30,932)
Equity Income	(4,646)	284	-	-	(4,362)	(11,097)	500	-	-	(10,597)
Income Before Financial Income (Expenses)	159,724	(3,327)	(1,639)	(10,011)	144,747	140,621	1,258	(1,444)	(6,687)	133,748
Financial Results	29,522	790	(18)	5,124	35,418	28,862	610	41	(5,123)	24,390
Financial Expenses	(17,406)	(941)	(23)	(7,051)	(25,421)	(9,879)	(1,014)	(8)	(5,173)	(16,074)
Financial Income	15,410	122	5	12,175	27,712	13,312	367	49	50	13,778
Financial income from receivables ¹	31,518	1,608	-	-	33,127	25,428	1,257	-	-	26,685
Income Before Income Tax and Social Contribution	189,246	(2,537)	(1,657)	(4,887)	180,165	169,483	1,867	(1,403)	(11,810)	158,137
Income Tax and Social Contribution	(33,262)	(351)	(1)	-	(33,615)	(31,847)	(474)	-	-	(32,321)
Net Income	155,984	(2,889)	(1,658)	(4,887)	146,550	137,636	1,393	(1,403)	(11,810)	125,817
Profit Attributable to non-controlling interests	10,309	-	-	(429)	9,880	22,663	-	-	(1,252)	21,411
Profit Attributable to Shareholders of the Company	145,674	(2,889)	(1,658)	(4,458)	136,670	114,973	1,393	(1,403)	(10,558)	104,406
<i>Net Margin</i>	9.3%	-31.9%	-746.8%	-23.4%	8.6%	7.7%	11.6%	-	-111.8%	6.9%

¹Financial income from receivables from real estate development

*Note: The Group's results are presented by corporate type, and not by operating segment, as shown in the Financial Statement, Note 21 – Segment Information.

Consolidated Financial Highlights - MRV&Co (R\$ million)	1Q21	4Q20	1Q20	Chg. 1Q21 x 4Q20	Chg. 1Q21 x 1Q20
Total Net Revenue	1,598	1,702	1,508	6.1% ↓	5.9% ↑
Financial Cost recorded under COGS	34	44	45	24.0% ↓	25.4% ↓
Gross Profit	445	483	424	7.9% ↓	4.9% ↑
Gross Margin (%)	27.8%	28.4%	28.1%	0.5 p.p. ↓	0.3 p.p. ↓
Gross Margin ex. financial cost (%)	30.0%	31.0%	31.1%	1.0 p.p. ↓	1.2 p.p. ↓
Selling Expenses	(152)	(171)	(149)	11.0% ↓	2.3% ↑
Selling Expenses / net revenues (%)	9.5%	10.0%	9.9%	0.5 p.p. ↓	0.3 p.p. ↓
Selling Expenses / net pre-sales (%)	9.4%	8.4%	8.9%	1.0 p.p. ↑	0.5 p.p. ↑
General & Administrative Expenses	(116)	(118)	(100)	1.3% ↓	16.4% ↑
G&A Expenses / net revenues (%)	7.3%	6.9%	6.6%	0.4 p.p. ↑	0.7 p.p. ↑
G&A Expenses / net pre-sales (%)	7.2%	5.8%	6.0%	1.4 p.p. ↑	1.2 p.p. ↑
Equity Income	(4)	(8)	(11)	44.5% ↓	58.8% ↓
EBITDA	211	327	203	35.5% ↓	4.2% ↑
EBITDA Margin (%)	13.2%	19.2%	13.4%	6.0 p.p. ↓	0.2 p.p. ↓
Net Income	137	196	104	30.3% ↓	30.9% ↑
Net Margin (%)	8.6%	11.5%	6.9%	3.0 p.p. ↓	1.6 p.p. ↑
Earnings per share (R\$)	0.283	0.408	0.222	30.6% ↓	27.3% ↑
ROE (LTM)	10.5%	10.2%	12.4%	0.2 p.p. ↑	1.9 p.p. ↓
ROE (annualized)	9.6%	13.9%	8.2%	4.3 p.p. ↓	1.4 p.p. ↑
Unearned Gross Sales Revenues	2,576	2,512	1,847	2.5% ↑	39.5% ↑
(-) Unearned Costs of Units Sold	(1,600)	(1,527)	(1,112)	4.8% ↑	43.9% ↑
Unearned Results	976	985	735	0.9% ↓	32.8% ↑
% Unearned Margin	37.9%	39.2%	39.8%	1.3 p.p. ↓	1.9 p.p. ↓
Cash Generation	(384)	174	(328)	-	17.0% ↓

EARNINGS RELEASE

1st Quarter 2021

MRV&CO

Operational Performance

Seeking to provide greater transparency and visibility to all MRV&Co's business lines, the group's financial results will be presented on a consolidated basis, followed by the respective individual openings.

LAUNCHES - MRV&Co

Launches (%MRV)	1Q21	4Q20	1Q20	Chg. 1Q21 x 4Q20	Chg. 1Q21 x 1Q20
MRV&Co					
Launches (R\$ million)	1,710	2,128	1,083	19.6% ↓	58.0% ↑
Units	9,996	11,908	6,719	16.1% ↓	48.8% ↑
Average Price - R\$'000 / unit	171	179	161	4.2% ↓	6.2% ↑
MRV					
Launches (R\$ million)	1,698	2,128	1,083	20.2% ↓	56.9% ↑
Units	9,926	11,908	6,719	16.6% ↓	47.7% ↑
Average Price - R\$'000 / unit	171	179	161	4.2% ↓	6.2% ↑
Urba					
Launches (R\$ million)	12	-	-	-	-
Units	70	-	-	-	-
Average Price - R\$'000 / unit	174	-	-	-	-
Luggo					
Launches (R\$ million)	-	-	-	-	-
Units	-	-	-	-	-
Average Price - R\$'000 / unit	-	-	-	-	-
AHS¹					
Launches (R\$ million)	-	-	-	-	-
Units	-	-	-	-	-
Average Price - R\$'000 / unit	-	-	-	-	-

¹ Considers the PTAX (BRLUSD) of the closing period

MRV&Co:

1Q21 was highlighted by the Company registering a record volume of launches in a first quarter in the Company's history. As a result of robust movement in the real estate market, once again reaffirming the resilience of the affordable and middle-income segments, MRV&Co remains dedicated to expanding its operations across all of its business lines, supported by a **58.0% growth in launches when comparing the same period of the previous year, totaling R\$ 1.71 billion in launched PSV.**

EARNINGS RELEASE

1st Quarter 2021

MRV&CO

NET PRE-SALES - MRV&Co

Net-Pre Sales (%MRV)	1Q21	4Q20	1Q20	Chg. 1Q21 x 4Q20	Chg. 1Q21 x 1Q20
MRV&Co					
Net Pre-sales (R\$ million)	1,619	2,036	1,673	20.4% ↓	3.2% ↓
Units	9,714	11,175	10,541	13.1% ↓	7.8% ↓
Average Price - R\$'000 / unit	167	182	159	8.5% ↓	5.0% ↑
MRV					
Net Pre-sales (R\$ million)	1,609	1,752	1,669	8.2% ↓	3.6% ↓
Units	9,645	10,827	10,493	10.9% ↓	8.1% ↓
Average Price - R\$'000 / unit	167	162	159	3.1% ↑	4.9% ↑
Sales over supply (%) - net sales	17.4%	18.6%	16.5%	1.2 p.p. ↓	0.8 p.p. ↑
Urba					
Net Pre-sales (R\$ million)	10	12	4	15.7% ↓	176.9% ↑
Units	69	91	47	24.6% ↓	45.5% ↑
Average Price - R\$'000 / unit	151	135	79	11.7% ↑	90.2% ↑
Luggo					
Net Pre-sales (R\$ million)	-	-	-	-	-
Units	-	-	-	-	-
Average Price - R\$'000 / unit	-	-	-	-	-
AHS¹					
Net Pre-sales (R\$ million)	-	271	-	100.0% ↓	-
Units	-	257	-	100.0% ↓	-
Average Price - R\$'000 / unit	-	1,054	-	100.0% ↓	-

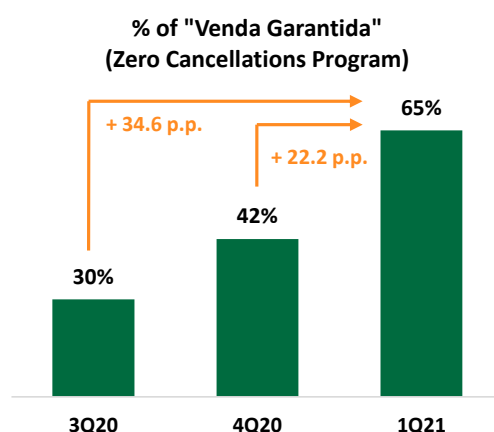
¹ Considers the PTAX (BRLUSD) of the closing period

MRV (Real Estate Development in Brasil):

The first quarter in 2021 witnessed MRV's development operations tally the second highest value of net pre-sales in a first quarter in the Company's history. It has been viewed as a significant result, particularly when considering the effect of the evolution of **implementing the Zero Cancellation Program that has reached 65% of the total volume of pre-sales** for the quarter.

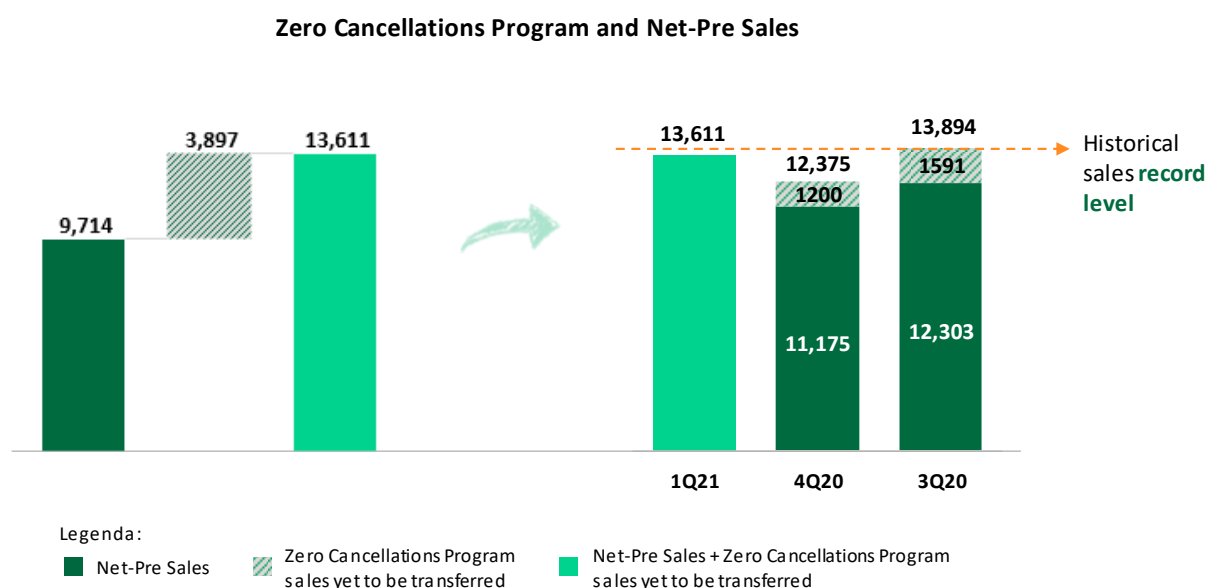
Zero Cancellations Program ("Venda Garantida"):

Through the process of Zero Cancellation Program (Venda Garantida), pre-sales are only accounted for after the client has been transferred to the financing institution, which removes any possibility of cancellation. The Company resumed the gradual implementation of this sales process in 3Q20.

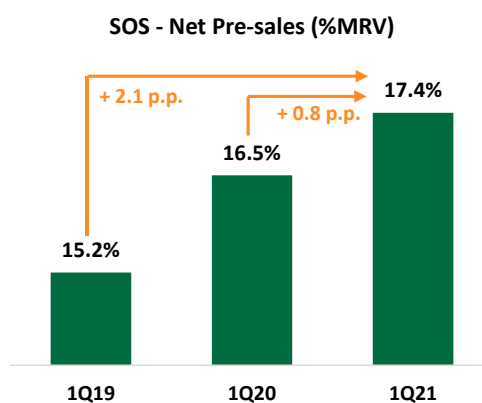
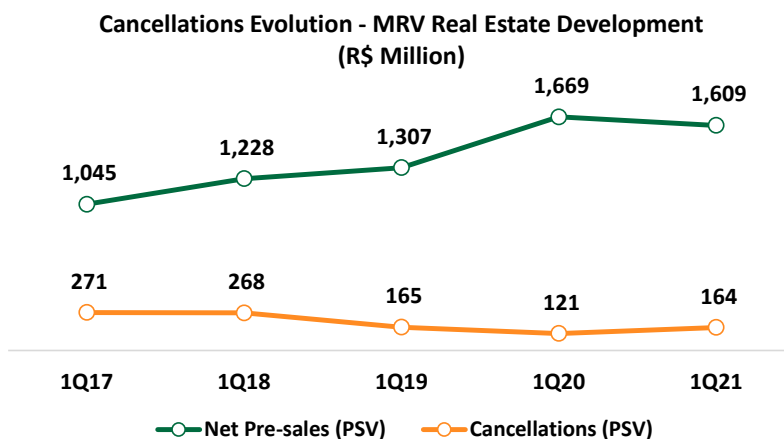


Due to the dynamic of transfers observed in 1Q21, the Company registered 3,897 pre-sales under the Zero Cancellation Program, with clients signing contracts, but not yet transferred within the quarter. **Consequently, the total volume of registered pre-sales did not match the actual volume pre-sold for the same period.** This is a natural effect of the implementation of the Zero Cancellation Program, which was also observed in 4Q20 (1,200 units).

The evolution of pre-sales over the last quarters, adjusted for this Zero Cancellation effect has been illustrated in the graph below:

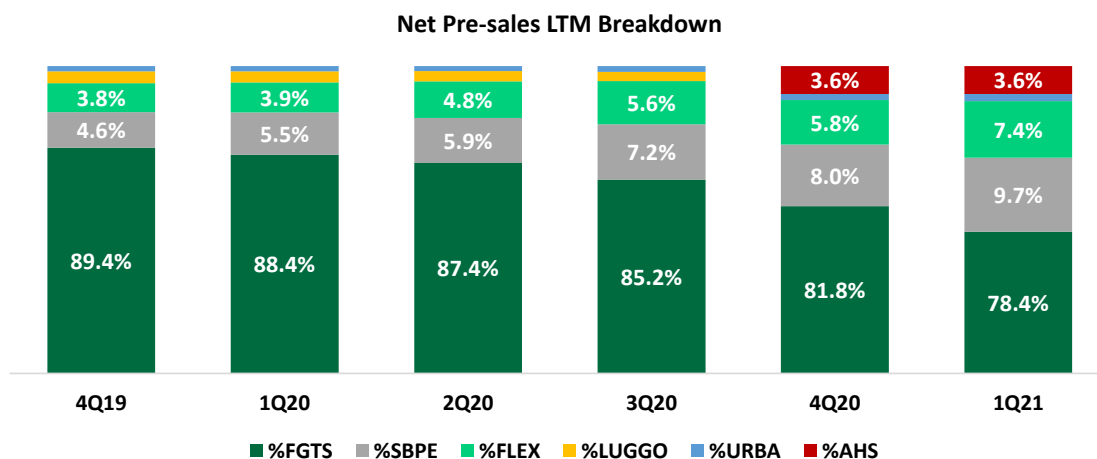


Upon analyzing the pre-sales actually carried out for the quarter, we can see that **pre-sales have remained steady in 1Q21, at similar levels as those registered in 3Q20, when the Company saw record-breaking sales.**



Diversification - Housing Platform:

The Company's diversification strategy for products and funding has continued to ramp up over each quarter, steadily reducing the Company's activities in just one segment, **thus expanding into new segments and consolidating the Company by creating a truly Multifunding Housing Platform in the form of MRV&Co.**



CASH GENERATION- MRV&Co

Cash Generation (%MRV)	1Q21	4Q20	1Q20	Chg. 1Q21 x 4Q20	Chg. 1Q21 x 1Q20
MRV&Co					
Cash Generation (R\$ million)	(384.1)	174.2	(328.3)	-	17.0% ↓
MRV					
Cash Generation (R\$ million)	(30.7)	111.7	(163.9)	-	81.3% ↑
Urba					
Cash Generation (R\$ million)	(6.8)	(18.3)	(8.1)	63.0% ↑	15.9% ↑
Luggo					
Cash Generation (R\$ million)	(27.6)	(12.4)	(9.7)	121.8% ↓	184.7% ↓
AHS¹					
Cash Generation (R\$ million)	(319.0)	93.2	(146.6)	-	117.6% ↓

¹ Considers the PTAX (BRLUSD) of the closing period

MRV&Co Consolidated:

Resulting from the inflated cost of construction materials, the Company opted to ramp up purchasing and stock some of the raw materials needed on the Company's construction sites, in order to guarantee price points and avoid interruptions in the supply chain. As a result, additional costs were incurred in cash flow that impacted cash generation for the quarter.

Another effect that impacted cash generation negatively was the performance of transfers in the first months of 1Q21, particularly in the month of January. Most importantly, transfers returned to normal levels in March.

On January 28, R\$ 100 million was paid as extraordinary dividends referring the 2019 earnings account.

AHS, Luggo e Urba:

Regarding AHS, Luggo and Urba activities, due to the moment of intense growth for these lines of business, as well as their normal cash flow, it is natural to witness above average cash consumption during the construction of developments and then see cash generation increase from ensuing sales.

LANDBANK - MRV&Co

Land Bank (%MRV)	1Q21	4Q20	1Q20	Chg. 1Q21 x 4Q20	Chg. 1Q21 x 1Q20
MRV&Co					
Land Bank (R\$ billion)	66.3	63.8	57.6	3.9% ↑	15.0% ↑
Units	342,843	348,926	332,640	1.7% ↓	3.1% ↑
Average Price - R\$'000 / unit	193	183	173	5.7% ↑	11.6% ↑
MRV					
Land Bank (R\$ billion)	54.7	55.7	51.1	1.8% ↓	7.1% ↑
Units	321,810	329,567	319,936	2.4% ↓	0.6% ↑
Average Price - R\$'000 / unit	170	169	160	0.6% ↑	6.5% ↑
Urba					
Land Bank (R\$ billion)	1.1	1.1	0.6	2.7% ↓	78.4% ↑
Units	10,259	11,230	5,861	8.7% ↓	75.0% ↑
Average Price - R\$'000 / unit	104	98	102	6.5% ↑	1.9% ↑
Luggo					
Land Bank (R\$ billion)	0.8	0.6	0.4	32.6% ↑	83.7% ↑
Units	3,513	2,768	2,052	26.9% ↑	71.2% ↑
Average Price - R\$'000 / unit	230	220	214	4.4% ↑	7.3% ↑
AHS¹					
Land Bank (R\$ billion)	9.7	6.4	5.5	50.9% ↑	75.1% ↑
Units	7,261	5,361	4,791	35.5% ↑	51.6% ↑
Average Price - R\$'000 / unit	1,338	1,201	1,158	11.4% ↑	15.5% ↑

¹ Considers the PTAX (BRLUSD) of the closing period

MRV&Co Consolidated:

With the Company's land bank totaling R\$ 66.3 billion, the MRV&Co housing platform is fully prepared to ramp up operations and reach a level of 80,000 annual units within the upcoming years.

Strategically, MRV&Co has set its sights in acquiring property aiming to shape its land bank to suit its multi-funding housing platform.

AHS:

The AHS Residential operation continues to follow its geographic expansion plan in the United States and, in 1Q21, acquired 3 new properties in the state of Texas, 2 in the city of Dallas and 1 in the city of Austin, totaling 876 units and US\$ 204 million in estimated PSV.

After this acquisition, AHS hold land banks in the states of Florida, Texas, and Georgia, valued at a total of US\$ 9.7 billion in PSV, or some 7,261 units.

PRODUCTION - MRV&Co

Production (%MRV)	1Q21	4Q20	1Q20	Chg. 1Q21 x 4Q20	Chg. 1Q21 x 1Q20
MRV&Co					
Built Units	9,191	9,849	8,070	6.7% ↓	13.9% ↑
Finished units	10,437	10,543	9,429	1.0% ↓	10.7% ↑
MRV					
Built Units	8,724	9,379	7,825	7.0% ↓	11.5% ↑
Finished units	10,437	10,491	9,429	0.5% ↓	10.7% ↑
Urba					
Built Units	101	144	42	30.1% ↓	138.5% ↑
Finished units	-	52	-	100.0% ↓	-
Luggo					
Built Units	174	175	60	0.5% ↓	190.7% ↑
Finished units	-	-	-	-	-
AHS					
Built Units	192	151	143	26.7% ↑	34.1% ↑
Finished units	-	-	-	-	-

REAL ESTATE FINANCING - MRV&Co

Real Estate Financing (%MRV)	1Q21	4Q20	1Q20	Chg. 1Q21 x 4Q20	Chg. 1Q21 x 1Q20
MRV&Co ¹					
Client Financing (units)	10,552	11,659	6,752	9.5% ↓	56.3% ↑
MRV					
Client Financing (units)	10,516	11,659	6,752	9.8% ↓	55.7% ↑
Urba					
Client Financing (units)	36	-	-	-	-

EARNINGS RELEASE

1st Quarter 2021

MRV&CO

INVENTORY AT MARKET VALUE - MRV

Inventory at Market Value (%MRV)	1Q21	4Q20	1Q20	Chg. 1Q21 x 4Q20	Chg. 1Q21 x 1Q20
MRV¹					
Inventory at Market Value (R\$ billion)*	7.84	7.56	8.26	3.7% ↑	5.2% ↓
Inventory Duration **	4.8	4.3	4.9	13.0% ↑	2.0% ↓
By Construction phase (units)					
Not initiated	19%	13%	9%	5.8 p.p. ↑	10.1 p.p. ↑
Under construction	78%	84%	87%	6.0 p.p. ↓	9.2 p.p. ↓
Finished	3%	2%	3%	0.2 p.p. ↑	0.9 p.p. ↓

¹ Considers only Inventory at Market Value from MRV's Real Estate Development

* Only launches. Does not include landbank.

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

INVESTMENT PROPERTY - MRV&Co

Under Construction - Investment Property (%MRV)	1Q21	4Q20	1Q20	Chg. 1Q21 x 4Q20	Chg. 1Q21 x 1Q20
MRV&Co					
Number of Projects	10	11	5	8.0% ↓	105.0% ↑
Units Under Construction	2,492	2,710	1,069	8.0% ↓	133.1% ↑
Balance of Constructed Units	846	707	202	19.6% ↑	318.6% ↑
% of Projects Progression	33.9%	26.1%	18.9%	7.9 p.p. ↑	15.0 p.p. ↑
Market Value at Stabilization (R\$ million)	1,875	1,948	827	3.7% ↓	126.7% ↑
Luggo					
Number of Projects	6	6	2	0.0% ↑	200.0% ↑
Units Under Construction	1,238	1,238	432	0.0% ↑	186.6% ↑
Balance of Constructed Units	498	323	59	54.0% ↑	743.4% ↑
% of Projects Progression	40.2%	26.1%	13.7%	14.1 p.p. ↑	26.5 p.p. ↑
Market Value at Stabilization (R\$ million)	231	239	87	3.2% ↓	166.4% ↑
AHS					
Number of Projects	4	5	3	18.5% ↓	35.9% ↑
Units Under Construction	1,254	1,472	637	14.8% ↓	96.8% ↑
Balance of Constructed Units	348	384	143	9.3% ↓	143.4% ↑
% of Projects Progression	27.8%	26.1%	22.4%	1.7 p.p. ↑	5.3 p.p. ↑
Market Value at Stabilization (R\$ million)	1,644	1,709	740	3.8% ↓	122.0% ↑
Market Value at Stabilization (US\$ million)	289	329	142	12.3% ↓	102.6% ↑

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Leased - Investment Property (%MRV)*	1Q21	4Q20	1Q20	Chg. 1Q21 x 4Q20	Chg. 1Q21 x 1Q20
AHS					
<i>Leasing Up</i>					
Number of Projects	4	3	3	35.9% ↑	35.9% ↑
Available Units	824	567	637	45.4% ↑	29.3% ↑
Leased Units	528	306	277	72.5% ↑	90.4% ↑
% Leased Units	64.1%	54.0%	43.5%	10.1 p.p. ↑	20.6 p.p. ↑
Market Value at Stabilization (R\$ million)	1,080	672	738	60.8% ↑	46.4% ↑
Market Value at Stabilization (US\$ million)	190	129	142	46.7% ↑	33.5% ↑
<i>Stabilized</i>					
Number of Projects	3	3	3	1.9% ↑	1.9% ↑
Available Units	513	503	503	1.9% ↑	1.9% ↑
Leased Units	499	481	493	3.7% ↑	1.2% ↑
% Leased Units	97.3%	95.6%	98.0%	1.6 p.p. ↑	0.7 p.p. ↓
Market Value at Stabilization (R\$ million)	569	510	500	11.4% ↑	13.7% ↑
Market Value at Stabilization (US\$ million)	100	98	96	1.6% ↑	3.8% ↑

*Luggo does not own leased projects that has not already been sold to LUGG11

Financial Performance – MRV&Co

Seeking to provide greater transparency and visibility to all MRV&Co's business lines, the group's financial results will be presented on a consolidated basis, followed by the respective individual openings.

Net Operational Revenue and Gross Profit

Net Revenue and Gross Profit (R\$ million)	1Q21	4Q20	1Q20	Chg. 1Q21 x 4Q20	Chg. 1Q21 x 1Q20
MRV&Co					
Total Net Revenue	1,598	1,702	1,508	6.1% ↓	5.9% ↑
Cost of Real Estate Sales and Services	(1,153)	(1,219)	(1,084)	5.4% ↓	6.3% ↑
Gross Profit	445	483	424	7.9% ↓	4.9% ↑
Gross Margin (%)	27.8%	28.4%	28.1%	0.5 p.p. ↓	0.3 p.p. ↓
MRV					
Total Net Revenue	1,570	1,665	1,487	5.7% ↓	5.6% ↑
Cost of Real Estate Sales and Services	(1,131)	(1,192)	(1,069)	5.1% ↓	5.8% ↑
Gross Profit	438	474	418	7.4% ↓	4.9% ↑
Gross Margin (%)	27.9%	28.4%	28.1%	0.5 p.p. ↓	0.2 p.p. ↓
Urba					
Total Net Revenue	9	17	12	45.8% ↓	24.7% ↓
Cost of Real Estate Sales and Services	(6)	(11)	(7)	49.7% ↓	15.5% ↓
Gross Profit	3	6	5	38.0% ↓	35.7% ↓
Gross Margin (%)	38.7%	33.8%	45.3%	4.8 p.p. ↑	6.6 p.p. ↓
Luggo					
Total Net Revenue	0.2	-	-	-	-
Cost of Real Estate Sales and Services	(0.1)	-	-	-	-
Gross Profit	0.1	-	-	-	-
Gross Margin (%)	58.6%	-	-	-	-
AHS (MRV US)*					
Total Net Revenue	19	20	9	6.1% ↓	101.9% ↑
Cost of Real Estate Sales and Services	(16)	(17)	(9)	3.6% ↓	83.6% ↑
Gross Profit	3	3	1	18.5% ↓	382.0% ↑
Gross Margin (%)	14.6%	16.9%	6.1%	2.2 p.p. ↓	8.5 p.p. ↑

*AHS and Luggo sold projects results are not accounted for in Total Net Revenue line, therefore these results are directly under the Other operating (income) expenses line.

** The Gross Margin is a result of the net revenue rental of properties, deducted from Opex and Depreciation.

Net Revenue:

In 1Q21, the Company recorded R\$ 1.6 billion in net revenue, an increase of 5.9% when compared to 1Q20. Advancement was led by an increase in production seen in the year on year comparative.

When compared to 4Q20, we can see an inverse effect, or rather, a drop of 6.1% in net revenue in 1Q21, due to a lower volume in production and net sales. This effect has been seen as a normal seasonal affect in operations, coupled with ramping up the implementation of the Zero Cancellation process mentioned above.

Gross Margin:

MRV, and the construction sector as a whole, has been facing the effects of inflation on the cost of materials over the last three quarters. The Company has managed to set in motion a process of transferring part of the increase in costs to the price of real estate sold in order to offset this effect, although the percentage remains below the percentage necessary to result in increasing gross margins, which should therefore remain at the current level in the upcoming quarters.

The budgets for construction are frequently reviewed and the effects seen by rising costs have already been recorded in the gross margin, as well as in the Company's Unearned Margin (REF).

Always seeking new technologies and construction methods aiming at industrializing the civil engineering, **MRV&Co, a market-leading construtech**, continues to invest in innovations, such as **the adoption of Glass Fiber substituting steel in the concrete walls** in buildings up to five stories, as well as **Dry Wall for internal walls**.

The Company has already concluded all the necessary tests and **has used Glass Fiber in the construction of four projects, having obtained the Technical Assessment Report (DATEC), which approves the use of this material**. By this means, **MRV&Co is ready to roll out the use of this technology on its projects**.

These initiatives allow the Company to significantly reduce the steel and concrete consumption in its projects and are an important way of offsetting the effects of inflation on the cost of materials.

Another important innovation implemented by MRV&Co is the use of the so-called **"Flex Mold", which represents the third generation of the Company's construction process** and was developed to improve productivity and product quality.

Financial Cost recorded under COGS

Financial Cost recorded under COGS (R\$ million)	1Q21	4Q20	1Q20	Chg. 1Q21 x 4Q20	Chg. 1Q21 x 1Q20
MRV&Co					
Financial Cost recorded under COGS	(34)	(44)	(45)	24.0% ↓	25.4% ↓
% of Net Revenue	2.1%	2.6%	3.0%	0.5 p.p. ↓	0.9 p.p. ↓
Gross profit with financial cost	445	483	424	7.9% ↓	4.9% ↑
Gross profit ex.h financial cost	479	527	469	9.2% ↓	2.0% ↑
Gross Margin ex. financial cost (%)	30.0%	31.0%	31.1%	1.0 p.p. ↓	1.2 p.p. ↓

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MRV&CO

Operating Income (Expenses)

Operating Income (Expenses) (R\$ million)	1Q21	4Q20	1Q20	Chg. 1Q21 x 4Q20	Chg. 1Q21 x 1Q20
MRV&Co					
Selling Expenses	(152)	(171)	(149)	11.0% ↓	2.3% ↑
General & Administrative Expenses	(116)	(118)	(100)	1.3% ↓	16.4% ↑
Other operating Income (expenses)	(27)	65	(31)	-	12.5% ↓
Equity Income	(4)	(8)	(11)	44.5% ↓	58.8% ↓
Operating Income (Expenses)	(300)	(232)	(290)	29.4% ↑	3.4% ↑
Selling expenses / Net Revenues (%)	9.5%	10.0%	9.9%	0.5 p.p. ↓	0.3 p.p. ↓
G&A Expenses / Net Revenues (%)	7.3%	6.9%	6.6%	0.4 p.p. ↑	0.7 p.p. ↑
MRV					
Selling Expenses	(149)	(169)	(146)	12.0% ↓	2.4% ↑
General & Administrative Expenses	(95)	(97)	(90)	2.9% ↓	4.9% ↑
Other operating Income (expenses)	(30)	(29)	(31)	6.6% ↑	0.6% ↓
Equity Income	(5)	(9)	(11)	47.5% ↓	58.1% ↓
Operating Income (Expenses)	(279)	(304)	(277)	8.4% ↓	0.5% ↑
Selling expenses / Net Revenues (%)	9.5%	10.2%	9.8%	0.7 p.p. ↓	0.3 p.p. ↓
G&A Expenses / Net Revenues (%)	6.0%	5.8%	6.1%	0.2 p.p. ↑	0.0 p.p. ↓
Urba					
Selling Expenses	(1.9)	(2.4)	(1.6)	21.7% ↓	14.8% ↑
General & Administrative Expenses	(5.0)	(5.1)	(3.0)	1.1% ↓	70.3% ↑
Other operating Income (expenses)	(0.2)	(0.8)	(0.1)	71.8% ↓	94.1% ↑
Equity Income	0.3	1.0	0.5	71.3% ↑	43.2% ↑
Operating Income (Expenses)	(6.8)	(7.2)	(4.2)	5.8% ↓	63.2% ↑
Selling expenses / Net Revenues (%)	20.5%	14.2%	13.4%	6.3 p.p. ↑	7.0 p.p. ↑
G&A Expenses / Net Revenues (%)	55.7%	30.6%	24.7%	25.2 p.p. ↑	31.1 p.p. ↑
Luggo					
Selling Expenses	(0.8)	(0.4)	(1.1)	84.8% ↑	23.3% ↓
General & Administrative Expenses	(0.5)	(0.5)	(0.3)	9.3% ↓	82.1% ↑
Other operating Income (expenses)	(0.5)	(4.3)	(0.1)	88.6% ↓	288.8% ↑
Equity Income	-	-	-	-	-
Operating Income (Expenses)	(1.8)	(5.2)	(1.4)	66.1% ↓	22.5% ↑
Selling expenses / Net Revenues (%)	367.1%	-	-	-	-
G&A Expenses / Net Revenues (%)	210.8%	-	-	-	-
AHS (MRV US)*					
Selling Expenses	(0.5)	1.2	(0.5)	-	13.7% ↓
General & Administrative Expenses	(16.4)	(15.1)	(6.7)	8.6% ↑	146.2% ↑
Other operating Income (expenses)	4.1	98.6	(0.1)	95.9% ↑	-
Equity Income	-	-	-	-	-
Operating Income (Expenses)	(12.8)	84.7	(7.3)	115.1% ↓	76.2% ↑
Selling expenses / Net Revenues (%)	2.4%	-5.8%	5.6%	8.2 p.p. ↑	3.2 p.p. ↓
G&A Expenses / Net Revenues (%)	86.1%	74.5%	70.6%	11.7 p.p. ↑	15.5 p.p. ↑

* The AHS and Luggo Projects sale results are recorded in the Other Operating Income (Expenses) lines

1Q21 registered a total of R\$ 152 million on MRV&Co's Selling Expenses, falling 11.0% when compared to 4Q20 and rising 2.3% when compared to 1Q20. When analyzing Selling Expenses/Net Revenue, the Company saw a dilution representing 0.5 p.p. when compared to 4Q20 and 0.3 p.p. when compared to 1Q20.

MRV&Co's G&A saw figures drop by 1.3% when compared to 4Q20 and increase by 16.4% when compared to 1Q20. It is important to note the increase is a consequence of the expansion of production lines and new business at MRV&Co, such as LUGGO, Urba and AHS business units.

The results of sales from Luggo and AHS developments is registered on the line Other (Expenses) and Operational Revenues. The first quarter in 2021 saw zero sales of developments for either of these companies, which explains the variation of this line from 4Q20, when the sale of the AHS development, Deering Groves, was recorded.

Once again, the quarter saw significant improvement on its Net Equity line, a result of the evolution of the Company's **subsidiaries, Prime and MRL**. In 1Q21, Net Equity increased by 44.5% when compared to 4Q20, and 58.8% when compared to 1Q20.

Financial Result

Financial Result (R\$ million)	1Q21	4Q20	1Q20	Chg. 1Q21 x 4Q20	Chg. 1Q21 x 1Q20
MRV&Co					
Financial Expenses	(25)	(42)	(16)	39.0% ↓	58.2% ↑
Financial Income	28	12	14	125.9% ↑	101.1% ↑
Financial income from receivables	33	33	27	1.6% ↑	24.1% ↑
Financial Result	35	3	24	1002.1% ↑	45.2% ↑

The Company recorded increases in financial revenues coming from clients, when compared to 1Q20, thanks to the correction of the credit portfolio of delivered units, resulting from increases in linked inflation indexes (IGPM and IPCA).

Adjusted Financial Result (R\$ million)	1Q21	4Q20	1Q20	Chg. 1Q21 x 4Q20	Chg. 1Q21 x 1Q20
MRV&Co					
Financial result	35	3	24	1002.1% ↑	45.2% ↑
Financial Cost recorded under COGS	(34)	(44)	(45)	24.0% ↓	25.4% ↓
Adjusted Financial Result	2	(41)	(21)	-	-

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MRV&CO

EBITDA

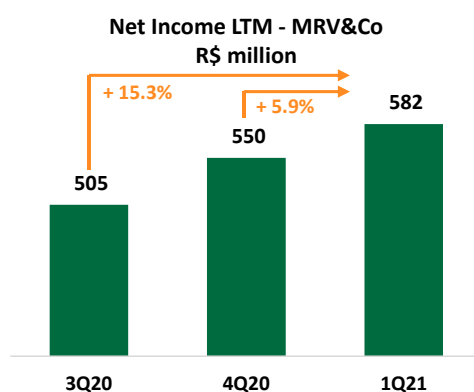
EBITDA (R\$ million)	1Q21	4Q20	1Q20	Chg. 1Q21 x 4Q20	Chg. 1Q21 x 1Q20
MRV&Co					
Income Before Taxes	180	254	158	29.1% ↓	13.9% ↑
(+) Depreciation and Amortization	32	32	23	1.5% ↑	38.4% ↑
(-) Financial Results	35	3	24	1002.1% ↑	45.2% ↑
(+) Financial charges recorded under cost of sales	34	44	45	24.0% ↓	25.4% ↓
EBITDA	211	327	203	35.5% ↓	4.2% ↑
EBITDA Margin (%)	13.2%	19.2%	13.4%	6.0 p.p. ↓	0.2 p.p. ↓

Net Income

Net Income (R\$ million)	1Q21	4Q20	1Q20	Chg. 1Q21 x 4Q20	Chg. 1Q21 x 1Q20
MRV&Co					
Net Income	137	196	104	30.3% ↓	30.9% ↑
% Net Margin	8.6%	11.5%	6.9%	3.0 p.p. ↓	1.6 p.p. ↑

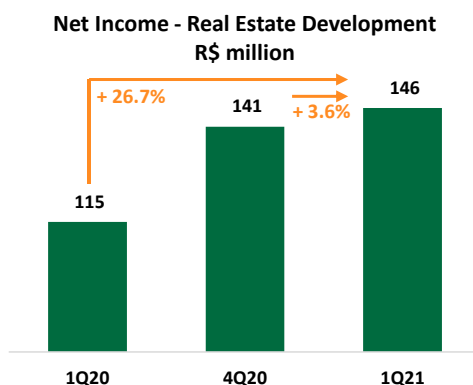
MRV&Co Consolidated:

A significant increase of 15.3% in MRV&Co's Net Profit for the Last Twelve Months (LTM) was registered in 1Q21, over 3Q20. These results confirm the evolution of the MRV&Co operation, as seen below:



MRV Development:

When taking only MRV into consideration, excluding AHS, Luggo and Urba, the Company registered an increase of 26.7% in net profit when compared to 1Q20 and 3.6% over 4Q20.

**Unearned Results**

Unearned Results (R\$ million)	Mar/21	Dec/20	Mar/20	Chg. Mar/21 x Dec/20	Chg. Mar/21 x Mar/20
MRV&Co					
Unearned Gross Sales Revenues	2,576	2,512	1,847	2.5% ↑	39.5% ↑
(-) Unearned Costs of Units Sold	(1,600)	(1,527)	(1,112)	4.8% ↑	43.9% ↑
Unearned Results	976	985	735	0.9% ↓	32.8% ↑
Unearned Results Margin	37.9%	39.2%	39.8%	1.3 p.p. ↓	1.9 p.p. ↓
MRV					
Unearned Gross Sales Revenues	2,567	2,502	1,831	2.6% ↑	40.2% ↑
(-) Unearned Costs of Units Sold	(1,595)	(1,522)	(1,104)	4.8% ↑	44.5% ↑
Unearned Results	972	980	727	0.8% ↓	33.7% ↑
Unearned Results Margin	37.9%	39.2%	39.7%	1.3 p.p. ↓	1.8 p.p. ↓
Urba					
Unearned Gross Sales Revenues	8	10	16	17.9% ↓	47.6% ↓
(-) Unearned Costs of Units Sold	(5)	(6)	(8)	16.9% ↓	40.9% ↓
Unearned Results	4	5	8	19.1% ↓	54.2% ↓
Unearned Results Margin	44.3%	45.0%	50.6%	0.7 p.p. ↓	6.3 p.p. ↓

The reduction to the Company's Unearned Margin (REF) observed in 1Q21 already reflects the revision made in the construction budget and the effect of the current rise in the cost of construction materials.

Balance Sheet – MRV&Co

Cash and Cash Equivalents and Market Securities

Cash and cash equivalents & Market. Securities (R\$ million)	Mar/21	Dec/20	Mar/20	Chg. Mar/21 x Dec/20	Chg. Mar/21 x Mar/20
MRV&Co					
Cash and cash equivalents	1,142	1,081	989	5.6% ↑	15.4% ↑
Marketable Securities	1,348	1,614	936	16.5% ↓	44.0% ↑
Total	2,489	2,695	1,925	7.6% ↓	29.3% ↑

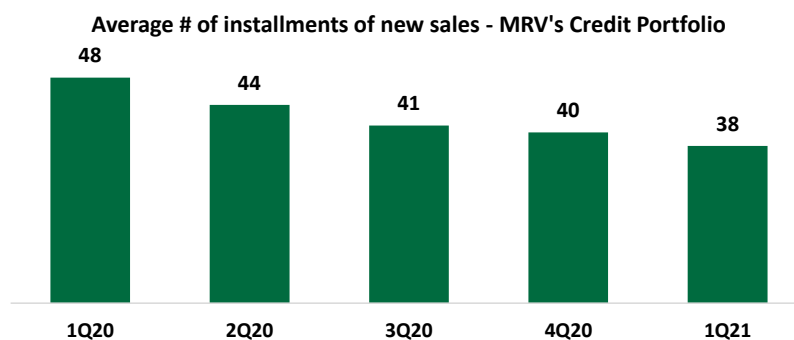
Receivables from Real Estate Development

Receivables from Real Estate Development (R\$ million)	Mar/21	Dec/20	Mar/20	Chg. Mar/21 x Dec/20	Chg. Mar/21 x Mar/20
MRV&Co					
Clients	3,946	3,822	3,371	3.2% ↑	17.0% ↑
Fair value adjustment	(58)	(60)	(64)	3.4% ↓	9.5% ↓
Bad debt provision	(308)	(281)	(235)	9.7% ↑	31.2% ↑
Receivables from real estate development	3,580	3,481	3,072	2.8% ↑	16.5% ↑
Current	1,958	1,840	1,736	6.4% ↑	12.8% ↑
Noncurrent	1,622	1,641	1,336	1.2% ↓	21.3% ↑

MRV's Credit Portfolio (R\$ million)	Mar/21	Dec/20	Mar/20	Chg. Mar/21 x Dec/20	Chg. Mar/21 x Mar/20
After Keys Delivery	1,261	1,195	933	5.5% ↑	35.2% ↑
Before Keys Delivery	1,254	1,178	822	6.4% ↑	52.5% ↑
Total	2,515	2,373	1,755	6.0% ↑	43.3% ↑

Increases registered in MRV&Co's credit portfolio can be explained by the increase in the volume of sales that have been recorded since the outset of 2020. The Company continues to implement a strategy of reducing the percentage of credit conceded by MRV in the sale of each unit, which has gradually decreased the Company's overall risk.

Another important initiative regarding the Company's credit portfolio has been the shortening of the average number of installments of new sales which has been implemented with great success.



Inventories

Inventories (R\$ million)	Mar/21	Dec/20	Mar/20	Chg. Mar/21 x Dec/20	Chg. Mar/21 x Mar/20
MRV&Co					
Properties under construction	2,511	2,430	2,719	3.4% ↑	7.6% ↓
Completed Units	145	120	181	20.9% ↑	19.7% ↓
Land bank	6,024	5,970	5,396	0.9% ↑	11.6% ↑
Advances to Suppliers	96	82	80	17.8% ↑	20.2% ↑
Inventories of supplies	0	0	0	15.7% ↓	1.3% ↓
Total	8,778	8,602	8,376	2.0% ↑	4.8% ↑
Current	3,924	3,741	3,891	4.9% ↑	0.8% ↑
Non-current	4,854	4,861	4,485	0.1% ↓	8.2% ↑
MRV					
Properties under construction	2,452	2,396	2,671	2.3% ↑	8.2% ↓
Completed Units	121	95	148	27.0% ↑	18.2% ↓
Land bank	5,829	5,757	5,186	1.2% ↑	12.4% ↑
Advances to Suppliers	88	74	74	19.1% ↑	18.5% ↑
Inventories of supplies	0	0	0	15.7% ↓	1.3% ↓
Total	8,490	8,323	8,079	2.0% ↑	5.1% ↑
Current	3,775	3,615	3,803	4.4% ↑	0.7% ↓
Non-current	4,715	4,708	4,276	0.2% ↑	10.3% ↑
Urba					
Properties under construction	59	34	48	75.7% ↑	22.9% ↑
Completed Units	24	25	33	2.5% ↓	26.5% ↓
Land bank	196	213	210	8.1% ↓	7.0% ↓
Advances to Suppliers	6	6	5	9.3% ↑	17.3% ↑
Inventories of supplies	-	-	0	-	100.0% ↓
Total	285	277	297	3.0% ↑	3.9% ↓
Current	147	124	88	18.3% ↑	66.7% ↑
Non-current	138	153	209	9.5% ↓	33.6% ↓
Luggo					
Properties under construction	-	-	-	-	-
Completed Units	-	-	-	-	-
Land bank	-	-	-	-	-
Advances to Suppliers	2	2	1	0.8% ↓	223.1% ↑
Inventories of supplies	-	-	-	-	-
Total	2	2	1	0.8% ↓	223.1% ↑
Current	2	2	1	0.8% ↓	223.1% ↑
Non-current	-	-	-	-	-

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MRV&CO

Investment Property

Investment Property (R\$ million)	Mar/21	Dec/20	Mar/20	Chg. Mar/21 x Dec/20	Chg. Mar/21 x Mar/20
MRV&Co					
Buildings*	969	889	709	9.0% ↑	36.6% ↑
Real Estate under Construction	984	644	359	52.8% ↑	173.9% ↑
Land Bank	376	265	367	41.9% ↑	2.4% ↑
Total Investment Property	2,329	1,798	1,436	29.5% ↑	62.2% ↑
Luggo					
Buildings	-	-	-	-	-
Real Estate under Construction	114	82	26	38.4% ↑	345.1% ↑
Land Bank	142	104	32	36.2% ↑	339.2% ↑
Total Investment Property	256	187	58	37.2% ↑	341.8% ↑
AHS (MRV US)					
Buildings*	969	889	709	9.0% ↑	36.6% ↑
Real Estate under Construction	870	562	334	54.9% ↑	160.7% ↑
Land Bank	234	161	335	45.6% ↑	30.1% ↓
Total Investment Property	2,073	1,611	1,378	28.6% ↑	50.4% ↑

*Includes MRV US Investment Properties registered in as "Investment Property - Noncurrent Assets held for sale"

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MRV&CO

Net Debt

Net Debt (R\$ million)	Mar/21	Dec/20	Mar/20	Chg. Mar/21 x Dec/20	Chg. Mar/21 x Mar/20
MRV&Co					
Total debt	5,011	4,652	4,101	7.7% ↑	22.2% ↑
(-) Cash and cash equivalents & Marketable Securities	(2,489)	(2,695)	(1,925)	7.6% ↓	29.3% ↑
(+/-) Derivative Financial Instruments	(42)	(53)	(42)	20.9% ↓	0.6% ↓
Net Debt	2,480	1,904	2,133	30.3% ↑	16.2% ↑
Total Shareholders' Equity	6,058	6,035	5,698	0.4% ↑	6.3% ↑
Net Debt / Total Shareholders' Equity	40.9%	31.5%	37.4%	9.4 p.p. ↑	3.5 p.p. ↑
EBITDA LTM	1,015	1,007	941	0.8% ↑	7.9% ↑
Net Debt / EBITDA LTM	2.44x	1.89x	2.27x	29.2% ↑	7.8% ↑
MRV + Urba + Luggo					
Total debt	3,298	3,419	3,065	3.5% ↓	7.6% ↑
(-) Cash and cash equivalents & Marketable Securities	(2,290)	(2,542)	(1,770)	9.9% ↓	29.4% ↑
(+/-) Derivative Financial Instruments	(45)	(67)	(42)	33.6% ↓	5.0% ↑
Net Debt	964	810	1,252	19.1% ↑	23.0% ↓
Total Shareholders' Equity	5,508	5,528	5,246	0.4% ↓	5.0% ↑
Net Debt / Total Shareholders' Equity	17.5%	14.6%	23.9%	2.9 p.p. ↑	6.4 p.p. ↓
EBITDA LTM	930	922	941	0.8% ↑	1.2% ↓
Net Debt / EBITDA LTM	1.04x	0.88x	1.33x	18.1% ↑	22.0% ↓
AHS (MRV US)					
Total debt	1,713	1,232	1,036	39.0% ↑	65.3% ↑
(-) Cash and cash equivalents & Marketable Securities	(200)	(152)	(155)	31.3% ↑	28.5% ↑
(+/-) Derivative Financial Instruments	2	14	-	82.8% ↓	-
Net Debt	1,515	1,094	881	38.6% ↑	72.0% ↑
Total Shareholders' Equity	550	506	452	8.7% ↑	21.7% ↑
Net Debt / Total Shareholders' Equity	275.5%	216.1%	195.0%	59.4 p.p. ↑	80.5 p.p. ↑
EBITDA LTM	85	85	-	1.1% ↑	-
Net Debt / EBITDA LTM	17.72x	12.93x	-	37.1% ↑	-

Debt in Local Currency

Debt in Local Currency (R\$ million)	Maturity	Contractual Rate (p.a)	Balance Due	
			Mar/21	Dec/20
MRV Incorporação Imobiliária				
Debentures - 9th Issuance (2nd serie)	02/20 to 02/22	CDI + 2.30%	199	301
Debentures - 9th Issuance (3rd serie)	02/2022	132.2% CDI	99	101
Debentures - 11th Issuance (2nd serie)	09/21 to 09/22	CDI + 1.50%	214	216
Debentures - 11th Issuance (3rd serie)	09/23 and 09/24	122.1% CDI	151	152
Debentures - 12th Issuance (1st serie)	07/2023	CDI + 1.40%	300	303
Debentures - 12th Issuance (2nd serie)	07/24 and 07/25	CDI + 1.70%	52	52
Debentures - 12th Issuance (3rd serie)	07/2023	CDI + 1.50%	110	111
Debentures - 12th Issuance (4th serie)	07/2023	CDI + 1.50%	84	84
Debentures - 15th Issuance	11/22 to 11/25	CDI + 1.06%	302	300
Debentures - 16th Issuance	04/23 to 04/25	CDI + 1.50%	101	100
Debentures - 17th Issuance	04/21 to 04/23	CDI + 3.00%	50	50
Debentures - 18th Issuance	08/2025	CDI + 2.40%	499	504
13th issue of debentures that back CRI operations	09/23 to 09/24	100% CDI	293	292
14th issue of debentures that back CRI operations	04/23 to 04/25	100.4% CDI	359	357
Working capital (MRV)	04/21 and 04/22	CDI + 3.10%	202	202
1st Promissory note - 2st Series	05/2021	CDI + 2.50%	101	100
Leasing	03/18 to 05/23	CDI + 2.00% to + 2.93%	9	10
Corporate Debt – CDI			3,124	3,234
Construction Financing	01/21 to 09/24	TR + 8.30%	11	23
Construction Finance - TR			11	23
Urba				
Debentures - 2nd Issuance (Urba)	06/21 to 06/23	CDI + 1.22%	60	60
Debentures - 4nd Issuance (Urba)	04/22 to 04/25	CDI + 1.50%	40	40
3rd issue of Urba debentures that back CRI operations	03/2024	CDI + 0.20%	58	58
Corporate Debt – CDI			159	158
Working capital (Urba) - TR	04/16 to 03/23	TR + 13.29%	4	4
Construction Finance - TR			4	4
Total Debt in Local Currency				
			3,298	3,419

Subsequent Event:

According to the [Material Fact](https://ri.mrv.com.br/en/cvm-publications/relevant-facts/)¹ published by the Company, on April 23, 2021, **the Company issued real estate receivables certificates (“CRI”) totaling 400,000 (four hundred thousand)** backed by the 19th debenture issuance of simple, non-convertible shares, **in the amount of R\$ 400,000,000 (four hundred million Brazilian Reals) to mature on April 15, 2031** with the balance of nominal unitary value of debentures amortized in annual successive installments, beginning in on April 16, 2029.

The updated Unit Nominal Value of the debentures will bear interest corresponding to the percentage of 5.4328% per year. **Furthermore, the Company contracted a swap operation for the Debentures to CDI + 1.65% per year.**

¹ <https://ri.mrv.com.br/en/cvm-publications/relevant-facts/>

Debt Maturity Schedule in local currency

(R\$ million)	Construction Financing	Corporate Debt*	Total
12 months	4	652	655
13 to 24 months	11	339	350
25 to 36 months	1	966	967
37 to 48 months	0	679	679
Over 48 months	-	647	647
Total Debt	15	3,283	3,298

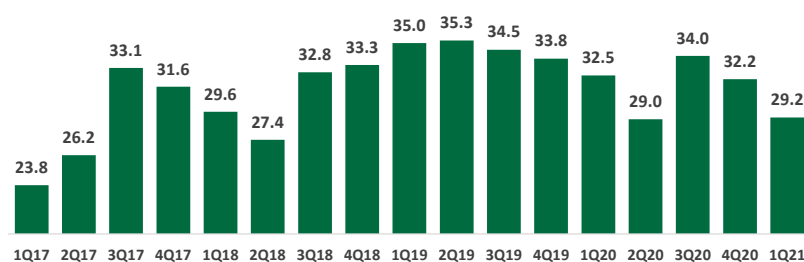
*Include leases and Finame

Weighted Average Debt Cost in local currency

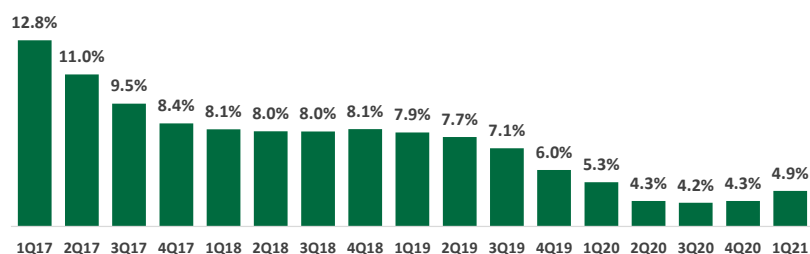
Debt in Local Currency (R\$ million)	Debit Balance Mar/21	Balance Due / Total (%)	Average Cost
CDI	3,283	99.5%	CDI + 2.62%
TR	15	0.5%	TR + 6.16%
Total	3,298	100.0%	4.87%

Debt Breakdown in local currency

Corporate Debt Duration in local currency (months)



Weighted Average Debt Cost in local currency (a.p.r.)



Debt Breakdown in foreign currency

(US\$ thousands)	Maturity	Contractual rate (p.a.)	Balance Due Mar/21	Balance Due Converted in R\$ thousands Mar/21
Construction Financing <i>(equivalent to Brazilian SFH)</i>			184,402	1,050,594
Construction Loan			95,485	544,004
Coral Reef	February, 2022	LIBOR 1M + 2.00%	23,213	132,251
Pine Groves	April, 2022	LIBOR 1M + 2.25%	17,947	102,250
Tamiami Landings	September, 2022	LIBOR 1M + 2.25%	27,773	158,232
Banyan Ridge	March, 2022	LIBOR 1M + 2.15%	26,551	151,270
Permanent Loan			88,917	506,589
Mangonia Lake	May, 2023	LIBOR 1M + 2.25%	28,500	162,373
Princeton Groves	October, 2027	Fixed at 4.38%	24,189	137,810
Lake Worth	May, 2026	Fixed at 3.95%	23,300	132,745
Lake Osborne	December, 2027	Fixed at 4.63%	12,929	73,661
Corporate Debt			117,406	668,897
Credit Line	April, 2021	LIBOR 1M + 3.00%	-	-
Vehicle Loan	December, 2022	Fixed at 5.94%	32	184
Itau Bond Debt	February, 2025	Fixed at 3.80% to 4.00%	117,374	668,713
Funding Costs			(1,170)	(6,665)
Total			300,638	1,712,825

Debt Maturity Schedule in foreign currency (US\$ Million)

Maturity	Construction Loan (US\$ thousands)	Permanent Loan (US\$ thousands)	Corporate Debt (US\$ thousands)	Funding Costs (US\$ thousands)	Total (US\$ thousands)	Total Converted (R\$ thousands)
12 months	49,764	1,099	399	(268)	50,995	290,533
13 to 24 months	45,720	1,148	6	(268)	46,606	265,530
25 to 36 months	-	29,691	-	(204)	29,487	167,996
37 to 48 months	-	1,250	47,000	(188)	48,062	273,823
After 48 months	-	55,729	70,000	(240)	125,488	714,944
Total	95,485	88,917	117,406	(1,170)	300,638	1,712,825

Covenants & Corporate Risk

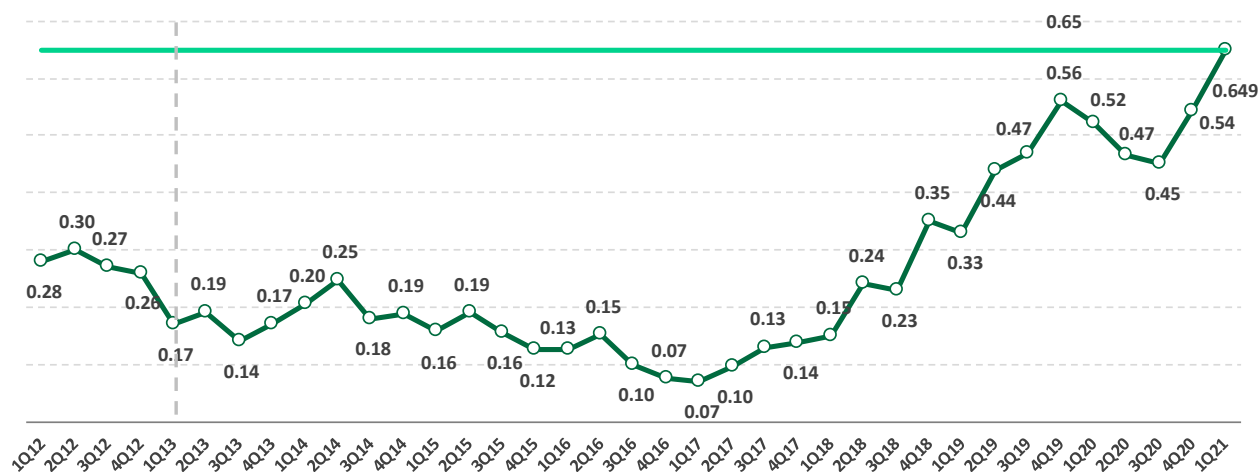


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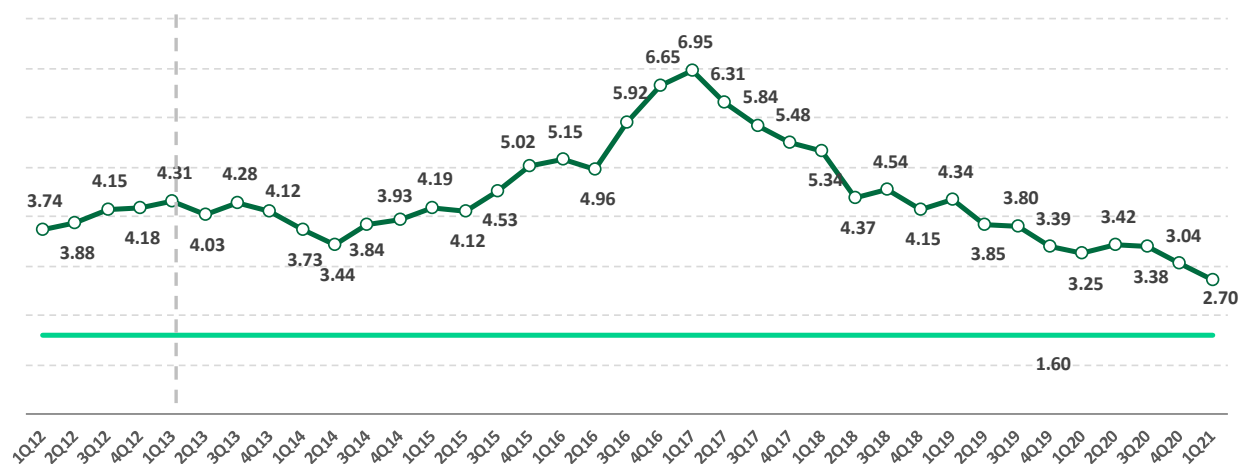
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Debt Covenant



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

Receivables Covenant



$$\frac{\text{Receivables} + \text{Unearned Gross Sales Revenue} + \text{Inventories}}{\text{Net Debt} + \text{Properties Payable} + \text{Unearned Costs of Units Sold}} > 1.6$$

The Company's debt covenant has increased as a result of purchases of land plots paid in cash. It represents some opportunity acquisitions which does not alter the Company's strategy in prioritizing the purchase of land through swaps.

The Company is working on alternatives to further from this covenant's cap through: (i) property fund; (ii) the sale of part of the Company's credit portfolio; (iii) negotiation of the conversion of part of the payments for lands purchased, through the flow of payment in financial swap; and (iv) the sale of AHS' projects totaling US\$ 250 million within the next quarters.

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ATTACHMENTS

Attachment I, II, III refer to the Company's equity structure and consolidated results (MRV&Co), including MRV operations abroad (MRV US).

Attachment IV refers only to MRV operations abroad (MRV US).

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

R\$ million	1Q21	4Q20	1Q20	Chg. 1Q21 x 4Q20	Chg. 1Q21 x 1Q20
NET REVENUE	1,598	1,702	1,508	6.1% ↓	5.9% ↑
COST OF REAL ESTATE SALES AND SERVICES	(1,153)	(1,219)	(1,084)	5.4% ↓	6.3% ↑
GROSS PROFIT	445	483	424	7.9% ↓	4.9% ↑
<i>Gross Margin</i>	27.8%	28.4%	28.1%	0.5 p.p. ↓	0.3 p.p. ↓
OPERATING INCOME (EXPENSES)					
Selling expenses	(152)	(171)	(149)	11.0% ↓	2.3% ↑
General & Administrative Expenses	(116)	(118)	(100)	1.3% ↓	16.4% ↑
Other operating income (expenses), net	(27)	65	(31)	-	12.5% ↓
Equity Income	(4)	(8)	(11)	44.5% ↓	58.8% ↓
INCOME BEFORE FINANCIAL INCOME (EXPENSES)	145	251	134	42.3% ↓	8.2% ↑
FINANCIAL RESULTS					
Financial expenses	(25)	(42)	(16)	39.0% ↓	58.2% ↑
Financial income	28	12	14	125.9% ↑	101.1% ↑
Financial income from receivables from real estate development	33	33	27	1.6% ↑	24.1% ↑
INCOME BEFORE INCOME TAX AND SOCIAL CONTRIBUTION	180	254	158	29.1% ↓	13.9% ↑
Income Tax and Social Contribution	(34)	(36)	(32)	5.6% ↓	4.0% ↑
NET INCOME	147	218	126	32.9% ↓	16.5% ↑
PROFIT ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	10	22	21	55.8% ↓	53.9% ↓
PROFIT ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY	137	196	104	30.3% ↓	30.9% ↑
<i>Net Margin</i>	8.6%	11.5%	6.9%	3.0 p.p. ↓	1.6 p.p. ↑
BASIC EARNINGS PER SHARE	0.283	0.408	0.222	30.6% ↓	27.3% ↑

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

ASSETS	31/03/2021	31/12/2020	31/03/2020	Var. Mar/21 x Dec/20	Var. Mar/21 x Mar/20
CURRENT ASSETS					
Cash and cash equivalents	1,142	1,081	989	5.6% ↑	15.4% ↑
Marketable Securities	1,124	1,600	882	29.7% ↓	27.3% ↑
Receivables from real estate development	1,958	1,840	1,736	6.4% ↑	12.8% ↑
Receivables from services provided	3	3	3	1.4% ↑	31.7% ↑
Inventories	3,924	3,741	3,891	4.9% ↑	0.8% ↑
Recoverable current taxes	83	78	97	6.0% ↑	14.8% ↓
Prepaid expenses	106	101	94	4.6% ↑	12.8% ↑
Derivative Financial Instruments	-	-	-	-	-
Other assets	133	119	158	11.4% ↑	15.8% ↓
Total Current Assets	8,473	8,564	7,850	1.1% ↓	7.9% ↑
Investment Property - Noncurrent Assets held for sale	345	-	-	-	-
NONCURRENT ASSETS					
Marketable Securities	224	14	54	1468.3% ↑	316.8% ↑
Receivables from real estate development	1,622	1,641	1,336	1.2% ↓	21.3% ↑
Real estate for sale and development	4,854	4,861	4,485	0.1% ↓	8.2% ↑
Intercompany Expenses	56	60	41	7.3% ↓	36.6% ↑
Prepaid expenses	50	50	38	1.1% ↓	32.5% ↑
Derivative Financial Instruments	52	67	42	22.0% ↓	23.2% ↑
Other noncurrent assets	212	157	179	35.2% ↑	18.4% ↑
Equity Interest in investees	182	121	44	50.2% ↑	309.4% ↑
Investment property	1,984	1,798	1,436	10.3% ↑	38.1% ↑
Property and equipment	585	564	516	3.6% ↑	13.3% ↑
Intangible Assets	171	164	136	3.7% ↑	25.8% ↑
Total Noncurrent Assets	9,990	9,498	8,307	5.2% ↑	20.3% ↑
TOTAL ASSETS	18,807	18,062	16,157	4.1% ↑	16.4% ↑

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

LIABILITIES AND EQUITY	31/03/2021	31/12/2020	31/03/2020	Var. Mar/21 x Dec/20	Var. Mar/21 x Mar/20
CURRENT LIABILITIES					
Suppliers	539	468	391	15.2% ↑	37.7% ↑
Payables for investment aquisition	6	6	9	2.3% ↑	27.5% ↓
Loans, financing and debentures	963	688	751	40.1% ↑	28.2% ↑
Land Payables	955	1,189	888	19.7% ↓	7.6% ↑
Advances from customers	243	254	213	4.5% ↓	13.6% ↑
Payroll and related liabilities	170	142	155	19.4% ↑	9.3% ↑
Tax payables	90	90	74	0.6% ↓	21.0% ↑
Provision for maintenance of real estate	40	42	37	3.7% ↓	8.2% ↑
Deferred tax liabilities	68	64	62	6.0% ↑	10.5% ↑
Proposed dividends	132	132	164	0.0% ↑	19.5% ↓
Net Capital deficiency liabilities - Investments	369	288	180	28.4% ↑	105.4% ↑
Other payables	268	253	228	6.1% ↑	17.7% ↑
Total Current Liabilities	3,844	3,616	3,153	6.3% ↑	21.9% ↑
Loans and financing - Noncurrent Assets held for sale	236	-	-	-	-
NONCURRENT LIABILITIES					
Payables for investment aquisition	38	13	16	182.7% ↑	139.0% ↑
Derivative Financial Instruments	10	14	-	26.5% ↓	-
Loans, financing and debentures	3,812	3,964	3,350	3.8% ↓	13.8% ↑
Land Payables	3,967	3,625	3,125	9.4% ↑	27.0% ↑
Advances from customers	382	361	421	6.0% ↑	9.2% ↓
Provision for maintenance of real estate	127	124	108	2.0% ↑	17.3% ↑
Provision for civil, labor, and tax risks	94	102	98	8.2% ↓	3.9% ↓
Deferred tax liabilities	66	67	54	1.8% ↓	20.3% ↑
Other liabilities	174	142	136	22.6% ↑	27.8% ↑
Total Noncurrent Liabilities	8,669	8,412	7,307	3.1% ↑	18.6% ↑
EQUITY					
Equity attributable to Company' Shareholders	5,741	5,673	5,328	1.2% ↑	7.8% ↑
Noncontrolling Interests	317	361	370	12.2% ↓	14.3% ↓
Total Equity	6,058	6,035	5,698	0.4% ↑	6.3% ↑
TOTAL LIABILITIES AND TOTAL EQUITY	18,807	18,062	16,157	4.1% ↑	16.4% ↑

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

Consolidated (R\$ million)	1Q21	4Q20	1Q20	Chg. 1Q21 x 4Q20	Var. 1Q21 x 1Q20
CASH FLOWS FROM OPERATING ACTIVITIES					
NET INCOME	147	218	126	32.9% ↓	16.5% ↑
Adjustments to reconcile net income to cash used in operating activities	135	89	184	50.7% ↑	26.8% ↓
(Increase) decrease in operating assets	(228)	64	(399)	-	-
Increase (decrease) in operating liabilities	(42)	(152)	(79)	72.4% ↓	46.9% ↓
Net cash generated by (used in) operating activities	11	219	(168)	94.8% ↓	-
CASH FLOWS FROM INVESTING ACTIVITIES					
Decrease (increase) in marketable securities	282	147	504	92.2% ↑	44.1% ↓
Advances to related parties	(56)	(26)	(8)	114.0% ↑	583.8% ↑
Receipts from related parties	61	16	6	284.0% ↑	853.8% ↑
Decrease in (acquisition of/contribution to) investments	23	(11)	33	-	29.5% ↓
Payment for acquisition of subsidiary	(34)	(1)	(4)	6399.6% ↑	726.4% ↑
Receipts for sale of investees	2	299	1	-	-
Acquisition of investment properties	(333)	(284)	(172)	17.2% ↓	93.2% ↓
Acquisition of fixed and intangible assets	(49)	(44)	(39)	9.6% ↑	24.5% ↑
Net cash generated by (used in) investing activities	(104)	96	321	-	-
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from shares issuance	6	-	1	-	100.0% ↓
Proceeds from stock options' exercise	-	-	1	-	100% ↓
Loans from related parties	9	7	(16)	37.9% ↑	-
Treasury shares	-	-	-	-	-
Proceeds from loans, financing and debenture	459	213	478	116.0% ↑	3.9% ↓
Payment of loans, financing and debenture	(223)	(355)	(340)	37.3% ↑	34.4% ↑
Receive of financial instruments and derivatives	6	3	1	118.6% ↑	551.8% ↑
Capital transaction	(0)	0	2	-	-
Dividends payment	(100)	(164)	-	39.0% ↑	-
Net contributions (distributions) of noncontrolling interests	(15)	(11)	19	28.5% ↓	-
Net cash (used in) generated by financing activities	143	(308)	146	-	2.0% ↓
effects of exchange rates on cash and cash equivalents	10	(7)	15	-	36.0% ↓
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS, NET	61	0	314	14762.9% ↑	80.6% ↓
CASH AND CASH EQUIVALENTS					
Cash and cash equivalents at beginning of the period	1,081	1,080	675	0.0% ↑	60.1% ↑
Cash and cash equivalents at end of the period	1,142	1,081	989	5.6% ↑	15.4% ↑

Attachment IV – Financial Statements – AHS (MRV US)

Balance Sheet - MRV US

ASSETS (US\$ Thousands)	31/03/2021	31/12/2020	31/03/2020	Var. Mar/21 x Dec/20	Var. Mar/21 x Mar/20
CURRENT ASSETS					
Cash and cash equivalents	28,254	12,852	27,307	119.8% ↑	3.5% ↑
Marketable Securities	6,826	16,448	2,603	58.5% ↓	162.2% ↑
Receivables from services provided	523	572	329	8.6% ↓	59.0% ↑
Prepaid expenses	1,343	1,389	870	3.3% ↓	54.4% ↑
Other assets	5,901	1,821	1,125	224.1% ↑	424.5% ↑
Total Current Assets	42,847	33,082	32,234	29.5% ↑	32.9% ↑
Investment Property - Noncurrent Assets held for sale	60,581	-	-	-	-
NONCURRENT ASSETS					
Other noncurrent assets	4,542	2,239	2,014	102.9% ↑	125.5% ↑
Investment property	303,277	310,075	265,088	2.2% ↓	14.4% ↑
Property and equipment	9,250	7,550	4,778	22.5% ↑	93.6% ↑
Intangible Assets	2,484	2,495	1,882	0.4% ↓	32.0% ↑
Total Noncurrent Assets	319,553	322,359	273,762	0.9% ↓	16.7% ↑
TOTAL ASSETS	422,981	355,441	305,996	19.0% ↑	38.2% ↑
LIABILITIES AND EQUITY (US\$ Thousands)	31/03/2021	31/12/2020	31/03/2020	Var. Mar/21 x Dec/20	Var. Mar/21 x Mar/20
CURRENT LIABILITIES					
Suppliers	15,655	12,142	12,971	28.9% ↑	20.7% ↑
Loans, financing and debentures	50,784	21,003	27,746	141.8% ↑	83.0% ↑
Payroll and related liabilities	378	656	422	42.4% ↓	10.4% ↓
Other payables	8,181	5,160	2,797	58.5% ↑	192.5% ↑
Total Current Liabilities	74,998	38,961	43,936	92.5% ↑	70.7% ↑
Loans and financing - Noncurrent Assets held for sale	41,429	-	-	-	-
NONCURRENT LIABILITIES					
Derivative Financial Instruments	414	2,638	-	84.3% ↓	-
Loans, financing and debentures	208,425	216,112	171,617	3.6% ↓	21.4% ↑
Other liabilities	1,173	334	3,525	251.2% ↑	66.7% ↓
Total Noncurrent Liabilities	210,012	219,084	175,142	4.1% ↓	19.9% ↑
EQUITY					
Equity attributable to Company' Shareholders	84,542	85,239	75,845	0.8% ↓	11.5% ↑
Noncontrolling Interests	12,000	12,157	11,073	1.3% ↓	8.4% ↑
Total Equity	96,542	97,396	86,918	0.9% ↓	11.1% ↑
TOTAL LIABILITIES AND TOTAL EQUITY	422,981	355,441	305,996	19.0% ↑	38.2% ↑

Consolidated Income Statement - MRV US

US\$ thousands	1Q21	4Q20	1Q20	Chg. 1Q21 x 4Q20	Chg. 1Q21 x 1Q20
NET REVENUE	3,479	3,756	2,044	7.4% ↓	70.2% ↑
COST OF REAL ESTATE SALES AND SERVICES	(2,973)	(3,107)	(1,922)	4.3% ↓	54.7% ↑
GROSS PROFIT	506	649	122	22.1% ↓	312.8% ↑
<i>Gross Margin</i>	14.5%	17.3%	6.0%	2.7 p.p. ↓	8.5 p.p. ↑
OPERATING INCOME (EXPENSES)					
Selling expenses	(82)	241	(114)	-	27.5% ↓
General & Administrative Expenses	(3,005)	(2,839)	(1,444)	5.8% ↑	108.1% ↑
Other operating income (expenses), net	721	19,043	(17)	96.2% ↓	-
Equity Income	-	-	-	-	-
INCOME BEFORE FINANCIAL INCOME (EXPENSES)	(1,861)	17,094	(1,452)	110.9% ↓	28.2% ↑
FINANCIAL RESULTS					
Financial expenses	(1,286)	(4,175)	(1,121)	69.2% ↓	14.7% ↑
Financial income	2,226	5	11	49157.7% ↑	20200.0% ↑
Financial income from receivables from real estate development	-	-	-	-	-
INCOME BEFORE INCOME TAX AND SOCIAL CONTRIBUTION	(921)	12,923	(2,562)	-	64.1% ↑
Income Tax and Social Contribution	-	-	-	-	-
NET INCOME (LOSS)	(921)	12,923	(2,562)	-	64.1% ↑
NET INCOME (LOSS) ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	(81)	1,095	(271)	-	70.3% ↑
NET INCOME (LOSS) ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY	(840)	11,828	(2,291)	-	63.3% ↑
<i>Net Margin</i>	-24.1%	314.9%	-112.0%	339.0 p.p. ↓	87.9 p.p. ↑

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\$)	1Q21*	2Q19
Operation	153,646,135	109,853,896
Construction	95,147,256	27,979,811
Land bank	43,853,149	19,850,000
Holding	42,891,482	18,249,995
Additional Capital@jul/19	-	10,000,000
Total	335,538,022	185,933,702

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).

EARNINGS RELEASE

1st Quarter 2021

The logo for MRV & CO, with "MRV" in green and "& CO" in orange. A thick green line curves from the top right corner of the page down towards the logo.

MRV & CO

- **Landbank**
 - **Recently Acquired:** book value;
 - **If Licensed and Construction Approval:** evaluation at market value.

Glossary

AHS Residential – Developer based in the United States, controlled by MRV (<https://ahsresidential.com/>).

Banco de Terrenos (Land Bank) – land held in inventory with its estimated PSV (Pre-Sales Value) in the future. It is the Company's land bank and includes all land already acquired and not with projects launched.

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

CPC 47 and Percent of Conclusion (POC) – 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.

Casa Verde Amarela – The Casa Verde Amarela, known as CVA, it's a national housing incentive sponsored by the Federal Government, aiming to reduce the national housing deficit.

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

Net Debt – Net Debt: (Gross Debt + Fin. Deriv. Liabil.) – (Total Cash + Fin. Deriv. Assets)

Duration – Average period of time considered for the expiration of debt. Takes into consideration not only the final expiration of debt, but also the flow of payment, principal and interest rates.

EBIDTA – a commonly used indicator to evaluate publicly-traded companies, insofar as it represents the Company's operational cash flow, in other words, how much the Company generates from resources only from operational activities, without taking into consideration financial effects, taxes and depreciation.

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

Financial Cost recorded under COGS – interest which in prior period were capitalized in inventory (property and projects under construction) and, resulting from the sale of units/projects have been booked as results, increasing the value of 'Real Estate Costs and Services Provided'.

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

FGTS – Severance pay fund for workers is a compulsory reserve fund in which employees deposit 8% of their monthly salary. FGTS resources are administered by CEF and they are used as a source of funding for low income housing programs such as CVA.

Launches – Occurs when a project is available for sale.

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.

LUGGO – MRV&Co start up focusing exclusively on the construction of rental real estate, offering a wide range of living services and technology, purpose-built to improve the customer experience (<https://alugue.luggo.com.br/>).

Marketplace – Platform connecting the supply and demand for products and services, in other words and online shopping platform.

MRV US – MRV-controlled holding, headquartered in the USA, holding direct interest in AHS development and indirect interest in AHS residential.

NAV – Net Asset Values

Novo Mercado – Special listings on the BOVESPA, with a specific, stricter, 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 landowner is issued a determined number of units of construction to be developed.

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.

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

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.

URBA - allotment development Company controlled by MRV (<https://vivaurba.com.br/>).

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, is an indicator used to analyze real estate offering. Its main role is to represent the percentage of units sold in relation to the total of units available for the period.

Gross VSO – $\text{Gross sales} / (\text{initial stock for period} + \text{launches for period})$

Net VSO – $\text{Net sales} / (\text{initial stock for period} + \text{launches for period})$

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.

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, 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 consider 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 quarter of 2021 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 41 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 AHS Residential in 18 cities. MRV is listed on the Novo Mercado - B3 under the ticker MRVE3 and is included, among others, in the theoretical portfolio IBOV.

Interim Financial Statements (ITR)

March 31, 2021

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	Notes	Consolidated		Individual	
		3/31/21	12/31/20	3/31/21	12/31/20
Assets					
Current assets					
Cash and cash equivalents	4	1,141,643	1,080,705	439,555	485,346
Marketable securities	5	1,123,790	1,599,644	943,223	1,365,000
Receivables from real estate development	6	1,957,948	1,840,376	1,093,826	1,040,242
Receivables from services provided	6	3,494	3,446	1,241	1,318
Inventories	7	3,924,060	3,741,278	2,335,750	2,270,677
Recoverable taxes	16	83,000	78,280	58,558	53,986
Prepaid expenses		105,625	100,980	57,165	52,918
Other assets		132,947	119,386	126,686	119,351
Total current assets		8,472,507	8,564,095	5,056,004	5,388,838
Investment properties - Noncurrent assets held for sale	9	345,148	-	-	-
Noncurrent assets					
Marketable securities	5	224,005	14,284	203,052	14,243
Receivables from real estate development	6	1,621,637	1,641,094	811,032	817,674
Inventories	7	4,853,651	4,860,581	3,665,713	3,665,977
Intercompany receivables	19	55,750	60,123	845,447	822,810
Prepaid expenses		49,867	50,405	27,858	29,170
Derivative financial instruments		52,301	67,090	52,106	66,754
Other noncurrent assets		211,673	156,557	162,999	110,544
Total long-term realisable		7,068,884	6,850,134	5,768,207	5,527,172
Equity interest in investees	8	181,714	121,002	2,428,068	2,295,412
Investment properties	9	1,983,790	1,797,960	240,778	173,075
Property and equipment	10	584,658	564,393	500,478	494,158
Intangible assets	11	170,507	164,431	153,588	148,771
Total noncurrent assets		9,989,553	9,497,920	9,091,119	8,638,588
Total assets		18,807,208	18,062,015	14,147,123	14,027,426
Liabilities and Equity					
Current liabilities					
Suppliers		539,140	467,929	323,363	297,181
Payables for investment acquisition		6,279	6,135	-	-
Loans, financing and debentures	12	963,220	687,520	649,849	554,243
Land payables	13	955,281	1,189,205	562,418	848,854
Advances from customers	14	242,502	254,011	150,200	170,826
Payroll and related liabilities	15	169,786	142,155	101,006	86,611
Tax payables	16	89,966	90,477	64,699	66,079
Provision for maintenance of real estate	17	40,111	41,647	19,007	19,733
Deferred tax liabilities	26	68,369	64,480	37,412	35,253
Proposed dividends		131,986	131,986	130,658	130,658
Net capital deficiency liability - Investments	8	369,368	287,580	166,677	163,681
Other payables		267,974	252,685	82,019	92,449
Total current liabilities		3,843,982	3,615,810	2,287,308	2,465,568
Loans, financing and debentures - Noncurrent assets held for sale	12	236,033	-	-	-
Noncurrent liabilities					
Payables for investment acquisition		37,622	13,310	25,488	-
Derivative	25 (b)	10,083	13,709	7,724	-
Loans, financing and debentures	12	3,812,019	3,964,011	2,474,968	2,685,392
Land payables	13	3,966,946	3,624,906	3,054,272	2,646,694
Advances from customers	14	382,314	360,645	228,862	251,504
Provision for maintenance of real estate	17	126,738	124,252	73,840	71,083
Provision for civil, labor and tax risks	18	93,805	102,144	63,188	71,706
Deferred tax liabilities	26	65,529	66,734	30,990	31,504
Other payables		173,980	141,909	159,603	130,644
Total noncurrent liabilities		8,669,036	8,411,620	6,118,935	5,888,527
Total liabilities		12,749,051	12,027,430	8,406,243	8,354,095
Equity					
Paid-in capital	20 (a)	4,615,171	4,609,424	4,615,171	4,609,424
Treasury shares		(388)	(1,120)	(388)	(1,120)
Capital reserves		62,488	59,502	62,488	59,502
Earnings reserves		739,027	843,521	739,027	843,521
Proposed additional dividends		78,395	78,395	78,395	78,395
Equity valuation adjustments		109,517	83,609	109,517	83,609
Earnings accumulated		136,670	-	136,670	-
Equity attributable to the Company' shareholders		5,740,880	5,673,331	5,740,880	5,673,331
Noncontrolling interests	20 (g)	317,277	361,254	-	-
Total equity		6,058,157	6,034,585	5,740,880	5,673,331
Total liabilities and equity		18,807,208	18,062,015	14,147,123	14,027,426

The accompanying notes are an integral part of these interim financial statements.



	Notes	Consolidated		Individual	
		1 st quarter of		1 st quarter of	
		2021	2020	2020	2021
Net operating revenue	22	1,597,936	1,508,468	881,096	811,299
Cost of real estate sales and services	23	(1,153,155)	(1,084,471)	(640,286)	(584,146)
Gross profit		444,781	423,997	240,810	227,153
Operating income (expenses):					
Selling expenses	23	(152,155)	(148,706)	(99,762)	(94,381)
General and administrative expenses	23	(116,455)	(100,013)	(91,454)	(86,779)
Other operating income (expenses), net	23	(27,063)	(30,933)	(19,031)	(23,050)
Results from equity interest in investees	8	(4,362)	(10,598)	111,437	83,665
Income before financial income and taxes		144,746	133,747	142,000	106,608
Financial income (expenses):					
Financial expenses	24	(25,421)	(16,074)	(15,012)	(7,947)
Financial income	24	27,712	13,778	12,028	10,192
Financial income from receivables from real estate development	24	33,127	26,685	16,275	12,507
Income before taxes		180,164	158,136	155,291	121,360
Income tax and social contribution:					
Current	26	(32,278)	(25,031)	(17,828)	(13,114)
Deferred	26	(1,336)	(7,289)	(793)	(3,841)
Net income for the period	26	(33,614)	(32,320)	(18,621)	(16,955)
		146,550	125,816	136,670	104,405
Net income attributable to:					
Company' shareholders		136,670	104,405		
Noncontrolling interests		9,880	21,411		
		146,550	125,816		
Earnings per share (In Reais - R\$):					
Basic	20 (g)	0.28307	0.22236	0.28307	0.22236
Diluted	20 (g)	0.28156	0.22124	0.28156	0.22124

The accompanying notes are an integral part of these interim financial statements.



	Consolidated		Individual	
	1 st quarter of		1 st quarter of	
	2021	2020	2021	2021
Net income for the period	146,550	125,816	136,670	104,405
Other components of comprehensive income				
Currency translation adjustments	48,451	85,810	42,413	74,283
Cash flow hedge reserve	(16,505)	(15,329)	(16,505)	(13,347)
Total comprehensive income for the period	178,496	196,297	162,578	165,341
Comprehensive income attributable to:				
Company' shareholders	162,578	165,341	162,578	165,341
Noncontrolling interests	15,918	30,956	-	-
	178,496	196,297	162,578	165,341

The accompanying notes are an integral part of these interim financial statements.

	Paid-in capital	Treasury shares	Capital reserves		Earnings reserves		Equity valuation adjustments		Retained earnings	Proposed additional dividends	Equity attributable to the Company' shareholders	Noncontrolling interests	Total
			Share issuance costs	Recognized options granted	Legal	Earnings retention	Cash flow hedge reserve	Cumulative translation adjustment					
BALANCE AT DECEMBER 31, 2019	4,282,130	(4,786)	(26,309)	75,864	34,512	480,359	-	-	-	-	4,841,770	267,019	5,108,789
MDI incorporation effects	324,315	-	-	-	-	(5,609)	-	-	-	-	318,706	48,980	367,686
Capital increase	956	-	-	-	-	-	-	-	-	-	956	-	956
Capital transaction	-	-	-	-	-	(1,625)	-	-	-	-	(1,625)	3,629	2,004
Net contributions from noncontrolling shareholders	-	-	-	-	-	-	-	-	-	-	-	19,221	19,221
Currency translation adjustments	-	-	-	-	-	-	-	74,283	-	-	74,283	11,527	85,810
Cash flow hedge reserve	-	-	-	-	-	-	(13,347)	-	-	-	(13,347)	(1,982)	(15,329)
Treasury shares transferred	-	2,772	-	-	-	(2,772)	-	-	-	-	-	-	-
Treasury shares disposed to beneficiaries of stock option plan	-	761	-	-	-	-	-	-	-	-	761	-	761
Stock options	-	-	-	1,647	-	-	-	-	-	-	1,647	-	1,647
Net income for the period	-	-	-	-	-	-	-	-	104,405	-	104,405	21,411	125,816
BALANCE AT MARCH 31, 2020	4,607,401	(1,253)	(26,309)	77,511	34,512	470,353	(13,347)	74,283	104,405	-	5,327,556	369,805	5,697,361
BALANCE AT DECEMBER 31, 2020	4,609,424	(1,120)	(26,309)	85,811	62,019	781,502	8,666	74,943	-	78,395	5,673,331	361,254	6,034,585
Capital increase	5,747	-	-	-	-	-	-	-	-	-	5,747	-	5,747
Capital transaction	-	-	-	-	-	(66)	-	-	-	-	(66)	-	(66)
Net contributions from noncontrolling shareholders	-	-	-	-	-	-	-	-	-	-	-	(14,629)	(14,629)
Currency translation adjustments	-	-	-	-	-	-	-	42,413	-	-	42,413	6,038	48,451
Cash flow hedge reserve	-	-	-	-	-	-	(16,505)	-	-	-	(16,505)	-	(16,505)
Reflection of bonus exercise in subsidiary	-	732	-	-	-	75	-	-	-	-	807	-	807
Prior period adjustments in subsidiary	-	-	-	-	-	(4,503)	-	-	-	-	(4,503)	(417)	(4,920)
Proposed additional dividends	-	-	-	-	-	(100,000)	-	-	-	-	(100,000)	-	(100,000)
Stock options	-	-	-	2,986	-	-	-	-	-	-	2,986	-	2,986
Changes in indirect ownership	-	-	-	-	-	-	-	-	-	-	-	(44,849)	(44,849)
Net income for the period	-	-	-	-	-	-	-	-	136,670	-	136,670	9,880	146,550
BALANCE AT MARCH 31, 2021	4,615,171	(388)	(26,309)	88,797	62,019	677,008	(7,839)	117,356	136,670	78,395	5,740,880	317,277	6,058,157

The accompanying notes are an integral part of these interim financial statements.



	Notes	Consolidated		Individual	
		1 st quarter of		1 st quarter of	
		2021	2020	2021	2020
Cash flows from operating activities					
Net income for the period		146,550	125,816	136,670	104,405
Adjustments to reconcile net income to cash generated by operating activities:					
Depreciation and amortization		31,718	23,713	21,100	17,554
Recognized stock options granted	23	3,088	1,649	2,878	1,649
Property and equipment write off		2,241	403	1,730	133
Financial result		(19,324)	(640)	(14,012)	(18,220)
Results from equity interest in investees	8	4,362	10,598	(111,437)	(83,665)
Provision for maintenance of real estate		22,503	20,296	12,572	10,810
Provision for civil, labor and tax risks		21,438	27,887	11,943	14,580
Allowance for credit risk		41,323	40,396	20,128	26,135
Amortization of prepaid expenses		37,385	39,878	20,447	20,207
Results from derivative financial instruments		(12,617)	4,605	(599)	4,621
Deferred income tax and social contribution	26	1,336	7,289	793	3,841
Deferred taxes on revenue (PIS & COFINS)		1,348	8,150	852	4,207
		281,351	310,040	103,065	106,257
(Increase) decrease in operating assets:					
(Increase) decrease in trade receivables		(104,875)	(383,719)	(50,125)	(205,117)
(Increase) decrease in real estate for sale		(66,185)	51,859	(54,410)	62,847
(Increase) decrease in prepaid expenses		(41,059)	(54,396)	(23,382)	(32,331)
(Increase) decrease in other assets		(15,913)	(12,951)	(33,968)	(5,558)
Increase (decrease) in operating liabilities:					
Increase (decrease) in trade payables		71,777	58,097	26,182	23,036
Increase (decrease) in payroll and related taxes		28,886	13,216	14,395	12,911
Increase (decrease) in taxes, fees and contributions		31,044	23,545	16,453	12,869
Increase (decrease) in advances from customers		21,153	(11,875)	50,141	7,587
Increase (decrease) in other payables		(22,308)	9,703	(15,703)	(917)
Interest paid		(71,659)	(82,308)	(48,542)	(72,114)
Income tax and social contribution paid		(31,807)	(25,807)	(18,085)	(13,332)
Payments for real estate maintenance	17	(34,994)	(27,409)	(18,964)	(15,016)
Payments for civil, labor and tax risks	18	(34,020)	(36,157)	(23,425)	(23,236)
Net cash generated by (used in) operating activities		11,391	(168,162)	(76,368)	(142,114)
Cash flows from investing activities					
Increase in marketable securities		(873,118)	(1,267,445)	(546,703)	(802,267)
Decrease in marketable securities		1,154,795	1,771,530	788,467	1,154,879
Advances to related companies		(55,918)	(8,178)	(306,487)	(326,606)
Receipts from related companies		60,951	6,390	284,439	361,528
Distribution from (acquisition of/contribution to) investees	8	23,128	32,827	89,497	74,689
Payments for acquisition of interest in investees		(33,798)	(4,090)	(32,607)	-
Receipts for sale of investees / assets		1,658	1,105	1,658	1,105
Purchase of investment property		(332,675)	(172,201)	(19,033)	(24,416)
Purchase of property and equipment and intangible assets		(48,727)	(39,127)	(34,083)	(31,041)
Net cash (used in) generated by investing activities		(103,704)	320,811	225,148	407,871
Cash flows from financing activities					
Proceeds from issue of shares		5,747	956	5,747	956
Proceeds from exercised stock options	20 (e)	-	761	-	761
Loans from related parties		9,168	(16,121)	(1,374)	(17,583)
Proceeds from loans, financing and debentures		459,470	478,144	-	117,581
Repayment of borrowings, financing and debentures	12 (a)	(222,670)	(339,555)	(105,344)	(238,491)
Contracted and redeemed derivative financial instruments		6,466	992	6,466	980
Capital transaction		(66)	2,004	(66)	(1,625)
Dividend paid		(100,000)	-	(100,000)	-
Distribution to noncontrolling shareholders	20 (g)	(14,629)	19,221	-	-
Net cash generated (used in) by financing activities		143,486	146,402	(194,571)	(137,421)
Effects of exchange rates on cash and cash equivalents		9,765	15,268	-	-
(Decrease) increase in cash and cash equivalents, net		60,938	314,319	(45,791)	128,336
Cash and cash equivalents					
At the beginning of the period		1,080,705	674,919	485,346	403,876
At the end of the period	4	1,141,643	989,238	439,555	532,212
(Decrease) increase in cash and cash equivalents, net		60,938	314,319	(45,791)	128,336

The accompanying notes are an integral part of these interim financial statements.

	Notes	Consolidated		Individual	
		1 st quarter of		1 st quarter of	
		2021	2020	2021	2020
REVENUES					
Gross operating revenue		1,667,203	1,573,494	917,169	849,443
Other income		3,344	622	3,210	523
Revenues related to construction of own assets		11,590	12,194	11,435	12,031
Allowance for credit risk		(41,323)	(40,396)	(20,128)	(26,135)
		1,640,814	1,545,914	911,686	835,862
Inputs purchased from third-parties (includes the taxes ICMS, IPI, PIS and COFINS)					
Cost of real estate and services sold: supplies, land, power, outside services and other items		(1,071,084)	(1,028,403)	(649,086)	(589,862)
GROSS VALUE ADDED		569,730	517,511	262,600	246,000
Depreciation and amortization		(31,718)	(23,713)	(21,100)	(17,554)
NET VALUE ADDED GENERATED BY THE COMPANY		538,012	493,798	241,500	228,446
VALUE ADDED RECEIVED IN TRANSFER					
Results from equity interest in investees	8	(4,362)	(10,598)	111,437	83,665
Financial income		66,015	48,915	31,268	27,957
		61,653	38,317	142,705	111,622
TOTAL VALUE ADDED FOR DISTRIBUTION		599,665	532,115	384,205	340,068
VALUE ADDED DISTRIBUTED					
Personnel:		218,121	185,422	92,829	87,709
Salaries and wages		170,434	145,995	63,700	62,414
Benefits		36,206	30,039	22,408	19,774
Severance Pay Fund (FGTS)		11,481	9,388	6,721	5,521
Taxes and fees:					
Federal		149,208	138,316	96,768	92,243
Municipal		105,131	91,886	63,971	55,267
State		43,728	46,144	32,416	36,760
		349	286	381	216
Lenders and lessors:		85,786	82,561	57,938	55,711
Interest		59,626	61,283	37,705	37,996
Rentals / Leases		26,160	21,278	20,233	17,715
Shareholders:					
Earnings retained in the period		146,550	125,816	136,670	104,405
Noncontrolling interests		136,670	104,405	136,670	104,405
		9,880	21,411	-	-
VALUE ADDED DISTRIBUTED		599,665	532,115	384,205	340,068

The accompanying notes are an integral part of these interim financial statements.

1. General information

MRV Engenharia e Participações S.A. ("Company") and its subsidiaries ("Group") are engaged in the management of own and third-party assets, development, construction and sale of Company owned or third-party real estate, the provision of technical engineering services related to the functions of the technicians in charge, real estate consultancy services, dealing service of goods and services supply in residential real estate segment and holding equity interests in other companies as a shareholder. Real estate development and the construction of real estate are performed directly by the Company or other business partners. The direct and indirect subsidiaries are summarized in Note 8. Partners have a direct participation in the projects, through interest in silent partnerships ("SCP"), a consortium, and special purpose entities ("SPE") to develop the projects. The Company is a publicly held corporation listed in B3 S.A. (B3), under ticker MRVE3, with registered head office at 621 Professor Mário Werneck Ave., 1^o floor, Belo Horizonte city, Minas Gerais, with CNPJ (taxpayer identification number) 08.343.492/0001-20.

As described in Note 30, on January 31, 2020, the Company acquired control of AHS Residential LLC ("AHS"), a limited liability company, based in the State of Florida, United States, engaged of developing real estate projects and subsequent renting and, depending on market conditions, sale of the residential projects. Accordingly, in December 2020, AHS concluded the first sale of an asset, since the acquisition made by the Company, for the amount of US\$57 million (R\$297 million) and on March 31, 2021, AHS reclassified investment properties and its related financing in the amount of R\$345 million and R\$ 236 million, respectively, to 'Noncurrent assets held for sale', with sales prospect in the short term.

On December 9, 2020, the new product line 'Sensia' was launched, aimed at medium-standard developments, to be financed by SBPE (Brazilian Savings and Loan System), thus complementing the Company's operating portfolio and reinforcing the MRV housing platform.

2. Presentation of quarterly information and significant accounting policies

2.1. Presentation of interim financial statements

The Company's interim financial statements comprise:

- The consolidated interim financial statements prepared in accordance with CPC 21 (R1) – Demonstração Intermediária (Interim Financial Reporting) and IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board (IASB), identified as Consolidated; and
- The individual interim financial statements prepared in accordance with CPC 21 (R1) – Demonstração Intermediária (Interim Financial Reporting), identified as Individual.

Aspects related to transfer of control of real estate units follow the Company's management understanding aligned with that expressed by CVM in Circular Letter CVM/SNC/SEP n.º 02/2018, regarding the application of Technical Pronouncement CPC 47 (IFRS 15), in a manner consistent with the standards issued by CVM, applicable to the preparation of interim financial reporting..

The individual financial statements are not in conformity with International Financial Reporting Standards (IFRS) because it considers the borrowing cost's capitalization on its investees' qualifying assets.

This interim financial information should be read in conjunction with the financial statements as of December 31, 2020.

Other information in relation to basis of preparation and basis of presentation, did not significantly change in relation to the information disclosed in Note 2 to the financial statements for the year ended December 31, 2020, issued on March 4, 2021.

2.2. Significant accounting policies

The accounting policies applied in this quarterly information are the same as those applied in the Group's financial statements for the year ended December 31, 2020, except for the policies described below.

Noncurrent assets held for sale

Noncurrent assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are measured at the lower of price carrying amount and fair value less costs to sell. Impairment losses on initial classification as held-for-sale and subsequent gains or losses on remeasurements are recognized in profit or loss.

3. New standards issued

The following standards and interpretations came into force in the year 2021 and the referred impacts are being assessed by the Company.

- COVID-19 – Related Rent Concessions (Amendment to CPC 06 - IFRS 16)
- Interest rate benchmark reform – Phase II (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)
- Onerous contracts (Amendments to CPC 25 – IAS 37)

The other standards and interpretations issued, and which have not yet come into force are the same as those applied in the Group's financial statements for the year ended December 31, 2020.

4. Cash and cash equivalents

	Consolidated		Individual	
	3/31/21	12/31/20	3/31/21	12/31/20
Cash	324	354	303	326
Bank accounts	1,117,642	1,054,449	434,848	479,684
	1,117,966	1,054,803	435,151	480,010
Short-term investments:				
Unrestricted investment funds	235	243	142	147
Bank certificates of deposit (CDB)	10,360	12,335	4,262	5,189
Securities with repurchase agreement backed by	13,082	13,324	-	-
	23,677	25,902	4,404	5,336
Total	1,141,643	1,080,705	439,555	485,346

In the three-month period ended March 31, 2021, short-term investments yielded interest equivalent to 97.9% of CDI in Consolidated and 101.6% of CDI in Individual (96.43% of CDI in Consolidated and 100.21% of CDI in Individual, for the same period of 2020). They have immediate liquidity clauses, without any penalty on redemption and are subject to insignificant risk of change in value.

The Company assessed the credit risk of the counterparty of its financial investments as described in Note 25 (e).

5. Marketable securities

		Consolidated		Individual	
		3/31/21	12/31/20	3/31/21	12/31/20
Restricted investment funds	(i)	1,227,131	1,432,714	1,107,260	1,332,794
Bank certificates of deposit (CDB)	(ii)	14,827	15,345	14,827	15,345
Savings deposits	(iii)	66,724	80,177	23,967	30,888
Escrow account and swap guarantee	(iv)	36,053	82,893	-	-
U.S. Treasuries		2,837	2,583	-	-
Real estate consortium		223	216	221	216
Total		1,347,795	1,613,928	1,146,275	1,379,243
Current		1,123,790	1,599,644	943,223	1,365,000
Noncurrent		224,005	14,284	203,052	14,243
		1,347,795	1,613,928	1,146,275	1,379,243

- (i) The Group established investment funds, restricted to the Group's companies, managed by first-rate banks, responsible for the custody of the assets and financial settlement of its transactions. The established funds aim at yielding interest equivalent to the Certificate of Interbank Deposit rate (CDI). The funds invest in government and other banks securities and in other unrestricted investment funds, which in turn invest primarily in fixed-income securities. The balance includes blocked amounts essentially resulting from collateral, as detailed in the table below. In the three-month period ended March 31, 2021, the mentioned funds yielded average interest equivalent to 160.84% of CDI in Consolidated and 163.22% of CDI in Individual (46.33% of CDI in Consolidated and 43.27% of CDI in Individual, for the same period of 2020).
- (ii) Bank certificated of deposits (CDB) held as collateral for loans, financing and debentures, infrastructure works, and others, as detailed in the table below.
- (iii) Savings deposits correspond to amounts contributed on the projects financed by the financial institution for contracting "Crédito Associativo" financing modality and are maintained in this condition until the funds are released by the financial institution when the contracts are signed by the customers or by the construction evolution.
- (iv) Refers to escrow accounts of the subsidiary AHS Residential relating to swap operations. On the December 31, 2020 also includes escrow accounts to honor land purchase commitments.

The Group presents amounts blocked classified as Marketable securities regarding granted guarantees, as shown below:

Bloqueios para garantias de:	31/03/21				
	Consolidado			Individual	
	Fundos restritos	Garantia swap e conta escrow	CDB	Fundos restritos	CDB
Obras de infraestrutura	49,813	-	-	32,409	-
Outros	2,032	36,053	14,827	1,149	14,827
Total	51,845	36,053	14,827	33,558	14,827

Bloqueios para garantias de:	31/12/20				
	Consolidado			Individual	
	Fundos restritos	Garantia swap e conta escrow	CDB	Fundos restritos	CDB
Obras de infraestrutura	49,074	-	-	32,153	-
Outros	6,252	82,893	15,345	5,397	15,345
Total	55,326	82,893	15,345	37,550	15,345

Breakdown of restricted investment funds portfolio, proportionately to the units held by the Company and subsidiaries, is as follows:

	Consolidated		Individual	
	3/31/21	12/31/20	3/31/21	12/31/20
Unrestricted investment funds	495,782	482,254	447,352	448,621
Private bonds	282,846	352,282	255,216	327,713
Securities with repurchase agreement	157,747	216,855	142,338	201,731
Federal securities (LFT)	29,222	277,539	26,368	258,183
Bank certificates of deposit (CDB)	20,268	65,504	18,288	60,936
Debentures	30,973	36,618	27,947	34,064
Federal securities (NTN-B)	208,848	-	188,447	-
Others	1,445	1,662	1,304	1,546
Total	1,227,131	1,432,714	1,107,260	1,332,794

As of March 31, 2021, and December 31, 2020, the portfolio of unrestricted investment funds is mainly comprised of highly liquid public and private bonds.

The Company assessed the credit risk of the counterparty of its financial investments as described in Note 25 (e).

6. Trade accounts receivable

	Consolidated		Individual	
	3/31/21	12/31/20	3/31/21	12/31/20
<u>Receivables from real estate development</u>				
Receivables from real estate development	3,945,576	3,822,269	2,097,452	2,038,103
Present value discount	(57,511)	(59,532)	(30,960)	(31,617)
Allowance for credit risk	(308,480)	(281,267)	(161,634)	(148,570)
	3,579,585	3,481,470	1,904,858	1,857,916
Current	1,957,948	1,840,376	1,093,826	1,040,242
Noncurrent	1,621,637	1,641,094	811,032	817,674
	3,579,585	3,481,470	1,904,858	1,857,916
<u>Receivables from services provided and rents</u>				
Total - current	3,494	3,446	1,241	1,318

The rates used to discount to present value for sales performed during the three-month period ended March 31, 2021 ranged from 0.11799 % per month to 0.21399% per month (0.16824% per month to 0.20637% per month for the same period of 2020).

The agreements entered and to be entered with Caixa Econômica Federal (CEF), Banco do Brasil, Santander and Bradesco in “Crédito Associativo” modality correspond to approximately 56.4% of the balance of receivables from real estate development and unearned sales revenue, as at March 31, 2021 (57.1% at December 31, 2020). Of this same total, the agreements already entered with the financial institutions above mentioned, correspond to 42.6% for CEF and 0.18% for others (39.8% and 0.18% as at December 31, 2020 respectively).

Changes in allowance for credit risk for the three-month ended March 31, 2021 and 2020 are as follows:

	Consolidated		Individual	
	1 st quarter of		1 st quarter of	
	2021	2020	2021	2020
Opening balance	(281,267)	(223,291)	(148,570)	(118,774)
Additions	(73,460)	(73,733)	(38,052)	(46,433)
Reversals	32,137	33,337	17,924	20,298
Write-offs	14,110	28,532	7,064	16,281
Closing balance	(308,480)	(235,155)	(161,634)	(128,628)
Current	(197,012)	(163,482)	(103,063)	(89,777)
Noncurrent	(111,468)	(71,673)	(58,571)	(38,851)
	(308,480)	(235,155)	(161,634)	(128,628)

The balances of unearned gross sales revenue to be appropriated and cost to be incurred from real estate already contracted transactions, including related financial income, as applicable, are as follows:

	Consolidated		Individual	
	3/31/21	12/31/20	3/31/21	12/31/20
Unearned gross sales revenue (*)	2,575,755	2,511,802	1,406,098	1,400,226
Costs to be Incurred (*)	(1,599,731)	(1,527,171)	(864,695)	(842,974)

(*) Does not include the impacts of future inflation, taxes on sales, financial charges, and maintenance costs.

The amounts above, referring to receivables from real estate development and unearned sales revenue, have the following expectation of receipt:

	Consolidated		Individual	
	3/31/21	12/31/20	3/31/21	12/31/20
<u>Expectation of receipt</u>				
12 months	3,332,476	3,088,203	1,880,979	1,785,856
13 to 24 months	1,943,038	2,023,912	997,359	1,043,725
25 to 36 months	482,590	456,479	246,123	230,038
37 to 48 months	264,600	272,465	135,970	138,651
After 48 months	132,636	152,213	50,525	59,872
	6,155,340	5,993,272	3,310,956	3,258,142
Unearned sales revenue	2,575,755	2,511,802	1,406,098	1,400,226
Receivables from real estate development	3,579,585	3,481,470	1,904,858	1,857,916
	6,155,340	5,993,272	3,310,956	3,258,142

As at March 31, 2021, the Group has trade accounts receivable pledged as collateral of construction financing totaling R\$1,080,483 (R\$1,210,645 at December 31, 2020).

7. Inventories (real estate for sale)

	Consolidated		Individual	
	3/31/21	12/31/20	3/31/21	12/31/20
Real estate under construction	2,511,225	2,429,656	1,372,300	1,378,608
Completed units	145,316	120,166	58,525	53,230
Landbank	6,024,483	5,969,889	4,513,445	4,460,209
Advances to suppliers	96,390	81,797	57,079	44,485
Materials stock	297	351	114	122
Total	8,777,711	8,601,859	6,001,463	5,936,654
Current	3,924,060	3,741,278	2,335,750	2,270,677
Noncurrent	4,853,651	4,860,581	3,665,713	3,665,977
	8,777,711	8,601,859	6,001,463	5,936,654

As of March 31, 2021, of the total consolidated balance of real estate under construction and completed units, R\$2,086,646 refers to projects launched and R\$569,895 refers to projects started but not yet launched (R\$1,991,593 and R\$558,229 at December 31, 2020, respectively).

As at March 31, 2021, line items "Real estate under construction", "Completed units" and "Landbank" includes capitalized financial charges, as detailed in Note 12 (d), totaling R\$480,283 and R\$332,345 in Consolidated and Individual, respectively (R\$489,425 and R\$340,596 as at December 31, 2020, in Consolidated and Individual, respectively). A project's land is transferred to line item 'Real estate under construction' when development of the respective project begins.

The Group has agreements with financial institutions to finance the construction of real estate (see Note 12). As at March 31, 2021, the Group has real estate under construction recognized in assets, used as collateral of loans and financing agreements, totaling R\$5,225 and R\$251 in Consolidated and Individual, respectively (R\$10,925 and R\$1,246 at December 31, 2020, in Consolidated and Individual, respectively).

Other information on Inventories (real estate for sale) did not significantly change from the information disclosed in Note 7 to the financial statements for the year ended December 31, 2020.

8. Equity interests in investees

a) The main information on equity interests is summarized as follows:

	3/31/21			1 st quarter of 2021		12/31/20			1 st quarter of 2020	
	Equity interest	Equity	Investments	Net income	Results from equity interest in investees	Equity interest	Equity	Investments	Net income	Results from equity interest in investees
Joint ventures and associates:										
MRL Engenharia e Empreendimentos S.A. (MRL)										
Cost	74.27%	37,492	27,845	5,445	4,231	51.03%	32,047	16,354	(151)	(56)
Fair Value		-	26,636	-	-		-	-	-	-
Goodwill		-	27,437	-	-		-	3,237	-	-
Total MRL [1]		37,492	81,918	5,445	4,231		32,047	19,591	(151)	(56)
PRIME Incorporações e Construções S.A.	59.51%	3,071	1,827	11,881	7,070	59.51%	(8,811)	(5,243)	13,607	8,098
MRV MD PE Mar De Espanha SPE Ltda.	50.00%	6,474	3,237	1,555	628	50.00%	(1,994)	(997)	(940)	(662)
Pq Castelo De Gibraltar SPE Ltda.	65.00%	20,230	13,150	6,031	3,920	65.00%	23,745	15,434	4,345	2,824
SCPs (35)		7,853	4,874	(1,651)	(967)		6,616	4,931	(7,653)	(4,635)
SPEs (39)		116,503	48,300	(962)	(451)		52,434	70,191	1,824	823
Capitalized interest		-	3,945	-	(721)		-	4,666	-	(222)
Total Joint ventures and associates		191,623	157,251	22,299	13,710		104,037	108,573	11,032	6,170
Elimination of indirect participations		-	(344,905)	-	(18,072)		-	(275,151)	-	(16,768)
Total Joint ventures and associates		191,623	(187,654)	22,299	(4,362)		104,037	(166,578)	11,032	(10,598)
Investments - Consolidated			181,714					121,002		
Net capital deficiency liability - Investments - Consolidated			(369,368)					(287,580)		
Total Joint ventures and associates			(187,654)					(166,578)		
Subsidiaries:										
MRV (US) Holdings Corporation [2]	100.00%	481,665	481,665	(4,458)	(4,458)	100.00%	442,962	442,962	(11,810)	(10,558)
MRV Construções Ltda.	95.00%	30,711	29,175	(604)	(574)	95.00%	31,315	29,749	(8)	(8)
Urba Desenvolvimento Urbano S.A. [3]	51.54%	129,082	64,595	(2,889)	(1,485)	51.44%	105,191	52,250	2,800	(792)
SCP MRV MRL Adão 3	50.00%	12,064	6,032	(840)	(420)	50.00%	13,576	6,787	5,734	2,867
SCP Área Distribuidora	80.00%	9,718	7,774	1,006	805	80.00%	9,017	7,214	2,657	2,126
SCP Area Vanilla Scp Viver 2	50.00%	4,019	2,009	(221)	(110)	50.00%	4,088	2,044	4,619	2,310
SCP Colégio Amarela	50.00%	37,878	18,939	9,122	4,561	50.00%	29,214	14,607	1,110	555
SCP Porto Marabella	99.99%	14,641	14,639	453	453	99.99%	18,339	18,337	1,808	1,808
SCP Protubo Emp 02	50.00%	27,017	13,508	6,674	3,337		20,469	10,234	331	166
SCPs (245)		692,735	398,127	19,031	8,226	0.00%	699,164	403,992	8,775	4,346
MRV MDI Nasbe Incorp. SPE Ltda.	100.00%	80,118	80,118	31,921	31,921	100.00%	68,170	68,170	22,072	22,072
Caminho das Orquídeas SPE Ltda.	100.00%	8,550	8,550	261	261	100.00%	8,288	8,288	2,293	2,293
Campo Di Roma Incorporacoes SPE Ltda.	99.00%	6,440	6,376	976	966	99.00%	6,742	6,675	11,667	11,550
MD MRV Polidoro SPE Ltda.	50.00%	26,505	13,253	4,275	2,137	50.00%	22,230	11,115	5,401	2,701
Caminho Baraunas SPE LTDA.	100.00%	3,810	3,810	1,962	1,962	100.00%	1,847	1,847	8	8
Campo Di Napoli SPE LTDA.	99.00%	3,965	3,926	1,970	1,950	99.00%	2,289	2,266	(15)	(15)
MRV MD Tododia Construcoes SPE Ltda.	100.00%	14,481	14,481	1,494	1,494	100.00%	13,071	13,071	1,845	1,845
Jardim Di Stuttgart SPE LTDA.	100.00%	5,875	5,875	2,047	2,047	100.00%	3,843	3,840	66	65
MD Rn MRV Novas Nações SPE LTDA.	100.00%	9,805	9,805	2,087	2,087	100.00%	7,747	7,747	497	497
Mrv & Mrl Parana Incorporacoes SPE LTDA.	99.00%	10,584	10,478	2,475	2,451	99.00%	6,260	6,195	396	392
Mrv Lxxxv Incorporacoes SPE LTDA.	100.00%	13,055	13,055	2,168	2,168	100.00%	9,929	9,929	80	80
MRV MRL Baia Da Babitonga SPE Ltda.	100.00%	60,590	60,590	10,166	10,166	100.00%	57,271	57,302	11,578	11,461
MRV MD Vila Das Amoreiras SPE LTDA.	100.00%	14,959	14,959	6,126	6,126	100.00%	8,832	8,832	769	769
MRV MRL Plural 1 Inc SPE LTDA.	100.00%	7,210	7,210	2,942	2,942	100.00%	6,567	6,567	552	546
MRV MRL RJ SG4 SPE Ltda.	50.00%	20,351	10,176	1,332	666	50.00%	22,989	11,495	3,785	1,893
MRV MDI Es Residencial Venice SPE LTDA.	100.00%	3,105	3,105	1,561	1,561	100.00%	1,624	1,624	(31)	(31)
MRV PRIME LX Incorporações SPE LTDA.	99.00%	12,065	11,944	4,189	4,147	99.00%	11,389	11,275	779	771
MRV PRIME LXXXVIII Inc. SPE Ltda.	99.00%	16,144	15,982	(1,380)	(1,367)	99.00%	17,718	17,541	3,410	3,376
MRV MRL LVIII Incorp. SPE LTDA.	99.00%	7,072	7,001	4,223	4,181	99.00%	5,510	5,455	376	372
MRV MRL Lxxiii SPE LTDA.	99.00%	8,277	8,194	2,494	2,469	99.00%	5,776	5,718	414	410
MRV MRL LXXXII Inc. SPE LTDA.	100.00%	1,995	1,995	(1,534)	(1,534)	100.00%	3,529	3,529	-	-
Parque Aspen SPE Ltda.	99.00%	8,773	8,685	148	147	99.00%	8,620	8,534	1,958	1,938
Mrv Mrl Lxxxix Inc SPE LTDA.	99.00%	10,705	10,598	2,244	2,221	99.00%	8,456	8,371	179	177
MRV MRL RJ5 SPE LTDA.	65.00%	25,250	16,412	(116)	(75)	65.00%	27,645	17,969	2,567	1,669
MRV MRL XXII Inc SPE LTDA.	65.00%	13,837	8,994	1,912	1,243	65.00%	11,306	7,349	2,357	1,532
MRV PRIME L Inc SPE LTDA.	99.00%	5,354	5,300	(150)	(148)	99.00%	6,075	6,014	1,890	1,871
Parque Serra Bonita Inc. SPE Ltda.	99.00%	24,168	23,926	2,332	2,309	99.00%	22,907	22,678	2,665	2,638
Porto Dos Vinhedos SPE Ltda.	99.00%	9,015	8,925	(86)	(85)	99.00%	9,101	9,010	1,608	1,592
Mrv Prime Lxiv Incorporacoes SPE LTDA.	99.00%	12,246	12,126	5,017	4,967	99.00%	6,240	6,176	-	-
Rec Pátio Maceió S.A. SPE LTDA.	100.00%	12,232	12,232	2,413	2,413	100.00%	12,800	12,810	3,442	3,220
MRV PRIME Lxxxii Ltda SPE LTDA.	99.00%	2,226	2,204	(77)	(77)	99.00%	2,248	2,226	2,492	2,467
MRV PRIME Proj. Mt U SPE LTDA.	50.00%	8,752	4,376	4,664	2,332	50.00%	4,088	2,044	135	68
Residencial Dos Lirios Incorporacoes SPE LTDA.	99.00%	10,530	10,425	3,224	3,192	99.00%	7,306	7,233	897	888
MRV PRIME Projeto MT D Incorp. SPE LTDA.	50.00%	8,724	4,362	234	117	50.00%	8,480	4,240	3,876	1,938
MRV PRIME Projeto MT K Incorp. SPE LTDA.	50.00%	4,503	2,251	(160)	(80)	50.00%	4,954	2,477	3,128	1,564
MRV PRIME Projeto MT M Incorp. SPE LTDA.	40.00%	9,762	3,905	255	102	40.00%	10,008	4,003	4,283	1,713
MRV PRIME Projeto MT N Inc. SPE LTDA.	40.00%	17,121	6,848	578	231	40.00%	17,333	6,933	5,812	2,325
MRV PRIME Projeto Mt P Inc. SPE LTDA.	40.00%	9,442	3,777	4,859	1,944	40.00%	4,272	1,709	(2)	(1)
MRV Prime XC Incorporacoes SPE LTDA.	99.00%	4,211	4,169	1,714	1,697	99.00%	2,497	2,472	239	237
Reserva Real SPE LTDA.	100.00%	23,417	23,417	1,673	1,673	100.00%	22,088	22,088	99	99
Roc 1 SPE LTDA.	65.00%	9,557	6,212	4,323	2,810	65.00%	5,238	3,405	207	135
Vila Velha SPE Ltda.	100.00%	14,423	14,423	998	998	100.00%	13,558	13,558	1,841	1,841
SPEs (444)		624,520	430,413	(6,922)	(7,427)		675,821	461,274	4,849	(1,984)
Capitalized interest		-	132,814	-	(11,913)		-	133,928	-	(12,307)
Total subsidiaries		2,643,254	2,104,140	138,106	97,727		2,555,997	2,023,158	126,480	77,495
Total of subsidiaries, joint ventures and associates		2,834,877	2,261,391	160,405	111,437		2,660,034	2,131,731	137,512	83,665
Investments - Individual			2,428,068					2,295,412		
Net capital deficiency liability - Investments - Individual			(166,677)					(163,681)		
Total of subsidiaries, joint ventures and associates			2,261,391					2,131,731		

[1] In February 2021, the Company acquired an additional equity interest in this joint venture, reaching 74.27% for the amount of R\$62,868 representing 70,796,796 shares, without obtaining control. MRL's net assets were valued at fair value, therefore, the transaction generated a gain of R\$26,636 and goodwill in addition to the previously recorded in the amount of R\$24,200. The consideration transferred of R\$28,228 (R\$25,488 net of adjustment to present value), recorded in "accounts payable for acquisition of investment", will be paid in two installments of R\$14,114 each on May 31, 2022 and 2024, respectively, which settlement may be less, as they depend on MRL's financial performance. Additionally, on the same date, the Company signed a forward purchase agreement for R\$39,763 (R\$35,607 net of adjustment to present value) representing 44,778,181 shares, recorded under the heading

“other payables” and its counterpart in “other noncurrent assets”, which will be paid in three installments of R\$6,412, R\$20,526 and R\$12,825 on May 31, 2022, 2023 and 2024, respectively, and the settlement may be less, since it depends on MRL's financial performance. Goodwill will be tested for impairment as required by CPC 01/IAS 36.

- [2] Subsidiary in the United States that received the investment in AHS Residential (effective interest of 89.4%), acquired on January 31, 2020, as detailed in Note 30.
- [3] As at March 31, 2021, in equity method recognition on subsidiary Urba Desenvolvimento Urbano S.A., unrealized profit of R\$1,860 raised from sales of lots were eliminated (R\$1,860 at December 31, 2020).

Some subsidiaries have restrictions on transferring cash to the Company, based on their option for the equity segregation called “Patrimônio de afetação” (Earmarked assets) that establishes the permanence of amounts in cash accounts that ensure the continuity and delivery of uncompleted units to future customers. At March 31, 2021 the restricted amounts for distribution amounted to R\$14,420 (R\$8,053, as at December 31, 2020).

b) Changes in investments are as follows:

	Opening balance	Capital subscription (reduction and distribution of profits)	Proposed dividends	Results from equity interest in investees	Others	Closing balance
Quarter ended March 31, 2021:						
Joint ventures and associates:						
MRL Engenharia e Empreendimentos S.A. (MRL)						
Cost	16,354	-	-	4,231	7,260	27,845
Fair Value	-	-	-	-	26,636	26,636
Goodwill	3,237	-	-	-	24,200	27,437
Total MRL [1]	19,591	-	-	4,231	58,096	81,918
PRIME Incorporações e Construções S.A.	(5,243)	-	-	7,070	-	1,827
MRV MD PE Mar De Espanha SPE Ltda.	(997)	3,606	-	628	-	3,237
SCPs (35)	4,931	910	-	(967)	-	4,874
SPEs (41)	85,625	(27,644)	-	3,469	-	61,450
Capitalized interest	4,666	-	-	(721)	-	3,945
Total Joint ventures and associates	108,573	(23,128)	-	13,710	58,096	157,251
Elimination of indirect ownership	(275,151)	-	-	(18,072)	(51,682)	(344,905)
Total Joint ventures and associates	(166,578)	(23,128)	-	(4,362)	6,414	(187,654)
Total Joint ventures and associated companies - Consolidated	121,002	5,596	-	(2,980)	58,096	181,714
Net capital deficiency liability - Investments - Consolidated	(287,580)	(28,724)	-	(1,382)	(51,682)	(369,368)
Total Joint ventures and associates	(166,578)	(23,128)	-	(4,362)	6,414	(187,654)
Subsidiaries:						
MRV (US) Holdings Corporation [2]	442,962	5,251	-	(4,458)	37,910	481,665
MRV Construções Ltda.	29,749	-	-	(574)	-	29,175
Urba Desenvolvimento Urbano S.A.	52,250	12,915	-	(1,485)	915	64,595
MRV MDI Nasbe Incorp. SPE Ltda.	68,170	(19,973)	-	31,921	-	80,118
SCPs (251)	463,215	(19,039)	-	16,852	-	461,028
SPEs (485)	832,884	(45,523)	-	67,384	-	854,745
Capitalized interest	133,928	-	-	(11,913)	10,799	132,814
Total of subsidiaries	2,023,158	(66,369)	-	97,727	49,624	2,104,140
Total of subsidiaries, joint ventures and associates	2,131,731	(89,497)	-	111,437	107,720	2,261,391
Total of subsidiaries, joint ventures and associated companies - Individual	2,295,412	(95,980)	-	120,916	107,720	2,428,068
Net capital deficiency liability - Investments - Individual	(163,681)	6,483	-	(9,479)	-	(166,677)
Total of subsidiaries, joint ventures and associates	2,131,731	(89,497)	-	111,437	107,720	2,261,391
Quarter ended March 31, 2020:						
Total joint ventures - Consolidated	75,675	(16,576)	-	(14,711)	(2)	44,386
Net capital deficiency liability - Investments - Consolidated	(167,671)	(16,251)	-	4,113	-	(179,809)
Total Joint ventures and associates	(91,996)	(32,827)	-	(10,598)	(2)	(135,423)
Total Joint ventures and associated companies - Individual	1,875,695	(74,952)	-	91,329	414,482	2,306,554
Net capital deficiency liability - Investments - Individual	(149,270)	263	-	(7,664)	-	(156,671)
Total of subsidiaries, joint ventures and associates	1,726,425	(74,689)	-	83,665	414,482	2,149,883

[1] ‘Others’ refers to the participation purchase transaction mentioned in table (a) above.

[2] Subsidiary in the United States that received the investment in AHS Residential (effective interest of 89.4%), acquired on January 31, 2020. ‘Others’ essentially refers to currency translation adjustment.

- c) The main information of the Company's joint ventures and associates, directly and indirectly invested is summarized as follows:

	3/31/21						12/31/20					
	MRL	Prime	Mar de Espanha	Pq Castelo de Gibraltar	Other SPEs (40)	Other SCPs (35)	MRL	Prime	Mar de Espanha	Pq Castelo de Gibraltar	Other SPEs (40)	Other SCPs (35)
Current assets	127,602	97,406	25,455	15,190	61,880	9,662	32,147	85,957	41,643	22,727	100,765	9,724
Noncurrent assets	375,584	296,106	365	7,672	148,945	3,717	372,325	296,099	317	6,714	83,909	2,523
	503,186	393,512	25,820	22,862	210,825	13,379	404,472	382,056	41,960	29,441	184,674	12,247
Current liabilities	225,951	241,713	18,095	1,434	74,963	(630)	242,080	242,282	43,140	3,088	88,908	(308)
Noncurrent liabilities	239,743	148,728	1,251	1,198	19,359	6,156	130,345	148,585	814	2,608	43,332	5,939
Equity	37,492	3,071	6,474	20,230	116,503	7,853	32,047	(8,811)	(1,994)	23,745	52,434	6,616
	503,186	393,512	25,820	22,862	210,825	13,379	404,472	382,056	41,960	29,441	184,674	12,247

	1 st quarter of 2021						1 st quarter of 2020					
	MRL	Prime	Mar de Espanha	Acqua Patrimar Galeria	Other SPEs (40)	Other SCPs (35)	MRL	Prime	Mar de Espanha	Acqua Patrimar Galeria	Other SPEs (40)	Other SCPs (35)
Operating income	13	24	15,267	15,227	7,782	(80)	15	27	(4,326)	7,087	12,301	201
Cost of real estate sold and services	(762)	(311)	(11,363)	(8,092)	(6,614)	(798)	(860)	(699)	3,391	(3,209)	(10,195)	(3,859)
Operating income (expenses)	(3,702)	(3,080)	(1,426)	(789)	(2,772)	(941)	(3,411)	(3,877)	(717)	23	(1,091)	(4,103)
Results from equity interest in investees	12,638	17,307	-	-	-	-	7,944	22,585	-	-	-	-
Financial income (expenses)	(2,742)	(2,059)	(607)	(1)	849	171	(3,839)	(4,429)	609	42	1,676	121
Income tax and social contribution	-	-	(316)	(314)	(207)	(3)	-	-	103	(57)	(408)	(13)
Net income for the year	5,445	11,881	1,555	6,031	(962)	(1,651)	(151)	13,607	(940)	3,886	2,283	(7,653)
Total interest %	74.27	59.51	50.00	65.00	De 30 a 70	De 32 a 95	51.03	59.51	50.00	65.00	De 30 a 70	De 32 a 95

Note: Some percentages and other amounts of items (a) to (c) in all tables above have been rounded to facilitate their presentation. Thus, some totals presented in the tables may not represent the exact arithmetical sum of the amounts above.

The asset percentages related to the Group's projects that have real estate development equity segregation, as at March 31, 2021 and 2020, are as follows:

	Consolidated			
	3/31/21		12/31/20	
Projects under Law 10931/04 (Earmarked Assets)	6,938,294	36.89%	6,880,130	38.09%
Silent partnerships (SCPs)	484,216	2.57%	497,912	2.76%
Special Purpose Entities (SPEs)	1,169,080	6.22%	1,079,638	5.98%
Other entities	863,005	4.59%	807,242	4.47%
Projects with segregation	9,454,595	50.27%	9,264,922	51.30%
Balances without segregation	9,352,613	49.73%	8,797,093	48.70%
Total Consolidated	18,807,208	100.00%	18,062,015	100.00%

Other information on 'Equity interests in investees' is not significantly different from the information disclosed in Note 8 to the financial statements for the year ended December 31, 2020.

9. Investment Property

Investment property are held to obtain rental revenues or for capital appreciation and, depending on market conditions, sale of the residential projects and are demonstrated as follows:

Description	Average annual depreciation rates	Cost	Accumulated depreciation	Net 3/31/21	Fair value with level measurement	Fair value 3/31/21	Net 12/31/20
Buildings	2.56%	668,423	(45,057)	623,366	3	968,541	888,626
Properties under construction		870,135	-	870,135	3	1,020,569	561,789
Landbank		234,359	-	234,359	3	248,019	160,952
Subtotal AHS Residential [1]		1,772,917	(45,057)	1,727,860		2,237,129	1,611,367
Properties under construction		1,985	-	1,985	3	1,985	165
Landbank [1]		13,167	-	13,167		13,167	13,353
Subtotal Subsidiaries		1,788,069	(45,057)	1,743,012		2,252,281	1,624,885
Properties under construction		111,978	-	111,978	3	219,035	82,163
Landbank [1]		128,800	-	128,800		128,800	90,912
Subtotal Individual		240,778	-	240,778		347,835	173,075
Buildings	2.56%	668,423	(45,057)	623,366		968,541	888,626
Properties under construction		984,098	-	984,098		1,241,589	644,117
Landbank		376,326	-	376,326		389,986	265,217
Total Consolidated		2,028,847	(45,057)	1,983,790		2,600,116	1,797,960

[1] Stated at cost, as mentioned in the investment property policy described in note 2.2 (v) to the financial statements for the year ended December 31, 2020.

The fair value of the Group's investment properties, used only for disclosure purposes, was internally calculated and considered the operating stage of each assets, as detailed below:

- Land: mainly maintained at book value as they refer to recent acquisitions.
- Projects under construction: calculated using the discounted cash flow technique, considering vacancy rates estimated between 4% and 5% p.a., discount rates between 5.3% and 10.02% p.a. and capitalization rate from 4.8% to 6.5% p.a. Inflation or rent adjustments during the period were not considered.
- Completed projects: calculated using the income capitalization approach technique, by dividing the net operating income (NOI) by the capitalization rate, considering rate of 4.8% to 5.3% p.a. Inflation or rent adjustments during the period were not considered.

Significant changes in the discount and capitalization rates, considered for the calculation of the fair value of completed and under construction projects, may result in significant changes in the fair value of investment properties.

Changes in balances of investment property for the three-month ended March 31, 2021 and 2020 were as follows:

	Consolidated		Individual	
	1 st quarter of		1 st quarter of	
	2021	2020	2021	2020
Opening balance	1,797,960	33,511	173,075	33,511
Acquisition effects (Note 30)	-	998,350	-	-
Additions	381,344	172,201	67,703	24,416
Transfer to noncurrent assets held for sale	(345,148)	-	-	-
Capitalized interest	4,767	608	-	-
Write-off due to disposal of assets	(16,413)	-	-	-
Depreciation	(6,009)	(3,382)	-	-
Currency translation adjustments	167,289	234,752	-	-
Closing balance	1,983,790	1,436,040	240,778	57,927

Noncurrent assets held for sale

In the first quarter of 2021, the subsidiary AHS Residential transferred investment properties to "noncurrent assets held for sale" in the amount of R\$345,148, with sale expected to occur in the short term. These assets are measured at their book values, since they are less than their fair values, valued at R\$450,087. The depreciation of these assets will be ceased.

Other information on 'Investment property' is not significantly different from the information disclosed in Note 9 to the financial statements for the year ended December 31, 2020.

10. Property and equipment

Changes in property and equipment for the three-month period ended March 31, 2021 and 2020 are as follows:

Consolidated	Average annual depreciation rates	Opening balance	CPC 06 (R2) / IFRS 16 adoption	Acquisition effects (Note 30)	Addition	Write-off	Transfer	Currency translation adjustments	Closing balance
Quarter ended March 31, 2021:									
Cost:									
Right-of-use		111,786	-	-	155	-	-	272	112,213
Buildings, facilities and leasehold improvements		53,871	-	-	1,489	(862)	170	268	54,936
Aircraft and vehicles in use		24,771	-	-	-	-	-	111	24,882
Machinery and equipment		485,176	-	-	26,238	(2,848)	3,601	4,284	516,451
Furniture and fixtures		4,206	-	-	644	(114)	(2)	157	4,891
IT equipment and installations		8,698	-	-	1,063	(311)	-	200	9,650
Sales booths, stores and model apartments		98,075	-	-	792	(614)	3,600	-	101,853
Works in progress		20,653	-	-	5,766	(5)	(7,369)	-	19,045
Total cost		807,236	-	-	36,147	(4,754)	-	5,292	843,921
Accumulated depreciation:									
Right-of-use	Sundry	23,354	-	-	3,463	-	-	128	26,945
Buildings, facilities and leasehold improvements	14.40%	25,427	-	-	1,666	(429)	-	69	26,733
Aircraft and vehicles in use	10.08%	6,389	-	-	469	-	-	74	6,932
Machinery and equipment	10.00%	112,359	-	-	8,008	(1,239)	1	681	119,810
Furniture and fixtures	10.00%	3,221	-	-	83	(57)	(1)	64	3,310
IT equipment and installations	20.00%	6,178	-	-	246	(302)	-	113	6,235
Sales booths, stores and model apartments	25.19%	65,915	-	-	3,869	(486)	-	-	69,298
Total accumulated depreciation		242,843	-	-	17,804	(2,513)	-	1,129	259,263
Total property and equipment, net		564,393	-	-	18,343	(2,241)	-	4,163	584,658
Quarter ended March 31, 2020:									
Total property and equipment, net		485,757	-	16,343	10,361	(403)	-	4,086	516,144

Individual	Average annual depreciation	Opening balance	Addition	Write-off	Transfer	Closing balance
Quarter ended March 31, 2021:						
Cost:						
Right-of-use		106,414	-	-	-	106,414
Buildings, facilities and leasehold improvements		41,280	1,020	(180)	145	42,265
Aircraft and vehicles in use		23,626	-	-	-	23,626
Machinery and equipment		441,287	16,466	(2,774)	3,577	458,556
Furniture and fixtures		2,839	-	(107)	(2)	2,730
IT equipment and installations		6,659	858	(311)	-	7,206
Sales booths, stores and model apartments		54,773	450	(464)	2,098	56,857
Works in progress		15,694	3,489	(5)	(5,913)	13,265
Total cost		692,572	22,283	(3,841)	(95)	710,919
Accumulated depreciation:						
Right-of-use	Sundry	21,862	3,108	-	-	24,970
Buildings, facilities and leasehold improvements	14.40%	21,750	1,181	(152)	(14)	22,765
Aircraft and vehicles in use	10.08%	5,640	425	-	-	6,065
Machinery and equipment	10.00%	104,698	7,251	(1,182)	40	110,807
Furniture and fixtures	10.00%	2,557	18	(50)	(1)	2,524
IT equipment and installations	20.00%	5,071	101	(302)	-	4,870
Sales booths, stores and model apartments	25.19%	36,836	2,033	(424)	(5)	38,440
Total accumulated depreciation		198,414	14,117	(2,110)	20	210,441
Total property and equipment, net		494,158	8,166	(1,731)	(115)	500,478
Quarter ended March 31, 2020:						
Total property and equipment, net		455,229	6,050	(133)	(29)	461,117

At the end of the reporting periods, the Group's management concluded that there were no indications of impairment of its assets with finite useful lives, as none of the loss indicators set out in CPC 01 / IAS 36, paragraphs 10 and 12, was evidenced. As at March 31, 2021, the residual value of items pledged as collateral for liabilities amount R\$18,652 in Consolidated and Individual (R\$19,049 as at December 31, 2020).

Other information on 'Property and equipment' is not significantly different from the information disclosed in Note 10 to the financial statements for the year ended December 31, 2020.

11. Intangible assets

Changes in intangible assets for the three-month period ended March 31, 2021 and 2020 are as follows:

Consolidated	Opening balance	Acquisition effects (Note 30)	Addition	Transfer	Currency translation adjustments	Closing balance
Quarter ended March 31, 2021:						
<u>Cost:</u>						
Software development	186,835	-	1,145	37,228	1,481	226,689
Software license	56,144	-	-	-	-	56,144
Intangibles under development	56,040	-	11,590	(37,228)	-	30,402
Trademarks and patents	24,000	-	-	-	-	24,000
Total cost	323,019	-	12,735	-	1,481	337,235
<u>Accumulated amortization:</u>						
Software development	104,757	-	7,541	-	235	112,533
Software license	53,831	-	364	-	-	54,195
Total accumulated amortization	158,588	-	7,905	-	235	166,728
Total intangible assets	164,431	-	4,830	-	1,246	170,507
Quarter ended March 31, 2020:						
Total intangible assets	118,178	7,310	8,372	-	1,685	135,545

Individual	Opening balance	Addition	Transfer	Closing balance
Quarter ended March 31, 2021:				
<u>Cost:</u>				
Software development	169,161	365	37,228	206,754
Software license	56,140	-	-	56,140
Intangibles under development	55,305	11,435	(37,228)	29,512
Trademarks and patents	24,000	-	-	24,000
Total cost	304,606	11,800	-	316,406
<u>Accumulated amortization:</u>				
Software development	102,009	6,619	-	108,628
Software license	53,826	364	-	54,190
Total accumulated amortization	155,835	6,983	-	162,818
Total intangible assets	148,771	4,817	-	153,588
Quarter ended March 31, 2020:				
Total intangible assets	115,974	7,437	-	123,411

The average annual amortization rate for “Software development” and “Software license” is 20%.

At the end of the reporting periods, the Group's management concluded that there were no indications of impairment of its intangible assets, as none of the loss indicators set out in CPC 01 / IAS 36, paragraphs 10 and 12, was evidenced.

Other information on ‘Intangible assets’ is not significantly different from the information disclosed in Note 11 to the financial statements for the year ended December 31, 2020.

12. Loans, financing and debentures

(a) Loans, financing and debentures:

The position of loans, financing and debentures as at March 31, 2021 and December 31, 2020, is as follows:

Type	Currency	Maturity of principal	Effective rate p.a.	3/31/21			12/31/20
				Current	Noncurrent	Total	Total
Individual:							
Debenture - 9 th Issue - 2 nd series	R\$	2/20 to 2/22	CDI + 2.57%	199,947	-	199,947	303,024
Debenture - 9 th Issue - 3 rd series (*)	R\$	2/22	IPCA + 8.52%	99,540	-	99,540	101,120
Debenture - 11 th Issue - 2 nd series	R\$	9/21 to 9/22	CDI + 1.56%	107,496	107,150	214,646	216,378
Debenture - 11 th Issue - 3 rd series (*)	R\$	9/23 and 9/24	IPCA + 6.47%	4,802	146,720	151,522	152,274
Debenture - 12 th Issue - 1 st series	R\$	7/23	CDI + 1.52%	2,376	298,700	301,076	303,617
Debenture - 12 th Issue - 2 nd series	R\$	7/24 and 7/25	CDI + 1.79%	444	51,300	51,744	52,220
Debenture - 12 th Issue - 3 rd series	R\$	7/23	CDI + 1.62%	894	109,130	110,024	110,980
Debenture - 12 th Issue - 4 th series	R\$	7/23	CDI + 1.62%	680	83,070	83,750	84,478
Debenture - 15 th Issue	R\$	11/22 to 11/25	CDI + 1.19%	3,101	300,000	303,101	300,875
Debenture - 16 th Issue	R\$	4/23 to 4/25	CDI + 1.69%	1,686	99,999	101,685	100,832
Debenture - 17 th Issue	R\$	4/21 to 4/23	CDI + 3.68%	22,669	27,778	50,447	50,443
Debenture - 18 th Issue	R\$	8/25	CDI + 2.54%	2,246	500,000	502,246	507,226
(-) Funding cost				(4,039)	(4,985)	(9,024)	(10,074)
Total debentures - Individual				441,842	1,718,862	2,160,704	2,273,393
CRI (13 th debentures issue)	R\$	9/23 to 9/24	CDI + 0.83%	348	300,000	300,348	300,269
CRI (14 th debentures issue)	R\$	5/24	100.4% CDI + 0.28%	2,381	360,000	362,381	360,621
Construction financing	R\$	6/21 to 4/24	TR + 8.30%	5	3	8	3,925
Construction financing	R\$	3/23 to 4/23	CDI + 2.08%	3	776	779	1,512
Leasing	R\$	9/19 to 5/23	CDI + 2.00% to 2.93%	6,123	2,383	8,506	9,996
Working Capital	R\$	4/21 and 4/22	CDI + 3.10%	101,705	100,000	201,705	201,731
Promissory note	R\$	5/21	CDI + 4.62%	101,033	-	101,033	99,950
(-) Funding cost				(3,591)	(7,056)	(10,647)	(11,762)
Total loans and financing - Individual				208,007	756,106	964,113	966,242
Total Individual				649,849	2,474,968	3,124,817	3,239,635
Subsidiaries:							
Debenture - 2 nd Issue - Urba	R\$	6/21 to 6/23	CDI + 1.73%	20,590	40,001	60,591	60,125
Debenture - 4 th Issue - Urba	R\$	4/23 to 4/25	CDI + 1.71%	674	39,999	40,673	40,332
(-) Funding cost				(218)	(341)	(559)	(614)
Total debentures - Subsidiaries				21,046	79,659	100,705	99,843
Project loans	US\$	2/22 to 9/22	Libor + 2.17% to 2.42%	283,526	260,487	544,013	572,526
Project loans - Permanent loans	US\$	5/26 to 10/27	3.95% to 4.38%	5,059	265,494	270,553	315,409
Loan agreements (**)	US\$	11/22 to 2/26	3.80% to 5.94%	2,279	666,618	668,897	247,997
Loan agreement / credit line	US\$	4/21	Libor + 2.90%	-	-	-	100,795
CRI (3 rd debentures issue - Urba)	R\$	3/24	CDI + 1.10%	13	60,000	60,013	60,015
Construction financing (***)	R\$	4/16 to 3/23	TR + 13.53%	2,040	1,914	3,954	4,445
Construction financing	R\$	5/21 to 6/24	TR + 8.30%	1,450	1,582	3,032	5,089
Construction financing	R\$	11/22 to 6/24	CDI + 2.50%	42	7,525	7,567	12,070
(-) Funding cost				(2,084)	(6,228)	(8,312)	(6,293)
Total loans and financing - Subsidiaries				292,325	1,257,392	1,549,717	1,312,053
Total subsidiaries				313,371	1,337,051	1,650,422	1,411,896
Total Consolidated				963,220	3,812,019	4,775,239	4,651,531

(*) Measured at fair value through profit or loss, once they were designated as hedged items, according to hedge accounting methodology, as detailed in Note 25 (b).

(**) As mentioned in Note 25 (b), for these operations' interests, the Company hired derivative financial instruments (swaps) to hedge its exposure to US dollar plus fixed rate, by pegging interest to CDI.

(***) As mentioned in Note 25 (b), for this operation the Company hired derivative financial instrument (interest rate swap) to hedge its exposure to TR plus fixed rate, by pegging interest to CDI.

Loans, financing and debentures - Noncurrent assets held for sale

As of March 31, 2021, the Group has loans, financing and debentures related to noncurrent assets held for sale mentioned in Note 9, as follows:

Type	Currency	Maturity of principal	Effective rate p.a.	3/31/21 Total
Project loans	US\$	05/23	Libor + 2.75%	162,373
Project loans - Permanent loans	US\$	12/27	4.63%	73,660
Total - Noncurrent assets held for sale				236,033

Key features of the Group's loans, financing and debentures are as follows:

Type	Serie	Qty	Funding date	Repayment of principal	Interest payment	Maturity of principal	Contractual rate (p.a.)	Effective rate (p.a.)
Debenture - 9 th Issue - 2 nd series	Single	49,727	3/17	Semiannual	Semiannual	2/20 to 2/22	CDI + 2.30%	CDI + 2.57%
Debenture - 9 th Issue - 3 rd series	Single	8,000	3/17	Bullet payment	Semiannual	2/22	IPCA + 8.25%	IPCA + 8.52%
Debenture - 11 th Issue - 2 nd series	Single	21,430	9/17	Annual	Semiannual	9/21 to 9/22	CDI + 1.50%	CDI + 1.56%
Debenture - 12 th Issue - 3 rd series	Single	12,120	9/17	Annual	Annual	9/23 to 9/24	IPCA + 6.45%	IPCA + 6.47%
Debenture - 12 th Issue - 1 st series	Single	29,870	8/18	Bullet payment	Semiannual	7/23	CDI + 1.40%	CDI + 1.52%
Debenture - 12 th Issue - 2 nd series	Single	5,130	8/18	Annual	Semiannual	7/24 and 7/25	CDI + 1.70%	CDI + 1.79%
Debenture - 12 th Issue - 3 rd series	Single	10,913	8/18	Bullet payment	Semiannual	7/23	CDI + 1.50%	CDI + 1.62%
Debenture - 12 th Issue - 4 th series	Single	8,307	8/18	Bullet payment	Semiannual	7/23	CDI + 1.50%	CDI + 1.62%
Debenture - 15 th Issue	Single	300,000	11/19	Annual	Semiannual	11/22 to 11/25	CDI + 1.06%	CDI + 1.19%
Debenture - 16 th Issue	Single	100,000	4/20	Annual	Semiannual	4/23 to 4/25	CDI + 1.50%	CDI + 1.69%
Debenture - 17 th Issue	Single	50,000	4/20	Quarterly	Quarterly	4/21 to 4/23	CDI + 3.00%	CDI + 3.68%
Debenture - 18 th Issue	Single	500,000	8/20	Bullet payment	Semiannual	8/25	CDI + 2.40%	CDI + 2.54%
Debenture - 2 nd Issue - Urba	Single	6,000	6/18	Annual	Semiannual	6/21 to 6/23	CDI + 1.22%	CDI + 1.73%
Debenture - 4 th Issue - Urba	Single	40,000	4/20	Annual	Semiannual	4/23 to 4/25	CDI + 1.50%	CDI + 1.71%
CRI (13 th debentures issue)	-	-	3/19	Semiannual	Quarterly	9/23 to 9/24	100% CDI	CDI + 0.83%
CRI (14 th debentures issue)	-	-	6/19	Bullet payment	Semiannual	04/23 to 04/25	100.4% CDI	100.4% CDI + 0.28%
CRI (3 rd debentures issue) - Urba	-	-	3/19	Bullet payment	Quarterly	3/24	CDI + 0.20%	CDI + 1.10%
Construction financing	-	-	3/16	Monthly	Monthly	4/16 to 3/23	TR + 13.29%	TR + 13.53%
Construction financing	-	-	Sundry	Sundry	Sundry	5/21 to 6/24	TR + 8.30%	TR + 8.30%
Construction financing	-	-	Sundry	Sundry	Sundry	11/22 to 6/24	CDI + 2.08% to 2.50%	CDI + 2.08% to 2.50%
Leasing	-	-	Sundry	Monthly	Monthly	9/19 to 5/23	CDI + 2.00% to 2.93%	CDI + 2.00% to 2.93%
Working Capital	-	-	4/20	Annual	Quarterly	4/21 and 4/22	CDI + 3.10%	CDI + 3.10%
Promissory note	-	-	5/20	Bullet payment	Bullet payment	5/21	CDI + 2.50%	CDI + 3.65%
Project loans	-	-	Sundry	Bullet payment	Monthly	2/22 to 5/23	Libor + 2.00% to 2.25%	Libor + 2.17% to 2.75%
Project loans - Permanent loans	-	-	Sundry	Monthly	Monthly	5/26 to 12/27	3.95% to 4.63%	3.95% to 4.63%
Loan agreement	-	-	Sundry	Sundry	Sundry	12/22 to 2/26	4.00% to 5.94%	3.80% to 5.94%

The 13rd and 14th issue of debentures of the Company and 3rd issue of subsidiary Urba were carried out to back transactions of certificates of real estate receivables, as detailed above.

The debentures issued by the Company are simple, nonconvertible, registered, book-entry.

Funding during the three-month period ended March 31, 2021, is as follows:

Type	Currency	Funding date	Repayment of principal	Interest payment	Maturity of principal	Contractual rate (p.a.)	Amount (*)
Construction financing	R\$	Sundry	Sundry	Sundry	2/24	TR + 8.30%	1,574
Construction financing	R\$	Sundry	Sundry	Sundry	3/24 and 6/24	CDI + 2.08%	1,079
Project loans	US\$	Sundry	Bullet payment	Monthly	2/22 to 4/223	Libor + 2.00% to 2.25%	75,626
Loan agreements	US\$	2/21	Bullet payment	Semiannual	2/26	3.80% to 3.85%	383,107
Total - Consolidated							461,386

(*) Gross of funding costs.

Changes in loans, financing and debentures are as follows:

	Consolidated		Individual	
	1 st quarter of		1 st quarter of	
	2021	2020	2021	2020
Opening balance	4,651,531	3,202,158	3,239,635	3,001,666
Acquisition effects (Note 30)	-	626,126	-	-
Funding	461,386	478,144	-	117,581
Accrued financial charges	47,398	51,155	34,155	42,455
Fair value adjustment	(7,942)	(12,826)	(7,942)	(12,826)
Funding costs	(1,916)	-	-	-
Amortization of funding costs	2,484	2,216	2,165	1,966
Repayment of principal	(222,670)	(339,555)	(105,344)	(238,491)
Payment of financial charges	(51,949)	(72,178)	(37,852)	(64,290)
Currency translation adjustments	132,950	165,739	-	-
Closing balance	5,011,272	4,100,979	3,124,817	2,848,061

(b) Guarantees and surety

The types of guarantees for loans, financing and debentures as at March 31, 2021 are as follows:

	Consolidated								Total
	Debentures	Bank credit notes	Construction financing	Leasing	Working capital	Promissory note	Project loans	Loan agreements / credit line	
Collateral / surety	-	-	-	8,506	-	-	485,410	668,897	1,162,813
Collateral / receivables	-	-	15,340	-	-	-	565,189	-	580,529
No guarantees	2,270,992	722,742	-	-	201,705	101,033	-	-	3,296,472
Total (*)	2,270,992	722,742	15,340	8,506	201,705	101,033	1,050,599	668,897	5,039,814

(*) Amounts of loan, financing and debentures gross of funding cost.

Construction financing agreements are collateralized by receivables (see Note 6) or mortgage of land (see Note 7). Leasing contracts are collateralized by assets referred in Note 10.

The Company guaranteed loans, financing and debentures obtained by a subsidiary and several jointly ventures from financial institutions, as described below:

Guarantees, warranties and surety	Start	Maturity	Amount
MRL Engenharia e Empreendimentos S.A.	5/28/20	5/30/22	150,700
	4/8/20	4/1/25	61,011
	9/27/18	9/27/21	113,509
Prime Incorporações e Construções S.A.	3/31/21	3/30/26	110,000
	9/27/18	9/27/21	102,050
	9/27/18	9/27/21	124,859
Urba Desenvolvimento Urbano S.A.	6/26/19	6/26/24	151,162
	3/18/16	3/6/23	3,954
	6/13/18	6/6/23	60,593
MRV US Holdings Corporation	3/28/19	3/27/24	60,013
	4/8/20	4/1/25	40,674
	2/21/20	2/21/25	272,031
	2/18/21	2/18/26	86,837
	3/3/21	2/18/26	202,351
	3/25/21	2/18/26	115,358
			<u>1,655,104</u>

(c) Aging

Aging of loans, financing and debentures by maturity is as follows:

After the reporting period	Consolidated		Individual	
	3/31/21	12/31/20	3/31/21	12/31/20
12 months	964,422	687,520	649,849	554,243
13 to 24 months	597,067	965,330	301,821	501,127
25 to 36 months	1,134,958	970,036	873,736	782,366
37 to 48 months	952,919	847,390	665,778	768,474
After 48 months	1,361,906	1,181,255	633,633	633,425
Total	<u>5,011,272</u>	<u>4,651,531</u>	<u>3,124,817</u>	<u>3,239,635</u>

(d) Allocation of financial charges

	Consolidated		Individual	
	1 st quarter of		1 st quarter of	
	2021	2020	2021	2020
Gross financial charges	46,131	53,628	28,973	43,334
Capitalized financial charges on:				
Real estate under construction and landbank	(24,656)	(38,391)	(9,669)	(24,620)
Investment property (Note 9)	(4,767)	-	-	-
Equity interest in investees	-	-	(10,799)	(9,628)
Amounts recognized in financial result (Note 24)	16,708	15,237	8,505	9,086
<u>Financial charges</u>				
Opening balance	510,941	552,246	479,190	534,156
Acquisition effects	1,111	-	-	-
Capitalized financial charges	29,423	38,391	20,468	34,248
Charges allocated to profit or loss:				
Cost of real estate sold and services provided (Note 23)	(33,798)	(45,368)	(17,920)	(26,943)
Depreciation	(29)	-	-	-
Results from equity interest in investees	(721)	(222)	(12,634)	(12,529)
Closing balance	506,927	545,047	469,104	528,932
Capitalized financial charges related to:				
Real estate under construction and landbank (Note 7)	480,283	539,207	332,345	364,673
Equity interest in investees (Note 8)	3,945	5,840	136,759	164,259
Investment property	22,699	-	-	-
	506,927	545,047	469,104	528,932

During the three-month period ended March 31, 2021, total financial charges capitalized on loans, financing and debentures represented an average charge rate of 4.59% p.a. (5.52% p.a. in the same period of 2020).

Other information on 'Loans, financing and debentures' is not significantly different from the information disclosed in Note 12 to the financial statements for the year ended December 31, 2020.

13. Land payables

	Consolidated		Individual	
	3/31/21	12/31/20	3/31/21	12/31/20
INCC	649,965	649,629	436,560	451,871
IGP-M	238,488	238,437	152,583	153,162
IPCA	107,418	133,065	50,718	81,435
Other indexes	39,340	40,535	28,925	30,032
Non-interest bearing	4,030,946	3,883,668	3,054,527	2,873,588
Present value discount	(143,930)	(131,223)	(106,623)	(94,540)
Total	4,922,227	4,814,111	3,616,690	3,495,548
Current	955,281	1,189,205	562,418	848,854
Noncurrent	3,966,946	3,624,906	3,054,272	2,646,694
	4,922,227	4,814,111	3,616,690	3,495,548

As at March 31, 2021, 'Land payables' include financial barter in the amount of R\$2,550,640 in Consolidated and R\$1,821,929 in Individual (R\$2,655,201 and R\$1,883,416 as at December 31, 2020, in Consolidated and Individual, respectively).

Several land acquisition agreements have clauses that allow the resolution without any burden to the Company, if certain conditions are not met or reached. These conditions mainly include obtaining legal, municipal or state approvals (incorporation permits, construction licenses, etc.), technical and commercial viability of the projects and obtaining construction financing.

As at March 31, 2021, R\$2,178,855 in Consolidated and Individual, of total 'Land payables', involves repayments linked to the above-mentioned conditions, therefore only will occur if and when the projects become feasible, this is when the Company obtains the respective approvals (R\$2,197,867 as at December 31, 2020).

Aging of 'Land payables' is as follows:

Periods after the reporting period	Consolidated		Individual	
	3/31/21	12/31/20	3/31/21	12/31/20
12 months	955,281	1,189,205	562,418	848,854
13 to 24 months	2,304,849	2,202,816	1,565,820	1,325,988
25 to 36 months	708,234	540,680	627,060	483,903
37 to 48 months	437,309	259,602	401,572	240,132
After 48 months	516,554	621,808	459,820	596,671
Total	4,922,227	4,814,111	3,616,690	3,495,548

Other information on 'Land payables' is not significantly different from the information disclosed in Note 13 to the financial statements for the year ended December 31, 2020.

14. Advances from customers

	Consolidated		Individual	
	3/31/21	12/31/20	3/31/21	12/31/20
Proceeds in advance	133,918	113,305	75,907	71,940
Advances for barter	490,898	501,351	303,155	350,390
	624,816	614,656	379,062	422,330
Current	242,502	254,011	150,200	170,826
Noncurrent	382,314	360,645	228,862	251,504
	624,816	614,656	379,062	422,330

Several barter agreements have clauses that allow the resolution without any burden to the Company, if certain conditions are not met or reached. These conditions mainly include obtaining legal, municipal or state approvals (incorporation permits, construction licenses, etc.), technical and commercial viability of the projects and obtaining construction financing.

As at March 31, 2021, R\$193,078 in Consolidated and Individual, of total 'Advance for barter', involves obligations linked to the above-mentioned conditions, therefore only will occur if and when the projects become feasible, this is when the Company obtains the respective approvals (R\$241,117 as at December 31, 2020).

Advances from customers are broken down as follows:

Periods after the reporting period	Consolidated		Individual	
	3/31/21	12/31/20	3/31/21	12/31/20
12 months	242,502	254,011	150,200	170,826
13 to 24 months	218,990	202,988	128,711	138,057
After 24 months	163,324	157,657	100,151	113,447
Total	624,816	614,656	379,062	422,330

Bank guarantees provided for land purchases, including barter arrangements and infrastructure works of the Company and its investees are summarized as follows:

Periods after the reporting period	3/31/21	12/31/20
12 months	658,915	673,822
After 12 months	10,076	-
	668,991	673,822

Beside bank guarantees, advances for barter are covered by property delivery insurance policy, as described in Note 29.

Other information on 'Advances from customers' is not significantly different from the information disclosed in Note 14 to the financial statements for the year ended December 31, 2020.

15. Payroll and related liabilities

	Consolidated		Individual	
	3/31/21	12/31/20	3/31/21	12/31/20
Salaries and wages	30,347	28,687	13,531	13,153
Payroll benefits	16,875	17,545	9,448	10,206
Accrued vacation, 13 th salary and related benefits	90,401	70,309	48,204	39,815
Provision for employees and management profit sharing	29,745	23,230	28,706	22,500
Other	2,418	2,384	1,117	937
Total	169,786	142,155	101,006	86,611

Other information on 'Payroll and related liabilities' is not significantly different from the information disclosed in Note 15 to the financial statements for the year ended December 31, 2020.

16. Tax payables

	Consolidated		Individual	
	3/31/21	12/31/20	3/31/21	12/31/20
Income tax and social contribution	14,179	14,333	7,760	8,087
Taxes on revenue (PIS and COFINS)	54,734	54,006	43,120	42,741
Withheld third parties taxes	14,130	12,363	8,732	7,807
Taxes withheld on interest on salaries	6,212	9,238	4,954	7,480
Other	711	537	133	(36)
Total	89,966	90,477	64,699	66,079

As at March 31, 2021, amounts of recoverable taxes, essentially arising from tax credits claimed on the costs incurred on units sold (PIS and COFINS) and short-term investments are R\$83,000 and R\$58,558 in Consolidated and Individual, respectively (R\$78,280 and R\$53,986 as at December 31, 2020, respectively), and are classified in line item 'Recoverable taxes', in current assets.

17. Provision for maintenance of real estate

Changes in provision for maintenance of real estate are as follows:

	Opening balance	Additions	Write-off	Transfer	Closing balance
Consolidated:					
Current	41,647	35,944	(34,994)	(2,486)	40,111
Noncurrent	124,252	-	-	2,486	126,738
Total - 1st quarter of 2021	165,899	35,944	(34,994)	-	166,849
Total - 1 st quarter of 2020	139,837	32,711	(27,409)	-	145,139
Individual:					
Current	19,733	20,995	(18,964)	(2,757)	19,007
Noncurrent	71,083	-	-	2,757	73,840
Total - 1st quarter of 2021	90,816	20,995	(18,964)	-	92,847
Total - 1 st quarter of 2020	73,186	18,604	(15,016)	-	76,774

As at March 31, 2021 and December 31, 2020, amounts corresponding to 1.85% to 2.20% of the total construction cost actually incurred were accrued.

Other information on 'Provision for maintenance of real estate' is not significantly different from the information disclosed in Note 17 to the financial statements for the year ended December 31, 2020.

18. Provision for civil, labor and tax risks

Changes in provision are as follows:

	Opening balance	Additions	Reversals	Payments	Inflation adjustment	Closing balance
Consolidated:						
Civil	53,979	24,546	(4,750)	(23,481)	2,251	52,545
Labor	48,053	8,634	(7,145)	(10,412)	1,986	41,116
Others	112	153	-	(127)	6	144
Total - 1st quarter of 2021	102,144	33,333	(11,895)	(34,020)	4,243	93,805
Total - 1 st quarter of 2020	101,572	33,071	(5,184)	(36,157)	4,260	97,562
Individual:						
Civil	30,567	13,819	(3,277)	(13,789)	1,278	28,598
Labor	41,048	6,823	(5,498)	(9,547)	1,682	34,508
Others	91	76	-	(89)	4	82
Total - 1st quarter of 2021	71,706	20,718	(8,775)	(23,425)	2,964	63,188
Total - 1 st quarter of 2020	72,053	18,339	(3,759)	(23,236)	3,022	66,419

The total number of the Group's lawsuits and the number of lawsuits classified as a "probable" likelihood of an unfavorable outcome, based on Group's legal counsel's assessment, broken down by type, are as follows:

Nature	Consolidated				Individual			
	3/31/21		12/31/20		3/31/21		12/31/20	
	Total lawsuits	Probable lawsuits	Total lawsuits	Probable lawsuits	Total lawsuits	Probable lawsuits	Total lawsuits	Probable lawsuits
Civil	20,876	3,623	21,462	3,790	11,570	2,097	11,838	2,258
Labor	2,542	626	2,620	664	1,659	409	1,723	444
Others	1,329	29	1,318	28	1,050	22	1,032	23
Total	24,747	4,278	25,400	4,482	14,279	2,528	14,593	2,725

As shown above the main lawsuits as at March 31, 2021 and December 31, 2020 and the additions for the periods then ended refer to civil and labor lawsuits, basically related to:

- civil: lawsuits claiming compensations related to delivery of units and request of repairs on delivered units.
- labor: lawsuits claiming employment relationship, lawsuits involving former employees and contractors over which the Company has joint liability.

Civil, labor, tax, criminal, and environmental proceedings assessed by the Group's legal advisors as possible losses, which have essentially the same nature as those described above, total R\$524,870 and R\$406,737 in Consolidated and Individual, respectively, as at March 31, 2021 (R\$512,569 and R\$392,606 as at December 31, 2020 in Consolidated and Individual, respectively). Said amount on March 31, 2021, includes two tax assessment notices for the collection of IRPJ and CSLL, related to fiscal years 2016 and 2017, in the total amount of R\$186,944, having as object the assumptions for determining the taxable profit. The Company's legal advisors, considering the assessments and applicable legislation on the matter, classified the probability of success as possible. In February 2021, the Company sent an appeal to the CARF (Administrative Tax Appeals Council) and understands that is probable that the tax authority accepts the tax treatment adopted. In accordance with international accounting standards, accounting practices adopted in Brazil and applicable legislation, no provision was recognized for these contingent liabilities.

Other information on 'Provision for civil, labor and tax risks' is not significantly different from the information disclosed in Note 18 to the financial statements for the year ended December 31, 2020.

19. Related parties

		Consolidated				Individual			
		Asset		Liability		Asset		Liability	
		3/31/21	12/31/20	3/31/21	12/31/20	3/31/21	12/31/20	3/31/21	12/31/20
<u>Short-term investments and marketable securities</u>									
Other related parties									
Banco Inter S.A. (Inter)	[1]	104,743	115,754	-	-	104,743	115,754	-	-
<u>Dividends receivables</u>									
Subsidiaries									
Urba Desenvolvimento Urbano S.A.		1,407	-	-	-	1,407	1,407	-	-
Joint ventures									
MRL Engenharia e Empreendimentos S.A. (MRL)		775	2,982	-	-	775	2,982	-	-
<u>Intercompany receivables</u>									
Investees									
SPEs	[6]	33,569	31,578	-	-	825,567	796,145	-	-
Joint ventures									
Prime Incorporações e Construções S.A.	[7]	247	176	-	-	113	42	-	-
MRL Engenharia e Empreendimentos S.A.	[7]	1,267	9,535	-	-	767	9,035	-	-
Reserva Macaúba Loteamento Ltda.	[7]	1,667	1,246	-	-	-	-	-	-
Other related parties									
Partners in real estate development projects	[7]	19,000	17,588	-	-	19,000	17,588	-	-
<u>Other assets</u>									
Subsidiaries									
SCPs e SPEs	[8]	1,929	3,978	-	-	23,076	21,522	-	-
Joint ventures									
Prime Incorporação e Construções S.A.	[8]	4,604	3,602	-	-	4,527	3,434	-	-
MRL Engenharia e Empreendimentos S.A.	[8]	21,640	26,529	-	-	21,600	26,499	-	-
Other related parties									
Partners in real estate development projects	[8]	590	5,636	-	-	69	45	-	-
Controlling shareholder	[9]	28,815	30,145	-	-	28,815	30,145	-	-
<u>Suppliers</u>									
Subsidiaries									
MRV Construções Ltda. (MC)	[2]	-	-	-	-	-	-	58,570	43,687
Other related parties									
T Lott Advocacia	[10]	-	-	43	-	-	-	34	-
<u>Payables for investment acquisition</u>									
Other related parties									
LOG Commercial Properties e Participações S.A. (LOG)	[11]	-	-	18,414	19,445	-	-	-	-
<u>Intercompany payables (Other payables)</u>									
Investees									
SPEs	[12]	-	-	113	84	-	-	35,484	36,858
Joint ventures									
Prime Incorporações e Construções S.A.	[13]	-	-	39,347	37,042	-	-	-	-
MRL Engenharia e Empreendimentos S.A.	[13]	-	-	56,964	57,255	-	-	-	-
Other related parties									
Partners in real estate development projects	[13]	-	-	47,507	40,382	-	-	-	-
Costellis International Limited	[17]	-	-	27,646	27,646	-	-	27,646	27,646
<u>Lease liability (Other payables)</u>									
Other related parties									
Conedi Participações Ltda e MA Cabaleiro Participações Ltda	[14]	-	-	65,136	65,687	-	-	62,717	63,305
Lakeside office, LLC	[16]	-	-	701	868	-	-	-	-

		Consolidated				Individual			
		Income		Expense		Income		Expense	
		1 st quarter of		1 st quarter of		1 st quarter of		1 st quarter of	
		2021	2020	2021	2020	2021	2020	2021	2020
Net operating revenue									
Receivables from services provided									
Subsidiaries									
MRV Construções Ltda.	[2]	845	539	-	-	-	-	-	-
Financial income									
Short-term investments and marketable securities									
Other related parties									
Banco Inter S.A.	[1]	323	(1,139)	-	-	323	(1,139)	-	-
Intercompany receivables									
Joint ventures									
Prime Incorporações e Construções S.A.	[7]	3	6	-	-	3	6	-	-
MRL Engenharia e Empreendimentos S.A.	[7]	164	16	-	-	164	16	-	-
Reserva Macaúba Loteamento Ltda.	[7]	92	187	-	-	-	-	-	-
Other related parties									
Partners in real estate development projects	[7]	307	232	-	-	307	232	-	-
Other operating income (expenses), net									
Subsidiaries									
Urba Desenvolvimento Urbano S.A.	[3]	-	-	-	-	370	75	-	-
Joint ventures									
Prime Incorporações e Construções S.A.	[3]	600	187	-	-	600	187	-	-
MRL Engenharia e Empreendimentos S.A.	[3]	684	217	-	-	684	217	-	-
Other related parties									
LOG Commercial Properties e Participações S.A.	[3]	400	416	-	-	400	416	-	-
MRV Serviços de Engenharia Ltda.	[4]	18	25	-	-	18	25	-	-
Banco Inter S.A.	[5]	617	128	-	-	617	128	-	-
Other		55	11	-	-	55	11	-	-
Sale of subsidiary									
Other related parties									
Controlling shareholder	[9]	327	383	-	-	327	383	-	-
Operating costs and expenses									
Cost of real estate sales and services									
Subsidiaries									
MRV Construções Ltda.	[2]	-	-	-	-	-	-	81,858	69,745
General and administrative expenses									
Other related parties									
T Lott Advocacia	[10]	-	-	1,020	1,249	-	-	987	1,106
Conedi Participações Ltda. e MA Cabaleiro Participações Ltda.	[14]	-	-	1,075	971	-	-	1,038	934
Luxemburgo Incorporadora SPE Ltda.	[15]	-	-	18	97	-	-	18	97
Lakeside office, LLC	[16]	-	-	33	19	-	-	-	-

- [1] Refers to short-term investments with Banco Inter S.A. and/or subsidiaries ("Inter"), which is controlled by controlling shareholder of the Company. As at March 31, 2021, short-term investments yielded 60.52% of CDI in Consolidated and Individual (73.42% at December 31, 2020).
- [2] Refers to construction services provided by MC for the Company and its investees and were recorded under the caption "Revenue from construction services". Transactions with the Company and its subsidiaries, which amount to R\$146,132, were eliminated in the consolidation process, thus remaining only revenues with associates (Note 22). Accordingly, the remaining balance in the Consolidated in caption "Receivables for services rendered" refers to amounts receivable from associates and the remaining balance in the Individual in caption "Suppliers" refers to the amount payable by the Company to MC.
- [3] Refers to administrative services (shared service center) provided by the Company to LOG, an investment property company controlled by the Company's controlling shareholder, to subsidiary Urba and for the joint ventures MRL and Prime, based on the quantity of transactions (receipt of invoices and payments).
- [4] The Company provides building services to this related party. Revenue from services rendered is equivalent to 15% of incurred cost.
- [5] It refers to "preference premium" paid by the bank to the Company by 25% on the credit revenue obtained by the bank referring to invoices from the Company's suppliers discounted from it.
- [6] Refers to the Company's operating contributions in investees, proportional to its interest in each project, to make feasible the projects and will be refunded as the projects reach cash surpluses for allowing the distribution of the amounts priorly contributed. In Consolidated, the remaining balances refer to contributions in associates. These balances do not have pre-determined maturities and does not generate interest.
- [7] Intercompany receivables refers mainly to transactions conducted to fund the initial stage of projects in view of the business relationships with these parties for the development of real estate construction operations. No maturities have been defined for these transactions and as at March 31, 2021, R\$20,264 in Consolidated and R\$18,596 in Individual (R\$24,888 in Consolidated and R\$23,642 in Individual as at December 31, 2020) are subject to interest pegged substantially to interbank deposit rate (CDI), plus a spread of 2.8% to 4% p.a. in Consolidated and Individual (same fixed rates as at December 31, 2020). Receivable balances from partners in real estate development projects include allowance for credit risk in the amount of R\$11,630 as at March 31, 2021 (same amount as at December 31, 2020).
- [8] Refers to amounts receivable from capital contributions and other transactions between group companies and other related parties. These balances do not generate interest and are receivable immediately after the Company request.
- [9] On December 27, 2019, the Company sold its entire interest in MRV PRIME LII INCORPORAÇÕES SPE LTDA. for the controlling shareholder for R\$39,783, to be paid in seventy-two consecutive monthly installments, in the amount of R\$553 each, starting February 2020. The referred SPE hold a plot land

where the Clube Atlético Mineiro's multipurpose arena will be built. As of March 31, 2021, the balance receivable includes adjustment to present value of R\$3,233 (R\$3,560 at December 31, 2020).

- [10] Refers to legal services agreement with entity which has as its managing partner Thiago da Costa e Silva Lott, a member of the Company's fiscal board.
- [11] In July 2018, the Company acquired equity interest in MRV LOG MDI SJC I Incorporações SPE Ltda. ("LOG SJC Sony") through its subsidiary MRV MRL CAMP NOU Incorporações e Participações Ltda. The contract determines payments in two tranches as detailed below:
 - I. R\$10,800 referring to 10.81% of the equity interest, to be paid in 24 monthly installments of R\$450 each, the first being paid after the approval of the land subdivision project by the Municipal Administration, an event that took place in July 2018; and
 - II. R\$25,523 (R\$24,200 plus updated by IPCA index) referring to 24.22% of the equity interest, which will be paid in 48 monthly installments of R\$532 each, the first being paid after approval of a change in the zoning area from industrial to residential by the Municipal Administration, an event that took place in the fourth quarter of 2019.
- [12] Refers to amounts received from subsidiaries and will be settled by the Company essentially after the completion of the formal capital reduction process of these SPEs. In Consolidated balance, the remaining amounts refer to intercompany balances with associates. These balances do not have pre-determined maturities and does not generate interest.
- [13] Refers to amounts contributed by joint ventures and partners in the Company's subsidiaries to make feasible the projects and will be refunded as the projects reach cash surpluses and allow the distribution of the resources initially contributed. These balances do not have pre-determined maturities and does not generate interest.
- [14] Refers to headquarters lease agreement for the Company and a subsidiary. This companies have as owners: shareholders, executives or board members of the Company. Rental agreements are effective until February 28, 2035, including term extension, adjustable by the General Market Price Index (IGP-M) and as of January 1st, 2019, due to CPC 06 (R2) adoption, the contracts recognition is made as lease and no more as rental. As at March 31, 2021 and December 31, 2020 provides for monthly total payment of R\$619 (gross of taxes).

Joint ventures MRL Engenharia e Empreendimentos S.A. e Prime Incorporações e Construções S.A. hold rental agreement of offices and parking lots with Conedi. The rental agreement is adjustable by the General Market Price Index (IGP-M) and as at March 31, 2021 provides for total monthly payment of R\$6 (R\$6 as at December 31, 2020). Related expenses, net of PIS/COFINS taxes, for the three-month period ended March 31, 2021 and 2020, was R\$23.
- [15] The Company hired hotel services from Hotel Ramada Encore Luxemburgo, asset hold by Luxemburgo Incorporadora SPE Ltda., company linked to Company's shareholders and management key personnel.
- [16] Refers to lease agreement of subsidiary AHS Residencial's headquarters. This entity has as partner the Company's controlling shareholder. The contract is effective until January 1, 2022. On March 31, 2021, it establishes a total monthly payment of US\$2.
- [17] Contingent consideration resulting from the acquisition of the subsidiary AHS Residencial, as per note 30. All other amounts and conditions involved in the acquisition are detailed in the referred note.

Notes:

- Intercompany loans with related parties are conducted with subsidiaries and partners in real estate projects under terms and conditions negotiated by the parties. As the Company does not conduct similar transactions with unrelated parties, there is no evidence that these transactions would produce the same results had they been conducted with unrelated parties.
- Company shareholders Marcos Alberto Cabaleiro Fernandez and Rubens Menin Teixeira de Souza entered into a noncompetition agreement with the Company, under which they agree not to engage in any activity in Brazil, in the construction industry outside the Company for up to a two-year period after a possible withdrawal as shareholders. Their activities in the industry are, therefore, restricted to the Company.
- On August 18, 2020, the Company entered into an Operational Agreement with its subsidiary Urba Desenvolvimento Urbano SA, in order to discipline the partnership between both, establishing the principles that should guide its operational and commercial relationship, nevertheless not affecting the normal course of business and activities carried out by Urba or the Company independently ("Operating Agreement").

Compensation of key personnel

Pursuant to CPC 05, which addresses related party disclosures, and according to the Company's understanding, key management personnel consist of members of the Board of Directors and officers elected by the Board of Directors in conformity with the Company's bylaws, and their roles and responsibilities comprise decision-making powers and control of the Company's activities.

	Consolidated		Individual	
	1 st quarter of		1 st quarter of	
	2021	2020	2021	2020
Short-term benefits granted to management:				
Management compensation (*)	9,318	6,150	5,078	4,024
Profit sharing	2,637	3,072	2,483	3,008
Non-monetary benefits	138	130	116	115
Long-term benefits granted to management:				
Retirement private plan	195	144	178	136
Stock option plan	2,037	939	1,873	939
	14,325	10,435	9,728	8,222

(*) Not included social security contributions at the rate of 20%.

On April 23, 2021, the Ordinary Shareholders' Meeting approved the change in the overall Company management compensation threshold to R\$39,607.

Besides the benefits above, the Company does not grant any other benefits such as postemployment benefits or severance pay.

20. Equity

(a) Capital stock

On March 31, 2021, the Company's capital stock is R\$4,615,171 (R\$4,609,424 as at December 31, 2020), represented by 482,875 thousand common shares as shown below:

Shareholders	Number of shares in			
	3/31/21		12/31/20	
	Ordinary	%	Ordinary	%
Rubens Menin Teixeira de Souza (Controlling shareholder)	182,262	37.7	182,334	37.8
Officers	6,083	1.3	6,009	1.2
Fiscal council and executive committees	47	-	196	-
Treasury shares	1	-	1	-
Other shareholders	294,482	61.0	293,414	61.0
Total	482,875	100.0	481,954	100.0

The Company is authorized to increase its capital up to R\$7,000,000 (Seven billion reais).

During the three-month period ended March 31, 2021 and 2020, the Shareholders' Meeting (SM), approved the following capital increases:

Date of approval	Number of shares	Unit price	Total capital increase (decrease)	Capital after capital increase (decrease)	Total outstanding shares after issuance
Quarter ended March 31, 2021:	(thousand)	R\$	R\$'000	R\$'000	(thousand)
1/7/21 Capital increase	921	-	5,747	4,615,171	482,875
Quarter ended March 31, 2020:					
1/31/20 MDI incorporation effects (*)	37,287	-	326,338	4,609,424	481,954
1/17/20 Capital increase	528	-	956	4,283,086	444,667

(*) The amount of the capital increase, according to corporate acts, is R\$685,700, represented by the fair value of MDI's assets before the merger. As the transaction involves entities under common control, the assets were incorporated considering their historical cost.

(b) Treasury shares

On March 16, 2020, the Board of Directors approved the new share buyback program of the Company, which should be settled by September 15, 2021, limited to 15 million shares of the Company's total shares, without a capital reduction, using funds from the available earnings or capital reserve, aiming to maximize the generation of value for shareholders, and / or transfer to beneficiaries of the Company's stock option plans.

In the three-month period ended March 31, 2020, 317 thousand shares were transferred to beneficiaries of the Company's stock option plan. There were no changes of treasury shares in the three-month period ended March 31, 2021, as shown below:

Type	Number (thousand)				Market value (*)
	Opening balance	Acquired	Transferred	Closing balance	
1st quarter of 2021:					
Common shares	1	-	-	1	18
1st quarter of 2020:					
Common shares	318	-	(317)	1	12

(*) Market value of shares remaining in treasury as at March 31, 2021 and 2020.

During the three-month period ended March 31, 2021, the subsidiary Urba Desenvolvimento Urbano S.A. transferred 967 thousand own shares kept in treasury to new minority shareholders for total amount of R\$1,570 (zero in the same period of 2020). The Company recorded the effect of this transaction, in the amount of R\$732, under the caption "Treasury shares" in the statement of changes in equity, according to its interest.

(c) Capital reserves

Capital reserves' balances are derived from share issuance cost related to share public offers (IPOs) and stock options granted to executives and employees of the Company, according to item (e) below. In accordance with art. 200 of the Brazilian Corporation Law and considering the Company's Bylaws, it may use the capital reserves to absorb losses, redemption, redemption or purchase of shares and incorporation into the capital stock.

(d) Earnings reserves

Legal reserve

The constitution of the legal reserve is mandatory, up to the limits established by law, and its purpose is to ensure the integrity of the share capital, conditional on its use to absorb losses or increase the share capital. As at December 31, 2020, the Company recognized legal reserve in the amount of R\$27,507 (R\$34,512 as at December 31, 2019) equivalent to 5% of annual net income for the year, as prescribed by Article 193 of the Brazilian Corporate Law.

Earnings retention reserve

According to article 33, paragraph 3, item (e) of the Company's bylaws, this reserve is intended to meet the funding requirements for future investments, mainly to meet working capital requirements, land purchases, investments in property and equipment and intangible assets, and payment of interest according to the capital budget to be submitted to and approved in Shareholders' Meeting.

The Annual and Extraordinary Shareholders' Meeting held on April 23, 2021 approved the allocation of the remaining net income of year 2020, amounting to R\$313,580, to this reserve.

The Annual and Extraordinary Shareholders' Meeting held on April 16, 2020 approved the allocation of the remaining net income of year 2019, amounting to R\$491,800, to this reserve.

(e) Stock option plan

On February 12, 2021, the Company granted the Program 13 of the Company stock options plan ("Program 13"), first of Plan III. The grant limit for this program will be 3,200,000 (three million and two hundred thousand) options, whose exercise price will be R\$19.44.

On April 30, 2020, the Company granted the Program 12 of the Company stock options plan. The grant limit for this program will be 2,348,218 options, whose exercise price will be R\$12.73.

On August 31, 2020, Program 1 of the Stock Option Plan was approved by the Board of Directors of Urba Desenvolvimento Urbano S.A. The grant limit for this Program is 2,996,697 options with exercise price by R\$1.34. Key features of the stock option plan programs are as follows:

Program	Plan	Approval	Stock options (thousand)	Vesting period	Strike price	Participants	Exercise deadline
4	I	6/11/12	1,945	Up to 5 years	R\$ 11.56	Officers, managers, and key employees	8/19
5	I	8/20/13	1,522	Up to 5 years	R\$ 5.91	Officers, managers, and key employees	12/20
6	I	10/14/14	1,512	Up to 5 years	R\$ 6.50	Officers, managers, and key employees	12/21
7	I	6/1/15	1,454	Up to 5 years	R\$ 6.84	Officers, managers, and key employees	12/22
8	I	7/1/16	1,538	Up to 5 years	R\$ 10.42	Officers, managers, and key employees	12/23
9	I	6/1/17	1,511	Up to 5 years	R\$ 14.80	Officers, managers, and key employees	12/24
10	II	5/25/18	1,853	Up to 5 years	R\$ 14.52	Officers, managers, and key employees	12/25
11	II	6/5/19	2,352	Up to 5 years	R\$ 15.51	Officers, managers, and key employees	12/26
12	II	4/30/20	2,226	Up to 5 years	R\$ 12.73	Officers, managers, and key employees	12/27
13	III	2/12/21	3,200	Up to 10 years	R\$ 19.44	Officers, managers, and key employees	12/30
1 - Urba	I	8/31/20	2,997	Up to 5 years	R\$ 1.34	Officers, managers, and key employees	12/27

Changes in stock options plan per program for the three-month period ended March 31, 2021 and 2020 and supplemental information is as follows:

Program	Number of participants	Changes in 1 st quarter of 2021 (thousand shares)				
		Opening balance	Granted	Expired / forfeited	Exercised	Closing balance
6	7	351	-	-	-	351
7	11	551	-	-	-	551
8	24	848	-	-	-	848
9	68	1,290	-	(9)	-	1,281
10	75	1,666	-	(8)	-	1,658
11	79	2,282	-	(9)	-	2,273
12	71	2,208	-	-	-	2,208
13	7	-	3,200	-	-	3,200
		9,196	3,200	(26)	-	12,370
Weighted average price of options		13.23	19.44	14.97	10.53	14.83

Program	Number of participants	Changes in 1 st quarter of 2020 (thousand shares)				
		Opening balance	Granted	Expired / forfeited	Exercised	Closing balance
6	33	492	-	-	-	492
7	72	639	-	-	-	639
8	62	1,325	-	(10)	-	1,315
9	74	1,411	-	(13)	-	1,398
10	83	1,790	-	-	-	1,790
11	86	2,338	-	-	-	2,338
		7,995	-	(23)	-	7,972
Weighted average price of options		13.07	-	12.85	-	13.07

Program	Other information				
	Number of vested shares (thousand)	Stock option cost for the year	Unrecognized stock option cost	Remaining stock option cost period (in years)	Remaining contractual life (in years)
6	351	-	-	-	0.7
7	551	-	-	-	1.7
8	848	-	-	-	2.8
9	195	315	943	0.8	3.8
10	207	392	2,628	1.8	4.8
11	195	536	5,357	2.8	5.8
12	98	866	10,909	3.8	6.8
13	-	769	42,236	9.9	12.9
1 - Urba	150	210	2,592	3.8	6.8
2021	2,595	3,088	64,665	7.6	6.9
2020	1,777	1,649	15,118	3.1	5.1

Stock options costs arising from joint ventures and recognized by the Company totaled R\$108 for the three-month period ended March 31, 2021 (R\$2 negative for the same period of 2020).

For the three-month ended March 31, 2020, the Company received R\$761 in proceeds related to 317 thousand stock options exercised in 2020, and were delivered 317 thousand common shares held in treasury, as explained in (b) above.

The table below presents the plans approved by the Board of Directors and the percentage of concession for each one:

Plans	Approval	Approved options	Options granted	Percentage granted
I	4/2/07	24,098	21,113	87.61%
II	4/19/18	6,500	6,421	98.78%
III	12/21/20	8,200	3,200	39.02%

As at March 31, 2021, had all options currently granted been exercised, the Company would have issued 12,370 thousand shares, which would represent a 2,50% dilution in relation to total Company shares of 482,875 thousand.

(f) Dividends

Mandatory minimum and additional proposed

The mandatory minimum dividends of fiscal year 2020 by R\$130,658 were approved at the Extraordinary and Annual Shareholders' Meeting (EASM) held on April 23, 2021 and paid on May 11, 2021 and are equivalent to R\$0.270585065 per share, net of inflation adjustment, as per the shareholding position effective on April 29, 2021.

The proposed additional dividends of fiscal year 2020 by R\$78,135 were approved at the Extraordinary and Annual Shareholders' Meeting (EASM) held on April 23, 2021 and will be paid on a date to be defined by Management during fiscal year 2021 and are equivalent to R\$0.16235104 per share.

The mandatory minimum dividends of fiscal year 2019 by R\$163,933 were approved at the Extraordinary and Annual Shareholders' Meeting (EASM) held on April 16, 2020 and paid on October 23, 2020, and are equivalent to R\$0.34014373 per share, net of inflation adjustment, as per the shareholding position effective on October 13, 2020.

Extraordinary

On January 13, 2021, it was approved at the Board of Directors' Meeting the distribution of extraordinary dividends in the amount of R\$100,000, to 2019 earnings, which were paid on January 28, 2021, being R\$0.207093497 per share, as per the shareholding position effective on January 18, 2021.

(g) Noncontrolling interests

	Consolidated	
	1 st quarter of	
	2021	2020
Opening balance	361,254	267,019
Acquisition effects (Note 30)	-	48,980
Capital transactions	-	3,629
Net distributions to noncontrolling interests	(14,629)	19,221
Currency translation adjustments	6,038	11,527
Changes in indirect ownership	(44,849)	-
Prior period adjustments in subsidiary	(417)	-
Reflection of the cash flow hedge reserve in a subsidiary	-	(1,982)
Interest in net income for the period	9,880	21,411
Closing balance	317,277	369,805

In the three-month period ended March 31, 2021, changes in the Company's equity interests in subsidiaries generated a net loss in Company owners of R\$66 (an increase in noncontrolling interests of R\$3,629 and a net loss of R\$1,625 for the Company owners for the same period of 2020), directly recorded in equity.

(h) Earnings per share

The table below shows net income data and the number of shares used to calculate basic and diluted earnings per share:

	Consolidated and Individual	
	1 st quarter of	
	2021	2020
Basic earnings per share:		
Net income for the year	136,670	104,405
Weighted average number of outstanding common shares (thousand)	482,812	469,534
Basic earnings per share - in R\$	0.28307	0.22236
Diluted earnings per share:		
Net income for the year	136,670	104,405
Weighted average number of outstanding common shares (thousand)	482,812	469,534
Dilutive effect of stock options (thousands of shares)	2,585	2,384
Total shares after dilutive effect (thousand)	485,397	471,918
Diluted earnings per share - in R\$	0.28156	0.22124

(i) Currency translation adjustments

The balances are essentially due to translation of the interim financial statement of foreign subsidiary MRV (US) Holdings Corporation, whose functional currency is the US dollar, to the Group's presentation currency, as described in Note 2.2 (r) to the financial statements for the year ended December 31, 2020.

Other information on 'Equity' is not significantly different from the information disclosed in Note 20 to the financial statements for the year ended December 31, 2020.

21. Segment information

The Group's management defined the operating segments based on the reports used by the Board of Directors in its strategic decision-making, product differentiation and geographic location. Four operating segments were identified, which are separately managed, as follows:

- i. Real estate development: segment engaged in the development, construction, and sale of own and third-party real estate. Project development and construction are carried out directly by the Company, subsidiaries, joint ventures and associates;
- ii. Rental of residential properties: this segment engaged in the development and rent residential properties near urban centers and provide various other services to the renter. The Group's strategy is to develop projects (through the construction of its own assets), make them available for renting and, depending on market conditions, selling these properties. In Brazil, this segment is operated by the "Luggo" business line and, in the United States, by the indirect subsidiary AHS Residential;
- iii. Urban land subdivisions (Urba): division responsible for the development and sale of residential and commercial urban land subdivisions.

The rental of residential properties segment was split in "United States (USA)" and "Brazil" since they are inserted in different environments and economic characteristics and have different managers.

The Group's financial position as at March 31, 2021 and December 31, 2020 and results for the three-month period ended March 31, 2021 and 2020, split in its operating segments, are as follows:

	3/31/21					12/31/20				
	Real estate development	Rental of residential properties		Land subdivisions	Consolidated	Real estate development	Rental of residential properties		Land subdivisions	Consolidated
		USA	Brazil				USA	Brazil		
Assets										
Cash, cash equivalents and marketable securities	2,225,941	199,862	3,959	59,676	2,489,438	2,506,560	152,263	12,850	22,960	2,694,633
Trade accounts receivable	3,407,752	2,980	3	172,344	3,583,079	3,310,137	2,973	-	171,806	3,484,916
Inventories	8,467,271	-	2,226	308,214	8,777,711	8,322,724	-	2,244	276,891	8,601,859
Investment properties	-	1,727,860	255,930	-	1,983,790	-	1,611,367	186,593	-	1,797,960
Investment properties - Noncurrent assets held for sale	-	345,148	-	-	345,148	-	-	-	-	-
Other assets	1,432,778	134,000	6,516	54,748	1,628,042	1,345,334	80,517	5,787	51,009	1,482,647
Total assets	15,533,742	2,409,850	268,634	594,982	18,807,208	15,484,755	1,847,120	207,474	522,666	18,062,015
Liabilities and equity										
Loans, financing and debentures	3,135,415	1,476,792	-	163,032	4,775,239	3,256,791	1,232,215	-	162,525	4,651,531
Loans, financing and debentures - Noncurrent assets held for sale	-	236,033	-	-	236,033	-	-	-	-	-
Land payables	4,680,026	-	7,124	235,077	4,922,227	4,586,570	-	7,268	220,273	4,814,111
Advances from customers	615,727	-	2,706	6,383	624,816	611,075	-	2,706	875	614,656
Other payables	1,986,522	146,992	12,984	44,238	2,190,736	1,795,499	108,767	9,064	33,802	1,947,132
Total liabilities	10,417,690	1,859,817	22,814	448,730	12,749,051	10,249,935	1,340,982	19,038	417,475	12,027,430
Operating segment net assets	5,116,052	550,033	245,820	146,252	6,058,157	5,234,820	506,138	188,436	105,191	6,034,585
Total liabilities and equity	15,533,742	2,409,850	268,634	594,982	18,807,208	15,484,755	1,847,120	207,474	522,666	18,062,015

	1 st quarter of 2021					1 st quarter of 2020				
	Real estate development	Rental of residential properties		Land subdivisions	Consolidated	Real estate development	Rental of residential properties		Land subdivisions	Consolidated
		USA	Brazil				USA	Brazil		
Net operating revenue	1,560,706	19,065	222	17,943	1,597,936	1,487,023	9,442	-	12,003	1,508,468
Cost of real estate sold and services	(1,121,978)	(16,274)	(92)	(14,811)	(1,153,155)	(1,069,045)	(8,863)	-	(6,563)	(1,084,471)
Gross profit	438,728	2,791	130	3,132	444,781	417,978	579	-	5,440	423,997
Operating income (expenses):										
Selling, general and administrative expenses	(243,564)	(16,872)	(1,283)	(6,891)	(268,610)	(236,762)	(7,193)	(194)	(4,570)	(248,719)
Other operating income (expenses), net	(30,430)	4,070	(486)	(217)	(27,063)	(30,623)	(73)	(125)	(112)	(30,933)
Results from equity interest in investees	(4,646)	-	-	284	(4,362)	(11,098)	-	-	500	(10,598)
Income before financial income	160,088	(10,011)	(1,639)	(3,692)	144,746	139,495	(6,687)	(319)	1,258	133,747
Financial result	29,524	5,124	(18)	788	35,418	28,861	(5,123)	41	610	24,389
Income before taxes	189,612	(4,887)	(1,657)	(2,904)	180,164	168,356	(11,810)	(278)	1,868	158,136
Income tax and social contribution	(33,183)	-	(1)	(430)	(33,614)	(31,846)	-	-	(474)	(32,320)
Net income for the period	156,429	(4,887)	(1,658)	(3,334)	146,550	136,510	(11,810)	(278)	1,394	125,816

The accounting practices and measurement bases for each operating segment are the same as described in Note 2 to the financial statements for the year ended December 31, 2020.

22. Net operating revenue

The table below shows reconciliation between gross and net revenue stated in the income statement for the three-month period ended March 31, 2021 and 2020:

	Consolidated		Individual	
	1 st quarter of		1 st quarter of	
	2021	2020	2021	2020
Gross operating revenue				
Real estate development	1,812,540	1,669,636	1,009,988	906,909
Bartered real estate units	5,898	7,184	(2,090)	1,793
Rental revenue and management service	19,327	9,442	262	-
Cancellations	(171,408)	(113,307)	(90,990)	(59,260)
Allowance for credit risk	(34,065)	(31,749)	(16,576)	(20,864)
Revenue from construction services	845	539	-	-
	1,633,137	1,541,745	900,594	828,578
Taxes on sales	(35,201)	(33,277)	(19,498)	(17,279)
Net operating revenue	1,597,936	1,508,468	881,096	811,299

Amounts related to units under construction recognized in consolidated In the three-month period ended March 31, 2021 and 2020 are as follows:

	Consolidated	
	1 st quarter of	
	2021	2020
Net revenue from units under construction	1,415,545	1,306,525
Costs of real estate sold under construction	(1,003,925)	(934,838)
Recognized profits	411,620	371,687

The amounts of received advances regarding contracts in progress as at March 31, 2021 and 2020 are R\$170,786 and R\$113,729, respectively.

23. Costs and expenses

	Consolidated		Individual	
	1 st quarter of		1 st quarter of	
	2021	2020	2021	2020
Cost of real estate sold and services:				
Financial charges (Note 12 (d))	(33,798)	(45,368)	(17,920)	(26,943)
Cost of rental operations	(16,274)	(8,863)	-	-
Land, construction and maintenance costs	(1,103,083)	(1,030,240)	(622,366)	(557,203)
Total cost of real estate sold and services	(1,153,155)	(1,084,471)	(640,286)	(584,146)
Selling, general and administrative expenses:				
Salaries, charges and benefits	(90,601)	(80,375)	(62,557)	(60,161)
Management compensation	(9,318)	(6,150)	(5,078)	(4,024)
Management and employees profit sharing	(7,300)	(9,073)	(6,274)	(7,820)
Stock option plan expenses	(3,088)	(1,649)	(2,878)	(1,649)
Commissions and brokers' fees	(36,729)	(36,967)	(20,119)	(19,098)
Outside services	(31,200)	(24,020)	(27,607)	(19,719)
Marketing and advertising expenses	(33,423)	(34,189)	(21,865)	(23,404)
Utilities	(3,095)	(3,391)	(2,414)	(2,745)
Depreciation and amortization	(15,344)	(11,733)	(12,959)	(9,841)
Training	(634)	(904)	(161)	(552)
Other expenses	(37,878)	(40,268)	(29,304)	(32,147)
Total selling, general and administrative expenses	(268,610)	(248,719)	(191,216)	(181,160)
Classified as:				
Selling expenses	(152,155)	(148,706)	(99,762)	(94,381)
General and administrative expenses	(116,455)	(100,013)	(91,454)	(86,779)
	(268,610)	(248,719)	(191,216)	(181,160)

	Consolidated		Individual	
	1 st quarter of		1 st quarter of	
	2021	2020	2021	2020
Other operating income (expenses), net				
Provision for civil, labor and tax risks	(15,451)	(10,259)	(10,981)	(6,122)
Real estate credit department	-	-	-	-
Results on the sale of property and equipment	1,390	(175)	1,217	(6)
Donatives - Instituto MRV	(2,825)	(1,783)	(2,825)	(1,783)
Other:				
Income	8,485	1,160	2,805	1,044
Expenses	(18,662)	(19,876)	(9,247)	(16,183)
Total other operating income (expenses), net	(27,063)	(30,933)	(19,031)	(23,050)

24. Financial expenses and income

	Consolidated		Individual	
	1 st quarter of		1 st quarter of	
	2021	2020	2021	2020
Financial expenses:				
Interest on loans, financing and debentures (Note 12 (d))	(16,708)	(15,237)	(8,505)	(9,086)
Fees and taxes	(3,229)	(2,579)	(1,799)	(1,373)
Other financial expenses	(5,484)	1,742	(4,708)	2,512
	(25,421)	(16,074)	(15,012)	(7,947)
Financial income:				
Short-term investments	9,759	6,559	8,935	5,296
Swap gain in subsidiary	12,159	-	-	-
Interest on intercompany loans (Note 19, item 7)	566	441	474	254
Other financial income	5,228	6,778	2,619	4,642
	27,712	13,778	12,028	10,192
Income from real estate development receivables	33,127	26,685	16,275	12,507
	60,839	40,463	28,303	22,699
Financial result	35,418	24,389	13,291	14,752

25. Financial instruments and risk management

(a) Capital risk management

As at March 31, 2021 and December 31, 2020, the consolidated debt-to-equity ratio is as follows:

	Consolidated		Individual	
	3/31/21	12/31/20	3/31/21	12/31/20
Loans, financing and debentures	5,011,272	4,651,531	3,124,817	3,239,635
Cash, cash equivalents and marketable securities	(2,489,438)	(2,694,633)	(1,585,830)	(1,864,589)
Net debt	2,521,834	1,956,898	1,538,987	1,375,046
Equity	6,058,157	6,034,585	5,740,880	5,673,331
Net debt-to-equity ratio	41.6%	32.4%	26.8%	24.2%

(b) Financial instruments categories and fair value

Consolidated	Note	3/31/21		12/31/20	
		Book value	Fair value	Book value	Fair value
Financial assets:					
Amortized cost		4,756,795	4,756,795	4,599,842	4,599,842
Receivables from real estate development	6	3,579,585	3,579,585	3,481,470	3,481,470
Intercompany receivables		55,750	55,750	60,123	60,123
Cash and bank accounts	4	1,117,966	1,117,966	1,054,803	1,054,803
Receivables from services provided	6	3,494	3,494	3,446	3,446
Fair value through profit or loss (mandatorily measured) (*)		1,423,773	1,423,773	1,706,920	1,706,920
Restricted investment funds	5	1,227,131	1,227,131	1,432,714	1,432,714
Unrestricted investment funds	4	235	235	243	243
Bank Certificates of Deposit (CDB)	4 and 5	25,187	25,187	27,680	27,680
Short-term investments	4	13,082	13,082	13,324	13,324
Escrow account and swap guarantee	5	36,053	36,053	82,893	82,893
U.S. Treasuries	5	2,837	2,837	2,583	2,583
Savings deposits	5	66,724	66,724	80,177	80,177
Real estate consortium	5	223	223	216	216
Derivative financial instruments (**)	25 (b)	52,301	52,301	67,090	67,090
Financial liabilities:					
Amortized cost		10,707,432	10,711,363	10,094,216	10,084,016
Loans, financing and debentures	12	4,760,210	4,764,141	4,398,137	4,387,937
Land payables	13	4,922,227	4,922,227	4,814,111	4,814,111
Suppliers		539,140	539,140	467,929	467,929
Payables for investment acquisition		43,901	43,901	19,445	19,445
Other payables		441,954	441,954	394,594	394,594
Fair value through profit or loss (hedge accounting) (**)		261,145	261,145	267,103	267,103
Loans, financing and debentures	12	251,062	251,062	253,394	253,394
Derivative financial instruments	25 (b)	10,083	10,083	13,709	13,709

(*) Financial assets recognized in the interim financial statements at fair value with level 2 measurement, using the discounted cash flows valuation technique. Pursuant to CPC 48 / IFRS 9, these financial assets were designated as measured at fair value through profit or loss (FVTPL) because they are managed, and their performance is monitored on a fair value basis.

(**) Recognized in the interim financial statements at fair value with level 2 measurement, using the discounted cash flows valuation technique, according to hedge accounting methodology.

It is not a Group policy to enter into derivative transactions or any other assets for speculative purposes.

The Group entered non-speculative derivative financial instruments to hedge its exposure to the interest rates in loan, financing and debentures and to US dollar. The purpose of these transactions is value hedging by minimizing the impacts of changes in interest rates, by replacing the TR / IPCA plus fixed spread or US dollar for the interbank deposit rate (CDI) or fixed rate.

As at March 31, 2021, the swap contracts position is as follows:

Type of transaction	Currency	Hiring	Asset / Liability	Maturity	Notional amount	Long position	Short position	3/31/21	Total effect accumulated on result		Other comprehensive results
								Derivative fair value	Gain or loss on transaction	Mark-to-market	Mark-to-market
Swap	R\$	3/16	TR + 13.29% / CDI + 2.55%	3/23	3,829	3,954	3,841	195	113	82	-
Swap (*)	R\$	3/17	IPCA + 8.25% / 132.2% CDI	2/22	80,000	94,988	80,265	20,334	14,723	5,611	-
Swap (*)	R\$	9/17	IPCA + 6.45% / 122.1% CDI	9/24	121,200	145,893	122,741	30,741	23,152	7,589	-
Swap	US\$	2/20	Dollar + 4% / 76% CDI	2/23	208,487	10,408	3,718	1,031	6,690	-	(2,701)
Swap	US\$	3/21	Dollar + 3.85% / 100% CDI	2/26	201,600	592	(123)	(3,491)	715	-	(4,206)
Swap	US\$	3/21	Dollar + 3.85% / 100% CDI	2/26	114,900	60	(15)	(1,069)	75	-	(1,144)
Swap	US\$	2/21	Dollar + 3.80% / 100% CDI	2/26	80,759	358	(4)	(3,164)	362	-	(3,526)
Swap	US\$	11/19	Dollar libor / 1.60%	11/29	35,000	-	-	(2,359)	-	12,159	-
								42,218	45,830	25,441	(11,577)
								Consolidated		Individual	
								52,301		52,106	
								10,083		7,724	

(*) Derivatives designed as hedge instruments, according to hedge accounting methodology.

	Effect on results / other comprehensive results					
	Consolidated			Individual		
	Gain on transaction	Mark-to-market	Total	Gain on transaction	Mark-to-market	Total
1st quarter of 2021:						
Effect on results						
Fair value hedge	8,088	(10,877)	(2,789)	8,101	(10,749)	(2,648)
Cash flow hedge	3,247	12,159	15,406	3,247	-	3,247
Total - effect on results	11,335	1,282	12,617	11,348	(10,749)	599
Other comprehensive results	-	(20,242)	(20,242)	-	(20,242)	(20,242)

As at December 31, 2020, the swap contracts position was as follows:

Type of transaction	Currency	Hiring	Asset / Liability	Maturity	Notional amount	Long position	Short position	12/31/20	Total effect accumulated on result		Other comprehensive results
								Derivative fair value	Gain or loss on transaction	Mark-to-market	Mark-to-market
Swap	R\$	3/16	TR + 13.29% / CDI + 2.55%	3/23	4,307	4,445	4,319	336	126	210	-
Swap (*)	R\$	3/17	IPCA + 8.25% / 132.2% CDI	2/22	80,000	94,764	80,746	22,533	14,018	8,515	-
Swap (*)	R\$	9/17	IPCA + 6.45% / 122.1% CDI	9/24	121,200	140,506	122,021	33,919	18,485	15,434	-
Swap	US\$	2/20	Dollar + 4% / 76% CDI	2/25	47,000	7,712	3,119	10,302	4,593	-	8,666
Swap	US\$	11/19	Dollar libor / 1.60%	11/29	35,000	-	-	(13,709)	-	(13,572)	-
								53,381	37,222	10,587	8,666
								Consolidated		Individual	
								67,090		66,754	
								13,709		-	

(*) Derivatives designed as hedge instruments, according to hedge accounting methodology.

	Effect on results					
	Consolidated			Individual		
	Gain on transaction	Mark-to-market	Total	Gain on transaction	Mark-to-market	Total
1st quarter of 2020:						
Effect on results	3,995	(8,600)	(4,605)	3,995	(8,616)	(4,621)
Other comprehensive results	-	(15,329)	(15,329)	-	(15,329)	(15,329)

Fair value measurement of these derivative financial instruments is carried out through discounted cash flows at market rates as at the balance sheet date. Impacts on profit or loss related to derivatives above are recognized in line item "Financial expenses" and "Financial income", according to their nature.

As at March 31, 2021 and December 31, 2020, the Group does not have financial instruments not recognized in its financial statements.

Hedge accounting

The Group formally designated derivative financial instruments (swap type) as a hedging instrument and debentures as hedged items, establishing a relationship of economic protection between them, according to the hedge accounting methodology. This designation was classified as a fair value hedge, since it reduces the market risk arising from the fair value fluctuations of the respective debentures. In this way, both the derivatives and the debentures are measured at fair value through profit and loss, with the expectation that changes in fair values will compensate each other. Additionally, the Group contracted swap derivative financial instruments to hedge interest payments on debts denominated in US dollars, formally designating it as a hedging instrument and the interest payments on these debts as hedged items. These designations were classified as cash flow hedge, with the effects of changes in equity. The critical terms of the instruments are as follows:

	Hedging instrument (swap)		Hedged item	Hedging instrument (swap)		Hedged item
			9 th issue (3 rd series)			11 th issue (3 rd series)
Notional value	80,000		80,000	121,200		121,200
Hiring date	3/17		3/17	9/17		9/17
Maturity date	2/22		2/22	9/24		9/24
	Long position	Short position		Long position	Short position	
Rates	IPCA + 8.25%	132.20% CDI	IPCA + 8.25%	IPCA + 6.45%	122.10% CDI	IPCA + 6.45%
	Hedging instrument (swap)		Hedged item (*)	Hedging instrument (swap)		Hedged item (*)
			Interest in dollars			Interest in dollars
Notional value	47,000		47,000	35,000		35,000
Hiring date	2/20		2/20	3/21		3/21
Maturity date	2/25		2/25	2/26		2/26
	Long position	Short position		Long position	Short position	
Rates	Dollar + 4%	76% CDI	Dollar + 4%	Dollar + 3.85%	100% CDI	Dollar + 3.85%
	Hedging instrument (swap)		Hedged item (*)	Hedging instrument (swap)		Hedged item (*)
			Interest in dollars			Interest in dollars
Notional value	20,000		20,000	15,000		15,000
Hiring date	3/21		3/21	3/21		3/21
Maturity date	2/26		2/26	2/26		2/26
	Long position	Short position		Long position	Short position	
Rates	Dollar + 3.85%	100% CDI	Dollar + 3.85%	Dollar + 3.80%	100% CDI	Dollar + 3.80%

(*) The hedged item refers to interest payments in US dollars.

The effects of hedge accounting on balance sheet and the statement of income are as follows:

Fair value hedge	Notional value	Rates	Fair value	Effects on results	Fair value	Effects on results
			3/31/21	1 st quarter of 2021	12/31/20	1 st quarter of 2020
9 th issue (3 rd series)	80,000	IPCA + 8.25%	(99,540)	1,804	(101,120)	3,646
11 th issue (3 rd series)	121,000	IPCA + 6.45%	(151,522)	6,138	(152,274)	9,180
Loans, financing and debentures (Hedged items)	201,000		(251,062)	7,942	(253,394)	12,826
Long position						
Swap	80,000	IPCA + 8.25%	99,540	(1,804)	101,120	(3,646)
Swap	121,000	IPCA + 6.45%	151,522	(6,138)	152,274	(9,180)
Derivative financial instruments (Hedging instruments)	201,000		251,062	(7,942)	253,394	(12,826)
Short position						
		132.20% CDI	(79,213)	(1,100)	(78,594)	963
		122.10% CDI	(120,774)	(1,707)	(118,348)	3,247
			(199,987)	(2,807)	(196,942)	4,210
		Swap net position	51,075	(10,749)	56,452	(8,616)
		Total net position	(199,987)	(2,807)	(196,942)	4,210

The swap-type financial instruments (hedge instruments) detailed below are hedging interest payments on US dollar debt (hedged items) whose notional amounts and remuneration rates correspond exactly to those of the long positions of said swaps:

Cash flow hedge	Notional value	Rates	Fair value	Other comprehensive results	Fair value	Other comprehensive results
			3/31/21	1 st quarter of 2021	12/31/20	1 st quarter of 2020
Swap		Long position				
Derivative financial instruments (Hedging instruments)	US\$ 47,000	Dólar + 4%	42,817	(3,066)	43,787	7,215
		Short position				
		76% CDI	(41,786)	(8,300)	(33,485)	(3,955)
		Swap net position	1,031	(11,366)	10,302	3,260
Swap		Long position				
Derivative financial instruments (Hedging instruments)	US\$ 35,000	Libor dólar	37,758	2,043	-	-
		Short position				
		1.60%	(41,249)	(6,249)	-	-
		Swap net position	(3,491)	(4,206)	-	-
Swap		Long position				
Derivative financial instruments (Hedging instruments)	US\$ 47,000	Dólar + 4%	21,046	970	-	-
		Short position				
		76% CDI	(22,115)	(2,114)	-	-
		Swap net position	(1,069)	(1,144)	-	-
Swap		Long position				
Derivative financial instruments (Hedging instruments)	US\$ 47,000	Dólar + 4%	15,894	533	-	-
		Short position				
		76% CDI	(19,058)	(4,059)	-	-
		Swap net position	(3,164)	(3,526)	-	-
Swap		Long position				
Derivative financial instruments (Hedging instruments)	US\$ 35,000	Libor dólar	-	-	-	10,215
		Short position				
		1.60%	-	-	-	(28,804)
		Swap net position	-	-	-	(18,589)
		Total net effect	(6,693)	(20,242)	10,302	(15,329)

(c) Risk management

Market risk

The Group is exposed to usual market risks arising from changes in interest rates and inflation adjustment indices.

The Company conducted a sensitivity analysis for financial instruments exposed to changes in interest rates and financial indicators. The sensitivity analysis was developed considering the exposure to changes in the indexes of financial assets and financial liabilities, considering the net exposure of these financial instruments as at March 31, 2021, as if such balances were outstanding during the next twelve months, as detailed below:

Exposed net financial asset and exposed financial liability, net: the change in the rate estimated for 2021 ("probable scenario") compared to the effective rate for twelve-month period ended in March 31, 2021, multiplied by the exposed net balance as at March 31, 2021, was used to calculate the financial impact, had the probable scenario materialized in 2021. For the impact estimates, a decrease in financial assets and an increase in financial liabilities were considered, at the rate estimated for 2021 of 25% for the possible scenario and 50% for the remote scenario.

Index	Financial asset	Financial liability	Net exposed financial asset (liability)	Effective rate for the year ended 3/31/20	Annual rate estimated for 2021 (*)	Rates changes for each scenario	Total estimated financial impact	Estimated impact on net income and equity
Probable scenario								
CDI	1,285,899	(3,267,291)	(1,981,392)	2.21%	4.58%	(i) 2.37%	(46,959)	(24,740)
IGP-M	109,289	(238,488)	(129,199)	31.10%	12.76%	(ii) -18.34%	23,695	23,695
INCC-M	1,262,310	(649,965)	612,345	11.97%	6.88%	(iii) -5.09%	(31,168)	(31,168)
TR	70,553	(46,334)	24,219	0.00%	0.01%	(i) 0.01%	2	1
IPCA	353,642	(358,480)	(4,838)	6.10%	4.83%	(ii) -1.27%	61	32
							(54,369)	(32,180)
Scenario I								
CDI	1,285,899	(3,267,291)	(1,981,392)	2.21%	5.73%	3.52%	(69,745)	(36,745)
IGP-M	109,289	(238,488)	(129,199)	31.10%	15.95%	-15.15%	19,574	19,574
INCC-M	1,262,310	(649,965)	612,345	11.97%	5.16%	-6.81%	(41,701)	(41,701)
TR	70,553	(46,334)	24,219	0.00%	0.01%	0.01%	2	1
IPCA	353,642	(358,480)	(4,838)	6.10%	6.04%	-0.06%	3	2
							(91,867)	(58,869)
Scenario II								
CDI	1,285,899	(3,267,291)	(1,981,392)	2.21%	6.87%	4.66%	(92,333)	(48,645)
IGP-M	109,289	(238,488)	(129,199)	31.10%	19.14%	-11.96%	15,452	15,452
INCC-M	1,262,310	(649,965)	612,345	11.97%	3.44%	-8.53%	(52,233)	(52,233)
TR	70,553	(46,334)	24,219	0.00%	0.01%	0.01%	2	1
IPCA	353,642	(358,480)	(4,838)	6.10%	7.25%	1.15%	(56)	(30)
							(129,168)	(85,455)

(i) Data obtained on B3's website.

(ii) Data obtained on Banco Central website.

(iii) As there was no market projection available for 2021 for INCC, the IPCA variance was used instead

(*) Effective change for the first three months of 2021 plus a projection for the next nine months of 2021.

The total financial effect estimated, basically pegged to CDI, would be substantially recognized in real estate for sale and development and allocated to profit or loss as the real estate units were sold. Thus, the estimated effect on net income and equity is net of the remaining portion in real estate for sale.

Liquidity risk

The Board of Directors is responsible for the management of the liquidity risk and periodically reviews the cash flow projections, using stress scenarios and assesses the possible funding requirements in line with the equity structure and the indebtedness to be maintained by the Group.

Liquidity and interest rate risk table

The undiscounted cash flows of financial liabilities, based on the earliest date on which the Group must settle the related obligations and on the projection for each index at March 31, 2021 through contractual maturity, are as follows:

	Up to 1 year	1 to 2 years	2 to 3 years	Over 3 years	Total
Consolidated:					
Floating rates liabilities	1,631,002	1,098,050	1,435,623	1,695,224	5,859,899
Fixed rates liabilities	62,931	58,310	57,070	1,161,495	1,339,806
Non-interest bearing liabilities	1,082,354	2,032,064	590,367	768,014	4,472,799
Total	2,776,287	3,188,424	2,083,060	3,624,733	11,672,504
Individual:					
Floating rates liabilities	1,149,425	711,853	1,221,168	1,601,668	4,684,114
Fixed rates liabilities	15,037	12,034	10,729	85,032	122,832
Non-interest bearing liabilities	612,761	1,385,364	550,456	750,913	3,299,494
Total	1,777,223	2,109,251	1,782,353	2,437,613	8,106,440

The Group has financial assets (basically represented by cash equivalents marketable, securities, and receivables from real estate development) that it considers sufficient to honor its commitments arising from its operating activities.

(d) Foreign exchange risk

As mentioned in item (b) above, the Company contracted derivative financial instruments of the swap type to protect interest payments on debt in US dollars. The Group formally designated this derivative instrument as a hedge instrument and debt interest as hedged item, establishing an economic relationship between them, according to the hedge accounting methodology. This designation was classified as a cash flow hedge, with the effects of changes in equity.

Sensitivity analysis

The group has loans and financing and other balances denominated in US dollars. These loans are recorded in foreign subsidiaries abroad, whose functional currency is the US dollar. Thus, according to financial statements translation rules, the assets and liabilities of these entities are being translated using the closing exchange rates, with the impacts of exchange variations recognized in other comprehensive income, in equity.

The Group estimated, as a probable scenario, a dollar of R\$5.98, this is 5% above the closing exchange rate of March 31, 2021 (R\$5.6973) and performed a sensitivity analysis of the effects on the Company's results and equity, arising from 25% and 50% depreciation of the Real in relation to the book value, as shown below:

Exchange rate exposure	Dollar value	Book value	Probable scenario	Possible scenario	Remote scenario
		R\$5.70	R\$5.98	R\$7.12	R\$8.55
Loans and financing	(300,638)	(1,712,825)	(1,798,466)	(2,141,031)	(2,569,237)
Suppliers	(15,655)	(89,191)	(93,651)	(111,489)	(133,787)
(-) Cash, cash equivalents and marketable securities	35,080	199,861	209,854	249,827	299,792
Exposed net liabilities	(281,213)	(1,602,155)	(1,682,263)	(2,002,693)	(2,403,232)
Net effect on income			-	-	-
Net effect on equity			(80,108)	(400,538)	(801,077)

(e) Credit risk

It refers to the risk of a counterparty failing to meet its contractual obligations, leading the Group to incur in financial losses. The Group is exposed to credit risks related to:

- Accounts receivable from customers: to mitigate this risk, the Group adopts the policy of dealing only with counterparties that have credit capacity and obtain sufficient guarantees. Trade accounts receivables are substantially collateralized by the real estate units themselves and there is no customers concentration, which reduce exposure to credit risk. The Company recognize allowance for expected credit loss, as detailed in Note 2.2 (e) to the financial statements for the year ended December 31, 2020.
- Financial investments: to mitigate default risk, the Group maintains its investments with first class financial institutions.

(f) Social and Environmental risks

Social and Environmental risks in the Group operating activities are related to various environmental and labor laws and regulations involving licenses, registrations, among others. The risks are managed in the form of mitigation of environmental and community impacts, as well as guaranteeing decent work conditions, observing compliance with the Company's Code of Conduct by our employees, partners and suppliers.

Other information on 'Financial instruments and risk management' is not significantly different from the information disclosed in Note 25 to the financial statements for the year ended December 31, 2020.

26. Current and deferred taxes

Deferred tax liabilities are broken down as follows:

	Consolidated		Individual	
	3/31/21	12/31/20	3/31/21	12/31/20
Income tax (IRPJ)	41,995	41,107	21,531	21,011
Social contribution (CSLL)	22,062	21,614	11,253	10,980
Total - IRPJ and CSLL	64,057	62,721	32,784	31,991
Tax on revenue (PIS)	12,401	12,167	6,344	6,193
Tax on revenue (COFINS)	57,440	56,326	29,274	28,573
Total - PIS and COFINS	69,841	68,493	35,618	34,766
Total	133,898	131,214	68,402	66,757
Current	68,369	64,480	37,412	35,253
Noncurrent	65,529	66,734	30,990	31,504
	133,898	131,214	68,402	66,757

Changes in deferred income tax (IRPJ) and social contribution (CSLL) liabilities for the three-month period ended March 31, 2021 and 2020 are as follows:

	Consolidated		Individual	
	1 st quarter of		1 st quarter of	
	2021	2020	2021	2020
Opening balance	(62,721)	(48,395)	(31,991)	(23,231)
Effect of deferred IRPJ and CSLL recognized in:				
Net income	(1,336)	(7,289)	(793)	(3,841)
Closing balance	(64,057)	(55,684)	(32,784)	(27,072)

The effects of corporate income tax (IRPJ) and social contribution on income (CSLL) on temporary differences are shown as follows:

	Consolidated		Individual	
	3/31/21	12/31/20	3/31/21	12/31/20
Effects of IRPJ and CSLL on:				
Portion not received for real estate development	(67,369)	(65,315)	(34,660)	(33,590)
(-) Advances from customers	3,312	2,594	1,876	1,599
Net amount	(64,057)	(62,721)	(32,784)	(31,991)

Reconciliation of income tax and social contribution expenses at the statutory and effective rates for the three-month period ended March 31, 2021 and 2020 is as follows:

	Consolidated	
	1 st quarter of	
	2021	2020
Revenue from real estate development - subsidiaries	704,645	697,795
Nominal tax rate (*)	1.92%	1.92%
IRPJ and CSLL tax expenses on:		
Real estate development	(13,529)	(13,398)
Financial income - subsidiaries (**)	(1,193)	(1,202)
IRPJ and CSLL in subsidiaries	(14,722)	(14,600)
IRPJ and CSLL in Individual	(18,621)	(16,955)
Other	(271)	(765)
Expenses in profit or loss	<u>(33,614)</u>	<u>(32,320)</u>
Breakdown of expense in profit or loss - Consolidated:		
Current	(32,278)	(25,031)
Deferred	(1,336)	(7,289)
	<u>(33,614)</u>	<u>(32,320)</u>

(*) Tax rate for earmarked assets projects that opted for the special taxation regime (RET), as detailed in Note 2.2 (o).

(**) Financial income of subsidiaries is taxed at 34%

	Individual	
	1 st quarter of	
	2021	2020
Income before income tax and social contribution	155,291	121,360
Tax rate - IRPJ and CSLL	34%	34%
Nominal expense	(52,799)	(41,262)
Effects of IRPJ and CSLL on:		
Results from equity participation	42,184	32,706
Earmarked assets	(11,548)	(7,264)
Other permanent add-back	3,542	(1,135)
Expenses in profit or loss	<u>(18,621)</u>	<u>(16,955)</u>
Breakdown of expense in profit or loss - Individual:		
Current	(17,828)	(13,114)
Deferred	(793)	(3,841)
	<u>(18,621)</u>	<u>(16,955)</u>

27. Noncash transactions

During three-month period of 2021 and 2020, the Company and its subsidiaries conducted the following financing and investment transactions that did not involve cash, thus is not reflected in the statement of cash flows:

	Consolidated		Individual	
	1 st quarter of		1 st quarter of	
	2021	2020	2021	2020
Capitalized financial charges (Note 12 (d))	29,423	38,391	20,468	34,248
Acquisition of AHS Residential	-	378,432	-	349,634

28. Unappropriated revenues, costs to be incurred and cancellations

In compliance with Circular Letter No. 02/2018 dated December 12, 2018, which deals with revenue recognition of sale contracts of uncompleted real estate units of Brazilian publicly traded companies, hereby is presented the following information, mainly related to revenues to be appropriated, costs to be incurred and cancellations of units under construction.

	Consolidated		Individual	
	3/31/21	12/31/20	3/31/21	12/31/20
Projects under construction				
(i) Unappropriated revenues from sold units				
Projects under construction:				
(a) Revenues from contracted sales	59,698,140	57,924,622	35,463,399	34,504,195
Appropriated revenues:				
Appropriated revenues	(57,133,938)	(55,422,331)	(34,060,306)	(33,105,960)
Cancellations - Reversed revenues	11,553	9,511	3,005	1,991
(b) Appropriated revenues, net	(57,122,385)	(55,412,820)	(34,057,301)	(33,103,969)
Unappropriated revenues (a + b)	2,575,755	2,511,802	1,406,098	1,400,226
(ii) Indemnity revenue from cancellations	346	370	26	32 (*)
(iii) Unappropriated revenues from contracts from non-qualifying contracts for revenue recognition	293	632	94	167 (*)
(iv) Provision for cancellations				
Adjustments on appropriated revenues	11,553	9,511	3,005	1,991
Adjustments on receivables from real estate development	(10,073)	(7,933)	(2,872)	(1,829)
Indemnity revenue from cancellations	(346)	(370)	(26)	(32)
Liability - Rebates from cancellations	1,134	1,208	107	130
(v) Budgeted costs to be appropriated of sold units (**)				
Projects under construction:				
(a) Budgeted cost	16,101,874	16,408,195	9,311,343	9,335,987
Incurring cost:				
Construction cost	(14,506,429)	(14,883,174)	(8,447,868)	(8,493,825)
Construction cost - cancellations	4,286	2,150	1,220	812
(b) Incurred cost, net	(14,502,143)	(14,881,024)	(8,446,648)	(8,493,013)
Costs to be incurred of sold units (a + b)	1,599,731	1,527,171	864,695	842,974
(vi) Budgeted costs to be appropriated of units in inventory (**)				
Projects under construction				
(a) Budgeted cost	5,088,282	5,197,473	2,527,092	2,640,328
(b) Incurred cost	(2,054,158)	(2,121,527)	(1,001,653)	(1,104,408)
Cost to be incurred of units in inventory (a + b)	3,034,124	3,075,946	1,525,439	1,535,920

(*) Amounts referring to contracts that comprise the provision for cancellations.

(**) Does not consider financial cost.

29. Insurance

The Group has an insurance policy that considers primarily risk concentration and their materiality, taking into consideration the nature of its business, and advice of the insurance brokers. As at March 31, 2021, insurance coverage is as follows:

Items	Type of coverage	Insured amount
Construction insurance (engineering risk)	Insures, during the project construction period, any compensation for damages caused to the construction, such as: fire, lightning, theft, and other specific coverage of facilities and assemblies of the insured site.	10,835,362
Professional liability for property damages	Insures the payment of indemnities from borrower or property owner claims against the builder and/or the engineer in charge, duly registered with the CREA/CAU (Regional Engineers and Architects professional Association), related to design errors, construction defects, and/or use of incorrect materials, over a five-year period after the issue of the occupancy permit.	233,273
Warranty insurance after delivery	Insures the maintenance and resolution of construction issues during up to five years, concerning damages provided for in the Consumer Bill of Rights.	487,281
Multi-peril insurance	Insures the completion of a project construction, compensation for damages caused by fire, lightning, windstorm, electrical damages, and glass shattering.	135,438
Civil liability (works under construction)	Insures payments, up to the insured ceiling amount, of compensation for which the Company is held liable for involuntary bodily injuries or property damages caused to third parties.	2,024,000
Builder guarantee insurance	Insures the project financier that construction will be completed in the event of technical and/or financial inability by the Company.	1,659,626
Sundry risks insurance	Insures the payment to the financial agent of compensation for property damages caused to financed/leased equipment.	3,066
Civil liability (officers)	Insures the coverage of pain and suffering payable by Company officers (D&O).	130,000
Auto	Insures payment to the Company of any amounts arising from damages to insured vehicles, such as theft, collision, property damages, and bodily injuries to passengers.	1,088
Lenders insurance	Insures that the Company will receive the outstanding balance of a property sold in case of lender's death.	28,588
Group life and personal injury insurance	Insures payment of compensation related to involuntary personal injuries to employees, contractors, interns, and officers.	919,198
Residential	Insures payment of compensation to the Company for covered events in leased residential properties, events such as electric damages, fire, lightning, windstorm, etc.	24,615
Corporate insurance	Insures payment of compensation to the Company for covered events occurring in leased commercial properties, events such as electric damages, fire, lightning, windstorm, etc.	169,203
Aircraft insurance	Insures payment of compensation to the Company for damages to aircraft hulls, covered risks, such as expense and liability payment reimbursements claimed from the Company due to the use of insured aircraft.	535,247
Legal guarantee insurance	Insures to the policyholder the payment of any disputed amount in full related to any lawsuit filed with any court or threatened. The contracted guarantee replaces escrow deposits.	178,226
Infrastructure insurance	Insures to City authorities the completion of any infrastructure works required under licensing procedures of the projects under construction.	81,921
Property delivery insurance	Insures to the barterers the delivery of the units subject matter of the Barter Instrument entered into by the parties.	161,749
Warranty insurance for Infrastructure	It guarantees the execution of infrastructure works in the project construction required by the financial institution to make the project feasible.	320,971
Rent Guarantee Insurance	It guarantees indemnification to the lessor the receipt of rent, property tax, condominium and ancillary expenses if they are not paid by the lessee.	113
Financial guarantee insurance	It guarantees the indemnity to the seller of the land by means of payment in cash in case of impossibility or insolvency of the Borrower.	87,456

30. Acquisition of AHS Residential

On January 31, 2020, the merger of MDI Desenvolvimento Imobiliário Ltda. ("MDI") was approved in Extraordinary Shareholders' Meeting, which held stake in AHS Residential LLC ("AHS Residential") through ASH Development LLC ("ASH Development"), a holding company domiciled in the United States. On the same date, the Company's investment in AHS Development (after the incorporation of MDI) was transferred to its wholly owned subsidiary MRV (US) Holdings Corporation, domiciled in Delaware, United States.

AHS Residential is a limited liability company, incorporate in the State of Florida, United States, until then controlled by the Company's controlling shareholder, engaged in developing real estate projects and subsequent renting and, depending on market conditions, sale of the residential projects to investors and real estate funds in the United States.

This acquisition aims to consolidate the alignment of interests of the Company and AHS Residential's shareholders, as well as ensuring that future business opportunities are fully exploited by the Group. This transaction brings several benefits such as: expansion of shareholder value, through access to the profitable North American market; markets diversification in line with the Company's strategy in search of being a complete housing platform, reaching more customers and sources of funding; synergies between North American and Brazilian operations in properties management, including the exchange of technologies, headcount, processes and methods, among others.

As the mentioned acquisition involves entities under common control, the acquired assets and liabilities were incorporated considering the historical cost, as shown below:

	Book value
Assets	
Cash and cash equivalents	12,719
Investment properties	998,350
Other assets	47,024
Total assets	1,058,093
Liabilities	
Loans and financing	626,126
Other payables	40,816
Total liabilities	666,942
Net assets	391,151
(-) Non-controlling shareholders	(41,517)
Acquired net assets	349,634

For the control acquisition, on January 31, 2020, 37,286,595 new common shares of the Company were issued, registered, book-entry and without par value (note 20, item (a)) and a stock warrant for certain number of shares to be determined as follows:

- 8,882,794 common, registered, book-entry shares with no par value issued by the Company, equivalent to 2% of the Company's capital stock on December 26, 2019, if the internal rate of return (IRR) of the Company's investment in AHS Residential (in dollar) is greater than 15% per year, calculated in the period between the date of the merger and the date of calculation of AHS Residential's Net Asset Value (NAV), to be carried out during the year 2027; or
- 13,324,191 common, registered, book-entry shares with no par value of the Company, equivalent to 3% of the Company's capital stock on December 26, 2019, if the internal rate of return (IRR) of the Company's investment in AHS Residential (in dollar) is greater than 20% per year, calculated in the period between the date of the merger and the NAV calculation date of AHS Residential, to be carried out during the year 2027.

The stock warrant was measured at fair value on the transaction date for R\$28,905 and, as of this date, changes in fair value are recognized in profit or loss. As at March 31, 2021, the updated amount is R\$27,646, as disclosed in Note 19, item 17.

31. Commitments

On December 23, 2020, the Company signed with Arena Vencer Complexo Esportivo Multiuso SPE Ltda. and Clube Atlético Mineiro (CAM) a naming rights sponsorship agreement for the new CAM stadium, which grants MRV the exclusive right to officially name the stadium as “Arena MRV” as well as naming of several physical and non-physical spaces. The contract came into force in March 2021, the date of approval by the Company's Board of Directors, with a ten-year term after the granting of the “Operation License”, an event that will determine the payments’ beginning of 120 monthly and successive installments of R\$565 each (total R\$67,831) and the effective possession of the aforementioned rights. As result of this future event, no asset and liability were recorded in the interim financial statements of March 31, 2021.

32. COVID-19 impacts on quarterly information

In compliance with CVM’s Circular Letter No. 02/2020 of March 10, 2020, which deals with the effects of COVID-19 on the Company's interim financial statements, Management assessed the impacts of the main risks and uncertainties that could affect the quarterly information presented herein, these being:

- Cash equivalents and marketable securities (Note 4 and 5): Changes in issuers’ ratings may lead to the recognition of impairment adjustments on these assets.
- Trade receivables (Note 6): Eventually higher defaults due to credit risk increase.
- Inventories – Real estate for sale (Note 7) and budgeted costs: recognition of idleness of fixed production costs, possible risks related to selling inventories and increase of production costs.

The Company’s management assessed the items above and understood that, until the issuance date of this quarterly information, there are no material impacts that could affect them, as well as there was no indication that could compromise the continuity of the Group's business (going concern assumption). For “Receivables from real estate development”, in the first quarter of 2020, an additional allowance for credit risk was recorded in the amount of R\$8,867, in order to reflect possible losses due to economic environment deterioration arising from COVID-19 pandemic.

33. Subsequent event

The mandatory minimum dividends of fiscal year 2020 by R\$130,658 were approved at the Extraordinary and Annual Shareholders’ Meeting (EASM) held on April 23, 2021 and paid on May 11, 2021 and are equivalent to R\$0.270585065 per share, net of inflation adjustment, as per the shareholding position effective on April 29, 2021.

The proposed additional dividends of fiscal year 2020 by R\$78,135 were approved at the Extraordinary and Annual Shareholders’ Meeting (EASM) held on April 23, 2021 and will be paid on a date to be defined by Management during fiscal year 2021, as per Note 20 (f).

On April 28, 2021, a public distribution was completed with restricted placement efforts (“Offer”) for issuing Certificates of Real Estate Receivables (“CRIs”). The Offer consists of 400,000 (four hundred thousand) CRIs backed by the 19th issuance of unsecured, non-convertible debentures, of unsecured type, for private placement, carried out by the Company in the amount of R\$400,000, with final maturity on April 15, 2031, with annual payments of principal since April 16, 2029 and remunerative interest of IPCA + 5.4328% p.a. paid semiannually. In addition, the Company contracted a swap transaction pegging this operation to CDI + 1.65% p.a.

34. Approval of the Financial Statements

These interim financial statements were analyzed by the Audit Committee and the Fiscal Board and authorized for issue by the Board of Executive Officers on May 12, 2021.