

# EARNINGS RELEASE

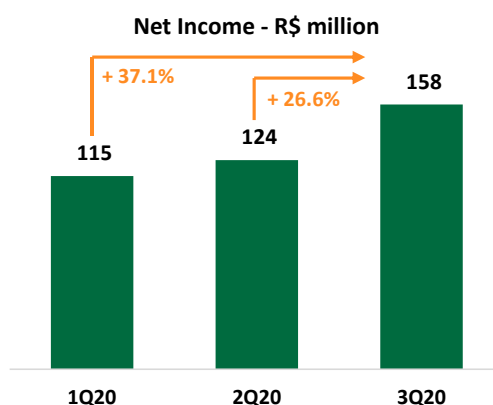
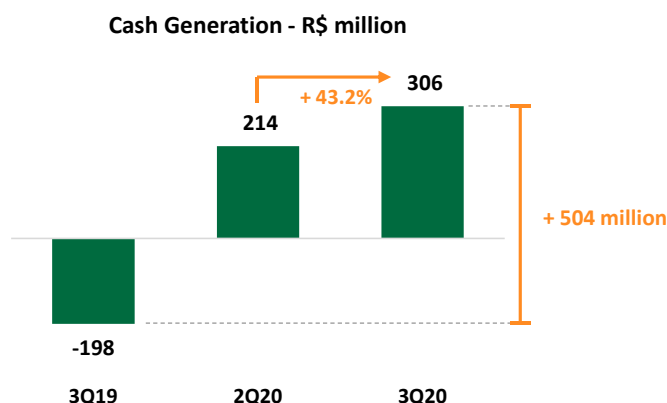
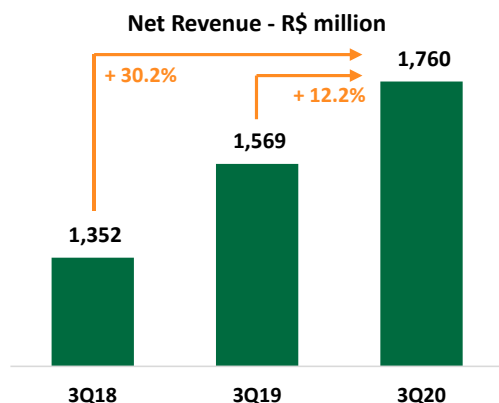
3<sup>rd</sup> Quarter 2020

## 3<sup>rd</sup> Quarter 2020 Results

**Belo Horizonte, November 11, 2020 – MRV Engenharia e Participações S.A. (B3: MRVE3)**, the largest residential housing developer in Latin America posts its results for the third quarter of 2020 (3Q20). 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

- **Largest Cash Generation in the history of the Company, reaching R\$ 306 million in the 3Q20;**
- **Record Pre-Sales for the third consecutive quarter**, totaling R\$ 1.97 billion with 12,183 units sold, an increase of 41.1% compared with 3Q19 and 8.3% compared with the 2Q20;
- **Highest Net Revenue in the company's history, reaching R\$ 1.760 million in 3Q20**, representing a 12.2% increase as compared to 3Q19;
- **26.6% increase in Net Income as compared to 2Q20, reaching R\$ 158 million**
- **Resumption of Launches**, reaching a total of R\$ 1.87 billion launched, amounting in 11,106 units, an increase of 15.0% compared to the 3Q19 and 99.0% compared to the 2Q20;
- **Increase in Speed of Sales (SoS - Sales over Supply), reaching 21.2%**, the largest speed since 1Q14, equal to an increase of 6.3 p.p. compared with the 3Q19 and 1.5 p.p. compared to the 2Q20.



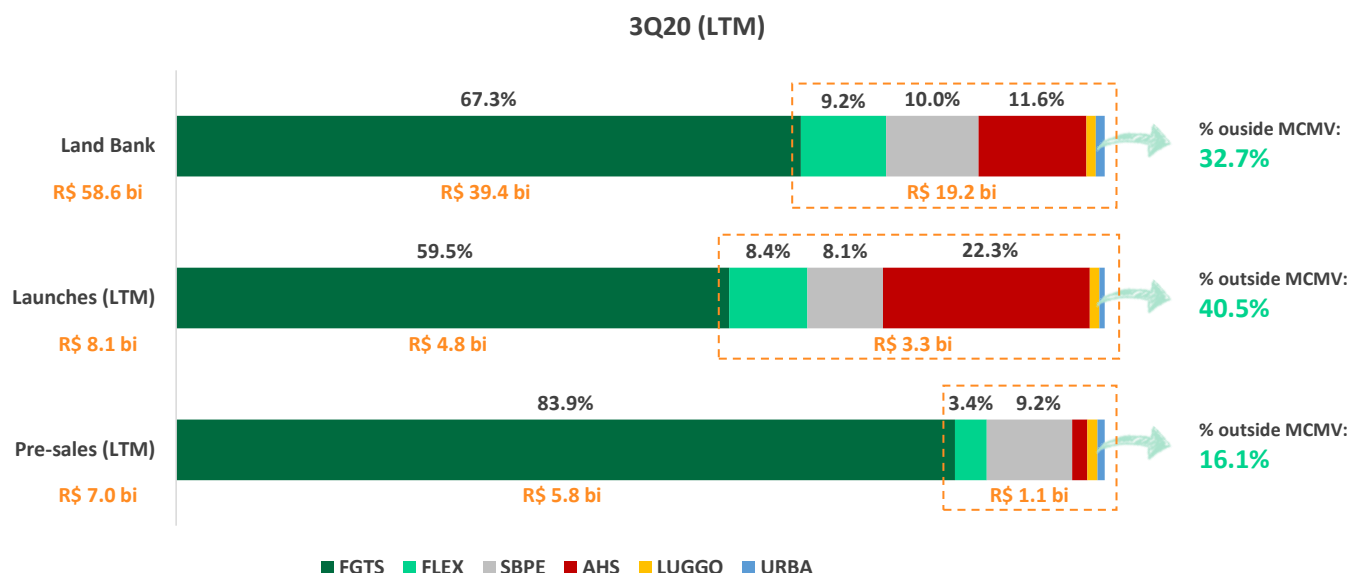
Message from the Board

A Multi-funding Housing Platform

3Q20 has once again strengthened MRV’s assertive strategy of maintaining a winning commercial dynamic that has resulted in record-breaking sales for the company, totaling R\$ 1.97 billion in Net Sales.

MRV has continued to diversify both its business and product range, aiming to better absorb growing market demand. Fueled by its consolidated national presence, the company’s goal remains to offer products suited for families with incomes ranging from R\$ 2,000 – R\$ 11,000 Brazilian reais per month, ranging from units targeting the Programa Casa Verde e Amarela (CVA), formerly known as the Minha Casa Minha Vida program (MCMV) the government-sponsored housing program, to units rental, land plots and projects targeting mid-income families that rely on SBPE funding.

MRV holds a land bank that is prepared to handle diversified growth including properties targeting the FGTS funding (CVA) government-sponsored housing programs, SBPE funding (Premium Line funding) and direct investors (LUGGO, Urba and AHS) as shown below:



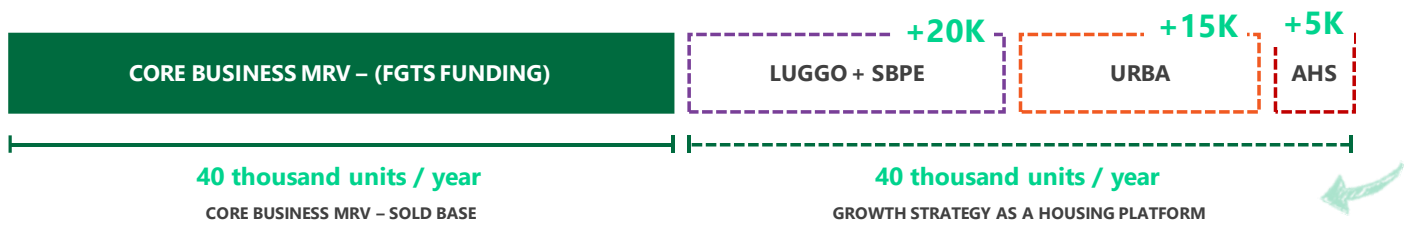
*Note: The launch criteria for Luggo and AHS is the time when the projects are made available for sale.*

MCMV bracket 3 clients and products are considered “Flex”, that is, eligible for funding under the Casa Verde Amarela the government housing program (CVA), using FGTS, or by SBPE, depending on individual conditions and preferences of the client.

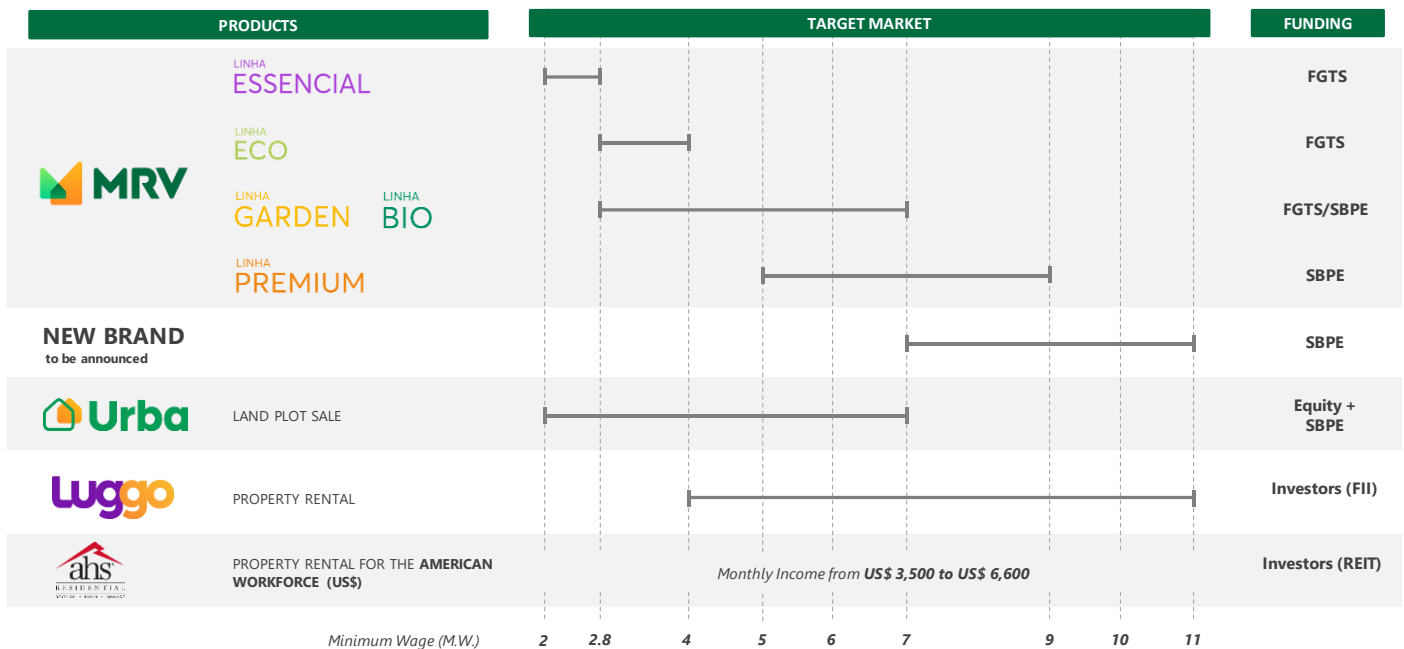
The diversification strategy seeks to extend and broaden sources of funding, beyond FGTS government-sponsored funding and the CVA housing program. This has allowed MRV to remain its standing as a long-term major player in the government sponsored program, while adding significant expansion of its operation through products, targeting other sources of funding.

# EARNINGS RELEASE

3<sup>rd</sup> Quarter 2020



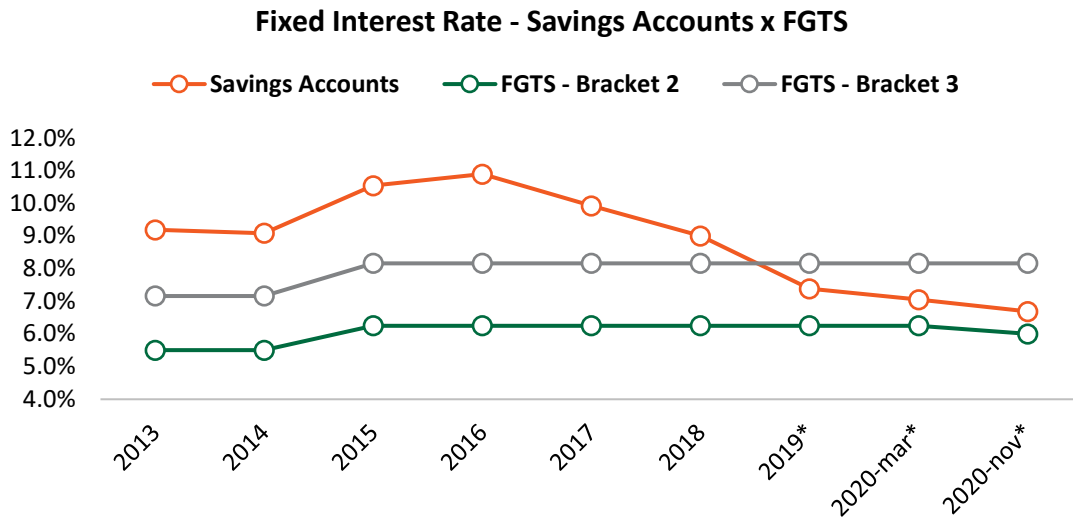
As a complete housing platform, **MRV no longer is restricted to the CVA affordable housing program**, and has been able to add its **Premium Line**, targeting families sitting immediately above the government sponsored program (financed by SBPE funding), the company’s **URBA** land plot development branch and rental projects to be sold off to a REIT and investors such as **Luggo in Brazil** and **AHS in the United States** (Florida, Georgia and Texas).



## New Interest Rate Outlooks in Brazil

As a result of **the new interest rate outlook in Brazil**, interest rates for real estate financing continue to fall, not only in private banks but also Caixa Econômica Federal (CEF), but has also been boosted by the creation of new forms of financing such as the IPCA+ and Poupança+ programs, and **has resulted in a spike in consumer purchasing power and the expansion of MRV’s target market.**

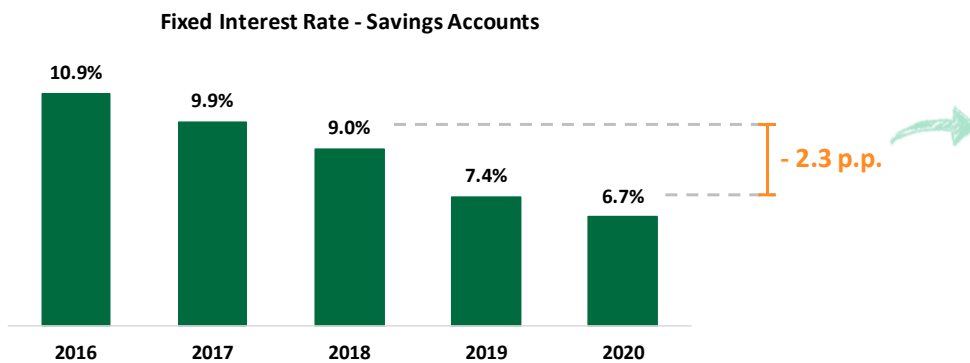
It is currently **more financially sound for individuals from the Level 3 CVA government housing program to finance the purchase of real estate through SBPE funding than financing through the program using FGTS funding.** These are referred to as flex products. This has been extremely important since it **allows families to finance the purchase of their home without depending on or overwhelming the CVA and FGTS government’s housing program.**



*Source: SBPE - Individuals - Real estate financing with regulated rates.  
\* The lowest rates practiced by Bradesco, Itaú, Banco do Brasil, Caixa and Santander at SBPE were used*

Falling interest rates have pointed towards increased affordability for clients of flex products since financing real estate through SBPE funding could result in lower monthly installments than the CVA government housing program.

Increases in affordability have also been significant for customers employing SBPE funding when compared to financing rates applied in 2018 as a result of the new interest rates outlook.



Every **1 p.p.** for falling interest rates results in **800.000\*** new families and **10%\*** less demand on income for real estate valued at **R\$ 300k.**

*\*) Source: FGV, Company*

## INNOVATION AND TECHNOLOGY

### MRV's Digital Platform

The MRV Digital Platform is an environment in which customers are guided through their complete, customer experience from the first moment of contact with the company, up to the moment their keys have been delivered, and beyond. The entire platform is fully integrated and has been designed to provide a seamless experience.



Throughout the entire process the customer is assisted by a chat feature employing artificial intelligence (named MIA). **From the first contact with the company** (through chat and product awareness) **to the digital signing of contract** (handling credit analysis and payment plans), customers will remain connected to MRV's cutting-edge digital platform.

The platform is not limited to simply facilitating the sales experience; it plays an **essential role in enhancing the customer experience and the development of the after-sales experience** including real time worksite updates, marketplace and loyalty programs, financial education modules, preventative maintenance of real estate,

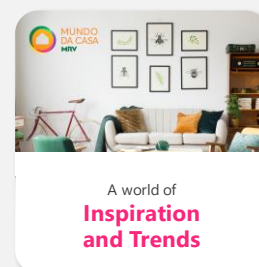
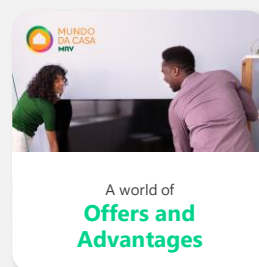
collaborative micro economic platforms, interactive development management tools and online building management assistance, among other features.

### MRV World at Home

The MRV World at Home project is a unique initiative within the sector, aiming to offer MRV clients greater comfort from their homes. After purchasing an MRV home, customers are granted access to a host of opportunities full of helpful tips on products, personalized items, quality products, practical hints and special deals, in addition to other useful market information. The initiative is a **complete marketplace offering unique solutions, bringing special opportunities like planned cabinetry and closets, fine finishing's and services offered by partner companies**, exclusive to the MRV World at Home community.



*“ Your home is a world. The world is your home. And MRV brings a world of possibilities to transform your life, your home and your world. ”*



### MRV Center for Research and Development

The project aims to support the **development of new technologies and processes, innovative construction methods and the testing of materials** to increase the quality of products delivered to our consumers.

The project is located in Belo Horizonte (MG) and has partnered with the Center for Innovation and Technology – CIT at the SENAI FIEMG foundation and the company’s main areas involved in innovation, quality, projects, supplies and engineering. In addition, partners involved in the production and supply chain in the construction area are also engaged in the project.



### ESG

**MRV has remained an unparalleled leader in the sector in the area of ESG and has been a benchmark for many other sectors in the country.** Having been a long-time investor in important projects involving Sustainability, Corporate Governance and the Preservation of the Environment, the company has continued to strengthen these issues throughout 3Q20.

### Environment



On August 10, **MRV officially announced its commitment to supporting the Amazon Council**, alongside 50 other major Brazilian companies. The goal is to **contribute solutions that focus on and include combating illegal deforestation of the Amazon Rainforest, minimizing the environmental impact in the use of natural resources and valuing and preserving biodiversity** as part of their company strategies.

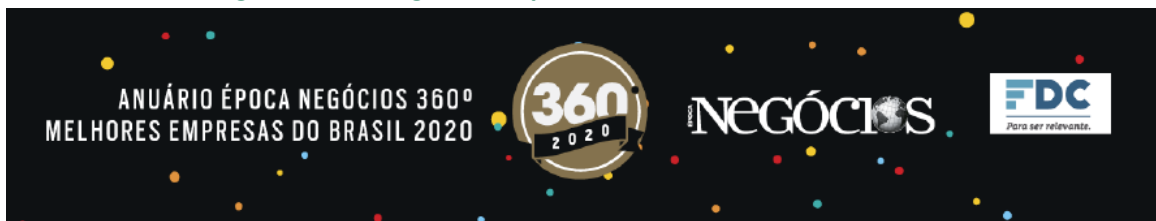
MRV guarantees the origin of all timber acquired for its worksites, as well as eliminating the purchase of any and all illegal timber.

**These commitments have strengthened the company’s engagement with SDG-12 and SDG-15**, Sustainable Consumption and Production and Wildlife Preservation.



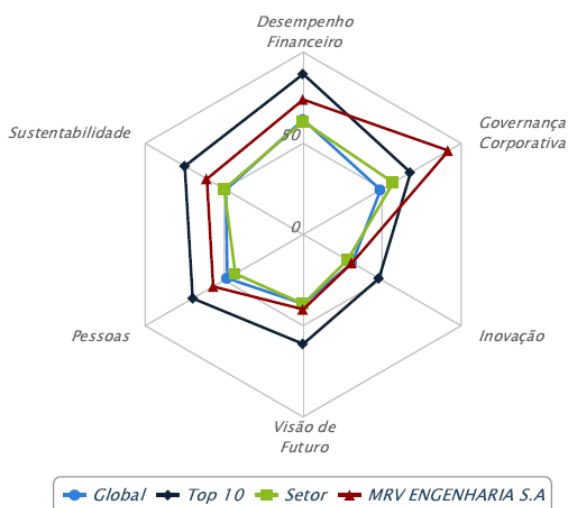
### Corporate Governance

In recognition of the company’s initiatives aiming to uphold ever-stronger Corporate Governance and Best Practices, in addition to highlighting the company’s efforts in ESG engagement, **MRV received the Época 360 Award in Corporate Governance, coming in first among the companies evaluated over all sectors.**



### PRINCIPAIS COMPARATIVOS

Aquí, você tem um radar para comparar o resultado da **MRV ENGENHARIA S.A** com a média das outras em cada uma das seis dimensões, a média do setor e a das Top 10 do ranking de cada dimensão.



### UN Global Impact

MRV has joined Brazil’s UN Global Compact campaign (#NãoVolte) supporting a sustainable return after the pandemic and the construction of a better world, based on Sustainable Development Goals (SDG). [Click here](#) to see the campaign video, with the participation of Eduardo Fischer, MRV’s co-CEO, in addition to other business leaders engaged in the campaign.





## Financial Performance - MRV (ex. AHS)

Consolidated Financial Highlights (R\$ million)	3Q20	2Q20	3Q19	Chg. 3Q20 x 2Q20	Chg. 3Q20 x 3Q19	9M20	9M19	Chg. 9M20 x 9M19
<b>Total Net Revenue</b>	<b>1,760</b>	<b>1,639</b>	<b>1,569</b>	<b>7.4% ↑</b>	<b>12.2% ↑</b>	<b>4,898</b>	<b>4,636</b>	<b>5.7% ↑</b>
Financial Cost recorded under COGS	45	46	46	3.2% ↓	2.3% ↓	137	141	2.7% ↓
<b>Gross Profit</b>	<b>497</b>	<b>465</b>	<b>462</b>	<b>7.0% ↑</b>	<b>7.5% ↑</b>	<b>1,385</b>	<b>1,422</b>	<b>2.6% ↓</b>
Gross Margin (%)	<b>28.3%</b>	28.4%	29.5%	0.1 p.p. ↓	1.2 p.p. ↓	<b>28.3%</b>	30.7%	2.4 p.p. ↓
Gross Margin ex. financial cost (%)	<b>30.8%</b>	31.2%	32.4%	0.4 p.p. ↓	1.6 p.p. ↓	<b>31.1%</b>	33.7%	2.6 p.p. ↓
<b>Selling expenses</b>	<b>(168)</b>	<b>(160)</b>	<b>(151)</b>	<b>4.6% ↑</b>	<b>11.1% ↑</b>	<b>(476)</b>	<b>(441)</b>	<b>7.8% ↑</b>
Selling expenses / net revenues (%)	<b>9.5%</b>	9.8%	9.6%	0.2 p.p. ↓	0.1 p.p. ↓	<b>9.7%</b>	9.5%	0.2 p.p. ↑
Selling expenses / net pre-sales (%)	<b>8.5%</b>	8.8%	10.8%	0.3 p.p. ↓	2.3 p.p. ↓	<b>8.7%</b>	11.0%	2.2 p.p. ↓
<b>General &amp; Administrative Expenses</b>	<b>(99)</b>	<b>(92)</b>	<b>(89)</b>	<b>8.2% ↑</b>	<b>11.7% ↑</b>	<b>(284)</b>	<b>(269)</b>	<b>5.8% ↑</b>
G&A expenses / net revenues (%)	<b>5.6%</b>	5.6%	5.7%	0.0 p.p. ↑	0.0 p.p. ↓	<b>5.8%</b>	5.8%	0.0 p.p. ↑
G&A expenses / net pre-sales (%)	<b>5.0%</b>	5.0%	6.4%	0.0 p.p. ↓	1.3 p.p. ↓	<b>5.2%</b>	6.7%	1.5 p.p. ↓
<b>Equity Income</b>	<b>(13)</b>	<b>(15)</b>	<b>(16)</b>	<b>14.1% ↓</b>	<b>16.4% ↓</b>	<b>(39)</b>	<b>(48)</b>	<b>19.2% ↓</b>
<b>EBITDA</b>	<b>253</b>	<b>232</b>	<b>248</b>	<b>9.0% ↑</b>	<b>1.9% ↑</b>	<b>690</b>	<b>779</b>	<b>11.4% ↓</b>
% EBITDA Margin	<b>14.4%</b>	14.2%	15.8%	0.2 p.p. ↑	1.5 p.p. ↓	<b>14.1%</b>	16.8%	2.7 p.p. ↓
<b>Net Income</b>	<b>158</b>	<b>124</b>	<b>160</b>	<b>26.6% ↑</b>	<b>1.6% ↓</b>	<b>397</b>	<b>539</b>	<b>26.4% ↓</b>
Net Margin (%)	<b>9.0%</b>	7.6%	10.2%	1.4 p.p. ↑	1.3 p.p. ↓	<b>8.1%</b>	11.6%	3.5 p.p. ↓
<b>Earnings per share (R\$)</b>	<b>0.328</b>	<b>0.258</b>	<b>0.362</b>	<b>26.8% ↑</b>	<b>9.5% ↓</b>	<b>0.831</b>	<b>1.220</b>	<b>31.9% ↓</b>
ROE (LTM)	<b>11.0%</b>	11.3%	14.7%	0.3 p.p. ↓	3.7 p.p. ↓	<b>11.0%</b>	14.7%	3.7 p.p. ↓
ROE (annualized)	<b>12.3%</b>	10.0%	13.4%	2.3 p.p. ↑	1.2 p.p. ↓	<b>10.6%</b>	15.1%	4.6 p.p. ↓
Unearned Gross Sales Revenues	<b>2,340</b>	2,077	1,693	12.6% ↑	38.2% ↑	<b>2,340</b>	1,693	38.2% ↑
Unearned Costs of Units Sold	<b>(1,415)</b>	(1,253)	(999)	12.9% ↑	41.6% ↑	<b>(1,415)</b>	(999)	41.6% ↑
Unearned Results	<b>925</b>	825	695	12.1% ↑	33.1% ↑	<b>925</b>	695	33.1% ↑
% Unearned Margin	<b>39.5%</b>	39.7%	41.0%	0.2 p.p. ↓	1.5 p.p. ↓	<b>39.5%</b>	41.0%	1.5 p.p. ↓
<b>Cash Generation</b>	<b>306</b>	<b>214</b>	<b>(198)</b>	<b>43.2% ↑</b>	-	<b>339</b>	<b>(149)</b>	-
Net Debt (Net Cash)	<b>733</b>	1,039	714	29.5% ↓	2.6% ↑	<b>733</b>	714	2.6% ↑
Net Debt/ Equity	<b>13.3%</b>	19.3%	14.0%	6.1 p.p. ↓	0.7 p.p. ↓	<b>13.3%</b>	14.0%	0.7 p.p. ↓
Net Debt/EBITDA LTM	<b>0.80x</b>	1.13x	0.68x	29.9% ↓	17.2% ↑	<b>0.80x</b>	0.68x	17.2% ↑

## Operational Performance - MRV (ex. AHS)

## Land Bank

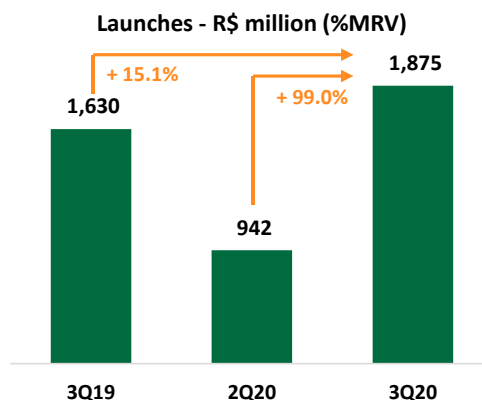
The Company has a robust land bank, with quality land plots, capable of sustaining the growth of its operation and is currently aware of new opportunities for purchasing new land plots, especially for projects with SBPE funding and Luggo.

Land bank	3Q20	2Q20	3Q19	Chg. 3Q20 x 2Q20	Chg. 3Q20 x 3Q19	9M20	9M19	Chg. 9M20 x 9M19
<b>%MRV</b>								
Land Bank (R\$ billion)*	51.8	52.6	50.1	1.6% ↓	3.2% ↑	51.8	50.1	3.2% ↑
Acquisitions/Adjustments (R\$ million)	1,011	1,470	2,763	31.2% ↓	63.4% ↓	3,200	4,972	35.6% ↓
Units	307,652	321,507	312,838	4.3% ↓	1.7% ↓	307,652	312,838	1.7% ↓
Average Price - R\$'000 / unit	166	162	159	2.7% ↑	4.9% ↑	166	159	4.9% ↑
% Swap - land bank	51%	51%	50%	0.0 p.p. ↓	1.1 p.p. ↑	51%	50%	1.1 p.p. ↑
% Swap - acquisitions in the period	48%	46%	61%	1.9 p.p. ↑	13.2 p.p. ↓	48%	50%	2.1 p.p. ↓

\* Includes the residential, allotment segments and LUGGO projects

## Launches

With the increasing return of operations of city halls and notaries around the country throughout 3Q20, the Company recorded a 99.0% growth in launches in the quarter, compared to 2Q20, corresponding to R\$ 1.87 billion, or 11,106 units.



Launches	3Q20	2Q20	3Q19	Chg. 3Q20 x 2Q20	Chg. 3Q20 x 3Q19	9M20	9M19	Chg. 9M20 x 9M19
<b>%MRV</b>								
Launches (R\$ million) *	1,875	942	1,630	99.0% ↑	15.1% ↑	3,900	4,531	13.9% ↓
Units **	11,106	5,349	9,679	107.6% ↑	14.7% ↑	23,174	27,607	16.1% ↓
Average Launching Size (units)	278	233	248	19.4% ↑	11.9% ↑	269	263	2.5% ↑
Average Price - R\$'000 / unit **	165	174	168	5.1% ↓	1.7% ↓	166	163	1.7% ↑

\* Includes the residential, allotment segments and LUGGO projects

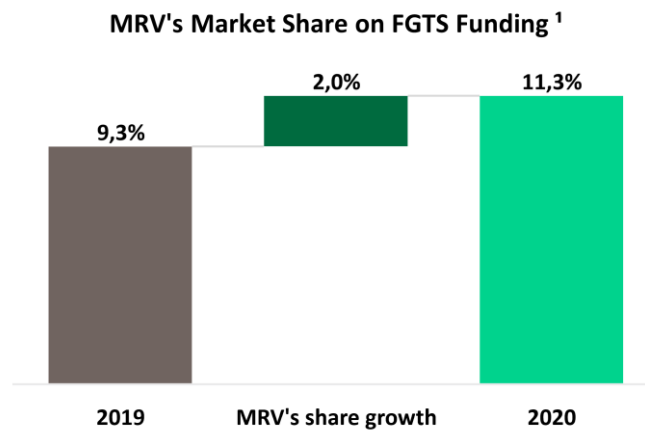
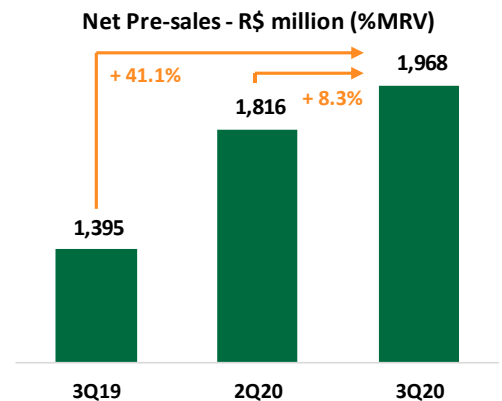
\*\* Includes the residential and LUGGO projects

**Net Sales**

For the third consecutive quarter, MRV broke its historical sales record. In 3Q20, a total of **R\$ 1.97 billion** was sold, corresponding to **12,183 units** (% MRV). Referred to an **increase of 41.1% compared to 3Q19** and **8.3% compared to 2Q20**.

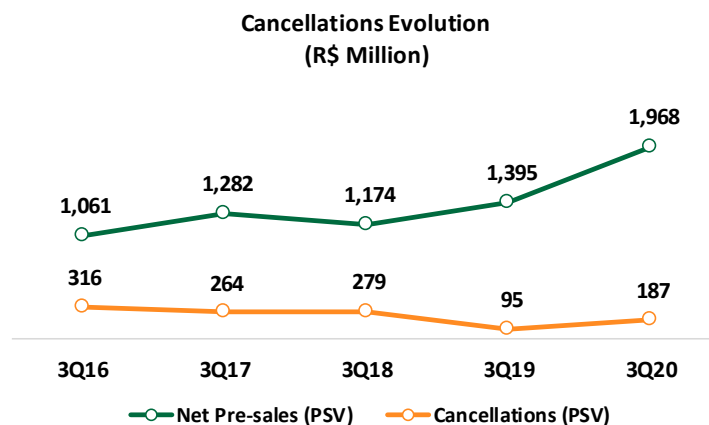
We also highlight that the Company resumed the Guaranteed Sales process in some cities in 3Q20.

This excellent result reaffirms the robustness of our Multifunding Housing Platform and the strength of the mid and low-income housing segment. **Throughout 2020, the Company's sales showed an increase, which reproduced gain of market share and in the consolidation of MRV as the largest and most complete homebuilder in the market.**



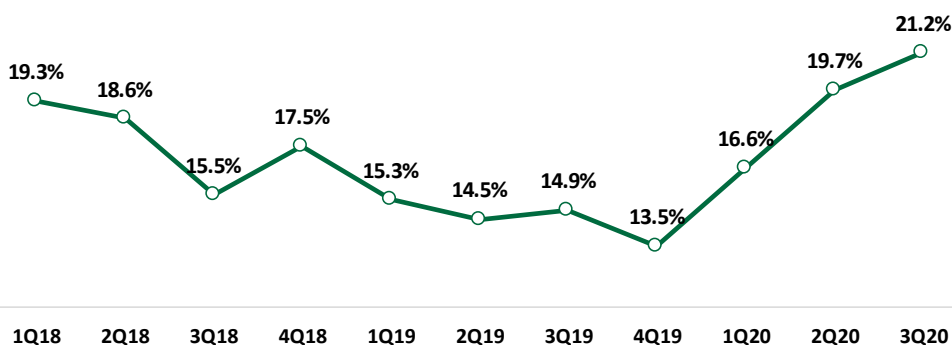
<sup>1</sup>Source: Abrainc, Ministério Regional e FGTS. Considers only Transferred Units though FGTS Funding.

With years of investment in a truly innovative technological structure, our digital sales platform proved to be a great advantage throughout the sensitive moment faced with the COVID-19 pandemic and allowed the Company to continue increasing its sales and gaining market share.



**Sales of speed (SoS - Sales over Supply) registered another evolution in the quarter, reaching 21.2%**, equivalent to an increase of 6.3 p.p. in relation to 3Q19 and 1.5 p.p. in comparison with 2Q20.

SOS - Net Pre-sales (%MRV)



Net Pre-sales Contracted	3Q20	2Q20	3Q19	Chg. 3Q20 x 2Q20	Chg. 3Q20 x 3Q19	9M20	9M19	Chg. 9M20 x 9M19
<b>%MRV</b>								
Net Pre-sales (R\$ million) *	1,968	1,816	1,395	8.3% ↑	41.1% ↑	5,457	4,023	35.6% ↑
Units **	12,183	11,479	8,988	6.1% ↑	35.5% ↑	34,156	26,240	30.2% ↑
Average Price - R\$'000 / unit **	161	155	155	3.3% ↑	3.7% ↑	158	152	4.3% ↑
Sales over supply (%) - net sales	21%	20%	15%	1.5 p.p. ↑	6.3 p.p. ↑	45%	33%	11.5 p.p. ↑

\* Includes the residential, allotment segments and LUGGO projects

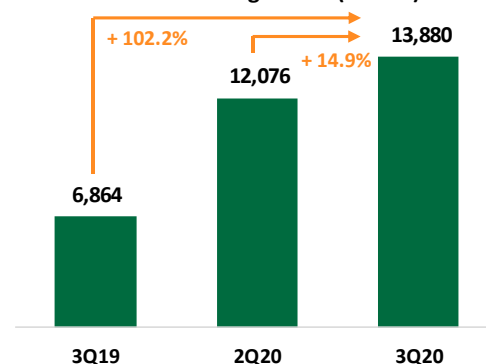
\*\* Includes the residential and LUGGO projects

## Real Estate Credit

The Company reported the record amount of **transfers of 13,880 units** in 3Q20, equivalent to an increase of 14.9% over the previous record, reported in 2Q20, and 102.2% compared to 3Q19.

This performance is largely due to the efficiency shown by Caixa Econômica Federal in transfer, which has been stable since the removal of the obligation of the Union's stake in payment of subsidies, which took place in 1Q20.

Client Financing - Units (%MRV)



Real Estate Financing	3Q20	2Q20	3Q19	Chg. 3Q20 x 2Q20	Chg. 3Q20 x 3Q19	9M20	9M19	Chg. 9M20 x 9M19
<b>%MRV</b>								
Client Financing (units)	13,880	12,076	6,864	14.9% ↑	102.2% ↑	32,708	24,736	32.2% ↑
Construction Financing	13,631	14,053	7,859	3.0% ↓	73.4% ↑	35,870	23,704	51.3% ↑

### Production

The Company reported an **increase of 20.8% in the number of units produced in the quarter**, compared to 2Q20, **totaling 9,525 units**. With demand and sales at high levels since the beginning of the year, the Company started several projects in 3Q20 and already has a large number of other projects to start in 4Q20.

Production*	3Q20	2Q20	3Q19	Chg. 3Q20 x 2Q20	Chg. 3Q20 x 3Q19	9M20	9M19	Chg. 9M20 x 9M19
<b>%MRV</b>								
Built Units	<b>9,525</b>	7,887	10,004	20.8% ↑	4.8% ↓	<b>25,297</b>	30,364	16.7% ↓
Finished units	<b>6,897</b>	8,339	9,434	17.3% ↓	26.9% ↓	<b>24,665</b>	25,988	5.1% ↓

\* Includes the residential and LUGGO

### Inventory at Market Value

Inventory at Market Value	3Q20	2Q20	3Q19	Chg. 3Q20 x 2Q20	Chg. 3Q20 x 3Q19
<b>%MRV</b>					
Inventory at Market Value (R\$ billion)*	<b>7.31</b>	7.41	7.90	1.3% ↓	7.4% ↓
Inventory Duration **	<b>3.7</b>	4.1	5.7	9.0% ↓	34.4% ↓
<b>By Construction phase (units)</b>					
Not initiated	13%	7%	7%	6.3 p.p. ↑	6.2 p.p. ↑
Under construction	<b>84%</b>	90%	88%	6.1 p.p. ↓	3.9 p.p. ↓
Finished	<b>3%</b>	3%	5%	0.3 p.p. ↓	2.3 p.p. ↓

\* Only launches. Does not include landbank.

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

## Financial Performance - MRV (ex. AHS)

### Net Operational Revenue and Gross Profit

The increase in the volume of production recorded over the quarter, supported by solid sales results for the same period, has allowed the company to register record-breaking **Net Revenue, totaling R\$ 1.76 billion**, for a growth of 7.4% as compared to 2Q20 and 12.2% as compared to 3Q19.

(R\$ million)	3Q20	2Q20	3Q19	Chg. 3Q20 x 2Q20	Chg. 3Q20 x 3Q19	9M20	9M19	Chg. 9M20 x 9M19
Total Net Revenue	<b>1,760</b>	1,639	1,569	7.4% ↑	12.2% ↑	<b>4,898</b>	4,636	5.7% ↑
Cost of Real Estate Sales and Services	<b>(1,263)</b>	(1,174)	(1,107)	7.5% ↑	14.1% ↑	<b>(3,513)</b>	(3,214)	9.3% ↑
Gross Profit	<b>497</b>	465	462	7.0% ↑	7.5% ↑	<b>1,385</b>	1,422	2.6% ↓
Gross Margin (%)	<b>28.3%</b>	28.4%	29.5%	0.1 p.p. ↓	1.2 p.p. ↓	<b>28.3%</b>	30.7%	2.4 p.p. ↓

### Financial Cost recorded under COGS

(R\$ million)	3Q20	2Q20	3Q19	Chg. 3Q20 x 2Q20	Chg. 3Q20 x 3Q19	9M20	9M19	Chg. 9M20 x 9M19
Financial Cost recorded under COGS	<b>(45)</b>	(46)	(46)	3.2% ↓	2.3% ↓	<b>(137)</b>	(141)	2.7% ↓
% of Net Revenue	<b>2.6%</b>	2.8%	2.9%	0.3 p.p. ↓	0.1 p.p. ↓	<b>2.8%</b>	3.0%	0.2 p.p. ↓
Gross profit with financial cost	<b>497</b>	465	462	7.0% ↑	7.5% ↑	<b>1,385</b>	1,422	2.6% ↓
Gross profit ex.h financial cost	<b>542</b>	511	508	6.1% ↑	6.6% ↑	<b>1,522</b>	1,563	2.6% ↓
Gross Margin ex. financial cost (%)	<b>30.8%</b>	31.2%	32.4%	0.4 p.p. ↓	1.6 p.p. ↓	<b>31.1%</b>	33.7%	2.6 p.p. ↓

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

(R\$ million)	3Q20	2Q20	3Q19	Chg. 3Q20 x 2Q20	Chg. 3Q20 x 3Q19	9M20	9M19	Chg. 9M20 x 9M19
<b>Selling expenses</b>	<b>(168)</b>	(160)	(151)	4.6% ↑	11.1% ↑	<b>(476)</b>	(441)	7.8% ↑
Selling expenses / net revenues (%)	<b>9.5%</b>	9.8%	9.6%	0.2 p.p. ↓	0.1 p.p. ↓	<b>9.7%</b>	9.5%	0.2 p.p. ↑
Selling expenses / net pre-sales (%)	<b>8.5%</b>	8.8%	10.8%	0.3 p.p. ↓	2.3 p.p. ↓	<b>8.7%</b>	11.0%	2.2 p.p. ↓
<b>General &amp; Administrative Expenses</b>	<b>(99)</b>	(92)	(89)	8.2% ↑	11.7% ↑	<b>(284)</b>	(269)	5.8% ↑
G&A expenses / net revenues (%)	<b>5.6%</b>	5.6%	5.7%	0.0 p.p. ↑	0.0 p.p. ↓	<b>5.8%</b>	5.8%	0.0 p.p. ↑
G&A expenses / net pre-sales (%)	<b>5.0%</b>	5.0%	6.4%	0.0 p.p. ↓	1.3 p.p. ↓	<b>5.2%</b>	6.7%	1.5 p.p. ↓

MRV set aside a contribution of R\$ 1.5 million for the United Nations Development program (PNUD/UN) in 3Q20. It is a non-recurring expense that impacted the General and Administrative expenses for the quarter.

In addition, continuing the motion to include third-party service providers to handle part of the company's back office operations, a strategy that will enable future economic savings, registered a non-recurring expense of R\$ 1.1 million that impacted 3Q20 G&A.

With all the non-recurring costs, G&A expenses for the quarter increased by some 8.2% as compared to 2Q20, and 11.7% as compared to 3Q19. An item of note is G&A/Net Revenues expenses have remained in line with those from past quarters. The extraordinary R\$ 3 million in expenses notwithstanding, G&A for the quarter stood at R\$ 96 million.

(R\$ million)	3Q20	2Q20	3Q19	Chg. 3Q20 x 2Q20	Chg. 3Q20 x 3Q19	9M20	9M19	Chg. 9M20 x 9M19
<b>Other operating (income) expenses</b>	<b>(33)</b>	(31)	(32)	5.3% ↑	1.9% ↑	<b>(95)</b>	(91)	4.5% ↑

## Equity Income

(R\$ million)	3Q20	2Q20	3Q19	Chg. 3Q20 x 2Q20	Chg. 3Q20 x 3Q19	9M20	9M19	Chg. 9M20 x 9M19
Equity Income	(13)	(15)	(16)	14.1% ↓	16.4% ↓	(39)	(48)	19.2% ↓

PRIME and MRL (R\$ million)	3Q20	2Q20	3Q19	Chg. 3Q20 x 2Q20	Chg. 3Q20 x 3Q19	9M20	9M19	Chg. 9M20 x 9M19
<b>Net Revenue</b>	<b>168</b>	<b>171</b>	<b>164</b>	<b>1.6% ↓</b>	<b>2.5% ↑</b>	<b>492</b>	<b>423</b>	<b>16.3% ↑</b>
Gross Profit	50	51	52	2.9% ↓	4.3% ↓	146	126	16.1% ↑
Gross Margin (%)	29.6%	30.0%	31.8%	0.4 p.p. ↓	2.1 p.p. ↓	29.7%	29.7%	0.0 p.p. ↓
Net Income	23	20	20	16.9% ↑	15.0% ↑	56	31	81.0% ↑
Net Margin (%)	13.6%	11.4%	12.1%	2.1 p.p. ↑	1.5 p.p. ↑	11.5%	7.4%	4.1 p.p. ↑

Both Prime and MRL subsidiaries continue to show improvement in their results, registering a combined Net Income of R\$ 23 million for the quarter, for an increase of 16.9% when compared to 2Q20.

In 3Q20, both subsidiaries registered gains of 2.1 p.p. in Net Margin, when compared to 2Q20, and 1.5 p.p. when compared to 3Q19, reaching 13.6% in 3Q20.

## Financial Results

(R\$ million)	3Q20	2Q20	3Q19	Chg. 3Q20 x 2Q20	Chg. 3Q20 x 3Q19	9M20	9M19	Chg. 9M20 x 9M19
Financial Expenses	(20)	(18)	(16)	10.1% ↑	27.1% ↑	(49)	(45)	9.1% ↑
Financial Income	17	18	33	2.4% ↓	48.3% ↓	48	94	48.5% ↓
Financial income from receivables	19	16	19	21.8% ↑	0.2% ↓	62	55	12.4% ↑
<b>Total</b>	<b>17</b>	<b>15</b>	<b>37</b>	<b>7.9% ↑</b>	<b>54.8% ↓</b>	<b>62</b>	<b>104</b>	<b>40.9% ↓</b>

(R\$ million)	3Q20	2Q20	3Q19	Chg. 3Q20 x 2Q20	Chg. 3Q20 x 3Q19	9M20	9M19	Chg. 9M20 x 9M19
Financial result	17	15	37	7.9% ↑	54.8% ↓	62	104	40.9% ↓
Financial Cost recorded under COGS	(45)	(46)	(46)	3.2% ↓	2.3% ↓	(137)	(141)	2.7% ↓
<b>Adjusted Total</b>	<b>(28)</b>	<b>(31)</b>	<b>(9)</b>	<b>8.8% ↓</b>	<b>209.3% ↑</b>	<b>(75)</b>	<b>(36)</b>	<b>108.0% ↑</b>

Financial income for 3Q20 continued in line with 2Q20 and saw a fall of 48.3% when compared to 3Q19. This result comes from a significant reduction in income from investments, resulting from declining interest rates and the decreasing market values of bonds, ultimately impacting the profitability of investment funds.

## EBITDA

(R\$ million)	3Q20	2Q20	3Q19	Chg. 3Q20 x 2Q20	Chg. 3Q20 x 3Q19	9M20	9M19	Chg. 9M20 x 9M19
Income before Income Tax and Social Contribution	201	182	212	10.6% ↑	5.0% ↓	553	678	18.4% ↓
(+) Depreciation and Amortization	23	19	27	22.7% ↑	14.6% ↓	62	65	4.8% ↓
(-) Financial Results	(17)	(15)	(37)	7.9% ↑	54.8% ↓	(62)	(104)	40.9% ↓
(+) Financial Cost recorded under COGS	45	46	46	3.2% ↓	2.3% ↓	137	141	2.7% ↓
<b>EBITDA</b>	<b>253</b>	<b>232</b>	<b>248</b>	<b>9.0% ↑</b>	<b>1.9% ↑</b>	<b>690</b>	<b>779</b>	<b>11.4% ↓</b>
EBITDA Margin	14.4%	14.2%	15.8%	0.2 p.p. ↑	1.5 p.p. ↓	14.1%	16.8%	2.7 p.p. ↓

## EARNINGS RELEASE

3<sup>rd</sup> Quarter 2020



### Net Income

As a result of the increase in Net Revenue recorded in 3Q20, the company's Net Income saw an increase of 26.6% as compared to 2Q20, once again reaching the same level recorded in 3Q19.

(R\$ million)	3Q20	2Q20	3Q19	Chg. 3Q20 x 2Q20	Chg. 3Q20 x 3Q19	9M20	9M19	Chg. 9M20 x 9M19
Net Income	158	124	160	26.6% ↑	1.6% ↓	397	539	26.4% ↓
% Net margin	9.0%	7.6%	10.2%	1.4 p.p. ↑	1.3 p.p. ↓	8.1%	11.6%	3.5 p.p. ↓

### Unearned Results

(R\$ million)	3Q20	2Q20	3Q19	Chg. 3Q20 x 2Q20	Chg. 3Q20 x 3Q19
Unearned Gross Sales Revenues	2,340	2,077	1,693	12.6% ↑	38.2% ↑
(-) Unearned Costs of Units Sold	(1,415)	(1,253)	(999)	12.9% ↑	41.6% ↑
Unearned Results	925	825	695	12.1% ↑	33.1% ↑
Unearned Results Margin	39.5%	39.7%	41.0%	0.2 p.p. ↓	1.5 p.p. ↓



## Balance Sheet - MRV (ex. AHS)

### Cash and Cash Equivalents and Market Securities

(R\$ million)	Sep/20	Jun/20	Sep/19	Chg. Sep/20 x Jun/20	Chg. Sep/20 x Sep/19
Cash and cash equivalents	1,007	1,630	498	38.3% ↓	102.0% ↑
Marketable Securities	1,748	928	1,710	88.3% ↑	2.2% ↑
<b>Total</b>	<b>2,754</b>	<b>2,558</b>	<b>2,208</b>	<b>7.7% ↑</b>	<b>24.7% ↑</b>

### Receivables from Real Estate Development

(R\$ million)	Sep/20	Jun/20	Sep/19	Chg. Sep/20 x Jun/20	Chg. Sep/20 x Sep/19
Clients	3,762	3,659	2,991	2.8% ↑	25.8% ↑
Fair value adjustment	(65)	(64)	(56)	1.7% ↑	15.8% ↑
Bad debt provision	(269)	(251)	(218)	7.0% ↑	23.1% ↑
Receivables from real estate development	3,428	3,344	2,716	2.5% ↑	26.2% ↑
Current	1,809	1,806	1,656	0.2% ↑	9.2% ↑
Noncurrent	1,619	1,538	1,060	5.3% ↑	52.8% ↑

MRV's Portfolio has seen growth in line with the growth in company sales. It is noteworthy to mention that the portfolio representing the percentage of sales, as well as installments issued, has fallen over the quarter.

Mortgage with MRV (R\$ million)	Sep/20	Jun/20	Sep/19	Chg. Sep/20 x Jun/20	Chg. Sep/20 x Sep/19
After Keys Delivery	1,062	979	772	8.4% ↑	37.5% ↑
Before Keys Delivery	1,135	986	830	15.1% ↑	36.8% ↑
<b>Total</b>	<b>2,197</b>	<b>1,966</b>	<b>1,602</b>	<b>11.8% ↑</b>	<b>37.2% ↑</b>

### Advances from Customers

(R\$ million)	Sep/20	Jun/20	Sep/19	Chg. Sep/20 x Jun/20	Chg. Sep/20 x Sep/19
12 months	231	191	191	21.0% ↑	21.2% ↑
13 to 24 months	185	240	298	23.1% ↓	38.0% ↓
Over 24 months	140	168	240	16.4% ↓	41.5% ↓
<b>Total</b>	<b>556</b>	<b>599</b>	<b>728</b>	<b>7.1% ↓</b>	<b>23.7% ↓</b>
Advanced receivables	83	58	69	43.5% ↑	19.6% ↑
Advances for barter	473	541	659	12.5% ↓	28.2% ↓
<b>Total</b>	<b>556</b>	<b>599</b>	<b>728</b>	<b>7.1% ↓</b>	<b>23.7% ↓</b>

### Inventories (Real Estate for Sale)

(R\$ million)	Sep/20	Jun/20	Sep/19	Chg. Sep/20 x Jun/20	Chg. Sep/20 x Sep/19
Properties under construction	2,407	2,517	2,659	4.4% ↓	9.5% ↓
Completed Units	144	145	258	0.5% ↓	44.1% ↓
Land bank	5,491	5,388	5,534	1.9% ↑	0.8% ↓
Advances to Suppliers	74	72	53	2.2% ↑	39.7% ↑
Inventories of supplies	0	0	0	21.1% ↓	19.6% ↑
<b>Total</b>	<b>8,117</b>	<b>8,123</b>	<b>8,505</b>	<b>0.1% ↓</b>	<b>4.6% ↓</b>
Current	3,722	3,721	3,963	0.0% ↑	6.1% ↓
Non-current	4,395	4,402	4,542	0.2% ↓	3.2% ↓

## Debt Maturity Schedule

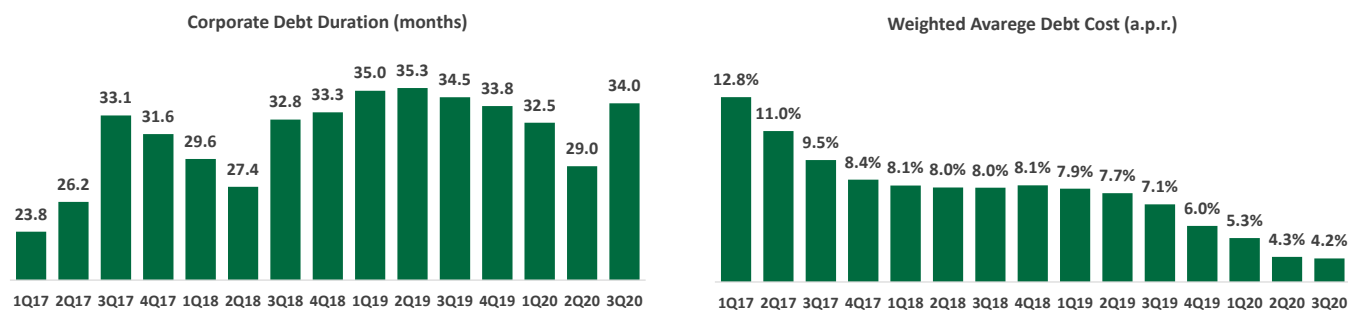
(R\$ million)	Construction Financing	Corporate Debt*	Total
12 months		42	558
13 to 24 months		74	443
25 to 36 months		49	815
37 to 48 months		2	836
Over 48 months		0	722
<b>Total Debt</b>	<b>167</b>	<b>3,375</b>	<b>3,541</b>

\*Include leases and Finame

## Weighted Average Debt Cost

(R\$ Million)	Debit Balance Sep/20	Balance Due / Total (%)	Average Cost
CDI	3,375	95.3%	CDI + 2,08%
TR	167	4.7%	TR + 8,11%
<b>Total</b>	<b>3,541</b>	<b>100.0%</b>	<b>4.24%</b>

## Debt Breakdown



The company concluded a new debt issuance in the amount of R\$ 500 million in 3Q20, to mature over five years (bullet), offering semi-annual interest, thus pushing the duration of corporate debt from 29 to 34 months.

# EARNINGS RELEASE

3<sup>rd</sup> Quarter 2020



(R\$ million)	Maturity	Contractual Rate (p.a)	Balance Due	
			Sep/20	Jun/20
<b>Corporate Debt – CDI</b>			<b>3,375</b>	<b>3,336</b>
Debentures - 2nd Issuance (Urba)	06/21 to 06/23	CDI + 1.22%	60	60
Debentures - 4nd Issuance (Urba)	04/2025	CDI + 1.50%	40	40
Debentures - 9th Issuance (2nd serie)	02/20 to 02/22	CDI + 2.30%	298	404
Debentures - 9th Issuance (3rd serie)	02/2022	132.2% CDI	98	99
Debentures - 11th Issuance (1st serie)	09/2020	CDI + 1.00%	-	287
Debentures - 11th Issuance (2nd serie)	09/21 to 09/22	CDI + 1.50%	214	216
Debentures - 11th Issuance (3rd serie)	09/23 to 09/24	122.1% CDI	144	149
Debentures - 12th Issuance (1st serie)	07/2023	CDI + 1.40%	300	305
Debentures - 12th Issuance (2nd serie)	07/24 to 07/25	CDI + 1.70%	52	52
Debentures - 12th Issuance (3rd serie)	07/2023	CDI + 1.50%	110	111
Debentures - 12th Issuance (4th serie)	07/2023	CDI + 1.50%	83	85
Debentures - 15th Issuance	11/2025	CDI + 1.06%	302	300
Debentures - 16th Issuance	04/2025	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	-
CCB which backed the CRI operation	06/20 to 06/21	CDI + 1.60%	-	57
3rd issue of Urba debentures that back CRI operations	03/2024	CDI + 0.20%	58	58
13th issue of debentures that back CRI operations	09/23 to 09/24	100% CDI	292	291
14th issue of debentures that back CRI operations	05/2024	100.4% CDI	359	357
Working capital (MRV)	04/2022	CDI + 3.10%	202	202
1st Promissory note - 1st Series	11/2020	CDI + 2.50%	3	3
1st Promissory note - 2st Series	05/2021	CDI + 2.50%	98	97
Leasing	03/18 to 05/23	CDI + 2.00% to + 2.93%	11	13
<b>Construction Finance - TR</b>			<b>167</b>	<b>324</b>
Construction Financing	12/20 to 02/24	TR + 8.30%	162	318
Working capital (Urba) - TR	04/16 to 03/23	TR + 13.29%	5	5
<b>Total</b>			<b>3,541</b>	<b>3,659</b>

## Net Debt (ex. AHS)

Strong cash generation for the period of 3Q20 has allowed the company to reduce its total debt by 3.2% as compared to 2Q20, falling from R\$ 3.66 billion in July 2020 to 3.54 billion in September of the same year.

(R\$ million)	Sep/20	Jun/20	Sep/19	Chg. Sep/20 x Jun/20	Chg. Sep/20 x Sep/19
Total debt	3,541	3,659	2,960	3.2% ↓	19.6% ↑
(-) Cash and cash equivalents and Marketable Securities	(2,754)	(2,558)	(2,208)	7.7% ↑	24.7% ↑
(-) Derivative Financial Instruments	(54)	(62)	(38)	11.9% ↓	43.9% ↑
Net Debt*	733	1,039	714	29.5% ↓	2.6% ↑
Total Shareholders' Equity	5,512	5,372	5,117	2.6% ↑	7.7% ↑
Net Debt / Total Shareholders' Equity	13.3%	19.3%	14.0%	6.1 p.p. ↓	0.7 p.p. ↓
EBITDA LTM	921	916	1,052	0.5% ↑	12.4% ↓
Net Debt / EBITDA LTM	0.80x	1.13x	0.68x	29.9% ↓	17.2% ↑

\* Considering the Derivative Financial Instruments gains

Covenants & Corporate Risk

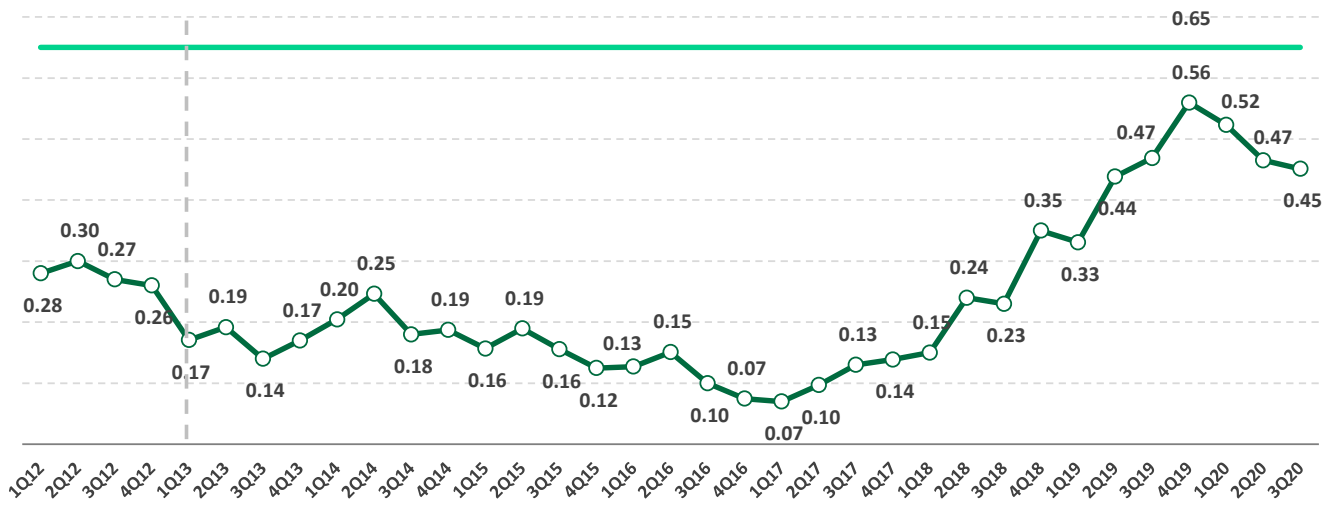


brAAA



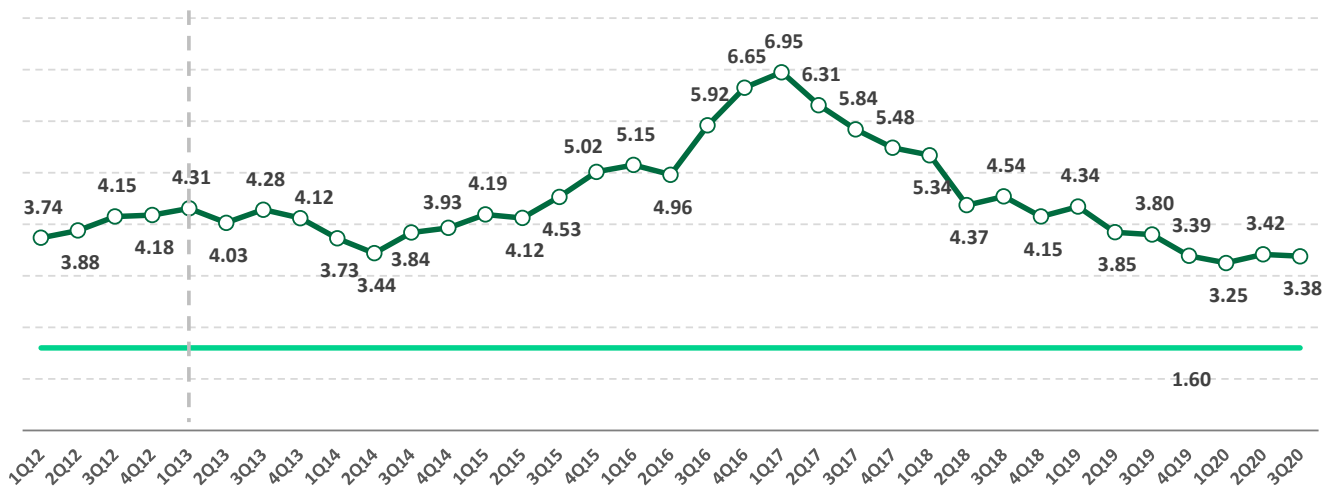
brAA-

Debt Covenant (Including AHS)



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

Receivables Covenant (Including AHS)



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

## URBA

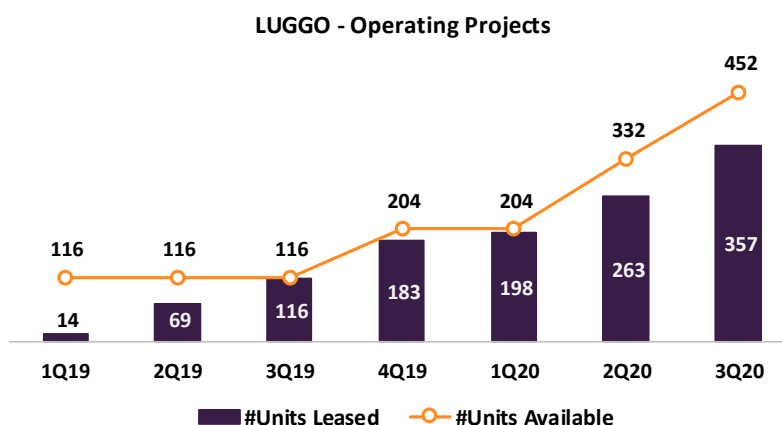
Urba Operation	3Q20	2Q20	3Q19	Var. 3Q20 x 2Q20	Var. 3Q20 x 3Q19	9M20	9M19	Var. 9M20 x 9M19
<b>Land Bank *</b>								
Land bank (R\$ million - %Urba)	1,961	1,053	952	86.2% ↑	105.9% ↑	1,961	952	105.9% ↑
Landbank Units (%Urba)	20,972	10,061	9,843	108.5% ↑	113.1% ↑	20,972	9,843	113.1% ↑
Land bank (R\$ million - 100%)	2,967	1,942	1,700	52.8% ↑	74.5% ↑	2,967	1,700	74.5% ↑
Landbank Units (100%)	29,671	16,709	17,042	77.6% ↑	74.1% ↑	29,671	17,042	74.1% ↑
<b>Launches</b>								
Launches (R\$ million - %Urba)	72	22	-	223.0% ↑	-	94	36	159.9% ↑
Launches Units (%Urba)	407	84	-	384.2% ↑	-	491	390	25.9% ↑
Launches (R\$ million - 100%)	218	40	-	448.3% ↑	-	258	52	391.7% ↑
Launches Units (100%)	1,233	150	-	722.0% ↑	-	1,383	564	145.2% ↑
<b>Net Pre-sales</b>								
Net Pre-sales (R\$ million - %Urba)	21	31	5	30.9% ↓	341.4% ↑	60	65	7.9% ↓
Net Pre-sales (Units - %Urba)	224	206	71	8.7% ↑	217.0% ↑	521	739	29.4% ↓
Net Pre-sales (R\$ million - 100%)	31	52	6	39.9% ↓	377.1% ↑	93	71	30.2% ↑
Net Pre-sales (Units - 100%)	324	344	93	5.8% ↓	248.4% ↑	819	797	2.8% ↑
<b>Production</b>								
Construction Sites	4	4	5	0.0% ↑	20.0% ↓	4	5	20.0% ↓
Built Units (%Urba)	107	172	54	37.9% ↓	97.8% ↑	360	332	8.4% ↑
Built Units (100%)	107	185	135	42.3% ↓	20.7% ↓	401	623	35.5% ↓
Finished Units (%Urba)	-	-	-	-	-	-	-	-
Finished Units (100%)	-	-	-	-	-	-	-	-

\* 3Q20's Land bank includes option agreement

LUGGO

Luggo's operation has proved to be a great success, meeting the demand for quality apartments for rental, designed for a **specific audience, who wants convenience, technology, comfort, security and a unique and pleasing experience**, from the rental process to the day to day at home.

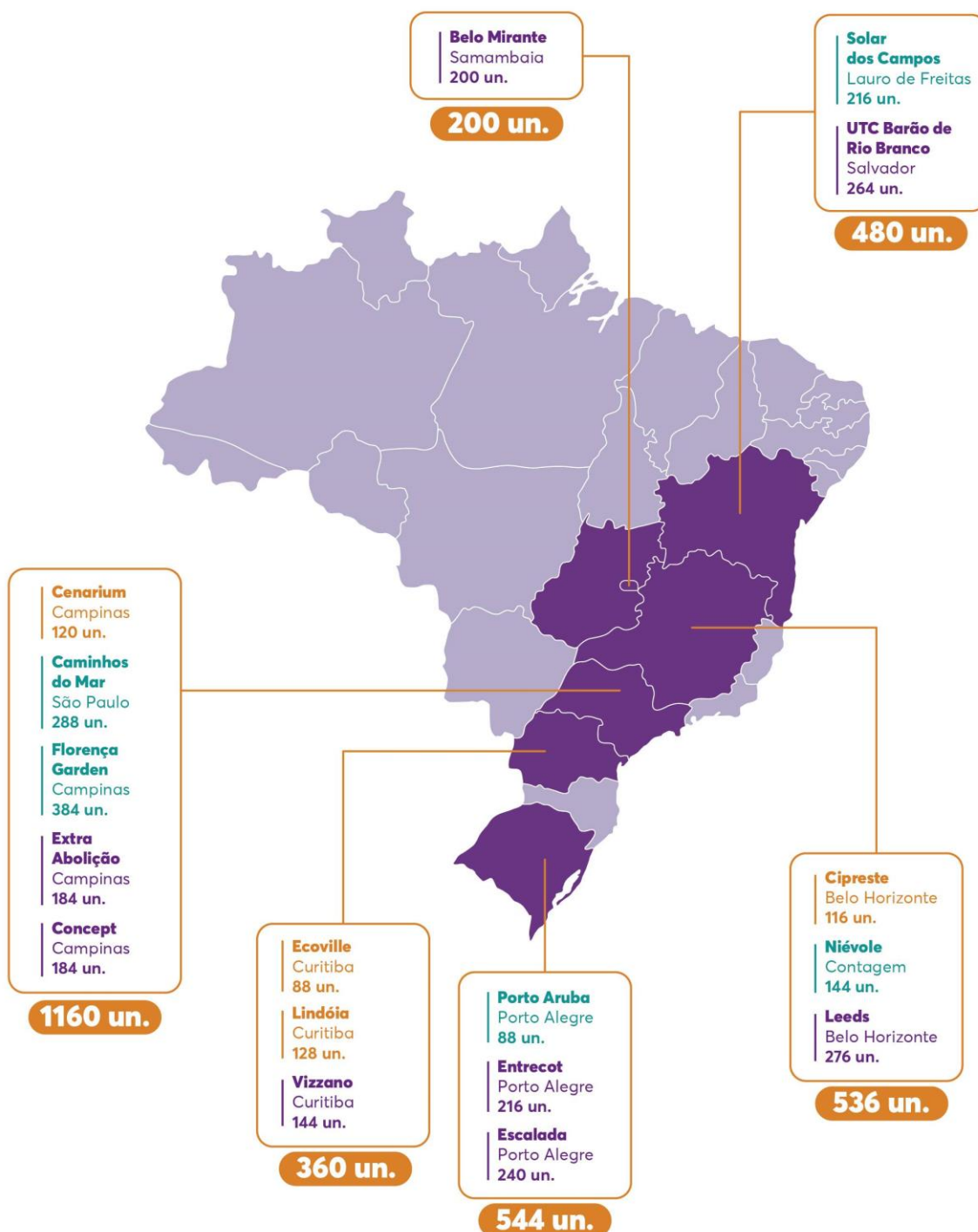
Between the end of 2Q20 and 3Q20, the third project sold was stabilized, in a process that **only took 5 months to reach 95% occupancy**. In September, the fourth and last project sold to FII LUGG11 was put on lease, which, by the end of September, totaled **31.7% of the leased units**.



LUGGO Operation	3Q20	2Q20	Var. 3Q20 x 2Q20
<b>Land Bank</b>			
Number of Projects	11	11	0.0% ↑
Units	2,089	2,129	1.9% ↓
Market Value at Stabilization (R\$ thousand)	455,203	473,705	3.9% ↓
<b>Units under Construction</b>			
Number of Projects	4	4	0.0% ↑
Units	1,032	1,032	0.0% ↑
% of Project Progression	14.3%	11.1%	3.2 p.p. ↑
Market Value at Stabilization (R\$ thousand)	210,223	210,223	0.0% ↑

# Our Footprint

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



## AHS

Throughout the 3Q20, one more project moved from the construction stage to the stabilization stage, totaling US\$ 199 million in PSV, in addition to the US\$ 107 million of the projects already stabilized. **As a result, AHS has a total of US\$ 306 million under negotiation.**

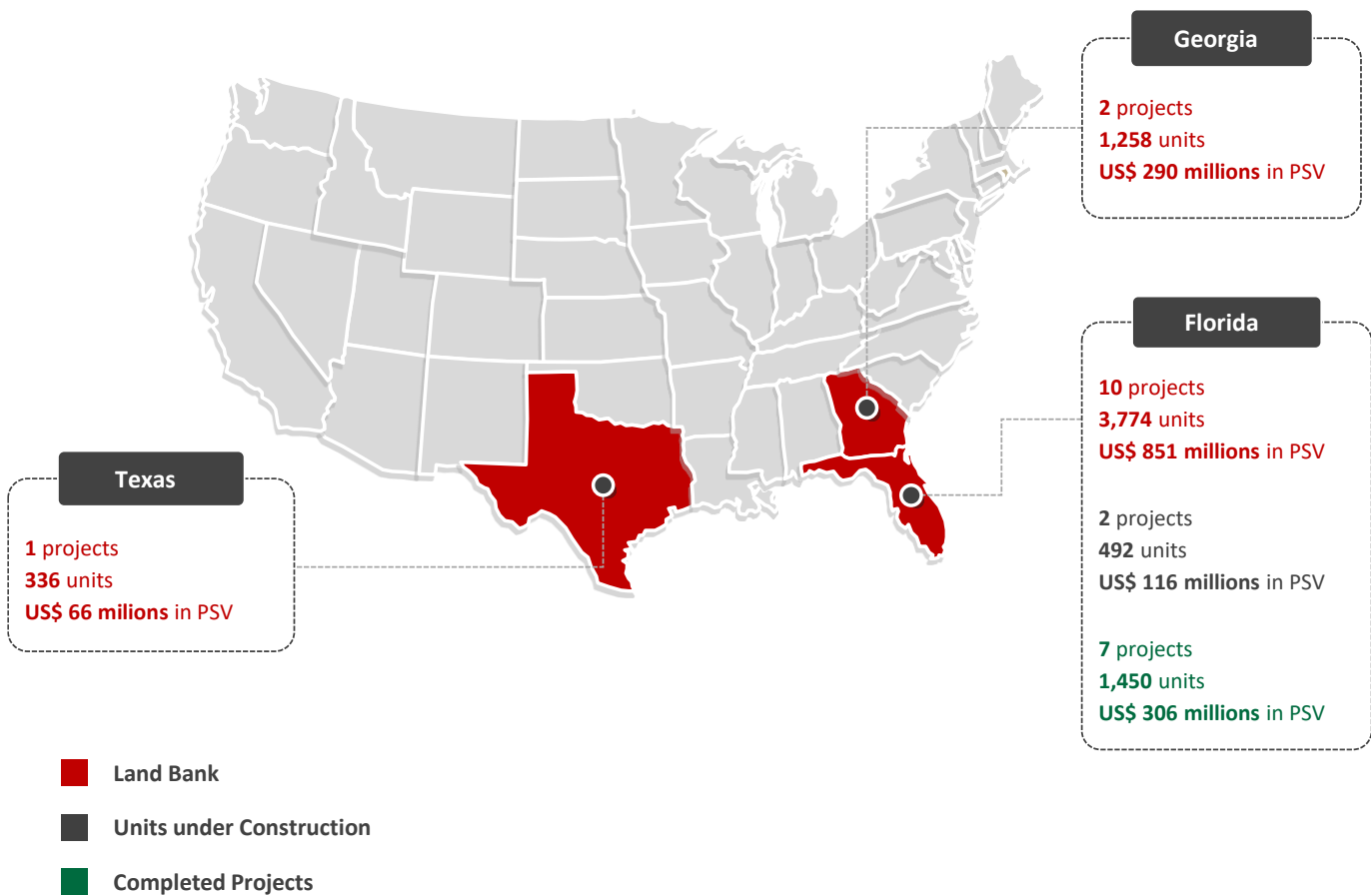
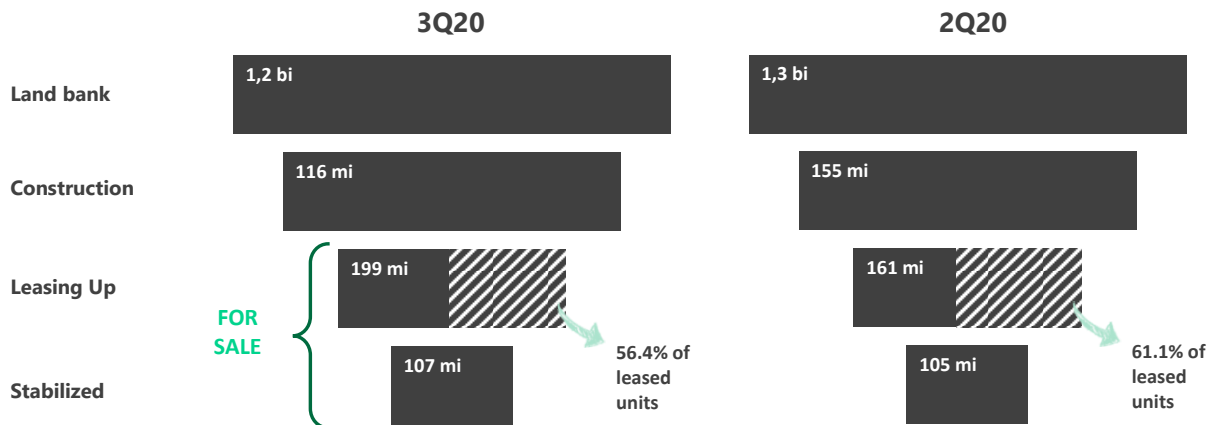
It is important to note that, even with the inclusion of another project into the stabilized stage in the 3Q20, the percentage of leased units remained very high, dropping from 61% to 56%, **which indicates that the speed of rental of the projects under stabilization continues strong.**

AHS Operation	3Q20	2Q20	Var. 3Q20 x 2Q20
<b>Land Bank *</b>			
Number of Projects	13	13	0.0% ↑
Units	5,368	5,539	3.1% ↓
Market Value at Stabilization (US\$ thousand)	1,207,223	1,258,604	4.1% ↓
<b>Units under Construction</b>			
Number of Projects	2	3	33.3% ↓
Units	492	696	29.3% ↓
% of Projects Progression	51.6%	40.7%	10.9 p.p. ↑
Market Value at Stabilization (US\$ thousand)	116,241	154,701	24.9% ↓
<b>Completed Projects</b>			
<b>Leasing Up</b>			
Number of Projects	4	3	33.3% ↑
Available Units	900	696	29.3% ↑
Leased Units	508	425	19.4% ↑
% Leased Units	56.4%	61.1%	4.7 p.p. ↓
Market Value at Stabilization (US\$ thousand)	198,500	160,897	23.4% ↑
<b>Stabilized</b>			
Number of Projects	3	3	0.0% ↑
Units Completed	550	550	0.0% ↑
Leased Units	530	544	2.5% ↓
% Leased Units	96.4%	98.9%	2.5 p.p. ↓
Market Value at Stabilization (US\$ thousand)	107,000	105,100	1.8% ↑

\* Includes under contract

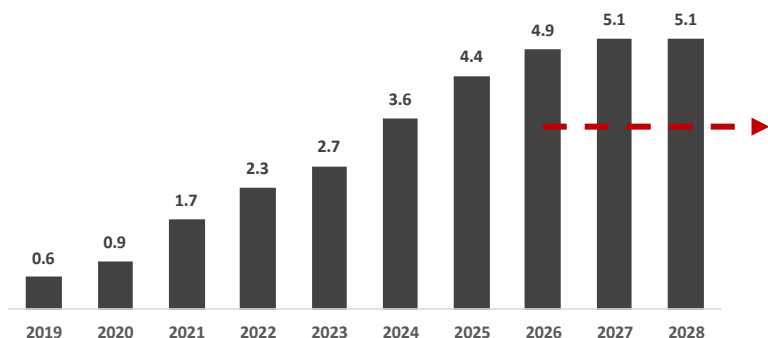


**Operational Process**



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

Original Growth Plan (in thousands)



**5,000 UNITS x US\$ 220k = US\$ 1.1 BI**

**x R\$ 5.66<sup>1</sup>**

**R\$ 6,2 BI**

<sup>1</sup> As of 11/04/2020

**AHS Operation**

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

**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\$)	3Q20	2Q19
Operation	147,643,377	109,853,896
Construction	54,946,750	27,979,811
Land bank	48,331,377	19,850,000
	-	-
Holding	1,844,697	18,249,995
Additional Capital@jul/19	-	10,000,000
	-	-
<b>Total</b>	<b>252,766,202</b>	<b>185,933,702</b>

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

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

## Balance Sheet - MRV US

ASSETS (US\$ Thousands)	30/09/2020	30/06/2020	Var. Sep/20 x Jun/20
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	13,033	17,125	23.9% ↓
Marketable Securities	3,045	3,134	2.8% ↓
Receivables from services provided	791	683	15.8% ↑
Prepaid expenses	901	919	2.0% ↓
Other assets	2,600	1,444	80.1% ↑
<b>Total Current Assets</b>	<b>20,370</b>	<b>23,305</b>	<b>12.6% ↓</b>
<b>NONCURRENT ASSETS</b>			
Other noncurrent assets	1,931	1,434	34.7% ↑
Investment property	310,479	285,280	8.8% ↑
Property and equipment	6,625	6,891	3.9% ↓
Intangible Assets	2,344	2,071	13.2% ↑
<b>Total Noncurrent Assets</b>	<b>321,379</b>	<b>295,676</b>	<b>8.7% ↑</b>
<b>TOTAL ASSETS</b>	<b>341,749</b>	<b>318,981</b>	<b>7.1% ↑</b>
LIABILITIES AND EQUITY (US\$ Thousands)	30/09/2020	30/06/2020	Var. Sep/20 x Jun/20
<b>CURRENT LIABILITIES</b>			
Suppliers	11,589	9,673	19.8% ↑
Loans, financing and debentures	6,090	6,358	4.2% ↓
Payroll and related liabilities	1,325	852	55.5% ↑
Other payables	6,895	5,482	25.8% ↑
<b>Total Current Liabilities</b>	<b>25,899</b>	<b>22,365</b>	<b>15.8% ↑</b>
<b>NONCURRENT LIABILITIES</b>			
Derivative Financial Instruments	3,285	3,479	5.6% ↓
Loans, financing and debentures	230,939	209,294	10.3% ↑
Other liabilities	438	381	15.0% ↑
<b>Total Noncurrent Liabilities</b>	<b>234,662</b>	<b>213,154</b>	<b>10.1% ↑</b>
<b>EQUITY</b>			
Equity attributable to Company' Shareholders	70,405	72,405	2.8% ↓
Noncontrolling Interests	10,783	11,057	2.5% ↓
<b>Total Equity</b>	<b>81,188</b>	<b>83,462</b>	<b>2.7% ↓</b>
<b>TOTAL LIABILITIES AND TOTAL EQUITY</b>	<b>341,749</b>	<b>318,981</b>	<b>7.1% ↑</b>

# EARNINGS RELEASE

3<sup>rd</sup> Quarter 2020



## P&L - MRV US

US\$ thousands	3Q20	2Q20	Chg. 3Q20 x 2Q20
<b>NET REVENUE</b>	<b>3,631</b>	<b>3,138</b>	<b>15.7% ↑</b>
COST OF REAL ESTATE SALES AND SERVICES	(3,142)	(2,542)	23.6% ↑
<b>GROSS PROFIT</b>	<b>490</b>	<b>596</b>	<b>17.9% ↓</b>
<i>Gross Margin</i>	<b>13.5%</b>	19.0%	5.5 p.p. ↓
OPERATING INCOME (EXPENSES)			
Selling expenses	(162)	(190)	14.7% ↓
General & Administrative Expenses	(2,201)	(2,355)	6.5% ↓
Other operating income (expenses), net	(241)	(16)	1418.0% ↓
Equity Income	-	-	-
<b>INCOME BEFORE FINANCIAL INCOME (EXPENSES)</b>	<b>(2,115)</b>	<b>(1,964)</b>	<b>7.6% ↑</b>
FINANCIAL RESULTS			
Financial expenses	(1,343)	(1,012)	32.7% ↑
Financial income	9	36	75.6% ↓
Financial income from receivables from real estate development	-	-	-
<b>INCOME BEFORE INCOME TAX AND SOCIAL CONTRIBUTION</b>	<b>(3,449)</b>	<b>(2,940)</b>	<b>17.3% ↓</b>
Income Tax and Social Contribution	-	-	-
<b>NET INCOME (LOSS)</b>	<b>(3,449)</b>	<b>(2,940)</b>	<b>17.3% ↓</b>
NET INCOME (LOSS) ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	(290)	(166)	74.4% ↓
<b>NET INCOME (LOSS) ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY</b>	<b>(3,159)</b>	<b>(2,774)</b>	<b>13.9% ↓</b>
<i>Net Margin</i>	<b>-87.0%</b>	<b>-88.4%</b>	1.4 p.p. ↑

## Debt Breakdown

(US\$ thousands)	Maturity	Contractual rate (p.a.)	Balance due Sep/20
<b>Construction Financing (equivalent to Brazilian SFH)</b>			<b>184,098</b>
<b>Construction Loan</b>			<b>59,639</b>
Coral Reef	February, 2022	LIBOR 1M + 2.00%	22,964
Pine Groves	April, 2022	LIBOR 1M + 2.25%	15,395
Tamiami Landings	September, 2022	LIBOR 1M + 2.25%	12,909
Banyan Ridge	March, 2022	LIBOR 1M + 2.15%	8,372
<b>Permanent Loan</b>			<b>124,459</b>
Mangonia Lake	May, 2023	LIBOR 1M + 2.25%	28,500
Princeton Groves	October, 2027	Fixed at 4.38%	24,395
Lake Worth	May, 2026	Fixed at 3.95%	23,532
Lake Osborne	December, 2027	Fixed at 4.63%	13,032
Deering Groves	November, 2029	Fixed at 3.15%	35,000
<b>Corporate Debt</b>			<b>54,091</b>
Credit Line	April, 2021	LIBOR 1M + 3.00%	5,000
Vehicle Loan	December, 2022	Fixed at 5.94%	32
Itau Bond Debt	February, 2025	Fixed at 4.00%	47,209
SBA CARES Loan	April, 2022	Fixed at 1.00%	1,850
<b>Funding Costs</b>			<b>(1,160)</b>
<b>Total</b>			<b>237,030</b>

## Debt Maturity Schedule

(US\$ thousands)	Construction Loan	Permanent Loan	Corporate Debt	Funding Costs	Total
12 months	-	1,076	5,230	(216)	<b>6,090</b>
13 to 24 months	59,639	1,123	1,859	(216)	<b>62,406</b>
25 to 36 months	-	30,392	2	(194)	<b>30,200</b>
37 to 48 months	-	2,002	-	(150)	<b>1,852</b>
After 48 months	-	89,865	47,000	(383)	<b>136,482</b>
<b>Total</b>	<b>59,639</b>	<b>124,459</b>	<b>54,091</b>	<b>(1,160)</b>	<b>237,030</b>

## EARNINGS RELEASE

3<sup>rd</sup> Quarter 2020



### Investor Relations

---

Ricardo Paixão Pinto Rodrigues  
**Chief Financial and Investor Relations Officer**

Augusto Pinto de Moura Andrade  
**Investor Relations Manager**

#### **Investor Relations**

Phone: +55 (31) 3615-8153

E-mail: [ri@mrv.com.br](mailto:ri@mrv.com.br)

Website: [ri.mrv.com.br](http://ri.mrv.com.br)

## ATTACHMENTS

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

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

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

R\$ million	3Q20	2Q20	3Q19	Chg. 3Q20 x 2Q20	Chg. 3Q20 x 3Q19	9M20	9M19	Chg. 9M20 x 9M19
<b>NET REVENUE</b>	<b>1,780</b>	<b>1,656</b>	<b>1,569</b>	<b>7.5% ↑</b>	<b>13.4% ↑</b>	<b>4,944</b>	<b>4,636</b>	<b>6.6% ↑</b>
COST OF REAL ESTATE SALES AND SERVICES	(1,280)	(1,188)	(1,107)	7.7% ↑	15.7% ↑	(3,553)	(3,214)	10.5% ↑
<b>GROSS PROFIT</b>	<b>500</b>	<b>468</b>	<b>462</b>	<b>6.9% ↑</b>	<b>8.1% ↑</b>	<b>1,392</b>	<b>1,422</b>	<b>2.2% ↓</b>
<i>Gross Margin</i>	<b>28.1%</b>	28.2%	29.5%	0.2 p.p. ↓	1.4 p.p. ↓	<b>28.1%</b>	30.7%	2.5 p.p. ↓
OPERATING INCOME (EXPENSES)								
Selling expenses	(168)	(161)	(151)	4.5% ↑	11.7% ↑	(478)	(441)	8.4% ↑
General & Administrative Expenses	(111)	(104)	(89)	6.4% ↑	25.0% ↑	(315)	(269)	17.4% ↑
Other operating income (expenses), net	(34)	(31)	(32)	9.2% ↑	5.9% ↑	(96)	(91)	6.1% ↑
Equity Income	(13)	(15)	(16)	14.1% ↓	16.4% ↓	(39)	(48)	19.2% ↓
<b>INCOME BEFORE FINANCIAL INCOME (EXPENSES)</b>	<b>173</b>	<b>156</b>	<b>175</b>	<b>11.2% ↑</b>	<b>1.0% ↓</b>	<b>463</b>	<b>574</b>	<b>19.3% ↓</b>
FINANCIAL RESULTS								
Financial expenses	(27)	(24)	(16)	13.8% ↑	73.4% ↑	(67)	(45)	49.8% ↑
Financial income	17	18	33	3.2% ↓	48.2% ↓	49	94	48.2% ↓
Financial income from receivables from real estate development	19	16	19	21.8% ↑	0.2% ↓	62	55	12.4% ↑
<b>INCOME BEFORE INCOME TAX AND SOCIAL CONTRIBUTION</b>	<b>183</b>	<b>166</b>	<b>212</b>	<b>10.3% ↑</b>	<b>13.7% ↓</b>	<b>507</b>	<b>678</b>	<b>25.3% ↓</b>
Income Tax and Social Contribution	(37)	(35)	(33)	6.8% ↑	11.0% ↑	(104)	(99)	5.7% ↑
<b>NET INCOME</b>	<b>146</b>	<b>131</b>	<b>179</b>	<b>11.3% ↑</b>	<b>18.3% ↓</b>	<b>403</b>	<b>579</b>	<b>30.5% ↓</b>
PROFIT ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	5	22	18	76.3% ↓	71.8% ↓	48	40	20.3% ↑
<b>PROFIT ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY</b>	<b>141</b>	<b>109</b>	<b>160</b>	<b>28.8% ↑</b>	<b>12.2% ↓</b>	<b>354</b>	<b>539</b>	<b>34.3% ↓</b>
<i>Net Margin</i>	<b>7.9%</b>	6.6%	10.2%	1.3 p.p. ↑	2.3 p.p. ↓	<b>7.2%</b>	11.6%	4.5 p.p. ↓
<b>BASIC EARNINGS PER SHARE</b>	<b>0.292</b>	0.226	0.362	29.1% ↑	19.3% ↓	<b>0.741</b>	1.220	39.3% ↓

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

ASSETS	30/09/2020	30/06/2020	30/09/2019	Var. Sep/20 x Jun/20	Var. Sep/20 x Sep/19
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	1,080	1,724	498	37.3% ↓	116.7% ↑
Marketable Securities	1,742	901	1,676	93.3% ↑	4.0% ↑
Receivables from real estate development	1,809	1,806	1,656	0.2% ↑	9.2% ↑
Receivables from services provided	6	6	1	9.5% ↑	412.1% ↑
Inventories	3,722	3,721	3,963	0.0% ↑	6.1% ↓
Recoverable current taxes	84	94	88	10.2% ↓	4.5% ↓
Prepaid expenses	99	95	92	3.7% ↑	7.4% ↑
Derivative Financial Instruments	-	-	-	-	-
Other assets	116	104	59	11.4% ↑	94.2% ↑
<b>Total Current Assets</b>	<b>8,658</b>	<b>8,451</b>	<b>8,034</b>	<b>2.5% ↑</b>	<b>7.8% ↑</b>
<b>NONCURRENT ASSETS</b>					
Marketable Securities	22	44	34	48.8% ↓	33.7% ↓
Receivables from real estate development	1,619	1,538	1,060	5.3% ↑	52.8% ↑
Real estate for sale and development	4,395	4,402	4,542	0.2% ↓	3.2% ↓
Intercompany Expenses	47	42	53	12.9% ↑	10.8% ↓
Prepaid expenses	46	40	30	15.1% ↑	54.8% ↑
Derivative Financial Instruments	54	62	38	11.9% ↓	43.9% ↑
Other noncurrent assets	155	172	118	9.5% ↓	32.0% ↑
Equity Interest in investees	(1)	8	81	113.5% ↓	101.3% ↓
Investment property	1,866	1,664	86	12.1% ↑	2064.0% ↑
Property and equipment	545	544	471	0.3% ↑	15.7% ↑
Intangible Assets	158	148	110	6.5% ↑	43.3% ↑
<b>Total Noncurrent Assets</b>	<b>8,908</b>	<b>8,663</b>	<b>6,622</b>	<b>2.8% ↑</b>	<b>34.5% ↑</b>
<b>TOTAL ASSETS</b>	<b>17,566</b>	<b>17,114</b>	<b>14,657</b>	<b>2.6% ↑</b>	<b>19.9% ↑</b>



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

LIABILITIES AND EQUITY	30/09/2020	30/06/2020	30/09/2019	Var. Sep/20 x Jun/20	Var. Sep/20 x Sep/19
<b>CURRENT LIABILITIES</b>					
Suppliers	446	371	382	20.2% ↑	16.8% ↑
Payables for investment aquisition	6	7	5	20.2% ↓	5.8% ↑
Loans, financing and debentures	634	914	676	30.6% ↓	6.1% ↓
Land Payables	1,148	904	846	27.0% ↑	35.7% ↑
Advances from customers	231	191	191	21.0% ↑	21.2% ↑
Payroll and related liabilities	194	181	174	7.0% ↑	11.6% ↑
Tax payables	88	84	74	4.4% ↑	18.1% ↑
Provision for maintenance of real estate	41	42	34	2.7% ↓	21.5% ↑
Deferred tax liabilities	64	64	58	0.8% ↓	10.1% ↑
Proposed dividends	164	164	328	0.0% ↑	50.0% ↓
Net Capital deficiency liabilities - Investments	165	175	166	5.9% ↓	0.8% ↓
Other payables	259	245	219	5.7% ↑	18.3% ↑
<b>Total Current Liabilities</b>	<b>3,439</b>	<b>3,343</b>	<b>3,153</b>	<b>2.9% ↑</b>	<b>9.1% ↑</b>
<b>NONCURRENT LIABILITIES</b>					
Payables for investment aquisition	14	16	-	8.0% ↓	-
Derivative Financial Instruments	19	19	-	2.7% ↓	-
Loans, financing and debentures	4,244	3,926	2,284	8.1% ↑	85.8% ↑
Land Payables	3,151	3,172	3,227	0.7% ↓	2.4% ↓
Advances from customers	325	408	538	20.3% ↓	39.6% ↓
Provision for maintenance of real estate	114	106	107	7.5% ↑	7.2% ↑
Provision for civil, labor, and tax risks	106	106	108	0.5% ↑	1.6% ↓
Deferred tax liabilities	66	63	43	5.0% ↑	52.7% ↑
Other liabilities	118	126	79	6.7% ↓	48.2% ↑
<b>Total Noncurrent Liabilities</b>	<b>8,157</b>	<b>7,942</b>	<b>6,387</b>	<b>2.7% ↑</b>	<b>27.7% ↑</b>
<b>EQUITY</b>					
Equity attributable to Company' Shareholders	5,616	5,465	4,855	2.8% ↑	15.7% ↑
Noncontrolling Interests	353	364	262	2.8% ↓	34.7% ↑
<b>Total Equity</b>	<b>5,970</b>	<b>5,829</b>	<b>5,117</b>	<b>2.4% ↑</b>	<b>16.7% ↑</b>
<b>TOTAL LIABILITIES AND TOTAL EQUITY</b>	<b>17,566</b>	<b>17,114</b>	<b>14,657</b>	<b>2.6% ↑</b>	<b>19.9% ↑</b>

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

Consolidated (R\$ million)	3Q20	2Q20	3Q19	Chg. 3Q20 x 2Q20	Var. 3Q20 x 3Q19	9M20	9M19	Chg. 9M20 x 9M19
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>								
NET INCOME	146	131	179	11.3% ↑	18.3% ↓	403	579	30.5% ↓
Adjustments to reconcile net income to cash used in operating activities	157	185	159	15.1% ↓	1.0% ↓	527	400	31.6% ↑
(Increase) decrease in operating assets	100	46	(258)	116.6% ↑	-	(253)	(667)	62.0% ↓
Increase (decrease) in operating liabilities	(67)	(60)	(172)	10.5% ↑	61.2% ↓	(206)	(375)	45.2% ↓
<b>Net cash generated by (used in) operating activities</b>	<b>336</b>	<b>302</b>	<b>(92)</b>	<b>11.3% ↑</b>	<b>-</b>	<b>471</b>	<b>(62)</b>	<b>860.3% ↓</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>								
Decrease (increase) in marketable securities	(799)	(15)	155	5278.6% ↓	-	(310)	(16)	1894.9% ↑
Advances to related parties	(15)	(11)	(7)	34.8% ↑	128.6% ↑	(34)	(39)	12.5% ↓
Receipts from related parties	10	11	2	5.8% ↓	508.4% ↑	27	29	8.0% ↓
Decrease in (acquisition of/contribution to) investments	(15)	17	(38)	-	60.8% ↑	35	4	719.4% ↑
Payment for acquisition of subsidiary	(3)	14	(1)	-	93.9% ↑	7	(4)	265.8% ↓
Receipts for sale of investees	2	2	-	-	-	4	-	-
Acquisition of investment properties	(153)	(158)	-	3.0% ↑	-	(484)	-	-
Acquisition of fixed and intangible assets	(38)	(59)	(59)	35.9% ↓	35.8% ↓	(135)	(172)	21.1% ↓
<b>Net cash generated by (used in) investing activities</b>	<b>(1,011)</b>	<b>(200)</b>	<b>52</b>	<b>405.5% ↓</b>	<b>-</b>	<b>(891)</b>	<b>(197)</b>	<b>352.2% ↑</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>								
Proceeds from shares issuance	-	-	-	-	-	1	-	-
Proceeds from stock options' exercise	0	-	7	-	98% ↓	1	9	90.1% ↓
Loans from related parties	18	(7)	(34)	-	-	(5)	30	116.3% ↓
Treasury shares	-	-	-	-	-	-	-	-
Proceeds from loans, financing and debenture	748	1,054	390	29.1% ↓	91.9% ↑	2,280	1,708	33.5% ↑
Payment of loans, financing and debenture	(732)	(376)	(423)	94.8% ↓	73.2% ↓	(1,447)	(1,596)	9.3% ↓
Receive of financial instruments and derivatives	3	(0)	(1)	-	-	4	(1)	664.1% ↓
Capital transaction	(1)	2	2	-	-	3	9	-
Dividends payment	-	-	-	-	-	-	(164)	100.0% ↓
Net contributions (distributions) of noncontrolling interests	(4)	(32)	(38)	88.5% ↑	90.2% ↑	(17)	(32)	47.4% ↓
<b>Net cash (used in) generated by financing activities</b>	<b>32</b>	<b>641</b>	<b>(97)</b>	<b>95.0% ↓</b>	<b>-</b>	<b>820</b>	<b>(38)</b>	<b>2282.8% ↓</b>
<b>effects of exchange rates on cash and cash equivalents</b>	<b>(1)</b>	<b>(9)</b>	<b>-</b>	<b>85.9% ↑</b>	<b>-</b>	<b>6</b>	<b>-</b>	<b>-</b>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS, NET</b>	<b>(644)</b>	<b>735</b>	<b>(138)</b>	<b>-</b>	<b>367.2% ↓</b>	<b>405</b>	<b>(296)</b>	<b>236.8% ↑</b>
<b>CASH AND CASH EQUIVALENTS</b>								
Cash and cash equivalents at beginning of the period	1,724	989	636	74.3% ↑	171.0% ↑	675	795	15.1% ↓
Cash and cash equivalents at end of the period	1,080	1,724	498	37.3% ↓	116.7% ↑	1,080	498	116.7% ↑

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

R\$ million	3Q20	2Q20	3Q19	Chg. 3Q20 x 2Q20	Chg. 3Q20 x 3Q19	9M20	9M19	Chg. 9M20 x 9M19
<b>NET REVENUE</b>	<b>1,760</b>	<b>1,639</b>	<b>1,569</b>	7.4% ↑	12.2% ↑	<b>4,898</b>	<b>4,636</b>	5.7% ↑
COST OF REAL ESTATE SALES AND SERVICES	(1,263)	(1,174)	(1,107)	7.5% ↑	14.1% ↑	(3,513)	(3,214)	9.3% ↑
<b>GROSS PROFIT</b>	<b>497</b>	<b>465</b>	<b>462</b>	7.0% ↑	7.5% ↑	<b>1,385</b>	<b>1,422</b>	2.6% ↓
<i>Gross Margin</i>	<b>28.3%</b>	28.4%	29.5%	0.1 p.p. ↓	1.2 p.p. ↓	<b>28.3%</b>	30.7%	2.4 p.p. ↓
OPERATING INCOME (EXPENSES)								
Selling expenses	(168)	(160)	(151)	4.6% ↑	11.1% ↑	(476)	(441)	7.8% ↑
General & Administrative Expenses	(99)	(92)	(89)	8.2% ↑	11.7% ↑	(284)	(269)	5.8% ↑
Other operating income (expenses), net	(33)	(31)	(32)	5.3% ↑	1.9% ↑	(95)	(91)	4.5% ↑
Equity Income	(13)	(15)	(16)	14.1% ↓	16.4% ↓	(39)	(48)	19.2% ↓
<b>INCOME BEFORE FINANCIAL INCOME (EXPENSES)</b>	<b>185</b>	<b>167</b>	<b>175</b>	10.9% ↑	5.5% ↑	<b>492</b>	<b>574</b>	14.3% ↓
FINANCIAL RESULTS								
Financial expenses	(20)	(18)	(16)	10.1% ↑	27.1% ↑	(49)	(45)	9.1% ↑
Financial income	17	18	33	2.4% ↓	48.3% ↓	48	94	48.5% ↓
Financial income from receivables from real estate development	19	16	19	21.8% ↑	0.2% ↓	62	55	12.4% ↑
<b>INCOME BEFORE INCOME TAX AND SOCIAL CONTRIBUTION</b>	<b>201</b>	<b>182</b>	<b>212</b>	10.6% ↑	5.0% ↓	<b>553</b>	<b>678</b>	18.4% ↓
Income Tax and Social Contribution	(37)	(35)	(33)	6.8% ↑	11.0% ↑	(104)	(99)	5.7% ↑
<b>NET INCOME</b>	<b>164</b>	<b>147</b>	<b>179</b>	11.6% ↑	7.9% ↓	<b>449</b>	<b>579</b>	22.5% ↓
PROFIT ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	7	23	18	70.4% ↓	63.3% ↓	52	40	29.7% ↑
<b>PROFIT ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY</b>	<b>158</b>	<b>124</b>	<b>160</b>	26.6% ↑	1.6% ↓	<b>397</b>	<b>539</b>	26.4% ↓
<i>Net Margin</i>	<b>9.0%</b>	7.6%	10.2%	1.4 p.p. ↑	1.3 p.p. ↓	<b>8.1%</b>	11.6%	3.5 p.p. ↓
<b>BASIC EARNINGS PER SHARE</b>	<b>0.328</b>	0.258	0.362	26.8% ↑	9.5% ↓	<b>0.831</b>	1.220	31.9% ↓

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

ASSETS	30/09/2020	30/06/2020	30/09/2019	Var. Sep/20 x Jun/20	Var. Sep/20 x Sep/19
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	1,007	1,630	498	38.3% ↓	102.0% ↑
Marketable Securities	1,725	884	1,676	95.1% ↑	2.9% ↑
Receivables from real estate development	1,809	1,806	1,656	0.2% ↑	9.2% ↑
Receivables from services provided	2	2	1	11.1% ↓	33.9% ↑
Inventories	3,722	3,721	3,963	0.0% ↑	6.1% ↓
Recoverable current taxes	84	94	88	10.2% ↓	4.5% ↓
Prepaid expenses	94	90	92	3.9% ↑	1.9% ↑
Derivative Financial Instruments	-	-	-	-	-
Other assets	101	96	59	5.3% ↑	69.6% ↑
<b>Total Current Assets</b>	<b>8,544</b>	<b>8,324</b>	<b>8,034</b>	<b>2.6% ↑</b>	<b>6.3% ↑</b>
<b>NONCURRENT ASSETS</b>					
Marketable Securities	22	44	34	48.8% ↓	33.7% ↓
Receivables from real estate development	1,619	1,538	1,060	5.3% ↑	52.8% ↑
Real estate for sale and development	4,395	4,402	4,542	0.2% ↓	3.2% ↓
Intercompany Expenses	47	42	53	12.9% ↑	10.8% ↓
Prepaid expenses	46	40	30	15.1% ↑	54.8% ↑
Derivative Financial Instruments	54	62	38	11.9% ↓	43.9% ↑
Other noncurrent assets	145	164	118	11.8% ↓	22.8% ↑
Equity Interest in investees	(1)	8	81	113.5% ↓	101.3% ↓
Investment property	115	102	86	12.7% ↑	33.5% ↑
Property and equipment	508	506	471	0.4% ↑	7.8% ↑
Intangible Assets	145	137	110	5.6% ↑	31.3% ↑
<b>Total Noncurrent Assets</b>	<b>7,095</b>	<b>7,044</b>	<b>6,622</b>	<b>0.7% ↑</b>	<b>7.1% ↑</b>
<b>TOTAL ASSETS</b>	<b>15,639</b>	<b>15,367</b>	<b>14,657</b>	<b>1.8% ↑</b>	<b>6.7% ↑</b>

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

LIABILITIES AND EQUITY	30/09/2020	30/06/2020	30/09/2019	Var. Sep/20 x Jun/20	Var. Sep/20 x Sep/19
<b>CURRENT LIABILITIES</b>					
Suppliers	380	318	382	19.7% ↑	0.3% ↓
Payables for investment aquisition	6	7	5	20.2% ↓	5.8% ↑
Loans, financing and debentures	600	879	676	31.8% ↓	11.2% ↓
Land Payables	1,148	904	846	27.0% ↑	35.7% ↑
Advances from customers	231	191	191	21.0% ↑	21.2% ↑
Payroll and related liabilities	186	176	174	5.6% ↑	7.3% ↑
Tax payables	88	84	74	4.4% ↑	18.1% ↑
Provision for maintenance of real estate	41	42	34	2.7% ↓	21.5% ↑
Deferred tax liabilities	64	64	58	0.8% ↓	10.1% ↑
Proposed dividends	164	164	328	0.0% ↑	50.0% ↓
Net Capital deficiency liabilities - Investments	165	175	166	5.9% ↓	0.8% ↓
Other payables	220	215	219	2.3% ↑	0.5% ↑
<b>Total Current Liabilities</b>	<b>3,293</b>	<b>3,220</b>	<b>3,153</b>	<b>2.3% ↑</b>	<b>4.5% ↑</b>
<b>NONCURRENT LIABILITIES</b>					
Payables for investment aquisition	14	16	-	8.0% ↓	-
Derivative Financial Instruments	-	-	-	-	-
Loans, financing and debentures	2,941	2,780	2,284	5.8% ↑	28.8% ↑
Land Payables	3,151	3,172	3,227	0.7% ↓	2.4% ↓
Advances from customers	325	408	538	20.3% ↓	39.6% ↓
Provision for maintenance of real estate	114	106	107	7.5% ↑	7.2% ↑
Provision for civil, labor, and tax risks	106	106	108	0.5% ↑	1.6% ↓
Deferred tax liabilities	66	63	43	5.0% ↑	52.7% ↑
Other liabilities	115	124	79	7.1% ↓	45.1% ↑
<b>Total Noncurrent Liabilities</b>	<b>6,834</b>	<b>6,775</b>	<b>6,387</b>	<b>0.9% ↑</b>	<b>7.0% ↑</b>
<b>EQUITY</b>					
Equity attributable to Company' Shareholders	5,219	5,069	4,855	3.0% ↑	7.5% ↑
Noncontrolling Interests	293	303	262	3.5% ↓	11.5% ↑
<b>Total Equity</b>	<b>5,512</b>	<b>5,372</b>	<b>5,117</b>	<b>2.6% ↑</b>	<b>7.7% ↑</b>
<b>TOTAL LIABILITIES AND TOTAL EQUITY</b>	<b>15,639</b>	<b>15,367</b>	<b>14,657</b>	<b>1.8% ↑</b>	<b>6.7% ↑</b>

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

Consolidated ex. AHS (R\$ million)	3Q20	2Q20	3Q19	Chg. 3Q20 x 2Q20	Var. 3Q20 x 3Q19	9M20	9M19	Chg. 9M20 x 9M19
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>								
NET INCOME	164	147	179	11,6% ↑	7,9% ↓	449	579	22,5% ↓
Adjustments to reconcile net income to cash used in operating activities	150	185	159	18,8% ↓	5,5% ↓	510	400	27,3% ↑
(Increase) decrease in operating assets	102	46	(258)	122,3% ↑	-	(246)	(667)	63,2% ↓
Increase (decrease) in operating liabilities	(71)	(63)	(172)	13,0% ↑	58,5% ↓	(245)	(375)	34,7% ↓
<b>Net cash generated by (used in) operating activities</b>	<b>346</b>	<b>315</b>	<b>(92)</b>	<b>9,6% ↑</b>	<b>-</b>	<b>468</b>	<b>(62)</b>	<b>856,7% ↓</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>								
Decrease (increase) in marketable securities	(810)	1	155	-	-	(317)	(16)	1939,5% ↑
Advances to related parties	(15)	(11)	(7)	34,8% ↑	128,6% ↑	(34)	(39)	12,5% ↓
Receipts from related parties	10	11	2	5,8% ↓	508,4% ↑	27	29	8,0% ↓
Decrease in (acquisition of/contribution to) investments	(20)	17	(38)	-	46,6% ↑	29	4	592,7% ↑
Payment for acquisition of subsidiary	(3)	(1)	(1)	112,6% ↑	117,9% ↑	(9)	(4)	105,7% ↑
Receipts for sale of investees	2	2	-	0,1% ↑	-	4	-	-
Acquisition of investment properties	(13)	(44)	-	70,7% ↓	-	(82)	-	-
Acquisition of fixed and intangible assets	(34)	(40)	(59)	15,6% ↓	42,2% ↓	(107)	(172)	37,7% ↓
<b>Net cash generated by (used in) investing activities</b>	<b>(884)</b>	<b>(67)</b>	<b>52</b>	<b>1220,7% ↓</b>	<b>-</b>	<b>(488)</b>	<b>(197)</b>	<b>147,6% ↑</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>								
Proceeds from shares issuance	-	-	-	-	-	1	-	-
Proceeds from stock options' exercise	0	-	7	-	98% ↓	1	9	90,1% ↓
Loans from related parties	18	(7)	(34)	-	-	(5)	30	116,3% ↓
Treasury shares	-	-	-	-	-	-	-	-
Proceeds from loans, financing and debenture	597	809	390	26,3% ↓	53,1% ↑	1.622	1.708	5,0% ↓
Payment of loans, financing and debenture	(699)	(237)	(423)	194,8% ↓	65,3% ↓	(1.258)	(1.596)	21,2% ↓
Receive of financial instruments and derivatives	3	(0)	(1)	-	-	4	(1)	664,1% ↓
Capital transaction	(1)	2	2	-	-	3	9	-
Dividends payment	-	-	-	-	-	-	(164)	100,0% ↓
Net contributions (distributions) of noncontrolling interests	(4)	(32)	(38)	88,5% ↑	90,2% ↑	(17)	(32)	47,4% ↓
Advanced payment from related companies	-	-	-	-	-	-	-	-
<b>Net cash (used in) generated by financing activities</b>	<b>(86)</b>	<b>535</b>	<b>(97)</b>	<b>-</b>	<b>12,0% ↑</b>	<b>351</b>	<b>(38)</b>	<b>1035,0% ↓</b>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS, NET</b>	<b>(624)</b>	<b>783</b>	<b>(138)</b>	<b>-</b>	<b>352,5% ↓</b>	<b>332</b>	<b>(296)</b>	<b>212,0% ↑</b>
<b>CASH AND CASH EQUIVALENTS</b>								
Cash and cash equivalents at beginning of the period	1.630	847	636	92,4% ↑	156,2% ↑	675	795	15,1% ↓
Cash and cash equivalents at end of the period	1.007	1.630	498	38,3% ↓	102,0% ↑	1.007	498	102,0% ↑

## Glossary

---

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

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

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

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

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

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

**Duration** – average term for debt expiration.

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

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

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

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

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

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

**Novo Mercado** – Special listings on the BOVESPA, with a specific, 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.

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

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

**RET** – Special Taxing Regimen

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

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

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

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

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

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

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

**VSO** – sales on offer.

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

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

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



## Disclaimer

---

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

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

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

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

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

## Relationship with Independent Auditors

---

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

## About MRV

---

MRV Engenharia e Participações S.A. is the largest Brazilian real estate developer and homebuilder in the lower-income segment, with more than 41 years of experience, active in 162 cities, in 22 Brazilian states including the Federal District. MRV is listed on the Novo Mercado - B3 under the ticker MRVE3 and is included, among others, in the theoretical portfolio IBOV.