



Sensia



Urba



MRV



Luggo



AHS

# INTERIM FINANCIAL STATEMENTS 2Q21

## MRV & CO



MRV

SENSIA  
INCORPORADORA



Luggo

Urba

## 2<sup>nd</sup> Quarter 2021 Results

**Belo Horizonte, August 11, 2021 – MRV Engenharia e Participações S.A. (B3: MRVE3)**, the largest residential housing developer in Latin America posts its results for the second 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

- **Record-breaking Net Revenue, topping R\$ 1.8 billion in 2Q21:** posting growth of 13.7% over 1Q21 and 9.7% when compared to 2Q20;
- **Net Income of R\$ 203 million for the quarter (MRV&Co):** an increase of 48.5% over 1Q21 and 86.1% when compared to 2Q20;
- **Annualized ROE of 14.1%:** an increase of 4.5 p.p. over 1Q21 and 6.0 p.p. when compared to 2Q20;
- **Sale of two AHS projects in Florida-USA** at an **overall value of R\$ 392.7 million (US\$ 78.5 million);**
- **Subsequent event: sale of R\$ 241 million MRV's Credit Portfolio (pró-soluto) after keys delivery.**



## Message from the board

Strong MRV&Co results in 2Q21 have reaffirmed the Company's product and funding diversification strategy, fueling the expansion of its Housing Platform.

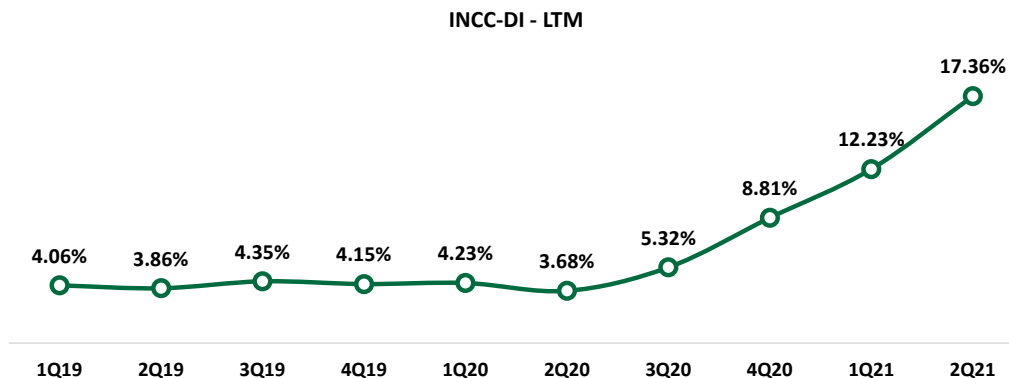
Record-breaking **Net Revenue, hitting an historic mark of R\$ 1.8 billion in 2Q21**, coupled with strong operational growth in AHS operations in the United States has paved the way for the Company to post Net Income at R\$ 203 million in 2Q21, **posting growth of 86.1% when compared to 2Q20 and 48.5% when compared to 1Q21**.

Driven by the increase in Net Income posted in the quarter, MRV&Co has recorded ROE (LTM) of 12.0%, or the equivalent of **annualized ROE of 14.1%**.

This robust growth in Net Income has taken place, despite the intense pressure of inflation observed throughout the sector in Brazil and has, therefore, led to budgetary reviews for construction and consequent compression on the Company's gross margins.

## Cost Pressure and Gross Margin:

The Company has budgeted its developments based on inflation estimates that proved to be insufficient in face of the INCC reported over the last few quarters. Since the outset of 3Q20, the sector has witnessed intense inflationary growth and pressure, as seen in the graph below:



Source: Fundação Getúlio Vargas, Conjuntura Econômica - IGP (FGV/Conj. Econ. - IGP)

MRV&Co's business model for property development sees clients transferred to funding institutions during the construction phase. One of the greatest advantages of this model is optimized cash flow, in adding to Zero Cancellation numbers by clients after transfer. On the other hand, after clients have been transferred to the financial institutions, there are no real adjustments in the value financed by banks, opening doors to possible exposure to risk as a result of accelerating inflation rates (INCC).

At the current moment, in which the sector saw greater inflationary pressure than the estimates originally factored into budgets, the Company has launched a thorough budgetary review of its developments. As a result of implementing price increases lower than the increasing inflation rates recorded over the last few quarters, the Company has felt the effect on overall gross margins.



As a result of the aforementioned outlook on inflation, the consequent effects on gross margins and considering the strong demand recorded in the sector, the Company has opted to implement an aggressive price increase policy that went into effect on July/2021, aiming to test the market's capacity to absorb price increases, in addition to seeking to offset the effects of the pressure on costs.

### Subsequent Event: MRV's Credit Portfolio (pró-soluto) after keys delivery

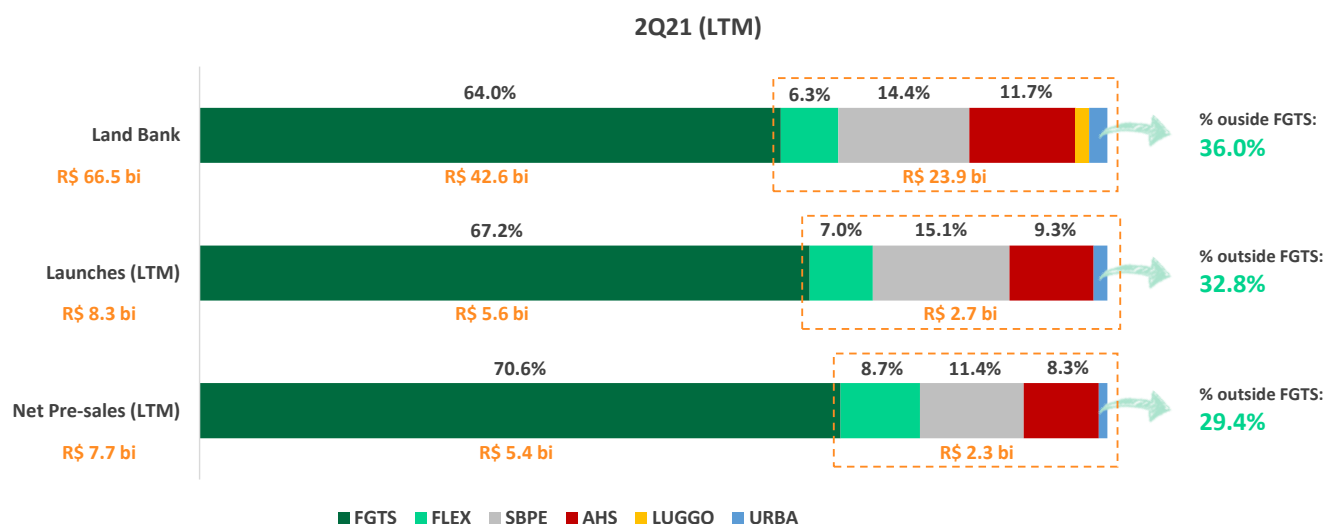
On July 30, 2021, MRV&Co carried out its **first Credit Portfolio (pró-soluto) - after keys delivery sale**, bearing a "AA" risk rating issued by **Fitch Ratings Brasil Ltda.**

The total value represented R\$ 241 million, to which discounts apply to R\$ 43 million as a result of expenses and setting up of the reserve and expenses funds, in which the Company netted **R\$ 198 million**.

In addition, the **Company will handle the collection and administration of real estate credit** as a servicer.

### Multifunding Housing Platform:

MRV&Co continues to forge forward with the strategy to diversify its multi-funding housing platform, recording **29.4% of its sales outside of the CVA (Casa Verde e Amarela) program**, considering the Company's overall sales in the last 12 months (LTM). **These figures represent an advance of 7.8 p.p. as regards 1Q21** and has strengthened the Company's commitment to its product and funding diversification strategies.



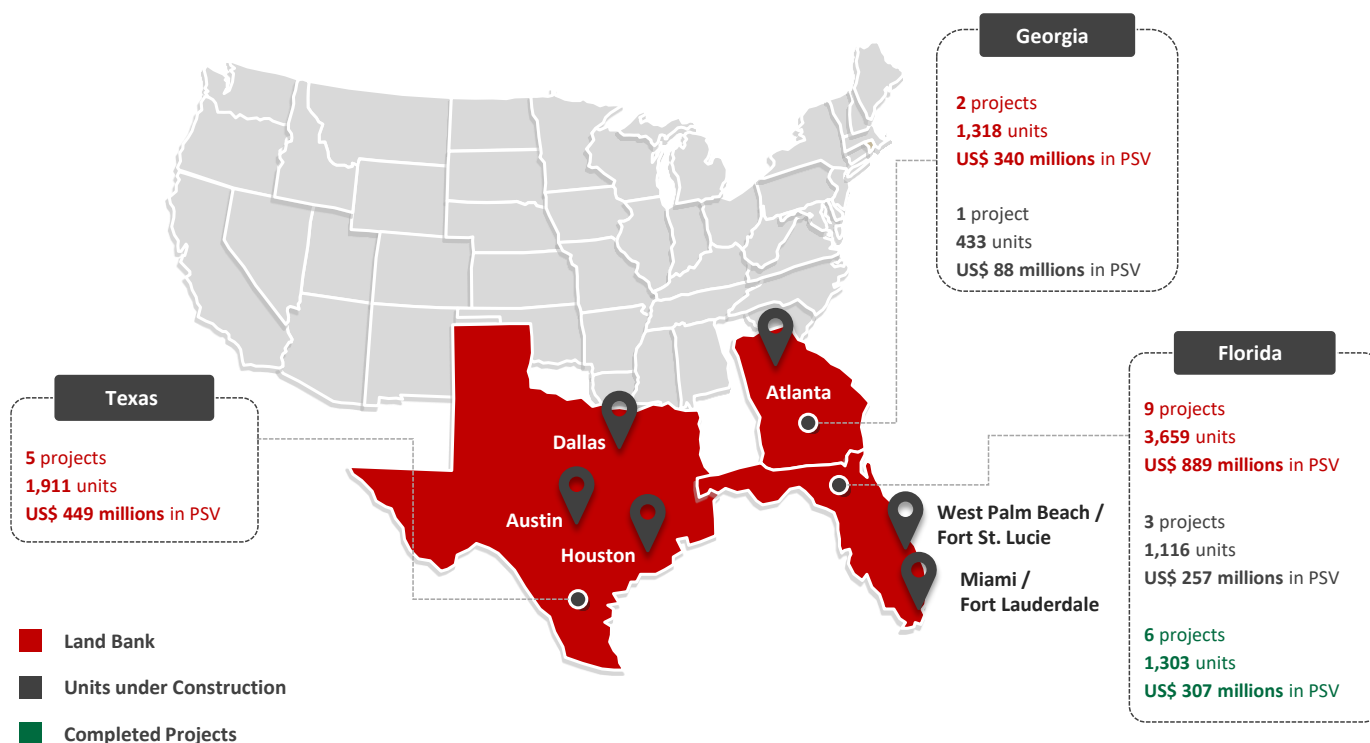
## EARNINGS RELEASE

2<sup>nd</sup> Quarter 2021

MRV & CO

### AHS:

AHS operations continue to move forward with its geographic expansion plan in the United States, **with Land Bank in the states of Florida, Texas and Georgia, valued at PSV of US\$ 1.7 billion (R\$ 8.4 billion), supplying 6,888 units.**

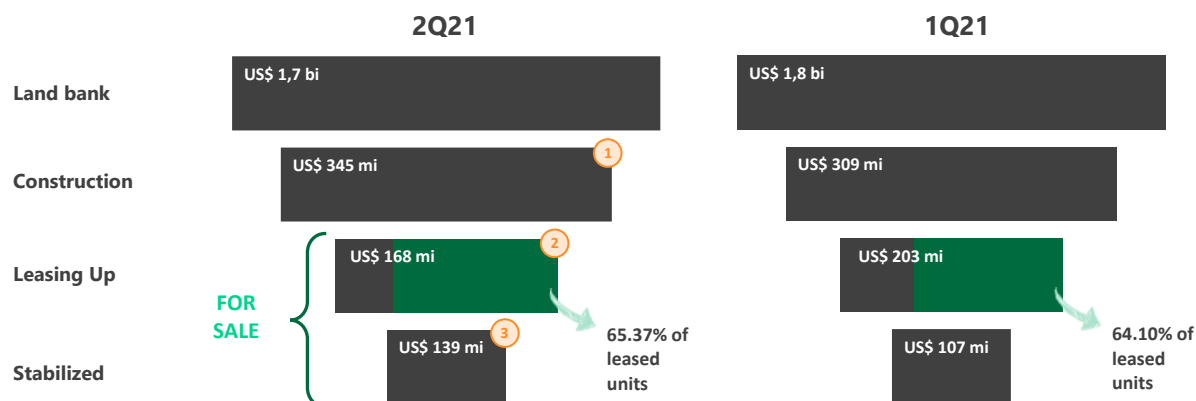


(AHS – Banyan Ridge – West Palm Beach, FL)



In 2Q21, two projects (Mangonia Lake and Lake Osborne) were sold at a **Potential Sales Value (PSV) of US\$ 78.5 million**, representing **net receivables of US\$ 37 million** and **gross profit of US\$ 17.8 million**.

Also, in 2Q21, AHS launched two more developments in the state of Florida, valued at a PSV of US\$ 123 million. These projects are already in negotiation and are part of a group of **six developments for sale** totaling **1,303 units** and a **PSV of US\$ 307 million (R\$ 1,536 million)**, posting average gross margins of approximately 28%.



- <sup>1</sup> Village Center starts Construction Phase / Banyan Ridge completes Construction Phase
- <sup>2</sup> Banyan Ridge starts Leasing Up / Coral Reef completes Leasing Up
- <sup>3</sup> Coral Reef enters Stabilization / Sale of Mangonia Lake e Lake Osborne



### Sensia Incorporadora:

In 2Q21, Sensia pre-sales continued to demonstrate steady growth from the February 2021 launch of the brand's first development, Sensia Parque Prado, in the city of Campinas. The development has reached a mark of 52% pre-sales, once again confirming robust demand in the middle-income market and strong product positioning.

On July 23, 2021, Sensia's second development, **Horizontes do Atlântico** was launched in Maceio, AL, located next to Parque Shopping Maceio offering 240 1, 2 and 3-bedroom apartments options and R\$ 101 million in PSV.



*(Sensia Horizontes do Atlântico – Maceió/AL)*

The next Sensia launch will be **Sensia Pampulha in Belo Horizonte, MG**, scheduled to launch in September with an estimated PSV of R\$ 113 million.

### Urba:

Smart Urba Dunlop was launched on June 11th in the city of Campinas, offering a total of 980 units and R\$ 149 million in PSV (100% Urba). **Reconfirming its strong product positioning, the launch has been a success, registering 46% pre-sold in just 19 days.**

Urba's Sales Speed (SoS – Sales over Supply) has reached 38% in 2Q21, remaining stable when compared to 1Q21 and an increase of 8 p.p. over 2Q20.

## ESG:

Aiming to remain ever-vigilant on issues surrounding ESG, the **Company posted its 2020 Sustainability Report** (10th consecutive year posting sustainability reports); the report contains a complete overview of the challenges, success stories and results regarding the Company's environmental and social impacts and governance. A complete copy of the report can be found by clicking on this [link](#) or scanning the QR code.



A glance at some of the highlights from the report:

Total emissions (in tCO<sub>2</sub>e and)<sup>2</sup>

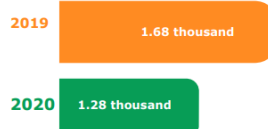
## Scope 1



**6.25** GRI 305-4

It is the intensity of our GHG emissions. The value is lower than the 7.3 recorded in 2019.

## Scope 2

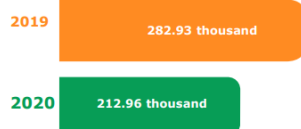


## Reduction

**of over 68 thousand**

tCO<sub>2</sub>e of GEE as compared to 2019. The company has compensated 11 thousand tCO<sub>2</sub>e by purchasing certified carbon credits **GRI 305-5**

## Scope 3



## Science Based Targets SBTi initiative -Acknowledgment:

Reflecting MRV's effort to be a reference on the global climate agenda, in early 2021 we signed an unprecedented commitment among companies in the sector to adopt targets for reducing greenhouse gas emissions. A SBTi is supported by CDP, Global Compact, World Resources Institute (WRI) and World Wildlife Fund (WWF).

Our effort turns to one of the most complex and challenging global environment agendas: climate change. Making that commitment was one of the top leadership's ESG goals, reiterating our maturation in the subject and the search for public and measurable goals for the reduction of greenhouse gas emissions.

In practice, as a signatory of the SBTi MRV sets these goals, minimizing the impact on the increase in the earth's temperature and contributing directly to the Paris Agreement.



## MRV commitments to the climate

- Science Based Targets Initiative (SBTi)
- CDP
- CDP Supply Chain Program
- Climate Forum Working Group – Ethos Institute
- Commitment to the Climate Platform – Ekos Institute
- Climate Action Working Group – Global Compact
- Climate Business Initiative (IEC) – Global Compact

Global Compact -  
10 principles we follow in our business routine

Businesses must support and respect the protection of internationally recognized human rights.



Make sure you do not participate in violations of these rights.



Businesses must support freedom of association and the effective recognition of the right to collective bargaining.



The elimination of all forms of forced or compulsory labor.



The effective abolition of child labor.



Eliminate employment discrimination.



Businesses must support a preventive approach to environmental challenges.



Develop initiatives to foster greater environmental responsibility.



Encourage the development and diffusion of environmentally friendly technologies.



Businesses must fight corruption in all its forms, including extortion and bribery.



The 2020 ESG target was met: we signed a commitment to the Science Based Targets Initiative (SBTi). This leads MRV&CO to design greenhouse gas reduction targets to combat climate change and comply with the terms of the Paris Agreement. **Read more on p. 87.**



## Amazon Council

In August 2020, MRV&CO, together with 50 other large companies in the country, took on the challenge of supporting the Amazon Council. The objective is to contribute with solutions to curb illegal deforestation in the Amazon, reduce the environmental impact of the use of natural resources and value and preserve biodiversity. **Read more on p. 80.**



**Sport Sponsorships: #ElasTransformam Project**

The struggle for gender equality has been fully embraced at MRV&Co, and the Company has developed and engaged initiatives to support this important cause. One of the Company's **projects is #ElasTransformam, a project that sponsors 12 female athletes that participated in the Olympics held in Tokyo**. The goal of the project is to foster sports throughout Brazil and highlight the importance of women in sports. To learn more visit [www.elastransformam.mrv.com.br](http://www.elastransformam.mrv.com.br).

The female athletes sponsored by the Company are: Aline Silva (Wrestling); Ana Patricia Ramos (Beach Volleyball); Ana Satila (Canoeing); Beatriz Iasmin Ferreira (Boxing); Bruna Takahashi (Table Tennis); Flavia Saraiva (Gymnastics); Kahena Kunze (Sailing); Lorrane Ferreira (Swimming); Luisa Baptista (Triathlon); Luiza Guisso Fiorese (Sitting Volleyball – Paralympics); Rayssa Leal (Street Skateboarding) and Silvana Lima (Surfing).

**The female athletes have received financial support from MRV for 24 months – before, during and after the Olympic Games.** In addition to financial support, in order to further motivate and thank the efforts of our sponsored athletes participating in the #ElasTransformam project, the Company has promised an apartment to those athletes who returned victorious in their individual sports categories.



# EARNINGS RELEASE

2<sup>nd</sup> Quarter 2021

MRV&CO

## MRV&Co Financial Result

Income Statement MRV&Co - R\$ thousands	1H21					1H20				
	MRV (Real Estate Develop.)	Urba (Land Subdivisions)	Lugbo (Leased)	AHS (MRV US) (Leased EUA)	Consolidated MRV&Co	MRV (Real Estate Develop.)	Urba (Land Subdivisions)	Lugbo (Leased)	AHS (MRV US) (Leased EUA)	Consolidated MRV&Co
<b>Net Revenue</b>	<b>3,333,319</b>	<b>48,808</b>	<b>420</b>	<b>31,887</b>	<b>3,414,434</b>	<b>3,086,589</b>	<b>51,521</b>	<b>-</b>	<b>26,289</b>	<b>3,164,399</b>
Costs of Real Estate Sales and Services	(2,455,822)	(27,492)	(227)	(24,252)	(2,507,794)	(2,220,679)	(29,321)	-	(22,698)	(2,272,698)
<b>Gross Profit</b>	<b>877,497</b>	<b>21,316</b>	<b>193</b>	<b>7,635</b>	<b>906,640</b>	<b>865,910</b>	<b>22,200</b>	<b>-</b>	<b>3,591</b>	<b>891,701</b>
<i>Gross Margin</i>	26.3%	43.7%	46.0%	23.9%	26.6%	28.1%	43.1%	-	13.7%	28.2%
<b>Operating Income (Expenses)</b>	<b>(573,959)</b>	<b>(15,412)</b>	<b>(2,741)</b>	<b>56,330</b>	<b>(535,783)</b>	<b>(567,949)</b>	<b>(8,717)</b>	<b>(4,434)</b>	<b>(21,007)</b>	<b>(602,107)</b>
Selling Expenses	(297,442)	(6,290)	(1,168)	(841)	(305,741)	(302,426)	(4,069)	(1,792)	(1,545)	(309,832)
Selling Expenses / Net Revenue	-8.9%	-12.9%	-278.1%	-2.6%	-9.0%	-9.8%	-7.9%	-	-5.9%	-9.8%
General & Administrative Expenses	(192,208)	(10,997)	(966)	(31,004)	(235,174)	(178,829)	(5,505)	(700)	(19,308)	(204,343)
G&A / Net Revenue	-5.8%	-22.5%	-230.0%	-97.2%	-6.9%	-5.8%	-10.7%	-	-73.4%	-6.5%
Other operating income (expenses), net	(58,178)	(528)	(607)	88,175	28,862	(59,828)	(199)	(1,942)	(154)	(62,123)
Equity Income	(26,132)	2,403	-	-	(23,730)	(26,866)	1,056	-	-	(25,810)
<b>Income Before Financial Income (Expenses)</b>	<b>303,537</b>	<b>5,903</b>	<b>(2,548)</b>	<b>63,965</b>	<b>370,858</b>	<b>297,961</b>	<b>13,483</b>	<b>(4,434)</b>	<b>(17,416)</b>	<b>289,593</b>
<b>Financial Results</b>	<b>68,352</b>	<b>1,756</b>	<b>(31)</b>	<b>(3,188)</b>	<b>66,889</b>	<b>44,487</b>	<b>440</b>	<b>51</b>	<b>(10,692)</b>	<b>34,286</b>
Financial Expenses	(43,600)	(2,077)	(41)	(11,045)	(56,763)	(26,678)	(2,184)	(23)	(10,937)	(39,823)
Financial Income	46,928	710	10	7,857	55,505	30,295	865	74	245	31,479
Financial income from receivables <sup>1</sup>	65,024	3,123	-	-	68,147	40,870	1,760	-	-	42,630
<b>Income Before Income Tax and Social Contribution</b>	<b>371,889</b>	<b>7,659</b>	<b>(2,579)</b>	<b>60,777</b>	<b>437,747</b>	<b>342,447</b>	<b>13,923</b>	<b>(4,383)</b>	<b>(28,108)</b>	<b>323,879</b>
Income Tax and Social Contribution	(63,943)	(1,800)	(2)	-	(65,745)	(65,212)	(1,849)	-	-	(67,061)
<b>Net Income</b>	<b>307,946</b>	<b>5,860</b>	<b>(2,581)</b>	<b>60,777</b>	<b>372,002</b>	<b>277,235</b>	<b>12,074</b>	<b>(4,383)</b>	<b>(28,108)</b>	<b>256,818</b>
Profit Attributable to non-controlling interests	27,968	-	-	4,348	32,316	45,530	-	-	(2,230)	43,300
<b>Profit Attributable to Shareholders of the Company</b>	<b>279,979</b>	<b>5,860</b>	<b>(2,581)</b>	<b>56,429</b>	<b>339,686</b>	<b>231,706</b>	<b>12,074</b>	<b>(4,383)</b>	<b>(25,878)</b>	<b>213,519</b>
<i>Net Margin</i>	8.4%	12.0%	-614.5%	177.0%	9.9%	7.5%	23.4%	-	-98.4%	6.7%

<sup>1</sup>Financial 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)	2Q21	1Q21	2Q20	Chg. 2Q21 x 1Q21	Chg. 2Q21 x 2Q20	1H21	1H20	Chg. 1H21 x 1H20
<b>Total Net Revenue</b>	<b>1,816</b>	<b>1,598</b>	<b>1,656</b>	<b>13.7% ↑</b>	<b>9.7% ↑</b>	<b>3,414</b>	<b>3,164</b>	<b>7.9% ↑</b>
Financial Cost recorded under COGS	37	34	46	8.5% ↑	21.0% ↓	71	92	23.2% ↓
<b>Gross Profit</b>	<b>462</b>	<b>445</b>	<b>468</b>	<b>3.8% ↑</b>	<b>1.2% ↓</b>	<b>907</b>	<b>892</b>	<b>1.7% ↑</b>
<b>Gross Margin (%)</b>	<b>25.4%</b>	<b>27.8%</b>	<b>28.2%</b>	<b>2.4 p.p. ↓</b>	<b>2.8 p.p. ↓</b>	<b>26.6%</b>	<b>28.2%</b>	<b>1.6 p.p. ↓</b>
<b>Gross Margin ex. financial cost (%)</b>	<b>27.4%</b>	<b>30.0%</b>	<b>31.1%</b>	<b>2.5 p.p. ↓</b>	<b>3.6 p.p. ↓</b>	<b>28.6%</b>	<b>31.1%</b>	<b>2.5 p.p. ↓</b>
<b>Selling Expenses</b>	<b>(154)</b>	<b>(152)</b>	<b>(161)</b>	<b>0.9% ↑</b>	<b>4.7% ↓</b>	<b>(306)</b>	<b>(310)</b>	<b>1.3% ↓</b>
Selling Expenses / net revenues (%)	8.5%	9.5%	9.7%	1.1 p.p. ↓	1.3 p.p. ↓	9.0%	9.8%	0.8 p.p. ↓
Selling Expenses / net pre-sales (%)	7.4%	9.4%	8.9%	2.0 p.p. ↓	1.4 p.p. ↓	8.3%	8.9%	0.6 p.p. ↓
<b>General &amp; Administrative Expenses</b>	<b>(119)</b>	<b>(116)</b>	<b>(104)</b>	<b>1.9% ↑</b>	<b>13.8% ↑</b>	<b>(235)</b>	<b>(204)</b>	<b>15.1% ↑</b>
G&A Expenses / net revenues (%)	6.5%	7.3%	6.3%	0.8 p.p. ↓	0.2 p.p. ↑	6.9%	6.5%	0.4 p.p. ↑
G&A Expenses / net pre-sales (%)	5.8%	7.2%	5.7%	1.4 p.p. ↓	0.0 p.p. ↑	6.4%	5.9%	0.5 p.p. ↑
<b>Equity Income</b>	<b>(19)</b>	<b>(4)</b>	<b>(15)</b>	<b>344.0% ↑</b>	<b>27.3% ↑</b>	<b>(24)</b>	<b>(26)</b>	<b>8.1% ↓</b>
<b>EBITDA</b>	<b>296</b>	<b>211</b>	<b>228</b>	<b>40.4% ↑</b>	<b>29.8% ↑</b>	<b>507</b>	<b>431</b>	<b>17.8% ↑</b>
<b>EBITDA Margin (%)</b>	<b>16.3%</b>	<b>13.2%</b>	<b>13.8%</b>	<b>3.1 p.p. ↑</b>	<b>2.5 p.p. ↑</b>	<b>14.9%</b>	<b>13.6%</b>	<b>1.2 p.p. ↑</b>
<b>Net Income</b>	<b>203</b>	<b>137</b>	<b>109</b>	<b>48.5% ↑</b>	<b>86.1% ↑</b>	<b>340</b>	<b>214</b>	<b>59.1% ↑</b>
<b>Net Margin (%)</b>	<b>11.2%</b>	<b>8.6%</b>	<b>6.6%</b>	<b>2.6 p.p. ↑</b>	<b>4.6 p.p. ↑</b>	<b>9.9%</b>	<b>6.7%</b>	<b>3.2 p.p. ↑</b>
<b>Earnings per share (R\$)</b>	<b>0.420</b>	<b>0.283</b>	<b>0.226</b>	<b>48.5% ↑</b>	<b>85.7% ↑</b>	<b>0.704</b>	<b>0.449</b>	<b>56.8% ↑</b>
ROE (LTM)	12.0%	10.5%	10.4%	1.5 p.p. ↑	1.5 p.p. ↑	12.0%	10.4%	1.5 p.p. ↑
ROE (annualized)	14.1%	9.6%	8.1%	4.5 p.p. ↑	6.0 p.p. ↑	11.8%	8.2%	3.6 p.p. ↑
Unearned Gross Sales Revenues	2,541	2,576	2,077	1.4% ↓	22.3% ↑	2,541	2,077	22.3% ↑
(-) Unearned Costs of Units Sold	(1,602)	(1,600)	(1,253)	0.1% ↑	27.9% ↑	(1,602)	(1,253)	27.9% ↑
Unearned Results	939	976	825	3.8% ↓	13.9% ↑	939	825	13.9% ↑
% Unearned Margin	36.9%	37.9%	39.7%	0.9 p.p. ↓	2.7 p.p. ↓	36.9%	39.7%	2.7 p.p. ↓
<b>Cash Generation</b>	<b>(30)</b>	<b>(384)</b>	<b>68</b>	<b>92.3% ↑</b>	<b>-</b>	<b>(414)</b>	<b>(260)</b>	<b>59.1% ↓</b>

## EARNINGS RELEASE

2<sup>nd</sup> 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)	2Q21	1Q21	2Q20	Chg. 2Q21 x 1Q21	Chg. 2Q21 x 2Q20	1H21	1H20	Chg. 1H21 x 1H20
<b>MRV&amp;Co</b>								
Launches (R\$ million)	2,399	1,710	2,275	40.3% ↑	5.4% ↑	4,110	3,358	22.4% ↑
Units	11,388	9,996	6,456	13.9% ↑	76.4% ↑	21,383	13,175	62.3% ↑
Average Price - R\$'000 / unit	211	171	352	23.1% ↑	40.2% ↓	192	255	24.6% ↓
<b>MRV</b>								
Launches (R\$ million)	1,752	1,698	933	3.1% ↑	87.9% ↑	3,450	2,015	71.2% ↑
Units	10,426	9,926	5,349	5.0% ↑	94.9% ↑	20,352	12,068	68.6% ↑
Average Price - R\$'000 / unit	168	171	174	1.8% ↓	3.6% ↓	170	167	1.5% ↑
<b>Urba</b>								
Launches (R\$ million)	77	12	10	534.9% ↑	683.5% ↑	89	10	806.9% ↑
Units	505	70	37	624.8% ↑	1266.7% ↑	575	37	1455.3% ↑
Average Price - R\$'000 / unit	152	174	265	12.4% ↓	42.7% ↓	155	265	41.7% ↓
<b>Luggo</b>								
Launches (R\$ million)	-	-	-	-	-	-	-	-
Units	-	-	-	-	-	-	-	-
Average Price - R\$'000 / unit	-	-	-	-	-	-	-	-
<b>AHS<sup>1</sup></b>								
Launches (R\$ million)	571	-	1,333	-	57.2% ↓	571	1,333	57.2% ↓
Units	456	-	1,070	-	57.4% ↓	456	1,070	57.4% ↓
Average Price - R\$'000 / unit	1,251	-	1,246	-	0.4% ↑	1,251	1,246	0.4% ↑

<sup>1</sup> Considers the PTAX (BRLUSD) of the closing period

### MRV&Co Consolidated:

In 2Q21, the Company recorded its highest volume of launches in its history. Record-breaking figures included the launch of two AHS projects in the USA and an Urba development in Campinas, in addition to a total of R\$ 1.75 billion in PSV launched by MRV's Real Estate Development segment in Brazil.

In total, some R\$ 2.40 billion in PSV was launched in 2Q21, totaling 11,388 units, recording an uptick of 5.4% over the same period from the previous year, and 40.3% when compared to 1Q21.



# EARNINGS RELEASE

2<sup>nd</sup> Quarter 2021

MRV & CO

## NET PRE-SALES - MRV&Co

Net-Pre Sales (%MRV)	2Q21	1Q21	2Q20	Chg. 2Q21 x 1Q21	Chg. 2Q21 x 2Q20	1H21	1H20	Chg. 1H21 x 1H20
<b>MRV&amp;Co</b>								
Net Pre-sales (R\$ million)	2,065	1,619	1,816	27.5% ↑	13.7% ↑	3,684	3,489	5.6% ↑
Units	10,442	9,714	11,649	7.5% ↑	10.4% ↓	20,155	22,189	9.2% ↓
Average Price - R\$'000 / unit	198	167	156	18.6% ↑	26.8% ↑	183	157	16.2% ↑
<b>MRV</b>								
Net Pre-sales (R\$ million)	1,662	1,609	1,784	3.3% ↑	6.8% ↓	3,271	3,453	5.3% ↓
Units	9,816	9,645	11,479	1.8% ↑	14.5% ↓	19,461	21,973	11.4% ↓
Average Price - R\$'000 / unit	169	167	155	1.5% ↑	9.0% ↑	168	157	6.9% ↑
Sales over supply (%) - net sales	17.3%	17.4%	19.4%	0.0 p.p. ↓	2.1 p.p. ↓	29.3%	32.4%	3.1 p.p. ↓
<b>Urba</b>								
Net Pre-sales (R\$ million)	39	10	32	271.2% ↑	19.7% ↑	49	36	36.1% ↑
Units	293	69	169	325.1% ↑	73.3% ↑	362	216	67.2% ↑
Average Price - R\$'000 / unit	132	151	191	12.7% ↓	30.9% ↓	135	166	18.6% ↓
<b>Luggo</b>								
Net Pre-sales (R\$ million)	-	-	-	-	-	-	-	-
Units	-	-	-	-	-	-	-	-
Average Price - R\$'000 / unit	-	-	-	-	-	-	-	-
<b>AHS<sup>1</sup></b>								
Net Pre-sales (R\$ million)	364	-	-	-	-	364	-	-
Units	332	-	-	-	-	332	-	-
Average Price - R\$'000 / unit	1,097	-	-	-	-	1,097	-	-

<sup>1</sup> Considers the PTAX (BRLUSD) of the closing period

## MRV (Real Estate Development in Brasil):

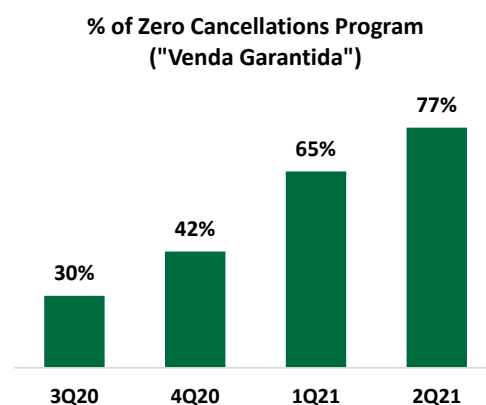
MRV operations once again witnessed robust demand in 2Q21, recording pre-sales volumes on par with the last quarters, **totaling 12,936 signed contracts**. It is important to note that the Company continues to ramp up the implementation of its Zero Cancellation Program that has already hit 77% of sales 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.

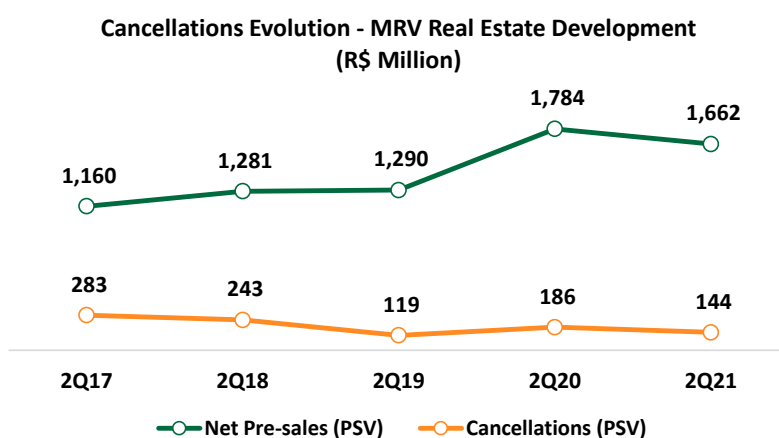
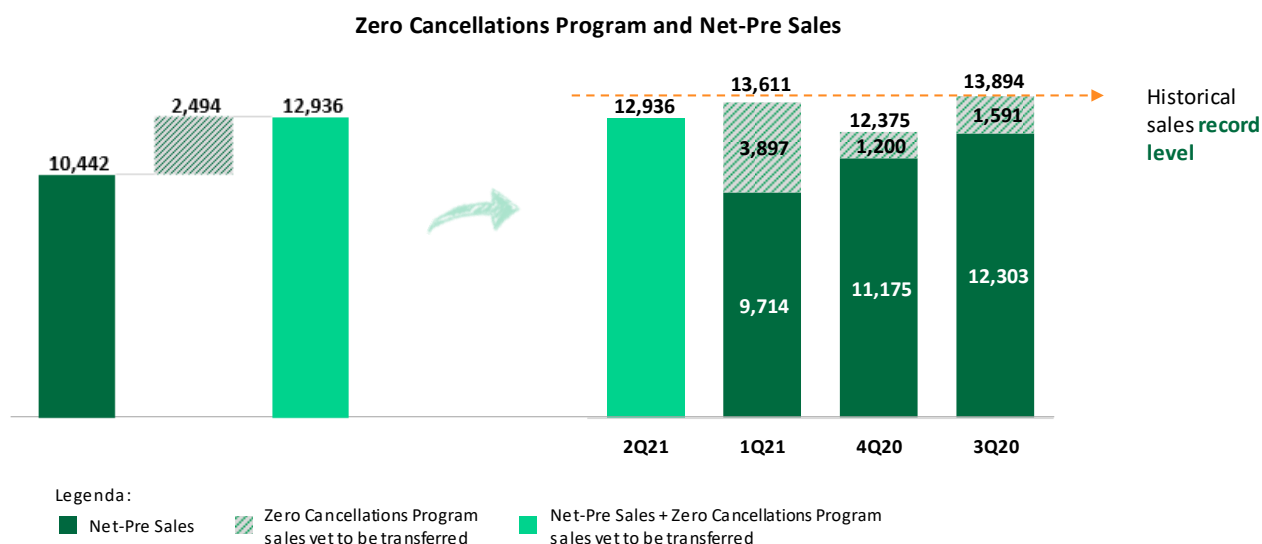
As a result of the Zero Cancellation process, a total of 2,494 recorded pre-sales under the Zero Cancellation process have been signed by clients but have not been accounted for within the same quarter.

**Therefore, the total volume of registered pre-sales was slightly**



**askew from the actual sales for the period.** This can be understood as a natural effect of the implementation of the Zero Cancellation Program, also noted in 4Q20 (1,200 units) and 1Q21 (3,897 units).

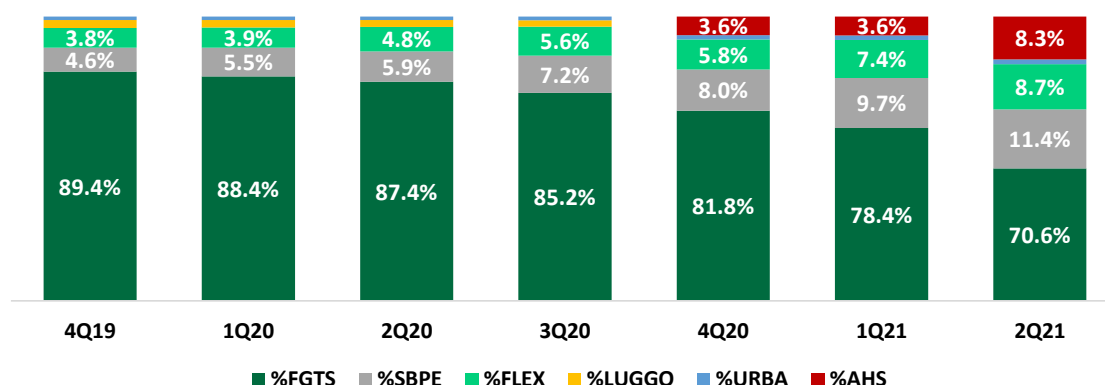
The progress of pre-sales in the last few quarters, adjusted for this effect of Zero Cancellation can be seen in the graph below:



### 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.**

Net Pre-sales LTM Breakdown

**AHS (US Operations):**

In 2Q21, two developments (Mangonia Lake and Lake Osborne) were sold at a **Potential Sales Value (PSV) of US\$ 78.5 million**, representing **net receivables of US\$ 37 million and gross profit of US\$ 17.8 million** as follows:

- **Lake Osborne:** development sold at a **4.6% Cap Rate** and **6.9% Yield on Cost**. This is the second development built by AHS in 2016.

Lake Osborne		
Sale Price	\$	21,500,000
Project Cost	\$	14,524,498
Gross Profit	\$	<b>6,975,502</b>
Gross Margin (%)		32.4%

- **Mangonia Lake:** development sold at a **4.5% Cap Rate** and **5.6% Yield on Cost**. Built in 2019, this was the first AHS construction to employ concrete wall construction methods using aluminum molds. Due to the learning curve required to implement this new construction method, the project saw slightly higher construction cost than other AHS developments.

Mangonia Lake		
Sale Price	\$	57,000,000
Project Cost	\$	46,136,260
Gross Profit	\$	<b>10,863,740</b>
Gross Margin (%)		19.1%



## CASH GENERATION - MRV&amp;Co

Cash Generation	2Q21	1Q21	2Q20	Chg. 2Q21 x 1Q21	Chg. 2Q21 x 2Q20	1H21	1H20	Chg. 1H21 x 1H20
<b>MRV&amp;Co</b>								
Cash Generation (R\$ million)	(29.6)	(384.1)	68.3	92.3% ↑	-	(413.7)	(260.0)	59.1% ↓
<b>MRV</b>								
Cash Generation (R\$ million)	(119.8)	(30.7)	220.9	290.9% ↓	-	(150.5)	57.0	-
<b>Urba</b>								
Cash Generation (R\$ million)	(24.3)	(6.8)	4.0	257.5% ↓	-	(31.1)	(4.0)	670.6% ↓
<b>Luggo</b>								
Cash Generation (R\$ million)	(26.7)	(27.6)	(11.0)	3.1% ↑	143.8% ↓	(54.3)	(20.7)	163.0% ↓
<b>AHS<sup>1</sup></b>								
Cash Generation (R\$ million)	141.2	(319.0)	(145.6)	-	-	(177.8)	(292.3)	39.2% ↑

<sup>1</sup> Considers the PTAX (BRLUSD) of the closing period

MRV&Co Consolidated:

The Company chose to further its strategic decision to ramp up purchases and stock part of the raw materials needed for construction, seeking to maintain price points and avoid interruptions to the Company's supply chain, aiming to mitigate the effects of inflation on construction materials. The strategy has resulted in an uptick of cash consumption, impacting cash generation for the quarter.

In addition, changes in standards enforced by Caixa Econômica Federal, that places conditions for the construction measurements payments on the Construction Financing notarization, have also had a negative impact on cash generation.

AHS:

AHS recorded cash generation at R\$ 141.2 million for the quarter as a result of the sale of Mangonia Lake and Lake Osborne projects valued at a total of R\$ 392.7 million in 2Q21.

These figures are in line with AHS' normal cash flow, in which there is a consumption during the construction phase, thereafter, registering generation of cash at the moment of sale.

## LAND BANK - MRV&amp;Co

Land Bank (%MRV)	2Q21	1Q21	2Q20	Chg. 2Q21 x 1Q21	Chg. 2Q21 x 2Q20	1H21	1H20	Chg. 1H21 x 1H20
<b>MRV&amp;Co</b>								
Land Bank (R\$ billion)	66.5	66.3	58.9	0.4% ↑	12.9% ↑	66.5	58.9	12.9% ↑
Units	351,181	342,843	331,815	2.4% ↑	5.8% ↑	351,181	331,815	5.8% ↑
Average Price - R\$'000 / unit	189	193	178	2.0% ↓	6.7% ↑	189	178	6.7% ↑
<b>MRV</b>								
Land Bank (R\$ billion)	56.4	54.7	51.6	3.2% ↑	9.3% ↑	56.4	51.6	9.3% ↑
Units	327,583	321,810	319,378	1.8% ↑	2.6% ↑	327,583	319,378	2.6% ↑
Average Price - R\$'000 / unit	172	170	162	1.4% ↑	6.6% ↑	172	162	6.6% ↑
<b>Urba</b>								
Land Bank (R\$ billion)	1.3	1.1	0.5	25.1% ↑	143.3% ↑	1.3	0.5	143.3% ↑
Units	12,804	10,259	5,239	24.8% ↑	144.4% ↑	12,804	5,239	144.4% ↑
Average Price - R\$'000 / unit	104	104	105	0.2% ↑	0.4% ↓	104	105	0.4% ↓
<b>Luggo</b>								
Land Bank (R\$ billion)	1.0	0.8	0.5	24.2% ↑	111.5% ↑	1.0	0.5	111.5% ↑
Units	4,408	3,513	2,129	25.5% ↑	107.0% ↑	4,408	2,129	107.0% ↑
Average Price - R\$'000 / unit	227	230	223	1.0% ↓	2.2% ↑	227	223	2.2% ↑
<b>AHS<sup>1</sup></b>								
Land Bank (R\$ billion)	7.8	9.7	6.3	19.9% ↓	23.4% ↑	7.8	6.3	23.4% ↑
Units	6,387	7,261	5,070	12.0% ↓	26.0% ↑	6,387	5,070	26.0% ↑
Average Price - R\$'000 / unit	1,218	1,338	1,244	8.9% ↓	2.1% ↓	1,218	1,244	2.1% ↓

<sup>1</sup> Considers the PTAX (BRLUSD) of the closing period

MRV&Co Consolidated:

Registering a total land bank valued at R\$ 66.5 billion, the MRV&Co housing platform is firmly positioned to ramp up operations and reach targets of 80,000 units per year over the upcoming years.

MRV&Co is strategically seeking to acquire property aiming to supply the Company's land bank to meet its needs as a multi-funding housing platform.

Urba:

Urba steadily continues forward with its plan to ramp up operations and aims to reach a mark of 4,000 units launched in 2021. In order to achieve this goal, the Company has invested in expanding its land bank that has reached figures of R\$ 1.3 billion (% MRV), recording 25.1% growth when compared to 1Q21 and 143.3% over 2Q20, holding land plots in the states of São Paulo, Bahia, Minas Gerais, Mato Grosso and Rio de Janeiro.

## EARNINGS RELEASE

2<sup>nd</sup> Quarter 2021

MRV&CO

### PRODUCTION - MRV&Co

Production (%MRV)	2Q21	1Q21	2Q20	Chg. 2Q21 x 1Q21	Chg. 2Q21 x 2Q20	1H21	1H20	Chg. 1H21 x 1H20
<b>MRV&amp;Co</b>								
Built Units	10,566	9,191	8,092	15.0% ↑	30.6% ↑	19,757	16,162	22.2% ↑
Finished units	5,618	10,437	8,339	46.2% ↓	32.6% ↓	16,055	17,768	9.6% ↓
<b>MRV</b>								
Built Units	10,062	8,724	7,815	15.3% ↑	28.8% ↑	18,786	15,640	20.1% ↑
Finished units	5,373	10,437	8,211	48.5% ↓	34.6% ↓	15,810	17,640	10.4% ↓
<b>Urba</b>								
Built Units	129	101	89	28.3% ↑	44.9% ↑	229	131	75.0% ↑
Finished units	-	-	-	-	-	-	-	-
<b>Luggo</b>								
Built Units	142	174	72	18.8% ↓	96.6% ↑	316	132	139.3% ↑
Finished units	-	-	128	-	100.0% ↓	-	128	100.0% ↓
<b>AHS</b>								
Built Units	234	192	116	22.0% ↑	101.7% ↑	426	259	64.4% ↑
Finished units	245	-	-	-	-	245	-	-

### REAL ESTATE FINANCING - MRV&Co

Real Estate Financing (%MRV)	2Q21	1Q21	2Q20	Chg. 2Q21 x 1Q21	Chg. 2Q21 x 2Q20	1H21	1H20	Chg. 1H21 x 1H20
<b>MRV&amp;Co</b>								
Client Financing (units)	10,701	10,552	12,076	1.4% ↑	11.4% ↓	21,253	18,828	12.9% ↑
<b>MRV</b>								
Client Financing (units)	10,656	10,516	12,076	1.3% ↑	11.8% ↓	21,171	18,828	12.4% ↑
<b>Urba</b>								
Client Financing (units)	46	36	-	26.6% ↑	-	82	-	-

### INVENTORY AT MARKET VALUE - MRV

Inventory at Market Value (%MRV)	2Q21	1Q21	2Q20	Chg. 2Q21 x 1Q21	Chg. 2Q21 x 2Q20
<b>MRV<sup>1</sup></b>					
Inventory at Market Value (R\$ billion)*	8.03	7.84	7.41	2.4% ↑	8.3% ↑
Inventory Duration **	4.7	4.8	4.1	2.3% ↓	15.9% ↑
By Construction phase (units)					
Not initiated	24%	19%	7%	4.3 p.p. ↑	17.0 p.p. ↑
Under construction	75%	78%	90%	3.6 p.p. ↓	15.6 p.p. ↓
Finished	2%	3%	3%	0.7 p.p. ↓	1.4 p.p. ↓

<sup>1</sup> 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)



# EARNINGS RELEASE

2<sup>nd</sup> Quarter 2021

MRV&CO

## INVESTMENT PROPERTY - MRV&Co

Under Construction - Investment Property (%MRV)	2Q21	1Q21	2Q20	Chg. 2Q21 x 1Q21	Chg. 2Q21 x 2Q20	1H21	1H20	Chg. 1H21 x 1H20
<b>MRV&amp;Co</b>								
Number of Projects	10	10	7	0.2% ↓	43.9% ↑	10	7	43.9% ↑
Units Under Construction	2,674	2,492	1,669	7.3% ↑	60.2% ↑	2,674	1,669	60.2% ↑
Balance of Constructed Units	997	846	374	17.9% ↑	166.5% ↑	997	374	166.5% ↑
% of Projects Progression	37.3%	33.9%	22.4%	3.3 p.p. ↑	14.9 p.p. ↑	37.3%	22.4%	14.9 p.p. ↑
Market Value at Stabilization (R\$ million)	1,854	1,875	986	1.1% ↓	88.1% ↑	1,854	986	88.1% ↑
<b>Luggo</b>								
Number of Projects	6	6	4	0.0% ↑	50.0% ↑	6	4	50.0% ↑
Units Under Construction	1,238	1,238	1,032	0.0% ↑	20.0% ↑	1,238	1,032	20.0% ↑
Balance of Constructed Units	639	498	115	28.4% ↑	455.8% ↑	639	115	455.8% ↑
% of Projects Progression	51.6%	40.2%	11.1%	11.4 p.p. ↑	40.5 p.p. ↑	51.6%	11.1%	40.5 p.p. ↑
Market Value at Stabilization (R\$ million)	253	231	210	9.6% ↑	20.5% ↑	253	210	20.5% ↑
<b>AHS</b>								
Number of Projects	4	4	3	0.6% ↓	35.1% ↑	4	3	35.1% ↑
Units Under Construction	1,436	1,254	637	14.6% ↑	125.5% ↑	1,436	637	125.5% ↑
Balance of Constructed Units	358	348	259	2.8% ↑	38.1% ↑	358	259	38.1% ↑
% of Projects Progression	24.9%	27.8%	40.7%	2.9 p.p. ↓	15.8 p.p. ↓	24.9%	40.7%	15.8 p.p. ↓
Market Value at Stabilization (R\$ million)	1,600	1,644	775	2.6% ↓	106.4% ↑	1,600	775	106.4% ↑
Market Value at Stabilization (US\$ million)	320	289	142	10.9% ↑	126.0% ↑	320	142	126.0% ↑

Leased - Investment Property (%MRV)*	2Q21	1Q21	2Q20	Chg. 2Q21 x 1Q21	Chg. 2Q21 x 2Q20	1H21	1H20	Chg. 1H21 x 1H20
<b>AHS</b>								
<i>Leasing Up</i>								
Number of Projects	3	4	3	25.4% ↓	1.3% ↑	3	3	1.3% ↑
Available Units	645	824	637	21.6% ↓	1.3% ↑	645	637	1.3% ↑
Leased Units	422	528	389	20.1% ↓	8.5% ↑	422	389	8.5% ↑
% Leased Units	65.4%	64.1%	61.1%	1.3 p.p. ↑	4.3 p.p. ↑	65.4%	61.1%	4.3 p.p. ↑
Market Value at Stabilization (R\$ million)	778	1,080	806	28.0% ↓	3.6% ↓	778	806	3.6% ↓
Market Value at Stabilization (US\$ million)	155	190	147	18.0% ↓	5.6% ↑	155	147	5.6% ↑
<i>Stabilized</i>								
Number of Projects	3	3	3	0.6% ↓	1.3% ↑	3	3	1.3% ↑
Available Units	563	513	503	9.7% ↑	11.8% ↑	563	503	11.8% ↑
Leased Units	544	499	498	9.1% ↑	9.3% ↑	544	498	9.3% ↑
% Leased Units	96.7%	97.3%	98.9%	0.6 p.p. ↓	2.2 p.p. ↓	96.7%	98.9%	2.2 p.p. ↓
Market Value at Stabilization (R\$ million)	645	569	527	13.4% ↑	22.4% ↑	645	527	22.4% ↑
Market Value at Stabilization (US\$ million)	129	100	96	29.2% ↑	34.0% ↑	129	96	34.0% ↑

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

# EARNINGS RELEASE

2<sup>nd</sup> Quarter 2021

MRV&CO

## 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 Revenue and Gross Profit

Net Revenue and Gross Profit (R\$ million)	2Q21	1Q21	2Q20	Chg. 2Q21 x 1Q21	Chg. 2Q21 x 2Q20	1H21	1H20	Chg. 1H21 x 1H20
<b>MRV&amp;Co</b>								
Total Net Revenue	1,816	1,598	1,656	13.7% ↑	9.7% ↑	3,414	3,164	7.9% ↑
Cost of Real Estate Sales and Services	(1,355)	(1,153)	(1,188)	17.5% ↑	14.0% ↑	(2,508)	(2,273)	10.3% ↑
Gross Profit	462	445	468	3.8% ↑	1.2% ↓	907	892	1.7% ↑
Gross Margin (%)	25.4%	27.8%	28.2%	2.4 p.p. ↓	2.8 p.p. ↓	26.6%	28.2%	1.6 p.p. ↓
<b>MRV</b>								
Total Net Revenue	1,764	1,570	1,600	12.4% ↑	10.3% ↑	3,333	3,087	8.0% ↑
Cost of Real Estate Sales and Services	(1,325)	(1,131)	(1,152)	17.1% ↑	15.0% ↑	(2,456)	(2,221)	10.6% ↑
Gross Profit	439	438	448	0.2% ↑	2.0% ↓	877	866	1.3% ↑
Gross Margin (%)	24.9%	27.9%	28.0%	3.0 p.p. ↓	3.1 p.p. ↓	26.3%	28.1%	1.7 p.p. ↓
<b>Urba</b>								
Total Net Revenue	40	9	40	339.8% ↑	0.6% ↑	49	52	5.3% ↓
Cost of Real Estate Sales and Services	(22)	(6)	(23)	295.8% ↑	3.6% ↓	(27)	(29)	6.2% ↓
Gross Profit	18	3	17	409.5% ↑	6.3% ↑	21	22	4.0% ↓
Gross Margin (%)	44.8%	38.7%	42.4%	6.1 p.p. ↑	2.4 p.p. ↑	43.7%	43.1%	0.6 p.p. ↑
<b>Luggo</b>								
Total Net Revenue	0.2	0.2	-	10.8% ↓	-	0.4	-	-
Cost of Real Estate Sales and Services	(0.1)	(0.1)	-	46.7% ↑	-	(0.2)	-	-
Gross Profit	0.1	0.1	-	51.5% ↓	-	0.2	-	-
Gross Margin (%)	31.8%	58.6%	-	26.7 p.p. ↓	-	46.0%	-	-
<b>AHS (MRV US)*</b>								
Total Net Revenue	13	19	17	32.7% ↓	23.9% ↓	32	26	21.3% ↑
Cost of Real Estate Sales and Services	(8)	(16)	(14)	51.0% ↓	42.3% ↓	(24)	(23)	6.8% ↑
Gross Profit	5	3	3	73.6% ↑	60.8% ↑	8	4	112.6% ↑
Gross Margin (%)	37.8%	14.6%	17.9%	23.1 p.p. ↑	19.9 p.p. ↑	23.9%	13.7%	10.3 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:

As a result of increases in production and maintaining elevated sales figures, the Company posted record-breaking Net Revenues topping R\$ 1.8 billion for the quarter.

This increase represents expansion of 13.7% over 1Q21 and 9.7% when compared to 2Q20.

Gross Margin:

The growing pressure of inflation on material costs witnessed over the last few quarters, coupled with below average price increases, have put added pressure on the Company's gross margins for this period, leading to the decision to carry out budgetary reviews.

A number of initiatives have already been adopted by MRV&Co, aiming to mitigate the pressures of inflation, such as the **use of Glass Fiber substituting steel in the concrete walls** in development projects up to five stories, as well as using **drywall for internal walls**, in the case of towers.

These initiatives have drastically reduced the amount of steel and concrete needed for construction and have significantly offset the pressures felt by rising inflation on construction materials.

Another important innovation implemented by MRV&Co is the use of **Flex Forms, representing the third generation in the Company's construction process**, that have been developed to optimize productivity and product quality assurance.

In addition, the Company has maintained its strategy through 2Q21 of purchasing and stocking some of the materials used in construction, aiming to offset rising prices and mitigate the effects of rising inflation on construction materials.

**Financial Cost recorded under COGS**

Financial Cost recorded under COGS (R\$ million)	2Q21	1Q21	2Q20	Chg. 2Q21 x 1Q21	Chg. 2Q21 x 2Q20	1H21	1H20	Chg. 1H21 x 1H20
<b>MRV&amp;Co</b>								
Financial Cost recorded under COGS	(37)	(34)	(46)	8.5% ↑	21.0% ↓	(71)	(92)	23.2% ↓
% of Net Revenue	2.0%	2.1%	2.8%	0.1 p.p. ↓	0.8 p.p. ↓	2.1%	2.9%	0.8 p.p. ↓
Gross profit with financial cost	462	445	468	3.8% ↑	1.2% ↓	907	892	1.7% ↑
Gross profit ex.h financial cost	499	479	514	4.2% ↑	3.0% ↓	977	984	0.6% ↓
<b>Gross Margin ex. financial cost (%)</b>	<b>27.4%</b>	<b>30.0%</b>	<b>31.1%</b>	<b>2.5 p.p. ↓</b>	<b>3.6 p.p. ↓</b>	<b>28.6%</b>	<b>31.1%</b>	<b>2.5 p.p. ↓</b>



# EARNINGS RELEASE

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MRV&CO

## Operating Income (Expenses)

Operating Income (Expenses) (R\$ million)	2Q21	1Q21	2Q20	Chg. 2Q21 x 1Q21	Chg. 2Q21 x 2Q20	1H21	1H20	Chg. 1H21 x 1H20
<b>MRV&amp;Co</b>								
Selling Expenses	(154)	(152)	(161)	0.9% ↑	4.7% ↓	(306)	(310)	1.3% ↓
General & Administrative Expenses	(119)	(116)	(104)	1.9% ↑	13.8% ↑	(235)	(204)	15.1% ↑
Other operating Income (expenses)	56	(27)	(31)	-	-	29	(62)	-
Equity Income	(19)	(4)	(15)	344.0% ↑	27.3% ↑	(24)	(26)	8.1% ↓
<b>Operating Income (Expenses)</b>	<b>(236)</b>	<b>(300)</b>	<b>(312)</b>	<b>21.4% ↓</b>	<b>24.4% ↓</b>	<b>(536)</b>	<b>(602)</b>	<b>11.0% ↓</b>
Selling expenses / Net Revenues (%)	8.5%	9.5%	9.7%	1.1 p.p. ↓	1.3 p.p. ↓	9.0%	9.8%	0.8 p.p. ↓
G&A Expenses / Net Revenues (%)	6.5%	7.3%	6.3%	0.8 p.p. ↓	0.2 p.p. ↑	6.9%	6.5%	0.4 p.p. ↑
<b>MRV</b>								
Selling Expenses	(148)	(149)	(157)	0.4% ↓	5.4% ↓	(297)	(302)	1.6% ↓
General & Administrative Expenses	(98)	(95)	(89)	3.3% ↑	10.1% ↑	(192)	(179)	7.5% ↑
Other operating Income (expenses)	(28)	(30)	(29)	8.8% ↓	5.0% ↓	(58)	(60)	2.8% ↓
Equity Income	(21)	(5)	(16)	362.5% ↑	36.3% ↑	(26)	(27)	2.7% ↓
<b>Operating Income (Expenses)</b>	<b>(295)</b>	<b>(279)</b>	<b>(291)</b>	<b>6.0% ↑</b>	<b>1.6% ↑</b>	<b>(574)</b>	<b>(568)</b>	<b>1.1% ↑</b>
Selling expenses / Net Revenues (%)	8.4%	9.5%	9.8%	1.1 p.p. ↓	1.4 p.p. ↓	8.9%	9.8%	0.9 p.p. ↓
G&A Expenses / Net Revenues (%)	5.5%	6.0%	5.5%	0.5 p.p. ↓	0.0 p.p. ↓	5.8%	5.8%	0.0 p.p. ↓
<b>Urba</b>								
Selling Expenses	(4.4)	(1.9)	(2.5)	140.0% ↑	80.6% ↑	(6)	(4)	54.6% ↑
General & Administrative Expenses	(6.0)	(5.0)	(2.5)	18.2% ↑	133.9% ↑	(11)	(6)	99.7% ↑
Other operating Income (expenses)	(0.3)	(0.2)	(0.1)	42.8% ↑	256.9% ↑	(1)	(0)	165.3% ↑
Equity Income	2.1	0.3	0.6	646.2% ↓	281.0% ↓	2	1	127.5% ↓
<b>Operating Income (Expenses)</b>	<b>(8.6)</b>	<b>(6.8)</b>	<b>(4.5)</b>	<b>25.8% ↑</b>	<b>89.4% ↑</b>	<b>(15)</b>	<b>(9)</b>	<b>76.8% ↑</b>
Selling expenses / Net Revenues (%)	11.2%	20.5%	6.2%	9.3 p.p. ↓	4.9 p.p. ↑	12.9%	7.9%	5.0 p.p. ↑
G&A Expenses / Net Revenues (%)	15.0%	55.7%	6.4%	40.8 p.p. ↓	8.5 p.p. ↑	22.5%	10.7%	11.8 p.p. ↑
<b>Luggo</b>								
Selling Expenses	(0.4)	(0.8)	(0.7)	56.7% ↓	51.6% ↓	(1)	(2)	34.8% ↓
General & Administrative Expenses	(0.5)	(0.5)	(0.4)	6.4% ↑	12.4% ↑	(1)	(1)	38.0% ↑
Other operating Income (expenses)	(0.1)	(0.5)	(1.8)	75.1% ↓	93.3% ↓	(1)	(2)	68.7% ↓
Equity Income	-	-	-	-	-	-	-	-
<b>Operating Income (Expenses)</b>	<b>(1.0)</b>	<b>(1.8)</b>	<b>(3.0)</b>	<b>45.1% ↓</b>	<b>67.5% ↓</b>	<b>(3)</b>	<b>(4)</b>	<b>38.2% ↓</b>
Selling expenses / Net Revenues (%)	178.3%	367.1%	-	188.8 p.p. ↓	-	278.1%	-	-
G&A Expenses / Net Revenues (%)	251.5%	210.8%	-	40.7 p.p. ↑	-	230.0%	-	-
<b>AHS (MRV US)*</b>								
Selling Expenses	(0.4)	(0.5)	(1.0)	14.3% ↑	62.0% ↓	(1)	(2)	45.6% ↓
General & Administrative Expenses	(14.6)	(16.4)	(12.6)	11.2% ↓	15.4% ↑	(31)	(19)	60.6% ↑
Other operating Income (expenses)	84.1	4.1	(0.1)	1966.5% ↓	-	88	(0)	-
Equity Income	-	-	-	-	-	-	-	-
<b>Operating Income (Expenses)</b>	<b>69.1</b>	<b>(12.8)</b>	<b>(13.7)</b>	<b>640.0% ↓</b>	<b>603.1% ↓</b>	<b>56</b>	<b>(21)</b>	<b>368.1% ↓</b>
Selling expenses / Net Revenues (%)	3.0%	2.4%	6.1%	0.6 p.p. ↑	3.0 p.p. ↓	2.6%	5.9%	3.2 p.p. ↓
G&A Expenses / Net Revenues (%)	113.7%	86.1%	75.0%	27.6 p.p. ↑	38.7 p.p. ↑	97.2%	73.4%	23.8 p.p. ↑

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

Significant increases in Net Revenues throughout 2Q21 has allowed the Company to dilute SG&A expenses, which have remained steady over previous quarters. MRV&Co's Commercial Costs / Net Revenues have hit a mark of 8.5%, representing a dip of 1.1 p.p. under 1Q21 and 1.3 p.p. when compared to 2Q20. The Company's General and Administrative costs / Net Revenues have seen a reduction of 0.8 p.p. under 1Q21, reaching a mark of 6.5%.

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The result of the sale of AHS projects has been accounted for on the line of Other Operating (Expenses) and Revenues. The variation in this line posted in 2Q21 may be explained by the sale of two AHS projects.

### Financial Result

Financial Result (R\$ million)	2Q21	1Q21	2Q20	Chg. 2Q21 x 1Q21	Chg. 2Q21 x 2Q20	1H21	1H20	Chg. 1H21 x 1H20
<b>MRV&amp;Co</b>								
Financial Expenses	(31)	(25)	(24)	23.3% ↑	32.0% ↑	(57)	(40)	42.5% ↑
Financial Income	28	28	18	0.3% ↑	57.0% ↑	56	31	76.3% ↑
Financial income from receivables	35	33	16	5.7% ↑	119.6% ↑	68	43	59.9% ↑
<b>Financial Result</b>	<b>31</b>	<b>35</b>	<b>10</b>	<b>11.1% ↓</b>	<b>218.0% ↑</b>	<b>67</b>	<b>34</b>	<b>95.1% ↑</b>
<b>Adjusted Financial Result (R\$ million)</b>	<b>2Q21</b>	<b>1Q21</b>	<b>2Q20</b>	<b>Chg. 2Q21 x 1Q21</b>	<b>Chg. 2Q21 x 2Q20</b>	<b>1H21</b>	<b>1H20</b>	<b>Chg. 1H21 x 1H20</b>
<b>MRV&amp;Co</b>								
Financial result	31	35	10	11.1% ↓	218.0% ↑	67	34	95.1% ↑
Financial Cost recorded under COGS	(37)	(34)	(46)	8.5% ↑	21.0% ↓	(71)	(92)	23.2% ↓
<b>Adjusted Financial Result</b>	<b>(5)</b>	<b>2</b>	<b>(37)</b>	<b>-</b>	<b>85.7% ↓</b>	<b>(4)</b>	<b>(58)</b>	<b>93.7% ↓</b>

### EBITDA

EBITDA (R\$ million)	2Q21	1Q21	2Q20	Chg. 2Q21 x 1Q21	Chg. 2Q21 x 2Q20	1H21	1H20	Chg. 1H21 x 1H20
<b>MRV&amp;Co</b>								
Income Before Taxes	258	180	166	43.0% ↑	55.4% ↑	438	324	35.2% ↑
(+) Depreciation and Amortization	33	32	26	2.9% ↑	29.4% ↑	66	49	33.7% ↑
(-) Financial Results	31	35	10	11.1% ↓	218.0% ↑	67	34	95.1% ↑
(+) Financial charges recorded under cost of sales	37	34	46	8.5% ↑	21.0% ↓	71	92	23.2% ↓
<b>EBITDA</b>	<b>296</b>	<b>211</b>	<b>228</b>	<b>40.4% ↑</b>	<b>29.8% ↑</b>	<b>507</b>	<b>431</b>	<b>17.8% ↑</b>
EBITDA Margin (%)	16.3%	13.2%	13.8%	3.1 p.p. ↑	2.5 p.p. ↑	14.9%	13.6%	1.2 p.p. ↑

### Net Income

Net Income (R\$ million)	2Q21	1Q21	2Q20	Chg. 2Q21 x 1Q21	Chg. 2Q21 x 2Q20	1H21	1H20	Chg. 1H21 x 1H20
<b>MRV&amp;Co</b>								
Net Income	203	137	109	48.5% ↑	86.1% ↑	340	214	59.1% ↑
<b>% Net Margin</b>	<b>11.2%</b>	<b>8.6%</b>	<b>6.6%</b>	<b>2.6 p.p. ↑</b>	<b>4.6 p.p. ↑</b>	<b>9.9%</b>	<b>6.7%</b>	<b>3.2 p.p. ↑</b>

### MRV&Co Consolidated:

MRV's Net Income has seen continued robust increases over 2Q21, topping R\$ 203 million for the quarter. These figures represent growth of 48.5% over 1Q21 and 86.1% over 2Q20.

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### Unearned Results

Unearned Results (R\$ million)	Jun/21	Mar/21	Jun/20	Chg. Jun/21 x Mar/21	Chg. Jun/21 x Jun/20
<b>MRV&amp;Co</b>					
Unearned Gross Sales Revenues	2,541	2,576	2,077	1.4% ↓	22.3% ↑
(-) Unearned Costs of Units Sold	(1,602)	(1,600)	(1,253)	0.1% ↑	27.9% ↑
<b>Unearned Results</b>	<b>939</b>	<b>976</b>	<b>825</b>	<b>3.8% ↓</b>	<b>13.9% ↑</b>
Unearned Results Margin	36.9%	37.9%	39.7%	0.9 p.p. ↓	2.7 p.p. ↓
<b>MRV</b>					
Unearned Gross Sales Revenues	2,507	2,567	2,055	2.3% ↓	22.0% ↑
(-) Unearned Costs of Units Sold	(1,586)	(1,595)	(1,241)	0.6% ↓	27.8% ↑
<b>Unearned Results</b>	<b>921</b>	<b>972</b>	<b>814</b>	<b>5.3% ↓</b>	<b>13.1% ↑</b>
Unearned Results Margin	36.7%	37.9%	39.6%	1.1 p.p. ↓	2.9 p.p. ↓
<b>Urba</b>					
Unearned Gross Sales Revenues	33	8	22	297.9% ↑	49.0% ↑
(-) Unearned Costs of Units Sold	(16)	(5)	(12)	238.4% ↑	31.4% ↑
<b>Unearned Results</b>	<b>18</b>	<b>4</b>	<b>10</b>	<b>372.7% ↑</b>	<b>69.5% ↑</b>
Unearned Results Margin	52.6%	44.3%	46.2%	8.3 p.p. ↑	6.4 p.p. ↑

The reduction to the Company's Unearned Margin (REF) observed in 2Q21 already reflects the revision made in the construction budget and the effect of the current rise in the cost of construction materials.

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## Balance Sheet - MRV&Co

### Cash and Cash Equivalents and Market Securities

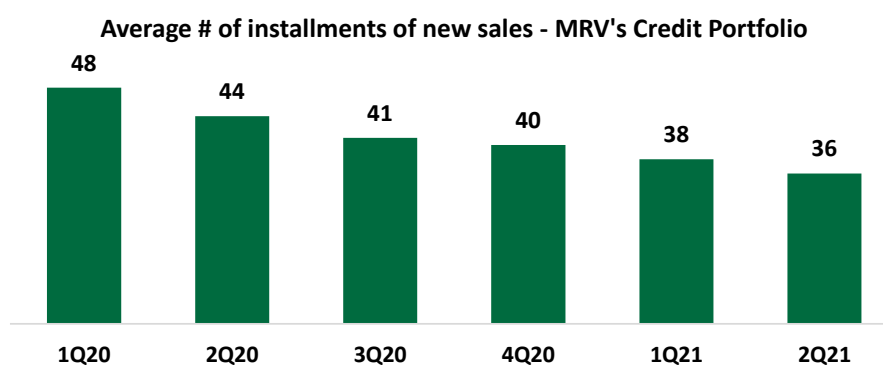
Cash and cash equivalents & Market. Securities (R\$ million)	Jun/21	Mar/21	Jun/20	Chg. Jun/21 x Mar/21	Chg. Jun/21 x Jun/20
<b>MRV&amp;Co</b>					
Cash and cash equivalents	1,142	1,142	1,724	0.1% ↑	33.8% ↓
Marketable Securities	1,586	1,348	945	17.7% ↑	67.8% ↑
<b>Total</b>	<b>2,728</b>	<b>2,489</b>	<b>2,669</b>	<b>9.6% ↑</b>	<b>2.2% ↑</b>

### Receivables from Real Estate Development

Receivables from Real Estate Development (R\$ million)	Jun/21	Mar/21	Jun/20	Chg. Jun/21 x Mar/21	Chg. Jun/21 x Jun/20
<b>MRV&amp;Co</b>					
Clients	4,184	3,946	3,659	6.1% ↑	14.4% ↑
Fair value adjustment	(63)	(58)	(64)	9.7% ↑	1.4% ↓
Bad debt provision	(322)	(308)	(251)	4.5% ↑	28.4% ↑
<b>Receivables from real estate development</b>	<b>3,799</b>	<b>3,580</b>	<b>3,344</b>	<b>6.1% ↑</b>	<b>13.6% ↑</b>
Current	1,926	1,958	1,806	1.6% ↓	6.6% ↑
Noncurrent	1,873	1,622	1,538	15.5% ↑	21.8% ↑

MRV's Credit Portfolio (R\$ million)	Jun/21	Mar/21	Jun/20	Chg. Jun/21 x Mar/21	Chg. Jun/21 x Jun/20
After Keys Delivery	1,306	1,261	979	3.6% ↑	33.3% ↑
Before Keys Delivery	1,348	1,254	986	7.5% ↑	36.6% ↑
<b>Total</b>	<b>2,653</b>	<b>2,515</b>	<b>1,966</b>	<b>5.5% ↑</b>	<b>35.0% ↑</b>

The Company continues to forge forward with its strategy to reduce the number of monthly payments, reaching 36 months in 2Q21, down from 48 months in 1Q20.





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## Inventories

Inventories (R\$ million)	Jun/21	Mar/21	Jun/20	Chg. Jun/21 x Mar/21	Chg. Jun/21 x Jun/20
<b>MRV&amp;Co</b>					
Properties under construction	2,646	2,511	2,517	5.4% ↑	5.1% ↑
Completed Units	112	145	145	23.2% ↓	23.0% ↓
Land bank	6,022	6,024	5,388	0.0% ↓	11.8% ↑
Advances to Suppliers	89	96	72	7.7% ↓	23.1% ↑
Inventories of supplies	0	0	0	9.9% ↑	4.5% ↓
<b>Total</b>	<b>8,869</b>	<b>8,778</b>	<b>8,123</b>	<b>1.0% ↑</b>	<b>9.2% ↑</b>
Current	4,037	3,924	3,721	2.9% ↑	8.5% ↑
Non-current	4,831	4,854	4,402	0.5% ↓	9.7% ↑
<b>MRV</b>					
Properties under construction	2,593	2,452	2,481	5.7% ↑	4.5% ↑
Completed Units	89	121	114	26.2% ↓	21.7% ↓
Land bank	5,860	5,829	5,158	0.5% ↑	13.6% ↑
Advances to Suppliers	80	88	66	9.2% ↓	21.3% ↑
Inventories of supplies	0	0	0	9.9% ↑	4.5% ↓
<b>Total</b>	<b>8,622</b>	<b>8,490</b>	<b>7,820</b>	<b>1.6% ↑</b>	<b>10.3% ↑</b>
Current	3,893	3,775	3,641	3.1% ↑	6.9% ↑
Non-current	4,729	4,715	4,179	0.3% ↑	13.2% ↑
<b>Urba</b>					
Properties under construction	53	59	36	9.4% ↓	48.9% ↑
Completed Units	22	24	31	7.9% ↓	27.8% ↓
Land bank	162	196	230	17.4% ↓	29.7% ↓
Advances to Suppliers	7	6	6	11.8% ↑	23.5% ↑
Inventories of supplies	-	-	-	-	-
<b>Total</b>	<b>244</b>	<b>285</b>	<b>302</b>	<b>14.3% ↓</b>	<b>19.2% ↓</b>
Current	142	147	79	2.8% ↓	79.6% ↑
Non-current	102	138	223	26.4% ↓	54.3% ↓
<b>Lugbo</b>					
Properties under construction	-	-	-	-	-
Completed Units	-	-	-	-	-
Land bank	-	-	-	-	-
Advances to Suppliers	2	2	1	3.9% ↓	170.8% ↑
Inventories of supplies	-	-	-	-	-
<b>Total</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>3.9% ↓</b>	<b>170.8% ↑</b>
Current	2	2	1	3.9% ↓	170.8% ↑
Non-current	-	-	-	-	-

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## Investment Property

Investment Property (R\$ million)	Jun/21	Mar/21	Jun/20	Chg. Jun/21 x Mar/21	Chg. Jun/21 x Jun/20
<b>MRV&amp;Co</b>					
Buildings*	982	969	750	1.4% ↑	30.9% ↑
Real Estate under Construction	726	984	498	26.2% ↓	46.0% ↑
Land Bank	372	376	417	1.1% ↓	10.7% ↓
<b>Total Investment Property</b>	<b>2,080</b>	<b>2,329</b>	<b>1,664</b>	<b>10.7% ↓</b>	<b>25.0% ↑</b>
<b>Luggo</b>					
Buildings	-	-	-	-	-
Real Estate under Construction	148	114	38	29.9% ↑	287.0% ↑
Land Bank	184	142	64	29.6% ↑	187.7% ↑
<b>Total Investment Property</b>	<b>332</b>	<b>256</b>	<b>102</b>	<b>29.7% ↑</b>	<b>224.9% ↑</b>
<b>AHS (MRV US)</b>					
Buildings*	982	969	750	1.4% ↑	30.9% ↑
Real Estate under Construction	578	870	459	33.5% ↓	25.9% ↑
Land Bank	188	234	353	19.7% ↓	46.7% ↓
<b>Total Investment Property</b>	<b>1,748</b>	<b>2,073</b>	<b>1,562</b>	<b>15.7% ↓</b>	<b>11.9% ↑</b>

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

## Net Debt

Net Debt (R\$ million)	Jun/21	Mar/21	Jun/20	Chg. Jun/21 x Mar/21	Chg. Jun/21 x Jun/20
<b>MRV&amp;Co</b>					
Total debt	5,181	5,011	4,840	3.4% ↑	7.0% ↑
(-) Cash and cash equivalents & Marketable Securities	(2,728)	(2,489)	(2,669)	9.6% ↑	2.2% ↑
(+/-) Derivative Financial Instruments	(27)	(42)	(43)	35.4% ↓	35.9% ↓
<b>Net Debt</b>	<b>2,425</b>	<b>2,480</b>	<b>2,128</b>	<b>2.2% ↓</b>	<b>13.9% ↑</b>
Total Shareholders' Equity	6,148	6,058	5,829	1.5% ↑	5.5% ↑
Net Debt / Total Shareholders' Equity	39.4%	40.9%	36.5%	1.5 p.p. ↓	2.9 p.p. ↑
EBITDA LTM	1,084	1,015	916	6.7% ↑	18.3% ↑
Net Debt / EBITDA LTM	2.24x	2.44x	2.32x	8.3% ↓	3.7% ↓
<b>MRV + Urba + Luggo</b>					
Total debt	3,719	3,298	3,659	12.7% ↑	1.6% ↑
(-) Cash and cash equivalents & Marketable Securities	(2,439)	(2,290)	(2,558)	6.5% ↑	4.6% ↓
(+/-) Derivative Financial Instruments	(33)	(45)	(62)	25.1% ↓	45.8% ↓
<b>Net Debt</b>	<b>1,246</b>	<b>964</b>	<b>1,039</b>	<b>29.2% ↑</b>	<b>19.9% ↑</b>
Total Shareholders' Equity	5,589	5,508	5,372	1.5% ↑	4.0% ↑
Net Debt / Total Shareholders' Equity	22.3%	17.5%	19.3%	4.8 p.p. ↑	2.9 p.p. ↑
EBITDA LTM	915	930	916	1.6% ↓	0.2% ↓
Net Debt / EBITDA LTM	1.36x	1.04x	1.13x	31.4% ↑	20.1% ↑
<b>AHS (MRV US)</b>					
Total debt	1,462	1,713	1,181	14.6% ↓	23.8% ↑
(-) Cash and cash equivalents & Marketable Securities	(289)	(200)	(111)	44.6% ↑	160.5% ↑
(+/-) Derivative Financial Instruments	6	2	19	159.3% ↑	67.9% ↓
<b>Net Debt</b>	<b>1,179</b>	<b>1,515</b>	<b>1,089</b>	<b>22.2% ↓</b>	<b>8.3% ↑</b>
Total Shareholders' Equity	559	550	457	1.7% ↑	22.4% ↑
Net Debt / Total Shareholders' Equity	210.8%	275.5%	238.3%	64.7 p.p. ↓	27.5 p.p. ↓
EBITDA LTM	169	85	-	97.4% ↑	-
Net Debt / EBITDA LTM	6.99x	17.72x	-	60.6% ↓	-

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## Debt in Local Currency

Debt in Local Currency (R\$ million)	Maturity	Contractual Rate (p.a)	Balance Due	
			Jun/21	Mar/21
MRV + Luggo				
Debentures - 9th Issuance (2nd serie)	02/20 to 02/22	CDI + 2.30%	202	199
Debentures - 9th Issuance (3rd serie)	02/2022	132.2% CDI	101	99
Debentures - 11th Issuance (2nd serie)	09/21 to 09/22	CDI + 1.50%	217	214
Debentures - 11th Issuance (3rd serie)	09/23 and 09/24	122.1% CDI	158	151
Debentures - 12th Issuance (1st serie)	07/2023	CDI + 1.40%	304	300
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%	111	110
Debentures - 12th Issuance (4th serie)	07/2023	CDI + 1.50%	85	84
Debentures - 15th Issuance	11/22 to 11/25	CDI + 1.06%	300	302
Debentures - 16th Issuance	04/23 to 04/25	CDI + 1.50%	101	101
Debentures - 17th Issuance	04/21 to 04/23	CDI + 3.00%	45	50
Debentures - 18th Issuance	08/2025	CDI + 2.40%	506	499
13th issue of debentures that back CRI operations	09/23 to 09/24	100% CDI	294	293
14th issue of debentures that back CRI operations	04/23 to 04/25	100.4% CDI	358	359
19th issue of debentures that back CRI operations	04/29 to 04/31	CDI + 1.65%	391	-
Working capital (MRV)	04/21 and 04/22	CDI + 3.10%	101	202
1st Promissory note - 2st Series	05/2021	CDI + 2.50%	-	101
Leasing	09/19 to 05/23	CDI + 2.00% to + 2.93%	7	9
Corporate Debt			3,332	3,124
Construction Financing	01/21 to 12/25	TR + 8.30%	245	11
Construction Finance			245	11
Urba				
Debentures - 2nd Issuance (Urba)	06/21 to 06/23	CDI + 1.22%	40	60
Debentures - 4nd Issuance (Urba)	04/23 to 04/25	CDI + 1.50%	40	40
3rd issue of Urba debentures that back CRI operations	03/2024	CDI + 0.20%	59	58
Corporate Debt			139	159
Working capital (Urba)	04/16 to 03/23	TR + 13.29%	3	4
Construction Finance			3	4
Total Debt in Local Currency			3,719	3,298

## Debt Maturity Schedule in local currency

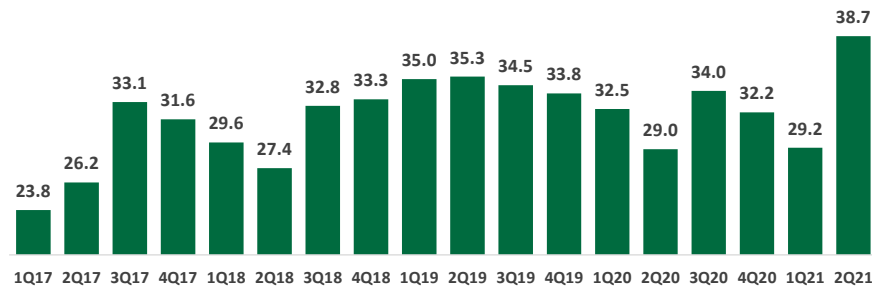
(R\$ million)	Construction Financing	Corporate Debt	Total
12 months	46	597	643
13 to 24 months	72	265	337
25 to 36 months	97	1,303	1,400
37 to 48 months	33	320	353
Over 48 months	0	986	986
<b>Total Debt</b>	<b>248</b>	<b>3,471</b>	<b>3,719</b>

## Weighted Average Debt Cost in local currency

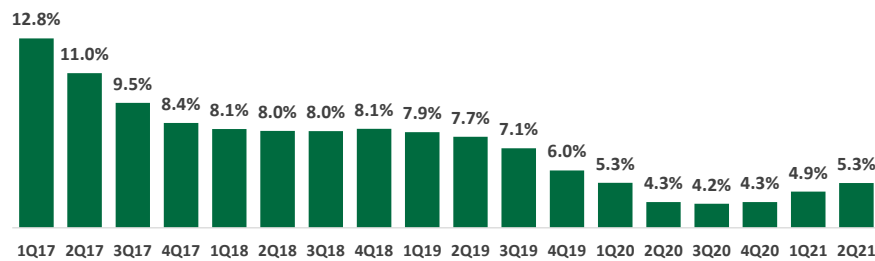
Debt in Local Currency (R\$ million)	Debit Balance Jun/21	Balance Due / Total (%)	Average Cost
Corporate Debt	3,471	93.3%	CDI + 1.38%
Construction Financing	248	6.7%	TR + 8.09%
<b>Total</b>	<b>3,719</b>	<b>100.0%</b>	<b>5.31%</b>

### 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

Debt in Foreign Currency	Maturity	Contractual rate (a.p.r.)	Balance Due Jun/21	Balance Due Converted in R\$ thousands Jun/21
<b>Construction Financing (equivalent to Brazilian SFH)</b>			<b>164,605</b>	<b>823,387</b>
<b>Construction Loan</b>			<b>117,331</b>	<b>586,915</b>
Coral Reef	February, 2022	LIBOR 1M + 2.00%	23,585	117,978
Pine Groves	April, 2022	LIBOR 1M + 2.25%	18,042	90,252
Tamiami Landings	September, 2022	LIBOR 1M + 2.25%	29,768	148,905
Banyan Ridge	March, 2022	LIBOR 1M + 2.15%	31,974	159,938
Oak Enclave	April, 2024	LIBOR 1M + 3.00%	7,174	35,884
Tradition	March, 2024	LIBOR 1M + 2.75%	3,790	18,961
Harbor Grove	April, 2023	PRIME + 1.00%	2,998	14,996
<b>Permanent Loan</b>			<b>47,274</b>	<b>236,473</b>
Princeton Groves	October, 2027	Fixed at 4.38%	24,088	120,493
Lake Worth	May, 2026	Fixed at 3.95%	23,186	115,979
<b>Corporate Debt</b>			<b>128,561</b>	<b>643,085</b>
Credit Line	n/a	LIBOR 1M + 3.00%	10,000	50,022
Vehicle Loan	December, 2022	Fixed at 5.94%	32	162
Itau Bond Debt	February, 2026	Fixed at 3.80% to 4.00%	118,528	592,902
<b>Funding Costs</b>			<b>(873)</b>	<b>(4,365)</b>
<b>Total</b>			<b>292,293</b>	<b>1,462,108</b>

## 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	41,628	898	11,556	(179)	53,903	269,633
13 to 24 months	6,788	936	4	(179)	7,550	37,765
25 to 36 months	7,174	971	-	(179)	7,966	39,847
37 to 48 months	-	1,018	47,000	(167)	47,852	239,363
After 48 months	-	43,450	70,000	(169)	113,282	566,657
<b>Subtotal</b>	<b>55,590</b>	<b>47,274</b>	<b>128,561</b>	<b>(873)</b>	<b>230,552</b>	<b>1,153,265</b>
Loans and financing - Noncurrent Assets held for sale					61,741	308,843
<b>Total</b>					<b>292,293</b>	<b>1,462,108</b>

## Covenants &amp; Corporate Risk

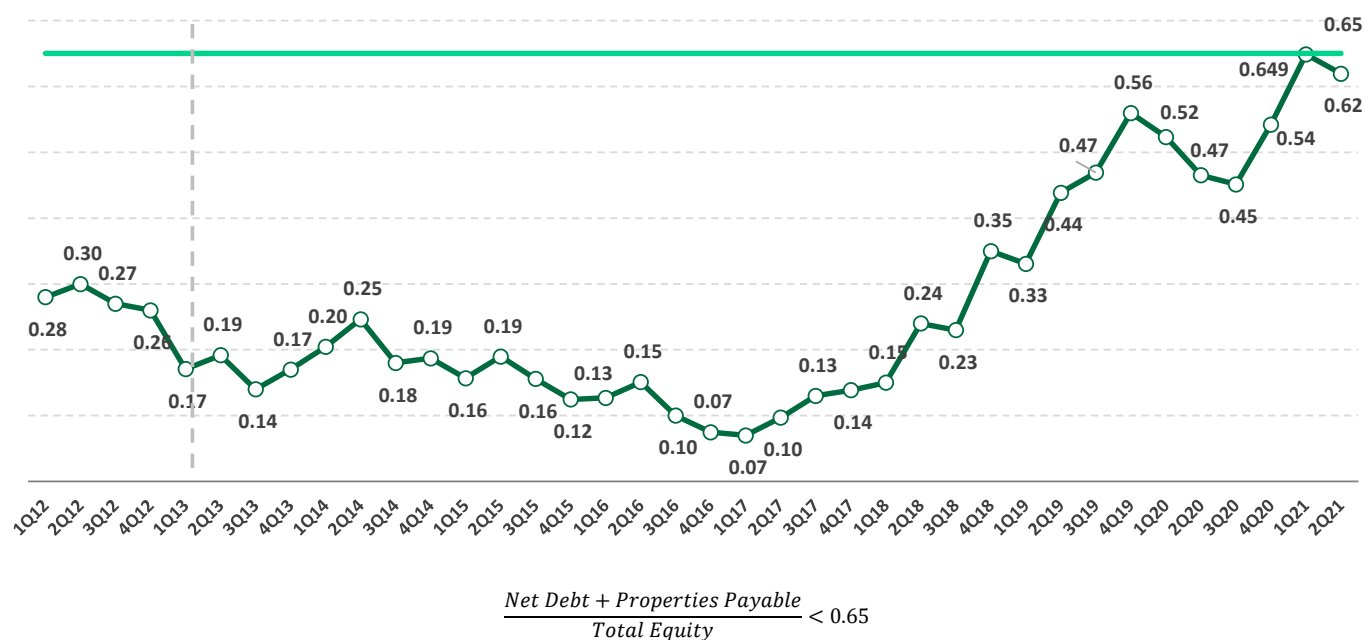
S&P Global  
Ratings

brAAA

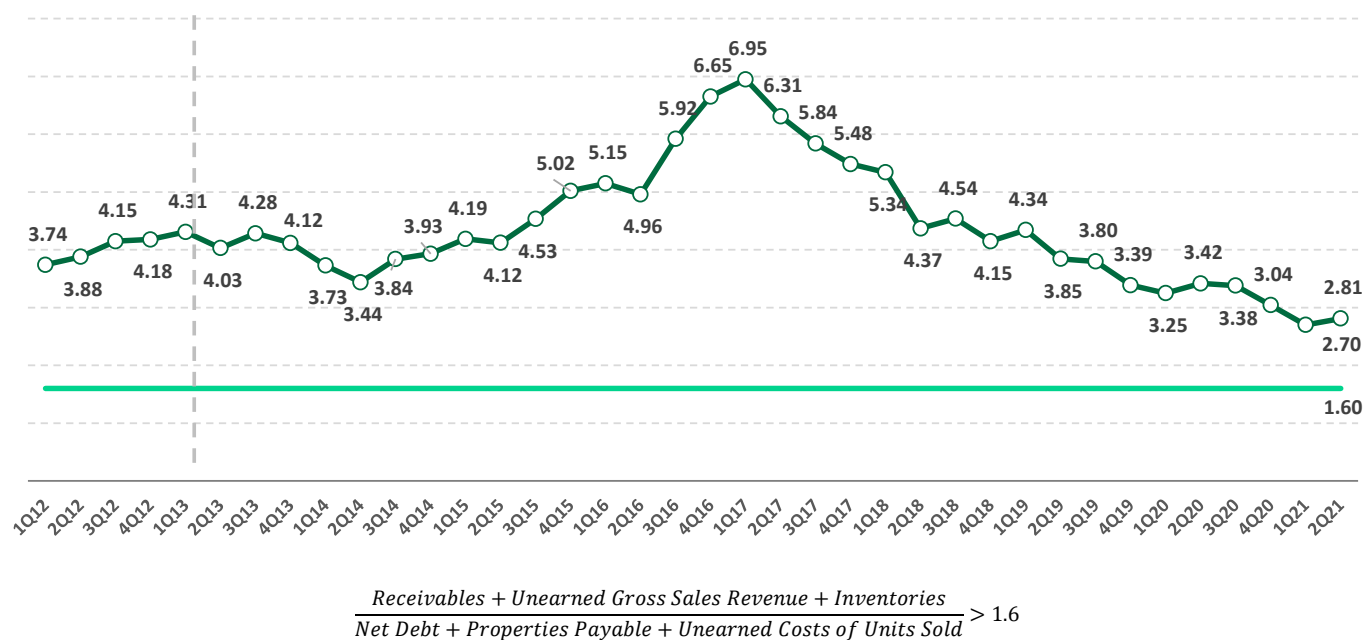
FitchRatings

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## Debt Covenant



## Receivables Covenant



## EARNINGS RELEASE

2<sup>nd</sup> Quarter 2021



MRV&CO

### Investor Relations

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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). Values are presented in R\$ million.

Attachment IV refers only to MRV operations abroad (MRV US). Values are presented in US\$ thousand.

## ATTACHMENT I – Consolidated Income Statement [R\$ million]

R\$ million	2Q21	1Q21	2Q20	Chg. 2Q21 x 1Q21	Chg. 2Q21 x 2Q20	1H21	1H20	Chg. 1H21 x 1H20
<b>NET REVENUE</b>	<b>1,816</b>	<b>1,598</b>	<b>1,656</b>	13.7% ↑	9.7% ↑	<b>3,414</b>	<b>3,164</b>	7.9% ↑
COST OF REAL ESTATE SALES AND SERVICES	(1,355)	(1,153)	(1,188)	17.5% ↑	14.0% ↑	(2,508)	(2,273)	10.3% ↑
<b>GROSS PROFIT</b>	<b>462</b>	<b>445</b>	<b>468</b>	3.8% ↑	1.2% ↓	<b>907</b>	<b>892</b>	1.7% ↑
<i>Gross Margin</i>	<b>25.4%</b>	27.8%	28.2%	2.4 p.p. ↓	2.8 p.p. ↓	<b>26.6%</b>	28.2%	1.6 p.p. ↓
OPERATING INCOME (EXPENSES)								
Selling expenses	(154)	(152)	(161)	0.9% ↑	4.7% ↓	(306)	(310)	1.3% ↓
General & Administrative Expenses	(119)	(116)	(104)	1.9% ↑	13.8% ↑	(235)	(204)	15.1% ↑
Other operating income (expenses), net	56	(27)	(31)	-	-	29	(62)	-
Equity Income	(19)	(4)	(15)	344.0% ↑	27.3% ↑	(24)	(26)	8.1% ↓
<b>INCOME BEFORE FINANCIAL INCOME (EXPENSES)</b>	<b>226</b>	<b>145</b>	<b>156</b>	56.2% ↑	45.1% ↑	<b>371</b>	<b>290</b>	28.1% ↑
FINANCIAL RESULTS								
Financial expenses	(31)	(25)	(24)	23.3% ↑	32.0% ↑	(57)	(40)	42.5% ↑
Financial income	28	28	18	0.3% ↑	57.0% ↑	56	31	76.3% ↑
Financial income from receivables from real estate development	35	33	16	5.7% ↑	119.6% ↑	68	43	59.9% ↑
<b>INCOME BEFORE INCOME TAX AND SOCIAL CONTRIBUTION</b>	<b>258</b>	<b>180</b>	<b>166</b>	43.0% ↑	55.4% ↑	<b>438</b>	<b>324</b>	35.2% ↑
Income Tax and Social Contribution	(32)	(34)	(35)	4.4% ↓	7.5% ↓	(66)	(67)	2.0% ↓
<b>NET INCOME</b>	<b>225</b>	<b>147</b>	<b>131</b>	53.8% ↑	72.1% ↑	<b>372</b>	<b>257</b>	44.9% ↑
PROFIT ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	22	10	22	127.1% ↑	2.5% ↑	32	43	25.4% ↓
<b>PROFIT ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY</b>	<b>203</b>	<b>137</b>	<b>109</b>	48.5% ↑	86.1% ↑	<b>340</b>	<b>214</b>	59.1% ↑
<i>Net Margin</i>	<b>11.2%</b>	8.6%	6.6%	2.6 p.p. ↑	4.6 p.p. ↑	<b>9.9%</b>	6.7%	3.2 p.p. ↑
<b>BASIC EARNINGS PER SHARE</b>	<b>0.420</b>	0.283	0.226	48.5% ↑	85.7% ↑	<b>0.704</b>	0.449	56.8% ↑



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

ASSETS	06/30/2021	03/31/2021	06/30/2020	Chg. Jun/21 x Mar/21	Chg. Jun/21 x Jun/20
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	1,142	1,142	1,724	0.1% ↑	33.8% ↓
Marketable Securities	1,275	1,124	901	13.5% ↑	41.5% ↑
Receivables from real estate development	1,926	1,958	1,806	1.6% ↓	6.6% ↑
Receivables from services provided	3	3	6	25.4% ↓	52.8% ↓
Inventories	4,037	3,924	3,721	2.9% ↑	8.5% ↑
Recoverable current taxes	107	83	94	28.6% ↑	13.8% ↑
Prepaid expenses	100	106	95	4.9% ↓	5.3% ↑
Derivative Financial Instruments	21	-	-	-	-
Other assets	122	133	104	8.3% ↓	17.6% ↑
<b>Total Current Assets</b>	<b>8,734</b>	<b>8,473</b>	<b>8,451</b>	<b>3.1% ↑</b>	<b>3.3% ↑</b>
<b>Investment Property - Noncurrent Assets held for sale</b>	<b>438</b>	<b>345</b>	<b>-</b>	<b>26.9% ↑</b>	<b>-</b>
<b>NONCURRENT ASSETS</b>					
Marketable Securities	311	224	44	38.8% ↑	613.5% ↑
Receivables from real estate development	1,873	1,622	1,538	15.5% ↑	21.8% ↑
Real estate for sale and development	4,831	4,854	4,402	0.5% ↓	9.7% ↑
Intercompany Expenses	56	56	42	1.1% ↑	35.3% ↑
Prepaid expenses	47	50	40	5.1% ↓	18.3% ↑
Derivative Financial Instruments	28	52	62	46.2% ↓	54.3% ↓
Other noncurrent assets	224	212	172	5.6% ↑	30.3% ↑
Equity Interest in investees	191	182	8	5.2% ↑	2399.5% ↑
Investment property	1,642	1,984	1,664	17.2% ↓	1.3% ↓
Property and equipment	580	585	544	0.9% ↓	6.6% ↑
Intangible Assets	170	171	148	0.1% ↓	15.0% ↑
<b>Total Noncurrent Assets</b>	<b>9,954</b>	<b>9,990</b>	<b>8,663</b>	<b>0.4% ↓</b>	<b>14.9% ↑</b>
<b>TOTAL ASSETS</b>	<b>19,126</b>	<b>18,807</b>	<b>17,114</b>	<b>1.7% ↑</b>	<b>11.8% ↑</b>

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

LIABILITIES AND EQUITY	06/30/2021	03/31/2021	06/30/2020	Chg. Jun/21 x Mar/21	Chg. Jun/21 x Jun/20
<b>CURRENT LIABILITIES</b>					
Suppliers	584	539	371	8.4% ↑	57.6% ↑
Payables for investment aquisition	19	6	7	210.3% ↑	170.4% ↑
Loans, financing and debentures	912	963	914	5.3% ↓	0.2% ↓
Land Payables	878	955	904	8.1% ↓	2.8% ↓
Advances from customers	226	243	191	6.8% ↓	18.3% ↑
Payroll and related liabilities	187	170	181	9.9% ↑	3.0% ↑
Tax payables	87	90	84	2.9% ↓	3.8% ↑
Provision for maintenance of real estate	39	40	42	2.3% ↓	6.9% ↓
Deferred tax liabilities	75	68	64	9.3% ↑	15.9% ↑
Proposed dividends	78	132	164	40.6% ↓	52.2% ↓
Net Capital deficiency liabilities - Investments	373	369	175	0.9% ↑	112.8% ↑
Other payables	291	268	245	8.5% ↑	18.7% ↑
<b>Total Current Liabilities</b>	<b>3,750</b>	<b>3,844</b>	<b>3,343</b>	<b>2.4% ↓</b>	<b>12.2% ↑</b>
<b>Loans and financing - Noncurrent Assets held for sale</b>	<b>309</b>	<b>236</b>	<b>-</b>	<b>30.8% ↑</b>	<b>-</b>
<b>NONCURRENT LIABILITIES</b>					
Payables for investment aquisition	23	38	16	37.7% ↓	49.0% ↑
Derivative Financial Instruments	22	10	19	120.3% ↑	16.6% ↑
Loans, financing and debentures	3,960	3,812	3,926	3.9% ↑	0.9% ↑
Land Payables	4,097	3,967	3,172	3.3% ↑	29.2% ↑
Advances from customers	349	382	408	8.6% ↓	14.3% ↓
Provision for maintenance of real estate	139	127	106	10.0% ↑	31.0% ↑
Provision for civil, labor, and tax risks	95	94	106	1.4% ↑	10.2% ↓
Deferred tax liabilities	69	66	63	5.0% ↑	8.9% ↑
Other liabilities	163	174	126	6.3% ↓	29.3% ↑
<b>Total Noncurrent Liabilities</b>	<b>8,919</b>	<b>8,669</b>	<b>7,942</b>	<b>2.9% ↑</b>	<b>12.3% ↑</b>
<b>EQUITY</b>					
Equity attributable to Company' Shareholders	5,800	5,741	5,465	1.0% ↑	6.1% ↑
Noncontrolling Interests	348	317	364	9.8% ↑	4.2% ↓
<b>Total Equity</b>	<b>6,148</b>	<b>6,058</b>	<b>5,829</b>	<b>1.5% ↑</b>	<b>5.5% ↑</b>
<b>TOTAL LIABILITIES AND TOTAL EQUITY</b>	<b>19,126</b>	<b>18,807</b>	<b>17,114</b>	<b>1.7% ↑</b>	<b>11.8% ↑</b>

# EARNINGS RELEASE

2<sup>nd</sup> Quarter 2021

MRV & CO

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

Consolidated (R\$ million)	2Q21	1Q21	2Q20	Chg. 2Q21 x 1Q21	Var. 2Q21 x 2Q20	1H21	1H20	Chg. 1H21 x 1H20
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>								
NET INCOME	225	147	131	53.8% ↑	72.1% ↑	372	257	44.9% ↑
Adjustments to reconcile net income to cash used in operating activities	73	135	185	45.7% ↓	60.5% ↓	208	369	43.7% ↓
(Increase) decrease in operating assets	(347)	(228)	46	52.2% ↑	-	(575)	(353)	62.9% ↑
Increase (decrease) in operating liabilities	(41)	(42)	(60)	2.7% ↓	32.2% ↓	(83)	(139)	40.6% ↓
<b>Net cash generated by (used in) operating activities</b>	<b>(89)</b>	<b>11</b>	<b>302</b>	<b>-</b>	<b>-</b>	<b>(78)</b>	<b>134</b>	<b>158.1% ↓</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>								
Decrease (increase) in marketable securities	(226)	282	(15)	-	1418.3% ↓	56	489	88.5% ↓
Advances to related parties	(8)	(56)	(11)	85.7% ↓	28.0% ↓	(64)	(19)	231.6% ↑
Receipts from related parties	8	61	11	87.2% ↓	26.1% ↓	69	17	305.2% ↑
Decrease in (acquisition of/contribution to) investments	5	23	17	80.0% ↓	72.6% ↓	28	50	44.2% ↓
Payment for acquisition of subsidiary	(1)	(34)	14	95.8% ↓	-	(35)	10	465.7% ↓
Receipts for sale of investees	216	2	2	-	-	218	3	7787.8% ↑
Acquisition of investment properties	(269)	(333)	(158)	19.3% ↑	69.8% ↓	(601)	(330)	82.0% ↑
Acquisition of fixed and intangible assets	(38)	(49)	(59)	22.6% ↓	35.8% ↓	(86)	(98)	11.7% ↓
<b>Net cash generated by (used in) investing activities</b>	<b>(313)</b>	<b>(104)</b>	<b>(200)</b>	<b>201.6% ↓</b>	<b>56.4% ↓</b>	<b>(417)</b>	<b>121</b>	<b>444.9% ↓</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>								
Proceeds from shares issuance	-	6	-	100.0% ↓	-	6	1	501.2% ↑
Proceeds from stock options' exercise	-	-	-	-	-	-	1	100.0% ↓
Loans from related parties	7	9	(7)	18.5% ↓	-	17	(23)	172.8% ↓
Treasury shares	-	-	-	-	-	-	-	-
Proceeds from loans, financing and debenture	869	459	1,054	89.2% ↑	17.5% ↓	1,329	1,533	13.3% ↓
Payment of loans, financing and debenture	(311)	(223)	(376)	39.7% ↓	17.3% ↑	(534)	(715)	25.4% ↓
Receive of financial instruments and derivatives	-	6	(0)	100.0% ↓	-	6	1	559.1% ↑
Capital transaction	8	(0)	2	-	296.9% ↑	8	4	100.0% ↓
Dividends payment	(132)	(100)	-	32.0% ↓	-	(232)	-	-
Net contributions (distributions) of noncontrolling interests	(14)	(15)	(32)	2.3% ↑	56.0% ↑	(29)	(13)	118.3% ↑
<b>Net cash (used in) generated by financing activities</b>	<b>428</b>	<b>143</b>	<b>641</b>	<b>198.0% ↑</b>	<b>33.3% ↓</b>	<b>571</b>	<b>788</b>	<b>27.5% ↓</b>
<b>effects of exchange rates on cash and cash equivalents</b>	<b>(25)</b>	<b>10</b>	<b>(9)</b>	<b>-</b>	<b>192.0% ↓</b>	<b>(15)</b>	<b>7</b>	<b>326.6% ↓</b>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS, NET</b>	<b>1</b>	<b>61</b>	<b>735</b>	<b>99.0% ↓</b>	<b>99.9% ↓</b>	<b>62</b>	<b>1,049</b>	<b>94.1% ↑</b>
<b>CASH AND CASH EQUIVALENTS</b>								
Cash and cash equivalents at beginning of the period	1,142	1,081	989	5.6% ↑	15.4% ↑	1,081	675	60.1% ↑
Cash and cash equivalents at end of the period	1,142	1,142	1,724	0.1% ↑	33.8% ↓	1,142	1,724	33.8% ↓

# EARNINGS RELEASE

2<sup>nd</sup> Quarter 2021

MRV & CO

## ATTACHMENT IV – Financial Statements – AHS (MRV US)

### Balance Sheet - MRV US

ASSETS (US\$ Thousands)	06/30/2021	03/31/2021	06/30/2020	Chg. Jun/21 x Mar/21	Chg. Jun/21 x Jun/20
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	49,533	28,254	17,125	75.3% ↑	189.2% ↑
Marketable Securities	8,244	6,826	3,134	20.8% ↑	163.1% ↑
Receivables from services provided	372	523	683	28.9% ↓	45.5% ↓
Prepaid expenses	1,101	1,343	919	18.0% ↓	19.8% ↑
Other assets	8,750	5,901	1,444	48.3% ↑	506.0% ↑
<b>Total Current Assets</b>	<b>68,000</b>	<b>42,847</b>	<b>23,305</b>	<b>58.7% ↑</b>	<b>191.8% ↑</b>
<b>Investment Property - Noncurrent Assets held for sale</b>	<b>87,544</b>	<b>60,581</b>	-	<b>44.5% ↑</b>	-
<b>NONCURRENT ASSETS</b>					
Other noncurrent assets	6,777	4,542	1,434	49.2% ↑	372.6% ↑
Equity Interest in investees	372	-	-	-	-
Investment property	261,948	303,277	285,280	13.6% ↓	8.2% ↓
Property and equipment	10,229	9,250	6,891	10.6% ↑	48.4% ↑
Intangible Assets	2,401	2,484	2,071	3.3% ↓	15.9% ↑
<b>Total Noncurrent Assets</b>	<b>281,727</b>	<b>319,553</b>	<b>295,676</b>	<b>11.8% ↓</b>	<b>4.7% ↓</b>
<b>TOTAL ASSETS</b>	<b>437,271</b>	<b>422,981</b>	<b>318,981</b>	<b>3.4% ↑</b>	<b>37.1% ↑</b>
LIABILITIES AND EQUITY (US\$ Thousands)	06/30/2021	03/31/2021	06/30/2020	Chg. Jun/21 x Mar/21	Chg. Jun/21 x Jun/20
<b>CURRENT LIABILITIES</b>					
Suppliers	21,267	15,655	9,673	35.8% ↑	119.9% ↑
Loans, financing and debentures	53,903	50,784	6,358	6.1% ↑	747.8% ↑
Payroll and related liabilities	904	378	852	139.2% ↑	6.1% ↑
Other payables	8,647	8,181	5,482	5.7% ↑	57.7% ↑
<b>Total Current Liabilities</b>	<b>84,721</b>	<b>74,998</b>	<b>22,365</b>	<b>13.0% ↑</b>	<b>278.8% ↑</b>
<b>Loans and financing - Noncurrent Assets held for sale</b>	<b>61,741</b>	<b>41,429</b>	-	<b>49.0% ↑</b>	-
<b>NONCURRENT LIABILITIES</b>					
Derivative Financial Instruments	1,223	414	3,479	195.4% ↑	64.8% ↓
Loans, financing and debentures	176,649	208,425	209,294	15.2% ↓	15.6% ↓
Other liabilities	1,115	1,173	381	4.9% ↓	192.7% ↑
<b>Total Noncurrent Liabilities</b>	<b>178,987</b>	<b>210,012</b>	<b>213,154</b>	<b>14.8% ↓</b>	<b>16.0% ↓</b>
<b>EQUITY</b>					
Equity attributable to Company' Shareholders	96,856	84,542	72,405	14.6% ↑	33.8% ↑
Noncontrolling Interests	14,966	12,000	11,057	24.7% ↑	35.4% ↑
<b>Total Equity</b>	<b>111,822</b>	<b>96,542</b>	<b>83,462</b>	<b>15.8% ↑</b>	<b>34.0% ↑</b>
<b>TOTAL LIABILITIES AND TOTAL EQUITY</b>	<b>437,271</b>	<b>422,981</b>	<b>318,981</b>	<b>3.4% ↑</b>	<b>37.1% ↑</b>

## EARNINGS RELEASE

2<sup>nd</sup> Quarter 2021

MRV & CO

### Consolidated Income Statement - MRV US

US\$ thousands	2Q21	1Q21	2Q20	Chg. 2Q21 x 1Q21	Chg. 2Q21 x 2Q20	1H21	1H20	Chg. 1H21 x 1H20
<b>NET REVENUE</b>	<b>2,327</b>	<b>3,479</b>	<b>3,138</b>	<b>33.1% ↓</b>	<b>25.8% ↓</b>	<b>5,806</b>	<b>5,183</b>	<b>12.0% ↑</b>
COST OF REAL ESTATE SALES AND SERVICES	(1,422)	(2,973)	(2,542)	52.2% ↓	44.1% ↓	(4,395)	(4,464)	1.5% ↓
<b>GROSS PROFIT</b>	<b>905</b>	<b>506</b>	<b>596</b>	<b>79.0% ↑</b>	<b>51.8% ↑</b>	<b>1,411</b>	<b>719</b>	<b>96.3% ↑</b>
<i>Gross Margin</i>	<b>38.9%</b>	14.5%	19.0%	24.4 p.p. ↑	19.9 p.p. ↑	<b>24.3%</b>	13.9%	10.4 p.p. ↑
OPERATING INCOME (EXPENSES)								
Selling expenses	(71)	(82)	(190)	14.3% ↑	62.8% ↓	(153)	(304)	49.6% ↓
General & Administrative Expenses	(2,751)	(3,005)	(2,355)	8.5% ↓	16.8% ↑	(5,756)	(3,798)	51.5% ↑
Other operating income (expenses), net	16,726	721	(16)	2221.3% ↑	-	17,447	(33)	53640.5% ↓
Equity Income	-	-	-	-	-	-	-	-
<b>INCOME BEFORE FINANCIAL INCOME (EXPENSES)</b>	<b>14,809</b>	<b>(1,861)</b>	<b>(1,964)</b>	<b>895.6% ↓</b>	<b>853.8% ↓</b>	<b>12,948</b>	<b>(3,416)</b>	<b>479.0% ↓</b>
FINANCIAL RESULTS								
Financial expenses	(722)	(1,286)	(1,012)	43.9% ↓	28.7% ↓	(2,007)	(2,133)	5.9% ↓
Financial income	(807)	2,226	36	136.3% ↓	2316.6% ↓	1,419	47	2895.2% ↑
Financial income from receivables from real estate development	-	-	-	-	-	-	-	-
<b>INCOME BEFORE INCOME TAX AND SOCIAL CONTRIBUTION</b>	<b>13,281</b>	<b>(921)</b>	<b>(2,940)</b>	-	-	<b>12,360</b>	<b>(5,502)</b>	-
Income Tax and Social Contribution	-	-	-	-	-	-	-	-
<b>NET INCOME (LOSS)</b>	<b>13,281</b>	<b>(921)</b>	<b>(2,940)</b>	-	-	<b>12,360</b>	<b>(5,502)</b>	-
NET INCOME (LOSS) ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	966	(81)	(166)	-	-	886	(438)	-
<b>NET INCOME (LOSS) ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY</b>	<b>12,315</b>	<b>(840)</b>	<b>(2,774)</b>	-	-	<b>11,474</b>	<b>(5,065)</b>	-
<i>Net Margin</i>	<b>529.2%</b>	-24.1%	-88.4%	553.3 p.p. ↑	617.6 p.p. ↑	<b>197.6%</b>	-97.7%	295.4 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\$)	2Q21*	2Q19
Operation	157,171,977	109,853,896
Construction	113,395,094	27,979,811
Land bank	37,603,126	19,850,000
Holding	52,756,344	18,249,995
Additional Capital@jul/19	-	10,000,000
<b>Total</b>	<b>360,926,542</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).
- **Land Bank**
  - **Recently Acquired:** book value;
  - **If Licensed and Construction Approval:** evaluation at market value.

## Glossary

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

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

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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

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Pursuant to CVM Instruction 381/03, we inform that the Company's independent auditors KPMG Auditores Independentes S/S ("KPMG") did not provide services during the first semester of 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

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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)

June 30, 2021

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## Report on the quarterly information review - ITR

To the Shareholders and Officers of

**MRV Engenharia e Participações S.A.**

Belo Horizonte – MG

### Introduction

We have reviewed the interim financial information, individual and consolidated, of MRV Engenharia e Participações S.A. ("Company"), contained in the Interim Financial Information Form (ITR) for the quarter ended June 30, 2021, which comprise the balance sheet as of June 30, 2021 and the related income statements and the comprehensive income statements for the three and six-month period then ended and the statements of changes in equity and the statements of cash flows for the six-month period then ended, including the explanatory notes.

Company management is responsible for preparing the individual interim financial information in accordance with CPC 21(R1) - Interim Reporting and the consolidated interim financial information in accordance with CPC 21(R1) and IAS 34 - Interim Financial Reporting, applicable to real estate development entities in Brazil registered with the Brazilian Securities Commission ("CVM"), as well for the presentation of this information in accordance with the standards issued by the Brazilian Securities Commission, applicable to the preparation of Quarterly Information - ITR. Our responsibility is to express a conclusion on the interim financial information based on our review.

### Scope of review

We conducted our review in accordance with Brazilian and international standards on reviews of interim information (NBC TR 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity and ISRE 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim information consists of making inquiries, primarily to the management responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially smaller in scope than an audit conducted in accordance with audit standards, and we cannot therefore provide assurance that we have discovered all the significant matters that could have been identified by an audit. Accordingly, we do not express an audit opinion.

### Conclusion about the individual interim financial information

Our review did not detect any facts that make us believe that the individual interim financial information included in the aforesaid quarterly information was not prepared, in all material respects, in accordance with CPC 21 (R1), applicable to real estate development entities in Brazil registered with the Brazilian Securities Commission ("CVM"), applicable to the preparation of Quarterly Information - ITR., and presenting this information in accordance with the standards issued by the Brazilian Securities Commission.



### **Conclusion about the consolidated interim financial information**

Our review did not detect any facts that make us believe that the consolidated interim financial information included in the aforesaid quarterly information was not prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34, applicable to real estate development entities in Brazil registered with the Brazilian Securities Commission ("CVM"), applicable to the preparation of Quarterly Information - ITR., and presenting this information in accordance with the standards issued by the Brazilian Securities Commission.

### **Emphasis**

As described in explanatory note 2, the individual interim financial information, contained in the Interim Financial Information Form (ITR), has been prepared in accordance with CPC 21 (R1), applicable to real estate development entities in Brazil registered with the CVM, and the consolidated interim financial information, contained in the Interim Financial Information Form (ITR) has been prepared in accordance with CPC 21 (R1) and IAS 34, applicable to real estate development entities in Brazil registered with the CVM. Accordingly, the determination of the accounting policy adopted by the entity, for the recognition of revenue in unfinished real estate unit purchase and sale agreements, on the aspects related to the transfer of control, follow the Company management understanding regarding the application of CPC 47, aligned with the understanding expressed by CVM in Circular Letter/CVM/SNC/SEP/No. 02/2018. Our opinion is not qualified in respect of this matter.

### **Other matters – Statements of value added**

The interim financial information referred to above includes the statements of value added (SVA), individual and consolidated, for the six-month period ended June 30, 2021, prepared under the responsibility of Company's management and presented as supplementary information for IAS 34 applicable to real estate entities in Brazil registered with the Brazilian Securities Commission ("CVM"). These statements have been subjected to review procedures performed in connection with the review of the interim financial statements to conclude that they are reconciled with the interim financial information and accounting records, as applicable, and whether their form and content are in accordance with the criteria defined in Technical Pronouncement CPC 09 - Demonstração do Valor Adicionado. Based on our review nothing has come to our attention that causes us to believe that these interim statements of value added, were not prepared, in all material respects, in accordance with the criteria defined in this Technical Pronouncement and consistently with the individual and consolidated interim financial statements taken as a whole.

Belo Horizonte, August 11, 2021

KPMG Auditores Independentes  
CRC SP-014428/O-6 F-MG  
*Original report in Portuguese signed by*  
Felipe Augusto Silva Fernandes  
Contador CRC MG-091337/O-5 T-SP



	Notes	Consolidated		Individual	
		6/30/21	12/31/20	6/30/21	12/31/20
Assets					
Current assets					
Cash and cash equivalents	4	1,142,278	1,080,705	372,853	485,346
Marketable securities	5	1,275,245	1,599,644	1,073,925	1,365,000
Receivables from real estate development	6	1,926,323	1,840,376	972,804	1,040,242
Receivables from services provided	6	2,606	3,446	1,279	1,318
Inventories	7	4,037,433	3,741,278	2,366,694	2,270,677
Recoverable taxes	16	106,771	78,280	75,260	53,986
Prepaid expenses		100,417	100,980	53,009	52,918
Derivative financial instruments	25	21,362	-	21,362	-
Other assets		121,916	119,386	108,045	119,351
Total current assets		8,734,351	8,564,095	5,045,231	5,388,838
Noncurrent assets held for sale					
	9	437,913	-	-	-
Noncurrent assets					
Marketable securities	5	310,917	14,284	277,890	14,243
Receivables from real estate development	6	1,872,728	1,641,094	1,016,822	817,674
Inventories	7	4,831,150	4,860,581	3,574,655	3,665,977
Intercompany receivables	19	56,374	60,123	890,580	822,810
Prepaid expenses		47,347	50,405	26,415	29,170
Derivative financial instruments		28,115	67,090	27,997	66,754
Other noncurrent assets		223,612	156,557	161,111	110,544
Total long-term realisable		7,370,243	6,850,134	5,975,470	5,527,172
Equity interest in investees	8	191,165	121,002	2,471,147	2,295,412
Investment properties	9	1,642,335	1,797,960	314,585	173,075
Property and equipment	10	579,662	564,393	496,276	494,158
Intangible assets	11	170,387	164,431	155,652	148,771
Total noncurrent assets		9,953,792	9,497,920	9,413,130	8,638,588
Total assets		19,126,056	18,062,015	14,458,361	14,027,426
Liabilities and Equity					
Current liabilities					
Suppliers		584,423	467,929	344,491	297,181
Payables for investment acquisition		19,480	6,135	12,911	-
Loans, financing and debentures	12	912,293	687,520	608,226	554,243
Land payables	13	878,010	1,189,205	652,632	848,854
Advances from customers	14	226,130	254,011	139,844	170,826
Payroll and related liabilities	15	186,675	142,155	96,223	86,611
Tax payables	16	87,381	90,477	64,168	66,079
Provision for maintenance of real estate	17	39,194	41,647	19,114	19,733
Deferred tax liabilities	26	74,754	64,480	33,961	35,253
Proposed dividends		78,395	131,986	78,395	130,658
Net capital deficiency liability - Investments	8	372,719	287,580	175,815	163,681
Other payables		290,740	252,685	83,331	92,449
Total current liabilities		3,750,194	3,615,810	2,309,111	2,465,568
Loans, financing and debentures - Noncurrent assets held for sale	12	308,841	-	-	-
Noncurrent liabilities					
Payables for investment acquisition		23,440	13,310	12,882	-
Derivative financial instruments	25 (b)	22,210	13,709	16,092	-
Loans, financing and debentures	12	3,959,759	3,964,011	2,848,318	2,685,392
Land payables	13	4,097,490	3,624,906	2,940,423	2,646,694
Advances from customers	14	349,395	360,645	197,305	251,504
Provision for maintenance of real estate	17	139,417	124,252	81,498	71,083
Provision for civil, labor and tax risks	18	95,088	102,144	63,912	71,706
Deferred tax liabilities	26	68,824	66,734	38,007	31,504
Other payables		162,994	141,909	150,647	130,644
Total noncurrent liabilities		8,918,617	8,411,620	6,349,084	5,888,527
Total liabilities		12,977,652	12,027,430	8,658,195	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		66,999	59,502	66,999	59,502
Earnings reserves		739,711	843,521	739,711	843,521
Proposed additional dividends		-	78,395	-	78,395
Equity valuation adjustments		38,987	83,609	38,987	83,609
Earnings accumulated		339,686	-	339,686	-
Equity attributable to the Company' shareholders		5,800,166	5,673,331	5,800,166	5,673,331
Noncontrolling interests	20 (g)	348,238	361,254	-	-
Total equity		6,148,404	6,034,585	5,800,166	5,673,331
Total liabilities and equity					
		19,126,056	18,062,015	14,458,361	14,027,426

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



## INCOME STATEMENTS FOR THE QUARTERS ENDED JUNE 30, 2021 AND 2020

(In thousands of Brazilian reais - R\$, except earnings per share)

	Notes	Consolidated				Individual			
		2021		2020		2021		2020	
		2 <sup>nd</sup> quarter	1 <sup>st</sup> half	2 <sup>nd</sup> quarter	1 <sup>st</sup> half	2 <sup>nd</sup> quarter	1 <sup>st</sup> half	2 <sup>nd</sup> quarter	1 <sup>st</sup> half
Net operating revenue	22	1,816,499	3,414,435	1,655,931	3,164,399	980,899	1,861,995	935,839	1,747,138
Cost of real estate sales and services	23	(1,354,639)	(2,507,794)	(1,189,029)	(2,272,698)	(750,878)	(1,391,163)	(660,277)	(1,244,423)
<b>Gross profit</b>		<b>461,860</b>	<b>906,641</b>	<b>466,902</b>	<b>891,701</b>	<b>230,021</b>	<b>470,832</b>	<b>275,562</b>	<b>502,715</b>
Operating income (expenses):									
Selling expenses	23	(153,586)	(305,741)	(161,126)	(309,832)	(100,198)	(199,960)	(102,655)	(197,036)
General and administrative expenses	23	(118,719)	(235,174)	(104,461)	(204,343)	(95,853)	(187,305)	(85,786)	(172,564)
Other operating income (expenses), net	23	55,925	28,862	(30,258)	(62,123)	(21,104)	(40,135)	(25,243)	(48,294)
Results from equity interest in investees	8	(19,368)	(23,730)	(15,212)	(25,810)	187,660	299,097	59,495	143,160
<b>Income before financial income and taxes</b>		<b>226,112</b>	<b>370,858</b>	<b>155,845</b>	<b>289,593</b>	<b>200,526</b>	<b>342,529</b>	<b>121,373</b>	<b>227,981</b>
Financial income (expenses):									
Financial expenses	24	(31,342)	(56,763)	(23,749)	(39,823)	(22,630)	(37,642)	(14,759)	(22,706)
Financial income	24	27,793	55,505	17,701	31,479	23,741	35,767	14,298	24,491
Financial income from receivables from real estate development	24	35,020	68,147	15,945	42,630	17,789	34,064	7,345	19,852
<b>Income before taxes</b>		<b>257,583</b>	<b>437,747</b>	<b>165,742</b>	<b>323,879</b>	<b>219,426</b>	<b>374,718</b>	<b>128,257</b>	<b>249,618</b>
Income tax and social contribution:									
Current	26	(27,444)	(59,722)	(29,271)	(54,303)	(14,700)	(32,527)	(15,640)	(28,754)
Deferred	26	(4,687)	(6,023)	(5,469)	(12,758)	(1,712)	(2,505)	(3,504)	(7,346)
<b>Net income for the period</b>	26	<b>(32,131)</b>	<b>(65,745)</b>	<b>(34,740)</b>	<b>(67,061)</b>	<b>(16,412)</b>	<b>(35,032)</b>	<b>(19,144)</b>	<b>(36,100)</b>
		<b>225,452</b>	<b>372,002</b>	<b>131,002</b>	<b>256,818</b>	<b>203,014</b>	<b>339,686</b>	<b>109,113</b>	<b>213,518</b>
Net income attributable to:									
Company' shareholders		203,014	339,686	109,113	213,518				
Noncontrolling interests		22,438	32,316	21,889	43,300				
		<b>225,452</b>	<b>372,002</b>	<b>131,002</b>	<b>256,818</b>				
Earnings per share (In Reais - R\$):									
Basic	20 (g)	0.42015	0.70308	0.22640	0.44881	0.42015	0.70308	0.22640	0.44881
Diluted	20 (g)	0.41821	0.69957	0.22570	0.44662	0.41821	0.69957	0.22570	0.44662

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



	Consolidated				Individual			
	2021		2020		2021		2020	
	2 <sup>nd</sup> quarter	1 <sup>st</sup> half	2 <sup>nd</sup> quarter	1 <sup>st</sup> half	2 <sup>nd</sup> quarter	1 <sup>st</sup> half	2 <sup>nd</sup> quarter	1 <sup>st</sup> half
Net income for the period	225,452	372,002	131,002	256,818	203,014	339,686	109,113	213,518
Other components of comprehensive income								
Currency translation adjustments	(67,145)	(18,692)	21,244	107,054	(58,054)	(15,641)	19,064	93,347
Cash flow hedge reserve	(12,476)	(28,981)	13,341	(1,988)	(12,476)	(28,981)	12,465	(882)
<b>Total comprehensive income for the period</b>	<b>145,831</b>	<b>324,329</b>	<b>165,587</b>	<b>361,884</b>	<b>132,484</b>	<b>295,064</b>	<b>140,642</b>	<b>305,983</b>
Comprehensive income attributable to:								
Company' shareholders	132,484	295,064	140,642	305,983	132,484	295,064	140,642	305,983
Noncontrolling interests	13,347	29,265	24,945	55,901	-	-	-	-
	<b>145,831</b>	<b>324,329</b>	<b>165,587</b>	<b>361,884</b>	<b>132,484</b>	<b>295,064</b>	<b>140,642</b>	<b>305,983</b>

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

STATEMENTS OF CHANGES IN EQUITY FOR THE QUARTERS ENDED JUNE 30, 2021 AND 2020  
(In thousands of Brazilian reais - R\$)

	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	326,338	-	-	-	-	(5,609)	-	-	-	-	320,729	41,517	362,246
Capital increase	956	-	-	-	-	-	-	-	-	-	956	-	956
Capital transaction	-	-	-	-	-	(8,415)	-	-	-	-	(8,415)	12,416	4,001
Net contributions from noncontrolling shareholders	-	-	-	-	-	-	-	-	-	-	-	(13,249)	(13,249)
Currency translation adjustments	-	-	-	-	-	-	-	93,347	-	-	93,347	13,707	107,054
Cash flow hedge reserve	-	-	-	-	-	-	(882)	-	-	-	(882)	(1,106)	(1,988)
Treasury shares transferred	-	2,772	-	-	-	(2,772)	-	-	-	-	-	-	-
Treasury shares disposed to beneficiaries of stock option plan	-	761	-	-	-	-	-	-	-	-	761	-	761
Stock options	-	-	-	3,345	-	-	-	-	-	-	3,345	-	3,345
Net income for the period	-	-	-	-	-	-	-	-	213,518	-	213,518	43,300	256,818
BALANCE AT JUNE 30, 2020	4,609,424	(1,253)	(26,309)	79,209	34,512	463,563	(882)	93,347	213,518	-	5,465,129	363,604	5,828,733
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	-	-	-	-	-	618	-	-	-	-	618	7,242	7,860
Net contributions from noncontrolling shareholders	-	-	-	-	-	-	-	-	-	-	-	(28,919)	(28,919)
Currency translation adjustments	-	-	-	-	-	-	-	(15,641)	-	-	(15,641)	(3,051)	(18,692)
Cash flow hedge reserve	-	-	-	-	-	-	(28,981)	-	-	-	(28,981)	-	(28,981)
Reflection of bonus exercise in subsidiary	-	732	-	-	-	75	-	-	-	-	807	-	807
Prior period adjustments in subsidiary	-	-	-	-	-	(4,503)	-	-	-	-	(4,503)	(417)	(4,920)
Extraordinary dividends	-	-	-	-	-	(100,000)	-	-	-	-	(100,000)	-	(100,000)
Proposed additional dividends	-	-	-	-	-	-	-	-	-	(78,395)	(78,395)	-	(78,395)
Stock options	-	-	-	7,497	-	-	-	-	-	-	7,497	-	7,497
Changes in indirect ownership	-	-	-	-	-	-	-	-	-	-	-	(20,187)	(20,187)
Net income for the period	-	-	-	-	-	-	-	-	339,686	-	339,686	32,316	372,002
BALANCE AT JUNE 30, 2021	4,615,171	(388)	(26,309)	93,308	62,019	677,692	(20,315)	59,302	339,686	-	5,800,166	348,238	6,148,404

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



	Notes	Consolidated		Individual	
		1 <sup>st</sup> half of		1 <sup>st</sup> half of	
		2021	2020	2021	2020
<b>Cash flows from operating activities</b>					
Net income for the period		372,002	256,818	339,686	213,518
Adjustments to reconcile net income to cash generated by operating activities:					
Depreciation and amortization		65,173	48,130	46,794	34,672
Recognized stock options granted	23	7,714	3,298	7,294	3,298
Property and equipment write off		4,983	680	3,821	139
Financial result		(50,509)	5,543	(26,742)	(7,386)
Results from equity interest in investees	8	23,730	25,810	(299,097)	(143,160)
Gain on equity interest variation in joint venture		(96,377)	-	-	-
Provision for maintenance of real estate		49,227	43,595	27,178	23,682
Provision for civil, labor and tax risks		51,917	60,153	32,589	35,970
Allowance for credit risk		67,324	80,416	33,314	43,226
Amortization of prepaid expenses		82,039	80,080	43,692	41,989
Results from derivative financial instruments		(9,574)	(5,059)	(1,961)	(5,055)
Deferred income tax and social contribution	26	6,023	12,758	2,505	7,346
Deferred taxes on revenue (PIS & COFINS)		6,341	14,051	2,706	7,903
		580,013	626,273	211,779	256,142
(Increase) decrease in operating assets:					
(Increase) decrease in trade receivables		(317,042)	(679,456)	(134,701)	(396,586)
(Increase) decrease in real estate for sale		(121,598)	377,697	(64,124)	238,502
(Increase) decrease in prepaid expenses		(78,578)	(98,252)	(41,028)	(53,281)
(Increase) decrease in other assets		(57,875)	46,948	(23,914)	46,477
Increase (decrease) in operating liabilities:					
Increase (decrease) in trade payables		122,339	58,515	47,310	42,031
Increase (decrease) in payroll and related taxes		44,742	36,550	9,612	22,840
Increase (decrease) in taxes, fees and contributions		63,157	60,429	35,064	29,952
Increase (decrease) in advances from customers		13,719	(16,742)	50,442	3,971
Increase (decrease) in other payables		457	12,967	(27,501)	6,663
Interest paid		(123,000)	(121,375)	(80,990)	(100,027)
Income tax and social contribution paid		(66,574)	(52,914)	(37,296)	(28,173)
Realization of real estate maintenance	17	(70,353)	(52,018)	(38,429)	(27,838)
Amounts paid for civil, labor and tax risks	18	(67,211)	(64,596)	(46,066)	(41,487)
Net cash generated by (used in) operating activities		(77,804)	134,026	(139,842)	(814)
<b>Cash flows from investing activities</b>					
Increase in marketable securities		(2,651,345)	(2,016,877)	(1,779,981)	(1,392,632)
Decrease in marketable securities		2,707,376	2,506,100	1,833,514	1,687,974
Advances to related companies		(63,907)	(19,275)	(595,157)	(515,029)
Receipts from related companies		68,770	16,970	528,292	548,018
Distribution from (acquisition of/contribution to) investees	8	27,746	49,683	192,812	191,789
Payment for acquisition of investees		(35,232)	9,635	(32,607)	-
Receipts for sale of investees / assets		217,781	2,761	3,315	2,761
Purchase of investment property	9	(601,278)	(330,379)	(46,547)	(63,252)
Purchase of property and equipment and intangible assets		(86,426)	(97,847)	(59,608)	(68,061)
Net cash generated by investing activities		(416,515)	120,771	44,033	391,568
<b>Cash flows from financing activities</b>					
Proceeds from issue of shares		5,747	956	5,747	956
Proceeds from exercised stock options	20 (e)	-	761	-	761
Loans from related parties		16,640	(22,851)	(1,374)	(3,974)
Proceeds from loans, financing and debentures		1,328,959	1,532,577	553,005	756,925
Repayment of borrowings, financing and debentures	12 (a)	(533,662)	(715,386)	(350,488)	(393,075)
Contracted and redeemed derivative financial instruments		6,466	981	6,466	981
Capital transaction		7,860	4,001	618	245
Dividend paid		(231,986)	-	(230,658)	-
Distribution to noncontrolling shareholders	20 (g)	(28,919)	(13,249)	-	-
Net cash generated (used in) by financing activities		571,105	787,790	(16,684)	362,819
Effects of exchange rates on cash and cash equivalents		(15,213)	6,715	-	-
<b>(Decrease) increase in cash and cash equivalents, net</b>		<b>61,573</b>	<b>1,049,302</b>	<b>(112,493)</b>	<b>753,573</b>
<b>Cash and cash equivalents</b>					
At the beginning of the period		1,080,705	674,919	485,346	403,876
At the end of the period		1,142,278	1,724,221	372,853	1,157,449
<b>(Decrease) increase in cash and cash equivalents, net</b>		<b>61,573</b>	<b>1,049,302</b>	<b>(112,493)</b>	<b>753,573</b>

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

	Notes	Consolidated		Individual	
		1 <sup>st</sup> half of		1 <sup>st</sup> half of	
		2021	2020	2021	2020
REVENUES					
Gross operating revenue		3,539,926	3,298,047	1,926,692	1,817,979
Other income		8,407	2,015	8,544	1,616
Revenues related to construction of own assets		20,951	28,421	20,714	28,251
Allowance for credit risk		(67,324)	(80,416)	(33,314)	(43,226)
		3,501,960	3,248,067	1,922,636	1,804,620
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		(2,204,665)	(2,156,985)	(1,403,928)	(1,284,209)
GROSS VALUE ADDED		1,297,295	1,091,082	518,708	520,411
Depreciation and amortization		(65,173)	(48,130)	(46,794)	(34,672)
NET VALUE ADDED GENERATED BY THE COMPANY		1,232,122	1,042,952	471,914	485,739
VALUE ADDED RECEIVED IN TRANSFER					
Results from equity interest in investees	8	(23,730)	(25,810)	299,097	143,160
Financial income		134,439	89,851	76,143	54,222
		110,709	64,041	375,240	197,382
TOTAL VALUE ADDED FOR DISTRIBUTION		1,342,831	1,106,993	847,154	683,121
VALUE ADDED DISTRIBUTED					
Personnel:		477,775	420,484	196,785	185,159
Salaries and wages		370,969	334,622	132,739	132,521
Benefits		81,967	64,769	49,855	40,648
Severance Pay Fund (FGTS)		24,839	21,093	14,191	11,990
Taxes and fees:		310,654	293,231	189,429	189,064
Federal		211,964	202,187	127,517	120,910
Municipal		98,141	90,524	61,403	67,778
State		549	520	509	376
Lenders and lessors:		182,400	136,463	121,254	95,380
Interest		122,021	88,494	77,038	56,763
Rentals / Leases		60,379	47,969	44,216	38,617
Shareholders:		372,002	256,815	339,686	213,518
Earnings retained in the period		339,686	213,519	339,686	213,518
Noncontrolling interests		32,316	43,296	-	-
VALUE ADDED DISTRIBUTED		1,342,831	1,106,993	847,154	683,121

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., 1º 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).

During the six-month period ended on June 30, 2021, the Company reclassified investment properties and its related financing to 'Noncurrent assets held for sale', with sales prospect in the short term. On June 30, 2021, AHS concluded the sale of two assets for the amount of US\$78.5 million (R\$393 million), with net proceedings of US\$37 million (R\$185 million) and net profit of US\$17.8 million (R\$89 million), recorded in caption "Other operating income (expenses), net".

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 had not significant impact on Group's consolidated financial statements when they came into force.

- 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).

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	
	6/30/21	12/31/20	6/30/21	12/31/20
Cash	306	354	287	326
Bank accounts	1,121,520	1,054,449	371,941	479,684
	<b>1,121,826</b>	<b>1,054,803</b>	<b>372,228</b>	<b>480,010</b>
Short-term investments:				
Unrestricted investment funds	162	243	79	147
Bank certificates of deposit (CDB)	3,910	12,335	546	5,189
Securities with repurchase agreement backed by	16,380	13,324	-	-
	<b>20,452</b>	<b>25,902</b>	<b>625</b>	<b>5,336</b>
Total	<b>1,142,278</b>	<b>1,080,705</b>	<b>372,853</b>	<b>485,346</b>

In the six-month period ended June 30, 2021, short-term investments yielded interest equivalent to 94.90% of CDI in Consolidated and 99.67% of CDI in Individual (85.97% of CDI in Consolidated and 86.92% 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	
		6/30/21	12/31/20	6/30/21	12/31/20
Restricted investment funds	(i)	1,442,926	1,432,714	1,284,744	1,332,794
Bank certificates of deposit (CDB)	(ii)	15,451	15,345	15,451	15,345
Savings deposits	(iii)	86,323	80,177	51,396	30,888
Escrow account and swap guarantee	(iv)	38,747	82,893	-	-
U.S. Treasuries		2,491	2,583	-	-
Real estate consortium		224	216	224	216
<b>Total</b>		<b>1,586,162</b>	<b>1,613,928</b>	<b>1,351,815</b>	<b>1,379,243</b>
Current		1,275,245	1,599,644	1,073,925	1,365,000
Noncurrent		310,917	14,284	277,890	14,243
		<b>1,586,162</b>	<b>1,613,928</b>	<b>1,351,815</b>	<b>1,379,243</b>

- (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 six-month period ended June 30, 2021, the mentioned funds yielded average interest equivalent to 174.41% of CDI in Consolidated and 176.86% of CDI in Individual (64.78% of CDI in Consolidated and 64.81% 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 Asociativo" 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 and escrow accounts to honor commitments by construction debt, insurance and taxes. 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:

Blocked amounts guaranteeing:	6/30/21				
	Consolidated			Individual	
	Restricted investment funds	Escrow account and swap guarantee	Bank certificates of deposit	Restricted investment funds	Bank certificates of deposit
Infrastructure works	70,317	-	-	32,126	-
Other	2,049	38,747	15,451	1,164	15,451
<b>Total</b>	<b>72,366</b>	<b>38,747</b>	<b>15,451</b>	<b>33,290</b>	<b>15,451</b>

Blocked amounts guaranteeing:	12/31/20				
	Consolidated			Individual	
	Restricted investment funds	Escrow account and swap guarantee	Bank certificates of deposit	Restricted investment funds	Bank certificates of deposit
Infrastructure works	49,074	-	-	32,153	-
Other	6,252	82,893	15,345	5,397	15,345
<b>Total</b>	<b>55,326</b>	<b>82,893</b>	<b>15,345</b>	<b>37,550</b>	<b>15,345</b>

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

	Consolidated		Individual	
	6/30/21	12/31/20	6/30/21	12/31/20
Unrestricted investment funds	470,264	482,254	418,711	448,621
Private bonds	300,777	352,282	267,804	327,713
Securities with repurchase agreement	204,777	216,855	182,329	201,731
Bank certificates of deposit (CDB)	28,469	65,504	25,348	60,936
Debentures	46,296	36,618	41,220	34,064
Federal securities:				
Financial Treasury Bills (LFT)	41,060	277,539	36,559	258,183
National Treasury Notes - B (NTN-B)	294,786	-	262,470	-
National Treasury Bills (LTN)	36,722	-	32,697	-
Others federal securities	18,024	-	16,047	-
Others	1,751	1,662	1,559	1,546
Total	1,442,926	1,432,714	1,284,744	1,332,794

As of June 30, 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	
	6/30/21	12/31/20	6/30/21	12/31/20
<u>Receivables from real estate development</u>				
Receivables from real estate development	4,184,490	3,822,269	2,193,956	2,038,103
Present value discount	(63,090)	(59,532)	(34,348)	(31,617)
Allowance for credit risk	(322,349)	(281,267)	(169,982)	(148,570)
	3,799,051	3,481,470	1,989,626	1,857,916
Current	1,926,323	1,840,376	972,804	1,040,242
Noncurrent	1,872,728	1,641,094	1,016,822	817,674
	3,799,051	3,481,470	1,989,626	1,857,916
<u>Receivables from services provided and rents</u>				
Total - current	2,606	3,446	1,279	1,318

The rates used to discount to present value for sales performed during the six-month period ended June 30, 2021 ranged from 0.11799 % per month to 0.26900% per month (0.12647% per month to 0.27011% 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 54.3% of the balance of receivables from real estate development and unearned sales revenue, as at June 30, 2021 (57.1% at December 31, 2020). Of this same total, the agreements already entered with the financial institutions above mentioned, correspond to 44.2% for CEF and 0.20% for others (39.8% and 0.18% as at December 31, 2020 respectively).

Changes in allowance for credit risk for the six-month ended June 30, 2021 and 2020 are as follows:

	Consolidated		Individual	
	1 <sup>st</sup> half of		1 <sup>st</sup> half of	
	2021	2020	2021	2020
Opening balance	(281,266)	(223,291)	(148,570)	(118,774)
Additions	(130,650)	(131,300)	(68,105)	(73,625)
Reversals	63,326	50,884	34,791	30,401
Write-offs	26,241	52,598	11,902	29,070
Closing balance	(322,349)	(251,109)	(169,982)	(132,928)
Current	(213,710)	(167,852)	(112,473)	(89,272)
Noncurrent	(108,639)	(83,257)	(57,509)	(43,656)
	(322,349)	(251,109)	(169,982)	(132,928)

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	
	6/30/21	12/31/20	6/30/21	12/31/20
Unearned gross sales revenue (*)	<b>2,540,780</b>	2,511,802	<b>1,331,591</b>	1,400,226
Costs to be Incurred (*)	<b>(1,601,984)</b>	(1,527,171)	<b>(833,452)</b>	(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	
	6/30/21	12/31/20	6/30/21	12/31/20
<u>Expectation of receipt</u>				
12 months	<b>3,392,377</b>	3,088,203	<b>1,721,801</b>	1,785,856
13 to 24 months	<b>2,032,901</b>	2,023,912	<b>1,121,381</b>	1,043,725
25 to 36 months	<b>484,680</b>	456,479	<b>271,571</b>	230,038
37 to 48 months	<b>274,848</b>	272,465	<b>154,380</b>	138,651
After 48 months	<b>155,025</b>	152,213	<b>52,084</b>	59,872
	<b>6,339,831</b>	5,993,272	<b>3,321,217</b>	3,258,142
Unearned sales revenue	<b>2,540,780</b>	2,511,802	<b>1,331,591</b>	1,400,226
Receivables from real estate development	<b>3,799,051</b>	3,481,470	<b>1,989,626</b>	1,857,916
	<b>6,339,831</b>	5,993,272	<b>3,321,217</b>	3,258,142

As at June 30, 2021, the Group has trade accounts receivable pledged as collateral of construction financing totaling R\$1,969,235 (R\$1,210,645 at December 31, 2020).

## 7. Inventories (real estate for sale)

	Consolidated		Individual	
	6/30/21	12/31/20	6/30/21	12/31/20
Real estate under construction	<b>2,646,127</b>	2,429,656	<b>1,447,377</b>	1,378,608
Completed units	<b>111,616</b>	120,166	<b>46,558</b>	53,230
Landbank	<b>6,021,572</b>	5,969,889	<b>4,399,378</b>	4,460,209
Advances to suppliers	<b>88,945</b>	81,797	<b>47,877</b>	44,485
Materials stock	<b>323</b>	351	<b>159</b>	122
Total	<b>8,868,583</b>	8,601,859	<b>5,941,349</b>	5,936,654
Current	<b>4,037,433</b>	3,741,278	<b>2,366,694</b>	2,270,677
Noncurrent	<b>4,831,150</b>	4,860,581	<b>3,574,655</b>	3,665,977
	<b>8,868,583</b>	8,601,859	<b>5,941,349</b>	5,936,654

As of June 30, 2021, of the total consolidated balance of real estate under construction and completed units, R\$2,143,227 refers to projects launched and R\$614,516 refers to projects started but not yet launched (R\$1,991,593 and R\$558,229 at December 31, 2020, respectively).

As at June 30, 2021, line items "Real estate under construction", "Completed units" and "Landbank" includes capitalized financial charges, as detailed in Note 12 (d), totaling R\$479,890 and R\$334,604 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 June 30, 2021, the Group has real estate under construction recognized in assets, used as collateral of loans and financing agreements, totaling R\$84,135 and R\$39,982 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:

	6/30/21			12/31/20		
	Equity interest	Equity	Investments	Equity interest	Equity	Investments
<b>Joint ventures and associates:</b>						
MRL Engenharia e Empreendimentos S.A. (MRL)						
Cost	74.27%	46,150	34,276	51.03%	32,047	16,354
Fair Value		-	18,888		-	-
Goodwill		-	27,437		-	3,237
Total MRL [1]		46,150	80,601		32,047	19,591
PRIME Incorporações e Construções S.A.	59.51%	19,969	11,884	59.51%	(8,811)	(5,243)
MRV MD PE Mar De Espanha SPE Ltda.	50.00%	8,586	4,293	50.00%	(1,994)	(997)
Pq Castelo De Gibraltar SPE Ltda.	65.00%	17,761	11,545	65.00%	23,745	15,434
MRV PRIME Seminario SPE LTDA.	50.00%	10,862	5,431	65.00%	2,937	1,909
SCPs (35)		7,445	4,854		6,616	4,931
SPes (39)		101,868	42,232		49,497	68,282
Capitalized interest		-	3,718		-	4,666
<b>Total Joint ventures and associates</b>		<b>212,641</b>	<b>164,558</b>		<b>104,037</b>	<b>108,573</b>
Elimination of indirect participations		-	(346,112)		-	(275,151)
<b>Total Joint ventures and associates</b>		<b>212,641</b>	<b>(181,554)</b>		<b>104,037</b>	<b>(166,578)</b>
Investments - Consolidated			191,165			121,002
Net capital deficiency liability - Investments - Consolidated			(372,719)			(287,580)
<b>Total Joint ventures and associates</b>			<b>(181,554)</b>			<b>(166,578)</b>
<b>Subsidiaries:</b>						
MRV (US) Holdings Corporation [2]	100.00%	484,496	484,496	100.00%	442,962	442,962
MRV Construções Ltda.	95.00%	31,825	30,234	95.00%	31,315	29,749
Urba Desenvolvimento Urbano S.A. [3]	51.54%	180,774	91,311	51.44%	105,191	52,250
SCP MRV MRL Adão 3	50.00%	10,412	5,205	50.00%	13,576	6,787
SCP Colégio Amarela	50.00%	43,300	21,650	50.00%	29,214	14,607
SCP Porto Marabella	99.99%	10,171	10,170	99.99%	18,339	18,337
SCP Protubo Emp 02	50.00%	21,750	10,875	50.00%	20,469	10,234
SCP Abilio Tavora	50.00%	27,941	13,970	50.00%	13,822	6,911
SCP Area Varzea	80.00%	6,009	4,807	80.00%	5,764	4,611
SCP MRV MRL Galpão Ccp 1	50.00%	20,289	10,144	50.00%	47,972	23,986
SCP MRV MRL Rio Decaminada 1	50.00%	11,202	5,601	50.00%	22,380	11,190
SCP Parque Das Águas 1	50.00%	19,249	9,625	50.00%	8,591	4,295
SCP Qnm29	70.00%	7,014	4,910	70.00%	9,553	6,687
SCPs (241)		629,575	361,308		604,187	355,570
MRV MDI Nasbe Incorp. SPE Ltda.	100.00%	71,278	71,278	100.00%	68,170	68,170
Campo Di Roma Incorporacoes SPE Ltda.	99.00%	4,590	4,544	99.00%	6,742	6,675
MD MRV Polidoro SPE Ltda.	50.00%	24,818	12,409	50.00%	22,230	11,115
Caminho Baraunas SPE LTDA.	100.00%	5,991	5,991	100.00%	1,847	1,847
Campo Di Napoli SPE LTDA.	99.00%	7,043	6,973	99.00%	2,289	2,266
Jardim Di Stuttgart SPE LTDA.	100.00%	8,571	8,571	100.00%	3,843	3,840
MD Rn MRV Novas Nações SPE LTDA.	100.00%	10,762	10,762	100.00%	7,747	7,747
Mrv & Mrl Parana Incorporacoes SPE LTDA.	99.00%	13,456	13,321	99.00%	6,260	6,195
Mrv Lxxxv Incorporacoes SPE LTDA.	100.00%	20,615	20,615	100.00%	9,929	9,929
MRV MRL Baia Da Babilonga SPE Ltda.	100.00%	54,156	54,156	100.00%	57,271	57,302
MRV MD Vila Das Amoreiras SPE LTDA.	100.00%	17,037	17,037	100.00%	8,832	8,832
MRV MRL Plural 1 Inc SPE LTDA.	100.00%	8,058	8,058	100.00%	6,567	6,567
MRV MRL RJ SG4 SPE Ltda.	50.00%	13,506	6,753	50.00%	22,989	11,495
MRV PRIME LX Incorporações SPE LTDA.	99.00%	11,807	11,690	99.00%	11,389	11,275
MRV PRIME LXXXVIII Inc. SPE Ltda.	99.00%	12,047	11,927	99.00%	17,718	17,541
MRV MRL LVIII Incorp. SPE LTDA.	99.00%	8,057	7,977	99.00%	5,510	5,455
MRV MRL Lxxiii SPE LTDA.	99.00%	6,266	6,204	99.00%	5,776	5,718
Mrv Mrl Lxxxix Inc SPE LTDA.	99.00%	15,288	15,135	99.00%	8,456	8,371
MRV MRL RJ5 SPE LTDA.	65.00%	18,993	12,346	65.00%	27,645	17,969
Parque Serra Bonita Inc. SPE Ltda.	99.00%	23,323	23,090	99.00%	22,907	22,678
Porto Dos Vinhedos SPE Ltda.	99.00%	8,879	8,790	99.00%	9,101	9,010
Mrv Prime Lxiv Incorporacoes SPE LTDA.	99.00%	18,158	17,979	99.00%	6,240	6,176
Rec Pátio Maceió S.A. SPE Ltda.	100.00%	10,422	10,422	100.00%	12,800	12,810
MRV PRIME Lxxxii Ltda SPE LTDA.	99.00%	2,243	2,221	99.00%	2,248	2,226
MRV PRIME Proj. Mt U SPE LTDA.	50.00%	8,019	4,009	50.00%	4,088	2,044
Residencial Dos Lirios Incorporacoes SPE LTDA.	99.00%	13,056	12,926	99.00%	7,306	7,233
MRV PRIME Projeto MT D Incorp. SPE LTDA.	50.00%	5,817	2,909	50.00%	8,480	4,240
MRV PRIME Projeto MT M Incorp. SPE LTDA.	40.00%	9,292	3,717	40.00%	10,008	4,003
MRV PRIME Projeto MT N Inc. SPE LTDA.	40.00%	14,183	5,673	40.00%	17,333	6,933
MRV PRIME Projeto Mt P Inc. SPE LTDA.	40.00%	12,437	4,975	40.00%	4,272	1,709
MRV Prime XC Incorporacoes SPE LTDA.	99.00%	6,649	6,582	99.00%	2,497	2,472
Reserva Real SPE LTDA.	100.00%	26,339	26,339	100.00%	22,088	22,088
Roc 1 SPE LTDA.	65.00%	13,106	8,519	65.00%	5,238	3,405
MRV MRL IV Inc SPE LTDA.	99.00%	4,966	4,917	99.00%	1,135	1,123
MRV MRL XXI Inc SPE LTDA.	100.00%	(210)	(210)	99.00%	4,946	4,897
MRV PRIME Lxxxiv SPE LTDA.	99.00%	2,945	2,916	99.00%	7,228	7,156
SPes (453)		688,826	485,366		733,537	512,542
Capitalized interest		-	129,581		-	133,928
<b>Total subsidiaries</b>		<b>2,704,796</b>	<b>2,130,774</b>		<b>2,555,997</b>	<b>2,023,158</b>
<b>Total of subsidiaries, joint ventures and associates</b>		<b>2,917,437</b>	<b>2,295,332</b>		<b>2,660,034</b>	<b>2,131,731</b>
Investments - Individual			2,471,147			2,295,412
Net capital deficiency liability - Investments - Individual			(175,815)			(163,681)
<b>Total of subsidiaries, joint ventures and associates</b>			<b>2,295,332</b>			<b>2,131,731</b>

	Equity interest		Net income				Results from equity interest in investees			
			2 <sup>nd</sup> quarter		1 <sup>st</sup> half		2 <sup>nd</sup> quarter		1 <sup>st</sup> half	
	6/30/21	6/30/20	2021	2020	2021	2020	2021	2020	2021	2020
<b>Joint ventures and associates:</b>										
MRL Engenharia e Empreendimentos S.A.										
Custo	74.27%	51.03%	8,699	5,238	14,144	5,087	6,461	2,673	10,692	2,617
Mais valia			-	-	-	-	(7,748)	-	(7,748)	-
Total MRL [1]			8,699	5,238	14,144	5,087	(1,287)	2,673	2,944	2,617
Prime Incorporações e Construções S.A.	59.51%	59.51%	16,870	15,507	28,751	29,114	10,040	9,228	17,110	17,326
MRV MD PE Mar De Espanha SPE Ltda.	50.00%	50.00%	1,315	(5,266)	2,870	(6,206)	658	(2,633)	1,286	(3,295)
Pq Castelo De Gibraltar SPE LTDA.	65.00%	65.00%	(291)	4,661	5,740	9,006	(189)	3,030	3,731	5,854
MRV PRIME Seminario SPE LTDA.	50.00%	65.00%	5,179	131	7,926	81	2,588	86	4,077	53
SCPs (35)			(3,162)	(4,770)	(4,813)	(12,423)	(1,786)	(3,041)	(2,753)	(7,676)
SPEs (39)			(4,949)	2,942	(8,670)	4,817	(2,143)	(3,322)	(4,083)	(2,466)
Juros capitalizados			-	-	-	-	(227)	(374)	(948)	(596)
<b>Total Joint ventures and associates</b>			<b>23,661</b>	<b>18,443</b>	<b>45,948</b>	<b>29,476</b>	<b>7,654</b>	<b>5,647</b>	<b>21,364</b>	<b>11,817</b>
Elimination of indirect participations			-	-	-	-	(27,022)	(20,859)	(45,094)	(37,627)
<b>Total Joint ventures and associates</b>			<b>23,661</b>	<b>18,443</b>	<b>45,948</b>	<b>29,476</b>	<b>(19,368)</b>	<b>(15,212)</b>	<b>(23,730)</b>	<b>(25,810)</b>
<b>Subsidiaries:</b>										
MRV (US) Holdings Corporation [2]	100.00%	100.00%	60,887	(16,298)	56,429	(28,109)	60,887	(15,320)	56,429	(25,878)
MRV Construções Ltda.	95.00%	95.00%	1,114	292	510	284	1,059	278	485	270
Urba Desenvolvimento Urbano S.A. [3]	51.54%	51.44%	8,749	6,424	5,860	9,224	4,509	3,345	3,020	2,553
SCP MRV MRL Rio Decaminada 1	50.00%	50.00%	(251)	4,398	(665)	7,264	(125)	2,199	(332)	3,632
SCP MRV MRL Galpão Ccp 1	50.00%	50.00%	(1,885)	6,455	670	9,430	(943)	3,227	335	4,715
SCP MRV MRL Adão 3	50.00%	50.00%	(567)	7,384	(1,407)	13,118	(283)	3,692	(703)	6,559
SCP Area Varzea	80.00%	80.00%	(644)	2,919	(1,083)	3,899	(516)	2,335	(867)	3,119
SCP Porto Marabella	99.99%	99.99%	(1,292)	3,828	(839)	5,636	(1,292)	3,827	(839)	5,635
SCP Qnm29	70.00%	70.00%	208	3,811	832	5,451	147	2,668	583	3,816
SCP Abilio Tavora	50.00%	50.00%	4,653	732	6,216	731	2,326	367	3,108	366
SCP Colégio Amarela	50.00%	50.00%	9,945	969	19,067	2,079	4,973	485	9,534	1,040
SCP Parque Das Águas 1	50.00%	50.00%	6,705	149	7,900	129	3,352	75	3,950	65
SCP Protubo Emp 02	50.00%	50.00%	2,124	335	8,798	666	1,062	167	4,399	333
SCPs (241)			29,381	8,957	44,113	16,568	14,039	2,059	20,424	5,999
MRV MDI Nasbe Incorp. SPE Ltda.	100.00%	100.00%	22,907	12,349	54,828	34,421	22,907	12,349	54,828	34,421
Campo Di Roma Incorporacoes SPE LTDA.	99.00%	99.00%	(1,398)	(7,323)	(422)	4,344	(1,384)	(7,249)	(418)	4,301
MD MRV Polidoro SPE LTDA.	50.00%	50.00%	(1,688)	1,961	2,587	7,362	(843)	1,175	1,294	3,876
MRV MRL Baia Da Babitonga SPE LTDA.	100.00%	100.00%	2,778	7,981	12,944	19,559	2,778	7,903	12,944	19,364
MRV MRL RJ 5g4 SPE LTDA.	50.00%	50.00%	317	4,404	1,649	8,189	158	2,202	824	4,095
MRV MRL RJ5 SPE LTDA.	65.00%	65.00%	(743)	4,061	(859)	6,628	(484)	2,639	(559)	4,308
MRV MRL XXI Inc SPE LTDA.	100.00%	99.00%	(1,273)	2,013	(2,140)	3,269	(1,273)	1,993	(2,140)	3,237
MRV PRIME Lxxxii Ltda SPE LTDA.	99.00%	99.00%	14	2,846	(63)	5,338	15	2,818	(62)	5,285
MRV PRIME Lxxxviii Inc. SPE LTDA.	99.00%	99.00%	(1,161)	4,616	(2,541)	8,026	(1,149)	4,570	(2,516)	7,946
MRV PRIME Projeto MT D Incorp. SPE LTDA.	50.00%	50.00%	132	3,794	366	7,670	66	1,897	183	3,835
MRV PRIME Lxxxiv SPE LTDA.	99.00%	99.00%	(196)	3,682	(1,686)	4,543	(194)	3,646	(1,670)	4,498
MRV PRIME Projeto MT M Incorp. SPE LTDA.	40.00%	40.00%	335	5,673	590	9,956	134	2,269	236	3,982
MRV PRIME Projeto MT N Inc. SPE LTDA.	40.00%	40.00%	260	7,101	838	12,913	104	2,840	335	5,165
Parque Serra Bonita Inc. SPE Ltda.	99.00%	99.00%	716	3,168	3,048	5,833	708	3,137	3,017	5,775
Rec Pátio Maceió S.A. SPE LTDA.	100.00%	100.00%	(586)	2,389	1,827	5,831	(586)	2,235	1,827	5,455
Porto Dos Vinhedos SPE LTDA.	99.00%	99.00%	(136)	3,182	(222)	4,790	(135)	3,150	(220)	4,742
Caminho Baraunas SPE LTDA.	100.00%	100.00%	2,189	472	4,151	480	2,189	472	4,151	480
Campo Di Napoli SPE LTDA.	99.00%	99.00%	3,515	479	5,485	464	3,480	474	5,430	459
Jardim Di Stuttgart SPE LTDA.	100.00%	100.00%	2,719	547	4,766	613	2,719	545	4,766	610
MD Rn MRV Novas Nações SPE LTDA.	100.00%	100.00%	1,740	1,133	3,827	1,630	1,740	1,133	3,827	1,630
Mrv & Mrl Parana Incorporacoes SPE LTDA.	99.00%	99.00%	3,946	1,411	6,421	1,807	3,905	1,397	6,356	1,789
Mrv Lxxxv Incorporacoes SPE LTDA.	100.00%	100.00%	6,990	136	9,158	216	6,990	136	9,158	216
MRV MD Vila Das Amoreiras SPE LTDA.	100.00%	100.00%	2,284	679	8,410	1,448	2,284	679	8,410	1,448
MRV MRL IV Inc SPE LTDA.	99.00%	99.00%	2,444	(6)	3,832	(7)	2,419	(6)	3,793	(7)
MRV MRL LVIII Incorp. SPE LTDA.	99.00%	99.00%	2,571	293	6,794	669	2,545	290	6,726	662
MRV MRL Lxxiii SPE LTDA.	99.00%	99.00%	1,536	422	4,030	836	1,521	418	3,990	828
Mrv Mrl Lxxxix Inc SPE LTDA.	99.00%	99.00%	5,078	458	7,322	637	5,027	454	7,248	631
MRV MRL Plural 1 Inc SPE LTDA.	100.00%	100.00%	3,648	626	6,590	1,178	3,648	620	6,590	1,166
MRV Prime LX Incorporações SPE LTDA.	99.00%	99.00%	2,890	1,357	7,079	2,136	2,861	1,344	7,008	2,115
Mrv Prime Lxiv Incorporacoes SPE LTDA.	99.00%	99.00%	8,008	71	13,025	71	7,928	70	12,895	70
MRV PRIME Proj. Mt U SPE LTDA.	50.00%	50.00%	4,315	214	8,979	349	2,158	107	4,490	175
MRV PRIME Projeto Mt P Inc. SPE LTDA.	40.00%	40.00%	8,698	232	13,557	230	3,479	93	5,423	92
MRV Prime XC Incorporacoes SPE LTDA.	99.00%	99.00%	2,887	341	4,601	580	2,858	337	4,555	574
Reserva Real SPE LTDA.	100.00%	100.00%	2,705	243	4,378	342	2,705	243	4,378	342
Residencial Dos Lirios Incorporacoes SPE LTDA.	99.00%	99.00%	2,526	586	5,750	1,483	2,501	580	5,693	1,468
Roc 1 SPE LTDA.	65.00%	65.00%	3,582	189	7,905	396	2,328	122	5,138	257
SPEs (453)			24,123	(1,850)	22,700	16,171	15,466	(467)	12,954	8,307
Capitalized interest			-	-	-	-	(10,762)	(12,171)	(22,675)	(24,478)
<b>Total subsidiaries</b>			<b>237,799</b>	<b>100,285</b>	<b>375,905</b>	<b>226,771</b>	<b>180,006</b>	<b>53,848</b>	<b>277,733</b>	<b>131,343</b>
<b>Total of subsidiaries, joint ventures and associates</b>			<b>261,460</b>	<b>118,728</b>	<b>421,853</b>	<b>256,247</b>	<b>187,660</b>	<b>59,495</b>	<b>299,097</b>	<b>143,160</b>

[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 June 30, 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 June 30, 2021 the restricted amounts for distribution amounted to R\$31,915 (R\$8,053, as at December 31, 2020).

b) Changes in investments are as follows:

	Opening balance	Capital subscription (reduction and distribution of profits)	Results from equity interest in investees	Others	Closing balance
<b>Six-month period ended June 30, 2021:</b>					
<b>Joint ventures and associates:</b>					
MRL Engenharia e Empreendimentos S.A. (MRL)					
Cost	16,354	-	10,692	7,230	34,276
Fair Value	-	-	(7,748)	26,636	18,888
Goodwill	3,237	-	-	24,200	27,437
Total MRL [1]	19,591	-	2,944	58,066	80,601
PRIME Incorporações e Construções S.A.	(5,243)	-	17,110	17	11,884
MRV MD PE Mar De Espanha SPE Ltda.	(997)	4,004	1,286	-	4,293
SCPs (35)	4,931	2,676	(2,753)	-	4,854
SPEs (41)	85,625	(34,426)	3,725	4,284	59,208
Capitalized interest	4,666	-	(948)	-	3,718
<b>Total Joint ventures and associates</b>	<b>108,573</b>	<b>(27,746)</b>	<b>21,364</b>	<b>62,367</b>	<b>164,558</b>
Elimination of indirect ownership	(275,151)	-	(45,094)	(25,867)	(346,112)
<b>Total Joint ventures and associates</b>	<b>(166,578)</b>	<b>(27,746)</b>	<b>(23,730)</b>	<b>36,500</b>	<b>(181,554)</b>
Total Joint ventures and associated companies - Consolidated	121,002	27,412	(19,616)	62,367	191,165
Net capital deficiency liability - Investments - Consolidated	(287,580)	(55,158)	(4,114)	(25,867)	(372,719)
<b>Total Joint ventures and associates</b>	<b>(166,578)</b>	<b>(27,746)</b>	<b>(23,730)</b>	<b>36,500</b>	<b>(181,554)</b>
<b>Subsidiaries:</b>					
MRV (US) Holdings Corporation [2]	442,962	5,252	56,429	(20,147)	484,496
MRV Construções Ltda.	29,749	-	485	-	30,234
Urba Desenvolvimento Urbano S.A.	52,250	34,989	3,020	1,052	91,311
MRV MDI Nasbe Incorp. SPE Ltda.	68,170	(51,720)	54,828	-	71,278
SCPs (251)	463,215	(44,542)	39,592	-	458,265
SPEs (488)	832,884	(109,045)	146,054	(4,284)	865,609
Capitalized interest	133,928	-	(22,675)	18,328	129,581
<b>Total of subsidiaries</b>	<b>2,023,158</b>	<b>(165,066)</b>	<b>277,733</b>	<b>(5,051)</b>	<b>2,130,774</b>
<b>Total of subsidiaries, joint ventures and associates</b>	<b>2,131,731</b>	<b>(192,812)</b>	<b>299,097</b>	<b>57,316</b>	<b>2,295,332</b>
Total of subsidiaries, joint ventures and associated companies - Individual	2,295,412	(206,490)	324,909	57,316	2,471,147
Net capital deficiency liability - Investments - Individual	(163,681)	13,678	(25,812)	-	(175,815)
<b>Total of subsidiaries, joint ventures and associates</b>	<b>2,131,731</b>	<b>(192,812)</b>	<b>299,097</b>	<b>57,316</b>	<b>2,295,332</b>
<b>Six-month period ended June 30, 2020:</b>					
Total joint ventures - Consolidated	75,675	(30,376)	(37,675)	24	7,648
Net capital deficiency liability - Investments - Consolidated	(167,671)	(19,307)	11,865	-	(175,113)
<b>Total Joint ventures and associates</b>	<b>(91,996)</b>	<b>(49,683)</b>	<b>(25,810)</b>	<b>24</b>	<b>(167,465)</b>
Total Joint ventures and associated companies - Individual	1,875,695	(191,697)	152,991	441,336	2,278,325
Net capital deficiency liability - Investments - Individual	(149,270)	(92)	(9,831)	-	(159,193)
<b>Total of subsidiaries, joint ventures and associates</b>	<b>1,726,425</b>	<b>(191,789)</b>	<b>143,160</b>	<b>441,336</b>	<b>2,119,132</b>

[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:

	6/30/21						12/31/20					
	MRL	Prime	Mar de Espanha	Pq Castelo de Gilbraltar	Other SPEs (40)	Other SCPs (35)	MRL	Prime	Mar de Espanha	Pq Castelo de Gilbraltar	Other SPEs (40)	Other SCPs (35)
Current assets	42,423	113,250	12,164	13,003	65,153	11,302	32,147	85,957	41,643	22,727	100,765	9,724
Noncurrent assets	379,496	294,735	324	6,773	144,670	1,807	372,325	296,099	317	6,714	83,909	2,523
	421,919	407,985	12,488	19,776	209,823	13,109	404,472	382,056	41,960	29,441	184,674	12,247
Current liabilities	206,428	289,136	2,916	1,480	75,111	(796)	242,080	242,282	43,140	3,088	88,908	(308)
Noncurrent liabilities	169,341	98,880	986	535	21,982	6,460	130,345	148,585	814	2,608	43,332	5,939
Equity	46,150	19,969	8,586	17,761	112,730	7,445	32,047	(8,811)	(1,994)	23,745	52,434	6,616
	421,919	407,985	12,488	19,776	209,823	13,109	404,472	382,056	41,960	29,441	184,674	12,247

	1 <sup>st</sup> half of 2021						1 <sup>st</sup> half 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 (41)	Other SCPs (35)
Operating income	24	48	24,108	18,850	23,837	(312)	25	54	6,075	22,925	38,537	161
Cost of real estate sold and services	(1,748)	(675)	(17,869)	(11,692)	(18,865)	(1,844)	(1,924)	(1,543)	(5,821)	(12,276)	(26,246)	(5,580)
Operating income (expenses)	(7,265)	(5,941)	(2,221)	(1,054)	(6,846)	(3,089)	(7,865)	(7,693)	(1,340)	(1,169)	(7,817)	(7,185)
Results from equity interest in investees	31,024	39,866	-	-	-	-	20,241	45,765	-	-	-	-
Financial income (expenses)	(7,891)	(4,547)	(648)	-	1,591	434	(5,390)	(7,469)	(5,251)	(6)	1,458	223
Income tax and social contribution	-	-	(500)	(364)	(461)	(2)	-	-	131	(468)	(1,034)	(42)
Net income for the period	14,144	28,751	2,870	5,740	(744)	(4,813)	5,087	29,114	(6,206)	9,006	4,898	(12,423)
Total interest %	74.27	59.51	50.00	65.00	De 30 to 70	De 32 to 95	51.03	59.51	50.00	50.00	De 30 to 70	De 32 to 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 June 30, 2021 and 2020, are as follows:

	Consolidated			
	6/30/21		12/31/20	
Projects under Law 10931/04 (Earmarked Assets)	7,230,371	37.80%	6,880,130	38.09%
Silent partnerships (SCPs)	484,357	2.53%	497,912	2.76%
Special Purpose Entities (SPEs)	1,365,668	7.14%	1,079,638	5.98%
Other entities	881,272	4.61%	807,242	4.47%
Projects with segregation	9,961,668	52.08%	9,264,922	51.30%
Balances without segregation	9,164,388	47.92%	8,797,093	48.70%
Total Consolidated	19,126,056	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 properties 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 6/30/21	Net 12/31/20
Buildings	2.56%	586,900	(43,160)	<b>543,740</b>	3	902,897	888,626
Properties under construction		578,478	-	<b>578,478</b>	3	642,693	561,789
Landbank		188,098	-	<b>188,098</b>	3	199,666	160,952
Subtotal AHS Residential [1]		1,353,476	(43,160)	<b>1,310,316</b>		1,745,256	1,611,367
Properties under construction		6,573	-	<b>6,573</b>	3	6,573	165
Landbank [1]		10,861	-	<b>10,861</b>		10,861	13,353
Subtotal Subsidiaries		1,370,910	(43,160)	<b>1,327,750</b>		1,762,690	1,624,885
Properties under construction		141,414	-	<b>141,414</b>	3	228,360	82,163
Landbank [1]		173,171	-	<b>173,171</b>		173,171	90,912
Subtotal Individual		314,585	-	<b>314,585</b>		401,531	173,075
Buildings	2.56%	586,900	(43,160)	<b>543,740</b>		902,897	888,626
Properties under construction		726,465	-	<b>726,465</b>		877,626	644,117
Landbank		372,130	-	<b>372,130</b>		383,698	265,217
Total Consolidated		<u>1,685,495</u>	<u>(43,160)</u>	<u><b>1,642,335</b></u>		<u>2,164,221</u>	<u>1,797,960</u>

[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 asset, 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%, discount rates between 5.3% and 10.09% p.a. and capitalization rate from 4.3% to 7.71% 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 4.3% 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 six-month ended June 30, 2021 and 2020 were as follows:

	Consolidated		Individual	
	1 <sup>st</sup> half of		1 <sup>st</sup> half of	
	2021	2020	2021	2020
Opening balance	<b>1,797,960</b>	33,511	<b>173,075</b>	33,511
Acquisition effects (Note 30)	-	998,350	-	-
Additions	<b>601,278</b>	330,381	<b>46,547</b>	63,252
Transfer from inventories to investment property	<b>94,963</b>	-	<b>94,963</b>	-
Transfer to noncurrent assets held for sale	<b>(797,505)</b>	5,294	-	-
Capitalized interest	<b>11,479</b>	4,525	-	-
Write-off due to disposal of assets	<b>(16,152)</b>	(9,646)	-	-
Depreciation	<b>(7,753)</b>	-	-	-
Currency translation adjustments	<b>(41,935)</b>	301,977	-	-
Closing balance	<u><b>1,642,335</b></u>	<u><b>1,664,392</b></u>	<u><b>314,585</b></u>	<u><b>96,763</b></u>

## Noncurrent assets held for sale

In the six-month period ended June 30, 2021, the subsidiary AHS Residential transferred investment properties to “noncurrent assets held for sale”, as presented below. These assets are measured at their book values, since they are lower than their fair values, valued at R\$615,271. The depreciation of these assets was ceased. As mentioned in Note 1, on June 30, 2021, two assets were sold, and others are with sale expected to occur in the short term.

	Consolidated	
	1 <sup>st</sup> half of	
	2021	2020
Opening balance	-	-
Transfer from noncurrent assets held for sale	797,505	-
Write-off due to sale of assets (*)	(326,168)	-
Currency translation adjustments	(33,424)	-
Closing balance	437,913	-

(\*) Write-off due to sale of assets Lake Osborne and Mangonia Lake of subsidiary AHS, as detailed on Notes 1 and 23.

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 six-month period ended June 30, 2021 and 2020 are as follows:

Consolidated	Average annual depreciation rates	Opening balance	Acquisition effects (Note 30)	Addition	Write-off	Transfer	Currency translation adjustments	Closing balance
<b>Six-month period ended June 30, 2021:</b>								
<b>Cost:</b>								
Right-of-use		111,786	-	145	-	-	(106)	111,825
Buildings, facilities and leasehold improvements		53,871	-	2,059	(1,316)	170	(127)	54,657
Aircraft and vehicles in use		24,771	-	-	-	-	(42)	24,729
Machinery and equipment		485,176	-	46,403	(6,586)	3,608	(2,747)	525,854
Furniture and fixtures		4,206	-	711	(114)	(2)	(100)	4,701
IT equipment and installations		8,698	-	1,578	(311)	-	(88)	9,877
Sales booths, stores and model apartments		98,075	-	2,831	(1,414)	7,472	-	106,964
Works in progress		20,653	-	9,636	(59)	(11,248)	-	18,982
Total cost		807,236	-	63,363	(9,800)	-	(3,210)	857,589
<b>Accumulated depreciation:</b>								
Right-of-use	Sundry	23,354	-	6,909	-	-	(88)	30,175
Buildings, facilities and leasehold improvements	14.40%	25,427	-	3,279	(523)	-	(43)	28,140
Aircraft and vehicles in use	10.08%	6,389	-	936	-	-	(34)	7,291
Machinery and equipment	10.00%	112,359	-	21,104	(2,980)	1	(456)	130,028
Furniture and fixtures	10.00%	3,221	-	198	(57)	(1)	(36)	3,325
IT equipment and installations	20.00%	6,178	-	536	(302)	-	(60)	6,352
Sales booths, stores and model apartments	25.19%	65,915	-	7,656	(955)	-	-	72,616
Total accumulated depreciation		242,843	-	40,618	(4,817)	-	(717)	277,927
Total property and equipment, net		564,393	-	22,745	(4,983)	-	(2,493)	579,662
<b>Six-month period ended June 30, 2020:</b>								
Total property and equipment, net		485,757	16,343	41,046	(680)	(4,424)	5,799	543,841

Individual	Average annual depreciation	Opening balance	Addition	Write-off	Transfer	Closing balance
<b>Six-month period ended June 30, 2021:</b>						
<b>Cost:</b>						
Right-of-use		106,414	-	-	-	<b>106,414</b>
Buildings, facilities and leasehold improvements		41,280	1,029	(180)	48	<b>42,177</b>
Aircraft and vehicles in use		23,626	-	-	-	<b>23,626</b>
Machinery and equipment		441,287	28,907	(6,474)	3,585	<b>467,305</b>
Furniture and fixtures		2,839	-	(107)	(2)	<b>2,730</b>
IT equipment and installations		6,659	950	(311)	-	<b>7,298</b>
Sales booths, stores and model apartments		54,773	1,662	(874)	4,506	<b>60,067</b>
Works in progress		15,694	5,191	(5)	(8,117)	<b>12,763</b>
Total cost		<b>692,572</b>	<b>37,739</b>	<b>(7,951)</b>	<b>20</b>	<b>722,380</b>
<b>Accumulated depreciation:</b>						
Right-of-use	Sundry	21,862	6,215	-	-	<b>28,077</b>
Buildings, facilities and leasehold improvements	14.40%	21,750	2,398	(140)	(54)	<b>23,954</b>
Aircraft and vehicles in use	10.08%	5,640	850	-	-	<b>6,490</b>
Machinery and equipment	10.00%	104,698	18,030	(2,917)	38	<b>119,849</b>
Furniture and fixtures	10.00%	2,557	31	(50)	(1)	<b>2,537</b>
IT equipment and installations	20.00%	5,071	234	(302)	-	<b>5,003</b>
Sales booths, stores and model apartments	25.19%	36,836	4,048	(721)	31	<b>40,194</b>
Total accumulated depreciation		<b>198,414</b>	<b>31,806</b>	<b>(4,130)</b>	<b>14</b>	<b>226,104</b>
Total property and equipment, net		<b>494,158</b>	<b>5,933</b>	<b>(3,821)</b>	<b>6</b>	<b>496,276</b>
<b>Six-month period ended June 30, 2020:</b>						
Total property and equipment, net		<b>455,229</b>	<b>19,845</b>	<b>(139)</b>	<b>(95)</b>	<b>474,840</b>

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 June 30, 2021, the residual value of items pledged as collateral for liabilities amount R\$17,392 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 six-month period ended June 30, 2021 and 2020 are as follows:

Consolidated	Opening balance	Acquisition effects (Note 30)	Addition	Transfer	Currency translation adjustments	Closing balance
<b>Six-month period ended June 30, 2020:</b>						
<b>Cost:</b>						
Software development	186,835	-	2,257	54,253	(639)	<b>242,706</b>
Software license	56,144	-	-	-	-	<b>56,144</b>
Intangibles under development	56,040	-	20,951	(54,253)	-	<b>22,738</b>
Trademarks and patents	24,000	-	-	-	-	<b>24,000</b>
Total cost	<b>323,019</b>	<b>-</b>	<b>23,208</b>	<b>-</b>	<b>(639)</b>	<b>345,588</b>
<b>Accumulated amortization:</b>						
Software development	104,757	-	16,127	-	(189)	<b>120,695</b>
Software license	53,831	-	675	-	-	<b>54,506</b>
Total accumulated amortization	<b>158,588</b>	<b>-</b>	<b>16,802</b>	<b>-</b>	<b>(189)</b>	<b>175,201</b>
Total intangible assets	<b>164,431</b>	<b>-</b>	<b>6,406</b>	<b>-</b>	<b>(450)</b>	<b>170,387</b>
<b>Six-month period ended June 30, 2020:</b>						
Total intangible assets	<b>118,178</b>	<b>7,310</b>	<b>20,465</b>	<b>-</b>	<b>2,204</b>	<b>148,157</b>

Individual	Opening balance	Addition	Transfer	Closing balance
<b>Six-month period ended June 30, 2021:</b>				
<b>Cost:</b>				
Software development	169,161	1,155	54,253	<b>224,569</b>
Software license	56,140	-	-	<b>56,140</b>
Intangibles under development	55,305	20,714	(54,253)	<b>21,766</b>
Trademarks and patents	24,000	-	-	<b>24,000</b>
Total cost	<b>304,606</b>	<b>21,869</b>	-	<b>326,475</b>
<b>Accumulated amortization:</b>				
Software development	102,009	14,313	-	<b>116,322</b>
Software license	53,826	675	-	<b>54,501</b>
Total accumulated amortization	<b>155,835</b>	<b>14,988</b>	-	<b>170,823</b>
Total intangible assets	<b>148,771</b>	<b>6,881</b>	-	<b>155,652</b>
<b>Six-month period ended June 30, 2020:</b>				
Total intangible assets	<b>115,974</b>	<b>18,408</b>	-	<b>134,382</b>

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 June 30, 2021 and December 31, 2020, is as follows:

Type	Currency	Maturity of principal	Effective rate p.a.	6/30/21			12/31/20
				Current	Noncurrent	Total	Total
Individual:							
Debenture - 9 <sup>th</sup> Issue - 2 <sup>nd</sup> series	R\$	2/20 to 2/22	CDI + 2.57%	202,641	-	202,641	303,024
Debenture - 9 <sup>th</sup> Issue - 3 <sup>rd</sup> series (*)	R\$	2/22	IPCA + 8.52%	101,636	-	101,636	101,120
Debenture - 11 <sup>th</sup> Issue - 2 <sup>nd</sup> series	R\$	9/21 to 9/22	CDI + 1.56%	110,023	107,150	217,173	216,378
Debenture - 11 <sup>th</sup> Issue - 3 <sup>rd</sup> series (*)	R\$	9/23 and 9/24	IPCA + 6.47%	7,138	151,006	158,144	152,274
Debenture - 12 <sup>th</sup> Issue - 1 <sup>st</sup> series	R\$	7/23	CDI + 1.52%	5,770	298,700	304,470	303,617
Debenture - 12 <sup>th</sup> Issue - 2 <sup>nd</sup> series	R\$	7/24 and 7/25	CDI + 1.79%	1,065	51,300	52,365	52,220
Debenture - 12 <sup>th</sup> Issue - 3 <sup>rd</sup> series	R\$	7/23	CDI + 1.62%	2,161	109,130	111,291	110,980
Debenture - 12 <sup>th</sup> Issue - 4 <sup>th</sup> series	R\$	7/23	CDI + 1.62%	1,645	83,070	84,715	84,478
Debenture - 15 <sup>th</sup> Issue	R\$	11/22 to 11/25	CDI + 1.19%	1,390	300,000	301,390	300,875
Debenture - 16 <sup>th</sup> Issue	R\$	4/23 to 4/25	CDI + 1.69%	1,136	99,999	101,135	100,832
Debenture - 17 <sup>th</sup> Issue	R\$	4/21 to 4/23	CDI + 3.68%	22,736	22,223	44,959	50,443
Debenture - 18 <sup>th</sup> Issue	R\$	8/25	CDI + 2.54%	9,136	500,000	509,136	507,226
(-) Funding cost				(3,634)	(4,336)	(7,970)	(10,074)
Total debentures - Individual				462,843	1,718,242	2,181,085	2,273,393
CRI (13 <sup>th</sup> debentures issue)	R\$	9/23 to 9/24	CDI + 0.83%	556	300,000	300,556	300,269
CRI (14 <sup>th</sup> debentures issue)	R\$	5/24	100.4% CDI + 0.28%	1,209	360,000	361,209	360,621
CRI (19 <sup>th</sup> debentures issue) (*)	R\$	4/29 to 4/31	IPCA + 5.87%	9,777	392,237	402,014	-
Construction financing	R\$	12/21 to 12/25	TR + 8.30%	31,046	65,068	96,114	3,925
Construction financing	R\$	8/23 to 12/24	CDI + 2.08%	102	28,196	28,298	1,512
Leasing	R\$	9/19 to 5/23	CDI + 2.00% to 2.93%	6,007	1,196	7,203	9,996
Working Capital	R\$	4/21 and 4/22	CDI + 3.10%	101,132	-	101,132	201,731
Promissory note	R\$	5/21	CDI + 4.62%	-	-	-	99,950
(-) Funding cost				(4,446)	(16,621)	(21,067)	(11,762)
Total loans and financing - Individual				145,383	1,130,076	1,275,459	966,242
Total Individual				608,226	2,848,318	3,456,544	3,239,635
Subsidiaries:							
Debenture - 2 <sup>nd</sup> Issue - Urba	R\$	6/21 to 6/23	CDI + 1.73%	20,135	20,002	40,137	60,125
Debenture - 4 <sup>th</sup> Issue - Urba	R\$	4/23 to 4/25	CDI + 1.71%	454	39,999	40,453	40,332
(-) Funding cost				(219)	(287)	(506)	(614)
Total debentures - Subsidiaries				20,370	59,714	80,084	99,843
Project loans	US\$	2/22 to 4/24	Libor + 2.11% to 3.11%	208,232	54,844	263,076	572,526
Project loans	US\$	4/23	Prime + 4.25%	-	14,998	14,998	-
Project loans - Permanent loans	US\$	5/26 to 10/27	3.95% to 4.38%	4,492	231,982	236,474	315,409
Loan agreements (**)	US\$	12/22 to 2/26	3.80% to 5.94%	7,783	585,282	593,065	247,997
Credit line	US\$	7/21	Libor + 3.17%	50,022	-	50,022	100,795
CRI (3 <sup>rd</sup> debentures issue - Urba)	R\$	3/24	CDI + 1.10%	20	60,000	60,020	60,015
Construction financing (***)	R\$	4/16 to 3/23	TR + 13.53%	2,021	1,436	3,457	4,445
Construction financing	R\$	7/21 to 6/24	TR + 8.30%	12,357	34,022	46,379	5,089
Construction financing	R\$	11/23 to 11/24	CDI + 2.08%	220	73,585	73,805	12,070
(-) Funding cost				(1,450)	(4,422)	(5,872)	(6,293)
Total loans and financing - Subsidiaries				283,697	1,051,727	1,335,424	1,312,053
Total subsidiaries				304,067	1,111,441	1,415,508	1,411,896
Total Consolidated				912,293	3,959,759	4,872,052	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 June 30, 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.	6/30/21
				Total
Project loans	US\$	3/22 to 9/22	Libor + 2.15% to 2.25%	<b>308,841</b>
Total - Noncurrent assets held for sale				<b>308,841</b>

Changes in loans, financing and debentures classified as noncurrent assets held for sale are as follows:

	Consolidated	
	1 <sup>st</sup> half of	
	2021	2020
Opening balance	-	-
Transfer from loans, financing and debentures	<b>552,592</b>	-
Write off upon sale of asset (*)	<b>(220,178)</b>	-
Currency translation adjustments	<b>(23,573)</b>	-
Closing balance	<b>308,841</b>	-

(\*) Write-off due to sale of assets Lake Osborne and Mangonia Lake of subsidiary AHS, as detailed on Notes 1 and 23.

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 <sup>th</sup> Issue - 2 <sup>nd</sup> series	Single	49,727	3/17	Semiannual	Semiannual	2/20 to 2/22	CDI + 2.30%	CDI + 2.57%
Debenture - 9 <sup>th</sup> Issue - 3 <sup>rd</sup> series	Single	8,000	3/17	Bullet payment	Semiannual	2/22	IPCA + 8.25%	IPCA + 8.52%
Debenture - 11 <sup>th</sup> Issue - 2 <sup>nd</sup> series	Single	21,430	9/17	Annual	Semiannual	9/21 to 9/22	CDI + 1.50%	CDI + 1.56%
Debenture - 11 <sup>th</sup> Issue - 3 <sup>rd</sup> series	Single	12,120	9/17	Annual	Annual	9/23 to 9/24	IPCA + 6.45%	IPCA + 6.47%
Debenture - 12 <sup>th</sup> Issue - 1 <sup>st</sup> series	Single	29,870	8/18	Bullet payment	Semiannual	7/23	CDI + 1.40%	CDI + 1.52%
Debenture - 12 <sup>th</sup> Issue - 2 <sup>nd</sup> series	Single	5,130	8/18	Annual	Semiannual	7/24 and 7/25	CDI + 1.70%	CDI + 1.79%
Debenture - 12 <sup>th</sup> Issue - 3 <sup>rd</sup> series	Single	10,913	8/18	Bullet payment	Semiannual	7/23	CDI + 1.50%	CDI + 1.62%
Debenture - 12 <sup>th</sup> Issue - 4 <sup>th</sup> series	Single	8,307	8/18	Bullet payment	Semiannual	7/23	CDI + 1.50%	CDI + 1.62%
Debenture - 15 <sup>th</sup> Issue	Single	300,000	11/19	Annual	Semiannual	11/22 to 11/25	CDI + 1.06 %	CDI + 1.19%
Debenture - 16 <sup>th</sup> Issue	Single	100,000	4/20	Annual	Semiannual	4/23 to 4/25	CDI + 1.50 %	CDI + 1.69%
Debenture - 17 <sup>th</sup> Issue	Single	50,000	4/20	Quarterly	Quarterly	4/21 to 4/23	CDI + 3.00%	CDI + 3.68%
Debenture - 18 <sup>th</sup> Issue	Single	500,000	8/20	Bullet payment	Semiannual	8/25	CDI + 2.40%	CDI + 2.54%
Debenture - 2 <sup>nd</sup> Issue - Urba	Single	6,000	6/18	Annual	Semiannual	6/21 to 6/23	CDI + 1.22%	CDI + 1.73%
Debenture - 4 <sup>th</sup> Issue - Urba	Single	40,000	4/20	Annual	Semiannual	4/23 to 4/25	CDI + 1.50%	CDI + 1.71%
CRI (13 <sup>th</sup> debentures issue)	-	-	3/19	Semiannual	Quarterly	9/23 to 9/24	100% CDI	CDI + 0.83%
CRI (14 <sup>th</sup> debentures issue)	-	-	6/19	Bullet payment	Semiannual	04/23 to 04/25	100.4% CDI	100.4% CDI + 0.28%
CRI (19 <sup>th</sup> debentures issue)	-	-	4/21	Annual	Semiannual	4/29 to 4/31	IPCA + 5.43%	IPCA + 5.87%
CRI (3 <sup>rd</sup> 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	7/21 to 12/25	TR + 8.30%	TR + 8.30%
Construction financing	-	-	Sundry	Sundry	Sundry	8/23 to 12/24	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%
Project loans	-	-	Sundry	Bullet payment	Monthly	2/22 to 4/24	Libor + 2.00% to 3.00%	Libor + 2.11% to 3.11%
Project loans	-	-	4/21	Bullet payment	Monthly	4/23	Prime + 1.00%	Prime + 4.25%
Project loans - Permanent loans	-	-	Sundry	Monthly	Monthly	5/26 to 12/27	3.95% to 4.38%	3.95% to 4.38%
Loan agreement	-	-	Sundry	Sundry	Sundry	12/22 to 2/26	3.80% to 5.94%	3.80% to 5.94%
Credit line	-	-	5/21	Bullet payment	Monthly	7/21	Libor + 3.00%	Libor + 3.17%

The 13<sup>rd</sup> and 14<sup>th</sup> issue of debentures of the Company and 3<sup>rd</sup> 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 six-month period ended June 30, 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	12/21 to 12/25	TR + 8.30%	142,077
Construction financing	R\$	Sundry	Sundry	Sundry	11/23 to 11/24	TR + 2.08%	22,626
CRI (19 <sup>th</sup> debentures issue)	R\$	4/21	Annual	Semiannual	4/29 to 4/31	IPCA + 5.43%	400,000
Total - Individual							<b>564,703</b>
Construction financing	R\$	Sundry	Sundry	Sundry	9/23 to 11/24	TR + 8.30%	55,283
Construction financing	R\$	Sundry	Sundry	Sundry	12/23 to 11/24	CDI + 2.08%	99,820
Project loans	US\$	Sundry	Bullet payment	Monthly	2/22 to 4/24	Libor + 2.00% to 3.00%	175,874
Project loans	US\$	4/21	Bullet payment	Monthly	4/23	Prime + 1.00%	16,141
Loan agreements	US\$	2/21	Bullet payment	Semiannual	2/26	3.80% to 3.85%	376,880
Credit line	US\$	5/21	Bullet payment	Monthly	7/21	Libor + 3.00%	53,840
Total - Subsidiaries							<b>777,838</b>
Total - Consolidated							<b>1,342,541</b>

(\*) Gross of funding costs.

Changes in loans, financing and debentures are as follows:

	Consolidado		Individual	
	1º semestre de		1º semestre de	
	2021	2020	2021	2020
Saldo inicial	4,651,531	3,202,158	3,239,635	3,001,666
Efeito da operação de aquisição (nota 30)	-	626,126	-	-
Captações	1,342,541	1,537,798	564,703	759,494
Encargos financeiros provisionados	114,838	95,482	84,408	78,695
Ajuste ao valor justo	(15,566)	(7,251)	(15,566)	(7,251)
Custo na captação de recursos	(13,582)	(5,219)	(11,698)	(2,569)
Amortização do custo na captação de recursos	6,615	4,763	4,498	4,164
Pagamento de principal	(533,662)	(715,386)	(350,488)	(393,075)
Pagamento de encargos financeiros	(84,458)	(101,842)	(58,948)	(85,681)
Transferência para ativo não circulante mantido para venda	(552,592)	-	-	-
Ajuste de conversão de moeda	(43,613)	203,570	-	-
Saldo final	<b>4,872,052</b>	<b>4,840,199</b>	<b>3,456,544</b>	<b>3,355,443</b>

(b) Guarantees and surety

The types of guarantees for loans, financing and debentures as at June 30, 2021 are as follows:

	Consolidated							
	Debentures	Bank credit notes	Construction financing	Leasing	Working capital	Promissory note	Project loans	Loan agreements / credit line
Collateral / surety	-	-	-	7,203	-	-	484,208	643,087
Collateral / receivables	-	-	248,053	-	-	-	339,181	-
No guarantees	2,269,645	1,123,799	-	-	101,132	-	-	-
Total (*)	<b>2,269,645</b>	<b>1,123,799</b>	<b>248,053</b>	<b>7,203</b>	<b>101,132</b>	<b>-</b>	<b>823,389</b>	<b>643,087</b>

(\*) 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	75,446
	4/8/20	4/1/25	60,681
	9/27/18	9/27/21	114,575
	3/31/21	3/30/26	111,496
Prime Incorporações e Construções S.A.	9/27/18	9/27/21	103,000
	9/27/18	9/27/21	126,032
	6/26/19	6/26/24	150,061
Urba Desenvolvimento Urbano S.A.	3/18/16	3/6/23	3,457
	6/13/18	6/6/23	40,137
	3/28/19	3/27/24	60,020
	4/8/20	4/1/25	40,453
MRV US Holdings Corporation	2/21/20	2/21/25	235,720
	2/18/21	2/18/26	75,209
	3/3/21	2/18/26	175,278
	3/25/21	2/18/26	99,926
			<b>1,471,491</b>

(c) Aging

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

After the reporting period	Consolidated		Individual	
	6/30/21	12/31/20	6/30/21	12/31/20
12 months	912,293	687,520	608,226	554,243
13 to 24 months	374,340	965,330	274,061	501,127
25 to 36 months	1,439,952	970,036	1,270,721	782,366
37 to 48 months	592,664	847,390	317,392	768,474
After 48 months	1,552,803	1,181,255	986,144	633,425
Total	<b>4,872,052</b>	<b>4,651,531</b>	<b>3,456,544</b>	<b>3,239,635</b>

(d) Allocation of financial charges

	Consolidated			
	2021		2020	
	2 <sup>nd</sup> quarter	1 <sup>st</sup> half	2 <sup>nd</sup> quarter	1 <sup>st</sup> half
Gross financial charges	65,932	112,127	54,695	108,323
Capitalized financial charges on:				
Real estate under construction and landbank	(36,277)	(60,933)	(32,867)	(71,258)
Investment property (Note 9)	(6,648)	(11,479)	-	-
Amounts recognized in financial result (Note 24)	<b>23,007</b>	<b>39,715</b>	<b>21,828</b>	<b>37,065</b>
<u>Financial charges</u>				
Opening balance	506,927	510,941	545,047	552,246
Acquisition effects	1,950	1,111	-	-
Capitalized financial charges	42,925	72,412	32,867	71,258
Charges allocated to profit or loss:				
Cost of real estate sold and services provided (Note 23)	(36,670)	(70,468)	(46,463)	(91,831)
Depreciation	(28)	(57)	-	-
Results from equity interest in investees	(5,659)	(5,659)	-	-
Results from equity interest in investees	(227)	(948)	(374)	(596)
Closing balance	<b>509,218</b>	<b>507,332</b>	<b>531,077</b>	<b>531,077</b>
Capitalized financial charges related to:				
Real estate under construction and landbank (Note 7)	479,890	479,890	525,611	525,611
Equity interest in investees (Note 8)	3,718	3,718	5,466	5,466
Investment property	25,610	23,724	-	-
	<b>509,218</b>	<b>507,332</b>	<b>531,077</b>	<b>531,077</b>

	Individual			
	2021		2020	
	2 <sup>nd</sup> quarter	1 <sup>st</sup> half	2 <sup>nd</sup> quarter	1 <sup>st</sup> half
Gross financial charges	44,139	73,112	41,397	84,731
Capitalized financial charges on:				
Real estate under construction and landbank	(23,385)	(33,054)	(17,720)	(42,340)
Equity interest in investees	(7,529)	(18,328)	(9,315)	(18,943)
Amounts recognized in financial result (Note 24)	13,225	21,730	14,362	23,448
<b>Financial charges</b>				
Opening balance	469,104	479,190	528,932	534,156
Capitalized financial charges	30,914	51,382	27,035	61,283
Charges allocated to profit or loss:				
Cost of real estate sold and services provided (Note 23)	(21,126)	(39,046)	(27,442)	(54,385)
Results from equity interest in investees	(10,989)	(23,623)	(12,545)	(25,074)
Closing balance	467,903	467,903	515,980	515,980
Capitalized financial charges related to:				
Real estate under construction and landbank (Note 7)	334,604	334,604	354,951	354,951
Equity interest in investees (Note 8)	133,299	133,299	161,029	161,029
	467,903	467,903	515,980	515,980

During the six-month period ended June 30, 2021, total financial charges capitalized on loans, financing and debentures represented an average charge rate of 4.19% p.a. (5.18% 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	
	6/30/21	12/31/20	6/30/21	12/31/20
INCC	656,689	649,629	428,421	451,871
IGP-M	191,892	238,437	139,179	153,162
IPCA	179,435	133,065	51,153	81,435
Other indexes	70,840	40,535	60,402	30,032
Non-interest bearing	3,983,355	3,883,668	2,985,959	2,873,588
Present value discount	(106,711)	(131,223)	(72,059)	(94,540)
<b>Total</b>	<b>4,975,500</b>	<b>4,814,111</b>	<b>3,593,055</b>	<b>3,495,548</b>
Current	878,010	1,189,205	652,632	848,854
Noncurrent	4,097,490	3,624,906	2,940,423	2,646,694
	4,975,500	4,814,111	3,593,055	3,495,548

As at June 30, 2021, 'Land payables' include financial barter in the amount of R\$2,548,135 in Consolidated and R\$1,786,056 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 June 30, 2021, R\$2,094,481 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	
	6/30/21	12/31/20	6/30/21	12/31/20
12 months	<b>878,010</b>	1,189,205	<b>652,632</b>	848,854
13 to 24 months	<b>2,419,738</b>	2,202,816	<b>1,457,652</b>	1,325,988
25 to 36 months	<b>726,456</b>	540,680	<b>636,160</b>	483,903
37 to 48 months	<b>511,846</b>	259,602	<b>465,067</b>	240,132
After 48 months	<b>439,450</b>	621,808	<b>381,544</b>	596,671
Total	<b>4,975,500</b>	4,814,111	<b>3,593,055</b>	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	
	6/30/21	12/31/20	6/30/21	12/31/20
Proceeds in advance	<b>126,484</b>	113,305	<b>67,942</b>	71,940
Advances for barter	<b>449,041</b>	501,351	<b>269,207</b>	350,390
	<b>575,525</b>	614,656	<b>337,149</b>	422,330
Current	<b>226,130</b>	254,011	<b>139,844</b>	170,826
Noncurrent	<b>349,395</b>	360,645	<b>197,305</b>	251,504
	<b>575,525</b>	614,656	<b>337,149</b>	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 June 30, 2021, R\$188,143 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	
	6/30/21	12/31/20	6/30/21	12/31/20
12 months	<b>226,130</b>	254,011	<b>139,844</b>	170,826
13 to 24 months	<b>200,824</b>	202,988	<b>114,617</b>	138,057
After 24 months	<b>148,571</b>	157,657	<b>82,688</b>	113,447
Total	<b>575,525</b>	614,656	<b>337,149</b>	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	6/30/21	12/31/20
12 months	<b>662,053</b>	673,822
After 12 months	<b>10,076</b>	-
	<b>672,129</b>	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	
	6/30/21	12/31/20	6/30/21	12/31/20
Salaries and wages	36,669	28,687	14,234	13,153
Payroll benefits	20,159	17,545	9,828	10,206
Accrued vacation, 13 <sup>th</sup> salary and related benefits	114,419	70,309	58,622	39,815
Provision for employees and management profit sharing	13,029	23,230	12,413	22,500
Other	2,399	2,384	1,126	937
<b>Total</b>	<b>186,675</b>	<b>142,155</b>	<b>96,223</b>	<b>86,611</b>

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	
	6/30/21	12/31/20	6/30/21	12/31/20
Income tax and social contribution	13,562	14,333	6,752	8,087
Taxes on revenue (PIS and COFINS)	54,075	54,006	43,568	42,741
Withheld third parties taxes	12,528	12,363	8,714	7,807
Taxes withheld on interest on salaries	6,894	9,238	5,384	7,480
Other	322	537	(250)	(36)
<b>Total</b>	<b>87,381</b>	<b>90,477</b>	<b>64,168</b>	<b>66,079</b>

As at June 30, 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\$106,771 and R\$75,260 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:

	Consolidated		Individual	
	1 <sup>st</sup> half of		1 <sup>st</sup> half of	
	2021	2020	2021	2020
Opening balance	165,899	139,837	90,816	73,186
Additions	83,065	60,706	48,225	34,389
Write-off	(70,353)	(52,018)	(38,429)	(27,838)
Closing balance	178,611	148,525	100,612	79,737
Current	39,194	42,083	19,114	20,249
Noncurrent	139,417	106,442	81,498	59,488
	178,611	148,525	100,612	79,737

As at June 30, 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
<b>Consolidated:</b>						
Civil	53,979	52,268	(8,092)	(49,717)	4,453	52,891
Labor	48,053	16,796	(9,273)	(17,297)	3,774	42,053
Others	112	223	(5)	(197)	11	144
<b>Total - 1<sup>st</sup> half of 2021</b>	<b>102,144</b>	<b>69,287</b>	<b>(17,370)</b>	<b>(67,211)</b>	<b>8,238</b>	<b>95,088</b>
Total - 1 <sup>st</sup> half of 2020	101,572	69,273	(9,120)	(64,596)	8,743	105,872
<b>Individual:</b>						
Civil	30,567	30,149	(5,674)	(30,212)	2,443	27,273
Labor	41,048	14,817	(6,844)	(15,700)	3,232	36,553
Others	91	141	-	(154)	8	86
<b>Total - 1<sup>st</sup> half of 2021</b>	<b>71,706</b>	<b>45,107</b>	<b>(12,518)</b>	<b>(46,066)</b>	<b>5,683</b>	<b>63,912</b>
Total - 1 <sup>st</sup> half of 2020	72,053	42,696	(6,726)	(41,487)	6,152	72,688

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			
	6/30/21		12/31/20		6/30/21		12/31/20	
	Total lawsuits	Probable lawsuits	Total lawsuits	Probable lawsuits	Total lawsuits	Probable lawsuits	Total lawsuits	Probable lawsuits
Civil	20,246	3,166	21,462	3,790	11,208	1,788	11,838	2,258
Labor	2,643	610	2,620	664	1,727	419	1,723	444
Others	1,357	27	1,318	28	1,080	21	1,032	23
<b>Total</b>	<b>24,246</b>	<b>3,803</b>	<b>25,400</b>	<b>4,482</b>	<b>14,015</b>	<b>2,228</b>	<b>14,593</b>	<b>2,725</b>

As shown above the main lawsuits as at June 30, 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, and other natures proceedings assessed by the Group's legal advisors as possible losses, which have essentially the same nature as those described above, total R\$508,581 and R\$389,592 in Consolidated and Individual, respectively, as at June 30, 2021 (R\$512,569 and R\$392,606 as at December 31, 2020 in Consolidated and Individual, respectively). Said amount on June 30, 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	
		6/30/21	12/31/20	6/30/21	12/31/20	6/30/21	12/31/20	6/30/21	12/31/20
<b>Short-term investments and marketable securities</b>									
Other related parties									
Banco Inter S.A. (Inter)	[1]	144,432	115,754	-	-	144,432	115,754	-	-
<b>Dividends receivables</b>									
Subsidiaries									
Urba Desenvolvimento Urbano S.A.		-	-	-	-	-	1,407	-	-
Joint ventures									
MRL Engenharia e Empreendimentos S.A. (MRL)		-	2,982	-	-	-	2,982	-	-
<b>Intercompany receivables</b>									
Investees									
SPEs	[6]	33,965	31,578	-	-	868,806	796,145	-	-
Joint ventures									
Prime Incorporações e Construções S.A.	[7]	238	176	-	-	104	42	-	-
MRL Engenharia e Empreendimentos S.A.	[7]	1,196	9,535	-	-	695	9,035	-	-
Reserva Macaúba Loteamento Ltda.	[7]	-	1,246	-	-	-	-	-	-
Other related parties									
Partners in real estate development projects	[7]	20,975	17,588	-	-	20,975	17,588	-	-
<b>Other assets</b>									
Subsidiaries									
SCPs e SPEs	[8]	1,611	3,978	-	-	24,313	21,522	-	-
Joint ventures									
Prime Incorporação e Construções S.A.	[8]	1,277	3,602	-	-	1,038	3,434	-	-
MRL Engenharia e Empreendimentos S.A.	[8]	6,294	26,529	-	-	6,294	26,499	-	-
Other related parties									
Partners in real estate development projects	[8]	5,857	5,636	-	-	155	45	-	-
Controlling shareholder	[9]	27,470	30,145	-	-	27,470	30,145	-	-
<b>Suppliers</b>									
Subsidiaries									
MRV Construções Ltda. (MC)	[2]	-	-	-	-	-	-	72,849	43,687
Other related parties									
T Lott Advocacia	[10]	-	-	10	-	-	-	-	-
<b>Payables for investment acquisition</b>									
Other related parties									
LOG Commercial Properties e Participações S.A. (LOG)	[11]	-	-	17,127	19,445	-	-	-	-
<b>Intercompany payables (Other payables)</b>									
Investees									
SPEs	[12]	-	-	128	84	-	-	35,484	36,858
Joint ventures									
Prime Incorporações e Construções S.A.	[13]	-	-	40,872	37,042	-	-	-	-
MRL Engenharia e Empreendimentos S.A.	[13]	-	-	57,943	57,255	-	-	-	-
Other related parties									
Partners in real estate development projects	[13]	-	-	52,460	40,382	-	-	-	-
Costellis International Limited	[18]	-	-	27,646	27,646	-	-	27,646	27,646
<b>Lease liability (Other payables)</b>									
Other related parties									
Conedi Participações Ltda e MA Cabaleiro Participações Ltda	[14]	-	-	64,492	65,687	-	-	62,022	63,305
Lakeside office, LLC	[16]	-	-	390	868	-	-	-	-

	Consolidated							
	Income				Expense			
	2 <sup>nd</sup> quarter of		1 <sup>st</sup> half of		2 <sup>nd</sup> quarter of		1 <sup>st</sup> half of	
	2021	2020	2021	2020	2021	2020	2021	2020
<b>Net operating revenue</b>								
Receivables from services provided								
Subsidiaries								
MRV Construções Ltda.	[2]	1,269	353	2,114	892	-	-	-
<b>Financial income</b>								
Short-term investments and marketable securities								
Other related parties								
Banco Inter S.A.	[1]	2,017	1,403	2,340	264	-	-	-
Intercompany receivables								
Joint ventures								
Prime Incorporações e Construções S.A.	[7]	6	6	9	12	-	-	-
MRL Engenharia e Empreendimentos S.A.	[7]	12	17	176	33	-	-	-
Reserva Macaúba Loteamento Ltda.	[7]	73	105	165	291	-	-	-
Other related parties								
Partners in real estate development projects	[7]	405	202	712	434	-	-	-
<b>Other operating income (expenses), net</b>								
Joint ventures								
Prime Incorporações e Construções S.A.	[3]	751	232	1,351	419	-	-	-
MRL Engenharia e Empreendimentos S.A.	[3]	830	237	1,514	454	-	-	-
Other related parties								
LOG Commercial Properties e Participações S.A.	[3]	451	416	851	831	-	-	-
MRV Serviços de Engenharia Ltda.	[4]	22	18	40	42	-	-	-
Banco Inter S.A.	[5]	636	171	1,253	299	-	-	-
Controlling shareholder	[9]	313	370	640	753	-	-	-
Other		8	8	63	18	-	-	-
<b>Operating costs and expenses</b>								
General and administrative expenses								
Other related parties								
T Lott Advocacia	[10]	-	-	-	-	1,145	1,298	2,165
Conedi Participações Ltda. e MA Cabaleiro Participações Ltda.	[14]	-	-	-	-	1,994	1,352	3,865
Luxemburgo Incorporadora SPE Ltda.	[15]	-	-	-	-	28	6	46
Lakeside office, LLC	[16]	-	-	-	-	242	-	485
South Tamiami Airport Park, LLC	[17]	-	-	-	-	32	32	65

	Individual							
	Income				Expense			
	2 <sup>nd</sup> quarter of		1 <sup>st</sup> half of		2 <sup>nd</sup> quarter of		1 <sup>st</sup> half of	
	2021	2020	2021	2020	2021	2020	2021	2020
<b>Financial income</b>								
Short-term investments and marketable securities								
Other related parties								
Banco Inter S.A.	[1]	2,017	1,403	2,340	264	-	-	-
Intercompany receivables								
Joint ventures								
Prime Incorporações e Construções S.A.	[7]	6	6	9	12	-	-	-
MRL Engenharia e Empreendimentos S.A.	[7]	12	17	176	33	-	-	-
Other related parties								
Partners in real estate development projects	[7]	300	202	607	434	-	-	-
<b>Other operating income (expenses), net</b>								
Subsidiaries								
Urba Desenvolvimento Urbano S.A.	[3]	397	75	767	150	-	-	-
Joint ventures								
Prime Incorporações e Construções S.A.	[3]	751	232	1,351	419	-	-	-
MRL Engenharia e Empreendimentos S.A.	[3]	830	237	1,514	454	-	-	-
Other related parties								
LOG Commercial Properties e Participações S.A.	[3]	451	416	851	831	-	-	-
MRV Serviços de Engenharia Ltda.	[4]	22	18	40	42	-	-	-
Banco Inter S.A.	[5]	636	171	1,253	299	-	-	-
Controlling shareholder	[9]	313	370	640	753	-	-	-
Other		8	8	63	18	-	-	-
<b>Operating costs and expenses</b>								
Cost of real estate sales and services								
Subsidiaries								
MRV Construções Ltda.	[2]	-	-	-	-	100,275	69,798	182,133
General and administrative expenses								
Other related parties								
T Lott Advocacia	[10]	-	-	-	-	1,073	1,138	2,060
Conedi Participações Ltda. e MA Cabaleiro Participações Ltda.	[14]	-	-	-	-	1,925	1,300	3,731
Luxemburgo Incorporadora SPE Ltda.	[15]	-	-	-	-	28	6	46

[1] Refers to short-term investments with Banco Inter S.A. and/or subsidiaries ("Inter"), which is controlled by controlling shareholder of the Company. For the six-month period ended on June 30, 2021, short-term investments yielded 150.97% 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, in the three and six-month period ended on June 30, 2021 which amount to R\$181,206 and R\$327,338, respectively, 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 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 June 30, 2021, R\$21,266 in Consolidated and R\$20,586 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 June 30, 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 is being built. As of June 30, 2021, the balance receivable includes adjustment to present value of R\$2,920 (R\$3,560 at December 31, 2020) and the revenue recognized refers to its realization.
- [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 the subsidiary Urba Desenvolvimento Urbano S.A. 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 1<sup>st</sup>, 2019, due to CPC 06 (R2) adoption, the contracts recognition is made as lease and no more as rental. As at June 30, 2021 provides for monthly total payment of R\$660 (gross of taxes) (R\$619 at December 31, 2020).
- 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 June 30, 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 and six-month period ended June 30, 2021, was R\$19 and R\$38, respectively (R\$23 and R\$43 for the same periods of 2020).
- [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 June 30, 2021, it establishes a total monthly payment of US\$15.

- [17] Refers to a warehouse lease agreement of subsidiary AHS Residential. This entity has as partner the Company's controlling shareholder. On June 30, 2021, it establishes a total monthly payment of US\$2.
- [18] Contingent consideration resulting from the acquisition of the subsidiary AHS Residential, 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			
	2021		2020	
	2 <sup>nd</sup> quarter	1 <sup>st</sup> half	2 <sup>nd</sup> quarter	1 <sup>st</sup> half
Short-term benefits granted to management:				
Management compensation (*)	9,451	18,769	9,214	15,364
Profit sharing	2,637	5,273	300	3,372
Non-monetary benefits	159	297	131	261
Long-term benefits granted to management:				
Retirement private plan	187	383	179	323
Stock option plan	3,289	5,326	951	1,890
	<b>15,723</b>	<b>30,048</b>	<b>10,775</b>	<b>21,210</b>

	Individual			
	2021		2020	
	2 <sup>nd</sup> quarter	1 <sup>st</sup> half	2 <sup>nd</sup> quarter	1 <sup>st</sup> half
Short-term benefits granted to management:				
Management compensation (*)	5,192	10,270	5,637	9,661
Profit sharing	2,483	4,966	231	3,239
Non-monetary benefits	132	248	120	235
Long-term benefits granted to management:				
Retirement private plan	170	348	165	301
Stock option plan	3,124	4,997	951	1,891
	<b>11,101</b>	<b>20,829</b>	<b>7,104</b>	<b>15,327</b>

(\*) 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 June 30, 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			
	6/30/21		12/31/20	
	Ordinary	%	Ordinary	%
Rubens Menin Teixeira de Souza (Controlling shareholder)	182,363	37.8	182,334	37.8
Officers	5,457	1.1	6,009	1.2
Fiscal council and executive committees	246	0.1	196	-
Treasury shares	1	-	1	-
Other shareholders	294,808	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 six-month period ended June 30, 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
<b>Six-month period ended June 30, 2021:</b>	(thousand)	R\$	R\$'000	R\$'000	(thousand)
1/7/21 Capital increase	921	-	5,747	4,615,171	482,875
<b>Six-month period ended June 30, 2020:</b>					
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 six-month period ended June 30, 2020, 317 thousand shares were transferred to beneficiaries of the Company's stock option plan. There were no changes of treasury shares in the six-month period ended June 30, 2021, as shown below:

Type	Number (thousand)				Market value (*)
	Opening balance	Acquired	Transferred	Closing balance	
<b>1<sup>st</sup> half of 2021:</b>					
Common shares	1	-	-	1	16
<b>1<sup>st</sup> half of 2020:</b>					
Common shares	318	-	(317)	1	18

(\*) Market value of shares remaining in treasury as at June 30, 2021 and 2020.

During the six-month period ended June 30, 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. The fair value of the option estimated based on Black & Scholes stock option pricing model was R\$14.93.

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 six-month period ended June 30, 2021 and 2020 and supplemental information is as follows:

Program	Number of participants	Changes in 1 <sup>st</sup> half 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	-	(12)	-	1,278
10	75	1,666	-	(11)	-	1,655
11	79	2,282	-	(13)	-	2,269
12	71	2,208	-	-	-	2,208
13	7	-	3,200	-	-	3,200
		9,196	3,200	(36)	-	12,360
Weighted average price of options		13.23	19.44	14.96	-	14.83

Program	Number of participants	Changes in 1 <sup>st</sup> half of 2020 (thousand shares)				
		Opening balance	Granted	Expired / forfeited	Exercised	Closing balance
6	11	492	-	-	-	492
7	18	639	-	-	-	639
8	60	1,325	-	(33)	-	1,292
9	72	1,411	-	(37)	-	1,374
10	80	1,790	-	(23)	-	1,767
11	83	2,338	-	(20)	-	2,318
12	72	-	2,226	-	-	2,226
		7,995	2,226	(113)	-	10,108
Weighted average price of options		13.07	12.73	13.59	-	12.99

Program	Other information				
	Number of vested shares (thousand)	Stock option cost for the period	Unrecognized stock option cost	Remaining stock option cost period (in years)	Remaining contractual life (in years)
6	351	-	-	-	0.5
7	551	-	-	-	1.5
8	848	-	-	-	2.5
9	195	629	629	0.5	3.5
10	207	784	2,236	1.5	4.5
11	195	1,073	4,820	2.5	5.5
12	98	1,733	10,042	3.6	6.6
13	-	3,075	39,929	9.6	12.6
1 - Urba	150	420	2,383	3.6	6.6
2021	2,595	7,714	60,039	7.4	6.7
2020	1,767	3,298	29,656	3.8	5.4

Stock options costs arising from joint ventures and recognized by the Company totaled R\$203 for the six-month period ended June 30, 2021 (R\$47 for the same period of 2020).

For the six-month ended June 30, 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 June 30, 2021, had all options currently granted been exercised, the Company would have issued 12,360 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\$78,395 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 <sup>st</sup> half of	
	2021	2020
Opening balance	361,254	267,019
Acquisition effects (Note 30)	-	41,517
Capital transactions	7,242	12,416
Net distributions to noncontrolling interests	(28,919)	(13,249)
Currency translation adjustments	(3,051)	13,707
Changes in indirect ownership	(20,187)	-
Prior period adjustments in subsidiary	(417)	-
Reflection of the cash flow hedge reserve in a subsidiary	-	(1,106)
Interest in net income for the period	32,316	43,300
Closing balance	348,238	363,604

In the six-month period ended June 30, 2021, changes in the Company's equity interests in subsidiaries generated an increase in noncontrolling interests of R\$7,242 and an increase in Company owners of R\$618 (an increase in noncontrolling interests of R\$12,416 and a net loss of R\$8,415 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			
	2021		2020	
	2 <sup>nd</sup> quarter	1 <sup>st</sup> half	2 <sup>nd</sup> quarter	1 <sup>st</sup> half
Basic earnings per share:				
Net income for the period	203,014	339,686	109,113	213,518
Weighted average number of outstanding common shares (thousand)	483,191	483,143	481,953	475,743
Basic earnings per share - in R\$	0.42015	0.70308	0.22640	0.44881
Diluted earnings per share:				
Net income for the period	203,014	339,686	109,113	213,518
Weighted average number of outstanding common shares (thousand)	483,191	483,143	481,953	475,743
Dilutive effect of stock options (thousands of shares)	2,249	2,420	1,488	2,334
Total shares after dilutive effect (thousand)	485,440	485,563	483,441	478,077
Diluted earnings per share - in R\$	0.41821	0.69957	0.22570	0.44662

(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 June 30, 2021 and December 31, 2020 and results for the six-month period ended June 30, 2021 and 2020, split in its operating segments, are as follows:

	6/30/21					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		
<b>Assets</b>										
Cash, cash equivalents and marketable securities	2,374,158	289,012	5,702	59,568	2,728,440	2,506,560	152,263	12,850	22,960	2,694,633
Trade accounts receivable	3,603,207	1,861	-	196,589	3,801,657	3,310,137	2,973	-	171,806	3,484,916
Inventories	8,599,535	-	2,139	266,909	8,868,583	8,322,724	-	2,244	276,891	8,601,859
Investment properties	-	1,310,316	332,019	-	1,642,335	-	1,611,367	186,593	-	1,797,960
Investment properties - Noncurrent assets held for sale	-	437,913	-	-	437,913	-	-	-	-	-
Other assets	1,420,496	148,215	7,627	70,790	1,647,128	1,345,334	80,517	5,787	51,009	1,482,647
<b>Total assets</b>	<b>15,997,396</b>	<b>2,187,317</b>	<b>347,487</b>	<b>593,856</b>	<b>19,126,056</b>	<b>15,484,755</b>	<b>1,847,120</b>	<b>207,474</b>	<b>522,666</b>	<b>18,062,015</b>
<b>Liabilities and equity</b>										
Loans, financing and debentures	3,543,419	1,153,268	33,309	142,056	4,872,052	3,256,791	1,232,215	-	162,525	4,651,531
Loans, financing and debentures - Noncurrent assets held for sale	-	308,841	-	-	308,841	-	-	-	-	-
Land payables	4,784,870	-	5,931	184,699	4,975,500	4,586,570	-	7,268	220,273	4,814,111
Advances from customers	564,826	-	2,706	7,993	575,525	611,075	-	2,706	875	614,656
Other payables	2,005,001	165,849	19,107	55,777	2,245,734	1,795,499	108,767	9,064	33,802	1,947,132
<b>Total liabilities</b>	<b>10,898,116</b>	<b>1,627,958</b>	<b>61,053</b>	<b>390,525</b>	<b>12,977,652</b>	<b>10,249,935</b>	<b>1,340,982</b>	<b>19,038</b>	<b>417,475</b>	<b>12,027,430</b>
<b>Operating segment net assets</b>	<b>5,099,280</b>	<b>559,359</b>	<b>286,434</b>	<b>203,331</b>	<b>6,148,404</b>	<b>5,234,820</b>	<b>506,138</b>	<b>188,436</b>	<b>105,191</b>	<b>6,034,585</b>
<b>Total liabilities and equity</b>	<b>15,997,396</b>	<b>2,187,317</b>	<b>347,487</b>	<b>593,856</b>	<b>19,126,056</b>	<b>15,484,755</b>	<b>1,847,120</b>	<b>207,474</b>	<b>522,666</b>	<b>18,062,015</b>

	1 <sup>st</sup> half of 2021					1 <sup>st</sup> half 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	3,319,290	31,887	420	62,838	3,414,435	3,086,589	26,289	-	51,521	3,164,399
Cost of real estate sold and services	(2,441,983)	(24,252)	(227)	(41,332)	(2,507,794)	(2,220,679)	(22,698)	-	(29,321)	(2,272,698)
<b>Gross profit</b>	<b>877,307</b>	<b>7,635</b>	<b>193</b>	<b>21,506</b>	<b>906,641</b>	<b>865,910</b>	<b>3,591</b>	<b>-</b>	<b>22,200</b>	<b>891,701</b>
Operating income (expenses):										
Selling, general and administrative expenses	(489,649)	(31,845)	(2,134)	(17,287)	(540,915)	(483,554)	(20,853)	(194)	(9,574)	(514,175)
Other operating income (expenses), net	(58,178)	88,175	(607)	(528)	28,862	(59,828)	(154)	(1,942)	(199)	(62,123)
Results from equity interest in investees	(26,133)	-	-	2,403	(23,730)	(26,866)	-	-	1,056	(25,810)
<b>Income before financial income</b>	<b>303,347</b>	<b>63,965</b>	<b>(2,548)</b>	<b>6,094</b>	<b>370,858</b>	<b>295,662</b>	<b>(17,416)</b>	<b>(2,136)</b>	<b>13,483</b>	<b>289,593</b>
Financial result	68,357	(3,188)	(31)	1,751	66,889	44,486	(10,692)	51	441	34,286
<b>Income before taxes</b>	<b>371,704</b>	<b>60,777</b>	<b>(2,579)</b>	<b>7,845</b>	<b>437,747</b>	<b>340,148</b>	<b>(28,108)</b>	<b>(2,085)</b>	<b>13,924</b>	<b>323,879</b>
Income tax and social contribution	(63,707)	-	(2)	(2,036)	(65,745)	(65,212)	-	-	(1,849)	(67,061)
<b>Net income for the period</b>	<b>307,997</b>	<b>60,777</b>	<b>(2,581)</b>	<b>5,809</b>	<b>372,002</b>	<b>274,936</b>	<b>(28,108)</b>	<b>(2,085)</b>	<b>12,075</b>	<b>256,818</b>

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 and six-month period ended June 30, 2021 and 2020:

	Consolidated			
	2021		2020	
	2 <sup>nd</sup> quarter	1 <sup>st</sup> half	2 <sup>nd</sup> quarter	1 <sup>st</sup> half
Gross operating revenue				
Real estate development	1,996,059	3,808,861	1,862,877	3,532,511
Bartered real estate units	2,347	8,246	7,748	14,932
Rental revenue	12,822	31,887	16,847	26,289
Cancellations	(139,773)	(311,180)	(163,272)	(276,578)
Allowance for credit risk	(22,730)	(56,797)	(32,410)	(64,158)
Revenue from construction services	1,269	2,114	353	892
	<b>1,849,994</b>	<b>3,483,131</b>	<b>1,692,143</b>	<b>3,233,888</b>
Taxes on sales	(33,495)	(68,696)	(36,212)	(69,489)
<b>Net operating revenue</b>	<b>1,816,499</b>	<b>3,414,435</b>	<b>1,655,931</b>	<b>3,164,399</b>

	Individual			
	2021		2020	
	2 <sup>nd</sup> quarter	1 <sup>st</sup> half	2 <sup>nd</sup> quarter	1 <sup>st</sup> half
Gross operating revenue				
Real estate development	1,076,059	2,086,310	1,043,560	1,950,469
Bartered real estate units	1,976	(114)	3,547	5,340
Cancellations	(68,513)	(159,503)	(78,571)	(137,830)
Allowance for credit risk	(11,474)	(28,050)	(12,827)	(33,692)
	998,048	1,898,643	955,709	1,784,287
Taxes on sales	(17,149)	(36,648)	(19,870)	(37,149)
Net operating revenue	980,899	1,861,995	935,839	1,747,138

Amounts related to units under construction recognized in consolidated. In the three and six-month period ended June 30, 2021 and 2020 are as follows:

	Consolidated			
	2021		2020	
	2 <sup>nd</sup> quarter	1 <sup>st</sup> half	2 <sup>nd</sup> quarter	1 <sup>st</sup> half
Net revenue from units under construction	1,663,680	3,079,226	1,475,855	2,773,698
Costs of real estate sold under construction	(1,204,658)	(2,208,584)	(1,043,716)	(1,982,497)
Gross profit recognized	459,022	870,642	432,139	791,201

The amounts of received advances regarding contracts in progress as at June 30, 2021 and 2020 are R\$152,604 and R\$109,004, respectively.

## 23. Costs and expenses

	Consolidated			
	2021		2020	
	2 <sup>nd</sup> quarter	1 <sup>st</sup> half	2 <sup>nd</sup> quarter	1 <sup>st</sup> half
Cost of real estate sold and services:				
Financial charges (Note 12 (d))	(36,670)	(70,468)	(46,463)	(91,831)
Cost of rental operations	(7,978)	(24,252)	(14,637)	(22,698)
Land, construction and maintenance costs	(1,309,991)	(2,413,074)	(1,127,929)	(2,158,169)
Total cost of real estate sold and services	(1,354,639)	(2,507,794)	(1,189,029)	(2,272,698)
Selling, general and administrative expenses:				
Salaries, charges and benefits	(100,259)	(190,861)	(90,369)	(170,743)
Management compensation	(9,451)	(18,769)	(9,214)	(15,364)
Management and employees profit sharing	(6,127)	(13,427)	(6,056)	(15,128)
Stock option plan	(4,626)	(7,714)	(1,649)	(3,298)
Commissions and brokers' fees	(42,794)	(79,522)	(36,081)	(73,048)
Outside services	(28,623)	(59,822)	(23,625)	(47,645)
Marketing and advertising	(29,116)	(62,539)	(33,862)	(68,051)
Utilities	(2,703)	(5,798)	(2,614)	(6,005)
Depreciation and amortization	(15,233)	(30,577)	(12,260)	(23,993)
Training	(941)	(1,576)	(335)	(1,239)
Other	(32,432)	(70,310)	(49,522)	(89,661)
Total selling, general and administrative expenses	(272,305)	(540,915)	(265,587)	(514,175)
Classified as:				
Selling expenses	(153,586)	(305,741)	(161,126)	(309,832)
General and administrative expenses	(118,719)	(235,174)	(104,461)	(204,343)
	(272,305)	(540,915)	(265,587)	(514,175)

	Individual			
	2021		2020	
	2 <sup>nd</sup> quarter	1 <sup>st</sup> half	2 <sup>nd</sup> quarter	1 <sup>st</sup> half
Cost of real estate sold and services:				
Financial charges (Note 12 (d))	(21,126)	(39,046)	(27,442)	(54,385)
Land, construction and maintenance costs	(729,752)	(1,352,117)	(632,835)	(1,190,038)
Total cost of real estate sold and services	<u>(750,878)</u>	<u>(1,391,163)</u>	<u>(660,277)</u>	<u>(1,244,423)</u>
Selling, general and administrative expenses:				
Salaries, charges and benefits	(66,986)	(129,544)	(65,687)	(125,847)
Management compensation	(5,192)	(10,270)	(5,637)	(9,661)
Management and employees profit sharing	(5,432)	(11,706)	(4,511)	(12,332)
Stock option plan	(4,416)	(7,294)	(1,649)	(3,298)
Commissions and brokers' fees	(22,241)	(42,360)	(19,608)	(38,707)
Outside services	(24,982)	(52,590)	(19,725)	(39,443)
Marketing and advertising	(19,312)	(41,177)	(21,349)	(44,753)
Utilities	(2,140)	(4,555)	(2,044)	(4,789)
Depreciation and amortization	(12,890)	(25,848)	(10,171)	(20,011)
Training	(280)	(441)	(275)	(827)
Other	(32,180)	(61,480)	(37,785)	(69,932)
Total selling, general and administrative expenses	<u>(196,051)</u>	<u>(387,265)</u>	<u>(188,441)</u>	<u>(369,600)</u>
Classified as:				
Selling expenses	(100,198)	(199,960)	(102,655)	(197,036)
General and administrative expenses	(95,853)	(187,305)	(85,786)	(172,564)
	<u>(196,051)</u>	<u>(387,265)</u>	<u>(188,441)</u>	<u>(369,600)</u>

	Consolidated			
	2021		2020	
	2 <sup>nd</sup> quarter	1 <sup>st</sup> half	2 <sup>nd</sup> quarter	1 <sup>st</sup> half
Other operating income (expenses), net				
Provision for civil, labor and tax risks	(10,633)	(26,084)	(11,195)	(21,454)
Results on the sale of property and equipment	(1,470)	(80)	(122)	(297)
Donatives - Instituto MRV	(1,876)	(4,700)	(1,504)	(3,287)
Other:				
Income (*)	88,130	96,615	2,316	3,480
Expenses	(18,226)	(36,889)	(19,753)	(40,565)
Total other operating income (expenses), net	<u>55,925</u>	<u>28,862</u>	<u>(30,258)</u>	<u>(62,123)</u>

(\*) In 2021, the Consolidated includes gain from the sale of assets Lake Osborne and Mangonia Lake by subsidiary AHS, in the amount of R\$89 million (Note 1).

	Individual			
	2021		2020	
	2 <sup>nd</sup> quarter	1 <sup>st</sup> half	2 <sup>nd</sup> quarter	1 <sup>st</sup> half
Other operating income (expenses), net				
Provision for civil, labor and tax risks	(6,605)	(17,586)	(7,356)	(13,478)
Results on the sale of property and equipment	(1,267)	(49)	(150)	(156)
Donatives - Instituto MRV	(1,876)	(4,700)	(1,504)	(3,287)
Other:				
Income	4,426	7,235	2,016	3,062
Expenses	(15,782)	(25,035)	(18,249)	(34,435)
Total other operating income (expenses), net	<u>(21,104)</u>	<u>(40,135)</u>	<u>(25,243)</u>	<u>(48,294)</u>

## 24. Financial expenses and income

	Consolidated			
	2021		2020	
	2 <sup>nd</sup> quarter	1 <sup>st</sup> half	2 <sup>nd</sup> quarter	1 <sup>st</sup> half
Financial expenses:				
Interest on loans, financing and debentures (Note 12 (d))	(23,007)	(39,715)	(21,828)	(37,065)
Fees and taxes	(3,564)	(6,793)	(2,542)	(5,121)
Other financial expenses	(4,771)	(10,255)	621	2,363
	<b>(31,342)</b>	<b>(56,763)</b>	<b>(23,749)</b>	<b>(39,823)</b>
Financial income:				
Short-term investments	19,116	28,875	11,483	18,042
Swap gain in subsidiary	(4,327)	7,831	-	-
Interest on intercompany loans (Note 19, item 7)	496	1,062	330	770
Other financial income	12,508	17,737	5,888	12,667
	<b>27,793</b>	<b>55,505</b>	<b>17,701</b>	<b>31,479</b>
Income from real estate development receivables	35,020	68,147	15,945	42,630
	<b>62,813</b>	<b>123,652</b>	<b>33,646</b>	<b>74,109</b>
Financial result	<b>31,471</b>	<b>66,889</b>	<b>9,897</b>	<b>34,286</b>

	Individual			
	2021		2020	
	2 <sup>nd</sup> quarter	1 <sup>st</sup> half	2 <sup>nd</sup> quarter	1 <sup>st</sup> half
Financial expenses:				
Interest on loans, financing and debentures (Note 12 (d))	(13,225)	(21,730)	(14,362)	(23,448)
Fees and taxes	(1,901)	(3,700)	(1,446)	(2,820)
Other financial expenses	(7,504)	(12,212)	1,049	3,562
	<b>(22,630)</b>	<b>(37,642)</b>	<b>(14,759)</b>	<b>(22,706)</b>
Financial income:				
Short-term investments	17,496	26,431	9,867	15,163
Interest on intercompany loans (Note 19, item 7)	318	792	225	479
Other financial income	5,927	8,544	4,206	8,849
	<b>23,741</b>	<b>35,767</b>	<b>14,298</b>	<b>24,491</b>
Income from real estate development receivables	17,789	34,064	7,345	19,852
	<b>41,530</b>	<b>69,831</b>	<b>21,643</b>	<b>44,343</b>
Financial result	<b>18,900</b>	<b>32,189</b>	<b>6,884</b>	<b>21,637</b>

## 25. Financial instruments and risk management

### (a) Capital risk management

As at June 30, 2021 and December 31, 2020, the consolidated debt-to-equity ratio is as follows:

	Consolidated		Individual	
	6/30/21	12/31/20	6/30/21	12/31/20
Loans, financing and debentures	5,180,893	4,651,531	3,456,544	3,239,635
Cash, cash equivalents and marketable securities	(2,728,440)	(2,694,633)	(1,724,668)	(1,864,589)
Net debt	2,452,453	1,956,898	1,731,876	1,375,046
Equity	6,148,404	6,034,585	5,800,166	5,673,331
Net debt-to-equity ratio	39.9%	32.4%	29.9%	24.2%

(b) Financial instruments categories and fair value

Consolidated	Note	6/30/21		12/31/20	
		Book value	Fair value	Book value	Fair value
<b>Financial assets:</b>					
<b>Amortized cost</b>		<b>4,979,857</b>	<b>4,979,857</b>	4,599,842	4,599,842
Receivables from real estate development	6	3,799,051	3,799,051	3,481,470	3,481,470
Intercompany receivables		56,374	56,374	60,123	60,123
Cash and bank accounts	4	1,121,826	1,121,826	1,054,803	1,054,803
Receivables from services provided	6	2,606	2,606	3,446	3,446
<b>Fair value through profit or loss (mandatorily measured) (*)</b>		<b>1,656,091</b>	<b>1,656,091</b>	1,706,920	1,706,920
Restricted investment funds	5	1,442,926	1,442,926	1,432,714	1,432,714
Unrestricted investment funds	4	162	162	243	243
Bank Certificates of Deposit (CDB)	4 and 5	19,361	19,361	27,680	27,680
Short-term investments	4	16,380	16,380	13,324	13,324
Escrow account and swap guarantee	5	38,747	38,747	82,893	82,893
U.S. Treasuries	5	2,491	2,491	2,583	2,583
Savings deposits	5	86,323	86,323	80,177	80,177
Real estate consortium	5	224	224	216	216
Derivative financial instruments (**)	25 (b)	49,477	49,477	67,090	67,090
<b>Financial liabilities:</b>					
<b>Amortized cost</b>		<b>10,575,676</b>	<b>10,592,055</b>	10,094,216	10,084,016
Loans, financing and debentures		4,519,099	4,535,478	4,398,137	4,387,937
Land payables	13	4,975,500	4,975,500	4,814,111	4,814,111
Suppliers		584,423	584,423	467,929	467,929
Payables for investment acquisition		42,920	42,920	19,445	19,445
Other payables		453,734	453,734	394,594	394,594
<b>Fair value through profit or loss (hedge accounting) (**)</b>		<b>684,004</b>	<b>684,004</b>	267,103	267,103
Loans, financing and debentures		661,794	661,794	253,394	253,394
Derivative financial instruments	25 (b)	22,210	22,210	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 June 30, 2021, the swap contracts position is as follows:

Type of transaction	Currency	Hiring	Asset / Liability	Maturity	Notional amount	Long position	Short position	6/30/21	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	3,350	3,456	3,364	118	92	26	-
Swap (*)	R\$	3/17	IPCA + 8.25% / 132.2% CDI	2/22	80,000	98,639	81,096	21,362	17,543	3,819	-
Swap (*)	R\$	9/17	IPCA + 6.45% / 122.1% CDI	9/24	121,200	150,876	123,914	33,415	26,962	6,453	-
Swap (*)	R\$	4/21	IPCA + 5.43% / CDI + 1.65%	4/31	403,720	410,681	407,487	(5,418)	3,194	(8,612)	-
Swap	US\$	2/20	Dollar + 4% / 76% CDI	2/23	208,487	11,667	4,958	(3,554)	6,709	-	(7,306)
Swap	US\$	3/21	Dollar + 3.85% / 100% CDI	2/26	201,600	2,241	(30)	(6,287)	2,271	-	(8,556)
Swap	US\$	3/21	Dollar + 3.85% / 100% CDI	2/26	114,900	1,033	(47)	(2,154)	1,080	-	(3,234)
Swap	US\$	2/21	Dollar + 3.80% / 100% CDI	2/26	80,759	1,044	185	(4,097)	859	-	(4,956)
Swap	US\$	11/19	Dollar libor / 1.60%	11/29	35,000	-	-	(6,118)	-	7,831	-
								27,267	58,710	9,517	(24,052)
									Consolidated	Individual	
									21,362	21,362	
									28,115	27,997	
									22,210	16,092	

(\*) 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
<b>2<sup>nd</sup> quarter of 2021:</b>						
Effect on results						
Fair value hedge	9,804	(11,597)	(1,793)	9,825	(11,541)	(1,716)
Cash flow hedge	3,078	(4,328)	(1,250)	3,078	-	3,078
Total - effect on results	12,882	(15,925)	(3,043)	12,903	(11,541)	1,362
Other comprehensive results	-	(12,476)	(12,476)	-	(12,476)	(12,476)
<b>Six month of 2021:</b>						
Effect on results						
Fair value hedge	17,892	(22,474)	(4,582)	17,926	(22,290)	(4,364)
Cash flow hedge	6,325	7,831	14,156	6,325	-	6,325
Total - effect on results	24,217	(14,643)	9,574	24,251	(22,290)	1,961
Other comprehensive results	-	(32,718)	(32,718)	-	(32,718)	(32,718)

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 labor / 1.60%	11/29	35,000	-	-	(13,709)	-	(13,572)	-
								53,381	37,222	10,587	8,666
									Consolidated	Individual	
Noncurrent assets									67,090		66,754
Noncurrent liabilities									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
<b>2<sup>nd</sup> quarter of 2020:</b>						
Effect on results	697	9,305	10,002	705	9,295	10,001
Other comprehensive results	-	13,341	13,341	-	12,465	12,465
<b>Six month of 2020:</b>						
Effect on results	4,355	704	5,059	4,376	679	5,055
Other comprehensive results	-	(1,988)	(1,988)	-	(882)	(882)

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 June 30, 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	Hedging instrument (swap)		Hedged item
			9 <sup>th</sup> issue (3 <sup>rd</sup> series)			11 <sup>th</sup> issue (3 <sup>rd</sup> series)			CRI (19 <sup>th</sup> debentures issue)
Notional value	80,000		80,000	121,200		121,200	403,720		400,000
Hiring date	3/17		3/17	9/17		9/17	4/21		4/21
Maturity date	2/22		2/22	9/24		9/24	4/31		4/31
Rates	Long position	Short position		Long position	Short position		Long position	Short position	
	IPCA + 8.25%	132.20% CDI	IPCA + 8.25%	IPCA + 6.45%	122.10% CDI	IPCA + 6.45%	IPCA + 5.43%	CDI + 1.65%	IPCA + 5.43%

	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
			6/30/21	1 <sup>st</sup> haf of 2021	12/31/20	1 <sup>st</sup> haf of 2020
9 <sup>th</sup> issue (3 <sup>rd</sup> series)	80,000	IPCA + 8.25%	(101,636)	3,359	(101,120)	1,903
11 <sup>th</sup> issue (3 <sup>rd</sup> series)	121,000	IPCA + 6.45%	(158,144)	4,444	(152,274)	5,348
CRI (19 <sup>th</sup> debentures issue)	400,000	IPCA + 5.43%	(402,014)	7,763	-	-
Loans, financing and debentures (Hedged items)	601,000		(661,794)	15,566	(253,394)	7,251
Long position						
Swap	80,000	IPCA + 8.25%	101,636	(3,359)	101,120	(1,903)
Swap	121,000	IPCA + 6.45%	158,144	(4,444)	152,274	(5,348)
Swap	403,720	IPCA + 5.43%	402,014	(7,763)	-	-
Derivative financial instruments (Hedging instruments)	604,720		661,794	(15,566)	253,394	(7,251)
Short position						
		132.20% CDI	(80,274)	(1,338)	(78,594)	1,785
		122.10% CDI	(124,732)	(4,537)	(118,348)	6,145
		CDI + 1.65%	(407,429)	(849)	-	-
			(612,435)	(6,724)	(196,942)	7,930
		Swap net position	49,359	(22,290)	56,452	679
		Total net position	(612,435)	(6,724)	(196,942)	7,930

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
			6/30/21	1 <sup>st</sup> haf of 2021	12/31/20	1 <sup>st</sup> haf of 2020
Swap		Long position				
Derivative financial instruments	US\$ 47,000	Dólar + 4%	37,052	(8,850)	43,787	8,977
(Hedging instruments)		Short position				
		76% CDI	(40,606)	(7,122)	(33,485)	2,088
		Swap net position	(3,554)	(15,972)	10,302	11,065
Swap		Long position				
Derivative financial instruments	US\$ 35,000	Dólar + 3.85%	32,734	(4,537)	-	-
(Hedging instruments)		Short position				
		100% CDI	(39,021)	(4,021)	-	-
		Swap net position	(6,287)	(8,558)	-	-
Swap		Long position				
Derivative financial instruments	US\$ 20,000	Dólar + 3.85%	18,676	(2,404)	-	-
(Hedging instruments)		Short position				
		100% CDI	(20,830)	(824)	-	-
		Swap net position	(2,154)	(3,228)	-	-
Swap		Long position				
Derivative financial instruments	US\$ 15,000	Dólar + 3.80%	14,100	(1,762)	-	-
(Hedging instruments)		Short position				
		100% CDI	(18,197)	(3,198)	-	-
		Swap net position	(4,097)	(4,960)	-	-
Swap		Long position				
Derivative financial instruments	US\$ 35,000	Libor dollar	-	-	-	(14,264)
(Hedging instruments)		Short position				
		1.60%	-	-	-	1,211
		Swap net position	-	-	-	(13,053)
		Total net effect	(16,092)	(32,718)	10,302	(1,988)

(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 June 30, 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 June 30, 2021, multiplied by the exposed net balance as at June 30, 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 6/30/21	Annual rate estimated for 2021 (*)	Rates changes for each scenario	Total estimated financial impact	Estimated impact on net income and equity	
Probable scenario									
CDI	1,500,095	(3,550,358)	(2,050,263)	2.26%	5.65%	(i)	3.39%	(69,504)	(30,884)
IGP-M	110,416	(191,892)	(81,476)	35.75%	18.65%	(ii)	-17.10%	13,932	13,932
INCC-M	1,462,742	(656,689)	806,053	16.89%	11.73%	(iii)	-5.16%	(41,592)	(41,592)
TR	89,673	(216,790)	(127,117)	0.00%	0.01%	(i)	0.01%	(13)	(6)
IPCA	761,259	(841,229)	(79,970)	8.35%	5.98%	(ii)	-2.36%	1,887	838
								(95,290)	(57,712)
Scenario I									
CDI	1,500,095	(3,550,358)	(2,050,263)	2.26%	7.06%		4.80%	(98,413)	(43,729)
IGP-M	110,416	(191,892)	(81,476)	35.75%	23.31%		-12.44%	10,136	10,136
INCC-M	1,462,742	(656,689)	806,053	16.89%	8.80%		-8.09%	(65,210)	(65,210)
TR	89,673	(216,790)	(127,117)	0.00%	0.01%		0.01%	(13)	(6)
IPCA	761,259	(841,229)	(79,970)	8.35%	7.48%		-0.87%	696	309
								(152,804)	(98,500)
Scenario II									
CDI	1,500,095	(3,550,358)	(2,050,263)	2.26%	8.48%		6.22%	(127,526)	(56,666)
IGP-M	110,416	(191,892)	(81,476)	35.75%	27.98%		-7.77%	6,331	6,331
INCC-M	1,462,742	(656,689)	806,053	16.89%	5.86%		-11.03%	(88,908)	(88,908)
TR	89,673	(216,790)	(127,117)	0.00%	0.02%		0.02%	(25)	(11)
IPCA	761,259	(841,229)	(79,970)	8.35%	8.98%		0.63%	(504)	(224)
								(210,632)	(139,478)

(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-M, the IPCA variance was used instead

(\*) Effective change for the first six months of 2021 plus a projection for the next six 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 June 30, 2021 through contractual maturity, are as follows:

	Up to 1 year	1 to 2 years	2 to 3 years	Over 3 years	Total
<b>Consolidated:</b>					
Floating rates liabilities	1,704,204	961,581	1,770,378	1,980,825	6,416,988
Fixed rates liabilities	58,392	48,736	47,181	953,181	1,107,490
Non-interest bearing liabilities	974,999	2,154,815	605,978	768,198	4,503,990
<b>Total</b>	<b>2,737,595</b>	<b>3,165,132</b>	<b>2,423,537</b>	<b>3,702,204</b>	<b>12,028,468</b>
<b>Individual:</b>					
Floating rates liabilities	1,212,841	741,075	1,608,925	1,869,624	5,432,465
Fixed rates liabilities	14,145	11,708	10,403	82,595	118,851
Non-interest bearing liabilities	667,352	1,298,647	570,308	747,877	3,284,184
<b>Total</b>	<b>1,894,338</b>	<b>2,051,430</b>	<b>2,189,636</b>	<b>2,700,096</b>	<b>8,835,500</b>

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\$5.25, this is 5% above the closing exchange rate of June 30, 2021 (R\$5.00) 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\$5.0022	R\$5.2523	R\$6.2528	R\$7.5033
Loans and financing	(292,293)	(1,462,108)	(1,535,213)	(1,827,635)	(2,193,162)
Suppliers	(21,267)	(106,382)	(111,701)	(132,977)	(159,573)
(-) Cash, cash equivalents and marketable securities	57,777	289,012	303,463	361,265	433,518
Exposed net liabilities	(255,783)	(1,279,478)	(1,343,451)	(1,599,347)	(1,919,217)
Net effect on income			-	-	-
Net effect on equity			(63,973)	(319,869)	(639,739)

(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:

- i) 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.
- ii) 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	
	6/30/21	12/31/20	6/30/21	12/31/20
Income tax (IRPJ)	45,078	41,107	22,653	21,011
Social contribution (CSLL)	23,666	21,614	11,843	10,980
Total - IRPJ and CSLL	68,744	62,721	34,496	31,991
Tax on revenue (PIS)	13,294	12,167	6,674	6,193
Tax on revenue (COFINS)	61,540	56,326	30,798	28,573
Total - PIS and COFINS	74,834	68,493	37,472	34,766
Total	143,578	131,214	71,968	66,757
Current	74,754	64,480	33,961	35,253
Noncurrent	68,824	66,734	38,007	31,504
	143,578	131,214	71,968	66,757

Changes in deferred income tax (IRPJ) and social contribution (CSLL) liabilities for the three and six-month period ended June 30, 2021 and 2020 are as follows:

	Consolidated		Individual	
	1 <sup>st</sup> half of		1 <sup>st</sup> half 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	6,023	12,758	2,505	7,346
Closing balance	68,744	61,153	34,496	30,577

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

	Consolidated		Individual	
	6/30/21	12/31/20	6/30/21	12/31/20
Effects of IRPJ and CSLL on:				
Portion not received for real estate development	71,735	65,315	36,226	33,590
(-) Advances from customers	(2,991)	(2,594)	(1,730)	(1,599)
Net amount	68,744	62,721	34,496	31,991

Reconciliation of income tax and social contribution expenses at the statutory and effective rates for the three and six-month period ended June 30, 2021 and 2020 is as follows:

	Consolidated			
	2021		2020	
	2 <sup>nd</sup> quarter	1 <sup>st</sup> half	2 <sup>nd</sup> quarter	1 <sup>st</sup> half
Revenue from real estate development - subsidiaries	837,484	1,542,127	715,033	1,412,828
Nominal tax rate (*)	1.92%	1.92%	1.92%	1.92%
IRPJ and CSLL tax expenses on:				
Real estate development	(16,080)	(29,609)	(13,729)	(27,126)
Financial income - subsidiaries (**)	(2,846)	(4,040)	(1,091)	(2,376)
IRPJ and CSLL in subsidiaries	(18,926)	(33,649)	(14,820)	(29,502)
IRPJ and CSLL in Individual	(16,412)	(35,032)	(19,144)	(36,100)
Other	3,207	2,936	(776)	(1,459)
Expenses in profit or loss	(32,131)	(65,745)	(34,740)	(67,061)
Breakdown of expense in profit or loss - Consolidated:				
Current	(27,444)	(59,722)	(29,271)	(54,303)
Deferred	(4,687)	(6,023)	(5,469)	(12,758)
	(32,131)	(65,745)	(34,740)	(67,061)

(\*) 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			
	2021		2020	
	2 <sup>nd</sup> quarter	1 <sup>st</sup> half	2 <sup>nd</sup> quarter	1 <sup>st</sup> half
Income before income tax and social contribution	219,426	374,718	128,257	249,618
Tax rate - IRPJ and CSLL	34%	34%	34%	34%
Nominal expense	(74,605)	(127,404)	(43,607)	(84,870)
Effects of IRPJ and CSLL on:				
Equity results, gross of capitalized interest written	67,541	109,725	24,494	57,200
Earmarked assets	(14,716)	(26,264)	(280)	(7,544)
Other permanent add-back	5,368	8,911	249	(886)
Expenses in profit or loss	(16,412)	(35,032)	(19,144)	(36,100)
Breakdown of expense in profit or loss - Individual:				
Current	(14,700)	(32,527)	(15,640)	(28,754)
Deferred	(1,712)	(2,505)	(3,504)	(7,346)
	(16,412)	(35,032)	(19,144)	(36,100)

## 27. Noncash transactions

During six-month period ended June 30, 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:

	1 <sup>st</sup> half of		1 <sup>st</sup> half of	
	2021	2020	2021	2020
Capitalized financial charges (Note 12 (d))	72,412	71,258	51,382	61,283
Right-of-use - CPC 06 (R2) (Note 10)	145	5,439	-	4,865
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	
	6/30/21	12/31/20	6/30/21	12/31/20
<b>Projects under construction</b>				
<b>(i) Unappropriated revenues from sold units</b>				
<u>Projects under construction:</u>				
(a) Revenues from contracted sales	61,576,509	57,924,622	36,439,729	34,504,195
<u>Appropriated revenues:</u>				
Appropriated revenues	(59,047,676)	(55,422,331)	(35,110,077)	(33,105,960)
Cancellations - Reversed revenues	11,947	9,511	1,939	1,991
(b) Appropriated revenues, net	(59,035,729)	(55,412,820)	(35,108,138)	(33,103,969)
Unappropriated revenues (a + b)	2,540,780	2,511,802	1,331,591	1,400,226
<b>(ii) Indemnity revenue from cancellations</b>	386	370	15	32 (*)
<b>(iii) Unappropriated revenues from contracts from non-qualifying contracts for revenue recognition</b>	536	632	147	167 (*)
<b>(iv) Provision for cancellations</b>				
Adjustments on appropriated revenues	11,947	9,511	1,939	1,991
Adjustments on receivables from real estate development	(10,350)	(7,933)	(1,863)	(1,829)
Indemnity revenue from cancellations	(386)	(370)	(15)	(32)
Liability - Rebates from cancellations	1,211	1,208	61	130
<b>(v) Budgeted costs to be appropriated of sold units (**)</b>				
<u>Projects under construction:</u>				
(a) Budgeted cost	17,295,268	16,408,195	9,807,316	9,335,987
<u>Incurred cost:</u>				
Construction cost	(15,698,002)	(14,883,174)	(8,974,710)	(8,493,825)
Construction cost - cancellations	4,718	2,150	846	812
(b) Incurred cost, net	(15,693,284)	(14,881,024)	(8,973,864)	(8,493,013)
Costs to be incurred of sold units (a + b)	1,601,984	1,527,171	833,452	842,974
<b>(vi) Budgeted costs to be appropriated of units in inventory (**)</b>				
<u>Projects under construction</u>				
(a) Budgeted cost	5,021,605	5,197,473	2,498,021	2,640,328
(b) Incurred cost	(2,009,597)	(2,121,527)	(992,809)	(1,104,408)
Cost to be incurred of units in inventory (a + b)	3,012,008	3,075,946	1,505,212	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 June 30, 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.	11,791,048
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.	217,099
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.	518,666
Multi-peril insurance	Insures the completion of a project construction, compensation for damages caused by fire, lightning, windstorm, electrical damages, and glass shattering.	373,875
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.	2,266,000
Builder guarantee insurance	Insures the project financier that construction will be completed in the event of technical and/or financial inability by the Company.	1,734,861
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.	28,738
Group life and personal injury insurance	Insures payment of compensation related to involuntary personal injuries to employees, contractors, interns, and officers.	1,017,023
Residential	Insures payment of compensation to the Company for covered events in leased residential properties, events such as electric damages, fire, lightning, windstorm, etc.	26,500
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.	199,283
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.	477,218
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.	184,475
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 barter the delivery of the units subject matter of the Barter Instrument entered into by the parties.	141,165
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.	380,182
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.	124,994
Cyber Liability and Data Protection Insurance	Guarantees indemnity if the insured or any other party which the Company is responsible, break any confidentiality of personal data or sensitive information that is stored in the computer environment or the mobile computing resources of the insured.	60,000

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

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 June 30, 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 June 30, 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

On July 30, 2021, the Company carried out its first sale of MRV’s Credit Portfolio (Pro Soluta) through the securitization of real estate receivables certificates, distributed through a public offering with restricted efforts. The total amount of the offer corresponded to R\$241 million, which had been applied discounts related to expenses and constitution of a Reserve Fund and Expenses Fund, being the net worth received by the Company of R\$198 million. The offer also relied with the risk classification “AA (bra)” by Fitch Ratings Brasil Ltda.

### 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 August 11, 2021.