



Sensia



Urba



MRV



Luggo



AHS

INTERIM FINANCIAL STATEMENTS 3Q21

MRV & CO



MRV

SENSIA
INCORPORADORA



Luggo

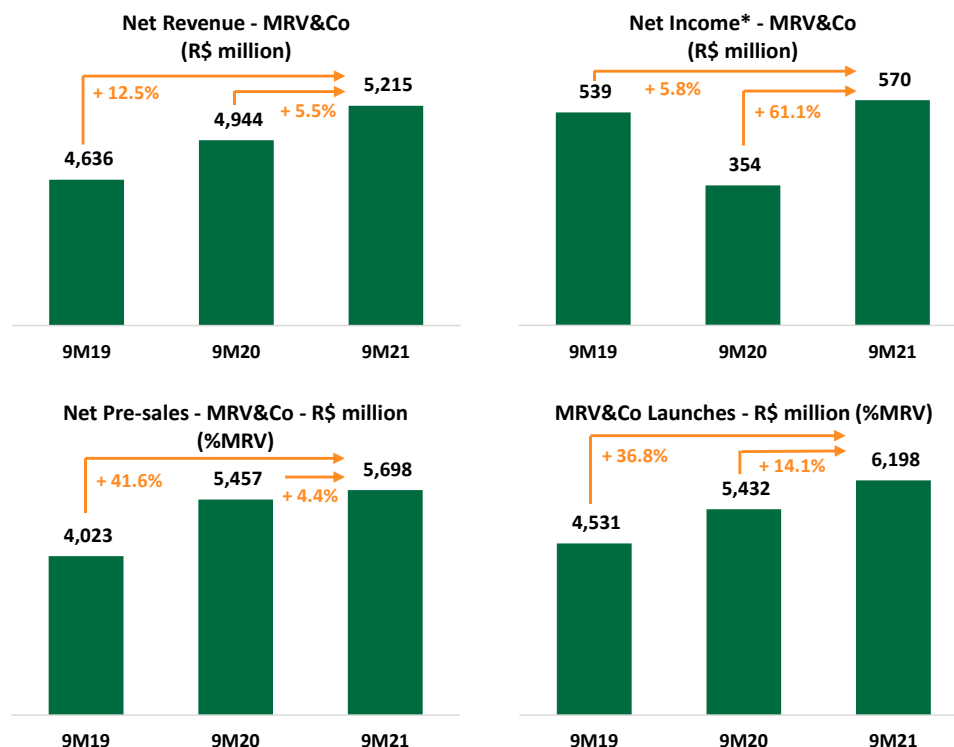
Urba

3rd Quarter 2021 Results

Belo Horizonte, November 09, 2021 – MRV Engenharia e Participações S.A. (B3: MRVE3), the largest residential housing developer in Latin America posts its results for the third 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

- **Net Revenue of R\$ 1.8 billion and Adjusted Net Income* of R\$ 231 million in 3Q21;**
- **Largest asset sales in AHS history:** Sale of two AHS developments (Tamiami Landings and Banyan Ridge) in Florida – USA, at a **value of R\$ 669 million (US\$ 123 million);**
- **Launch of eight Luggo projects, totaling R\$ 390 million and 1,647 units;**
- **Launch of R\$ 6.2 billion at the 9M21,** representing an **increase of 14.1% compared to 9M20 and 36.8% compared to 9M19;**
- **Net Pre-Sale of R\$ 5.7 billion in 9M21,** representing an **increase of 4.4% compared to 9M20 and 41.6% in comparison with 9M19.**



* Adjusted Net Income 3Q21: Excludes the effects from the total return swap operation for the stock buyback and debt swap to CDI.

Message from the board

3Q21 recorded another strong result for MRV&Co, as a result of the continuous expansion of its Housing Platform.

With a **Net Revenue of R\$1.8 billion, in line with the record achieved in the previous quarter**, combined with the sale of two more AHS projects for R\$ 669 million, in the United States, **the Company reached a Net Income* of R\$ 231 million**, 13.6% higher than recorded in 2Q21.

This result allowed MRV&Co to record a **ROE (LTM)* of 13.3%**, which is equivalent to an increase of 1.3 p.p. compared to 2Q21 and 3.6 p.p. compared to 3Q20. In an annualized view, the **ROE* for 3Q21 reached the mark of 15.6%**.

Cost Pressure and Gross Margin:

After a strong inflationary cycle in materials, **the Company observed a stabilization in cost pressures in 3Q21** which, combined with the price increase policy implemented in July, resulted in a gross margin in line with that reported in the last quarter.

The perspective for the coming quarters is that the gross margin will remain stable, at the current level, until the current construction cycle is completed, and the strategy of increasing product prices has a positive impact in the result.

MRV's Credit Portfolio (pró-soluto) sale

In 3Q21, MRV&Co carried out its **first Credit Portfolio ("pró-soluto") sale**, bearing a **"AA"** risk rating issued by **Fitch Ratings Brasil Ltda.**

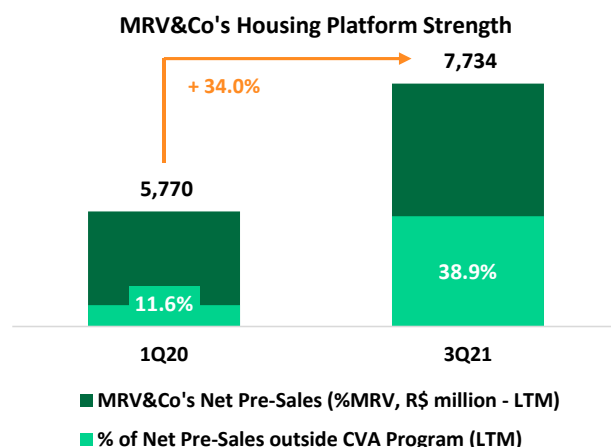
The total value represented R\$ 241 million, to which discounts apply to R\$ 43 million as a result of expenses and setting up of the reserve and expenses funds, in which the Company netted **R\$ 198 million**.

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

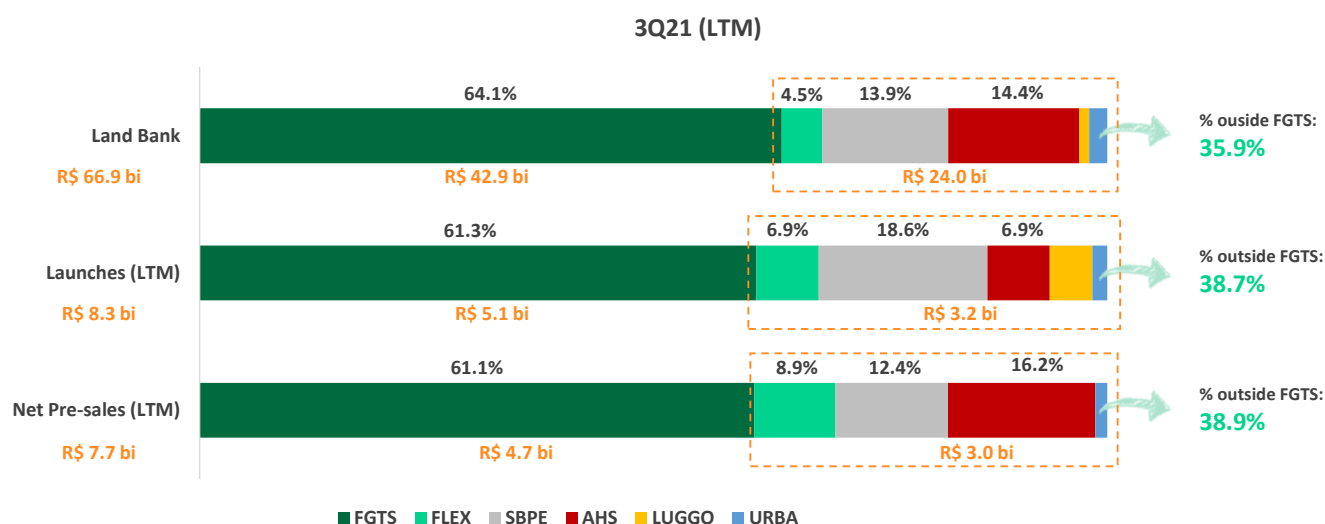
Multifunding Housing Platform

In order to offer housing solutions to Brazilian and North American families of medium and low income, MRV&Co continues to expand its Housing Platform, with important milestones in all of its business lines. The diversification of products, operation market and funding sources of the platform allows MRV&Co to adapt its operational strategy accordingly to market conditions.

* Adjusted Net Income and ROE 3Q21: Excludes the effects from the total return swap operation for the stock buyback and debt swap to CDI.



In 3Q21, MRV&Co reached its Historical Record of accumulated sales for the last twelve months (Net Pre-Sales LTM), totaling R\$7.7 billion, with 38.9% of Net Pre-Sales outside CVA Program.



AHS:

In 3Q21, two developments (Banyan Ridge and Tamiami Landings) were sold at a **Potential Sales Value (PSV) of US\$ 123 million (R\$ 669 million)**, representing **Net Proceeds of US\$ 57.5 million (R\$ 327 million)**.

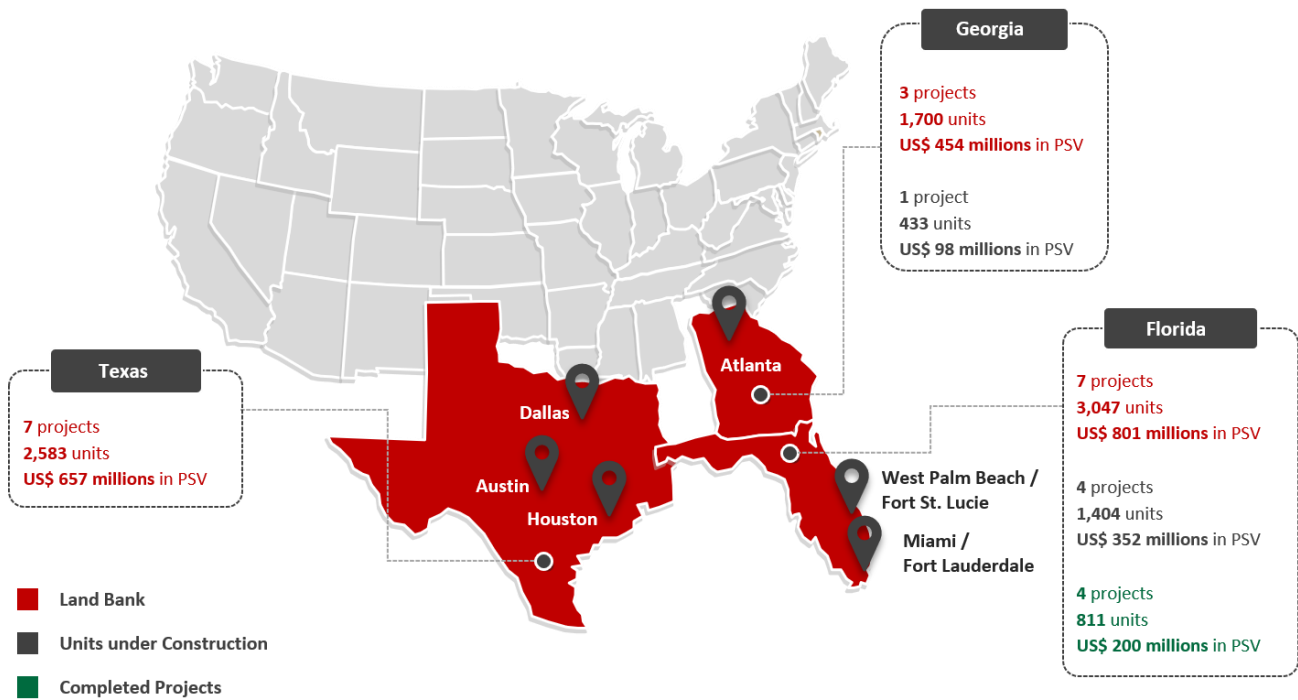
In addition to these and other projects already sold in 2021, the Company still has another **04 (four) projects for sale, which together total 811 units, and approximately US\$ 200 million in PSV, with an average Gross Margin of 28%.**

AHS operations continue to move forward with its geographic expansion in the United States, **with Land Bank in 19 cities, in the states of Florida, Texas and Georgia, valued at a PSV of US\$ 1.9 billion (R\$ 10.4 billion), representing 7,330 units.**

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3rd Quarter 2021

MRV&CO



(Oak Enclave – Miami, FL)

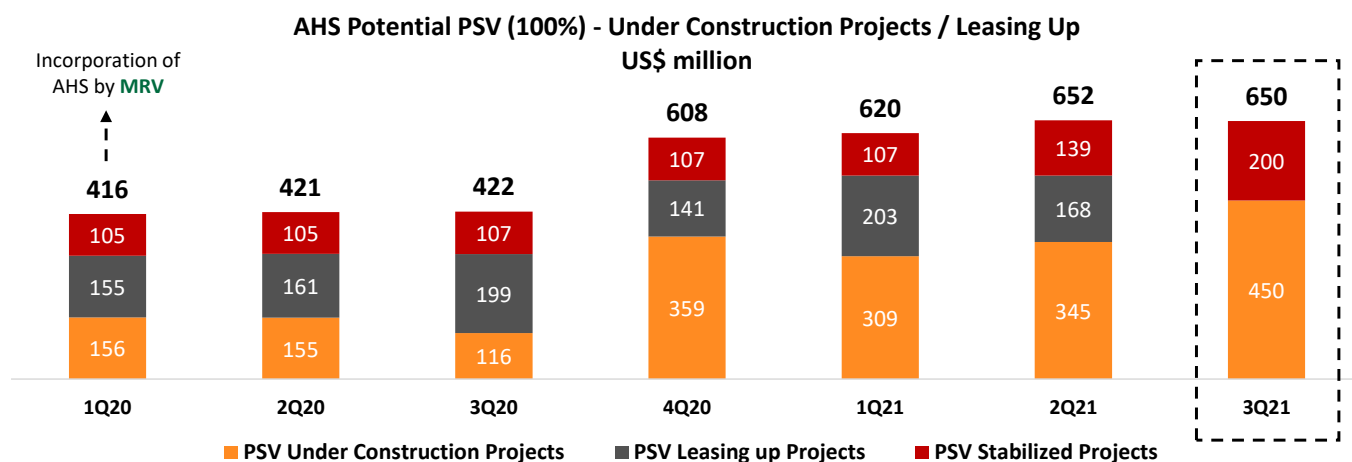
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Evolution of AHS operation

Considering its current projects under construction or leasing up, **AHS already has a total of 2,648 units, equivalent to an estimated PSV of US\$ 650 million, or R\$ 3.5 billion.**



US\$ 650 million x R\$ 5,44¹ = R\$ **3,5** billion

¹Considers PTAX of 09/30/2021

Sensia Incorporadora:

Sensia Parque Prado, the first project launched by Sensia, in **February 2021**, reached the mark of **64.3% of pre-sales** by the end of 3Q21.

On July 24, 2021, the **Horizontes do Atlântico** project was **launched in Maceió/AL**, which registered a **25% of units pre-sold in 66 days**, the equivalent to a total of 63 units pre-sold, or R\$25.9 million in PSV.

The successful outcome of Sensia's projects confirms the robust demand in the middle-income market as well as its strong product positioning.





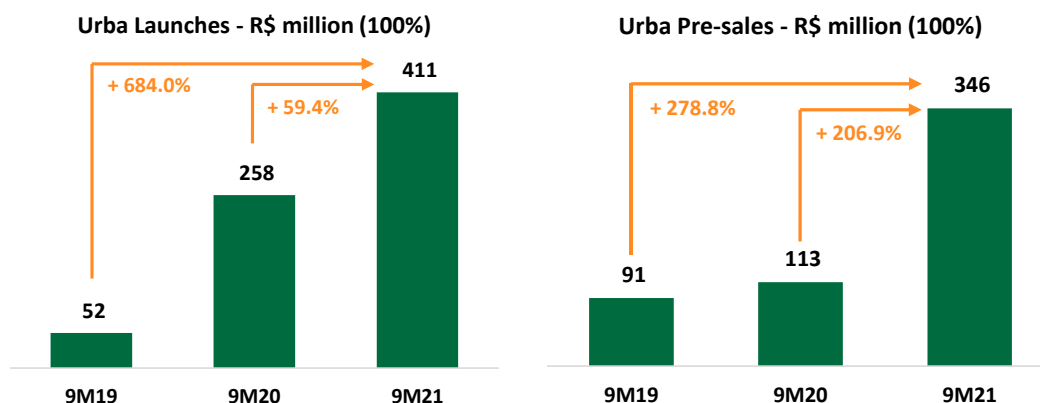
(Sensia Parque Prado – Campinas/SP)

Urba:

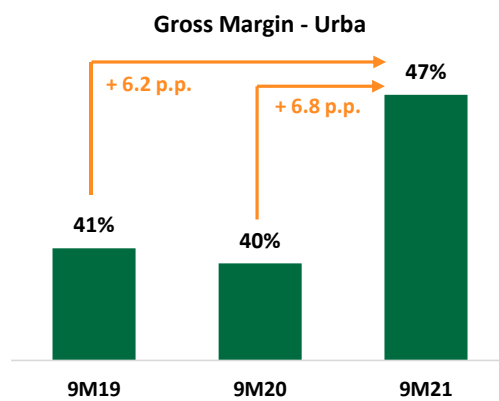
Smart Urba Dunlop, launched in 2Q21 in the city of Campinas, with a total of 980 units and R\$ 149 million in PSV (100% Urba), has already **registered 72% of pre-sales by the end of 3Q21**.

In September 2021, Urba launched another Project, the **Residencial Vila América**, in Nova Odessa/SP, which has 635 units and a PSV of R\$ 136 million (100% Urba). **It was another successful launch with 29% of the project sold in just 13 days.**

The Urba operation has been registering a significant growth in launch and pre-sales, totaling R\$ 411 million and R\$ 346 million, respectively, in 9M21 (100% Urba).



During this growth cycle, Urba maintained its gross margin at high levels, reaching the mark of 47% in 9M21:



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3rd Quarter 2021

MRV&CO

MRV&Co Financial Result

Income Statement MRV&Co - R\$ thousands	3Q21					3Q20				
	MRV (Real Estate Develop.)	Urba (Land Subdivisions)	Luggo (Leased)	AHS (MRV US) (Leased EUA)	Consolidated MRV&Co	MRV (Real Estate Develop.)	Urba (Land Subdivisions)	Luggo (Leased)	AHS (MRV US) (Leased EUA)	Consolidated MRV&Co
Net Revenue	1,740,210	34,963	218	24,708	1,800,099	1,739,500	20,803	-	19,538	1,779,841
Costs of Real Estate Sales and Services	(1,281,955)	(17,080)	(141)	(12,728)	(1,311,904)	(1,248,849)	(14,115)	-	(16,912)	(1,279,876)
Gross Profit	458,255	17,883	77	11,980	488,195	490,650	6,688	-	2,626	499,964
<i>Gross Margin</i>	26.3%	51.1%	35.3%	48.5%	27.1%	28.2%	32.1%		13.4%	28.1%
Operating Income (Expenses)	(302,451)	(9,444)	(964)	142,304	(170,555)	(304,711)	(6,633)	(1,265)	(13,993)	(326,602)
Selling Expenses	(162,486)	(4,898)	(214)	(134)	(167,732)	(163,912)	(2,871)	(764)	(878)	(168,425)
Selling Expenses / Net Revenue	-9.3%	-14.0%	-98.2%	-0.5%	-9.3%	-9.4%	-13.8%		-4.5%	-9.5%
General & Administrative Expenses	(94,981)	(6,345)	(651)	(22,098)	(124,075)	(94,844)	(3,893)	(484)	(11,812)	(111,033)
G&A / Net Revenue	-5.5%	-18.1%	-298.6%	-89.4%	-6.9%	-5.5%	-18.7%		-60.5%	-6.2%
Other operating income (expenses), net	(29,158)	(2,694)	(99)	164,536	132,586	(32,809)	53	(17)	(1,303)	(34,076)
Equity Income	(15,826)	4,493	-	-	(11,334)	(13,147)	78	-	-	(13,069)
Income Before Financial Income (Expenses)	155,804	8,439	(887)	154,284	317,640	185,939	55	(1,265)	(11,367)	173,362
Financial Results	(44,026)	146	(31)	(6,083)	(49,994)	16,757	(63)	(1)	(7,181)	9,512
Financial Expenses	(106,304)	(1,173)	(37)	(7,980)	(115,494)	(18,624)	(1,168)	(13)	(7,229)	(27,034)
Financial Income	36,670	709	6	1,897	39,282	16,547	519	12	48	17,127
Financial income from receivables ¹	25,609	610	-	-	26,219	18,834	585	-	-	19,419
Income Before Income Tax and Social Contribution	111,778	8,585	(918)	148,201	267,646	202,696	(8)	(1,266)	(18,548)	182,874
Income Tax and Social Contribution	(34,913)	(1,351)	-	(36,916)	(73,180)	(36,558)	(537)	-	-	(37,095)
Net Income	76,865	7,235	(918)	111,285	194,466	166,138	(545)	(1,266)	(18,548)	145,779
Profit Attributable to non-controlling interests	18,524	-	-	10,781	29,305	6,757	-	-	(1,561)	5,196
Profit Attributable to Shareholders of the Company	58,341	7,235	(918)	100,504	165,162	159,380	(545)	(1,266)	(16,987)	140,582
<i>Net Margin</i>	3.4%	20.7%	-421.1%	406.8%	9.2%	9.2%	-2.6%		-86.9%	7.9%
Adjusted Profit Attributable to Shareholders of the Company*	123,821	7,235	(918)	100,504	230,642	159,380	(545)	(1,266)	(16,987)	140,582
<i>Adjusted Net Margin</i>	7.1%	20.7%	-421.1%	406.8%	12.8%	9.2%	-2.6%		-86.9%	7.9%

¹Financial income from receivables from real estate development

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

* Net Income was adjusted only in 3Q21, excluding the impacts of Equity Swap, IPCA/CDI and TR/CDI Swaps on the Company's result.

Income Statement MRV&Co - R\$ thousands	9M21					9M20				
	MRV (Real Estate Develop.)	Urba (Land Subdivisions)	Luggo (Leased)	AHS (MRV US) (Leased EUA)	Consolidated MRV&Co	MRV (Real Estate Develop.)	Urba (Land Subdivisions)	Luggo (Leased)	AHS (MRV US) (Leased EUA)	Consolidated MRV&Co
Net Revenue	5,073,528	83,771	638	56,595	5,214,533	4,826,088	72,324	-	45,827	4,944,239
Costs of Real Estate Sales and Services	(3,737,777)	(44,573)	(368)	(36,980)	(3,819,697)	(3,469,528)	(43,436)	-	(39,610)	(3,552,574)
Gross Profit	1,335,752	39,199	270	19,615	1,394,835	1,356,560	28,888	-	6,217	1,391,665
<i>Gross Margin</i>	26.3%	46.8%	42.3%	34.7%	26.7%	28.1%	39.9%		13.6%	28.1%
Operating Income (Expenses)	(876,411)	(24,856)	(3,705)	198,634	(706,338)	(872,660)	(15,350)	(5,699)	(35,000)	(928,710)
Selling Expenses	(459,928)	(11,188)	(1,382)	(975)	(473,473)	(466,338)	(6,940)	(2,556)	(2,423)	(478,257)
Selling Expenses / Net Revenue	-9.1%	-13.4%	-216.6%	-1.7%	-9.1%	-9.7%	-9.6%		-5.3%	-9.7%
General & Administrative Expenses	(287,188)	(17,342)	(1,617)	(53,102)	(359,249)	(273,673)	(9,398)	(1,184)	(31,120)	(315,375)
G&A / Net Revenue	-5.7%	-20.7%	-253.4%	-93.8%	-6.9%	-5.7%	-13.0%		-67.9%	-6.4%
Other operating income (expenses), net	(87,336)	(3,221)	(706)	252,711	161,448	(92,636)	(146)	(1,959)	(1,457)	(96,198)
Equity Income	(41,958)	6,895	-	-	(35,063)	(40,013)	1,134	-	-	(38,879)
Income Before Financial Income (Expenses)	459,341	14,343	(3,435)	218,249	688,498	483,900	13,538	(5,699)	(28,783)	462,955
Financial Results	24,326	1,902	(62)	(9,271)	16,895	61,244	377	50	(17,873)	43,798
Financial Expenses	(149,905)	(3,249)	(78)	(19,025)	(172,257)	(45,302)	(3,352)	(36)	(18,166)	(66,856)
Financial Income	83,598	1,419	16	9,754	94,786	46,842	1,384	86	293	48,605
Financial income from receivables ¹	90,633	3,733	-	-	94,366	59,704	2,345	-	-	62,049
Income Before Income Tax and Social Contribution	483,667	16,245	(3,497)	208,978	705,393	545,144	13,915	(5,649)	(46,656)	506,753
Income Tax and Social Contribution	(98,856)	(3,151)	(2)	(36,916)	(138,925)	(101,771)	(2,386)	-	-	(104,157)
Net Income	384,811	13,094	(3,499)	172,062	566,468	443,373	11,529	(5,649)	(46,656)	402,597
Profit Attributable to non-controlling interests	46,491	-	-	15,129	61,620	52,287	-	-	(3,791)	48,496
Profit Attributable to Shareholders of the Company	338,320	13,094	(3,499)	156,933	504,848	391,086	11,529	(5,649)	(42,865)	354,101
<i>Net Margin</i>	6.7%	15.6%	-548.4%	277.3%	9.7%	8.1%	15.9%		-93.5%	7.2%
Adjusted Profit Attributable to Shareholders of the Company*	403,800	13,094	(3,499)	156,933	570,328	391,086	11,529	(5,649)	(42,865)	354,101
<i>Adjusted Net Margin</i>	8.0%	15.6%	-548.4%	277.3%	10.9%	8.1%	15.9%		-93.5%	7.2%

¹Financial income from receivables from real estate development

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

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3rd Quarter 2021

MRV & CO

Gross Margin:

Excluding the effects of MRV's Credit Portfolio "pró-soluto" sale (reversal of allowance for credit risk and discounted present value), MRV's gross margin (Real Estate Development in Brasil) reached 24.5% in 3Q21, in line with 2Q21:

Gross Margin - MRV Real Estate Development	
Net Revenue	1,740
Cost of real estate sales and services	(1,282)
Gross Profit	458
Gross Margin (%)	26.3%
Net Revenue	1,740
(-) Reversal of Allowance for Credit Risk	(29)
(-) Reversal of Present Value Discount of Accounts Receivable	(12)
Adjusted Net Revenue	1,699
Cost of real estate sales and services	(1,282)
Adjusted Gross Profit	417
Adjusted Gross Margin (%)	24.5%

The stabilization of inflationary pressure on materials costs, together with the price increase policy implemented at the beginning of 3Q21, **resulted in a gross margin similar to that seen in the last quarter, at a level that the Company considers stable for the coming quarters.**

Net Income:

In 3Q21, non-recurring effects were observed in financial expenses, referring to the effects from the total return swap operation for the stock buyback and debts swaps. Excluding these effects, **the adjusted Net Income for the quarter was R\$ 231 million, equivalent to a net margin of 12.8%** for MRV&Co.

SWAPs effects on Financial Expenses

Financial Expenses - Swaps	
Equity Swap ¹	(40,427)
Change in asset price (MRVE3)	(31,590)
Derivative instrument carrying cost (CDI + spread)	(961)
Mark to Market	(7,876)
Mark to Market of Derivative Financial Instruments IPCA/CDI and TR/CDI	(25,053)
Total Effect on Financial Expenses	(65,480)

¹ Stock buyback through a total return swap operation

EARNINGS RELEASE

3rd Quarter 2021

MRV&CO

Consolidated Financial Highlights - MRV&Co (R\$ million)	3Q21	2Q21	3Q20	Chg. 3Q21 x 2Q21	Chg. 3Q21 x 3Q20	9M21	9M20	Chg. 9M21 x 9M20
Total Net Revenue	1,800	1,816	1,780	0.9% ↓	1.1% ↑	5,215	4,944	5.5% ↑
Financial Cost recorded under COGS	34	37	45	7.5% ↓	24.5% ↓	104	137	23.6% ↓
Gross Profit	488	462	500	5.7% ↑	2.4% ↓	1,395	1,392	0.2% ↑
Gross Margin (%)	27.1%	25.4%	28.1%	1.7 p.p. ↑	1.0 p.p. ↓	26.7%	28.1%	1.4 p.p. ↓
Gross Margin ex. financial cost (%)	29.0%	27.4%	30.6%	1.6 p.p. ↑	1.6 p.p. ↓	28.8%	30.9%	2.2 p.p. ↓
Selling Expenses	(168)	(154)	(168)	9.2% ↑	0.4% ↓	(473)	(478)	1.0% ↓
Selling Expenses / net revenues (%)	9.3%	8.5%	9.5%	0.9 p.p. ↑	0.1 p.p. ↓	9.1%	9.7%	0.6 p.p. ↓
Selling Expenses / net pre-sales (%)	8.3%	7.4%	8.6%	0.9 p.p. ↑	0.2 p.p. ↓	8.3%	8.8%	0.5 p.p. ↓
General & Administrative Expenses	(124)	(119)	(111)	4.5% ↑	11.7% ↑	(359)	(315)	13.9% ↑
G&A Expenses / net revenues (%)	6.9%	6.5%	6.2%	0.4 p.p. ↑	0.7 p.p. ↑	6.9%	6.4%	0.5 p.p. ↑
G&A Expenses / net pre-sales (%)	6.2%	5.8%	5.6%	0.4 p.p. ↑	0.5 p.p. ↑	6.3%	5.8%	0.5 p.p. ↑
Equity Income	(11)	(19)	(13)	41.5% ↓	13.3% ↓	(35)	(39)	9.8% ↓
EBITDA	386	296	249	30.4% ↑	54.9% ↑	893	680	31.4% ↑
EBITDA Margin (%)	21.5%	16.3%	14.0%	5.2 p.p. ↑	7.4 p.p. ↑	17.1%	13.8%	3.4 p.p. ↑
Net Income	165	203	141	18.6% ↓	17.5% ↑	505	354	42.6% ↑
Net Margin (%)	9.2%	11.2%	7.9%	2.0 p.p. ↓	1.3 p.p. ↑	9.7%	7.2%	2.5 p.p. ↑
Adjusted Net Income*	231	203	141	13.6% ↑	64.1% ↑	570	354	61.1% ↑
Adjusted Net Margin (%)	12.8%	11.2%	7.9%	1.6 p.p. ↑	4.9 p.p. ↑	10.9%	7.2%	3.8 p.p. ↑
Earnings per share (R\$)	0.342	0.420	0.292	18.6% ↓	17.0% ↑	1.045	0.741	41.0% ↑
ROE (LTM)	12.2%	12.0%	9.7%	0.2 p.p. ↑	2.5 p.p. ↑	12.2%	9.7%	2.5 p.p. ↑
ROE (annualized)	11.2%	14.1%	10.1%	2.9 p.p. ↓	1.1 p.p. ↑	11.6%	8.9%	2.7 p.p. ↑
Adjusted ROE* (LTM)	13.3%	12.0%	9.7%	1.3 p.p. ↑	3.6 p.p. ↑	13.3%	9.7%	3.6 p.p. ↑
Adjusted ROE* (annualized)	15.6%	14.1%	10.1%	1.6 p.p. ↑	5.5 p.p. ↑	13.1%	8.9%	4.2 p.p. ↑
Unearned Gross Sales Revenues	2,321	2,541	2,340	8.7% ↓	0.8% ↓	2,321	2,340	0.8% ↓
(-) Unearned Costs of Units Sold	(1,488)	(1,602)	(1,415)	7.1% ↓	5.1% ↑	(1,488)	(1,415)	5.1% ↑
Unearned Results	833	939	925	11.2% ↓	9.9% ↓	833	925	9.9% ↓
% Unearned Margin	35.9%	36.9%	39.5%	1.0 p.p. ↓	3.6 p.p. ↓	35.9%	39.5%	3.6 p.p. ↓
Cash Generation	10	(30)	161	-	93.6% ↓	(403)	(99)	308.5% ↓

* Net Income and ROE were adjusted only in 3Q21, excluding the impacts of Equity Swap, IPCA/CDI and TR/CDI Swaps on the Company's result.

EARNINGS RELEASE

3rd 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)	3Q21	2Q21	3Q20	Chg. 3Q21 x 2Q21	Chg. 3Q21 x 3Q20	9M21	9M20	Chg. 9M21 x 9M20
MRV&Co								
Launches (R\$ million)	2,089	2,399	2,074	12.9% ↓	0.7% ↑	6,198	5,432	14.1% ↑
Units	10,789	11,388	11,575	5.3% ↓	6.8% ↓	32,173	24,750	30.0% ↑
Average Price - R\$'000 / unit	194	211	179	8.1% ↓	8.1% ↑	193	219	12.2% ↓
MRV								
Launches (R\$ million)	1,650	1,752	1,837	5.8% ↓	10.2% ↓	5,100	3,853	32.4% ↑
Units	8,922	10,426	11,106	14.4% ↓	19.7% ↓	29,275	23,174	26.3% ↑
Average Price - R\$'000 / unit	185	168	165	10.1% ↑	11.8% ↑	174	166	4.8% ↑
Urba								
Launches (R\$ million)	48	77	37	36.9% ↓	29.3% ↑	137	47	190.5% ↑
Units	220	505	212	56.4% ↓	3.9% ↑	795	249	219.5% ↑
Average Price - R\$'000 / unit	220	152	177	44.9% ↑	24.5% ↑	173	190	9.1% ↓
Luggo								
Launches (R\$ million)	390	-	-	-	-	390	-	-
Units	1,647	-	-	-	-	1,647	-	-
Average Price - R\$'000 / unit	237	-	-	-	-	237	-	-
AHS¹								
Launches (R\$ million)	-	571	199	-	-	571	1,532	62.8% ↓
Units	-	456	257	-	-	456	1,327	65.6% ↓
Average Price - R\$'000 / unit	-	1,251	773	-	-	1,251	1,154	8.3% ↑

¹ Considers the PTAX (BRLUSD) of the closing period

With a diversified line of products and businesses, the Company was able to be more selective in 3Q21 launches so to wait for the announcements and changes to the Casa Verde e Amarela program, to prioritize launch that would benefit the most from those changes. The volume of MRV&Co's launches, however, kept its growth trajectory thanks to the projects launched by Sensia, Urba and Luggo.

MRV&Co continues to intensify the volume of launches in all its business lines, seeking to maintain its inventory at adequate levels.

Launch of Sensia's second project, Horizontes do Atlântico, in Maceió/AL, totaling 240 units and R\$101 million in PSV.

With the start of negotiations for the sale of **eight Luggo projects**, a total of **1,647 units** were launched, totaling **R\$ 390 million in PSV**.

Urba launched another project in the state of São Paulo, Vila America, with a total PSV of R\$ 48 million (%MRV) and 220 units.

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MRV&CO

NET PRE-SALES - MRV&Co

Net-Pre Sales (%MRV)	3Q21	2Q21	3Q20	Chg. 3Q21 x 2Q21	Chg. 3Q21 x 3Q20	9M21	9M20	Chg. 9M21 x 9M20
MRV&Co								
Net Pre-sales (R\$ million)	2,014	2,065	1,968	2.4% ↓	2.4% ↑	5,698	5,457	4.4% ↑
Units	8,455	10,442	12,303	19.0% ↓	31.3% ↓	28,610	34,492	17.1% ↓
Average Price - R\$'000 / unit	238	198	160	20.5% ↑	48.9% ↑	199	158	25.9% ↑
MRV								
Net Pre-sales (R\$ million)	1,354	1,662	1,956	18.5% ↓	30.8% ↓	4,625	5,409	14.5% ↓
Units	7,760	9,816	12,183	21.0% ↓	36.3% ↓	27,221	34,156	20.3% ↓
Average Price - R\$'000 / unit	175	169	161	3.1% ↑	8.7% ↑	170	158	7.3% ↑
Sales over supply (%) - net sales	14.0%	17.3%	21.2%	3.3 p.p. ↓	7.2 p.p. ↓	35.8%	44.8%	8.9p.p. ↓
Urba								
Net Pre-sales (R\$ million)	39	39	12	2.2% ↑	235.5% ↑	88	48	85.2% ↑
Units	240	293	120	18.3% ↓	100.2% ↑	602	336	78.9% ↑
Average Price - R\$'000 / unit	165	132	98	25.1% ↑	67.6% ↑	147	142	3.5% ↑
Luggo								
Net Pre-sales (R\$ million)	-	-	-	-	-	-	-	-
Units	-	-	-	-	-	-	-	-
Average Price - R\$'000 / unit	-	-	-	-	-	-	-	-
AHS¹								
Net Pre-sales (R\$ million)	620	364	-	70.4% ↑	-	984	-	-
Units	456	332	-	37.4% ↑	-	788	-	-
Average Price - R\$'000 / unit	1,360	1,097	-	24.0% ↑	-	1,249	-	-

¹ Considers the PTAX (BRLUSD) of the closing period

MRV (Brazilian Operations):

In 3Q21, MRV&Co adopted a more aggressive price increase strategy, to offset part of the material cost inflation observed over the past quarters and to test the demand of its operations market, as well as its product lines.

SENSIA:

Sensia Parque Prado, the first project launched by Sensia, in February 2021, reached the mark of 64.3% of sales by the end of 3Q21.

On July 24, 2021, Horizontes do Atlântico project was launched in Maceió/AL, which registered a 25% of units sold in 66 days, the equivalent to a total of 63 units sold, or R\$25.9 million in PSV.

The successful outcome of Sensia's projects confirm the robust demand in the middle-income market as well as its strong product positioning.

URBA:

In 3Q21, Urba recorded an increase of 2.2% in PSV sold, compared to 2Q21 and 235.5% compared to 2Q21.

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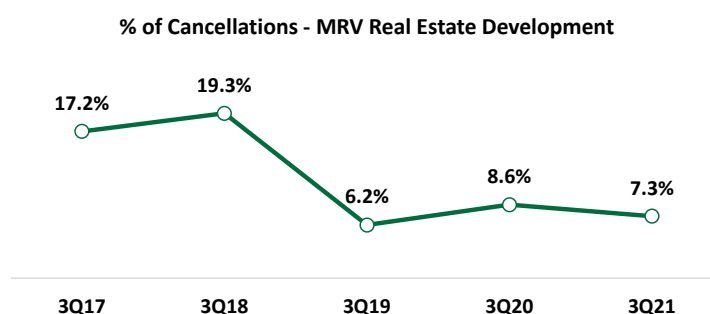
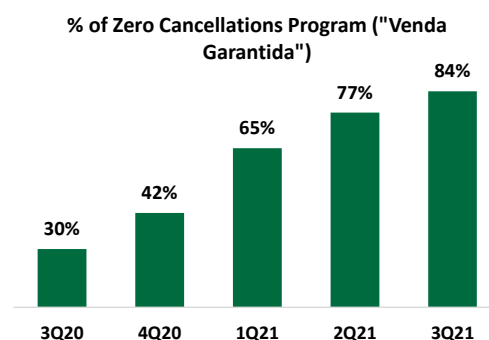
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MRV & CO

Zero Cancellations Program ("Vendas Garantidas"):

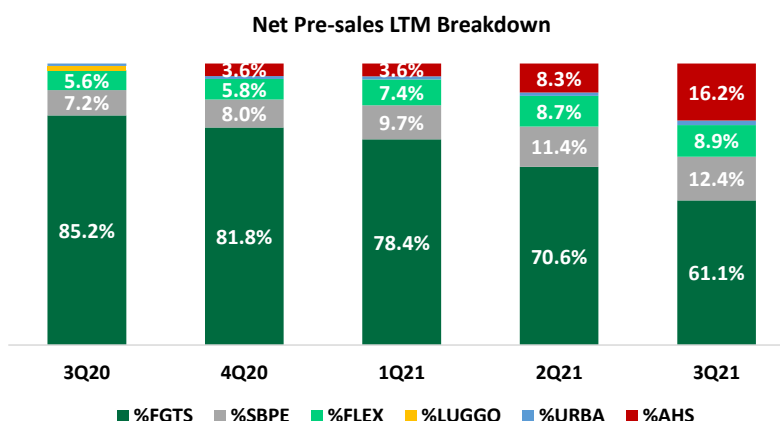
In line with the Zero Cancellation process, a pre-sale is only accounted for after the client is transferred to the financing institution, removing any possibility of cancellation. In 3Q21, 84% of pre-sales were within this process.

The effect of this evolution can already be seen in the Company's Cancellations, which continues at low levels and with a downward trend, as can be seen in the graph below:



Diversification – Housing Platform:

MRV&Co's diversification strategy of products and funding steadily continues to gather pace quarter over quarter, **consolidating the Company as a multi-funding housing platform.**



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MRV&CO

AHS (US Operations):

In 3Q21, two developments (Banyan Ridge and Tamiami Landings, located in South Florida, USA) were sold at a **Potential Sales Value (PSV) of US\$ 123 million**, representing **Net Proceeds of US\$ 57.5 million**, **Gross Profit of US\$ 33.1 million**, **Cap Rate of 4.76%** and **Yield on Cost of 6.7%**, as follows:

Tamiami Landings & Banyan Ridge	
Sale Price	\$ 123,000,000
Project Cost	\$ 89,853,749
Gross Profit	\$ 33,146,251
Gross Margin (%)	27%



Images: Banyan Ridge – West Palm Beach, FL

The projects were sold before stabilization, still under construction, at a Cap Rate better than estimated in the feasibility studies.

In addition to these and other projects already sold in 2021, the Company still has another 04 (four) projects at sale, which together total **811 units**, and **approximately US\$ 200 million in PSV**, with an average **Gross Margin of 28%**.

CASH GENERATION - MRV&Co

Cash Generation	3Q21	2Q21	3Q20	Chg. 3Q21 x 2Q21	Chg. 3Q21 x 3Q20	9M21	9M20	Chg. 9M21 x 9M20
MRV&Co								
Cash Generation (R\$ million)	10.3	(29.6)	161.2	-	93.6% ↓	(403.4)	(98.8)	308.5% ↓
MRV								
Cash Generation (R\$ million)	(109.6)	(119.8)	352.4	8.5% ↑	-	(260.1)	409.4	-
Urba								
Cash Generation (R\$ million)	1.0	(24.3)	(36.4)	-	-	(30.0)	(40.5)	25.8% ↑
Luggo								
Cash Generation (R\$ million)	(35.5)	(26.7)	(9.6)	32.7% ↓	269.7% ↓	(89.8)	(30.3)	196.8% ↓
AHS¹								
Cash Generation (R\$ million)	154.3	141.2	(145.1)	9.3% ↑	-	(23.5)	(437.4)	94.6% ↑

¹ Considers the PTAX (BRLUSD) of the closing period

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MRV&CO

MRV Real Estate Development:

In 3Q21, the Company continued its strategy to ramp up anticipate the purchase and stock part of the raw materials needed for its product construction. That strategy, along with the mismatch between the volume of units produced and the pre-sales and transfers reported in the quarter, resulted in a higher cash consumption.

AHS:

AHS recorded a cash generation of R\$ 154.3 million for the quarter as a result of the sale of Banyan Ridge and Tamiami Landings projects, valued at a total of R\$ 669 million in 3Q21.

LAND BANK - MRV&Co

Land Bank (%MRV)	3Q21	2Q21	3Q20	Chg. 3Q21 x 2Q21	Chg. 3Q21 x 3Q20	9M21	9M20	Chg. 9M21 x 9M20
MRV&Co								
Land Bank (R\$ billion)	66.9	66.5	58.0	0.5% ↑	15.3% ↑	66.9	58.0	15.3% ↑
Units	342,990	351,181	318,195	2.3% ↓	7.8% ↑	342,990	318,195	7.8% ↑
Average Price - R\$'000 / unit	195	189	182	2.9% ↑	7.0% ↑	195	182	7.0% ↑
MRV								
Land Bank (R\$ billion)	55.2	56.4	50.7	2.2% ↓	8.7% ↑	55.2	50.7	8.7% ↑
Units	320,157	327,583	305,563	2.3% ↓	4.8% ↑	320,157	305,563	4.8% ↑
Average Price - R\$'000 / unit	172	172	166	0.0% ↑	3.8% ↑	172	166	3.8% ↑
Urba								
Land Bank (R\$ billion)	1.3	1.3	0.6	0.7% ↓	135.2% ↑	1.3	0.6	135.2% ↑
Units	12,912	12,804	5,630	0.9% ↑	129.4% ↑	12,912	5,630	129.4% ↑
Average Price - R\$'000 / unit	103	104	100	1.5% ↓	2.6% ↑	103	100	2.6% ↑
Luggo								
Land Bank (R\$ billion)	0.7	1.0	0.5	25.7% ↓	63.5% ↑	0.7	0.5	63.5% ↑
Units	3,124	4,408	2,089	29.1% ↓	49.5% ↑	3,124	2,089	49.5% ↑
Average Price - R\$'000 / unit	238	227	218	4.8% ↑	9.3% ↑	238	218	9.3% ↑
AHS ¹								
Land Bank (R\$ billion)	9.6	7.8	6.2	23.9% ↑	54.7% ↑	9.6	6.2	54.7% ↑
Units	6,797	6,387	4,913	6.4% ↑	38.3% ↑	6,797	4,913	38.3% ↑
Average Price - R\$'000 / unit	1,419	1,218	1,269	16.4% ↑	11.8% ↑	1,419	1,269	11.8% ↑

¹ Considers the PTAX (BRLUSD) of the closing period

MRV&Co Consolidated:

Registering a total land bank valued at R\$ 66.9 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.

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MRV&CO

AHS:

AHS operations continue to follow the geographic expansion plan in the United States, **already registering a land bank in Florida, Texas and Georgia at a total of R\$ 9.6 billion in PSV (% MRV), estimated at 6,797 units.**

PRODUCTION - MRV&Co

Production (%MRV)	3Q21	2Q21	3Q20	Chg. 3Q21 x 2Q21	Chg. 3Q21 x 3Q20	9M21	9M20	Chg. 9M21 x 9M20
MRV&Co								
Built Units	10,930	10,566	9,741	3.4% ↑	12.2% ↑	30,687	25,903	18.5% ↑
Finished units	8,584	5,618	7,084	52.8% ↑	21.2% ↑	24,639	24,852	0.9% ↓
MRV								
Built Units	10,297	10,062	9,492	2.3% ↑	8.5% ↑	29,083	25,132	15.7% ↑
Finished units	8,373	5,373	6,777	55.8% ↑	23.5% ↑	24,183	24,417	1.0% ↓
Urba								
Built Units	85	129	56	34.4% ↓	52.2% ↑	314	187	68.2% ↑
Finished units	-	-	-	-	-	-	-	-
Luggo								
Built Units	206	142	33	45.3% ↑	523.4% ↑	522	165	216.2% ↑
Finished units	-	-	120	-	-	-	248	-
AHS								
Built Units	342	234	160	46.3% ↑	113.9% ↑	768	419	83.3% ↑
Finished units	211	245	187	13.6% ↓	13.2% ↑	456	187	144.3% ↑

REAL ESTATE FINANCING - MRV&Co

Real Estate Financing (%MRV)	3Q21	2Q21	3Q20	Chg. 3Q21 x 2Q21	Chg. 3Q21 x 3Q20	9M21	9M20	Chg. 9M21 x 9M20
MRV&Co								
Client Financing (units)	7,669	10,701	13,880	28.3% ↓	44.7% ↓	28,922	32,708	11.6% ↓
MRV								
Client Financing (units)	7,625	10,656	13,880	28.4% ↓	45.1% ↓	28,796	32,708	12.0% ↓
Urba								
Client Financing (units)	44	46	-	3.6% ↓	-	126	-	-

EARNINGS RELEASE

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MRV&CO

INVENTORY AT MARKET VALUE – MRV

Inventory at Market Value (%MRV)	3Q21	2Q21	3Q20	Chg. 3Q21 x 2Q21	Chg. 3Q21 x 3Q20
MRV¹					
Inventory at Market Value (R\$ billion)*	8.60	8.03	7.31	7.1% ↑	17.6% ↑
Inventory Duration **	6.2	4.7	3.7	30.7% ↑	66.0% ↑
By Construction phase (units)					
Not initiated	17%	24%	13%	6.8 p.p. ↓	3.9 p.p. ↑
Under construction	81%	75%	84%	6.9 p.p. ↑	2.7 p.p. ↓
Finished	2%	2%	3%	0.1 p.p. ↓	1.2 p.p. ↓

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

* Only launches. Does not include landbank.

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

INVESTMENT PROPERTY - MRV&Co

Under Construction - Investment Property (%MRV)	3Q21	2Q21	3Q20	Chg. 3Q21 x 2Q21	Chg. 3Q21 x 3Q20	9M21	9M20	Chg. 9M21 x 9M20
MRV&Co								
Number of Projects	12	10	6	25.7% ↑	109.3% ↑	12	6	109.3% ↑
Units Under Construction	3,350	2,674	1,482	25.3% ↑	126.0% ↑	3,350	1,482	126.0% ↑
Balance of Constructed Units	1,544	997	380	54.9% ↑	306.1% ↑	1,544	380	306.1% ↑
% of Projects Progression	46.1%	37.3%	25.6%	8.8 p.p. ↑	20.4 p.p. ↑	46.1%	25.6%	20.4 p.p. ↑
Market Value at Stabilization (R\$ million)	2,658	1,854	810	43.4% ↑	228.0% ↑	2,658	810	228.0% ↑
Luggo								
Number of Projects	8	6	4	26.1% ↑	89.2% ↑	8	4	89.2% ↑
Units Under Construction	1,647	1,238	1,032	33.0% ↑	59.6% ↑	1,647	1,032	59.6% ↑
Balance of Constructed Units	845	639	148	32.2% ↑	470.9% ↑	845	148	470.9% ↑
% of Projects Progression	51.3%	51.6%	14.3%	0.3 p.p. ↓	37.0 p.p. ↑	51.3%	14.3%	37.0 p.p. ↑
Market Value at Stabilization (R\$ million)	390	253	210	54.0% ↑	85.6% ↑	390	210	85.6% ↑
AHS								
Number of Projects	5	4	2	25.0% ↑	153.3% ↑	5	2	153.3% ↑
Units Under Construction	1,703	1,436	450	18.6% ↑	278.3% ↑	1,703	450	278.3% ↑
Balance of Constructed Units	699	358	232	95.5% ↑	201.1% ↑	699	232	201.1% ↑
% of Projects Progression	41.0%	24.9%	51.6%	16.1 p.p. ↑	10.5 p.p. ↓	41.0%	51.6%	10.5 p.p. ↓
Market Value at Stabilization (R\$ million)	2,268	1,600	600	41.7% ↑	277.8% ↑	2,268	600	277.8% ↑
Market Value at Stabilization (US\$ million)	417	320	106	30.3% ↑	291.8% ↑	417	106	291.8% ↑

EARNINGS RELEASE

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MRV & CO

Leased - Investment Property (%MRV)*	3Q21	2Q21	3Q20	Chg. 3Q21 x 2Q21	Chg. 3Q21 x 3Q20	9M21	9M20	Chg. 9M21 x 9M20
AHS								
<i>Leasing Up</i>								
Number of Projects	-	3	4	-	-	-	4	-
Available Units	-	645	824	-	-	-	824	-
Leased Units	-	422	465	-	-	-	465	-
% Leased Units	-	65.4%	56.4%	-	-	-	56.4%	-
Market Value at Stabilization (R\$ million)	-	778	1,025	-	-	-	1,025	-
Market Value at Stabilization (US\$ million)	-	155	182	-	-	-	182	-
<i>Stabilized</i>								
Number of Projects	4	3	3	33.3% ↑	35.1% ↑	4	3	35.1% ↑
Available Units	752	563	503	33.6% ↑	49.4% ↑	752	503	49.4% ↑
Leased Units	732	544	485	34.4% ↑	50.7% ↑	732	485	50.7% ↑
% Leased Units	97.3%	96.7%	96.4%	0.6 p.p. ↑	0.9 p.p. ↑	97.3%	96.4%	0.9 p.p. ↑
Market Value at Stabilization (R\$ million)	1,009	645	552	56.4% ↑	82.6% ↑	1,009	552	82.6% ↑
Market Value at Stabilization (US\$ million)	185	129	98	43.8% ↑	89.4% ↑	185	98	89.4% ↑

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

EARNINGS RELEASE

3rd 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)	3Q21	2Q21	3Q20	Chg. 3Q21 x 2Q21	Chg. 3Q21 x 3Q20	9M21	9M20	Chg. 9M21 x 9M20
MRV&Co								
Total Net Revenue	1,800	1,816	1,780	0.9% ↓	1.1% ↑	5,215	4,944	5.5% ↑
Cost of Real Estate Sales and Services	(1,312)	(1,355)	(1,280)	3.2% ↓	2.5% ↑	(3,820)	(3,553)	7.5% ↑
Gross Profit	488	462	500	5.7% ↑	2.4% ↓	1,395	1,392	0.2% ↑
Gross Margin (%)	27.1%	25.4%	28.1%	1.7 p.p. ↑	1.0 p.p. ↓	26.7%	28.1%	1.4 p.p. ↓
MRV								
Total Net Revenue	1,740	1,764	1,739	1.3% ↓	0.0% ↑	5,074	4,826	5.1% ↑
Cost of Real Estate Sales and Services	(1,282)	(1,325)	(1,249)	3.2% ↓	2.7% ↑	(3,738)	(3,470)	7.7% ↑
Gross Profit	458	439	491	4.4% ↑	6.6% ↓	1,336	1,357	1.5% ↓
Gross Margin (%)	26.3%	24.9%	28.2%	1.4 p.p. ↑	1.9 p.p. ↓	26.3%	28.1%	1.8 p.p. ↓
Urba								
Total Net Revenue	35	40	21	12.1% ↓	68.1% ↑	84	72	15.8% ↑
Cost of Real Estate Sales and Services	(17)	(22)	(14)	22.2% ↓	21.0% ↑	(45)	(43)	2.6% ↑
Gross Profit	18	18	7	0.4% ↑	167.4% ↑	39	29	35.7% ↑
Gross Margin (%)	51.1%	44.8%	32.1%	6.3 p.p. ↑	19.0 p.p. ↑	46.8%	39.9%	6.8 p.p. ↑
Luggo								
Total Net Revenue	0.2	0.2	-	10.1% ↑	-	0.6	-	-
Cost of Real Estate Sales and Services	(0.1)	(0.1)	-	4.4% ↑	-	(0.4)	-	-
Gross Profit	0.1	0.1	-	22.2% ↑	-	0.3	-	-
Gross Margin (%)	35.3%	31.8%	-	3.5 p.p. ↑	-	42.3%	-	-
AHS (MRV US)*								
Total Net Revenue	25	13	20	92.7% ↑	26.5% ↑	57	46	23.5% ↑
Cost of Real Estate Sales and Services	(13)	(8)	(17)	59.5% ↑	24.7% ↓	(37)	(40)	6.6% ↓
Gross Profit	12	5	3	147.3% ↑	356.2% ↑	20	6	215.5% ↑
Gross Margin (%)	48.5%	37.8%	13.4%	10.7 p.p. ↑	35.0 p.p. ↑	34.7%	13.6%	21.1 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.

Gross Margin:

Excluding the effects of MRV's Credit Portfolio ("pró-soluto") sale (reversal of allowance for credit risk and discounted present value), the gross margin reached 24.5% in 3Q21, in line with 2Q21.

With the stabilization of inflationary pressure on materials and the current cost matrix already included in the construction budgets, the Company forecasts a **stable gross margin for the coming quarters**.

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MRV&CO

Financial Cost recorded under COGS

Financial Cost recorded under COGS (R\$ million)	3Q21	2Q21	3Q20	Chg. 3Q21 x 2Q21	Chg. 3Q21 x 3Q20	9M21	9M20	Chg. 9M21 x 9M20
MRV&Co								
Financial Cost recorded under COGS	(34)	(37)	(45)	7.5% ↓	24.5% ↓	(104)	(137)	23.6% ↓
% of Net Revenue	1.9%	2.0%	2.5%	0.1 p.p. ↓	0.6 p.p. ↓	2.0%	2.8%	0.8 p.p. ↓
Gross profit with financial cost	488	462	500	5.7% ↑	2.4% ↓	1,395	1,392	0.2% ↑
Gross profit ex.h financial cost	522	499	545	4.7% ↑	4.2% ↓	1,499	1,528	1.9% ↓
Gross Margin ex. financial cost (%)	29.0%	27.4%	30.6%	1.6 p.p. ↑	1.6 p.p. ↓	28.8%	30.9%	2.2 p.p. ↓

EARNINGS RELEASE

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MRV & CO

Operating Income (Expenses)

Operating Income (Expenses) (R\$ million)	3Q21	2Q21	3Q20	Chg. 3Q21 x 2Q21	Chg. 3Q21 x 3Q20	9M21	9M20	Chg. 9M21 x 9M20
MRV&Co								
Selling Expenses	(168)	(154)	(168)	9.2% ↑	0.4% ↓	(473)	(478)	1.0% ↓
General & Administrative Expenses	(124)	(119)	(111)	4.5% ↑	11.7% ↑	(359)	(315)	13.9% ↑
Other operating Income (expenses)	133	56	(34)	137.1% ↓	-	161	(96)	-
Equity Income	(11)	(19)	(13)	41.5% ↓	13.3% ↓	(35)	(39)	9.8% ↓
Operating Income (Expenses)	(171)	(236)	(327)	27.7% ↓	47.8% ↓	(706)	(929)	23.9% ↓
Selling expenses / Net Revenues (%)	9.3%	8.5%	9.5%	0.9 p.p. ↑	0.1 p.p. ↓	9.1%	9.7%	0.6 p.p. ↓
G&A Expenses / Net Revenues (%)	6.9%	6.5%	6.2%	0.4 p.p. ↑	0.7 p.p. ↑	6.9%	6.4%	0.5 p.p. ↑
MRV								
Selling Expenses	(162)	(148)	(164)	9.5% ↑	0.9% ↓	(460)	(466)	1.4% ↓
General & Administrative Expenses	(95)	(98)	(95)	2.8% ↓	0.1% ↑	(287)	(274)	4.9% ↑
Other operating Income (expenses)	(29)	(28)	(33)	5.1% ↑	11.1% ↓	(87)	(93)	5.7% ↓
Equity Income	(16)	(21)	(13)	26.3% ↓	20.4% ↑	(42)	(40)	4.9% ↑
Operating Income (Expenses)	(302)	(295)	(305)	2.4% ↑	0.7% ↓	(876)	(873)	0.4% ↑
Selling expenses / Net Revenues (%)	9.3%	8.4%	9.4%	0.9 p.p. ↑	0.1 p.p. ↓	9.1%	9.7%	0.6 p.p. ↓
G&A Expenses / Net Revenues (%)	5.5%	5.5%	5.5%	0.1 p.p. ↓	0.0 p.p. ↑	5.7%	5.7%	0.0 p.p. ↓
Urba								
Selling Expenses	(4.9)	(4.4)	(2.9)	10.3% ↑	70.6% ↑	(11)	(7)	61.2% ↑
General & Administrative Expenses	(6.3)	(6.0)	(3.9)	6.5% ↑	63.0% ↑	(17)	(9)	84.5% ↑
Other operating Income (expenses)	(2.7)	(0.3)	0.1	767.5% ↑	-	(3)	(0)	2106.5% ↑
Equity Income	4.5	2.1	0.1	112.1% ↓	5659.7% ↓	7	1	508.0% ↓
Operating Income (Expenses)	(9.4)	(8.6)	(6.6)	10.0% ↑	42.4% ↑	(25)	(15)	61.9% ↑
Selling expenses / Net Revenues (%)	14.0%	11.2%	13.8%	2.8 p.p. ↑	0.2 p.p. ↑	13.4%	9.6%	3.8 p.p. ↑
G&A Expenses / Net Revenues (%)	18.1%	15.0%	18.7%	3.2 p.p. ↑	0.6 p.p. ↓	20.7%	13.0%	7.7 p.p. ↑
Luggo								
Selling Expenses	(0.2)	(0.4)	(0.8)	39.4% ↓	72.0% ↓	(1)	(3)	45.9% ↓
General & Administrative Expenses	(0.7)	(0.5)	(0.5)	30.7% ↑	34.5% ↑	(2)	(1)	36.6% ↑
Other operating Income (expenses)	(0.1)	(0.1)	(0.0)	18.2% ↓	482.4% ↑	(1)	(2)	64.0% ↓
Equity Income	-	-	-	-	-	-	-	-
Operating Income (Expenses)	(1.0)	(1.0)	(1.3)	0.8% ↓	23.8% ↓	(4)	(6)	35.0% ↓
Selling expenses / Net Revenues (%)	98.2%	178.3%	-	80.1 p.p. ↓	-	216.6%	-	-
G&A Expenses / Net Revenues (%)	298.6%	251.5%	-	47.1 p.p. ↑	-	253.4%	-	-
AHS (MRV US)*								
Selling Expenses	(0.1)	(0.4)	(0.9)	65.5% ↑	84.7% ↓	(1)	(2)	59.8% ↓
General & Administrative Expenses	(22.1)	(14.6)	(11.8)	51.5% ↑	87.1% ↑	(53)	(31)	70.6% ↑
Other operating Income (expenses)	164.5	84.1	(1.3)	95.6% ↓	-	253	(1)	-
Equity Income	-	-	-	-	-	-	-	-
Operating Income (Expenses)	142.3	69.1	(14.0)	105.8% ↑	1117.0% ↓	199	(35)	667.5% ↓
Selling expenses / Net Revenues (%)	0.5%	3.0%	4.5%	2.5 p.p. ↓	4.0 p.p. ↓	1.7%	5.3%	3.6 p.p. ↓
G&A Expenses / Net Revenues (%)	89.4%	113.7%	60.5%	24.3 p.p. ↓	29.0 p.p. ↑	93.8%	67.9%	25.9 p.p. ↑

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

MRV's Selling Expenses line was impacted, in 3Q21, by non-recurring institutional marketing expenses and by the Olympic sponsorship of the "Elas Transformam" program.

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MRV&CO

Financial Result

Financial Result (R\$ million)	3Q21	2Q21	3Q20	Chg. 3Q21 x 2Q21	Chg. 3Q21 x 3Q20	9M21	9M20	Chg. 9M21 x 9M20
MRV&Co								
Financial Expenses	(115)	(31)	(27)	268.5% ↑	327.2% ↑	(172)	(67)	157.7% ↑
Financial Income	39	28	17	41.3% ↑	129.4% ↑	95	49	95.0% ↑
Financial income from receivables	26	35	19	25.1% ↓	35.0% ↑	94	62	52.1% ↑
Financial Result	(50)	31	10	258.9% ↓	625.6% ↓	17	44	61.4% ↓

In 3Q21, the Company reported a financial result impacted by the effects from the total return swap operation for the stock buyback and the debts swaps, from IPCA or TR to CDI, as shown in the table below:

SWAPs effects on Financial Expenses

Financial Expenses - Swaps	
Equity Swap¹	(40,427)
Change in asset price (MRVE3)	(31,590)
Derivative instrument carrying cost (CDI + spread)	(961)
Mark to Market	(7,876)
Mark to Market of Derivative Financial Instruments IPCA/CDI and TR/CDI	(25,053)
Total Effect on Financial Expenses	(65,480)

¹ Stock buyback through a total return swap operation

Note that debts will be paid according to CDI and the Company's investments are also linked to CDI. The effect of debts swaps on financial expenses refers only to mark to market.

Adjusted Financial Result (R\$ million)	3Q21	2Q21	3Q20	Chg. 3Q21 x 2Q21	Chg. 3Q21 x 3Q20	9M21	9M20	Chg. 9M21 x 9M20
MRV&Co								
Financial result	(50)	31	10	-	-	17	44	61.4% ↓
Financial Cost recorded under COGS	(34)	(37)	(45)	7.5% ↓	24.5% ↓	(104)	(137)	23.6% ↓
Adjusted Financial Result	(84)	(5)	(35)	1506.3% ↑	136.8% ↑	(88)	(93)	5.8% ↓

EBITDA

EBITDA (R\$ million)	3Q21	2Q21	3Q20	Chg. 3Q21 x 2Q21	Chg. 3Q21 x 3Q20	9M21	9M20	Chg. 9M21 x 9M20
MRV&Co								
Income Before Taxes	268	258	183	3.9% ↑	46.4% ↑	705	507	39.2% ↑
(+) Depreciation and Amortization	35	33	31	3.7% ↑	11.8% ↑	100	80	25.2% ↑
(-) Financial Results	(50)	31	10	258.9% ↓	625.6% ↓	17	44	61.4% ↓
(+) Financial charges recorded under cost of sales	34	37	45	7.5% ↓	24.5% ↓	104	137	23.6% ↓
EBITDA	386	296	249	30.4% ↑	54.9% ↑	893	680	31.4% ↑
EBITDA Margin (%)	21.5%	16.3%	14.0%	5.2 p.p. ↑	7.4 p.p. ↑	17.1%	13.8%	3.4 p.p. ↑

EARNINGS RELEASE

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MRV&CO

Net Income

Net Income (R\$ million)	3Q21	2Q21	3Q20	Chg. 3Q21 x 2Q21	Chg. 3Q21 x 3Q20	9M21	9M20	Chg. 9M21 x 9M20
MRV&Co								
Net Income	165	203	141	18.6% ↓	17.5% ↑	505	354	42.6% ↑
% Net Margin	9.2%	11.2%	7.9%	2.0 p.p. ↓	1.3 p.p. ↑	9.7%	7.2%	2.5 p.p. ↑
Adjusted Net Income (R\$ million)	3Q21	2Q21	3Q20	Chg. 3Q21 x 2Q21	Chg. 3Q21 x 3Q20	9M21	9M20	Chg. 9M21 x 9M20
MRV&Co								
Adjusted Net Income	231	203	141	13.6% ↑	64.1% ↑	570	354	61.1% ↑
Adjusted Net Margin (%)	12.8%	11.2%	7.9%	1.6 p.p. ↑	4.9 p.p. ↑	10.9%	7.2%	3.8 p.p. ↑

* Net Income was adjusted only in 3Q21, excluding the impacts of Equity Swap, IPCA/CDI and TR/CDI Swaps on the Company's result.

MRV&Co Consolidated:

Excluding the non-recurring effects on financials expenses, of the total return swap and debts swap, the **adjusted Net Income for the quarter was R\$ 231 million, equivalent to a net margin of 12.8%** for MRV&Co.

Unearned Results

Unearned Results (R\$ million)	Sep/21	Jun/21	Sep/20	Chg. Sep/21 x Jun/21	Chg. Sep/21 x Sep/20
MRV&Co					
Unearned Gross Sales Revenues	2,321	2,541	2,340	8.7% ↓	0.8% ↓
(-) Unearned Costs of Units Sold	(1,488)	(1,602)	(1,415)	7.1% ↓	5.1% ↑
Unearned Results	833	939	925	11.2% ↓	9.9% ↓
Unearned Results Margin	35.9%	36.9%	39.5%	1.0 p.p. ↓	3.6 p.p. ↓
MRV					
Unearned Gross Sales Revenues	2,258	2,507	2,323	9.9% ↓	2.8% ↓
(-) Unearned Costs of Units Sold	(1,460)	(1,586)	(1,406)	8.0% ↓	3.8% ↑
Unearned Results	798	921	917	13.3% ↓	12.9% ↓
Unearned Results Margin	35.4%	36.7%	39.5%	1.4 p.p. ↓	4.1 p.p. ↓
Urba					
Unearned Gross Sales Revenues	63	33	16	88.0% ↑	284.1% ↑
(-) Unearned Costs of Units Sold	(28)	(16)	(9)	75.9% ↑	219.3% ↑
Unearned Results	35	18	8	98.8% ↑	358.2% ↑
Unearned Results Margin	55.7%	52.6%	46.7%	3.0 p.p. ↑	9.0 p.p. ↑

EARNINGS RELEASE

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MRV&CO

Balance Sheet - MRV&Co

Cash and Cash Equivalents and Market Securities

Cash and cash equivalents & Market. Securities (R\$ million)	Sep/21	Jun/21	Sep/20	Chg. Sep/21 x Jun/21	Chg. Sep/21 x Sep/20
MRV&Co					
Cash and cash equivalents	1,207	1,142	1,080	5.7% ↑	11.8% ↑
Marketable Securities	1,607	1,586	1,765	1.3% ↑	8.9% ↓
Total	2,814	2,728	2,845	3.1% ↑	1.1% ↓

Receivables from Real Estate Development

Receivables from Real Estate Development (R\$ million)	Sep/21	Jun/21	Sep/20	Chg. Sep/21 x Jun/21	Chg. Sep/21 x Sep/20
MRV&Co					
Clients	4,073	4,184	3,763	2.7% ↓	8.3% ↑
Present value discount	(50)	(63)	(65)	20.1% ↓	22.5% ↓
Allowance for credit risk	(304)	(322)	(269)	5.8% ↓	12.9% ↑
Receivables from real estate development	3,719	3,799	3,428	2.1% ↓	8.5% ↑
Current	2,149	1,926	1,809	11.5% ↑	18.8% ↑
Noncurrent	1,570	1,873	1,619	16.1% ↓	3.0% ↓

MRV's Credit Portfolio (R\$ million)	Sep/21	Jun/21	Sep/20	Chg.Sep/21 x Jun/21	Chg.Sep/21 x Sep/20
After Keys Delivery	1,105	1,306	1,062	15.4% ↓	4.1% ↑
Before Keys Delivery	1,374	1,348	1,135	2.0% ↑	21.0% ↑
Total	2,479	2,653	2,197	6.6% ↓	12.8% ↑

In 3Q21, MRV&Co carried out its **first Credit Portfolio (pró-soluto) 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.

Direct and indirect effects of Credit Portfolio Sale in 3Q21 (values in R\$ million)

Balance Sheet (Asset)		Income Statement	
Accounts receivable from customers	(277)	Net Revenue ¹	41
Portfolio Write-off	(318)	Financial Expenses	(23)
Reversals ¹	41		
Cash and cash equivalents	201		
Other Assets	94		
Financial Asset	87		
Other Assets	7		
Total effect on the Balance Sheet (Asset)	18	Total effect on the Result	18

¹ Reversal effects of Allowance for Credit Risk and Present Value Discount

EARNINGS RELEASE

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MRV&CO

Inventories

Inventories (R\$ million)	Sep/21	Jun/21	Sep/20	Chg. Sep/21 x Jun/21	Chg. Sep/21 x Sep/20
MRV&Co					
Properties under construction	2,875	2,646	2,407	8.7% ↑	19.5% ↑
Completed Units	120	112	144	7.3% ↑	16.9% ↓
Land bank	6,020	6,022	5,491	0.0% ↓	9.6% ↑
Advances to Suppliers	82	89	74	8.1% ↓	10.7% ↑
Inventories of supplies	1	0	0	70.8% ↑	106.8% ↑
Total	9,097	8,869	8,117	2.6% ↑	12.1% ↑
Current	4,203	4,037	3,722	4.1% ↑	12.9% ↑
Non-current	4,894	4,831	4,395	1.3% ↑	11.4% ↑
MRV					
Properties under construction	2,818	2,593	2,346	8.7% ↑	20.1% ↑
Completed Units	98	89	118	9.4% ↑	16.9% ↓
Land bank	5,852	5,860	5,278	0.1% ↓	10.9% ↑
Advances to Suppliers	72	80	67	9.2% ↓	7.9% ↑
Inventories of supplies	1	0	0	70.8% ↑	106.8% ↑
Total	8,840	8,622	7,808	2.5% ↑	13.2% ↑
Current	4,058	3,893	3,596	4.2% ↑	12.8% ↑
Non-current	4,783	4,729	4,212	1.1% ↑	13.5% ↑
Urba					
Properties under construction	58	53	61	8.0% ↑	6.1% ↓
Completed Units	22	22	26	1.2% ↓	17.2% ↓
Land bank	168	162	214	3.8% ↑	21.5% ↓
Advances to Suppliers	7	7	6	0.8% ↑	24.3% ↑
Inventories of supplies	-	-	-	-	-
Total	255	244	308	4.2% ↑	17.2% ↓
Current	143	142	125	0.6% ↑	14.9% ↑
Non-current	111	102	183	9.2% ↑	39.1% ↓
Lugbo					
Properties under construction	-	-	-	-	-
Completed Units	-	-	-	-	-
Land bank	-	-	-	-	-
Advances to Suppliers	2	2	1	2.2% ↑	124.1% ↑
Inventories of supplies	-	-	-	-	-
Total	2	2	1	2.2% ↑	124.1% ↑
Current	2	2	1	2.2% ↑	124.1% ↑
Non-current	-	-	-	-	-

EARNINGS RELEASE

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MRV & CO

Investment Property

Investment Property (R\$ million)	Sep/21	Jun/21	Sep/20	Chg. Sep/21 x Jun/21	Chg. Sep/21 x Sep/20
MRV&Co					
Buildings*	588	982	1,176	40.1% ↓	50.0% ↓
Real Estate under Construction	1,152	726	370	58.6% ↑	211.1% ↑
Land Bank	560	372	320	50.5% ↑	74.8% ↑
Total Investment Property	2,300	2,080	1,866	10.6% ↑	23.2% ↑
Luggo					
Buildings	-	-	-	-	-
Real Estate under Construction	182	148	55	22.9% ↑	229.9% ↑
Land Bank	176	184	60	4.4% ↓	193.0% ↑
Total Investment Property	358	332	115	7.8% ↑	210.7% ↑
AHS (MRV US)					
Buildings*	588	982	1,176	40.1% ↓	50.0% ↓
Real Estate under Construction	970	578	315	67.7% ↑	207.9% ↑
Land Bank	384	188	260	104.3% ↑	47.6% ↑
Total Investment Property	1,943	1,748	1,751	11.1% ↑	10.9% ↑

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

Net Debt

Net Debt (R\$ million)	Sep/21	Jun/21	Sep/20	Chg. Sep/21 x Jun/21	Chg. Sep/21 x Sep/20
MRV&Co					
Total debt	5,305	5,181	4,878	2.4% ↑	8.7% ↑
(-) Cash and cash equivalents & Marketable Securities	(2,814)	(2,728)	(2,845)	3.1% ↑	1.1% ↓
(+/-) Derivative Financial Instruments	58	(27)	(36)	312.7% ↓	262.3% ↓
Net Debt	2,549	2,425	1,997	5.1% ↑	27.6% ↑
Total Shareholders' Equity	6,374	6,148	5,970	3.7% ↑	6.8% ↑
Net Debt / Total Shareholders' Equity	40.0%	39.4%	33.5%	0.5 p.p. ↑	6.5 p.p. ↑
EBITDA LTM	1,220	1,084	921	12.6% ↑	32.5% ↑
Net Debt / EBITDA LTM	2.09x	2.24x	2.17x	6.7% ↓	3.7% ↓
MRV + Urba + Luggo					
Total debt	3,671	3,719	3,541	1.3% ↓	3.7% ↑
(-) Cash and cash equivalents & Marketable Securities	(2,292)	(2,439)	(2,754)	6.1% ↓	16.8% ↓
(+/-) Derivative Financial Instruments	53	(33)	(54)	258.8% ↓	197.7% ↓
Net Debt	1,433	1,246	733	15.0% ↑	95.6% ↑
Total Shareholders' Equity	5,639	5,589	5,512	0.9% ↑	2.3% ↑
Net Debt / Total Shareholders' Equity	25.4%	22.3%	13.3%	3.1 p.p. ↑	12.1 p.p. ↑
EBITDA LTM	886	915	921	3.1% ↓	3.8% ↓
Net Debt / EBITDA LTM	1.62x	1.36x	0.80x	18.7% ↑	103.2% ↑
AHS (MRV US)					
Total debt	1,634	1,462	1,337	11.7% ↑	22.2% ↑
(-) Cash and cash equivalents & Marketable Securities	(523)	(289)	(91)	80.8% ↑	476.3% ↑
(+/-) Derivative Financial Instruments	5	6	19	18.6% ↓	73.1% ↓
Net Debt	1,116	1,179	1,265	5.4% ↓	11.8% ↓
Total Shareholders' Equity	735	559	458	31.3% ↑	60.4% ↑
Net Debt / Total Shareholders' Equity	151.9%	210.8%	276.2%	58.9 p.p. ↓	124.3 p.p. ↓
EBITDA LTM	334	169	-	98.0% ↑	-
Net Debt / EBITDA LTM	3.34x	6.99x	-	52.2% ↓	-

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MRV & CO

Debt in Local Currency

Debt in Local Currency (R\$ million)	Maturity	Contractual Rate (p.a)	Balance Due	
			Sep/21	Jun/21
MRV + Luggo				
Debentures - 9th Issuance (2nd serie)	02/20 to 02/22	CDI + 2.30%	100	202
Debentures - 9th Issuance (3rd serie)	02/2022	132.2% CDI	101	101
Debentures - 11th Issuance (2nd serie)	09/21 to 09/22	CDI + 1.50%	107	217
Debentures - 11th Issuance (3rd serie)	09/23 and 09/24	122.1% CDI	151	158
Debentures - 12th Issuance (1st serie)	07/2023	CDI + 1.40%	303	304
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	111
Debentures - 12th Issuance (4th serie)	07/2023	CDI + 1.50%	84	85
Debentures - 15th Issuance	11/22 to 11/25	CDI + 1.06%	305	300
Debentures - 16th Issuance	04/23 to 04/25	CDI + 1.50%	102	101
Debentures - 17th Issuance	04/21 to 04/23	CDI + 3.00%	39	45
Debentures - 18th Issuance	08/2025	CDI + 2.40%	501	506
13th issue of debentures that back CRI operations	09/23 to 09/24	100% CDI	295	294
14th issue of debentures that back CRI operations	04/23 to 04/25	100.4% CDI	363	358
19th issue of debentures that back CRI operations	04/29 to 04/31	CDI + 1.65%	404	391
Working capital (MRV)	04/21 and 04/22	CDI + 3.10%	101	101
Leasing	09/19 to 05/23	CDI + 2.00% to + 2.93%	6	7
Corporate Debt			3,125	3,332
Construction Financing	01/21 to 12/25	TR + 8.30%	404	245
Construction Finance			404	245
Urba				
Debentures - 2nd Issuance (Urba)	06/21 to 06/23	CDI + 1.22%	41	40
Debentures - 4nd Issuance (Urba)	04/23 to 04/25	CDI + 1.50%	41	40
3rd issue of Urba debentures that back CRI operations	03/2024	CDI + 0.20%	59	59
Corporate Debt			140	139
Working capital (Urba)	04/16 to 03/23	TR + 13.29%	3	3
Construction Finance			3	3
Total Debt in Local Currency			3,671	3,719

Debt Maturity Schedule in local currency

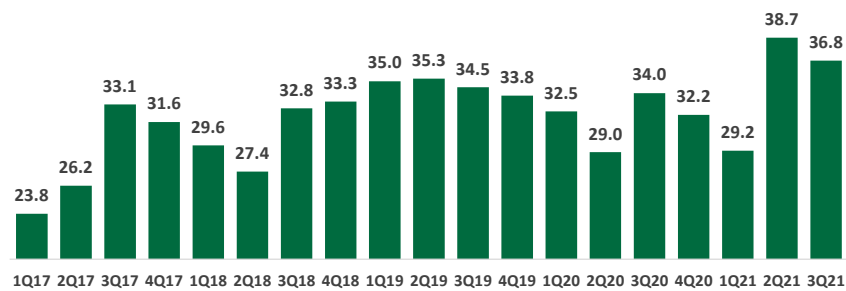
(R\$ million)	Construction Financing	Corporate Debt	Total
12 months	83	505	588
13 to 24 months	257	818	1,074
25 to 36 months	56	838	894
37 to 48 months	7	645	652
Over 48 months	4	458	462
Total Debt	407	3,265	3,671

Weighted Average Debt Cost in local currency

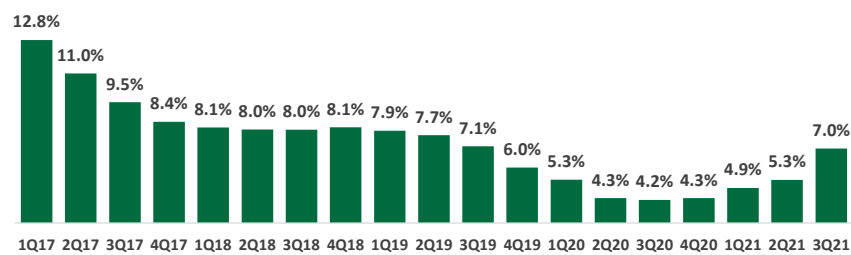
Debt in Local Currency (R\$ million)	Debit Balance Sep/21	Balance Due / Total (%)	Average Cost
Corporate Debt	3,265	88.9%	CDI + 1.37%
Construction Financing	407	11.1%	TR + 8.40%
Total	3,671	100.0%	6.99%

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 Sep/21	Balance Due Converted in R\$ thousands Sep/21
Construction Financing (<i>equivalent to Brazilian SFH</i>)			138,034	750,822
Construction Loan			91,369	496,991
Coral Reef	February, 2022	LIBOR 1M + 2.00%	23,500	127,826
Pine Groves	April, 2022	LIBOR 1M + 2.25%	18,200	98,997
Oak Enclave	April, 2024	LIBOR 1M + 3.00%	20,213	109,946
Tradition	March, 2024	LIBOR 1M + 2.75%	15,552	84,596
Harbor Grove	April, 2023	PRIME + 1.00%	13,903	75,626
Permanent Loan			46,665	253,831
Princeton Groves	October, 2027	Fixed at 4.38%	23,766	129,273
Lake Worth	May, 2026	Fixed at 3.95%	22,899	124,558
Corporate Debt			162,730	885,154
Credit Line	n/a	LIBOR 1M + 3.00%	-	-
Vehicle Loan	December, 2022	Fixed at 5.94%	32	176
Itau Bond Debt	February, 2026	Fixed at 2.50% to 4.00%	162,698	884,978
Funding Costs			(438)	(2,380)
Total			300,326	1,633,595

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	23,500	-	45,728	(108)	69,121	375,975
13 to 24 months	29,456	-	2	(108)	29,350	159,646
25 to 36 months	20,213	-	-	(108)	20,105	109,361
37 to 48 months	-	-	47,000	(86)	46,914	255,186
After 48 months	-	-	70,000	(29)	69,971	380,599
Subtotal	73,169	-	162,730	(438)	235,461	1,280,767
Loans and financing - Noncurrent Assets held for sale					64,865	352,828
Total					300,326	1,633,595

Covenants & Corporate Risk

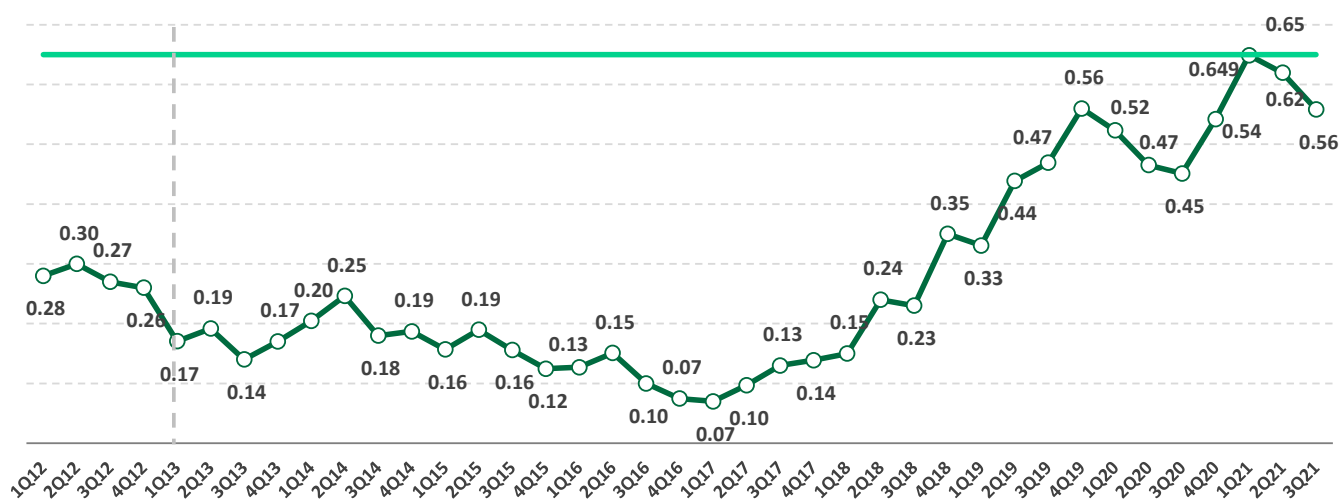
S&P Global
Ratings

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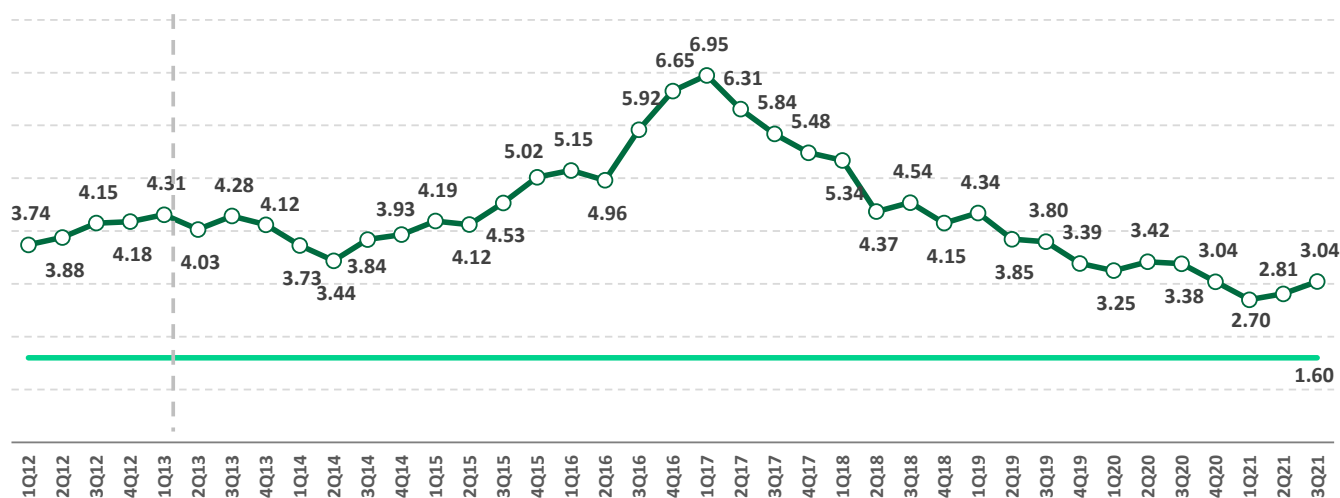
brAA-

Debt Covenant



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

Receivables Covenant



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

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MRV&CO

Investor Relations

Ricardo Paixão Pinto Rodrigues
Chief Financial and Investor Relations Officer

Augusto Pinto de Moura Andrade
Investor Relations Executive Manager

Investor Relations

Phone: +55 (31) 3615-8153

E-mail: ri@mrvc.com.br

Website: ri.mrv.com.br

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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	3Q21	2Q21	3Q20	Chg. 3Q21 x 2Q21	Chg. 3Q21 x 3Q20	9M21	9M20	Chg. 9M21 x 9M20
NET REVENUE	1,800	1,816	1,780	0.9% ↓	1.1% ↑	5,215	4,944	5.5% ↑
COST OF REAL ESTATE SALES AND SERVICES	(1,312)	(1,355)	(1,280)	3.2% ↓	2.5% ↑	(3,820)	(3,553)	7.5% ↑
GROSS PROFIT	488	462	500	5.7% ↑	2.4% ↓	1,395	1,392	0.2% ↑
<i>Gross Margin</i>	<i>27.1%</i>	<i>25.4%</i>	<i>28.1%</i>	<i>1.7 p.p. ↑</i>	<i>1.0 p.p. ↓</i>	<i>26.7%</i>	<i>28.1%</i>	<i>1.4 p.p. ↓</i>
OPERATING INCOME (EXPENSES)								
Selling expenses	(168)	(154)	(168)	9.2% ↑	0.4% ↓	(473)	(478)	1.0% ↓
General & Administrative Expenses	(124)	(119)	(111)	4.5% ↑	11.7% ↑	(359)	(315)	13.9% ↑
Other operating income (expenses), net	133	56	(34)	137.1% ↓	-	161	(96)	-
Equity Income	(11)	(19)	(13)	41.5% ↓	13.3% ↓	(35)	(39)	9.8% ↓
INCOME BEFORE FINANCIAL INCOME (EXPENSES)	318	226	173	40.5% ↑	83.2% ↑	688	463	48.7% ↑
FINANCIAL RESULTS								
Financial expenses	(115)	(31)	(27)	268.5% ↑	327.2% ↑	(172)	(67)	157.7% ↑
Financial income	39	28	17	41.3% ↑	129.4% ↑	95	49	95.0% ↑
Financial income from receivables from real estate development	26	35	19	25.1% ↓	35.0% ↑	94	62	52.1% ↑
INCOME BEFORE INCOME TAX AND SOCIAL CONTRIBUTION	268	258	183	3.9% ↑	46.4% ↑	705	507	39.2% ↑
Income Tax and Social Contribution	(73)	(32)	(37)	127.8% ↑	97.3% ↑	(139)	(104)	33.4% ↑
NET INCOME	194	225	146	13.7% ↓	33.4% ↑	566	403	40.7% ↑
PROFIT ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	29	22	5	30.6% ↑	463.9% ↑	62	48	27.1% ↑
PROFIT ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY	165	203	141	18.6% ↓	17.5% ↑	505	354	42.6% ↑
<i>Net Margin</i>	<i>9.2%</i>	<i>11.2%</i>	<i>7.9%</i>	<i>2.0 p.p. ↓</i>	<i>1.3 p.p. ↑</i>	<i>9.7%</i>	<i>7.2%</i>	<i>2.5 p.p. ↑</i>
BASIC EARNINGS PER SHARE	0.342	0.420	0.292	18.6% ↓	17.0% ↑	1.045	0.741	41.0% ↑

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

ASSETS	Sep/21	Jun/21	Sep/20	Chg. Sep/21 x Jun/21	Chg. Sep/21 x Sep/20
CURRENT ASSETS					
Cash and cash equivalents	1,207	1,142	1,080	5.7% ↑	11.8% ↑
Marketable Securities	1,318	1,275	1,742	3.4% ↑	24.4% ↓
Receivables from real estate development	2,149	1,926	1,809	11.5% ↑	18.8% ↑
Receivables from services provided	3	3	6	14.6% ↑	50.6% ↓
Inventories	4,203	4,037	3,722	4.1% ↑	12.9% ↑
Recoverable current taxes	102	107	84	4.7% ↓	20.7% ↑
Prepaid expenses	84	100	99	16.7% ↓	15.4% ↓
Derivative Financial Instruments	22	21	-	0.9% ↑	-
Other assets	131	122	116	7.4% ↑	13.3% ↑
Total Current Assets	9,218	8,734	8,658	5.5% ↑	6.5% ↑
Investment Property - Noncurrent Assets held for sale	417	438	-	4.7% ↓	-
NONCURRENT ASSETS					
Marketable Securities	289	311	22	7.1% ↓	1194.1% ↑
Receivables from real estate development	1,570	1,873	1,619	16.1% ↓	3.0% ↓
Real estate for sale and development	4,894	4,831	4,395	1.3% ↑	11.4% ↑
Intercompany Expenses	66	56	47	16.4% ↑	39.5% ↑
Prepaid expenses	46	47	46	3.8% ↓	1.1% ↓
Derivative Financial Instruments	28	28	54	0.1% ↓	48.3% ↓
Other noncurrent assets	294	224	155	31.4% ↑	89.1% ↑
Equity Interest in investees	196	191	(1)	2.7% ↑	19079.0% ↓
Investment property	1,883	1,642	1,866	14.7% ↑	0.9% ↑
Property and equipment	589	580	545	1.7% ↑	8.1% ↑
Intangible Assets	178	170	158	4.3% ↑	12.6% ↑
Total Noncurrent Assets	10,033	9,954	8,908	0.8% ↑	12.6% ↑
TOTAL ASSETS	19,668	19,126	17,566	2.8% ↑	12.0% ↑

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

LIABILITIES AND EQUITY	Sep/21	Jun/21	Sep/20	Chg. Sep/21 x Jun/21	Chg. Sep/21 x Sep/20
CURRENT LIABILITIES					
Suppliers	666	584	446	13.9% ↑	49.3% ↑
Payables for investment aquisition	20	19	6	1.3% ↑	243.2% ↑
Loans, financing and debentures	964	912	634	5.7% ↑	52.0% ↑
Land Payables	954	878	1,148	8.7% ↑	16.9% ↓
Advances from customers	254	226	231	12.2% ↑	9.7% ↑
Payroll and related liabilities	216	187	194	15.7% ↑	11.4% ↑
Tax payables	124	87	88	41.6% ↑	40.7% ↑
Provision for maintenance of real estate	43	39	41	8.9% ↑	4.2% ↑
Deferred tax liabilities	74	75	64	0.6% ↓	16.2% ↑
Proposed dividends	78	78	164	0.0% ↑	52.2% ↓
Net Capital deficiency liabilities - Investments	378	373	165	1.4% ↑	129.4% ↑
Other payables	316	291	259	8.5% ↑	21.9% ↑
Total Current Liabilities	4,086	3,750	3,439	8.9% ↑	18.8% ↑
Loans and financing - Noncurrent Assets held for sale	353	309	-	14.2% ↑	-
NONCURRENT LIABILITIES					
Payables for investment aquisition	22	23	14	4.5% ↓	54.6% ↑
Derivative Financial Instruments	108	22	19	384.5% ↑	480.8% ↑
Loans, financing and debentures	3,988	3,960	4,244	0.7% ↑	6.0% ↓
Land Payables	3,944	4,097	3,151	3.7% ↓	25.2% ↑
Advances from customers	330	349	325	5.6% ↓	1.5% ↑
Provision for maintenance of real estate	147	139	114	5.6% ↑	28.6% ↑
Provision for civil, labor, and tax risks	93	95	106	2.0% ↓	12.4% ↓
Deferred tax liabilities	64	69	66	7.3% ↓	3.9% ↓
Other liabilities	160	163	118	2.1% ↓	35.6% ↑
Total Noncurrent Liabilities	8,856	8,919	8,157	0.7% ↓	8.6% ↑
EQUITY					
Equity attributable to Company' Shareholders	5,994	5,800	5,616	3.3% ↑	6.7% ↑
Noncontrolling Interests	380	348	353	9.1% ↑	7.5% ↑
Total Equity	6,374	6,148	5,970	3.7% ↑	6.8% ↑
TOTAL LIABILITIES AND TOTAL EQUITY	19,668	19,126	17,566	2.8% ↑	12.0% ↑

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

Consolidated (R\$ million)	3Q21	2Q21	3Q20	Chg. 3Q21 x 2Q21	Var. 3Q21 x 3Q20	9M21	9M20	Chg. 9M21 x 9M20
CASH FLOWS FROM OPERATING ACTIVITIES								
NET INCOME	194	225	146	13.7% ↓	33.4% ↑	566	403	40.7% ↑
Adjustments to reconcile net income to cash used in operating activities	16	73	157	78.5% ↓	90.0% ↓	224	527	57.5% ↓
(Increase) decrease in operating assets	(209)	(347)	100	39.8% ↑	-	(784)	(253)	209.7% ↓
Increase (decrease) in operating liabilities	(31)	(41)	(67)	23.6% ↑	53.2% ↑	(114)	(206)	44.6% ↑
Net cash generated by (used in) operating activities	(30)	(89)	336	66.6% ↑	-	(108)	471	-
CASH FLOWS FROM INVESTING ACTIVITIES								
Decrease (increase) in marketable securities	11	(226)	(799)	-	-	67	(310)	-
Advances to related parties	(26)	(8)	(15)	222.5% ↓	72.2% ↓	(90)	(34)	161.9% ↓
Receipts from related parties	17	8	10	116.7% ↑	69.9% ↑	86	27	218.2% ↑
Decrease in (acquisition of/contribution to) investments	10	5	(15)	109.4% ↑	-	37	35	7.3% ↑
Payment for acquisition of subsidiary	(1)	(1)	(3)	13.4% ↑	54.3% ↑	(36)	7	-
Receipts for sale of investees	644	216	2	-	-	862	4	19408.3% ↑
Acquisition of investment properties	(537)	(269)	(153)	100.1% ↓	250.4% ↓	(1,139)	(484)	135.4% ↓
Acquisition of fixed and intangible assets	(44)	(38)	(38)	16.9% ↓	17.1% ↓	(130)	(135)	3.7% ↑
Net cash generated by (used in) investing activities	74	(313)	(1,011)	-	-	(343)	(891)	61.5% ↑
CASH FLOWS FROM FINANCING ACTIVITIES								
Proceeds from shares issuance	-	-	-	-	-	6	1	501.2% ↑
Proceeds from stock options' exercise	-	-	0	-	100.0% ↓	-	1	100.0% ↓
Loans from related parties	21	7	18	186.7% ↑	19.0% ↑	38	(5)	-
Treasury shares	-	-	-	-	-	-	-	-
Proceeds from loans, financing and debenture	794	869	748	8.6% ↓	6.2% ↑	2,123	2,280	6.9% ↓
Payment of loans, financing and debenture	(808)	(311)	(732)	159.7% ↓	10.3% ↓	(1,341)	(1,447)	7.3% ↑
Receive of financial instruments and derivatives	16	-	3	-	407.7% ↑	22	4	444.1% ↑
Capital transaction	2	8	(1)	78.3% ↓	-	10	3	207.8% ↑
Dividends payment	-	(132)	-	-	-	(232)	-	-
Net contributions (distributions) of noncontrolling interests	(37)	(14)	(4)	157.0% ↓	881.1% ↓	(66)	(17)	286.3% ↓
Net cash (used in) generated by financing activities	(11)	428	32	-	-	560	820	31.7% ↓
effects of exchange rates on cash and cash equivalents	32	(25)	(1)	-	-	17	6	210.6% ↑
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS, NET	65	1	(644)	10143.6% ↑	-	127	405	68.8% ↓
CASH AND CASH EQUIVALENTS								
Cash and cash equivalents at beginning of the period	1,142	1,142	1,724	0.1% ↑	33.8% ↓	1,081	675	60.1% ↑
Cash and cash equivalents at end of the period	1,207	1,142	1,080	5.7% ↑	11.8% ↑	1,207	1,080	11.8% ↑

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ATTACHMENT IV – Financial Statements – AHS (MRV US)

Balance Sheet - MRV US

ASSETS (US\$ Thousands)	09/30/2021	06/30/2021	09/30/2020	Chg. Sep/21 x Jun/21	Chg. Sep/21 x Sep/20
CURRENT ASSETS					
Cash and cash equivalents	88,056	49,533	13,033	77.8% ↑	575.6% ↑
Marketable Securities	8,031	8,244	3,045	2.6% ↓	163.7% ↑
Receivables from services provided	472	372	791	26.9% ↑	40.3% ↓
Prepaid expenses	1,036	1,101	901	5.9% ↓	15.0% ↑
Other assets	5,825	8,750	2,600	33.4% ↓	124.0% ↑
Total Current Assets	103,420	68,000	20,370	52.1% ↑	407.7% ↑
Investment Property - Noncurrent Assets held for sale	76,725	87,544	-	12.4% ↓	-
NONCURRENT ASSETS					
Other noncurrent assets	4,817	6,777	1,931	28.9% ↓	149.5% ↑
Equity Interest in investees	372	372	-	0.0% ↑	-
Investment property	280,392	261,948	310,479	7.0% ↑	9.7% ↓
Property and equipment	11,818	10,229	6,625	15.5% ↑	78.4% ↑
Intangible Assets	2,313	2,401	2,344	3.7% ↓	1.3% ↓
Total Noncurrent Assets	299,712	281,727	321,379	6.4% ↑	6.7% ↓
TOTAL ASSETS	479,857	437,271	341,749	9.7% ↑	40.4% ↑
LIABILITIES AND EQUITY (US\$ Thousands)	09/30/2021	06/30/2021	09/30/2020	Chg. Sep/21 x Jun/21	Chg. Sep/21 x Sep/20
CURRENT LIABILITIES					
Suppliers	25,045	21,267	11,589	17.8% ↑	116.1% ↑
Loans, financing and debentures	69,120	53,903	6,090	28.2% ↑	1035.0% ↑
Payroll and related liabilities	1,309	904	1,325	44.8% ↑	1.2% ↓
Tax payables	5,992	-	-	-	-
Other payables	10,147	8,647	6,895	17.3% ↑	47.2% ↑
Total Current Liabilities	111,613	84,721	25,899	31.7% ↑	331.0% ↑
Loans and financing - Noncurrent Assets held for sale	64,865	61,741	-	5.1% ↑	-
NONCURRENT LIABILITIES					
Derivative Financial Instruments	915	1,223	3,285	25.2% ↓	72.1% ↓
Loans, financing and debentures	166,340	176,649	230,939	5.8% ↓	28.0% ↓
Other liabilities	1,053	1,115	438	5.6% ↓	140.4% ↑
Total Noncurrent Liabilities	168,308	178,987	234,662	6.0% ↓	28.3% ↓
EQUITY					
Equity attributable to Company' Shareholders	118,066	96,856	70,405	21.9% ↑	67.7% ↑
Noncontrolling Interests	17,005	14,966	10,783	13.6% ↑	57.7% ↑
Total Equity	135,071	111,822	81,188	20.8% ↑	66.4% ↑
TOTAL LIABILITIES AND TOTAL EQUITY	479,857	437,271	341,749	9.7% ↑	40.4% ↑

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Consolidated Income Statement - MRV US

US\$ thousands	3Q21	2Q21	3Q20	Chg. 3Q21 x 2Q21	Chg. 3Q21 x 3Q20	9M21	9M20	Chg. 9M21 x 9M20
NET REVENUE	4,722	2,327	3,631	102.9% ↑	30.0% ↑	10,528	8,814	19.4% ↑
COST OF REAL ESTATE SALES AND SERVICES	(2,434)	(1,422)	(3,142)	71.2% ↑	22.5% ↓	(6,830)	(7,606)	10.2% ↓
GROSS PROFIT	2,287	905	490	152.8% ↑	367.2% ↑	3,698	1,208	206.0% ↑
<i>Gross Margin</i>	48.4%	38.9%	13.5%	9.6 p.p. ↑	35.0 p.p. ↑	35.1%	13.7%	21.4 p.p. ↑
OPERATING INCOME (EXPENSES)								
Selling expenses	(25)	(71)	(162)	64.0% ↓	84.3% ↓	(179)	(466)	61.7% ↓
General & Administrative Expenses	(4,235)	(2,751)	(2,201)	53.9% ↑	92.4% ↑	(9,991)	(5,999)	66.5% ↑
Other operating income (expenses), net	31,171	16,726	(241)	86.4% ↑	-	48,618	(273)	-
Equity Income	-	-	-	-	-	-	-	-
INCOME BEFORE FINANCIAL INCOME (EXPENSES)	29,198	14,809	(2,115)	97.2% ↑	-	42,146	(5,531)	-
FINANCIAL RESULTS								
Financial expenses	(1,525)	(722)	(1,343)	111.3% ↑	13.5% ↑	(3,532)	(3,477)	1.6% ↑
Financial income	351	(807)	9	-	3847.7% ↑	1,770	56	3045.7% ↑
Financial income from receivables from real estate development	-	-	-	-	-	-	-	-
INCOME BEFORE INCOME TAX AND SOCIAL CONTRIBUTION	28,024	13,281	(3,449)	111.0% ↑	-	40,384	(8,951)	-
Income Tax and Social Contribution	(6,992)	-	-	-	-	(6,992)	-	-
NET INCOME (LOSS)	21,032	13,281	(3,449)	58.4% ↑	-	33,392	(8,951)	-
NET INCOME (LOSS) ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	2,039	966	(290)	111.0% ↑	-	2,924	(728)	-
NET INCOME (LOSS) ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY	18,994	12,315	(3,159)	54.2% ↑	-	30,468	(8,223)	-
<i>Net Margin</i>	402.3%	529.2%	-87.0%	126.9 p.p. ↓	489.3 p.p. ↑	289.4%	-93.3%	382.7 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\$)	3Q21*	2Q19
Operation	101,131,097	109,853,896
Construction	200,266,867	27,979,811
Land bank	70,638,063	19,850,000
Holding	48,384,012	18,249,995
Additional Capital@jul/19	-	10,000,000
Total	420,420,039	185,933,702

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

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

Glossary

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

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

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

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

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

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

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

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

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

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

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

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

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

Launches – Occurs when a project is available for sale.

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

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

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

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

NAV – Net Asset Values

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

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

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

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

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

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

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

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

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

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

Gross VSO – 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

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

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

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

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

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

Relationship with Independent Auditors

Pursuant to CVM Instruction 381/03, we inform that the Company's independent auditors KPMG Auditores Independentes S/S ("KPMG") did not provide services during the first nine months of 2021 other than those related to external auditing. The Company's policy for hiring independent auditors ensures that there is no conflict of interest, loss of autonomy or objectiveness.

About MRV

MRV Engenharia e Participações S.A. is the largest Brazilian real estate developer and homebuilder in the lower-income segment, with more than 42 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 19 cities. MRV is listed on the Novo Mercado - B3 under the ticker MRVE3 and is included, among others, in the theoretical portfolio IBOV.

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KPMG Auditores Independentes Ltda.
Rua Paraíba, 550 - 12º andar - Bairro Funcionários
30130-141 - Belo Horizonte/MG - Brasil
Caixa Postal 3310 - CEP 30130-970 - Belo Horizonte/MG - Brasil
Telefone +55 (31) 2128-5700
kpmg.com.br

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 September 30, 2021, which comprise the balance sheet as of September 30, 2021 and the related income statements and the statements of comprehensive income for the three and nine-month period then ended and the statements of changes in equity and the statements of cash flows for the nine-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.



Basis for qualified conclusion on the individual and consolidated interim financial information

During the nine-month period ended on September 30, 2021, the Company derecognized real estate receivables in the amount of R\$124,156 thousand and R\$246,480 thousand in the individual and consolidated, respectively, related to the issuance of Real Estate Receivables Certificate (CRI) and recognized a retrocession asset and other assets in the amount of R\$50,655 thousand and R\$94,157 thousand, individual and consolidated, respectively. As a result of our review work, we identified that this operation does not satisfy the requirements for derecognition of a financial asset under IFRS 9/CPC 48 – Financial instruments, since the Company substantially retained the risks and benefits of the asset. Consequently, the individual and consolidated assets, on September 30, 2021 are understated by R\$29,771 thousand in current and R\$43,730 thousand in non-current, and R\$ 66,566 thousand in current and R\$85,756 thousand in non-current, respectively, liabilities are understated by R\$33,293 thousand in current and R\$48,905 thousand in non-current and R\$73,038 thousand in current and R\$94,095 thousand in non-current, respectively, the net income and comprehensive income for the periods of 3 and 9 months ended on September 30, 2021, the equity as of September 30, 2021, individual and consolidated, is overstated by R\$8,697 thousand and R\$14,811 thousand, respectively, and the basic and diluted earnings per share, for the 3 and 9 months ended on September 30, 2021, individual and consolidated, are overstated by R\$0.018.

Qualified conclusion on the individual interim financial information

Based on our review, except for the effects of the matter described in paragraph Basis for qualified conclusion on the individual and consolidated interim financial information, we did not detect any fact 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.

Qualified conclusion on the consolidated interim financial information

Based on our review, except for the effects of the matter described in paragraph Basis for qualified conclusion on the individual and consolidated interim financial information, we did not detect any fact 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 nine-month period ended September 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, except for the effects of the matter described in paragraph Basis for qualified conclusion on the individual and consolidated interim financial information, 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, November 09, 2021

KPMG Auditores Independentes Ltda.
CRC SP-014428/O-6 F-MG

Original report in Portuguese signed by
Poliana Silveira Rodrigues
Contadora CRC MG-089473/O-0



	Notes	Consolidated		Individual	
		9/30/21	12/31/20	9/30/21	12/31/20
Assets					
Current assets					
Cash and cash equivalents	4	1,207,325	1,080,705	277,661	485,346
Marketable securities	5	1,318,051	1,599,644	1,018,726	1,365,000
Receivables from real estate development	6	2,148,665	1,840,376	1,158,490	1,040,242
Receivables from services provided	6	2,987	3,446	1,256	1,318
Inventories	7	4,203,214	3,741,278	2,421,309	2,270,677
Recoverable taxes	16	101,764	78,280	70,278	53,986
Prepaid expenses		83,663	100,980	41,531	52,918
Derivative financial instruments	25 (b)	21,555	-	21,555	-
Other assets		130,896	119,386	118,586	119,351
Total current assets		9,218,120	8,564,095	5,129,392	5,388,838
Noncurrent assets held for sale					
	9	417,338	-	-	-
Noncurrent assets					
Marketable securities	5	288,929	14,284	240,901	14,243
Receivables from real estate development	6	1,570,325	1,641,094	775,553	817,674
Inventories	7	4,893,964	4,860,581	3,603,643	3,665,977
Intercompany receivables	19	65,597	60,123	985,483	822,810
Prepaid expenses		45,569	50,405	25,994	29,170
Derivative financial instruments	25 (b)	28,075	67,090	28,023	66,754
Other noncurrent assets		293,828	156,557	197,159	110,544
Total long-term realisable		7,186,287	6,850,134	5,856,756	5,527,172
Equity interest in investees	8	196,261	121,002	2,579,358	2,295,412
Investment properties	9	1,882,966	1,797,960	339,673	173,075
Property and equipment	10	589,342	564,393	492,813	494,158
Intangible assets	11	177,655	164,431	162,382	148,771
Total noncurrent assets		10,032,511	9,497,920	9,430,982	8,638,588
Total assets		19,667,969	18,062,015	14,560,374	14,027,426
Liabilities and Equity					
Current liabilities					
Suppliers		665,504	467,929	385,681	297,181
Payables for investment acquisition		19,730	6,135	13,066	-
Loans, financing and debentures	12	964,195	687,520	546,766	554,243
Land payables	13	954,149	1,189,205	740,638	848,854
Advances from customers	14	253,664	254,011	149,466	170,826
Payroll and related liabilities	15	215,997	142,155	108,077	86,611
Tax payables	16	123,741	90,477	64,670	66,079
Provision for maintenance of real estate	17	42,664	41,647	21,417	19,733
Deferred tax liabilities	26	74,314	64,480	39,245	35,253
Proposed dividends		78,395	131,986	78,395	130,658
Net capital deficiency liability - Investments	8	377,845	287,580	180,047	163,681
Other payables		315,418	252,685	43,453	92,449
Total current liabilities		4,085,616	3,615,810	2,370,921	2,465,568
Loans, financing and debentures - Noncurrent assets held for sale	12	352,827	-	-	-
Noncurrent liabilities					
Payables for investment acquisition		22,391	13,310	13,036	-
Derivative financial instruments	25 (b)	107,617	13,709	102,640	-
Loans, financing and debentures	12	3,987,968	3,964,011	2,780,211	2,685,392
Land payables	13	3,944,435	3,624,906	2,789,381	2,646,694
Advances from customers	14	329,678	360,645	184,409	251,504
Provision for maintenance of real estate	17	147,187	124,252	85,902	71,083
Provision for civil, labor and tax risks	18	93,216	102,144	62,964	71,706
Deferred tax liabilities	26	63,783	66,734	29,214	31,504
Other payables		159,548	141,909	147,847	130,644
Total noncurrent liabilities		8,855,823	8,411,620	6,195,604	5,888,527
Total liabilities		13,294,266	12,027,430	8,566,525	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		73,114	59,502	73,114	59,502
Earnings reserves		741,404	843,521	741,404	843,521
Proposed additional dividends		-	78,395	-	78,395
Equity valuation adjustments		59,699	83,609	59,699	83,609
Earnings accumulated		504,849	-	504,849	-
Equity attributable to the Company' shareholders		5,993,849	5,673,331	5,993,849	5,673,331
Noncontrolling interests	20 (g)	379,854	361,254	-	-
Total equity		6,373,703	6,034,585	5,993,849	5,673,331
Total liabilities and equity		19,667,969	18,062,015	14,560,374	14,027,426

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

INCOME STATEMENTS FOR THE THREE AND NINE MONTHS PERIODS ENDED ON SEPTEMBER 30, 2021 AND 2020

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

	Notes	Consolidated				Individual			
		2021		2020		2021		2020	
		3 rd quarter	nine months	3 rd quarter	nine months	3 rd quarter	nine months	3 rd quarter	nine months
Net operating revenue	22	1,800,098	5,214,533	1,779,840	4,944,239	931,549	2,793,544	990,669	2,737,807
Cost of real estate sales and services	23	(1,311,903)	(3,819,697)	(1,279,876)	(3,552,574)	(715,532)	(2,106,695)	(703,361)	(1,947,784)
Gross profit		488,195	1,394,836	499,964	1,391,665	216,017	686,849	287,308	790,023
Operating income (expenses):									
Selling expenses	23	(167,732)	(473,473)	(168,425)	(478,257)	(111,346)	(311,306)	(111,474)	(308,510)
General and administrative expenses	23	(124,075)	(359,249)	(111,032)	(315,375)	(93,297)	(280,602)	(91,871)	(264,435)
Other operating income (expenses), net	23	132,584	161,448	(34,075)	(96,198)	(20,885)	(61,018)	(24,718)	(73,012)
Results from equity interest in investees	8	(11,334)	(35,064)	(13,069)	(38,879)	238,307	537,404	95,197	238,357
Income before financial income and taxes		317,638	688,498	173,363	462,956	228,796	571,327	154,442	382,423
Financial income (expenses):									
Financial expenses	24	(115,494)	(172,257)	(27,033)	(66,856)	(88,713)	(126,355)	(16,457)	(39,163)
Financial income	24	39,281	94,786	17,127	48,606	29,348	65,115	14,632	39,123
Financial income from receivables from real estate development	24	26,219	94,366	19,419	62,049	13,252	47,316	8,270	28,122
Income before taxes		267,644	705,393	182,876	506,755	182,683	557,403	160,887	410,505
Income tax and social contribution:									
Current	26	(75,661)	(135,383)	(36,719)	(91,022)	(19,161)	(51,688)	(19,366)	(48,120)
Deferred	26	2,482	(3,541)	(377)	(13,135)	1,639	(866)	(937)	(8,283)
	26	(73,179)	(138,924)	(37,096)	(104,157)	(17,522)	(52,554)	(20,303)	(56,403)
Net income for the period		194,465	566,469	145,780	402,598	165,161	504,849	140,584	354,102
Net income attributable to:									
Company' shareholders		165,161	504,849	140,584	354,102				
Noncontrolling interests		29,304	61,620	5,196	48,496				
		194,465	566,469	145,780	402,598				
Earnings per share (In Reais - R\$):									
Basic	20 (h)	0.34181	1.04489	0.29170	0.74107	0.34181	1.04489	0.29170	0.74107
Diluted	20 (h)	0.34116	1.04078	0.28988	0.73709	0.34116	1.04078	0.28988	0.73709

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



	Consolidated				Individual			
	2021		2020		2021		2020	
	3 rd quarter	nine months	3 rd quarter	nine months	3 rd quarter	nine months	3 rd quarter	nine months
Net income for the period	194,465	566,469	145,780	402,598	165,161	504,849	140,584	354,102
Other components of comprehensive income								
Currency translation adjustments	52,086	33,394	13,025	120,079	45,233	29,592	11,277	104,624
Cash flow hedge reserve	(24,521)	(53,502)	(4,857)	(6,845)	(24,521)	(53,502)	(4,946)	(5,828)
Total comprehensive income for the period	222,030	546,361	153,948	515,832	185,873	480,939	146,915	452,898
Comprehensive income attributable to:								
Company' shareholders	185,873	480,939	146,915	452,898	185,873	480,939	146,915	452,898
Noncontrolling interests	36,157	65,422	7,033	62,934	-	-	-	-
	222,030	546,361	153,948	515,832	185,873	480,939	146,915	452,898

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



	Paid-in capital	Treasury shares	Capital reserves		Earnings reserves		Equity valuation adjustments		Retained earnings	Proposed additional dividends	Equity attributable to the Company's 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	-	-	-	-	-	(9,538)	-	-	-	-	(9,538)	12,649	3,111
Net contributions from noncontrolling shareholders	-	-	-	-	-	-	-	-	-	-	-	(16,992)	(16,992)
Currency translation adjustments	-	-	-	-	-	-	-	104,624	-	-	104,624	15,455	120,079
Cash flow hedge reserve	-	-	-	-	-	-	(5,828)	-	-	-	(5,828)	(1,017)	(6,845)
Treasury shares transferred	-	2,772	-	-	-	(2,772)	-	-	-	-	-	-	-
Treasury shares disposed to beneficiaries of stock option plan	-	761	-	-	-	-	-	-	-	-	761	-	761
Reflection of transferred subsidiary's treasury shares	-	133	-	-	-	-	-	-	-	-	133	-	133
Reflection of error correction in subsidiary	-	-	-	-	-	1,513	-	-	-	-	1,513	(13,709)	(12,196)
Stock options	-	-	-	6,967	-	-	-	-	-	-	6,967	-	6,967
Net income for the period	-	-	-	-	-	-	-	-	354,102	-	354,102	48,496	402,598
BALANCE AT SEPTEMBER 30, 2020	4,609,424	(1,120)	(26,309)	82,831	34,512	463,953	(5,828)	104,624	354,102	-	5,616,189	353,418	5,969,607
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	-	-	-	-	-	2,311	-	-	-	-	2,311	7,266	9,577
Net contributions from noncontrolling shareholders	-	-	-	-	-	-	-	-	-	-	-	(65,643)	(65,643)
Currency translation adjustments	-	-	-	-	-	-	-	29,592	-	-	29,592	3,802	33,394
Cash flow hedge reserve	-	-	-	-	-	-	(53,502)	-	-	-	(53,502)	-	(53,502)
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	-	-	-	13,612	-	-	-	-	-	-	13,612	-	13,612
Changes in indirect ownership	-	-	-	-	-	-	-	-	-	-	-	11,972	11,972
Net income for the period	-	-	-	-	-	-	-	-	504,849	-	504,849	61,620	566,469
BALANCE AT SEPTEMBER 30, 2021	4,615,171	(388)	(26,309)	99,423	62,019	679,385	(44,836)	104,535	504,849	-	5,993,849	379,854	6,373,703

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

STATEMENTS OF CASH FLOWS FOR THE NINE MONTHS PERIODS ENDED SEPTEMBER 30, 2021 AND 2020 - INDIRECT METHOD
(In thousands of Brazilian reais - R\$)

	Notes	Consolidated		Individual	
		nine months of		nine months of	
		2021	2020	2021	2020
Cash flows from operating activities					
Net income for the period		566,469	402,598	504,849	354,102
Adjustments to reconcile net income to cash generated by operating activities:					
Depreciation and amortization		99,668	78,451	71,596	55,482
Recognized stock options granted	23	13,815	6,997	13,162	6,886
Property and equipment write off	10	7,187	1,652	5,727	525
Financial result		(51,233)	(19,135)	(27,125)	(10,163)
Results from equity interest in investees	8	35,064	38,879	(537,404)	(238,357)
Gain on equity interest variation in joint venture		(270,662)	-	-	-
Provision for maintenance of real estate		75,037	68,198	41,129	37,157
Provision for civil, labor and tax risks		87,939	98,756	56,972	62,318
Allowance for credit risk		61,971	111,046	28,906	58,324
Amortization of prepaid expenses		123,213	122,560	64,424	64,710
Results from derivative financial instruments		34,869	(8,383)	44,093	(8,488)
Deferred income tax and social contribution	26	3,541	13,135	866	8,283
Deferred taxes on revenue (PIS & COFINS)		3,342	14,556	836	8,912
		790,220	929,310	268,031	399,691
(Increase) decrease in operating assets:					
(Increase) decrease in trade receivables		(228,920)	(772,071)	(74,346)	(471,550)
(Increase) decrease in real estate for sale		(339,902)	624,198	(159,106)	370,179
(Increase) decrease in prepaid expenses		(100,761)	(150,273)	(49,861)	(77,254)
(Increase) decrease in other assets		(114,382)	45,043	(67,013)	40,567
Increase (decrease) in operating liabilities:					
Increase (decrease) in trade payables		193,238	142,323	88,500	87,538
Increase (decrease) in payroll and related taxes		73,613	46,452	21,466	32,783
Increase (decrease) in taxes, fees and contributions		130,899	94,337	50,614	44,298
Increase (decrease) in advances from customers		32,916	7,855	59,925	29,046
Increase (decrease) in other payables		(4,334)	(20,345)	(36,805)	(4,725)
Interest paid		(230,613)	(208,559)	(152,695)	(161,960)
Income tax and social contribution paid		(98,679)	(81,441)	(52,424)	(40,287)
Amounts paid of real estate maintenance	17	(101,880)	(79,191)	(56,511)	(41,638)
Amounts paid for civil, labor and tax risks	18	(109,036)	(107,136)	(74,063)	(69,101)
Net cash generated by (used in) operating activities		(107,621)	470,502	(234,288)	137,587
Cash flows from investing activities					
Increase in marketable securities		(4,466,840)	(3,740,307)	(2,929,089)	(2,760,937)
Decrease in marketable securities		4,534,204	3,430,158	3,101,039	2,228,190
Advances to related companies		(89,675)	(34,237)	(992,527)	(766,905)
Receipts from related companies		85,714	26,941	831,112	738,350
Distribution from (acquisition of/contribution to) investees	8	37,414	34,864	379,787	326,630
Payment for acquisition of investees		(36,474)	6,916	(32,607)	-
Receipts for sale of investees / assets		862,071	4,419	4,973	4,419
Purchase of investment property	9	(1,138,770)	(483,767)	(77,824)	(76,081)
Purchase of property and equipment and intangible assets		(130,494)	(135,490)	(89,761)	(98,813)
Net cash generated by investing activities		(342,850)	(890,503)	195,103	(405,147)
Cash flows from financing activities					
Proceeds from issue of shares		5,747	956	5,747	956
Proceeds from exercised stock options		-	894	-	894
Loans from related parties		38,063	(4,855)	(34,751)	(5,212)
Proceeds from loans, financing and debentures		2,123,251	2,280,147	727,398	1,290,232
Repayment of borrowings, financing and debentures		(1,341,258)	(1,447,480)	(660,768)	(960,403)
Contracted and redeemed derivative financial instruments		22,221	4,084	22,221	4,084
Capital transaction		9,577	3,111	2,311	(878)
Dividend paid		(231,986)	-	(230,658)	-
Distribution to noncontrolling shareholders	20 (g)	(65,643)	(16,992)	-	-
Net cash generated (used in) by financing activities		559,972	819,865	(168,500)	329,673
Effects of exchange rates on cash and cash equivalents					
		17,119	5,512	-	-
(Decrease) increase in cash and cash equivalents, net					
		126,620	405,376	(207,685)	62,113
Cash and cash equivalents					
At the beginning of the period		1,080,705	674,919	485,346	403,876
At the end of the period		1,207,325	1,080,295	277,661	465,989
(Decrease) increase in cash and cash equivalents, net					
		126,620	405,376	(207,685)	62,113

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



	Notes	Consolidated		Individual	
		nine months of		nine months of	
		2021	2020	2021	2020
REVENUES					
Gross operating revenue		5,367,129	5,140,994	2,870,441	2,841,779
Other income		15,457	6,136	15,950	5,551
Revenues related to construction of own assets		35,454	35,382	35,209	34,958
Allowance for credit risk		(61,971)	(111,046)	(28,906)	(58,324)
		5,356,069	5,071,466	2,892,694	2,823,964
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		(3,276,268)	(3,275,336)	(2,165,577)	(1,969,136)
GROSS VALUE ADDED		2,079,801	1,796,130	727,117	854,828
Depreciation and amortization		(99,668)	(78,451)	(71,596)	(55,482)
NET VALUE ADDED GENERATED BY THE COMPANY		1,980,133	1,717,679	655,521	799,346
VALUE ADDED RECEIVED IN TRANSFER					
Results from equity interest in investees	8	(35,064)	(38,879)	537,404	238,357
Financial income		206,251	131,355	122,925	79,926
		171,187	92,476	660,329	318,283
TOTAL VALUE ADDED FOR DISTRIBUTION		2,151,320	1,810,155	1,315,850	1,117,629
VALUE ADDED DISTRIBUTED					
Personnel:					
		769,508	663,457	314,287	285,730
Salaries and wages		591,043	526,608	203,924	202,756
Benefits		138,148	103,547	86,770	64,136
Severance Pay Fund (FGTS)		40,317	33,302	23,593	18,838
Taxes and fees:					
		516,124	451,084	293,160	281,177
Federal		369,850	313,752	200,041	187,242
Municipal		145,439	136,197	92,353	93,223
State		835	1,135	766	712
Lenders and lessors:					
		299,219	293,016	203,554	196,620
Interest		201,479	215,346	134,023	136,810
Rentals / Leases		97,740	77,670	69,531	59,810
Shareholders:					
		566,469	402,598	504,849	354,102
Earnings retained in the period		504,849	354,102	504,849	354,102
Noncontrolling interests		61,620	48,496	-	-
VALUE ADDED DISTRIBUTED		2,151,320	1,810,155	1,315,850	1,117,629

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 nine-month period ended on September 30, 2021, the Company reclassified investment properties and its related financing to 'Noncurrent assets held for sale', with sales prospect in the short term.

During 2021, AHS reclassified investment properties and their respective financing to caption 'Noncurrent assets held for sale', with sale perspective in the short term, concluding the sale of four assets for a total amount of US\$202 million (R\$1.1 billion), with cash generation of US\$95 million (R\$498 million) and net income of US\$51 million (R\$269 million), recorded under "Other operating income (expenses), net".

On July 30, 2021, the Company carried out its first sale of receivables through the issuance of certificates of real estate receivables, distributed by the securitization company through a public offering with restricted efforts. The total amount of the offer corresponded to R\$241 million, to which discounts were applied related to constitution of the reserve and expenses fund, with the net amount received in cash by the Company of R\$198 million. The offer was also rated "AA (bra)" by Fitch Ratings Brasil Ltda.

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	
	9/30/21	12/31/20	9/30/21	12/31/20
Cash	293	354	282	326
Bank accounts	1,189,890	1,054,449	275,579	479,684
	1,190,183	1,054,803	275,861	480,010
Short-term investments:				
Savings deposits	899	-	-	-
Unrestricted investment funds	160	243	81	147
Bank certificates of deposit (CDB)	1,721	12,335	1,719	5,189
Securities with repurchase agreement backed by debentures	14,362	13,324	-	-
	17,142	25,902	1,800	5,336
Total	1,207,325	1,080,705	277,661	485,346

In the nine-month period ended September 30, 2021, short-term investments yielded interest equivalent to 94.30% of CDI in Consolidated and 98.48% of CDI in Individual (90.48% of CDI in Consolidated and 91.46% 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	
		9/30/21	12/31/20	9/30/21	12/31/20
Restricted investment funds	(i)	1,432,325	1,432,714	1,196,382	1,332,794
Bank certificates of deposit (CDB)	(ii)	17,954	15,345	14,994	15,345
Savings deposits	(iii)	112,800	80,177	48,035	30,888
Escrow account and swap guarantee	(iv)	40,975	82,893	-	-
U.S. Treasuries		2,709	2,583	-	-
Real estate consortium		217	216	216	216
Total		1,606,980	1,613,928	1,259,627	1,379,243
Current		1,318,051	1,599,644	1,018,726	1,365,000
Noncurrent		288,929	14,284	240,901	14,243
		1,606,980	1,613,928	1,259,627	1,379,243

- (i) The Group established investment funds, restricted to the Group's companies, managed by first-rate banks, responsible for the custody of the assets and financial settlement of its transactions. The established funds aim at yielding interest equivalent to the Certificate of Interbank Deposit rate (CDI). The funds invest in government and other banks securities and in other unrestricted investment funds, which in turn invest primarily in fixed-income securities. The balance includes blocked amounts essentially resulting from collateral, as detailed in the table below. In the nine-month period ended September 30, 2021, the mentioned funds yielded average interest equivalent to 171.63% of CDI in Consolidated and 173.67% of CDI in Individual (80.16% of CDI in Consolidated and 80.22% 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:	9/30/21				
	Consolidated			Individual	
	Restricted investment funds	Escrow account and swap guarantee	Bank certificates of deposit	Restricted investment funds	Bank certificates of deposit
Infrastructure works	50,928	-	-	32,755	-
Other	2,094	40,975	17,954	1,187	14,994
Total	53,022	40,975	17,954	33,942	14,994

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
Total	55,326	82,893	15,345	37,550	15,345

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

	Consolidated		Individual	
	9/30/21	12/31/20	9/30/21	12/31/20
Unrestricted investment funds	613,179	482,254	512,171	448,621
Private bonds	250,657	352,282	209,367	327,713
Securities with repurchase agreement	154,834	216,855	129,329	201,731
Bank certificates of deposit (CDB)	25,639	65,504	21,415	60,936
Debentures	38,816	36,618	32,422	34,064
Federal securities:				
Financial Treasury Bills (LFT)	56,863	277,539	47,496	258,183
National Treasury Notes - B (NTN-B)	287,038	-	239,755	-
National Treasury Bills (LTN)	3,724	-	3,111	-
Others	1,575	1,662	1,316	1,546
Total	1,432,325	1,432,714	1,196,382	1,332,794

As of September 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	
	9/30/21	12/31/20	9/30/21	12/31/20
<u>Receivables from real estate development</u>				
Receivables from real estate development	4,073,066	3,822,269	2,120,474	2,038,103
Present value discount	(50,419)	(59,532)	(27,526)	(31,617)
Allowance for credit risk	(303,657)	(281,267)	(158,905)	(148,570)
	3,718,990	3,481,470	1,934,043	1,857,916
Current	2,148,665	1,840,376	1,158,490	1,040,242
Noncurrent	1,570,325	1,641,094	775,553	817,674
	3,718,990	3,481,470	1,934,043	1,857,916
<u>Receivables from services provided and rents</u>				
Other receivables	2,987	3,446	1,256	1,318

The rates used to discount to present value for sales performed during the nine-month period ended September 30, 2021 ranged from 0.11799 % per month to 0.35101% per month (0.08616% 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 53.9% of the balance of receivables from real estate development and unearned sales revenue, as at September 30, 2021 (57.1% at December 31, 2020). Of this same total, the agreements already entered with the financial institutions above mentioned, correspond to 45.0% for CEF and 0.17% for others (39.8% and 0.18% as at December 31, 2020 respectively).

Sale of receivables - Derecognition

On July 30, 2021, the Company carried out its first sale of receivables by issuing certificates of real estate receivables, distributed by the securitization company through a public offering with restricted efforts, which also included the classification "AA (bra)" by Fitch Ratings Brasil Ltda. The total value of the offer corresponded to R\$241 million, to which discounts were applied related to the constitution of the reserve and expense fund, with the net amount received in cash by the Company of R\$198 million. In this sale transaction, the Company derecognized receivables in the amount of R\$314 million. According to the accounting guideline mentioned in item 3.2.12 of CPC 48 / IFRS 9 – Financial instruments, the difference between the carrying amount of derecognized asset and the value of the consideration received, including the new financial asset arising from the transfer, was recognized in the income statement under the caption 'Financial expenses' in the amount of R\$23 million. The servicer role has been retained by the Company.

To conclude on the derecognition from balance sheet, the Company analyzed the transfer of risks and benefits of said asset according to item 3.2.7 of CPC 48 / IFRS 9 – Financial instruments, to this end, compared its exposure to the variability of the cash flows arising from the transferred asset before the transfer, that is, considering the face value of the same R\$314 million, with its exposure to the variability of post-transfer cash flows, which were reduced to the reserve fund of R\$33 million and the value of the securities to be received in the eventual retrocession of R\$89 million, since the amount already received of R\$198 million is not subject to variability as it will not be reimbursed under any circumstances.

As a result of this assessment, the Company found that its exposure to the variability of cash flows changed significantly as a result of the transfer and started to analyze the control of the transferred asset as per item 3.2.6 of CPC 48 / IFRS 9 – Financial instruments.

With regard to control, considering that the right to receive the cash flows arising from real estate credits belongs to the holders of CRI, securities traded on the capital market and that the form and methodology for collecting such credits are defined by the assignee (securitization company), the Company concluded that did not retain control of the asset, proceeding to derecognize the transferred credits and recognize the new retrocession asset at fair value, as per item 3.2.11 of CPC 48 / IFRS 9 – Financial instruments, recorded under caption 'Other non-current assets'.

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

	Consolidated		Individual	
	nine months of		nine months of	
	2021	2020	2021	2020
Opening balance	(281,267)	(223,291)	(148,570)	(118,774)
Additions	(161,227)	(180,476)	(83,527)	(99,488)
Reversals	99,256	69,430	54,621	41,164
Write-offs	39,581	65,264	18,571	34,538
Closing balance	(303,657)	(269,073)	(158,905)	(142,560)
Current	(195,019)	(176,253)	(101,110)	(94,053)
Noncurrent	(108,638)	(92,820)	(57,795)	(48,507)
	(303,657)	(269,073)	(158,905)	(142,560)

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	
	9/30/21	12/31/20	9/30/21	12/31/20
Unearned gross sales revenue (*)	2,320,813	2,511,802	1,197,323	1,400,226
Costs to be Incurred (*)	(1,487,589)	(1,527,171)	(764,685)	(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	
	9/30/21	12/31/20	9/30/21	12/31/20
<u>Expectation of receipt</u>				
12 months	3,472,712	3,088,203	1,850,610	1,785,856
13 to 24 months	1,682,586	2,023,912	879,620	1,043,725
25 to 36 months	479,180	456,479	242,008	230,038
37 to 48 months	239,079	272,465	115,256	138,651
After 48 months	166,246	152,213	43,872	59,872
	6,039,803	5,993,272	3,131,366	3,258,142
Unearned sales revenue	2,320,813	2,511,802	1,197,323	1,400,226
Receivables from real estate development	3,718,990	3,481,470	1,934,043	1,857,916
	6,039,803	5,993,272	3,131,366	3,258,142

As at September 30, 2021, the Group has trade accounts receivable pledged as collateral of construction financing totaling R\$2,204,372 (R\$1,210,645 at December 31, 2020).

7. Inventories (real estate for sale)

	Consolidated		Individual	
	9/30/21	12/31/20	9/30/21	12/31/20
Real estate under construction	2,875,579	2,429,656	1,524,785	1,378,608
Completed units	119,511	120,166	56,436	53,230
Landbank	6,019,837	5,969,889	4,400,077	4,460,209
Advances to suppliers	81,696	81,797	43,457	44,485
Materials stock	555	351	197	122
Total	9,097,178	8,601,859	6,024,952	5,936,654
Current	4,203,214	3,741,278	2,421,309	2,270,677
Noncurrent	4,893,964	4,860,581	3,603,643	3,665,977
	9,097,178	8,601,859	6,024,952	5,936,654

As of September 30, 2021, of the total consolidated balance of real estate under construction and completed units, R\$2,379,444 refers to projects launched and R\$615,646 refers to projects started but not yet launched (R\$1,991,593 and R\$558,229 at December 31, 2020, respectively).

As at September 30, 2021, line items "Real estate under construction", "Completed units" and "Landbank" includes capitalized financial charges, as detailed in Note 12 (d), totaling R\$497,338 and R\$349,378 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 September 30, 2021, the Group has real estate under construction recognized in assets, used as collateral of loans and financing agreements, totaling R\$145,152 and R\$66,342 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:

	9/30/21			12/31/20		
	Equity interest	Equity	Invest- ments	Equity interest	Equity	Invest- ments
Joint ventures and associates:						
MRL Engenharia e Empreendimentos S.A. (MRL)						
Cost	74.14%	54,742	40,586	51.03%	32,047	16,354
Fair Value		-	15,234		-	-
Goodwill		-	28,162		-	3,237
Total MRL [1]		54,742	83,982		32,047	19,591
Prime Incorporações e Construções S.A.	58.91%	37,776	22,254	59.51%	(8,811)	(5,243)
MRV MD PE Mar de Espanha SPE Ltda.	50.00%	2,130	1,065	50.00%	(1,994)	(997)
MRV Prime Seminário SPE Ltda.	50.00%	12,514	6,257	65.00%	2,937	1,909
Parque Castelo de Gibraltar SPE Ltda.	65.00%	11,255	7,316	65.00%	23,745	15,434
SCPs (35)		6,688	4,527		6,616	4,931
SPEs (39)		96,776	39,242		49,497	68,282
Capitalized interest		-	3,700		-	4,666
Total Joint ventures and associates		221,881	168,343		104,037	108,573
Elimination of indirect participations		-	(349,927)		-	(275,151)
Total Joint ventures and associates		221,881	(181,584)		104,037	(166,578)
Investments - Consolidated			196,261			121,002
Net capital deficiency liability - Investments - Consolidated			(377,845)			(287,580)
Total Joint ventures and associates			(181,584)			(166,578)

	9/30/21			12/31/20		
	Equity interest	Equity	Invest- ments	Equity interest	Equity	Invest- ments
Subsidiaries:						
MRV (US) Holdings Corporation [2]	100.00%	642,211	642,211	100.00%	442,962	442,962
MRV Construções Ltda.	95.00%	31,755	30,167	95.00%	31,315	29,749
Urba Desenvolvimento Urbano S.A. [3]	51.54%	208,243	105,468	51.44%	105,191	52,250
SCP Abilio Tavora	50.00%	37,018	18,509	50.00%	13,822	6,910
SCP Área Varzea	80.00%	4,874	3,899	80.00%	5,764	4,611
SCP Colégio Amarela	50.00%	39,470	19,735	50.00%	29,214	14,607
SCP MRV MRL Adão 3	50.00%	8,962	4,481	50.00%	13,576	6,788
SCP MRV MRL Cabuçu Vida Boa	50.00%	15,918	7,959	50.00%	5,395	2,698
SCP MRV MRL Galpão CCP 1	50.00%	18,324	9,162	50.00%	47,972	23,986
SCP MRV MRL Maxwell	50.00%	6,635	3,318	50.00%	27,707	13,854
SCP MRV MRL Rio Decaminada 1	50.00%	9,116	4,558	50.00%	22,380	11,190
SCP Parque Das Águas 1	50.00%	22,463	11,232	50.00%	8,591	4,295
SCP Porto Marabella	99.99%	8,330	8,329	99.99%	18,339	18,337
SCPs (242)		680,599	386,954		601,107	355,939
MRV MDI Nasbe Incorporações SPE Ltda.	100.00%	62,333	62,333	100.00%	68,170	68,170
Caminho Baraunas SPE Ltda.	100.00%	7,460	7,460	99.00%	6,742	6,675
Caminho das Orquídeas SPE Ltda.	100.00%	6,736	6,736	50.00%	22,230	11,115
Campo Di Napoli SPE Ltda.	99.00%	8,956	8,866	100.00%	1,847	1,847
Campo Di Roma Incorporacoes SPE Ltda.	99.00%	4,362	4,318	99.00%	2,289	2,266
Jardim Di Stuttgart SPE Ltda.	100.00%	11,628	11,628	100.00%	3,843	3,840
Jd das Mantiqueiras SPE Ltda.	50.00%	4,912	2,456	100.00%	8,288	8,288
MD MRV Polidoro SPE Ltda.	50.00%	24,105	12,053	50.00%	16,653	8,327
MRV & MRL Paraná Incorporações SPE Ltda.	99.00%	15,938	15,779	99.00%	6,261	6,198
MRV LXXXV Incorporações SPE Ltda.	100.00%	31,812	31,812	100.00%	9,928	9,928
MRV MD Vila das Amoreiras SPE Ltda.	100.00%	16,413	16,413	100.00%	8,832	8,832
MRV MDI ES Residencial Venice SPE Ltda.	100.00%	5,993	5,993	100.00%	6,567	6,567
MRV MRL Baia da Babitonga SPE Ltda.	100.00%	44,955	44,955	50.00%	22,989	11,495
MRV MRL IV Incorporações SPE Ltda.	99.00%	7,970	7,890	100.00%	1,624	1,624
MRV MRL LVIII Incorporações SPE Ltda.	99.00%	6,321	6,258	99.00%	17,718	17,541
MRV MRL LXXXIX Incorporações SPE Ltda.	99.00%	17,882	17,703	100.00%	57,271	57,302
MRV MRL Plural 1 Incorporações SPE Ltda.	100.00%	7,748	7,748	99.00%	1,135	1,124
MRV MRL RJ SG4 SPE Ltda.	50.00%	9,833	4,917	99.00%	8,456	8,371
MRV MRL RJ SG5 SPE Ltda.	50.00%	15,794	7,897	65.00%	27,645	17,969
MRV MRL RJ5 SPE Ltda.	65.00%	12,043	7,828	99.00%	22,907	22,678
MRV Prime LX Incorporações SPE Ltda.	99.00%	7,965	7,885	99.00%	9,101	9,010
MRV Prime LXIV Incorporações SPE Ltda.	99.00%	24,149	23,908	99.00%	6,236	6,174
MRV Prime LXXXII SPE Ltda.	99.00%	1,527	1,512	99.00%	5,510	5,455
MRV Prime LXXXIV SPE Ltda.	99.00%	2,268	2,245	99.00%	2,248	2,226
MRV Prime LXXXVIII Incorporações SPE Ltda.	99.00%	10,011	9,911	65.00%	12,154	7,900
MRV Prime Projeto Mt U SPE Ltda.	50.00%	8,470	4,235	99.00%	7,306	7,233
MRV Prime Projeto MT D Incorporações SPE Ltda.	50.00%	3,785	1,893	50.00%	8,480	4,240
MRV Prime Projeto MT N Incorporações SPE Ltda.	40.00%	8,716	3,486	99.00%	11,389	11,275
MRV Prime Projeto MT P Incorporações SPE Ltda.	40.00%	10,083	4,033	40.00%	17,333	6,933
MRV Prime XC Incorporações SPE Ltda.	99.00%	6,518	6,453	40.00%	4,272	1,709
Parque Paladino Incorporações SPE Ltda.	99.00%	4,228	4,186	99.00%	2,497	2,472
Parque Serra Bonita Incorporações SPE Ltda.	99.00%	4,360	4,316	50.00%	4,088	2,044
Porto dos Vinhedos SPE Ltda.	99.00%	9,158	9,066	65.00%	5,238	3,405
Rec Pátio Maceió SPE Ltda.	100.00%	8,507	8,507	100.00%	12,800	12,810
Reserva Real SPE Ltda.	100.00%	21,031	21,031	100.00%	22,088	22,088
Residencial dos Lirios Incorporações SPE Ltda.	99.00%	12,474	12,349	99.00%	9,218	9,126
Roc 1 SPE LTDA.	65.00%	18,587	12,082	99.00%	7,228	7,156
SPEs (455)		598,192	417,206		714,077	499,641
Capitalized interest		-	129,639		-	133,928
Total subsidiaries		2,817,141	2,230,968		2,555,993	2,023,158
Total of subsidiaries, joint ventures and associates		3,039,022	2,399,311		2,660,030	2,131,731
Investments - Individual			2,579,358			2,295,412
Net capital deficiency liability - Investments - Individual			(180,047)			(163,681)
Total of subsidiaries, joint ventures and associates			2,399,311			2,131,731

	Equity interest		Net income				Results from equity interest in investees			
			3 rd quarter		nine months		3 rd quarter		nine months	
	9/30/21	9/30/20	2021	2020	2021	2020	2021	2020	2021	2020
Joint ventures and associates:										
MRL Engenharia e Empreendimentos S.A. (MRL)										
Custo	74.14%	51.03%	8,592	12,181	22,736	17,268	6,267	6,216	16,959	8,833
Mais valia			-	-	-	-	(3,150)	-	(10,898)	-
Total MRL [1]			8,592	12,181	22,736	17,268	3,117	6,216	6,061	8,833
Prime Incorporações e Construções S.A.	58.91%	59.51%	17,591	10,654	46,342	39,768	10,394	6,340	27,504	23,666
MRV MD PE Mar de Espanha SPE Ltda.	50.00%	50.00%	1,994	(3,476)	4,865	(9,682)	997	(1,738)	2,283	(5,033)
MRV Prime Seminário SPE Ltda.	50.00%	65.00%	4,189	296	12,115	377	2,095	192	6,172	245
Parque Castelo de Gibraltar SPE Ltda.	65.00%	65.00%	(262)	3,595	5,478	12,601	(170)	2,337	3,561	8,191
SCPs (35)			(2,433)	(5,095)	(7,246)	(17,518)	(1,351)	(2,956)	(4,104)	(10,632)
SPEs (39)			(698)	5,933	(9,368)	(160)	2,433	(3,718)	(1,650)	(6,184)
Capitalized interest			-	-	-	-	(18)	(319)	(966)	(915)
Total Joint ventures and associates			28,973	24,088	74,922	42,654	17,497	6,354	38,861	18,171
Elimination of indirect participations			-	-	-	-	(28,831)	(19,423)	(73,925)	(57,050)
Total Joint ventures and associates			28,973	24,088	74,922	42,654	(11,334)	(13,069)	(35,064)	(38,879)
Subsidiaries:										
MRV (US) Holdings Corporation [2]	100.00%	100.00%	100,504	(18,548)	156,933	(46,656)	100,504	(16,987)	156,933	(42,865)
MRV Construções LTDA.	95.00%	95.00%	(70)	(54)	440	230	(67)	(51)	418	219
Urba Desenvolvimento Urbano S.A. [3]	51.54%	51.44%	7,234	2,306	13,094	11,530	3,728	1,009	6,749	3,562
SCP Abilio Tavora	50.00%	50.00%	3,932	638	10,148	1,369	1,966	319	5,074	685
SCP Área Varzea	80.00%	80.00%	188	2,671	(895)	6,570	150	2,137	(716)	5,256
SCP Colégio Amarela	50.00%	50.00%	(1,167)	3,160	17,900	5,239	(584)	1,580	8,950	2,620
SCP MRV MRL Adão 3	50.00%	50.00%	(58)	2,299	(1,465)	15,417	(29)	1,150	(733)	7,709
SCP MRV MRL Cabuçu Vida Boa	50.00%	50.00%	6,247	441	11,455	778	3,124	221	5,728	405
SCP MRV MRL Galpão Ccp 1	50.00%	50.00%	975	10,378	1,645	19,808	488	5,189	823	9,904
SCP MRV MRL Maxwell	50.00%	50.00%	(350)	7,130	(1,687)	10,849	(175)	3,565	(844)	5,425
SCP MRV MRL Rio Decaminada 1	50.00%	50.00%	(35)	3,571	(700)	10,835	(18)	1,786	(350)	5,418
SCP Parque Das Águas 1	50.00%	50.00%	4,395	355	12,295	484	2,198	178	6,148	242
SCP Porto Marabella	99.99%	99.99%	(768)	5,211	(1,607)	10,847	(768)	5,210	(1,607)	10,846
SCPs (242)			31,733	16,963	81,604	35,592	16,635	7,200	40,105	15,303
MRV MDI Nasbe Incorporações SPE Ltda.	100.00%	100.00%	11,633	20,707	66,461	55,128	11,633	20,707	66,461	55,128
Caminho Baraunas SPE LTDA.	100.00%	100.00%	1,456	205	5,607	685	1,456	205	5,607	685
Caminho das Orquídeas SPE LTDA.	100.00%	100.00%	(150)	1,804	145	4,523	(150)	1,804	145	4,523
Campo Di Napoli SPE LTDA.	99.00%	99.00%	4,044	600	9,529	1,064	4,004	594	9,434	1,053
Campo Di Roma Incorporacoes SPE LTDA.	99.00%	99.00%	(193)	1,765	(615)	6,109	(191)	1,747	(609)	6,048
Jardim Di Stuttgart SPE LTDA.	100.00%	100.00%	3,056	1,252	7,822	1,865	3,056	1,252	7,822	1,865
Jd Das Mantiqueiras SPE LTDA.	50.00%	50.00%	(48)	4,017	(893)	9,344	(24)	2,009	(447)	4,672
MD MRV Polidoro SPE LTDA.	50.00%	50.00%	(712)	3,909	1,875	11,271	(356)	1,955	938	5,831
MRV & MRL Paraná Incorporações SPE Ltda.	99.00%	99.00%	2,673	1,631	9,094	3,438	2,646	1,615	9,003	3,404
MRV LXXXV Incorporações SPE Ltda.	100.00%	100.00%	7,075	727	16,233	943	7,075	727	16,233	943
MRV MD Vila Das Amoreiras SPE LTDA.	100.00%	100.00%	663	1,351	9,073	2,799	663	1,351	9,073	2,799
MRV MDI Es Residencial Venice SPE LTDA.	100.00%	100.00%	2,200	71	5,090	363	2,200	71	5,090	363
MRV MRL Baía Da Babitonga SPE LTDA.	100.00%	100.00%	1,312	14,969	14,256	34,528	1,312	14,901	14,256	34,265
MRV MRL IV Incorporações SPE Ltda.	99.00%	99.00%	3,004	453	6,836	446	2,974	448	6,768	442
MRV MRL LVIII Incorporações SPE Ltda.	99.00%	99.00%	1,482	1,275	8,276	1,944	1,467	1,262	8,193	1,925
MRV MRL LXXXIX Incorporações SPE Ltda.	99.00%	99.00%	5,446	981	12,768	1,618	5,392	971	12,640	1,602
MRV MRL Plural 1 Incorporações SPE Ltda.	100.00%	100.00%	1,003	3,178	7,593	4,356	1,003	3,173	7,593	4,339
MRV MRL Rj SG4 SPE LTDA.	50.00%	50.00%	(216)	3,778	1,433	11,967	(108)	1,889	717	5,984
MRV MRL Rj SG5 SPE LTDA.	50.00%	65.00%	6,397	441	9,845	358	3,199	287	5,202	233
MRV MRL RJ5 SPE LTDA.	65.00%	65.00%	(159)	927	(1,018)	7,555	(103)	603	(662)	4,911
MRV Prime LX Incorporações SPE Ltda.	99.00%	99.00%	(776)	4,722	6,303	6,858	(768)	4,675	6,240	6,789
MRV Prime LXIV Incorporações SPE Ltda.	99.00%	99.00%	10,582	78	23,607	149	10,476	77	23,371	148
MRV Prime LXXXII SPE Ltda.	99.00%	99.00%	(244)	(777)	(307)	4,561	(242)	(769)	(304)	4,515
MRV Prime LXXXIV SPE Ltda.	99.00%	99.00%	(198)	5,537	(1,884)	10,080	(196)	5,482	(1,865)	9,979
MRV Prime LXXXVIII Incorporações SPE Ltda.	99.00%	99.00%	519	5,431	(2,022)	13,457	514	5,377	(2,002)	13,322
MRV Prime Projeto Mt U SPE Ltda.	50.00%	50.00%	3,493	848	12,472	1,197	1,747	424	6,236	599
MRV Prime Projeto MT D Incorporações SPE Ltda.	50.00%	50.00%	406	3,280	772	10,950	203	1,640	386	5,475
MRV Prime Projeto MT N Incorporações SPE Ltda.	40.00%	40.00%	508	1,998	1,346	14,911	203	799	538	5,964
MRV Prime Projeto MT P Incorporações SPE Ltda.	40.00%	40.00%	5,608	268	19,165	498	2,243	107	7,666	199
MRV Prime XC Incorporações SPE Ltda.	99.00%	99.00%	789	567	5,390	1,147	781	561	5,336	1,136
Parque Paladino Incorporações SPE Ltda.	99.00%	99.00%	540	4,118	(726)	5,865	535	4,077	(719)	5,806
Parque Serra Bonita Incorporações SPE Ltda.	99.00%	99.00%	(124)	2,253	2,924	8,086	(123)	2,230	2,895	8,005
Porto Dos Vinhedos SPE LTDA.	99.00%	99.00%	279	1,117	57	5,907	276	1,106	56	5,848
Rec Pátio Maceió SPE LTDA.	100.00%	100.00%	296	5,106	2,123	10,937	296	4,979	2,123	10,434
Reserva Real SPE LTDA.	100.00%	100.00%	2,004	439	6,382	781	2,004	439	6,382	781
Residencial dos Lírios Incorporações SPE Ltda.	99.00%	99.00%	(582)	1,688	5,168	3,171	(576)	1,671	5,116	3,139
Roc 1 SPE LTDA.	65.00%	65.00%	5,493	1,264	13,398	1,660	3,570	822	8,709	1,079
SPEs (455)			48,211	(592)	72,696	21,267	32,581	(2,076)	47,933	8,557
Capitalized interest			-	-	-	-	(7,014)	(12,855)	(29,689)	(37,333)
Total subsidiaries			279,530	137,907	655,434	364,678	220,810	88,843	498,543	220,186
Total of subsidiaries, joint ventures and associates			308,503	161,995	730,356	407,332	238,307	95,197	537,404	238,357

[1] In February 2021, the Company acquired an additional equity interest in this joint venture, reaching 73.56% for the amount of R\$62,868 representing 70,796,496 shares, without obtaining control. MRL's net assets were valued at fair value, therefore, the transaction generated a gain of R\$26,132 and goodwill in addition to the previously recorded in the amount of R\$24,925. 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 September 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 September 30, 2021 the restricted amounts for distribution amounted to R\$44,144 (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
Nine-month period ended September 30, 2021:					
Joint ventures and associates:					
MRL Engenharia e Empreendimentos S.A. (MRL)					
Cost	16,354	-	16,959	7,273	40,586
Fair Value	-	-	(10,898)	26,132	15,234
Goodwill	3,237	-	-	24,925	28,162
Total MRL [1]	19,591	-	6,061	58,330	83,982
Prime Incorporações e Construções S.A.	(5,243)	-	27,504	(7)	22,254
MRV MD PE Mar de Espanha SPE Ltda.	(997)	(221)	2,283	-	1,065
SCPs (35)	4,931	3,700	(4,104)	-	4,527
SPEs (41)	85,625	(40,893)	8,083	-	52,815
Capitalized interest	4,666	-	(966)	-	3,700
Total Joint ventures and associates	108,573	(37,414)	38,861	58,323	168,343
Elimination of indirect ownership	(275,151)	-	(73,925)	(851)	(349,927)
Total Joint ventures and associates	(166,578)	(37,414)	(35,064)	57,472	(181,584)
Total Joint ventures and associated companies - Consolidated	121,002	45,903	(28,967)	58,323	196,261
Net capital deficiency liability - Investments - Consolidated	(287,580)	(83,317)	(6,097)	(851)	(377,845)
Total Joint ventures and associates	(166,578)	(37,414)	(35,064)	57,472	(181,584)
Subsidiaries:					
MRV (US) Holdings Corporation [2]	442,962	17,227	156,933	25,089	642,211
MRV Construções Ltda.	29,749	-	418	-	30,167
Urba Desenvolvimento Urbano S.A.	52,250	45,319	6,749	1,150	105,468
MRV MDI Nasbe Incorporações SPE Ltda.	68,170	(72,298)	66,461	-	62,333
SCPs (252)	463,215	(47,657)	62,578	-	478,136
SPEs (491)	832,884	(284,963)	235,093	-	783,014
Capitalized interest	133,928	-	(29,689)	25,400	129,639
Total of subsidiaries	2,023,158	(342,372)	498,543	51,639	2,230,968
Total of subsidiaries, joint ventures and associates	2,131,731	(379,786)	537,404	109,962	2,399,311
Total of subsidiaries, joint ventures and associated companies - Individual	2,295,412	(401,459)	575,443	109,962	2,579,358
Net capital deficiency liability - Investments - Individual	(163,681)	21,673	(38,039)	-	(180,047)
Total of subsidiaries, joint ventures and associates	2,131,731	(379,786)	537,404	109,962	2,399,311
Nine-month period ended September 30, 2020:					
Total joint ventures - Consolidated	75,675	(28,079)	(48,633)	3	(1,034)
Net capital deficiency liability - Investments - Consolidated	(167,671)	(6,785)	9,754	-	(164,702)
Total Joint ventures and associates	(91,996)	(34,864)	(38,879)	3	(165,736)
Total Joint ventures and associated companies - Individual	1,875,695	(333,814)	260,196	460,241	2,262,318
Net capital deficiency liability - Investments - Individual	(149,270)	7,184	(21,839)	-	(163,925)
Total of subsidiaries, joint ventures and associates	1,726,425	(326,630)	238,357	460,241	2,098,393

[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.

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

	9/30/21						12/31/20					
	MRL	Prime	Mar de Espanha	Pq Castelo de Gibraltar	Other SPEs (40)	Other SCPs (35)	MRL	Prime	Mar de Espanha	Pq Castelo de Gibraltar	Other SPEs (40)	Other SCPs (35)
Current assets	47,050	76,525	6,361	6,960	69,752	9,515	32,147	85,957	41,643	22,727	100,765	9,724
Noncurrent assets	405,817	299,387	316	5,666	148,485	4,247	372,325	296,099	317	6,714	83,909	2,523
	452,867	375,912	6,677	12,626	218,237	13,762	404,472	382,056	41,960	29,441	184,674	12,247
Current liabilities	86,206	62,688	3,541	967	83,444	(727)	242,080	242,282	43,140	3,088	88,908	(308)
Noncurrent liabilities	311,919	275,448	1,006	404	25,503	7,801	130,345	148,585	814	2,608	43,332	5,939
Equity	54,742	37,776	2,130	11,255	109,290	6,688	32,047	(8,811)	(1,994)	23,745	52,434	6,616
	452,867	375,912	6,677	12,626	218,237	13,762	404,472	382,056	41,960	29,441	184,674	12,247

	Nine months of 2021						Nine months of 2020					
	MRL	Prime	Mar de Espanha	Pq Castelo de Gibraltar	Other SPEs (40)	Other SCPs (35)	MRL	Prime	Mar de Espanha	Pq Castelo de Gibraltar	Other SPEs (41)	Other SCPs (35)
Operating income	-	-	29,985	19,522	43,741	(428)	-	-	28,190	34,084	47,783	220
Cost of real estate sold and services	-	-	(21,689)	(12,360)	(32,418)	(2,987)	-	-	(16,555)	(19,019)	(35,510)	(6,761)
Operating income (expenses)	(10,565)	(9,819)	(1,947)	(1,229)	(9,354)	(4,771)	(10,191)	(11,038)	(20,976)	(1,752)	(13,084)	(11,327)
Results from equity interest in investees	46,765	64,400	-	-	-	-	34,495	60,289	-	-	-	-
Financial income (expenses)	(13,464)	(8,239)	(596)	(94)	1,654	947	(7,036)	(9,483)	(42)	(12)	2,309	349
Income tax and social contribution	-	-	(888)	(361)	(876)	(7)	-	-	(299)	(700)	(1,281)	1
Net income for the period	22,736	46,342	4,865	5,478	2,747	(7,246)	17,268	39,768	(9,682)	12,601	217	(17,518)
Total interest %	74.14	58.91	50.00	65.00	De 30 to 70	De 32 to 95	51.03	59.51	50.00	65.00	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 September 30, 2021 and 2020, are as follows:

	Consolidated			
	9/30/21		12/31/20	
Projects under Law 10931/04 (Earmarked Assets)	7,260,406	36.91%	6,880,130	38.09%
Silent partnerships (SCPs)	481,000	2.45%	497,912	2.76%
Special Purpose Entities (SPEs)	1,438,305	7.31%	1,079,638	5.98%
Other entities	3,523,916	17.92%	807,242	4.47%
Projects with segregation	12,703,627	64.59%	9,264,922	51.30%
Balances without segregation	6,964,342	35.41%	8,797,093	48.70%
Total Consolidated	19,667,969	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 9/30/21	Fair value with level measurement	Fair value 9/30/21	Net 12/31/20
Buildings	2.56%	175,687	(4,928)	170,759	3	274,080	888,626
Properties under construction		970,177	-	970,177	3	1,359,805	561,789
Landbank		384,228	-	384,228	3	384,229	160,952
Subtotal AHS Residential [1]		1,530,092	(4,928)	1,525,164		2,018,114	1,611,367
Properties under construction		11,391	-	11,391	3	20,650	165
Landbank [1]		6,738	-	6,738		6,738	13,353
Subtotal Subsidiaries		1,548,221	(4,928)	1,543,293		2,045,502	1,624,885
Properties under construction		170,473	-	170,473	3	302,762	82,163
Landbank [1]		169,200	-	169,200		169,200	90,912
Subtotal Individual		339,673	-	339,673		471,962	173,075
Buildings	2.56%	175,687	(4,928)	170,759		274,080	888,626
Properties under construction		1,152,041	-	1,152,041		1,683,217	644,117
Landbank		560,166	-	560,166		560,167	265,217
Total Consolidated		1,887,894	(4,928)	1,882,966		2,517,464	1,797,960

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

The fair value of the Group's investment properties, used only for disclosure purposes, was internally calculated and considered the operating stage of each 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 3% and 5%, discount rates between 5.3% and 10.09% p.a. and capitalization rate from 6.6% to 8.0% 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 6.5% 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 nine-month ended September 30, 2021 and 2020 were as follows:

	Consolidated		Individual	
	nine months of		nine months of	
	2021	2020	2021	2020
Opening balance	1,797,960	33,511	173,075	33,511
Acquisition effects (Note 30)	-	998,350	-	-
Additions	1,138,770	483,767	77,824	76,081
Transfer from inventories to investment property	88,774	-	88,774	-
Transfer to noncurrent assets held for sale	(1,206,167)	5,431	-	-
Capitalized interest	19,077	7,819	-	-
Write-off due to disposal of assets	(15,995)	-	-	-
Depreciation	(11,511)	(16,601)	-	-
Currency translation adjustments	72,058	354,220	-	-
Closing balance	1,882,966	1,866,497	339,673	109,592

Noncurrent assets held for sale

In the nine-month period ended September 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\$758,796. The depreciation of these assets was ceased. As mentioned in Note 1, four assets were sold, and others are with sale expected to occur in the short term.

	Consolidated	
	nine months of	
	2021	2020
Opening balance	-	-
Transfer from noncurrent assets held for sale	1,206,167	-
Write-off due to sale of assets (*)	(797,090)	-
Currency translation adjustments	8,261	-
Closing balance	417,338	-

(*) Write-off due to sale of assets Lake Osborne, Mangonia Lake, Banyan Ridge and Tamiami Landings 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 nine-month period ended September 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
Nine-month period ended September 30, 2021:								
Cost:								
Right-of-use		111,786	-	145	-	-	132	112,063
Buildings, facilities and leasehold improvements		53,871	-	2,299	(1,677)	617	133	55,243
Aircraft and vehicles in use		24,771	-	-	-	-	54	24,825
Machinery and equipment		485,176	-	67,729	(8,936)	3,409	2,463	549,841
Furniture and fixtures		4,206	-	693	(114)	(2)	77	4,860
IT equipment and installations		8,698	-	1,596	(311)	-	98	10,081
Sales booths, stores and model apartments		98,075	-	5,433	(2,596)	11,206	-	112,118
Works in progress		20,653	-	14,650	(262)	(15,230)	-	19,811
Total cost		807,236	-	92,545	(13,896)	-	2,957	888,842
Accumulated depreciation:								
Right-of-use	Sundry	23,354	-	10,356	-	-	75	33,785
Buildings, facilities and leasehold improvements	14.40%	25,427	-	5,037	(678)	-	40	29,826
Aircraft and vehicles in use	10.08%	6,389	-	1,403	-	-	38	7,830
Machinery and equipment	10.00%	112,359	-	33,237	(3,877)	(73)	417	142,063
Furniture and fixtures	10.00%	3,221	-	310	(57)	(1)	35	3,508
IT equipment and installations	20.00%	6,178	-	830	(302)	-	59	6,765
Sales booths, stores and model apartments	25.19%	65,915	-	11,529	(1,795)	74	-	75,723
Total accumulated depreciation		242,843	-	62,702	(6,709)	-	664	299,500
Total property and equipment, net		564,393	-	29,843	(7,187)	-	2,293	589,342
Nine-month period ended September 30, 2020:								
Total property and equipment, net		485,757	16,343	42,916	(1,652)	(4,473)	6,472	545,363

Individual	Average annual depreciation rates	Opening balance	Addition	Write-off	Transfer	Closing balance
Nine-month period ended September 30, 2021:						
Cost:						
Right-of-use		106,414	-	-	-	106,414
Buildings, facilities and leasehold improvements		41,280	1,242	(279)	474	42,717
Aircraft and vehicles in use		23,626	-	-	-	23,626
Machinery and equipment		441,287	38,987	(8,773)	3,130	474,631
Furniture and fixtures		2,839	-	(107)	(2)	2,730
IT equipment and installations		6,659	950	(311)	-	7,298
Sales booths, stores and model apartments		54,773	2,597	(1,808)	6,564	62,126
Works in progress		15,694	9,620	(154)	(10,347)	14,813
Total cost		692,572	53,396	(11,432)	(181)	734,355
Accumulated depreciation:						
Right-of-use	Sundry	21,862	9,323	-	-	31,185
Buildings, facilities and leasehold improvements	14.40%	21,750	3,669	(189)	(42)	25,188
Aircraft and vehicles in use	10.08%	5,640	1,275	-	-	6,915
Machinery and equipment	10.00%	104,698	27,897	(3,764)	(71)	128,760
Furniture and fixtures	10.00%	2,557	43	(50)	(1)	2,549
IT equipment and installations	20.00%	5,071	368	(302)	-	5,137
Sales booths, stores and model apartments	25.19%	36,836	6,268	(1,400)	104	41,808
Total accumulated depreciation		198,414	48,843	(5,705)	(10)	241,542
Total property and equipment, net		494,158	4,553	(5,727)	(171)	492,813
Nine-month period ended September 30, 2020:						
Total property and equipment, net		455,229	22,224	(525)	265	477,193

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 September 30, 2021, the residual value of items pledged as collateral for liabilities amount R\$16,897 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 nine-month period ended September 30, 2021 and 2020 are as follows:

Consolidated	Opening balance	Acquisition effects (Note 30)	Addition	Transfer	Currency translation adjustments	Closing balance
Nine-month period ended September 30, 2021:						
Cost:						
Software development	186,835	-	2,640	54,707	730	244,912
Software license	56,144	-	-	-	-	56,144
Intangibles under development	56,040	-	35,454	(54,707)	-	36,787
Trademarks and patents	24,000	-	-	-	-	24,000
Total cost	323,019	-	38,094	-	730	361,843
Accumulated amortization:						
Software development	104,757	-	24,540	-	145	129,442
Software license	53,831	-	915	-	-	54,746
Total accumulated amortization	158,588	-	25,455	-	145	184,188
Total intangible assets	164,431	-	12,639	-	585	177,655
Nine-month period ended September 30, 2020:						
Total intangible assets	118,178	7,310	29,620	-	2,624	157,732

Individual	Opening balance	Addition	Transfer	Closing balance
<u>Nine-month period ended September 30, 2021:</u>				
Cost:				
Software development	169,161	1,155	54,253	224,569
Software license	56,140	-	-	56,140
Intangibles under development	55,305	35,209	(54,253)	36,261
Trademarks and patents	24,000	-	-	24,000
Total cost	304,606	36,364	-	340,970
Accumulated amortization:				
Software development	102,009	21,838	-	123,847
Software license	53,826	915	-	54,741
Total accumulated amortization	155,835	22,753	-	178,588
Total intangible assets	148,771	13,611	-	162,382
<u>Nine-month period ended September 30, 2020:</u>				
Total intangible assets	115,974	25,971	-	141,945

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

Type	Currency	Maturity of principal	Effective rate p.a.	9/30/21			12/31/20
				Current	Noncurrent	Total	Total
Individual:							
Debenture - 9 th Issue - 2 nd series	R\$	2/20 to 2/22	CDI + 2.57%	100,399	-	100,399	303,024
Debenture - 9 th Issue - 3 rd series (*)	R\$	2/22	IPCA + 8.52%	100,944	-	100,944	101,120
Debenture - 11 th Issue - 2 nd series	R\$	9/21 to 9/22	CDI + 1.56%	107,475	-	107,475	216,378
Debenture - 11 th Issue - 3 rd series	R\$	9/23 and 9/24	IPCA + 6.47%	349	151,222	151,571	152,274
Debenture - 12 th Issue - 1 st series	R\$	7/23	CDI + 1.52%	4,542	298,700	303,242	303,617
Debenture - 12 th Issue - 2 nd series	R\$	7/24 and 7/25	CDI + 1.79%	818	51,300	52,118	52,220
Debenture - 12 th Issue - 3 rd series	R\$	7/23	CDI + 1.62%	1,686	109,130	110,816	110,980
Debenture - 12 th Issue - 4 th series	R\$	7/23	CDI + 1.62%	1,284	83,070	84,354	84,478
Debenture - 15 th Issue	R\$	11/22 to 11/25	CDI + 1.19%	5,906	300,000	305,906	300,875
Debenture - 16 th Issue	R\$	4/23 to 4/25	CDI + 1.69%	2,766	99,999	102,765	100,832
Debenture - 17 th Issue	R\$	4/21 to 4/23	CDI + 3.68%	22,801	16,667	39,468	50,443
Debenture - 18 th Issue	R\$	8/25	CDI + 2.54%	3,923	500,000	503,923	507,226
(-) Funding cost				(3,208)	(3,703)	(6,911)	(10,074)
Total debentures - Individual				349,685	1,606,385	1,956,070	2,273,393
CRI (13 th debentures issue)	R\$	9/23 to 9/24	CDI + 0.83%	775	300,000	300,775	300,269
CRI (14 th debentures issue)	R\$	5/24	100.4% CDI + 0.28%	5,671	360,000	365,671	360,621
CRI (19 th debentures issue) (*)	R\$	4/29 to 4/31	IPCA + 5.87%	25,289	389,569	414,858	-
Construction financing	R\$	6/22 to 12/25	TR + 8.30%	14,708	71,213	85,921	3,925
Construction financing	R\$	6/22 to 9/25	CDI + 2.26%	19,613	68,520	88,133	1,512
Construction financing	R\$	7/22	Savings deposits + 3.60%	28,166	-	28,166	-
Leasing	R\$	9/19 to 5/23	CDI + 2.00% to 2.93%	5,877	20	5,897	9,996
Working Capital	R\$	4/21 and 4/22	CDI + 3.10%	101,448	-	101,448	201,731
Promissory note	R\$	5/21	CDI + 4.62%	-	-	-	99,950
(-) Funding cost				(4,466)	(15,496)	(19,962)	(11,762)
Total loans and financing - Individual				197,081	1,173,826	1,370,907	966,242
Total Individual				546,766	2,780,211	3,326,977	3,239,635
Subsidiaries:							
Debenture - 2 nd Issue - Urba	R\$	6/21 to 6/23	CDI + 1.73%	20,753	20,001	40,754	60,125
Debenture - 4 th Issue - Urba	R\$	4/23 to 4/25	CDI + 1.71%	1,106	39,999	41,105	40,332
(-) Funding cost				(219)	(232)	(451)	(614)
Total debentures - Subsidiaries				21,640	59,768	81,408	99,843
Project loans	US\$	2/22 to 4/24	Libor + 2.11% to 3.11%	127,826	194,540	322,366	572,526
Project loans	US\$	4/23	Prime + 4.25%	-	75,624	75,624	-
Project loans - Permanent loans	US\$	5/26 to 10/27	3.95% to 4.38%	-	-	-	315,409
Loan agreements (**)	US\$	1/22 to 2/26	2.50% to 5.94%	248,733	636,421	885,154	247,997
Credit line	US\$	7/21	Libor + 3.17%	-	-	-	100,795
CRI (3 rd debentures issue - Urba)	R\$	3/24	CDI + 1.10%	44	60,000	60,044	60,015
Construction financing (***)	R\$	4/16 to 3/23	TR + 13.53%	2,006	957	2,963	4,445
Construction financing	R\$	4/23 to 1/26	TR + 8.30%	17,822	87,089	104,911	5,089
Construction financing	R\$	2/24 to 3/26	CDI + 2.08%	502	95,963	96,465	12,070
(-) Funding cost				(1,144)	(2,605)	(3,749)	(6,293)
Total loans and financing - Subsidiaries				395,789	1,147,989	1,543,778	1,312,053
Total subsidiaries				417,429	1,207,757	1,625,186	1,411,896
Total Consolidated				964,195	3,987,968	4,952,163	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 September 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.	9/30/21
				Total
Project loans	US\$	4/22	Libor + 2.36%	98,997
Project loans - Permanent loans	US\$	5/26 and 10/27	3.95% and 4.38%	253,830
Total - Noncurrent assets held for sale				352,827

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

	Consolidado	
	nove meses de	
	2021	2020
Saldo inicial	-	-
Transferências de empréstimos e financiamentos	894,570	-
Captações	8,243	-
Amortização do custo na captação de recursos	1,354	-
Pagamento de principal	(340,282)	-
Baixa por venda de ativo (*)	(220,178)	-
Ajuste de conversão de moeda	9,120	-
Saldo final	352,827	-

(*) Write-off due to sale of assets Lake Osborne and Mangonia Lake of subsidiary AHS, whose receipt was net of its financing.

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

Type	Serie	Qty	Funding date	Repayment of principal	Interest payment	Maturity of principal	Contractual rate (p.a.)	Effective rate (p.a.)
Debenture - 9 th Issue - 2 nd series	Single	49,727	3/17	Semiannual	Semiannua	2/20 to 2/22	CDI + 2.30%	CDI + 2.57%
Debenture - 9 th Issue - 3 rd series	Single	8,000	3/17	Bullet	Semiannua	2/22	IPCA + 8.25%	IPCA + 8.52%
Debenture - 11 th Issue - 2 nd series	Single	21,430	9/17	Annual	Semiannua	9/21 to 9/22	CDI + 1.50%	CDI + 1.56%
Debenture - 11 th Issue - 3 rd series	Single	12,120	9/17	Annual	Annual	9/23 to 9/24	IPCA + 6.45%	IPCA + 6.47%
Debenture - 12 th Issue - 1 st series	Single	29,870	8/18	Bullet	Semiannua	7/23	CDI + 1.40%	CDI + 1.52%
Debenture - 12 th Issue - 2 nd series	Single	5,130	8/18	Annual	Semiannua	7/24 and	CDI + 1.70%	CDI + 1.79%
Debenture - 12 th Issue - 3 rd series	Single	10,913	8/18	Bullet	Semiannua	7/23	CDI + 1.50%	CDI + 1.62%
Debenture - 12 th Issue - 4 th series	Single	8,307	8/18	Bullet	Semiannua	7/23	CDI + 1.50%	CDI + 1.62%
Debenture - 15 th Issue	Single	300,000	11/19	Annual	Semiannua	11/22 to	CDI + 1.06 %	CDI + 1.19%
Debenture - 16 th Issue	Single	100,000	4/20	Annual	Semiannua	4/23 to 4/25	CDI + 1.50 %	CDI + 1.69%
Debenture - 17 th Issue	Single	50,000	4/20	Quarterly	Quarterly	4/21 to 4/23	CDI + 3.00%	CDI + 3.68%
Debenture - 18 th Issue	Single	500,000	8/20	Bullet	Semiannua	8/25	CDI + 2.40%	CDI + 2.54%
Debenture - 2 nd Issue - Urba	Single	6,000	6/18	Annual	Semiannua	6/21 to 6/23	CDI + 1.22%	CDI + 1.73%
Debenture - 4 th Issue - Urba	Single	40,000	4/20	Annual	Semiannua	4/23 to 4/25	CDI + 1.50%	CDI + 1.71%
CRI (13 th debentures issue)	-	-	3/19	Semiannual	Quarterly	9/23 to 9/24	100% CDI	CDI + 0.83%
CRI (14 th debentures issue)	-	-	6/19	Bullet	Semiannua	5/24	100.4% CDI	100.4% CDI + 0.28%
CRI (19 th debentures issue)	-	-	4/21	Annual	Semiannua	4/29 to 4/31	IPCA + 5.43%	IPCA + 5.87%
CRI (3 rd debentures issue) - Urba	-	-	3/19	Bullet	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	Monthly	6/22 to	TR + 8.30%	TR + 8.30%
Construction financing	-	-	Sundry	Sundry	Monthly	6/22 to	CDI + 2.16%	CDI + 2.16%
Construction financing	-	-	Sundry	Bullet	Monthly	7/22	Savings deposits + 3.60%	Savings deposits + 3.60%
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	CDI + 3.10%	CDI + 3.10%
Project loans	-	-	Sundry	Bullet	Monthly	2/22 to 4/24	Libor + 2.00% to 3.00%	Libor + 2.11% to 3.11%
Project loans	-	-	4/21	Bullet	Monthly	4/23	Prime + 1.00%	Prime + 4.25%
Loan agreement	-	-	Sundry	Sundry	Sundry	1/22 to 2/26	2.50% to 5.94%	2.50% to 5.94%

The 13rd, 14th and 19th issue of debentures of the Company and 3rd issue of subsidiary Urba were carried out to back transactions of certificates of real estate receivables, as detailed above.

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

Funding during the nine-month period ended September 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	Monthly	6/23 to 12/25	TR + 8.30%	190,740
Construction financing	R\$	Sundry	Sundry	Monthly	8/23 to 10/24	CDI + 2.08%	120,245
Construction financing	R\$	Sundry	Bullet	Monthly	7/22	Savings deposits + 3.60%	28,111
CRI (19 th debentures issue)	R\$	4/21	Annual	Semiannual	4/29 to 4/31	IPCA + 5.43%	400,000
Total - Individual							739,096
Construction financing	R\$	Sundry	Sundry	Monthly	1/24 to 1/26	TR + 8.30%	203,939
Construction financing	R\$	Sundry	Sundry	Monthly	1/24 to 3/26	CDI + 2.08%	137,696
Project loans	US\$	Sundry	Bullet	Monthly	2/22 to 4/24	Libor + 2.00% to 3.00%	307,247
Project loans	US\$	4/21	Bullet	Monthly	4/23	Prime + 1.00%	74,127
Loan agreements	US\$	2/21	Bullet	Semiannual	2/26	3.80% to 3.85%	613,150
Credit line	US\$	5/21	Bullet	Monthly	7/21	Libor + 3.00%	53,317
Total - Subsidiaries							1,389,476
Total - Consolidated							2,128,572

(*) Gross of funding costs.

Changes in loans, financing and debentures are as follows:

	Consolidated		Individual	
	nine months of		nine months of	
	2021	2020	2021	2020
Opening balance	4,651,531	3,202,158	3,239,635	3,001,666
Acquisition effects (Note 30)	-	626,126	-	-
Funding	2,128,572	2,288,601	739,096	1,295,984
Accrued financial charges	202,615	154,823	155,720	114,189
Fair value adjustment	(23,420)	(7,676)	(23,420)	(7,676)
Funding costs	(13,564)	(8,454)	(11,698)	(5,752)
Amortization of funding costs	11,359	7,713	6,662	6,741
Repayment of principal	(1,000,976)	(1,447,480)	(660,768)	(960,403)
Payment of financial charges	(166,755)	(178,208)	(118,250)	(140,179)
Transfer to noncurrent assets held for sale	(894,570)	-	-	-
Currency translation adjustments	57,371	240,695	-	-
Closing balance	4,952,163	4,878,298	3,326,977	3,304,570

(b) Guarantees and surety

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

	Consolidated							Total
	Debentures	Bank credit notes	Construction financing	Leasing	Working capital	Project loans	Loan agreements / credit line	
Collateral / surety	-	-	-	5,897	-	238,675	885,154	1,129,726
Collateral / receivables	-	-	406,559	-	-	159,315	-	565,874
No guarantees	2,044,840	1,141,348	-	-	101,448	-	-	3,287,636
Total (*)	2,044,840	1,141,348	406,559	5,897	101,448	397,990	885,154	4,983,236

(*) 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	75,551
	4/8/20	4/1/25	61,660
	3/31/21	3/30/26	110,000
	9/23/21	9/16/26	145,437
Prime Incorporações e Construções S.A.	6/26/19	6/26/24	152,310
	9/23/21	9/14/26	180,542
Urba Desenvolvimento Urbano S.A.	3/18/16	3/6/23	2,963
	6/13/18	6/6/23	40,754
	3/28/19	3/27/24	60,044
	4/8/20	4/1/25	41,106
MRV US Holdings Corporation	2/21/20	2/21/25	255,688
	2/18/21	2/18/26	81,585
	3/3/21	2/18/26	190,376
	3/25/21	2/18/26	108,786
AHS Residential	7/23/21	1/19/22	244,947
			1,751,749

(c) Aging

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

After the reporting period	Consolidated		Individual	
	9/30/21	12/31/20	9/30/21	12/31/20
12 months	964,195	687,520	546,766	554,243
13 to 24 months	1,234,124	965,330	895,442	501,127
25 to 36 months	1,003,369	970,036	789,615	782,366
37 to 48 months	907,595	847,390	635,305	768,474
After 48 months	842,880	1,181,255	459,849	633,425
Total	4,952,163	4,651,531	3,326,977	3,239,635

(d) Allocation of financial charges

	Consolidated			
	2021		2020	
	3 rd quarter	Nine months	3 rd quarter	Nine months
Gross financial charges	79,405	191,532	44,995	153,318
Capitalized financial charges on:				
Real estate under construction and landbank	(51,396)	(112,329)	(28,085)	(99,343)
Investment property (Note 9)	(7,598)	(19,077)	-	-
Amounts recognized in financial result (Note 24)	20,411	60,126	16,910	53,975
Financial charges				
Opening balance	507,332	510,941	531,077	552,246
Acquisition effects	1	1,111	-	-
Capitalized financial charges	58,994	131,406	28,085	99,343
Charges allocated to profit or loss:				
Cost of real estate sold and services provided (Note 23)	(33,948)	(104,416)	(44,972)	(136,803)
Depreciation	(12)	(69)	-	-
Results from equity interest in investees	54	(5,604)	-	-
Results from equity interest in investees	(18)	(966)	(319)	(915)
Closing balance	532,403	532,403	513,871	513,871
Capitalized financial charges related to:				
Real estate under construction and landbank (Note 7)	497,338	497,338	508,724	508,724
Equity interest in investees (Note 8)	3,700	3,700	5,147	5,147
Investment property	31,365	31,365	-	-
	532,403	532,403	513,871	513,871

	Individual			
	2021		2020	
	3 rd quarter	Nine months	3 rd quarter	Nine months
Gross financial charges	58,385	131,497	30,245	114,976
Capitalized financial charges on:				
Real estate under construction and landbank	(36,214)	(69,268)	(16,871)	(59,211)
Equity interest in investees (Note 8)	(7,072)	(25,400)	(4,872)	(23,815)
Amounts recognized in financial result (Note 24)	15,099	36,829	8,502	31,950
Financial charges				
Opening balance	467,903	479,190	515,980	534,156
Capitalized financial charges	43,286	94,668	21,743	83,026
Charges allocated to profit or loss:				
Cost of real estate sold and services provided (Note 23)	(21,440)	(60,486)	(26,224)	(80,609)
Results from equity interest in investees	(7,032)	(30,655)	(13,174)	(38,248)
Closing balance	482,717	482,717	498,325	498,325
Capitalized financial charges related to:				
Real estate under construction and landbank (Note 7)	349,378	349,378	345,598	345,598
Equity interest in investees	133,339	133,339	152,727	152,727
	482,717	482,717	498,325	498,325

During the nine-month period ended September 30, 2021, total financial charges capitalized on loans, financing and debentures represented an average charge rate of 5.04% p.a. (4.82% 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	
	9/30/21	12/31/20	9/30/21	12/31/20
INCC	720,840	649,629	485,073	451,871
IGP-M	194,695	238,437	132,721	153,162
IPCA	252,795	133,065	93,710	81,435
Other indexes	88,534	40,535	78,093	30,032
Non-interest bearing	3,753,796	3,883,668	2,817,162	2,873,588
Present value discount	(112,076)	(131,223)	(76,740)	(94,540)
Total	4,898,584	4,814,111	3,530,019	3,495,548
Current	954,149	1,189,205	740,638	848,854
Noncurrent	3,944,435	3,624,906	2,789,381	2,646,694
	4,898,584	4,814,111	3,530,019	3,495,548

As at September 30, 2021, 'Land payables' include financial barter in the amount of R\$2,673,300 in Consolidated and R\$1,899,939 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 September 30, 2021, R\$1,827,480 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	
	9/30/21	12/31/20	9/30/21	12/31/20
12 months	954,149	1,189,205	740,638	848,854
13 to 24 months	2,022,030	2,202,816	1,054,130	1,325,988
25 to 36 months	738,292	540,680	649,006	483,903
37 to 48 months	454,543	259,602	411,858	240,132
After 48 months	729,570	621,808	674,387	596,671
Total	4,898,584	4,814,111	3,530,019	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	
	9/30/21	12/31/20	9/30/21	12/31/20
Proceeds in advance	145,681	113,305	75,089	71,940
Advances for barter	437,661	501,351	258,786	350,390
	583,342	614,656	333,875	422,330
Current	253,664	254,011	149,466	170,826
Noncurrent	329,678	360,645	184,409	251,504
	583,342	614,656	333,875	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 September 30, 2021, R\$177,654 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	
	9/30/21	12/31/20	9/30/21	12/31/20
12 months	253,664	254,011	149,466	170,826
13 to 24 months	196,202	202,988	110,019	138,057
After 24 months	133,476	157,657	74,390	113,447
Total	583,342	614,656	333,875	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	9/30/21	12/31/20
12 months	613,360	673,822
After 12 months	50,562	-
	663,922	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	
	9/30/21	12/31/20	9/30/21	12/31/20
Salaries and wages	39,951	28,687	14,141	13,153
Payroll benefits	20,922	17,545	9,752	10,206
Accrued vacation, 13 th salary and related benefits	135,612	70,309	67,457	39,815
Provision for employees and management profit sharing	17,176	23,230	15,619	22,500
Other	2,336	2,384	1,108	937
Total	215,997	142,155	108,077	86,611

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

16. Tax payables

	Consolidated		Individual	
	9/30/21	12/31/20	9/30/21	12/31/20
Income tax and social contribution	46,789	14,333	5,608	8,087
Taxes on revenue (PIS and COFINS)	55,066	54,006	44,114	42,741
Withheld third parties taxes	14,123	12,363	9,433	7,807
Taxes withheld on interest on salaries	7,143	9,238	5,474	7,480
Other	620	537	41	(36)
Total	123,741	90,477	64,670	66,079

As at September 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\$101,764 and R\$70,278 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	
	nine months of		nine months of	
	2021	2020	2021	2020
Opening balance	165,899	139,837	90,816	73,186
Additions	125,832	94,759	73,014	52,920
Write-off	(101,880)	(79,191)	(56,511)	(41,638)
Closing balance	189,851	155,405	107,319	84,468
Current	42,664	40,961	21,417	19,266
Noncurrent	147,187	114,444	85,902	65,202
	189,851	155,405	107,319	84,468

As at September 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
Consolidated:						
Civil	53,979	81,408	(9,175)	(80,621)	6,585	52,176
Labor	48,053	25,840	(10,603)	(28,050)	5,565	40,805
Others	112	481	(12)	(365)	19	235
Total - nine months of 2021	102,144	107,729	(19,790)	(109,036)	12,169	93,216
Total - nine months of 2020	101,572	113,998	(15,242)	(107,136)	13,186	106,378
Individual:						
Civil	30,567	47,569	(6,149)	(48,759)	3,534	26,762
Labor	41,048	22,439	(7,217)	(25,047)	4,802	36,025
Others	91	336	(6)	(257)	13	177
Total - nine months of 2021	71,706	70,344	(13,372)	(74,063)	8,349	62,964
Total - nine months of 2020	72,053	73,503	(11,185)	(69,101)	9,257	74,527

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			
	9/30/21		12/31/20		9/30/21		12/31/20	
	Total lawsuits	Probable lawsuits	Total lawsuits	Probable lawsuits	Total lawsuits	Probable lawsuits	Total lawsuits	Probable lawsuits
Civil	19,799	2,924	21,462	3,790	11,053	1,641	11,838	2,258
Labor	2,627	633	2,620	664	1,694	435	1,723	444
Others	1,354	30	1,318	28	1,088	25	1,032	23
Total	23,780	3,587	25,400	4,482	13,835	2,101	14,593	2,725

As shown above the main lawsuits as at September 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\$511,091 and R\$391,195 in Consolidated and Individual, respectively, as at September 30, 2021 (R\$512,569 and R\$392,606 as at December 31, 2020 in Consolidated and Individual, respectively). Said amount on September 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	
		9/30/21	12/31/20	9/30/21	12/31/20	9/30/21	12/31/20	9/30/21	12/31/20
<u>Short-term investments and marketable securities</u>									
Other related parties									
Banco Inter S.A.	[1]	150,667	115,754	-	-	150,667	115,754	-	-
<u>Dividends receivables</u>									
Subsidiaries									
Urba Desenvolvimento Urbano S.A.		-	-	-	-	-	1,407	-	-
Joint ventures									
MRL Engenharia e Empreendimentos S.A.		-	2,982	-	-	-	2,982	-	-
<u>Intercompany receivables</u>									
Investees									
SPEs	[6]	42,992	31,578	-	-	962,878	796,145	-	-
Joint ventures									
Prime Incorporações e Construções S.A.	[7]	85	176	-	-	85	42	-	-
MRL Engenharia e Empreendimentos S.A.	[7]	807	9,535	-	-	807	9,035	-	-
Reserva Macaúba Loteamento Ltda.	[7]	-	1,246	-	-	-	-	-	-
Other related parties									
Partners in real estate development projects	[7]	21,713	17,588	-	-	21,713	17,588	-	-
<u>Other assets</u>									
Subsidiaries									
SCPs e SPEs	[8]	507	3,978	-	-	17,346	21,522	-	-
Joint ventures									
Prime Incorporação e Construções S.A.	[8]	338	3,602	-	-	62	3,434	-	-
MRL Engenharia e Empreendimentos S.A.	[8]	520	26,529	-	-	505	26,499	-	-
Other related parties									
Partners in real estate development projects	[8]	-	5,636	-	-	-	45	-	-
Controlling shareholder	[9]	26,013	30,145	-	-	26,013	30,145	-	-
<u>Suppliers</u>									
Subsidiaries									
MRV Construções Ltda.	[2]	-	-	-	-	-	-	80,024	43,687
Other related parties									
T Lott Advocacia	[10]	-	-	90	-	-	-	86	-
Radio Itatiaia Ltda.	[19]	-	-	105	-	-	-	105	-
LOG Commercial Properties e Participações S.A. (LOG)	[20]	-	-	40	40	-	-	40	40
<u>Payables for investment acquisition</u>									
Other related parties									
LOG Commercial Properties e Participações S.A. (LOG)	[11]	-	-	16,019	19,445	-	-	-	-
<u>Intercompany payables (Other payables)</u>									
Investees									
SPEs	[12]	-	-	170	84	-	-	2,107	36,858
Joint ventures									
Prime Incorporações e Construções S.A.	[13]	-	-	53,433	37,042	-	-	-	-
MRL Engenharia e Empreendimentos S.A.	[13]	-	-	70,456	57,255	-	-	-	-
Other related parties									
Partners in real estate development projects	[13]	-	-	48,767	40,382	-	-	-	-
Costellis International Limited	[18]	-	-	27,646	27,646	-	-	27,646	27,646
<u>Lease liability (Other payables)</u>									
Other related parties									
Conedi Participações Ltda e MA Cabaleiro Participações Ltda	[14]	-	-	63,758	65,687	-	-	61,316	63,305
Lakeside office, LLC	[16]	-	-	180	868	-	-	-	-

	Consolidated							
	Income				Expense			
	3 rd quarter of		nine months of		3 rd quarter of		nine months of	
	2021	2020	2021	2020	2021	2020	2021	2020
Net operating revenue								
Receivables from services provided								
Subsidiaries								
MRV Construções Ltda.	[2]	558	513	2,672	1,405	-	-	-
Financial income								
Short-term investments and marketable securities								
Other related parties								
Banco Inter S.A.	[1]	2,789	1,449	5,129	1,713	-	-	-
Intercompany receivables								
Joint ventures								
Prime Incorporações e Construções S.A.	[7]	-	3	9	16	-	-	-
MRL Engenharia e Empreendimentos S.A.	[7]	26	13	202	46	-	-	-
Reserva Macaúba Loteamento Ltda.	[7]	-	197	165	488	-	-	-
Other related parties								
Partners in real estate development projects	[7]	389	198	1,102	632	-	-	-
Other operating income (expenses), net								
Joint ventures								
Prime Incorporações e Construções S.A.	[3]	800	620	2,151	1,039	-	-	-
MRL Engenharia e Empreendimentos S.A.	[3]	913	645	2,427	1,099	-	-	-
Other related parties								
LOG Commercial Properties e Participações S.A.	[3]	373	411	1,230	1,242	-	-	-
MRV Serviços de Engenharia Ltda.	[4]	21	12	61	54	-	-	-
Banco Inter S.A.	[5]	673	155	1,926	454	-	-	-
Controlling shareholder	[9]	200	357	840	1,110	-	-	-
Other		-	8	26	26	-	-	-
Operating costs and expenses								
General and administrative expenses								
Other related parties								
T Lott Advocacia	[10]	-	-	-	-	2,417	1,374	4,582
Conedi Participações Ltda. e MA Cabaleiro Participações Ltda.	[14]	-	-	-	-	1,995	1,040	5,860
Luxemburgo Incorporadora SPE Ltda.	[15]	-	-	-	-	69	44	115
Radio Itatiaia Ltda.	[19]	-	-	-	-	310	-	360
Novus Midia S.A.	[19]	-	-	-	-	194	-	194
LOG Commercial Properties e Participações S.A.	[20]	-	-	-	-	121	102	363
Lakeside office, LLC	[16]	-	-	-	-	240	31	720
South Tamiama Airport Park, LLC	[17]	-	-	-	-	32	-	96

	Individual							
	Income				Expense			
	3 rd quarter of		nine months of		3 rd quarter of		nine months of	
	2021	2020	2021	2020	2021	2020	2021	2020
Financial income								
Short-term investments and marketable securities								
Other related parties								
Banco Inter S.A.	[1]	2,789	1,449	5,129	1,713	-	-	-
Intercompany receivables								
Joint ventures								
Prime Incorporações e Construções S.A.	[7]	-	3	9	16	-	-	-
MRL Engenharia e Empreendimentos S.A.	[7]	26	13	202	46	-	-	-
Other related parties								
Partners in real estate development projects	[7]	330	198	937	632	-	-	-
Other operating income (expenses), net								
Subsidiaries								
Urba Desenvolvimento Urbano S.A.	[3]	408	171	1,175	321	-	-	-
Joint ventures								
Prime Incorporações e Construções S.A.	[3]	800	620	2,151	1,039	-	-	-
MRL Engenharia e Empreendimentos S.A.	[3]	913	645	2,427	1,099	-	-	-
Other related parties								
LOG Commercial Properties e Participações S.A.	[3]	373	411	1,230	1,242	-	-	-
MRV Serviços de Engenharia Ltda.	[4]	21	12	61	54	-	-	-
Banco Inter S.A.	[5]	673	155	1,926	454	-	-	-
Controlling shareholder	[9]	200	357	840	1,110	-	-	-
Other		-	8	26	26	-	-	-
Operating costs and expenses								
Cost of real estate sales and services								
Subsidiaries								
MRV Construções Ltda.	[2]	-	-	-	-	103,819	72,784	285,952
General and administrative expenses								
Other related parties								
T Lott Advocacia	[10]	-	-	-	-	2,196	1,247	4,256
Conedi Participações Ltda. e MA Cabaleiro Participações Ltda.	[14]	-	-	-	-	1,876	1,000	5,607
Luxemburgo Incorporadora SPE Ltda.	[15]	-	-	-	-	69	44	115
Radio Itatiaia Ltda.	[19]	-	-	-	-	310	-	360
Novus Midia S.A.	[19]	-	-	-	-	194	-	194
LOG Commercial Properties e Participações S.A.	[20]	-	-	-	-	121	102	363

- [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 nine-month period ended on September 30, 2021, short-term investments yielded 156.97% 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 nine-month period ended on September 30, 2021 which amount to R\$196,840 and R\$524,178, 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 September 30, 2021, R\$25,871 in Consolidated and R\$21,209 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 2.98% 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 September 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 September 30, 2021, the balance receivable includes adjustment to present value of R\$2,720 (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 1st, 2019, due to CPC 06 (R2) adoption, the contracts recognition is made as lease and no more as rental. As at September 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 September 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 nine-month period ended September 30, 2021, was R\$18 and R\$58, respectively (R\$23 and R\$46 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 Residential's headquarters. This entity has as partner the Company's controlling shareholder. The contract is effective until January 1, 2022. On September 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 September 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.
- [19] Refers to advertising services contracted with press vehicles related to the Company's controlling shareholder.
- [20] Refers to a warehouse rental agreement with LOG Commercial Properties e Participações S.A., a company controlled by the Company's controlling shareholder.

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	
	3 rd quarter	nine months	3 rd quarter	nine months
Short-term benefits granted to management:				
Management compensation (*)	10,210	28,980	10,198	25,559
Profit sharing	1,598	6,872	2,193	5,565
Non-monetary benefits	153	450	126	387
Long-term benefits granted to management:				
Retirement private plan	189	571	197	520
Stock option plan	4,104	9,430	2,233	4,123
	16,254	46,303	14,947	36,154

	Individual			
	2021		2020	
	3 rd quarter	nine months	3 rd quarter	nine months
Short-term benefits granted to management:				
Management compensation (*)	5,132	15,402	5,873	15,534
Profit sharing	1,283	6,249	2,103	5,342
Non-monetary benefits	126	374	120	355
Long-term benefits granted to management:				
Retirement private plan	172	520	183	484
Stock option plan	3,922	8,918	2,124	4,015
	10,635	31,463	10,403	25,730

(*) 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 September 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			
	9/30/21		12/31/20	
	Ordinary	%	Ordinary	%
Rubens Menin Teixeira de Souza (Controlling shareholder)	182,135	37.7	182,334	37.8
Officers	5,769	1.2	6,009	1.2
Fiscal council and executive committees	258	0.1	196	-
Treasury shares	1	-	1	-
Other shareholders	294,712	60.9	293,414	61.0
Total	482,875	99.9	481,954	100.0

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

During the nine-month period ended September 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
Nine-month period ended September 30, 2021:	(thousand)	R\$	R\$'000	R\$'000	(thousand)
1/7/21 Capital increase	921	-	5,747	4,615,171	482,875
Nine-month period ended September 30, 2020:					
1/31/20 MDI incorporation effects (*)	37,287	-	326,338	4,609,424	481,954
1/17/20 Capital increase	528	-	956	4,283,086	444,667

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

(b) Treasury shares

On August 31, 2021, the Board of Directors approved the new share buyback program of the Company, which should be settled by March 3, 2023, limited to 24.1 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.

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 nine-month period ended September 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 nine-month period ended September 30, 2021, as shown below:

Type	Number (thousand)				Market value (*)
	Opening balance	Acquired	Transferred	Closing balance	
Nine months of 2021:					
Common shares	1	-	-	1	12
Nine months of 2020:					
Common shares	318	-	(317)	1	16

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

During the nine-month period ended September 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 July 5, 2021, the Company granted the Program 14 of the Company stock options plan ("Program 14"), second of Plan III. The grant limit for this program will be 2,337,000 (two million, and three hundred and thirty-seven thousand) options, whose exercise price will be R\$17.42. The fair value of the option estimated based on Black & Scholes stock option pricing model was R\$8.02.

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.

On February 12, 2021, Urba Desenvolvimento Urbano S.A granted the Program 2 of the stock options plan. The grant limit for this program will be 686,550 (six hundred and eighty-six thousand, five hundred and fifty) options, whose exercise price will be R\$1.49. The fair value of the option estimated based on Black & Scholes stock option pricing model was R\$1.15.

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	12/33
14	III	7/5/21	2,337	Up to 5 years	R\$ 17.42	Officers, managers, and key employees	12/28
1 - Urba	I	8/31/20	2,997	Up to 5 years	R\$ 1.34	Officers, managers, and key employees	12/27
2 - Urba	I	9/2/21	687	Up to 5 years	R\$ 1.49	Officers, managers, and key employees	12/28

Changes in stock options plan per program for the nine-month period ended September 30, 2021 and 2020 and supplemental information is as follows:

Program	Number of participants	Changes in nine months 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	65	1,290	-	(12)	-	1,278
10	73	1,666	-	(15)	-	1,651
11	77	2,282	-	(19)	-	2,263
12	71	2,208	-	(5)	-	2,203
13	7	-	3,200	-	-	3,200
14	73	-	2,377	-	-	2,377
		9,196	5,577	(51)	-	14,722
Weighted average price of options		13.23	18.58	14.78	-	15.25

Program	Number of participants	Changes in nine months of 2020 (thousand shares)				
		Opening balance	Granted	Expired / forfeited	Exercised	Closing balance
6	11	492	-	-	-	492
7	18	639	-	-	-	639
8	58	1,325	-	(33)	-	1,292
9	70	1,411	-	(37)	-	1,374
10	78	1,790	-	(23)	-	1,767
11	81	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	-	-	-	0.2
7	551	-	-	-	1.2
8	848	-	-	-	2.2
9	194	944	315	0.2	3.2
10	205	1,176	1,844	1.2	4.2
11	194	1,609	4,284	2.2	5.2
12	98	2,599	9,176	3.3	6.3
13	-	5,384	37,622	9.3	12.3
14	-	1,450	15,412	4.3	7.3
1 - Urba	150	629	2,173	3.3	6.3
2 - Urba	-	24	684	4.3	7.3
2021	2,591	13,815	71,510	10.0	13.0
2020	1,767	6,997	27,893	3.6	5.7

Stock options costs arising from subsidiaries and joint ventures and recognized by the Company totaled R\$450 for the nine-month period ended September 30, 2021 (R\$81 for the same period of 2020).

For the nine-month ended September 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 shows the plans approved by the Board of Directors of the Company and subsidiary Urba, and the percentage granted of each:

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	5,577	68.01%
I - Urba	8/14/20	5,000	3,549	70.98%

As at September 30, 2021, had all options currently granted been exercised, the Company would have issued 14,722 thousand shares, which would represent a 2.96% 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	
	nine months of	
	2021	2020
Opening balance	361,254	267,019
Acquisition effects (Note 30)	-	41,517
Capital transactions	7,266	12,649
Net distributions to noncontrolling interests	(65,643)	(16,992)
Currency translation adjustments	3,802	15,455
Changes in indirect ownership	11,972	-
Prior period adjustments in subsidiary	(417)	-
Reflection of the cash flow hedge reserve in a subsidiary	-	(1,017)
Reflection of error correction in subsidiary	-	(13,709)
Interest in net income for the period	61,620	48,496
Closing balance	379,854	353,418

In the nine-month period ended September 30, 2021, changes in the Company's equity interests in subsidiaries generated an increase in noncontrolling interests of R\$7,266 and an increase in Company owners of R\$2,311 (an increase in noncontrolling interests of R\$12,649 and a net loss of R\$9,538 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	
	3 rd quarter	nine months	3 rd quarter	nine months
Basic earnings per share:				
Net income for the period	165,161	504,849	140,584	354,102
Weighted average number of outstanding common shares	483,191	483,159	481,953	477,828
Basic earnings per share - in R\$	0.34181	1.04489	0.29170	0.74107
Diluted earnings per share:				
Net income for the period	165,161	504,849	140,584	354,102
Weighted average number of outstanding common shares	483,191	483,159	481,953	477,828
Dilutive effect of stock options (thousands of shares)	928	1,910	3,024	2,579
Total shares after dilutive effect (thousand)	484,119	485,069	484,977	480,407
Diluted earnings per share - in R\$	0.34116	1.04078	0.28988	0.73709

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

	9/30/21					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		
Assets										
Cash, cash equivalents and marketable securities	2,199,041	522,656	5,703	86,905	2,814,305	2,506,560	152,263	12,850	22,960	2,694,633
Trade accounts receivable	3,501,038	2,567	-	218,372	3,721,977	3,310,137	2,973	-	171,806	3,484,916
Inventories	8,820,986	-	2,185	274,007	9,097,178	8,322,724	-	2,244	276,891	8,601,859
Investment properties	-	1,525,164	357,802	-	1,882,966	-	1,611,367	186,593	-	1,797,960
Investment properties - Noncurrent assets held for sale	-	417,338	-	-	417,338	-	-	-	-	-
Other assets	1,513,229	142,409	12,719	65,848	1,734,205	1,345,334	80,517	5,787	51,009	1,482,647
Total assets	16,034,294	2,610,134	378,409	645,132	19,667,969	15,484,755	1,847,120	207,474	522,666	18,062,015
Liabilities and equity										
Loans, financing and debentures	3,460,282	1,280,761	68,070	143,050	4,952,163	3,256,791	1,232,215	-	162,525	4,651,531
Loans, financing and debentures - Noncurrent assets held for sale	-	352,827	-	-	352,827	-	-	-	-	-
Land payables	4,700,056	-	5,056	193,472	4,898,584	4,586,570	-	7,268	220,273	4,814,111
Advances from customers	571,538	-	2,706	9,098	583,342	611,075	-	2,706	875	614,656
Other payables	2,177,845	241,838	24,027	63,640	2,507,350	1,795,499	108,767	9,064	33,802	1,947,132
Total liabilities	10,909,721	1,875,426	99,859	409,260	13,294,266	10,249,935	1,340,982	19,038	417,475	12,027,430
Operating segment net assets	5,124,573	734,708	278,550	235,872	6,373,703	5,234,820	506,138	188,436	105,191	6,034,585
Total liabilities and equity	16,034,294	2,610,134	378,409	645,132	19,667,969	15,484,755	1,847,120	207,474	522,666	18,062,015

	Nine months of 2021					Nine months 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	5,049,723	56,595	638	107,577	5,214,533	4,826,088	45,827	-	72,324	4,944,239
Cost of real estate sold and services	(3,716,252)	(36,980)	(368)	(66,097)	(3,819,697)	(3,469,528)	(39,610)	-	(43,436)	(3,552,574)
Gross profit	1,333,471	19,615	270	41,480	1,394,836	1,356,560	6,217	-	28,888	1,391,665
Operating income (expenses):										
Selling, general and administrative expenses	(747,116)	(54,077)	(2,999)	(28,530)	(832,722)	(743,452)	(33,543)	(299)	(16,338)	(793,632)
Other operating income (expenses), net	(87,336)	252,711	(706)	(3,221)	161,448	(92,636)	(1,457)	(1,959)	(146)	(96,198)
Results from equity interest in investees	(41,959)	-	-	6,895	(35,064)	(40,013)	-	-	1,134	(38,879)
Income before financial income	457,060	218,249	(3,435)	16,624	688,498	480,459	(28,783)	(2,258)	13,538	462,956
Financial result	24,333	(9,271)	(62)	1,895	16,895	61,245	(17,873)	50	377	43,799
Income before taxes	481,393	208,978	(3,497)	18,519	705,393	541,704	(46,656)	(2,208)	13,915	506,755
Income tax and social contribution	(98,319)	(36,916)	(2)	(3,687)	(138,924)	(101,771)	-	-	(2,386)	(104,157)
Net income for the period	383,074	172,062	(3,499)	14,832	566,469	439,933	(46,656)	(2,208)	11,529	402,598

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 nine-month period ended September 30, 2021 and 2020:

	Consolidated			
	2021		2020	
	3 rd quarter	nine months	3 rd quarter	nine months
Gross operating revenue				
Real estate development	1,905,488	5,714,350	1,983,586	5,516,097
Bartered real estate units	11,634	19,880	12,137	27,070
Rental revenue	24,708	56,595	19,538	45,827
Cancellations	(115,186)	(426,367)	(172,832)	(449,411)
Allowance for credit risk	9,464	(47,333)	(26,044)	(90,202)
Revenue from construction services	558	2,672	513	1,405
	1,836,666	5,319,797	1,816,898	5,050,786
Taxes on sales	(36,568)	(105,264)	(37,058)	(106,547)
Net operating revenue	1,800,098	5,214,533	1,779,840	4,944,239

	Individual			
	2021		2020	
	3 rd quarter	nine months	3 rd quarter	nine months
Gross operating revenue				
Real estate development	1,002,156	3,088,462	1,100,925	3,051,392
Bartered real estate units	3,642	3,529	4,728	10,068
Cancellations	(62,048)	(221,550)	(81,852)	(219,681)
Allowance for credit risk	6,233	(21,816)	(12,929)	(46,620)
	949,983	2,848,625	1,010,872	2,795,159
Taxes on sales	(18,434)	(55,081)	(20,203)	(57,352)
Net operating revenue	931,549	2,793,544	990,669	2,737,807

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

	Consolidated			
	2021		2020	
	3 rd quarter	nine months	3 rd quarter	nine months
Net revenue from units under construction	1,646,286	4,725,513	1,455,883	4,229,581
Costs of real estate sold under construction	(1,195,899)	(3,404,483)	(1,038,116)	(3,020,612)
Gross profit recognized	450,387	1,321,030	417,767	1,208,969

The amounts of received advances regarding contracts in progress as at September 30, 2021 and 2020 are R\$172,404 and R\$132,585, respectively.

23. Costs and expenses

	Consolidated			
	2021		2020	
	3 rd quarter	nine months	3 rd quarter	nine months
Cost of real estate sold and services:				
Financial charges (Note 12 (d))	(33,948)	(104,416)	(44,972)	(136,803)
Cost of rental operations	(12,728)	(36,980)	(16,912)	(39,610)
Land, construction and maintenance costs	(1,265,227)	(3,678,301)	(1,217,992)	(3,376,161)
Total cost of real estate sold and services	(1,311,903)	(3,819,697)	(1,279,876)	(3,552,574)
Selling, general and administrative expenses:				
Salaries, charges and benefits	(105,480)	(296,340)	(90,806)	(261,548)
Management compensation	(10,210)	(28,980)	(10,198)	(25,559)
Management and employees profit sharing	(3,720)	(17,148)	(8,157)	(23,282)
Stock option plan	(6,101)	(13,815)	(3,699)	(6,997)
Commissions and brokers' fees	(40,025)	(119,548)	(40,544)	(113,592)
Outside services	(27,822)	(87,645)	(23,070)	(70,715)
Marketing and advertising	(43,822)	(106,361)	(36,979)	(105,035)
Utilities	(2,275)	(8,073)	(2,647)	(8,650)
Depreciation and amortization	(15,353)	(45,930)	(13,971)	(37,967)
Training	(1,295)	(2,870)	(381)	(1,622)
Other	(35,704)	(106,012)	(49,005)	(138,665)
Total selling, general and administrative expenses	(291,807)	(832,722)	(279,457)	(793,632)
Classified as:				
Selling expenses	(167,732)	(473,473)	(168,425)	(478,257)
General and administrative expenses	(124,075)	(359,249)	(111,032)	(315,375)
	(291,807)	(832,722)	(279,457)	(793,632)

	Individual			
	2021		2020	
	3 rd quarter	nine months	3 rd quarter	nine months
Cost of real estate sold and services:				
Financial charges (Note 12 (d))	(21,440)	(60,486)	(26,224)	(80,609)
Land, construction and maintenance costs	(694,092)	(2,046,209)	(677,137)	(1,867,175)
Total cost of real estate sold and services	(715,532)	(2,106,695)	(703,361)	(1,947,784)
Selling, general and administrative expenses:				
Salaries, charges and benefits	(65,160)	(194,703)	(64,145)	(189,992)
Management compensation	(5,132)	(15,402)	(5,873)	(15,534)
Management and employees profit sharing	(3,449)	(15,157)	(6,158)	(18,490)
Stock option plan	(5,868)	(13,162)	(3,588)	(6,886)
Commissions and brokers' fees	(20,124)	(62,483)	(21,864)	(60,571)
Outside services	(24,441)	(77,031)	(19,270)	(58,714)
Marketing and advertising	(31,944)	(73,122)	(25,202)	(69,955)
Utilities	(1,813)	(6,367)	(2,000)	(6,789)
Depreciation and amortization	(13,102)	(38,950)	(11,156)	(31,167)
Training	(157)	(598)	(358)	(1,185)
Other	(33,453)	(94,933)	(43,731)	(113,662)
Total selling, general and administrative expenses	(204,643)	(591,908)	(203,345)	(572,945)
Classified as:				
Selling expenses	(111,346)	(311,306)	(111,474)	(308,510)
General and administrative expenses	(93,297)	(280,602)	(91,871)	(264,435)
	(204,643)	(591,908)	(203,345)	(572,945)

	Consolidated			
	2021		2020	
	3 rd quarter	nine months	3 rd quarter	nine months
Other operating income (expenses), net				
Provision for civil, labor and tax risks	(10,371)	(36,455)	(15,933)	(37,386)
Results on the sale of property and equipment	(296)	(376)	513	216
Donatives - Instituto MRV	(750)	(5,450)	(1,979)	(5,266)
Other:				
Income (*)	176,733	273,348	3,346	6,826
Expenses	(32,732)	(69,619)	(20,022)	(60,588)
Total other operating income (expenses), net	132,584	161,448	(34,075)	(96,198)

(*) In 2021, the Consolidated includes gain from the sale of assets Lake Osborne, Mangonia Lake, Banyan Ridge and Tamiami Landings by subsidiary AHS, in the amount of R\$269 million (Note 1).

	Individual			
	2021		2020	
	3 rd quarter	nine months	3 rd quarter	nine months
Other operating income (expenses), net				
Provision for civil, labor and tax risks	(7,675)	(25,261)	(12,048)	(25,525)
Results on the sale of property and equipment	(309)	(359)	28	(128)
Donatives - Instituto MRV	(750)	(5,450)	(1,979)	(5,266)
Other:				
Income	6,164	13,397	3,160	6,222
Expenses	(18,315)	(43,345)	(13,879)	(48,315)
Total other operating income (expenses), net	(20,885)	(61,018)	(24,718)	(73,012)

24. Financial expenses and income

	Consolidated			
	2021		2020	
	3 rd quarter	nine months	3 rd quarter	nine months
Financial expenses:				
Interest on loans, financing and debentures (Note 12 (d))	(20,411)	(60,126)	(16,910)	(53,975)
Mark-to-market of derivative financial instruments	(60,004)	(67,577)	(3,601)	3,497
Expense from sale of receivables	(23,325)	(23,325)	-	-
Fees and taxes	(3,678)	(10,471)	(3,243)	(8,364)
Other financial expenses	(8,076)	(10,758)	(3,279)	(8,014)
	(115,494)	(172,257)	(27,033)	(66,856)
Financial income:				
Short-term investments	29,616	58,491	10,862	28,904
Swap gain in subsidiary	1,677	9,508	-	-
Interest on intercompany loans (Note 19, item 7)	415	1,478	411	1,182
Other financial income	7,573	25,309	5,854	18,520
	39,281	94,786	17,127	48,606
Income from real estate development receivables	26,219	94,366	19,419	62,049
	65,500	189,152	36,546	110,655
Financial result	(49,994)	16,895	9,513	43,799

	Individual			
	2021		2020	
	3 rd quarter	nine months	3 rd quarter	nine months
Financial expenses:				
Interest on loans, financing and debentures (Note 12 (d))	(15,099)	(36,829)	(8,502)	(31,950)
Mark-to-market of derivative financial instruments	(59,949)	(67,404)	(3,568)	3,536
Expense from sale of receivables	(9,129)	(9,129)	-	-
Fees and taxes	(1,842)	(5,542)	(1,824)	(4,644)
Other financial expenses	(2,694)	(7,451)	(2,563)	(6,105)
	(88,713)	(126,355)	(16,457)	(39,163)
Financial income:				
Short-term investments	26,443	52,874	9,656	24,819
Interest on intercompany loans (Note 19, item 7)	356	1,148	214	694
Other financial income	2,549	11,093	4,762	13,610
	29,348	65,115	14,632	39,123
Income from real estate development receivables	13,252	47,316	8,270	28,122
	42,600	112,431	22,902	67,245
Financial result	(46,113)	(13,924)	6,445	28,082

25. Financial instruments and risk management

(a) Capital risk management

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

	Consolidated		Individual	
	9/30/21	12/31/20	9/30/21	12/31/20
Loans, financing and debentures	5,304,990	4,651,531	3,326,977	3,239,635
Cash, cash equivalents and marketable securities	(2,814,305)	(2,694,633)	(1,537,288)	(1,864,589)
Net debt	2,490,685	1,956,898	1,789,689	1,375,046
Equity	6,373,703	6,034,585	5,993,849	5,673,331
Net debt-to-equity ratio	39.1%	32.4%	29.9%	24.2%

(b) Financial instruments categories and fair value

Consolidated	Note	9/30/21		12/31/20	
		Book value	Fair value	Book value	Fair value
Financial assets:					
Amortized cost		4,977,757	4,977,757	4,599,842	4,599,842
Receivables from real estate development	6	3,718,990	3,718,990	3,481,470	3,481,470
Intercompany receivables		65,597	65,597	60,123	60,123
Cash and bank accounts	4	1,190,183	1,190,183	1,054,803	1,054,803
Receivables from services provided	6	2,987	2,987	3,446	3,446
Fair value through prof it or loss (mandatorily measured) (*)		1,760,719	1,760,719	1,706,920	1,706,920
Restricted investment funds	5	1,432,325	1,432,325	1,432,714	1,432,714
Unrestricted investment funds	4	160	160	243	243
Bank Certificates of Deposit (CDB)	4 and 5	19,675	19,675	27,680	27,680
Short-term investments	4	14,362	14,362	13,324	13,324
Escrow account and swap guarantee	5	40,975	40,975	82,893	82,893
U.S. Treasuries	5	2,709	2,709	2,583	2,583
Savings deposits	4 and 5	113,699	113,699	80,177	80,177
Real estate consortium	5	217	217	216	216
Derivative financial instruments (**)	25 (b)	49,630	49,630	67,090	67,090
Other assets		86,967	86,967	-	-
Financial liabilities:					
Amortized cost		10,718,792	10,737,299	10,094,216	10,084,016
Loans, financing and debentures		4,637,617	4,656,124	4,398,137	4,387,937
Land payables	13	4,898,584	4,898,584	4,814,111	4,814,111
Suppliers		665,504	665,504	467,929	467,929
Payables for investment acquisition		42,121	42,121	19,445	19,445
Other payables		474,966	474,966	394,594	394,594
Fair value through prof it or loss (hedge accounting) (**)		774,990	774,990	267,103	267,103
Loans, financing and debentures		667,373	667,373	253,394	253,394
Derivative financial instruments	25 (b)	107,617	107,617	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 into non-speculative derivative financial instruments to hedge its exposure to the interest rates in loan, financing and debentures, to US dollar and share price fluctuations. Such operations aim to patrimonial protections, minimizing the effects of such changes by replacing them.

As at September 30, 2021, the swap contracts position is as follows:

Type of transaction	Currency	Hiring	Asset / Liability	Maturity	Notional amount	Long position	Short position	9/30/21	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	2,871	2,963	2,886	52	77	(25)	-
Swap (*)	R\$	3/17	IPCA + 8.25% / 132.2% CDI	2/22	80,000	99,434	80,697	21,555	18,737	2,818	-
Swap (*)	R\$	9/17	IPCA + 6.45% / 122.1% CDI	9/24	121,200	148,003	121,553	28,023	26,450	1,573	-
Swap (*)	R\$	4/21	IPCA + 5.43% / CDI + 1.65%	4/31	403,720	426,227	414,215	(15,723)	12,012	(27,735)	-
Swap	R\$	9/21	MRVE3 / CDI + 1.75%	01/23 and 02/23	324,906	293,316	325,867	(40,427)	(32,551)	(7,876)	-
Swap (*)	US\$	2/20	Dollar + 4% / 76% CDI	2/23	208,487	14,117	6,410	(10,083)	7,707	-	(12,330)
Swap (*)	US\$	3/21	Dollar + 3.85% / 100% CDI	2/26	201,600	3,696	642	(18,445)	3,054	-	(18,378)
Swap (*)	US\$	3/21	Dollar + 3.85% / 100% CDI	2/26	114,900	1,852	305	(9,100)	1,547	-	(9,066)
Swap (*)	US\$	2/21	Dollar + 3.80% / 100% CDI	2/26	80,759	1,664	593	(8,862)	1,071	-	(8,800)
Swap	US\$	11/19	Dollar libor / 1.60%	11/29	35,000	-	-	(4,977)	-	9,508	-
								(57,987)	38,104	(21,737)	(48,574)
								Consolidated		Individual	
								Current assets		21,555	
								Noncurrent assets		28,075	
								Noncurrent liabilities		107,617	

(*) 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
3rd quarter of 2021:						
Effect on results						
Fair value hedge	16,898	(25,053)	(8,155)	16,914	(25,002)	(8,088)
Cash flow hedge	2,461	1,677	4,138	2,460	-	2,460
No hedge	(32,551)	(7,876)	(40,427)	(32,551)	(7,876)	(40,427)
Total - effect on results	(13,192)	(31,252)	(44,444)	(13,177)	(32,878)	(46,055)
Other comprehensive results	-	(32,858)	(32,858)	-	(32,859)	(32,859)
Nine month of 2021:						
Effect on results						
Fair value hedge	34,790	(47,526)	(12,736)	34,840	(47,291)	(12,451)
Cash flow hedge	8,786	9,508	18,294	8,785	-	8,785
No hedge	(32,551)	(7,876)	(40,427)	(32,551)	(7,876)	(40,427)
Total - effect on results	11,025	(45,894)	(34,869)	11,074	(55,167)	(44,093)
Other comprehensive results	-	(53,502)	(53,502)	-	(53,502)	(53,502)

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

Type of transaction	Currency	Hiring	Asset / Liability	Maturity	Notional amount	Long position	Short position	12/31/20	Total effect accumulated on result		Other comprehensive results
								Derivative fair value	Gain or loss on transaction	Mark-to-market	Mark-to-market
Swap	R\$	3/16	TR + 13.29% / CDI + 2.55%	3/23	4,307	4,445	4,319	336	126	210	-
Swap (*)	R\$	3/17	IPCA + 8.25% / 132.2% CDI	2/22	80,000	94,764	80,746	22,533	14,018	8,515	-
Swap (*)	R\$	9/17	IPCA + 6.45% / 122.1% CDI	9/24	121,200	140,506	122,021	33,919	18,485	15,434	-
Swap	US\$	2/20	Dollar + 4% / 76% CDI	2/25	47,000	7,712	3,119	10,302	4,593	-	8,666
Swap	US\$	11/19	Dollar libor / 1.60%	11/29	35,000	-	-	(13,709)	-	(13,572)	-
								53,381	37,222	10,587	8,666
								Consolidated		Individual	
								Noncurrent assets		67,090	
								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
3rd quarter of 2020:						
Effect on results	3,248	(3,030)	218	3,248	(2,937)	311
Other comprehensive results	-	(4,857)	(4,857)	-	(4,946)	(4,946)
Nine month of 2020:						
Effect on results	10,708	(2,325)	8,383	10,746	(2,258)	8,488
Other comprehensive results	-	(6,845)	(6,845)	-	(5,828)	(5,828)

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 and purpose.

As at September 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 th issue (3 rd series)		11 th issue (3 rd series)		CRI (19 th 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 IPCA + 8.25%	Short position 132.20% CDI	Long position IPCA + 8.25%	Short position IPCA + 6.45%	Long position IPCA + 5.43%	Short position CDI + 1.65%

	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%

	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%

(*) 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
			9/30/21	Nine months of 2021	12/31/20	Nine months of 2020
9 th issue (3 rd series)	80,000	IPCA + 8.25%	(100,944)	4,846	(101,120)	(2,271)
11 th issue (3 rd series)	121,000	IPCA + 6.45%	(151,571)	8,143	(152,274)	(5,405)
CRI (19 th debentures issue)	400,000	IPCA + 5.43%	(414,858)	10,431	-	-
Loans, financing and debentures (Hedged items)	601,000		(667,373)	23,420	(253,394)	(7,676)
Long position						
Swap	80,000	IPCA + 8.25%	100,944	(4,846)	101,120	2,271
Swap	121,000	IPCA + 6.45%	151,571	(8,143)	152,274	5,405
Swap	403,720	IPCA + 5.43%	414,858	(10,431)	-	-
Derivative financial instruments (Hedging instruments)	604,720		667,373	(23,420)	253,394	7,676
Short position						
		132.20% CDI	(79,389)	(852)	(78,594)	(1,591)
		122.10% CDI	(123,548)	(5,714)	(118,348)	(3,827)
		CDI + 1.65%	(430,581)	(17,305)	-	-
			(633,518)	(23,871)	(196,942)	(5,418)
Swap net position			33,855	(47,291)	56,452	2,258
Total net position			(633,518)	(23,871)	(196,942)	(5,418)

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
			9/30/21	Nine months of 2021	12/31/20	Nine months of 2020
Swap		Long position				
Derivative financial instruments (Hedging instruments)	US\$ 47,000	Dólar + 4%	35,371	(5,290)	43,787	3,970
		Short position				
		76% CDI	(45,454)	(11,968)	(33,485)	1,189
		Swap net position	(10,083)	(17,258)	10,302	5,159
Swap		Long position				
Derivative financial instruments (Hedging instruments)	US\$ 35,000	Dólar + 3.85%	32,245	(2,688)	-	-
		Short position				
		100% CDI	(50,690)	(15,690)	-	-
		Swap net position	(18,445)	(18,378)	-	-
Swap		Long position				
Derivative financial instruments (Hedging instruments)	US\$ 20,000	Dólar + 3.85%	18,501	(1,466)	-	-
		Short position				
		100% CDI	(27,601)	(7,600)	-	-
		Swap net position	(9,100)	(9,066)	-	-
Swap		Long position				
Derivative financial instruments (Hedging instruments)	US\$ 15,000	Dólar + 3.80%	13,695	(1,243)	-	-
		Short position				
		100% CDI	(22,557)	(7,557)	-	-
		Swap net position	(8,862)	(8,800)	-	-
Swap		Long position				
Derivative financial instruments (Hedging instruments)	US\$ 35,000	Libor dollar	-	-	-	(13,921)
		Short position				
		1.60%	-	-	-	1,917
		Swap net position	-	-	-	(12,004)
Total net effect			(46,490)	(53,502)	10,302	(6,845)

(c) Risk management

Market risk

The Group is exposed to usual market risks arising from changes in interest rates and indexes. 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 September 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 September 30, 2021, multiplied by the exposed net balance as at September 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 9/30/21	Annual rate estimated for 2021 (*)		Rates changes for each scenario	Total estimated financial impact	Estimated impact on net income and equity
Probable scenario									
CDI	1,492,393	(3,743,455)	(2,251,062)	2.98%	7.17%	(i)	4.19%	(94,319)	(45,899)
IGP-M	100,842	(194,695)	(93,853)	24.86%	17.61%	(ii)	-7.25%	6,804	6,804
INCC-M	1,339,419	(720,840)	618,579	16.37%	13.73%	(i)	-2.63%	(16,269)	(16,269)
TR	2,871	(282,329)	(279,458)	0.00%	0.01%	(i)	0.01%	(28)	(14)
IPCA	746,691	(920,168)	(173,477)	10.25%	8.64%	(ii)	-1.61%	2,793	1,359
Savings	113,699	(28,166)	85,533	1.72%	5.03%	(ii)	3.31%	2,831	1,378
								(98,188)	(52,641)
Scenario I									
CDI	1,492,393	(3,743,455)	(2,251,062)	2.98%	8.96%		5.98%	(134,614)	(65,508)
IGP-M	100,842	(194,695)	(93,853)	24.86%	22.01%		-2.85%	2,675	2,675
INCC-M	1,339,419	(720,840)	618,579	16.37%	10.30%		-6.07%	(37,548)	(37,548)
TR	2,871	(282,329)	(279,458)	0.00%	0.01%		0.01%	(28)	(14)
IPCA	746,691	(920,168)	(173,477)	10.25%	10.80%		0.55%	(954)	(464)
Savings	113,699	(28,166)	85,533	1.72%	3.77%		2.05%	1,753	853
								(168,716)	(100,006)
Scenario II									
CDI	1,492,393	(3,743,455)	(2,251,062)	2.98%	10.76%		7.78%	(175,133)	(85,226)
IGP-M	100,842	(194,695)	(93,853)	24.86%	26.41%		1.55%	(1,455)	(1,455)
INCC-M	1,339,419	(720,840)	618,579	16.37%	6.87%		-9.50%	(58,765)	(58,765)
TR	2,871	(282,329)	(279,458)	0.00%	0.02%		0.02%	(56)	(27)
IPCA	746,691	(920,168)	(173,477)	10.25%	12.96%		2.71%	(4,701)	(2,288)
Savings	113,699	(28,166)	85,533	1.72%	2.51%		0.79%	676	329
								(239,434)	(147,432)

(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 nine months of 2021 plus a projection for the next three 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 September 30, 2021 through contractual maturity, are as follows:

	Up to 1 year	1 to 2 years	2 to 3 years	Over 3 years	Total
Consolidated:					
Floating rates liabilities	1,612,687	1,809,413	1,490,054	1,826,642	6,738,796
Fixed rates liabilities	334,743	35,925	34,707	743,340	1,148,715
Non-interest bearing liabilities	1,092,159	1,701,963	587,075	968,148	4,349,345
Total	3,039,589	3,547,301	2,111,836	3,538,130	12,236,856
Individual:					
Floating rates liabilities	1,161,348	1,361,832	1,129,728	1,690,882	5,343,790
Fixed rates liabilities	13,523	11,656	10,351	83,222	118,752
Non-interest bearing liabilities	795,012	863,399	554,543	939,252	3,152,206
Total	1,969,883	2,236,887	1,694,622	2,713,356	8,614,748

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\$5.71, this is 5% above the closing exchange rate of September 30, 2021 (R\$5.44) 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\$5.4394	R\$5.7114	R\$6.7993	R\$8.1591
Loans and financing	(300,325)	(1,633,588)	(1,715,267)	(2,041,985)	(2,450,382)
Suppliers	(25,045)	(136,230)	(143,041)	(170,287)	(204,345)
(-) Cash, cash equivalents and marketable securities	96,087	522,656	548,788	653,320	783,983
Exposed net liabilities	(229,283)	(1,247,162)	(1,309,520)	(1,558,952)	(1,870,744)
Net effect on income			-	-	-
Net effect on equity			(62,358)	(311,790)	(623,582)

(e) Credit risk

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

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

- 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	
	9/30/21	12/31/20	9/30/21	12/31/20
Income tax (IRPJ)	43,464	41,107	21,579	21,011
Social contribution (CSLL)	22,798	21,614	11,278	10,980
Total - IRPJ and CSLL	66,262	62,721	32,857	31,991
Tax on revenue (PIS)	12,761	12,167	6,342	6,193
Tax on revenue (COFINS)	59,074	56,326	29,260	28,573
Total - PIS and COFINS	71,835	68,493	35,602	34,766
Total	138,097	131,214	68,459	66,757
Current	74,314	64,480	39,245	35,253
Noncurrent	63,783	66,734	29,214	31,504
	138,097	131,214	68,459	66,757

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

	Consolidated		Individual	
	nine months of		nine months of	
	2021	2020	2021	2020
Opening balance	62,721	48,395	31,991	23,231
Effect of deferred IRPJ and CSLL recognized in:				
Equity	-	787	-	-
Net income	3,541	13,135	866	8,283
Closing balance	66,262	62,317	32,857	31,514

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

	Consolidated		Individual	
	9/30/21	12/31/20	9/30/21	12/31/20
Effects of IRPJ and CSLL on:				
Portion not received for real estate development	70,135	65,315	35,208	33,590
(-) Advances from customers	(3,873)	(2,594)	(2,351)	(1,599)
Net amount	66,262	62,721	32,857	31,991

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

	Consolidated			
	2021		2020	
	3 rd quarter	nine months	3 rd quarter	nine months
Revenue from real estate development - subsidiaries	853,425	2,395,554	778,566	2,191,393
Nominal tax rate (*)	1.92%	1.92%	1.92%	1.92%
IRPJ and CSLL tax expenses on:				
Real estate development	(16,386)	(45,995)	(14,948)	(42,075)
Earnings from rental of residential properties – USA	(36,916)	(36,916)	-	-
Financial income - subsidiaries (**)	(2,732)	(6,772)	(832)	(3,224)
IRPJ and CSLL in subsidiaries	(56,034)	(89,683)	(15,780)	(45,299)
IRPJ and CSLL in Individual	(17,522)	(52,554)	(20,303)	(56,403)
Other	377	3,313	(1,013)	(2,455)
Expenses in profit or loss	(73,179)	(138,924)	(37,096)	(104,157)
Breakdown of expense in profit or loss - Consolidated:				
Current	(75,661)	(135,383)	(36,719)	(91,022)
Deferred	2,482	(3,541)	(377)	(13,135)
	(73,179)	(138,924)	(37,096)	(104,157)

(*) Tax rate for earmarked assets projects that opted for the special taxation regime (RET), as detailed in Note 2.2 (o) of the financial statements of December 31, 2020.

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

	Individual			
	2021		2020	
	3 ^o trimestre	nove meses	3 ^o trimestre	nove meses
Lucro antes do imposto de renda e da contribuição social	182,683	557,403	160,887	410,505
Alíquota - IRPJ e CSLL	34%	34%	34%	34%
Despesa nominal	(62,112)	(189,517)	(54,702)	(139,572)
Efeitos de IRPJ e CSLL sobre:				
Equivalência patrimonial bruta de juros capitalizados baixados	83,415	193,140	36,846	94,046
Patrimônios de afetação	(21,540)	(47,804)	(1,086)	(8,630)
Outras (adições) exclusões permanentes	(17,285)	(8,373)	(1,361)	(2,247)
Despesa no resultado	(17,522)	(52,554)	(20,303)	(56,403)
Composição da despesa no resultado - Individual:				
Corrente	(19,161)	(51,688)	(19,366)	(48,120)
Diferida	1,639	(866)	(937)	(8,283)
	(17,522)	(52,554)	(20,303)	(56,403)

27. Noncash transactions

During nine-month period ended September 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:

	Consolidado		Individual	
	nove meses de		nove meses de	
	2021	2020	2021	2020
Encargos financeiros capitalizados (nota 12 (d))	131,406	99,343	94,668	83,026
Direito de uso - CPC 06 (R2) (nota 10)	145	5,785	-	4,865
Operação de aquisição da AHS Residencial	-	378,432	-	349,634
Transferências de estoque para PPI	88,774	-	88,774	-

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	
		9/30/21	12/31/20	9/30/21	12/31/20
Projects under construction					
(i) Unappropriated revenues from sold units					
Projects under construction:					
(a) Revenues from contracted sales		63,207,057	57,924,622	37,274,703	34,504,195
Appropriated revenues:					
Appropriated revenues		(60,897,275)	(55,422,331)	(36,079,974)	(33,105,960)
Cancellations - Reversed revenues		11,031	9,511	2,594	1,991
(b) Appropriated revenues, net		(60,886,244)	(55,412,820)	(36,077,380)	(33,103,969)
Unappropriated revenues (a + b)		2,320,813	2,511,802	1,197,323	1,400,226
(ii) Indemnity revenue from cancellations		349	370	17	32 (*)
(iii) Unappropriated revenues from contracts from non-qualifying contracts for revenue recognition		344	632	213	167 (*)
(iv) Provision for cancellations					
Adjustments on appropriated revenues		11,031	9,511	2,594	1,991
Adjustments on receivables from real estate development		(9,615)	(7,933)	(2,508)	(1,829)
Indemnity revenue from cancellations		(349)	(370)	(17)	(32)
Liability - Rebates from cancellations		1,067	1,208	69	130
(v) Budgeted costs to be appropriated of sold units (**)					
Projects under construction:					
(a) Budgeted cost		17,358,651	16,408,195	9,877,673	9,335,987
Incurring cost:					
Construction cost		(15,875,060)	(14,883,174)	(9,113,834)	(8,493,825)
Construction cost - cancellations		3,998	2,150	846	812
(b) Incurred cost, net		(15,871,062)	(14,881,024)	(9,112,988)	(8,493,013)
Costs to be incurred of sold units (a + b)		1,487,589	1,527,171	764,685	842,974
(vi) Budgeted costs to be appropriated of units in inventory (**)					
Projects under construction					
(a) Budgeted cost		5,487,079	5,197,473	2,696,714	2,640,328
(b) Incurred cost		(2,240,854)	(2,121,527)	(1,100,824)	(1,104,408)
Cost to be incurred of units in inventory (a + b)		3,246,225	3,075,946	1,595,890	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 September 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.	12,230,284
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.	172,195
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.	553,696
Multi-peril insurance	Insures the completion of a project construction, compensation for damages caused by fire, lightning, windstorm, electrical damages, and glass shattering.	681,897
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.	2,496,000
Builder guarantee insurance	Insures the project financier that construction will be completed in the event of technical and/or financial inability by the Company.	1,836,298
Sundry risks insurance	Insures the payment to the financial agent of compensation for property damages caused to financed/leased equipment.	2,495
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.	28,205
Group life and personal injury insurance	Insures payment of compensation related to involuntary personal injuries to employees, contractors, interns, and officers.	1,040,523
Residential	Insures payment of compensation to the Company for covered events in leased residential properties, events such as electric damages, fire, lightning, windstorm, etc.	24,317
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.	194,611
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.	53,826
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.	211,042
Infrastructure insurance	Insures to City authorities the completion of any infrastructure works required under licensing procedures of the projects under construction.	93,717
Property delivery insurance	Insures to the barterers the delivery of the units subject matter of the Barter Instrument entered into by the parties.	149,467
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.	394,563
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.	135,290

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

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

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

The stock warrant was measured at fair value on the transaction date for R\$28,905 and, as of this date, changes in fair value are recognized in profit or loss. As at September 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 September 30, 2021.

32. Subsequent events

On October 21, 2021, the 20th public issue of simple, non-convertible, unsecured debentures was authorized in up to two series, with restricted placement efforts. The issue will comprise 700,000 (seven hundred thousand) debentures in the total amount of R\$700,000 and the characteristics of each series are as detailed:

Serie	Repayment of principal	Interest payment	Maturity of principal	Contractual rate (p.a.)
1 st	Bullet payment	Semiannual	11/26	CDI + up to 1.39%
2 nd	Annual	Semiannual	11/27 and 11/28	CDI + up to 1.64%

33. 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 November 9, 2021.