

São Paulo, March 17, 2021. Rossi Residencial S.A. (B3: RSID3; Bloomberg: RSID3 BZ Equity), announces its results for the fourth quarter and the year of 2020.

RSID3: R\$ 10.70 per share

Total shares: 17,153,337

Market value: R\$ 183.5 million

Increase of 10 p.p. in LTM SoS

Efficiency of 91% in the resale of canceled units over 2020

24% decrease in administrative expenses YoY in 2020

Reduction of 43% in Net Debt (Rossi's share) in 2020

Conference Call

March 18, 2021
In Portuguese with Simultaneous Translation
10:00 (Brasília) / 09:00 (US ET)
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MESSAGE FROM THE CEO

2020 was very challenging, impacted by the COVID-19 pandemic started in March and its developments over the year. In April and May, social distancing measures and other negative impacts arising from the restrictions imposed by the states and municipalities led to a decline in the demand for apartments and further reduction on Company's sales.

After this initial period for adjustments, we were able to resume the sales goals proposed for 2020, ending the year with sales speed of 18% in 4Q20, higher than in 4Q19. Sales speed was 65.5% in 2020, compared to the 55.1% recorded in 2019, reflecting the recovery in sales in 3Q20 and 4Q20 and the major operational effort of the Company's sales structure.

In 2020, it is also worth noting the achievement of our goal of delivering 100% of the developments already launched, marked by the granting of the legal registration of the last two developments launched in Porto Alegre and Campinas, and the delivery of the last 401 units.

Even in this uncertain scenario, the Company remained concentrated on its financial restructuring, focusing entirely on the mitigation of risks and execution of its strategic plan. In this context, new financial debt renegotiations were celebrated with our main creditors.

As mentioned in the Material Fact released to the market on December 18, the Company and Banco Bradesco successfully concluded a process that started in 2017, with the restructuring and settlement of 93% of the restated balance of such corporate debt. No cash was disbursed in the settlement, as, in addition to the sale of specific assets collateralizing the CCBs, used to repay the contracts, new discounts of approximately R\$ 460 million were also granted.

In addition to the negotiation with Bradesco and based on the Material Fact released on December 22, 2020, the Company also formalized a new restructuring of its debts with Banco do Brasil. Amendments to corporate debt contracts were made, establishing that the full debtor balance, of approximately R\$288 million, will be paid by June 2021 with the sale of its collateral assets and again with no cash disbursement.

Thus, the significant decrease in the Company's leverage and net debt recorded in 4Q20, should be followed by further decreases over 2021.

In addition to the financial deleveraging efforts, we also made major progresses to reorganize and simplify the Company's operational structure. In this aspect, it is worth noting:

- (i) the end of the partnership with the fund FIP Norcon, which resulted in the Company's leaving the joint venture Norcon Rossi, whose operations were concentrated in the city of Aracaju; and
- (ii) the constant reduction in our administrative expenses, which fell by 24% YoY in 2020.

If the uncertainties related to the new wave of the COVID-19 pandemic are contained, with the progressive increase in the vaccination and immunization of the population, and the economic recovery is indeed confirmed over the year, we believe that, compared to early 2020, the Company will be better positioned to benefit from this new cycle and resume the launch of new developments.

João Paulo Franco Rossi Cuppoloni
CEO

OPERATING AND FINANCIAL INDICATORS

R\$ MM	4Q20	4Q19	Var. (4Q20 x 4Q19)	2020	2019	Var. (2020 x 2019)
Operating Performance						
Launches - 100%	-	-	-	-	-	-
Gross Sales - 100%	28.1	37.1	-24.2%	142.2	166.5	-14.6%
Cancellations - 100%	29.8	27.9	6.7%	151.4	149.6	1.2%
Net Sales - 100%	-1.7	9.2	-118.2%	-9.2	16.9	-154.3%
Launches - % Rossi	-	-	-	-	-	-
Gross Sales - % Rossi	26.4	32.0	-17.4%	125.0	150.4	-16.9%
Cancellations - % Rossi	28.0	25.7	9.2%	135.9	141.1	-3.6%
Net Sales - % Rossi	-1.6	6.3	-125.3%	-10.9	9.3	-217.1%
Financial Performance						
Net Revenue	52.5	29.7	76.4%	76.2	60.8	25.3%
Gross Margin ¹	62.2%	13.2%	49.0 p.p.	44.5%	-4.3%	48.8 p.p.
Gross Margin (ex interest) ²	81.5%	44.1%	37.4 p.p.	64.7%	25.0%	39.7 p.p.
Adjusted EBITDA ³	-188.5	-63.4	-197.4%	-359.8	-270.4	33.1%
Adjusted EBITDA Margin ³	-359.3%	-213.1%	-68.6%	-472.4%	-444.8%	6.2%
Net Income	195.7	23.1	746.6%	14.9	-311.1	-104.8%
Net Margin	373.1%	77.7%	380.0%	19.6%	-511.8%	-103.8%
Cash Generation (Burn) - Rossi's share	531.6	146.5	262.9%	605.4	154.0	293.1%

¹ Consolidated as per CPC19 (R2) and CPC36 (R3), relating to the subsidiaries.

² Gross Margin excluding interest allocated to cost.

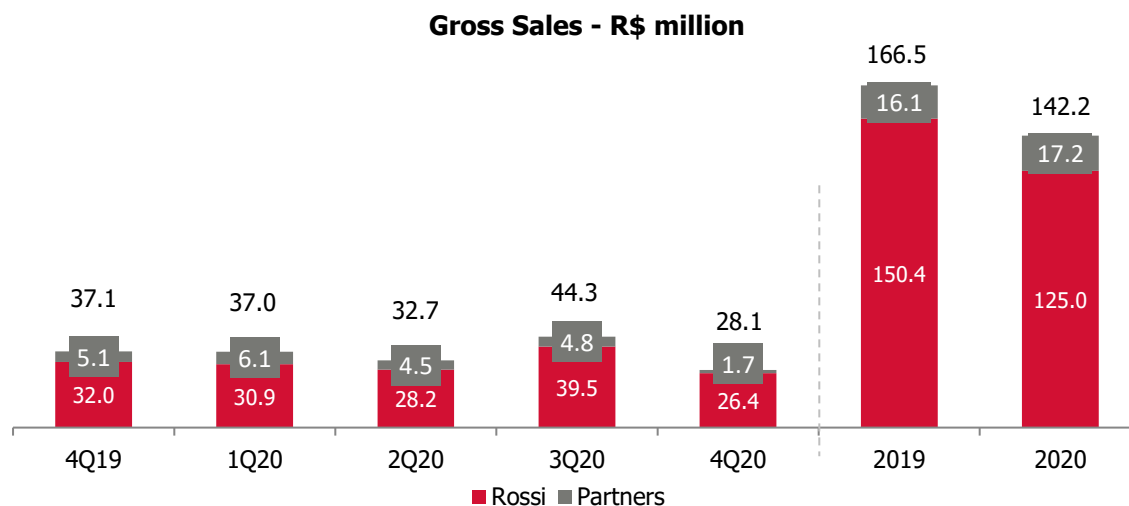
³ EBITDA and EBITDA Margin adjusted for expenses that do not represent a cash outflow and for non-recurring items. Reconciliation with EBITDA as per CVM Instruction 527/2012 is shown in the glossary at the end of this document.

OPERATIONAL PERFORMANCE

The operating metrics shown in this earnings release are calculated on the basis of proportional view. In addition to the proportional view, the results are broken down by consolidated (IFRS) and non-consolidated companies, as shown in Exhibit II. Details of the amounts taking 100% of operations into account, irrespective of the method of consolidation, are given in Exhibit I.

SALES CONTRACTED AND SALES SPEED (SoS)

Contracted gross sales totaled R\$ 28.1 million in 4Q20 (R\$ 26.4 million - Rossi's share), a decrease of 17% in Rossi's share when compared to 4Q19. In 2020, sales reached R\$ 142.2 million (R\$ 125.0 million – Rossi's share), a decrease of 17% in Rossi's share, compared to 2019.

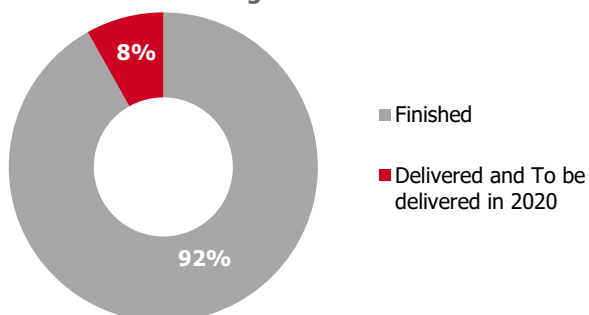


Sales speed (SoS), an indicator that weighs sales performance based on initial inventory, reached 18% in 4Q20 and, in spite of the QoQ decrease, the increase came to 2 p.p. YoY in 2020.

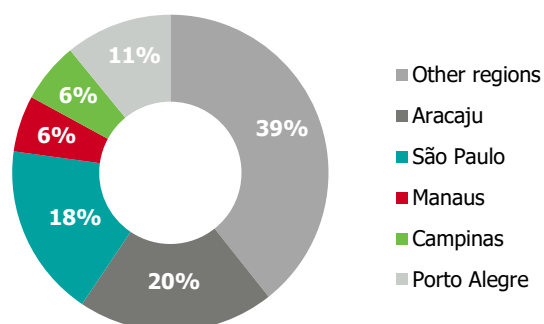
The decrease in sales in both 4Q20 and 2020 reflects, among others, (i) the natural reduction in inventories, as the Company concludes the developments launched until 2014 and maintains a conservative approach to new launches; and (ii) the negative impacts caused by the COVID-19 pandemic, which impaired mainly the selling performance in 2Q20.

The following charts present gross sales (Rossi's share) by construction stage and metropolitan region. The share of finished units delivered by 2019, as a percentage of total contracted sales, reached 92% in 4Q20 and 89% in 2020. The share of sales in other non-strategic regions reached 39% in 4Q20 and 27% in 2020, in line with the strategy of a more accelerated reduction in inventory in these markets.

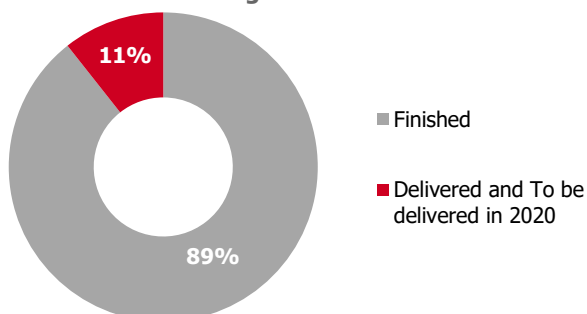
4Q20 Gross Sales (% Rossi) - Construction stage



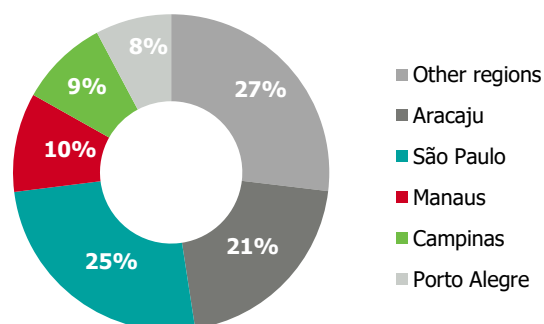
4Q20 Gross Sales (% Rossi) - Region



2020 Gross Sales (% Rossi) - Construction stage



2020 Gross Sales (% Rossi) - Region



The tables below detail gross sales contracted, both based on Rossi's share in the projects and on the entire sales volume, broken down by metropolitan region and construction stage in 4Q20 and 2020:

Gross Sales 4Q20 (100%) R\$ MM	Finished	2020	Total
Campinas	0.5	2.3	2.8
Manaus	1.5	-	1.5
Aracaju	5.3	-	5.3
Porto Alegre	1.9	1.0	2.9
São Paulo	4.7	-	4.7
Other regions	10.9	-	10.9
Total	24.8	3.3	28.1

Gross Sales 4Q20 (Rossi's share) R\$ MM	Finished	2020	Total
Campinas	0.5	1.2	1.6
Manaus	1.5	-	1.5
Aracaju	5.3	-	5.3
Porto Alegre	1.9	1.0	2.9
São Paulo	4.7	-	4.7
Other regions	10.4	-	10.4
Total	24.3	2.1	26.4

Gross Sales 2020 (100%) R\$ MM	Finished	2020	Total
Campinas	5.4	11.8	17.3
Manaus	12.7	-	12.7
Aracaju	32.3	-	32.3
Porto Alegre	2.3	7.4	9.7
São Paulo	33.2	-	33.2
Other regions	37.1	-	37.1
Total	123.0	19.2	142.2

Gross Sales 2020 (Rossi's share) R\$ MM	Finished	2020	Total
Campinas	5.4	5.9	11.3
Manaus	12.7	-	12.7
Aracaju	25.8	-	25.8
Porto Alegre	2.3	7.4	9.7
São Paulo	31.8	-	31.8
Other regions	33.6	-	33.6
Total	111.6	13.3	125.0

The following tables show sales speed ("SoS") for 4Q20 and 2020, considering the amounts proportional to Rossi's share. SoS totaled 18% in 4Q20, up by 2 p.p. over 4Q19. In 2020, SoS was 66%, up by 10 p.p. over 2019.

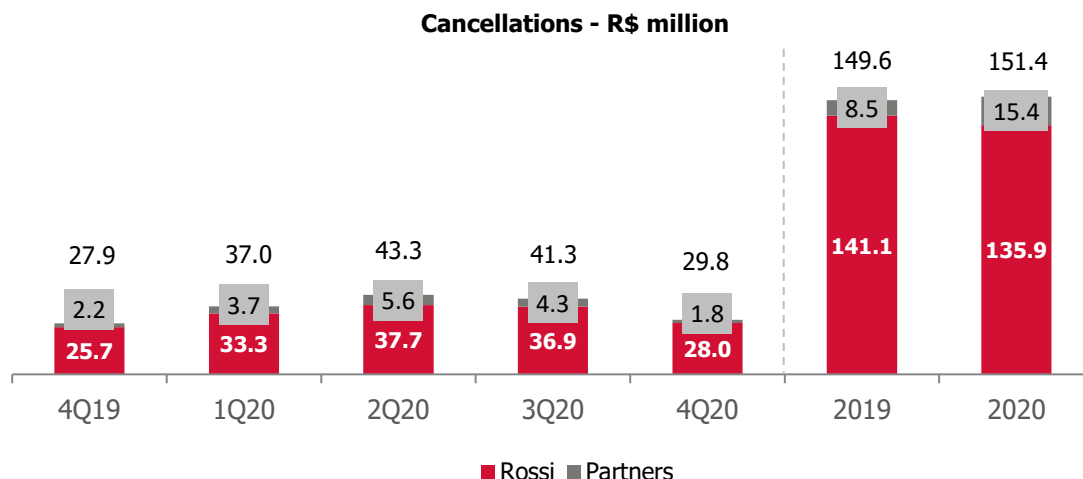
Quarterly SOS % Rossi	4Q19	1Q20	2Q20	3Q20	4Q20
Inventory - BOF	204.6	190.8	171.9	157.4	147.0
Launches	-	-	-	-	-
Inventory + Launches	204.6	190.8	171.9	157.4	147.0
Gross Sales	(32.0)	(30.9)	(28.2)	(39.5)	(26.4)
Sales speech (SOS) (%)	15.6%	16.2%	16.4%	25.1%	18.0%
Sales cancellation	25.7	33.3	37.7	36.9	28.0
Adjusts / Revalue	(7.4)	(21.3)	(24.0)	(7.9)	(4.4)
Inventory - EOF	190.8	171.9	157.4	147.0	144.2

LTM SOS % Rossi	4Q19	1Q20	2Q20	3Q20	4Q20
Inventory - BOF	272.5	228.0	218.9	204.6	190.8
Launches	-	-	-	-	-
Inventory + Launches	272.5	228.0	218.9	204.6	190.8
Gross Sales	(150.3)	(135.6)	(124.7)	(130.6)	(125.0)
Sales speech (SOS) (%)	55.1%	59.5%	57.0%	63.8%	65.5%
Sales cancellation	141.1	132.0	129.4	133.6	135.9
Adjusts / Revalue	(72.5)	(52.4)	(66.2)	(60.6)	(57.6)
Inventory - EOF	190.8	171.9	157.4	147.0	144.2

The amounts highlighted in the table above as Adjustments/Revaluations refer to the price revaluation of canceled units that returned to the Company's inventory (R\$ 4.4 million – Rossi's share).

SALES CANCELLATIONS

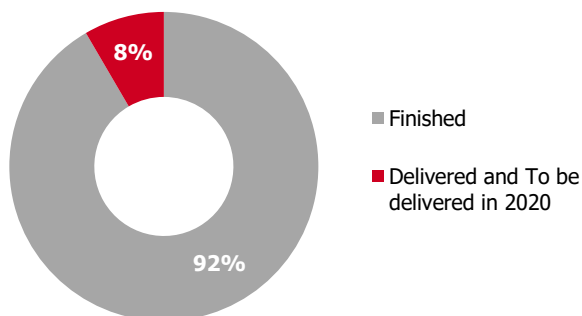
In 4Q20, cancellations totaled R\$ 29.8 million (R\$ 28.0 million – Rossi’s share), increasing by 9% YoY, in Rossi's share, and decreasing by 24% from 3Q20. In 2020, Rossi’s share fell by 4% from 2019.



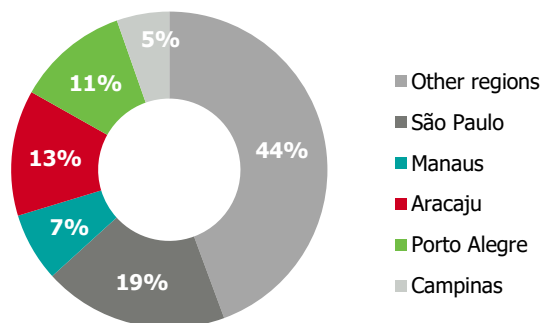
Cancellations are directly associated with the Company's effort to monetize its defaulting Accounts Receivable. Of the total cancelled units in 2020, 91% have already been resold, contributing to the maintenance of the high resale ratio of the last few quarters and for the recurring generation of operating cash.

The following charts show the cancellations (Rossi’s share) by construction stage and metropolitan region:

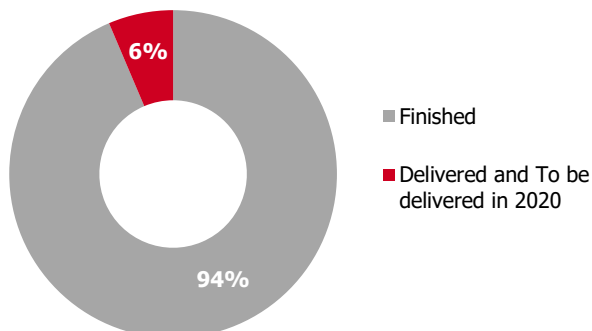
4Q20 Cancellations (% Rossi) Construction stage



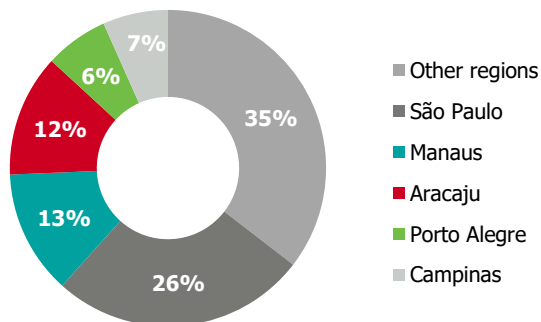
4Q20 Cancellations (% Rossi) - Region



2020 Cancellations (% Rossi) Construction stage



2020 Cancellations (% Rossi) - Region



The tables below detail the cancellations by construction stage and metropolitan region, both for Rossi's share in the developments and for the full consolidation, in 4Q20 and 2020:

Sales Cancellation 4Q20 (100%) R\$ MM	Finished	2020	Total
Campinas	-	3.0	3.0
Manaus	2.0	-	2.0
Aracaju	3.6	-	3.6
Porto Alegre	2.4	0.9	3.2
São Paulo	5.3	-	5.3
Other regions	12.7	-	12.7
Total	25.9	3.9	29.8

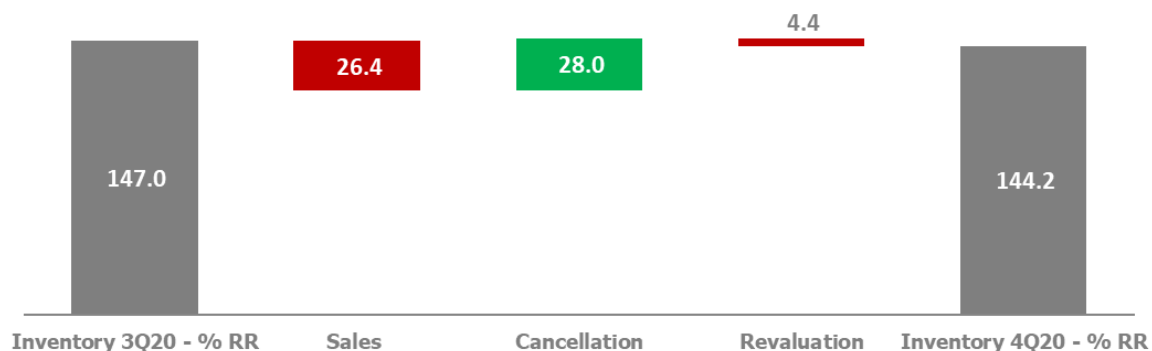
Sales Cancellation 4Q20 (Rossi's share) R\$ MM	Finished	2020	Total
Campinas	-	1.5	1.5
Manaus	2.0	-	2.0
Aracaju	3.6	-	3.6
Porto Alegre	2.4	0.9	3.2
São Paulo	5.3	-	5.3
Other regions	12.4	-	12.4
Total	25.7	2.4	28.0

Sales Cancellation 2020 (100%) R\$ MM	Finished	2020	Total
Campinas	5.1	7.9	13.0
Manaus	17.2	-	17.2
Aracaju	20.4	-	20.4
Porto Alegre	4.1	4.7	8.8
São Paulo	37.6	-	37.6
Other regions	54.3	-	54.3
Total	138.7	12.7	151.4

Sales Cancellation 2020 (Rossi's share) R\$ MM	Finished	2020	Total
Campinas	5.1	4.0	9.1
Manaus	17.2	-	17.2
Aracaju	17.0	-	17.0
Porto Alegre	4.1	4.7	8.8
São Paulo	35.6	-	35.6
Other regions	48.2	-	48.2
Total	127.3	8.7	135.9

INVENTORY AT MARKET VALUE

Rossi's share of inventory at market value reached R\$ 144.2 million in 4Q20. See below the changes to inventory over 3Q20:



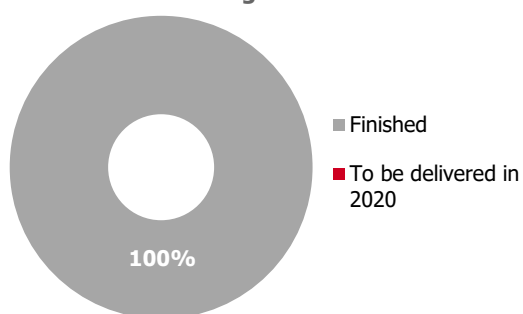
The following tables present details by product line, year of launch and expected year of delivery:

Inventory % Rossi	Year of launch (R\$ MM)						
	2010 and Before	2011	2012	2013	2014	2017	Total
Commercial	0.6	36.4	1.2	-	-	-	38.2
Conventional	1.6	12.5	32.1	19.8	30.1	0.9	97.0
Low Income	6.7	0.8	-	1.5	-	-	9.0
Total	9.0	49.6	33.4	21.3	30.1	0.9	144.2

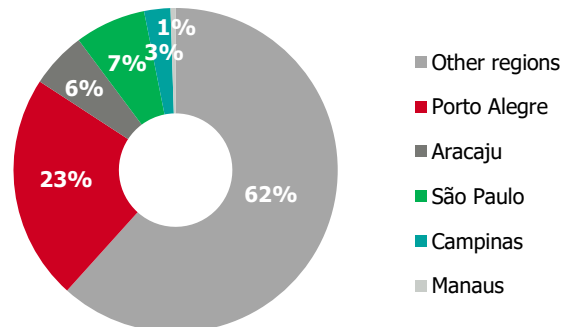
Inventory % Rossi	Expected year of conclusion (R\$ MM)	
	Finished	Total
Commercial	38.2	38.2
Conventional	97.0	97.0
Low Income	9.0	9.0
Total	144.2	144.2

The following charts show Rossi's share in inventory by construction stage and metropolitan region:

4Q20 Inventory (% Rossi) - Construction stage



4Q20 Inventory (% Rossi) - Region



With the deliveries made in 2020, the Company's entire inventory consists of finished units. Inventory in non-strategic regions accounted for 62% of total inventory.

The following tables provide details by metropolitan region, year of launch and expected year of delivery.

Inventory % Rossi	Year of launch (R\$ MM)						Total
	2010 and Before	2011	2012	2013	2014	2017	
Metro Region							
Campinas	1.1	-	-	1.8	-	0.9	3.8
Manaus	0.4	0.3	-	-	-	-	0.7
Aracaju	-	0.8	4.9	0.8	1.6	-	8.1
Porto Alegre	0.4	-	0.3	10.1	21.6	-	32.5
São Paulo	0.9	-	2.9	-	6.4	-	10.2
Other Regions	6.2	48.5	25.2	8.5	0.5	-	88.9
Total	9.0	49.6	33.4	21.3	30.1	0.9	144.2

Inventory % Rossi	Expected year of conclusion (R\$ MM)	
	Finished	Total
Metro Region		
Campinas	3.8	3.8
Manaus	0.7	0.7
Aracaju	8.1	8.1
Porto Alegre	32.5	32.5
São Paulo	10.2	10.2
Other Regions	88.9	88.9
Total	144.2	144.2

Exhibit V to this report shows the breakdown, by city, of the entire inventory.

DELIVERIES

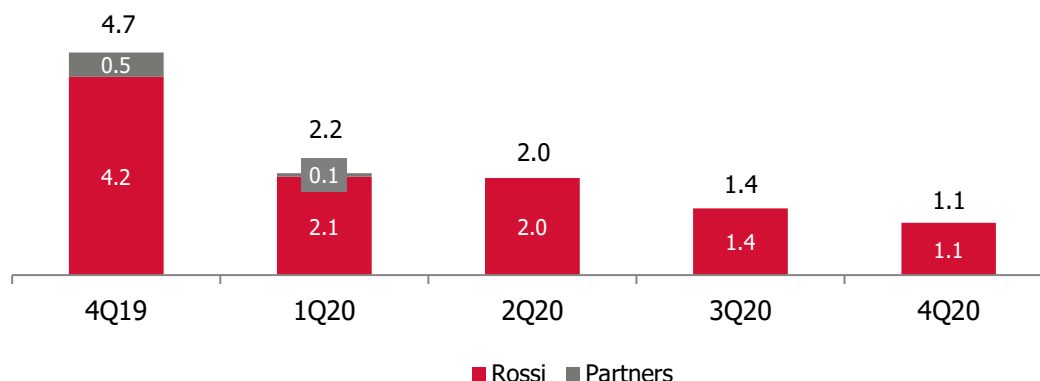
With the conclusion of the last construction works over 2020, there are no more developments to be delivered. In 2020, the Company delivered the last 401 units.

Quarter	Product	Units	PSV 100% (R\$ MM)	PSV Rossi (R\$ MM)
1Q20	Lots	285	45.4	14.3
2Q20	-	-	-	-
3Q20	Conventional	116	103.1	103.1
2020		401	148.5	117.4

COSTS TO BE INCURRED

The following chart shows how costs to be incurred (100%) have evolved historically. In 4Q20, costs to be incurred were R\$ 1.1 million only, down by 74% YoY in Rossi's share, resulting from the natural progress and conclusion of the works delivered over 2019 and 2020.

Costs to be Incurred - R\$ million



LAND BANK

Rossi's land bank is broken down according to the Company's strategy and the corresponding operating profile.

At the end of the year, the breakdown of the Company's land bank, whose total PSV is R\$ 5.5 billion (Rossi's share), was revised. In the new breakdown, R\$ 4.5 billion are still preferably allocated to real estate development or allotments; and R\$ 1.0 billion includes land to be cancelled or sold, reducing the maintenance cost of such properties for the Company.

Part of the land bank may also be used to settle the Company's corporate debt with Banco do Brasil, as mentioned in the Material Fact released on December 22, 2020.

The table below shows the portion of the land bank available for launches in the next 12 months, by metropolitan region and type of product:

Metro Region / Product	Until 200 K	R\$ 500 to R\$ 650 K	> R\$ 750 K	Lots	Total
Campinas	402.8	29.9	31.6	868.9	1,333.3
São Paulo country side	-	-	-	144.5	144.5
Total	402.8	29.9	31.6	1,013.4	1,477.7

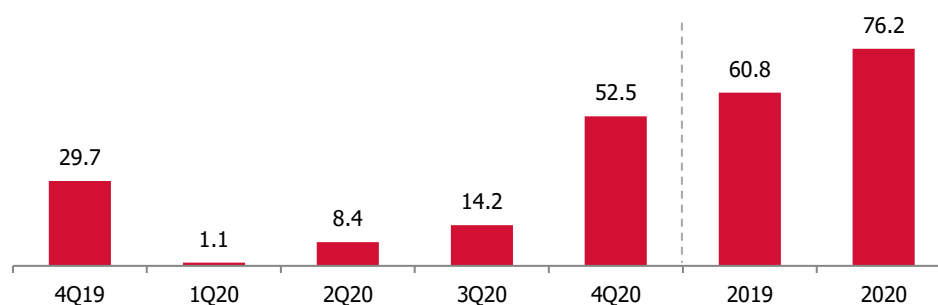
FINANCIAL PERFORMANCE

The financial information given in this release has been prepared in accordance with the accounting practices generally accepted in Brazil, including CPC19 (R2) and CPC36 (R3), which refer to the consolidation of certain corporate interests. Since 1Q13, Rossi has consolidated all the interests held in its subsidiaries and affiliates in accordance with these pronouncements.

NET REVENUE

Net revenue from the sale of properties and services, recognized by the progress of construction works ("PoC"), totaled R\$ 52.5 million in 4Q20, up by 76% over 4Q19. The increase was mainly due to: (i) the calculation of revenue with units sold by the former joint venture Norcon Rossi, located in Aracaju, a business unit that was consolidated by the equity method of accounting until 3Q20; (ii) the impact of the increase of IGP-M in the second half of 2020, which is the main index used to adjust the Accounts Receivable of finished units; and (iii) the fact that part of the negative impacts of the cancellations made between October and December had already been covered by an allowance for doubtful accounts ("PEC") in previous quarters. In 2020, net revenue came to R\$ 76.2 million, up by 25% over 2019.

Net Revenue - R\$ million



COST OF PROPERTIES AND SERVICES SOLD

The cost of properties and services totaled R\$ 19.8 million in 4Q20, down by 23% YoY. In 2020, the cost of properties and services fell by 33% YoY, due to lower net sales made over 2020.

R\$ MM	4Q20	4Q19	Var. (%)	2020	2019	Var. (%)
Construction + Land	9.7	16.6	-41.6%	26.9	45.6	-41.0%
Financial charges	10.1	9.2	10.0%	15.3	17.8	-13.7%
Costs of Property and Services	19.8	25.8	-23.2%	42.2	63.5	-33.5%

GROSS PROFIT AND MARGIN

Gross profit was R\$ 32.6 million in 4Q20, with a gross margin of 62%. In 2020, gross profit was R\$ 33.9 million, with a gross margin of 45%, impacted by non-recurring events recorded over 2020, such as (i) the extinction of the joint venture Norcon Rossi and further addition of its developments to the consolidated results, and (ii) the

significant increase in the IGP-M in the second half of 2020, which is the main index used to adjust the Accounts Receivable of the finished units.

Gross profit adjusted by financial charges allocated to costs was R\$ 49.3 million in 2020, with an adjusted gross margin of 65%, up by 40 p.p. over that recorded in 2019.

R\$ MM	4Q20	4Q19	Var. (%)	2020	2019	Var. (%)
Gross Income	32.6	3.9	733.9%	33.9	-2.6	-1410.9%
Gross Margin (%)	62.2%	13.2%	49.0 p.p.	44.5%	-4.3%	48.8 p.p.
Adjusted Gross Income ¹	42.7	13.1	226.2%	49.3	15.2	224.2%
Adjusted Gross Margin (%)	81.5%	44.1%	37.4 p.p.	64.7%	25.0%	39.7 p.p.

(¹) Adjusted gross profit: excluding financial charges.

OPERATING EXPENSES

At a meeting held at the beginning of November, Rossi's Board of Directors approved the Company's leaving the joint venture Norcon Rossi, a transaction that was not consolidated until 3Q20. The main objective of the end of the partnership is the reorganization and simplification of the Company's operational structure, thus allowing it to focus on other markets that will receive new launches.

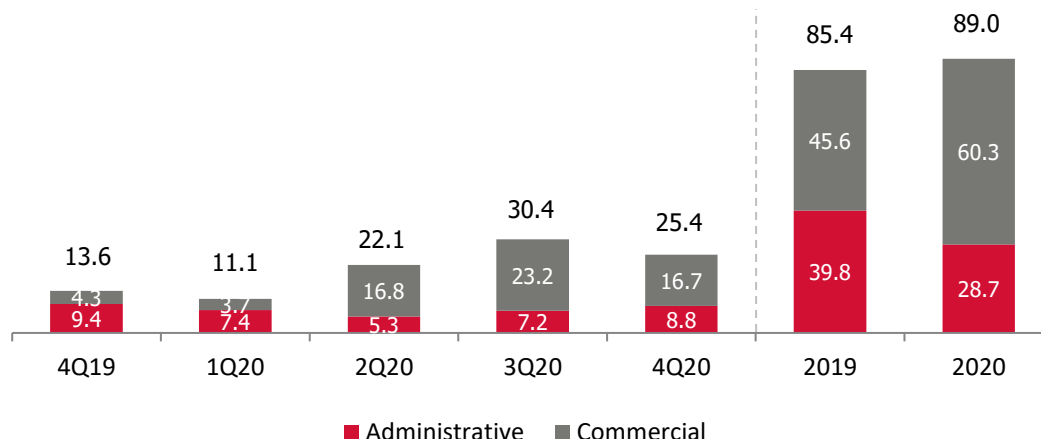
As this part of the Company's operations was incorporated into the Financial Statements by means of the equity method of accounting only, in order to ensure better comparability between the quarterly information, the table below shows the comparison between operating expenses and Net Revenue for the entire operation:

R\$ MM	4Q20	4Q19	Var. (%)	2020	2019	Var. (%)
				100%		
Administrative (a)	8.8	9.4	-6.7%	28.7	39.8	-27.8%
Commercial (b)	16.7	4.3	291.5%	60.3	45.6	32.3%
Administrative / Net Revenue	18.8%	23.1%	-4.3 p.p.	31.4%	45.4%	-14.0 p.p.
Commercial / Net Revenue	35.7%	10.5%	25.3 p.p.	66.0%	52.1%	13.9 p.p.
(a) + (b)	25.4	13.6	86.5%	89.0	85.4	4.3%
(a) + (b) / Net Revenue	54.5%	33.5%	21.0 p.p.	97.4%	97.5%	-0.1 p.p.

In line with the cost reduction strategy, administrative expenses fell by 28% (100% of the operation) in 2020 compared to the same period in 2019. Selling expenses increased by 32%, impacted by an addition to the allowance for doubtful accounts ("PEC") in view of the increase in the IGP-M in the second half of 2020, which is the main index to adjust the Accounts Receivable of the finished units.

The chart below shows the changes in SG&A expenses for **the entire operation**:

SG&A (100%) - R\$ million

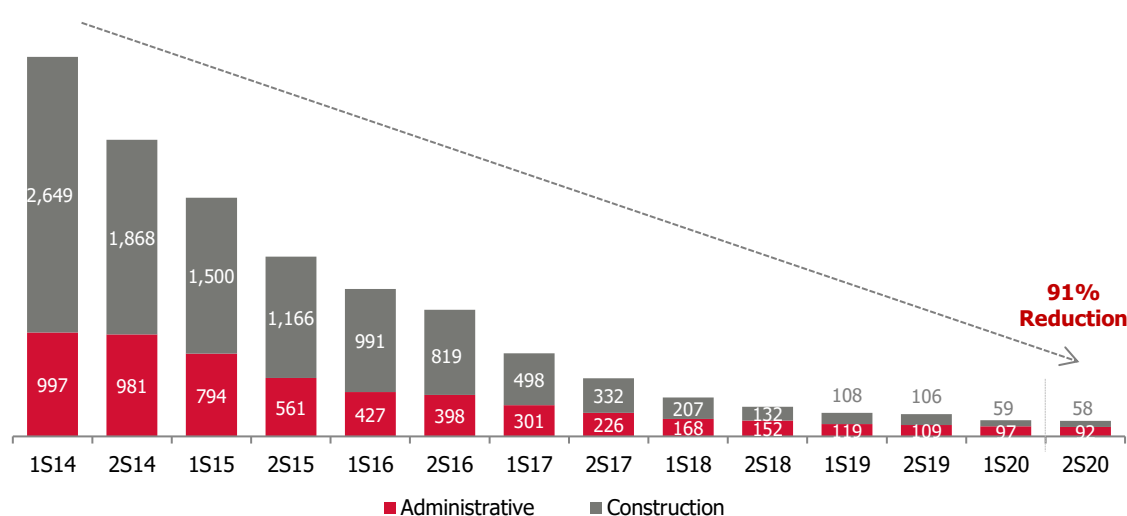


In accordance with IFRS, administrative expenses totaled R\$ 8.8 million in 4Q20, down by 1% from 4Q19. YoY, administrative expenses fell by 24% and selling expenses increased by 31% in 2020.

R\$ MM	IFRS					
	4Q20	4Q19	Var. (%)	2020	2019	Var. (%)
Administrative (a)	8.8	8.9	-1.3%	28.2	37.3	-24.5%
Commercial (b)	20.2	3.7	449.1%	58.8	45.0	30.7%
Administrative / Net Revenue	16.7%	29.9%	-13.2 p.p.	37.0%	61.3%	-24.4 p.p.
Commercial / Net Revenue	38.5%	12.4%	n.a	77.2%	74.0%	3.2 p.p.
(a) + (b)	29.0	12.6	130.4%	87.0	82.3	5.7%
(a) + (b) / Net Revenue	55.3%	42.3%	13.0 p.p.	114.2%	135.4%	-21.2 p.p.

It is also worth noting the efforts made by Rossi to adjust its business structure, especially since 2H14, when the administrative staff headcount was reduced by 91%. The chart below shows the changes in administrative staff and construction site employees over this period:

Changes in Staff



OTHER NET OPERATING REVENUES/EXPENSES

Other net operating expenses totaled R\$ 200.7 million in 4Q20, 211% higher than in 4Q19. In 2020, these expenses came to R\$ 306.8 million, increasing by 58% YoY.

The increase in the fourth-quarter expenses was due to the extinction of the joint venture Norcon Rossi, located in Aracaju, and corresponds to (i) the write-off of the investment and the respective goodwill from acquisition of land recorded in previous years, and (ii) a provision for losses with financial assets, which has no expectation to be realized.

EQUITY IN THE EARNINGS OF SUBSIDIARIES

The following table provides details of the subsidiaries' results, broken down by consolidated (IFRS) and non-consolidated companies:

R\$ MM	4Q20		
	IFRS	Non Consolidated	100%
Net Revenue	52.5	(5.8)	46.7
Costs of property and services	(19.8)	2.7	(17.2)
Construction + Land	(9.7)	0.6	(9.2)
Financial Charges	(10.1)	2.1	(8.0)
Gross Income	32.6	(3.1)	29.5
Gross Margin (%)	62.2%	53.9%	63.2%
Gross Income ex interest	42.7	(5.2)	37.5
Gross Margin ex interest (%)	81.5%	90.3%	80.4%

R\$ MM	2020		
	IFRS	Non Consolidated	100%
Net Revenue	76.2	15.3	91.5
Costs of property and services	(42.2)	(13.9)	(56.1)
Construction + Land	(26.9)	(13.8)	(40.7)
Financial Charges	(15.3)	(0.1)	(15.4)
Gross Income	33.9	1.4	35.3
Gross Margin (%)	44.5%	9.3%	38.6%
Gross Income ex interest	49.3	1.5	50.7
Gross Margin ex interest (%)	64.7%	9.6%	55.5%

In 2020, the gross margin from non-consolidated developments consists of a mix between (i) the allotment project launched in 2017 and delivered this year, which has higher margins than conventional real estate developments and no financial charges allocated to cost, and (ii) the projects in Aracaju, developed within the scope of the joint venture Norcon Rossi, from which the company exited in 4Q20.

EBITDA

The adjusted EBITDA was a negative R\$ 188.5 million in 4Q20, down by 197% from 4Q19. In 2020, the adjusted EBITDA was a negative R\$ 359.8 million, as shown below:

R\$ MM	4Q20	4Q19	Var. (%)	2020	2019	Var. (%)
Net Income (Loss)	195.7	23.1	746.6%	14.9	-311.1	-104.8%
(+/-) Net Financial Expenses (Revenues)	-433.0	-93.2	-364.5%	-425.3	23.0	-1952.0%
(+) Provision for Income Tax and Social Contribution	57.4	-3.4	-1802.4%	53.8	-7.8	-792.3%
(+) Depreciation and Amortization	1.2	1.6	-28.0%	5.3	8.0	-33.5%
(+/-) Minority	-19.8	-0.7	-2620.7%	-23.9	-0.3	-9256.9%
EBITDA¹	-198.6	-72.6	-173.6%	-375.1	-288.2	-30.2%
(+) Capitalized Interest	10.1	9.2	10.0%	15.3	17.8	-13.7%
(+/-) Stock Option	0.0	0.0	0.0%	0.0	0.0	0.0%
Adjusted EBITDA²	-188.5	-63.4	-197.4%	-359.8	-270.4	-33.1%
Adjusted EBITDA Margin (%)	-359.3%	-213.1%	-146.2 p.p.	-472.4%	-444.8%	-27.6 p.p.

¹ EBITDA as per CVM Instruction 527/2012.

² EBITDA Adjusted for expenses that do not represent cash disbursements and non-recurring items. For further information, please refer to the glossary at the end of this document.

The main impacts to EBITDA are described in the previous sections: Gross Profit, Operating Expenses and Other Net Operating Revenues/Expenses.

NET FINANCIAL RESULT

Net financial result was R\$ 433.0 million in 4Q20, compared to R\$ 93.2 million in the same period of the previous year. The variation was mainly due to the financial discounts granted by Banco Bradesco, with the conclusion of the restructuring process of the corporate debt contracted with the bank. Excluding this effect, the proforma financial loss totaled R\$ 28.8 million, in line with 4Q19.

R\$ MM	4Q20	4Q19	Var. (%)	2020	2019	Var. (%)
Financial Revenues	465.3	125.5	270.7%	567.1	132.8	327.2%
Financial Expenses	-32.3	-32.3	0.0%	-141.8	-155.7	9.0%
Financial Result	433.0	93.2	364.5%	425.3	-23.0	-1952.0%
Financial discounts	461.8	123.0	275.5%	554.7	123.0	351.0%
Financial Result - Pro forma	-28.8	-29.8	-3.3%	-129.4	-146.0	-11.4%

NET INCOME (LOSS)

Rossi's net income totaled R\$ 195.7 million in 4Q20, due to the financial discounts granted by Banco Bradesco and other non-recurring events detailed in the items above. Net income came to R\$ 14.9 million in 2020, compared to the loss of R\$ 311.1 million recorded in 2019.

BACKLOG RESULT

The following table presents backlog results, excluding financial costs, taxes, provisions for guarantees and discounts granted. With the conclusion of all the works launched by the Company, the unearned gross profit at the end of 4Q20 was immaterial and slightly negative by R\$ 0.2 million.

R\$ MM	4Q20	3Q20	Var. (%)
Gross Revenue	0.8	1.1	-29.9%
Costs (w/ financial charges)	-1.0	-1.2	-20.0%
Backlog Result	(0.2)	(0.1)	53.3%
Backlog Margin (%)	-29.6%	-13.5%	-16.0 p.p.

The following table shows the backlog revenues and costs from the units sold, broken down by consolidated and non-consolidated developments. The unearned gross margin from non-consolidated projects consists basically of the net sales of the allotment project launched in 2017 and delivered this year, which has higher margins than conventional real estate development projects.

R\$ MM	2020
Consolidated	0.8
Non Consolidated	0.3
Backlog Revenue	1.0
Consolidated	(1.0)
Non Consolidated	(0.1)
Backlog Costs	(1.1)
Consolidated	-29.6%
Non Consolidated	57.9%
Backlog Margin	-6.9%

ACCOUNTS RECEIVABLE

The balance of trade accounts receivable, according to IFRS, plus the balance from real estate developments to be recognized by the PoC method (recognition of revenues and respective costs and expenses arising from real estate development operations during the progress of the works) totaled R\$ 420.6 million, a QoQ variation of 0.5% only.

R\$ MM	4Q20	3Q20	Var. (%)
Short Term	339.1	334.6	1.3%
Units under construction	30.6	34.6	-11.6%
Finished units	285.5	276.9	3.1%
Receivables from land sale	23.1	23.1	0.0%
Long Term	80.7	82.7	-2.3%
Units under construction	4.3	5.2	-16.4%
Finished units	57.9	59.0	-1.8%
Receivables from land sale	18.5	18.5	0.0%
Total	419.9	417.3	0.6%
Real Estate developments to be recognized under the POC method			
Short Term	0.6	0.9	-29.3%
Long Term	0.1	0.2	-31.9%
Total	0.8	1.1	-29.9%
Total Accounts Receivable	420.6	418.4	0.5%

MARKETABLE PROPERTIES

The following table details the Marketable Properties recognized in the balance sheet at their historical cost. With the conclusion and delivery of the last construction works in progress, the new restructuring of the corporate debt and the financial discounts granted by Banco Bradesco, there are no inventory of properties under construction nor capitalized interest linked to the Company's land bank.

R\$ MM	4Q20	3Q20	Var. (%)
Finished properties	186.7	203.0	-8.0%
Properties under construction	-	38.5	-100.0%
Land sites for future developments	312.5	267.8	16.7%
Capitalized Interest	-	16.0	-100.0%
Total	499.2	525.3	-5.0%

DEBT

Under IFRS, Rossi ended 4Q20 with a cash balance of R\$ 51.9 million and total debt of R\$ 883 million. Consequently, the Company's net debt fell significantly by 37% QoQ in 4Q20.

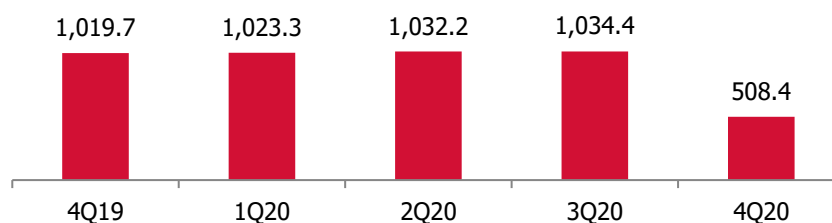
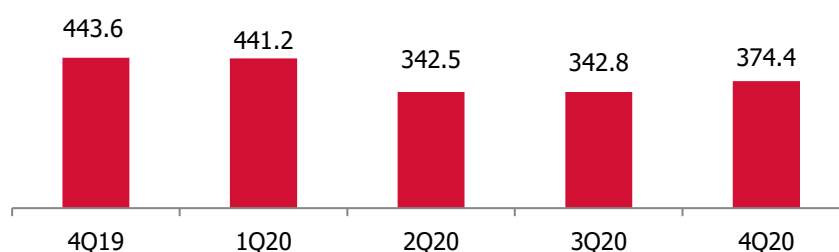
R\$ MM	4Q20	3Q20	Var. (%)
Short Term	871.5	927.2	-6.0%
Construction Loans	403.1	853.2	-52.7%
SFH	374.4	288.4	29.8%
CCB ¹	28.8	564.8	-94.9%
Working Capital	464.5	63.6	630.1%
Receivables Securitization	3.8	10.3	-63.2%
Long Term	11.3	450.1	-97.5%
Construction Loans	0.0	54.4	-100.0%
SFH	0.0	54.4	-100.0%
CCB ¹	0.0	0.0	n.a
Working Capital	11.3	395.6	-97.1%
Receivables Securitization	0.0	0.0	n.a
Total Debt	882.8	1,377.2	-35.9%
Cash and Cash Equivalents	51.9	49.5	4.9%
Net Debt	830.8	1,327.7	-37.4%
Net Debt / Equity	n.a	n.a	n.a
Cash Burn	496.9	-1,328.1	n.a

CCB¹ - Bank Credit Notes

As disclosed on a material fact on December 18, 2020, the Company and Banco Bradesco successfully concluded the restructuring of the corporate debt contracted with the bank, which led to the settlement of 93% of its restated balance.

No cash was disbursed by the Company in the settlement. In addition to the sale of specific assets collateralizing the CCBs¹, used to repay the contracts, new financial discounts of R\$ 462 million were also granted.

In the last 12 months, the Company's corporate debt fell by 50%, while SFH (IFRS) debts declined by 16%, as, in addition to the financial discounts obtained on the corporate debt balance in December 2020, Bradesco had already granted other discounts for SFH debts in June 2020. These effects can be better seen in the charts below:

Corporate Debt Evolution (IFRS) - R\$ million**SFH Debt Evolution (IFRS) - R\$ million**

Finally, it is also worth noting that, according to a material fact disclosed on December 22, 2020, the Company formalized a new restructuring of its debts with Banco do Brasil. The Company entered amendments (i) to a loan for construction agreement ("SFH") of approximately R\$ 24 million, with the change in the payment form and extension to the maturity date, and (ii) to corporate debt contracts, which establish that the debt confessed with the bank, of approximately R\$ 288 million, will be fully settled by June 2021 with the sale of its collateral assets, with no cash disbursement. Thus, new reductions in the Company's indebtedness are expected to occur over the next few quarters.

With the purpose of maintaining transparency of the data disclosed so that all economic agents can understand the current situation of Rossi's operations, the following tables present the Company's debt using two approaches that are complementary to IFRS: (i) 100% of companies, regardless of IFRS consolidation criteria; and (ii) Rossi's proportional share in the developments. We understand that some actions taken by us, particularly those regarding the centralization of surplus cash from the SPEs in Rossi Residencial, have had an impact on the IFRS and proportional figures, which may hinder the understanding of the operating cash generation itself. Operating cash generation will continue to be presented pursuant to these three approaches, as long as this is required for full understanding of the Company's cash generation.

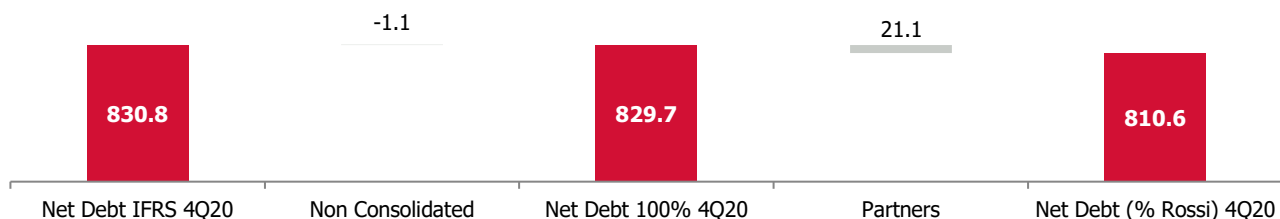
R\$ MM	IFRS				
	4Q19	1Q20	2Q20	3Q20	4Q20
Total Debt	1,463.3	1,464.6	1,374.8	1,377.2	882.8
Cash and Equivalents	69.0	63.3	42.5	49.5	51.9
Net Debt	1,394.3	1,401.3	1,332.2	1,327.7	830.8
Net Debt / Equity	n.a	n.a	n.a	n.a	n.a
Cash Burn in the quarter	141.5	(7.0)	69.0	4.5	496.9
Cash Burn LTM					563.5

R\$ MM	100%				
	4Q19	1Q20	2Q20	3Q20	4Q20
Total Debt	1,510.3	1,510.0	1,419.5	1,417.6	883.2
Cash and Equivalents	72.7	66.6	45.6	54.2	53.4
Net Debt	1,437.6	1,443.4	1,373.9	1,363.3	829.7
Net Debt / Equity	n.a	n.a	n.a	n.a	n.a
Cash Burn in the quarter	148.6	(5.8)	69.5	10.5	533.6
Cash Burn LTM					607.8

R\$ MM	Proportional				
	4Q19	1Q20	2Q20	3Q20	4Q20
Total Debt	1,487.1	1,487.0	1,395.8	1,395.1	863.1
Cash and Equivalents	71.1	65.1	44.5	52.9	52.5
Net Debt	1,416.0	1,422.0	1,351.3	1,342.2	810.6
Net Debt / Equity	n.a	n.a	n.a	n.a	n.a
Cash Burn in the quarter	146.5	(6.0)	70.6	9.1	531.6
Cash Burn LTM					605.4

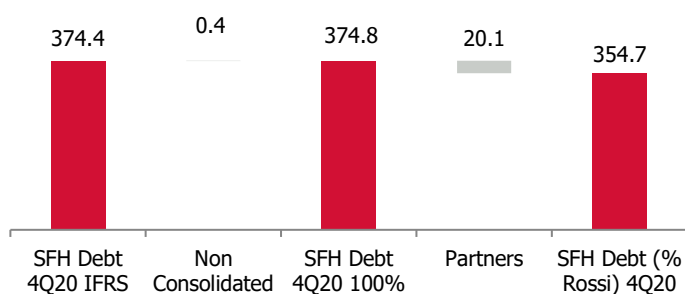
Net debt reconciliation is shown below pursuant to the three approaches:

Net Debt Reconciliation - R\$ million

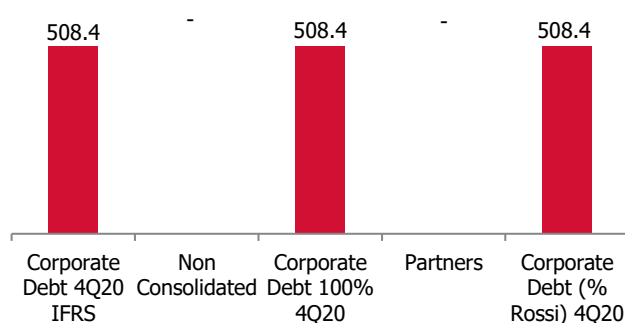


The following charts show the reconciliation of gross debt and cash and cash equivalents using the three approaches:

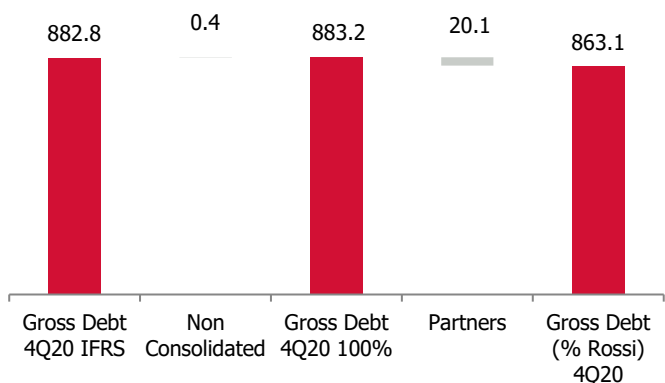
SFH Debt Reconciliation - R\$ million



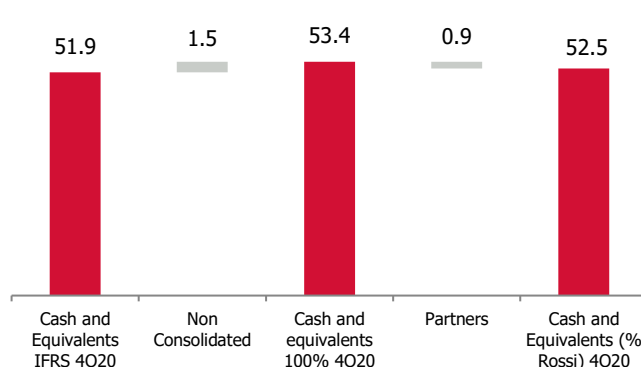
Corporate Debt Reconciliation - R\$ million



Total Debt Reconciliation - R\$ million



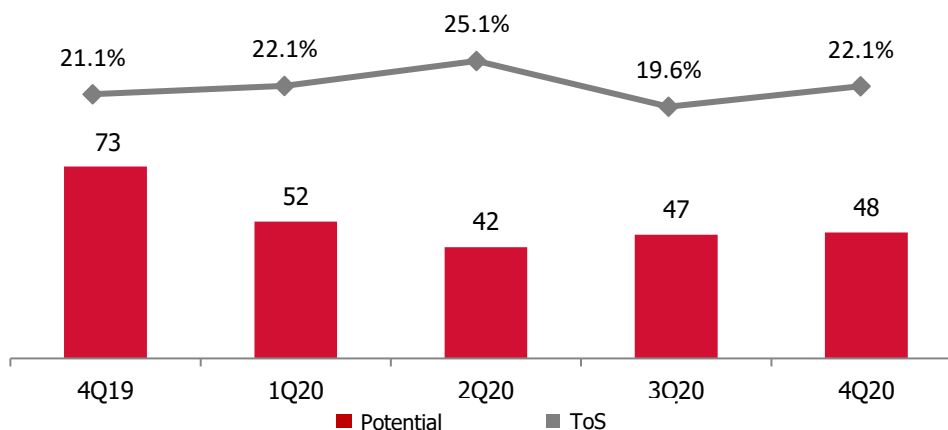
Reconciliation of Cash and Cash Equivalents - R\$ million



TRANSFERS

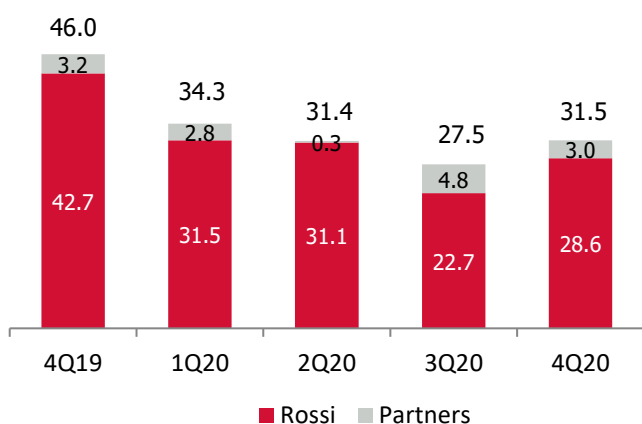
The chart below shows the quarterly index that measures transfer efficiency. The red bars indicate potential transfer amounts, that is, the sum of the outstanding balance of the finished units, legally registered, and possible transfers to financial institutions. Sales Speed (SoS) is measured by the ratio of volume of transfers and settlements in the period to potential value. SoS reached 22% in 4Q20, 1 p.p. higher than in 4Q19.

Transfer Speed - ToS

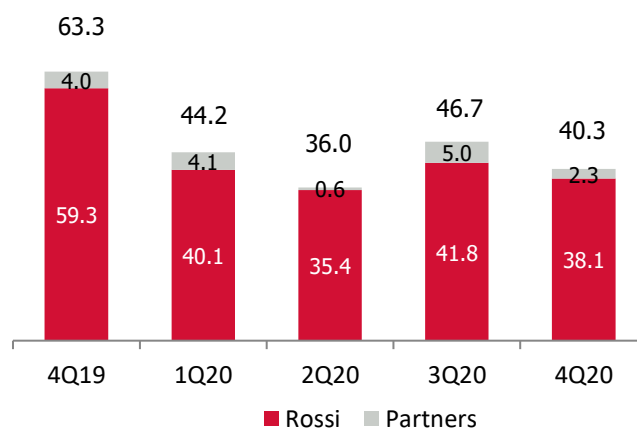


Cash inflows, which consider the volume of transfers and payments received from clients, reached R\$ 40.3 million in 4Q20 (R\$ 38.1 million – Rossi’s share), down by 36% QoQ in Rossi’s share. This variation was mainly due to the reduction in the debtor balance of potential transfer agreements, but also because of the decline in the volume of new transfers and settlements in the previous quarter. The charts below show the evolution of transfers and settlements, as well as cash inflow, in recent quarters:

Transfer (signature + settlement) - R\$ million



Cash Inflow - R\$ million



RELATIONSHIP WITH INDEPENDENT AUDITORS

In compliance with CVM Instruction 381/03, we announce that Grant Thornton Auditors Independents was engaged to provide the following services in 2019: audit of the financial statements pursuant to the accounting practices adopted in Brazil and in accordance with International Financial Reporting Standards (IFRS); and review of the interim financial information according to Brazilian and international standards on the review of interim financial information (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). The Company did not engage the independent auditor on activities other than those related with the audit of the financial statements.

The engagement of the independent auditor is based on principles that assure the auditor's independence, which consist in that: (a) the auditor should not audit its own work; (b) the auditor should not have management duties; and (c) the auditor should not provide services that may be prohibited under the regulations in effect. Additionally, Management has obtained a declaration from the independent auditor stating that the specific services provided do not affect their professional independence.

The information contained in the performance report that is not clearly identified as a copy of the information contained in the financial statements did not undergo any audit or review.

EXHIBIT I | 100% INDICES - R\$ MILLION

Quarter SOS 100%	4Q19	1Q20	2Q20	3Q20	4Q20
Inventory - BOF	221.2	204.0	182.3	166.4	154.1
Launches	-	-	-	-	-
Inventory + Launches	221.2	204.0	182.3	166.4	154.1
Gross Sales	(37.1)	(37.0)	(32.7)	(44.3)	(28.1)
Sales speech (SOS) (%)	16.8%	18.2%	18.0%	26.6%	18.2%
Sales cancellation	27.9	37.0	43.3	41.3	29.8
Adjusts / Revalue	(8.0)	(21.7)	(26.5)	(9.2)	(6.9)
Inventory - EOF	204.0	182.3	166.4	154.1	148.8

LTM SOS 100%	4Q19	1Q20	2Q20	3Q20	4Q20
Inventory - BOF	311.7	248.2	237.2	221.2	204.0
Launches	-	-	-	-	-
Inventory + Launches	311.7	248.2	237.2	221.2	204.0
Gross Sales	(166.5)	(153.0)	(143.4)	(151.2)	(142.2)
Sales speech (SOS) (%)	53.4%	61.6%	60.5%	68.3%	69.7%
Sales cancellation	149.7	140.4	142.7	149.5	151.3
Adjusts / Revalue	(90.9)	(53.4)	(70.1)	(65.4)	(64.3)
Inventory - EOF	204.0	182.3	166.4	154.1	148.8

EXHIBIT II | IFRS INDICES - R\$ MILLION

Quarter SOS - IFRS Consolidated	4Q19	1Q20	2Q20	3Q20	4Q20
Inventory - BOF	176.8	170.0	155.3	143.9	137.3
Launches	-	-	-	-	-
Inventory + Launches	176.8	170.0	155.3	143.9	137.3
Gross Sales	(18.3)	(26.0)	(23.2)	(32.8)	(25.1)
Sales speech (SOS) (%)	10.3%	15.3%	14.9%	22.8%	18.3%
Sales cancellation	18.8	34.1	36.2	33.3	26.8
Adjusts / Revalue	(7.3)	(22.7)	(24.5)	(7.1)	1.2
Inventory - EOF	170.0	155.3	143.9	137.3	140.2

Quarter SOS - Equity Result	4Q19	1Q20	2Q20	3Q20	4Q20
Inventory - BOF	44.4	34.0	27.0	22.5	16.8
Launches	-	-	-	-	-
Inventory + Launches	44.4	34.0	27.0	22.5	16.8
Gross Sales	(18.8)	(11.0)	(9.5)	(11.5)	(3.0)
Sales speech (SOS) (%)	42.4%	32.3%	35.3%	51.0%	17.8%
Sales cancellation	9.1	2.9	7.1	7.9	3.0
Adjusts / Revalue	(0.7)	1.0	(2.0)	(2.2)	(8.1)
Inventory - EOF	34.0	27.0	22.5	16.8	8.7

EXHIBIT III | INCOME STATEMENT

Income Statement (R\$ '000)	4Q20	4Q19	Var. (%) 4Q20 vs. 4Q19	2020	2019	Var. (%) 2020 vs. 2019
Gross Operating Revenue						
Property sales and services	55,778	29,599	88%	77,002	64,416	20%
Sales taxes	-3,322	140	-2474%	-843	-3,627	77%
Net Operating Revenue	52,456	29,739	76%	76,159	60,789	25%
Cost of Property and Services	-19,827	-25,826	23%	-42,234	-63,377	33%
Construction and Land	-9,723	-16,638	42%	-26,890	-45,594	41%
Financial Charges	-10,104	-9,188	-10%	-15,344	-17,783	14%
Gross Income	32,629	3,913	734%	33,925	-2,588	-1411%
Gross Margin	62.2%	13.2%	49 p.p.	44.5%	-4.3%	49 p.p.
Gross Margin (ex interest)	81.5%	44.1%	37 p.p.	64.7%	25.0%	40 p.p.
Operating Expenses	-232,395	-78,125	-197%	-414,378	-293,579	-41%
Administrative	-8,785	-8,900	1%	-28,165	-37,289	24%
Selling	-20,201	-3,679	-449%	-58,820	-45,008	-31%
Depreciation and Amortization	-1,181	-1,641	28%	-5,309	-7,986	34%
Equity Result	-1,525	655	-333%	-15,236	-9,601	-59%
Other Operating Revenue (Expenses)	-200,703	-64,560	-211%	-306,848	-193,695	-58%
Earnings before Financial Result	-199,766	-74,212	-169%	-380,453	-296,167	-28%
Financial Result	433,039	93,231	364%	425,314	-22,965	-1952%
Financial Revenue	465,316	125,522	271%	567,070	132,754	327%
Financial Expenses	-32,277	-32,291	0%	-141,756	-155,719	9%
Operating Income (Loss)	233,273	19,019	1127%	44,861	-319,132	-114%
Operating Margin	444.7%	64.0%	381 p.p.	58.9%	-525.0%	584 p.p.
Provision for Taxes and Contributions	-68,642	-543	-12541%	-70,750	-8,210	-762%
Deferred Income Tax and S. Contribution	11,254	3,914	188%	16,973	15,978	6%
Minorities	19,834	729	2621%	23,860	255	9257%
Net Income (Loss)	195,719	23,119	747%	14,944	-311,109	-105%
Net Margin	373.1%	77.7%	295 p.p.	19.6%	-511.8%	531 p.p.

EXHIBIT IV | BALANCE SHEET

Assets (R\$ '000)	4Q20	3Q20	Var. (%)
Current			
Cash and equivalents	24,773	20,935	18.3%
Tradeable note	27,177	28,604	-5.0%
Accounts receivable	339,145	334,639	1.3%
Tradeable properties	186,710	257,547	-27.5%
Other assets	23,395	35,994	-35.0%
Total Current Assets	601,200	677,719	-11.3%
Non Current			
Accounts receivable	80,745	82,668	-2.3%
Tradeable properties	312,474	267,783	16.7%
Judicial deposits	61,146	61,051	0.2%
Related parties	207,307	212,541	-2.5%
Advances to business partners	186,847	246,316	-24.1%
Deferred income tax and contributions	11,955	0	100.0%
Investments	162,781	273,618	-40.5%
Fixed assets	4,474	4,510	-0.8%
Intangible assets	3,567	3,887	-8.2%
Total Non Current Assets	1,031,296	1,152,374	-10.5%
Total Assets	1,632,496	1,830,093	-10.8%

EXHIBIT IV | BALANCE SHEET (continued)

Liabilities and Shareholders Equity (R\$ '000)	4Q20	3Q20	Var. (%)
Current			
Construction Loans - real estate credit	871,461	927,173	-6.0%
Suppliers	43,268	171,892	-74.8%
Accounts payable for land acquisition	54,065	69,344	-22.0%
Salaries and payroll charges	1,155	1,512	-23.6%
Taxes and contributions payable	152,734	73,817	106.9%
Profit sharing payable	0	0	n.a
Advances from clients	66,076	65,756	0.5%
Related parties	200,600	233,525	-14.1%
Deferred taxes and contributions	23,782	20,539	15.8%
Other accounts payable	390,611	205,541	90.0%
Total Current	1,803,752	1,769,099	2.0%
Non Current			
Construction Loans - real estate credit	11,297	450,075	-97.5%
Accounts payable for land acquisition	-	-	n.a
Taxes and contributions payable	14,432	17,531	-17.7%
Provision for risks	209,744	200,143	4.8%
Provision for guarantees	5,384	5,370	0.3%
Deferred taxes and contributions	23,864	18,627	28.1%
Provision for investment losses	117,816	115,226	2.2%
Other accounts payable	-	-	n.a
Total Non Current	382,537	806,972	-52.6%
Shareholders' Equity			
Capital stock	2,611,390	2,611,390	0.0%
Treasury stock	-49,154	-49,154	0.0%
Capital reserve	70,107	70,107	0.0%
Accrued earnings	-3,165,954	-3,361,672	-5.8%
Total Shareholders' Equity	-533,611	-729,329	-26.8%
Minority Interest	-20,182	-16,649	21.2%
Total Liabilities and Shareholders' Equity	1,632,496	1,830,093	-10.8%

EXHIBIT V – INVENTORY (100%)

PSV (R\$ million)	Finished	2020	Total
Ananindeua	1.8	-	1.8
Aracaju	6.4	-	6.4
Barueri	6.4	-	6.4
Belo Horizonte	1.1	-	1.1
Brasília	35.8	-	35.8
Campinas	2.6	-	2.6
Cuiabá	0.7	-	0.7
Curitiba	9.5	-	9.5
Duque de Caxias	22.6	-	22.6
Londrina	5.0	-	5.0
Manaus	0.7	-	0.7
Parnamirim	1.0	-	1.0
Paulínia	1.8	-	1.8
Porto Alegre	32.5	-	32.5
Recife	1.7	-	1.7
Rio de Janeiro	9.6	-	9.6
Santos	2.9	-	2.9
São Paulo	0.8	-	0.8
Xangri-Lá	3.5	-	3.5
Other Regions	2.3	-	2.3
Total	148.8	-	148.8

GLOSSARY

Cash Burn – Measured by the variation of net debt, adjusted by capital increases, dividends paid and non-recurring expenses.

CPC – Accounting Pronouncements Committee – Created by CFC Resolution 1,055/05, its purpose is “to analyze, prepare and issue Technical Pronouncements on Accounting procedures, and disclose such information to enable the issue of standards by the Brazilian regulatory entity, aiming at centralizing and standardizing their production, taking into account the convergence of Brazilian Accounting with the international standards”.

EBITDA – Net income for the year adjusted to income and social contribution taxes on income; depreciation and amortization expenses; and financial charges allocated to the cost of property sold. The method used to calculate Rossi’s EBITDA is in line with the definition adopted by CIV, as provided for in CVM Instruction 527, of October 4, 2012.

Adjusted EBITDA – Calculated based on net income adjusted to income and social contribution taxes on income; depreciation and amortization expenses; financial charges allocated to the cost of property sold; interest capitalized in CIV; share issue expenses; stock options plan expenses; and other non-operating expenses Adjusted EBITDA is not a measure of financial performance according to the Accounting Practices Adopted in Brazil; thus, it should not be considered in isolation, or as an alternative to net income, as a measure of operating performance, an alternative to operating cash flows, or a liquidity index. There is not a standard definition for “Adjusted EBITDA”, and Rossi’s definition of Adjusted EBITDA may not be comparable with those used by other companies.

INCC – National Construction Cost Index, measured by Fundação Getúlio Vargas.

Land Bank – Land bank for future developments purchased in cash or through exchange.

Backlog Margin – Equivalent to “Backlog Results” divided by “Backlog Revenues” to be recognized in future periods.

PoC Method – Revenues, costs and expenses related to real estate developments are recognized according to the percentage of completion (“PoC”) method, by measuring the evolution of construction works to the actual costs incurred against total expenses budgeted for each phase of the project, according to technical standard OCPC 04 – Application of ICPC 02 Technical Interpretation to Brazilian Real Estate Developers.

Exchange – Land purchase system through which landowners receive a certain number of units or a percentage of revenues from the development to be built in exchange for the land. The exchange method reduces the need for financial resources and, as a result, increases the returns.

Backlog revenues – Backlog revenues correspond to sales contracted whose revenues will be recognized in future periods, according to the evolution of works, rather than upon the signature of agreements. Accordingly, the balance of Backlog Revenues corresponds to revenues that will be recognized in future periods regarding past sales.

Minha Casa Minha Vida (MCMV) – Housing program launched in 2009 and comprising units worth up to R\$170,000/unit.

SFH Funds – These originate from the Unemployment Severance Fund (FGTS) of savings accounts. Commercial banks must invest 65% of these deposits in the real estate sector for the acquisition of property by individuals or for developers at rates that are lower than those used in the common market.

CFC Resolution 963/03 and PoC Method (Percentage of Completion) – Revenues, as well as costs and expenses related to development activities are recognized to income throughout the period of construction of the development, to the extent of the costs incurred, according to CFC Resolution 963/03.

Backlog Results – Due to the recognition of revenues and costs according to progress of the works (PoC method), rather than upon the signature of the agreements, we recognize development revenues and expenses from contracts signed in future periods. Accordingly, the balance of Backlog Results corresponds to revenues less costs to be recognized in future periods regarding past sales.

Contracted Sale – Each contract resulting from the sale of units throughout a given period of time, including the units being launched and the units in our inventory. Contracted sales are recognized in revenues according to the works in progress (PoC method).

PSV – Potential Sales Value.

Launched PSV – Potential Sales Value corresponding to the total amount to be potentially obtained by the Company from the sale of all units launched from a given real estate development at a certain price.

Rossi PSV – Potential Sales Value obtained, or to be obtained, by Rossi from the sale of all units of a given real estate development, at a price estimated at the launch, proportionally to our participation in the project.

SoS – Sales Speed.