

Release of Results

Melnick discloses its 3Q23 earnings

Porto Alegre, November 13, 2023. Melnick Desenvolvimento Imobiliários (B3: MELK3), a homebuilder and developer with strategic focus in the South Region of Brazil and conducting operations in real estate and urban development projects, discloses its results for the third quarter of 2023 (3Q23). The following financial and operating information, except where otherwise indicated, is shown in Brazilian Real (R\$).

Highlights

- R\$ 675 million in launches for the year, resulting in a 26% growth over 9M22 and 10% over 2022.
- R\$ 594 million in total net sales in the year, a 13% increase over 9M22.
- R\$ 3.7 billion in landbank, with 37% of projects approved and R\$ 1.4 billion in potential PSV.
- Solid cash position of R\$ 447.9 million, net cash of R\$ 165.6 million, accounting for 14% of the equity.

STOCK PRICE AS OF 11/13/2023

PRICE PER SHARE: R\$ 4.27

NUMBER OF SHARES: 206,269,341 (202,519,747 ex-treasury shares)

MARKET CAP: R\$ 865 million (as of 11/13/2023)

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melnick

The information, figures, and data included in this performance report, which do not correspond to the accounting balances, and information contained in the Quarterly Information Report (ITR, in Portuguese), such as Potential Sales Value (PSV), Total Sales, Sales Usable Area, Units, Inventory at Market Value, Launches, Expected Delivery Year, Backlog Gross Margin of inventory, among other items, have not been audited by independent auditors. Except when otherwise stated, the comparisons shown in this quarterly report refer to figures for the third quarter of 2023 (3Q23).

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MESSAGE FROM MANAGEMENT¹

It is with satisfaction that we present Melnick's operating and financial results of 3Q23.

We launched three projects in 3Q23, totaling a PSV of R\$ 452.3 million (R\$ 242.3 million % Melnick). In the year, we launched 6 projects, totaling a PSV of R\$ 1,011 million (R\$ 674.6 million % Melnick), and a growth rate of 26% when compared to 9M 22. Of the total launches, 69% of the PSV fell under the upper-class residential segment.

We closed 3Q23 with R\$ 1.1 billion in PSV (% Melnick) in inventory. Of the completed inventory, which accounts for R\$ 314 million, R\$ 115 million (36%) are for rent. Our lease model allows the client to convert the rent installments paid into deductions when purchasing the real estate, during the first 18 months of the contract. In average, 33% of our clients convert their rent into effective purchase of real estate.

We are quite satisfied with the performance of our net sales, which totaled R\$ 178 million (% Melnick) in 3Q23. In the year, total net sales totaled R\$ 594 million (% Melnick), of which R\$ 377 million in inventory sales, which translates into a growth rate of 13% and 7%, respectively.

We currently have R\$ 3.7 billion in PSV (% Melnick) in our land bank, consisting of 36 plots or phases, and 37% of our land bank already have projects approved, with R\$ 1.4 billion in potential PSV (% Melnick).

In the quarter, we delivered three projects, totaling a PSV of R\$ 342.3 million (R\$ 276.7 million % Melnick). In the year, we delivered 6 projects, totaling a PSV of R\$ 571.1 million (R\$ 455.8 million % Melnick).

Net Revenue reached approximately R\$ 258.6 million in the quarter and R\$ 799.2 million in the year. Gross Income totaled R\$ 38.1 million in the quarter, with adjusted gross margin at 17.5%, and totaled R\$ 140.1 million in the year. Net Income totaled approximately R\$ 14.6 million in the quarter, with net margin² before minority interest at 7.71%, and totaled R\$ 56.5 million in year. In the quarter, the Company reviewed the effects on swap accounting in some Urban Development projects, resulting in a decreased pace in the recognition of revenue, and, consequently, in a decreased margin, but that will not have any impact on the results over the development's life.

We have R\$ 447.9 million in cash position and R\$ 165.6 million in net cash, even after the recurring payment of dividends. Net cash currently accounts for 14% of the equity. We do not have any corporate debt in our capital structure, and the debt is 95.0% concentrated in SFH agreements. In the quarter, we paid R\$ 33.3 million in dividends; in the year, payment of dividends totaled R\$ 67.3 million. Subsequently, we paid R\$ 39.8 million in dividends, which slows our competency and soundness of our cash and capital structure.

Our business strategy is supported by three pillars: financial soundness, operating capacity, and differentiated products. With a long-term mindset, our main objective is the return on invested capital.

¹ This document contains certain statements of future expectations and information related to Melnick that reflect the current views and/or expectations of the Company and its management with respect to its performance, its business and future events. Any statement that has a forecast, indication or estimate of future results, performance or goals, as well as words such as "we believe", "we hope", "we estimate", among other words with similar meaning, should not be interpreted as guidance. Such statements are subject to risks, uncertainties, and future events.

² Given that net income considers minorities' interest, net margin is also related to net income before minority interest.

MAIN INDICATORS (R\$ thousand)

Consolidated Financial Figures	3Q22	4Q22	1Q23	2Q23	3Q23
Net Revenue from Sales and Services	306,411	211,235	298,968	241,671	258,650
Gross Income	71,361	39,500	51,068	50,908	38,193
Adjusted Gross Margin	23.96%	20.19%	18.99%	23.85%	17.54%
Net Income	22,855	9,612	20,119	21,778	14,624
Net Margin before Minority Interest	10.10%	7.21%	9.05%	11.58%	7.71%
ROAE LTM	9.13%	6.92%	6.84%	6.16%	5.51%
Unearned Revenue (after PIS-COFINS)	914,669	880,954	984,796	930,484	981,904
Unearned Costs (after PIS-COFINS)	-642,953	-620,166	-666,819	-626,023	-664,109
Unearned Income (after PIS-COFINS)	271,716	260,788	317,977	304,461	317,795
Unearned Income Margin - %	29.71%	29.60%	32.29%	32.72%	32.37%
Net Debt	-200,809	-187,695	-183,075	-181,228	-165,629
Cash Burn (ex-dividends, buyback, and IPO)	91,311	13,105	-6,380	-21,128	-17,729

Launches	3Q22	4Q22	1Q23	2Q23	3Q23
Projects Launched	2	3	3	-	3
PSV of Launches (100%)	283,225	195,396	559,369	-	452,331
PSV of Launches (% Melnick)	155,357	76,353	432,287	-	242,272
Number of Units Launched	200	670	252	-	430
Usable Area of Launched Units (m²)	67,380	120,904	33,227	-	71,863
Average Launch Price (R\$/m²)	3,316	1,569	13,010	-	7,915
Avg. Price of Launched Units (R\$ thousand/unit)	1,117	283	1,028	-	853

Sales	3Q22	4Q22	1Q23	2Q23	3Q23
Pre-sales (100%)	185,555	158,079	377,038	134,109	232,973
Pre-sales (% Melnick)	151,418	122,880	305,289	111,163	177,540
Consolidated Sales to Inventory Ratio (% Melnick)	12.12%	10.09%	20.06%	9.23%	13.66%
Sales to Inventory Ratio for Launches (% Melnick)	34.45%	58.02%	29.02%	-	37.83%

Deliveries	3Q22	4Q22	1Q23	2Q23	3Q23
Delivered PSV (100%)	136,557	611,211	111,658	117,158	342,333
Delivered PSV (% Melnick)	129,730	474,232	89,548	89,599	276,667
Number of Projects Delivered	1	5	2	1	3
Number of Units Delivered	68	1,098	393	190	371

Plots of Land	3Q22	4Q22	1Q23	2Q23	3Q23
Land Bank (100%)	5,635,042	5,133,873	4,386,240	5,796,579	5,376,244
Land Bank (% Melnick)	4,084,120	3,736,197	3,629,753	3,902,305	3,691,433

OPERATIONAL PERFORMANCE

LAUNCHES

In the third quarter of 2023, we launched three developments, totaling R\$ 452.3 million in gross PSV (R\$ 242.3 million % Melnick), totaling R\$ 1,012 million in gross PSV in the year (R\$ 674.6 million % Melnick). PSV of launches in the Company's share was 26% higher than the PSV reported the same period of 2022.

Project	Business unit	PSV 100% ¹ (R\$ R\$ thousand)	PSV Melnick ² (R\$ R\$ thousand)	Usable area ³ (m ²)	Unit ³	Average Value/Unit (R\$ R\$ thousand)	Segment
1Q23		559,369	432,287	33,227	452	1,028	
Grand Park Moinhos - Phase 2	INC	61,289	54,361	7,467	114	477	Residential
Cidade Nilo	INC	429,334	345,443	18,205	56	6,169	Residential
Nilo Square Hotel	INC	68,746	32,483	7,555	282	230	Hotel
3Q23		452,331	242,272	71,863	430	853	
Go Bom Fim	INC	153,599	88,609	9,990	269	507	Residential
Casa Moinhos	INC	198,392	130,334	6,209	17	7,667	Residential
The Garden - Phase 3	LOT	100,340	23,329	55,663	144	697	Urban Development
Total		1,011,700	674,559	105,089	882	943	

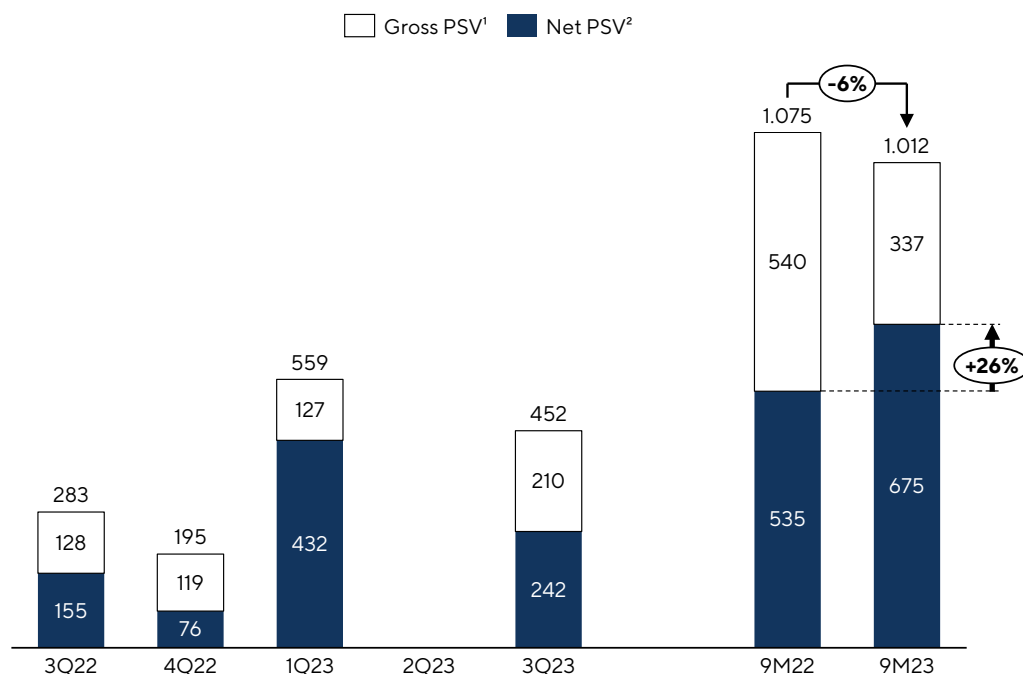
¹ PSV of physical swap and sales commissions, gross.

² PSV of physical swap and sales commissions, net.

³ Physical swap, net.

⁴ Units are the number of shares for sale.

Table below shows the developments launched in 3Q23 and a comparison between years 2022 and 2023:



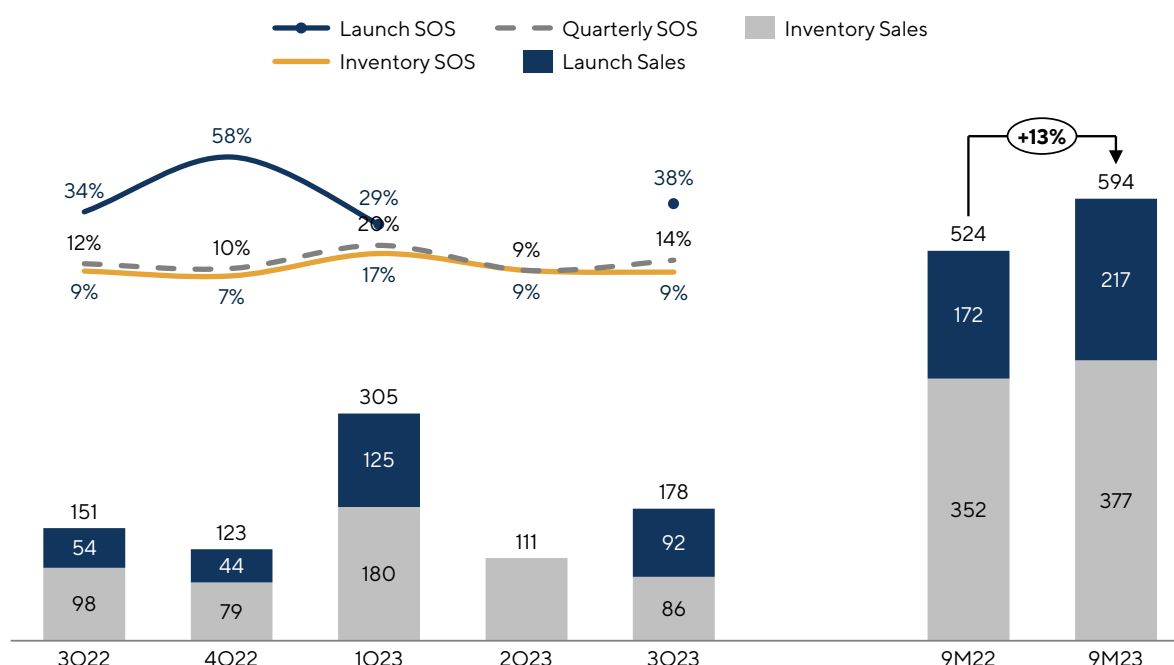
GROSS AND NET SALES

In the third quarter of 2023, current gross and net sales totaled R\$ 211 million and R\$ 178 million (% Melnick), respectively. In the year, current gross and net sales totaled R\$ 681 million and R\$ 594 million (% Melnick) respectively, a 13% growth, as follows:

Sales breakdown (R\$ million, % Melnick)	3Q22	4Q22	1Q23	2Q23	3Q23
Gross Sales	184	166	341	129	211
Inventory	130	122	216	129	119
Launches	54	44	125	-	92
Current cancellations	-32	-43	-36	-18	-33
Current net sales	151	123	305	111	178

Below is the evolution of our sales velocity in the latest five quarters.

In 2Q22, our sales to inventory ratio (SoS) for Launches reached 38%; 14% for average; and 9% for inventory.



Net sales breakdown per business unit is shown below:

Business unit	Total Sales (R\$ R\$ thousand)		Melnick Sales (R\$ R\$ thousand)		Usable area (m2)		Unit	
	3Q23	9M23	3Q23	9M23	3Q23	9M23	3Q23	9M23
Homebuilder	210,974	673,486	170,756	552,607	26,374	60,470	180	881
Lots Development	23,783	46,787	8,569	17,538	32,535	66,198	168	292
Open	-1,784	23,847	-1,784	23,847	263	5,325	-8	92
Total	232,973	744,120	177,540	593,992	59,172	131,993	340	1,265

Below is the sales breakdown by year of product launch:

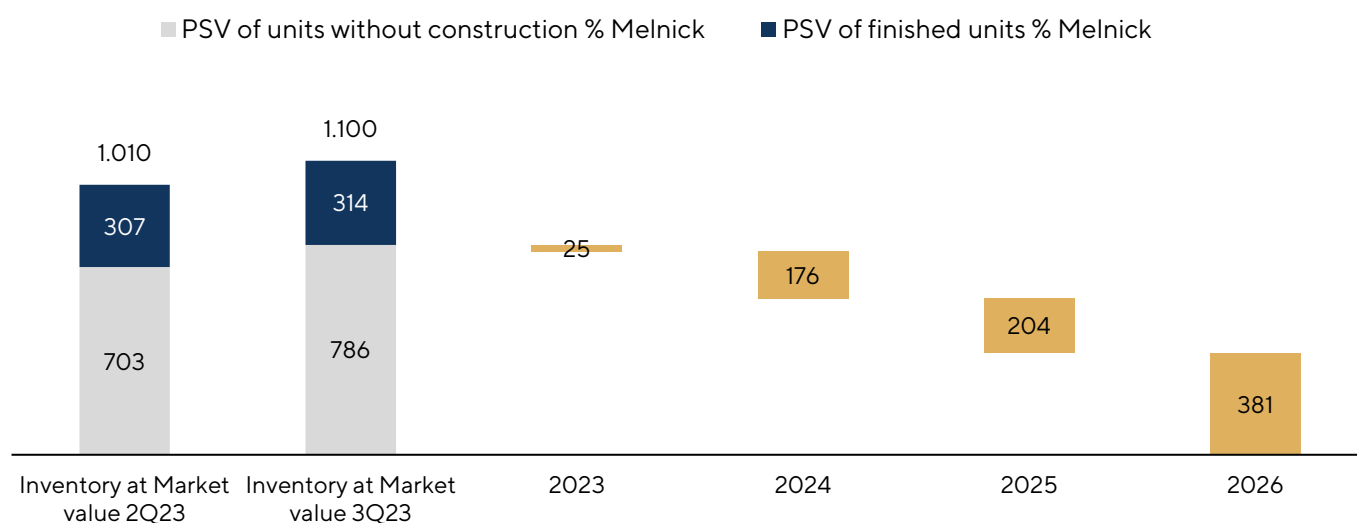
Year of launch	Total Sales (R\$ R\$ thousand)		Melnick Sales (R\$ R\$ thousand)		Usable area (m2)		Unit	
	3Q23	9M23	3Q23	9M23	3Q23	9M23	3Q23	9M23
Until 2018	17,823	66,953	16,106	61,860	15,762	32,796	114	273
2019	8,583	36,534	8,692	36,643	174	2,693	-12	12
2020	4,577	20,975	4,577	20,975	248	2,390	5	47
2021	3,161	99,009	3,023	97,101	1,424	11,838	0	163
2022	54,360	194,070	30,685	117,452	10,326	41,521	67	265
2023	144,469	326,255	114,457	259,636	31,238	40,723	166	505
Total	232,973	743,795	177,540	593,667	59,172	131,961	340	1,265

INVENTORY

We closed 3Q23 with R\$ 1.1 billion in inventory (% Melnick), as follows:

Year of expected completion	Total Inventory (R\$ R\$ thousand)	Melnick Inventory (R\$ R\$ thousand)	% Value	Units	% Units
Finished Inventory	334,114	314,359	29%	914	44%
2023	34,136	25,206	2%	260	13%
2024	178,791	175,936	16%	150	7%
2025	342,749	203,844	19%	518	25%
2026	409,667	380,803	35%	224	11%
Total	1,299,457	1,100,147	100%	2,066	100%

Below is the delivery schedule:



Below is the percentage sold of projects separated by year of expected completion.

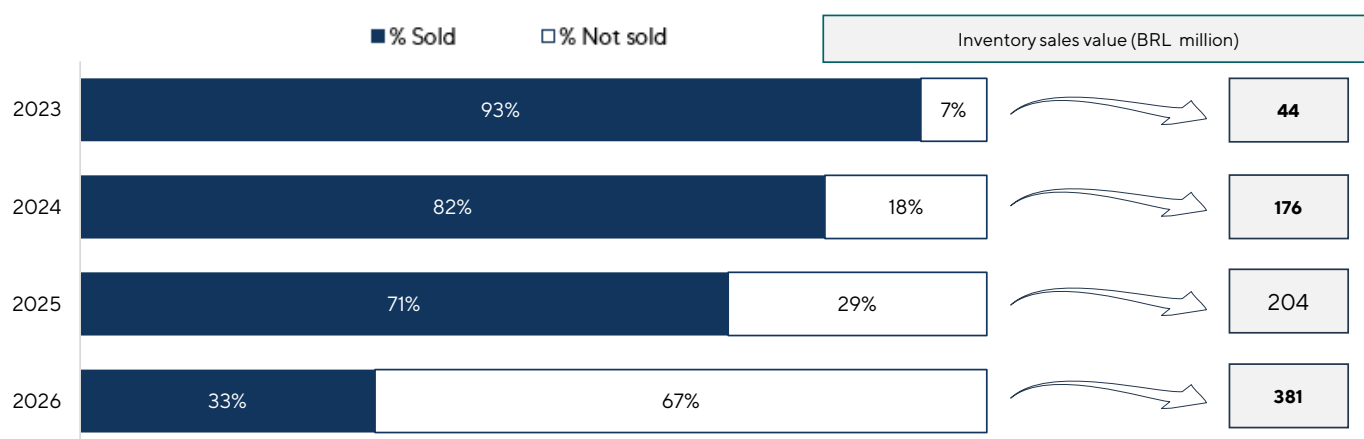


Table below shows the PSV of inventory broken down by year of launch:

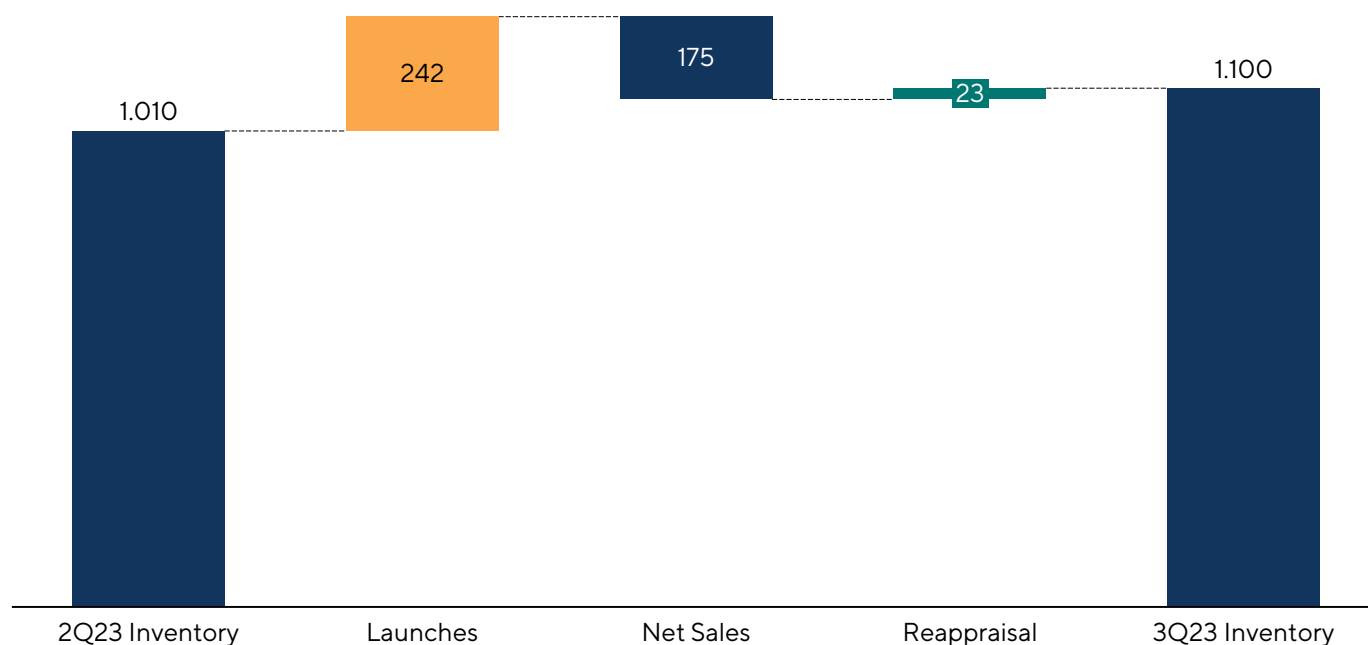
Launch	Total Inventory (R\$ R\$ thousand)	Melnick Inventory (R\$ R\$ thousand)	Developments ¹	Units	% Units
Until 2017	216,947	206,587	25	682	33%
2018	57,538	48,457	5	123	6%
2019	65,326	56,081	8	306	15%
2020	77,038	77,038	5	69	3%
2021	126,523	124,246	8	132	6%
2022	291,807	175,084	8	385	19%
2023	464,278	412,654	9	369	18%
Total	1,299,457	1,100,147	67	2,066	100%

In addition, below, our inventory by business unit:

Segment	Total Inventory	Inventory % Melnick	Inventory % Melnick Completed		Inventory under Construction	
	(R\$ R\$ thousand)	(R\$ R\$ thousand)	(R\$ R\$ thousand)	Units	(R\$ R\$ thousand)	Units
Residential	935,563	811,387	110,388	220	700,999	542
Lots Development	125,240	58,536	24,092	280	34,444	575
Commercial	238,654	230,225	179,879	414	50,346	35
Total	1,299,457	1,100,147	314,359	914	785,789	1,152

We should mention the Company does quarterly reappraisals of its inventory's value in order to best reflect the sales pricing expectations in light of the current market, deducting commissions and marketing expenses.

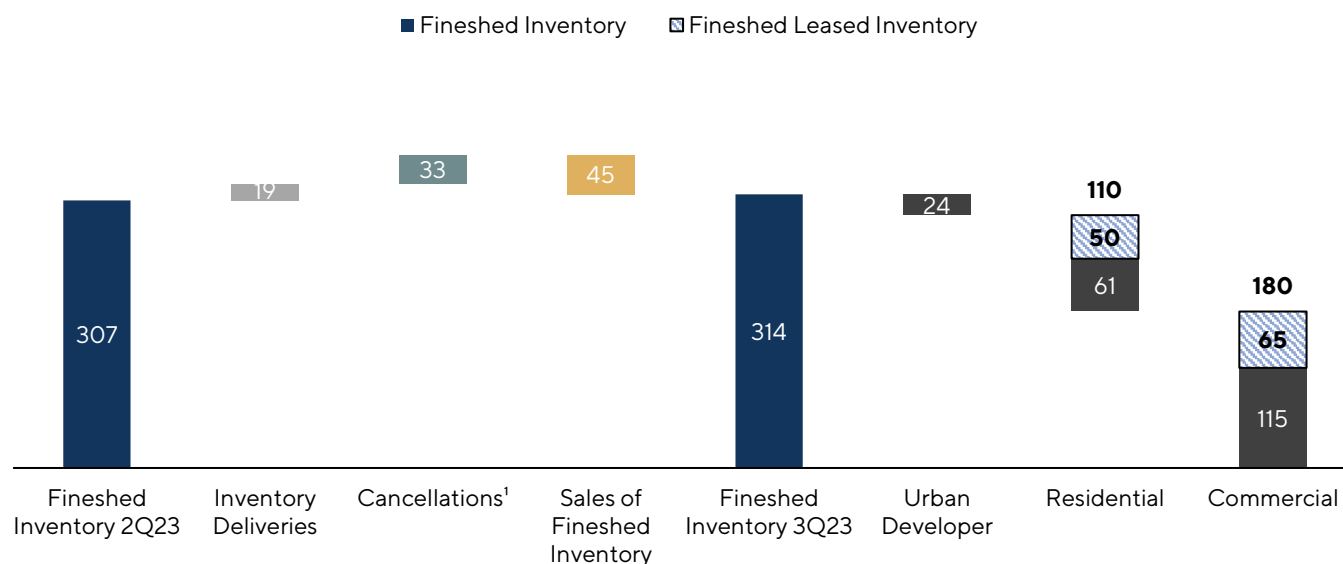
Quarterly inventory breakdown
(PSV % Melnick in R\$ million)



¹ Adjustment to the market price of the latest sales

FINISHED INVENTORY

As we can see in the graph below, we sold R\$ 45 million (% Melnick) in finished inventory in 3Q23, and closed 3Q23 with R\$ 314 million in finished inventory.



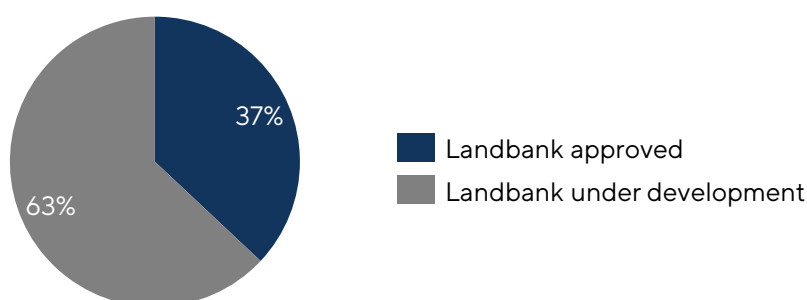
¹Considering that 100% of the cancellations refer to finished units.

As a strategy to accelerate the sales of finished inventory, we offer our clients a reversible lease program, consisting of leasing our finished inventory with more units available with a purchase option by the lessee during part in the leasing period by using the amounts paid as lease as a down payment at the time of purchase. As of September 30, 2023, we had R\$ 115 million of our inventory leased under the reversible lease, corresponding to 36% of the finished inventory.

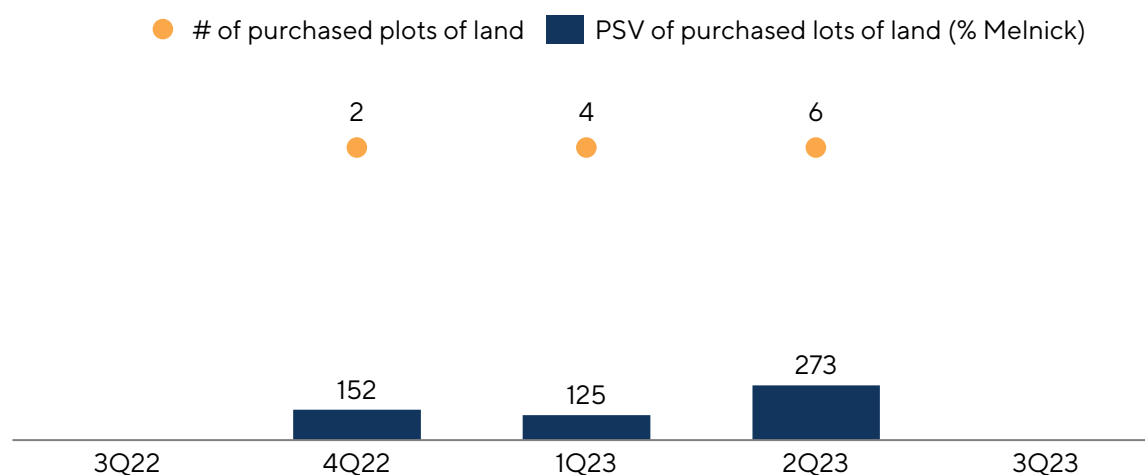
LAND BANK

Land bank closed the third quarter of 2023 with R\$ 3.7 billion in potential PSV (% Melnick), with R\$ 1.4 billion in projects already approved, accounting for 37% of the land bank.

Business Unit	Projects	Units	PSV 100% (R\$ million)	Net PSV % Melnick (R\$ million)
Homebuilder	19	4,053	3,246	2,874
Urban Development	17	6,837	2,131	817
Total	36	10,890	5,376	3,691



Below is the breakdown of our land bank acquired in the latest five quarters:



PROJECT DELIVERY⁴ AND EXECUTION

In the third quarter of 2023, we delivered three projects, totaling R\$ 342.3 million in gross PSV (R\$ 276.7 million % Melnick): We had R\$ 571.1 million in gross PSV in the year (R\$ 455.8 million % Melnick), as follows:

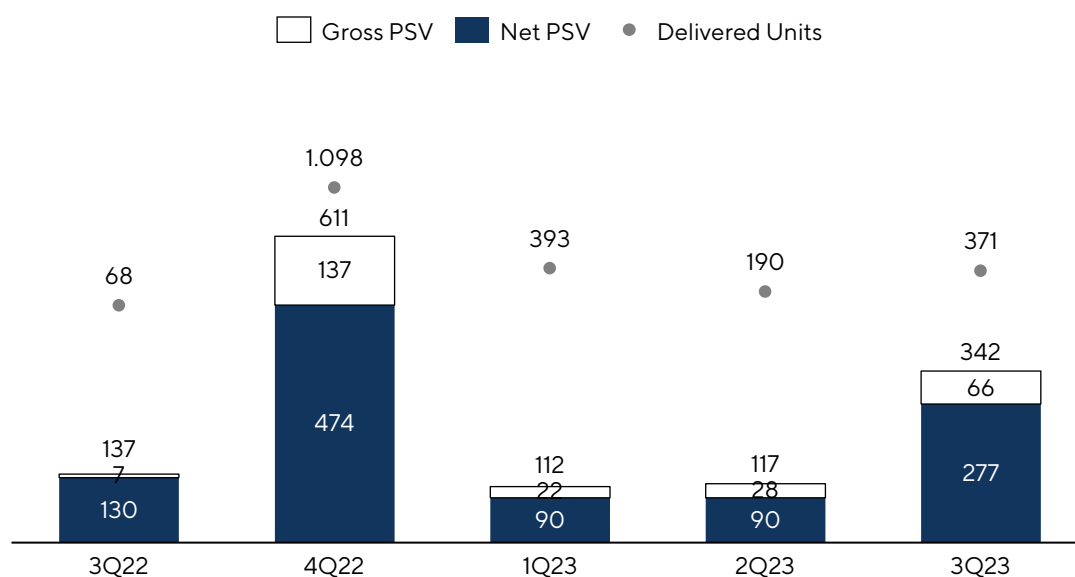
Project	Business unit	PSV 100% ¹ (R\$ R\$ thousand)	PSV Melnick ² (R\$ R\$ thousand)	Usable area ² (m ²)	Unit ³	Average Value/Unit (R\$ R\$ thousand)	Segment
1Q23		111,658	89,548	14,642	393	228	
GO24	INC	69,763	49,716	4,062	153	342	Residential
Open Canoas Centro - Phase 2	INC	41,895	39,832	10,580	240	153	Open
2Q23		117,158	89,599	12,628	190	472	
Grand Park Lindóia - Phase 3	INC	117,158	89,599	12,628	190	472	Residential
3Q23		342,333	276,667	115,332	371	824	
Casa Viva	LOT	77,721	43,582	105,957	332	219	Urban Development
Casa Vista	INC	86,473	63,852	4,785	16	3,991	Residential
Teená	INC	178,139	169,233	4,590	23	7,358	Residential
Total		571,149	455,814	142,602	954	508	

¹ PSV of physical swap and sales commissions, gross.

² PSV of physical swap and sales commissions, net.

³ Physical swap, net.

⁴ Value considering the selling prices at the time of launch.



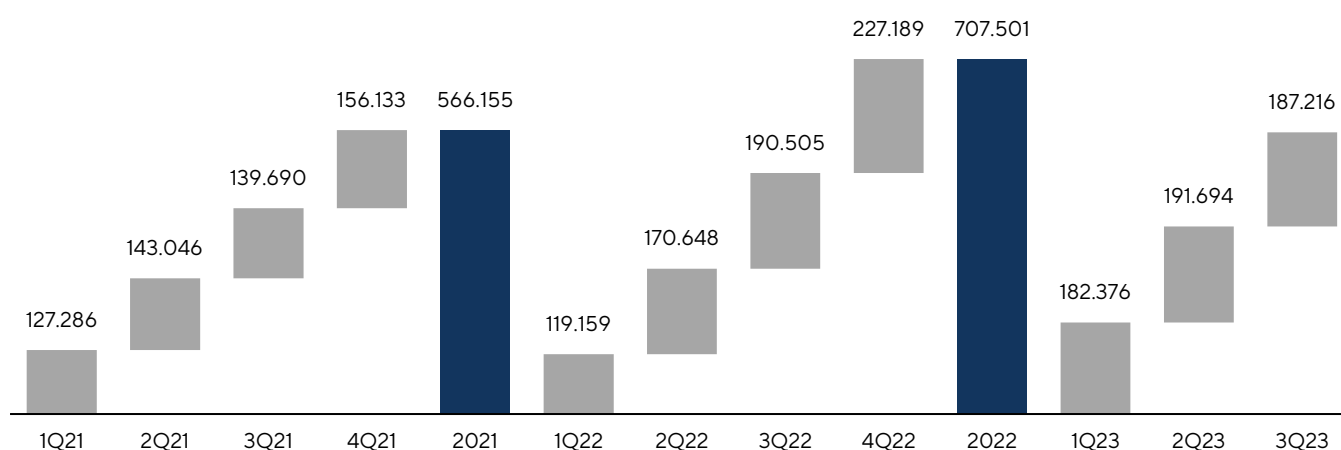
As of September 30, 2023, the Company had 19 active construction sites, of which, 14 of the Homebuilder, 3 of the Urban Developer, and 2 of the Open segment.

TRANSFERS AND RECEIVABLES

The process of transfers (mortgages to customers) remains the Company's focus given its importance for the cash flow.

The following table shows total receivables from customers (units under construction and finished ones) in the second quarter of 2023, totaling R\$ 192 million.

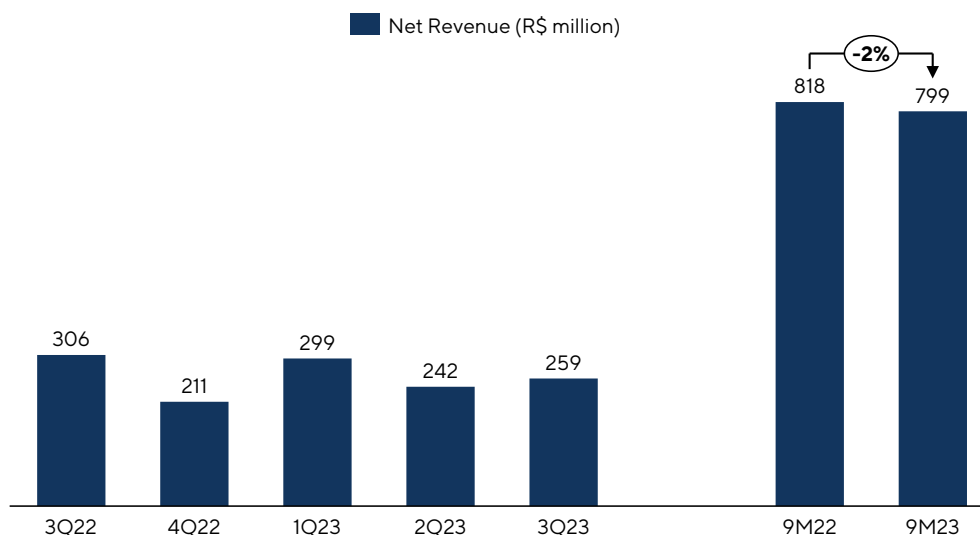
R\$ thousand	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23
Units under construction	101,303	116,313	113,896	119,006	88,128	130,355	141,545	189,940	163,140	136,858	94,857
Units completed	25,983	26,733	25,794	37,127	31,031	40,293	48,959	37,249	19,236	54,836	92,359
Total	127,286	143,046	139,690	156,133	119,159	170,648	190,505	227,189	182,376	191,694	187,216



ECONOMIC AND FINANCIAL PERFORMANCE

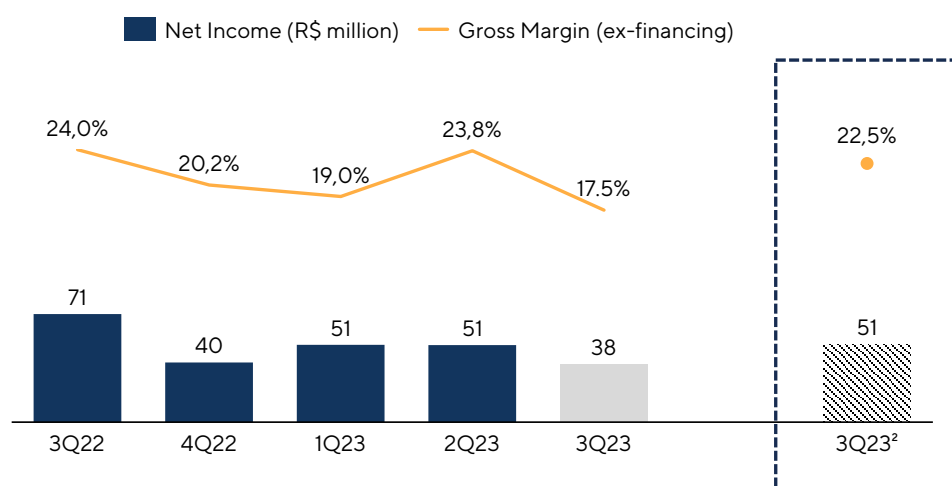
NET REVENUE

In the 3rd quarter of 2023, we had a net operating revenue of R\$ 259 million, -16% when compared to 3Q22. In the year, accumulated net revenue totaled R\$ 799 million, -2% in relation to the same period of 2022.



GROSS INCOME AND GROSS MARGIN

In the quarter, we had R\$ 38 million in gross income. Gross Margin reached 17.5%, excluding effects of financial charges appropriated to cost. In the quarter, the Company reviewed the effects on swap accounting in some Urban Development projects, resulting in a decreased pace in the recognition of revenue, and, but that will not have any impact on the results over the development's life. The circled area shows the adjusted margin excluding the effects of the adjustment.



The next chart shows gross margins: (i) earned, (ii) unearned (REF), and (iii) from inventory (with the effects of financial charges recognized as cost):

Ref. 3Q23 (R\$ million)	Gross Margin	REF Margin ¹	Inventory Gross Margin
Net Revenue	258.7	981.9	1,272.4
COGS	-220.5	-664.1	-954.0
Construction and Land	-213.3	-664.1	-933.7
Financial charges	-7.2	0.0	-20.3
Gross Income	38.2	317.8	318.4
Gross Margin (%)	14.77%	32.37%	25.0%
Gross Margin (%) ex-financing	17.54%	32.37%	26.6%

¹ When REF Margin and Inventory margin are earned, they will benefit from the revenues from services and the indexing of the portfolio by INCC.

Please note Melnick updates the estimated costs of the projects on a monthly basis; not only considering the variation of the INCC index in the period, but also considering the estimated cost effectively updated by our technical department. In the table below, we can see the yearly cost to be incurred in all the projects currently under construction, including sold and unsold units (inventory).

Year	Unearned Cost 3Q23		
	Sold Units (R\$ million)	Units in Inventory (R\$ million)	Total (R\$ million)
2023	153,174	48,175	201,349
2024	327,228	158,785	486,013
2025	151,261	144,610	295,871
2026	32,446	34,340	66,786
Total	664,109	385,909	1,050,018

SELLING, GENERAL & ADMINISTRATIVE, AND OTHER EXPENSES

In the third quarter of 2023, operating expenses totaled R\$ 37.1 million, and R\$ 112.2 million in the year. The increased administrative expenses were timely, and mainly results from expenses with technology services.

The breakdown is as follows:

	3Q22	4Q22	1Q23	2Q23	3Q23	9M22	9M23
Selling	26,855	19,506	15,388	22,184	23,367	62,822	60,938
General and Administrative	13,101	13,586	16,098	14,491	18,534	40,559	49,123
Other expenses, net	9,632	1,425	3,427	3,523	-4,827	23,725	2,127
Operating Expenses	49,588	34,517	34,913	40,198	37,074	127,106	112,187
% of Net Revenue (LTM)	15.23%	15.70%	14.45%	15.04%	14.52%	15.53%	14.04%
% G&A / Net Revenue	4.28%	6.43%	5.38%	6.00%	7.17%	4.96%	6.15%

Other expenses, net (Provisions):

	3Q22	4Q22	1Q23	2Q23	3Q23	9M22	9M23
Contingency fund	5,937	4,579	3,821	3,538	-4,883	11,523	2,476
Provision for cancellations - IFRS 9 (e)	4,977	-3,643	-1,148	195	525	10,224	-428
Other expenses, net	-1,282	489	754	-210	-468	1,979	75
Other expenses, net	9,632	1,425	3,427	3,523	-4,827	23,725	2,123

¹ Explanatory Note 12(d, e) to Financial Statements.

FINANCIAL RESULTS

We closed the quarter R\$ 16.9 million in income, and closed the year with R\$ 44.8 million in income. The breakdown is as follows:

	3Q22	4Q22	1Q23	2Q23	3Q23	9M22	9M23
Financial Expenses	-935	-876	-680	-1,466	-1,330	-2,020	-3,476
Financial expenses	-935	-876	-680	-1,466	-1,330	-2,020	-3,476
Financial Revenue	16,618	18,918	17,176	25,370	23,377	59,981	65,923
Interest from investments	10,454	9,321	10,441	16,215	14,677	30,971	41,333
With customers	6,164	9,598	6,735	9,155	8,700	29,010	24,590
Net Financial Revenue	15,683	18,042	16,496	23,904	22,047	57,961	62,447
Reclassification of expenses recognized as cost	-2,058	-3,155	-5,698	-6,725	-7,170	-6,979	-19,593
Financial Results	13,625	14,887	10,798	17,179	14,877	50,982	42,854

EBITDA¹

EBITDA history is as follows¹:

EBITDA Reconciliation	3Q22	4Q22	1Q23	2Q23	3Q23	9M22	9M23
Profit before IRPJ and CSLL	37,519	22,422	33,498	35,734	26,070	126,330	95,302
(+) Financial Result	-15,683	-18,042	-16,496	-23,904	-24,040	-57,961	-62,447
(+) Depreciation and Amortization	906	1,116	1,067	1,011	1,067	2,816	3,145
EBITDA	22,742	5,495	18,069	12,841	5,090	71,185	36,000
EBITDA Margin	7.42%	2.60%	6.04%	5.31%	1.97%	8.70%	4.50%
(+) Financial expenses recognized as cost	2,058	3,155	5,698	6,725	7,170	6,979	19,593
Adjusted EBITDA	24,800	8,650	23,767	19,566	12,260	78,164	55,593
Adjusted EBITDA Margin (%)	8.09%	4.10%	7.95%	8.10%	4.74%	9.55%	6.96%

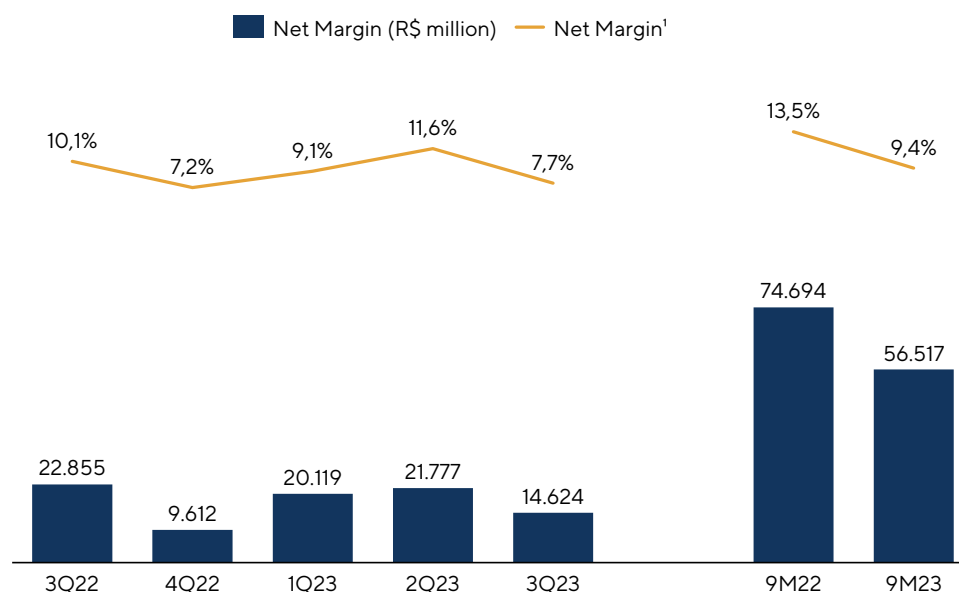
¹ EBITDA: earnings before taxes, interest, financial charges recognized as cost, depreciation, and amortization.

The Company understands Adjusted EBITDA offers a better determination of the operational results.

According to the accounting standards applicable to homebuilders, the financial costs related to construction financing are capitalized at the cost of real estate sold. Therefore, the EBITDA, which should not include interest, includes the part related to construction financing. The balance is presented in explanatory note 7 to the Company's Financial Statements.

NET INCOME AND NET MARGIN

In the third quarter, net income totaled R\$ 14.6 million. Net margin before minorities' interest for the year was at 9.4%.



¹ Given that net income considers minorities' interest, net margin is also related to net income before minorities' interest.

FINANCIAL STRUCTURE

Cash, cash equivalents, bonds and securities, and restricted cash totaled R\$ 447.9 million as of September 30, 2023. Loans and borrowings totaled R\$ 282.2 million, which are entirely guaranteed by receivables or inventory.

Table below shows capital structure. We closed 3Q23 with R\$ 165.6 million in **Net Cash**, accounting for 14.1% of our Equity:

	Set/2023	(R\$ million)
Production SFH	-268.2	95.0%
Production CRI	-14.0	5.0%
Gross Debt	-282.2	100%
Cash	447.9	
Net Cash	165.6	
Equity	1,171.9	
Net Cash / PL	14.1%	

CASH GENERATION / CASH BURN

In the third quarter of 2023, cash generation totaled R\$ 17.7 million. In the year, cash generation totaled R\$ 45.2 million.

Cash burn breakdown for the latest 5 quarters is as follows:

	3Q22	4Q22	1Q23	2Q23	3Q23
Initial Net Debt	-299.1	-200.8	-187.7	-183.1	-181.2
Final Net Debt	-200.8	-187.7	-183.1	-181.2	-165.6
Net debt variation	98.3	13.1	4.6	1.9	15.6
Dividends and contributions	-7	-	-11	-23	-33.3
Stock buyback	-	-	-	-	-
Cash burn	91.3	13.1	-6.4	-21.1	-17.7

ACCOUNTS RECEIVABLE FROM CUSTOMERS

We closed the 3rd quarter of 2023 with R\$ 314.6 million in receivables from finished units. Breakdown of such amounts is as follows:

Nature	(R\$ million)
Customers with fiduciary sale	198.1
Transfers of (non-delinquent and delinquent) customers	138.5
Provision for cancellations	-21.9
Total	314.6

Recognized accounts receivables (R\$ 726.3 million) were stable in relation to the previous quarter. The balance of accounts receivable from the units sold but not finished is not fully expressed as an asset in the financial statements since this balance is recognized as the construction progresses (*percent of completion*).

As per the schedule below, of the total receivables worth R\$ 1.6 billion (earned receivables plus receivables recognized in the balance sheet), R\$ 1.5 billion will become due, and have the following collection schedule:

Year	(R\$ million)
2023	194.2
2024	572.9
2025	386.3
After 2025	377.3
Total	1,530.7

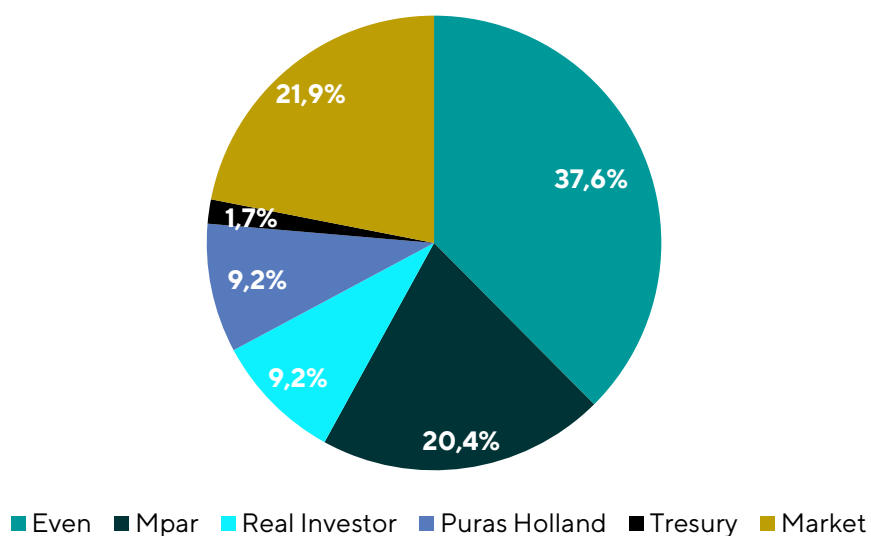
Accounts receivable are adjusted by the INCC index until the delivery of keys and then by the variation of the pricing index (IPCA) plus interest at 10% - 12% per annum recognized pro rata temporis.

Such amounts may be paid by the client, transferred to banks (mortgage to customers), or securitized.

SHAREHOLDING STRUCTURE

Shareholding Structure

(As of 10/31/2023 per CVM 358 + Information from shareholders with a minimum ownership of 5% – source: B3)



(Total shares: 206,269,341)

ANNEXES

ANNEX 1 – Income Statement

(Consolidated - R\$ thousand)

INCOME STATEMENT	3Q22	4Q22	1Q23	2Q23	3Q23	9M22	9M23
Net Revenue from Sales and/or Services	306,411	211,235	298,968	241,671	258,650	818,333	799,289
Cost of Goods Sold	-235,050	-171,735	-247,900	-190,763	-220,457	-622,899	-659,121
Gross Income	71,361	39,500	51,068	50,908	38,193	195,434	140,168
Gross Margin	23.29%	18.70%	17.08%	21.06%	14.77%	23.88%	17.54%
Gross Margin (ex-financing)	23.96%	20.19%	18.99%	23.85%	17.54%	24.48%	19.99%
Operating Expenses	-49,588	-34,517	-34,913	-40,198	-37,074	-127,105	-112,187
Selling	-26,855	-19,506	-15,388	-22,184	-23,367	-62,822	-60,938
General and Administrative	-13,101	-13,586	-16,098	-14,491	-18,534	-40,560	-49,123
Other operating expenses, net	-9,632	-1,425	-3,427	-3,523	4,827	-23,723	-2,127
Operating Income Before Financial Result	21,773	4,983	16,155	10,710	1,119	68,329	27,981
Equity Income							
Equity accounting	63	-604	847	1,120	2,904	40	4,871
Financial Results	15,683	18,043	16,496	23,904	22,047	57,961	62,447
Financial Expenses	-935	-876	-680	-1,466	-1,330	-2,019	-3,476
Financial Revenue	16,618	18,919	17,176	25,370	23,377	59,980	65,923
Profit before IRPJ and CSLL	37,519	22,422	33,498	35,734	26,070	126,330	95,298
IRPJ and CSLL	-6,446	-7,200	-6,439	-7,740	-6,133	-15,958	-20,312
Current	-5,670	-8,409	-4,784	-7,341	-5,371	-13,994	-17,496
Deferred	-776	1,209	-1,655	-399	-762	-1,964	-2,816
Net income before minority shareholders' interest	31,073	15,222	27,059	27,994	19,937	110,372	74,986
Minority shareholders' interest	-8,218	-5,610	-6,940	-6,216	-5,313	-35,603	-18,470
Net Income for the Year	22,855	9,612	20,119	21,778	14,624	74,769	56,517
Net Margin	7.46%	4.55%	6.73%	9.01%	5.65%	9.14%	7.07%
Net Margin (without minorities)	10.14%	7.21%	9.05%	11.58%	7.71%	13.49%	9.38%

ANNEX 2 – Balance Sheet

(Consolidated – R\$ thousand)

ASSETS	9/30/2022	12/31/2022	3/31/2023	6/30/2023	9/30/2023
Cash and cash equivalents	8,882	16,058	17,041	2,113	5,582
Bonds and Securities	328,744	336,366	351,103	408,341	441,263
Restricted cash	-	-	-	0	0
Accounts receivable	251,233	419,707	583,431	583,973	641,850
Properties to be sold	965,827	1,038,295	931,880	947,186	858,523
Other accounts receivable	33,545	33,809	26,851	32,077	32,736
Current Assets	1,588,231	1,844,235	1,910,306	1,973,690	1,979,954
Bonds and Securities LP	0	270	726	9,394	1,022
Accounts receivable	515,108	331,612	282,245	282,761	275,073
Properties to be sold	50,579	94,962	92,260	100,031	135,045
Advances for future investments	3,195	663	322	654	955
Related parties	11,717	236	178	797	425
Other accounts receivable	3,842	3,868	3,918	6,705	10,541
Investments	12,181	12,422	14,330	16,396	19,894
Right of use	4,118	4,118	3,113	2,590	2,189
Property, plant and equipment	8,864	8,486	9,541	9,454	9,568
Intangible assets	289	249	222	191	160
Non-current assets	609,893	456,886	406,855	428,973	454,872
Total assets	2,198,124	2,301,121	2,317,161	2,402,663	2,434,826
LIABILITIES	9/30/2022	12/31/2022	3/31/2023	6/30/2023	9/30/2023
Suppliers	39,653	27,915	30,945	49,107	52,793
Accounts Payable, Real Property Purchase	37,071	66,910	76,370	61,857	77,983
Loans and borrowing	21,736	46,358	33,162	47,585	54,640
Current taxes and contributions	5,564	8,232	6,408	5,754	6,249
Differed taxes and contributions	14,331	13,022	14,816	15,248	16,073
Advances from Customers	464,589	343,114	253,738	288,468	250,387
Proposed dividends	-	11,000	-	33,301	39,799
Provisions	80,087	67,587	61,946	76,790	53,015
Related parties	1,619	1,539	1,812	27,160	37,742
Other accounts payable	21,431	16,151	16,258	29,287	53,027
Current Liabilities	686,081	601,828	495,455	634,557	643,319
Advances from Customers	-	169,379	232,869	153,250	105,574
Accounts Payable, Real Property Purchase	56,293	72,730	74,417	76,364	148,322
Provisions	29,324	31,543	27,573	41,001	34,329
Loans and borrowing	115,082	118,641	152,633	191,035	227,598
Other accounts payable	-	-	-	-	-
Differed taxes and contributions	12,996	11,787	13,443	13,842	14,604
Long-Term Liabilities	213,695	404,080	500,935	475,492	530,427
Capital stock	1,109,029	1,109,029	1,109,029	1,109,029	1,109,029
Treasury Stock	-31,692	-31,692	-22,378	-19,453	-19,453
Costs for subscription of shares	-	-	-	-	-
Equity valuation adjustment	-	-	-	-	-
Legal reserves	-	-	-	-	-
Statutory Reserves	-	-	-	-	-
Stock Option Plan	-	8,946	11,129	9,637	11,441
Profit reserve	121,208	63,518	74,323	54,204	54,203
Retained Earnings	-	-	-	41,893	16,718
Additional proposed dividends	-	56,300	56,300	-	-
Equity	1,198,545	1,206,101	1,228,403	1,195,310	1,171,938
Non-controlling shareholders' interest	99,803	89,112	92,368	97,304	89,142
Total Equity	1,298,348	1,295,213	1,320,771	1,292,614	1,261,080
Total Liabilities and Equity	2,198,124	2,301,121	2,317,161	2,402,663	2,434,826

ANNEX 3 – Cash Flow Statement

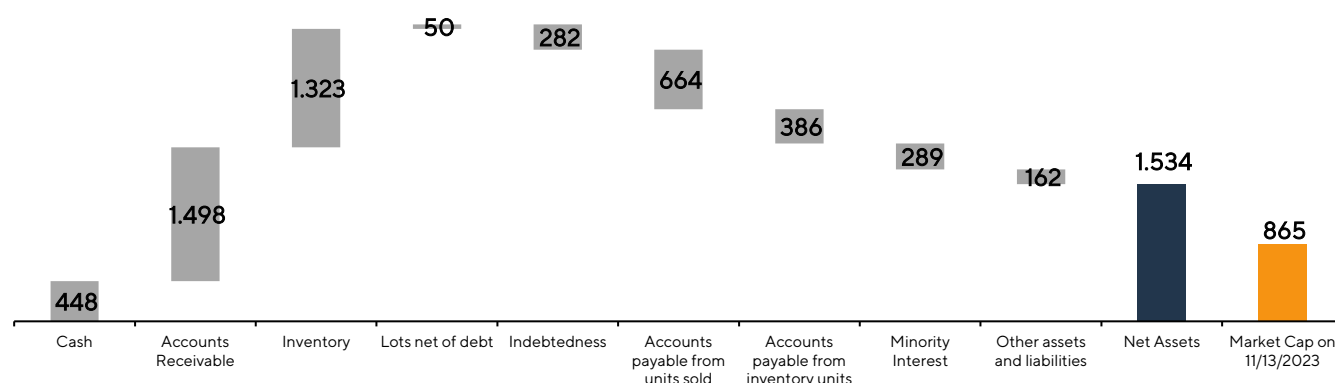
(Consolidated – R\$ thousand)

CASH FLOW FROM OPERATING ACTIVITIES	3Q22	4Q22	1Q23	2Q23	3Q23
Profit before income and social contribution taxes	37,518	22,421	33,498	35,732	26,068
Adjustments to reconcile income before income tax and social contribution					
Equity accounting	-63	604	-847	-1,120	-2,904
Depreciation and amortization	906	1,116	1,067	1,011	1,272
Contingency fund, net	3,868	2,182	2,530	2,573	-5,937
Provision for guarantees, net	1,472	988	1,080	459	1,284
Provision for cancellations, net	-2,091	-5,299	-15,602	29,727	-26,137
Provision for profit sharing	2,514	-8,152	2,381	-4,487	343
Provisioned interest	4,065	3,155	5,698	-20,391	-8,087
Interest and monetary variations expenses	-	-	-	-	-
Interest allocated in bonds and securities	-	-	-	-	-
Variations in current and non-current assets and liabilities:	-	-	-	-	-
Accounts receivable	-18,529	15,022	-114,357	-1,058	-50,189
Properties to be sold	-158,350	-116,851	109,117	-23,077	53,649
Other accounts receivable	-4,107	-290	6,908	-7,743	-4,765
Suppliers	-15,046	-11,738	3,030	18,162	3,686
Accounts Payable, Real Property Purchase	-2,062	46,276	11,147	-12,566	-9,160
Advances from Customers	101,039	47,904	-25,886	-44,889	11,487
Other liabilities	-13,854	3,815	3,916	14,640	29,235
Cash generated (applied) in operations	-62,720	1,153	23,680	-13,027	19,844
Interest paid	-1,254	-7,012	-9,514	-3,099	-484
Paid income tax and social security	-6,445	-7,200	-6,439	-7,741	-6,132
Net cash applied in operating activities	-70,420	-13,059	7,727	-23,866	13,228
CASH FLOW FROM INVESTMENTS					
Bonds and Securities	50,357	-7,892	-15,193	-39,520	-9,873
Acquisition of property, plant and equipment and intangible assets	-545	-698	-1,090	-370	-954
Increase in investments	-5,504	-845	-1,061	-946	-594
Increase of capital in holdings	-	2,541	-	-	-
Income received	-	-	-	-	-
Dividends received	-	-	-	-	-
Related parties	-	-	-	-	-
Increase (decrease) in advance for future capital increase in investees	1,499	2,532	341	-332	-301
Net cash from investments	45,807	-4,362	-17,003	-41,168	-11,452
INVESTMENTS CASH FLOW					
Raised loans and borrowings	45,596	47,754	30,326	88,897	84,322
Amortized loans and borrowings	-97	-15,716	-5,714	-39,238	-46,810
Restricted cash	-	-	-	-	-
Related parties	-32,408	11,401	331	24,729	10,954
Dividend paid	-7,000	1	-11,000	-23,000	-33,300
Acquisition of shares in treasury	-	-	-	-	-
Non-controlling shareholders' transactions	18,879	-16,302	-3,684	-1,281	-13,474
Net cash from financing activities	24,970	27,138	10,259	50,107	1,692
NET INCREASE (DECREASE) OF CASH AND CASH EQUIVALENTS	358	9,717	983	-14,928	3,469
OF CASH AND CASH EQUIVALENTS					

ANNEX 4 – NAV

(Consolidated – R\$ thousand)

Net Assets		9/30/2023
Cash/Cash equivalents and financial investments		447,867
Loans, Financing and Debentures to be paid		(282,238)
Net indebtedness		165,629
Accounts receivable from customers, on-balance		916,923
Accounts receivable from customers, off-balance		999,184
Advances from customers		(355,961)
Taxes on accounts receivable from customers		(62,406)
Building obligations ref. sold properties		(664,109)
Accounts receivable from customers, Net		833,631
Units in inventory at market value		1,299,457
Provision for cancellations at market value		78,362
Taxes on sale of units in inventory		(55,113)
Estimated costs to be incurred on properties in inventory		(385,909)
Adjustment of costs to be incurred from phases already accounted for		-
Net inventory		936,797
Inventory of plots of land, on-balance		276,314
Debt from plots of land, on-balance		(226,305)
Debt from plots of land already launched		(2)
Plots of Land		50,007
Minorities' interest (on-balance)		(89,142)
Minorities' interest (off-balance)		(200,205)
Minority shareholders' interest		(289,347)
Projects consolidated by equity method (on-balance)		19,894
Projects consolidated by equity method (off-balance)		-
Projects consolidated by equity method		19,894
Other assets		56,574
Other liabilities		(238,766)
Other assets (liabilities)		(182,192)
Net Assets		1,534,419



ANNEX 5 – Land Bank

The chart shows land purchased by the Company, per development, as of September 30, 2023:

Plot of Land	Location	Date of Purchase	Areas (m ²)		Units	Expected PSV	
			Plot of Land	Usable		Total	Melnick
Plot - I	Urban Development	May/10	394,157	222,698	389	322,438	120,626
Plot - II	Urban Development	May/10	275,664	155,750	243	225,506	72,160
Plot - III	Urban Development	May/10	284,752	160,885	243	232,940	72,160
Plot - IV	Homebuilder	Sep/14	44,145	22,541	352	152,563	135,755
Plot - V	Homebuilder	Jan/17	11,123	35,811	756	318,939	318,939
Plot - VI	Homebuilder	Sep/14	15,475	7,273	194	53,480	47,588
Plot - VII	Homebuilder	Sep/14	40,206	22,447	288	138,950	123,642
Plot - VIII	Homebuilder	Dec/14	5,024	10,820	54	90,371	74,865
Plot - IX	Urban Development	Nov/16	375,449	137,307	393	57,184	19,071
Plot - X	Urban Development	Jan/17	422,603	169,905	876	127,691	42,474
Plot - XI	Homebuilder	Jan/18	17,168	34,498	416	260,548	260,548
Plot - XII	Homebuilder	Jan/18	17,168	33,895	260	278,856	278,856
Plot - XIII	Urban Development	Feb/18	1,007,596	340,909	1,251	102,503	48,448
Plot - XIV	Urban Development	Feb/18	1,166,354	289,434	1,446	253,660	115,987
Plot - XV	Homebuilder	May/21	4,052	6,376	100	50,941	33,112
Plot - XVI	Urban Development	Jul/18	172,661	86,729	462	47,082	14,124
Plot - XVII	Homebuilder	Nov/18	7,947	12,726	326	174,050	138,335
Plot - XVIII	Homebuilder	Nov/18	4,671	6,431	109	73,012	56,220
Plot - XIX	Homebuilder	Nov/20	10,555	18,976	162	265,343	209,206
Plot - XX	Homebuilder	May/21	3,197	9,140	48	106,294	106,294
Plot - XXI	Homebuilder	Jul/21	2,788	6,864	42	120,045	89,081
Plot - XXII	Homebuilder	Sep/21	6,738	17,121	36	389,422	347,795
Plot - XXIII	Homebuilder	May/22	28,869	17,561	124	220,916	220,916
Plot - XXVI	Homebuilder	Jun/22	9,316	23,090	495	280,420	264,997
Plot - XXV	Homebuilder	Oct/21	25,225	7,680	114	62,258	54,672
Plot - XXVI	Urban Development	Oct/22	151,576	69,549	271	86,200	28,231
Plot - XXVII	Urban Development	Mar/23	260,569	66,719	233	107,345	36,438
Plot - XXVIII	Urban Development	Mar/23	111,328	64,849	303	63,422	29,491
Plot - XXIX	Homebuilder	Feb/23	2,237	5,920	39	102,190	35,935
Plot - XXX	Homebuilder	May/23	1,917	6,103	138	107,136	77,637
Plot - XXXI	Urban Development	May/23	57,522	46,113	133	101,380	43,823
Plot - XXXII	Urban Development	May/23	56,657	41,919	131	92,221	42,883
Plot - XXXIII	Urban Development	May/23	42,740	31,622	99	69,569	32,349
Plot - XXXIV	Urban Development	May/23	57,410	31,569	99	69,452	32,295
Plot - XXXV	Urban Development	May/23	57,557	42,584	133	93,686	43,564
Plot - XXXVI	Urban Development	Mar/23	132,166	47,849	132	78,229	22,917

ANNEX 6 – Sales evolution and financial evolution of cost

The following chart presents the sales position and the financial evolution of the cost for our projects as of 9/30/2023 when compared to 6/30/2023, 3/31/2023 and 12/31/2022:

Project	Launch	%Melnick	% Sold			% PoC		
			30/09/2023	30/06/2023	31/03/2023	30/09/2023	30/06/2023	31/03/2023
Hom	4Q10	100%	99%	99%	99%	100%	100%	100%
Grand Park Eucaliptos	3Q11	100%	100%	100%	100%	100%	100%	100%
Cobal - Rubi	4Q11	100%	100%	100%	100%	100%	100%	100%
Design Office Center	3Q12	100%	99%	99%	99%	100%	100%	100%
Hom Lindaia	4Q12	100%	92%	92%	91%	100%	100%	100%
Nine	4Q12	100%	99%	99%	99%	100%	100%	100%
Icon - RS	1Q13	100%	90%	90%	91%	100%	100%	100%
Icon RS - 2° Fase	2Q13	100%	99%	99%	100%	100%	100%	100%
Window RS	4Q13	100%	100%	99%	99%	100%	100%	100%
Anita Garibaldi	4Q13	100%	93%	93%	93%	100%	100%	100%
Icon RS - 3° Fase	2Q14	100%	100%	100%	99%	100%	100%	100%
Viva Vida Boulevard	4Q14	100%	95%	95%	95%	100%	100%	100%
Hom Nilo	3Q15	100%	90%	88%	87%	100%	100%	100%
MaxPlaza	4Q15	100%	87%	86%	85%	100%	100%	100%
Central Park-1° fase	1Q16	60%	70%	73%	72%	93%	93%	93%
Supreme Central Parque	1Q16	100%	100%	100%	99%	100%	100%	100%
Central Park-2° fase	2Q16	60%	75%	76%	76%	93%	93%	93%
DOC Santana	2Q16	100%	86%	81%	72%	100%	100%	100%
MaxPlaza-2° fase	2Q16	100%	57%	57%	59%	100%	100%	100%
Supreme Higienopolis	3Q16	100%	100%	100%	100%	100%	100%	100%
Reserva Bela Vista	4Q16	60%	93%	92%	92%	100%	100%	100%
Reserva do Lago	4Q16	60%	83%	41%	41%	100%	100%	100%
Vida Viva Horizonte - 2° fase	4Q16	100%	94%	94%	94%	100%	100%	100%
Grand Park Lindóia - Fase 1	4Q16	100%	83%	83%	82%	100%	100%	98%
Linked Teresópolis	3Q17	100%	67%	65%	63%	100%	100%	100%
Domingos de Almeida	3Q17	60%	90%	87%	85%	100%	100%	100%
Grand Park Lindóia - Fase 2	4Q17	100%	79%	78%	76%	100%	100%	98%
GO 1092	4Q17	100%	99%	99%	100%	100%	100%	100%
Península (Brilhante)	4Q18	100%	98%	98%	99%	100%	100%	100%
Vida Viva Linked	1Q18	100%	86%	81%	79%	100%	100%	100%
Pontal	3Q18	100%	84%	84%	86%	100%	100%	96%
Praça do Sol	4Q18	48%	82%	81%	79%	100%	100%	99%
Vivio Lindaia	4Q18	100%	95%	92%	91%	100%	100%	100%
Artur 505	4Q18	100%	100%	100%	100%	100%	100%	99%
Teena	1Q19	100%	93%	93%	93%	100%	91%	87%
Pontal - 2° fase	1Q19	100%	86%	91%	94%	100%	100%	96%
Central Park-3° fase	3Q19	60%	0%	0%	1%	93%	93%	93%
High Garden	3Q19	100%	95%	98%	98%	100%	100%	98%
Central Park Passo Fundo	4Q19	35%	99%	100%	100%	100%	100%	93%
OPEN Canoas Centro - Fase 1	4Q19	100%	100%	100%	100%	92%	90%	86%
Radisson Moinhos 1903	4Q19	100%	92%	95%	100%	100%	100%	98%
CasaVista	4Q19	100%	100%	83%	78%	100%	95%	92%
Sunset	1Q20	50%	100%	100%	100%	100%	100%	100%
GO24	1Q20	100%	95%	95%	93%	100%	100%	98%
Carlos Gomes Square - Fase 1	2Q20	100%	82%	82%	82%	85%	81%	76%
OPEN Canoas Centro - Fase 2	4Q19	100%	98%	99%	98%	92%	90%	86%
Carlos Gomes Square - Fase 2	3Q20	100%	88%	87%	85%	85%	81%	76%
Supreme Altos do Central Parque	4Q20	100%	89%	91%	88%	95%	92%	87%
Gran Park Lindaia - F3	1Q21	100%	87%	85%	81%	100%	100%	98%
Go Rio Branco	1Q21	100%	98%	100%	97%	93%	86%	80%
Casaviva	1Q21	50%	100%	100%	100%	100%	95%	95%
Botanique Residence	1Q21	100%	91%	93%	91%	83%	78%	73%
Seen Boa Vista	2Q21	100%	77%	79%	73%	76%	72%	67%
Hillside	3Q21	100%	90%	88%	85%	81%	73%	65%
Arte Country Club	3Q21	82%	93%	93%	93%	73%	70%	64%
GO Cidade Baixa	4Q21	100%	80%	76%	74%	63%	59%	53%
GO Carlos Gomes	4Q21	100%	74%	75%	66%	74%	69%	61%
Nilo Square - Residencial	1Q22	50%	63%	56%	48%	34%	30%	26%
Zen Concept Resort	1Q22	35%	99%	99%	99%	80%	72%	63%
Open Protásio	1Q22	100%	88%	90%	79%	57%	47%	39%
Nilo Square F2	2Q22	50%	84%	80%	71%	34%	30%	26%
Open Canoas Centro - Fase 3	2Q22	100%	99%	100%	91%	92%	90%	86%
Seen Menino Deus	3Q22	100%	71%	66%	61%	52%	50%	47%
Ther Garden - Residencial 1	3Q22	25%	94%	96%	95%	80%	73%	67%
The Garden - Residencial 2	4Q22	25%	85%	78%	72%	60%	58%	60%
Grand Park Moinhos - Fase 1	4Q22	100%	91%	88%	82%	33%	29%	28%
Arbo Village Park	4Q22	33%	50%	42%	35%	54%	49%	48%
Nilo Square Hotel	1Q23	50%	100%	100%	98%	34%	30%	26%
Grand Park Moinhos - Fase 2	1Q23	100%	53%	43%	22%	33%	29%	28%
Arte Cidade Nilo - Fase 1	1Q23	100%	35%	29%	22%	32%	31%	29%
The Garden - Residencial 3	3Q23	25%	34%			82%		
Go Bom Fim	3Q23	65%	49%			27%		
Casa Moinhos	3Q23	100%	55%			49%		

DISCLAIMER

The statements within this release, which refer to business prospects, estimates of financial and operating results, and growth prospects that affect the Melnick's activities, as well as any other statements about the future of the Company's business, constitute estimates and statements about the future and involve risk and uncertainties; therefore, they are not assurances of future results. Such considerations depend significantly on changes in market conditions, governmental regulations, pressure from the competition, performance of the industry and of the Brazilian economy among other factors. As such, they are subject to changes without notice.

RELATIONSHIP WITH INDEPENDENT AUDITORS

In compliance with CVM Instruction 381/03, we inform that the independent auditors from Deloitte Touche Tohmatsu Auditores Independentes, during the quarter and year ended September 30, 2023, did not provide any services other than those related to external auditing. The Company's policy regarding the hiring of independent auditing services ensures there is no conflict of interests or loss of independence or objectivity.