Earnings Release

Melnick discloses 3Q21

Porto Alegre, November 10th, 2021, Melnick Desenvolvimento Imobiliários (B3: MELK3), a construction and real estate development company strategically focused in the south region with operations in real estate projects and lot development, announces its results for the third quarter of 2021 (3Q21). Except where stated otherwise, the consolidated financial and operating information herein is presented in Brazilian Reais (R$).

Highlights

- Launches in the last 12 months totaled R$967 million in the period, 43% of which have already been sold.
- Net income of R$20mm in 3Q21, the highest level in the last 5 quarters.
- R$73 million distributed in buyback programs and dividends in 2021, equivalent to 9% of the company's market value.

STOCK PRICE CLOSED ON 10/11/2021
PRICE PER SHARE: R$4,18
NUMBER OF SHARES: 207,969,341 (202.184.441 shares ex-treasury)
MARKET CAP: R$845 milion (ON 10/11/2021)

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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 (ITR), such as: Potential Sales Value (PSV), Total Sales, Even's Sales, Usable Area, Units, Inventories at Market Value, Launches, Expected Delivery Year, Backlog Gross Margin and other items, were not audited by the independent auditors. Except when stated otherwise, the comparisons in this quarter report refer to the numbers verified in the third quarter of 2021 (3Q21).

Content

MESSAGE FROM MANAGEMENT[1]

The third quarter of 2021 followed a dynamic very similar to the first two quarters: the market continues to adjust to high cost inflation and new sales prices, which also continue to rise, although at a pace slightly below the INCC. This movement continues to pressure the speed of sale of the projects, which caused a replanning of our volume of launches for the year, maintaining our strategy of only placing on the market products that we believe are suitable for the moment.

On the other hand, our receivables portfolio, which currently exceeds R$1 billion, is all indexed to inflation (INCC during construction and IPCA post-occupancy) and is at the lowest default level in recent years, thus capturing all inflationary adjustments of the period.

We launched two more launches in the quarter, one in July and one at the end of September – the latter being the Arte Country Club project, a high-end product that has already sold 40.3% today. As a result, we reached R$967 million in PSV launched in the last 12 months, 43% of which were already sold by the end of September.

On the new development area, we continue to take advantage of our leadership position to make good deals in this moment of more uncertain market. As a result, during the quarter we acquired three new lands with a potential PSV of R$317 million. We currently have approximately R$1.3 billion of potential PSV in projects that have already been approved, which shows that the company is very well positioned to launch products in line with market demand.

Our strong cash position also allows us to take advantage of the capital market momentum to repurchase the company's shares. In the third quarter alone, we repurchased R$5 million, totaling R$31 million for the year. In addition to this, we will distribute R$42 million in dividends, thus adding R$73 million of capital return to shareholders for the year, 9% of the company's market value.

Finally, we posted net income of R$20 million in the quarter, totaling R$47 million in the nine months of the year. We constantly reinforce, internally and externally, our long-term strategic orientation. Our current planning is based on three pillars: financial strength, operational capacity and outstanding products. With a long-term mentality, great focus on planning and based on the constant strengthening of these pillars, we maintain our main objective, which is to deliver a high return on invested capital measured through ROE.

[1] This document contains certain forward-looking statements and information relating to Melnick, which reflect the Company's current views and/or expectations in respect to its performance, businesses and future events. Any statements bearing predictions, expectations or estimates of future results, performance or objectives, as well as such terms as "we believe", "we estimate", among others with a similar meaning should not be construed as guidance. Such statements are subject to risks, uncertainties and future events.

MAIN INDICATORS (R$ '000)

Consolidated Financial Information	2Q20	3Q20	4Q20	2020	1Q21	2Q21	3Q21
Net Sales	187,589	111,748	147,899	581,449	165,035	183,530	186,616
Gross Profit	41,806	32,905	23,095	130,067	39,704	42,604	48,938
Adjusted Gross Margin	26,1%	36,5%	17,4%	26,3%	26,1%	24,5%	26,6%
Net Profit	22,355	10,102	7,013	42,513	14,609	12,326	19,725
Net Margin Before Part. Minority shareholders	15,1%	9,6%	5,7%	9,8%	12,7%	6,7%	10,6%
LTM ROAE (with minority shareholders)	11%	7,1%	6,4%	6,4%	7,5%	5,7%	6,3%
Backlog Revenue (after PIS-COFINS)	738,354	758,413	753,926	753,926	808,612	828,175	809,292
Backlog Costs (after PIS-COFINS)	(521,900)	(536,126)	(540,158)	(540,158)	(584,728)	(597,083)	(584,259)
Backlog Profit (after PIS-COFINS)	216,634	222,287	213,778	213,778	223,884	231,092	225,033
Backlog Margin -%	29,3%	29,3%	28,4%	28,4%	27,7%	27,9%	27,8%
Net Debt	(14,744)	(595,419)	(622,307)	(622,307)	(603,407)	(586,202)	(568,200)
Cash Burn (ex-dividends and IPO)	(115,764)	(33,575)	(28,588)	(175,536)	3,396	22,866	53,083

Launches	2Q20	3Q20	4Q20	2020	1Q21	2Q21	3Q21
Launched Projects	2	1	1	6	4	1	2
PSV of Launches (100%)	332,458	90,689	115,170	686,232	470,487	134,105	247,397
PSV of Launches (Melnick's share)	244,583	86,155	88,339	500,425	334,921	97,764	162,520
Number of Units Launched	322	179	184	1,183	808	49	62
Usable Area (sq.m.)	24,227	6,819	12,334	146,160	136,211	8,460	12,974
Average Launch Price (R$/sq.m.)	10,625	13,300	7,520	3,758	2,816	12,134	14,751
Average Price Unit Launched (R$ thousand / unit)	2,663	481	480	4,102	451	1,995	2,940

Net Sales	2Q20	3Q20	4Q20	2020	1Q21	2Q21	3Q21
Net Sales (100%)	233,672	134,693	36,658	508,596	142,494	116,253	89,517
Net Sales (Melnick's share)	230,664	126,392	31,456	472,491	109,592	115,117	81,064
SOS (Melnick's share)	30,2%	21,6%	10,9%	10,9%	12,4%	14,0%	8,9%
Launch SOS (Melnick's share)	62,5%	38,8%	15,6%	46,3%	30,6%	11,9%	21,0%

Deliveries	2Q20	3Q20	4Q20	2020	1Q21	2Q21	3Q21
PSV Delivered (100%)	64,640	185,381	37,854	287,875	-	120,599	192,806
PSV Delivered (Melnick's share)	23,601	129,793	28,274	181,668	-	90,316	183,166
Number of Developments Delivered	1	2	1	4	-	1	2
Number of Units Delivered	95	701	77	873	-	190	492

Land Bank	2Q20	3Q20	4Q20	2020	1Q21	2Q21	3Q21
Land Bank (100%)	4,040,406	4,282,395	4,907,003	4,907,003	4,722,888	5,242,092	4,722,888
Land Bank (% Melnick's share)	3,543,994	3,498,309	3,665,118	3,665,118	3,409,763	3,628,334	3,409,763

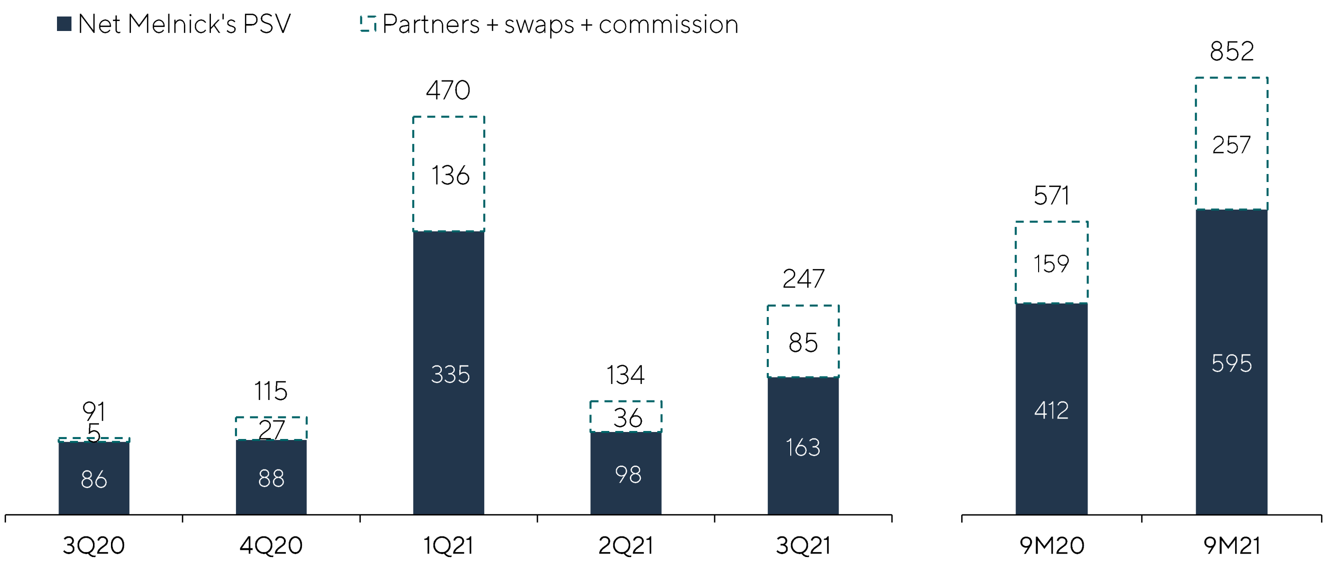
OPERATING PERFORMANCE

LAUNCHES

In the third quarter of 2021, there were two projects launched amounting to R$ 247.4 million gross PSV (R$ 162.5 million net Melnick's PSV), totaling R$852 million gross PSV (R$595.2 million net Melnick's PSV) during the the year.

Projects	Business	Gross PSV[2] (R$ ´000)	Net PSV[3] (R$ ´000)	Melnick's PSV (R$ ´000)	Usable Area (sq.m.)[4]	Unit[4]	Average Unit Value (R$ ´000)	Segment
1st quarter		**470,487**	**363,975**	**334,921**	**136,211**	**808**	**451**	
Go Rio Branco	R.E.	93,933	71,394	71,394	6,634	183	390	Residencial
Grand Park Lindóia – F3	R.E.	117,158	89,599	89,599	12,628	190	472	Residencial
Casa Viva	LOT	77,721	72,637	43,582	105,957	332	219	Lot development
Botanique	R. E.	181,676	130,346	130,346	10,992	103	1.265	Residencial
2nd quarter		**134,105**	**97,764**	**97,764**	**8,460**	**49**	**1,995**	
Seen Boa Vista	R.E.	134,105	97,764	97,764	8,460	49	1,995	Residencial
3rd quarter		**247.397**	**182.269**	**162.520**	**12.974**	**62**	**2.940**	
HillSide	R.E.	55,523	45,119	45,119	4,439	34	1,327	Residencial
Arte Country Club	R.E.	191,874	137,151	117,401	8,535	28	4,898	Residencial
Total		**851,990**	**644,008**	**595,205**	**157,644**	**919**	**701**	

[2] PSV gross of swaps and commission.
[3] PSV net of swaps and commission.
[4] Net of swaps.

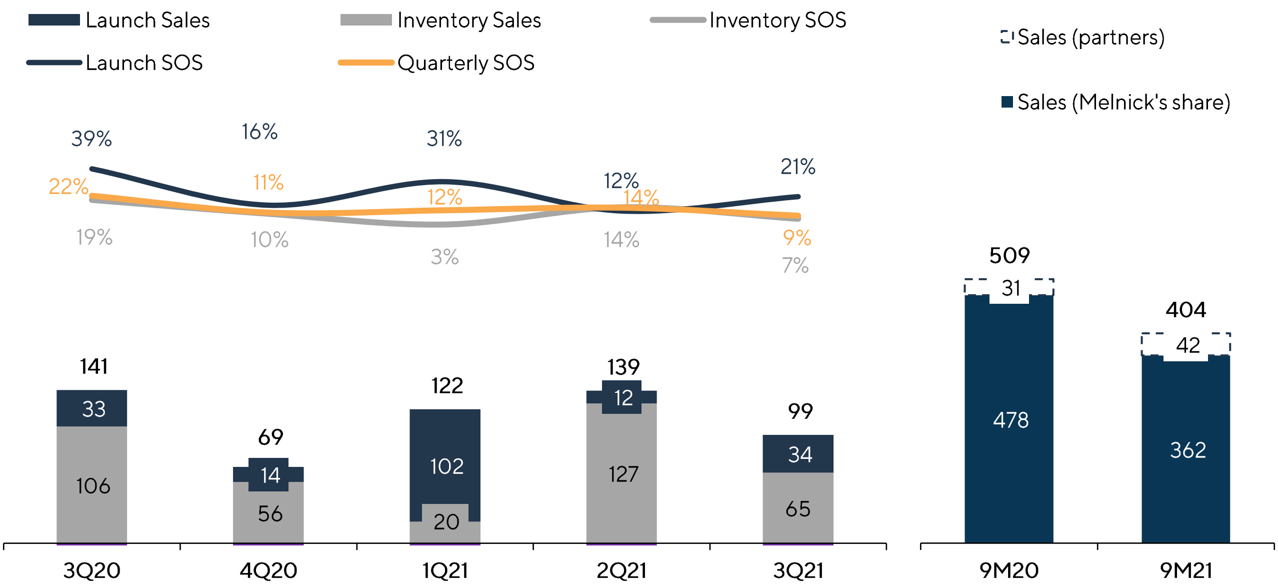


GROSS AND NET SALES

In the third quarter of 2021, gross and net current sales totaled respectively R$ 108 million (Melnick's share) and R$ 99 million (Melnick's share), as shown below:

Composição das vendas do período (R$ milhões, % Melnick)	3Q20	4Q20	1Q21	2Q21	3Q21
Gross Sales	**154**	**83**	**135**	**156**	**108**
Inventory	121	69	33	144	74
Launches	33	14	102	12	34
Current cancellations	(15)	(14)	(13)	(16)	(9)
Current net sales	**139**	**69**	**122**	**140**	**99**
Resolution of the provision of cancellations	(13)	(38)	(13)	(25)	(18)
Sales net of provisioned cancellations	126	31	109	115	81

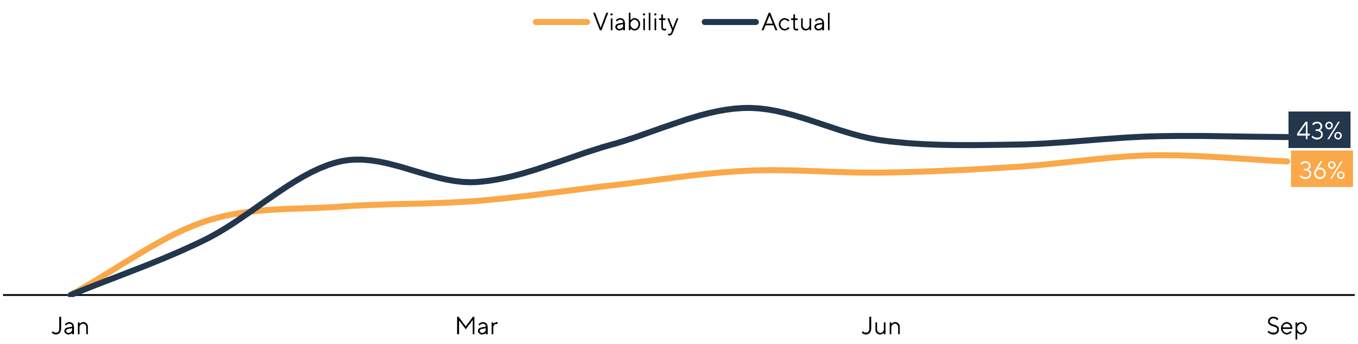
Below we show the evolution of sales speeds in the last five quarters and our total sales in the nine months of 2021 and 2020:



The Arte Country Club project had its incorporation record issued on September 21, 2021.

<u>Tracking sales of 2021 launches:</u>

We demonstrate below that our launches are performing above our viability, and on September 30, 2021, were sold on average 43%:



The table below shows the breakdown of sale by business unit:

Business unit	Total Sales (R$ '000)		Melnick Sales (R$ '000)		Usable area (sqm)		Units.	
	3Q21	2021	3Q21	2021	3Q21	2021	3Q21	2021
Real State	96,574	260,124	92,091	255,642	7,717	22,664	83	305
Lot development	8,459	93,135	4,385	55,024	20,504	136,989	67	415
Open	1,975	12,496	1,975	12,496	484	3,044	11	69
Total	**107,008**	**365,755**	**98,451**	**323,161**	**28,705**	**162,697**	**161**	**789**

The table below gives a breakdown of sale by launch year:

Year of launch	Total Sales (R$ '000)		Melnick Sales (R$ '000)		Usable area (sqm)		Units.	
	3Q21	2021	3Q21	2021	3Q21	2021	3Q21	2021
Up to 2014	868	5,903	868	5,903	53	694	2	12
2015	6,006	6,920	6,006	6,920	716	839	15	19
2016	1,726	11,487	1,727	(10,215)	2,450	(9,017)	17	(63)
2017	(1,083)	(13,689)	(2,044)	(17,078)	2,021	6,454	1	(27)
2018	862	(10,095)	(1,376)	(12,915)	11,922	13,605	30	10
2019	1,509	25,327	1,058	25,243	2,207	(385)	(4)	(12)
2020	19,330	74,872	18,906	70,837	3,397	25,588	49	218
2021	77,790	288,003	73,307	254,466	5,938	124,919	51	632
Total	**107,008**	**365,755**	**98,451**	**323,161**	**28,705**	**162,697**	**161**	**789**

Finally, the table below gives a breakdown of sale by launch segment:

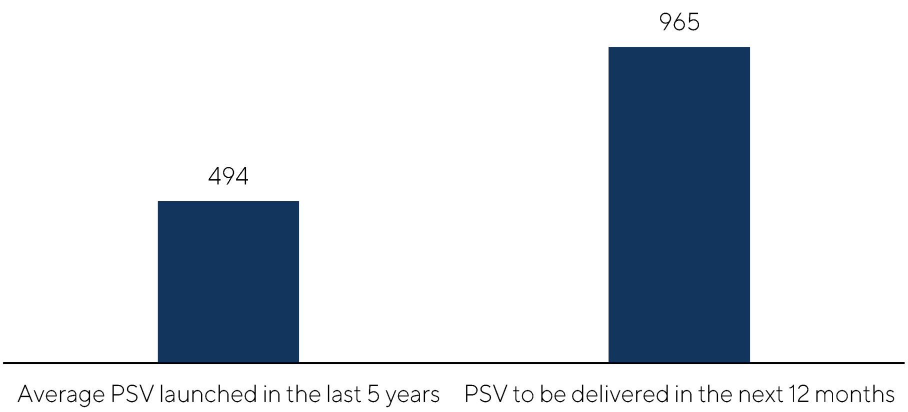
Segment	Total Sales (R$ '000)		Melnick Sales (R$ '000)		Usable area (sqm)		Units.	
	3Q21	2021	3Q21	2021	3Q21	2021	3Q21	2021
Residential	76,828	206,702	72,346	202,220	5,483	17,800	62	296
Commercial	(155)	(853)	(155)	(853)	244	(316)	(7)	(44)
Mixed use	6,153	1,805	6,153	1,805	759	225	17	8
Open	1,975	12,496	1,975	12,496	484	3,044	11	69
Lot development	22,206	145,604	18,132	107,494	21,735	141,944	78	460
Total	**107,008**	**365,755**	**98,451**	**323,161**	**28,705**	**162,697**	**161**	**789**

PROVISION FOR CANCELLATION

Below, we can observe the evolution of the provision for cancellation in the amont of appropriate revenue:

The accounting of this provision for contracts that show defaults is made affecting the Company's gross profit. For the forecast of future cancellations, including non-performing contracts, required as of the entry into force of IFRS9 on January 1, 2018, the provision is classified as "other operating expenses".

PSV delivered in the quarter and to be delivered in the next 12 months:



As of September 30, 2021, the effect of the cancellation provision on the balance sheet is R$ 33.9 million:

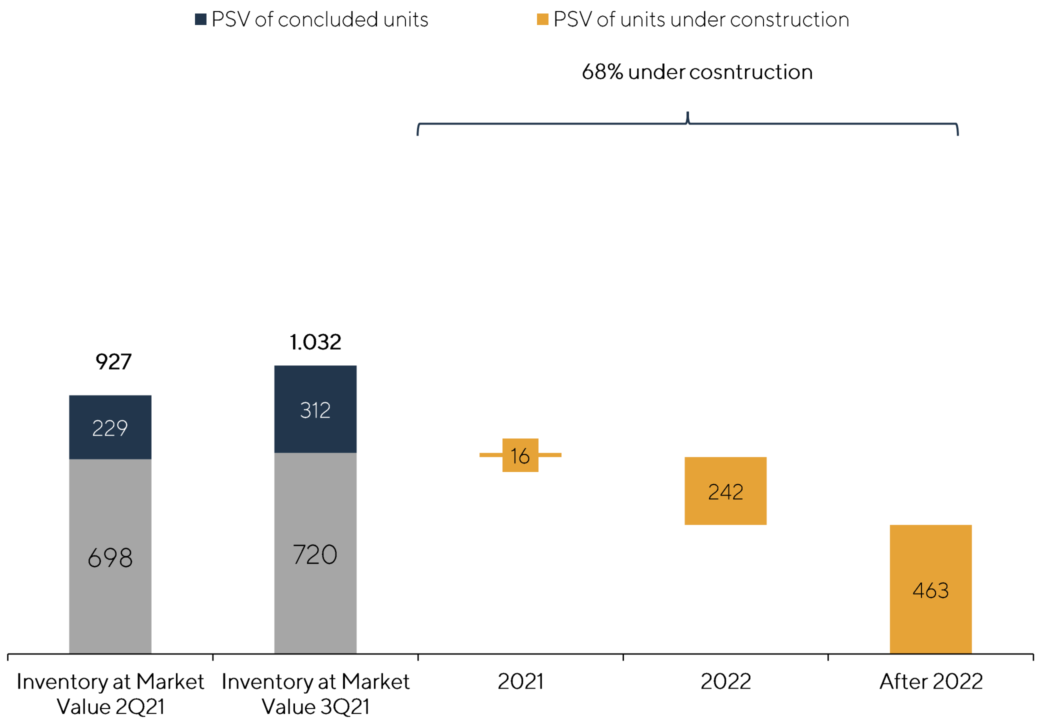
Balance sheet	09/30/2021
Accounts receivable	(93.0)
Properties for sale	97.3
Constitution of accounts payable / provision for cancellations	(38.1)
Effect on income	33.9

INVENTORY

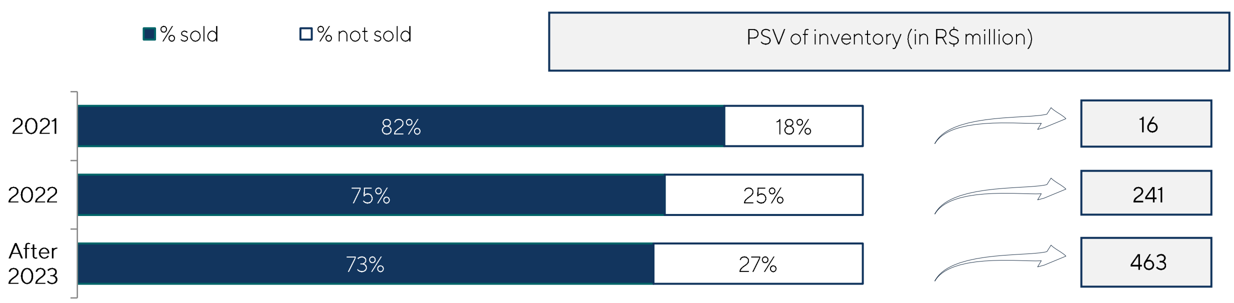
The inventory ended the 3Q21 amounting R$ 1.032 million in potential sales value (Melnick's share), equivalent to 1 year and 7 months of gross sales, based on the pace of gross sales in the last 12 months.

Estimated year of completion	Total Inventory (R$ '000)	Inventory at Melnick's share (R$ '000)	% Value	Units	% Units
Concluded units	323.015	312.189	30%	989	49%
2021	16.954	16.328	2%	44	2%
2022	250.385	241.310	23%	436	21%
After 2022	483.227	462.541	45%	563	28%
Total	1.073.580	1.032.368	100%	2.032	100%

Of the Company's total inventory, 68% is under construction, of which 64% will be delivered in 2022 or after:



The graph below shows the percentage of projects sold by expected year of completion:



The table below gives a breakdown of inventory PSV by year of launch:

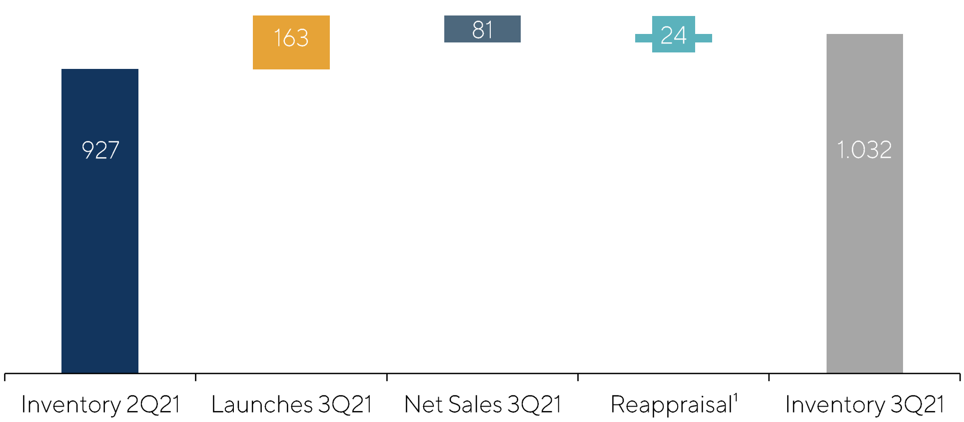
Year of launch	Total PSV	Melnick's PSV	Projects	Units	% Units
Up to 2014	41,771	41,771	12	105	5%
2015	88,524	88,524	2	164	8%
2016	77,485	70,005	9	367	18%
2017	88,118	84,772	4	294	14%
2018	70,967	61,891	5	195	10%
20;19	156,504	150,088	8	359	18%
2020	179,089	178,742	6	266	13%
2021	371,123	356,576	6	282	14%
Total	**1,073.580**	**1,032.368**	**52**	**2,032**	**100%**

And below, our inventory per business unit:

Business unit	Total PSV	Melnick's PSV	Melnick's PSV completed	Finished Inventory		Inventory under Construction	
	(R$ '000)	(R$ '000)	(R$ '000)	Projects	Units	Projects	Units
Real State	992,166	977,620	295,950	23	655	18	617
Lot development	61,213	34,547	16,239	5	334	4	329
Open	20,201	20,201	0	0	0	2	97
Total	**1,073.580**	**1,032.368**	**312,189**	**28**	**989**	**24**	**1,043**

It is worth noting that the company is constantly reappraising its inventory in order to reflect the best expected sales price, given the current state of the market.

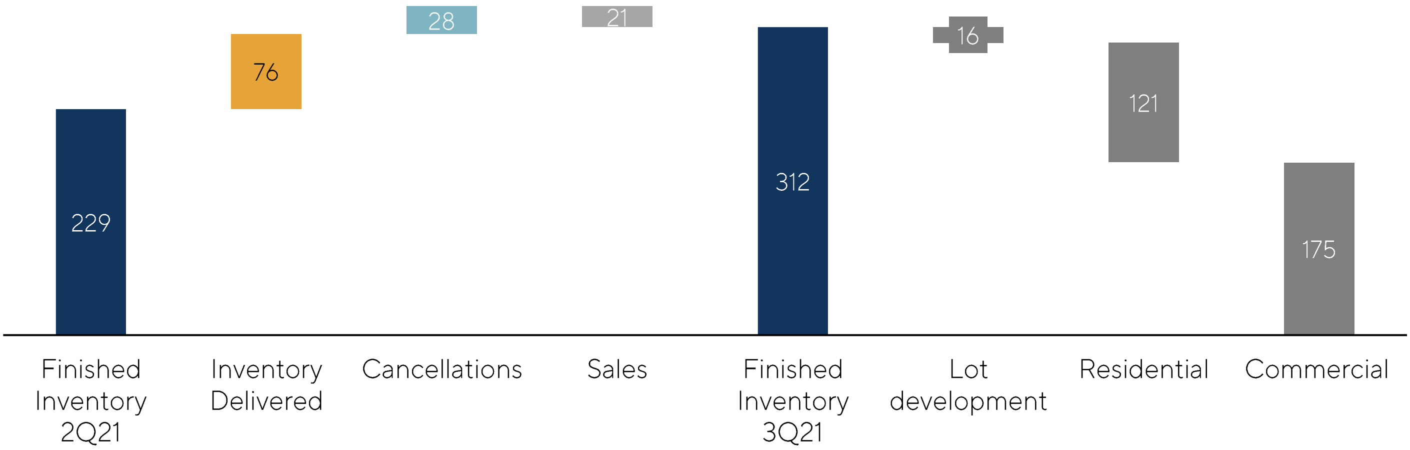
Inventory – quarterly variation
PSV (Melnick's share) in R$ million



[1] Update of the INCC and readjustment to the market price practiced in the last sales.

FINISHED INVENTORY

As the graphic bellow shows, we sold R$19 million (Melnick's share) of finished inventory in the 3Q21, reaching a ready inventory of R$ 312 million.



[1] Considering that 100% of the cancellations are from finished units.

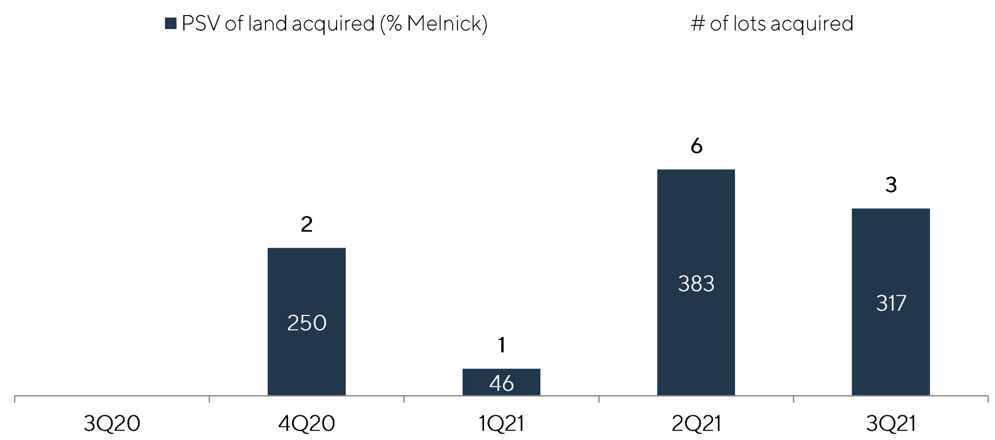
As a strategy to accelerate sales of commercial inventories, in 2019 we started a reversible lease program, which consists of the lease of our ready-to-sell inventory with a purchase option by the lessee during the lease period, using the amounts paid on a rental basis as at the time of purchase. Until september 30, 2021, we had R$ 42 million of our inventory leased under this strategy.

LAND BANK

Our potential sales value of the land bank on September 30, 2021 was R$ 3.8 billion (Melnick's share).

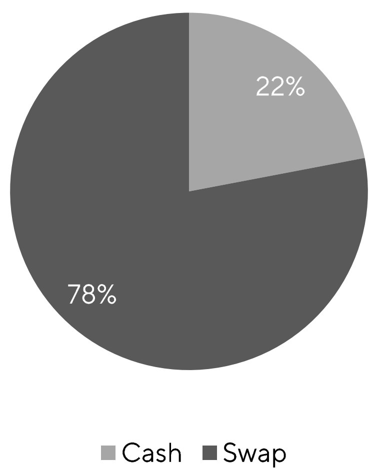
Business unit	# of Launches	Area (sqm)	Units	Total Gross PSV (R$ '000)	Melnick's share Net PSV (R$ '000)
Real Estate	21	230,921	4,613	3,615	2,974
Lot development	15	4,237,816	7,354	1,698	741
Open	3	18,155	496	102	83
Total	39	4,486,892	12,463	5,415	3,798

Below we show the evolution of land bank acquisitions in the last five quarters:



During the third quarter of 2021, we made important land acquisitions with a potential PSV of R$ 317 million, two of which from our real estate unit and one from Open.

As of September 30, 2021, the form of acquisition of our land bank is as follows:



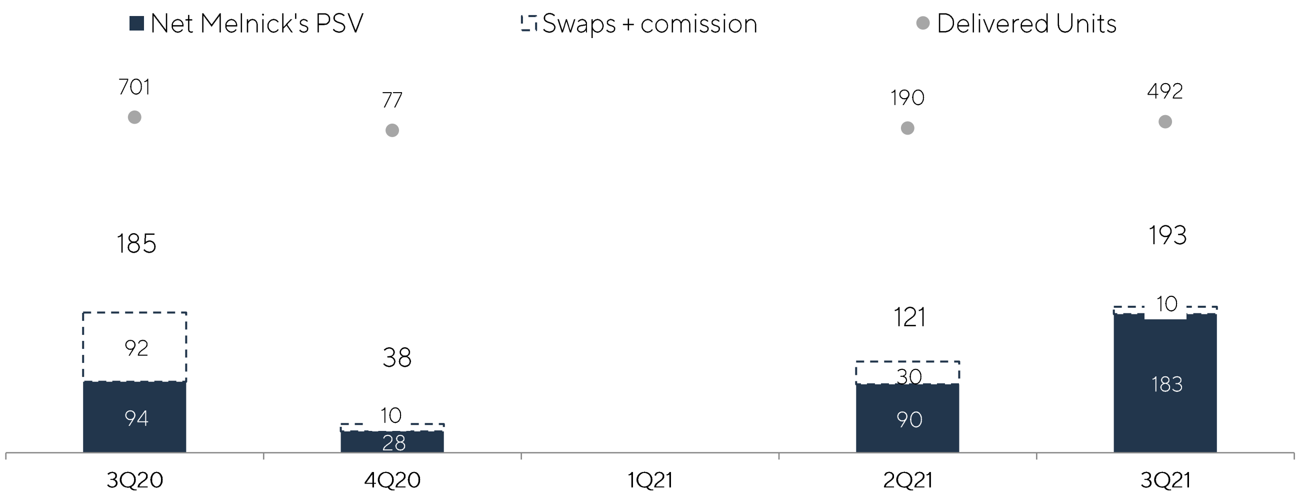
This quarter, we consolidated 3 partnerships with local companies in Porto Alegre, with the acquisition of 3 plots of land with a potential PSV of R$ 122 million (Melnick's share).

DELIVERY AND EXECUTION OF PROJECTS

In the third quarter of 2021, we delivered two projects with gross PSV of R$ 192.8 million (R$ 183.2 million net Melnick's PSV):

Projects	Business	Gross PSV[2] (R$ ´000)	Net PSV[3] (R$ ´000)	Melnick's PSV (R$ ´000)	Usable Area[4] (sq.m.)	Unit[4]	Average Unit Value (R$ ´000)	Segment
2nd quarter		120,599	90,316	90,316	12,645	190	475	
Gran Park Lindoia – Fase 2	R.E.	120,599	90,316	90,316	12,645	190	475	Residencial
3rd quarter		192,806	183,166	183,166	23,625	492	372	
Linked Teresópolis	R.E.	113,937	108,240	108,240	12,745	314	363	Mixed use
Vida Viva Linked	R.E.	78,869	74,926	74,926	10,880	178	443	Residencial
Total acumulado		313,405	273,481	273,481	36,270	682	401	

[2] PSV gross of swaps and commission.
[3] PSV net of swap and commission.
[4] Net of swaps.
[5] Considering the sales price at time of launch.

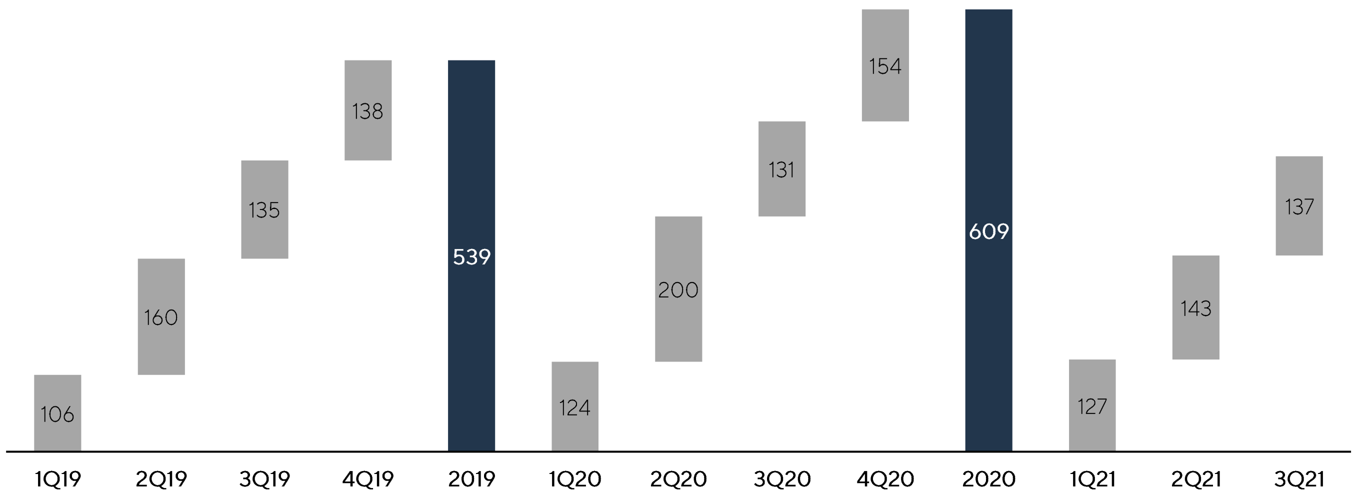


TRANSFERS AND RECEIPT

The transfer process (bank loans to clients) remains as a priority for the company given its relevance to the cash flow.

As the following table shows, our total receivables from clients (units under construction and completed) in the third quarter of 2021, came to R$ 137 million.

R$ '000	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21
Units under construction	50,944	98,290	67,458	61,201	70,878	156,981	84,227	106,101	101,303	116,313	113,896
Performed (finished) units	55,115	61,623	67,951	76,959	52,785	42,925	47,152	48,097	25,983	26,733	25,794
Total	106,059	159,913	135,409	138,160	123,663	199,906	131,379	154,197	127,286	143,046	139,690

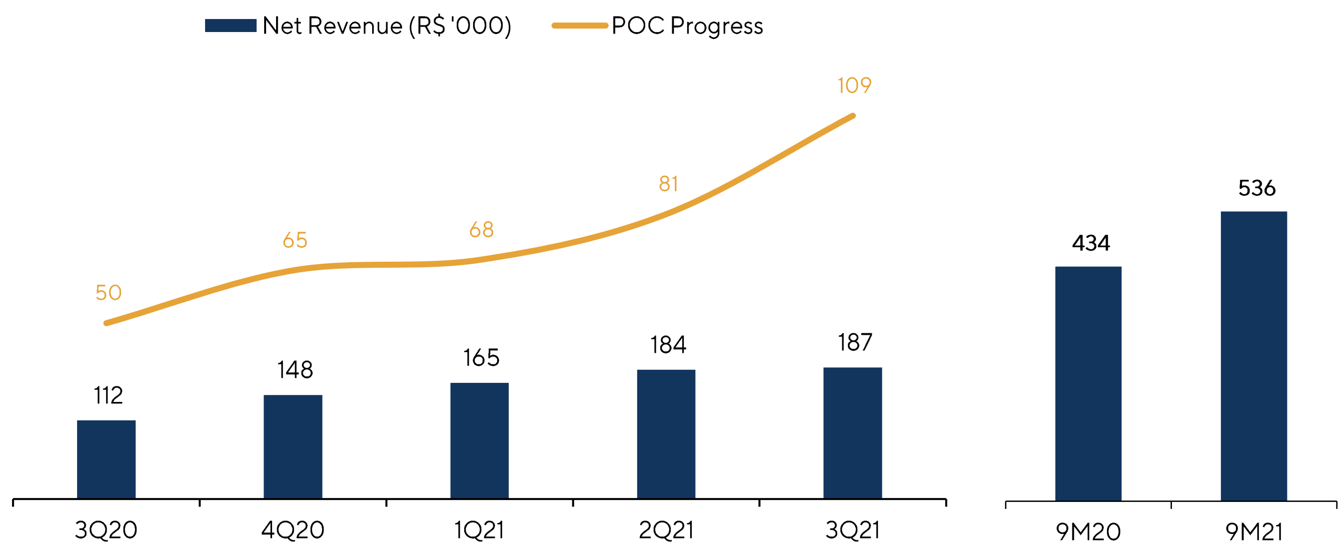


As of September 30, 2021, the Company had 23 active construction sites, 17 belonging to the real estate unit, 5 to the lot-development and one to the open unit.

ECONOMIC-FINANCIAL PERFORMANCE

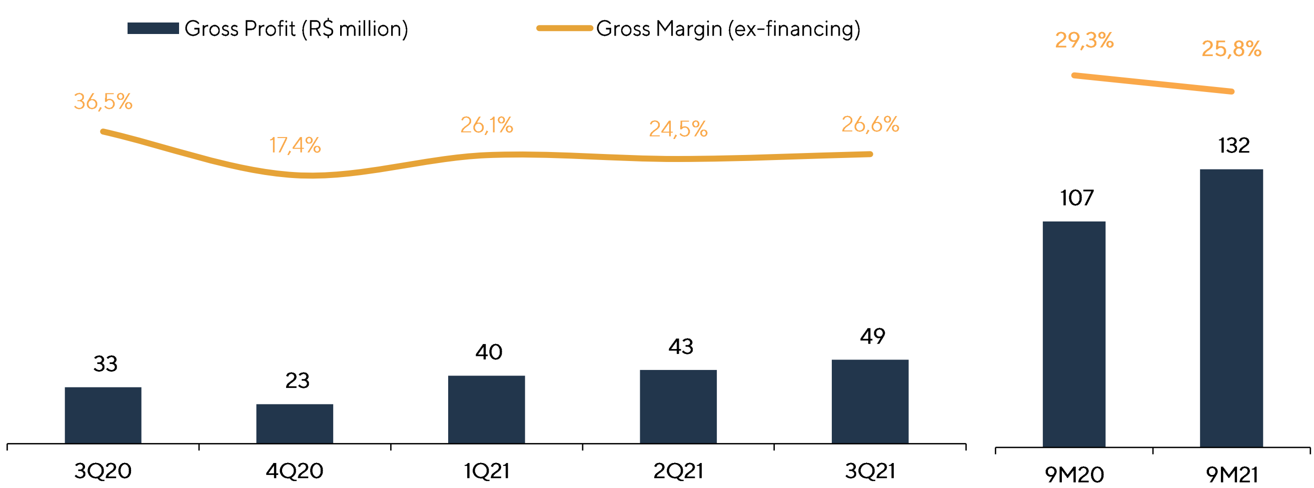
NET REVENUE

In the third quarter of 2021, we had net operating revenue of R$187 million, with POC progress of R$109 million. Due to restrictions due to the COVID-19 pandemic, in the first quarter of the year the construction sites operated at only 75% of their capacity. As of the second quarter of 2021, the progress of the works returned to normal operation, as shown below:



GROSS PROFIT AND GROSS MARGIN

Gross profit came to R$ 49 million in 3Q21. The third quarter gross margin stood at 26.6%, excluding the effects of financial charges appropriated to cost.



The correction of the receivables portfolio is carried out using the base index of two months prior to the disclosure base date. As a result, in 3Q21, revenue from portfolio updating was impacted by the INCC in May, June and July, which together totaled 5.23%.

The table below presents the (i) booked gross margin, (ii) the backlog margin (REF) and (iii) the inventory gross margin (including the effects of financial charges apportioned to costs):

3rd quarter of 2021 (R$ '000)	Gross Margin	Gross Margin Backlog²	Inventory Gross Margin³
Net revenue	186,6	809,3	1.051,2
Cost of goods sold			
Construction and lot	(136,9)	(584,3)	(725,4)
Financial charges	(0,8)	-	(21,2)
Gross profit	**48,9**	**225**	304,6
Gross margin (%)	26,2%	27,8%	28,9%
Gross margin (%) excluding financing	26,6%	27,8%	30,9%

[1] When realized, backlog and inventory margins will benefit from service revenue and the indexation of the portfolio to the INCC.
[2] Excluding the cost of unlaunched phased project units amounting to R$ 13,2 million.

It is important to note that Melnick updates the budgeted cost of projects every month not only based on the period variation in the INCC, but also considering the actual budgeted cost effectively updated by the technical department.

The table below shows annual costs to be incurred from all projects under construction, including units sold and units in inventory

Year	Costs to be incurred (3Q21)		
	Units sold Inventory (R$ '000)	Units sold Inventory (R$ '000)	Units sold (R$ '000)
2021	277,893	106,309	384,203
2022	185,023	68,587	253,610
2023	100,999	65,872	166,871
2024	20,343	5,807	26,151
Total	584,259	246,576	830,835

[1] Excluding the total cost in phased projects (R$ 9,4 million).

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES AND OTHERS EXPENSES

In the third quarter of 2021, operational expenses totalled R$ 32,1 million. The breakdown is as follows:

	3Q20	4Q20	1Q21	2Q21	3Q21	9M20	9M21
Selling expenses	13.230	11.989	10.417	11.554	16.884	30.231	38.855
General and administrative	7.225	6.225	9.777	11.717	12.342	21.174	33.836
Other expenses	745	(766)	1.683	8.868	7.200	6.534	17.751
Operating expenses	21.200	17.448	21.877	32.139	36.426	57.939	90.422
% of Net Revenue (LTM)	13,91%	12,97%	12,18%	15,24%	15,79%	13,91%	15,79%

Other expenses, net (provisions)

	3Q21	9M21
Provision for contingencies	1.688	8.248
Provision for cancellations for compliant customers (IFRS 9) (a)	3.186	7.083
Innovation expenditures	1.630	1.630
Other expenses	697	790
	7.200	17.751

(a) Details of the provision for contingencies can be found in the section "Provision for Cancellations", page 7.

FINANCIAL RESULT

We ended the third quarter with a positive financial result of R$11.6 million. The details are found below:

	3Q20	4Q20	1Q21	2Q21	3Q21	9M20	9M21
Financial Expenses	**(9,993)**	**(3,552)**	**(3,470)**	**(4,112)**	**(1,433)**	**(24,715)**	**(9,015)**
Financial Expenses	(2,152)	(905)	(20)	(1,688)	(672)	(4,680)	(2,380)
Cost of goods sold – COGS (a)	(7,841)	(2,648)	(3,450)	(2,424)	(761)	(20,035)	(6,635)
Financial Income	**3,941**	**7,023**	**5,807**	**6,924**	**13,078**	**13,865**	**25,809**
With financial investments (b)	1,358	3,731	2,973	4,232	7,059	3,961	14,264
With customers (c)	2,583	3,292	2,834	2,692	6,019	9,904	11,545
Total financial result	**(6,052)**	**3,470**	**2,337**	**2,812**	**11,645**	**3,015**	**42,603**

This quarter we would like to highlight the effects on our financial result:

a) Cost of goods sold – COGS (expense): with the high volume of cash, the Company chose not to take out loans for projects launched as of 2020. Therefore, given the high volume of sales of this type of sales during 3Q21, the volume of financial expenses appropriated to cost is below that observed in previous quarters.

b) Income from financial investments: increase is due to the high volume of cash and the increase in the CDI in this quarter.

c) Revenue from customers: increase is due to the volume of accounts receivable with chattel mortgages and the increase in the IPCA.

EBITDA

Below show historical EBITDA[1]:

EBITDA reconciliation	3Q20	4Q20	1Q21	2Q21	3Q21	9M20	9M21
Earnings before income taxes	13.495	11.764	23.614	15.701	24.918	58.219	64.233
(+) Financial result	(1.790)	(6.117)	(5.787)	(5.236)	(12.406)	(9.186)	(23.429)
(+) Depreciation and amortization	361	1.080	1.075	621	565	1.855	2.261
(+)Interest on Production Financing	7.841	2.648	3.450	2.424	761	20.035	6.635
EBITDA	19.907	9.375	22.352	13.510	13.838	70.923	49.700
EBITDA margin (%)	17,81%	6,34%	13,54%	7,36%	7,42%	16,36%	9,29%

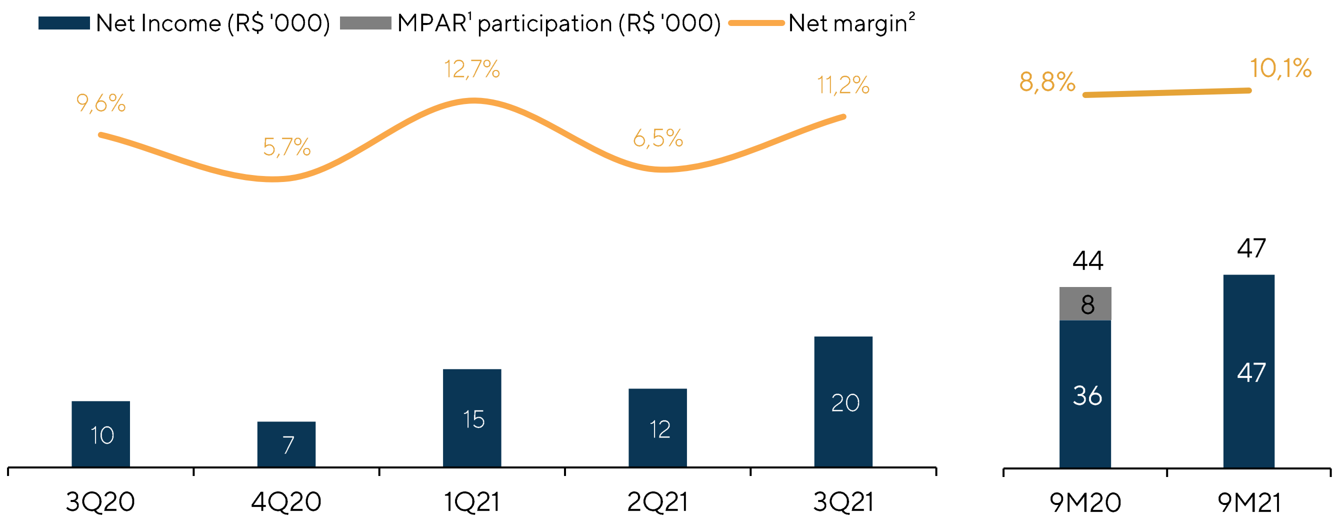
[1] EBITDA: earnings before taxes, interest, financial charges recognized to cost, depreciation and amortization.

The Company understands that the Adjusted EBITDA offers a better perception of the operating results.

In accordance with the accounting rules applied to real estate development entities, the financial costs regarding financing to production are capitalized in Cost of Property Sold. Therefore, the EBITDA, which should not include interest in its calculation, ends up including the portion related to financing to production. The amount is presented in note 7 to the Company's financial statements.

NET INCOME AND NET MARGIN

In the third quarter of 2021, net income was R$ 20 million, with a net margin of 11.2%.



[1] Considering the profit from the direct stake held by MPAR of 15% in the Company's SPEs, due to the corporate reorganization of July 10, 2020.
[2] Given that net income considers minorities' interest, net margin is also related to net income before minorities' interest.

FINANCIAL STRUCTURE

On September 30, 2021, cash, cash equivalents, securities and restrict cash totaled R$ 545 million.

Loans, production financing came to R$ 35 million, which are fully guaranteed by the projects receivables or inventory.

The table below shows our capital structure, leverage and receivables from completed units on September 30, 2021:

	09/30/2021 (R$ '000)	
Financing to production - SFH	32,6	93%
Financing to production - CRI	2,4	7%
Gross Debt	35,0	100%
Cash	545,0	
Net Cash	510,0	
Shareholders' Equity	1.227,8	
Net debt /Shareholders' equity	-41,5%	

CASH GENERATION / CASH BURN

Cash burn in the third quarter of 2021 was negative in R$ 53,1 million.

Below is the evolution of cash generation/burn in the last 5 quarters:

	3Q20	4Q20	1Q21	2Q21	3Q21
Initial net debt	(14.7)	(595.4)	(622.3)	(603.4)	(568.2)
Final net debt	(595.4)	(622.3)	(603.4)	(568.2)	(510.0)
Net debt variation	**(580.7)**	(26.9)	18.9	35.2	58.2
Dividends and capital contributions	(34.1)	-	-	(1.3)	-
IPO's funds	581.2	(1.7)	-	-	-
Purchase of treasury shares	-	-	(15.5)	(11.1)	(5.1)
Cash burn	**(33.6)**	(28.6)	3.4	22.9	53.1

The quarter's cash burn was mainly due to cash land purchases.

ACCOUNTS RECEIVABLE FROM CLIENTS

We ended the third quarter of 2021 with R$182 million of receivables from completed units. These amounts have the following composition:

Nature	(R$ '000)
Customers with mortgage	90.2
Customers transfer (compliant and defaulters)	130.0
Provision for cancellation	(34.0)
Total	182.2

Accounts receivable (R$ 529,6 million) were stable in relation to the 2st quarter of 2021. The balance of accounts receivable from units sold and not yet concluded is not fully reflected as an asset in the financial statements, since the balance is recognized as the construction progresses.

According to the schedule below, of the total receivables of R$ 1,1 billion (accounts receivable plus receivables to be appropriated in the balance sheet), R$ 1 bilion are falling due and have the following receipt schedule:

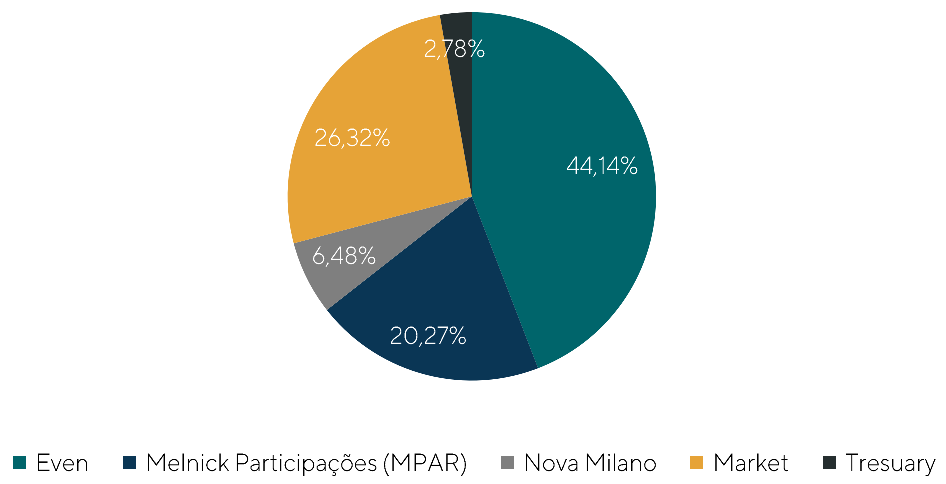
Year	(R$ '000)
2021	138.0
2022	474.6
2023	122.8
After 2023	243.5
Total	978.9

The balance of accounts receivable is adjusted by the variation in the INCC until the delivery of the keys and subsequently by the variation in the price index adopted (IPCA), plus annual interest of 12%, recognized on a pro rata temporis basis. The balance of accounts receivable is net of swaps.

It is worth noting that these amounts may be settled by the client, transferred to the banks (client financing) or securitized.

OWNERSHIP STRUCTURE

Ownership Structure
(On 09/30/2021, as of the CVM 358 form + Shareholder information with more than 5% – source: B3)



(Total share: 207,969,341)

ATTACHMENTS

ATTACHMENT 1 – Income Statement

(Consolidated - in thousands of reais)

INCOME STATEMENT	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21
Revenues	187,589	111,748	147,899	165,035	183,530	186,616
Cost of goods sold	(145,783)	(78,843)	(124,804)	(125,331)	(140,926)	(137,678)
Gross Income	41,806	32,905	23,095	39,704	42,604	48,938
Gross Margin	*22,29%*	*29,45%*	*15,62%*	*24,06%*	*23,21%*	*26,22%*
Gross Margin (ex-financing)	*26,08%*	*36,46%*	*17,41%*	*26,15%*	*24,53%*	*26,58%*
Operating expenses	(14,069)	(21,200)	(17,448)	(21,877)	(32,139)	(36,426)
Selling	(6,438)	(13,230)	(11,989)	(10,417)	(11,554)	(16,884)
General and administrative	(5,086)	(7,225)	(6,225)	(9,777)	(11,717)	(12,342)
Other operating expenses, net	(2,545)	(745)	766	(1,683)	(8,868)	(7,200)
Operating income before financial results	27,737	11,705	5,647	17,827	10,465	12,512
Financial result	4,820	1,790	6,117	5,787	5,236	12,406
Financial expenses	(1,093)	(2,152)	(905)	(20)	(1,688)	(672)
Financial revenues	5,913	3,942	7,022	5,807	6,924	13,078
Profit before income tax and social contribution	32,557	13,495	11,764	23,614	15,701	24,918
Income tax and social contribution	(4,305)	(2,751)	(3,323)	(2,719)	(3,334)	(3,543)
current	(4,255)	(2,481)	(2,110)	(2,847)	(2,993)	(3,595)
deferred	(50)	(270)	(1,213)	128	(341)	52
Net profit before non-controlling interest	28,252	10,744	8,441	20,895	12,367	21,375
Non-controlling interest	(5,897)	(642)	(1,428)	(6,286)	(41)	(1,650)
Net profit	22,355	10,102	7,013	14,609	12,326	19,725
Net Margin	*11,92%*	*9,04%*	*4,74%*	*8,85%*	*6,72%*	*10,57%*
Net Margin (without non-controlling interest)	*15,06%*	*9,61%*	*5,71%*	*12,66%*	*6,74%*	*11,45%*

ATTACHMENT 2 – Balance Sheet
(Consolidated – in thousands of reais)

ASSETS	09/30/2020	12/31/2020	03/31/2021	06/30/2021	09/30/2021
Cash and cash equivalents	6,419	6,491	60,618	51,516	36,139
Securities	851,762	691,472	615,862	583,731	508,882
Restricted cash	5,224	3,577	329	42	-
Accounts receivable	324,929	299,374	298,830	293,909	367,361
Properties for sale	456,482	563,334	624,464	679,418	790,224
Other accounts receivable	22,394	22,786	26,076	27,315	37,046
Total current assets	1,667,210	1,587,034	1,626,179	1,635,931	1,739,652
Accounts receivable	159,095	139,971	141,083	134,947	162,251
Properties for sale	136,040	44,410	46,977	51,092	48,996
Advances for future investments	-	400	700	2,278	1,848
Related parties	1,971	3,122	4,541	4,160	217
Other accounts receivable	8,741	8,148	9,023	7,891	2,695
Investments	200	1,487	1,487	4,584	4,584
Right of use	1,150	571	263	263	3,266
Fixed	4,204	5,090	5,002	5,141	6,273
Intangible	289	231	205	187	168
Total non-curent assets	311,690	203,430	209,281	210,543	230,298
Total asset	1,978,900	1,790,464	1,835,460	1,846,474	1,969,950

LIABILITIES AND SHAREHOLDERS'	09/30/2020	12/31/2020	03/31/2021	06/30/2021	09/30/2021
Suppliers	22,114	15,697	22,804	18,746	23,481
Accounts payable for property	36,191	48,853	43,052	37,350	51,821
Loans and financing	173,006	56,194	47,647	50,456	24,785
Current taxes and contributions	9,561	7,714	7,866	8,787	10,516
Deferred taxes and contributions	8,877	7,526	8,992	8,233	7,026
Advances from clients	251,551	266,816	291,410	299,079	382,920
Proposed dividends	-	1,295	1,295	64,421	67,187
Provisions	59,917	52,375	57,914	-	-
Related parties	30,853	29,289	29,489	31,451	35,102
Other accounts payable	21,373	17,415	14,360	13,373	44,631
Total current liabilities	613,443	503,174	524,829	531,896	647,469
Accounts payable for property	33,757	24,097	40,447	42,593	41,552
Provisions	26,486	26,394	27,017	27,865	26,822
Loans and financing	94,979	23,039	25,755	16,631	10,219
Deferred taxes and contributions	16,260	15,086	13,956	15,282	16,055
Total non-current liabilities	171,482	88,616	107,175	102,371	94,648
Share Capital attributed to the Parent	1,154,604	1,154,604	1,154,604	1,109,029	1,109,029
Treasury shares	-	-	(15,504)	(26,548)	(31,692)
Cost for issuing shares	(40,021)	(41,669)	(41,669)	-	-
Equity pick-upvaluation	(3,906)	(3,906)	(3,906)	-	-
Legal Reserve	21,334	23,460	-	-	-
Statutory reserve	-	-	-	-	-
Retained earnings	26,698	30,290	68,359	80,685	100,410
Non-controlling interest	35,266	35,895	41,572	49,041	50,086
Total shareholders' equity	1,193,975	1,198,674	1,203,456	1,212,207	1,227,833
Total liabilities and shareholders' equity	1,978,900	1,790,464	1,835,460	1,846,474	1,969,950

ATTACHMENT 3 – Cash Flow Statement

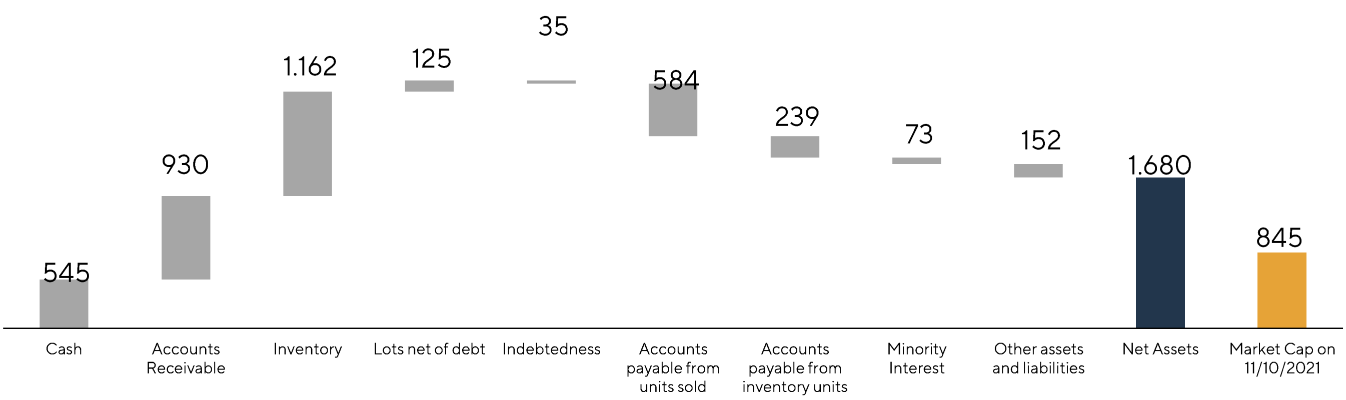
(Consolidated - in thousands of reais)

CASH FLOW	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21
OPERATING CASH FLOW						
Earnings before income tax and social contribution	32,557	13,495	10,525	23,742	15,165	24,970
Adjustments to reconcile earnings before income tax and with the net cash generated by the operating activities:						
Depreciation and amortization	(2,087)	3,349	1,080	1,075	621	1,434
Provision for contingencies, net	(11,614)	7,022	(1,526)	1,209	1,481	(43)
Provision for warranties, net	(230)	(883)	2,626	766	716	2,367
Provision for cancellations, net	4,804	2,381	(9,892)	2,901	7,192	(2,560)
Provision for profit sharing	6,152	(5,076)	1,158	1,286	(2,034)	1,959
Expenses with interest and currency fluctuations	4,108	8,896	5,838	2,279	2,556	1,158
Variations of current and non-current assets and						
Accounts receivable	(10,631)	17,567	44,679	(568)	11,057	(100,756)
Properties for sale	(12,898)	22,895	(15,222)	(63,697)	(59,069)	(108,710)
Other accounts receivable	(5,625)	(5,872)	201	(4,165)	107	(4,749)
Suppliers	(1,067)	5,649	(6,417)	7,107	(4,058)	4,735
Accounts payable for acquisition of properties	10,006	(1,200)	3,002	10,549	(3,556)	13,430
Advances from customers	103,989	(10,924)	15,265	24,594	7,669	83,841
Other liabilities	5,415	(1,665)	(8,304)	(2,567)	501	12,732
Cash generated by (applied to) the operations	122,879	55,634	43,013	4,511	(21,866)	(69,978)
Interests paid	(7,202)	(6,902)	(5,253)	(2,277)	(1,157)	(758)
Income tax and social contribution paid	(4,255)	(2,481)	(2,110)	(2,847)	(2,797)	(3,595)
Net cash applied to operating activities	111,422	46,251	35,650	(613)	(25,820)	(74,331)
CASH FLOW FROM INVESTMENT ACTIVITIES						
Securities	(134,773)	(578,999)	160,290	75,610	32,131	74,849
Related parties	-	-	(400)	(300)	(1,578)	430
Capital increase in subsidiaries	-	-	(1,287)	-	(3,097)	-
Aquisition of fixed and intangible assets	2,585	(2,275)	(1,329)	(653)	(742)	(5,550)
Net cash generated by investment activities	(132,188)	(581,274)	157,274	74,657	26,714	69,729
CASH FLOW FROM FINANCING ACTIVITIES						
Restricted cash	1,144	(1,344)	1,647	3,248	287	42
Related parties	4,848	(6,015)	(3,514)	(1,828)	15,519	21,061
Capital increase	-	616,594	-	-	-	-
Cost for issuing shares	-	(40,021)	(1,648)	-	-	-
Borrowing and financing	23,041	18,811	1,384	5,164	(878)	100
Amortization of loans and financing	(27,285)	(23,066)	(190,721)	(10,997)	(6,836)	(32,583)
Acquisition of treasury shares	-	-	-	(15,504)	(11,044)	(5,144)
Dividends paid	(8,600)	(32,591)	-	-	(7,044)	5,749
Net cash generated by (applied to) the financing	(6,852)	532,368	(192,852)	(19,917)	(9,996)	(10,775)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(28,346)	(1,927)	72	54,127	(9,102)	15,377

ATTACHMENT 4 – NET ASSET

(Consolidated – in thousands of reais)

Net Asset	09/30/2021
Cash and cash equivalents and financial investments	545,021
Loans, financing and debentures payable	(35,004)
Net debt	510,017
On-balance accounts receivable from clients	529,612
Off-balance accounts receivable from clients	822,316
Advances from clients	(382,920)
Taxes on accounts receivable from clients	(38,760)
Liabilities from construction of properties sold	(584,259)
Accounts receivable from clients, net	345,989
Inventory units at market value	1,073,580
Provision of termination inventory at market value	137,006
Taxes on sale of inventory units	(48,423)
Budgeted cost to be incurred from inventory properties	(246,567)
Adjustment of cost to be incurred of phased accounted as	7,940
Net inventory	923,537
On-balance land inventory	218,259
On-balance land debt	(20,735)
Debt of lots already launched	(72,638)
Land	124,886
On-balance minority interest	(50,086)
Off-balance minority interest	(22,574)
Minority interest	(72,660)
On balance projects consolidated by equity accounting	4,584
Off-balance projects consolidated by equity accounting	-
Projects consolidated by equity accounting	4,584
Other assets	51,513
Other liabilities	(207,739)
Other assets (liabilities)	(156,226)
NET ASSET	1,680,126



ATTACHMENT 5 – Land Bank

The table shows the plots of land acquired by the company, per undertaking, on June 30, 2021:

Lot	Bussiness unit	Purchase date	Area Lot (sqm)	Area Usable (sqm)	Units	Total Gross PSV (R$ '000)	PSV Melnick's share (R$ '000)
Land I	Lot Development	may-10	1,008	181	389	322,438	144,751
Land II	Lot Development	may-10	603	108	243	225,506	86,591
Land III	Lot Development	may-10	603	108	243	232,940	86,591
Land IV	Open	sep-10	3,439	7,054	160	26,554	26,554
Land V	Real Estate	sep-14	44,145	22,541	352	152,563	135,755
Land VI	Real Estate	sep-14	15,475	7,273	194	53,480	47,588
Land VII	Real Estate	sep-14	40,206	22,447	288	138,950	123,642
Land VIII	Real Estate	dec-14	5,024	10,820	54	90,371	74,865
Land IX	Lot Development	nov-16	187,884	96,558	350	63,729	28,295
Land X	Lot Development	nov-16	187,884	36,994	146	13,688	6,077
Land XI	Lot Development	nov-16	183,438	137,132	393	57,184	22,885
Land XII	Lot Development	nov-16	183,438	78,686	398	33,677	13,478
Land XIII	Real Estate	jan-17	11,123	35,811	756	318,939	318,939
Land XIV	Lot Development	jan-17	366,875	56,703	558	44,372	19,169
Land XV	Lot Development	jan-17	366,875	160,687	876	127,691	50,969
Land XVI	Lot Development	mar-17	97,408	31,708	100	58,332	21,832
Land XVII	Real Estate	jun-17	11,721	33,389	518	276,404	262,904
Land XVIII	Real Estate	oct-17	4,000	7,593	56	93,863	75,090
Land XIX	Lot Development	oct-17	120,507	55,946	290	22,994	9,933
Land XX	Real Estate	feb-21	16,435	30,992	446	558,179	279,090
Land XXI	Real Estate	jan-18	17,168	34,498	416	260,548	260,548
Land XXII	Real Estate	jan-18	17,168	33,895	260	278,856	278,856
Land XXIII	Lot Development	feb-18	1,006,284	277,094	1,251	102,503	58,137
Land XXIV	Lot Development	feb-18	1,166,352	405,863	1,446	253,660	139,184
Land XXV	Lot Development	jul-18	172,661	86,729	462	47,082	16,949
Land XXVI	Real Estate	nov-18	7,947	12,726	326	174,050	138,335
Land XXVII	Real Estate	nov-18	4,671	6,431	109	73,012	56,220
Land XXVIII	Real Estate	dec-19	4,357	8,832	206	152,413	127,811
Land XXIX	Real Estate	dec-19	883	1,790	61	29,131	24,303
Land XXX	Real Estate	nov-20	10,555	18,976	162	265,343	209,206
Land XXXI	Real Estate	dec-20	1,611	4,008	120	58,734	53,206
Land XXXII	Open	abr-21	5,341	7,061	160	37,987	37,987
Land XXXIII	Real Estate	abr-21	4,516	11,337	80	153,830	69,951
Land XXXIV	Real Estate	may-21	4,052	6,376	100	50,941	33,112
Land XXXV	Real Estate	may-21	3,197	9,140	48	106,294	106,294
Land XXXVI	Lot Development	may-21	195,997	56,933	209	91,835	36,367
Land XXXVII	Real Estate	jul-21	2,788	6,864	42	120,045	89,081
Land XXXVIII	Real Estate	sep-21	3,880	10,453	20	209,056	209,056
Land XXXIX	Open	sep-21	9,375	8,754	176	37,840	18,920

ATTACHMENT 6 – Trade evolution and cost financial evolution

The table below presents the evolution of sales and the percentage of completion of the costs of our projects on September 30, 2021 in comparison to June 30, 2021 and March 31, 2021:

Project	Lauch	Melnick's share	% Sold			%POC		
			03/31/21	12/31/20	09/30/20	03/31/21	12/31/20	09/30/20
Ponta da Figueira	3Q10	25%	100%	100%	100%	100%	100%	100%
Hom	4Q10	100%	98%	98%	98%	100%	100%	100%
Grand Park Eucaliptos	3Q11	100%	99%	99%	99%	100%	100%	100%
Cobal - Rubi	4Q11	100%	98%	98%	99%	100%	100%	100%
Design Offece Center	3Q12	100%	98%	98%	97%	100%	100%	100%
Hom lindoia	4Q12	100%	94%	94%	94%	100%	100%	100%
Nine	4Q12	100%	99%	99%	99%	100%	100%	100%
Icon – RS	1Q13	100%	86%	86%	85%	100%	100%	100%
Icon RS - 2° Fase	2Q13	100%	98%	98%	98%	100%	100%	100%
Terrara	4Q13	100%	100%	100%	100%	100%	100%	100%
Window RS	4Q13	100%	99%	99%	99%	100%	100%	100%
Anita Garibaldi	4Q13	100%	93%	92%	93%	100%	100%	100%
Icon RS - 3° Fase	2Q14	100%	99%	100%	100%	100%	100%	100%
Viva Vida Club Canoas - 4ª fase	2Q14	100%	100%	100%	100%	100%	100%	100%
Ato	4Q14	100%	100%	100%	100%	100%	100%	100%
Viva Vida Boulevard	4Q14	100%	92%	91%	92%	100%	100%	100%
Hom Nilo	3Q15	100%	82%	81%	81%	100%	100%	100%
MaxPlaza	4Q15	100%	79%	77%	77%	100%	100%	100%
Blue Xangrilá	1Q16	60%	100%	100%	100%	100%	100%	100%
Central Park-1° fase	1Q16	60%	77%	76%	78%	94%	94%	94%
Supreme Central Parque	1Q16	100%	100%	100%	99%	100%	100%	100%
Central Park-2° fase	2Q16	60%	86%	83%	83%	94%	94%	94%
DOC Santana	2Q16	100%	65%	66%	65%	100%	100%	100%
MaxPlaza-2° fase	2Q16	100%	68%	69%	76%	100%	100%	100%
Supreme Higienopolis	3Q16	100%	99%	99%	99%	100%	100%	100%
Reserva Bela Vista	4Q16	60%	85%	85%	87%	100%	100%	100%
Reserva do Lago	4Q16	60%	57%	63%	71%	100%	100%	100%
Vida Viva Horizonte - 2° fase	4Q16	100%	90%	90%	89%	100%	100%	100%
Grand Park Lindóia - Fase 1	4Q16	100%	81%	83%	86%	88%	87%	81%
Linked Teresópolis	3Q17	100%	62%	67%	73%	100%	89%	85%
Domingos de Almeida	3Q17	60%	76%	74%	74%	100%	100%	100%
Grand Park Lindóia - Fase 2	4Q17	100%	77%	80%	83%	88%	87%	81%
GO 1092	4Q17	100%	81%	81%	80%	100%	100%	100%
Península (Brilhante)	4Q18	60%	100%	98%	92%	100%	100%	100%
Vida Viva Linked	1Q18	100%	67%	75%	85%	100%	98%	94%
Pontal	3Q18	100%	95%	95%	94%	74%	68%	66%
Praça do Sol	4Q18	48%	64%	55%	53%	84%	83%	83%
Vivio Lindoia	4Q18	100%	79%	84%	86%	88%	82%	75%
Artur 505	4Q18	100%	98%	98%	100%	85%	79%	74%
Teena	1Q19	100%	88%	88%	94%	59%	58%	55%
Pontal - 2° fase	1Q19	100%	91%	94%	91%	74%	68%	66%
Central Park-3° fase	3Q19	60%	2%	4%	14%	94%	94%	94%
High Garden	3Q19	100%	80%	80%	73%	73%	68%	64%
Central Park Passo Fundo	4Q19	42%	98%	95%	97%	90%	89%	85%
OPEN Canoas Centro - Fase 1	4Q19	100%	98%	98%	98%	59%	51%	42%
Radisson Moinhos 1903	4Q19	100%	88%	91%	91%	68%	62%	59%
CasaVista	4Q19	100%	51%	51%	48%	56%	50%	49%
Sunset	1Q20	60%	99%	98%	99%	84%	73%	66%
GO24	1Q20	100%	94%	92%	88%	66%	59%	49%
Carlos Gomes Square - Fase 1	2Q20	100%	77%	77%	72%	47%	42%	39%
OPEN Canoas Centro - Fase 2	4Q19	100%	61%	57%	43%	59%	51%	42%
Carlos Gomes Square - Fase 2	3Q20	100%	80%	71%	69%	47%	42%	39%
Supreme Altos do Central Parque	4Q20	100%	55%	49%	36%	47%	38%	32%
Gran Park Lindoia - F3	1Q21	100%	43%	39%	17%	88%	87%	81%
Go Rio Branco	1Q21	100%	82%	75%	51%	39%	34%	34%
Casaviva	1Q21	60%	100%	100%	100%	53%	50%	48%
Botanique Residence	1Q21	100%	58%	50%	36%	40%	39%	40%
Seen Boa Vista	2Q21	100%	42%	33%		39%	39%	
Hillside	3Q21	100%	29%			31%		
Arte Country Club	3Q21	82%	41%			37%		

DISCLAIMER

The declarations contained in this release referring to business perspectives, operating and financial result estimates, and the growth perspectives affecting Melnick activities, as well as any other declarations related to the Company business future, constitute future estimates and declarations involving risks and uncertainties and, therefore, are not guarantees of future results, Such considerations depend substantially on the changes to market conditions, governmental rules, competition pressures, sector performance and Brazilian economy, among other factors and are, therefore, subject to change without prior notice,

RELATIONSHIP WITH INDEPENDENT AUDITORS

In compliance with CVM Instruction No, 381/03 we hereby inform that the independent auditors of PricewarterhouseCoopers Auditores Independentes did not provide during the third quarter of 2021 other services than those related to external auditing, The company's policy on hiring independent auditors ensures that there is no conflict of interest, loss of independence or objectivity,