

Release of Results

Melnick discloses its 1Q23 earnings

Porto Alegre, May 15, 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 of the first quarter 2023 (1Q23). The following financial and operating information, except where otherwise indicated, is shown in Brazilian Real (R\$).

Highlights

- Launches % Melnick totaled R\$ 432 million in the quarter, a 62% growth versus 1Q22
- R\$ 305 million in Net Sales in the quarter, and 20% quarterly sales to inventory ratio
- R\$ 3.6 billion in Land Bank, of which 24% are from projects approved.

STOCK PRICE AS OF 5/15/2023
PRICE PER SHARE: R\$ 3.56
NUMBER OF SHARES: 206,269,341 (202,519,747 ex-treasury shares)
MARKET CAP: R\$ 721 million (as of 5/15/2023)

IR Contacts



Carlos Wollenweber – CFO and DRI
Anderson Stefani – IR Specialist



ri@melnick.com.br

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 verified figures from the first quarter of 2023 (1Q23).

Table of Contents

MESSAGE FROM MANAGEMENT¹	3
LAUNCHES	5
GROSS AND NET SALES	6
INVENTORY	8
FINISHED INVENTORY	10
LAND BANK	11
PROJECT DELIVERY AND EXECUTION	12
TRANSFER AND RECEIVABLES	13
ECONOMIC AND FINANCIAL PERFORMANCE	14
NET REVENUE	14
GROSS INCOME AND GROSS MARGIN	14
SELLING, GENERAL & ADMINISTRATIVE, AND OTHER EXPENSES	15
FINANCIAL RESULTS	16
EBITDA¹	16
NET INCOME AND NET MARGIN	17
FINANCIAL STRUCTURE	17
CASH GENERATION/CASH BURN	18
ACCOUNTS RECEIVABLE FROM CUSTOMERS	18
SHAREHOLDING STRUCTURE	19
ANNEX 1 – Income Statement	20
ANNEX 2 – Balance Sheet	21
ANNEX 3 – Cash Flow Statement	22
ANNEX 4 – NAV	23
ANNEX 5 – Land Bank	24
ANNEX 6 – Sales evolution and financial evolution of cost	25
DISCLAIMER	26
RELATIONSHIP WITH INDEPENDENT AUDITORS	26

MESSAGE FROM MANAGEMENT¹

It is with satisfaction that we present Melnick's operating and financial results of 1Q23.

We launched 3 projects in the quarter, totaling R\$ 432 million in PSV (% Melnick). That represents **a 62% growth** in comparison with 1Q22. We concentrated our launches in the high-end segment, with special attention to the Cidade Nilo development.

We are quite satisfied with the performance of our net sales, which totaled R\$ 305 million (% Melnick) in 1Q23, representing a 20% net sales over inventory ratio.

We currently have R\$ 3.6 billion in PSV in our land bank, consisting of 33 plots or phases, **and 24% of our land bank already have projects approved**. In this quarter, we purchased R\$ 125 million in PSV in new plots of land.

We delivered two developments in the quarter, with almost 100% already sold.

Net Revenue totaled approximately R\$ 300 million in the quarter, **a growth rate of 44%** when compared to 1Q22. Gross Income totaled R\$ 51 million with an adjusted gross margin of 19%. Net Income totaled R\$ 20 million in the quarter, with a net margin² before minority interest at 9%.

We paid R\$ 11 million in dividends in the quarter, and approved in a special shareholders' meeting, an additional payment of R\$ 56 million for the financial year 2023. We closed 1Q23 with R\$ 183 million in Net cash, accounting for 15% of our Equity.

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	1Q22	2Q22	3Q22	4Q22	1Q23
Net Revenue from Sales and Services	206,995	304,927	306,411	211,235	298,968
Gross Income	60,229	63,845	71,361	39,500	51,068
Adjusted Gross Margin	29.41%	22.32%	23.96%	20.19%	18.99%
Net Income	22,183	29,729	22,855	9,612	20,119
Net Margin before Minority Interest	19.54%	12.75%	10.10%	7.21%	10.01%
ROAE LTM	8.76%	8.80%	8.68%	6.59%	6.50%
Unearned Revenue (after PIS-COFINS)	837,653	899,524	914,669	880,954	984,796
Unearned Costs (after PIS-COFINS)	-597,281	-636,996	-642,953	-620,166	-666,819
Unearned Income (after PIS-COFINS)	240,372	262,528	271,716	260,788	317,977
Unearned Income Margin - %	28.70%	29.19%	29.71%	29.60%	32.29%
Net Debt	-350,392	-299,118	-200,809	-187,695	-183,075
Cash Burn (ex-dividends, buyback, and IPO)	37,908	26,908	91,311	13,105	-6,380

Launches	1Q22	2Q22	3Q22	4Q22	1Q23
Projects Launched	3	2	2	3	3
PSV of Launches (100%)	578,450	213,096	283,225	195,396	559,369
PSV of Launches (% Melnick)	267,335	112,340	155,357	76,353	432,287
Number of Units Launched	579	435	200	670	452
Usable Area of Launched Units (m²)	117,517	16,193	67,380	120,904	33,227
Average Launch Price (R\$/m²)	4,207	12,235	3,316	1,569	13,010
Avg. Price of Launched Units (R\$ '000/unit)	854	467	1,117	283	1,028

Sales	1Q22	2Q22	3Q22	4Q22	1Q23
Pre-sales (100%)	175,046	346,321	185,555	158,079	377,038
Pre-sales (% Melnick)	86,827	285,590	151,418	122,880	305,289
Consolidated Sales to Inventory Ratio (% Melnick)	6.88%	20.82%	12.12%	10.09%	20.06%
Sales to Inventory Ratio for Launches (% Melnick)	26.80%	40.20%	34.45%	58.02%	29.02%

Deliveries	1Q22	2Q22	3Q22	4Q22	1Q23
Delivered PSV (100%)	136,472	81,130	136,557	611,211	111,658
Delivered PSV (% Melnick)	77,174	44,018	129,730	474,232	89,548
Number of Projects Delivered	2	2	1	5	2
Number of Units Delivered	478	483	68	1,098	393

Plots of Land	1Q22	2Q22	3Q22	4Q22	1Q23
Land Bank (100%)	5,405,617	4,975,000	5,635,042	5,133,873	4,386,240
Land Bank (% Melnick)	3,781,795	3,562,000	4,084,120	3,736,197	3,629,753

OPERATIONAL PERFORMANCE

LAUNCHES

In 1Q23, we launched three projects, totaling R\$ 559.4 million in gross PSV (R\$ 432.3 million % Melnick), representing a 62% increase (% Melnick) when compared to 1Q22, as follows:

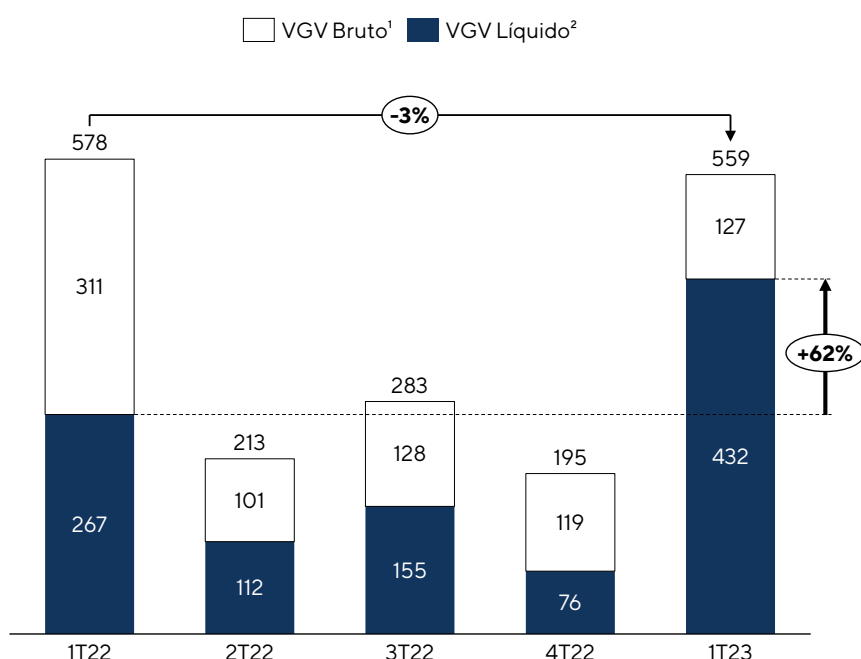
Project	Business unit	PSV 100% ¹ (R\$ '000)	PSV Melnick ² (R\$ '000)	Usable area ³ (m2)	Unit ³	Average Value/Unit (R\$ '000)	Segment
Grand Park Moinhos - Phase 2	INC	61,289	54,361	7,467	114	477	Residential
Cidade Nilo	INC	429,334	345,443	18,205	56	6,169	Residential
Nilo Square Hotel	INC	68,746	32,483	7,555	282 ⁴	250	Hotel
Total		559,369	432,287	33,227	452	1,028	

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.

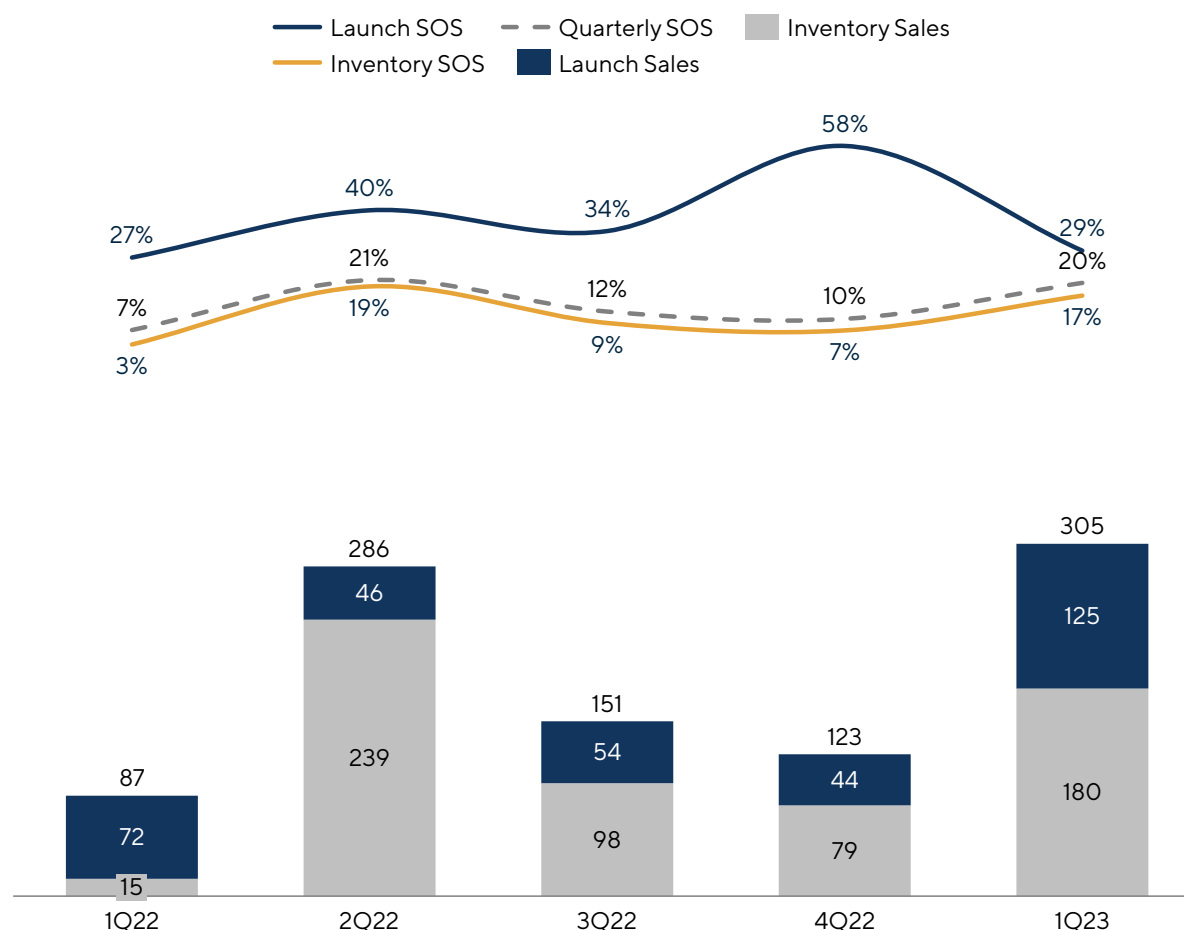


GROSS AND NET SALES

In the first quarter, current gross and net sales totaled R\$ 341 million (% Melnick) and R\$ 305 million (% Melnick), respectively, as follows:

Sales breakdown (R\$ million, % Melnick)	1Q22	2Q22	3Q22	4Q22	1Q23
Gross Sales	120	325	184	166	341
Inventory	48	279	130	122	216
Launches	72	46	54	44	125
Current cancellations	(34)	(39)	(32)	(43)	(36)
Current net sales	87	286	151	123	305

Below is the evolution of our sales velocity in the latest five quarters. In 2Q22, our sales to inventory ratio for Launches reached 29%; 17% for Inventory; and 20% for Quarterly.



Net sales breakdown per business unit is shown below:

Business unit	Total Sales (R\$ '000)	Melnick Sales (R\$ '000)	Usable area (m2)	# Unit
	1Q23	1Q23	1Q23	1Q23
Homebuilder	350,398	285,131	23,195	529
Lots Development	10,285	3,803	18,219	63
Open	16,355	16,355	3,122	70
Total	377,038	305,289	44,535	662

Below is the sales breakdown by year of product launch:

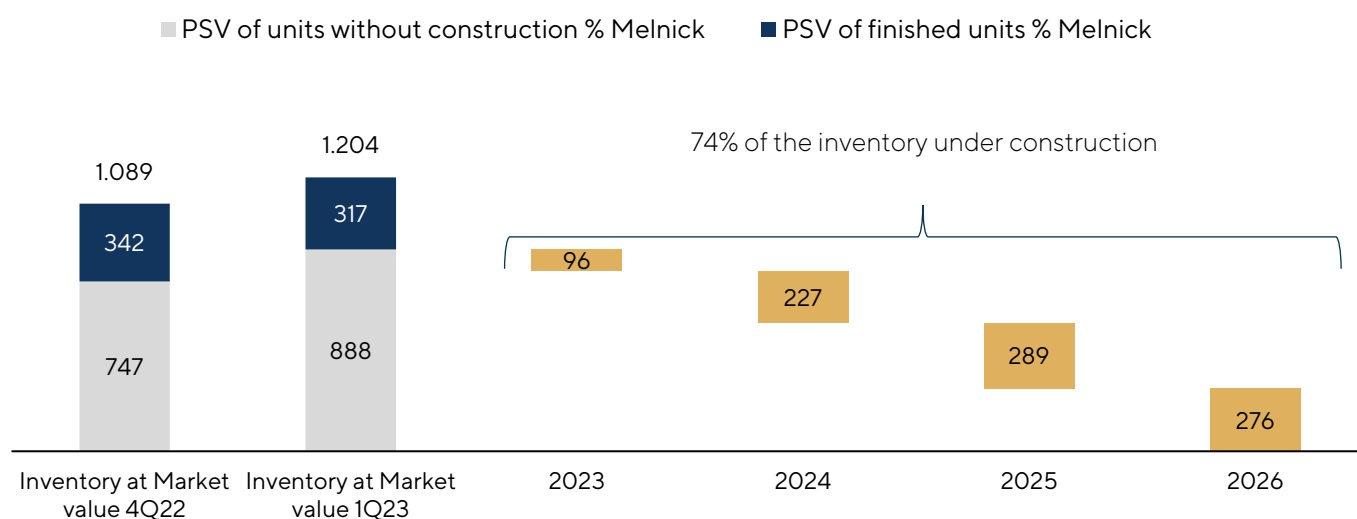
Year of launch	Total Sales (R\$ '000)	Melnick Sales (R\$ '000)	Usable area (m2)	# Unit
	1Q23	1Q23	1Q23	1Q23
Until 2019	52,584	51,350	7,999	96
2020	9,730	9,730	1,444	31
2021	64,447	62,794	6,096	91
2022	88,734	55,984	20,783	129
2023	161,544	125,430	8,214	315
Total	377,038	305,289	44,535	662

INVENTORY

We closed 1Q23 with R\$ 1.2 billion in inventory (% Melnick), as shown below:

Year of expected completion	Total Inventory (R\$ '000)	Melnick Inventory (R\$ '000)	% Value	Units	% Units
Finished Inventory	346,231	316,575	26%	1,020	46%
2023	104,483	95,834	8%	312	14%
2024	230,194	227,440	19%	214	10%
2025	463,041	288,707	24%	626	28%
2026	275,922	275,922	23%	44	2%
Total	1,419,872	1,204,478	100%	2,216	100%

Of the Company's total inventory, 74% is under construction. Below is the delivery schedule:



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

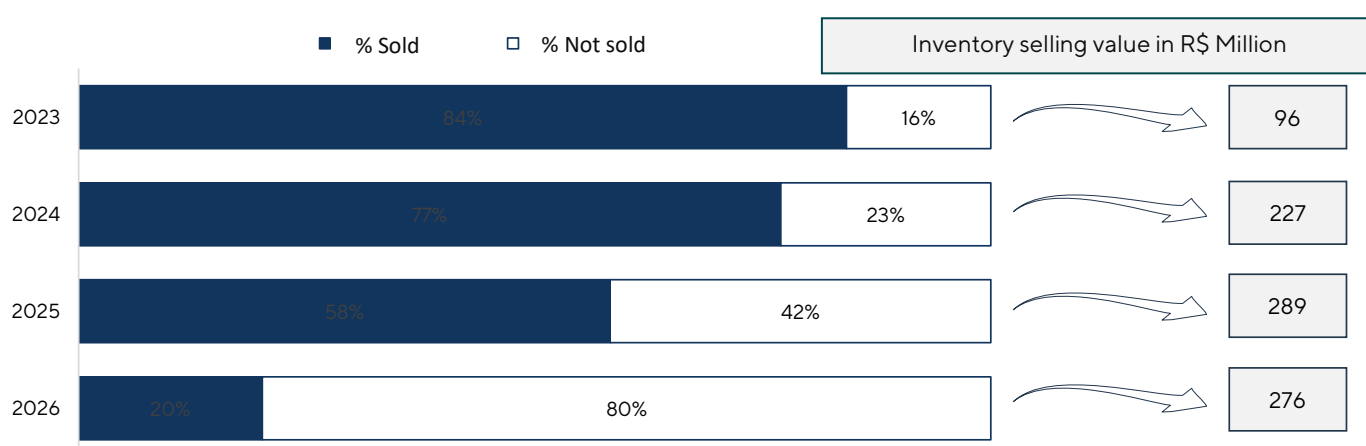


Table below shows the PSV of inventory broken down by year of launch:

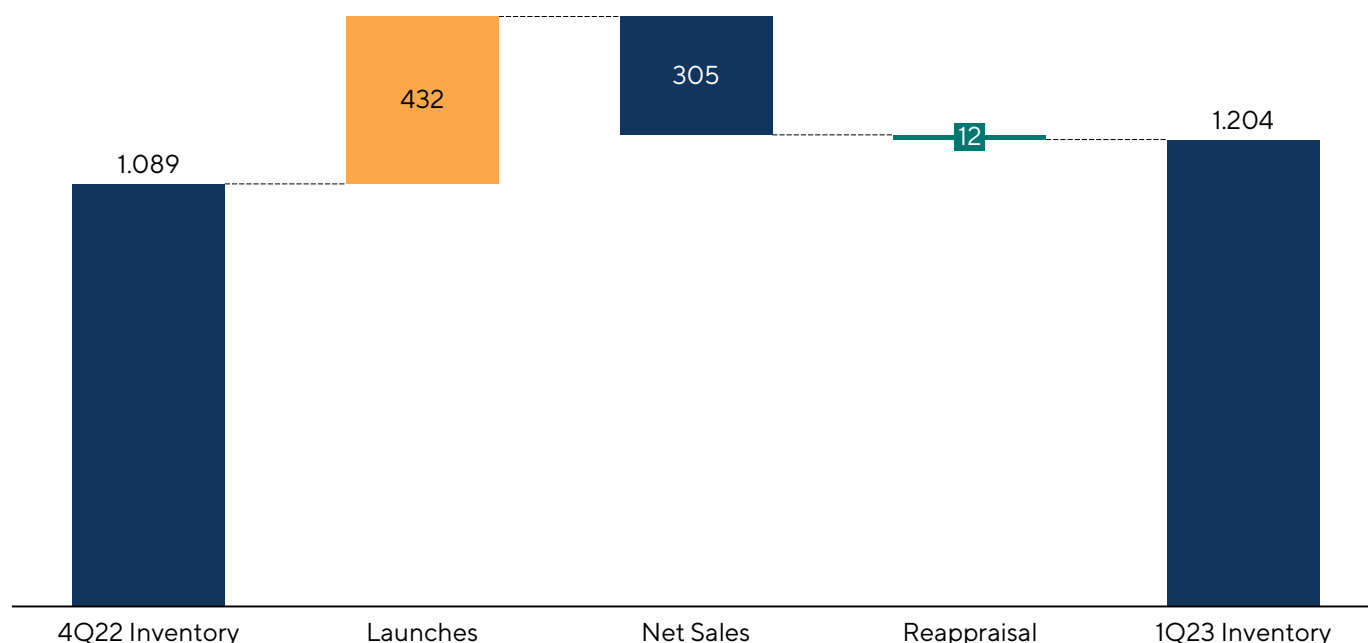
Launch	Total Inventory (R\$ '000)	Melnick Inventory (R\$ '000)	Developments ¹	Units	% Units
Until 2017	252,976	236,162	25	805	36%
2018	73,827	61,368	5	159	7%
2019	79,027	70,151	8	276	12%
2020	96,636	96,479	5	89	4%
2021	167,313	165,091	8	177	8%
2022	437,933	263,570	8	573	26%
2023	312,159	311,658	3	137	6%
Total	1,419,872	1,204,478	61	2,216	100%

And below, our inventory by business unit:

Business unit	Total Inventory (R\$ '000)	Inventory % Melnick (R\$ '000)	Inventory % Melnick Completed (R\$ '000)	Units	Inventory under Construction (R\$ '000)	Units
Residential	1,031,275	889,819	89,481	238	800,338	565
Lots Development	114,870	59,988	37,000	377	22,988	568
Commercial	273,728	254,671	190,093	405	64,578	63
Total	1,419,872	1,204,478	316,575	1,020	887,904	1,196

It 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.

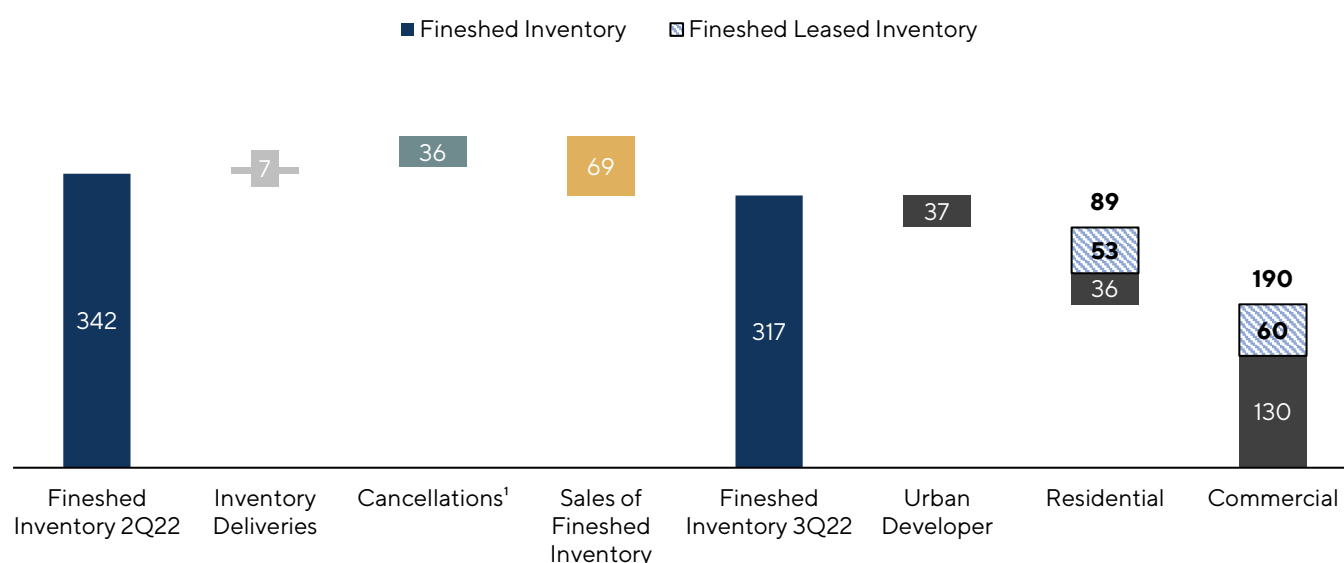
Quarterly inventory breakdown
(PSV % Melnick in R\$ million)



¹ Adjustment to the market price of the latest sales

FINISHED INVENTORY

As we can see in the graph below, we sold R\$ 69 million (% Melnick) in finished inventory in 1Q23, and closed 1Q23 with R\$ 317 million in finished inventory.



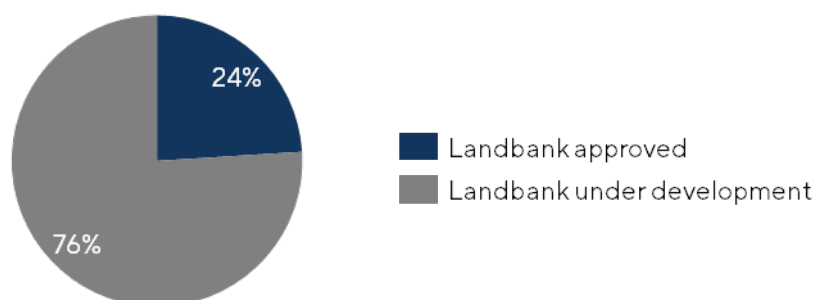
¹Considering that 100% of the cancellations refer to finished units.

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 in the leasing period by using the amounts paid as lease as a down payment at the time of purchase. As of March 31, 2023, we had R\$ 113 million of our inventory leased under the reversible lease, corresponding to 36% of the finished inventory.

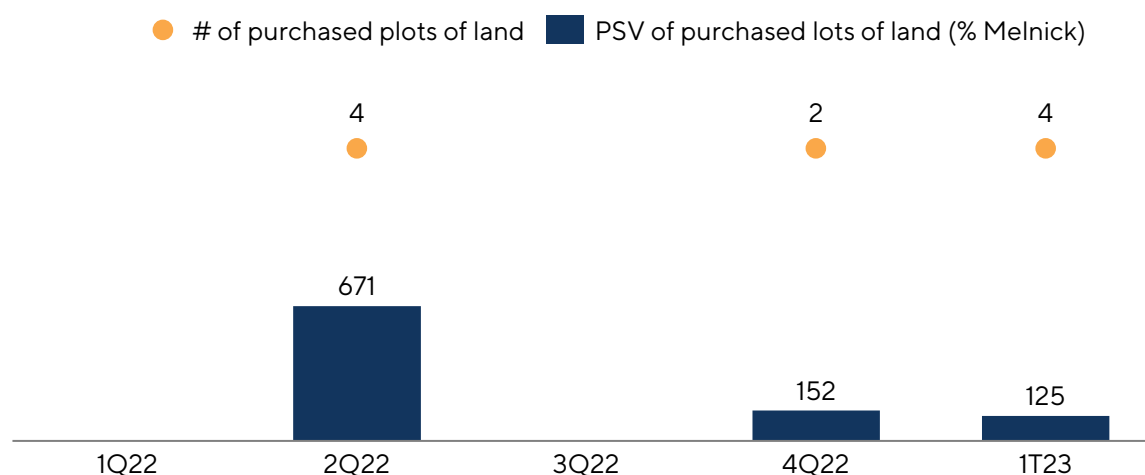
LAND BANK

Our Land Bank ended 1Q23 with R\$ 3.6 billion in PSV (% Melnick), with R\$ 875.8 billion in projects already approved, accounting for 24% of the land bank.

Business Unit	Projects	Units	PSV 100% (R\$ million)	Net PSV % Melnick (R\$ million)
Homebuilder	20	4,209	3,459	2,994
Urban Development	13	6,414	1,805	636
Total	33	10,623	5,263	3,630



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



PROJECT DELIVERY⁴ AND EXECUTION

In the first quarter of 2023, we delivered two projects, totaling R\$ 111.7 million in gross PSV (R\$ 89.5 million % Melnick), as follows:

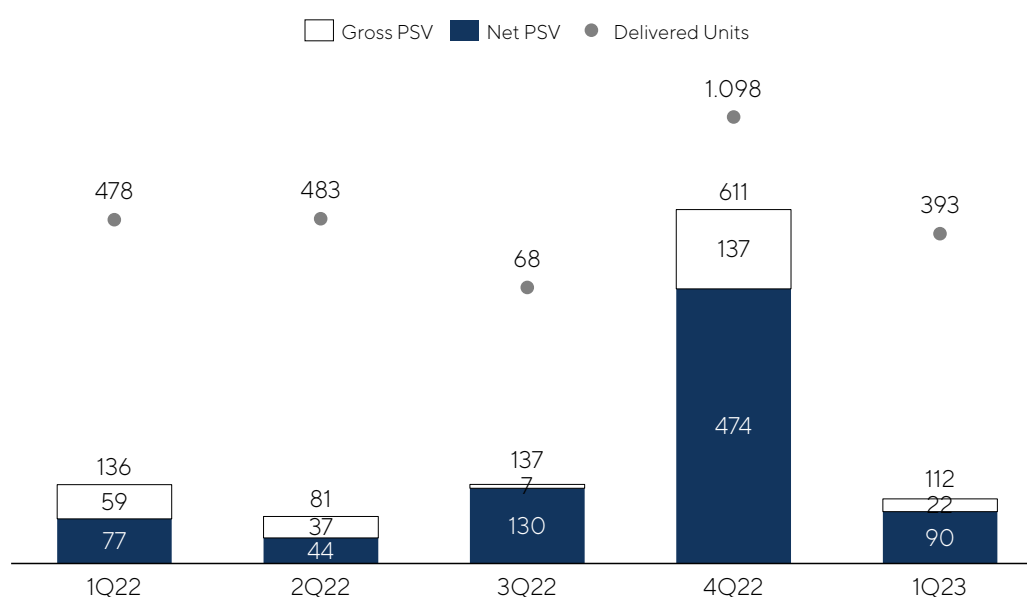
Project	Business unit	PSV 100% ¹ (R\$ '000)	PSV Melnick ² (R\$ '000)	Usable area ² (m²)	Unit ³	Average Value/Unit (R\$ '000)	Segment
GO24	INC	69,763	49,716	4,062	153	342	Residential
Open Canoas Centro - Phase 2	INC	41,895	39,832	10,580	240	153	Residential
Total		111,658	89,548	14,642	393	228	

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.



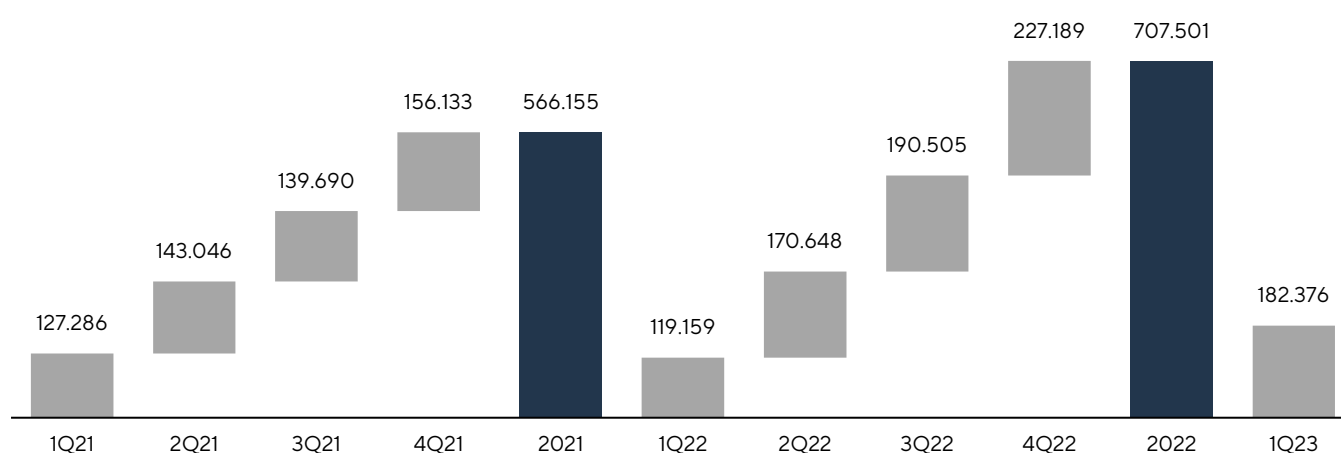
As of March 31, 2023, the Company had 19 active construction sites, of which, 15 of the Homebuilder, 2 of the Urban Developer, and 2 of the Open segment.

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 1Q23 totaled R\$ 182 million.

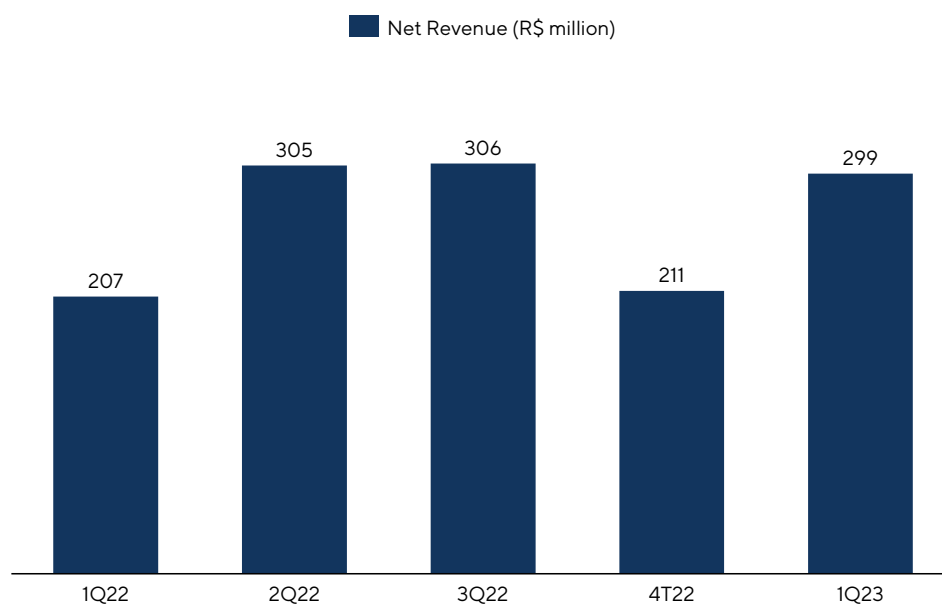
R\$ '000	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23
Units under construction	101,303	116,313	113,896	119,006	88,128	130,355	141,545	189,940	163,140
Units completed	25,983	26,733	25,794	37,127	31,031	40,293	48,959	37,247	19,236
Total	127,286	143,046	139,690	156,133	119,159	170,648	190,505	227,189	182,376



ECONOMIC AND FINANCIAL PERFORMANCE

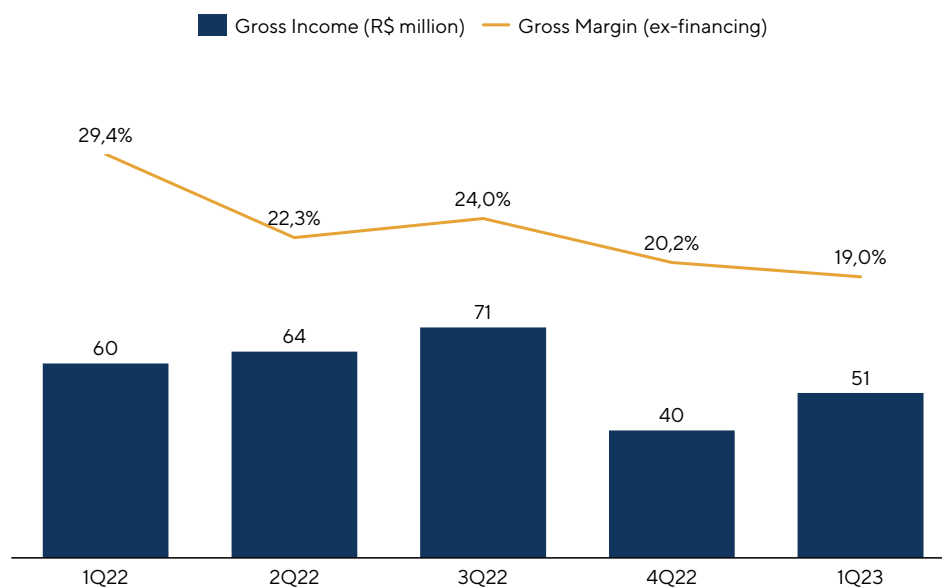
NET REVENUE

In 1Q23, net operating revenue totaled R\$ 299 million.



GROSS INCOME AND GROSS MARGIN

In 1Q23, gross income totaled R\$ 51 million. In 2022, we had 19% of gross margin, excluding the effects of financial charges appropriated to cost. We should note that the reduced gross margin in the quarter mainly results from higher discounts for the sale of finished inventory.



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. 1Q23 (R\$ million)	Gross Margin	REF Margin ¹	Inventory Gross Margin
Net Revenue	299.0	984.8	1,390.3
COGS	-247.9	-666.8	-996.0
Construction and Land	-242.2	-666.8	-975.0
Financial charges	-5.7	0.0	-21.0
Gross Income	51.1	318.0	394.3
Gross Margin (%)	17.08%	32.29%	28.4%
Gross Margin (%) ex-financing	18.99%	32.29%	29.9%

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 1Q23		
	Sold Units (R\$ million)	Units in Inventory (R\$ million)	Total (R\$ million)
2023	342,923	128,737	471,660
2024	231,753	171,017	402,771
2025	72,070	86,998	159,068
2026	20,073	27,157	47,229
Total	666,819	413,909	1,080,728

SELLING, GENERAL & ADMINISTRATIVE, AND OTHER EXPENSES

In 1Q23, operating expenses totaled R\$ 34.9 million. The increased administrative expenses result from the increased percentage of provision for bonuses. We should note the payment of this item is subject to the achievement of goals and in line with these goals, when comparing the operating net revenue. The breakdown is as follows:

	1Q22	2Q22	3Q22	4Q22	1Q23
Selling	16,084	19,883	26,855	19,506	15,388
General and Administrative	11,198	16,260	13,101	13,586	16,098
Other expenses, net	7,205	6,888	9,632	1,425	3,427
Operating Expenses	34,487	43,031	49,588	34,517	34,913
% of Net Revenue (LTM)	16.77%	15.77%	15.23%	15.70%	14.45%
% G&A / Net Revenue	5.41%	5.33%	4.28%	6.43%	5.38%

Other expenses, net (Provisions):

	1Q22	2Q22	3Q22	4Q22	1Q23
Contingency fund	3,248	2,337	5,937	4,579	3,821
Provision for cancellations - IFRS 9 (a)	3,369	1,878	4,977	-3,643	-1,148
Other expenses, net	588	2,673	-1,282	489	754
Other expenses, net	7,205	6,888	9,632	1,425	3,427

¹ Explanatory Note 12(e) to Financial Statements. 1Q23 Decrease because of the reduced delay of our portfolio.

FINANCIAL RESULTS

We closed the first quarter with R\$ 10.7 million in income. The breakdown is as follows:

	1Q22	2Q22	3Q22	4Q22	1Q23
Financial Expenses	-685	-400	-935	-876	-680
Financial expenses	-685	-400	-935	-876	-680
Financial Revenue	18,629	24,734	16,618	18,918	17,176
Interest from investments	9,059	11,458	10,454	9,321	10,441
With customers	9,570	13,276	6,164	9,598	6,735
Net Financial Revenue	17,944	24,334	15,683	18,042	16,496
Reclassification of expenses recognized as cost	-701	-4,220	-2,058	-3,155	-5,698
Financial Results	17,243	20,114	13,625	14,887	10,798

EBITDA¹

EBITDA history is as follows¹:

EBITDA Reconciliation	1Q22	2Q22	3Q22	4Q22	1Q23
Profit before IRPJ and CSLL	43,686	45,125	37,519	22,422	33,498
(+) Financial Result	-17,944	-24,334	-15,683	-18,042	-16,496
(+) Depreciation and Amortization	970	940	906	1,116	1,067
EBITDA	26,712	21,731	22,742	5,495	18,069
EBITDA Margin	12.90%	7.13%	7.42%	2.60%	6.04%
(+) Financial expenses recognized as cost	701	4,220	2,058	3,155	5,698
Adjusted EBITDA	27,413	25,951	24,800	8,650	23,767
Adjusted EBITDA Margin (%)	13.24%	8.51%	8.09%	4.10%	7.95%

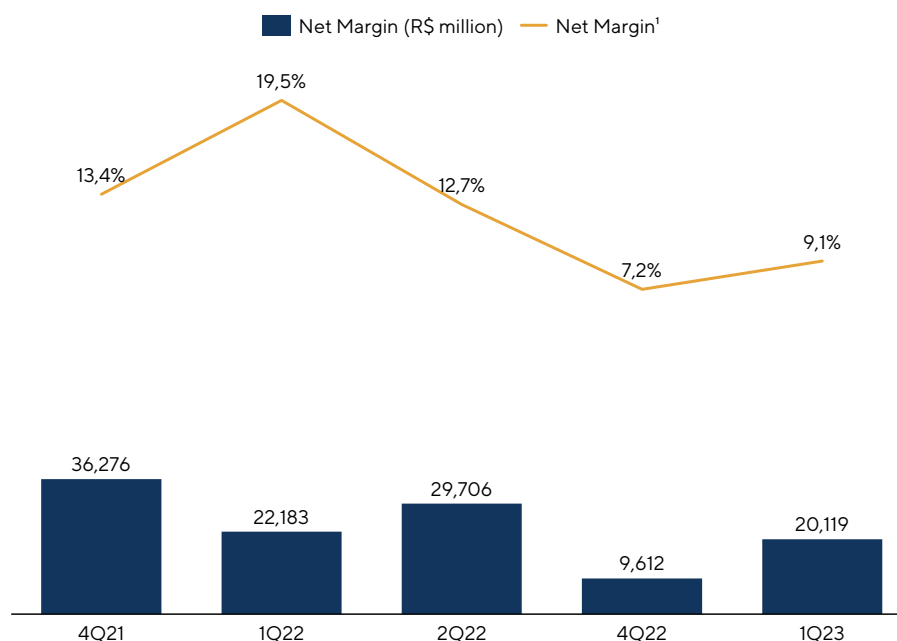
¹ EBITDA: earnings before taxes, interest, financial charges recognized as cost, depreciation, and amortization.

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 of the Company's Financial Statements.

NET INCOME AND NET MARGIN

In 1Q23, net income totaled R\$ 20.1 million. Net margin before minority reached 9.1% in the year, accounting for a 2 p.p. increase when compared to 4Q22.



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\$ 368.9 million as of March 31, 2023.

Loans and borrowings totaled R\$ 185.8 million, which are entirely guaranteed by receivables or inventory.

Table below shows capital structure. We closed 1Q23 with R\$ 183.1 million in **Net Cash**, accounting for 15% of our Equity:

	Mar/2023	(R\$ million)
Production SFH	-185.0	99.6%
Production CRI	-0.8	0.4%
Gross Debt	-185.8	100%
Cash	368.9	
Net Cash	183.1	
Equity	1,228.4	
Net Cash / PL	15%	

CASH GENERATION / CASH BURN

In the first quarter of 2023, cash generation totaled R\$ 6.4 million.

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

	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23
Initial Net Debt	-510.0	-388.3	-350.4	-299.1	-200.8	-187.7
Final Net Debt	-388.3	-350.4	-299.1	-200.8	-187.7	-183.1
Net debt variation	121.8	37.9	51.3	98.3	13.1	4.6
Dividends and contributions	-56	-	-24.4	-7	-	-11
Stock buyback	-	-	-	-	-	-
Cash burn	65.8	37.9	26.9	91.3	13.1	-6.4

ACCOUNTS RECEIVABLE FROM CUSTOMERS

We closed 1Q23 with R\$ 137.7 million in receivables from finished units. Breakdown of such amounts is as follows:

Nature	(R\$ million)
Customers with fiduciary sale	125.6
Transfers of (non-delinquent and delinquent) customers	15.9
Provision for cancellations	-3.8
Total	137.7

Recognized accounts receivables (R\$ 708.3 million) were stable in relation to the previous quarter. The balance of accounts receivable from the units sold but not yet 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\$ 1.56 billion (earned receivables plus receivables recognized in the balance sheet), R\$ 1.45 billion will become due, and have the following collection schedule:

Year	(R\$ million)
2023	427.8
2024	465.6
2025	295.3
2025 onwards	261.6
Total	1,450.3

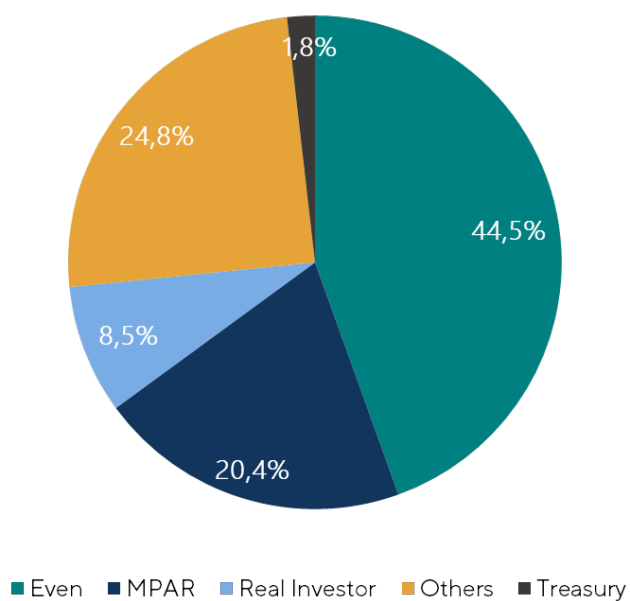
Accounts receivable are adjusted by the INCC index until the delivery of keys and then by the variation of the pricing index (IPCA) plus interest at 10% - 12% per annum recognized pro rata temporis.

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

SHAREHOLDING STRUCTURE

Shareholding Structure

(As of 4/28/2023 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	1Q22	2Q22	3Q22	4Q22	1Q23
Net Revenue from Sales and/or Services	206,995	304,927	306,411	211,235	298,968
Cost of Goods Sold	-146,766	-241,082	-235,050	-171,735	-247,900
Gross Income	60,229	63,845	71,361	39,500	51,068
<i>Gross Margin</i>	<i>29.10%</i>	<i>20.94%</i>	<i>23.29%</i>	<i>18.70%</i>	<i>17.08%</i>
<i>Gross Margin (ex-financing)</i>	<i>29.44%</i>	<i>22.32%</i>	<i>23.96%</i>	<i>20.19%</i>	<i>18.99%</i>
Operating Expenses	-34,487	-43,031	-49,588	-34,517	-34,913
Selling	-16,084	-19,883	-26,855	-19,506	-15,388
General and Administrative	-11,198	-16,260	-13,101	-13,586	-16,098
Other operating expenses, net	-7,205	-6,888	-9,632	-1,425	-3,427
Operating Income Before Financial Result	25,742	20,814	21,773	4,983	16,155
Equity Income					
Equity accounting		-23	63	-604	847
Financial Results	17,944	24,334	15,683	18,043	16,496
Financial Expenses	-685	-400	-935	-876	-680
Financial Revenue	18,629	24,734	16,618	18,919	17,176
Profit before IRPJ and CSLL	43,686	45,125	37,519	22,422	33,498
IRPJ and CSLL	-3,250	-6,262	-6,446	-7,200	-6,439
Current	-2,883	-5,441	-5,670	-8,409	-4,784
Deferred	-367	-821	-776	1,209	-1,655
Net income before minority shareholders' interest	40,436	38,863	31,073	15,222	27,059
Minority shareholders' interest	-18,253	-9,134	-8,218	-5,610	-6,940
Net Income for the Year	22,183	29,729	22,855	9,612	20,119
Net Margin	10.72%	9.75%	7.46%	4.55%	6.73%
Net Margin (without minorities)	19.53%	12.74%	10.14%	7.21%	9.05%

ANNEX 2 – Balance Sheet

(Consolidated – R\$ thousand)

ASSETS	3/31/2022	6/30/2022	9/30/2022	12/31/2022	3/31/2023
Cash and cash equivalents	16,140	8,524	8,882	16,058	17,041
Bonds and Securities	363,200	379,101	328,744	336,366	351,103
Restricted cash	-	-	-	-	-
Accounts receivable	461,333	417,642	251,233	419,707	583,431
Properties to be sold	846,257	815,181	965,827	1,038,295	931,880
Other accounts receivable	33,484	29,443	33,545	33,809	26,851
Current Assets	1,720,414	1,649,891	1,712,172	1,844,235	1,910,306
Bonds and Securities LP	-	-	-	270	726
Accounts receivable	179,781	330,170	515,108	331,612	282,245
Properties to be sold	65,056	42,875	50,579	94,962	92,260
Advances for future investments	5,691	4,694	3,195	663	322
Related parties	212	9,116	11,717	236	178
Other accounts receivable	4,417	3,837	3,842	3,868	3,918
Investments	4,584	6,614	12,181	12,422	14,330
Right of use	4,946	4,473	4,118	4,118	3,113
Property, plant and equipment	9,070	9,035	8,864	8,486	9,541
Intangible assets	139	124	289	249	222
Non-current assets	273,896	410,938	485,952	456,886	406,855
Total assets	1,994,310	2,060,829	2,198,124	2,301,121	2,317,161
LIABILITIES	3/31/2022	6/30/2022	9/30/2022	12/31/2022	3/31/2023
Suppliers	46,807	54,699	39,653	27,915	30,945
Accounts Payable, Real Property Purchase	44,471	69,233	37,071	66,910	76,370
Loans and borrowing	4,114	2,857	21,736	46,358	33,162
Current taxes and contributions	5,263	5,490	5,564	8,232	6,408
Differed taxes and contributions	7,036	13,238	14,331	13,022	14,816
Advances from Customers	379,296	363,550	464,589	343,114	253,738
Proposed dividends	-	-	-	11,000	-
Provisions	86,860	77,443	80,087	67,587	61,946
Related parties	40,148	31,426	1,619	1,539	1,812
Other accounts payable	29,978	37,565	21,431	16,151	16,258
Current Liabilities	643,973	655,501	686,081	601,828	495,455
Advances from Customers	-	-	-	169,379	232,869
Accounts Payable, Real Property Purchase	39,518	26,193	56,293	72,730	74,417
Provisions	25,828	26,205	29,324	31,543	27,573
Loans and borrowing	24,834	85,651	115,082	118,641	152,633
Other accounts payable	-	-	-	-	-
Differed taxes and contributions	20,214	12,220	12,996	11,787	13,443
Long-Term Liabilities	110,394	150,269	213,695	404,080	500,935
Capital Stock	1,109,029	1,109,029	1,109,029	1,109,029	1,109,029
Treasury Stock	-31,692	-31,692	-31,692	-31,692	-22,378
Costs for subscription of shares	-	-	-	-	-
Equity valuation adjustment	-	-	-	-	-
Legal reserves	-	-	-	-	-
Statutory Reserves	-	-	-	-	-
Stock Option Plan	-	-	-	8,946	11,129
Profit reserve	99,846	105,015	121,208	63,518	74,323
Additional proposed dividends	-	-	-	56,300	56,300
Equity	1,287,577	1,332,621	1,298,348	1,206,101	1,228,403
Non-controlling shareholders' interest	62,760	72,707	99,803	89,112	92,368
Total Equity	1,350,337	1,405,328	1,398,151	1,295,213	1,320,771
Total Liabilities and Equity	2,104,704	2,211,098	2,198,124	2,301,121	2,317,161

ANNEX 3 – Cash Flow Statement

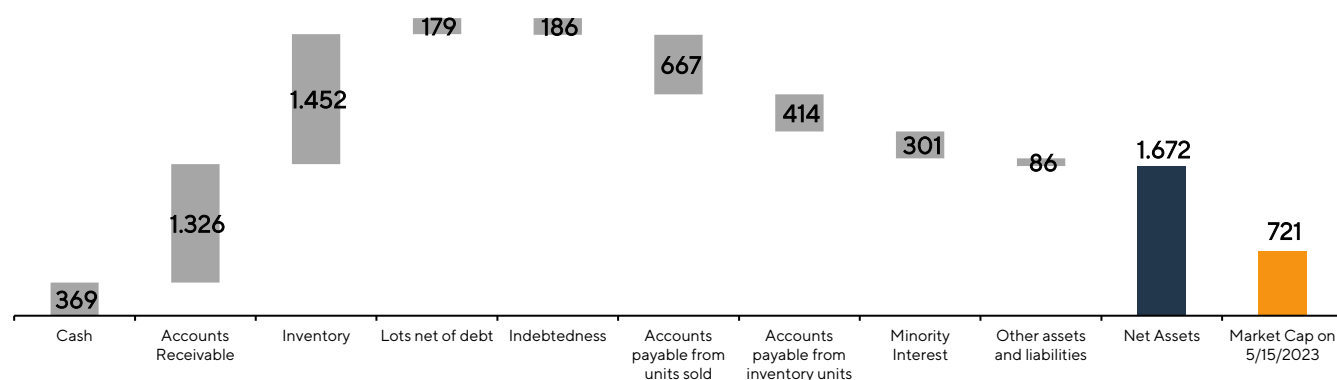
(Consolidated – R\$ thousand)

CASH FLOW FROM OPERATING ACTIVITIES	1Q22	2Q22	3Q22	4Q22	1Q23
Profit before income and social contribution taxes	43,686	45,126	37,518	22,421	33,498
Adjustments to reconcile income before income tax and social contribution					
Equity accounting	-	23	-63	604	-847
Depreciation and amortization	970	940	906	1,116	1,067
Contingency fund, net	2,248	120	3,868	2,182	2,530
Provision for guarantees, net	2,672	19	1,472	988	1,080
Provision for cancellations, net	130	8,319	-2,091	-5,299	-15,602
Provision for profit sharing	2,514	-3,547	2,514	-8,152	2,381
Provisioned interest	-	2,914	4,065	3,155	5,698
Interest and monetary variations expenses	701	-701	-	-	-
Variations in current and non-current assets and liabilities:	-	-	-	-	-
Accounts receivable	-14,463	-108,031	-18,529	15,022	-114,357
Properties to be sold	-44,584	53,257	-158,350	-116,851	109,117
Other accounts receivable	-96	4,623	-4,107	-290	6,908
Suppliers	4,891	7,892	-15,046	-11,738	3,030
Accounts Payable, Real Property Purchase	-7,730	11,437	-2,062	46,276	11,147
Advances from Customers	-26,889	-24,442	101,039	47,904	-25,886
Other liabilities	1,588	2,449	-13,854	3,815	3,916
Cash generated (applied) in operations	-34,362	398	-62,720	1,153	23,680
Interest paid	-666	-1,097	-1,254	-7,012	-9,514
Paid income tax and social security	-3,249	-6,264	-6,445	-7,200	-6,439
Net cash applied in operating activities	-38,277	-6,962	-70,420	-13,059	7,727
CASH FLOW FROM INVESTMENTS					
Bonds and Securities	14,129	-8,677	50,357	-7,892	-15,193
Acquisition of property, plant and equipment and intangible assets	-1,196	-417	-545	-698	-1,090
Increase in investments	-	-2,053	-5,504	-845	-1,061
Increase of capital in holdings	-	-2,541	-	2,541	-
Income received	-	-	-	-	-
Dividends received	-	-	-	-	-
Related parties	-3,538	3,538	-	-	-
Increase (decrease) in advance for future capital increase in investees	-	-2,541	1,499	2,532	341
Net cash from investments	9,395	-12,691	45,807	-4,362	-17,003
INVESTMENTS CASH FLOW					
Raised loans and borrowings	21,625	60,752	45,596	47,754	30,326
Amortized loans and borrowings	-4,600	-2,853	-97	-15,716	-5,714
Restricted cash	-	-	-	-	-
Related parties	4,634	-18,111	-32,408	11,401	331
Dividend paid	-	-24,365	-7,000	1	-11,000
Acquisition of shares in treasury	-	-	-	-	-
Non-controlling shareholders' transactions	-	1,298	18,879	-16,302	-3,684
Net cash from financing activities	21,658	16,721	24,970	27,138	10,259
NET INCREASE (DECREASE) OF CASH AND CASH EQUIVALENTS	-7,224	-2,933	358	9,717	983

ANNEX 4 – NAV

(Consolidated – R\$ thousand)

Net Assets	3/31/2023
Cash/Cash equivalents and financial investments	368,870
Loans, Financing and Debentures to be paid	(185,795)
Net indebtedness	183,075
Accounts receivable from customers, on-balance	865,676
Accounts receivable from customers, off-balance	1,002,340
Advances from customers	(486,607)
Taxes on accounts receivable from customers	(55,256)
Building obligations ref. sold properties	(666,819)
Accounts receivable from customers, Net	659,334
Units in inventory at market value	1,419,872
Provision for cancellations at market value	92,725
Taxes on sale of units in inventory	(60,504)
Estimated costs to be incurred on properties in inventory	(413,909)
Adjustment of costs to be incurred from phases already accounted for	-
Net inventory	1,038,184
Inventory of plots of land, on-balance	329,983
Debt from plots of land, on-balance	(136,547)
Debt from plots of land already launched	(14,240)
Plots of Land	179,196
Minorities' interest (on-balance)	(92,368)
Minorities' interest (off-balance)	(208,458)
Minority shareholders' interest	(300,826)
Projects consolidated by equity method (on-balance)	14,330
Projects consolidated by equity method (off-balance)	-
Projects consolidated by equity method	14,330
Other assets	44,145
Other liabilities	(144,942)
Other assets (liabilities)	(100,797)
Net Assets	1,672,495



ANNEX 5 – Land Bank

The chart shows land purchased by the Company, per development, as of March 31, 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	241,251	120,626
Plot - II	Urban Development	May/10	275,664	155,750	243	144,319	72,160
Plot - III	Urban Development	May/10	284,752	160,885	243	144,319	72,160
Plot - IV	Homebuilder	Sep/14	44,145	22,541	352	135,755	135,755
Plot - IX	Homebuilder	Jan/17	11,123	35,811	756	318,939	318,939
Plot - V	Homebuilder	Sep/14	15,475	7,273	194	47,588	47,588
Plot - VI	Homebuilder	Sep/14	40,206	22,447	288	123,642	123,642
Plot - VII	Homebuilder	Dec/14	5,024	10,820	54	74,865	74,865
Plot - VIII	Urban Development	Nov/16	375,449	137,307	393	38,142	19,071
Plot - X	Urban Development	Jan/17	422,603	169,905	876	84,948	42,474
Plot - XIII	Homebuilder	Jan/18	17,168	34,498	416	260,548	260,548
Plot - XIV	Homebuilder	Jan/18	17,168	33,895	260	278,856	278,856
Plot - XIX	Homebuilder	Nov/18	4,671	6,431	109	56,220	56,220
Plot - XV	Urban Development	Feb/18	1,007,596	340,909	1,251	96,895	48,448
Plot - XVI	Urban Development	Feb/18	1,166,354	289,434	1,446	231,973	115,987
Plot - XVII	Urban Development	Jul/18	172,661	86,729	462	28,249	14,124
Plot - XVIII	Homebuilder	Nov/18	7,947	12,726	326	138,335	138,335
Plot - XX	Homebuilder	Nov/20	10,555	18,976	162	209,206	209,206
Plot - XXII	Homebuilder	May/21	4,052	6,376	100	50,941	33,112
Plot - XXIII	Homebuilder	May/21	3,197	9,140	48	106,294	106,294
Plot - XXVI	Homebuilder	Jul/21	2,788	6,864	42	89,081	89,081
Plot - XXIX	Urban Development	Jun/22	102,417	55,663	172	46,658	13,997
Plot - XXV	Homebuilder	Sep/21	6,738	17,121	36	347,795	347,795
Plot - XXVI	Homebuilder	Apr/22	2,835	7,880	14	107,850	107,850
Plot - XXVII	Homebuilder	Jun/22	28,869	17,561	124	220,916	220,916
Plot - XXVIII	Homebuilder	Jun/22	9,316	23,090	495	264,997	264,997
Plot - XXX	Urban Development	Oct/22	151,576	69,549	271	56,461	28,231
Plot - XXXI	Homebuilder	Dec/22	3,813	10,571	280	136,961	89,024
Plot - XXXIII	Urban Development	Mar/23	132,166	47,849	132	45,834	22,917
Plot - XXXIV	Urban Development	Mar/23	260,569	66,719	233	72,877	36,438
Plot - XXXV	Urban Development	Mar/23	111,328	64,849	303	58,982	29,491
Plot - XXXVI	Homebuilder	Mar/23	2,237	5,920	39	71,871	35,935
Plot - XXXVII	Homebuilder	Mar/23	25,225	7,680	114	54,672	54,672

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 3/31/2023 when compared to 12/31/2022, 9/30/2022 and 6/30/2022:

Project	Launch	%Melnick	% Sold				% PoC			
			3/31/2023	12/31/2022	9/30/2022	6/30/2022	3/31/2023	12/31/2022	9/30/2022	6/30/2022
Hom	4Q10	100%	99%	99%	99%	99%	100%	100%	100%	100%
Grand Park Eucaliptos	3Q11	100%	100%	100%	100%	100%	100%	100%	100%	100%
Cobal - Rubi	4Q11	100%	100%	100%	100%	99%	100%	100%	100%	100%
Design Office Center	3Q12	100%	99%	97%	98%	98%	100%	100%	100%	100%
Hom lindoia	4Q12	100%	91%	85%	91%	91%	100%	100%	100%	100%
Nine	4Q12	100%	99%	100%	99%	99%	100%	100%	100%	100%
Icon - RS	1Q13	100%	91%	90%	90%	90%	100%	100%	100%	100%
Icon RS - 2nd phase	2Q13	100%	100%	100%	99%	100%	100%	100%	100%	100%
Window RS	4Q13	100%	99%	100%	99%	99%	100%	100%	100%	100%
Anita Garibaldi	4Q13	100%	93%	92%	94%	93%	100%	100%	100%	100%
Icon RS - 3rd phase	2Q14	100%	99%	100%	99%	98%	100%	100%	100%	100%
Viva Vida Boulevard	4Q14	100%	95%	96%	93%	93%	100%	100%	100%	100%
Hom Nilo	3Q15	100%	87%	77%	85%	86%	100%	100%	100%	100%
MaxPlaza	4Q15	100%	85%	83%	83%	83%	100%	100%	100%	100%
Central Park-1st stage	1Q16	60%	72%	73%	73%	72%	93%	93%	93%	94%
Supreme Central Parque	1Q16	100%	99%	99%	99%	100%	100%	100%	100%	100%
Central Park-2nd stage	2Q16	60%	76%	76%	74%	73%	93%	93%	93%	94%
DOC Santana	2Q16	100%	72%	53%	65%	65%	100%	100%	100%	100%
MaxPlaza - 2nd phase	2Q16	100%	59%	59%	59%	59%	100%	100%	100%	100%
Supreme Higienopolis	3Q16	100%	100%	100%	100%	100%	100%	100%	100%	100%
Reserva Bela Vista	4Q16	60%	92%	89%	92%	86%	100%	100%	100%	100%
Reserva do Lago	4Q16	60%	41%	41%	42%	48%	100%	100%	100%	100%
Vida Viva Horizonte - 2nd phase	4Q16	100%	94%	94%	93%	91%	100%	100%	100%	100%
Grand Park Lindóia - phase 1	4Q16	100%	82%	81%	81%	80%	98%	95%	94%	92%
Linked Teresópolis	3Q17	100%	63%	64%	64%	65%	100%	100%	100%	100%
Domingos de Almeida	3Q17	60%	85%	83%	84%	82%	100%	100%	100%	100%
Grand Park Lindóia - phase 2	4Q17	100%	76%	77%	75%	75%	98%	95%	94%	92%
GO 1092	4Q17	100%	100%	100%	100%	100%	100%	100%	100%	100%
Península (Brilhante)	4Q18	100%	99%	99%	99%	100%	100%	100%	100%	100%
Vida Viva Linked	1Q18	100%	79%	78%	81%	79%	100%	100%	100%	100%
Pontal	3Q18	100%	86%	85%	90%	90%	96%	94%	90%	82%
Praça do Sol	4Q18	48%	79%	68%	68%	68%	99%	98%	98%	98%
Vivio Lindóia	4Q18	100%	91%	90%	92%	88%	100%	100%	100%	100%
Artur 505	4Q18	100%	100%	100%	100%	99%	99%	99%	99%	98%
Teena	1Q19	100%	93%	93%	85%	88%	87%	85%	81%	75%
Pontal - 2nd phase	1Q19	100%	94%	80%	94%	97%	96%	94%	90%	82%
Central Park - 3rd phase	3Q19	60%	1%	1%	1%	1%	93%	93%	93%	94%
High Garden	3Q19	100%	98%	97%	96%	89%	98%	98%	96%	92%
Central Park Passo Fundo	4Q19	35%	100%	99%	100%	100%	93%	93%	93%	93%
OPEN Canoas Centro - Phase 1	4Q19	100%	100%	100%	100%	100%	86%	85%	82%	77%
Radisson Moinhos 1903	4Q19	100%	95%	95%	87%	85%	98%	99%	93%	85%
CasaVista	4Q19	100%	78%	61%	57%	57%	92%	88%	82%	77%
Sunset	1Q20	50%	100%	100%	100%	99%	100%	100%	100%	100%
GO24	1Q20	100%	93%	90%	92%	91%	98%	97%	91%	88%
Carlos Gomes Square - Phase 1	2Q20	100%	82%	80%	80%	80%	76%	72%	68%	65%
OPEN Canoas Centro - Phase 2	4Q19	100%	98%	99%	100%	98%	86%	85%	82%	77%
Carlos Gomes Square - Phase 2	3Q20	100%	85%	83%	84%	84%	76%	72%	68%	65%
Supreme Altos do Central Parque	4Q20	100%	88%	76%	83%	80%	87%	84%	79%	72%
Gran Park Lindóia - F3	1Q21	100%	81%	76%	72%	60%	98%	95%	94%	92%
Go Rio Branco	1Q21	100%	97%	85%	81%	81%	80%	74%	66%	59%
Casaviva	1Q21	50%	100%	100%	100%	100%	95%	91%	88%	77%
Botanique Residence	1Q21	100%	91%	91%	91%	90%	73%	69%	61%	54%
Seen Boa Vista	2Q21	100%	73%	54%	61%	61%	67%	62%	55%	49%
Hillside	3Q21	100%	85%	65%	71%	69%	65%	56%	48%	42%
Arte Country Club	3Q21	82%	93%	81%	82%	79%	64%	57%	51%	46%
GO Cidade Baixa	4Q21	100%	74%	77%	67%	60%	53%	46%	40%	35%
GO Carlos Gomes	4Q21	100%	66%	55%	54%	48%	61%	53%	47%	44%
Nilo Square - Residencial	1Q22	50%	48%	38%	36%	30%	26%	26%	26%	26%
Zen Concept Resort	1Q22	35%	99%	70%	99%	99%	63%	59%	54%	52%
Open Protásio	1Q22	100%	79%	62%	51%	37%	39%	33%	27%	24%
Nilo Square F2	2Q22	50%	71%	61%	60%	0.49	26%	26%	26%	0.26
Open Canoas Centro - Phase 3	2Q22	100%	91%	63%	38%	0.16	86%	85%	82%	0.77
Seen Menino Deus	3Q22	100%	61%	44%	45%		47%	45%	45%	
The Garden - Residencial 1	3Q22	25%	95%	42%	81%		67%	66%	64%	
The Garden - Residencial 2	4Q22	25%	72%	31%			60%	60%		
Grand Park Moinhos - Phase 1	4Q22	100%	82%	20%			28%	27%		
Arbo Village Park	4Q22	33%	35%	17%			48%	38%		
Nilo Square Hotel	1Q23	50%	98%				26%			
Grand Park Moinhos - Phase 2	1Q23	100%	22%				28%			
Arte Cidade Nilo - Phase 1	1Q23	100%	22%				29%			

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 January 31, 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.