

Earnings Release

Melnick discloses 1Q21

Porto Alegre, May 13, 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 first quarter of 2021 (1Q21). Except where stated otherwise, the consolidated financial and operating information herein is presented in Brazilian Reais (R\$).

Highlights

- Launches totaled R\$ 470 million in 1Q21 and in the last twelve months exceeded R\$ 1 billion.
- SOS of launches 31% in 1Q21, currently above 40%.
- Leaders for the 5th consecutive time in the award for brands that decide.
- R\$ 1 billion in PSV already approved for launch.

STOCK PRICE CLOSED ON 13/05/2021
PRICE PER SHARE: R\$6,09
NUMBER OF SHARES: 207,969,341
MARKET CAP: R\$1,2 bi (ON 05/13/2021)

IR Contact



Vinicius Mastrorosa – CFO and IRO
Maria Luiza – Controller and IR manager



+55 (51) 3016-9083



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 (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 first quarter of 2021 (1Q21).

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MESSAGE FROM MANAGEMENT¹

The year 2021 started, unfortunately, marked again by the worsening of the numbers of the COVID-19 pandemic, and once again brought impacts to the company's operation.

We stayed 55 days with closed sales stands, and had difficulty scheduling visits to our projects, which compromised the volume of sales of inventory in 1Q21. Our projects were also with reduced teams, but we expect the recovery of the schedule without impact on the term of deliveries.

In the launches, we had a very successful quarter: we reached R\$ 470 million in PSV launched in 1Q21 and R\$ 1 billion in the last 12 months. We sold 31% of launches within the quarter, and today these projects are already over 40% sold, demonstrating that there is good demand for the products we have launched.

The approval of our land bank projects continues to evolve very well and today the company already has R\$ 1 billion in PSV approved between land acquired and businesses with an option contract signed. This helps to maintain the predictability of the volume of launches in the coming quarters.

The volume growth has been occurring, but we are keeping expenses under control. We ended the quarter with R\$ 10 million in general and administrative expenses, totaling R\$ 28 million in the last 12 months, **only 3.76% of the net PSV launched in the same period.**

Finally, our net income was R\$ 15 million in the quarter, totaling R\$ 59 million in the last 12 months.

We continue with our plan to place Melnick on a new level of launch volume, sales and post-IPO net income, always maintaining growth requirements and high return on equity as requirements. For this, we have a structured and experienced team, great execution capacity built mainly over the last 10 years, and an extremely qualified land bank of which R\$ 1 billion of PSV is already approved for launch.

We constantly reinforce, internally and externally, our long-term strategic orientation. Our current planning is based on three pillars: financial strength, operational capacity and fantastic products. With a long-term mentality, great focus on planning and guided by the constant strengthening of these pillars, we are prepared for this new growth cycle, maintaining as main objective our 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	2019	1Q20	2Q20	3Q20	4Q20	2020	1Q21
Net Sales	562,893	134,213	187,589	111,748	147,899	581,449	165,035
Gross Profit	138,868	32,261	41,806	32,905	23,095	130,067	39,704
Adjusted Gross Margin	29.4%	27.8%	26.1%	36.5%	17.4%	26.3%	26.1%
Net Profit	45,458	3,043	22,355	10,102	7,013	42,513	14,609
Net Margin Before Part. Minority shareholders	9.8%	7.3%	15.1%	9.6%	5.7%	9.8%	12.7%
LTM ROAE (with minority shareholders)	10.7%	8.5%	11%	7.1%	6.4%	6.4%	5.7%
Backlog Revenue (after PIS-COFINS)	613,036	611,210	738,354	758,413	753,926	753,926	808,612
Backlog Costs (after PIS-COFINS)	(425,798)	(427,135)	(521,900)	(536,126)	(540,158)	(540,158)	(584,728)
Backlog Profit (after PIS-COFINS)	187,238	184,075	216,634	222,287	213,778	213,778	223,884
Backlog Margin -%	30.5%	30.1%	29.3%	29.3%	28.4%	28.4%	27.7%
Net Debt	119,629	104,320	(14,744)	(595,419)	(622,307)	(622,307)	(603,407)
Cash Burn (ex-dividends and IPO)	(41,350)	2,391	(115,764)	(33,575)	(28,588)	(175,536)	3,396

Launches	2019	1Q20	2Q20	3Q20	4Q20	2020	1Q21
Launched Projects	8	2	2	1	1	6	4
PSV of Launches (100%)	759,578	147,915	332,458	90,689	115,170	686,232	470,487
PSV of Launches (Melnick's share)	589,074	81,349	244,583	86,155	88,339	500,425	334,921
Number of Units Launched	1,442	498	322	179	184	1,183	808
Usable Area (sq.m.)	197,737	102,780	24,227	6,819	12,334	146,160	136,211
Average Launch Price (R\$/sq.m.)	3,342	1,055	10,625	13,300	7,520	3,758	2,816
Average Price Unit Launched (R\$ thousand / unit)	13,843	478	2,663	481	480	4,102	451

Net Sales	2019	1Q20	2Q20	3Q20	4Q20	2020	1Q21
Net Sales (100%)	576,264	103,573	233,672	134,693	36,658	508,596	142,494
Net Sales (Melnick's share)	545,423	83,979	230,664	126,392	31,456	472,491	109,592
SOS (Melnick's share)	19.8%	12.9%	28.6%	19.5%	4.9%	4.9%	11.0%
Launch SOS (Melnick's share)	55.9%	50.9%	62.5%	38.8%	15.6%	46.3%	30.6%

Deliveries	2019	1Q20	2Q20	3Q20	4Q20	2020	1Q21
PSV Delivered (100%)	693,501	-	64,640	185,381	37,854	287,875	-
PSV Delivered (Melnick's share)	514,963	-	23,601	129,793	28,274	181,668	-
Number of Developments Delivered	7	-	1	2	1	4	-
Number of Units Delivered	1,107	-	95	701	77	873	-

Land Bank	2019	1Q20	2Q20	3Q20	4Q20	2020	1Q21
Land Bank (100%)	4,597,077	4,251,038	4,040,406	4,282,395	4,907,003	4,907,003	4,722,888
Land Bank (% Melnick's share)	4,068,169	3,754,626	3,543,994	3,498,309	3,665,118	3,665,118	3,409,763

OPERATING PERFORMANCE

LAUNCHES

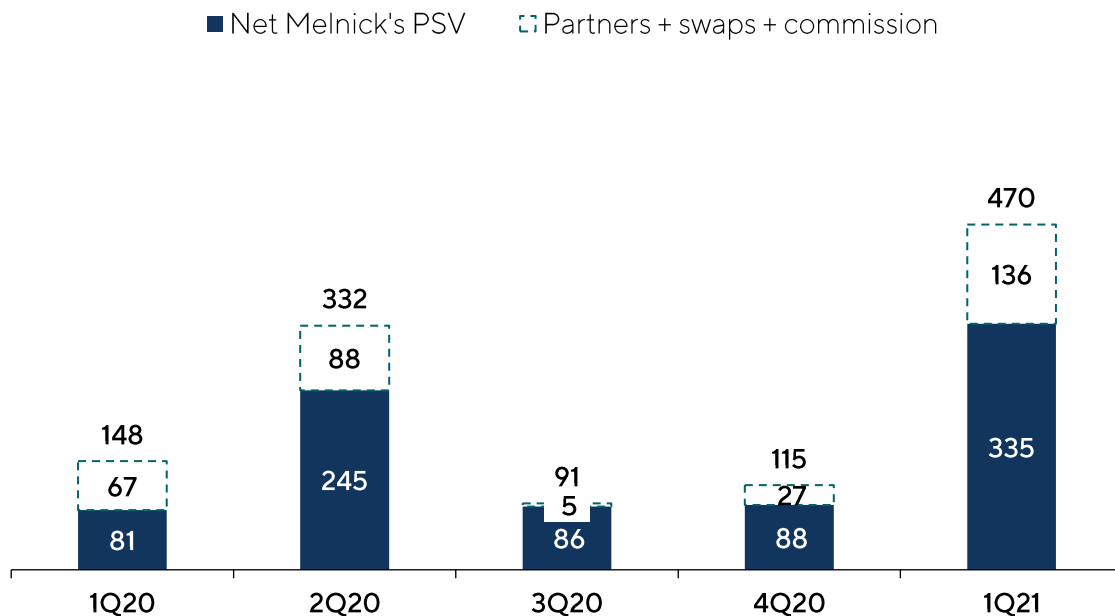
In the first quarter of 2021, there were four projects launched amounting to R\$470.4 million gross PSV (R\$334.9 million net Melnick's PSV)

Projects	Business	Gross PSV ¹ (R\$ '000)	Net PSV ² (R\$ '000)	Melnick's PSV (R\$ '000)	Usable Area (sq.m.) ³	Unit ³	Average Unit Value (R\$ '000)	Segment
Go Rio Branco	R.E.	93,933	71,394	71,394	6,634	183	390	Residencial
Grand Park Lindóia -	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
Total		470,487	383,627	334,921	136,211	808	451	

¹ PSV gross of swaps and commission.

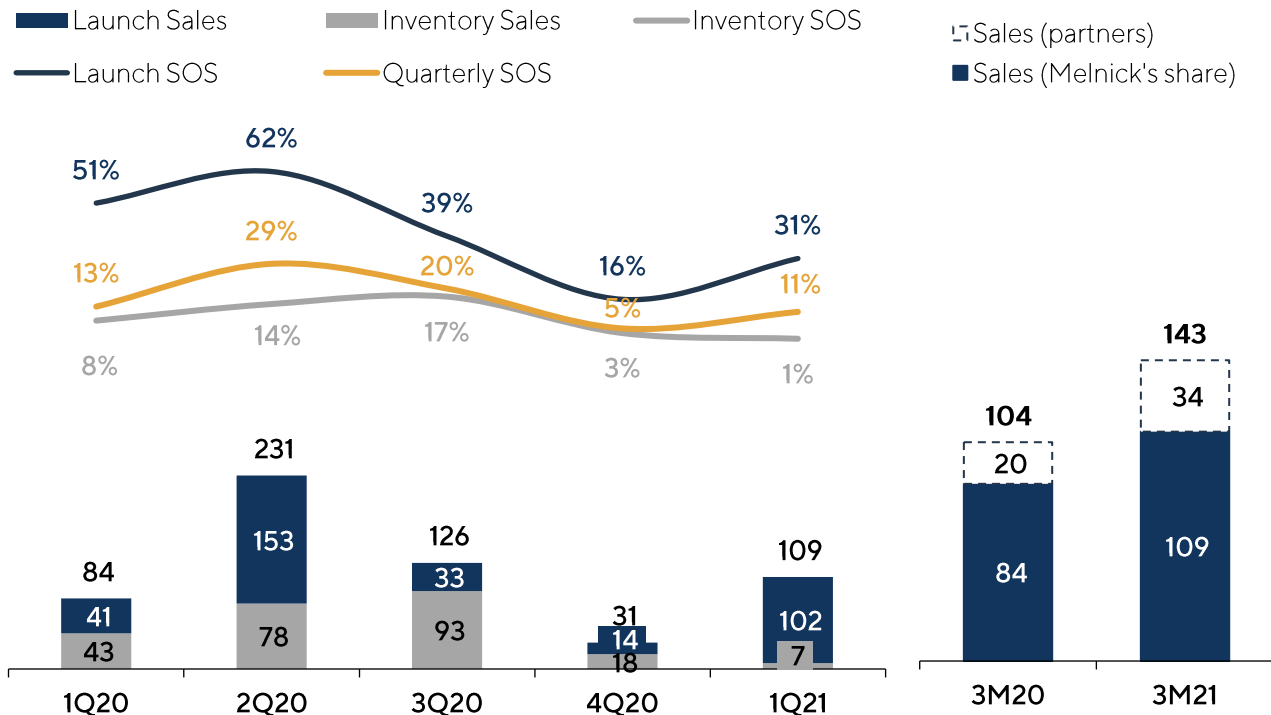
² PSV net of swaps and commission.

³ Net of swaps.



NET SALES

In the first quarter of 2021, net sales came to R\$109 million (Melnick's share), of which R\$ 102 million refer to sales of launches with a SOS of 31%.



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.
Real Estate	55,705	55,705	5,094	92
Lot development	82,213	49,311	119,274	379
Open	4,576	4,576	1,103	25
Total	142,494	109,592	125,471	496

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.
Up to 2014	2,533	2,533	268	3
2015	717	717	68	3
2016	(3,784)	(3,420)	(4,312)	(30)
2017	(7,778)	(8,232)	926	(12)
2018	(5,283)	(5,283)	(749)	(14)
2019	5,063	5,056	290	0
2020	19,559	15,809	18,107	94
2021	131,468	102,413	110,873	452
Total	142,494	109,592	125,471	496

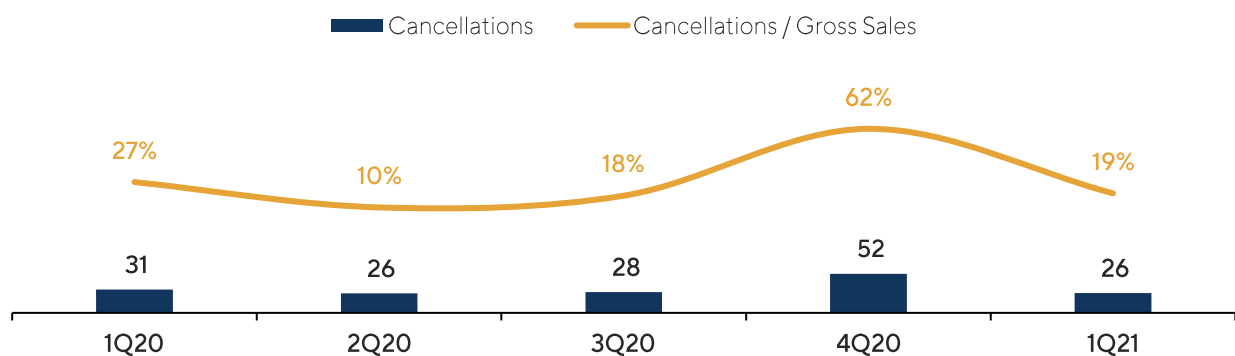
Finally, the table below gives a breakdown of sale by launch segment:

Segment	Total Sales (R\$ '000)	Melnick Sales (R\$ '000)	Usable area (sqm)	Units.
Residencial	44,911	44,911	3,938	97
Comercial	(6,569)	(6,569)	(571)	(22)
Mixed use	(262)	(262)	(45)	1
Open	4,576	4,576	1,103	25
Lot development	99,837	66,936	121,046	395
Total	142,494	109,592	125,471	496

CANCELLATIONS

In the first quarter of 2021, there were R\$26 million (Melnick's share) of cancellations, which represented 19% of gross sales::

Cancellations (R\$ '000 – Melnick's share)	1Q20	2Q20	3Q20	4Q20	1Q21
Net Saltes	72	231	127	31	109
Total Cancellations	31	26	28	52	26
Gross Sales	103	257	154	83	135
Inventory	74	104	121	69	33
Launches	41	153	33	14	102
Cancellations / Gross Sales	27%	10%	18%	62%	19%

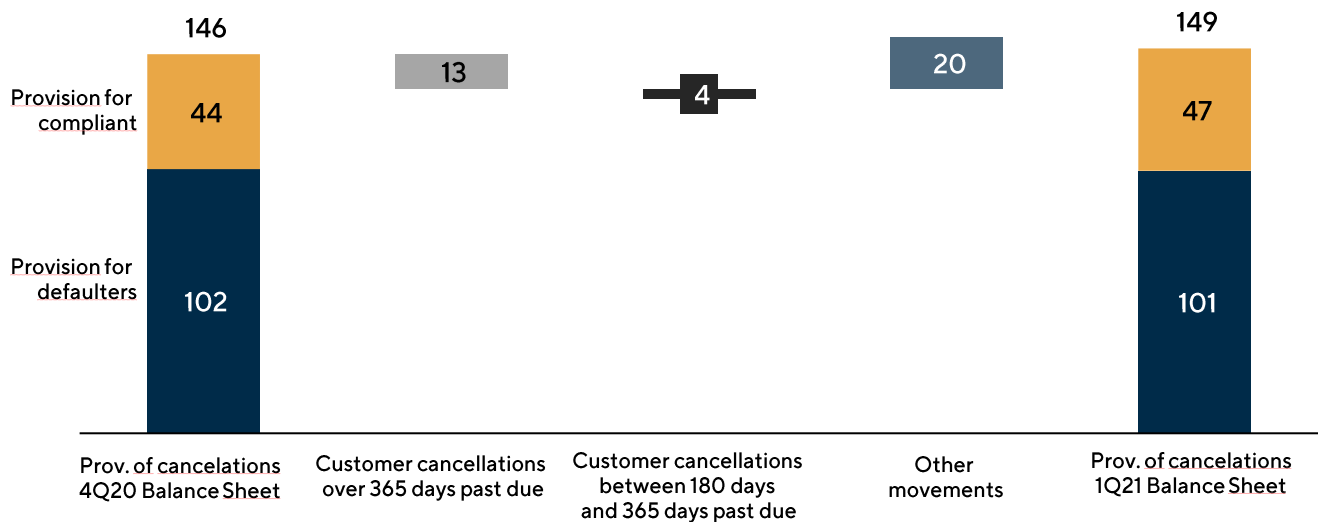


PROVISION FOR CANCELLATION

The Company has a critical analysis of the default of its accounts receivable from clients, and its main accounting estimate is its provision for cancellations.

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".

Below, we can observe the evolution of the provision for cancellation in the amount of PSV (appropriate revenue):



As of March 31, 2021, the effect of the cancellation provision on the balance sheet is R\$ 31.4 million:

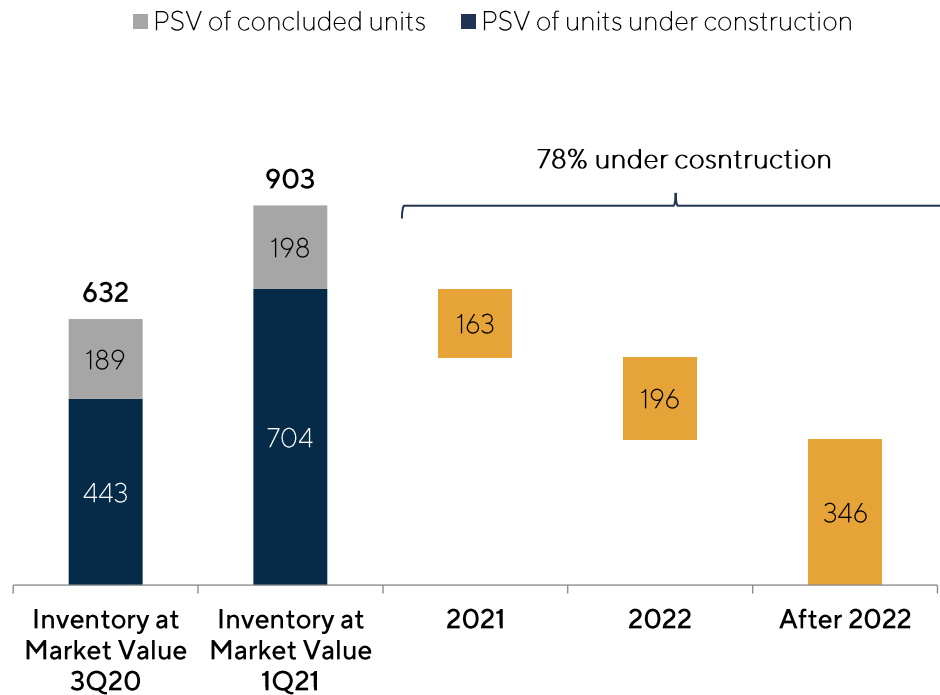
Balance sheet		03/31/2021
Accounts receivable		(112,710)
Properties for sale		114,762
Constitution of accounts payable / provision for cancellations		(33,516)
Effect on income		31,464

INVENTORY

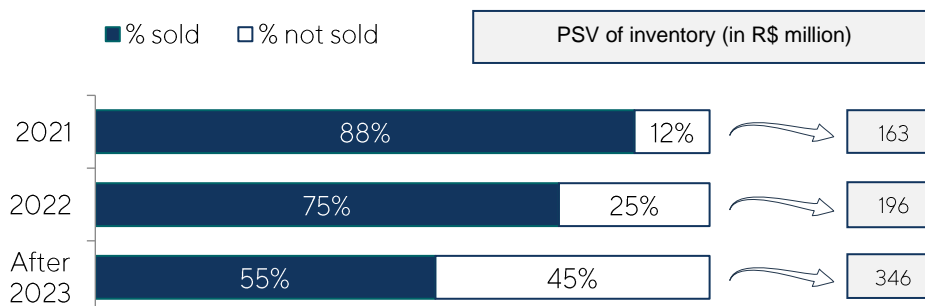
The inventory ended the 1Q21 amounting R\$903 million in potential sales value (Melnick's share), equivalent to 1 year and 5 months of gross sales, based on the pace of gross sales in the last 12 months.

Estimated year of completion	Total Inventory (R\$ '000)	Inventory at Melnick's share (R\$ '000)	% Value	Units	% Units
Concluded units	210,874	198,302	22%	774	36%
2021	163,703	162,546	18%	334	16%
2022	206,617	195,614	22%	424	20%
After 2022	351,382	346,257	38%	621	29%
Total	932,575	902,720	100%	2,153	100%

Of the Company's total inventory, 78% is under construction, of which 77% 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:

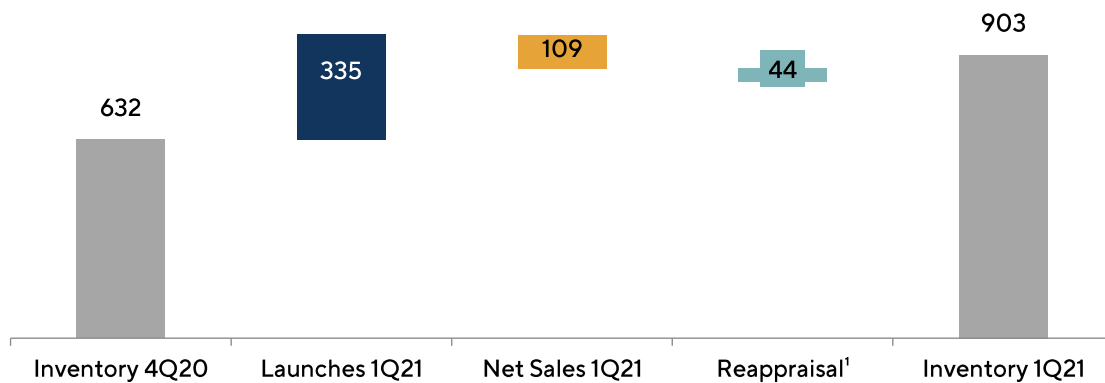
Year of launch	Total PSV	Melnick's PSV	Projects	Units	% Units
Up to 2014	40,794	40,794	8	113	5%
2015	86,729	86,729	2	174	8%
2016	61,915	54,889	10	328	15%
2017	70,404	64,858	5	266	12%
2018	53,666	42,664	4	200	9%
2019	154,953	149,055	8	333	15%
2020	216,302	215,919	6	388	18%
2021	247,812	247,812	3	351	16%
Total	932,575	902,720	46	2,153	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	840,008	840,008	179,445	16	432	17	884
Lot development	67,691	37,835	18,858	7	342	4	354
Open	24,876	24,876	0	0	0	2	141
Total	932,575	902,720	198,302	23	774	23	1,379

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.

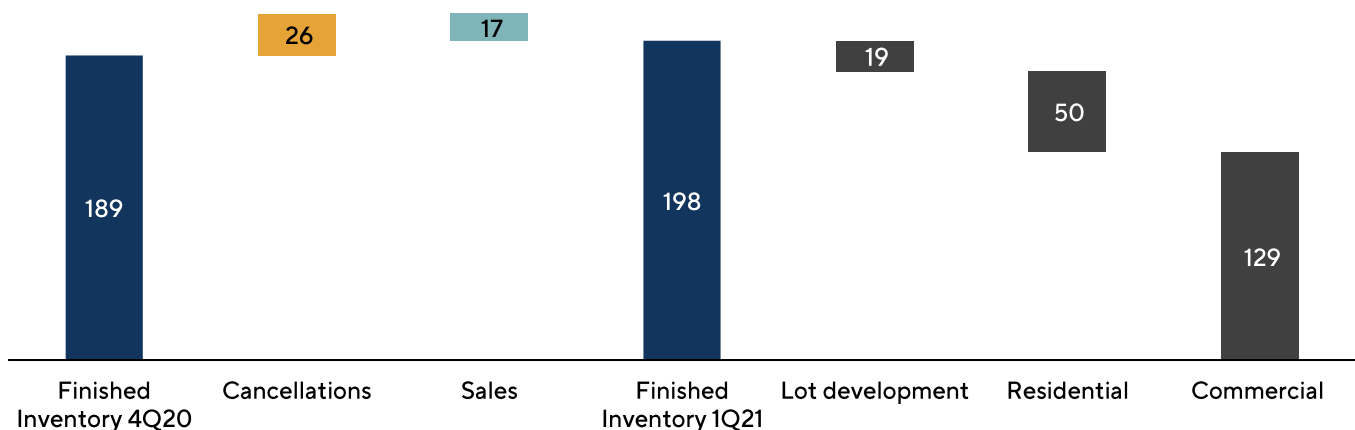
**Inventory – quarterly variation
PSV (Melnick's share) in R\$ million**



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\$17 million (Melnick's share) of finished inventory in the 1Q21, reaching a ready inventory of R\$ 198 million.



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

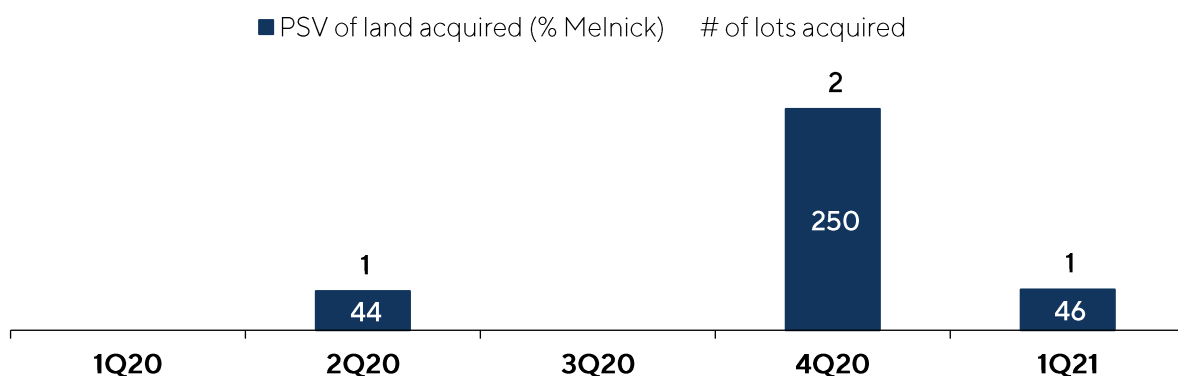
As a strategy to accelerate sales of commercial inventories, in 2019 we started a reversible lease program, which consists of the lease of our ready-to-sell inventory with a purchase option by the lessee during the lease period, using the amounts paid on a rental basis as at the time of purchase. Until March 31, 2021, we had R\$ 49 million of our inventory leased under this strategy.

LAND BANK

Our potential sales value of the land bank on March 31, 2021 was R\$3,4 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	18	218,404	4,470	3,089	2,591
Lot development	15	4,156,809	7,284	1,607	792
Open	1	3,439	160	27	27
Total	37	4,378,652	11,914	4,723	3,410

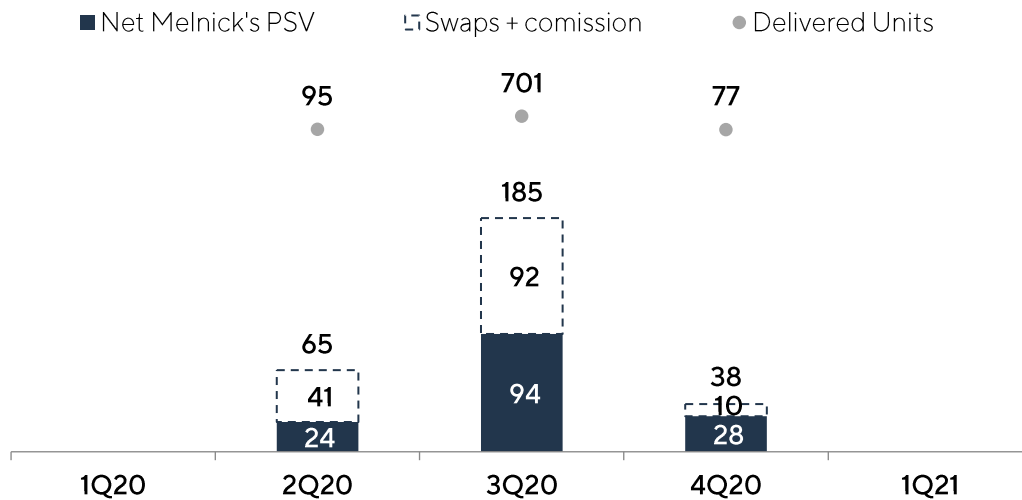
In the first quarter of 2021, a land was acquired adjacent to a land bank already acquired from the Company in order to add potential sales value in the amount of R\$ 46 million (part of Melnick). In addition to adding PSV to our land bank, in line with our IPO investment plan, we reduced the swap percentage for this project by 37%:



The land bank shown above represents land purchases approved by the Company's committee. The Company maintains a significant volume of land where it has purchase options, preemptive rights among other legal instruments.

DELIVERY AND EXECUTION OF PROJECTS

In the first quarter of 2021, there were no deliveries of projects.



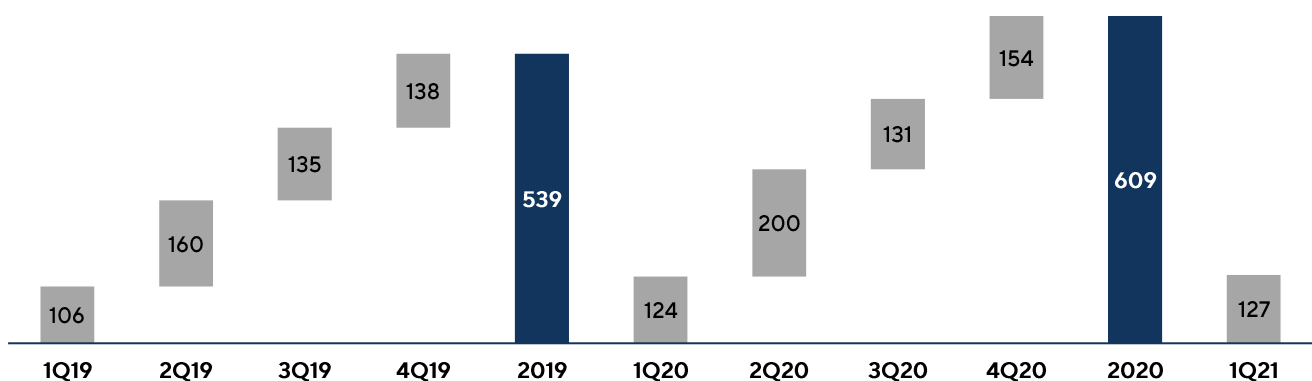
As of March 31, 2021, the Company had 18 active construction sites, of which 18 are from the developer, 4 from the developer and 1 from the Open.

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 first quarter of 2021, came to R\$127 million.

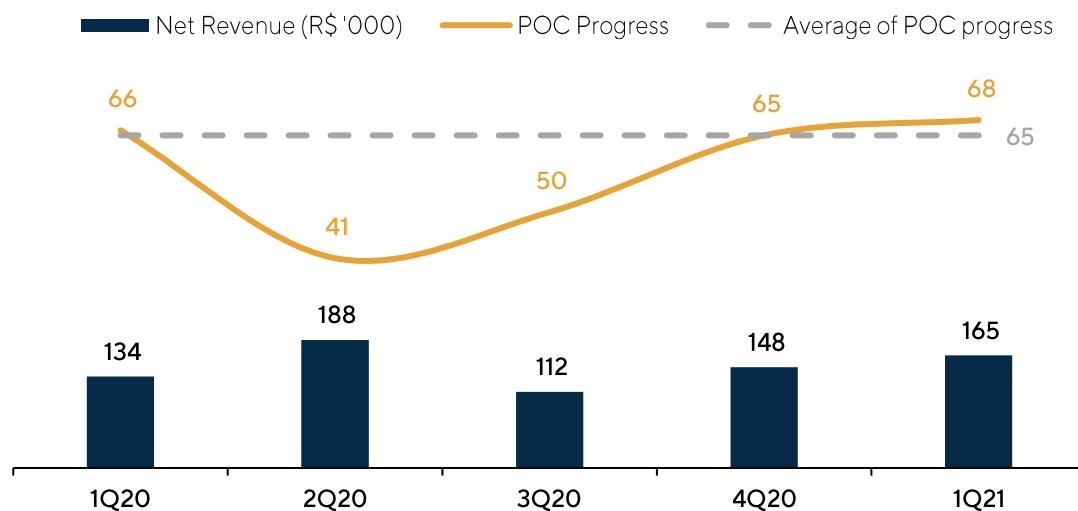
R\$ '000	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21
Units under construction	50,944	98,290	67,458	61,201	70,878	156,981	84,227	106,101	101,303
Performed (finished) units	55,115	61,623	67,951	76,959	52,785	42,925	47,152	48,097	25,983
Total	106,059	159,913	135,409	138,160	123,663	199,906	131,379	154,197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



ECONOMIC-FINANCIAL PERFORMANCE

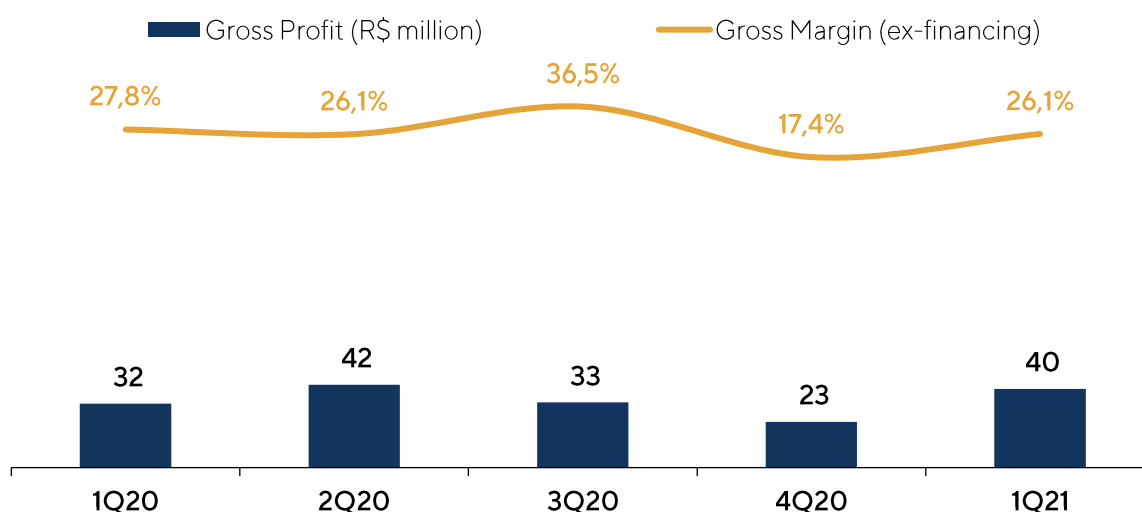
NET REVENUE

In the first quarter of 2021, we had a net operating revenue from sales and services of R\$ 165 million. In 2020, at the beginning of the COVID-19 pandemic, our construction sites in the city of Porto Alegre were closed for 92 days. Even with the new restrictions imposed in 2021 with the new worsening of the pandemic, in the first quarter, the beds functioned with 75% of the capacity and we maintained a historic POC, as shown below:



GROSS PROFIT AND GROSS MARGIN

Gross profit came to R\$40 million in 1Q21. The fourth quarter gross margin stood at 26.1%, excluding the effects of financial charges appropriated to cost.



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):

1 st quarter of 2021 (R\$ '000)	Gross Margin	Gross Margin	Gross Margin Backlog Margin
Net revenue	165.0	808.6	913.2
Cost of goods sold			
Construction and lot	(121.8)	(584.7)	(652.4)
Financial charges	(3.5)	-	(18.6)
Gross profit	39.7	223.9	242.2
Gross margin (%)	24.1%	27.7%	26.5%
Gross margin (%) excluding financing	26.1%	27.7%	28.6%

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\$ 10.9 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 (1Q21)		
	Units sold Inventory (R\$ '000)	Units sold Inventory (R\$ '000)	Units sold (R\$ '000)
2021	313,327	102,798	416,125
2022	171,300	68,258	239,558
2023	78,291	48,570	126,861
2024	21,811	12,848	34,658
Total	584,728	232,473	817,202

¹ Excluding the total cost in phased projects (R\$10.9 million).

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES AND OTHERS EXPENSES

In the first quarter of 2021, operational expenses totalled R\$ 21,9 million, in line with the first quarter of 2020. The breakdown is as follows:

	1Q20	2Q20	3Q20	4Q20	1Q20
Selling expenses	10,563	6,438	13,230	11,989	10,417
General and administrative	8,863	5,086	7,225	6,225	9,777
Other expenses	3,244	2,545	2,156	(766)	(1,683)
Operating expenses	22,670	14,069	22,611	17,448	21,877
% of Net Revenue (LTM)	15.67%	12.33%	13.91%	12.97%	12.18%

EBITDA

Below show historical EBITDA¹:

EBITDA reconciliation	1Q20	2Q20	3Q20	4Q20	1Q21
Earnings before income taxes	12,167	32,557	13,495	11,764	23,614
(+) Financial result	(2,576)	(4,820)	(1,790)	(6,117)	(5,787)
(+) Depreciation and amortization	593	901	361	1,080	1,075
(+) Interest on Production Financing	5,078	7,116	7,841	2,648	3,450
EBITDA	15,262	35,754	19,907	9,375	22,352
EBITDA margin (%)	11.37%	19.06%	17.81%	6.34%	13.54%

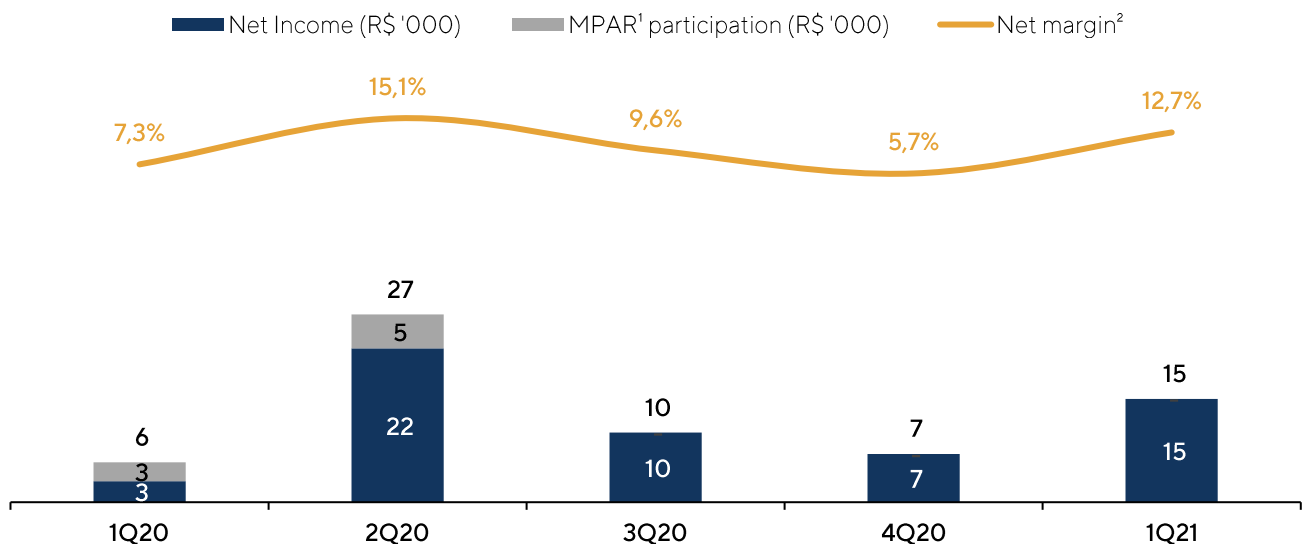
¹ EBITDA: earnings before taxes, interest, financial charges recognized to cost, depreciation and amortization.

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 first quarter of 2021, net income was R\$ 15 million, with a net margin of 12.7%.



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 March 31, 2021, cash, cash equivalents, securities and restrict cash totaled R\$ 676.8 million.

Loans, production financing came to R\$ 73.4 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 March 31, 2021:

	03/31/2021 (R\$ '000)	
Financing to production - SFH	72.8	99%
Financing to production - CRI	0.8	1%
Gross Debt	73.4	100%
Cash	(676.8)	
Net Debt	(603.4)	
Shareholders' Equity	1,203.5	
Net debt /Shareholders' equity	-50.1%	

CASH GENERATION / CASH BURN

Cash generation in the first quarter of 2021 was negative in R\$ 3.4 million.

Below is the evolution of cash generation in the last 5 quarters and accumulated in the year:

	1Q20	2Q20	3Q20	4Q20	4Q20
Initial net debt	119.6	104.3	(14.7)	(580.7)	(622.3)
Final net debt	104.3	(14.7)	(595.4)	(622.3)	(603.4)
Net debt variation	(15.3)	(119.1)	(580.7)	(26.9)	18.9
Dividends and capital contributions	17.7	(2.4)	(34.1)	-	-
Incorporation of MEIC ¹	-	6.4	-	-	-
IPO's funds	-	(0.7)	581.2	(1.7)	-
Purchase of treasury shares	-	-	-	-	(15.5)
Cash burn	2.4	(115.7)	(33.6)	(28.6)	3.4

¹ On 06/30/2020 the Company incorporated the cash balances of Melnick Even Incorporações e Construções S.A.

ACCOUNTS RECEIVABLE FROM CLIENTS

We ended the first quarter of 2021 with R\$ 152.2 million of receivables from completed units. These amounts have the following composition:

Nature	(R\$ '000)
Customers with mortgage	94.7
Customers transfer (compliant and defaulters)	100.1
Provision for cancellation	(42.6)
Total	152.2

Accounts receivable (R\$ 439,9 million) were stable in relation to the 4th quarter of 2020. 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 billion are falling due and have the following receipt schedule:

Year	(R\$ '000)
2021	366.3
2022	366.2
After 2022	270.2
Total	1,002.7

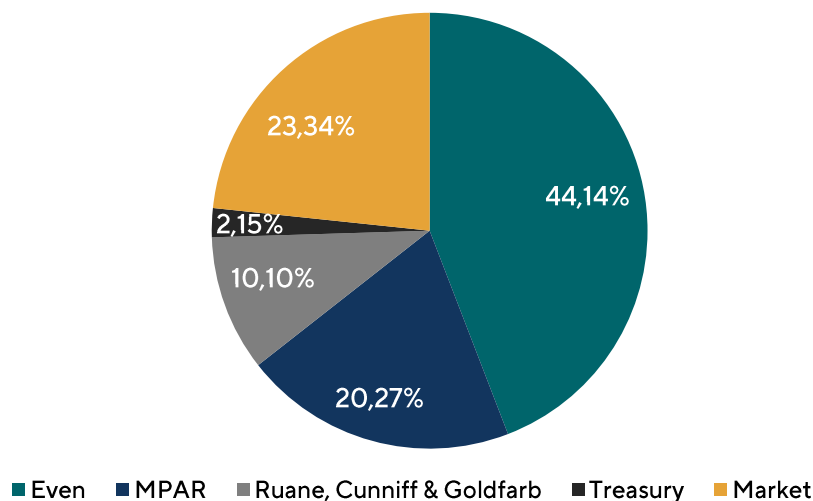
The balance of accounts receivable is adjusted by the variation in the INCC until the delivery of the keys and subsequently by the variation in the price index adopted (IPCA), plus annual interest of 12%, recognized on a pro rata temporis basis. The balance of accounts receivable is net of swaps.

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 04/30/2021, 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	1Q20	2Q20	3Q20	4Q20	1Q21
Revenues	134,213	187,589	111,748	147,899	165,035
Cost of goods sold	(101,952)	(145,783)	(78,843)	(124,804)	(125,331)
Gross Income	32,261	41,806	32,905	23,095	39,704
Gross Margin	24.04%	22.29%	29.45%	15.62%	24.06%
Gross Margin (ex-financing)	27.82%	26.08%	36.46%	17.41%	26.15%
Operating expenses	(22,670)	(14,069)	(21,200)	(17,448)	(21,877)
Selling	(10,563)	(6,438)	(13,230)	(11,989)	(10,417)
General and administrative	(8,863)	(5,086)	(7,225)	(6,225)	(9,777)
Other operating expenses, net	(3,244)	(2,545)	(745)	766	(1,683)
Operating income before financial results	9,591	27,737	11,705	5,647	17,827
Financial result	2,576	4,820	1,790	6,117	5,787
Financial expenses	(1,435)	(1,093)	(2,152)	(905)	(20)
Financial revenues	4,011	5,913	3,942	7,022	5,807
Profit before income tax and social contribution	12,167	32,557	13,495	11,764	23,614
Income tax and social contribution	(2,436)	(4,305)	(2,751)	(3,323)	(2,719)
current	(2,730)	(4,255)	(2,481)	(2,110)	(2,847)
deferred	294	(50)	(270)	(1,213)	128
Net profit before non-controlling interest	9,731	28,252	10,744	8,441	20,895
Non-controlling interest	(6,688)	(5,897)	(642)	(1,428)	(6,286)
Net profit	3,043	22,355	10,102	7,013	14,609
Net Margin	2.27%	11.92%	9.04%	4.74%	8.85%
Net Margin (without non-controlling interest)	7.25%	15.06%	9.61%	5.71%	12.66%

ATTACHMENT 2 – Balance Sheet

(Consolidated - in thousands of reais)

ASSETS	03/31/2020	06/30/2020	09/30/2020	12/31/2020	03/31/2021
Cash and cash equivalents	36,692	8,346	6,419	6,491	60,618
Securities	131,547	272,763	851,762	691,472	615,862
Restricted cash	5,024	3,880	5,224	3,577	329
Accounts receivable	300,675	343,381	324,929	299,374	298,830
Properties for sale	472,307	459,806	456,482	563,334	624,464
Other accounts receivable	12,347	16,622	22,394	22,786	26,076
Total current assets	958,592	1,104,798	1,667,210	1,587,034	1,626,179
Accounts receivable	173,327	158,210	159,095	139,971	141,083
Properties for sale	123,846	155,611	136,040	44,410	46,977
Advances for future investments	-	-	-	400	700
Related parties	20,210	22,649	1,971	3,122	4,541
Other accounts receivable	5,904	8,651	8,741	8,148	9,023
Investments	200	200	200	1,487	1,487
Right of use	1,621	1,621	1,150	571	263
Fixed	3,678	4,477	4,204	5,090	5,002
Intangible	317	289	289	231	205
Total non-current assets	329,103	351,708	311,690	203,430	209,281
Total asset	1,287,695	1,456,506	1,978,900	1,790,464	1,835,460
LIABILITIES AND SHAREHOLDERS'	03/31/2020	06/30/2020	09/30/2020	12/31/2020	03/31/2021
Suppliers	16,841	16,135	22,114	15,697	22,804
Accounts payable for property	27,041	38,534	36,191	48,853	43,052
Loans and financing	155,299	122,879	173,006	56,194	47,647
Current taxes and contributions	7,699	12,103	9,561	7,714	7,866
Deferred taxes and contributions	8,175	8,175	8,877	7,526	8,992
Advances from clients	154,980	262,475	251,551	266,816	291,410
Proposed dividends	-	-	-	1,295	57,914
Provisions	54,244	55,863	59,917	52,375	1,295
Related parties	71,283	76,266	30,853	29,289	29,489
Other accounts payable	15,380	19,678	21,373	17,415	14,360
Total current liabilities	510,942	612,108	613,443	503,174	524,829
Accounts payable for property	34,065	32,614	33,757	24,097	40,447
Provisions	24,417	27,096	26,486	26,394	27,017
Loans and financing	122,285	147,367	94,979	23,039	25,755
Deferred taxes and contributions	16,398	17,520	16,260	15,086	13,956
Total non-current liabilities	197,165	224,597	171,482	88,616	107,175
Share Capital attributed to the Parent	457,222	467,026	1,154,604	1,154,604	1,154,604
Treasury shares	-	-	-	-	(15,504)
Cost for issuing shares	-	(728)	(40,021)	(41,669)	(41,669)
Equity pick-upvaluation	-	-	(3,906)	(3,906)	(3,906)
Legal Reserve	32,389	21,334	21,334	23,460	-
Statutory reserve	21,334	32,389	-	-	-
Retained earnings	3,043	16,798	26,698	30,290	68,359
Non-controlling interest	65,600	82,982	35,266	35,895	41,572
Total shareholders' equity	579,588	619,801	1,193,975	1,198,674	1,203,456
Total liabilities and shareholders' equity	1,287,695	1,456,506	1,978,900	1,790,464	1,835,460

ATTACHMENT 3 – Cash Flow Statement

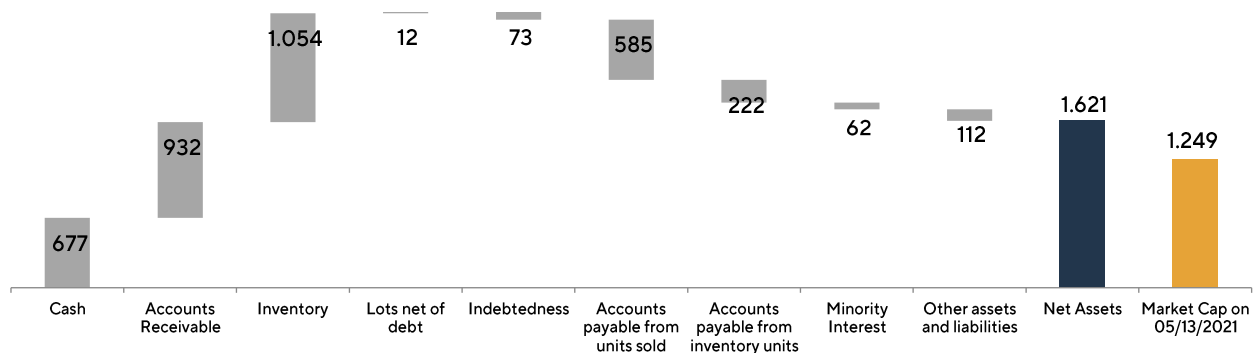
(Consolidated – in thousands of reais)

CASH FLOW	1Q20	2Q20	3Q20	4Q20	1Q21
OPERATING CASH FLOW					
Earnings before income tax and social contribution	12,167	32,557	13,495	10,525	23,742
Adjustments to reconcile earnings before income tax and social with the net cash generated by the operating activities:					
Depreciation and amortization	593	(2,087)	3,349	1,080	1,075
Provision for contingencies, net	7,360	(11,614)	7,022	(1,526)	1,209
Provision for warranties, net	284	(230)	(883)	2,626	766
Provision for cancellations, net	7,388	4,804	2,381	(9,892)	2,901
Provision for profit sharing	(5,397)	6,152	(5,076)	1,158	1,286
Expenses with interest and currency fluctuations	4,393	4,108	8,896	5,838	2,279
Variations of current and non-current assets and liabilities:					
Accounts receivable	(5,374)	(10,631)	17,567	44,679	(568)
Properties for sale	(24,056)	(12,898)	22,895	(15,222)	(63,697)
Other accounts receivable	3,388	(5,625)	(5,872)	201	(4,165)
Suppliers	(1,024)	(1,067)	5,649	(6,417)	7,107
Accounts payable for acquisition of properties	(13,969)	10,006	(1,200)	3,002	10,549
Advances from customers	19,581	103,989	(10,924)	15,265	24,594
Other liabilities	(4,848)	5,415	(1,665)	(8,304)	(2,567)
Cash generated by (applied to) the operations	486	122,879	55,634	43,013	4,511
Interests paid	(8,383)	(7,202)	(6,902)	(5,253)	(2,277)
Income tax and social contribution paid	(2,730)	(4,255)	(2,481)	(2,110)	(2,847)
Net cash applied to operating activities	(10,627)	111,422	46,251	35,650	(613)
CASH FLOW FROM INVESTMENT ACTIVITIES					
Securities	(10,722)	(134,773)	(578,999)	160,290	75,610
Related parties	-	-	-	(400)	(300)
Capital increase in subsidiaries	-	-	-	(1,287)	-
Acquisition of fixed and intangible assets	(420)	2,585	(2,275)	(1,329)	(653)
Net cash generated by investment activities	(11,142)	(132,188)	(581,274)	157,274	74,657
CASH FLOW FROM FINANCING ACTIVITIES					
Restricted cash	563	1,144	(1,344)	1,647	3,248
Related parties	22,365	4,848	(6,015)	(3,514)	(1,828)
Capital increase	-	-	616,594	-	-
Cost for issuing shares	-	-	(40,021)	(1,648)	-
Borrowing and financing	53,544	23,041	18,811	1,384	5,164
Amortization of loans and financing	(27,224)	(27,285)	(23,066)	(190,721)	(10,997)
Acquisition of treasury shares	-	-	-	-	(15,504)
Dividends paid	-	(8,600)	(32,591)	-	-
Net cash generated by (applied to) the financing activities	49,248	(6,852)	532,368	(192,852)	(19,917)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	27,479	(28,346)	(1,927)	72	54,127

ATTACHMENT 4 – NET ASSET

(Consolidated - in thousands of reais)

Net Asset	03/31/2021
Cash and cash equivalents and financial investments	676,809
Loans, financing and debentures payable	(73,402)
Net debt	603,407
On-balance accounts receivable from clients	439,913
Off-balance accounts receivable from clients	821,997
Advances from clients	(291,410)
Taxes on accounts receivable from clients	(38,820)
Liabilities from construction of properties sold	(584,728)
Accounts receivable from clients, net	346,952
Inventory units at market value	932,575
Provision of termination inventory at market value	165,196
Taxes on sale of inventory units	(43,911)
Budgeted cost to be incurred from inventory properties	(232,473)
Adjustment of cost to be incurred of phased accounted as	10,949
Net inventory	832,336
On-balance land inventory	95,866
On-balance land debt	(13,190)
Debt of lots already launched	(70,309)
Land	12,367
On-balance minority interest	(41,572)
Off-balance minority interest	(20,734)
Minority interest	(62,306)
On balance projects consolidated by equity accounting	1,487
Off-balance projects consolidated by equity accounting	-
Projects consolidated by equity accounting	1,487
Other assets	45,810
Other liabilities	(159,450)
Other assets (liabilities)	(113,640)
NET ASSET	1,620,603



ATTACHMENT 5 – Land Bank

The table shows the plots of land acquired by the company, per undertaking, on March 31, 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	13,061	65	82,415	71,870
Land IX	Lot development	nov-16	187,884	96,558	350	59,905	35,943
Land X	Lot development	nov-16	187,884	36,994	146	12,867	7,720
Land XI	Lot development	nov-16	183,438	137,132	393	53,753	32,252
Land XII	Lot development	nov-16	183,438	78,686	398	31,656	18,994
Land XIII	Real Estate	jan-17	11,123	35,811	756	306,181	306,181
Land XIV	Lot development	jan-17	366,875	56,703	558	41,710	25,026
Land XV	Lot development	jan-17	366,875	160,687	876	120,030	72,018
Land XVI	Lot development	mar-17	97,408	31,708	100	43,157	20,522
Land XVII	Real Estate	jun-17	11,721	33,389	518	258,940	249,760
Land XVIII	Real Estate	oct-17	4,000	7,593	56	101,935	89,169
Land XIX	Lot development	oct-17	120,507	55,946	290	21,614	12,969
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	mar-18	114,990	55,560	139	42,042	25,225
Land XXVI	Lot development	jul-18	172,661	86,729	462	43,974	26,384
Land XXVII	Real Estate	nov-18	7,947	12,726	326	189,633	165,347
Land XXVIII	Real Estate	nov-18	4,671	6,431	109	80,781	69,362
Land XXIX	Real Estate	aug-19	4,191	8,677	49	91,385	75,322
Land XXX	Real Estate	dec-19	4,357	8,832	206	145,714	121,112
Land XXXI	Real Estate	dec-19	883	1,790	61	27,916	23,088
Land XXXII	Real Estate	jun-20	1,724	3,481	87	49,520	44,294
Land XXXIII	Real Estate	nov-20	10,555	18,976	162	255,381	199,244
Land XXXIV	Real Estate	dec-20	1,611	4,008	120	56,201	50,673

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 March 31, 2021 in comparison to December 31, 2020 and September 30, 2020:

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%	99%	99%	99%	100%	100%	100%
Design Ofcece Center	3Q12	100%	97%	97%	97%	100%	100%	100%
Hom lindaia	4Q12	100%	94%	94%	93%	100%	100%	100%
Nine	4Q12	100%	99%	99%	99%	100%	100%	100%
Icon - RS	1Q13	100%	85%	85%	87%	100%	100%	100%
Icon RS - 2º Fase	2Q13	100%	98%	99%	99%	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%	93%	92%	100%	100%	100%
Icon RS - 3º Fase	2Q14	100%	100%	100%	99%	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%	94%	100%	100%	100%
Hom Nilo	3Q15	100%	81%	81%	83%	100%	100%	100%
MaxPlaza	4Q15	100%	77%	77%	81%	100%	100%	100%
Blue Xangrilá	1Q16	60%	100%	99%	97%	100%	100%	100%
Central Park-1º fase	1Q16	60%	78%	81%	85%	94%	94%	92%
Supreme Central Parque	1Q16	100%	99%	99%	99%	100%	100%	100%
Central Park-2º fase	2Q16	60%	83%	86%	92%	94%	94%	92%
DOC Santana	2Q16	100%	65%	66%	70%	100%	100%	100%
MaxPlaza-2º fase	2Q16	100%	76%	78%	86%	100%	100%	100%
Supreme Higienopolis	3Q16	100%	99%	99%	99%	100%	100%	100%
Reserva Bela Vista	4Q16	60%	87%	89%	91%	100%	100%	100%
Reserva do Lago	4Q16	60%	71%	74%	73%	100%	100%	100%
Vida Viva Horizonte - 2º fase	4Q16	100%	89%	90%	92%	100%	100%	100%
Grand Park Lindóia - Fase 1	4Q16	100%	86%	87%	89%	81%	80%	72%
Linked Teresópolis	3Q17	100%	73%	77%	83%	85%	80%	68%
Domingos de Almeida	3Q17	60%	74%	72%	68%	100%	100%	93%
Grand Park Lindóia - Fase 2	4Q17	100%	83%	85%	89%	81%	80%	72%
GO 1092	4Q17	100%	80%	86%	91%	100%	100%	93%
Península (Brilhante)	4Q18	60%	92%	91%	85%	100%	100%	100%
Vida Viva Linked	1Q18	100%	85%	90%	91%	94%	91%	78%
Pontal	3Q18	100%	94%	96%	96%	66%	64%	63%
Praça do Sol	4Q18	48%	53%	53%	53%	83%	82%	83%
Vivio Lindaia	4Q18	100%	86%	88%	87%	75%	68%	53%
Artur 505	4Q18	100%	100%	100%	100%	74%	69%	60%
Teena	1Q19	100%	94%	94%	94%	55%	49%	46%
Pontal - 2º fase	1Q19	100%	91%	98%	85%	66%	64%	63%
Central Park-3º fase	3Q19	60%	14%	15%	15%	94%	94%	92%
High Garden	3Q19	100%	73%	72%	70%	64%	60%	49%
Central Park Passo Fundo	4Q19	42%	97%	97%	96%	85%	64%	25%
OPEN Canoas Centro - Fase 1	4Q19	100%	98%	97%	99%	42%	36%	21%
Radisson Moinhos 1903	4Q19	100%	91%	90%	91%	59%	55%	51%
CasaVista	4Q19	100%	48%	43%	43%	49%	46%	43%
Sunset	1Q20	60%	99%	87%	69%	66%	59%	50%
GO24	1Q20	100%	88%	88%	85%	49%	45%	43%
Carlos Gomes Square - Fase 1	2Q20	100%	72%	72%	72%	39%	38%	38%
OPEN Canoas Centro - Fase 2	4Q19	100%	43%	34%	27%	42%	36%	21%
Carlos Gomes Square - Fase 2	3Q20	100%	69%	69%	42%	39%	38%	38%
Supreme Altos do Central Parque	4Q20	100%	36%	32%		32%	32%	
Grand Park Lindóia - Fase 3	1Q21	100%	17%			81%		
Go Rio Branco	1Q21	100%	51%			34%		
Casaviva	1Q21	60%	100%			48%		
Botanique Residence	1Q21	100%	36%			40%		

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 PricewaterhouseCoopers Auditores Independentes did not provide during the first 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.