

# Earnings Release

## Melnick discloses 4Q20 and 2020 Results

Porto Alegre, March 18, 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 fourth quarter of 2020 (4Q20) and the year 2020. Except where stated otherwise, the consolidated financial and operating information herein is presented in Brazilian Reais (R\$).

### Highlights

- Net income of R\$ 50 million in 2020.
- Cash generation of R\$ 175 million.
- R\$ 686 million of PSV launched and R\$ 646 million of Gross Sales.
- 60% VSO for 2020 launches with an average gain of price of 4% above inflation.
- Settlement of R\$ 140 million of production debts with an average interest rate of 9% per year.
- R\$1.2 billion of PSV in land bank already approved for launch.

STOCK PRICE CLOSED ON 03/18/2021  
PRICE PER SHARE: R\$5,61  
NUMBER OF SHARES: 207,969,341  
MARKET CAP: R\$1,2 bi (ON 03/18/2021)

### IR Contact



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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 fourth quarter of 2020 (4Q20).

# Content

<b>MESSAGE FROM MANAGEMENT'</b>	3
<b>OPERATING PERFORMANCE</b>	5
LAUNCHES	5
NET SALES	6
CANCELLATIONS	7
PROVISION FOR CANCELLATION	7
INVENTORY	8
FINISHED INVENTORY	10
LAND BANK	10
DELIVERY AND EXECUTION OF PROJECTS	11
TRANSFERS AND RECEIPT	12
<b>ECONOMIC-FINANCIAL PERFORMANCE</b>	13
NET REVENUE	13
GROSS PROFIT AND GROSS MARGIN	13
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES AND OTHERS EXPENSES	14
EBITDA	15
NET INCOME AND NET MARGIN	16
FINANCIAL STRUCTURE	16
CASH GENERATION / CASH BURN	17
ACCOUNTS RECEIVABLE FROM CLIENTS	17
OWNERSHIP STRUCTURE	18
<b>ATTACHMENTS</b>	19
ATTACHMENT 1 – Income Statement	19
ATTACHMENT 2 – Balance Sheet	20
ATTACHMENT 4 – NET ASSET	22
ATTACHMENT 5 – Land Bank	23
ATTACHMENT 6 – Trade evolution and cost financial evolution	24
<b>DISCLAIMER</b>	25
<b>RELATIONSHIP WITH INDEPENDENT AUDITORS</b>	25

## MESSAGE FROM MANAGEMENT<sup>1</sup>

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The year of 2020 was marked in our history by our 50th anniversary and by the IPO of Melnick at B3, which is a source of great pride and satisfaction for us and all our employees.

At the same time, the year was also marked by the worsening of the COVID-19 pandemic, which brought us challenges. The restrictions throughout the year meant that we had 92 days with our civil works stopped, and several weekends with stands closed. In addition, changes in the functioning of responsible agency, due to the pandemic and municipal changes, resulted in a longer approval time for most projects (a fact that was already normalized in 2021).

In addition, the pandemic also created obstacles in the raw material production chain, generating in the second semester a increase in the prices of inputs that made INCC-DI close the year at 8.81%. We update the budgeted cost of our works monthly based on real input prices and not just the index. As a result, we made an adjustment of 2% above the INCC in all costs to be incurred from our works already launched.

Despite the aforementioned adversities, we closed the year with R\$ 686 million in PSV launched, R\$ 646 million in gross sales, R\$ 175 million in cash generation and net income above R\$ 50 million. Summing up the last four years, the company totaled R\$ 220 million in net profit, facing for almost the entire period the macroeconomic crisis that strongly affected the sector. The numbers demonstrate two characteristics that are very present in our strategy: consistency and planning.

As of 2021, our expectation is to place Melnick on a new level of launch volume, sales and net profit, always maintaining as a requirement the growth with security and the high return on equity. 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\$ 1.2 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, a strong focus on planning and guided by the constant strengthening of these pillars, we are prepared for a new growth cycle, maintaining as main objective our high return on invested capital measured through ROE.

<sup>1</sup> 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

Consolidated Financial Information	4Q19	2019	1Q20	2Q20	3Q20	4Q20	2020
Net Sales	146,617	562,893	134,213	187,589	111,748	147,899	581,449
Gross Profit	38,279	138,868	32,261	41,806	32,905	23,095	130,067
Adjusted Gross Margin	30.8%	29.4%	27.8%	26.1%	36.5%	17.4%	26.3%
Net Profit	15,553	45,458	3,043	22,355	10,102	7,013	42,513
Net Margin Before Part. Minority shareholders	11.3%	9.8%	7.3%	15.1%	9.6%	5.7%	9.8%
LTM ROAE (with minority shareholders)	10.7%	10.7%	8.5%	11%	7.1%	6.4%	6.4%
Backlog Revenue (after PIS-COFINS)	613.0	613.0	611.2	738.5	758.4	753.9	753.9
Backlog Costs (after PIS-COFINS)	(425.8)	(425.8)	(427.1)	(521.9)	(536.1)	(540.1)	(540.1)
Backlog Profit (after PIS-COFINS)	187.2	187.2	184.1	216.7	222.3	213.8	213.8
Backlog Margin -%	30.5%	30.5%	30.1%	29.3%	29.3%	28.4%	28.4%
Net Debt	119.6	119.6	104.3	(14.7)	(595.4)	(622.3)	(622.3)
Cash Burn (ex-dividends and IPO)	9.4	(41.4)	2.4	(115.7)	(33.6)	(28.6)	(175.5)

Launches	4Q19	2019	1Q20	2Q20	3Q20	4Q20	2020
Launched Projects	4	8	2	2	1	1	6
PSV of Launches (100%)	260,271	759,578	147,915	332,458	90,689	115,170	686,232
PSV of Launches (Melnick's share)	171,099	589,074	81,349	244,583	86,155	88,339	500,425
Number of Units Launched	939	1,442	498	322	179	184	1,183
Usable Area (sq.m.)	117,558	197,737	102,780	24,227	6,819	12,334	146,160
Average Launch Price (R\$/sq.m.)	1,828	3,342	1,055	10,625	13,300	7,520	3,758
Average Price Unit Launched (R\$ thousand / unit)	4,391	13,843	478	2,663	481	480	4,102

Net Sales	4Q19	2019	1Q20	2Q20	3Q20	4Q20	2020
Net Sales (100%)	150,886	576,264	103,573	233,672	134,693	36,658	508,596
Net Sales (Melnick's share)	135,843	545,423	83,979	230,664	126,392	31,456	472,491
SOS (Melnick's share)	19.8%	19.8%	12.9%	28.6%	19.5%	4.9%	4.9%
Launch SOS (Melnick's share)	52.1%	55.9%	50.9%	62.5%	38.8%	15.6%	46.3%

Deliveries	4Q19	2019	1Q20	2Q20	3Q20	4Q20	2020
PSV Delivered (100%)	256,103	693,501	-	64,640	185,381	37,854	287,875
PSV Delivered (Melnick's share)	200,019	514,963	-	23,601	129,793	28,274	181,668
Number of Developments Delivered	2	7	-	1	2	1	4
Number of Units Delivered	561	1,107	-	95	701	77	873

Land Bank	4Q19	2019	1Q20	2Q20	3Q20	4Q20	2020
Land Bank (100%)	4,597,077	4,597,077	4,251,038	4,040,406	4,282,395	4,907,003	4,907,003
Land Bank (% Melnick's share)	4,068,169	4,068,169	3,754,626	3,543,994	3,498,309	3,665,118	3,665,118

## OPERATING PERFORMANCE

### LAUNCHES

In the fourth quarter of 2020, there was one project launched amounting to R\$115.2 million gross PSV (R\$88.3 million net Melnick's PSV), totaling R\$686.2 million gross PSV (R\$500.4 million net Melnick's PSV) during the year:

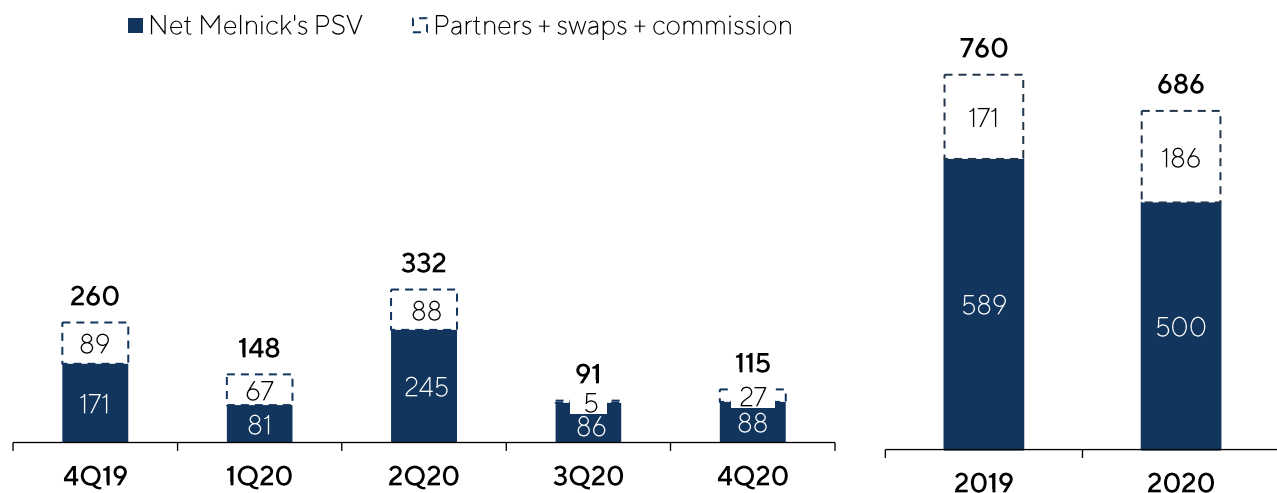
Projects	Business	Gross PSV <sup>1</sup> (R\$ '000)	Net PSV <sup>2</sup> (R\$ '000)	Melnick's PSV <sup>3</sup> (R\$ '000)	Usable Area (sq.m.) <sup>4</sup>	Unit <sup>4</sup>	Average Unit Value (R\$ '000)	Segment
<b>1<sup>st</sup> quarter</b>		<b>147,915</b>	<b>102,437</b>	<b>81,349</b>	<b>102,780</b>	<b>498</b>	<b>478</b>	
Sunset	LOT	78,152	52,721	31,633	98,718	345	153	Lot development
Go 24	R. E.	69,763	49,716	49,716	4,062	153	325	Residencial
<b>2<sup>nd</sup> quarter</b>		<b>332,458</b>	<b>244,583</b>	<b>244,583</b>	<b>24,227</b>	<b>322</b>	<b>2.663</b>	
Carlos Gomes Square - Fase 1	R. E.	290,563	204,751	204,751	13,647	82	2.497	Comercial
Open Canoas Centro - Fase 2	OPEN	41,895	39,832	39,832	10,580	240	166	Open
<b>3<sup>rd</sup> quarter</b>		<b>90,689</b>	<b>86,155</b>	<b>86,155</b>	<b>6,819</b>	<b>179</b>	<b>481</b>	
Carlos Gomes Square - Fase 2	R. E.	90,689	86,155	86,155	6,819	179	481	Residencial
<b>4<sup>th</sup> quarter</b>		<b>115,170</b>	<b>88,339</b>	<b>88,339</b>	<b>12,334</b>	<b>184</b>	<b>480</b>	
Supreme Altos do Central Parque	R. E.	115,170	88,339	88,339	12,334	184	480	Residencial
<b>Total</b>		<b>686,232</b>	<b>521,513</b>	<b>500,425</b>	<b>146,160</b>	<b>1,183</b>	<b>441</b>	

<sup>1</sup> PSV gross of swaps and commission.

<sup>2</sup> PSV net of swaps and commission.

<sup>3</sup> Net PSV represented by the Company's current share in the projects, considering the corporate reorganization on July 10, 2020..

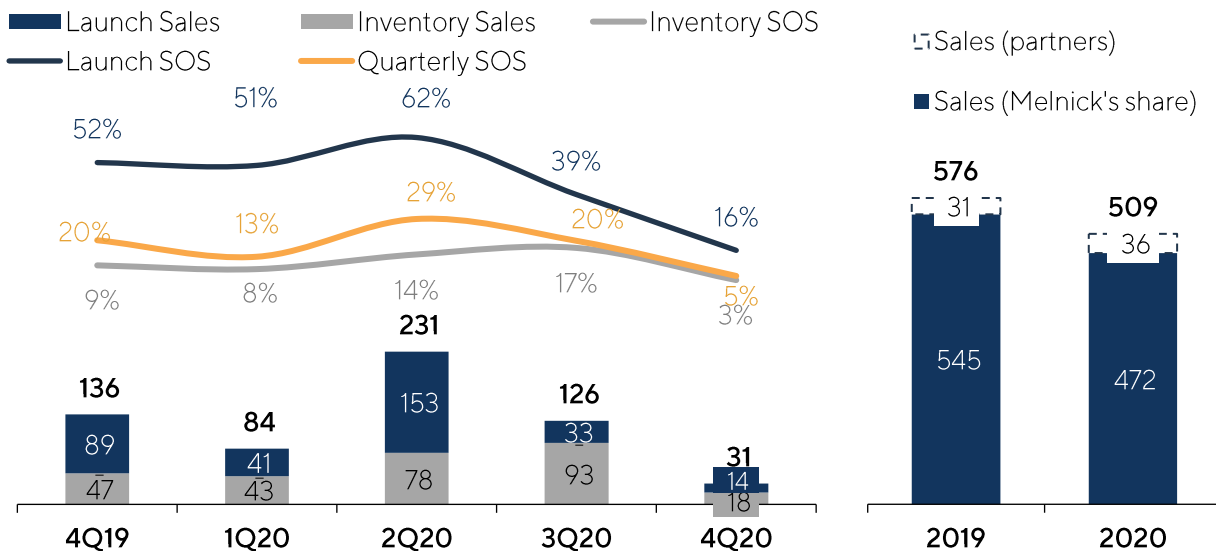
<sup>4</sup> Net of swaps.





## NET SALES

In the fourth quarter of 2020, net sales came to R\$31 million (Melnick's share), totaling R\$472 million (Melnick's share) during the year, the net sales over supply (SOS) ratio of the quarter was 5% and the gross SOS ratio.



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.	
	4Q20	2020	4Q20	2020	4Q20	2020	4Q20	2020
Real State	14,957	393,854	14,957	393,854	7,639	39,249	(3)	401
Lot development	21,815	89,973	12,996	50,475	41,173	139,114	93	414
Open	3,503	28,162	3,503	28,162	1,146	7,187	19	156
<b>Total</b>	<b>40,275</b>	<b>511,990</b>	<b>31,457</b>	<b>472,491</b>	<b>49,959</b>	<b>185,550</b>	<b>109</b>	<b>971</b>

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.	
	4Q20	2020	4Q20	2020	4Q20	2020	4Q20	2020
Up to 2014	(182)	36,260	(182)	30,454	1,198	11,937	(3)	43
2015	(11,531)	(629)	(11,531)	(629)	485	1,908	(29)	(13)
2016	(8,732)	3,719	(8,669)	2,488	4,551	12,006	(55)	(11)
2017	(6,454)	5,428	(8,767)	(593)	9,645	23,202	(2)	47
2018	(892)	26,272	(817)	26,438	215	1,902	(6)	11
2019	9,659	104,698	9,346	101,878	4,160	29,777	20	228
2020	58,406	336,241	52,076	312,454	29,705	104,818	184	666
<b>Total</b>	<b>40,275</b>	<b>511,990</b>	<b>31,457</b>	<b>472,491</b>	<b>49,959</b>	<b>185,550</b>	<b>109</b>	<b>971</b>

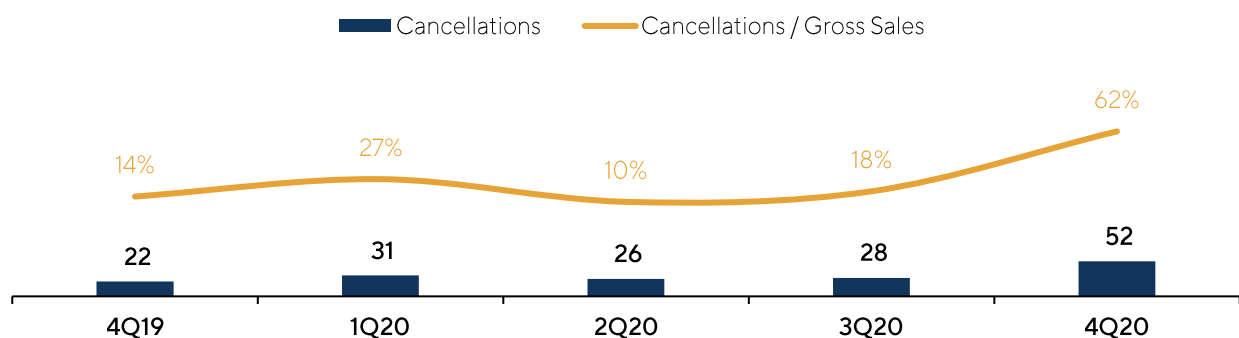
Finally, the table below gives a breakdown of sale by launch segment:

Segment	Total Sales (R\$ '000)		Melnick Sales (R\$ '000)		Usable area (sqm)		Units.	
	4Q20	2020	4Q20	2020	4Q20	2020	4Q20	2020
Residential	39,123	257,525	39,123	257,525	6,097	25,984	64	371
Commercial	(10,880)	141,447	(10,880)	141,447	395	10,884	(32)	38
Mixed use	(13,286)	(5,118)	(13,286)	(5,118)	1,147	2,381	(35)	(8)
Open	3,503	28,162	3,503	28,162	1,146	7,187	19	156
Lot development	21,815	89,973	12,996	50,475	41,173	139,114	93	414
<b>Total</b>	<b>40,275</b>	<b>511,990</b>	<b>31,457</b>	<b>472,491</b>	<b>49,959</b>	<b>185,550</b>	<b>109</b>	<b>971</b>

## CANCELLATIONS

In the fourth quarter of 2020, there were R\$52 million (Melnick's share) of cancellations, which represented 62% of gross sales:

Cancellations (R\$ '000 – Melnick's share)	4Q19	1Q20	2Q20	3Q20	4Q20
Net Sales	136	84	231	127	31
Total Cancellations	22	31	26	28	52
Gross Sales	158	103	257	154	83
Inventory	69	74	104	121	69
Launches of year	89	41	153	33	14
<b>Cancellations / Gross Sales</b>	<b>14%</b>	<b>27%</b>	<b>10%</b>	<b>18%</b>	<b>62%</b>



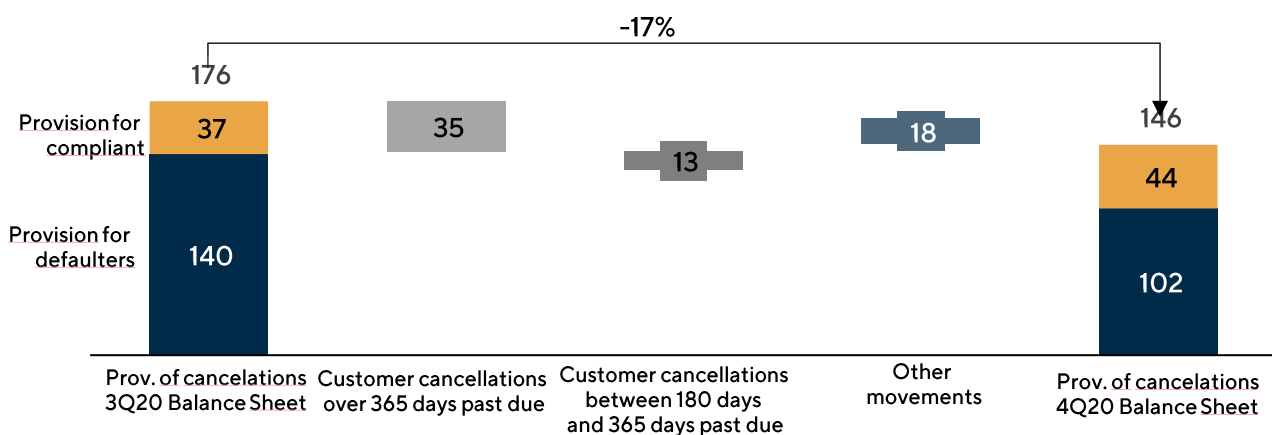
Of the total volume of cancellations in the quarter, 80% were already included in the provision for cancellation by default, as detailed below.

## 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 December 31, 2020, the effect of the cancellation provision on the balance sheet is R\$ 30.4 million:

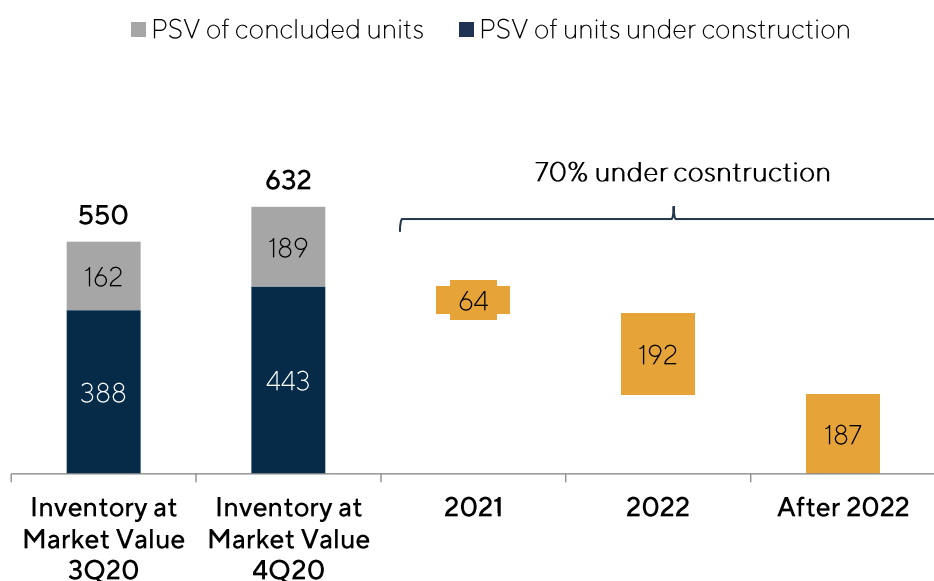
Linhas do balanço	12/31/2020
Accounts receivable	(109,414)
Properties for sale	109,587
Constitution of accounts payable / provision for cancellations	(30,615)
<b>Effect on income</b>	<b>30,442</b>

## INVENTORY

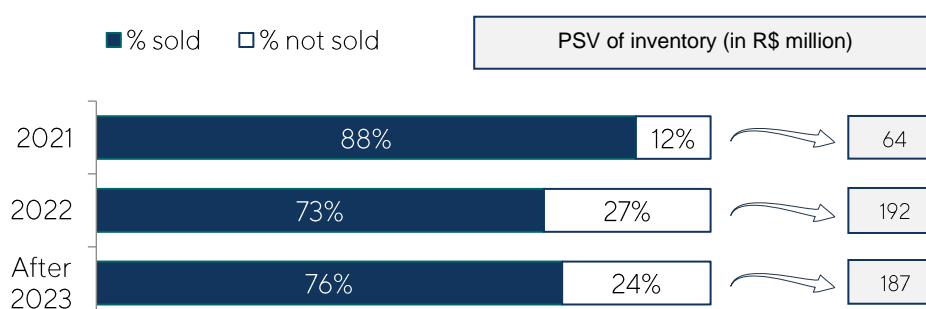
The inventory ended the 4Q20 amounting R\$632 million in potential sales value (Melnick's share), equivalent to 9 months of gross sales, based on the pace of gross sales in the last 12 months.

Estimated year of completion	Total Inventory (R\$ '000)	Inventory at Melnick's share (R\$ '000)	% Value	Units	% Units
Concluded units	201,219	189,121	30%	753	41%
2020	68,843	64,135	10%	213	12%
2021	202,450	191,821	30%	438	24%
After 2021	192,229	187,322	30%	437	24%
<b>Total</b>	<b>664,741</b>	<b>632,399</b>	<b>100%</b>	<b>1,841</b>	<b>100%</b>

Of the Company's total stock, 70% is under construction, of which 86% 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:

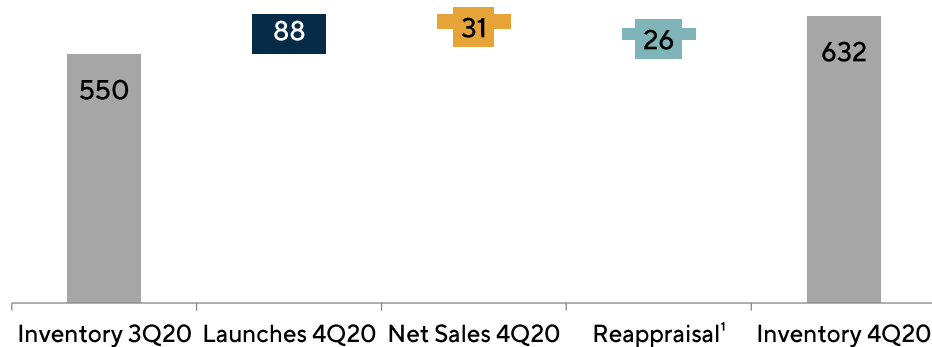
Year of launch	Total PSV	Melnick's PSV	Projects	Units	% Units
Up to 2014	40,604	40,604	9	115	6%
2015	84,529	84,529	2	177	10%
2016	56,678	50,300	10	298	16%
2017	60,618	54,897	5	254	14%
2018	44,087	33,459	4	183	10%
2019	152,230	146,538	8	332	18%
2020	225,995	222,071	6	482	26%
<b>Total</b>	<b>664,741</b>	<b>632,399</b>	<b>44</b>	<b>1,841</b>	<b>100%</b>

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	562,347	562,347	170,974	17	424	14	508
Lot development	74,115	41,773	18,147	7	329	4	414
Open	28,278	28,278	-	-	-	2	166
<b>Total</b>	<b>664,741</b>	<b>632,399</b>	<b>189,121</b>	<b>24</b>	<b>753</b>	<b>20</b>	<b>1,088</b>

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.

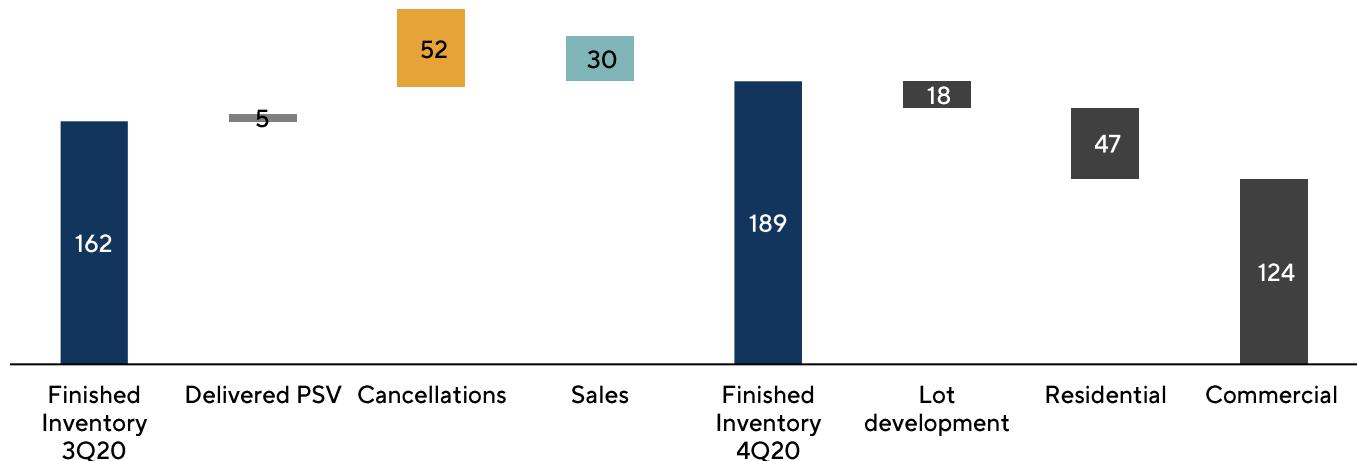
**Inventory – quarterly variation  
PSV (Melnick's share) in R\$ million**



<sup>1</sup> 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\$30 million (Melnick's share) of finished inventory in the 4Q20, reaching a ready inventory of R\$ 189 million.



<sup>1</sup> Considering that 100% of the cancellations are from finished units.

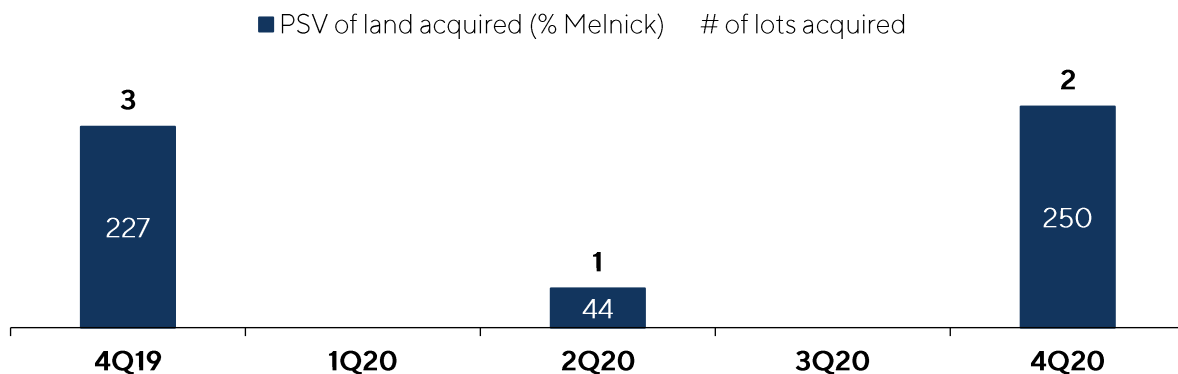
As a strategy to accelerate sales of commercial inventories, in 2019 we started a reversible lease program, which consists of the lease of our ready-to-sell inventory with a purchase option by the lessee during the lease period, using the amounts paid on a rental basis as at the time of purchase. Until December 31, 2020, we had R\$ 44 million of our inventory leased under this strategy.

## LAND BANK

Our potential sales value of the land bank in December 31, 2020 was R\$3,7 billion (Melnick's share).

Business unit	# of Launches	Area (sqm)	Units	Total Gross PSV (R\$ '000)	Melnick's share Net PSV (R\$ '000)
Real State	21	258,620	5,326	3,273	2,846
Lot development	15	4,156,809	7,284	1,607	792
Open	1	3,439	160	27	27
<b>Total</b>	<b>37</b>	<b>4,418,868</b>	<b>12,770</b>	<b>4,907</b>	<b>3,665</b>

In the fourth quarter, 2 plots were acquired with a potential sales value of R\$ 250 million (Melnick's share):



The Company concluded this quarter the acquisition of an iconic site for the City of Porto Alegre, the former "Ginásio da Brigada" with R\$ 199 million in potential PSV, net of physical swaps.

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 fourth quarter of 2020, we delivered one project with gross PSV of R\$37.9 million (R\$28.4 million net Melnick's PSV), totaling R\$287.9 million gross PSV (R\$181.6 million net Melnick's PSV) during the year.

Projects	Business	Gross PSV <sup>1,5</sup> (R\$ '000)	Net PSV <sup>2,5</sup> (R\$ '000)	Melnick's PSV <sup>3,5</sup> (R\$ '000)	Usable Area <sup>4</sup> (sq.m.)	Unit <sup>4</sup>	Average Unit Value (R\$ '000)	Segment
<b>2<sup>nd</sup> quarter</b>		<b>64,640</b>	<b>39,335</b>	<b>23,601</b>	<b>66,535</b>	<b>95</b>	<b>680</b>	
Península - Ponta da Figueira	LOT	64,640	39,335	23,601	66,535	95	680	Lot development
<b>3<sup>rd</sup> quarter</b>		<b>185,381</b>	<b>140,885</b>	<b>93,584</b>	<b>84,918</b>	<b>701</b>	<b>553</b>	
Gran Park Lindoia - Fase 1	R.E.	143,399	113,155	76,946	14,547	325	441	Residencial
Domingos de Almeida	LOT	41,982	27,730	16,638	70,371	376	112	Lot development
<b>4<sup>th</sup> quarter</b>		<b>37,854</b>	<b>28,274</b>	<b>28,274</b>	<b>4,853</b>	<b>77</b>	<b>367</b>	
Go 1092	INC	37,854	28,274	28,274	4,853	77	367	Residencial
<b>Total acumulado</b>		<b>287,875</b>	<b>208,494</b>	<b>181,668</b>	<b>156,306</b>	<b>873</b>	<b>239</b>	

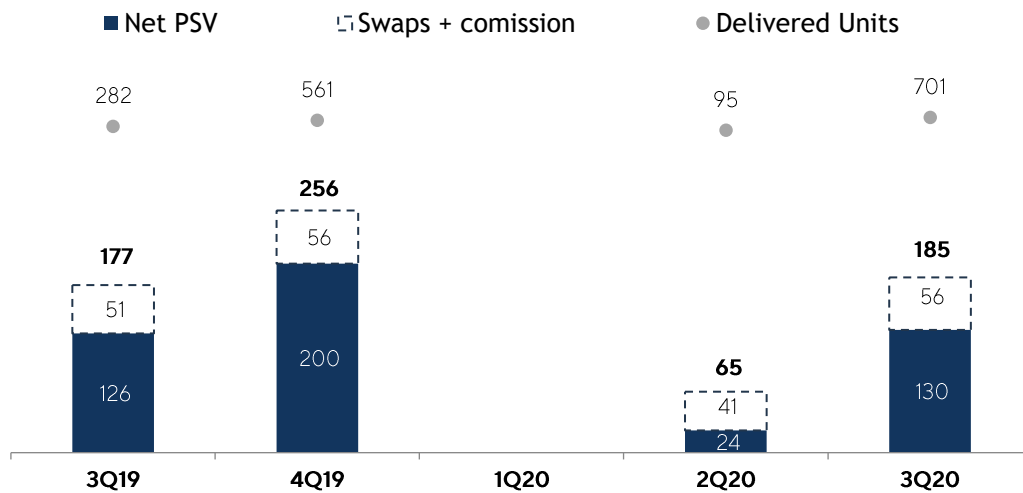
<sup>1</sup> PSV gross of swaps and commission.

<sup>2</sup> PSV net of swap and commission.

<sup>3</sup> Net PSV represented by the Company's current share in the projects, considering the corporate reorganization on July 10, 2020..

<sup>4</sup> Net of swaps.

<sup>5</sup> Considering the sales price at time of launch.



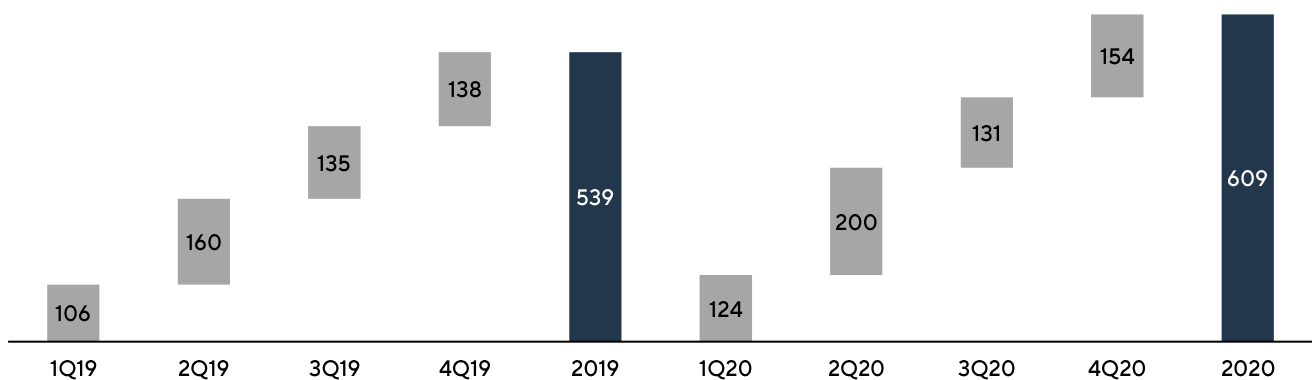
As of December 31, 2020, the Company had 17 active construction sites, of which 12 are from the developer, 4 from the developer and 1 from the Open.

## 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 fourth quarter of 2020, came to R\$154 million.

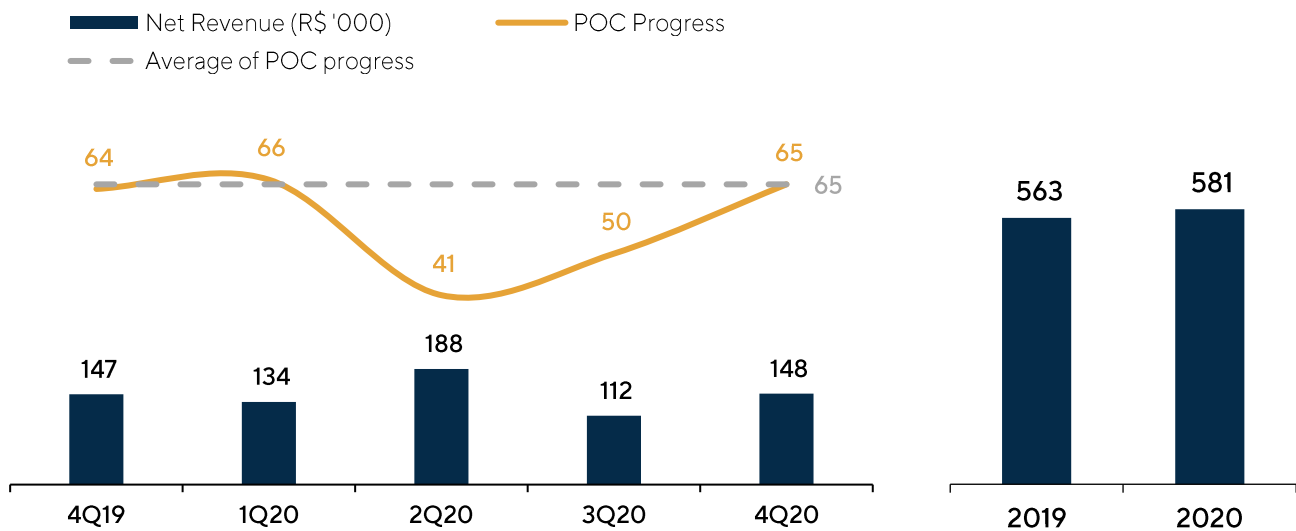
R\$ '000	1Q19	2Q19	3Q19	4Q19	2019	1Q20	2Q20	3Q20	4Q20	2020
Units under construction	50,944	98,290	67,458	61,201	277,893	70,878	156,981	84,227	106,101	418,187
Performed (finished) units	55,115	61,623	67,951	76,959	261,649	52,785	42,925	47,152	48,097	190,959
<b>Total</b>	<b>106,059</b>	<b>159,913</b>	<b>135,409</b>	<b>138,160</b>	<b>539,541</b>	<b>123,663</b>	<b>199,906</b>	<b>131,379</b>	<b>154,197</b>	<b>609,145</b>



## ECONOMIC-FINANCIAL PERFORMANCE

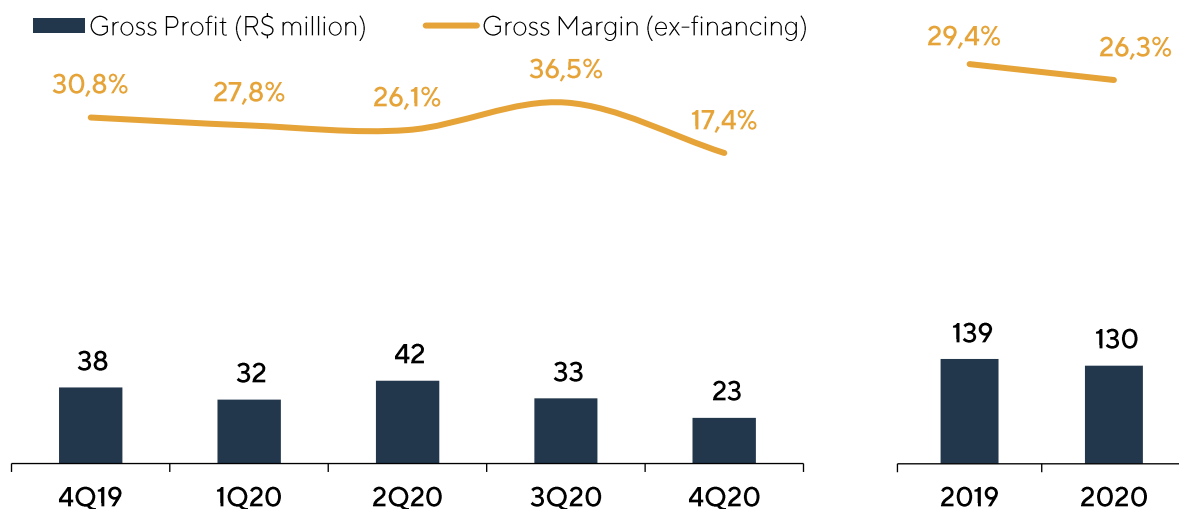
### NET REVENUE

In the fourth quarter of 2020, we had a net operating revenue from sales and services of R\$ 148 million. At the beginning of the COVID-19 pandemic, our construction sites in the city of Porto Alegre were closed for 92 days. In the fourth quarter, the construction sites functioned normally and, therefore, we resumed the historical POC average, as shown below:



### GROSS PROFIT AND GROSS MARGIN

Gross profit came to R\$23 million in 4Q20. The fourth quarter gross margin stood at 17.4%, 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):

4 <sup>th</sup> quarter of 2020 (R\$ '000)	Gross Margin	Gross Margin	Gross Margin Backlog Margin
Net revenue	147,9	753,9	650,9
Cost of goods sold			
Construction and lot	(122,1)	(540,1)	(482,8)
Financial charges	(2,7)	-	(17,3)
<b>Gross profit</b>	<b>23,1</b>	<b>213,8</b>	<b>150,8</b>
<b>Gross margin (%)</b>	<b>15.6%</b>	<b>28.4%</b>	<b>23.2%</b>
<b>Gross margin (%) excluding financing</b>	<b>17.4%</b>	<b>28.4%</b>	<b>25.6%</b>

<sup>1</sup> When realized, backlog and inventory margins will benefit from service revenue and the indexation of the portfolio to the INCC.

<sup>2</sup> Excluding the cost of unlaunched phased project units amounting to R\$ 28,5 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. During 4Q20, due to new input prices, the Company increased its budgeted cost by R\$ 14.7 million, equivalent to 2% of the cost to be incurred. This movement negatively impacted the margin in the quarter by 6.5p.p..

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 (4Q20)		
	Units sold Inventory (R\$ '000)	Units sold Inventory (R\$ '000)	Units sold (R\$ '000)
2021	323,938	73,683	397,621
2022	147,957	62,006	209,964
2023	58,673	24,196	82,868
2024	9,590	3,407	12,997
<b>Total</b>	<b>540,158</b>	<b>163,292</b>	<b>703,450</b>

<sup>1</sup> Excluding the total cost in phased projects (R\$22,6 million).

## SELLING, GENERAL AND ADMINISTRATIVE EXPENSES AND OTHERS EXPENSES

In the fourth quarter, operational expenses totalled R\$ 17,4 million. The breakdown is as follows:

	4Q19	1Q20	2Q20	3Q20	4Q20	12M19	12M20
Selling expenses	16,261	10,563	6,438	13,230	11,989	47,784	42,220
General and administrative	8,621	8,863	5,086	7,225	6,225	35,253	27,399
Other expenses	(2,129)	3,244	2,545	2,156	(766)	27	5,768
<b>Operating expenses</b>	<b>22,753</b>	<b>22,670</b>	<b>14,069</b>	<b>22,611</b>	<b>17,448</b>	<b>83,064</b>	<b>75,387</b>
<b>% of Net Revenue (LTM)</b>	<b>14.8%</b>	<b>15.7%</b>	<b>12.3%</b>	<b>14.2%</b>	<b>3.00%</b>	<b>14.76%</b>	<b>12.97%</b>

### Selling expenses:

Selling Expenses ended the year 12% below 2019. Part of the reduction is explained by the increase in online sales since the beginning of the COVID-19 pandemic.

### General and administrative expenses:

General and Administrative Expenses ended the year with a reduction of 22%, due to the measures that the Company took to reduce its administrative costs during the COVID-19 pandemic.



## Other expenses, net:

The other expenses are mainly comprised of the provisions for contingencies and cancellations - IFRS 9, as explained in the section "Provision for cancellations", as showed bellow:

	1Q20	2Q20	3Q20	4Q20	12M19	12M20
Provisions for contingencies	3,077	1,122	264	(627)	4,637	3,836
Provisions for cancellations	(1,475)	499	266	1,180	(7,340)	470
Guarantee	(59)	589	814	(1,344)	192	-
Other natures	1,701	335	(599)	25	2,538	1,462
<b>Other expenses, net</b>	<b>3,244</b>	<b>2,545</b>	<b>745</b>	<b>(766)</b>	<b>27</b>	<b>5,768</b>

In order to comply with the best accounting practices, the Company reclassified the item of expenses with technical assistance from other expenses to the cost of the product sold. This movement had a negative impact on the quarter margin by 3 p.p ..

## EBITDA

Below show historical EBITDA<sup>1</sup>:

EBITDA reconciliation	4Q19	1Q20	2Q20	3Q20	4Q20	12M19	12M20
Earnings before income taxes	19,832	12,167	32,557	13,495	11,764	67,923	69,983
(+) Financial result	(4,306)	(2,576)	(4,820)	(1,790)	(6,117)	(12,119)	(15,303)
(+) Depreciation and amortization	1,971	593	901	361	1,080	3,040	2,935
(+) Interest on Production Financing	6,909	5,078	7,116	7,841	2,648	29,201	22,683
<b>EBITDA</b>	<b>24,406</b>	<b>15,262</b>	<b>35,754</b>	<b>19,907</b>	<b>9,375</b>	<b>88,045</b>	<b>80,298</b>
<b>EBITDA margin (%)</b>	<b>16.65%</b>	<b>11.37%</b>	<b>19.06%</b>	<b>17.81%</b>	<b>6.34%</b>	<b>15.64%</b>	<b>13.81%</b>

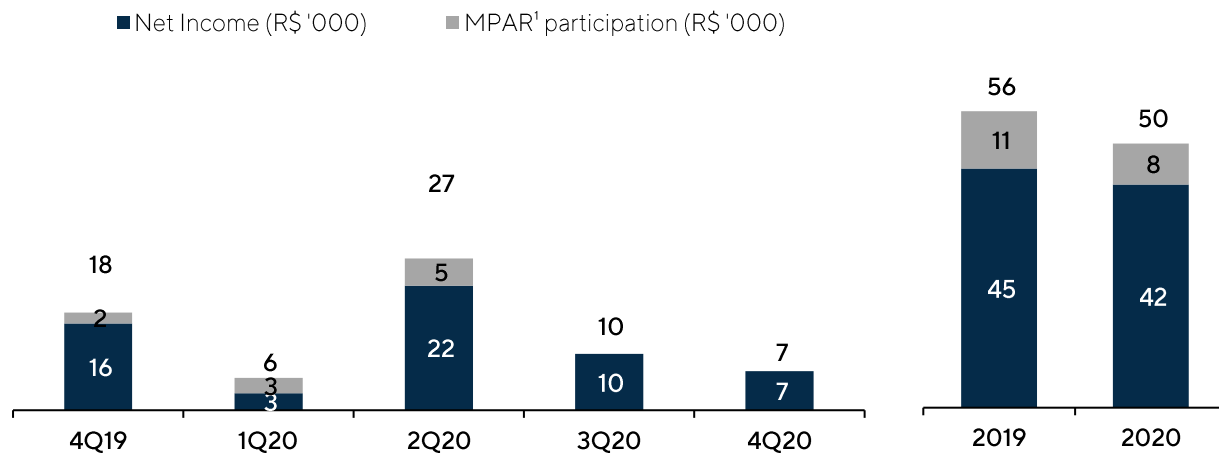
<sup>1</sup> EBITDA: earnings before taxes, interest, financial charges recognized to cost, depreciation and amortization.

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 fourth quarter, net income was R\$ 7 million, with a net margin of 4.7% and in the nine months of the year it totaled R\$ 42,5 million, with a net margin of 7.3%.



<sup>1</sup> 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.

## FINANCIAL STRUCTURE

On December 31, 2020, cash, cash equivalents, securities and restrict cash totaled R\$ 701.5 million.

Loans, production financing came to R\$ 79.2 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 December 31, 2020:

	12/31/2020 (R\$ '000)	
Financing to production - SFH	72,7	84%
Financing to production - CRI	6,5	16%
Gross Debt	79.2	100%
<b>Cash</b>	<b>(701.5)</b>	
Net Debt	(622.3)	
Shareholders' Equity	1,198.7	
<b>Net debt /Shareholders' equity</b>	<b>-51.9%</b>	

During 4Q20, the Company paid R\$ 140 million in production debts with an average interest rate of 9% p.a..

## CASH GENERATION / CASH BURN

Cash generation in the third quarter was positive in R\$ 28.6 million.

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

	4Q19	1Q20	2Q20	3Q20	4Q20	12M19	12M20
Initial net debt	115.8	119.6	104.3	(14.7)	(580.7)	154.3	119.6
Final net debt	119.6	104.3	(14.7)	(595.4)	(622.3)	119.6	(622.3)
<b>Net debt variation</b>	<b>3.8</b>	<b>(15.3)</b>	<b>(119.1)</b>	<b>(580.7)</b>	<b>(26.9)</b>	<b>(34.7)</b>	<b>(741.9)</b>
Dividends and capital contributions	5.6	17.7	(2.4)	(34.1)	-	(6.7)	(18.8)
Incorporation of MEIC <sup>1</sup>	-	-	6.4	-	-	-	6.4
IPO's funds	-	-	(0.7)	581.2	(1.7)	-	578.8
<b>Cash burn</b>	<b>9.4</b>	<b>2.4</b>	<b>(115.7)</b>	<b>(33.6)</b>	<b>(28.6)</b>	<b>(41.4)</b>	<b>(175.5)</b>

<sup>1</sup> 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 third quarter with R\$ 170 million of receivables from completed units. These amounts, for the most part, are in the process of being transferred to the banks (customer financing).

Accounts receivable (R\$ 439 million) were stable in relation to the 3th 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 billion (accounts receivable plus receivables to be appropriated in the balance sheet), R\$ 928 million are falling due and have the following receipt schedule:

Year	(R\$ '000)
2021	375.08
2022	358.10
After 2022	194.61
<b>Total</b>	<b>927.79</b>

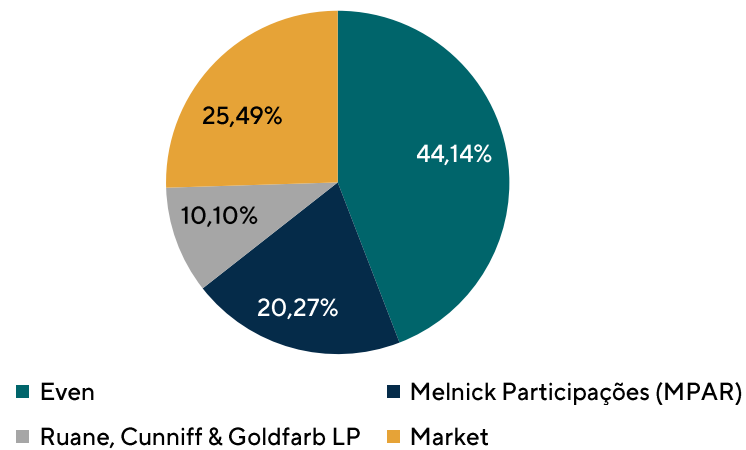
The balance of accounts receivable is adjusted by the variation in the INCC until the delivery of the keys and subsequently by the variation in the price index adopted (IPCA), plus annual interest of 12%, recognized on a pro rata temporis basis. The balance of accounts receivable is net of swaps.

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 02/28/2021, as of the CVM 358 form + Shareholder information with more than 5% on 02/28/2021 – source: B3)



(Total share: 207,969,341)

## ATTACHMENTS

### ATTACHMENT 1 – Income Statement

(Consolidated – in thousands of reais)

INCOME STATEMENT	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20
Revenues	124,493	146,061	145,722	146,617	134,213	187,589	111,748	147,899
Cost of goods sold	(88,134)	(111,639)	(115,914)	(108,338)	(101,952)	(145,783)	(78,843)	(124,804)
<b>Gross Income</b>	<b>36,359</b>	<b>34,422</b>	<b>29,808</b>	<b>38,279</b>	<b>32,261</b>	<b>41,806</b>	<b>32,905</b>	<b>23,095</b>
Gross Margin	29.21%	23.57%	20.46%	26.11%	24.04%	22.29%	29.45%	15.62%
Gross Margin (ex-financing)	36.56%	27.39%	24.57%	30.82%	27.82%	26.08%	36.46%	17.41%
Operating expenses	(15,980)	(28,080)	(16,251)	(22,753)	(22,670)	(14,069)	(21,200)	(17,448)
Selling	(7,600)	(13,984)	(9,939)	(16,261)	(10,563)	(6,438)	(13,230)	(11,989)
General and administrative	(6,784)	(12,571)	(7,277)	(8,621)	(8,863)	(5,086)	(7,225)	(6,225)
Other operating expenses, net	(1,596)	(1,525)	965	2,129	(3,244)	(2,545)	(745)	766
<b>Operating income before financial results</b>	<b>20,379</b>	<b>6,342</b>	<b>13,557</b>	<b>15,526</b>	<b>9,591</b>	<b>27,737</b>	<b>11,705</b>	<b>5,647</b>
Financial result	1,803	2,928	3,082	4,306	2,576	4,820	1,790	6,117
Financial expenses	(674)	(1,545)	(1,808)	(754)	(1,435)	(1,093)	(2,152)	(905)
Financial revenues	2,477	4,473	4,890	5,060	4,011	5,913	3,942	7,022
<b>Profit before income tax and social contribution</b>	<b>22,182</b>	<b>9,270</b>	<b>16,639</b>	<b>19,832</b>	<b>12,167</b>	<b>32,557</b>	<b>13,495</b>	<b>11,764</b>
Income tax and social contribution current	(2,715)	(3,952)	(2,636)	(3,308)	(2,436)	(4,305)	(2,751)	(3,323)
deferred	(2,302)	(3,921)	(2,942)	(3,113)	(2,730)	(4,255)	(2,481)	(2,110)
	(413)	(31)	306	(195)	294	(50)	(270)	(1,213)
<b>Net profit before non-controlling interest</b>	<b>19,467</b>	<b>5,318</b>	<b>14,003</b>	<b>16,524</b>	<b>9,731</b>	<b>28,252</b>	<b>10,744</b>	<b>8,441</b>
Non-controlling interest	(2,807)	(3,054)	(3,022)	(971)	(6,688)	(5,897)	(642)	(1,428)
<b>Net profit</b>	<b>16,660</b>	<b>2,264</b>	<b>10,981</b>	<b>15,553</b>	<b>3,043</b>	<b>22,355</b>	<b>10,102</b>	<b>7,013</b>
Net Margin	13.38%	1.55%	7.54%	10.61%	2.27%	11.92%	9.04%	4.74%
Net Margin (without non-controlling interest)	15.64%	3.64%	9.61%	11.27%	7.25%	15.06%	9.61%	5.71%

## ATTACHMENT 2 – Balance Sheet

(Consolidated - in thousands of reais)

ASSETS	12/31/2019	03/31/2020	06/30/2020	09/30/2020	12/31/2020
Cash and cash equivalents	9,213	36,692	8,346	6,419	6,491
Securities	120,825	131,547	272,763	851,762	691,472
Restricted cash	5,587	5,024	3,880	5,224	3,577
Accounts receivable	324,680	300,675	343,381	324,929	299,374
Properties for sale	430,277	472,307	459,806	456,482	563,334
Other accounts receivable	14,949	12,347	16,622	22,394	22,786
<b>Total current assets</b>	<b>905,531</b>	<b>958,592</b>	<b>1,104,798</b>	<b>1,667,210</b>	<b>1,587,034</b>
Accounts receivable	143,948	173,327	158,210	159,095	139,971
Properties for sale	141,820	123,846	155,611	136,040	44,410
Advances for future investments	-	-	-	-	400
Related parties	20,110	20,210	22,649	1,971	3,122
Other accounts receivable	6,690	5,904	8,651	8,741	8,148
Investments	200	200	200	200	1,487
Right of use	1,951	1,621	1,621	1,150	571
Fixed	3,805	3,678	4,477	4,204	5,090
Intangible	363	317	289	289	231
<b>Total non-current assets</b>	<b>318,887</b>	<b>329,103</b>	<b>351,708</b>	<b>311,690</b>	<b>203,430</b>
<b>Total asset</b>	<b>1,224,418</b>	<b>1,287,695</b>	<b>1,456,506</b>	<b>1,978,900</b>	<b>1,790,464</b>
LIABILITIES AND SHAREHOLDERS'	12/31/2019	03/31/2020	06/30/2020	09/30/2020	12/31/2020
Suppliers	18,195	16,841	16,135	22,114	15,697
Accounts payable for property	39,321	27,041	38,534	36,191	48,853
Loans and financing	88,229	155,299	122,879	173,006	56,194
Current taxes and contributions	6,721	7,699	12,103	9,561	7,714
Deferred taxes and contributions	9,143	8,175	8,175	8,877	7,526
Advances from clients	135,399	154,980	262,475	251,551	266,816
Proposed dividends	-	-	-	-	1,295
Provisions	46,285	54,244	55,863	59,917	52,375
Related parties	118,314	71,283	76,266	30,853	29,289
Other accounts payable	20,854	15,380	19,678	21,373	17,415
<b>Total current liabilities</b>	<b>482,461</b>	<b>510,942</b>	<b>612,108</b>	<b>613,443</b>	<b>503,174</b>
Accounts payable for property	35,754	34,065	32,614	33,757	24,097
Provisions	22,741	24,417	27,096	26,486	26,394
Loans and financing	167,025	122,285	147,367	94,979	23,039
Deferred taxes and contributions	16,076	16,398	17,520	16,260	15,086
<b>Total non-current liabilities</b>	<b>241,596</b>	<b>197,165</b>	<b>224,597</b>	<b>171,482</b>	<b>88,616</b>
Share Capital attributed to the Parent	394,111	457,222	467,026	1,154,604	1,154,604
Cost for issuing shares	-	-	(728)	(40,021)	(41,669)
Equity pick-upvaluation	-	-	-	(3,906)	(3,906)
Legal Reserve	21,334	32,389	21,334	21,334	23,460
Statutory reserve	32,389	21,334	32,389	-	-
Retained earnings	-	3,043	16,798	26,698	30,290
Non-controlling interest	52,527	65,600	82,982	35,266	35,895
<b>Total shareholders' equity</b>	<b>500,361</b>	<b>579,588</b>	<b>619,801</b>	<b>1,193,975</b>	<b>1,198,674</b>
<b>Total liabilities and shareholders' equity</b>	<b>1,224,418</b>	<b>1,287,695</b>	<b>1,456,506</b>	<b>1,978,900</b>	<b>1,790,464</b>



## ATTACHMENT 3 – Cash Flow Statement

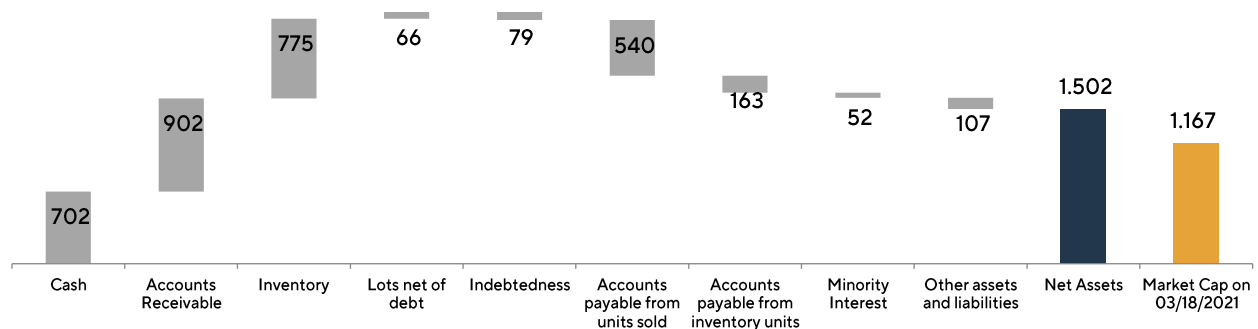
(Consolidated – in thousands of reais)

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

## ATTACHMENT 4 – NET ASSET

(Consolidated – in thousands of reais)

Net Asset	12/31/2020
Cash and cash equivalents and financial investments	701,540
Loans, financing and debentures payable	(79,233)
<b>Net debt</b>	<b>622,307</b>
On-balance accounts receivable from clients	439,345
Off-balance accounts receivable from clients	766,813
Advances from clients	(266,816)
Taxes on accounts receivable from clients	(37,574)
Liabilities from construction of properties sold	(540,158)
<b>Accounts receivable from clients, net</b>	<b>361,610</b>
Inventory units at market value	664,741
Provision of termination inventory at market value	142,624
Taxes on sale of inventory units	(32,295)
Budgeted cost to be incurred from inventory properties	(185,935)
Adjustment of cost to be incurred of phased accounted as	22,644
<b>Net inventory</b>	<b>611,779</b>
On-balance land inventory	138,687
On-balance land debt	(13,190)
Debt of lots already launched	(59,760)
<b>Land</b>	<b>65,737</b>
On-balance minority interest	(35,895)
Off-balance minority interest	(16,155)
<b>Minority interest</b>	<b>(52,050)</b>
On balance projects consolidated by equity accounting	1,487
Off-balance projects consolidated by equity accounting	-
<b>Projects consolidated by equity accounting</b>	<b>1,487</b>
Other assets	40,348
Other liabilities	(148,884)
<b>Other assets (liabilities)</b>	<b>(108,536)</b>
<b>NET ASSET</b>	<b>1,502,334</b>



## ATTACHMENT 5 – Land Bank

The table shows the plots of land acquired by the company, per undertaking, on December 31, 2020:

Lot	Bussiness unit	Purchase date	Area Lot (sqm)	Area Usable (sqm)	Units	Total Gross PSV (R\$ '000)	Total Net PSV (R\$ '000)	PSV Melnick's share (R\$ '000)
Land I	Lot development	may-10	1,008	181	389	322,438	144,751	1,008
Land II	Lot development	may-10	603	108	243	225,506	86,591	603
Land III	Lot development	may-10	603	108	243	232,940	86,591	603
Land IV	Open	sep-10	3,439	7,054	160	26,554	26,554	3,439
Land V	Real Estate	sep-14	44,145	22,541	352	152,563	135,755	44,145
Land VI	Real Estate	sep-14	15,475	7,273	194	53,480	47,588	15,475
Land VII	Real Estate	sep-14	40,206	22,447	288	138,950	123,642	40,206
Land VIII	Real Estate	dec-14	5,024	13,061	65	82,415	71,870	5,024
Land IX	Real Estate	jun-16	25,299	50,468	703	118,295	90,315	25,299
Land X	Lot development	nov-16	187,884	96,558	350	59,905	35,943	187,884
Land XI	Lot development	nov-16	187,884	36,994	146	12,867	7,720	187,884
Land XII	Lot development	nov-16	183,438	137,132	393	53,753	32,252	183,438
Land XIII	Lot development	nov-16	183,438	78,686	398	31,656	18,994	183,438
Land XIV	Real Estate	jan-17	11,123	35,811	756	306,181	306,181	11,123
Land XV	Lot development	jan-17	366,875	56,703	558	41,710	25,026	366,875
Land XVI	Lot development	jan-17	366,875	160,687	876	120,030	72,018	366,875
Land XVII	Lot development	mar-17	97,408	31,708	100	43,157	20,522	97,408
Land XVIII	Real Estate	jun-17	11,721	33,389	518	258,940	249,760	11,721
Land XIX	Real Estate	oct-17	4,000	7,593	56	101,935	89,169	4,000
Land XX	Real Estate	oct-17	6,000	10,658	102	150,883	127,981	6,000
Land XXI	Lot development	oct-17	120,507	55,946	290	21,614	12,969	120,507
Land XXII	Real Estate	dec-17	21,655	20,472	368	390,345	233,377	21,655
Land XXIII	Real Estate	jan-18	17,168	34,498	416	260,548	260,548	17,168
Land XXIV	Real Estate	jan-18	17,168	33,895	260	278,856	278,856	17,168
Land XXV	Lot development	feb-18	1,006,284	277,094	1,251	102,503	58,137	1,006,284
Land XXVI	Lot development	feb-18	1,166,352	405,863	1,446	253,660	139,184	1,166,352
Land XXVII	Lot development	mar-18	114,990	55,560	139	42,042	25,225	114,990
Land XXVIII	Lot development	jul-18	172,661	86,729	462	43,974	26,384	172,661
Land XXIX	Real Estate	nov-18	7,947	12,726	326	189,633	165,347	7,947
Land XXX	Real Estate	nov-18	4,671	6,431	109	80,781	69,362	4,671
Land XXXI	Real Estate	aug-19	4,191	8,677	49	91,385	75,322	4,191
Land XXXII	Real Estate	dec-19	4,357	8,832	206	145,714	121,112	4,357
Land XXXIII	Real Estate	dec-19	883	1,790	61	27,916	23,088	883
Land XXXIV	Real Estate	dec-19	3,697	6,310	129	82,771	82,771	3,697
Land XXXV	Real Estate	jun-20	1,724	3,481	87	49,520	44,294	1,724
Land XXXVI	Real Estate	nov-20	10,555	18,976	162	255,381	199,244	10,555
Land XXXVII	Real Estate	dec-20	1,611	4,008	120	56,201	50,673	1,611

## 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 December 31, 2020 in comparison to September 30, 2020 and June 30, 2020:

Project	Lauch	Melnick's share	% Sold			%POC		
			12/31/20	09/30/20	06/30/20	12/31/20	09/30/20	06/30/20
Ponta da Figueira	3Q10	25%	100%	100%	99%	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%	96%	100%	100%	100%
Hom lindaia	4Q12	100%	94%	93%	93%	100%	100%	100%
Nine	4Q12	100%	99%	99%	99%	100%	100%	100%
Icon - RS	1Q13	100%	85%	87%	85%	100%	100%	100%
Icon RS - 2° Fase	2Q13	100%	99%	99%	100%	100%	100%	100%
Terrara	4Q13	100%	100%	100%	100%	100%	100%	100%
Window RS	4Q13	100%	99%	99%	100%	100%	100%	100%
Anita Garibaldi	4Q13	100%	93%	92%	93%	100%	100%	100%
Icon RS - 3° Fase	2Q14	100%	100%	99%	98%	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%	91%	94%	93%	100%	100%	100%
Hom Nilo	3Q15	100%	81%	83%	82%	100%	100%	100%
MaxPlaza	4Q15	100%	77%	81%	77%	100%	100%	100%
Blue Xangrilá	1Q16	60%	99%	97%	97%	100%	100%	100%
Central Park-1° fase	1Q16	60%	81%	85%	83%	94%	92%	92%
Supreme Central Parque	1Q16	100%	99%	99%	98%	100%	100%	100%
Central Park-2° fase	2Q16	60%	86%	92%	90%	94%	92%	92%
DOC Santana	2Q16	100%	66%	70%	71%	100%	100%	100%
MaxPlaza-2° fase	2Q16	100%	78%	86%	88%	100%	100%	100%
Supreme Higienopolis	3Q16	100%	99%	99%	99%	100%	100%	100%
Reserva Bela Vista	4Q16	60%	89%	91%	93%	100%	100%	100%
Reserva do Lago	4Q16	60%	74%	73%	71%	100%	100%	100%
Vida Viva Horizonte - 2° fase	4Q16	100%	90%	92%	91%	100%	100%	100%
Grand Park Lindóia - Fase 1	4Q16	100%	87%	89%	88%	80%	72%	72%
Linked Teresópolis	3Q17	100%	77%	83%	85%	80%	68%	68%
Domingos de Almeida	3Q17	60%	72%	68%	66%	100%	93%	93%
Grand Park Lindóia - Fase 2	4Q17	100%	85%	89%	86%	80%	72%	72%
GO 1092	4Q17	100%	86%	91%	94%	100%	93%	93%
Península (Brilhante)	4Q18	60%	91%	85%	72%	100%	100%	100%
Vida Viva Linked	1Q18	100%	90%	91%	92%	91%	78%	78%
Pontal	3Q18	100%	96%	96%	97%	64%	63%	63%
Praça do Sol	4Q18	48%	53%	53%	53%	82%	83%	83%
Vivio Lindaia	4Q18	100%	88%	87%	85%	68%	53%	53%
Artur 505	4Q18	100%	100%	100%	99%	69%	60%	60%
Teena	1Q19	100%	94%	94%	76%	49%	46%	46%
Pontal - 2° fase	1Q19	100%	98%	85%	79%	64%	63%	63%
Central Park-3° fase	3Q19	60%	15%	15%	13%	94%	92%	92%
High Garden	3Q19	100%	72%	70%	69%	60%	49%	49%
Central Park Passo Fundo	4Q19	42%	97%	96%	90%	64%	25%	25%
OPEN Canoas Centro - Fase 1	4Q19	100%	97%	99%	97%	36%	21%	21%
Radisson Moinhos 1903	4Q19	100%	90%	91%	91%	55%	51%	51%
CasaVista	4Q19	100%	43%	43%	40%	46%	43%	43%
Sunset	1Q20	60%	87%	69%	63%	59%	50%	50%
GO24	1Q20	100%	88%	85%	61%	45%	43%	43%
Carlos Gomes Square - Fase 1	2Q20	100%	72%	72%	72%	38%	38%	38%
OPEN Canoas Centro - Fase 2	4Q19	100%	34%	27%	13%	36%	21%	21%
Carlos Gomes Square - Fase 2	3Q20	100%	69%	42%		38%	38%	
Supreme Altos do Central Parque	4Q20	100%	32%			32%		

## **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 fourth quarter of 2020 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.