

Release of Results

Melnick discloses its 2Q22 earnings

Porto Alegre, August 15, 2022. Melnick Desenvolvimento Imobiliário (B3: MELK3), a homebuilder and developer with strategic focus in the South Region of Brazil and conducting operations in real estate and urban development projects, discloses its results for the second quarter 2022 (2Q22). The following financial and operating information, except where otherwise indicated, is shown in Brazilian Real (R\$).

Highlights

- Net sales in the quarter totaled R\$ 286 million, % Melnick.
- R\$ 305 million in Net Revenue, a growth rate of 66% in comparison with 2Q21.
- Gross Income reached R\$ 64 million, a growth rate of 51% in comparison with 2Q21.
- Net Income reached R\$ 30 million, a growth rate of 141% vs. 2Q21.
- Land bank reached R\$ 4.1 B, of which R\$ 1.2 B are from projects already approved, accounting for 29% of the landbank.

STOCK PRICE AS OF 8/15/2022

PRICE PER SHARE: R\$ 4,39

NUMBER OF SHARES: 207,969,341 (202,184,441 ex-treasury shares)

MARKET CAP: R\$ 888 million (as of 8/15/2022)

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melnick

The information, figures, and data included in this performance report, which do not correspond to the accounting balances, and information contained in the Quarterly Information Report (ITR, in Portuguese), such as Potential Sales Value (PSV), Total Sales, Sales Usable Area, Units, Inventory at Market Value, Launches, Expected Delivery Year, Backlog Gross Margin of inventory, among other items, have not been audited by independent auditors. Except when otherwise stated, the comparisons shown in this quarterly report refer to verified figures from the second quarter of 2022 (2Q22).

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MESSAGE FROM THE MANAGEMENT¹

It is with satisfaction that we present Melnick's operating and financial results for the second quarter of 2022 (2Q22).

We launched two projects in 2Q22, totaling a PSV of R\$ 213 million (R\$ 112 million % MELK). In the first semester of 2022 (1S22), launched PSV totaled R\$ 792 million (R\$ 380 million % Melnick), a growth rate of 31% when compared to 1S21. Of the launches in 1S22, 77% of the PSV was for the upper-class residential segment, 14% for the budget segment, and 9% for the Urban Developer segment.

We are quite satisfied with the performance of our net sales, which totaled (% Melnick) R\$ 286 million in 2Q22 and R\$ 373 million in 1S22, **a growth rate of 148% and 66%**, respectively, when compared to the same period of 2021. We had 40% in Launches SoS in 2Q22, and 21% in Consolidated SoS.

We reduced our total inventory volume of 13%, and ended 2Q22 with R\$ 1.1 B in PSV (% Melnick), with 76% accounting for inventory under construction. Of the completed inventory, which accounts for R\$ 267 million, R\$ 77 million (29%) are for rent. Our lease model allows the client to convert the rent installments paid into deductions when purchasing the real estate, during the first 18 months of the contract. **In average, half of our clients convert their rent into effective purchase of real estate.**

We purchased 4 plots of land in the Porto Alegre Metropolitan Region in the quarter, with a potential PSV of R\$ 671 million, with 75% of the price of the land paid in cash. We currently have R\$ 4.1 B in PSV in our *land bank*, consisting of 34 plots or phases, **and 29% of our land bank already have their projects approved.**

Net Revenue totaled R\$ 305 million in 2Q22 and R\$ 512 million in 1S22, a growth rate of 66% and 47%, respectively, when compared to the same period of 2021. Gross Income totaled R\$ 64 million in 2Q22 and R\$ 124 million in the semester, a growth rate of 50% and 51%, respectively. **Net Income totaled R\$ 30 million in 2Q22 and R\$ 52 million in the semester, a growth rate of 141% and 93%, respectively.**

We made two distributions of dividends throughout the quarter, totaling R\$ 24.4 million. We closed 2Q22 with R\$ 299 million in Net cash, accounting for 23.8% of our Equity. We had a Cash Burn of R\$ 26.9 million in the quarter, as a result of purchased *land bank* paid in cash.

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 Even 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.

MAIN INDICATORS (R\$ thousand)

Consolidated Financial Figures	2Q21	3Q21	4Q21	2021	1Q22	2Q22
Net Revenue from Sales and Services	183,530	186,616	236,638	771,819	206,995	304,937
Gross Income	42,604	48,938	53,778	185,795	60,228	63,845
Adjusted Gross Margin	24.50%	26.60%	23.80%	25.20%	29.41%	22.32%
Net Income	12,326	19,725	36,276	82,936	22,183	29,729
Net Margin before Minority Interest	6.70%	10.60%	13.40%	11.20%	19.54%	12.75%
ROAE LTM	5.70%	5.20%	7.20%	7.20%	7.15%	8.51%
Unearned Revenue (after PIS-COFINS)	828,175	809,292	819,316	819,316	837,653	899,524
Unearned Costs (after PIS-COFINS)	-597,083	-584,259	-587,053	-587,053	-597,281	-636,996
Unearned Income (after PIS-COFINS)	231,092	225,033	232,263	232,263	240,372	262,528
Unearned Income Margin - %	27.90%	27.80%	28.40%	28.40%	28.70%	29.19%
Net Debt	-586,202	-510,017	-388,259	-388,259	-350,392	-299,118
Cash Burn (ex-dividends, buyback, and IPO)	22,866	53,083	65,758	145,103	37,908	26,908

Launches	2Q21	3Q21	4Q21	2021	1Q22	2Q22
Projects Launched	1	2	2	9	3	2
PSV of Launches (100%)	134,105	247,397	257,292	1,109,282	578,450	209,510
PSV of Launches (% Melnick)	97,764	162,520	212,820	808,024	267,335	112,340
Number of Units Launched	49	62	420	1,339	579	435
Usable Area of Launched Units (sq. m.)	8,460	12,974	17,627	175,272	117,517	16,193
Average Launch Price (R\$/sq.m.)	12,134	14,751	12,073	4,610	4,207	12,235
Avg. Price of Launched Units (R\$ thou/unit)	1,995	2,940	507	640	854	467

Sales	2Q21	3Q21	4Q21	2021	1Q22	2Q22
Pre-sales (100%)	116,253	107,008	216,880	582,635	175,046	346,321
Pre-sales (% Melnick)	115,117	98,451	185,458	508,618	86,827	285,590
Consolidated SoS (% Melnick)	14.00%	8.90%	16.40%	16.40%	6.88%	20.82%
SoS of Launches (% Melnick)	11.90%	21.00%	30.70%	30.70%	26.80%	40.20%

Deliveries	2Q21	3Q21	4Q21	2021	1Q22	2Q22
Delivered PSV (100%)	120,599	192,806	-	313,405	136,472	81,130
Delivered PSV (% Melnick)	90,316	183,166	-	273,481	77,174	44,018
Number of Projects Delivered	1	2	-	3	2	2
Number of Units Delivered	190	492	-	682	478	483

Plots of Land	2Q21	3Q21	4Q21	2021	1Q22	2Q22
Land Bank (100%)	5,242,092	5,415,015	5,405,617	5,405,617	4,975,000	5,635,042
Land Bank (% Melnick)	3,628,334	3,798,523	3,781,795	3,781,795	3,562,000	4,084,120

OPERATIONAL PERFORMANCE

LAUNCHES

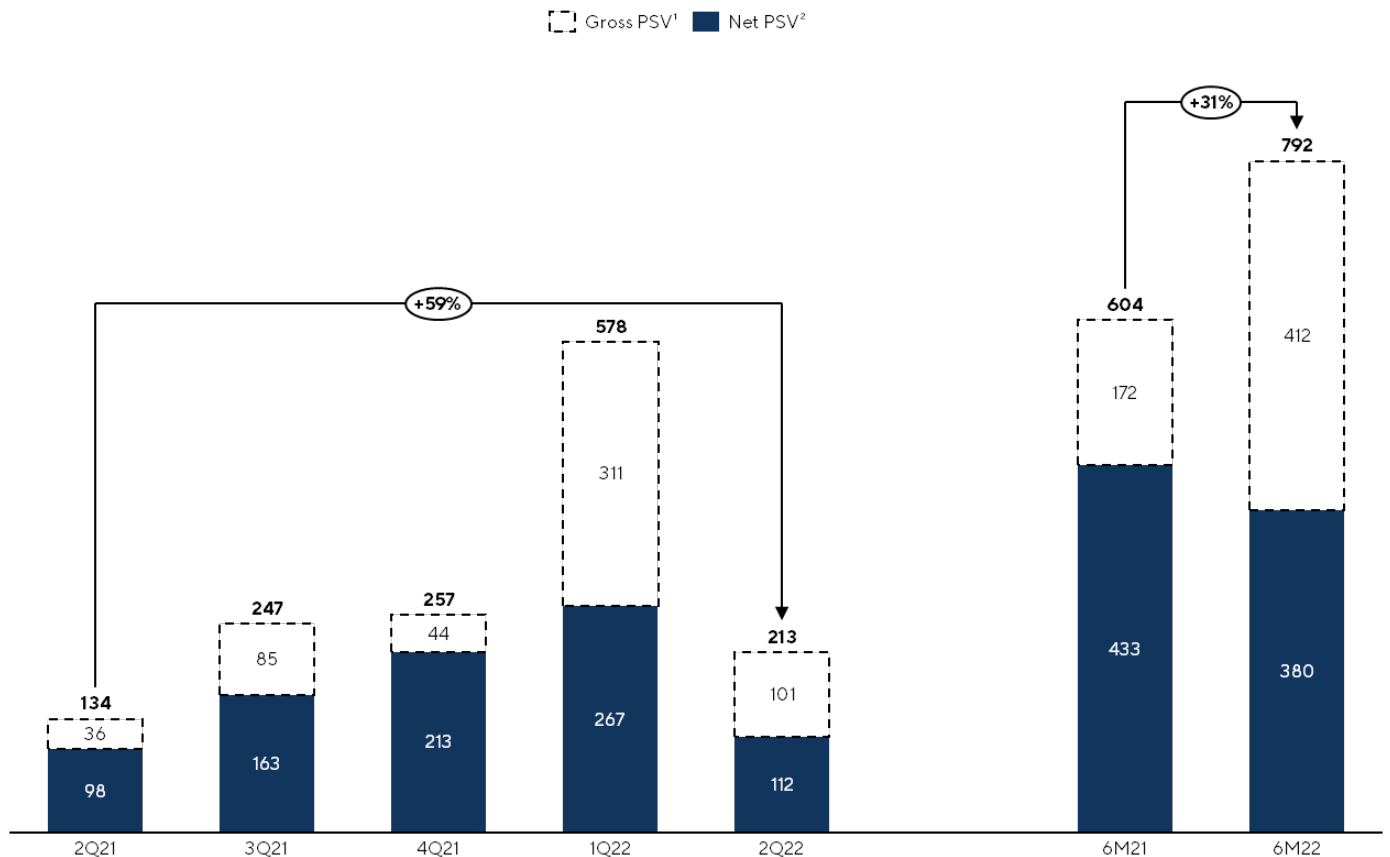
In 2Q22, we launched two developments totaling R\$ 213.0 million in gross PSV (R\$ 112.3 million % Melnick), totaling R\$ 791.5 million in gross PSV in the year (R\$ 379.7 million % Melnick), as follows:

Project	Business unit	PSV Total ¹ (R\$ thousand)	PSV Melnick ² (R\$ thousand)	Usable area ³ (m ²)	Unit ³	Average Price of Unit (R\$ thousand)	Segment
1Q22		578,450	267,335	117,517	579	854	
Nilo Square - Residencial	INC	426,266	201,411	23,864	120	3,357	Residential
Zen Concept Resort	LOT	109,783	25,644	86,370	299	172	Urban Development
Open Protásio	OPEN	42,400	40,280	7,283	160	252	Residential
2Q22		213,096	112,340	16,193	435	467	
Nilo Square - Mix	INC	185,144	85,786	9,139	275	641	Mixed
Open Canoas - F3	OPEN	27,952	26,554	7,054	160	166	Residential
Total		791,546	379,675	133,710	1,014	688	

¹ PSV of physical swap and sales commissions, gross.

² PSV of physical swap and sales commissions, net.

³ Physical swap, net.



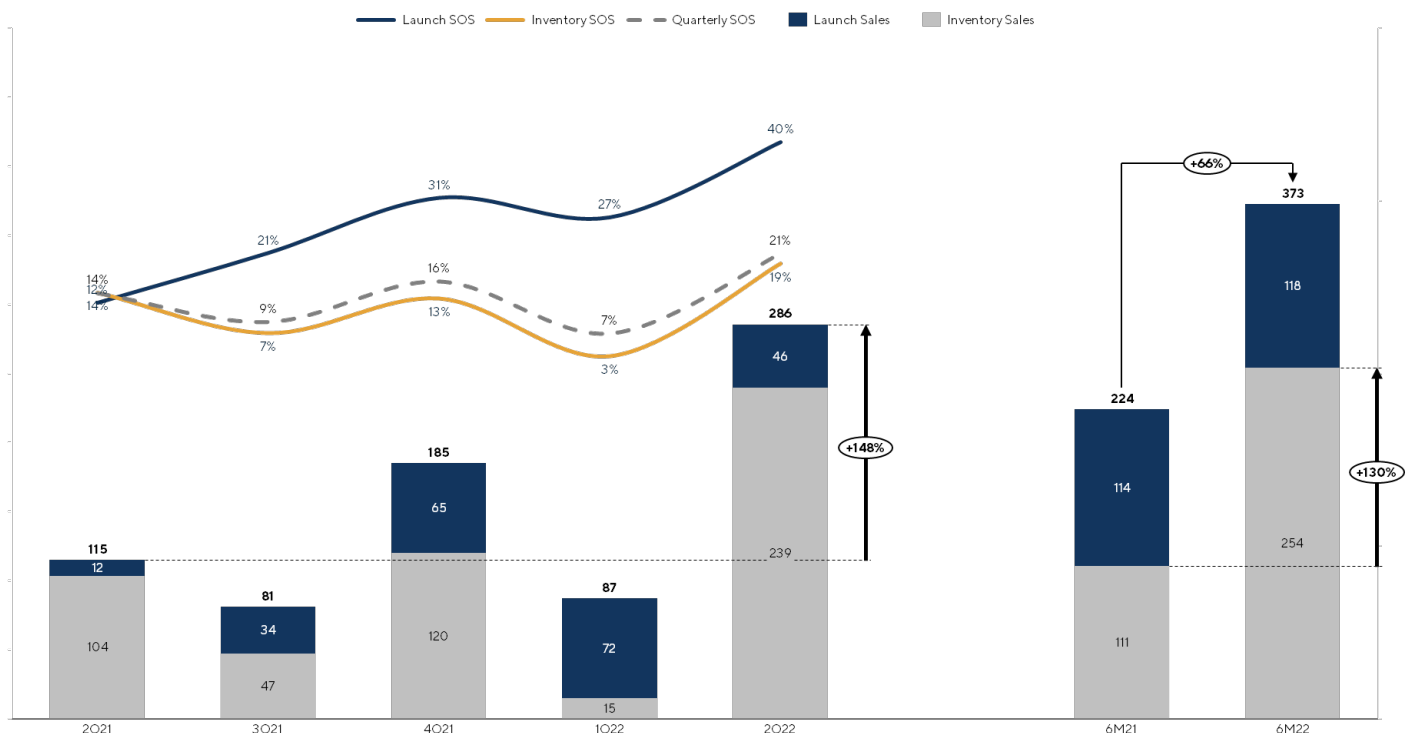
GROSS AND NET SALES

In 2Q22, we had the 11th edition of the Melnick Day, the biggest sales event in the South Region of Brazil, which took place on April 9, 2022, at our headquarters, in an in-person event. The event brought employees, 36 real estate agencies, 1800 real estate brokers, and serviced 580 clients.

In the second quarter, current gross and net sales totaled R\$ 325 million (% Melnick) and R\$ 286 million (% Melnick), respectively, as follows:

Sales breakdown (R\$ million, % Melnick)	2Q21	3Q21	4Q21	1Q22	2Q22
Gross Sales	156	108	217	120	325
Inventory	144	74	152	48	279
Launches	12	34	65	72	46
Current cancellations	-41	-27	-32	-34	-39
Current net sales	115	81	185	87	286

Below is the evolution of our speed of sales in the latest five quarters. In 2Q22, our SoS of Launches reached 40%, our SoS of inventory 19%, and our quarterly SoS 21%. We had a growth rate of 66% in total sales and 130% in inventory sales in the first semester of 2022, when compared to 2021.



Net sales breakdown per business unit is shown below:

Business unit	Total Sales (R\$ thousand)		Melnick Sales (R\$ thousand)		Usable area (m2)		# Unit	
	2Q22	2022	2Q22	2022	2Q22	2022	2Q22	2022
Homebuilder	325,172	419,342	264,583	317,619	27,330	33,132	425	445
Lots Development	344	71,659	201	24,617	-353	77,551	2	259
Open	20,805	30,365	20,805	30,180	4,823	6,869	108	154
Total	346,321	521,367	285,590	372,416	31,800	117,552	535	858

Below is the sales breakdown by year of product launch:

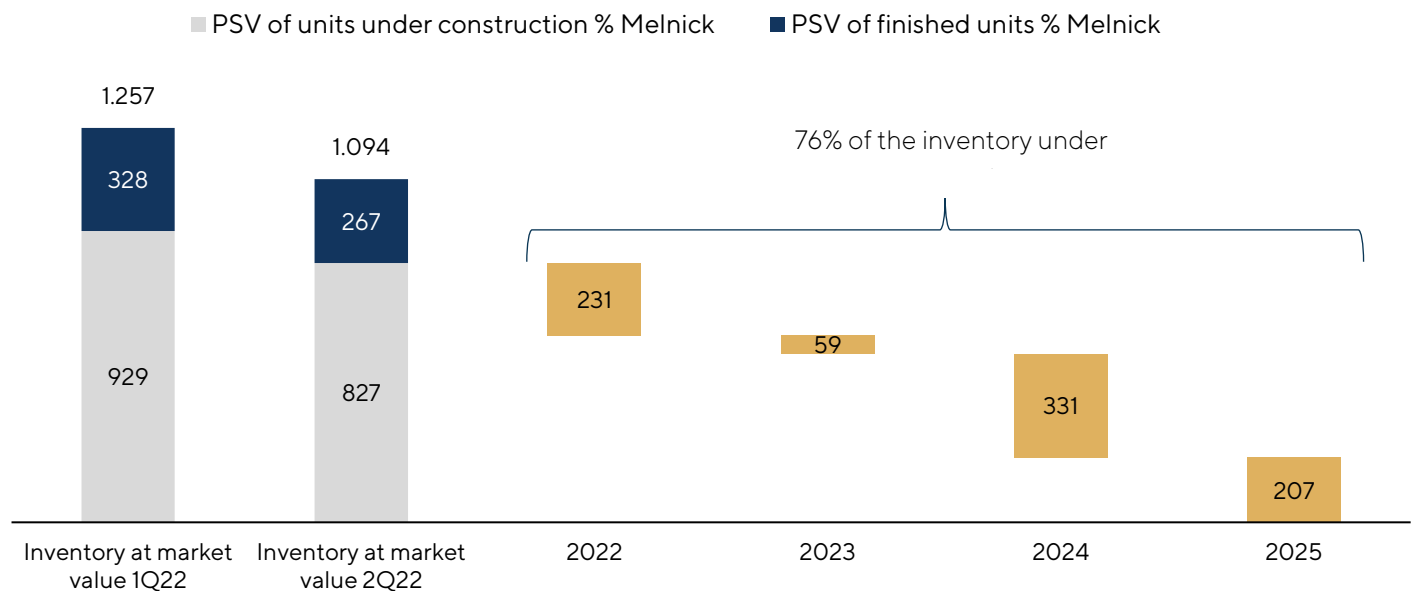
Year of launch	Total Sales (R\$ thousand)		Melnick Sales (R\$ thousand)		Usable area (m2)		# Unit	
	2Q22	2022	2Q22	2022	2Q22	2022	2Q22	2022
Until 2017	36,053	24,147	35,902	25,647	4,132	-4,979	69	-2
2018	9,500	7,287	9,500	6,673	1,923	1,582	34	27
2019	21,288	21,940	21,310	21,796	1,296	1,081	13	2
2020	24,319	27,845	24,319	27,845	4,030	5,029	75	94
2021	123,560	149,314	122,113	146,361	11,230	13,317	133	177
2022	131,601	290,833	72,445	144,094	9,189	101,523	211	560
Total	346,321	521,367	285,590	372,416	31,800	117,552	535	858

INVENTORY

We closed 2Q22 with R\$ 1.094 billion in inventory (% Melnick), as follows:

Year of expected completion	Total Inventory (R\$ thousand)	Melnick Inventory (R\$ thousand)	% Value	Units	% Units
Finished Inventory	284,440	267,376	24%	932	40%
2022	245,758	230,595	21%	430	19%
2023	67,425	58,637	5%	315	14%
2024	336,843	331,132	30%	403	17%
2025	413,201	206,600	19%	223	10%
Total	1,347,667	1,094,341	100%	2,303	100%

Of the Company's total inventory, 76% is under construction. Of the units under construction, 72% will be delivered after 2023:



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

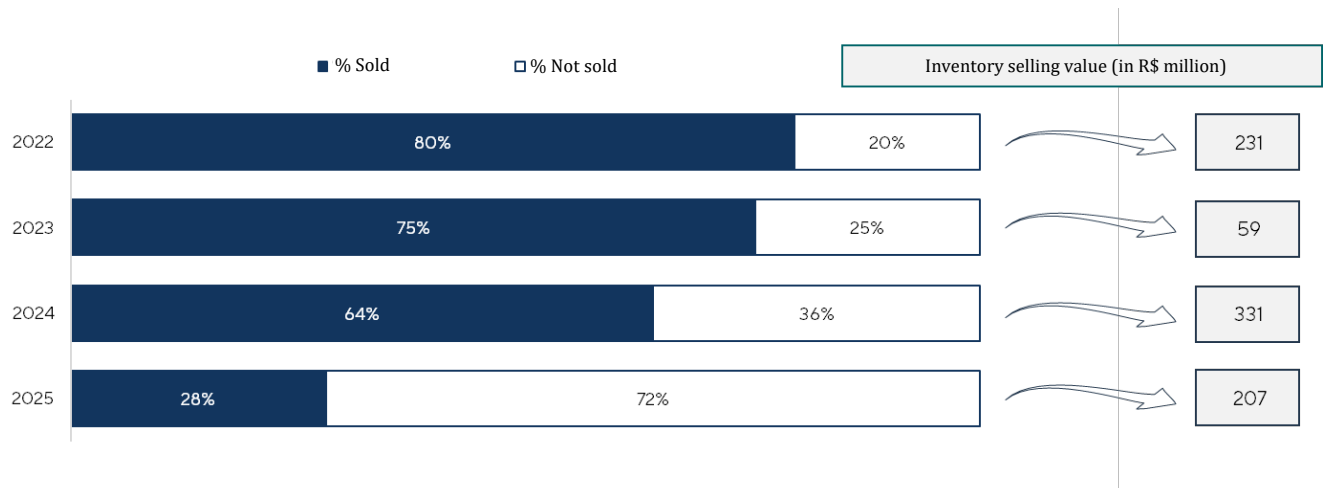


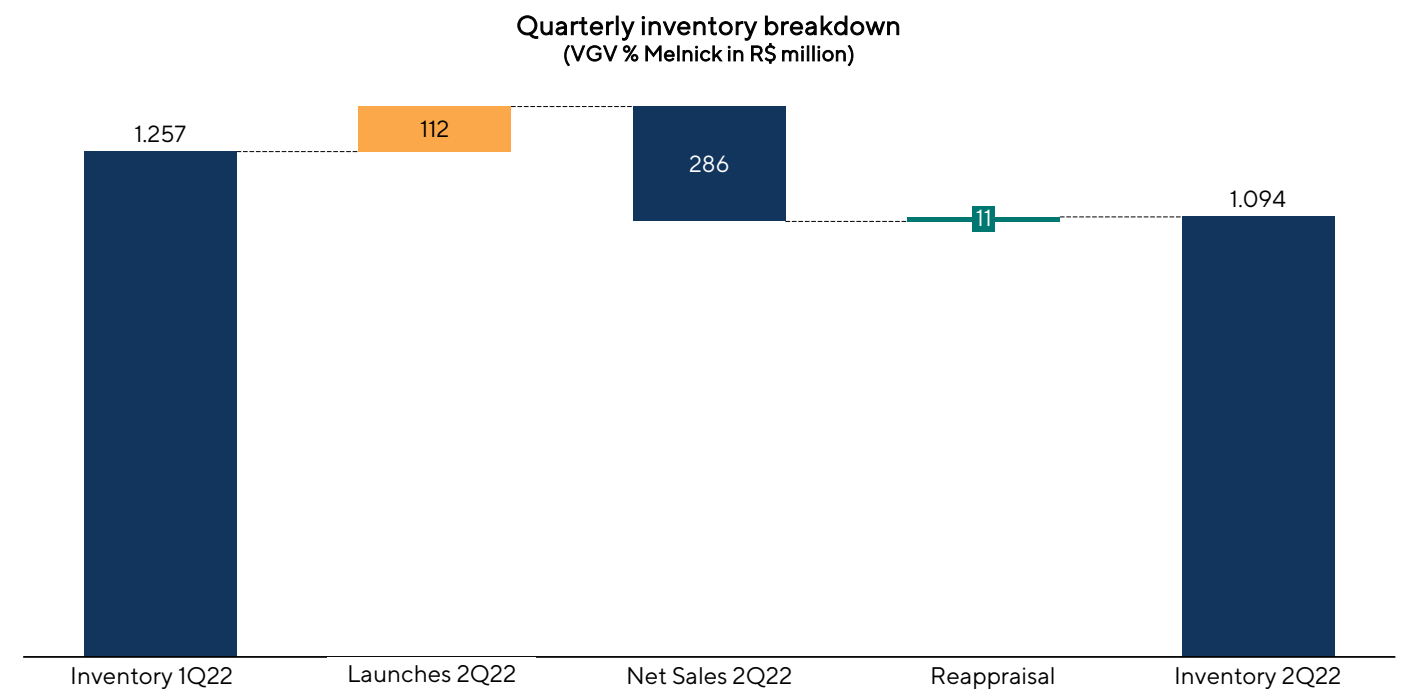
Table below shows the PSV of inventory broken down by year of launch:

Launch	Total Inventory (R\$ thousand)	Melnick Inventory (R\$ thousand)	Developments ¹	Units	% Units
Until 2017	267,876	251,030	21	892	39%
2018	73,316	58,622	5	155	7%
2019	138,642	130,133	8	351	15%
2020	112,516	112,047	5	119	5%
2021	287,869	282,158	8	331	14%
2022	467,448	260,350	4	455	20%
Total	1,347,667	1,094,341	49	2,303	100%

And below, our inventory by business unit:

Business unit	Total Inventory (R\$ thousand)	Inventory % Melnick (R\$ thousand)	Inventory % Melnick Completed (R\$ thousand)	Units	Inventory under Construction Projects ¹	Units
Residential	946,217	784,512	120,579	265	663,932	790
Lots Development	93,138	52,124	25,386	360	26,737	312
Commercial	308,312	257,706	121,411	307	136,295	269
Total	1,347,667	1,094,341	267,376	932	826,965	1,371

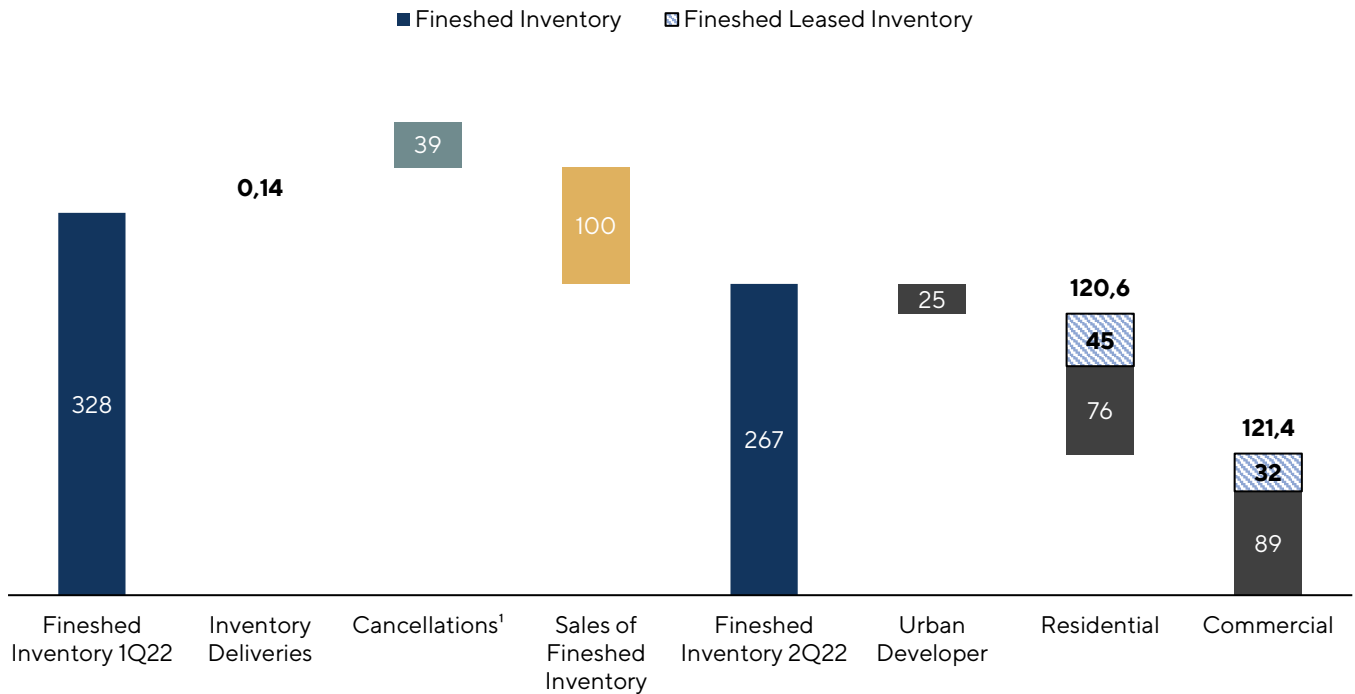
Se should mention the Company does quarterly reappraisals of its inventory's value in order to best reflect the sales pricing expectations in light of the current market.



¹ Adjustment to the market price of the latest sales

FINISHED INVENTORY

As we can see in the graph below, we sold R\$ 100 million (% Melnick) in finished inventory in 2Q22, and closed 2Q22 with R\$ 267 million in finished inventory.



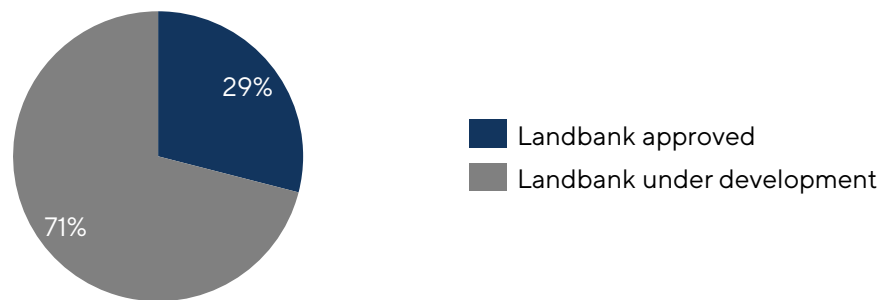
¹Considering that 100% of the cancellations refer to finished units.

As a strategy to accelerate the sales of finished inventory, we offer our clients a reversible lease program, consisting of leasing our finished inventory with more units available with a purchase option by the lessee during part in the leasing period by using the amounts paid as lease as a down payment at the time of purchase. As of June 30, 2022, we had R\$ 77 million of our inventory leased under the reversible lease.

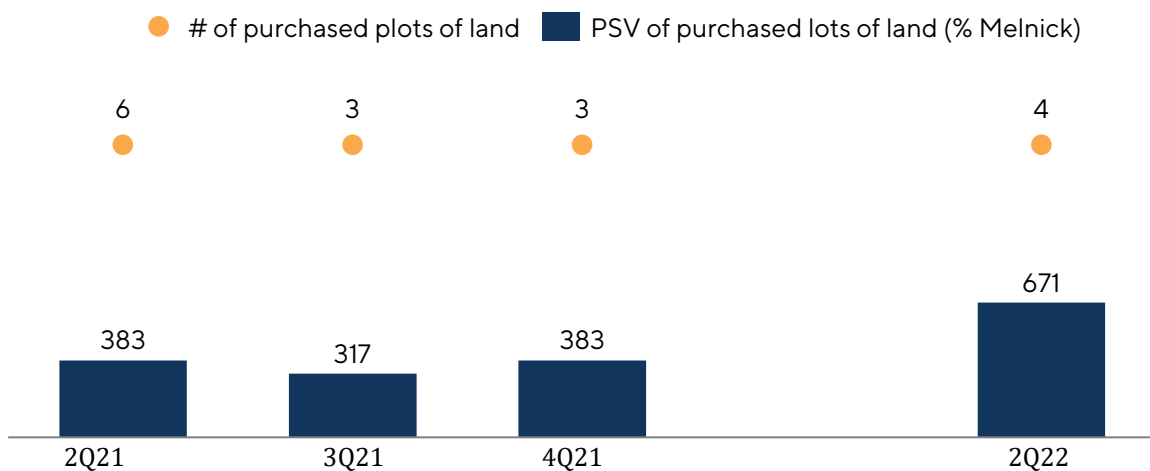
LAND BANK

Our Land bank ended 2Q22 with R\$ 4.1 billion in potential PSV (% Melnick), with R\$ 1.2 billion in projects already approved, accounting for 29% of the land bank.

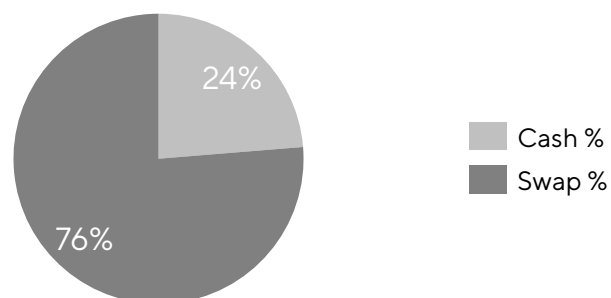
Business Unit	Projects	Units	Total PSV (R\$ million)	Net PSV % Melnick (R\$ million)
Homebuilder	23	4,851	3,919	3,472
Urban Development	10	6,128	1,678	19
Open	1	175	38	593
Total	34	11,155	5,635	4,084



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



Our acquisition of land bank as of June 30, 2022, consists of the following:



PROJECT DELIVERY³ AND EXECUTION

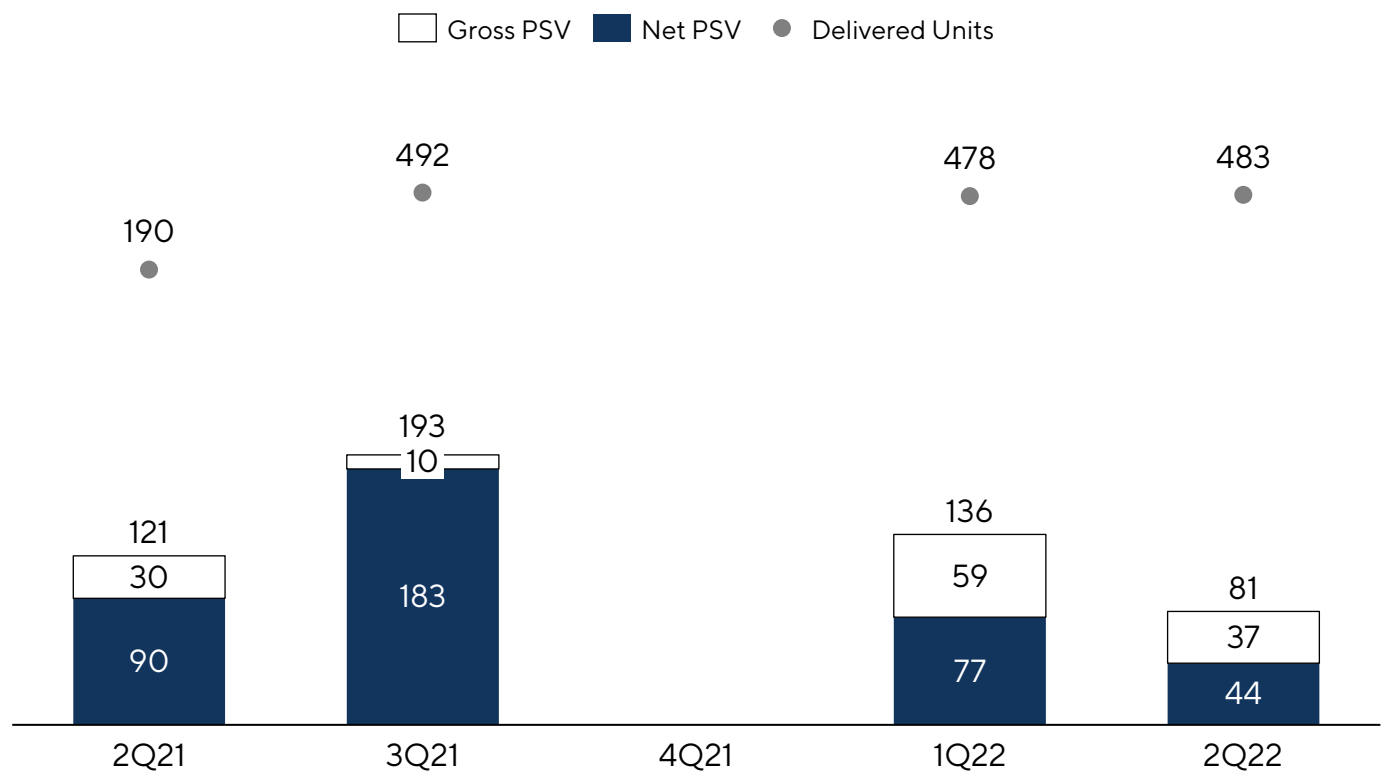
We delivered two projects in 2Q22 totaling R\$ 81.1 million in gross PSV (R\$ 44.0 million % Melnick): We had R\$ 217.6 million in gross PSV in the year (R\$ 121.1 million % Melnick), as follows:

Project	Business unit	PSV Total ¹ (R\$ thousand)	PSV Melnick ² (R\$ thousand)	Usable area ² (sq. m.)	Unit ²	Average Price of Unit (R\$ thousand)	Segment
1Q22		136,472	77,174	107,975	478	206	
Vivio Lindóia	INC	58,320	45,541	9,257	133	342	Residential
Sunset	LOT	78,152	31,663	98,718	345	153	Urban Development
2Q22		81,130	44,018	110,433	483	122	
Open Canoas Centro - Phase 1	OPEN	34,940	33,193	8,817	200	166	Residential
Central Park Passo Fundo	LOT	46,190	10,825	101,616	283	91	Urban Development
Total		217,602	121,192	218,408	961	164	

¹ PSV of physical swap and sales commissions, gross.

² Physical swap, net.

³ Value considering the selling prices at the time of launch.



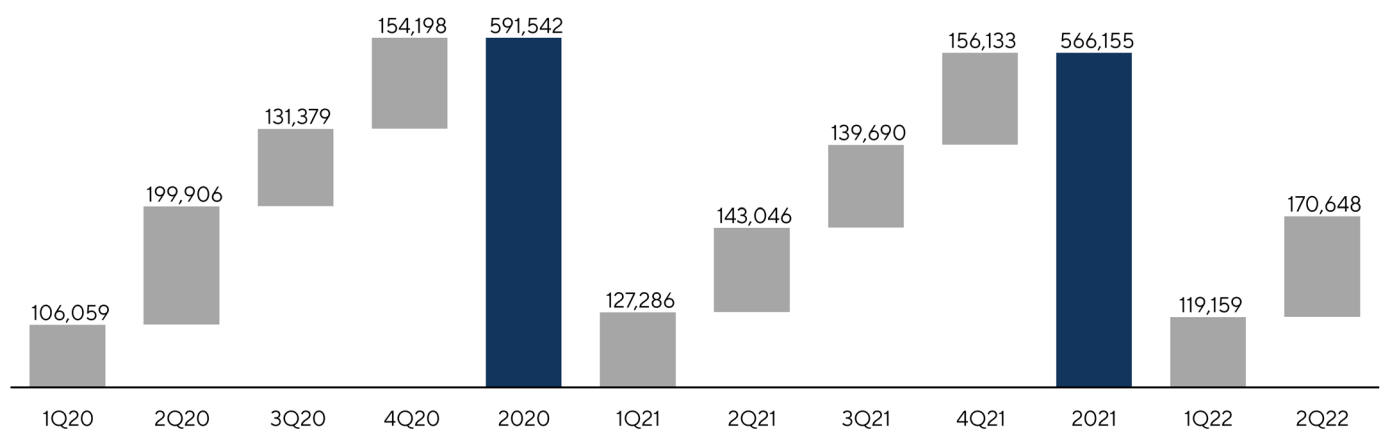
As of June 30, 2022, the Company had 22 active construction sites, of which, 17 of the Homebuilder, 3 of the Urban Developer, and 2 of Open segments.

TRANSFERS AND RECEIPT

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

The following table shows total receipt from customers (units under construction and finished ones) in 2Q22 was R\$ 171 million.

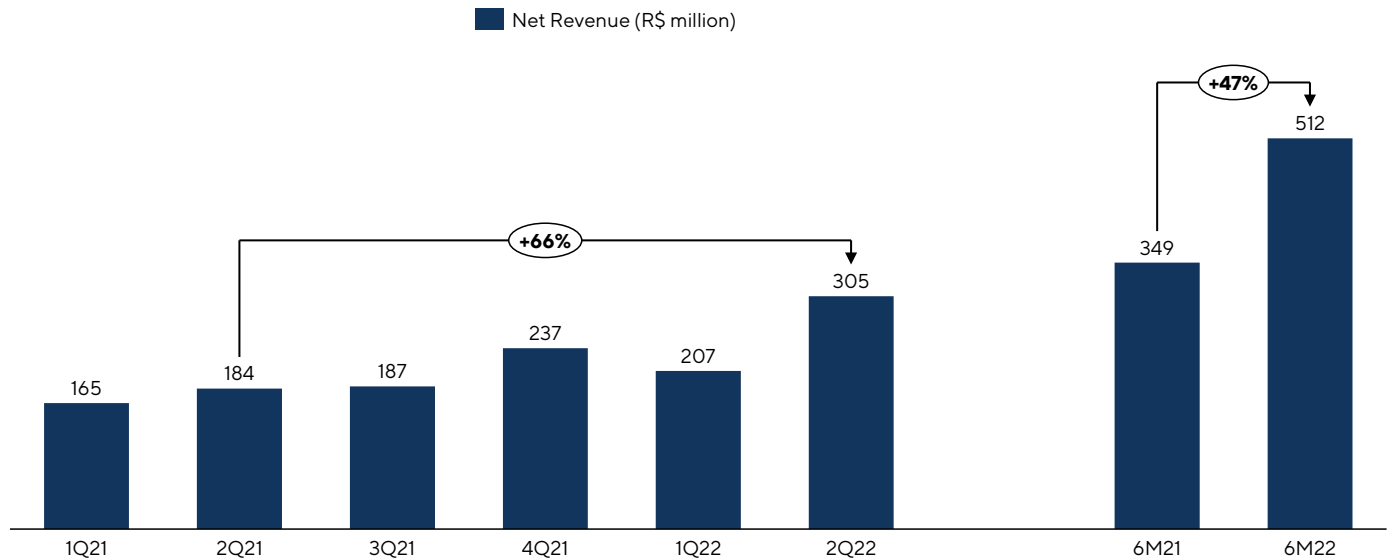
R\$ thousand	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22
Units under construction	156,981	84,227	106,101	101,303	116,313	113,896	119,006	88,128	130,355
Units completed	42,925	47,152	48,097	25,983	26,733	25,794	37,127	31,031	40,293
Total	199,906	131,379	154,198	127,286	143,046	139,690	156,133	119,159	170,648



ECONOMIC AND FINANCIAL PERFORMANCE

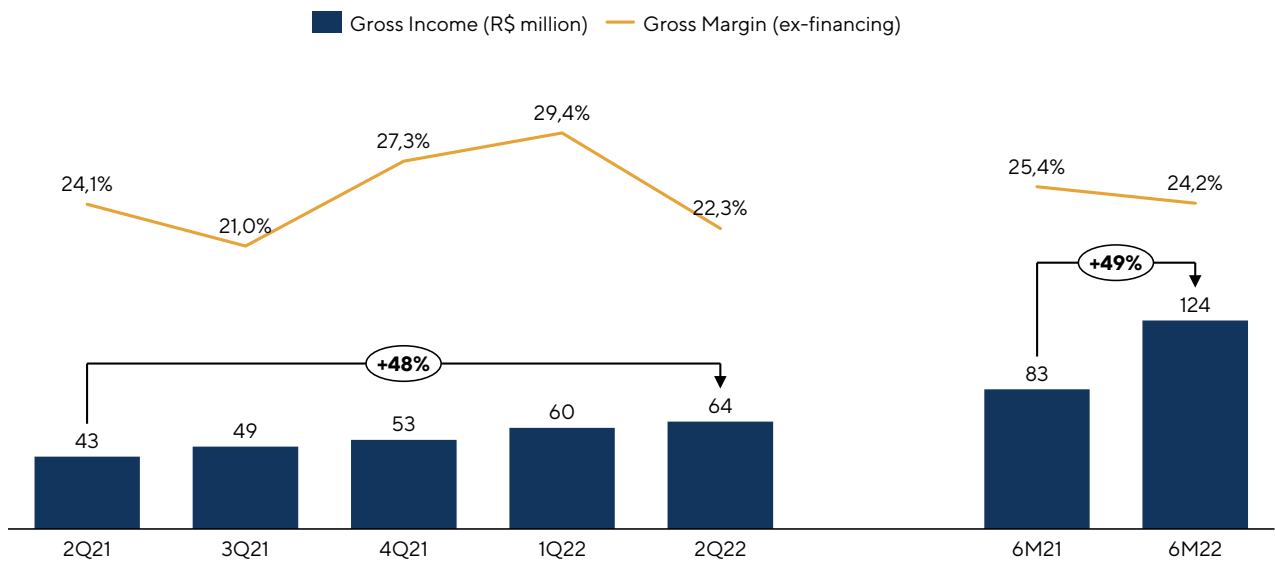
NET REVENUE

We had a net operating revenue of R\$ 305 million in 2Q22, a growth rate of 66% when compared to 2Q21.



GROSS INCOME AND GROSS MARGIN

Gross income totaled R\$ 64 million in 2Q22. We had 22.3% 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 the Melnick Day, where we granted a higher discount for selling 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. 2Q22 (R\$ million)	Gross Margin	REF Margin ¹	Inventory Gross Margin ²
Net Revenue	304.9	899.5	1,319.6
COGS	(241.1)	(637.0)	(880.7)
Construction and Land	(236.9)	(637)	(860.3)
Financial charges	(4.2)	-	(20.4)
Gross Income	63.84	262.5	438.9
Gross Margin (%)	20.94%	29.19%	33.26%
Gross Margin (%) ex-financing	22.32%	29.19%	34.81%

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.

² Expunging the costs from unlaunched units of phased projects R\$ 47.5 million.

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 2Q22		
	Sold Units (R\$ million)	Units in Inventory (R\$ million)	Total (R\$ million)
2022	263,261	66,953	330,214
2023	278,068	150,985	429,053
2024	82,485	133,081	215,566
2025	13,181	33,326	46,507
Total	636,995	384,345	1,021,340

SELLING, GENERAL & ADMINISTRATIVE, AND OTHER EXPENSES

In 2Q22, operating expenses totaled R\$ 43 million. Increased selling expenses are a result of the Melnick Day, and the increased administrative expenses are a result of (i) the increased percentage of provision for bonuses (ii) expenses with technology and legal services in the quarter. The breakdown is as follows.

	2Q21	3Q21	4Q21	1Q22	2Q22	6M21	6M22
Selling	11,554	16,884	19,138	16,084	19,883	21,971	35,967
General and Administrative	11,717	12,342	13,985	11,198	16,260	21,494	27,458
Other expenses, net	8,868	7,200	531	7,203	6,888	10,551	14,091
Operating Expenses	32,139	36,426	33,654	34,486	43,031	54,016	77,517
% of Net Revenue (LTM)	15.24%	15.79%	16.08%	16.77%	15.77%	15.24%	15.77%

Other expenses, net (Provisions):

	2Q21	3Q21 ¹	4Q21	1Q22	2Q22	6M21	6M22
Contingency fund	2,859	2,964	2,636	3,248	2,337	4,719	5,586
Provision for cancellations - IFRS 9(a)	5,395	1,688	-1,197	3,367	1,878	5,395	5,245
Other expenses, net	614	2,548	-908	588	2,673	437	3,261
Other expenses, net	8,868	7,201	530	7,203	6,888	10,551	14,091

¹ In 3Q21, an investment in innovation of R\$ 1,630 million is allocated as other expenses.

FINANCIAL RESULTS

We closed the second quarter with R\$ 20.1 million in income, reflecting the increased interest rate. The breakdown is as follows:

	2T21	3T21	4T21	1T22	2T22	6M21	6M22
Financial expenses	-1,688	-0,672	-2,483	-0,685	-0,400	-1,708	-1,085
Financial expenses	-1,688	-0,672	-2,483	-0,685	-0,400	-1,708	-1,085
Financial revenue	6,924	13,078	18,066	18,629	24,734	12,731	43,364
With financial investments	4,232	7,059	8,845	9,059	11,411	7,205	20,470
With customers	2,692	6,019	9,221	9,570	13,323	5,526	22,894
Financial Result	5,236	12,406	15,583	17,944	24,334	11,023	42,279
Cost of Real Estate Sold (a)	-2,424	-0,761	-2,648	-0,701	-4,220	-5,874	-4,921
Total financial results	2,812	11,645	12,935	17,243	20,114	5,149	37,358

EBITDA¹

EBITDA history is as follows¹:

Conciliação EBITDA	2T21	3T21	4T21	1T22	2T22	6M21	6M22
Profit before IRPJ and CSLL	15,701	24,918	35,706	43,686	45,125	39,315	88,812
(+) Financial Result	-5,236	-12,406	-15,583	-17,944	-24,334	-8,599	-42,279
(+) Depreciation and Amortization	0,621	0,565	2,449	0,970	0,940	1,696	1,910
EBITDA	11,086	13,077	22,572	26,712	21,731	32,412	48,443
Margem EBITDA	11,46%	6,03%	6,99%	9,52%	12,90%	9,29%	9,46%
(+) Financial expenses recognized as cost	2,424	0,761	2,648	0,701	4,220	5,874	4,921
Adjusted EBITDA	13,510	13,838	25,220	27,413	25,951	38,286	53,364
Adjusted EBITDA Margin (%)	13,55%	7,34%	7,40%	10,64%	13,24%	10,97%	10,42%

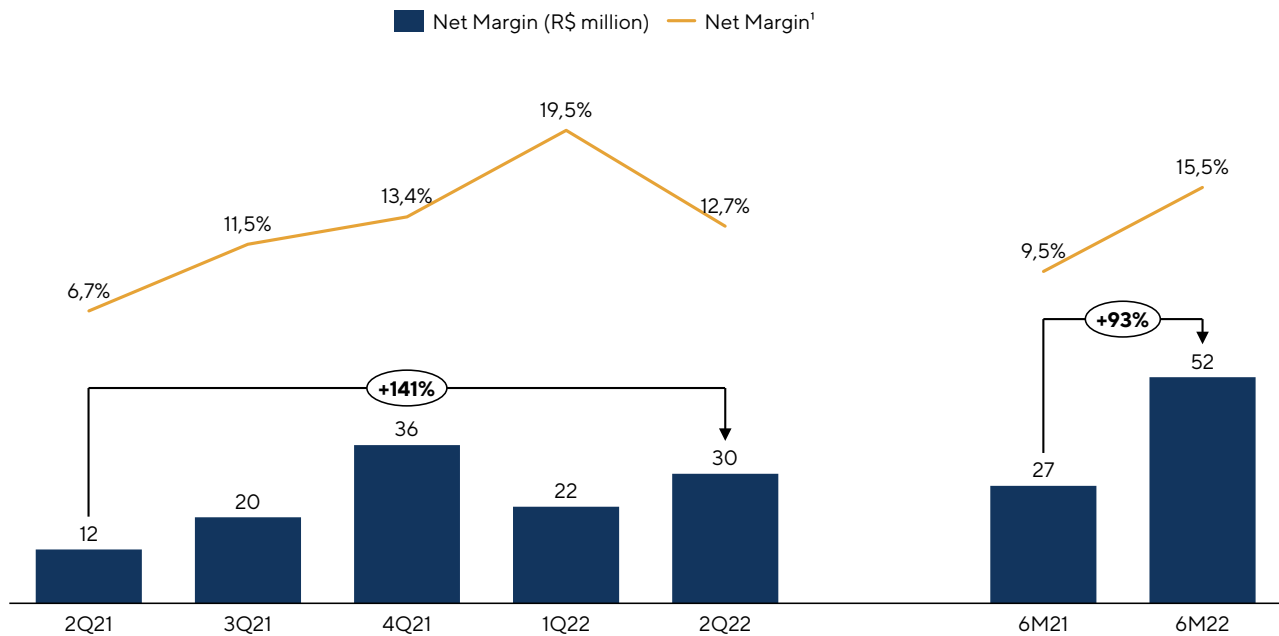
¹ EBITDA: earnings before taxes, interest, financial charges recognized as cost, depreciation, and amortization.

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

According to the accounting standards applicable to homebuilders, the financial costs related to construction financing are capitalized in 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

Net Income totaled R\$ 30 million, in 1Q22, with a net margin of 12.7%, representing a growth rate of 141% when compared to the same period of 2021.



¹ Given 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\$ 387.6 million as of June 30, 2022.

Loans and borrowings totaled R\$ 88.5 million, which are entirely guaranteed by receivables or inventory.

Table below shows capital structure. We closed 2Q22 with R\$ 299 million in **Net Cash**, accounting for 23.8% of our Equity:

	6/30/2022 (R\$ million)	
Production SFH	-85.7	93%
Production CRI	-2.9	7%
Gross Debt	-88.5	100%
Cash	387.6	
Net Cash	299.1	
Equity	1,255.1	
Net Debt / PL	23.8%	

CASH GENERATION / CASH BURN

Cash burn totaled R\$ 26.9 million in 2Q22. *Cash burn* in 2Q22 mainly resulted from the payment of plots of land in cash purchased in previous periods.

Cash burn breakdown of the latest five months is as follows:

	2Q21	3Q21	4Q21	1Q22	2Q22
Initial Net Debt	-603.4	-568.2	-510.0	-388.3	-350.4
Final Net Debt	-568.2	-510.0	-388.3	-350.4	-299.1
Net debt variation	35.2	58.2	121.8	37.9	51.3
Dividends and contributions	-1.3	-	-56	-	-24.4
Stock buybacks	-11.1	-5.1	-	-	-
Cash burn	22.9	53.1	65.8	37.9	26.9

ACCOUNTS RECEIVABLE FROM CUSTOMERS

We closed 2Q22 with R\$ 211.9 million of receivables from finished units. Breakdown of such amounts is as follows:

Nature	(R\$ million)
Customers with fiduciary sale	124.3
Transfers of (non-delinquent and delinquent)	104.8
Provision for cancellations	-17.2
Total	211.9

Recognized accounts receivables (R\$ 747.8 million) were stable in relation to the previous quarter. The balance of accounts receivable from the units sold but not finished is not fully expressed as an asset in the financial statements since this balance is recognized as the construction progresses (*percent of completion*).

According to the schedule below, of the total receivables worth R\$ 1.4 billion (recognized accounts receivable plus accounts receivable still to be recognized in the balance), R\$ 1.3 billion will become due, and have the following collection schedule:

Year	(R\$ million)
2022	434.2
2023	274.0
2024	327.5
2025 onwards	281.9
Total	1,317.6

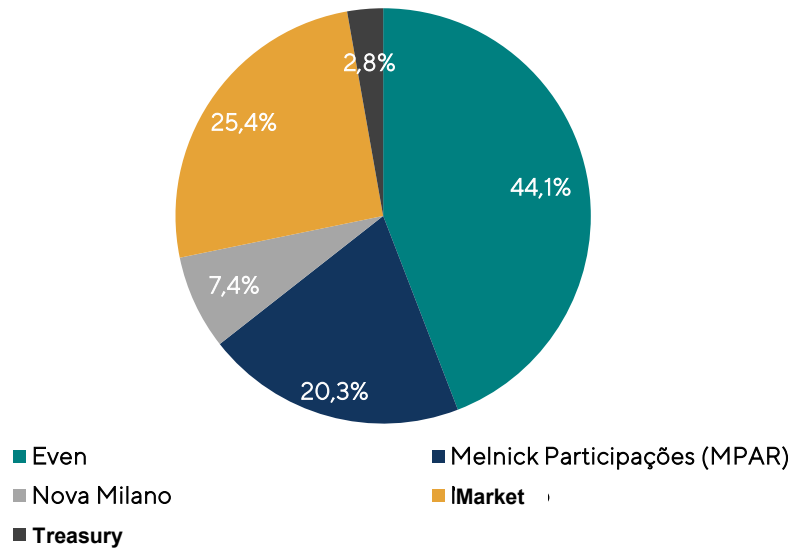
The accounts receivable balance is adjusted by the INCC index until the delivery of the keys and after that, by the variation of the pricing index (IPCA) plus interest of 12% per annum recognized pro rata temporis.

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

SHAREHOLDING STRUCTURE

Shareholding Structure

(As of 7/31/2022 per CVM 358 + Information from shareholders with a minimum ownership of 5% – source: B3)



(Total shares: 207,969,341)

APPENDICES

APPENDIX 1 – Income Statement

(Consolidated – R\$ thousand)

INCOME STATEMENT	2Q21	3Q21	4Q21	1Q22	2Q22
Net Revenue from Sales and/or Services	183,530	186,616	236,638	206,995	304,927
Cost of Goods Sold	-140,926	-137,678	-182,860	-146,766	-241,082
Gross Income	42,604	48,938	53,778	60,229	63,845
<i>Gross Margin</i>	<i>23.21%</i>	<i>26.22%</i>	<i>22.73%</i>	<i>29.10%</i>	<i>20.94%</i>
<i>Gross Margin (ex-financing)</i>	<i>24.53%</i>	<i>26.58%</i>	<i>23.84%</i>	<i>29.44%</i>	<i>22.32%</i>
Operating Expenses	-32,139	-36,426	-33,654	-34,487	-43,031
Selling	-11,554	-16,884	-19,138	-16,084	-19,883
General and Administrative	-11,717	-12,342	-13,985	-11,198	-16,260
Other operating expenses, net	-8,868	-7,200	-531	-7,205	-6,888
Operating Income Before Financial Result	10,465	12,512	20,124	25,742	20,814
Equity Income					
Equity accounting					-23
Financial Results	5,236	12,406	15,582	17,944	24,334
Financial Expenses	-1,688	-672	-2,483	-685	-400
Financial Revenue	6,924	13,078	18,065	18,629	24,734
Profit before IRPJ and CSLL	15,701	24,918	35,706	43,686	45,125
IRPJ and CSLL	-3,334	-3,543	-3,984	-3,250	-6,262
Current	-2,993	-3,595	-4,329	-2,883	-5,441
Deferred	-341	52	345	-367	-821
Net income before minority shareholders' interest	12,367	21,375	31,722	40,436	38,863
Minority shareholders' interest	-41	-1,650	4,554	-18,253	-9,134
Net Income for the Year	12,326	19,725	36,276	22,183	29,729
<i>Net Margin</i>	<i>6.72%</i>	<i>10.57%</i>	<i>15.33%</i>	<i>10.72%</i>	<i>9.74%</i>
Net Margin (without minorities)	6.74%	11.45%	13.41%	19.53%	12.74%

APPENDIX 2 – Balance Sheet

(Consolidated – R\$ thousand)

ASSETS	6/30/2021	9/30/2021	12/31/2021	3/31/2022	6/30/2022
Cash and cash equivalents	51,516	36,139	16,140	8,916	8,524
Bonds and Securities	583,731	508,882	384,553	370,424	379,102
Restricted cash	42	-	-	-	-
Accounts receivable	293,909	367,361	451,505	461,333	417,642
Properties to be sold	679,418	790,224	806,653	846,257	815,181
Other accounts receivable	27,315	37,046	30,758	33,484	29,443
Current Assets	1,635,931	1,739,652	1,689,609	1,720,414	1,649,891
Accounts receivable	134,947	162,251	173,813	179,781	330,170
Properties to be sold	51,092	48,996	60,076	65,056	42,875
Advances for future investments	2,278	1,848	2,153	5,691	4,694
Related parties	4,160	217	197	212	9,116
Other accounts receivable	7,891	2,695	7,049	4,417	3,837
Investments	4,584	4,584	4,584	4,584	6,614
Right of use	263	3,266	3,266	4,946	4,473
Property, plant and equipment	5,141	6,273	10,505	9,070	9,035
Intangible assets	187	168	158	139	124
Non-current assets	210,543	230,298	261,801	273,896	410,938
Total assets	1,846,474	1,969,950	1,951,410	1,994,310	2,060,829
LIABILITIES	6/30/2021	9/30/2021	12/31/2021	3/31/2022	6/30/2022
Suppliers	18,746	23,481	41,916	46,807	54,699
Accounts Payable, Real Property Purchase	37,350	51,821	50,691	44,471	69,233
Loans and borrowing	50,456	24,785	6,824	4,114	2,857
Current taxes and contributions	8,787	10,516	10,732	5,263	5,490
Differed taxes and contributions	8,233	7,026	3,650	7,036	13,238
Advances from Customers	299,079	382,920	414,881	379,296	363,550
Proposed dividends	-	-	-	-	-
Provisions	64,421	67,187	65,786	86,860	77,443
Related parties	31,451	35,102	35,984	40,148	31,426
Other accounts payable	13,373	44,631	30,565	29,978	37,565
Current Liabilities	531,896	647,469	661,029	643,973	655,501
Accounts Payable, Real Property Purchase	42,593	41,552	41,028	39,518	26,193
Provisions	27,865	26,822	25,387	25,828	26,205
Loans and borrowing	16,631	10,219	5,610	24,834	85,651
Differed taxes and contributions	15,282	16,055	19,334	20,214	12,220
Long-Term Liabilities	102,371	94,648	91,359	110,394	150,269
Capital stock	1,109,029	1,109,029	1,109,029	1,109,029	1,109,029
Treasury Stock	-26,548	-31,692	-31,692	-31,692	-31,692
Costs for subscription of shares	-	-	-	-	-
Equity valuation adjustment	-	-	-	-	-
Legal reserves	-	-	-	-	-
Statutory Reserves	-	-	-	-	-
Profit Reserve	80,685	100,410	77,663	99,846	105,015
Non-controlling shareholders' interest	49,041	50,086	44,022	62,760	72,707
Equity	1,212,207	1,227,833	1,199,022	1,239,943	1,255,059
Total Liabilities and Equity	1,846,474	1,969,950	1,951,410	1,994,310	2,060,829

APPENDIX 3 – Cash Flow Statement

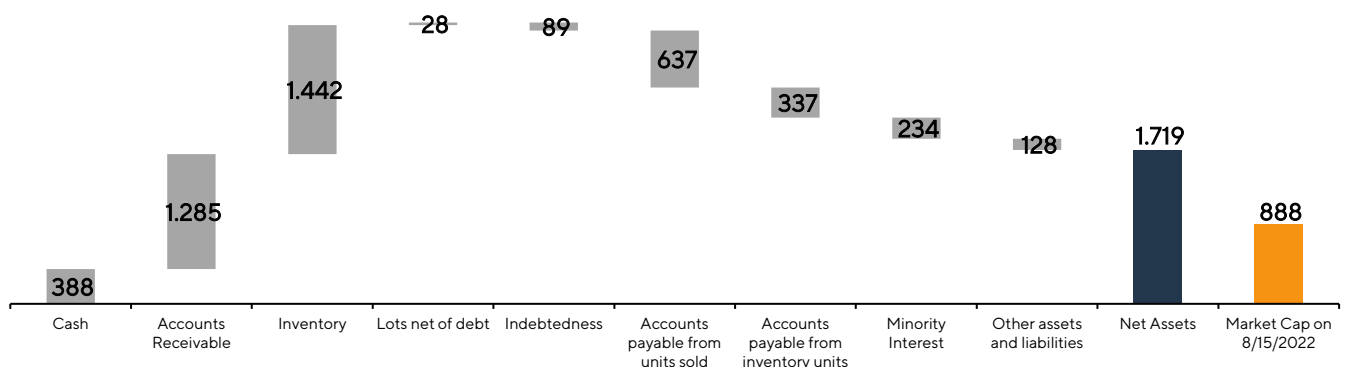
(Consolidated – R\$ thousand)

CASH FLOW FROM OPERATING ACTIVITIES	2Q21	3Q21	4Q21	1Q22	2Q22
Profit before income and social contribution taxes	15,165	24,970	36,246	43,686	45,126
Adjustments to reconcile income before income tax and social contribution					
Equity accounting					23,0
Depreciation and amortization	621	1	2	970	940
Contingency fund, net	1,481	-43	-1,167	2,248	120
Provision for guarantees, net	716	2,367	670	2,672	19
Provision for cancellations, net	7,192	-2,560	-3,788	130	8.319
Provision for profit sharing	-2,034	1,959	1,449	2,514	-3.547
Provisioned interest	-	-	-	-	2.914
Interest and monetary variations expenses	2,556	1,158	1,262	701	-701
Variations in current and non-current assets and liabilities:					
Accounts receivable	11,057	-100,756	-95,706	-14,463	-108.031
Properties to be sold	-59,069	-108,710	-27,509	-44,584	53.257
Other accounts receivable	107	-4,749	1,934	-96,000	4.623
Suppliers	-4,058	4,735	18,435	4,891	7.892
Accounts Payable, Real Property Purchase	-3,556	13,430	-1,654	-7,730	11.437
Advances from Customers	7,669	83,841	31,961	-26,889	-24.442
Other liabilities	501	12,732	5,874	1,588	2.449
Cash generated (applied) in operations	-21,652	-70,192	-30,413	-34,362	398
Interest paid	-1,157	-758	-645	-666	-1.097
Paid income tax and social security	-2,797	-3,595	-4,525	-3,249	-6.264
Net cash applied in operating activities	-25,606	-74,545	-35,583	-38,277	-6.962
CASH FLOW FROM INVESTMENTS					
Bonds and Securities	32,131	74,849	124,329	14,129	-8,677
Acquisition of property, plant and equipment and intangible assets	-742,000	-5,550	-5,802	-1,196	-417
Increase in investments	-	-	-	-	-2,053
Increase (decrease) in advance for future capital increase in investees	-	-	-	-	-2,541
Net cash from investments	26,714	69,729	118,222	9,395	-10,150
INVESTMENTS CASH FLOW					
Raised loans and borrowings	-878	100	1,200	21,625	60.752
Amortized loans and borrowings	-6,836	-32,583	-24,387	-4,600	-2.853
Restricted cash	287	42	-	-	-
Related parties	15,519	21,061	-12,428	4,634	-18.111
Dividend paid	-7,044	5,749	-67,023	-	-24.365
Acquisition of shares in treasury	-11,044	-5,144	-	-	-
Non-controlling shareholders' transactions	-	-	-	-	1.298
Net cash from financing activities	-9,996	-10,775	-102,638	21,658	16.721
NET INCREASE (DECREASE) OF CASH AND CASH EQUIVALENTS	-9,102	15,377	-19,999	-7,224	-392

APPENDIX 4 – NAV

(Consolidated – R\$ thousand)

Net Assets		6/30/2022
Cash/Cash equivalents and financial investments		387,626
Loans, Financing and Debentures to be paid		(88,508)
Net indebtedness		299,118
Accounts receivable from customers, on-balance		787,110
Accounts receivable from customers, off-balance		915,118
Advances from customers		(363,550)
Taxes on accounts receivable from customers		(53,547)
Building obligations ref. sold properties		(636,996)
Accounts receivable from customers, Net		648,135
Units in inventory at market value		1,347,667
Provision for cancellations at market value		154,304
Taxes on sale of units in inventory		(60,079)
Estimated costs to be incurred on properties in inventory		(384,345)
Adjustment of costs to be incurred from phases already accounted for		47,483
Net inventory		1,105,030
Inventory of plots of land, on-balance		123,841
Debt from plots of land, on-balance		(28,366)
Debt from plots of land already launched		(67,060)
Plots of Land		28,415
Minorities' interest (on-balance)		(72,707)
Minorities' interest (off-balance)		(161,708)
Minority shareholders' interest		(234,415)
Projects consolidated by equity method (on-balance)		6,614
Projects consolidated by equity method (off-balance)		-
Projects consolidated by equity method		6,614
Other assets		60,722
Other liabilities		(195,072)
Other assets (liabilities)		(134,350)
Net Assets		1,718,546



APPENDIX 5 – Land Bank

The chart shows land purchased by the Company, per development, as of June 30, 2022:

Plot of Land	Location	Date of Purchase	Areas (sq.m.)		Units	Expected PSV	
			Plot of Land	Usable		Total	Melnick
Plot - I	Urban Development	May-10	394,157	222,698	389	322,438	120,626
Plot - II	Urban Development	May-10	275,664	155,750	243	225,506	72,160
Plot - III	Urban Development	May-10	284,752	160,885	243	232,940	72,160
Plot - IV	Homebuilder	Sep-14	44,145	22,541	352	152,563	135,755
Plot - IX	Urban Development	Nov-16	159,986	83,743	398	33,677	11,231
Plot - V	Homebuilder	Sep-14	15,475	7,273	194	53,480	47,588
Plot - VI	Homebuilder	Sep-14	40,206	22,447	288	138,950	123,642
Plot - VII	Homebuilder	Dec-14	5,024	10,820	54	90,371	74,865
Plot - VIII	Urban Development	Nov-16	375,449	137,307	393	57,184	19,071
Plot - X	Homebuilder	Jan-17	11,123	35,811	756	318,939	318,939
Plot - XI	Urban Development	Jan-17	422,603	169,905	876	127,691	42,474
Plot - XII	Homebuilder	Jun-17	11,721	33,389	518	276,404	262,904
Plot - XIII	Homebuilder	Oct-17	4,000	7,593	56	93,863	75,090
Plot - XIV	Homebuilder	Jan-18	17,168	34,498	416	260,548	260,548
Plot - XIX	Homebuilder	Nov-18	7,947	12,726	326	174,050	138,335
Plot - XV	Homebuilder	Jan-18	17,168	33,895	260	278,856	278,856
Plot - XVI	Urban Development	Feb-18	1,007,596	340,909	1251	102,503	48,448
Plot - XVII	Urban Development	Feb-18	1,166,354	289,434	1446	253,660	115,987
Plot - XVIII	Urban Development	Jul-18	172,661	86,729	462	47,082	14,124
Plot - XX	Homebuilder	Nov-18	4,671	6,431	109	73,012	56,220
Plot - XXI	Homebuilder	Nov-20	10,555	18,976	162	265,343	209,206
Plot - XXII	Homebuilder	Feb-21	1,561	2,944	42	53,030	26,515
Plot - XXIII	Homebuilder	Apr-21	4,516	11,337	80	153,830	69,951
Plot - XXVI	Homebuilder	May-21	4,052	6,376	100	50,941	33,112
Plot - XXIX	Homebuilder	Oct-21	25,225	22,743	339	150,909	131,291
Plot - XXV	Homebuilder	May-21	3,197	9,140	48	106,294	106,294
Plot - XXVI	Homebuilder	Jul-21	2,788	6,864	42	120,045	89,081
Plot - XXVII	Homebuilder	Sep-21	3,880	10,453	20	209,056	209,056
Plot - XXVIII	Open	Sep-21	9,375	8,754	176	37,840	18,920
Plot - XXX	Homebuilder	Nov-21	10,236	24,829	56	231,153	231,153
Plot - XXXI	Homebuilder	Apr-22	2,835	7,880	14	166,433	107,850
Plot - XXXII	Homebuilder	Jun-22	28,869	17,561	124	220,916	220,916
Plot - XXXIII	Homebuilder	Jun-22	9,316	23,090	495	280,420	264,997
Plot - XXXIV	Urban Development	Jun-22	263,368	141,886	427	275,114	76,757

APPENDIX 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 6/30/2022 when compared to 3/31/2022 and 12/31/2021:

Development	Launch	%Melnick	% Sold			% PoC		
			6/30/2022	3/31/2022	12/31/2021	6/30/2022	3/31/2022	12/31/2021
Ponta da Figueira	3Q10	25%	100%	100%	100%	100%	100%	100%
Hom	4Q10	100%	99%	98%	98%	100%	100%	100%
Grand Park Eucaliptos	3Q11	100%	100%	100%	99%	100%	100%	100%
Cobal - Rubi	4Q11	100%	99%	98%	98%	100%	100%	100%
Design Office Center	3Q12	100%	98%	99%	99%	100%	100%	100%
Hom lindaia	4Q12	100%	91%	90%	95%	100%	100%	100%
Nine	4Q12	100%	99%	99%	99%	100%	100%	100%
Icon - RS	1Q13	100%	90%	91%	90%	100%	100%	100%
Icon RS - 2nd stage	2Q13	100%	100%	98%	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%	94%	93%	100%	100%	100%
Icon RS - 3rd stage	2Q14	100%	98%	98%	97%	100%	100%	100%
Viva Vida Club Canoas - 4th stage	2Q14	100%	100%	100%	100%	100%	100%	100%
Ato	4Q14	100%	100%	100%	100%	100%	100%	100%
Viva Vida Boulevard	4Q14	100%	93%	91%	91%	100%	100%	100%
Hom Nilo	3Q15	100%	86%	85%	84%	100%	100%	100%
MaxPlaza	4Q15	100%	83%	80%	81%	100%	100%	100%
Blue Xangrilá	1Q16	60%	100%	100%	100%	100%	100%	100%
Central Park-1st stage	1Q16	60%	72%	75%	78%	94%	94%	94%
Supreme Central Parque	1Q16	100%	100%	100%	100%	100%	100%	100%
Central Park-2nd stage	2Q16	60%	73%	78%	87%	94%	94%	94%
DOC Santana	2Q16	100%	65%	64%	64%	100%	100%	100%
MaxPlaza - 2nd stage	2Q16	100%	59%	60%	61%	100%	100%	100%
Supreme Higienopolis	3Q16	100%	100%	100%	99%	100%	100%	100%
Reserva Bela Vista	4Q16	60%	86%	86%	89%	100%	100%	100%
Reserva do Lago	4Q16	60%	48%	49%	51%	100%	100%	100%
Vida Viva Horizonte - 2nd phase	4Q16	100%	91%	90%	89%	100%	100%	100%
Grand Park Lindóia - phase 1	4Q16	100%	80%	80%	81%	92%	92%	91%
Linked Teresópolis	3Q17	100%	65%	58%	62%	100%	100%	100%
Domingos de Almeida	3Q17	60%	82%	77%	76%	100%	100%	100%
Grand Park Lindóia - stage 2	4Q17	100%	75%	72%	76%	92%	92%	91%
GO 1092	4Q17	100%	100%	95%	94%	100%	100%	100%
Península (Brilhante)	4Q18	100%	100%	100%	100%	100%	100%	100%
Vida Viva Linked	1Q18	100%	79%	69%	70%	100%	100%	100%
Pontal	3Q18	100%	90%	94%	95%	82%	79%	75%
Praça do Sol	4Q18	48%	68%	68%	68%	98%	95%	86%
Vivio Lindóia	4Q18	100%	88%	74%	76%	100%	100%	93%
Artur 505	4Q18	100%	99%	100%	100%	98%	90%	90%
Teena	1Q19	100%	88%	88%	88%	75%	71%	66%
Pontal - 2nd phase	1Q19	100%	97%	89%	91%	82%	79%	75%
Central Park - 3rd phase	3Q19	60%	1%	2%	2%	94%	94%	94%
High Garden	3Q19	100%	89%	84%	84%	92%	86%	80%
Central Park Passo Fundo	4Q19	35%	100%	100%	100%	93%	93%	91%
OPEN Canoas Centro - Stage 1	4Q19	100%	100%	100%	99%	77%	74%	69%
Radisson Moinhos 1903	4Q19	100%	85%	86%	87%	85%	78%	71%
CasaVista	4Q19	100%	57%	51%	51%	77%	70%	62%
Sunset	1Q20	50%	99%	99%	99%	100%	100%	92%
GO24	1Q20	100%	91%	93%	94%	88%	81%	74%
Carlos Gomes Square - Phase 1	2Q20	100%	80%	80%	80%	65%	60%	55%
OPEN Canoas Centro - Phase 2	4Q19	100%	98%	80%	72%	77%	74%	69%
Carlos Gomes Square - Phase 2	3Q20	100%	84%	81%	83%	65%	60%	55%
Supreme Altos do Central Parque	4Q20	100%	80%	67%	64%	72%	64%	57%
Gran Park Lindóia - F3	1Q21	100%	60%	53%	53%	92%	92%	91%
Go Rio Branco	1Q21	100%	81%	82%	83%	59%	52%	43%
Casaviva	1Q21	50%	100%	100%	100%	77%	65%	58%
Botanique Residence	1Q21	100%	90%	59%	60%	54%	47%	43%
Seen Boa Vista	2Q21	100%	61%	47%	47%	49%	45%	42%
Hillside	3Q21	100%	69%	36%	36%	42%	36%	32%
Arte Country Club	3Q21	82%	79%	73%	68%	46%	41%	38%
GO Cidade Baixa	4Q21	100%	60%	47%	38%	35%	34%	34%
GO Carlos Gomes	4Q21	100%	48%	43%	43%	44%	40%	38%
Nilo Square - Residencial	1Q22	50%	30%	13%		26%	22%	
Zen Concept Resort	1Q22	35%	99%	99%		52%	52%	
Open Protásio	1Q22	100%	37%	15%		24%	4%	
Nilo Square F2	2Q22	50%	49%			26%		
Open Canoas Centro - Phase 3	2Q22	100%	16%			77%		

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 June 30, 2022, 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.