

Release of Results

Melnick discloses its earnings for 4Q22 and 2022

Porto Alegre, March 28, 2023. Melnick Desenvolvimento Imobiliários (B3: MELK3), a homebuilder and developer with strategic focus in the South Region of Brazil and conducting operations in real estate and urban development projects, discloses its results for the fourth quarter of 2022 (4Q22) and 2022. The following financial and operating information, except where otherwise indicated, is shown in Brazilian Real (R\$).

Highlights

- Total launches of R\$ 195 million in the 4Q22 and R\$1.3 billion in 2022, 15% up YoY.
- Net Sales of R\$ 123 million in the 4T22 and R\$647 million in 2022, 32% up YoY.
- Net Revenues of R\$ 211 million in the 4T22 and R\$1.0 billion in 2022, 33% up YoY.
- Gross income of R\$ 40 million in the 4T22 and R\$ 235 million in 2022, 27% up YoY.
- Net Income of R\$ 10 million in the 4T22 and R\$84 million in 2022.

STOCK PRICE AS OF 3/28/2023

PRICE PER SHARE: R\$ 3.19

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

MARKET CAP: R\$ 645 million (as of 3/28/2023)

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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 figures for the fourth quarter of 2022 (4Q22).

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MESSAGE FROM MANAGEMENT¹

It is with satisfaction that we present Melnick's operating and financial results of 2022. Completed two years after our IPO, we were able to maintain the growth of our operations, keeping our margins and a solid capital structure.

We launched ten (10) projects in 2022, totaling a PSV of R\$ 1.3 billion (R\$ 611 million % Melnick). That represents **a growth rate of 15%** when compared to the results of 2021. We focused our launches in the upper middle-income housing segment, and we are transferring the increase of production costs to our customers.

We are quite satisfied with the performance of our net sales, which totaled (% Melnick) R\$ 647 million in 2022 **a growth rate of 32%** in relation to the previous year. We should note the net sale of remaining units in stock **went up by 56% in the year**.

We currently have R\$ 3.7 billion in PSV in our land bank, consisting of 30 plots or phases, **and 28% of our land bank already has projects approved**.

Melnick broke a record in deliveries in 2022. We delivered R\$ 1 billion in PSV, consisting of ten (10) developments.

Net Revenue totaled R\$ 1 billion in 2022, **a growth rate of 33%** when compared to 2021. Gross Income totaled R\$ 235 million at a 24% margin, **a growth rate of 27% in the year**. Net Income totaled R\$ 84 million in 2022, with a net margin before minority interest of 12%.

We distributed R\$ 24 million in dividends in 2022. We closed 4Q22 with R\$ 187,7 million in Net cash, accounting for 16% of our Equity.

Due to growing operations and the purchase of lands with quick turnover in cash, we had R\$ 169,2 million in operating cash in 2022.

Our business strategy is supported by three pillars: financial soundness, operating capacity, and differentiated products. With a long-term mindset, our main objective is the return on invested capital.

¹ This document contains certain statements of future expectations and information related to Melnick that reflect the current views and/or expectations of the Company and its management with respect to its performance, its business and future events. Any statement that has a forecast, indication or estimate of future results, performance or goals, as well as words such as "we believe", "we hope", "we estimate", among other words with similar meaning, should not be interpreted as guidance. Such statements are subject to risks, uncertainties, and future events.

² Given that net income considers minorities' interest, net margin is also related to net income before minority interest.

MAIN INDICATORS (R\$ '000)

Consolidated Financial Figures	4Q21	2021	1Q22	2Q22	3Q22	4Q22	2022
Net Revenue from Sales and Services	236,638	771,819	206,995	304,927	306,411	211,235	1,029,568
Gross Income	53,778	185,795	60,229	63,845	71,361	39,500	234,935
Adjusted Gross Margin	23.80%	25.17%	29.41%	22.32%	23.96%	20.19%	23.80%
Net Income	36,276	82,936	22,183	29,729	22,855	9,612	84,378
Net Margin before Minority Interest	13.40%	11.20%	19.54%	12.75%	10.10%	7.21%	12.20%
ROAE LTM	7.20%	7.20%	7.15%	8.51%	9.42%	6.59%	6.59%
Unearned Revenue (after PIS-COFINS)	819,316	819,316	837,653	899,524	914,669	880,954	880,954
Unearned Costs (after PIS-COFINS)	-587,053	-587,053	-597,281	-636,996	-642,953	-620,166	-620,166
Unearned Income (after PIS-COFINS)	232,263	232,263	240,372	262,528	271,716	260,788	260,788
Unearned Income Margin - %	28.40%	28.40%	28.70%	29.19%	29.71%	29.60%	29.60%
Net Debt	-388,259	-388,259	-350,392	-299,118	-200,809	-187,695	-187,695
Cash Burn (ex-dividends, buyback, and IPO)	65,758	145,103	37,908	26,908	91,311	13,105	169,205

Launches	4Q21	2021	1Q22	2Q22	3Q22	4Q22	2022
Projects Launched	2	9	3	2	2	3	10
PSV of Launches (100%)	257,292	1,109,282	578,450	213,096	283,225	195,396	1,270,167
PSV of Launches (% Melnick)	212,820	808,024	267,335	112,340	155,357	76,353	611,386
Number of Units Launched	420	1339	579	435	200	670	1884
Usable Area of Launched Units (m²)	17,627	175,272	117,517	16,193	67,380	120,904	321,994
Average Launch Price (R\$/m²)	12,073	4,610	4,207	12,235	3,316	1,569	3,476
Avg. Price of Launched Units (R\$ '000/unit)	507	640	854	467	1117	283	594

Sales	4Q21	2021	1Q22	2Q22	3Q22	4Q22	2022
Pre-sales (100%)	216,880	582,635	175,046	346,321	185,555	158,079	865,001
Pre-sales (% Melnick)	185,458	491,233	86,827	285,590	151,418	122,880	646,715
Consolidated SV (% Melnick)	16.40%	34.02%	6.88%	20.82%	12.12%	10.09%	38.04%
SV of Launches (% Melnick)	30.70%	26.36%	26.80%	40.20%	34.45%	58.02%	35.40%

Deliveries	4Q21	2021	1Q22	2Q22	3Q22	4Q22	2022
Delivered PSV (100%)	-	313,405	136,472	81,130	136,557	611,211	965,370
Delivered PSV (% Melnick)	-	273,481	77,204	44,018	129,730	474,232	725,154
Number of Projects Delivered	-	3	2	2	1	5	10
Number of Units Delivered	-	682	478	483	68	1098	2,127

Plots of Land	4Q21	2021	1Q22	2Q22	3Q22	4Q22	2022
Land Bank (100%)	5,415,015	5,415,015	5,405,617	4,975,000	5,635,042	5,133,873	5,133,873
Land Bank (% Melnick)	3,798,523	3,798,523	3,781,795	3,562,000	4,084,120	3,736,197	3,736,197

OPERATIONAL PERFORMANCE

LAUNCHES

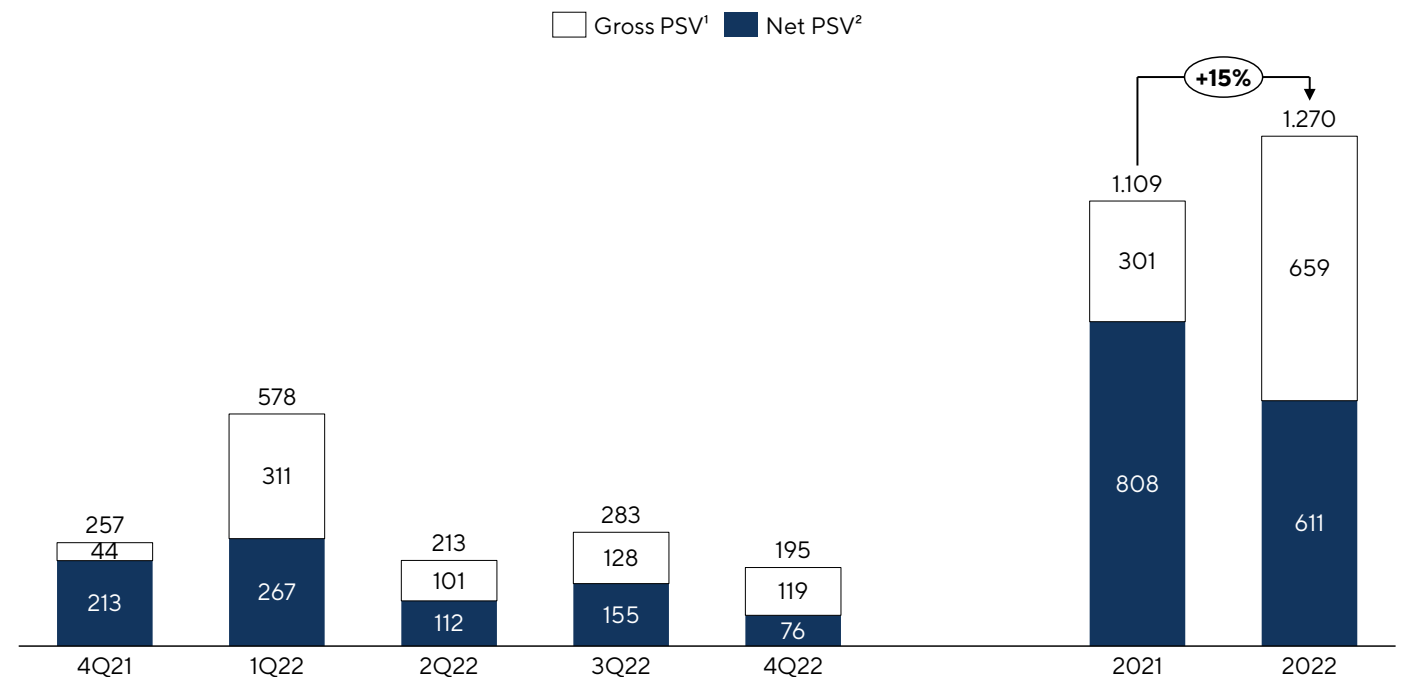
In 4Q22, we launched three developments, totaling R\$ 195.4 million in gross PSV (R\$ 76.4 million % Melnick), totaling R\$ 1.3 billion in gross PSV in the year (R\$ 611.4 million % Melnick), representing a growth rate of 15% in the year, as shown below:

Project	Business unit	PSV 100% ¹ (R\$ '000)	PSV Melnick ² (R\$ '000)	Usable area ³ (m ²)	Unit ³	Average Value/Unit (R\$ '000)	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
3Q22		283,225	155,357	67,380	200	1,117	
Seen Menino Deus	INC	196,464	136,703	11,200	73	1,873	Residential
The Garden - Phase 1	LOT	86,761	18,654	56,180	127	683	Urban Development
4Q22		195,396	76,353	120,904	670	283	
Grand Park Moinhos - Phase 1	INC	62,258	50,087	7,450	112	447	Residential
Arbo Village Park	LOT	45,125	13,989	83,411	430	120	Urban Development
The Garden - Phase 2	LOT	88,012	12,278	30,043	128	688	Urban Development
Total 2022		1,270,167	611,386	321,994	1,884	594	

¹ PSV of physical swap and sales commissions, gross.

² PSV of physical swap and sales commissions, net.

³ Physical swap, net.

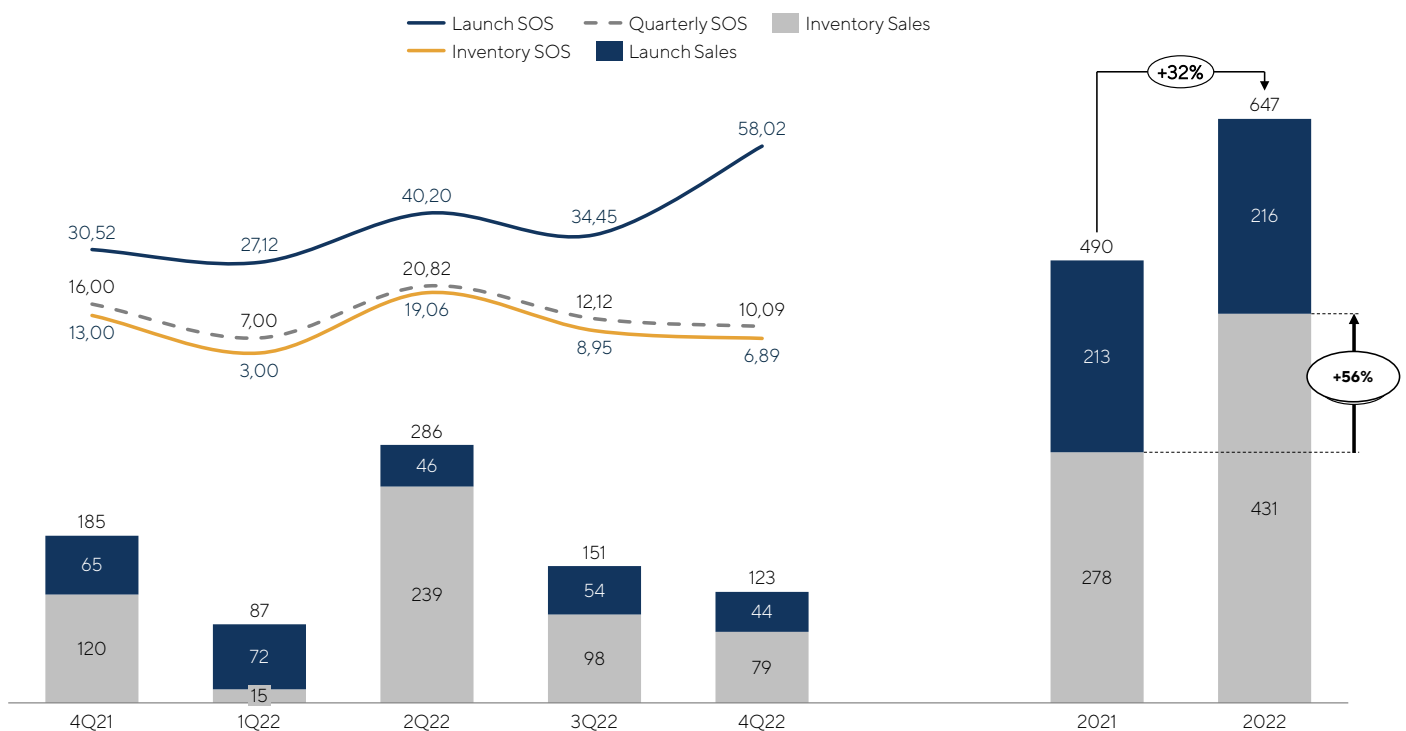


GROSS AND NET SALES

In 4Q22, current gross and net sales totaled R\$ 166 million (% Melnick) and R\$ 123 million (% Melnick), respectively, totaling R\$ 647 million in net sales in the year (% Melnick), representing a growth rate of 32% in comparison with 2021, as shown below:

Sales breakdown (R\$ million, % Melnick)	4Q21	1Q22	2Q22	3Q22	4Q22
Gross Sales	217	120	325	184	166
Inventory	152	48	279	130	122
Launches	65	72	46	54	44
Current cancellations	(32)	(34)	(39)	(32)	(43)
Current net sales	185	87	286	151	123

Below is the evolution of our sales velocity in the latest five quarters. In 4Q22, our SV of Launches reached 58%, and our quarterly SV 10%. In 2022, we had a growth rate of 32% in total sales and 56% in sale of inventory, when compared to 2021.



Net sales breakdown per business unit is shown below:

Business unit	Total Sales (R\$ '000)		Melnick Sales (R\$ '000)		Usable area (m2)		# Unit	
	4Q22	2022	4Q22	2022	4Q22	2022	4Q22	2022
Homebuilder	105,419	668,946	97,431	536,112	9,949	53,344	126	722
Lots Development	40,474	140,155	13,262	54,701	61,309	172,893	236	619
Open	12,187	55,901	12,187	55,901	2,541	12,271	57	275
Total	158,080	865,002	122,880	646,714	73,800	238,509	419	1,616

Below is the sales breakdown by year of product launch:

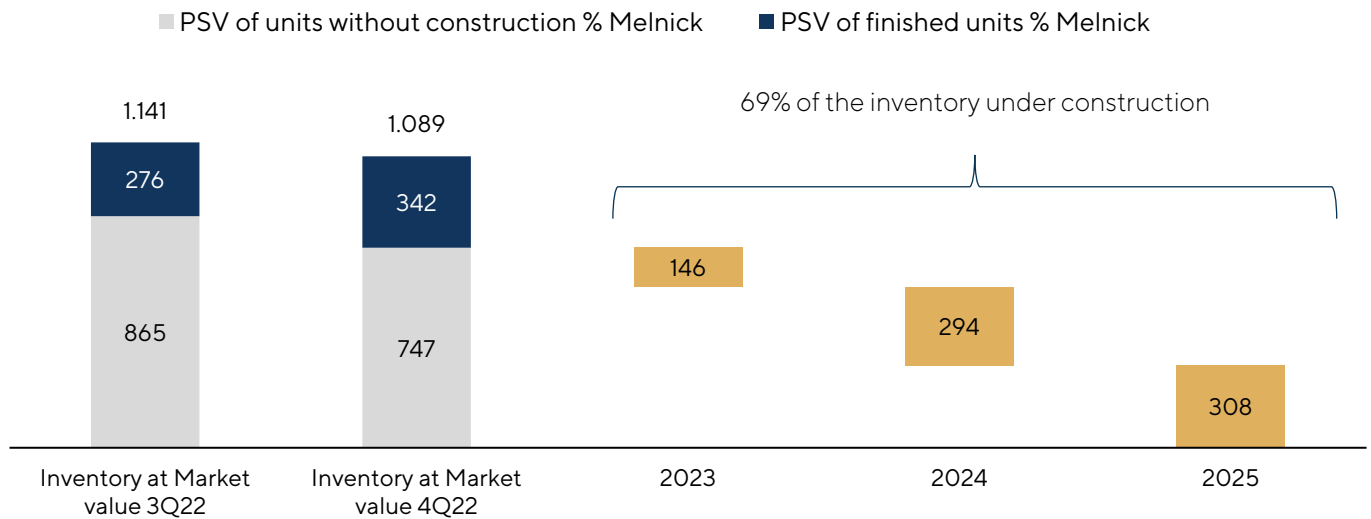
Year of launch	Total Sales (R\$ '000)		Melnick Sales (R\$ '000)		Usable area (m2)		# Unit	
	4Q22	2022	4Q22	2022	4Q22	2022	4Q22	2022
Until 2018	-14,874	23,952	-16,746	22,515	3,285	7,124	-11	67
2019	42,230	74,184	42,230	74,225	1,993	3,739	54	72
2020	-651	34,436	-651	34,154	11	6,557	0	112
2021	24,749	214,062	23,237	208,486	1,908	18,779	20	255
2022	106,625	518,367	74,810	307,336	66,603	202,310	356	1,110
Total	158,080	865,002	122,880	646,714	73,800	238,509	419	1,616

INVENTORY

We closed 4Q22 with R\$ 1.089 billion in inventory (% Melnick), as shown below:

Year of expected completion	Total Inventory (R\$ '000)	Melnick Inventory (R\$ '000)	% Value	Units	% Units
Finished Inventory	372,682	341,982	31%	1051	43%
2023	154,380	145,782	13%	374	15%
2024	298,238	294,004	27%	336	14%
2025	513,925	307,668	28%	662	27%
Total	1,339,224	1,089,435	100%	2423	100%

Of the Company's total inventory, 69% is under construction. Below is the delivery schedule:



Graph below shows the percentage sold of projects by year of expected completion.

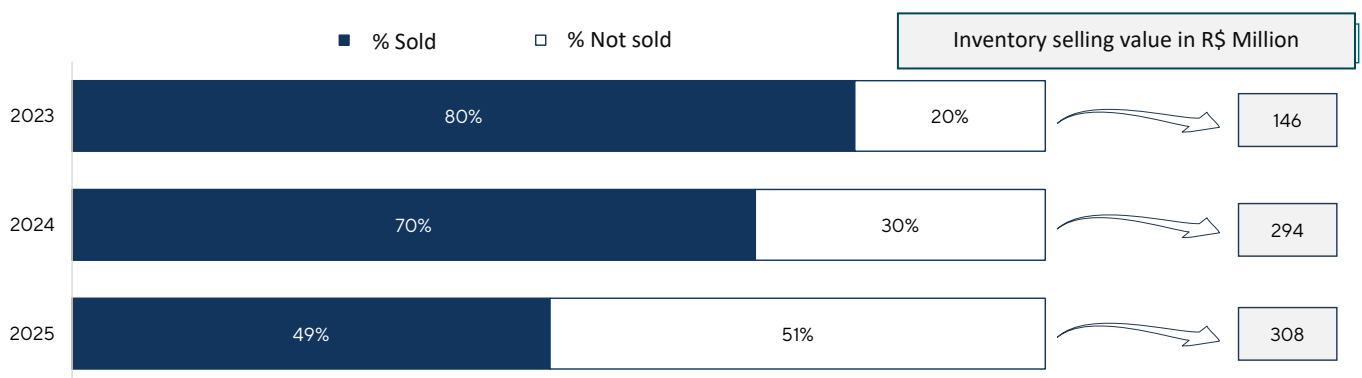


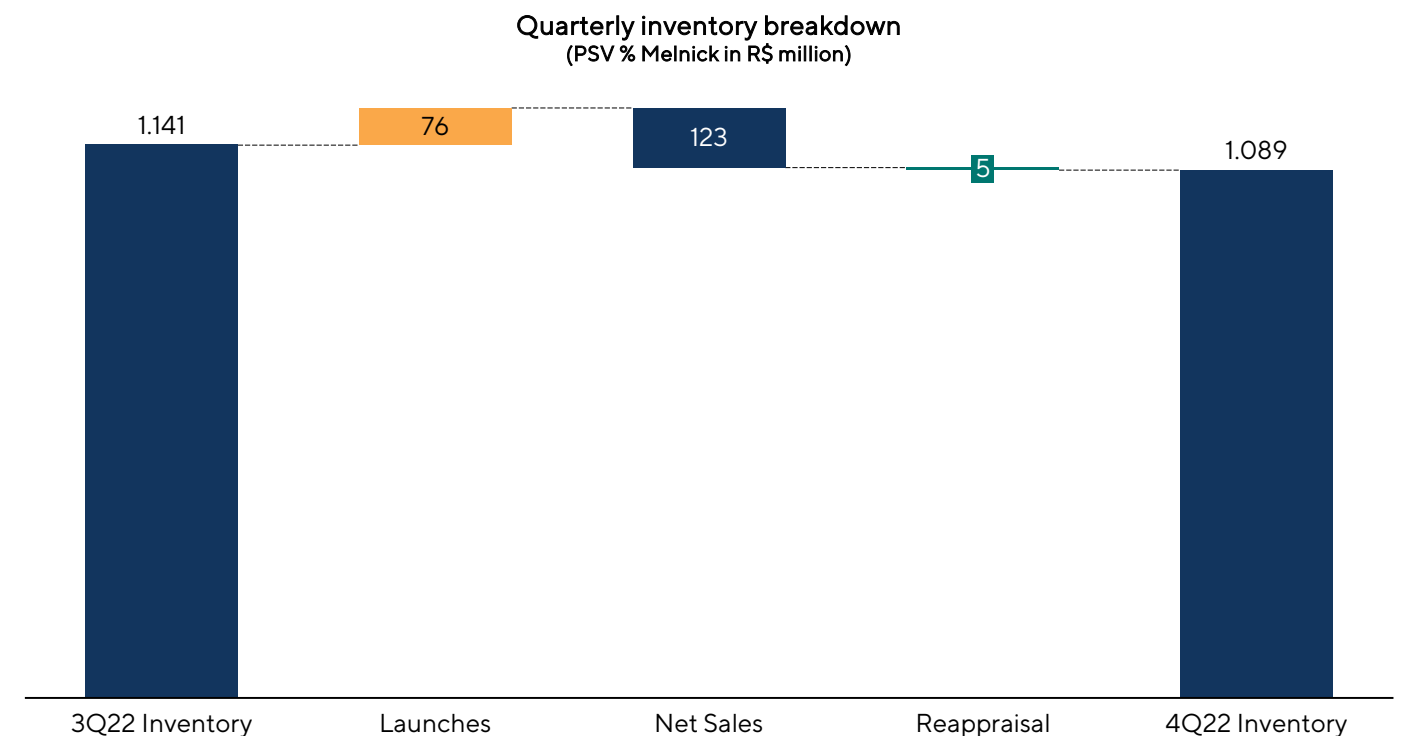
Table below shows the PSV of inventory broken down by year of launch:

Launch	Total Inventory (R\$ '000)	Melnick Inventory (R\$ '000)	Developments ¹	Units	% Units
Until 2017	275,243	258,665	25	820	34%
2018	79,198	65,457	5	173	7%
2019	102,731	93,907	8	298	12%
2020	112,198	112,042	5	107	4%
2021	228,961	225,427	8	249	10%
2022	540,894	333,938	10	776	32%
Total	1,339,224	1,089,435	60	2,423	100%

And below, our inventory by business unit:

Business unit	Total Inventory (R\$ '000)	Inventory % Melnick (R\$ '000)	Inventory % Melnick Completed (R\$ '000)	Units	Inventory under Construction Projects ¹	Units
Residential	914,597	745,634	97,178	236	648,456	678
Lots Development	123,801	63,139	37,828	377	25,311	627
Commercial	300,827	280,662	206,976	438	73,685	67
Total	1,339,224	1,089,435	341,982	1,051	747,453	1,372

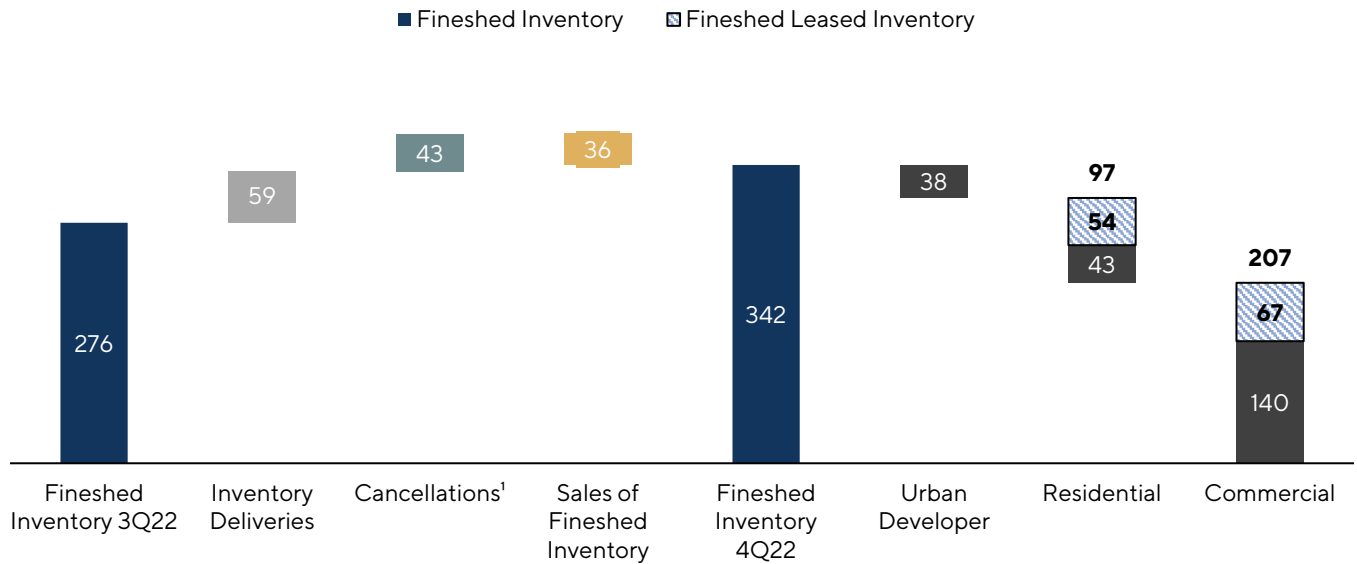
It should be mentioned the Company does quarterly reappraisals of its inventory's value in order to best reflect the sales pricing expectations in light of the current market.



¹ Adjustment to the market price of the latest sales

FINISHED INVENTORY

As we can see in the graph below, we sold R\$ 36 million (% Melnick) in finished inventory in 4Q22, and closed 4Q22 with R\$ 342 million in finished inventory.



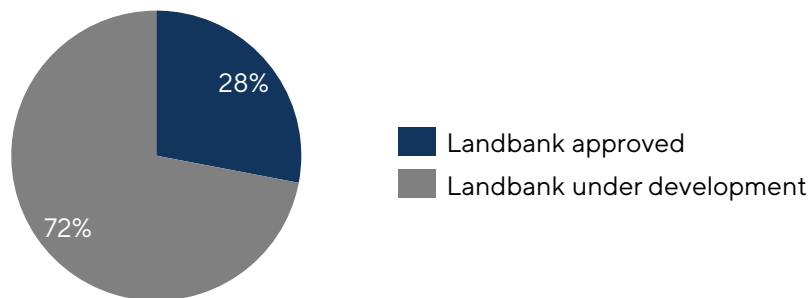
¹Considering that 100% of the cancellations refer to finished units.

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 December 31, 2022, we had R\$ 121 million of our inventory leased under the reversible lease, corresponding to 35% of the finished inventory.

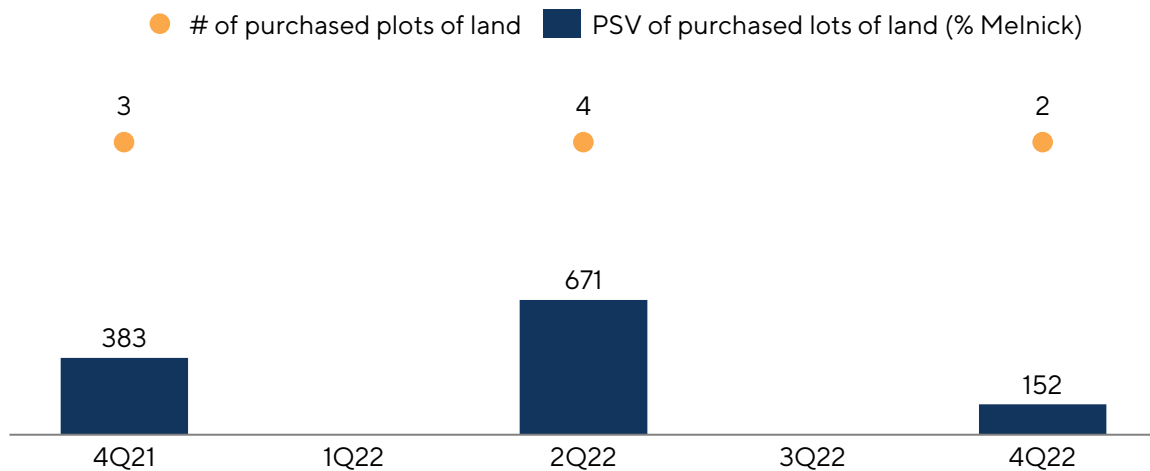
LAND BANK

Our Land bank ended 2022 with R\$ 3.7 billion in potential PSV (% Melnick), with R\$ 1.1 billion in projects already approved, accounting for 28% of the land bank.

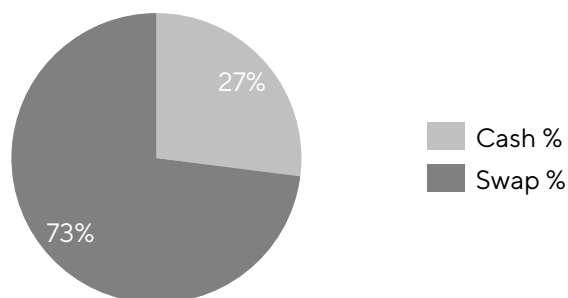
Business Unit	Projects	Units	PSV 100% (R\$ million)	Net PSV % Melnick (R\$ million)
Homebuilder	20	4,154	3,578	3,161
Urban Development	10	5,746	1,556	576
Total	30	9,900	5,134	3,736



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



Our acquisition of land bank as of December 31, 2022, consists of the following:



PROJECT DELIVERY³ AND EXECUTION

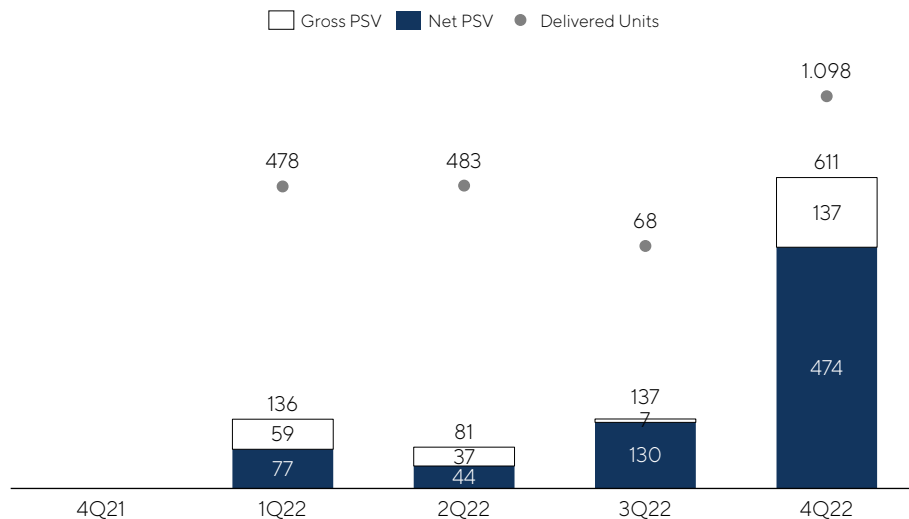
We delivered five projects in 4Q22 totaling R\$ 611.2 million in gross PSV (R\$ 474.2 million % Melnick). We had R\$ 965.4 million in gross PSV in the year (R\$ 725.2 million % Melnick), as follows:

Project	Business unit	PSV 100% ¹ (R\$ '000)	PSV Melnick ² (R\$ '000)	Usable area ² (sq. m.)	Unit ²	Average Value/Unit (R\$ '000)	Segment
1Q22		136,472	77,204	107,975	478	206	
Vívio 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
3Q22		136,557	129,730	11,042	68	1,936	
Artur Rocha	INC	136,557	129,730	11,042	68	1,936	Residential
4Q22		611,211	474,232	147,172	1,098	476	
Radisson Moinhos 1903	INC	92,668	63,229	2,340	440	144	Hotel
Praça do Sol	LOT	66,297	18,347	117,132	167	397	Urban Development
High Garden	INC	181,264	135,223	13,031	108	1,252	Residential
Pontal - Comercial	INC	160,266	152,253	10,080	242	629	Commercial
Pontal - Hotel	INC	110,716	105,180	4,590	141	746	Hotel
Total		965,370	725,184	376,622	2,127	371	

¹ PSV of physical swap and sales commissions, gross.

² Physical swap, net.

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



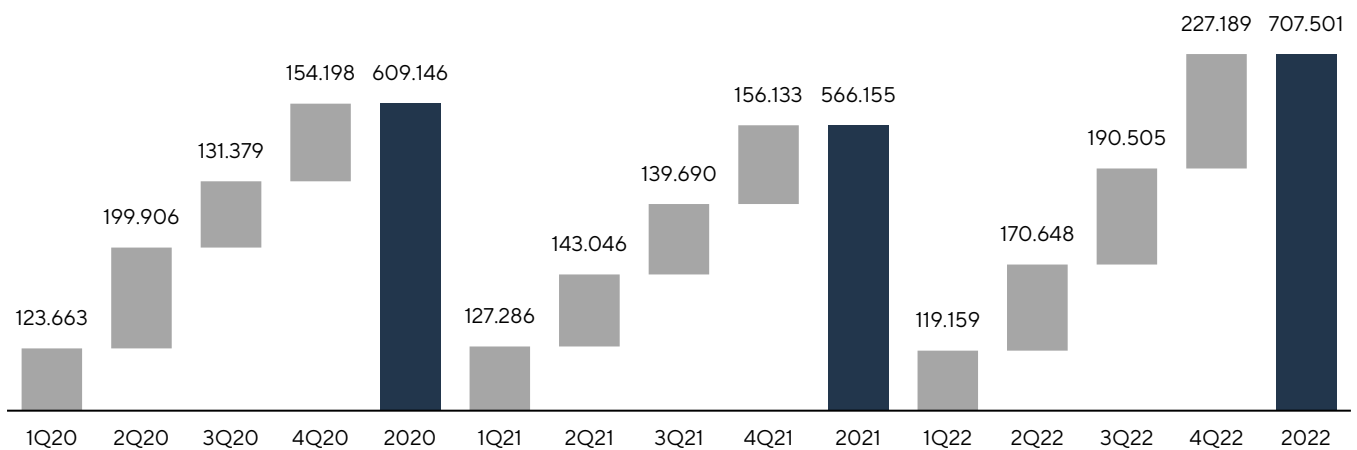
As of December 31, 2022, the Company had 20 active construction sites, of which, 15 of the Homebuilder, 2 of the Urban Developer, and 3 of Open segments.

TRANSFERS AND RECEIVABLES

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

The following table shows total receivables from customers (units under construction and finished ones) totaled R\$ 227 million in 4Q22, and R\$ 708 million in 2022.

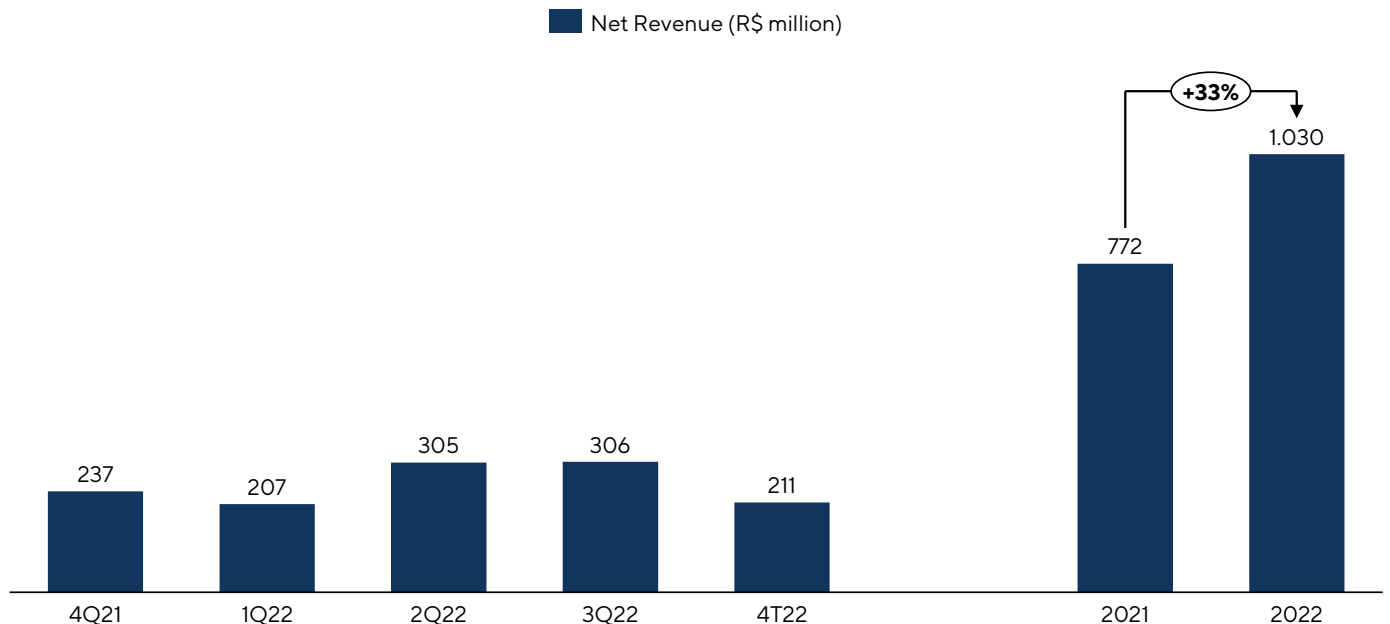
R\$ '000	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22
Units under construction	106,101	101,303	116,313	113,896	119,006	88,128	130,355	141,545	189,940
Units completed	48,097	25,983	26,733	25,794	37,127	31,031	40,293	48,959	37,247
Total	154,198	127,286	143,046	139,690	156,133	119,159	170,648	190,505	227,189



ECONOMIC AND FINANCIAL PERFORMANCE

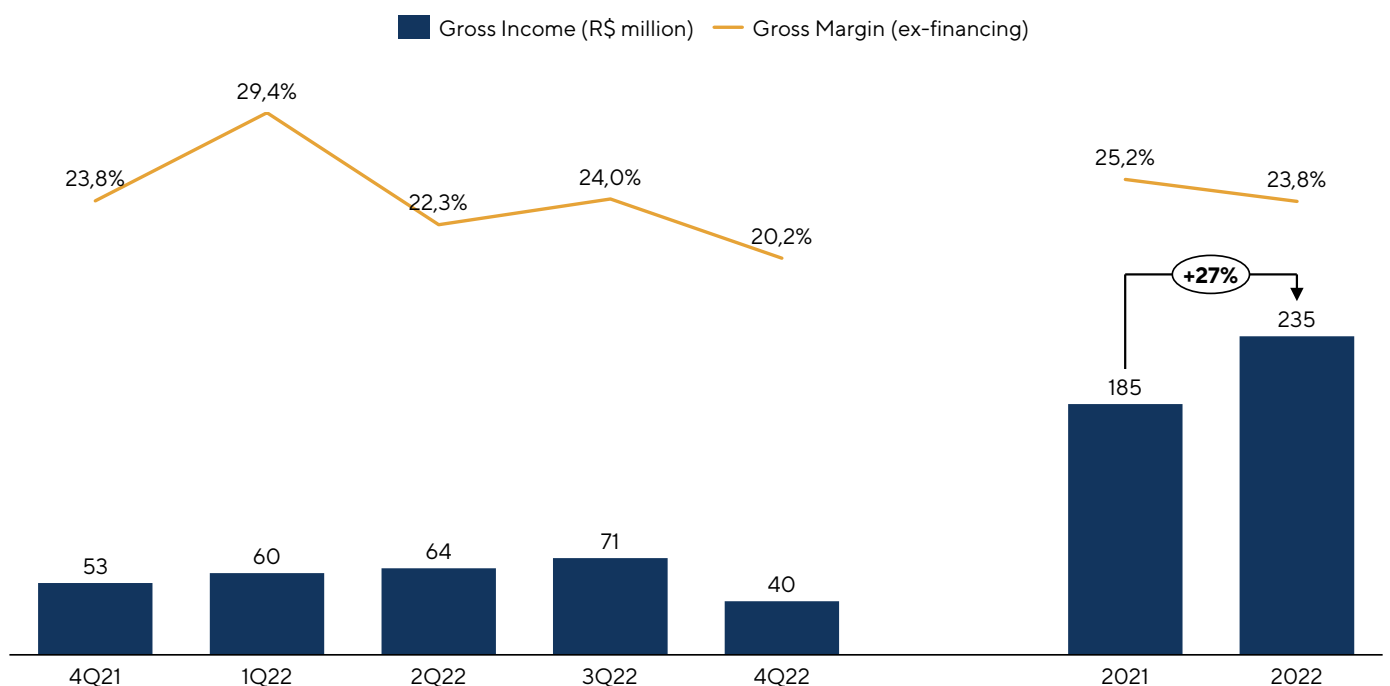
NET REVENUE

In 2022, we had R\$ 1 billion in net operating revenue, representing a growth rate of 33% when compared to 2021. In 4Q22, net operating revenue totaled R\$ 211 million.



GROSS INCOME AND GROSS MARGIN

In 2022, gross income totaled R\$ 235 million, resulting in a 27% growth when compared to 2021. In 4Q22, gross income totaled R\$ 40 million. In 2022, we had 24% of gross margin, excluding the effects of financial charges appropriated to cost.



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. 4Q22 (R\$ million)	Gross Margin	REF Margin ¹	Inventory Gross Margin ²
Net Revenue	211.2	881.0	1,311.4
COGS	(171.7)	(620.2)	(1,012.7)
Construction and Land	(168.6)	(620.2)	(991.3)
Financial charges	(3.2)	-	(21.4)
Gross Income	39.5	260.8	298.7
Gross Margin (%)	18.70%	29.60%	22.78%
Gross Margin (%) ex-financing	20.19%	28.60%	24.41%

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 units not launched of phased projects R\$ 48.7 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 Costs 4Q22		
	Sold Units (R\$ million)	Units in Inventory (R\$ million)	Total (R\$ million)
2023	421,497	168,557	590,053
2024	156,015	146,152	302,167
2025	36,334	52,294	88,627
2026	6,322	11,066	17,388
Total	620,167	378,069	998,236

SELLING, GENERAL & ADMINISTRATIVE, AND OTHER EXPENSES

In 4Q22, operating expenses totaled R\$ 34.5 million, and R\$ 161.6 million in 2022. Increased selling expenses results from launches in the year and the preparation for future launches. The breakdown is as follows:

	4Q21	1Q22	2Q22	3Q22	4Q22	2021	2022
Selling	19,138	16,084	19,883	26,855	19,506	57,993	82,328
General and Administrative	13,985	11,198	16,260	13,101	13,586	47,821	54,145
Other expenses, net	531	7,205	6,888	9,632	1,425	18,282	25,150
Operating Expenses	33,654	34,487	43,031	49,588	34,517	124,096	161,623
% of Net Revenue (LTM)	16.08%	16.77%	15.77%	15.23%	15.70%	16.08%	15.70%

Other expenses, net (Provisions):

	4Q21	1Q22	2Q22	3Q22	4Q22	2021	2022
Contingency fund	2,636	3,248	2,337	5,937	4,579	10,319	16,102
Provision for cancellations - IFRS 9 (a) ¹	-1,197	3,369	1,878	4,977	-3,643	5,886	6,581
Other expenses, net	-908	588	2,673	-1,282	489	2,077	2,467
Other expenses, net	530	7,205	6,888	9,632	1,425	18,282	25,150

¹ Explanatory Note 12(e) to Financial Statements.

FINANCIAL RESULTS

We closed 4Q21 with an income of R\$ 14.8 million, and closed the year with R\$ 65.9 million in income. The breakdown is as follows:

	4Q21	1Q22	2Q22	3Q22	4Q22	2021	2022
Financial Expenses	-2,483	-685	-400	-935	-876	-4,863	-2,896
Financial expenses	-2,483	-685	-400	-935	-876	-4,863	-2,896
Financial Revenue	18,066	18,629	24,734	16,618	18,918	43,874	78,899
Interest from investments	8,845	9,059	11,458	10,454	9,321	23,109	40,292
With customers	9,221	9,570	13,276	6,164	9,598	20,766	38,607
Net Financial Revenue	15,583	17,944	24,334	15,683	18,042	39,011	76,003
Reclassification of expenses recognized as cost	-2,648	-701	-4,220	-2,058	-3,155	-9,279	-10,134
Financial Results	12,935	17,243	20,114	13,625	14,887	29,732	65,869

EBITDA¹

EBITDA history is as follows¹:

EBITDA Reconciliation	4Q21	1Q22	2Q22	3Q22	4Q22	2021	2022
Profit before IRPJ and CSLL	35,706	43,686	45,125	37,519	22,422	99,939	148,751
(+) Financial Result	-15,583	-17,944	-24,334	-15,683	-18,042	-39,011	-76,003
(+) Depreciation and Amortization	2,449	970	940	906	1,116	4,710	3,932
EBITDA	22,573	26,712	21,731	22,742	5,495	65,638	76,680
EBITDA Margin	9.54%	12.90%	7.13%	7.42%	2.60%	8.50%	7.45%
(+) Financial expenses recognized as cost	2,648	701	4,220	2,058	3,155	9,279	10,134
Adjusted EBITDA	25,221	27,413	25,951	24,800	8,650	74,917	86,814
Adjusted EBITDA Margin (%)	10.66%	13.24%	8.51%	8.09%	4.10%	9.71%	8.43%

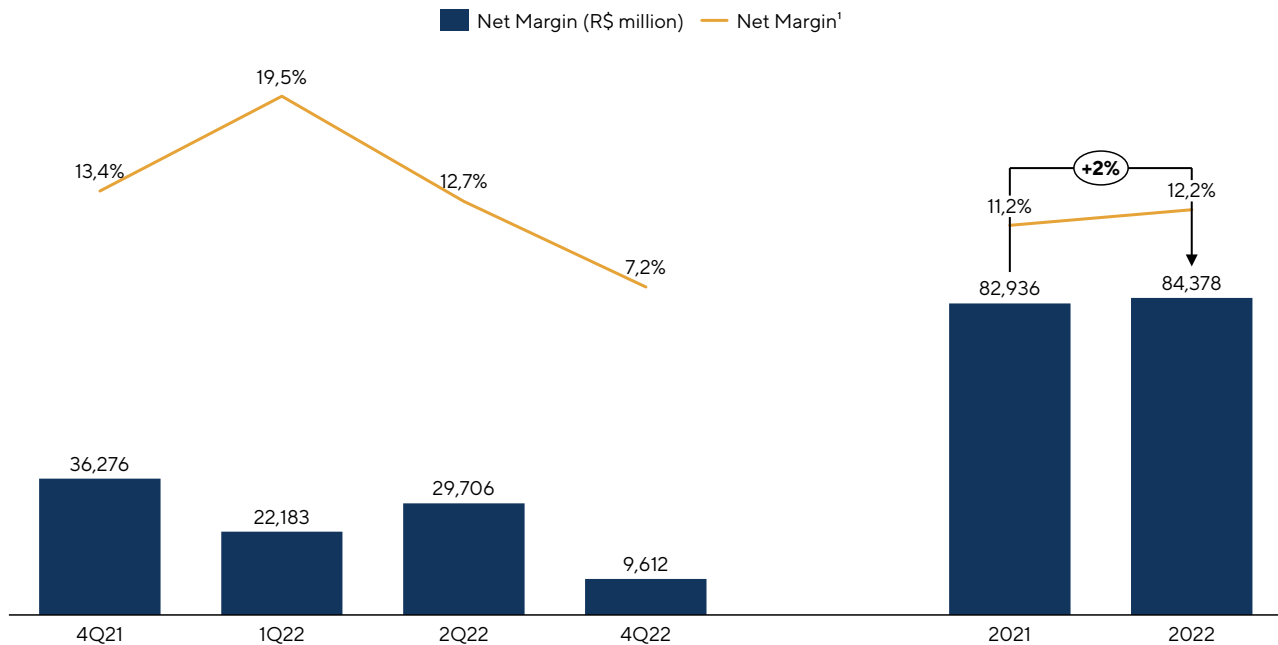
¹ EBITDA: earnings before taxes, interest, financial charges recognized as cost, depreciation, and amortization.

The Company understands Adjusted EBITDA offers a better determination of the operational results.

According to the accounting standards applicable to homebuilders, financial costs related to construction financing are capitalized at the cost of real estate sold. Therefore, EBITDA, which should not include interest, includes the part related to construction financing. The balance is presented in explanatory note 7 of the Company's Financial Statements.

NET INCOME AND NET MARGIN

In 2022, net income totaled R\$ 84 million. That represents a growth rate of 2% versus 2021. In 2022, net margin was 12.2%, a growth rate of 9% when compared to 2021. In 4Q22, net income totaled R\$ 9.6 million.



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\$ 352.7 million as of December 31, 2022. Loans and borrowings totaled R\$ 165 million, which are entirely guaranteed by receivables or inventory.

Table below shows capital structure. We closed 4Q22 with R\$ 187.7 million in **Net Cash**, accounting for 16% of our Equity:

	Dec/22	(R\$ million)
Production SFH	-163.7	99%
Production CRI	-1.3	1%
Gross Debt	-165.0	100%
Cash	352.4	
Net Cash	187.7	
Equity	1,206.1	
Net Cash / PL	16%	

CASH GENERATION / CASH BURN

Cash burn totaled R\$ 13.1 million in 4Q22.

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

	4Q21	1Q22	2Q22	3Q22	4Q22
Initial Net Debt	-510.0	-388.3	-350.4	-299.1	-200.8
Final Net Debt	-388.3	-350.4	-299.1	-200.8	-187.4
Net debt variation	121.8	37.9	51.3	98.3	13.1
Dividends and contributions	-56	-	-24.4	-7	-
Stock buyback	-	-	-	-	-
Cash burn	65.8	37.9	26.9	91.3	13.1

ACCOUNTS RECEIVABLE FROM CUSTOMERS

We closed 4Q22 with R\$ 136.6 million in receivables from finished units. Breakdown of such amounts is as follows:

Nature	(R\$ million)
Customers with fiduciary sale	120.1
Transfers of (non-delinquent and delinquent) customers	28.2
Provision for cancellations	-11.8
Total	136.6

Recognized accounts receivables (R\$ 622.2 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*).

As per the schedule below, of the total receivables worth R\$ 1.33 billion (earned receivables plus receivables recognized in the balance sheet), R\$ 1.27 billion will become due, and have the following collection schedule:

Year	(R\$ million)
2023	489.7
2024	398.8
2025 onwards	387.9
Total	1,276.4

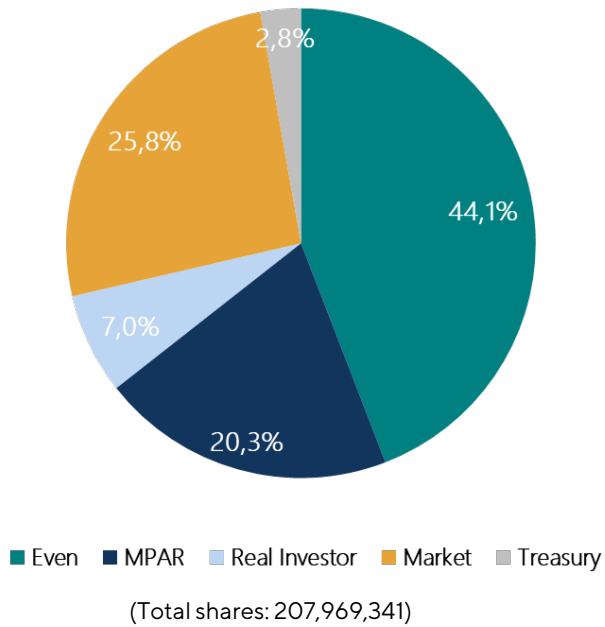
Accounts receivable are adjusted by the INCC index until the delivery of keys and then by the variation of the pricing index (IPCA) plus interest at 10% - 12% per annum recognized pro rata temporis.

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

SHAREHOLDING STRUCTURE

Shareholding Structure

(As of 2/28/2023 per CVM 358 + Information from shareholders with a minimum ownership of 5% – source: B3)



APPENDIXES

APPENDIX 1 – Income Statement

(Consolidated - R\$ '000)

INCOME STATEMENT	4Q21	1Q22	2Q22	3Q22	4Q22	2021	2022
Net Revenue from Sales and/or Services	236,638	206,995	304,927	306,411	211,235	771,819	1,029,568
Cost of Goods Sold	-182,860	-146,766	-241,082	-235,050	-171,735	-586,795	-794,633
Gross Income	53,778	60,229	63,845	71,361	39,500	185,024	234,935
<i>Gross Margin</i>	<i>22.73%</i>	<i>29.10%</i>	<i>20.94%</i>	<i>23.29%</i>	<i>18.70%</i>	<i>23.97%</i>	<i>22.82%</i>
<i>Gross Margin (ex-financing)</i>	<i>21.61%</i>	<i>29.44%</i>	<i>22.32%</i>	<i>23.96%</i>	<i>20.19%</i>	<i>25.17%</i>	<i>23.80%</i>
Operating Expenses	-33,654	-34,487	-43,031	-49,588	-34,517	-124,096	-161,623
Selling	-19,138	-16,084	-19,883	-26,855	-19,506	-57,993	-82,328
General and Administrative	-13,985	-11,198	-16,260	-13,101	-13,586	-47,821	-54,145
Other operating expenses, net	-531	-7205	-6888	-9632	-1425	-18282	-25150
Operating Income Before Financial Result	20,124	25,742	20,814	21,773	4,983	60,928	73,312
Equity Income							
Equity accounting			-23	63	-604	0	-564
Financial Results	15,582	17,944	24,334	15,683	18,043	39,011	76,003
Financial Expenses	-2,483	-685	-400	-935	-876	-4,863	-2,896
Financial Revenue	18,065	18,629	24,734	16,618	18,919	43,874	78,899
Profit before IRPJ and CSLL	35,706	43,686	45,125	37,519	22,422	99,939	148,751
IRPJ and CSLL	-3,984	-3,250	-6,262	-6,446	-7,200	-13,580	-23,158
Current	-4,329	-2,883	-5,441	-5,670	-8,409	-13,764	-22,403
Deferred	345	-367	-821	-776	1209	184	-755
Net income before minority shareholders' interest	31,722	40,436	38,863	31,073	15,222	86,359	125,593
Minority shareholders' interest	4,554	-18,253	-9,134	-8,218	-5,610	-3,423	-41,215
Net Income for the Year	36,276	22,183	29,729	22,855	9,612	82,936	84,378
<i>Net Margin</i>	<i>15.33%</i>	<i>10.72%</i>	<i>9.75%</i>	<i>7.46%</i>	<i>4.55%</i>	<i>10.75%</i>	<i>8.20%</i>
<i>Net Margin (without minorities)</i>	<i>13.41%</i>	<i>19.53%</i>	<i>12.74%</i>	<i>10.14%</i>	<i>7.21%</i>	<i>11.19%</i>	<i>12.20%</i>

APPENDIX 2 – Balance Sheet

(Consolidated – R\$ '000)

ASSETS	12/31/2021	3/31/2022	6/30/2022	9/30/2022	12/31/2022
Cash and cash equivalents	16,14	16,14	8,524	8,882	16,058
Bonds and Securities	384,553	363,2	379,101	328,744	336,366
Restricted cash	-	-	-	-	-
Accounts receivable	451,505	461,333	417,642	251,233	419,707
Properties to be sold	806,653	846,257	815,181	965,827	1,038,295
Other accounts receivable	30,758	33,484	29,443	33,545	33,809
Current Assets	1,689,609	1,720,414	1,649,891	1,712,172	1,844,235
Bonds and Securities LP	-	-	-	-	270
Accounts receivable	173,813	179,781	330,17	515,108	331,612
Properties to be sold	60,076	65,056	42,875	50,579	94,962
Advances for future investments	2,153	5,691	4,694	3,195	663
Related parties	197	211,5531	9116	11,717	236
Other accounts receivable	7,049	4,417	3,837	3,842	3,868
Investments	4,584	4,584	6,614	12,181	12,422
Right of use	3,266	4,946	4,473	4,118	4,118
Property, plant and equipment	10,505	9,07	9,035	8,864	8,486
Intangible assets	158	139	124	289	249
Non-current assets	261,801	273,896	410,938	485,952	456,886
Total assets	1,951,410	1,994,310	2,060,829	2,198,124	2,301,121
LIABILITIES	12/31/2021	3/31/2022	6/30/2022	9/30/2022	12/31/2022
Suppliers	41,916	46,807	54,699	39,653	27,915
Accounts Payable, Real Property Purchase	50,691	44,471	69,233	37,071	66,910
Loans and borrowing	6,824	4,114	2,857	21,736	46,358
Current taxes and contributions	10,732	5,263	5,49	5,564	8,232
Differed taxes and contributions	8,302	7,036	13,238	14,331	13,022
Advances from Customers	414,881	379,296	363,55	464,589	343,114
Proposed dividends	-	-	-	0	11,000
Provisions	65,786	86,86	77,443	80,087	67,587
Related parties	35,984	40,148	31,426	1,619	1,539
Other accounts payable	30,565	29,978	37,565	21,431	16,151
Current Liabilities	665,681	643,973	655,501	686,081	601,828
Advances from Customers					169,379
Accounts Payable, Real Property Purchase	41,028	39,518	26,193	56,293	72,730
Provisions	25,387	25,828	26,205	29,324	31,543
Loans and borrowing	5,610	24,834	85,651	115,082	118,641
Other accounts payable	3,650				
Differed taxes and contributions	11,032	20,214	12,22	12,996	11,787
Long-Term Liabilities	91,359	110,394	150,269	213,695	404,08
Capital stock	1,109,029	1,109,029	1,109,029	1,109,029	1,109,029
Treasury Stock	-31,692	-31,692	-31,692	-31,692	-31,692
Costs for subscription of shares	-	-	-	-	-
Equity valuation adjustment	-	-	-	-	-
Legal reserves	-	-	-	-	-
Statutory Reserves	-	-	-	-	-
Stock Option Plan	-	-	-	-	8946
Profit Reserve	77,663	99,846	105,015	121,208	119,818
Proposed Additional Dividends	-	-	-	-	56,300
Equity	1,199,022	1,239,943	1,255,059	1,298,348	1,206,101
Non-controlling shareholders' interest	44,022	62,76	72,707	99,803	89,112
Total Equity	1,243,044	1,350,337	1,405,328	1,398,151	1,295,213
Total Liabilities and Equity	1,951,410	1,994,310	2,060,829	2,198,124	2,301,121

APPENDIX 3 – Cash Flow Statement

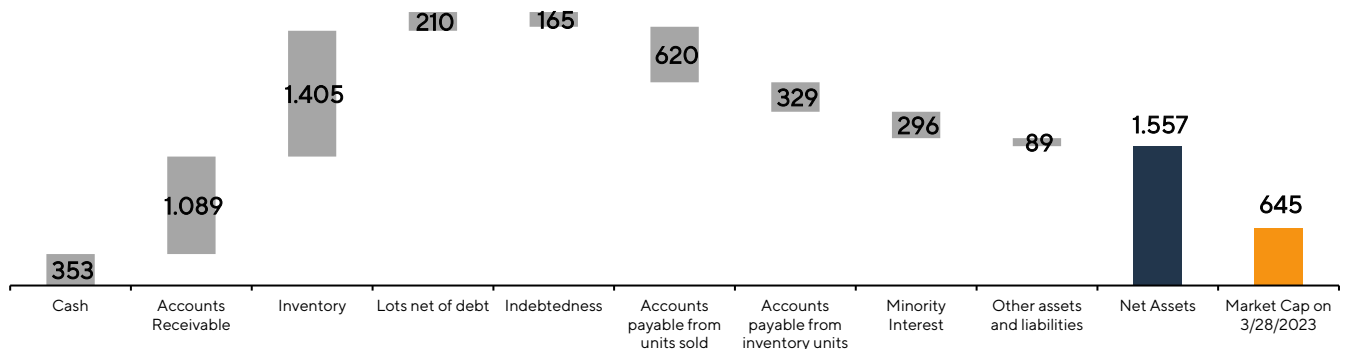
(Consolidated – R\$ '000)

CASH FLOW FROM OPERATING ACTIVITIES	4Q21	1Q22	2Q22	3Q22	4Q22
Profit before income and social contribution taxes	36,246	43,686	45,126	37,518	22,421
Adjustments to reconcile income before income tax and social contribution					
Equity accounting	0	0	23	-63	604
Depreciation and amortization	1,580	970	940	906	1,116
Contingency fund, net	-1,167	2,248	120	3,868	2,182
Provision for guarantees, net	670	2672	19	1,472	988
Provision for cancellations, net	-3,788	130	8,319	-2,091	-5,299
Provision for profit sharing	1,449	2,514	-3,547	2,514	-8,152
Provisioned interest	-	-	2,914	4,065	3,155
Interest and monetary variations expenses	1,262	701	-701	-	-
Variations in current and non-current assets and liabilities:					
Accounts receivable	-95,706	-14,463	-108,031	-18,529	15,022
Properties to be sold	-27,509	-44,584	53,257	-158,350	-116,851
Other accounts receivable	1,934	-96	4,623	-4,107	-290
Suppliers	18,435	4,891	7,892	-15,046	-11,738
Accounts Payable, Real Property Purchase	-1,654	-7,730	11,437	-2,062	46,276
Advances from Customers	31,961	-26,889	-24,442	101,039	47,904
Other liabilities	5,874	1,588	2,449	-13,854	3,815
Cash generated (applied) in operations	-30,413	-34,362	398	-62,720	1,153
Interest paid	-645	-666	-1,097	-1,254	-7,012
Paid income tax and social security	-4,525	-3,249	-6,264	-6,445	-7,200
Net cash applied in operating activities	-35,583	-38,277	-6,962	-70,420	-13,059
CASH FLOW FROM INVESTMENTS					
Bonds and Securities	124,329	14,129	-8,677	50,357	-7,892
Acquisition of property, plant and equipment and intangible assets	-5,802	-1,196	-417.08	-545	-698
Increase in investments	-	-	-2,053	-5,504	-845
Increase of capital in holdings	-	-	-2,541	-	2,541
Income received	-	-	-	-	-
Dividends received	-	-	-	-	-
Related parties	-305	-3538	3,538	-	-
Increase (decrease) in advance for future capital increase in investees	-	-	-2,541	1,499	2,532
Net cash from investments	118,222	9,395	-12,691	45,807	-4,362
INVESTMENTS CASH FLOW					
Raised loans and borrowings	1,200	21,625	60,752	45,596	47,754
Amortized loans and borrowings	-24,387	-4,600	-2,853	-97	-15,716
Restricted cash	-	-	-	-	-
Related parties	-12,428	4,634	-18,111	-32,408	11,401
Dividend paid	-67,023	0	-24,365	-7,000	1
Acquisition of shares in treasury	-	-	-	-	-
Non-controlling shareholders' transactions	-	-	1,298	18,879	-16,302
Net cash from financing activities	-102,638	21,658	16,721	24,970	27,138
NET INCREASE (DECREASE) OF CASH AND CASH EQUIVALENTS	-19,999	-7,224	-2,933	358	9,717

APPENDIX 4 – NAV

(Consolidated – R\$ '000)

Net Assets	12/31/2022
Cash/Cash equivalents and financial investments	352,694
Loans, Financing and Debentures to be paid	(164,999)
Net indebtedness	187,695
Accounts receivable from customers, on-balance	751,319
Accounts receivable from customers, off-balance	895,845
Advances from customers	(512,493)
Taxes on accounts receivable from customers	(45,387)
Building obligations ref. sold properties	(620,200)
Accounts receivable from customers, Net	469,084
Units in inventory at market value	1,339,224
Provision for cancellations at market value	124,254
Taxes on sale of units in inventory	(58,539)
Estimated costs to be incurred on properties in inventory	(378,069)
Adjustment of costs to be incurred from phases already accounted for	48,694
Net inventory	1,075,563
Inventory of plots of land, on-balance	349,684
Debt from plots of land, on-balance	(42,644)
Debt from plots of land already launched	(96,995)
Plots of Land	210,044
Minorities' interest (on-balance)	(89,112)
Minorities' interest (off-balance)	(206,832)
Minority shareholders' interest	(295,944)
Projects consolidated by equity method (on-balance)	12,422
Projects consolidated by equity method (off-balance)	-
Projects consolidated by equity method	12,422
Other assets	51,429
Other liabilities	(152,967)
Other assets (liabilities)	(101,538)
Net Assets	1,557,327



APPENDIX 5 – Land Bank

The chart shows land purchased by the Company, per development, as of December 31, 2022:

Plot of Land	Location	Date of Purchase	Areas (m ²)		Units	Expected PSV	
			Plot of Land	Usable		Total	Melnick
Plot - I	Urban Development	May-2010	394,157	222,698	389	322,438	120,626
Plot - II	Urban Development	May-2010	275,664	155,750	243	225,506	72,160
Plot - III	Urban Development	May-2010	284,752	160,885	243	232,940	72,160
Plot - IV	Homebuilder	Sep-2014	44,145	22,541	352	152,563	135,755
Plot - IX	Homebuilder	Jan-2017	11,123	35,811	756	318,939	318,939
Plot - V	Homebuilder	Sep-2014	15,475	7,273	194	53,480	47,588
Plot - VI	Homebuilder	Sep-2014	40,206	22,447	288	138,950	123,642
Plot - VII	Homebuilder	Dec-2014	5,024	10,820	54	90,371	74,865
Plot - VIII	Urban Development	Nov-2016	375,449	137,307	393	57,184	19,071
Plot - X	Urban Development	Jan-2017	422,603	169,905	876	127,691	42,474
Plot - XIII	Homebuilder	Jan-2018	17,168	34,498	416	260,548	260,548
Plot - XIV	Homebuilder	Jan-2018	17,168	33,895	260	278,856	278,856
Plot - XIX	Homebuilder	Nov-2018	4,671	6,431	109	73,012	56,220
Plot - XV	Urban Development	Feb-2018	1,007,596	340,909	1251	102,503	48,448
Plot - XVI	Urban Development	Feb-2018	1,166,354	289,434	1446	253,660	115,987
Plot - XVII	Urban Development	Jul-2018	172,661	86,729	462	47,082	14,124
Plot - XVIII	Homebuilder	Nov-2018	7,947	12,726	326	174,050	138,335
Plot - XX	Homebuilder	Nov-2020	10,555	18,976	162	265,343	209,206
Plot - XXI	Homebuilder	Feb-2021	1,561	2,944	42	53,030	26,515
Plot - XXII	Homebuilder	May-2021	4,052	6,376	100	50,941	33,112
Plot - XXIII	Homebuilder	May-2021	3,197	9,140	48	106,294	106,294
Plot - XXVI	Homebuilder	Jul-2021	2,788	6,864	42	120,045	89,081
Plot - XXIX	Urban Development	Jun-2022	102,417	55,663	172	100,340	13,997
Plot - XXV	Homebuilder	Sep-2021	6,738	17,121	36	389,422	347,795
Plot - XXVI	Homebuilder	Apr-2022	2,835	7,880	14	166,433	107,850
Plot - XXVII	Homebuilder	Jun-2022	28,869	17,561	124	220,916	220,916
Plot - XXVIII	Homebuilder	Jun-2022	9,316	23,090	495	280,420	264,997
Plot - XXX	Urban Development	Oct-2022	151,576	69,549	271	86,200	56,461
Plot - XXXI	Homebuilder	Dec-2022	3,813	10,571	280	153,562	89,024
Plot - XXXII	Homebuilder	Nov-2021	10,236	24,829	56	231,153	231,153

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

Project	Launch	%Melnick	% Sold				% PoC			
			12/31/2022	9/30/2022	6/30/2022	3/31/2022	12/31/2022	9/30/2022	6/30/2022	3/31/2022
Hom	4Q10	100%	99%	99%	99%	98%	100%	100%	100%	100%
Grand Park Eucaliptos	3Q11	100%	100%	100%	100%	100%	100%	100%	100%	100%
Cobal - Rubi	4Q11	100%	100%	100%	99%	98%	100%	100%	100%	100%
Design Office Center	3Q12	100%	97%	98%	98%	99%	100%	100%	100%	100%
Hom lindaia	4Q12	100%	85%	91%	91%	90%	100%	100%	100%	100%
Nine	4Q12	100%	100%	99%	99%	99%	100%	100%	100%	100%
Icon - RS	1Q13	100%	90%	90%	90%	91%	100%	100%	100%	100%
Icon RS - phase 2	2Q13	100%	100%	99%	100%	98%	100%	100%	100%	100%
Window RS	4Q13	100%	100%	99%	99%	99%	100%	100%	100%	100%
Anita Garibaldi	4Q13	100%	92%	94%	93%	94%	100%	100%	100%	100%
Icon RS - phase 3	2Q14	100%	100%	99%	98%	98%	100%	100%	100%	100%
Viva Vida Boulevard	4Q14	100%	96%	93%	93%	91%	100%	100%	100%	100%
Hom Nilo	3Q15	100%	77%	85%	86%	85%	100%	100%	100%	100%
MaxPlaza	4Q15	100%	83%	83%	83%	80%	100%	100%	100%	100%
Central Park- pahse 1	1Q16	60%	73%	73%	72%	75%	93%	93%	94%	94%
Supreme Central Parque	1Q16	100%	99%	99%	100%	100%	100%	100%	100%	100%
Central Park- phase 2	2Q16	60%	76%	74%	73%	78%	93%	93%	94%	94%
DOC Santana	2Q16	100%	53%	65%	65%	64%	100%	100%	100%	100%
MaxPlaza - phase 2	2Q16	100%	59%	59%	59%	60%	100%	100%	100%	100%
Supreme Higienopolis	3Q16	100%	100%	100%	100%	100%	100%	100%	100%	100%
Reserva Bela Vista	4Q16	60%	89%	92%	86%	86%	100%	100%	100%	100%
Reserva do Lago	4Q16	60%	41%	42%	48%	49%	100%	100%	100%	100%
Vida Viva Horizonte - phase 2	4Q16	100%	94%	93%	91%	90%	100%	100%	100%	100%
Grand Park Lindóia - phase 1	4Q16	100%	81%	81%	80%	80%	95%	94%	92%	92%
Linked Teresópolis	3Q17	100%	64%	64%	65%	58%	100%	100%	100%	100%
Domingos de Almeida	3Q17	60%	83%	84%	82%	77%	100%	100%	100%	100%
Grand Park Lindóia - phase 2	4Q17	100%	77%	75%	75%	72%	95%	94%	92%	92%
GO 1092	4Q17	100%	100%	100%	100%	95%	100%	100%	100%	100%
Peninsula (Brilhante)	4Q18	100%	99%	99%	100%	100%	100%	100%	100%	100%
Vida Viva Linked	1Q18	100%	78%	81%	79%	69%	100%	100%	100%	100%
Pontal	3Q18	100%	90%	90%	90%	94%	94%	90%	82%	79%
Praça do Sol	4Q18	48%	68%	68%	68%	68%	98%	98%	98%	95%
Vivio Lindoia	4Q18	100%	90%	92%	88%	74%	100%	100%	100%	100%
Artur 505	4Q18	100%	100%	100%	99%	100%	99%	99%	98%	90%
Teena	1Q19	100%	93%	85%	88%	88%	85%	81%	75%	71%
Pontal - phase 2	1Q19	100%	94%	94%	97%	89%	94%	90%	82%	79%
Central Park - phase 3	3Q19	60%	1%	1%	1%	2%	93%	93%	94%	94%
High Garden	3Q19	100%	97%	96%	89%	84%	98%	96%	92%	86%
Central Park Passo Fundo	4Q19	35%	99%	100%	100%	100%	93%	93%	93%	93%
OPEN Canoas Centro - Phase 1	4Q19	100%	100%	100%	100%	100%	85%	82%	77%	74%
Radisson Moinhos 1903	4Q19	100%	95%	87%	85%	86%	99%	93%	85%	78%
CasaVista	4Q19	100%	61%	57%	57%	51%	88%	82%	77%	70%
Sunset	1Q20	50%	100%	100%	99%	99%	100%	100%	100%	100%
GO24	1Q20	100%	90%	92%	91%	93%	97%	91%	88%	81%
Carlos Gomes Square - Phase 1	2Q20	100%	80%	80%	80%	80%	72%	68%	65%	60%
OPEN Canoas Centro - Phase 2	4Q19	100%	99%	100%	98%	80%	85%	82%	77%	74%
Carlos Gomes Square - Phase 2	3Q20	100%	83%	84%	84%	81%	72%	68%	65%	60%
Supreme Altos do Central Parque	4Q20	100%	76%	83%	80%	67%	84%	79%	72%	64%
Gran Park Lindoia - F3	1Q21	100%	76%	72%	60%	53%	95%	94%	92%	92%
Go Rio Branco	1Q21	100%	85%	81%	81%	82%	74%	66%	59%	52%
Casaviva	1Q21	50%	100%	100%	100%	100%	91%	88%	77%	65%
Botanique Residence	1Q21	100%	91%	91%	90%	59%	69%	61%	54%	47%
Seen Boa Vista	2Q21	100%	54%	61%	61%	47%	62%	55%	49%	45%
Hillside	3Q21	100%	65%	71%	69%	36%	56%	48%	42%	36%
Arte Country Club	3Q21	82%	81%	82%	79%	73%	57%	51%	46%	41%
GO Cidade Baixa	4Q21	100%	77%	67%	60%	47%	46%	40%	35%	34%
GO Carlos Gomes	4Q21	100%	55%	54%	48%	43%	53%	47%	44%	40%
Nilo Square - Residencial	1Q22	50%	38%	36%	30%	13%	26%	26%	26%	22%
Zen Concept Resort	1Q22	35%	70%	99%	99%	99%	59%	54%	52%	52%
Open Protásio	1Q22	100%	62%	51%	37%	15%	33%	27%	24%	4%
Nilo Square F2	2Q22	50%	61%	60%	49%		26%	26%	26%	
Open Canoas Centro - Phase 3	2Q22	100%	63%	38%	16%		85%	82%	77%	
Seen Menino Deus	3Q22	100%	44%	45%			45%	45%		
The Garden - Residencial 1	3Q22	25%	81%	81%			66%	64%		
The Garden - Residencial 2	4Q22	25%	65%				60%			
Grand Park Moinhos - Phase 1	4Q22	100%	68%				27%			
Arbo Village Park	4Q22	33%	13%				38%			

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 December 31, 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.