

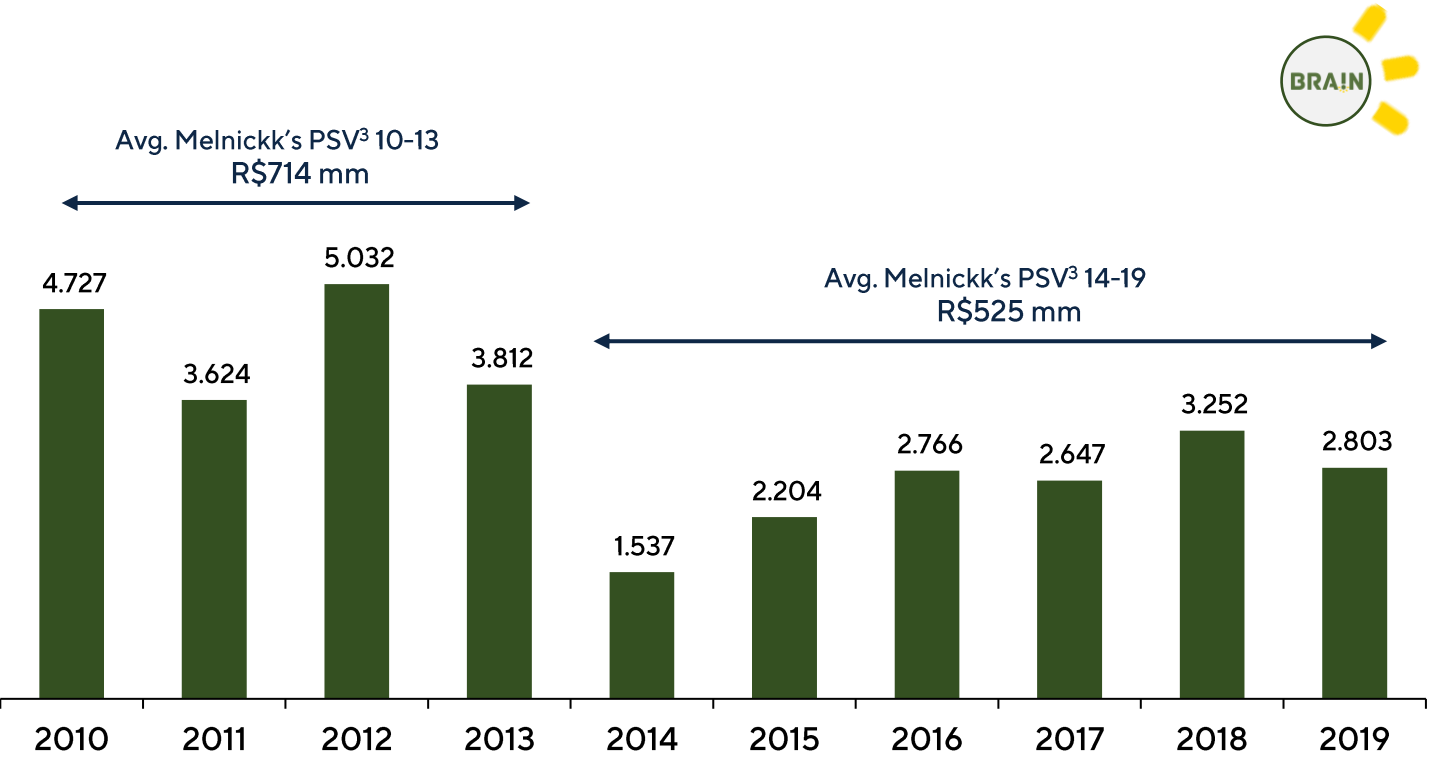
Earnings Release

3Q20

November 13, 2020

MAIN RESULTS OF MELNICK IN THE LAST 10 YEARS

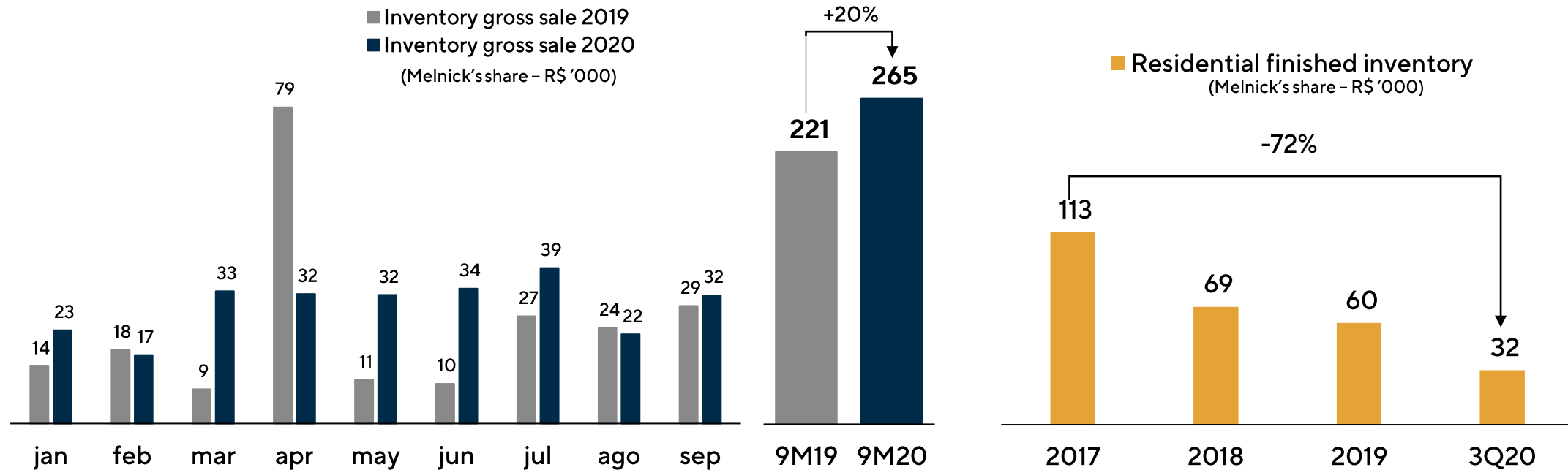
Historical PSV of launches in POA+MR ^{1,2} (R\$ '000)



KEY FINANCIAL INDICATORS BY MELNICK	
ROAE ⁴ 10-19	21%
LAUNCHED PSV ³ 10-19	R\$ 6 bi
NET INCOME ⁴ AVERAGE DURING THE CRISIS PERIOD 15-19	R\$ 74 mm
CASH POSITION ⁴	R\$ 863,4 mm
MARKET SHARE ² POA+MR IN 2019	23%

MELK
B3 LISTED NM

¹ Historical PSV adjusted by the INCC for the period. RM refers to the metropolitan region of Porto Alegre; ³ Methodology using the database of SINDUCON / RS between the years 2008 and 2018, based on the volume of units launched between 2008 and 2013 and the average ticket launched between 2014 and 2018. ³ PSV numbers gross from exchange and commission, corrected by INCC ⁴ Consolidated numbers, considering Melnick Even Incorporações e Construções S.A.
Sources: Company Information, Siduscon and Brain Consulting.



RESILIENCE OF INVENTORY SALE



Sale of inventory in 2020 20% higher than 2019.



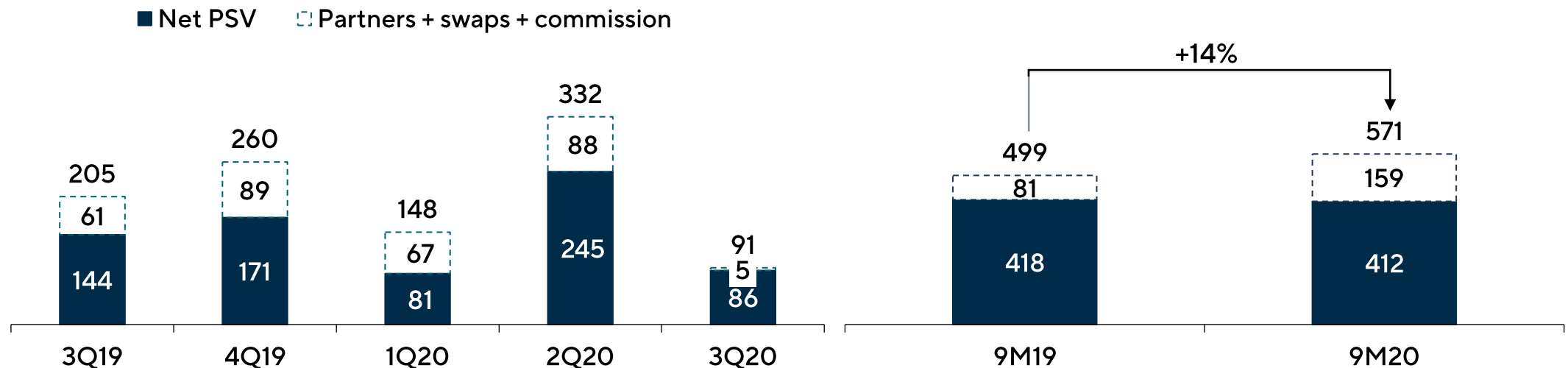
Price increase of 5.5%.



Continuous reduction of ready residential stock.

Projects	Business	Gross PSV ¹ (R\$ '000)	Net PSV ² (R\$ '000)	Melnick's PSV ³ (R\$ '000)	Usable Area (sq.m.) ⁴	Unit ⁴	Average Unit Value (R\$ '000)	Segment
1st quarter		147,915	102,437	81,349	102,780	498	478	
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
2nd quarter		332,458	244,583	244,583	24,227	322	2.663	
Carlos Gomes Square - Fase 1	R. E.	290,563	204,751	204,751	13,647	82	2.497	Commercial
Open Canoas Centro - Fase 2	OPEN	41,895	39,832	39,832	10,580	240	166	MCMV
3rd quarter		90,689	86,155	86,155	6,819	179	481	
Carlos Gomes Square - Fase 2	R. E.	90,689	86,155	86,155	6,819	179	481	Residencial
Total		571,062	433,174	412,086	133,826	999	434	

¹ PSV gross of swaps and commission. ² PSV net of swaps and commission. ³ Net PSV represented by the Company's current share in the projects, considering the corporate reorganization on July 10, 2020. ⁴ Net of swaps.



GO 24

PSV: R\$49,7 mm

83% sold

1Q20



Carlos Gomes Comercial e Residencial

PSV: R\$290,9 mm

62% sold

2Q20 e 3Q20



Sunset

VGv: R\$31,6 mm

84% sold

1Q20



Open Canoas

VGv: R\$39,8 mm

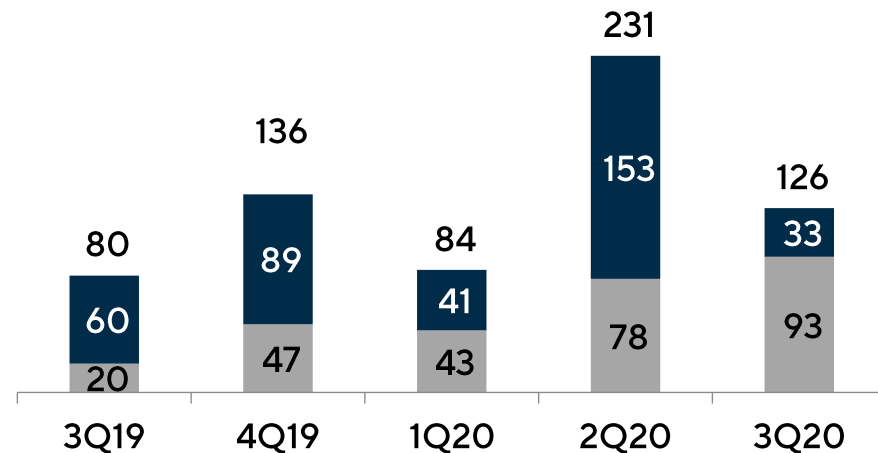
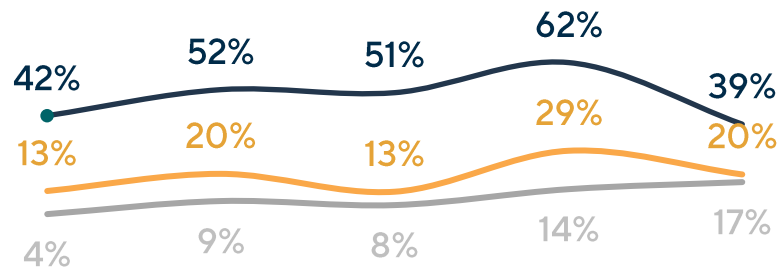
58% sold

2Q20



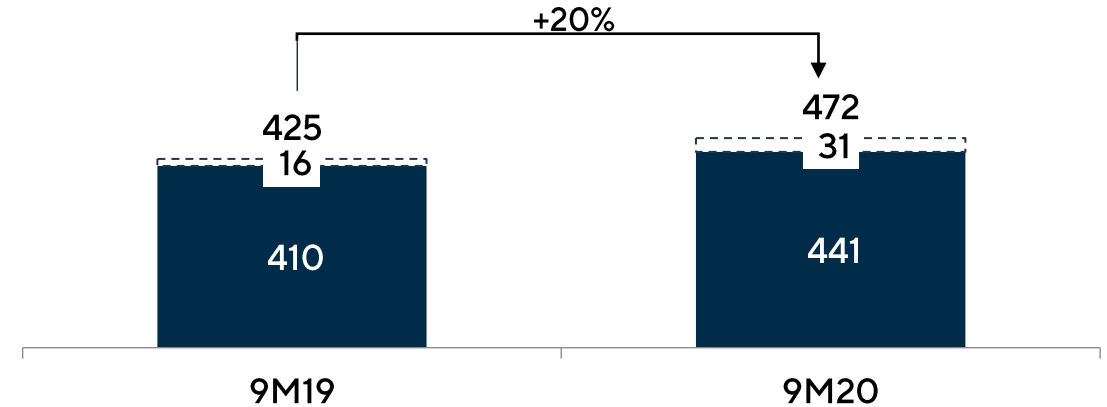
Opening per quarter (Melnick's share – R\$'000):

■ Launch Sales ■ Inventory Sales — Inventory SOS
— Launch SOS — Quarterly SOS

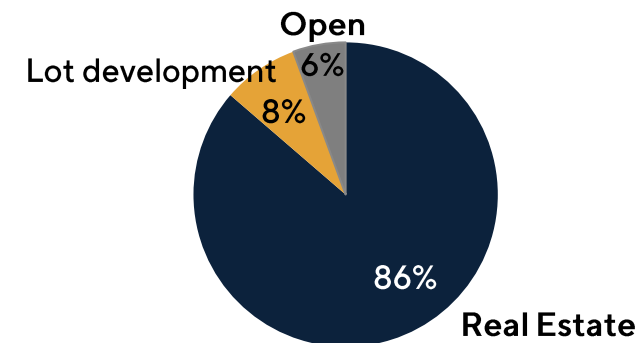


Total sales in nine-months:

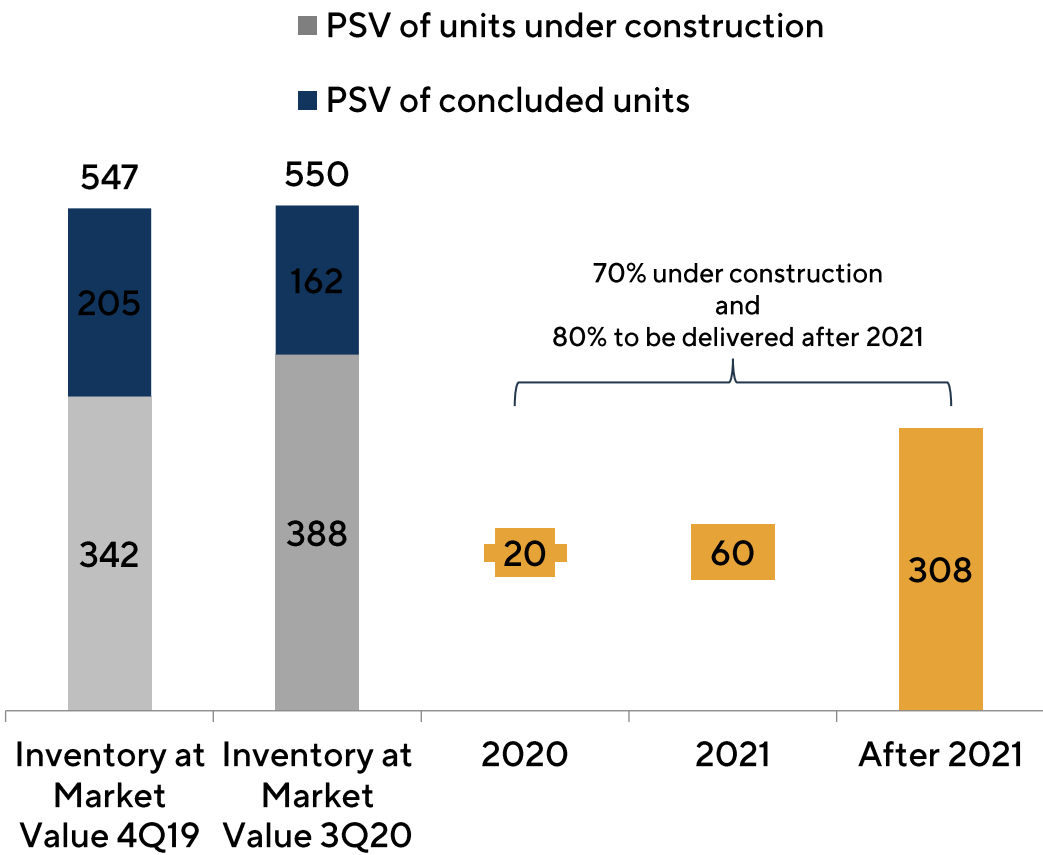
□ Sales (partners) ■ Sales (Melnick's share)



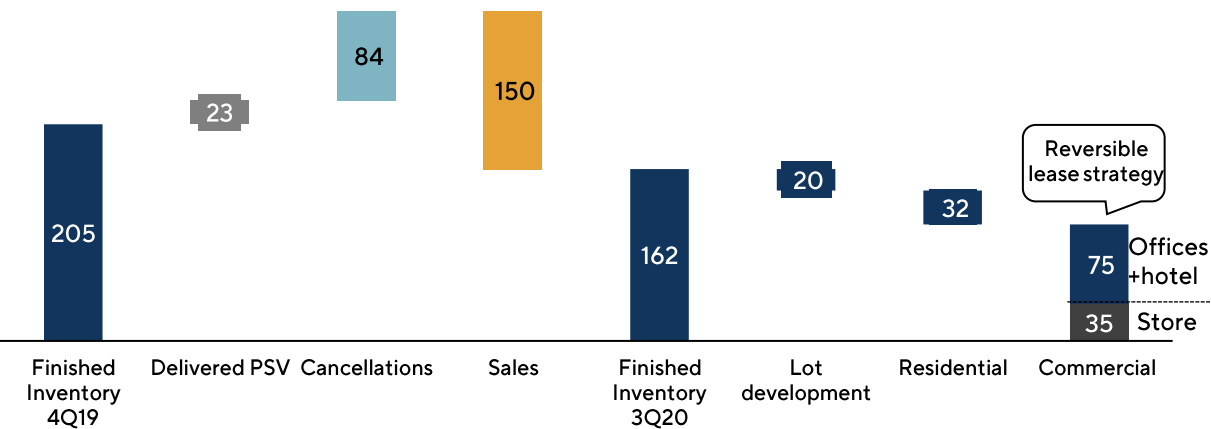
Distribution by bussiness (% Melnick):



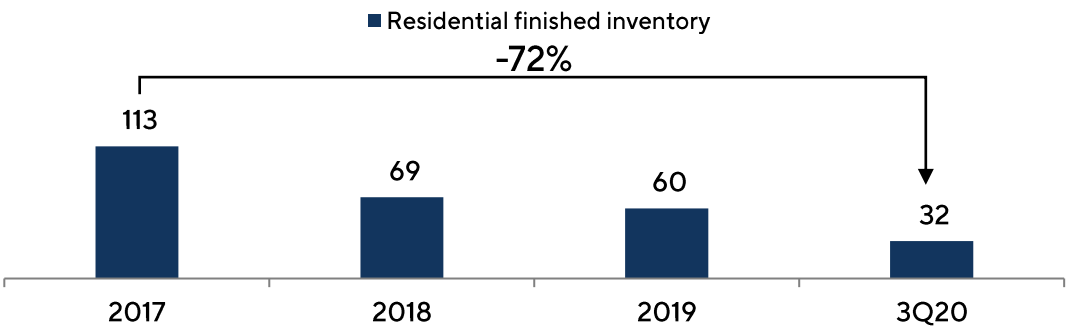
Opening by year of completion (Melnick’s share – R\$ ‘000):



Finished inventory (Melnick’s share – R\$ ‘000):

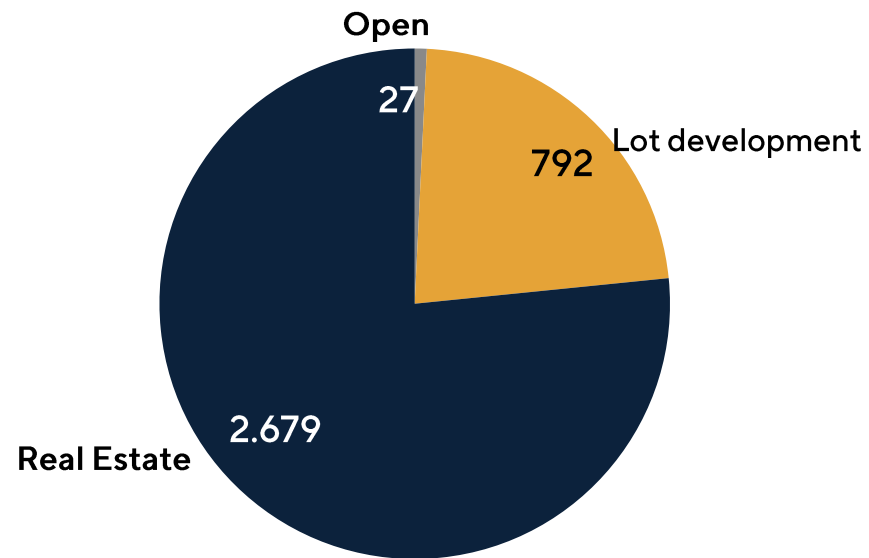


Residential Finished Evolution (Melnick’s share – R\$ ‘000):



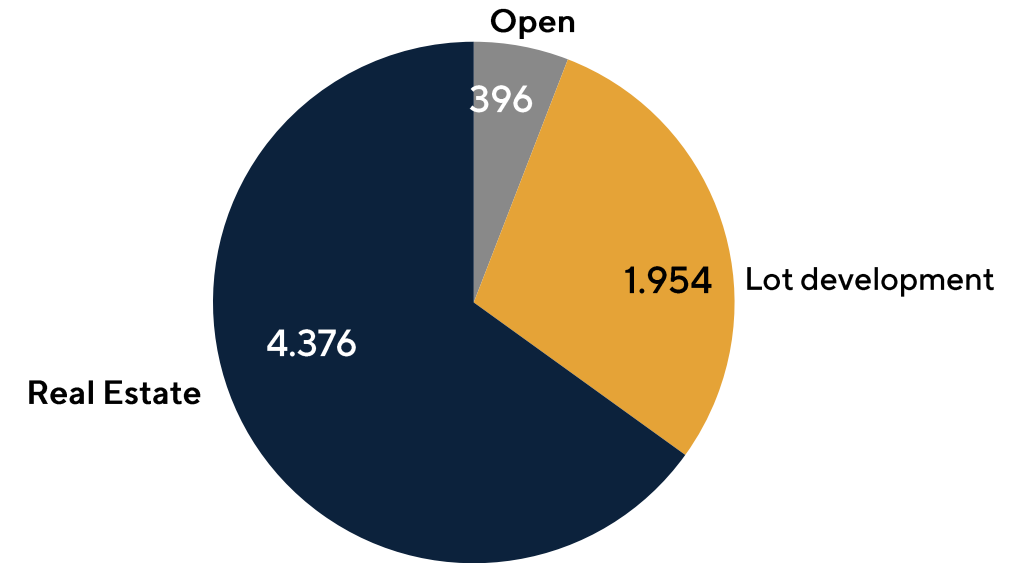
¹ Considering that 100% of the cancellations are from finished units.

Opening by business unit (Melnick's share),
with the Company's internal committee¹ in R\$ '000:



Total approved by
committee: R\$3,498 million

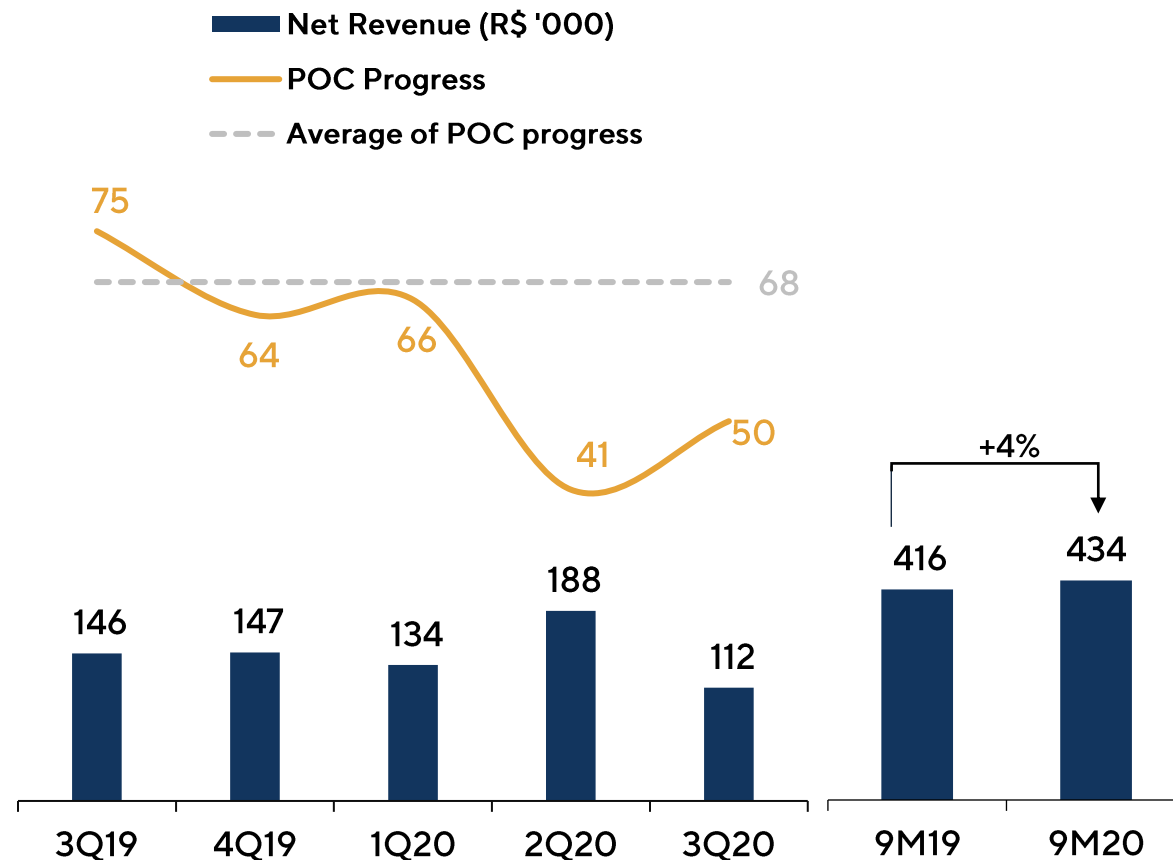
Opening by business unit (% Melnick),
options and pre-committee^{1,2} in R\$ '000:



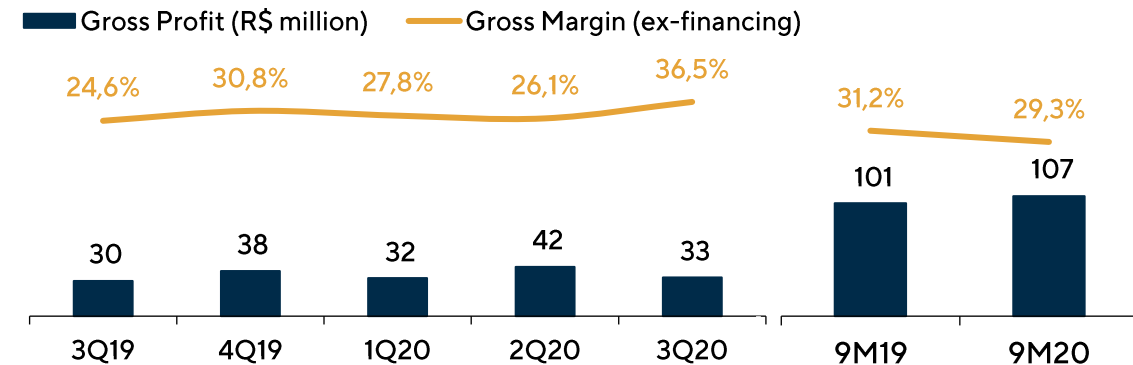
Total Option: R\$ 6,726 million
Total: R\$ 11,009 million

^{1,3} PSV numbers gross from exchange and commission. ² Land at different stages of negotiation can be purchase options, preemptive rights and other legal instruments.

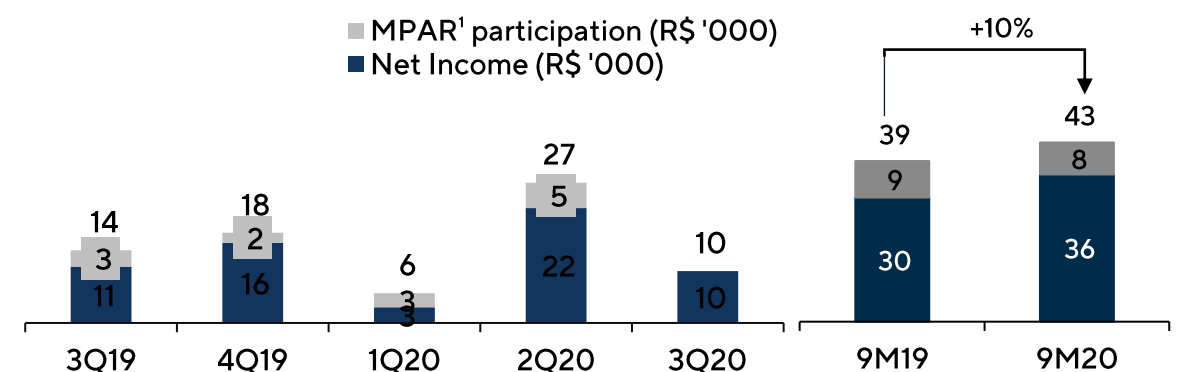
Evolution of Net Revenue :



Evolution of Gross Profit and Gross Margin:



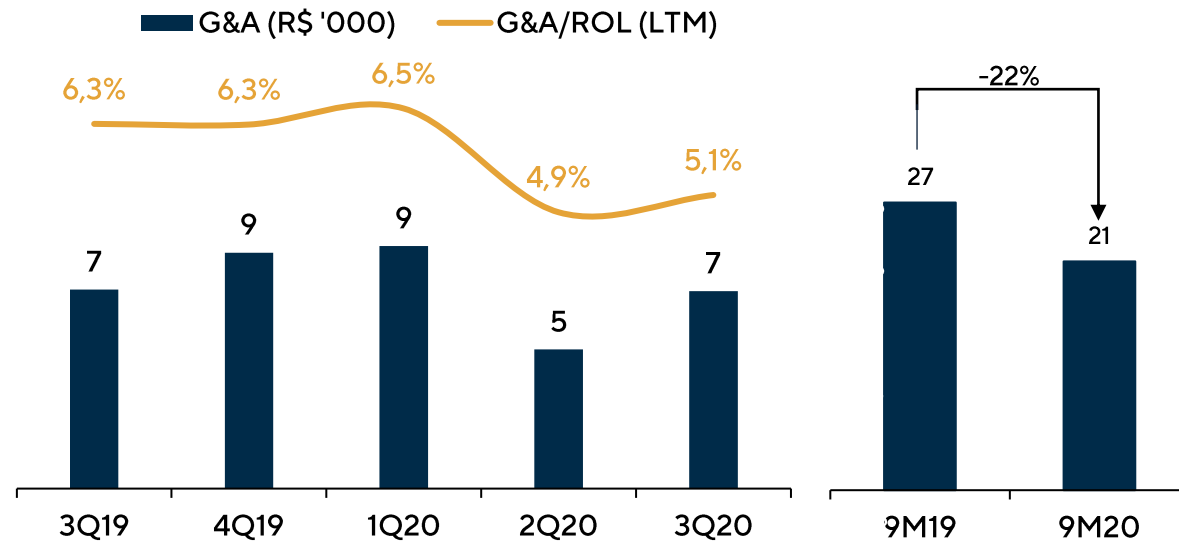
Evolution of Net Income:



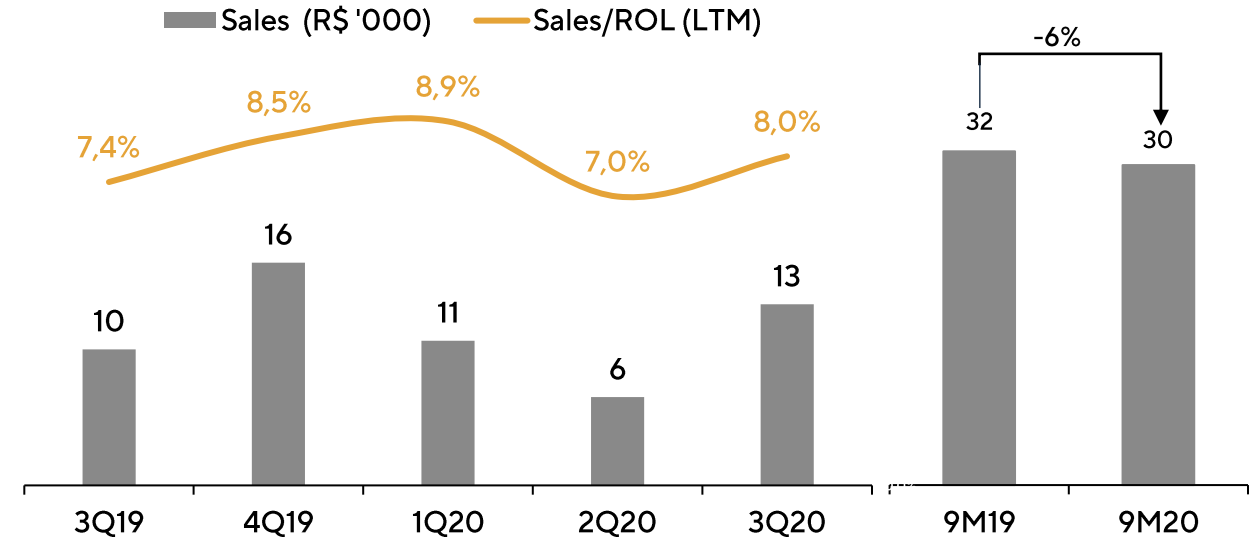
¹¹ Considering the profit from the direct stake held by MPAR of 15% in the Company's SPEs, due to the corporate reorganization of July 10, 2020).

EXPENDITURE STRUCTURE

Evolution of General and Administrative Expenses:



Evolution of Commercial Expenses:



REAL ESTATE

GRAN PARK LINDÓIA – FASE 1 (3Q20)

PSV: R\$113,2mi

325 units



LOT DEVELOPMENT

PENINSULA – PONTA DA FIGUEIRA (2Q20)

PSV: R\$23,6 mi

95 lots



DOMINGOS DE ALMEIDA (3Q20)

PSV: R\$16,6 mi

376 lots



CAPITAL STRUCTURE AND CASH GENERATION

Cash position of **R\$ 863.4 mm**
on 09/30/2020

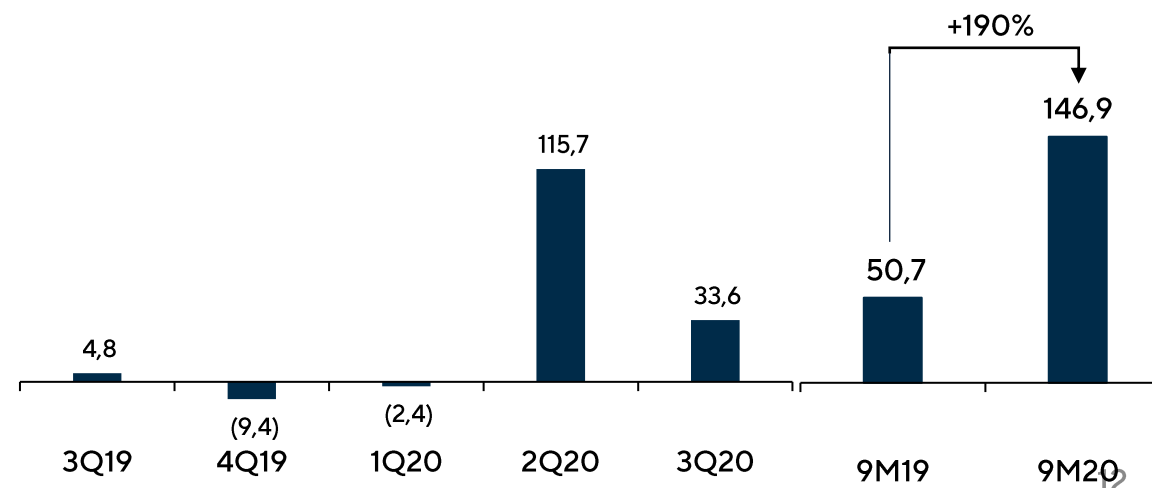
Leverage:

	09/30/2020 (R\$ '000)	
Financing to production - SFH	224,5	84%
Financing to production - CRI	43,5	16%
Gross Debt	268,0	100%
Cash	(863,4)	
Net Debt	(595,4)	
Shareholders' Equity	1.194,0	
Net debt /Shareholders' equity	-49,9%	

Cash generation of **R\$ 146.9mm**
in 9 months

Cash generation/cash burn:

Cash Generation/Burn (R\$ '000)	3Q19	4Q19	1Q20	2Q20	3Q20
Initial net debt	109.7	115.8	119.6	104.3	(14.7)
Final net debt	115.8	119.6	104.3	(14.7)	(595.4)
Net debt variation	6.1	3.8	(15.3)	(119.1)	(580.7)
Dividends and capital contributions	(10.9)	5.6	17.7	(2.4)	(34.1)
Incorporation of MEIC ¹	-	-	-	6.4	-
IPO's funds	-	-	-	(0.7)	581.2
Cash burn	(4.8)	9.4	2.4	(115.7)	(33.6)

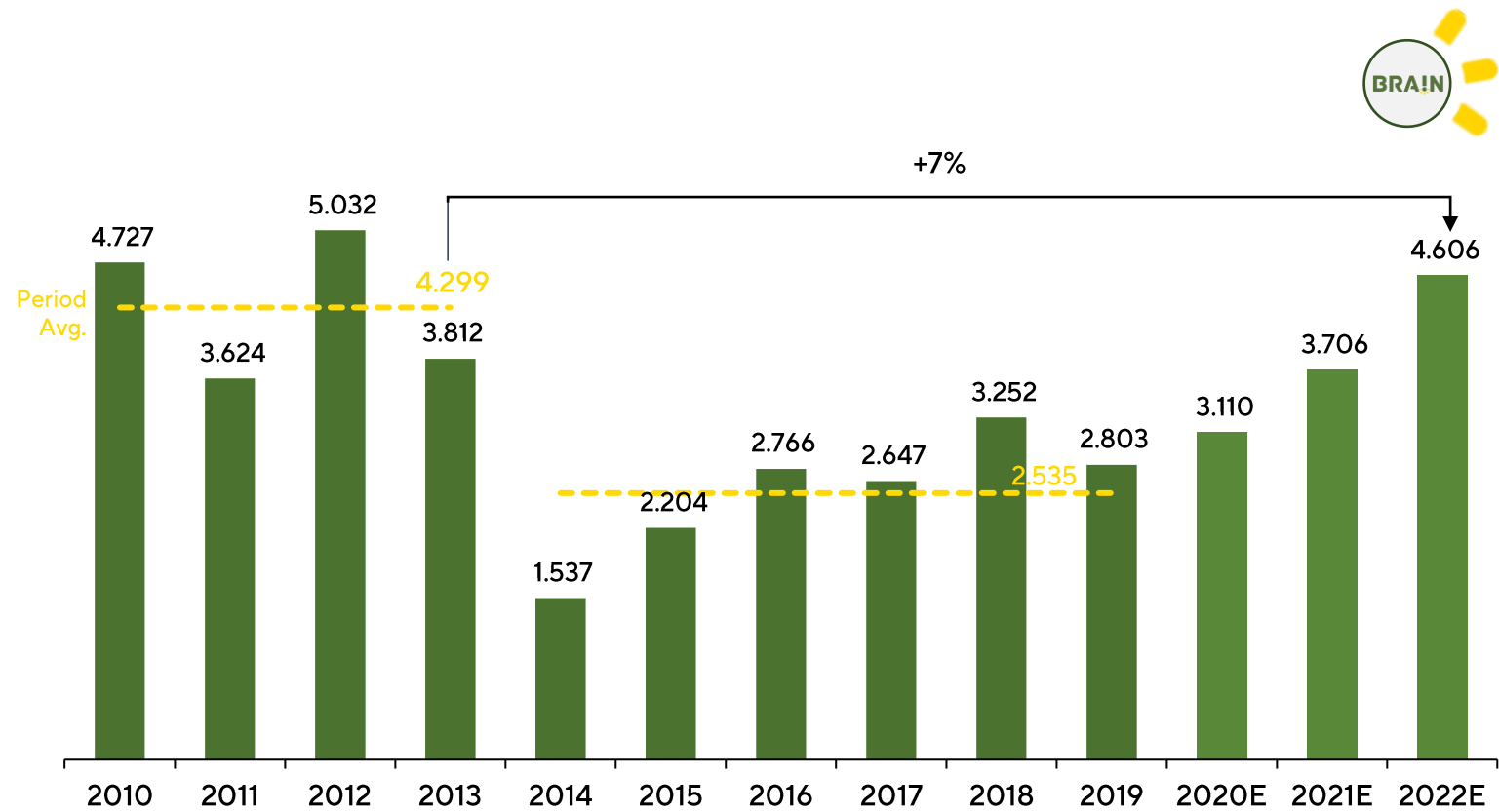


¹ On 06/30/2020 the Company incorporated the cash balances of Melnick Even Incorporações e Construções S.A.



MELNICK IS PREPARED FOR THE NEXT CYCLE

Historical and Expected PSV of launches in POA +MR ^{1,23} (R\$ '000)



¹ Historical PSV adjusted by the INCC for the period. RM refers to the metropolitan region of Porto Alegre; ² Market projection carried out by Consultoria Brain (3) Methodology using the database of sinducon / rs between the years 2008 and 2018, based on the volume of units launched between 2008 and 2013 and the average ticket launched between 2014 and 2018 .
Sources: Company Information, Siduscon and Brain Consulting

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