

Earnings Release

3Q21 and 9M21

3Q21 and 9M21 Earnings Release



Belo Horizonte, November 9, 2021 - A Patrimar S.A. ("Patrimar" or "Company"), one of the largest development and construction companies in Brazil, operating in the low-income, middle-income and high-income segments with luxury and high-luxury products, discloses its results for the third quarter of fiscal year 2021 ("3Q21") and for the first nine-month period of 2021 ("9M21"). The information in this document is expressed in national currency million and the Potential Sales Volume ("PSV") shows the consolidated value (100%), except where otherwise indicated.

Highlights

- **Net revenue of R\$182 million in 3Q21, an increase of 34.3% compared to 3Q20.** In 9M21, we reached R\$549 million, an increase of 88.7% against 9M20, representing 126.1% the total in the entire year of 2020;
- **Growth of 76.1% in Net Profit in 9M21 compared to 9M20, achieving R\$ 112 million;**
- **Positive accumulated Cash generation, recording R\$ 43 milion in the last 12 months;**
- **ROE of last twelve months of 22.6%.**

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About Patrimar Group

The Company is a real estate development and homebuilder based in the city of Belo Horizonte, state of Minas Gerais, on the Southeast region of Brazil with over 58 years of experience being placed in the top best real estate companies of Brazil. Its business model is vertical, developing and constructing real estate projects, as well as marketing and selling real estate units.

The Company diversifies its operations in the residential real estate segment with a presence in the high-income real estate segment offering luxury and high-income developments through the Patrimar brand, in addition with a presence in the middle and low-income segments through the Novolar brand.



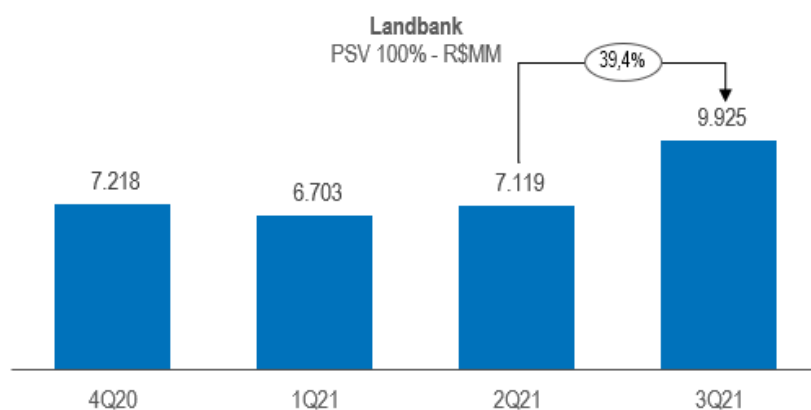


Message from the Management

It is with great enthusiasm that we present Patrimar's results for the third quarter of 2021 and for the first nine months of the year. Our operating markets remain strong, presenting solid results, an outcome of our strategic positioning in terms of region, product and qualification.

Growth – PX2

Throughout this quarter, we emphasized our growth strategy, adding new land to the landbank, positioning ourselves as a leading player in our markets for the high-income segment and recomposing our medium-income and economic operations, aiming to balance our operation for the years to come.



As we had already announced in the operational preview, Oceana Golf – a project we launched in the city of Rio de Janeiro at the end of 3Q21, has already reached the mark of R\$672 million launched to date, with approximately R\$400 million being registered in contracted sales. Such performance gives us confidence in the product, strategy and strength of our brand.

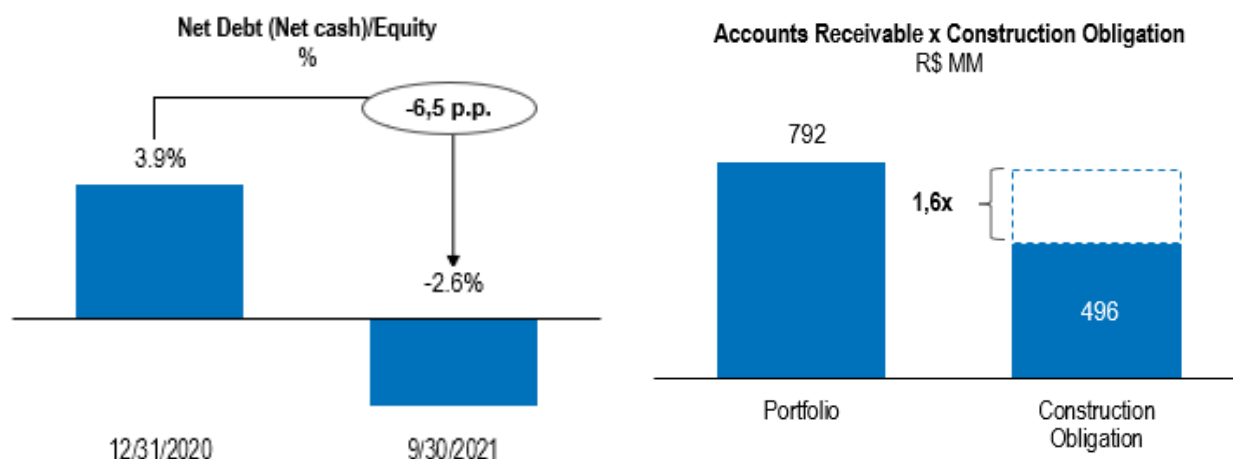
With the figures presented above alone, the year 2021 already represents a record of sales and launches in Company's history and, considering other launches, our commercial strength and a strong demand market, give us expectations that in 4Q21 we will have the best quarter in the history in these two metrics.

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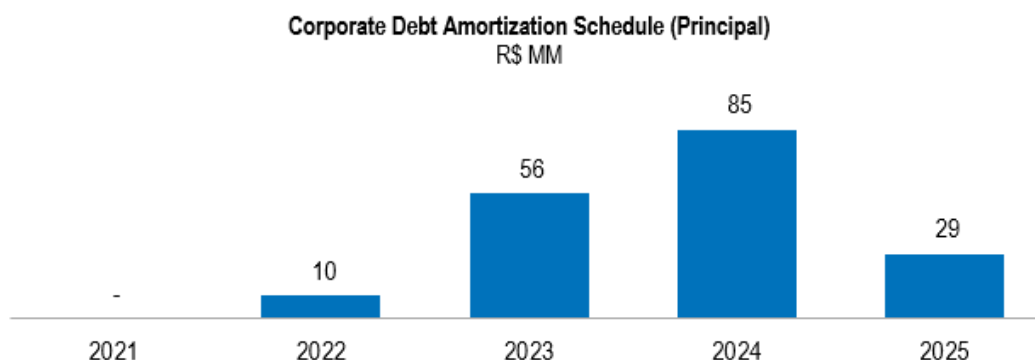


Capital Structure and Liquidity

We are in a very comfortable liquidity position, with an adequate balance sheet for the growth that we expect to take place in the next years.



We have a balanced debt profile with long-term repayment schedule. We are always on the lookout for opportunities to carry out transactions that lower our cost of debt, as well as lengthen the payment schedule.

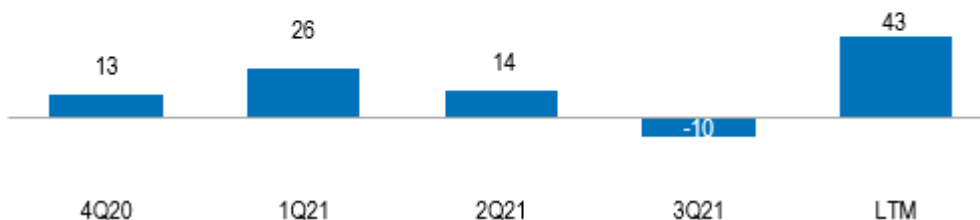


We continue with a strong operation and conservative cash management. In the first nine months of 2021, we generated R\$30.1 million in operating cash. In 3Q21, we had a small cash burn impacting consolidated cash caused mainly by the distribution of results from our SPVs, which includes distribution to our partners (approx. R\$8.5 million in the quarter), also by marketing activities and preparations of 4Q21 launches, especially Oceana Golf. The last twelve months (LTM) present a strong cash generation.

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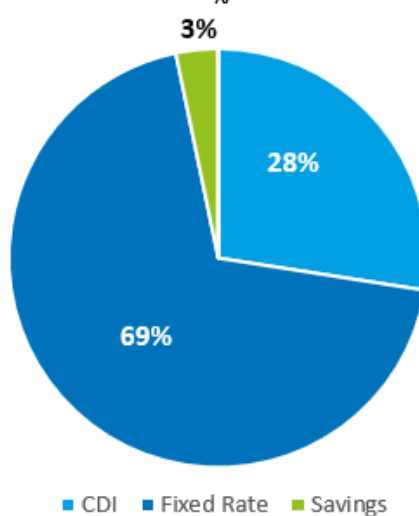


Cash Generation
R\$ MM



We have a balanced financial liability in terms of indexes and an amount to be released from contracts already signed of approximately R\$397 million, where more than 51% will be in TR+, 23% in Savings+ and 26% in CDI. Approximately R\$463 million are currently under negotiation and under analysis by partner banks, with around 80% allocated in TR+.

Composition of Construction Financing
Liabilities by Index (Sep/21)
%



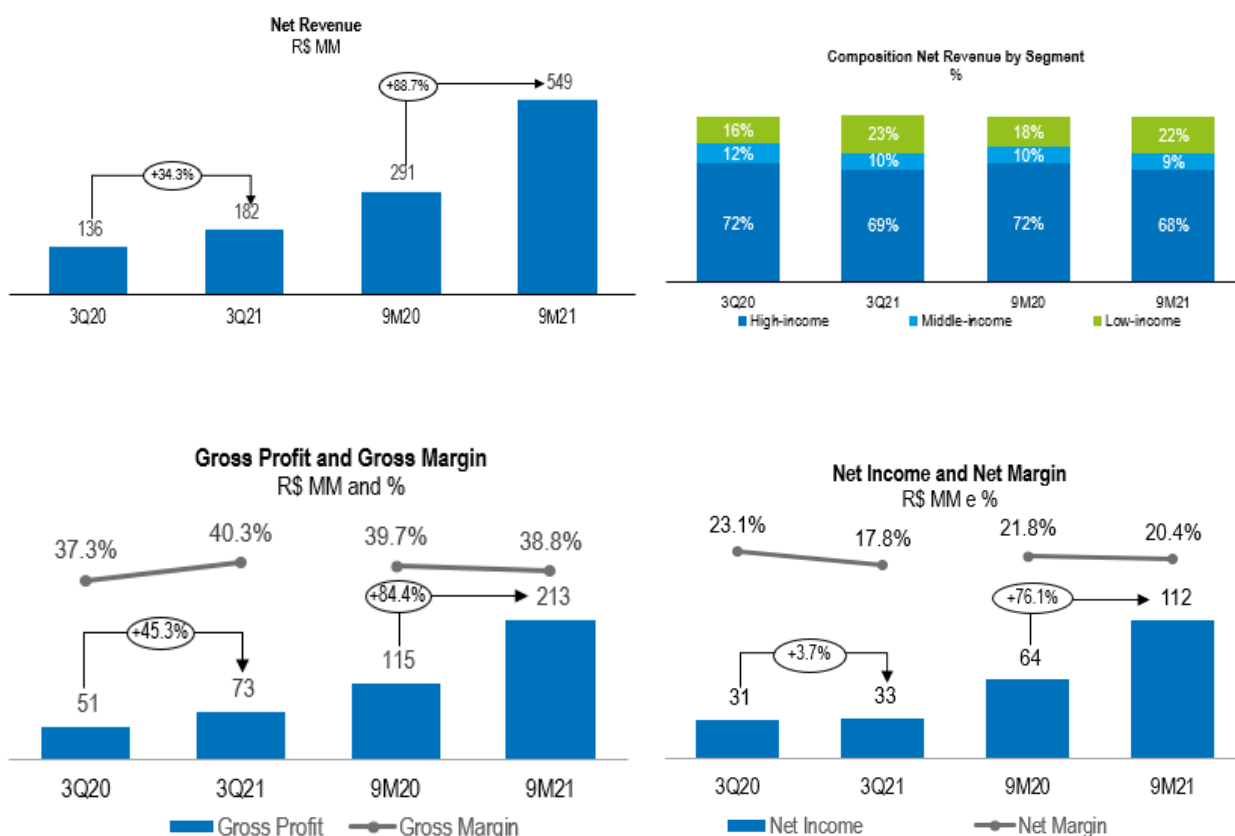
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Profitability

Alongside financial strength, profitability is our main goal. Our focus is on delivering products that delight our customers, in all segments, and bring us the expected return based on the allocated capital. We are good capital allocators.

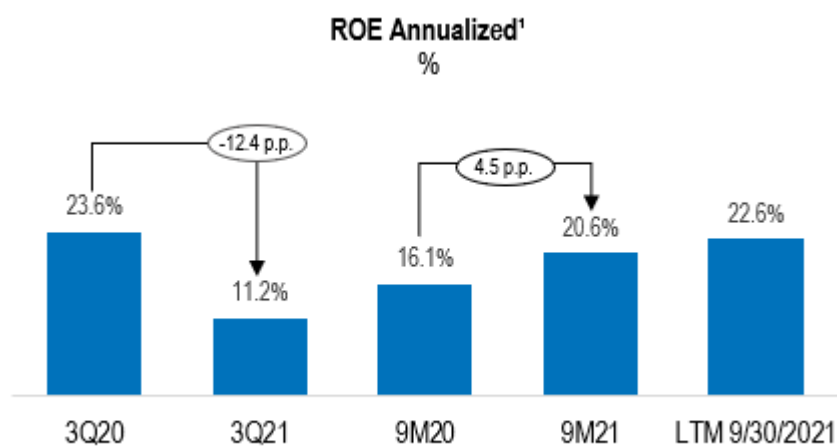
We have expressive results of revenue growth, gross profit, net profit and profitability in 2021 compared to 2020, despite the escalation of construction costs. Our margins suffered some pressure related to this fact, in addition to other investments made in the administrative and commercial areas that will have an effect in the next quarters.





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We have a ROE in LTM of 22.6%, a significant profitability result of our business. The drop of ROE on 3Q21 reflects the increase of the Net Equity due to profitability in the period, not yet distributed, in addition to a drop in net income in 3Q21 impacted by extraordinary events.



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Main Indicators

Financial Indicators (R\$ '000)	3Q21 (a)	3Q20 (b)	Δ % (a/b)	9M21 (c)	9M20 (d)	Δ % (c/d)
Net Operational Revenue	182,248	135,666	34.3%	548,913	290,897	88.7%
Gross Profit	73,463	50,574	45.3%	212,875	115,417	84.4%
% Gross Margin	40.31%	37.28%	3.03 p.p.	38.78%	39.68%	-0.90 p.p.
EBITDA	42,038	35,947	16.9%	129,978	75,124	73.0%
% EBITDA Margin	23.07%	26.50%	-3.43 p.p.	23.68%	25.82%	-2.15 p.p.
EBITDA Ajustado	43,491	37,248	16.8%	135,758	79,529	70.7%
% Adjusted EBITDA Margin	23.86%	27.46%	-3.59 p.p.	24.73%	27.34%	-2.61 p.p.
Net Income	32,525	31,363	3.7%	111,916	63,542	76.1%
% Net Margin	17.85%	23.12%	-5.27 p.p.	20.39%	21.84%	-1.45 p.p.

Launches (R\$ '000)	3Q21 (a)	3Q20 (b)	Δ % (a/b)	9M21 (c)	9M20 (d)	Δ % (c/d)
PSV 100%	552.656	206.657	167%	639.898	206.657	210%
Low-income	76.570	41.670	84%	163.811	41.670	293%
Middle-income	-	-	n/a	-	-	n/a
High-income	476.087	164.987	189%	476.087	164.987	189%
PSV % Patrimar	474.156	168.359	182%	605.900	168.359	260%
Low-income	76.570	41.670	84%	142.442	41.670	242%
Middle-income	-	-	n/a	-	-	n/a
High-income	397.586	126.689	214%	463.459	126.689	266%
Units	543	526	3%	943	526	79%
Low-income	420	280	50%	820	280	193%
Middle-income	-	-	n/a	-	-	n/a
High-income	123	246	-50%	123	246	-50%

Net Contracted Sales (R\$ '000)	3Q21 (a)	3Q20 (b)	Δ % (a/b)	9M21 (c)	9M20 (d)	Δ % (c/d)
PSV 100%	125,659	242,790	-48.2%	516,229	385,248	34.0%
Low-income	45,950	27,219	68.8%	170,020	53,355	218.7%
Middle-income	5,263	13,875	-62.1%	18,897	36,843	-48.7%
High-income	74,446	201,696	-63.1%	327,312	295,050	10.9%
PSV % Patrimar	87,986	196,983	-55.3%	333,878	297,094	12.4%
Low-income	44,777	27,219	64.5%	152,847	53,355	186.5%
Middle-income	4,025	10,959	-63.3%	13,568	27,660	-50.9%
High-income	39,184	158,805	-75.3%	167,463	216,079	-22.5%
Units	290	389	-25.4%	1,004	651	54.2%
Low-income	249	139	79.1%	860	284	202.8%
Middle-income	10	31	-67.7%	43	87	-50.6%
High-income	31	219	-85.8%	101	280	-63.9%
Average Price	721	524	37.6%	721	524	37.6%
Low-income	185	196	-5.8%	198	188	5.2%
Middle-income	526	448	17.6%	439	423	3.8%
High-income	2,401	921	160.8%	3,241	1,054	207.5%



Launches

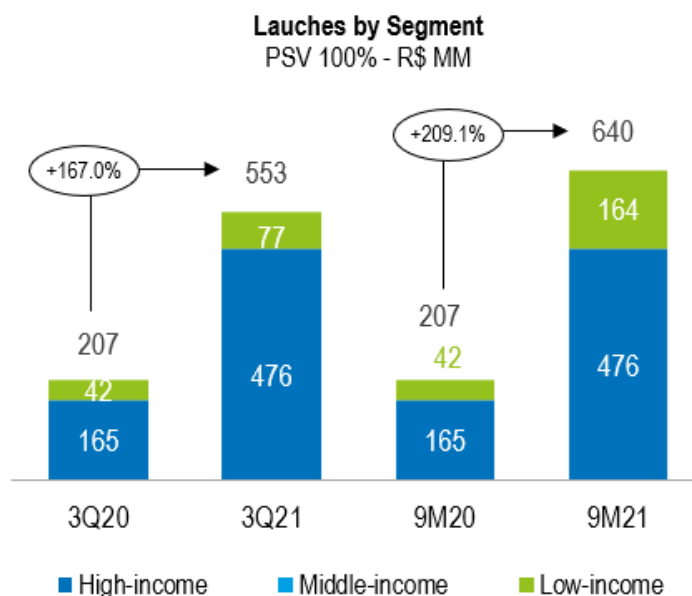
The Company resumed at strong pace launches at 3Q21, totaling R\$ 552.7 million, being the most relevant of them our first high-income under Patrimar brand in the city of Rio de Janeiro, the Oceana Golf, located at Barra da Tijuca. This launch was made at the end of September. In this quarter, 3 projects were launched, being the others of low-income segment.



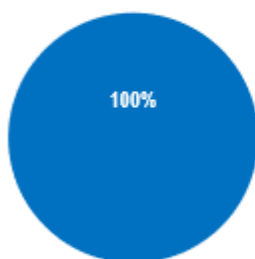
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The Company launched 5 projects in total in the 9M21, representing an increase of 150.0% when compared to 9M20. Of the total launches-in 3Q21, the Company owns an average stake of 71%, this average stake for the 9M21 launches is 65%.

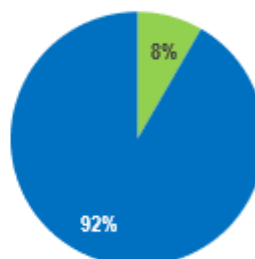


Lauches by Region- 3Q21
PSV 100% - %



■ Rio de Janeiro

Lauches by Region - 9M21
PSV 100% - %



■ Minas Gerais ■ Rio de Janeiro

Due contracted sales success of Oceana Golf in its first days after launch (see comment below), the Company decided to anticipate part of the project's second phase, with a total PSV of R\$ 196.2 million, to October (originally planned for 2022), adding such volume to the launches of 4Q21. With that, the total amount of Company's launches in 2021, until October 15, is R\$ 836.2 million, an increase of 13.9% when compared to the total volume of launches in the entire year of 2020. The Company is still preparing other launches for the 4Q21.

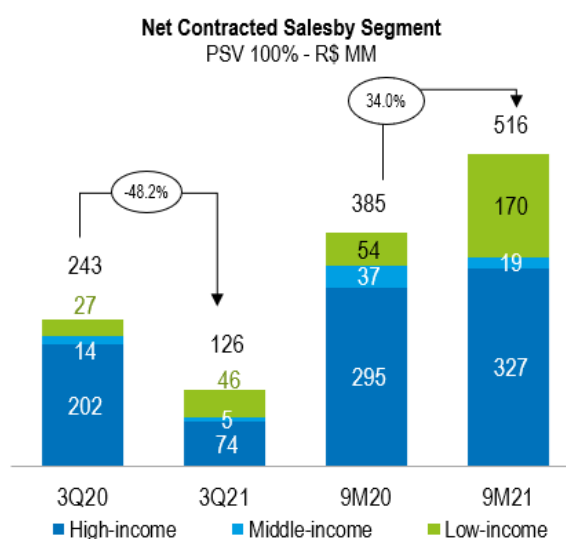
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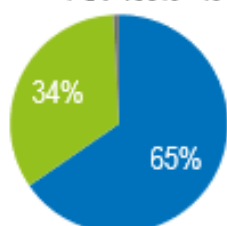
Contracted Sales

In the 3Q21 were sold a total net volume of R\$ 125.6 million, represented by 290 housing units. This volume is 48.2% lower than 3Q20, basically due a strong volume of launches made in 3Q20, The High Line Square, which was fully sold during such quarter – R\$ 116 million in contracted sales. The accumulated amount in 9M21 was R\$ 516.2 million (1,004 housing units), a 34.0% growth in relation to 9M20. Considering the launch of Oceana Golf at the very end of the quarter (no contracted sales were register in 3Q21), the high-income segment continues to be the most relevant in terms of sales.

The Company's average stake of net contracted sales was 70% in 3Q21 and 65% was the average stake in net contracted sales in 9M21.

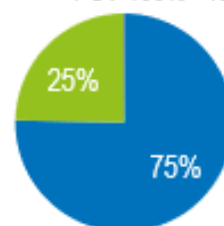


Net Sales by Region - 3Q21
PSV 100% - %



■ Minas Gerais ■ Rio de Janeiro ■ São Paulo

Net Sales by Region - 9M21
PSV 100% - %



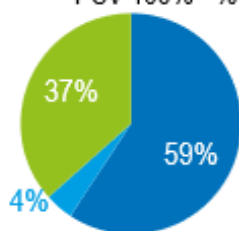
■ Minas Gerais ■ Rio de Janeiro ■ São Paulo

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Net Sales by Segment - 3Q21

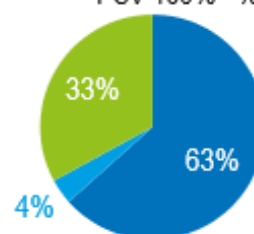
PSV 100% - %



■ High-income ■ Middle-income ■ Low-income

Net Sales by Segment - 9M21

PSV 100% - %



■ High-income ■ Middle-income ■ Low-income

The table below provides more information about sales:

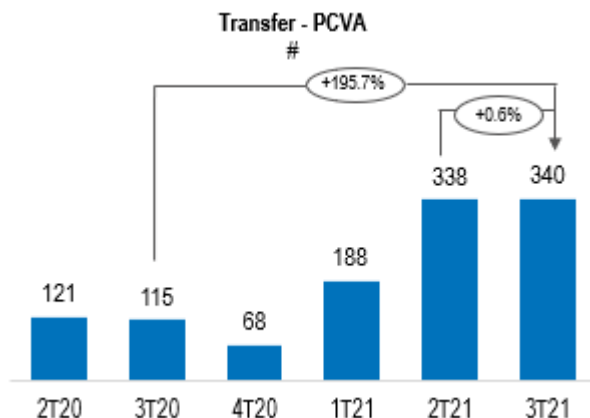
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As mentioned before, the sales of Oceana Golf were fully registered in October and, considering phases 1 and part of phase 2 of this project, total sales were R\$ 304.7 million until October 15, 2021. That said, considering such sales made in October, the total amount of net contracted sales in 2021, until the 15th of this month, is R\$ 820.9 million and already represents an all-time high amount for the Company in history. As the Company will keep on launching in 4Q21 and, taking in account our current inventory levels, 4Q21 is expected to be the best quarter of our history in terms of sales.

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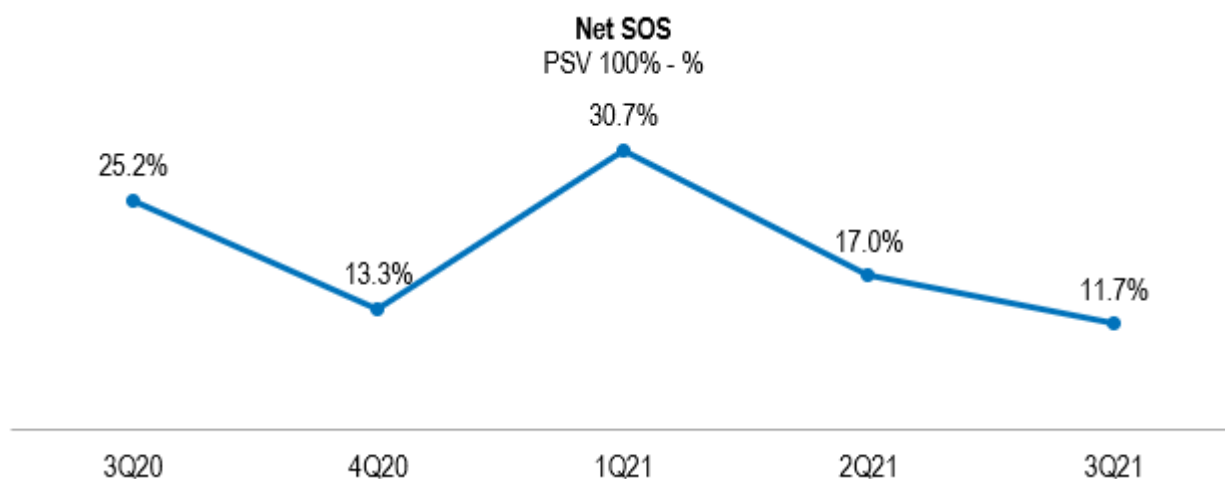
We have also registered another record for transfers in the 3Q21, surpassing 2Q21. Such volumes are a consequence of better alignment of our internal operations and increasing volumes of sales in our low-income segment in the Casa Verde Amarela Program (PCVA).



The total amount of transfers in 3Q21 reached R\$ 62.5 million, 192% higher than the amount transferred in 3Q20. In the 9M21 the total amount was R\$ 146.3 million, 201.2% higher than the R\$ 48.6 million transferred in 9M20.

SoS (Sales speed) – Sales over Supply

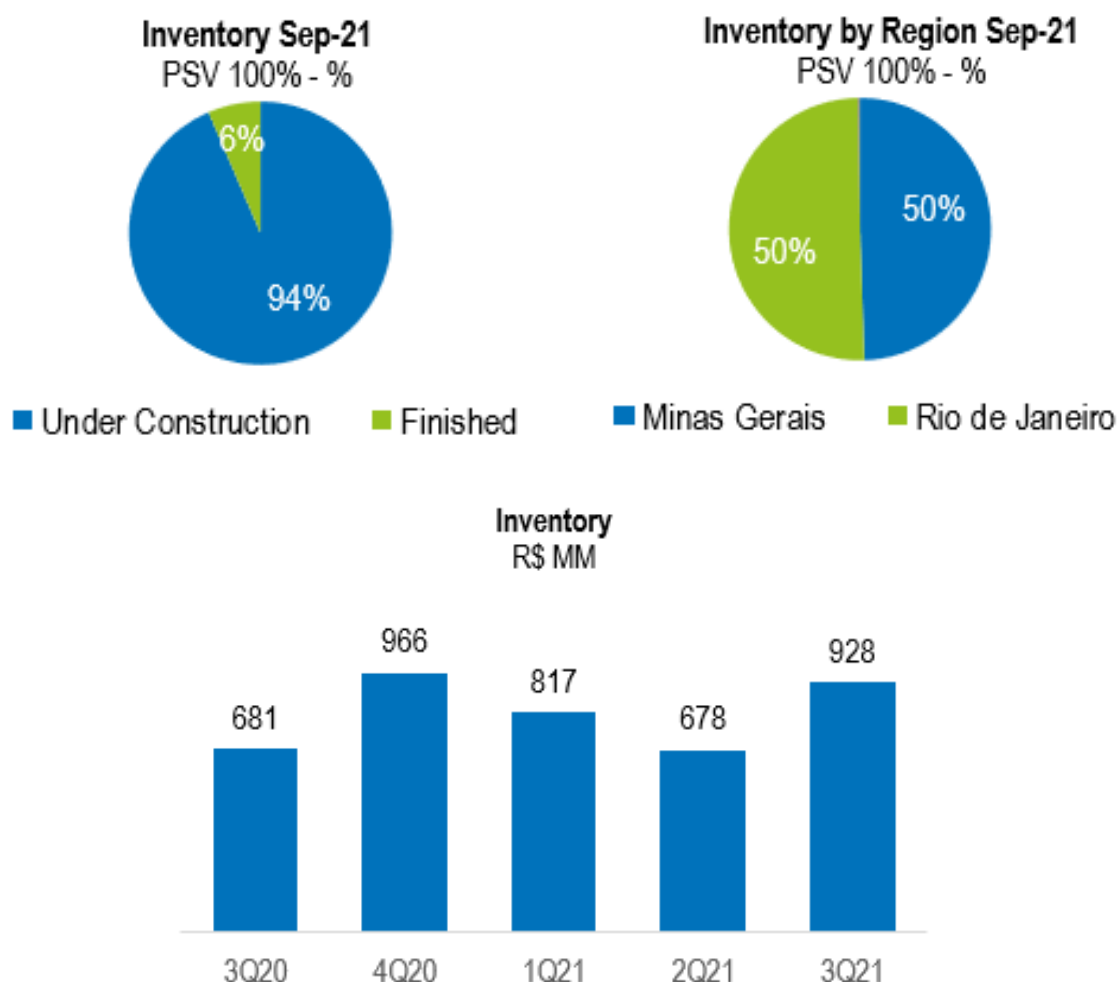
In the 3Q21, the net sales speed, measured by the Net VSO performance indicator (Net Sales over Supply), was 11.7%, 5.3 p.p lower than the immediate previous quarter and 13.5 p.p lower than the same period of 2020.



As aforementioned, the launch of Oceana Golf was made at the very last days of September and sales were only registered in October, impacting sales speed. If all sales and launches of Oceana Golf were made in September, therefore 3Q21, net Sales over Supply for the quarter would have been 36,7%.



Inventory

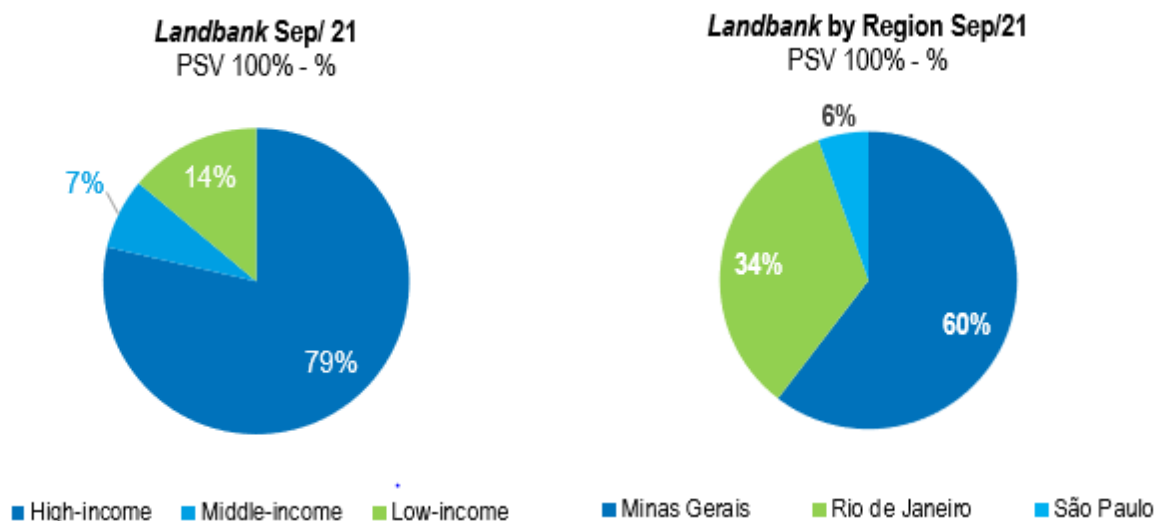


In line with the comment for sales speed above, inventories were impacted by the launch of first phase of Oceana Golf at the end of September, which sales were only registered in October. The total amount of finished units is very low, but around R\$ 142.1 million in inventory are units of projects that will be concluded in 4Q21.

As said, of the total amount launched in Oceana Golf, R\$ 672.3 million for both phases, until October 15, 2021, R\$ 304.7 million were sold and, therefore, inventories for such project are of only R\$ 127.3 million, net of physical swap.



Landbank



As part of the PX2 Plan for the next years, we have added 5 new land plots to our landbank, representing a total PSV amount of R\$ 1.8 billion, among the states of Minas Gerais and Rio de Janeiro. With that, our landbank reached R\$ 9.9 billion as of September 30, 2021, of that approximately R\$ 1.5 billion are current market price adjustments of units already in our landbank.

Our landbank is comprised of 12,656 units and our average stake is 59%.

As of September 30, 2021, we already have R\$ 2.4 billion in approved projects to be launched, being R\$ 196.2 million already launched in the first days of October, with the second phase of Oceana Golf.

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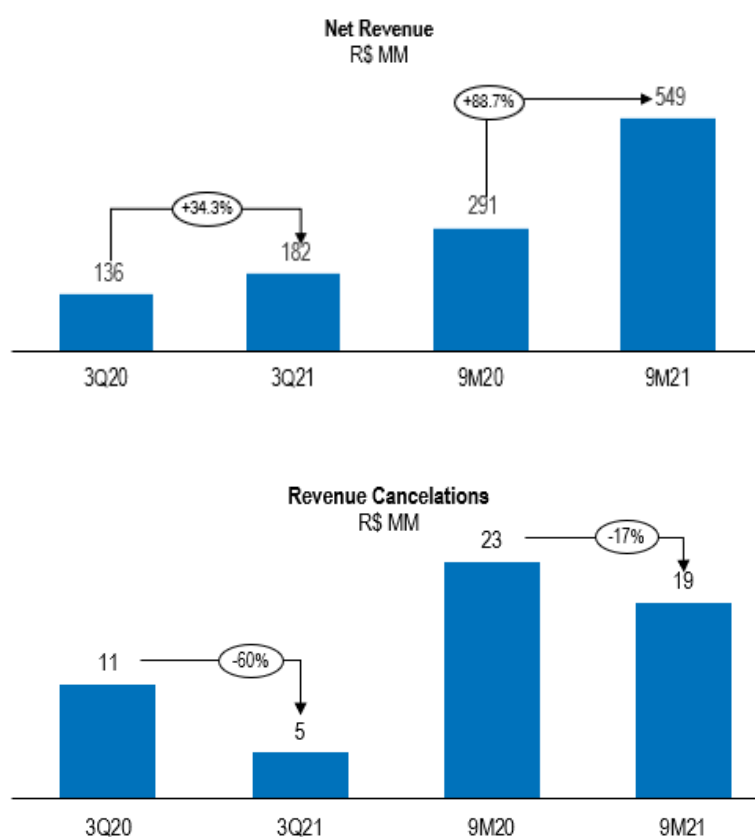


Financial Performance

Net Revenue

Net Operating Revenue (R\$ '000)	3Q21	3Q20	Δ %	9M21	9M20	Δ %
Gross revenue from properties sales	186,333	147,405	26.4%	566,922	315,450	79.7%
Service revenue	2,819	966	191.8%	7,355	1,270	479.1%
Gross Revenue	189,152	148,371	27.5%	574,277	316,720	81.3%
AVP - Adjustment to present value	1,749	894	95.6%	6,306	3,771	67.2%
Canceled sales	(4,571)	(9,301)	-50.9%	(19,380)	(22,559)	-14.1%
Deduction and taxes	(4,082)	(2,270)	79.8%	(12,290)	(6,122)	100.8%
Reversal (provision) to cancellations	-	(2,028)	-100.0%	-	(913)	-100.0%
Net Revenue	182,248	135,666	34.3%	548,913	290,897	88.7%

At these first nine months, we have already completed 124% the total amount of 2020. Whether comparing the quarter or nine months period with same periods of previous year, we have the effect of a higher volume of units sold in the accumulated, which, along with our construction in progress, lead to a greater impact on revenue by the PoC method. In addition to this effect, we have the positive strategy of carrying accounts receivable balance for longer periods, providing the INCC (construction inflation) hedge of our construction liabilities, generating greater gain caused by monetary correction in the revenue line - R\$ 18 million in the 3Q21 (+2,197% compared to 3Q20) and R\$ 42 million in 9M21 (+542% compared to 9M20). Furthermore, on a smaller scale, we can observe a lower impact of cancellations.



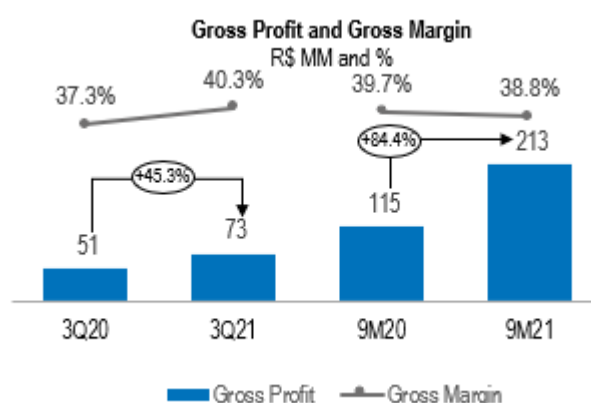
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Gross Profit and Gross Margin

In the comparison of 3Q21 against 3Q20, as well as in 9M21 against 9M20, the increase in the cost of units sold is explained by the construction progress of our projects, which continue at an accelerated pace, already incurring the impacts of new raw material costs and budget revisions.

Our gross margin continues to be one of the highest in the sector, mainly due the mix of construction projects in progress, where there is a greater weight of high-income projects, which have a higher gross margin, supporting our strategy of efficiently allocating capital, seeking greater profitability. Our gross margin remained in line, even facing a rather adverse scenario of higher construction costs, as mentioned above, demonstrating our operational efficiency.



Operating Expenses

Operating Expenses (R\$ '000)	3Q21	3Q20	Δ %	9M21	9M20	Δ %
General and administrative expenses	10,100	8,266	22.2%	29,550	22,429	31.7%
Selling expenses	17,113	7,117	140.5%	38,293	18,583	106.1%
Other operating revenue (expenses)	5,718	2,369	141.4%	13,299	8,639	53.9%
Total	32,931	17,752	85.5%	81,142	49,651	63.4%

General and Administrative Expenses (G&A)

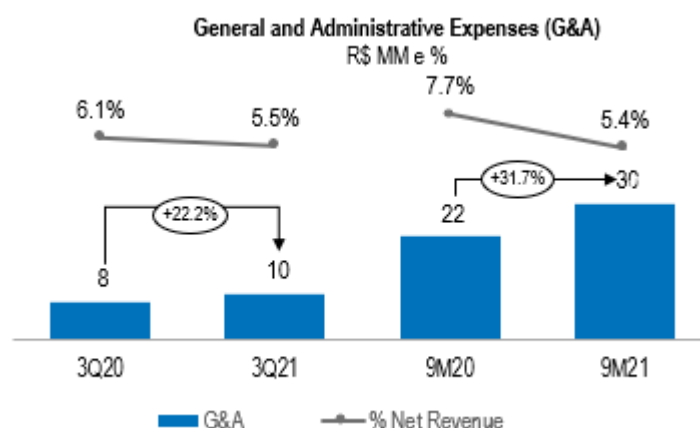
General and Administrative Expenses (R\$ '000)	3T21	3T20	Δ %	9M21	9M20	Δ %
Personnel expenses	6,308	3,889	62.2%	16,365	10,770	51.9%
Depreciation and amortization	1,834	1,883	-2.6%	5,347	4,814	11.1%
Third-party services	1,269	1,254	1.2%	5,735	3,477	64.9%
General administrative expenses	689	1,240	-44.4%	2,103	3,368	-37.6%
Total	10,100	8,266	22.2%	29,550	22,429	31.7%

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The growth of G&A is explained by the greater investment in personnel in strategic areas, aiming to support the Company's growth cycle.

Within the progress of construction projects launched, which have a high sales percentage and a new revenue cycle by new deployments to be carried out, an operational leverage, added to the company diligence in expenses management allows gains in productivity of our teams, reducing the G&A proportion of Net Revenue.

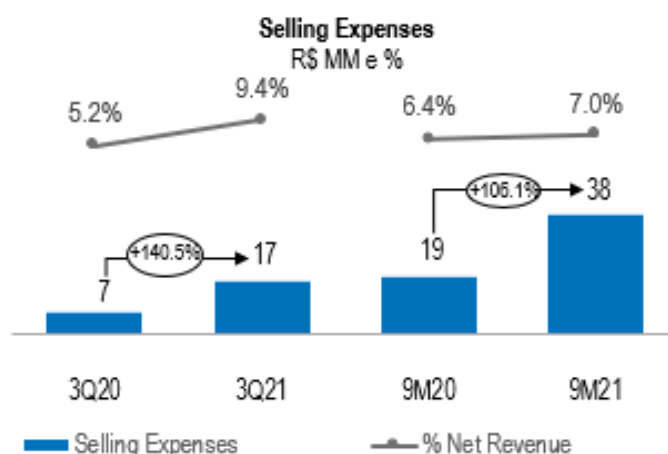


Selling Expenses

Commercial Expenses (R\$ '000)	3T21	3T20	Δ %	9M21	9M20	Δ %
Commissions and brokerages	5,414	2,219	144.0%	13,419	4,380	206.4%
Advertising	5,697	1,821	212.9%	10,991	5,441	102.0%
Other commercial expenses	4,617	1,217	279.4%	9,932	3,471	186.1%
Personnel expenses	1,278	1,196	6.9%	3,596	3,198	12.4%
Sales stand / decorated apartment	107	664	-83.9%	355	2,093	-83.0%
Total	17,113	7,117	140.5%	38,293	18,583	106.1%

The growth in selling expenses is mainly explained by commission and brokerage expenses, which, in turn, is due the selling success in large part reached by Patrimar's internal team, as well as the progress of certain projects that are very well sold early, generating the commission expense as the construction advances. It is also important to mention the Marketing and Advertising strategic investments made in the markets where we seek to develop an even more significant presence as the market in Rio de Janeiro, with the launch of Oceana Golf.

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Other operating expenses (revenues)

Other Operating Expenses/Revenues (R\$ '000)	3T21	3T20	Δ %	9M21	9M20	Δ %
Real estate loan expenses	206	109	89.0%	611	367	66.5%
Tax expenses	5	96	-94.8%	32	359	-91.1%
Provision for contingencies	417	1,520	-72.6%	986	5,347	-81.6%
Eventual losses	1,564	-	-	5,680	-	-
Other operating income and expenses	3,526	644	447.5%	5,990	2,566	133.4%
Total	5,718	2,369	141.4%	13,299	8,639	53.9%

The growth in other net operating expenses, both in 3Q21 and 9M21, compared to the same periods of the previous year, basically refers to provisions and legal losses (realized losses - convictions paid are classified under other operating expenses and income), in addition to write-offs of accounts receivable for units recovered due to default.

Financial Result

Despite an increase in balance of the Company's corporate debt, which increased our financial expenses in the 9M21 and 9M20 comparison, a higher cash balance make up for it and kept our financial result stable in the comparison between the two periods.

When analyzing the 3Q21 x 3Q20, the variation is due to adjustments in smaller monetary restatement balances, basically due to the lower balance of receivables of after-keys units and the increase in other financial expenses related to the extraordinary event of canceled old units whose balance update have been written off.

3Q21 and 9M21 Earnings Release



Financial Result	3Q21	3Q20	Δ %	9M21	9M20	Δ %
Monetary adjustment and contractual interest	530	2,292	-76.9%	4,154	5,100	-18.5%
Interest on financial investments	2,975	192	1449.5%	5,225	801	552.3%
Swap Creditor Result	-	-	n/a	-	2,395	-100.0%
Other Financial Results	24	622	-96.1%	53	622	-91.5%
Total	3,529	3,106	13.6%	9,432	8,918	5.8%
Financial Expenses	3Q21	3Q20	Δ %	9M21	9M20	Δ %
Interest on loans and financing	(3,701)	(1,095)	238.0%	(7,447)	(2,846)	161.7%
Debits from bank charges and fees	(448)	(253)	77.1%	(844)	(900)	-6.2%
Financing Expenses	-	(37)	-100.0%	(1)	(148)	-99.3%
Swap debtor result	-	(122)	-100.0%	-	(122)	-100.0%
Other Financial Expenses	(2,408)	(1,412)	70.5%	(33)	(3,881)	-99.1%
Total	(6,557)	(2,919)	124.6%	(8,325)	(7,897)	5.4%
Financial Result	(3,028)	187	-1719.3%	1,107	1,021	8.4%

Equity Result

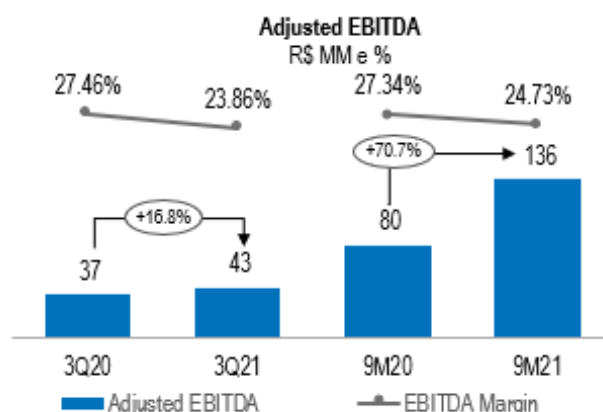
Equity Result	3T21	3T20	Δ %	9M21	9M20	Δ %
Equity Result	(1,119)	443	-353%	(9,234)	2,287	-504%

The Equity Result has been negatively impacted by a legacy of old related projects, mainly located in the economic segment, for which certain contingencies have been recognized due to discussions of construction defects, works delays among other matters. These projects, for the most part, were completed more than 5 years behind and their legal effects will still impact our results for a few quarters.

EBITDA and EBITDA Adjusted

The significant increases in Adjusted EBITDA are result of growth in gross profit, higher volume of construction projects in progress and the dilution of expenses explained above. The decrease in Adjusted EBITDA margin, suffers direct impact from the drop in gross margins explained above. With the advance of operations, a higher revenue and lower volume of extraordinary events in the quarter, we will return our margins to normalized levels.

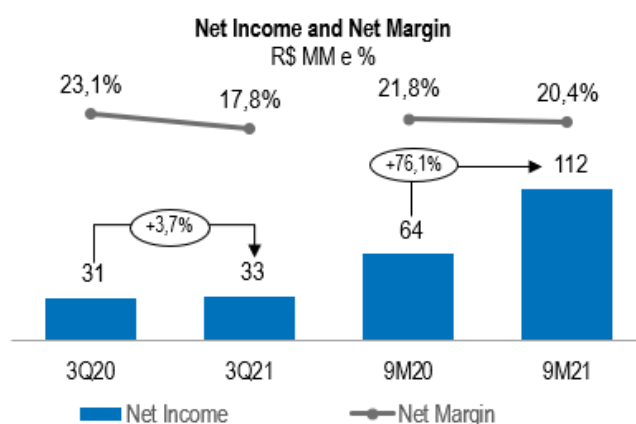
3Q21 and 9M21 Earnings Release



EBITDA (R\$ '000)	3Q21	3Q20	Δ %	9M21	9M20	Δ %
Net Income	32,525	31,363	3.7%	111,916	63,542	76.1%
(+) Income Tax and Social Contribution	3,860	2,089	84.8%	11,690	5,532	111.3%
(+) Financial Results	3,028	(187)	-1719.3%	(1,107)	(1,021)	8.4%
(+) Depreciation and Amortization	2,625	2,682	-2.1%	7,479	7,071	5.8%
EBITDA	42,038	35,947	16.9%	129,978	75,124	73.0%
EBITDA Margin (%)	23.07%	26.50%	-12.9%	23.68%	25.82%	-8.3%
Capitalized Interest Expense	1,453	1,301	11.7%	5,780	4,405	31.2%
Adjusted EBITDA	43,491	37,248	16.8%	135,758	79,529	70.7%
Adjusted EBITDA Margin (%)	23.86%	27.46%	-13.1%	24.73%	27.34%	-9.5%

Net Income and Net Margin

The expansions in profitability are reflection of the expansion of the operation and our management focused on results. With a greater growth of our operation due to the launches and sales recorded and the lower incidence of extraordinary events, we expect to increase our margins.

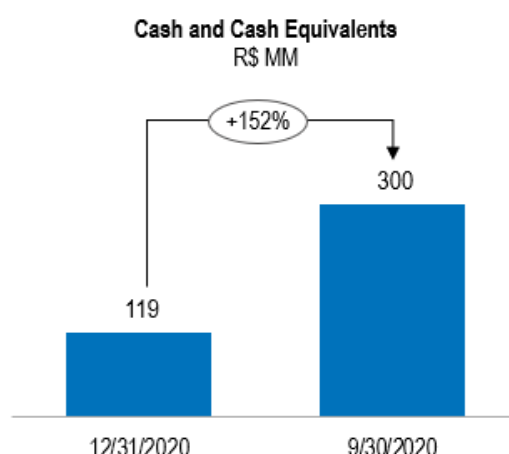




Balance Sheet Highlights

Cash, Cash Equivalents and Financial Investments

The significant growth of Patrimar's cash balance is explained by the good performance of projects' receivables, mainly from high-income units. It is important to note that, in the first half of 2021, with the 1st and 2nd debenture issuances, we raised R\$130 million, both to strengthen our cash position and pay off short-term debt to extend the profile of our liabilities.



Accounts Receivable

The growth in the Accounts Receivable is explained, in part, by the projects' progresses and the recognition of balances, as well as by the adopted strategy until here of carrying out the accounts receivable for a longer time, avoiding anticipations, aiming a hedge for increases in the INCC inflation index that has impact over construction liabilities of this trimester.

Accounts Receivable (R\$ '000)	9/30/2021	12/31/2020	Δ %
Completed units	49,161	64,959	-24.3%
Units under construction	301,241	187,882	60.3%
Management services	14,671	7,197	103.8%
Provision for canceled sales / losses / PVA	(10,417)	(20,015)	-48.0%
Total	354,656	240,023	47.8%

Under current accounting rules, the recognition of Accounts Receivable is proportional to the execution rate of respective constructions (Percentage of Completion - PoC). Thus, the portfolio balance of the development units sold and those not yet built is not fully reflected in the Financial Statements. In this regard, it should be noted

3Q21 and 9M21 Earnings Release



that the total balance of Patrimar's portfolio on September 30, 2021 was R\$365 million, an increase of 52.1% compared to the portfolio balance on December 31, 2020.

Accounts Receivable (R\$ '000)	09/30/2021	12/31/2020
Due within 1 year	290,988	265,526
Due 1 to 2 years	297,524	133,575
Due 2 to 3 years	144,657	150,233
Due 3 to 4 years	42,124	75,858
Due over 4 years	3,429	937
	778,722	626,129
Expired up to 1 year	9,268	23,913
Expired between 1 to 2 years	1,191	4,217
Expired between 2 to 3 years	1,086	3,277
Expired between 3 to 4 years	249	885
Expired over 4 years	1,128	1,040
	12,922	33,332
Total	791,644	659,461

The profile of our portfolio has become increasingly healthy and aligned with the construction cycle, with a greater concentration within the next two years - around 75.6% of the total. We are aligned to the financial strategy of combining production financing and financial cycle of sales and construction, binding the return of our projects.

Our strategy of carrying a larger volume of accounts receivable due to a hedging strategy for cost information can be revised considering the prospects of inflation rates and the return on finance with a higher CDI.

Properties for Sales

The significant increase in Land Inventory, which basically explains the total variation in the account, is due recognition of Oceana Golf land, launched at the end of 3Q21.

Properties for Sales (R\$ '000)	9/30/2021	12/31/2020	Δ %
Inventories of land	362,363	153,021	136.8%
Properties under construction	199,257	167,955	18.6%
Completed properties	9,268	18,772	-50.6%
Provision for canceled sales	1,496	3,205	-53.3%
Total	572,384	342,953	66.9%

3Q21 and 9M21 Earnings Release



Advances from Customers

The increase in balance of advances from customers basically refers to swaps of projects launched in 2021, which have been consumed by construction activity, in addition to recognition of swaps for Oceana Golf.

Advances from Customers (R\$ '000)	9/30/2021	12/31/2020	Δ %
Advances from customers and barter made for construction in progress	118,435	73,592	60.9%
Advances from customers for customized units	51,690	33,925	52.4%
Barter made for land - not launched developments	244,151	43,602	460.0%
Total	414,276	151,119	174.1%

Trade Payables

The variation in Supplier's account in this first half is explained by the effort we are doing to extend payment terms to improve the financial cycle of our projects, in addition to a greater volume of construction in progress:

Trade Payables (R\$ '000)	9/30/2021	12/31/2020	Δ %
Trade Payables	48,048	23,153	107.5%
Technical Retentions	5,601	4,220	32.7%
Total	53,649	27,373	96.0%

Real state purchase obligations

The reduction in balance of Land not Incorporated is mainly explained by payments of financial swap agreed in contracts and by transfer of balance to incorporated land as result of launches carried out and increase in advance for exchange of physical properties in this quarter.

Real estate purchase obligations (R\$ '000)	9/30/2021	12/31/2020	Δ %
Land development	45,058	43,115	4.5%
Land not development	21,877	42,088	-48.0%
Total	66,935	85,203	-21.4%

3Q21 and 9M21 Earnings Release



Indebtedness

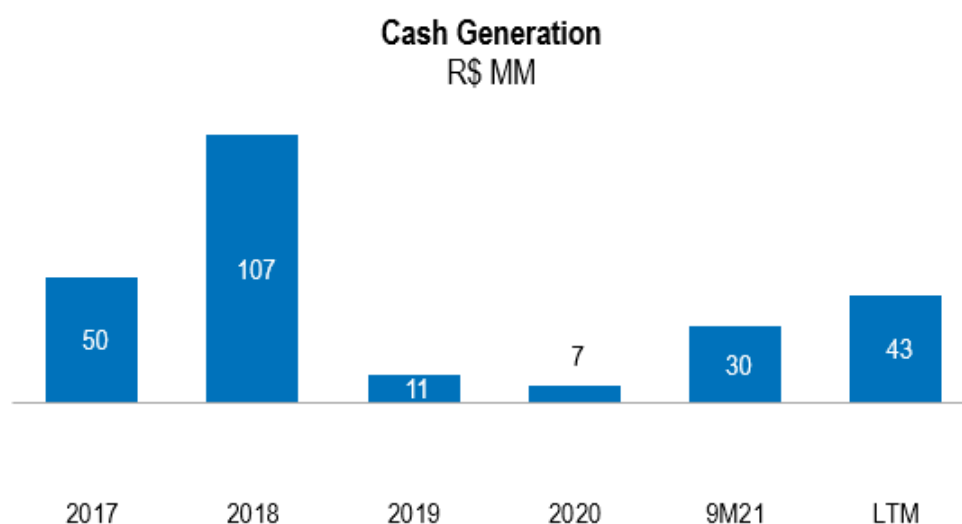
About 45.8% of our liabilities are linked to financing of our construction projects and we still have a volume of financing to be disbursed of R\$ 397 million, which, together with the volume of Accounts Receivable of units already sold, offer great comfort to support the growth of operation in the upcoming years.

Net Debt (R\$ '000)	9/30/2021	12/31/2020	Δ %
(+) Loans and Financing	288,375	133,886	115.4%
(-) Cash and Cash Equivalent	300,355	119,256	151.9%
(=) Net Debt	(11,980)	14,630	-181.9%
(=) Equity	465,098	372,315	24.9%
Net Debt/ Equity	-2.6%	3.9%	-6.5p.p.

The Company still has an unleveraged capital structure, which allows for an accelerated growth of the operation using this room for leverage. Considering the progress of our works and the average cycle of our receivables, we do not foresee a higher leveraged balance, with the PX2 growth plan, we have room to complete the plan without greatly destabilizing our balance.

Cash Burn

For the fourth consecutive year, the Company presents itself with a positive cash generation, mainly due an increase in sales receivables flow, mostly in the high-income segment, with shorter periods between receivables and aligned with our construction projects.





Even though we have this healthier cash scenario, the company remains alert to challenges and market opportunities in all segments in the regions where it operates, aiming to rebuild its landbank to maintain an even more sustainable level of growth in the upcoming years, our financial discipline, efficient allocation of capital and focus on profitability will continue to be the main pillars in the conduct of our business.



Appendices

Consolidated Income Statement

Income Statement (R\$ '000)	3T21	3T20	Δ %	9M21	9M20	Δ %
Net operating Revenue	182,248	135,666	34.3%	548,913	290,897	88.7%
Cost of properties sold	(108,785)	(85,092)	27.8%	(336,038)	(175,480)	91.5%
Gross profit	73,463	50,574	45.3%	212,875	115,417	84.4%
Gross profit margin	40.31%	37.28%	3.03 p.p.	38.78%	39.68%	-2.3%
Operating income (expenses)	(32,931)	(17,752)	86%	(81,142)	(49,651)	63.4%
General and administrative expenses	(10,100)	(8,266)	22%	(29,550)	(22,429)	31.7%
Selling expenses	(17,113)	(7,117)	140%	(38,293)	(18,583)	106.1%
Other operating income (expenses), net	(5,718)	(2,369)	141%	(13,299)	(8,639)	53.9%
Operating profit (loss)	40,532	32,822	23.5%	131,733	65,766	100.3%
Finance income	3,529	3,106	14%	9,432	8,918	6%
Finance costs	(6,557)	(2,919)	125%	(8,325)	(7,897)	5%
Finance income (costs), net	(3,028)	187	-1719%	1,107	1,021	8%
Equity in the results of investees	(1,119)	443	-353%	(9,234)	2,287	-504%
Profit (loss) before income tax and social contribution	36,385	33,452	9%	123,606	69,074	79%
Income tax and social contribution	(3,860)	(2,089)	85%	(11,690)	(5,532)	111%
Profit (loss) for the period	32,525	31,363	3.7%	111,916	63,542	76.1%
Net Profit Margin	17.85%	23.12%	-5.27 p.p.	20.39%	21.84%	-1.45 p.p.
Attributable to:						
Owners of the company:	9,781	20,386	-52%	49,932	37,162	34%
Non-controlling interests	22,744	10,977	107%	61,984	26,380	135%

3Q21 and 9M21 Earnings Release



Balance Sheet

Assets (R\$ '000)	9/30/2021	12/31/2020	Δ %
Current assets			
Cash and cash equivalents	300,355	119,256	151.9%
Accounts receivable	170,389	142,038	20.0%
Properties for sale	550,916	328,108	67.9%
Taxes recoverable	7,613	5,487	38.7%
Prepaid expenses	22,406	16,186	38.4%
Other receivables	12,752	13,642	-6.5%
Total current assets	1,064,431	624,717	70.4%
Non-current assets			
Financial investments	2,299	2,250	2.2%
Accounts receivable	184,267	97,985	88.1%
Properties for sale	21,468	14,845	44.6%
Judicial deposits	1,166	1,529	-23.7%
Related parties	6,908	6,686	3.3%
Long-term receivables	216,108	123,295	75.3%
Investments	37,461	47,117	-20.5%
Property and equipment	29,697	16,341	81.7%
Right to use lease	5,861	3,430	70.9%
Intangible assets	8,508	10,417	-18.3%
Total non-current assets	297,635	200,600	48.4%
Total assets	1,362,066	825,317	65.0%

Liabilities and Equity (R\$ '000)	9/30/2021	12/31/2020	Δ %
Current liabilities			
Loans and financing	58,916	49,686	18.6%
Leases	2,568	1,486	72.8%
Trade payables	53,649	27,373	96.0%
Salaries and social charges	10,877	4,283	154.0%
Tax liabilities	19,403	15,742	23.3%
Real estate purchase obligations	29,822	54,965	-45.7%
Dividends payable	80	8,235	-99.0%
Advances from customers	414,275	151,075	174.2%
Provision for canceled sales	-	-	n/a
Deferred taxes	-	-	n/a
Other payables	2,035	4,088	-50.2%
Total current liabilities	591,625	316,933	86.7%
Non-current liabilities			
Loans and financing	229,459	84,200	172.5%
Leases	3,412	2,383	43.2%
Real estate purchase obligations	37,113	30,238	22.7%
Advances from customers	0	44	-100.0%
Provision for contingencies	6,502	5,588	16.4%
Provision for real estate maintenance	11,577	8,762	32.1%
Related parties	11,258	2,489	352.3%
Provision for net capital deficiency	6,022	2,365	154.6%
Total non-current liabilities	305,343	136,069	124.4%
Equity			
Capital	269,172	269,172	0.0%
Capital Reserve	259	259	0.0%
Revenue Reserves	15,319	25,697	-40.4%
Retained earnings	49,932	-	n/a
	334,682	295,128	13.4%
Non-controlling interests	130,416	77,187	69.0%
Total equity	465,098	372,315	24.9%
Total liabilities and equity	1,362,066	825,317	65.0%

3Q21 and 9M21 Earnings Release

Cash Flow Statement



Cash Flows (R\$ '000)	9/30/2021	12/31/2020	Δ %
Cash flows from operating activities			
Profit for the year	111,916	63,542	76.1%
Adjustments to reconcile profit with cash flows from operating activities			
Depreciation and amortization	7,800	7,071	10.3%
Present value adjustment of receivables	(4,194)	(3,771)	11.2%
Equity in the results of investees	9,234	(2,287)	-503.8%
Provision for real estate maintenance	1,569	447	251.0%
Provision for labor, civil, and tax contingencies	2,367	1,819	30.1%
Provision for losses on subsidiaries	-	-	n/a
Provision for interest on loans and financing	11,852	4,578	158.9%
Income tax and social contribution	11,690	5,532	111.3%
Write-off of fixed assets	698	-	
	152,932	76,931	98.8%
Changes in working capital			
Increase (decrease) in assets and liabilities			
Accounts receivable	(110,439)	(72,435)	52.5%
Properties for sale	(229,431)	(6,948)	3202.1%
Taxes recoverable	(2,126)	(543)	291.5%
Other assets	(4,967)	(9,731)	-49.0%
Trade payables	26,276	(110)	-23987.3%
Salaries and social charges	6,594	4,148	59.0%
Tax liabilities	(2,667)	3,094	-186.2%
Real estate purchase obligations	(18,268)	2,875	-735.4%
Advances from customers	263,156	17,846	1374.6%
Other liabilities	(1,457)	(2,769)	-47.4%
Amounts paid for civil, labor and tax contingencies	(1,453)	-	n/a
	(74,782)	(64,573)	15.8%
Interest paid	(10,655)	(3,426)	211.0%
Income tax and social contribution paid	(5,362)	(1,924)	178.7%
Net cash provided by (used in) operating activities	62,133	7,008	786.6%
Cash flows from investing activities			
Changes in restricted financial investments	(49)	(45)	8.9%
Capital contribution in investees	-	-	n/a
Advances to related parties	8,547	11,284	-24.3%
Contributions to investments	4,079	(2,198)	-285.6%
Purchases of property and equipment and intangible assets	(19,645)	(5,496)	257.4%
Net cash used in investing activities	(7,068)	3,545	-299.4%
Cash flows from financing activities			
New loans and financing	236,797	-	n/a
Repayment of loans and financing - principal	(83,506)	(48,625)	71.7%
Dividends paid	(18,502)	-	n/a
Distributions to non-controlling interests, net	(8,755)	(9,785)	-10.5%
	-	78,640	0.0%
Net cash provided by (used in) financing activities	126,034	20,230	523.0%
Net increase in cash and cash equivalents	181,099	30,783	488.3%
Cash changes			
Cash and cash equivalents at the beginning of the year	119,256	50,234	137.4%
Cash and cash equivalents at the end of the year	300,355	81,017	270.7%
Increase in cash and cash equivalents	181,099	30,783	488.3%



Glossary

Landbank 100% - total amount of PSV of all lands owner by the Company or which the Company has a stake.

Landbank % Patrimar – total amount of PSV of all lands owner by the Company or which the Company has a stake, except for swap units and partners' participation, in other words, the net PSV the lands owner Company.

Launches 100% - total amount of the PSV for the already launched projects, at launch prices, considering eventual swaps of units and partners participation in these enterprises.

Launches % Patrimar – total amount of the PSV for the already launched projects, at launch prices, not considering swap units and partners participation, in other words, only considers the percentage of Net PSV belonging to the Company.

Contracted Sales - PSV arising from real estate sales contracts concluded in a given period, including the sale of units launched in the period and the sale of units in inventory. Does not consists swap units. 100% Contracted sales refer to all trading units within the period (except swap units) and % Patrimar contracted sales refer to the percentage of participation of the Company in such sales, not considering partners participation.

Net Contracted Sales – Contracted Sales minus the value of the cancelations in the period.

Sales Speed – Sales Speed over Supply.

Gross Sales Speed – $\text{Gross Sales} / (\text{Beginning Period Inventory} + \text{Period Launches})$

Net Sales Speed – $\text{Net Sales} / (\text{Beginning Period Inventory} + \text{Period Launches})$

PSV – Potential Sales Value

This document contains statements related to prospects and statements about future events that are subject to risks and uncertainties. Such information is based on the beliefs and assumptions of the management of Patrimar S.A. ("Company") and information that the Company currently has access to. Currently these statements may refer to the Company's ability to manage its business and financial liquidity during and after the COVID-19 related pandemic as well as the impact of this pandemic on the results of its operations. Forward-looking statements include information about our current intentions. Beliefs or expectations as well as those of the Company's management members.

Forward-looking statements and information are not performance guarantees. They involve risks, uncertainties and assumptions because they refer to future events, depending on circumstances that may or may not occur. Future results and value creation for shareholders may differ significantly from those expressed or suggested by forward-looking statements. Many of the factors that will determine these results and values are beyond our ability to control or predict.



Relationship with Independent Auditors

The Company's policy in contracting the services of independent auditors ensures there is no conflict of interests, loss of independence or objectivity. According to CVM Directive 381/03, we hereby inform our independent auditors - PricewaterhouseCoopers ("PWC") - have provided, in the 9 months of 2021, services other than those relative to external audit and other previously agreed services relative to the Initial Public Offer operation (IPO). In PWC's case, considering that the services and procedures were agreed beforehand, according to the contracting letter, were different and did not mix with the object and procedures of an audit or review of the Company's financial statements, according to the audit/review standards applicable in Brazil, PWC understands that the provision of previously agreed services does not impact the independence and objectivity necessary for performing external audit services.