

Earnings Release

3Q23 & 9M23

Belo Horizonte, November 13th, 2023 - Patrimar Engenharia S.A. ("Patrimar" or "Group"), one of the largest developers and builders in Brazil, operating in the economic, middle-income and high-income levels (luxury and high luxury products), discloses its operational and financial results for the third quarter of 2023 ("3Q23"). Unless otherwise indicated, the information in this document is expressed in Brazilian Reais (R\$) and the Potential Sales Value ("PSV") demonstrates the consolidated value (100%).

Highlights

Net sales of **R\$ 490.3 million** in 3Q23, a 93% increase compared to 3Q22, and **R\$ 1.1 billion** in 9M23, a 96% increase compared to 9M22.

Launch of **R\$ 1.3 billion** in 9M23, a 26% increase compared to 9M22.

The Net Revenue in the last 12 months is **R\$ 1,178.7** million, a 20% increase compared to 3Q22 LTM.



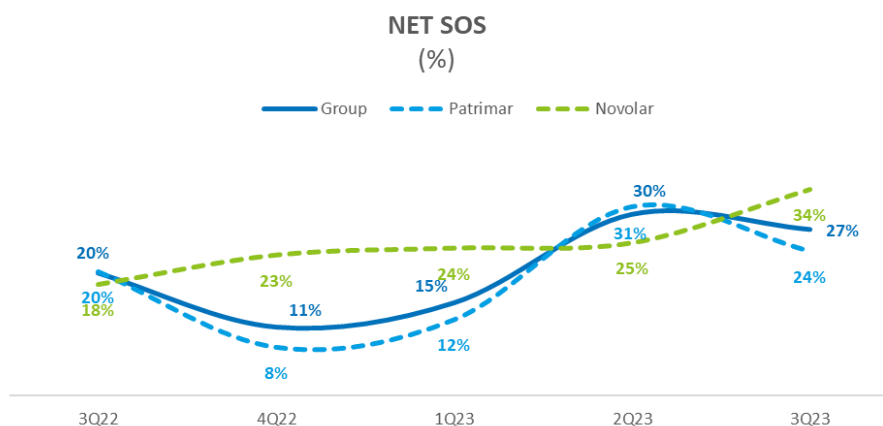
Message from the Management

It is with great enthusiasm that we present our operational and financial results for the third quarter of 2023 (3Q23) and for the nine months of 2023 (9M23). This was a record-breaking quarter on various fronts of our business, consolidating our operations in the states of Minas Gerais, Rio de Janeiro, and São Paulo.

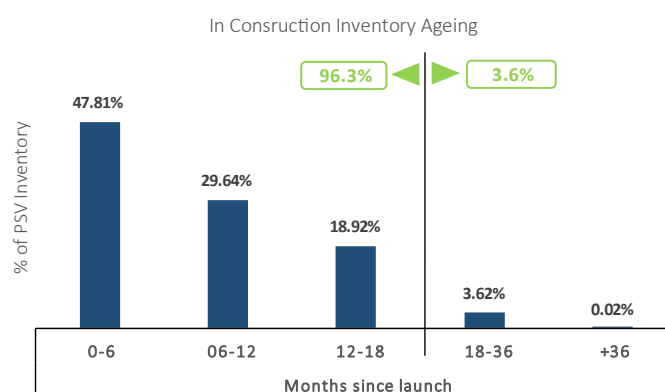
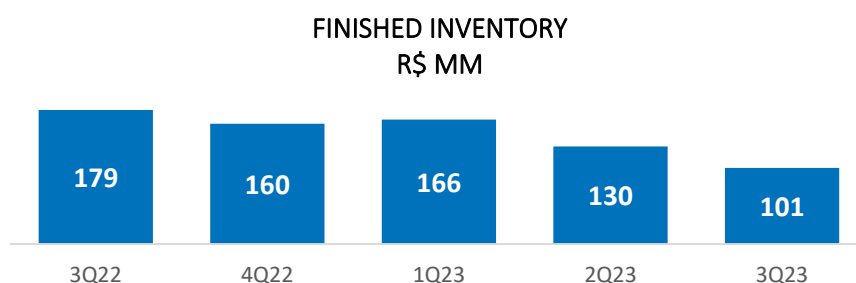
After a six-year hiatus, we resumed launches in the interior of São Paulo, specifically in São Jose dos Campos, where we experienced great success. We maintained our pace of successful launches in Rio de Janeiro and Minas Gerais, with excellent absorption of products, generating a significant Sales Velocity (VSO), even with launches concentrated at the end of the quarter. Our sales continue to be strong for both brands: Patrimar and Novolar.

The fourth quarter of 2023 has already started at a fast pace, with sales reaching R\$ 138 million and a portfolio receipt flow exceeding R\$ 95 million in October alone. At the end of October, we concluded the issuance of the Real Estate Receivables Certificate (CRI) in the final amount of R\$ 200 million, at a cost of CDI+2.00% per annum, which will be used in the development of our ventures and in extending the maturity profile of our liabilities.

Our ventures continue to show high absorption, with a healthy VSO in all segments, even with the significant launch of Grand Quartier in Rio de Janeiro, with a total value of R\$ 408.7 million in Gross Sales Value (VGV) (R\$ 328.4 million in %Patrimar), which occurred on the last day of the quarter. On this day alone, the venture achieved a reservation volume of R\$ 210 million in total, with part of the sales finalized on the same day and the remainder in the month of October.

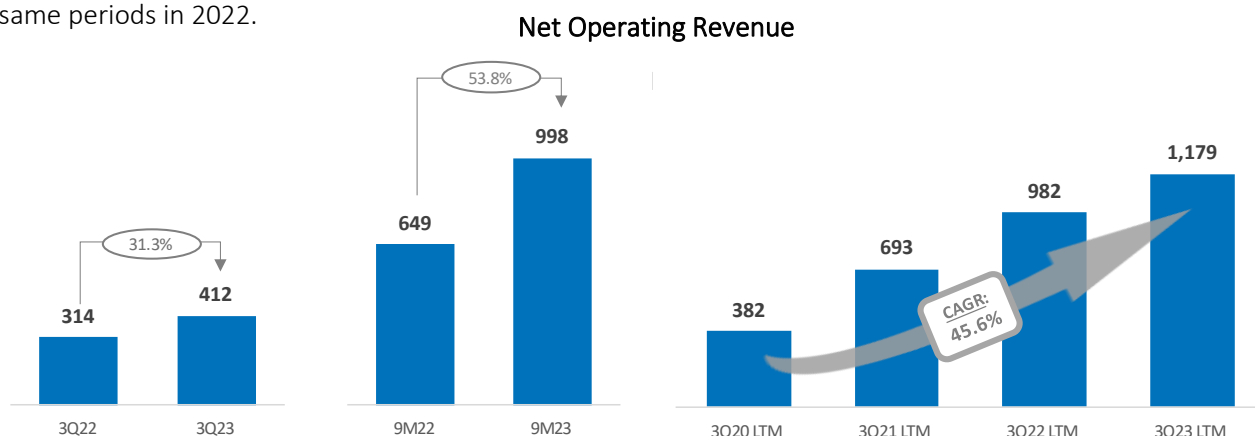


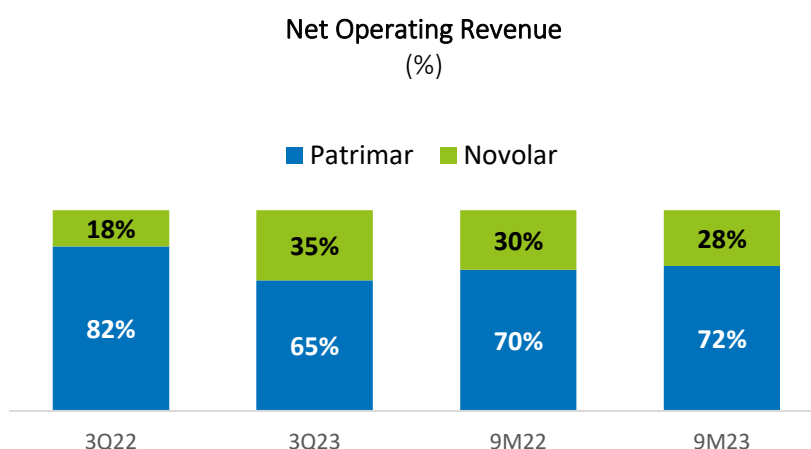
Despite the increase in the inventory of available products, the average age of this inventory is low. In other words, our products continue to experience high absorption in the markets. The inventory of completed ventures has dropped to just 8% of our total inventory, also showing a decrease in absolute value.



Business Growth

In 3Q23, we achieved a historical record of sales, reaching R\$ 490 million. In the accumulated nine months of 2023, we reached R\$ 1.14 billion, already 56% higher than the total achieved in all of 2022. In the last twelve months ending on September 30, 2023, we reached sales of R\$ 1.28 billion, an absolute record. These factors, combined with our accelerated productive activity, substantially increased our net revenue compared to the same periods in 2022.





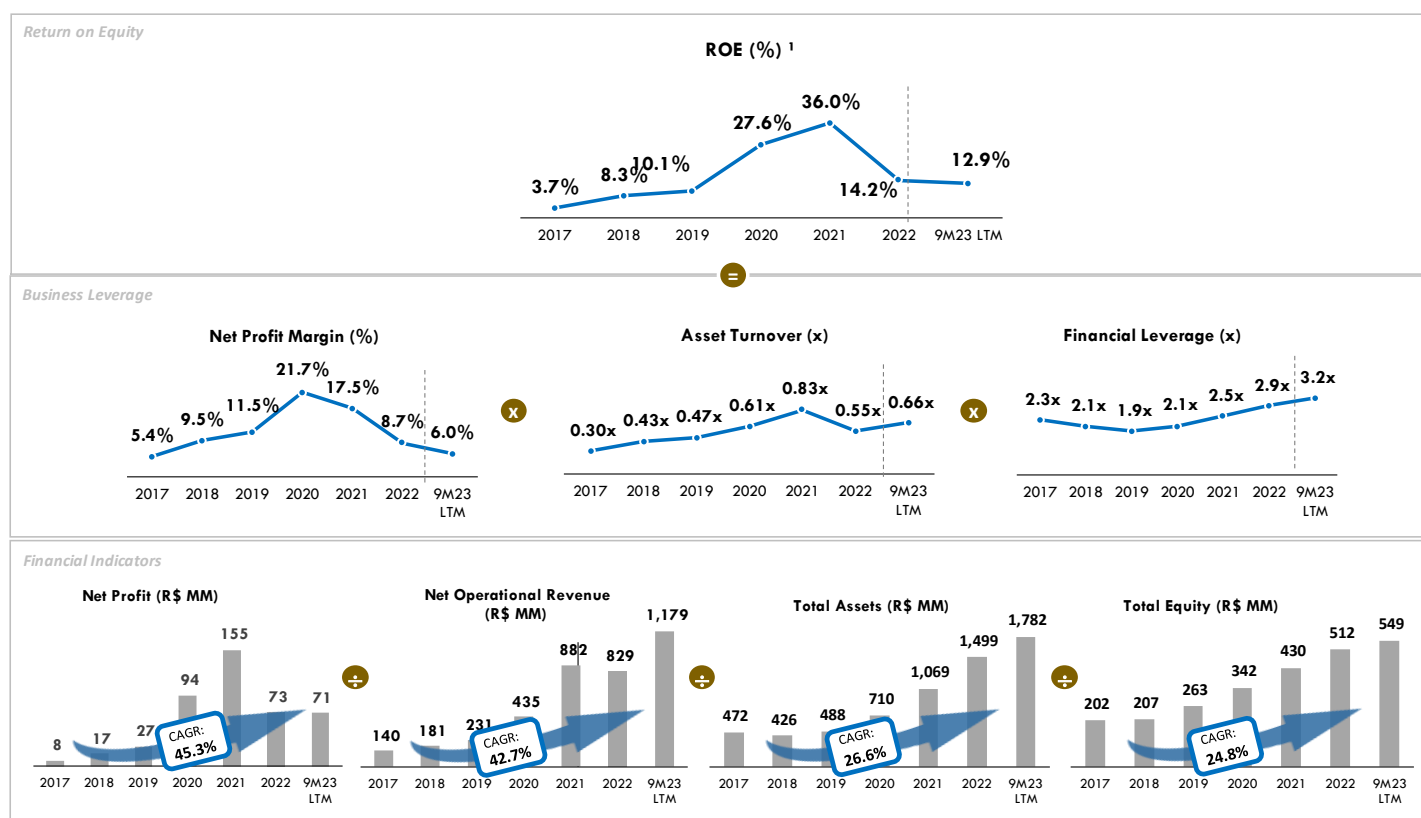
Despite the continuous growth of operations in the economic and middle-income segments, which are below the Novolar brand, the crop of large launches with rapid absorption carried out from 2021 at Patrimar still keeps the net revenue largely in our high-end segment. With new launches and the expansion of our operation within the Minha Casa Minha Vida program, we expect this mix to become more balanced in the coming years.

Maintaining confidence in our operating markets and advancing our growth strategy in the economic segment, we concluded, during 3Q23, the acquisition of an additional R\$ 583 million in Gross Sales Value (VGV) in landbank, 100% Novolar. In the year, the newly acquired plots already total more than R\$ 900 million in VGV. The most of acquisitions were made through swaps, physical or financial, with low cash commitment. We currently have around R\$ 2.0 billion in VGV of land in our pipeline with a more advanced status, which can be concluded in the coming months.

Our operating markets have significant growth potential. A recent census survey by the consultancy *Brain Inteligência Estratégica*, hired by the Company, indicates that our current operating markets have a total potential market demand coverage of only 12.0% in Belo Horizonte and the metropolitan region, 7.0% in Rio de Janeiro and the metropolitan region, and 0.4% in certain selected cities in the interior of São Paulo. This percentage of supply over potential demand considers all three markets: high-income, middle-income, and economic. These data give us good growth prospects and opportunities for market share gains in the markets we operate. Our growth will come from these markets in all three segments."

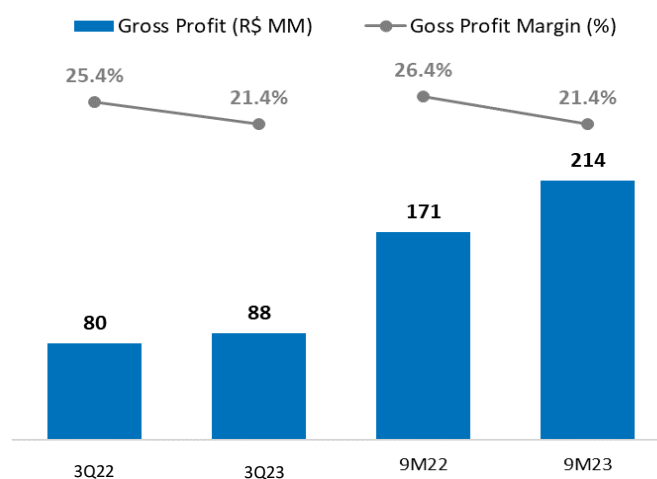
Business Profitability

We continue to maintain our focus on profitability, specifically on Return on Equity (ROE), a metric that guides our internal assessments and measures the success of our businesses. We believe in investments with optimized capital allocation, delivering returns and appropriate remuneration to shareholders and partners. The effects of a proportional increase in ventures with higher margins in our revenue mix and the operational leverage resulting from our investments in business management are yielding improved returns on equity every quarter.



Our gross margin showed a gradual improvement in 3Q23 compared to the previous quarter, reaching 20.0%. This improvement follows the recovery trend with the absence of legacy ventures launched in 2020, which experienced stronger budget adjustments due to cost inflation exceeding what the inflation index could capture. Additionally, we observed better margins in the sales of recently launched ventures. We anticipate a continued improvement in margins in the coming quarters.

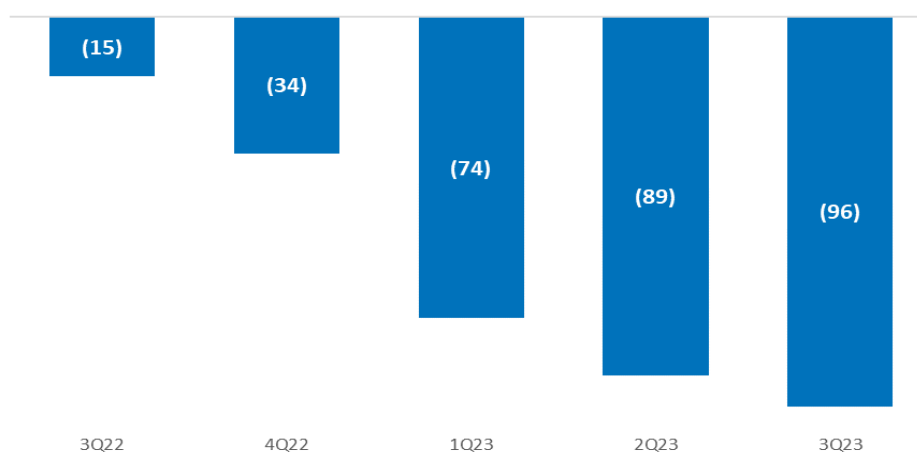
GROSS PROFIT



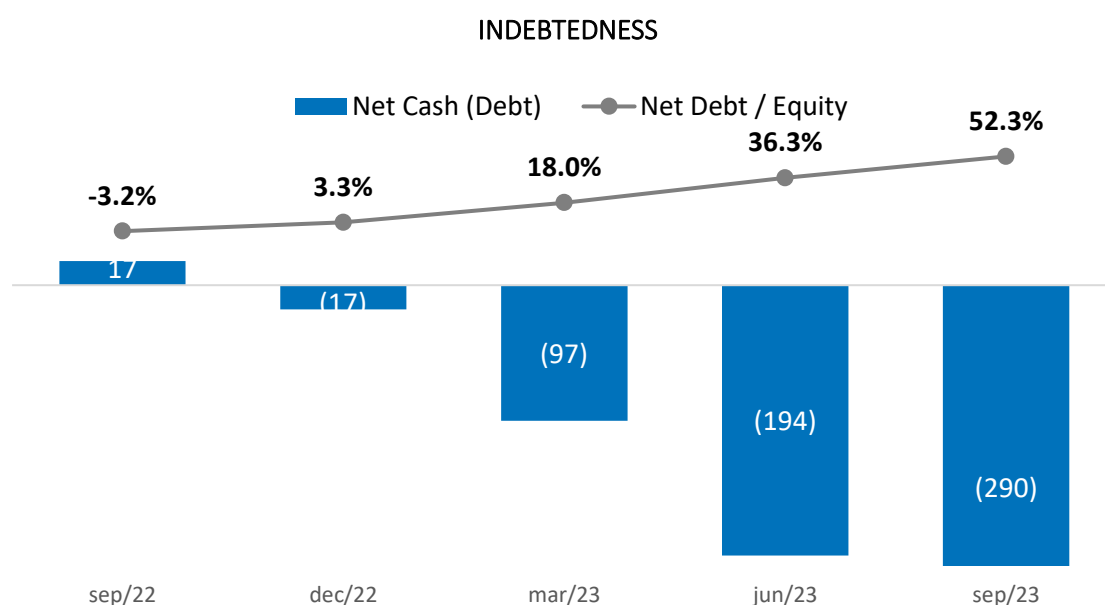
Leverage, Liquidity, and Financial Discipline

The cash burn in 3Q23 is tied to the ongoing acceleration of the construction and investment cycle in our portfolio. Of the cash burn presented in 3Q23, approximately R\$ 40 million is related to land acquisitions, R\$ 205 million is allocated to construction investments, and roughly R\$ 4 million pertains to dividends and payments to partners in our ventures.

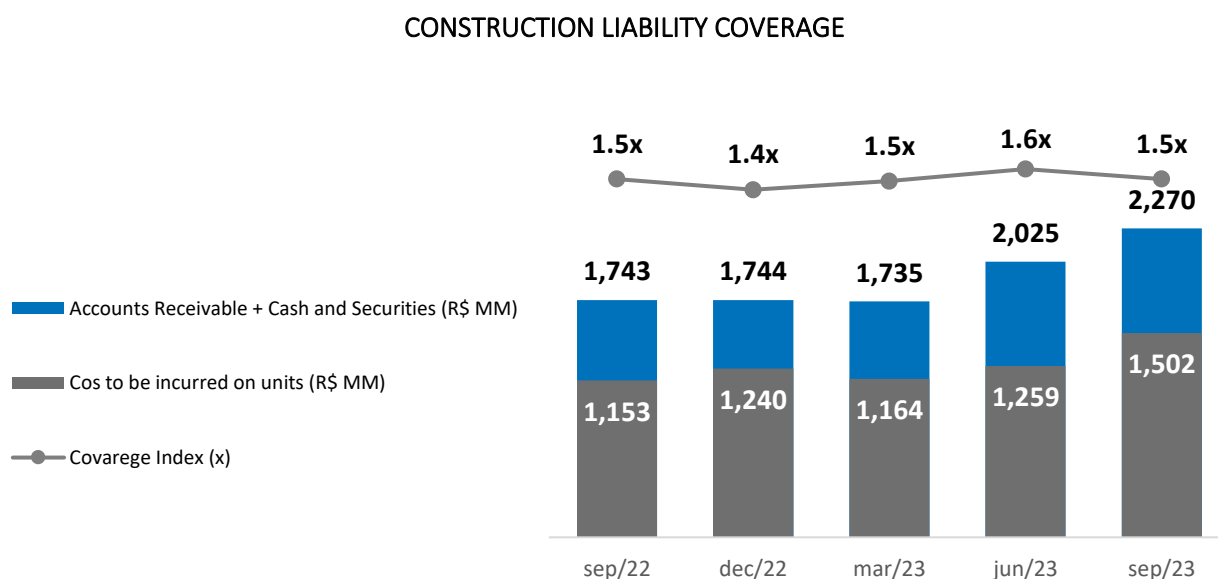
CASH BURN (RS MM)



Our expectation for 4Q23 is deleveraging and cash generation in the quarter due to receipts from sales already made for projects that are nearing completion, sales of completed unit inventories, and other measures aimed at increasing cash generation in 4Q23. With these initiatives and the gradual improvement in results, we anticipate reducing our leverage by the end of 2023 and maintaining stability throughout 2024, balancing growth, profitability, and financial discipline.

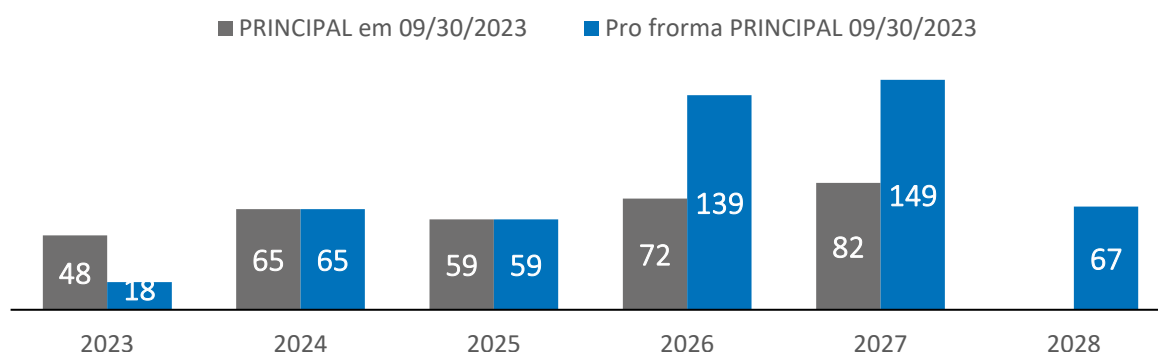


Our overall liquidity remains comfortable for the pace of growth and the requirements to deliver the launched ventures.



With the issuance and settlement of the Real Estate Receivables Certificate (CRI) in October, totaling R\$ 200 million, we seized the opportunity to lengthen and reduce the cost of our liability. We prepaid some financial obligations with banks amounting to R\$ 30.3 million and are exploring other liability adjustments to reduce costs and extend the liability profile. This includes some discounted prepayments of land obligations aimed at improving margins. Considering the transactions in October, the maturity schedule of our liabilities, pro-forma as of September 30, 2023, is as follows.

CORPORATE DEBT SCHEDULE



DRE per business Unit

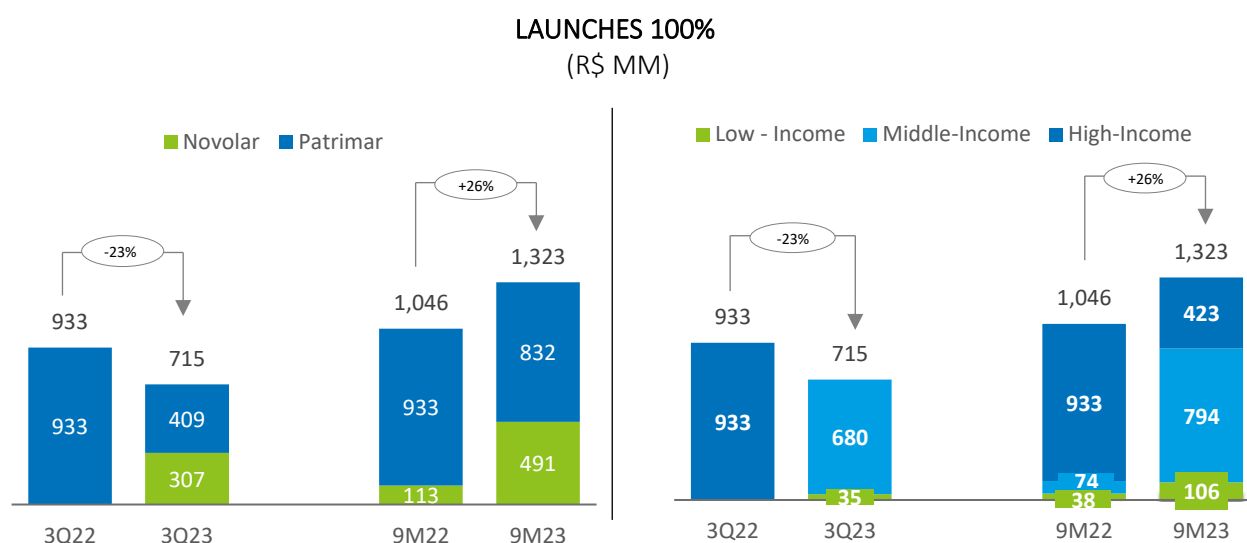
INCOME STATEMENT (R\$ M, unless otherwise indicated)	CONSOLIDATED	PATRIMAR	NOVOLAR	CORPORATE
Net operating Revenue	998,085	751,404	246,681	-
Cost of properties sold	(784,536)	(601,484)	(183,052)	-
Gross profit	213,549	149,920	63,629	-
Gross profit margin	21.4%	20.0%	25.8%	-
Operating income (expenses)	(128,409)	(57,898)	(35,544)	(34,967)
General and administrative expenses	(49,752)	(7,169)	(6,936)	(35,647)
Selling expenses	(69,824)	(42,373)	(27,259)	(191)
Other operating income (expenses), net	(8,833)	(8,356)	(1,349)	872
Operating profit (loss)	85,140	92,022	28,085	(34,967)
Finance income	35,788	26,424	6,816	2,547
Finance costs	(36,712)	(925)	(305)	(35,482)
Finance income (costs), net	(924)	25,499	6,511	(32,934)
Equity in the results of investees	(2,006)	1,413	(3,419)	-
Profit (loss) before income tax and socia	82,210	118,934	31,178	(67,901)
Income tax and social contribution	(19,778)	(14,598)	(5,179)	-
Profit (loss) for the period	62,433	104,335	25,998	(67,901)
Net Profit Margin	6.3%	13.9%	10.5%	-

Operational Performance

Launches

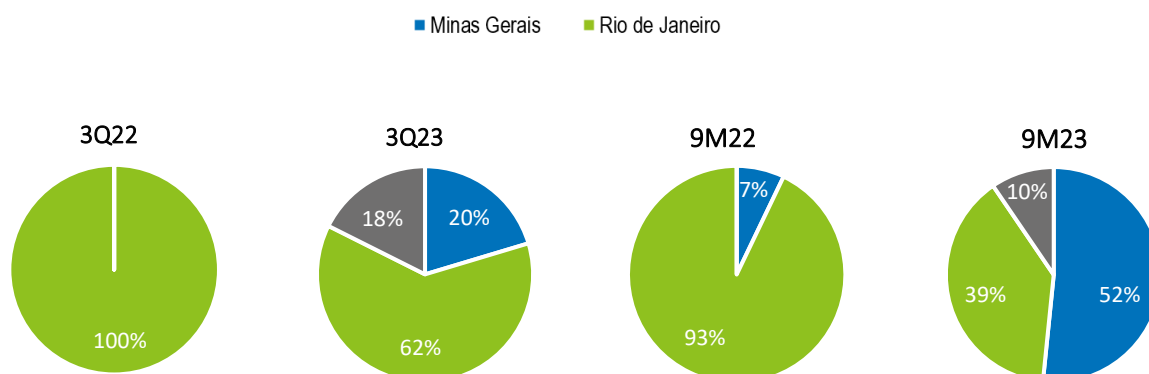
The third quarter of 2023 was marked by significant launches in the middle-income and economic segments, totaling R\$ 715 million.

The %Patrimar share of launches in 3Q23 was 87%, and in 9M23, it was 73%.



This quarter, we strengthened our geographical diversity by launching projects in all three states where we operate, with a particular emphasis on São Paulo, marking our first middle-income launch in the state.

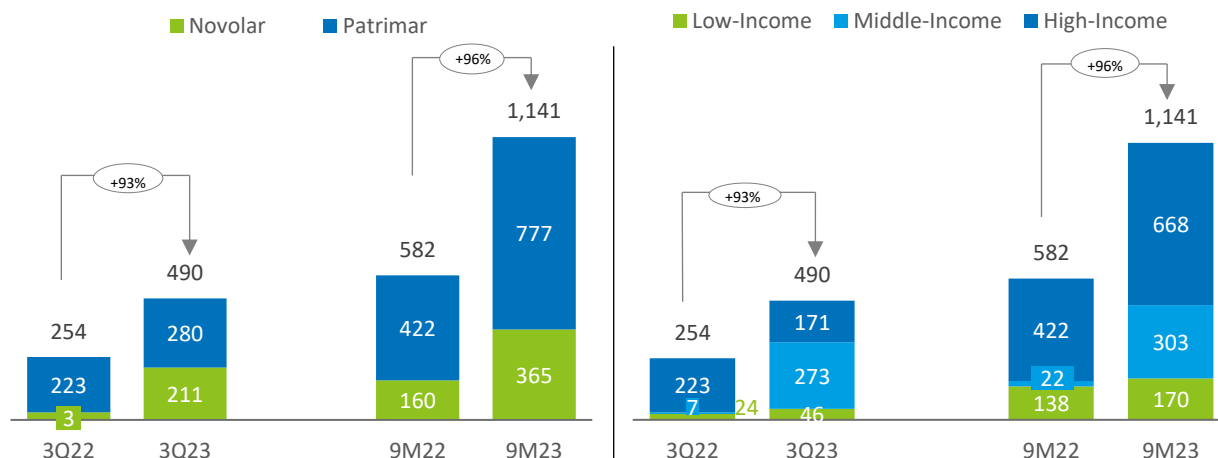
LAUNCHES 100%, BY REGION (%)



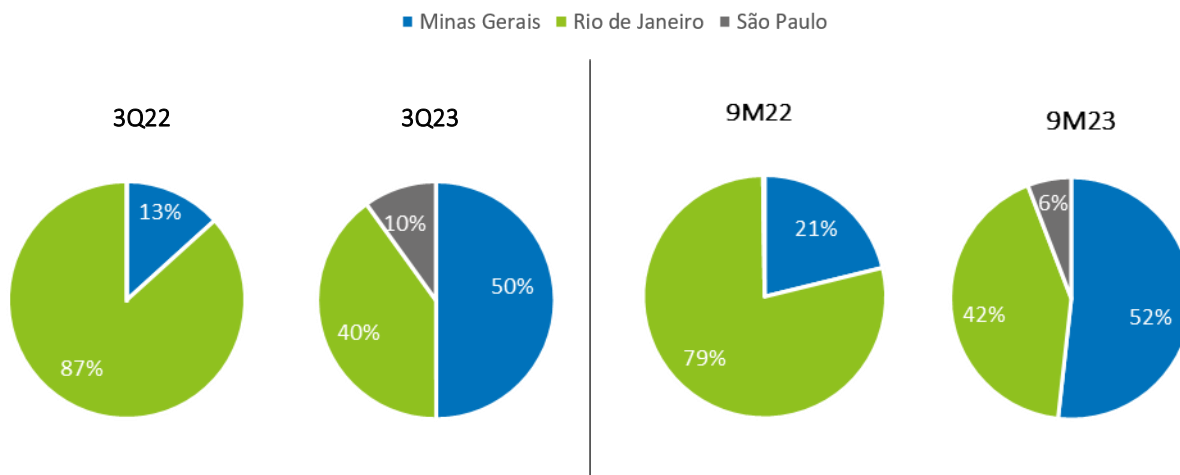
Sales

In an absolute record in the company's history, we surpassed over R\$ 1.1 billion in sales with still three months remaining in the year. The %Patrimar share of sales in 3Q23 was 90%, and in 9M23, it was 79%.

NET SALES 100% (R\$ MM)



NET SALES 100%, BY REGION (%)



SALES SOURCE (%)

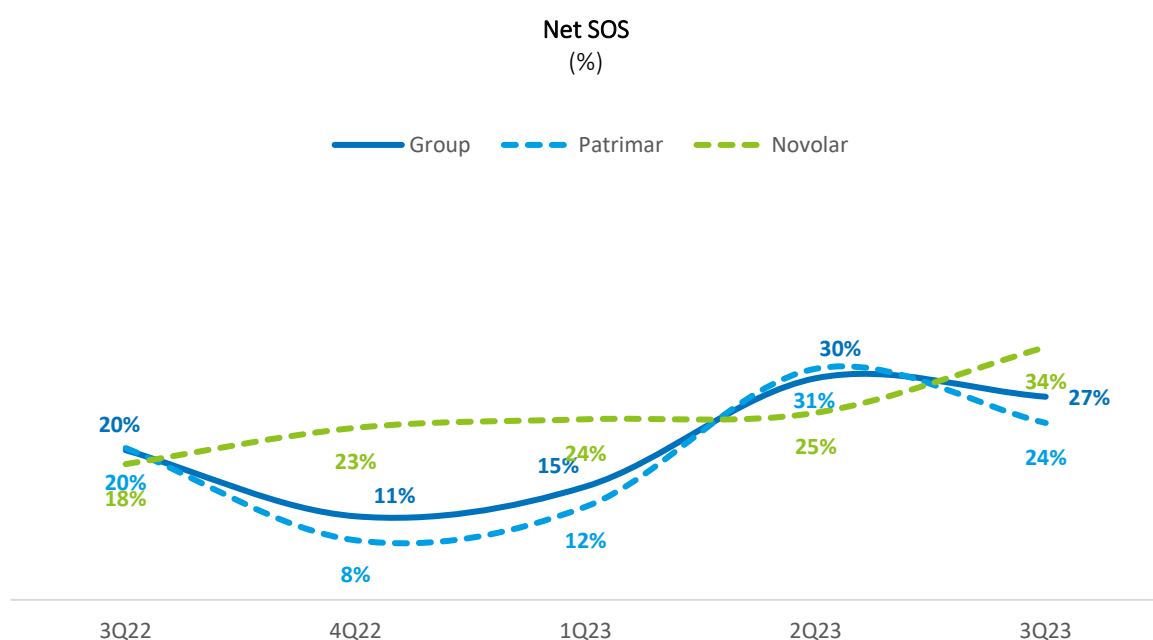
■ LAUNCHES ■ INVENTORY



Net Contracted Sales (R\$ '000)	3Q23 (a)	3Q22 (b)	Δ% (a/b)	9M23 (c)	9M22 (d)	Δ% (c/d)
PSV 100% (R\$ Thousand)	490,277	253,753	93%	1,141,169	582,480	96%
Patrimar	279,524	222,787	25%	776,565	422,346	84%
High-Income	171,101	222,787	-23%	668,141	422,346	58%
Middle-Income	108,423	-	0%	108,423	-	0%
Novolar	210,753	30,966	581%	364,604	160,134	128%
Middle-Income	165,036	6,506	2436%	194,356	21,923	787%
Low-Income	45,717	24,460	87%	170,248	138,212	23%
PSV % Patrimar (R\$ Thousand)	439,909	238,639	84%	904,290	529,324	71%
Patrimar	242,311	209,689	16%	587,240	374,324	57%
High-Income	133,887	209,689	-36%	478,817	374,324	28%
Middle-Income	108,423	-	0%	108,423	-	0%
Novolar	197,599	28,950	583%	317,050	155,000	105%
Middle-Income	164,609	4,739	3374%	191,792	18,923	914%
Low-Income	32,990	24,211	36%	125,258	136,077	-8%
Units Contracted	685	214	220%	1,447	796	82%
Patrimar	136	81	68%	258	141	83%
High-Income	41	81	-49%	163	141	16%
Middle-Income	95	-	0%	95	-	0%
Novolar	549	133	313%	1,189	655	82%
Middle-Income	347	15	2213%	419	44	852%
Econômico	202	118	71%	770	611	26%
Average Price (R\$ Thousand/ Unit)	716	1,186	-40%	789	732	8%
Patrimar	2,055	2,750	-25%	3,010	2,995	0%
High-Income	4,173	2,750	52%	4,099	2,995	37%
Middle-Income	1,141	-	0%	1,141	-	0%
Novolar	384	233	65%	307	244	25%
Middle-Income	476	434	10%	464	498	-7%
Low-Income	226	207	9%	221	226	-2%

SOS - (Sales Speed) – Sales over Supply

The implementation of the new guidelines for the Minha Casa Minha Vida program, combined with major launches, has led to a significant increase in Novolar's Sales Velocity (VSO). Patrimar also maintains impressive sales figures, despite a slight decline compared to the previous quarter, particularly affected this quarter by the launch of Grand Quartier on the last day of the quarter.

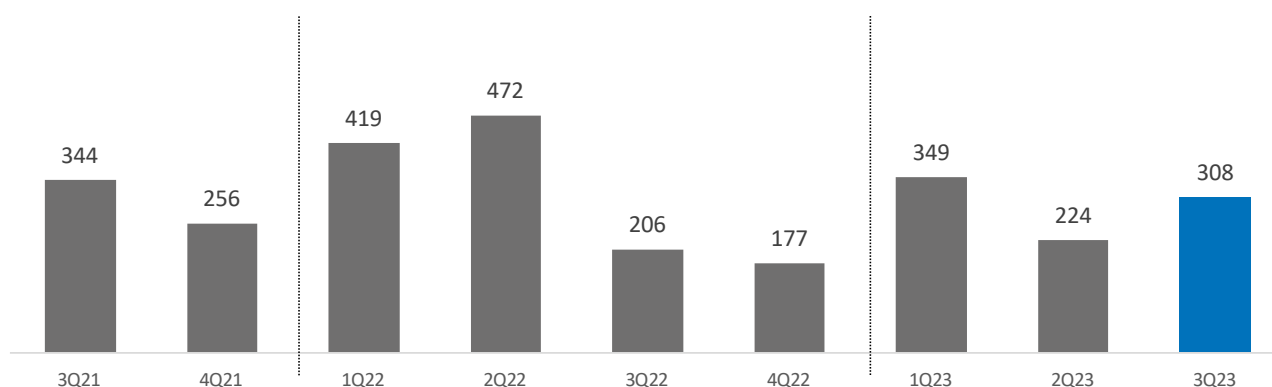


Sales Speed	3Q22	4Q22	1Q23	2Q23	3Q23
SOS Group (%)	20%	11%	15%	30%	27%
SOS Patrimar (%)	20%	8%	12%	31%	24%
Sales Patrimar	222,787	82,528	120,336	376,704	279,524
Offer Patrimar	1,098,474	1,042,369	966,671	1,220,877	1,181,922
Opening Stock	504,791	893,159	966,671	859,559	855,230
Launches	593,683	149,210	-	361,318	326,692
SOS Novolar (%)	18%	23%	24%	25%	34%
Sales Novolar	30,966	64,556	69,814	84,037	210,753
Offer Novolar	170,877	281,127	289,602	336,508	623,515
Opening Stock	170,877	145,405	219,158	223,465	328,705
Launches	-	135,723	70,443	113,044	294,810

Transfers

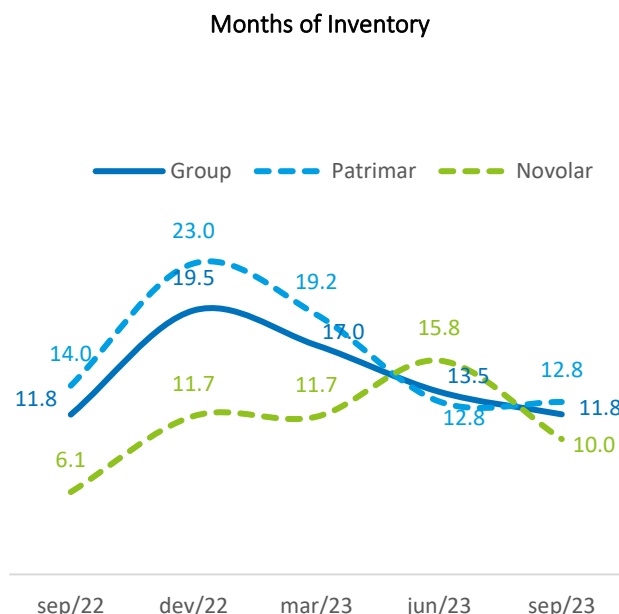
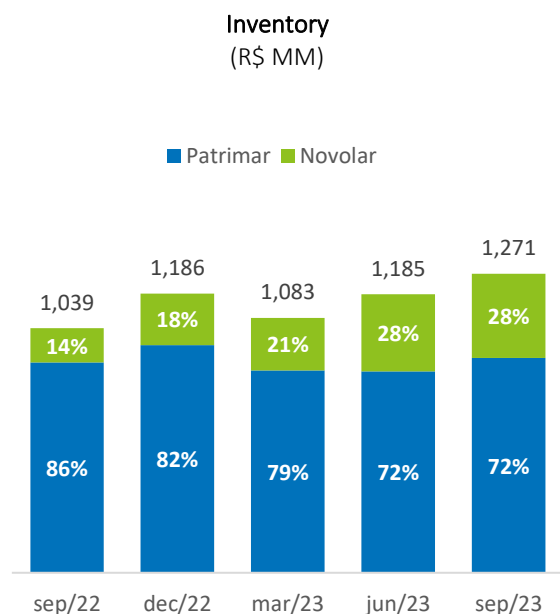
The number of transfers conducted was within expectations in 3Q23, reaching a total value of R\$67.6 million, with Novolar accounting for over 90% of the total transferred in the quarter.

TRANSFERS

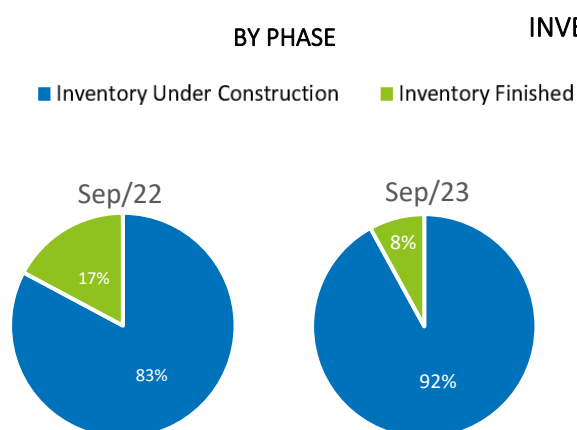


Inventory

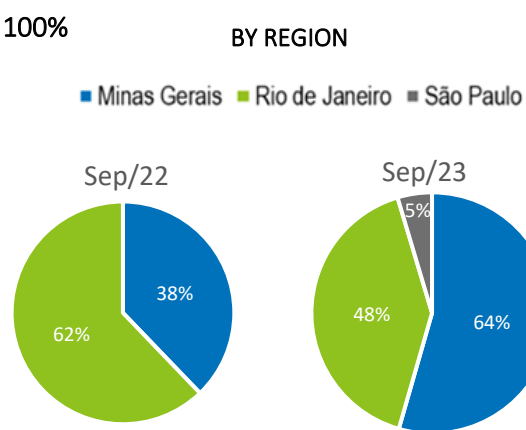
With the pace of launches in 3Q23, our inventory increased by 7.2% compared to the end of the previous quarter and by 7.2% compared to the closing of 2022. Our inventory turnover, supported by our sales force, has remained at low levels, and upcoming launches are planned to better align with demand.



With the increase in completed unit sales and the addition of new units to our inventory through recent With the increase in sales of completed units and the addition of new units to the inventory due to the volume of launches in the period, the proportion of completed inventory to the total reached the lowest level in recent quarters.



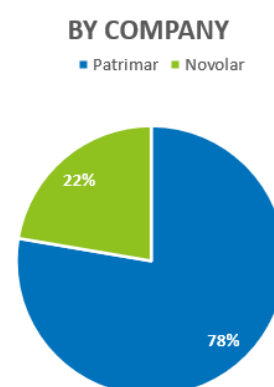
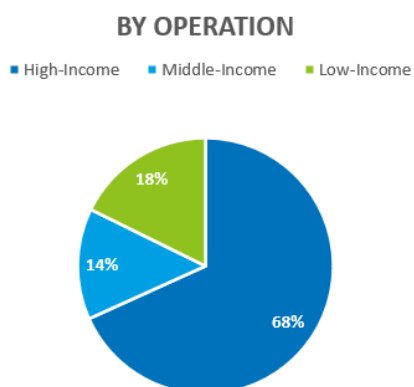
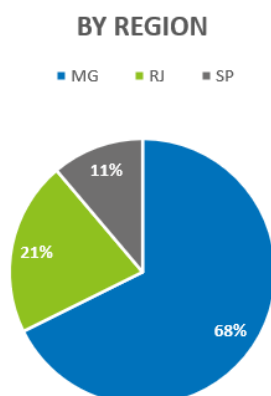
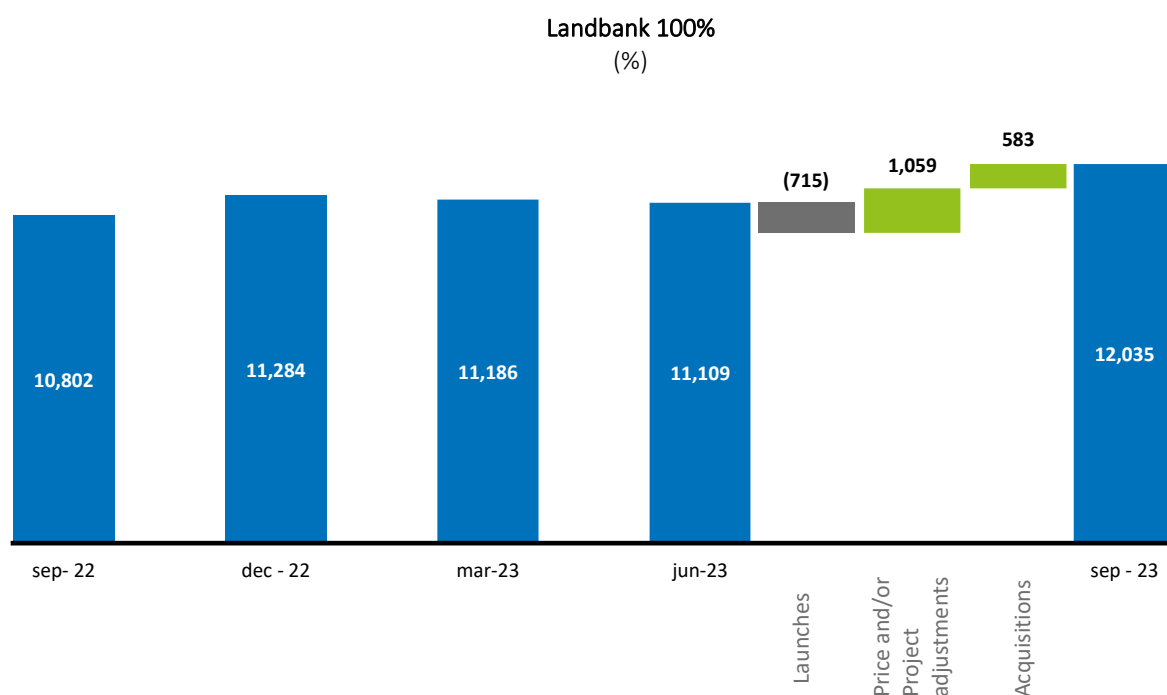
INVENTORY 100% (%)



Landbank

Despite the launches, the landbank showed growth compared to previous quarters.

We continue our journey to expand the landbank to support our growth. Our landbank comprises more than 14 thousand units, with %Patrimar standing at 69% as of September 30, 2023.



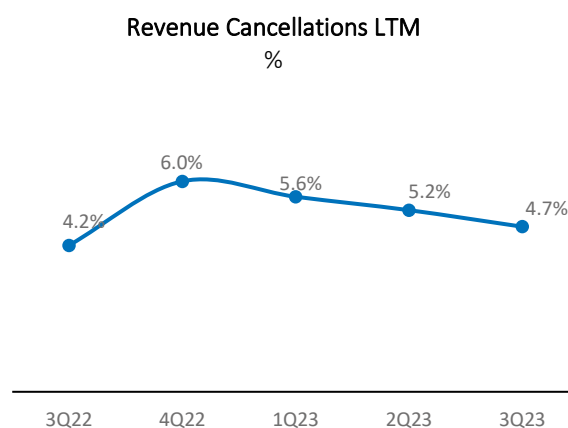
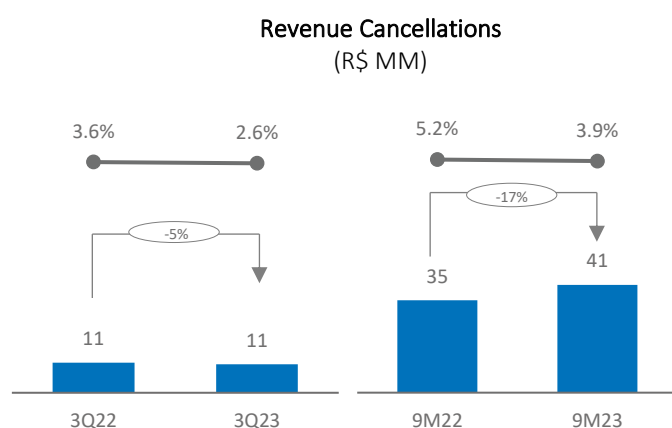
Financial Performance

Net Income

Net Operation Revenue (R\$ '000)	3Q23	3Q22	Δ %	9M23	9M22	Δ %
Gross revenue from properties sales	421,360	320,401	31.5%	1,044,734	680,590	53.5%
Service Revenue	1,260	6,155	-79.5%	1,988	8,229	-75.8%
Gross Revenue	422,620	326,556	29.4%	1,046,722	688,819	52.0%
Canceled Sales	(10,833)	(11,463)	-5.5%	(41,010)	(34,931)	17.4%
Allowance for doubtful account	(1,217)	-	-	(2,503)	-	0.0%
Provision (reversal) for contract terminations	3,140	1,202	161.2%	39	934	-95.8%
AVP - Adjustment to present value	5,781	2,559	125.9%	13,913	6,714	107.2%
Deduction and taxes	(7,734)	(5,310)	45.6%	(19,076)	(12,756)	49.5%
Net operational revenue	411,757	313,544	31.3%	998,085	648,780	53.8%

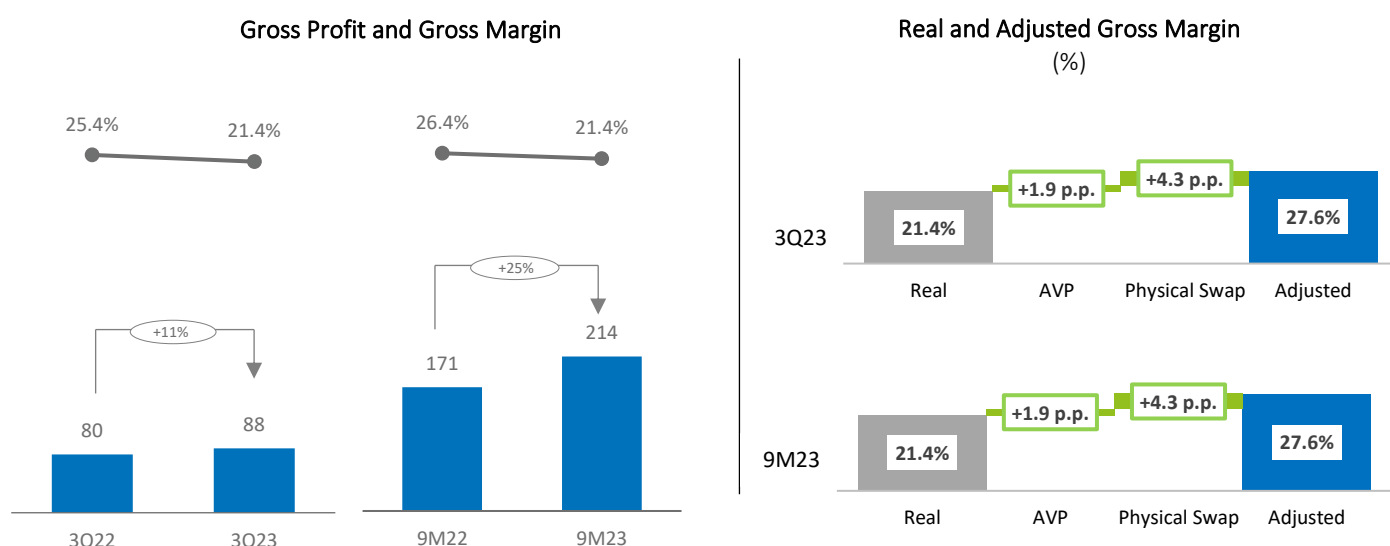
Revenue Growth in 3Q23 compared to 3Q22, as well as in 9M23 against 9M22, is attributed to sales and construction activity. Sales volumes and our average ticket prices increased in 9M23 compared to 9M22, reflecting the benefits of our brand appreciation strategy, particularly in the Patrimar brand. We accelerated our production activity, taking advantage of a period of reduced competition for labor and lower overall market production activity, results that will be realized throughout the projects with margin improvements.

With the overall improvement in the real estate market sentiment, including consumer expectations, we are returning to historically low cancellation levels typical of our business. With the increase in revenue volume, there naturally was an absolute increase in cancellations, although at a lower proportion, comparatively.



Gross Profit and Gross Margin

We are in the process of gradually improving our gross margin, with new projects presenting better cost predictability and initiatives that will reflect margin improvement in future periods. Specifically in this quarter, the launch of Grand Quartier, despite being highly successful, occurred on the last day of the month. Consequently, the sales volume achieved was not sufficient to significantly offset the effect of the recorded barter, the gross margin of which, by definition, is zero. Additionally, albeit to a lesser extent, we also experienced the untimely effect of AVP (Atualização de Valor de Patrimônio, a Brazilian accounting term referring to equity value adjustment), reflecting high interest rates and our strategy of maintaining prices for Patrimar brand products. This strategy ends up extending our revenue cycle, bringing a lower present value of the contracted portfolio over the result in the initial stages.



MARGIN PER BUSINESS UNIT (9M23)

INCOME STATEMENTE (BRL k, except when indicated otherwise)	CONSOLIDADO	PATRIMAR	NOVOLAR
Net Operating Revenue	998,085	751,404	246,681
Cost of Properties Sold	(784,534)	(601,484)	(183,052)
Gross profit	213,551	149,920	63,629
<i>Gross Profit Margin</i>	21.4%	20.0%	25.8%

Operational Expenses

Operating Expenses (R\$ '000)	3T23	3T22	Δ %	9M23	9M22	Δ %
General and administrative expenses	17,853	14,420	23.8%	49,753	40,339	23.3%
Selling expenses	32,462	19,163	69.4%	69,824	54,485	28.2%
Other operating revenues (expenses)	2,231	(647)	-444.8%	8,838	1,048	743.3%
Total	52,546	32,936	59.5%	128,415	95,872	33.9%
% of ROL	12.8%	10.5%	2.3 p.p.	12.9%	14.8%	-1.9 p.p.

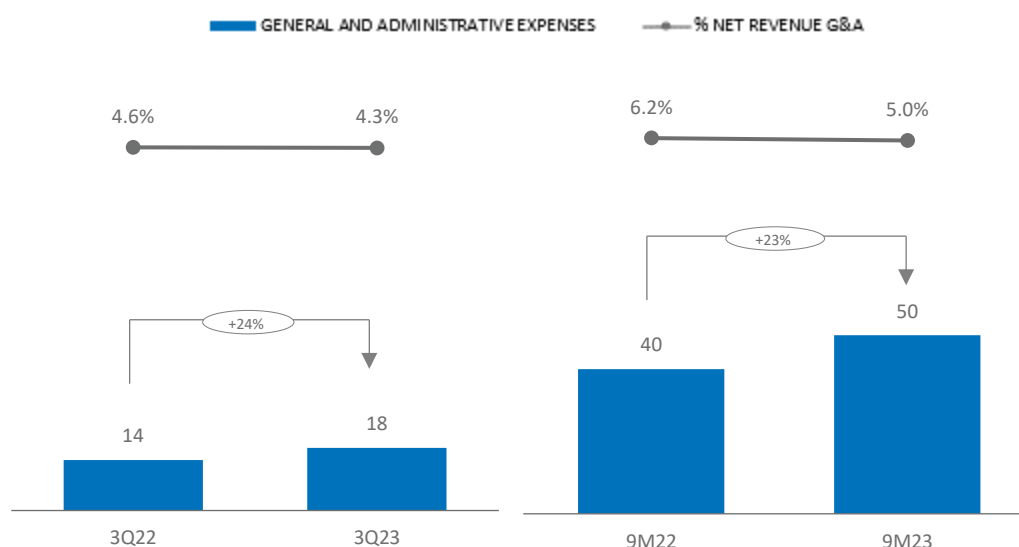
General and Administrative Expenses (G&A)

General and Administrative Expenses (R\$ '000)	3T23	3T22	Δ %	9M23	9M22	Δ %
Personnel Expenses	9,521	7,990	19.2%	27,597	24,145	14.3%
General administrative expenses	2,755	1,548	78.0%	7,675	3,287	133.5%
Depreciation and amortization	1,652	1,888	-12.5%	4,793	5,652	-15.2%
Third-party services	3,925	2,994	31.1%	9,688	7,255	33.5%
Total	17,853	14,420	23.8%	49,753	40,339	23.3%

Continuing the trend observed in previous quarters, with the growth of operations, we were able to achieve a dilution of investments made in structure and personnel. Therefore, despite a relative increase in expenses related to personnel, third-party services, and general administrative expenses, G&A as a percentage of Revenue showed improvement when comparing 3Q23 with 3Q22. The Patrimar Group remains one of the most efficient companies in business management, considering expenses as a proportion of net revenue.

GENERAL AND ADMINISTRATIVE EXPENSES (G&A)

(R\$ MM e %)

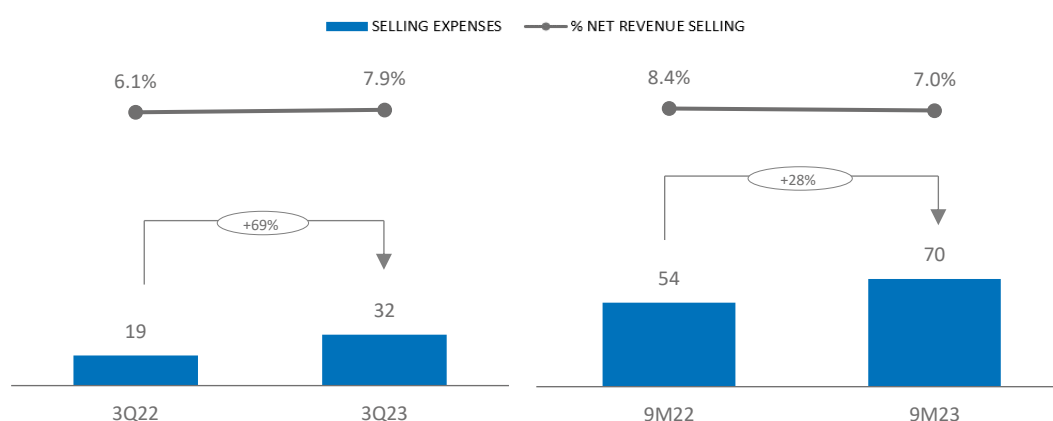


Commercial Expenses

Commercial Expenses (R\$ '000)	3T23	3T22	Δ %	9M23	9M22	Δ %
Personnel Expenses	1,652	1,502	10.0%	4,427	4,797	-7.7%
Comissions and Brokerages	9,169	5,411	69.5%	22,053	15,977	38.0%
Sales stabds/ decorated apartments	4,789	2,671	79.3%	12,098	5,831	107.5%
Advertising	11,265	6,744	67.0%	20,494	17,938	14.2%
Other commercial expenses	5,587	2,835	97.1%	10,752	9,942	8.1%
Total	32,462	19,163	69.4%	69,824	54,485	28.2%

The increase in commercial expenses is primarily attributed to higher brokerage costs, stemming from a larger volume of sales in all segments, coupled with increased investments in advertising and promotion for ventures. This is a result of a higher volume of launches made throughout the year.

SELLING EXPENSES (R\$ MM e %)



Other Operational Expenses (Incomes)

Other Operating Expenses / Revenues (R\$ '000)	3Q23	3Q22	Δ %	9M23	9M22	Δ %
Real Estate loan expenses	9	-	-	17	5	-
Tax Expenses	48	510	-90.6%	339	658	-48.5%
Provision for contingencies	5,601	843	564.4%	10,299	1,641	527.6%
Eventual losses	(1,907)	168	-1235.1%	(319)	485	-165.8%
Gain on Investments	(2,041)	-	-	(2,040)	-	-
Gain on contract termination	(409)	-	-	(1,285)	-	-
Other operating income and expenses	930	(2,168)	-142.9%	1,827	(1,741)	-204.9%
Total	2,231	(647)	-444.8%	8,838	1,048	743.3%
% of ROL	0.5%	-0.2%	0.7 p.p.	0.9%	0.2%	0.7 p.p.

The increase in other expenses primarily resulted from the rise in civil and labor contingencies, as well as the write-off of expenses due to the cancellation of land contracts that no longer aligned with our expansion strategy.

Financial Result

Financial Income	3Q23	3Q22	Δ %	9M23	9M22	Δ %
Monetary adjustment and contractual interest	1,159	792	46.3%	1,811	3,778	-52.1%
Interest on financial investments	12,393	12,532	-1.1%	33,458	26,956	24.1%
Other Financial Results	242	929	-74.0%	538	1,137	-52.7%
Total	13,794	14,253	-3.2%	35,807	31,871	12.3%
Financial Expenses	3Q23	3Q22	Δ %	9M23	9M22	Δ %
Interest on loans and financing	(12,908)	(10,562)	22.2%	(34,686)	(22,845)	51.8%
Debits from bank charges and fees	(922)	(829)	11.2%	(2,028)	(1,929)	5.1%
Other Financial Expenses	(2)	(8)	-75.0%	(17)	(148)	-88.5%
Total	(13,832)	(11,399)	21.3%	(36,731)	(24,922)	47.4%
Financial Result	(38)	2,854	-101.3%	(924)	6,949	-113.3%

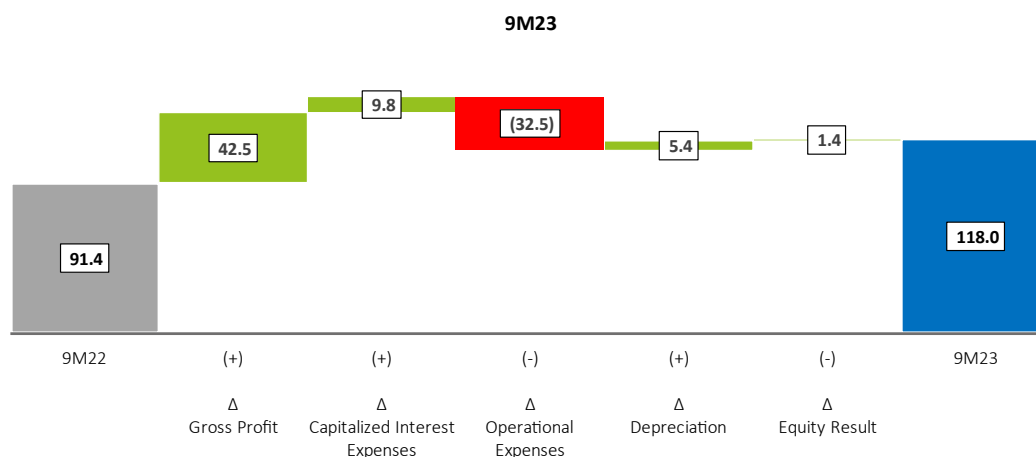
The decrease in financial results is primarily attributed to a lower average cash volume during these periods, stemming from the higher level of investments made in construction during 2023. Additionally, there has been an increase in loan and financing interest expenses, especially due to the issuance of the Real Estate Receivables Certificates (CRI) in July 2022.

Equity Result

Equity Result	3Q23	3Q22	Δ %	9M23	9M22	Δ %
Equity Result	(104)	(1,938)	-95%	(1,999)	(3,400)	-41.2%

When comparing 3Q23 with 2Q23, we virtually recorded no negative impact from Equity Accounting, confirming the trend observed in previous releases that we no longer face issues related to the construction of economic ventures formed in partnership more than five years ago. In the year-to-date, we have already registered a positive reduction of more than 40% in this category.

EBITDA and Adjusted EBITDA



Adjusted EBITDA Bridge (%)

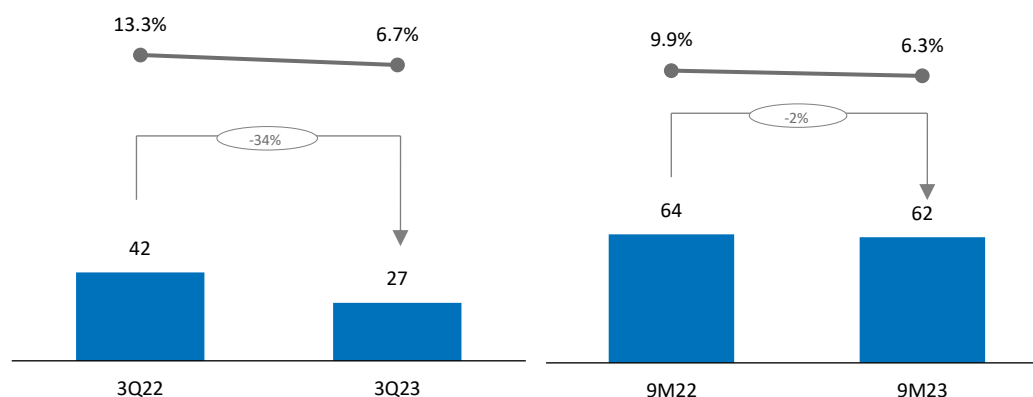
The lower EBITDA and Adjusted EBITDA presented in the quarter are primarily due to a lower gross margin and higher commercial expenses resulting from increased sales volume. The growth in EBITDA and Adjusted EBITDA in 9M23 is essentially a function of higher results and revenue growth, albeit offset negatively by lower gross margins.

EBITDA (R\$'000)	3Q23	3Q22	Δ %	9M23	9M22	Δ %
Net Income	27,440	41,813	-34.4%	62,435	63,922	-2.3%
(+) Income Tax and Social Contribution	7,891	5,809	35.8%	19,778	14,776	33.9%
(+) Financial Results	38	(2,854)	-101.3%	924	(6,949)	-113.3%
(+) Depreciation and Amortiation	6,316	4,455	41.8%	16,491	11,088	48.7%
EBITDA	41,685	49,223	-15.3%	99,629	82,836	20.3%
EBITDA Margin (%)	10.1%	15.7%	-5.6p.p.	10.0%	12.8%	-2.8p.p.
Capitalized Interest Expense	7,496	2,853	162.8%	18,417	8,573	114.8%
Adjusted EBITDA	49,181	52,076	-5.6%	118,046	91,409	29.1%
Adjusted EBITDA Margin (%)	11.9%	16.6%	-4.7p.p.	11.8%	14.1%	-2.3p.p.

Net Profit and Net Margin

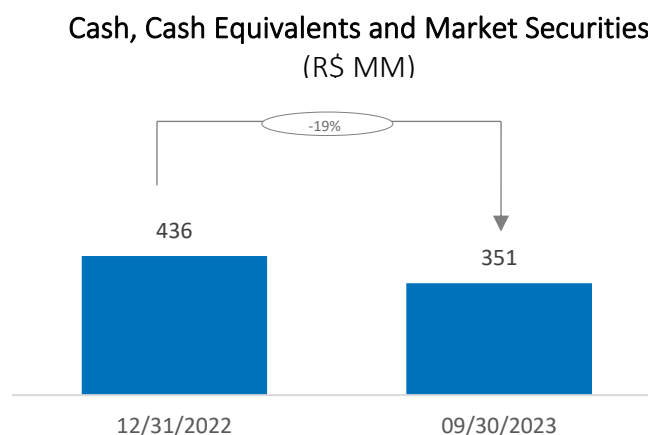
Continuing with the explanation of EBITDA, we observed a lower Net Profit in the quarter due to the reduced gross margin associated with higher commercial expenses, along with a lower financial result, which was not offset by a less impactful equity result as recorded in the period. However, in the year-to-date (9M23), we have managed to maintain profit generation in line with the previous year, leveraging operational growth and achieved scale gains, albeit with a lower margin. With our operational and financial diligence and the strategies already adopted, we aim for a repositioning to higher levels in subsequent periods.

Net Profit and Net Margin (R\$ MM and %)



Balance Sheet Highlights

Cash, Cash Equivalents and Market Securities



Due to our decision to invest in operations and pursue profitability, we have experienced Cash Burn in recent quarters, resulting in a reduction in our liquidity. Nevertheless, as the projects progress, we will naturally see the influx of real estate credit along with capital returns from project deliveries in the coming quarters, leading to a reduction in debt while maintaining a comfortable liquidity position relative to the size of our operations.

Accounts Receivable

Accounts Receivable (R\$ '000)	09/30/2023	12/31/2022	Δ %
Completed units	94,096	53,649	75.4%
Units under construction	785,343	543,021	44.6%
Management Services	23,091	24,418	-5.4%
Provision for canceled sales/ losses/ PVA	(54,825)	(29,276)	87.3%
Total	847,705	591,812	43.2%

The growth in the Accounts Receivable balance is primarily a result of the increase in completed and uncompleted units, which can be explained by the progress or completion of projects, an extension of the payment profile by customers, and a higher volume of sales. The total balance of accounts receivable for completed sales continues to grow, and we anticipate further increases with the planned launches in the coming quarters.

Accounts Receivable (R\$ '000)	09/30/2023	12/31/2022	Δ %
Due within 1 year	527,047	486,161	8%
Due 1 to 2 years	459,170	276,460	66%
Due 2 to 3 years	583,864	297,691	96%
Due 3 to 4 years	281,305	210,975	33%
Due over 4 years	7,204	6,110	18%
	1,858,590	1,277,397	45%
Expired up to 1 year	41,461	20,953	98%
Expired between 1 to 2 years	10,150	6,956	46%
Expired between 2 to 3 years	6,882	969	610%
Expired between 3 to 4 years	805	1,130	-29%
Expired over 4 years	970	630	54%
	60,268	30,638	97%
Total	1,918,858	1,308,035	47%

Real Estate for Sale

Properties for Sales (R\$ '000)	09/30/2023	12/31/2022	Δ %
Inventories of land	195,995	178,492	9.8%
Properties under construction	315,043	281,249	12.0%
Completed properties	36,173	49,851	-27.4%
Provision for canceled sales	1,132	950	19.2%
Total	548,343	510,542	7.4%

Despite the increase in the land inventory line, resulting from strategic purchases aimed at expanding our landbank, the overall inventories of properties available for sale remained in line. This reflects our ability to sell not only new projects but also completed properties, even with a significant increase in launches during the quarter.

Advances from Customers

The variation in the customer advance balance refers to the swaps of ventures that were launched and subsequently being consumed by construction activity. Additionally, with the completion of projects that offered customizations, we cleared the balance of outstanding adjustments for customized units.

Advances from Customers (R\$ '000)	09/30/2023	12/31/2022	Δ %
Advances from costumers and barter transactions for cons	425,435	421,724	0.9%
Advances related to costumized units	-	22,356	-
Advance from costumers - other transaction	12,400	-	-
Barter made for land - not launched developmments	5,734	43,020	-86.7%
Total	443,569	487,100	-8.9%

Suppliers

Trade Payables	09/30/2023	12/31/2022	Δ %
Trade payables	80,417	51,606	55.8%
Technical retentions	11,731	9,313	26.0%
Total	92,148	60,919	51.3%

The increase in the accounts payable balance is naturally explained by the growth in construction activities. Additionally, we are extending the payment cycle to our suppliers, seeking to better align the monthly financial cycle of the projects, including production, customer receipts, construction financing receipts, and supplier payments.

Real Estate Purchase Obligations

Real estate purchase obligations (R\$ '000)	09/30/2023	12/31/2022	Δ %
Land developed	31,029	35,591	-12.8%
Physical swap	6,580	8,346	-21.2%
Financial Exchange	24,449	27,245	-10.3%
Land not developed	45,912	11,100	313.6%
Physical swap	45,912	11,100	313.6%
Financial Exchange	-	-	-
Total	76,941	46,691	64.8%

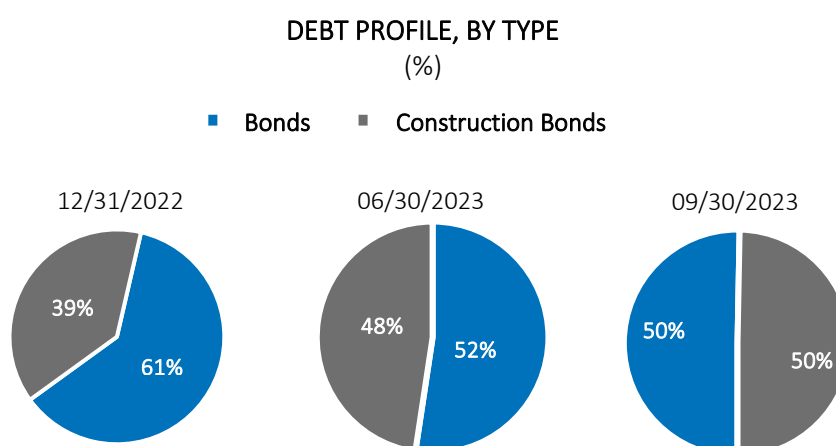
The increase in the land payables for undeveloped land is a reflection of the land acquisitions made in the year 2023.

Indebtedness

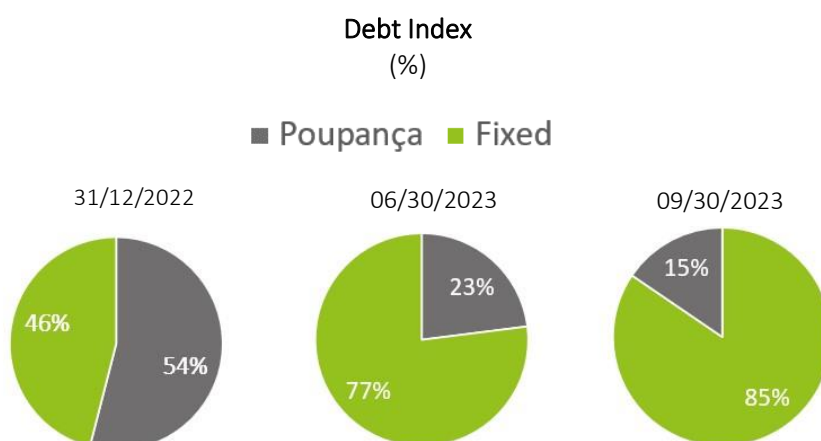
Net debt/ Equity (R\$ '000)	09/30/2023	12/31/2022	Δ %
(+) Loans and Financing	641,856	453,669	41.5%
(-) Cash and Cash Equivalent	351,374	436,183	-19.4%
(=) Net Debt	290,482	17,486	1561.2%
(=) Equity	555,812	537,696	3.4%
Net Debt/ Equity	52.3%	3.3%	49.0p.p.

In this quarter, the increase in net debt is a consequence of the Cash Burn, as previously mentioned. Our decision to invest in the operation (construction costs and sales stands) and acquire land, while continuing our efforts to enhance margins, has led to higher leverage.

However, this year we anticipate concluding construction phases that will bring in resources (customer payments), increasing liquidity. Among the ongoing projects, approximately 25% of the construction sites are over 90% completed and are expected to be finished within this year.

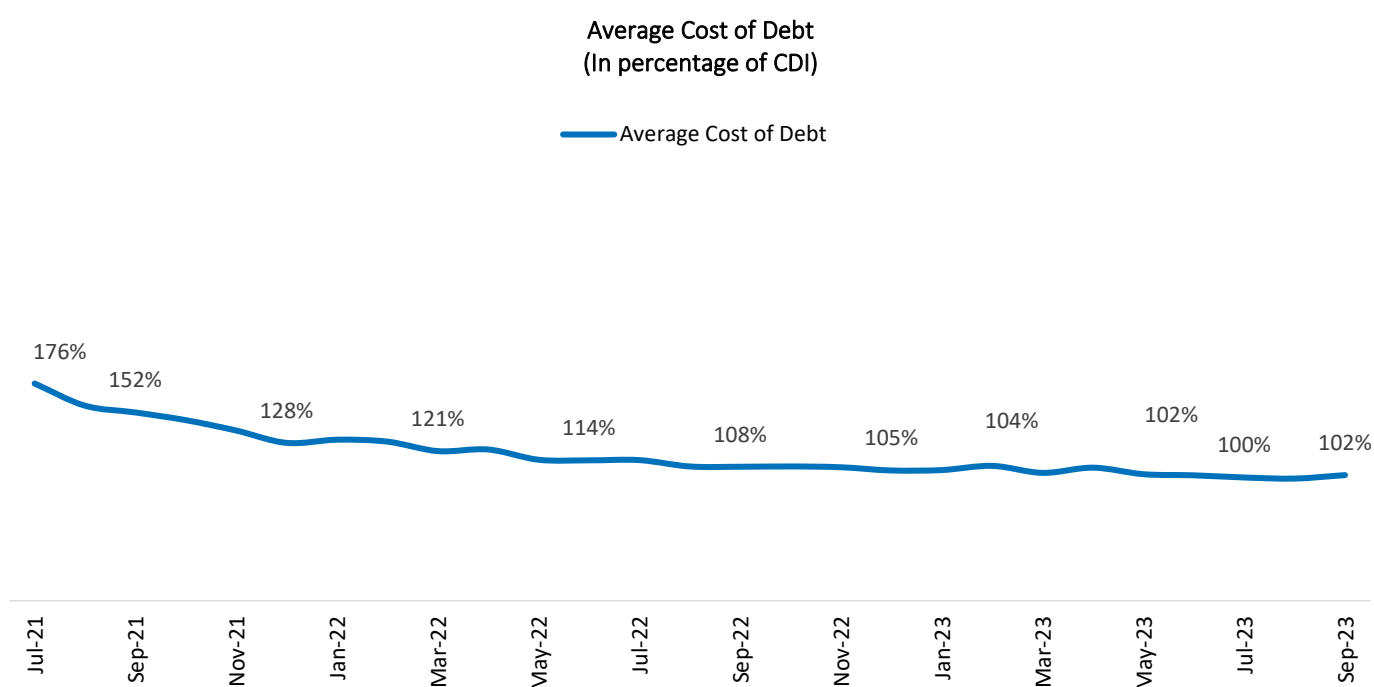


The mix of our liabilities has been changing with the growth of our operations and a strategy of leveraging at the asset level, unlike what was done in the past when the CDI was lower.



Due to the composition of our liabilities and the progress of construction financing acquisitions – a debt linked to the Company's productive activities – the weighted average cost of our liabilities remains low and closely aligned with the average returns on our financial investments. We anticipate that the weighted average cost will decrease throughout 2023, considering the financing acquisitions that have already been contracted and chose yet to be released.

Additionally, as over 50% of our liabilities are indexed to the CDI, primarily consisting of corporate debts, with the decline of the SELIC rate already initiated in August 2023, our relative cost of fixed operations will increase in terms of CDI. However, our overall financial cost of liabilities will decrease due to the interest rate reduction, thereby enhancing our final profitability.



Attachments

Consolidated Results Report

Income Statement (R\$ '000)	3T23	3T22	Δ %	9M23	9M22	Δ %
Net operating Revenue	411,757	313,544	31.3%	998,085	648,780	53.8%
Cost of properties sold	(323,738)	(233,902)	38.4%	(784,534)	(477,759)	64.2%
Gross profit	88,019	79,642	10.5%	213,551	171,021	24.9%
Gross profit margin	21.4%	25.4%	-0.2 p.p.	21.4%	26.4%	-0.2 p.p.
Operating expenses	(52,650)	(34,874)	51.0%	(130,414)	(99,272)	31.4%
General and administrative expenses	(17,853)	(14,420)	23.8%	(49,753)	(40,339)	23.3%
Selling expenses	(32,462)	(19,163)	69.4%	(69,824)	(54,485)	28.2%
Other operating income (expenses), net	(2,231)	647	-444.8%	(8,838)	(1,048)	743.3%
Equity in the results of investees	(104)	(1,938)	-94.6%	(1,999)	(3,400)	-41.2%
Operating profit (loss)	35,369	44,768	-21.0%	83,136	71,749	15.9%
Finance income	13,794	14,253	-3.2%	35,807	31,871	12.3%
Finance costs	(13,832)	(11,399)	21.3%	(36,730)	(24,922)	47.4%
Finance income (costs), net	(38)	2,854	-101.3%	(924)	6,949	-113.3%
Profit (loss) before income tax and social contribution	35,331	47,622	-25.8%	82,213	78,698	4.5%
Income tax and social contribution	(7,891)	(5,809)	35.8%	(19,778)	(14,776)	33.9%
Profit (loss) for the period	27,440	41,813	-34.4%	62,435	63,922	-2.3%
Net Profit Margin	6.7%	13.3%	-0.5 p.p.	6.3%	9.9%	-0.4 p.p.
Attributable to:						
Owners of the company:	23,257	25,635	-9.3%	39,881	32,774	21.7%
Non-controlling interests	4,183	16,178	-74.1%	22,554	31,148	-27.6%

Divulgação de Resultados

Balance Sheet

3Q23



Assets (R\$ '000)	09/30/2023	12/31/2022	Δ %
Current assets			
Cash and cash equivalents	231,243	330,137	-30.0%
Marketable securities	120,131	106,046	13.3%
Trade receivables	382,658	315,643	21.2%
Properties for sale	498,222	419,866	18.7%
Taxes recoverable	19,149	16,318	17.3%
Prepaid expenses	32,434	25,105	29.2%
Other receivables	21,283	14,229	49.6%
Total current assets	1,305,120	1,227,344	6.3%
Non-current assets			
Long-term receivables			
Restricted financial investments	2,827	2,664	6.1%
Trade receivables	465,047	276,169	68.4%
Properties for sale	50,121	90,676	-44.7%
Judicial deposits	963	1,634	-41.1%
Related parties	27,132	8,040	237.5%
Deferred Taxes	2,098	-	-
Long-term receivables	548,188	379,183	44.6%
Investments	23,751	28,074	-15.4%
Property and equipment	50,467	36,094	39.8%
Intangible assets	8,181	9,320	-12.2%
Lease right-of-use	6,643	6,530	1.7%
Total non-current assets	637,230	459,201	38.8%
Total assets	1,942,350	1,686,545	15.2%

Liabilities and Equity (R\$ '000)	09/30/2023	12/31/2022	Δ %
Current liabilities			
Borrowings and debentures	245,707	93,475	162.9%
Leases	4,915	4,894	0.4%
Trade payables	92,148	60,919	51.3%
Salaries and social charges	22,498	12,032	87.0%
Tax liabilities	4,492	5,559	-19.2%
Real estate purchase obligations	43,921	35,774	22.8%
Dividends payable	152	6,814	-97.8%
Advances from customers	277,128	202,973	36.5%
Provision for real estate maintenance	2,959	1,561	89.6%
Current taxes with deferred payment	20,940	21,134	-0.9%
Other payables	1,206	1,831	-34.1%
Total current liabilities	716,066	446,966	60.2%
Non-current liabilities			
Borrowings and debentures	396,149	360,194	10.0%
Leases	1,970	1,758	12.1%
Real estate purchase obligations	33,020	10,917	202.5%
Advances from customers	166,441	284,127	-41.4%
Provision for contingencies	9,197	4,716	95.0%
Provision for real estate maintenance	18,037	14,365	25.6%
Current taxes with deferred payment	18,286	5,089	259.3%
Related parties	20,264	14,718	37.7%
Provision for investees' net capital defi	7,108	5,999	18.5%
Total non-current liabilities	670,472	701,883	-4.5%
Equity			
Capital	269,172	269,172	0.0%
Capital reserve	259	259	0.0%
Revenue reserves	131,296	98,354	33.5%
	400,727	367,785	9.0%
Non-controlling interests	155,085	169,911	-8.7%
Total equity	555,812	537,696	3.4%
Total liabilities and equity	1,942,350	1,686,545	15.2%

Cash Flow

Cash Flows (R\$ '000)	09/30/2023	09/30/2022	Δ %
Cash flows from operating activities			
Profit for the year	62,435	63,922	-2.3%
Adjustments to reconcile profit with cash flows from operating activities			
Depreciation and amortization	15,840	10,945	44.7%
Adjustment of trade receivables to present value	25,163	8,530	195.0%
Equity in the results of investees	1,999	3,400	-41.2%
Provision for real estate maintenance	8,909	2,281	290.6%
Provision for labor, civil, and tax contingencies	8,176	3,286	148.8%
Provision for termination of contracts	(22)	(921)	-97.6%
Allowance for doubtful accounts	408	838	-51.3%
Provision for interest on borrowings	52,174	30,718	69.8%
Income tax and social contribution	8,939	14,776	-39.5%
Write-off of fixed assets	4,508	1,048	330.2%
Income from securities	(8,315)	-	n/a
	180,214	138,823	29.8%
Changes in working capital			
Increase (decrease) in assets and liabilities			
Trade receivables	(281,442)	(139,249)	102.1%
Properties for sale	(37,801)	(45,553)	-17.0%
Taxes recoverable	(4,929)	(5,436)	-9.3%
Other assets	(13,712)	(2,873)	377.3%
Trade payables	31,229	27,174	14.9%
Salaries and social charges	10,466	4,947	111.6%
Tax liabilities	13,836	(1,174)	-1278.5%
Real estate purchase obligations	30,250	(25,035)	-220.8%
Advances from customers	(43,531)	99,223	-143.9%
Other liabilities	3,754	(2,352)	-259.6%
Payments made for maintenance of properties held as collateral	(3,839)	-	n/a
Amounts paid for civil, labor, and tax contingencies	(3,695)	(6,267)	-41.0%
	(299,414)	(96,595)	210.0%
Interest paid	(48,704)	(12,098)	302.6%
Income tax and social contribution paid	(10,839)	(8,453)	28.2%
Net cash provided by (used in) operating activities	(178,743)	21,677	-924.6%
Cash flows from investing activities			
Investment in marketable securities	(5,770)	(29,740)	-80.6%
Changes in restricted financial investments	(163)	(188)	-13.3%
Advances to related parties	(13,546)	5,839	-332.0%
Contributions to (return on) investments	3,433	(2,980)	-215.2%
Purchases of property and equipment and intangible assets	(33,695)	(12,563)	168.2%
Net cash used in investing activities	(49,741)	(39,632)	26%
Cash flows from financing activities			
New borrowings	332,310	266,585	24.7%
Repayment of borrowings and leases - principal amount	(151,740)	(141,253)	7.4%
Dividends paid	(13,600)	(1,214)	1020.3%
Distributions (reversal) paid to non-controlling interests, net	(37,380)	(7,562)	394.3%
Net cash provided by (used in) financing activities	129,590	116,556	11.2%
Net increase in cash and cash equivalents	(98,894)	98,601	-200.3%
Cash changes			
Cash and cash equivalents at the beginning of the year	330,137	243,926	35.3%
Cash and cash equivalents at the end of the year	231,243	342,527	-32.5%
Increase in cash and cash equivalents	(98,894)	98,601	-200.3%

About Patrimar Group

The Company is a developer and homebuilder based in Belo Horizonte, focusing its activities in the southeastern region of Brazil, with over 60 years of experience in the construction industry, and is positioned among the largest in the country. Its business model is vertically integrated, acting in the development and construction of real estate projects, as well as the commercialization and sale of independent real estate units.

The Company operates diversely in the residential (main activity) and commercial segments, with a presence in high-income operations (luxury and ultra-luxury products) through the Patrimar brand, as well as in the economic and middle-income operations through the Novolar brand.



Investor Relations

Felipe Enck Gonçalves

CFO and Investor Relations Officer

João Paulo Lauria

Head of Financial Planning, Partnerships and Investor Relations

Gabrielle Cirino Barrozo

Investor Relations Specialist

+ 55 (31) 3254-0311

www.patrimar.com.br/ri

E-mail: ri@patrimar.com.br



Glossary

Grupo Patrimar, Patrimar e Novolar: Division of indicator values by brand, with Patrimar grouping projects with estimated sales prices typically above R\$10,000/sqm and Novolar below, with exceptions. The Patrimar Group encompasses both brands, including investments in new businesses.

Landbank 100%: PSV total amount of all lands owned by the Company or which the Company has a stake;

Landbank %Patrimar's Group: Total amount of PSV of all lands owned by the Company or which the Company has a stake, except for swapped units and partners' participation, in other words, the net PSV of lands owned by the 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's Group: Total amount of the PSV for the already launched projects, at launch prices, not considering swapped units and partners participation, in other words, it only

considers the percentage of Net PSV belonging to the Company;

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

Net Sales: Contracted Sales minus the value of cancelations in the period;

Months of Inventory: Value of Inventories for the period divided by the contracted sales of the last twelve months;

Sales Speed: Sales Speed over Supply (SOS);

Gross Sales Speed: Gross Sales / (Beginning Period Inventory + Period Launches);

Net Sales Speed: Net Sales / (Beginning Period Inventory + 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.