

Earnings Release

4Q20 and 2020



4Q20 Earnings Release

Belo Horizonte, February 23th, 2021 - A Patrimar S.A. ("Patrimar" or "Company"), one of the largest development and construction companies in Brazil, operating in the economic, middle-income and high-income segments with luxury and high-luxury products, discloses its results for the fourth quarter of fiscal year 2020 ("4Q20") and the year of 2020 ("2020"). Except where otherwise indicated, the information in this document is expressed in national currency million and the Potential Sales Volume ("PSV") shows the consolidated value (100%).

Highlights

- **R\$ 435 million net revenue in the year, a growth of 88.4%** compared to 2019;
- **R\$ 169 million gross profit in 2020, 107.6% higher than 2019**, that totaled R\$ 81 million.
38.8% gross margin, representing an expansion of 3.6 p.p. in the annual comparison;
- **Growth of 255.6% in net profit** in the year, compared to 2019, reaching R\$ 94 million.
Expressive net margin of 21.7%, a growth of 10.2 p.p. in the comparison with 2019;
- **Return on Equity (ROE) in 2020 of 29.7% against to 10.1% in 2019;**
- **Cash generation in 4Q20 of R\$ 12.7 million**, representing cash generation for the fourth consecutive year, totaling R\$ 6.8 million in 2020.

Investor Relations

Felipe Enck Gonçalves

Investor Relations Officer

Ana Paula Almeida

Phone: +55 (31) 3254-0311
www.patrimar.com.br/ri
E-mail: ri@patrimar.com.br



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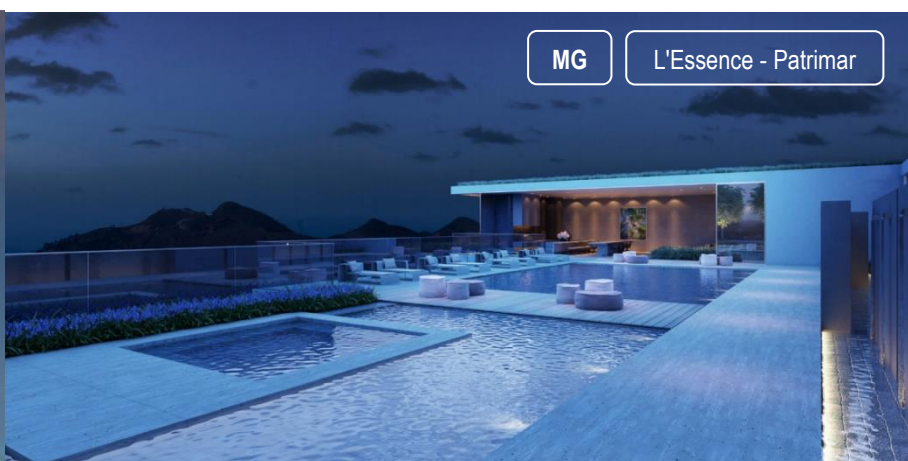
About Patrimar Group

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 56 years of experience being placed in the top best real estate companies of Brazil. Its business model based on a vertical model, 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, as well as with a presence in the middle and low-income segments through the Novolar brand.



As described in the Company's financial statements, as of October 1ST, 2019, Construtora Novolar Ltda became a wholly owned subsidiary of the Company, due to a corporate restructuring of the group. Therefore, the consolidated results of Patrimar Engenharia S.A. in the first nine months of 2019 do not incorporate the results of Construtora Novolar, incorporated only after the aforementioned date.

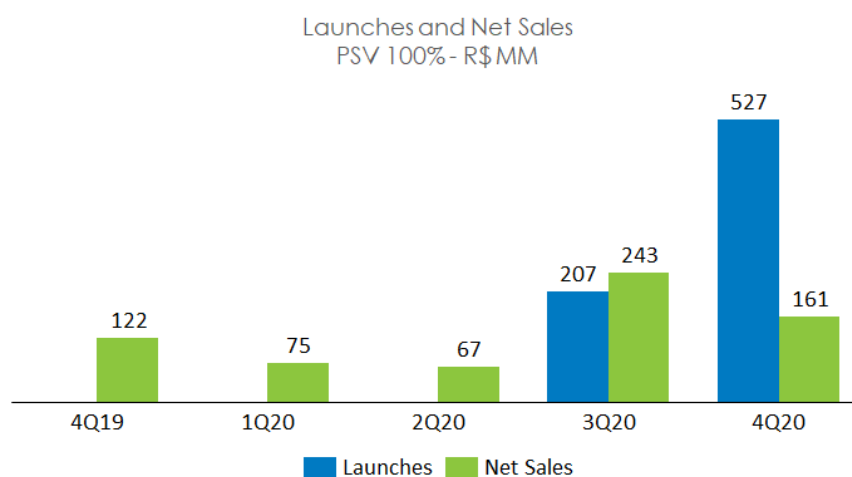


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Message from the Management

We are thrilled to present Patrimar's results for fiscal year 2020. This year left its mark due to great uncertainty concerning the severity and the extent of the COVID-19 pandemic, however, the real estate segment had a positive response right after the early weeks of social distancing. As it was considered an essential activity, our projects did not stop and from June, sales resumed, resulting in excellent growth in the second half of 2020. The macroeconomic conditions such as the low interest rate, credit availability, savings and excess liquidity in the economy boosted demand in all segments – from luxury to low income, in addition to a change in the concept of home, relative to the need to stay home due to social distancing, which increased demand. Our business advanced tremendously throughout the year, especially in the second half. We resumed launches in 3Q20 and accelerated them in 4Q20, which, despite a concentration in December, has already reflected in a growing sales volume.



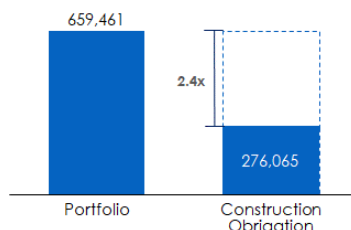
With the launches recorded in 4Q20, we currently have 13 construction sites in progress. We have been following the increase of prices of materials, especially, and periodically analyzed our budgets, seeking to understand the impacts that can be caused by the acceleration of these items and of the INCC (National Civil Construction Index). Our expectations are that the increase of these prices will slow down throughout 2021, considering the resumption of the regular production pace of the main input materials.

Despite the fact this inflation of materials can impact ongoing and future construction projects, in the future, we have a business balanced that offers a natural hedge against these increasing prices, since our accounts receivable during construction are also adjusted by the INCC.

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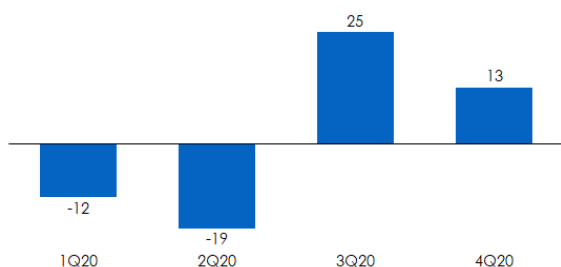


Accounts Receivable x Construction Obligation
R\$ MM

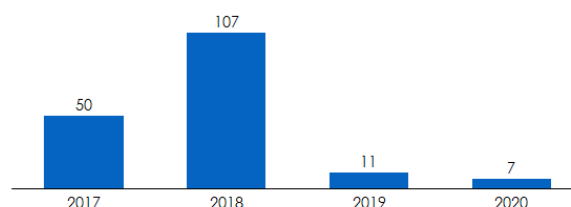


With the growing liquidity in the market and our financing flow and comfortable cash position, we have adopted the strategy to carry more balance in accounts receivable. Despite this and the strong growth and constructive activity, we completed the fiscal year 2020 as the fourth year of cash generation.

Cash Burn by Quarter
R\$ MM



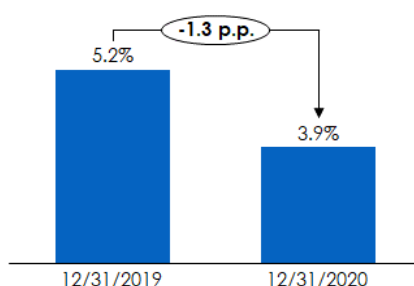
Cash Burn by Year
R\$ MM



Seeking to align the Group's liquidity for its operations, we began raised R\$ 50 million in November 2020, most of which we used to settled old debts with shorter durations and higher costs.

We maintained a comfortable liquidity position for growing in the coming months and we are advancing in alternatives focused on supporting strong growth levels in the next years, involving efficient financial management, debt funding and raising equity. Despite the recorded growth, considering that we had cash generation in 2020 and the extension of our debt, we reduced our leverage relative to equity, as detailed below.

Net Debt/ Equity
%



Considering the growth to be reached in the business in 2021, taking advantage of the land approval cycle, the good moment for the industry and the lack of qualified competition in many of our markets, we expect to slightly

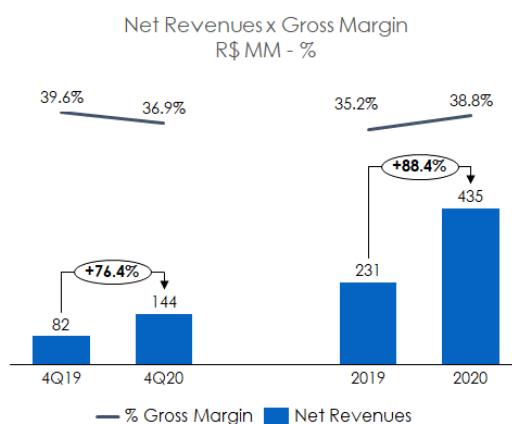
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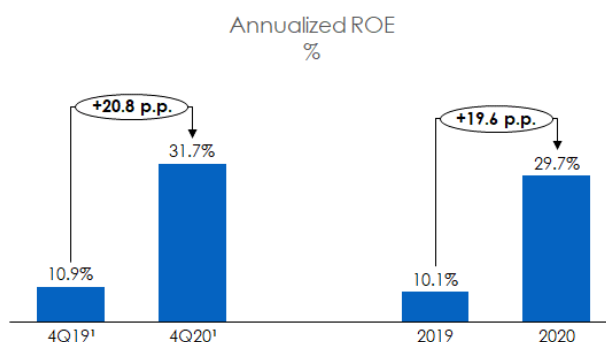
increase our leverage indicator in this cycle in the next two years. After that, the estimate is that strong cash generation of the developments themselves will allow for natural de-leveraging.

We have balanced liabilities relative to the exposure of indexers and a growing volume of construction financing raising, with approximately R\$ 364 million in contracts already committed and signed and still to be disbursed according to the progress of construction.

A have presented expressive growth in the main lines of result, corroborating the strategies adopted this year. Our operation remains firm and our strategy remains maximizing profitability of our projects, and therefore, the allocated capital.



Our 2020 results and our portfolio of projects to be launched soon propels us into a 2021 filled with goods results. Despite the volume of launches scheduled for 2021 in land acquired through swaps may cause an oscillation of the gross margin, we are confident in our industry, our products and our team.



1. Annualized ROE: Net cash in each annualized period on the average equity in annualized periods.

Subsequent Events

According to the Relevant Fact published on January 19th, 2021, the shareholders convened in an Extraordinary Shareholders' Meeting approved, on that date, payment of dividends equivalent to R\$ 0.0019 per share, totaling R\$ 1 million, from dividends payable relative to fiscal year 2020. The dividends were paid in January 19th, 2021.

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Main Indicators

Financial Indicators (R\$ '000)	4Q20 (a)	4Q19 (b)	Δ % (a/b)	2020 (c)	2019 (d)	Δ % (c/d)
Net Revenue	144,330	81,830	76.0%	435,227	231,059	88.4%
Gross Profit	53,285	32,428	64.0%	168,702	81,271	107.6%
% Gross Margin	36.92%	39.6%	-2.7p.p.	38.76%	35.17%	3.6p.p.
EBITDA	33,120	14,146	134%	108,244	37,135	191.5%
% EBITDA Margin	22.95%	17.29%	5.7p.p.	24.87%	16.07%	8.8p.p.
Adjusted EBITDA	34,006	14,471	135%	113,535	38,909	191.8%
% Adjusted EBITDA Margin	23.56%	17.68%	5.9p.p.	26.09%	16.84%	9.3p.p.
Net Income	30,825	8,865	248.0%	94,367	26,539	255.6%
% Net Margin	21.36%	10.8%	10.5p.p.	21.68%	11.49%	10.2p.p.
Launches (R\$ '000)	4Q20 (a)	4Q19 (b)	Δ % (a/b)	2020 (c)	2019 (d)	Δ % (c/d)
PSV 100%	527,481	-	n/a	734,138	503,266	45.9%
Low-income	87,992	-	n/a	129,662	40,653	218.9%
Middle-income	-	-	n/a	-	126,892	-100.0%
High-Income	439,490	-	n/a	604,477	335,721	80.1%
PSV % Patrimar	307,736	-	n/a	476,095	297,338	60.1%
Low-income	87,992	-	n/a	129,662	40,653	218.9%
Middle-income	-	-	n/a	-	88,824	-100.0%
High-Income	219,745	-	n/a	346,434	167,861	106.4%
Units	433	-	n/a	959	843	13.8%
Low-income	368	-	n/a	648	280	131.4%
Middle-income	-	-	n/a	-	352	-100.0%
High-Income	65	-	n/a	311	211	47.4%
Sales (R\$ '000)	4Q20 (a)	4Q19 (b)	Δ % (a/b)	2020 (c)	2019 (d)	Δ % (c/d)
PSV 100%	160,718	121,827	31.9%	545,966	413,095	32.2%
Low-income	33,115	23,971	38.1%	86,470	68,979	25.4%
Middle-income	13,077	11,464	14.1%	49,920	50,085	-0.3%
High-Income	114,525	86,391	32.6%	409,576	294,032	39.3%
PSV % Patrimar	108,424	75,697	43.2%	405,518	277,692	46.0%
Low-income	33,115	23,971	38.1%	86,470	68,979	25.4%
Middle-income	9,154	8,093	13.1%	36,815	38,041	-3.2%
High-Income	66,154	43,633	51.6%	282,233	170,672	65.4%
Units	257	237	8.4%	908	732	24.1%
Low-income	176	143	23.1%	460	380	21.1%
Middle-income	33	29	13.8%	120	120	0.0%
High-Income	48	65	-26.2%	328	232	41.7%
Average Price (R\$/unit)	625	514	21.7%	601	565	6.5%
Low-income	188	168	12.2%	188	182	3.6%
Middle-income	396	395	0.2%	416	417	-0.3%
High-Income	2,386	1,329	79.5%	1,249	1,270	-1.7%

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Operacional Performance

Launches

Unique
Nova Lima/MG



Mirataia I
Rio de Janeiro / RJ

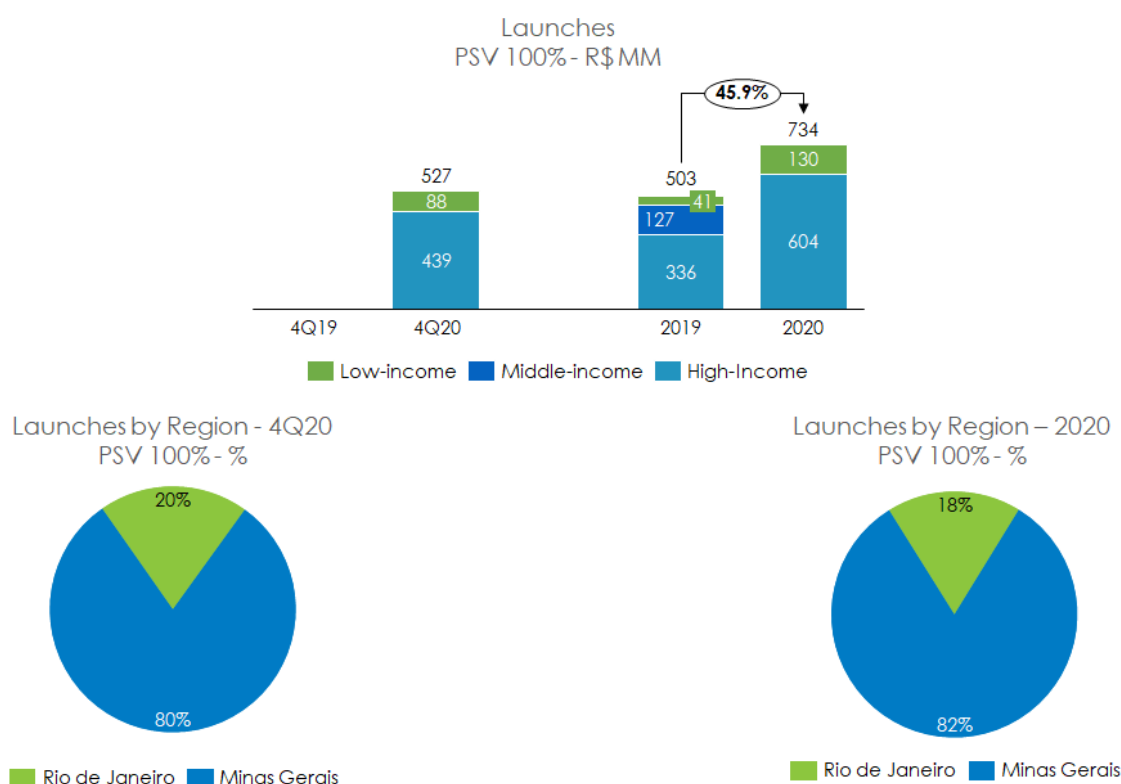


2300 Rio de Janeiro
Belo Horizonte/ MG



The Company reached a significant volume of launches in 4Q20, representing an annualized value that exceeds R\$ 2.0 billion, setting the expectations of a strong growth in 2021 when compared to the year of 2020.

Patrimar Group owns an average percentage of the launches of 58.3% in the 4Q20.



Launches in both 4Q20 and 2020 were concentrated in the high-income segment, representing 83.3% and 82.3%, respectively, taking advantage of the good moment in this segment, in line with the land approval cycle and the profitability strategy of capital allocation by the Company.

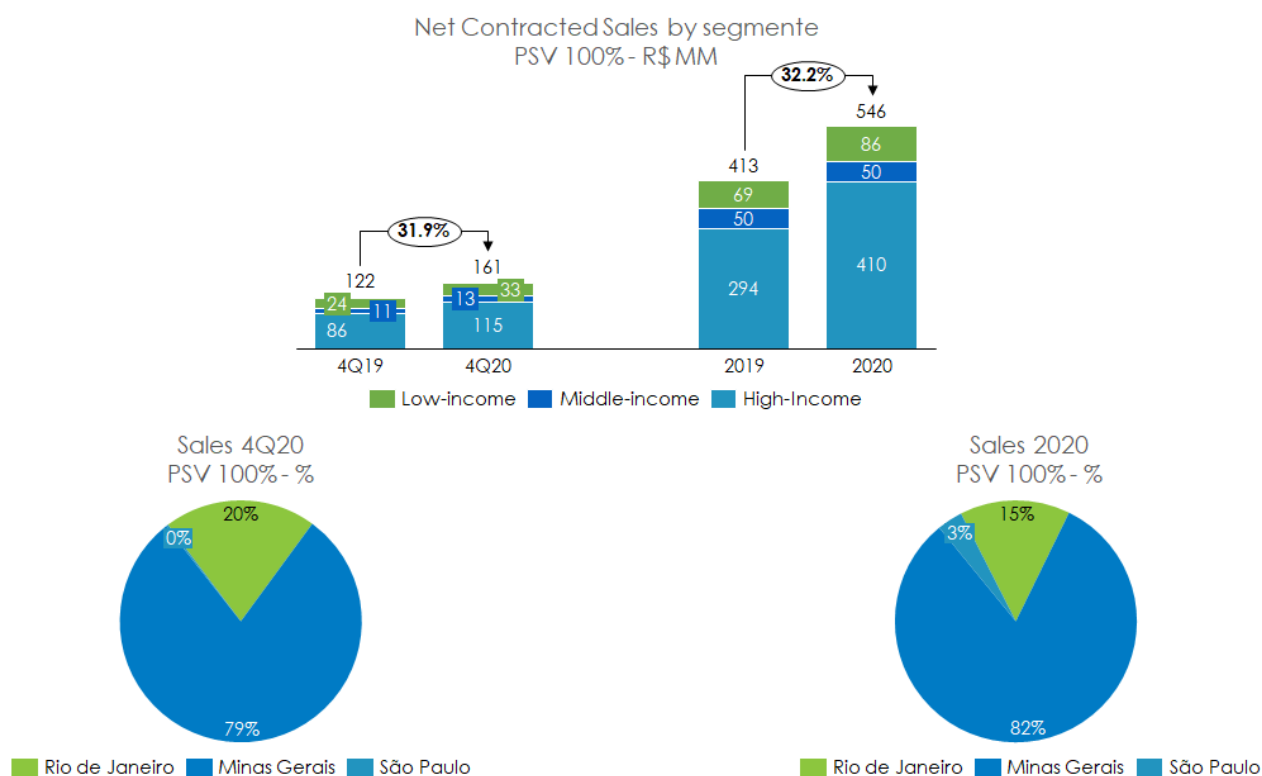
The average ticket for units launched in 2020 was R\$765.5 thousand, + 28.2% YoY.

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Contracted Sales

In the 4Q20, were sold 257 units (908 in 2020). In line with the launches strategy mentioned above, the high-income segment is still the most representative of the Company, with a 71.3% share in 4Q20 (75.0% in 2020). Two projects in the high-income segment were launched in December, with a total PSV of R\$ 439.5 million. The sales performance of these projects should have a positive impact in the volume of contracted sales in 1Q21. The low-income segment continues to show a solid sales performance, with substantial growth both in 4Q20 compared to 4Q19, and in 2020 compared to 2019, with an average ticket per unit that varied slightly below the 2020 inflation, mainly impacted by the mix of units sold. Additionally, the Company showed an evolution in the volume of units transferred, reaching 83.5% of units sold in the year. The Company's average participation in the net sales contracted was 67.5% in the 4Q20 and 74.3% in the 2020.



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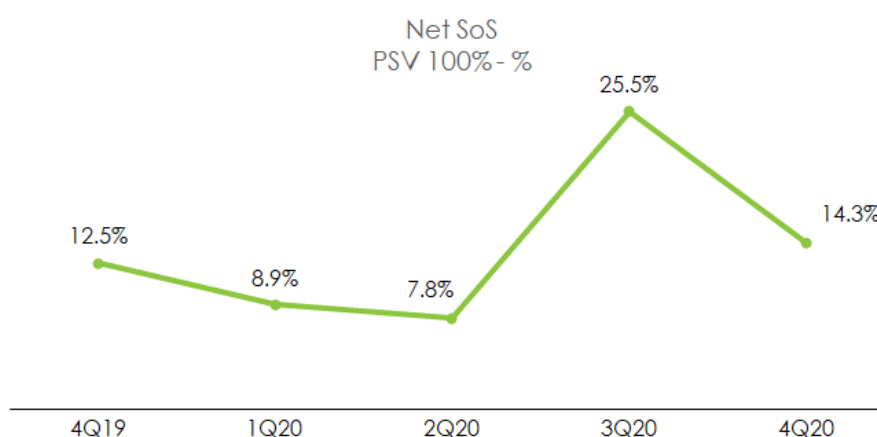


The table below provides more information about sales.

Contracted Net Sales (R\$'000)	4Q20 (a)	4Q19 (b)	Δ % (a/b)	2020 (c)	2019 (d)	Δ % (c/d)
Net PSV Contracted - 100%	160,718	121,827	31.9%	545,966	413,095	32.2%
Low-Income	33,115	23,971	38.1%	86,470	68,979	25.4%
Medium-Income	13,077	11,464	14.1%	49,920	50,085	-0.3%
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Medium-Income	396	395	0.2%	416	417	-0.3%
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SoS (Sales speed) – Sales over Supply

The Net Sales Speed for 4Q20, measured by the net SoS ratio (Net Sales over Supply), was mainly impacted by the concentration of launches in December.



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Inventory

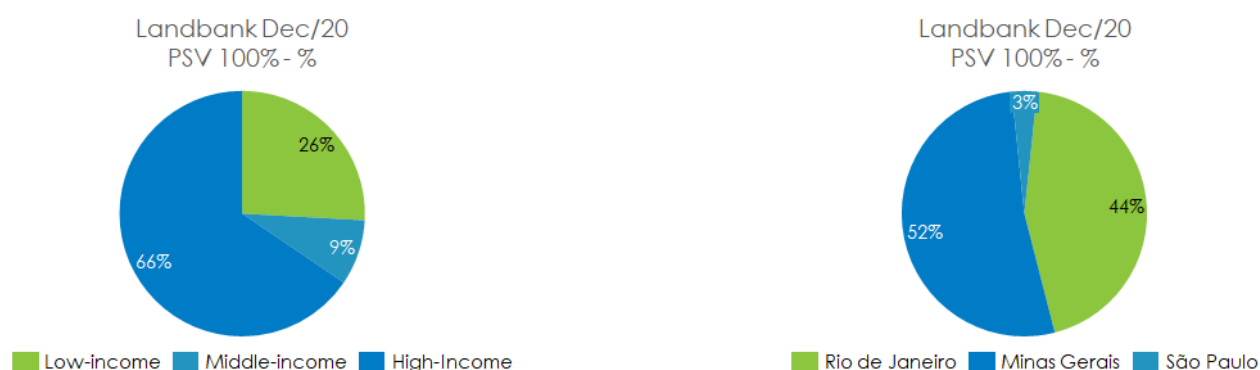


On December 31 2020, the market value of our inventory was R\$937.3 million (R\$ 570.1 million %Patrimar), 44.1% higher than the end of 3Q20 and 11.5% higher than the final inventory of 2019.

The Company reduced the volume of finished products from 19.6% in 3Q20 to 8.8% of total inventory in 4Q20, through the sales effort of finished units in 2020 as well as the spin-off at the end of 2020, removing certain non core assets of Patrimar's residential construction business.

Due to the launches made in December 2020 in the high-income segment, the major inventory of products under construction is in this segment (76.0% of the inventory under construction), which has a good sales performance and a greater room for prices adjustments.

Landbank



In the current scenario, we are optimistic with the Company's perspectives for the next quarters, especially in relation to high-income segment, where the demand is strong. In addition, the landbank totals a PSV of R\$ 7.2 billion (R\$ 5.0 billion % Patrimar), with a significant volume of projects in the final stages of approval.

Finally, we reaffirm our confidence in Patrimar's business model and our commitment with the profitability by keeping the Company among the largest homebuilders in Brazil.

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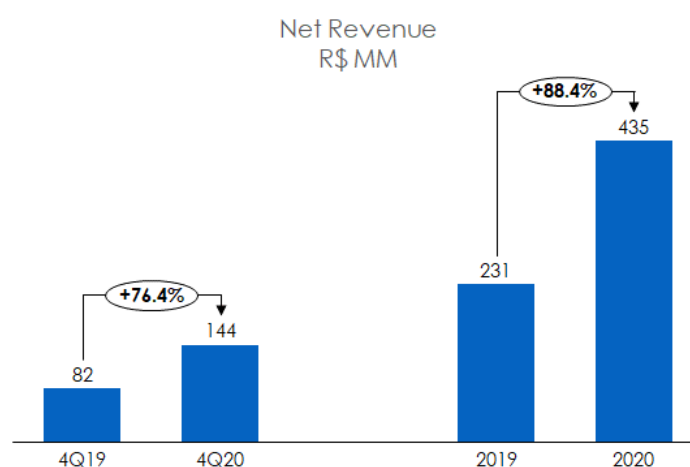
Financial Performance

Net Revenue

Net operating revenue (R\$ '000)	4Q20	4Q19	Δ %	2020	2019	Δ %
Gross revenue from the sales of properties	142,248	84,228	68.9%	457,698	256,786	78.2%
Service revenue	6,274	7,983	-21.4%	7,544	9,061	-16.7%
Gross revenue	148,522	92,211	61.1%	465,242	265,847	75.0%
Adjustment to present value	2,769	(4,388)	-163.1%	6,540	-6,121	-206.8%
Canceled sales	(4,775)	(9,963)	-52.1%	-27,334	-24,116	13.3%
Deduction and Taxes	(2,186)	3,970	-155.1%	-9,221	-4,551	102.6%
Net operating revenue	144,330	81,830	76.4%	435,227	231,059	88.4%

The Company's net revenue presented a strong growth, both when comparing 4Q20 to 4Q19 and 2020 to 2019, mostly due to the higher volume of sales made in this period and given the progress of projects launched in previous periods, where the activities continued even during the period of the COVID-19 pandemic.

Upon the increase in the volume of construction projects and the strong momentum of demand for residences in our operating markets, we are confident we will have even stronger results in the following quarters.



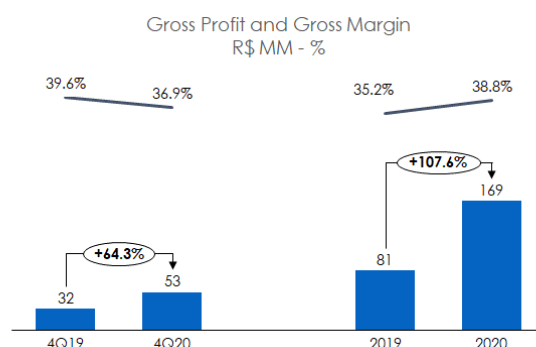
The proportion of net revenue for luxury and high-luxury projects of Patrimar was 71% in 2020. The remaining amount refers to net revenue from low and medium income projects of Novolar.

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Gross Profit and Gross Margin

Our gross margin remains one of the highest in the industry, especially due to the mix of ongoing projects, where there is a higher weight in high-end developments, with a higher gross margin, corroborating our strategy to allocate capital efficiently, seeking more profitability. Gross margin in 4Q20 fluctuated in relation to 4Q19, impacting the gross margin for fiscal year 2020, due to the more significant accounting record of the present value of accounts receivable.

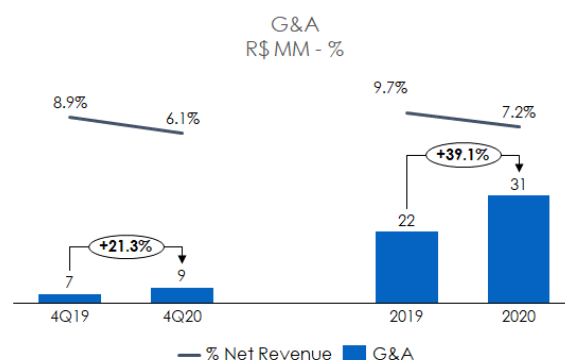


Operating Expenses

Operating Expenses (R\$ '000)	4Q20	4Q19	Δ %	2020	2019	Δ %
General and administrative expenses	8,876	7,319	21.3%	31,305	22,499	39.1%
Selling expenses	10,748	8,508	26.3%	29,331	20,738	41.4%
Other operating revenue (expenses)	3,535	6,074	-41.8%	12,174	8,778	38.7%
Total	23,159	21,901	5.7%	72,810	52,015	40.0%

General and Administrative Expenses (G&A)

G&A grew in the comparison of both the semester and year, and that is explained by the higher investments in personnel in strategic areas of the Company, for supporting the Company's growth cycle. It is important to point out that the dilution of G&A in net revenue both in comparison of 4Q20 to 4Q19, and in 2020 to 2019, presenting a reduction of 2.8 p.p. and 2.5 p.p., respectively, shows diligence in expense management, and a potential for operational leveraging with growth in our operations.

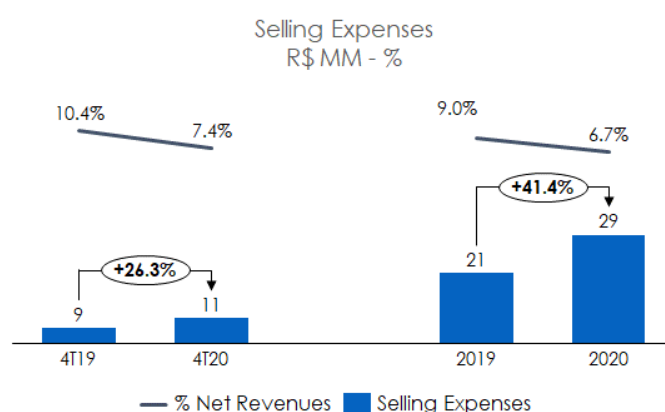


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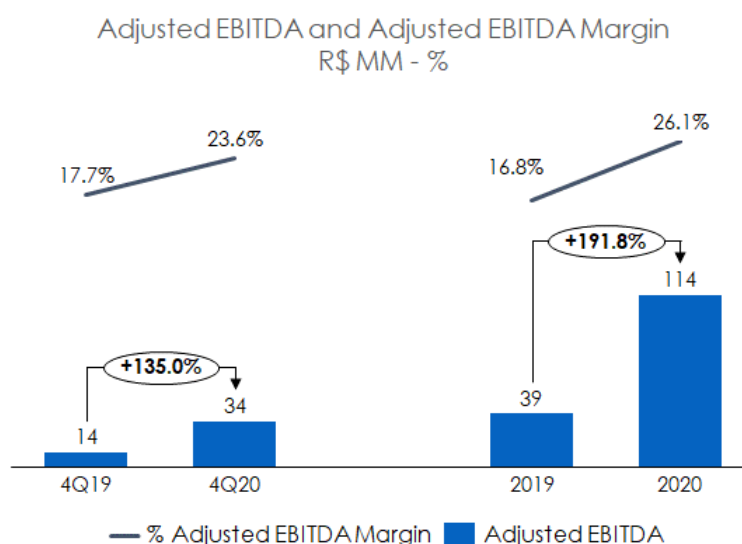
Selling Expenses

Significant reduction in the proportion of sales expenses over net revenue in the order of 3.0 p.p. compared to 4Q19 and 2.3 p.p. in the annual comparison. The highlight is the dilution of expenses with marketing and advertisement, which passed to represent 2.0 p.p. of the net income, a 0.8 p.p. reduction in the comparison with 2019. As well as commission and brokerage expenses, due to the successful sales of launches and a greater share of sales by Patrimar's internal team.



EBITDA and EBITDA Margin

Upon the growth of revenue and discipline in the control of expenses and expenditures, our Adjusted EBITDA Margin presented strong growth, both in the comparison between 4Q20 and 4Q19 and between year 2020 and 2019, representing a growth of 5.2 p.p. and 9.3 p.p., respectively. The EBITDA increase is explained, mostly, due to the increase of Gross Profit, creating a higher dilution of operating expenses, thus proving our ability to generate results.



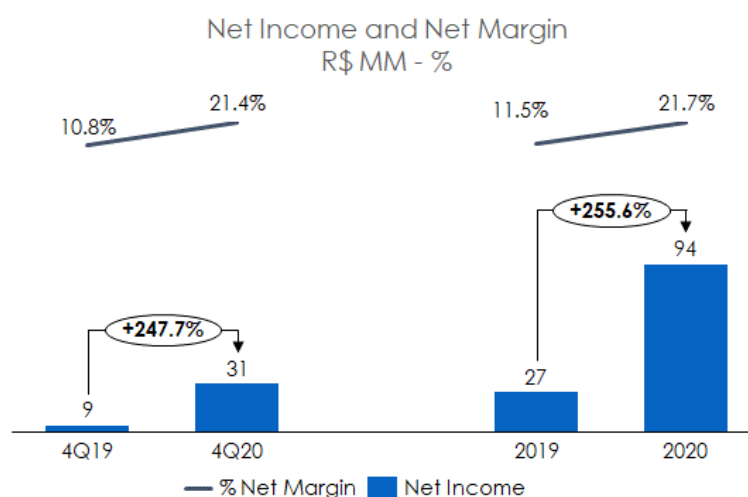
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EBITDA (R\$ '000)	4Q20 (a)	4Q19 (b)	Δ % (a/b)	2020 (c)	2019 (d)	Δ % (c/d)
Net Income	30,825	8,865	247.7%	94,367	26,539	255.6%
(+) Income Tax and Social Contribution	2,892	1,419	103.8%	8,424	4,561	84.7%
(+) Financial Results	(2,477)	1,500	-265.1%	(3,498)	190	n/a
(+) Depreciation and Amortization	1,880	2,362	-20.4%	8,951	5,845	53.1%
EBITDA	33,120	14,146	134.1%	108,244	37,135	191.5%
EBITDA Margin (%)	22.9%	17.3%	5.6p.p.	24.9%	16.1%	8.8p.p.
Capitalized Interest Expense	886	325	172.6%	5,291	1,774	198.3%
Adjusted EBITDA	34,006	14,471	135.0%	113,535	38,909	191.8%
Adjusted EBITDA Margin (%)	23.6%	17.7%	5.9p.p.	26.1%	16.8%	9.3p.p.

Net Income and Net Margin

Boosted by good operating performance, net profit presented strong growth in 2020. As highlighted in the previous sections, the quarter presented a relevant increase in revenues, impacted by the increase of sales. Our financial discipline and strong momentum in generating cash keep our financial results constant despite the growth.



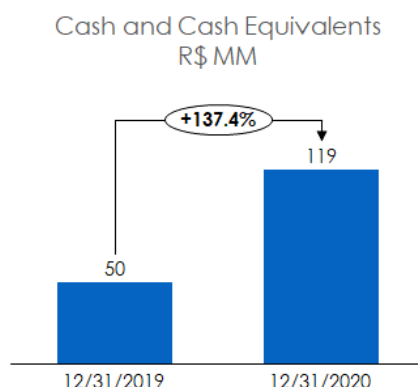
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Balance Sheet Highlights

Cash, Cash Equivalents and Financial Investments

Patrimar's cash had a significant increase, which is explained by the good performance in sales and by collections of high-end project. It is important to point out that, in November 2020, the company raised R\$ 50 million, from which most was used to extend the Company's debt profile.



Accounts Receivables

In 2020 the Balance of accounts receivable increased 79.6%, due to the increase in sales and the highest number of ongoing developments. Of that total, 27.1% refer to concluded units, 78.3% to units under construction or in the process of being delivered and 3.0% to management services.

Trade receivables (R\$ '000)	12/31/2020	12/31/2019	Δ %
Completed units	64,959	69,915	-7.1%
Units under construction	187,882	88,116	113.2%
Management services	7,197	-	n/a
Provision for canceled sales / losses / PVA	-20,015	-24,355	-17.8%
Total	240,023	133,676	79.6%

According to current accounting standards, recognition of Accounts Receivable is proportional to the *Percentage of Completion* - PoC of construction projects. Therefore, the balance of the portfolio of development units sold and of those still not built is not integrally reflected in the Financial Statements. To that end, it is important to point out that the total portfolio of Patrimar upon the conclusion of 4Q20 was R\$ 659 million, a 52% increase relative to the portfolio balance on December 31, 2019.

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Properties for Sales

In 2020, the properties for sales' balance registered a 23.7% growth due to the increase of acquisition of land destined to future development, which had a 101.1% growth, aligned to the Company's strategy to speed up launches in 2021.

Properties for Sales (R\$ '000)	12/31/2020	12/31/2019	Δ %
Inventories of land	153,021	76,092	101.1%
Properties under construction	167,955	146,723	14.5%
Completed properties	18,772	48,788	-61.5%
Provision for canceled sales	3,205	5,559	-42.3%
Total	342,953	277,162	23.7%

Advances from Customers

In 2020, advances from customers grew 77%, mostly resulting from advance of customized units (balances of customizations and changes advanced by high-end apartment clients) which reached R\$ 34 million, a 617.1% growth. These customization values will be spent on the works of each real estate unit and will be consumed until the end of the related works.

Advances from customers (R\$ '000)	12/31/2020	12/31/2019	Δ %
Advances from customers and barter made for construction in progress	73,592	50,078	47.0%
Advances from customers for customized units	33,925	4,731	617.1%
Barter made for land - not launched developments	43,602	30,588	42.5%
Total	151,119	85,397	77.0%

Obligations relative to the purchase of real estate

In 2020, the balance of developed properties had a significant growth, due to the increase of obligations associated to financial swaps, related to the growth in sales.

Real estate purchase obligations (R\$ '000)	12/31/2020	12/31/2019	Δ %
Land developed	43,115	12,271	251.4%
Land not developed	42,088	41,108	2.4%
Total	85,203	53,379	59.6%

4Q20 Earnings Release



Debt

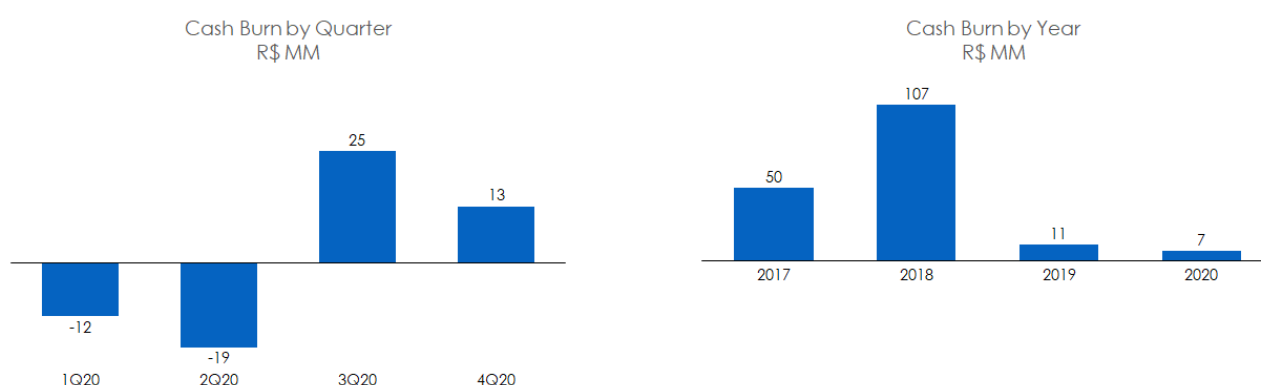
As described in management's message, we kept strong financial discipline throughout this year and we are reaping the results. We presented low leverage, where approximately 55% of our liabilities is attached to our construction projects via production financing. We had a significant volume of construction financing committed and still not disbursed, which, in conjunction with accounts receivable for units already sold, offers a great comfort to bear with the growth of the operation in the following years.

Net Debt (R\$ '000)	12/31/2020	12/31/2019	Δ %
(+) Loans and Financing	133,886	66,383	101.7%
(-) Cash and cash equivalents	(119,256)	(50,234)	137.4%
(=) Net debt	14,630	16,149	-9.4%
Equity	372,315	312,364	19.2%
(=) Net debt / Equity	3.9%	5.2%	-1.3 p.p.

Due to that low leverage and the growth cycle for the next year, the Company is still paying attention to market opportunities in all segments in the regions where it operates, for recomposing its *landbank* for keeping the growth level in the coming years. Our financial discipline, efficient capital allocation and focus on profitability will continue to be the main pillars in conducting our business.

Cash Burn

Even with the strong growth in operations, the Company generated cash due to the increase in the flow of collections, especially in the high-income segment, in an even shorter term and aligned to the flow of construction progress.



4Q20 Earnings Release



Annexes

Consolidated Income Statement

INCOME STATEMENT (R\$'000)	4Q20 (a)	4Q19 (b)	Δ % (a/b)	2020 (c)	2019 (d)	Δ % (c/d)
Net operating revenue	144,330	81,830	76.4%	435,227	231,059	88.4%
Cost of properties sold	(91,045)	(49,402)	84.3%	(266,525)	(149,788)	77.9%
Gross profit	53,285	32,428	64.3%	168,702	81,271	107.6%
Gross profit margin	36.92%	39.63%	-2.71 p.p.	38.76%	35.17%	3.59 p.p.
Operating income (expenses)	(23,159)	(21,901)	6%	(72,810)	(52,015)	40%
General and administrative expenses	(8,876)	(7,319)	21%	(31,305)	(22,499)	39%
Selling expenses	(10,748)	(8,508)	26%	(29,331)	(20,738)	41%
Other operating income (expenses), net	(3,535)	(6,074)	-42%	(12,174)	(8,778)	39%
Operating profit (loss)	30,126	10,527	186%	95,892	29,256	228%
Finance income	8,364	2,139	291%	17,282	6,215	178%
Finance costs	(5,887)	(3,639)	62%	(13,784)	(6,405)	115%
Finance income (costs), net	2,477	(1,500)	-265%	3,498	(190)	-1941%
Equity in the results of investees	1,114	1,257	11%	3,401	2,034	-67%
Profit (loss) before income tax and social contribution	33,717	10,284	228%	102,791	31,100	231%
Income tax and social contribution	(2,892)	(1,419)	104%	(8,424)	(4,561)	85%
Profit (loss) for the period	30,825	8,865	248%	94,367	26,539	256%
Net Profit Margin	21.36%	10.83%	10.5 p.p.	21.68%	11.49%	10.2 p.p.

4Q20 Earnings Release

Balance Sheet



Assets - (R\$ '000)	12/31/2020	12/31/2019	Δ %
Current assets			
Cash and cash equivalents	119,256	50,234	137%
Trade receivables	142,038	97,389	46%
Properties for sale	328,108	266,193	23%
Taxes recoverable	5,487	5,430	1%
Prepaid expenses	16,186	6,373	154%
Other receivables	13,642	6,295	117%
Total current assets	624,717	431,914	45%
Non-current assets			
Restricted financial investments	2.250	2.191	3%
Trade receivables	97.985	36.287	170%
Properties for sale	14.845	10.969	35%
Judicial deposits	1.529	2.592	-41%
Related parties	6.686	27.537	-76%
Long-term receivables	123.295	79.576	55%
Total non-current assets	200.600	162.958	23%
Total assets	825.317	594.872	39%

Liabilities and equity - (R\$ '000)	12/31/2020	12/31/2019	Δ %
Current liabilities			
Borrowings	49,686	37,531	32%
Leases	1,486	1,184	26%
Trade payables	27,373	29,623	-8%
Salaries and social charges	4,283	1,628	163%
Tax liabilities	15,742	8,166	93%
Real estate purchase obligations	54,965	46,799	17%
Dividends payable	8,235	38	21571%
Advances from customers	151,075	85,397	77%
Provision for canceled sales	-	726	n/a
Other payables	4,088	5,534	-26%
Total current liabilities	316,933	216,626	46%
Non-current liabilities			
Borrowings	84.200	28.852	192%
Leases	2.383	3.162	-25%
Real estate purchase obligations	30.238	6.580	360%
Advances from customers	44	-	n/a
Provision for contingencies	5.588	6.992	-20%
Provision for real estate maintenance	8.762	7.701	14%
Related parties	2.489	9.539	-74%
Provision for net capital deficiency	2.365	3.056	-23%
Total non-current liabilities	136.069	65.882	107%
Total liabilities	453.002	282.508	60%
Equity			
Capital	269.172	281.602	-4%
Capital Reserve	259	259	0%
Revenue reserves	25.697	-17.301	-249%
Equity Atributable to controlling shareholder's	295.128	264.560	12%
Non-controlling interests	77.187	47.804	61%
Total equity	372.315	312.364	19%
Total liabilities and equity	825.317	594.872	39%

4Q20 Earnings Release



Cash Flow Statement

Cash flows - (R\$ '000)	12/31/2020	12/31/2019	Δ %
Cash flows from operating activities			
Profit for the year	94,367	26,539	256%
Adjustments to reconcile profit with cash flows from operating activities			
Depreciation and amortization	8,951	5,845	53%
Present value adjustment of receivables	-12,802	6,121	-309%
Equity in the results of investees	-3,401	-2,034	67%
Provision for real estate maintenance	2,743	1,452	89%
Provision for labor, civil, and tax contingencies	2,628	3,795	-31%
Provision for losses on subsidiaries	-	2,294	n/a
Provision for interest on borrowings	6,425	3,310	94%
Income tax and social contribution	8,524	4,561	87%
Write-off due to sale of property and equipment	1,318	596	121%
	108,653	52,479	107%
Changes in working capital			
Increase (decrease) in assets and liabilities			
Trade receivables	-93,545	-34,419	172%
Properties for sale	-65,791	-6,060	986%
Taxes recoverable	-57	-2,741	-98%
Other assets	-16,097	-6,494	148%
Trade payables	-2,250	12,948	-117%
Salaries and social charges	2,655	-4,139	-164%
Tax liabilities	5,477	912	501%
Real estate purchase obligations	31,824	25,853	23%
Advances from customers	65,722	18,334	258%
Other liabilities	-1,376	-11,009	-88%
Amounts paid for civil, labor and tax contingencies	-3,960	-632	527%
	-77,398	-7,447	939%
Interest paid	-5,633	-3,926	43%
Income tax and social contribution paid	-6,325	-4,371	45%
Net cash provided by (used in) operating activities	19,297	36,735	-47%
Cash flows from investing activities			
Changes in restricted financial investments	-59	-109	-46%
Capital contribution in investees	-	125	n/a
Advances to related parties	13,801	30,667	-55%
Contributions to investments	3,209	-	n/a
Net assets merged RPMV	-	10	n/a
Purchases of property and equipment and intangible assets	-7,174	-10,939	-34%
Net cash used in investing activities	9,777	19,754	-51%
Cash flows from financing activities			
New borrowings	164,819	38,437	329%
Repayment of borrowings - principal	-98,580	-41,954	135%
Dividends paid	-5,268	-2,867	84%
Capital decrease	-12,430	-	n/a
Distributions to non-controlling interests, net	-8,593	-19,632	-56%
Net cash provided by (used in) financing activities	39,948	-26,016	-254%
Net increase in cash and cash equivalents	69,022	30,473	127%
Cash changes			
Cash and cash equivalents at the beginning of the year	50,234	19,761	154%
Cash and cash equivalents at the end of the year	119,256	50,234	137%
Increase in cash and cash equivalents	69,022	30,473	127%

4Q20 Earnings Release



Glossary

Landbank 100% - total value of the potential PSV of all land held by the Company or in which the Company has a stake;

Landbank % Patrimar – the total value of the potential PSV of the land held by the Company or that the Company has a stake, excluding the exchanged units and the participation of partners, that is, the net value belonging to the Company of the potential PSV of the land;

Launches 100% - total PSV of the launched projects, at launch list prices, considering any exchanged units and participation of partners in the projects;

Launches % Patrimar – refers to the total PSV of launched projects, at launch list prices, disregarding exchanged units and partner participation, that is, only the percentage of the net PSV belonging to the Company;

Contracted Sales - Value of contracts signed with customers, referring to the sale of finished Units or for future delivery. The exchanged units are disregarded from the contracted sales value. Contracted sales 100% refer to all units sold in the period (except exchanged units) and contracted sales % Patrimar refers to the percentage of the Company's participation in these sales, disregarding the participation of partners;

Net Contracted Sales - Contracted Sales less the value of canceled contracts in the period;

VSO - Sales over Offer;

Gross VSO - Gross Sales / (Initial Inventory for the period + Launches for the Period);

Net VSO - Net Sales / (Initial Inventory for the period + Launches for the Period);

PSV - Potential Sales Volume;

Percentage of Completion ("PoC") – Under IFRS, revenues, costs and expenses related to real estate projects are appropriated based on the accounting method of the cost incurred ("PoC"), by measuring the progress of the work by the actual costs incurred versus the total budgeted expenses for each stage of the project;

EBITDA (Earnings Before Interests, Taxes, Depreciation and Amortization) - Net Income before financial result, income tax and social contribution, and depreciation expenses;

Adjusted EBITDA: it is not a measure of financial performance under Accounting Practices Adopted in Brazil, nor should it be considered in isolation, or as an alternative to net income, as a measure of operating performance, or as an alternative to operating cash flows, or as a measure of liquidity. Adjusted EBITDA serves as an indicator of our general economic performance, which is not affected by fluctuations in interest rates, changes in the tax burden of Income Tax and Social Contribution or levels of depreciation and amortization;

ROE - Return On Equity. ROE is defined by the quotient between the net income and the average value of equity;

Cash Burn – Generation (or consumption) of cash measured by the variation of net debt, disregarding increases of capital, re-buy of shares held in treasury and dividends paid, if any;

Portfolio - represented by credits receivable relative to sale of residential properties concluded or still to be concluded;

Construction obligation – Cost of construction to be incurred.

4Q20 Earnings Release



Disclaimer

The statements contained in this document relative to business perspectives, projections of operational and financial results and those relative to the growth projections of Patrimar are mere projections and as such, they are exclusively based on the expectations of the Board of Directors regarding the future of the business.

These expectations depend, substantially, on approvals and licenses necessary for ratifying projects, market conditions, Brazilian economy performance, the performance of the industry and of international markets and therefore, they are subject to changes without notice in advance.

This performance report includes non-accounting data, such as operational, financial and projection data based on the expectations of the Company's management. Non-accounting data such as quantitative information and values of Launches, Contracted Sales, values of the Casa Verde Amarela Program - CVA (formerly MCMV), market value inventory, Landbank, Results to appropriate, cash consumption and projections were not subject to review by the Company's independent auditors.

The EBITDA indicated in this report represents net earnings before financial results, financial charges in the cost of property sold title, income tax and social contribution, expenses due to depreciation and amortization and participation of non-controlling shareholders. Patrimar understands that the reversal of the adjustment to present value of accounts receivable from units sold and not delivered, registered as gross operating revenue is part of its operating activities and therefore, that revenue was not removed from the calculation of EBITDA. EBITDA is not a financial performance measurement according to Accounting Practices Adopted in Brazil and the IFRS, and it shall also not be considered in isolation, or as an alternative to net profit, as a measurement of operational performance, or as an alternative to operational cash flows, or as a measurement of liquidity. For not being considered in its calculation, the financial results, financial charges included in the title and the cost of property sold, income tax and social contribution, expenses with depreciation and amortization and participation of non-controlling shareholders, EBITDA works as an indicator of the general economic performance of Patrimar, not impacted by changes of the burden of income tax and social contribution or depreciation and amortization levels. EBITDA, however, presents limitations that negatively impact its use as a measurement of Patrimar's profitability, for not considering some cost incurred in Patrimar's businesses, which could significantly impact Patrimar's profits, such as financial results, taxes, depreciation and amortization, capital expenditures and other related cost.



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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 2020, 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.