

Earnings Release

3Q22 and 9M22



Earnings Release 3Q22 and 9M22

Belo Horizonte, November 08, 2022 - 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 third quarter of fiscal year 2022 ("3Q22") and for the nine months of 2022 ("9M22"). Except where otherwise indicated, the information in this document is expressed in Brazilian Reais (R\$) and shows the consolidated value (100%).

Highlights

- **Net Contracted Sales of R\$ 1.1 billion in the last twelve months ended on September 30, 2022**, the best accumulated value in the company's history;
- **Net operating revenue of R\$ 313.6 million**, up 72.0% in 3Q22 compared to the same period in 2021 and 18.2% in 9M22 compared to 9M21, reaching R\$648.8 million;
- Net cash of R\$ 17.3 million. **Net Debt to Equity Ratio of -3.2% in September/22**, 0.6 p.p. better than the same period last year;
- **3Q22 annualized ROE of 25.5%**, 14.2 p.p. above 3Q21.

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About Patrimar Group

The Company is a real estate developer and homebuilder based in the city of Belo Horizonte, state of Minas Gerais, on the Southeast region of Brazil with over 59 years of experience, placed among the 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 to a presence in the middle and low-income segments through the Novolar brand.



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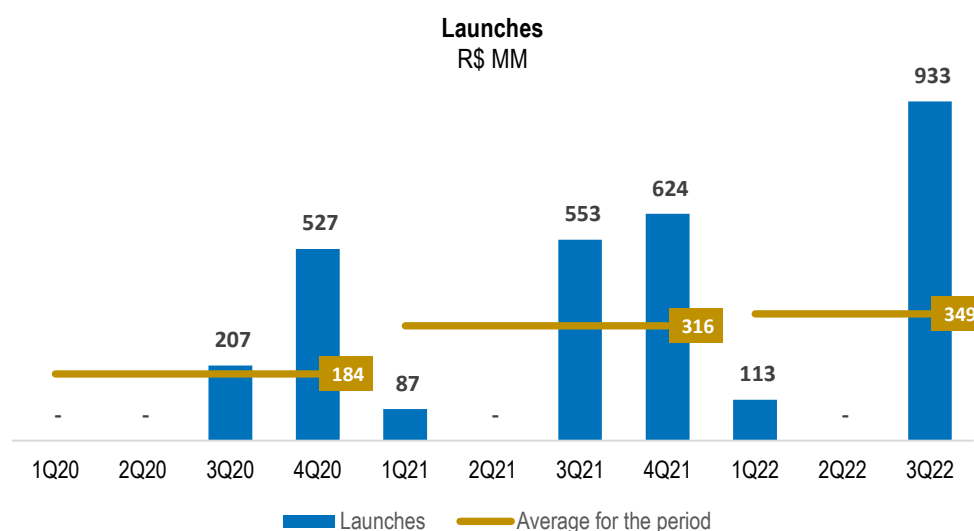


Message from the Management

We are pleased to present our operational and financial results for the third quarter of 2022. We are confident in our operation and quality of execution and we remain financially solid and excited about the growth prospects in our markets.

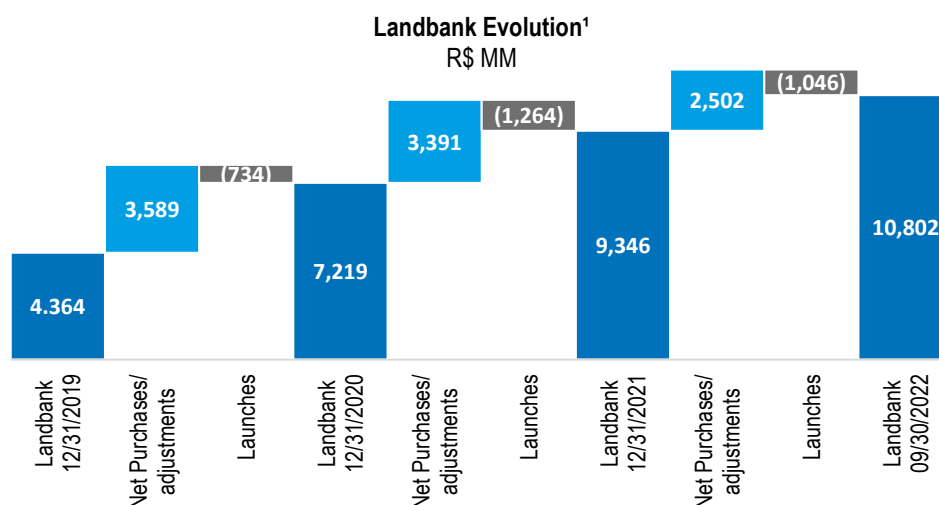
Growth

Grupo Patrimar has been showing consistent growth in its operations since structuring as a publicly-held company registered on CVM, in November 2020. Our launches level has been growing, geographically distributed in markets that we believe have better absorption for each income segment.

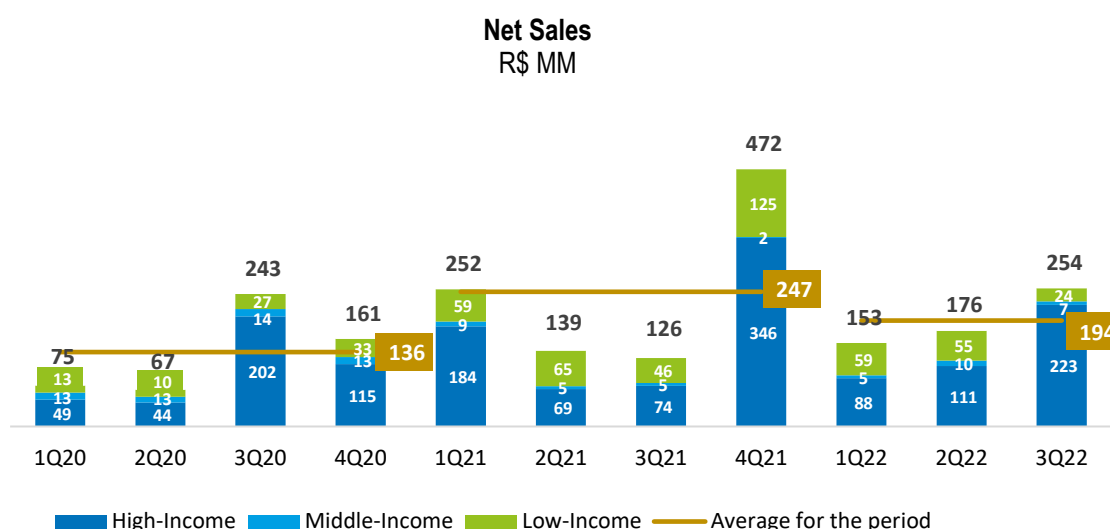


Aiming to support this growth – and also to lengthen the approval cycles of municipalities, the Company has been investing in its landbank, which has grown in number of lands, in value and in the multiplicity of regions. As lands have taken longer to get approved for launch, our cycle has been getting slower and it will take some time to get it to normal speed.

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Contracted sales have reflected the change in the Company's level. Our ability to understand each market needs, the absorption speed of products to define a launch or not, has helped us raise our average sales with a very high assertiveness degree and success in our projects. It was already expected and natural a certain accommodation in the sales speed in 2022 compared to 2021 due to the economic scenario, election year and interest rate.



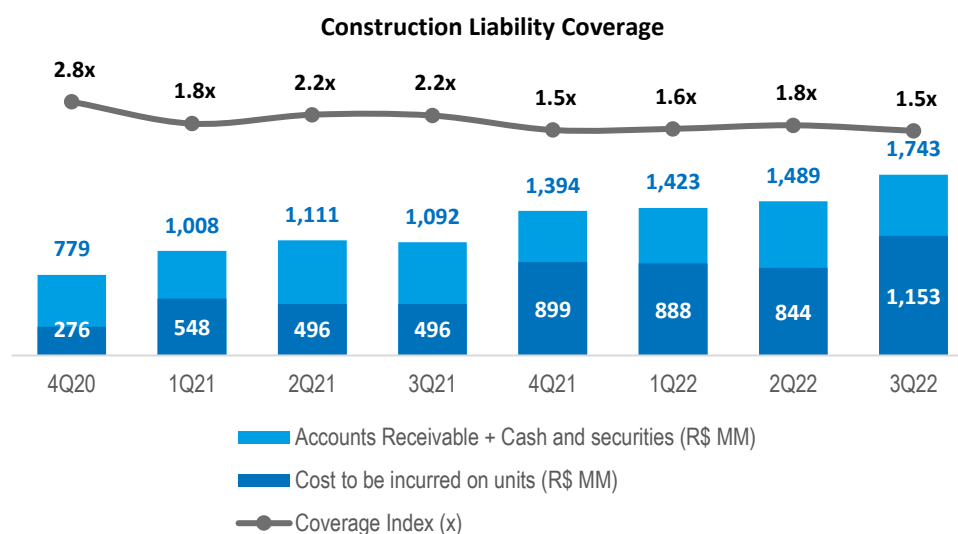
Our average net contracted sales volume in 2022 is 42.3% higher than the average sales for 2020, but 21.4% lower than the average for 2021, when we had a very strong 4Q21 due to major launches that were very successful in sales

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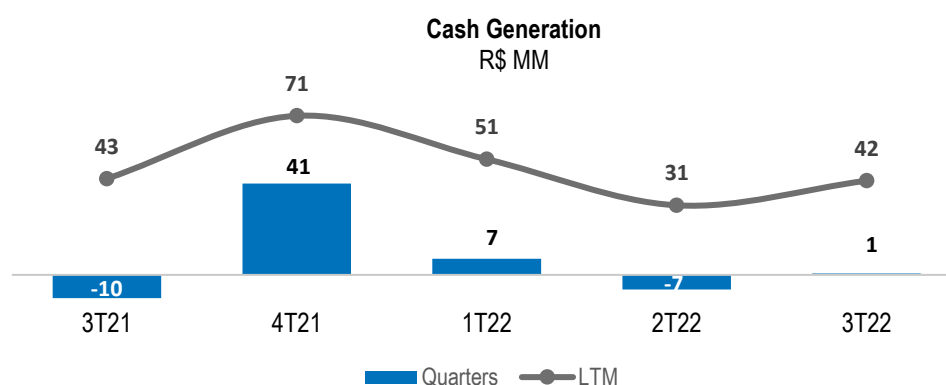


Financial Discipline

Despite all the growth seen in recent years and the natural growth of our construction volume – and, therefore, construction liabilities – the Company has maintained strict financial discipline, with room in its balance sheet for continuous growth with profitability and responsible risks management.



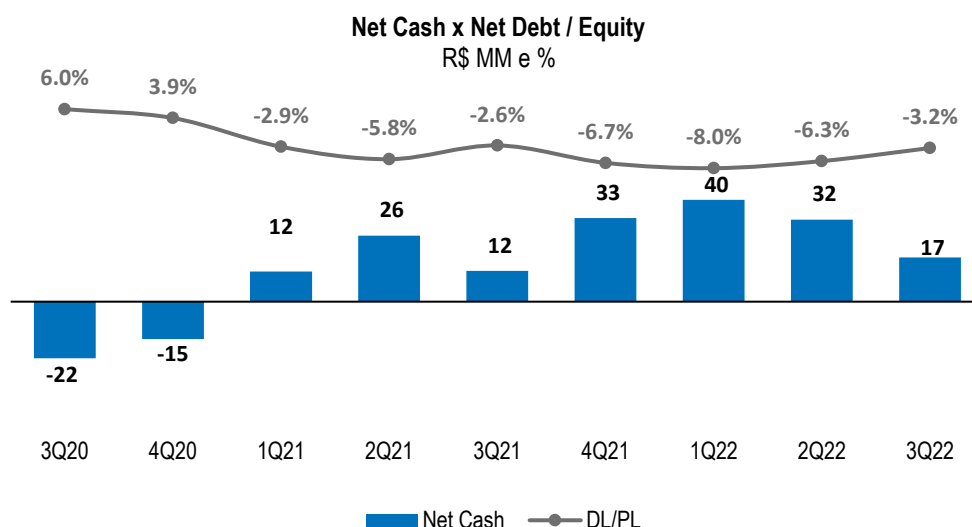
We have managed to balance our cash generation well despite the growth. This quarter we had cash generation of R\$ 1 million and R\$ 42 million in the last 12 months



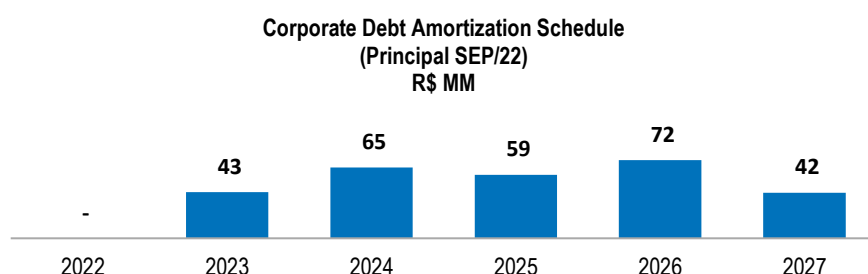
We adopted a conservative balance sheet approach, with little leverage and the highest cash volume possible, taking advantage of the good moment experienced by the high-income sector and a shorter sales receivables cycle.

We do not believe that this scenario will repeat in the following years, however we are capable of taking advantage of the good opportunities that the market will present, in all segments.

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Our corporate liabilities profile is aligned with the cash cycles of our projects. In jul/22 we concluded the funding of a CRI amounting R\$ 150 million, maturing in 5 years, at a cost of CDI + 2.00% yy and pre-payment of a working capital debt amounting R\$50 million, which had payments scheduled between 2022 and 2024, at a cost of CDI + 3.75% yy.

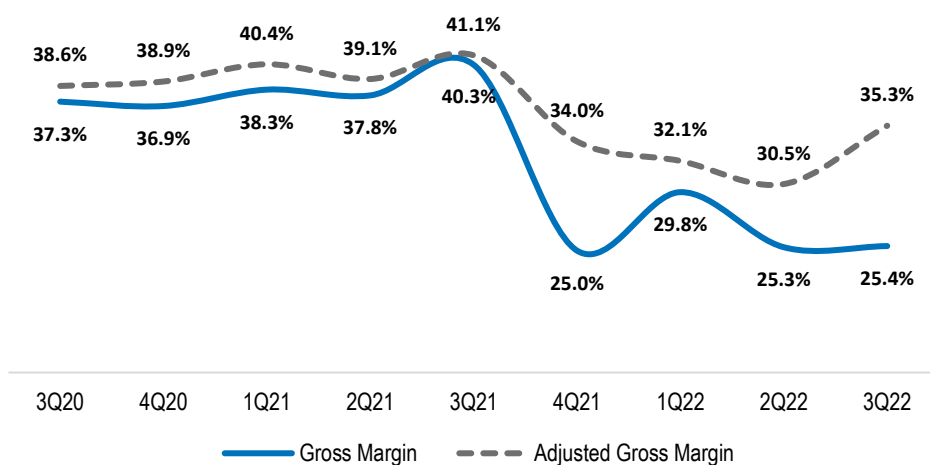


During this growth process and certain projects development, the Company still has some relevant launches compared to the total revenue being generated (due to the way the PoC works). Because of this, when an accounting factor is relevant in the quarter, it ends up having a relevant impact on the results. This is the case for swaps effects and adjustments to present value (APV) in our projects.

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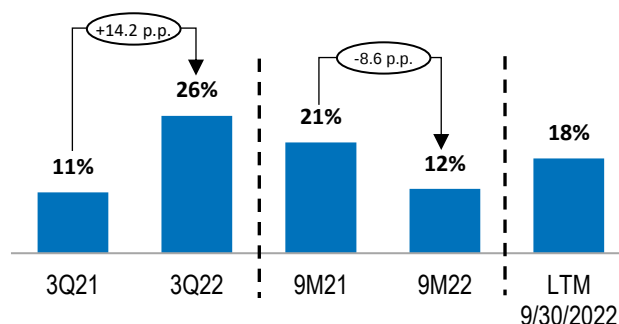
Gross Margin and Adjusted Gross Margin²



In addition, gross margin suffered relative pressures from cost increases caused by inflation since the end of the second quarter of 2021. We understand that such pressures are less intense at the moment, with price variation accommodation, although still at high levels. We can see in the chart above that the margin ex-accounting effects has already been recovering in 3Q22.

The Company's business mix between high income, middle income and low income will have a relevant impact on the consolidated gross margin. We expect to increase our operations in the low-income segment, which despite a lower gross margin, has a very attractive ROE.

ROE Annualized³
%



2-Adjusted Gross Margin: Gross Margin excluding the effects of AVP and Physical Swap
 3- Annualized ROE of the Controller: Annualized Net Income divided by Adjusted Shareholders' Equity

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Diversification and new business

On November 1, 2022, the Company entered into a Memorandum of Understanding (“MOU”) with Performance Empreendimentos Imobiliários Ltda (“Performance”), aiming the joint exploration of a business model for the development, construction, leasing and management of multifamily residential projects in Brazil, exclusively through the leasing and services related to the leased units (“Rental Model” and “Projects”). According to the Rental Model, the Projects will be prospected and developed by a company to be constituted, whose brand has already been designed by Performance (“Viv In”), and managed by another company to be constituted, whose brand has also been designed by Performance (“Livizi” and, together with Viv In, the “Societies”).

The forecast of investments in the Enterprises is around R\$ 150 million to R\$ 200 million in the next 6 years. Viv In has around two thousand units already identified, under negotiation, and the business plan includes reaching approximately five thousand units in eight years.

To consummate the association, the Company and Performance will negotiate, for the next 60 (sixty) days, counted from the date of the MOU, definitive documents in order to regulate the relationship of the parties to develop the Enterprises and the Rental Model through Viv In and Livizi, being certain that each of the parties, directly or indirectly, will hold 50% (fifty percent) of the capital stock of each of the Companies. The consummation of the transaction depends on the negotiation and execution of definitive documents between the parties and, also, the fulfillment of conditions precedent that are described therein.



The Group remains attentive to market opportunities to add new revenue lines that are connected to the residential housing business. Our mentality is to incorporate businesses in the future that are complementary to housing and that bring service solutions to our customers, directly and indirectly, aiming to bring everyone the best experience of living.



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Subsequent Events

On November 7, 2022, through the Board of Directors' Minutes of Meeting - RCA, it was decided to distribute interim dividends to the company's shareholders in the amount of R\$ 1,000,000.00 (one million reais), in advance to the profit for the fiscal year that will end on December 31, 2022, which will be fully paid to shareholders registered in the Company's records, on November 10, 2022 and will be attributed to dividends related to the profit for this period.

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Main Indicators

Financial Indicators (R\$ '000)	3Q22 (a)	3Q21 (b)	Δ % (a/b)	9M22 (c)	9M21 (d)	Δ % (c/d)
Net Operational Revenue	313,544	182,248	72.0%	648,780	548,913	18.2%
Gross Profit	79,642	73,463	8.4%	171,021	212,875	-19.7%
% Gross Margin	25.4%	40.3%	-14.9 p.p.	26.4%	38.8%	-12.4 p.p.
EBITDA	49,223	42,038	17.1%	82,837	129,978	-36.3%
% EBITDA Margin	15.7%	23.1%	-7.4 p.p.	12.8%	23.7%	-10.9 p.p.
EBITDA Ajustado	52,077	43,491	19.7%	91,411	135,758	-32.7%
% Adjusted EBITDA Margin	16.6%	23.9%	-7.3 p.p.	14.1%	24.7%	-10.6 p.p.
Net Income	41,813	32,525	28.6%	63,922	111,916	-42.9%
% Net Margin	13.3%	17.8%	-4.5 p.p.	9.9%	20.4%	-10.5 p.p.

Launches by Income Levels (R\$ '000)	3Q22 (a)	3Q21 (b)	Δ % (a/b)	9M22 (c)	9M21 (d)	Δ % (c/d)
PSV 100%	933,406	552,656	68.9%	1,046,187	639,898	63.5%
Low-income	-	76,570	-100.0%	38,284	163,811	-76.6%
Middle-income	-	-	n/a	74,498	-	n/a
High-income	933,406	476,087	96.1%	933,406	476,087	96.1%
PSV % Patrimar	593,683	397,586	49.3%	700,956	463,459	51.2%
Low-income	-	76,570	-100.0%	38,284	142,442	-73.1%
Middle-income	-	-	n/a	68,988	-	n/a
High-income	593,683	321,017	84.9%	593,683	321,017	84.9%
Units	322	543	-40.7%	638	943	-32.3%
Low-income	-	420	-100.0%	220	820	-73.2%
Middle-income	-	-	n/a	96	-	n/a
High-income	322	123	161.8%	322	123	161.8%

Net Contracted Sales (R\$ '000)	3Q22 (a)	3Q21 (b)	Δ % (a/b)	9M22 (c)	9M21 (d)	Δ % (c/d)
PSV 100%	253,753	125,659	101.9%	582,480	516,229	12.8%
Low-income	24,460	45,950	-46.8%	138,212	170,020	-18.7%
Middle-income	6,506	5,263	23.6%	21,923	18,897	16.0%
High-income	222,787	74,446	199.3%	422,346	327,312	29.0%
PSV % Patrimar	238,639	87,986	171.2%	529,354	333,878	58.5%
Low-income	24,211	44,777	-45.9%	136,077	152,847	-11.0%
Middle-income	4,739	4,025	17.7%	18,923	13,568	39.5%
High-income	209,689	39,184	435.1%	374,354	167,463	123.5%
Units	214	290	-26.2%	796	1,004	-20.7%
Low-income	118	249	-52.6%	611	860	-29.0%
Middle-income	15	10	50.0%	44	43	2.3%
High-income	81	31	161.3%	141	101	39.6%
Average Price	1,186	433	173.7%	732	514	42.3%
Low-income	207	185	12.3%	226	198	14.4%
Middle-income	434	526	-17.6%	498	439	13.4%
High-income	2,750	2,401	14.5%	2,995	3,241	-7.6%

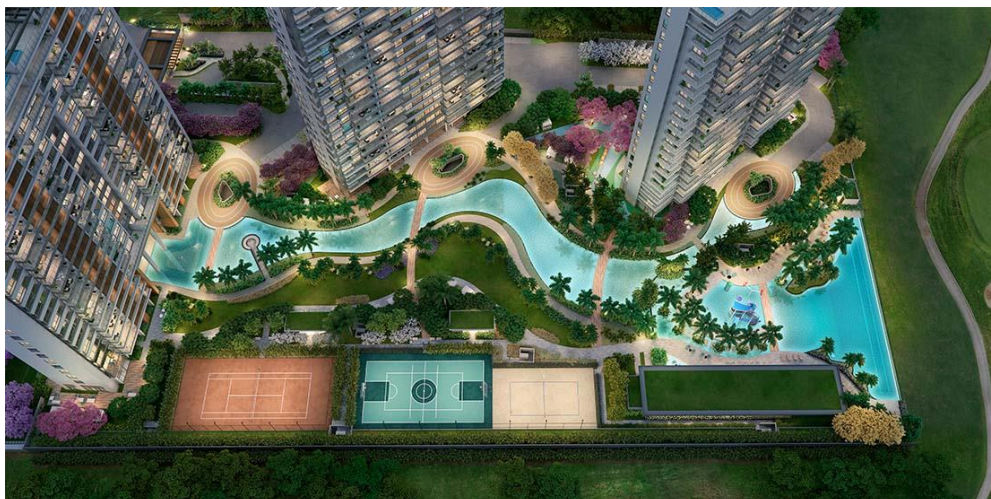


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Operational Performance

Launches

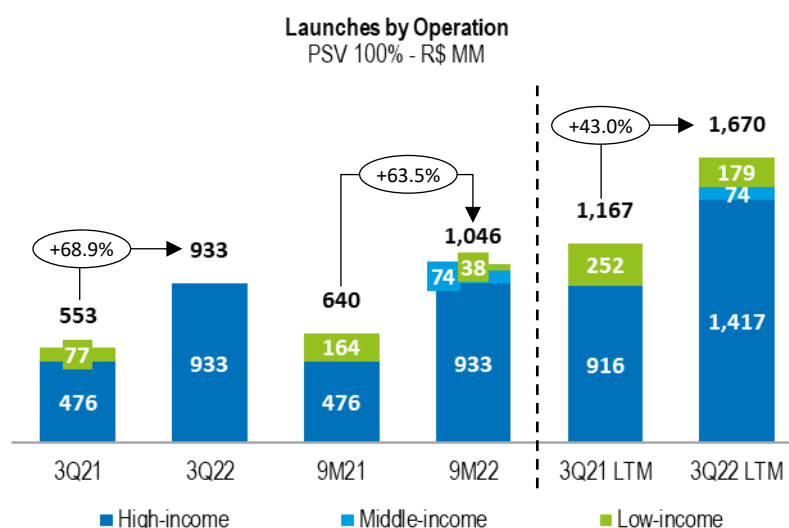
The Company resumed at strong pace launches at 3Q22, totaling R\$ 933.4 million, a historical record for the Company. Held in July, the launch of Atlântico Golf, in Rio de Janeiro city, in the region of Barra da Tijuca, is the most relevant of Patrimar brand this year. Thus, the Company presented a 68.9% increase in launches in 3Q22 when compared to 3Q21.





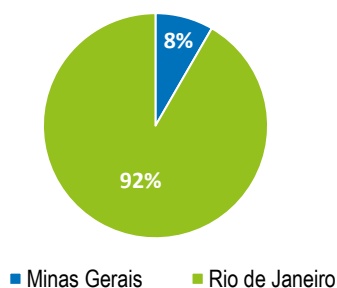
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In the nine months of 2022, we launched R\$1.0 billion, a record for the period, 63.5% higher than 9M21. In the 12-month period, the Company totaled R\$1.7 billion in launches, another record, representing an increase of 43.0% when comparing the 3Q22 LTM with the 3Q21 LTM. This level of launches in the period consolidates our presence in Rio de Janeiro, expanding the company's geographic diversification while renewing our inventories.

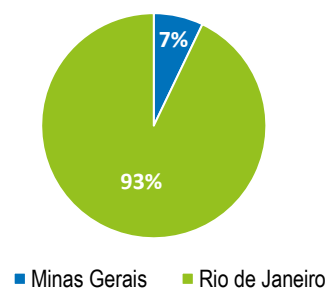


We did not perform any launch of Novolar brand in the low-income segment in 3Q22 due to the project management strategy in view of the changes incorporated to the Casa Verde Amarela Program throughout 3Q22. We have already resumed launches in 4Q22, launching in October 2022 a project of R\$70 million PSV in this segment.

Launches by Region - 9M21
PSV 100% - %



Launches by Region - 9M22
PSV 100% - %

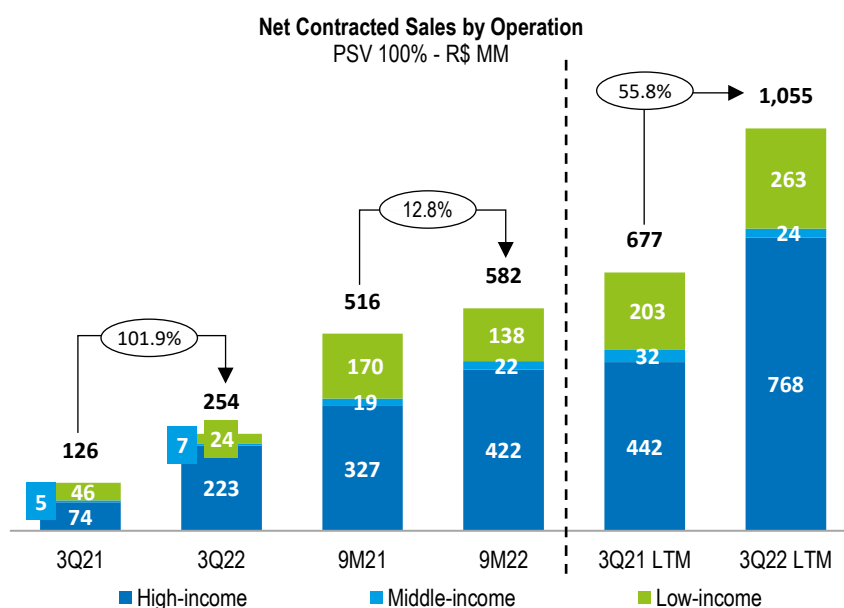


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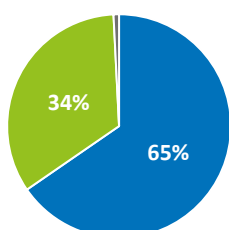
Contracted Sales

A total of R\$253.8 million net sales were sold in this quarter, represented by 214 housing units. The High Income operation reached a growth of almost 200% in relation to the same period last year, driven by the sales of Atlântico Golf, which just three months after its launch reached R\$ 195.6 million sold (R\$ 305.2 million with the swaps or 32.4% of the Gross PSV).



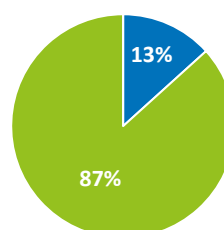
With the strong presence we have with the two brands of the group, our sales continue concentrated in Minas Gerais and Rio de Janeiro. Nevertheless, we continued with the acquisition of land in the interior of the state of São Paulo, aiming to have a greater balance of regional exposure and, thus, maximize results with the combination of markets and products.

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



■ Minas Gerais ■ Rio de Janeiro ■ São Paulo

Net Sales by Region - 3Q22
PSV 100% - %

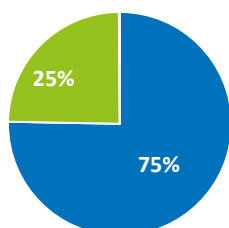


■ Minas Gerais ■ Rio de Janeiro ■ São Paulo

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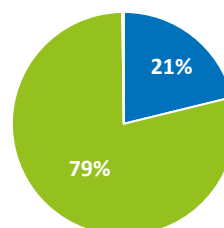


Net Sales by Region - 9M21
PSV 100% - %



■ Minas Gerais ■ Rio de Janeiro ■ São Paulo

Net Sales by Region - 9M22
PSV 100% - %

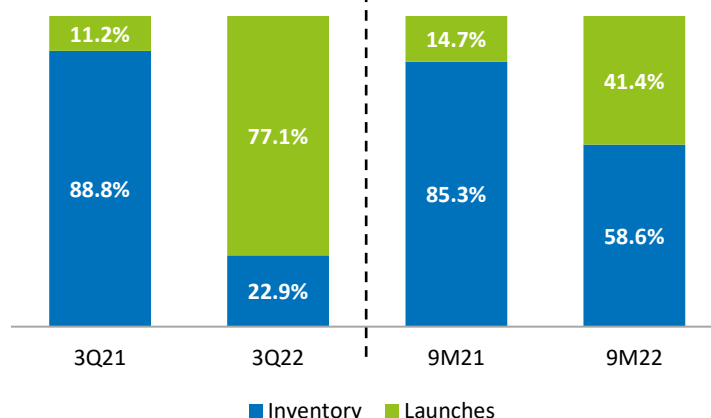


■ Minas Gerais ■ Rio de Janeiro ■ São Paulo

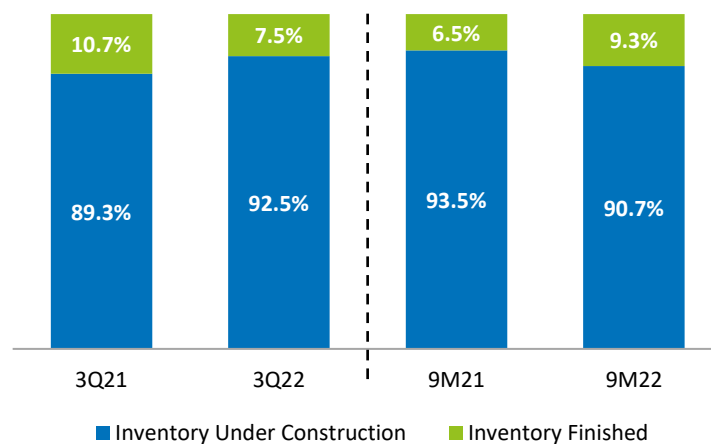
Since the first launch of the luxury brand Patrimar in Rio de Janeiro, in September 2021, Oceana Golf, and now with the launch in 3Q22 of the neighboring Atlântico Golf, we have surpassed the mark of R\$ 1 billion in total contracted sales in the city within 12 months, a relevant and unprecedented milestone in the city.

80% of the projects with availability in stock have more than 60% of their PSV sold.

Sales Opening
PSV 100% - %



Sales Opening
PSV 100%, %



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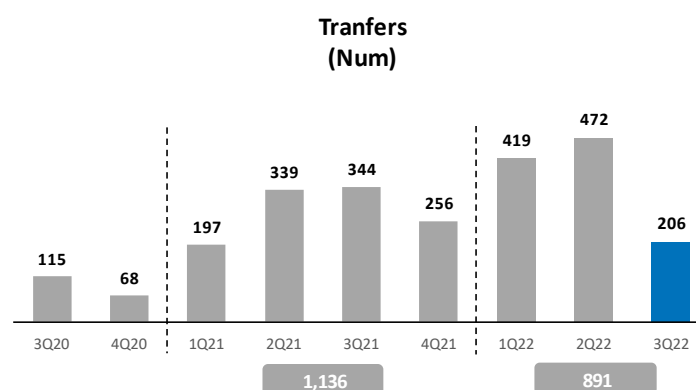


The table below provides more information about sales.

Net Contracted Sales (R\$ '000)	3Q22 (a)	3Q21 (b)	Δ % (a/b)	9M22 (c)	9M21 (d)	Δ % (c/d)
PSV 100%	253,753	125,659	101.9%	582,480	516,229	12.8%
Low-income	24,460	45,950	-46.8%	138,212	170,020	-18.7%
Middle-income	6,506	5,263	23.6%	21,923	18,897	16.0%
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Middle-income	434	526	-17.6%	498	439	13.4%
High-income	2,750	2,401	14.5%	2,995	3,241	-7.6%

Patrimar's PSV % in the analyzed periods showed an increase due to a higher percentage of the Company's sales, as a consequence of an evolution of our land bank with a lower participation of partners in the sales made. The Company had a 94.0% share of sales in 3Q22 against 70.0% in 3Q21 and a 90.9% share of sales in 9M22 against 64.7% in 9M21.

Given the high speed of sales and, therefore, the reduction of our inventories, mainly in the economic segment, we had a lower availability of units transferred in the quarter, transferring 206 units in 3Q22 (or R\$ 48.5 million). However, in these nine months of 2022 we have already transferred 96.6% of the total for 2021 and 143.4% in the comparison of the last 12 months.



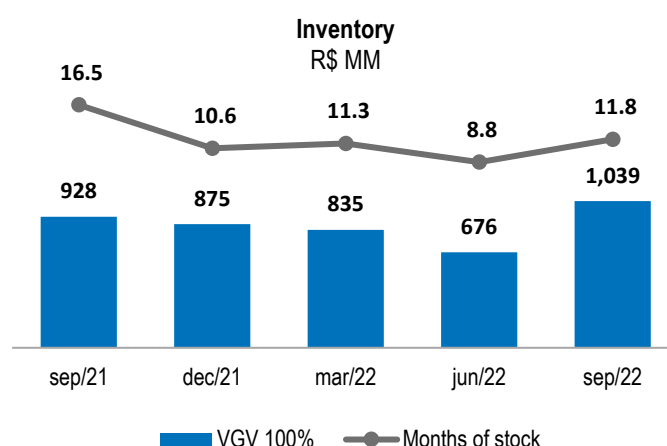
According to the company's launch strategy, as we rebuild our inventories and maintain the current transfer speed, we should return to the transfer volumes of the immediately previous quarters.

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Inventory

With the launch of Atlântico this quarter, we replenished our inventories, which rose 18.7% compared to the end of 2021 and 11.9% compared to the same period last year. Disregarding this launch, our inventories would be at the level of R\$ 630 MM, maintaining the downward trend shown in recent quarters due to the strength of our sales. With the resumption of launches in 4Q22 in all segments, we should increase and better distribute our inventories.



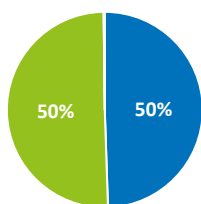
Our inventory position with more than 80% concentrated in apartments under construction, confirms the success of our launches historically. Compared to the same quarter of the previous year, completed inventories increased by 10.7 p.p. compared to 3Q21, basically due to the conclusion of the award-winning La Reserve project, in the metropolitan region of Belo Horizonte. However, compared to the position of the immediately previous quarter, the finished inventory decreased by 9.2%.



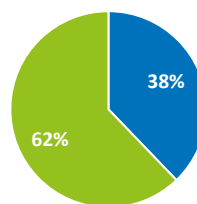
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Inventory by Region Sep/21
PSV 100% - %



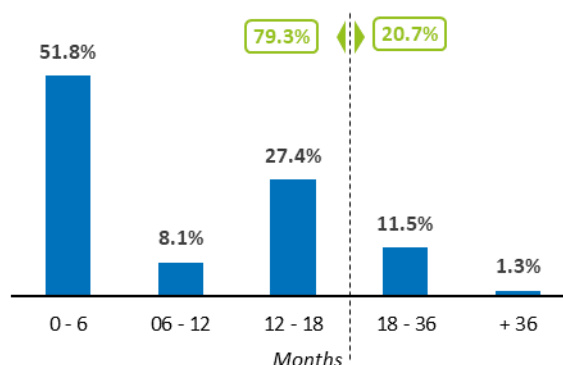
Inventory by Region Sep/22
PSV 100% - %



■ Minas Gerais ■ Rio de Janeiro ■ São Paulo ■ Minas Gerais ■ Rio de Janeiro ■ São Paulo

Of the total inventory under construction, most of it is due to recent launches within the last 18 months, which reinforces our ability to sell at launches and not carry finished inventories over time.

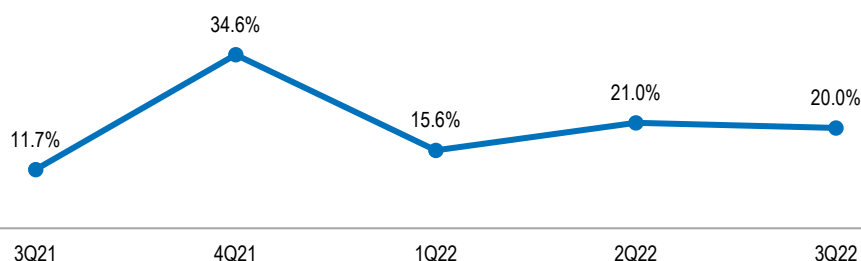
Aging of Inventory under Construction Sep/22
VGV %Patrimar - %



SOS (Sales Speed) – Sales over Supply

The net sales velocity in 3Q22, measured by the net VSO indicator (Net Sales over Supply), even with the high volume of launches, was basically in line with the immediately previous quarter. In relation to 3Q21, there was an increase of 8.3 p.p.

Net SOS
PSV 100% - %



Sales Speed (R\$ mil)	3Q21	4Q21	1Q22	2Q22	3Q22
Sales	125,659	472,097	152,975	175,752	253,753
Offer	1,075,057	1,363,336	982,463	834,941	1,269,352
Opening Stock	677,471	928,189	875,190	834,941	675,669
Launches	397,586	435,147	107,272	-	593,683
VSO (%)	11.7%	34.6%	15.6%	21.0%	20.0%

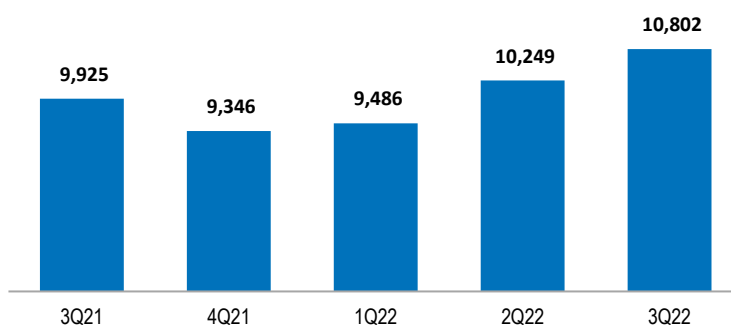


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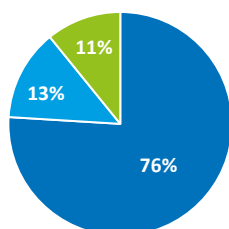
Landbank

Preparing the company for future growth cycles and increasing diversification, we have already acquired R\$ 926 million in land this year, reaching a Landbank position of R\$ 10.8 billion (12,191 units) in September 2022. We increased our share to 68.2%, 9.4 p.p. more than the same period of the previous year.

Landbank
PSV 100% - R\$ MM

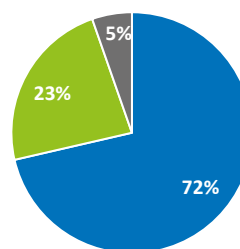


Landbank by Operation Sep/ 22
PSV 100% - %



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

Landbank by Region Sep/ 22
PSV 100% - %



■ Minas Gerais ■ Rio de Janeiro ■ São Paulo

Earnings Release 3Q22 and 9M22



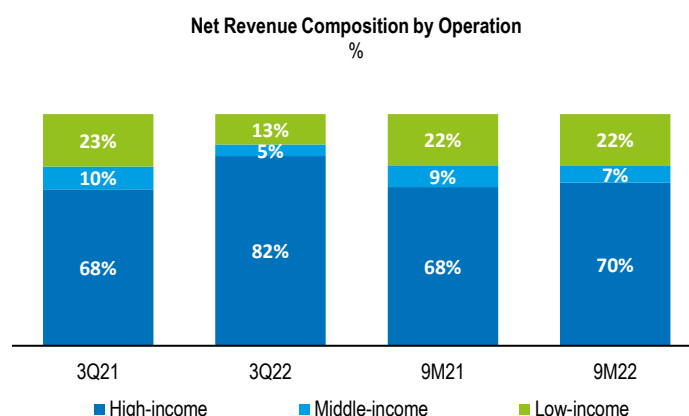
Financial Performance

Net Income

Net Operating Revenue (R\$ '000)	3Q22	3Q21	Δ %	9M22	9M21	Δ %
Gross revenue from properties sales	320,401	186,333	72.0%	680,590	566,922	20.0%
Service revenue	6,155	2,819	118.3%	8,229	7,355	11.9%
Gross Revenue	326,556	189,152	72.6%	688,818	574,277	19.9%
AVP - Adjustment to present value	2,559	1,749	46.3%	6,714	6,306	6.5%
Canceled sales	(10,261)	(4,571)	124.5%	(33,997)	(19,380)	75.4%
Deduction and taxes	(5,310)	(4,082)	30.1%	(12,755)	(12,290)	3.8%
Net Revenue	313,544	182,248	72.0%	648,780	548,913	18.2%

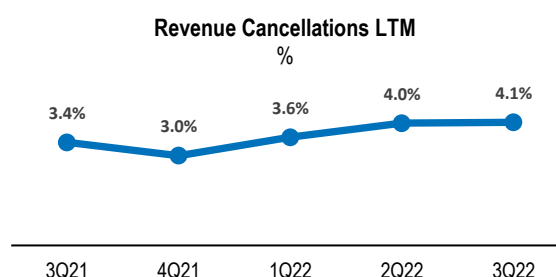
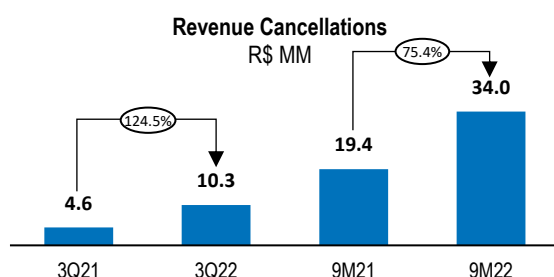
It is possible to verify an increase in Net Revenue, both in the comparison of 3Q22 with 3Q21, as well as in the comparison of 9M22 with 9M21, due to the launch result of Atlântico Golf and its sales performance, in addition to the works progress and the increase in recognized revenue by the PoC (in 3Q22 there were 14 works in progress and in 3Q21 there were 17 works in progress).

The launch of Atlântico and its sales changed the revenue proportions per segment in 3Q22, however in 9M22 we see a balance in relation to the same previous year period. Our expectation is that the economic segment relevance will increase in our business mix.



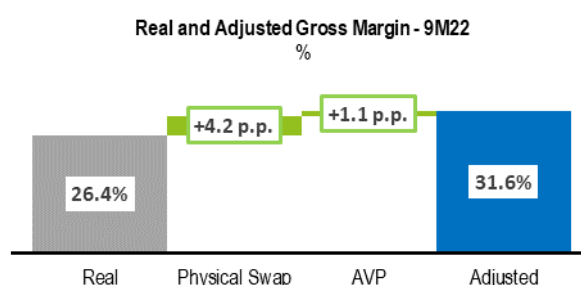
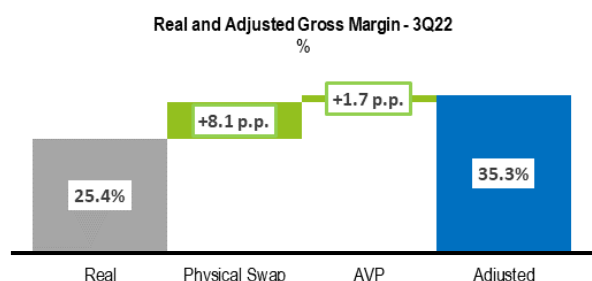
The cancellations volumes in the quarter and in the year are largely related to units exchange, mainly from customers looking for upgrades in high-income projects within last year. Cancellations motivated by upgrades in this quarter grew 389.3% compared to the same previous quarter and 46.3% when comparing the accumulated of the first nine months.

Earnings Release 3Q22 and 9M22

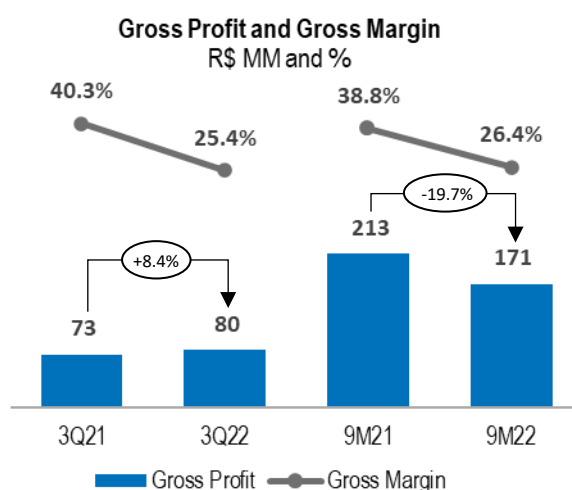


Gross Profit and Gross Margin

As already mentioned in the message from management, the accounting effects inherent to our operation still have a relevant weight in our results, due to the scale gain moment.



The INCC decrease has its beneficial effects on the lower costs pressure, however, it has a greater effect on the receivables adjustment from projects. As our projects are well sold, we have lower gains with monetary correction.



Earnings Release 3Q22 and 9M22



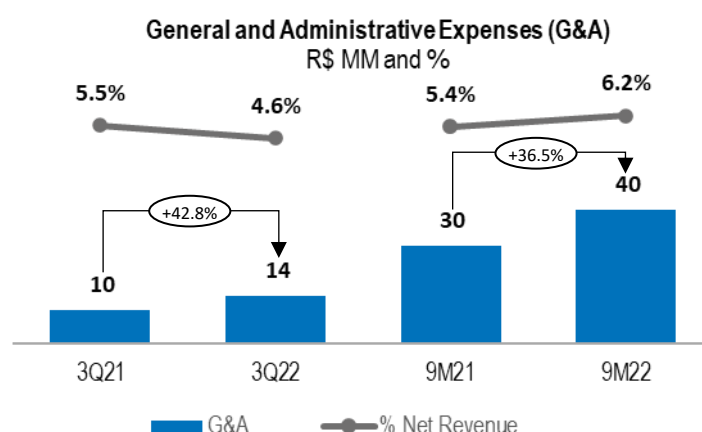
Operational Expenses

Operating Expenses (R\$ '000)	3Q22	3Q21	Δ %	9M22	9M21	Δ %
General and Administrative Expenses	14,420	10,100	42.8%	40,339	29,550	36.5%
Commercial Expenses	19,163	17,113	12.0%	54,485	38,293	42.3%
Other Operating Expenses (Revenues)	(647)	5,718	-111.3%	1,048	13,299	-92.1%
Total	32,936	32,931	0.0%	95,872	81,142	18.2%
% of ROL	10.5%	18.1%	-7.56 p.p.	14.8%	14.8%	-0.01 p.p.

General and Administrative Expenses (G&A)

General and Administrative Expenses (R\$ '000)	3Q22	3Q21	Δ %	9M22	9M21	Δ %
Personnel expenses	7,990	6,308	26.7%	24,145	16,365	47.5%
Depreciation and amortization	1,888	1,834	2.9%	5,652	5,347	5.7%
Third-party services	2,994	1,269	135.9%	7,255	5,735	26.5%
General administrative expenses	1,548	689	124.7%	3,287	2,103	56.3%
Total	14,420	10,100	42.8%	40,339	29,550	36.5%

The Atlântico Golf sales and the revenues appropriation this quarter brought the G&A proportion over NOR to the lowest historical level for a third quarter. Our team strengthening led to an increase in the G&A proportion from 9M22 to 9M21. The increases in the Third-party Services line are related to the hiring of specialized consultants and investment in automating our processes. However, with the works progress in projects with a high sales percentage, new launches and investments in operational efficiency will enable productivity gains for our teams, so we expect this proportion to return to the operation historical levels.



Earnings Release 3Q22 and 9M22



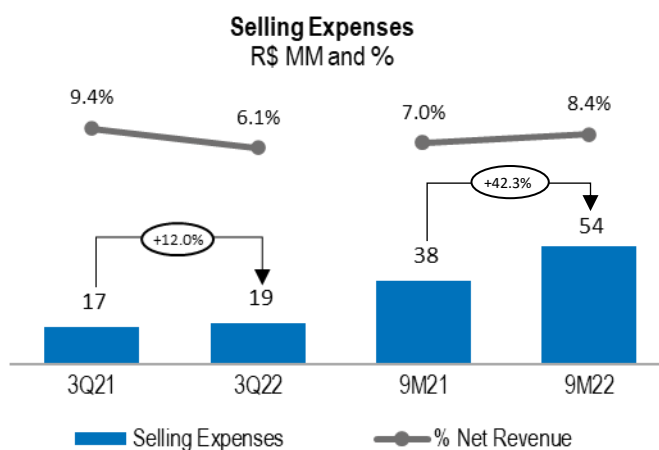
Commercial Expenses

Commercial Expenses (R\$ '000)	3Q22	3Q21	Δ %	9M22	9M21	Δ %
Commissions and brokerages	5,411	5,414	-0.1%	15,977	13,419	19.1%
Advertising	6,744	5,697	18.4%	17,938	10,991	63.2%
Other commercial expenses	2,835	4,617	-38.6%	9,942	9,932	0.1%
Personnel expenses	1,502	1,278	17.5%	4,797	3,596	33.4%
Sales stands / decorated apartments	2,671	107	2,396.3%	5,831	355	1,542.5%
Total	19,163	17,113	12.0%	54,485	38,293	42.3%

With the Atlântico Golf launch in early July and inventory reduction efforts, we continued with strong investments in advertising in 3Q22 and 9M22.

The growth in commission and brokerage expenses has not followed the sales evolution in the same proportion for two main reasons: (i) increasing sales volume by our internal team and (ii) greater sales volume with separate commission, which is assumed entirely by the customer directly. This second point brings the lower expense benefit, reflecting lower revenue, since the property sale value to the Company is reduced by the commission value.

The increases in depreciation expenses for stands and decorated apartments are mainly due to the high launches volume carried out in the second half of 2021 and the Atlântico Golf launch in the third quarter of 2022.





Earnings Release 3Q22 and 9M22

Other Operational Expenses (Income)

Other Operating Expenses / Revenues (R\$ '000)	3Q22	3Q21	Δ %	9M22	9M21	Δ %
Real estate loan expenses	-	206	-100.0%	5	611	-99.2%
Tax expenses	510	5	10,100.0%	658	32	1,956.3%
Provision for contingencies	843	417	102.2%	1,641	986	66.4%
Eventual losses	168	1,564	-89.3%	487	5,680	-91.4%
Other operating income and expenses	-2,168	3,526	-161.5%	-1,741	5,990	-129.1%
Total	(647)	5,718	-111.3%	1,048	13,299	-92.1%

The reductions in the other operating expenses (income) lines in the quarter compared to the same period last year are mainly due to: (i) losses reduction in our results, related to write-off of balances due to judicial recoveries of properties sold; (ii) revenue recognition of write-off results of a concluded unit; (iii) Oceana Golf and Recreio projects swapped units sales commission. The semester effects, added to this quarter, represent the entire 9M22 variation.

Financial Result

Financial Income	3Q22	3Q21	Δ %	9M22	9M21	Δ %
Monetary adjustment and contractual interest	792	530	49.4%	3,778	4,154	-9.1%
Interest on financial investments	12,532	2,975	321.2%	26,956	5,225	415.9%
Swap Creditor Result	-	-	n/a	-	-	n/a
Other Financial Results	929	24	3,770.8%	1,137	53	2,045.3%
Total	14,253	3,529	303.9%	31,871	9,432	237.9%
Financial Expenses	3Q22	3Q21	Δ %	9M22	9M21	Δ %
Interest on loans and financing	(10,562)	(3,701)	185.4%	(22,845)	(7,447)	206.8%
Debits from bank charges and fees	(829)	(448)	85.0%	(1,929)	(844)	128.6%
Financing Expenses	-	-	n/a	-	(1)	-100.0%
Other Financial Expenses	(8)	(2,408)	-99.7%	(148)	(33)	348.5%
Total	(11,399)	(6,557)	73.8%	(24,922)	(8,325)	199.4%
Financial Result	2,854	(3,028)	-194.3%	6,949	1,107	527.7%

Our treasury financial management has been efficient in managing our cash. Consequently, we have been able to extract from the constant increases in the economy's basic interest rate (SELIC) a better positive effect on financial investments than a negative effect on loans and financing.

Earnings Release 3Q22 and 9M22



Equity Result

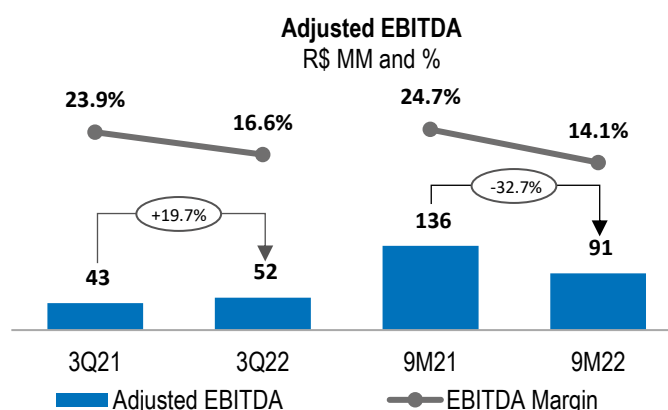
Equity Result	3Q22	3Q21	Δ %	9M22	9M21	Δ %
Equity Result	(1,938)	(1,119)	73%	(3,400)	(9,234)	-63%

As previously announced, our Equity result has been less impacted by problems related to low-income projects construction formed in partnership for more than five years. In 9M22 compared to 9M21, it is possible to see an improvement in this regard, which should continue, despite a higher disbursement in the comparison of this quarter.

EBITDA and Adjusted EBITDA

In the quarter comparison, it is possible to verify an increase in EBITDA and Adjusted EBITDA, mostly due to the increase in Gross Profit, represented by the large sales volume at the Atlântico Golf launch. The reductions in EBITDA and Adjusted EBITDA in the comparison of 9M22 to 9M21, in turn, resulted mainly from the reduction in gross profit (excluding the financial effects of charges capitalized in cost in the Adjusted EBITDA case), due to the lower margins in the period.

EBITDA and Adjusted EBITDA margins are impacted by the gross margin pressures discussed above. The other effects on EBITDA and Adjusted EBITDA are described in the operating expenses lines



We expect, with the operations progress, a higher revenue volume and volumes of extraordinary events even lower than in this quarter, leading to our margins normalization. Below, we present the EBITDA and Adjusted EBITDA reconciliation with Net Income:

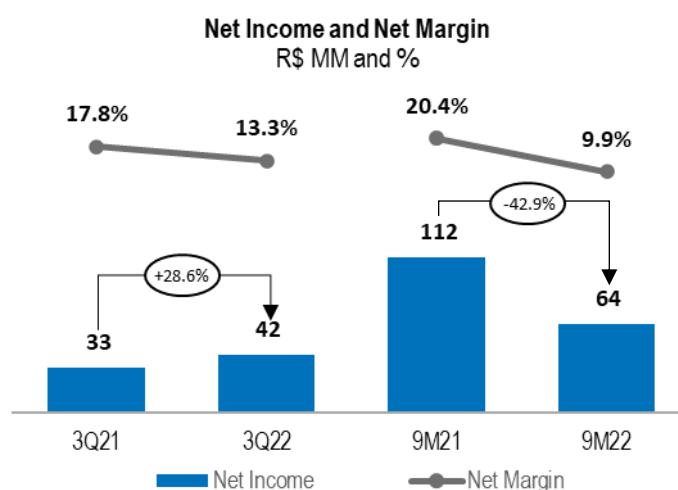
Earnings Release 3Q22 and 9M22



EBITDA (R\$ '000)	3Q22	3Q21	Δ %	9M22	9M21	Δ %
Net Income	41,813	32,525	28.6%	63,922	111,916	-42.9%
(+) Income Tax and Social Contribution	5,809	3,860	50.5%	14,776	11,690	26.4%
(+) Financial Results	(2,854)	3,028	-194.3%	(6,949)	(1,107)	527.7%
(+) Depreciation and Amortization	4,455	2,625	69.7%	11,088	7,479	48.3%
EBITDA	49,223	42,038	17.1%	82,837	129,978	-36.3%
EBITDA Margin (%)	15.70%	23.07%	-7.4p.p.	12.77%	23.68%	-10.9p.p.
Capitalized Interest Expense	2,853	1,453	96.4%	8,573	5,780	48.3%
Adjusted EBITDA	52,077	43,491	19.7%	91,411	135,758	-32.7%
Adjusted EBITDA Margin (%)	16.61%	23.86%	-7.3p.p.	14.09%	24.73%	-10.6p.p.

Net Profit and Net Margin

In the third quarter of this year, we had a 24.9% increase in Net Income, as a result of the increase in Gross Revenue arising mostly from launch sales. As mentioned before, the Atlântico Golf swaps effect, dilutes the margins due to the increase in revenue volume and in costs, since the land appropriation takes place at the beginning of the period. Thus, due to the large volume launched with swaps, we have lower margins for the accumulated nine months of 2022 compared to the same period of 2021.



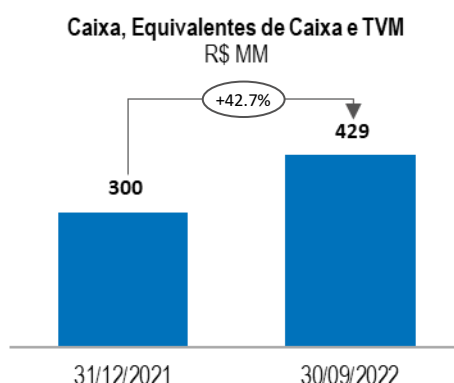
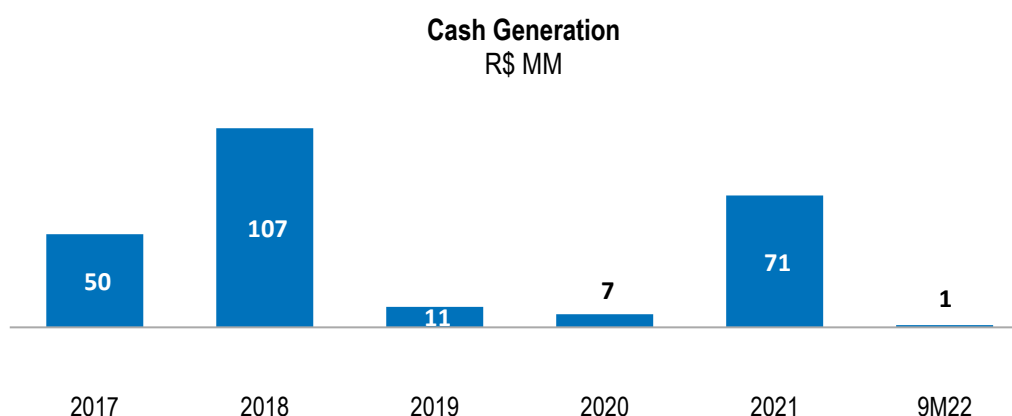
Earnings Release 3Q22 and 9M22



Balance Sheet Highlights

Cash, Cash Equivalents and TVM

Supported by our financial diligence, but also by continuous annual cash generation, we are managing to evolve beyond just preserving our liquidity. For the next quarters, we can take advantage of good negotiations with suppliers and anticipate purchases of inputs, aiming to guarantee better prices and conditions, which may impact our cash position.



Accounts Receivable

The growth in the accounts receivables balance is mainly a result of the increase in completed and unfinished units, which can be explained by the progress or completion of works, lengthening of the payment profile by customers and a greater number of sales.

Accounts Receivable (R\$ '000)	09/30/2022	12/31/2021	Δ %
Completed units	58,393	43,269	35.0%
Units under construction	521,963	405,895	28.6%
Management services	23,195	15,138	53.2%
Provision for canceled sales / losses / PVA	(25,822)	(17,376)	48.6%
Total	577,729	446,926	29.3%

Earnings Release 3Q22 and 9M22



According to current accounting rules, the recognition of Accounts Receivables is proportional to the respective works execution rate (Percentage of Completion - PoC). Therefore, the portfolio balance of units sold for development and those not yet built is not fully reflected in the Financial Statements. The total balance of receivables for sales made continues to grow and we expect it to increase even further with launches scheduled for the coming quarters. This balance currently stands at R\$1.3 billion, reflecting the accumulated sales volume and our portfolio management strategies.

Accounts Receivable (R\$ '000)	09/30/2022	12/31/2021
Due within 1 year	462,706	408,462
Due 1 to 2 years	278,546	326,937
Due 2 to 3 years	336,652	172,679
Due 3 to 4 years	207,443	127,183
Due over 4 years	6,147	41,662
	1,291,494	1,076,923
Expired up to 1 year	14,189	14,182
Expired between 1 to 2 years	6,511	1,164
Expired between 2 to 3 years	886	765
Expired between 3 to 4 years	1,201	371
Expired over 4 years	367	34
	23,154	16,516
Total	1,314,648	1,093,439

Our portfolio's profile has become increasingly healthy and aligned with the cycle of works, with a greater concentration in the next two years – around 57.4% of the total. In line with what we estimated, receivables have shown a longer profile, impacting more significantly, including the adjustments to present value explained in the gross margin above.

Real Estate for Sale

The significant increase in completed properties is basically explained by the participation of Patrimar in the projects completed this year that are available in stock

Properties for Sales (R\$ '000)	09/30/2022	12/31/2021	Δ %
Inventories of land	171,620	144,598	18.7%
Properties under construction	270,837	273,874	-1.1%
Completed properties	30,311	7,792	289.0%
Provision for canceled sales	326	747	-56.4%
Total	473,094	427,011	10.8%

Earnings Release 3Q22 and 9M22



Advances from Costumers

The variation in the balance of Advances from Customers basically refers to advances from customers and swaps of works in progress. Most notably, Atlântico Golf, a project launched in July 2022, reflects this increase.

Advances from Customers (R\$ '000)	09/30/2022	12/31/2021	Δ %
Advances from customers and barter made for construction in pro	405,979	280,142	44.9%
Advances from customers for customized units	24,407	47,435	-48.5%
Barter made for land - not launched developments	42,004	45,590	-7.9%
Total	472,390	373,167	26.6%

Suppliers

The variation in the Suppliers account in this quarter is explained by the work we are doing to extend payment terms to improve the financial cycle of the works, a greater volume of works in progress, which also explains the increase in Retentions.

Trade Payables (R\$ '000)	09/30/2022	12/31/2021	Δ %
Trade Payables	62,898	37,775	66.5%
Technical Retentions	8,678	6,627	30.9%
Total	71,576	44,402	61.2%

Real Estate Purchase Obligations

The reduction in the balance of obligations for the purchase of real estate is mainly explained by the settlement of the incorporated land in December 31, 2021, since there was compliance with the obligations previously signed.

Real estate purchase obligations (R\$ '000)	09/30/2022	12/31/2021	Δ %
Land developed	29,448	44,609	-34.0%
Physical Swap	8,252	7,851	5.1%
Financial Exchange	21,196	36,758	-42.3%
Land not developed	13,460	23,334	-42.3%
Physical Swap	1,370	11,244	-87.8%
Financial Exchange	12,090	12,090	0.0%
Total	42,908	67,943	-36.8%

Earnings Release 3Q22 and 9M22

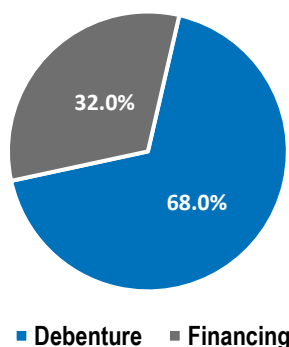


Indebtness

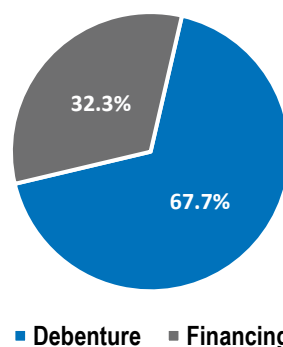
We have a volume of financing to be disbursed of R\$ 663 million which, together with the volume of receivables from the units already sold, offer us great comfort to withstand both a more adverse scenario and the growth aimed for the operation in the coming years.

Net Debt / Equity (R\$ '000)	09/30/2022	12/31/2021	Δ %
(+) Loans and Financing	411,347	267,650	-34.9%
(-) Cash and Cash Equivalent	428,682	300,341	-29.9%
(=) Net Debt	(17,335)	(32,691)	88.6%
(=) Equity	542,428	487,282	-10.2%
Net Debt/ Equity	-3.2%	-6.7%	3.5p.p.

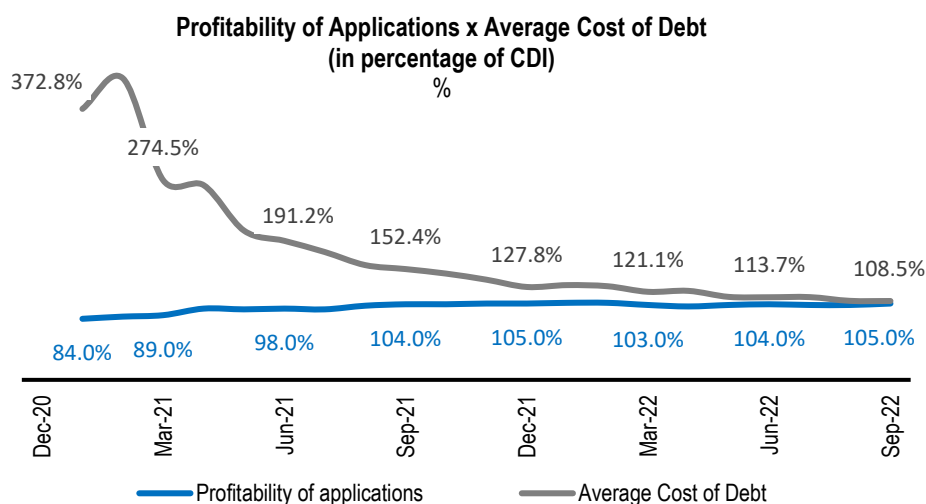
Composition of total debt by type
12/31/2021 - %



Composition of total debt by type
09/30/2022 - %



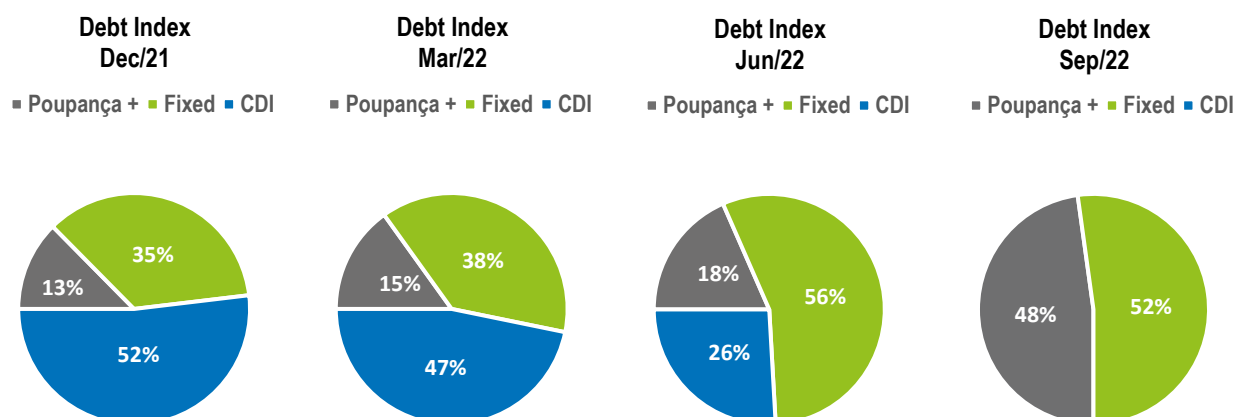
The mix of our liabilities has changed with our operations growth and a leverage strategy at the asset level, unlike what was done previously, when the CDI was lower. As a result, the weighted cost of our liabilities has approached our average return on financial investments.



Earnings Release 3Q22 and 9M22



As the Company has already announced, we have been changing the profile of construction financing liabilities in recent quarters, making them more pre-fixed than linked to the CDI



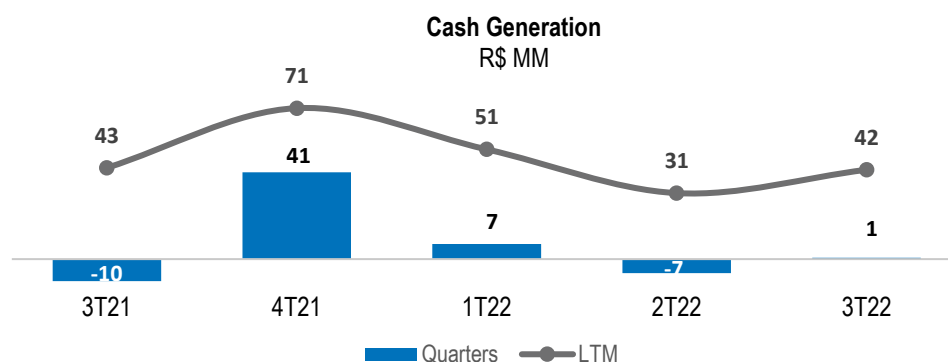
In July, the Company settled approximately R\$18.5 million of construction financing in CDI, and we renegotiated with the financing banks the index change from CDI to TR+. These movements allowed an aggregate estimated interest savings of R\$ 2.6 million in the 12 months following the settlement

As disclosed in the Message from the Management, we concluded the funding of a CRI, settled in July 2022, in the amount of R\$150 million, with the settlement of R\$50 million in a working capital contract.

We continue to present an unleveraged capital structure, with room for growth, but within our concepts of financial discipline and profitability.

Cash Generation (Cash Burn)

This quarter we had a small positive cash generation, but it still brings meaning to our history and investment plan for the following years. Financial management and accounts receivable strategy have helped to control our cash generation.



Earnings Release 3Q22 and 9M22

Attachments



Consolidated Results Report

Income Statement (R\$ '000)	3Q22	3Q21	Δ %	9M22	9M21	Δ %
Net operating Revenue	313,544	182,248	72.0%	648,780	548,913	18.2%
Cost of properties sold	(233,902)	(108,785)	115.0%	(477,759)	(336,038)	42.2%
Gross profit	79,642	73,463	8.4%	171,021	212,875	-19.7%
Gross profit margin	25.4%	40.3%	-14.9 p.p.	26.4%	38.8%	-0.3 p.p.
Operating income (expenses)	(32,936)	(32,931)	0.0%	(95,872)	(81,142)	18.2%
General and administrative expenses	(14,420)	(10,100)	42.8%	(40,339)	(29,550)	36.5%
Selling expenses	(19,163)	(17,113)	12.0%	(54,485)	(38,293)	42.3%
Other operating income (expenses), net	647	(5,718)	-111.3%	(1,048)	(13,299)	-92.1%
Operating profit (loss)	46,706	40,532	15.2%	75,149	131,733	-43.0%
Finance income	14,253	3,529	303.9%	31,871	9,432	237.9%
Finance costs	(11,399)	(6,557)	73.8%	(24,922)	(8,325)	199.4%
Finance income (costs), net	2,854	(3,028)	-194.3%	6,949	1,107	527.7%
Equity in the results of investees	(1,938)	(1,119)	73.2%	(3,400)	(9,234)	-63.2%
Profit (loss) before income tax and social contribution	47,622	36,385	30.9%	78,698	123,606	-36.3%
Income tax and social contribution	(5,809)	(3,860)	50.5%	(14,776)	(11,690)	26.4%
Profit (loss) for the period	41,813	32,525	28.6%	63,922	111,916	-42.9%
Net Profit Margin	13.3%	17.8%	-4.5 p.p.	9.9%	20.4%	-10.5 p.p.
Attributable to:						
Owners of the company:	25,635	9,781	162.1%	32,774	49,932	-34%
Non-controlling interests	16,178	22,744	-28.9%	31,148	61,984	-50%

Earnings Release 3Q22 and 9M22

Balance Sheet



Assets (R\$ '000)	09/30/2022	12/31/2021	Δ %
Current assets			
Cash and cash equivalents	342,527	243,926	40.4%
Securities	86,155	56,415	1
Accounts receivable	330,326	201,174	64.2%
Properties for sale	393,997	402,608	-2.1%
Taxes recoverable	14,706	9,270	58.6%
Prepaid expenses	24,928	22,011	13.3%
Other receivables	13,776	14,138	-2.6%
Total current assets	1,206,415	949,542	27.1%
Non-current assets			
Financial investments	2,527	2,339	8.0%
Accounts receivable	247,403	245,753	0.7%
Properties for sale	79,097	24,403	224.1%
Judicial deposits	1,507	1,189	26.7%
Related parties	7,978	12,013	-33.6%
Long-term receivables	338,512	285,697	18.5%
Investments	28,060	27,697	1.3%
Property and equipment	39,560	36,087	9.6%
Right to use lease	3,699	5,102	-27.5%
Intangible assets	6,306	7,796	-19.1%
Total non-current assets	416,137	362,379	14.8%
Total assets	1,622,552	1,311,921	23.7%

Liabilities and Equity (R\$ '000)	09/30/2022	12/31/2021	Δ %
Current liabilities			
Loans and financing	64,462	60,797	6.0%
Leases	2,407	2,362	1.9%
Trade payables	71,576	44,402	61.2%
Salaries and social charges	14,478	9,531	51.9%
Tax liabilities	31,346	26,197	19.7%
Real estate purchase obligations	23,002	35,942	-36.0%
Dividends payable	155	80	93.8%
Advances from customers	472,390	373,167	26.6%
Provision for canceled sales	-	-	n/a
Deferred taxes	-	-	n/a
Other payables	1,743	1,963	-11.2%
Provision for property maintenance	1,603	6,425	-75.1%
Total current liabilities	683,162	560,866	21.8%
Non-current liabilities			
Loans and financing	346,885	206,853	67.7%
Leases	1,417	2,874	-50.7%
Real estate purchase obligations	19,906	32,001	-37.8%
Advances from customers	0	-	n/a
Provision for contingencies	3,645	6,626	-45.0%
Provision for real estate maintenance	13,461	6,358	111.7%
Related parties	6,072	4,268	42.3%
Provision for net capital deficiency	5,576	4,793	16.3%
Total non-current liabilities	396,962	263,773	50.5%
Equity			
Capital	269,172	269,172	0.0%
Capital Reserve	259	259	0.0%
Revenue Reserves	106,538	74,978	42.1%
Retained earnings	-	-	n/a
	375,969	344,409	9.2%
Non-controlling interests	166,459	142,873	16.5%
Total equity	542,428	487,282	11.3%
Total liabilities and equity	1,622,552	1,311,921	23.7%

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Cash Flow

Cash Flows (R\$ '000)	09/30/2022	06/30/2021	Δ %
Cash flows from operating activities			
Profit for the year	63,922	111,916	-42.9%
Adjustments to reconcile profit with cash flows from operating activities			
Depreciation and amortization	10,945	7,956	37.6%
Present value adjustment of receivables	8,530	(4,194)	-303.4%
Equity in the results of investees	3,400	9,234	-63.2%
Provision for real estate maintenance	2,281	3,477	-34.4%
Provision for Cancellations	(921)	-	n/a
Provision for doubtful accounts	838	-	n/a
Provision for labor, civil, and tax contingencies	3,286	986	233.3%
Provision for interest on loans and financing	30,718	11,852	159.2%
Income tax and social contribution	14,776	11,690	26.4%
Write-off of fixed assets	1,048	698	50.1%
	138,823	153,615	-9.6%
Changes in working capital			
Increase (decrease) in assets and liabilities			
Accounts receivable	(139,249)	(110,439)	26.1%
Properties for sale	(45,553)	(229,431)	-80.1%
Taxes recoverable	(5,436)	(2,126)	155.7%
Other assets	(2,873)	(4,967)	-42.2%
Trade payables	27,174	26,276	3.4%
Salaries and social charges	4,947	6,594	-25.0%
Tax liabilities	(1,174)	(2,667)	-56.0%
Real estate purchase obligations	(25,035)	(18,268)	37.0%
Advances from customers	99,223	263,156	-62.3%
Other liabilities	(2,352)	(2,087)	12.7%
Amounts paid for civil, labor and tax contingencies	(6,267)	(1,506)	316.1%
	(96,595)	(75,465)	28.0%
Interest paid	(12,098)	(10,655)	13.5%
Income tax and social contribution paid	(8,453)	(5,362)	57.6%
Net cash provided by (used in) operating activities	21,677	62,133	-65.1%
Cash flows from investing activities			
Increase in securities	(29,740)	-	n/a
Changes in restricted financial investments	(188)	(49)	283.7%
Advances to related parties	5,839	8,547	-31.7%
Investment contributions (returns)	(2,980)	4,079	-173.1%
Purchases of property and equipment and intangible assets	(12,563)	(19,645)	-36.0%
Additions to intangible assets	-	-	n/a
Net cash used in investing activities	(39,632)	(7,068)	460.7%
Cash flows from financing activities			
New loans and financing	266,585	236,797	12.6%
Repayment of loans and financing - principal	(141,253)	(83,506)	69.2%
Dividends paid	(1,214)	(18,502)	-93.4%
Capital Reduction	-	-	n/a
Distributions to non-controlling interests, net	(7,562)	(8,755)	-13.6%
Net cash provided by (used in) financing activities	116,556	126,034	-7.5%
Net increase in cash and cash equivalents	98,601	181,099	-45.6%
Cash changes			
Cash and cash equivalents at the beginning of the year	243,926	119,256	104.5%
Cash and cash equivalents at the end of the year	342,527	300,355	14.0%
Increase in cash and cash equivalents	98,601	181,099	-45.6%

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Glossary

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

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

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

Launches % Patrimar – total PSV amount of projects already launched, at launching prices, not considering swap units and partners' participation, in other words, only considers the percentage of 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. Does not consider swap units. Contracted sales (100%) refer to all trading units within the period (except swap units) and %Patrimar contracted sales refer to the participation percentage of the Company in such sales, not considering partners participation;

Net Contracted Sales – Contracted Sales minus the value of the 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.

Gross Sales Speed – Gross Sales / (Initial Inventory of a Period + Period Launches);

Net Sales Speed – Net Sales / (Beginning Period Inventory + Period Launches);

PSV – Potential Sales Value;

Percentage of Completion ("PoC") – According to IFRS, revenues, costs and expenses related to real estate costs are appropriated based on the Percentage of Completion ("PoC"), measuring the progress of work by actual costs incurred versus total budgeted costs for each enterprise phase;

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

Adjusted EBITDA - EBITDA adjusted by construction financing interest classified as cost of properties sold;

ROE - Return on Equity - ROE is defined as the quotient between net income attributed to majority shareholders and the average value of the shareholders' equity of controlling company for annualized periods;

ROE LTM- Return on Equity. ROE LTM is defined by the quotient between net income attributed to majority shareholders and average value of parent company's shareholders' equity for the period of last 12 months;

Cash Burn – Cash generation or (consumption) measured by change in net debt, excluding capital increases, repurchase of shares held in treasury and dividends paid, if any;

Portfolio - represented by receivables from sales of concluded or to be concluded residential real estate units and amounts receivable for services rendered;

Construction Liabilities – Construction cost to be incurred.

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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, Land bank, 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.

In accordance with CVM Instruction No. 381/03, we inform that our independent auditors - Ernst & Young Auditores Independentes ("EY") did not provide services other than those related to the external audit.