

Operational Preview 1Q22

Operational Preview 1QT22



Belo Horizonte, April 13, 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 first quarter of fiscal year 2022 ("1Q22"). Except where otherwise indicated, the information in this document is expressed in Brazilian Reais (R\$) and shows the consolidated value (100%).

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 58 years of experience, being placed in the top best real estate companies of Brazil. Its business model is vertical, developing and constructing real estate projects, as well as marketing and selling real estate units.

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





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Highlights

- **Launches in 1Q22 reached R\$112.8 million, 29.3% higher than 1Q21;**
- **Transfer of 419 units in the first quarter, 63.7% higher than 4Q21 and 112.7% higher than 1Q21, reaching the highest number of units transferred in the history of the company;**
- **We finished the 1Q22 with R\$ 834.9 million in stocks, 4.2% lower than the preceding quarter;**
- **Landbank with a Potential PSV 100% of R\$ 9.5 billion, 0.8% higher than Dec/21 position and 40.6% higher than the same quarter of the previous year.**

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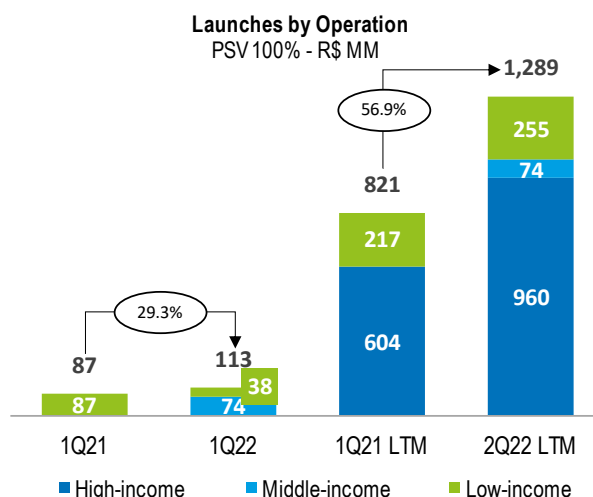


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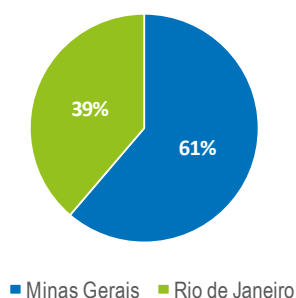
Launches

In the first quarter of 2022, we launched medium-income projects, which had not happened since April 2019. The strong volume of launches in the last quarter of 2021 and inventory management impacted launches in 1Q22, but we are confident about launches in the coming quarters of the year, depending on the economic and demand scenario. The Company's average share of launches in 1Q22 was 95.1% (75.5% in 1Q21).

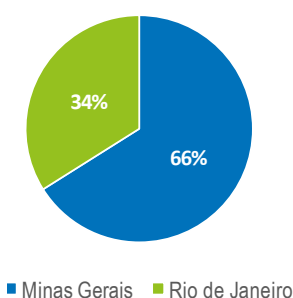


We continue to operate in well-known regions where we have great absorption capacity in the markets, due to the strength of our brands.

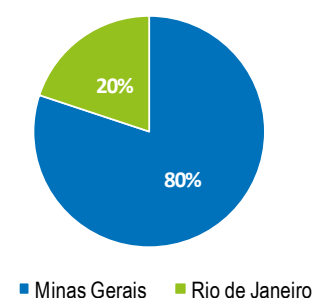
Launches by Region 1Q21
PSV 100% - %



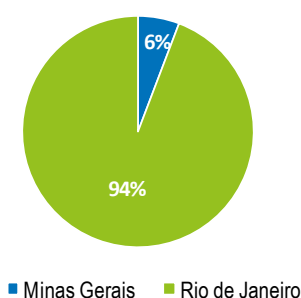
Launches by Region 1Q22
PSV 100% - %



Launches by Region 1QT21 LTM
PSV 100% - %



Launches by Region 1Q22 LTM
PSV 100% - %



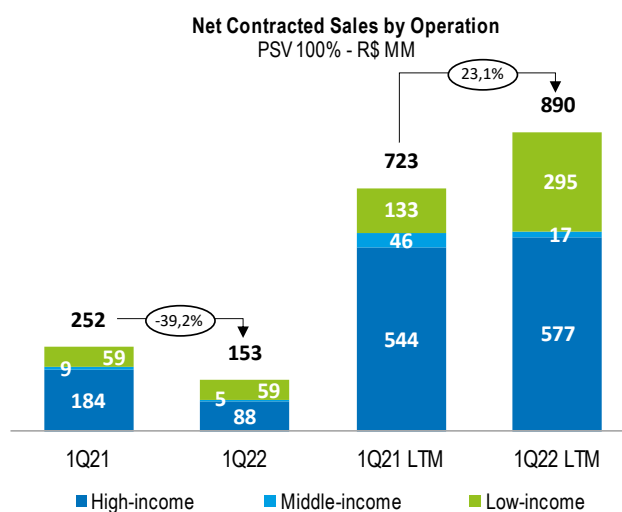
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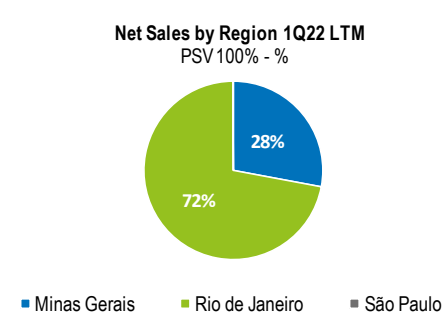
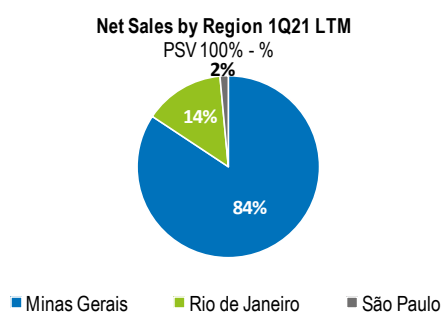
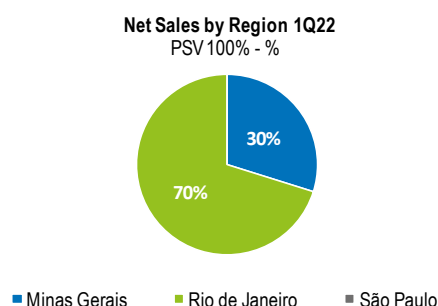
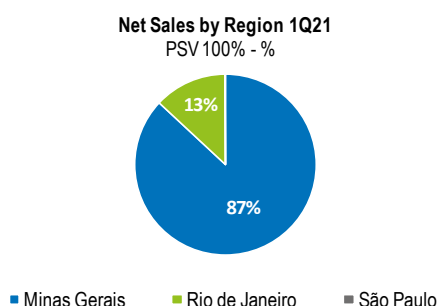
Contracted Sales

In 1Q22, 266 housing units were sold (349 units in 1Q21). The drop in sales reflects the strong sales volume in the previous quarter (4Q21) and a lower volume of launches scheduled for management and focus on reducing inventories. Our expectation is that the volume will pick up in the following quarters.

The average share of the company in net contracted sales was 86.9% in 1Q22 against 59.9% in 1Q21.



Our operations are still focused on the states of Rio de Janeiro and Minas Gerais. We are already acquiring plots of land in São Paulo's upstate to have greater balance of regional exposure and, thus, obtain better results with the combination of markets and products.



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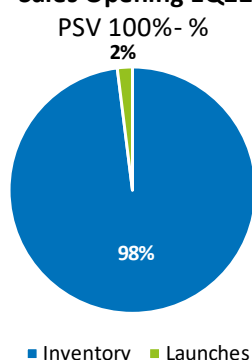


The table below provides more information about sales.

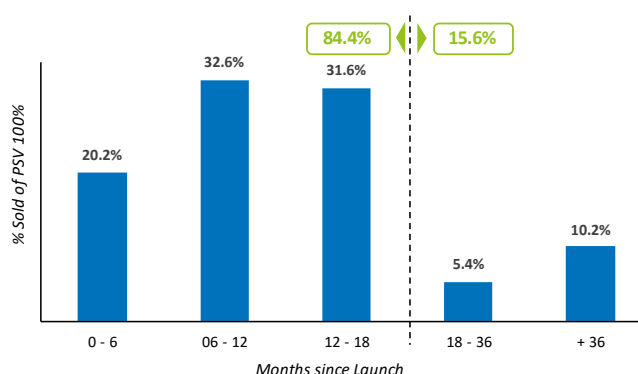
Net Contracted Sales (R\$ '000)	1Q22 (a)	1Q21 (b)	Δ % (a/b)
PSV 100%	152,975	251,743	-39.2%
Low-income	59,067	58,944	0.2%
Middle-income	5,425	8,826	-38.5%
High-income	88,483	183,973	-51.9%
PSV % Patrimar	132,905	150,871	-11.9%
Low-income	58,396	48,453	20.5%
Middle-income	4,737	6,178	-23.3%
High-income	69,773	96,240	-27.5%
Units	266	349	-23.8%
Low-income	230	281	-18.1%
Middle-income	11	22	-50.0%
High-income	25	46	-45.7%
Average Price	575	721	-20.3%
Low-income	257	210	22.4%
Middle-income	493	401	22.9%
High-income	3,539	3,999	-11.5%

In line with our strategy of focusing on inventories, our sales were concentrated in projects launched prior to 1Q22, with a large part of these sales being projects with up to 18 months of launch, reinforcing the strength of our sales team, the quality of our products and market knowledge. We have approximately 80% of our projects launched with more than 50% of the total PSV sold.

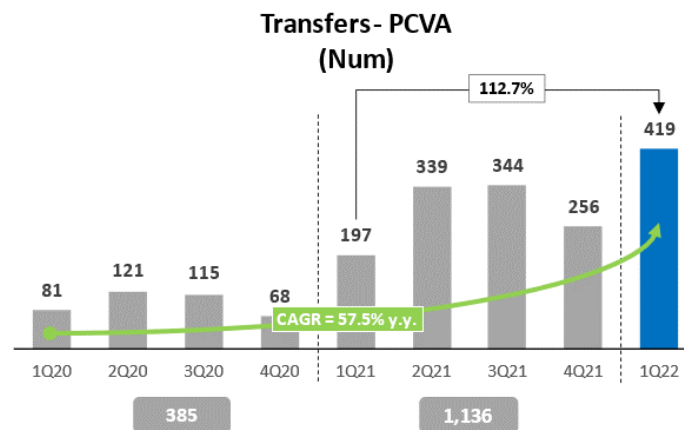
Sales Opening 1Q22



**Aging Net Sales x Launches
1Q22**

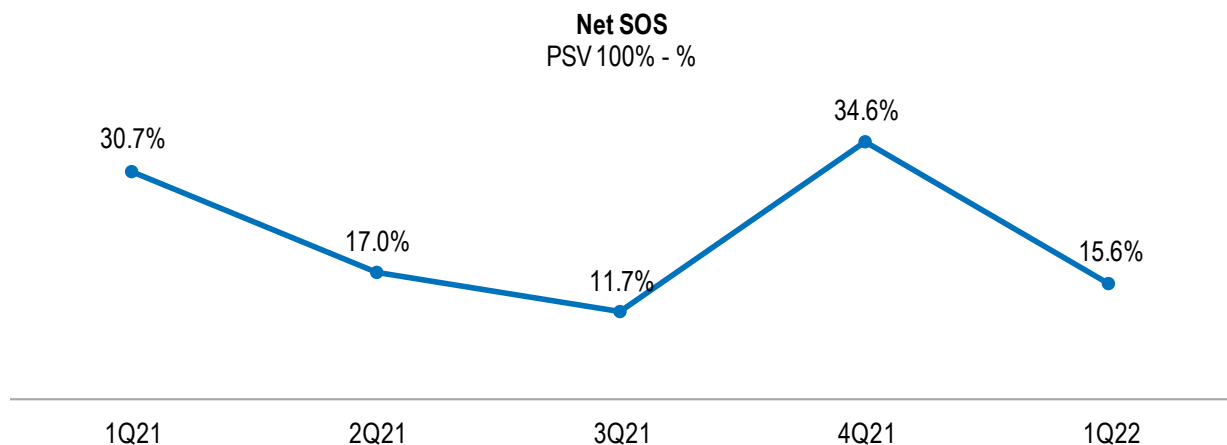


We continue to increase our PCVA operation, mainly, and our flux of transfers has evolved satisfactorily. The units transferred in 1Q22 represent R\$ 91.3 million, that certainly impact our cash cycle in a positive way this quarter and in the following periods. In comparative terms, the transferred units in 1Q22 already account for 36,9% of what we accomplished throughout 2021 and more than what was accomplished in 2020.



SOS (Sales speed) – Sales over Supply

Net sales speed in 1Q22, measured by the net SOS indicator (Net Sales over Supply), was 19 p.p. lower than the immediately preceding quarter and 15.1 p.p. lower than the same period of 2021. The first quarter is seasonally weaker in SOS due to the strong launches in last year's fourth quarter and the vacations in this period. This quarter we focused our efforts on reducing inventories, specially of projects that are in completion stage, where we achieved a good result for this period considering the lower number of available products.

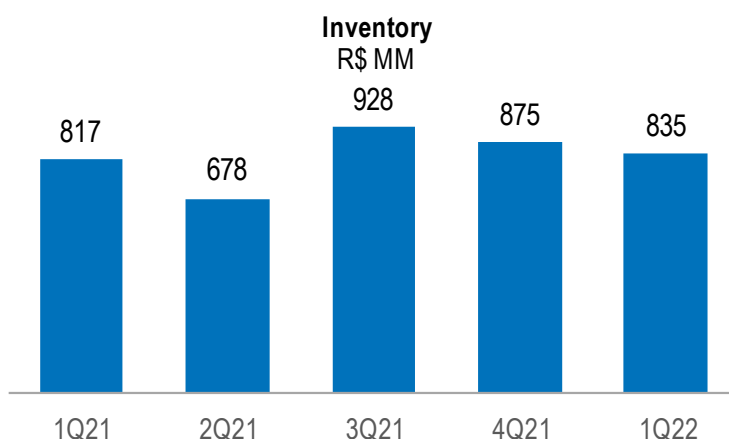


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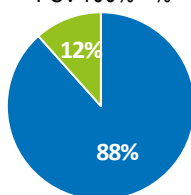
Inventory

As was mentioned before, we focused on reducing inventories and directed our sales force to products that are concluded or close to conclusion. Our efforts already created results in 1Q22, however we expect better results in the following quarters, mainly due to units prices. The position on March 31 of 2022 closed 4.6% lower than at the end of last year and practically in line with the previous year.

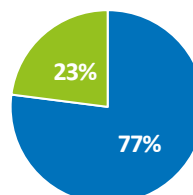


The inventory profile remains increasingly comfortable and balanced. Our inventories positions focused mainly in buildings under construction, allows us to carry lower costs of maintenance with low idle inventory. The finished inventory in 1Q22 was reduced 11.4 p.p. in comparison to 1Q21.

Inventory Mar/21
PSV 100% - %

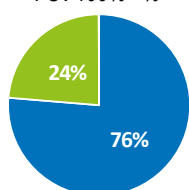


Inventory Mar/22
PSV 100% - %

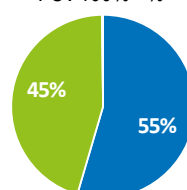


■ Under Construction ■ Finished

Inventory by Region Mar/21
PSV 100% - %



Inventory by Region Mar/22
PSV 100% - %



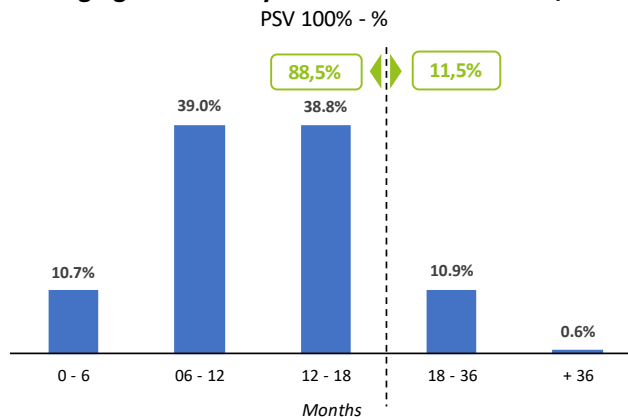
■ Minas Gerais ■ Rio de Janeiro ■ São Paulo

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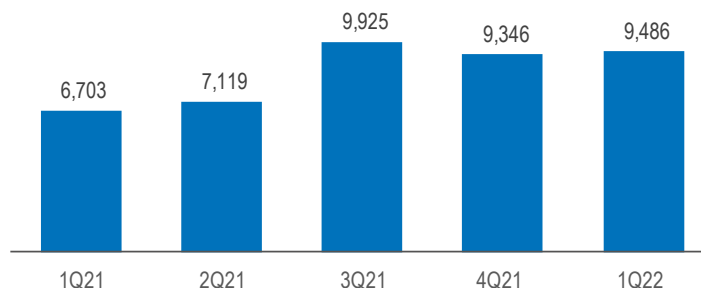
Most of the inventory under construction is related to recent launches within the last 18 months, which shows our abilities to sell at launch and not carry finished inventories over time.

Aging of Inventory under Construction Mar/22



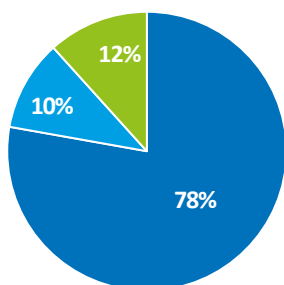
Landbank

Landbank
PSV 100% - R\$ MM



Landbank by Operation Mar/ 22

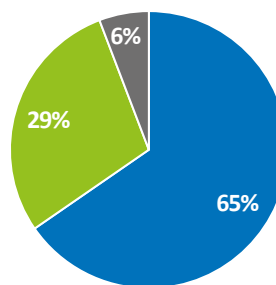
PSV 100% - %



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

Landbank by Region Mar/ 22

PSV 100% - %



■ Minas Gerais ■ Rio de Janeiro ■ São Paulo

Our Landbank has 11,752 units and our average share is 68%. The Landbank increase in March 2022, is due to the recomposition of lands considering our future growth plan, the PX2. We bought 1 plot of land in 1Q22, in São Paulo, totaling a potential PSV of R\$ 151.8 million or 288 units. We finished the first quarter with approximately R\$ 1.7 billion in projects already approved for launch.



Glossary

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

Landbank % Patrimar – total amount of PSV 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 the already launched projects, at launch prices, considering eventual swaps of units and partners participation in these enterprises.

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

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

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

Sales Speed – Sales Speed over Supply.

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

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

PSV – Potential Sales Value

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

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