

Operational Preview 4Q20 and 2020

Operational Preview 4Q20



Belo Horizonte, January 14th, 2021 - Patrimar S.A. ("Patrimar" or "Company"), one of the largest homebuilders in Brazil, operating in the low, medium and high-income segments with luxury and high-luxury products, discloses here its operational results for the fourth quarter of 2020 ("4Q20") and for the year 2020 ("2020"). Except when indicated otherwise, all information disclosed in this document is expressed in local currency ("Brazilian Reais - R\$"), and the Potential Sales Value ("PSV") demonstrates the consolidated amount (100%).

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-end developments through the Patrimar brand, as well as with a presence in the middle- and low-income segments through the Novolar brand.



MG

Unique - Patrimar



MG

2300 Rio de Janeiro - Patrimar



RJ

Reserva Mirataia - Novolar





Operational Preview 4Q20

Highlights 4Q20 and 2020

- **Net Contracted Sales of R\$ 160.7 million in the 4Q20**, 31.9% higher than 4Q19. In 2020, the volume of net sales reached R\$ 545.9 million, an increase of 32.2% when compared to 2019;
- **Healthy SOS of 14.3% in 4Q20** (34.7% in 2020);
- **All time high volume of launches in the quarter of R\$ 527.5 million, located** in the state of Minas Gerais and Rio de Janeiro. In 2020, we launched R\$ 734.1 million, na increase of 45.9% compared to 2019;
- **Reduction in the amount of finished inventory** of 19.6% in 3Q20, to 8.8% of total inventory in 4Q20. Total inventory equivalent to 5.8 quarters net contracted sales ¹;
- **Landbank of R\$ 7.2 billion on December 31, 2020.**

1. Finished Inventory / Net Sales 4Q20

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Operational Preview 4Q20



Launches

Unique
Nova Lima/MG



Mirataia I
Rio de Janeiro / RJ

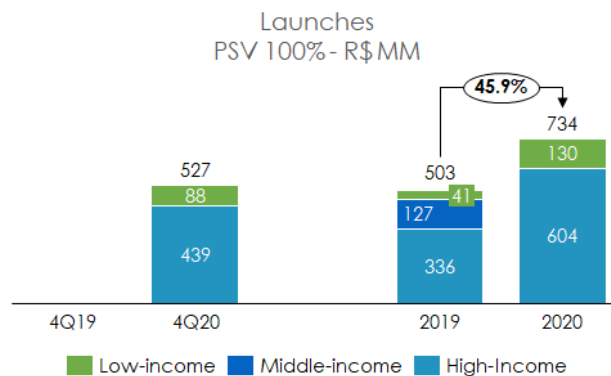


2300 Rio de Janeiro
Belo Horizonte/ MG

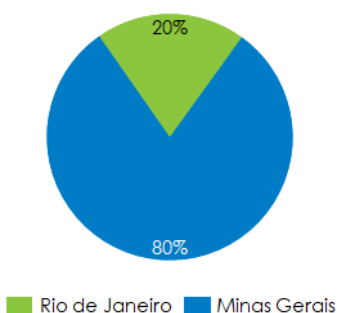


The Company reached a significant volume of launches in 4Q20, representing an annualized value that exceeds R\$ 2.0 billion, setting the expectations of a strong growth in 2021 when compared to the year of 2020.

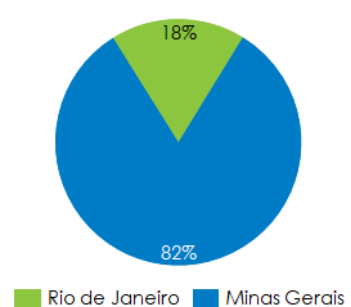
Patrimar Group owns an average percentage of the launches of 58.3% in the 4Q20.



Launches by Region - 4Q20
PSV 100% - % / R\$ MM



Launches by Region - 2020
PSV 100% - % / R\$ MM



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.

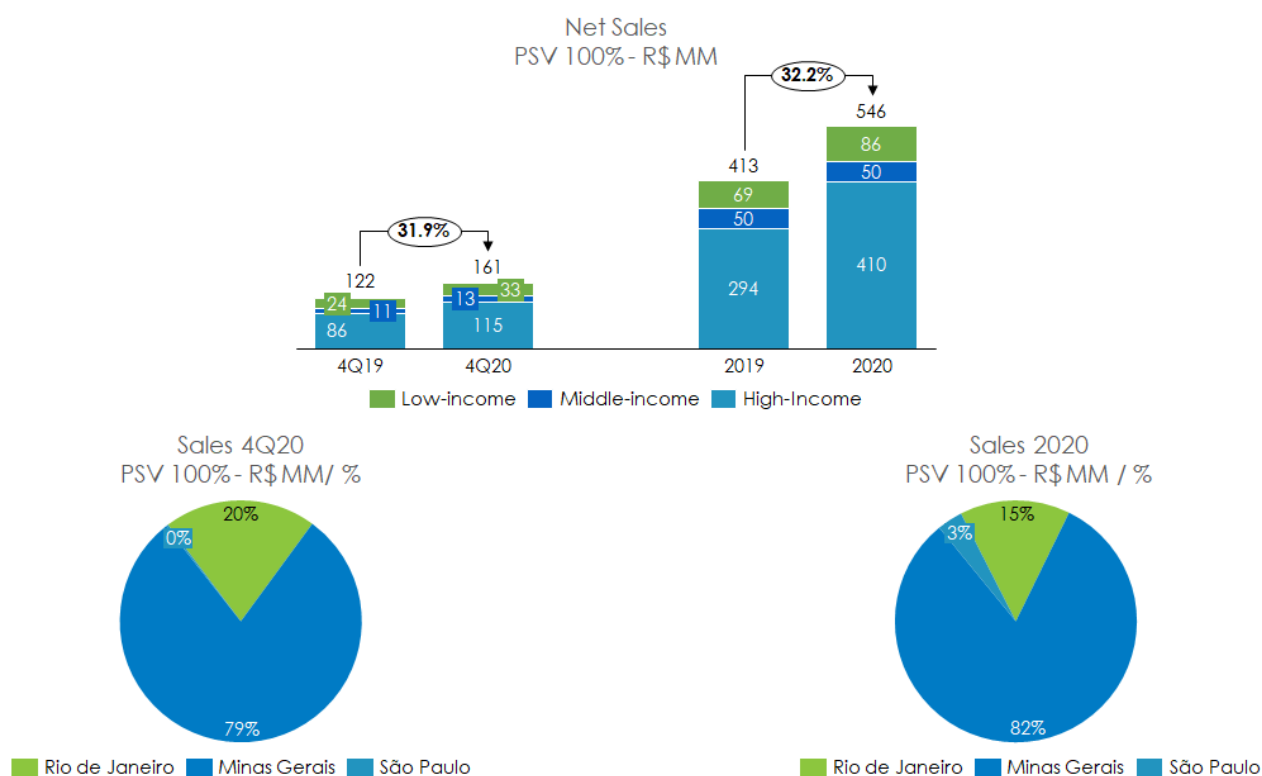
The average ticket for units launched in 2020 was R\$ 765.5 thousand, + 28.2% YoY.

Operational Preview 4Q20



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.



Operational Preview 4Q20

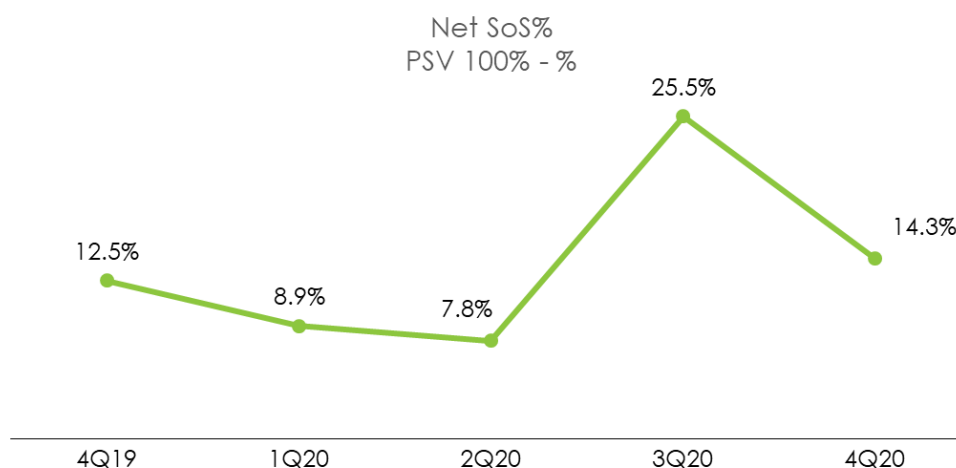


The table below provides more information about sales:

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%
High-Income	114,525	86,391	32.6%	409,576	294,032	39.3%
Net PSV Contracted - % 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%
Medium-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 Contracted (100%)	257	237	8.4%	908	732	24.1%
Low-Income	176	143	23.1%	460	380	21.1%
Medium-Income	33	29	13.8%	120	120	0.0%
High-Income	48	65	-26.2%	328	232	41.7%
Average price	625	514	21.7%	601	565	6.5%
Low-Income	188	168	12.2%	188	182	3.6%
Medium-Income	396	395	0.2%	416	417	-0.3%
High-Income	2,386	1,329	79.5%	1,249	1,270	-1.7%

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.



Operational Preview 4Q20



Inventory

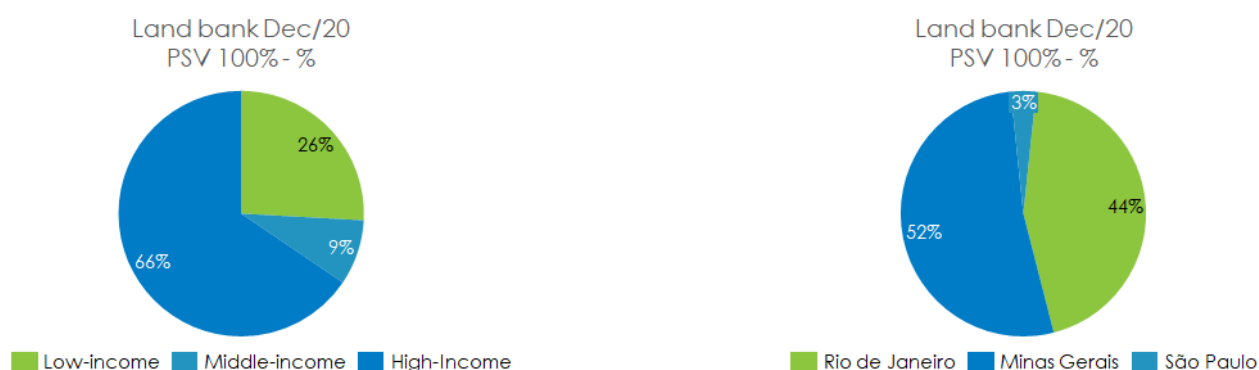


On December 31 2020, the market value of our inventory was R\$ 937.3 million (R\$ 570.1 million %Patrimar), 44.1% higher than the end of 3Q20 and 11.5% higher than the final inventory of 2019.

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.



Glossary

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

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

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

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

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

Contracted Net 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.