

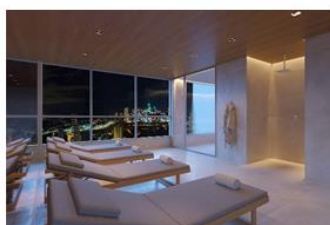
Earnings Release

1Q23

Belo Horizonte, May 11, 2023 – Patrimar S.A. (“Patrimar” or “Group”), one of the largest developers and builders in Brazil, operating in the economic, middle-income and high-income levels (luxury and high luxury products), discloses its operational results for the first quarter of 2023 (“1Q23”). Unless otherwise stated, the information in this document is expressed in Brazilian Reais (R\$) and the Potential Sales Value (“PSV”) represents the consolidated value (100%).

Highlights

- Largest net revenue for a first quarter in Company’s history, reaching R\$ 229.9 million in 1Q23, a 59.1% increase compared to 1Q22;
- Net profit increased by 68.4% in 1Q23 compared to 1Q22, reaching R\$ 17 million in this quarter;
- The proportion of cancellations as a percentage of gross revenue decreased from 8.8% in 1Q22 to 6.2% in 1Q23;
- Accounts receivable reached R\$ 1.38 billion, the highest historical value ever recorded by the Company.



Message from the Management

We are very pleased to present the operational and financial results for the first quarter of 2023. Despite the challenging economic climate in Brazil and globally, we achieved strong sales and revenue during this period. Our strategy, seeking the 2023 launch cycle, was to reduce inventory and consolidate the directions and structures defined for our two brands - Patrimar and Novolar.

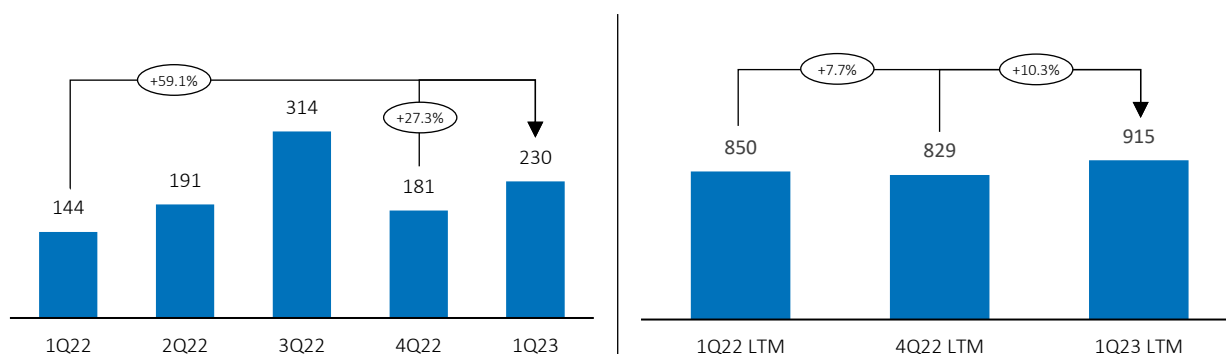
Business Growth

The Company, with its two operating brands, has been continuously and consciously growing its business volume. The maintenance of accelerated growth can be seen through the growth of the landbank. Our perspectives for the future are great, with a healthy and disciplined evolution of our business.

We have R\$ 5.2 billion in real estate projects in their final approval stages, for which we will manage supply based on market absorption, liquidity and capital structure, and a less restrictive credit market. The latter has its main effects on the buyers of our properties since the Company has maintained its ability to ensure funding for its developments at satisfactory sizes and prices.

Net Operating Revenue

(R\$ MM)

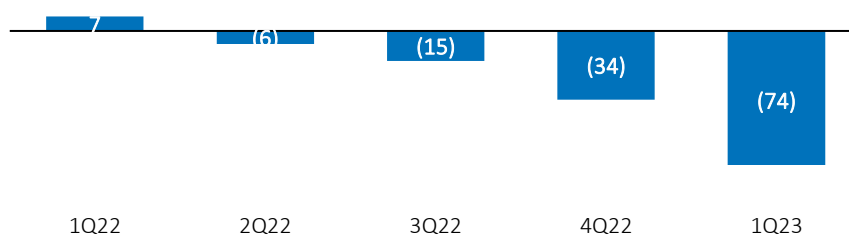


We had a significant improvement in production during 1Q23, especially with the accelerated progress of large projects such as Oceana Golf and Atlântico Golf in Rio de Janeiro and Unique in Nova Lima, MG. This accelerated progress, in turn, increases cash consumption, as explained below.

Liquidity and Financial Discipline

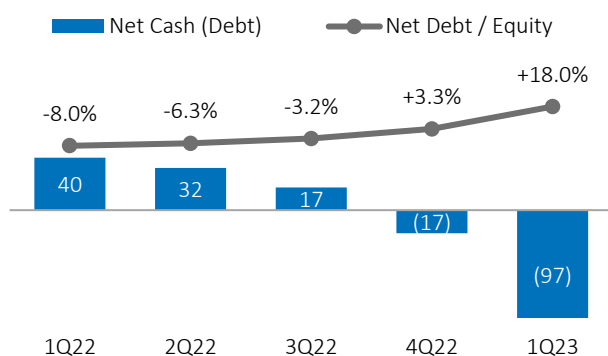
In these 1Q23, we presented a cash burn mainly because of the growth implemented in the operation, highlighting the large projects launched in 2021 and 2022. With the strategic direction of prioritizing margins and pricing for Patrimar-branded developments, the collection cycles are becoming longer. This movement is partially offset by the faster cycle of the Novolar brand, but in a smaller volume given the size of each operation.

Cash Generation
(R\$ MM)

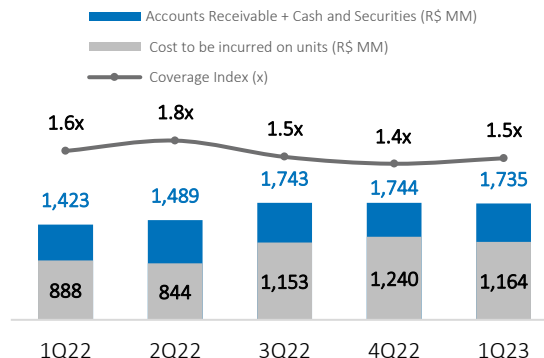


Despite the cash burn - focused on the construction operation growth, we maintained controlled leverage, healthy coverage of the construction liability, and a banking relationship to finance our operations with construction financing contracts that exceed R\$ 1.1 billion. We estimate that we will continue to present cash burn in the upcoming quarters due to construction activities and forecast of launches.

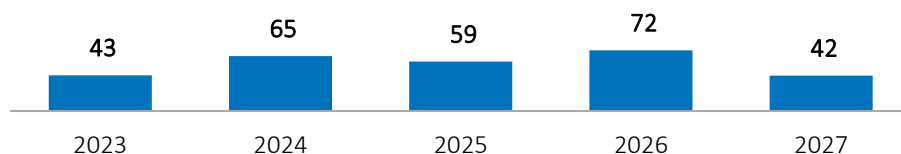
Indebtedness



Construction Liability Coverage



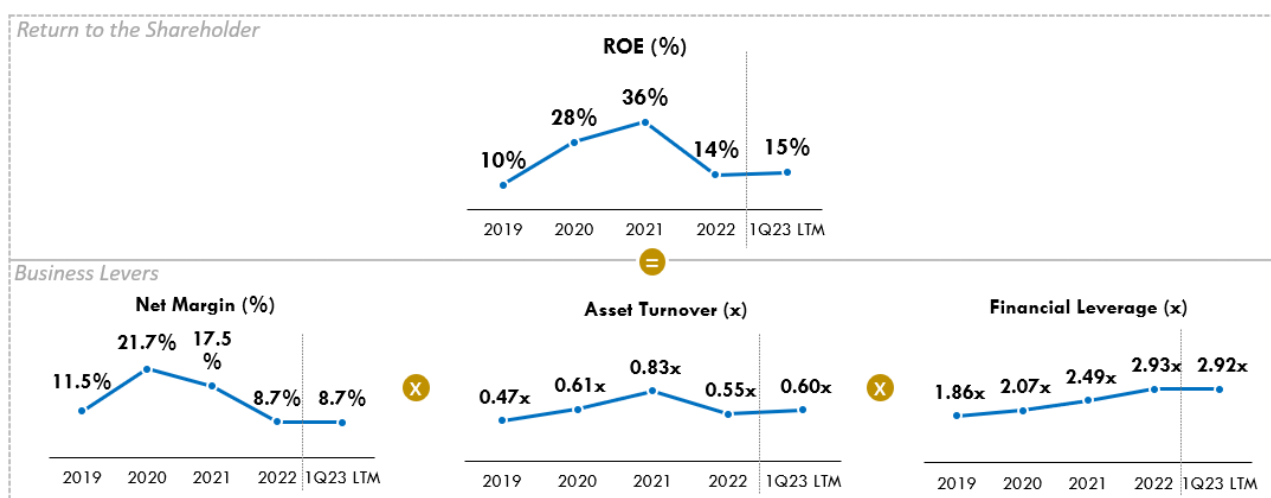
Corporate Debt Amortization Schedule Principal Mar/23 (R\$ MM)



As mentioned above, the credit market remains restricted and with high costs. Our liquidity is strong, with approximately R\$ 533.8 million in short-term receivables, of which R\$ 413.6 million are expected to be received in 2023 due to projects completions. However, we will remain vigilant to funding needs and to align these needs with our growth.

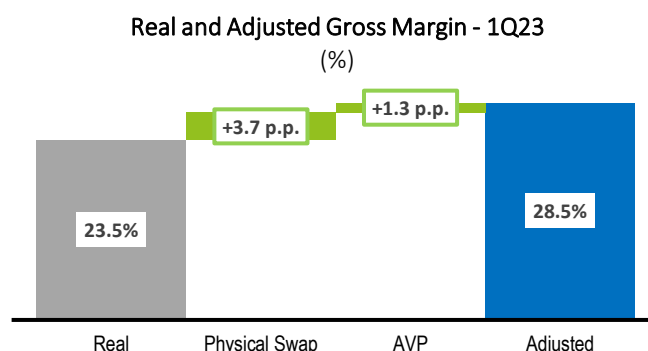
Profitability

Our second pillar remains focused on profitability, specifically on ROE.

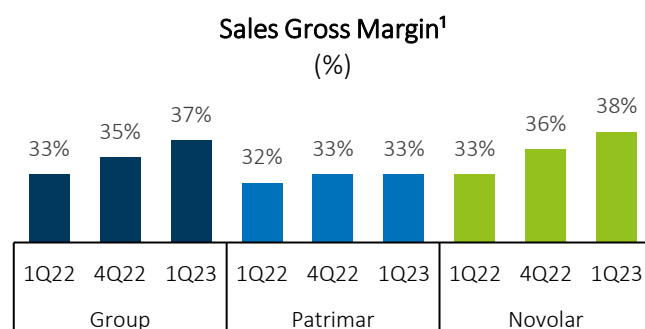


Today, the company is structure in a way that each brand has a role in the ROE structure, being Patrimar the high profitability (net margin) brand, Novolar being the quick asset turnover brand, and the corporate structure being responsible for efficient capital allocation and optimal structure. These are ongoing processes that will yield results in the coming years. The annualized ROE for 1Q23 was 12.0%, 4.1 p.p above the annualized ROE for 1Q22.

The gross margin in 1Q23 continues to be affected by recently launches made with a high percentage of physical swap, as well as APV, which is an accounting adjustment. This adjustment is not only due to the high current real interest rates in the country, but also to the lengthening of accounts receivable, as mentioned earlier.



The execution of the strategy focused on achieving greater profitability is currently underway, as previously mentioned. The gross margins of sales made in 1Q23 are healthier than those seen in previous periods, even with a high volume of sales, and that provides us a positive prospect for future results.



The economic segment is becoming increasingly relevant in the operation, especially with the new Minha Casa Minha Vida program. This will affect the consolidated gross margin due to the mix. Below are the results for each brand.

Income Statement (R\$ '000)	CONSOLIDATED	PATRIMAR	NOVOLAR	CORPORATE
Net operating Revenue	229,928	169,875	60,052	-
Cost of properties sold	(175,812)	(129,434)	(46,378)	-
Gross profit	54,116	40,442	13,675	-
Gross profit margin	23.5%	23.8%	22.8%	-
Operating income (expenses)	(32,496)	(12,923)	(8,486)	(11,087)
Operating profit (loss)	21,621	27,518	5,189	(11,087)
Finance income (costs), net	1,263	8,564	2,287	(9,588)
Equity in the results of investees	(674)	369	(1,043)	-
Income tax and social contribution	(5,220)	(3,657)	(1,563)	-
Profit (loss) for the period	16,990	32,794	4,870	(20,674)
Net Profit Margin	7.4%	19.3%	8.1%	-

1- Gross Sales Margin: Contract value less taxes, deducted from the cost of the fraction sold.

Subsequent Events

At the Ordinary and Extraordinary General Meeting held in April 2023, the payment of mandatory dividends in the total amount of R\$ 7,659,165.49, in addition with extraordinary dividends of R\$ 6,940,834.51, totaling R\$ 14,600,000, were approved. The total amount of dividends will be distributed as follows: R\$ 1,000,000.00 already paid on November 7th, 2022; R\$ 5,500,000.00 already paid on January 12th, 2023; R\$ 2,300,000.00 already paid on April 28th, 2023; R\$ 2,000,000.00 to be paid on May 15th, 2023; and R\$ 3,800,000.00 to be paid on June 9th, 2023.

Main Indicators

Financial Indicators (R\$ '000)	1Q23 (a)	1Q22 (b)	Δ % (a/b)
Net Operational Revenue	229,927	144,477	59.1%
Gross Profit	54,116	43,105	25.5%
% Gross Margin	23.5%	29.8%	-6.3 p.p.
EBITDA	25,538	16,081	58.8%
% EBITDA Margin	11.1%	11.1%	0.0 p.p.
EBITDA Ajustado	30,453	18,460	65.0%
% Adjusted EBITDA Margin	13.2%	12.8%	0.5 p.p.
Net Income	16,989	10,087	68.4%
% Net Margin	7.4%	7.0%	0.4 p.p.

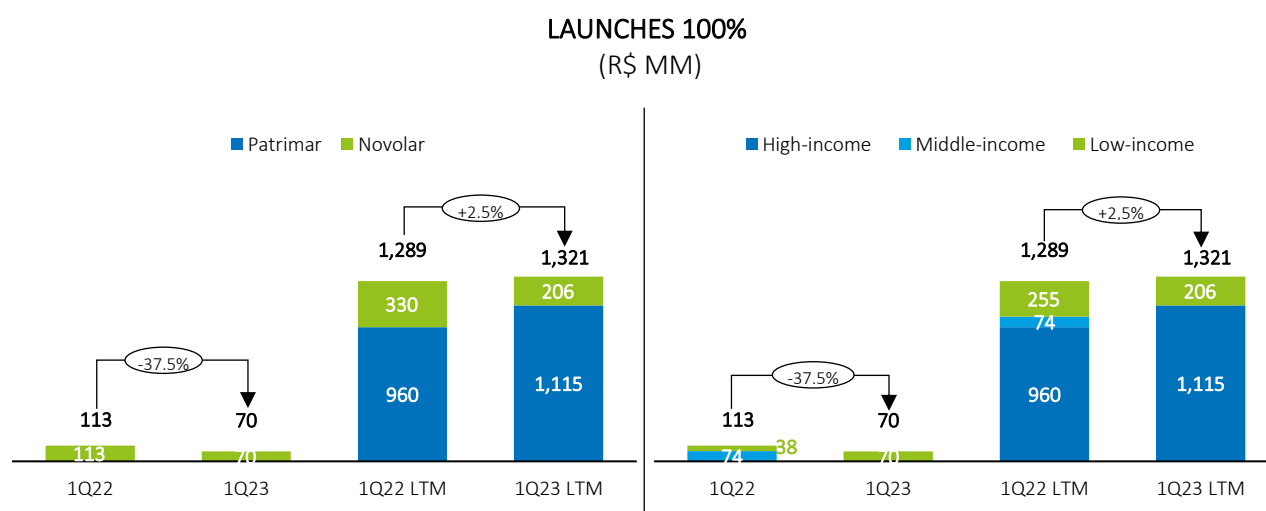
Launches by Income Levels	1Q23 (a)	1Q22 (b)	Δ % (a/b)
PSV 100% (R\$ thousand)	70,443	112,782	-37.5%
Patrimar	-	-	-
High-income	-	-	-
High-income	-	-	-
Novolar	70,443	112,782	-37.5%
Middle-income	-	74,498	-100.0%
Low-income	70,443	38,284	84.0%
PSV % Patrimar (R\$ thousand)	70,443	107,272	-34.3%
Patrimar	-	-	-
High-income	-	-	-
High-income	-	-	-
Novolar	70,443	107,272	-34.3%
Middle-income	-	68,988	-100.0%
Low-income	70,443	38,284	84.0%
Units Launched	340	316	7.6%
Patrimar	-	-	-
High-income	-	-	-
High-income	-	-	-
Novolar	340	316	7.6%
Middle-income	-	96	-100.0%
Low-income	340	220	54.5%

Net Contracted Sales (R\$ '000)	1Q23 (a)	1Q22 (b)	Δ % (a/b)
PSV 100% (R\$ thousand)	190,151	152,975	24.3%
Patrimar	120,336	88,483	36.0%
High-income	120,336	88,483	36.0%
Middle-income	-	-	-
Novolar	69,814	64,492	8.3%
Middle-income	1,956	5,425	-63.9%
Low-income	67,858	59,067	14.9%
PSV % Patrimar (R\$ thousand)	163,974	132,905	23.4%
Patrimar	95,404	69,773	36.7%
High-income	95,404	69,773	36.7%
Middle-income	-	-	-
Novolar	68,571	63,132	8.6%
Middle-income	1,369	4,737	-71.1%
Low-income	67,201	58,396	15.1%
Units Contracted	364	266	36.8%
Patrimar	34	25	36.0%
High-income	34	25	36.0%
High-income	-	-	-
Novolar	330	241	36.9%
Middle-income	4	11	-63.6%
Low-income	326	230	41.7%
Average Price (R\$ thousand/€)	522	575	-9.2%
Patrimar	3,539	3,539	0.0%
High-income	3,539	3,539	0.0%
Middle-income	-	-	-
Novolar	212	268	-20.9%
Middle-income	489	493	-0.9%
Low-income	208	257	-18.9%

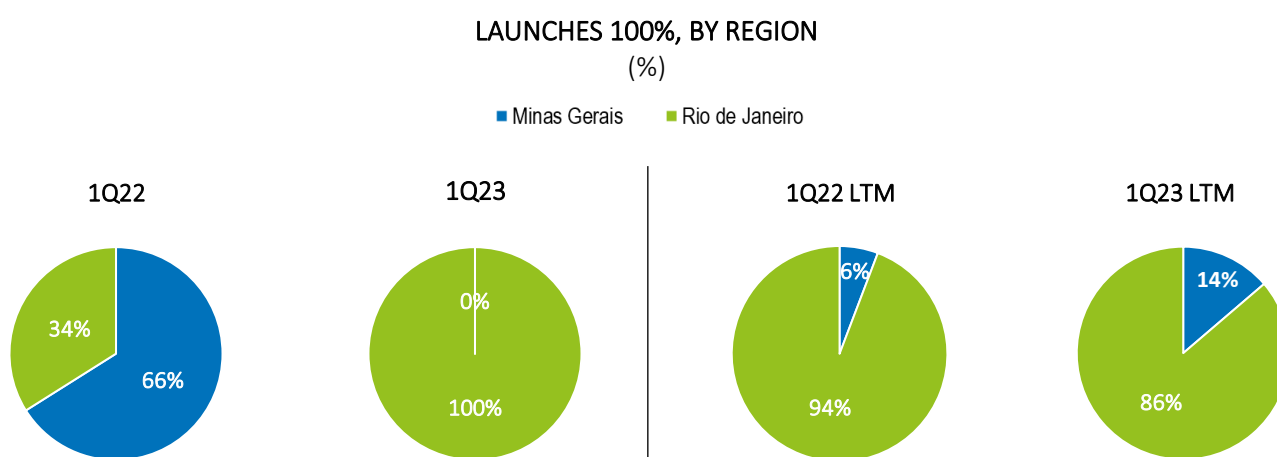
Operational Performance

Launches

We focused on Novolar's brand launches in the first quarter of 2023 to better balance our offering mix and considering an increase in market demand for the brand's products. The Patrimar Group's share was 100.0% in 1Q23 and 69.3% in the last twelve months.



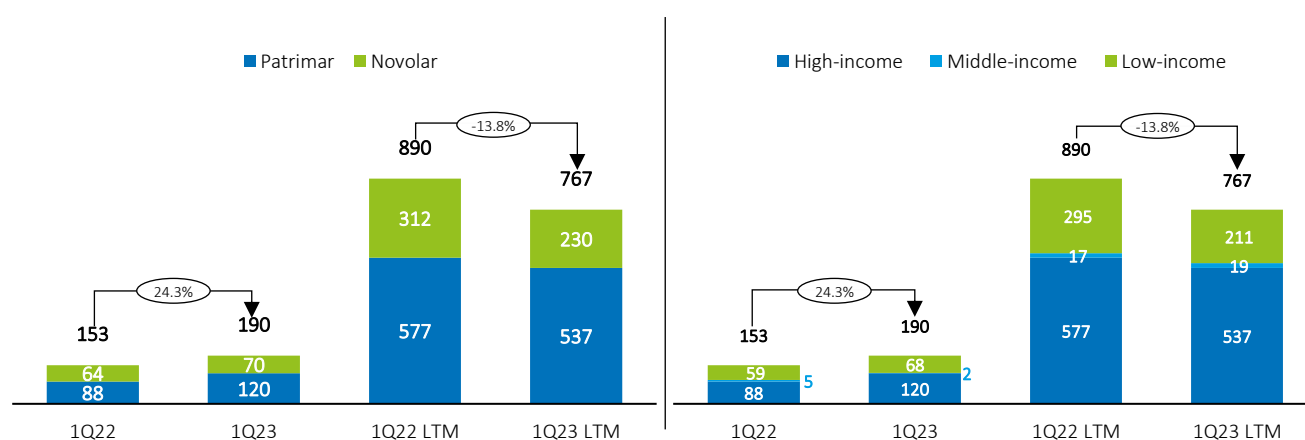
Our launches were concentrated in Rio de Janeiro, taking advantage of the market's moment and diversifying our geographic mix.



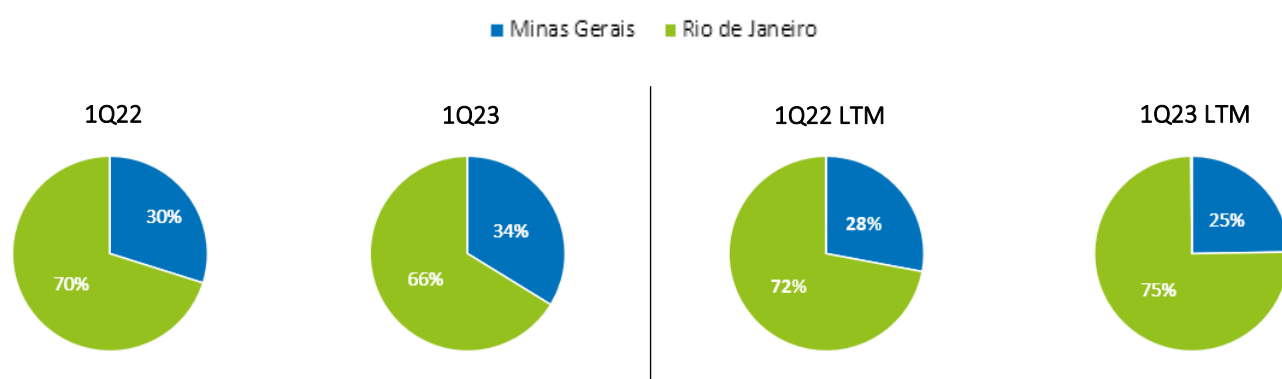
Sales

We had anticipated in our 2022 year-end result disclosures, a strong first quarter in sales. We observed a relevant volume in high-income sales for Patrimar products, while also effectively converting Novolar launches to the low-income market, in addition to inventories. The 70 million in Novolar sales represents the highest value for a first quarter in our history and includes 330 units.

NET SALES 100%
(R\$ MM)



NET SALES 100%, BY REGION
(%)

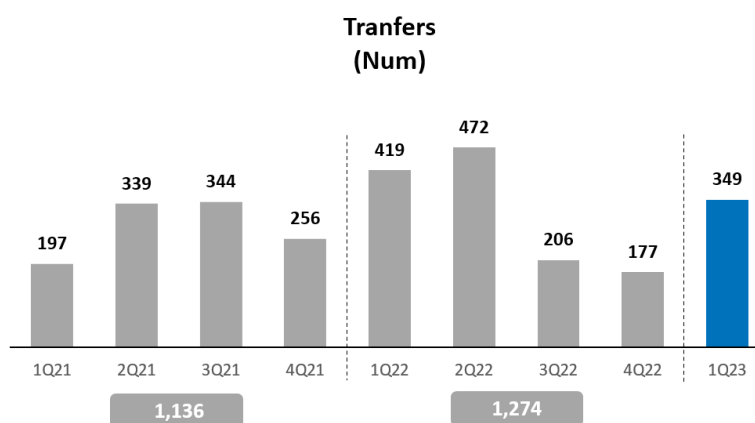


Below, more information about sales:

Net Contracted Sales	1Q23 (a)	1Q22 (b)	Δ % (a/b)	1Q23 LTM (c)	1Q22 LTM (d)	Δ % (c/d)
PSV 100% (R\$ '000)	190,151	152,975	24.3%	766,740	889,557	-13.8%
Patrimar	120,336	88,483	36.0%	536,727	577,412	-7.0%
High-income	120,336	88,483	36.0%	536,727	577,412	-7.0%
Middle-income	-	-	-	-	-	-
PSV 100%	69,814	64,492	8.3%	230,013	312,145	-26.3%
Middle-income	1,956	5,425	-63.9%	18,935	17,327	9.3%
Low-income	67,858	59,067	14.9%	211,078	294,818	-28.4%
PSV % Group (R\$ '000)	163,974	132,905	23.4%	689,952	771,708	-10.6%
Patrimar	95,404	69,773	36.7%	465,212	471,466	-1.3%
High-income	95,404	69,773	36.7%	465,212	471,466	-1.3%
Middle-income	-	-	-	-	-	-
PSV 100%	68,571	63,132	8.6%	224,741	300,242	-25.1%
Middle-income	1,369	4,737	-71.1%	15,892	13,409	18.5%
Low-income	67,201	58,396	15.1%	208,849	286,833	-27.2%
Contracted Units	364	266	36.8%	1,223	1,526	-19.9%
Patrimar	34	25	36.0%	174	177	-1.7%
High-income	34	25	36.0%	174	177	-1.7%
Middle-income	-	-	-	-	-	-
PSV 100%	330	241	36.9%	1,049	1,349	-22.2%
Middle-income	4	11	-63.6%	38	36	5.6%
Low-income	326	230	41.7%	1,011	1,313	-23.0%
Average Price (R\$ '000) / unit	522	575	-9.2%	627	583	7.5%
Patrimar	3,539	3,539	0.0%	3,085	3,262	-5.4%
High-income	3,539	3,539	0.0%	3,085	3,262	-5.4%
Middle-income	-	-	-	-	-	-
PSV 100%	212	268	-20.9%	219	231	-5.2%
Middle-income	489	493	-0.9%	498	481	3.5%
Low-income	208	257	-18.9%	209	225	-7.0%

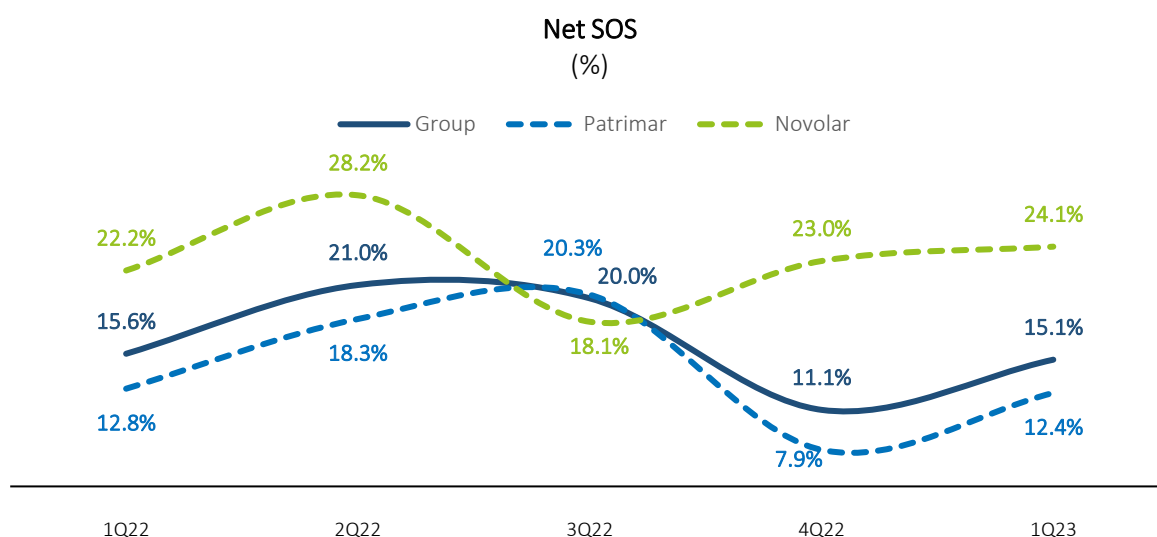
Transfers

With our focus on Novolar, we resumed transfers strongly. The units transferred in 1Q23 represent a value of 60.6 million, with the economic operation responsible for 92.2% of total transfers in this quarter.



SOS

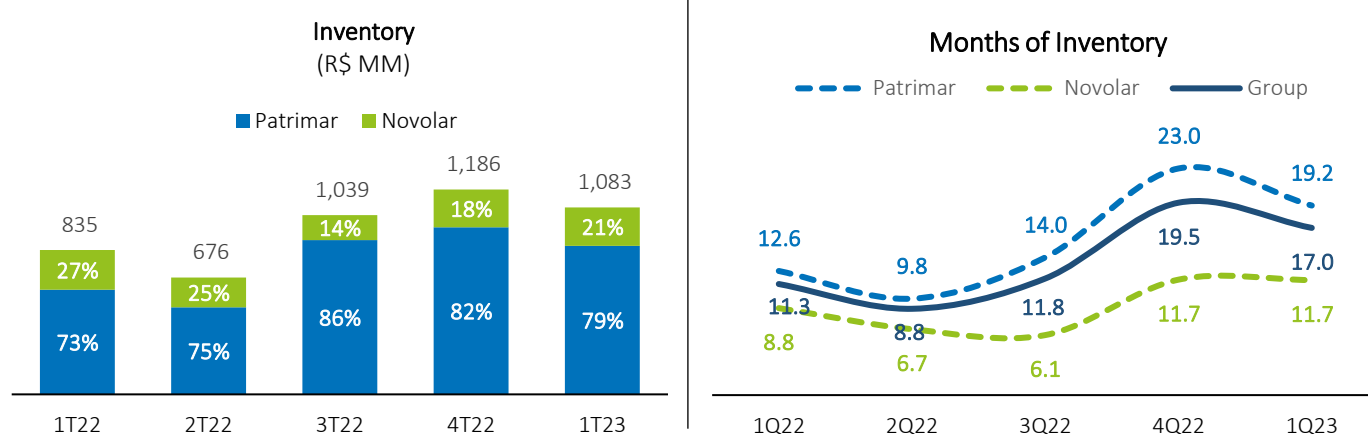
With sales growth, the Group's sales velocity in 1Q23, measured by the Net SOS indicator (Sales over Supply), was basically in line with the first quarter of 2022 and above the previous quarter, with emphasis on Novolar, whose sales velocity was only lower than 2Q22.



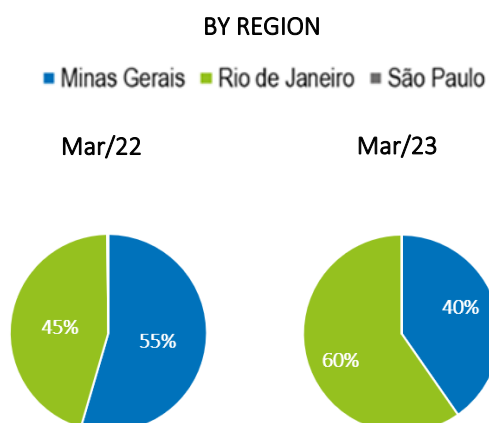
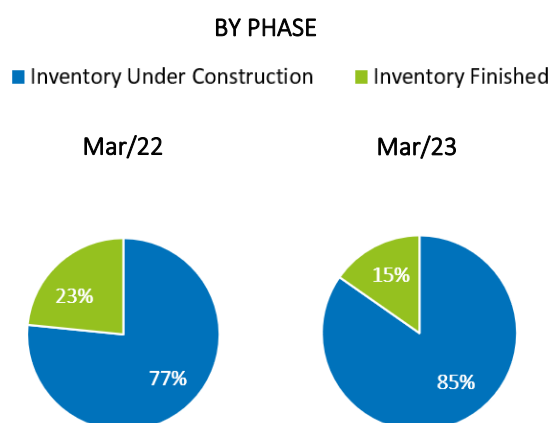
Sales Speed	1Q22	2Q22	3Q22	4Q22	1Q23
SOS Group (%)	15.6%	21.0%	20.0%	11.1%	15.1%
SOS Patrimar (%)	12.8%	18.3%	20.3%	7.9%	12.4%
Sales Patrimar	88,483	111,076	222,787	82,528	120,336
Offer Patrimar	692,019	605,587	1,098,474	1,042,369	966,671
Opening Stock	692,019	605,587	504,791	893,159	966,671
Launches	-	-	593,683	149,210	-
SOS Novolar (%)	22.2%	28.2%	18.1%	23.0%	24.1%
Sales Novolar	64,492	64,676	30,966	64,556	69,814
Offer Novolar	290,444	229,354	170,877	281,127	289,602
Opening Stock	183,171	229,354	170,877	145,405	219,158
Launches	107,272	-	-	135,723	70,443

Inventory

We reduced our inventory in relation to the closing position of 2022 by about 8.7%, with the biggest reduction driven by Patrimar, where we did not launch this quarter due to a strategic decision to reduce inventory, including a lower percentage of completed products overall, which reduces carrying costs.



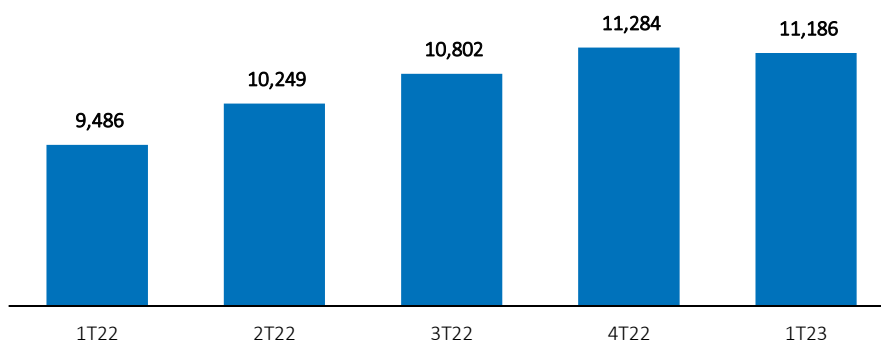
INVENTORY 100% (%)



Landbank

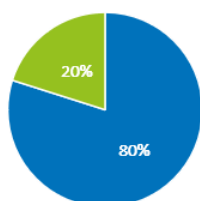
Our landbank reached a position 17.9% higher than the position as of March 31, 2022, and practically in line with the closing position of 2022. Currently, 80% of our landbank is concentrated in Patrimar and 20% in Novolar. The company's average share in the landbank remains stable at 68%. We remain attentive to market opportunities that allow us to expand our market and products.

Landbank 100%
(R\$ MM)

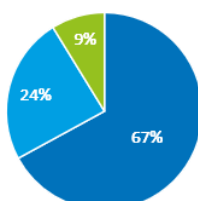


Landbank 100%
(%)

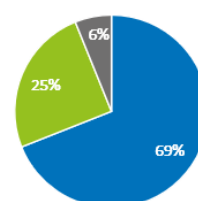
BY COMPANY
■ Patrimar ■ Novolar



BY OPERATION
■ High-income ■ Middle-income ■ Low-income



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



Financial Performance

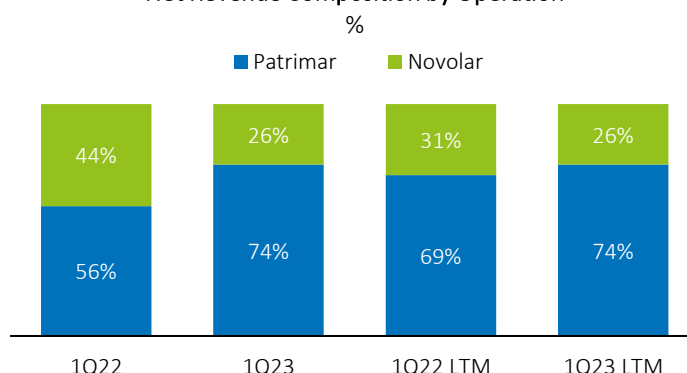
Net Income

Net Operating Revenue (R\$ '000)	1Q23	1Q22	Δ %
Gross revenue from properties sales	245,752	159,642	53.9%
Service revenue	468	406	15.2%
Gross Revenue	246,220	160,048	53.8%
AVP - Adjustment to present value	3,370	1,991	69.3%
Canceled sales	(14,614)	(14,065)	3.9%
Allowance for doubtful accounts	(664)	-	n/a
Deduction and taxes	(4,385)	(3,497)	25.4%
Net Revenue	229,927	144,477	59.1%

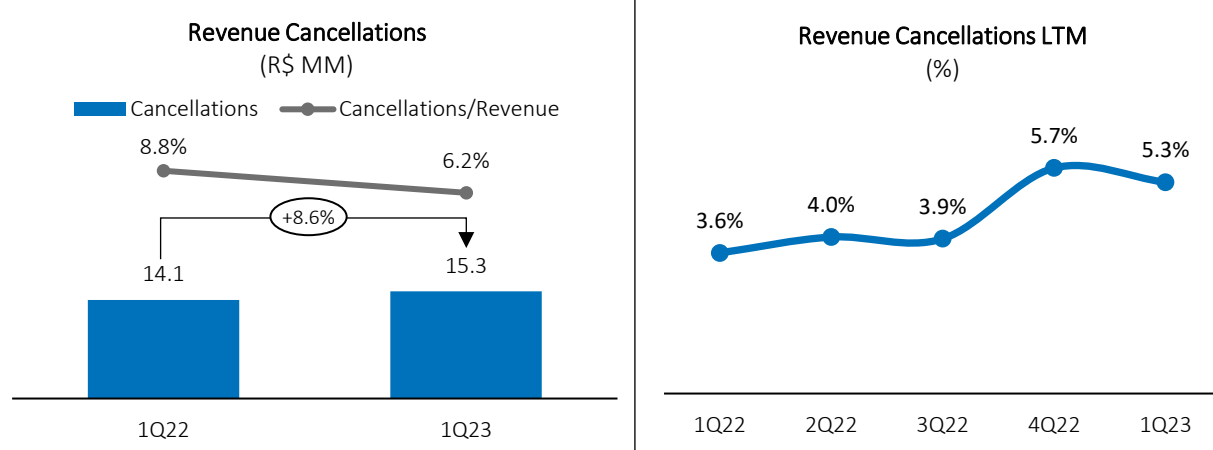
The increase in Net Revenue during 1Q23 as compared to 1Q22, is explained by a higher volume of ongoing construction projects as well as by a better progress of these projects. This improvement derives from both the lower volume of rainfall in 1Q23 on our markets and the decision to accelerate some projects to reduce indirect costs and purchase costs through scale aiming to improve our margins.

The participation of medium and low-income business in revenue had a lower share in this first quarter of 2023 due to the good progress of our projects in Rio de Janeiro – Oceana Golf and Atlântico Golf, which have a significant sold VGV in the mix. With the progress of launches, sales, and production, especially in the economic segment under the Novolar brand, we expect this mix to move towards a balance between segments and brands.

Net Revenue Composition by Operation

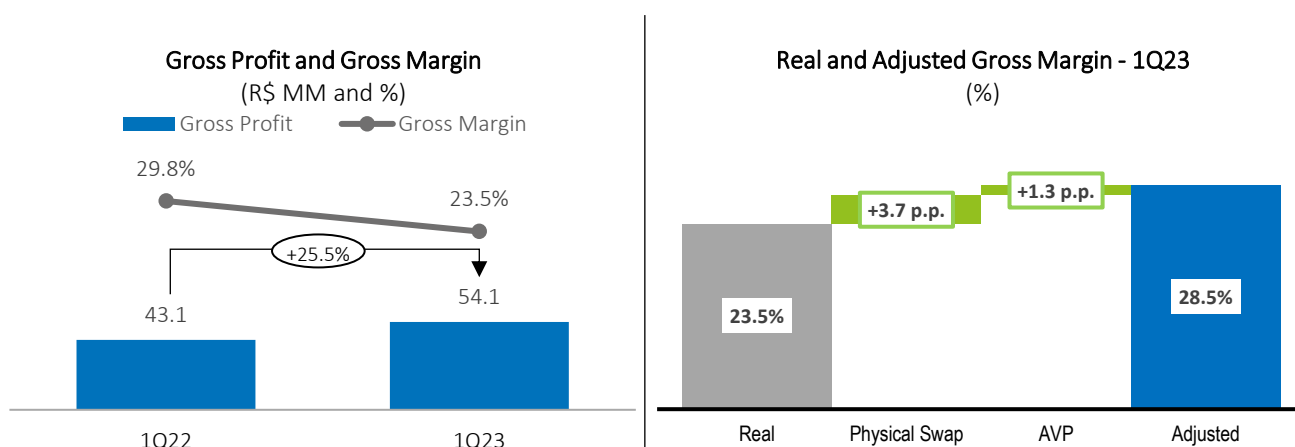


Despite the increase in cancellations recorded, there was a relative reduction of 2.8 p.p. in cancellations by Gross Revenue, as well as a reduction in sales cancellations.



Gross Profit and Gross Margin

Our gross margin continues to be impacted by the strategy of acquiring landbank through physical swaps, which, although has the advantage of reducing cash exposure, has an impact on operational profitability, especially during periods when we concentrate launches of projects with this business characteristic. In addition, but on a smaller scale, we also had an extemporaneous effect of APV, as a reflection of high interest rates and our strategy of maintaining prices for Patrimar-branded products, which ends up extending our receivable cycle and bringing lower present value of the contracted portfolio on the result in the short term. Disregarding the effects of swaps and APV in the quarter, the Gross Margin in 1Q23 would have closed only slightly below that of 1Q22.



Looking at our brands, even because of legacy reasons, a large part of our gross profit comes from Patrimar products, which have higher margins, although they are impacted by physical swaps and APV. We should see an increase in Novolar's contribution to our results over the next few quarters, which does not necessarily mean lower gross margins, as we strategically aim to recover margins in Patrimar.

Income Statement (R\$ '000)	CONSOLIDATED	PATRIMAR	NOVOLAR
Net operating Revenue	229,928	169,875	60,052
Cost of properties sold	(175,812)	(129,434)	(46,378)
Gross profit	54,116	40,442	13,675
Gross profit margin	23.5%	23.8%	22.8%

Operational Expenses

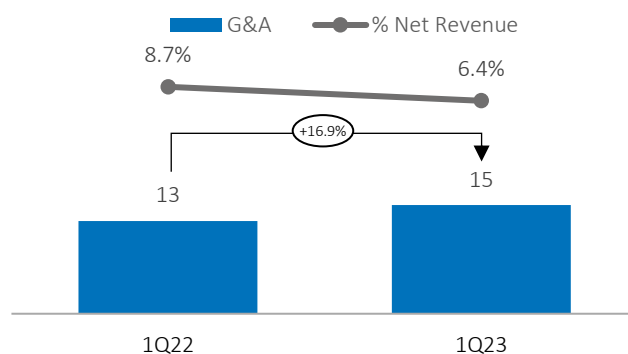
Operating Expenses (R\$ '000)	1Q23	1Q22	Δ %
General and Administrative Expenses	14,703	12,572	16.9%
Commercial Expenses	16,442	16,299	0.9%
Other Operating Expenses (Revenues)	1,352	867	55.9%
Total	32,497	29,738	9.3%
% of ROL	14.1%	20.6%	-6.4 p.p.

General and Administrative Expenses (G&A)

General and Administrative Expenses (R\$ '000)	1Q23	1Q22	Δ %
Personnel expenses	8,683	7,992	8.6%
Depreciation and amortization	1,600	1,879	-14.9%
Third-party services	2,513	1,732	45.1%
General administrative expenses	1,907	969	96.8%
Total	14,703	12,572	16.9%

Compared to the first quarter, with a growth in operations, it was possible to dilute the investments made in structure and personnel, as reported in previous publications. Therefore, even with a relative increase in expenses with personnel, third-party services, and general administrative expenses, the G&A as a percentage of revenue showed a positive evolution when comparing 1Q23 with 1Q22.

General and Administrative Expenses (G&A)
(R\$ MM and %)

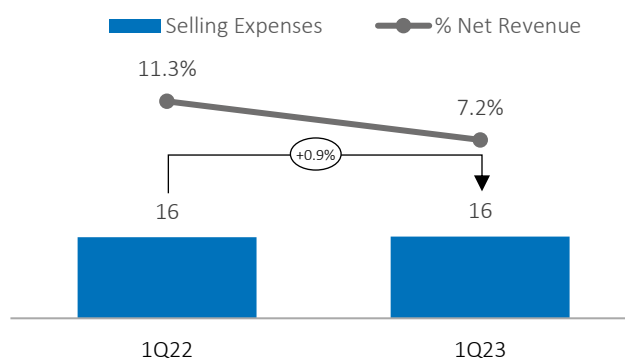


Commercial Expenses

Commercial Expenses (R\$ '000)	1Q23	1Q22	Δ %
Commissions and brokerages	5,301	4,726	12.2%
Advertising	4,336	4,078	6.3%
Other commercial expenses	2,394	5,477	-56.3%
Personnel expenses	1,203	1,864	-35.5%
Sales stands / decorated apartments	3,209	154	1983.7%
Total	16,442	16,299	0.9%

Correspondingly, with the operational scale gain due to the higher sales volume achieved in 1Q23, we were able to maintain our commercial expenses while reducing their total as a percentage of revenue. The increase in Sales stands rubric is explained by the depreciation of the Golf I and Golf II stands, as well as by some well-sold Novolar projects.

Selling Expenses
(R\$ MM and %)



Other Operational Expenses (Incomes)

Other Operating Expenses / Revenues (R\$ '000)	1Q23	1Q22	Δ %
Real estate loan expenses	-	5	25.9%
Tax expenses	234	8	2830.6%
Provision for contingencies	2,473	(2,102)	-217.6%
Eventual losses	15	117	-87.0%
Other operating income and expenses	(1,377)	2,839	-148.5%
Total	1,352	867	55.9%
% of ROL	0.6%	0.6%	-0.01 p.p.

In 1Q23, we had an increase in labor and civil contingencies in two of our legacy developments. The reversal in other operating expenses and revenues is justified by obligations of creditors with undue liabilities.

Financial Result

Financial Income	1Q23	1Q22	Δ %
Monetary adjustment and contractual interest	853	1,010	-15.5%
Interest on financial investments	11,605	6,758	71.7%
Other Financial Results	196	52	277.8%
Total	12,655	7,820	61.8%
Financial Expenses	1Q23	1Q22	Δ %
Interest on loans and financing	(10,889)	(5,858)	85.9%
Debits from bank charges and fees	(494)	(262)	88.6%
Other Financial Expenses	(8)	(2)	299.9%
Total	(11,391)	(6,122)	86.1%
Financial Result	1,263	1,698	-25.6%

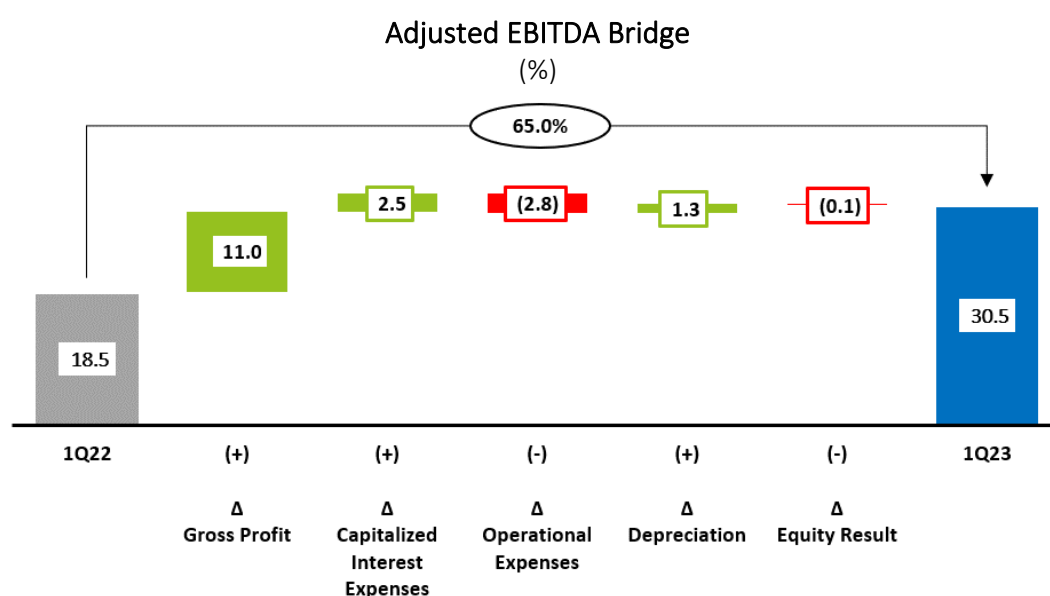
Our financial and treasury management has been efficient in managing our cash. Consequently, we have been able to extract better positive effects from the constant increases in the economy's basic interest rate (SELIC) on our financial investments than the negative effects on loans and financing.

Equity Result

Equity Result	1Q23	1Q22	Δ %
Equity Result	(674)	(597)	13%

As previously announced, our equity result has been less and less impacted by problems related to the construction of economic ventures formed in partnership over five years ago.

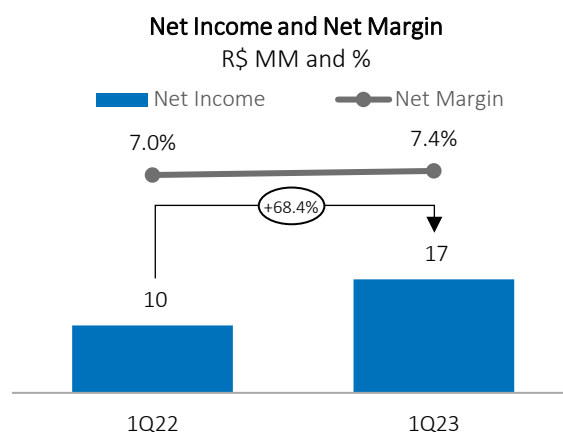
EBITDA and Adjusted EBITDA



Due to the scale gain achieved, we were able to generate more gross profit than expenses in proportion this quarter, in addition to a less impactful equity result, consequently growing both EBITDA and Adjusted EBITDA compared to the same quarter last year. Furthermore, in this same quarterly comparison, in regarding revenue growth, as EBITDA growth was in line and Adjusted EBITDA was higher, we were able to maintain the EBITDA margin and evolve the Adjusted EBITDA margin. This means that we were able to be operationally more efficient, before accounting and financial effects (Capitalized Interest Expenses and Depreciation) on our results, in line with our strategy of recovering margins and productivity gains through organizational structuring. Below, we present the reconciliation of the indicators with the Accounting Profit:

EBITDA (R\$ '000)	1Q23	1Q22	Δ %
Net Income	16,989	10,087	68.4%
(+) Income Tax and Social Contribution	5,219	4,381	19.1%
(+) Financial Results	(1,263)	(1,698)	-25.6%
(+) Depreciation and Amortization	4,593	3,311	38.7%
EBITDA	25,538	16,081	58.8%
EBITDA Margin (%)	11.1%	11.1%	0.0p.p.
Capitalized Interest Expense	4,915	2,379	106.6%
Adjusted EBITDA	30,453	18,460	65.0%
Adjusted EBITDA Margin (%)	13.2%	12.8%	0.5p.p.

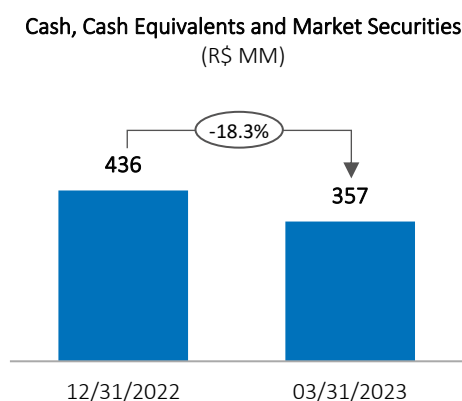
Net Profit and Net Margin



In line with our gross profit, our net profit increased compared to the same quarter last year, reflecting our operational expansion. With financial and operational diligence and strategies already focused on increasing margins, we aim to further improve our performance in the coming periods.

Balance Sheet Highlights

Cash, Cash Equivalents and Market Securities



Due to the large-scale construction projects such as Atlântico Golf, Oceana Golf, and Unique, as well as strategic investments in landbank, there was a decrease in our cash, cash equivalents, and marketable securities during this quarter. However, we view this reduction as a natural part of our business cycle and an investment in the growth of our operations.

Accounts Receivable

Accounts Receivable (R\$ '000)	03/31/2023	12/31/2022	Δ %
Completed units	62,510	53,649	16.5%
Units under construction	591,926	543,021	9.0%
Management services	24,887	24,418	1.9%
Provision for canceled sales / losses / PVA	(31,365)	(29,276)	7.1%
Total	647,958	591,812	9.5%

The growth in the Accounts Receivable balance is mainly a result of the increase in completed and uncompleted units, which can be explained by the progress or completion of works, extension of payment profiles by customers, and a higher volume of sales. The total balance of accounts receivable for sales continues to grow, and we expect it to increase even further with the planned launches for the upcoming quarters. Currently, this balance stands at R\$ 1.4 billion, reflecting the accumulated sales volume and our result management strategies.

Accounts Receivable (R\$ '000)	03/31/2023	12/31/2022
Due within 1 year	533,492	486,161
Due 1 to 2 years	291,694	276,460
Due 2 to 3 years	345,524	297,691
Due 3 to 4 years	167,148	210,975
Due over 4 years	6,492	6,110
	1,344,350	1,277,397
Expired up to 1 year	20,433	20,953
Expired between 1 to 2 years	10,437	6,956
Expired between 2 to 3 years	1,104	969
Expired between 3 to 4 years	945	1,130
Expired over 4 years	593	630
	33,512	30,638
Total	1,377,862	1,308,035

Real Estate for Sale

Properties for Sales (R\$ '000)	03/31/2023	12/31/2022	Δ %
Inventories of land	213,231	178,492	0.1%
Properties under construction	281,825	281,249	0.2%
Completed properties	51,459	49,851	3.2%
Provision for canceled sales	910	950	-4.2%
Total	547,425	510,542	0.4%

Inventories remained in line.

Advances from Customers

Advances from Customers (R\$ '000)	03/31/2023	12/31/2022	Δ %
Advances from customers and barter made for construction	391,080	421,724	-7.3%
Advances from customers for customized units	22,276	22,356	-0.4%
Barter made for land - not launched developments	46,632	43,020	8.4%
Total	459,988	487,100	-5.6%

The variation in the balance of customer advances basically refers to the swaps of developments that have been launched and are subsequently being consumed by construction activities.

Suppliers

Trade Payables (R\$ '000)	03/31/2023	12/31/2022	Δ %
Trade Payables	68,479	51,606	32.7%
Technical Retentions	9,573	9,313	2.8%
Total	78,052	60,919	28.1%

The increase in the suppliers balance is naturally explained by the increase in construction activities.

Real Estate Purchase Obligations

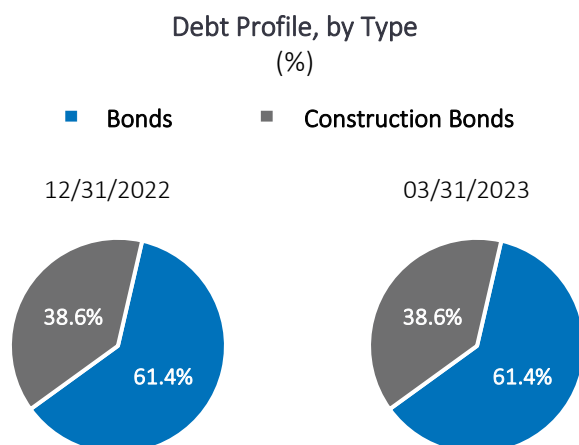
Real estate purchase obligations (R\$ '000)	03/31/2023	12/31/2022	Δ %
Land developed	35,877	35,591	0.8%
Physical Swap	7,349	8,346	-11.9%
Financial Exchange	28,528	27,245	4.7%
Land not developed	29,496	11,100	165.7%
Physical Swap	29,496	11,100	165.7%
Financial Exchange	-	-	n/a
Total	65,373	46,691	40.0%

The increase in the account of real estate purchase obligations reflects obligations assumed by the company in its real estate development activities.

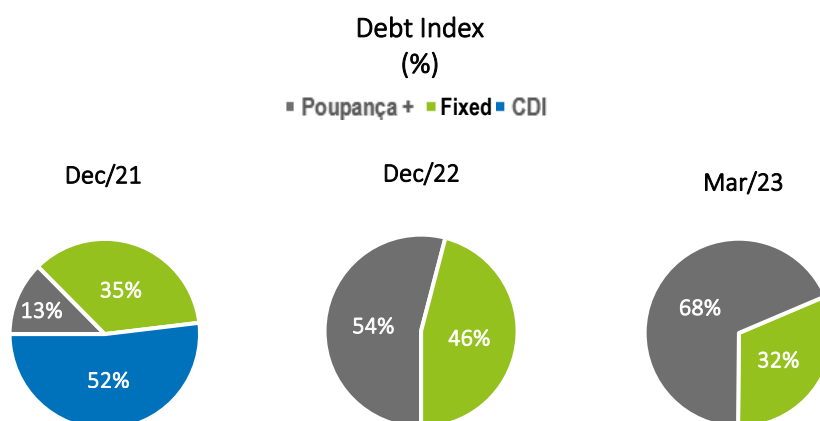
Indebtedness

Financial Leverage Indicators			
Net Debt / Equity (R\$ '000)	03/31/2023	12/31/2022	Δ %
(+) Loans and Financing	454,012	453,669	-0.1%
(-) Cash and Cash Equivalent	356,537	436,183	22.3%
(=) Net Debt	97,475	17,486	-82.1%
(=) Equity	542,270	537,696	-0.8%
Net Debt/ Equity	18.0%	3.3%	14.7p.p.

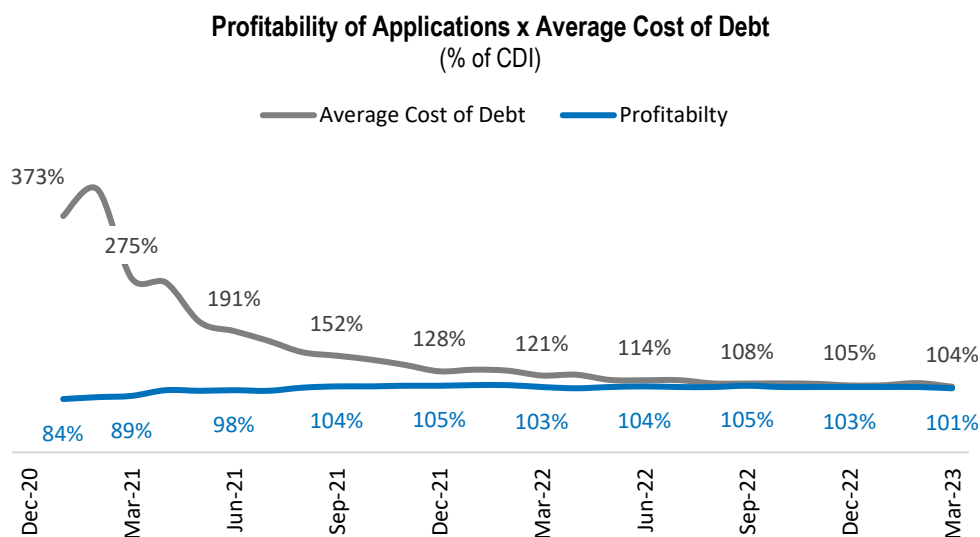
This quarter's increase in net debt reflects the reduction in cash, mainly due to investments in ongoing construction projects and strategic landbank acquisitions. However, this year we are expected to complete cycles of construction that will allow a flow resources (receipts from customers), increasing liquidity. Around 40% of the ongoing projects have over 80% completion and are expected to be completed by the end of this year.



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



Thanks to the composition of our liabilities and the evolution of our construction financing, our debt is mainly linked to the company's productive activity. As a result, the weighted average cost of our liabilities is closely related to the average return on our financial investments, keeping it at a relatively affordable level. We expect the weighted average cost to decrease further throughout 2023, given the financing that has already been contracted and the additional funding that will be released.



Attachments

Consolidated Results Report

Income Statement (R\$ '000)	1Q23	1Q22	Δ %
Net operating Revenue	229,927	144,477	59.1%
Cost of properties sold	(175,811)	(101,372)	73.4%
Gross profit	54,116	43,105	25.5%
Gross profit margin	23.5%	29.8%	-6.3 p.p.
Operating expenses	(32,497)	(29,738)	9.3%
General and administrative expenses	(14,703)	(12,572)	16.9%
Selling expenses	(16,442)	(16,299)	0.9%
Other operating income (expenses), net	(1,352)	(867)	55.9%
Operating profit (loss)	21,619	13,367	61.7%
Finance income	12,655	7,820	61.8%
Finance costs	(11,391)	(6,122)	86.1%
Finance income (costs), net	1,263	1,698	-25.6%
Equity in the results of investees	(674)	(597)	12.9%
Profit (loss) before income tax and social contributi	22,208	14,468	53.5%
Income tax and social contribution	(5,219)	(4,381)	19.1%
Profit (loss) for the period	16,989	10,087	68.4%
Net Profit Margin	7.4%	7.0%	0.4 p.p.
Attributable to:			
Owners of the company:	11,204	5,235	114.0%
Non-controlling interests	5,785	4,852	19.2%

Divulgação de Resultados

Balance Sheet

1T23



Assets (R\$ '000)	03/31/2023	12/31/2022	Δ %
Current assets			
Cash and cash equivalents	259,116	330,137	-21.5%
Securities	97,421	106,046	- 0
Accounts receivable	379,116	315,643	20.1%
Properties for sale	484,329	419,866	15.4%
Taxes recoverable	15,096	16,318	-7.5%
Prepaid expenses	27,127	25,105	8.1%
Other receivables	19,349	14,229	36.0%
Total current assets	1,281,554	1,227,344	4.4%
Non-current assets			
Financial investments	2,676	2,664	0.5%
Accounts receivable	268,842	276,169	-2.7%
Properties for sale	63,096	90,676	-30.4%
Judicial deposits	852	1,634	-47.9%
Related parties	6,312	8,040	-21.5%
active deferred taxes	2,880	-	-
Long-term receivables	344,658	379,183	-9.1%
Investments	28,137	28,074	0.2%
Property and equipment	37,295	36,094	3.3%
Right to use lease	8,851	6,530	35.5%
Intangible assets	5,681	9,320	-39.0%
Total non-current assets	424,622	459,201	-7.5%
Total assets	1,706,176	1,686,545	1.2%

Liabilities and Equity (R\$ '000)	03/31/2023	12/31/2022	Δ %
Current liabilities			
Loans and financing	188,253	93,475	101.4%
Leases	4,615	4,894	-5.7%
Trade payables	78,052	60,919	28.1%
Salaries and social charges	16,198	12,032	34.6%
Tax liabilities	4,972	5,559	-10.6%
Real estate purchase obligations	45,940	35,774	28.4%
Dividends payable	1,314	6,814	-80.7%
Advances from customers	244,519	202,973	20.5%
Deferred taxes	14,875	21,134	-29.6%
Other payables	5,093	1,831	178.2%
Provision for property maintenance	1,543	1,561	-1.2%
Total current liabilities	605,374	446,966	35.4%
Non-current liabilities			
Loans and financing	265,759	360,194	-26.2%
Leases	1,197	1,758	-31.9%
Real estate purchase obligations	19,433	10,917	78.0%
Advances from customers	215,469	284,127	-24.2%
Advances from customers	14,539	5,089	185.7%
Provision for contingencies	6,452	4,716	36.8%
Provision for real estate maintenance	15,388	14,365	7.1%
Related parties	13,700	14,718	-6.9%
Provision for net capital deficiency	6,595	5,999	9.9%
Total non-current liabilities	558,532	701,883	-20.4%
Equity			
Capital	269,172	269,172	0.0%
Capital Reserve	259	259	0.0%
Revenue Reserves	109,558	98,354	11.4%
Retained earnings	-	-	n/a
	378,989	367,785	3.0%
Non-controlling interests	163,281	169,911	-3.9%
Total equity	542,270	537,696	0.9%
Total liabilities and equity	1,706,176	1,686,545	1.2%

Cash Flow

Cash Flows (R\$ '000)	03/31/2023	03/31/2022	Δ %
Cash flows from operating activities			
Profit for the year	16,989	10,087	68.4%
Adjustments to reconcile profit with cash flows			
Depreciation and amortization	5,234	3,311	58.1%
Present value adjustment of receivables	3,704	1,811	104.5%
Equity in the results of investees	674	597	12.9%
Provision for real estate maintenance	2,179	(447)	-587.5%
Provision for Cancellations	(183)	-	n/a
Provision for doubtful accounts	(1,431)	-	n/a
Provision for labor, civil, and tax contingencies	3,216	335	860.0%
Provision for losses on subsidiaries	-	-	n/a
Provision for interest on loans and financing	15,705	8,071	94.6%
Deferred Income tax and social contribution	2,388	4,381	-45.5%
Write-off of fixed assets	-	-	n/a
Yield from bonds and securities	(3,332)	-	n/a
	45,143	28,146	60.4%
Changes in working capital			
Increase (decrease) in assets and liabilities			
Accounts receivable	(58,236)	(15,441)	277.2%
Properties for sale	(42,229)	3,186	-1425.5%
Taxes recoverable	(1,658)	(759)	118.4%
Other assets	(6,360)	(967)	557.7%
Trade payables	17,133	6,965	146.0%
Salaries and social charges	4,166	3,360	24.0%
Tax liabilities	3,047	(2,338)	-230.3%
Real estate purchase obligations	18,682	(2,764)	-775.9%
Advances from customers	(27,112)	(2,804)	866.9%
Other liabilities	2,733	137	1894.9%
Amounts paid for maintenance of real estate under guarantee	(1,174)	-	n/a
Amounts paid for civil, labor and tax contingencies	(1,480)	980	-251.0%
	(92,488)	(10,445)	785.5%
Interest paid	(14,676)	(2,373)	518.5%
Income tax and social contribution paid	(2,831)	(2,336)	21.2%
Net cash provided by (used in) operating activities	(64,852)	12,992	-599.2%
Cash flows from investing activities			
Increase in securities	11,957	(2,457)	(6)
Changes in restricted financial investments	(12)	(51)	-76.5%
Advances to related parties	6,056	5,279	14.7%
Investment contributions (returns)	(141)	(2,627)	-94.6%
Purchases of property and equipment and intangible assets	(5,117)	(4,524)	13.1%
Additions to intangible assets	-	-	n/a
Net cash used in investing activities	12,743	(4,380)	-390.9%
Cash flows from financing activities			
New loans and financing	28,830	13,507	113.4%
Repayment of loans and financing - principal	(29,827)	(19,007)	56.9%
Dividends paid	(5,500)	-	n/a
Distributions to non-controlling interests, net	(12,415)	1,954	-735.4%
Net cash provided by (used in) financing activities	(18,912)	(3,546)	433.3%
Net increase in cash and cash equivalents	(71,021)	5,066	-1501.9%
Cash changes			
Cash and cash equivalents at the beginning of the year	330,137	243,926	35.3%
Cash and cash equivalents at the end of the year	259,116	248,992	4.1%
Increase in cash and cash equivalents	(71,021)	5,066	-1501.9%

About Patrimar Group

The Company is a developer and homebuilder based in Belo Horizonte, focusing its activities in the southeastern region of Brazil, with over 59 years of experience in the construction industry, and is positioned among the largest in the country. Its business model is vertically integrated, acting in the development and construction of real estate projects, as well as the commercialization and sale of independent real estate units.

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



Investor Relations

Felipe Enck Gonçalves

CFO and Investor Relations Officer

João Paulo Christoff Lauria

Head of Financial Planning and Investor Relations

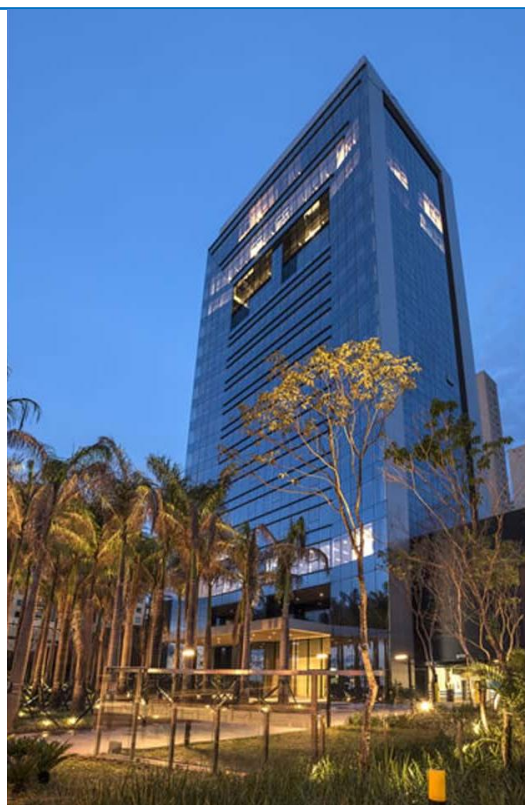
Daniel Vaz de Melo Lavarini

Financial Planning and Investor Relations Specialist

+ 55 (31) 3254-0311

www.patrimar.com.br/ri

E-mail: ri@patrimar.com.br



Glossary

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

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

Landbank %Patrimar's Group: Total amount of PSV of all lands owned by the Company or which the Company has a stake, except for swapped units and partners' participation, in other words, the net PSV of lands owned by the Company;

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

Launches %Patrimar's Group: Total amount of the PSV for the already launched projects, at launch prices, not considering swapped units and partners participation, in other words, it only considers the percentage of Net PSV belonging to the Company;

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

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

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

Sales Spedd: Sales Speed over Supply (SOS);

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

Net Sales Spedd: 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 consolidated net income and the average value of consolidated shareholders' equity for the annualized periods;

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.

Gross Sales Margin: Contract value less taxes, deducted from the cost of the fraction sold.

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. 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 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.