

Earnings Release

4Q22 and 2022



Earnings Release 4Q22 and 2022

Belo Horizonte, March 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 fourth quarter of fiscal year 2022 ("4Q22") and for the year of 2022 ("2022"). Except where otherwise indicated, the information in this document is expressed in Brazilian Reais (R\$) and shows the consolidated value (100%).

Highlights

- Comfortable **leverage of net debt to equity at just 3.3%**;
- **Construction finance contracts signed exceeding R\$ 1.0 billion** at a very attractive cost;
- **Internal restructuring to focus on Middle/High Income and Middle/Low Income operations** aimed at extracting greater value and efficient allocation of capital.

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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 operating and financial results for the fourth quarter of 2022 and for the year 2022. This quarter was marked by the events of the elections and the World Cup, which channeled the attention of potential buyers and, as a consequence, directly impacted the business volume in the months of October and November. Despite this, we had a good sales volume in the quarter, which recovered specifically in December, giving us a positive outlook for 2023.

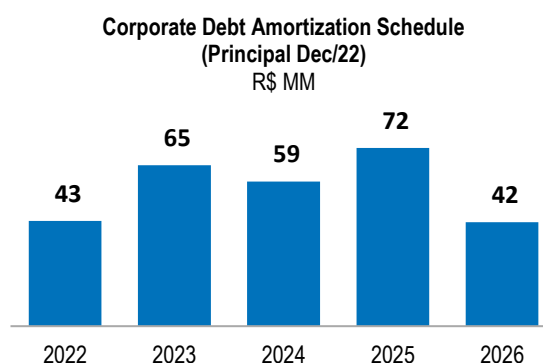
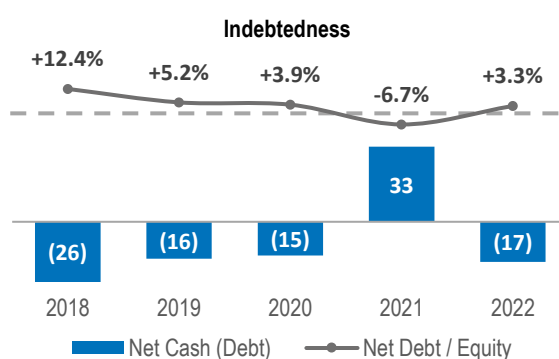
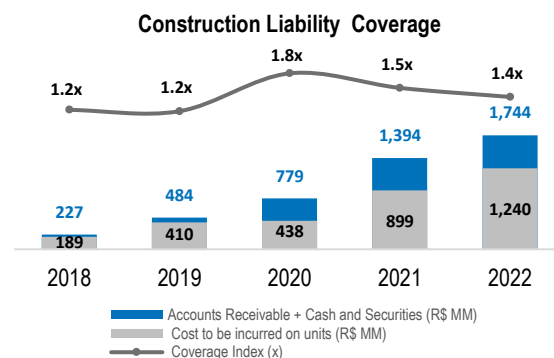
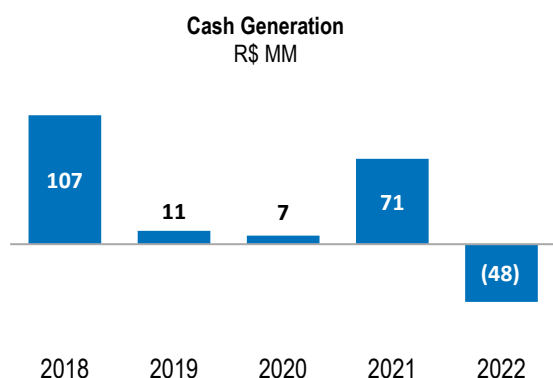
We see 2023 as a year with major challenges on some fronts, especially in the macroeconomic scenario, with high interest rates, inflation expected to remain resilient at levels above those set as the center of the target, in addition to a slowing global economy. These factors combined can bring more uncertainty about the demand for high and medium income operations. In anticipation and preparation for these movements, in recent quarters the Company has been prioritizing cash over margin. We executed sales with greater speed, shortening our receivables flows, with anticipation campaigns with our customers and anticipation of transfers during construction in the high-income and middle-income brackets. This way we have reduced the risk of default, of renegotiation and extension of contractual terms and, consequently, of potential cancellations. Our strategy was successful and we have a solid balance sheet, a robust capital structure, and we are prepared for the coming years, although this strategy has taken a toll on our gross margin, due to a lower monetary correction of the portfolio and sales prices that are more adequate to the flows executed.

For the year 2023 we will have a greater focus on the economic income bracket. Our strategy is to take advantage of the good momentum in the segment to launch the developments acquired in recent years and to recompose our land bank more quickly in this operation. We will give preference to margin and profitability over the cash cycle in our high-income operation, which means we should increase our operating cash burn in the year.

Financial Discipline

We continue with a low-leverage operation. Our strategy of maintaining a high cash position with a balanced debt profile in line with our operating cycle will still guide our decisions. The coverage ratio of our construction liabilities remains comfortable.

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We reached the mark of R\$1.0 billion in real estate financing contracts signed with the most relevant financial institutions, at an average weighted cost of TR + 8.82% yy., which supports our investments at an attractive cost for the coming years.

The cash burn observed in the fourth quarter of 2022 is a reflection of price and margin recovery strategy in the high-income operation. Due to our low leverage operation, the end of cycle of some enterprises in 2023 that have a significant amount of cash receivable (approximately R\$ 215 million in 2023) and land investments mostly made with swaps, we are focusing more on margin than on sales speed and present value cash flow.

Other factors that contributed to a higher cash burn in 4Q22 and in the year 2022 were: (i) a natural acceleration on the start of construction projects launched in late 2021 and early 2022, whose investments are being made with funds from unit sales until the real estate financing reaches the minimum advance level according to each contract and (ii) investments in our operational systems, landbanks and sales stands for launches made in the second half of the year and now for the year 2023, which together totaled almost R\$ 90 million in the year 2022.

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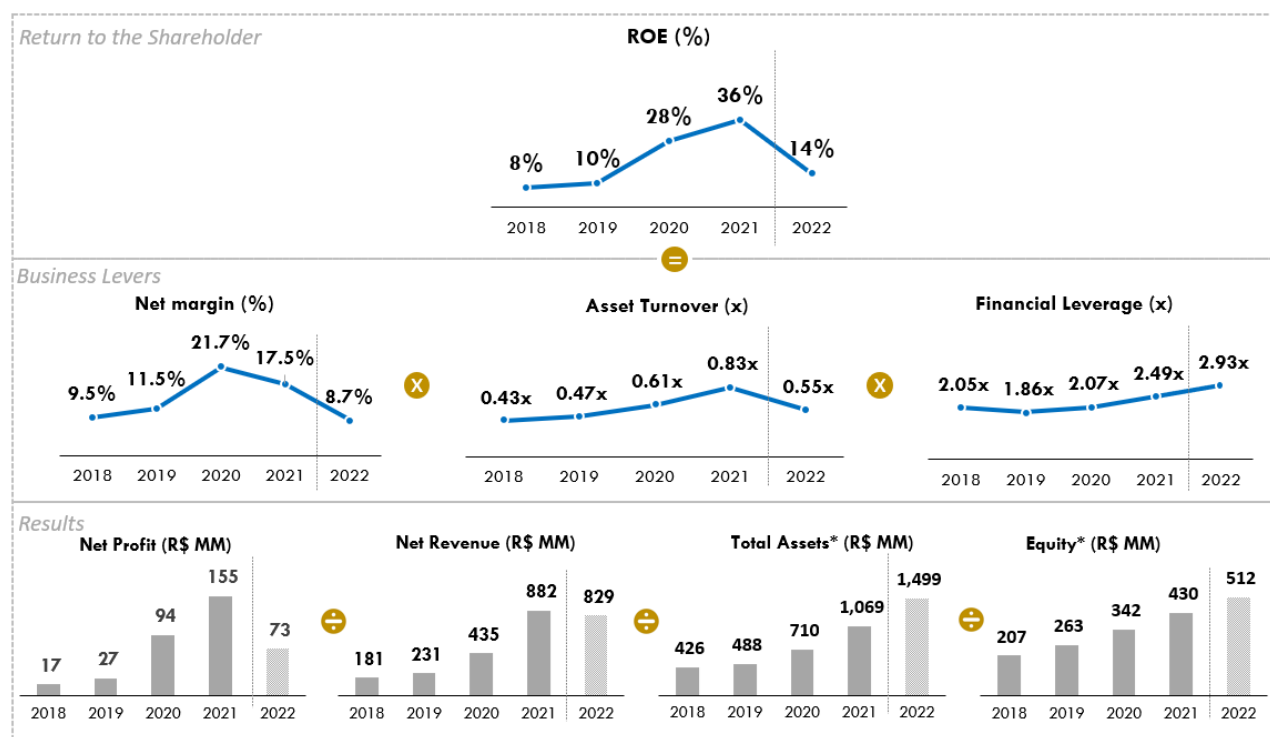
Focus on profitability and differentiation of strategies

The company, understanding its operational distinct dynamic in each income bracket, has designed its strategic planning for the next five years considering the needs and focus of its operations for greater value generation in each of its two brands: Patrimar and Novolar.

The Patrimar brand will be responsible for the high and middle-high income bracket developments. Novolar will be responsible for the middle and economic income bracket developments. Each operation, although both still related to residential development and construction, will have their own dedicated teams, with a corporate support team.



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Patrimar Group's focus will always be capital allocation in the most efficient way, seeking return to the shareholders

The business ROE still is the Company's main performance indicator; however, from 2023 on, we will start to monitor and disclose the results of each of our brands. In 2022, the result can be shown as follows, considering the ventures segregation according to internal management definition.

Income Statement (R\$ '000)	CORPORATE	PATRIMAR	NOVOLAR	CONSOLIDATED
Net operating Revenue	4,874	580,837	243,707	829,418
Cost of properties sold	614	(437,325)	(183,133)	(619,844)
Gross profit	5,488	143,513	60,573	209,574
Gross profit margin	112.6%	24.7%	24.9%	25.3%
Operating income (expenses)	(20,278)	(54,357)	(47,530)	(122,165)
Finance income (costs), net	(27,759)	28,590	7,708	8,538
Equity in the results of investees	-	(138)	(3,827)	(3,965)
Income tax and social contribution	(41)	(13,048)	(6,347)	(19,437)
Profit (loss) for the period	(42,590)	104,559	10,577	72,546
Net Profit Margin		18.0%	4.3%	8.7%

Patrimar's gross margin in 2022 was negatively impacted by construction costs and the swap accounting effect of Atlântico Golf's development, launched in July 2022, whose margin total effect accounts for 2.2 pp in the year. With the operations growth, the swap effects should be diluted and become less relevant. Novolar's margin was strongly impacted by the production costs dynamics, especially in the first half of the year, before the changes made to the Casa Verde Amarela Program, in addition to equity losses related to old projects due to



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provisions for legal disputes. The operation in the second half of the year reflects better our expectations already, with gross margins on new sales of 36.3%.

Within our strategy for the coming years, we understand that the Patrimar brand will focus on high margins and high return on invested capital. This will imply a lower sales speed and a longer cash cycle. We are focused on improving the financial cycle efficiency of Patrimar considering this strategy. For Novolar brand, we will focus on fast asset turnover, with increasingly sales, construction and receivables shorter cycles, focusing on a more efficient operational and financial cycle, implying a higher return on equity - ROE.

The Group will focus its actions on the best capital allocation aiming to extract more value from each operation, and so on the consolidated results may be impacted by each operation mix in a given period

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Diversification and new business

As we had already reported in our third quarter earnings release of 2022, the Company finished the forming process of a joint venture with Performance Empreendimentos Imobiliários on January 12, 2023, signing the definitive documents for the joint investment in Viv In Multifamily Ltda, a developer and owner of income-oriented multifamily residential projects, and Livizi Property Management Ltda, an oriented multifamily residential income projects asset management.



Until these companies have their own teams to conduct their businesses, the partners Patrimar and Performance are committed to support the activities operationally and financially, each one with their own best expertise to extract more value from the partnership. Viv In already has 8 plots of land under prospection, all of them in Rio de Janeiro city, totaling more than 2,800 units for rental, distributed in 4 neighborhoods of the city.

In the short term, Viv In's investments will be located in Rio de Janeiro city, however, its mid-term strategy contains expansion of its operations to Belo Horizonte, São Paulo (capital and countryside), and other regions.

Additionally, Patrimar Group is always on the lookout for new investment and/or partner opportunities that will increase and/or complement its housing business, aiming to increasingly improve our clients experience, in all operations, increasing our value generation for clients, shareholders, and society in general.



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Subsequent Events

In January 2023, the Board of Directors approved, the distribution of interim profits, in the amount of R\$ 5,500,000.00 (five million, five hundred thousand reais), in advance of the profit for the fiscal year ending in December 31, 2022, which were fully paid to the shareholders registered in the Company's records on January 16, 2023.

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Main Indicators

Financial Indicators (R\$ '000)	4Q22 (a)	4Q21 (b)	Δ % (a/b)	2022 (c)	2021 (d)	Δ % (c/d)
Net Operational Revenue	180,638	333,255	-45.8%	829,418	882,168	-6.0%
Gross Profit	38,553	83,386	-53.8%	209,574	296,261	-29.3%
% Gross Margin	21.3%	25.0%	-3.7 p.p.	25.3%	33.6%	-8.3 p.p.
EBITDA	16,064	50,634	-68.3%	98,900	180,612	-45.2%
% EBITDA Margin	8.9%	15.2%	-6.3 p.p.	11.9%	20.5%	-8.5 p.p.
EBITDA Ajustado	20,018	52,257	-61.7%	111,427	188,015	-40.7%
% Adjusted EBITDA Margin	11.1%	15.7%	-4.6 p.p.	13.4%	21.3%	-7.9 p.p.
Net Income	8,624	42,848	-79.9%	72,546	154,764	-53.1%
% Net Margin	4.8%	12.9%	-8.1 p.p.	8.7%	17.5%	-8.8 p.p.

Launches by Income Levels (R\$ '000)	4Q22 (a)	4Q21 (b)	Δ % (a/b)	2022 (c)	2021 (d)	Δ % (c/d)
PSV 100%	317,111	623,696	-49.2%	1,363,298	1,263,594	7.9%
Low-income	135,723	140,278	-3.2%	174,007	304,089	-42.8%
Middle-income	-	-	n/a	74,498	-	n/a
High-income	181,388	483,419	-62.5%	1,114,794	959,505	16.2%
PSV % Patrimar	284,933	435,147	-34.5%	985,888	898,605	9.7%
Low-income	135,723	116,711	16.3%	174,007	259,153	-32.9%
Middle-income	-	-	n/a	68,988	-	n/a
High-income	149,210	318,436	-53.1%	742,893	639,452	16.2%
Units	705	603	16.9%	1,343	1,546	-13.1%
Low-income	656	480	36.7%	876	1,300	-32.6%
Middle-income	-	-	n/a	96	-	n/a
High-income	49	123	-60.2%	371	246	50.8%

Net Contracted Sales (R\$ '000)	4Q22 (a)	4Q21 (b)	Δ % (a/b)	2022 (c)	2021 (d)	Δ % (c/d)
PSV 100%	147,084	472,097	-68.8%	729,564	988,326	-26.2%
Low-income	64,076	124,675	-48.6%	202,287	294,695	-31.4%
Middle-income	481	1,832	-73.8%	22,403	20,729	8.1%
High-income	82,528	345,591	-76.1%	504,874	672,902	-25.0%
PSV % Patrimar	129,529	441,775	-70.7%	658,883	775,653	-15.1%
Low-income	63,966	110,023	-41.9%	200,043	262,869	-23.9%
Middle-income	336	1,283	-73.8%	19,259	14,851	29.7%
High-income	65,227	330,470	-80.3%	439,581	497,933	-11.7%
Units	329	605	-45.6%	1,125	1,609	-30.1%
Low-income	304	504	-39.7%	915	1,364	-32.9%
Middle-income	1	4	-75.0%	45	47	-4.3%
High-income	24	97	-75.3%	165	198	-16.7%
Average Price	447	780	-42.7%	649	614	5.6%
Low-income	211	247	-14.8%	221	216	2.3%
Middle-income	481	458	4.9%	498	441	12.9%
High-income	3,439	3,563	-3.5%	3,060	3,398	-10.0%



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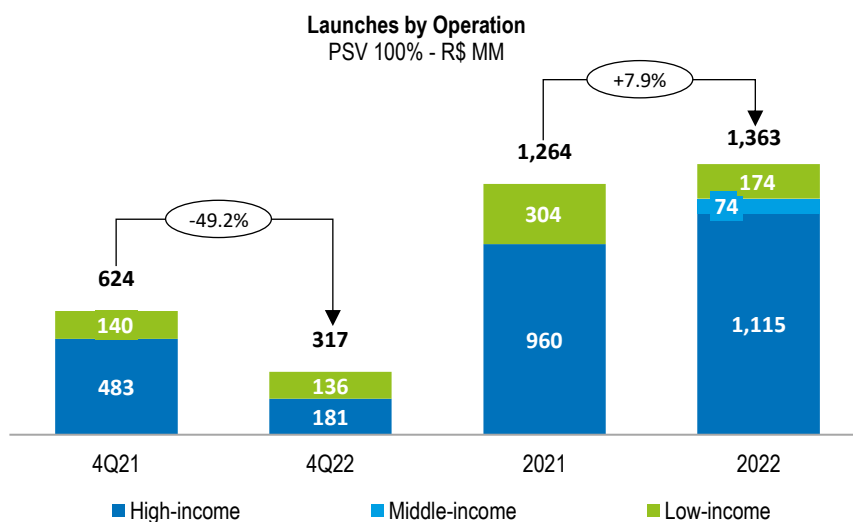
Operational Performance

Launches

In 4Q22, highlights include the high-income operation launch, Le Sommet, in Minas Gerais, and the low-income launches Jardins do Brito and Reserva Pontal, both located in Rio de Janeiro. We launched 7 projects in 2022 with an average share of 72.3%, average share of 89.9%, for launches carried out in 4Q22.



In our diversification strategy, in 4Q22, we launched 78.0% of the PSV for the year in the economic operation, as well as 16.3% for the launches in high-income operation.

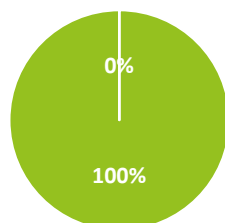


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Launches by Region - 4Q21

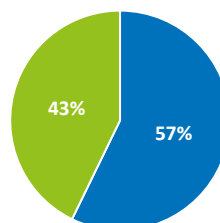
PSV 100% - %



■ Minas Gerais ■ Rio de Janeiro

Launches by Region - 4Q22

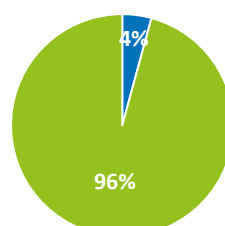
PSV 100% - %



■ Minas Gerais ■ Rio de Janeiro

Launches by Region - 2021

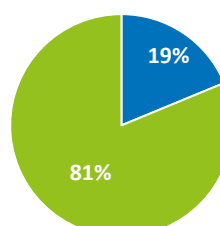
PSV 100% - %



■ Minas Gerais ■ Rio de Janeiro

Launches by Region - 2022

PSV 100% - %



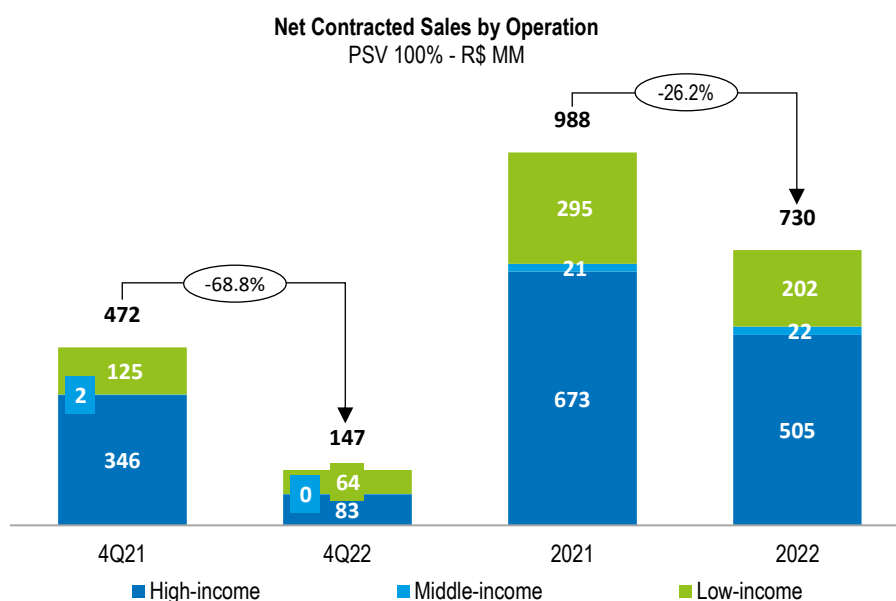
■ Minas Gerais ■ Rio de Janeiro

Contracted Sales

A total of 1,125 housing units were commercialized this year – 329 housing units in 4Q22. The sales PSV from products finished in 2022 increased by 72.0% compared to 2021, as well as increased 8.1% in net pre-sales for the middle-income operation. The High-Income operation suffered a reduction of 25.0% in relation to the same period last year, while the economic operation reduced 31.4%.

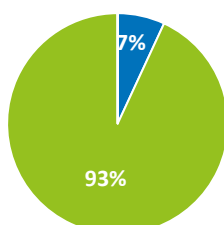
The Company's net contracted sales average share was 88.1% in 4Q22 and the average share of sales in the year was 90.3%, 10.4 p.p. above last year's sales.

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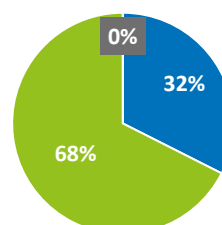
The drop in sales this year is explained by the longer period for launching certain products, either due to the slowness of municipalities or a strategic decision in view of a more uncertain second half. The slower SOS, caused by the macro scenario of greater uncertainty that lengthened the purchasing decision curve of our customers, especially in the high-income operation, also contributed to this lower volume.

Net Sales by Region - 4Q21
PSV 100% - %



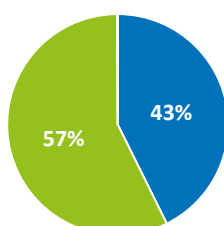
■ Minas Gerais ■ Rio de Janeiro ■ São Paulo

Net Sales by Region - 4Q22
PSV 100% - %



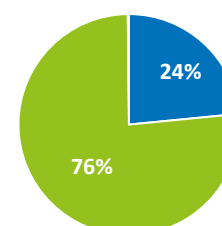
■ Minas Gerais ■ Rio de Janeiro ■ São Paulo

Net Sales by Region - 2021
PSV 100% - %



■ Minas Gerais ■ Rio de Janeiro ■ São Paulo

Net Sales by Region - 2022
PSV 100% - %



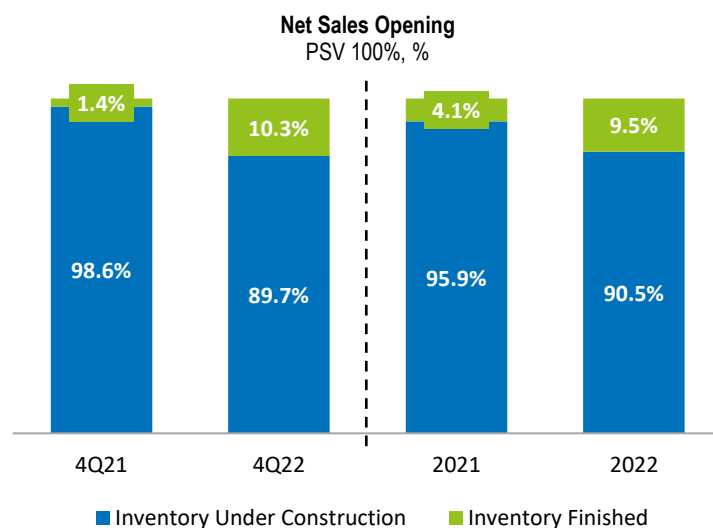
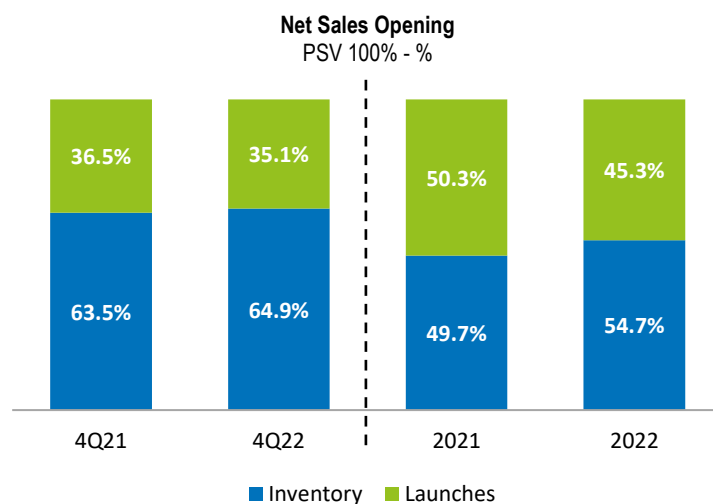
■ Minas Gerais ■ Rio de Janeiro ■ São Paulo



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In 4Q22, sales in Minas Gerais increased by 25.5 p.p. compared to 4Q21. On the other hand, since the first launch of a high-end luxury brand Patrimar in Rio de Janeiro, in September 2021, Oceana Golf, and later in 3Q22 with Atlântico Golf, we have increased by 19.0 p.p. the representativeness of sales in Rio de Janeiro over our total sales for the year, when comparing 2022 with 2021.

63% of the projects with availability in stock have more than 60% of their PSV sold.



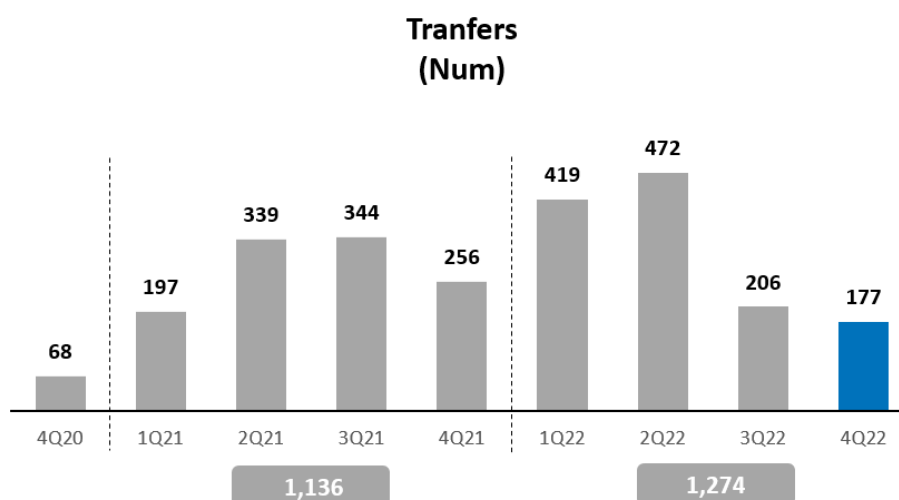
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The table below provides more information on sales.

Net Contracted Sales (R\$ '000)	4Q22 (a)	4Q21 (b)	Δ % (a/b)	2022 (c)	2021 (d)	Δ % (c/d)
PSV 100%	147,084	472,097	-68.8%	729,564	988,326	-26.2%
Low-income	64,076	124,675	-48.6%	202,287	294,695	-31.4%
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Average Price	447	780	-42.7%	649	614	5.6%
Low-income	211	247	-14.8%	221	216	2.3%
Middle-income	481	458	4.9%	498	441	12.9%
High-income	3,439	3,563	-3.5%	3,060	3,398	-10.0%

Given the economic operation high sales speed and, therefore, the reduction of our inventories, we had lower units available to be transferred in the quarter, transferring 177 units in 4Q22 (or R\$ 36.3 million). However, in 2022 we transferred 12.1% more than in 2021.



Inventory

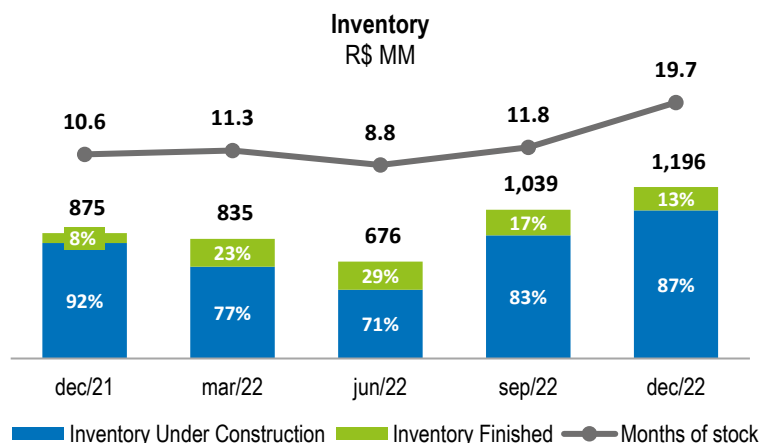
With the launch of Atlântico last quarter, as well as the recent quarter launches, Reserva Pontal, Jardins do Brito and Le Sommet, we have recomposed our inventories, which rose 36.6% compared to the end of 2021 and 15.1% against last quarter closing.

These launches, combined with the year's sales, made our inventories younger, moving from an average inventory age of 32.2 months in Dec/21 to 17.2 months in Dec/22, that is, a 15.0 month average reduction after

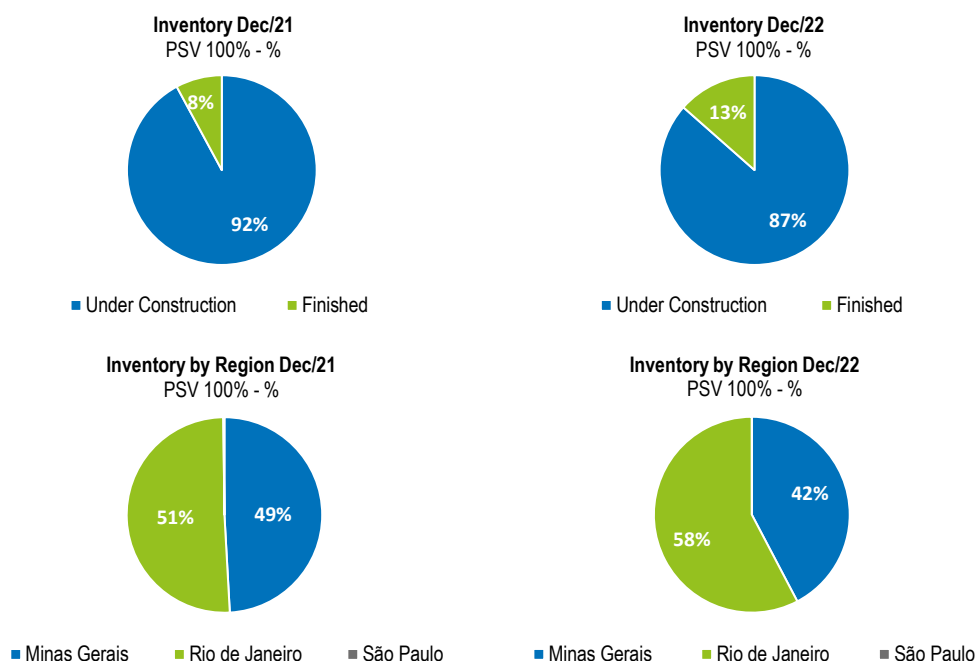
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a year. With the resumption of launches in the second semester, we increased and better distributed our inventories.



Our inventory position, with 86.5% concentrated in apartments under construction, confirms the historical success of our launches. In relation to the same quarter of previous year, completed inventories increased by 5.6 p.p., mostly due to the completion of an award-winning project La Reserve, in metropolitan region of Belo Horizonte, however, compared to the last quarter position, completed inventory reduced by 3.7 p.p. Corroborating with the high SOS in the economic income level, we ended the year without finished inventories in this operation.

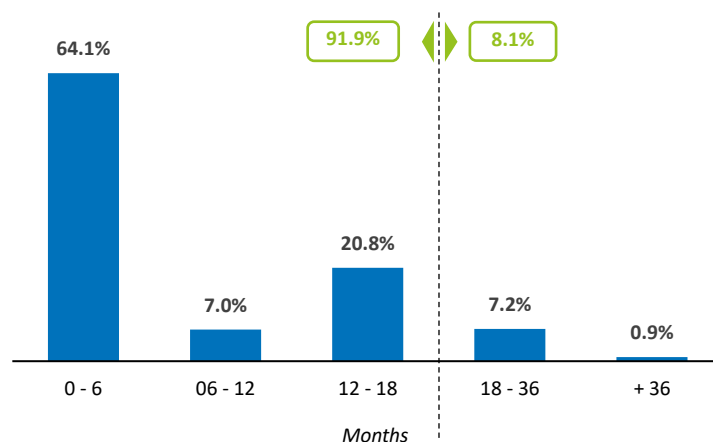


Of the total inventory under construction, most of it is due to recent launches within the last 18 months, which reinforces our ability to sell at launches and not carry finished inventories over time.

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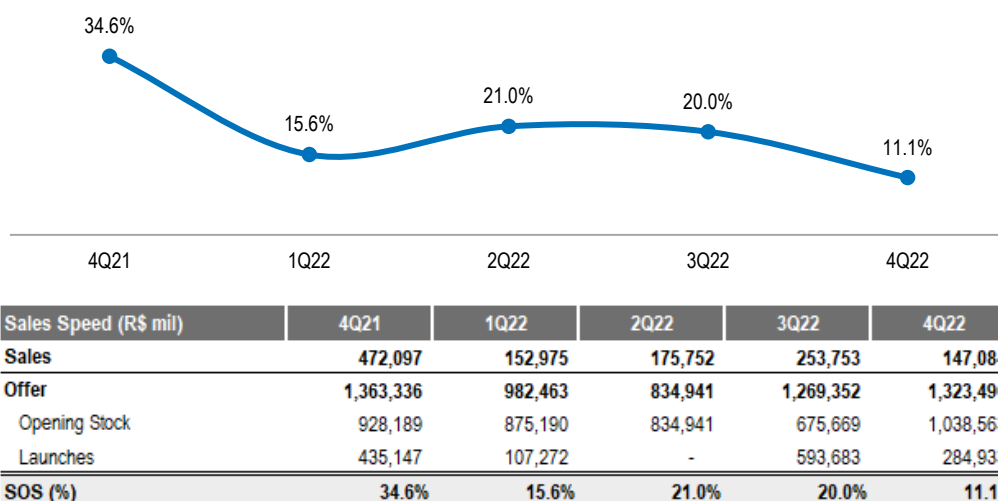
Aging of Inventory under Construction Dec/22
VGV %Patrimar - %



SOS (Sales Speed) – Sales over Supply

The net sales speed in 4Q22, measured by the net SOS (Net Sales over Supply) indicator, due to the volume launched in December and a high volume of launches in the year, decreased by 8.9 p.p. Compared to 4Q21, there was a reduction of 23.5 p.p. In 2022, the net SOS showed a reduction of 13.2 p.p. compared to 2021, reducing from 52.4% to 39.2%. In the economic operation, the SOS reduced, presenting 70.0% in 2021 against 61.6% in 2022.

Net SOS
PSV 100% - %



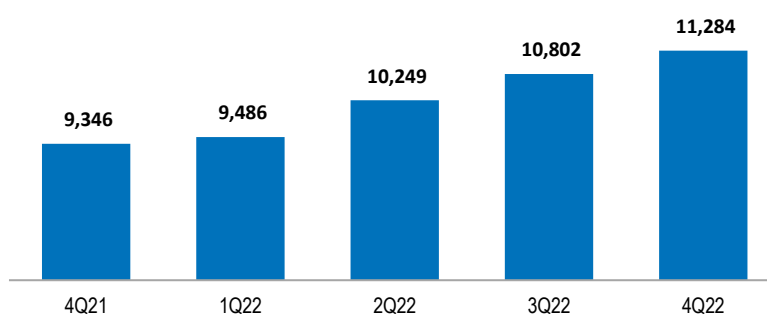


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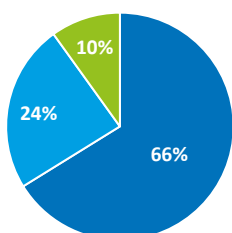
Landbank

Preparing the company for future growth cycles and increasing diversification, we acquired R\$ 1.36 billion in land this year, reaching in December 2022 a Landbank position of R\$ 11.3 billion (13,145 units). We maintained our stake at 68.6%.

Landbank
PSV 100% - R\$ MM

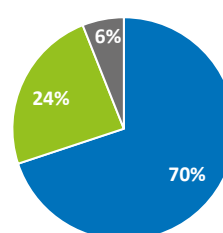


Landbank by Operation Dec/ 22
PSV 100% - %



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

Landbank by Region Dec/ 22
PSV 100% - %



■ Minas Gerais ■ Rio de Janeiro ■ São Paulo

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Financial Performance

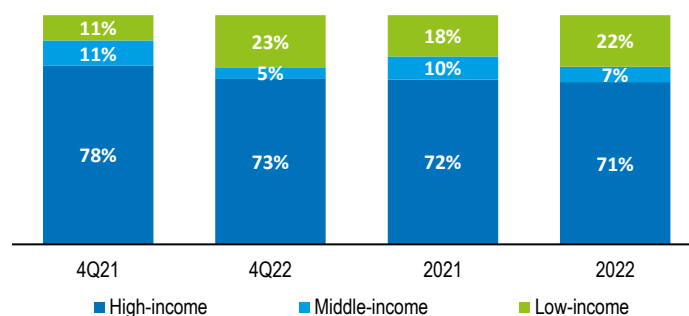
Net Income

Net Operating Revenue (R\$ '000)	4Q22	4Q21	Δ %	2022	2021	Δ %
Gross revenue from properties sales	198,291	339,046	-41.5%	878,880	905,968	-3.0%
Service revenue	341	6,147	-94.4%	8,570	13,502	-36.5%
Gross Revenue	198,632	345,194	-42.5%	887,450	919,471	-3.5%
AVP - Adjustment to present value	5,020	1,623	209.4%	11,734	7,929	48.0%
Canceled sales	(16,991)	(7,459)	127.8%	(50,150)	(26,839)	86.9%
Allowance for doubtful accounts	(2,270)	-	n/a	(3,109)	-	n/a
Deduction and taxes	(3,753)	(6,102)	-38.5%	(16,508)	(18,392)	-10.2%
Net Revenue	180,638	333,255	-45.8%	829,418	882,168	-6.0%

The net revenue reduction in the comparison between 4Q22 and 4Q21 is basically due to the significant result achieved in 4Q21 with the successful launch of Oceana Golf in Rio de Janeiro which, due to the election scenario and the World Cup, has no equivalent in this last quarter. October and November were the weakest months for sales in all segments, with December being very positive. We had a more elongated launch volume, as explained in our operating performance, and so forth sales volume was harmed in the quarter, while January 2023 had a good sales performance.

In addition to sales, the physical progress of the construction work was impacted in the quarter by rainfall in the cities of Rio de Janeiro and Belo Horizonte in December 2022, similar to what occurred in 1Q22, reducing the recognized revenue volume.

Net Revenue Composition by Operation
%



Earnings Release 4Q22 and 2022

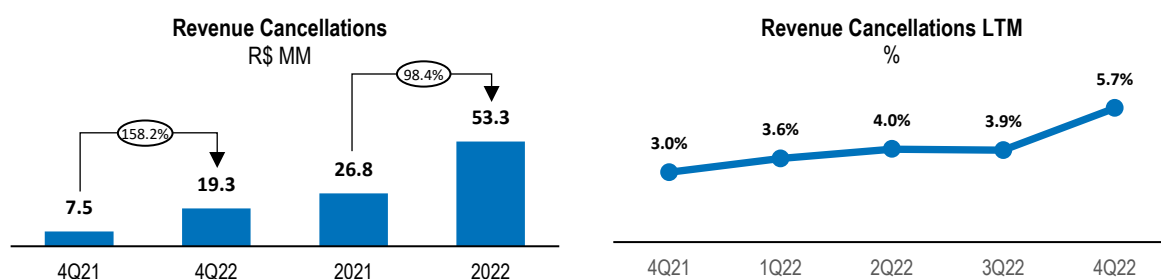


The Group's revenue mix has been changing in the last few years, with a higher participation of the economic segment. This trend should continue for the next years, impacted by the mix of launches and impacting the consolidated gross margin.

It is also important to mention, in the context of Gross Revenue, that the decline in the INCC since last year, despite its beneficial effects on costs, may affect the revenue line, since monetary correction is applied to accounts receivable. The INCC lower variation of almost 70% recorded in 4Q22 (0.6%) versus 4Q21 (1.9%) contributed to a drop in monetary correction of approximately R\$ 5.4 million when comparing those two periods. In year-on-year comparison, although the INCC also decreased by a little more than 30% (9.3% in 2022 versus 13.8% in 2021), the higher average balance of accounts receivable in 2022 compared to 2021 offset this variation.

Still comparing the year 2022 with 2021, and although with lesser relevance for the whole, it is worth noting that the decrease observed in revenue from services – which, unlike revenue from the sale of real estate follows the accrual basis of recognition – should be if the lowest amount in the period of higher standard developments offering customizations.

The volumes of cancellations for the quarter and year-to-date are largely related to the exchange of units by clients looking for upgrades in high-luxury developments within the last year. Cancellations motivated by upgrades in this quarter corresponded to 48.4% of total cancelled, an increase of 4.0 p.p. in comparison to the same quarter the previous year. When comparing the year-to-date figure, it is possible to verify an absolute increase of 32.0% in the value cancelled due to upgrades

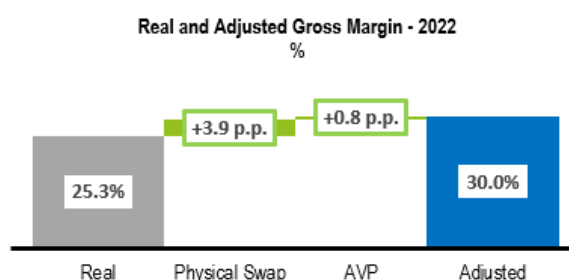
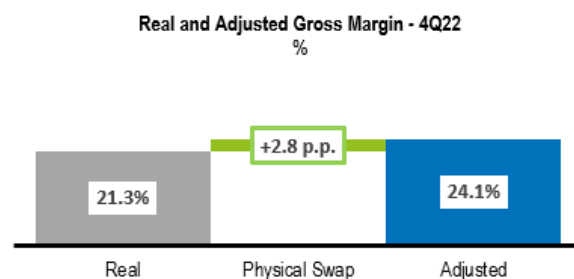
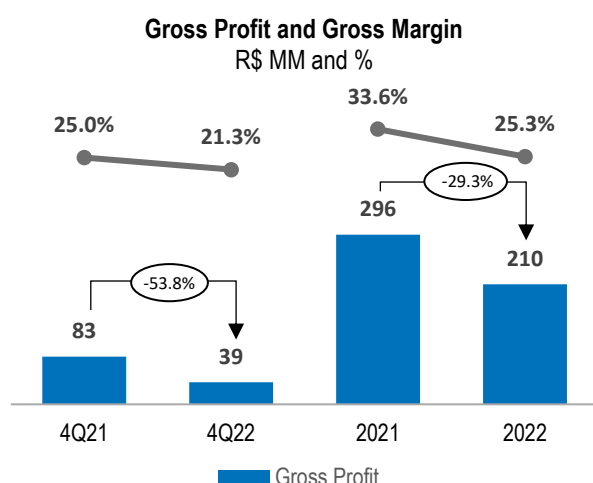


Earnings Release 4Q22 and 2022



Gross Profit and Gross Margin

The accounting effects inherent to our operation still have a relevant weight in our results. In this quarter in particular, the physical swap of one of our high-income launched projects at the end of the year, ended up having a greater relevance given a lower dilution due to the lower sales scenario already mentioned in the period. In addition, the strategy of cash flows receivable anticipation, especially until the third quarter, generated less effect upon monetary correction than the sales volume would indicate, transferring the positive effect of this strategy to the financial revenue, impacting the consolidated gross margin.



Operational Expenses

Operating Expenses (R\$ '000)	4Q22	4Q21	Δ %	2022	2021	Δ %
General and administrative expenses	11,456	11,001	4.1%	51,795	40,551	27.7%
Selling expenses	14,034	17,099	-17.9%	68,519	55,392	23.7%
Other operating revenue (expenses)	802	6,552	-87.8%	1,851	19,851	-90.7%
Total	26,292	34,652	-24.1%	122,165	115,794	5.5%

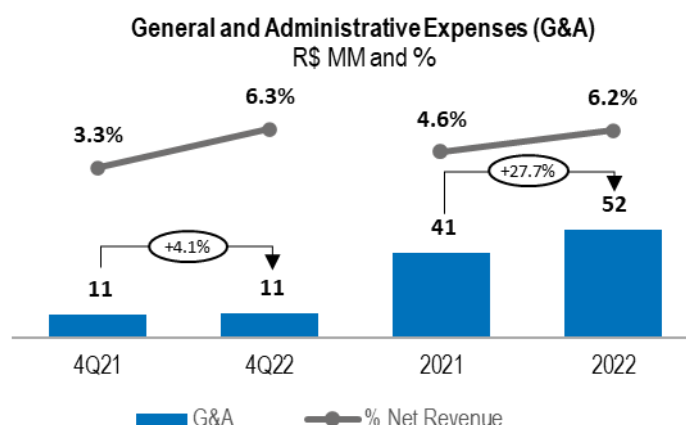
Earnings Release 4Q22 and 2022



General and Administrative Expenses (G&A)

General and Administrative Expenses (R\$ '000)	4Q22	4Q21	Δ %	2022	2021	Δ %
Personnel expenses	7,182	5,801	23.8%	31,327	22,166	41.3%
Depreciation and amortization	1,528	1,800	-15.1%	7,180	7,147	0.5%
Third-party services	1,323	1,055	25.4%	8,578	6,790	26.3%
General administrative expenses	1,423	2,345	-39.3%	4,710	4,448	5.9%
Total	11,456	11,001	4.1%	51,795	40,551	27.7%
% of ROL	6.3%	3.3%	3.04 p.p.	6.2%	4.6%	1.65 p.p.

We continue to heavily invest in our team, processes, systems and innovation to support growth with long-term profitability. To this end, the investments made now will be diluted by the growth of the operation in the future. We believe that we will still be making significant investments in 2023. Allied to investments, the net revenue volume in 2022 was impacted by lower net sales than 2021, by issues of speed of municipalities in project approval in addition to a construction progress below expectations. We believe these events will be corrected in 2023.



Commercial Expenses

Commercial Expenses (R\$ '000)	4Q22	4Q21	Δ %	2022	2021	Δ %
Commissions and brokerages	4,942	5,666	-12.8%	20,919	19,085	9.6%
Advertising	4,662	6,860	-32.0%	22,600	17,851	26.6%
Other commercial expenses	142	977	-85.5%	10,084	10,909	-7.6%
Personnel expenses	1,307	1,311	-0.3%	6,104	4,907	24.4%
Sales stands / decorated apartments	2,982	2,285	30.5%	8,813	2,640	233.8%
Total	14,034	17,099	-17.9%	68,519	55,392	23.7%
% of ROL	7.8%	5.1%	2.64 p.p.	8.3%	6.3%	1.98 p.p.

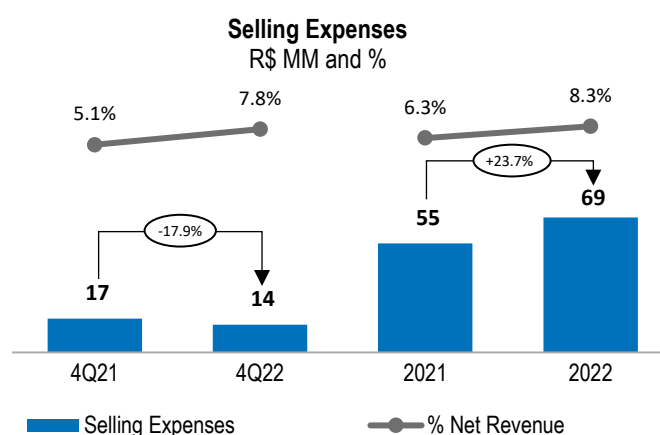
With the launch of Atlântico Golf in the third quarter and our efforts to reduce inventory, we continue to invest heavily in advertising and marketing in 4Q22 and 2022. The growth in commission and brokerage expenses has not kept pace with sales evolution in the same proportion for two main reasons: (i) growth in sales volume



Earnings Release 4Q22 and 2022

by our internal team and (ii) higher volume of sales with separate commission, i.e. that which is fully and directly borne by the client. This second point brings the benefit of a lower expense, reflecting a lower revenue, since the commission value is deducted from the Company's property sale value.

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



Other Operational Expenses (Incomes)

Other Operating Expenses / Revenues (R\$ '000)	4Q22	4Q21	Δ %	2022	2021	Δ %
Real estate loan expenses	-	222	-98.8%	8	833	-99.1%
Tax expenses	28	7	306.6%	686	240	186.0%
Provision for contingencies	2,068	1,730	19.5%	3,709	5,448	-31.9%
Eventual losses	114	424	-73.1%	601	6,104	-90.2%
Other operating income and expenses	-1,413	4,169	-133.9%	-3,154	7,227	-143.6%
Total	800	6,552	-87.8%	1,850	19,852	-90.7%
% of ROL	0.4%	2.0%	-1.52 p.p.	0.2%	2.3%	-2.03 p.p.

The decrease in other operating expenses (incomes) is basically due to the reduction in losses from repossessed apartments, which occurred in a large amount in 2021, and by the reduction in other operational expenses and incomes, represented mainly by the gain on commissions from sales of swapped units.

Earnings Release 4Q22 and 2022



Financial Result

Financial Income	4Q22	4Q21	Δ %	2022	2021	Δ %
Monetary adjustment and contractual interest	(205)	(364)	-43.6%	3,573	3,790	-5.7%
Interest on financial investments	12,632	5,270	139.7%	39,588	10,495	277.2%
Swap Creditor Result	-	-	n/a	-	-	n/a
Other Financial Results	354	167	112.7%	1,491	220	579.1%
Total	12,781	5,073	152.0%	44,652	14,505	207.8%
Financial Expenses	4Q22	4Q21	Δ %	2022	2021	Δ %
Interest on loans and financing	(11,373)	(4,871)	133.5%	(34,218)	(12,318)	177.8%
Debits from bank charges and fees	185	(266)	-169.5%	(1,744)	(1,110)	57.1%
Financing Expenses	-	0	-100.0%	-	(1)	-100.0%
Other Financial Expenses	(8)	(16)	-49.1%	(151)	(49)	211.0%
Total	(11,196)	(5,153)	117.3%	(36,113)	(13,478)	167.9%
Financial Result	1,586	(80)	-2,077.1%	8,539	1,027	731.7%

Our financial treasury 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 one on loans and financing.

Equity Result

Equity Result	4Q22	4Q21	Δ %	2022	2021	Δ %
Equity Result	(565)	97	-682%	(3,965)	(9,137)	-57%

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 2022 compared to 2021, it is possible to see an improvement in this regard, which should continue, despite a higher disbursement in the comparison of this quarter

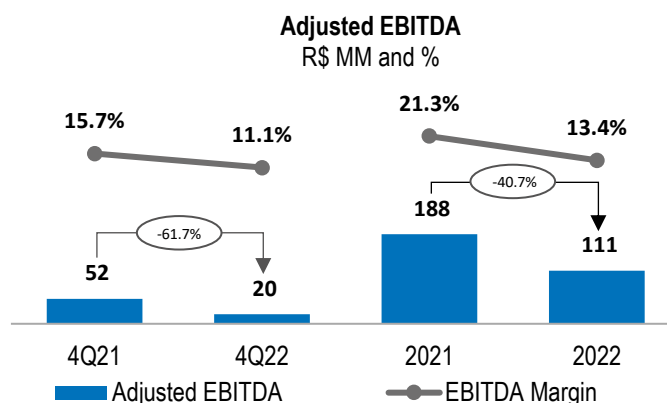
EBITDA and Adjusted EBITDA

In the comparison of the quarter, it is possible to see a reduction in EBITDA and Adjusted EBITDA, largely due to Gross Profit reduction, represented by lower recognized sales volume in 4Q22 when compared to the Oceana Golf phase 2 launch in 4Q21. The reductions in EBITDA and Adjusted EBITDA in the comparative of 2022 versus 2021 resulted mainly from the reduction in Gross Profit (excluding the financial effects of capitalized burdens in the cost in the case of Adjusted EBITDA), in regard to lower margins in the period.

Earnings Release 4Q22 and 2022



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



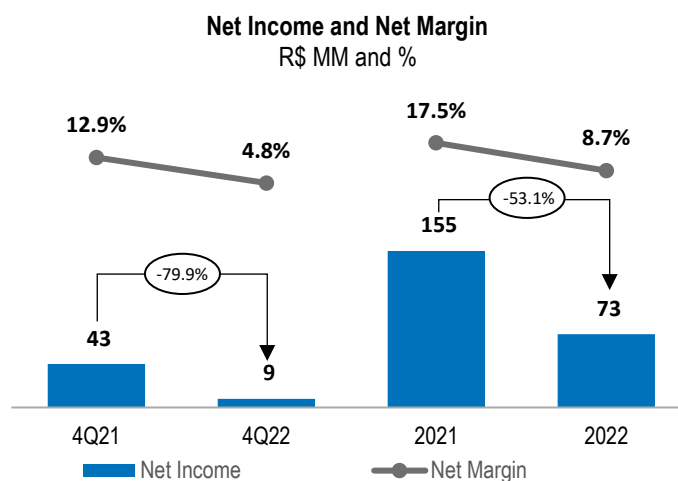
We expect, as operations advances, higher revenue volumes and lower volumes of extraordinary events even lower than occurred this quarter, leading to the normalization of our margins. Below, we present the conciliation of EBITDA and Adjusted EBITDA to Net Income:

EBITDA (R\$ '000)	4Q22	4Q21	Δ %	2022	2021	Δ %
Net Income	8,624	42,848	-79.9%	72,546	154,764	-53.1%
(+) Income Tax and Social Contribution	4,661	5,903	-21.0%	19,437	17,593	10.5%
(+) Financial Results	(1,589)	80	-2086.3%	(8,539)	(1,027)	731.5%
(+) Depreciation and Amortization	4,368	1,803	142.3%	15,456	9,282	66.5%
EBITDA	16,064	50,634	-68.3%	98,900	180,612	-45.2%
EBITDA Margin (%)	8.9%	15.2%	-6.3p.p.	11.9%	20.5%	-8.5p.p.
Capitalized Interest Expense	3,953	1,623	143.6%	12,527	7,403	69.2%
Adjusted EBITDA	20,018	52,257	-61.7%	111,427	188,015	-40.7%
Adjusted EBITDA Margin (%)	11.1%	15.7%	-4.6p.p.	13.4%	21.3%	-7.9p.p.

Net Profit and Net Margin

In the fourth quarter of this year, the reduction in Net Income compared to the same period of last year is mainly due to the reduction in Gross Revenue coming mostly from Oceana Golf's phase 2 launch sales, which had no analog in this quarter. The Atlântico Golf's swaps effect, launched in the second half of 2022, as mentioned before, dilutes the margins due to the volume increase in Revenues and costs, since the land is appropriated in the beginning of the period. Thus, due to the large volume launched with swaps, we have lower margins for the year accumulated in 2022 compared to the same period in 2021.

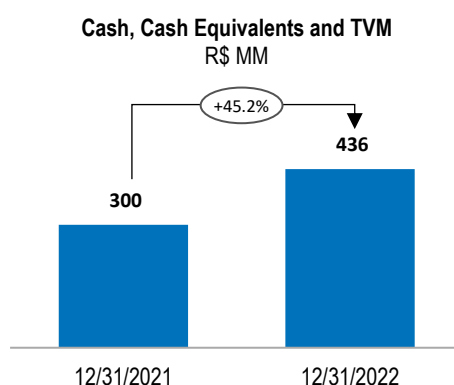
Earnings Release 4Q22 and 2022



Balance Sheet Highlights

Cash, Cash Equivalents and TVM

Even in a cash burn scenario due to the aforementioned factors, our cash position closed at R\$436 million, 45.2% higher than the December 2021 closing position. Our policy of privileging cash over margin until the third quarter of 2022 and portfolio management with lengthening the corporate debt profile and reducing construction financing costs allowed us to sustain this growth.



Accounts Receivable

The growth in the balance of Accounts Receivable is mainly a result of the increase in units completed and units under construction can be explained by the advancement or completion of construction work, lengthening of the payment profile by clients and a greater quantity of sales. The increase in the Administration Service is related

Earnings Release 4Q22 and 2022



to the advance of works in which Patrimar is responsible for the management, generating a credit as an administration fee.

Accounts Receivable (R\$ '000)	12/31/2022	12/31/2021	Δ %
Completed units	53,649	43,269	24.0%
Units under construction	543,021	405,895	33.8%
Management services	24,418	15,138	61.3%
Provision for canceled sales / losses / PVA	(29,276)	(17,376)	68.5%
Total	591,812	446,926	32.4%

According to the current accounting rules, the recognition of Accounts Receivable is proportional to the execution index of the respective works (Percentage of Completion - PoC). Thus, the portfolio balance of units sold from the development and of those not yet built is not fully reflected in the Financial Statements. The total balance of accounts receivable for sales continues to grow and we expect it to increase further with the launchings scheduled for the next quarters. Currently this balance is R\$1.3 billion, reflecting the accumulated sales volume and our portfolio management strategies.

Accounts Receivable (R\$ '000)	12/31/2022	12/31/2021
Due within 1 year	486,161	408,462
Due 1 to 2 years	276,460	326,937
Due 2 to 3 years	297,691	172,679
Due 3 to 4 years	210,975	127,183
Due over 4 years	6,110	41,662
	1,277,397	1,076,923
Expired up to 1 year	20,953	14,182
Expired between 1 to 2 years	6,956	1,164
Expired between 2 to 3 years	969	765
Expired between 3 to 4 years	1,130	371
Expired over 4 years	630	34
	30,638	16,516
Total	1,308,035	1,093,439

The profile of our portfolio has become increasingly healthy and aligned to the construction cycle, with a large concentration over the next two years - about 59.4% of the total (67.7% in 2021). The growth in the portfolio balance reflects the advance in sales throughout the year, offset by a higher volume of short-term receivables, especially in the first half of the year. The sales made in the second half of the year already reflect the strategy to recover gross margin in the high-income segment, which means longer profiles of receipt with a lower discount.

Earnings Release 4Q22 and 2022



Real Estate for Sale

The significant increase in completed properties is explained basically by the conclusion of a large-scale project in Belo Horizonte metropolitan region in 2022. The increase in inventories of land is explained by the recognition of land that the Company plans to launch.

Properties for Sales (R\$ '000)	12/31/2022	12/31/2021	Δ %
Inventories of land	178,492	144,598	23.4%
Properties under construction	281,249	273,874	2.7%
Completed properties	49,851	7,792	539.8%
Provision for canceled sales	950	747	27.2%
Total	510,542	427,011	19.6%

Advances from Costumers

As a reflection of the above mentioned shorter sales receivables, the volume of advances increases. In addition, to the launch of Atlantico Golf in 2022, whose physical swap is relevant, also contributes to the increase in this item.

Advances from Customers (R\$ '000)	12/31/2022	12/31/2021	Δ %
Advances from customers and barter made for construction in pro	421,724	280,142	50.5%
Advances from customers for customized units	22,356	47,435	-52.9%
Barter made for land - not launched developments	43,020	45,590	-5.6%
Total	487,100	373,167	30.5%

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)	12/31/2022	12/31/2021	Δ %
Trade Payables	51,606	37,775	36.6%
Technical Retentions	9,313	6,627	40.5%
Total	60,919	44,402	37.2%

Earnings Release 4Q22 and 2022



Real Estate Purchase Obligations

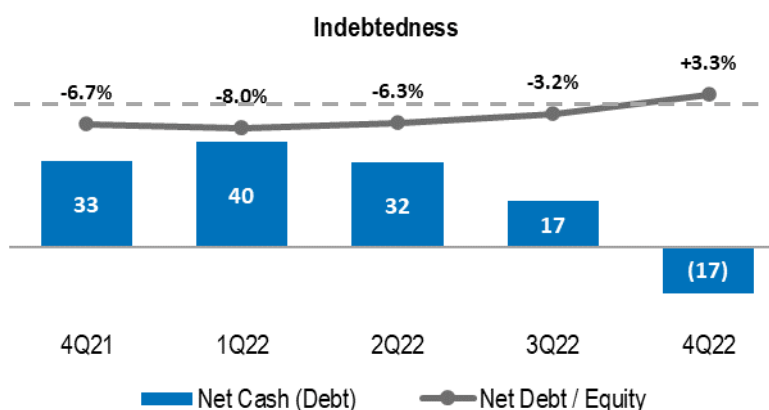
The reduction in the balance of real state purchase obligations is mainly explained by the settlement of the incorporated land in December 31, 2021, since there was compliance with the obligations previously signed.

Real estate purchase obligations (R\$ '000)	12/31/2022	12/31/2021	Δ %
Land developed	35,591	44,609	-20.2%
Physical Swap	8,346	7,851	6.3%
Financial Exchange	27,245	36,758	-25.9%
Land not developed	11,100	23,334	-52.4%
Physical Swap	11,100	11,244	-1.3%
Financial Exchange	-	12,090	-100.0%
Total	46,691	67,943	-31.3%

Indebtness

We have a financing volume to be disbursed of R\$1.0 billion that, together with the volume of Accounts Receivable from the units already sold, offer us great comfort to withstand both a more adverse scenario and the growth targeted for the operation in the coming years.

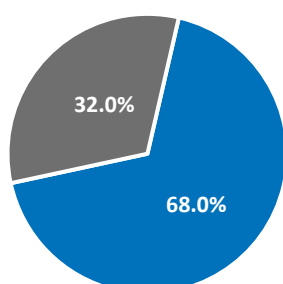
Net Debt / Equity (R\$ '000)	12/31/2022	12/31/2021	Δ %
(+) Loans and Financing	453,669	267,650	-41.0%
(-) Cash and Cash Equivalent	436,183	300,341	-31.1%
(=) Net Debt	17,486	(32,691)	-287.0%
(=) Equity	537,696	487,282	-9.4%
Net Debt/ Equity	3.3%	-6.7%	10.0p.p.



Earnings Release 4Q22 and 2022

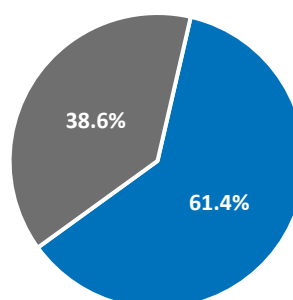


Composition of total debt by type
12/31/2021 - %



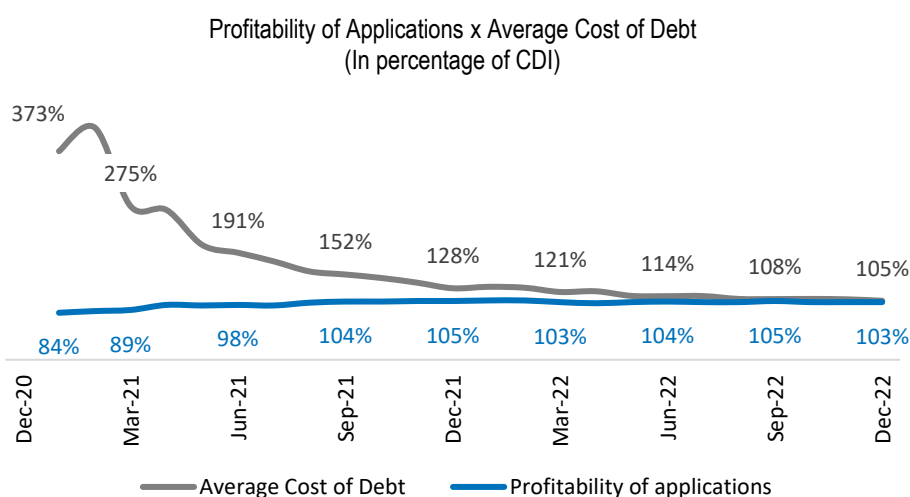
■ Debenture ■ Financing

Composition of total debt by type
12/31/2022 - %

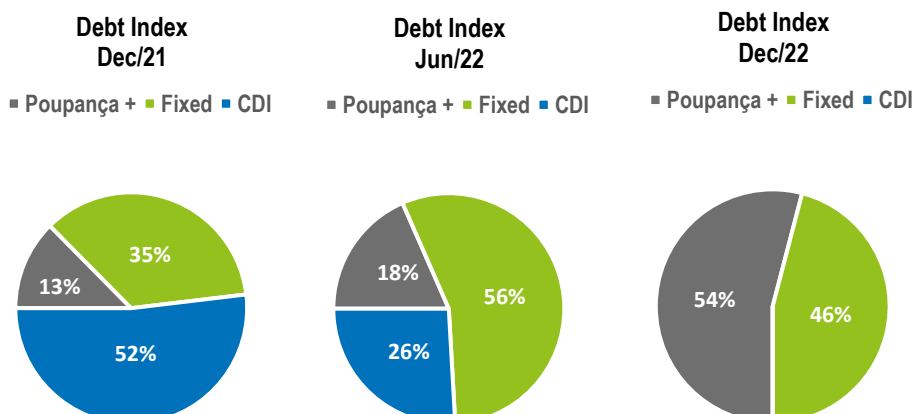


■ Debêntures ■ Financing

The mix of our liabilities has changed with the growth of our operations and a strategy of leveraging at the asset level, differently from what was done previously, when the CDI was lower. With this, the weighted cost of our liabilities has come closer to our average return on financial investments.



As the Company has already disclosed, we are changing the profile of construction financing liability in recent quarters, making it more prefixed rather than CDI linked.



Earnings Release 4Q22 and 2022



In February 2023 we renegotiated with the financing banks the change of the indexer from Poupança+ to TR+. This movement allowed an estimated saving of R\$1.5 million in the next 12 months.

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

Covenant

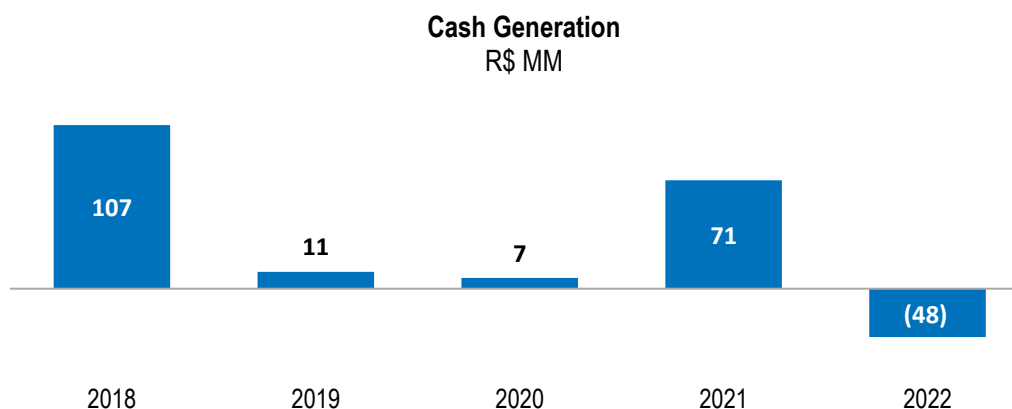
The contract for the third issue of debentures in which we raised R\$150 million are subject to a financial covenant, which can be calculated using the formula below.

$$\frac{\text{Net Debt} + \text{Liability Acquisition of real estate} - \text{Swaps}}{\text{Net Worth}} < 0,5$$

On December 31, 2022, the Company is complying with the covenant indicator, which is 0.069.

Cash Generation (*Cash Burn*)

This year we have chosen to make strategic and significant investments that bring sense to our track record and investment plan for the following years. The financial management and accounts receivable strategy has helped control our cash generation.



Earnings Release 4Q22 and 2022

Attachments



Consolidated Results Report

Amount (R\$ '000)	4Q22	4Q21	Δ %	2022	2021	Δ %
Net operating Revenue	180,638	333,255	-45.8%	829,418	882,168	-6.0%
Cost of properties sold	(142,085)	(249,869)	-43.1%	(619,844)	(585,907)	5.8%
Gross profit	38,553	83,386	-53.8%	209,574	296,261	-29.3%
Gross profit margin	21.3%	25.0%	-3.7 p.p.	25.3%	33.6%	-0.2 p.p.
Operating expenses	(26,292)	(34,652)	-24.1%	(122,165)	(115,794)	5.5%
General and administrative expenses	(11,456)	(11,001)	4.1%	(51,795)	(40,551)	27.7%
Selling expenses	(14,034)	(17,099)	-17.9%	(68,519)	(55,392)	23.7%
Other operating income (expenses), net	(802)	(6,552)	-87.8%	(1,851)	(19,851)	-90.7%
Operating profit (loss)	12,261	48,734	-74.8%	87,409	180,467	-51.6%
Finance income	12,780	5,073	151.9%	44,652	14,505	207.8%
Finance costs	(11,191)	(5,153)	117.2%	(36,113)	(13,478)	167.9%
Finance income (costs), net	1,589	(80)	-2086.3%	8,539	1,027	731.5%
Equity in the results of investees	(565)	97	-682.5%	(3,965)	(9,137)	-56.6%
Profit (loss) before income tax and social contribution	13,285	48,751	-72.7%	91,983	172,357	-46.6%
Income tax and social contribution	(4,661)	(5,903)	-21.0%	(19,437)	(17,593)	10.5%
Profit (loss) for the period	8,624	42,848	-79.9%	72,546	154,764	-53.1%
Net Profit Margin	4.8%	12.9%	-8.1 p.p.	8.7%	17.5%	-8.8 p.p.
Attributable to:						
Owners of the company:	(525)	29,726	-101.8%	32,249	79,658	-59.5%
Non-controlling interests	9,149	13,122	-30.3%	40,297	75,106	-46.3%

Earnings Release 4Q22 and 2022



Balance Sheet

Assets (R\$ '000)	12/31/2022	12/31/2021	Δ %
Current assets			
Cash and cash equivalents	330,137	243,926	35.3%
Securities	106,046	56,415	1
Accounts receivable	315,643	201,174	56.9%
Properties for sale	419,866	402,608	4.3%
Taxes recoverable	16,318	9,270	76.0%
Prepaid expenses	25,105	22,011	14.1%
Other receivables	14,229	14,138	0.6%
Total current assets	1,227,344	949,542	29.3%
Non-current assets			
Financial investments	2,664	2,339	13.9%
Accounts receivable	276,169	245,753	12.4%
Properties for sale	90,676	24,403	271.6%
Judicial deposits	1,634	1,189	37.4%
Related parties	8,040	12,013	-33.1%
Long-term receivables	379,183	285,697	32.7%
Investments	28,074	27,697	1.4%
Property and equipment	36,094	36,087	0.0%
Right to use lease	6,530	5,102	28.0%
Intangible assets	9,320	7,796	19.5%
Total non-current assets	459,201	362,379	26.7%
Total assets	1,686,545	1,311,921	28.6%

Liabilities and Equity (R\$ '000)	12/31/2022	12/31/2021	Δ %
Current liabilities			
Loans and financing	93,475	60,797	53.7%
Leases	4,894	2,362	107.2%
Trade payables	60,919	44,402	37.2%
Salaries and social charges	12,032	9,531	26.2%
Tax liabilities	5,559	3,941	41.1%
Real estate purchase obligations	35,774	35,942	-0.5%
Dividends payable	6,814	80	8417.5%
Advances from customers	202,973	373,167	-45.6%
Deferred taxes	21,134	15,778	33.9%
Other payables	1,831	1,963	-6.7%
Provision for property maintenance	1,561	6,425	-75.7%
Total current liabilities	446,966	554,388	-19.4%
Non-current liabilities			
Loans and financing	360,194	206,853	74.1%
Leases	1,758	2,874	-38.8%
Real estate purchase obligations	10,917	32,001	-65.9%
Advances from customers	284,127	-	n/a
Advances from customers	5,089	6,478	-21.4%
Provision for contingencies	4,716	6,626	-28.8%
Provision for real estate maintenance	14,365	6,358	125.9%
Related parties	14,718	4,268	244.8%
Provision for net capital deficiency	5,999	4,793	25.2%
Total non-current liabilities	701,883	270,251	159.7%
Equity			
Capital	269,172	269,172	0.0%
Capital Reserve	259	259	0.0%
Revenue Reserves	98,354	74,978	31.2%
Retained earnings	-	-	n/a
	367,785	344,409	6.8%
Non-controlling interests	169,911	142,873	18.9%
Total equity	537,696	487,282	10.3%
Total liabilities and equity	1,686,545	1,311,921	28.6%

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Cash Flow

Cash Flows (R\$ '000)	12/31/2022	12/31/2021	Δ %
Cash flows from operating activities			
Profit for the year	72,546	154,764	-53.1%
Adjustments to reconcile profit with cash flows from operating activities			
Depreciation and amortization	15,456	9,950	55.3%
Present value adjustment of receivables	8,619	4,182	106.1%
Equity in the results of investees	3,965	9,137	-56.6%
Provision for real estate maintenance	4,970	4,021	23.6%
Provision for Cancellations	262	-	n/a
Provision for doubtful accounts	3,109	(122)	-2648.4%
Provision for labor, civil, and tax contingencies	6,410	2,227	187.8%
Provision for interest on loans and financing	45,192	18,343	146.4%
Deferred Income tax and social contribution	7,992	17,593	-54.6%
Write-off of fixed assets	1,781	698	155.2%
Yield from bonds and securities	(8,816)	-	n/a
	161,486	220,793	-26.9%
Changes in working capital			
Increase (decrease) in assets and liabilities			
Accounts receivable	(156,875)	(210,964)	-25.6%
Properties for sale	(83,431)	(84,058)	-0.7%
Taxes recoverable	(7,048)	(3,783)	86.3%
Other assets	(3,630)	(5,981)	-39.3%
Trade payables	16,517	17,029	-3.0%
Salaries and social charges	2,501	5,248	-52.3%
Tax liabilities	9,038	3,966	127.9%
Real estate purchase obligations	(21,252)	(17,260)	23.1%
Advances from customers	113,933	222,048	-48.7%
Other liabilities	(1,123)	(4,929)	-77.2%
Amounts paid for maintenance of real estate under guarantee	(1,827)	(1,189)	53.7%
Amounts paid for civil, labor and tax contingencies	(8,320)	2,227	-473.6%
	(141,517)	(77,646)	82.3%
Interest paid	(20,761)	(6,008)	245.6%
Income tax and social contribution paid	(11,445)	(11,104)	3.1%
Net cash provided by (used in) operating activities	(12,237)	126,035	-109.7%
Cash flows from investing activities			
Increase in securities	(40,815)	(56,415)	(0)
Changes in restricted financial investments	(325)	(89)	265.2%
Advances to related parties	14,423	(3,548)	-506.5%
Investment contributions (returns)	(3,136)	12,711	-124.7%
Purchases of property and equipment and intangible assets	(17,714)	(28,864)	-38.6%
Additions to intangible assets	-	-	n/a
Net cash used in investing activities	(47,567)	(76,205)	-37.6%
Cash flows from financing activities			
New loans and financing	317,213	260,709	21.7%
Repayment of loans and financing - principal	(155,725)	(137,917)	12.9%
Dividends paid	(2,214)	(38,532)	-94.3%
Capital Reduction	-	-	n/a
Distributions to non-controlling interests, net	(13,259)	(9,420)	40.8%
Net cash provided by (used in) financing activities	146,015	74,840	95.1%
Net increase in cash and cash equivalents	86,211	124,670	-30.8%
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	330,137	243,926	35.3%
Increase in cash and cash equivalents	86,211	124,670	-30.8%



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.