Operational Preview 2Q22 and 6M22

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Belo Horizonte, August 09, 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 second quarter of fiscal year 2022 ("2Q22") and for the six months of 2022 ("6M22"). Except where otherwise indicated, the information in this document is expressed in Brazilian Reais (R$) and shows the consolidated value (100%).

About Patrimar Group

The Company is a real estate developer and homebuilder based in the city of Belo Horizonte, state of Minas Gerais, on the Southeast region of Brazil with over 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.

novolar
uma empresa do Grupo Patrimar

PATRIMAR
Mude para melhor

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Highlights

- **Launches of R$ 112.8 million in 6M22,** 29.3% higher than the same period of the previous year;
- **Net Contracted Sales of R$ 175.8 million in 2Q22**, 26.6% higher than in 1Q22, **we reached R$ 328.7 million in sales in 6M22**, the **second best historical value in a first semester in the company's history**;
- **We transferred 472 units in this second quarter,** 39.2% higher than 2Q21, thus achieving **the best historical value of transferred units in the company's operation;**
- **We ended 2Q22 with R$ 675.7 million in inventories**, 19.1% lower than the immediately previous quarter and 22.8% lower than the closing of December 2021**;**
- **Landbank 100% of R$10.2 billion**, 9.6% higher than the position of December 2021 and 44.0% higher than June 2021.
- **We launched Atlântico Golf in July 2022, with a total value of almost R$1 billion in PSV, with great sales success, reaching R$200 million in PSV sold in just over 10 days.**

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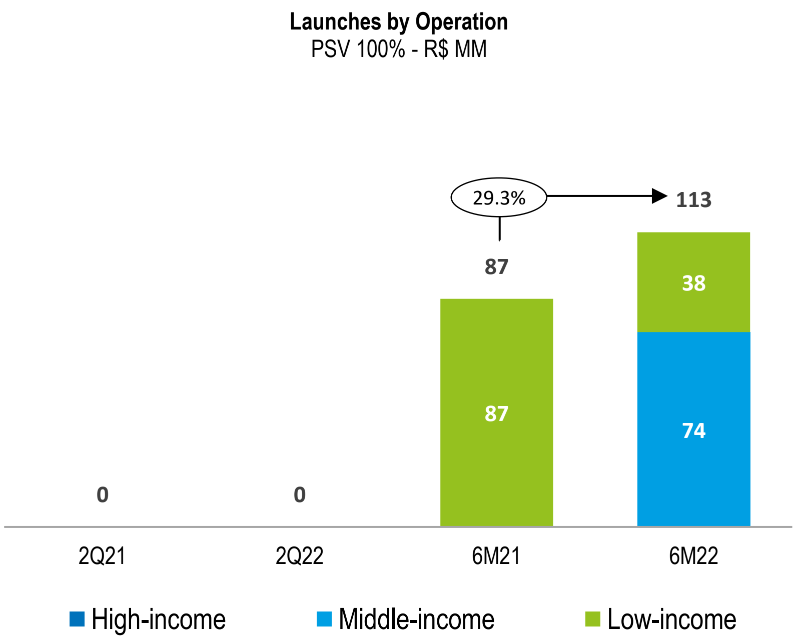
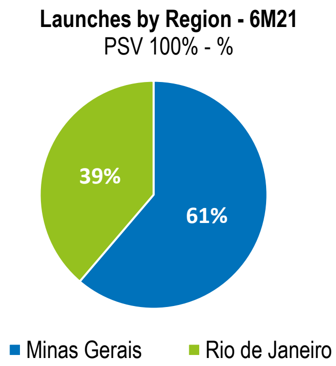
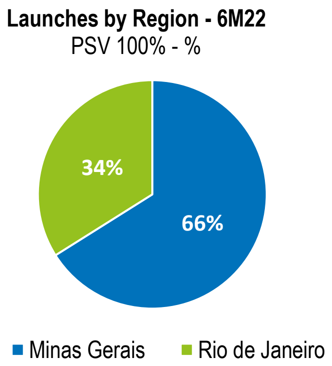
Launches

In the second quarter, we did not launch, opting to extract the best of our positioning in the second half of the year, considering our availability of projects prepared face market fluctuations. In fact, at the beginning of July 2022, we launched the high-end project Atlântico Golf with a PSV of R$933.4 million in Rio de Janeiro. Other launches are prepared for the course of the year and their execution will continue to be evaluated according to the economic and demand scenario.



With no launches in 2Q22, the company's average share of launches in 6M22 remained at 95.1% (75.5% in 6M21). Likewise, we did not present any changes in our geographic mix of launches and we continued operating where we know and have absorption capacity in the markets, due to the strength of our brands.





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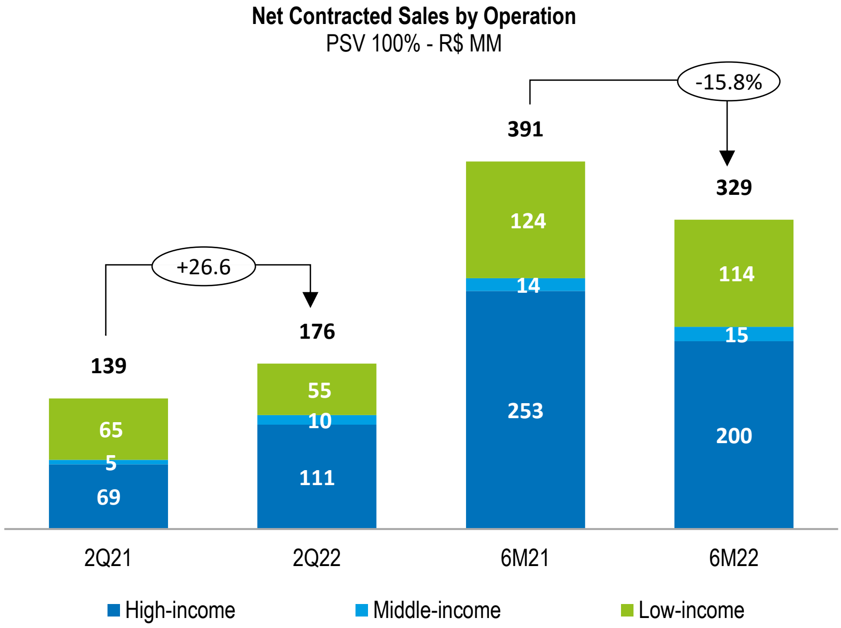
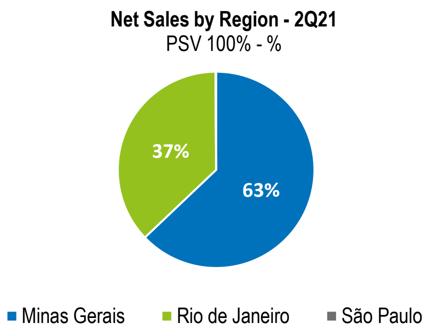
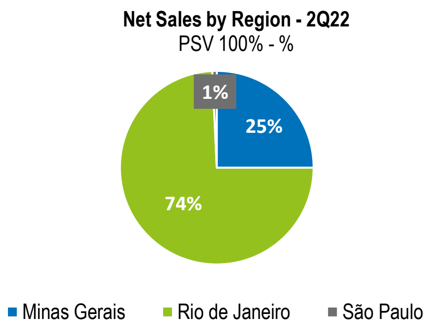
Contracted Sales

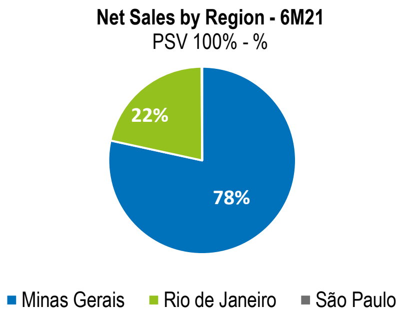
We continued with our focus on reducing inventories in 2Q22, similarly to what was done in 1Q22, with a pricing strategy that is appropriate for the cost scenario and general economic environment.

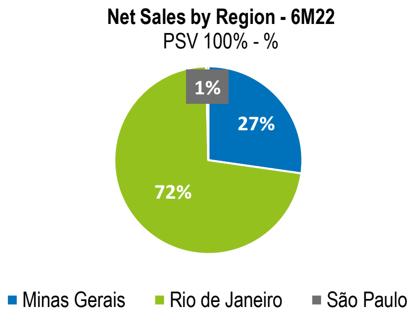


In terms of geographic distribution, our operations continue to be concentrated in the states of Minas Gerais and Rio de Janeiro, markets in which we have a strong presence with the Group's two brands. Land acquisitions in the inland cities of the São Paulo state have been employed pursuing a greater balance of regional exposure and, thus, obtaining better results with the combination of markets and products.



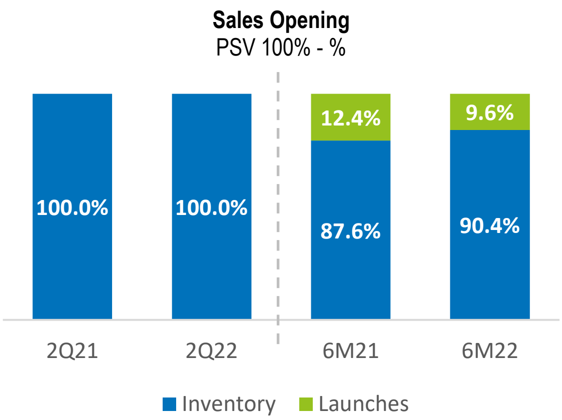


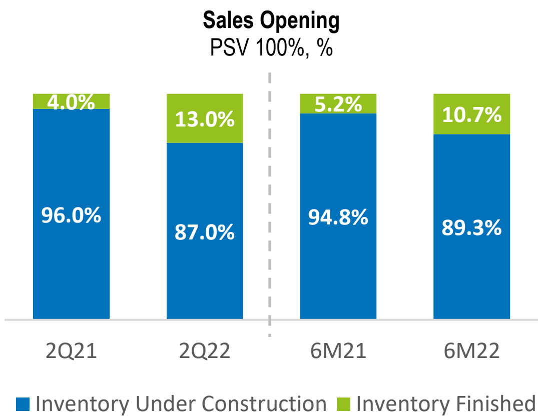




Operational Preview 2Q22 and 6M22

Our focus continued to be on concentrating inventories sales and preparing launches for the second half of the year. Of the projects with availability in stock, 80% have more than 60% of their PSV sold.





The table below provides more information about sales.

Net Contracted Sales (R$ '000)	2Q22 (a)	2Q21 (b)	Δ % (a/b)	6M22 (c)	6M21 (d)	Δ % (c/d)
PSV 100%	**175,752**	**138,826**	**26.6%**	**328,727**	**390,570**	**-15.8%**
Low-income	54,684	65,127	-16.0%	113,752	124,070	-8.3%
Middle-income	9,992	4,807	107.9%	15,416	13,633	13.1%
High-income	111,076	68,893	61.2%	199,559	252,866	-21.1%
PSV % Patrimar	**157,810**	**95,019**	**66.1%**	**290,715**	**245,892**	**18.2%**
Low-income	53,470	59,616	-10.3%	111,866	108,069	3.5%
Middle-income	9,448	3,365	180.8%	14,184	9,543	48.6%
High-income	94,892	32,038	196.2%	164,665	128,279	28.4%
Units	**316**	**365**	**-13.4%**	**582**	**714**	**-18.5%**
Low-income	263	330	-20.3%	493	611	-19.3%
Middle-income	18	11	63.6%	29	33	-12.1%
High-income	35	24	45.8%	60	70	-14.3%
Average Price	**556**	**380**	**46.2%**	**565**	**547**	**3.3%**
Low-income	208	197	5.4%	231	203	13.6%
Middle-income	555	437	27.0%	532	413	28.7%
High-income	3,174	2,871	10.6%	3,326	3,612	-7.9%

Patrimar's PSV % in the analyzed periods showed an evolution, meaning a higher percentage of the Company's sales, in an evolution of our land bank with a lower participation of partners in the sales made. The Company had an 89.8% share of sales in 2Q22 against 68.4% in 2Q21 and an 88.4% share of sales in 6M22 against 63.0% in 6M21. We can also see an important evolution in the average ticket in the three segments in 2Q22 compared to 2Q21.

We continue to improve our transfers, mainly in the PCVA. The 472 units transferred in 2Q22 represent an amount of R$ 100.2 million, which positively impacts our cash cycle. In comparative terms, the units transferred in 6M22 already represent 78.4% of what we carried out in the whole of 2021.

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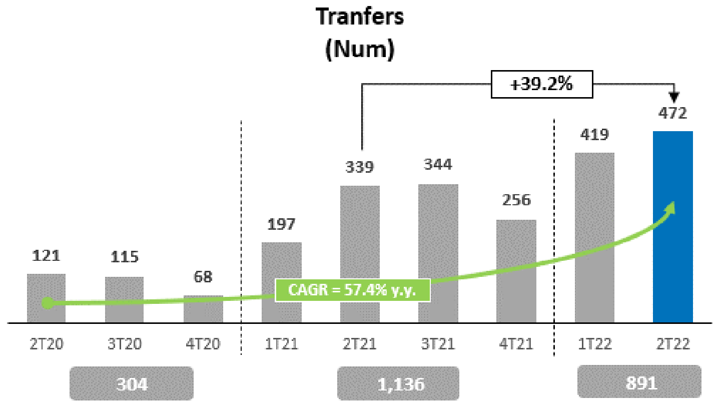
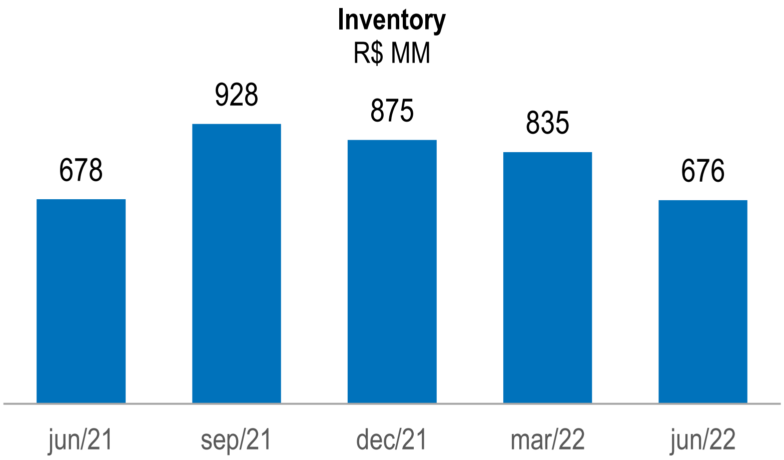
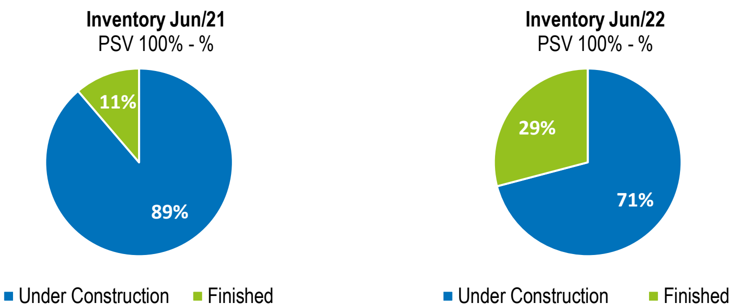


Inventory

Our efforts to reduce inventories showed a reduction of 19.1% in June 2022 compared to the end of March 2022 and in line with the value in June 2021.



The inventory profile remains increasingly comfortable and balanced. Our position, mostly concentrated in apartments under construction, corroborates the success of our launches carried out in the 2018 and 2019 harvests. Completed inventories in 2Q22 increased 17.8 p.p. compared to 2Q21, basically due to the conclusion of a high-end development in the metropolitan region of Belo Horizonte and the reduction of the inventory under construction at a higher speed, due to sales, increasing the representativeness of completed inventories.



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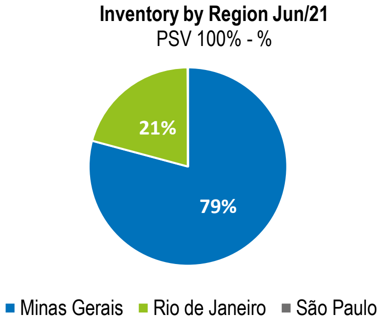
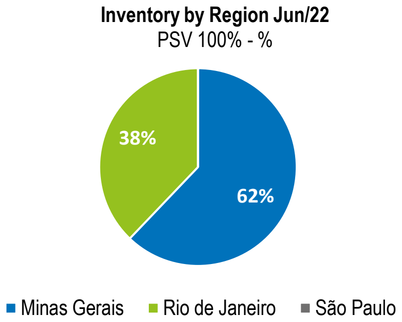
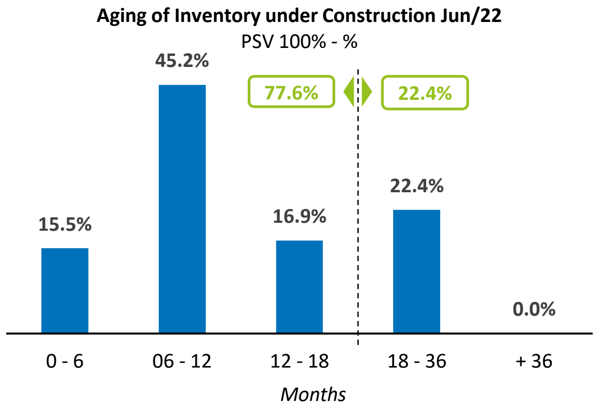


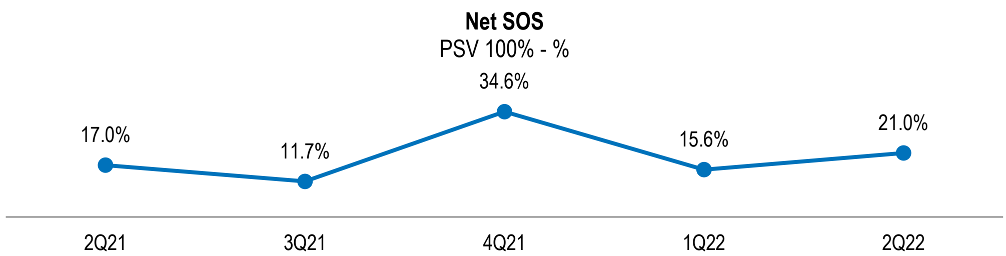


Of the total inventory under construction, most of it is due to recent launches within the last 18 months, which reinforces our ability to sell at launches and not carry finished inventories over time.



VSO

Net sales velocity in 2Q22, measured by the net VSO indicator (Net Sales over Supply), was 5.5 p.p. above the immediately previous quarter and 4.1 p.p. above the same period in 2021, demonstrating the quality and sales force of the Group's projects.



Sales Speed (R$ mil)	2T21	3T21	4T21	1T22	2T22
Sales	**138,826**	**125,659**	**472,097**	**152,975**	**175,752**
Offer	**817,213**	**1,075,057**	**1,363,336**	**982,463**	**834,941**
Opening Stock	817,213	677,471	928,189	875,190	834,941
Launches	-	397,586	435,147	107,272	-
VSO (%)	**17.0%**	**11.7%**	**34.6%**	**15.6%**	**21.0%**

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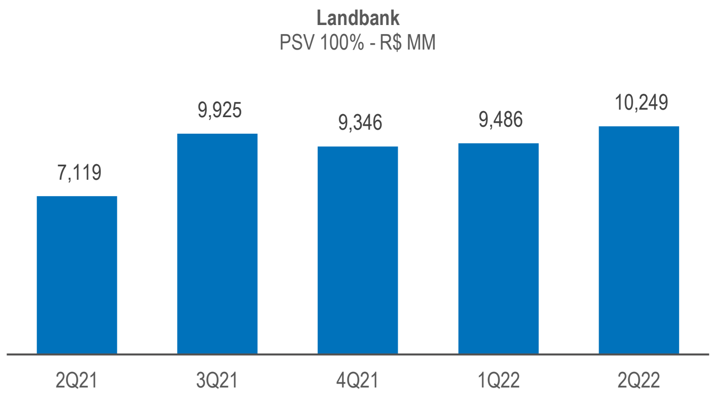
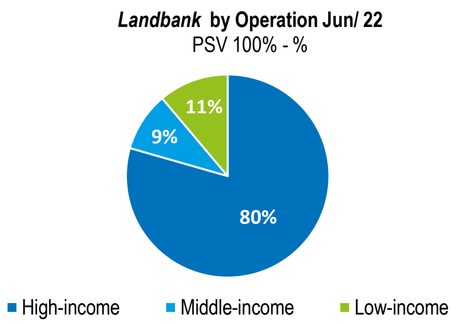
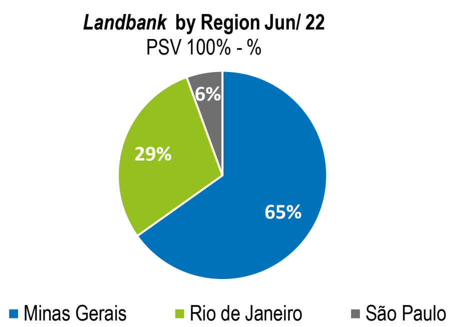
Landbank

Our Landbank has 11,966 units and our average share is 69.1%. The increase in the value of the Land bank in March 2022 was due to the recomposition of the land, aiming at our future growth plan, the PX2.



In line with the strategy of geographic diversification, 2 plots of land were purchased in 2Q22, in São Paulo and Rio Janeiro, totaling a potential PSV of R$148.0 million. We ended the second quarter with approximately R$1.8 billion in projects already approved for launch.





Glossary

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

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

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

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

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

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

Sales Speed – Sales Speed over Supply.

Gross Sales Speed – Gross Sales / (Beginning Period Inventory + Period Launches)

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

PSV – Potential Sales Value