

Earnings Release

1Q21



1Q21 Earnings Release

Belo Horizonte, May 05th, 2021 - A Patrimar S.A. ("Patrimar" or "Company"), one of the largest development and construction companies in Brazil, operating in the low-income, middle-income and high-income segments with luxury and high-luxury products, discloses its results for the first quarter of fiscal year 2021 ("1Q21"). The information in this document is expressed in national currency million and the Potential Sales Volume ("PSV") shows the consolidated value (100%), except where otherwise indicated.

Highlights

- **R\$ 177 million net revenue in the 1Q21, a growth of 139.3% compared to 1Q20;**
- **R\$ 68 million gross profit in the 1Q21, 110.1% higher than 1Q20, which totaled R\$ 32 million;**
- **Growth of 146.5% in net profit in the quarter, compared to 1Q20, reaching R\$ 40 million. Expressive net margin of 22.82%;**
- **Return on Equity (ROE) in the 1Q21 of 24.6% against to 11.6% in 1Q20;**
- **Cash generation of R\$ 26 million in the 1Q21, with R\$ 45 million accumulated during the last 12 months.**

Investor Relations

Felipe Enck Gonçalves

CFO and Chief Investor Relations Officer

João Paulo Lauria

Head of Financial Planning and Investor Relations

Fernanda Tolentino Guimarães Matoso

Phone: +55 (31) 3254-0311

www.patrimar.com.br/ri

E-mail: ri@patrimar.com.br



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About Patrimar Group

The Company is a real estate development and homebuilder based in the city of Belo Horizonte state of Minas Gerais, on the Southeast region of Brazil with over 58 years of experience being placed in the top best real estate companies of Brazil. Its business model based on a vertical model, developing and constructing real estate projects, as well as marketing and selling real estate units.

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



MG

Grand Resort Jaraquá - Novolar

MG

L'Essence - Patrimar

RJ

Reserva Mirataia - Novolar

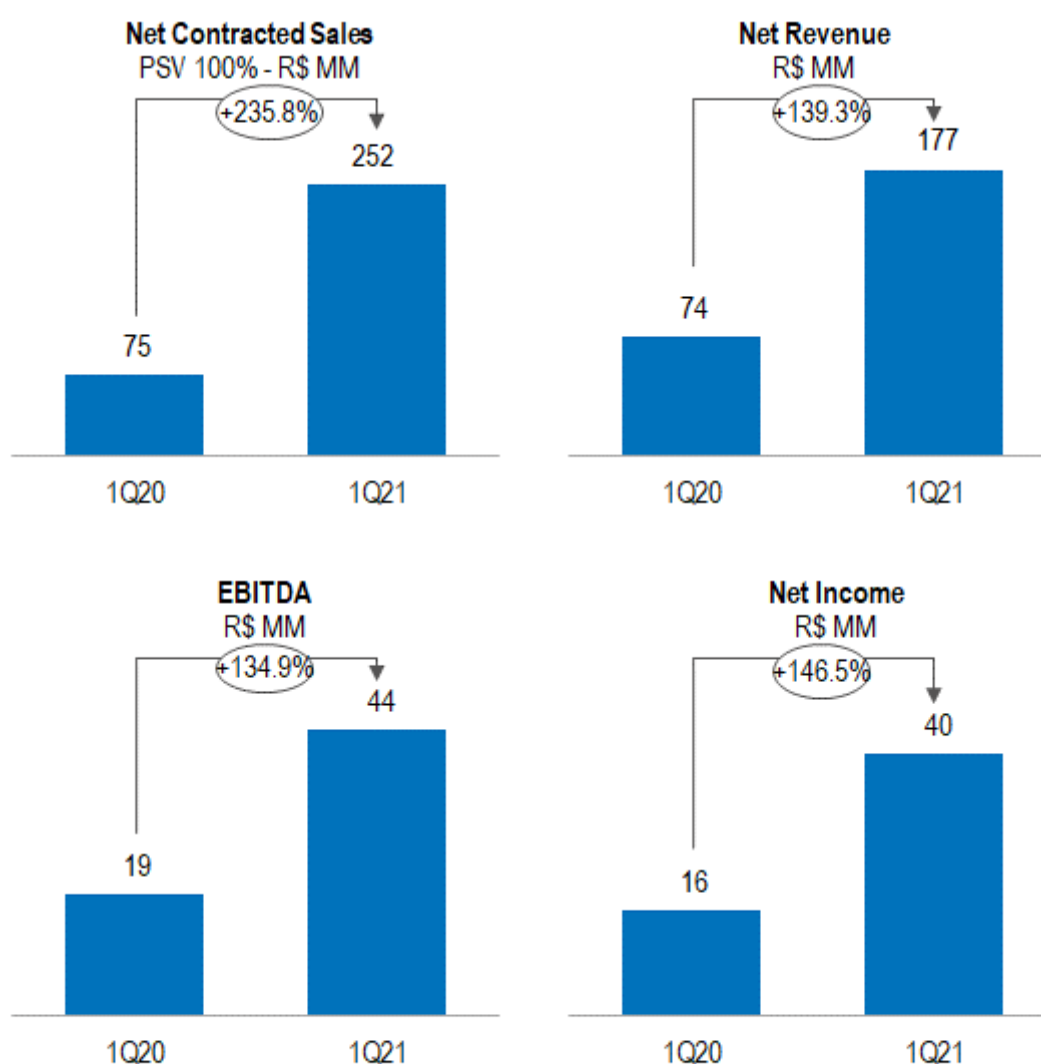
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Message from the Management

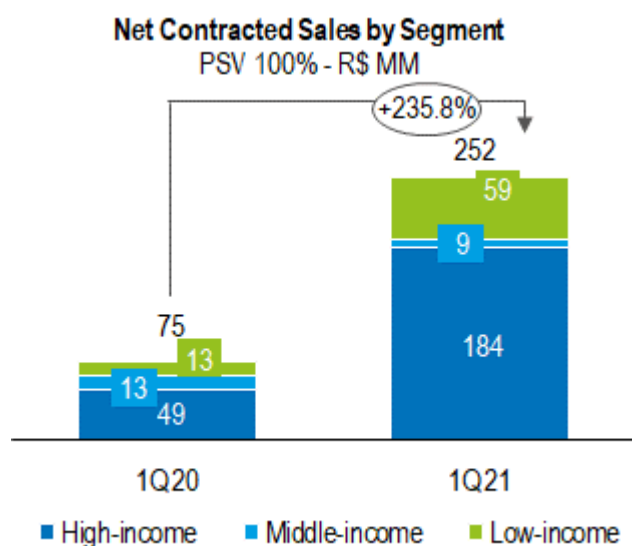
We are thrilled to present Patrimar's results for the 1Q21. As we have been showing on our past earnings releases, we are consistently growing our operations having adopted several strategic actions in order to adjust our capital structure always looking forward to achieve the expected business growth for the next years.

Growth

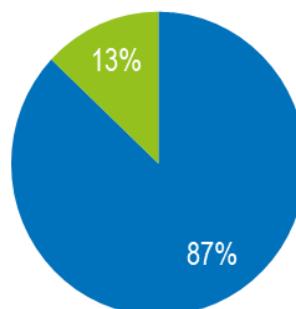


As our landbank approvals move forward with a total amount by the end of the 1Q21 reaching R\$ 6.7 billion, and taking into account the great moment in the real estate segment and our high quality finished products, we're enhancing even more our position throughout the real estate market. We have R\$ 0.9 billion in projects already approved to be launched and another R\$ 1.2 billion in its last cycle of approval.

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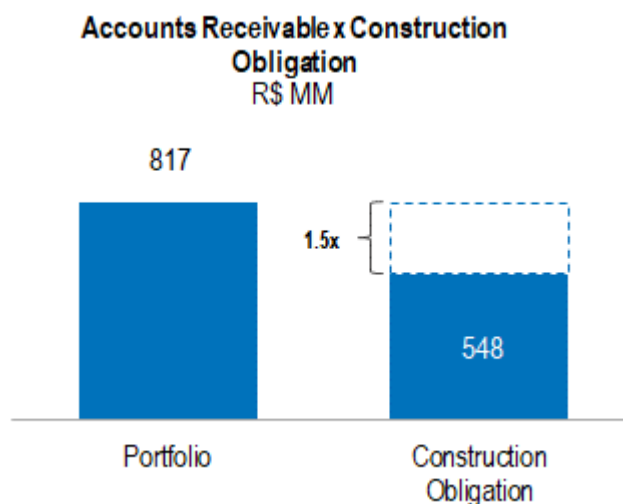
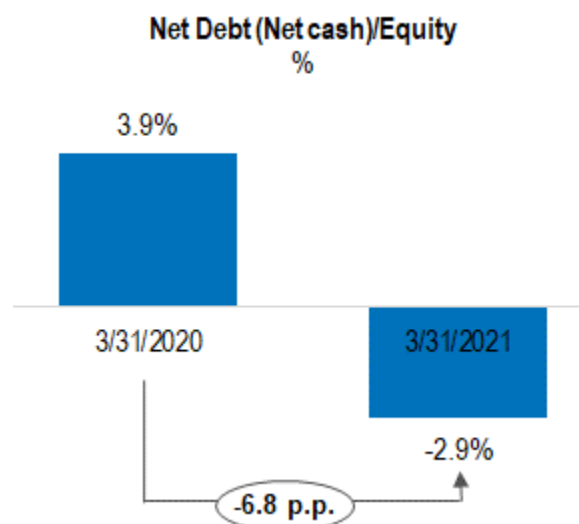


Net Sales Contracted by Region - 1Q21
VGV 100% - %



We are always aware of the opportunities the market brings us, anticipating the cycles of the real estate market and positioning the Company towards a relevant and profitable operation. We keep our presence in the same market we already perform in, however, we may expand our presence to other cities in the states we operate nowadays.

Capital Structure and Liquidity

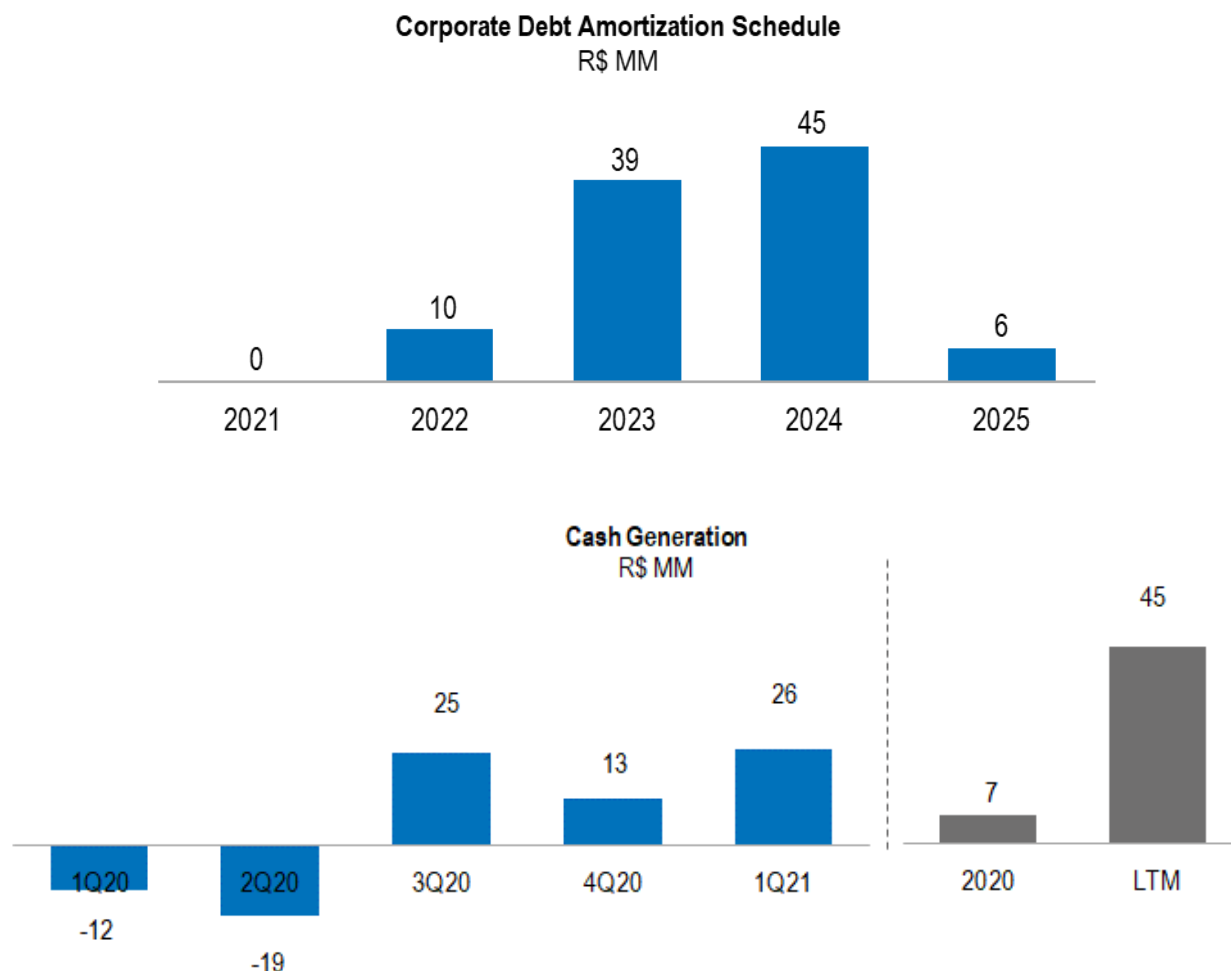


We are constantly assessing great opportunities in the financial market looking forward to enhance liquidity and adjust our capital structure in order to support in a balanced way profitability and growth as written from the above. We finished the emission of private debentures that leads to the emission for Certificates of Real Estate Receivables ("CRI") from 239th Series of the 4th Issue of Isec Securitizadora S.A. with public distribution with restricted placement efforts as 476 CVM Instruction, with a total amount of R\$ 100 million, which R\$ 50 million

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we already received in March. This financial operation led to a cost reduction and a lengthening of the Company's corporate debt.

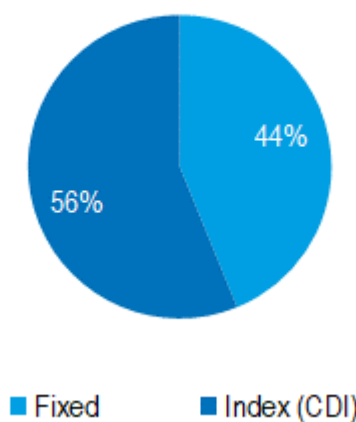


Despite of the operations growth shown as the above, we continuously keep generating cash in a quarterly basis, in which our main revenue generation comes from the high luxury segment aligned to our production cycle. We keep raising debt to fund our production – our liability totals R\$ 78 million as of March, 31st 2021, besides settled contracts of R\$ 247 million to be disbursed. This will be our main source of fund raising for the next years.

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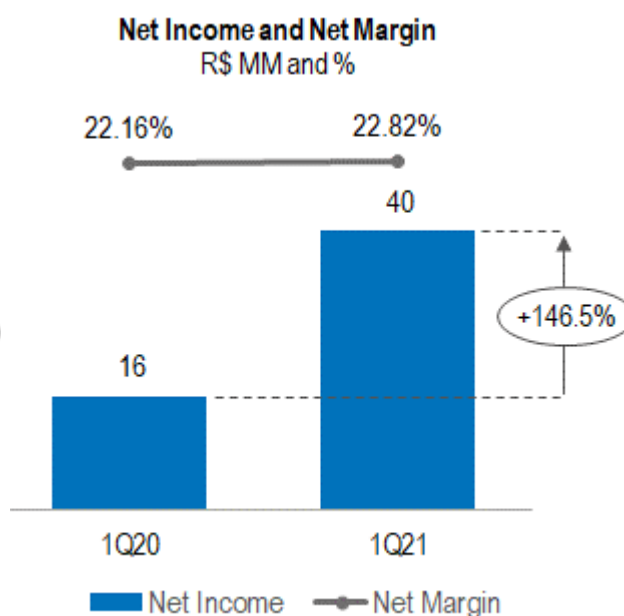
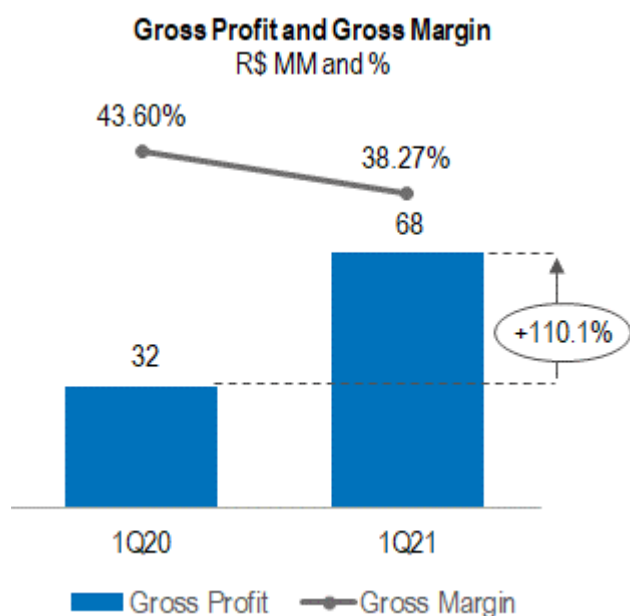
Composition Loans and Financing
PSV 100% - %



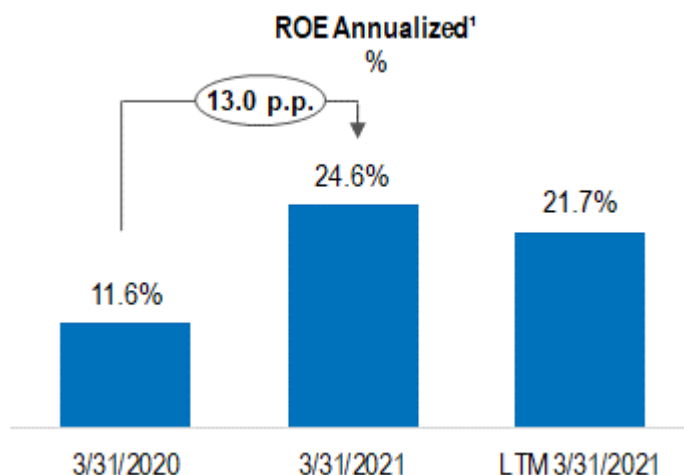
Profitability

Profitability is a our main focus. Our operation wil have the size of what we are capable of maintaining a high profitability.

The decrease of the gross margin when comparing 1Q21 to 1Q20, is due to the volume of launches by the Company in the 4Q20 and 1Q21 regarding assets swap deals, which leads these projects' gross margin to a decrease.



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¹ Annualized ROE: Net income attributable to the majority shareholders of each annualized period on the equity for the annualized periods.

We are aware of cost variation and monitoring the capability to transfer the cost increase to our customers, either through increasing sales price, or adjusting the index over receivables, that may generate a hedge to the operation. So far, we have been successful in both ways regarding the high-income segment, however the low-income segment doesn't present such flexibility. Our projects are still profitable and we are still investing in a sales flow that is more dynamic, so we can speed up our projects, shrinking our exposure to price increasing and allocating less capital to the operation. Such arrangements take time until achieving positive effects, so we keep assessing the price variation so we can adjust our launches speed in this segment. This issue may affect our growth speed in 2021.

Sustainability

We are investing even more in sustainability regarding the works sites we operate at. We created in 2021 an internal program that gathers our actions in the environmental field, called *Sempre Verde*, and we invested in the conception of an internal label that rewards our production areas for their actions related to the environment.





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Investments in sustainability and social initiatives are already part of the Group's routine for a while. We are now organizing our activities and measuring our impacts looking forward to release sustainability reports and measure our performance regarding this important subject.

Subsequent Events

According to the Ordinary and Extraordinary Shareholders' Meeting realized on April 30th 2021, the shareholders meeting approved the payment of dividends in the total amount of R\$ 20.2 million which is equivalent to R\$ 0.36 per share, being R\$ 6.6 million interim dividend distributed already.

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Main Indicators

Financial Indicators (R\$ '000)	1Q21 (a)	1Q20 (b)	Δ % (a/b)
Net Operational Revenue	177,143	74,012	139.3%
Gross Profit	67,788	32,266	110.1%
% Gross Margin	38.27%	43.60%	-5.33 p.p.
EBITDA	44,200	18,819	134.9%
% EBITDA Margin	24.95%	25.43%	-0.48 p.p.
EBITDA Ajustado	45,924	20,387	125.3%
% Adjusted EBITDA Margin	25.92%	27.55%	-1.62 p.p.
Net Income	40,422	16,400	146.5%
% Net Margin	22.82%	22.16%	0.66 p.p.

Launches (R\$ '000)	1Q21 (a)	1Q20 (b)	Δ % (a/b)
PSV 100%	87,241	-	n/a
Low-income	87,241	-	n/a
Middle-income	-	-	n/a
High-income	-	-	n/a
PSV % Patrimar	65,872	-	n/a
Low-income	65,872	-	n/a
Middle-income	-	-	n/a
High-income	-	-	n/a
Units	400	-	n/a
Low-income	400	-	n/a
Middle-income	-	-	n/a
High-income	-	-	n/a

Net Contracted Sales (R\$ '000)	1Q21 (a)	1Q20 (b)	Δ % (a/b)
PSV 100%	251,744	74,959	235.8%
Low-income	58,944	12,899	356.9%
Middle-income	8,826	12,860	-31.4%
High-income	183,973	49,200	273.9%
PSV % Patrimar	150,872	49,840	202.7%
Low-income	48,453	12,899	275.6%
Middle-income	6,178	9,314	-33.7%
High-income	96,240	27,627	248.4%
Units	349	143	144.1%
Low-income	281	76	269.7%
Middle-income	22	31	-29.0%
High-income	46	36	27.8%
Average Price	721	524	37.6%
Low-income	210	170	23.5%
Middle-income	401	415	-3.4%
High-income	3,999	1,367	192.5%

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Operacional Performance

Launches

Viena
Belo Horizonte / MG

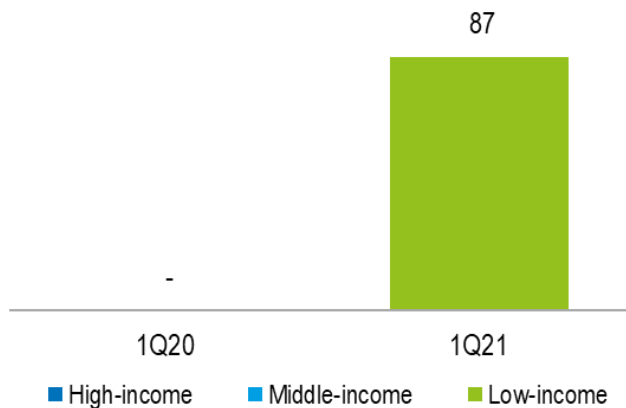


Vargem Grande
Rio de Janeiro / RJ

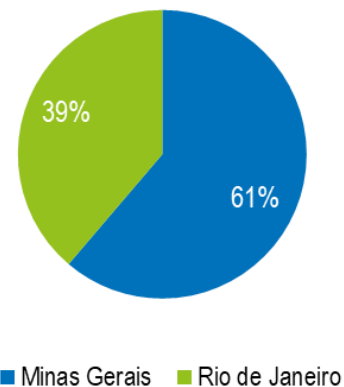


The Company launched 2 projects this quarter, presenting a growth of 100% when compared to 1Q20. Patrimar Group owns an average percentage of the launches of 75.5% in the 1Q21.

Launches by Segment
PSV 100% - R\$ MM



Launches by Region - 1Q21
VGV 100% - % / R\$ MM



Launches in 1Q21 were concentrated in the low-income segment, due to great opportunities found in the cities of Belo Horizonte/MG and Vargem Grande/RJ. The Viena project, launched in January 2021, has reached approximately 50% of its units already sold until this quarters ending. The average ticket of units sold for the Viena project was of R\$ 218 thousand.

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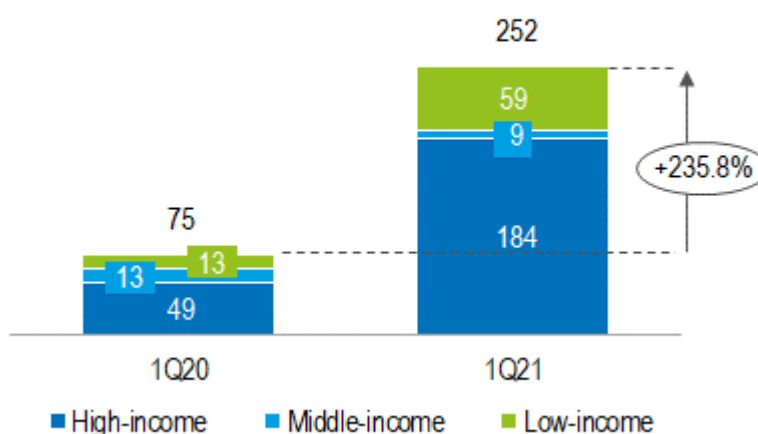
Contracted Sales

The Company has achieved its sales record in the 1Q21, when were sold 349 units, a growth of 236% when compared to 1Q20. This increase was mainly driven by the sales of two projects launched in December/20, with a total PSV of R\$ 139.8 million, representing 56% of the sales for the 1Q21. The high luxury segment is still the most representative segment, representing 73.1% of the Company's total net sales.

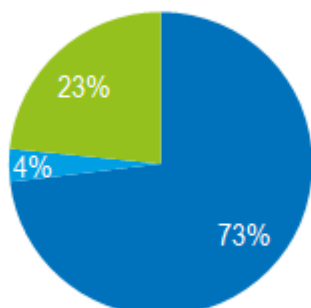
The low-income segment continues to show a solid sales performance, with substantial growth of 356.9% when compared to 1Q20. Additionally, the Company showed an evolution in the volume of units transferred, reaching 65.1% of units sold in the quarter.

The Company's average participation in the net sales contracted was 59.9% in the 1Q21.

Net Sales by Segment
PSV 100% - R\$ MM

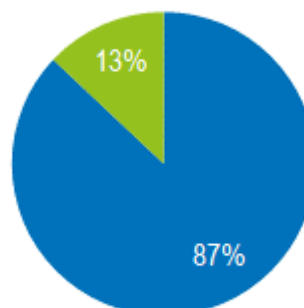


Net Sales by Segment - 1Q21
PSV 100% - %



■ High-income ■ Middle-income

Net Sales Contracted by Region - 1Q21
PSV 100% - %



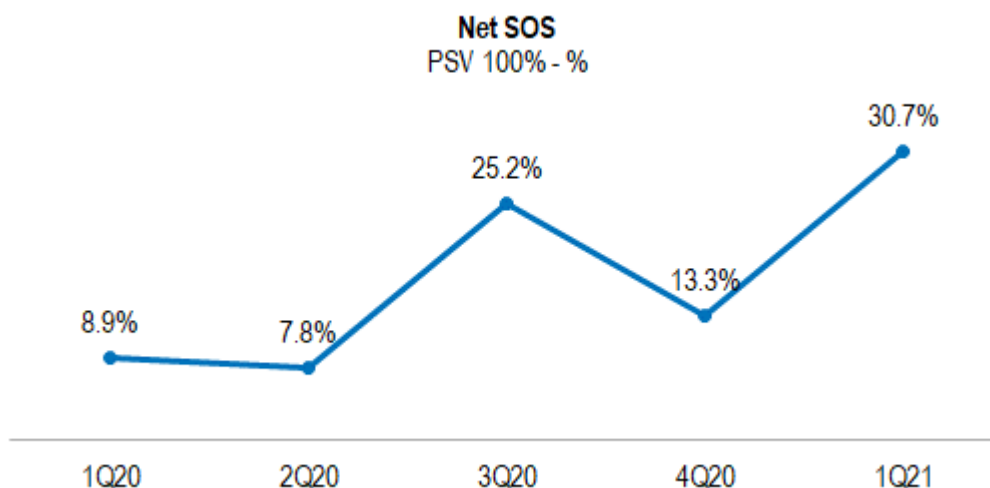
■ Minas Gerais ■ Rio de Janeiro ■ São Paulo

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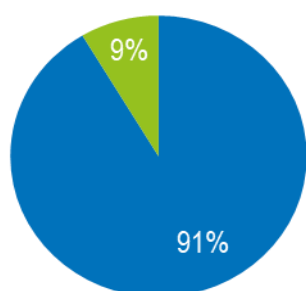
SoS (Sales speed) – Sales over Supply

The Net Sales Speed for the 1Q21, measured by the net SoS ratio (Net Sales over Supply), was positively impacted by the good performance of launches in the quarter, reaching a significant growth of 17.4 p.p. when compared to the prior quarter and of 21.8 p.p. when compared to 1Q20.

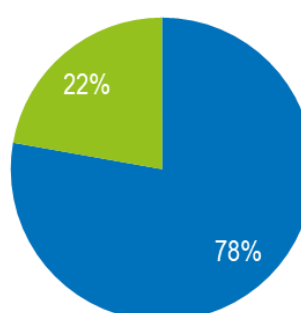


Inventory

Inventory Mar-21
PSV 100% - %



Inventory by Region Mar-21
PSV 100% - %



■ Under Construction ■ Finished ■ Minas Gerais ■ Rio de Janeiro ■ São Paulo

On March 31st 2021, the market value of our inventory was R\$756.2 million (R\$ 500.9 million % Patrimar), 19.3% lower than the end of the 4Q20.

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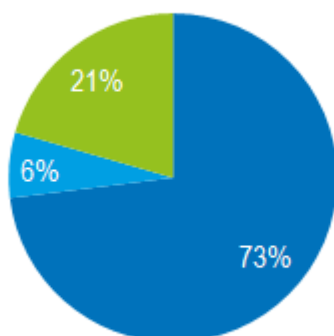


The Company, through its sales effort and inventory management reduced the volume of finished products in 21.1% when compared to the 4Q20.

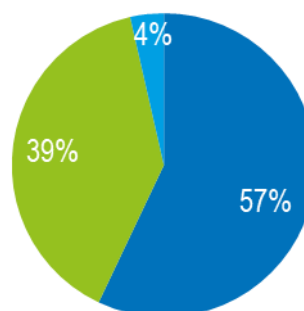
The major inventory of products under construction is from the high-income segment (63.4% of the inventory under construction), which has been showing a good sales performance and a greater room for prices adjustments.

Landbank

Landbank Mar-21
PSV 100% - %



Landbank per Region Mar/21
PSV 100% - %



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

■ Minas Gerais ■ Rio de Janeiro ■ São Paulo

In the current scenario, we are optimistic with the Company's perspectives for the next quarters, especially in regards to the high-income segment, where the demand is still strong.

In addition, the landbank totals a PSV of R\$ 6.7 billion (R\$ 4.4 billion % Patrimar).

In conclusion, we reaffirm our confidence in Patrimar's business model and our commitment with the profitability by keeping the Company among the largest homebuilders in Brazil.

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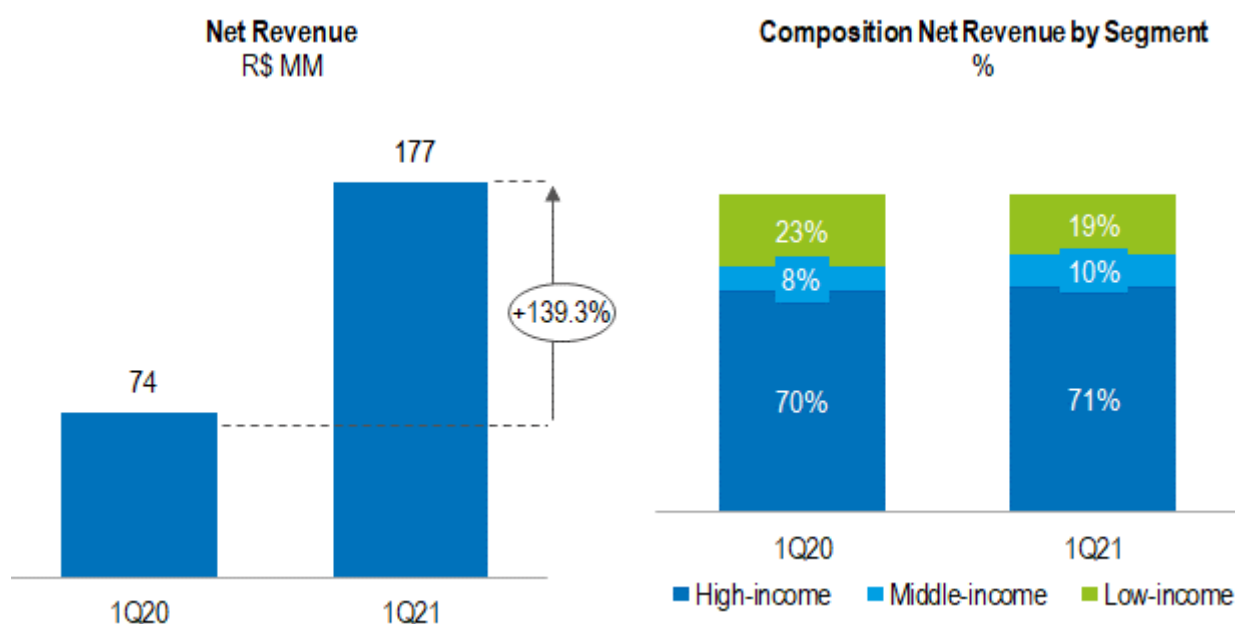


Financial Performance

Net Revenue

Net Operating Revenue (R\$ '000)	1Q21	1Q20	Δ %
Gross revenue from properties sales	185,712	77,191	140.6%
Service revenue	2,207	290	661.0%
Gross Revenue	187,919	77,481	142.5%
AVP - Adjustment to present value	2,600	2,802	-7.2%
Canceled sales	(9,485)	(4,694)	102.1%
Deduction and taxes	(3,891)	(1,577)	146.7%
Net Revenue	177,143	74,012	139.3%

The Company's net revenue presented a strong growth, when compared to the 1Q20 mostly due to: (i) the higher volume of sales; (ii) on-going projects being produced; (iii) increase of the administration rates charging due to a higher amount of projects being controlled by the Group Patrimar in partnership with third parties.



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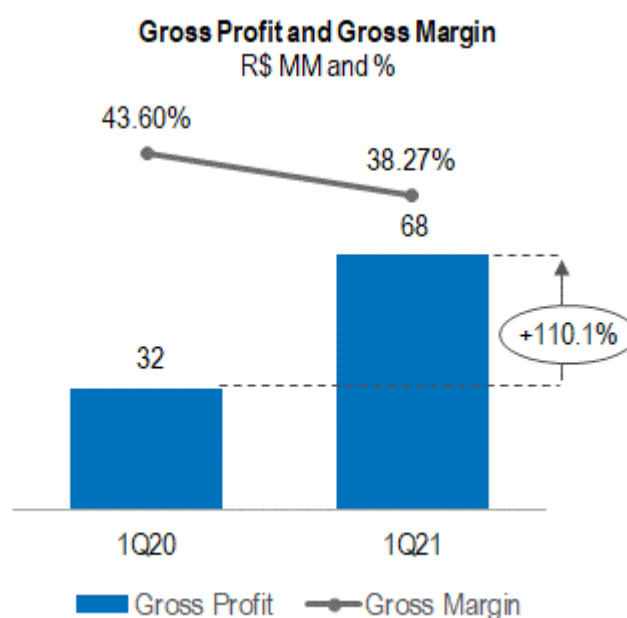


Gross Profit and Gross Margin

When comparing the 1Q21 to 1Q20, the cost of goods sold was mainly driven by the recognition of land costs in accordance with a higher growth of launches and units sold.

Our gross margin remains one of the highest in the industry, especially due to the mix of ongoing projects, where there is a higher weight in high-end developments, with a higher gross margin, corroborating our strategy to allocate capital efficiently, seeking more profitability.

The decrease in Gross Margin brings up the great moment of growth regarding the volume of launches for the Company which landbank is composed by assets swap which impact the gross margin in the beginning months after the launch. The tendency, by the time the launches get established, is to the margin to return to its normal pattern, above current levels.



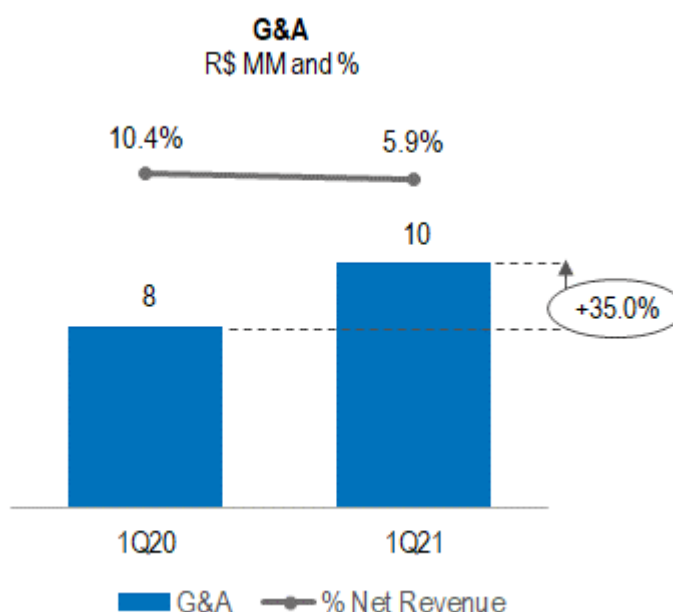
Operating Expenses

Operating Expenses (R\$ '000)	1Q21	1Q20	Δ %
General and administrative expenses	10,422	7,720	35.0%
Selling expenses	9,227	6,291	46.7%
Other operating revenue (expenses)	(698)	3,340	-120.9%
Total	18,951	17,351	9.2%

General and Administrative Expenses (G&A)

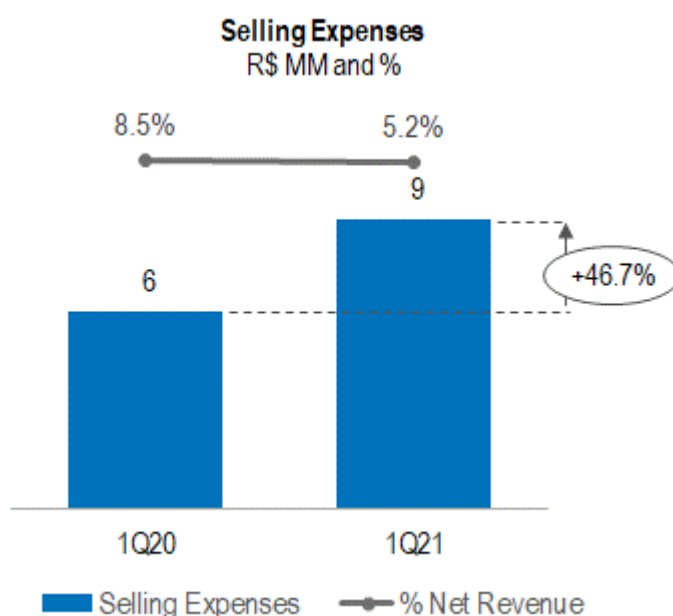
The G&A growth is mainly explained by the higher investments in personnel in strategic areas of the Company, in order to support the Company's growth cycle. It is important to point out that the dilution of G&A in net revenue shows diligence in expense management and a potential operational leveraging leading to growth of our operations.

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Selling Expenses

Significant decrease in the proportion of sales expenses over net revenue. The highlight is the dilution of expenses with marketing and advertisement, which turned to represent 1.6% of the net revenue, decrease of 1.5 p.p. when compared to the same prior year period. The increase of the selling expenses was mainly driven by commissioning increase in accordance with the sales effort by Patrimar's commercial team, as well as the projects' great progress and successful units sold, that generates commissioning expenses as the projects progresses.

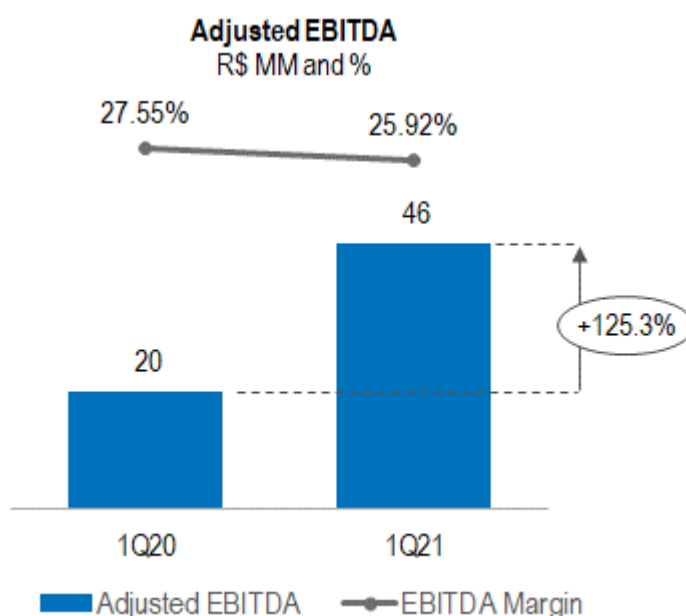


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EBITDA and EBITDA Margin

Upon the growth of revenue and dilution of the operational expenses, our Adjusted EBITDA Margin presented strong growth. The soft decrease in the Adjusted EBITDA is due to a variation in the Gross Margin, as explained in the above.



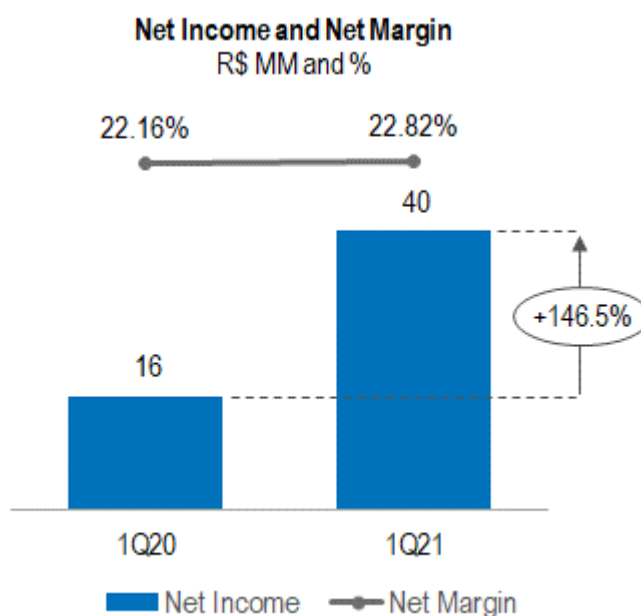
EBITDA (R\$ '000)	1Q21	1Q20	Δ %
Net Income	40,422	16,400	146.5%
(+) Income Tax and Social Contribution	4,067	1,343	202.8%
(+) Financial Results	(2,772)	(772)	259.1%
(+) Depreciation and Amortization	2,483	1,848	34.4%
EBITDA	44,200	18,819	134.9%
EBITDA Margin (%)	24.95%	25.43%	-0.48p.p.
Capitalized Interest Expense	1,724	1,568	9.9%
Adjusted EBITDA	45,924	20,387	125.3%
Adjusted EBITDA Margin (%)	25.92%	27.55%	-1.62p.p.

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Net Income and Net Margin

Boosted by good operating performance, net profit achieved R\$ 40 million, a strong growth of 146.5%. As highlighted in the previous sections, the quarter presented a relevant increase in revenue, impacted by the increase of sales and due to the progress of our on-going projects. Besides that, there is our financial discipline which led us to an increase of 259% in our financial results.



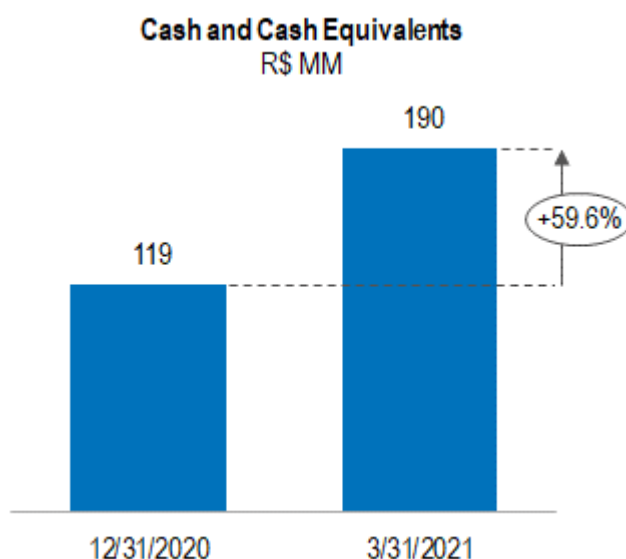
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Balance Sheet Highlights

Cash, Cash Equivalents and Financial Investments

Patrimar's cash had a significant increase, which is explained by the good performance in sales and by collections of high-income projects. It is important to point out that, in March 2021, from the first private debentures emission, the Company raised R\$ 50 million, from which most was used to extend the Company's debt profile.



Accounts Receivables

The growth in the Accounts Receivables is mainly explained by the increase of sales and by charging administration rates that started in the second quarter of 2020.

Accounts Receivable (R\$ '000)	3/31/2021	12/31/2021	Δ %
Completed units	63,102	64,959	-2.9%
Units under construction	237,360	187,882	26.3%
Management services	9,390	7,197	30.5%
Provision for canceled sales / losses / PVA	(19,396)	(20,015)	-3.1%
Total	290,456	240,023	21.0%

According to current accounting standards, recognition of Accounts Receivable is proportional to the *Percentage of Completion* - PoC of construction projects. Therefore, the balance of the portfolio of development units sold and of those still not built is not integrally reflected in the Financial Statements. To that end, it is important to point out that the total portfolio of Patrimar in the ending balance of March 31st 2021 was R\$ 817 million, an 24% increase when compared to the portfolio balance on December 31, 2020.

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Properties for Sales

The properties for sales growth is mainly driven by new projects being launched and as the on-going projects progress, increasing the inventory of properties under construction balance, offset by the decrease in completed properties, which is a result from the commercial effort to sell and reduce the inventory of finished goods that started by the end of 2020.

Properties for Sales (R\$ '000)	3/31/2021	12/31/2021	Δ %
Inventories of land	155,742	153,021	1.8%
Properties under construction	188,499	167,955	12.2%
Completed properties	12,926	18,772	-31.1%
Provision for canceled sales	3,619	3,205	12.9%
Total	360,786	342,953	5.2%

Advances from Customers

Advances from customers grew 34.6%, mostly resulting from: (i) the growth of sales volume from the on-going projects; (ii) advance of customized units (balances of customizations and changes advanced by high-income apartment clients) which reached a 32.5% growth. The customization amount will be spent on the works of each real estate unit and will be consumed until the end of the related projects; (iii) and by the land swaps regarding projects not launched which is represented by R\$ 53 million, a growth of 22.6%, this amount refers to the launched projects which we have assets swap and are not in production yet.

Advances from Customers (R\$ '000)	3/31/2021	12/31/2021	Δ %
Advances from customers and barter made for construction in progress	105,061	73,592	42.8%
Advances from customers for customized units	44,936	33,925	32.5%
Barter made for land - not launched developments	53,464	43,602	22.6%
Total	203,461	151,119	34.6%

Obligations relative to the purchase of real estate

The decrease in land not developed is mainly explained by the payments of financial swaps settled in the buying/selling contracts.

Real estate purchase obligations (R\$ '000)	3/31/2021	12/31/2021	Δ %
Land development	49,888	43,115	15.7%
Land not development	32,341	42,088	-23.2%
Total	82,229	85,203	-3.5%

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Debt

We are constantly assessing great opportunities in the financial market looking forward to enhance liquidity and adjust our capital structure in order to support the Company's growth. In March 2021, the Company approved the first emission of private debentures that leads to the emission for Real Estate Investment Certificates in a total amount of R\$ 100 million, which 50% were already liquidated in the same month leading to a cost reduction and a lengthening of the Company's corporate debt.

Approximately 41% of our liabilities is associated to our projects under financing, yet we still have a volume of financing to be disbursed of R\$ 247 million which together with our accounts receivables of units already sold, we feel great comfort in order to support our operations growth for the next years.

Net Debt (R\$ '000)	3/31/2021	12/31/2021	Δ %
(+) Loans and Financing	178,503	133,886	33.3%
(-) Cash and Cash Equivalent	190,336	119,256	59.6%
(=) Net Debt	(11,833)	14,630	-180.9%
(=) Equity	409,634	372,315	10.0%
Net Debt/ Equity	-2.9%	3.9%	-6.8p.p.

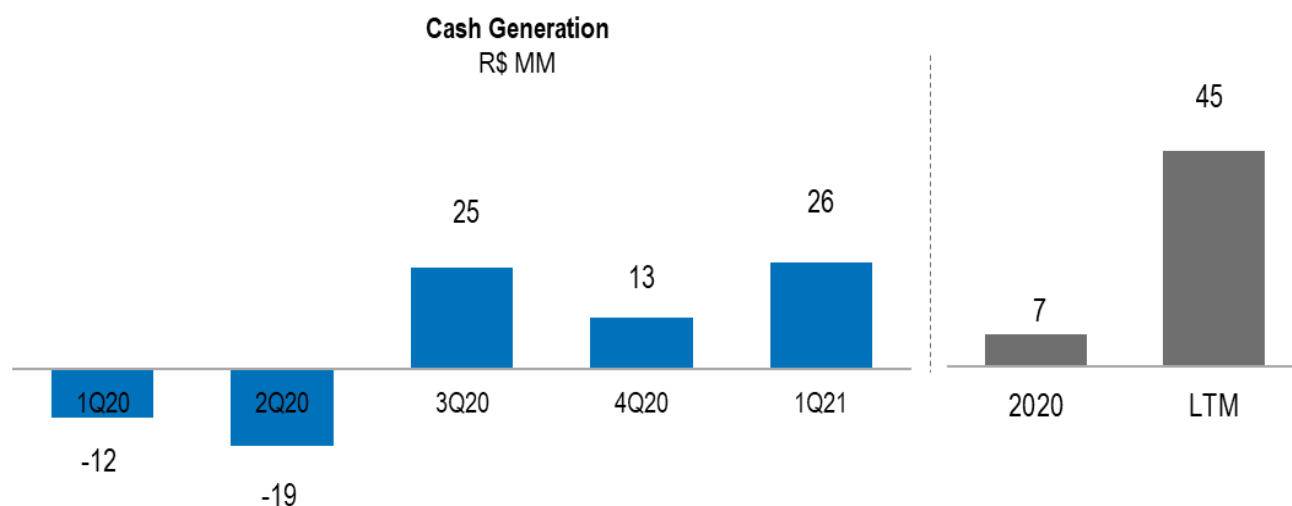
Due to the low leverage – the Company presents a net cash flow by the end of the quarter. It is still aware when it comes to market opportunities in all segments in the regions where it operates, recomposing its landbank in order to keep the growth level in the upcoming years. Our financial discipline, efficient capital allocation and focus on profitability will continue to be the main pillars in conducting our business.

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Cash Burn

For the third quarter and fourth year consecutives, the Company generated cash due to the increase in the flow of collections, especially in the high-income segment, in an even shorter term and aligned to the flow of projects in progress.



1Q21 Earnings Release



Appendices

Consolidated Income Statement

Income Statement (R\$ '000)	1Q21	1Q20	Δ %
Net operating Revenue	177,143	74,012	139.3%
Cost of properties sold	(109,355)	(41,746)	162.0%
Gross profit	67,788	32,266	110.1%
Gross profit margin	38.27%	43.60%	-5.33 p.p.
Operating income (expenses)	(18,951)	(17,351)	9%
General and administrative expenses	(10,422)	(7,720)	35%
Selling expenses	(9,227)	(6,291)	47%
Other operating income (expenses), net	698	(3,340)	-121%
Operating profit (loss)	48,837	14,915	227%
Finance income	4,136	3,933	5%
Finance costs	(1,364)	(3,161)	-57%
Finance income (costs), net	2,772	772	259%
Equity in the results of investees	(7,120)	2,056	-446%
Profit (loss) before income tax and social contribution	44,489	17,743	151%
Income tax and social contribution	(4,067)	(1,343)	203%
Profit (loss) for the period	40,422	16,400	146%
Net Profit Margin	22.82%	22.16%	0.66 p.p.
Attributable to:			
Owners of the company:	20,713	8,144	154%
Non-controlling interests	19,709	8,256	139%

1Q21 Earnings Release

Balance Sheet



Assets (R\$ '000)	3/31/2021	12/31/2021	Δ %
Current assets			
Cash and cash equivalents	190,336	119,256	59.6%
Accounts receivable	159,098	142,038	12.0%
Properties for sale	345,560	328,108	5.3%
Taxes recoverable	6,082	5,487	10.8%
Prepaid expenses	16,260	16,186	0.5%
Other receivables	16,367	13,642	20.0%
Total current assets	733,703	624,717	17.4%
Non-current assets			
Financial investments	2,259	2,250	0.4%
Accounts receivable	131,358	97,985	34.1%
Properties for sale	15,226	14,845	2.6%
Judicial deposits	1,495	1,529	-2.2%
Related parties	12,363	6,686	84.9%
Long-term receivables	162,701	123,295	32.0%
Investments	44,275	47,117	-6.0%
Property and equipment	26,480	19,771	33.9%
Intangible assets	9,716	10,417	-6.7%
Total non-current assets	243,172	200,600	21.2%
Total assets	976,875	825,317	18.4%

Liabilities and Equity (R\$ '000)	3/31/2021	12/31/2021	Δ %
Current liabilities			
Loans and financing	68,635	49,686	38.1%
Leases	2,294	1,486	54.4%
Trade payables	33,524	27,373	22.5%
Salaries and social charges	6,042	4,283	41.1%
Tax liabilities	19,394	15,742	23.2%
Real estate purchase obligations	55,560	54,965	1.1%
Dividends payable	6,854	8,235	-16.8%
Advances from customers	203,461	151,075	34.7%
Provision for canceled sales	-	-	n/a
Other payables	2,911	4,088	-28.8%
Total current liabilities	398,675	316,933	25.8%
Non-current liabilities			
Loans and financing	109,868	84,200	30.5%
Leases	4,048	2,383	69.9%
Real estate purchase obligations	26,669	30,238	-11.8%
Advances from customers	-	44	-100.0%
Provision for contingencies	4,343	5,588	-22.3%
Provision for real estate maintenance	9,317	8,762	6.3%
Related parties	9,610	2,489	286.1%
Provision for net capital deficiency	4,711	2,365	99.2%
Total non-current liabilities	168,566	136,069	23.9%
Equity			
Capital	269,172	269,172	0.0%
Capital Reserve	259	259	0.0%
Revenue Reserves			
Retained earnings	20,713	25,697	-19.4%
	315,841	295,128	7.0%
Non-controlling interests	93,793	77,187	21.5%
Total equity	409,634	372,315	10.0%
Total liabilities and equity	976,875	825,317	18.4%

1Q21 Earnings Release



Cash Flow Statement

Cash Flows (R\$ '000)	3/31/2021	12/31/2021	Δ %
Cash flows from operating activities			
Profit for the year	40,422	16,400	146.5%
Adjustments to reconcile profit with cash flows from operating activities			
Depreciation and amortization	2,557	1,848	38.4%
Present value adjustment of receivables	(2,027)	(2,802)	-27.7%
Equity in the results of investees	7,120	(2,056)	-446.3%
Provision for real estate maintenance	861	475	81.3%
Provision for labor, civil, and tax contingencies	593	1,333	-55.5%
Provision for losses on subsidiaries	-	704	-100.0%
Provision for interest on loans and financing	2,690	741	263.0%
Income tax and social contribution	4,067	1,343	202.8%
	56,283	17,986	212.9%
Changes in working capital			
Increase (decrease) in assets and liabilities			
Accounts receivable	(48,406)	(14,518)	233.4%
Properties for sale	(17,833)	(4,480)	298.1%
Taxes recoverable	(595)	(171)	248.0%
Other assets	(2,765)	(5,783)	-52.2%
Trade payables	6,151	(7,195)	-185.5%
Salaries and social charges	1,759	2,703	-34.9%
Tax liabilities	1,921	(1,521)	-226.3%
Real estate purchase obligations	(2,974)	(4,674)	-36.4%
Advances from customers	52,342	4,756	1000.5%
Other liabilities	4,194	619	577.5%
Amounts paid for civil, labor and tax contingencies	(1,838)	(1,397)	31.6%
	(8,044)	(31,661)	-74.6%
Interest paid	(2,616)	-	n/a
Income tax and social contribution paid	(2,336)	-	n/a
Net cash provided by (used in) operating activities	43,287	(13,675)	-416.5%
Cash flows from investing activities			
Changes in restricted financial investments	(9)	(20)	-55.0%
Capital contribution in investees	-	2,395	-100.0%
Advances to related parties	1,444	11,486	-87.4%
Contributions to investments	(1,932)	-	n/a
Purchases of property and equipment and intangible assets	(11,800)	(1,301)	807.0%
Net cash used in investing activities	(12,297)	12,560	-197.9%
Cash flows from financing activities			
New loans and financing	68,004	40,101	69.6%
Repayment of loans and financing - principal	(23,462)	(12,832)	82.8%
Dividends paid	(1,350)	-	n/a
Distributions to non-controlling interests, net	(3,102)	(5,273)	-41.2%
Net cash provided by (used in) financing activities	40,090	21,996	82.3%
Net increase in cash and cash equivalents	71,080	20,881	240.4%
Cash changes			
Cash and cash equivalents at the beginning of the year	119,256	50,234	137.4%
Cash and cash equivalents at the end of the year	190,336	71,115	167.6%
Increase in cash and cash equivalents	71,080	20,881	240.4%

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Glossary

Landbank 100% - total value of the potential PSV of all land held by the Company or in which the Company has a stake;

Landbank % Patrimar – the total value of the potential PSV of the land held by the Company or that the Company has a stake, excluding the exchanged units and the participation of partners, that is, the net value belonging to the Company of the potential PSV of the land;

Launches 100% - total PSV of the launched projects, at launch list prices, considering any exchanged units and participation of partners in the projects;

Launches % Patrimar – refers to the total PSV of launched projects, at launch list prices, disregarding exchanged units and partner participation, that is, only the percentage of the 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. The exchanged units are disregarded from the contracted sales value. Contracted sales 100% refer to all units sold in the period (except exchanged units) and contracted sales % Patrimar refers to the percentage of the Company's participation in these sales, disregarding the participation of partners;

Net Contracted Sales - Contracted Sales less the value of canceled contracts in the period;

VSO - Sales over Offer;

Gross VSO - Gross Sales / (Initial Inventory for the period + Launches for the Period);

Net VSO - Net Sales / (Initial Inventory for the period + Launches for the Period);

PSV - Potential Sales Volume;

Percentage of Completion ("PoC") – Under IFRS, revenues, costs and expenses related to real estate projects are appropriated based on the accounting method

of the cost incurred ("PoC"), by measuring the progress of the work by the actual costs incurred versus the total budgeted expenses for each stage of the project;

EBITDA (Earnings Before Interests, Taxes, Depreciation and Amortization) - Net Income before financial result, income tax and social contribution, and depreciation expenses;

Adjusted EBITDA: it is not a measure of financial performance under Accounting Practices Adopted in Brazil, nor should it be considered in isolation, or as an alternative to net income, as a measure of operating performance, or as an alternative to operating cash flows, or as a measure of liquidity. Adjusted EBITDA serves as an indicator of our general economic performance, which is not affected by fluctuations in interest rates, changes in the tax burden of Income Tax and Social Contribution or levels of depreciation and amortization;

ROE - Return On Equity. ROE is defined by the quotient between the net income attributable to the majority shareholders of each annualized period and the average value of equity;

ROE LTM - Return On Equity. ROE is defined by the quotient between the net income attributable to the majority shareholders of each annualized period and the average value of equity of the last twelve months;

Cash Burn – Generation (or consumption) of cash measured by the variation of net debt, disregarding increases of capital, re-buy of shares held in treasury and dividends paid, if any;

Portfolio - represented by credits receivable relative to sale of residential properties concluded or still to be concluded;

Construction obligation – Cost of construction 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, Landbank, 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. According to CVM Directive 381/03, we hereby inform our independent auditors - PricewaterhouseCoopers ("PWC") - have provided, in the 3 months of 2021, services other than those relative to external audit and other previously agreed services relative to the Initial Public Offer operation (IPO). In PWC's case, considering that the services and procedures were agreed beforehand, according to the contracting letter, were different and did not mix with the object and procedures of an audit or review of the Company's financial statements, according to the audit/review standards applicable in Brazil, PWC understands that the provision of previously agreed services does not impact the independence and objectivity necessary for performing external audit services.