

(A free translation of the original in Portuguese)

Patrimar Engenharia S.A.
Quarterly Information (ITR) at
June 30, 2020
and report on review of
quarterly information



(A free translation of the original in Portuguese)

Report on review of quarterly information

To the Board of Directors and Stockholders
Patrimar Engenharia S.A.

Introduction

We have reviewed the accompanying parent company and consolidated interim accounting information of Patrimar Engenharia S.A. ("Parent company" or "Company"), included in the Quarterly Information Form (ITR) for the quarter ended June 30, 2020, comprising the balance sheet at that date and the statements of operations and comprehensive income (loss) for the quarter and six-month period then ended, and the statements of changes in equity and cash flows for the six-month period then ended, as well as a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of the parent company and consolidated interim accounting information in accordance with the accounting standard CPC 21, Interim Financial Reporting, issued by the Brazilian Accounting Pronouncements Committee (CPC), and the International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), including Circular Letter CVM/SNC/SEP No. 02/2018, related to application of Guidance OCPC 04, as well as the presentation of this information in accordance with the standards issued by the Brazilian Securities Commission (CVM), applicable to the preparation of the Quarterly Information (ITR). Our responsibility is to express a conclusion on this interim accounting information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and International Standards on Reviews of Interim Financial Information (NBC TR 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Brazilian and International Standards on Auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the interim information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying parent company and consolidated interim accounting information included in the quarterly information referred to above has not been prepared, in all material respects, in accordance with CPC 21 and IAS 34 applicable to the preparation of the Quarterly Information, including Circular Letter CVM/SNC/SEP No. 02/2018, related to application of Guidance OCPC 04, and presented in accordance with the standards issued by the CVM.



Patrimar Engenharia S.A.

Emphasis of matter

As described in Note 2, the accompanying parent company and consolidated interim accounting information included in the Quarterly Information was prepared in accordance with CPC 21 and IAS 34, applicable to Brazilian real estate development entities registered with the CVM. Accordingly, the accounting policies adopted by the Company to recognize revenue from incomplete real estate units under construction, with regards to determining the timing of transfer of control, follow the guidance in CVM's Circular Letter CVM/SNC/SEP/ No. 02/2018 when applying CPC 47 (IFRS 15) and Technical Guidance OCPC 04. Our conclusion is not qualified in respect of this matter.

Other matters

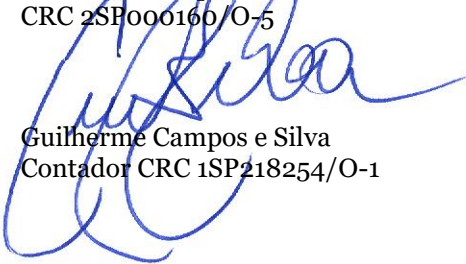
Statements of value added

The Quarterly Information referred to above include the parent company and consolidated statements of value added for the six-month period June 30, 2020. These statements are the responsibility of the Company's management, and are presented as supplementary information for IAS 34 purposes. These statements have been subjected to review procedures performed together with the review of the quarterly information for the purpose of concluding whether they are reconciled with the interim accounting information and accounting records, as applicable, and if its form and content are in accordance with the criteria defined in the accounting standard CPC 09 - "Statement of Value Added". Based on our review, nothing has come to our attention that causes us to believe that these statements of value added have not been properly prepared, in all material respects, in accordance with the criteria defined in this accounting standard, and in a consistent manner in relation to the parent company and consolidated interim accounting information taken as a whole.

Belo Horizonte, August 5, 2020



PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5



Guilherme Campos e Silva
Contador CRC 1SP218254/O-1

Patrimar Engenharia S.A.

Balance sheet

All amounts in thousands of reais

(A free translation of the original in Portuguese)

		Parent company		Consolidated	
	Note	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Assets					
Current assets					
Cash and cash equivalents	5	7,895	11,082	41,351	50,234
Trade receivables	6	25,053	19,812	143,170	97,389
Properties for sale	7	47,608	60,293	271,466	266,193
Taxes recoverable		1,578	1,733	5,799	5,430
Prepaid expenses		4,589	526	10,831	6,373
Other receivables		720	-	9,094	6,295
Total current assets		87,443	93,446	481,711	431,914
Non-current assets					
Long-term receivables					
Restricted financial investments	5	2,226	2,191	2,226	2,191
Trade receivables	6	11,872	7,735	37,446	36,287
Properties for sale	7	10,431	4,544	18,480	10,969
Judicial deposits	17	284	284	2,634	2,592
Related parties	8	19,556	14,401	23,490	27,537
		44,369	29,155	84,276	79,576
Investments	9	239,757	231,618	49,700	47,616
Property and equipment	10	9,478	9,851	21,405	20,337
Intangible assets	11	11,465	12,747	13,628	15,429
Total non-current assets		305,069	283,371	169,009	162,958
Total assets		392,512	376,817	650,720	594,872

Patrimar Engenharia S.A.

Balance sheet

All amounts in thousands of reais

(continued)

		Parent company		Consolidated	
		6/30/2020	12/31/2019	6/30/2020	12/31/2019
Note					
Liabilities and equity					
Current liabilities					
Borrowings	12	36,719	23,424	48,341	38,715
Trade payables	13	2,343	6,903	25,969	29,623
Salaries and social charges		2,201	1,040	4,192	1,628
Tax liabilities	14	2,146	2,048	10,693	8,166
Real estate purchase obligations	15	863	1,976	41,961	46,799
Profit distributions payable		80	38	80	38
Advances from customers	16	25,794	25,214	91,067	85,397
Provision for canceled sales		302	-	813	726
Other payables		134	573	4,923	5,534
Total current liabilities		70,582	61,216	228,039	216,626
Non-current liabilities					
Borrowings	12	27,053	27,304	40,351	32,014
Real estate purchase obligations	15	-	-	5,204	6,580
Advances from customers	16	71	-	65	-
Provision for contingencies	17	1,430	1,451	9,662	6,992
Provision for real estate maintenance	18	1,569	1,566	7,842	7,701
Related parties	8	9,019	19,441	17,235	9,539
Provision for net capital deficiency	9	1,452	1,279	2,042	3,056
Total non-current liabilities		40,594	51,041	82,401	65,882
Total liabilities		111,176	112,257	310,440	282,508
Equity					
Capital	19	281,602	281,602	281,602	281,602
Capital reserves		259	259	259	259
Accumulated deficit		(525)	(17,301)	(525)	(17,301)
		281,336	264,560	281,336	264,560
Non-controlling interests		-	-	58,944	47,804
Total equity		281,336	264,560	340,280	312,364
Total liabilities and equity		392,512	376,817	650,720	594,872

The accompanying notes are an integral part of this quarterly information.

Patrimar Engenharia S.A.

Statement of operations

Quarter and six-month period ended June 30

All amounts in thousands of reais unless otherwise stated

(A free translation of the original in Portuguese)

		Parent company			
	Note	4/1/2020 to 6/30/2020	1/1/2020 to 6/30/2020	4/1/2019 to 6/30/2019	1/1/2019 to 6/30/2019
Net operating revenue	21	19,058	32,926	15,616	18,883
Cost of properties sold	22	(11,569)	(20,380)	(12,331)	(16,456)
Gross profit		7,489	12,546	3,285	2,427
Operating income (expenses)					
General and administrative expenses	22	(4,732)	(10,448)	(3,843)	(9,938)
Selling expenses	22	(810)	(1,420)	(1,627)	(3,095)
Equity in the results of investees	9	7,642	18,709	7,996	8,801
Other operating income (expenses), net	22	(2)	(839)	474	915
Operating profit (loss)		9,587	18,548	6,285	(890)
Finance income	24	905	3,545	915	1,392
Finance costs	24	(1,525)	(4,687)	(909)	(1,759)
Finance income (costs), net		(620)	(1,142)	6	(367)
Profit (loss) before income tax and social contribution		8,967	17,406	6,291	(1,257)
Income tax and social contribution	25	(335)	(630)	(273)	(333)
Profit (loss) for the period		8,632	16,776	6,018	(1,590)
Basic earnings per share - R\$	20	0.000309	0.000600		
Diluted earnings per share - R\$	20	0.000309	0.000600		

Patrimar Engenharia S.A.

Statement of operations

Quarter and six-month period ended June 30

All amounts in thousands of reais unless otherwise stated

(A free translation of the original in Portuguese)

		Consolidated			
	Note	4/1/2020 to 6/30/2020	1/1/2020 to 6/30/2020	4/1/2019 to 6/30/2019	1/1/2019 to 6/30/2019
Net operating revenue	21	81,219	155,231	58,706	75,407
Cost of properties sold	22	(48,642)	(90,388)	(40,321)	(54,120)
Gross profit		32,577	64,843	18,385	21,287
Operating income (expenses)					
General and administrative expenses	22	(6,443)	(14,163)	(3,836)	(10,472)
Selling expenses	22	(5,175)	(11,466)	(4,241)	(7,556)
Other operating income (expenses), net	22	(2,930)	(6,270)	(230)	(1,162)
Operating profit		18,029	32,944	10,078	2,097
Finance income	24	1,878	5,811	2,014	3,008
Finance costs	24	(1,817)	(4,978)	(1,051)	(2,074)
Finance income (costs), net		61	833	963	934
Equity in the results of investees	9	(212)	1,844	1,340	2,579
Profit before income tax and social contribution		17,878	35,621	12,381	5,610
Income tax and social contribution	25	(2,100)	(3,443)	(1,180)	(1,657)
Profit for the period		15,778	32,178	11,201	3,953
Attributable to:					
Owners of the Company		8,632	16,776	6,018	(1,590)
Non-controlling interests		7,146	15,402	5,183	5,543
		15,778	32,178	11,201	3,953
Basic earnings per share - R\$	20	0.000309	0.000600		
Diluted earnings per share - R\$	20	0.000309	0.000600		

The accompanying notes are an integral part of this quarterly information.

Patrimar Engenharia S.A.

Statement of comprehensive income

Quarter and six-month period ended June 30

All amounts in thousands of reais

(A free translation of the original in Portuguese)

		Three-month period ended June 30			
		Parent company		Consolidated	
		2020	2019	2020	2019
Profit for the period		8,632	6,018	15,778	11,201
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		8,632	6,018	15,778	11,201
Attributable to:					
Owners of the Company				8,632	6,018
Non-controlling interests				7,146	5,183
				15,778	11,201

		Six-month period ended June 30			
		Parent company		Consolidated	
		2020	2019	2020	2019
Profit (loss) for the period		16,776	(1,590)	32,178	3,953
Other comprehensive income		-	-	-	-
Total comprehensive income (loss) for the period		16,776	(1,590)	32,178	3,953
Attributable to:					
Owners of the Company				16,776	(1,590)
Non-controlling interests				15,402	5,543
				32,178	3,953

The accompanying notes are an integral part of this quarterly information.

Patrimar Engenharia S.A.

Statement of changes in equity

Six-month period ended June 30

All amounts in thousands of reais

(A free translation of the original in Portuguese)

	<u>Capital</u>	<u>Capital reserve</u>	<u>Retained earnings (accumulated deficit)</u>	<u>Equity</u>	<u>Non- controlling interests</u>	<u>Total equity</u>
At December 31, 2018	<u>179,032</u>	<u>259</u>	<u>(15,379)</u>	<u>163,912</u>	<u>46,872</u>	<u>210,784</u>
Changes in contributions to subsidiaries	-	-			(8,407)	(8,407)
Distributed profits	-	-	(300)	(300)	-	(300)
Profit (loss) for the period	<u>-</u>	<u>-</u>	<u>(1,590)</u>	<u>(1,590)</u>	<u>5,543</u>	<u>3,953</u>
At June 30, 2019	<u>179,032</u>	<u>259</u>	<u>(17,269)</u>	<u>162,022</u>	<u>44,008</u>	<u>206,030</u>
At December 31, 2019	<u>281,602</u>	<u>259</u>	<u>(17,301)</u>	<u>264,560</u>	<u>47,804</u>	<u>312,364</u>
Changes in contributions to subsidiaries	-	-		-	(4,262)	(4,262)
Profit for the period	<u>-</u>	<u>-</u>	<u>16,776</u>	<u>16,776</u>	<u>15,402</u>	<u>32,178</u>
At June 30, 2020	<u><u>281,602</u></u>	<u><u>259</u></u>	<u><u>(525)</u></u>	<u><u>281,336</u></u>	<u><u>58,944</u></u>	<u><u>340,280</u></u>

The accompanying notes are an integral part of this quarterly information.

Patrimar Engenharia S.A.

Statement of cash flows

Six-month period ended June 30

All amounts in thousands of reais

(A free translation of the original in Portuguese)

	Parent company		Consolidated	
	2020	2019	2020	2019
Cash flows from operating activities				
Profit (loss) for the period	16,776	(1,590)	32,178	3,953
Adjustments for non-cash items				
Depreciation and amortization	2,607	1,955	4,389	2,518
Provision for real estate maintenance	3	-	141	807
Present value adjustment of receivables	(629)	971	(2,877)	1,640
Provision for labor, civil, and tax contingencies	(21)	-	2,670	2,670
Equity in the results of investees	(18,709)	(8,801)	(1,844)	(2,579)
Provision for losses	283	-	(686)	-
Provision for interest on borrowings	1,496	2,466	1,751	3,390
Loss on disposal of property and equipment	-	-	785	-
Income tax and social contribution	630	334	3,443	1,657
	<u>2,436</u>	<u>(4,665)</u>	<u>39,950</u>	<u>14,056</u>
Increase (decrease) in assets and liabilities				
Trade receivables	(9,032)	(8,840)	(43,377)	(24,761)
Properties for sale	7,742	9,318	(11,095)	(12,643)
Taxes recoverable	155	(151)	(369)	(788)
Other assets	(4,785)	1,540	(7,297)	(3,335)
Trade payables	(4,560)	4,952	(3,654)	9,652
Salaries and social charges	1,161	(456)	2,564	(396)
Tax liabilities	(532)	(107)	(916)	(2,197)
Real estate purchase obligations	(1,113)	(637)	(6,214)	2,462
Advances from customers	651	2,158	5,915	35,174
Amounts paid for civil, labor and tax contingencies	-	(18)	-	(2,427)
Other liabilities	(94)	(1,056)	(3,255)	(7,254)
	<u>(10,407)</u>	<u>6,703</u>	<u>(67,698)</u>	<u>(6,513)</u>
Net cash provided by (used in) operating activities	<u>(7,971)</u>	<u>2,038</u>	<u>(27,748)</u>	<u>7,543</u>
Cash flows from investing activities				
Changes in restricted financial investments	(35)	2,082	(35)	2,082
Contributions to (return on) investments	10,744	7,240	1,254	(2,020)
Purchases of property and equipment and intangible assets	(952)	(4,891)	(4,441)	(4,932)
Advances to related parties	(15,577)	(2,466)	11,720	24,071
	<u>(5,820)</u>	<u>1,965</u>	<u>8,498</u>	<u>19,201</u>
Net cash provided by (used in) investing activities	<u>(5,820)</u>	<u>1,965</u>	<u>8,498</u>	<u>19,201</u>
Cash flows from financing activities				
Dividends paid	-	(300)	-	(300)
Capital and unrealized revenue reserve of non-controlling interests	-	-	-	-
Distributions to non-controlling interests, net	-	-	(4,262)	(8,407)
New borrowings	27,852	21,312	45,726	44,786
Repayment of borrowings - principal	(17,248)	(17,159)	(31,097)	(45,201)
	<u>10,604</u>	<u>3,853</u>	<u>10,367</u>	<u>(9,122)</u>
Net cash provided by (used in) financing activities	<u>10,604</u>	<u>3,853</u>	<u>10,367</u>	<u>(9,122)</u>
Increase (decrease) in cash and cash equivalents, net	<u>(3,187)</u>	<u>7,856</u>	<u>(8,883)</u>	<u>17,622</u>
Changes in cash				
Cash and cash equivalents at the beginning of the period	11,082	2,699	50,234	19,761
Cash and cash equivalents at the end of the period	<u>7,895</u>	<u>10,555</u>	<u>41,351</u>	<u>37,383</u>
	<u>(3,187)</u>	<u>7,856</u>	<u>(8,883)</u>	<u>17,622</u>

The accompanying notes are an integral part of this quarterly information.

Patrimar Engenharia S.A.

Statement of value added

Six-month period ended June 30

All amounts in thousands of reais

(A free translation of the original in Portuguese)

	Parent company		Consolidated	
	2020	2019	2020	2019
Revenue:				
Revenue from sales and services	34,515	19,236	159,336	76,956
Provision for estimated impairment of trade receivables	(665)	-	(253)	-
	33,850	19,236	159,083	76,956
Inputs acquired from third parties:				
Cost of properties sold	(20,380)	(16,456)	(90,388)	(54,120)
Electricity, third-party services and other expenses	(3,302)	(3,321)	(17,530)	(8,906)
	(23,682)	(19,777)	(107,918)	(63,026)
Gross value added	10,168	(541)	51,165	13,930
Retentions:				
Depreciation and amortization	(2,607)	(1,955)	(4,389)	(2,518)
Net value added generated by the entity	7,561	(2,496)	46,776	11,412
Value added received through transfers:				
Equity in the results of investees	18,709	8,801	1,844	2,579
Finance income	3,545	1,392	5,811	3,008
	22,254	10,193	7,655	5,587
Total value added for distribution	29,815	7,697	54,431	16,999
Distribution of value added:				
Personnel				
Direct compensation	6,168	6,173	8,884	6,229
	6,168	6,173	8,884	6,229
Taxes and contributions				
Federal	1,571	731	7,315	3,290
Municipal	268	279	639	635
	1,839	1,010	7,954	3,925
Remuneration of third-party capital:				
Finance costs	4,687	1,759	4,978	2,074
Lease expenses	345	345	437	818
	5,032	2,104	5,415	2,892
Remuneration of own capital:				
Dividends	-	-	-	-
Profit (loss) for the period	16,776	(1,590)	16,776	(1,590)
Non-controlling interests - retained earnings	-	-	15,402	5,543
	16,776	(1,590)	32,178	3,953
Value added distributed	29,815	7,697	54,431	16,999

The accompanying notes are an integral part of this quarterly information.

(A free translation of the original in Portuguese)

Patrimar Engenharia S.A.

Notes to the quarterly information

at June 30, 2020

All amounts in thousands of reais unless otherwise stated

1 Operations

1.1. General information

Patrimar Engenharia S.A. ("Patrimar" or the "Company") is a privately-held corporation. The Company is headquartered in the city of Belo Horizonte, state of Minas Gerais, Brazil, at Rodovia Stael Mary Bicalho Motta Magalhães, 521, 17th floor, Belvedere District.

Patrimar is a real estate development and construction company with a focus on residential developments. It was founded in 1968, and it primarily operates in Belo Horizonte, Rio de Janeiro and São Paulo. In 2000, Construtora Novolar Ltda. (Novolar), a wholly-owned subsidiary of Patrimar since October 1, 2019, was formed to serve the middle class and currently it operates in the development, construction and sale of real estate developments in Minas Gerais, Rio de Janeiro and São Paulo.

The Company and its subsidiary Novolar perform development and construction activities through Special Partnerships (SCPs) and Special-Purpose Entities (SPEs) forming partnerships to permit the individual monitoring of the projects, facilitate production funding and improve the financial and accounting control of the projects.

The Company and its subsidiaries are jointly referred to as the "Group". The SCPs and SPEs operate exclusively in the real estate sector and, in most cases, are associated with a specific venture.

1.2. Impacts of COVID-19

On March 2, 2020, the World Health Organization (WHO) declared the novel Coronavirus (COVID-19) a pandemic. This contagion has affected Brazil and countries worldwide, posing risks to public health and impacting the global economy.

The Company has been taking risk prevention and mitigation measures, in line with the guidelines provided by national and international health authorities, minimizing possible impacts on the health and safety of employees, their families, partners and communities, as well as on the continuity of its operations and business. A series of analyses on the impact of COVID-19 have been prepared which included:

(a) Analysis of estimated impairment of trade receivables

Management analyzed the potential risk of default on trade receivables by contacting individual customers and, based on credit analyses and quality of real guarantees, evaluated the need for renegotiations to lengthen payment terms, as well as intensifying collections.

Patrimar Engenharia S.A.

Notes to the quarterly information at June 30, 2020

All amounts in thousands of reais unless otherwise stated

(b) Review of the assumptions used to measure financial instruments

As the Group's business model for managing financial assets and the nature of the contractual cash flow of the financial asset remained unchanged, there was no need to review the measurement assumptions.

(c) Analysis of compliance with obligations assumed with customers and suppliers

A review of the main supplier and customer contracts concluded that the contractual obligations are being fulfilled, and there is no evidence of insolvency or contract interruptions.

(d) Analysis of performance of contractual obligations - covenants

The Group has no contracts subject to covenants.

(e) Analysis of the Group's liquidity

Several initiatives were made to preserve cash including a review of strategic investment priorities for 2020, rationalization of operating expenses, reduction of working hours and salaries for selected employees, in addition to measures, consistent with the Company's operations, for an organizational restructuring, reduction of consulting expenses and strategic planning review.

These analyses did not identify significant adjustments required to the interim accounting information in the quarterly information for the period ended June 30, 2020.

2 Presentation of the quarterly information and summary of significant accounting policies

2.1. Presentation of the quarterly information

The Group's quarterly information comprises:

The parent company and consolidated condensed interim accounting information included in the Quarterly Information Form (ITR) for the quarter ended March 31, 2020, has been prepared and is being presented in accordance with CPC 21 (R1) - Interim Financial Reporting, issued by the Brazilian Accounting Pronouncements Committee (CPC), and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), consistent with the standards issued by the Brazilian Securities Commission (CVM) applicable to the preparation of quarterly information, and disclose all relevant parent company and consolidated quarterly information, consistent with that utilized by management in the performance of its duties.

Aspects related to the transfer of ownership for recognition of revenue upon sale of real estate properties are consistent with the guidance issued by the CVM in Circular Letter CVM/SNC/SEP/No. 02/2018 for adoption of Technical Pronouncement CPC 47 (IFRS 15) in conformity with CVM rules applicable to the preparation of quarterly information.

Patrimar Engenharia S.A.

Notes to the quarterly information at June 30, 2020

All amounts in thousands of reais unless otherwise stated

The condensed interim accounting information included in the Quarterly Information Form (ITR) has been prepared under the historical cost convention and, for certain financial assets and liabilities, measured at fair value.

The accounting practices adopted by the subsidiaries are consistent with those of the Company. Where applicable, all intercompany transactions, balances, revenue and expenses are eliminated in the condensed interim accounting information.

In the preparation of this condensed interim financial information included in the Quarterly Information Form (ITR), the principles, estimates, accounting practices, measurement methods, and standards are consistent with those presented in the financial statements at December 31, 2019, except when otherwise disclosed. This interim accounting information for the six-month period ended June 30, 2020, should be read together with the Group's financial statements for the year ended December 31, 2019.

As there were no material changes in the composition and nature of the balances compared to the financial statements for the year ended December 31, 2019, the following Notes are presented in a condensed format.

Note

2	Presentation of the quarterly information and summary of significant accounting policies
9	Investments
10	Property and equipment
11	Intangible assets
19	Equity

Novolar was a related company to Patrimar up to September 30, 2019 (Note 1) and on October 1, 2019 became a wholly-owned subsidiary of Patrimar by virtue of the merger of its parent company RPMV Participações Ltda. (Note 19). Therefore, the statements of operations and comprehensive income at June 30, 2019 did not include the results of this subsidiary.

The presentation of the parent company and consolidated statements of value added is required by the Brazilian corporate legislation and the accounting practices adopted in Brazil for listed companies. These statements is not required by IFRS for which presentation in considered as supplementary information.

The condensed interim accounting information in the Group's Quarterly Information Form (ITR) for the quarter and six-month period ended June 30, 2020 was approved by the Board of Directors at a meeting held on August 5, 2020.

2.2. New accounting pronouncements

In the six-month period ended June 30, 2020, no new standards, amendments to or interpretations of existing standards were issued.

Patrimar Engenharia S.A.

Notes to the quarterly information at June 30, 2020

All amounts in thousands of reais unless otherwise stated

3 Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. The Group's risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

Risk management is carried out by a central treasury department (Group Treasury) under policies approved by senior management. These policies are established to identify and analyze the risks to which the Group is exposed, define the risk limits and proper controls, and monitor risks and adherence to defined limits.

Risk management policies and systems are regularly reviewed to reflect changes in market conditions and the Group's activities. The Group, through its training and management rules and procedures, seeks to maintain an environment of discipline and control in which all employees are aware of their duties and obligations.

(a) Credit risk

This is the risk that the Group may incur losses arising from a customer or a counterparty on a financial instrument, due to their failure to comply with their contractual obligations, as well as on deposits with banks and other financial institutions. Individual risk limits are set based on internal or external ratings in accordance with limits approved by management. The credit analysis department assesses the credit quality of the customer, taking into account its financial position, past experience and other factors.

The carrying value of the financial assets is the maximum exposure to credit risk.

The utilization of credit limits is regularly monitored by Treasury and credit risk is managed on a Group basis. For investments in banks and other financial institutions, only independently rated parties with a minimum rating of "Good" in the rating scale are accepted.

Individual risk limits are set based on internal or external ratings in accordance with limits set by management. These limits are set aiming at minimizing risk concentration and, therefore, mitigating the risk of loss in the event of a potential bankruptcy of a counterparty.

Credit quality of financial assets

The credit quality of financial assets can be assessed by reference to external credit ratings (when available) or to historical information about counterparty default rates.

The Group considers that its cash and cash equivalents have low credit risk based on external credit ratings of the counterparties and the related internal reviews.

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Trade receivables

	Parent company		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Completed units (Note 6)				
With real guarantee	18,243	13,404	77,911	64,201
Without real guarantee	8,985	-	12,463	5,714
	27,228	13,404	90,374	69,915
Units under construction (Note 6)				
With real guarantee	14,212	18,021	109,108	88,116
	41,440	31,425	199,482	158,031

No credit limits were exceeded during the reporting period, and management does not expect any losses from non-performance by the counterparties above amounts already provisioned.

(b) Liquidity risk

Liquidity risk is the risk that the Group will have difficulty in complying with its obligations associated with its financial liabilities that are settled in cash or other financial assets. The Group's approach to managing liquidity is to ensure and maximize management so that it will always have sufficient liquidity to comply with its obligations as they fall due, under normal or stress conditions, without incurring unacceptable losses or adversely affecting the Group's reputation.

The cash flow projections are made by the Group's Treasury department, which monitors the continuous forecasts of the liquidity requirements to ensure that it has sufficient cash to settle the financial liabilities for the following 30 days.

The expected cash flows of financial liabilities based on the approximate date of settlement of the related obligations are as follows:

	Less than one year	Between one and two years	Between two and three years	Over three years	Total
At June 30, 2020					
Borrowings (Note 12)	48,341	19,871	15,829	4,651	88,692
Trade payables (Note 13)	25,969	-	-	-	25,969
Real estate purchase obligations (Note 15)	41,961	5,204	-	-	47,165
	Less than one year	Between one and two years	Between two and three years	Over three years	Total
At December 31, 2019					
Borrowings (Note 12)	38,715	12,997	12,188	6,829	70,729
Trade payables (Note 13)	29,623	-	-	-	29,623
Real estate purchase obligations (Note 15)	46,799	6,580	-	-	53,379

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The Group has financial assets (mostly cash, cash equivalents, and trade receivables for real estate development) sufficient to honor the commitments arising from its operating activities.

(c) Market risk

The Group is mainly engaged in the development, construction and sale of real estate ventures. In addition to the risks that generally affect the real estate market, such as supply interruptions and volatility in the price of construction materials and equipment, changes in the supply and demand for real estate developments in certain regions, strikes and environmental and zoning regulations, the activities of the Group are specifically affected by the following risks:

(i) Interest rate and foreign exchange risk exposure

The Group analyzes its interest rate exposure on a continuous basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions and alternative financing to calculate the impact on income of a defined interest rate shift.

The Group has financial investments earning interest indexed to the Interbank Deposit Certificate (CDI) rate, and borrowings from third parties bearing interest linked to the CDI rate and the Reference Rate (TR).

The Group's borrowing denominated in U.S. dollars includes, in the same contract, a swap that exchanges the foreign currency for the local currency at a fixed interest rate of 7.8% p.a. Accordingly, the Group is not exposed to the foreign exchange rate volatility.

The balances of financial investments are exposed to the fluctuations in interest rates, more specifically, the CDI rate. At June 31, 2020, the Group's management carried out a sensitivity analysis for a 12-month scenario, as required by CVM Instruction 475 of December 17, 2008, which did not necessarily reflect management's expectations.

The Group considered a fluctuation of 25% and 50% in the balances, reducing financial assets and increasing financial liabilities:

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Indicators	Index	Rate	6/30/2020	Parent company			6/30/2020	Consolidated		
				Scenario I Probable	Scenario II (25%)	Scenario III (50%)		Scenario I Probable	Scenario II (25%)	Scenario III (50%)
Assets										
Financial investments	CDI	3.15%	8,585	270	203	135	29,125	916	687	458
Liabilities										
Swap	CDI	3.15%	(32,646)	(1,027)	(770)	(513)	(36,701)	(1,155)	(866)	(577)

Indicators	Index	Quota- tion	6/30/2020	Parent company			6/30/2020	Consolidated		
				Scenario I Probable	Scenario II (25%)	Scenario III (50%)		Scenario I Probable	Scenario II (25%)	Scenario III (50%)
Assets										
Swap	US\$	5.75	1,608	9,247	11,559	13,871	1,608	9,247	11,559	13,871
Liabilities										
Borrowings for working capital (In US dollars - US\$)	US\$	5.75	(1,650)	(9,490)	(11,862)	(14,234)	1,650	(9,490)	(11,862)	(14,234)
Net effect on profit or loss				(243)	(303)	(363)		(243)	(303)	(363)

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All amounts in thousands of reais unless otherwise stated

3.2 Capital management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for stockholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure of the Group, management can make, or may propose to the stockholders when approval is required, adjustments to the amount of profit to be distributed, return capital to stockholders or sell assets to reduce, for example, levels of indebtedness.

In common with others in the sector, the Group monitors its capital on the basis of the gearing ratio, which corresponds to net debt divided by total capitalization. Net debt is calculated as total borrowings (including current and non-current borrowings as shown in the balance sheet) less cash and cash equivalents and financial investments. Total capitalization is calculated as equity as shown in the balance sheet plus net debt.

	Parent company		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Total borrowings (Note 12)	63,772	50,728	88,692	70,729
Less: cash and cash equivalents (Note 5)	(7,895)	(11,082)	(41,351)	(50,234)
Net debt	55,877	39,646	47,341	20,495
Total equity	281,336	264,560	340,280	312,364
Total capitalization	337,213	304,206	387,621	332,859
Gearing ratio - %	17%	13%	12%	6%

3.3 Fair value estimation

Financial assets and liabilities are measured at fair value based on estimated market value based on participant assumptions for assets and liabilities. To increase consistency and comparability, the fair value hierarchy prioritizes the inputs used in measurement considering three major levels, as follows:

- **Level 1. Active market:** Quoted market price - A financial instrument is considered to be quoted in an active market if quoted prices are readily and regularly available from an exchange or organized over-the-counter market, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent regularly occurring market transactions on an arm's length basis.
- **Level 2. No active market:** Valuation techniques - If the market for a financial instrument is not active, fair value is established by using valuation/pricing techniques. These techniques may include reference to the fair value of another instrument that is substantially the same, discounted cash flows and option pricing models. The purpose of the valuation technique is to establish what the transaction price would be on the measurement date in an interest-free exchange motivated by business considerations.

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Notes to the quarterly information at June 30, 2020

All amounts in thousands of reais unless otherwise stated

- **Level 3. No active market:** Equity instruments - Fair value of investments in equity instruments that do not have market prices quoted in an active market and of derivatives that are linked to them and that must be settled by the delivery of unquoted equity instruments.

The Group's financial assets, which are all measured at fair value through profit or loss, are comprised of derivative financial instruments (swap, as disclosed in Note 12), classified in Level 2.

The fair value of financial instruments that are not traded in an active market (such as over-the-counter derivatives) is determined through the use of valuation techniques. If all significant inputs required to determine the fair value of an asset or liability are observable, the asset or liability is included in Level 2.

The Group does not have financial assets classified in Levels 1 and 3.

4 Financial instruments by nature

	Parent company		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Financial assets				
Measured at amortized cost				
Cash and banks (Note 5)	1,536	1,847	14,452	18,996
Highly liquid financial investments (Note 5)	6,359	9,235	26,899	31,238
Restricted financial investments (Note 5)	2,226	2,191	2,226	2,191
Trade receivables (Note 6)	36,925	27,547	180,616	133,676
Judicial deposits (Note 17)	284	284	2,634	2,592
Related parties (Note 8)	19,556	14,401	23,490	27,537
Measured at fair value				
Derivative financial instrument - Swap (Note 12)	1,453	-	1,453	-
	<u>68,339</u>	<u>55,505</u>	<u>251,770</u>	<u>216,230</u>
Financial liabilities				
Measured at amortized cost				
Borrowings (Note 12)	65,225	50,232	90,145	70,233
Trade payables (Note 13)	2,343	6,903	25,969	29,623
Real estate purchase obligations (Note 15)	863	1,976	47,165	53,379
Related parties (Note 8)	9,019	19,441	17,235	9,539
Measured at fair value				
Derivative financial instrument - Swap (Note 12)	-	496	-	496
	<u>77,450</u>	<u>79,048</u>	<u>180,514</u>	<u>163,270</u>

5 Cash and cash equivalents and financial investments

Cash and cash equivalents

	Parent company		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Cash	29	40	56	68
Banks	1,507	1,807	14,396	18,928
Highly liquid financial investments	6,359	9,235	26,899	31,238
	<u>7,895</u>	<u>11,082</u>	<u>41,351</u>	<u>50,234</u>

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In the period ended June 30, 2020, the yields on financial investments were linked to bank deposits and other short-term highly liquid investments with immaterial risk of change in value, and ranged from 95% to 106% of the CDI rate (from 95% to 106% of the CDI rate at December 31, 2019).

Restricted financial investments

	Parent company		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Restricted financial investments - non-current	2,226	2,191	2,226	2,191
	<u>2,226</u>	<u>2,191</u>	<u>2,226</u>	<u>2,191</u>

The Group's restricted financial investments in Bank Deposit Certificates (CDB), redeemable in periods over one year, are collateral for the borrowing obtained for the purchase of land. The yields on these investments are linked to and correspond to 108% of the CDI rate (2019: 108% of the CDI rate).

6 Trade receivables

	Parent company		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
<u>Trade receivables from real estate developments</u>				
Completed units	27,228	13,404	90,374	69,915
Units under construction	<u>14,212</u>	<u>18,021</u>	<u>109,108</u>	<u>88,116</u>
	41,440	31,425	199,482	158,031
Provision for canceled sales	(983)	-	(5,902)	(7,828)
Provision for estimated impairment of trade receivables	(2,444)	(2,161)	(3,039)	(3,725)
Adjustments to present value	<u>(1,088)</u>	<u>(1,717)</u>	<u>(9,925)</u>	<u>(12,802)</u>
	(4,515)	(3,878)	(18,866)	(24,355)
	<u>36,925</u>	<u>27,547</u>	<u>180,616</u>	<u>133,676</u>
Current assets	25,053	19,812	143,170	97,389
Non-current	<u>11,872</u>	<u>7,735</u>	<u>37,446</u>	<u>36,287</u>

The balance of receivables from the sale of units under construction is not fully recognized in the quarterly information, because the amount of revenue recorded is limited to the portion of revenue recognized considering the progress of the works, net of the installments already received.

Trade receivables from real estate sales are indexed to the National Civil Construction Index (INCC) up to the delivery of the real estate units. As from that date, these amounts accrue indexation based on the General Market Price Index (IGP-M) and bear an average interest rate of 12% p.a.

Maturities of trade receivables from real estate developments

Financial trade receivables are summarized below and do not include developments not yet completed, recorded under the percentage-of-completion method.

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	Parent company		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Falling due in up to 1 year	24,302	24,037	152,873	134,150
Falling due from 1 to 2 years	29,820	10,138	161,717	115,125
Falling due from 2 to 3 years	-	21,140	124,923	56,854
Falling due from 3 to 4 years	-	-	1,323	89,726
Falling due in more than 4 years	-	-	413	465
	<u>54,122</u>	<u>55,315</u>	<u>441,249</u>	<u>396,320</u>
Overdue for up to 1 year	2,231	3,004	16,925	29,980
Overdue from 1 to 2 years	1,586	66	2,587	3,072
Overdue from 2 to 3 years	-	-	2,997	1,438
Overdue from 3 to 4 years	-	-	691	95
Overdue for more than 4 years	<u>2,444</u>	<u>2,161</u>	<u>2,446</u>	<u>3,078</u>
	<u>6,261</u>	<u>5,231</u>	<u>25,646</u>	<u>37,663</u>
	<u>60,383</u>	<u>60,546</u>	<u>466,895</u>	<u>433,983</u>
Trade receivables - accounting	36,925	27,547	180,616	133,676
Deferred revenue (Note 26)	24,084	33,613	318,389	326,030
Advances from customers (Note 16)	(5,141)	(4,492)	(50,976)	(50,078)
Present value adjustment	1,088	1,717	9,925	12,802
Provision for canceled sales	983	-	5,902	7,828
Provision for losses	<u>2,444</u>	<u>2,161</u>	<u>3,039</u>	<u>3,725</u>
	<u>60,383</u>	<u>60,546</u>	<u>466,895</u>	<u>433,983</u>

7 Properties for sale

This account includes apartments for sale, completed and under construction, and land for future developments. The land related to a venture is transferred to "Properties under construction" at the time the sales of the units are initiated.

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	Parent company		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Inventories of land	39,340	35,922	91,842	76,092
Properties under construction	4,968	24,520	150,304	146,723
Antônio de Albuquerque SPE Ltda. (Epic)	-	-	1,449	1,363
Ápia	-	-	11,742	11,608
Avignon	4,968	3,904	4,968	3,904
Ed. Duo - Alameda do Morro	-	-	27,207	28,293
Inovatto	-	-	6,352	5,092
Jardim das Mangabeiras	-	-	75,981	54,577
Jardinaves	-	-	10,119	7,163
Mirataia	-	-	9,518	9,751
Saint Tropez	-	20,616	-	20,616
SPE Axis (Porto Fino)	-	-	-	2,755
Villaggio Verona	-	-	2,968	1,601
Completed properties	12,531	4,395	43,663	48,788
Acqua Galleria	-	-	3,331	8,802
Bernardo Vasconcelos (Brooklyn)	-	-	-	1,846
Holliday Inn	-	-	5,575	5,575
Manhattan Square	-	-	3,830	5,921
Maura Valadares	-	-	60	60
Mayfair Offices	-	-	160	160
Mia Felicita	-	-	-	1,360
Olga Chiari	-	-	5,672	7,084
Palo Alto	-	-	1,798	1,829
Park Residence	-	-	2,968	2,997
Saint Tropez	8,926	-	8,926	-
SPE Axis (Porto Fino)	-	-	949	-
Quintas Do Morro	-	-	3,637	3,637
Ruth Silveira	-	-	254	1,874
The Plaza	2,912	3,702	2,913	3,702
Villaggio Ventura	-	-	94	94
Stand-alone properties	693	693	3,496	3,847
Provision for canceled sales	1,200	-	4,137	5,559
	58,039	64,837	289,946	277,162
Current assets	47,608	60,293	271,466	266,193
Non-current assets	10,431	4,544	18,480	10,969

(a) Capitalized interest

Interest paid on production financing is accounted for as properties under construction, and charged to profit or loss when the property is sold. The rate utilized for interest capitalization is specific to each real estate development, ranging from 7% to 10.8% p.a.

At June 30, 2020, interest capitalized within real estate in inventory totaled R\$ 2,102 in Consolidated, and R\$ 506 in the Parent company (R\$ 3,851 in Consolidated and R\$ 770 in the Parent company at December 31, 2019).

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8 Related parties

	Parent company		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
(a) Intercompany loans receivable	5,238	3,359	5,238	3,372
Construtora Real	-	-	-	13
PRMV S.A.	5,238	3,359	5,238	3,359
(b) Receivables from developments	14,318	11,042	18,252	24,165
Patrimar Somattos Gasparini	2,099	4,662	1,833	4,396
Jardinaves Empreendimento Imobiliario SPE	3,170	-	3,502	333
Saint Tropez	1,383	1,301	1,124	1,319
Acaba Mundo	-	-	-	840
Villagio Gutierrez	-	844	-	852
Bernardo Vasconcelos Empreendimento Imobiliário SPE	517	671	517	671
Ed Duo - Alameda do Morro	315	562	315	562
Union Square	-	470	-	920
SPE Axis 1 Empreendimento Imobiliário	448	449	8	513
SPE Barbacena Empreendimentos Imobiliários S.A.	-	364	-	364
Jardim das Mangabeiras	2,888	246	2,555	2,127
Park Residences	218	234	241	234
Palo Alto	93	221	481	994
Ruth Silveira	120	193	271	461
Mia Felicita	272	178	-	1,633
Quintas do Morro	-	158	-	173
Direcional Patrimar Maragogi Empreendimento Imobiliário	128	124	131	127
SPE Mirataia Incorporadora e Construtora	39	38	-	38
Jota Patrimar Engefor Empreendimento Imobiliário SPE	63	34	63	42
Patrimar Engefor	-	-	671	-
Campo Grande	-	33	-	69
Tavares Bastos	29	30	-	26
Gioia Del Colle	32	28	32	28
Safira	26	26	675	26
Jornalista Oswaldo Nobre	17	26	17	26
Danilo Ambrosio	25	21	25	21
Residencial Inovatto	21	20	-	-
Vila Carioca (Ambev)	20	20	778	302
Joao Xxiii	20	20	59	53
Mayfair Offices	22	18	22	18
RPMV Participações S.A.	-	17	-	686
The Plaza	-	12	-	22
Villagio Novita	11	11	-	125
Villagio Verona	8	7	-	983
Campo Grande – Campinas	4	4	6	6
MRV Patrimar Galleria Incorporações SPE	-	-	-	8
MRV MRL Novolar II Incorporações SPE	-	-	75	1,854
Residencial Estoril	-	-	-	1,217
Avignon	-	-	875	-
Baleares	-	-	325	-
Residencial Portos	-	-	270	-
Manhattan Square	-	-	-	836
Apia Edificações	-	-	214	-
Aporuna	-	-	496	268
Alta Vila	1,002	-	1,002	-
Other developments	1,328	-	1,669	992
	19,556	14,401	23,490	27,537
(c) Trade receivables – Construtora Real (i)			9,693	

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	Parent company		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
(a) Intercompany loans payable	1,959	13,965	2,611	2,611
Construtora Novolar S.A.	1,932	13,938	-	-
Somattos Engenharia Comércio Ltda.	27	27	2,611	2,611
(b) Payables for developments	7,060	5,476	14,624	6,928
Manhattan Square	2,158	2,104	1,801	11
Olga Chiari	1,867	1,819	2,172	198
Holiday Inn	1,134	1,161	1,406	-
Terreno Tratex	-	168	-	-
SCP Silva Lobo	4	98	-	98
Colina Engefor	-	45	-	55
Mrv Engenharia e Participações	-	34	-	391
Neuchatel	17	14	219	17
Priorato Residences	-	12	-	-
SCP Portal do Bosque	-	10	-	10
Naples	8	7	8	6
Engefor Engenharia e Construções	-	4	-	-
Villagio Florença	-	-	-	2,400
Santa Cecilia Empreendimento	-	-	-	829
Jardim das Mangabeiras	-	-	829	-
Mia Felicita	-	-	2,920	-
Residencial Inovatto	-	-	1,525	-
SPE Barbacena Empreendimentos Imobiliários S.A.	1,484	-	1,484	-
Other developments	388	-	2,260	2,913
	9,019	19,441	17,235	9,539
	6/30/2020	6/30/2019	6/30/2020	6/30/2019
(c) Related-party transactions with effects on profit or loss	(338)	(173)	9,232	(259)
Sales of apartments (i)			9,793	
Lease of the headquarters' building (ii)	(338)	(173)	(561)	(259)
(d) Deferred revenue (i)			4,707	

(a) Intercompany loans receivable and payable

These refer to interest-free loans made to and obtained from related parties, with prearranged maturities.

(b) Receivables from and payables for developments

Refer to:

- (i) Contributions in a proportion different from that of the interest held by quotaholders in the related SCPs and SPEs, which will be offset and/or capitalized after a supplementary contribution to adjust quotaholders' interests.

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- (ii) Routine transactions carried out between the Parent company and SCPs and SPEs, mainly for expenses to be reimbursed.

(c) Related-party transactions with effects on profit or loss

(i) Sale of an apartment

In June 2020, an Apogée building apartment of SPE Patrimar Somattos Jardim das Mangabeiras, was sold to Construtora Real for R\$ 14,500 thousand. The proportional revenue recognized based on the POC method up to June 30, 2020 amounted to R\$ 9,793, and R\$ 9,693 was in trade receivables.

(ii) Lease of the headquarters' building

Payment to Construtora Real of the property lease related to the Company's principal offices.

9 Investments

The Company recognizes a "Provision for net capital deficiency" when investees present a net capital deficiency.

	Parent company		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Investments	239,757	231,618	49,700	47,616
Provision for net capital deficiency	(1,452)	(1,279)	(2,042)	(3,056)
	<u>238,305</u>	<u>230,339</u>	<u>47,658</u>	<u>44,560</u>

Changes in the balance of investments at June 30, 2020 and December 31, 2019 were as follows:

	Parent company	Consolidated
At December 31, 2019	<u>230,339</u>	<u>44,560</u>
Changes in investments - assets and liabilities (i)	(10,743)	1,254
Equity in the results of investees	18,709	1,844
At June 30, 2020	<u>238,305</u>	<u>47,658</u>

	Parent company	Consolidated
At December 31, 2018	<u>125,437</u>	<u>42,651</u>
Changes in investments - assets and liabilities (i)	(21,237)	(125)
Merger of RPMV	111,770	-
Equity in the results of investees	14,369	2,034
At December 31, 2019	<u>230,339</u>	<u>44,560</u>

- (i) Refers to changes in contributions and redemptions of funds related to projects established as Special Partnerships (SCP).

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(a) An analysis of the Parent company's investments at June 30, 2020 follows:

	Ownership interest (%)		Profit (loss) for the year	Equity	Equity in the results of investees in the year	Investment (net capital deficiency)	Investment (net capital deficiency)
Companies	2020	2019	6/30/2020	6/30/2020	6/30/2020	6/30/2020	12/31/2019
Subsidiaries							
Construtora Novolar	100%	100%	846	101,475	808	101,427	100,619
Álamo Patrimar Incorp. Imob. Ltda.	98%	98%	(2)	(2)	(2)	(1)	1
SPE Patrimar Engefor Imóveis Ltda.	50%	50%	62	397	30	197	93
SPE Maura Valadares	50%	50%	(143)	(26)	(71)	(15)	58
SPE Engefor Patrimar V.S. E.Imob Ltda.			(653)	(923)	(326)	(461)	(142)
SCP Professor Danilo Ambrósio	95%	95%	(4)	(18)	(3)	(16)	(13)
SCP Jornalista Oswaldo Nobre	90%	90%	(1)	(212)	(1)	(189)	(194)
SCP Gioia dell Colle	90%	90%	(4)	(24)	(3)	(21)	(18)
SCP Olga Chiari	85%	85%	535	14,234	454	12,074	12,112
SCP Manhattan Square	90%	90%	212	8,407	190	7,572	8,177
SCP Priorato Residences	90%	90%	36	1,576	33	1,420	1,509
SCP Holiday Inn	80%	80%	464	22,917	371	18,362	19,295
SCP Mayfair Offices	90%	90%	(4)	190	(4)	170	174
SCP Quintas do Morro	69%	69%	(183)	3,128	(126)	2,151	2,243
SCP Neuchatel	90%	90%	(61)	427	(55)	384	466
SPE MRV Galleria	50%	50%	3,548	8,633	1,774	4,316	10,268
SPE Jardinaves	50%	50%	(305)	2,710	(152)	1,355	180
SPE Jota Patrimar Engefor	50%	50%	(48)	(698)	(24)	(353)	(360)
SPE Patrimar Somattos Jardim das Mangabeiras	50%	50%	18,278	66,823	9,139	33,412	22,117
SPE Antonio de Albuquerque	50%	50%	3,831	13,485	1,915	6,717	4,823
Edifício DUO - Alameda do Morro	40%	40%					
			3,035	8,334	1,213	3,334	2,119
			29,439	250,833	15,160	191,835	183,527
Jointly-controlled investees							
SCP RJ 04	50%	50%	(81)	767	(40)	383	382
SPE Mirante do Ibituruna Ltda.	34%	34%	(1)	8,028	(1)	2,711	2,709
SCP Portal do Bosque	50%	50%	(2)	159	(1)	79	91
SCP Park Ritz	48%	48%	(33)	958	(15)	460	466
SCP Recanto das Águas	51%	51%	(19)	274	(9)	140	147
SCP MRV Belo Campo	50%	50%	(95)	8	(47)	30	23
SCP MRV Rec. Pássaros (Rouxinol)	40%	40%	(204)	513	(82)	292	191
SCP MRV Res. Beija Flor	40%	40%	(160)	(63)	(64)	(59)	8
SPE Padre Marinho	50%	50%	1,447	15,036	723	7,518	6,795
SCP Rívoli 1 and 2	40%	40%	(170)	136	(68)	107	32
SPE Acaba Mundo E. Imob Ltda.	50%	50%	7	1,628	3	814	810
SPE MRV Patrimar RJ Ix Ltda. (Andorinhas) 1 and 2	40%	40%	5	466	2	138	182
SPE Colina Engefor Patrimar E. Imob Ltda.	50%	50%	(48)	(43)	(25)	(19)	(1)
SPE Barbacena Empr Imob. S/A	50%	50%	2,130	48,118	1,065	24,057	25,911
SPE Patrimar Somattos Gasparini Ltda.	50%	50%	4,280	17,307	2,140	8,611	8,119
Ponctuel	50%	50%	-	84	-	42	42
SPE Direcional Patrimar Maragogi Ltda.	45%	45%	-	15	(5)	(7)	(3)
			7,056	93,391	3,576	45,297	45,904
Indirect subsidiaries							
SCP Safira (Decaminada 10)	24%	24%	(332)	(710)	(80)	(176)	(161)
SCP João XXIII	24%	24%	(119)	(99)	(28)	(19)	(15)
SCP Naples	20%	20%	(1)	23		5	5
SCP Palo Alto	10%	10%	(104)	2,334	(10)	233	208
SCP Park Residences	10%	10%	(254)	3,981	(25)	390	384
SCP Silva Lobo	15%	15%	12	534	2	80	86
SCP Tavares Bastos	25%	25%	(14)	1	(3)	1	
SPE Novo Lar Greenport	20%	20%	(3)	(583)	(1)	(116)	(116)
SPE Campo Grande	0%	0%	-	-	0	-	
SPE Axis I	10%	10%	2,693	6,593	182	661	772
Other investments			-	-	(64)	114	(255)
			1,878	12,074	(27)	1,173	908
Total			38,373	356,298	18,709	238,305	230,339

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- (b) At June 30, 2020, the balances of asset and liability accounts, net revenue and profit of subsidiaries, jointly- controlled investees and associates considered in the quarterly information, were as follows:

	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Equity	Net revenue	Profit (loss) for the year
Companies	6/30/2020	6/30/2020	6/30/2020	6/30/2020	6/30/2020	6/30/2020	6/30/2020
Subsidiaries							
Construtora Novolar	45,324	122,057	21,672	44,234	101,475	-	846
Álamo Patrimar Incorp. Imob. Ltda.	1	14	14	3	(2)	-	(2)
SPE Patrimar Engefor Imóveis Ltda.	555	22	67	113	397	115	62
SPE Maura Valadares	74	246	2	344	(26)	-	(143)
SPE Engefor Patrimar V.S. E.Imob Ltda.	62	5	260	730	(923)	6	(653)
SCP Professor Danilo Ambrósio	8	-	1	25	(18)	-	(4)
SCP Jornalista Oswaldo Nobre	8	1	4	217	(212)	-	(1)
SCP Gioia dell Colle	2	7	1	32	(24)	-	(4)
SCP Olga Chiari	12,192	2,239	(30)	227	14,234	2,042	535
SCP Manhattan Square	7,872	3,112	1,136	1,441	8,407	2,900	212
SCP Priorato Residences	1,639	24	71	16	1,576	40	36
SCP Holiday Inn	22,656	1,728	925	542	22,917	441	464
SCP Mayfair Offices	175	38	1	22	190	-	(4)
SCP Quintas do Morro	3,834	165	262	609	3,128	(35)	(183)
SCP Neuchatel	233	309	51	64	427	-	(61)
SPE MRV Galleria	12,739	25,277	1,493	27,890	8,633	11,780	3,548
SPE Jardinaves	10,180	100	3,485	4,085	2,710	-	(305)
SPE Jota Patrimar Engefor	87	344	996	133	(698)	-	(48)
SPE Patrimar Somattos Jardim das Mangabeiras	120,555	23,446	50,355	26,823	66,823	41,713	18,278
SPE Antônio de Albuquerque	13,461	12,126	12,029	73	13,485	7,736	3,831
Edifício DUO - Alameda do Morro	42,560	5,180	39,077	329	8,334	8,890	3,035
	294,217	196,440	131,872	107,952	250,833	75,628	29,439
Jointly-controlled investees							
SCP RJ 04	724	110	64	3	767	-	(81)
SPE Mirante do Ibituruna Ltda.	8,025	6	3	-	8,028	-	(1)
SCP Portal do Bosque	31	151	1	22	159	-	(2)
SCP Park Ritz	1,090	28	89	71	958	-	(33)
SCP Recanto das Águas	113	169	5	3	274	-	(19)
SCP MRV Belo Campo	121	46	81	78	8	7	(95)
SCP MRV Rec. Pássaros (Rouxinol)	524	218	15	214	513	(16)	(204)
SCP MRV Res. Beija Flor	381	74	188	330	(63)	(49)	(160)
SPE Padre Marinho	30,635	-	15,599	-	15,036	-	1,447
SCP Rivoli 1 and 2	205	147	95	121	136	-	(170)
SPE Acabá Mundo E. Imob Ltda.	1,631	-	3	-	1,628	-	7
SPE MRV Patrimar RJ Ix Ltda. (Andorinhas) 1 and 2	131	375	25	15	466	(14)	5
SPE Colina Engefor Patrimar E. Imob Ltda.	172	8	140	83	(43)	-	(48)
SPE Barbacena Empr Imob. S/A	49,787	73	1,386	356	48,118	16,276	2,130
SPE Patrimar Somattos Gasparini Ltda.	19,277	18	446	1,542	17,307	-	4,280
Ponctuel	3	81	-	-	84	-	-
SPE Direcional Patrimar Maragogi Ltda.	72	7	64	-	15	-	-
	112,922	1,511	18,204	2,838	93,391	16,204	7,056
Associates							
SCP Safira (Decaminada 10)	27	58	28	767	(710)	-	(332)
SCP João XXIII	20	12	11	120	(99)	-	(119)
SCP Naples	26	(2)	1	-	23	-	(1)
SCP Palo Alto	2,864	124	54	600	2,334	-	(104)
SCP Park Residences	4,867	552	649	789	3,981	-	(254)
SCP Silva Lobo	551	4	16	5	534	13	12
SCP Tavares Bastos	41	-	6	34	1	-	(14)
SPE Axis I	9,908	1,943	2,791	2,467	6,593	9,395	2,693
SPE Novo Lar Greenport	13	2	179	419	(583)	-	(3)
	18,317	2,693	3,735	5,201	12,074	9,408	1,878
	425,456	200,644	153,811	115,991	356,298	101,240	38,373

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(c) An analysis of investments in Consolidated at June 30, 2020 follows:

Companies	Ownership interest (%)		Profit Profit (loss) for the year	Equity	Equity in the results of investees in the year	Investment (net capital deficiency)	Investment (net capital deficiency)
	2020	2019	6/30/2020	6/30/2020	6/30/2020	6/30/2020	12/31/2019
Jointly-controlled investees							
SCP RJ 04	50%	50%	(81)	767	(40)	383	382
SPE Mirante do Ibituruna Ltda.	34%	34%	(1)	8,028	(1)	2,711	2,729
SCP Portal do Bosque	50%	50%	(2)	159	(1)	80	91
SCP Park Ritz	48%	48%	(33)	959	(16)	460	466
SCP Recanto das Águas	51%	51%	(19)	275	(10)	140	147
SCP MRV Belo Campo	50%	50%	(95)	8	(38)	30	23
SCP MRV Rec. Pássaros (Rouxinol)	40%	40%	(204)	513	(72)	292	191
SCP MRV Res. Beija Flor	40%	40%	(160)	(63)	(60)	(60)	8
SPE Padre Marinho	50%	50%	1,447	15,036	723	7,518	6,795
SCP Rivoli 1 and 2	40%	40%	(170)	135	(34)	107	32
SPE Acaba Mundo E. Imob Ltda.	50%	50%	7	1,628	4	814	811
SPE MRV Patrimar RJ Ix Ltda.			5	466	(1)	138	224
(Andorinhas) 1 and 2	40%	40%					
SPE Barbacena Empr Imob. S/A	50%	50%	2,130	48,118	1,065	24,057	25,911
SPE Patrimar Somatto Gasparini Ltda.	50%	50%	4,280	17,308	2,147	8,611	8,119
Ponctuel	50%	50%	-	84	-	42	42
SPE Direcional Patrimar Maragogi Ltda.	45%	45%	(33)	15	(15)	(7)	(3)
			7,071	93,436	3,651	45,316	45,968
Associates							
SPE Manchete	40%	40%	(938)	1,786	(375)	645	(940)
SCP Pacuare	50%	50%	(61)	(761)	(31)	(394)	(412)
SCP Park Rossete	51%	51%	(45)	2,127	(23)	1,085	1,085
SCP Parque Araras	50%	50%	(11)	87	(6)	31	24
SCP Bem te vi	50%	50%	(21)	176	(10)	69	68
SCP Parque das Gaivotas	50%	50%	(47)	91	(24)	66	43
SCP Parque Sabia	50%	50%	(3)	56	(2)	30	30
SCP Realiti e Renovare	50%	50%	(871)	336	(456)	164	136
SCP Recanto do Tingui	35%	35%	(94)	(215)	(33)	(75)	(65)
SCP Riviera da Costa e Sol	48%	48%	(653)	501	(313)	223	241
SCP Riversul	35%	35%	(313)	(65)	(110)	29	18
SCP Recreio do Bandeirantes	35%	35%	(91)	(839)	(32)	(262)	(247)
SCP Recreio Pontal	35%	35%	(344)	(3,221)	(120)	(1,127)	(982)
SCP Recreio Gaveas	35%	35%	(216)	5,559	(75)	1,975	-
Other investments			-	-	(197)	(117)	(407)
			(3,708)	5,618	(1,807)	2,342	(1,408)
			3,363	99,054	1,844	47,658	44,560

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10 Property and equipment

Property and equipment items are depreciated as below:

	<u>Annual depreciation rate</u>
Sales stands and model apartments (i)	-
Leasehold improvements	20.00%
Machinery and equipment	10.00%
Vehicles	20.00%
Furniture and fittings	10.00%
IT equipment	20.00%
Management	20.00%
Aircraft	3.33%

(i) Sales stands are depreciated according to the estimated flow of sales of each project or written off.

An analysis of property and equipment in the six-month period ended June 30, 2020 follows:

	<u>Parent company</u>			<u>Consolidated</u>			
	<u>Balance 12/31/2019</u>	<u>Additions</u>	<u>Balance 6/30/2020</u>	<u>Balance 12/31/2019</u>	<u>Additions</u>	<u>Transfers</u>	<u>Balance 6/30/2020</u>
Cost							
Leasehold improvements	6,736	-	6,736	6,736	-	-	6,736
Machinery and equipment	3,723	-	3,723	4,290	1,800	1	6,091
Vehicles	1,007	-	1,007	1,007	-	-	1,007
Furniture and fittings	1,958	-	1,958	1,958	-	-	1,958
Sales stands and model apartments	925	-	925	12,599	-	(2)	12,597
IT equipment	191	93	284	220	93	-	313
Construction in progress	1,649	655	2,304	-	1,599	1	1,600
Land	46	-	46	46	-	-	46
Aircraft	-	-	-	3,097	-	-	3,097
Total cost	16,235	748	16,983	29,953	3,492	-	33,445
Depreciation							
Leasehold improvements	(2,670)	(657)	(3,327)	(2,666)	(660)	-	(3,326)
Machinery and equipment	(2,480)	(184)	(2,664)	(2,844)	(298)	-	(3,142)
Vehicles	(603)	(61)	(664)	(603)	(61)	-	(664)
Furniture and fittings	(390)	(103)	(493)	(391)	(102)	-	(493)
Sales stands and model apartments	(167)	(94)	(261)	(2,864)	(1,226)	-	(4,090)
IT equipment	(74)	(22)	(96)	(76)	(25)	-	(101)
Aircraft	-	-	-	(172)	(52)	-	(224)
Total depreciation	(6,384)	(1,121)	(7,505)	(9,616)	(2,424)	-	(12,040)
Total property and equipment, net	9,851	(373)	9,478	20,337	1,068	-	21,405

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11 Intangible assets

	Parent company			Consolidated			
	Balance 12/31/2019	Additions	Balance 6/30/2020	Balance 12/31/2019	Additions	Disposals	Balance 6/30/2020
Cost							
Computer software license	11,658	42	11,700	12,301	43	-	12,344
Right-of-use - lease	2,328	162	2,490	5,063	906	(1,036)	4,933
Total cost	<u>13,986</u>	<u>204</u>	<u>14,190</u>	<u>17,364</u>	<u>949</u>	<u>(1,036)</u>	<u>17,277</u>
Amortization							
Computer software license	(811)	(1,167)	(1,978)	(896)	(1,233)	-	(2,129)
Right-of-use - lease	(428)	(319)	(747)	(1,039)	(732)	251	(1,520)
Total amortization	<u>(1,239)</u>	<u>(1,486)</u>	<u>(2,725)</u>	<u>(1,935)</u>	<u>(1,965)</u>	<u>251</u>	<u>(3,649)</u>
Total intangible assets, net	<u>12,747</u>	<u>(1,282)</u>	<u>11,465</u>	<u>15,429</u>	<u>(1,016)</u>	<u>(785)</u>	<u>13,628</u>

Computer software license is amortized at the rate of 20% per annum.

12 Borrowings

	Parent company		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Financing for construction - Financial Housing System (SFH)	24,083	16,124	43,053	29,806
Borrowings for working capital (in Reais - R\$)	32,646	22,058	36,701	26,056
Borrowings for working capital (in US dollars - US\$) (i)	6,651	10,025	6,651	10,025
Derivative financial instrument - Swap (i)	(1,453)	496	(1,453)	496
	61,927	48,703	84,952	66,383
Lease	1,845	2,025	3,740	4,346
	<u>63,772</u>	<u>50,728</u>	<u>88,692</u>	<u>70,729</u>
Current liabilities	36,719	23,424	48,341	38,715
Non-current liabilities	27,053	27,304	40,351	32,014

- (i) In December 2019, the Group contracted a working capital loan from Bradesco denominated in U.S. dollars, in the original amount of US\$2,365, bearing interest of 3.27% per annum. A swap instrument was contracted in connection with the borrowing, in order to exchange the foreign currency for Brazilian Reais at a fixed interest rate of 7.8% p.a. The swap maturity date is the same as that of the borrowing (December 2020). The swap instrument is an integral part of the borrowing contract. Foreign exchange gains/losses are offset against swap gains/losses.

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The reconciliation between the transaction originally contracted and the swap instrument is as below:

	Parent company		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Borrowing in US\$ + interest, converted into Reais	6,651	10,025	6,651	10,025
Swap contracted - assets	(6,481)	(9,569)	(6,481)	(9,569)
Swap contracted - liabilities	5,028	10,065	5,028	10,065
Net debt	5,198	10,521	5,198	10,521

Changes in borrowings were as follows:

	Parent company		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Opening balance	50,728	39,035	70,729	46,260
Drawdowns	27,737	35,426	44,786	38,437
Lease	115	2,375	940	5,063
Swap	(1,949)	496	(1,949)	496
Interest	2,363	3,401	3,183	4,631
Foreign exchange gains/losses	1,945	(532)	1,945	(532)
Amortization	(16,872)	(29,123)	(29,396)	(41,954)
Amortization - Lease	(376)	(538)	(1,701)	(1,104)
Financial charges - Lease	81	188	155	387
Merger of RPMV (i)	-	-	-	19,045
Closing balance	63,772	50,728	88,692	70,729

- (i) Following the merger of RPMV, the Company started to include Construtora Novolar information in its consolidated accounts, and its debt balance related to borrowings was merged into the Group's debts.

Amounts recorded in current and non-current liabilities by maturity year are as follows:

	Parent company		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
2020	36,719	23,424	48,341	38,715
2021	13,685	11,502	19,871	12,997
2022	12,643	10,693	15,829	12,188
After 2022	725	5,109	4,651	6,829
	63,772	50,728	88,692	70,729

Financing for construction: The applicable interest rates range from 8.30% to 11.25 % p.a., depending on the operation, plus the Reference Rate (TR). These financing arrangements are secured by the underlying real estate development.

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Working capital: The average interest rate applicable to borrowings of this type is the CDI rate ranging from 2.50% to 6.17% p.a. The guarantees for this type of loans are sureties by the Group's stockholders.

Lease: Substantially a 42-month lease agreement related to the building where the headquarters of the Company are located, discounted at present value at the rate of 1.06% p.m. (0.85% p.m. at December 31, 2019).

13 Trade payables

	Parent company		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Trade payables	1,622	6,320	22,632	26,908
Technical retentions	721	583	3,337	2,715
	<u>2,343</u>	<u>6,903</u>	<u>25,969</u>	<u>29,623</u>

The balance of trade payables represents commitments assumed by the Group for acquisition of the inputs required to perform the contracted services, or purchase of equipment with their own funds.

Technical retentions correspond to a contractual agreement, which aims to ensure that all existing technical details in the construction contracts are fully complied with.

Accordingly, a specific percentage (provided for in the contract) is withheld from the amounts payable to the contractor so that, in case of any non-compliance with the contract provisions, the customer is preserved.

At the end of the contract, if all requirements are met, the amount is refunded to the service provider.

14 Tax liabilities

Corporate income tax and social contribution on net income are calculated based on the amounts received (cash basis). The balances of taxes payable are estimated on the accrual basis of accounting and are recorded as deferred taxes, as shown below. An analysis of the balances of taxes to be paid according to tax criteria follows:

	Parent company		Consolidated	
Taxes payable	6/30/2020	12/31/2019	6/30/2020	12/31/2019
INSS	399	458	783	658
RET	1	158	-	814
PIS	2	20	31	88
COFINS	8	83	84	339
IRPJ	1	1	272	303
CSLL	-	-	206	226
ISS	140	223	437	109
Other withheld taxes	66	388	-	805
	<u>617</u>	<u>1,331</u>	<u>1,813</u>	<u>3,342</u>

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Deferred taxes	Parent company		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Special Taxation Regime (RET)	1,522	710	8,650	4,594
Social Contribution on Net Income (CSLL)	-	-	43	43
Social Integration Program (PIS)	-	-	23	23
Social Contribution on Revenues (COFINS)	7	7	164	164
	<u>1,529</u>	<u>717</u>	<u>8,880</u>	<u>4,824</u>
	<u>2,146</u>	<u>2,048</u>	<u>10,693</u>	<u>8,166</u>

15 Real estate purchase obligations

Include amounts to be settled in cash related to the acquisition of land used in real estate developments.

	Parent company		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
SPE Axis	-	-	496	1,956
SPE Mirataia	-	-	-	6,580
Porto Venere	-	-	43	43
Villagio Novita	-	-	145	144
Jardinaves	-	800	1,757	1,756
Avignon	-	113	-	113
Alameda do Morro	-	-	33,215	34,901
Jardim das Mangabeiras	-	-	1,903	2,451
Manhattan	-	-	144	171
Land – Connecting Path	<u>63</u>	<u>63</u>	<u>63</u>	<u>-</u>
Land not yet developed	<u>63</u>	<u>976</u>	<u>37,766</u>	<u>48,115</u>
Jambreiro (Ouro Velho Country Club)	-	-	2,118	2,118
Antônio de Albuquerque	-	1,000	-	1,000
Other liabilities for acquisition of developments	<u>800</u>	<u>-</u>	<u>7,281</u>	<u>2,146</u>
Liabilities for acquisition of real estate ventures not yet developed	<u>800</u>	<u>1,000</u>	<u>9,399</u>	<u>5,264</u>
	<u>863</u>	<u>1,976</u>	<u>47,165</u>	<u>53,379</u>
Current liabilities	863	1,976	41,961	46,799
Non-current liabilities	-	-	5,204	6,580

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16 Advances from customers

These advances refer to sales of real estate units and a commitment to deliver completed units arising from the acquisition of land for real estate development through a barter arrangement.

	Parent company		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Jardim das Mangabeiras	-	-	34,146	31,203
Jardinaves	-	-	1,651	1,130
Villagio Gutierrez	-	44	-	-
Alta Vila	20,721	20,722	20,721	20,722
Avignon	5,141	4,314	5,142	4,314
Saint Tropez	-	134	-	134
Apia (SPE Novo Apia - Jaraguá)	-	-	7,797	8,044
Antônio de Albuquerque (EPIC)	-	-	7,127	7,907
Solar Da Penha	-	-	4,000	4,000
Reserva Do Mirataia II	-	-	4,289	3,944
Inovato	-	-	1,575	2,432
Jota Patrimar (Soho Square)	-	-	-	6
Duo - Alameda Do Morro	-	-	4,672	773
Palo Alto	-	-	-	363
Ruth Silveira	-	-	-	6
SPE Axis - Porto Fino	-	-	-	329
Mia Felicita	-	-	-	78
Villaggio Verona	-	-	12	12
Barters for real estate developments under construction by the parent company or not yet launched	3	-	-	-
	<u>25,865</u>	<u>25,214</u>	<u>91,132</u>	<u>85,397</u>
Advances from customers	2,649	907	37,432	23,342
Barters made for land	<u>23,216</u>	<u>24,307</u>	<u>53,700</u>	<u>62,055</u>
	25,865	25,214	91,132	85,397
Advances from customers and barters made for construction in progress	5,141	4,492	50,976	50,078
Advances from customers for customized units	-	-	13,800	4,731
Barters made for land - not launched developments	<u>20,724</u>	<u>20,722</u>	<u>26,356</u>	<u>30,588</u>
	<u>25,865</u>	<u>25,214</u>	<u>91,132</u>	<u>85,397</u>
Current liabilities	25,794	25,214	91,067	85,397
Non-current liabilities	71	-	65	-

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17 Provision for contingencies and judicial deposits

Provision for contingencies

	Parent company		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Civil	-	-	3,249	1,001
Tax	1,427	1,427	4,443	4,443
Labor	3	24	1,970	1,548
	<u>1,430</u>	<u>1,451</u>	<u>9,662</u>	<u>6,992</u>

Judicial deposits

	Parent company		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Civil	16	16	1,789	1,789
Tax	-	-	-	-
Labor	268	268	845	803
	<u>284</u>	<u>284</u>	<u>2,634</u>	<u>2,592</u>

Changes in the six-month period ended June 30, 2020:

Contingencies

	Parent company	Consolidated
Opening balance	1,451	6,992
Additions	-	2,670
Write-offs	(21)	-
Closing balance	<u>1,430</u>	<u>9,662</u>

Judicial deposits

	Parent company	Consolidated
Opening balance	284	2,592
Additions	-	42
Write-offs	-	-
Closing balance	<u>284</u>	<u>2,634</u>

The Group companies are party to tax, labor and civil litigation, and are discussing such matters at the administrative and judicial levels, which, when applicable, are supported by judicial deposits. The provisions for contingencies are estimated and recorded by management, under the advice of the legal counsel, when it considers a probable loss is expected to arise based on historical information and statistical data for the proceedings.

Management believes that the resolution of these issues will not be significantly different from the amounts estimated.

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There was no offset of the balances of judicial deposits and the provision for contingencies because the nature of the asset and liability balances were not the same, thus precluding offset of balances.

Possible loss contingencies:

The Group companies are party to other legal proceedings of a tax, civil and labor nature arising in the normal course of business, for which the likelihood of an unfavorable outcome is considered as possible by management and its legal counsel. The approximate amounts of R\$ 4,798 (labor claims), R\$ 34,013 (tax claims), and R\$ 5,725 (civil claims) total R\$ 44,536 (R\$ 44,179 at December 31, 2019). Accordingly, no provision was recorded to cover possible losses.

Possible loss contingencies include the "physical exchange" of land. As part of the process for purchase and sale of properties, the Group acquires land to be developed based on the "physical exchange" method. On September 4, 2014, the Federal Revenue Secretariat (SRF) issued Cosit Regulatory Opinion No. 9, which changed the understanding of the income tax legislation with respect to the deemed profit (Decree No. 3,000 of March 26, 1999) and started to consider revenue from physical exchange transactions recognized at fair value as the calculation bases for IRPJ, CSLL, PIS and COFINS. Based on this understanding, in 2017 and 2018, tax assessment notices were issued against the Group in the amount of R\$28,718.

Based on advice of its legal counsel, the Group filed a protest letter claiming that the assessment has no merit since the recognition of the fair value from the barter transactions cannot affect the calculation bases of these taxes. The probability of loss in this case has been classified as possible and the estimated risk involved at June 30, 2020 amounted to R\$ 33,881 (R\$ 33,299 at December 31, 2019). As a result, no provision for contingencies with respect to this matter has been recorded in the quarterly information.

18 Provision for real estate maintenance

The Group offers a five-year warranty against construction problems, as required by the Brazilian legislation. In order to fulfill this commitment, mitigating potential future effects, and to adequately match revenues and costs, for each real estate under construction an amount corresponding to 1.5% of the construction cost was provided for, on an estimated basis. This estimate is based on historical averages and expectations of future outflows, according to analyses of the Company's engineering department, which are reviewed annually. The provision is recorded as the work progresses, by applying this percentage to actual costs incurred.

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Changes in the provision for real estate maintenance were as follows:

	Parent company		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Opening balance	1,566	1,578	7,701	5,453
Additions	125	285	1,037	1,452
Disposals	(122)	(297)	(896)	(3,048)
Merger	-	-	-	3,844
Closing balance	1,569	1,566	7,842	7,701

19 Equity

(a) Capital

At June 30, 2020, the Company's capital was R\$281,602 (R\$281,602 at December 31, 2019), divided into 27,972,479,422 common shares.

(b) Corporate structure

On October 30, 2019, the quotaholder PRMV Participações S.A. approved the transformation of Patrimar from a limited liability partnership to a corporation.

In addition, RPMV Participações S.A., which held a 99.99% interest in the quotas of Construtora Novolar Ltda. was merged with the Company, which also received by assignment the remaining quota of Construtora Novolar Ltda. held by PRMV Participações S.A.

In view of the above, PRMV Participações S.A. and RPMV Participações S.A. withdrew from the ownership structure of Construtora Novolar Ltda., and Patrimar Engenharia S.A. became its only quotaholder.

Based on the special balance sheet prepared by RPMV Participações S.A. on September 30, 2019, Patrimar was merged with RPMV and the net assets of R\$ 102,570 were contributed as a capital increase in Patrimar.

Special balance sheet prepared on September 30, 2019							
Assets	Merged balance	Adjustment	Adjusted balance	Liabilities	Merged balance	Adjustment	Adjusted balance
Cash and cash equivalents	10		10	Dividends payable	13,701	-	13,701
Investments	122,144	(10,374)	111,770	Related parties	5,883	-	5,883
				Equity	102,570	(10,374)	92,196
Total	122,154	(10,374)	111,780	Total	122,154	(10,374)	111,780

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Upon completion of the merger, all the common and registered shares issued by Patrimar, with no par value, are held as follows:

Stockholders	Common shares
PRMV Participações S.A.	17,903,150,656
Alexandre Araújo Elias Veiga	503,466,438
Heloísa Magalhães Martins Veiga	503,466,438
Renata Martins Veiga Couto	4,531,197,945
Patrícia Martins Veiga	4,531,197,945
	<u>27,972,479,422</u>
(c) Legal reserve	
The legal reserve is credited annually with 5% of profit for the year, after offsetting losses, in accordance with Law 6,404/76.	
(d) Profit distribution policy	

In accordance with the Company's Bylaws, 25% of the profit, after deducting the portion transferred to the Legal Reserve, will be credited as minimum mandatory dividends. The retained portion of the profit will be subsequently allocated as decided by the stockholders.

20 Earnings per share

The following table presents data on the result and number of shares used in the calculation of basic and diluted earnings per share:

	Quarter ended	Six-month period ended
	6/30/2020	6/30/2020
Basic earnings per share:		
Profit for the period	8,632	16,776
Weighted average number of shares (in thousands)	27,972,479	27,972,479
Basic earnings per share - R\$	<u>0.000309</u>	<u>0.000600</u>
Diluted earnings per share:		
Profit for the period	8,632	16,776
Weighted average number of shares (in thousands)	27,972,479	27,972,479
Basic earnings per share - R\$	<u>0.000309</u>	<u>0.000600</u>

Patrimar was a limited liability corporate partnership up to October 30, 2019, when its transformation into a corporation was approved (Note 19). Accordingly, the Company does not present earnings per share for the quarter ended June 30, 2019.

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21 Net operating revenue

The reconciliation between gross and net sales revenue is as follows:

	Parent company			
	4/1/2020 to 6/30/2020	1/1/2020 to 6/30/2020	4/1/2019 to 6/30/2019	1/1/2019 to 6/30/2019
Gross revenue from the sales of properties	19,441	35,194	15,425	25,504
Service revenue	14	287	418	1,063
Canceled sales	(8)	(673)	-	(6,360)
Changes in the provision for canceled sales	(82)	(1,587)	561	-
Adjustment to present value (i)	57	629	(492)	(971)
Taxes on billings	(364)	(924)	(296)	(353)
Net operating revenue	19,058	32,926	15,616	18,883

	Consolidated			
	4/1/2020 to 6/30/2020	1/1/2020 to 6/30/2020	4/1/2019 to 6/30/2019	1/1/2019 to 6/30/2019
Gross revenue from the sales of properties	90,852	168,045	62,201	90,533
Service revenue	14	303	418	1,063
Canceled sales	(5,736)	(13,257)	(4,285)	(11,161)
Changes in the provision for canceled sales	(1,712)	1,115	2,414	(1,839)
Adjustment to present value (i)	75	2,877	(889)	(1,640)
Taxes on billings	(2,274)	(3,852)	(1,153)	(1,549)
Net operating revenue	81,219	155,231	58,706	75,407

- (i) As the financing facilities provided to its customers is inherent to its operations, the Company recognizes the reversals (accretion) of present value adjustments of trade receivables as operating revenue.

22 Costs and expenses by nature

	Parent company			
	4/1/2020 to 6/30/2020	1/1/2020 to 6/30/2020	4/1/2019 to 6/30/2019	1/1/2019 to 6/30/2019
Cost of properties sold				
Materials	(2,500)	(6,020)	(2,710)	(2,860)
Land	(1,932)	(3,623)	(4,502)	(4,944)
Completed properties	(3,465)	(3,581)	(1,337)	(5,629)
Personnel expenses	(595)	(1,553)	(262)	(382)
Subcontractors	(2,076)	(4,880)	(941)	(1,478)
Housing loan costs	(688)	(1,205)	(335)	(341)
Other	(313)	482	(2,244)	(822)
	(11,569)	(20,380)	(12,331)	(16,456)

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	Parent company			
	4/1/2020 to 6/30/2020	1/1/2020 to 6/30/2020	4/1/2019 to 6/30/2019	1/1/2019 to 6/30/2019
Operating expenses				
General and administrative expenses				
Personnel expenses	(2,284)	(5,433)	(2,231)	(5,573)
General and administrative expenses	(605)	(1,106)	(562)	(1,329)
Depreciation and amortization	(1,228)	(2,468)	(348)	(1,285)
Third-party services	(615)	(1,441)	(702)	(1,751)
	<u>(4,732)</u>	<u>(10,448)</u>	<u>(3,843)</u>	<u>(9,938)</u>
	Parent company			
	4/1/2020 to 6/30/2020	1/1/2020 to 6/30/2020	4/1/2019 to 6/30/2019	1/1/2019 to 6/30/2019
Selling expenses				
Personnel expenses	(347)	(735)	(336)	(600)
Commissions and brokerage	(99)	185	(118)	55
Sales stands/model apartments	(51)	(102)	(347)	(684)
Advertising	(159)	(373)	(395)	(847)
Other selling expenses	(154)	(395)	(431)	(1,019)
	<u>(810)</u>	<u>(1,420)</u>	<u>(1,627)</u>	<u>(3,095)</u>
	Parent company			
	4/1/2020 to 6/30/2020	1/1/2020 to 6/30/2020	4/1/2019 to 6/30/2019	1/1/2019 to 6/30/2019
Other operating income (expenses), net				
Real estate financing expenses	79	(148)	(50)	(86)
Tax expenses	-	(258)	(29)	(45)
Provision for contingencies	(4)	(85)	168	(47)
Other operating income and expenses	(77)	(348)	385	1,093
	<u>(2)</u>	<u>(839)</u>	<u>474</u>	<u>915</u>
	<u>(17,113)</u>	<u>(33,087)</u>	<u>(17,327)</u>	<u>(28,574)</u>
	Consolidated			
	4/1/2020 to 6/30/2020	1/1/2020 to 6/30/2020	4/1/2019 to 6/30/2019	1/1/2019 to 6/30/2019
Cost of properties sold				
Materials	(16,301)	(28,698)	(7,911)	(9,286)
Land	(7,089)	(14,081)	(8,583)	(9,985)
Completed properties	(9,706)	(15,828)	(15,242)	(25,753)
Personnel expenses	(2,031)	(4,100)	(628)	(1,003)
Subcontractors	(11,683)	(20,650)	(3,892)	(6,995)
Housing loan costs	(1,536)	(3,104)	(1,167)	(1,233)
Other	(296)	(3,927)	(2,898)	135
	<u>(48,642)</u>	<u>(90,388)</u>	<u>(40,321)</u>	<u>(54,120)</u>

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	Consolidated			
	4/1/2020 to 6/30/2020	1/1/2020 to 6/30/2020	4/1/2019 to 6/30/2019	1/1/2019 to 6/30/2019
Administrative and general expenses				
Personnel expenses	(2,961)	(6,882)	(2,237)	(5,578)
General and administrative expenses	(1,095)	(2,129)	(680)	(1,543)
Depreciation and amortization	(1,470)	(2,932)	(66)	(1,285)
Third-party services	(917)	(2,220)	(853)	(2,066)
	<u>(6,443)</u>	<u>(14,163)</u>	<u>(3,836)</u>	<u>(10,472)</u>
	Consolidated			
	4/1/2020 to 6/30/2020	1/1/2020 to 6/30/2020	4/1/2019 to 6/30/2019	1/1/2019 to 6/30/2019
Selling expenses				
Personnel expenses	(861)	(2,002)	(352)	(651)
Commissions and brokerage	(1,178)	(2,161)	(457)	(739)
Sales stands/model apartments	(748)	(1,429)	(954)	(1,369)
Advertising	(1,401)	(3,620)	(1,016)	(1,808)
Other selling expenses	(987)	(2,254)	(1,462)	(2,989)
	<u>(5,175)</u>	<u>(11,466)</u>	<u>(4,241)</u>	<u>(7,556)</u>
	Consolidated			
	4/1/2020 to 6/30/2020	1/1/2020 to 6/30/2020	4/1/2019 to 6/30/2019	1/1/2019 to 6/30/2019
Other operating income (expenses), net				
Real estate financing expenses	754	(258)	(50)	(88)
Tax expenses	(2)	(263)	(44)	(83)
Provision for contingencies	(2,492)	(3,827)	207	(1,811)
Other operating income and expenses	(1,190)	(1,922)	(343)	820
	<u>(2,930)</u>	<u>(6,270)</u>	<u>(230)</u>	<u>(1,162)</u>
	<u>(63,190)</u>	<u>(122,287)</u>	<u>(48,628)</u>	<u>(73,310)</u>

23 Management fees

Management compensation for the quarter and six-month period ended June 30, 2020 and 2019 is shown below:

	4/1/2020 to 6/30/2020	1/1/2020 to 6/30/2020	4/1/2019 to 6/30/2019	1/1/2019 to 6/30/2019
Parent company	460	1,349	451	969
Consolidated	551	1,556	554	969

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24 Finance income (costs), net

	Parent company			
	4/1/2020 to 6/30/2020	1/1/2020 to 6/30/2020	4/1/2019 to 6/30/2019	1/1/2019 to 6/30/2019
Finance income				
Indexation accruals and interest as per contracts	393	903	760	1,144
Interest on financial investments	114	248	81	122
Swap gain/loss	398	2,394	-	-
Other finance income	-	-	74	126
	<u>905</u>	<u>3,545</u>	<u>915</u>	<u>1,392</u>
				Parent company
	4/1/2020 to 6/30/2020	1/1/2020 to 6/30/2020	4/1/2019 to 6/30/2019	1/1/2019 to 6/30/2019
Finance costs				
Interest on borrowings	(803)	(1,496)	(832)	(1,632)
Bank fees and charges	(218)	(405)	(68)	(113)
Financing expenses	(7)	(43)	(5)	(10)
Other finance costs	(497)	(2,743)	(4)	(4)
	<u>(1,525)</u>	<u>(4,687)</u>	<u>(909)</u>	<u>(1,759)</u>
	<u>(620)</u>	<u>(1,142)</u>	<u>6</u>	<u>(367)</u>
				Consolidated
	4/1/2020 to 6/30/2020	1/1/2020 to 6/30/2020	4/1/2019 to 6/30/2019	1/1/2019 to 6/30/2019
Finance income				
Indexation accruals and interest as per contracts	1,195	2,808	1,505	2,141
Interest on financial investments	285	609	461	740
Swap gains	398	2,394	-	-
Other finance income	-	-	48	127
	<u>1,878</u>	<u>5,811</u>	<u>2,014</u>	<u>3,008</u>
				Consolidated
	4/1/2020 to 6/30/2020	1/1/2020 to 6/30/2020	4/1/2019 to 6/30/2019	1/1/2019 to 6/30/2019
Finance costs				
Interest on borrowings	(975)	(1,751)	(975)	(1,918)
Bank fees and charges	(317)	(647)	(58)	(106)
Financing expenses	(10)	(111)	(7)	(33)
Other finance costs, mainly Swap losses	(515)	(2,469)	(11)	(17)
	<u>(1,817)</u>	<u>(4,978)</u>	<u>(1,051)</u>	<u>(2,074)</u>
	<u>61</u>	<u>833</u>	<u>963</u>	<u>934</u>

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25 Income tax and social contribution expenses

Corporate income tax and social contribution on net income are calculated on an accrual basis. However, as these taxes are measured on a cash basis, the Company records them as deferred taxes. Balances of taxes due under this tax criteria are as follows:

	Parent company			
	4/1/2020 to 6/30/2020	1/1/2020 to 6/30/2020	4/1/2019 to 6/30/2019	1/1/2019 to 6/30/2019
Profit (loss) before IRPJ and CSLL	8,967	17,406	6,291	(1,257)
Nominal statutory rate - 34%	(3,049)	(5,918)	(2,139)	427
Equity accounting	(2,598)	(6,361)	(2,719)	(2,992)
Unrecognized tax credits due to temporary differences (RET)	5,312	11,649	4,585	2,232
IRPJ and CSLL expenses	<u>(335)</u>	<u>(630)</u>	<u>(273)</u>	<u>(333)</u>
Effective rate	4%	4%	4%	(26%)
	Consolidated			
	4/1/2020 to 6/30/2020	1/1/2020 to 6/30/2020	4/1/2019 to 6/30/2019	1/1/2019 to 6/30/2019
Profit (loss) before IRPJ and CSLL	17,878	35,621	12,381	5,610
Nominal statutory rate - 34%	(6,079)	(12,111)	(4,210)	(1,907)
Equity accounting	72	(627)	(456)	(877)
Unrecognized tax credits due to temporary differences (RET)	3,907	9,295	3,486	1,127
IRPJ and CSLL expenses	<u>(2,100)</u>	<u>(3,443)</u>	<u>(1,180)</u>	<u>(1,657)</u>
Effective rate	12%	10%	10%	30%

Management has not recorded deferred assets as the confirmation of generation of future taxable income cannot be reliably estimated as a substantial part of the Group's operations are carried out through SPEs and SCPs, in addition to the use of the Special Taxation Regime (RET) adopted for certain projects developed by the Company and its subsidiaries.

Patrimar Engenharia S.A.

Notes to the quarterly information at June 30, 2020

All amounts in thousands of reais unless otherwise stated

26 Deferred revenue and deferred costs

Pursuant to the Circular Letter No. 02/2018 of December 12, 2018, which addresses revenue recognition for purchase and sale of uncompleted real estate units under construction, the table below presents, deferred revenue and deferred costs of units under construction.

	<u>Parent company</u>	<u>Consolidated</u>
Developments under construction		
(i) Deferred revenue from units sold		
Developments under construction:		
(a) Revenue from contracted sales	58,073	648,257
Revenue from recognized sales	(34,550)	(344,183)
Canceled sales - reversed revenue	561	14,315
	<u> </u>	<u> </u>
(b) Revenue from recognized sales, net	(33,989)	(329,868)
	<u> </u>	<u> </u>
Deferred revenue (a+b)	<u>24,084</u>	<u>318,389</u>
(ii) Budgeted deferred cost of sold units		
Developments under construction:		
(a) Budgeted costs	31,223	367,909
Construction costs	(17,912)	(183,209)
	<u> </u>	<u> </u>
(b) Incurred costs, net	(17,912)	(183,209)
	<u> </u>	<u> </u>
Deferred costs of units sold (a+b)	<u>13,311</u>	<u>184,700</u>
(iii) Budgeted deferred costs of units in inventory		
Developments under construction:		
(a) Budgeted costs	8,488	276,832
(b) Incurred costs	(4,868)	(123,828)
	<u> </u>	<u> </u>
Deferred costs of units in inventory (a+b)	<u>3,620</u>	<u>153,004</u>

27 Commitments

(a) Commitments for purchase of land.

Commitments have been undertaken by the Group for purchases of land, which have not yet been reflected in the accounting records, as there are matters pending resolution by the sellers before the formalization of the final deed and transfer of the related title to the Company, its subsidiaries or partners. These commitments total R\$ 1,181,441 (R\$ 1,266,777 in 2019) of which: R\$ 1,105,046 (R\$ 1,186,262 in 2019) will be settled upon delivery of transfers of real estate units to be constructed and/or from a portion of the proceeds from the sale of the related developments, and R\$ 76,395 (R\$ 80,515 in 2019) will be settled as a balancing payment.

Patrimar Engenharia S.A.

Notes to the quarterly information at June 30, 2020

All amounts in thousands of reais unless otherwise stated

(b) Lease commitments

In the quarter ended June 30, 2020, Patrimar had R\$ 1,845 (R\$ 2,025 in 2019) in the Parent company and R\$ 3,740 (R\$ 4,346 in 2019) in Consolidated in lease commitments related exclusively to real estate leased by the Group companies.

28 Segment reporting

The principal source of revenue of the Group is derived from real estate development activities. The chief operating decision-maker analyzes information by development for the purposes of allocating resources and assessing performance. The management of activities relating to strategic planning, finance, purchases, investment of resources and the assessment of the performance of developments is centralized and there is no segregation by type of development (residential - high and middle standard and commercial) that could indicate management by segment, or other factors that could identify a set of components as operating segments of the entity.

29 Insurance

As at June 30, 2020, the Group had contracted the following insurance coverage:

- a) Engineering risk insurance - civil works in progress: all risk coverage for construction of real estate, such as fire, theft and damage resulting from construction works, among others. This type of insurance permits additional coverage considering the risks inherent to construction works, including civil liability and cross liability insurance, special expenses, riots, employer's civil liability and moral damages.
- b) Business risk insurance - coverage for sales stands and model apartments against damage caused by fire, theft, lightning and explosion, among others.
- c) Multiple risk insurance - coverage for electronic equipment against possible theft or electrical damage.
- d) Civil liability insurance (management)

Patrimar Engenharia S.A.

Notes to the quarterly information at June 30, 2020

All amounts in thousands of reais unless otherwise stated

At June 30, 2020, the insurance coverage was as follows:

Items	Cover		Insured amount		
	Beginning	End	Novolar	Patrimar	Consolidated
Aircraft	2019	2020	3,763	-	3,763
Commercial multiple peril and General civil liability - Multiple peril insurance	2019	2020	-	2,060	2,060
Equipment	2019	2020	-	300	300
Contractor - Completion bond (SGTO)	2018	2021	4,318	-	4,318
Contractor - Completion bond (SGTO)	2019	2022	7,293	-	7,293
Contractor - Completion bond (SGTO)	2019	2023	5,946	-	5,946
Contractor - Completion bond - Infrastructure not included	2019	2022	535	-	535
Residential - Apartment	2019	2020	2,860	2,020	4,880
Residential - Apartment	2020	2021	1,000	-	1,000
Civil liability (management) D&O	2019	2020	-	10,000	10,000
Engineering risk and civil risk	2017	2021	-	28,000	28,000
Engineering risk and civil risk	2018	2021	28,784	-	28,784
Engineering risk and civil risk	2020	2022	1,170	-	1,170
Engineering risk and civil risk	2018	2023	-	169,625	169,625
Engineering risk and civil risk	2019	2023	54,653	-	54,653
Engineering risk and civil risk	2020	2023	-	112,274	112,274
Engineering risk and civil risk	2020	2024	39,638	-	39,638
Commercial multiple peril insurance	2019	2020	2,680	2,060	4,740
Commercial multiple peril insurance	2020	2021	4,228	12,980	17,208
Insurance for barter transactions	2017	2020	-	8,590	8,590
Insurance for barter transactions	2018	2021	-	10,160	10,160
Post-completion bond – maintenance bond (SGPE)	2018	2023	539	-	539
Post-completion bond – maintenance bond (SGPE)	2019	2024	590	-	590
Post-completion bond – maintenance bond (SGPE)	2020	2025	699	-	699

* * *

Conclusions and Representations / Officers' Representation on the Financial Statements

Officers' Representation on the Financial Statements

Pursuant to the provisions of Article 25, paragraph 1, items V and VI, of the Brazilian Securities Commission Instruction No. 480 of December 7, 2009, the officers represent that they have reviewed, discussed and are in agreement with the presentation of the parent company and consolidated interim financial statements as at and for the quarter and six-month period ended June 30, 2020.

Belo Horizonte, August 5, 2020.

Chief Executive Officer – ALEXANDRE ARAÚJO ELIAS VEIGA

Investor Relations Officer - FELIPE GONÇALVES ENKY

Chief Administrative and Financial Officer – MARCOS ROGÉRIO ALMEIDA DUTRA

Conclusions and Representations / Officers' Representation on the Independent Auditor's Report

Officers' Representation on the Independent Auditor's Report

Pursuant to the provisions of Article 25, paragraph 1, items V and VI, of the Brazilian Securities Commission Instruction No. 480 of December 7, 2009, the officers represent that they have reviewed, discussed and are in agreement with the conclusions expressed in the Independent Auditor's Review Report dated August 5, 2020, on the parent company and consolidated interim financial statements as at and for the quarter and six-month period ended June 30, 2020.

Belo Horizonte, August 5, 2020.

Chief Executive Officer – ALEXANDRE ARAÚJO ELIAS VEIGA

Investor Relations Officer - FELIPE GONÇALVES ENKY

Chief Administrative and Financial Officer – MARCOS ROGÉRIO ALMEIDA DUTRA

EXECUTIVE BOARD

ALEXANDRE ARAÚJO ELIAS VEIGA
Chief Executive Officer

FELIPE GONÇALVES ENKY
Investor Relations Officer

MARCOS ROGÉRIO ALMEIDA DUTRA
Chief Administrative and Financial Officer

RESPONSIBLE ACCOUNTANT

ROGER TADEU VILELA FERREIRA
Contador
CRC - MG 122.560/O