Earnings Release
4Q21 and 2021

4Q21 and 2021 Earnings Release

Belo Horizonte, March 9, 2022 - Patrimar S.A. ("Patrimar" or "Company"), one of the largest development and construction companies in Brazil, operating in the low-income, middle-income and high-income levels with luxury and high-luxury products, discloses its results for the fourth quarter of fiscal year 2021 ("4Q21") and for the year of 2021 ("2021"). The information in this document is expressed in million national currency and the Potential Sales Volume ("PSV") shows the consolidated value (100%), except where otherwise indicated.

THE BEST YEAR IN COMPANY'S HISTORY

- **Net Revenue of R$ 882.2 million in 2021, representing the best year in the Company's history;**
- **All time high annual net income in history, achieving R$ 154.8 million;**
- **Return on equity (ROE) of 24.9% in 2021, of which 31.0% in 4Q21 annualized.**
- **Record launches of R$ 623.7 million in 4Q21,** 18.2% higher than 4Q20**. In the year of 2021 ended, we achieved R$ 1.26 billion in launches,** an expressive increase of 72.1% compared to 2020;
- **In 4Q21 we reached a record Net Contracted Sales record in a quarter, with R$ 472.1 million,** 193.7% higher than 4Q20**. In 2021 accumulated, we achieved the best year in sales in the Company's history with R$ 988.3 million,** a strong growth of 81.0% compared to 2020.
- **Landbank of R$ 9.35 billion on December 31, 2021, increase of 29.4% compared to 2020.**

Investor Relations

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About Patrimar Group

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

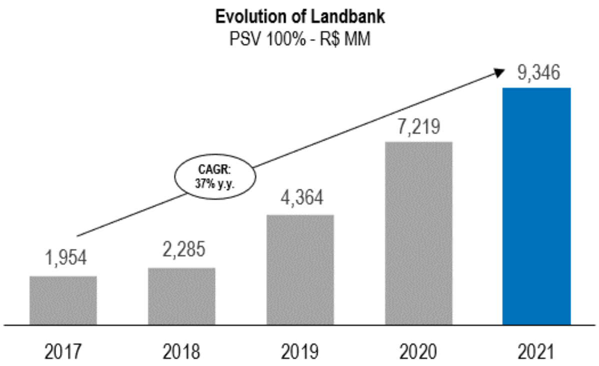
The Company diversifies its operations in the residential real estate development (core business) and commercial, with a presence in the high-income real estate developments (luxury and high-income products) through the Patrimar brand, as well as in the middle and low-income through the Novolar brand.

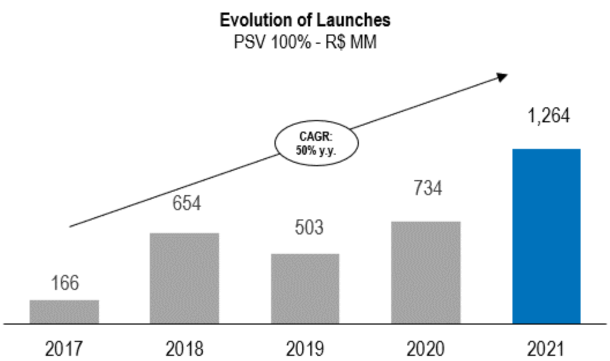
Message from the Management

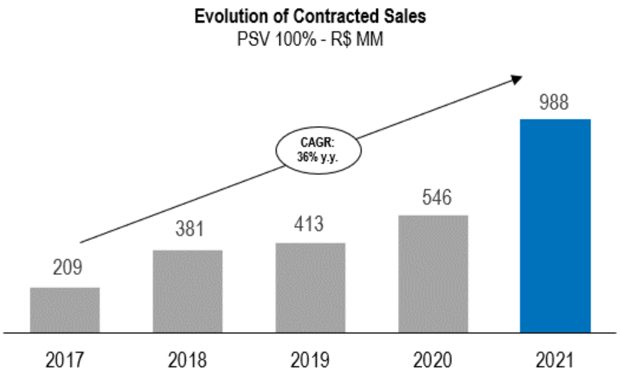
We are pleased to present our operating and financial results for the fourth quarter of 2021 and for the year 2021. Our operation has been growing consistently, with quality of execution, financial solidity, and great prospects for our markets.

Growth – PX2

Our operation is growing consistently, evolving in all operational and financial lines. Our landbank is currently capable of supporting large portion of the projects to be launched in the upcoming years, as well as achieving a project maturation degree, allowing us to visualize these launches within the best strategy, combining market appetite, income levels and geography.

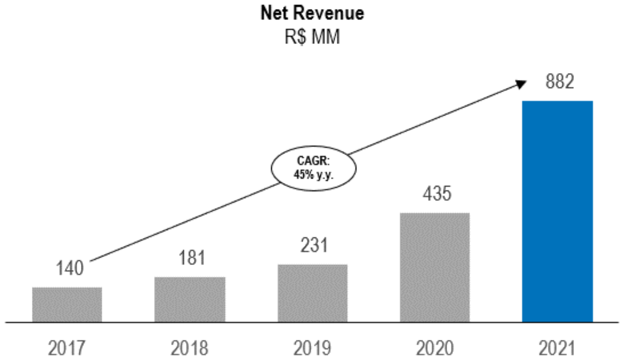


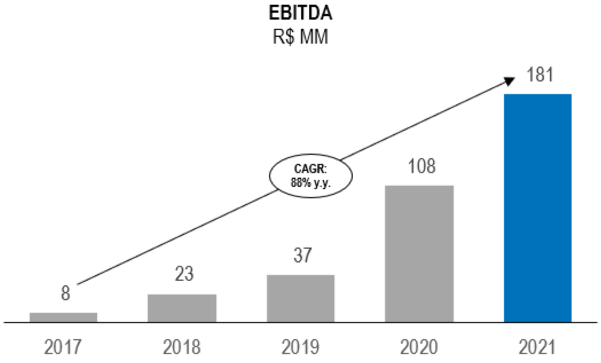


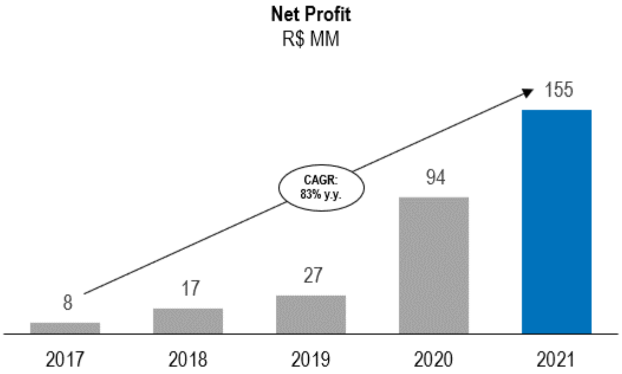


We have observed a longer approval cycle in most relevant municipalities for our business. With the COVID-19 pandemic, several municipalities and notary offices have been working remotely, and that has made the complete process of obtaining all licenses, permits and registrations more time consuming. We continue to pursue the goal of accelerating this process and increasing launching product availability, but we concern that in 2022 – still considering both the electoral period and the Football World Cup – these deadlines will be even longer.

Our financial numbers have been increasingly showing better results, reflecting a more robust operation, operational leverage and focus on results.

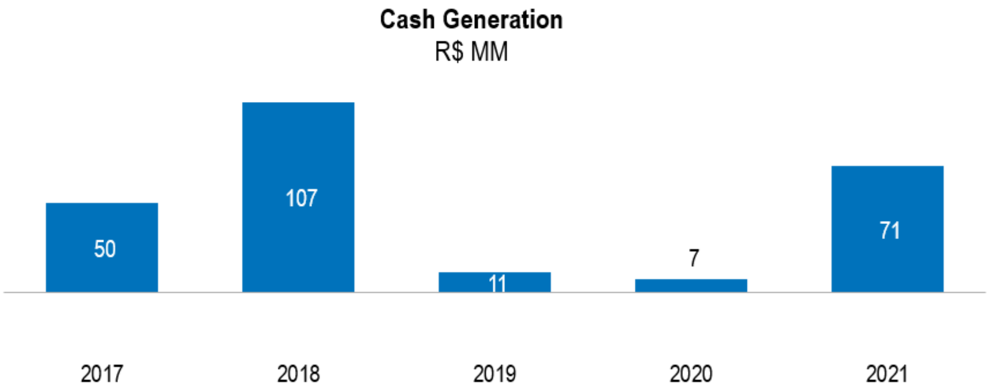






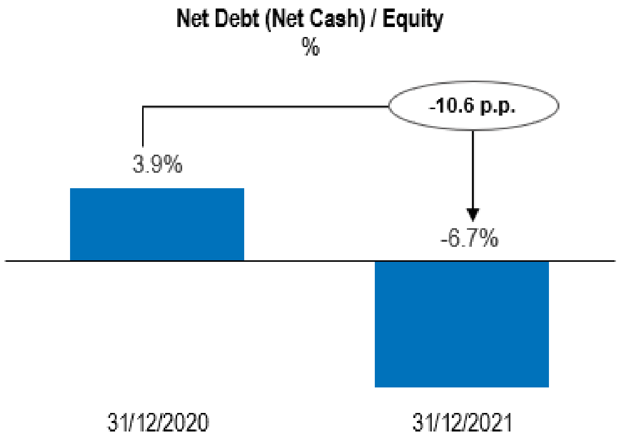
Capital Structure and Liquidity

Despite showing substantial growth over the last few years, the operation has generated cash year after year, presenting cash generation for the fifth consecutive period.

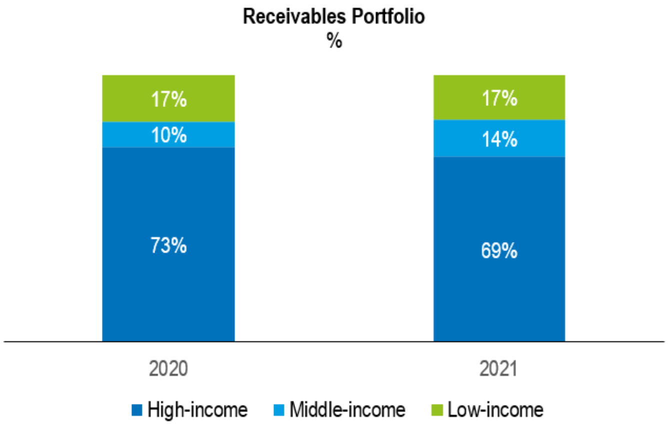


In 4Q21, we had a cash generation of R$41 million as result of a strong sales force and a strong receivables inflow in this quarter.

Due to our operational strength and liquidity management, the Company has a net cash position and, therefore, low leverage in relation to net equity. This combination allows us to maintain our growth curve with a low-risk operation.

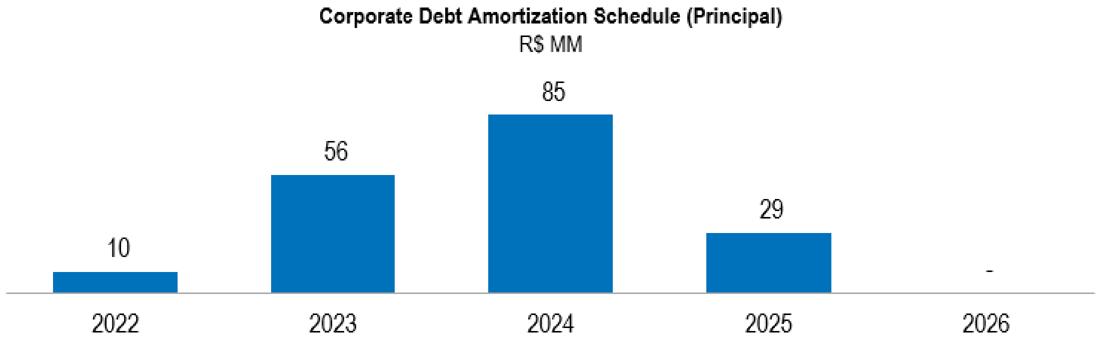


We have a healthy receivables portfolio of more than R$1.0 billion, with a large portion of receivables linked to the high-income operation, with lower risk and protection against inflation.

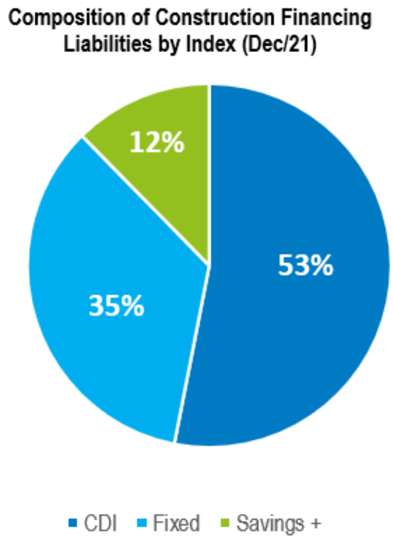


With the interest rate rising, we understand that receivables inflow should be longer than the ones in 2020 and 2021, and that may impact the Company's cash generation, in addition to longer sales curve, with greater prevalence of price than speed, in turn preserving margins without impacting our capital structure.

We have a balanced debt, with a long-term profile. We are always on the lookout for opportunities to carry out operations that lower our debt costs, as well as lengthen the debt payment profile.



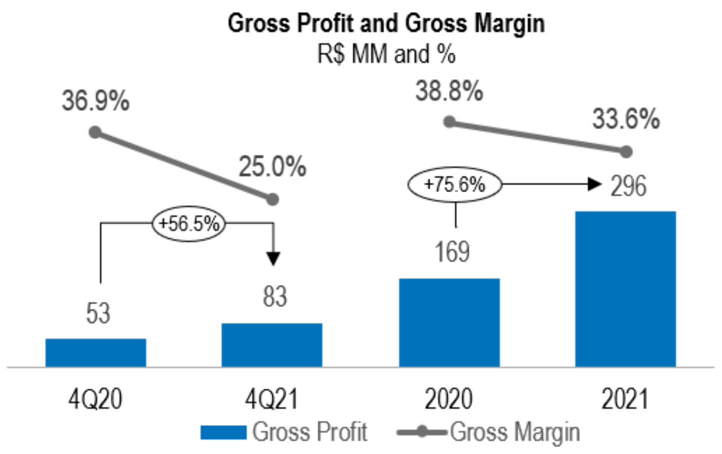
Our construction liability profile still has a relevant portion attached to the CDI (Interbank Deposit Rate), although the projects linked to these debts are in the final stage of construction and subject to transfer. We estimate that in 2022 approximately R$ 41.5 million of CDI financing will be amortized with transfer of units already sold, which would bring the weighted average cost of debt down. New contracts are being signed in a mix of Savings+ and TR+ pre-fixed cost.



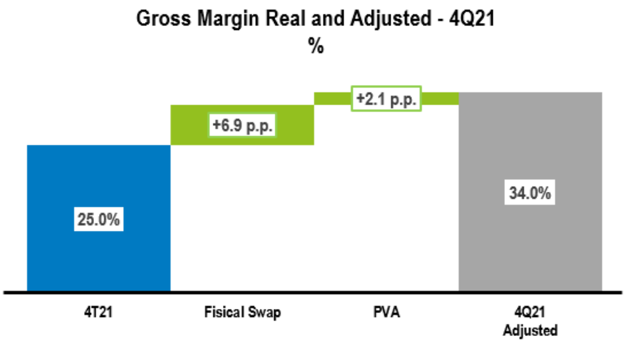
The weighted average cost of our construction financing as of December 31, 2021 was 114.0% of the CDI, considering the annualized CDI rate on the same date (482.0% of the CDI as of December 31, 2020, with the annualized CDI on the same date).

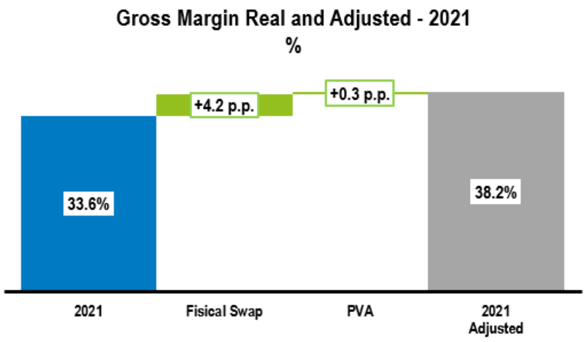
Profitability

The gross margin for 2021 was strongly impacted by the swaps volume in the mix of launches made in this year (28.3% of the volume launched was swaps). For accounting purposes, swaps have a zero margin, which means that the greater is the proportion in the mix, the is greater the impact on gross margin.

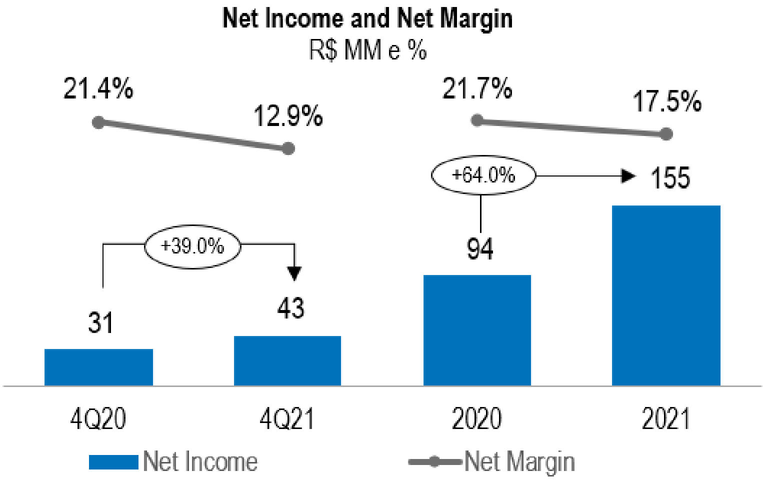


In addition to the swaps, the adjustment to present value of sales made in 4Q21, due to the profile of such sales and the increase in the NTN-B rate for a similar term, had a negative impact on the result, which will be recovered along the amounts realized.

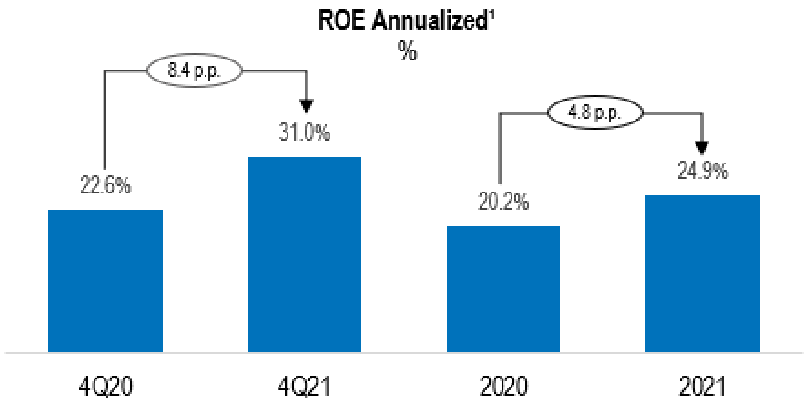




We continue to be one of the most profitable companies in the real estate development segment, with a net margin above average and consistent over the quarters, reflecting a return on capital also above the sector average.



We have an ROE above the industry average, a very significant result in terms for the profitability of our business.



Team

We are reinforcing our team with new members arrival and the changing positions in our Executive and Manager Boards and management positions. This reinforcement of our human resources aims at the expected growth of our operations with the certainty that we have a unique team within the business model of operating the three income levels of real estate development with volume, profitability and quality. We currently have 625 employees and we ended 2021 with approximately 1,870 employees in our sites, between direct and indirect people.

1-Annualized ROE of the Controler: Annualized Net Income divided by Adjusted Shareholders' Equity

Main Indicators

Financial Indicators (R$ '000)	4Q21 (a)	4Q20 (b)	Δ % (a/b)	2021 (c)	2020 (d)	Δ % (c/d)
Net Operational Revenue	333,255	144,330	130.9%	882,168	435,227	102.7%
Gross Profit	83,386	53,285	56.5%	296,261	168,702	75.6%
% Gross Margin	**25.0%**	**36.9%**	**-11.9 p.p.**	**33.6%**	**38.8%**	**-5.2 p.p.**
EBITDA	83,386	33,120	151.8%	180,612	108,244	66.9%
% EBITDA Margin	**25.0%**	**22.9%**	**2.1 p.p.**	**20.5%**	**24.9%**	**-4.4 p.p.**
EBITDA Ajustado	52,257	34,006	53.7%	188,015	113,535	65.6%
% Adjusted EBITDA Margin	**15.7%**	**23.6%**	**-7.9 p.p.**	**21.3%**	**26.1%**	**-4.8 p.p.**
Net Income	42,848	30,825	39.0%	154,764	94,367	64.0%
% Net Margin	**12.9%**	**21.4%**	**-8.5 p.p.**	**17.5%**	**21.7%**	**-4.1 p.p.**

Launches (R$ '000)	4Q21 (a)	4Q20 (b)	Δ % (a/b)	2021 (c)	2020 (d)	Δ % (c/d)
PSV 100%	**623,696**	**527,481**	**18.2%**	**1,263,594**	**734,138**	**72.1%**
Low-income	140,278	87,992	59.4%	304,089	129,662	134.5%
Middle-income	-	-	n/a	-	-	n/a
High-income	483,419	439,490	10.0%	959,505	604,477	58.7%
PSV % Patrimar	**435,147**	**307,736**	**41.4%**	**898,605**	**476,095**	**88.7%**
Low-income	116,711	87,992	32.6%	259,153	129,662	99.9%
Middle-income	-	-	n/a	-	-	n/a
High-income	318,436	219,745	44.9%	639,452	346,434	84.6%
Units	**603**	**433**	**39.3%**	**1,546**	**959**	**61.2%**
Low-income	480	368	30.4%	1,300	648	100.6%
Middle-income	-	-	n/a	-	-	n/a
High-income	123	65	89.2%	246	311	-20.9%

Net Contracted Sales (R$ '000)	4Q21 (a)	4Q20 (b)	Δ % (a/b)	2021 (c)	2020 (d)	Δ % (c/d)
PSV 100%	**472,097**	**160,718**	**193.7%**	**988,326**	**545,966**	**81.0%**
Low-income	124,675	33,115	276.5%	294,695	86,470	240.8%
Middle-income	1,832	13,077	-86.0%	20,729	49,920	-58.5%
High-income	345,591	114,525	201.8%	672,902	409,576	64.3%
PSV % Patrimar	**441,775**	**108,424**	**307.5%**	**775,653**	**405,518**	**91.3%**
Low-income	110,023	33,115	232.2%	262,869	86,470	204.0%
Middle-income	1,283	9,154	-86.0%	14,851	36,815	-59.7%
High-income	330,470	66,154	399.5%	497,933	282,233	76.4%
Units	**605**	**257**	**135.4%**	**1,609**	**908**	**77.2%**
Low-income	504	176	186.4%	1,364	460	196.5%
Middle-income	4	33	-87.9%	47	120	-60.8%
High-income	97	48	102.1%	198	328	-39.6%
Average Price	**780**	**625**	**24.8%**	**614**	**601**	**2.2%**
Low-income	247	188	31.5%	216	188	14.9%
Middle-income	458	396	15.6%	441	416	6.0%
High-income	3,563	2,386	49.3%	3,398	1,249	172.2%

Operational Performance

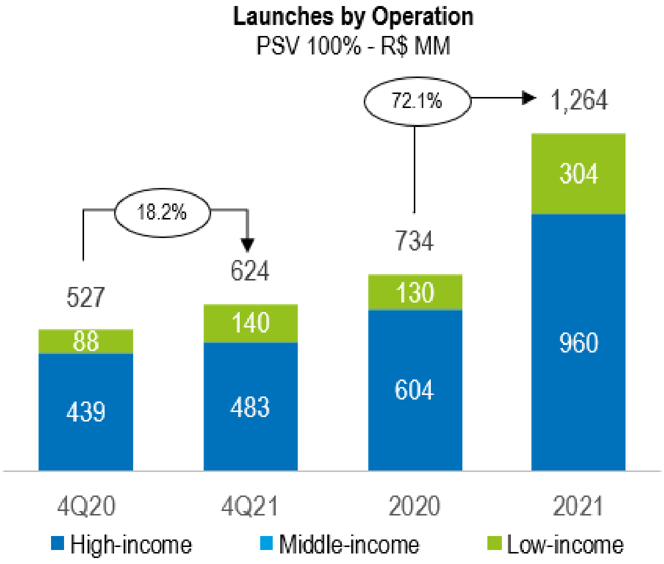
Launches

In the 4Q21, we launched a total of R$ 623.7 million in projects, a total value of R$ 1.26 billion in the year ended, growth of 72.1% over 2020, reaching the best quarter in the history of the company as a result. The highlights are Rio de Janeiro state Oceana Golf and, more recently, Novolar Recreio, respectively in the high income and economic operations, representing 87% of the total PSV launches in 2021. The company launched 5 projects in the year of 2021, and considering the total amount in 4Q21, the company has an average equity share of 69.8%, 71.1% of all the launches of 2021.

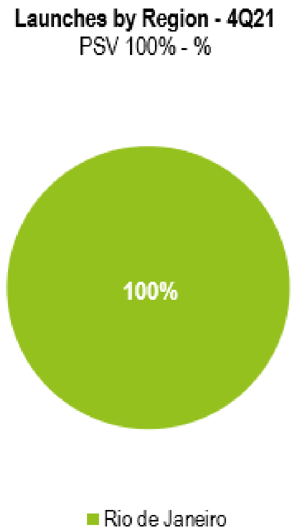
Oceana Golf – Barra da Tijuca, RJ

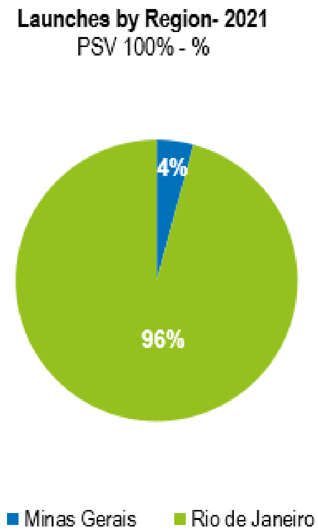
Novolar Recreio – Recreio dos Bandeirantes, RJ

Following our operations diversification strategy, in 4Q21 22.5% of PSV launched were made in the low income, an increase of 5.8 p.p. compared to the same period in 2020. In 2021, low income level represented 24.1% of the total, an increase of 6.4 p.p. compared to 2020.



On the side of geographic diversification strategy, 95.8% of the PSV launched occurred in Rio de Janeiro state in 2021, while in 2020, 82.3% occurred in Minas Gerais. This strategy makes possible to expand our base of operations, to achieve greater scale and further, allowing us to take advantage of economic cycles in each region simultaneously.

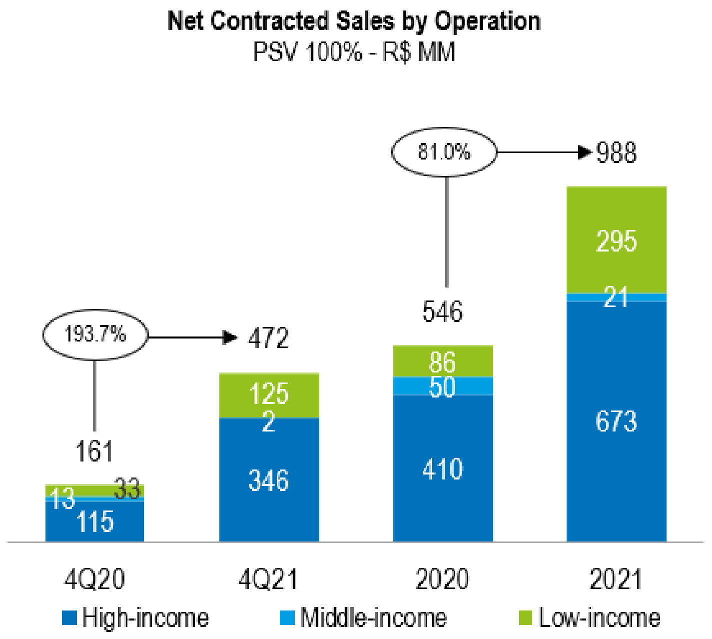


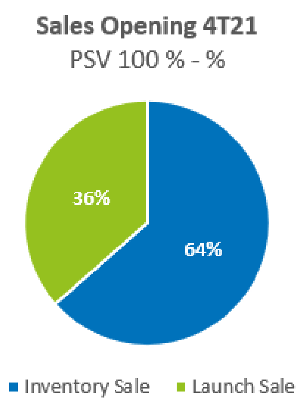


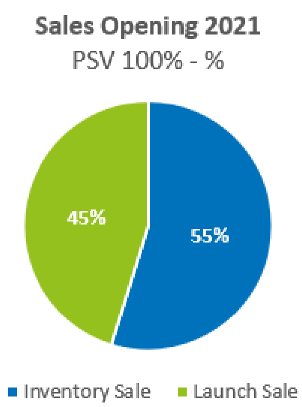
Contracted Sales

As we can notice in the following charts, R$ 472.1 million in Net Contracted Sales were commercialized in the 4Q21, a total of 605 housing units sold. This number represents an increase of 135.4% compared to 4Q20, a historical record for a quarter to the Company. In the year of 2021, Net Contracted Sales were a historical record for the Company also, reaching R$ 988.3 million, an increase of 81% compared to 2020. The sales volume in both quarter and year reflects our operational and geographical diversification strategies results, and beyond, the quality of product and ability of our team to develop and sell differentiated products.

The Company's average equity share of Net Contracted Sales was 96.5% in 4Q21 and was 79.9% for the year.

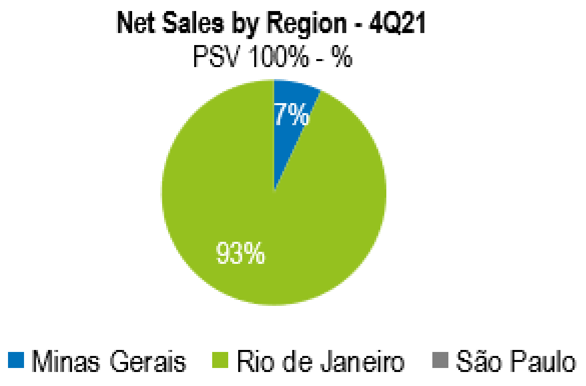


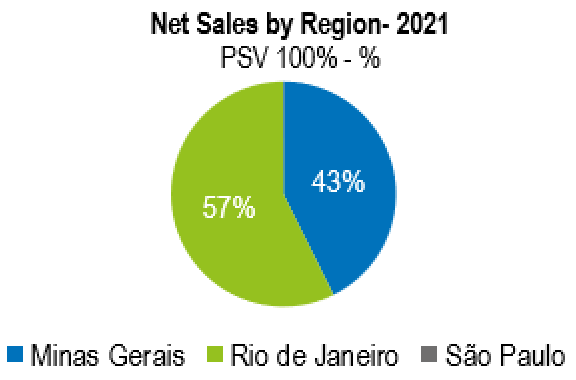


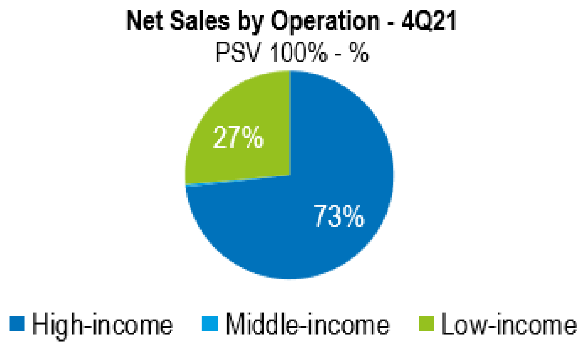


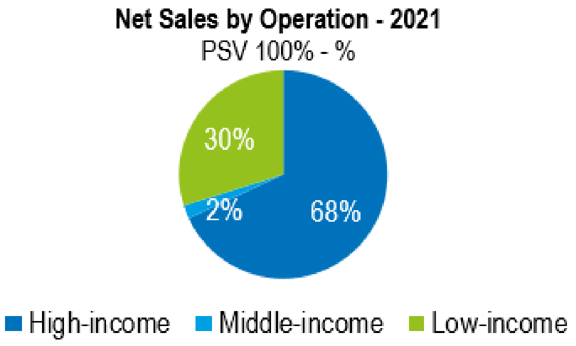
The Inventory Sales share of 36.5% in this quarter, is due to Oceana Golf launching at the end of 3Q21. In the year to date, we see a good performance of our projects in terms of sales speed management and pricing.

Considering the high volume of launches carried out in Rio de Janeiro in the period, the Net sales in this state represented a relevant volume to our business. It is important to highlight the sales force in Minas Gerais, which, with a lower relevance in launches for the year, contributed to an important volume of net contracted sales.









The table below provides more information about sales:

Net Contracted Sales (R$ '000)	4Q21 (a)	4Q20 (b)	Δ % (a/b)	2021 (c)	2020 (d)	Δ % (c/d)
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Average Price	**780**	**625**	0.0%	**614**	**601**	0.0%
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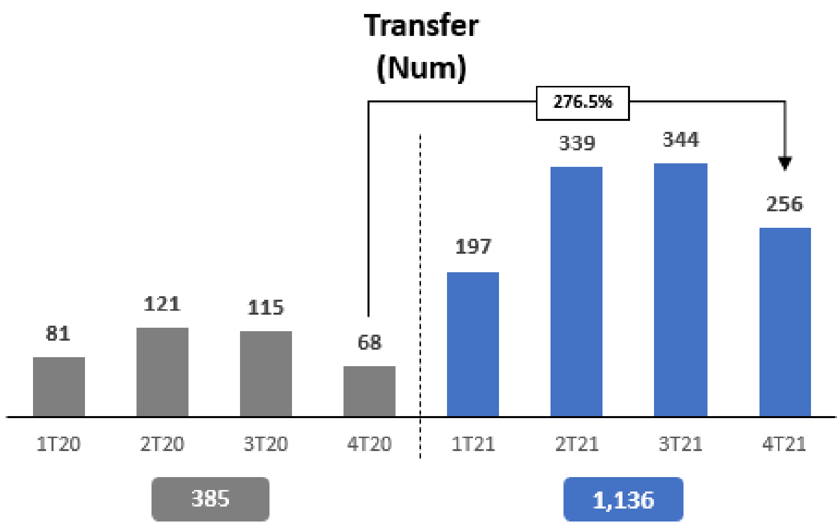
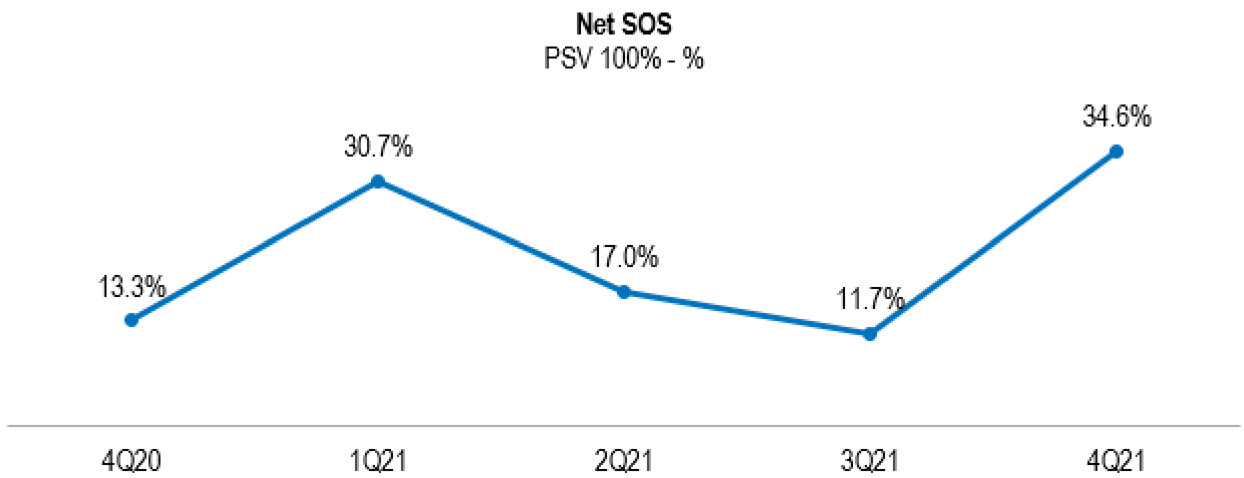
Middle-income	458	396	15.6%	441	416	6.0%
High-income	3,563	2,386	49.3%	3,398	1,249	172.2%

In 2021, we transferred more than the double of units compared to 2020, a new level in the Casa Verde Amarela Program (PCVA) and, therefore, in the operation of the economic income level. The lower amounts recorded in 4Q21 compared to the immediately previous quarter were due to the shorter period of transfers in this quarter with holidays and year-end festivities, in addition to a more concentrated sales volume at the end of the quarter.



SoS (Sales speed) – Sales over Supply

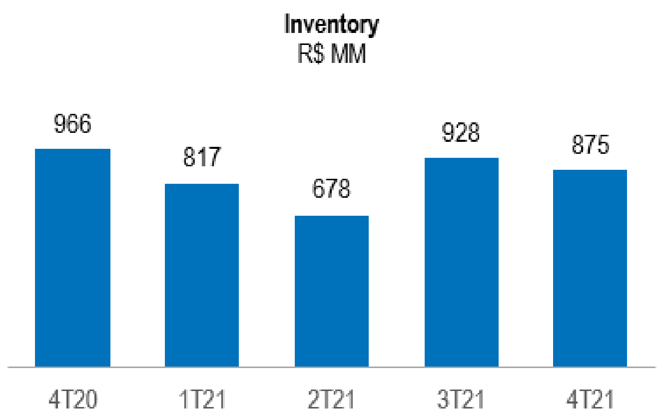
The Net Sales Speed in 4Q21, measured by the net VSO indicator (Net Sales over Supply), was 22.9 p.p. above the previous quarter and 21.3 p.p. above the same period in 2020.



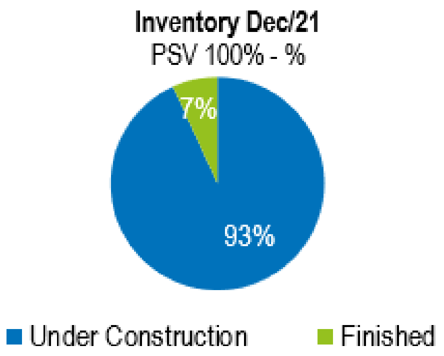
In the consolidated for the year 2021, our VSO reached the expressive mark of 46.9%, 10.4 p.p. above the VSO of 2020.

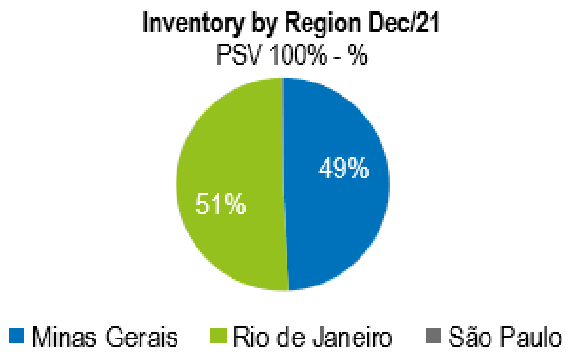
Inventory

The success in sales, brought the stocks on December 31, 2021 to 9.4% lower than last year's closing. In unit values, the reduction in stocks was of 865 units, going from 12,666 units in 2020 to 11,801 in 2021.

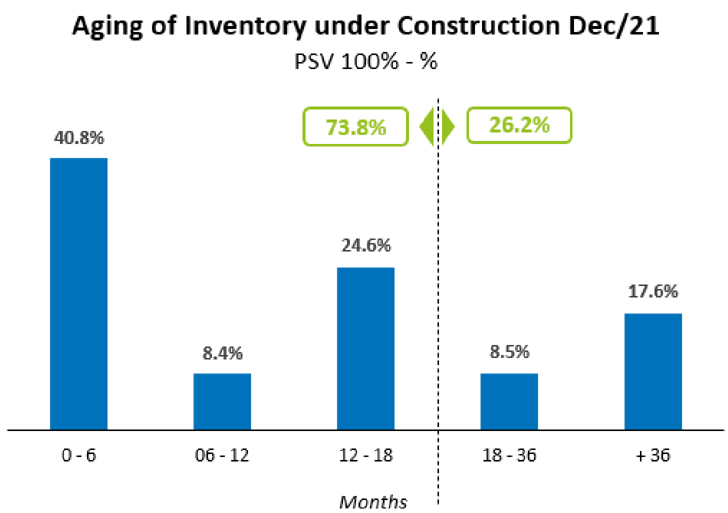


As we can see below, we will start 2022 with a very comfortable and balanced inventory profile. Finished inventories, compared to 2020, decreased by 2.0 p.p., reflecting a good performance in sales of projects launched in the last 36 months.

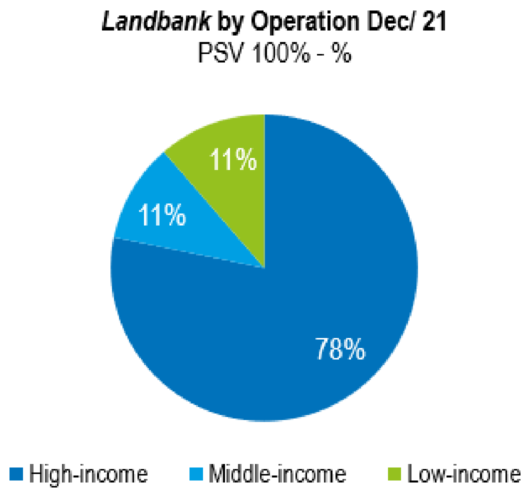


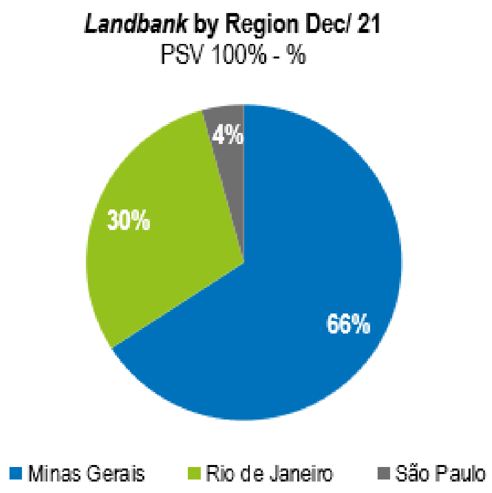


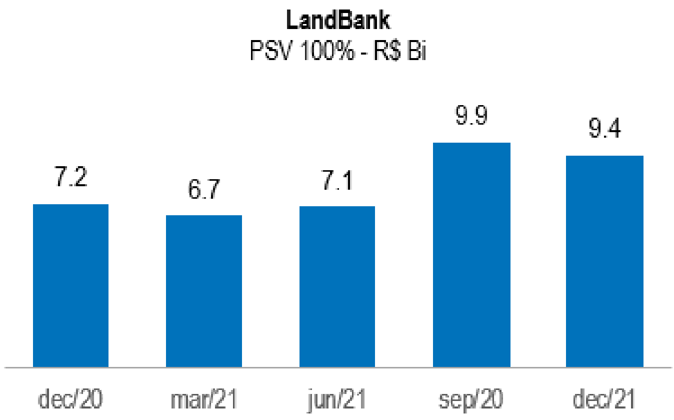
From the total inventory under construction, most of it is due to recent launches within the last 18 months, which demonstrates our ability to sell at launches and not carry finished inventories over time.,



Landbank







Our landbank has 11,801 units and our average share is 69%. The Landbank value reduction in December 2021 is due to launches in greater volume than the replacement of PSV. We purchased 2 lands in 4Q21, in São Paulo and Minas Gerais, totaling a potential PSV of R$ 222.5 million, or 384 units.

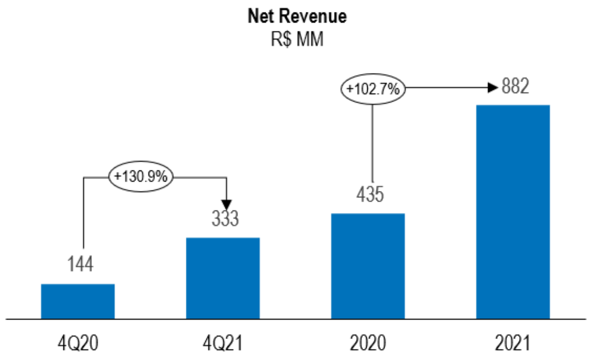
We started 2022 with approximately R$1.8 billion in projects already approved for launch and very confident in our operational and management capacity to perpetuate the strong growth achieved this year.

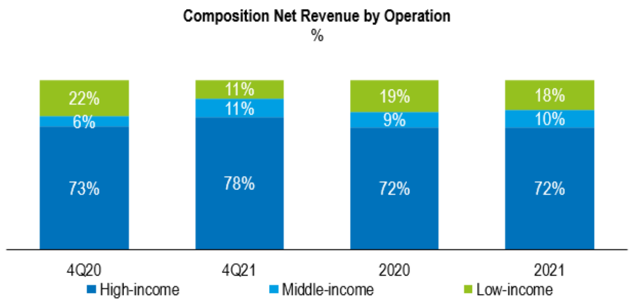
Financial Performance

Net Revenue

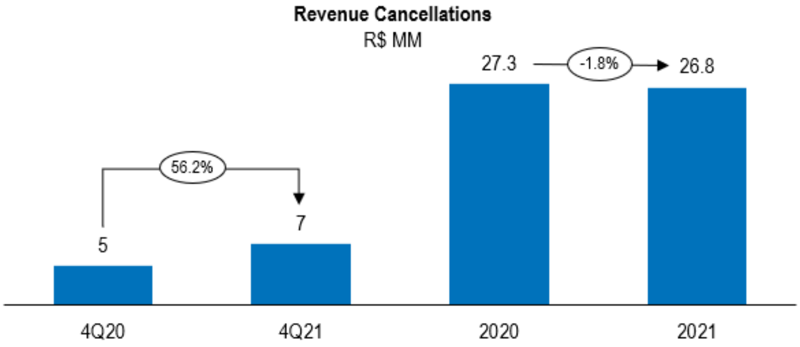
Net Operating Revenue (R$ '000)	4Q21	4Q20	Δ %	2021	2020	Δ %
Gross revenue from properties sales	339,046	142,248	138.3%	905,968	457,698	97.9%
Service revenue	6,147	6,274	-2.0%	13,502	7,544	79.0%
Gross Revenue	**345,194**	**148,522**	**132.4%**	**919,471**	**465,242**	**97.6%**
AVP - Adjustment to present value	1,623	2,769	-41.4%	7,929	6,540	21.2%
Canceled sales	(7,459)	(4,775)	56.2%	(26,839)	(27,334)	-1.8%
Deduction and taxes	(6,102)	(2,186)	179.2%	(18,392)	(9,221)	99.5%
Net Revenue	**333,255**	**144,330**	**130.9%**	**882,168**	**435,227**	**102.7%**

In this year, 2021, we more than doubled our Net Revenue over 2020. Comparing the last quarter of this year with same period of previous year, the increase was even more expressive. Whether comparing year or quarter, in addition to the excellent performance of sales in the accumulated, already mentioned in operational analysis of the business, we have a relevant progress of works in process, which lead to a greater recognition of revenue using the PoC accounting method. In addition to this effect, the adjustment of our accounts receivable balance by the INCC contributed to the net revenue level due to high value reached in 2021, reaching R$ 57.1 million in 2021 (+333.7% compared to 2020) and R$15.1 million in 4Q21 (+161.6% compared to 4Q20).





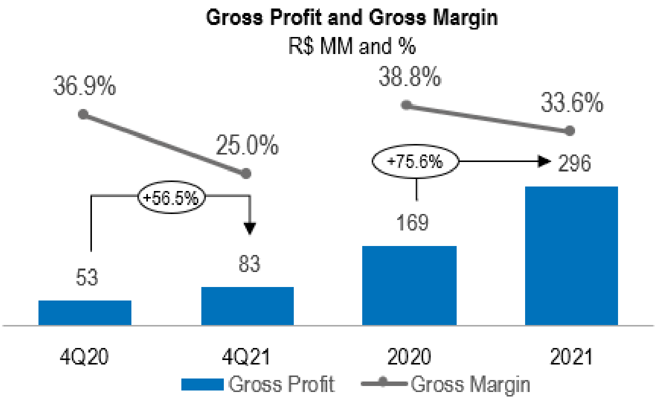
Positively contributing to this result, it is also worth noting the important reduction in cancellations as a ratio of gross revenue, which reduced 3.0 p.p. in 2021 against 2020 and 1.1 p.p. when comparing 4Q21 with 4Q20.



Gross Profit and Gross Margin

In the comparison between 2021 and 2020, as well as between 4Q21 and 4Q20, the increase in the Gross Profit of the business is a result of the higher level of construction progress in the periods, as well as the accelerated pace of construction itself.

Mainly due to the greater number of physical swaps we had in this quarter and year, our gross margin was strongly impacted, as described in the Message from Management. This is a specific accounting and one-off effect for each project, and the results for the next quarters will be impacted by projects launching volume with or without physical swaps.



Operating Expenses

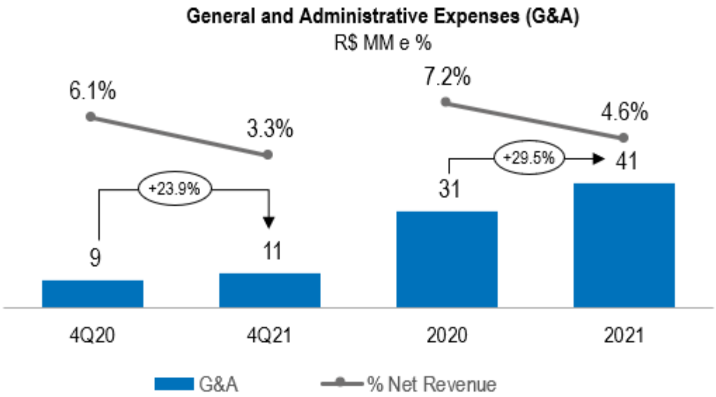
Total Expenses (R$ '000)	4Q21	4Q20	Δ %	2021	2020	Δ %
General and Administrative Expenses	11,001	8,876	23.9%	40,551	31,305	29.5%
Commercial Expenses	17,099	10,748	59.1%	55,392	29,331	88.9%
Other Operating Expenses (Revenues)	6,552	3,535	85.3%	19,851	12,174	63.1%
Total	**34,652**	**23,159**	**49.6%**	**115,794**	**72,810**	**59.0%**

General and Administrative Expenses (G&A)

General and Administrative Expenses (R$ '000)	4Q21	4Q20	Δ %	2021	2020	Δ %
Personnel expenses	5,801	4,743	22.3%	22,166	15,513	42.9%
Depreciation and amortization	1,800	1,311	37.3%	7,147	6,125	16.7%
Third-party services	1,055	2,233	-52.8%	6,790	5,710	18.9%
General administrative expenses	2,345	589	298.1%	4,448	3,957	12.4%
Total	**11,001**	**8,876**	**23.9%**	**40,551**	**31,305**	**29.5%**

The growth of G&A is explained by the greater investment in personnel for strategic areas, aiming to support the Company's growth cycle.

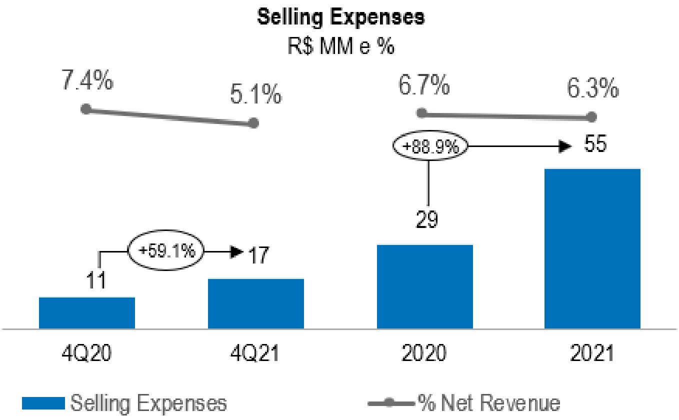
Within the progress of construction projects launched, which have a high sales percentage and a new revenue cycle by new deployments to be carried out, the operational leverage, added to the company diligence in expenses management allows teams' productivity gains in productivity of our teams, reducing the G&A proportion of Net Revenue.



Selling Expenses

Commercial Expenses (R$ '000)	4Q21	4Q20	Δ %	2021	2020	Δ %
Commissions and brokerages	5,666	3,238	75.0%	19,085	7,618	150.5%
Advertising	5,989	3,234	85.2%	16,980	8,675	95.7%
Other commercial expenses	3,984	2,435	63.6%	13,916	5,906	135.6%
Personnel expenses	1,311	1,117	17.4%	4,907	4,315	13.7%
Sales stands / decorated apartments	149	724	-79.4%	504	2,817	-82.1%
Total	**17,099**	**10,748**	**59.1%**	**55,392**	**29,331**	**88.9%**

The growth in selling expenses is mainly explained by commission and brokerage expenses, both of which are naturally resulted of the selling success, as well as the progress of certain projects that are very well early sold, generating the commission expense as the construction advances. It is also important to mention the Marketing and Advertising strategic investments made in the markets where we seek to develop an even more significant presence such as the market in Rio de Janeiro.



Other operating expenses (revenues)

Other Operating Expenses/Revenues (R$ '000)	4Q21	4Q20	Δ %	2021	2020	Δ %
Real estate loan expenses	222	141	57.1%	833	508	63.9%
Tax expenses	607	2	30250.0%	639	361	77.0%
Provision for contingencies	124	-2,535	-104.9%	1,110	2,812	-60.5%
Eventual losses	424	0	0.0%	6,104	0	0.0%
Other operating income and expenses	5,175	5,927	-12.7%	11,165	8,493	31.5%
Total	**6,552**	**3,535**	**85.3%**	**19,851**	**12,174**	**63.1%**

The growth in other net operating expenses, in 2021 compared to the the previous year, basically refers to provisions and legal losses (realized losses - convictions paid are classified under other operating expenses and income), in addition to write-offs of accounts receivable for units recovered due to default.

Finacial Result

Despite the increase in the Company's corporate debt balance, our financial expenses remained stable in the 2021 and 2020 comparison since a higher cash balance compensated, maintaining our positive financial result. When analyzing the 4Q21 x 4Q20, the result variation is basically due to adjustments in smaller monetary restatement balances, to the lower balance of receivables of after-keys units and to the increase in other financial expenses related to the extraordinary event of canceled old units which balance update have been written off.

The decrease in the financial result for 2021 compared to 2020 is basically due to the absence of the swap effect since the dollar loan was swapped or settled at the end of 2020.

Financial Result	4Q21	4Q20	Δ %	2021	2020	Δ %
Monetary adjustment and contractual intere	(364)	2,957	-112.3%	3,790	8,057	-53.0%
Interest on financial investments	5,270	325	1521.5%	10,495	1,126	832.1%
Swap Creditor Result	-	7,589	-100.0%	-	9,984	-100.0%
Other Financial Results	167	(2,507)	-106.6%	220	(1,885)	-111.7%
Total	**5,073**	**8,364**	**-39.4%**	**14,505**	**17,282**	**-16.1%**
Financial Expenses	**4Q21**	**4Q20**	**Δ %**	**2021**	**2020**	**Δ %**
Interest on loans and financing	(4,871)	(1,247)	290.7%	(12,318)	(4,093)	201.0%
Debits from bank charges and fees	(266)	(652)	-59.2%	(1,110)	(1,552)	-28.5%
Financing Expenses	(12)	(367)	-96.7%	(13)	(515)	-97.5%
Swap debtor result	-	(7,756)	-100.0%	-	(7,878)	-100.0%
Other Financial Expenses	(3)	4,135	-100.1%	(36)	254	-114.2%
Total	**(5,153)**	**(5,887)**	**-12.5%**	**(13,478)**	**(13,784)**	**-2.2%**
Financial Result	**(80)**	**2,477**	**-103.2%**	**1,027**	**3,498**	**-70.6%**

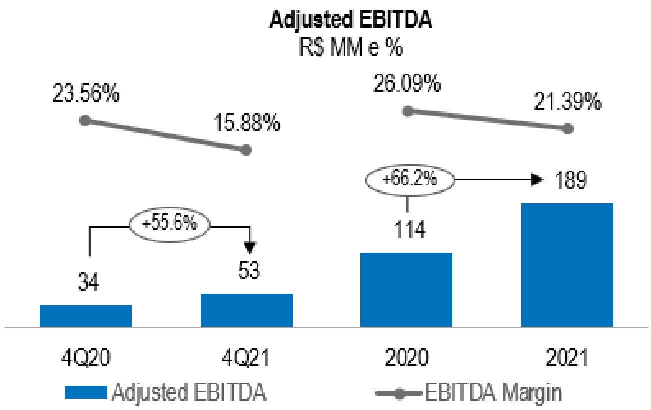
Equity Result

Equity Result	4Q21	4Q20	Δ %	2021	2020	Δ %
Equity Result	**97**	**1,114**	**-91%**	**(9,137)**	**3,401**	**-369%**

The Equity Result has been negatively impacted by a legacy of old related projects made in partnerships, mainly located in the economic income level, for which certain contingencies have been recognized due to discussions of construction defects, work delays among other matters. These projects, for the most part, were completed more than 5 years ago and their legal effects will still impact our results for a few quarters.

EBITDA and EBITDA Adjusted

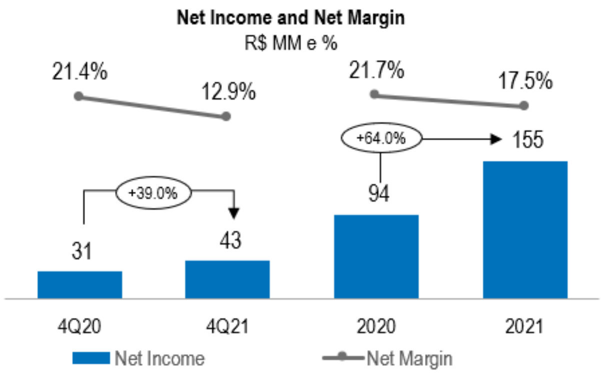
The significant increases in EBITDA and Adjusted EBITDA are explained by the growth in gross profit, higher volume of construction projects in progress and the dilution of expenses explained above. The decrease in Adjusted EBITDA margin, suffers direct impact from the drop in gross margins explained above. With the advance of operations, a higher revenue and lower volume of extraordinary events in the quarter, we will return our margins to normalized levels.



EBITDA (R$ '000)	4Q21	4Q20	Δ %	2021	2020	Δ %
Net Income	**42,848**	**30,825**	**39.0%**	**154,764**	**94,367**	**64.0%**
(+) Income Tax and Social Contribution	5,903	2,892	104.1%	17,593	8,424	108.8%
(+) Financial Results	80	(2,477)	-103.2%	(1,027)	(3,498)	-70.6%
(+) Depreciation andf Amortiation	2,471	1,880	31.4%	9,950	8,951	11.2%
EBITDA	**51,302**	**33,120**	**54.9%**	**181,280**	**108,244**	**67.5%**
EBITDA Margin (%)	**15.39%**	**22.95%**	**-32.9%**	**20.55%**	**24.87%**	**-17.4%**
Capitalized Interest Expense	1,623	886	83.2%	7,403	5,291	39.9%
Adjusted EBITDA	**52,925**	**34,006**	**55.6%**	**188,683**	**113,535**	**66.2%**
Adjusted EBITDA Margin (%)	**15.88%**	**23.56%**	**-32.6%**	**21.39%**	**26.09%**	**-18.0%**

Net Income and Net Margin

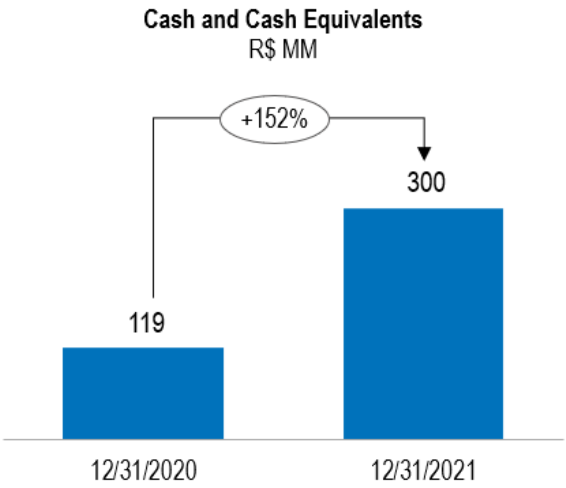
The expansions in profitability reflect the expansion of the operation and our focus on management results. With a greater growth of our operation due to the launches and sales recorded and the lower incidence of extraordinary events, we expect to increase our margins.



Balance Sheet Highlights

Cash, Cash Equivalents and Financial Investments

The significant growth of Patrimar's cash balance is explained by the good performance of projects' receivables, mainly from high-income units. It is important to note that, in the first half of 2021, with the 1st and 2nd debenture issuances, we raised R$130 million, both to strengthen our cash position and pay off short-term debt to extend the profile of our liabilities.



Accounts Receivable

The growth in the Accounts Receivable balance is partly explained by the progress of works and the recognition of balance sheet balances.

Accounts Receivable (R$ '000)	12/31/2021	12/31/2020	Δ %
Completed units	43,270	64,959	-33.4%
Units under construction	405,895	187,882	116.0%
Management services	15,138	7,197	110.3%
Provision for canceled sales / losses / PVA	(17,376)	(20,015)	-13.2%
Total	**446,927**	**240,023**	**86.2%**

Under current accounting rules, the recognition of Accounts Receivable is proportional to the execution rate of respective constructions (Percentage of Completion - PoC). Thus, the portfolio balance of the development units sold and those not yet built is not fully reflected in the Financial Statements. The total balance of accounts receivable from sales exceeded, for the first time, the R$ 1.0 billion mark, reflecting the strong sales volume and our portfolio management strategies.

Accounts Receivable (R$ '000)	12/31/2021	12/31/2020
Due within 1 year	408,462	265,526
Due 1 to 2 years	326,937	133,575
Due 2 to 3 years	172,679	150,233
Due 3 to 4 years	127,183	75,858
Due over 4 years	41,662	937
	1,076,923	**626,129**
Expired up to 1 year	14,182	23,913
Expired between 1 to 2 years	1,164	4,217
Expired between 2 to 3 years	765	3,277
Expired between 3 to 4 years	371	885
Expired over 4 years	34	1,040
	16,516	**33,332**
Total	**1,093,439**	**659,461**

The profile of our portfolio has become increasingly healthy and aligned with the construction cycle, with a greater concentration within the next two years - around 67.3% of the total (60.5% on December 31, 2020). We are aligned to the financial strategy of combining production financing and sales financial cycle and construction seeking to increase the return of our projects.

Our strategy of carrying a larger volume of accounts receivable due to a hedging strategy for cost information aiming hedge against inflacionary cost pressure can be revised considering the prospects of inflation rates and the return on finance with a higher CDI.

Properties for Sales

The significant increase in Land Inventory, which basically explains the total variation in the account, is due recognition of Oceana Golf land, launched at the end of 3Q21.

Properties for Sales (R$ '000)	12/31/2021	12/31/2020	Δ %
Inventories of land	144,598	153,021	-5.5%
Properties under construction	273,874	167,955	63.1%
Completed properties	7,792	18,772	-58.5%
Provision for canceled sales	747	3,205	-76.7%
Total	**427,011**	**342,953**	**24.5%**

Advances from Customers

The increase in balance of advances from customers basically refers to swaps of projects launched in 2021, which have been consumed by construction activity, in addition to recognition of swaps for Oceana Golf.

Advances from Customers (R$ '000)	12/31/2021	12/31/2020	Δ %
Advances from customers and barters made for construction in progress	280,142	73,592	280.7%
Advances from customers for customized units	47,435	33,925	39.8%
Barters made for land - not launched developments	45,590	43,602	4.6%
Total	**373,167**	**151,119**	**146.9%**

Trade Payables

The variation in Supplier's account in this first half is explained by the effort we are doing to extend payment terms to improve the financial cycle of our projects, in addition to a greater volume of construction in progress:

Trade Payables (R$ '000)	12/31/2021	12/31/2020	Δ %
Trade Payables	37,775	23,153	63.2%
Technical Retentions	6,627	4,220	57.0%
Total	**44,402**	**27,373**	**62.2%**

Real state purchase obligations

The reduction in balance of Land not Incorporated is mainly explained by payments of financial swap agreed in contracts and by transfer of balance to incorporated land as result of launches carried out and increase in advance for swap of physical properties in this quarter.

Real estate purchase obligations (R$ '000)	12/31/2021	12/31/2020	Δ %
Land developed	44,609	43,115	3.5%
Land not developed	23,334	42,088	-44.6%
Total	**67,943**	**85,203**	**-20.3%**

Indebtedness

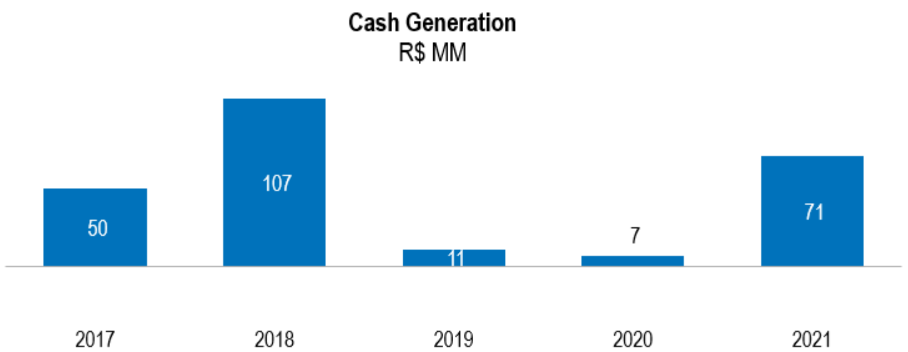
About 32.7% of our debt are linked to construction project financing and we still have a volume of this type to be disbursed of R$ 427 million, which, together with the volume of Accounts Receivable of units already sold, offer great comfort to support the growth of operation in the upcoming years.

Net Debt / Equity (R$ '000)	12/31/2021	12/31/2020	Δ %
(+) Loans and Financing	267,650	133,886	99.9%
(-) Cash and Cash Equivalent	300,341	119,256	151.8%
(=) Net Debt	(32,691)	14,630	-323.5%
(=) Equity	487,282	372,315	30.9%
Net Debt/ Equity	**-6.7%**	**3.9%**	**-10.6p.p.**

The Company still has an unleveraged capital structure, which allows an accelerated growth of the operation using this room for leverage. Considering the progress of our works and the average cycle of our receivables, we do not foresee a higher leveraged balance, with the PX2 growth plan, we have disponibility to complete the plan without greatly destabilizing our balance.

Cash Burn

For the fifth consecutive year, the Company presents itself with a positive cash generation, mainly due an increase in sales receivables flow, mostly in the high-income level, with shorter periods between receivables and aligned with our construction projects.



Even though we have this healthier cash scenario, the company remains alert to challenges and market opportunities in all income levels in the regions where it operates, aiming to rebuild its landbank to maintain an even more sustainable level of growth in the upcoming years, with our financial discipline, efficient allocation of capital and focus on profitability will remaining to be the main pillars in the conduct of our business.

Appendices

Consolidated Income Statement

Income Statement (R$ '000)	4Q21	4Q20	Δ %	2021	2020	Δ %
Net operating Revenue	333,255	144,330	130.9%	882,168	435,227	102.7%
Cost of properties sold	(249,869)	(91,045)	174.4%	(585,907)	(266,525)	119.8%
Gross profit	**83,386**	**53,285**	**56.5%**	**296,261**	**168,702**	**75.6%**
Gross profit margin	**25.0%**	**36.9%**	**-11.9 p.p.**	**33.6%**	**38.8%**	**-0.1 p.p.**
Operating income (expenses)	**(34,652)**	**(23,159)**	49.6%	**(115,794)**	**(72,810)**	**59.0%**
General and administrative expenses	(11,001)	(8,876)	23.9%	(40,551)	(31,305)	29.5%
Selling expenses	(17,099)	(10,748)	59.1%	(55,392)	(29,331)	88.9%
Other operating income (expenses), net	(6,552)	(3,535)	85.3%	(19,851)	(12,174)	63.1%
Operating profit (loss)	**48,734**	**30,126**	**61.8%**	**180,467**	**95,892**	**88.2%**
Finance income	5,073	8,364	-39.3%	14,505	17,282	-16.1%
Finance costs	(5,153)	(5,887)	-12.5%	(13,478)	(13,784)	-2.2%
Finance income (costs), net	**(80)**	**2,477**	**-103.2%**	**1,027**	**3,498**	**-70.6%**
Equity in the results of investees	**97**	**1,114**	**-91.3%**	**(9,137)**	**3,401**	**-368.7%**
Profit (loss) before income tax and social contribution	**48,751**	**33,717**	**44.6%**	**172,357**	**102,791**	**67.7%**
Income tax and social contribution	(5,903)	(2,892)	104.1%	(17,593)	(8,424)	108.8%
Profit (loss) for the period	**42,848**	**30,825**	**39.0%**	**154,764**	**94,367**	**64.0%**
Net Profit Margin	**12.9%**	**21.4%**	**-8.5 p.p.**	**17.5%**	**21.7%**	**-4.1 p.p.**
Attributable to:						
Owners of the company:	29,726	18,419	61.4%	79,658	56,389	41%
Non-controlling interests	13,122	12,406	5.8%	75,106	37,978	98%

Balance Sheet

Assets (R$ '000)	12/31/2021	12/31/2020	Δ %
Current assets			
Cash and cash equivalents	243,926	119,256	104.5%
Securities	56,415	-	n/a
Accounts receivable	201,174	142,038	41.6%
Properties for sale	402,608	328,108	22.7%
Taxes recoverable	9,270	5,487	68.9%
Prepaid expenses	22,011	16,186	36.0%
Other receivables	14,138	13,642	3.6%
Total current assets	949,542	624,717	52.0%
Non-current assets			
Financial investments	2,339	2,250	4.0%
Accounts receivable	245,753	97,985	150.8%
Properties for sale	24,403	14,845	64.4%
Judicial deposits	1,189	1,529	-22.2%
Related parties	12,013	6,686	79.7%
Long-term receivables	285,697	123,295	131.7%
Investments	27,697	47,117	-41.2%
Property and equipment	36,087	16,341	120.8%
Right to use lease	5,102	3,430	48.7%
Intangible assets	7,796	10,417	-25.2%
Total non-current assets	362,379	200,600	80.6%
Total assets	1,311,921	825,317	59.0%

Liabilities and Equity (R$ '000)	12/31/2021	12/31/2020	Δ %
Current liabilities			
Loans and financing	60,797	49,686	22.4%
Leases	2,362	1,486	59.0%
Trade payables	44,402	27,373	62.2%
Salaries and social charges	9,531	4,283	122.5%
Tax liabilities	26,197	15,742	66.4%
Real estate purchase obligations	35,942	54,965	-34.6%
Dividends payable	80	8,235	-99.0%
Advances from customers	373,167	151,075	147.0%
Provision for canceled sales	-	-	n/a
Deferred taxes	-	-	n/a
Other payables	1,963	4,088	-52.0%
Provision for property maintenance	6,425	2,759	132.9%
Total current liabilities	560,866	319,692	75.4%
Non-current liabilities			
Loans and financing	206,853	84,200	145.7%
Leases	2,874	2,383	20.6%
Real estate purchase obligations	32,001	30,238	5.8%
Advances from customers	0	44	-100.0%
Provision for contingencies	6,626	5,588	18.6%
Provision for real estate maintenance	6,358	6,003	5.9%
Related parties	4,268	2,489	71.5%
Provision for net capital deficiency	4,793	2,365	102.7%
Total non-current liabilities	263,773	133,310	97.9%
Equity			
Capital	269,172	269,172	0.0%
Capital Reserve	259	259	0.0%
Revenue Reserves	74,978	25,697	191.8%
Retained earnings	-	-	n/a
	344,409	295,128	16.7%
Non-controlling interests	142,873	77,187	85.1%
Total equity	487,282	372,315	30.9%
Total liabilities and equity	1,311,921	825,317	59.0%

Cash Flow Statement

Cash Flows (R$ '000)	12/31/2021	12/31/2020	Δ %
Cash flows from operating activities			
Profit for the year	**154,764**	**94,367**	**64.0%**
Adjustments to reconcile profit with cash flows from operating activities			
Depreciation and amortization	9,950	8,951	11.2%
Present value adjustment of receivables	4,182	(2,124)	-296.9%
Equity in the results of investees	9,137	(3,401)	-368.7%
Provision for real estate maintenance	4,021	2,743	46.6%
Provision for labor, civil, and tax contingencies	2,227	2,628	-15.3%
Provision for interest on loans and financing	18,343	6,425	185.5%
Income tax and social contribution	17,593	8,424	108.8%
Write-off of fixed assets	698	1,318	-47.0%
	220,915	**119,331**	**85.1%**
Changes in working capital			
Increase (decrease) in assets and liabilities			
Accounts receivable	(211,086)	(104,223)	102.5%
Properties for sale	(84,058)	(65,791)	27.8%
Taxes recoverable	(3,783)	(57)	6536.8%
Other assets	(5,981)	(16,097)	-62.8%
Trade payables	17,029	(2,250)	-856.8%
Salaries and social charges	5,248	2,655	97.7%
Tax liabilities	3,966	5,477	-27.6%
Real estate purchase obligations	(17,260)	31,824	-154.2%
Advances from customers	222,048	65,722	237.9%
Other liabilities	(6,118)	(1,376)	344.6%
Amounts paid for civil, labor and tax contingencies	2,227	(3,960)	-156.2%
	(77,768)	(88,076)	-11.7%
Interest paid	(6,008)	(5,633)	6.7%
Income tax and social contribution paid	(11,104)	(6,325)	75.6%
Net cash provided by (used in) operating activities	**126,035**	**19,297**	**553.1%**
Cash flows from investing activities			
Increase in securities	(56,415)	-	n/a
Changes in restricted financial investments	(89)	(59)	50.8%
Advances to related parties	(3,548)	13,801	-125.7%
Investment contributions (returns)	12,711	3,209	296.1%
Purchases of property and equipment and intangible assets	(28,656)	(7,174)	299.4%
Additions to intangible assets	(208)	-	n/a
Net cash used in investing activities	**(76,205)**	**9,777**	**-879.4%**
Cash flows from financing activities			
New loans and financing	260,709	164,819	58.2%
Repayment of loans and financing - principal	(137,917)	(98,580)	39.9%
Dividends paid	(38,532)	(5,268)	631.4%
Capital Reduction	-	(12,430)	-100.0%
Distributions to non-controlling interests, net	(9,420)	(8,593)	0.0%
Net cash provided by (used in) financing activities	**74,840**	**39,948**	**87.3%**
Net increase in cash and cash equivalents	**124,670**	**69,022**	**80.6%**
Cash changes			
Cash and cash equivalents at the beginning of the year	119,256	50,234	137.4%
Cash and cash equivalents at the end of the year	243,926	119,256	104.5%
Increase in cash and cash equivalents	**124,670**	**69,022**	**80.6%**

Glossary

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

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

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

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

Contracted Sales - Value of contracts signed with customers, referring to the sale of finished units or for future delivery. Does not consider swap units. Contracted sales (100%) refer to all trading units within the period (except swap units) and %Patrimar contracted sales refer to the participation percentage of the Company in such sales, not considering partners participation.

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

Sales Speed – Sales Speed over Supply.

Gross Sales Speed – Gross Sales / (Initial Inventory of a Period + Period Launches)

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

PSV – Potential Sales Value

Percentage of Completion ("PoC") – According to IFRS, revenues, costs and expenses related to real estate costs are appropriated based on the Percentage of Completion ("PoC"), measuring the progress of work by actual costs incurred versus total budgeted costs for each enterprise phase.

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

Adjusted EBITDA - EBITDA adjusted by construction financing interest classified as cost of properties sold;

ROE - Return On Equity - ROE is defined as the quotient between net income attributed to majority shareholders and the average value of the shareholders' equity of controlling company for annualized periods;

ROE LTM- Return On Equity. ROE LTM is defined by the quotient between net income attributed to majority shareholders and average value of parent company's shareholders' equity for the period of last 12 months;

Cash Burn – Cash generation or (consumption) measured by change in net debt, excluding capital increases, repurchase of shares held in treasury and dividends paid, if any;

Portfolio - represented by receivables from sales of concluded or to be concluded residential real estate units and amounts receivable for services rendered;

Construction Liabilities – Construction cost to be incurred.

Disclaimer

The statements contained in this document relative to business perspectives, projections of operational and financial results and those relative to the growth projections of Patrimar are mere projections and as such, they are exclusively based on the expectations of the Board of Directors regarding the future of the business.

These expectations depend, substantially, on approvals and licenses necessary for ratifying projects, market conditions, Brazilian economy performance, the performance of the industry and of international markets and therefore, they are subject to changes without notice in advance.

This performance report includes non-accounting data, such as operational, financial and projection data based on the expectations of the Company's management. Non-accounting data such as quantitative information and values of Launches, Contracted Sales, values of the Casa Verde Amarela Program - CVA (formerly MCMV), market value inventory, Landbank, Results to appropriate, cash consumption and projections were not subject to review by the Company's independent auditors.

The EBITDA indicated in this report represents net earnings before financial results, financial charges in the cost of property sold title, income tax and social contribution, expenses due to depreciation and amortization and participation of non-controlling shareholders. Patrimar understands that the reversal of the adjustment to present value of accounts receivable from units sold and not delivered, registered as gross operating revenue is part of its operating activities and therefore, that revenue was not removed from the calculation of EBITDA. EBITDA is not a financial performance measurement according to Accounting Practices Adopted in Brazil and the IFRS, and it shall also not be considered in isolation, or as an alternative to net profit, as a measurement of operational performance, or as an alternative to operational cash flows, or as a measurement of liquidity. For not being considered in its calculation, the financial results, financial charges included in the title and the cost of property sold, income tax and social contribution, expenses with depreciation and amortization and participation of non-controlling shareholders, EBITDA works as an indicator of the general economic performance of Patrimar, not impacted by changes of the burden of income tax and social contribution or depreciation and amortization levels. EBITDA, however, presents limitations that negatively impact its use as a measurement of Patrimar's profitability, for not considering some cost incurred in Patrimar's businesses, which could significantly impact Patrimar's profits, such as financial results, taxes, depreciation and amortization, capital expenditures and other related cost.

Relationship with Independent Auditors

The Company's policy in contracting the services of independent auditors ensures there is no conflict of interests, loss of independence or objectivity. According to CVM Directive 381/03, we hereby inform our independent auditors - PricewaterhouseCoopers ("PWC") - have provided, in 2020, services other than those relative to external audit and other previously agreed services relative to the Initial Public Offer operation (IPO). In PWC's case, considering that the services and procedures were agreed beforehand, according to the contracting letter, were different and did not mix with the object and procedures of an audit or review of the Company's financial statements, according to the audit/review standards applicable in Brazil, PWC understands that the provision of previously agreed services does not impact the independence and objectivity necessary for performing external audit services.