

Earnings Release

2Q21 and 6M21

2Q21 and 6M21 Earnings Release



Belo Horizonte, Ago 05, 2021 - A Patrimar S.A. ("Patrimar" or "Company"), one of the largest development and construction companies in Brazil, operating in the low-income, middle-income and high-income segments with luxury and high-luxury products, discloses its results for the second quarter of fiscal year 2021 ("2Q21") and for the first six-month period of 2021 ("6M21"). The information in this document is expressed in national currency million and the Potential Sales Volume ("PSV") shows the consolidated value (100%), except where otherwise indicated.

Highlights

- **Net revenue of R\$ 190 million in 2Q21, an increase of 133.3% compared to 2Q20. In the 6M21, we reached R\$ 367 million, an increase of 136.2% against 1H20, 84.25% of the total amounted in 2020;**
- A 147% growth in net income this quarter compared to compared to the same period of the previous year, reaching R\$ 39 million. **For the first six-month period comparison, there was an increase of 146.7%, reaching 79 million in the 6M21;**
- **Expressive net margin of 20.6% in 2Q21, 12.2 p.p. above 2Q20. In the first half of this year, our net margin was 21.65%, 0.92 p.p. higher the margin of the same period the previous year;**
- **Return on equity (Annualized ROE) of 22.1% in 2Q21 against 9.9% in 2Q20 and 24.2% in 6M21 against 11.9% in 6M20;**
- **For the fourth consecutive quarter, we generated Cash, reaching R\$ 14 million in 2Q21, an accumulated amount of R\$ 78 million in the last 12 months.**

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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 segment with a presence in the high-income real estate segment offering luxury and high-income developments through the Patrimar brand, in addition with a presence in the middle and low-income segments through the Novolar brand.



MG

Rio de Janeiro 2300 - Patrimar

MG

Viena - Novolar

RJ

Reserva Mirataia - Novolar

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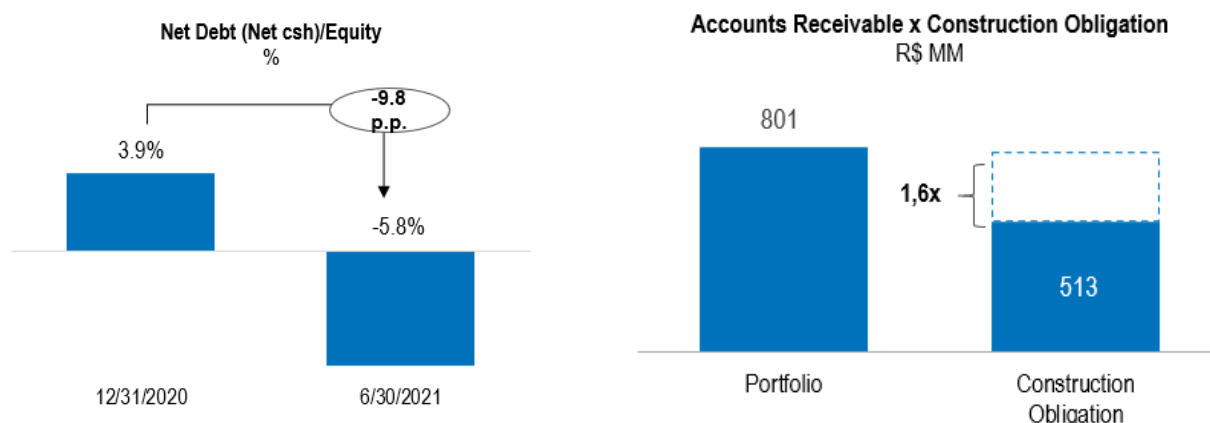
Message from the Management

It is with great enthusiasm that we present Patrimar's results for the second quarter of 2021 and for the first six months of the year. We continue with a solid operation, an adequate capital structure, a clear market positioning, a high profitability in our projects and a great expectation for the growth we have foreseen in the upcoming years.

As we have mentioned in the 1Q21 earnings release, the increase in construction costs persists, including in a higher level than that the current inflation rate (INCC) is capable of absorb, having a negative impact in our results, especially those derived from the Casa Verde e Amarela Program (PCVA). In addition, the approval process of certain projects originally scheduled to be launched in this second quarter were delayed as a result of the severe impositions of social distancing caused by the second wave of COVID-19 that reached our operations in March, April and beginning of May. This fact had already been mentioned in our 2Q21 Operational Preview.

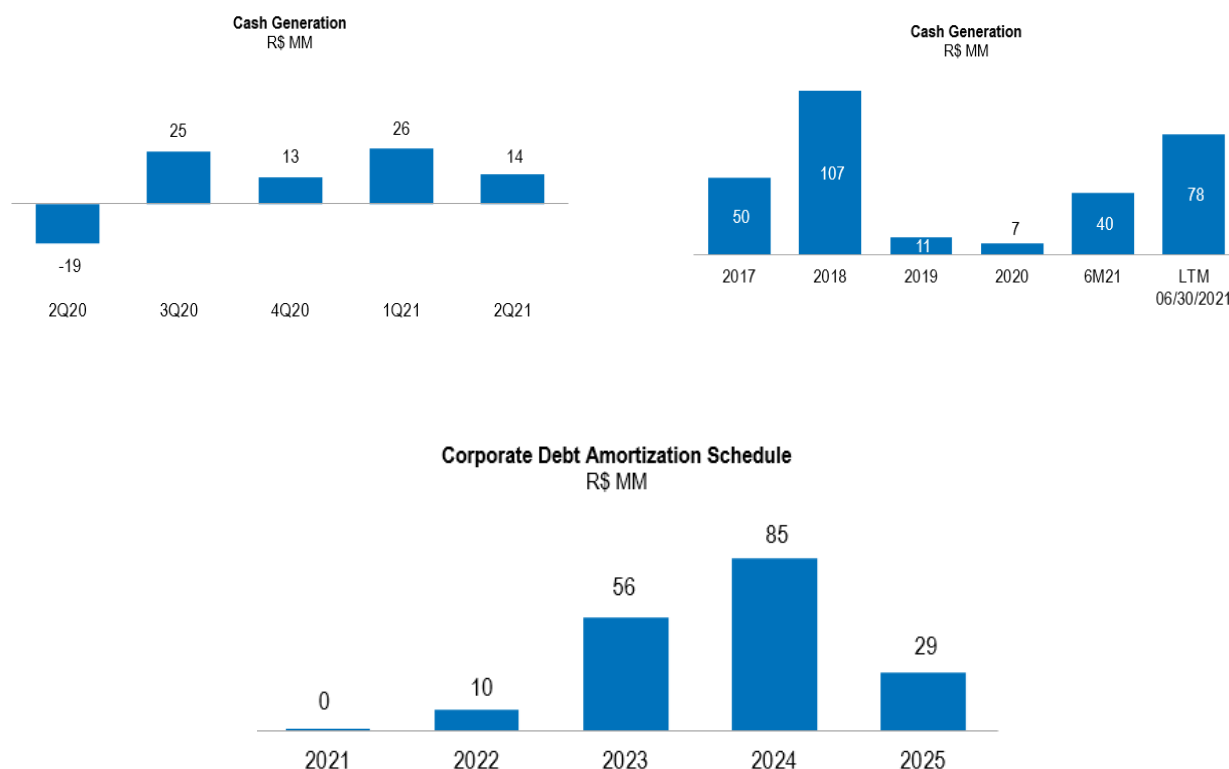
Capital Structure and Liquidity

We are in a very comfortable liquidity position, with an adequate balance sheet for the growth that we expect to take place in the next years.



During the second quarter, we have finished the second tranche of the first debenture issuance that backed real estate receivables certificates(CRI), in the amount of R\$ 30 million, which, in addition to our second debenture issuance in the amount of R\$ 50 million, totaling R\$ 80 million, strengthen our liquidity and investment capacity. This second issue took place at 2.39% plus CDI interest rate, maturing in 4 years. Our corporate debt profile is strong balanced, extended and aligned with our project and cash flow generation.

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We continued generating cash for another quarter, reinforcing the quality of our operations, and strengthening our balance sheet and operations to sustain growth. Contributing to cash generation, we highlight the transfers volumes made under the Casa Verde e Amarela Program, totaling R\$ 53 million in 2Q21, a historic record for the Company. For the upcoming quarters, we foresee even more robust results.

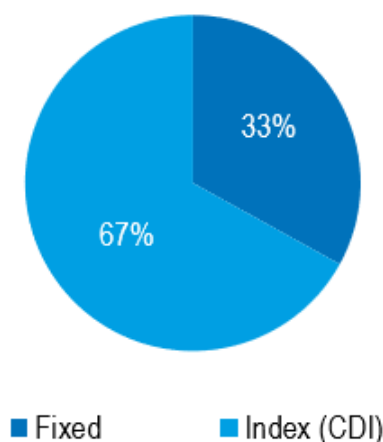
We have a total liability of R\$ 682 million as of June 30, 2021, in addition to agreements that amount R\$ 557 million to be disbursed on the same date. This continues to be our main source of funding for the next years.

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Composition Loans and Financing

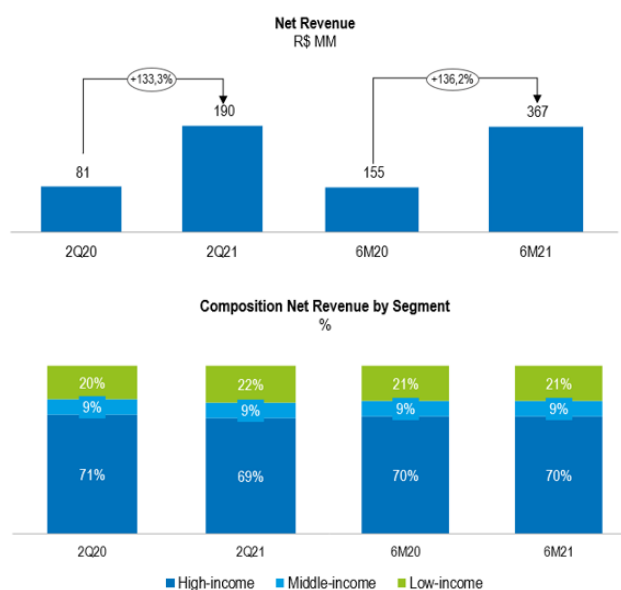
PSV 100% - %



At the end of 2Q21, the Company settled approximately R\$ 5 million in construction debt financing compared to the 1Q21, at a weighted average cost of 8.3% p.a., and raised, for different objects, a volume of R\$ 14 million in contracts of construction debt financing, at an also weighted cost of 7.7% p.a.. Based on this volume, the cost reduction of 0.6 pp., means savings of around R\$ 90 thousand per year.

Profitability

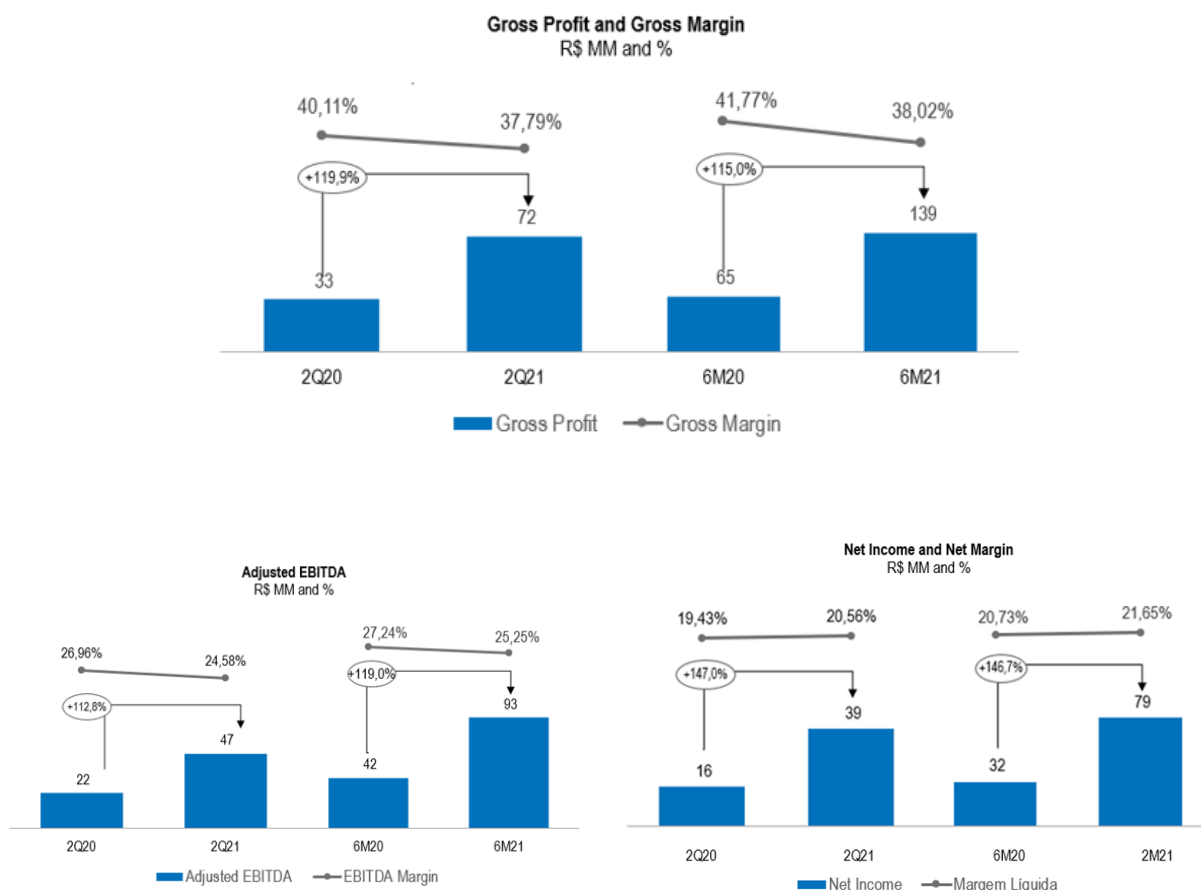
Revenue growth is due to the advance of works launched and well sold, with the high-income segment still being the most relevant in the mix. Considering our launching pipeline, this mix should not change significantly in the next quarters but we might present a more balanced mix in the long term with the growth of our middle income operations.



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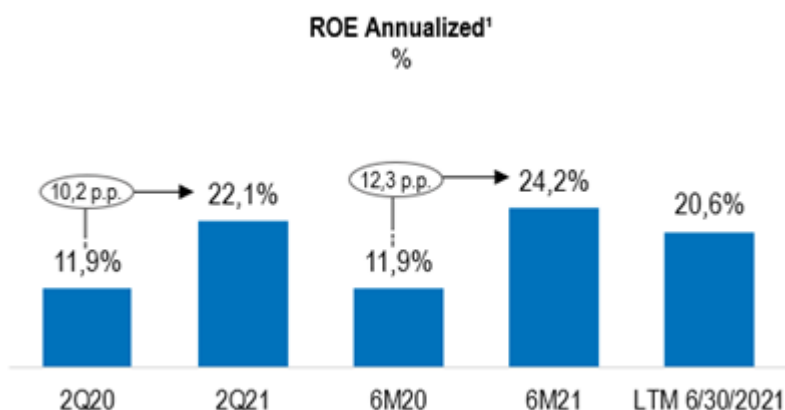


The drop in gross margin we see above when comparing both 2Q21 with 2Q20 and 6M21 with 6M20 reflects the scenario already mentioned in the Operational Preview of higher raw material costs, which are not ruled out for our customers in the same proportion and momentum, mainly because of the high sales volume of projects in the beginning phases and in the low-income segment, which has a lower capacity to absorb price increases.



We continue to report high ROEs, reiterating our focus on profitability and on efficient capital management. The annualized ROE for the semester, higher than the ROE for the last twelve months, indicates that we are in a phase of expanding our profitability and the Company presents one of the highest returns on equity in the market.

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¹ Annualized ROE: Net Income attributed to the majority shareholders of each annualized period on the average parent equity of the annualized periods.

Growth – PX2

The PX2 is a growth plan that will result in doubling Grupo Patrimar's size in terms of launches and sales by the end of 2024, based on estimated figures for 2021. Such a program, which implies a CAGR of 25% per year from 2022 on, reflects our commitment with the real estate market solidity, our brand, our products and our team.



The plan is being detailed, but it will be limited to our current markets – Minas Gerais, Rio de Janeiro and São Paulo, and will advance on our three operating segments: high-income, middle-income and low-income. In proportional terms, the middle-income segment will have fastest growth and will gain space in our sales mix and results.

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¹ Estimated numbers for the years 2021-2024, relating to 100% of the projected projects and still under analysis and final detailing by the Company.

² Production cost plus investments in land acquisition (both physical and financial exchange cash returns) to carry out all launches as shown in the chart above, regardless of the timing of the disbursement.

The PX2 will be periodically reviewed, aiming to adjust the investment volumes to the growth perspectives of the country, of the market and of the Company. Notwithstanding, all our actions in processes, people, technology, market intelligence and capital are already aligned with this objective.

The resources to support this growth will come from different sources, whether customers (via sales), banks, financing and capital markets. Our commitment to profitability and solid balance sheet and liquidity are maintained and will not be left behind to deliver any growth. Our belief is that we are able to do both: grow and be profitable.

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Main Indicators

Financial Indicators (R\$ '000)	2Q21 (a)	2Q20 (a)	Δ % (a/b)	6M21 (c)	6M20 (d)	Δ % (a/b)
Net Operational Revenue	189,522	81,219	133.3%	366,665	155,231	136.2%
Gross Profit	71,624	32,577	119.9%	139,412	64,843	115.0%
% Gross Margin	37.79%	40.11%	-2.32 p.p.	38.02%	41.77%	-3.75 p.p.
EBITDA	43,987	20,358	116.1%	88,261	39,177	125.3%
% EBITDA Margin	23.21%	25.07%	-1.86 p.p.	24.07%	25.24%	-1.17 p.p.
EBITDA Ajustado	46,590	21,894	112.8%	92,588	42,281	119.0%
% Adjusted EBITDA Margin	24.58%	26.96%	-2.37 p.p.	25.25%	27.24%	-1.99 p.p.
Net Income	38,969	15,778	147.0%	79,391	32,178	146.7%
% Net Margin	20.56%	19.43%	1.14 p.p.	21.65%	20.73%	0.92 p.p.

Launches (R\$ '000)	2Q21 (a)	2Q20 (a)	Δ % (a/b)	6M21 (a)	6M20 (b)	Δ % (a/b)
PSV 100%	-	-	n/a	87,241	-	n/a
Low-income	-	-	n/a	87,241	-	n/a
Middle-income	-	-	n/a	-	-	n/a
High-income	-	-	n/a	-	-	n/a
PSV % Patrimar	-	-	n/a	65,872	-	n/a
Low-income	-	-	n/a	65,872	-	n/a
Middle-income	-	-	n/a	-	-	n/a
High-income	-	-	n/a	-	-	n/a
Units	-	-	n/a	400	-	n/a
Low-income	-	-	n/a	400	-	n/a
Middle-income	-	-	n/a	-	-	n/a
High-income	-	-	n/a	-	-	n/a

Net Contracted Sales (R\$ '000)	2Q21 (a)	2Q20 (b)	Δ % (a/b)	6M21 (c)	6M20 (d)	Δ % (c/d)
PSV 100%	138,826	67,499	105.7%	390,570	142,458	174.2%
Low-income	65,127	13,237	392.0%	124,070	26,137	374.7%
Middle-income	4,807	10,108	-52.4%	13,633	22,967	-40.6%
High-income	68,893	44,154	56.0%	252,866	93,354	170.9%
PSV % Patrimar	95,019	47,271	101.0%	245,892	97,111	153.2%
Low-income	59,616	13,237	350.4%	108,069	26,137	313.5%
Middle-income	3,365	7,387	-54.4%	9,543	16,701	-42.9%
High-income	32,038	26,647	20.2%	128,279	54,273	136.4%
Units	365	119	206.7%	714	262	172.5%
Low-income	330	69	378.3%	611	145	321.4%
Middle-income	11	25	-56.0%	33	56	-41.1%
High-income	24	25	-4.0%	70	61	14.8%
Average Price	3,505	2,362	48.4%	4,229	2,121	99.4%
Low-income	197	192	2.9%	203	180	12.7%
Middle-income	437	404	8.1%	413	410	0.7%
High-income	2,871	1,766	62.5%	3,612	1,530	136.0%

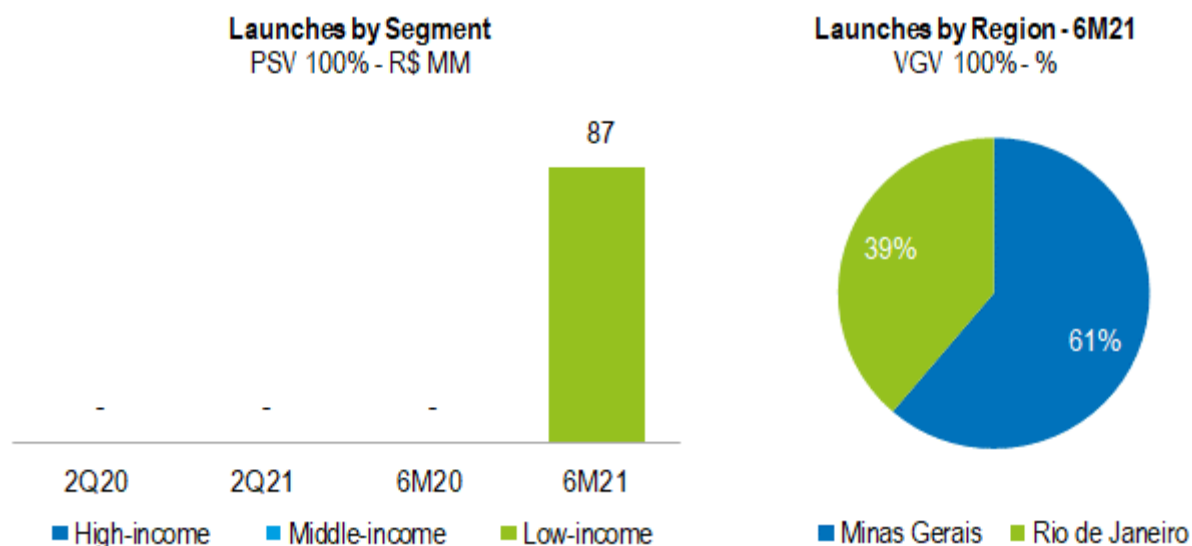
Launches

We did not carry out new launches in 2Q21. Despite our efforts, the more severe restriction measures, at the beginning of 2Q21, found in the municipalities where our projects are located, had impacted the approval cycle in a tougher level that we anticipated. The flow has not yet been fully normalized, but we already see a more robust launching in the 3Q21 and a second half of 2021 year that will put our plan back on track.



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The Company launched 2 projects in 1H21, showing a 100% increase compared to 1H20. In addition, is important to notice that the Company has an average percentage of participation in the launches of 75.5% this semester.



Due to opportunities found in the cities of Belo Horizonte/MG and Vargem Grande/RJ, our launches in 1H21 were concentrated in the low-income segment. The Vienna project, launched in January 2021, has already reached approximately 77% of units sold by the end of this first semester.

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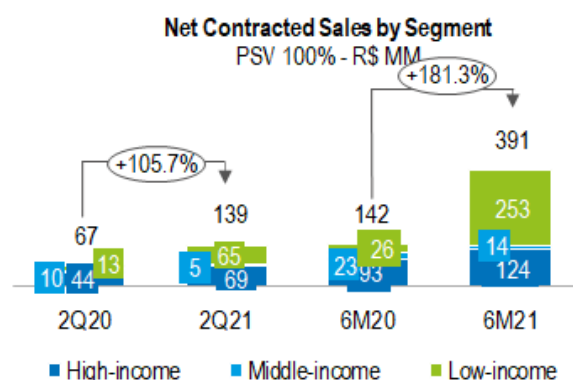


Contracted Sales

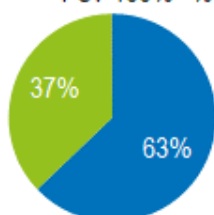
In the 2Q21, 365 housing units were sold, totaling a PSV of R\$ 138.8 million, value which led to a significant growth of 105.7% compared to the 2Q20. In the 6M21, contracted sales increased 174.2%, reaching R\$ 390.6 million.

This amount already represents 71.5% of total sales in 2020 and is mainly explained by the improved performance of the low-income segment, showing an increase of 374.7% compared to the same semester of 2020.

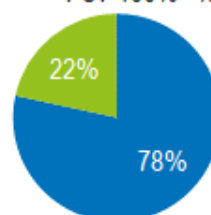
The Company's average net contracted share was 68.4% in 2Q21.



Net Sales by Region - 2Q21
PSV 100% - %

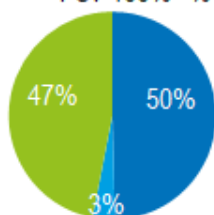


Net Sales by Region - 6M21
PSV 100% - %

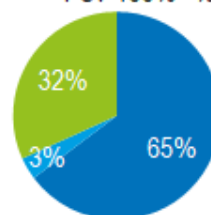


■ Minas Gerais ■ Rio de Janeiro ■ São Paulo ■ Minas Gerais ■ Rio de Janeiro ■ São Paulo

Net Sales by Segment - 2Q21
PSV 100% - %



Net Sales by Segment - 6M21
PSV 100% - %



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

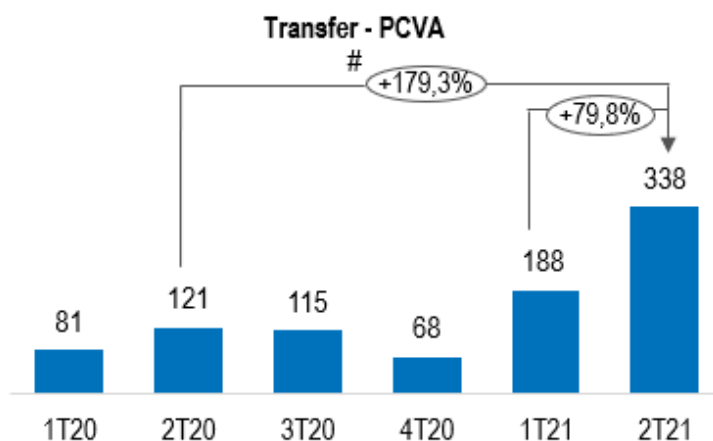
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The table below provides more information about sales:

Net Contracted Sales (R\$ '000)	2Q21 (a)	2Q20 (b)	Δ % (a/b)	6M21 (c)	6M20 (d)	Δ % (c/d)
PSV 100%	138,826	67,499	105.7%	390,570	142,458	174.2%
Low-income	65,127	13,237	392.0%	124,070	26,137	374.7%
Middle-income	4,807	10,108	-52.4%	13,633	22,967	-40.6%
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Average Price	3,505	2,362	48.4%	4,229	2,121	99.4%
Low-income	197	192	2.9%	203	180	12.7%
Middle-income	437	404	8.1%	413	410	0.7%
High-income	2,871	1,766	62.5%	3,612	1,530	136.0%

We have been improving our clients transfer to Caixa at the PCVA Program and reached all time high numbers this quarter. We expect volumes to keep high as new projects are launched, decreasing working capital needs for projects at the low-income segment.

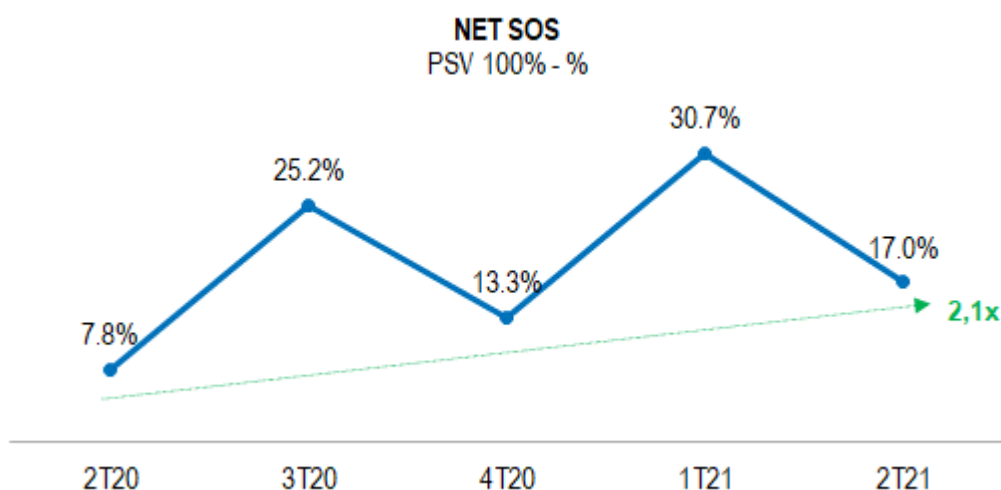




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SoS (Sales speed) – Sales over Supply

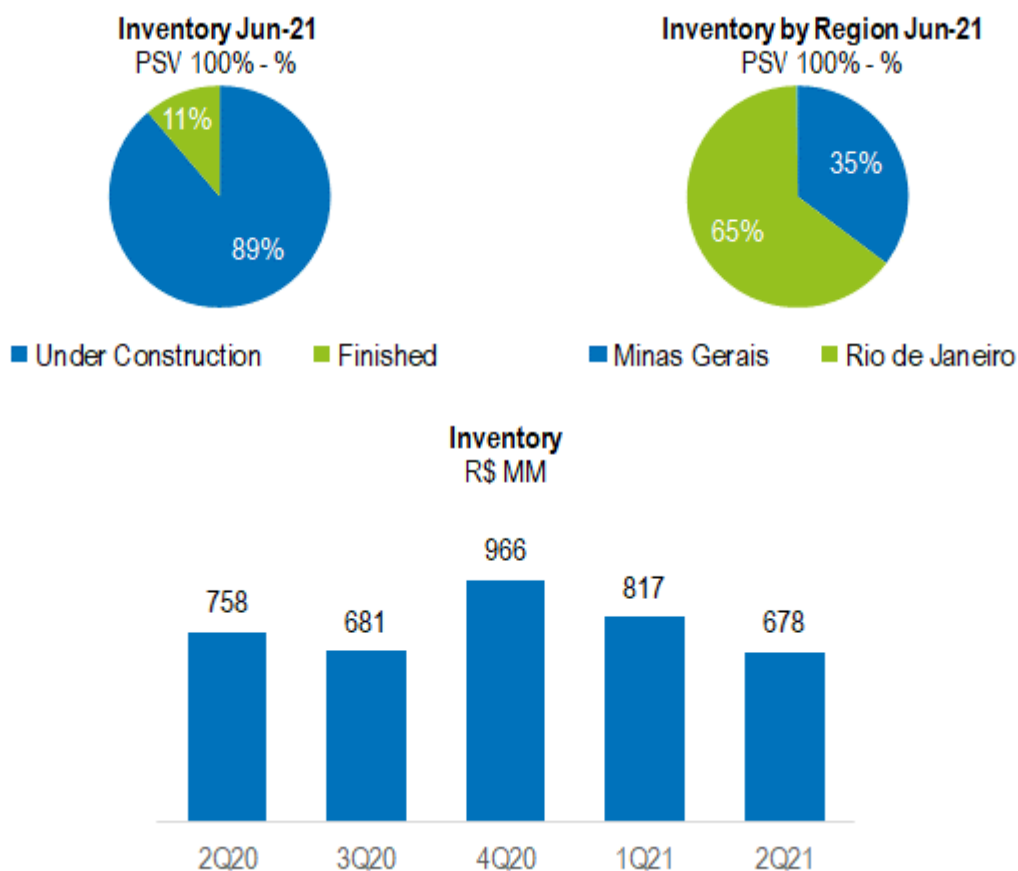
In the 2Q21, the net sales speed, measured by the Net VSO performance indicator (Net Sales over Supply), was 17.0%, an expressive 2.1 times the same quarter of the previous year, as a result of inventory reduction.



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Inventory

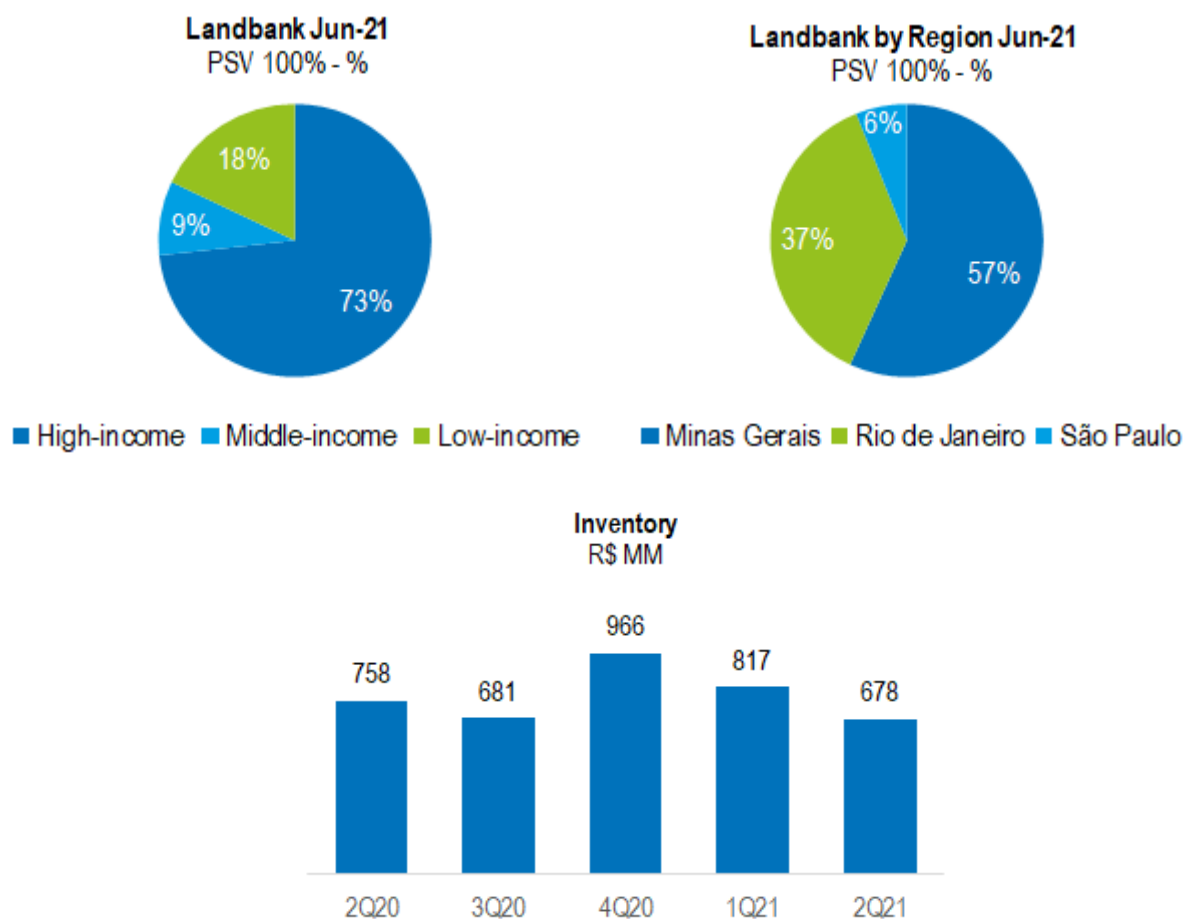


As of June 30, 2021, the Company's inventory totaled R\$ 677.5 million (R\$ 423.2 million % Patrimar), 17.1% lower than that we had presented at the end of 1Q21 and reaching the lowest level in a year. Because of our continuous sales effort and inventory management, we were able to reduce the balance of finished units' inventory for the third consecutive quarter. Compared to 1Q21, this reduction totals 19.4%.

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Landbank



As of June 30, 2021, the Company's landbank had a potential PSV of R\$ 7.1 billion (R\$ 4.7 billion % Patrimar), divided into 12,681 units. We continue our efforts to rebuild the landbank, seeking to maintain healthy growth in our operations in the light of the new launches planned for the next quarters. We have approximately R\$ 2.4 billion in approved projects, which will be launched in the upcoming months, considering our supply management in certain markets with the maximization of returns and sales speed.



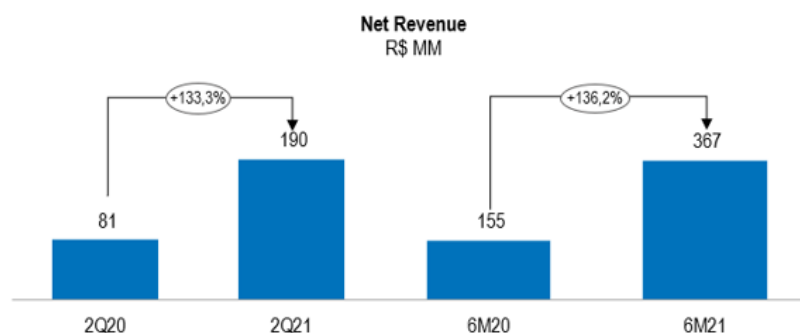
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Financial Performance

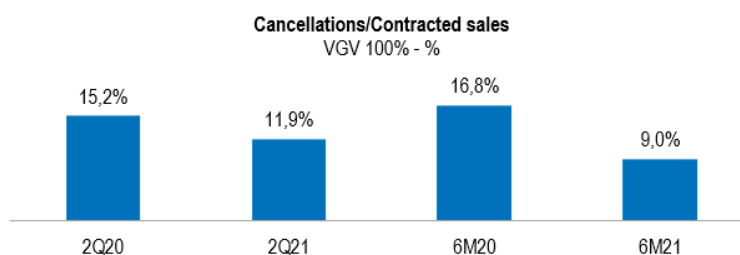
Net Revenue

Net Operating Revenue (R\$ '000)	2Q21	2Q20	Δ %	6M21	6M20	Δ %
Gross revenue from properties sales	194,877	90,852	114.5%	380,589	168,045	126.5%
Service revenue	2,328	14	16528.6%	4,536	303	1397.0%
Gross Revenue	197,205	90,866	117.0%	385,125	168,348	128.8%
AVP - Adjustment to present value	1,957	75	2509.3%	4,557	2,877	58.4%
Canceled sales	(5,324)	(5,736)	-7.2%	(14,809)	(13,257)	11.7%
Deduction and taxes	(4,316)	(2,274)	89.8%	(8,208)	(3,852)	113.1%
Reversal (provision) to cancellations	-	(1,712)	-100.0%	-	1,115	-100.0%
Net Revenue	189,522	81,219	133.3%	366,665	155,231	136.2%

At this first semester, we have already completed 84.25% of the total amount of 2020. Whether comparing the quarter or the semester with the same periods previous year, we have the effect of a higher volume of units sold in the accumulated which, along with our construction in progress, lead to a greater impact on revenue by the PoC method. In addition to this effect, we have the positive strategy of carrying accounts receivable balance for a longest period, providing the INCC hedge of our construction liabilities and then a greater gain in the revenue line caused by monetary correction – R\$ 104 million in 2Q21 (+117.0% compared to 2Q20) and R\$ 212 million in 6M21 (+128.8% compared to 6M20). Furthermore, to a lesser extent, we can see a growth in service revenue and a lower impact of cancellations.



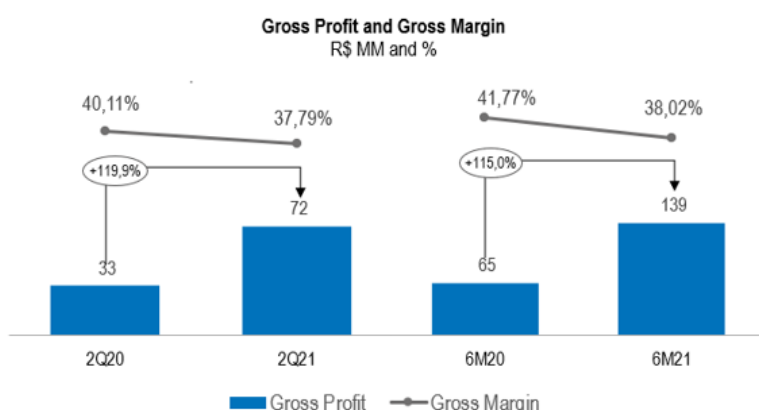
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Gross Profit and Gross Margin

In the comparison of 2Q21 against 2Q20, as well as between 6M21 against 6M20, the increase in the cost of properties sold is explained by the construction progress of our projects, which continue at an accelerated pace, already incurring with the new raw material costs impacts and constant budget revisions.

Our gross margin continues to be one of the highest in the sector, mainly due to the mix of projects, in which there is a greater weight of high income projects, which have higher gross margin, supporting our strategy of efficiently allocating capital, seeking greater profitability. Our gross margin remained in line with the last periods, even facing a rather adverse scenario of higher construction costs, as mentioned above, demonstrating our operational efficiency.



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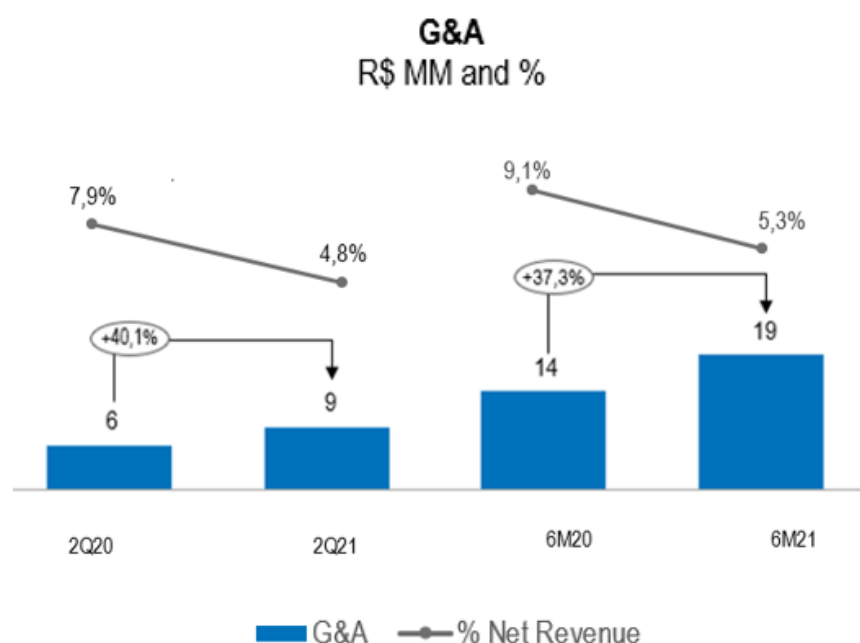


Operating Expenses

Operating Expenses (R\$ '000)	2Q21	2Q20	Δ %	6M21	6M20	Δ %
General and administrative expenses	9,028	6,443	40.1%	19,450	14,163	37.3%
Selling expenses	11,953	5,175	131.0%	21,180	11,466	84.7%
Other operating revenue (expenses)	(8,279)	(2,930)	182.6%	(7,581)	(6,270)	20.9%
Total	12,702	8,688	46.2%	33,049	19,359	70.7%

General and Administrative Expenses (G&A)

The growth of G&A is explained by the larger investment in strategic personnel, aiming to support the Company's growth cycle. This additional investment, in the comparison of 2Q21 against 2Q20, was approximately R\$ 2.1 million (84% of the period change), and in the comparison of 6M21 versus 6M20 this was R\$ 3.2 million (60% of the period change). With the advance of launched works, which have a higher sales percentage and a new growth cycle provided by new launches, the operational leverage in addition with the company's diligence in managing expenses, will enables productivity gains for our teams, reducing the proportion of G&A over the Net Revenue.

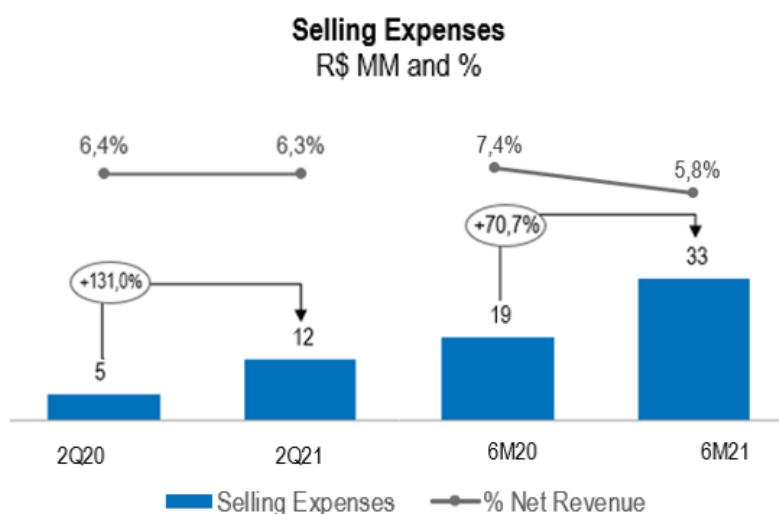


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Selling Expenses

The growth in selling expenses is mainly explained by commission and brokerage expenses, which, in turn, is due to the selling success in large part reached by Patrimar's internal team, and to the progress of certain projects that are already very well sold, generating the commission expense as the works 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.



Financial Result

The financial result has shown significant improvements, driven by a better cash cycle in projects, allowing us to carry a more robust cash balance over the periods – average cash in 6M21 was R\$ 201 million and in 6M20 was of R\$ 57 million. In addition, since last year, the Company has been promoting liability management that not only extended the profile but also reduced the spread over the CDI interest rate of the corporate debt. Comparing this first semester with the same period previous year, the reduction in the spread of corporate debt was 1.65 p.p., lowering the impact of a higher debt volume. In addition, with the recent increase in the IGP-M inflation index, the accounts receivable balance from post-construction customers, even if not so significant, have a material impact in our financial result.

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Financial Income	2Q21	2Q20	Δ %	6M21	6M20	Δ %
Monetary restatement and contractual interest	2,431	1,195	103.4%	6,023	2,808	114.5%
Interest on financial investments	1,724	285	504.9%	2,250	609	269.5%
Swap Creditor Result	-	398	-100.0%	-	2,394	-100.0%
Other financial income	12	-	n/a	30	-	n/a
Total	4,167	1,878	121.9%	8,303	5,811	42.9%
Financial Expenses	2Q21	2Q20	Δ %	6M21	6M20	Δ %
Interest on loans and financing	(2,582)	(975)	164.8%	(3,747)	(1,751)	114.0%
Debits for bank charges and fees	(219)	(317)	-30.9%	(396)	(647)	-38.8%
Financing expenses	-	(10)	n/a	(1)	(111)	-99.1%
Swap debtor result	-	(515)	-100.0%	-	(2,469)	-100.0%
Other financial expenses	(3)	-	n/a	(24)	-	n/a
Total	(2,804)	(1,817)	54.3%	(4,168)	(4,978)	-16.3%
Financial Result	1,363	61	2134.4%	4,135	833	396.4%

Equity Result

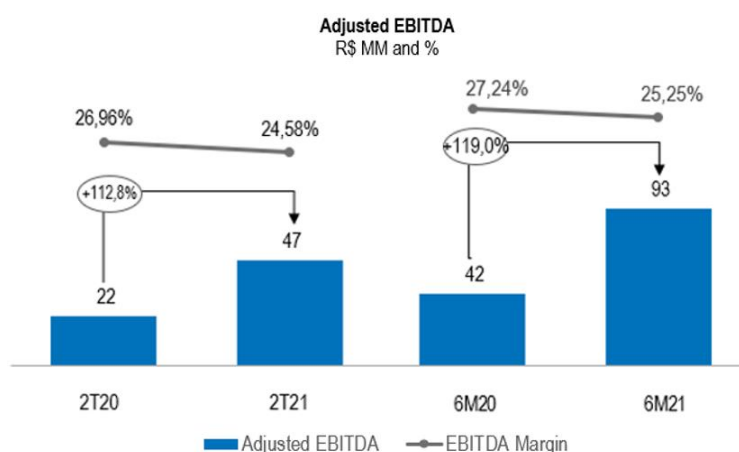
The Equity Result has been negatively impacted by a legacy of old related projects, mainly located in the economic segment, for which certain contingencies have been recognized due to discussions of construction defects, works delays among other matters. These projects, for the most part, were completed more than 5 years behind and their legal effects will still impact our results for a few quarters. In 6M20 we still had projects of a new crop, still under construction or with stocks, whose positive results were recognized in 1Q20.

Equity Result	2Q21	2Q20	Δ %	6M21	6M20	Δ %
Equity Result	(995)	(212)	369.3%	(8,115)	1,844	540.1%
Total	(995)	(212)	369.3%	(8,115)	1,844	Δ %

EBITDA and EBITDA Margin

The significant increases in Adjusted EBITDA are the result of the growth in gross profit, the higher volume of projects in progress and the dilution of expenses explained above. The decrease in Adjusted EBITDA margin, which suffers from a direct impact of the drop in gross margins explained above, does not yet reflect the full growth potential of our operating leverage.

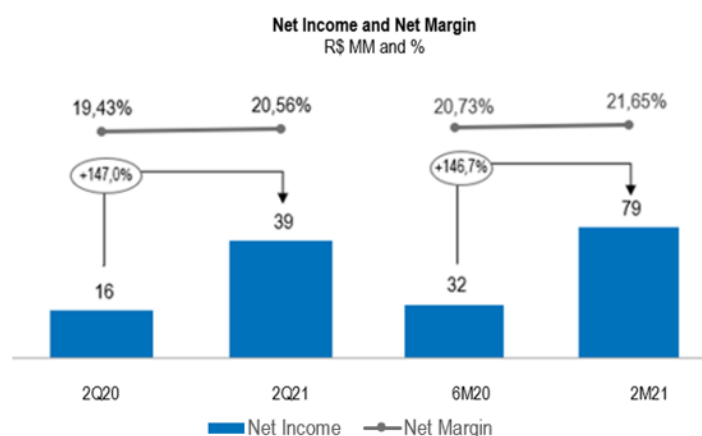
2Q21 and 6M21 Earnings Release



EBITDA (R\$ '000)	2Q21	2Q20	Δ %	6M21	6M20	Δ %
Net Income	38,969	32,178	21.1%	79,391	32,178	146.7%
(+) Income Tax and Social Contribution	3,763	2,100	79.2%	7,830	3,443	127.4%
(+) Financial Results	(1,363)	(61)	2134.4%	(4,135)	(833)	396.4%
(+) Depreciation and Amortization	2,618	2,541	3.0%	5,175	4,389	17.9%
EBITDA	43,987	20,358	116.1%	88,261	39,177	125.3%
EBITDA Margin (%)	23.21%	25.07%	-7.4%	24.07%	25.24%	-4.6%
Capitalized Interest Expense	2,603	1,536	69.5%	4,327	3,104	39.4%
Adjusted EBITDA	46,590	21,894	112.8%	92,588	42,281	119.0%
Adjusted EBITDA Margin (%)	24.58%	26.96%	-8.8%	25.25%	27.24%	-7.3%

Net Income and Net Margin

The expansions in profitability and margins presented below reflects a result-oriented management, in which the operational leverage caused by the expansion of the business and a consistent financial management that has been preparing the Company's balance sheet for the new growth cycle, has been resulting in its desired effects.



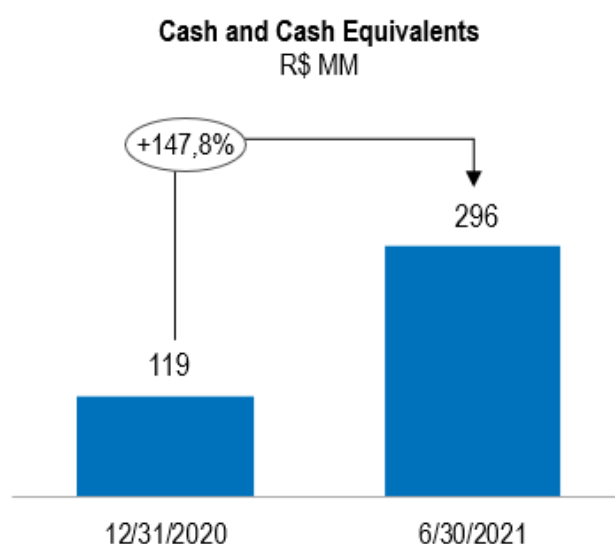
2Q21 and 6M21 Earnings Release



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 is explained, in part, by the projects' progresses and the recognition of balances, as well as by the adopted strategy so far of carrying out the accounts receivable for a longer time, avoiding anticipations, aiming a hedge for increases in the INCC inflation index that has impact over construction liabilities.

2Q21 and 6M21 Earnings Release



Accounts Receivable (R\$ '000)	6/30/2021	12/31/2020	Δ %
Completed units	54,848	64,959	-15.6%
Units under construction	264,170	187,882	40.6%
Management services	11,705	7,197	62.6%
Provision for canceled sales / losses / PVA	(15,193)	(20,015)	-24.1%
Total	315,530	240,023	31.5%

Under current accounting rules, the recognition of Accounts Receivable is proportional to the rate of execution of the respective projects (Percentage of Completion - PoC). As a result, the portfolio balance of the incorporation units sold and those not yet built is not fully reflected in the Financial Statements. In this regard, it should be noted that the total balance of Patrimar's portfolio at the end of June this year, was R\$ 801 million, an increase of 31.5% compared to the portfolio balance at the end of December last year.

Opening Accounts Receivable	6/30/2021	12/31/2020
Due within 1 year	310,884	265,526
Due 1 to 2 years	300,058	133,575
Expiring in 2 to 3 years	139,643	150,233
Expiring in 3 to 4 years	29,653	75,858
Due over 4 years	2,246	937
	782,484	626,129
Expired up to 1 year	10,056	23,913
Expired between 1 and 2 years	1,620	4,217
Expired between 2 and 3 years	3,518	3,277
Expired between 3 and 4 years	1,983	885
Expired over 4 years	1,099	1,040
	18,276	33,332
Total	800,760	659,461

The profile of our portfolio has become increasingly healthy and aligned with the construction cycle, with a greater concentration in the next two years – around 76% of the total. We are aligned with our financial strategy of combining construction financing debt and the sales and construction finance conversion cycle in order to increase the return on our projects.

Our strategy of carrying a larger volume of accounts receivable due to a hedging strategy for cost inflation may be revised considering the prospects for inflation rates and the return on financial investments with higher CDI interest rates.

2Q21 and 6M21 Earnings Release



Properties for Sales

The growth in the Properties for Sale is explained by the launches of projects and the progress of works, increasing the balance of properties under construction, offsetting the drop in completed properties, as a result of the commercial effort to reduce finished inventories that began at the end 2020.

Properties for Sales (R\$ '000)	6/30/2021	12/31/2020	Δ %
Inventories of land	154,536	153,021	1.0%
Properties under construction	194,627	167,955	15.9%
Completed properties	10,815	18,772	-42.4%
Provision for canceled sales	2,496	3,205	-22.1%
Total	362,474	342,953	5.7%

Advances from Customers

The increase in the Advances from Customers account is mainly explained by: (i) the increase in the volume of receipts from sales of projects under construction; (ii) advance customized units payments (balances of customizations and modifications made in advance by luxury apartment customers, which amounts will be spent on the construction of each real estate unit and consumed until the completion of the related works) and; (iii) land swap (these amounts refer to projects not yet launched that have pre-determined physical swaps.).

Advances from Customers (R\$ '000)	6/30/2021	12/31/2020	Δ %
Advances from customers and barter made for construction in progress	122,393	73,592	66.3%
Advances from customers for customized units	49,070	33,925	44.6%
Barter made for land - not launched developments	47,550	43,602	9.1%
Total	219,013	151,119	44.9%

Trade Payables

The variation in the Suppliers account in this first half is explained by the work 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	6/30/2021	12/31/2020	Δ %
Trade Payables	52,502	23,153	126.8%
Technical Retentions	4,731	4,220	12.1%
Total	57,233	27,373	109.1%

2Q21 and 6M21 Earnings Release



Real state purchase obligations

The reduction in the balance of Land not Incorporated is mainly explained by the payments of the financial swap installments agreed in the contracts and by the transfer of the balance of properties to land incorporated as a result of the launches carried out.

Real estate purchase obligations (R\$ '000)	6/30/2021	12/31/2020	Δ %
Land development	50,103	43,115	16.2%
Land not development	15,287	42,088	-63.7%
Total	65,390	85,203	-23.3%

Indebtedness

We continue to assess opportunities in the market to increase financial efficiency, reinforce liquidity and adjust the capital structure to the Company's desired growth. We raised a total of R\$ 80 million with the completion of the second tranche of the first debentures issuance plus R\$ 50 million with the second issuance, totaling R\$ 130 million in the year, in order to extend our debt profile and strengthen cash.

About 41% of our liabilities are linked to our production financing projects and we still have a volume of financing debt of R\$ 557 million to be disbursed, which, together with the volume of Accounts Receivable from the units already sold, offer us a great comfort to support the operation's growth in the upcoming years.

Financial Leverage Indicators	6/30/2021	12/31/2020	Δ %
Net Debt (R\$ '000)	6/30/2021	12/31/2020	Δ %
(+) Loans and Financing	269,697	133,886	101.4%
(-) Cash and Cash Equivalent	295,533	119,256	147.8%
(-) Net Debt	(25,836)	14,630	-276.6%
(-) Equity	441,762	372,315	18.7%
Net Debt/ Equity	-5.8%	3.9%	-9.8p.p.
Net Debt (R\$ '000)	6/30/2021	12/31/2020	Δ %
(+) Loans and Financing	(25,836)	14,630	-276.6%
(-) Cash and Cash Equivalent	186,360	113,535	64.1%
Net Debt/ Equity	-0.14x	0.13x	-0.27x

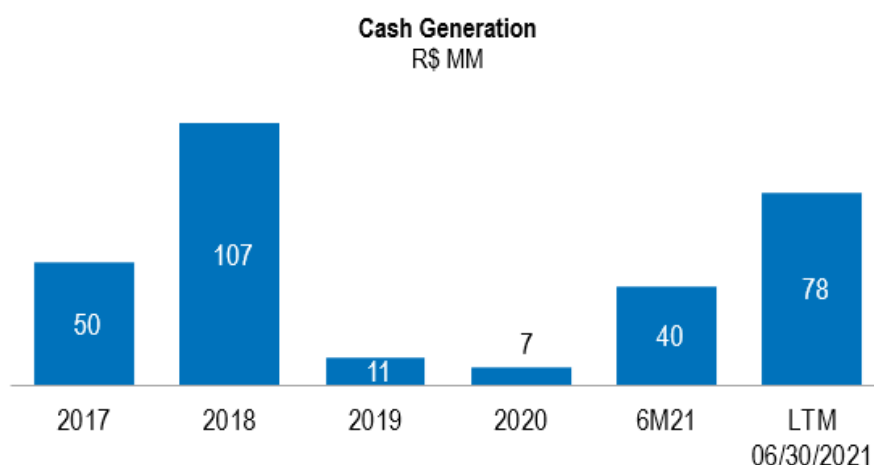


2Q21 and 6M21 Earnings Release

The Company still has an unleveraged capital structure, which allows an accelerated growth for the operation using this clearance. Considering the evolution of our projects and the average cycle of our receivables, we do not yet have a leveraged balance forecast to present, but with the PX2 growth plan, we have room to complete the plan without destabilizing our balance.

Cash Burn

For the fourth consecutive quarter and for the fourth consecutive year, the Company is presenting positive cash generation, mainly because the increase in the flow of receivables from sales, mostly in the high-income segment, with an increasingly shorter term and aligned with the flow of our projects.



Even though we have this healthier cash context, the company remains aware to the challenges and to the market opportunities in all segments where it operates, aiming to rebuild its landbank to maintain an even more sustainable level of growth in the next years, and our financial discipline, efficient allocation of capital and focus on profitability will continue to be the main pillars in the conduct of our business.

2Q21 and 6M21 Earnings Release



Appendices

Consolidated Income Statement

Income Statement (R\$ '000)	2T21	2T20	Δ %	6M21	6M20	Δ %
Net operating Revenue	189,522	81,219	133.3%	366,665	155,231	136.2%
Cost of properties sold	(117,898)	(48,642)	142.4%	(227,253)	(90,388)	151.4%
Gross profit	71,624	32,577	119.9%	139,412	64,843	115.0%
Gross profit margin	37.79%	40.11%	-2.32 p.p.	38.02%	41.77%	-9.0%
Operating income (expenses)	(29,260)	(14,548)	101%	(48,211)	(31,899)	51.1%
General and administrative expenses	(9,028)	(6,443)	40%	(19,450)	(14,163)	37.3%
Selling expenses	(11,953)	(5,175)	131%	(21,180)	(11,466)	84.7%
Other operating income (expenses), net	(8,279)	(2,930)	183%	(7,581)	(6,270)	20.9%
Operating profit (loss)	42,364	18,029	135.0%	91,201	32,944	176.8%
Finance income	4,167	1,878	122%	8,303	5,811	42.9%
Finance costs	(2,804)	(1,817)	54%	(4,168)	(4,978)	-16.3%
Finance income (costs), net	1,363	61	2134%	4,135	833	396.4%
Equity in the results of investees	(995)	(212)	369%	(8,115)	1,844	-540.1%
Profit (loss) before income tax and social contribution	42,732	17,878	139%	87,221	35,621	144.9%
Income tax and social contribution	(3,763)	(2,100)	79%	(7,830)	(3,443)	127.4%
Profit (loss) for the period	38,969	15,778	147.0%	79,391	32,178	146.7%
Net Profit Margin	20.56%	19.43%	1.14 p.p.	21.65%	20.73%	0.92 p.p.
Attributable to:						
Owners of the company:	19,438	8,632	125%	40,151	16,776	139%
Non-controlling interests	19,531	7,146	173%	39,240	15,402	155%

2Q21 and 6M21 Earnings Release

Balance Sheet



Assets (R\$ '000)	6/30/2021	12/31/2020	Δ %	Liabilities and Equity (R\$ '000)	6/30/2021	12/31/2020	Δ %
Current assets				Current liabilities			
Cash and cash equivalents	295,533	119,256	147.8%	Loans and financing	77,890	49,686	56.8%
Accounts receivable	161,219	142,038	13.5%	Leases	2,328	1,486	56.7%
Properties for sale	3,468	328,108	5.7%	Trade payables	57,233	27,373	109.1%
Taxes recoverable	6,637	5,487	21.0%	Salaries and social charges	8,511	4,283	98.7%
Prepaid expenses	19,303	16,186	19.3%	Tax liabilities	20,373	15,742	29.4%
Other receivables	17,115	13,642	25.5%	Real estate purchase obligations	22,472	54,965	-59.1%
				Dividends payable	80	8,235	-99.0%
Total current assets	503,275	624,717	35.5%	Advances from customers	219,013	151,075	45.0%
				Provision for canceled sales	-	-	n/a
				Deferred taxes	-	-	n/a
				Other payables	2,702	4,088	-33.9%
				Total current liabilities	410,602	316,933	29.6%
Non-current assets				Non-current liabilities			
Financial investments	2,275	2,250	1.1%	Loans and financing	191,807	84,200	127.8%
Accounts receivable	154,311	97,985	57.5%	Leases	3,884	2,383	63.0%
Properties for sale	15,584	14,845	5.0%	Real estate purchase obligations	42,918	30,238	41.9%
Judicial deposits	1,196	1,529	-21.8%	Advances from customers	0	44	-100.0%
Related parties	12,109	6,686	81.1%	Provision for contingencies	6,147	5,588	10.0%
				Provision for real estate maintenance	10,331	8,762	17.9%
Long-term receivables	185,475	123,295	50.4%	Related parties	10,984	2,489	341.3%
				Provision for net capital deficiency	5,259	2,365	122.4%
				Total non-current liabilities	271,330	136,069	99.4%
				Equity			
Investments	48,710	47,117	3.4%	Capital	269,172	269,172	0.0%
Property and equipment	27,509	16,341	68.3%	Capital Reserve	259	259	0.0%
Right to use lease	6,083	3,430	77.3%	Revenue Reserves	25,697	25,697	0.0%
Intangible assets	9,220	10,417	-11.5%	Retained earnings	33,274	-	n/a
					328,402	295,128	11.3%
Total non-current assets	276,997	200,600	38.1%	Non-controlling interests	113,360	77,187	46.9%
				Total equity	441,762	372,315	18.7%
Total assets	780,272	825,317	-5.5%	Total liabilities and equity	1,123,694	825,317	36.2%

2Q21 and 6M21 Earnings Release



Cash Flow Statement

Cash Flows (R\$ '000)	6/30/2021	12/31/2020	Δ %
Cash flows from operating activities			
Profit for the year	79,391	32,178	146.7%
Adjustments to reconcile profit with cash flows from operating activities			
Depreciation and amortization	5,175	4,389	17.9%
Present value adjustment of receivables	(3,017)	(2,877)	4.9%
Equity in the results of investees	8,115	(1,844)	-540.1%
Provision for real estate maintenance	1,569	141	1012.8%
Provision for labor, civil, and tax contingencies	1,357	2,670	-49.2%
Provision for losses on subsidiaries	-	(686)	n/a
Provision for interest on loans and financing	6,782	1,751	287.3%
Income tax and social contribution	7,830	3,443	127.4%
Write-off of fixed assets	-	785	
	107,202	39,950	168.3%
Changes in working capital			
Increase (decrease) in assets and liabilities			
Accounts receivable	(72,490)	(43,377)	67.1%
Properties for sale	(19,521)	(11,095)	75.9%
Taxes recoverable	(1,150)	(369)	211.7%
Other assets	(6,257)	(7,297)	-14.3%
Trade payables	29,860	(3,654)	-917.2%
Salaries and social charges	4,228	2,564	64.9%
Tax liabilities	2,163	(916)	-336.1%
Real estate purchase obligations	(19,813)	(6,214)	218.8%
Advances from customers	67,894	5,915	1047.8%
Other liabilities	(10,701)	(3,255)	228.8%
Amounts paid for civil, labor and tax contingencies	(798)	-	n/a
	(26,585)	(67,698)	-60.7%
Interest paid	(6,283)	-	n/a
Income tax and social contribution paid	(5,362)	-	n/a
Net cash provided by (used in) operating activities	68,972	(27,748)	-348.6%
Cash flows from investing activities			
Changes in restricted financial investments	(25)	(35)	-28.6%
Capital contribution in investees	-	-	n/a
Advances to related parties	3,072	11,720	-73.8%
Contributions to investments	(6,814)	1,254	-643.4%
Purchases of property and equipment and intangible assets	(14,359)	(4,441)	223.3%
Net cash used in investing activities	(18,126)	8,498	-313.3%
Cash flows from financing activities			
New loans and financing	169,873	45,726	271.5%
Repayment of loans and financing - principal	(34,497)	(31,097)	10.9%
Dividends paid	(6,877)	-	n/a
Distributions to non-controlling interests, net	(3,068)	(4,262)	-28.0%
	-	-	0.0%
Net cash provided by (used in) financing activities	125,431	10,367	1109.9%
Net increase in cash and cash equivalents	176,277	(8,883)	-2084.4%
Cash changes			
Cash and cash equivalents at the beginning of the year	119,256	50,234	137.4%
Cash and cash equivalents at the end of the year	295,533	41,351	614.7%
Increase in cash and cash equivalents	176,277	(8,883)	-2084.4%

2Q21 and 6M21 Earnings Release



Glossary

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

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

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

Launches % Patrimar – refers to the total PSV of launched projects, at launch list prices, disregarding exchanged units and partner participation, that is, only the percentage of the net PSV belonging to the Company;

Contracted Sales - Value of contracts signed with customers, referring to the sale of finished Units or for future delivery. The exchanged units are disregarded from the contracted sales value. Contracted sales 100% refer to all units sold in the period (except exchanged units) and contracted sales % Patrimar refers to the percentage of the Company's participation in these sales, disregarding the participation of partners;

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

VSO - Sales over Offer;

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

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

PSV - Potential Sales Volume;

Percentage of Completion ("PoC") – Under IFRS, revenues, costs and expenses related to real estate projects are appropriated based on the accounting method of the cost incurred ("PoC"), by measuring the progress of the work by the actual costs incurred versus the total budgeted expenses for each stage of the project;

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

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

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

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

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

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

2Q21 and 6M21 Earnings Release



Construction obligation – Cost of construction 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.



2Q21 and 6M21 Earnings Release



Relationship with Independent Auditors

The Company's policy in contracting the services of independent auditors ensures there is no conflict of interests, loss of independence or objectivity. According to CVM Directive 381/03, we hereby inform our independent auditors - PricewaterhouseCoopers ("PWC") - have provided, in the 3 months of 2021, services other than those relative to external audit and other previously agreed services relative to the Initial Public Offer operation (IPO). In PWC's case, considering that the services and procedures were agreed beforehand, according to the contracting letter, were different and did not mix with the object and procedures of an audit or review of the Company's financial statements, according to the audit/review standards applicable in Brazil, PWC understands that the provision of previously agreed services does not impact the independence and objectivity necessary for performing external audit services.