Earnings Release

4Q23 & 2023

Belo Horizonte, March 5th, 2024 - Patrimar Engenharia S.A. (“Patrimar” or “Group”), one of the largest developers and builders in Brazil, operating in the economic, middle-income and high-income levels (luxury and high luxury products), discloses its operational and financial results for the fourth quarter of 2023 (“4Q23”). Unless otherwise indicated, the information in this document is expressed in Brazilian Reais (R$) and the Potential Sales Value (“PSV”) demonstrates the consolidated value (100%).

Highlights

R$ 1.3 billion in Net Revenue, reaching a CAGR of **46%** since 2020 and **63%** above 2022;

R$ 79.5 million in Net Profit in 2023, **10%** higher than 2022;

Improvement of **0.72 p.p.** in Gross Margin in 4Q23 compared to 4Q22 and **0.68 p.p.** compared to 3Q23;

R$ 85 million in Cash Generation in 4Q23.


Grand Quartier, RJ


Montano Antilia, BH


Valência, BH


Valência, BH


Grand Quartier, RJ

Message from the Management

We close the year 2023, the year in which the Company completed 60 years of activity with a lot of growth and consistency. We are on track to fulfill our plan developed in 2021 to double in size by 2024 – the PX2, consolidating our positioning in the markets of Minas Gerais, Rio de Janeiro and São Paulo with our two brands – Patrimar and Novolar, and rebalancing our mix of products with the largest share of Novolar – Minha Casa Minha Vida segment, in the landbank. We are committed to developing the market in the interior of São Paulo, which now has a Regional Board dedicated to expanding our business in the economic segment, with the purchase of new areas, accelerating the development of areas already acquired and accelerating the growth of our operation in this region.

We have had and will have a series of challenges ahead, but we are confident in our business model that prioritizes financial discipline and focus on profitability, which is expressed by the ROE of the projects and the business. We are not focused on margin, but rather on ROE. This is a major differentiator in our business model, which prioritizes exchanges in the acquisition of land, efficiency in sales, shorter financial cycles and more efficient works, both for the medium-high standard and for the economic sector.

ESG Agenda

The Patrimar Group has been investing significantly in an agenda to develop more sustainable enterprises, better relationships with communities and society in general and strengthening our corporate governance.

We launched the first edition of our Sustainability Report at the end of 2023, available on our website.

Recognition as
Amigos da Baleia

3 EDGEs Certifications
achieved

We will continue to develop sustainable projects, both in the medium-high standard and in the economic segment, imposing an internal commitment that 70% of our projects will have some sustainability certification recognized in the market. All our works currently have internal Green Seal classifications, with the fair purpose of basing our actions on construction sites.

Throughout 2024 we set ourselves the goal of having 50% of all our events be carbon neutral, with proven and certified compensation. Our goal is to reach 100% of events in 2026.

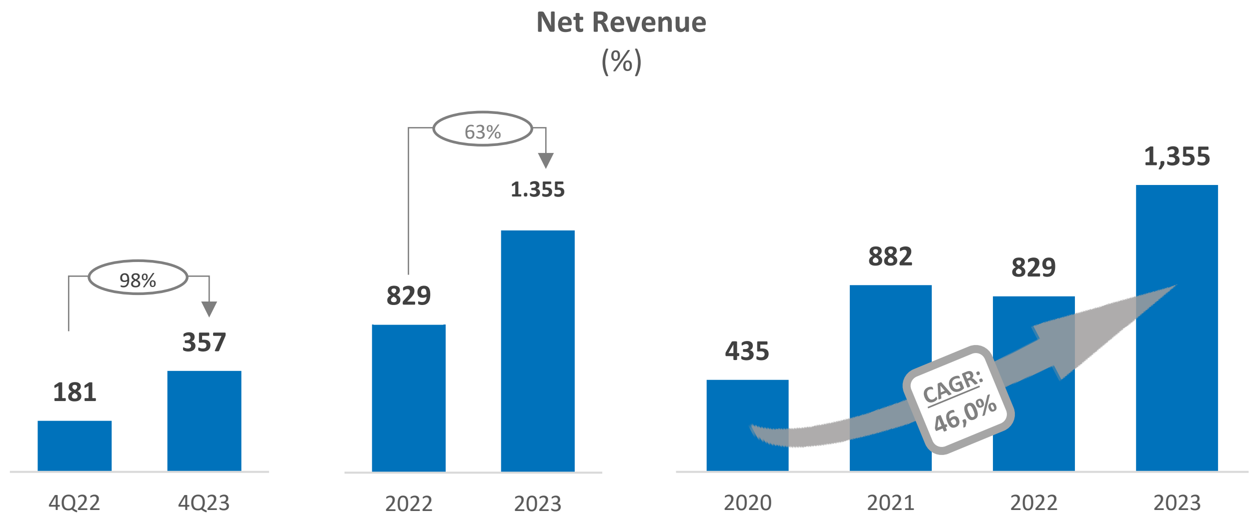
In 2023 we made a series of investments in return for society and the communities in the markets in which we operate. Investments of approximately R$2 million in social and cultural actions, excluding the time invested by our employees in voluntary work actions encouraged by the Company. Our commitment is to continue investing in actions that benefit society in the coming years.



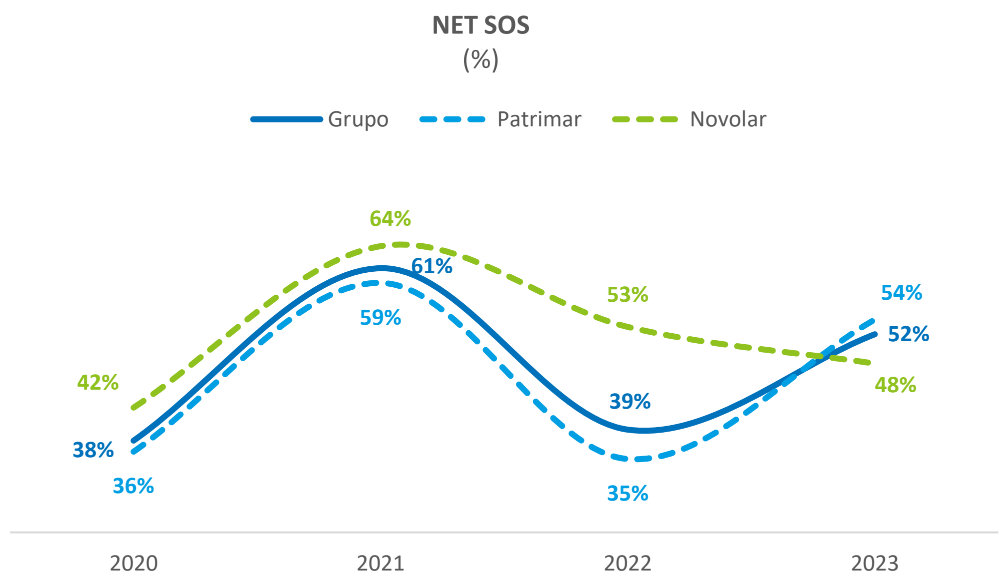
In terms of governance, we continue to work hard with reviews of internal policies and the way we operate with close monitoring by the Board of Directors, which has an independent majority, despite being a Company not yet listed on the stock exchange.

Business Growth

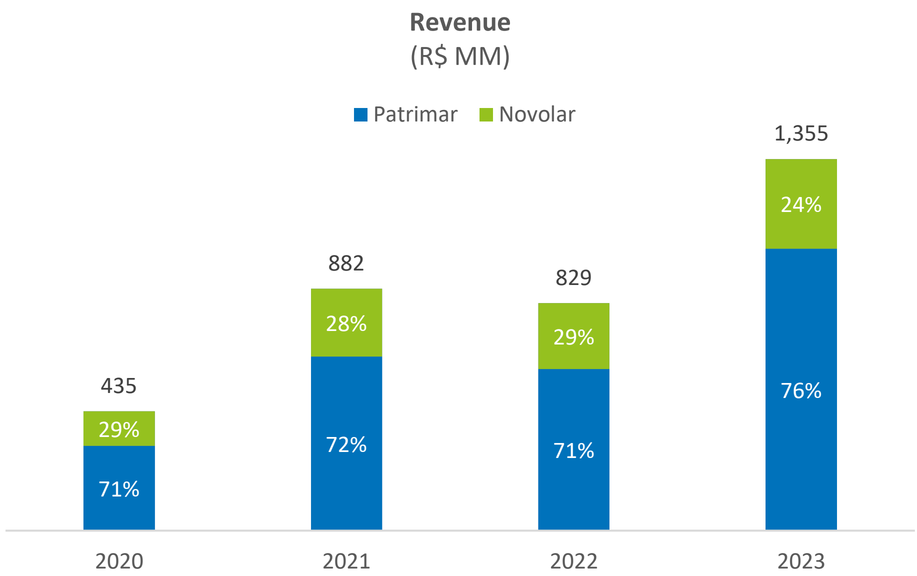
We present record net operating revenue in 2023, with a very robust compound annual growth rate (CAGR).



This growth reflects the advancement of our operational numbers, which began with the expansion of the land bank, through approvals and launches and, of course, high absorption products given their quality and alignment with the needs of these markets.

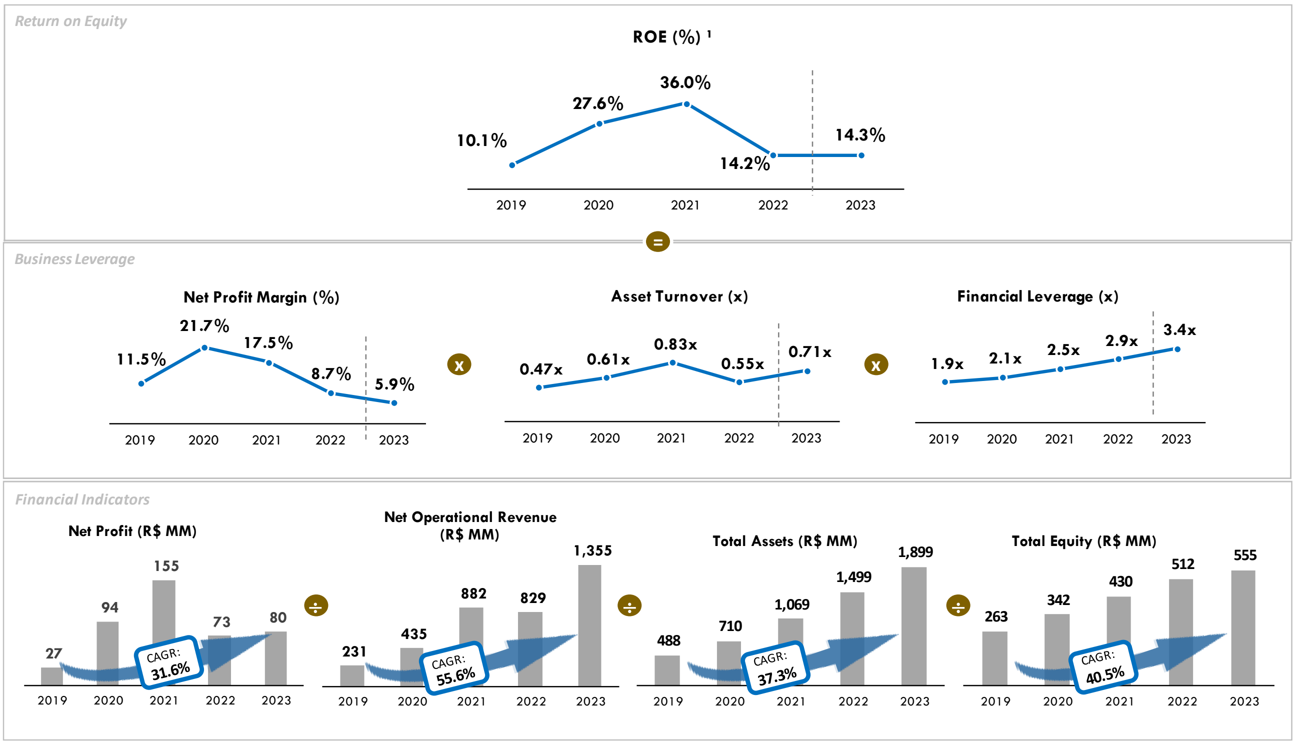


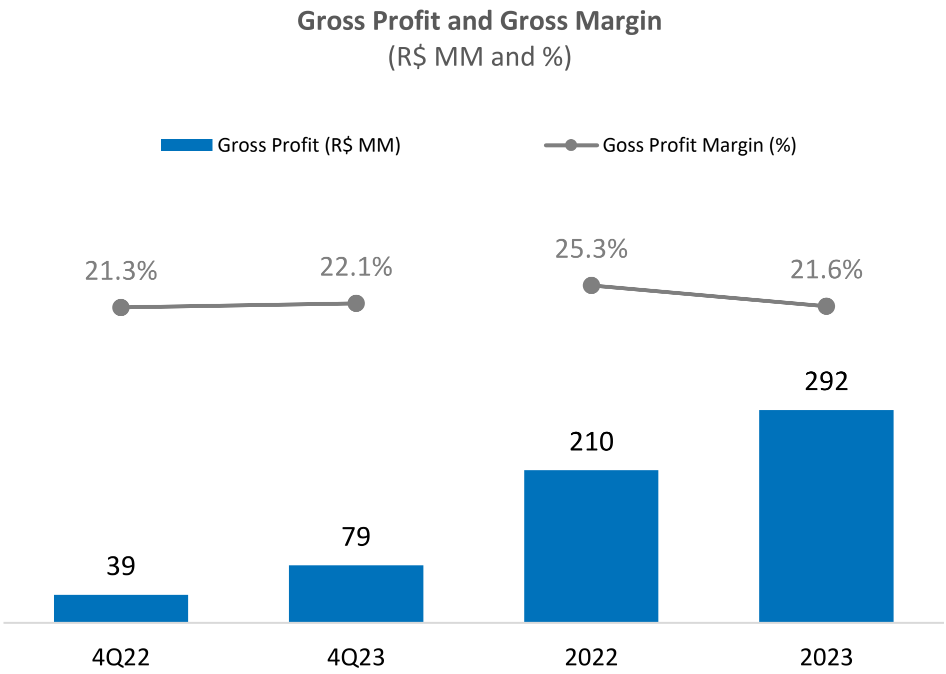
The Group has maintained a balanced revenue mix between Patrimar and Novolar over previous years but estimates that Novolar's share should grow in the coming years, reflecting recent investments in area acquisitions and a shorter cycle of approval, sales and construction. Patrimar will still have a relevant percentage of revenues depending on recently launched projects and the duration of the works.



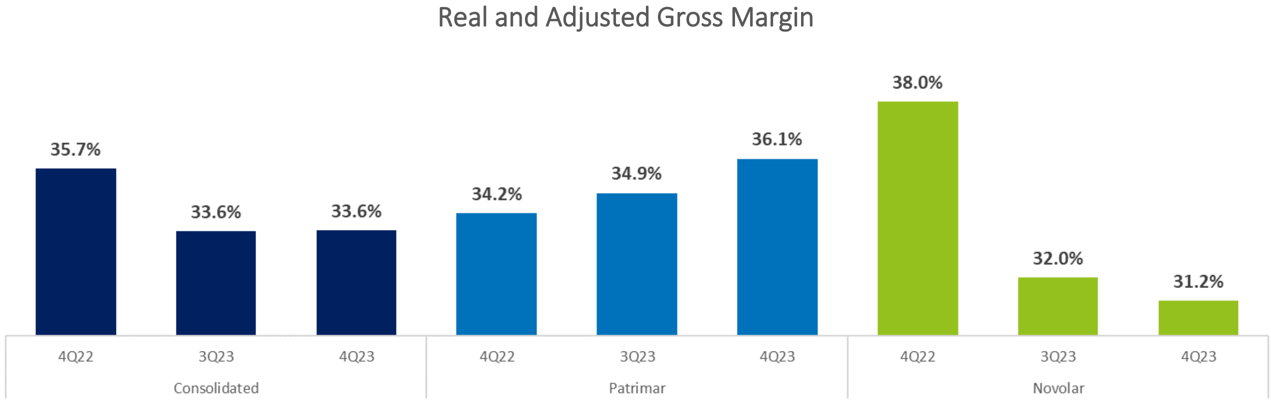
For the year 2024, we anticipate a milder growth in the volume of launches and sales, in relation to 2023. The Company will be focused on consolidating a robust level for these metrics, but increasingly focusing on making capital profitable, improving our results. Stronger growth will only come because of a more demanding market than we anticipate or a more transformational liquidity event – an IPO, for example, that will make us accelerate the volume of R$6.2 billion of projects approved or in phase final approval that we currently have in our landbank.

Business Profitability





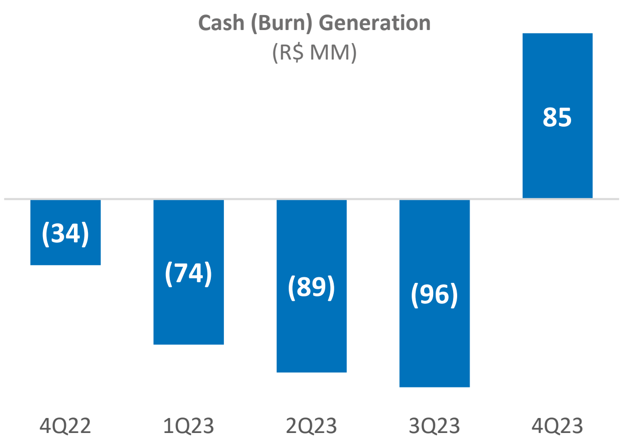
Similar to previous quarters, our gross margin is still influenced by projects from the 2020/2021 harvest, which will conclude their construction in this quarter or which conclude now in 1Q24. Furthermore, the effects of major launches in the quarter, with relevant swap volumes, reflect in the analysis of the Company's gross margin. Swaps have a relevant mathematical effect on our business, as they increase net revenue for the same gross profit number, impacting the percentage value of the gross margin. This is part of our business model of carrying out many projects while allocating little capital, therefore, with a higher ROE.

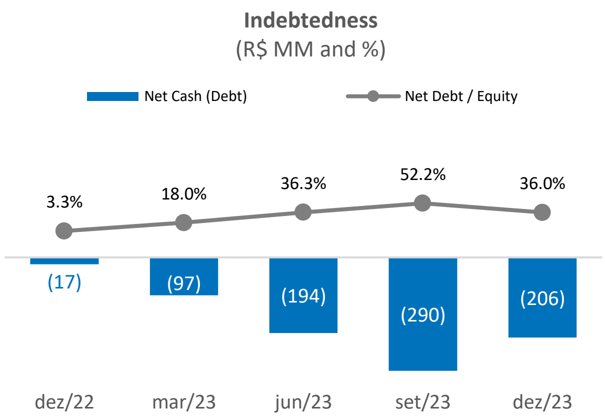


Excluding the effects of barter on our business (in revenue and cost), the effective gross margin of our operation would be 25.1% in 2023 and 27.3% excluding the financial cost of this margin. The Company will only change its land acquisition model and sales speed in the case of more abundant capital, that is, in the case of capitalization – through an IPO, for example, which would cause our margins to rise and maintain high returns due to the composition of business mix and capacity for faster turnover of this capital.

Leverage, Liquidity and Financial Discipline

We had strong cash generation in 4Q23, with the transfer of a portfolio of projects in the final stages of execution, whose cash would be received throughout the first half of 2024, in addition to a stronger sales cycle and operational cash generation.

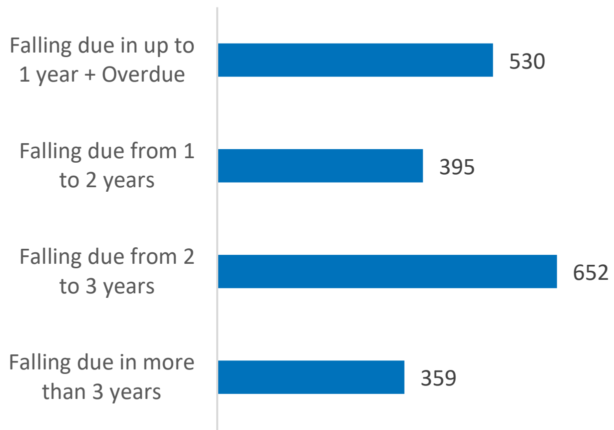




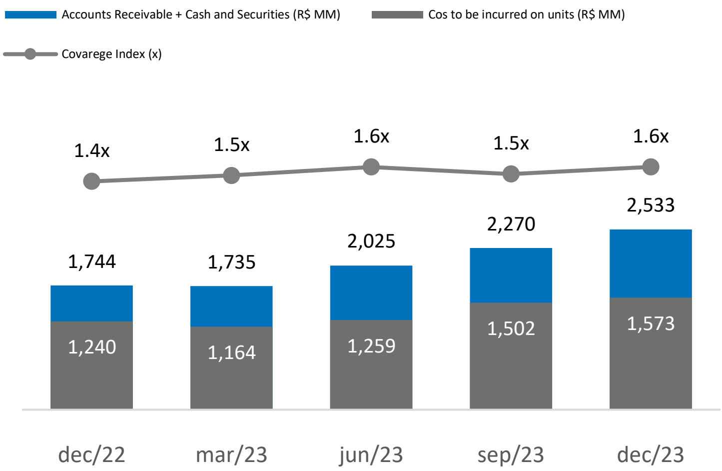
The increase in leverage throughout 2023 was the result of the strategy of accelerating works and taking advantage of a moment in which the market has lower input prices. The reduction in leverage in 4Q23 reflects the return of cash from projects in the final stages of execution and a better financial cycle in the works. We estimate that our leverage level at this level will last until the end of 2025, when the major works currently underway will come to an end.

We have a debt maturity cycle that is closely aligned with the financial cycles for receiving sales from sales, in addition to a coverage ratio for our construction liabilities at healthy levels.

Trade Receivables
(R$ MM)



Construction Liability Coverage
(R$ MM | x)



Other Topics

	PATRIMAR			NOVOLAR		
Income Statement (R$ '000)	2023	2022	Δ %	2023	2022	Δ %
Net operating Revenue	1,027,936	587,341	75.0%	327,563	242,077	35.3%
Cost of properties sold	(818,723)	(436,817)	87.4%	(244,376)	(183,027)	33.5%
Gross profit	**209,214**	**150,523**	**39.0%**	**83,186**	**59,051**	**40.9%**
Gross profit margin	**20.4%**	**25.6%**	**-0.2 p.p.**	**25.4%**	**24.4%**	**0.0 p.p.**
Operating expenses	**(115,246)**	**(81,582)**	**41.3%**	**(60,738)**	**(44,549)**	**36.3%**
General and administrative expenses	(45,289)	(36,402)	24.4%	(21,442)	(15,393)	39.3%
Selling expenses	(64,712)	(43,196)	49.8%	(32,729)	(25,323)	29.2%
Other operating income (expenses), net	(5,462)	(1,823)	199.6%	(3,465)	(29)	11867.1%
Operating profit (loss)	**93,967**	**68,942**	**36.3%**	**22,448**	**14,501**	**54.8%**
Finance income	38,749	36,075	7.4%	11,067	8,577	29.0%
Finance costs	(54,785)	(35,626)	53.8%	(525)	(487)	7.6%
Finance income (costs), net	**(16,036)**	**449**	**-3670.7%**	**10,542**	**8,090**	**30.3%**
Equity in the results of investees	216	(161)	-234.1%	(3,102)	(3,804)	-18.5%
Profit (loss) before income tax and soc	**77,931**	**69,391**	**12.3%**	**32,991**	**22,591**	**46.0%**
Income tax and social contribution	(23,930)	(13,050)	83.4%	(7,481)	(6,387)	17.1%
Profit (loss) for the period	**54,001**	**56,341**	**-4.2%**	**25,510**	**16,204**	**57.4%**
Net Profit Margin	**5.3%**	**9.6%**	**-0.5 p.p.**	**7.8%**	**6.7%**	**0.2 p.p.**

Our joint venture with Viv In obtained final approval for its first project to be built in the Flamengo neighborhood in March. With 271 apartments, this project is expected to be retrofitted and built in new buildings within 24 months. The total investment in the project will be R$60 million and Viv In has already been discussing with financial institutions ways of financing this capex.

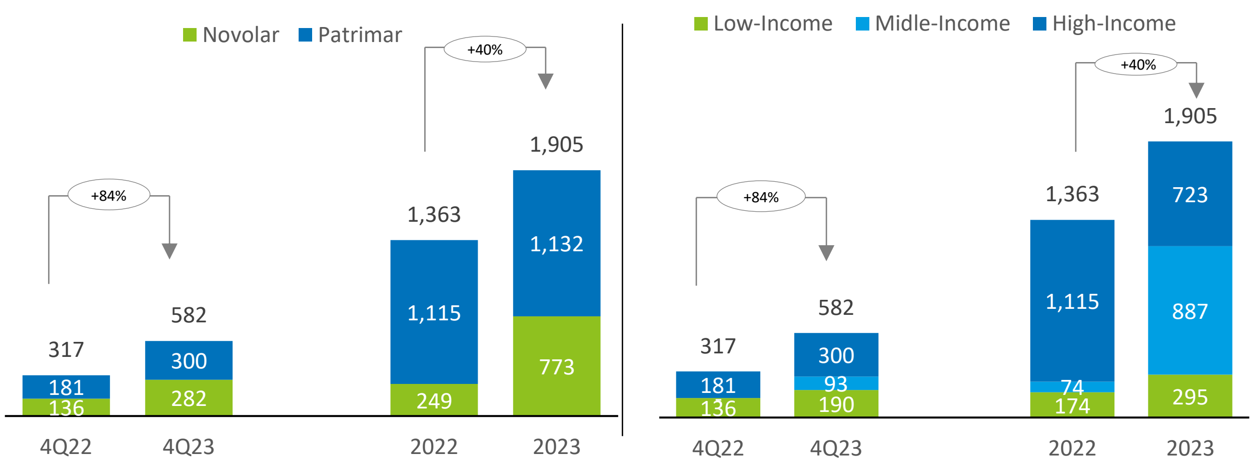
Additionally, Viv In already has a volume of approximately one thousand apartments to be developed in its land pipeline.

Operational Performance

Launches

In 4Q23 we launched 6 projects, totaling 15 projects launched in 2023, distributed across all income ranges and geographies in which the Group operates. The %Patrimar in 4Q23 launches was 95% (79% in 4Q22) and in 2023 was 72% (70% in 2022).

LAUNCHES 100%
(R$ MM)



In 4Q23 we made significant launches in Minas Gerais, specifically in the city of Belo Horizonte, representing 63% of the total launched.

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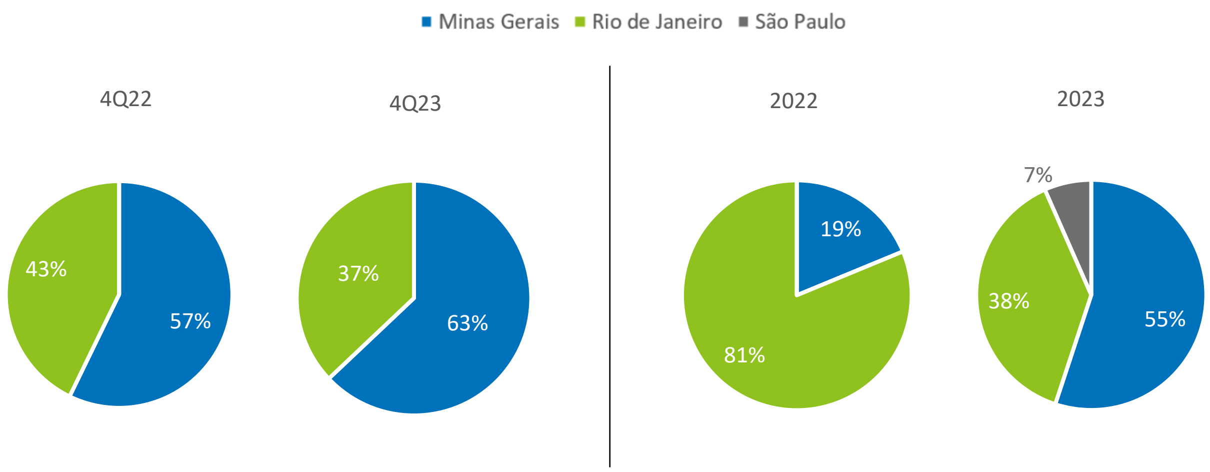
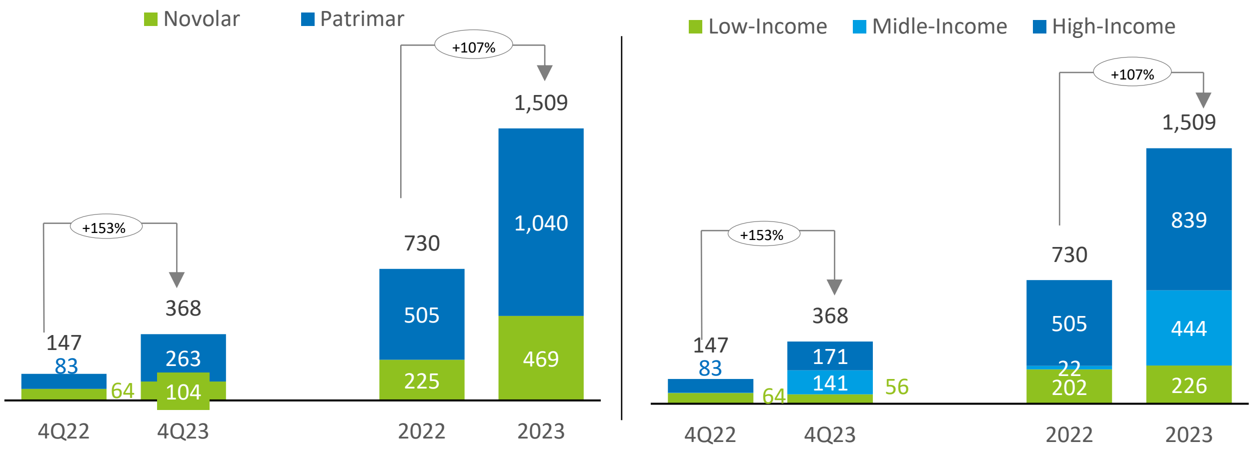
LAUNCHES 100%, BY REGION



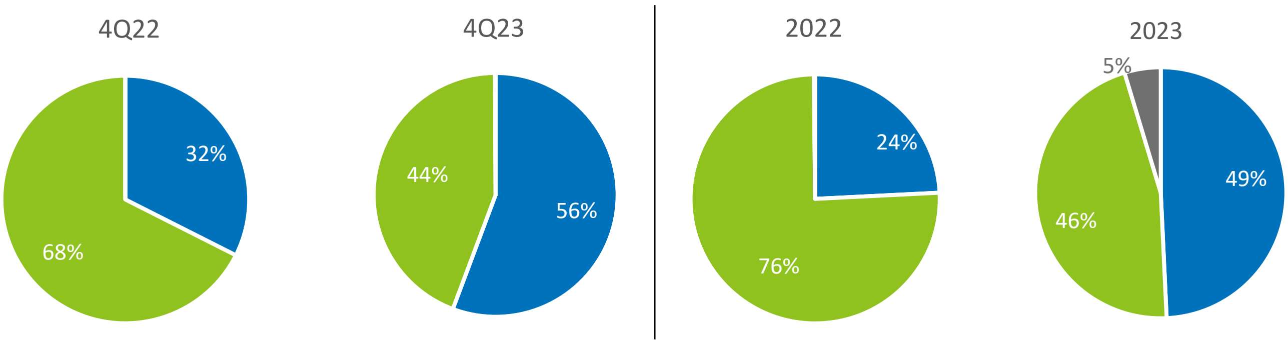
Sales

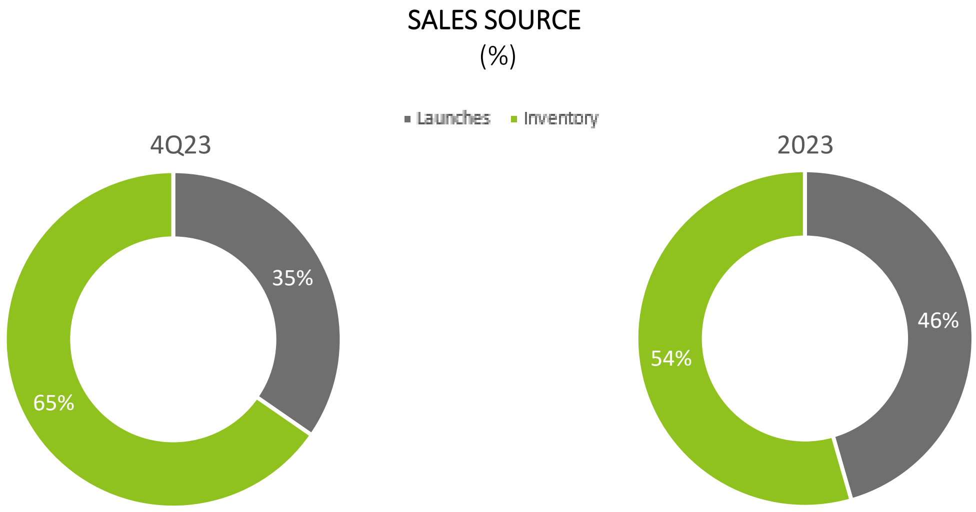
The significant increase in net sales in both 4Q23 and 2023 is the result of the products' quality and of our understanding of the dynamics of each market. Our sales were balanced in the volume of launches and inventories in 2023, strengthening our capacity and sales force during the work. The %Patrimar sales in 4Q23 was 90% (88% in 4Q22) and 85% in 2023 (90% in 2022).

NET SALES 100%
(R$ MM)



NET SALES 100%, BY REGION
(%)





Net Contracted Sales (R$ '000)	4Q23 (a)	4Q22 (b)	Δ% (a/b)	2023 (c)	2022 (d)	Δ% (c/d)
PSV 100% (R$ thousand)	**367,859**	**147,084**	**150%**	**1,509,028**	**729,564**	**107%**
Patrimar	**263,488**	**82,528**	**219%**	**1,040,053**	**504,874**	**106%**
High-income	170,565	82,528	107%	838,706	504,874	66%
Middle-income	92,923	-	0%	201,346	-	0%
Novolar	**104,371**	**64,556**	**62%**	**468,975**	**224,691**	**109%**
Middle-income	48,161	481	9920%	242,517	22,403	982%
Low-income	56,210	64,076	-12%	226,459	202,287	12%
PSV % Patrimar (R$ thousand)	**372,877**	**129,529**	**188%**	**1,277,167**	**658,852**	**94%**
Patrimar	**225,721**	**65,227**	**246%**	**812,961**	**439,550**	**85%**
High-income	132,798	65,227	104%	611,614	439,550	39%
Middle-income	92,923	-	0%	201,346	-	0%
Novolar	**147,157**	**64,302**	**129%**	**464,207**	**219,302**	**112%**
Middle-income	47,349	336	13973%	239,142	19,259	1142%
Low-income	99,807	63,966	56%	225,065	200,043	13%
Units Contracted	**445**	**329**	**35%**	**1,892**	**1,125**	**68%**
Patrimar	**129**	**24**	**438%**	**387**	**165**	**135%**
High-income	46	24	92%	209	165	27%
Middle-income	83	-	0%	178	-	0%
Novolar	**316**	**305**	**4%**	**1,505**	**960**	**57%**
Middle-income	99	1	9800%	518	45	1051%
Low-income	217	304	-29%	987	915	8%
Average Price (R$ thousand/unit)	**827**	**447**	**85%**	**798**	**649**	**23%**
Patrimar	**2,043**	**3,439**	**-41%**	**2,687**	**3,060**	**-12%**
High-income	3,708	3,439	8%	4,013	3,060	31%
Middle-income	1,120	-	0%	1,131	-	0%
Novolar	**330**	**212**	**56%**	**312**	**234**	**33%**
Middle-income	486	481	1%	468	498	-6%
Low-income	259	211	23%	229	221	4%

SOS –Sales over Supply - (Sales Speed)

In 4Q23, our SOS was mainly impacted by the large concentration of launches in the last month of the year. Novolar had 100% of its launches in the last two months, 40% of which were in December. Even though, our SOS in 4Q23 was higher by 9.2 p.p. compared to the same period last year. The SOS for the year 2023 was 52%, compared to a SOS of 39% in the previous year..

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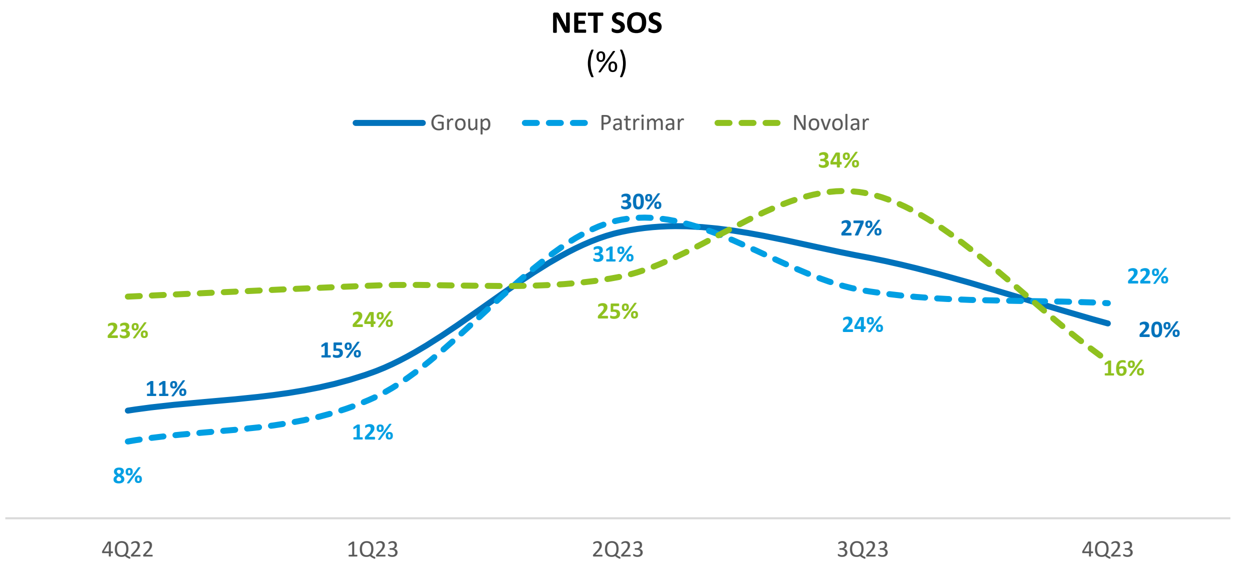
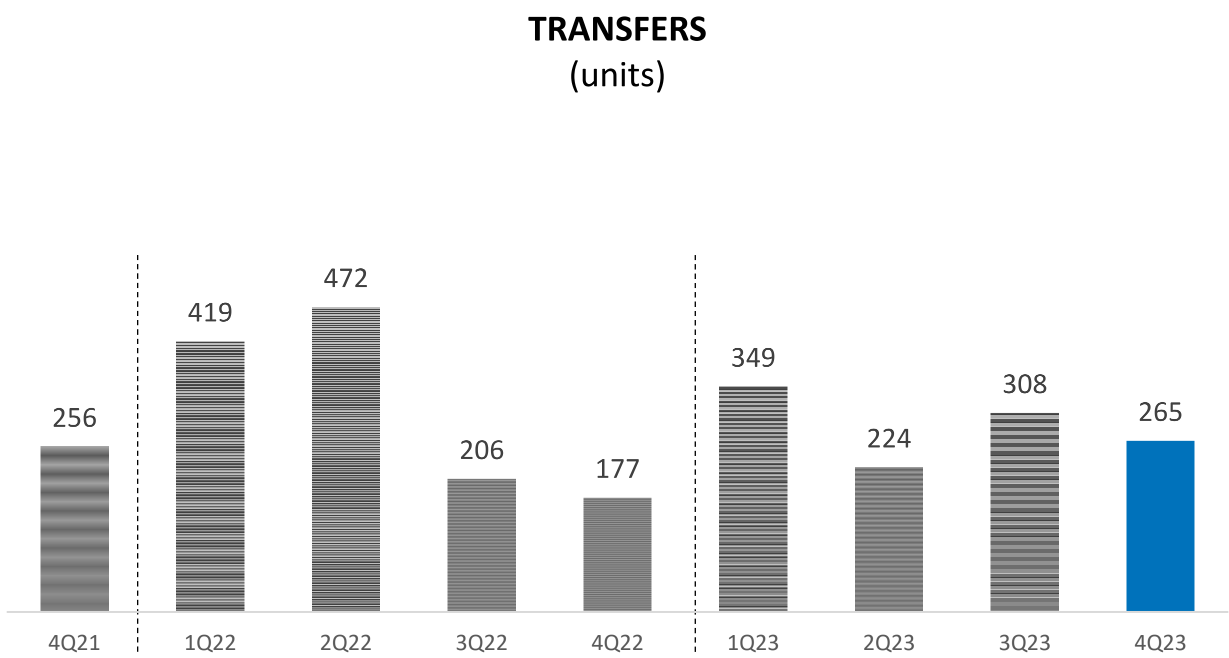


Sales Speed	4Q22	1Q23	2Q23	3Q23	4Q23
SOS Group (%)	11%	15%	30%	27%	20%
SOS Patrimar (%)	8%	12%	31%	24%	22%
Sales Patrimar	82,528	120,336	376,704	279,524	263,488
Offer Patrimar	1,074,547	967,516	1,282,818	1,263,900	1,212,879
Opening Stock	893,159	967,516	859,559	855,230	912,901
Launches	181,388	-	423,258	408,670	299,978
SOS Novolar (%)	23%	24%	25%	34%	16%
Sales Novolar	64,556	69,814	84,037	210,753	104,371
Offer Novolar	281,127	289,604	337,295	635,487	640,153
Opening Stock	145,405	219,161	223,465	328,705	357,725
Launches	135,723	70,443	113,830	306,782	282,427

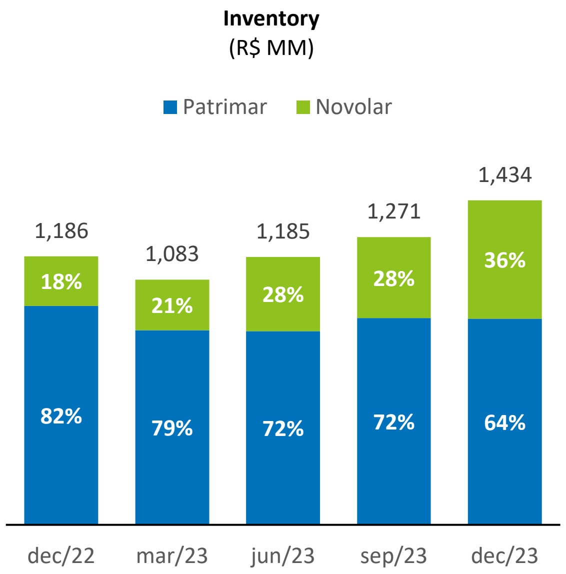
Transfers

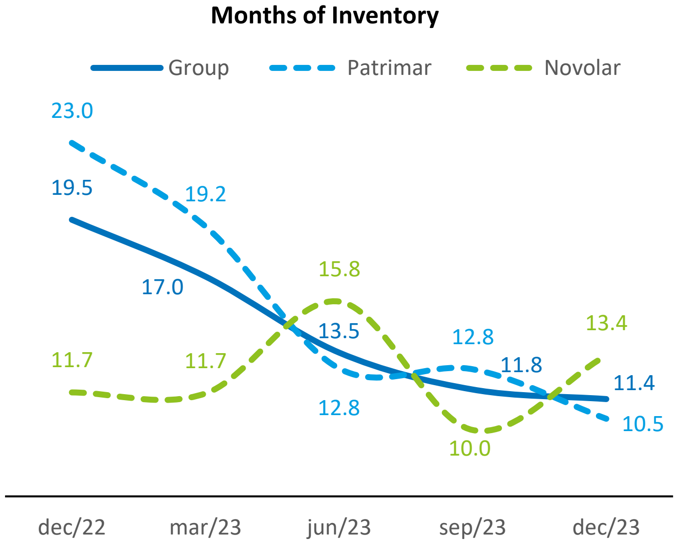
We presented the best fourth quarter in transfers in the Group's history, transferring practically 50% more units than 4Q22, reaching R$ 84 MM. The year 2022 began with a greater availability of products for transfer than 2023, which explains the lower result now than in the previous year.



Inventory

With the accelerated pace of launches in 2023, our inventory grew 21% compared to 2022, in 4Q23 the growth was 13% when compared to the previous quarter. Our months of inventory keeps decreasing, demonstrating great strength in sales.

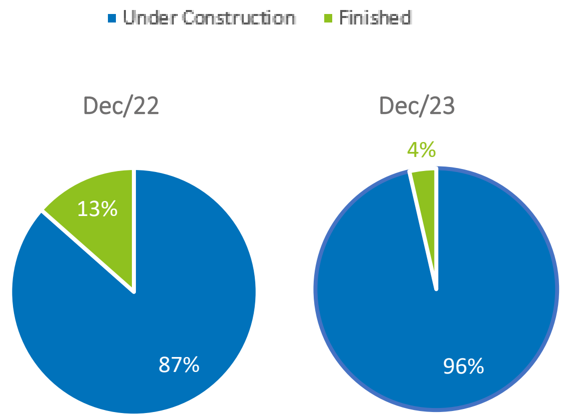




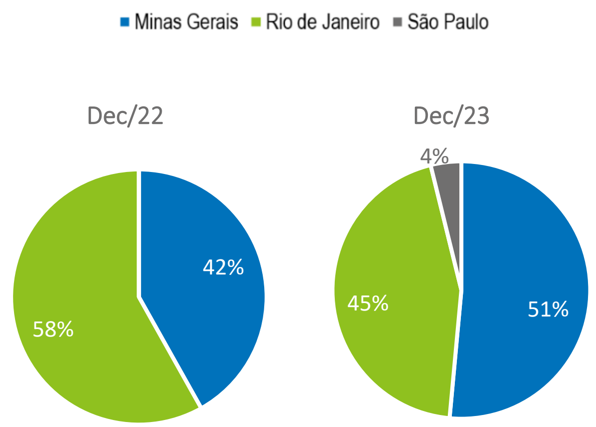
Throughout 4Q23, we had a great effort to sell completed inventory, significantly reducing this amount in proportion to total inventory.

INVENTORY 100%

BY PHASE



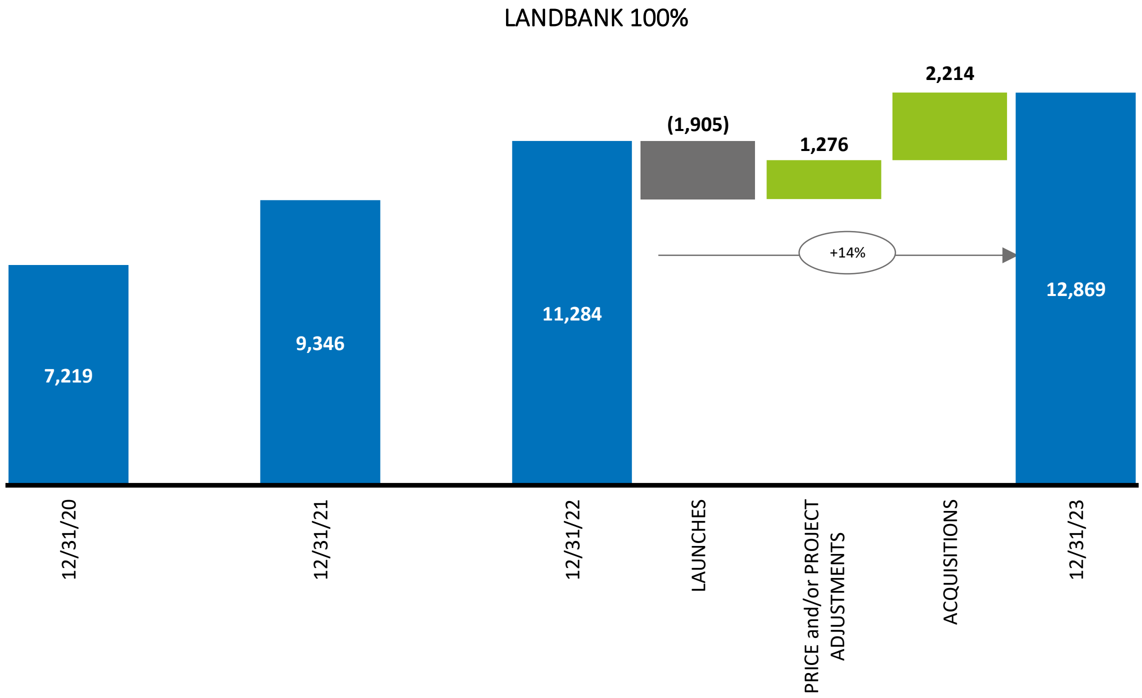
BY REGION

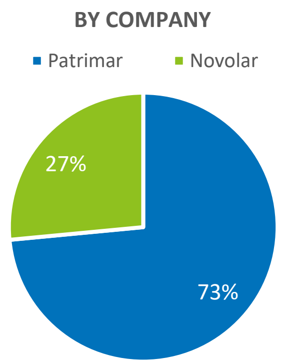


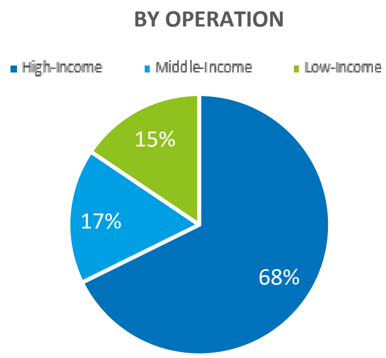
Landbank

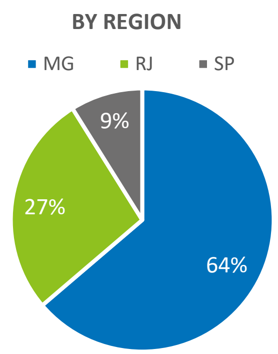
We ended 2023 with the highest position ever achieved in the company's history, despite the high volume of launches recorded in the year. We are more diversified in areas, segments and products.

We purchased 13 plots of land throughout 2023, with a potential Gross Development Value (GDV) of R$ 2.2 billion. Out of the total invested amount, over 93% was done through swaps (physical or financial) modality, which minimizes our cash exposure. The Patrimar Group's stake in the Landbank is 75%, representing an increase of 6.4 percentage points compared to the year-end of 2022.









Financial Performance

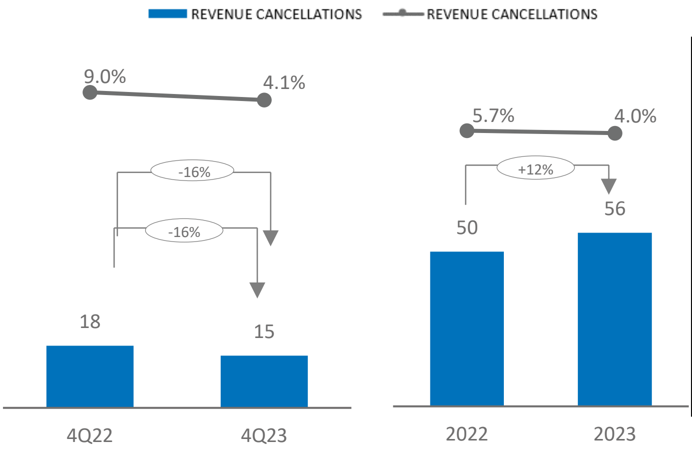
Net Income

Net Operation Revenue (R$ '000)	4Q23	4Q22	Δ %	2023	2022	Δ %
Gross revenue from properties sales	364,466	198,291	83.8%	1,409,200	878,880	60.3%
Service Revenue	4,511	341	1222.9%	6,499	8,570	-24.2%
Gross Revenue	**368,977**	**198,632**	**85.8%**	**1,415,699**	**887,450**	**59.5%**
Canceled Sales	(14,988)	(17,802)	-15.8%	(55,998)	(49,888)	12.2%
Allowance for doubtful account	(417)	(3,109)	-86.6%	(2,921)	(3,109)	0.0%
Provision (reversal) for contract terminations	(197)	(1,464)	-86.5%	(159)	(262)	-39.3%
AVP - Adjustment to present value	11,214	5,020	123.4%	25,126	11,736	114.1%
Deduction and taxes	(7,175)	(3,753)	91.2%	(26,248)	(16,508)	59.0%
Net revenue	**357,414**	**180,638**	**97.9%**	**1,355,499**	**829,418**	**63.4%**

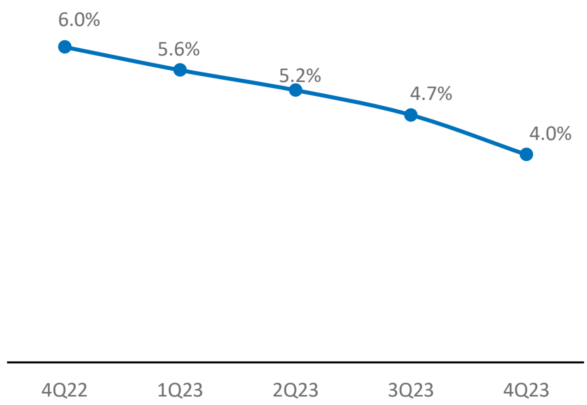
The Growth in Net Revenue in 4Q23 when compared to 4Q22, as well as the accumulated 2023 against 2022, is explained by sales and construction activity. We accelerated our production activity, taking advantage of a time of less competition for labor and less production activity in the market, results that will be reaped throughout the works with improvements in margins.

Cancellations continue to fall based on revenue, reinforcing the quality of sales and our portfolio. Within the cancellations, approximately 35% refer to upgrades/downgrades in the Group's own properties.

Revenue Cancellations
(R$ MM and %)

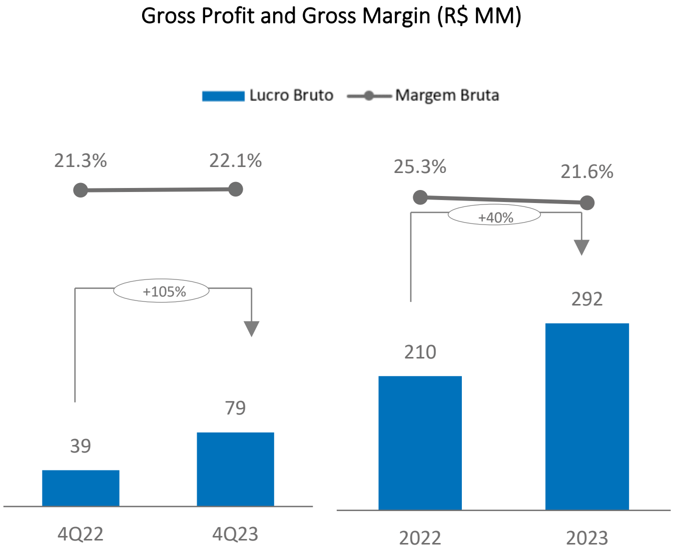


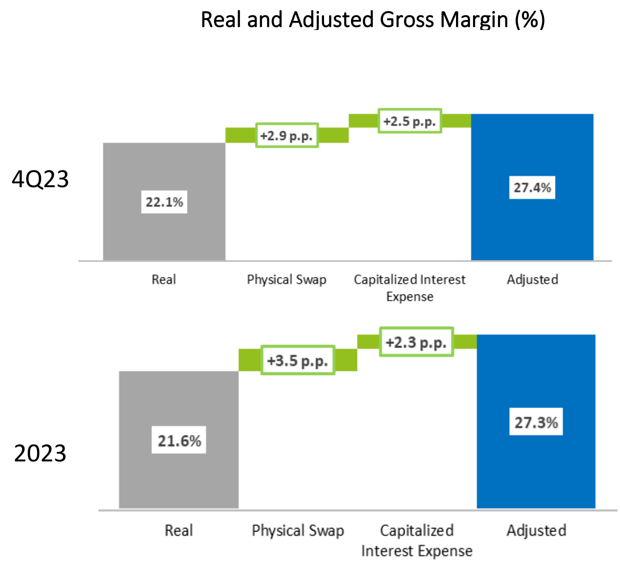
Revenue Cancellations LTM
(%)



Gross Profit and Gross Margin

The gross margin showed a slight recovery in 4Q23 compared to 4Q22 (and 3Q23, when it was 21.4%), reflecting the increased participation of the new crop of projects in our results. As previously mentioned, our business model with most of the projects purchased in exchange has a better ROE, however, a lower gross margin.





MARGIN PER BUSINESS UNIT
(2023)

INCOME STATEMENTE (BRL k, except when indicated otherwise)	CONSOLIDATED	PATRIMAR	NOVOLAR
Net Operating Revenue	1,355,499	1,027,936	327,563
Cost of Properties Sold	(1,063,099)	(818,723)	(244,376)
Gross profit	**292,400**	**209,214**	**83,186**
Gross Profit Margin	*21.6%*	*20.4%*	*25.4%*

Operational Expenses

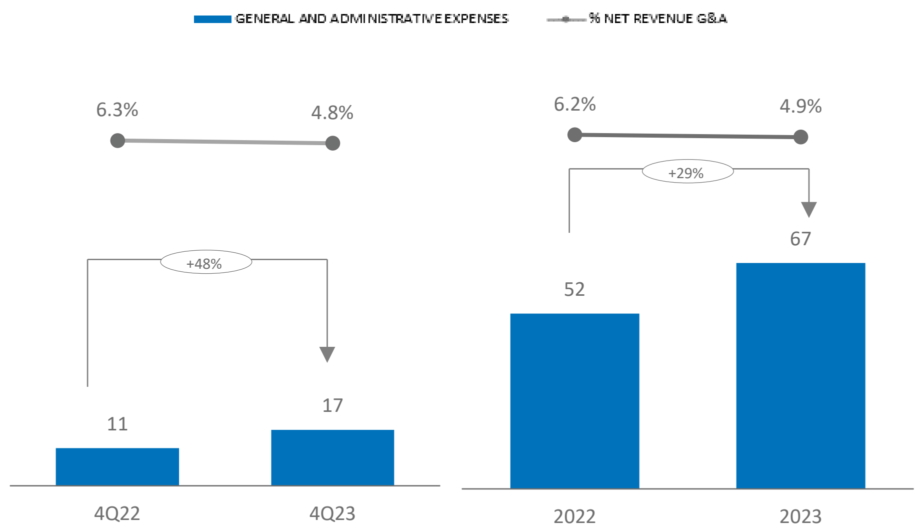
Operating Expenses (R$ '000)	4Q23	4Q22	Δ %	2023	2022	Δ %
General and administrative expenses	16,978	11,456	48.2%	66,731	51,795	28.8%
Selling expenses	27,617	14,034	96.8%	97,441	68,519	42.2%
Other operating revenues (expenses)	89	802	-88.9%	8,927	1,851	382.3%
Total	44,684	26,292	70.0%	173,099	122,165	41.7%
% of ROL	12.5%	14.6%	-2.1 p.p.	12.8%	14.7%	-2.0 p.p.

General and Administrative Expenses (G&A)

General and Administrative Expenses (R$ '000)	4T23	4T22	Δ %	2023	2022	Δ %
Personnel Expenses	9,550	7,182	33.0%	37,147	31,327	18.6%
General administrative expenses	2,209	1,423	55.2%	9,884	4,710	109.9%
Depreciation and amortization	1,724	1,528	12.8%	6,517	7,180	-9.2%
Third-party services	3,495	1,323	164.2%	13,183	8,578	53.7%
Total	16,978	11,456	48.2%	66,731	51,795	28.8%
% of ROL	4.8%	6.3%	-1.6 p.p.	4.9%	6.2%	-1.3 p.p.

Following the trend shown by developments in previous quarters, with the growth of the operation, it was possible to obtain a dilution of investments made in structure and people. Therefore, even with a relative increase in personnel expenses, third-party services and general administrative expenses, G&A as a percentage of revenue showed an improvement when comparing 4Q23 with 4Q22. The Patrimar Group remains one of the most efficient companies in business management considering expenses as a proportion of net revenue.

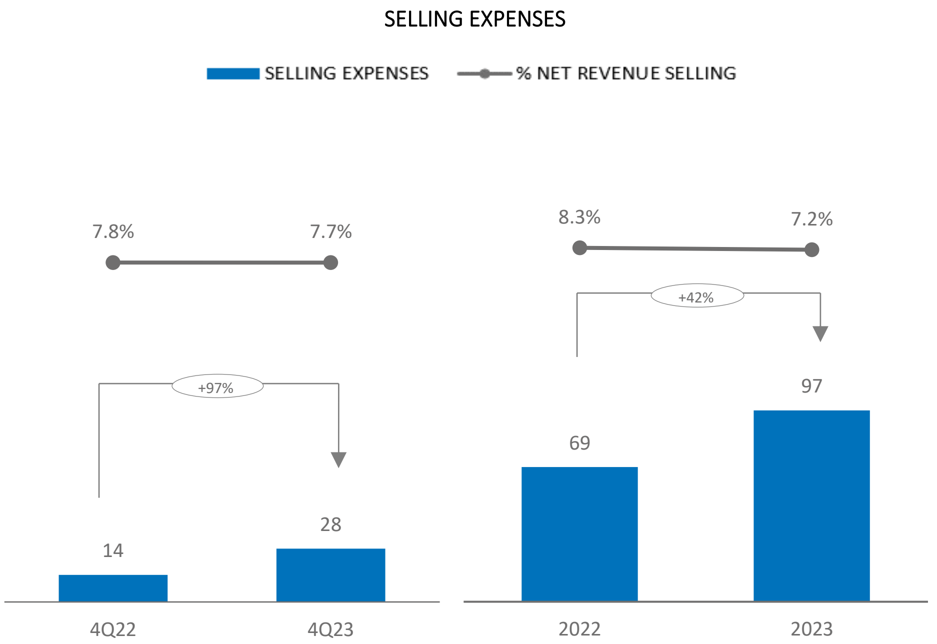
GENERAL AND ADMINISTRATIVE EXPENSES
(R$ MM and %)



Commercial Expenses

Commercial Expenses (R$ '000)	4T23	4T22	Δ %	2023	2022	Δ %
Personnel Expenses	1,730	1,307	32.4%	6,158	6,104	0.9%
Comissions and Brokerages	7,884	4,942	59.5%	29,937	20,919	43.1%
Sales stabds/ decorated apartments	5,532	2,982	85.5%	17,630	8,813	100.0%
Advertising	8,298	4,662	78.0%	28,792	22,600	27.4%
Other commercial expenses	4,173	142	2838.7%	14,924	10,083	48.0%
Total	27,617	14,034	96.8%	97,441	68,519	42.2%
% of ROL	7.7%	7.8%	0.0 p.p.	7.2%	8.3%	-1.1 p.p.

The increase in commercial expenses is mainly due to increases in brokerage, because of a greater volume of sales in all segments, added by growth in investments in advertising and advertising in projects, because of a greater number of projects launched in the year.



Other Operational Expenses (Incomes)

Other Operating Expenses / Revenues (R$ '000)	4Q23	4Q22	Δ %	2023	2022	Δ %
Real Estate loan expenses	4	2	100.0%	21	7	200.0%
Tax Expenses	21	29	-27.6%	359	687	-47.7%
Provision for contingencies	1,178	(1,111)	-206.0%	11,477	3,710	209.4%
Eventual losses	1,087	(115)	-1045.2%	768	601	27.8%
Gain on Investments	2,278	-	-	237	-	-
Gain on contract termination	(601)	356	-268.6%	(1,886)	(1,521)	24.0%
Gains or Losses from immobilized	(108)	(377)	-71.3%	(108)	876	-112.3%
Other operating income and expenses	(3,768)	413	-1012.3%	(1,941)	(2,509)	-22.6%
Total	91	(802)	-111.3%	8,927	1,851	382.3%
% of ROL	0.0%	-0.4%	0.5 p.p.	0.7%	0.2%	0.4 p.p.

The increase in other expenses was mainly due to the increase in civil and labor contingencies, and the reduction in expenses due to the cancellation of land that was no longer interesting within our expansion strategy.

Financial Result

Financial Income	4T23	4T22	Δ %	2023	2022	Δ %
Monetary adjustment and contractual interest	1,545	(205)	-853.7%	3,356	3,573	-6.1%
Interest on financial investments	12,283	12,632	-2.8%	45,741	39,588	15.5%
Other Financial Results	181	354	-48.9%	719	1,491	-51.8%
Total	**14,009**	**12,781**	**9.6%**	**49,816**	**44,652**	**11.6%**
Financial Expenses	4T23	4T22	Δ %	2023	2022	Δ %
Interest on loans and financing	(14,835)	(11,374)	30.4%	(49,520)	(34,218)	44.7%
Debits from bank charges and fees	(3,765)	185	-2135.1%	(5,793)	(1,744)	232.2%
Other Financial Expenses	22	(3)	-833.3%	4	(151)	-102.6%
Total	**(18,578)**	**(11,192)**	**66.0%**	**(55,309)**	**(36,113)**	**53.2%**
Financial Reslt	**(4,569)**	**1,589**	**-387.5%**	**(5,493)**	**8,539**	**-164.3%**

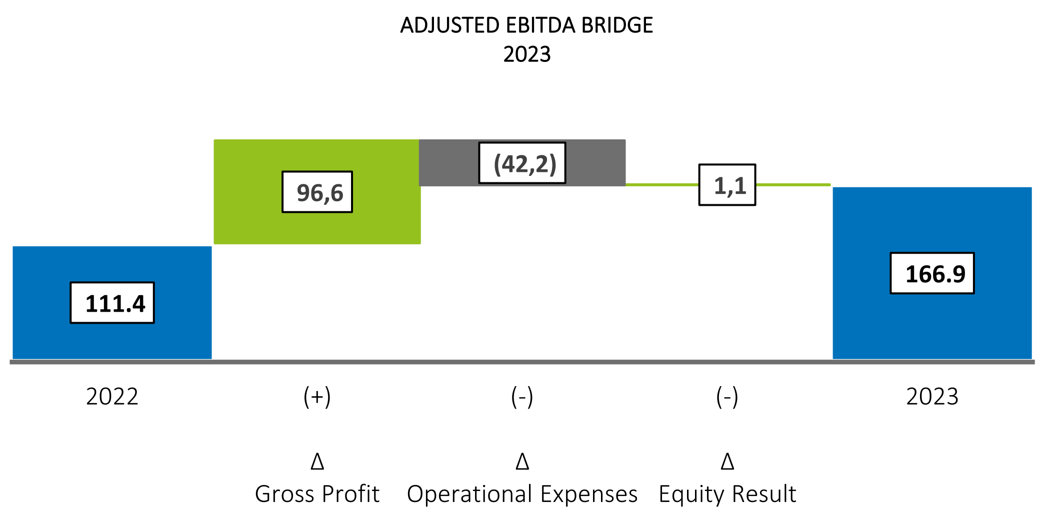
The drop in the financial result is basically due to a lower volume of average cash in the periods, because of the greater volume of investments made in works in the same periods of 2023, and the higher volume of interest on loans and financing, especially due to of CRI funding in July 2022 and October 2023. Additionally, in 4Q23 we presented an extraordinary cost of R$2.5 million for the assignment of project portfolios in the final stage of completion.

Equity Result

Equity Result	4T23	4T22	Δ %	2023	2022	Δ %
Equity Result	**(886)**	**(565)**	**57%**	**(2,885)**	**(3,965)**	**-27.2%**

When we compare 4Q23 with 4Q22, we practically did not record a negative impact from Equity Income, confirming the trend observed in previous releases of no longer having problems linked to the construction of economic operation projects formed in partnership more than five years ago.

EBITDA and Adjusted EBITDA



The growth in EBITDA and Adjusted EBITDA in 4Q23 and 2023 are basically a function of higher results and revenue growth, although negatively offset by lower gross margins.

EBITDA (R$'000)	4Q23	4Q22	Δ %	2023	2022	Δ %
Net Income	17,077	8,624	98.0%	79,512	72,546	9.6%
(+) Income Tax and Social Contribution	11,633	4,661	149.6%	31,411	19,437	61.6%
(+) Financial Results	4,569	(1,589)	-387.5%	5,493	(8,539)	-164.3%
(+) Depreciation and Amortiation	7,683	4,368	75.9%	24,174	15,456	56.4%
EBITDA	40,962	16,064	155.0%	140,590	98,900	42.2%
EBITDA Margin (%)	11.5%	8.9%	2.6p.p.	10.4%	11.9%	-1.6p.p.
Capitalized Interest Expense	7,896	3,953	99.7%	26,313	12,526	110.1%
Adjusted EBITDA	48,858	20,017	144.1%	166,904	111,426	49.8%
Adjusted EBITDA Margin (%)	13.7%	11.1%	2.6p.p.	12.3%	13.4%	-1.1p.p.

Net Profit and Net Margin

The increase in net profit is a function of an acceleration in net operating revenue and a greater speed than the growth in expenses, despite a lower gross margin in 2023 compared to 2022.

NET PROFIT AND NET MARGIN
(R$ MM and %)

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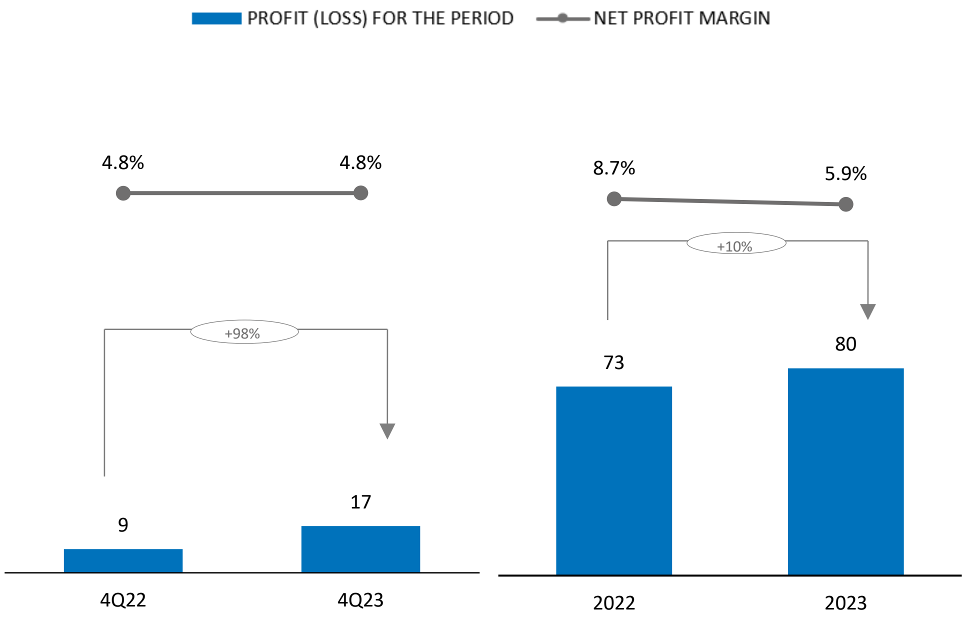
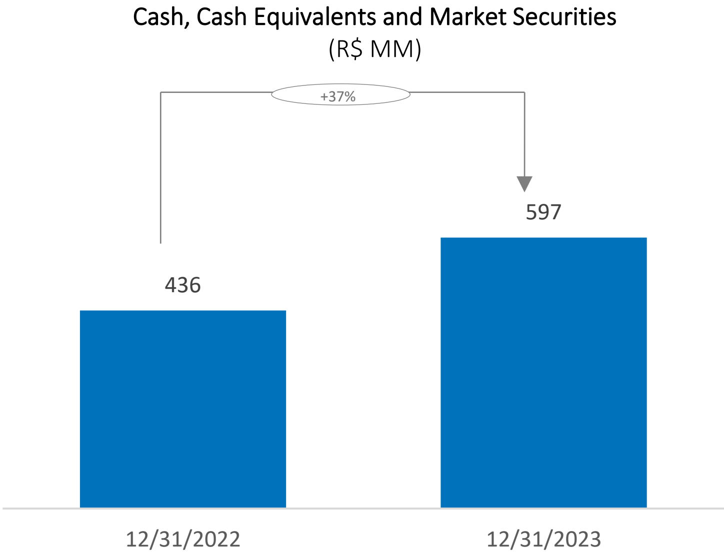


Balance Sheet Highlights

Cash, Cash Equivalents and Market Securities



The increase in the cash balance at the end of the periods reflects the growth of the operation, the funding carried out in 4Q23 and the receipt of values from project portfolios in the final stage of completion.

Accounts Receivable

Accounts Receivable (R$ '000)	12/31/2023	12/31/2022	Δ %
Completed units	101,382	53,649	89.0%
Units under construction	710,579	543,021	30.9%
Management Services	18,100	24,418	-25.9%
Provision for canceled sales/ losses/ PVA	(57,783)	(29,276)	97.4%
Total	772,278	591,812	30.5%

The growth in the accounts receivable balance is mainly a result of the increase in sales.

The balance of accounts receivable from units sold and not yet completed is not fully reflected in the balance sheet, since its recording is limited to the portion of revenue recognized in accounting for the progress of the works, net of the installments already received.

Below are the accounts receivable from the Group's financial customers, which do not reflect the accounting balance of the projects.

Accounts Receivable (R$ '000)	12/31/2023	12/31/2022	Δ %
Due within 1 year	460,399	486,161	-5.3%
Due 1 to 2 years	395,191	276,460	42.9%
Due 2 to 3 years	652,032	297,691	119.0%
Due 3 to 4 years	352,517	210,975	67.1%
Due over 4 years	6,887	6,110	12.7%
	1,867,026	**1,277,397**	**46.2%**
Expired up to 1 year	48,026	20,953	129.2%
Expired between 1 to 2 years	10,684	6,956	53.6%
Expired between 2 to 3 years	8,228	969	749.1%
Expired between 3 to 4 years	974	1,130	-13.8%
Expired over 4 years	1,189	630	88.7%
	69,101	**30,638**	**125.5%**
Total	**1,936,127**	**1,308,035**	**48.0%**

Real State for Sale

Properties for Sales (R$ '000)	12/31/2023	12/31/2022	Δ %
Inventories of land	179,320	178,492	0.5%
Properties under construction	339,557	281,249	20.7%
Completed properties	12,316	49,851	-75.3%
Provision for canceled sales	1,153	950	21.4%
Total	**532,346**	**510,542**	**4.3%**

Despite the increase in the land inventory line, because of strategic purchases aimed at expanding our landbank, the inventory of properties to be sold remained in line, reflecting our capacity to also sell ready-made properties, even with a significant increase in launches in the quarter.

Advances from Costumers

The variation in the balance of customer advances refers to the exchanges of projects that were launched and have subsequently been consumed by construction activity. Furthermore, with the completion of projects that offered customizations, we zeroed out the balance of outstanding advances on customized units..

Advances from Customers (R$ '000)	12/31/2023	12/31/2022	Δ %
Advances from costumers and barter transactions fo	399,527	421,724	-5.3%
Advances related to costumized units	-	22,356	-100.0%
Barter made for land - not launched developments	24,446	43,020	-43.2%
Total	**423,973**	**487,100**	**-13.0%**

Suppliers

Trade Playables	12/31/2023	12/31/2022	Δ %
Trade playables	117,304	51,606	127.3%
Technical retentions	13,446	9,313	44.4%
Total	**130,750**	**60,919**	**114.6%**

The increase in supplier bills is naturally explained by the increase in construction activities. We are, additionally, lengthening the payment cycle for our suppliers, seeking to better adapt the monthly financial cycle of works, between production, receiving customers, receiving construction financing and paying suppliers.

Real Estate Purchase Obligations

Real estate purchase obligations (R$ '000)	12/31/2023	12/31/2022	Δ %
Land developed	**28,376**	**35,591**	**-20.3%**
Physical swap	46	8,346	-99.4%
Financial Exchange	28,330	27,245	4.0%
Land not developed	**26,583**	**11,100**	**139.5%**
Physical swap	26,583	11,100	139.5%
Financial Exchange	-	-	-
Total	**54,959**	**46,691**	**17.7%**

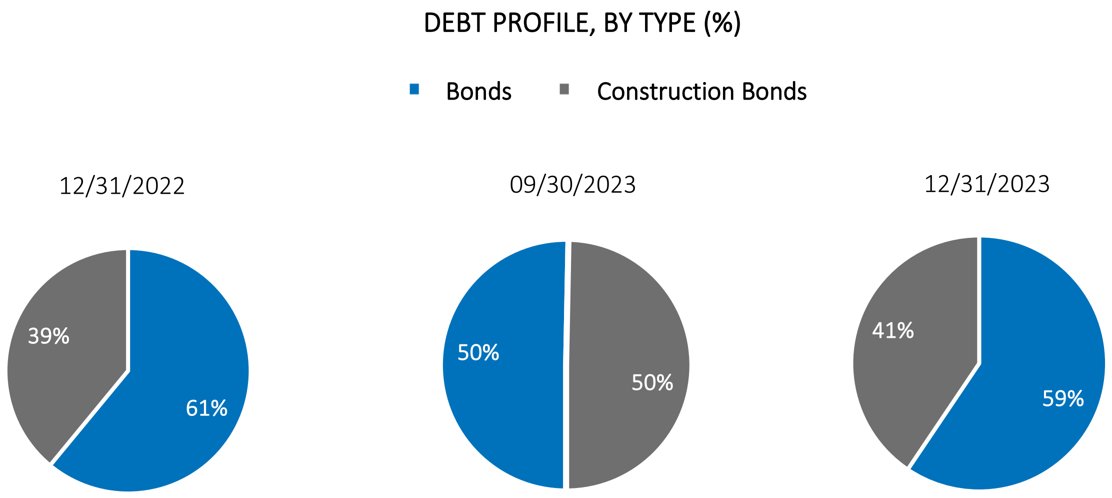
The increase in returns on unincorporated land reflects land acquisitions carried out in 2023.

Indebtedness

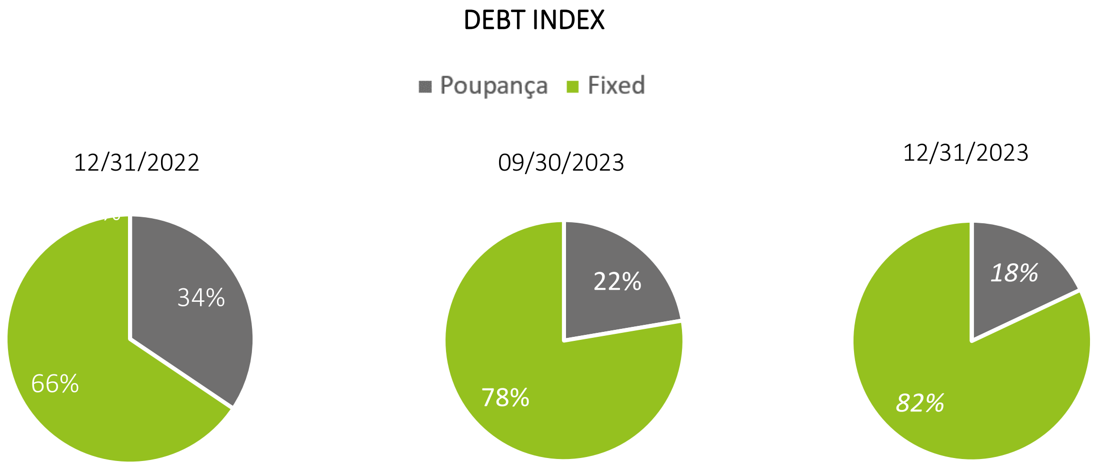
Net debt/ Equity (R$ '000)	31/12/2023	31/12/2022	Δ %
(+) Loans and Financing	802,876	453,669	77.0%
(+) Debenture/CRI and Commercial Paper	477,255	276,666	72.5%
(+) Construction Bonds	325,621	177,002	84.0%
(-) Cash and Cash Equivalent	597,106	436,183	36.9%
(=) Net Debt	205,770	17,486	1076.8%
(=) Equity	571,490	537,696	6.3%
Net Debt/ Equity	**36.0%**	**3.3%**	**32.8p.p.**

As previously mentioned, the growth in debt reflects the growth of the operation and the moment of the construction cycle in relation to the flow of receipts.

However, this year we must complete cycles of works that will allow an inflow of resources (receipts from customers), increasing liquidity. Of the works in progress, around 25% of the number of construction sites have more than 90% progress and are expected to be completed within this year.

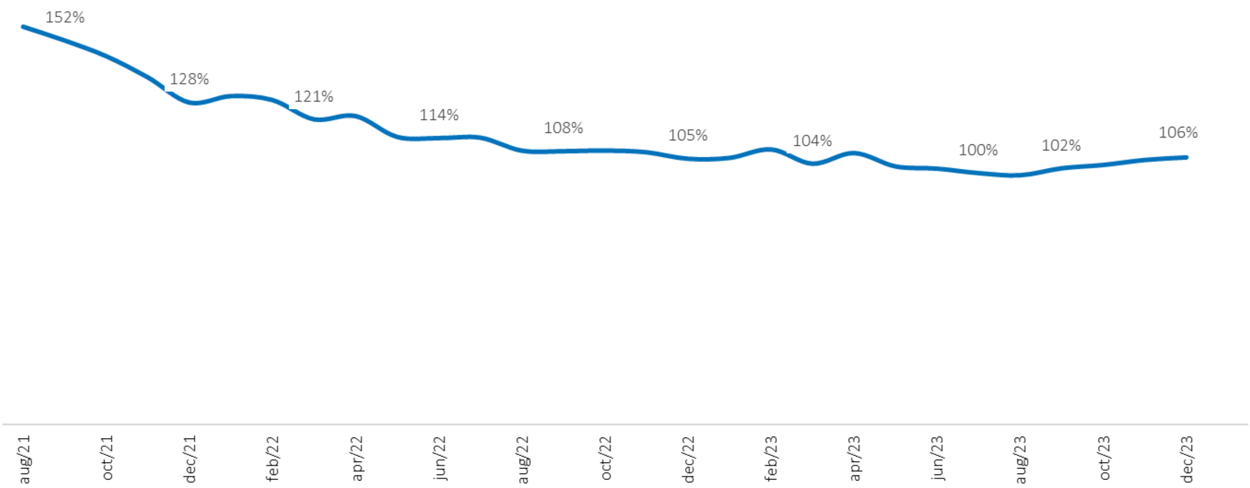


The proportional increase in corporate debt in our gross debt mix is a specific reflection of the raising of R$200 million concluded in 4Q23. With the progress of works and the reprofiling of our corporate debts, this proportion should return to balance throughout 2024.



Our construction financing is basically pre-fixed, linked to TR, including new signed contracts whose releases will occur throughout the course of the works. With the fall in the CDI, we expect the cost of our debt as a percentage of the CDI to increase, although this does not necessarily reflect a higher cost of debt. On the other hand, as we have a balance of corporate debt fully linked to the CDI, the drop in interest rates benefits us. Each 1 percentage point drop in the SELIC represents a reduction of more than R$5 million in interest on an annual basis, considering the position on December 31, 2023.

Average Cost of Debt
(In percentage of CDI)



Attachments

Consolidated Results Report

Income Statement (R$ '000)	4Q23	4Q22	Δ %	2023	2022	Δ %
Net operating Revenue	357,414	180,638	97.9%	1,355,499	829,418	63.4%
Cost of properties sold	(278,565)	(142,085)	96.1%	(1,063,099)	(619,844)	71.5%
Gross profit	**78,849**	**38,553**	**104.5%**	**292,400**	**209,574**	**39.5%**
Gross profit margin	**22.1%**	**21.3%**	**0.0 p.p.**	**21.6%**	**25.3%**	**-0.1 p.p.**
Operating expenses	**(45,570)**	**(26,857)**	**69.7%**	**(175,984)**	**(126,131)**	**39.5%**
General and administrative expenses	(16,978)	(11,456)	48.2%	(66,731)	(51,795)	28.8%
Selling expenses	(27,617)	(14,034)	96.8%	(97,441)	(68,519)	42.2%
Other operating income (expenses), net	(89)	(802)	-88.9%	(8,927)	(1,852)	382.0%
Equity in the results of investees	(886)	(565)	56.8%	(2,885)	(3,965)	-27.2%
Operating profit (loss)	**33,279**	**11,696**	**184.5%**	**116,415**	**83,443**	**39.5%**
Finance income	14,029	12,780	9.8%	49,816	44,652	11.6%
Finance costs	(18,598)	(11,191)	66.2%	(55,309)	(36,113)	53.2%
Finance income (costs), net	**(4,569)**	**1,589**	**-387.5%**	**(5,494)**	**8,539**	**-164.3%**
Profit (loss) before income tax and social contribution	**28,710**	**13,285**	**116.1%**	**110,923**	**91,983**	**20.6%**
Income tax and social contribution	(11,633)	(4,661)	149.6%	(31,411)	(19,437)	61.6%
Profit (loss) for the period	**17,077**	**8,624**	**98.0%**	**79,512**	**72,546**	**9.6%**
Net Profit Margin	**4.8%**	**4.8%**	**0.0 p.p.**	**5.9%**	**8.7%**	**-0.3 p.p.**
Attributable to:						
Owners of the company:	11,762	(525)	-2340.4%	51,643	32,249	-37.6%
Non-controlling interests	5,315	9,149	-41.9%	27,869	40,297	44.6%

Balance Sheet

Assets (R$ '000)	12/31/2023	12/31/2022	Δ %
Current assets			
Cash and cash equivalents	425,150	330,137	28.8%
Marketable securities	171,956	106,046	62.2%
Trade receivables	274,411	315,643	-13.1%
Properties for sale	471,124	419,866	12.2%
Taxes recoverable	20,847	16,318	27.8%
Prepaid expenses	34,239	25,105	36.4%
Other receivables	26,290	14,229	84.8%
	-		
Total current assets	1,424,017	1,227,344	16.0%
Non-current assets			
Long-term receivables	**2,905**	**2,664**	9.0%
Restricted financial investments	497,867	**276,169**	80.3%
Trade receivables	61,222	**90,676**	-32.5%
Properties for sale	757	**1,634**	-53.7%
Judicial deposits	32,332	**8,040**	302.1%
Related parties	2,247	-	n/a
Deferred Taxes	-	-	-
	597330		
Long-term receivables	-	379,183	57.5%
Investments	26,506	28,074	-5.6%
Property and equipment	50,116	36,094	38.8%
Intangible assets	8,319	9,320	-10.7%
Lease right-of-use	5,006	6,530	-23.3%
Total non-current assets	687,277	459,201	49.7%
Total assets	2,111,294	1,686,545	25.2%

Liabilities and Equity (R$ '000)	12/31/2023	12/31/2022	Δ %
Current liabilities			
Borrowings and debentures	164,443	93,475	75.9%
Leases	3,540	4,894	-27.7%
Trade payables	130,750	60,919	114.6%
Salaries and social charges	19,880	12,032	65.2%
Tax liabilities	6,435	5,559	15.8%
Real estate purchase obligations	27,650	35,774	-22.7%
Dividends payable	152	6,814	-97.8%
Advances from customers	247,098	202,973	21.7%
Provision for real estate maintenance	2,696	1,561	72.7%
Current taxes with deferred payment	13,752	21,134	-34.9%
Other payables	1,224	1,831	-33.2%
Total current liabilities	617,620	446,966	38.2%
Non-current liabilities			
Borrowings and debentures	638,433	360,194	77.2%
Leases	1,699	1,758	-3.4%
Real estate purchase obligations	27,309	10,917	150.2%
Advances from customers	176,875	284,127	-37.7%
Provision for contingencies	8,950	4,716	89.8%
Provision for real estate maintenance	19,606	14,365	36.5%
Current taxes with deferred payment	20,472	5,089	302.3%
Related parties	21,190	14,718	44.0%
Provision for investees' net capital defi	7,650	5,999	27.5%
Total non-current liabilities	922,184	701,883	31.4%
Equity			
Capital	269,172	269,172	0.0%
Capital reserve	259	259	0.0%
Revenue reserves	143,058	98,354	45.5%
	412,489	367,785	12.2%
Non-controlling interests	159,001	169,911	-6.4%
Total equity	571,490	537,696	6.3%
Total liabilities and equity	2,111,294	1,686,545	25.2%

Cash Flow

Cash Flows (R$ '000)	12/31/2023	12/31/2022	Δ %
Cash flows from operating activities			
Profit for the year	**79,512**	**72,546**	**9.6%**
Adjustments to reconcile profit with cash flows from operating activities			
Depreciation and amortization	24,481	15,456	58.4%
Adjustment of trade receivables to present value	27,346	8,619	217.3%
Equity in the results of investees	2,885	3,965	-27.2%
Provision for real estate maintenance	13,343	4,970	168.5%
Provision for labor, civil, and tax contingencies	10,050	6,410	56.8%
Provision for termination of contracts	335	262	27.9%
Allowance for doubtful accounts	826	3,109	-73.4%
Provision for interest on borrowings	74,699	45,192	65.3%
Income tax and social contribution	(5,862)	7,992	-173.3%
Write-off of fixed assets	6,319	1,781	254.8%
Income from securities	(11,188)	(8,816)	26.9%
	222,746	**161,486**	**37.9%**
Changes in working capital			
Increase (decrease) in assets and liabilities			
Trade receivables	(208,973)	(156,875)	33.2%
Properties for sale	(21,804)	(83,431)	-73.9%
Taxes recoverable	(6,776)	(7,048)	-3.9%
Other assets	(20,318)	(3,630)	459.7%
Trade payables	69,831	16,517	322.8%
Salaries and social charges	7,848	2,501	213.8%
Tax liabilities	52,012	9,038	475.5%
Real estate purchase obligations	8,268	(21,252)	-138.9%
Advances from customers	(63,127)	113,933	-155.4%
Other liabilities	4,105	(1,123)	-465.5%
Payments made for maintenance of properties held as collateral	(6,967)	(1,827)	281.3%
Amounts paid for civil, labor, and tax contingencies	(5,816)	(8,320)	-30.1%
	(191,717)	**(141,517)**	**35.5%**
Interest paid	(67,702)	(20,761)	226.1%
Income tax and social contribution paid	(37,273)	(11,445)	225.7%
Net cash provided by (used in) operating activities	**(73,946)**	**(12,237)**	**504.3%**
Cash flows from investing activities			
Investment in marketable securities	(54,722)	(40,815)	34.1%
Changes in restricted financial investments	(241)	(325)	-25.8%
Advances to related parties	(17,820)	14,423	-223.6%
Contributions to (return on) investments	334	(3,136)	-110.7%
Purchases of property and equipment and intangible assets	(42,297)	(17,714)	138.8%
Net cash used in investing activities	**(114,746)**	**(47,567)**	**141%**
Cash flows from financing activities			
New borrowings	619,401	317,213	95.3%
Repayment of borrowings and leases - principal amount	(283,317)	(155,725)	81.9%
Dividends paid	(13,600)	(2,214)	514.3%
Distributions (reversal) paid to non-controlling interests, net	(38,779)	(13,259)	192.5%
Net cash provided by (used in) financing activities	**283,705**	**146,015**	**94.3%**
Net increase in cash and cash equivalents	**95,013**	**86,211**	**10.2%**
Cash changes			
Cash and cash equivalents at the beginning of the year	330,137	243,926	35.3%
Cash and cash equivalents at the end of the year	425,150	330,137	28.8%
Increase in cash and cash equivalents	**95,013**	**86,211**	**10.2%**

About Patrimar Group

The Company is a developer and homebuilder based in Belo Horizonte, focusing its activities in the southeastern region of Brazil, with over 60 years of experience in the construction industry, and is positioned among the largest in the country. Its business model is vertically integrated, acting in the development and construction of real estate projects, as well as the commercialization and sale of independent real estate units.

The Company operates diversely in the residential (main activity) and commercial segments, with a presence in high-income operations (luxury and ultra-luxury products) through the Patrimar brand, as well as in the economic and middle-income operations through the Novolar brand.

PATRIMAR novolar

Investor Relations

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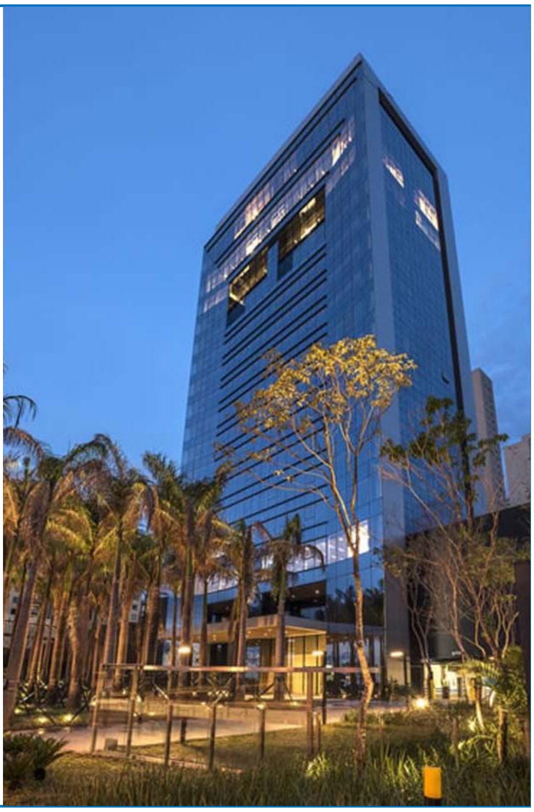

Glossary

Grupo Patrimar, Patrimar e Novolar: Division of indicator values by brand, with Patrimar grouping projects with estimated sales prices typically above R$10,000/sqm and Novolar below, with exceptions. The Patrimar Group encompasses both brands, including investments in new businesses.

***Landbank 100%*:** PSV total amount of all lands owned by the Company or which the Company has a stake;

Landbank %Patrimar's Group: Total amount of PSV of all lands owned by the Company or which the Company has a stake, except for swapped units and partners' participation, in other words, the net PSV of lands owned by the Company;

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

Launches %Patrimar's Group: Total amount of the PSV for the already launched projects, at launch prices, not considering swapped units and partners participation, in other words, it only considers the percentage of Net PSV belonging to the Company;

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

Net Sales: Contracted Sales minus the value of cancelations in the period;

Months of Inventory: Value of Inventories for the period divided by the contracted sales of the last twelve months;

SOS: Sales over supply.

Gross SOS: Gross Sales / (Initial Inventory for the Period + Launches for the Period).

Net SOS: Net Sales / (Initial Stock for the Period + Launches for the Period);

PSV: Potential Sales Value.

Percentage of Completion ("PoC"): According to IFRS, revenues, costs and expenses related to real estate projects are commitments based on the incurred cost accounting method ("PoC"), measuring the progress of the work by actual costs incurred versus total expenses budgeted for each phase of the project.

EBITDA (Profit Before Interest, Taxes, Depreciation and Amortization): Net Profit before financial results, income tax and social contribution, and depreciation expenses;

Adjusted EBITDA: EBITDA (as above), adjusted by interest on construction financing classified as cost of properties sold;

ROE: Return on Equity.

ROE is defined by the quotient between consolidated net profit and the average value of consolidated net equity for the annualized periods;

Cash Burn: Consumption or (generation) of cash measured by the variation in net debt, excluding capital increases, repurchases of shares held in treasury and dividends paid, if any;

Portfolio: represented by credits receivable arising from sales of proposed or to-be-completed real estate units and amounts receivable for services provided;

Construction Liabilities: Incorrect construction cost

Gross Sales Margin: Contract value minus taxes, deducted from the cost of the fraction sold.