Operational Preview 3Q22 and 9M22

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Belo Horizonte, October 17, 2022 - Patrimar S.A. (“Patrimar” or “Company”), one of the largest development and construction companies in Brazil, operating in the economic, middle-income, and high-income segments with luxury and high-luxury products, discloses its results for the third quarter of fiscal year 2022 (“3Q22”) and for the nine months of 2022 (“9M22”). Except where otherwise indicated, the information in this document is expressed in Brazilian Reais (R$) and shows the consolidated value (100%).

About Patrimar Group

The Company is a real estate developer and homebuilder based in the city of Belo Horizonte, state of Minas Gerais, on the Southeast region of Brazil with over 59 years of experience, placed among the 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 to a presence in the middle and low-income segments through the Novolar brand.

novolar
uma empresa do Grupo Patrimar

PATRIMAR
Mude para melhor

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Highlights

- **Reaching historical records for the company, we launched R$933.4 million in 3Q22, growing 68.9% when compared to 3Q21 and R$1.0 billion in 9M22, an increase of 63.5% against the same period of the previous year;**
- **Net Contracted Sales of R$253.8 million in 3Q22, 101.9% higher than in 3Q21, and R$1.1 billion in 3Q22 LTM sales, the best historical value in a 12-month period in the company's history;**
- **Landbank 100% of R$10.8 billion, 15.6% higher than December 2021 and 8.8% higher than September 2021, reaching the highest position in a quarter in the Company's history.**

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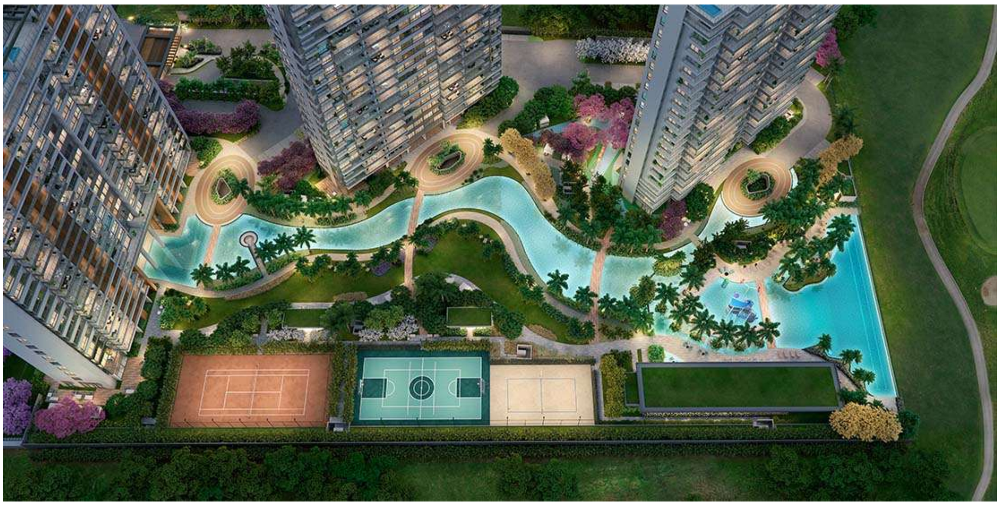
Launches

The Company resumed at strong pace launches at 3Q22, totaling R$ 933.4 million, a historical record for the Company. Held in July, the launch of Atlântico Golf, in Rio de Janeiro city, in the region of Barra da Tijuca, is the most relevant of Patrimar brand this year. Thus, the Company presented a 68.9% increase in launches in 3Q22 when compared to 3Q21.



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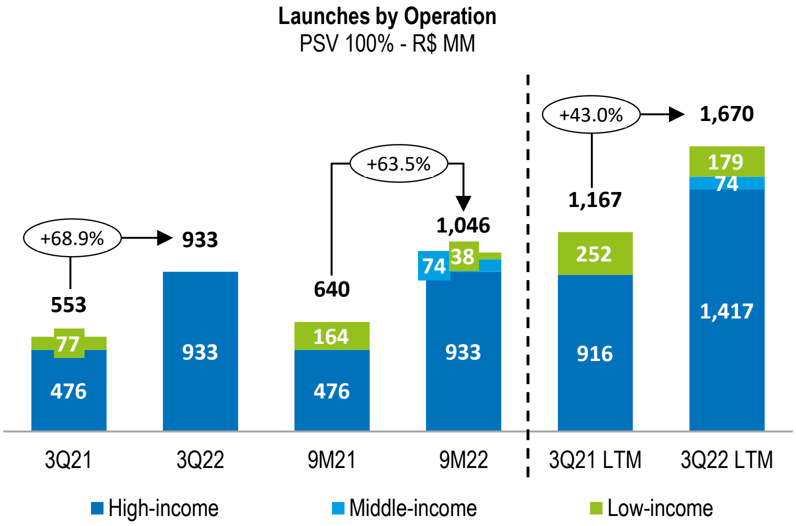
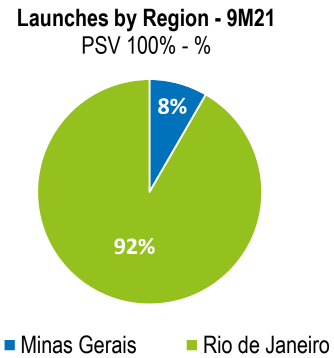
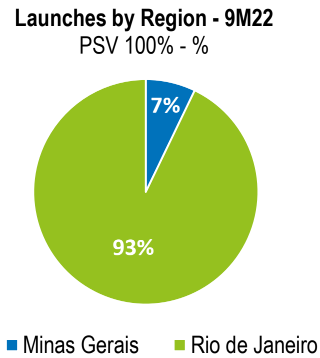
In the nine months of 2022, we launched R$1.0 billion, a record for the period, 63.5% higher than 9M21. In the 12-month period, the Company totaled R$1.7 billion in launches, another record, representing an increase of 43.0% when comparing the 3Q22 LTM with the 3Q21 LTM. This level of launches in the period consolidates our presence in Rio de Janeiro, expanding the company's geographic diversification while renewing our inventories.



We did not perform any launch of Novolar brand in the low-income segment in 3Q22 due to the project management strategy in view of the changes incorporated to the Casa Verde Amarela Program throughout 3Q22. We have already resumed launches in 4Q22, launching in October 2022 a project of R$70 million PSV in this segment.





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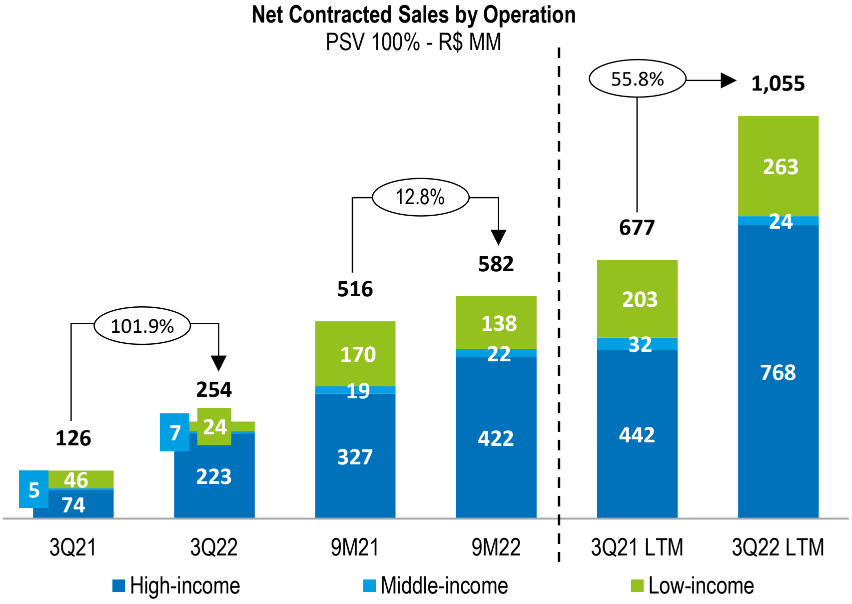
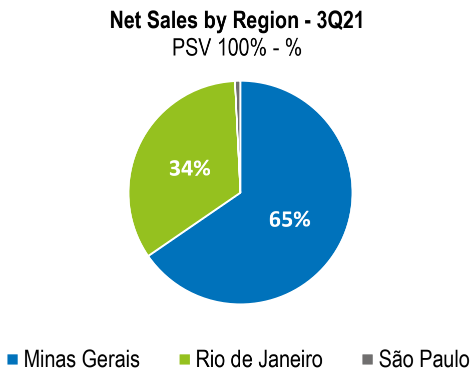
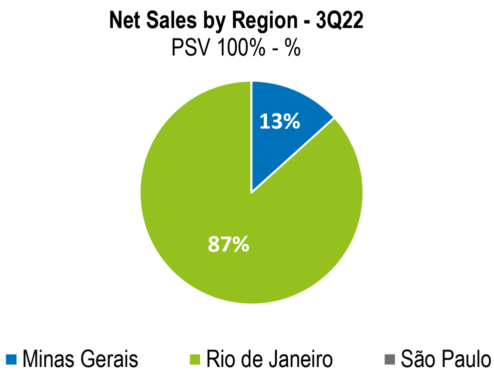
Contracted Sales

A total of R$253.8 million net sales were sold in this quarter, represented by 214 housing units. The High Income operation reached a growth of almost 200% in relation to the same period last year, driven by the sales of Atlântico Golf, which just three months after its launch reached R$ 195.6 million sold (R$ 305.2 million with the swaps or 32.4% of the Gross PSV).



With the strong presence we have with the two brands of the group, our sales continue concentrated in Minas Gerais and Rio de Janeiro. Nevertheless, we continued with the acquisition of land in the interior of the state of São Paulo, aiming to have a greater balance of regional exposure and, thus, maximize results with the combination of markets and products.





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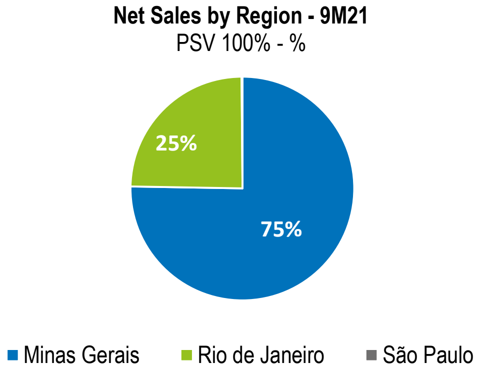
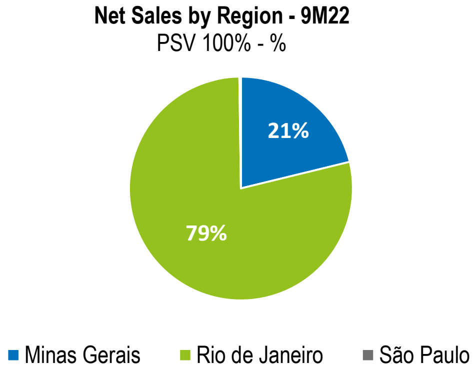
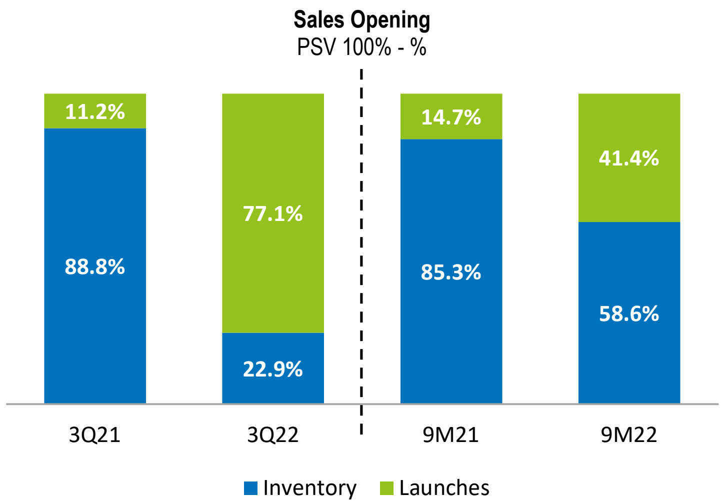
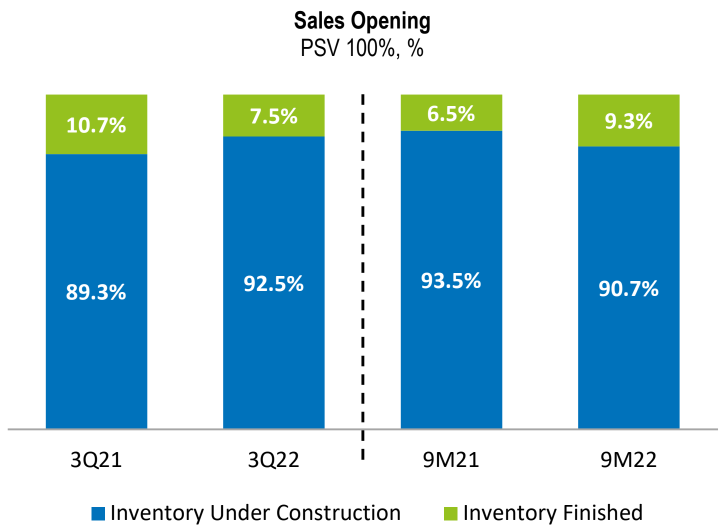




Since the first launch of the luxury brand Patrimar in Rio de Janeiro, in September 2021, Oceana Golf, and now with the launch in 3Q22 of the neighboring Atlântico Golf, we have surpassed the mark of R$ 1 billion in total contracted sales in the city within 12 months, a relevant and unprecedented milestone in the city.

80% of the projects with availability in stock have more than 60% of their PSV sold.





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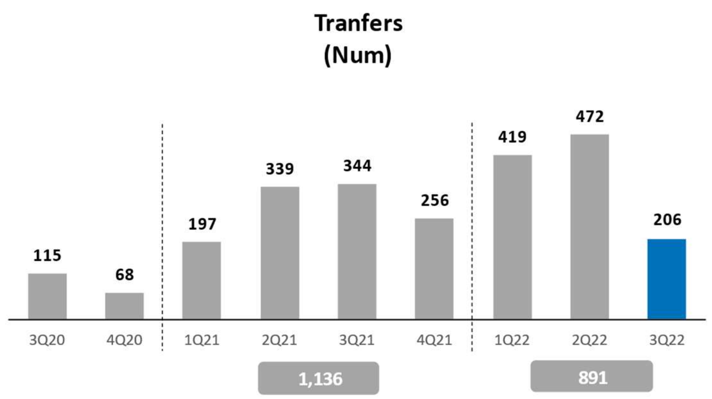
The table below provides more information about sales.

Vendas Liquidas Contratadas (R$ mil)	3T22 (a)	3T21 (b)	Δ % (a/b)	9M22 (c)	9M21 (d)	Δ % (c/d)
VGV 100%	**253,753**	**125,659**	**101.9%**	**582,480**	**516,229**	**12.8%**
Econômico	24,460	45,950	-46.8%	138,212	170,020	-18.7%
Média Renda	6,506	5,263	23.6%	21,923	18,897	16.0%
Alta Renda	222,787	74,446	199.3%	422,346	327,312	29.0%
VGV % Patrimar	**238,639**	**87,986**	**171.2%**	**529,354**	**333,878**	**58.5%**
Econômico	24,211	44,777	-45.9%	136,077	152,847	-11.0%
Média Renda	4,739	4,025	17.7%	18,923	13,568	39.5%
Alta Renda	209,689	39,184	435.1%	374,354	167,463	123.5%
Unidades Contratadas	**214**	**290**	**-26.2%**	**796**	**1,004**	**-20.7%**
Econômico	118	249	-52.6%	611	860	-29.0%
Média Renda	15	10	50.0%	44	43	2.3%
Alta Renda	81	31	161.3%	141	101	39.6%
Preço Médio	**1,186**	**433**	**173.7%**	**732**	**514**	**42.3%**
Econômico	207	185	12.3%	226	198	14.4%
Média Renda	434	526	-17.6%	498	439	13.4%
Alta Renda	2,750	2,401	14.5%	2,995	3,241	-7.6%

Patrimar's PSV % in the analyzed periods showed an increase due to a higher percentage of the Company's sales, as a consequence of an evolution of our land bank with a lower participation of partners in the sales made. The Company had a 94.0% share of sales in 3Q22 against 70.0% in 3Q21 and a 90.9% share of sales in 9M22 against 64.7% in 9M21.

Given the high speed of sales and, therefore, the reduction of our inventories, mainly in the economic segment, we had a lower availability of units transferred in the quarter, transferring 206 units in 3Q22 (or R$ 48.5 million). However, in these nine months of 2022 we have already transferred 96.6% of the total for 2021 and 143.4% in the comparison of the last 12 months.



According to the company's launch strategy, as we rebuild our inventories and maintain the current transfer speed, we should return to the transfer volumes of the immediately previous quarters.

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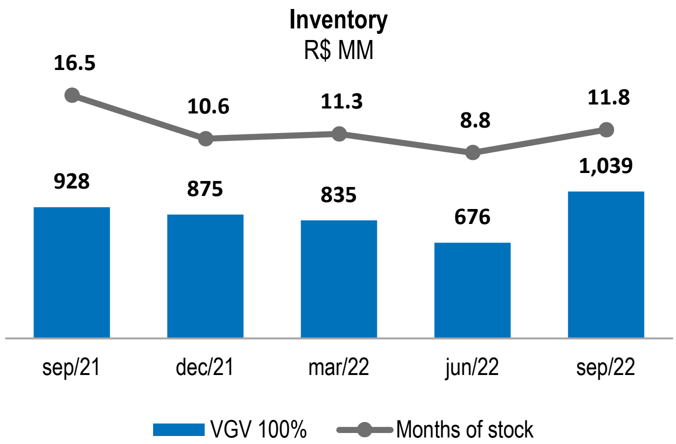
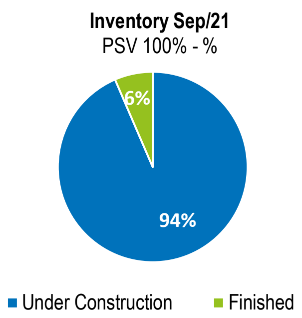
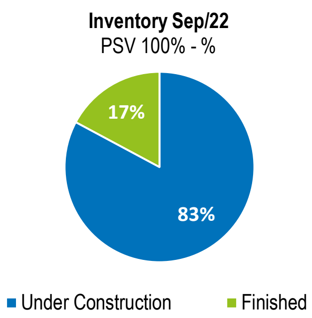
Inventory

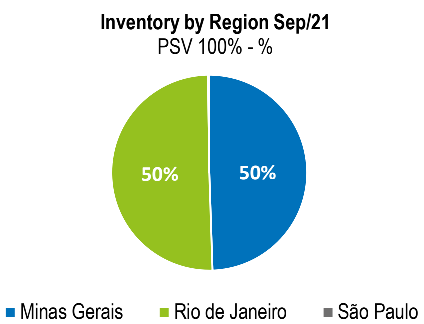
With the launch of Atlântico this quarter, we replenished our inventories, which rose 18.7% compared to the end of 2021 and 11.9% compared to the same period last year. Disregarding this launch, our inventories would be at the level of R$ 630 MM, maintaining the downward trend shown in recent quarters due to the strength of our sales. With the resumption of launches in 4Q22 in all segments, we should increase and better distribute our inventories.

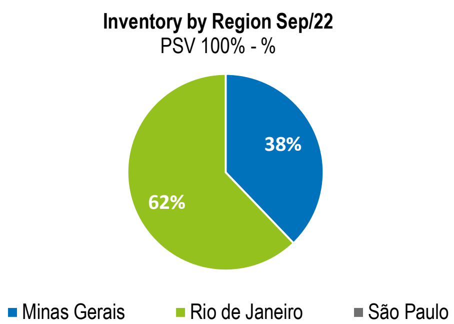


Our inventory position with more than 80% concentrated in apartments under construction, confirms the success of our launches historically. Compared to the same quarter of the previous year, completed inventories increased by 10.7 p.p. compared to 3Q21, basically due to the conclusion of the award-winning La Reserve project, in the metropolitan region of Belo Horizonte. However, compared to the position of the immediately previous quarter, the finished inventory decreased by 9.2%.









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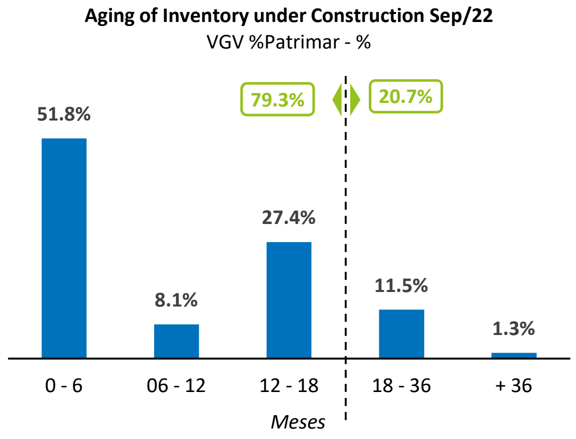
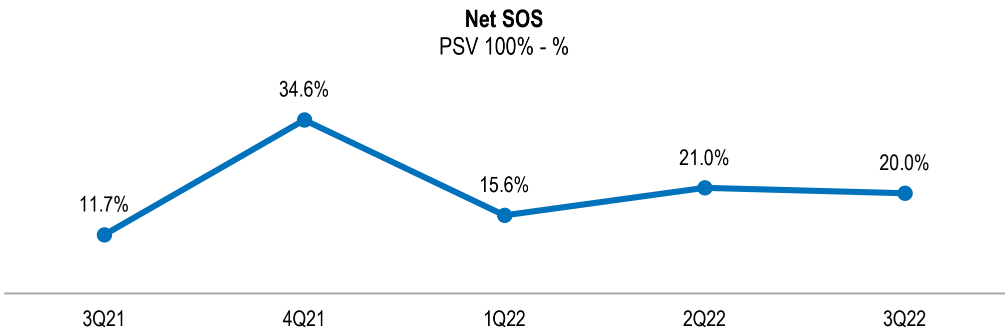
Of the total inventory under construction, most of it is due to recent launches within the last 18 months, which reinforces our ability to sell at launches and not carry finished inventories over time.



SOS (Sales Speed) – Sales over Supply

The net sales velocity in 3Q22, measured by the net VSO indicator (Net Sales over Supply), even with the high volume of launches, was basically in line with the immediately previous quarter. In relation to 3Q21, there was an increase of 8.3 p.p.



Sales Speed (R$ mil)	3Q21	4Q21	1Q22	2Q22	3Q22
Sales	**125,659**	**472,097**	**152,975**	**175,752**	**253,753**
Offer	**1,075,057**	**1,363,336**	**982,463**	**834,941**	**1,269,352**
Opening Stock	677,471	928,189	875,190	834,941	675,669
Launches	397,586	435,147	107,272	-	593,683
VSO (%)	**11.7%**	**34.6%**	**15.6%**	**21.0%**	**20.0%**

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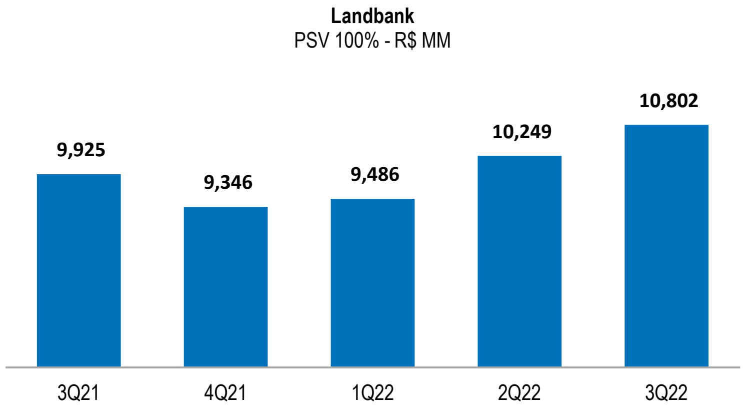
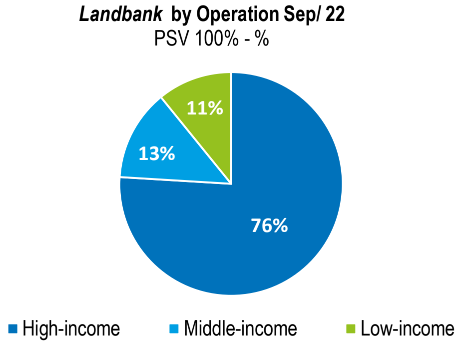
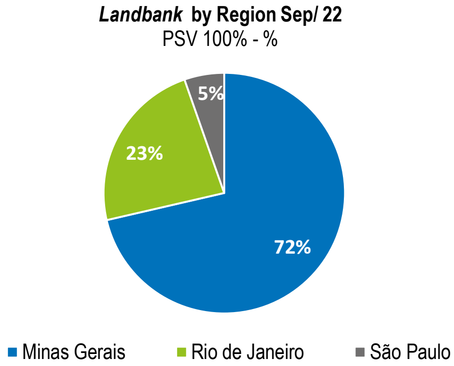
Landbank

Preparing the company for future growth cycles and increasing diversification, we have already acquired R$ 926 million in land this year, reaching a Landbank position of R$ 10.8 billion (12,191 units) in September 2022. We increased our share to 68.2%, 9.4 p.p. more than the same period of the previous year.







Glossary

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

Landbank % Patrimar – total amount of PSV of all lands owned by the Company or which the Company has a stake, except for swap units and partners' participation, in other words, the net PSV of 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 – total amount of the PSV for the already launched projects, at launch prices, not considering swap units and partners participation, in other words, it only considers the percentage of Net PSV belonging to the Company.

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

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

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

Sales Speed – Sales Speed over Supply.

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

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

PSV – Potential Sales Value