

(Convenience Translation into English from
the Original Previously Issued in Portuguese)

Indústrias Romi S.A.

Report on Review of Individual and Consolidated
Interim Financial Information for the Quarter
Ended September 30, 2020

Deloitte Touche Tohmatsu Auditores Independentes

(Convenience Translation into English from the Original Previously Issued in Portuguese)

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Board of Directors and Shareholders of
Indústrias Romi S.A.

Introduction

We have reviewed the accompanying individual and consolidated interim financial information of Indústrias Romi S.A. ("Company"), included in the Interim Financial Information Form (ITR) for the quarter ended September 30, 2020, which comprises the balance sheet as at September 30, 2020 and the related statements of profit and loss and of comprehensive income for the three- and nine-month periods then ended, and the statements of changes in equity and of cash flows for the nine-month period then ended, including the explanatory notes.

Management is responsible for the preparation of this individual and consolidated interim financial information in accordance with technical pronouncement CPC 21 (R1) and international standard IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board - IASB, as well as for the presentation of such information in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM), applicable to the preparation of Interim Financial Information (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

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

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Basis for qualified conclusion on the individual and consolidated interim financial information

Reversal of the provision for State VAT (ICMS) on sales included in the taxes on revenue (PIS and COFINS) tax basis

As disclosed in note 15 to the individual and consolidated interim financial information, during the first quarter of the year ended December 31, 2019, as a result of the final and unappealable favorable decision on its lawsuit, the Company reversed the provision related to the effect from the deduction of the State VAT (ICMS) from the taxes on revenue (PIS and COFINS) tax basis, which were not paid from November 2006 to March 2019, but were deposited in escrow account. When considering the ruling from the Federal Supreme Court (STF) handed down on March 15, 2017 and in analyzing the general effect of the matter, which decided that the ICMS must not comprise the PIS and COFINS tax basis and, based on the guidelines set out in CPC 25/IAS 37 - Provisions, Contingent Liabilities and Contingent Assets, in the year ended December 31, 2017, it was no longer probable that an outflow of resources would be required to settle the obligation previously recognized and, accordingly, such provision should have been reversed in that year. Consequently, as at September 30, 2019, individual and consolidated profit for the nine-month period then ended is overstated by R\$56,302 thousand and individual and consolidated equity as at December 31, 2018 is understated by the same amount, net of taxes.

Qualified conclusion on the individual and consolidated interim financial information

Based on our review, except for the effects of the matter mentioned in the "Basis for qualified conclusion on the individual and consolidated interim financial information" paragraph, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated interim financial information included in the ITR referred to above is not prepared, in all material respects, in accordance with technical pronouncement CPC 21 (R1) and international standard IAS 34 applicable to the preparation of Interim Financial Information - ITR and presented in accordance with the standards issued by the CVM.

Other matters

Statements of value added


The interim financial information referred to above includes the individual and consolidated statements of value added (DVA) for the nine-month period ended September 30, 2020, prepared under the responsibility of the Company's Management and presented as supplemental information for international standard IAS 34 purposes. These statements were subject to the review procedures performed together with the review of the Interim Financial Information (ITR) to reach a conclusion on whether they are reconciled with the interim financial information and the accounting records, as applicable, and if their form and content are consistent with the criteria set forth in technical pronouncement CPC 09 - Statement of Value Added. Based on our review, except for the effects of the matter mentioned in the "Basis for qualified conclusion on the individual and consolidated interim financial information" paragraph, nothing has come to our attention that causes us to believe that these statements of value added were not prepared, in all material respects, in accordance with the criteria set out in such standard and consistently with the individual and consolidated interim financial information taken as a whole.

Corresponding figures

The corresponding information and figures for the year ended December 31, 2019, presented for purposes of comparison, were previously audited by another auditor, who issued a report dated February 11, 2020 containing qualification similar to that described in the "Basis for qualified conclusion on the individual and consolidated interim financial information" section of our report. The corresponding information and figures for the three- and nine-month periods ended September 30, 2019, presented for purposes of comparison, were previously reviewed by another auditor, who issued a report dated October 22, 2019 containing qualification similar to that described in the "Basis for qualified conclusion on the individual and consolidated interim financial information" section of our report.

The accompanying individual and consolidated interim financial information has been translated into English for the convenience of readers outside Brazil.

Campinas, October 20, 2020


DELOITTE TOUCHE TOHMATSU
Auditores Independentes


Paulo de Tarso Pereira Jr.
Engagement Partner

INDÚSTRIAS ROMI S.A.

STATEMENT OF FINANCIAL POSITION

(In thousands of Brazilian reais unless otherwise stated)

(Convenience Translation into English from the Original Previously Issued in Portuguese)

		Parent		Consolidated				Parent		Consolidated	
	Note	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019		Note	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
ASSETS						LIABILITIES					
CURRENT						CURRENT					
Cash and cash equivalents	3	143,170	102,838	180,472	147,807	Borrowings	13	117,843	78,723	123,144	91,649
Short-term investments	3	12,097	683	12,097	683	FINAME manufacturer financing	14	110,550	82,177	110,550	82,177
Trade accounts receivable	4	92,570	73,377	156,057	140,395	Trade accounts payable		68,583	35,123	79,563	51,451
Onlending of FINAME manufacturer financing	5	127,978	97,053	127,978	97,053	Payroll and related taxes		26,636	15,248	37,529	21,288
Inventories	6	250,416	239,476	405,514	344,878	Taxes payable		8,403	9,567	13,124	15,553
Related parties	8	47,636	65,169	-	-	Advances from costumers		25,992	12,186	79,356	68,200
Taxes recoverable	9	29,542	8,058	36,574	15,347	Profit sharing		2,412	1,205	2,412	1,205
Other receivables		14,701	11,029	20,045	14,019	Dividends and interets on capital		76,843	39,523	76,843	39,523
						Provision for tax, labor and civil risks	15	935	806	935	806
						Other payables		3,449	3,158	34,717	23,577
						Related parties	8	568	1,679	-	-
		718,110	597,683	938,737	760,182			442,214	279,395	558,173	395,429
NON-CURRENT						NON-CURRENT					
Trade accounts receivable	4	10,460	11,489	10,460	11,489	Borrowings	13	8,658	13,468	43,208	22,866
Onlending of FINAME manufacturer financing	5	177,228	166,959	177,228	166,959	FINAME manufacturer financing	14	173,623	152,786	173,623	152,786
Related parties	8	39,965	-	-	-	Provision for tax, labor and civil risks	15	605	454	605	454
Taxes recoverable	9	63,169	54,401	63,169	54,401	Other payables		32	12	4,094	5,194
Deferred income tax and social contribution	16	27,111	23,577	31,068	24,822	Provision for net equity deficiency - subsidiary	7	8,706	4,404	-	-
Judicial deposits	15	1,887	1,930	1,887	1,930	Deferred income tax and social contribution	16	-	-	45,277	31,630
Other receivables		4,210	5,353	4,921	5,681			191,624	171,124	266,807	212,930
		324,030	263,709	288,733	265,282			633,838	450,519	824,980	608,359
Investment in subsidiary						TOTAL LIABILITIES					
Property, plant and equipment	11	204,390	191,596	310,912	269,235	EQUITY					
Investment properties	10	13,500	13,500	18,163	18,181	Capital	17	492,025	492,025	492,025	492,025
Intangible assets	12	1,091	600	74,956	54,361	Retained reserve		219,641	219,482	219,641	219,482
		720,757	610,120	692,764	607,059	Cumulative translation adjustments		93,363	45,777	93,363	45,777
								805,029	757,284	805,029	757,284
TOTAL ASSETS						NON CONTROLLING INTEREST					
		1,438,867	1,207,803	1,631,501	1,367,241			-	-	1,492	1,598
						EQUITY					
								805,029	757,284	806,521	758,882
						TOTAL LIABILITIES AND EQUITY					
								1,438,867	1,207,803	1,631,501	1,367,241

The accompanying notes are an integral part of these Interim financial statements

INDÚSTRIAS ROMI S.A.

**STATEMENT OF INCOME
FOR THE PERIOD OF THREE AND NINE MONTHS ENDED SEPTEMBER**

(In thousands of Brazilian reais unless otherwise stated)

(Convenience Translation into English from the Original Previously Issued in Portuguese)

	Parent			
	Current quarter 07/01/2020 to 09/30/2020	Acumulated for current year 01/01/2020 to 09/30/2020	Prior quarter 07/01/2019 to 09/30/2019	Acumulated for Prior year 01/01/2019 to 09/30/2019
Operations				
Net Operating revenue	193,196	430,312	145,938	353,349
Cost of sales and services	(127,425)	(298,039)	(103,400)	(261,082)
Gross profit	65,771	132,273	42,538	92,267
Operation income (expenses)				
Selling	(12,286)	(30,845)	(11,394)	(33,496)
General and administrative	(6,554)	(21,082)	(7,454)	(23,556)
Research and development	(5,937)	(16,481)	(5,286)	(15,794)
Management profit sharing and fees	(3,399)	(7,507)	(1,762)	(4,766)
Equity in earnings of subsidiaries	(6,030)	(11,641)	6,675	(8,944)
Other operating income (loss), net	652	1,278	634	76,404
	(33,554)	(86,278)	(18,587)	(10,152)
Operating profit	32,217	45,995	23,951	82,115
Financial income (expenses)				
Financial income	997	30,450	2,831	65,132
Financial expenses	(2,634)	(6,267)	(756)	(1,983)
Foreign exchange gains, net	2,060	6,358	(123)	(1,776)
	423	30,541	1,952	61,373
Profit before income tax and social contribution	32,640	76,536	25,903	143,488
Income tax and social contribution	3,442	11,624	1,932	(32,805)
Deferred	-	8,090	-	(15,993)
Current	3,442	3,534	1,932	(16,812)
Profit (loss) for the period	36,082	88,160	27,835	110,683
 Basic and diluted earnings per share (R\$)	 0.57	 1.40	 0.44	 1.76

The accompanying notes are an integral part of these Interim financial statements

Ações	62,858	62,858	62,858	62,858
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INDÚSTRIAS ROMI S.A.

**STATEMENT OF INCOME
FOR THE PERIOD OF THREE AND NINE MONTHS ENDED SEPTEMBER**

(In thousands of Brazilian reais unless otherwise stated)

(Convenience Translation into English from the Original Previously Issued in Portuguese)

	Consolidated			
	Current quarter 07/01/2020 to 09/30/2020	Accumulated for current year 01/01/2020 to 09/30/2020	Prior quarter 07/01/2019 to 09/30/2019	Accumulated for Prior year 01/01/2019 to 09/30/2019
Operations				
Net Operating revenue	250,554	612,507	246,500	535,125
Cost of sales and services	(171,261)	(429,895)	(173,450)	(395,218)
Gross profit	79,293	182,612	73,050	139,907
Operation income (expenses)				
Selling	(21,746)	(61,200)	(22,531)	(61,969)
General and administrative	(18,296)	(53,068)	(16,743)	(51,467)
Research and development	(5,937)	(16,481)	(5,286)	(15,794)
Management profit sharing and fees	(3,425)	(7,586)	(1,785)	(4,838)
Other operating income (loss), net	958	1,584	629	76,257
	(48,446)	(136,751)	(45,716)	(57,811)
Operating profit	30,847	45,861	27,334	82,096
Financial income (expenses)				
Financial income	1,099	31,031	3,325	66,640
Financial expenses	(3,153)	(7,968)	(1,187)	(3,496)
Foreign exchange gains, net	2,493	5,857	(538)	(2,661)
	439	28,920	1,600	60,483
Profit before income tax and social contribution	31,286	74,781	28,934	142,579
Income tax and social contribution	4,831	13,512	(1,043)	(31,735)
Current	1,176	8,836	(265)	(16,313)
Deferred	3,655	4,676	(778)	(15,422)
Profit (loss) for the period	36,117	88,293	27,891	110,844
Attributable to:				
Controlling interests	36,082	88,160	27,835	110,683
Non-Controlling interests	35	133	56	161
	36,117	88,293	27,891	110,844
Basic and diluted earnings per share (R\$)	0.57	1.40	0.44	1.76

The accompanying notes are an integral part of these Interim financial statements

Ações	62,858	62,858	62,858	62,858
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INDÚSTRIAS ROMI S.A.

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD OF THREE AND NINE MONTHS ENDED SEPTEMBER**

(In thousands of Brazilian reais unless otherwise stated)

(Convenience Translation into English from the Original Previously Issued in Portuguese)

	Parent			
	Current quarter	Acumullated for current year	Prior quarter	Acumullated for Prior year
	07/01/2020 to 09/30/2020	01/01/2020 to 09/30/2020	07/01/2019 to 09/30/2019	01/01/2019 to 09/30/2019
Profit (loss) for the period	36,082	88,160	27,835	110,683
Foreign currency translation effects	10,182	47,586	2,987	2,242
Comphensive profit (loss) for the period	<u>46,264</u>	<u>135,746</u>	<u>30,822</u>	<u>112,925</u>

The accompanying notes are an integral part of these Interim financial statements

INDÚSTRIAS ROMI S.A.**STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD OF THREE AND NINE MONTHS ENDED SEPTEMBER**

(In thousands of Brazilian reais unless otherwise stated)

(Convenience Translation into English from the Original Previously Issued in Portuguese)

	Consolidated			
	Current quarter	Acumulated for current year	Prior quarter	Acumulated for Prior year
	07/01/2020 to 09/30/2020	01/01/2020 to 09/30/2020	07/01/2019 to 09/30/2019	01/01/2019 to 09/30/2019
Profit (loss) for the period	36,117	88,293	27,891	110,844
Efeito de conversão de moeda estrangeira	10,182	47,586	2,987	2,242
Comprehensive profit (loss) for the period	<u>46,299</u>	<u>135,879</u>	<u>30,878</u>	<u>113,086</u>
Attributable to:				
Controlling interests	46,264	135,746	30,822	112,925
Non-Controlling interests	<u>35</u>	<u>133</u>	<u>56</u>	<u>161</u>
	<u>46,299</u>	<u>135,879</u>	<u>30,878</u>	<u>113,086</u>

The accompanying notes are an integral part of these Interim financial statements

INDÚSTRIAS ROMI S.A.

STATEMENT OF CHANGES IN EQUITY

(In thousands of Brazilian reais unless otherwise stated)

(Convenience Translation into English from the Original Previously Issued in Portuguese)

		Attributable to the controlling interests							
Nota Explicativa	Income reserve				Other comprehensive income	Profit for the year	Total	Non-controlling interests	Total
	Capital	Reitaned reserve	Legal reserve	Total					
At December 31, 2018	492,025	112,380	47,838	160,218	43,734	-	695,977	1,626	697,603
Profit for the year	-	-	-	-	-	-	-	-	-
Foreign currency translation effects	-	-	-	-	-	110,683	110,683	161	110,844
Total comprehensive income for the period	-	-	-	-	2,242	-	2,242	-	2,242
Interest on capital	-	-	-	-	2,242	110,683	112,925	161	113,086
Dividends paid by subsidiary	-	-	-	-	-	(54,685)	(54,685)	-	(54,685)
Transfers between reserves	-	-	-	-	-	-	-	(274)	(274)
Total contributions by and distributions to controlling interests	-	55,998	-	55,998	-	(55,998)	-	-	-
	-	55,998	-	55,998	-	(110,683)	(54,685)	(274)	(54,959)
At September 30, 2019	492,025	168,378	47,838	216,216	45,976	-	754,217	1,513	755,730
At December 31, 2019	492,025	165,161	54,321	219,482	45,777	-	757,284	1,598	758,882
Profit for the period	-	-	-	-	-	-	-	0	0
Foreign currency translation effects	-	-	-	-	-	88,160	88,160	133	88,293
Total comprehensive income for the period	-	-	-	-	47,586	-	47,586	-	47,586
Interest on capital	-	-	-	-	47,586	88,160	135,746	133	135,879
Dividends paid by subsidiary	-	-	-	-	-	(88,001)	(88,001)	-	(88,001)
Transfers between reserves	-	-	-	-	-	-	-	(239)	(239)
Total contributions by and distributions to controlling interests	-	159	-	159	-	(159)	-	-	-
	-	159	-	159	-	(88,160)	(88,001)	(239)	(88,240)
At September 30, 2020	492,025	165,320	54,321	219,641	93,363	-	805,029	1,492	806,521

The accompanying notes are an integral part of these Interim financial statements

INDÚSTRIAS ROMI S.A.
STATEMENT OF CASH FLOW
FOR THE QUARTERS ENDED SEPTEMBER 30

(In thousands of Brazilian reais unless otherwise stated)

(Convenience Translation into English from the Original Previously Issued in Portuguese)

		Parent		Consolidated	
	Note	2020	2019	2020	2019
<u>Cash flows from operating activities</u>					
Profit before income tax and social contribution		76,536	143,488	74,781	142,579
Adjustments from:					
Finance expenses and exchange rate		(63,312)	(59,345)	(52,207)	(58,608)
Depreciation and amortization	11, 12	15,817	16,348	26,710	24,823
Allowance for doubtful accounts and for other receivables	4, 5	422	(554)	945	(2,150)
Provision for inventory losses	6	1,559	(460)	10,716	(1,479)
Cost of property, plant and equipment and disposals of intangible assets	11, 12	(2,165)	(718)	(2,191)	(732)
Equity in earnings of subsidiaries	8	11,641	8,944	-	-
Provision for contingent liabilities		141	(59,811)	141	(59,811)
Change in operating assets and liabilities					
Trade accounts receivable		25,665	14,749	28,673	4,238
Related parties (assets and liabilities)		(41,760)	(16,502)	-	-
Onlending of Finame manufacturer financing		(41,008)	(23,604)	(41,008)	(23,604)
Inventories		(12,409)	(44,873)	(81,463)	(64,077)
Taxes receivable		(22,142)	(10,287)	(36,241)	15,753
Judicial deposits		43	96,739	43	96,739
Other credits		51,310	8,777	48,610	6,876
Trade accounts payable		28,413	10,321	23,065	15,512
Payroll and related taxes		11,388	6,816	16,241	9,868
Taxes payable		(1,164)	(2,560)	25,033	(35,497)
Advances from costumers		13,806	3,699	11,156	14,868
Other payables		7,934	(1,709)	11,434	6,235
Cash by operations		60,715	89,271	64,438	91,346
Income tax and social contribution paid		-	(3,288)	(303)	(3,655)
Cash by (used in) operations		60,715	85,983	64,135	87,691
<u>Cash flow from investing activities</u>					
Financial investments	3	(11,414)	-	(11,414)	-
Purchase of property, plant and equipment	11	(28,864)	(15,865)	(28,874)	(25,766)
Purchase of intangible	12	(774)	(29)	(774)	(610)
Sales of assets	11	2,630	1,112	1,737	1,112
Dividends received	8	3,216	3,688	-	-
Net cash used in investing activities		(35,206)	(11,182)	(39,325)	(25,264)
<u>Cash flow from financing activities</u>					
Interest on capital paid	17	(39,378)	(30,821)	(39,618)	(24,027)
New borrowings		129,446	52,284	151,800	95,977
Financing paid		(120,258)	(54,631)	(136,874)	(93,468)
Interest paid		(4,197)	(1,485)	(4,197)	(3,172)
New Finame - manufacturer financing		111,045	83,622	111,045	83,622
Payment of Finame - manufacturer financing		(54,044)	(52,063)	(54,044)	(52,063)
Interest paid of Finame - manufacturer financing		(7,791)	(15,210)	(7,791)	(15,210)
Cash by (used in) financing activities		14,823	(18,304)	20,321	(8,341)
Increase (decrease) in cash and cash equivalents		40,332	56,497	45,131	54,086
Cash and cash equivalents at the beginning of the period		102,838	67,284	147,807	100,428
Foreign exchange losses of cash equivalents of foreign subsidiaries		-	-	(12,466)	(893)
Cash and cash equivalents at the end of the period		143,170	123,781	180,472	153,621

The accompanying notes are an integral part of these Interim financial statements

INDÚSTRIAS ROMI S.A.

**STATEMENT OF VALUE ADDED
FOR THE QUARTERS ENDED SEPTEMBER 30**

(In thousands of Brazilian reais unless otherwise stated)

(Convenience Translation into English from the Original Previously Issued in Portuguese)

	Parent		Consolidated	
	2020	2019	2020	2019
Revenues				
Sales of products and services	496,991	419,803	679,266	601,554
Allowance for doubtful accounts and for other receivables	(1,565)	(3,317)	(1,777)	2,798
Other operating revenues, net	1,278	76,404	1,584	76,257
	<u>496,704</u>	<u>492,890</u>	<u>679,073</u>	<u>680,609</u>
Inputs acquired from third parties				
Materials used	(244,984)	(244,260)	(316,592)	(323,024)
Other costs of products and services	(14,922)	(13,807)	(20,072)	(32,641)
Electricity, third-party services and other expenses	(26,651)	(31,286)	(49,934)	(42,268)
	<u>(286,557)</u>	<u>(289,353)</u>	<u>(386,598)</u>	<u>(397,933)</u>
Gross value added	210,147	203,537	292,475	282,676
Depreciation and amortization	(15,817)	(16,348)	(26,710)	(24,823)
Net value added generated by the Company	<u>194,330</u>	<u>187,189</u>	<u>265,765</u>	<u>257,853</u>
Value added received through transfers				
Equity in earnings of subsidiaries	(11,641)	(8,944)	-	-
Finance income (costs) and net foreign exchange gains	36,807	65,131	36,888	66,640
	<u>25,166</u>	<u>56,187</u>	<u>36,888</u>	<u>66,640</u>
Total value added to distribute	<u>219,496</u>	<u>243,376</u>	<u>302,653</u>	<u>324,493</u>
Distribution of value added				
Employees				
Payroll and related changes	89,075	82,064	172,604	158,652
Sales commission	3,409	2,207	3,409	2,207
Management profit sharing and fees	7,507	4,766	7,587	4,838
Gain sharing	790	461	790	461
Taxes	22,875	37,737	23,914	38,148
Interests	6,267	3,759	2,111	6,157
Rentals	1,413	1,699	4,184	3,460
Interest on capital	88,001	54,685	88,001	54,685
Non-controlling interests	-	-	(106)	(113)
Profit for the period	<u>159</u>	<u>55,998</u>	<u>159</u>	<u>55,998</u>
Value added distributed	<u>219,496</u>	<u>243,376</u>	<u>302,653</u>	<u>324,493</u>

The accompanying notes are an integral part of these Interim financial statements

Indústrias Romi S.A.

Notes to the interim financial information at September 30, 2020

(In thousands of Brazilian reais unless otherwise stated)

(Convenience Translation into English from the Original Previously Issued in Portuguese)

1 General information

Indústrias Romi S.A. (Parent) and its subsidiaries (jointly referred to as “Company” or “Consolidated”), listed on the "New Market" of B3 S.A. - Brasil, Bolsa, Balcão, since March 23, 2007, and headquartered in Santa Bárbara d’Oeste, São Paulo, are engaged in the manufacture and sale of capital goods in general, including machine tools, plastic injection molding machines, industrial equipment and accessories, tools, castings and parts, as well as providing system analysis and developing data processing software related to the production, sale, and use of machine tools and plastic injectors; the manufacture and sale of rough cast parts and machined cast parts; the export, import and representation on its own account or on behalf of third parties; and the provision of related services. It also holds interest in other companies as a partner, shareholder or member in other civil or business entities, business ventures of any nature, in Brazil or abroad, as well as the management of its own and/or third-party assets.

The Company's industrial facilities consist of thirteen plants in three units located in the city of Santa Bárbara d’Oeste, in the State of São Paulo, and one located in the city of Reutlingen, Germany. The latter is a large tooling machine manufacturer. It also holds interest in subsidiaries in Brazil and abroad.

This interim financial information was approved by the Company’s Board of Directors and authorized for issue on October 20, 2020.

2 Basis of preparation and accounting policies

The individual and consolidated interim financial information for the quarter ended September 30, 2020 has been prepared in accordance with CVM Ruling No. 673 dated October 20, 2011, which approved accounting standard CPC 21 (R1) and IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board (IASB).

The accounting practices adopted by the Company in the preparation of the individual and consolidated interim financial information are the same as those used in the preparation of the financial statements for the year ended December 31, 2019 and, therefore, should be read in conjunction with those financial statements.

The preparation of the individual and consolidated statements of value added (DVA) is required by the Brazilian corporate law and the accounting practices adopted in Brazil for listed companies, but is not required by IFRS. Therefore, under IFRS, the presentation of such statements is considered supplementary information, and not part of the set of financial statements.

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(a) Notes included in the financial statements as at December 31, 2019 not included in this individual and consolidated interim financial information

The parent and consolidated interim financial information is presented in accordance with accounting pronouncement CPC 21 (R1) and IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board (IASB). The preparation of this individual and consolidated interim financial information involves judgment by the Company's management on the materiality and changes that should be disclosed in the accompanying notes. Accordingly, this individual and consolidated interim financial information includes selected notes and does not comprise all notes presented for the year ended December 31, 2019. As permitted by Circular Letter 03/2011 of the Brazilian Securities and Exchange Commission (CVM), the following notes are not presented:

- Basis of preparation and accounting practices (Note 2);
- Pension plan (Note 17);
- Insurance (Note 18);
- Financial instruments and operational risks (Note 19);
- Net sales revenue (Note 22);
- Expenses by nature (Note 23);
- Finance income (costs) (Note 24); and
- Other operating income (expenses), net (Note 25).

3 Cash and cash equivalents and financial investments

	Parent		Consolidated	
	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
Cash and banks	7,194	3,176	25,264	35,961
Bank deposit certificates (CDB) (a)	131,681	94,067	150,913	106,251
Short-term investments backed by debentures (a)	-	367	-	367
Investment funds in DI and fixed income	-	5,143	-	5,143
Short-term investments in foreign currency (US\$ time deposit)	4,230	-	4,230	-
Other	65	85	65	85
Total cash and cash equivalents	143,170	102,838	180,472	147,807
Bank deposit certificates (CDB) (a)	529	683	529	683
Short-term investments backed by debentures	11,568	-	11,568	-
Total assets held for trading	12,097	683	12,097	683

(a) These investments are substantially pegged to the Interbank Deposit Certificate ("CDI") rate.

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4 Trade accounts receivable

	Parent		Consolidated	
	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
Current				
Domestic customers (Brazil)	80,509	66,504	80,509	67,178
Foreign customers	12,884	8,250	80,242	77,098
Allowance for doubtful accounts	(823)	(1,377)	(4,694)	(3,881)
	<u>92,570</u>	<u>73,377</u>	<u>156,057</u>	<u>140,395</u>
Noncurrent				
Domestic customers (Brazil)	6,459	7,508	6,459	7,508
Foreign customers	4,378	4,040	4,378	4,040
Allowance for doubtful accounts	(377)	(59)	(377)	(59)
	<u>10,460</u>	<u>11,489</u>	<u>10,460</u>	<u>11,489</u>

Trade receivables are recorded at their amortized costs, which approximate their fair values.

The allowance for doubtful accounts is recorded based on the individual analysis of each customer, and for transactions in which there are real guarantees, the loss amount is calculated between the net realizable value and the amount receivable for the real guarantee.

The balance of current trade accounts receivable as at September 30, 2020 and December 31, 2019, parent and consolidated, is distributed as follows:

	Parent		Consolidated	
	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
Falling due	80,174	59,948	128,071	112,993
Past due:				
1 to 30 days	8,676	8,923	14,242	17,412
31 to 60 days	201	2,054	1,488	4,073
61 to 90 days	55	92	1,292	984
91 to 180 days	664	705	4,937	3,900
181 to 360 days	758	245	3,190	744
Over 360 days	2,865	2,787	7,531	4,170
	<u>13,219</u>	<u>14,806</u>	<u>32,680</u>	<u>31,283</u>
Total	<u>93,393</u>	<u>74,754</u>	<u>160,751</u>	<u>144,276</u>
Allowance for doubtful accounts	<u>(823)</u>	<u>(1,377)</u>	<u>(4,694)</u>	<u>(3,881)</u>
Total current	<u>92,570</u>	<u>73,377</u>	<u>156,057</u>	<u>140,395</u>

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The balance of noncurrent trade accounts receivable as at September 30, 2020, parent and consolidated, is distributed as follows:

	Parent and Consolidated
Falling due:	
2021 (3 months)	2,816
2022	6,383
2023	1,638
Allowance for doubtful accounts	(377)
Total – noncurrent	10,460

Changes in allowance for doubtful accounts, parent and consolidated, are as follows:

	Parent	Consolidated
At December 31, 2019	1,436	3,940
Receivables recognized for the period	1,358	1,588
Receivables written off	(1,594)	(1,594)
Foreign exchange difference	-	1,137
At September 30, 2020	1,200	5,071

5 Onlending of FINAME manufacturer financing

	Parent and Consolidated	
	September 30, 2020	December 31, 2019
Current		
FINAME falling due	116,556	87,284
FINAME awaiting release (a)	2,110	2,841
FINAME past due (b)	15,605	14,912
	134,271	105,037
Allowance for doubtful accounts	(6,293)	(7,984)
	127,978	97,053

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		Parent and Consolidated
	September 30, 2020	December 31, 2019
Noncurrent		
FINAME falling due	167,342	153,515
FINAME awaiting release (a)	11,734	13,787
	179,076	167,302
Allowance for doubtful accounts	(1,848)	(343)
	177,228	166,959
Total	305,206	264,012

The item "Onlending of FINAME manufacturer financing" refers to sales to customers financed by funds from the Brazilian Development Bank ("BNDES") (Note 14) which are carried at their amortized costs, which approximate their fair values.

FINAME manufacturer refers to financing specifically linked to sales transactions, with terms of up to 60 months with a grace period of up to six months, in accordance with the terms defined by the BNDES at the time of the financing.

The financing terms are also based on customer's characteristics. Funds are released by the BNDES on identification of a customer and sale, as well as checking that a customer has fulfilled the terms of Circular Letter 195 dated July 28, 2006 issued by BNDES, through a financial agent, with the formalization of a financing agreement in the name of the Company and consent of the customer to be financed. The amounts, periods and charges of the transaction are fully reflected in the amounts to be received by the Company from the bank mediating the agreement to which the Company is the debtor. The Company retains title to the financed equipment until the final settlement of the obligation by the customer.

The differences between onlending of FINAME manufacturer financing receivables and payables include:

- (a) FINAME transactions awaiting release: refers to FINAME manufacturer financing transactions that meet the specified terms and have been approved by all parties involved. The preparation of documentation, the issue of the sales invoice, and the delivery of the equipment to the customer have all taken place. The crediting of the related funds to the Company's account by the agent bank is pending at the end of the reporting period, in view of the normal operating terms of the agent.
- (b) FINAME past due: refers to amounts receivable not settled by customers on their due dates. The Company records the provision for possible losses on the realization of these balances, at the amount of the difference between the expected value of the sale of the collateral (machines) recovered through the enactment of covenant regarding reservation of title over the machinery sold (security interest) and the value of the receivables from defaulting customers. In instances in which the security interest cannot be located, a full loss provision is made for the balance of the receivable.

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The machinery repossessed as part of the execution process are recorded at their carrying amount, not exceeding its fair value, under the category of "Other receivables", pending a final and unappealable court decision, after which it is repossessed and transferred to inventories. As at September 30, 2020, the balance of repossessed machinery, included under the line item of "Other receivables", parent and consolidated, amounted to R\$1,494 (R\$1,188 as at December 31, 2019) in current assets and R\$3,683 (R\$4,645 as at December 31, 2019) in noncurrent assets.

As at September 30, 2020 and December 31, 2019, the balances of "Onlending of FINAME manufacturer financing", parent and consolidated, were as follows:

		Parent and Consolidated
	September 30, 2020	December 31, 2019
Falling due	118,665	90,125
Past due:		
1 to 30 days	580	894
31 to 60 days	289	601
61 to 90 days	239	147
91 to 180 days	866	396
181 to 360 days	904	352
Over 360 days	12,727	12,522
	15,605	14,912
Total - current	134,270	105,037

The expected realization of noncurrent receivables relating to the onlending of FINAME manufacturer financing, parent and consolidated, is as follows:

	Parent and Consolidated
Falling due:	
2021 (3 months)	24,336
2022	83,331
2023	52,899
2024 onward	18,509
Total – noncurrent	179,075

Changes in allowance for doubtful accounts, parent and consolidated, are as follows:

	Parent and Consolidated
At December 31, 2019	8,327
Allowance recognized (or written off) for the period	(186)
At September 30, 2020	8,141

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6 Inventory

	Parent		Consolidated	
	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
Finished products	30,101	39,542	95,566	81,315
Used machinery	12,459	13,130	12,459	13,130
Work in progress	82,498	75,561	141,892	116,195
Raw materials and components	114,187	105,043	143,939	127,572
Imports in transit	11,171	6,200	11,658	6,666
Total	250,416	239,476	405,514	344,878

The inventory balances, parent and consolidated, as at September 30, 2020 are net of provision for slow-moving inventories and inventories posing a remote probability of being realized through sale or use, amounting to R\$28,871 and R\$41,184 (R\$27,312 and R\$30,468 as at December 31, 2019), respectively.

The changes in the provision to bring inventories to their net realizable value are as follows:

	Parent	Consolidated
At January 1, 2020	27,312	30,468
Inventory sold or written off	(8,236)	(8,281)
Provision recorded	6,996	7,423
Foreign exchange difference		8,775
Transfer of provision resulting from machines repossessed during the period	2,799	2,799
At September 30, 2020	28,871	41,184

The changes in the provision for inventory losses by class of inventory are as follows:

	Parent		Consolidated	
	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
Finished products	2,670	2,485	14,983	5,641
Used machinery	7,549	6,321	7,549	6,321
Work in progress	4,957	5,224	4,957	5,224
Raw materials and components	13,695	13,282	13,695	13,282
Total	28,871	27,312	41,184	30,468

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7 Investments in subsidiaries

Company investments in its subsidiaries are as follows:

			Ownership interest		
			September 30, 2020	December 31, 2019	
			Non-controlling	Direct	Indirect
			Direct	Indirect	Non-controlling
1.	Romi Itália S.r.l. ("Romi Italy")		99.99	0.01	-
1.1	Romi Machines UK Ltd.		-	100.00	-
1.2	Romi France SAS		-	100.00	-
1.3	Romi Máquinas España S.A.		-	100.00	-
2.	Romi Europa GmbH ("Romi Europe")		100.00	-	-
2.1	Burkhardt + Weber Fertigungssysteme GmbH ("B+W")		-	100.00	-
2.1.1	Burkhardt + Weber / Romi (Shanghai) Co., Ltd		-	100.00	-
2.1.2	Burkhardt + Weber LLC		-	100.00	-
3.	Rominor Comércio, Empreendimentos e Participações S.A. ("Rominor Comércio")		93.07	-	6.93
4.	Romi Machine Tools, Ltd. ("Romi Machine Tools")		100.00	-	-
5.	Rominor Empreendimentos Imobiliários S.A. ("Rominor Empreendimentos")		100.00	-	-
6.	Romi A.L. S.A. ("Romi A.L.")		100.00	-	-
7.	Irsa Maquinas México S. de R. L. de C.V.		99.99	0.01	-

The following list presents the location and main objectives of subsidiaries:

Subsidiary	Country	Main activity
1. Romi Itália S.r.l. ("Romi Italy")	Italy	Sale of machines for plastics and machine tools, spare parts and technical support.
1.1 Romi Machines UK Ltd.	United Kingdom	
1.2 Romi France SAS	France	
1.3 Romi Máquinas España S.A.	Spain	
2. Romi Europa GmbH ("Romi Europe")	Germany	Production and sale of large tooling machinery with high technology, precision and productivity, as well as machinery for specialized applications.
2.1 Burkhardt + Weber Fertigungssysteme GmbH ("B+W")	Germany	
2.1.1 Burkhardt + Weber / Romi (Shanghai) Co., Ltd	China	
2.1.2 Burkhardt + Weber LLC	United States of America	Sale of machine tools produced by B+W and provision of services (spare parts and technical support).
3. Rominor Comércio, Empreendimentos e Participações S.A. ("Rominor")	Brazil	Real estate activity, including purchases and sales, lease of company-owned properties, exploration of real estate rights, intermediation of real estate businesses, and provisions of sureties and guarantees.
4. Romi Machine Tools, Ltd. ("Romi Machine Tools")	United States of America	Sale of machine tools, spare parts, technical support and cast and machined products in North America.
5. Rominor Empreendimentos Imobiliários S.A.	Brazil	Interest in real estate ventures.
6. Romi A.L. S.A. ("Romi A.L.")	Uruguay	Sales representation for operations in the foreign market.
7. Irsa Maquinas México S. de R. L. de C.V.	Mexico	Sale of machines for plastics and machine tools, spare parts and technical support.

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	September 30, 2020							
	Romi Italy and subsidiaries (1)	Romi Europe and subsidiaries (2)	Rominor Comércio (3)	Romi Machine Tools (4)	Rominor Empreendimentos (5)	Romi A.L. (6)	IRSA Máq. Mexico (7)	Total
Investments:								
Number of shares held	(a)	(a)	6,191,156	3,000,000	78	13,028,000	1,188,000	
Ownership interest	100.0%	100.0%	93.1%	100.0%	100.0%	100.0%	100.0%	
Current assets	68,531	141,896	21,551	21,703	2,519	12,548	18,195	
Noncurrent assets	10,009	163,308	74	101	-	-	322	
Current liabilities	59,676	101,951	97	27,436	-	2	21,199	
Noncurrent liabilities	17,616	61,856	-	392	-	-	-	
Equity (equity deficit) of subsidiary	1,248	141,397	21,528	(6,024)	2,519	12,546	(2,682)	
Changes in investment:								
Investment balance as at December 31, 2019	3,215	105,124	21,465	(3,176)	2,522	8,389	(1,228)	136,311
Foreign exchange variations on foreign investments	485	44,764	-	(1,014)	-	3,449	(98)	47,586
Dividends proposed and paid (b)	-	-	(3,216)	-	-	-	-	(3,216)
Equity pickup	(2,452)	(8,491)	1,787	(1,834)	(3)	708	(1,356)	(11,641)
Equivalent value - closing balance	1,248	141,397	20,036	(6,024)	2,519	12,546	(2,682)	169,040
Investment in subsidiaries	1,248	141,397	20,036	-	2,519	12,546	-	177,746
Provision for equity deficit of subsidiaries	-	-	-	(6,024)	-	-	(2,682)	(8,706)

(a) The subsidiaries' capital is not divided into units of interest or shares in their articles of organization.

(b) Payment of dividends by subsidiary ROMINOR, approved by the Board of Directors at the meeting held on February 11, 2020 and July 24, 2020, in the amounts of R\$2,041 and R\$1,415, respectively, related to the second half of 2019 and the first half of 2020, respectively. The Company received from this distribution the amounts of R\$1,899 and R\$1,317, respectively, totaling R\$3,216 as at September 30, 2020.

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	September 30, 2019							
	Romi Italy and subsidiaries (1)	Romi Europe and subsidiaries (2)	Rominor Comércio (3)	Romi Machine Tools (4)	Rominor Empreendimentos (5)	Romi A.L. (6)	IRSA Máq México (7)	Total
Investments:								
Number of shares held	(a)	(a)	6,191,156	3,000,000	78	13,028,000	1,188,000	
Ownership interest	100.0%	100.0%	93.1%	100.0%	100.0%	100.0%	100.0%	
Current assets	57,997	150,241	21,925	20,855	2,524	8,643	11,736	
Noncurrent assets	7,536	120,706	74	122	-	-	189	
Current liabilities	49,392	137,582	165	24,038	2	2	13,217	
Noncurrent liabilities	12,260	29,664	-	-	-	-	-	
Equity (equity deficit) of subsidiary	3,881	103,701	21,834	(3,061)	2,522	8,641	(1,292)	
Changes in investment:								
Investment balance as at December 31, 2018	7,576	108,010	21,845	(2,108)	2,449	7,789	(545)	145,016
Foreign exchange variations on foreign investments	102	1,632	-	(273)	-	864	(83)	2,242
Dividends proposed and paid (b)	-	-	(3,688)	-	-	-	-	(3,688)
Equity pickup	(3,797)	(5,941)	2,165	(680)	(15)	(12)	(664)	(8,944)
Capital increase in subsidiary	-	-	-	-	88	-	-	88
Equivalent value - closing balance	3,881	103,701	20,322	(3,061)	2,522	8,641	(1,292)	134,714
Investment in subsidiaries	3,881	103,701	20,322	-	2,522	8,641	-	139,067
Provision for equity deficit of subsidiaries	-	-	-	(3,061)	-	-	(1,292)	(4,353)

(a) The subsidiaries' capital is not divided into units of interest or shares in their articles of organization.

(b) Payment of dividends by subsidiary ROMINOR, approved by the Board of Directors at the meeting held on February 12, 2019 and July 26, 2019, in the amounts of R\$ 2,448 and R\$ 1,515, related to the second half of 2018 and the first half of 2019, respectively. The Company received from this distribution the amounts of R\$2,278 and R\$1,410, respectively, totaling R\$3,688 as at September 30, 2019.

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8 Related party transactions and balances

The balances and transactions with related parties as at September 30, 2020 and December 31, 2019 are as follows:

(i) Statement of financial position accounts – Parent

	Receivables		Payables	
	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
Direct subsidiaries				
Romi Europe	4,605	2,425	122	188
Romi Italy	13,666	10,464	-	-
Romi Machine Tools	25,665	18,300	-	722
Romi A.L.	-	-	446	431
Irsa Maquinas Mexico	17,134	11,635	-	-
Rominor	-	4	-	-
Indirect subsidiaries				
B+W - Burkhardt+Weber	1,173	2,023		338
Romi France S.A.S.	8,969	8,678	-	-
Romi Máquinas España S.A.	7,376	4,129	-	-
Romi Machines UK	9,013	7,511	-	-
Total	87,601	65,169	568	1,679
Current	47,636	65,169	568	1,679
Noncurrent	39,965	-	-	-
Total	87,601	65,169	568	1,679

(ii) Transactions

	Sales revenue		Operating expense and finance income (costs)	
	June 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
Romi Europe	3,437	6,076	1,252	1,442
Rominor Comércio	13	17	-	-
Romi Italy	3,705	7,198	-	-
Romi Machine Tools	6,546	10,657	-	-
Romi France S.A.S.	6,056	5,678	-	-
Romi A.L.	-	-	278	388
Romi Machines UK	7,839	7,273	-	-
Irsa Maquinas Mexico	2,893	5,001	-	30
B+W - Burkhardt + Weber	1,688	4,167	-	362
Romi Máquinas España	1,990	1,828	-	-
Total	34,167	47,895	1,530	2,222

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The main balances and transactions with the aforementioned related parties refer to trading transactions between the parent and its subsidiaries.

The Company entered into trading transactions with certain subsidiaries for the supply and purchase of equipment, parts and pieces, but it does not have material transactions with related parties other than those described above. Decisions regarding transactions between the parent and its subsidiaries are made by management.

The Company provides administrative services, mainly accounting and legal services, to the parent Fênix Empreendimentos S.A.. The revenue until September 30, 2020 was R\$ 117 (R\$114 as at September 30, 2019).

The Company makes donations to Romi Foundation at amounts set in the agreement approved by the State Prosecutor's Office. Donations until September 30, 2020 totaled R\$752 (R\$654 as at September 30, 2019).

Management compensation for the periods ended September 30, 2020 and 2019 was as follows:

	September 30, 2020	September 30, 2019
Fees and charges	4,349	4,135
Profit sharing	2,611	256
Private pension plan	358	189
Healthcare plan	189	186
Parent	7,507	4,766
Fees and charges of subsidiaries	79	72
Consolidated	7,586	4,838

The amounts shown above comply with the limits established by the Board of Directors and approved at the Annual General Meeting of Shareholders held on March 17, 2020.

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9 Taxes recoverable

The breakdown of taxes recoverable is as follows:

	Note Note	June September 2020	December 31, 2019
Current			
Withholding Income Tax (IRRF)		115	65
Corporate Income Tax (IRPJ)		518	391
IRPJ/CSLL - "Plano Verão"	15 (b)	18,000	-
Social Contribution on Net Income (CSLL)		22	7
Social Security Contribution (INSS)		8	4
Excise Tax (IPI) - R\$		6,790	6,043
Value-added Tax on Sales and Services (ICMS)		3,072	1,174
Social Integration Program (PIS)		251	67
Social Contribution on Revenues (COFINS)		766	307
Total Parent		29,542	8,058
Taxes recoverable of subsidiaries		7,032	7,289
Total Parent and Consolidated		36,574	15,347
Noncurrent			
ICMS included in the PIS and COFINS tax base	15 (a)	47,962	52,803
Value-added Tax on Sales and Services (ICMS)		1,381	1,598
IRPJ/CSLL - "Plano Verão"	15 (b)	13,754	-
IMPORT DUTY		72	-
Total Parent and Consolidated		63,169	54,401

10 Investment property

In 2012, the Company's management decided, based on the perspectives of short and medium-term expansion of operations, to classify certain property as "Investment Property" for future capital appreciation. The amounts classified as investment property are R\$13,500 (R\$13,500 as at December 31, 2019) in the parent and R\$18,163 (R\$18,181 as at December 31, 2019) in the consolidated.

Indústrias Romi S.A.

Notes to the interim financial information at September 30, 2020

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The investment property is stated at historical cost, and for fair value disclosure purposes the Company contracted an independent expert who applied a methodology accepted by the Brazilian Institute of Engineering Appraisals as well as recent transactions with similar property and assessed the fair value less cost to sell of this property at R\$44,982 in the parent and R\$126,420 in the consolidated.

11 Property, plant and equipment

Changes in property, plant and equipment, parent and consolidated, are as follows:

	Parent	Consolidated
At December 31, 2019, net	191,596	269,235
Additions	28,864	28,874
Disposals	(465)	(721)
Transfers, net	(71)	(62)
Depreciation	(15,534)	(22,828)
Foreign exchange difference	-	36,414
At September 30, 2020, net	204,390	310,912
Total cost	572,901	744,662
Accumulated depreciation	(368,511)	(433,750)
Net balance	204,390	310,912

The carrying amount of the property, plant and equipment under finance leases as at September 30, 2020 amounted to R\$9,378. The Company has discounted these assets to their present value. During the nine-month period ended September 30, 2020, the Company recognized the amount of R\$2,687 as depreciation expense in profit or loss.

Management prepared the discounted cash flow projections for each of the group's business segments and concluded that there is no need to recognize a provision for impairment of property, plant and equipment and intangible assets as at March 31, 2020. For September 30, 2020, the Company performed a follow-up and did not consider necessary to perform a new test in the quarter.

Due to the financing agreements with the BNDES for investments in property, plant and equipment, the Company pledged as collateral property, plant and equipment items amounting to R\$68,694 as at September 30, 2020 (R\$67,531 as at December 31, 2019). These items refer to land, buildings, facilities, machinery and equipment.

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12 Intangible assets

Changes in intangible assets, parent and consolidated, are as follows:

	Parent	Consolidated
At December 31, 2019, net	600	54,361
Additions	774	774
Amortization	(283)	(3,882)
Foreign exchange difference	-	23,703
At September 30, 2020, net	1,091	74,956
Total cost	10,142	115,553
Accumulated amortization	(9,051)	(40,597)
Net balance	1,091	74,956

Management prepared the discounted cash flow projections for each of the group's business segments and concluded that there is no need to recognize a provision for impairment of property, plant and equipment and intangible assets as at March 31, 2020. For September 30, 2020, the Company performed a follow-up and did not consider necessary to perform a new test in the quarter.

13 Borrowings

Changes in borrowings, parent and consolidated, are as follows:

	Parent			Consolidated		
	Domestic currency	Foreign currency	Total	Foreign currency	Foreign currency	Total
Borrowing balance at						
December 31, 2019	20,150	72,041	92,191	20,150	94,365	114,515
New borrowing (a)	85,200	44,246	129,446	85,200	66,600	151,800
Payment of principal	(32,543)	(87,715)	(120,258)	(32,543)	(104,331)	(136,874)
Payment of interest	(3,097)	(1,100)	(4,197)	(3,097)	(1,100)	(4,197)
Exchange and monetary difference (principal and interest)	(130)	24,647	24,517	(130)	36,436	36,306
Interest at the end of the period	4,366	436	4,802	4,366	436	4,802
Borrowing balance at September 30, 2020	73,946	52,555	126,501	73,946	92,406	166,352
Current	65,288	52,555	117,843	65,288	57,856	123,144
Noncurrent	8,658	-	8,658	8,658	34,550	43,208
	73,946	52,555	126,501	73,946	92,406	166,352

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(a) New borrowings in the period:

On March 20, 2020, the Company contracted financing from financial institutions in the total amount of R\$85,200. Such financing was made through Export Credit Notes ("NCE"), with interest rates ranging from 3.19% p.a. to 4.65% p.a., plus the CDI, maturing in one year.

On July 13, 2020, borrowing was contracted with financial institutions in Europe, in the amount of €3,300, with an interest rate of 2% p.a., with maturity in 3 years.

On September 4, 2020, the Company contracted credit facilities with financial institutions in the total amount of US\$5,760,000 through Advances on Foreign Exchange Contracts (ACC) to finance its operations abroad, with interest rates that vary from 2.70% to 3.15% p.a., with a maturity of one year.

The maturities of financing recorded in noncurrent liabilities as at September 30, 2020, in the parent and consolidated, were as follows:

	Parent	Consolidated
2021 (3 months)	1,585	4,770
2022	6,130	12,909
2023	906	17,836
2024	37	1,741
2025 onward	-	5,952
Total	8,658	43,208

14 FINAME manufacturer financing

	Parent and Consolidated	
	September 30, 2020	December 31, 2019
Current		
FINAME manufacturer financing	110,550	82,177
Noncurrent		
FINAME manufacturer financing	173,623	152,786
Total	284,173	234,963

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The agreements related to FINAME manufacturing financing are guaranteed by promissory notes and sureties, and the main guarantor is the subsidiary Rominor. Balances are directly related to the balances of "Onlending of FINAME manufacturer financing" (Note 5), considering that the loans are directly linked to sales to specific customers. The contractual terms related to the amounts, charges and periods financed under the program are on-lent in full to the financed customers and amounts received on a monthly basis under the line item "Amounts receivable - onlending of FINAME manufacturer financing" are fully used for the repayment of the related financing agreements. The Company, therefore, acts as an agent for the financing, but remains as the main debtor in this transaction.

The balances of the line item "FINAME manufacturer financing" and, consequently, of the line item "Onlending of FINAME manufacturer financing" as at September 30, 2020 and December 31, 2019 were adjusted for inflation through the end of the reporting period. The difference of R\$21,033 between these line items as at September 30, 2020 (R\$ 29,049 as at December 31, 2019) refers to past-due trade notes, renegotiations in progress, and FINAME transactions not yet released by the agent bank. Management understands that there are no risks to the realization of these receivables, in addition to the amount of the allowance for doubtful accounts already recorded, since the amounts are collateralized by the financed machinery.

The non-current maturities of the FINAME manufacturer financing as at September 30, 2020, parent and consolidated, were as follows:

	Parent and Consolidated
2021	24,470
2022	83,188
2023	50,698
2024 onward	15,267
Total	173,623

15 Provision for tax, labor and civil risks and judicial deposits

The Company's management, based on the opinion of legal counsel, classified the legal proceedings in accordance with the likelihood of loss, as follows:

	September 30, 2020	December 31, 2019
Tax	-	52
Civil	661	604
Labor	879	604
Total	1,540	1,260
Current liabilities	935	806
Noncurrent liabilities	605	454
	1,540	1,260

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For legal proceedings classified as probable losses, changes in the provision for the period ended September 30, 2020 are as follows:

	December 31, 2019	Additions	Utilizations/ reversals	Inflation adjustment and foreign exchange difference	September 30, 2020
Tax	52	-	(52)	-	-
Civil	604	69	(78)	66	661
Labor	604	367	(165)	72	879
Total Parent and Consolidated	1,260	436	(295)	138	1,540

As at September 30, 2020, the main legal proceedings which were classified by Management, based on the opinion of its legal counselors, as probable losses or as legal obligation are as follows:

(a) Tax proceedings

Refer to the provisions for:

On October 24, 2006, the Company filed a common civil action challenging the constitutionality of the inclusion of ICMS on sales in the PIS and COFINS tax base, as well as for refund for overpayment retroactively to 5 years.

On March 15, 2017, when judging Extraordinary Appeal No. 574.706/PR regarding the general repercussion effect, the Federal Supreme Court (STF), by majority of votes, decided that the ICMS is not to be included in the PIS and COFINS tax bases since it is intended to the State and, therefore, is not included in the concept of revenue. However, on October 19, 2017 the National Treasury Attorney General's Office (PGFN) filed Motions to Clarify in view of the Court Decision published on October 2, 2017 by the STF. In this motion, PGNF requests the correction of alleged errors in the Court Decision. The most significant ones are as follows: (i) modulation of judgment effects (ii) lack of clarity on the ICMS to be excluded (whether the tax calculated or paid), which reflects on the determination of tax credit to be recovered as well as the future exclusion procedure; and (iii) material error regarding the analysis of gross and net revenue concepts brought by Law 6,404/76, the motions to clarify are pending analysis by the STF. In view of these facts, Management decided to maintain the present obligation derived from past events in the financial statements for the year ended December 31, 2018.

On March 13, 2019, the Company obtained a favorable final decision on the lawsuit on the subject. As a result, the then present obligation derived from a past event was no longer considered as an obligation and, therefore, the Company recorded in the financial statements for the first quarter of 2019 the effects of the favorable outcome on such lawsuit, amounting to R\$138,008, before taxes, of which R\$74,321 recorded in "Other operating income (expenses), net", and R\$ 63,686 in line item "Finance income". The impact on profit for the period was R\$105,564, already considering the effects of income tax and social contribution on the gain, which were reduced by the use of the interest on capital, proposed in March 2019, in the amount of R\$29,542, according to the Shareholder Notice dated March 26, 2019. On September 20, 2019, judicial deposits in the amount of R\$88,456 were released and included in the Company's cash and cash equivalents.

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As at September 30, 2020, there were no legal proceedings with risks of losses classified as probable.

(b) Tax proceedings (“Plano Verão”)

On February 22, 2017, the Company obtained a favorable outcome in the proceeding in which the Company was the plaintiff and the Federal Government was the defendant, which claimed for the right to monetarily restate the statement of financial position for the calendar year 1989 by reference to the inflation for January and February of that year and to dismiss the inflation indexes of the legislation then in force (Plano Verão). After the final and unappealable decision, the Company measured the amounts arising from the proceeding, and on February 17, 2020, it filed a request with the Federal Revenue Office for authorization related to the inflation purge on the assets for the purpose of determining the complementary balance of the depreciation and their effects on the calculation of income tax and social contribution over the years. On March 16, 2020, the Federal Revenue Office approved the request regarding this credit, authorizing the Company to utilize it to offset future federal taxes. The Company recognized in the interim financial information for 1Q20 the effects from the favorable outcome on the tax proceeding “Plano Verão”, which impacted the profit or loss for 1Q20 as follows: (i) EBIT/ EBITDA: reduced by R\$955, due to the recognition of attorney’s fees, in line item “Other operating income (expenses), net”; (ii) finance income (costs): increased by R\$25,135, due to the inflation adjustment of the original amount of the credits; (iii) income tax and social contribution: increased by R\$10,794, regarding the original amount of the credits; and (iv) profit for the period: increased by the impact from the net gain of R\$34,974, already including the effects of income tax and social contribution on the gain, which was reduced by the use of the interest on capital, proposed in March 2020, as per the Shareholder Notice dated March 17, 2020.

(c) Ongoing tax lawsuits - Eletrobras

In June 2020, the Company became aware, through its lawyers, of success in a significant legal proceeding, filed against Centrais Elétricas Brasileiras S.A. - Eletrobras, the subject of which is to obtain the difference in the monetary restatement, from 1978 to 1993, on calculations of a compulsory loan on electric energy.

The amount to be credited to the Company’s bank account subject to an online pledge made in the Eletrobras account, net of attorneys’ fees, is R\$ 41.3 million before taxes, with an estimated impact on profit of R\$ 30 million.

The defendant, Eletrobras, still has the possibility of filing a final appeal, however, in the opinion of the Company’s legal counselors, it is unlikely to be successful, considering that for the merit of the proceeding there are no more appeals that can reverse the decision. Therefore, the Company’s Management understands that the aforementioned asset meets the requirements of a contingent asset, therefore, it is not subject to accounting recognition at this time

The Company will not estimate the term for the lawsuit to be concluded or the aforementioned credit amount to be received in its bank account, considering the procedural steps that may vary depending on the course of action of the opposing party.

Accounting recognition will take place on completion of all procedural steps, which will coincide with the release of the funds pledged in court in favor of the Company.

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(d) Civil proceedings

These refer to civil proceedings in which the Company is the defendant related mainly to the following claims:

(i) revision/termination of contracts; (ii) damages; and (iii) annulment of protest of notes with losses and damages, among others.

(e) Labor claims

The Company has recorded a provision for contingencies for labor claims in which it is the defendant, the main causes are as follows: (i) additional overtime due to reduction of lunch break; (ii) health hazard premium/hazardous duty premium; (iii) stability prior to retirement; (iv) damages for work-related accident/disease; and (v) jointly liability over outsourced companies, among others.

The tax, civil and labor proceedings assessed as representing possible losses involve matters similar to those above. The Company's management believes that the outcomes of ongoing legal proceedings shall not result in disbursements higher than those recognized in the provision. The amounts involved do not qualify as legal obligations.

(e) Judicial deposits

The Company has judicial deposits amounting to R\$1,877 (R\$1,930 in 2019) of different nature and classified in noncurrent assets.

16 Income tax and social contribution

Income tax is calculated at the rate of 15% on the taxable profits plus a 10% surtax on taxable profit exceeding R\$240, and social contribution is calculated at the rate of 9% on taxable profits, except for subsidiaries Rominor Comércio and Rominor Empreendimentos, which pay income tax and social contribution based on the deemed taxable income method.

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The reconciliation of the tax effect on the Company's profit before income tax and social contribution through application of the prevailing tax rates as at September 30, 2020 and 2019 is as follows:

	Parent		Consolidated	
	2020	2019	2020	2019
Profit before income tax and social contribution	76,536	143,488	74,781	142,579
Statutory rate (income tax and social contribution)	34%	34%	34%	34%
Income tax and social contribution expense at statutory rates	(26,022)	(48,786)	(25,426)	(48,477)
Reconciliation to the effective rate:				
Interest on capital	29,920	18,594	29,920	18,594
IR/CSLL Tax proceeding ("Plano Verão")	10,794	(1,569)	10,794	(1,569)
Research and development ("Lei do Bem" - Law 11,196/05)	1,622	1,685	1,622	1,685
Equity pickup	(3,958)	(3,041)	-	-
Unrecorded deferred income tax and social contribution at subsidiaries	-	-	(2,979)	(2,727)
Management profit sharing	(888)	(87)	(888)	(87)
Other additions (deductions), net	156	399	469	846
Current and deferred income tax and social contribution income (expense)	11,624	(32,805)	13,512	(31,735)

- (a) The amount in the consolidated financial information refers basically to the difference in the calculation of income tax and social contribution between actual income method <lucro real> and deemed taxable income method <lucro presumido>, due to the fact that subsidiaries Rominor Comércio and Rominor Empreendimentos opted to calculate tax based on deemed taxable income method in the years presented, and for non-recognition of deferred income taxes on the tax losses of foreign subsidiaries, except for BW.

The breakdown of income tax and social contribution income (expense) is as follows:

	Parent		Consolidated	
	2020	2019	2020	2019
Current	8,090	(15,993)	8,836	(16,313)
Deferred	3,534	(16,812)	4,676	(15,422)
Total	11,624	(32,805)	13,512	(31,735)

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Changes in deferred tax assets and liabilities, parent and consolidated, for the period ended September 30, 2020 were as follows:

	<u>Assets</u>		<u>Liabilities</u>
	<u>Parent</u>	<u>Consolidated</u>	<u>Consolidated</u>
At December 31, 2019	23,577	24,822	31,630
Changes in the year			
Additions	3,891	4,335	-
Realization	(357)	(426)	(767)
Foreign exchange difference		2,337	14,414
At September 30, 2020	<u>27,111</u>	<u>31,068</u>	<u>45,277</u>

17 Equity

Capital

As at September 30, 2020 and December 31, 2019, the Company's subscribed and paid-up capital amounting to R\$492,025 is represented by 62,857,647 book-entry, registered common shares, without par value, all with the same rights and benefits.

Income reserve

a) Legal reserve

As required by Article 193 of Law 6,404/76, the balance of the line item "Legal reserve" is equivalent to 5% of the profit for the year, limited to 20% of the share capital. As at September 30, 2020 and December 31, 2019, the legal reserve amounted to R\$54,322.

b) Retained earnings reserve

According to the notice to the market on March 26, 2019 and December 12, 2019, approval was given for the distribution of interest on capital, which was paid on March 31, 2020 and January 10, 2020, respectively. The total amount paid by the Company, net of withholding income tax, was R\$39,378.

Until the period ended September 30, 2020, the distribution of interest on capital in the total amount of R\$88,001 was approved, as communicated to the market on the dates listed below:

a) On March 17, 2020, approval was given for the distribution of interest on capital, to be attributed to the mandatory dividends for 2020 in the gross amount of R\$31,429, for payment by the end of the 2021 fiscal year.

b) On June 16, 2020, approval was given for the distribution of interest on capital, to be paid on November 16, 2020 in the gross amount of R\$6,286.

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c) On September 24, 2020, approval was given for the distribution of interest on capital, to be paid on December 11, 2020 in the gross amount of R\$50,286.

Earnings per share

Basic earnings per share are calculated by dividing the profit attributable to shareholders of the Company by the weighted average number of outstanding common shares in the period, excluding common shares purchased by the parent and held as treasury shares.

	September 30, 2020	September 30, 2019
Profit for the period attributable to the controlling shareholders	88,160	110,683
Weighted average number of shares outstanding in the period (in thousands)	62,858	62,858
Basic and diluted earnings per share	1.40	1.76

Basic and diluted earnings per share are the same, since the Company does not have any instruments diluting the earnings per share.

18 Segment reporting - consolidated

To manage its business, the Company is organized into three business units on which the Company reports its primary information by segment, namely: Romi Machinery, Burkhardt+Weber Machinery and Cast and Machined Products. The information for the period ended September 30, 2020 was prepared and is being presented on a comparative basis with the period ended September 30, 2019, according to the Company's segments:

	September 30, 2020				
	Romi Machinery	Burkhardt + Weber Machinery	Cast and machined products	Eliminations between segments	Consolidated
Net operating revenue	285,577	153,460	173,470	-	612,507
Cost of sales and services	(144,724)	(128,777)	(156,394)	-	(429,895)
Transfers remitted	960	-	16,842	(17,802)	
Transfers received	(16,842)	-	(960)	17,802	
Gross profit	124,971	24,683	32,958	-	182,612

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	September 30, 2020				
	Romi Machinery	Burkhardt + Weber Machinery	Cast and machined products	Eliminations between segments	Consolidated
Operating (expenses) income:					
Selling expenses	(47,506)	(10,469)	(3,225)	-	(61,200)
General and administrative expenses	(20,798)	(21,367)	(10,903)	-	(53,068)
Research and development	(12,581)	-	(3,900)	-	(16,481)
Management fees	(3,703)	-	(3,883)	-	(7,586)
Other income				-	
(expenses), net	1,584	-	-		1,584
Operating profit (loss) before finance income (costs)	41,967	(7,153)	11,047	-	45,861
Inventory	276,744	83,845	44,925	-	405,514
Depreciation and amortization	9,577	8,259	8,874	-	26,710
Property, plant and equipment, net	103,205	89,778	117,930	-	310,913
Intangible assets	1,078	73,865	13	-	74,956
	Europe	Latin America	North America	Africa and Asia	Total
Net operating revenue per geographical region	158,997	389,771	16,290	47,449	612,506

	September 30, 2019				
	Romi Machinery	Burkhardt + Weber Machinery	Cast and machined products	Eliminations between segments	Consolidated
Net operating revenue	261,481	159,731	113,913		535,125
Cost of sales and services	(135,078)	(134,850)	(125,290)		(395,218)
Transfers remitted	1,881	-	21,682	(23,563)	
Transfers received	(21,682)	-	(1,881)	23,563	
Gross profit	106,602	24,881	8,424	-	139,907
Operating (expenses) income:					
Selling expenses	(46,505)	(11,296)	(4,168)	-	(61,969)
General and administrative expenses	(24,607)	(18,900)	(7,960)	-	(51,467)
Research and development	(13,158)	-	(2,636)	-	(15,794)
Management fees	(3,228)	-	(1,610)	-	(4,838)
Other operating income				-	
(expenses), net	55,447	-	20,810		76,257
Operating profit (loss) before finance income (costs)	74,551	(5,315)	12,860	-	82,096
Inventory	268,631	60,682	36,791	-	366,104
Depreciation and amortization	8,541	7,016	9,266	-	24,823
Property, plant and equipment, net	87,356	63,454	114,691	-	265,501
Intangible assets	660	55,031	18	-	55,709

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(In thousands of Brazilian reais unless otherwise stated)

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	Europe	Latin America	North America	Africa and Asia	Total
Net operating revenue per geographical region	163,759	308,015	17,905	45,446	535,124

19 Future commitments

On April 10, 2017, the Company and Centrais Elétricas Cachoeira Dourada S.A. - CDSA, belonging to Endesa, decided to amend the agreement for the supply of electric energy entered into on May 1, 2007, which intended to contract a volume of electric energy according to the Company's needs. On May 30, 2019, the Company entered into an electric energy purchase agreement with Engie Brasil Energia Comercializadora LTDA - Engie, for the periods following the ongoing agreement with CDSA. As a result, the supply of electric energy has been extended for further three years, up to December 31, 2023, and has reflected the following commitments that will be adjusted annually by the General Market Price Index (IGP-M).

Year of supply	Amount
2020	8,990
2021	15,396
2022	14,743
2023	14,528
Total	53,657

The Company's management believes that this agreement is compatible with the electricity requirements for the contracted period.

20 Impacts of COVID-19

In March of this year, with the beginning of restrictions on the freedom of movement due to the COVID-19 pandemic, the global scenario for the industry began to show significant changes. The first Romi units to feel the effects of the pandemic were those located in Europe, a continent strongly affected by COVID-19.

In view of the situation, the Company's Management adopted all the health recommendations of the competent bodies in order to continue operating, however, certain additional security measures were adopted, such as: providing disposable masks, measuring body temperature on entering the Company, providing sanitizing gel at certain locations, readjusting the layout and signage on restaurant floors for greater distancing between people and we have intensified the cleaning of communal areas. Foreign subsidiaries are also following the guidelines and preventive measures adopted in Brazil, according to the activities they perform.

Analyzing the results for the first nine months of 2020, Management's understanding is that for the relevant aspects of the pandemic, the team of employees identified alternatives, and the material impacts on operations were minimized, given that a large part of the equipment, cast and machined parts and other areas of the Company were delivered to our customers within the originally agreed terms and the default levels have not changed significantly.

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3Q20 Earnings Release

October 20, 2020



September 30, 2020

Share price at 10/19/2020

ROMI3 – R\$12.92 per share

Market value

R\$812.1 million

US\$144.8 million

Number of shares

Common: 62,857,647

Total: 62,857,647

Free Float = 50.8%

Earnings Conference Call in Portuguese

October 21, 2020 | 10:30 a.m. (São Paulo)

Dial-in number: +55 (11) 4680-6788

ID: 817 3718 3523

https://us02web.zoom.us/webinar/register/WN_w6j1gkUsQcy800w5BaYyDQ

Earnings Conference Call in English

October 21, 2020

12 p.m. (São Paulo) | 4 p.m. (London) | 11:00 a.m. (New York)

Dial-in numbers:

ID: 818 1530 6828

https://us02web.zoom.us/webinar/register/WN_E7oa6o7bQS

**Santa Bárbara d'Oeste - SP,
October 20, 2020**

Indústrias Romi S.A. ("Romi" or "Company") (B3: ROMI3), domestic market leader in the Machine Tools and Plastic Processing Machines markets, as well as an important producer of Rough and Machined Cast Iron Parts, announces its results for the third quarter of 2020 ("3Q20"). Except where otherwise stated, the Company's operating and financial information is presented on a consolidated basis, in accordance with International Financial Reporting Standards (IFRS).

Statements contained in this release related to Romi's business outlook, projections of operating and financial results and references to the Company's growth potential are mere forecasts and have been based on Management's expectations regarding future performance. These expectations are highly dependent upon market behavior, economic situation in Brazil, the industry and international markets. Therefore, they are subject to changes.

Investor Relations Contact

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Investor Relations Officer

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Highlights

Incoming orders reach R\$ 313.4 million, an increase of 65.5% compared to 3Q19

- The net operating revenue of the Rough and Machined Cast Iron Parts Unit grew by 74.9% in 3Q20 over 3Q19, due to the deliveries of large parts. The operating margin posted a growth of 10.1 p.p., reflecting the higher production volume, evolution in operational efficiency and higher revenue;
- At the Romi Machines Unit, the net operating revenue increased by 12.4% in 3Q20 compared to 3Q19 due to the resumption of orders from June of this year. The increase in revenue, with the reduction in operating expenses, resulted in an expansion of the operating margin, which in the same comparison period grew by 6.3 p.p.;
- Incoming orders at the Romi Machines Unit recorded growth of 140.3% in 3Q20 as compared to 3Q19, reflecting the very favorable environment for investments and new business alternatives, such as the machine rental business;
- Incoming orders at the Rough and Machined Cast Iron Parts Unit increased by 40.9% in 3Q20 over 3Q19, reflecting the large parts for the energy sector and the gradual resumption of all other industrial segments;
- The order backlog grew by 40.9% at the end of the third quarter of 2020 as compared to September 30, 2019, with highlights to the Romi Machines and Rough and Machined Cast Iron Parts Business Units.

R\$'000	Quarterly					Accumulated		
	3Q19	2Q20	3Q20	Chg.	Chg.	9M19	9M20	Chg.
Revenues Volume				3Q20/2Q20	3Q20/3Q19			2020/2019
Romi Machines (units)	242	137	230	67.9%	-5.0%	551	531	-3.6%
Burkhardt + Weber (units)	12	5	2	-60.0%	-83.3%	22	10	-54.5%
Rough and Machined Cast Iron Parts (tons)	4,286	4,263	7,056	65.5%	64.6%	11,689	15,415	31.9%
Net Operating Revenue	246,500	196,012	250,554	27.8%	1.6%	535,125	612,507	14.5%
Gross margin (%)	29.6%	28.1%	31.6%			26.1%	29.8%	
Operating Income (EBIT)	27,332	10,300	30,847	199.5%	12.9%	82,095	45,861	-44.1%
Operating margin (%)	11.1%	5.3%	12.3%			15.3%	7.5%	
Operating Income (EBIT) - adjusted (*)	27,332	10,300	30,847	199.5%	12.9%	7,774	46,816	502.2%
Operating margin (%) - adjusted (*)	11.1%	5.3%	12.3%			1.5%	7.6%	
Net Income	27,889	11,359	36,116	218.0%	29.5%	110,842	88,292	-20.3%
Net margin (%)	11.3%	5.8%	14.4%			20.7%	14.4%	
Net Income - adjusted (*)	27,889	11,359	36,116	218.0%	29.5%	9,452	53,318	464.1%
Net margin (%) - adjusted (*)	11.3%	5.8%	14.4%			1.8%	8.7%	
EBITDA	35,526	19,221	40,077	108.5%	12.8%	106,920	72,569	-32.1%
EBITDA margin (%)	14.4%	9.8%	16.0%			20.0%	11.8%	
EBITDA - adjusted (*)	35,526	19,221	40,077	108.5%	12.8%	32,599	73,524	125.5%
EBITDA margin (%) - adjusted (*)	14.4%	9.8%	16.0%			6.1%	12.0%	
Investments (**)	5,591	3,351	18,540	453.3%	231.6%	18,774	28,207	50.2%

EBITDA = Earnings before interest, taxes, depreciation and amortization.

(*) 9M19: As described in the "Success in Legal Proceeding" section of this report, the Company recognized in the financial statements for 1Q19 the effects of the favorable final decision on the tax proceeding (judicial proceeding on the exclusion of ICMS from the PIS and COFINS tax base). The effects impacted the financial information as follows: (i) EBIT/EBITDA: increased by R\$ 74,321 thousand, due to the recognition of the original amount of the proceeding under "Other operating income (expenses)"; and (ii) result for the period: increased by the impact of the net gain of R\$ 105,564 thousand, already considering the effects of income tax and social contribution on the gain, which were reduced by the use of the interest on capital proposed in March 2019, as per the Shareholders Notice dated March 26, 2019. In 2Q19, the Company reviewed the calculations related to the success in tax proceeding, named Summer Plan, recognized in the financial statements for 2Q18. As a result of this review, the result for 2Q19 was impacted (decreased) by R\$ 4,174 thousand, already considering the effects of income tax and social contribution.

9M20: As described in the "Success in Legal Proceeding (Plano Verão)" section of this report, the Company recognized in the financial statements for 1Q20 the effects of the favorable final decision on the tax proceeding (Plano Verão), which impacted the quarterly results as follows: (i) EBIT/EBITDA: decreased by R\$1.0 million, due to the recognition of expenses with legal fees, under "Other operating income (expenses), net"; (ii) financial result: increased by R\$25.1 million as a result of the monetary restatement of the original amount of the tax credits; (iii) income tax and social contribution: increased by R\$10.8 million, due to the original amount of the credits; and (iv) profit for the period: increased by the impact of the net gain of R\$35.0 million, already considering the effects of income tax and social contribution on the gain, which were reduced by the use of the interest on capital proposed in April 2020, as per the Shareholders Notice dated March 17, 2020.

(**) the investments made during the year 2020, the amount of R \$ 13.7 million refers to machines manufactured by the Company that were allocated to the machinery rental business, a new solution launched earlier this year

Corporate Profile



Romi, founded in 1930, is the leader in the Brazilian industrial machinery and equipment market, and an important manufacturer of rough and machined cast iron parts.

The Company is listed on B3's "New Market", which is reserved for companies with a higher level of corporate governance. Romi manufactures machine tools (Conventional Lathes, Computerized Numerical Control (CNC) Lathes, Lathing Centers, Machining Centers, Vertical and Horizontal Heavy and Extra-Heavy Lathes and Drilling Mills), Plastic Injection or Blow Molding Machines and ductile or CDI gray cast iron parts, which may be supplied in raw or machined form. The Company's products and services are sold globally and used by various

industrial segments, such as the automotive (light and heavy), agricultural machinery, capital goods, consumer goods, tools, hydraulic equipment and wind power industries, among many others.

The Company has thirteen manufacturing units, four of which for final assembly of industrial machinery, two foundries, four units for machining of mechanical components, two units for manufacture of steel sheet components, and one unit for assembly of electronic panels. Of these, eleven are located in Brazil and two in Germany. The installed capacity of industrial machines and casting production is of, respectively, about 2,900 units and 50,000 tons per year.

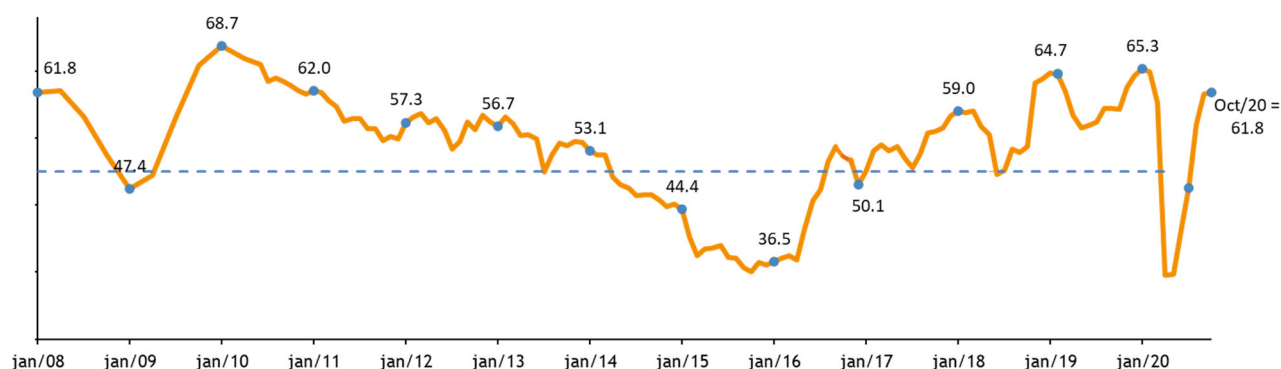
Current Economic Scenario

The year 2020 started with the continuity of the economic recovery, but with the declaration of the pandemic state, from mid-March, the volume of business suffered a temporary reduction although more recently there was an important recovery in Romi Machines' incoming orders. Although the environment still presents uncertainties, the reduction in interest rates and the devaluation of the Real currency have stimulated the industry and the country in general to allocate a larger share of capital in the productive economy, and this impacts mainly the Romi Machines and Rough and Machined Cast Iron Parts Units. As of June of this year, we have seen a solid recovery in relation to the volume of business carried out in March and April, which can be seen in the volume of incoming orders in 3Q20.

In the foreign market, we have also noticed a gradual recovery of orders for machines, both for Romi Machines and B+W Machines, the latter with an increasing volume of opportunities, mainly in Asia.

In view of the scenario of uncertainty generated by Covid-19, we identified, as shown below, a strong recovery in the Industrial Entrepreneur Confidence Index (ICEI), to a level considered adequate for new investments.

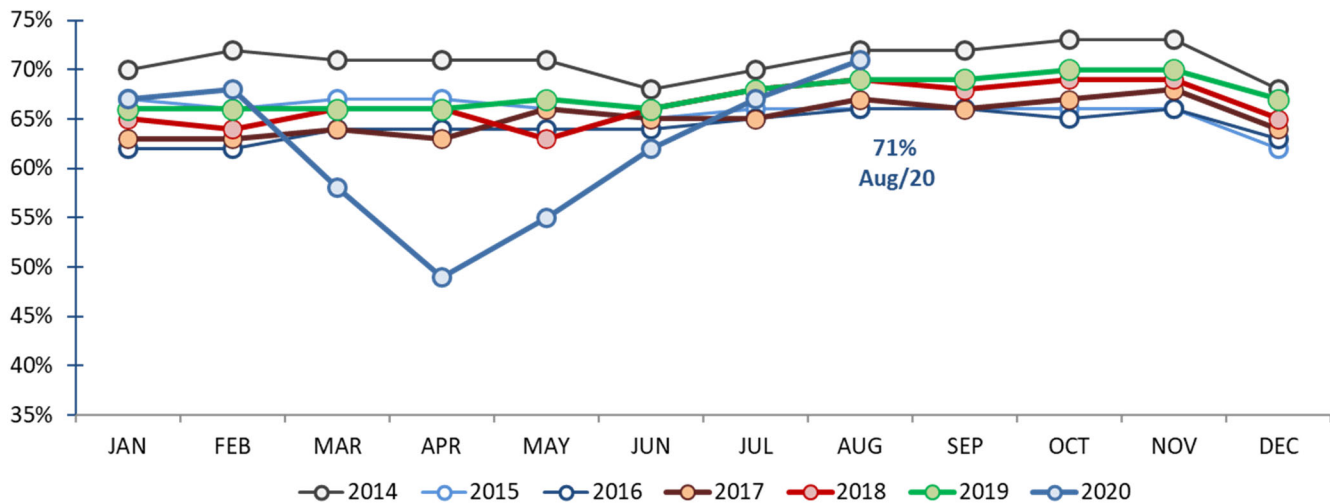
Industrial Entrepreneur Confidence Index – ICEI



Source: CNI - ICEI, October 2020

The Installed Capacity Utilization (UCI) index of the Brazilian industry in general, as released by the National Confederation of Industries (CNI), also suffered the impact of the pandemic as of March, however, we identified a significant recovery in this index over the last few months, returning to pre-COVID-19 levels.

Average Installed Capacity Utilization (UCI)



Source: CNI - UCI, August 2020

Due to the scenario of uncertainty and high volatility we continue to implement actions to streamline our structure and render the planning and manufacturing process ever more agile and flexible to respond quickly to the demand volatility. Over the past few years, we have made several optimizations, especially in indirect structures, and in 2Q20 EBIT and EBITDA are impacted by approximately R\$ 4,300 thousand in costs with structure adjustment. We reinforced the focus on cost and expense reduction projects, in addition to investing in automation and productivity, focusing on the increase of profitability, which can be noted since 2017. Strategically, we have defined the launch of new product generations as a priority. The first lines are already successful in the domestic and international markets. This gives us great confidence that we are very well prepared for the rekindling of the domestic and foreign economies.

Impacts from COVID-19

In March of this year, with the beginning of mobility restrictions in the face of the pandemic related to Covid-19, the global scenario for the industry began to show significant changes. The first Romi units to feel the effects of the pandemic were those located in Europe, a continent heavily impacted by COVID-19. In view of this scenario, we saw a fall in the origination of our business due to the numerous social restrictions in the countries where Romi operates. However, although we are still experiencing a scenario of uncertainty, starting in June, with an environment of lower interest rates, a devalued Real currency and inflation with reasonable limits, we saw an important recovery in the volume of new business in the domestic market.

In view of the global pandemic situation, the Company's Management adopted all health recommendations of the competent bodies and additionally established the suspension of all operations in Brazil, on March 24, 2020, for the risk group, and, on March 30, 2020, for the other employees, until April 21, 2020, through vacations, working hours bank and exchange of holidays. We also inform that at the present day we are operating normally, with several additional safety measures, according to the protocol created by Romi in line with the best practices provided by the competent authorities.

Analyzing the results for the first nine months of 2020, the above decision or any other decision did not have a material impact on operations, since most of the equipment, rough and machined cast iron parts, and other areas of the Company were able to deliver to our customers within the originally agreed terms.

The supply chain continues to produce and is able to deliver on the agreed levels, not posing a high risk of interruption in production due to the lack of national and imported raw materials and components.

Market

The Company's main leading edges in the market; namely, products with cutting-edge technology, own nationwide distribution network, own ongoing technical assistance, availability of attractive customer credit packages in local currency, and short product delivery times, are all recognized by customers, giving the ROMI® brand name a traditional and prestigious reputation.

Incoming Orders

Order Entry (R\$ 000)	3Q19	2Q20	3Q20	Chg. 3Q20/2Q20	Chg. 3Q20/3Q19	9M19	9M20	Chg. 20/19
Gross Values, sales taxes included								
Romi Machines	92,885	109,324	223,189	104.2%	140.3%	280,894	420,137	49.6%
Burkhardt+Weber Machines	36,673	-	6,012	0.0%	-83.6%	110,267	26,194	-76.2%
Rough and Machined Cast Iron Parts	59,774	73,095	84,236	15.2%	40.9%	163,412	236,946	45.0%
Total *	189,331	182,418	313,436	71.8%	65.5%	554,573	683,278	23.2%

*The informed amounts related to incoming orders and order backlog do not include parts and services.

Even with the current scenario of uncertainty, the recovery of industrial activities, the improvement of industrial entrepreneur confidence, as well as the reduction of the basic interest rate and the exchange rate devaluation boosted the volume of incoming orders at the Romi Machines Unit observed in 3Q20, which increased by 140.3% compared to 3Q19. Further to the new generation of products described above the Company has been looking for new alternatives to enable new businesses, such as the leasing of machines, and these initiatives contributed to the good results. At German subsidiary B + W, there was a reduction in incoming orders of 83.6% when compared to 3Q19, reflecting the pandemic in the world economy, however, in the last few months, we have noticed the return of business opportunities, mainly in Asia.

The Rough and Machined Cast Iron Parts Unit posted, in 3Q20, a 40.9% increase in incoming orders, when compared to 3Q19, demonstrating not only the continuity of business of large castings for the energy segment, but also a resumption of other sectors served by this business unit.

Order Backlog

Order Backlog (R\$ 000)	3Q19	2Q20	3Q20	Chg. 3Q20/2Q20	Chg. 3Q20/3Q19
Gross Values, sales taxes included					
Romi Machines	112,472	151,191	255,346	68.9%	127.0%
Burkhardt+Weber Machines	151,062	118,574	89,526	-24.5%	-40.7%
Rough and Machined Cast Iron Parts	71,624	130,080	127,262	-2.2%	77.7%
Total *	335,158	399,845	472,134	18.1%	40.9%

*The informed amounts related to incoming orders and order backlog do not include parts and services.

At the end of the third quarter of 2020, the order backlog grew by 40.9% compared to the same period in 2019. This growth is related to the higher business volume in Romi Machines' domestic market, where we noticed an important resumption of investments as from June 2020. In addition, the heavy parts market at the Foundry continues quite heated, as can be seen in the growth in the volume of new orders at this unit.

Operational Performance

Net Operating Revenue by Business Unit

Net operating revenue posted by the Company in 3Q20 reached R\$ 250.6 million, 1.6% higher than in 3Q19. In the nine-month period, growth was 14.5%, with emphasis, in both comparison periods, on the Romi Machines and Rough and Machined Cast Iron Parts Business Units.

Net Operating Revenue (R\$ 000)	Quarter					Accumulated		
	3Q19	2Q20	3Q20	Chg. 3Q20/2Q20	Chg. 3Q20/3Q19	9M19	9M20	Chg. 20/19
Romi Machines	112,824	76,250	126,823	66.3%	12.4%	261,481	285,576	9.2%
Burkhardt+Weber Machines	89,607	70,082	46,672	-33.4%	-47.9%	159,731	153,461	-3.9%
Rough and Machined Cast Iron Parts	44,069	49,680	77,059	55.1%	74.9%	113,913	173,470	52.3%
Total	246,500	196,012	250,554	27.8%	1.6%	535,125	612,507	14.5%

Romi Machines

The net operating revenue of this Business Unit reached R\$ 126.8 million in 3Q20, an increase of 12.4%, when compared to 3Q19, reflecting the recovery in the volume of orders as of June of that year. Even in the face of the pandemic scenario, a large part of the machines were properly produced and delivered to our customers on time.

Burkhardt+Weber Machines

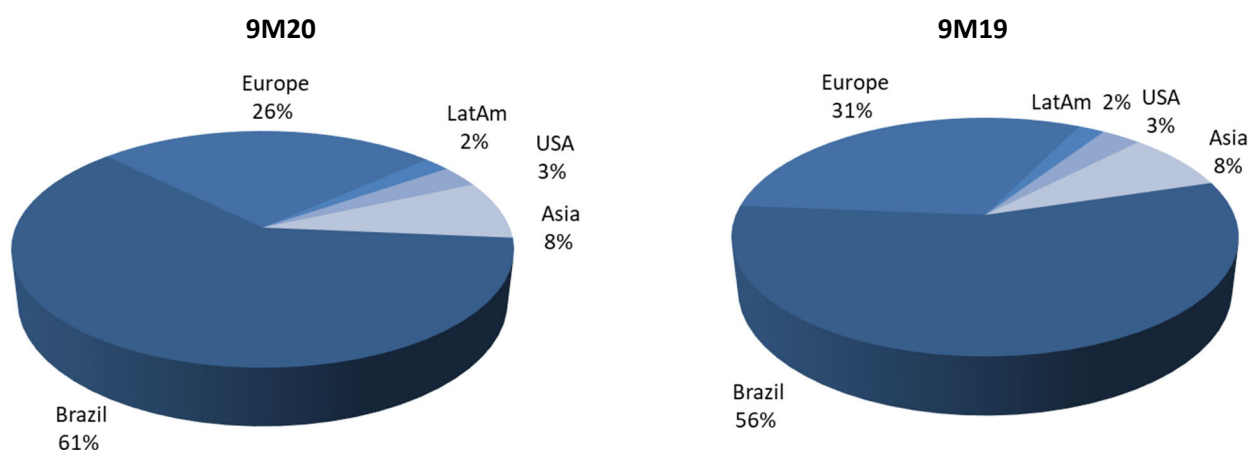
In 3Q20, the revenue of the German subsidiary B+W, in Reais, was 47.9% lower than in 3Q19. The order backlog for equipment to be delivered throughout 2020 is robust and continues with its schedules maintained.

Rough and Machined Cast Iron Parts

The net operating revenue of this Business Unit was R\$ 77 million in 3Q20, an increase of 74.9% as compared to 3Q19, due to the continuity of business related to large rough and machined cast iron parts for the energy sector.

Net Operating Revenue by Geographical Region

The domestic market accounted for 61% of Romi's consolidated revenue in 9M20 (56% in 9M19). Considering the revenue obtained in foreign markets, which takes into account sales by Romi's subsidiaries abroad (Germany, China, United States, Italy, United Kingdom, France, Mexico and Spain) and direct sales to other markets, the distribution of Romi's consolidated revenue by geographical region was the following:



The following shows the foreign market revenue, in Reais (R\$) and in US dollars (US\$):

Foreign Sales	Quarter					Accumulated		
	3Q19	2Q20	3Q20	Chg. 3Q20/2Q20	Chg. 3Q20/3Q19	9M19	9M20	Chg. 1H19/1H18
Net Sales (R\$ million)	123.6	101.5	79.7	-21.4%	-35.5%	242.4	241.4	-0.4%
Net Sales (US\$ million)	30.7	18.6	14.7	-21.4%	-52.3%	61.5	46.2	-24.8%

In the foreign market, Europe decreased its share of consolidated revenue in 9M20, from 31% to 26%, due to the projects of the German subsidiary B+W being more concentrated in Asia. Latin America maintained its share, mainly in South America. The USA showed a slight drop in its share in 9M20, reflecting the increase in sales from B+W to Asia.

Operating Costs and Expenses

The gross margin obtained in 3Q20 was 31.6%, an increase of 2.0 p.p. as compared to 3Q19. The adjusted operating margin (adjusted EBIT) increased by 1.2 p.p. in the same period. The higher volume of revenues, combined with the control of operating expenses, resulted in significant growth in operating margins.

	Quarter					Accumulated		
Gross Margin	3Q19	2Q20	3Q20	Chg. p.p. 3Q20/2Q20	Chg. p.p. 3Q20/3Q19	9M19	9M20	Chg. pp 2020/2019
Romi Machines	40.6%	41.3%	45.2%	3.9	4.6	40.8%	43.8%	3.0
Burkhardt+Weber Machines	24.1%	18.1%	11.5%	(6.6)	(12.6)	15.6%	16.1%	0.5
Rough and Machined Cast Iron Parts	12.8%	21.8%	21.5%	(0.3)	8.7	7.4%	19.0%	11.6
Total	29.6%	28.1%	31.6%	3.6	2.0	26.1%	29.8%	3.7

						Accumulated		
EBIT Margin	3Q19	2Q20	3Q20	Chg. p.p. 3Q20/2Q20	Chg. p.p. 3Q20/3Q19	9M19	9M20	Chg. pp 2020/2019
Romi Machines	16.4%	6.7%	22.7%	16.0	6.3	28.5%	14.7%	(13.8)
Burkhardt+Weber Machines	10.3%	1.1%	-10.6%	(11.7)	(21.0)	-3.3%	-4.7%	(1.3)
Rough and Machined Cast Iron Parts	-0.9%	8.9%	9.2%	0.2	10.1	11.3%	6.4%	(4.9)
Total	11.1%	5.3%	12.3%	7.1	1.2	15.3%	7.5%	(7.9)

						Accumulated		
EBIT Margin - Adjusted	3Q19	2Q20	3Q20	Chg. p.p. 3Q20/2Q20	Chg. p.p. 3Q20/3Q19	9M19	9M20	Chg. pp 2020/2019
Romi Machines	16.4%	6.7%	22.7%	16.0	6.3	8.0%	15.0%	7.0
Burkhardt+Weber Machines	10.3%	1.1%	-10.6%	(11.7)	(21.0)	-3.3%	-4.7%	(1.4)
Rough and Machined Cast Iron Parts	-0.9%	8.9%	9.2%	0.2	10.1	-7.0%	6.4%	13.4
Total	11.1%	5.3%	12.3%	7.1	1.2	1.5%	7.6%	6.1

(*) As described in the highlights of this report.

Romi Machines

The gross margin of this Business Unit in 3Q20 grew by 4.6 p.p. when compared to 3Q19, reflecting the product mix and the expansion of export margins due to the devaluation of the Real. The aforementioned aspects, combined with the effective control of operating expenses, resulted in an expansion of 6.3 p.p. in the adjusted operating margin (adjusted EBIT), in the same comparison period.

Burkhardt+Weber Machines

The gross margin and operating margin of this Business Unit in 3Q20 increased by 12.6 p.p. and 21.0 p.p. as compared to 3Q19, respectively. The lower volume of machines forecast for 3Q20 and the consequent reduction in revenues resulted in a decrease in operating margins.

Rough and Machined Cast Iron Parts

The gross margin of this Business Unit in 3Q20 grew by 8.7 p.p. as compared to 3Q19, as well as the adjusted operating margin (adjusted EBIT), which in the same comparison period grew by 10.1 p.p. This growth is due to the higher volume of revenues and production in 3Q20, reflecting the deliveries of large rough and machined cast iron parts and projects focused on improving productivity and operational efficiency.

EBITDA and EBITDA Margin

In 3Q20, the operating cash generation as measured by EBITDA amounted to R\$ 40.1 million, representing an EBITDA margin of 16% in the quarter, as indicated in the following table:

Reconciliation of Net Income to EBITDA (R\$ 000)	Quarterly					Accumulated		
	3Q19	2Q20	3Q20	Chg. 3Q20/2Q20	Chg. 3Q20/3Q19	9M19	9M20	Chg. 2020/2019
Net Income	27,891	11,359	36,117	218.0%	29.5%	110,844	88,293	-20.3%
Income tax and social contributions	1,043	1,336	(4,831)	-461.6%	-563.2%	31,735	(13,512)	-142.6%
Net Financial Income	(1,600)	(2,395)	(439)	-81.7%	-72.6%	(60,482)	(28,920)	-52.2%
Depreciation and amortization	8,194	8,921	9,231	3.5%	12.7%	24,823	26,709	7.6%
EBITDA	35,528	19,221	40,078	108.5%	12.8%	106,919	72,570	-32.1%
EBITDA Margin	14.4%	9.8%	16.0%	0.63	0.11	20.0%	11.8%	(0.41)
EBITDA - Adjusted (*)	35,528	19,221	40,078	108.5%	12.8%	32,600	73,525	125.5%
EBITDA Margin - Adjusted (*)	14.4%	9.8%	16.0%	0.63	0.11	6.1%	12.0%	0.97
Total Net Operating Revenue	246,500	196,012	250,554	27.8%	1.6%	535,125	612,507	14.5%

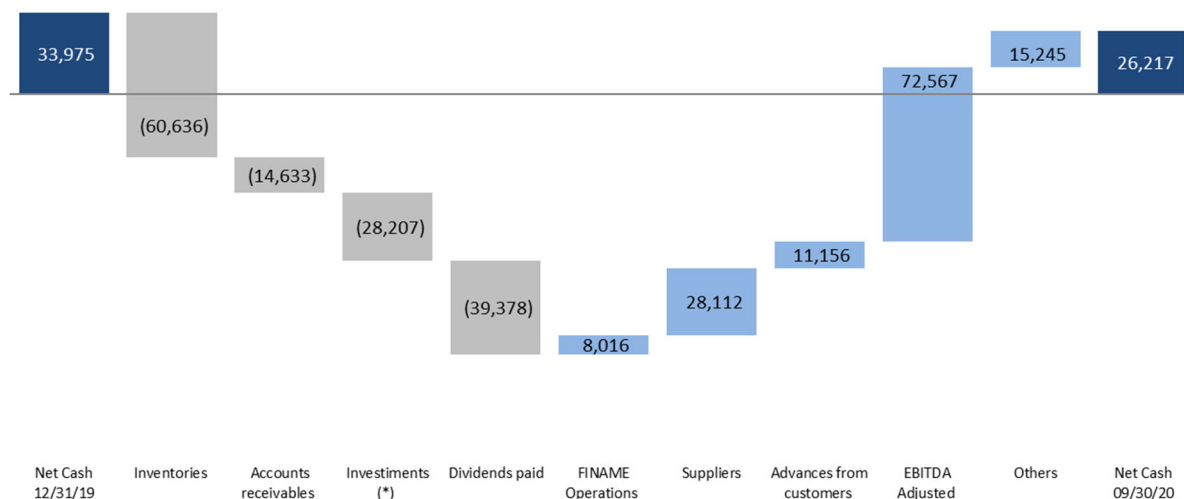
(*) As described in the highlights of this report.

Result for the Period

The result for 3Q20 was positive by R\$ 36.1 million.

Evolution of the Net Cash (Debt) Position

The main variations in the net cash position during 9M20 are described below in R\$'000:



(*) "Investment" balances are net of the impacts recognized in accordance with CPC 06 (R2) Leases, equivalent to the international standard IFRS 16 - Leases.

The evolution of the net cash position in 9M20 presented the following main variations:

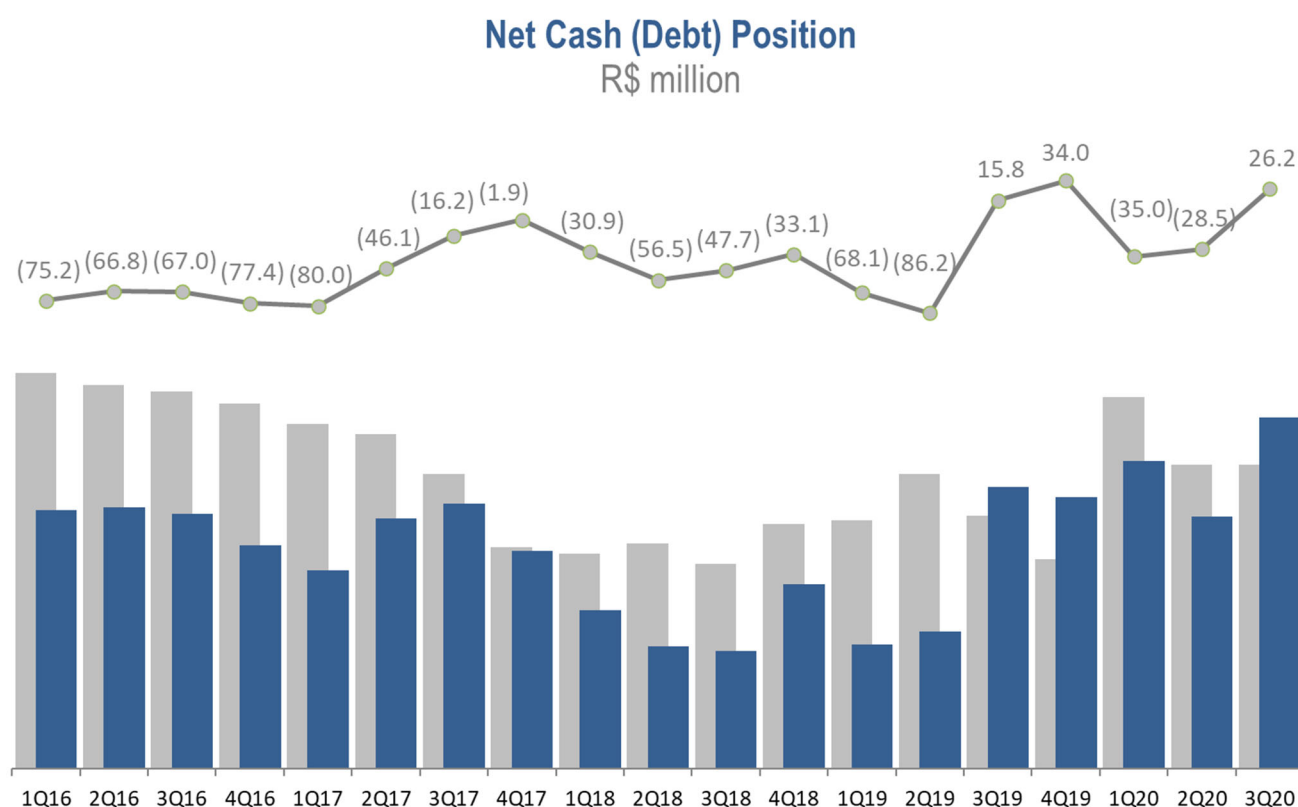
- Increase in inventory level due to higher volume of purchases in order to ensure adequate availability of products for customers and fulfillment of the order backlog, which had a significant growth as compared to December 2019;
- Payment of interest on capital proposed in March and December 2019, paid in January and March 2020, respectively, in the total net amount of R\$ 39.4 million; and
- Investments made in 9M20, most of which were for maintenance, productivity, flexibility and competitiveness for the other units in the industrial facilities, all within the investment plan already scheduled for the year.

Financial Position

Short-term investments are made with prime financial institutions with low credit risk and their yield is mainly pegged to the Interbank Certificate of Deposit (CDI). The consolidated net cash (debt) position as at September 30, 2020 was negative by R\$ 26.2 million.

The Company's borrowings are used mainly in investments in the modernization of the industrial facilities, research and development of new products and financing of exports and imports. As at September 30, 2020, the amount of financing in local currency was R\$ 73.9 million, and in foreign currency, R\$ 92.4 million, totaling R\$ 166.4 million, of which R\$ 123.1 million maturing in up to 12 months.

As at September 30, 2020, the Company recorded 192.6 million as cash and cash equivalents and short-term investments.



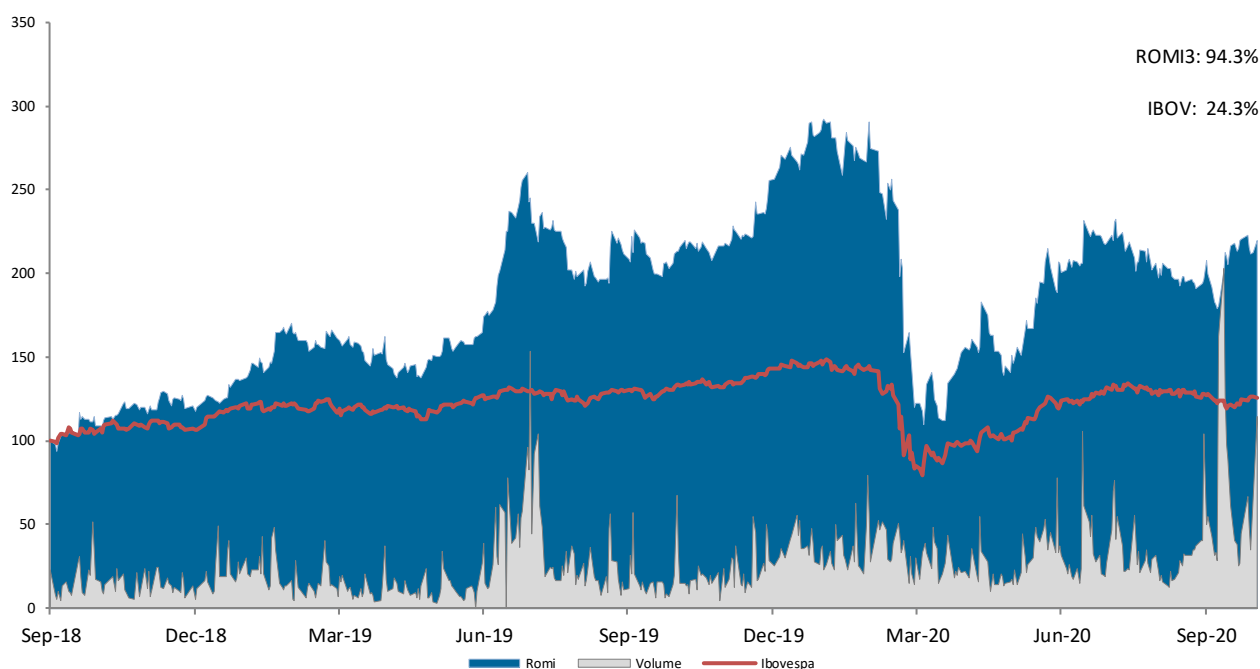
The balances of "Finame Manufacturer Financing" are not used in the calculation of net debt of the Company.

As at September 30, 2020, the Company did not have any derivative transactions.

Capital Market

Share Performance ROMI3 vs. Ibovespa

From 09/28/2018 to 10/19/2020



Source: B3.

On October 19, 2020, the Company's common shares (ROMI3), which were quoted at R\$12.92, posted valuation of -6.8% since September 30, 2019 and 94.3% since September 28, 2018. Ibovespa recorded valuation of -5.8% and 24.3% in the same periods.

The Company's market capitalization on October 19, 2020 was R\$812.1 million. The average daily trading volume during 3Q20 was R\$4.4 million.

Success in Legal Proceedings

“Plano Verão”

On February 22, 2017, the Company obtained a favorable outcome in the proceeding in which the Company was the plaintiff and the Federal Government was the defendant, which claimed for the right to monetarily restate the balance sheet for the calendar year 1989 by reference to the inflation for January and February of that year and to dismiss the inflation indexes of the legislation then in force (Plano Verão). After the final and unappealable decision, the Company measured the amounts arising from the proceeding, and on February 17, 2020, it filed a request with the Federal Revenue Office for authorization related to the inflationary purge on the assets for the purposes of determining the complementary balance of the depreciation and its respective effects on the calculation of income tax and social contribution over the years.

On March 16, 2020, the Federal Revenue Office approved the request regarding this credit, authorizing the Company to utilize it to offset future federal taxes. The Company recognized in the financial statements for 1Q20 the effects from the favorable outcome on the tax proceeding “Plano Verão”, which impacted the result for 1Q20 as follows: (i) EBIT/ EBITDA: decreased by R\$ 955, due to the recognition of expenses on attorney’s fees, in line item “Other operating income (expenses), net”; (ii) finance result: increased by R\$ 25,135, due to the monetary restatement of the original amount of the credits; (iii) income tax and social contribution: increased by R\$ 10,794, regarding the original amount of the credits; and (iv) profit for the period: increased by the impact of the net gain of R\$ 34,974, already including the effects of income tax and social contribution on the gain, which was reduced by the use of the interest on capital proposed in March 2020, as per the Shareholder Notice dated March 17, 2020.

These tax credits are being used for offset against federal taxes, and the estimated offset period will depend on federal taxes generated in the future, which cannot be estimated at this point. The remaining balance is restated by the monetary restatement indexes recognized by the courts.

Eletrobrás Proceedings

In June 2020, the Company became aware, through its lawyers, of the success in a relevant legal proceeding filed by the Company against Centrais Elétricas Brasileiras SA - Eletrobrás, whose object is to obtain the difference in monetary restatement, from 1978 to 1993, in calculations of compulsory loan on electricity.

The amount to be credited to the Company’s bank account, subject to online pledge made in Eletrobrás’ account, net of attorney’s fees, is R\$ 41.3 million before taxes, with an impact on estimated profit for the period of R\$ 30 million.

The defendant, Eletrobrás, still has procedural steps for appeals, which, although in the opinion of the Company's legal counsel are unlikely to be successful, will be subject to appreciation by the courts. Therefore, the Company's management understands that said asset meets the requirements of a contingent asset, therefore, it is not subject to accounting recognition at this time.

At this time, the Company will not estimate the term for the legal proceeding to be concluded and the referred credit amount to be received in its bank account, considering the procedural steps that may vary depending on the action from the opposing party.



Consolidated Balance Sheet

IFRS (R\$ 000)

ASSETS	09/30/19	12/31/19	06/30/20	09/30/20	LIABILITIES AND SHAREHOLDER'S EQUITY			
	823,557	760,182	879,539	938,737	CURRENT	450,524	395,429	491,268
Cash and Cash equivalents	153,621	147,807	137,711	180,472	Loans and financing	113,555	91,649	144,079
Financial investments	676	683	519	12,097	FINAME manufacturer financing	73,800	82,177	97,228
Trade accounts receivable	173,790	140,395	157,429	156,057	Trade accounts payable	63,158	51,451	67,630
Onlending of FINAME manufacturer financing	91,990	97,053	114,768	127,978	Payroll and related taxes	35,690	21,288	29,941
Inventories	366,104	344,878	415,997	405,514	Taxes payables	7,372	15,553	6,512
Recoverable taxes	16,762	15,347	38,001	36,574	Advances from customers	86,334	68,200	77,380
Other receivables	20,614	14,019	15,114	20,045	Related parties	256	1,205	608
Judicial Deposits	2,016	-	-	-	Dividends	47,682	39,523	33,081
					Provision for contingent liabilities	-	806	944
					Other payables	23,677	23,577	33,865
NON CURRENT	244,369	265,282	275,816	288,733	NON CURRENT	201,280	212,930	234,235
Trade accounts receivable	10,233	11,489	10,624	10,460	Loans and financing	24,919	22,866	22,653
Onlending of FINAME manufacturer financing	144,959	166,959	163,997	177,228	FINAME manufacturer financing	138,487	152,786	164,990
Recoverable taxes	53,487	54,401	68,146	63,169	Deferred income and social contribution taxes	31,912	31,630	42,416
Deferred income and social contribution taxes	28,895	24,822	26,169	31,068	Reserve for contingencies	910	454	424
Judicial Deposits	2,016	1,930	1,877	1,887	Other payables	5,052	5,194	3,752
Other receivables	4,779	5,681	5,003	4,921				
Investments					SHAREHOLDER'S EQUITY	754,217	757,284	809,051
Property, Plant and Equipment	265,501	269,235	291,445	310,912	Capital	492,025	492,025	492,025
Investment Properties	18,398	18,181	18,163	18,163	Retained earnings	216,216	219,482	233,845
Intangible assets	55,709	54,361	71,146	74,956	Cumulative translation adjustments	45,976	45,777	83,181
					NON CONTROLLING INTERESTS	1,513	1,598	1,555
					TOTAL SHAREHOLDER'S EQUITY	755,730	758,882	810,606
TOTAL ASSETS	1,407,534	1,367,241	1,536,109	1,631,501	TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	1,407,534	1,367,241	1,536,109
								1,631,501



Consolidated Income Statement

IFRS (R\$ thousand)

	3Q19	2Q20	3Q20	Chg. 3Q20/2Q20	Chg. 3Q20/3Q19	9M19	9M20	Chg. 2020/2019
Net Operating Revenue	246,500	196,012	250,554	27.8%	1.6%	535,125	612,507	14.5%
Cost of Goods Sold	(173,450)	(140,976)	(171,261)	21.5%	-1.3%	(395,218)	(429,895)	8.8%
Gross Profit	73,050	55,036	79,293	44.1%	8.5%	139,907	182,612	30.5%
<i>Gross Margin %</i>	<i>29.6%</i>	<i>28.1%</i>	<i>31.6%</i>			<i>26.1%</i>	<i>29.8%</i>	
Operating revenues (expenses)	(45,716)	(44,736)	(48,446)	8.3%	6.0%	(57,811)	(136,751)	136.5%
Selling expenses	(22,531)	(20,373)	(21,746)	6.7%	-3.5%	(61,969)	(61,200)	-1.2%
Research and development expenses	(5,286)	(5,474)	(5,937)	8.5%	12.3%	(15,794)	(16,481)	4.3%
General and administrative expenses	(16,743)	(17,579)	(18,296)	4.1%	9.3%	(51,467)	(53,068)	3.1%
Management profit sharing and compensation	(1,785)	(2,181)	(3,425)	57.0%	91.9%	(4,838)	(7,586)	56.8%
Other operating income, net	629	871	958	10.0%	52.3%	76,257	1,584	-97.9%
Operating Income (loss) before Financial Results	27,334	10,300	30,847	199.5%	12.9%	82,097	45,861	-44.1%
<i>Operating Margin %</i>	<i>11.1%</i>	<i>5.3%</i>	<i>12.3%</i>			<i>15.3%</i>	<i>7.5%</i>	
Financial Results, Net	1,600	2,395	439	-81.7%	-72.6%	60,483	28,920	-52.2%
Financial income	3,325	2,639	1,099	-58.4%	-66.9%	66,640	31,031	-53.4%
Financial expenses	(1,187)	(2,673)	(3,153)	18.0%	165.6%	(3,496)	(7,968)	127.9%
Exchange gain (loss), net	(538)	2,429	2,493	2.6%	-563.4%	(2,661)	5,857	-320.1%
Operations Operating Income	28,934	12,695	31,286	146.4%	8.1%	142,579	74,781	-47.6%
Income tax and social contribution	(1,043)	(1,336)	4,831	-461.6%	-563.2%	(31,735)	13,512	-142.6%
Net income	27,891	11,359	36,117	218.0%	29.5%	110,844	88,293	-20.3%
<i>Net Margin %</i>	<i>11.3%</i>	<i>5.8%</i>	<i>14.4%</i>			<i>20.7%</i>	<i>14.4%</i>	
Net profit (loss) concerning:								
Controlling interests	27,835	11,320	36,082	218.7%	29.6%	110,683	88,160	-20.3%
Non controlling interests	56	38	35	-7.9%	-37.5%	161	133	-17.4%
	0.0%	0.0%	0.0%					
EBITDA	35,528	19,221	40,078	108.5%	12.8%	106,922	72,570	-32.1%
Profit (loss) for the period	27,891	11,359	36,117	218.0%	29.5%	110,844	88,293	-20.3%
Income tax and social contribution	1,043	1,336	(4,831)	-461.6%	-563.2%	31,735	(13,512)	-142.6%
Financial result, net	(1,600)	(2,395)	(439)	-81.7%	-72.6%	(60,482)	(28,920)	-52.2%
Depreciation and amortization	8,194	8,921	9,231	3.5%	12.7%	24,825	26,709	7.6%
<i>EBITDA Margin %</i>	<i>14.4%</i>	<i>9.8%</i>	<i>16.0%</i>			<i>20.0%</i>	<i>11.8%</i>	
Nº of shares in capital stock (th)	62,858	62,858	62,858	0.0%	0.0%	62,858	62,858	0.0%
Profit (loss) per share - R\$	0.44	0.18	0.57	218.7%	29.6%	1.76	1.40	-20.3%

Consolidated Cash Flow Statement

IFRS (R\$ thousand)

	3Q19	2Q20	3Q20	9M19	9M20
Cash from operating activities					
Net Income before taxation	28.934	12.695	31.286	142.579	74.781
Financial expenses and exchange gain	1	5.440	(33.524)	(58.608)	(52.207)
Depreciation and amortization	8.192	8.922	9.231	24.823	26.710
Allowance for doubtful accounts and other receivables	1.017	806	(939)	(2.150)	945
Proceeds from sale of fixed assets and intangibles	(289)	(375)	(899)	(732)	(2.191)
Provision for inventory realization	(1.744)	3.349	1.977	(1.479)	10.716
Reserve for contingencies	(2.607)	(57)	150	(59.811)	141
Change on operating assets and liabilities					
Financial Investments	(8)	-	-	(187)	-
Trade accounts receivable	(36.672)	(11.672)	20.197	4.238	28.673
Related Parties	-	-	-	-	-
Onlending of Finame manufacturer financing	(16.306)	(4.747)	(25.583)	(23.604)	(41.008)
Inventories	16.306	(13.370)	8.953	(64.077)	(81.463)
Recoverable taxes, net	4.618	(21.604)	1.505	15.753	(36.241)
Judicial deposits	89.291	63	(10)	96.739	43
Other receivables	3.235	27.327	20.950	6.876	48.610
Trade accounts payable	(4.432)	(21.190)	10.660	15.512	23.065
Payroll and related taxes	5.375	10.814	7.588	9.868	16.241
Taxes payable	(780)	(1.906)	14.406	(35.497)	25.033
Advances from customers	258	4.746	1.976	14.868	11.156
Other payables	5.125	10.285	(2.763)	6.235	11.434
Cash provided by (used in) operating activities	99.514	9.526	65.161	91.346	64.438
Income tax and social contribution paid	(296)	(53)	(102)	(3.655)	(303)
Net Cash provided by (used in) operating activities	99.218	9.473	65.059	87.691	64.135
Financial Investments	-	3.137	(11.578)	-	(11.414)
Purchase of fixed assets	(5.699)	(3.351)	(19.207)	(25.766)	(28.874)
Sales of fixed assets	492	633	(1)	1.112	1.737
Purchase of intangible assets	(28)	(447)	(111)	(610)	(774)
Net cash Used in Investing Activities	(21.045)	(28)	(30.897)	(25.264)	(39.325)
Interest on capital paid	(105)	1	(98)	(24.027)	(39.618)
New loans and financing	44.945	180	63.591	95.977	151.800
Payments of loans and financing	(72.160)	(44.779)	(71.241)	(93.468)	(136.874)
Interests paid (including Finame manufacturer financing)	(6.507)	(3.783)	(3.844)	(18.382)	(11.988)
New loans in Finame manufacturer	39.174	29.966	40.598	83.622	111.045
Payment of Finame manufacturer financing	(19.055)	(15.420)	(17.126)	(52.063)	(54.044)
Net Cash provided by (used in) Financing Activities	(13.708)	(33.835)	11.880	(8.341)	20.321
Increase (decrease) in cash and cash equivalents	64.465	(24.390)	46.042	54.086	45.131
Exchange variation changes on cash and cash equivalents abroad	(1.218)	(2.968)	(3.280)	(893)	(12.466)
Cash and cash equivalents - beginning of period	74.564	165.069	137.710	100.428	147.807
Cash and cash equivalents - end of period	153.621	137.711	180.472	153.621	180.472

Attachment I – Income Statement by Business Unit

Income Statement by Business Units - 3Q20

R\$ 000	Romi Machines	Burkhardt + Weber Machines	Rough and Machined Cast Iron Parts	Total
Net Operating Revenue	126,823	46,672	77,059	250,554
Cost of Sales and Services	(63,133)	(41,304)	(66,824)	(171,261)
Business Units Transfers	410	-	6,742	7,152
Business Units Transfers	(6,742)	-	(410)	(7,152)
Gross Profit	57,358	5,368	16,567	79,293
<i>Gross Margin %</i>	<i>45.2%</i>	<i>11.5%</i>	<i>21.5%</i>	<i>31.6%</i>
Operating Expenses	(28,617)	(10,332)	(9,497)	(48,446)
Selling	(17,897)	(2,477)	(1,372)	(21,746)
General and Administrative	(5,971)	(7,855)	(4,470)	(18,296)
Research and Development	(4,346)	-	(1,591)	(5,937)
Management profit sharing	(1,361)	-	(2,064)	(3,425)
Other operating revenue	958	-	-	958
Operating Income (loss) before Financial Results	28,741	(4,964)	7,070	30,847
<i>Operating Margin %</i>	<i>22.7%</i>	<i>-10.6%</i>	<i>9.2%</i>	<i>12.3%</i>
Operating loss before Financial Results - Adjusted (*)	28,741	(4,964)	7,070	30,847
<i>Operating Margin % - Adjusted (*)</i>	<i>22.7%</i>	<i>-10.6%</i>	<i>9.2%</i>	<i>12.3%</i>
Depreciation and amortization	3,413	3,009	2,810	9,232
EBITDA	32,154	(1,955)	9,880	40,079
<i>EBITDA Margin %</i>	<i>25.4%</i>	<i>-4.2%</i>	<i>12.8%</i>	<i>16.0%</i>
EBITDA - Adjusted (*)	32,154	(1,955)	9,880	40,079
<i>EBITDA Margin % - Adjusted (*)</i>	<i>25.4%</i>	<i>-4.2%</i>	<i>12.8%</i>	<i>16.0%</i>

Income Statement by Business Units - 3Q19

R\$ 000	Romi Machines	Burkhardt + Weber Machines	Raw and Machined Cast Iron Parts	Total
Net Operating Revenue	112,824	89,607	44,069	246,500
Cost of Sales and Services	(60,360)	(67,996)	(45,094)	(173,450)
Business Units Transfers	613	-	7,266	7,879
Business Units Transfers	(7,266)	-	(613)	(7,879)
Gross Profit	45,811	21,611	5,628	73,050
<i>Gross Margin %</i>	<i>40.6%</i>	<i>24.1%</i>	<i>12.8%</i>	<i>29.6%</i>
Operating Expenses	(27,319)	(12,354)	(6,043)	(45,716)
Selling	(15,260)	(5,722)	(1,549)	(22,531)
General and Administrative	(7,133)	(6,632)	(2,978)	(16,743)
Research and Development	(4,451)	-	(835)	(5,286)
Management profit sharing	(1,104)	-	(681)	(1,785)
Other operating revenue	628	-	-	628
Operating Income (loss) before Financial Results	18,491	9,257	(415)	27,333
<i>Operating Margin %</i>	<i>16.4%</i>	<i>10.3%</i>	<i>-0.9%</i>	<i>11.1%</i>
Depreciation and amortization	2,886	2,207	3,101	8,194
EBITDA	21,377	11,464	2,686	35,527
<i>EBITDA Margin %</i>	<i>18.9%</i>	<i>12.8%</i>	<i>6.1%</i>	<i>14.4%</i>

Income Statement by Business Units - 9M20

R\$ 000	Machines	Burkhardt + Weber	Raw and Machined Cast Iron Parts	Total
Net Operating Revenue	285,578	153,460	173,470	612,508
Cost of Sales and Services	(144,724)	(128,777)	(156,394)	(429,895)
Business Units Transfers	960	-	16,842	17,802
Business Units Transfers	(16,842)	-	(960)	(17,802)
Gross Profit	124,972	24,683	32,958	182,613
<i>Gross Margin %</i>	<i>43.8%</i>	<i>16.1%</i>	<i>19.0%</i>	<i>29.8%</i>
Operating Expenses	(83,003)	(31,836)	(21,911)	(136,750)
Selling	(47,506)	(10,469)	(3,225)	(61,200)
General and Administrative	(20,798)	(21,367)	(10,903)	(53,068)
Research and Development	(12,581)	-	(3,900)	(16,481)
Management profit sharing	(3,703)	-	(3,883)	(7,586)
Other operating revenue	1,585	-	-	1,585
Operating Income before Financial Results	41,969	(7,153)	11,047	45,863
<i>Operating Margin %</i>	<i>14.7%</i>	<i>-4.7%</i>	<i>6.4%</i>	<i>7.5%</i>
Operating loss before Financial Results - Adjusted (*)	42,924	(7,153)	11,047	46,818
<i>Operating Margin % - Adjusted (*)</i>	<i>15.0%</i>	<i>-4.7%</i>	<i>6.4%</i>	<i>7.6%</i>
Depreciation and amortization	9,576	8,260	8,874	26,710
EBITDA	51,545	1,107	19,921	72,573
<i>EBITDA Margin %</i>	<i>18.0%</i>	<i>0.7%</i>	<i>11.5%</i>	<i>11.8%</i>
EBITDA - Adjusted (*)	52,496	1,107	19,921	73,524
<i>EBITDA Margin % - Adjusted (*)</i>	<i>18.4%</i>	<i>0.7%</i>	<i>11.5%</i>	<i>12.0%</i>

Income Statement by Business Units - 9M19

R\$ 000	Machines	Burkhardt + Weber	Raw and Machined Cast Iron Parts	Total
Net Operating Revenue	261,481	159,731	113,913	535,125
Cost of Sales and Services	(135,078)	(134,850)	(125,290)	(395,218)
Business Units Transfers	1,881	-	21,682	23,563
Business Units Transfers	(21,682)	-	(1,881)	(23,563)
Gross Profit	106,602	24,881	8,424	139,907
<i>Gross Margin %</i>	<i>40.8%</i>	<i>15.6%</i>	<i>7.4%</i>	<i>26.1%</i>
Operating Expenses	(32,051)	(30,196)	4,436	(57,811)
Selling	(46,505)	(11,296)	(4,168)	(61,969)
General and Administrative	(24,607)	(18,900)	(7,960)	(51,467)
Research and Development	(13,158)	-	(2,636)	(15,794)
Management profit sharing	(3,228)	-	(1,610)	(4,838)
Other operating revenue	55,447	-	20,810	76,257
Operating Income (loss) before Financial Results	74,551	(5,315)	12,860	82,096
<i>Operating Margin %</i>	<i>28.5%</i>	<i>-3.3%</i>	<i>11.3%</i>	<i>15.3%</i>
Operating loss before Financial Results - Adjusted (*)	21,040	(5,315)	(7,950)	7,775
<i>Operating Margin % - Adjusted (*)</i>	<i>8.0%</i>	<i>-3.3%</i>	<i>-7.0%</i>	<i>1.5%</i>
Depreciation and amortization	8,541	7,016	9,266	24,823
EBITDA	83,092	1,701	22,126	106,919
<i>EBITDA Margin %</i>	<i>31.8%</i>	<i>1.1%</i>	<i>19.4%</i>	<i>20.0%</i>
EBITDA - Adjusted (*)	29,583	1,701	1,316	32,600
<i>EBITDA Margin % - Adjusted (*)</i>	<i>11.3%</i>	<i>1.1%</i>	<i>1.2%</i>	<i>6.1%</i>

Attachment II - Financial Statements of B+W

Balance Sheet B+W

	(€ 000)			
ASSETS	09/30/19	12/31/19	06/30/20	09/30/20
CURRENT	31,267	25,314	23,039	20,290
Cash and Cash equivalents	1	2,813	169	640
Trade accounts receivable	14,712	7,928	7,737	5,330
Inventories	14,355	13,371	13,856	13,031
Recoverable taxes	858	541	362	254
Deferred income and social contribution taxes	504	275	406	599
Related Parties	232	104	23	13
Other receivables	606	282	486	424
Investments				
Property, plant and equipment	14,233	14,032	13,539	13,309
Investment in subsidiaries	59	-	-	-
Intangible assets	12,121	11,870	11,387	11,174
TOTAL ASSETS	57,680	51,216	47,965	44,774
LIABILITIES AND SHAREHOLDER'S EQUITY	09/30/19	12/31/19	06/30/20	09/30/20
CURRENT	27,312	20,598	18,242	12,516
Loans and financing	2,948	1,749	1,953	(0)
Trade accounts payable	4,227	2,916	2,812	1,186
Payroll and related taxes	1,477	922	1,348	1,201
Taxes payable	1,042	788	156	133
Advances from customers	14,249	11,594	8,878	7,148
Other payables	2,247	2,176	2,196	2,221
Related Parties	1,120	453	900	627
NON CURRENT	6,534	6,400	6,172	9,358
Loans and financing	2,164	2,075	1,937	5,167
Deferred income and social contribution taxes	4,369	4,325	4,235	4,190
SHAREHOLDER'S EQUITY	23,835	24,218	23,551	22,900
Capital	7,025	7,025	7,025	7,025
Capital reserve	505	505	505	505
Profit reserve	16,305	16,688	16,021	15,370
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	57,680	51,216	47,965	44,774

B+W Income Statement

	(€ 000)				
	3Q19	2Q20	3Q20	9M19	9M20
Net Operating Revenue	20.216	11.701	7.356	36.219	26.336
Cost of Goods Sold	(15.349)	(9.573)	(6.506)	(30.647)	(22.158)
Gross Profit	4.867	2.128	850	5.572	4.178
<i>Gross Margin %</i>	<i>24,1%</i>	<i>18,2%</i>	<i>11,6%</i>	<i>15,4%</i>	<i>15,9%</i>
Operating Expenses	(2.790)	(2.010)	(1.643)	(6.901)	(5.593)
Selling expenses	(1.287)	(797)	(392)	(2.571)	(1.837)
General and administrative expenses	(1.503)	(1.213)	(1.251)	(4.330)	(3.756)
Operating Income before Financial Results	2.077	118	(793)	(1.329)	(1.415)
<i>Operating Margin %</i>	<i>10,3%</i>	<i>1,0%</i>	<i>-10,8%</i>	<i>-3,7%</i>	<i>-5,4%</i>
Financial Results, Net	(83)	(170)	(241)	(280)	(504)
Operations Operating Income	1.994	(52)	(1.034)	(1.609)	(1.919)
Income tax and social contribution	(608)	(36)	192	418	323
Net income	1.386	(88)	(842)	(1.191)	(1.596)
<i>Net Margin %</i>	<i>6,9%</i>	<i>-0,8%</i>	<i>-11,4%</i>	<i>-3,3%</i>	<i>-6,1%</i>
EBITDA	2.551	564	(329)	319	(67)
Net income / loss for the period	1.386	(88)	(842)	(1.191)	(1.596)
Income tax and social contribution	608	36	(192)	(418)	(323)
Financial income, net	83	170	241	280	504
Depreciation and amortization	474	446	464	1.648	1.348
<i>EBITDA Margin %</i>	<i>12,6%</i>	<i>4,8%</i>	<i>-4,5%</i>	<i>0,9%</i>	<i>-0,3%</i>

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