

# 4Q20 Earnings Release

February 9, 2021



## December 31, 2020

**Share price at 02/08/2021**  
ROMI3 – R\$18.25 per share

**Market value**  
R\$1,338,3 million  
US\$249,2 million

**Number of shares**  
Common: 73,333,922  
Total: 73,333,922

**Free float = 50.8%**

**Earnings Conference Call in Portuguese**  
February 10, 2020 | 11:00 a.m. (São Paulo)

[https://us02web.zoom.us/webinar/register/WN\\_oeaVe\\_uPTWWVMsNQGfJejQ](https://us02web.zoom.us/webinar/register/WN_oeaVe_uPTWWVMsNQGfJejQ)  
ID Zoom: 884 9780 6096

**Earnings Conference Call in English**  
February 10, 2021  
11:00 a.m. (São Paulo) | 2 p.m. (London) | 9 a.m. (New York)  
<https://us02web.zoom.us/j/kBoLrNCVm>

**Santa Bárbara d'Oeste – São Paulo, December 30**

Indústrias Romi S.A. ("Romi" or "Company") (B3 ticker symbol: ROMI3), domestic market leader in the manufacture of Machine Tools and Plastic Processing Machines, as well as an important producer of Rough and Machined Cast Iron Parts, announces its results for the fourth quarter of 2020 ("4Q20"). Except where otherwise stated, the Company's operating and financial information is presented on a consolidated basis, in accordance with the 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, the economic situation in Brazil, the industry and international markets. Therefore, they are subject to changes.*

**Investor Relations Contact**

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## Highlights

**Record revenue of R\$ 360.6 million in 4Q20 (56.5% increase over 4Q19); incoming orders of R\$ 390.1 million in 4Q20 (110.6% increase over 4Q19); 2021 started with an order backlog of R\$ 510 million (67.2% increase over 2019)**

- At the Romi Machines Unit, net operating revenue increased by 37.1% in 4Q20 compared to 4Q19, due to the resumption of orders from June 2020. The increase in revenue, coupled with a reduction in operating expenses, resulted in a 10.1 p.p. expansion in operating margin compared to 4Q19;
- At the Rough and Machined Cast Iron Parts Unit, net operating revenue increased by 102.3% compared to 4Q19, driven by deliveries of large parts and the recovery of the other segments. Operating margin grew by 8.2 p.p., reflecting the higher production volume, improved operational efficiency and higher revenues;
- Incoming orders at the Romi Machines Unit increased by 87.5% in 4Q20 compared to 4Q19, reflecting the highly favorable environment for investments and the new business alternatives, such as the machine rental business;
- In 4Q20, incoming orders at the Rough and Machined Cast Iron Parts Unit increased 75.7% compared to 4Q19, reflecting orders for large parts placed by customers from the energy industry and the gradual recovery of all the other industrial segments;
- In 4Q20, incoming orders at the Burkhardt+Weber Unit reached R\$ 99.3 million, an increase of 264.6% compared to 4Q19, reflecting the resumption of business in Asia;
- At the end of the fourth quarter of 2020, the Company's order backlog grew by 67.2% in comparison to December 31, 2019;
- Inclusion in the indexes: IBRA (Brazil Broad Index), IDIV (Dividend Index), SMLL (Small Cap Index) and IGCT (Trade Corporate Governance Index); and
- As at December 31, 2020, the Company's net cash totaled R\$110.5 million.

R\$'000	Quarterly					Accumulated		
	4Q19	3Q20	4Q20	Chg. 4Q20/3Q20	Chg. 4Q20/4Q19	2019	2020	Chg. 2020/2019
<b>Revenues Volume</b>								
<b>Romi Machines (units)</b>	248	230	329	43.0%	32.7%	799	860	7.6%
<b>Burkhardt + Weber (units)</b>	7	2	7	250.0%	0.0%	29	17	-41.4%
<b>Rough and Machined Cast Iron Parts (tons)</b>	3,605	7,056	6,528	-7.5%	81.1%	15,294	21,943	43.5%
<b>Net Operating Revenue</b>	<b>230,381</b>	<b>250,554</b>	<b>360,643</b>	<b>43.9%</b>	<b>56.5%</b>	<b>765,506</b>	<b>973,150</b>	<b>27.1%</b>
<i>Gross margin (%)</i>	29.9%	31.6%	32.2%			27.3%	30.7%	
<b>Operating Income (EBIT)</b>	<b>22,397</b>	<b>30,847</b>	<b>61,007</b>	<b>97.8%</b>	<b>172.4%</b>	<b>104,494</b>	<b>106,868</b>	<b>2.3%</b>
<i>Operating margin (%)</i>	9.7%	12.3%	16.9%			13.7%	11.0%	
<b>Operating Income (EBIT) - adjusted (*)</b>	<b>22,397</b>	<b>30,847</b>	<b>59,336</b>	<b>92.4%</b>	<b>164.9%</b>	<b>30,173</b>	<b>106,152</b>	<b>251.8%</b>
<i>Operating margin (%) - adjusted (*)</i>	9.7%	12.3%	16.5%			3.9%	10.9%	
<b>Net Income</b>	<b>19,066</b>	<b>36,117</b>	<b>86,406</b>	<b>139.2%</b>	<b>353.2%</b>	<b>129,910</b>	<b>174,699</b>	<b>34.5%</b>
<i>Net margin (%)</i>	8.3%	14.4%	24.0%			17.0%	18.0%	
<b>Net Income - adjusted (*)</b>	<b>19,066</b>	<b>36,117</b>	<b>48,974</b>	<b>35.6%</b>	<b>156.9%</b>	<b>28,520</b>	<b>101,323</b>	<b>255.3%</b>
<i>Net margin (%) - adjusted (*)</i>	8.3%	14.4%	13.6%			3.7%	10.4%	
<b>EBITDA</b>	<b>31,123</b>	<b>40,078</b>	<b>71,115</b>	<b>77.4%</b>	<b>128.5%</b>	<b>138,043</b>	<b>143,715</b>	<b>4.1%</b>
<i>EBITDA margin (%)</i>	13.5%	16.0%	19.7%			18.0%	14.8%	
<b>EBITDA - adjusted (*)</b>	<b>31,123</b>	<b>40,078</b>	<b>69,444</b>	<b>73.3%</b>	<b>123.1%</b>	<b>63,722</b>	<b>142,969</b>	<b>124.4%</b>
<i>EBITDA margin (%) - adjusted (*)</i>	13.5%	16.0%	19.3%			8.3%	14.7%	
<b>Investments (**)</b>	<b>10,339</b>	<b>18,540</b>	<b>15,861</b>	<b>-14.4%</b>	<b>53.4%</b>	<b>29,113</b>	<b>44,068</b>	<b>51.4%</b>

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

(\*) 2019: As described in the "Success in Legal Proceedings" section of the 4Q19 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). These 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) profit 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 favorable outcome in the tax proceeding referred to as "Plano Verão" (Summer Plan), recognized in the financial statements for 2Q18. As a result of this review, the result for 2Q19 was impacted (reduced) by R\$ 4,174 thousand, already considering the effects of income tax and social contribution.

(\*) 4Q20: As described in the "Legal Proceedings (Eletróbrás)" section of this report, the Company recognized in the financial statements for 4Q20 the effects of the favorable final decision in the tax proceeding filed against Eletróbrás, which impacted the result for this quarter as follows: (i) EBIT/EBITDA: increased by R\$ 1.7 million, due to the recognition of a gain relating to the amount of the proceeding, net of expenses incurred with legal fees, under "Other operating income (expenses), net"; (ii) finance income (costs): increased by R\$ 37.5 million, due to the restatement of the original amounts of the credits; and (iii) profit for the period: increased by the impact of the net gain of R\$ 38.4 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 December 2020, as per the Shareholders Notice dated December 8, 2020.

(\*) 2020: As described in the "Legal Proceedings (Plano Verão and Eletróbrás)" section of this report, the Company recognized in the financial statements for 4Q20 and 1Q20 the effects of the favorable final decision in the tax proceedings ("Plano Verão" and "Eletróbrás"), which impacted the result for this quarter as follows: (i) EBIT/EBITDA: increased by R\$ 0.7 million, due to the recognition of a gain relating to the amount of the Eletróbrás proceeding, net of costs incurred with legal fees, under "Other operating income (expenses), net"; (ii) finance income (costs): increased by R\$ 62.6 million, due to the restatement of the original amounts of the credits; (iii) Income Tax and social contribution: increased by a gain of R\$ 10.8 million, relating to the original amount of the credits related to Plano Verão; and (iv) profit for the period: increased by the impact of the net gain of R\$ 73.4 million, already considering the effects of Income Tax and social contribution on the gain, which were reduced by using the interest on capital proposed in April and December 2020, as per the Shareholders Notices dated March 17, 2020 and December 8, 2020.

(\*\*) of the investments made during 2020, R\$ 22.3 million refers to machines manufactured by the Company that were allocated to the machinery rental business, a new solution launched earlier in the 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" segment, 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, either in raw or machined form. The Company's cutting-edge products and services, which feature Industry 4.0 technologies, enable the smart use of the data generated, whether through built-in artificial intelligence or through the transfer of big data over the networks (connectivity) to a central analysis site. The Company's equipment is sold all globally and used by a number of industrial segments, such as the agricultural machinery, capital goods, consumer goods, packaging, tooling, hydraulic equipment, sanitation, automotive 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 a unit for assembly of electronic panels. Of these, eleven are located in Brazil and two in Germany. The Company has an installed production capacity of approximately 2,900 industrial machines and 50,000 thousand metric tons of castings per year.

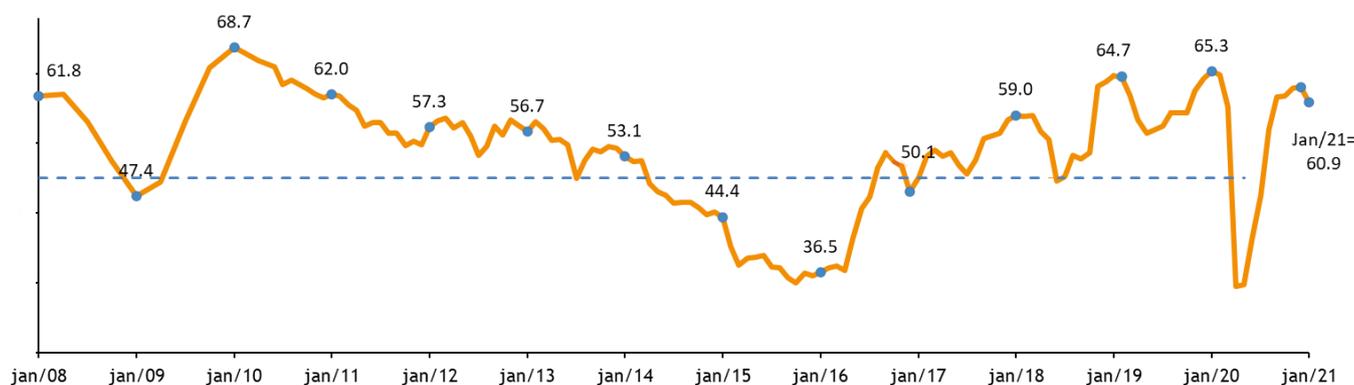
## Current Economic Scenario

The year 2020 was marked by high volatility, but, from June, there was a significant resumption in the volume of business, as may be evidenced by the volume of incoming orders for Romi machines. The lower interest rates and the depreciation of the Brazilian currency stimulated the domestic industry and Brazil in general to allocate a larger share of capital to the productive economy, seeking increased productivity and the preservation of competitiveness. In view of the more concrete signs of a rebound in the economy, the Company made sure it was prepared for it by confirming orders with suppliers of raw materials and parts, which guaranteed the availability of products. As a result of this decision, the Company was able to take advantage of a considerable number of opportunities, which even surpassed its expectations, delivering the orders within the deadlines initially agreed upon with its customers. Romi is prepared to continue to support its customers by providing high-technology products, within deadlines suitable for the market's needs.

In the foreign market, we have also noted a gradual resumption of machine orders, for machines produced by both Romi and by B+W, and the latter already completed major orders in 4Q20, as may be seen in the incoming orders reported for this period. These orders reflect the growing number of opportunities, particularly in Asia, as commented on throughout the third quarter of this year.

The Industrial Entrepreneur Confidence Index (ICEI) also shows a strong recovery of confidence throughout the second half of 2020, and in the later months of the year this index remained stable at a level considered highly favorable for new investments.

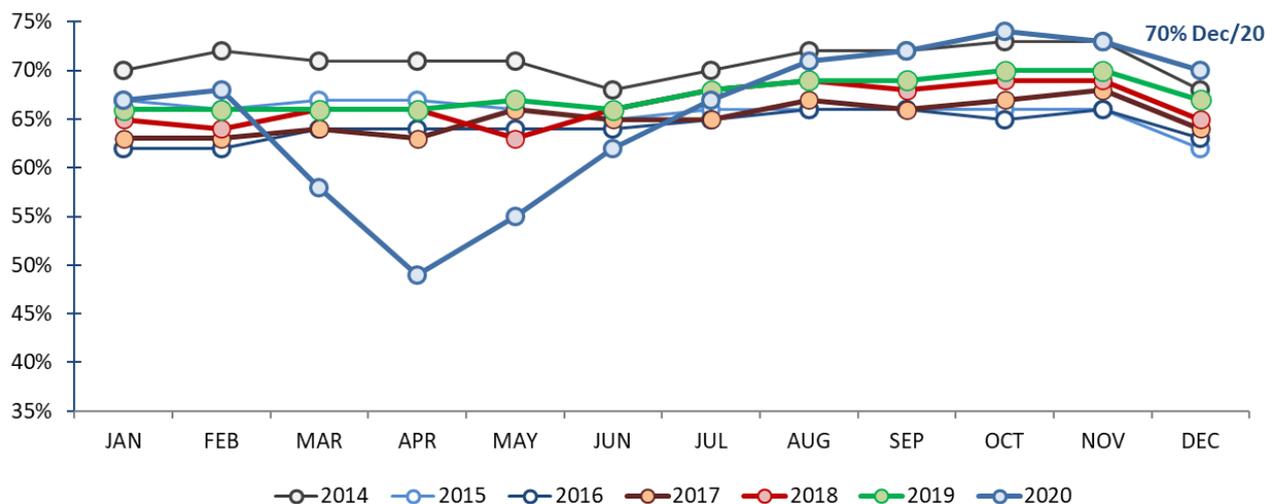
### Industrial Entrepreneur Confidence Index - ICEI



Source: CNI - ICEI, January 2021

The Installed Capacity Utilization (UCI) index of the domestic industry in general, released by the National Confederation of Industries (CNI), which had been impacted by the effects of the pandemic, returned to its normal levels in August 2020, and over the last months reached the same level as in 2014, which is the highest level reported by the Company to present.

### Average Installed Capacity Utilization (UCI)



Source: CNI - UCI, December 2020

However, due to the current scenario of uncertainty and high volatility, Romi continues to implement actions to streamline its structure and render the planning and manufacturing process even more agile and flexible to quickly respond to fluctuations in demand. Over the past few years, we have made several optimizations, especially in indirect structures. We reinforced the focus on cost and expense reduction projects, as well as on investments in automation and productivity, aimed at increasing profitability, which can be noted since 2017. Strategically, we have defined the development of new product generations as a priority, and have advanced significantly in terms of technological content, and the first lines launched in 2018 and 2019 are already a success both in the domestic and foreign markets. This gives us great confidence that we are well prepared to keep seizing the opportunities arising from the rebound in the domestic and foreign economies.

## Market

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

### Incoming Orders

Order Entry (R\$ 000)	4Q19	3Q20	4Q20	Chg. 4Q20/3Q20	Chg. 4Q20/4Q19	2019	2020	Chg. 20/19
<b>Gross Values, sales taxes included</b>								
Romi Machines	111,184	223,189	208,471	-6.6%	87.5%	392,077	628,608	60.3%
Burkhardt+Weber Machines	27,249	6,012	99,346	1552.5%	264.6%	137,517	125,541	-8.7%
Rough and Machined Cast Iron Parts	46,820	84,236	82,250	-2.4%	75.7%	210,232	319,197	51.8%
<b>Total *</b>	<b>185,253</b>	<b>313,436</b>	<b>390,067</b>	<b>24.4%</b>	<b>110.6%</b>	<b>739,826</b>	<b>1,073,345</b>	<b>45.1%</b>

\* The amounts reported for incoming orders and order backlog do not include parts and services.

Even amidst an environment of lingering uncertainty, the recovery of industrial activities, the higher industrial entrepreneur confidence, the lower interest rate and the depreciation of the Brazilian currency drove an increase in the volume of incoming orders at the Romi Machine Unit in 4Q20, which grew by 87.5% compared to 4Q19. In addition to the new generations of products previously commented on, the Company has been seeking alternatives to offer new business to its customers, such as machine rental, and these initiatives have been yielding good results. At the German subsidiary B+W, the volume of incoming orders increased by 264.6% over 4Q19, as a result of business opportunities brought to fruition, especially in Asia.

In 4Q20, the Rough and Machined Cast Iron Parts Unit posted a 75.7% increase in incoming orders when compared to 4Q19, demonstrating not only the continuity of the business of production of large castings for the energy industry, but also a recovery of the other segments served by this business unit.

### Order Backlog

Order Backlog (R\$ 000)	4Q19	3Q20	4Q20	Chg. 4Q20/3Q20	Chg. 4Q20/4Q19
<b>Gross Values, sales taxes included</b>					
Romi Machines	93,276	255,346	254,213	-0.4%	172.5%
Burkhardt+Weber Machines	138,470	89,526	126,200	41.0%	-8.9%
Rough and Machined Cast Iron Parts	73,207	127,262	129,612	1.8%	77.0%
<b>Total *</b>	<b>304,952</b>	<b>472,134</b>	<b>510,024</b>	<b>8.0%</b>	<b>67.2%</b>

\* The amounts reported for incoming orders and order backlog do not include parts and services.

At the end of the fourth quarter of 2020, the order backlog grew by 67.2% compared to the same period in 2019. This growth is related to the higher volume of business experienced by Romi Machines in the domestic market, where we noticed an important resumption of investments as from June 2020, as well as to the orders completed by the German subsidiary B+W in 4Q20. At the Rough and Machined Cast

Iron Parts Unit, the agricultural, commercial vehicle and construction markets have been recently showing signs of recovery. In addition, the heavy parts market 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 4Q20 reached R\$ 360.6 million, 56.5% higher than in 4Q19. In 2020, there was a growth of 27.1%, and the Machine Unit and the Rough and Machined Cast Iron Parts Unit were the highlights in both comparative periods.

Net Operating Revenue (R\$ 000)	Quarterly					Accumulated		
	4Q19	3Q20	4Q20	Chg. 4Q20/3Q20	Chg. 4Q20/4Q19	2019	2020	Chg. 20/19
Romi Machines	129,313	126,823	177,300	39.8%	37.1%	390,794	462,876	18.4%
Burkhardt+Weber Machines	63,707	46,672	107,761	130.9%	69.2%	223,438	261,222	16.9%
Rough and Machined Cast Iron Parts	37,361	77,059	75,582	-1.9%	102.3%	151,274	249,052	64.6%
<b>Total</b>	<b>230,381</b>	<b>250,554</b>	<b>360,643</b>	<b>43.9%</b>	<b>56.5%</b>	<b>765,506</b>	<b>973,150</b>	<b>27.1%</b>

#### Romi Machines

The net operating revenue of the Romi Machines Unit reached R\$ 177.3 million in 4Q20, an increase of 37.1% compared to 4Q19, reflecting the resumption of orders from June 2020. Even amidst the pandemic, most of the machines were properly manufactured and delivered to our customers within the agreed-upon deadlines.

#### Burkhardt + Weber Machines

In 4Q20, the revenue of the German subsidiary B+W, in reais, was 69.2% higher than in 4Q19, and 21.1% higher when expressed in euros. This growth stems from the higher concentration of machine deliveries in the fourth quarter of 2020.

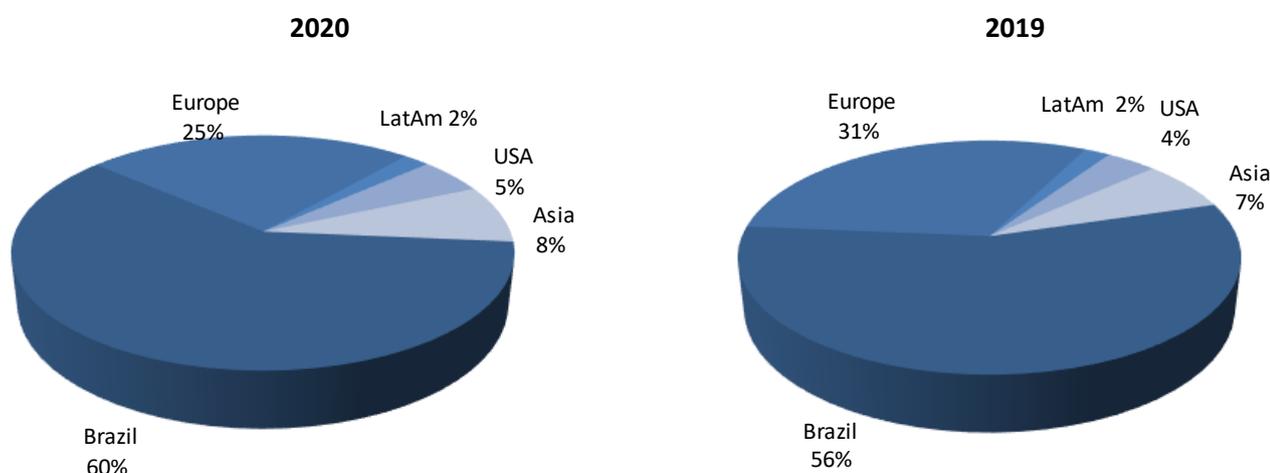
#### Rough and Machined Cast Iron Parts

The net operating revenue of this Business Unit totaled R\$ 75.6 million in 4Q20, up 102.3% over 4Q19, due to the continuity of business related to large rough and machined cast iron parts for the energy sector and the recovery of the other segments served by this unit.

### Net Operating Revenue by Geographical Region

The domestic market accounted for 60% of Romi's consolidated revenue in 2020 (56% in 2019). Considering the revenue from 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 breakdown of Romi's consolidated revenue by geographical region was as follows:



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

Foreign Sales	Quarterly					Accumulated		
	4Q19	3Q20	4Q20	Chg. 4Q20/3Q20	Chg. 4Q20/4Q19	2019	2020	Chg. 1H19/1H18
Net Sales (R\$ million)	100.1	79.7	151.9	90.6%	51.7%	342.5	393.2	14.8%
Net Sales (US\$ million)	24.5	14.7	28.0	90.5%	14.3%	86.0	74.3	-13.7%

In the foreign market, Europe decreased its share of consolidated revenue in 2020 from 31% to 25%, due to the fact that the projects delivered by the German subsidiary B+W were more concentrated on Asia. Latin America maintained its share, mainly in South America. The US showed a slight increase in its share, reflecting the increase in the sales of B+W in this country.

### Adjusted Gross and Operating Margins

The gross and operating margins presented below have been adjusted to reflect the gains from the “Summer Plan” and “Eletrobrás” legal proceedings described in this report, to provide a more objective view of the results of our regular and recurring operations. The gross margin obtained in 4Q20 was 32.2%, an increase of 2.3 p.p. compared to 4Q19. The adjusted operating margin (adjusted EBIT) increased by 6.8 p.p. in the same period. The higher volume of revenues, combined with the control over operating expenses, resulted in this growth in operating margins.

Gross Margin	Quarterly					Accumulated		
	4Q19	3Q20	4Q20	Chg. p.p. 4Q20/3Q20	Chg. p.p. 4Q20/4Q19	2019	2020	Chg. pp 2020/2019
Romi Machines	37.6%	45.2%	41.0%	(4.2)	3.4	39.7%	42.7%	3.0
Burkhardt+Weber Machines	22.9%	11.5%	24.7%	13.2	1.8	17.7%	19.6%	1.9
Rough and Machined Cast Iron Parts	15.0%	21.5%	22.5%	1.0	7.5	9.3%	20.1%	10.8
<b>Total</b>	<b>29.9%</b>	<b>31.6%</b>	<b>32.2%</b>	<b>0.6</b>	<b>2.3</b>	<b>27.3%</b>	<b>30.7%</b>	<b>3.4</b>

EBIT Margin - Adjusted	Quarterly					Accumulated		
	4Q19	3Q20	4Q20	Chg. p.p. 4Q20/3Q20	Chg. p.p. 4Q20/4Q19	2019	2020	Chg. pp 2020/2019
Romi Machines	14.7%	22.7%	24.8%	2.1	10.1	10.2%	18.8%	8.6
Burkhardt+Weber Machines	5.5%	-10.6%	8.6%	19.2	3.1	-0.8%	0.8%	1.6
Rough and Machined Cast Iron Parts	-0.2%	9.2%	8.0%	(1.2)	8.2	-5.3%	6.9%	12.2
<b>Total</b>	<b>9.7%</b>	<b>12.3%</b>	<b>16.5%</b>	<b>4.2</b>	<b>6.8</b>	<b>3.9%</b>	<b>10.9%</b>	<b>7.0</b>

(\*) Adjusted by the impacts of the “Summer Plan” and “Eletrobrás” legal proceedings described in the “Legal Proceedings” section of this report.

### Romi Machines

In 4Q20, the gross margin of this Business Unit increased by 3.4 p.p. compared to 4Q19 as a result of the higher volume of revenue and increased product mix, which, coupled with the effective control over operating expenses, resulted in an expansion of 10.1 p.p. in adjusted operating margin (adjusted EBIT) in 4Q20 compared to the same quarter in 2019.

### Burkhardt + Weber Machines

The gross margin and the operating margin of this business unit in 4Q20 increased by 1.8 p.p. and 3.1 p.p., respectively, when compared to 4Q19. The improvement in gross margin reflects the projects aimed at improving profitability, as well as the more effective pricing model and higher operational efficiency, which, combined with the lower operating expenses, resulted in a 3.1 p.p. expansion in operating margin.

### Rough and Machined Cast Iron Parts

In 4Q20, the gross margin of this Business Unit grew by 7.5 p.p. compared to 4Q19, and its adjusted operating margin (adjusted EBIT) grew by 8.2 p.p. on the same basis of comparison. This growth was due to the higher volume of revenues and production in 4Q20, reflecting the deliveries of large castings and machined parts, the recovery of the other manufacturing segments, and the projects focused on increasing productivity and operational efficiency.

### EBITDA and EBITDA Margin

In 4Q20, the operating cash generation as measured by EBITDA amounted to R\$ 69.5 million, representing an EBITDA margin of 19.3% in the quarter, as shown in the table below:

Reconciliation of Net Income to EBITDA (R\$ 000)	Quarterly					Accumulated		
	4Q19	3Q20	4Q20	Chg. 4Q20/3Q20	Chg. 4Q20/4Q19	2019	2020	Chg. 2020/2019
<b>Net Income</b>	19,066	36,117	86,406	139.2%	353.2%	129,910	174,699	34.5%
Income tax and social contributions	4,448	(4,831)	7,958	-264.7%	78.9%	36,183	(5,554)	-115.3%
Net Financial Income	(1,117)	(439)	(33,357)	7498.4%	2886.3%	(61,599)	(62,277)	1.1%
Depreciation and amortization	8,726	9,231	10,108	9.5%	15.8%	33,551	36,847	9.8%
<b>EBITDA</b>	<b>31,123</b>	<b>40,078</b>	<b>71,115</b>	<b>77.4%</b>	<b>128.5%</b>	<b>138,045</b>	<b>143,715</b>	<b>4.1%</b>
<b>EBITDA Margin</b>	<b>13.5%</b>	<b>16.0%</b>	<b>19.7%</b>	<b>3.7%</b>	<b>6.2%</b>	<b>18.0%</b>	<b>14.8%</b>	<b>-3.2%</b>
<b>EBITDA - Adjusted (*)</b>	<b>31,123</b>	<b>40,078</b>	<b>69,444</b>	<b>73.3%</b>	<b>123.1%</b>	<b>63,724</b>	<b>142,999</b>	<b>124.4%</b>
<b>EBITDA Margin - Adjusted (*)</b>	<b>13.5%</b>	<b>16.0%</b>	<b>19.3%</b>	<b>3.4%</b>	<b>5.8%</b>	<b>8.3%</b>	<b>14.7%</b>	<b>6.4%</b>
<b>Total Net Operating Revenue</b>	<b>230,381</b>	<b>250,554</b>	<b>360,643</b>	<b>43.9%</b>	<b>56.5%</b>	<b>765,506</b>	<b>973,150</b>	<b>27.1%</b>

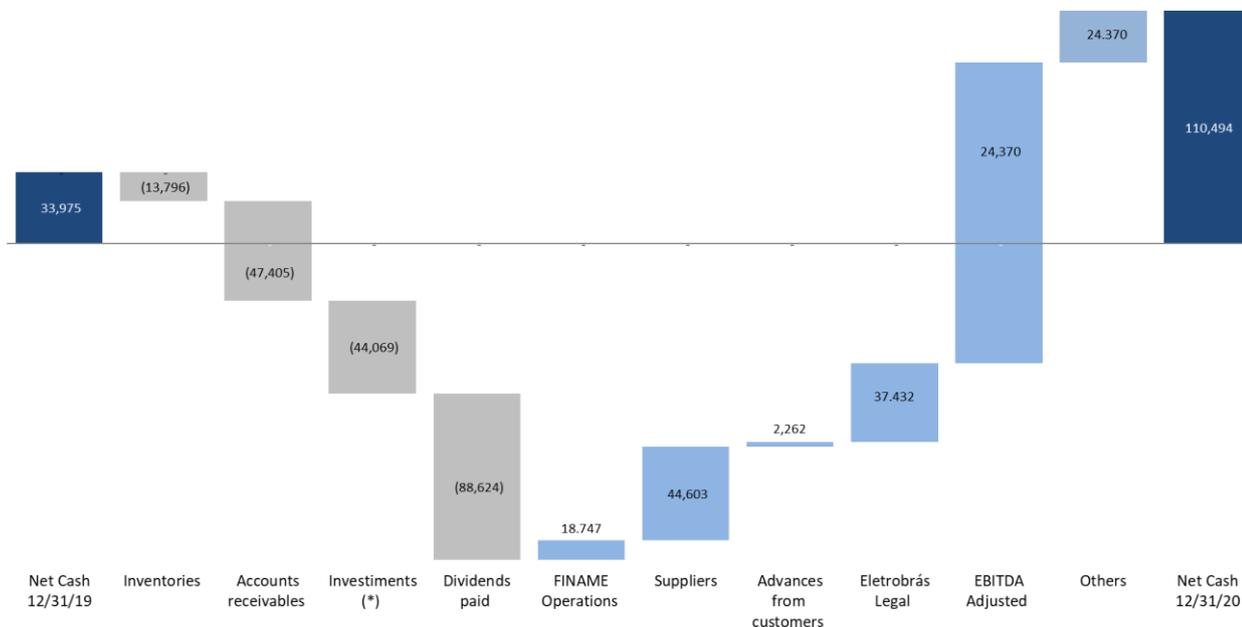
(\*) Adjusted by the impacts of the “Summer Plan” and “Eletrobrás” legal proceedings described in the “Legal Proceedings” section of this report.

### Adjusted Profit

Adjusted profit in 4Q20 and in 2020 amounted to R\$ 49.0 million and R\$ 101.3 million, respectively.

## Evolution of Net Cash (Debt) Position

The main changes in net cash position during 2020, in thousands of reais, are described below:



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

In 2020, the Company's net cash position presented the following main changes:

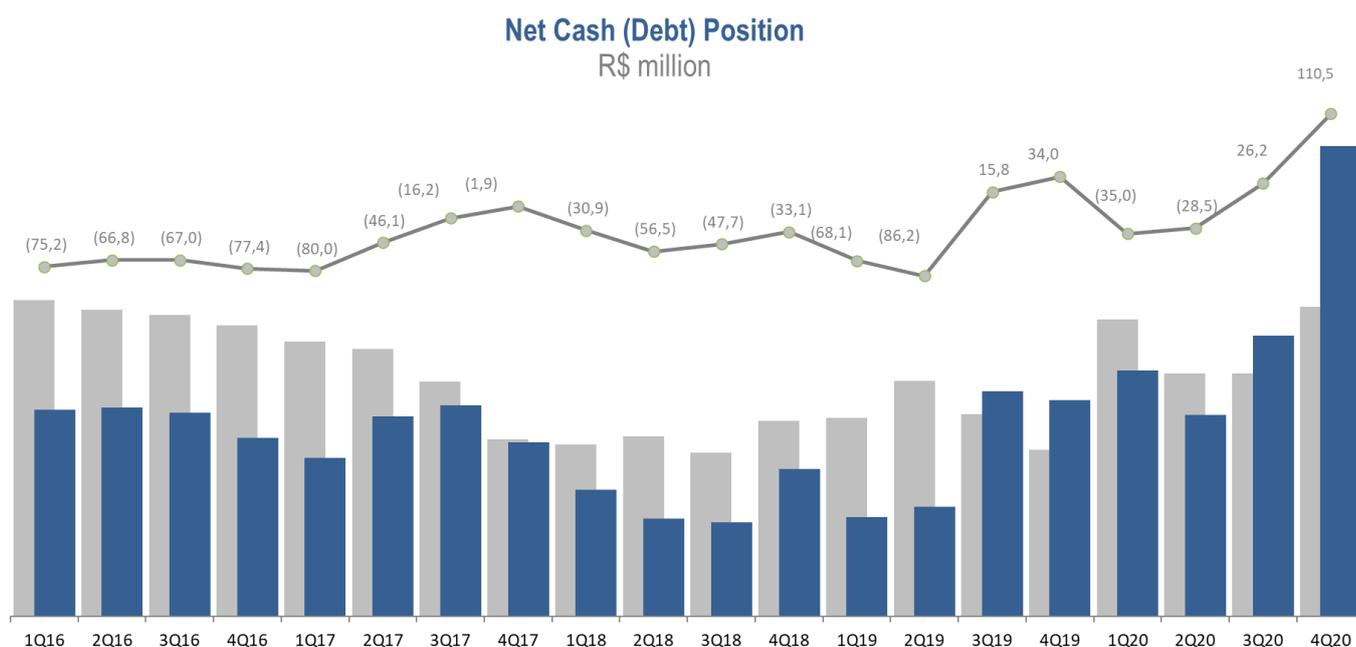
- Growth of accounts receivable, due to the larger volume of operations, especially in the second half of the year;
- Payment of interest on capital proposed in December 2019 and June and September 2020, paid in January, November and December 2020, respectively;
- Investments made in 2020, aimed at the maintenance, productivity, flexibility and competitiveness of the other units in the manufacturing complex, as well as in connection with the new machine rental business, launched in June 2020;
- Increase in trade payables due to inventory replenishment, considering that the order backlog at the end of 2020 was 67.2% higher than at the end of 2019;
- Gain arising from the success in the lawsuit filed by the Company against Eletrobrás, relating to compulsory loans, as commented on in the "Legal Proceedings" section of this report; and
- 124.4% growth in Adjusted EBITDA in 2020 when compared to 2019.

## 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). At December 31, 2020, the Company had a positive net cash position of R\$ 110.5 million.

The Company's borrowings are used mainly for investments in the modernization of its manufacturing facilities, research and development of new products, and financing of exports and imports. As at December 31, 2020, the Company had financing in local currency of R\$ 151.3 million, and in foreign currency of R\$ 60.8 million, totaling R\$ 212.1 million, of which R\$ 115 million matures in up to twelve months.

As at December 31, 2020, the Company recorded R\$ 322.6 million as cash and cash equivalents and short-term investments.



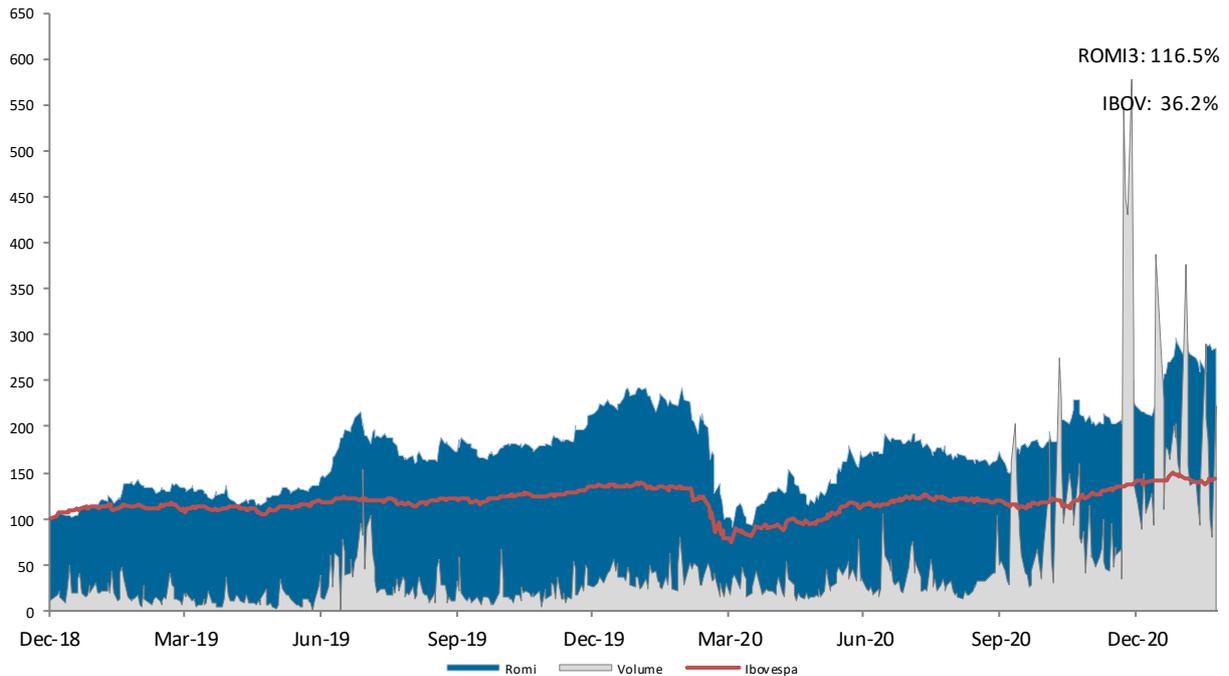
The balances recorded under "Finame Manufacturer Financing" are not used in the calculation of the Company's net debt.

As at December 31, 2020, the Company did not have any derivative transactions.

## Capital Markets

### Share Performance ROMI3 vs. Ibovespa

From 12/28/2018 to 02/09/2021



Source: B3.

On February 8, 2021, the Company's common shares (ROMI3) were quoted at R\$18.25. Our share price has gone down by 4.0% since December 30, 2019, and up by 116.5% since December 28, 2018. The Bovespa Index (Ibovespa) went down 3.5% and up 36.2%, respectively, in the same periods.

The Company's market capitalization on February 08, 2021 was R\$ 1,338,1 million. The average daily trading volume during 4Q20 was R\$ 10.9 million.

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## Legal Proceedings

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### “Plano Verão”

On February 22, 2017, the Company obtained a favorable ruling in the legal proceeding in which the Company was the plaintiff and the Federal Government the defendant, in which the Company claimed the right to adjust the balance sheet for the 1989 calendar year by reference to the actual inflation rate in January and February of that year, dismissing the inflation indexes established by the legislation in force at the time (“Summer Plan”). 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 aforementioned request, authorizing the Company to offset this credit against future federal taxes payable. The Company recognized in the financial statements for 1Q20 the effects of the favorable final decision rendered in the tax proceeding (“Plano Verão”), which impacted the result for the 1Q20 as follows: (i) EBIT/ EBITDA: decreased by R\$ 955, due to the recognition of expenses incurred with legal fees, under “Other operating income (expenses), net”; (ii) finance income (costs): increased by R\$ 25,135, due to the 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 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 using interest on capital proposed in March 2020, as per the Shareholders Notice dated March 17, 2020.

These tax credits have been offset against federal taxes, and the estimated offsetting period will depend on federal taxes generated in the future, which cannot be estimated at the moment. The remaining balance is adjusted by the monetary restatement indexes recognized by the courts.

### Eletróbrás Legal Proceeding

In June 2020, the Company became aware, through its lawyers, of the success achieved in a material legal proceeding filed against Centrais Elétricas Brasileiras SA - Eletróbrás, claiming a difference in monetary restatement, from 1978 to 1993, in calculations of compulsory loans on electricity.

The amount credited to the Company’s bank account in the 4Q20, subject to online pledge made in Eletróbrás’ account, net of attorney’s fees, was R\$ 40.3 million, before tax effects, increasing the Company’s profit by R\$ 37.4 million, already considering the impacts of the interest on capital proposed on December 8, 2020.

### Consolidated Balance Sheet

IFRS (R\$ 000)

	12/31/19	09/30/20	12/31/20	LIABILITIES AND SHAREHOLDER'S EQUITY			
<b>ASSETS</b>				<b>CURRENT</b>	<b>12/31/19</b>	<b>09/30/20</b>	<b>12/31/20</b>
<b>CURRENT</b>	<b>760,182</b>	<b>938,737</b>	<b>1,068,695</b>	Loans and financing	395,429	558,173	586,801
Cash and Cash equivalents	147,807	180,472	195,418	FINAME manufacturer financing	91,649	123,144	115,422
Financial investments	683	12,097	127,166	Trade accounts payable	82,177	110,550	122,704
Trade accounts receivable	140,395	156,057	186,183	Payroll and related taxes	51,451	79,563	96,054
Onlending of FINAME manufacturer financing	97,053	127,978	131,494	Taxes payables	21,288	37,529	36,163
Inventories	344,878	405,514	358,674	Advances from customers	15,553	13,124	13,182
Recoverable taxes	15,347	36,574	51,204	Related parties	68,200	79,356	70,462
Other receivables	14,019	20,045	18,556	Dividends	1,205	2,412	4,856
Judicial Deposits	-	-	-	Provision for contingent liabilities	39,523	76,843	91,130
				Other payables	806	935	1,216
					23,577	34,717	35,612
<b>NON CURRENT</b>	<b>265,282</b>	<b>288,733</b>	<b>274,089</b>	<b>NON CURRENT</b>	<b>212,930</b>	<b>266,807</b>	<b>345,323</b>
Trade accounts receivable	11,489	10,460	13,106	Loans and financing	22,866	43,208	96,668
Onlending of FINAME manufacturer financing	166,959	177,228	203,222	FINAME manufacturer financing	152,786	173,623	201,710
Recoverable taxes	54,401	63,169	28,256	Deferred income and social contribution taxes	31,630	45,277	43,372
Deferred income and social contribution taxes	24,822	31,068	23,934	Reserve for contingencies	454	605	296
Judicial Deposits	1,930	1,887	1,884	Other payables	5,194	4,094	3,277
Other receivables	5,681	4,921	3,687				
<b>Investments</b>				<b>SHAREHOLDER'S EQUITY</b>	<b>757,284</b>	<b>805,029</b>	<b>813,003</b>
Property, Plant and Equipment	269,235	310,912	314,748	Capital	492,025	492,025	637,756
Investment Properties	18,181	18,163	18,388	Retained earnings	219,482	219,641	86,894
Intangible assets	54,361	74,956	70,788	Cumulative translation adjustments	45,777	93,363	88,353
				<b>NON CONTROLLING INTERESTS</b>	<b>1,598</b>	<b>1,492</b>	<b>1,581</b>
<b>TOTAL ASSETS</b>	<b>1,367,241</b>	<b>1,631,501</b>	<b>1,746,708</b>	<b>TOTAL SHAREHOLDER'S EQUITY</b>	<b>758,882</b>	<b>806,521</b>	<b>814,584</b>
				<b>TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY</b>	<b>1,367,241</b>	<b>1,631,501</b>	<b>1,746,708</b>

### Consolidated Income Statement

IFRS (R\$ thousand)

	4Q19	3Q20	4Q20	Chg. 4Q20/3Q20	Chg. 4Q20/4Q19	2019	2020	Chg. 2020/2019
<b>Net Operating Revenue</b>	<b>230,381</b>	<b>250,554</b>	<b>360,643</b>	<b>43.9%</b>	<b>56.5%</b>	<b>765,506</b>	<b>973,150</b>	<b>27.1%</b>
Cost of Goods Sold	(161,590)	(171,261)	(244,426)	42.7%	51.3%	(556,808)	(674,321)	21.1%
<b>Gross Profit</b>	<b>68,791</b>	<b>79,293</b>	<b>116,217</b>	<b>46.6%</b>	<b>68.9%</b>	<b>208,698</b>	<b>298,829</b>	<b>43.2%</b>
<i>Gross Margin %</i>	<i>29.9%</i>	<i>31.6%</i>	<i>32.2%</i>			<i>27.3%</i>	<i>30.7%</i>	
<b>Operating revenues (expenses)</b>	<b>(46,394)</b>	<b>(48,446)</b>	<b>(55,210)</b>	<b>14.0%</b>	<b>19.0%</b>	<b>(104,204)</b>	<b>(191,961)</b>	<b>84.2%</b>
Selling expenses	(23,652)	(21,746)	(29,855)	37.3%	26.2%	(85,621)	(91,055)	6.3%
Research and development expenses	(4,676)	(5,937)	(6,037)	1.7%	29.1%	(20,470)	(22,518)	10.0%
General and administrative expenses	(18,671)	(18,296)	(20,937)	14.4%	12.1%	(70,138)	(74,005)	5.5%
Management profit sharing and compensation	(2,467)	(3,425)	(4,101)	19.7%	66.2%	(7,305)	(11,687)	60.0%
Other operating income, net	3,072	958	5,720	497.1%	86.2%	79,329	7,304	-90.8%
<b>Operating Income (loss) before Financial Results</b>	<b>22,397</b>	<b>30,847</b>	<b>61,007</b>	<b>97.8%</b>	<b>172.4%</b>	<b>104,493</b>	<b>106,868</b>	<b>2.3%</b>
<i>Operating Margin %</i>	<i>9.7%</i>	<i>12.3%</i>	<i>16.9%</i>			<i>13.7%</i>	<i>11.0%</i>	
<b>Operating Income (loss) before Financial Results - Adjusted (*)</b>	<b>22,397</b>	<b>30,847</b>	<b>59,336</b>			<b>30,172</b>	<b>106,152</b>	
<i>Operating Margin % - Adjusted (*)</i>	<i>9.7%</i>	<i>12.3%</i>	<i>16.5%</i>			<i>3.9%</i>	<i>10.9%</i>	
<b>Financial Results, Net</b>	<b>1,117</b>	<b>439</b>	<b>33,357</b>	<b>7498.4%</b>	<b>2886.3%</b>	<b>61,600</b>	<b>62,277</b>	<b>1.1%</b>
Financial income	3,302	1,099	38,498	3403.0%	1065.9%	69,942	69,529	-0.6%
Financial expenses	(1,245)	(3,153)	(3,804)	20.6%	205.5%	(4,741)	(11,772)	148.3%
Exchange gain (loss), net	(940)	2,493	(1,337)	-153.6%	42.2%	(3,601)	4,520	-225.5%
<b>Operations Operating Income</b>	<b>23,514</b>	<b>31,286</b>	<b>94,364</b>	<b>201.6%</b>	<b>301.3%</b>	<b>166,093</b>	<b>169,145</b>	<b>1.8%</b>
Income tax and social contribution	(4,448)	4,831	(7,958)	-264.7%	78.9%	(36,183)	5,554	-115.3%
<b>Net income</b>	<b>19,066</b>	<b>36,117</b>	<b>86,406</b>	<b>139.2%</b>	<b>353.2%</b>	<b>129,910</b>	<b>174,699</b>	<b>34.5%</b>
<i>Net Margin %</i>	<i>8.3%</i>	<i>14.4%</i>	<i>24.0%</i>			<i>17.0%</i>	<i>18.0%</i>	
<b>Net profit (loss) concerning:</b>								
Controlling interests	18,981	36,082	86,317	139.2%	354.8%	129,664	174,477	34.6%
Non controlling interests	85	35	89	154.3%	4.7%	246	222	-9.8%
	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>					
<b>EBITDA</b>	<b>31,123</b>	<b>40,078</b>	<b>71,115</b>	<b>77.4%</b>	<b>128.5%</b>	<b>138,043</b>	<b>143,715</b>	<b>4.1%</b>
Profit (loss) for the period	19,066	36,117	86,406	139.2%	353.2%	129,908	174,699	34.5%
Income tax and social contribution	4,448	(4,831)	7,958	-264.7%	78.9%	36,183	(5,554)	-115.3%
Financial result, net	(1,117)	(439)	(33,357)	7498.4%	2886.3%	(61,599)	(62,277)	1.1%
Depreciation and amortization	8,726	9,231	10,108	9.5%	15.8%	33,551	36,847	9.8%
<i>EBITDA Margin %</i>	<i>13.5%</i>	<i>16.0%</i>	<i>19.7%</i>			<i>18.0%</i>	<i>14.8%</i>	
<b>EBITDA - Adjusted (*)</b>	<b>31,123</b>	<b>40,078</b>	<b>69,444</b>			<b>63,720</b>	<b>142,999</b>	
<i>EBITDA Margin % - Adjusted (*)</i>	<i>13.5%</i>	<i>16.0%</i>	<i>19.3%</i>			<i>8.3%</i>	<i>14.7%</i>	
Nº of shares in capital stock (th)	62,858	62,858	73,334	16.7%	16.7%	62,858	73,334	16.7%
Profit (loss) per share - R\$	0.30	0.57	1.18	105.0%	289.8%	2.07	2.70	30.4%

## Consolidated Cash Flow Statement

IFRS (R\$ thousand)

	4Q19	3Q20	4Q20	2019	2020
<b>Cash from operating activities</b>					
<b>Net Income before taxation</b>	<b>23,514</b>	<b>31,286</b>	<b>94,364</b>	<b>166,093</b>	<b>169,145</b>
Financial expenses and exchange gain	(486)	(33,524)	(28,404)	(59,094)	(80,611)
Depreciation and amortization	8,725	9,231	10,137	33,548	36,847
Allowance for doubtful accounts and other receivables	2,872	(939)	2,565	722	3,510
Proceeds from sale of fixed assets and intangibles	(2,482)	(899)	(2,601)	(3,214)	(4,792)
Provision for inventory realization	(2,801)	1,977	(2,158)	(4,280)	8,558
Reserve for contingencies	(1,338)	150	(99)	(61,149)	42
<b>Change on operating assets and liabilities</b>					
Financial Investments	(7)	-	-	(194)	-
Trade accounts receivable	30,056	20,197	(32,106)	34,294	(3,433)
Related Parties	-	-	-	-	-
Onlending of Finame manufacturer financing	(33,518)	(25,583)	(37,126)	(57,122)	(78,134)
Inventories	24,027	8,953	59,109	(40,050)	(22,354)
Recoverable taxes, net	4,574	1,505	32,971	20,327	(3,270)
Judicial deposits	86	(10)	3	96,825	46
Other receivables	13,826	20,950	21,719	20,702	70,329
Trade accounts payable	(10,501)	10,660	18,373	5,011	41,438
Payroll and related taxes	(13,447)	7,588	(1,366)	(3,579)	14,875
Taxes payable	1,562	14,406	(48,013)	(33,935)	(22,980)
Advances from customers	(18,134)	1,976	(8,894)	(3,266)	2,262
Other payables	1,973	(2,763)	3,281	8,208	14,715
<b>Cash provided by (used in) operating activities</b>	<b>28,501</b>	<b>65,161</b>	<b>81,755</b>	<b>119,847</b>	<b>146,193</b>
Income tax and social contribution paid	(136)	(102)	(256)	(3,791)	(559)
<b>Net Cash provided by (used in) operating activities</b>	<b>28,365</b>	<b>65,059</b>	<b>81,499</b>	<b>116,056</b>	<b>145,634</b>
Financial Investments	-	(11,578)	(115,069)	-	(126,483)
Purchase of fixed assets	(11,122)	(19,207)	(17,910)	(36,888)	(46,784)
Sales of fixed assets	3,189	(1)	3,624	4,301	5,361
Purchase of intangible assets	530	(111)	(357)	(80)	(1,131)
<b>Net cash Used in Investing Activities</b>	<b>(7,403)</b>	<b>(30,897)</b>	<b>(129,712)</b>	<b>(32,667)</b>	<b>(169,037)</b>
Interest on capital paid	(21,877)	(98)	(49,298)	(45,904)	(88,916)
New loans and financing	(24,565)	63,591	57,669	71,412	209,469
Payments of loans and financing	(628)	(71,241)	(3,139)	(94,096)	(140,013)
Interests paid (including Finame manufacturer financing)	(726)	(3,844)	(4,152)	(19,108)	(16,141)
New loans in Finame manufacturer	41,315	40,598	73,259	124,937	184,304
Payment of Finame manufacturer financing	(19,086)	(17,126)	(29,530)	(71,149)	(83,574)
<b>Net Cash provided by (used in) Financing Activities</b>	<b>(25,567)</b>	<b>11,880</b>	<b>44,809</b>	<b>(33,908)</b>	<b>65,129</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(4,605)</b>	<b>46,042</b>	<b>(3,404)</b>	<b>49,481</b>	<b>41,726</b>
Exchange variation changes on cash and cash equivalents abroad	(1,209)	(3,280)	18,350	(2,102)	5,885
<b>Cash and cash equivalents - beginning of period</b>	<b>153,621</b>	<b>137,710</b>	<b>180,472</b>	<b>100,428</b>	<b>147,807</b>
<b>Cash and cash equivalents - end of period</b>	<b>147,807</b>	<b>180,472</b>	<b>195,418</b>	<b>147,807</b>	<b>195,418</b>

## Attachment I – Income Statement by Business Unit

### Income Statement by Business Units - 4Q20

R\$ 000	Romi Machines	Burkhardt + Weber Machines	Rough and Machined Cast Iron Parts	Total
<b>Net Operating Revenue</b>	<b>177,300</b>	<b>107,761</b>	<b>75,582</b>	<b>360,643</b>
<b>Cost of Sales and Services</b>	(96,614)	(81,178)	(66,634)	(244,426)
Business Units Transfers	325	-	8,354	8,679
Business Units Transfers	(8,354)	-	(325)	(8,679)
<b>Gross Profit</b>	<b>72,657</b>	<b>26,583</b>	<b>16,977</b>	<b>116,217</b>
<i>Gross Margin %</i>	<i>41.0%</i>	<i>24.7%</i>	<i>22.5%</i>	<i>32.2%</i>
<b>Operating Expenses</b>	<b>(26,996)</b>	<b>(17,291)</b>	<b>(10,923)</b>	<b>(55,210)</b>
Selling	(18,643)	(9,385)	(1,827)	(29,855)
General and Administrative	(7,704)	(7,906)	(5,327)	(20,937)
Research and Development	(4,504)	-	(1,533)	(6,037)
Management profit sharing	(1,865)	-	(2,236)	(4,101)
Other operating revenue	5,720	-	-	5,720
<b>Operating Income (loss) before Financial Results</b>	<b>45,661</b>	<b>9,292</b>	<b>6,054</b>	<b>61,007</b>
<i>Operating Margin %</i>	<i>25.8%</i>	<i>8.6%</i>	<i>8.0%</i>	<i>16.9%</i>
<b>Operating loss before Financial Results - Adjusted (*)</b>	<b>43,990</b>	<b>9,292</b>	<b>6,054</b>	<b>59,336</b>
<i>Operating Margin % - Adjusted (*)</i>	<i>24.8%</i>	<i>8.6%</i>	<i>8.0%</i>	<i>16.5%</i>
Depreciation and amortization	3,726	3,648	2,734	10,108
<b>EBITDA</b>	<b>49,387</b>	<b>12,940</b>	<b>8,788</b>	<b>71,115</b>
<i>EBITDA Margin %</i>	<i>27.9%</i>	<i>12.0%</i>	<i>11.6%</i>	<i>19.7%</i>
<b>EBITDA - Adjusted (*)</b>	<b>47,716</b>	<b>12,940</b>	<b>8,788</b>	<b>69,444</b>
<i>EBITDA Margin % - Adjusted (*)</i>	<i>26.9%</i>	<i>12.0%</i>	<i>11.6%</i>	<i>19.3%</i>

### Income Statement by Business Units - 4Q19

R\$ 000	Romi Machines	Burkhardt + Weber Machines	Rough and Machined Cast Iron Parts	Total
<b>Net Operating Revenue</b>	<b>129.313</b>	<b>63.707</b>	<b>37.361</b>	<b>230.381</b>
<b>Cost of Sales and Services</b>	(74.562)	(49.091)	(37.936)	(161.589)
Business Units Transfers	102	-	6.275	6.377
Business Units Transfers	(6.276)	-	(102)	(6.378)
<b>Gross Profit</b>	<b>48.577</b>	<b>14.616</b>	<b>5.598</b>	<b>68.791</b>
<i>Gross Margin %</i>	<i>37,6%</i>	<i>22,9%</i>	<i>15,0%</i>	<i>29,9%</i>
<b>Operating Expenses</b>	<b>(29.600)</b>	<b>(11.111)</b>	<b>(5.683)</b>	<b>(46.394)</b>
Selling	(17.079)	(5.332)	(1.241)	(23.652)
General and Administrative	(9.426)	(6.634)	(2.609)	(18.669)
Research and Development	(3.609)	-	(1.067)	(4.676)
Management profit sharing	(1.701)	-	(766)	(2.467)
Other operating revenue	2.215	855	-	3.070
<b>Operating Income (loss) before Financial Results</b>	<b>18.977</b>	<b>3.505</b>	<b>(85)</b>	<b>22.397</b>
<i>Operating Margin %</i>	<i>14,7%</i>	<i>5,5%</i>	<i>-0,2%</i>	<i>9,7%</i>
Depreciation and amortization	2.964	2.673	3.089	8.726
<b>EBITDA</b>	<b>21.941</b>	<b>6.178</b>	<b>3.004</b>	<b>31.123</b>
<i>EBITDA Margin %</i>	<i>17,0%</i>	<i>9,7%</i>	<i>8,0%</i>	<i>13,5%</i>

### Income Statement by Business Units - 2020

R\$ 000	Machines	Burkhardt + Weber	Raw and Machined Cast Iron Parts	Total
<b>Net Operating Revenue</b>	<b>462.877</b>	<b>261.221</b>	<b>249.052</b>	<b>973.150</b>
<b>Cost of Sales and Services</b>	(241.338)	(209.955)	(223.028)	(674.321)
Business Units Transfers	1.285	-	25.196	26.481
Business Units Transfers	(25.196)	-	(1.285)	(26.481)
<b>Gross Profit</b>	<b>197.628</b>	<b>51.266</b>	<b>49.935</b>	<b>298.829</b>
<i>Gross Margin %</i>	<i>42,7%</i>	<i>19,6%</i>	<i>20,1%</i>	<i>30,7%</i>
<b>Operating Expenses</b>	<b>(109.999)</b>	<b>(49.127)</b>	<b>(32.834)</b>	<b>(191.960)</b>
Selling	(66.149)	(19.854)	(5.052)	(91.055)
General and Administrative	(28.502)	(29.273)	(16.230)	(74.005)
Research and Development	(17.085)	-	(5.433)	(22.518)
Management profit sharing	(5.568)	-	(6.119)	(11.687)
Other operating revenue	7.304	-	-	7.304
<b>Operating Income before Financial Results</b>	<b>87.628</b>	<b>2.139</b>	<b>17.101</b>	<b>106.868</b>
<i>Operating Margin %</i>	<i>18,9%</i>	<i>0,8%</i>	<i>6,9%</i>	<i>11,0%</i>
<b>Operating loss before Financial Results - Adjusted (*)</b>	<b>86.912</b>	<b>2.139</b>	<b>17.101</b>	<b>106.152</b>
<i>Operating Margin % - Adjusted (*)</i>	<i>18,8%</i>	<i>0,8%</i>	<i>6,9%</i>	<i>10,9%</i>
Depreciation and amortization	13.313	11.927	11.607	36.847
<b>EBITDA</b>	<b>100.941</b>	<b>14.066</b>	<b>28.708</b>	<b>143.715</b>
<i>EBITDA Margin %</i>	<i>21,8%</i>	<i>5,4%</i>	<i>11,5%</i>	<i>14,8%</i>
<b>EBITDA - Adjusted (*)</b>	<b>100.225</b>	<b>14.066</b>	<b>28.708</b>	<b>142.999</b>
<i>EBITDA Margin % - Adjusted (*)</i>	<i>21,7%</i>	<i>5,4%</i>	<i>11,5%</i>	<i>14,7%</i>

### Income Statement by Business Units - 2019

R\$ 000	Romi Machines	Burkhardt + Weber	Rough and Machined Cast Iron Parts	Total
<b>Net Operating Revenue</b>	<b>390.794</b>	<b>223.438</b>	<b>151.274</b>	<b>765.506</b>
<b>Cost of Sales and Services</b>	(209.641)	(183.941)	(163.226)	(556.808)
Business Units Transfers	1.983	-	27.958	29.941
Business Units Transfers	(27.958)	-	(1.983)	(29.941)
<b>Gross Profit</b>	<b>155.178</b>	<b>39.497</b>	<b>14.023</b>	<b>208.698</b>
<i>Gross Margin %</i>	<i>39,7%</i>	<i>17,7%</i>	<i>9,3%</i>	<i>27,3%</i>
<b>Operating Expenses</b>	<b>(61.651)</b>	<b>(41.307)</b>	<b>(1.247)</b>	<b>(104.205)</b>
Selling	(63.584)	(16.628)	(5.409)	(85.621)
General and Administrative	(34.035)	(25.534)	(10.569)	(70.138)
Research and Development	(16.767)	-	(3.703)	(20.470)
Management profit sharing	(4.929)	-	(2.376)	(7.305)
Other operating revenue	57.664	855	20.810	79.329
<b>Operating Income (loss) before Financial Results</b>	<b>93.527</b>	<b>(1.810)</b>	<b>12.776</b>	<b>104.493</b>
<i>Operating Margin %</i>	<i>23,9%</i>	<i>-0,8%</i>	<i>8,4%</i>	<i>13,7%</i>
<b>Operating loss before Financial Results - Adjusted (*)</b>				
<i>Operating Margin % - Adjusted (*)</i>				
Depreciation and amortization	11.507	9.689	12.354	33.550
<b>EBITDA</b>	<b>105.034</b>	<b>7.879</b>	<b>25.130</b>	<b>138.043</b>
<i>EBITDA Margin %</i>	<i>26,9%</i>	<i>3,5%</i>	<i>16,6%</i>	<i>18,0%</i>
<b>EBITDA - Adjusted (*)</b>	<b>51.523</b>	<b>7.879</b>	<b>4.320</b>	<b>63.722</b>
<i>EBITDA Margin % - Adjusted (*)</i>	<i>13,2%</i>	<i>3,5%</i>	<i>2,9%</i>	<i>8,3%</i>

## Attachment II - Financial Statements of BW

### Balance Sheet B+W

	(€ 000)		
ASSETS	12/31/19	09/30/20	12/31/20
<b>CURRENT</b>	<b>25.314</b>	<b>20.290</b>	<b>19.544</b>
Cash and Cash equivalents	2.813	640	3.262
Trade accounts receivable	7.928	5.330	9.154
Inventories	13.371	13.031	6.342
Recoverable taxes	541	254	331
Deferred income and social contribution taxes	275	599	60
Related Parties	104	13	-
Other receivables	282	424	395
<b>Investments</b>			
Property, plant and equipment	14.032	13.309	13.338
Investment in subsidiaries	-	-	-
Intangible assets	11.870	11.174	10.931
<b>TOTAL ASSETS</b>	<b>51.216</b>	<b>44.774</b>	<b>43.813</b>
LIABILITIES AND SHAREHOLDER'S EQUITY	12/31/19	09/30/20	12/31/20
<b>CURRENT</b>	<b>20.598</b>	<b>12.516</b>	<b>10.421</b>
Loans and financing	1.749	(0)	-
Trade accounts payable	2.916	1.186	888
Payroll and related taxes	922	1.201	891
Taxes payable	788	133	187
Advances from customers	11.594	7.148	5.209
Other payables	2.176	2.221	2.834
Related Parties	453	627	412
<b>NON CURRENT</b>	<b>6.400</b>	<b>9.358</b>	<b>9.483</b>
Loans and financing	2.075	5.167	5.338
Deferred income and social contribution taxes	4.325	4.190	4.145
<b>SHAREHOLDER'S EQUITY</b>	<b>24.218</b>	<b>22.900</b>	<b>23.908</b>
Capital	7.025	7.025	7.025
Capital reserve	505	505	505
Profit reserve	16.688	15.370	16.378
<b>TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY</b>	<b>51.216</b>	<b>44.774</b>	<b>43.813</b>

## B+W Income Statement

	(€ 000)				
	4Q19	3Q20	4Q20	2019	2020
<b>Net Operating Revenue</b>	<b>13.964</b>	<b>7.356</b>	<b>16.907</b>	<b>50.184</b>	<b>43.243</b>
Cost of Goods Sold	(10.763)	(6.506)	(12.582)	(40.973)	(34.740)
<b>Gross Profit</b>	<b>3.201</b>	<b>850</b>	<b>4.325</b>	<b>9.211</b>	<b>8.503</b>
<i>Gross Margin %</i>	<i>22,9%</i>	<i>11,6%</i>	<i>25,6%</i>	<i>18,4%</i>	<i>19,7%</i>
<b>Operating Expenses</b>	<b>(2.624)</b>	<b>(1.643)</b>	<b>(2.690)</b>	<b>(9.525)</b>	<b>(8.283)</b>
Selling expenses	(1.169)	(392)	(1.460)	(3.740)	(3.297)
General and administrative expenses	(1.455)	(1.251)	(1.230)	(5.785)	(4.986)
<b>Operating Income before Financial Results</b>	<b>577</b>	<b>(793)</b>	<b>1.635</b>	<b>(314)</b>	<b>220</b>
<i>Operating Margin %</i>	<i>4,1%</i>	<i>-10,8%</i>	<i>9,7%</i>	<i>-0,6%</i>	<i>0,5%</i>
<b>Financial Results, Net</b>	<b>(99)</b>	<b>(71)</b>	<b>(80)</b>	<b>(379)</b>	<b>(321)</b>
<b>Operations Operating Income</b>	<b>478</b>	<b>(864)</b>	<b>1.555</b>	<b>(693)</b>	<b>(101)</b>
Income tax and social contribution	(222)	192	(547)	195	(209)
<b>Net income</b>	<b>256</b>	<b>(672)</b>	<b>1.008</b>	<b>(498)</b>	<b>(310)</b>
<i>Net Margin %</i>	<i>1,8%</i>	<i>-9,1%</i>	<i>6,0%</i>	<i>-1,0%</i>	<i>-0,7%</i>
<b>EBITDA</b>	<b>1.129</b>	<b>(329)</b>	<b>2.164</b>	<b>1.776</b>	<b>2.097</b>
Net income / loss for the period	256	(672)	1.008	(498)	(325)
Income tax and social contribution	222	(192)	547	(195)	224
Financial income, net	99	71	80	379	321
Depreciation and amortization	552	464	529	2.090	1.877
<i>EBITDA Margin %</i>	<i>8,1%</i>	<i>-4,5%</i>	<i>12,8%</i>	<i>3,5%</i>	<i>4,9%</i>