

(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
March 31, 2021

Deloitte Touche Tohmatsu Auditores Independentes

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

REPORT ON REVIEW OF INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL INFORMATION

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

Introduction

We have reviewed the accompanying individual and consolidated interim financial information of Indústrias Romi S.A. ("Company"), identified as Parent and Consolidated, respectively, included in the Interim Financial Information Form (ITR) for the quarter ended March 31, 2021, which comprises the individual and consolidated balance sheet as at March 31, 2021, and the related individual and consolidated statements of profit and loss, of comprehensive income, of changes in equity and of cash flows for the three-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.

Conclusion on the individual and consolidated interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the individual and consolidated interim financial information included in the Interim Financial Information (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 ITR, and presented in accordance with the standards issued by the CVM.

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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 three-month period ended March 31, 2021, 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, 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 technical pronouncement CPC 09 and consistently with the accompanying individual and consolidated interim financial information taken as a whole.

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

Campinas, April 27, 2021



DELOITTE TOUCHE TOHMATSU
Auditores Independentes



Paulo de Tarso Pereira Jr.
Engagement Partner

INDÚSTRIAS ROMI S.A.
BALANCE SHEETS

(In thousands of Brazilian reais - R\$)

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

		Parent		Consolidated				Parent		Consolidated	
		March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020			March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020
ASSETS	Note					LIABILITIES	Note				
CURRENT ASSETS						CURRENT LIABILITIES					
Cash and cash equivalents	3	82.041	140.932	147.735	195.418	Borrowings	13	53.319	115.025	53.893	115.422
Short-term investments	3	99.444	127.166	99.444	127.166	FINAME manufacturer financing	14	126.034	122.704	126.034	122.704
Trade accounts receivable	4	98.305	98.974	161.805	186.183	Trade accounts payable		134.694	87.756	142.365	96.054
Onlending of FINAME - manufacturer financing	5	135.019	131.494	135.019	131.494	Payroll and related taxes		21.853	27.272	32.262	36.163
Inventories	6	330.388	266.114	457.509	358.674	Taxes payable		6.879	7.553	13.192	13.182
Related parties	8	44.620	47.052	-	-	Advances from customers		44.990	32.156	117.324	70.462
Taxes recoverable	9	54.499	44.538	63.506	51.204	Profit sharing		887	4.856	887	4.856
Other receivables		9.688	13.686	15.859	18.556	Dividends and interest on capital		37.322	91.130	37.322	91.130
						Provision for tax, labor and civil risks	15	1.475	1.216	1.475	1.216
						Other payables		3.883	3.811	22.947	35.612
						Related parties	8	405	430	-	-
		854.004	869.956	1.080.877	1.068.695			431.741	493.909	547.701	586.801
NON-CURRENT ASSETS						NON-CURRENT LIABILITIES					
Trade accounts receivable	4	15.161	11.161	18.590	13.106	Borrowings	13	110.340	62.384	145.927	96.668
Onlending of FINAME - manufacturer financing	5	203.583	203.222	203.583	203.222	FINAME manufacturer financing	14	198.946	201.710	198.946	201.710
Related parties	8	44.743	34.223	-	-	Provision for tax, labor and civil risks	15	295	296	295	296
Taxes recoverable	9	23.022	28.250	23.029	28.256	Other payables		28	48	4.045	3.277
Deferred income tax and social contribution	16	20.481	23.552	24.830	23.934	Provision for net equity deficiency - subsidiary	7	11.711	11.129	-	-
Judicial deposits	15	2.001	1.884	2.001	1.884	Deferred income tax and social contribution	16	-	-	44.680	43.372
Other receivables		5.786	3.054	6.406	3.687			321.320	275.567	393.893	345.323
		314.777	305.346	278.439	274.089	TOTAL LIABILITIES					
								753.061	769.476	941.594	932.124
Investments in subsidiaries	7	180.566	180.393	-	-	EQUITY					
Property, plant and equipment	11	223.009	212.188	326.769	314.748	Capital	17	637.756	637.756	637.756	637.756
Investment properties	10	13.500	13.500	18.388	18.388	Earnings reserve		96.564	86.894	96.564	86.894
Intangible assets	12	1.194	1.096	72.641	70.788	Carrying value adjustment		99.669	88.353	99.669	88.353
		733.046	712.523	696.237	678.013			833.989	813.003	833.989	813.003
						NON-CONTROLLING INTEREST					
								-	-	1.531	1.581
						TOTAL EQUITY					
								833.989	813.003	835.520	814.584
TOTAL ASSETS		1.587.050	1.582.479	1.777.114	1.746.708	TOTAL LIABILITIES AND EQUITY		1.587.050	1.582.479	1.777.114	1.746.708

The accompanying notes are an integral part of this interim financial information

INDÚSTRIAS ROMI S.A.
**STATEMENT OF PROFIT AND LOSS
QUARTERS ENDED MARCH 31**

(In thousands of Brazilian reais -R\$, except for earnings per share expressed in Brazilian reais)
(Convenience Translation into English from the Original Previously Issued in Portuguese)

		Parent		Consolidated	
	Note	2021	2020	2021	2020
Net operating revenue		198.288	122.473	222.630	165.941
Cost of sales and services		(129.171)	(89.464)	(147.160)	(117.658)
Gross profit		69.117	33.009	75.470	48.283
Operating income (expenses)					
Selling		(12.892)	(9.028)	(22.393)	(19.081)
General and administrative		(8.374)	(7.145)	(20.423)	(17.193)
Research and development		(6.214)	(5.070)	(6.214)	(5.070)
Management profit sharing and fees	8	(2.943)	(1.955)	(2.968)	(1.980)
Equity in earnings of subsidiaries	7	(10.061)	(5.722)	-	-
Other operating income, net		42	(282)	1.903	(245)
		(40.442)	(29.202)	(50.095)	(43.569)
Operating profit		28.675	3.807	25.375	4.714
Finance income (costs)					
Finance income		2.057	26.998	2.146	27.293
Finance costs		(3.389)	(1.505)	(3.888)	(2.142)
Foreign exchange gains (losses), net		2.073	1.806	1.866	935
		741	27.299	124	26.086
Profit before taxation		29.416	31.106	25.499	30.800
Income tax and social contribution	16	(8.746)	9.651	(4.755)	10.017
Current	16	(5.675)	9.353	(5.844)	8.893
Deferred	16	(3.071)	298	1.089	1.124
Profit for the period		20.670	40.757	20.744	40.817
Attributable to:					
Controlling interests				20.670	40.757
Non-controlling interests				74	60
				20.744	40.817
Basic earnings per share in reais - R\$	17	0,28	0,65	0,28	0,65

The accompanying notes are an integral part of this interim financial information

INDÚSTRIAS ROMI S.A.**STATEMENT OF COMPREHENSIVE INCOME
QUARTERS ENDED MARCH 31**

(In thousands of Brazilian reais - R\$)

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

	Parent		Consolidated	
	2021	2020	2021	2020
Profit for the period	20.670	40.757	20.744	40.817
Foreign currency translation effects	11.316	27.796	11.316	27.796
Comprehensive profit for the period	31.986	68.553	32.060	68.613
Attributable to:				
Controlling interests			31.986	68.553
Non-controlling interests			74	60
			32.060	68.613

The accompanying notes are an integral part of this interim financial information

INDÚSTRIAS ROMI S.A.

STATEMENT OF CHANGES IN EQUITY

(In thousands of Brazilian reais - R\$)

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

Attributable to the controlling interests										
Note	Capital	Earnings reserve			Carrying value adjustment	Profit for the period	Total	Non-controlling interests	Total	
		Income reserve	Legal reserve	Total						
At December 31, 2019		492.025	165.161	54.321	219.482	45.777	-	757.284	1.598	758.882
Profit for the period		-	-	-	-	-	40.757	40.757	60	40.817
Foreign currency translation effects		-	-	-	-	27.796	-	27.796	-	27.796
Total comprehensive income for the period		-	-	-	-	27.796	40.757	68.553	60	68.613
Interest on capital		-	-	-	-	-	(31.429)	(31.429)	-	(31.429)
Dividends paid by subsidiary		-	-	-	-	-	-	-	(142)	(142)
Transfers between reserves		-	9.328	-	9.328	-	(9.328)	-	-	-
Total contributions by and distributions to controlling interests		-	9.328	-	9.328	-	(40.757)	(31.429)	(142)	(31.571)
At March 31, 2020		492.025	174.489	54.321	228.810	73.573	-	794.408	1.516	795.924
At December 31, 2020		637.756	23.849	63.045	86.894	88.353	-	813.003	1.581	814.584
Profit for the period		-	-	-	-	-	20.670	20.670	74	20.744
Foreign currency translation effects		-	-	-	-	11.316	-	11.316	-	11.316
Total comprehensive income for the period		-	-	-	-	11.316	20.670	31.986	74	32.060
Interest on capital	17	-	-	-	-	-	(11.001)	(11.001)	-	(11.001)
Dividends paid by subsidiary		-	-	-	-	-	-	-	(124)	(124)
Transfers between reserves		-	9.669	-	9.669	-	(9.669)	-	-	-
Total contributions by and distributions to controlling interests		-	9.669	-	9.669	-	(20.670)	(11.001)	(124)	(11.125)
At March 31, 2021		637.756	33.518	63.045	96.563	99.669	-	833.988	1.531	835.519

The accompanying notes are an integral part of this interim financial information

INDÚSTRIAS ROMI S.A.
STATEMENT OF CASH FLOWS
QUARTERS ENDED MARCH 31

(In thousands of Brazilian reais - R\$)

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

		Parent		Consolidated	
	Note	2021	2020	2021	2020
Cash flows from operating activities					
Profit before taxation		29.416	31.106	25.499	30.800
Adjustments from:					
Unrealized finance costs and foreign exchange difference		54	(25.336)	1.424	(24.123)
Depreciation and amortization	11, 12	5.860	5.504	10.054	8.557
Allowance for doubtful accounts and other receivables	4, 5	79	49	(209)	1.078
Recognition of inventory realization	6	(466)	501	1.935	5.390
Gain on disposals of property, plant and equipment and intangible assets	11, 12	(188)	(952)	(188)	(917)
Equity in earnings of subsidiaries	8	10.061	5.722	-	-
Recognition (reversal) of provision for contingent liabilities		(13)	48	(13)	48
Change in operating assets and liabilities					
Trade accounts receivables		3.651	16.290	26.164	20.148
Related parties (assets and liabilities)		(8.225)	(25.495)	-	-
Onlending of FINAME - manufacturer financing		(3.464)	(10.678)	(3.464)	(10.678)
Inventories		(63.808)	(17.624)	(100.770)	(77.046)
Taxes recoverable		(10.428)	(2.509)	(7.971)	(16.142)
Judicial deposits		(117)	(10)	(117)	(10)
Other receivables		1.441	2.168	153	333
Trade accounts payable		45.639	21.190	45.012	33.595
Payroll and related taxes		(5.419)	(5.058)	(3.901)	(2.161)
Taxes payable		(674)	(6.558)	(3.288)	12.533
Advances from customers		12.834	(553)	46.862	4.434
Other payables		(3.624)	(805)	(15.593)	3.912
Cash used in operations		12.609	(13.000)	21.589	(10.249)
Income tax and social contribution paid		-	-	(147)	(148)
Cash used in operating activities		12.609	(13.000)	21.442	(10.397)
Cash flow from investing activities					
Short-term investments	3	27.722	(2.973)	27.722	(2.973)
Purchase of property, plant and equipment	11	(16.695)	(6.050)	(18.307)	(6.316)
Purchase of intangible assets	12	(222)	(216)	(222)	(216)
Proceeds from the sale of property, plant and equipment	11	326	1.105	324	1.105
Dividends received	8	1.664	1.899	-	-
Net cash provided by (used in) investing activities		12.795	(6.235)	9.517	(8.400)
Cash flows from financing activities					
Interest on capital and dividends paid	17	(64.807)	(39.378)	(64.931)	(39.520)
New borrowings		57.532	88.029	57.532	88.029
Financing paid		(73.962)	(15.018)	(73.962)	(20.854)
Interest paid		(3.624)	(434)	(3.624)	(774)
New Finame - manufacturer financing		40.217	40.481	40.217	40.481
Payment of Finame - manufacturer financing		(32.811)	(21.498)	(32.811)	(21.498)
Interest paid of Finame - manufacturer financing		(6.840)	(3.587)	(6.840)	(3.587)
Cash provided by (used in) financing activities		(84.295)	48.595	(84.419)	42.277
Increase (decrease) in cash and cash equivalents		(58.891)	29.360	(53.460)	23.480
Cash and cash equivalents at the beginning of the period		140.932	102.838	195.418	147.807
Foreign exchange gains (losses) of cash equivalents of foreign subsidiaries		-	-	5.777	(6.218)
Cash and cash equivalents at the end of the period		82.041	132.198	147.735	165.069

T† The accompanying notes are an integral part of this interim financial information

INDÚSTRIAS ROMI S.A.**STATEMENT OF VALUE ADDED****QUARTERS ENDED MARCH 31**

(In thousands of Brazilian reais - R\$)

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

	Parent		Consolidated	
	2021	2020	2021	2020
Revenues				
Sales of products and services	229.128	143.340	253.516	186.842
Allowance for doubtful accounts	(79)	(49)	(212)	(1.078)
Other operating income, net	42	(282)	1.903	(245)
	<u>229.091</u>	<u>143.009</u>	<u>255.207</u>	<u>185.519</u>
Inputs acquired from third parties				
Materials used	(129.874)	(56.106)	(133.301)	(63.489)
Other costs of products and services	(5.942)	(5.103)	(6.907)	(10.107)
Electricity, third-party services and other expenses	(8.132)	(9.078)	(18.282)	(11.814)
	<u>(143.948)</u>	<u>(70.287)</u>	<u>(158.490)</u>	<u>(85.410)</u>
Gross value added	85.143	72.722	96.717	100.109
Depreciation and amortization	(5.860)	(5.504)	(10.054)	(8.557)
Net value added generated by the Company	<u>79.283</u>	<u>67.218</u>	<u>86.663</u>	<u>91.552</u>
Value added received through transfers				
Equity in earnings of subsidiaries	(10.061)	(5.722)	-	-
Finance income (costs) and net foreign exchange gains (losses)	4.130	28.804	4.012	28.228
	<u>73.352</u>	<u>90.300</u>	<u>90.675</u>	<u>119.780</u>
Total value added to distribute	<u>73.352</u>	<u>90.300</u>	<u>90.675</u>	<u>119.780</u>
Distribution of value added				
Employees				
Payroll and related taxes	35.563	26.578	51.073	53.940
Sales commission	1.085	427	1.085	427
Management profit sharing and fees	2.968	1.955	3.003	1.981
Private pension plan	252	210	252	210
Taxes, rates and contributions	9.029	18.498	9.397	19.302
Interests	3.389	1.505	3.888	2.142
Rentals	396	370	1.357	1.103
Interest on capital declared but not yet distributed	11.001	31.429	11.001	31.429
Non-controlling interests	-	-	(50)	(82)
Retained profits	<u>9.669</u>	<u>9.328</u>	<u>9.669</u>	<u>9.328</u>
Value added distributed	<u>73.352</u>	<u>90.300</u>	<u>90.675</u>	<u>119.780</u>

The accompanying notes are an integral part of this interim financial information

Indústrias Romi S.A.

Notes to the interim financial information at March 31, 2021

(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 April 27, 2021.

2 Basis of preparation and accounting policies

The individual and consolidated interim financial information for the quarter ended March 31, 2021 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, 2020 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.

Indústrias Romi S.A.

Notes to the interim financial information at March 31, 2021

(In thousands of Brazilian reais unless otherwise stated)

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

(a) Notes included in the financial statements as at December 31, 2020 not included in this quarterly information

The individual 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, 2020. 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 18);
- Insurance (Note 19);
- Financial instruments and operational risks (Note 20);
- Net sales revenue (Note 23);
- Expenses by nature (Note 24);
- Finance income (costs) (Note 25); and
- Other operating income (expenses), net (Note 26).

Indústrias Romi S.A.

Notes to the interim financial information at March 31, 2021

(In thousands of Brazilian reais unless otherwise stated)

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

3 Cash and cash equivalents and short-term investments

	Parent		Consolidated	
	March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020
Cash and banks	5,408	7,377	51,704	41,510
Bank deposit certificates (CDB) (a)	76,570	133,490	95,968	153,843
Other	63	65	63	65
Total cash and cash equivalents	<u>82,041</u>	<u>140,932</u>	<u>147,735</u>	<u>195,418</u>
Short-term investments backed by debentures (a)	7,260	10,652	7,260	10,652
Investment funds DI and fixed income (b)	<u>92,184</u>	<u>116,514</u>	<u>92,184</u>	<u>116,514</u>
Total assets held for trading	<u>99,444</u>	<u>127,166</u>	<u>99,444</u>	<u>127,166</u>

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

(b) They are comprised of investment funds with notes backed by LTN and NTN.

Indústrias Romi S.A.

Notes to the interim financial information at March 31, 2021

(In thousands of Brazilian reais unless otherwise stated)

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

4 Trade accounts receivable

	Parent		Consolidated	
	March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020
Current				
Domestic customers (Brazil)	90,284	89,537	91,928	89,537
Foreign customers	9,769	10,803	76,403	103,078
Allowance for doubtful accounts	(1,748)	(1,366)	(6,526)	(6,432)
	98,305	98,974	161,805	186,183
Noncurrent				
Domestic customers (Brazil)	10,419	6,318	10,419	6,318
Foreign customers	5,257	5,240	8,686	7,185
Allowance for doubtful accounts	(515)	(397)	(515)	(397)
	15,161	11,161	18,590	13,106

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

The balance of current trade accounts receivable as at March 31, 2021 and December 31, 2020, parent and consolidated, is distributed as follows:

	Parent		Consolidated	
	March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020
Falling due	88,074	82,542	138,285	157,272
Past due:				
1 to 30 days	6,301	11,202	11,187	16,466
31 to 60 days	724	2,312	1,324	5,197
61 to 90 days	433	454	1,570	1,194
91 to 180 days	1,172	320	5,510	2,204
181 to 360 days	135	543	760	1,723
Over 360 days	3,214	2,967	9,695	8,559
	11,979	17,798	30,046	35,343
Total	100,053	100,340	168,331	192,615
Allowance for doubtful accounts	(1,748)	(1,366)	(6,526)	(6,432)

Indústrias Romi S.A.

Notes to the interim financial information at March 31, 2021

(In thousands of Brazilian reais unless otherwise stated)

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

Total current	98,305	98,974	161,805	186,183
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The balance of noncurrent trade accounts receivable as at March 31, 2021, parent and consolidated, is distributed as follows:

	Parent	Consolidated
Falling due:		
2022 (9 months)	12,304	14,914
2023	3,124	3,943
2024 onward	248	248
Allowance for doubtful accounts	(515)	(515)
Total – noncurrent	15,161	18,590

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

	Parent	Consolidated
At December 31, 2020	1,763	6,829
Receivables recognized for the period	500	500
Receivables written off	-	(532)
Foreign exchange difference	-	244
At March 31, 2021	2,263	7,041

Allowance for doubtful accounts is estimated and recorded based on the individual analysis of each customer, and for the transactions where there are security interests, the expected loss is calculated based on the net realizable value and the amount of the security interest receivable.

The additions to and release of the provision for impaired receivables have been included in the statement of profit and loss line item "General and administrative expenses".

Indústrias Romi S.A.

Notes to the interim financial information at March 31, 2021

(In thousands of Brazilian reais unless otherwise stated)

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

5 Onlending of FINAME manufacturer financing

	Parent and Consolidated	
	March 31, 2021	December 31, 2020
Current		
FINAME falling due	126,251	122,286
FINAME awaiting release (a)	1,205	614
FINAME past due (b)	14,145	15,526
	141,601	138,426
Allowance for doubtful accounts	(6,582)	(6,932)
	135,019	131,494
Noncurrent		
FINAME falling due	199,957	202,678
FINAME awaiting release (a)	5,571	2,560
	205,528	205,238
Allowance for doubtful accounts	(1,945)	(2,016)
	203,583	203,222
Total	338,602	334,716

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

Indústrias Romi S.A.

Notes to the interim financial information at March 31, 2021

(In thousands of Brazilian reais unless otherwise stated)

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

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.

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 March 31, 2021, the balance of repossessed machinery, included under the line item of "Other receivables", parent and consolidated, amounted to R\$ 1,104 (R\$ 1,191 as at December 31, 2020) in current assets and R\$ 4,184 (R\$ 2,361 as at December 31, 2020) in noncurrent assets.

Indústrias Romi S.A.

Notes to the interim financial information at March 31, 2021

(In thousands of Brazilian reais unless otherwise stated)

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

As at March 31, 2021 and December 31, 2020, the balances of Onlending of FINAME manufacturer financing, parent and consolidated, were as follows:

	Parent and Consolidated	
	March 31, 2021	December 31, 2020
Falling due	127,456	122,898
Past due:		
1 to 30 days	825	1,173
31 to 60 days	923	559
61 to 90 days	447	236
91 to 180 days	945	540
181 to 360 days	728	895
Over 360 days	10,277	12,125
	14,145	15,528
Total - current	141,601	138,426

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:	
2022 (9 months)	100,635
2023	71,339
2024	31,937
2025 onward	1,617
Total – noncurrent	205,528

Indústrias Romi S.A.

Notes to the interim financial information at March 31, 2021

(In thousands of Brazilian reais unless otherwise stated)

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

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

	Parent and Consolidated
At December 31, 2020	8,948
Allowance recognized (or written off) for the period	(421)
At March 31, 2021	8,527

Allowance for doubtful accounts is estimated and recorded based on the individual analysis of each customer, and for the transactions where there are security interests, the expected loss is calculated based on the net realizable value and the amount of the security interest receivable.

The additions to and release of the provision for impaired receivables have been included in the statement of profit and loss line item "General and administrative expenses".

6 Inventory

	Parent		Consolidated	
	March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020
Finished products	25,585	19,736	70,191	65,253
Used machinery	9,664	10,348	9,671	10,348
Work in progress	100,832	79,005	147,502	97,563
Raw materials and components	164,065	130,540	196,971	158,999
Imports in transit	30,242	26,485	33,174	26,511
Total	330,388	266,114	457,509	358,674

The inventory balances, parent and consolidated, as at March 31, 2021 are net of provision for slow-moving inventories and inventories posing a remote probability of being realized through sale or use, amounting to R\$ 26,041 and R\$ 40,961 (R\$ 26,508 and R\$ 39,026 as at December 31, 2020), respectively.

Indústrias Romi S.A.

Notes to the interim financial information at March 31, 2021

(In thousands of Brazilian reais unless otherwise stated)

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

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

	Parent	Consolidated
At January 1, 2020	26,507	39,026
Inventory sold or written off	(2,850)	(2,879)
Provision recorded	1,809	2,459
Foreign exchange difference		1,780
Transfer of provision resulting from machines repossessed during the period	575	575
At March 31, 2021	26,041	40,961

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

	Parent		Consolidated	
	March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020
Finished products	605	884	4,255	8,158
Used machinery	6,585	6,890	6,585	6,890
Work in progress	4,597	4,807	4,597	4,807
Raw materials and components	14,254	13,927	25,524	19,171
Total	26,041	26,508	40,961	39,026

Indústrias Romi S.A.

Notes to the interim financial information at March 31, 2021

(In thousands of Brazilian reais unless otherwise stated)

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

7 Investments in subsidiaries

Company investments in its subsidiaries are as follows:

	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	Production and sale of large tooling machinery with high technology, precision and productivity, as well as machinery for specialized applications. Sale of machine tools produced by B+W and provision of services (spare parts and technical support).
2.	Romi Europa GmbH ("Romi Europe")	Germany	
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	
3.	Rominor Comércio, Empreendimentos e Participações S.A. ("Rominor")	Brazil	
4.	Romi Machine Tools, Ltd. ("Romi Machine Tools")	United States of 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.

Indústrias Romi S.A.

Notes to the interim financial information at March 31, 2021

(In thousands of Brazilian reais unless otherwise stated)

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

	31 de março de 2021							
	Romi Itália e Controladas (1)	Romi Europa e Controladas (2)	Rominor Comércio (3)	Romi Machine Tools (4)	Rominor Empreendimentos (5)	Romi A.L. (6)	IRSA Máq. México (7)	Total
Investimentos:								
Número de ações/cotas representativas do capital social	(a)	(a)	6.191.156	3.000.000	78	13.028.000	1.188.000	
Participação do capital social	100,0%	100,0%	93,1%	100,0%	100,0%	100,0%	100,0%	
Ativo circulante	64.042	151.050	21.969	18.296	2.521	13.230	15.304	
Ativo não circulante	13.935	165.304	300	1.245	-	-	3.136	
Passivo circulante	56.846	109.543	178	27.175	4	-	21.913	
Passivo não circulante	20.751	62.930	-	440	-	2	164	
Patrimônio líquido (patrimônio líquido negativo) da controlada	380	143.881	22.091	(8.074)	2.517	13.228	(3.637)	
Movimentação do investimento:								
Saldo contábil do investimento em 31 de dezembro de 2020	1.549	142.572	21.230	(8.001)	2.517	12.525	(3.128)	169.264
Variação cambial sobre investimentos no exterior	561	10.603	-	(727)	-	1.191	(312)	11.316
Dividendos declarados e distribuídos (b)	-	-	(1.664)	-	-	-	-	(1.664)
Resultado de participações societárias	(1.730)	(9.294)	994	654	-	(488)	(197)	(10.061)
Valor patrimonial equivalente - saldo final	380	143.881	20.560	(8.074)	2.517	13.228	(3.637)	168.855
Investimento em controladas	380	143.881	20.560	-	2.517	13.228	-	180.566
Provisão para patrimônio líquido negativo - controladas	-	-	-	(8.074)	-	-	(3.637)	(11.711)

(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, 2021, in the amount of R\$ 1,788, related to the second half of 2020. The Company received from this distribution the amount of R\$ 1,664.

Indústrias Romi S.A.

Notes to the interim financial information at March 31, 2021

(In thousands of Brazilian reais unless otherwise stated)

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

	31 de março de 2020							
	Romi Itália e Controladas (1)	Romi Europa e Controladas (2)	Rominor Comércio (3)	Romi Machine Tools (4)	Rominor Empreendimentos (5)	Romi A.L. (6)	IRSA Máq. México (7)	Total
Investimentos:								
Número de ações/cotas representativas do capital social	(a)	(a)	6.191.156	3.000.000	78	13.028.000	1.188.000	
Participação do capital social	100,0%	100,0%	93,1%	100,0%	100,0%	100,0%	100,0%	
Ativo circulante	70.321	144.504	21.890	20.104	2.522	10.622	19.469	
Ativo não circulante	9.330	147.227	74	120	-	-	167	
Passivo circulante	61.798	127.624	80	25.373	-	3	22.223	
Passivo não circulante	15.263	35.984	-	-	-	-	-	
Patrimônio líquido (patrimônio líquido negativo) da controlada	2.590	128.123	21.884	(5.149)	2.522	10.619	(2.587)	
Movimentação do investimento:								
Saldo contábil do investimento em 31 de dezembro de 2019	3.215	105.124	21.465	(3.176)	2.522	8.389	(1.228)	136.311
Variação cambial sobre investimentos no exterior	331	26.505	-	(1.070)	-	2.469	(439)	27.796
Dividendos declarados e distribuídos (b)	-	-	(1.899)	-	-	-	-	(1.899)
Resultado de participações societárias	(956)	(3.506)	802	(903)	-	(239)	(920)	(5.722)
Valor patrimonial equivalente - saldo final	2.590	128.123	20.368	(5.149)	2.522	10.619	(2.587)	156.486
Investimento em controladas	2.590	128.123	20.368	-	2.522	10.619	-	164.222
Provisão para patrimônio líquido negativo - controladas	-	-	-	(5.149)	-	-	(2.587)	(7.736)

(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, in the amount of R\$ 2,041, related to the second half of 2019. The Company received from this distribution the amount of R\$ 1,899.

Indústrias Romi S.A.

Notes to the interim financial information at March 31, 2021

(In thousands of Brazilian reais unless otherwise stated)

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

8 Related party transactions and balances

The balances and transactions with related parties as at March 31, 2021 and December 31, 2020 are as follows:

(i) Balance sheet accounts – Parent

	Receivables		Payables	
	March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020
Direct subsidiaries				
Romi Europe	6,572	5,057	15	50
Romi Italy	13,874	14,224	-	-
Romi Machine Tools	25,062	23,272	-	-
Romi A.L.	-	67	390	380
Irsa Maquinas Mexico	19,098	16,501	-	-
Rominor	-	5	-	-
	64,606	59,126	405	430
Indirect subsidiaries				
B+W - Burkhardt+Weber	401	316	-	-
Romi France S.A.S.	8,406	6,465	-	-
Romi Máquinas España S.A.	8,803	7,714	-	-
Romi Machines UK	7,147	7,654	-	-
	24,757	22,149	-	-
Total	89,363	81,275	405	430
Current	44,620	47,052	405	430
Noncurrent	44,743	34,223	-	-
Total	89,363	81,275	405	430

Indústrias Romi S.A.

Notes to the interim financial information at March 31, 2021

(In thousands of Brazilian reais unless otherwise stated)

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

(ii) Transactions

	Sales revenue		Operating expense and finance income (costs)	
	March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020
Romi Europe	1,253	596	95	236
Rominor Comércio	5	4	0	-
Romi Italy	2,131	1,933	0	-
Romi Machine Tools	585	2,308	0	-
Romi France S.A.S.	1,617	1,169	-	-
Romi A.L.	-	-	92	77
Romi Machines UK	2,171	6,188	-	-
Irsa Maquinas Mexico	2,013	1,813	0	-
B+W - Burkhardt + Weber	1,299	4	0	-
Romi Máquinas España	385	468	-	-
Total	11,459	14,483	187	313

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. Notes fall due in the short term.

The Company provides administrative services, mainly accounting and legal services, to the parent Fênix Empreendimentos S.A. The revenue until March 2021 was R\$ 40 (R\$ 39 as at March 31, 2020).

The Company makes donations to Romi Foundation at amounts set in the agreement approved by the State Prosecutor's Office. Donations until March 2021 totaled R\$ 248 (R\$ 237 as at March 31, 2020).

Management compensation for the periods ended March 31, 2021 and 2020 was as follows:

Indústrias Romi S.A.

Notes to the interim financial information at March 31, 2021

(In thousands of Brazilian reais unless otherwise stated)

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

	March 31, 2021	December 31, 2020
Fees and charges	1,675	1,521
Profit sharing	1,085	289
Private pension plan	125	81
Healthcare plan	58	64
Parent	2,943	1,955
Fees and charges of subsidiaries	25	25
Consolidated	2,968	1,980

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 16, 2021.

Indústrias Romi S.A.

Notes to the interim financial information at March 31, 2021

(In thousands of Brazilian reais unless otherwise stated)

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

9 Taxes recoverable

The breakdown of taxes recoverable is as follows:

		March 31, 2021	December 31, 2020
	Note		
Current			
Withholding Income Tax (IRRF)		101	155
Corporate Income Tax (IRPJ)		129	160
IRPJ/CSLL - "Plano Verão"	15 (b)	5,905	13,332
Social Contribution on Net Income (CSLL)		16	22
Social Security Contribution (INSS)		6	6
ICMS included in the PIS and COFINS tax base	15 (a)	26,767	21,254
Excise Tax (IPI) - R\$		8,267	7,979
Value-added Tax on Sales and Services (ICMS)		8,219	1,333
Social Integration Program (PIS)		915	53
Social Contribution on Revenues (COFINS)		4,174	244
Total Parent		54,499	44,538
Taxes recoverable of subsidiaries		9,007	6,666
Total Parent and Consolidated		63,506	51,204
Noncurrent			
ICMS included in the PIS and COFINS tax base	15 (a)	21,554	26,824
Value-added Tax on Sales and Services (ICMS)		1,372	1,330
Other		103	102
Total Parent and Consolidated		23,029	28,256

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, 2020) in the parent and R\$ 18,388 (R\$ 18,388 as at December 31, 2020) in the consolidated.

Indústrias Romi S.A.

Notes to the interim financial information at March 31, 2021

(In thousands of Brazilian reais unless otherwise stated)

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

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\$ 110,661 in the parent and R\$ 191,306 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, 2020, net	212,188	314,748
Additions	16,696	18,307
Disposals	(139)	(139)
Depreciation	(5,736)	(8,979)
Foreign exchange difference	-	2,832
At March 31, 2021, net	223,009	326,769
Total cost	601,723	773,669
Accumulated depreciation	(378,714)	(446,900)
Net balance	223,009	326,769

The carrying amount of the property, plant and equipment under finance leases as at March 31, 2021 amounted to R\$ 7,687. The Company has discounted these assets to their present value. During the three-month period ended March 31, 2021, the Company recognized the amount of R\$ 841 as depreciation expense in profit or loss.

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\$ 95,531 as at March 31, 2021 (R\$ 67,736 as at December 31, 2020). These items refer to land, buildings, facilities, machinery and equipment.

Of the investments made in the first quarter of 2021, R\$ 8.6 million refer to machines manufactured by the Company that were allocated to the machinery rental business, a new solution launched in the third quarter of 2020.

Indústrias Romi S.A.

Notes to the interim financial information at March 31, 2021

(In thousands of Brazilian reais unless otherwise stated)

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

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 December 31, 2020. For March 31, 2021, the Company made a follow-up and did not consider necessary to perform a new test for the quarter.

12 Intangible assets

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

	Parent	Consolidated
At December 31, 2020, net	1,096	70,788
Additions	222	222
Amortization	(124)	(1,074)
Foreign exchange difference	-	2,705
At March 31, 2021, net	1,194	72,641
Total cost	7,074	114,103
Accumulated amortization	(5,880)	(41,462)
Net balance	1,194	72,641

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 December 31, 2020. For March 31, 2021, the Company made a follow-up and did not consider necessary to perform a new test in the quarter.

Indústrias Romi S.A.

Notes to the interim financial information at March 31, 2021

(In thousands of Brazilian reais unless otherwise stated)

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

13 Borrowings

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

	Parent		Consolidated
	Domestic currency	Foreign currency	Total
			Total
Borrowing balance at			
December 31, 2020	128,728	48,681	177,409
New borrowing (a)	-	57,532	57,532
Payment of principal	(59,626)	(14,336)	(73,962)
Payment of interest	(3,402)	(222)	(3,624)
Exchange and monetary difference (principal and interest)	-	3,342	3,342
Interest incurred	2,605	357	2,962
Borrowing balance at			
March 31, 2021	68,305	95,354	163,659
Current	7,965	45,354	53,319
Noncurrent	60,340	50,000	110,340
	68,305	95,354	163,659

- (a) On March 20, 2021, the Company contracted financing from financial institutions in the total amount of R\$ 49,399. Such financing was made through Export Credit Notes ("NCE"), with a single installment maturing in 2024. The remaining borrowings were obtained in the first quarter through Import Financing (FINIMP).

Indústrias Romi S.A.

Notes to the interim financial information at March 31, 2021

(In thousands of Brazilian reais unless otherwise stated)

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

The maturities of financing recorded in noncurrent liabilities as at March 31, 2021, in the parent and consolidated, were as follows:

	Parent	Consolidated
2022	4,545	13,958
2023	906	19,312
2024	104,889	106,741
2025 onward	-	5,916
Total	110,340	145,927

14 FINAME manufacturer financing

	Parent and Consolidated	
	March 31, 2021	December 31, 2020
Current		
FINAME manufacturer financing	126,034	122,704
Noncurrent		
FINAME manufacturer financing	198,946	201,710
Total	324,980	324,414

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 March 31, 2021 and December 31, 2020 were

Indústrias Romi S.A.

Notes to the interim financial information at March 31, 2021

(In thousands of Brazilian reais unless otherwise stated)

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

adjusted for inflation through the end of the reporting period. The difference of R\$ 13,622 between these line items as at March 31, 2021 (R\$ 10,302 as at December 31, 2020) 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, other than the amount of the allowance for doubtful accounts already recorded, since the amounts are collateralized by the financed machinery.

The noncurrent maturities of the FINAME manufacturer financing as at March 31, 2021, parent and consolidated, were as follows:

	<u>Parent and Consolidated</u>
2022	79,990
2023	76,552
2024	39,681
2025 onward	<u>2,723</u>
Total	198,946

Indústrias Romi S.A.

Notes to the interim financial information at March 31, 2021

(In thousands of Brazilian reais unless otherwise stated)

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

15 Provision for tax, labor and civil risks

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

	Parent and Consolidated	
	March 31, 2021	December 31, 2020
Civil	599	581
Labor	1,171	931
Total	1,770	1,512
Current liabilities	1,475	1,216
Noncurrent liabilities	295	296
	1,770	1,512

For legal proceedings classified as probable losses, changes in the provision for the period ended March 31, 2021 are as follows:

	December 31, 2020	Additions	Utilizations/ reversals	Monetary restatement and Foreign exchange difference	March 31, 2021
Civil	581	-	-	18	599
Labor	931	-	(13)	252	1,171
Total Parent	1,512	-	(13)	271	1,770
Total Parent and Consolidated	1,512	-	(13)	271	1,770

As at March 31, 2021, the main legal proceedings classified by Management, based on the opinion of its legal counselors, as probable losses or as legal obligation are as follows:

Indústrias Romi S.A.

Notes to the interim financial information at March 31, 2021

(In thousands of Brazilian reais unless otherwise stated)

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

(a) Tax proceedings

Refer to the provisions for:

- (i) Excess of IRPJ and CSLL on interest on capital: Refers to the deductibility of Interest on Capital, based on profits from previous years, which were not distributed at the time they were calculated. According to the analysis of our legal counselors, decisions on the judicial level are mostly favorable to taxpayers.

As at March 31, 2021, 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 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 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 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) 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.

Indústrias Romi S.A.

Notes to the interim financial information at March 31, 2021

(In thousands of Brazilian reais unless otherwise stated)

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

(d) 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.

(e) Judicial deposits

The Company has judicial deposits amounting to R\$ 2,001 as at March 31, 2021 (2019 - R\$ 1,884) of different nature and classified in noncurrent assets, referring to possible or remote lawsuits.

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.

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.

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 March 31, 2021 and 2020 is as follows:

Indústrias Romi S.A.

Notes to the interim financial information at March 31, 2021

(In thousands of Brazilian reais unless otherwise stated)

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

	Parent		Consolidated	
	2021	2020	2021	2020
Profit before income tax and social contribution	29,416	31,106	25,499	30,800
Statutory rate (income tax and social contribution)	34%	34%	34%	34%
Income tax and social contribution expense at statutory rates	(10,002)	(10,576)	(8,670)	(10,472)
Interest on capital	3,740	10,686	3,740	10,686
IR/CSLL Tax proceeding ("Plano Verão")	-	10,794	-	10,794
Research and development ("Lei do Bem" - Law 11,196/05)	967	798	967	798
Equity pickup	(3,421)	(1,945)	-	-
Unrecorded deferred income tax and social contribution at subsidiaries	-	-	-	(1,869)
Management profit sharing	(369)	(98)	(369)	(98)
Other additions (deductions), net	339	(8)	(423)	178
Current and deferred income tax and social contribution income (expense)	(8,746)	9,651	(4,755)	10,017

- (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	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Current	(5,675)	9,353	(5,844)	8,893
Deferred	(3,071)	298	1,089	1,124
Total	(8,746)	9,651	(4,755)	10,017

Indústrias Romi S.A.

Notes to the interim financial information at March 31, 2021

(In thousands of Brazilian reais unless otherwise stated)

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

Changes in deferred tax assets and liabilities, parent and consolidated, for the period ended March 31, 2021, were as follows:

	Assets		Liabilities
	Parent	Consolidated	Consolidated
At December 31, 2020	23,552	23,934	43,372
Changes in the year			
Additions	1,451	3,948	-
Realization	(4,522)	(3,071)	(212)
Foreign exchange difference		19	1,520
At March 31, 2021	20,481	24,830	44,680

17 Equity

Capital

As at March 31, 2021, the Company's subscribed and paid-up capital amounting to R\$ 637,756 (R\$ 637,756 as at December 31, 2020) is represented by 73,333,922 (73,333,922 in 2020) book-entry, registered common shares, without par value.

Earnings 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.

b) Dividends

According to the notice to the market on March 16, 2021, approval was given for the distribution of interest on capital, to be attributed to the mandatory dividends for 2021 in the gross amount of R\$ 11,001, for payment on April 28, 2021.

The total amount paid by the Company in the period ended March 31, 2021, net of withholding income tax, was R\$ 64,807.

Indústrias Romi S.A.

Notes to the interim financial information at March 31, 2021

(In thousands of Brazilian reais unless otherwise stated)

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

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.

		March 31, 2021	March 31, 2020
	Note		
Profit for the period attributable to the controlling interests		20,670	40,757
Weighted average number of shares outstanding		73,334	62,858
Basic and diluted earnings per share		0.28	0.65
Other non-recurring operating results	15	-	(34,974)
Profit (loss) for the period attributable to the controlling interests		20,670	5,783
Basic and diluted earnings (loss) per share - adjusted		0.28	0.09

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 March 31, 2021 was prepared and is being presented on a comparative basis with the period ended March 31, 2020, according to the Company's segments:

Indústrias Romi S.A.

Notes to the interim financial information at March 31, 2021

(In thousands of Brazilian reais unless otherwise stated)

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

	March 31, 2021				
	Romi Machinery	Burkhardt + Weber Machinery	Cast and machined products	Eliminations between segments	Consolidated
Net operating revenue	131,934	13,516	77,180	-	222,630
Cost of sales and services	(59,119)	(16,606)	(71,435)	-	(147,160)
Transfers remitted	334	-	12,635	(12,969)	-
Transfers received	(12,635)	-	(334)	12,969	-
Gross profit	60,513	(3,090)	18,047	-	75,470
Operating (expenses) income:					
Selling expenses	(17,604)	(2,741)	(2,047)	-	(22,392)
General and administrative expenses	(6,985)	(8,320)	(5,118)	-	(20,423)
Research and development	(4,566)	-	(1,648)	-	(6,214)
Management fees	(1,170)	-	(1,798)	-	(2,968)
Other revenues (expenses), net	42	1,861	-	-	1,903
Operating profit (loss) before finance income (costs)	30,230	(12,290)	7,436	-	25,376
Inventory	327,754	69,567	60,188	-	457,509
Depreciation and amortization	4,064	3,106	2,884	-	10,054
Property, plant and equipment, net	118,856	87,015	120,898	-	326,769
Intangible assets	1,184	71,446	11	-	72,641
	Europe	Latin America	North America	Africa and Asia	Total
Net operating revenue per geographical region	24,900	186,765	8,447	2,518	222,630

Indústrias Romi S.A.

Notes to the interim financial information at March 31, 2021

(In thousands of Brazilian reais unless otherwise stated)

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

					March 31, 2020
	Romi Machinery	Burkhardt + Weber Machinery	Cast and machined products	Eliminations between segments	Consolidated
Net operating revenue	82,503	36,707	46,731	-	165,941
Cost of sales and services	(41,292)	(30,101)	(46,265)	-	(117,658)
Transfers remitted	139	-	5,227	(5,366)	-
Transfers received	(5,227)	-	(139)	5,366	-
Gross profit	36,123	6,606	5,554	-	48,283
Operating (expenses) income:					
Selling expenses	(14,905)	(3,245)	(931)	-	(19,081)
General and administrative expenses	(7,750)	(6,309)	(3,134)	-	(17,193)
Research and development	(3,973)	-	(1,097)	-	(5,070)
Management fees	(1,123)	-	(857)	-	(1,980)
Other operating income (expenses), net	(245)	-	-	-	(245)
Operating profit (loss) before finance income (costs)	8,127	(2,948)	(465)	-	4,714
Inventory	281,640	91,700	43,194	-	416,534
Depreciation and amortization	2,945	2,356	3,256	-	8,557
Property, plant and equipment, net	87,870	81,413	118,795	-	288,078
Intangible assets	724	66,579	16	-	67,319
	Europe	Latin America	North America	Africa and Asia	Total
Net operating revenue per geographical region	52,822	108,536	4,396	187	165,941

Indústrias Romi S.A.

Notes to the interim financial information at March 31, 2021

(In thousands of Brazilian reais unless otherwise stated)

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

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
2021	18,513
2022	14,743
2023	14,528
	<hr/>
	47,784

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

* * *

1Q21 *Earnings Release*

April 27, 2021



March 31, 2021

Share price at 04/26/2021
ROMI3 - R\$ 36.10 per share

Market value
R\$ 2,647.3 million
US\$ 485.2 million

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

Free float = 50.8%

**Earnings Conference Call broadcast over the web in Portuguese, with
simultaneous translation into English**

April 28, 2021

11 a.m. (São Paulo) | 2 p.m.(London) | 9 a.m. (New York)

https://us02web.zoom.us/webinar/register/WN_-r8she9UTgC8yiefv-Nb3g

Zoom ID: 879 8030 6115

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

Dial-in numbers at <https://us02web.zoom.us/j/kBoLrNCVm>

Santa Bárbara d'Oeste – São Paulo, March 31, 2021

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 first quarter of 2021 ("1Q21"). 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 its 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

Fábio B. Taíar

Investor Relations Officer
(19) 3455-9418
dri@romi.com

Highlights

EBITDA - Adjusted in 1Q21 was R\$ 35.4 (149.0% over 1Q20);

Incoming orders of R\$ 408.2M in 1Q21 (117.8% over 1Q20);

Order backlog reaches R\$ 708M at the end of 1Q21 (85.5% over 1Q20)

- Consolidated net operating revenue in 1Q21 reached R\$ 222.6 million, an increase of 34.2% compared to 1Q20. With the higher volume of billing, and the effective control of costs and expenses, EBITDA - adjusted in 1Q21 presented a growth of 149.0% compared to 1Q20;
- At the Romi Machines Unit, net operating revenue increased by 59.9% in 1Q21 compared to 1Q20, due to the resumption of orders from June 2020. The increase in revenue, coupled with an effective control in operating expenses, resulted in an 11.9 p.p. expansion in operating margin compared to 1Q20;
- At the Rough and Machined Cast Iron Parts Unit, net operating revenue increased by 65.2% compared to 1Q20, with the continuous deliveries of large parts and the recovery of the other segments. Operating margin grew by 10.6 p.p., reflecting the higher production volume, improved operational efficiency;
- Incoming orders at the Romi Machines Unit increased by 150.2% in 1Q21 compared to 1Q20, reflecting the highly favorable environment for investments, the technology in our products and the new business alternatives, such as the machine rental business;
- In 1Q21, incoming orders at the Rough and Machined Cast Iron Parts Unit increased 70.1% compared to 1Q20, reflecting orders for large parts placed by customers from the energy industry and the recovery of all the other industrial segments served by this unit;
- In 1Q21, incoming orders at the Burkhardt+Weber Unit reached R\$ 53.5 million, an increase of 165.2% compared to 1Q20, reflecting the resumption of business, mainly in China;
- At the end of the first quarter of 2021, the Company's order backlog grew by 85.5% in comparison to March 31, 2020.

R\$'000	1Q20	4Q20	1Q21	Var.	Var.
Revenues Volume					
Romi Machines (units)	164	329	219	-33.4%	33.5%
Burkhardt + Weber (units)	3	7	-	-100.0%	-100.0%
Rough and Machined Cast Iron Parts (tons)	4,095	6,528	5,808	-11.0%	41.8%
Net Operating Revenue	165,941	360,643	222,630	-38.3%	34.2%
Gross margin (%)	29.1%	32.2%	33.9%		
Operating Income (EBIT)	4,714	61,007	25,375	-58.4%	438.3%
Operating margin (%)	2.8%	16.9%	11.4%		
Operating Income (EBIT) - adjusted (*)	5,669	59,336	25,375	-57.2%	347.6%
Operating margin (%) - adjusted (*)	3.4%	16.5%	11.4%		
Net Income	40,817	86,406	20,744	-76.0%	-49.2%
Net margin (%)	24.6%	24.0%	9.3%		
Net Income - adjusted (*)	5,843	48,974	20,744	-57.6%	255.0%
Net margin (%) - adjusted (*)	3.5%	13.6%	9.3%		
EBITDA	13,271	71,115	35,429	-50.2%	167.0%
EBITDA margin (%)	8.0%	19.7%	15.9%		
EBITDA - adjusted (*)	14,226	69,444	35,429	-49.0%	149.0%
EBITDA margin (%) - adjusted (*)	8.6%	19.3%	15.9%		
Investments (**)	6,316	15,861	18,310	15.4%	189.9%

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

1Q20: 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 results: 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.

(*) 4Q20: As described in the "Legal Proceedings (Eletrobrás)" 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 Eletrobrás, 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.

(**) of the investments made during 1Q21 and 4Q20, R\$ 8.6 million and R\$ 7.5 million, respectively, refers to machines manufactured by the Company that were allocated to the machinery rental business, a new solution launched in the 3Q20.

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, 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.

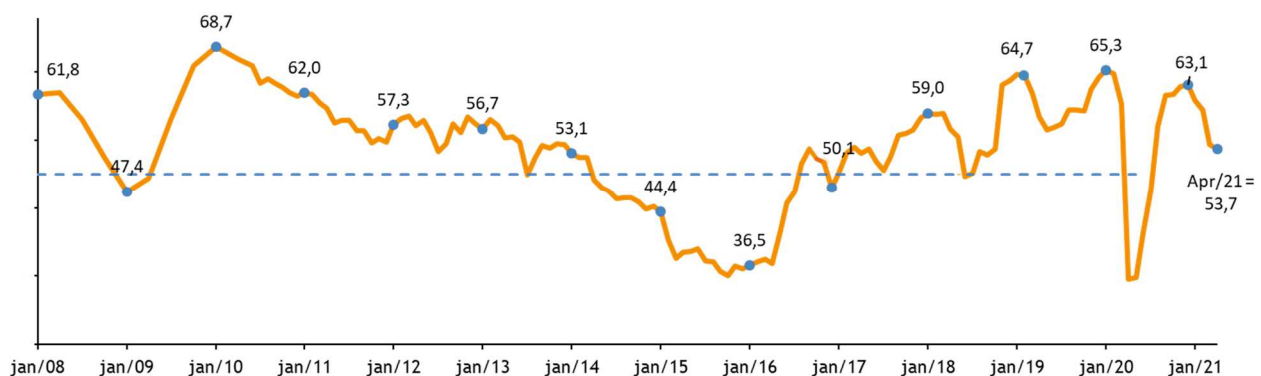
Current Economic Scenario

2021 continues to show a favorable environment for the investment initiated in mid-2020. This important recovery in turnover can be seen in the incoming orders for Romi Machines. The current interest rates, as well as the exchange rate level stimulates 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 this resumption that took place in 2020, the Company prepared itself, especially in relation to orders for raw materials and components along the supply chain, which have allowed us to serve customers in an appropriate and competitive period. Romi is prepared to continue to support its customers by providing high-technology products, within deadlines suitable to 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 1Q21 and 4Q20, as may be seen in the incoming orders reported for these periods. These requests are a reflection of the growing volume of opportunities, mainly in the Asian continent.

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.

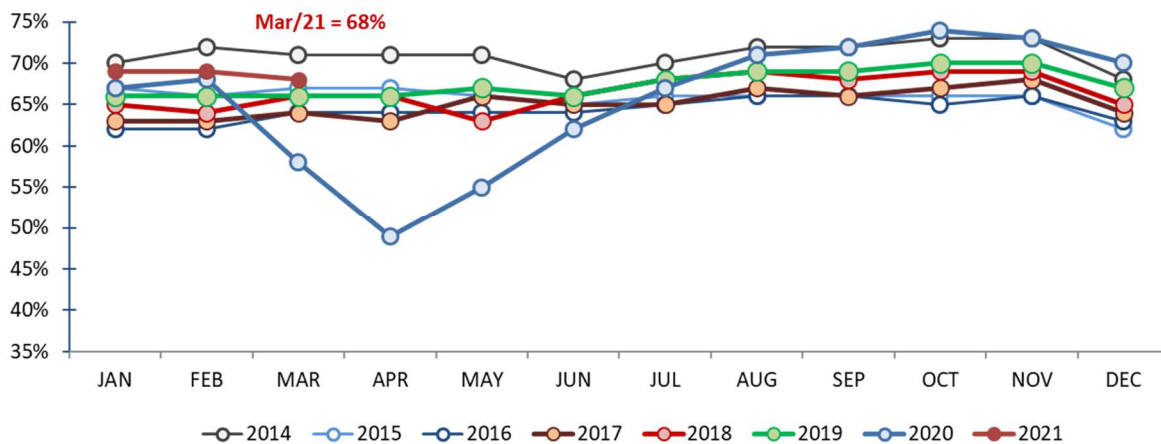
Industrial Entrepreneur Confidence Index - ICEI



Source: CNI - ICEI, April 2021

The Installed Capacity Utilization (UCI) index of the domestic industry in general, released by the National Confederation of Industries (CNI), which has been impacted by the pandemic, returned to its normal levels in August 2020. With the increase in COVID cases in the beginning of 2021, this index has shown greater volatility, however, it remains at levels favorable to perform investments.

Average Installed Capacity Utilization (UCI)



Source: CNI - UCI, March 2021

The past few years have been marked by an environment of uncertainty and high volatility, with major challenges in relation to production volume forecasts, for example. Accordingly, we continue to implement actions to streamline the structure and the planning and manufacturing process, to respond quickly to the demand volatility. Over the past few years we have made several optimizations, especially in indirect structures and internal processes automation. We also 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 development of new product generations as a priority, and have advanced significantly in terms of technological content, aligned to the needs of Industry 4.0, 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)	1Q20	4Q20	1Q21	Chg. 1Q21/4Q20	Chg. 1Q21/1Q20
Gross Values, sales taxes included					
Romi Machines	87,624	208,471	219,244	5.2%	150.2%
Burkhardt+Weber Machines	20,182	99,346	53,517	-46.1%	165.2%
Rough and Machined Cast Iron Parts	79,616	82,250	135,451	64.7%	70.1%
Total *	187,423	390,067	408,213	4.7%	117.8%

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

Although the environment still presents uncertainties, mainly related to the pandemic, the recovery of industrial activities started in mid-2020 continues in 2021, the confidence of the industrial entrepreneur has been showing favorable levels, as well as the basic interest rate and the exchange devaluation continue to boost the incoming orders volume at the Romi Machines Unit observed in 1Q21, which increased by 150.2% compared to 1Q20. In addition to the new generations of products previously commented on, with important technological advances in the mechatronics, thermal compensation and connectivity areas, 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 165.2% over 1Q20, showing that the demand for machines, particularly in Asia, has recovered in a consistent manner.

In 1Q21, the Rough and Machined Cast Iron Parts Unit posted a 70.1% increase in incoming orders when compared to 1Q20, 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)	1Q20	4Q20	1Q21	Chg. 1Q21/4Q20	Chg. 1Q21/1Q20
Gross Values, sales taxes included					
Romi Machines	111,063	254,213	340,662	34.0%	206.7%
Burkhardt+Weber Machines	164,039	126,200	185,812	47.2%	13.3%
Rough and Machined Cast Iron Parts	106,829	129,612	181,930	40.4%	70.3%
Total *	381,931	510,024	708,404	38.9%	85.5%

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

At the end of the first quarter of 2021, the order backlog grew by 85.5% compared to the same period in 2020. 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, and the orders completed by the German subsidiary B+W in 1Q21. 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 1Q21 reached R\$ 222.6 million, 34.2% higher than in 1Q20, with emphasis to the Romi Machines and Rough and Machined Cast Iron Parts Units.

Net Operating Revenue (R\$ 000)	1Q20	4Q20	1Q21	Var. 1Q21/4Q20	Var. 1Q21/1Q20
Romi Machines	82,503	177,300	131,934	-25.6%	59.9%
Burkhardt+Weber Machines	36,707	107,761	13,516	-87.5%	-63.2%
Rough and Machined Cast Iron Parts	46,731	75,582	77,180	2.1%	65.2%
Total	165,941	360,643	222,630	-38.3%	34.2%

Romi Machines

The net operating revenue of the Romi Machines Unit reached R\$ 131.9 million in 1Q21, an increase of 59.9% compared to 1Q20, reflecting the resumption of orders from June 2020.

Burkhardt + Weber Machines

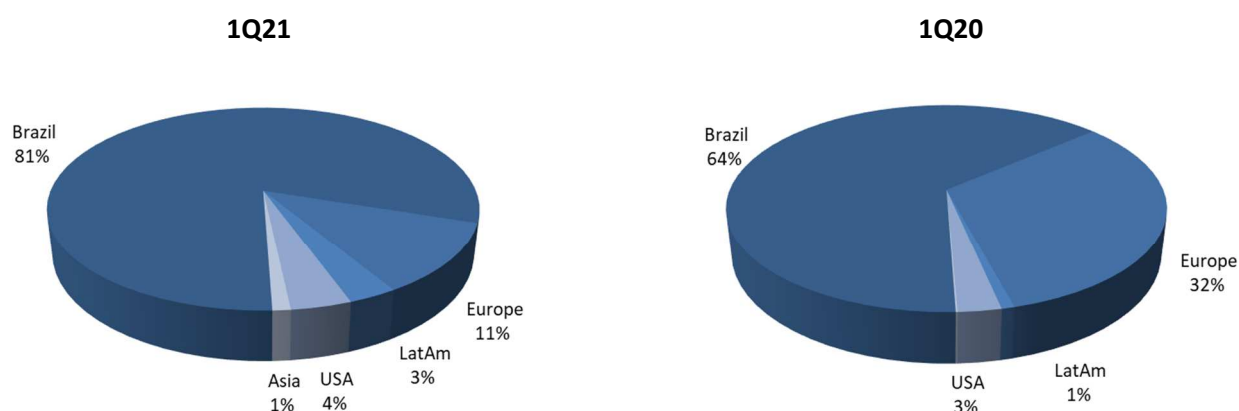
In 1Q21, the revenue of the German subsidiary B+W, in reais, was 63.2% lower than in 1Q20, reflecting the higher concentration of machine deliveries in the second half of 2021.

Rough and Machined Cast Iron Parts

The net operating revenue of this Business Unit totaled R\$ 77.2 million in 1Q21, up 65.2% over 1Q20, 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 per Geographical Region

The domestic market accounted for 81% of Romi's consolidated revenue in 1Q21 (64% in 1Q20). 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	Quarterly				
	1Q20	4Q20	1Q21	Var. 1Q21/4Q20	Var. 1Q21/1Q20
Net Sales (R\$ million)	60.2	151.9	44.7	-70.6%	-25.7%
Net Sales (US\$ million)	12.9	28.0	8.0	-71.4%	-38.1%

In the foreign market, Europe decreased its share of consolidated revenue in 1Q21 from 32% to 11%, due to the fact that the projects of the German subsidiary B+W for 2021 have more concentrated delivery times in the second half of the year. Latin America increased its share, mainly in South America.

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 1Q21 was 33.9%, an increase of 4.8 p.p. compared to 1Q20. The adjusted operating margin (adjusted EBIT) increased by 8.0 p.p. in the same period. The higher volume of revenues, combined with the focus on projects aimed at operating efficiency and the efficient control over operating expenses, resulted in this growth in operating margins.

	Quarterly				
Gross Margin	1Q20	4Q20	1Q21	Var. p.p. 1Q21/4Q2	Var. p.p. 1Q21/1Q2
Romi Machines	43.8%	41.0%	45.9%	4.9	2.1
Burkhardt+Weber Machines	18.0%	24.7%	-22.9%	(47.5)	(40.9)
Rough and Machined Cast Iron Parts	11.9%	22.5%	23.4%	0.9	11.5
Total	29.1%	32.2%	33.9%	1.7	4.8

	Quarterly				
EBIT Margin - Adjusted	1Q20	4Q20	1Q21	Var. p.p. 1Q21/4Q2	Var. p.p. 1Q21/1Q2
Romi Machines	11.0%	24.8%	22.9%	(1.9)	11.9
Burkhardt+Weber Machines	-8.0%	8.6%	-90.9%	(99.6)	(82.9)
Rough and Machined Cast Iron Parts	-1.0%	8.0%	9.6%	1.6	10.6
Total	3.4%	16.5%	11.4%	(5.1)	8.0

(*) 1Q20 and 4Q20 adjusted by the impacts of the “Plano Verão” and “Eletrobrás” legal proceedings described in this report.

Romi Machines

In 1Q21, the gross margin of this Business Unit increased by 2.1 p.p. compared to 1Q20 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 11.9 p.p. in adjusted operating margin (adjusted EBIT) in the same comparison period.

Burkhardt + Weber Machines

In 1Q21, the gross margin and operating margin of this business unit decreased by 40.9 p.p. and 82.9 p.p., respectively, compared to 1Q20. As the projects from B+W, in 2021, have their delivery dates on the second quarter of the year, there were no deliveries in the current quarter, impacting operating results in the period. It is important to mention that BW ended 1Q21 with a backlog of approximately R\$ 186 million, with a substantial part of this backlog being projects to be delivered in 2021.

Rough and Machined Cast Iron Parts

In 1Q21, the gross margin of this Business Unit grew by 11.5 p.p. compared to 1Q20, and its adjusted operating margin (adjusted EBIT) grew by 10.6 p.p. on the same basis of comparison. This growth was due to the higher volume of revenues and production in 1Q21, 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 1Q21, the operating cash generation as measured by EBITDA amounted to R\$ 35.4 million, representing an EBITDA margin of 15.9% in the quarter, as shown in the table below:

Reconciliation of Net Income to EBITDA (R\$ 000)	Quarterly				
	1Q20	4Q20	1Q21	Var. 1Q21/4Q20	Var. 1Q21/1Q20
Net Income	40,817	86,406	20,744	-76.0%	-49.2%
Income tax and social contributions	(10,017)	7,958	4,755	-40.2%	-147.5%
Net Financial Income	(26,086)	(33,357)	(124)	-99.6%	-99.5%
Depreciation and amortization	8,557	10,108	10,054	-0.5%	17.5%
EBITDA	13,271	71,115	35,429	-50.2%	167.0%
EBITDA Margin	8.0%	19.7%	15.9%	-19.3%	99.0%
EBITDA - Adjusted (*)	14,226	69,444	35,429	-49.0%	149.0%
EBITDA Margin - Adjusted (*)	8.6%	19.3%	15.9%	-17.4%	85.6%
Total Net Operating Revenue	165,941	360,643	222,630	-38.3%	34.2%

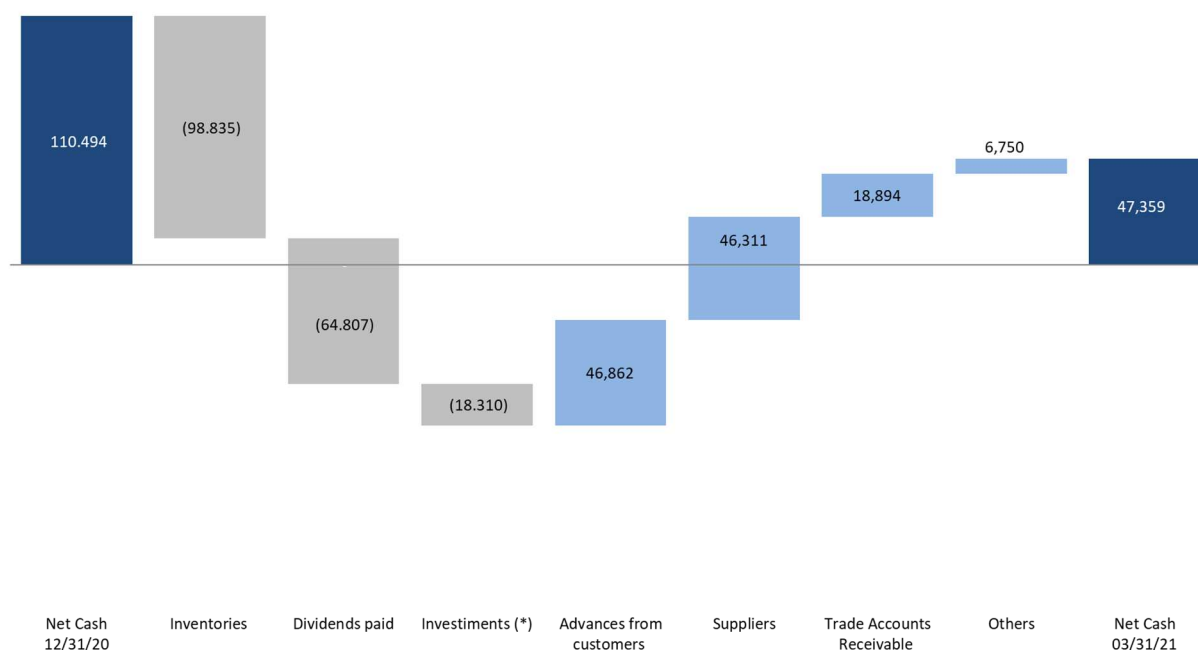
(*) 1Q20 and 4Q20 adjusted by the impacts of the “Plano Verão” and “Eletrobrás” legal proceedings described in this report.

Adjusted Net Result

Adjusted result in 1Q21 was positive by R\$ 20.7 million, an increase of 325.7% compared to the adjusted net profit of 1Q20.

Evolution of Net Cash (Debt) Position

The main changes in net cash position during 1Q21, 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 1Q21, the Company's net cash position presented the following main changes:

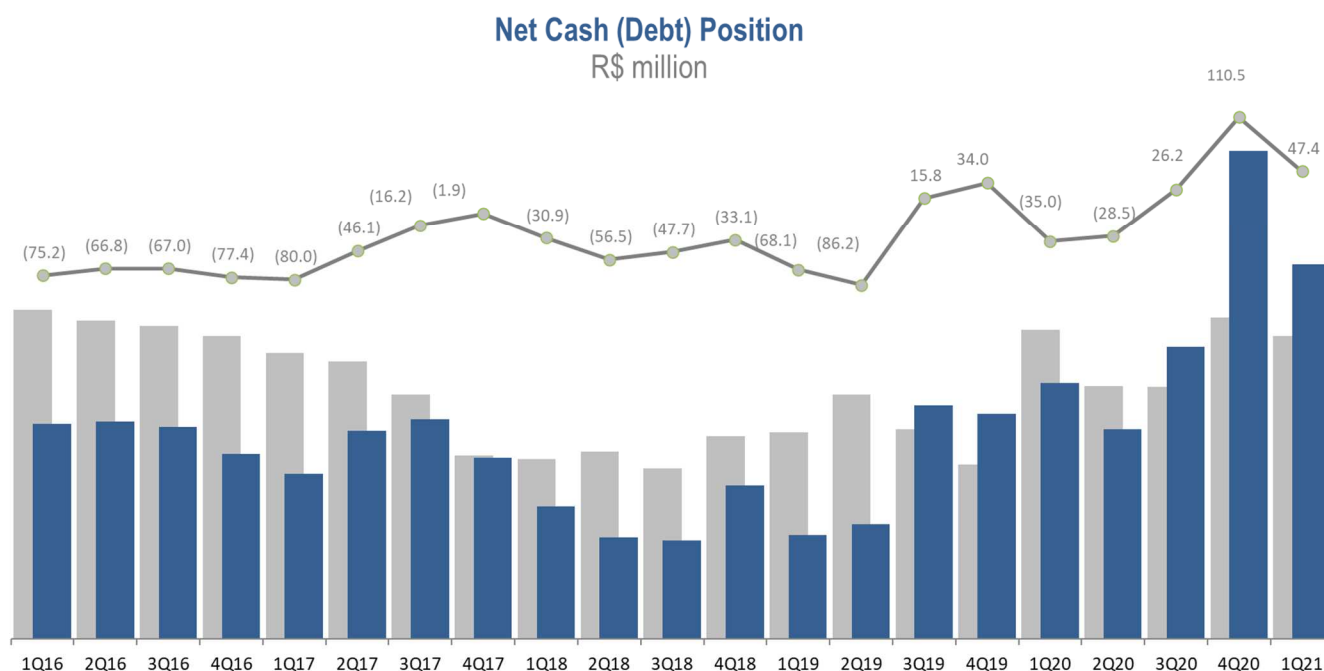
- Investment in inventories, with a 38.9% higher backlog in 1Q21, when compared to the 4Q20 backlog;
- Payment of interest on capital proposed in December 2020 and paid in January 2021;
- Investments made in 1Q21, aimed at the maintenance, productivity, flexibility and competitiveness of the other units in the manufacturing complex, as well as in connection with the new machine rental business;

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 March 31, 2021, the Company had a positive net cash position of R\$ 47.4 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. At March 31, 2021, the Company had financing in local currency of R\$ 68.3 million, and in foreign currency of R\$ 131.5 million, totaling R\$ 199.8 million, of which R\$ 53.9 million matures in up to twelve months.

As at March 31, 2021, the Company recorded R\$ 247.2 million as cash and cash equivalents and short-term investments.



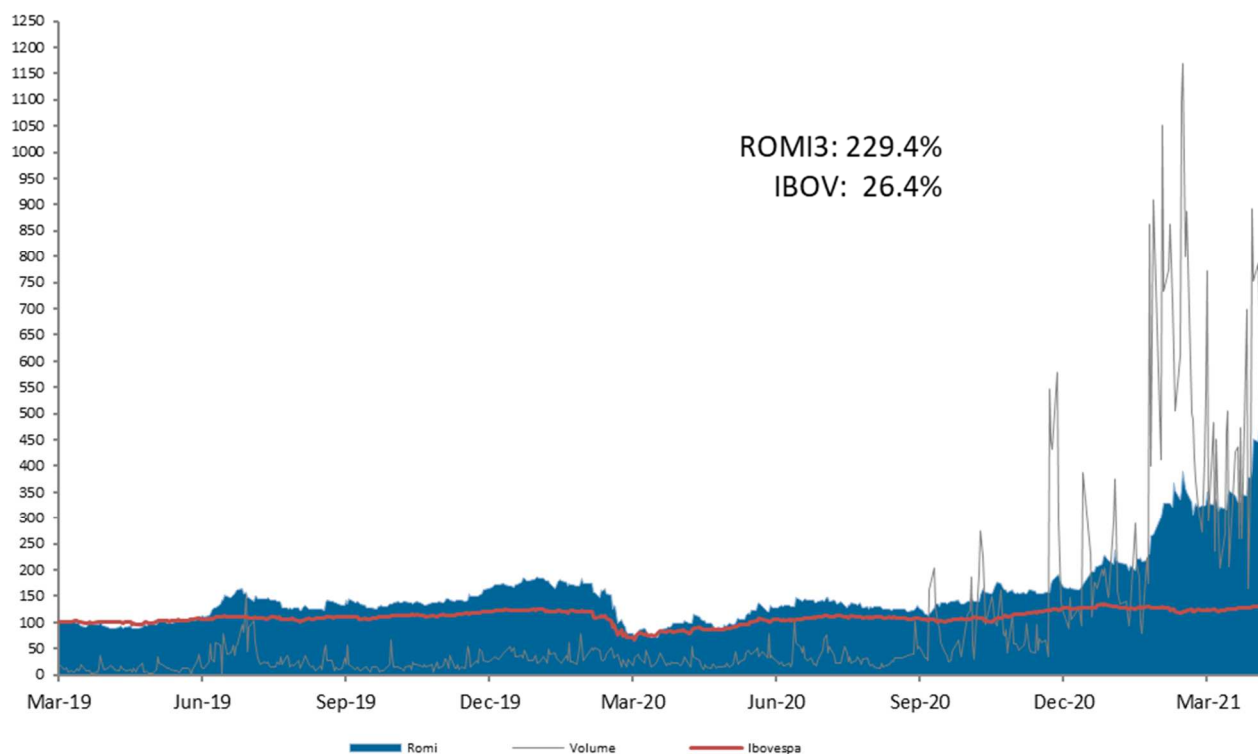
The balances recorded under "Finame Manufacturer Financing" are not used in the calculation of the Company's net debt.

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

Capital Markets

Share Performance ROMI3 vs. Ibovespa

From 03/29/2019 to 04/26/2021



Source: B3.

On April 26, 2021, the Company's common shares (ROMI3) were quoted at R\$36.10. Our share price has gone up by 352.9% since March 31, 2020, and up by 229.4% since March 29, 2019. The Bovespa Index (Ibovespa) went up by 65.2% and 26.4%, respectively, in the same periods.

The Company's market capitalization on April 26, 2021 was R\$ 2,647.4 million. The average daily trading volume during 1Q21 was R\$ 43.1 million.

Consolidated Balance Sheet

IFRS (R\$ 000)

ASSETS	03/31/20	12/31/20	03/31/21
CURRENT	877.359	1.068.695	1.080.877
Cash and Cash equivalents	165.069	195.418	147.735
Financial investments	3.656	127.166	99.444
Trade accounts receivable	141.833	186.183	161.805
Onlending of FINAME manufacturer financing	103.554	131.494	135.019
Inventories	416.534	358.674	457.509
Recoverable taxes	30.875	51.204	63.506
Other receivables	15.838	18.556	15.859
Judicial Deposits	-	-	-
NON CURRENT	290.740	274.089	278.439
Trade accounts receivable	11.296	13.106	18.590
Onlending of FINAME manufacturer financing	171.309	203.222	203.583
Recoverable taxes	74.590	28.256	23.029
Deferred income and social contribution taxes	26.406	23.934	24.830
Judicial Deposits	1.940	1.884	2.001
Other receivables	5.199	3.687	6.406
Investments			
Property, Plant and Equipment	288.078	314.748	326.769
Investment Properties	18.181	18.388	18.388
Intangible assets	67.319	70.788	72.641
TOTAL ASSETS	1.541.677	1.746.708	1.777.114

LIABILITIES AND SHAREHOLDER'S EQUITY	03/31/20	12/31/20	03/31/21
CURRENT	516.848	586.801	547.701
Loans and financing	180.446	115.422	53.893
FINAME manufacturer financing	90.423	122.704	126.034
Trade accounts payable	87.545	96.054	142.365
Payroll and related taxes	19.127	36.163	32.262
Taxes payables	9.826	13.182	13.192
Advances from customers	72.634	70.462	117.324
Related parties	90	4.856	887
Dividends	27.598	91.130	37.322
Provision for contingent liabilities	1.035	1.216	1.475
Other payables	28.124	35.612	22.947
NON CURRENT	228.905	345.323	393.893
Loans and financing	23.325	96.668	145.927
FINAME manufacturer financing	159.936	201.710	198.946
Deferred income and social contribution taxes	39.725	43.372	44.680
Reserve for contingencies	362	296	295
Other payables	5.557	3.277	4.045
SHAREHOLDER'S EQUITY	794.408	813.003	833.989
Capital	492.025	637.756	637.756
Retained earnings	228.810	86.894	96.564
Cumulative translation adjustments	73.573	88.353	99.669
NON CONTROLLING INTERESTS	1.516	1.581	1.531
TOTAL SHAREHOLDER'S EQUITY	795.924	814.584	835.520
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	1.541.677	1.746.708	1.777.114

Consolidated Income Statement

IFRS (R\$ thousand)

	1Q20	4Q20	1Q21	Chg. 1Q21/4Q20	Chg. 1Q21/1Q20
Net Operating Revenue	165,941	360,643	222,630	-38.3%	34.2%
Cost of Goods Sold	(117,658)	(244,426)	(147,160)	-39.8%	25.1%
Gross Profit	48,283	116,217	75,470	-35.1%	56.3%
<i>Gross Margin %</i>	<i>29.1%</i>	<i>32.2%</i>	<i>33.9%</i>		
Operating revenues (expenses)	(43,569)	(55,210)	(50,095)	-9.3%	15.0%
Selling expenses	(19,081)	(29,855)	(22,393)	-25.0%	17.4%
Research and development expenses	(5,070)	(6,037)	(6,214)	2.9%	22.6%
General and administrative expenses	(17,193)	(20,937)	(20,423)	-2.5%	18.8%
Management profit sharing and compensation	(1,980)	(4,101)	(2,968)	-27.6%	49.9%
Other operating income, net	(245)	5,720	1,903	-66.7%	-876.7%
Operating Income (loss) before Financial Results	4,714	61,007	25,375	-58.4%	438.3%
<i>Operating Margin %</i>	<i>2.8%</i>	<i>16.9%</i>	<i>11.4%</i>		
Operating Income (loss) before Financial Results - Adjusted (*)	5,669	59,336	25,375		
<i>Operating Margin % - Adjusted (*)</i>	<i>3.4%</i>	<i>16.5%</i>	<i>11.4%</i>		
Financial Results, Net	26,086	33,357	124	-99.6%	-99.5%
Financial income	27,293	38,498	2,146	-94.4%	-92.1%
Financial expenses	(2,142)	(3,804)	(3,888)	2.2%	81.5%
Exchange gain (loss), net	935	(1,337)	1,866	-239.6%	99.6%
Operations Operating Income	30,800	94,364	25,499	-73.0%	-17.2%
Income tax and social contribution	10,017	(7,958)	(4,755)	-40.2%	-147.5%
Net income	40,817	86,406	20,744	-76.0%	-49.2%
<i>Net Margin %</i>	<i>24.6%</i>	<i>24.0%</i>	<i>9.3%</i>		
Net profit (loss) concerning:					
Controlling interests	40,757	86,317	20,670	-76.1%	-49.3%
Non controlling interests	60	89	74	-16.9%	23.3%
EBITDA	13,271	71,115	35,429	-50.2%	167.0%
Profit (loss) for the period	40,817	86,406	20,744	-76.0%	-49.2%
Income tax and social contribution	(10,017)	7,958	4,755	-40.2%	-147.5%
Financial result, net	(26,086)	(33,357)	(124)	-99.6%	-99.5%
Depreciation and amortization	8,557	10,108	10,054	-0.5%	17.5%
<i>EBITDA Margin %</i>	<i>8.0%</i>	<i>19.7%</i>	<i>15.9%</i>		
EBITDA - Adjusted (*)	14,226	69,444	35,429		
<i>EBITDA Margin % - Adjusted (*)</i>	<i>8.6%</i>	<i>19.3%</i>	<i>15.9%</i>		
Nº of shares in capital stock (th)	62,858	73,334	73,334		
Profit (loss) per share - R\$	0.65	1.18	0.28		

Consolidated Cash Flow Statement

IFRS (R\$ thousand)

	1Q20	4Q20	1Q21
Cash from operating activities			
Net Income before taxation	30,800	94,364	25,499
Net Income discontinued operations	-	-	-
Financial expenses and exchange gain	(24,123)	(28,404)	1,424
Depreciation and amortization	8,557	10,137	10,054
Allowance for doubtful accounts and other receivables	1,078	2,565	(209)
Proceeds from sale of fixed assets and intangibles	(917)	(2,601)	(188)
Provision for inventory realization	5,390	(2,158)	1,935
Reserve for contingencies	48	(99)	(13)
Trade accounts receivable	20,148	(32,106)	26,164
Onlending of Finame manufacturer financing	(10,678)	(37,126)	(3,464)
Inventories	(77,046)	59,109	(100,770)
Recoverable taxes, net	(16,142)	32,971	(7,971)
Judicial deposits	(10)	3	(117)
Other receivables	333	21,719	153
Change on operating liabilities	-	-	-
Trade accounts payable	33,595	18,373	45,012
Payroll and related taxes	(2,161)	(1,366)	(3,901)
Taxes payable	12,533	(48,013)	(3,288)
Advances from customers	4,434	(8,894)	46,862
Other payables	3,912	3,281	(15,593)
Cash provided by (used in) operating activities	(10,249)	81,755	21,589
Income tax and social contribution paid	(148)	(256)	(147)
Net Cash provided by (used in) operating activities	(10,397)	81,499	21,442
Financial Investments	(2,973)	(115,069)	27,722
Purchase of fixed assets	(6,316)	(17,910)	(18,307)
Sales of fixed assets	1,105	3,624	324
Purchase of intangible assets	(216)	(357)	(222)
Net cash Used in Investing Activities	(8,400)	(129,712)	9,517
Interest on capital paid	(39,520)	(49,298)	(64,931)
New loans and financing	88,029	57,669	57,532
Payments of loans and financing	(20,854)	(3,139)	(73,962)
Interests paid (including Finame manufacturer financing)	(4,361)	(4,152)	(10,464)
New loans in Finame manufacturer	40,481	73,259	40,217
Payment of Finame manufacturer financing	(21,498)	(29,530)	(32,811)
Net Cash provided by (used in) Financing Activities	42,277	44,809	(84,419)
Increase (decrease) in cash and cash equivalents	23,480	(3,404)	(53,460)
Exchange variation changes on cash and cash equivalents abroad	(6,218)	18,350	5,777
Cash and cash equivalents - beginning of period	147,807	180,472	195,418
Cash and cash equivalents - end of period	165,069	195,418	147,735

Attachment I – Income Statement by Business Unit

Income Statement by Business Units - 1Q21

R\$ 000	Romi Machines	Burkhardt + Weber Machines	Rough and Machined Cast Iron	Total
Net Operating Revenue	131.934	13.516	77.180	222.630
Cost of Sales and Services	(59.119)	(16.606)	(71.435)	(147.160)
Business Units Transfers	334	-	12.636	12.969
Business Units Transfers	(12.636)	-	(334)	(12.969)
Gross Profit	60.513	(3.090)	18.047	75.470
<i>Gross Margin %</i>	<i>45,9%</i>	<i>-22,9%</i>	<i>23,4%</i>	<i>33,9%</i>
Operating Expenses	(30.283)	(9.201)	(10.611)	(50.095)
Selling	(17.604)	(2.741)	(2.048)	(22.393)
General and Administrative	(6.985)	(8.321)	(5.117)	(20.423)
Research and Development	(4.566)	-	(1.648)	(6.214)
Management profit sharing	(1.170)	-	(1.798)	(2.968)
Other operating revenue	42	1.861	-	1.903
Operating Income (loss) before Financial Results	30.230	(12.291)	7.436	25.375
<i>Operating Margin %</i>	<i>22,9%</i>	<i>-90,9%</i>	<i>9,6%</i>	<i>11,4%</i>
Operating loss before Financial Results - Adjusted (*)	30.230	(12.291)	7.436	25.375
<i>Operating Margin % - Adjusted (*)</i>	<i>22,9%</i>	<i>-90,9%</i>	<i>9,6%</i>	<i>11,4%</i>
Depreciation and amortization	4.064	3.107	2.883	10.054
EBITDA	34.294	(9.184)	10.319	35.429
<i>EBITDA Margin %</i>	<i>26,0%</i>	<i>-68,0%</i>	<i>13,4%</i>	<i>15,9%</i>
EBITDA - Adjusted (*)	34.294	(9.184)	10.319	35.429
<i>EBITDA Margin % - Adjusted (*)</i>	<i>26,0%</i>	<i>-68,0%</i>	<i>13,4%</i>	<i>15,9%</i>

Income Statement by Business Units - 4Q20

R\$ 000	Romi Machines	Burkhardt + Weber Machines	Rough and Machined Cast Iron	Total
Net Operating Revenue	177,300	107,761	75,582	360,643
Cost of Sales and Services	(96,614)	(81,178)	(66,634)	(244,426)
Business Units Transfers	325	-	8,354	8,679
Business Units Transfers	(8,354)	-	(325)	(8,679)
Gross Profit	72,657	26,583	16,977	116,217
<i>Gross Margin %</i>	<i>41.0%</i>	<i>24.7%</i>	<i>22.5%</i>	<i>32.2%</i>
Operating Expenses	(26,996)	(17,291)	(10,923)	(55,210)
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
Operating Income (loss) before Financial Results	45,661	9,292	6,054	61,007
<i>Operating Margin %</i>	<i>25.8%</i>	<i>8.6%</i>	<i>8.0%</i>	<i>16.9%</i>
Operating loss before Financial Results - Adjusted (*)	43,990	9,292	6,054	59,336
<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
EBITDA	49,387	12,940	8,788	71,115
<i>EBITDA Margin %</i>	<i>27.9%</i>	<i>12.0%</i>	<i>11.6%</i>	<i>19.7%</i>
EBITDA - Adjusted (*)	47,716	12,940	8,788	69,444
<i>EBITDA Margin % - Adjusted (*)</i>	<i>26.9%</i>	<i>12.0%</i>	<i>11.6%</i>	<i>19.3%</i>

Attachment II - Financial Statements of BW

Balance Sheet B+W

	(€ 000)		
ASSETS	03/31/20	12/31/20	03/31/21
CURRENT	23.873	19.544	22.132
Cash and Cash equivalents	25	3.262	4.130
Trade accounts receivable	5.511	9.154	5.809
Inventories	16.823	6.342	10.401
Recoverable taxes	659	331	467
Deferred income and social contribution taxes	442	60	-
Related Parties	30	-	3
Other receivables	384	395	1.322
Investments			
Property, plant and equipment	13.819	13.338	12.803
Investment in subsidiaries	-	-	-
Intangible assets	11.630	10.931	10.682
TOTAL ASSETS	49.322	43.813	45.617
LIABILITIES AND SHAREHOLDER'S EQUITY	03/31/20	12/31/20	03/31/21
CURRENT	19.495	10.421	14.223
Loans and financing	864	-	-
Trade accounts payable	4.367	888	462
Payroll and related taxes	1.141	891	1.098
Taxes payable	551	187	284
Advances from customers	9.727	5.209	9.798
Other payables	1.929	2.834	2.024
Related Parties	916	412	557
NON CURRENT	6.286	9.483	9.276
Loans and financing	2.006	5.338	5.255
Deferred income and social contribution taxes	4.280	4.145	4.021
SHAREHOLDER'S EQUITY	23.542	23.908	22.118
Capital	7.025	7.025	7.025
Capital reserve	505	505	505
Profit reserve	16.012	16.378	14.588
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	49.322	43.813	45.617

B+W Income Statement

	(€ 000)		
	1Q20	4Q20	1Q21
Net Operating Revenue	7,279	16,907	2,035
Cost of Goods Sold	(6,079)	(12,582)	(2,519)
Gross Profit	1,200	4,325	(484)
<i>Gross Margin %</i>	<i>16.5%</i>	<i>25.6%</i>	<i>-23.8%</i>
Operating Expenses	(1,940)	(2,690)	(1,401)
Selling expenses	(648)	(1,460)	(414)
General and administrative expenses	(1,292)	(1,230)	(986)
Operating Income before Financial Results	(740)	1,635	(1,885)
<i>Operating Margin %</i>	<i>-10.2%</i>	<i>9.7%</i>	<i>-92.6%</i>
Financial Results, Net	(93)	(80)	(69)
Operations Operating Income	(833)	1,555	(1,954)
Income tax and social contribution	167	(547)	635
Net income	(666)	1,008	(1,319)
<i>Net Margin %</i>	<i>-9.1%</i>	<i>6.0%</i>	<i>-64.8%</i>
EBITDA	(302)	2,164	(1,414)
Net income / loss for the period	(666)	1,008	(1,319)
Income tax and social contribution	(167)	547	(635)
Financial income, net	93	80	69
Depreciation and amortization	438	529	471
<i>EBITDA Margin %</i>	<i>-4.1%</i>	<i>12.8%</i>	<i>-69.5%</i>