

Caxias do Sul, May 03, 2021 - Marcopolo S.A. (B3: POMO3; POMO4) discloses the results referring to the performance of the first quarter of 2021 (1Q21). The financial statements are presented in accordance with accounting practices adopted in Brazil and with the IFRS - International Financial Reporting Standards, established by the IASB - International Accounting Standards Board.

HIGHLIGHTS OF THE 1ST QUARTER OF 2021

- ✿ Marcopolo's **Total Production** reached 3,016 units, 12.4% lower than 1Q20.
- ✿ **Net Revenue** totaled BRL 834.0 million, down 9.3% compared to 1Q20.
- ✿ **Gross Profit** reached BRL 100.5 million, with a 12.0% margin.
- ✿ **EBITDA** totaled BRL 23.5 million, with a margin of 2.8%.
- ✿ **Net Loss** was BRL 14.7 million, with a margin of -1.8%.

(BRL million and percentage change, unless otherwise stated).

Selected Information	1Q21	1Q20	Var. %
Net operating revenue	834.0	919.4	-9.3%
Revenue in Brazil	448.8	469.6	-4.4%
Export revenue from Brazil	156.9	213.9	-26.7%
Revenue abroad	228.3	235.9	-3.2%
Gross Profit	100.5	150.1	-33.0%
EBITDA ⁽¹⁾	23.5	101.9	-76.9%
Net Profit (Loss)	-14.7	10.7	-
Profit (Loss) per Share	-0.016	0.011	-
Return on Invested Capital (ROIC) ⁽²⁾	4.4%	8.8%	-4.4 pp
Return on Equity (ROE) ⁽³⁾	2.6%	8.1%	-5.5 pp
Investments	33.0	49.8	-33.7%
Gross Margin	12.0%	16.3%	-4.3 pp
EBITDA margin	2.8%	11.1%	-8.3 pp
Net Margin	-1.8%	1.2%	-3 pp
Balance Sheet Data	03/31/2021	12/31/2020	Var. %
Net Equity	2,588.8	2,552.2	1.4%
Cash, cash equivalents and short-term investments	1,070.1	1,111.5	-3.7%
Short-term financial liabilities	-729.7	-727.8	0.3%
Long-term financial liabilities	-1,337.8	-1,303.0	2.7%
Net financial liabilities - Industrial Segment	-506.1	-395.3	28.0%

Notes: ⁽¹⁾ EBITDA = Earnings before interest, taxes, depreciation and amortization; ⁽²⁾ ROIC (Return on Invested Capital) = (Nopat for the last 12 months) / (customers + inventories + other accounts receivable + investments + fixed assets + intangible assets - suppliers - other accounts payable). Banco Moneo's effects on the asset and liability basis were excluded from the calculation. ⁽³⁾ ROE (Return on Equity) = Net Profit for the last 12 months / Initial Shareholders' Equity; pp = percentage points.

PERFORMANCE OF THE BRAZILIAN BUS SECTOR

In 1Q21, Brazilian bus production reached 3,065 units, down 32.6% compared to 1Q20.

a) Domestic Market. Production for the domestic market totaled 2,574 units in 1Q21, 30.1% lower than the 3,680 units produced in 1Q20.

b) Foreign Market. Exports totaled 491 units in 1Q21, 43.5% lower than the 869 units exported in 1Q20.

BRAZILIAN BUS PRODUCTION (in units)

PRODUCTS ⁽¹⁾	1Q21			1Q20			Var.
	MI	ME ⁽²⁾	TOTAL	MI	ME ⁽²⁾	TOTAL	%
Roads	723	265	988	843	296	1,139	-13.3%
Urban	836	190	1,026	2,196	547	2,743	-62.6%
Micros	1,015	36	1,051	641	26	667	57.6%
TOTAL	2,574	491	3,065	3,680	869	4,549	-32.6%

Fontes: FABUS (National Association of Bus Manufacturers) and SIMEFRE (*Sindicato Interestadual da Indústria de Materiais e Equipamentos Ferroviários e Rodoviários* [Interstate Union for the Industry of Materials and Railway and Road Equipment]).

Notes: ⁽¹⁾ MI = Domestic Market; ME = Foreign Market, units produced for export; ⁽²⁾ Includes units exported in KD (disassembled).

MARCOPOLO'S OPERATING AND FINANCIAL PERFORMANCE

Units recorded in Net Revenue

In 1Q21, 2,884 units were recorded in net revenue, of which 2,070 were billed in Brazil (71.8% of the total), 384 exported from Brazil (13.3%) and 430 abroad (14.9%).

OPERATIONS (in units)	1Q21	1Q20	Var. %
BRAZIL:			
- Domestic Market	2,070	2,212	-6.4%
- Foreign Market	427	648	-34.1%
SUBTOTAL	2,497	2,860	-12.7%
Exported KD eliminations ⁽¹⁾	43	267	-83.9%
TOTAL IN BRAZIL	2,454	2,593	-5.4%
ABROAD:			
- South Africa	30	51	-41.2%
- Australia	73	76	-3.9%
- China	0	8	-100.0%
- Mexico	230	323	-28.8%
- Argentina	97	26	273.1%
TOTAL ABROAD	430	484	-11.2%
OVERALL TOTAL	2,884	3,077	-6.3%

Note: ⁽¹⁾ KD (Knock Down) = Bus bodies partially or completely disassembled.

PRODUCTION

Marcopolo's consolidated production was 3,016 units in 1Q21. In Brazil, production reached 2,586 units, 12.0% lower than in 1Q20, while abroad production was 430, 14.2% lower than the units produced in the same period of the previous year. In affiliated, unconsolidated operations, considering only Marcopolo's share of the companies' capital stock, production was 48 units, 72.4% lower than in 1Q20.

Production continues to be negatively affected by the impacts of the Covid-19 pandemic on public transport, especially associated with the second wave. The seasonality observed on a regular basis in the first quarter of each year was added to the closing down of cities, mobility restrictions and increased cases of the disease, affecting the comparison with 1Q20. In the domestic market, production was supported by the charter sector, benefited by the use of more vehicles to maintain distance in the transportation of employees to companies, as well as by the volumes in micro and Volare buses directed to the federal *Caminho da Escola* [school transportation] program. In exports, there was a drop in urban production, which had been favored in 1Q20 by packages directed to the African continent. In international operations, the ramp-up of urban production in Argentina was not sufficient to balance losses in volumes in other countries.

Marcopolo's production data and its respective comparison with the previous year are shown in the following table:

MARCOPOLO - CONSOLIDATED GLOBAL PRODUCTION

OPERATIONS (in units)	1Q21	1Q20	Var. %
BRAZIL: ⁽¹⁾			
- Domestic Market	2,228	2,514	-11.4%
- Foreign Market	416	693	-40.0%
SUBTOTAL	2,644	3,207	-17.6%
Exported KD eliminations ⁽²⁾	58	267	-78.3%
TOTAL IN BRAZIL	2,586	2,940	-12.0%
ABROAD:			
- South Africa	30	51	-41.2%
- Australia	73	76	-3.9%
- China	-	8	-100.0%
- Mexico	230	353	-34.8%
- Argentina	97	13	646.2%
TOTAL ABROAD	430	501	-14.2%
OVERALL TOTAL	3,016	3,441	-12.4%

NON-CONSOLIDATED OPERATIONS (in units)	1Q21	1Q20	Var. %
- Colombia (50%)	48	174	-72.4%
TOTAL ASSOCIATES	48	174	-72.4%

Notes: ⁽¹⁾ Includes the production of the Volare model; ⁽²⁾ KD (Knock Down) = Bus bodies partially or completely disassembled; ⁽³⁾ Volume proportional to Marcopolo's participation in the respective companies.

MARCOPOLO - CONSOLIDATED GLOBAL PRODUCTION BY MODEL

PRODUCTS/MARKETS ⁽²⁾ (in units)	1Q21			1Q20		
	MI	ME ⁽¹⁾	TOTAL	MI	ME ⁽¹⁾	TOTAL
Roads	409	145	554	523	215	738
Urban	299	617	916	1,026	928	1,954
Micro buses	526	17	543	355	27	382
SUBTOTAL	1,234	779	2,013	1,904	1,170	3,074
Volare ⁽³⁾	994	67	1,061	610	24	634
TOTAL PRODUCTION	2,228	846	3,074	2,514	1,194	3,708

Notes: ⁽¹⁾ The total ME production includes units exported in KD (bus bodies partially or completely disassembled); ⁽²⁾ MI = Domestic Market; ME = Foreign Market; ⁽³⁾ Volare's production is not part of the data from SIMEFRE and FABUS, or from the sector's production.

MARCOPOLO - PRODUCTION IN BRAZIL

PRODUCTS/MARKETS ⁽²⁾ (in units)	1Q21			1Q20		
	MI	ME ⁽¹⁾	TOTAL	MI	ME ⁽¹⁾	TOTAL
Roads	409	143	552	523	109	632
Urban	299	189	488	1,026	535	1,561
Micro buses	526	17	543	355	25	380
SUBTOTAL	1,234	349	1,583	1,904	669	2,573
Volare ⁽³⁾	994	67	1,061	610	24	634
TOTAL PRODUCTION	2,228	416	2,644	2,514	693	3,207

Note: See notes in the Consolidated Global Production by Model table.

PARTICIPATION IN THE BRAZILIAN MARKET

Marcopolo's market share in Brazilian bus bodywork production was 51.6% in 1Q21 compared to 57.0% in 1Q20.

The highlight of the quarter was the increase of 10.7 percentage points in the road segment in relation to 4Q20, related to the increase in the Company's exposure in the charter sector. The charter market, the lightest bus within the road category, represented 68.9% of the segment's volumes in 1Q21 (32.5% in 1Q20).

PARTICIPATION IN BRAZILIAN PRODUCTION (%)

PRODUCTS	1Q21	2020	4Q20	1Q20
Roads	55.9	48.2	45.2	64.3
Urban	47.6	54.4	51.9	53.7
Micro buses	51.7	54.1	45,1	55.3
TOTAL ⁽¹⁾	51.6	52.7	48.2	57.0

Source: FABUS and SIMEFRE

Note: ⁽¹⁾ Volare is not computed for the purpose of market share.

NET REVENUE

Consolidated net revenue reached BRL 834.0 million in 1Q21, of which BRL 448.8 million, or 53.8% of the total, from the domestic market, and BRL 385.1 million, representing the remaining 46.2%, of the foreign market.

The highlight of the quarter was the performance of the Volare segment, benefited by the growth in volumes delivered for the *Caminho da Escola* program, and greater demand in the charter and export sector, with the recovery of volumes directed to South America.

The following table and graphs show the breakdown of net revenue by products and markets:

**TOTAL CONSOLIDATED NET REVENUE
By Product and Market (BRL Million)**

PRODUCTS/MARKETS ⁽¹⁾	1Q21			1Q20		
	MI	ME	TOTAL	MI	ME	TOTAL
Roads	90.0	74.7	164.6	141.1	151.9	293.0
Urban	48.7	239.4	288.1	136.0	223.2	359.2
Micros	54.4	6.5	61.0	36.2	5.7	41.9
Bus body subtotal	193.1	320.6	513.7	313.3	380.8	694.1
Volare ⁽²⁾	223.8	28.1	251.9	131.1	6.7	137.8
Chassis	0.0	7.8	7.8	3,7	40.6	44.3
Bco. Moneo	21.4	0.0	21.4	9.5	-	9.5
Parts and Others	10.6	28.7	39.2	12.0	21.7	33.7
OVERALL TOTAL	448.8	385.1	834.0	469.6	449.8	919.4

Notes: ⁽¹⁾ MI = Domestic Market; ME = Foreign Market, units exported and produced in foreign operations by controlled companies; ⁽²⁾ Volare's revenue includes chassis.

GROSS RESULT AND MARGINS

Consolidated gross profit in 1Q21 reached BRL 100.5 million, with a margin of 12.0%, compared to BRL 150.1 million with a margin of 16.3% in 1Q20. The gross margin was affected by adjustments in staff, the drop in exports from Brazil and the lighter product mix, especially in the road segment with sales concentrated in chartering.

In 1Q21, the Company made terminations to adapt its staff to smaller volumes than those planned during 1H21. Outnumbering the terminations made in 2H20, the impact on gross margin was BRL 8.9 million in 1Q21. If we excluded this effect, the gross margin would have reached 13.1% in the quarter.

EXPENSES WITH SALES

Selling expenses totaled BRL 42.7 million in 1Q21, or 5.1% of net revenue, against BRL 52.9 million in 1Q20, 5.8% of net revenue. The reduction, both in absolute and relative values, is explained by the lower representativeness of sales directed to the foreign market and by the cost reduction efforts undertaken in 2020.

GENERAL AND ADMINISTRATIVE COSTS

General and administrative expenses totaled BRL 49.9 million in 1Q21, or 6.0% of net revenue, while in 1Q20 these expenses totaled BRL 47.7 million, or 5.2% of net revenue. The growth in general and administrative expenses is explained by the closing costs of Marcopolo Rio (BRL 2.0 million).

OTHER NET OPERATING REVENUE/LOSSES

In 1Q21, BRL 16.5 million was recorded as "Other Operating Expenses" compared to BRL 4.3 million recognized as "Other Operating Expenses" in 1Q20.

The Company provisioned BRL 15.3 million to cover labor claims mainly associated with the staff adjustments made in 2H20. The high number of terminations generated a concentration of new cases in the beginning of 2021. The Company works to reverse, in whole or in part, the provisions based on the success of its defense in the proceedings under review.

EQUITY METHOD RESULTS

Equity income in 1Q21 was BRL 6.0 million positive compared to BRL 34.2 million positive in 1Q20.

The main contribution was originated by the Canadian affiliate NFI Group Inc., which, after three quarters of negative results, brought positive equity in the amount of BRL 5.1 million, with the recovery of results from the cool down of the effects of the pandemic in North America. On March 1, 2021, NFI Group Inc. concluded a capital increase in the amount of CAD 250.0 million, which resulted in a dilution of Marcopolo, which now holds 9.3% of the company's capital stock.

The equity income result is presented in detail in Explanatory Note 11 to the Quarterly Information.

NET FINANCIAL RESULT

The net financial result in 1Q21 was negative by BRL 27.1 million, compared to a negative result of BRL 103.6 million recorded in 1Q20.

The impact results mainly from the devaluation of the Real against the US Dollar on the order portfolio in dollars. The Company hedges the export exchange rate when the sales orders are confirmed, ensuring the business margin. As the products are invoiced and delivered, the Company captures the benefits of the devaluation of the Real in its operating margins.

The financial result is presented in detail in Explanatory note no. 28.

EBITDA

EBITDA was positive by BRL 23.5 million in 1Q21, with a margin of 2.8%, versus an EBITDA of 101.9 million and a margin of 11.1% in 1Q20. EBITDA was negatively affected by lower volumes and revenue, adjustments in the staff, the lower share of exports in revenue distribution, the lighter mix aimed at buses with lower added value, the impact of labor provisions and the lower contribution of equity equivalence in the quarterly comparison.

The table below highlights the accounts that make up EBITDA:

BRL million	1Q21	1Q20
Results before income tax and social contribution	-29.8	-24.3
Financial Revenue	-120.7	-250.3
Financial Expenses	147.8	354.0
Depreciation / Amortization	26.2	22.5
EBITDA	23.5	101.9

NET PROFIT (LOSS)

The consolidated net loss in 1Q21 was BRL 14.7 million, with a margin of -1.8%, compared to a profit of BRL 10.7 million and a margin of 1.2% in 1Q20. The result was affected by the same effects reflected in EBITDA and continues to be impacted by the effects of the pandemic on the bus market.

FINANCIAL INDEBTEDNESS

Net financial indebtedness totaled BRL 997.5 million on March 31, 2020 (BRL 919.3 million on December 31, 2020). Of this total, BRL 491.4 million came from the financial segment (Banco Moneo) and BRL 506.1 million from the industrial segment.

It is worth mentioning that the financial segment's indebtedness stems from the consolidation of Banco Moneo's activities and must be analyzed separately, since it has different characteristics from that of the Company's industrial activities. Banco Moneo's financial liabilities are matched against the "Customers" account in Banco's Assets. The credit risk is duly provisioned. Since these are FINAME onlending, each disbursement from

BNDES has an exact offset in Banco Moneo's customer receivables account, both in term and in rate.

On March 31, the net financial debt of the industrial segment represented 2.7 times the EBITDA of the last 12 months.

CASH GENERATION

In 1Q21, operating activities generated cash of BRL 45.0 million, while investment activities, net of dividends and exchange variation, demanded BRL 32.5 million and financing activities consumed BRL 71.0 million.

The initial cash balance of BRL 1,111.5 million at the end of December 2020, considering the short-term investments and adding up to BRL 17.0 million of the difference between the exchange variation and the variation in the accounts related to financial investments not available, decreased to BRL 1,070.1 million at the end of March 2021.

PERMANENT INVESTMENTS

In 1Q21, Marcopolo invested BRL 33.0 million in its fixed assets, of which BRL 28.4 million was spent by the controlling company and applied as follows: BRL 22.5 million in machinery and equipment, BRL 3.2 million in hardware and software, BRL 2.6 million in buildings and improvements, and BRL 0.1 million in other fixed assets. BRL 4.6 million were invested in the controlled companies, of which BRL 2.7 million was in Volare Veículos (São Mateus), BRL 1.3 million in Marcopolo Argentina, BRL 0.5 million in Marcopolo Australia and BRL 0.1 million in the other units.

CAPITAL MARKET

In 1Q21, transactions with Marcopolo shares turned over BRL 1,769.2 million. On March 31, foreign investors' participation in Marcopolo's capital stock totaled 36.9% of the preferred shares and 24.3% of the total capital stock. At the end of the period, the Company had 87,309 shareholders.

The following table shows the evolution of the main indicators related to the capital market:

INDICATORS	1Q21	1Q20
Transacted amount (BRL million)	1,769.2	2,677.4
Market capitalization (BRL million) ^{(1) (2)}	2,651.3	2,338.8
Existing actions	946,892,882	946,892,882
Equity value per share (BRL)	2.73	2.55
POMO4 quote at the end of the period	2.80	2.47

Notes: ⁽¹⁾ Price of the last transaction for the period of the Book-entry Security (PE) share, multiplied by the total number of shares (OE+PE) existing in the same period; ⁽²⁾ Of this total, 7,527,291 preferred shares were held in treasury on March 31, 2021.

ANALYSIS & PERSPECTIVES

One year after the first effects of the Covid-19 pandemic affected the Company's results, the cycle of quarterly comparisons on bases with and without the pandemic ends in 1Q21. The seasonality observed at the beginning of each year adds to the difficulties of a market still depressed by social distancing measures, the closing down of cities and profusion of new cases of the disease. Vaccination advances without, however, being enough to bring confidence to the public transport sector, which suffers from the consequences of the second wave.

The setback of Covid-19, especially since the mass availability of immunization, continues as the main factor for resuming activities such as tourism, regular long-distance lines, urban public transport and school transport. The vaccine also appears as a more effective solution to prevent new waves of contagion.

The Company remains confident that a more consistent growth in road volumes in the domestic market is expected to start in 2H21. The demand should be encouraged by the return of passengers to the regular lines and, later on, to regional tourism. Aware that the effects of the pandemic are likely to last longer, the Company has been strengthening itself in the chartering sub-segment, adapting its products and gaining competitiveness in buses with lower added value.

For the urban market, recovery is expected to be slower, considering that several cities keep running a fleet that exceeds demand, penalizing the operator of the lines, without adequate financial compensation. The segment also suffers more deeply with the increase in costs, having difficulty promoting the necessary transfers to the rates or obtaining the economic and financial balance through subsidies. The segment may benefit from the new bidding for the *Caminho da Escola* program.

The segment of micro and Volare buses shows a continuous advance, with growth of volumes in the charter. Sales to the public authorities also remain heated, including the federal *Caminho da Escola* program. In 1Q21, the Company delivered 761 units for the program, of which 397 were micro, 40 urban and 354 Volare models. Deliveries are expected to continue in 2Q21, reaching a volume close to the total achieved by Marcopolo in 2019, 4,800 units. The Company awaits publication of a new request for proposals for *Caminho da Escola 2021/2022* at any time. The micro market is expected to benefit from 2H21 with the expected reopening of schools and universities, and the resumption of tourism.

Exports were affected by the second wave of Covid-19 in the Company's relevant markets, reflecting a drop in sales. Despite advancing rapidly in Chile, vaccination was not enough to suppress the increase in cases of the disease in that country, negatively affecting a more consistent recovery in 1H21. The Company negotiates new packages for the African continent, with part of the orders being transferred from 1Q21 to 2Q21 and 3Q21. The devalued Real continues to favor exports, but the pandemic has prevented the maturing of business in progress.

International operations continue to be pressured by the pandemic, just like the Brazilian market and exports. Marcopolo Australia and Marcopolo Argentina continue to improve their results, with the former experiencing an almost normal market and the latter benefiting from the lack of sufficient urban renewal in previous years. Marcopolo Argentina should continue to show increasing volumes as the plant consolidates its expertise in urban production, remembering that this plant was only dedicated to road users.

Marcopolo Mexico and Marcopolo South Africa saw little recovery in orders in the short term, estimating a more consistent recovery in volumes just for the second half. Marcopolo China already has a new manager and its processes are undergoing extensive reformulation. After the end of deliveries aimed at renewing the fleet in Bogotá, Colombian affiliate Superpolo maintains healthy results, with a tendency to increase in the second half of 2021 as well. Canadian NFI Group Inc. reported earnings in 4Q20, after three quarters of consecutive losses. The affiliate is expected to benefit from faster vaccination in North America, as well as fleet renewal policies for electric buses in its main markets.

In 1Q21, Marcopolo maintained a cost reduction strategy, adapting to a scenario of lower volumes based on the effects of the second wave in Brazil and in its foreign markets. Such adjustments lead to penalties in the short term, including expenses with dismissals and labor provisions, but they sow lighter, more competitive and more sustainable structures for the near future. The Company anticipates the need for additional adjustments during 2Q21 as well as related to the delay in the new proposal for the federal *Caminho da Escola* program and the modernization of its operational structure.

It is not yet possible to identify the moment of more aggressive expansion of volumes, however the comparison from April onwards should be favored by a weaker annual basis, without indicating, however, a return to normal in the short term. With this vision in mind, the Company continues to contain expenses and investments, and mitigating the cost increases caused by inflation with efficiency gains and transfer of prices. The impounding of orders generated by the increase in costs associated with aging fleets, a reduction in the resale value of used vehicles and the postponement of investments in general will reflect on complementary sales later on.

Using this market drop, Marcopolo reinforces its work of operational excellence, with actions aimed at competitiveness, unfolding actions that became possible from the plant optimization projects. The Company changes rapidly, working on innovative products aimed at integrated and sustainable public transport. With the certainty that we will overcome this moment, Marcopolo remains focused on its customers and users, to come out of this strengthened and adapted to potentiate the opportunities that will arise in a post-pandemic world.

The Management.

BALANCE SHEET	IFRS 10 E 11 (CPC 36 R3 E CPC 19 R2) - in thousands of reais	
	Consolidated	
	03/31/21	12/31/20
ASSETS		
Current Assets		
Cash and cash equivalents	989.611	1.040.931
Short-term investments valued at fair value	-	-
Derivatives financial instruments	5.393	2.641
Trade accounts receivable	931.307	970.452
Inventories	823.654	748.411
Recoverable taxes	233.871	228.711
Other accounts receivable	178.345	179.906
	3.162.181	3.171.052
Non-current Assets		
Related parties	-	-
Financial assets available for sale	75.053	67.961
Recoverable taxes	10.451	4.913
Deferred income tax and social contribution	198.651	164.725
Judicial Deposits	63.233	66.670
Trade accounts receivable	423.331	449.933
Other accounts receivable	4.215	4.732
Investments	535.681	489.312
Investment Property	88.689	89.361
Property, plant and equipment	1.029.010	1.006.320
Intangible assets	367.784	345.930
	2.796.098	2.689.857
TOTAL ASSETS	5.958.279	5.860.909
LIABILITIES AND STOCKHOLDERS' EQUITY	Consolidated	
	31/03/21	31/12/19
Current Liabilities		
Suppliers	406.759	358.824
Loans and financing	728.598	722.097
Derivative financial instrucioncs	1.132	5.723
Salaries and vacation pay	101.730	102.505
Taxes and contributions payable	104.436	82.399
Related parties	-	-
Advances from customers	168.493	202.149
Comissioned representatives	39.215	45.737
Interest on own capital and dividends	901	92
Management profit sharing	919	3.608
Other accounts payable	193.316	195.174
	1.745.499	1.718.308
Non-current Liabilities		
Loans and financing	1.337.809	1.302.965
Provision	103.887	97.478
Taxes contributions payable	-	13.419
Obligations to purchase equity interests	24.406	24.406
Other accounts payable	99.501	96.338
	1.565.603	1.534.606
Stockholders' equity		
Capital	1.334.052	1.334.052
Capital reserves	3.268	3.268
Revenue reserves	790.528	827.843
Treasury stock	(29.776)	(29.776)
Equity valuation adjustments	490.758	416.829
	2.588.830	2.552.216
Non-controlling Interest	58.347	55.779
	2.647.177	2.607.995
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	5.958.279	5.860.909

The consolidated financial statements, the notes and the report of independent auditors PwC Auditores Independentes are available at the sites:

www.cvm.org.br e www.bmfbovespa.com.br

STATEMENTS OF INCOME	IFRS 10 E 11 (CPC 36 R3 E CPC 19 R2) - in thousands of reais	
	Consolidated	
	1Q21	1Q20
ACCOUNTS		
Net sales and service revenues	833.974	919.399
Cost of sales and services	(733.487)	(769.327)
Gross Profit	100.487	150.072
Operating income (expenses)	12,0%	16,3%
Selling expenses	(42.703)	(52.915)
Administrative expenses	(49.946)	(47.670)
Other operating income (expenses), net	(16.537)	(4.297)
Equity in the results of investees	6.044	34.154
Net income (loss) from operations	(2.655)	79.344
Financial revenue	120.671	250.342
Financial expenses	(147.788)	(353.951)
Financial Income/loss	(27.117)	(103.609)
Equity in earnings of affiliates	(29.772)	(24.265)
Income taxes and social contribution		
Current	(18.849)	(90)
Deferred	33.927	35.073
Net income from continued operations	(14.694)	10.718
Net income per share - R\$	(0,01564)	0,01132

The consolidated financial statements, the notes and the report of independent auditors PwC Auditores Independentes are available at the sites:

www.cvm.org.br e www.bmfbovespa.com.br

CASH FLOWS	IFRS 10 E 11 (CPC 36 R3 E CPC 19 R2) - in thousands of re	
	Consolidated	
	1Q21	1Q20
Statement of Cash Flows		
Cash flows from operating activities		
Net income for the period	(14.693)	10.718
Cash generated by (used in) operating activities:		
Depreciation and amortization	26.171	22.556
Equity in the results of investees	775	1.719
Provision for credit losses	(6.044)	(34.154)
Current and deferred income tax and social contribution	5.152	(2.929)
Interest and appropriated exchange variations	(15.078)	(34.983)
Cumulative translation adjustments	67.749	223.759
Non-controlling Interest	(1.322)	(3.577)
Changes in assets and liabilities		
(Increase) decrease in trade accounts receivable	69.872	(153.094)
(Increase) decrease in other accounts receivable	(9.844)	82.920
(Increase) decrease in inventories	(53.465)	(120.584)
(Increase) decrease in short-term investment	(32.497)	(101.975)
(Increase) decrease in actuarial liabilities	40.310	37.240
Increase (decrease) in accounts payable	(13.196)	11.392
Cash flows from operating activities	63.890	(60.992)
Income taxes paid	(18.849)	(90)
Net cash provided by (used in) operating activities	45.041	(61.082)
Cash flows from investing activities		
Investments	-	-
Related parties	-	-
Dividends from subsidiaries, jointly-controlled entities and associates	-	448
Purchase of fixed assets	(31.014)	(48.356)
Purchase of intangible assets	(2.019)	(1.422)
Proceeds from sale of fixed	513	6
Net cash obtained in investing activities	(32.520)	(49.324)
Cash flows from financing activities		
Issued shares	-	-
Treasury stock	-	-
Borrowings from third parties	117.797	248.328
Payment of borrowings - principal	(155.946)	(298.533)
Payment of borrowings - interest	(16.267)	(15.397)
Interest on capital and dividends	(16.539)	(24.966)
Net cash applied financing activities	(70.955)	(90.568)
Foreign exchange gains on cash and cash equivalents	7.114	38.018
Foreign exchange gains/(losses) on cash equivalents	7.114	38.018
Cash and cash equivalents at the beginning of the period	1.040.931	1.074.622
Cash and cash equivalents at the end of the period	989.611	911.666
Net increase (decrease) in cash and cash equivalents	(51.320)	(162.956)

The consolidated financial statements, the notes and the report of independent auditors PwC Auditores Independentes are available at the sites:
www.cvm.org.br e www.bmfbovespa.com.br