Earnings Release
MILLS 2Q21
B3:MILS3

Conference call and Webcast

Date: Friday, August 13, 2021

Time: 11 a.m. (Brazil)

Conference call: (55 11) 3181-8565 or (55 11) 4210-1803

Code: Mills

Webcast: click here

The financial and operational information contained in this press release, except as otherwise indicated, is in accordance with the accounting policies adopted in Brazil, which are in compliance with the *International Financial Reporting Standards - IFRS*.

1. Management Comments

Rio de Janeiro, August 12, 2021 - Mills Estruturas e Serviços de Engenharia S.A. (Mills) announces its results for the second quarter of 2021 (2Q21).

2Q21 was mainly characterized by (i) Mills' certification as a one of the best places to work in Brazil by Great Place To Work; (ii) progress in the implementation of the Company's capital allocation strategy and value creation; (iii) the increase in rental activity at the Rental Unit; and (iv) actions to improve the level of availability of its equipment, which can be seen in more detail throughout this Earnings Release.

The heating up of demand for lifting platforms, as already reported in 1Q21, was also noticed during 2Q21, which led the Rental to increase the amount of leased equipment, as well as to go forward on its price recovery strategy, which resulted in a Net Rental Revenue of R$ 131.2 million in the quarter, 9.8% higher than the previous quarter and 78.3% higher than 2Q20 (peak of the crisis caused by COVID-19 in the Company), and an Adjusted Ebitda of R$ 60.3 million (16.9% higher than 1Q21 and 248.7% higher versus 2Q20).

Aiming to meet this growing demand, Mills has advanced and is continuing with the project to adjust the fleet of lifting platforms, which still faces the challenge of a global shortage of inputs and high *lead time* for parts, causing the Company to adopt a strategy to reinforce its inventories to meet its needs. It is worth noting that, of the 164 pieces of equipment purchased in 1Q21, 98 arrived at the Company in 2Q21 and the remaining units will arrive by the end of the year, also contributing to the increase in the fleet's availability level.

Additionally, considering (i) the expectation of heating up of the Brazilian economy in the coming years, (ii) the Rental actions to increase market penetration and (iii) that the *lead time* seen in the parts also extends to the equipment, the Company's Board of Directors approved, on August 12, 2021, the acquisition of up to 1,290 new lifting platforms, which will arrive during 2022 and will correspond to a Capex of up to US$ 63.2 million that year, not yet considering the amounts to be obtained by the Company from sales of used platforms. Such equipment will be used in the growth, mix adjustment and renewal of part of the fleet (added the last two cases, in the latter case, around 10% of the current fleet, which is a little more than 10 years old on average), providing improved service to customers and the ability to expand our geographic footprint, which is in line with the Company's organic growth plan (we intend to end 2021 with 42 branches, with plans to grow further 20% in branches in 2022).

In addition to organic actions mentioned above, Mills (i) entered into an agreement to acquire all the shares of SK Rental do Brasil*, still pending approval by CADE and the fulfillment of other conditions precedent for the closing, and (ii) acquired control of Nest Rental**, evidencing the Company's actions aimed at the consolidation of lifting platforms in Brazil and a steady focus on inorganic transactions that create value for Mills.

* SK Rental do Brasil: a company focused on rental of aerial work platforms, with a strong presence in the southern region of the country, a prominent customer base in its areas of operation, a fleet of over 300 pieces of equipment and certified in management systems, quality and occupational safety and health.

** Nest Rental; a company operating in the Low Level Access platform rental segment (up to 6 meters in height), with a fleet comprised by approximately 100 pieces of compact, light, easy to transport, simple maintenance equipment that replaces stairs with better safety and productivity.

1. Management Comments

With this Rental performance and considering that the Construction Business Unit has again reached a breakeven level of Adjusted Ebitda in 2Q21 (R$ 1.6 million), the Company closed the quarter with a consolidated Adjusted Ebitda of R$ 61.9 million (14.1% higher than 1Q21 and 201.4% higher than 2Q20) and a consolidated net income of R$ 19.9 million (net income of R$ 7.4 million in 1Q21 and loss of R$12.5 million in 2Q20), ending 1H21 with a consolidated Adjusted Ebitda of R$ 116. 2 million (29.5% higher than 2H20 and 95% higher than 1H20) and a consolidated net income of R$ 27.3 million (net income of R$8.8 million in 2H20 and loss of R$13.6 million in the 1H20).

Of this amount of R$27.3 million, R$ 5.8 million was already distributed to shareholders in 2Q21 as interest on equity and the remainder, in the amount of R$ 20.1 million (ex-Legal Reserve), will be distributed to shareholders in 3Q21 as interest on equity and anticipated dividends, as approved by the Company's Board of Directors on August 12, 2021, representing a maximum distribution of net income, which is expected to be maintained for the remainder of the year.

This maximization of the distribution of resources comes after the end of a cycle of consecutive losses and facing the crisis (which culminated in the capital contribution made in 2016 by the Shareholders) and does not lead to any loss to the Company's growth actions mentioned above. In the same vein, a new share buyback program was approved in 1Q21, with 3,469,800 shares having been repurchased so far (approximately 1.4% of the outstanding shares), all held in treasury.

These actions aimed to the fleet adjustment, organic growth, inorganic growth, resource distribution and share buyback, among others, are in line with Mills' capital allocation strategy aimed at generating value for shareholders and gained momentum in 2Q21, also serving to improve the capital structure and were possible due to Mills' liquidity position, cash generation capacity and leverage capacity, ending the quarter with a cash position of R$ 361.3 million and gross debt of R$ 183.8 million (Net Debt/LTM Adjusted Ebitda = -0.9x), and ready for the next challenges and opportunities.

Not least, in 2Q21 Mills was certified by Great Place To Work, a global consultancy that supports organizations to achieve better results through a culture of trust, high performance and innovation, as one of the best companies to work for in Brazil, making us proud and motivating us to continue seeking the development of our people and of our work environment, always focused on retaining and attracting great talent. Moreover, we also made progress in the development of ESG themes to achieve the goals established on the sustainability front, with emphasis on the completion of the Materiality Matrix and definition of the next steps, which can be seen in more detail in the item 13 of this Earnings Release.

Have a good reading!

Sergio Kariya

Mills CEO

2. Quarter Highlights

Economic and Financial:

- Consolidated net revenue at R$ 172.4 million (12.2% versus 1Q21 and 75.4% higher versus 2Q20);
- Consolidated Adjusted EBITDA* at R$ 61.9 million in 2Q21 (14.1% higher versus 1Q21 and 201.4% higher versus 2Q20);
- Consolidated Net Income reaching R$ 19.9 million, (168.1% higher versus 1Q21 and R$ 12.5 million loss in 2Q20).
- Rating upgrade by Moody's from Ba1.br to BBB+ (domestic scale);

Organic Growth and Fleet Adequacy:

- Improvement in the level of availability and use of lifting platforms (6.7% higher versus 1Q21 and 51.3% versus 2Q20);
- Progress in actions to open new branches, with the inauguration of the Sorocaba/SP branch in August and expectation of ending 2021 with up to 42 branches in operation in Brazil;
- Arrival of 98 of the 164 lifting platforms acquired in 1Q21, with corresponding Capex of R$ 19 million in 2Q21;
- On August 12, 2021, the Board of Directors approved the acquisition of up to 1,290 new lifting platforms, which will arrive during 2022 and will correspond to a Capex of up to US$ 63.2 million that year, and should be applied to growth, mix adjustment and renewal of part of the fleet;

Inorganic Growth:

- Agreement to acquire all shares of SK Rental do Brasil for R$ 80 million (under analysis by CADE);
- Acquisition of Nest Rental control for R$ 5.1 million;

Shareholders:

- Payment of R$ 5.8 million as interest on equity (IoE) on June 15;
- On August 12, 2021, approval of the payment of R$ 20.1 million of IoE and anticipated dividends referring to the net income earned in 1H21, to be paid in 3Q21, maximizing the distribution of resources to shareholders;
- From April 1 to August 12, 2021, 3,469,800 shares were repurchased (approximately 1.4% of the outstanding shares) for a total amount of R$ 29.2 million;

ESG:

- Progress in the development of ESG themes to achieve the goals established on the sustainability front, with emphasis on the completion of the Materiality Matrix.
- Mills certification by Great Place To Work as one of the best companies to work for in Brazil.

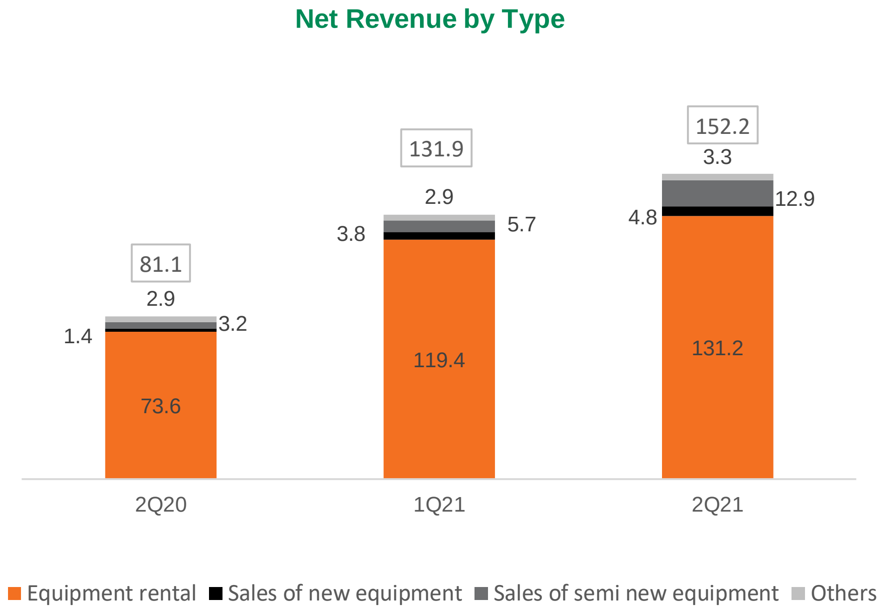
Consolidated Data in R$ million	2Q20 (A)	1Q21 (B)	2Q21 (C)	1H20 (D)	1H21 (E)	(C)/(A)	(C)/(B)
Net revenue	98.3	153.6	172.4	224.4	326.0	75.4%	12.2%
CVM EBITDA	24.5	56.1	62.4	67.1	118.6	155.2%	11.2%
CVM EBITDA Margin (%)	24.9%	36.5%	36.2%	29.9%	36.4%		
EBIT	-15.4	19.9	26.4	-12.9	46.3	271.5%	-32.9%
EBIT Margin (%)	-15.7%	12.9%	15.3%	-5.8%	14.2%		
Adjusted EBITDA*	20.6	54.3	61.9	59.6	116.2	201.4%	14.1%
Adjusted EBITDA Margin* (%)	20.9%	35.3%	35.9%	26.3%	35.7%		

*Excluding IFRS 16 effect and non-recurring items (Construction unit restructuring expenses, liabilities from Industrial Services business unit and expenses related to Solaris business combination project)

3. Rental

In R$ million

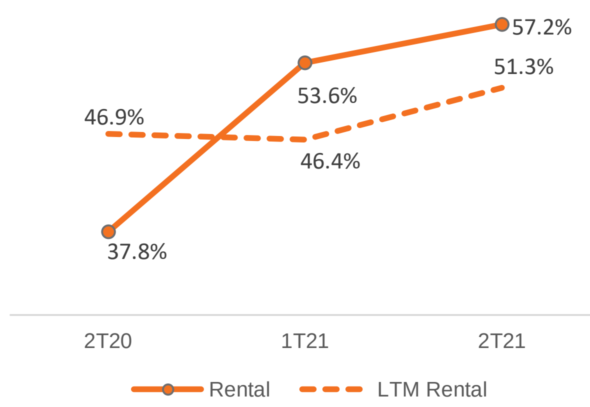
3.1 Net Revenue



Rental net revenue in 2Q21 amounted to R$ 152.2 million, 15.4% higher than the previous quarter and up 87.7% versus 2Q20, evidencing the overcoming of the effects of COVID-19 over the quarters.

Rental net revenue increased 9.8% as compared to 1Q21, mainly due to the price increase and volume leased (average utilization rate was 3.6 p.p. higher versus the previous quarter). Sales revenue recorded 83.5% increase versus the previous quarter due to: i) increased sales of equipment with older age, leading to a positive variation of R$ 7.2 million; and ii) the R$ 0.9 million increase in the sale of new equipment.

3.2 Utilization Rate (Physical)

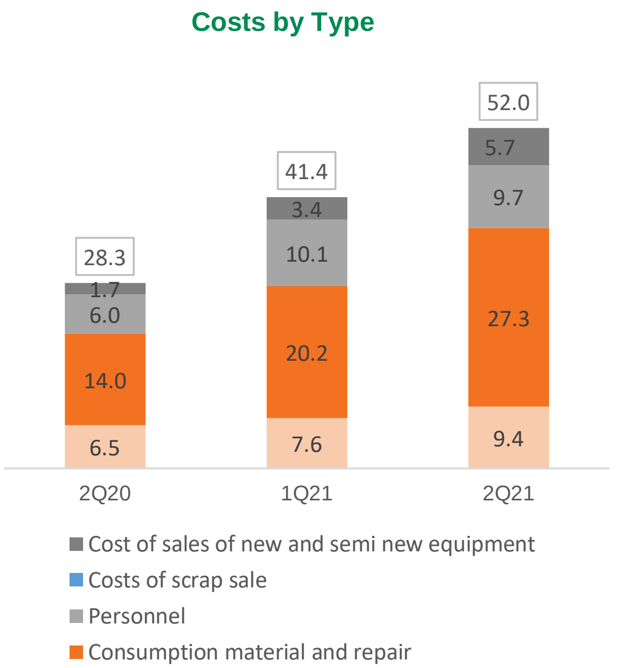


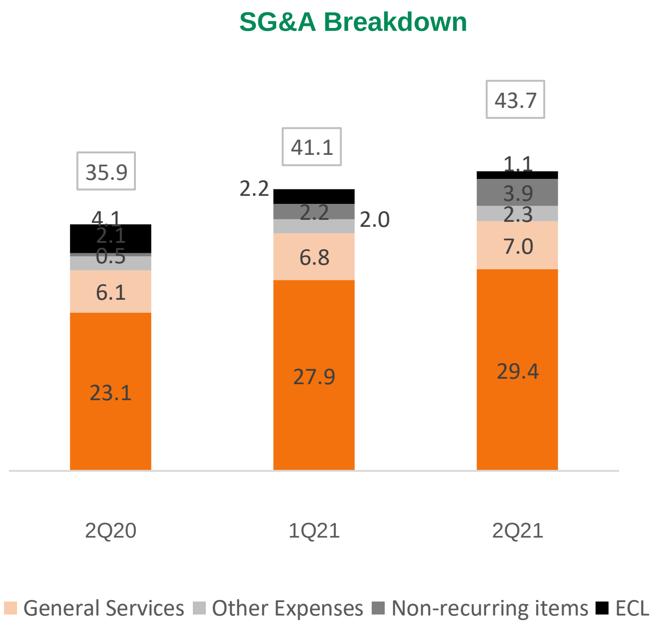
[1] Average for the period

3. Rental

In R$ million

3.3 Costs and Expenses





Consolidated costs in 2Q21 (excluding depreciation and IFRS16) amounted to R$ 52 million, of which: 52.5% with consumables (such as batteries, inks, electrical, hydraulic equipment, etc.) which are directly linked to the volume leased, 18.6% were personnel costs and 10.9% related to selling costs. The 25.6% increase versus the previous quarter is mainly due to higher costs of consumables and maintenance and repair, mainly influenced by: i) the increase in the volume leased; and ii) higher cost of parts, due to the U.S. dollar appreciation, iii) reduced downtime.

Expenses (excluding depreciation and IFRS16) amounted to R$ 43.7 million in the quarter, of which R$ 18.8 million refer to personnel expenses (commercial, domestic operations and administrative staff). The 6.4% increase versus the previous quarter is mainly due to: i) expenses with consulting and hiring professionals to carry out the Company's projects and ii) non-recurring expenses, which will be addressed in item 6 of this Earnings Release.

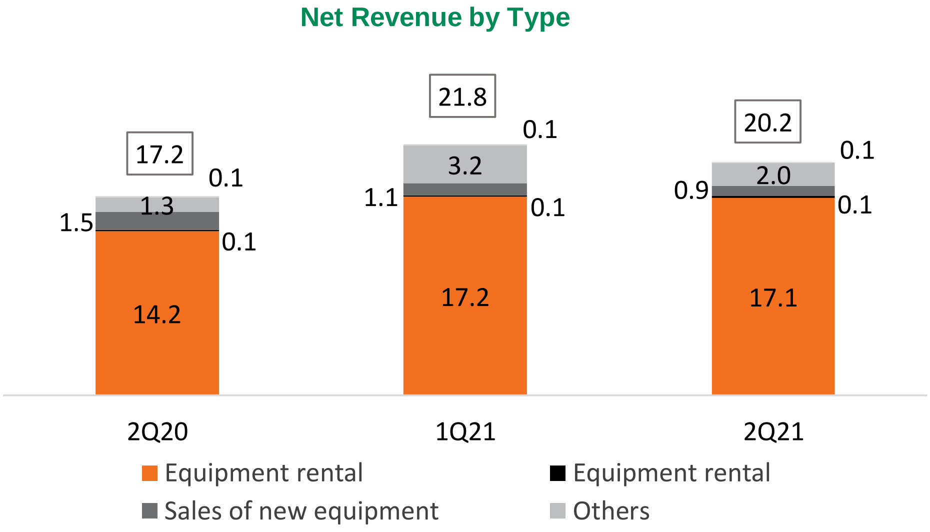
3.4 Rental EBITDA

Consolidated data in R$ million	2Q20 (A)	1Q21 (B)	2Q21 (C)	1H20 (D)	1H21 (E)	(C)/(A)	(C)/(B)
Net Revenue	81.1	131.9	152.2	191.1	284.0	87.7%	15.4%
CVM EBITDA	19.8	52.3	59.6	62.5	111.9	200.3%	13.8%
CVM EBITDA Margin (%)	24.5%	39.7%	39.1%	32.7%	39.4%		
Adjusted EBITDA*	17.3	51.6	60.3	57.2	112.0	248.7%	16.9%
Adjusted EBITDA Margin* (%)	21.3%	39.1%	39.7%	29.9%	39.4%		
EBIT	-7.9	27.5	34.9	6.9	62.3	-540.2%	27.1%
EBIT Margin (%)	-9.8%	20.8%	22.9%	3.6%	22.0%		

4. Construction

In R$ million

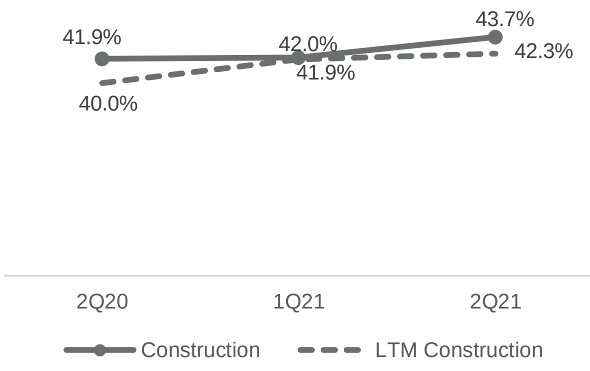
4.1 Net Revenue by Type



Construction net revenue amounted to R$ 20.2 million in 2Q21, 7% lower than the previous quarter due to the settlement of an indemnity negotiation that contributed the performance that year, and net rental revenue was flat in 2Q21.

As already widely informed, the Company has reduced its equipment capacity over the past few years, currently standing at around 50 thousand tons. Even with this adjustment, the Company is able to meet the construction pipeline expected for the coming years.

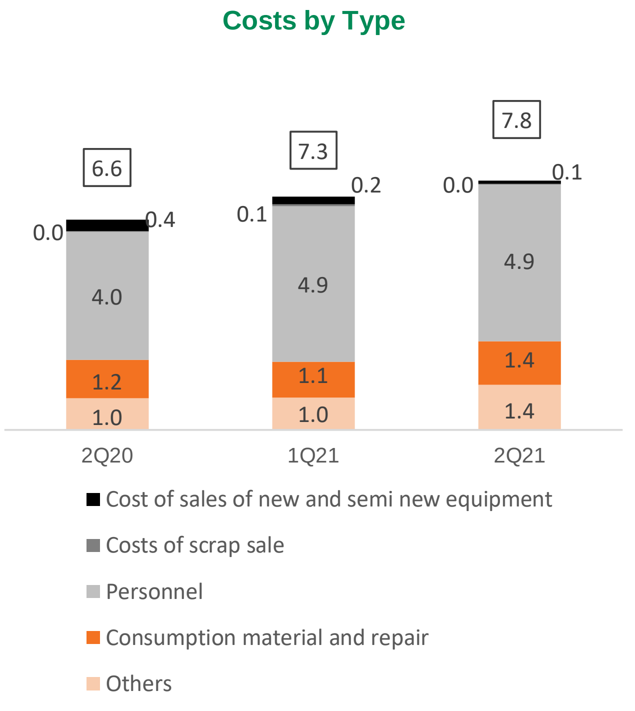
4.2 Utilization Rate (Physical)

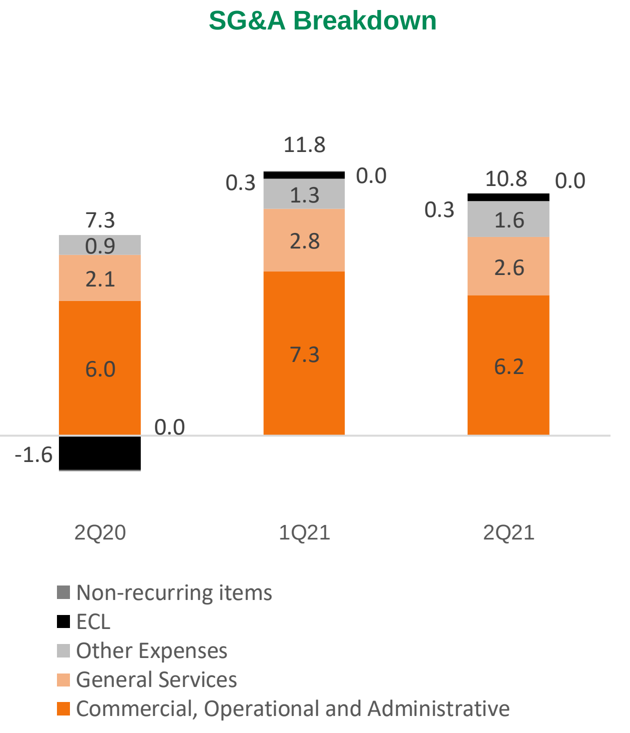


4. Construction

In R$ million

4.3 Costs and Expenses





In 2Q21, costs (excluding depreciation and IFRS16) reached R$ 7.8 million, 6.8% higher than the previous quarter, mainly reflecting the impact of increased costs of raw materials and higher indemnity costs.

Expenses, excluding depreciation and IFRS16, amounted to R$ 10.8 million in 2Q21, 8.5% lower versus the previous quarter.

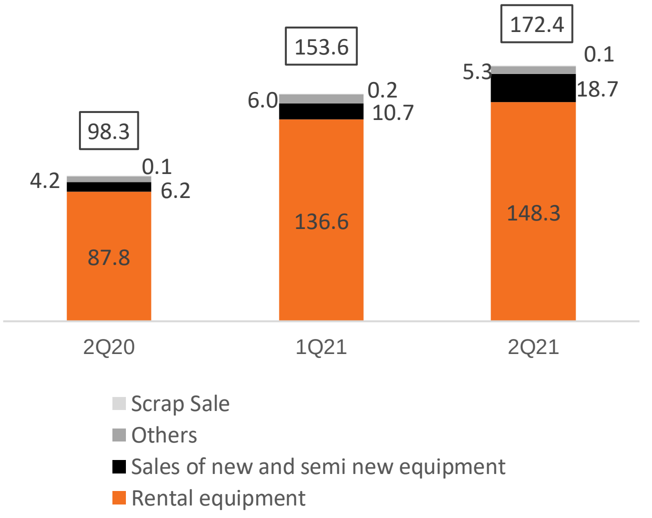
4.4 Construction EBITDA

Consolidated data in R$ million	2Q20 (A)	1Q21 (B)	2Q21 (C)	1H20 (D)	1H21 (E)	(C)/(A)	(C)/(B)
Net Revenue	17.2	21.8	20.2	33.3	42.0	17.3%	-7.0%
CVM EBITDA	4.3	4.0	2.8	4.6	6.9	34.4%	-29.4%
CVM EBITDA Margin (%)	25.1%	18.5%	14.1%	13.7%	16.4%		
Adjusted EBITDA*	3.2	2.7	1.6	2.4	4.3	50.8%	-40.1%
Adjusted EBITDA Margin* (%)	18.8%	12.3%	7.9%	-30.0%	10.2%		
EBIT	-7.8	-7.4	-8.5	-19.9	-15.9	-9.1%	-14.9%
EBIT Margin (%)	-45.1%	-33.9%	-41.9%	-59.6%	-37.8%		

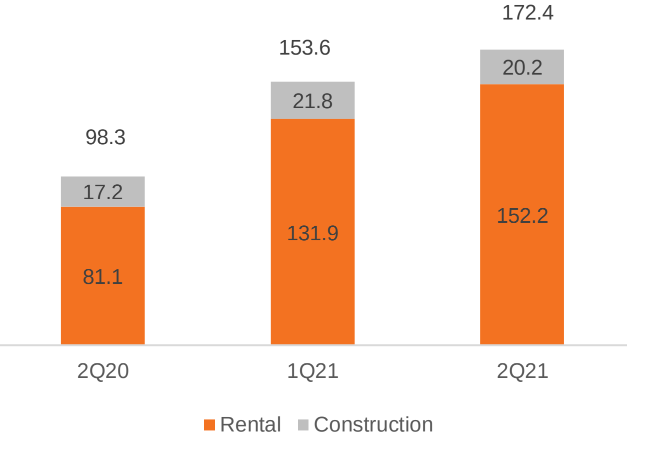
5. Financial Highlights

Consolidated Data in R$ million

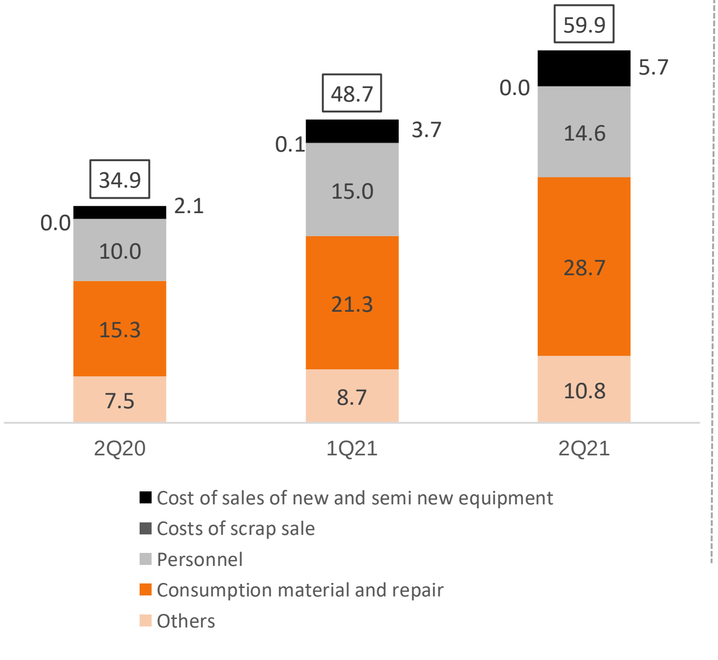
Net revenue by type



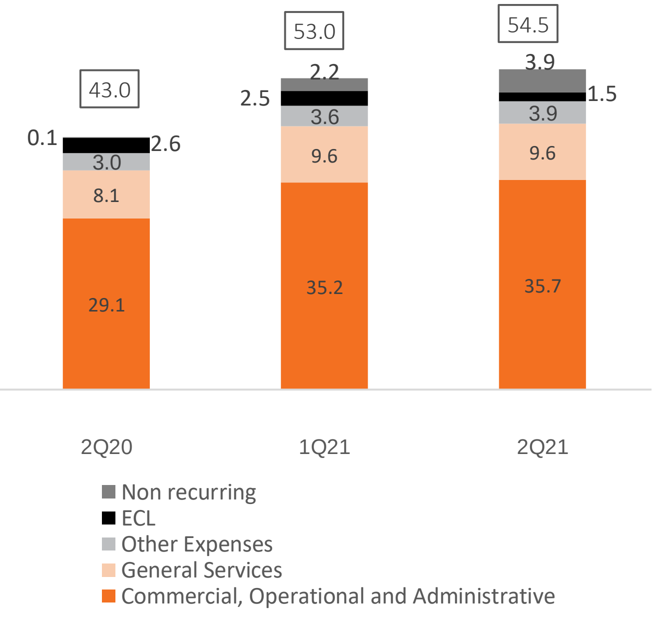
Net revenue by business unit



COGS ex-depreciation[1]



SG&A ex-depreciation[1]



[1] Also excluding IFRS 16 effects.

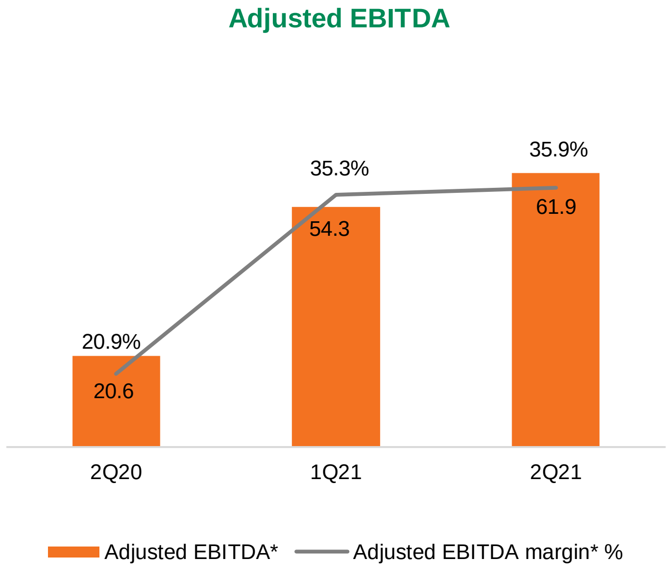
6. Non-recurring Items

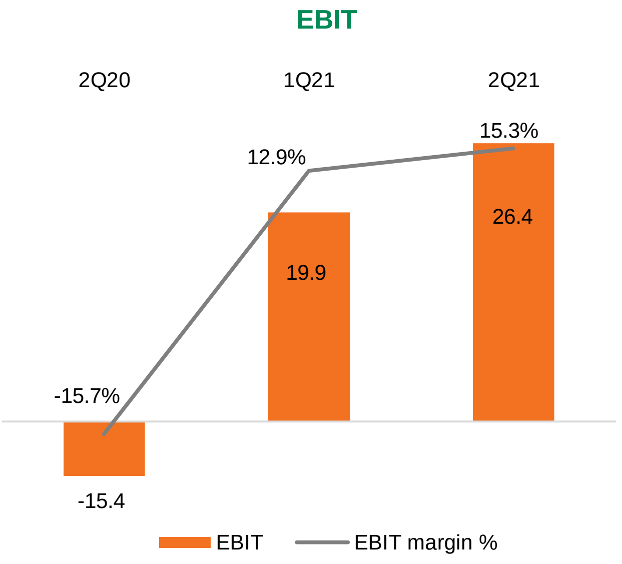
In 2Q21, R$ 3.9 million were recorded referring to non-recurring items (consolidated), comprising mainly R$ 3.4 million in expenses related to the project to adjust the aerial work platform fleet.

Non-recurring items - in R$ million	2Q20 (A)	1Q21 (B)	2Q21 (C)	(C)/(A)	(C)/(B)
Total non-recurring Items	**-0.1**	**-2.4**	**-3.9**	**2764.5%**	**60.9%**

7. Adjusted EBITDA

Consolidated adjusted EBITDA (excluding non-recurring items and IFRS16 effects) amounted to R$ 61.9 million, with 35.9% margin in 2Q21 versus R$ 54.3 million with 35.3% margin in 1Q21.





8. Financial Result (ex-IFRS 16)

Consolidated data in R$ million	2Q20 (A)	1Q21 (B)	2Q21 (C)	(C)/(A)	(C)/(B)
Net financial result	**-2.4**	**-2.8**	**-1.2**	**-49.4%**	**56.5%**
Financial revenues	3.2	4.4	5.9	85.2%	34.0%
Financial expenses	-5.6	-7.2	-7.1	27.8%	-0.9%

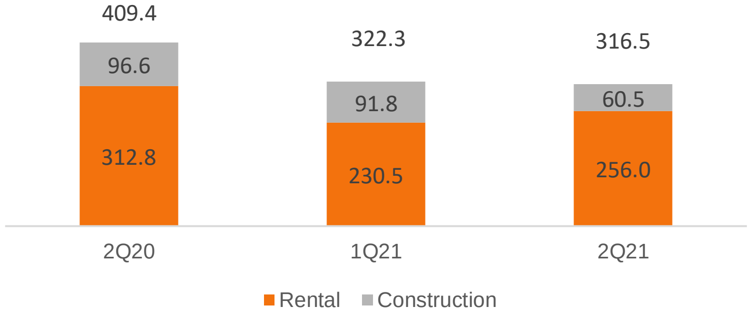
9. Investments

In 2Q21, investments amounted to R$ 29.1 million, of which the following stand out: R$ 19.0 million related to the purchase of certain models of lifting platforms, as disclosed in 1Q21, and the remainder mainly allocated to the resumption of investments in technology and adjustments to branches.

As per the Material Fact released on August 12, 2021, the Company's Board of Directors approved, on the same date, the acquisition of up to 1,290 new elevating platforms, which will arrive at Mills throughout 2022 and will correspond to an investment of up to USD 63.2 million in that year, not considering, yet, the amounts to be obtained from the sales of used platforms. Such equipment will be applied in the growth, mix adjustment and renewal of part of the Company's fleet, providing improved services to its clients and the capacity to expand its geographic coverage.

10. Property, plant and equipment

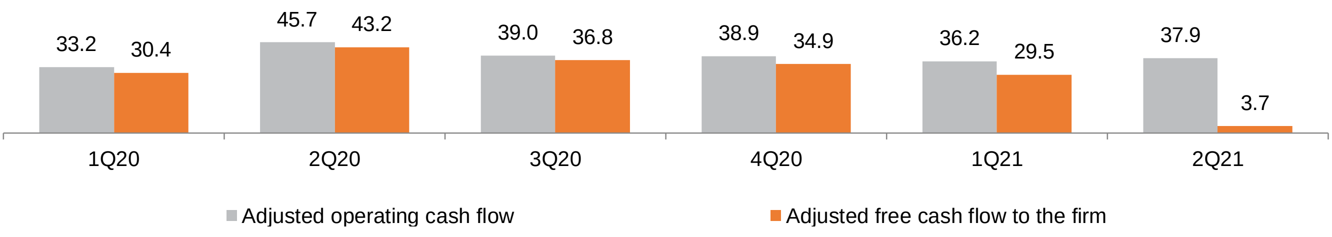
The balance of PP&E net of lease/Company's operating use amounted to R$ 316.5 million in 2Q21.



11. Adjusted Cash Flow

Adjusted Operating Cash Flow[3] was in line with 1Q21, impacted in 2Q21 mainly by: i) the payment of the short-term incentive for the year 2020, in the amount of R$ 6.1 million; and ii) increased purchase of parts, in line with the strategy of increasing inventories to combat the global shortage of inputs and the high lead time for delivery of parts, as mentioned in item 1 of this Earnings Release.

Adjusted Free Cash Flow[1] was positive by R$ 3.7 millions in the quarter, and also includes Capex mentioned in item 9 of this Earnings Release and the payment of R$ 5.1 millions for the acquisition Nest Rental of control.



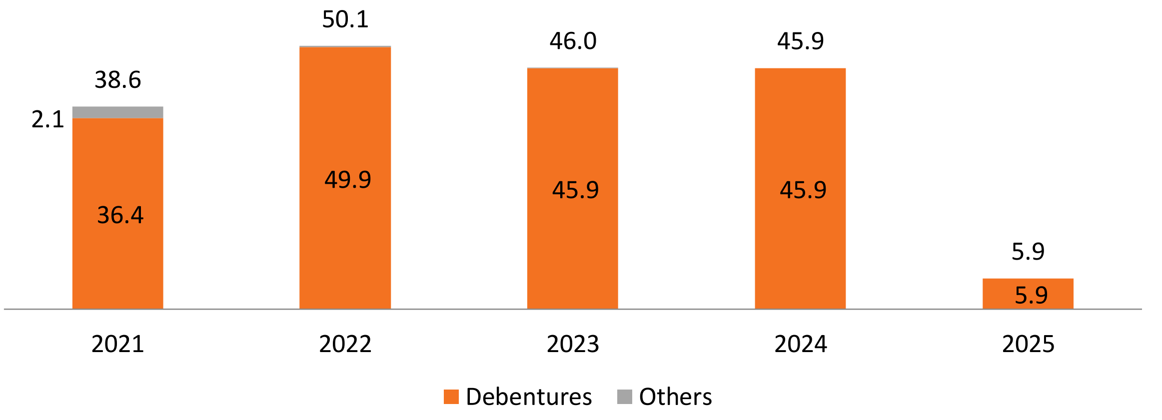
Note 3: for adjusted operating cash flow, interest paid, investment in lease, interest, and net inflation adjustments in assets and liabilities are not included, as well as IFRS16 impact. For adjusted free cash flow to the firm, interest paid, interest, and net inflation adjustments in assets and liabilities are not included.

12. Indebtedness

Mills ended June 30, 2021 with a gross debt of R$ 183.8 million.

The average maturity for paying Mills total indebtedness is 1.7 years, at an average cost of CDI + 3.40% p.a.

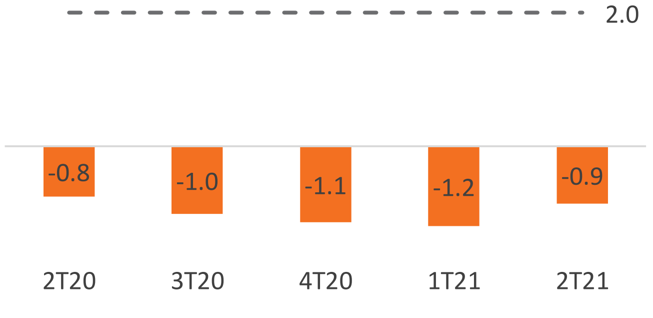
Debt payment schedule
R$ million



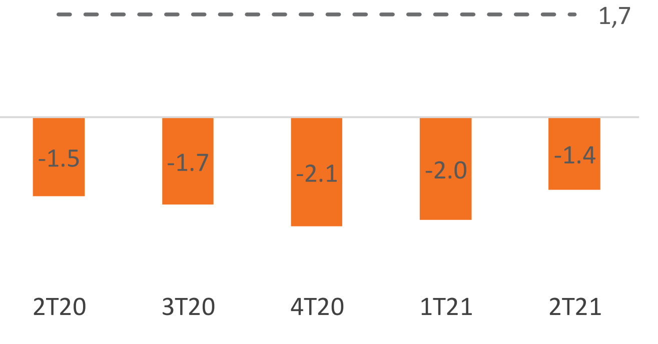
Debt Indicators

As of June 30, 2021, Mills complied again with its financial covenants and recorded a Net Debt / LTM Adjusted Ebitda ratio of -0.9x (-1.2x in 1Q21) and ST Net Debt / LTM Adjusted EBITDA at -1.4x (-2.0x in 1Q21), as follows:

Net Debt / LTM Adjusted EBITDA



ST Net Debt / LTM Adjusted EBITDA



13. ESG

After extensive consultation involving multiple stakeholders, we concluded in 2Q21 our **Materiality Matrix** which will help us integrate Mills' ESG actions into business activities, as well as reinforce our contributions to the Sustainable Development Goals (SDGs). Mills' final material themes are:

- Safety, health and well-being;
- Human development, inclusion and equity;
- Operational eco-efficiency and sustainable solutions;
- Relationship with the surrounding community;
- Management of ESG impact on the chain;
- Governance, transparency and ethics

As next steps, we will define our commitments and goals for the development of these themes in the Company. Fulfilling our commitment to share results and generate positive impacts on the community, we promoted a donation action in support of **NGO Gerando Falcões**, which collected more than 10,000 digital food baskets, which were destined for socially vulnerable families supported by this institution. Mills encouraged the participation of employees and partners and donated the equivalent of 9,000 baskets.

Pursuing the actions to achieve **Certified B Corporation,** in April 2021 we ameded our bylaws to adapt to the conditions required by Clause B. Now, our commitment to generating a positive impact in the short, medium and long term throughout the value chain is formalized in the company's corporate purpose, as well as in the list of Management's responsibilities. The pillars of governance, community, workers, customers and the environment have been worked on through continuous actions, bringing us closer to obtaining certification.

The next steps on this path:

- Unfold the ESG themes being developed by Mills at all levels of the company, through lectures, live broadcasts, meetings, debates and executive actions, always making clear our commitment to the future and working on our purpose and legacy.
- Create a diversity committee to support discussions and the development of actions and policies aimed at underrepresented groups in the company, such as women, black, the LGBTQIAP+ community and refugees; having as a priority an inclusive training.
- Completion of the greenhouse gas (GHG) inventory and the Carbon Footprint survey to assess the real impact of our activity on the environment and plan mitigation actions.
- Set commitments and goals for the material themes identified in our Materiality Matrix.

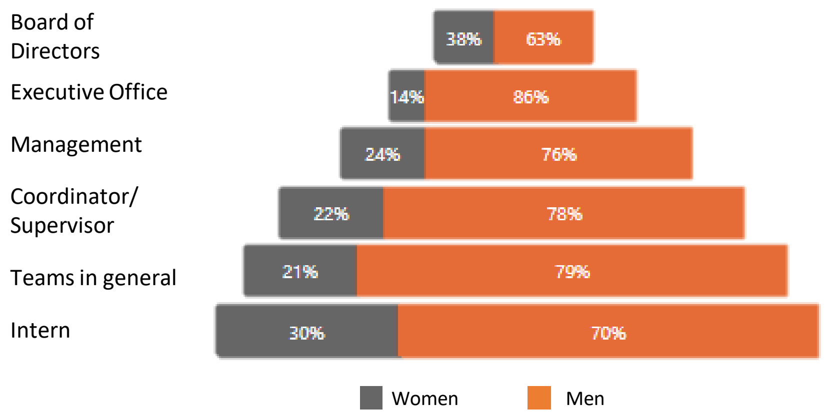
13. ESG

Social indicators (2021)

Diversity Indicators	Men	Women
Black (a)*	60	10
Brown (a)*	247	51
Caucasian / White (a)*	436	137
Asian/Yellow (a)*	1	1
Indigenous*	0	0
Not informed	437	130
TOTAL	**1181**	**329**
PwD	5	4
Refugees	11	0
Average age (years)	33	31
Time with the company (years)	4	3

* Informed by self-declaration

Gender distribution by hierarchical level



Environmental indicators (2021)

2,170 m³
average monthly water consumption at branches

0.5 m³ per month
average water consumption per
employee

194 thousand kwh
average monthly energy consumption

43 kWH/month
relative average consumption, per employee

343 tonnes
of total waste disposal,

101 tonnes
destined for recycling

14. Tables

Consolidated Data in R$ million

Table 1 - Net revenue per type

	2Q20 (A)	1Q21 (B)	2Q21 (C)	(C)/(A)	(C)/(B)
Total Net Revenues	**98,3**	**153,6**	**172,4**	**75,4%**	**12,2%**
Rental	87,8	136,6	148,3	68,9%	8,6%
Sales of New Equipment	1,5	3,9	4,9	236,0%	24,5%
Sales of Used Equipment	4,8	6,8	13,8	189,9%	103,4%
Sales of Scrap	0,1	0,2	0,1	24,6%	-58,2%
Technical assistance	0,4	0,9	0,9	150,2%	10,6%
Indemnity and Recovery of Expenses	3,8	5,2	4,4	13,3%	-16,2%

Table 2 - Rental net revenue per product

	2Q20 (A)	1Q21 (B)	2Q21 (C)	(C)/(A)	(C)/(B)
Total Net Rental Revenue	**87,8**	**136,6**	**148,3**	**68,9%**	**8,6%**
Aerial work platforms	72,0	118,2	129,7	80,1%	9,8%
Formwork and shoring	14,2	17,2	17,1	20,3%	-0,4%
Other	1,5	1,2	1,5	-4,2%	16,7%

Table 3 - Net revenue per Business Unit

	2Q20	%	1Q21	%	2Q21	%
Total net revenues	**98,3**	**100,0%**	**153,6**	**100,0%**	**172,4**	**100,0%**
Construction	17,2	17,5%	21,8	14,2%	20,2	11,7%
Rental	81,1	82,5%	131,9	85,8%	152,2	88,3%

Table 4 - Cost of products and services sold (COGS) and Operating, general and administrative expenses (SG&A) ex. depreciation and IFRS16

	2Q20	%	1Q21	%	2Q21	%
Total COGS, ex-depreciation	**-34,9**	**44,8%**	**-48,7**	**47,9%**	**-59,9**	**52,4%**
Rental cost (maintenance, personnel, deposits, etc.)[1]	-32,6	41,9%	-44,9	44,1%	-53,6	46,9%
Cost of sales of new equipment	-1,2	1,6%	-2,8	2,8%	-4,9	4,3%
Cost of sales of used equipment	-0,8	1,1%	-0,8	0,8%	-0,8	0,7%
Scrap sale cost	0,0	0,0%	-0,1	0,1%	0,0	0,0%
Indemnity cost	-0,2	0,2%	-0,1	0,1%	-0,5	0,4%
SG&A, ex. depreciation and ECL	**-40,4**	**51,8%**	**-50,6**	**49,7%**	**-53,0**	**46,3%**
Commercial, Operational and Administrative	-29,1	37,4%	-35,2	34,6%	-35,7	31,2%
General Services	-8,1	10,5%	-9,6	9,4%	-9,6	8,4%
Other expenses	-3,1	4,0%	-5,8	5,7%	-7,8	6,8%
ECL	**-2,6**	**3,3%**	**-2,5**	**2,4%**	**-1,5**	**1,3%**
Total COGS + SG&A	**-77,9**		**-101,8**		**-114,3**	

Table 5 - CVM EBITDA per business unit and CVM EBITDA margin

	2Q20	%	1Q21	%	2Q21	%
CVM EBITDA	**24,5**	**100,0%**	**56,1**	**100,0%**	**62,4**	**100,0%**
Construction	4,3	17,7%	4,0	7,2%	2,8	4,6%
Rental	19,8	81,1%	52,3	93,2%	59,6	95,4%
Other	0,3	1,2%	-0,2	-0,4%	0,0	0,0%
CVM EBITDA Margin (%)	**24,9%**		**36,5%**		**36,2%**	
Adjusted EBITDA*	20,6		54,3		61,9	

*Excluding IFRS 16 effect and non-recurring items (Construction unit restructuring expenses, liabilities from Industrial Services business unit and expenses related to Solaris business combination project)

Consolidated Data in R$ million

Table 6 - Reconciliation of Adjusted EBITDA

	2Q20 (A)	1Q21 (B)	2Q21 (C)	(C)/(A)	(C)/(B)
Net income (Loss)	**-12,5**	**7,4**	**19,9**	**258,9%**	**170,5%**
Income tax and social contribution	6,4	-8,5	-4,0	-162,4%	53,2%
Profit (Loss) before ITSC	**-18,9**	**15,8**	**23,9**	**226,4%**	**50,9%**
Financial Result	-3,5	-4,0	-2,5	27,6%	37,4%
Accumulated	-39,9	-36,3	-36,0	9,7%	0,8%
CVM EBITDA[1]	**24,5**	**56,1**	**62,4**	**155,2%**	**11,2%**
IFRS 16 impact	-4,0	-4,3	-4,4	-8,3%	-1,8%
EBITDA*	**20,4**	**51,8**	**58,0**	**184,2%**	**11,9%**
Adjusted EBITDA (excluding non-recurring items and IFRS 16)	**20,6**	**54,3**	**61,9**	**201,4%**	**14,1%**

* Excluding IFRS 16 effect.

[1] Pursuant to CVM Instruction 527

Table 7 - Reconciliation of EBITDA with Adjusted Operating Cash Flow

	2Q21
CVM EBITDA	**62,4**
Non-cash	**4,7**
Provision for tax, civil and labor risks	-1,0
Provision for stock option expenses	1,1
Post-employment benefits	0,2
Residual value of property, plant and equipment and intangible assets sold and written off	1,3
Provision (reversal) for expected credit losses	1,5
Provision (reversal) for estimated impairment losses	0,0
Provision (reversal) for slow-moving inventories	-1,3
IFRS 9/CPC 48 adjustment	0,0
Result of share in investments	0,0
Provision for Profit Sharing	1,4
Other provisions	1,4
CVM EBITDA ex-non-cash provisions	**67,1**
Cash	**-44,1**
Interest and inflation adjustment in net assets and liabilities (cash)	2,3
Accounts receivable	-17,2
Acquisition of fixed assets for rent	-20,1
Inventories	-14,5
Taxes recoverable	0,0
IRPJ and CSLL to Offset	-0,4
Judicial deposits	-0,2
Other assets	-0,5
Suppliers	17,8
Salaries and social charges	4,9
Taxes payable	-0,4
Other liabilities	0,0
Profit sharing payable	-6,1
Income tax and social contribution paid	-5,3
Legal proceedings settled	-1,5
Interest paid	-2,9
Operating Cash Flow as per financial statements	**23,0**
Interest and inflation adjustment in net assets and liabilities (cash)	-2,3
Acquisition of fixed assets for rent	20,1
Interest paid	2,9
IFRS16 Lease	-5,8
Adjusted Operating Cash Flow	**37,9**

14. Tables

Consolidated Data in R$ million

Table 8 - Investment per business unit

	2Q20 (A)	1Q21 (B)	2Q21 (C)	(C)/(A)	(C)/(B)
Total Capex	**-2,5**	**-6,7**	**-29,1**	**-1064,6%**	**-333,1%**
Assets for rent	**-0,1**	**-3,8**	**-20,1**	**22253,3%**	**-435,7%**
Construction	0,0	-0,1	-0,2		110,7%
Rental	-0,1	-3,7	-19,9	22079,7%	-442,2%
Corporate and assets for use	**-2,4**	**-3,0**	**-9,0**	**-273,1%**	**-203,1%**

Table 9 - Construction Business Unit*

	2Q20 (A)	1Q21 (B)	2Q21 (C)	(C)/(A)	(C)/(B)
Total Net Revenues	**17,2**	**21,8**	**20,2**	**17,3%**	**-7,0%**
Rental	14,2	17,2	17,1	20,3%	-0,4%
Sales of New Equipment	0,1	0,1	0,1	43,3%	33,8%
Sales of Used Equipment	1,5	1,1	0,9	-40,8%	-15,9%
Sales of Scrap	0,1	0,1	0,1	12,0%	-41,7%
Technical Assistance	0,0	0,1	0,1	270,7%	-20,5%
Indemnity and Recovery of Expenses	1,3	3,1	1,9	46,4%	-39,6%
Total COGS, ex-depreciation	**-6,6**	**-7,3**	**-7,8**	**18,6%**	**6,8%**
Rental cost (maintenance, personnel, deposits, etc.)[1]	-6,1	-6,9	-7,3	19,4%	5,2%
Cost of sales of new equipment	-0,1	0,0	-0,1	34,7%	117,2%
Cost of sales of used equipment	-0,3	-0,2	0,0	-97,7%	-96,5%
Scrap sale cost	0,0	-0,1	0,0	-26,6%	-73,9%
Indemnification cost and Realizable value provision	-0,2	-0,1	-0,5	196,3%	237,9%
SG&A, ex. depreciation and ECL	**-8,9**	**-11,4**	**-10,4**	**17,5%**	**-8,7%**
ECL	**1,6**	**-0,3**	**-0,3**	**-122,1%**	**10,9%**
CVM EBITDA	**3,3**	**4,0**	**2,8**	**13,6%**	**29,4%**
EBITDA Margin (%)	19,1%	18,5%	14,1%		
Adjusted EBITDA	3,2	2,7	1,6	50,8%	40,1%
Adjusted EBITDA Margin (%)	18,8%	12,3%	7,9%		
Accumulated	-11,0	-10,2	-10,1	-8,1%	-1,1%
Capex, gross of lease	0,0	-0,1	-0,2	237,9%	110,7%
PP&E, gross of lease	456,7	440,0	439,2	-3,8%	-0,2%
Quantity of equipment at the end of the period (thousand ton)	53,4	52,7	52,7	-1,4%	-0,1%
Quarterly Physical Utilization Rate	41,9%	42,0%	43,7%		
LTM Physical Utilization Rate	40,0%	41,9%	42,3%		

* Excluding IFRS 16 effect.

14. Tables

Consolidated Data in R$ million

Table 10 - Rental Business Unit*

	2Q20 (A)	1Q21 (B)	2Q21 (C)	(C)/(A)	(C)/(B)
Total Net Revenues	**81,1**	**131,9**	**152,2**	**87,7%**	**15,4%**
Rental	73,6	119,4	131,2	78,3%	9,8%
Sales of New Equipment	1,4	3,8	4,8	249,4%	24,2%
Sales of Used Equipment	3,2	5,7	12,9	299,3%	125,9%
Sales of Scrap	0,0	0,1	0,0	514,4%	-86,1%
Technical Assistance	0,4	0,7	0,9	141,9%	15,3%
Indemnity and Recovery of Expenses	2,5	2,1	2,5	-3,5%	19,2%
Total COGS, ex-depreciation	**-28,3**	**-41,4**	**-52,0**	**83,8%**	**25,6%**
Rental cost (maintenance, personnel, deposits, etc.)	-26,6	-38,0	-46,4	74,6%	22,1%
Cost of sales of new equipment	-1,2	-2,8	-4,8	306,7%	72,0%
Cost of sales of used equipment	-0,6	-0,6	-0,8	49,1%	30,9%
Scrap sale cost	0,0	0,0	0,0		
Indemnification cost and Realizable value provision	0,0	0,0	0,0		
SG&A, ex. depreciation and ECL	**-31,8**	**-38,9**	**-42,6**	**33,9%**	**9,3%**
ECL	**-4,1**	**-2,2**	**-1,1**	**-72,3%**	**-46,7%**
CVM EBITDA	**16,8**	**52,3**	**59,6**	**253,8%**	**13,8%**
CVM EBITDA Margin (%)	20,8%	39,7%	39,1%		
Adjusted EBITDA	17,3	51,6	60,3	248,7%	16,9%
Adjusted EBITDA Margin (%)	21,3%	39,1%	39,7%		
Accumulated	-25,0	-22,4	-22,2	-11,1%	-0,6%
Capex, gross of lease	0,0	-3,7	-19,9	45498,8%	442,2%
PP&E, gross of lease	1088,7	1052,7	1057,0	-2,9%	0,4%
% Billing from Construction market	20,7%	20,0%	21,6%		
% Billing from non-Construction market	63,1%	65,0%	64,6%		
% Spot Billing	16,2%	15,0%	13,8%		
Quarterly Physical Utilization Rate	37,8%	53,6%	57,2%		
LTM Physical Utilization Rate	46,9%	46,4%	51,3%		

* Excluding IFRS 16 effect.

15. Income Statement

Consolidated Data in R$ million

	2Q20 (A)	1Q21 (B)	2Q21 (C)	(C)/(A)	(C)/(B)
Net revenue from sales and services	98,3	153,6	172,4	75,4%	12,2%
Cost of goods sold and services rendered	-67,3	-77,2	-87,3	29,8%	13,0%
Gross profit	**31,0**	**76,4**	**85,1**	**174,2%**	**11,4%**
General, selling and administrative expenses	-44,2	-55,0	-57,9	31,0%	5,3%
ECL	-2,6	-2,5	-1,5	-42,3%	-39,4%
Other revenues	0,3	0,9	0,7	104,3%	-25,6%
Profit (loss) before financial result	**-15,4**	**19,9**	**26,4**	**271,5%**	**32,9%**
Financial expenses	-6,7	-8,5	-8,4	26,3%	-0,1%
Financial revenues	3,2	4,4	5,9	85,2%	34,0%
Adjust to PV (APV)	0,0	0,0	0,0		
Financial result	**-3,5**	**-4,0**	**-2,5**	**-27,6%**	**-37,4%**
Profit (loss) before income tax and social contribution	**-18,9**	**15,8**	**23,9**	**226,4%**	**50,9%**
Income tax and social contribution	6,4	-8,5	-4,0	-162,4%	-53,2%
Loss (profit) for the period	**-12,5**	**7,4**	**19,9**	**258,9%**	**170,5%**

16. Balance Sheet

Consolidated Data in R$ million

in R$ million	2Q20	1Q21	2Q21
Assets			
Current assets			
Cash and cash equivalents	289,9	392,5	354,2
Restricted bank deposits	0,0	6,8	7,1
Trade accounts receivable	93,5	113,4	120,9
Inventories	45,8	54,7	70,9
Inventories - other assets held for sale	0,0	0,0	0,0
IRPJ and CSLL to offset	8,9	6,3	6,7
Taxes recoverable	6,6	4,6	4,7
Advances to suppliers	3,9	4,4	5,7
Other accounts receivable - sale of investee	0,0	0,0	0,0
Assets held for sale	4,2	10,3	10,1
Other assets	4,8	5,0	4,5
Total Current Assets	457,7	597,9	584,8
Non-Current Liabilities			
Deferred income tax and social contribution	317,9	312,2	313,1
Taxes recoverable	0,1	0,3	0,2
Judicial deposits	12,4	8,7	9,0
Derivative financial instruments	1,5	0,6	0,3
Other Assets	0,0	0,0	0,0
	332,0	321,7	322,6
Financial assets available for sale	50,6	39,3	39,3
Property, plant and equipment	449,5	359,9	361,9
Right of Use (IFRS 16)	50,8	53,4	54,5
Intangible Assets	120,8	121,8	122,6
	671,6	574,5	578,4
Total Non-Current Assets	1.003,6	896,2	901,0
Total Assets	**1.461,3**	**1.494,1**	**1.485,9**

in R$ million	2T20	2T21	2T21
Liabilities			
Current Liabilities			
Accounts payable	29,9	41,0	51,4
Loans and financing	7,0	3,3	2,0
Lease - Right of Use (IFRS 16)	13,3	16,4	16,8
Debentures	76,2	68,3	62,6
Salaries and social charges	25,4	22,1	27,0
Income tax and social contribution	2,5	2,2	1,8
Tax recovery program (REFIS)	1,4	1,5	1,5
Taxes payable	9,6	4,0	4,2
Profit sharing payable	3,4	9,6	4,8
Dividends and interest on equity payable	0,0	0,0	0,1
Other liabilities	0,7	0,7	0,7
Total Current Liabilities	169,5	169,0	172,8
Non-Current Liabilities			
Loans and financing	2,2	0,0	0,4
Lease - Right of Use (IFRS 16)	40,7	41,2	41,6
Debentures	102,5	130,1	118,8
Tax recovery program (REFIS)	4,7	3,4	3,0
Provision for tax, civil and labor risks	24,0	20,6	20,1
Taxes payable	10,3	10,4	10,4
Provision for post-employment benefits	13,2	12,1	12,4
Derivative financial instruments	0,0	0,0	0,0
Other liabilities	1,0	0,9	0,8
Total Non-Current Liabilities	198,6	218,7	207,5
Total Liabilities	368,1	387,7	380,4
Net Equity			
Share capital	1.089,5	1.089,6	1.090,3
Capital reserves	36,7	58,2	59,3
Expenses on issuance of shares	0,0	-18,4	-18,4
Profit reserves	10,3	0,9	0,9
Treasury shares	-15,1	-15,1	-34,3
Equity valuation adjustment	-9,9	-16,1	-16,1
Retained Earnings and Losses	-18,2	7,4	21,5
Total Net Equity	1.093,2	1.106,4	1.103,1
Non-Controlling interest			2,4
Total Liabilities and Net Equity	**1.461,3**	**1.494,1**	**1.485,9**

17. Indirect Cash Flow

Consolidated Data in R$ million

in R$ million	2Q20	1Q21	2Q21
Cash flows from operating activities			
Profit for the period	**(12,5)**	**7,4**	**19,9**
	-		
Non-cash adjustments:	**38,6**	**50,1**	**44,4**
Depreciation and amortization	39,9	36,3	36,0
Deferred income tax and social contribution	(6,0)	2,5	(1,1)
Provision (reversal) for tax, civil and labor risks	(0,0)	(0,3)	(1,0)
Provision for stock option expenses	0,8	1,1	1,1
Post-employment benefit	0,3	0,2	0,2
Residual value of property, plant and equipment and intangible assets sold and written off	1,3	1,1	1,3
Interest and inflation adjustment in net assets and liabilities	4,7	3,8	3,5
Interest on leases	-	1,3	1,3
Provision for expected credit losses - ECL	2,6	2,5	1,5
Provision for impairment of inventories held for sale	-	-	-
Provision for estimated impairment losses	-	-	-
Provision (reversal) for slow-moving inventories	0,5	0,4	(1,3)
Provision for inventory adjustment of rental equipment	-	-	-
IFRS 9/CPC 48 adjustment	-	-	-
Result of share in investments	-	-	-
Provision for profit sharing	0,5	2,3	1,4
Other	(5,8)	(1,0)	1,4
	-		
Changes in assets and liabilities	**26,1**	**(12,6)**	**(31,7)**
Accounts receivable	21,1	(7,0)	(17,2)
Acquisition of property, plant and equipment for rent	(0,1)	(3,8)	(20,1)
Acquisition of rental assets through capital reduction in subsidiary	-		
Inventories	(7,4)	(14,3)	(14,5)
Acquisition of inventories through capital reduction in subsidiary	-	-	-
Taxes recoverable	(0,3)	0,9	(0,0)
IRPJ and CSLL to offset	(0,1)	(0,4)	(0,4)
Judicial deposits	(0,1)	(0,9)	(0,2)
Other assets	(0,1)	0,6	(0,5)
Suppliers	10,3	4,2	17,8
Salaries and social charges	6,6	2,8	4,9
Profit sharing	(8,6)	-	(6,1)
Taxes payable	4,8	5,3	4,7
Other liabilities	(0,0)	(0,0)	(0,0)
Income tax and social contribution paid	**(1,3)**	**(6,6)**	**(5,3)**
Legal proceedings settled	**0,6**	**(0,5)**	**(1,5)**
Interest paid	**(1,8)**	**(1,9)**	**(2,9)**
	-		
	-		
Net cash from operating activities	**49,7**	**35,8**	**23,0**
	-		
Cash flows from investing activities	**-**		
Acquisition of subsidiary	-	-	(5,1)
Acquisition of property, plant and equipment assets for own use and intangible assets	(2,4)	(2,9)	(9,0)
Acquisition of assets for own use through capital reduction in subsidiary	-	-	-
Interest on equity received	-	-	-
Net cash from investing activities	**(2,4)**	**(2,9)**	**(14,1)**
	-		
Cash flows from financing activities	**-**		
Lease (IFRS16)	(4,8)	(4,4)	(5,8)
Capital increase/decrease	0,1	0,0	0,7
Restricted bank deposits	-	(6,8)	(0,3)
Rasing of loans and debentures	-	(0,0)	0,4
Expenses on issuance of shares	-	-	-
Amortization of loans and debentures	-	(8,1)	(17,8)
Loan inflows	-	-	-
Acquisition of treasury shares	-	-	(19,3)
IoE paid		-	(5,3)
Leasing	-	-	-
Net cash from financing activities	**(5,3)**	**(19,3)**	**(47,3)**
Increase (decrease) in cash and cash equivalents, net	**42,0**	**13,6**	**(38,4)**
	-		
Cash and cash equivalents at the beginning of the period	248,0	378,9	392,5
	-		
Cash and cash equivalents at the end of the period	289,9	392,5	354,2
	-		
Increase (decrease) in cash and cash equivalents, net	42,0	13,6	(38,4)

Operating Cash Flow	49,7	35,8	23,0
Interest Paid	1,8	1,9	2,9
Acquisition of property, plant and equipment for rent	0,1	3,8	20,1
Interest and inflation adjustment in net assets and liabilities (cash)	(1,2)	(1,0)	(2,3)
Lease (IFRS16)	(4,8)	(4,4)	(5,8)
Adjusted Operating Cash Flow	45,7	36,2	37,9

18. MILS3 History

Mills common shares are traded on B3's Novo Mercado under ticker **MILS3**.

The closing price of Mills' share on B3, as of June 30, 2021, was R$ 9.00, 66.7% higher versus the closing price in the same period of 2020, while IBOVESPA index had a 33.4% positive variation in the same period. As of 2Q21 closing, Mills market cap amounted to R$ 2,211.5 million.

The average daily traded volume of Mills shares traded at B3 in 2Q21 amounted to R$ 16.2 million, 85.6% higher than the recorded in the previous year.

MILS3 Performance	2Q20 (A)	1Q21 (B)	2Q21 (C)	(C)/(A)	(C)/(B)
Final share price (R$)	**5.40**	**6.63**	**9.00**	**66.7%**	**35.7%**
Maximum[1]	6.14	6.76	9.18	49.5%	35.8%
Minimum[1]	3.36	4.94	7.53	124.1%	52.4%
Average[1]	4.88	5.97	8.36	71.3%	39.9%
Market Cap at the end of the period (R$ million)	**1,360.3**	**1,670.5**	**2,211.5**	**62.6%**	**32.4%**
Average daily traded volume (R$ million)	**9.85**	**8.71**	**16.17**	64.1%	85.6%
Qty. of Shares (million)	**251.91**	**251.95**	**252.17**	**0.1%**	**0.1%**

19. Glossary

(a) Write-off of Assets - linked to the revenue from Indemnities, this amount is the cost of writing off the indemnified asset in our property, plant and equipment.

(b) Capex (Capital Expenditure) - Acquisition of tangible and intangible assets for non-current assets.

(c) Invested capital - For the company, invested capital is defined as the sum of equity (net equity) plus third party capital (including all onerous, bank and non-bank debts), both being the average values in the period. By business segment, it is the average amount of the company's invested capital in the period, weighted by average assets of each business segment (net current capital plus fixed assets). The asset base for the year is calculated as the average of the asset base for the last thirteen months.

(d) Adjusted Operational Cash Flow - based on the Company's Consolidated Financial Statements, net cash provided by operating activities, excluding interest and inflation adjustments in net assets and liabilities, acquisitions of property, plant and equipment for rental and interest paid;

(e) Rental cost (maintenance, personnel, deposits, etc.) - includes: (i) personnel for the supervision of works and technical assistance; (ii) personnel for the assembly and disassembly of material, when performed by Mills own workforce; (iii) equipment transportation freight, when under Mills responsibility; (iv) cost of materials used in maintenance of equipment; and (v) rental of equipment from third parties.

(f) Cost of warehouse - This cost includes expenses directly related to the management of the warehouse, storage, handling and maintenance of assets for rent and resale, including expenses with labor, PPE used in the warehouse activities (handling, storage and maintenance), inputs (forklift gas, welding gases, plywood, paints, timber battening, among others) and maintenance of machinery and equipment (forklifts, welding machines, jetting machines, hoists and tools in general).

(g) Cost of sales - cost of selling new products is linked to revenue from new sales. The cost of sales of used equipment is linked to the revenue from sales of used equipment and is equivalent to the write-off of these fixed assets (residual cost).

(h) General and administrative expenses - (i) Commercial, Operational and Administrative SG&A includes current expenses, such as salaries, benefits, travel, representations, from the various departments, including Commercial, Marketing, Engineering and administrative back office departments, such as HR and Finance; (ii) General Services encompasses equity expenses of the head office and several branches (mainly rents, fees, security and cleaning); and (iii) Other expenses are mostly non-cash items, such as provisions for stock option programs, provisions for contingencies, provisions for slow-moving inventories and some non-permanent disbursements.

(i) Net debt - Gross debt less cash and cash equivalents.

(j) EBITDA - EBITDA is a non-accounting measurement prepared by the Company, reconciled with our financial statements, subject to the provisions of CVM Circular Letter No. 01/2007, when applicable. We calculate our EBITDA as our operating earnings before financial result, the effects of depreciation of assets in use and rental equipment and the amortization of intangible assets. EBITDA is a measure not recognized by the Accounting Practices Adopted in Brazil, IFRS or US GAAP, it does not have a standard meaning and may not be comparable to measures with similar securities provided by other companies. We disclose EBITDA as we use it to measure our performance. EBITDA shall not be considered on a standalone basis or as a substitute for net income or operating profit, as indicators of operating performance or cash flow or to measure liquidity or the ability to pay debts.