

Earnings Release

MILLS 3Q20

B3:MILS3

Teleconference and Webcast

Date: November 13, 2020, Friday

Time: 2pm (Rio de Janeiro) | 12pm (New York) | 5pm (London)

Teleconference: +1 (844) 204-8942 (US/Toll free) or +1 (412) 717-9627 (Other countries) | 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.

Mills
*
SOLARIS

[B]³
BRASIL
BOLSA
BALCÃO

**NOVO
MERCADO**
BM&FBOVESPA

Índice
SmallCap **SMLL**

Índice de
Ações com Tag Adesiva
Diferenciado **ITAG**

Índice de
Governança
Corporativa Trade **IGCT**

Índice
Brasil 2 Anos
BM&FBOVESPA **IBRA**

Rio de Janeiro, November 12, 2020 - Mills Estruturas e Serviços de Engenharia S.A. (Mills) announces its results for the third quarter of 2020 (3Q20).

As in the second quarter of the year, the crisis caused by COVID-19 was still an issue deserving a lot of attention from the Company in 3Q20, but this time with the confirmation of a gradual recovery of economic activity. The economic and financial impacts caused by COVID-19 showed its first signs in the Company from the end of March and had its inflection point in May, starting a slowdown process from June, which was noticeable throughout the third quarter with the increased flexibility of the social isolation rules, reopening of industries, shopping centers and other establishments throughout Brazil.

The improved economic environment, combined with the various actions taken by Mills to mitigate the impacts caused by COVID-19, resulted in a 15.3% increase in the consolidated rental net revenue of Rental Business Unit as compared to the second quarter of the year, closing September at virtually the same level as the pre-crisis period, with 92% of the rented volume of 1Q20. Considering that prices did not undergo relevant changes in this period and that Rental had a better performance in the quarter on sales of used equipment, Rental Adjusted Ebitda closed 3Q20 at R\$ 30 million, 73.8% higher than 2Q20.

The Construction Business Unit, due to the characteristic of its equipment and its agreements (which have lower turnover speed), showed a higher resilience in the crisis and closed 3Q20 with a 12.7% increase in rental net revenue, mainly due to better mix of leased equipment and prices. Its Adjusted Ebitda closed the quarter at R\$ 6.7 million, fueled by the approval of a commercial agreement, within the scope of the judicial recovery of a specific customer, for the settlement of debt with the Company, leading to an additional revenue in the amount of R\$ 11 million in 3Q20 and Adjusted Ebitda in this operation of R\$ 6.9 million. Even excluding this positive effect, Construction Adjusted Ebitda would again have ended the quarter at the breakeven level, in line with the recovery strategy for this Business Unit.

The performances at Rental and Construction business units enabled Mills to revert a scenario of consecutive quarterly losses, which had been lasting for six years, and ended 3Q20 with net income (R\$ 1 million), also providing positive signs that the company is on track to improve its results.

Combined with further actions adopted by Mills for cash preservation, this performance has resulted in an adjusted operating cash flow generation in 3Q20 in the amount of R\$ 39 million, closing September with R\$ 262 million in cash, which, excluding the gross debt of R\$126 million, represents a R\$ 136 million net cash (R\$ 102 million as of 06/30/2020 and R\$ 60 million as of 03/31/2020). It is worth noting that, in 3Q20, the Company settled the last installment of the 2nd issue of debentures (MILLS22), in the amount of R\$ 60 million, and announced to the market its intention to carry out other issue of debentures, in the amount of up to R\$ 84 million, aiming at replenishing its cash and be prepared for new challenges and/or opportunities.

1. Management Comments

Besides the focus on the financial-economic improvement, this quarter was also marked by several actions of social responsibility by Mills, aiming to contribute to a fairer society and a more sustainable environment. One of these actions was the signature of the Letter for the Support to Amazon, prepared by the business sector, in which we declare our public commitment to the sustainable development agenda. We take the opportunity to encourage the adhesion of our major suppliers and customers. Other initiative was the launching of our solidarity program named Partilhar (Share), which is part of the commitment that we made to the UN Global Compact and the Sustainable Development Goals, which the company is now encouraging and promoting, together with its employees, actions to support sustainable development in society.

In the next quarters, we will update the market about the ongoing of our Sustainability program, which is in development stage.

More information on 3Q20 can be found in the following pages.

Have a good reading!

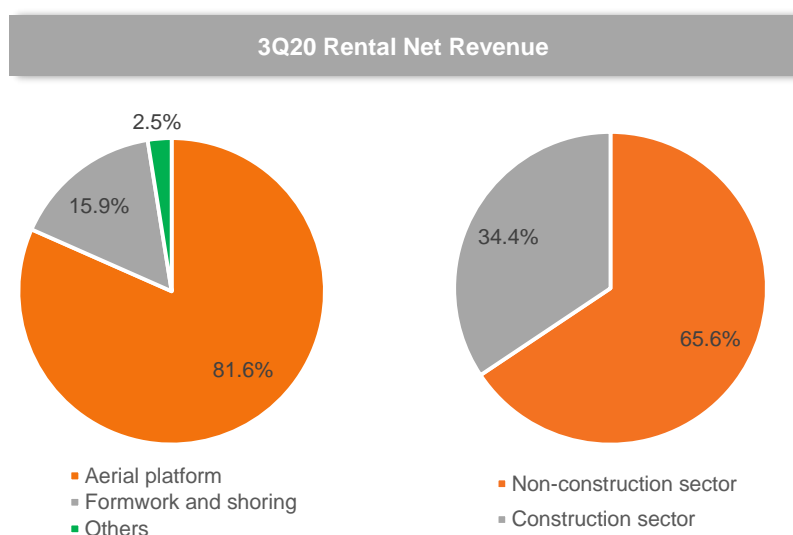
*For a better understanding of this report, the mention of "combined" information, refers to the sum of Mills and Solaris results for the specified period. When not mentioned or when the term "consolidated" is used, it refers to the effects of Solaris on Mills as from May 2019, when the business combination was carried out.

2. Highlights

The main highlights for 3Q20 were:

- Rental utilization rate as of 09/30/2020 near pre-crisis level;
- Adjusted EBITDA* at R\$ 6.7 million in Construction business unit;
- Consolidated Adjusted EBITDA* at R\$ 36.7 million in 3Q20, 78.7% higher versus 2Q20;
- Achievement of Consolidated Net Income, after six years of consecutive quarterly losses;
- Adjusted Operating Cash Flow¹ at R\$ 39.0 million;
- Cash balance in the amount of R\$ 262.2 million as of 09/30/2020, gross debt at R\$ 125.8 million and, thus, a net cash of R\$ 136.4 million;
- Announcement of the Company's intention of issuing new debentures, in the amount of up to R\$ 84 million;

Consolidated Data in R\$ million	3Q19 (A)	2Q20 (B)	3Q20 (C)	9M19 (D)	9M20 (E)	(C)/(A)	(C)/(B)	(E)/(D)
Net revenue	129.4	98.3	133.8	300.9	358.2	3.4%	36.1%	19.0%
CVM EBITDA	37.1	24.5	40.5	80.2	107.6	9.1%	65.7%	34.2%
CVM EBITDA margin (%)	28.7%	24.9%	30.3%	26.6%	30.0%			
EBIT	-15.3	-15.4	6.7	-42.7	-6.2	143.5%	143.3%	85.4%
EBIT margin (%)	-11.8%	-15.7%	5.0%	-14.2%	-1.7%			
Adjusted EBITDA*	37.8	20.6	36.7	72.8	96.4	-2.9%	78.7%	32.4%
Adjusted EBITDA margin* (%)	30.9%	20.9%	27.5%	24.2%	26.9%			
Adjusted operating cash flow ³	34.0	45.7	39.0	70.0	117.9	14.9%	-14.6%	68.6%
Adjusted free cash flow to the firm ³	29.5	43.2	36.8	63.9	110.4	24.5%	-14.9%	72.6%



* 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)

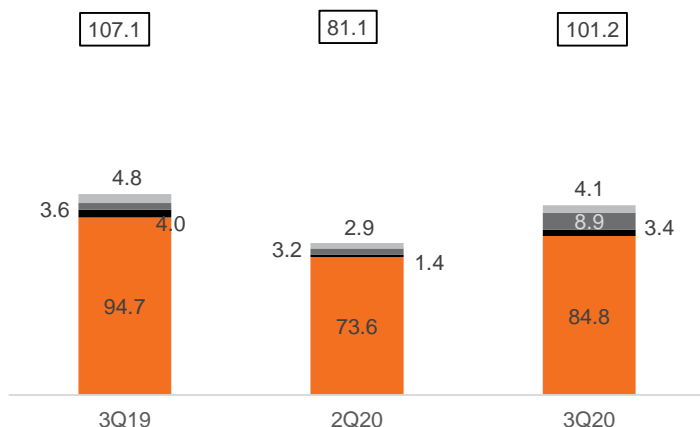
¹For adjusted operating cash flow, interest on debentures and Finame, investment in lease, interest and active and passive inflation adjustments (cash) are not included. Expenses related to IFRS16 are included. For adjusted free cash flow to the firm, interest on debentures and Finame, interest, and active and passive inflation adjustments (cash) are not included.

3. Rental

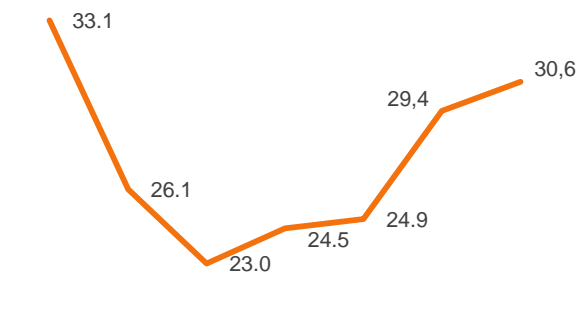
In R\$ million

3.1 Consolidated Net Revenue

Net Revenue by Type



Monthly equipment rental revenue

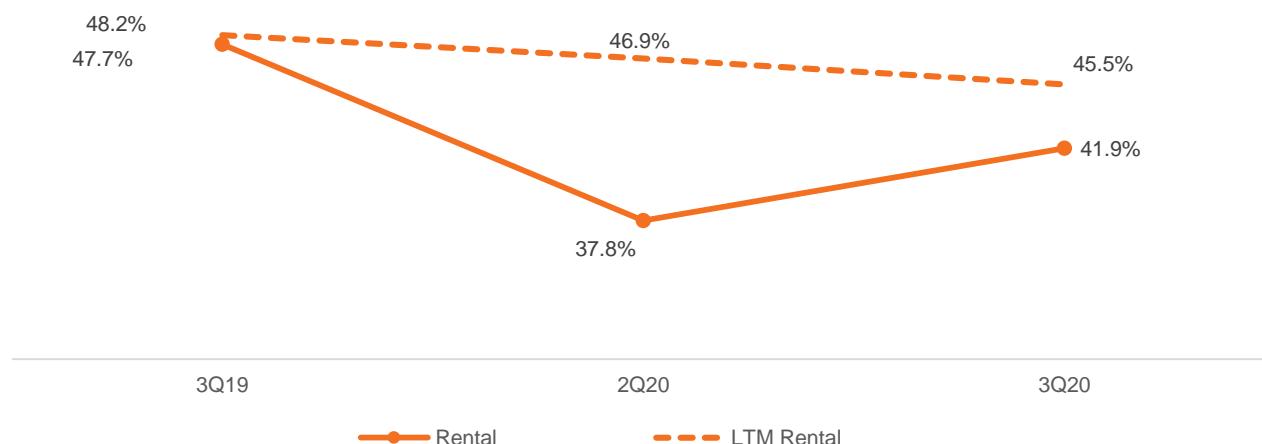


■ Equipment rental
 ■ Sales of new equipment
■ Sales of semi new equipment
 ■ Others

Rental net income in 3Q20 amounted to R\$ 101.2 million, 24.8% higher versus the previous quarter, and more impacted by COVID-19 effects.

Rental net revenue increased 15.3% compared to 2Q20, mainly due to the increase in the rented volume, reflecting the resumption of industrial, commercial and service activities in general, as can be seen in the graph below. The sales revenue presented an increase due to the disinvestment process of the telescopic handlers and the sale of equipment with more advanced age, generating a positive variation of R\$ 5.7 million.

3.2 Utilization Rate (Physical)



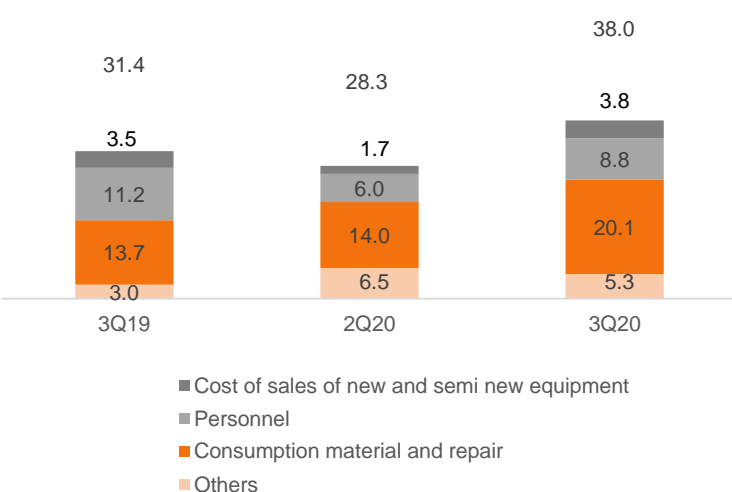
¹ Average for the period

3. Rental

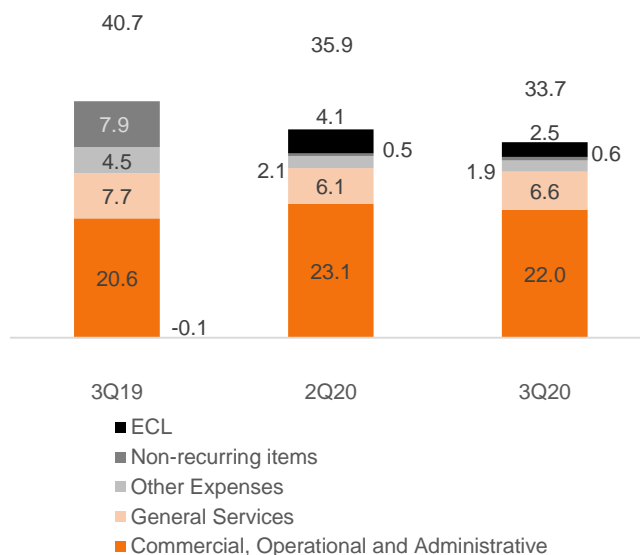
In R\$ million

3.3 Consolidated Costs and Expenses

Costs by Type



SG&A Breakdown



Direct costs in 3Q20 (excluding depreciation and IFRS16) amounted to R\$ 38.0 million, of which: 52.9% with consumables (such as batteries, inks, electrical, hydraulic equipment, etc.) which are directly linked to the volume leased, 23.1% were personnel costs and 10.0% related to sales cost of new and used equipment. The 34.3% increase as compared to the previous quarter is mainly due to: (i) higher consumption of parts for machinery maintenance due to the increase in the leased balance and increased availability; (ii) reclassifications of expenses to SG&A in 2Q20, in the amount of R\$ 2.9 million; and (iii) increase in sales costs of new and used equipment (proportional to the higher revenue).

Expenses (excluding depreciation and IFRS16) amounted to R\$ 33.7 million in the quarter, of which R\$ 16.2 million refer to personnel expenses (commercial, domestic operations and administrative staff). The 6.2% decrease as compared to the previous quarter is mainly due to: (i) PCE reduction, reflecting the good level of receipts in the period; and (ii) reduction in general expenses, as a result of actions implemented through matrix management of expenses to preserve cash. Non-recurring expenses are addressed in item 6 of this Earnings Release.

3.4 Rental EBITDA

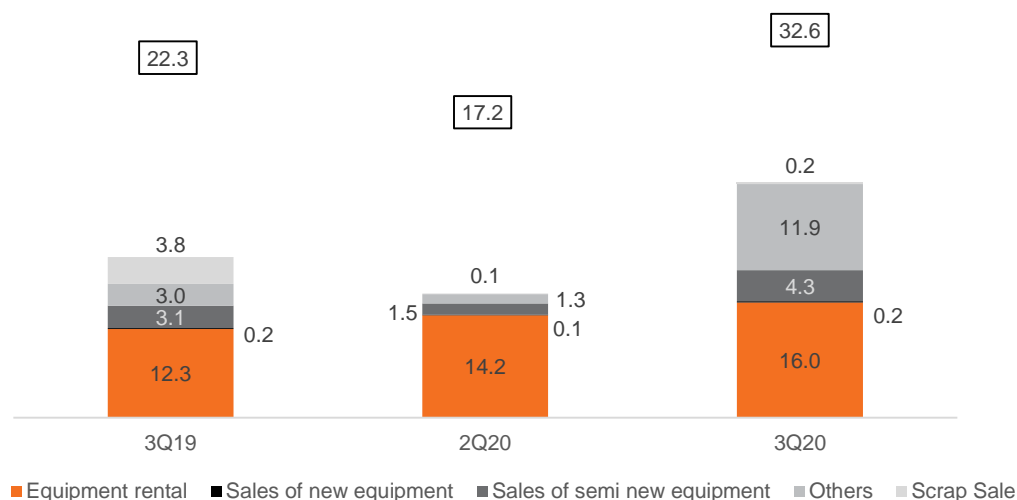
Consolidated Data in R\$ million	3Q19 (A)	2Q20 (B)	3Q20 (C)	9M19 (D)	9M20 (E)	(C)/(A)	(C)/(B)	(E)/(D)
Net Revenue	107.1	81.1	101.2	242.5	292.3	-5.5%	24.8%	20.5%
CVM EBITDA	38.5	19.8	32.8	82.8	95.3	-14.7%	65.5%	15.2%
CVM EBITDA margin (%)	35.9%	24.5%	32.4%	34.1%	32.6%			
Adjusted EBITDA*	42.9	17.3	30.1	85.6	87.3	-29.9%	73.8%	1.9%
Adjusted EBITDA margin* (%)	40.1%	21.3%	29.7%	35.3%	29.9%			
EBIT	-0.8	-7.9	10.7	0.1	17.6	-1436.9%	-235.0%	17056.8%
EBIT margin (%)	-0.7%	-9.8%	10.6%	0.0%	6.0%			

4. Construction

In R\$ million

4.1 Net Revenue by Type

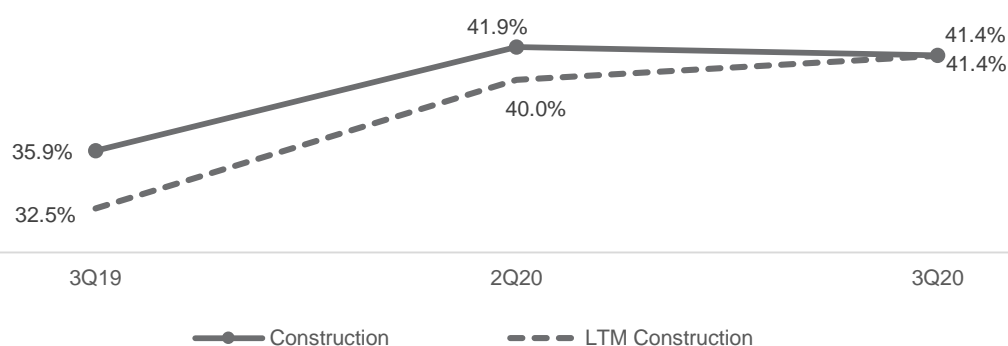
Net Revenue by Type



Construction net revenues amounted to R\$ 32.6 million in 3Q20, 89.2% higher versus the previous quarter, due to the 12.7% increase in rental revenues that, as previously mentioned, showed higher resilience in the recent crisis due to the characteristics of its equipment and agreements (which have lower turnover speed). Additionally, there was the approval of an commercial agreement, within the scope of the judicial recovery of a specific customer, for the settlement of debt with the Company, leading to an additional revenue in the amount of R\$ 11 million in 3Q20 and Adjusted Ebitda in this operation of R\$ 6.9 million, after the due accounting recognition in cost and ECL, as can be seen in items 4.3 and 13 (Table 9.1) of this Earnings Release.

In 3Q20 R\$ 4.5 million related to the sale of used equipment/scrap was also recorded, closing the quarter with approximately 53 thousand tons of capacity. As widely disclosed, the Company has reduced its equipment capacity during the last few years as a result of the postponement of the recovery of the infrastructure sector, the low utilization rate and the need to open physical area at the branches in order to absorb Solaris rental equipment. Even with this adjustment, the Company maintains its characteristics of nationwide service to major infrastructure works, with the capacity to cope with the pipeline of works expected for the coming years.

4.2 Utilization Rate (Physical)

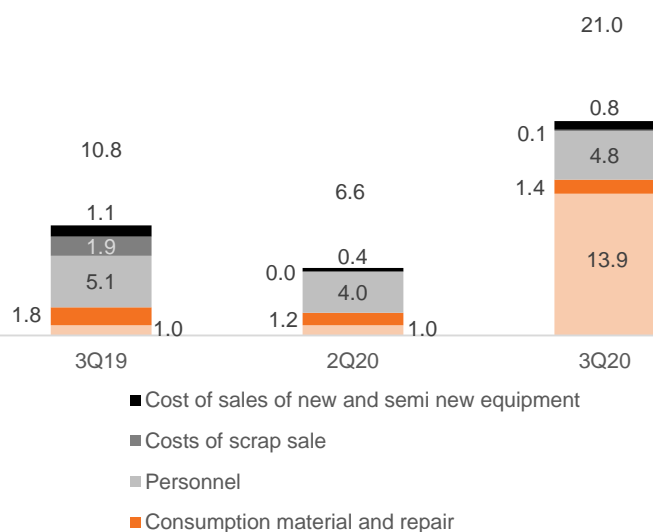


4. Construction

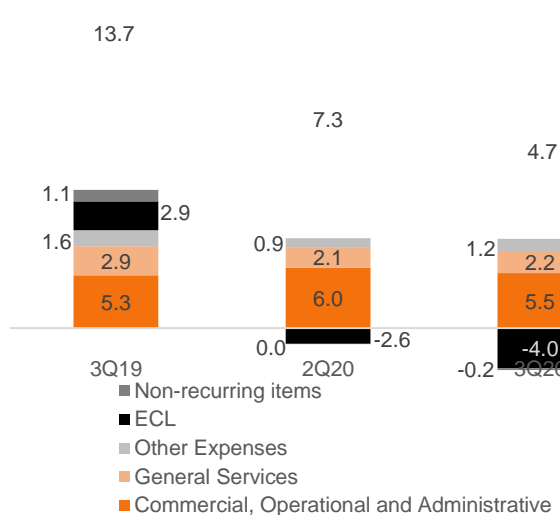
In R\$ million

4.3 Costs and Expenses

Costs by Type



SG&A Breakdown



In 3Q20, costs (excluding depreciation and IFRS16) reached R\$ 21.0 million, 218.0% higher than the previous quarter due to the executed commercial agreement, as mentioned in item 4.1, with R\$ 12.4 million impact in indemnity cost (non-cash effect).

Expenses (excluding depreciation and IFRS16) amounted to R\$ 4.3 million in the quarter, of which R\$ 4.1 million refer to personnel. The reversal of R\$ 4.0 million in PCE is also a result of the executed agreement, as overdue bills were written-off.

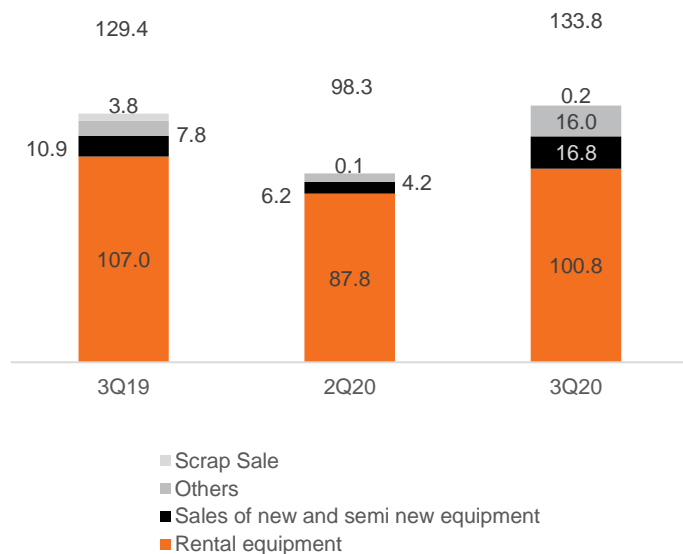
4.4 Construction EBITDA

Consolidated Data in R\$ million	3Q19 (A)	2Q20 (B)	3Q20 (C)	9M19 (D)	9M20 (E)	(C)/(A)	(C)/(B)	(E)/(D)
Net Revenue	22.3	17.2	32.6	58.4	65.9	46.2%	89.2%	12.8%
CVM EBITDA	-0.7	4.3	8.0	-1.7	12.6	1235.9%	85.4%	826.1%
CVM EBITDA margin (%)	-3.2%	25.1%	24.6%	-3.0%	19.1%			
Adjusted EBITDA*	-5.1	3.2	6.7	-12.8	9.1	230.8%	105.1%	170.8%
Adjusted EBITDA margin* (%)	-33.0%	18.8%	20.4%	-22.0%	13.8%			
EBIT	-13.9	-7.8	-3.7	-42.0	-23.6	73.3%	52.3%	43.9%
EBIT margin (%)	-62.2%	-45.1%	-11.4%	-71.8%	-35.7%			

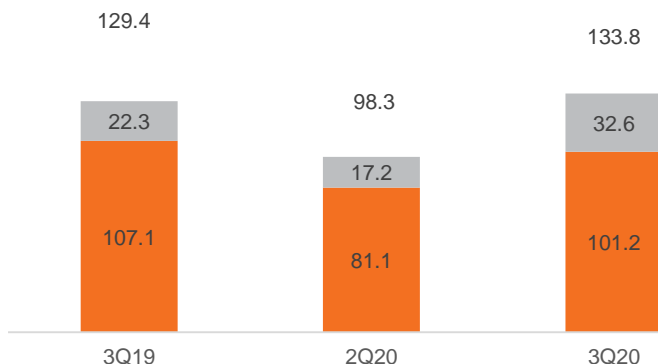
5. Financial Highlights

Consolidated Data in R\$ million

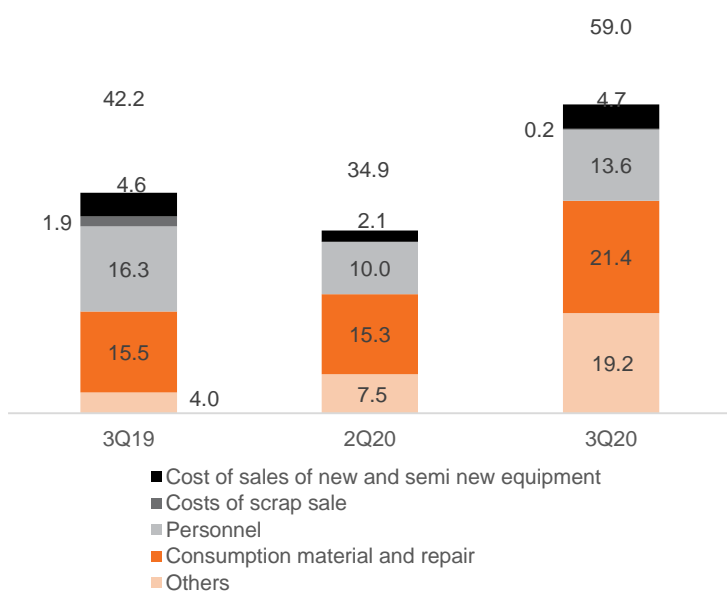
Net revenue by type



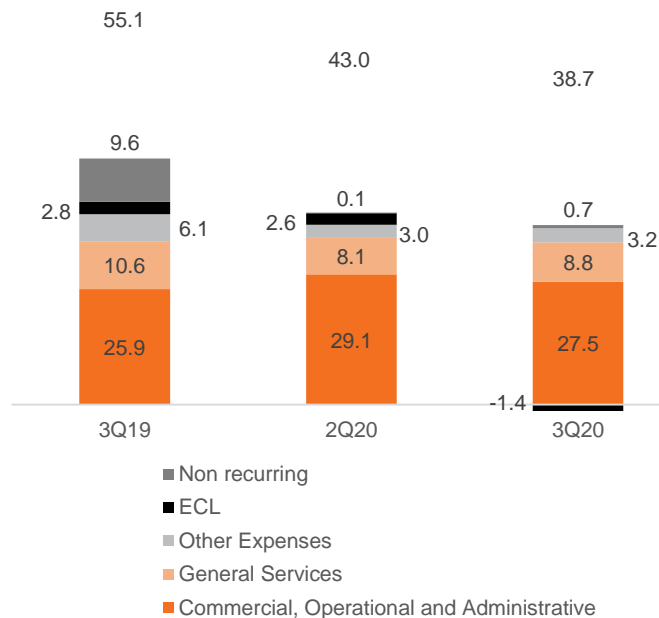
Net revenue by business unit



COGS ex-depreciation¹



SG&A ex-depreciation¹



¹ Excluding IFRS 16 effects.

6. Non-recurring Items

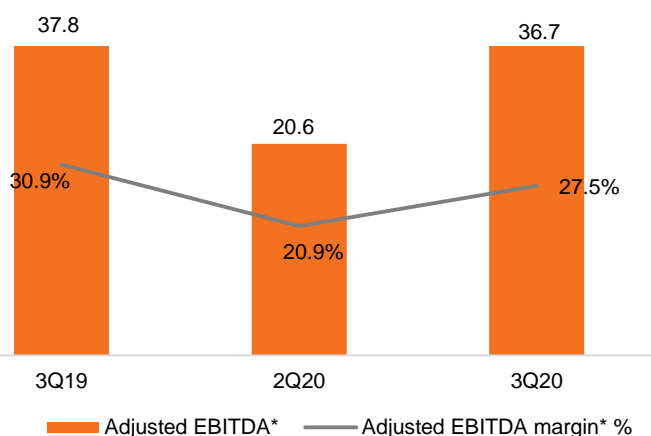
In 3Q20, the pace of branch physical integration remained slow, both due to the actions necessary to preserve cash and the restrictions on travel by employees. As a result, the completion of the integration project of branches was postponed from 2020 to 2021.

Non-recurring items - in R\$ million	3Q19 (A)	2Q20 (B)	3Q20 (C)	(C)/(A)	(C)/(B)
Total non-recurring expenses	-5.6	-0.1	-0.7	-87.2%	426.8%
Resizing expenses	2.9	0.0	0.2	-92.4%	405.9%
Branches demobilization	-1.1	0.0	0.2	-119.4%	405.9%
Result of sale of semi new equipment	3.1	-	-		
Cost of sale of semi new equipment	-1.0	-	-		
Revenue of scrap sale	3.8	-	-		
Cost of scrap sale	-1.9	-	-		
Business combination between Mills and Solaris	-7.9	-0.5	-0.6	-94.0%	28.6%
Expenses to capture synergies	-2.7	-0.5	-0.6	-77.9%	28.6%
Other incorporation expenses	-5.1	0.0	0.0	-100.0%	
Other non-recurring expenses	-0.7	0.3	-0.3	-49.3%	-213.9%
Mills SI Expenses	-0.7	0.3	-0.3	-49.3%	-213.9%

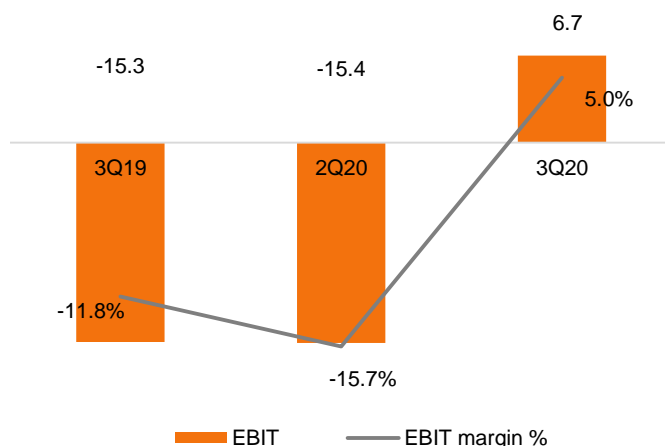
7. Adjusted EBITDA

Consolidated adjusted EBITDA (excluding non-recurring items and IFRS16 effects) amounted to R\$ 36.7 million, with a 27.5% margin in 3Q20 versus R\$ 20.6 million with 20.9% margin in 2Q20.

Adjusted EBITDA



EBIT



8. Financial Result (ex-IFRS 16)

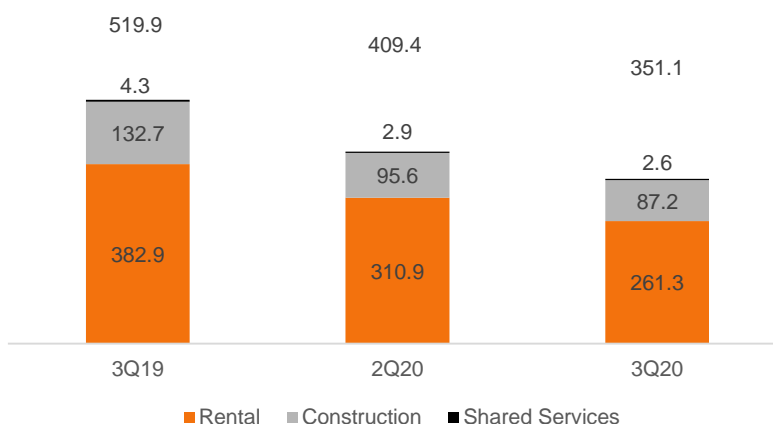
in R\$ million	3Q19 (A)	2Q20 (B)	3Q20 (C)	9M19 (D)	9M20 (E)	(C)/(A)	(C)/(B)	(E)/(D)
Net financial result¹	-2.2	-2.4	-1.6	-7.7	-6.1	-24.9%	31.0%	20.1%
Financial Revenues ¹	3.8	3.2	3.6	10.4	11.5	-6.8%	11.5%	10.9%
Financial Expenses ¹	-6.0	-5.6	-5.2	-18.1	-17.6	-13.4%	-6.6%	-2.3%

9. Investments

In 3Q20, investments amounted to R\$ 2.2 million, particularly related to assets for operational and support use, such as IT and branch adjustments.

10. Fixed Assets

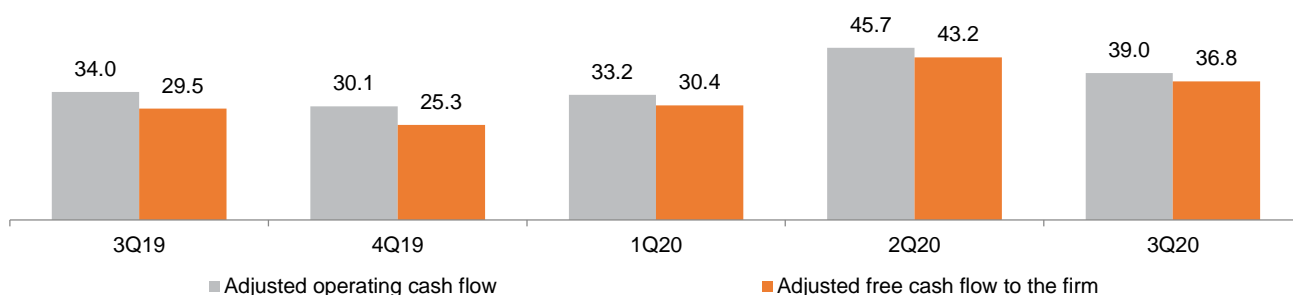
The balance of PP&E, net of lease/Company's operating use amounted to R\$ 351.1 million in 3Q20.



11. Adjusted Cash Flow

Adjusted consolidated operating cash flow¹ showed a positive balance of R\$ 39.0 million in the quarter, reflecting the Company's actions to preserve cash and improve receipt.

Quarterly Data
R\$ million



¹For adjusted operating cash flow, interest paid, investment in lease, interest, and net active and passive inflation adjustments are not included, as well as IFRS16 impact. For adjusted free cash flow to the firm, interest paid, interest, and net active and passive inflation adjustments are not included.

12. Indebtedness

Mills gross debt closed 3Q20 at R\$ 125.8 million.

The Company remains as operating cash generator, closing the quarter with R\$ 262.2 million in free cash and, therefore, with a net cash in the amount of R\$ 136.4 million.

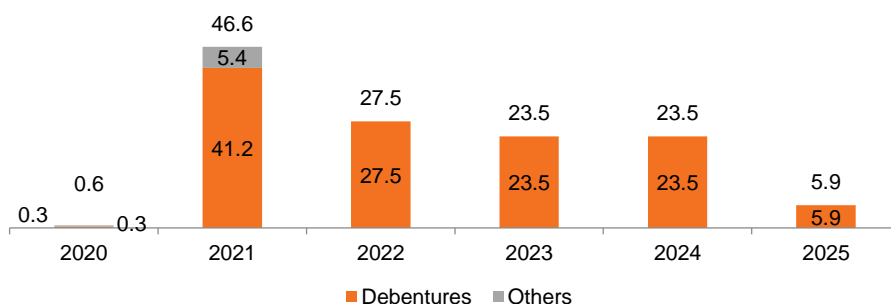
As of September 30, 2020, Mills has met again the covenants of debentures, with a Net Debt/Adjusted EBITDA ratio at -1.0x and Adjusted EBITDA/Financial Result ratio at 16.7x.

The payment of the last installment of the second issue of debentures in the amount of R\$ 59.5 million was made in August.

The Board of Directors' meeting held on September 15, 2020 approved the 5th issue of simple debentures, not convertible into shares, of security interest kind, in a single series, in the total amount of R\$ 84 million, with a 49-month term and quarterly amortization of principal as from the 7th month, for public distribution with restricted placement efforts, pursuant to CVM Instruction 476, of January 16, 2009, as amended. Debentures will be issued in a single series and remunerated by a certain percentage, to be defined according to the bookbuilding procedure, limited to CDI rate + 4.25% p.a., with an additional initial remuneration equivalent to 1.0% of the subscribed and paid in value.

The average maturity for paying Mills total indebtedness is 1.9 year, with average cost of CDI + 2.84% p.a.

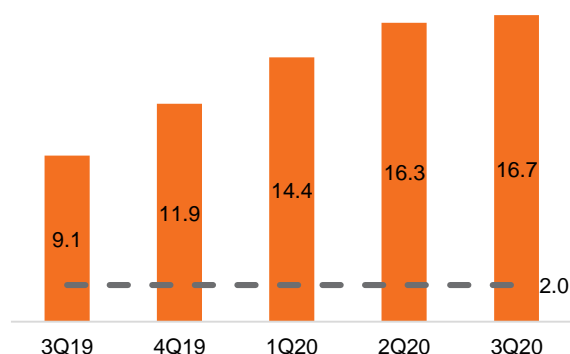
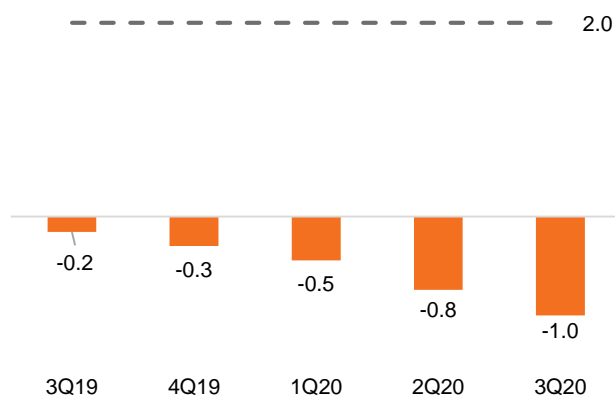
Debt payment schedule R\$ million



Debt Indicators

Net debt/Adjusted EBITDA

Adjusted EBITDA / Financial Result



13. Tables

Consolidated Data in R\$ million

Table 1 - Net revenue per type

	3Q19 (A)	2Q20 (B)	3Q20 (C)	9M19 (D)	9M20 (E)	(C)/(A)	(C)/(B)	(E)/(D)
Total net revenue	129.4	98.3	133.8	300.9	358.2	3.4%	36.1%	19.0%
Equipment rental	107.0	87.8	100.8	247.4	301.9	-5.8%	14.8%	22.1%
Sales of new equipment	4.2	1.5	3.6	15.3	9.0	-14.3%	146.2%	-41.6%
Sales of semi new equipment	6.7	4.8	13.2	10.2	21.5	97.6%	177.5%	110.5%
Scrap sale	3.8	0.1	0.2	8.6	0.7	-95.0%	146.4%	-91.8%
Technical Assistance	1.9	0.4	1.3	4.7	3.0	-31.4%	245.5%	-36.6%
Indemnity and Expenses Recovery	5.9	3.8	14.7	14.7	22.1	151.3%	283.7%	50.5%

Table 2 - Rental net revenue per product

	3Q19 (A)	2Q20 (B)	3Q20 (C)	(C)/(A)	(C)/(B)
Total Rental Net Revenue	107.0	87.8	100.8	-5.8%	14.8%
Aerial platforms	89.8	72.0	82.3	-8.4%	14.2%
Formwork and Shoring	12.3	14.2	16.0	30.2%	12.4%
Others	4.9	1.5	2.5	-48.6%	66.4%

Table 3 - Net revenue per Business Unit

	3Q19	%	2Q20	%	3Q20	%	9M19	%	9M20	%
Total Net revenue	129.4	100.0%	98.3	100.0%	133.8	100.0%	300.9	100.0%	358.2	100.0%
Construction	22.3	17.2%	17.2	17.5%	32.6	24.4%	58.4	19.4%	65.9	18.4%
Rental	107.1	82.8%	81.1	82.5%	101.2	75.6%	242.5	80.6%	292.3	81.6%

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

	3Q19	%	2Q20	%	3Q20	%	9M19	%	9M20	%
COGS total, ex-depreciation	-42.2	43.4%	-34.9	44.8%	-59.0	60.4%	-111.8	47.7%	-137.2	51.9%
Rental costs (maintenance, personnel, warehouses, etc) ¹	-35.7	36.7%	-32.6	41.9%	-41.2	42.1%	-92.4	39.4%	-113.3	42.8%
Costs of sales of new equipment	-3.5	3.6%	-1.2	1.6%	-2.1	2.2%	-11.4	4.9%	-6.0	2.3%
Costs of sales of semi new equipment	-1.1	1.1%	-0.8	1.1%	-2.6	2.6%	-2.3	1.0%	-4.2	1.6%
Cost of scrap sale	-1.9	1.9%	0.0	0.0%	-0.2	0.2%	-4.0	1.7%	-0.6	0.2%
Costs of assets write-offs	0.0	0.0%	-0.2	0.2%	-13.0	13.3%	-1.7	0.7%	-13.1	4.9%
SG&A, ex-depreciation and ECL	-52.2	53.7%	-40.4	51.8%	-40.2	41.1%	-117.1	49.9%	-121.7	46.0%
Commercial, Operational and Administrative	-25.9	26.6%	-29.1	37.4%	-27.5	28.1%	-63.0	26.9%	-82.9	31.3%
General Services	-10.6	10.9%	-8.1	10.5%	-8.8	9.0%	-27.2	11.6%	-26.9	10.2%
Other expenses	-15.8	16.2%	-3.1	4.0%	-3.9	4.0%	-27.0	11.5%	-11.9	4.5%
ECL	-2.8	2.9%	-2.6	3.3%	1.4	-1.5%	-5.6	2.4%	-5.6	2.1%
COGS + SG&A Total	-97.2		-77.9		-97.8		-234.5		-264.4	

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

	3Q19	%	2Q20	%	3Q20	%	9M19	%	9M20	%
CVM EBITDA	37.1	100.0%	24.5	100.0%	40.5	100.0%	80.2	100.0%	107.6	100.0%
Construction	-0.7	-1.9%	4.3	17.7%	8.0	19.8%	-1.7	-2.2%	12.6	11.7%
Rental	38.5	103.7%	19.8	81.1%	32.8	81.0%	82.8	103.2%	95.3	88.6%
Others	-0.7	-1.8%	0.3	1.2%	-0.3	-0.8%	-0.9	-1.1%	-0.3	-0.3%
CVM EBITDA margin (%)	28.7%		24.9%		30.3%		26.6%		30.0%	
Adjusted EBITDA*	37.8		20.6		36.7		72.8		96.4	

* 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)

13. Tables (Continued)

Consolidated Data in R\$ million

Table 6 - Reconciliation of Adjusted EBITDA

	3Q19 (A)	2Q20 (B)	3Q20 (C)	9M19 (D)	9M20 (E)	(C)/(A)	(C)/(B)	(E)/(D)
Results of Operations	-19.4	-12.5	1.2	-42.3	-12.4	106.1%	109.4%	-70.7%
Income tax and social contribution expenses	-0.7	6.4	-2.7	12.1	3.4	276.8%	143.1%	-71.6%
Loss Earnings before Income tax and social contribution	-18.7	-18.9	3.9	-54.4	-15.8	121.0%	120.7%	-70.9%
Financial Result	-3.4	-3.5	-2.7	-11.6	-9.6	18.5%	21.6%	-17.8%
Depreciation	-52.4	-39.9	-33.9	-122.9	-113.9	35.4%	15.1%	-7.4%
CVM EBITDA	37.1	24.5	40.5	80.2	107.6	9.1%	65.6%	34.2%
IFRS 16 Impact	-4.9	-4.0	-4.5	-13.8	-13.8	8.7%	-11.2%	0.5%
EBITDA*	32.2	20.4	36.0	66.4	93.8	11.8%	76.4%	41.2%
Non-recurring - Expenses Mills SI	-0.7	0.3	-0.3	-0.9	-0.3	-49.3%	213.9%	-63.8%
Non-recurring - Restructuring Expenses	2.9	0.0	0.2	6.5	0.1	-92.4%	-405.9%	-99.0%
Non-recurring - Business combination with Solaris	-7.9	-0.5	-0.6	-12.0	-2.3	92.3%	-28.6%	-80.4%
Adjusted EBITDA	37.8	20.6	36.7	72.8	96.4	-2.9%	78.7%	32.4%

* Excluding IFRS 16 effect.

¹ According to CVM Instruction 527

Table 7 - Reconciliation of EBITDA with Adjusted Operating Cash Flow

	3Q20
EBITDA CVM	40.5
Non cash items	19.1
Provision for tax, civil and labor risks	0.1
Accrued expenses on stock options	0.8
Post Employment Benefits	0.3
Residual value of property, plant and equipment and intangible assets sold and written off	15.6
Provision (reversal) for impairment loss on trade receivables	(1.4)
Provision (reversal) for impairment	0.2
Provision (reversal) for slow-moving inventories	0.9
IFRS 9/CPC 48 Adjustment	-
Provision for Profit Sharing	1.5
Other provisions	1.2
EBITDA ex-non cash provisions	59.6
Cash	(39.9)
Interest and monetary and exchange gains and losses (cash)	0.8
Trade receivables	(12.4)
Acquisitions of rental equipment	(0.2)
Inventories	1.1
Taxes recoverable	1.2
IRPJ (Corporate Income Tax) and CSLL (Social Contribution Tax)	(0.3)
Judicial deposits	0.2
Other assets	(0.5)
Suppliers	(2.2)
Payroll and related taxes	1.7
Taxes payable	(2.3)
Other liabilities	(0.0)
Profit participation to pay	-
Paid income and social contribution taxes	(1.4)
Law suits settled	(0.8)
Interest paid	(24.9)
Cash flows from operating activities according to the financial statements	19.7
Interest and monetary and exchange gains and losses (cash)	(0.8)
Acquisitions of rental equipment	0.2
Interest paid	24.9
Leasing IFRS16	(4.9)
Adjusted Operating Cash Flow	39.0

13. Tables (Continued)

Consolidated Data in R\$ million

Table 8 - Investment per business unit (accrual basis)

	3Q19 (A)	2Q20 (B)	3Q20 (C)	9M19 (D)	9M20 (E)	(C)/(A)	(C)/(B)	(E)/(D)
Total Capex	-1.2	-2.5	-2.3	-6.6	-7.6	-90.5%	9.7%	13.6%
Rental equipment	-0.2	-0.1	-0.2	-1.9	-0.5	-22.4%	-99.1%	-74.3%
Construction	-0.1	0.0	-0.2	-0.1	-0.4	248.7%	384.1%	198.7%
Rental	-0.2	0.0	0.0	-1.8	-0.1	-126.7%	201.9%	-92.9%
Corporate and use goods	-1.0	-2.4	-2.1	-4.7	-7.1	-117.9%	13.8%	48.8%

Table 9 - Construction Business Unit *

	3Q19 (A)	2Q20 (B)	3Q20 (C)	9M19 (D)	9M20 (E)	(C)/(A)	(C)/(B)	(E)/(D)
Total net revenue	22.3	17.2	32.6	58.4	65.9	46.2%	89.2%	12.8%
Rental	12.3	14.2	16.0	34.2	43.6	30.2%	12.4%	27.7%
Sales of new equipment	0.2	0.1	0.2	0.3	0.4	11.8%	85.4%	28.0%
Sales of semi new equipment	3.1	1.5	4.3	5.4	6.4	38.5%	182.0%	18.0%
Scrap Sale	3.8	0.1	0.2	8.6	0.7	-95.1%	147.8%	-91.9%
Technical Assistance	0.7	0.0	0.4	2.2	0.6	-47.1%	1410.4%	-72.2%
Indemnity and Expenses Recovery	2.3	1.3	11.6	7.7	14.2	403.7%	795.8%	83.8%
Total COGS, ex-depreciation	-10.8	-6.6	-21.0	-29.4	-36.1	95.0%	218.0%	22.5%
Rental costs (maintenance, personnel, warehouses, etc) ¹	-7.8	-6.1	-7.1	-21.6	-20.9	-9.8%	16.2%	-3.3%
Cost of sales of new equipment	-0.1	-0.1	-0.2	-0.2	-0.3	51.7%	155.5%	58.5%
Cost of sales of semi new equipment	-1.0	-0.3	-0.7	-2.1	-1.2	-29.1%	137.4%	-44.2%
Cost of scrap sale	-1.9	0.0	-0.1	-4.0	-0.6	-94.1%	344.5%	-85.6%
Cost of assets write-offs and Provision of recoverable value	0.0	-0.2	-13.0	-1.5	-13.1	917326.4%	7992.3%	747.3%
SG&A, ex-depreciation and ECL	-10.8	-8.9	-8.7	-32.0	-25.7	-20.2%	-2.6%	-19.9%
ECL	-2.9	1.6	4.0	-3.3	4.9	-237.4%	154.8%	-248.0%
CVM EBITDA	-2.2	3.3	6.9	-6.4	9.2	412.9%	-109.1%	-243.8%
EBITDA margin (%)	-9.9%	19.1%	21.1%	-10.9%	13.9%			
Adjusted EBITDA	-5.1	3.2	6.7	-12.8	9.1	230.8%	-105.1%	-170.8%
Adjusted EBITDA margin (%)	-33.0%	18.8%	20.4%	-28.9%	15.4%			
Depreciation	-12.1	-11.0	-10.6	-37.0	-32.8	-12.1%	-3.3%	-11.4%
Equipment rental capex	-0.1	0.0	-0.2	-0.1	-0.4	248.7%	384.1%	198.7%
Rental gross fixed assets	488.2	456.7	451.4	488.2	451.4	-7.5%	-1.2%	-7.5%
Quantity of equipment final of period (thousand tons)	57.9	53.4	53.4	57.9	53.4	-7.7%	0.0%	-7.7%
Utilization Rate Quarter	35.9%	41.9%	41.4%	33.1%	41.4%			
Utilization Rate LTM	32.5%	40.0%	41.4%	32.5%	41.4%			

* Excluding IFRS 16 effect.

Table 9.1 – Reconciliation of the impact of the commercial agreement (Construction)

	3Q20	Commercial agreement impact 3Q20 ex. commercial agreement	
Total Net Revenue	32.6	11.0	21.6
Total COGS, ex depreciation	-21.0	-12.4	-8.6
ECL	4.0	8.3	-4.3
Adjusted EBITDA	6.7	6.9	-0.2
Adjusted EBITDA Margin (%)	20.4%	0.0%	-1.1%

13. Tables (Continued)

Consolidated Data in R\$ million

Table 10 - Rental Business Unit*

	3Q19 (A)	2Q20 (B)	3Q20 (C)	9M19 (D)	9M20 (E)	(C)/(A)	(C)/(B)	(E)/(D)
Total Net Revenue	107.1	81.1	101.2	242.5	292.3	-5.5%	24.8%	20.5%
Rental	94.7	73.6	84.8	213.2	258.3	-10.5%	15.3%	21.2%
Sales of new equipment	4.0	1.4	3.4	15.0	8.5	-15.3%	150.4%	-43.2%
Sales of semi new equipment	3.6	3.2	8.9	4.8	15.1	149.1%	175.4%	215.1%
Scrap Sale	0.0	0.0	0.0	0.0	0.0	-18.6%	92.2%	5.5%
Technical Assistance	1.2	0.4	0.9	2.5	2.4	-22.3%	165.4%	-5.9%
Indemnity and Expenses Recovery	3.6	2.5	3.2	7.0	7.9	-11.3%	24.1%	13.7%
Total COGS, ex-depreciation	-31.4	-28.3	-38.0	-82.4	-101.1	21.2%	34.3%	22.8%
Rental costs (maintenance, personnel, warehouses, etc) ¹	-27.9	-26.6	-34.1	-70.8	-92.4	22.4%	28.5%	30.5%
Cost of sales of new equipment	-3.4	-1.2	-2.0	-11.2	-5.7	-41.9%	66.4%	-49.4%
Cost of sales of semi new equipment	-0.1	-0.6	-1.9	-0.3	-3.0	2039.5%	235.5%	1070.4%
Cost of scrap sale	0.0	0.0	-0.1	0.0	-0.1		0.0%	
Cost of assets write-offs and Provision of recoverable value	0.0	0.0	0.0	-0.1	0.0			-100.0%
SG&A, ex-depreciation and ECL	-40.7	-31.8	-31.2	-84.2	-95.7	-23.5%	-1.9%	13.6%
ECL	0.1	-4.1	-2.5	-2.3	-10.5	-4883.2%	-38.9%	358.1%
CVM EBITDA	35.1	16.8	29.5	73.6	84.9	-15.9%	75.0%	15.3%
EBITDA margin (%)	0.3	0.2	0.3	0.3	29.1%			
Adjusted EBITDA	42.9	17.3	30.1	85.6	87.3	-29.9%	73.8%	1.9%
Adjusted EBITDA margin (%)	0.4	0.2	0.3	35.3%	29.9%			
Depreciation	-35.8	-25.0	-19.5	-74.5	-69.2	-45.7%	-22.1%	-7.1%
Equipment rental capex	-0.2	0.0	0.0	-1.8	-0.1	-126.7%	-201.9%	-92.9%
Rental gross fixed assets	1101.1	1088.7	1075.8	1101.1	1075.8	-2.3%	-1.2%	-2.3%
% Construction Revenue	18.5%	20.7%	19.5%	24.3%	20.3%			
% Non-Construction Revenue	59.6%	63.1%	65.7%	52.9%	63.0%			
% Spot Revenue	21.9%	16.2%	14.8%	22.8%	16.8%			
Utilization Rate Quarter	47.7%	37.8%	41.9%	46.7%	43.0%			
Utilization Rate LTM	48.2%	46.9%	45.5%	48.2%	45.5%			

* Excluding IFRS 16 effect.

14. P&L

Consolidated Data in R\$ million

	3Q19 (A)	2Q20 (B)	3Q20 (C)	9M19 (D)	9M20 (E)	(C)/(A)	(C)/(B)	(E)/(D)
Net revenue from sales and services	129.4	98.3	133.8	300.9	358.2	3.4%	36.1%	19.0%
Cost of products sold and services rendered	(76.2)	(67.3)	(85.0)	(203.1)	(228.2)	11.5%	26.3%	12.3%
Gross Profit	53.2	31.0	48.8	97.8	130.0	-8.3%	57.4%	33.0%
Selling, general and administrative expenses	(65.9)	(44.2)	(44.9)	(134.8)	(132.6)	-31.9%	1.7%	-1.6%
ECL	(2.8)	(2.6)	1.4	(5.6)	(5.6)	-150.6%	-155.3%	-0.7%
Other revenues	0.2	0.3	1.3	(0.1)	2.0	565.6%	296.2%	-2063.4%
Loss before Financial Result	(15.3)	(15.4)	6.7	(42.7)	(6.2)	143.5%	143.3%	-85.4%
Financial expenses	(7.2)	(6.7)	(6.3)	(22.0)	(21.1)	-12.3%	-5.8%	-4.3%
Financial revenues	3.8	3.2	3.6	10.4	11.5	-6.8%	11.5%	10.8%
Adjust to present value (APV)	-	-	-	-	-	0.0%	0.0%	
Financial result	(3.4)	(3.5)	(2.7)	(11.6)	(9.6)	-18.5%	-21.6%	-17.8%
Loss before taxes	(18.7)	(18.9)	3.9	(54.4)	(15.8)	121.0%	120.8%	-70.9%
Income tax and social contribution	(0.7)	6.4	(2.7)	12.1	3.4	276.8%	-143.1%	-71.6%
Loss for the year	(19.4)	(12.5)	1.2	(42.3)	(12.4)	106.1%	109.5%	-70.7%

* Adjusted with scrap result

15. Balance Sheet

Consolidated Data in R\$ million

In R\$ million	3Q19	2Q20	3Q20
Assets			
Current assets			
Cash and cash equivalents	109.9	289.9	262.2
Restricted bank deposits	-	-	-
Trade receivables	98.0	93.5	88.7
Inventories	33.0	45.8	43.7
Inventories - other assets held for sale	-	-	-
IRPJ (Corporate Income Tax) and CSLL (Social Contribution Tax)	2.4	8.9	6.2
Taxes recoverable	12.0	6.6	5.2
Advances to suppliers	2.7	3.9	3.9
Other receivables - sale of investee	-	-	-
Other assets	5.0	4.2	8.4
Assets held for sale	6.5	4.8	5.8
Total Current Assets	269.4	457.7	424.0
Non-current Assets			
Deferred taxes - IRPJ and CSLL	307.6	317.9	317.9
Taxes recoverable	0.0	0.1	0.3
Judicial deposits	12.3	12.4	12.2
Financial derivative instruments	-	-	-
Other assets	0.1	1.5	1.1
	320.0	332.0	331.5
Available-for-sale financial assets	54.5	50.6	50.6
Property, plant and equipment	567.3	449.5	414.5
Right of Use (IFRS 16)	48.8	50.8	55.4
Intangible assets	120.9	120.8	120.7
	791.5	671.6	641.1
Total Non-current Assets	1,111.5	1,003.6	972.6
Total Assets	1,380.8	1,461.3	1,396.7
Liabilities			
Current liabilities			
Trade payables	26.5	29.9	28.1
Borrowings and financing	9.9	7.0	5.7
Right of Use to lease (IFRS 16)	17.1	13.3	14.1
Debentures	72.0	76.2	29.3
Income tax and social contribution	0.1	2.5	0.7
Payroll and related taxes	30.3	25.4	27.2
Tax debt refinancing program (REFIS)	1.4	1.4	1.7
Taxes payable	8.6	9.6	7.6
Profit sharing payable	6.7	3.4	5.0
Dividends and interest on equity payable	0.0	-	-
Other liabilities	1.3	0.7	0.7
Total Current Liabilities	173.9	169.5	120.1
Non Current Liabilities			
Borrowings and financing	5.0	2.2	-
Right of Use to lease (IFRS 16)	39.1	40.7	37.4
Debentures	9.8	102.5	90.8
Tax debt refinancing program (REFIS)	5.4	4.7	4.1
Provision for tax, civil and labor risks	23.4	24.0	24.3
Taxes payable	0.9	10.3	10.3
Provision for post-employment benefits	11.3	13.2	13.4
Derivative financial instruments	-	-	-
Other liabilities	0.6	1.0	1.0
Total non-current Liabilities	95.7	198.6	181.3
Total Liabilities	269.5	368.1	301.4
Equity			
Share capital	1,089.4	1,089.5	1,089.6
Capital reserves	36.0	36.7	37.4
Earnings reserves	55.3	10.3	10.3
Treasury shares	(20.3)	(15.1)	(15.1)
Equity adjustments	(6.7)	(9.9)	(9.9)
Accumulated losses	(42.3)	(18.2)	(17.1)
Total Equity	1,111.3	1,093.2	1,095.3
Total Liabilities and Equity	1,380.8	1,461.3	1,396.7

16. Indirect Cash Flow

Consolidated Data in R\$ million

in R\$ million	3Q20
Cash flows from operating activities	
Profit for the year	1.2
Non cash adjustments:	56.5
Depreciation and amortization	33.9
Deferred income and social contribution taxes	(0.0)
Provision (reversal) for tax, civil and labor risks	0.1
Accrued expenses on stock options	0.8
Post-employment benefit	0.3
Residual value of property, plant and equipment and intangible assets sold and written off	15.6
Interest and monetary exchange gains and losses, net	3.6
Provision (reversal) for impairment loss on trade receivables	(1.4)
Impairment loss on inventories held for sale	-
Provision (reversal) for impairment and fair value	0.2
Provision (reversal) for slow-moving inventories	0.9
Provision for rental equipment inventory adjustment	-
IFRS 9/CPC 48 Adjust	-
Provision for Profit Sharing	1.5
Other provisions	1.2
Variations on assets and liabilities:	(10.8)
Trade receivables	(12.4)
Acquisitions of rental equipment	(0.2)
Inventories	1.1
Taxes recoverable	1.2
IRPJ (Corporate Income Tax) and CSLL (Social Contribution Tax)	(0.3)
Judicial deposits	0.2
Other assets	(0.5)
Trade payables	(2.2)
Payroll and related taxes	1.7
Profit Sharing	-
Taxes payable	0.4
Other liabilities	(0.0)
Paid income and social contribution taxes	(1.4)
Lawsuits settled	(0.8)
Interest paid	(24.9)
Net cash generated by operating activities	19.7
Cash flows from investing activities:	
Acquisition of PP&E for own use and intangible assets	(2.5)
Proceeds from sale of the Industrial Services business unit	0.4
Interest on capital received	-
Net cash generated from investing activities	(2.1)
Cash flows from financing activities	
Lease operations (IFRS16)	(4.9)
IFRS 9/CPC 48 Adjustment	0.1
Restricted bank deposits	-
Share issue cost	-
Amortization of borrowings and debentures	(40.2)
Capital Increase	(0.4)
Lease operations	-
Net cash used in financing activities	(45.4)
Net increase (decrease) in cash and cash equivalents	(27.7)
Cash and cash equivalents at the beginning of the period	289.9
Cash and cash equivalents at the end of the period	262.2
Net increase (decrease) in cash and cash equivalents	(27.7)
Operating Cash Flow	19.7
Interest Paid	24.9
Acquisitions of rental equipment	0.2
Interest and monetary exchange net gains and losses (non-cash)	(0.8)
Financial Result Income Statement	(4.9)
Adjusted Operating Cash Flow	39.0

17. Combined Information

In R\$ million

In order to supplement the information provided so far, and considering the relevance of the business combination with Solaris for Mills, we show below some combined information of the two companies:

Combined Rental business unit*	3Q19 (A)	2Q20 (B)	3Q20 (C)	9M19 (D)	9M20 (E)	(C)/(A)	(C)/(B)	(E)/(D)
Total Net Revenue	107.3	81.1	101.2	301.4	292.3	-5.7%	24.8%	-3.0%
Rental	94.9	73.6	84.8	264.4	258.3	-10.7%	15.3%	-2.3%
Others	12.4	7.5	16.4	37.1	34.0	32.5%	118.9%	-8.4%
COGS (ex. depreciation and IFRS16)	-31.4	-28.3	-38.0	-102.2	-101.1	21.2%	34.3%	-1.1%
Rental costs (personnel, warehouse, etc.)	-27.9	-26.6	-34.1	-88.6	-92.4	22.4%	28.5%	4.2%
Others	-3.5	-1.7	-3.9	-13.6	-8.8	11.7%	123.3%	-35.6%
SG&A (ex. depreciation, IFRS16 and ECL)	-41.0	-31.8	-31.2	-104.0	-95.7	-23.9%	-1.9%	-8.0%
Commercial, Operational and Administrative	-20.6	-17.2	-18.6	-58.9	-57.1	-9.5%	8.3%	-3.0%
General Services	-7.7	-6.1	-6.6	-23.1	-20.4	-14.8%	8.2%	-11.4%
Other expenses	-4.8	-2.1	-1.9	-9.0	-6.5	-59.5%	-7.5%	-28.2%
Non-recurring items	-7.9	-0.5	-0.6	-13.0	-2.3	-92.3%	28.6%	-81.9%
ECL	0.1	-4.1	-2.5	-4.2	-10.5	-4883.2%	-38.9%	150.9%
Non-recurring	-7.9	-0.5	-0.6	-13.0	-2.3	-92.3%	28.6%	-81.9%
Depreciation	-35.8	-35.9	-30.1	-88.5	-69.2	-16.1%	-16.4%	-21.8%
EBITDA ex. non-recurring items	42.9	17.3	30.1	104.0	87.3	-29.9%	73.8%	-16.1%
Adjusted EBITDA margin (%)	40.0%	21.3%	29.7%	34.5%	29.9%			
Profit (Loss) for the year	-3.4	-7.1	6.3	-3.9	7.4	-282.6%	-188.6%	-287.4%

Combined Mills Solaris* in R\$ million	3Q19 (A)	2Q20 (B)	3Q20 (C)	9M19 (D)	9M20 (E)	(C)/(A)	(C)/(B)	(E)/(D)
Total Net Revenue	129.6	98.3	133.8	359.8	358.2	3.2%	36.1%	-0.5%
Rental	107.2	87.8	100.8	298.5	301.9	-6.0%	14.8%	1.1%
Others	15.5	10.5	33.0	47.3	56.3	112.6%	214.2%	19.0%
Non-recurring	6.9	0.0	0.0	14.0	0.0	-100.0%		-100.0%
COGS (ex. depreciation and IFRS16)	-42.2	-34.9	-59.0	-131.6	-137.2	40.1%	69.1%	4.2%
Rental costs (personnel, warehouse, etc.)	-35.7	-32.6	-41.2	-110.2	-113.3	15.3%	26.2%	2.8%
Others	-3.6	-2.3	-17.9	-11.7	-7.9	397.7%	683.3%	-32.4%
Non-recurring items	-2.9	0.0	0.0	-6.1	0.0	-100.0%		0.0%
SG&A (ex. depreciation, IFRS16 and ECL)	-52.5	-40.4	-40.2	-136.9	-121.7	-23.5%	-0.5%	-11.1%
Commercial, Operational and Administrative	-25.9	-29.1	-27.5	-76.2	-82.9	6.4%	-5.5%	8.7%
General Services	-10.6	-8.1	-8.8	-31.6	-26.9	-17.3%	7.7%	-15.0%
Other expenses	-6.4	-3.0	-3.2	-13.7	-9.3	-50.4%	6.3%	-32.0%
Non-recurring items	-9.6	-0.1	-0.7	-15.4	-2.6	-92.5%	426.8%	-83.1%
ECL	-2.8	-2.6	1.4	-7.5	-5.6	-150.6%	-155.3%	-25.7%
Non-recurring items	-5.6	-0.1	-0.7	-7.4	-2.6	-87.2%	426.8%	-64.8%
Depreciation	-47.9	-35.9	-30.1	-125.5	-102.0	-37.2%	-16.4%	-18.8%
Adjusted EBITDA	37.8	20.6	36.7	91.2	96.4	-2.8%	78.7%	5.7%
Adjusted EBITDA margin (%)	30.8%	20.9%	27.5%	26.4%	26.9%			
Profit (Loss) for the year	-19.6	-12.5	1.2	-41.9	-12.4	106.0%	109.4%	-70.4%
Final Balance	109.9	289.9	262.2	109.9	262.2	138.7%	-9.6%	138.7%

* Excluding IFRS16 effects

17. Combined Information (Continued)

In R\$ million

Synergies

Synergies	2019	1Q20	2Q20	3Q20	Annualized Run Rate
Personnel	5.1	1.8	1.8	1.8	7.2
Parts	3.0	1.1	1.2	1.3	5.2
Branches	1.1	1.1	1.2	1.3	5.4
Financial (Consulting, travels, insurance)	1.0	0.7	0.7	0.8	3.2
Total	10.2	4.8	4.9	5.2	21.0

Following are the assumptions used to calculate synergies:

Personnel: Considers the wage bill and respective charges/benefits, including reduction of structure and open positions, as well as some merits and promotions of professionals who took over new responsibilities and/or expanded their scope of action in the Company.

Parts and Services: Considers the unification of the supplier base and the impact generated by using the best existing conditions in Solaris or Mills for the combined volume.

Branches: Corresponds to the savings generated by the physical unification of Mills and Solaris branches in regions where there is overlap. The costs related to branch rent, Real Estate Tax, security service, cleaning and other expenses of the closed branch are considered.

Finance: Considers the savings generated by the unification of travel policies, cost reduction due to economies of scale with insurance and a reduction in consultancy redundancy between companies.

Investments to capture synergies

CAPTURE OF SYNERGIES - COMBINED	2019	1Q20	2Q20	3Q20	Total
CAPEX	5.1	0.9	1.3	-	7.3
OPEX	8.8	1.1	0.5	0.6	11.0
Total	13.9	2.1	1.7	0.6	18.3

17. Combined Information (Continued)

In R\$ million

Combined Income Statement (excluding IFRS16)*	3Q19 (A)	2Q20 (B)	3Q20 (C)	9M19 (D)	9M20 (E)	(C)/(A)	(C)/(B)	(E)/(D)
Net revenue from sales and services	129.6	98.3	133.8	359.8	358.2	3.2%	36.1%	-0.5%
Cost of products sold and services rendered	(77.1)	(67.8)	(85.6)	(237.5)	(230.3)	11.1%	26.2%	-3.0%
Gross Profit	52.5	30.5	48.2	122.3	127.9	-8.3%	58.2%	4.5%
Selling, general and administrative expenses	(65.5)	(43.7)	(45.0)	(156.4)	(132.4)	-31.3%	2.8%	-15.3%
Reversal (provision) for impairment and fair value	(2.8)	(2.6)	1.4	(7.5)	(5.6)	-150.6%	-155.3%	-25.7%
Other revenues	0.1	0.3	1.3	(0.1)	2.0	2183.7%	296.2%	2063.4%
Loss before Financial Result	(15.7)	(15.5)	6.0	(41.7)	(8.2)	-137.8%	-138.3%	-80.3%
Financial expenses	3.8	(5.6)	(5.2)	11.6	(17.6)	-236.1%	-6.6%	-252.2%
Financial revenues	(6.0)	3.2	3.6	(20.4)	11.5	-159.3%	11.5%	-156.4%
Adjust to present value (APV) / IFRS16	(1.1)	(1.0)	(0.4)	(1.9)	(1.5)	-63.1%	-59.8%	-22.8%
Financial result	(3.3)	(3.4)	(2.0)	(9.3)	(7.6)	-37.5%	-39.4%	-17.8%
Loss before taxes	(19.0)	(18.9)	3.9	(54.4)	(15.8)	120.6%	120.7%	-70.9%
Income tax and social contribution	(0.6)	6.4	(2.7)	12.1	3.4	371.4%	-143.1%	-71.6%
Loss for the year	(19.6)	(12.5)	1.2	(42.3)	(12.4)	106.0%	109.4%	-70.7%

* Adjusted with scrap result.

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 September 30, 2020, was R\$ 5.64, with a 16.0% decrease versus 2019 closing price, while IBOVESPA index had a 18.2% negative variation in the same period. By 3Q20 closing, Mills market cap amounted to R\$ 1,421.0 million.

The average daily traded volume of Mills shares traded at B3 in 3Q20 amounted to R\$ 15.9 million, 59.6% higher than the recorded in the previous year.

MILS3 Performance	3Q19 (A)	2Q20 (B)	3Q20 (C)	(C)/(A)	(C)/(B)
Share final price (R\$)	6.85	5.40	5.64	-17.7%	4.4%
Maximum ¹	7.82	6.14	8.00	2.3%	30.3%
Minumum ¹	5.92	3.36	5.64	-4.7%	67.9%
Average ¹	6.91	4.94	6.99	1.1%	41.3%
Market value final of period (R\$ million)	1,725.3	1,360.3	1,421.0	-17.6%	4.5%
Daily average negotiated volume (R\$ million)	7.51	10.00	15.95	112.5%	59.6%
Number os shares (million)	251.87	251.91	251.95	0.0%	0.0%

- (a) Asset Write-off - is linked to Indemnities revenue, this value is the cost of the asset write off.
- (b) Capex (Capital Expenditure) - Acquisition of tangible and intangible assets to non-current assets.
- (c) Invested capital - For the company, invested capital is defined as the sum of shareholders' equity (net assets) and third-party capital (including all costly, bank and non-bank debt), both being the average values for the period. By business unit, is the average amount of capital invested by the company by weighted average assets of each business unit (assets plus net fixed assets). The asset base in the year is calculated as the average asset base of the last thirteen months.
- (d) Net Cash Flow - Net cash provided by operating activities less net cash used in investing activities.
- (e) Job execution costs - Job execution cost include: (i) labor costs from construction jobs supervision and technical assistance; (ii) labor costs for erection and dismantling of the equipment rented to our clients, when such tasks are carried out by the Mills workforce; (iii) equipment freight costs, when under Mills' responsibility; (iv) cost of materials used in the maintenance of the equipment, when it is returned to our warehouse; and (v) cost of equipment rented from third-parties.
- (f) Warehouse costs - This cost includes the costs directly related to administration of the deposit, storage, handling and maintenance of rental assets and resale, covering costs with hand labor, IPE used in the activities of deposit (drive, storage and maintenance), inputs (forklift gas, gas welding, plywood, paints, wood battens, among others) and maintenance of machinery and equipment (forklifts, welding machines, water-blasting hoists and tools in general).
- (g) Cost of sales - Cost of sales of new equipment is linked to sales of new equipment revenue. The sales of semi-new equipment cost is tied to sales of semi new equipment revenue and is equivalent to the cost of the assets write-off (residual cost).
- (h) Sales, General and Administrative expenses - (i) The SG&A Commercial, Operational and Administrative includes current expenses such as salaries, benefits, travel, representation of the various departments including Sales, Marketing, Engineering and administrative back office departments, as HR and Finance; (ii) General Services includes the equity costs of head officer and several branches (rents, fees, security and cleaning, mainly); and (iii) Other expenses are items largely non-cash, 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 financial resources.
- (j) EBITDA - EBITDA is a non-accounting measure prepared by the Company, reconciled with our financial statements in compliance with the provisions of CVM Circular No. 01/2007, where applicable. We calculate EBITDA as our operating income before financial results, the effects of depreciation of use of property and rental equipment and amortization of intangible assets. EBITDA is not a measure recognized by GAAP in Brazil, IFRS or US GAAP, does not have a standard meaning and may not be comparable to measures with similar titles provided by other companies. We reported EBITDA because we use to measure our performance. EBITDA should not be considered in isolation or as a substitute for net income or operating income as measures of operating performance or cash flows or to measure liquidity or debt payment capacity.

This press release may contain statements that express management's expectations about future events or results. All statements are based on future expectations rather than on historical facts involve various risks and uncertainties. Mills can not guarantee that such statements will prove to be correct. Such risks and uncertainties include factors: relating to the Brazilian economy, the capital markets, the sectors of heavy construction, real estate, oil and gas, among others, and governmental rules that are subject to change without notice. For additional information on factors that may give different results from those estimated by the Company, please consult the reports filed with the Securities and Exchange Commission - CVM.