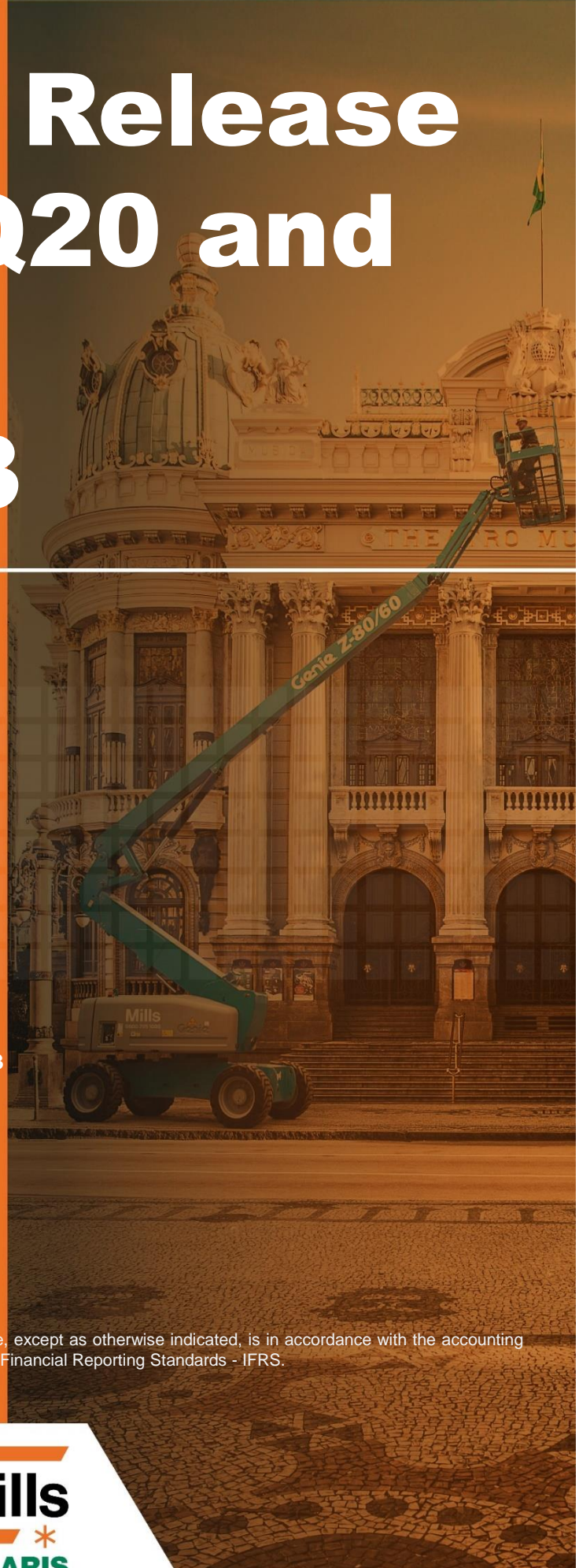


Earnings Release

MILLS 4Q20 and

2020

B3:MILS3



Conference Call and Webcast

Date: Thursday, March 18, 2021

Time: 3 p.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, March 17, 2021 - Mills Estruturas e Serviços de Engenharia S.A. (Mills) announces its results for the fourth quarter of 2020 (4Q20) and for fiscal year 2020.

2020 was marked by the pandemic caused by COVID-19, which is still going on today and continues to challenge authorities, health systems, economies, companies, and people around the world to curtail it.

At Mills, we have taken several actions to mitigate the impacts caused by this crisis, especially in terms of the health of our employees, customers, suppliers, and, consequently, their families. Considering that our equipment has been and is used in various activities classified as essential, we faced the challenge of keeping our operations running smoothly, adapting our working routines to include new health and safety protocols.

With the performance of an Internal Committee with a multidisciplinary profile, created specifically to conduct the actions related to the theme and fully aligned with our values and organizational culture, we adapted the operational work at the branches, intensified the hygiene and cleaning procedures, implemented the administrative activities in remote work, reduced the number of trips and suspended events with crowds. We have also managed, among other actions, to keep the training, development and talent retention schedules and we have not reduced the workforce due to the pandemic, which we know is of paramount importance not only for our employees and their families, but also for the resumption of the Brazilian economy.

All this effort was recognized by our team. An internal survey showed that 95% of our employees felt supported in their activities during the pandemic and that 89% of them feel fully safe while working at our facilities.

This ability to adapt and cope with the crisis caused by COVID-19, combined with the strategy of diversifying Mills' customer base implemented over the past few years, has resulted in solid economic and financial indicators recorded at the end of 2020. Even with the 4.1% reduction in Brazil's GDP, the Company ended 2020 with a 2.6% increase in its rental revenue and 16.1% in its Adjusted Ebitda (both as compared the previous year on a combined basis), also resulting in the interruption, as of 3Q20, of a sequence of quarterly losses recorded for six consecutive years, closing 4Q20 again with net income (R\$ 7.6 million).

In the Rental Business Unit, responsible for 86% of Mills' rental revenue in 2020, we also advanced in the integration of branches and improved our customer relationship management processes, with a focus on increasing the agility in the submission of commercial proposals and the communication effectiveness. In the Construction Business Unit, we reached R\$12.0 million in Adjusted Ebitda, exceeding the breakeven goal sought since 2019, in line with the recovery strategy of this unit. Such performances lead us believe that we are on the right path to improve our services and results.

1. Management Comments

From a financial point of view, 2020 was a year of focus on preserving cash and improving the debt profile. Thus, we temporarily suspended some investments to face the crisis, implemented a matrix management of expenses, renegotiated invoices with our suppliers, worked on the regularity of our receipts, extended R\$22 million of debt then existing at Solaris and issued a total of R\$184 million in new debentures, which rendered our indebtedness cheaper and more extended, if compared to the previous year. With these and other actions, combined with the performance of our business units, we ended 2020 with R\$ 378.9 million in cash and gross debt of R\$207.7 million, and ready for the next challenges and opportunities.

Aware that 2021 will still be a year of fighting the pandemic and its effects, the achievements made in 2020, together with expectations for the Brazilian economy in 2021 and our improvement projects, allow us to have a bullish view going forward. With our attention focused on the Company's growth and transformation, we will seek opportunities to expand business and improve the level of service provided to our customers. We will advance in investments in technology and innovation, in the adjustment of our equipment and in the improvement of processes, seeking to make Mills increasingly agile and simple. We will also work on the development of our organizational culture and our people, the basis of everything we are and everything we want to be, as well as intensifying our initiatives aimed at ESG, seeking to create value in an increasing and sustainable way.

We thank our employees for their dedication and commitment in 2020, as well as the support of our customers, suppliers, shareholders, directors and other stakeholders and partners.

Have a good reading!

Sergio Karina
Mills CEO

*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.

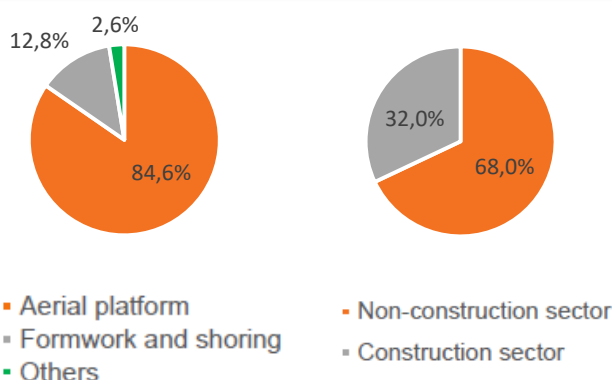
2. Highlights

The main economic and financial highlights were:

- Recovery of equipment rental activities from Rental, with an average rented volume 1.6% higher in 4Q20 versus 1Q20 (pre-crisis);
- Highest consolidated net rental revenue since 2Q15, closing 4Q20 at R\$ 125.4 million. In the year, net rental revenue amounted to R\$ 427.4 million, 16.9% higher versus 2019;
- Positive Construction Adjusted EBITDA* in 4Q20 and in the year, in line with the recovery process of this Business Unit (the last year of positive results in Construction had been 2015);
- Consolidated Adjusted EBITDA* at R\$ 52.9 million in 4Q20, 44.1% higher versus 3Q20. In the year, Adjusted Ebitda* reached R\$ 149.3 million, 35.5% higher than the previous year;
- Consolidated Net Income for the second consecutive quarter (R\$ 7.6 million in 4Q20);
- Issuance of 5th issue of simple debentures, in the amount of R\$ 84 million, in 4Q20.

Consolidated Data in R\$ million	4Q19 (A)	3Q20 (B)	4Q20 (C)	2019 (D)	2020 (E)	(C)/(A)	(C)/(B)	(E)/(D)
Net revenue	138,5	133,8	148,2	439,5	506,4	6,9%	10,7%	15,2%
CVM EBITDA	39,1	40,5	56,3	119,3	163,9	43,8%	38,9%	37,4%
CVM EBITDA margin (%)	28,2%	30,3%	38,0%	27,1%	32,4%			
EBIT	-0,2	6,7	19,8	-43,0	13,5	9036,1%	-197,0%	131,5%
EBIT margin (%)	-0,2%	5,0%	13,4%	-9,8%	2,7%			
Adjusted EBITDA*	37,4	36,7	52,9	110,2	149,3	41,6%	44,1%	35,5%
Adjusted EBITDA margin* (%)	28,2%	27,5%	35,7%	26,3%	29,5%			
Adjusted operating cash flow ³	30,1	39,0	38,9	100,1	156,8	29,1%	-0,4%	56,7%
Adjusted free cash flow to the firm ³	25,3	36,8	34,9	88,6	145,3	38,3%	-5,1%	64,0%

Equipment rental Net Revenue 4Q20



Approximately 70% of Mills' rental revenue derives from non-construction sectors (industry, services, commerce, etc.), leading to a better revenue behavior, especially in view of crises, which can be confirmed by the performance of Mills' 2020 revenue compared to 2015 and 2016 recessions.

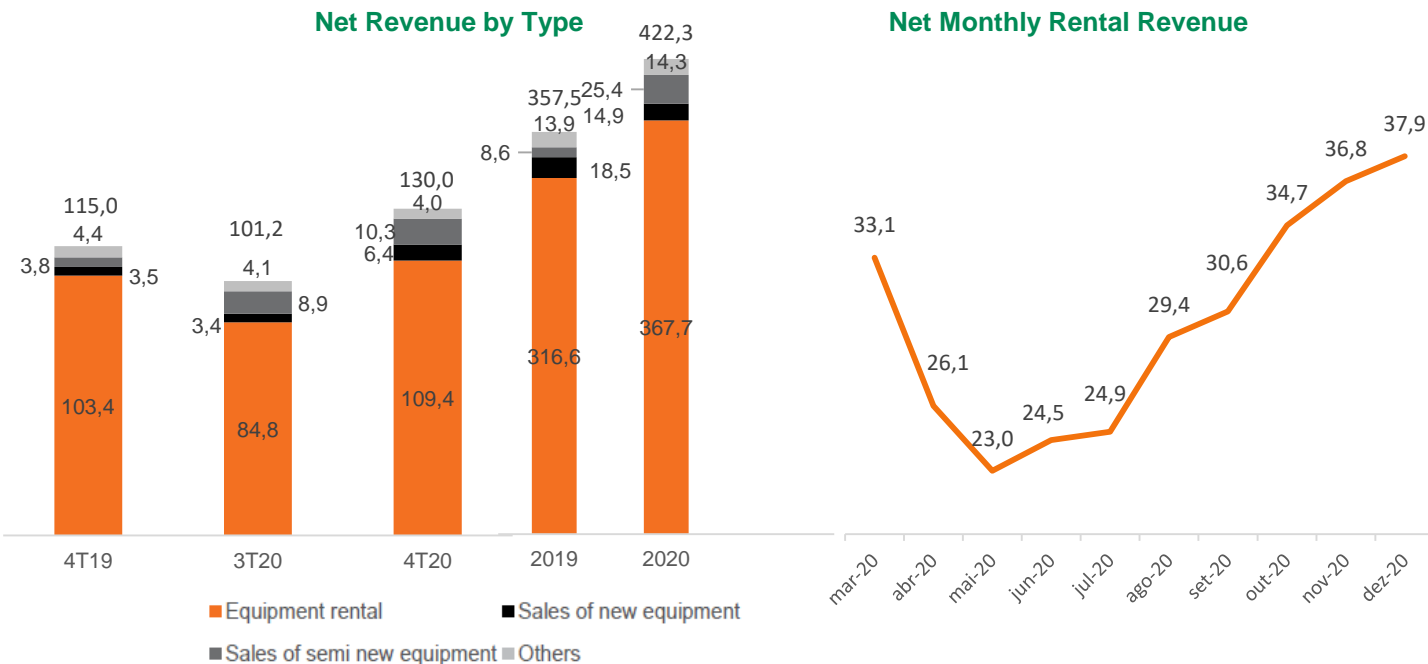
*Excluding IFRS 16 effect and non-recurring items (Construction unit restructuring expenses, liabilities from Industrial Services business unit and expenses related to Solaris business combination project)

¹For adjusted operating cash flow, interest on debentures and Finame, investment in lease, interest and inflation adjustments in assets and liabilities (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 inflation adjustments in assets and liabilities (cash) are not included.

3. Rental

In R\$ million

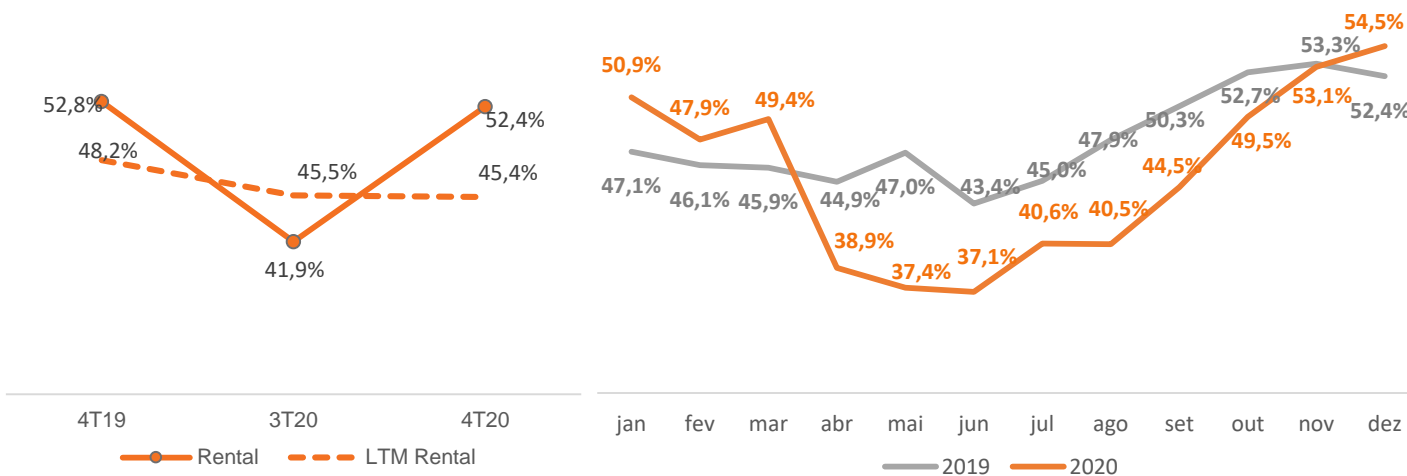
3.1 Consolidated Net Revenue



Rental net revenue in 4Q20 amounted to R\$ 130.0 million, 28.5% higher than the previous quarter, evidencing the overcoming due to the impacts in 3Q20, albeit to a lesser extent, of the effects of COVID-19.

Rental net revenue increased 29.0% as compared to 3Q20, mainly due to the increase in the rented balance, as can be seen in the graph below. The average leased volume was 21.0% higher than in the previous quarter, as a result of the recovery in economic activity, mainly in industries and commerce. 35.7% increase in sales revenue as compared to the previous quarter due to the sale of equipment with older age, leading to a positive variation of R\$ 1.4 million, and the increase of R\$3.0 million in the sale of new equipment.

3.2 Utilization Rate (Physical)¹



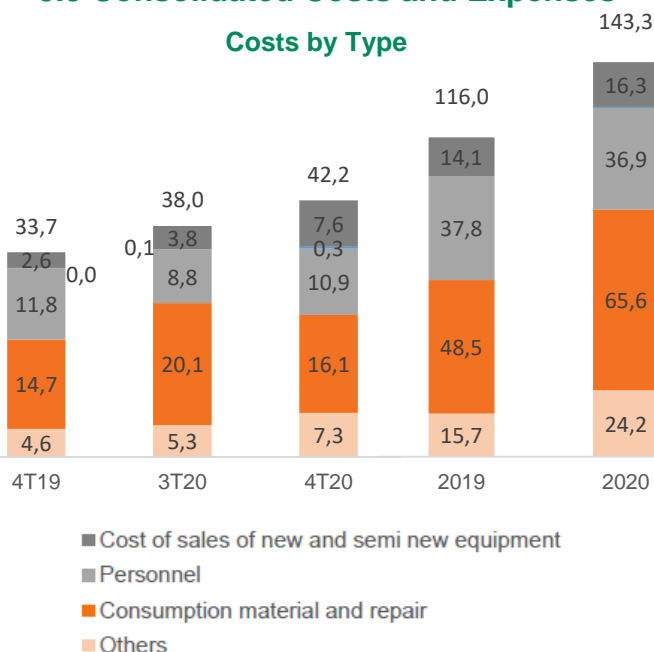
¹ Average for the period

3. Rental

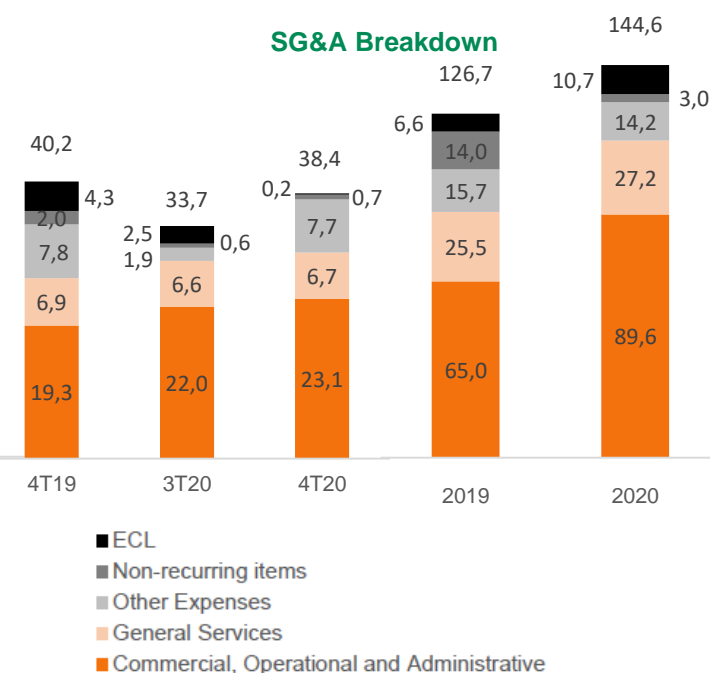
In R\$ million

3.3 Consolidated Costs and Expenses

Costs by Type



SG&A Breakdown



Direct costs in 4Q20 (excluding depreciation and IFRS16) amounted to R\$ 42.2 million, of which: 38.1% with consumables (such as batteries, inks, electrical, hydraulic equipment, etc.) which are directly linked to the volume leased, 25.8% were personnel costs and 18.1% related to sales cost of new and used equipment. The 11.1% increase as compared to the previous quarter, is mainly due to: (i) the increase in new and used equipment sales costs, in line with the increase in sales revenue; (ii) the increase in personnel costs; and (iii) the increase in freight costs.

Expenses (excluding depreciation and IFRS16) amounted to R\$ 38.4 million in the quarter, of which R\$ 13.9 million refer to personnel expenses (commercial, domestic operations and administrative staff). The 14.0% increase as compared to the previous quarter is mainly due to the inventory adjustment, carried out annually in the fourth quarter. Non-recurring expenses are addressed in item 6 of this Earnings Release.

3.4 Rental EBITDA

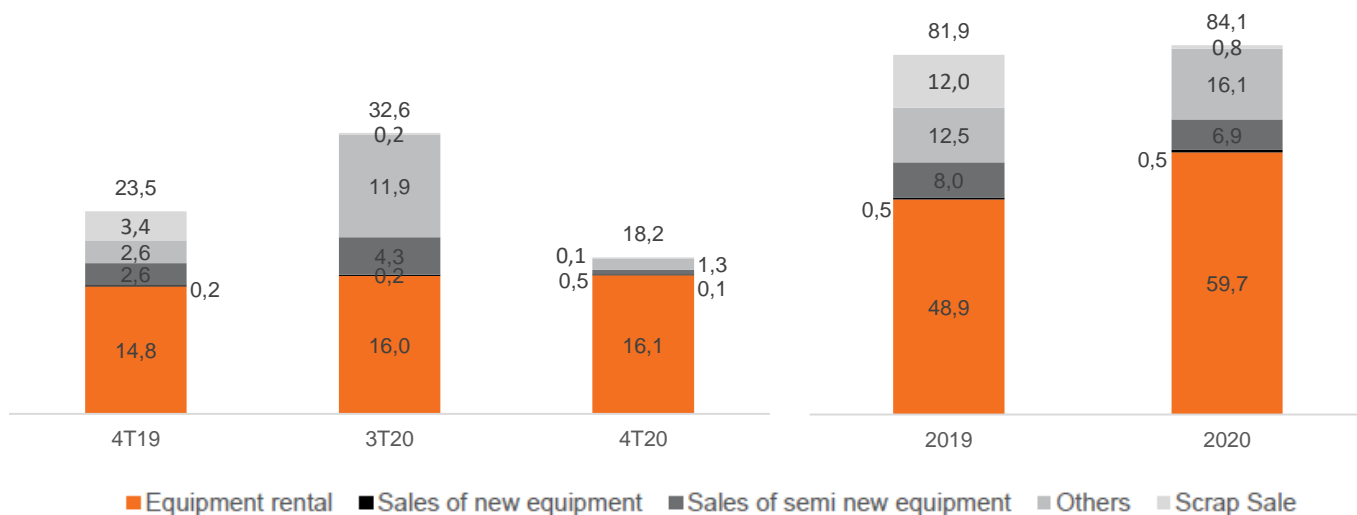
Consolidated Data in R\$ million	4Q19 (A)	3Q20 (B)	4Q20 (C)	2019 (D)	2020 (E)	(C)/(A)	(C)/(B)	(E)/(D)
Net Revenue	115,0	101,2	130,0	357,5	422,3	13,0%	28,5%	18,1%
CVM EBITDA	43,9	32,8	52,5	126,7	147,9	19,7%	60,1%	16,8%
CVM EBITDA margin (%)	38,2%	32,4%	40,4%	35,4%	35,0%			
Adjusted EBITDA*	43,1	30,1	50,0	128,8	137,3	16,0%	66,4%	6,6%
Adjusted EBITDA margin* (%)	37,5%	29,7%	38,5%	36,0%	32,5%			
EBIT	17,3	10,7	27,5	17,4	45,2	58,7%	157,2%	158,8%
EBIT margin (%)	15,1%	10,6%	21,2%	4,9%	10,7%			

4. Construction

In R\$ million

4.1 Net Revenue by Type

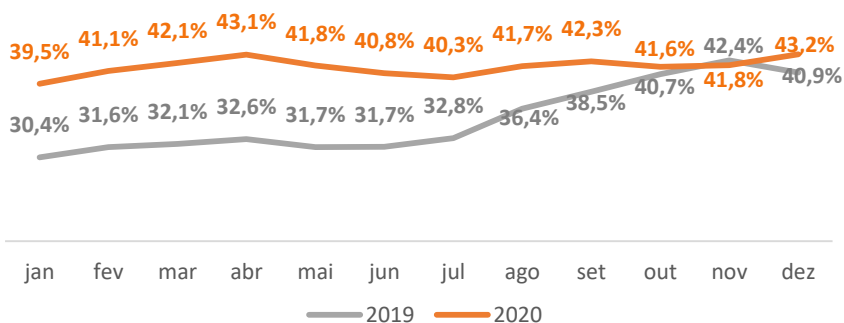
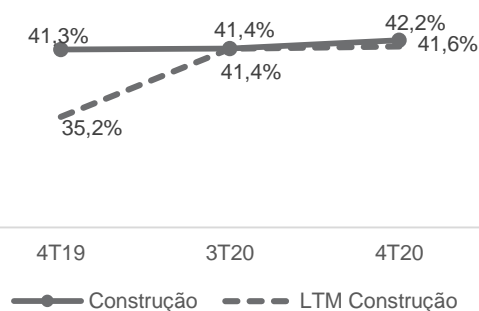
Net Revenue by Type



Construction net revenue amounted to R\$ 18.2 million in 4Q20, 44.3% lower than the amount recorded in the previous quarter due to the approval of a commercial agreement in 3Q20 that generated an additional net revenue of R\$ 11 million and an Adjusted Ebitda in this operation of R\$ 6.9 million in that quarter.

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 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, closing 2020 with around 53 thousand tons of equipment.

4.2 Utilization Rate (Physical)

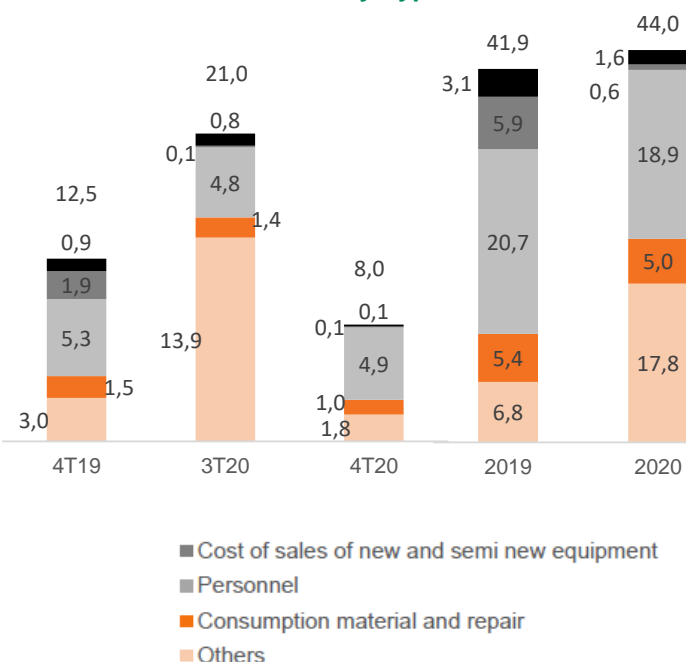


4. Construction

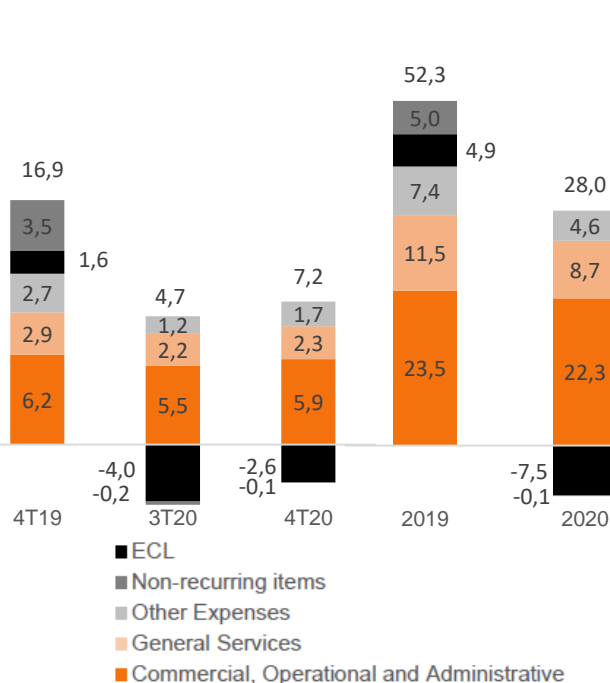
In R\$ million

4.3 Costs and Expenses

Costs by Type



SG&A Breakdown



In 4Q20, costs (excluding depreciation and IFRS16) reached R\$ 8.0 million, lower than the previous quarter mainly due to the commercial agreement, as mentioned in item 4.1 of this Earnings Release, with R\$ 12.4 million impact in costs (non-cash effect). Excluding the impact of this agreement, costs would have been 5.3% lower than in 3Q20.

Expenses (excluding depreciation and IFRS16) amounted to R\$ 7.2 million in the quarter, of which R\$ 3.9 million refer to personnel. The increase as compared to the previous quarter is mainly due to the lower reversion of ECL in 4Q20.

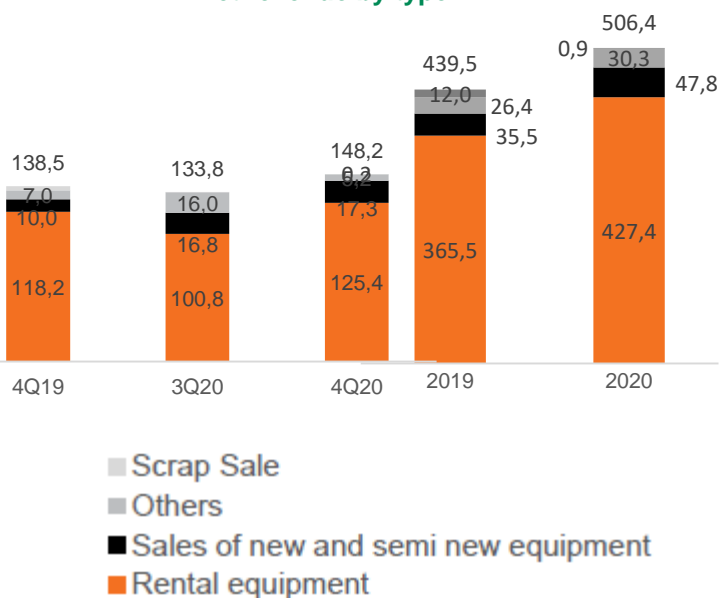
4.4 Construction EBITDA

Consolidated Data in R\$ million	4Q19 (A)	3Q20 (B)	4Q20 (C)	2019 (D)	2020 (E)	(C)/(A)	(C)/(B)	(E)/(D)
Net Revenue	23,5	32,6	18,2	81,9	84,1	-22,8%	-44,3%	2,6%
CVM EBITDA	-4,4	8,0	4,1	-6,1	16,7	193,1%	-49,0%	372,0%
CVM EBITDA margin (%)	-18,7%	24,6%	22,6%	-7,5%	19,8%			
Adjusted EBITDA*	-5,8	6,7	2,9	-18,6	12,0	149,9%	-56,8%	164,3%
Adjusted EBITDA margin* (%)	-32,9%	20,4%	15,9%	-30,0%	14,2%			
EBIT	-17,2	-3,7	-7,4	-59,2	-30,9	57,3%	-98,5%	47,8%
EBIT margin (%)	-73,2%	-11,4%	-40,5%	-72,2%	-36,8%			

5. Financial Highlights

Consolidated Data in R\$ million

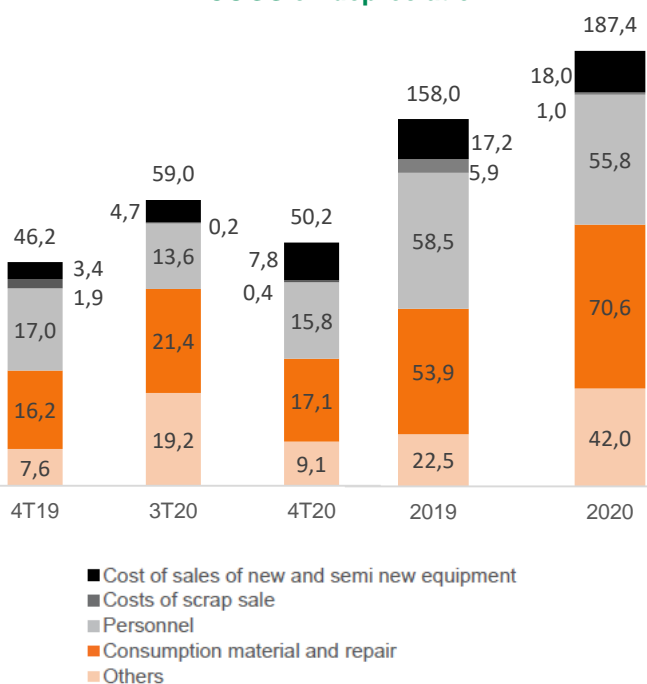
Net revenue by type



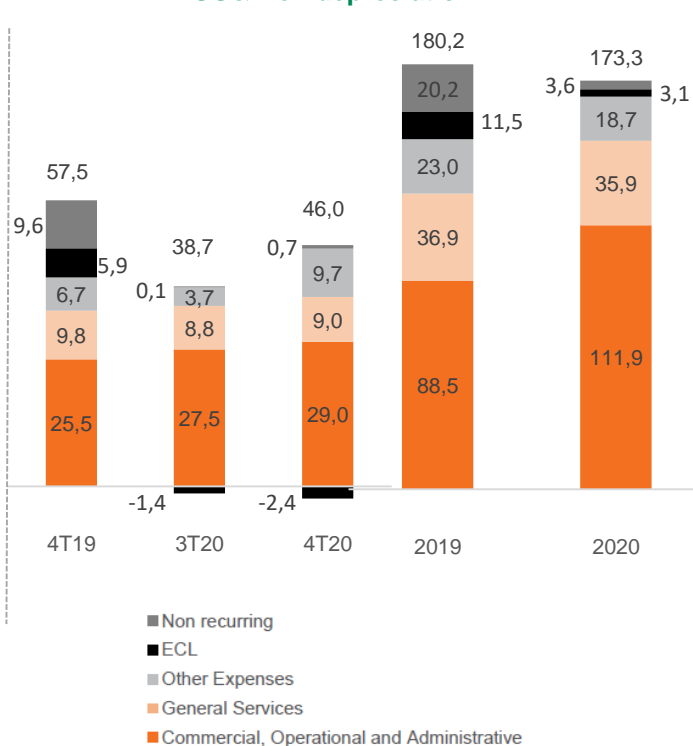
Net revenue by business unit



COGS ex-depreciation¹



SG&A ex-depreciation¹



¹ Also excluding IFRS 16 effects.

6. Non-recurring Items

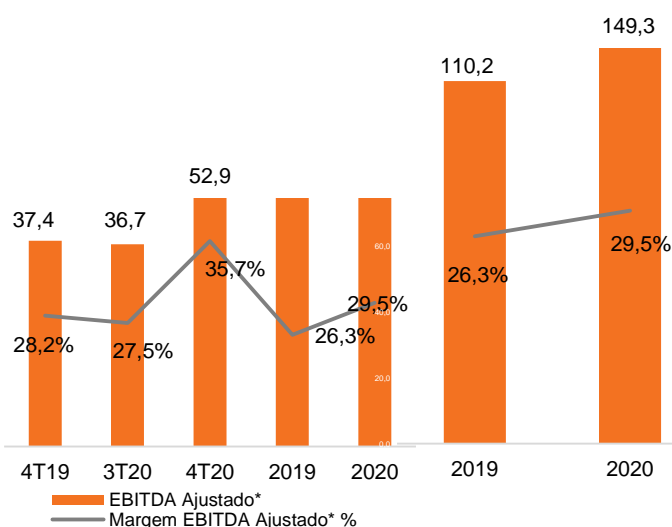
In 4Q20, the pace of branch physical integration remained slow, still due to the restrictions on travelling by employees caused by COVID-19 pandemic.

Non-recurring items - in R\$ million	4Q19 (A)	3Q20 (B)	4Q20 (C)	2019 (D)	2020 (E)	(C)/(A)	(C)/(B)	(E)/(D)
Total non-recurring Items	-2.5	-0.7	-1.0	-8.9	-3.6	-58.9%	40.6%	-59.0%
Resizing expenses	-0.1	0.2	0.1	6.3	0.1	-136.3%	-76.9%	-98.2%
Decommissioning of branch offices	-3.5	0.2	0.1	-5.0	0.1	-101.4%	-76.9%	-102.3%
Used equip. sale revenue	2.6	-	-	8.0	-			
Used equip. sale cost	-0.7	-	-	-2.7	-			
Scrap sale revenue	3.4	-	-	12.0	-			
Scrap sale cost	-1.9	-	-	-5.9	-			
Mills and Solaris business combination	-2.0	-0.6	-0.7	-14.0	-3.0	-69.2%	12.7%	-78.3%
Expenses for capturing synergies	-1.9	-0.6	-0.7	-7.9	-2.9	-63.5%	12.7%	-62.7%
Other merger expenses	-0.1	0.0	0.0	-6.1	-0.1	-100.0%		-98.4%
Other non-recurring expenses	-0.4	-0.3	-0.4	-1.2	-0.7	6.7%	14.1%	-41.5%
Mills SI Expenses	-0.4	-0.3	-0.4	-1.2	-0.7	6.7%	14.1%	-43.2%

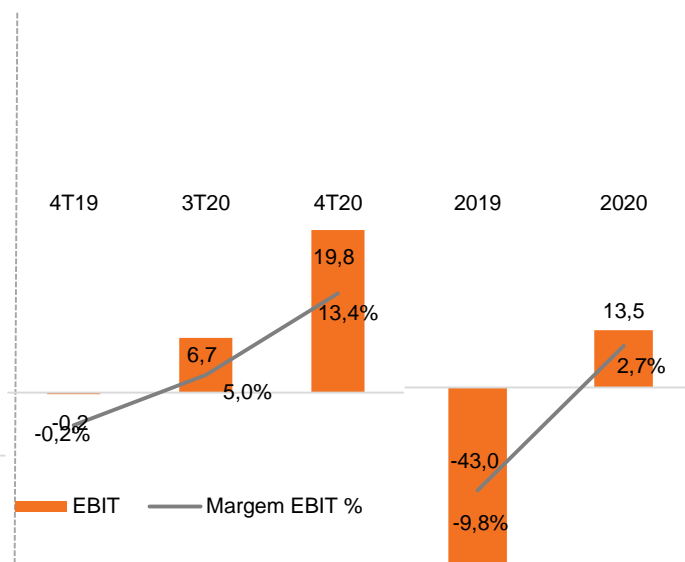
7. Adjusted EBITDA

Consolidated adjusted EBITDA (excluding non-recurring items and IFRS16 effects) amounted to R\$ 52.9 million, with a 35.7% margin in 4Q20 versus R\$ 36.7 million with 27.5% margin in 3Q20.

Adjusted EBITDA



EBIT



8. Financial Result (ex-IFRS 16)

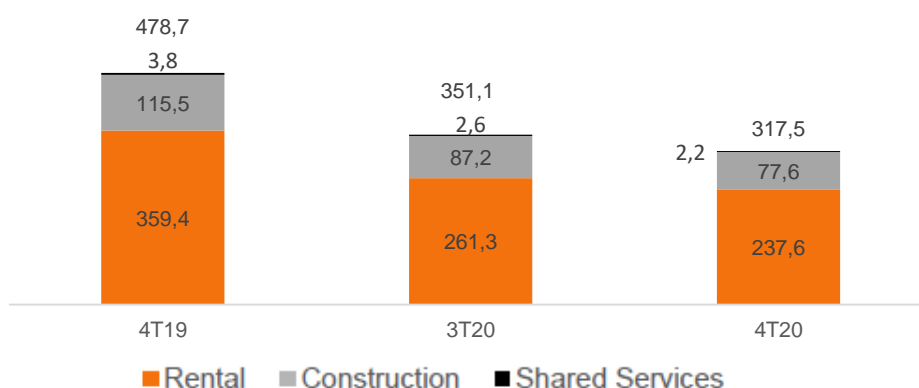
Consolidated data in R\$ million	4Q19 (A)	3Q20 (B)	4Q20 (C)	2019 (D)	2020 (E)	(C)/(A)	(C)/(B)	(E)/(D)
Net financial result	-1.9	-1.6	-0.3	-9.5	-6.5	-82.5%	80.2%	32.2%
Financial revenues	3.5	3.6	2.7	13.9	14.2	-25.1%	-25.4%	1.7%
Financial expenses	-5.4	-5.2	-3.0	-23.5	-20.6	-44.9%	-42.7%	-12.1%

9. Investments

In 4Q20, investments amounted to R\$ 4.5 million, particularly related to assets for operational and support use, such as IT and branch adjustments.

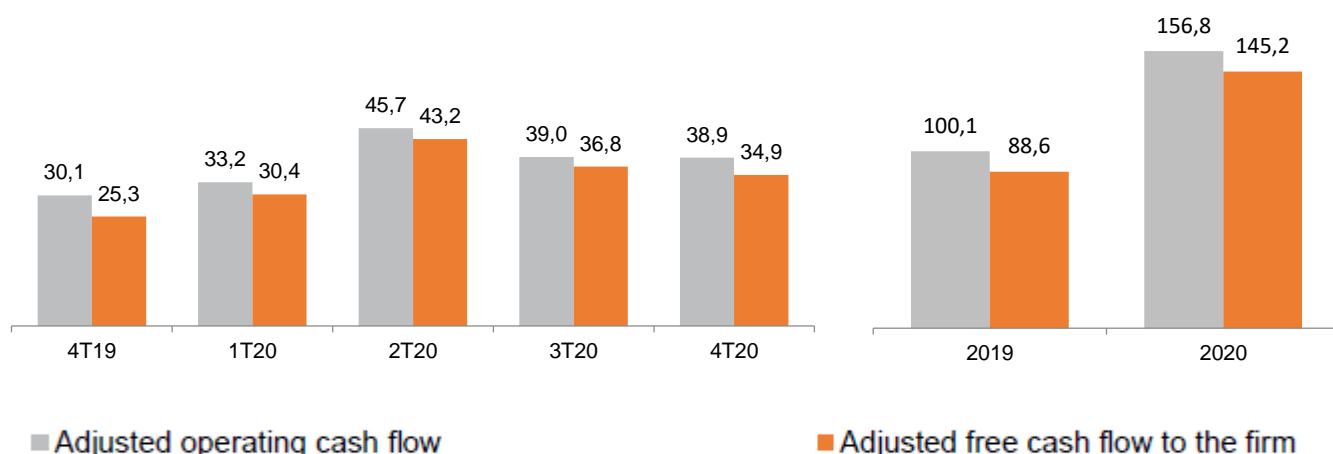
10. Fixed Assets

The balance of PP&E, net of lease/Company's operating use amounted to R\$ 317.5 million in 4Q20



11. Adjusted Cash Flow

Adjusted consolidated operating cash flow¹ showed a positive balance of R\$ 39.4 million in the quarter and R\$ 157.3 million in the year, reflecting the Company's actions to preserve cash and improve receipt.



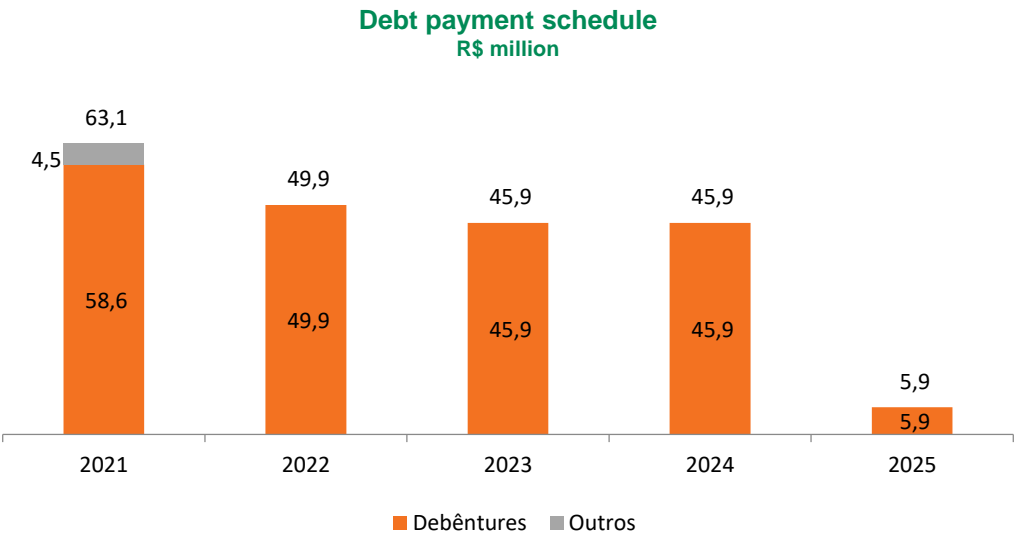
¹For adjusted operating cash flow, interest paid, investment in lease, interest, and net inflation adjustments in assets and liabilities are not included, as well as IFRS16 impact. For adjusted free cash flow to the firm, interest paid, interest, and net inflation adjustments in assets and liabilities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

12. Indebtedness

Mills ended 2020 with a gross debt of R\$ 207.7 million and net cash of R\$ 171.2 million.

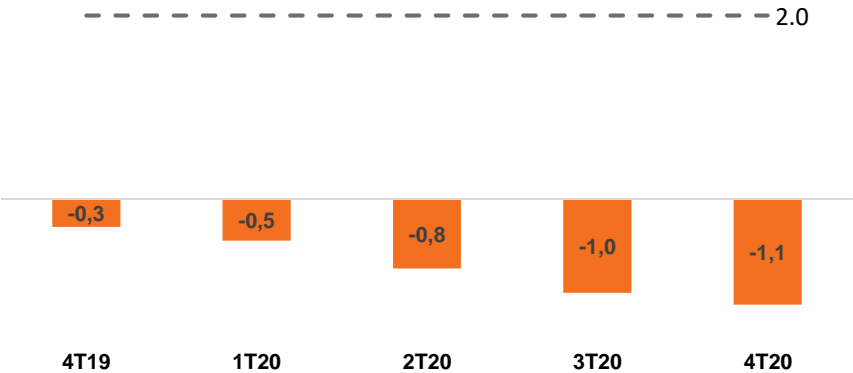
According to the notice to the market disclosed on December 4, 2020, within the scope of the ordinary management of the business and aiming to replenish and strengthen its cash, the 5th issue of debentures was made, in the total amount of R\$ 84.0 million, remunerated at CDI + 4.25% p.a., with an additional initial remuneration equivalent to 1.0% of the subscribed and paid-in amount.

The average maturity for paying Mills total indebtedness is 2.0 years, with average cost of CDI + 3.40% p.a.



Debt Indicators

As of December 31, 2020, Mills recorded a Net Debt/Adjusted Ebitda ratio of -1.1x



2020 was also marked by a closer look at social responsibility actions.

In the environmental area, we signed the Letter of Support to the Amazon, prepared by the business sector, whereby we declare our public commitment to the sustainable development agenda and began measuring environmental impacts, starting to monitor and understand our level of consumption, use and disposal of materials to establish impact minimization goals in the future.

Looking at the social side, Mills has been intensifying internal debates on diversity in recent years, including topics of gender, ethnicity, sexual orientation and culture. With We for Diversity program, in 2020 we sought to promote these themes among employees, with a specific focus on affirmative actions in favor of refugees, black people, women and LGBTI+. We for Diversity promoted different meetings ("Understanding racism and promoting racial equality", "Diversity and LGBTI+" and "The different nationalities at Mills") with invited speakers, seeking to raise the awareness of the internal audience about these matters. Among the actions aimed at women, we promoted several meetings with Café com Elas (Coffee with Them), a quarterly space between Mills CEO, the People and Management officer and groups of employees from different areas; and Conexão Mulher (Women Connection), a counseling and mentoring program involving female company leaders and other employees. We know that we still have room to continuously evolve in actions like these, but each step in this direction is already a reason for great satisfaction for us.

In 2020, we also made progress in supporting the surrounding communities. Contribution to society was one of the Principles that guided our position during the pandemic, and some specific actions gave visibility to this effort. Partilhar (Share) Program was our main initiative with a positive social impact, aimed at local communities located around our branches. This initiative is part of the commitment that we made to the UN Global Compact and the Sustainable Development Goals, through which the company started encouraging and promoting actions to support sustainable development in society, together with its employees.

The main steps of this path - and the challenges that we will face - are already outlined:

- We will make our ESG strategy tangible for all employees and also for customers and suppliers, with concrete initiatives for action on social, environmental and governance matters.
- Our strategic planning already includes ESG goals, broken down into initiatives and monitored along with the company's other management guidelines.
- We will pay special attention to the supply chain, applying ESG criteria in the selection and assessment of partners and encouraging best practices in labor relations, governance and sustainability.
- Our goal is to be a B Company, and for that we need to evolve in practices and processes. Certification work will be important in consolidating an internal ESG culture.
- We will start to report the greenhouse gas (GHG) emissions generated throughout our production chain, a significant disruption in our methods of environmental management.
- In 2021, we will prepare our first materiality matrix - a list of the main social, environmental and economic topics that shall influence Mills' management, based on the perceptions of senior leadership and the audiences with which we relate. The matrix is the first step towards building a sustainability report in compliance with the guidelines of the Global Reporting Initiative (GRI), a globally accepted standard for communicating corporate sustainability performance.

13. Sustainability (continued)

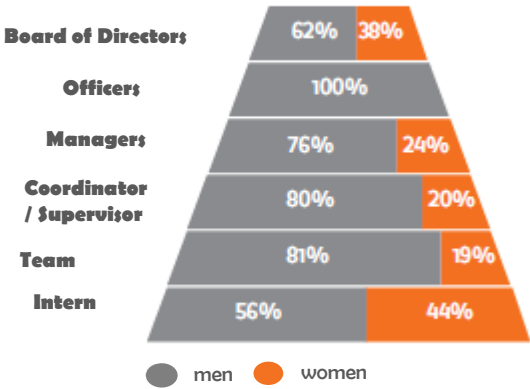
Social indicators (2020)

Our Diversity in 2020

Diversity Indicators	MEN	WOMEN
Average age (years)	33.8	30.1
Years with the Company	4.5	3.0
Black*	64	15
Brown*	273	55
White*	471	155
Asian*	1	1
Indian*	0	0
Not informed	243	72
PCD	5	5
TOTAL	1,052	298

*Informed by self-declaration of the employee

Gender distribution by hierarchical levels 2020



Environmental indicators (2020)

2.194 m3

average monthly water consumption in branches, 37.3% savings compared to 2019

16 m3

monthly

average water consumption per employee

237.8 thousand kWh

average monthly energy consumption of electricity, a 16.1% reduction as compared to 2019

1,730

kWH/month:

relative average consumption, per employee

365.49

tonnes

for recycling

946

tonnes

of total waste disposal, 33.2% lower than in 2019

14. Tables

Consolidated Data in R\$ million

Table 1 - Net revenue per type

	4Q19 (A)	3Q20 (B)	4Q20 (C)	2019 (D)	2020 (E)	(C)/(A)	(C)/(B)	(E)/(D)
Total Net Revenues	138.5	133.8	148.2	439.5	506.4	6.9%	10.7%	15.2%
Rental	118.2	100.8	125.4	365.5	427.4	6.2%	24.5%	16.9%
Sales of new equipment	3.6	3.6	6.5	19.0	15.5	79.0%	81.2%	-18.5%
Sales of Used Equipment	6.4	13.2	10.8	16.6	32.3	70.4%	-17.9%	95.2%
Sales of scrap	3.4	0.2	0.2	12.0	0.9	-93.5%	18.5%	-92.3%
Technical assistance	1.8	1.3	1.2	6.5	4.2	-33.8%	-6.9%	-35.8%
Indemnity and Recovery of Expenses	5.2	14.7	4.0	19.9	26.1	-23.4%	-73.2%	31.3%

Table 2 - Rental net revenue per product

	4Q19 (A)	3Q20 (B)	4Q20 (C)	2019 (D)	2020 (E)	(C)/(A)	(C)/(B)	(E)/(D)
Net Monthly Rental Revenue	118.2	100.8	125.4	365.5	427.4	6.2%	24.5%	16.9%
Aerial Platforms	101.0	82.3	106.2	307.1	357.5	5.1%	29.1%	16.4%
Formwork and shoring	14.8	16.0	16.1	48.9	59.7	8.8%	0.5%	22.0%
Other	2.4	2.5	3.2	9.5	10.1	33.2%	26.8%	6.8%

Table 3 - Net revenue per Business Unit

	4Q19	%	3Q20	%	4Q20	%	2019	%	2020	%
Total net revenues	138.5	100.0%	133.8	100.0%	148.2	100.0%	439.5	100.0%	506.4	100.0%
Construction	23.5	17.0%	32.6	24.4%	18.2	12.3%	81.9	18.6%	84.1	16.6%
Rental	115.0	83.0%	101.2	75.6%	130.0	87.7%	357.5	81.4%	422.3	83.4%

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

	4Q19	%	3Q20	%	4Q20	%	2019	%	2020	%
COGS total, ex-depreciation	-46,2	44,6%	-59,0	60,4%	-50,2	52,2%	-158,0	46,7%	-187,4	52,0%
Rental costs (maintenance, personnel, warehouses, etc) ¹	-39,4	38,0%	-41,2	42,1%	-41,4	43,0%	-131,8	39,0%	-154,7	42,9%
Costs of sales of new equipment	-2,7	2,6%	-2,1	2,2%	-5,7	5,9%	-14,1	4,2%	-11,7	3,2%
Costs of sales of semi new equipment	-0,8	0,7%	-2,6	2,6%	-2,1	2,1%	-3,1	0,9%	-6,3	1,7%
Cost of scrap sale	-1,9	1,9%	-0,2	0,2%	-0,4	0,4%	-5,9	1,7%	-1,0	0,3%
Costs of assets write-offs	-1,4	1,4%	-13,0	13,3%	-0,7	0,7%	-3,1	0,9%	-13,7	3,8%
SG&A, ex-depreciation and ECL	-51,6	49,8%	-40,2	41,1%	-48,5	50,4%	-168,7	49,9%	-170,1	47,2%
Commercial, Operational and Administrative	-25,5	24,6%	-27,5	28,1%	-29,0	30,2%	-88,5	26,2%	-111,9	31,0%
General Services	-9,8	9,4%	-8,8	9,0%	-9,0	9,4%	-36,9	10,9%	-35,9	9,9%
Other expenses	-16,3	15,7%	-3,9	4,0%	-10,4	10,8%	-43,3	12,8%	-22,3	6,2%
ECL	-5,9	5,6%	1,4	-1,5%	2,4	-2,5%	-11,5	3,4%	-3,1	0,9%
COGS + SG&A Total	-103,6		-97,8		-96,3		-338,1		-360,7	

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

	4Q19	%	3Q20	%	4Q20	%	2019	%	2020	%
CVM EBITDA	39,1	100,0%	40,5	100,0%	56,3	100,0%	119,3	100,0%	163,9	100,0%
Construction	-4,4	-11,2%	8,0	19,8%	4,1	7,3%	-6,1	-5,1%	16,7	10,2%
Rental	43,9	112,2%	32,8	81,0%	52,5	93,4%	126,7	106,2%	147,9	90,2%
Others	-0,4	-0,9%	-0,3	-0,8%	-0,4	-0,7%	-1,2	-1,0%	-0,7	-0,4%
CVM EBITDA margin (%)	28,2%		30,3%		38,0%		27,1%		32,4%	
Adjusted EBITDA*	37,4		36,7		52,9		110,2		149,3	

*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)

14. Tables (Continued)

Consolidated Data in R\$ million

Table 6 - Reconciliation of Adjusted EBITDA

	4Q19 (A)	3Q20 (B)	4Q20 (C)	2019 (D)	2020 (E)	(C)/(A)	(C)/(B)	(E)/(D)
Net income (loss)	-2.7	1.2	7.6	-44.9	-4.7	386.8%	-546.4%	-89.4%
Income tax and social contribution	0.0	-2.7	-10.8	12.1	-7.3	74665.3%	-293.5%	-160.8%
Profit (Loss) before ITSC	-2.6	3.9	18.4	-57.0	2.6	795.3%	-369.7%	-104.6%
Financial Result	-2.4	-2.7	-1.4	-14.0	-10.9	43.0%	49.4%	-22.1%
Depreciation	-39.3	-33.9	-36.5	-162.3	-150.3	7.3%	-7.8%	-7.4%
CVM EBITDA¹	39.1	40.5	56.3	119.3	163.9	43.8%	38.9%	37.3%
IFRS 16 impact	-4.2	-4.5	-4.4	-18.0	-18.2	-3.4%	3.0%	1.2%
EBITDA*	34.9	36.0	51.9	101.3	145.7	48.7%	44.1%	43.8%
Non-recurring - Mills SI expenses	-0.4	-0.3	-0.4	-1.2	-0.7	6.7%	-14.1%	-43.2%
Non-recurring - Resizing expenses	-0.1	0.2	0.1	6.3	0.1	-138.2%	76.9%	-98.2%
Non-recurring - Business Combination with Solaris	-2.0	-0.6	-0.7	-14.0	-3.0	65.4%	-12.7%	-78.3%
Adjusted EBITDA	37.4	36.7	52.9	110.2	149.3	41.6%	44.1%	35.5%

* Excluding IFRS 16 effect.

¹ Pursuant to CVM Instruction 527

Table 7 - Reconciliation of EBITDA with Adjusted Operating Cash Flow

	4Q20	2019
EBITDA CVM	56,3	163,9
Non cash items	(0,1)	31,2
Provision for tax, civil and labor risks	0,3	(0,4)
Accrued expenses on stock options	1,1	3,4
Post Employment Benefits	0,3	1,0
Residual value of property, plant and equipment and intangible assets sold and written off	3,1	21,1
Provision (reversal) for impairment loss on trade receivables	(2,4)	3,1
Provision (reversal) for impairment	-	0,2
Provision (reversal) for slow-moving inventories	(4,2)	(2,7)
IFRS 9/CPC 48 Adjustment	-	-
Provision for Profit Sharing	2,3	6,6
Other provisions	(0,5)	(1,2)
EBITDA ex-non cash provisions	56,2	195,1
Cash	(13,9)	(45,0)
Interest and monetary and exchange gains and losses (cash)	0,9	3,8
Trade receivables	(14,0)	(10,5)
Acquisitions of rental equipment	(0,9)	(1,4)
Inventories	7,2	(1,7)
Taxes recoverable	(0,3)	0,9
IRPJ (Corporate Income Tax) and CSLL (Social Contribution Tax)	0,4	1,6
Judicial deposits	0,0	0,2
Other assets	0,2	(0,7)
Suppliers	7,1	13,7
Payroll and related taxes	(7,9)	(8,7)
Taxes payable	(4,7)	2,6
Other liabilities	(0,0)	(0,3)
Profit participation to pay	-	(8,6)
Paid income and social contribution taxes	(1,4)	-
Law suits settled	1,0	(1,1)
Interest paid	(1,4)	(28,9)
Cash flows from operating activities according to the financial statements	42,3	150,2
Interest and monetary and exchange gains and losses (cash)	(0,9)	(3,8)
Acquisitions of rental equipment	0,9	1,4
Interest paid	1,4	28,9
Leasing IFRS16	(4,9)	(19,9)
Adjusted Operating Cash Flow	38,9	156,8

14. Tables (Continued)

Consolidated Data in R\$ million

Table 8 - Investment per business unit

	4Q19 (A)	3Q20 (B)	4Q20 (C)	2019 (D)	2020 (E)	(C)/(A)	(C)/(B)	(E)/(D)
Total Capex	-3.4	-2.2	-4.0	-10.0	-11.5	-17.2%	-81.8%	14.8%
Assets for rent	-2.7	-0.1	-0.1	-4.6	-0.6	-96.8%	22.6%	-87.5%
Construction	0.0	-0.2	-0.1	-0.1	-0.5		-61.1%	270.1%
Rental	-2.7	0.1	0.0	-4.5	-0.1	-100.0%	99.0%	-97.2%
Corporate and assets for use	-0.7	-2.1	-3.9	-5.4	-11.0	-457.4%	-87.4%	101.2%

Table 9 - Construction Business Unit*

	4Q19 (A)	3Q20 (B)	4Q20 (C)	2019 (D)	2020 (E)	(C)/(A)	(C)/(B)	(E)/(D)
Total net revenue	23,5	32,6	18,2	81,9	84,1	-22,8%	-44,3%	2,6%
Rental	14,8	16,0	16,1	48,9	59,7	8,8%	0,5%	22,0%
Sales of new equipment	0,2	0,2	0,1	0,5	0,5	-17,8%	-28,5%	13,5%
Sales of semi new equipment	2,6	4,3	0,5	8,0	6,9	-79,5%	-87,8%	-13,3%
Scrap Sale	3,4	0,2	0,1	12,0	0,8	-97,1%	-46,8%	-93,4%
Technical Assistance	0,4	0,4	0,2	2,6	0,8	-56,8%	-51,7%	-69,8%
Indemnity and Expenses Recovery	2,2	11,6	1,2	9,9	15,3	-47,9%	-90,0%	54,4%
Total COGS, ex-depreciation	-12,5	-21,0	-8,0	-41,9	-44,0	-36,1%	-62,1%	5,1%
Rental costs (maintenance, personnel, warehouses, etc) ¹	-8,3	-7,1	-7,1	-29,9	-28,0	-14,2%	0,8%	-6,3%
Cost of sales of new equipment	-0,2	-0,2	-0,1	-0,4	-0,4	-58,6%	-46,2%	0,3%
Cost of sales of semi new equipment	-0,7	-0,7	-0,1	-2,7	-1,2	-91,8%	-92,2%	-55,7%
Cost of scrap sale	-1,9	-0,1	-0,1	-5,9	-0,6	-96,4%	-38,7%	-89,1%
Cost of assets write-offs and Provision of recoverable value	-1,4	-13,0	-0,7	-3,0	-13,7	-53,8%	-94,9%	362,4%
SG&A, ex-depreciation and ECL	-15,4	-8,7	-9,9	-47,4	-35,5	-35,8%	13,9%	-25,0%
ECL	-1,6	4,0	2,6	-4,9	7,5	-265,4%	-33,9%	-253,6%
CVM EBITDA	-4,4	8,0	4,1	-6,1	16,7	193,1%	49,0%	-372,0%
EBITDA margin (%)	-18,7%	24,6%	22,6%	-7,5%	19,8%			
Adjusted EBITDA	-5,8	6,7	2,9	-18,6	12,0	149,9%	56,8%	-164,3%
Adjusted EBITDA margin (%)	-32,9%	20,4%	15,9%	-30,0%	14,2%			
Depreciation	-11,7	-10,6	-10,3	-48,7	-43,1	-11,6%	-2,7%	-11,4%
Equipment rental capex	0,0	-0,2	-0,1	-0,1	-0,5		-61,1%	270,1%
Rental gross fixed assets	463,4	451,4	449,6	463,4	449,6	-3,0%	-0,4%	-3,0%
Quantity of equipment final of period (thousand tons)	55,1	53,4	53,4	55,1	53,4	-3,1%	-0,1%	-3,1%
Utilization Rate Quarter	41,3%	41,4%	42,2%	35,2%	41,6%			
Utilization Rate LTM	35,2%	41,4%	41,6%	35,2%	41,6%			

* Excluding IFRS 16 effect.

14. Tables (Continued)

Consolidated Data in R\$ million

Table 10 - Rental Business Unit*

	4Q19 (A)	3Q20 (B)	4Q20 (C)	2019 (D)	2020 (E)	(C)/(A)	(C)/(B)	(E)/(D)
Total Net Revenue	115,0	101,2	130,0	357,5	422,3	13,0%	28,5%	18,1%
Rental	103,4	84,8	109,4	316,6	367,7	5,8%	29,0%	16,1%
Sales of new equipment	3,5	3,4	6,4	18,5	14,9	83,3%	86,9%	-19,4%
Sales of semi new equipment	3,8	8,9	10,3	8,6	25,4	172,1%	16,0%	196,1%
Scrap Sale	0,0	0,0	0,1	0,0	0,1	2116,4%	3295,6%	909,2%
Technical Assistance	1,4	0,9	1,0	3,9	3,4	-27,2%	10,7%	-13,6%
Indemnity and Expenses Recovery	2,9	3,2	2,8	9,9	10,7	-5,0%	-11,7%	8,1%
Total COGS, ex-depreciation	-33,7	-38,0	-42,2	-116,0	-143,3	25,4%	11,1%	23,5%
Rental costs (maintenance, personnel, warehouses, etc) ¹	-31,1	-34,1	-34,3	-101,9	-126,6	10,3%	0,5%	24,3%
Cost of sales of new equipment	-2,5	-2,0	-5,6	-13,7	-11,3	126,6%	185,6%	-17,4%
Cost of sales of semi new equipment	-0,1	-1,9	-2,0	-0,4	-5,0	1911,8%	7,5%	1304,7%
Cost of scrap sale	0,0	-0,1	-0,3	0,0	-0,4	1869,4%	0,0%	2199,8%
Cost of assets write-offs and Provision of recoverable value	0,0	0,0	0,0	-0,1	0,0	0,0%	0,0%	-100,0%
SG&A, ex-depreciation and ECL	-35,9	-31,2	-38,2	-120,1	-133,9	6,5%	22,7%	11,5%
ECL	-4,3	-2,5	-0,2	-6,6	-10,7	-96,1%	-93,3%	62,9%
CVM EBITDA	43,9	32,8	52,5	126,7	147,9	19,7%	60,1%	16,8%
EBITDA margin (%)	0,4	0,3	0,4	0,4	35,0%			
Adjusted EBITDA	43,1	30,1	50,0	128,8	137,3	16,0%	66,4%	6,6%
Adjusted EBITDA margin (%)	0,4	0,3	0,4	36,0%	32,5%			
Depreciation	-23,7	-19,5	-22,4	-98,2	-91,6	-5,6%	15,1%	-6,8%
Equipment rental capex	-2,7	0,1	-0,9	-4,5	-1,0	-68,3%	-858,4%	-78,1%
Rental gross fixed assets	1100,2	1075,8	1059,7	1100,2	1059,7	-3,7%	-1,5%	-3,7%
% Construction Revenue	20,2%	19,5%	19,5%	24,3%	20,3%			
% Non-Construction Revenue	57,7%	65,7%	65,7%	52,9%	63,0%			
% Spot Revenue	22,1%	14,8%	14,8%	22,8%	16,8%			
Utilization Rate Quarter	52,8%	41,9%	52,4%	46,7%	43,0%			
Utilization Rate LTM	48,2%	45,5%	45,4%	48,2%	45,5%			

* Excluding IFRS 16 effect.

15. Income Statement

Consolidated Data in R\$ million

	4Q19	3Q20	4Q20	2019	2020	(C)/(A)	(C)/(B)	(E)/(D)
	(A)	(B)	(C)	(D)	(E)			
Net revenue from sales and services	138.5	133.8	148.2	439.5	506.4	6.9%	10.7%	15.2%
Cost of goods sold and services rendered	(79.4)	(84.9)	(78.9)	(282.5)	(307.0)	-0.6%	-7.1%	8.7%
Gross profit	59.2	48.9	69.3	157.0	199.4	17.1%	41.8%	27.0%
General, selling and administrative expenses	(54.4)	(45.0)	(52.6)	(188.3)	(184.6)	-3.3%	16.9%	-2.0%
ECL	(5.9)	1.4	2.4	(11.5)	(3.1)	-141.8%	71.2%	-72.6%
Other revenues	0.8	1.3	0.6	(0.1)	2.0	-25.6%	-52.7%	2063.4%
Loss before financial result	(0.2)	6.7	19.8	(43.0)	13.5	9036.1%	-197.0%	-131.5%
Financial expenses	(6.0)	(6.3)	(4.0)	(28.0)	(25.1)	-32.4%	-35.9%	-10.3%
Financial revenues	3.5	3.6	2.7	13.9	14.2	-25.1%	-25.4%	1.7%
Adjust to PV (APV)	-	-	-	-	-			
Financial result	(2.4)	(2.7)	(1.4)	(14.0)	(10.9)	-43.0%	-49.4%	-22.1%
Loss before income tax and social contribution	(2.6)	3.9	18.4	(57.0)	2.6	794.8%	-368.7%	-104.6%
Income tax and social contribution	(0.0)	(2.7)	(10.8)	12.1	(7.3)	74665.3%	293.5%	-160.8%
Loss (Profit) for the period	(2.7)	1.2	7.6	(44.9)	(4.7)	386.6%	-541.6%	-89.5%

16. Balance Sheet

Consolidated Data in R\$ million

In R\$ million	4Q19	3Q20	4Q20
Assets			
Current assets			
Cash and cash equivalents	124,9	262,2	378,9
Restricted bank deposits	-	-	-
Trade receivables	116,8	88,7	100,4
Inventories	36,3	43,7	40,7
Inventories - other assets held for sale	-	-	-
IRPJ (Corporate Income Tax) and CSLL (Social Contribution Tax)	7,4	6,2	5,8
Taxes recoverable	6,6	5,2	5,4
Advances to suppliers	3,7	3,9	4,8
Other receivables - sale of investee	-	-	-
Other assets	4,2	8,4	10,3
Assets held for sale	6,1	5,8	4,9
Total Current Assets	306,0	424,1	551,2
Non-current Assets			
Deferred taxes - IRPJ and CSLL	309,4	317,9	314,6
Taxes recoverable	-	0,3	0,3
Judicial deposits	12,5	12,2	7,7
Financial derivative instruments	-	-	-
Other assets	0,1	1,1	0,8
	322,0	331,5	323,4
Available-for-sale financial assets	50,6	50,6	39,3
Property, plant and equipment	526,4	414,5	393,1
Right of Use (IFRS 16)	50,1	55,4	46,8
Intangible assets	120,8	120,7	121,5
	747,9	641,1	600,7
Total Non-current Assets	1.069,9	972,6	924,2
Total Assets	1.375,9	1.396,7	1.475,4
Liabilities			
Current liabilities			
Trade payables	26,7	28,1	30,3
Borrowings and financing	6,5	5,7	4,5
Right of Use to lease (IFRS 16)	15,2	14,1	15,1
Debentures	77,4	29,3	57,8
Income tax and social contribution	0,3	0,7	2,9
Payroll and related taxes	27,9	27,2	19,3
Tax debt refinancing program (REFIS)	1,4	1,7	1,5
Taxes payable	9,2	7,6	4,3
Profit sharing payable	8,8	5,0	7,2
Dividends and interest on equity payable	0,0	-	-
Other liabilities	0,8	0,7	0,7
Total Current Liabilities	174,3	120,1	143,7
Non Current Liabilities			
Borrowings and financing	3,7	-	-
Right of Use to lease (IFRS 16)	43,5	37,4	41,3
Debentures	3,9	90,8	145,3
Tax debt refinancing program (REFIS)	5,1	4,1	3,7
Provision for tax, civil and labor risks	23,6	24,3	20,4
Taxes payable	0,6	10,3	10,3
Provision for post-employment benefits	12,6	13,4	11,9
Derivative financial instruments	-	-	-
Other liabilities	1,2	1,0	0,9
Total non-current Liabilities	94,3	181,3	233,8
Total Liabilities	268,5	301,4	377,5
Equity			
Share capital	1.089,4	1.089,6	1.089,6
Capital reserves	56,4	55,9	57,0
Cost of share issuance	(18,4)	(18,4)	(18,4)
Earnings reserves	10,3	10,3	0,9
Treasury shares	(20,3)	(15,1)	(15,1)
Equity adjustments	(9,9)	(9,9)	(16,1)
Accumulated losses	-	(17,1)	-
Total Equity	1.107,4	1.095,3	1.097,9
Total Liabilities and Equity	1.375,9	1.396,7	1.475,4

17. Indirect Cash Flow

Consolidated Data in R\$ million

in R\$ million	4Q20
Cash flows from operating activities	
Profit for the year	7,6
Non cash adjustments:	45,1
Depreciation and amortization	36,5
Deferred income and social contribution taxes	6,5
Provision (reversal) for tax, civil and labor risks	0,3
Accrued expenses on stock options	1,1
Post-employment benefit	0,3
Residual value of property, plant and equipment and intangible assets sold and written off	3,1
Interest and monetary exchange gains and losses, net	2,2
Provision (reversal) for impairment loss on trade receivables	(2,4)
Impairment loss on inventories held for sale	-
Provision (reversal) for impairment and fair value	-
Provision (reversal) for slow-moving inventories	(4,2)
Provision for rental equipment inventory adjustment	-
IFRS 9/CPC 48 Adjust	-
Provision for Profit Sharing	2,3
Other provisions	(0,5)
Variations on assets and liabilities:	(8,7)
Trade receivables	(14,0)
Acquisitions of rental equipment	(0,9)
Inventories	7,2
Taxes recoverable	(0,3)
IRPJ (Corporate Income Tax) and CSLL (Social Contribution Tax)	0,4
Judicial deposits	0,0
Other assets	0,2
Trade payables	7,1
Payroll and related taxes	(7,9)
Profit Sharing	-
Taxes payable	(0,5)
Other liabilities	(0,0)
Paid income and social contribution taxes	(1,4)
Lawsuits settled	1,0
Interest paid	(1,4)
Net cash generated by operating activities	42,3
Cash flows from investing activities:	
Acquisition of PP&E for own use and intangible assets	(5,7)
Proceeds from sale of the Industrial Services business unit	2,6
Interest on capital received	-
Net cash generated from investing activities	(3,1)
Cash flows from financing activities	
Lease operations (IFRS16)	(4,9)
IFRS 9/CPC 48 Adjustment	-
Restricted bank deposits	-
Share issue cost	-
Amortization of borrowings and debentures	(0,3)
Capital Increase	82,6
Lease operations	-
Net cash used in financing activities	77,5
Net increase (decrease) in cash and cash equivalents	116,6
Cash and cash equivalents at the beginning of the period	262,2
Cash and cash equivalents at the end of the period	378,9
Net increase (decrease) in cash and cash equivalents	116,7
Operating Cash Flow	42,3
Interest Paid	1,4
Acquisitions of rental equipment	0,9
Interest and monetary exchange net gains and losses (non-cash)	(0,9)
Financial Result Income Statement	(4,9)
Adjusted Operating Cash Flow	38,9

18. 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*	4Q19 (A)	3Q20 (B)	4Q20 (C)	2019 (D)	2020 (E)	(C)/(A)	(C)/(B)	(E)/(D)
Total Net Revenue	115,0	101,2	130,0	416,4	422,3	13,0%	28,5%	1,4%
Rental	103,4	84,8	109,4	367,8	367,7	5,8%	29,0%	0,0%
Others	11,6	16,4	20,6	48,7	54,6	77,3%	25,8%	12,1%
COGS (ex. depreciation and IFRS16)	-33,7	-38,0	-42,2	-135,9	-143,3	25,4%	11,1%	5,5%
Rental costs (personnel, warehouse, etc.)	-31,1	-34,1	-34,3	-119,7	-126,6	10,3%	0,5%	5,8%
Others	-2,6	-3,9	-7,9	-16,2	-16,7	205,3%	104,2%	3,2%
SG&A (ex. depreciation, IFRS16 and ECL)	-35,9	-31,2	-38,2	-139,9	-133,9	6,5%	22,7%	-4,3%
Commercial, Operational and Administrative	-19,3	-18,6	-20,1	-78,2	-77,2	4,2%	7,8%	-1,3%
General Services	-6,9	-6,6	-6,7	-29,9	-27,2	-1,7%	2,3%	-9,2%
Other expenses	-7,8	-1,9	-7,7	-16,8	-14,2	-1,3%	297,8%	-15,7%
Non-recurring items	-2,0	-0,6	-0,7	-14,9	-3,0	-65,3%	12,7%	-79,7%
ECL	-4,3	-2,5	-0,2	-8,5	-10,7	-96,1%	-93,3%	26,4%
Non-recurring	-2,0	-0,6	-0,7	-14,9	-3,0	-65,3%	12,7%	-79,7%
Depreciation	-23,7	-30,1	-32,7	-112,2	-91,6	37,9%	8,8%	-18,4%
EBITDA ex. non-recurring items	43,1	30,1	50,0	147,2	137,3	16,0%	66,4%	-6,7%
Adjusted EBITDA margin (%)	37,5%	29,7%	38,5%	35,3%	32,5%			
Profit (Loss) for the year	10,4	6,3	11,4	6,5	18,8	8,8%	80,4%	188,8%

Combined Mills Solaris* in R\$ million	4Q19 (A)	3Q20 (B)	4Q20 (C)	2019 (D)	2020 (E)	(C)/(A)	(C)/(B)	(E)/(D)
Total Net Revenue	138,5	133,8	148,2	498,4	506,4	6,9%	10,7%	1,6%
Rental	118,2	100,8	125,4	416,7	427,4	6,2%	24,5%	2,6%
Others	14,4	33,0	22,7	61,7	79,0	57,5%	-31,2%	28,0%
Non-recurring	5,9	0,0	0,0	20,0	0,0	-100,0%		-100,0%
COGS (ex. depreciation and IFRS16)	-46,2	-59,0	-50,2	-177,8	-187,4	8,8%	-15,0%	5,4%
Rental costs (personnel, warehouse, etc.)	-39,4	-41,2	-41,4	-149,6	-154,7	5,2%	0,5%	3,4%
Others	-4,2	-17,9	-8,8	-13,8	-15,9	108,3%	-50,7%	14,7%
Non-recurring items	-2,6	0,0	0,0	-8,6	0,0	-100,0%		0,0%
SG&A (ex. depreciation, IFRS16 and ECL)	-51,6	-40,2	-48,5	-188,5	-170,1	-6,1%	20,7%	-9,7%
Commercial, Operational and Administrative	-25,5	-27,5	-29,0	-101,7	-111,9	13,8%	5,5%	10,0%
General Services	-9,8	-8,8	-9,0	-41,4	-35,9	-7,8%	2,9%	-13,3%
Other expenses	-10,5	-3,2	-9,4	-24,2	-18,7	-10,0%	198,5%	-22,5%
Non-recurring items	-5,8	-0,7	-1,0	-21,2	-3,6	-82,7%	40,6%	-83,0%
ECL	-5,9	1,4	2,4	-13,4	-3,1	-141,8%	71,2%	-76,5%
Non-recurring items	-2,5	-0,7	-1,0	-9,8	-3,6	-58,9%	40,6%	-63,3%
Depreciation	-35,4	-30,1	-32,7	-160,9	-134,7	-7,6%	8,8%	-16,3%
Adjusted EBITDA	37,4	36,7	52,9	128,6	149,3	41,6%	44,1%	16,1%
Adjusted EBITDA margin (%)	28,2%	27,5%	35,7%	26,9%	29,5%			
Profit (Loss) for the year	-2,7	1,2	7,6	-44,5	-4,7	386,6%	-546,4%	-89,3%
Cash Balance	124,9	262,2	378,9	124,9	378,9	203,3%	44,5%	203,3%

* Excluding IFRS16 effects

19. Combined Information (Continued)

In R\$ million

Synergies

Synergies	1Q20	2Q20	3Q20	4Q20	2020	Annualized run rate
Personnel	1.8	1.8	1.8	1.9	7.3	7.7
Parts	1.1	1.2	1.3	2.4	6.0	9.5
Branches	1.1	1.2	1.2	1.4	5.0	5.6
Financial (Consultants, travel, insurance)	0.7	0.7	0.8	1.2	3.4	4.9
Total	4.8	4.9	5.1	6.9	21.7	27.7

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

SYNERGY CAPTURE - COMBINED	2019	1Q20	2Q20	3Q20	4Q20	Total
CAPEX	5.1	0.9	1.3	1.1	1.0	9.3
OPEX	8.8	1.1	0.5	0.6	0.7	11.8
Total	13.9	2.1	1.7	1.7	1.6	21.0

18. Combined Information (Continued)

In R\$ million

Combined Income Statement (ex-IFRS16) *	4Q19	3Q20	4Q20	2019	2020	(C)/(A)	(C)/(B)	(E)/(D)
	(A)	(B)	(C)	(D)	(E)			
Net revenue from sales and services	138.5	133.8	148.2	498.4	506.4	6.9%	10.7%	1.6%
Cost of goods sold and services rendered	(80.1)	(85.6)	(79.3)	(317.6)	(309.6)	-1.0%	-7.4%	-2.5%
Gross profit	58.5	48.2	68.9	180.8	196.7	17.8%	42.9%	8.8%
General, selling and administrative expenses	(53.1)	(45.0)	(52.7)	(209.4)	(184.5)	-0.8%	17.2%	-11.9%
ECL	(5.9)	1.4	2.4	(13.4)	(3.1)	-141.8%	71.2%	-76.5%
Other revenues	0.1	1.3	0.6	(0.1)	2.0	979.2%	-52.7%	-2063.4%
Loss before financial result	(0.5)	6.0	19.2	(42.1)	11.0	-4130.1%	222.4%	-126.1%
Financial expenses	3.5	(5.2)	(3.0)	15.1	(20.6)	-184.1%	-42.7%	-236.2%
Financial Revenues	(5.4)	3.6	2.7	(25.8)	14.2	-149.1%	-25.4%	-154.9%
Adjust to PV (APV) / IFRS16	(0.3)	(0.4)	(0.5)	(2.2)	(1.9)	50.3%	17.7%	-12.6%
Financial result	(2.2)	(2.0)	(0.8)	(11.4)	(8.4)	-63.5%	-61.1%	-26.5%
Loss before income tax and social contribution	(2.6)	3.9	18.4	(57.0)	2.6	795.3%	-369.7%	-104.6%
Income tax and social contribution	(0.0)	(2.7)	(10.8)	12.1	(7.3)	74665.3%	293.5%	-160.8%
Loss (Profit) for the period	(2.7)	1.2	7.6	(44.9)	(4.7)	386.8%	-546.4%	-89.4%

* Adjusted with scrap result

19. 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 December 31, 2020, was R\$ 6.15, representing a 41.1% decline versus 2019 closing price, while IBOVESPA index had a 2.9% positive variation in the same period. As of 4Q20 closing, Mills market cap amounted to R\$ 1,549.5 million.

Average daily traded volume of Mills shares in B3 in 4Q20 amounted to R\$ 9.4 million, 43.3% lower versus the previous year.

MILS3 performance	4Q19 (A)	3Q20 (B)	4Q20 (C)	(C)/(A)	(C)/(B)
Final share price (R\$)	10.45	5.64	6.15	-41.1%	9.0%
Maximum ¹	10.45	8.00	7.08	-32.2%	-11.5%
Minimum ¹	6.25	5.64	5.08	-18.7%	-9.9%
Average ¹	7.66	6.99	6.23	-18.6%	-10.8%
Market Cap at the end of the period (R \$ billion)	2,632.0	1,421.0	1,549.5	-41.1%	9.0%
Average daily traded volume (R\$ million)	9.22	15.95	9.04	-1.9%	-43.3%
Number of shares (million)	251.87	251.95	251.95	0.0%	0.0%

(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.

This press release may include statements that present expectations of the Company's Management about future events or results. All statements, when based on future expectations and not on historical facts, involve various risks and uncertainties. Mills are not able to ensure that such statements will prove to be correct. Such risks and uncertainties include factors related to the Brazilian economy, the capital market, the sectors of infrastructure, real estate, oil and gas, among others, and government rules, which are subject to change without prior notice. For additional information on factors that may give rise to results other than those estimated by the Company, please see reports filed with Brazilian Securities and Exchange Commission - CVM.