



ORIZON

VALORIZAÇÃO DE RESÍDUOS

EARNINGS RELEASE

4Q20

Conference Call

March 31, 2021

(In Portuguese with simultaneous translation into English)

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CONSOLIDATED FINANCIAL HIGHLIGHTS 4Q20/2020

Financial Highlights (BRL million)	4Q20	4Q19	Var. (%)	2020	2019	Var. (%)
Net operating revenue	103.0	94.5	9%	392.0	348.2	13%
Cost of service provided	(59.4)	(66.3)	-10%	(245.2)	(241.7)	1%
Adjusted EBITDA ¹	47.2	32.9	44%	153.3	100.7	52%
Adjusted EBITDA margin	45.8%	34.8%	11p.p.	39.1%	28.9%	10p.p.
Net Income	6.9	(1.7)	n.m.	23.6	(16.6)	n.m.
Net Debtd	320.8	445.7	-28%	320.8	445.7	-28%
Net debt/adjusted EBITDA ¹ UDM	2.1	4.4	(2,3)x	2.1	4.4	(2,3)x

Growth in net revenue, totaling BRL103 million in 4Q20 and BRL392 million in 2020, mainly due to o the increase in the volume of CERs in the revenue from energy, biogas and CERs

- **Decrease in costs** in 4Q20, totaling BRL59 million, 10% reduction compared to 4Q19, demonstrating the Company's focus on cost efficiency. In 2020, costs reached BRL 245 million, in line with costs reported in 2019.
- **Increase in adjusted EBITDA** totaling BRL47 million in 4Q20 with a 46% margin and BRL153 million in 2020 with a 39% margin
- **Reduction of BRL122 million in net debt** for 2020 compared to 2019, reaching BRL 320 million and leverage of 2.1x, considering that the BRL360 million cash provided by the IPO, held in February 2021, the Company would report a net cash.
- **Going public** by means of an IPO, with the issue of 17,336 thousand common shares (ORVR3), of a unit value of BRL22 (cash of BRL360 million), as a result of which the Company now records a total of 71,550 thousand shares and a **Capital Stock of BRL844 million** (against BRL544 million as at December 31, 2021)

(1) Adjusted EBITDA excludes impairment



MESSAGE FROM MANAGEMENT

The year 2020 was marked by the novel coronavirus (Covid-19) pandemic, which produced consequences both for our lives as well as for the economy. Orizon VR acted swiftly in this scenario, adopting appropriate preventive measures to preserve the health and safety of all its employees, as well as ensuring that it continued to provide its environmental waste treatment service. The essentiality of our activities, aggregated to the resilience of our customer portfolio and our speed in terms of responding to the new environment played an essential role in enabling us to mitigate the impacts caused by Covid-19.

Highlighting our DNA on the ESG (Environmental, Social and Governance) front, in 2020 we were one of the companies that generated the most certified carbon credits (CERs) in the country, according to figures from the United Nations (UN), and, as a result, it is our belief we can contribute to the sustainable development of Brazilian cities by means of generating clean energy, developing the circular economy and protecting the environment and the population's health.

Net revenue for 2020 totaled BRL392 million, which represents a 12,5% increase against 2019 when the comparable figure was BRL348 million, largely as a result of the signing of new contracts related to the sale of carbon credits and the increase of biogas in our eco parks.

The EBITDA for 2020 totaled BRL152 million with an EBITDA margin of 39%, which translates into a BRL52 million increase against the adjusted EBITDA for 2019.

For us, 2020 was the year when we got ready for our initial public offering (IPO), which was held on February 17, 2021 at a price of BRL22.00 per common share (ORVR3) and raised roughly BRL460 million about BRL 360 million of primary resources and BRL 100 million of secondary resources for shareholders. The funds raised from the capitalization will be used, mainly, for investments in expansion, acquisitions and debt amortization.

The year 2021 and the coming years will be heavily devoted to making progress in relation to the expansion agenda. We believe that growth will be based on (i) the establishment of new landfills, (ii) growth in the exploitation of biogas-based energy, (iii) projects for the mechanized sorting of materials to be installed in the eco parks, (iv) the processing of industrial waste and (v) the implementation of the country's first WtE project and (vi) strategic acquisitions.

At the same time as the expansion, we will continue to be 100% focused on the ESG agendas, as well as on strengthening our shares on the capital markets. We will maintain a proactive, transparent and agile communication plan with our investor base, analysts and the capital markets in general. Orizon will henceforth implement an active agenda with investors, taking part in conferences, meetings, gatherings, and a communication agenda that is in line with the best practices and needs of the investor market.

We are undergoing a period of transformation with challenges and opportunities, with a view to a direct, pragmatic management focused on the continuous and sustainable generation of value for our shareholders, on the development and excellence of our professionals, and on the well-being and progress of the community, particularly in the areas in which we operate.

Milton Pilão
Chief Executive Office

Leonardo dos Santos
Chief Financial and Investor Relations
Officer

Adjusted EBITDA excludes impairment

EFFECTS OF THE NOVEL CORONAVIRUS PANDEMIC

According to the Brazilian Health Ministry, on March 11, 2020, the World Health Organization (WHO) declared a global pandemic as a result of the effects of the novel Coronavirus ("COVID 19"). On March 20, 2020, the Federal Senate enacted a Legislative Decree recognizing a state of public calamity in Brazil.

Starting from the date on which the Decree was issued, shutdowns of any non-essential activities resulting from the social distancing measures were requested or imposed by government authorities or established by companies as preventive measures.

In addition, Provisional Measure 927, of March 22, 2020, established the labor-related measures for dealing with the public health emergency caused by the Coronavirus, and defined the rules for remote work, granting and advancing of collective and individual vacations, advancing of public holidays, setting up of a compensation system using comp time, suspension of work safety administrative requirements, guiding workers for qualification, and deferral of the payment of the Unemployment Compensation Fund.

These measures had an impact on a number of the domestic economy's segments, but, given that a significant part of our revenue comes from services that are essential to society, there was no material effect on our economic or financial results between January and December 2020.

In light of the challenges that the COVID-19 pandemic imposed on everyone, we established the commitment, together with our Employees, Partners and Customers, to tackle the problem and work to be part of the solution, focusing on maintaining operations with minimum impact on our Customers, promoting the well-being of our Employees and helping to minimize the risks to the community.

Starting in March 2020, we adopted an emergency action plan by setting up a Multidisciplinary COVID-19 Prevention Committee, which communicates frequently, reporting on each unit's situation, establishing contingency plans with a view to preserving the integrity and health of our employees, as well as ensuring the protection of the professionals and preventing the spread of the disease.

CARE WITH THE EMPLOYEES

In line with government measures and Provisional Measure 927, our management has adopted policies and actions that protect our employees from the spread of the virus, such as:

- a) Remote work for part of the employees, including those aged over 60 along with others who are considered to be in a risk group;
- b) Flexible timetables for entering and exiting the office;
- c) Introduction of cleaning, sterilization and sanitization routines for furniture and building installations;

ECONOMIC-FINANCIAL IMPACTS

We maintain a volume of cash that is deemed to be sufficient by management to support our operating and investment needs, a fact that, according to management's assessment, guarantees us some breathing space to weather this crisis. This notwithstanding, the potential economic and financial impacts are monitored on a daily basis.

OUR PROFILE

Orizon Valorização de Resíduos S.A. (formerly Haztec Investimentos e Participações S.A.) was incorporated in December 2009, with its head office in the state of Rio de Janeiro, and had its name changed at an Extraordinary General Meeting held on August 20, 2020.

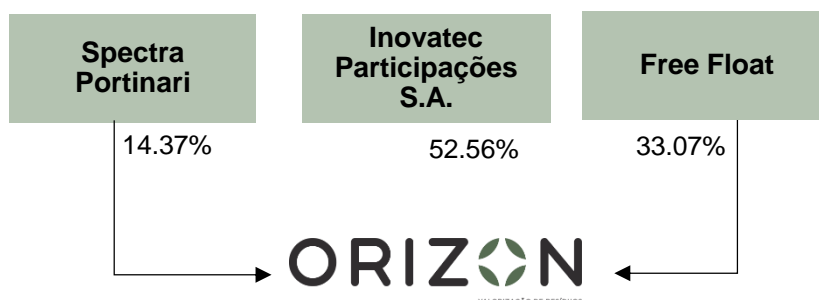
As at December 31, 2020, our main asset is the direct investment in Orizon Meio Ambiente S.A. ("Orizon Meio Ambiente"), which was formerly called Haztec Tecnologia e Planejamento Ambiental S.A. ("Haztec").

It should be stressed that Orizon VR begins its activities exclusively in the final stage of the waste treatment chain and in the provision of high value-added environmental services to public and private sector customers in Brazil.

SHAREHOLDING STRUCTURE

After the initial public offering (IPO), which was held in February 2021, Orizon Valorização de Resíduos' common shares ("ORVR3") were admitted for trading on the São Paulo Stock Exchange ("B3"), listed on the Novo Mercado, a listing segment that pursues the highest standard of corporate governance, valuing ethics and transparency in the relationship with our shareholders and other stakeholders.

Our shareholding structure, after completion of the offering stabilization on March 18, 2021, is shown below.



Under the terms of the offering, 17,336 thousand new common shares were issued, at a unit value of BRL22.00, and, as a result, the number of our shares increased from 54,164 thousand to **71,550 thousand common shares**, and our capital stock rose from BRL544 million in December 2020 to BRL844 million following completion of the offering.

BUSINESS LINES

1. FINAL DISPOSAL OF SOLID WASTE



Nova Iguaçu Eco Park (RJ)

In 2020, Orizon VR receives ~ **4.8 million tons** of urban solid waste (RSU) **generated by the equivalent of 20 million inhabitants**. These undertakings are engineering projects that provide state-of-the-art technology and are arranged to act as instruments for basic sanitation and protection of the environment and public health.

The **assets** are **situated** in the municipality of Jaboaão dos Guararapes, Paraíba, municipality of João Pessoa, in the state of **Pernambuco** and in the state of **Rio de Janeiro**, spread across 7 municipalities (Nova Iguaçu, São Gonçalo, Barra

Mansa, Duque de Caxias Rio Bonito, and Belford Roxo).

WASTE TREATMENT & DISPOSAL UNITS

- 05 EcoParks, 2 of which are being implemented
- 03 Hazardous Waste Treatment Unit
- 01 Waste Transfer Station (ETR)

In the treatment and final disposal segment, we account for roughly 10% of the volume of waste treated adequately in Brazil. Currently, Brazil treats only 3% of the waste generated in the year (generation of 80 million tons of waste / year in Brazil).

2. ENERGY, BIOGAS & CERS



Efficient clean energy generation systems in eco parks. **Bioenergy plants for capturing and treating gases** from the decomposition of waste, for sale or reutilization of methane gas.

The biogas-fueled power plants installed in our eco parks account for more than 540,000 MWh a year of incentivized energy in the grid. Through the United Nations' Clean Development Mechanism, we also **trade carbon credits on the free market**. In 2020, the Company generated 1.7 million CERs generated/year,

0.7 million more than in 2019

ENERGY, BIOGAS AND CARBON CREDITS UNITS (CERs)

- 05 Carbon Credit Projects
- 03 Biogas Exploration/Sale Projects
- 02 Biogas Energy Projects

All of our eco parks have biogas energy, in contracts that range from supply of biogas to energy generation. Orizon VR is one of Brazil's main players for carbon credits through methane destruction and displacement of the energy matrix.

3. WASTE PROCESSING AND INDUSTRIALIZATION



In this Division, we develop **plants for processing materials from the industrial sector (UBM)**, plants for **recycling solid urban waste (UTM)** and plants for the **direct burning of waste for energy generation (WTE)**.

In the case of the **UBM's**, we have been investing in highly technological and innovation-driven processes that contribute to the circular economy with companies that want to adopt a positive development cycle. In the case of the **UTM's**, the waste undergoes an automated separation process, which is widely used outside Brazil, offering efficient reuse.

The Company plans to invest in UTMs projects in the future, being an important component of its organic growth, increasing the profitability of the waste under management.

In waste-to-energy, the Company develops the first waste burning and energy generation project in Latin America, located in the municipality of Barueri, in the form of a Public Private Partnership in a 30-year contract.

WASTE PROCESSING AND INDUSTRIALIZATION UNITS

- 02 Waste Processing Unit (UBR)
- 01 Energy Recovery Unit¹ (Waste to Energy) being implemented

(1) In the first half of 2021, Orizon will start to build Brazil's first Energy Recovery Unit in the municipality of Barueri, in the State of São Paulo, which will transform 870 tons of waste into electric energy a day by means of incineration of the waste. This unit will have the capacity to generate 20 MWh a month.

4. ENVIRONMENTAL ENGINEERING



These are service contracts, with nationwide presence, in the area of environmental services, such as (i) recovery of degraded areas, (ii) remediation of contaminated areas, (iii) environmental diagnosis and monitoring, (iv) waste management and (v) the cleaning of oil industry tanks, along with others.

CONSOLIDATED OPERATIONAL RESULTS

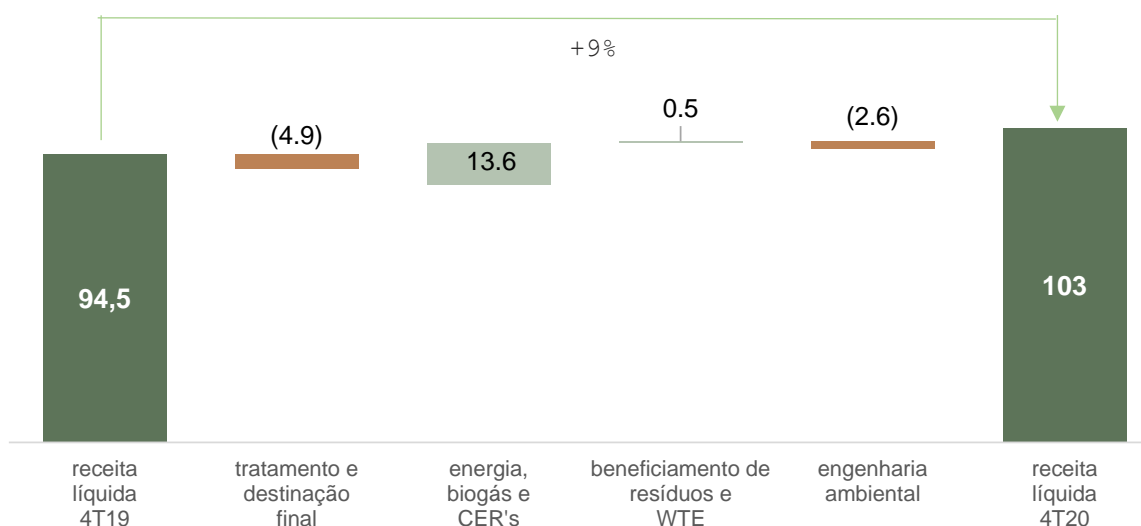
Below, we highlight the volumes destined for the five (5) ecoparks in operation (Barra Mansa, Jaboatão dos Guararapes, João Pessoa, Nova Iguaçu and São Gonçalo)

Volume	Unit of Measurement	4Q19	4Q20	Var. (%)	2019	2020	Var. (%)
Waste	ton	1,188,058.7	1,181,213.4	-1%	4,568,164.8	4,795,758.1	5%
CERs	tCO2e	334,000.8	428,255.0	28%	922,497.0	1,633,226.7	77%
Biogas	Nm³/hora	26,721	31,802	19%	19,820	29,992	51%

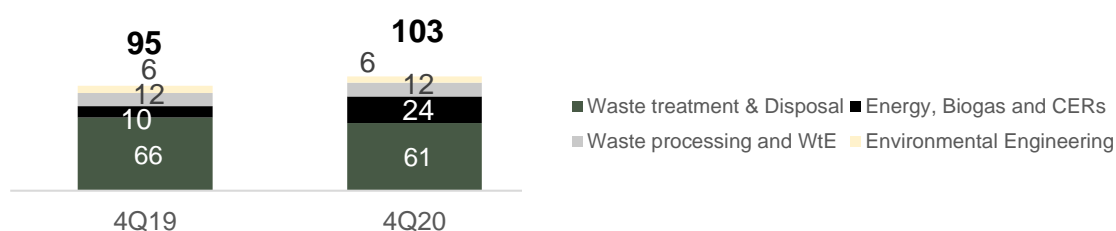
CONSOLIDATED FINANCIAL RESULTS

1. NET OPERATING REVENUE

Net Operating Revenue in 4Q20 totaled BRL103 million, an increase of BRL 8.5 million (+9%) in relation to the BRL 94.5 million in 4Q19. The growth in net revenue in 4Q20 is due to the 28% increase in the volume of carbon credit (CERs) generating in 4Q20, combined with the 19% increase in the volume of biogas generated in the quarterly comparison, partially offset by the lower revenue in treatment and destination of waste and environmental engineering.



Below we present the net operating revenue in the quarterly comparison by business line:



Net operating revenue in 2020 totaled BRL392 million, a BRL44 million increase against BRL348 million for 2019. For the most part, the growth of net revenue in the period can be attributed to:

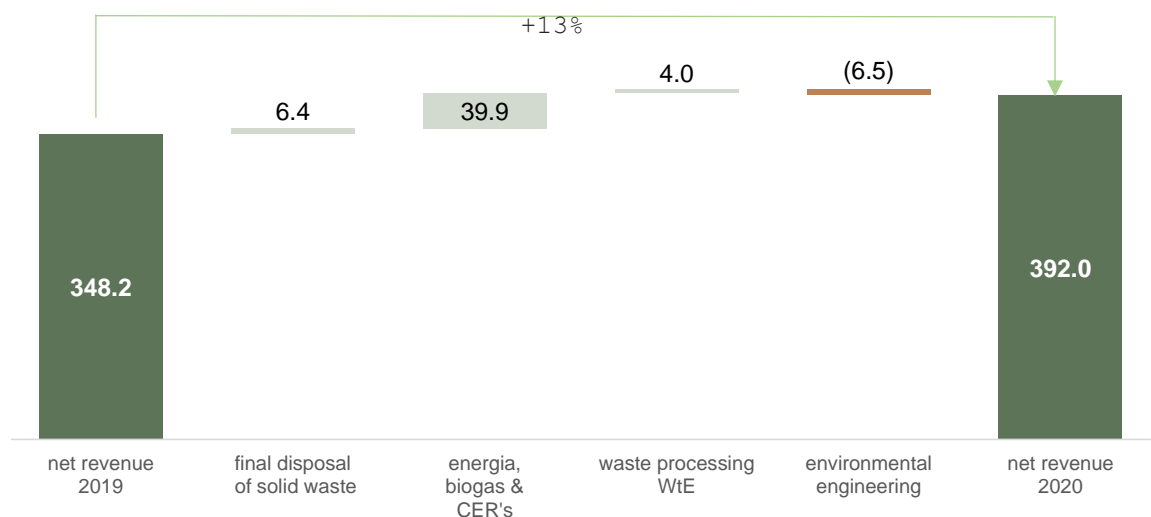
Energy, biogas and CERs: Increase of BRL 39.9 million in 2020, due to the volume of carbon credit generated in 2020, 77% above the volume of 2019, resulting in the signing of new contracts related to the sale of CERs in the period and the 51% increase in the volume of generation of biogas in the Company's ecoparks.

Treatment and final disposal: Increase of BRL 6.4 million in 2020 compared to 2019, due to the 5% growth in the volume of waste destined in the Company's ecoparks.

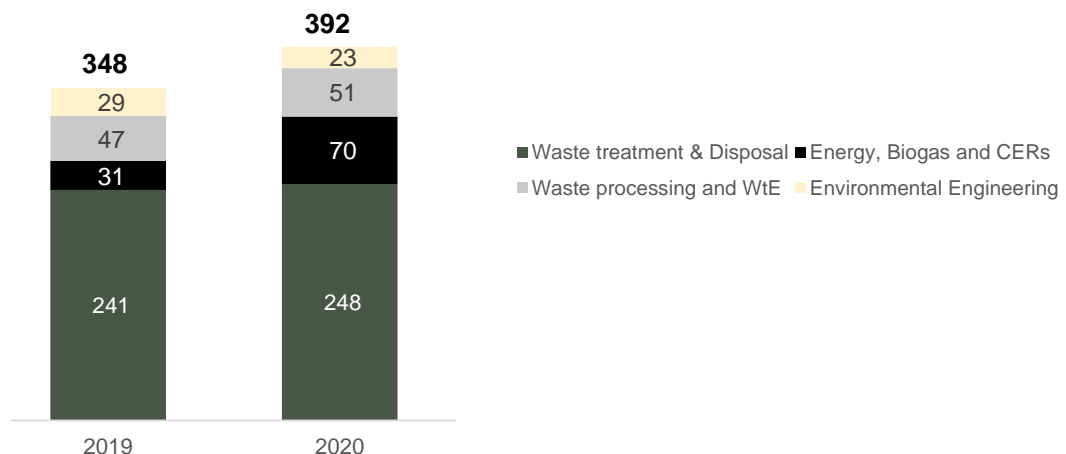
Waste processing and WtE: A BRL4 million increase, due to the signing of new power purchase agreements and readjustments to the existing agreements.

These effects were partially offset by:

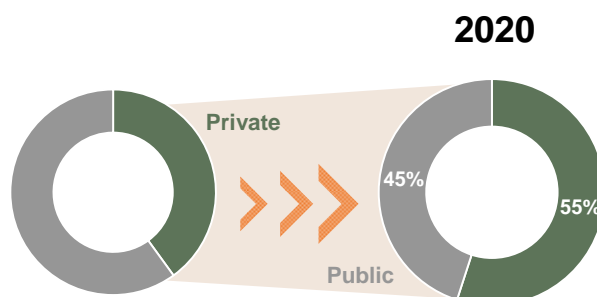
Environmental engineering: A negative variation of BRL6.5 million, because of the termination of engineering service contracts. This activity was affected by the economic downturn, however, we recently signed new contracts with major customers.



Below we present the net operating revenue in the quarterly comparison by business line:



In 2020, the profile of the Company's customers was show below:



2. COSTS AND EXPENSES

Costs and expenses in 4Q20 were BRL76.7 million, in line with the reported 4Q19 of BRL77.3 million, that is, a gain in scale when compared to revenue growth.

In 2020, total costs and expenses reached BRL 334 million, an increase of 14% compared to 2019. The variation in the annual comparison is mainly due to the increase in freight costs and expenses (+124%), rent (+42%), energy (+13%), fuel (+11%) and grants (+7%), which are directly linked to the increase in contracts and operating volumes of subsidiaries, partially offset by: (i) a 16% reduction in materials and (ii) a 7% reduction in third-party services that accompanies the drop in environmental engineering revenue.

For more details on the variation in costs and expenses, see Exhibit 4 to this document.

3. EBITDA

EBITDA (BRL million)	4Q20	4Q19	Var. (%)	2020	2019	Var. (%)
Net income (loss) for the period	6.9	(1.7)	n.m.	23.6	(16.6)	n.m.
Income Tax ans Social Contribution	9.8	(0.0)	n.m.	23.8	6.3	n.m.
Financial Result	18.2	(50.7)	n.m.	55.9	(10.9)	n.m.
Depreciation	12.2	16.8	-27%	50.0	53.5	-7%
EBITDA	47.2	(35.5)	n.m.	153.3	32.3	n.m.
Impairment	-	68.4	n.m.	-	68.4	n.m.
Adjusted EBITDA	47.2	32.9	44%	153.3	100.7	52%
Adjusted EBITDA margin	45.8%	34.8%		39.1%	28.9%	

EBITDA totaled BRL 47 million in 4Q20 with a 46% margin, 44% higher than 4Q19. In 2020, EBITDA totaled BRL153 million with a margin of 39%, an amount 52% above 2019. The increase in EBITDA can be explained mainly by the growth in revenue from recovery activities, among which, energy, biogas and carbon credit, combined by maintaining the Company's costs and expenses, which demonstrates efficient management and a focus on cost and expense discipline.

4. FINANCIAL RESULT

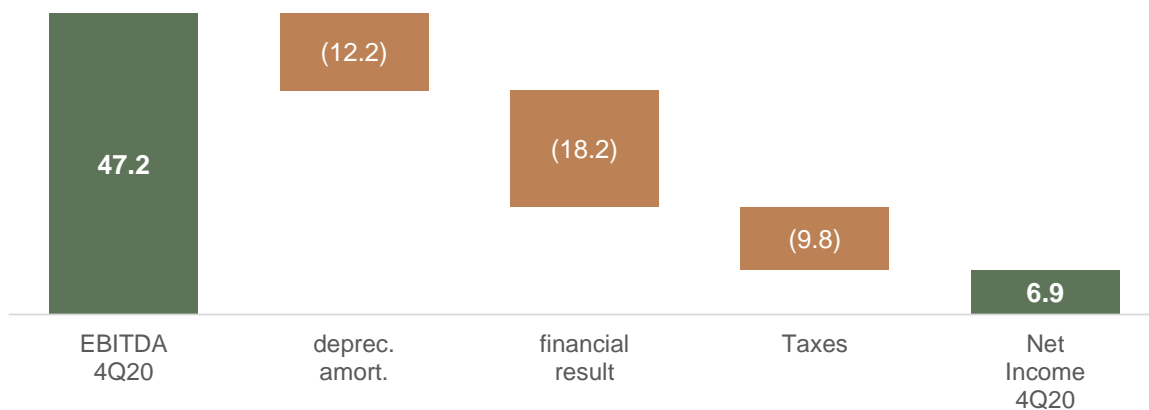
The net financial result in 4Q20 recorded expenses of BRL 18 million compared to revenues of BRL 51 million in 4Q19. The variation in the quarterly comparison is mainly due to the measurement at fair value of the debt on 12/31/2019 for BRL 36 million and the reduction of BRL 35 million in the consolidated debt in 4Q19.

The net financial result in 2020-recorded expenses of BRL 56 million compared to revenues of BRL 11 million in 2019.

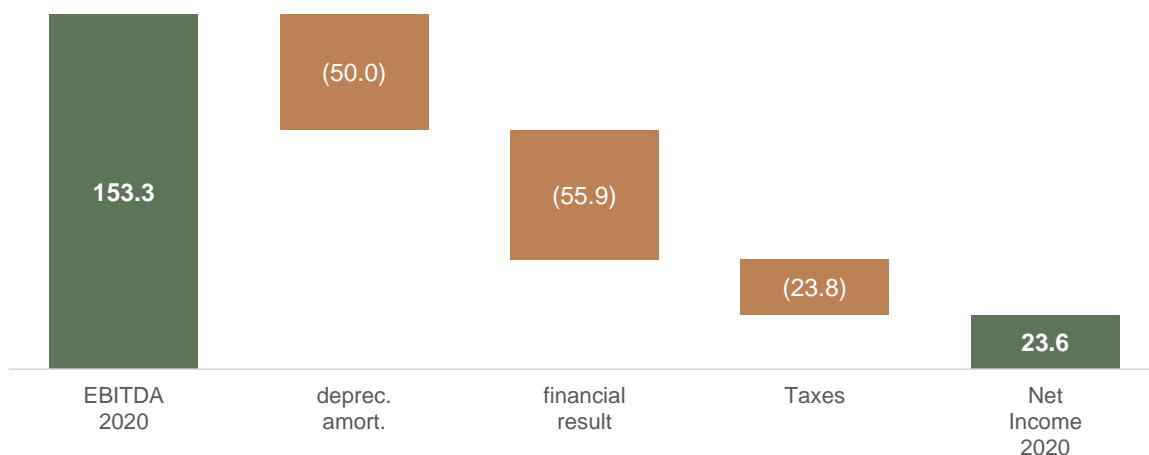
The variation in the annual comparison is mainly due to: (i) the measurement at fair value of the assumption of debt with Banco Bradesco S.A in 2019 in the amount of BRL 36 million; (ii) reduction in consolidated debt of BRL 35 million obtained in 4Q19 and (iii) a BRL 7 million increase in loan interest in 2020.

5. NET INCOME

The net result for 4Q20 showed a profit of BRL 7 million, against a loss of BRL2 million in 4Q19. The graph below shows the main factors that influenced the net income for 4Q20, based on the adjusted EBITDA for the same period (BRL million):



The net result for 2020 showed a profit of BRL 23.6 million, against a loss of BRL 16.6 million in 2020. The graph below shows the main factors that influenced the net income for 2020, based on the adjusted EBITDA for the same period (BRL million):



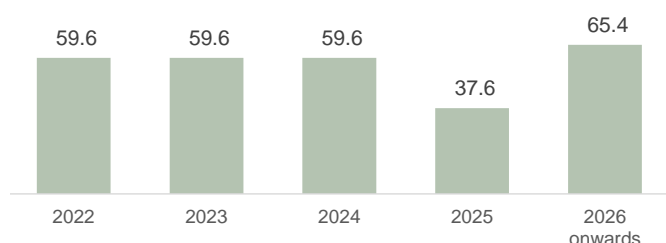
6. DEBT

As at December 31, 2020, gross debt totaled BRL386 million, a 16% decrease against the BRL447 million balance seen on December 31, 2019, largely because of the BRL157 million payment in relation to part of a loan agreement with the issue of a subscription bonus by the subsidiary Orizon Meio Ambiente S.A. (formerly Haztec Tecnologia e Planejamento Ambiental S.A.).

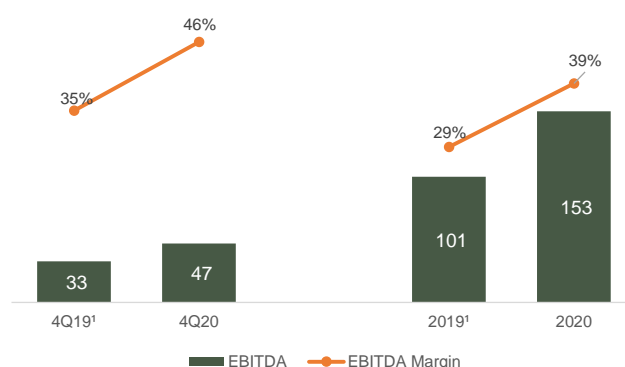
Cash and cash equivalents at the end of December 2020 was BRL17 million against BRL14 million in December 2019. Net debt as at December 31, 2020 totaled BRL321 million, considering that the cash of BRL 360 million from the IPO, held in February 2021, the Company would report a negative net debt.

DEBT (BRL million)	2019	2020	Var. (%)
Loans and financing	447.4	325.7	-27%
Leasing	12.2	11.7	-4%
Gross Debt	459.5	337.4	-27%
Cash and securities	13.8	16.6	20%
Net Debt	445.7	320.8	-28%
EBITDA 12 months	100.7	153.3	52%
Net debt/ EBITDA 12 months (x)	4.4	2.1	2,3x

Amortization Schedule



Net Debt (R\$ millions) and Leverage (x)



ESG

The evolution of the pandemic brought social, environmental and governance issues to the center of discussions and the need for a responsible economy with the future and focused on generating immediate results.

Orizon VR offers solutions for municipalities and different industries with regard to the destination and treatment of waste. Today, Orizon VR serves approximately 20 million people daily and in this sense, it constantly seeks to develop solutions that allow the reuse and recovery of the waste received, transforming it into resources and generating value for its shareholders and customers.

From the 4.6 million tons of waste destined to Orizon VR Ecoparks annually, the Company intends to conclude:

(i) The implementation of energy parks to use all the biogas capacity generated in its Ecoparks

(ii) Implement UTM (mechanical treatment unit) plants in all Ecoparks, with the purpose of recovering recyclable materials and producing CDR (fuel derived from waste)

(iii) Replicating successful projects for the various industries in the steel and oil & gas segment, and

(iv) Implementing several recovery projects for the paper & cellulose and chemical industries, with technologies already developed by the Orizon VR technical team.

Regarding governance, Orizon VR constantly improves and promotes the adoption of the best corporate governance practices and is committed to the continuity of its performance in compliance with the principles of transparency, equity, accountability and corporate responsibility, aiming at strengthening the structure of management and governance in order to solidify the pillars for Orizon VR and its businesses' perpetuity.

EXHIBITS

1. CONSOLIDATED BALANCE SHEET

Balance Sheet (BRL thousand)		Consolidated	
Asset		12/31/2020	12/31/2019
Current			
Cash and cash equivalents		6,044	2,317
Securities		10,511	11,526
Restricted cash		-	1,609
Receivables		112,143	80,839
Taxes to recover		9,758	8,485
Related parties		-	6,000
Advances		17,061	12,257
Total of corrente		155,517	123,033
Non-current			
Securities		8,135	-
Accounts receivable		9,730	15,474
Related parties		8,485	3,220
Judicial deposits and bonds		8,498	6,267
Deferred income tax and social contribution		82,727	112,994
Advances		5,999	5,960
Investments		-	-
Immobilized		284,195	272,158
Intangible		96,374	102,423
Right of use		11,201	11,585
Total of Non-current		515,344	530,081
Total Asset		670,861	653,114

Balance Sheet (BRL thousand)		Consolidated	
Liabilities		12/31/2020	12/31/2019
Current			
Loans and financing		43,921	28,517
Leasing		5,493	4,633
Suppliers		43,166	46,505
Grants to pay		7,412	6,441
Payroll		9,789	9,530
Taxes and social contributions		39,696	21,415
Installment taxes		6,707	4,243
Adiantamento de clientes		17,628	18,864
Accounts receivable		-	61,507
Payable acquisition		-	629
Bills to pay		10,272	11,282
Others		15,054	13,639
Total of currente		199,138	227,205
Non-current			
Loans and financing		281,737	418,862
Leasing		6,226	7,530
Installment taxes		23,660	10,313
Provision for estimated losses		1,003	1,581
Accounts receivable		-	130
Provision for litigation		34,762	18,991
Advance of customers		5,149	-
Judicial deposits and bonds		14,684	44,437
Deferred PIS and COFINS		9,105	9,105
Bills to pay		12,671	13,383
Total of Non-current		388,997	524,332
Shareholders' Equity			
Capital stock		544,323	543,448
Equity instrumentsCapital stock		30,877	30,877
Special reserve of goodwill		3,023	3,023
Capital reserves		156,664	-
Equity valuation adjustment		10,359	10,359
Accumulated losses		(677,824)	(697,889)
		67,422	(110,182)
Controlling shareholders' share of investment funds		67,422	(110,182)
Non-controlling shareholders' share of investment funds		15,304	11,759
		-	-
Total of Shareholders' Equity		82,726	(98,423)
Total Liabilities and Shareholders 'Equity		670,861	653,114

2. CONSOLIDATED RESULT

Income Statement (BRL thousand)	4Q20	4Q19	Consolidated Var. (%)	2020	2019	Var. (%)
Net operating revenue	103,018	94,549	9%	391,968	348,153	13%
Treatment and final disposal	60,773	65,705	-8%	247,771	241,340	3%
Energy, biogas and carbon credit	24,028	10,432	130%	70,424	30,522	131%
Waste processing / WTE	12,494	11,966	4%	50,954	46,955	9%
Environmental Engineering	5,723	6,445	-11%	22,819	29,336	-22%
Cost of services provided	(59,372)	(66,273)	-10%	(245,170)	(241,687)	1%
Gross Profit	43,646	28,276	54%	146,798	106,466	38%
General and administrative expenses	(10,839)	(11,000)	-1%	(49,920)	(51,269)	-3%
Other revenues (expenses)	1,974	(1,039)	n.m.	5,822	(6,863)	n.m.
Income (loss) before financial results and equity pick-up	34,781	16,237	114%	102,700	48,334	112%
Financial result	(18,152)	50,678	n.m.	(55,857)	10,890	n.m.
Equity	150	(298)	n.m.	578	(1,134)	n.m.
Impairment	-	(68,382)	n.m.	-	(68,382)	n.m.
Profit (loss) before income tax and social contribution	16,779	(1,765)	n.m.	47,421	(10,292)	n.m.
Income tax and social contribution	(9,830)	91	n.m.	(23,811)	(6,289)	n.m.
Current	(9,830)	(3,605)	173%	(23,297)	(9,985)	133%
Deferred	-	3,696	n.m.	- 514	3,696	n.m.
Net income (loss) for the period	6,949	(1,674)	n.m.	23,610	(16,581)	n.m.

3. CONSOLIDATED CASH FLOW

Cash Flow (BRL thousand)	Consolidated	
	12/31/2020	12/31/2019
<u>Cash flows from operating activities</u>		
Net (Loss) Income for the year	23,610	(16,581)
<u>Adjustments to reconcile net income (loss):</u>		
Equity income	(578)	1,134
Provision for doubtful debts	(1,251)	4,956
Provision for contingencies	15,771	5,640
Financial instruments measured at fair value	110	(36,057)
Adjustment to present value	(28,724)	-
Deferred income tax and social contribution	514	14,655
Deferred PIS and COFINS	-	3,002
Depreciation and amortization	50,029	53,526
Interest provisioned	56,654	39,326
Financing Discounts	-	(35,281)
Provision for impairment	-	68,382
Write-off of balance by assignment of debt	7,470	-
<u>(Increase) decrease in operating assets</u>		
Trade accounts receivable	(38,557)	(22,989)
Taxes recoverable	(1,273)	(9,672)
Judicial deposits and bonds	(2,231)	(482)
Advances	(4,843)	1,442
<u>Increase (decrease) in operating liabilities</u>		
Suppliers	(2,464)	2,238
Grants payable	971	(222)
Salaries and social charges	259	856
Taxes and contributions payable	35,018	5,143
Advances from customers	3,913	-
Accounts payable	(1,252)	-
Others	1,655	120
Cash from (used in) operating activities	114,801	79,136
Income tax and social contribution paid	(2,515)	(8,287)
Interest paid	(21,285)	(11,692)
Net cash from (used in) operating activities	91,001	59,157
<u>Cash flows from investment activities</u>		
Acquisitions of property, plant and equipment	(46,196)	(37,346)
Acquisitions of intangible assets	(2,177)	(645)
Securities	(7,120)	(2,242)
Restricted cash	-	(76)
Net cash from (used in) investment activities	(55,493)	(40,309)
<u>Cash flows from financing activities</u>		
Leases paid	(7,704)	(7,451)
Loans taken out and financing raised	293,227	-
Loans and financing paid	(312,694)	(16,155)
Related parties	(5,570)	2,959
Payment of taxes in installments	1,589	9,225
Acquisitions payable	(629)	(7,948)
Net cash from (used in) financing activities	(31,781)	(19,370)
Increase (decrease) in cash and cash equivalents	3,727	(522)
Cash and cash equivalents at the start of the year	2,317	2,839
Cash and cash equivalents at the end of the year	6,044	2,317

4. CONSOLIDATED COSTS AND EXPENSES

Consolidated Costs and Expenses (BRL million)	2020			2019			Var. total (%)
	Costs	Expenses	Total	Costs	Expenses	Total	
Personnel (wages and salaries)	44.1	15.7	59.7	42.5	13.3	55.9	7%
Production and Consumption Materials	39.1	0.3	39.4	46.3	0.8	47.1	-16%
Depreciation and amortization	48.6	1.4	50.0	51.3	2.2	53.5	-7%
Third party services	15.4	16.9	32.3	19.3	21.1	40.5	-20%
Rents	12.7	2.4	15.1	8.3	2.4	10.7	42%
Grants	10.2	1.0	11.2	9.2	1.2	10.4	7%
Energy*	47.8	0.3	48.1	42.1	0.4	42.5	13%
Fuels	10.2	0.1	10.2	9.1	0.1	9.2	11%
Freight	5.9	0.0	5.9	2.6	0.0	2.6	124%
Contingencies	-	7.1	7.1	-	4.7	4.7	50%
Others	11.2	4.7	16.0	10.9	4.9	15.8	1%
Total	245.2	49.9	295.1	241.7	51.3	293.0	1%

(*) includes the amount of BRL41 million in relation to the acquisition of electric energy by the indirect subsidiary Foxx URE-BA during 2020 (BRL37 million in 2019).