



EARNINGS RELEASE

2Q21

Conference Call

August 13, 2021

(In Portuguese, with simultaneous translation into English)

11 a.m. (Brasília's time)

10 a.m. (NY's time - EST)

Webcast: [Click here](#)

2Q21 CONSOLIDATED FINANCIAL HIGHLIGHTS

Financial Highlights (BRL thousand)	2Q21	2Q20	Var. (%)	1S21	1S20	Var. (%)
Net Operational Revenues	92,687	99,836	-7.2%	180,312	191,345	-5.8%
Cost of services provided	(59,184)	(67,091)	-11.8%	(118,568)	(124,985)	-5.1%
Adjusted EBITDA	37,569	30,561	22.9%	62,586	61,617	1.6%
Adjusted EBITDA margin	40.5%	30.6%	9.9 p.p.	34.7%	32.2%	0.1 bps
Net income (loss) for the period	6,399	25,023	-74.4%	(39,126)	15,860	-346.7%
Net Debt	35,057	318,104	-89.0%	35,057	318,104	-89.0%
Leverage (Net debt / EBITDA) LTM	0.2x	2.2x	-0.9x	0.2x	2.2x	-0.9x

- **Net revenue** reached BRL 92.7 million in 2Q21, an increase of 1.7% compared to net revenue in 2Q20 without carbon credits. It is important to highlight that the carbon credits generated in 2021, as per the Company's strategy, will be traded at an opportune time, given the trend of price appreciation in the world market. Additionally, we highlight the increase in the volume of solid waste received at the company's ecoparks when compared to 2Q20.
- **Adjusted EBITDA** of BRL 37.6 million with a margin of 40.5% in 2Q21, growth of 50.4% compared to 1Q21 and 22.9% compared to 2Q20.
- **19.5% increase** in the volume of biogas energy sold in 2Q21 in Candeias and João Pessoa ecoparks consortiums.
- **6.7% increase in the volume of carbon credits** generated in 2Q21 against 2Q20 (volume of 2021 not sold so far).
- In April, Orizon VR carried out the **partial early settlement** of its debt with Credit Suisse in the **amount of BRL 68.4 million**.
- The Company started construction of the **largest mechanized sorting unit (UTM)** in Brazil that will be installed in Candeias ecopark, in the state of Pernambuco.
- On May 13, Orizon VR's Board of Directors approved the **Company's equity interest**, through Orizon Meio Ambiente S.A., together with the distressed investment fund managed by Jive Asset Gestão de Recursos Ltda., in the position of **First Bidder** ("stalking horse"), in the bid process of **UPI Aterros**, upon presentation of a **binding proposal for acquisition of UPI Aterros** in the scope of the **Judicial Recovery of Estre Group**, the plan of which was approved in the General Creditors' Meeting, held on May 14, 2021. On July 27, Orizon VR applied to CADE (Administrative Council for Economic Defense) to assess the concentration of the potential acquisition of UPI Aterros.

(1) Adjusted EBITDA does not include share-based compensation and credit carbon

(2) Leverage is calculated by the net debt/adjusted EBITDA ratio for the last 12 months.



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MESSAGE FROM MANAGEMENT

The **second quarter 2021** saw the **advance of vaccination against Covid-19 in Brazil**, and the **gradual recovery of economic activities** in the country. In April 2021, the Ministry of Health included the workers in urban sanitation and solid waste handling services in the priority vaccination group against the illness. Thus, by June 30, 57% of our employees had already taken, at least, the first dose of the vaccine.

In our ecoparks, the partial recovery of the economy reflected the volume of waste received in 2Q21, which was **2% above the same period in 2020**, demonstrating a strong recovery from last quarter's volume.

Along the last months, we advanced in our **ESG Agenda** by integrating it to our business strategy and the generation of value for all our stakeholders. We work on: (i) **identifying material topics** (materiality matrix) that will unfold in short, medium and long term actions; (ii) **integrating the Sustainable Development Goals** ("SDG") of the United Nations ("UN") to Orizon VR's strategy; and (iii) disclosing the **first sustainability report** with information about 2020 and the first six-month period of 2021, referenced in the Global Reporting Initiative ("GRI"). In addition to this agenda, in June 2021, Orizon VR adhered to **UN's Global Compact**.

Our **adhesion to the Global Compact** and the continuous **advances in our ESG Agenda** reinforce the DNA in ESG of our Company, which is committed to advance and spread good business practices by disclosing our annual achievements and providing opportunities for shared value generation.

With respect to our **expansion and growth objectives**, we have been preparing to increase and expand our presence in the solid waste sector through acquisitions and implementation of activities of waste reuse activities with **focus on recycling and energy generation from biogas**.

In this context, the Company started the implementation of the largest mechanized sorting unit (UTM) in Brazil, which will be installed in the Candeias ecopark in Pernambuco. During 2Q21, we also expanded our power plants at a time of aggravation of the supply crisis in the country and a trend of significant increase in prices.

Our results were highly positive in 2Q21 with **net revenues of BRL 92.7 million in 2Q21** and **Adjusted EBITDA¹ was BRL 37.6 million**, with a 40.5% margin. It is important to highlight that as part of Orizon VR's strategy, the total volume of carbon credits generated in 2Q21, as well as in 1Q21, will be negotiated at an opportune time, given the trend of price appreciation in the world market, that will drive the future results.

Regarding debt perspectives, the Company has access to competitive financing lines given its industry and, therefore, we see good opportunities to reduce the average cost of capital and increase the term of our indebtedness.

Finally, we are living a period of evolution with challenges and opportunities, aiming at direct, pragmatic management and focused on the continuous and sustainable generation of value for its shareholders, on the development and excellence of its professionals and on the well-being and progress of the community, particularly in our areas of expertise.

Milton Pilão
Chief Executive Officer

Leonardo Santos
Chief Finance and Investor Relations Officer

(1) Adjusted EBITDA does not include share-based payments.

COMPANY PROFILE

Orizon Valorização de Resíduos 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 Special Shareholders' Meeting held on August 20, 2020.

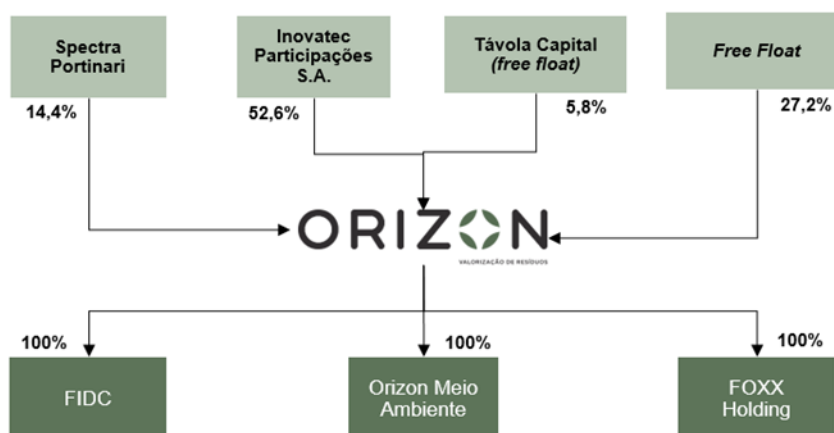
The Company is one of Brazil's major waste treatment and reuse companies, acting exclusively at the final **stage of the waste treatment chain** and in the provision of high value-added environmental services to public and private sector customers in Brazil. It adds value to the waste management chain through: (i) treatment and final disposal of hazardous and non-hazardous waste; (ii) generation of biogas, energy and carbon credits; (iii) waste processing and waste-to-energy; and (iv) environmental engineering services.

On February 11, 2021, we formalized a capital increase in the amount of BRL 381 million upon issue of 17,336 thousand new common shares, at the unit value of BRL 22.00. Accordingly, the quantity of shares increased from 54,164 thousand to 71,500 thousand.

SHAREHOLDING STRUCTURE

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

The Company's shareholding structure as of June 30, 2021, is as below.



CORPORATE STRUCTURE

Orizon VR has the following operational business units, as below:

Units		Local	%	Consolidation
Ecopark Nova Iguaçu	Operational	RJ	100% Orizon Meio Ambiente	Fully consolidated
Ecopark Barra Mansa	Operational	RJ	100% Orizon Meio Ambiente	Fully consolidated
Ecopark São Gonçalo	Operational	RJ	100% Orizon Meio Ambiente	Fully consolidated
Ecopark Candeias	Operational	PE	100% Orizon Meio Ambiente	Fully consolidated
Ecopark João Pessoa	Operational	PB	67% Foxx Inova Ambiental	Fully consolidated¹
Waste transferring facility (Jardim Gramacho)	Operational	RJ	100% Orizon Meio Ambiente	Fully consolidated
Waste Treatment Unit Magé	Operational	RJ	Orizon Meio Ambiente branch	Fully consolidated
Ure - Barueri	Under construction	SP	Foxx Inova Ambiental S.A.	Fully consolidated
Incinerator Belford Roxo	Operational	RJ	Orizon Meio Ambiente branch	Fully consolidated
Mechanical sorting unit	Under construction	PE	100% Orizon Meio Ambiente	Fully consolidated
Vamtec-Haztec (briquetting)	Operational	RJ	50% Orizon Meio Ambiente	Equity

BUSINESS LINES

Our Company is one of Brazil's major waste treatment and reuse companies, **acting exclusively at 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 the country. It adds value to the waste management chain through: (i) treatment and final disposal of hazardous and non-hazardous waste; (ii) generation of biogas, energy and carbon credits; (iii) waste processing and waste-to-energy; and (iv) environmental engineering services.

1. FINAL DISPOSAL OF SOLID WASTE



Orizon receives in its sanitary landfills urban solid waste (MSW) generated by the equivalent of approximately 20 million inhabitants. These projects are engineering works that bring state-of-the-art technology and are prepared to act as a solution for basic sanitation and protection of the environment and public health.

Our destination assets are located in the State of Pernambuco, municipality of Candeias; State of Paraíba, municipality of João Pessoa; and State of Rio de Janeiro, in 6 municipalities.

TREATMENT AND FINAL DISPOSAL OF SOLID WASTE UNITS (in operation)

- **05 Ecoparks**
 1. Barra Mansa (State of Rio de Janeiro)
 2. Nova Iguaçu (State of Rio de Janeiro)
 3. São Gonçalo (State of Rio de Janeiro)
 4. Candeias (State of Pernambuco)
 5. João Pessoa (State of Paraíba)
- **03 Hazardous Waste Treatment and Disposal Units**
 1. Belford Roxo (State of Rio de Janeiro)
 2. Magé (State of Rio de Janeiro)
 3. Rio Bonito (State of Rio de Janeiro)
- **01 Waste Transfer Plant (ETR) - Duque de Caxias (State of Rio de Janeiro)**

In treatment and final disposal, the Company holds approximately 10% of the volume of waste properly treated in Brazil.

2. ENERGY, BIOGAS AND CARBON CREDITS



This division includes **bioenergy plants** for **capturing and treating gases** from the decomposition of waste, for sale or reuse of methane gas.

The electric power plants installed in its ecoparks have the potential to generate more than 500,000 MWh per year of incentivized energy.

Our Company is responsible for the **world's first sanitary landfill project registered under the Clean Development Mechanism ("MDL")**, called "*Novagerar Landfill Gas Project*". Orizon has four landfill gas carbon projects that are currently operating and one pre-operational phase project.

ENERGY, BIOGAS AND CARBON CREDITS UNITS (in operation)

- 05 Carbon Credit Projects (Nova Iguaçu, São Gonçalo, João Pessoa, Candeias and URE Barueri)
- 03 Exploration Projects/Biogas Sales (Nova Iguaçu, Barra Mansa and São Gonçalo ecoparks)
- 02 Biogas Energy Projects (Candeias and João Pessoa ecoparks)

All of the Company's ecoparks have biogas energy, in contracts ranging from biogas supply to energy generation. Orizon VR is one of the main players in carbon credits in the country through the destruction of methane and the displacement of the energy matrix.

3. WASTE PROCESSING AND WASTE-TO-ENERGY



In this division, our Company develops **materials processing units** ("UBM"), **urban solid waste recycling plants** ("UTM") and **plants for direct burning of waste for energy generation** (WtE).

In the case of the **UBMs**, we are 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 **UTMs**, the waste undergoes an automated separation process, which is widely used outside Brazil, offering efficient reuse.

The Company started its investment cycle in this division, which will be an important component of its organic growth, increasing the profitability of waste under management and positioning the Company as a relevant player in the recycled plastic resins market, in addition to other materials that will be valued.

With regard to waste-to-energy, the Company develops the first energy generation project in Latin America through the burning of waste (technology widespread in the world), located in the municipality of Barueri, in a Public-Private Partnership format in a 30 years old.

WASTE PROCESSING AND WASTE-TO-ENERGY UNITS

- 02 Waste Processing Units
 1. Volta Redonda (State of Rio de Janeiro)
 2. Magé (State of Rio de Janeiro)
- 01 Energy Recovery Unit¹ (Waste-to-Energy), implementation in course (Barueri/State of São Paulo)
- 01 UTM, under implementation (Jaboatão dos Guararapes/PE)

(1) In 1S22, the Company expects the beginning of construction in Barueri (State of São Paulo), of Brazil's first Energy Recovery Unit, with potential for transforming 870 tons of waste per day and 20MW capacity installed of electric energy through waste burning.

4. ENVIRONMENTAL ENGINEERING



These are service contracts, in general, with large companies, in the area of environmental services, which include: (i) recovery of degraded areas, (ii) remediation of contaminated areas; (iii) environmental diagnosis and monitoring; (iv) waste management; among others.

GROWTH

Regarding organic growth, Orizon VR, in line with its business plan, has focused on:

- Increase in the volume of waste under management through the entry of new ecoparks.
- Increased generation of biogas and carbon credits in the Company's ecoparks.
- Expansion of power generation plants from biogas.
- Implementation of the first UTM, marking the beginning of the investment cycle in this division.

Inorganic growth is based on acquisitions of assets in the activities currently carried out at the Company, highlighting opportunities in landfills, use of biogas and circular economy. It is important to highlight the binding proposal for the acquisition of UPI Aterros within the scope of the judicial recovery of Estre Ambiental (8 assets, including 7 landfills and 1 waste processing plant).

CONSOLIDATED OPERATING PERFORMANCE

Volume of Waste: increase of 2.2% in 2Q21 against the same period in 2020. Considering the major variations presented in the table below, we highlight: (i) 28.5% reduction in the volume of Barra Mansa, mainly due to the disposal of waste from some customers in that region in an inappropriate location, closed in July 2021; (ii) reduction in Magé (-11.0%) and Belford Roxo (-53.5%), on the lower volume of industries, allocated to these assets, as a result of the impacts of the pandemic, and (iii) increase in other ecoparks.

Carbon credits: in 2Q21, carbon credits volume increased by 6.7% against 2Q20, highlighting: (i) 35.5% increase in São Gonçalo, mainly by the raise of burn capacity; (ii) 6.1% increase in Candeias on the installation of two new engines that, besides destroying methane, contribute for displacement of the energy matrix; partially offset by (iii) 35.4% reduction in João Pessoa, as a result of pontual efficiency loss on flare burning system.

Biogas: 5.6% increase in the quarterly comparison due to improvements made in the asset for capturing biogas and destroy methane.

Biogas energy generation: increase of 19.5% in the volume of energy generated from biogas, justified by the increase of motors in Candeias ecopark.

WtE: in 2021, we signed new energy purchase agreements that reduced the exposure of Orizon VR in compliance with the energy trading agreement (PPA) with CEMIG, which justifies the reduction in trading in 2Q21.

Below the Company highlights the variations by operational plants and lines of businesses:

Volume	Waste (kton)			Carbon Credits (ktCO ₂ e)			Biogas (kNm ³ /hour)			Energy Generation (GWh)		
	2Q21	2Q20	Var.(%)	2Q21	2Q20	Var.(%)	2Q21	2Q20	Var.(%)	2Q21	2Q20	Var.(%)
Ecopark Barra Mansa	83,0	116,2	-28,5%	-	-	N/A	0,9	0,6	48,1%	-	-	N/A
Ecopark João Pessoa	150,2	137,9	8,9%	27,0	41,8	-35,4%	-	-	N/A	7,3	4,4	67,2%
Ecopark Candeias	384,7	360,4	6,7%	104,7	98,7	6,1%	-	-	N/A	29,6	26,5	11,7%
Ecopark Nova Iguaçu	384,8	366,7	4,9%	152,9	145,2	5,3%	12,8	12,8	0,1%	-	-	N/A
Ecopark São Gonçalo	166,6	161,6	3,1%	95,1	70,2	35,5%	7,1	6,4	12,3%	-	-	N/A
Waste Processing Unit Magé	3,3	3,7	-11,0%	-	-	N/A	-	-	N/A	-	-	N/A
Incinerator Belford Roxo	0,8	1,7	-53,5%	-	-	N/A	-	-	N/A	-	-	N/A
Total	1.173,4	1.148,1	2,2%	379,7	355,8	6,7%	20,9	19,8	5,6%	37,0	30,9	19,5%

Volume	Waste (kton)			Carbon Credits (ktCO ₂ e)			Biogas (kNm ³ /hour)			Energy Generation (GWh)		
	2S21	2S20	Var.(%)	2S21	2S20	Var.(%)	2S21	2S20	Var.(%)	2S21	2S20	Var.(%)
Ecopark Barra Mansa	176,3	218,2	-19,2%	-	-	N/A	0,8	0,6	34,7%	-	-	N/A
Ecopark João Pessoa	316,9	284,7	11,3%	52,6	64,2	-18,0%	-	-	N/A	14,6	11,6	26,4%
Ecopark Candeias	778,5	778,7	0,0%	217,0	175,9	23,4%	-	-	N/A	58,9	52,8	11,5%
Ecopark Nova Iguaçu	751,0	756,3	-0,7%	305,6	272,3	12,2%	12,7	12,2	4,3%	-	-	N/A
Ecopark São Gonçalo	335,8	356,4	-5,8%	203,2	126,6	60,4%	7,2	6,0	20,5%	-	-	N/A
Waste Processing Unit Magé	6,5	16,7	-61,0%	-	-	N/A	-	-	N/A	-	-	N/A
Incinerator Belford Roxo	2,2	2,2	-1,4%	-	-	N/A	-	-	N/A	-	-	N/A
Total	2.367,3	2.413,3	-1,9%	778,4	639,0	21,8%	20,8	18,8	10,4%	73,6	64,4	14,2%

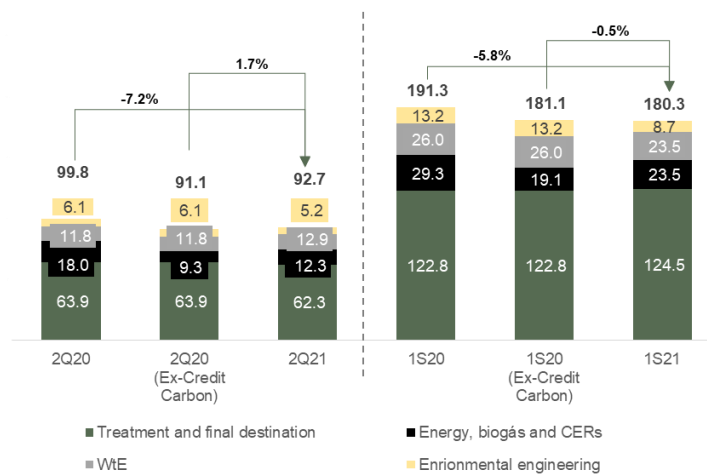
CONSOLIDATED FINANCIAL RESULTS

1. NET OPERATING REVENUES

Net Operating Revenues amounted to BRL 92.7 million in 2Q21, 1.7% increase compared to the same period last year, disconsidering credit carbon sales (BRL 8.7 million) and positive variation of 5.8% on 1Q21 net revenues. Orizon VR generated, in 2Q21, 379.7 thousand tCO₂e and has not been sold.

The increase of 1.7% on quarter comparison, which is mainly explained by: (i) higher energy sales in 2Q21, in the amount of BRL 3.6 million (against BRL 1.9 million in 2Q20); (ii) higher biogas generation in Nova Iguaçu and São Gonçalo; which was partially offset by: (iii) reduction in the mix of prices of waste allocated to our ecoparks, and (iv) lower volume of environmental engineering services agreements.

Below we highlight the revenues for the three- and six-month periods, by line of business, in BRL million.



2. COSTS AND EXPENSES

Operating costs and expenses totaled BRL68.6 million in 2Q21¹, 5.2% lower than in 1Q21 and 14.7% lower than in 2Q20, reflecting better operating efficiency. The main variations can be seen in the table below:

Costs and Expenses (BRL thousand)	2Q21	2Q20	Var. (%)	1S21	1S20	Var. (%)
Personnel	18,611	13,445	38.4%	39,609	28,315	39.9%
Production and Consumption materials	12,293	17,598	-30.1%	21,151	24,280	-14.8%
Depreciation and amortization	11,878	14,469	-17.9%	22,557	26,552	-17.7%
Third parties services	3,813	6,688	-43.0%	12,939	16,422	-26.9%
Rents	2,770	4,075	-32.0%	6,039	7,474	-23.8%
Grants	2,541	2,652	-4.2%	4,825	5,566	-15.4%
Energy (*)	11,231	12,094	-7.1%	21,869	23,828	-9.0%
Fuels	2,609	2,408	8.3%	5,784	4,931	14.7%
Freight	370	2,295	-83.9%	820	2,799	-241.3%
Contingencies	-	825	-100.0%	-	1,558	N/A
Others	2,509	3,891	-35.5%	5,489	6,913	-25.9%
Total	68,625	80,440	-14.7%	141,082	148,638	-5.4%
Stock Options	729	-	N/A	38,977	-	100.0%
Total	69,354	80,440	-13.8%	180,059	148,638	17.5%

¹ ex-stock option

3. FINANCIAL RESULT

Net financial result in 2Q21 was an expense of BRL 13.6 million. The variation in the quarterly comparison is mainly due to the fair value adjustment in 2Q20 regarding the assumption of debt with Bradesco bank, maturing in 2029 and cost of CDI+1.0% p.a.

Financial Result (BRL thousand)	2Q21	2Q20	Var. (%)	1S21	1S20	Var. (%)
Fair value adjustment	3,989	28,993	-86.2%	1,061	28,993	-96.3%
Active exchange variation	1,033	(84)	-1329.8%	1,033	(84)	-1329.8%
Income from financial investments	1,571	114	1278.1%	1,738	165	953.3%
Loan interests	(12,989)	(7,098)	83.0%	(23,912)	(19,027)	25.7%
Financial discounts	73	(398)	-118.3%	(137)	(478)	-71.3%
Fines and interest	(1,382)	223	-719.7%	(3,322)	(9,611)	-65.4%
Bail commission	-	-	N/A	-	-	N/A
Taxes on financial income	(1,235)	(2,849)	-56.7%	(2,724)	(2,849)	-4.4%
Debt assignment	-	(7,470)	-100.0%	-	(7,470)	-100.0%
Amortization of expenses in fundraising	(3,723)	-	N/A	(3,723)	-	N/A
Others financial revenue	(963)	(5,422)	-82.2%	(3,060)	(9,724)	-68.5%
Financial result	(13,626)	6,009	-326.8%	(33,046)	(20,085)	64.5%

4. EBITDA

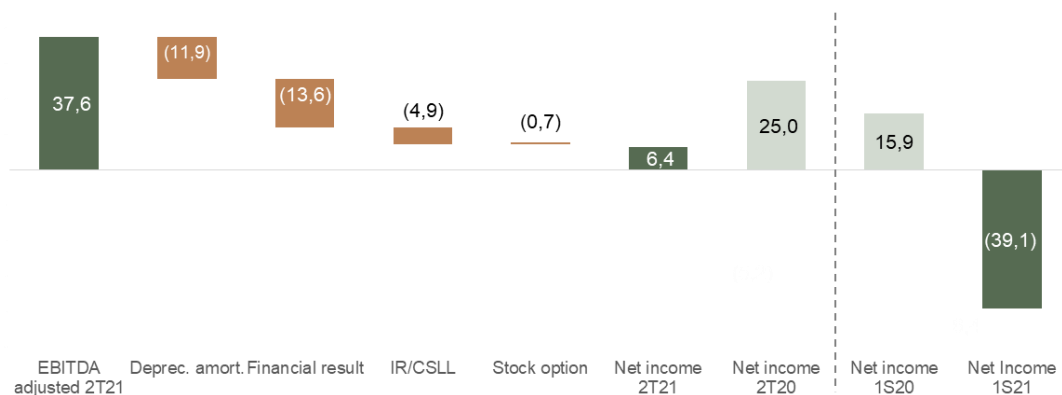
Adjusted EBITDA in 2Q21 totaled BRL 37.6 million with adjusted EBITDA margin of 40.5%. For comparison purposes, we excluded the amount of BRL 8.7 million regarding carbon credit sales from the EBITDA for 2Q20. Additionally, disconsidering the credit carbon sales at 1S20, Company reports an increase of 1.9% on EBITDA when compared with same period of 2020.

EBITDA (BRL thousand)	2Q21	2Q20	Var. (%)	1S21	1S20	Var. (%)
Net Operational Revenues	92,687	91,111	1.7%	180,312	191,345	-5.8%
Net income (loss) for the period	6,399	25,023	-74.4%	(39,126)	15,860	-346.7%
Income tax and social contribution	4,937	5,593	-11.7%	7,132	9,117	-21.8%
Financial result	13,626	(6,009)	-326.8%	33,046	20,085	64.5%
Depreciation and amortization	11,878	14,469	-17.9%	22,557	26,552	-15.0%
EBITDA	36,840	39,076	-5.7%	23,609	71,614	-67.0%
Stock Options	729	-	N/A	38,977	-	N/A
Ex-carbon credit sales	-	(8,725)	-100.0%	-	(10,207)	-100.0%
Adjusted EBITDA¹	37,569	30,351	23.8%	62,586	61,407	1.9%
Adjusted ¹ EBITDA margin	40.5%	33.3%		34.7%	32.1%	

(1) The adjusted EBITDA does not include share-based compensation and carbon credit sales in 2Q20.

5. NET INCOME

Net income in 2Q21 corresponded to a profit of BRL 6.4 million. The chart below shows the main factors that influenced net income in 2Q21, based on the adjusted EBITDA for the same period (BRL thousands):



6. INDEBTEDNESS

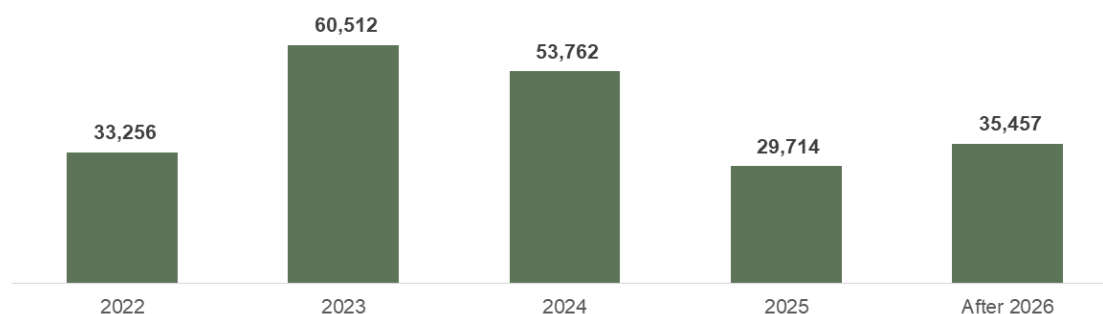
As of June 30, 2021, gross debt totaled BRL 299.8 million, down by 12.5% against the balance of BRL 337.4 million, reported in 4Q20. This reduction is mainly explained by the partial early settlement of our debt with Credit Suisse, without pre-payment costs, in the amount of BRL 68.4 million, aligned with the capital structure strategy.

Cash and cash equivalents in the end of June 2021 primarily reflects the cash inflow from the Company's IPO, held in February 2021. Accordingly, Orizon VR's net debt was BRL 35 million in the end of 2Q20.

Indebtedness (R\$ thousand)	06/30/2021	12/31/2020	Var. (%)
Gross debt	301	337	-10.9%
Cash and equivalents	266	17	1504.4%
Net debt	35	321	-89.1%
EBITDA LTM	154	153	0.8%
Net debt / EBITDA LTM (x)	0.2x	2.1x	1.9x

The average cost of the consolidated debt was CDI+7.08% p.a. on June 30, 2020, against CDI+9.3% p.a. on December 31, 2020.

Schedule of amortization of loans and financing (BRL thousands)



CAPEX

In 2Q21, CAPEX was BRL 18.7 million, down by 11.7% against the same period of the previous year, basically due to the implementation, in 2Q20, of the new Leachate Treatment Plant ("ETC") in São Gonçalo ecopark, in the amount of approximately BRL 8.5 million. See below our Capex by line of business:

CAPEX (R\$ thousand)	2Q21	2Q20	Var. (%)	1S21	1S20	Var. (%)
Waste and final destination	8.703	17.989	-51,6%	13.040	25.716	-49,3%
Energy, biogás and carbon credits	240	3.073	-92,2%	530	3.337	-84,1%
WE	8.529	167	4998,1%	8.765	236	3606,6%
Environmental engineering	1.271	-	N/A	2.691	137	1858,8%
CAPEX	18.742	21.229	-11,7%	25.026	29.426	-15,0%

ESG

Orizon Valorização de Resíduos is advancing in the **ESG agenda** and, in 2Q21, we started to develop and consolidate the materiality matrix, identifying 9 themes that impact on economic, environmental, social all significant to the Company and shareholders as below:

- 1. Waste and Affluents:** Management of by-products and guarantee that material that cannot be reused is disposed of in an environmentally appropriate manner, avoiding contamination of soil, groundwater or watercourses.
- 2. Innovation and technology:** Encouraging technological innovation in operations and waste recovery. Opportunity for new business fronts (such as the installation of new UTMs) and expansion of current ones (such as the expansion of biogas utilization units and replication of this technology in other projects), process automation and artificial intelligence.
- 3. Atmospheric emissions in health and safety:** Management and reduction of toxic and harmful emissions from the incineration process, in addition to bioaerosols, ensuring a healthy environment for employees.
- 4. Social responsibility:** Maintenance of a voluntary social responsibility program, promoting the development of the surrounding communities and contributing to local development.
- 5. Emergency management:** Prevention and preparedness to deal with emergencies such as landfill collapse, gas leakage, land or effluent contamination, fire and explosions. It encompasses the preparation of the local community for emergency situations.
- 6. Climate Change:** Reduction in the emission of greenhouse gases (GHG) coming mainly from the landfill and the incineration process.
- 7. Operational safety:** Ensuring a safe working environment, free from injuries and fatalities. Implementation of safety management and training plans for employees.
- 8. Relationship with local communities:** Management of the relationship with local communities, paying attention to their health, safety and well-being, in order to guarantee their human and social rights.
- 9. Development of human capital:** Appreciation, training and qualification of employees, in addition to mechanisms for attracting and retaining talent.

On August 12, 2021, we published our first sustainability report on our operations from January 1, 2020 to June 30, 2021, and formalized our objective to innovate the management of waste generated by society through management processes and practices that may generate a positive environmental and social value for the regions where we operate, and to the persons that live in these places, including our employees. Our complete sustainability report is available at: <https://ri.orizonvr.com.br/sustentabilidade/relatorio-anual-de-sustentabilidade/>.

In addition to this agenda, in June 2021, Orizon adhered to the Global Compact of the United Nations Organization ("UN"). The Global Compact is an initiative created by ONU with the purpose of mobilizing the international corporate community for adoption, in their business strategies and operations, of 10 universal principles in the areas of human rights, labor, environment and anti-corruption, through the development of actions that may contribute to facing these challenges.

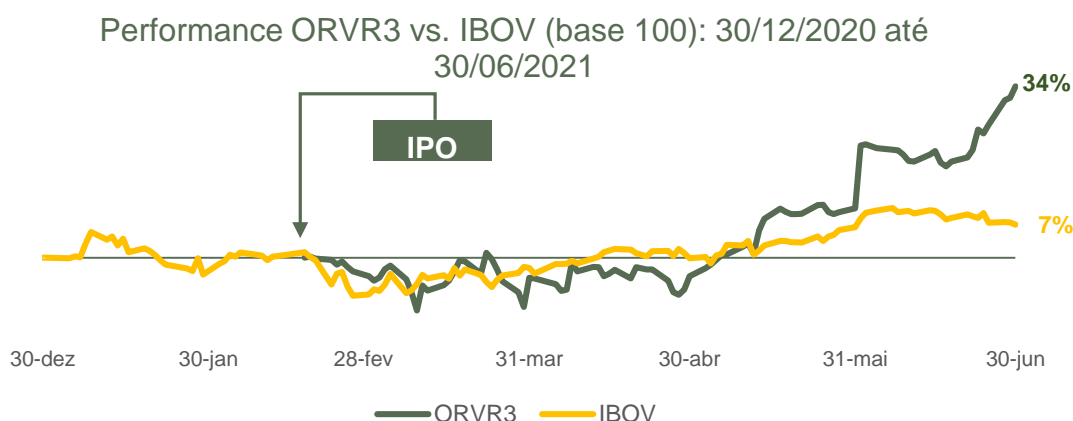
Our adhesion to the Global Compact and the continuous advances in our ESG Agenda reinforce the DNA in ESG of our Company, which is committed to advance and spread good business practices by disclosing our annual achievements and providing opportunities for shared value generation.

CAPITAL MARKETS

Orizon Valorização de Resíduos's common shares ("ORVR3") were listed and have been traded in the Novo Mercado segment of the São Paulo Stock Exchange ("B3") since February 17, 2021. This segment provides for the highest level of corporate governance in the exchange, valuing ethics and transparency in the relationship with our shareholders and other stakeholders.

Our shares, or "ORVR3," are included in the Corporate Governance Index ("IGCX" and "IG-NM"), which comprises companies with differentiated corporate governance standards, and the Differentiated Tag Along Shares Index ("ITAG").

Orizon VR common shares closed 2Q21 at BRL 29.48, up by 34% against the IPO, and the average volume traded in the second quarter was BRL 7 million per day. As of June 30, 2021, the book value of our Company was BRL 2.1 billion.



SUBSEQUENT EVENTS

ESTRE REORGANIZATION

In July 2021, the approval of the proposal for reorganization of the Estre Group was published in the Federal Official Gazette ("DOU"). It is important to highlight our participation, through Orizon Meio Ambiente S.A., together with the credit rights investment fund managed by Jive Asset Gestão de Recursos Ltda. (the "Jive Fund"), in the position of First Bidders ("stalking horse"), in the bid process for disposal of UPI Aterros separate productive unit, upon presentation of a binding proposal for acquisition of UPI Aterros. On July 27, Orizon VR filed at CADE (Administrative Council for Economic Defense) a request to assess the concentration of the potential acquisition of UPI Aterros.

EXHIBITS

1. CONSOLIDATED RESULT

Income Statement (R\$ thousand)	2Q21	2Q20	Var. (%)	1S21	1S20	Var. (%)
Gross Operational Revenue	105,992	113,973	-7.5%	209,130	219,663	-5.0%
Treatment and final destination	62,273	63,853	-2.5%	124,518	122,782	1.4%
Energy, biogás and CERs	12,297	18,030	-46.6%	23,530	29,340	-24.7%
WtE	12,903	11,847	8.2%	23,529	26,042	-10.7%
Enrionmental engineering	5,214	6,106	-17.1%	8,735	13,181	-50.9%
Net Operational Revenues	92,687	99,836	-7.7%	180,312	191,345	-6.1%
Gross Profit	33,503	32,685	2.4%	61,744	66,360	-7.5%
Costs of depreciation	(10,833)	(14,728)	-36.0%	(20,479)	(26,552)	-29.7%
Gross Profit	33,503	32,685	2.4%	61,744	66,360	-7.5%
General and administrative expenses	(10,170)	(13,349)	-31.3%	(61,491)	(23,653)	61.5%
Other revenues (expenses), net	1,601	5,264	-228.8%	669	2,383	-256.2%
Income (loss) before financial results and equity pick-up	24,934	24,600	1.3%	922	45,090	-4790.5%
Financial revenues	8,841	25,852	-192.4%	13,588	26,560	-95.5%
Financial expenses	(22,467)	(19,843)	11.7%	(46,634)	(46,645)	0.0%
Financial result	(13,626)	6,009	144.1%	(33,046)	(20,085)	39.2%
Equity	28	7	75.0%	130	(28)	121.5%
Income tax and social contribution	11,336	30,616	-170.1%	(31,994)	24,977	178.1%
Current	(5,157)	-	100.0%	(8,152)	-	100.0%
Deferred	220	(5,593)	2642.3%	1,020	(9,117)	993.8%
Net income (loss) for the period	6,399	25,023	-291.0%	(39,126)	15,860	140.5%
Non-shareholders	988	662	33.0%	2,042	1,508	26.2%

2. CONSOLIDATED BALANCE SHEET

Balance Sheet (R\$ thousand)		Consolidate	
Assets	30/06/2021	30/06/2020	
Circulante			
Cash and equivalents	1,124	4,108	
Securities	264,492	10,440	
Restricted cash	-	-	
Accounts receivables	147,827	101,994	
Taxes to recover	13,927	9,533	
Related parties	-	-	
Advances	14,198	12,855	
Current Asset	441,568	138,930	
Non-current asset			
Securities	12,339	-	
Accounts receivable	9,900	11,811	
Related parties	-	3,868	
Judicial deposits and sureties	12,152	8,383	
Deferred income tax and social contribution	77,455	111,321	
Advances	6,327	7,056	
Immobilized	295,006	277,176	
Intangible	94,179	99,183	
Right of use	17,861	9,711	
Non-current asset	525,219	528,509	
Total Asset	966,787	667,439	

Balance Sheet (R\$ thousand)		Consolidate	
Liabilities	30/06/2021	30/06/2020	
Circulante			
Loans and financing	69,002	270,539	
Leasing	10,401	3,786	
Suppliers	32,440	52,542	
Grants to pay	11,076	7,325	
Payroll	13,857	13,885	
Taxes and social contributions	36,041	31,995	
Installment taxes	6,359	6,382	
Accounts receivables	25,842	16,892	
Related parties	12,166	-	
Bills to pay	10,374	9,988	
Others	15,994	14,942	
Current liabilities	243,552	428,276	
Non-current liabilities			
Loans and financing	212,701	51,683	
Leasing	8,569	6,644	
Installment taxes	33,422	10,313	
Provision for estimated losses	873	1,609	
Accounts receivables	14,959	-	
Provision for litigation	33,315	22,669	
Advances of customers	5,149	-	
Judicial deposits and bonds	8,391	44,437	
Deferred PIS and COFINS	9,105	9,105	
Bills to pay	10,956	18,602	
Non-current liabilities	337,440	165,062	
Shareholders Equity			
Capital	844,323	543,448	
Equity Instruments	-	30,877	
Special reserve of goodwill	3,023	3,023	
Capital reserves	-	156,664	
Equity valuation adjustment	10,359	10,359	
Accumulated losses	(718,992)	(683,537)	
Shareholders Equity	385,795	74,101	
Non-controlling shareholders' share	9,287	13,267	
Total liabilities and shareholders equity	966,787	667,439	

3. CONSOLIDATED CASH FLOW

Cash Flow Statement (R\$ thousand)	Consolidate	
	30/06/2021	30/06/2020
Resultado líquido do período	(39,126)	15,860
Adjusts for net income	-	-
Equity income	(130)	28
Provision for doubtful debts	963	1,044
Provision for contingencies	(1,369)	1,783
Financial instruments measured at fair value	(991)	(28,993)
Adjustment to present value	3,392	-
Reduction of Intangible	-	2,760
Deferred income tax and social contribution	(1,020)	-
Depreciation and amortization	22,557	26,552
Provision for interest	21,675	19,617
Stock Options	38,977	-
Operational assets variation		
Trade accounts receivable	(35,760)	(26,116)
Taxes recoverable	(4,169)	(1,048)
Judicial deposits and bonds	(3,654)	(2,116)
Advances	2,535	(20,391)
Operational liabilities variation		
Suppliers	(20,527)	26,854
Grants payable	3,664	884
Salaries and social charges	(4,068)	4,355
Taxes and contributions payable	13,049	13,985
Advances from customers	8,214	-
Accounts payable	(2,124)	9,059
Installment payment of taxes	(4,775)	2,139
Others	939	1,078
Net cash from (used in) operating activities	(9,054)	54,933
Cash flows from investment activities	-	-
Aquisitions of property, plant and equipment	(25,026)	(29,426)
Securities	(257,194)	1,086
Restricted cash	-	1,069
Net cash on investment activities	(282,220)	(26,731)
Loans taken out and financing raised	15,000	313,151
Loans and financing paid	(7,342)	(304,604)
Leases paid	(5,556)	(1,733)
Related parties	1,619	(2,248)
Stock Options	(13,045)	-
Capital increase of share issues	359,977	-
Acquisition other companies	-	(629)
Net cash from (used in) financing activities	350,653	(14,760)
Increase (decrease) in cash and cash equivalents	4,920	-
Cash and equivalents at the beginning of the year	6,044	2,317
Cash and equivalents at the end of the year	1,124	4,108
Cash and equivalents variation	(4,920)	1,791