



Companies

# Annual Report 2021

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## Word From the President

In fiscal year 2021, the reasons to celebrate are many. It was a historic year for Randon, with many opportunities for growth and development. The demand in the markets where we operate was strong. But that's only part of the story. More than numbers, we are in a very special moment as a company, making transformational moves that are already yielding positive results.

Our growth has been fast and steady, and even exceeded our expectations. In addition to being strong, it is sustainable and increasingly resilient. Our diversified business model has been key to this. We expanded our operations in thriving sectors, such as agribusiness, and strengthened our presence in the aftermarket segment, further balancing our sources of revenue. We are expanding our geographic presence and gaining new customers. Today, most of our companies' sales are connected to markets and segments that are less vulnerable to economic fluctuations.

Innovation is another key factor in our success. On its various fronts, innovation is taking Randon Companies to a new level of competitiveness. Through investments in robotization and automation in our plants, we are becoming increasingly productive and efficient. We are connected and investing in several startups, which help to solve our problems and also those of our customers. In terms of products, we are going beyond evolutionary innovation, for which we are already recognized. Today we deliver pioneering disruptive solutions in the global market.

The way our companies and teams have faced the challenges over recent years assures us that we are on the right track. And this can only be achieved through principles and values that permeate the entire organization, based on a culture of commitment and engagement by our employees. There were many uncertainties, most of them imposed by the pandemic and all its side effects, such as inflation, shortage of inputs and constant changes in the scenario, which required a lot of adaptability. More than solving problems, we looked for new solutions and delivered historic results, preparing the company for a new cycle of growth.

In 2021, our achievements were remarkable, such as the milestone of 1 million fifth wheels manufactured by JOST Brasil and the delivery of the semi-trailer number "half a million" by *Randon Implementos*, our Trailers Division. Suspensys began the supply of the first products within the modular consortium of an important customer, and in several units, we expanded production capacity, improved efficiency and delivered record volumes.

Aware of global mobility megatrends, we launched the Fras-le Smart Composites line, which uses smart materials, we also discovered an economically viable method to manufacture niobium nanoparticles on a large scale, and introduced to the market the Randon Concept Trailer, a semi-trailer made with noble materials, on-board technology and innovative production process. All these products are at the forefront of innovation and bring unique competitive advantages in the market.

In addition, we acquired and set up new companies, such as CNCS and Castertech Schroeder, which expanded our casting and machining capabilities and increased our product portfolio. We also captured synergies in several companies and operations, especially Nakata, which has shown significant gains.

In the area of advanced technology, we bought Auttom and set up the company NIONE. And in the Financial and Digital Services Division, we acquired Randon Corretora and in partnership with 4All, we created the first fintech of Randon Companies, the R4 Digital. In addition, through Randon Ventures, we invested in four startups: Grupo Delta, Trugghub, Abbiamo and Motorista PX.

And we did all this based on an extremely important pillar: sustainability. We disclosed our ESG Ambition, through which we announced our public commitments. Our ESG is fully connected with our business strategy and with the perpetuation of Randon Companies. In this sense, we also took an important step in our governance. We have separated the positions of president and CEO, which, since the beginning of this year, have been held by me and Sergio L. Carvalho, respectively.

And finally, I want to express my gratitude to the more than 15 thousand protagonists who are with us, giving their best every day, so that, together, we can fulfil our purpose, that of connecting people and riches, generating prosperity. That's what moves us!

**Daniel Raul Randon**  
**President-Director**

## 2021 Highlights



### Economic and Financial Indicators

#### RECORD CONSOLIDATED NET REVENUE.

We reached R\$ 9.1 billion in 2021, 67% up from 2020 (R\$ 5.4 billion).

#### INCREASE OF 47.6% IN THE INTERNATIONAL MARKET REVENUES.

We reached US\$ 316.5 million, adding up consolidated exports and revenues from companies located abroad.

#### RECORD EBITDA, WITH MARGIN OF 14.7%.

A rising demand, investments in productivity and capture of synergies between business units helped us to reach R\$ 1.3 billion of Consolidated EBITDA (R\$ 1.2 billion in 2020).

#### RECORD NET PROFIT, 5.0% HIGHER THAN IN THE PREVIOUS YEAR.

The positive result from our operations allowed us to achieve R\$ 697.9 million in 2021 (R\$ 664.7 million in 2020).

#### WE INVEST TO GROW

In 2021, R\$ 586.9 million was invested, both in CAPEX and in acquisitions and in Paid-in Capital (R\$ 618.6 million in 2020).

#### INCREASE OF WORKING CAPITAL TO SUPPORT GROWTH.

Working capital increased by 26.6% as compared to 2020, reaching R\$ 792.6 million, excluding Randon Bank.

#### LEVERAGE OF 1.07x THE EBITDA OF THE LAST 12 MONTHS (WITHOUT RANDON BANK).

Net debt totalled R\$ 1.4 billion at the end of 2021 (R\$ 859.1 million in 2020). Leverage remained at a low level, due to the higher generation of gross operating cash.



### Business Expansion and Diversification

#### ACQUISITION OF CNCS AND SET UP OF CASTERTECH SCHROEDER.

These units have turned Castertech into one of the largest foundry and machining companies in Brazil. In addition to expanding its production capacity, it strengthened its operations in the agricultural market.

#### EXPANSION OF RANDON ARARAQUARA.

Opening ceremony of Randon Araraquara expansion, with an 80% increase in installed capacity and construction of a line dedicated to the production of railcars.

#### MASTER EXPANDS ITS MANUFACTURING FACILITY.

Master made an investment of R\$ 10.5 million to expand its facilities and implement robotization to produce brake system components.

#### ACQUISITION OF RANDON CORRETORA AND R4 DIGITAL.

By offering insurance solutions, Randon Corretora adds a new range of products to the Financial and Digital Services Division. In addition, our first fintech was created, in partnership with 4All, called R4 Digital.

#### ACQUISITION OF AUTTOM.

To speed up our process of industrial transformation, we acquired Auttom and opened an office of this company in the USA, aimed at expanding global operations.

#### INVESTMENTS IN STARTUPS TO OFFER SOLUTIONS IN SERVICES.

Through Randon Ventures and with an amount of R\$ 18.0 million in 2021, we invested in the startups *Grupo Delta*, *Trugghub*, *Abbiamo* and *Motorista PX*, in addition to an interest in R4 Digital.

#### WE FOUND A METHOD FOR LARGE-SCALE NIOBIUM NANOPARTICLES PRODUCTION.

NIONE - a company set up for the production of nanoparticles - has already introduced its first product to the market.



### Innovation and Sustainability

#### ESG AMBITION.

In June 2021, we held the ESG Ambition event where we presented our public commitments towards sustainability.

#### ADHERENCE TO THE UN GLOBAL COMPACT.

We joined organizations and Governments in the pursuit of meeting the UN's Sustainable Development Goals, becoming signatories of the Global Compact.

#### INVESTMENTS IN ENVIRONMENTAL MANAGEMENT, AND LAUNCH OF ROTA VERDE.

In 2021, we invested R\$ 13.6 million in environmental management and launched *Rota Verde*, a program that reiterates our commitment to the environmental agenda.

#### UPDATE OF POLICIES AND CODE OF ETHICAL CONDUCT.

In 2021, we modernized the code of ethical conduct, which now has global content and language, talking about current topics related to innovation and the ESG pillars, and we revised the Company's policies.

#### WE HAVE A LINE OF SMART MATERIALS.

Launch of the Fras-le Smart Composites product line, Born with a focus on sustainability and global megatrends.

#### DIVERSITY IN RANDON COMPANIES: EQUAL IN DIFFERENCES.

We started our Plural Journey, the Diversity Tour and the creation of our Diversity Group, which included raising awareness of all our employees.

#### CHANGES IN THE COMPANY'S GOVERNANCE.

The position of CEO, which until 2021 was held by Daniel Randon, is now held by Sérgio L. Carvalho, who used to be the Vice President and COO of the Company. Daniel continues in the position of President, reinforcing his institutional role, and Sergio remains CEO of Fras-le.

## Profile

Random Companies develop various solutions for the transport sector based on valuing people, generating profit with sustainability, trust, innovation and technology. It is a history of more than 73 years, building a global presence and winning leadership in the semi-trailer, auto parts and financial and digital services sectors.

On B3, the Company's shares are traded by tickers RAPT3 and RAPT4 and is part of level 1 of Corporate Governance. It has defined control, in which the controlling group holds 39.6% of the capital stock.

Headquartered in Caxias do Sul, RS, Randon has units on four continents. There are 29 industrial plants and products sold in more than 120 countries.

With a diversified business model, serving different markets and geographies, Randon Companies seek innovation in their products and processes, giving rise to new companies such as NIONE (focused on the manufacture of niobium nanoparticles), RTS Industry and Randon Automot that offer advanced solutions in industrial automation for the Company and for the market.

The Company consists of three business divisions: trailers, auto parts and financial and digital services



## Trailers Division

This division concentrates the business related to the production and sale of semi-trailers, railcars, as well as their aftermarket.

*Random Implementos* is the largest semi-trailer manufacturer in Latin America and one of the largest in the world. It manufactures trailers in the following models: grain, tank, dry cargo, dump, silo, refrigerator, sugarcane, forestry, sider and low-bed, among others, and railcars in the hopper, gondola, tank, general cargo, platform, sider and telescopic models.

In Brazil, it has industrial units in Caxias do Sul and Erechim (RS), Chapecó (SC), Araraquara (SP), Porto Real (RJ) and Messias (AL) and a warehouse in Linhares (ES). Abroad, it has plants in Peru and Argentina, in addition to partnerships strategically located abroad.



## Auto Parts Division

Comprised of the companies Fras-le, Master, JOST, Castertech, Supensys and other subsidiaries, this division concentrates the companies that manufacture auto parts for truck, bus and trailers/semi-trailers manufacturers and for the aftermarket, both for Brazil and abroad.

There are 14 plants in Brazil and 6 abroad, 6 warehouses, 4 commercial offices and 2 technology centers, which produce and sell friction materials, suspensions, axles, brake and coupling and undercarriage systems, in addition to products and components for road motion controls and vehicle testing.

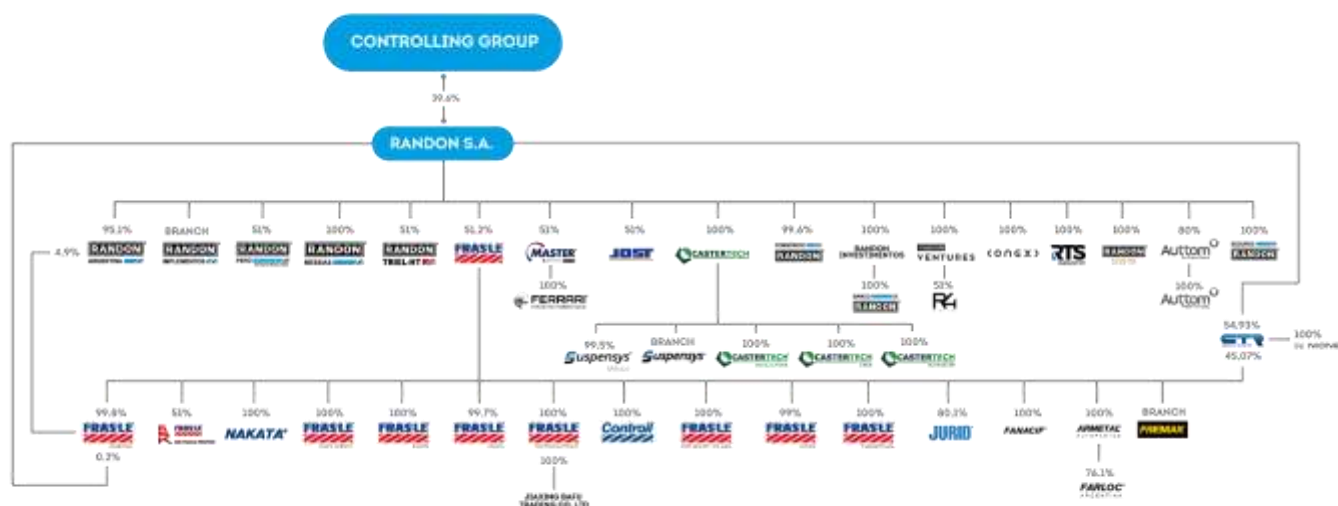


## Financial and Digital Services Division

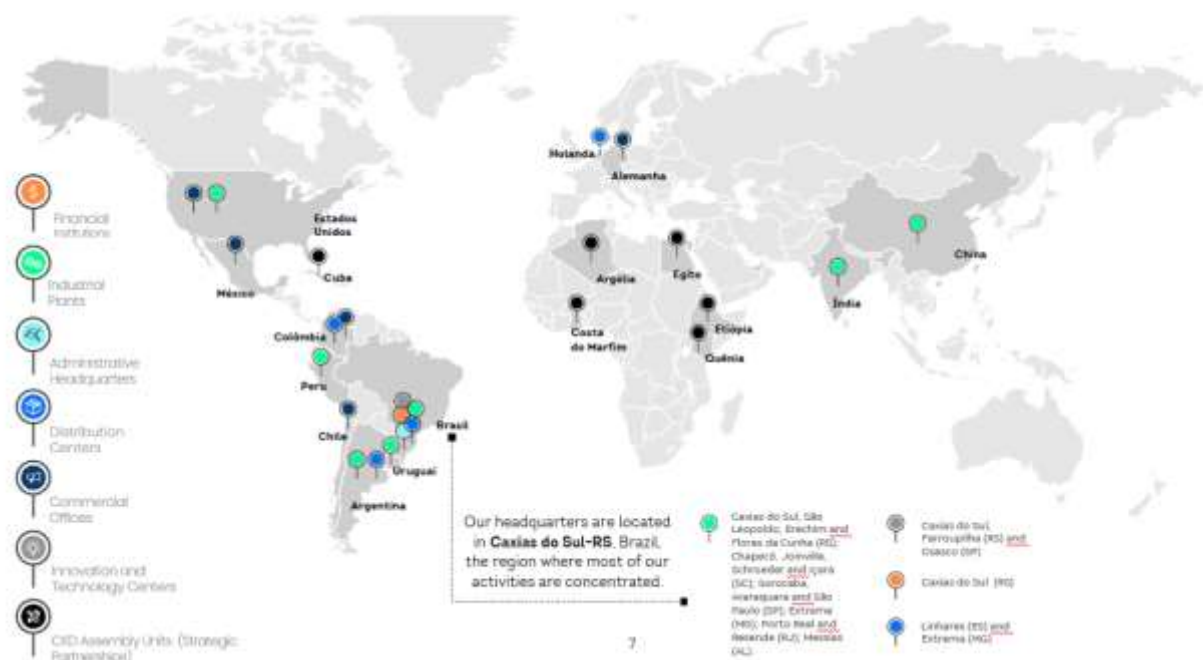
The companies Randon Consórcios, *Banco Randon* (Randon Bank), Randon Corretora, Randon Ventures, Conexo and R4 Digital are part of this division.

The Division focuses on offering credit solutions and services that facilitate the day-to-day of Randon customers. It is through this division that Randon Companies connect with startups and digitalization.

To know more about the companies, [click here](#).



## Global Presence



## Market and Macroeconomic Scenario

MARKET PERFORMANCE		2021	2020	Δ%
Production	Trucks <sup>1</sup>	158,810	90,936	74.6%
	Trailers <sup>3</sup>	95,387	69,885	36.5%
Brazil Sales	Trucks <sup>1</sup>	128,679	89,678	43.5%
	Trailers <sup>2</sup>	90,323	67,372	34.1%
Exports	Trucks <sup>1</sup>	22,699	13,243	71.4%
	Trailers <sup>3</sup>	5,064	2,513	101.5%

<sup>1</sup> Anfavea

<sup>2</sup> Anfir

<sup>3</sup> Anfir + Aliceweb

Volumes in units

For the markets in which the Company operates, that are mostly connected to the production of trucks, semi-trailers and the aftermarket segment, 2021 was a surprising year. The volumes produced and sold in these sectors exceeded all initial expectations.

As per the table herein, we saw growth in all comparisons, with emphasis on the production of 158.8K trucks (largest market since 2013) and 95.4K semi-trailers (a historical production record).

Looking at the domestic scenario, we see strong demand throughout the year. The challenges posed by inflation, lack of inputs and increase in interest rates were overcome by the growth in some sectors and by the recovery of others, of which we can highlight:

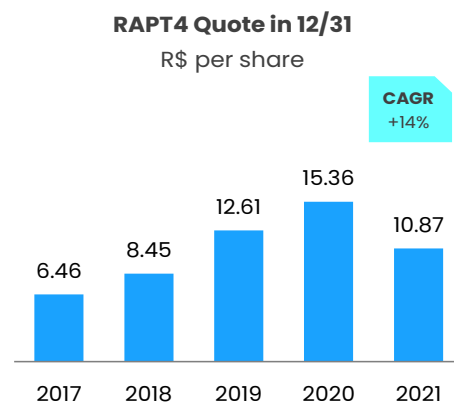
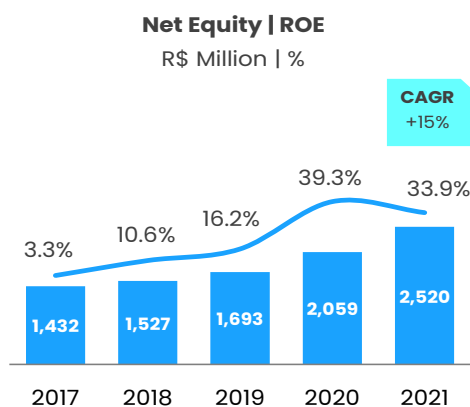
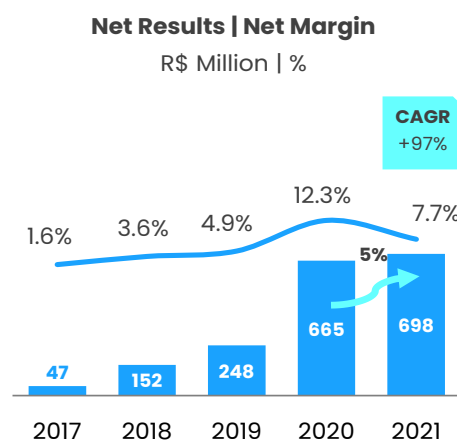
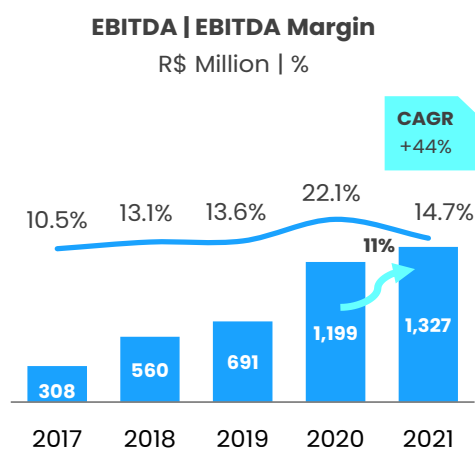
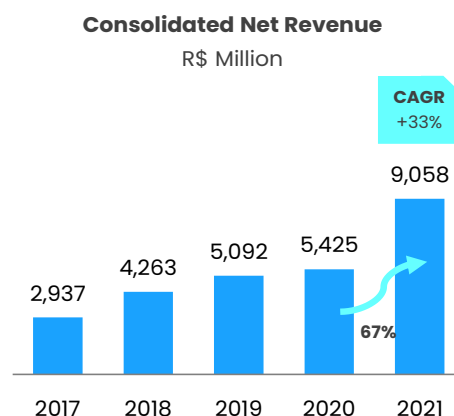
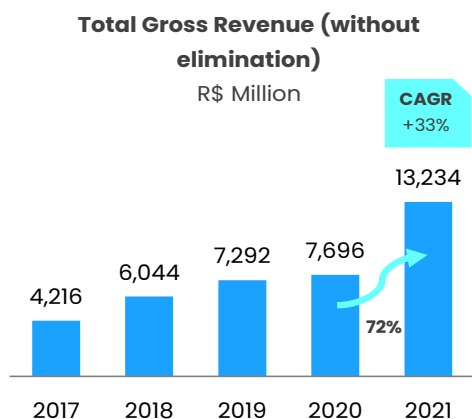
- Strong demand in the agribusiness, with another record crop.
- Increase in the consumption of several products and the strengthening of retail sales.
- Improvement in confidence and investment, stimulated by the vaccination against Covid-19 and the recovery of GDP.
- Recovery of the economic sectors of industry, civil construction and mining.
- Heated used car market, demanding a greater volume of spare parts.

In the international markets, we saw challenges and opportunities, similar to those in Brazil. In general, the economies of the main global markets showed growth and good opportunities. The favourable exchange rate was an additional factor, boosting competitiveness of Brazilian products. Our exports reached 22.7K trucks, a growth rate of 71.4% as compared to 2020 (13.2K units), and 5.1K semi-trailers, more than double the volume of 2020 (2.5K units).

For 2022, the associations and entities of the automotive sector project a positive year in the domestic market, with heated demand, possible pre-buy effect, mainly in trucks (due to the change of engine to EURO VI, in 2023), and gradual reduction in inflationary pressure and in shortage of some inputs. However, some challenges remain, such as:

- Difficulty in passing on prices.
- Higher interest rates, which affect the contracting of new financing.
- Uncertainties arising from the electoral scenario.
- Unbalanced and high-cost global maritime logistics.

## Main Indicators



Values in R\$  
CAGR: Compound Annual Growth Rate  
ROE: Return on Equity

Capital Market	2020	2021	Δ%
Dividends + Interest on Equity (R\$ per share) <sup>1</sup>	0.2693	0.6491	141.0%
Dividend Yield (%) <sup>2</sup>	1.85%	5.66%	381 bps
Return on Net Equity (%) <sup>3</sup>	39.3%	33.9%	-538 bps
Market Value on Dec 31 (R\$ billion)	4.8	3.8	-21.1%

<sup>1</sup> Fiscal Year Deliberations and payment.

<sup>2</sup> Fiscal Year Deliberations per share and quote at the last Day of the year before the Fiscal Year under analysis.

<sup>3</sup> Ratio between the net income and the net equity in the prior year.

<sup>4</sup> Calculated based on the closing price of each year.

### People

27.4%



12,117

2020



15,433

2021

The numbers in this report include the results of the discontinued operation Randon Veículos to maintain comparability with previous periods. In the 2021 Standardized Financial Statements, the information on this transaction is presented separately.

## Consolidated Performance

MAIN FIGURES				Values in R\$ Thousands			
Economic Highlights	2021	2020	Δ%	Financial Highlights	2021	2020	Δ%
Total Gross Revenue <sup>1</sup>	13,233,768	7,696,484	71.9%	Equity	2,520,327	2,059,421	22.4%
Consolidated Net Revenue	9,057,885	5,424,864	67.0%	Investments <sup>3</sup>	586,893	618,553	-5.1%
International Market Revenues US\$ <sup>2</sup>	316,480	214,408	47.6%	Net Debt	2,535,550	1,515,642	67.3%
Consolidated Gross Profit	2,268,434	1,355,628	67.3%	Net Debt (Without Randon Bank)	1,402,689	851,271	64.8%
Gross Margin (%)	25.0%	25.0%	5 bps	Leverage	1.91 x	1.26 x	51.2%
Consolidated EBITDA	1,327,310	1,199,375	10.7%	Leverage (Without Randon Bank)	1.07 x	0.72 x	48.5%
EBITDA Margin (%)	14.7%	22.1%	-746 bps	ROE (last 12 months)	33.9%	39.3%	-536 bps
Adjusted EBITDA	1,338,222	774,178	72.9%	ROIC (last 12 months)	16.4%	15.7%	67 bps
Adjusted EBITDA Margin (%)	14.8%	14.2%	56 bps	<sup>1</sup> Without eliminating intercompany sales			
Consolidated Net Profit	697,876	664,674	5.0%	<sup>2</sup> Exports + Revenues from International Markets			
Net Margin (%)	7.7%	12.3%	-455 bps	<sup>3</sup> Capex + Non-Organics + Paid-in Capital			
Earnings per share R\$	2.12	1.99	6.7%				

Consolidated performance by the Company in 2021 was above initial expectations for the year. Our diversified business model was leveraged by the combination of a heated market, capture of synergies between operating units and the return on investments in innovation and productivity, allowing us to advance in most of the indicators.

Volumes sold in 2021 were higher than those of 2020 in virtually all product lines. In addition, we added revenues from the acquired companies and expanded our portfolio, increasing our exposure to the agribusiness and industrial technology market. These factors, together with the adjustment of prices due to the increase in inflation, made this the best year in history for the Company in terms of revenues.

In the international market, we advanced both in exports and in the revenues of our companies located abroad. In addition to the heated demand throughout the period, as mentioned above, we also highlight the business units' efforts to win over customers and expand their sales in new countries and regions.

One of the biggest challenges in 2021 was to balance the increase in input and labor costs with the pass-through of price to customers. It demanded great effort to maintain our gross margin. We made strategic purchases of raw materials, worked with alternative suppliers and inputs, and intensively negotiated with each supplier.

Large-scale production increases were also crucial, as they allowed for greater dilution of fixed costs, mitigating inflationary impacts. Allied to these factors, we controlled administrative and sales expenses, which went down when compared to consolidated net revenue, in the year-over-year comparison.

As a result, the Company's profitability increased, which can be seen in the EBITDA and Net Result indicators.

For 2021, the Company announced a revision of its Guidance in a Material Fact dated August 10. Below, please see a comparative table between the guidance and the numbers achieved for the year. More details will be given throughout the report.

	Guidance 2021	Achieved 2021
Total Gross Revenue (before consolidation)	R\$12.0 billion	R\$13.2 billion
Consolidated Net Revenue	R\$ 8.5 billion	R\$ 9.1 billion
Revenues from International Markets <sup>1</sup>	US\$ 260 million	US\$ 316 million
Imports <sup>2</sup>	US\$ 170 million	US\$ 200 million
Investments	R\$ 320 million	R\$ 358 million

<sup>1</sup> Value refers to the total exports from Brazil and the revenues generated by operations abroad, without intercompany sales.

<sup>2</sup> Value refers to organic investments.

## Revenues

Consolidated Net Revenue in 2021 was R\$ 9.1 billion and total gross revenue was R\$ 13.2 billion, an increase of 67.0% and 71.9% respectively year-over-year, as detailed in the herein charts:

The growth is mainly due to the following factors:

- Heated demand in the Company's markets, with emphasis on sales of trailers, auto parts for OEMs and good volumes in the aftermarket.
- Revenues from the new companies acquired.
- Higher volume of railcars.
- Increase in exports, with economic recovery in several geographies and favorable exchange rates.
- Readjustment of the prices of products sold to mitigate the inflation effects.

Regarding the breakdown of the Company's consolidated net revenue in 2021, we highlight:

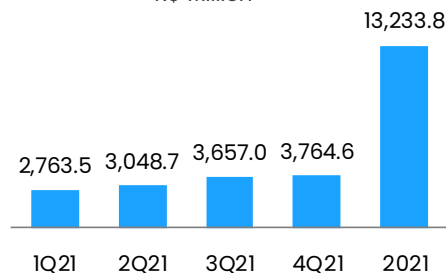
- Most of it comes from the auto parts division (53.7%), which has relevant exposure in three major segments: OEMs, International Market and Aftermarket.
- The trailers division (43.3%) has great exposure to agribusiness and an increasingly relevant share of spare parts and exports in revenues.
- And the Financial and Digital Services Division (3.0%) offers complete financial solutions to the transportation ecosystem, in addition to other services.

Concerning revenue by product, please see below details of the top five in terms of representativeness:

- 1) **Semi-trailers (36.4%)** – products with higher average unit price and a diversified mix, which serves different economic sectors, mainly related to the transport of agricultural crops and industrial goods. Market in high demand in 2021, both in Brazil and abroad.
- 2) **Fras-le Products** – (27.9%) – aftermarket powerhouse, supplies friction and non-friction materials (various products) for commercial and non-commercial vehicles markets in Brazil and abroad. About 40% of its revenues come from sales in the international market, with products present in different regions and countries.
- 3) **Axles and suspensions (8.5%)** – products sold mainly for heavy vehicles. Main markets are OEMs and Trailer Manufacturers.
- 4) **Brake Systems (7.2%)** – Aimed for the truck, semi-trailer and bus markets, these products are mainly sold in Brazil and abroad (North American market).
- 5) **Hubs and Drums (6.2%)** – most sales to OEMs and Trailer Manufacturers. Other cast items reach different markets, with a growing presence in the agricultural segment.

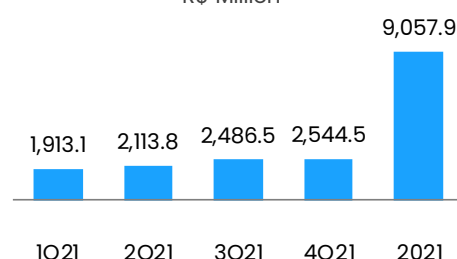
**Total Gross Revenue**

R\$ Million

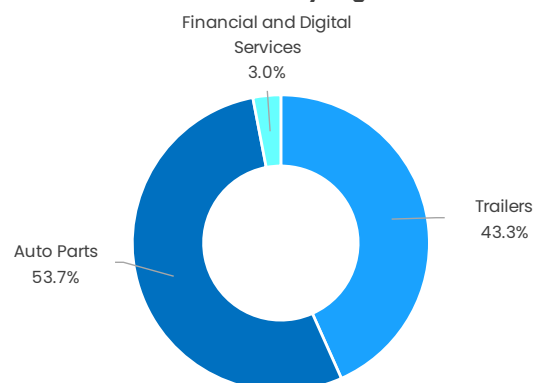


**Consolidated Net Revenue**

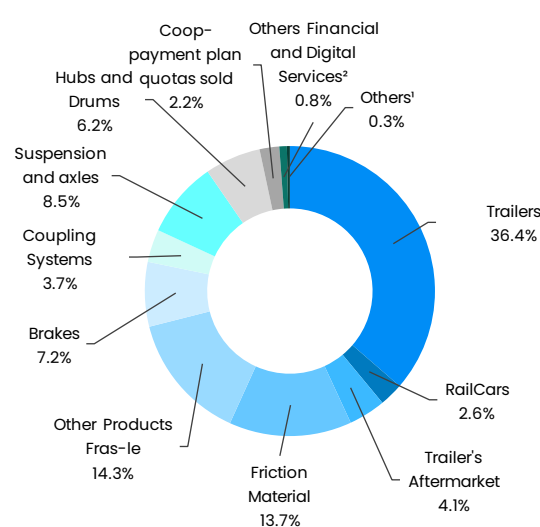
R\$ Million



**Net Revenue Breakdown by Segment in 2021**



**Net Revenue Breakdown by Product in 2021**



\*Randon Auttom, RTS Industry and CTR Revenues

\*Banco Randon, Randon Collection, Conexo and Corretora Revenues

## International Markets

Revenues from the international market totaled US\$ 316.5 million in 2021, 47.6% up from 2020 (US\$ 214.4 million). These revenues accounted for 18.9% of the Company's consolidated net revenue in 2021 (20.4% in 2020).

Exports out of companies located in Brazil were US\$ 130.3 million. Revenues from units located abroad were US\$ 186.1 million.

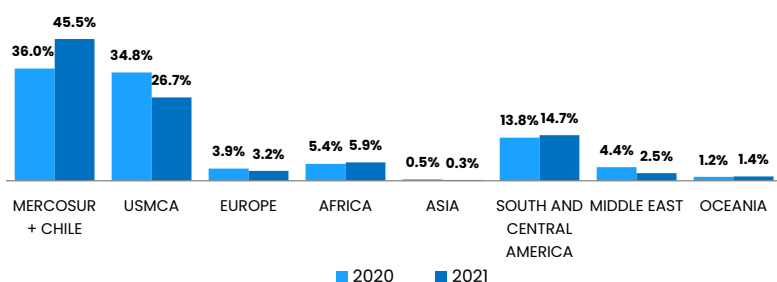
Below is a chart showing exports breakdown by region in 2021:

Exports	2021	2020	Δ%
Trailers	71,171	41,590	71.1%
Auto Parts	120,898	85,685	41.1%
Sub-Total	192,069	127,274	50.9%
(-) Intercompany Sales	-61,737	-47,692	29.5%
<b>Total</b>	<b>130,332</b>	<b>79,582</b>	<b>63.8%</b>

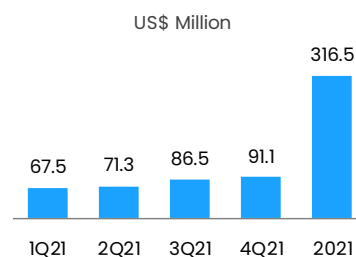
Revenues from International Units	2021	2020	Δ%
Trailers	45,487	23,143	96.6%
Auto Parts	157,463	127,747	23.3%
(-) Intercompany Sales	-16,803	-16,065	4.6%
<b>Total</b>	<b>186,147</b>	<b>134,825</b>	<b>38.1%</b>
<b>International Market US\$</b>	<b>316,479</b>	<b>214,408</b>	<b>47.6%</b>

Values in US\$ Thousands

Exports Breakdown By Region



Revenues From Abroad



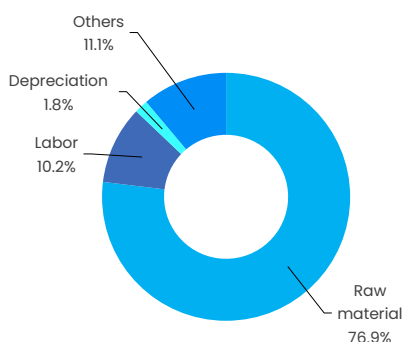
After a very complex period in 2020, sales to the international market strongly recovered in 2021 due to the following factors:

- Strong demand in virtually all markets and regions.
- Favorable exchange rate boosting sales and allowing margin expansion.
- Commodity prices at high levels, especially oil and minerals such as copper.
- Environment of confidence built up by the economic recovery, with advances in vaccination and the overcoming of the most critical phase of the pandemic.

- Good performance in the agribusiness, stimulating demand for semi-trailers, trucks and parts, mainly for the Mercosur region.
- Strong recovery in auto parts sales for the North American and Mexican markets, especially friction materials and brake systems.
- Attractiveness of Brazilian products, which have become a more competitive alternative in terms of logistics for some destinations, given the significant increase in global maritime freight.

## Cost of Products Sold (COGS)

2021 COGS BREAKDOWN



The cost of goods sold reached R\$ 6.8 billion in 2021, 75.0% of consolidated net revenue (R\$ 4.1 billion or 75.0% of consolidated net revenue for 2020).

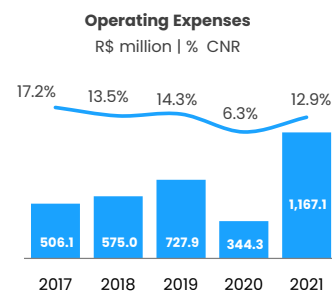
Below are the main highlights related to the Company's COGS in 2021:

- Significant cost increases in the main inputs during all quarters, especially flat steel, cast iron, resins, wheels and tires.
- Higher cost of labor, due to the increase in the collective bargaining agreement (increased inflation).
- Strategic purchase of raw materials throughout the year to mitigate the impact of inflation.
- Greater dilution of fixed costs due to scale gains.

## Operating Expenses

	2021	%	2020	%	Δ%
Selling Expenses	-616,650	-6.8%	-413,465	-7.6%	49.1%
Administrative Expenses	-447,117	-4.9%	-373,202	-6.9%	19.8%
Other Expenses/ Income	-103,307	-1.1%	442,379	8.2%	-123.4%
Other Operating Expenses	-286,494	-3.2%	-262,207	-4.8%	9.3%
Other Operating Income	183,187	2.0%	704,586	13.0%	-74.0%
Total Operating Exp/ Income	-1,167,074	-12.9%	-344,288	-6.3%	239.0%

Values in R\$ Thousand and % over Net Revenue



Operating expenses amounted to R\$ 1.2 billion in 2021 (R\$ 344.3 million in 2020). In the chart above, please see the amounts spent on selling, administrative and non-operating expenses over the last five years. It is important to point out that in 2020 there was a great number of one-offs that affect comparability.

Although there has been a significant increase in these periods, in absolute terms, mainly due to growing operations and acquisitions of new companies, the representativeness over revenue has been decreasing over the years, reflecting the Company's efforts to control expenses and expenditure.

In 2021, one-off events impacted the Company's operating expenses, which we detail below:

- Impairment of Indirect Subsidiaries (R\$ 22.7 million): net value between the reversal of the impairment recorded in the companies Fanacif, Armetal Jurid, by reason of improved prospects of future cash from operations and impairment in Randon Peru, as a result of worst expectations.
- Net Impact of Gains from Tax Proceedings (R\$ 23.1 million): non-operating income recorded, considering the success of several tax proceedings (Exclusion of ICMS from the PIS and COFINS taxes Calculation Basis, Non-Incidence of Social Security Contribution, Exclusion of the *Reintegra* program from the Income Tax (IR) and Social Contribution (CSLL) Calculation Basis, and Non-Incidence of IR and CSLL on the Selic rate), net of legal fees.
- Pension Plan Recoverability Expectation (R\$ 2.0 million): expense related to Private Pension, which was recorded at a higher value in the trailers division.
- Provision for Labor Liabilities (R\$ 19.4 million): provision for probable loss in a labor lawsuit which is in its procedural stage (in which a change in the risk of loss was identified).
- Business Combination Update (R\$ 35.3 million): amount related to the updating of business combination, provided for in the acquisition agreement of the companies Nakata (by Frasele), and CNCS and Fundituba (by Castertech), which took place due to the expectation of future tax benefits and use of tax losses.

## EBITDA

In 2021, the Company's gross cash flow was R\$ 1.3 billion, 10.7% up from 2020 (R\$ 1.2 billion).

EBITDA margin went from 22.1% in 2020 to 14.7% in 2021. Such reduction is mainly explained by the volume of one-offs in the previous year, which affects the comparison.

When adjusting EBITDA to one-offs, we see better performance of this indicator in 2021, considering the aspects already mentioned in the previous chapters.

Please check the table aside for a detailed calculation of EBITDA and Adjusted EBITDA in 2020 and 2021.

	EBITDA			Adjusted EBITDA		
	2021	2020	Δ%	2021	2020	Δ%
One-offs 2020 <sup>1</sup>	-	-	-	-	20,662	-100.0%
<b>Consolidated Net Revenue</b>	<b>9,057,885</b>	<b>5,424,864</b>	<b>67.0%</b>	<b>9,057,885</b>	<b>5,445,526</b>	<b>66.3%</b>
One-offs 2020 <sup>1</sup>	-	-	-	-	18,606	-100.0%
<b>Consolidated COGS</b>	<b>-6,789,451</b>	<b>-4,069,236</b>	<b>66.8%</b>	<b>-6,789,451</b>	<b>-4,050,630</b>	<b>67.6%</b>
<b>Consolidated Gross Profit</b>	<b>2,268,434</b>	<b>1,355,628</b>	<b>67.3%</b>	<b>2,268,434</b>	<b>1,394,896</b>	<b>62.6%</b>
<b>Gross Margin</b>	<b>25.0%</b>	<b>25.0%</b>	<b>5 bps</b>	<b>25.0%</b>	<b>25.6%</b>	<b>-57 bps</b>
<b>Operating Expenses</b>	<b>-1,167,074</b>	<b>-344,288</b>	<b>239.0%</b>	<b>-1,167,074</b>	<b>-344,288</b>	<b>239.0%</b>
Several One-offs 2020 <sup>1</sup>	-	-	-	-	-464,465	-100.0%
Impairment in Indirect Subsidiaries	-	-	-	-22,727	-	-
Net Impact of Gains from Tax Proceedings	-	-	-	-23,092	-	-
Pension Plan Recoverability Expectation	-	-	-	1,997	-	-
Provision for Labor Liabilities	-	-	-	19,400	-	-
Updating Business Combination	-	-	-	35,333	-	-
<b>Activity Result</b>	<b>1,101,361</b>	<b>1,011,340</b>	<b>8.9%</b>	<b>1,112,273</b>	<b>586,143</b>	<b>89.8%</b>
(+) Depreciation/Amortization	225,950	188,035	20.2%	225,950	188,035	20.2%
<b>EBITDA</b>	<b>1,327,310</b>	<b>1,199,375</b>	<b>10.7%</b>	<b>1,338,222</b>	<b>774,178</b>	<b>72.9%</b>
<b>EBITDA Margin</b>	<b>14.7%</b>	<b>22.1%</b>	<b>-746 bps</b>	<b>14.8%</b>	<b>14.2%</b>	<b>56 bps</b>

<sup>1</sup> For details, see the 2020 annual report.

Values in R\$ Thousand

## Financial Result

The Company's net financial result was a negative R\$ 106.0 million at the end of 2021, 148.8% lower than the result in the same period in 2020 (positive R\$ 217.1 million).

About this indicator, we highlight the following:

- Net impact related to proceeds from lawsuits and recognition of tax credits, which occurred in both years (R\$ 40.8 million in 2021 and R\$ 292.9 million in 2020).
- Positive effect of adjustment for inflation (IAS 29) in subsidiaries located in Argentina (R\$ 55.5 million in 2021 and R\$ 36.6 million in 2020).
- Adjustment to present value of business combination (R\$ 10.1 million in 2021).
- Increase in interest paid on financing linked to CDI, considering the new levels of the Selic rate.

	2021	2020	Δ%
Financial Revenues	413,264	674,696	-38.7%
Financial Expenses	-574,768	-494,123	16.3%
Monetary Adjustment (IAS 29)	55,473	36,575	51.7%
<b>Net Financial Income</b>	<b>-106,031</b>	<b>217,148</b>	<b>-148.8%</b>

Values in R\$ Thousand

## Net Result

Consolidated net income was R\$ 697.9 million in 2021, with a net margin of 7.7%, which reflects an ROE of 33.9% (last 12 months).

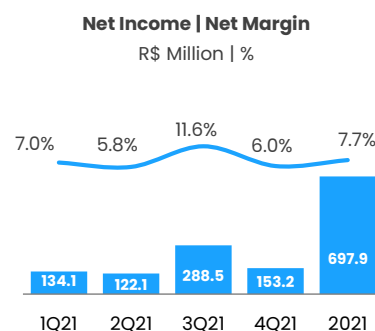
In addition to the points mentioned in the previous chapters, over the course of 2021 there were some events under *Taxes* (Income Tax and Social Contribution) that positively affected net result:

- Recognition of tax credits due to the decision of the Federal Supreme Court (STF), on the non-levy of IRPJ and CSLL on the Selic adjustment, paid for repetition of tax overpayment and reflecting other various tax proceedings (R\$ 135.3 million).
- Recognition of deferred taxes on tax losses from some operating units, which benefited net result by R\$13.0 million.

For more information on tax impacts, see note 11 of the Financial Statements.

	2021	2020	Δ%
EBIT	1,101,361	1,011,340	8.9%
Financial Income	-106,031	217,148	-148.8%
Equity Income	-487	-	-
Operating Results	994,842	1,228,488	-19.0%
Income Tax and Social Contribution	-110,131	-395,180	-72.1%
Interest of non-controlling shareholders	-186,836	-168,633	10.8%
Net Profit	697,876	664,674	5.0%
Net Margin (%)	7.7%	12.3%	-455 bps
ROE (last 12 months)	33.9%	39.3%	-536 bps

Values in R\$ Thousands



## Free Cash Flow (without Randon Bank)

At the end of 2021, the Company had a negative free cash flow of R\$ 543.6 million, a variation of 68.0% as compared to 2020.

The reduction in free cash flow is mainly due to the following factors:

- Payment of interest on equity and dividends to shareholders by Randon and Fras-le in January, April, and August, and by Master and Jost in December 2021.
- Increase in working capital due to the Company's high level of activity, inflation of raw materials, the addition of the acquired companies, strategic purchases of inputs and the recognition of tax credits.
- Paid-in Capital in *Banco Randon* (Randon Bank), earn-out payment of Nakata and non-organic investments (acquisition of CNCS, Auttom, Castertech Schroeder, RAR Corretora and Ferrari).
- Investments made mainly for productivity gains and asset maintenance.

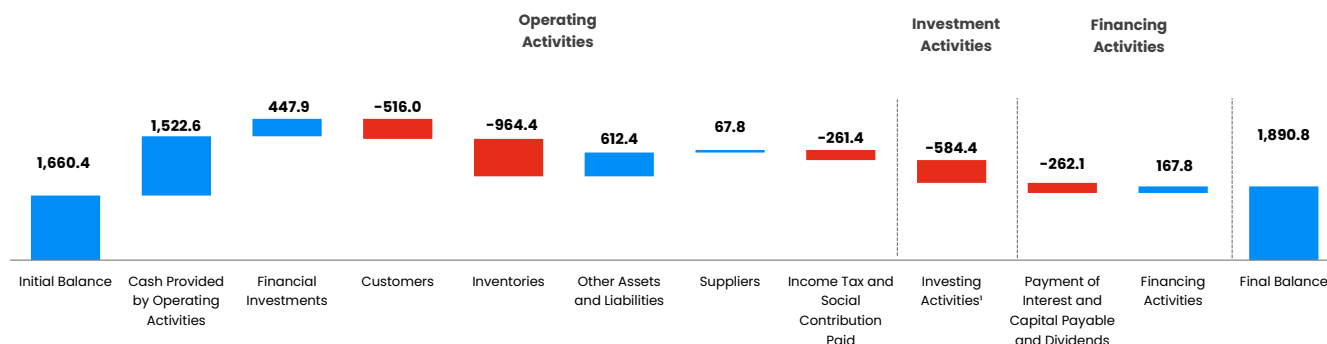
	2021	2020	Δ%
EBITDA	1,306,009	1,187,022	10.0%
Investments	-357,887	-198,096	80.7%
Financial Income	-105,942	217,238	-148.8%
Income Tax and Social Contribution	-100,405	-389,978	-74.3%
Working Capital	-792,602	-625,836	26.6%
<b>Operating Cash Flow</b>	<b>-50,826</b>	<b>190,351</b>	<b>-126.7%</b>
Dividends/Interest on Equity	-275,379	-123,137	123.6%
Paid-in Capital	-186,461	-348,715	-46.5%
Others	-30,910	-42,113	-26.6%
<b>Free Cash Flow</b>	<b>-543,577</b>	<b>-323,614</b>	<b>68.0%</b>

Values in R\$ Thousands without Randon Bank

## Cash Movement

At the end of the year, the Company showed growth in its cash and cash equivalents, which amounted to R\$ 1.8 billion, a positive variation of R\$ 230.4 million.

The good results of the Company contributed to cash generation through operating activities (R\$ 1.5 billion), sufficient to finance the operation, investment activities and distribution of dividends and interest on equity to shareholders.



¹For details on Investing Activities, see Cash Flow Statement on page 30 of this report

## Investments

In 2021, the Company made organic investments of R\$ 358.1 million, non-organic investments of R\$ 84.3 million and Paid-in Capital of R\$ 144.5 million, totaling R\$ 586.9 million in investments.

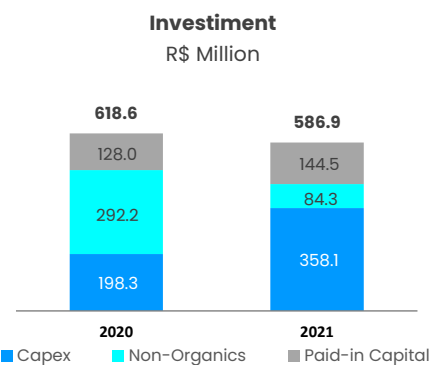
Below are some highlights in 2021 investments:

- Capex: machinery and equipment (R\$ 124.5 million), industrial automation (R\$ 44.9 million), expansion of Randon Araraquara branch (R\$ 26.4 million), modernization of the stamping facilities in *Randon Implementos* (R\$ 17.2 million), new Nakata plant (R\$ 12.0 million), expansion of the physical structure of Master (R\$ 10.5 million), new ERP and software in Randon Consórcios (R\$ 4.9 million) and improvements in buildings and facilities (R\$ 10.1 million).
- Non-organic: part of the acquisition value of CNCS (R\$ 10.7 million), Ferrari (R\$ 3.1 million), Auttom (R\$ 5.5 million), Nakata (R\$ 50.9 million) and RAR Corretora (R\$ 13.0 million).
- Paid-in Capital: Randon Technological Center – CTR (R\$ 12.8 million), Castertech Schroeder (R\$ 52.2 million), RTS Industry (R\$ 6.1 million), Randon Ventures (R\$ 7.5 million) and Randon Peru (R\$ 6.6 million).

INVESTMENTS 2021				
Fixed Assets R\$ thousands	Trailers	Auto Parts	Services	Total
Machinery	68,459	67,000	-	135,459
Buildings	5,344	4,786	-	10,130
Vehicles	549	174	-	723
Furniture and Fixture	2,425	3,975	260	6,660
Computer and Hardware	2,947	4,913	354	8,214
Others / Intangible Assets	49,181	142,958	4,803	196,942
<b>SUBTOTAL:</b>	<b>128,905</b>	<b>223,806</b>	<b>5,417</b>	<b>358,128</b>
<b>INVESTMENTS¹</b>	92,178	123,583	13,004	228,766
<b>TOTAL</b>	<b>221,083</b>	<b>347,389</b>	<b>18,421</b>	<b>586,893</b>

¹Shares or quotas of companies and Paid-in capital.

²For the purposes of this report, Castertech Schroeder's assets were considered in the Investments line



## Net Debt

Consolidated net debt (gross debt less cash) was R\$ 2.5 billion at the end of 2021, equivalent to a multiple of 1.91 times the EBITDA over the last 12 months. At the end of 2020, indebtedness was R\$ 1.5 billion and accounted for a multiple of 1.26 times the EBITDA of the last 12 months.

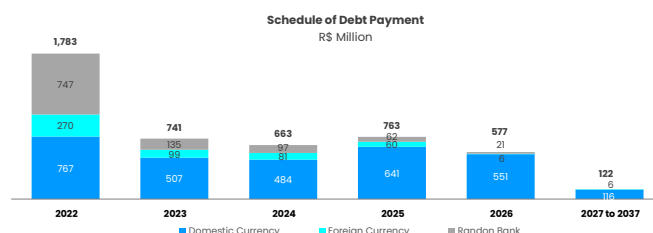
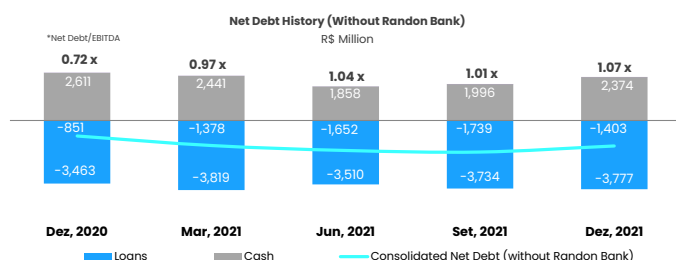
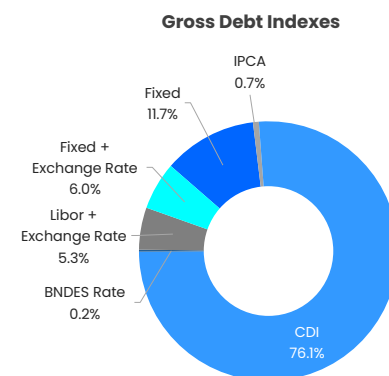
This increased leverage is explained by the significant growth in Banco Randon's operations during the year, connected to the higher level of activity in the entire Randon Companies chain and to the expanded portfolio of products offered to customers.

Excluding Banco Randon's figures, net debt at the end of 2021 was R\$ 1.4 billion, leverage of 1.07x EBITDA (R\$ 851 million and leverage of 0.72x the EBITDA at the end of 2020). The increase in the Company's net debt in 2021 is mainly explained by the following factors:

- Increase in working capital, explained earlier on the Free Cash Flow chapter.
- Higher average cost of debt in local currency, considering the increase in Selic rate, and consequently, in the CDI rate.
- Increase in bank spread.

Even in a scenario that is challenging for new funding, we worked intensively to extend the term of our debt, while reaffirming our commitment to the Company's leverage level, which remained stable throughout the year, benefited by higher generation of gross operating cash.

Below are graphs detailing the history of net debt and debt amortization schedule:



	12/31/2020	03/31/2021	06/30/2021	09/30/2021	12/31/2021
Short Term Cash and Financial Investments	2,459,254	2,284,065	1,723,817	1,856,830	2,251,065
Long Term Cash and Financial Investments	68,740	129,204	89,901	90,948	53,054
<b>Total Cash and Financial Investments</b>	<b>2,527,993</b>	<b>2,413,269</b>	<b>1,813,718</b>	<b>1,947,778</b>	<b>2,304,119</b>
Short Term Debt Domestic Currency	921,937	942,661	742,193	1,253,708	1,513,852
Short Term Debt Foreign Currency	209,786	189,433	173,467	204,597	272,795
<b>Total Short Term Debt</b>	<b>1,131,723</b>	<b>1,132,094</b>	<b>915,660</b>	<b>1,458,305</b>	<b>1,786,646</b>
Long Term Debt Domestic Currency	2,378,471	2,765,870	2,731,472	2,611,206	2,613,881
Long Term Debt Foreign Currency	301,957	309,403	230,712	234,553	252,208
<b>Total Long Term Debt</b>	<b>2,680,428</b>	<b>3,075,273</b>	<b>2,962,185</b>	<b>2,845,759</b>	<b>2,866,088</b>
Accounts Payable by Business Combination	231,484	238,551	241,910	198,956	186,934
<b>Total Gross Debt</b>	<b>4,043,635</b>	<b>4,445,919</b>	<b>4,119,755</b>	<b>4,503,020</b>	<b>4,839,669</b>
<b>Total Consolidated Net Debt</b>	<b>1,515,642</b>	<b>2,032,650</b>	<b>2,306,036</b>	<b>2,555,243</b>	<b>2,535,550</b>
<b>Net Debt (Without Randon Bank)</b>	<b>851,271</b>	<b>1,377,870</b>	<b>1,651,630</b>	<b>1,738,779</b>	<b>1,402,689</b>
Average Cost of Bank Debt in Domestic Currency	3.4% per year	4.2% per year	5.9% per year	7.8% per year	10.9% per year
Average Cost of Bank Debt in Foreign Currency	3.7% per year	3.8% per year	4.0% per year	4.0% per year	4.2% per year
Average Term of Bank Debt	2.3 years	2.4 years	2.4 years	2.3 years	2.1 years
Average Term of Bank Debt Without Randon Bank	2.5 years	2.6 years	2.6 years	2.5 years	2.4 years

Values in R\$ Thousands, except when indicated otherwise.

## Performance by Segment

### Trailers Division

Performance	2021	2020	Δ%
Net Revenue	3,923,769	2,409,202	62.9%
COGS	-3,291,375	-2,019,077	63.0%
Gross Profit	632,394	390,125	62.1%
Gross Margin %	16.1%	16.2%	-8 bps
Operating Expenses/Revenues	-274,987	47,861	-674.6%
EBIT	357,407	437,985	-18.4%
EBITDA	409,209	488,857	-16.3%
EBITDA Margin %	10.4%	20.3%	-986 bps
Adjusted EBITDA	395,478	220,039	79.7%
Adjusted EBITDA Margin %	10.1%	9.1%	102 bps

Values in R\$ Thousands, except when indicated otherwise.

Volumes	2021		2020		
	Units	Revenue	Units	Revenue	Δ% Units
Trailers Brazil (un.)	29,039	2,773,331	24,326	1,805,260	19.4%
Trailers International Market (un.)	4,207	519,609	2,284	265,061	84.2%
Railcars (un.)	459	238,968	34	10,497	1250.0%
Aftermarket	-	372,887	-	251,549	-
Specialty Vehicles (un.)	-	428	325	76,834	-100.0%
Others <sup>1</sup>	-	18,545	-	-	-

<sup>1</sup>Refers to the operation of the RTS Industry company and Randon Auttom which, at this moment, is located within the Trailers division.

### Economic-Financial Performance

Net revenue of this division was R\$ 3.9 billion, a growth of 62.9% when compared to 2020 (R\$ 2.4 billion).

In terms of profitability, there was an increase of 79.7% in the Adjusted EBITDA indicator, reaching R\$ 395.5 million in 2021 (R\$ 220.0 million in 2020), which is an expansion of 100 bps in the Adjusted EBITDA margin, going from 9.1% in 2020 to 10.1% in 2021.

This indicator (adjusted) should require our attention, since there were significant one-off revenues in 2020 that affected the annual comparison. More information is available under Operating Expenses and EBITDA chapters.

### Trailers

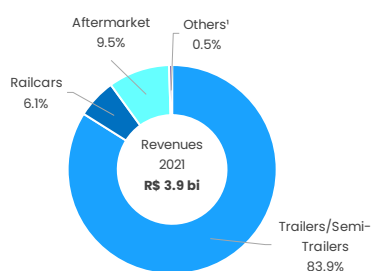
Responsible for 83.9% of this division's revenues, semi-trailers showed strong demand throughout the year, both in the domestic and international markets. Highlights:

- Record crops, boosting the agribusiness, a sector that accounted for 68.1% of semi-trailer sales, with emphasis on dump and grain trailers.
- Growth in sales of consumer goods, boosting the commercialization of dry general cargo vans.
- Pickup in various economic sectors, as a result of vaccination.
- Favorable exchange rate and economic recovery in South America, boosting exports.

Regarding sales performance and market dynamics throughout the year, we highlight:

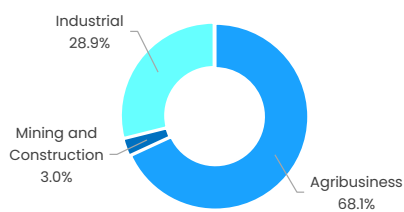
- 29,039 units were delivered in the domestic market, the highest volume in the Company's history.
- We reached 31.1% of market share, a reduction of 3.8 percentage points compared to 2020 (34.9%).
- Market share was pressured by the limited capacity of the Company to meet the strong expansion of the domestic market and exports in a short period of time.
- During the year, several actions were carried out to increase productivity and production volume.
- The expansion of Randon Araraquara was officially opened and manufacturing lines were reorganized in other units to optimize the production process.
- With these initiatives, we reached production averages of more than 140 products/day in the second half of the year.
- We continued to invest in automation and capacity aiming to increase sales, and thus bringing good margins and recovering market share.

**Net Revenue Breakdown by Product**  
Trailers Division

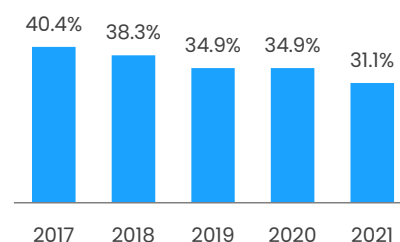


<sup>1</sup>Randon Auttom and RTS Industry Revenues

**Net Revenue Breakdown by Segment**  
Trailers Division



**Market Share**



## Exports

In 2021, records were set in revenues for the international market, which has helped our margins, given the exchange rate at high levels. In total, 4,207 units were delivered abroad, an increase of 84.2% when compared to 2020.

Regarding the foreign semi-trailer market, we highlight:

- Main destinations, in order of importance: Chile, Paraguay, Argentina and Uruguay.
- Distributors in the international market ended the year with reduced inventories, making the order backlog to remain solid for 2022.
- Gradual increase in sales to the African continent, with a new strategic partnership and recovery of customers and markets.

## Aftermarket

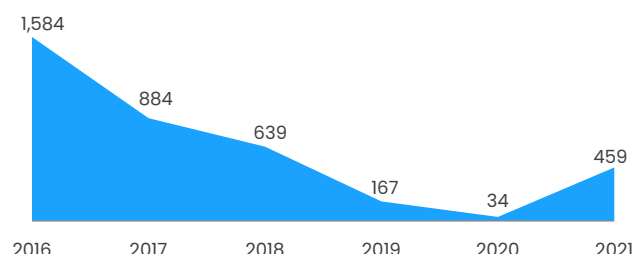
Another segment that showed strong growth was the aftermarket accounting for 9.5% of the trailer division's revenues in 2021. The aftermarket has gained representation in the composition of revenues.

With over 80 service points, distributed throughout Brazil and abroad, sales grew 48.2% when compared to 2020. The main products sold were tires, fifth wheels, brake linings, equalizers, brake drums, wheels, mudguards and ecoplate panels.

## Railcars

Also relevant to this division were the sales of railcars, which reached 6.1% of revenues.

**Sale of Railcars  
Physical Units**



The chart above shows that sales in 2021, although lower than those in the best historical years, present an improvement when compared to the two previous years.

459 railcars were delivered, being the gondola model (for the transport of iron ore), the main product sold in the year.

This market has shown gradual recovery and as investments in railways advance, there will be a greater need for railcars, thus increasing volumes

## Auto Parts Division

Volumes	2021		2020		Δ% Units
	Units	Revenue	Units	Revenue	
Friction Materials (Thousand/un.)	102,053	1,237,422	94,730	1,032,543	7.7%
Other products Fras-le (Thousand/un.) <sup>1</sup>	38,694	1,292,587	23,573	606,060	64.1%
Brakes (un.)	917,532	651,532	576,319	338,608	59.2%
Coupling Systems (un.)	152,997	331,100	109,143	165,015	40.2%
Suspensions and Axles (un.)	197,377	771,194	135,243	459,514	45.9%
Hubs and Drums (un.)	827,512	564,560	595,548	207,932	38.9%
Others <sup>2</sup>	-	11,497	-	-	-

<sup>1</sup> The product volumes of the indirect subsidiary Nakata Automotiva started to compose this line as of September 2020.

<sup>2</sup> Refers to CTR activities, which were allocated within Fras-le, but now operates separately with its own Tax Payer Registry Number.

Performance	2021	2020	Δ%
Net Revenue	4,859,892	2,809,672	73.0%
COGS	-3,448,479	-2,024,090	70.4%
Gross Profit	1,411,413	785,582	79.7%
Gross Margin %	29.0%	28.0%	108 bps
Operating Expenses/Revenues	-717,488	-256,033	180.2%
EBIT	693,925	529,549	31.0%
EBITDA	866,455	665,986	30.1%
EBITDA Margin %	17.8%	23.7%	-587 bps
Adjusted EBITDA	891,357	508,942	75.1%
Adjusted EBITDA Margin %	18.3%	18.1%	23 bps

Values in R\$ Thousands, except when indicated otherwise.

## Economic-Financial Performance

In 2021, the auto parts division had net revenue of R\$ 4.9 billion, which is 73.0% higher than the revenue in 2020 (R\$ 2.8 billion).

Despite all the challenges posed by input inflation, this division managed to expand its gross margin by 110 bps reaching 29% in the year.

Adjusted EBITDA was R\$ 891.4 million and adjusted EBITDA margin was 18.3%, while in 2020 these indicators reached, respectively, R\$ 508.9 million and 18.1%.

Like the trailers division, to analyse the profitability of this division, it is necessary to check the Adjusted EBITDA, due to the one-offs, already explained in this report.

## Division Highlights

This division recorded increases in volumes and sales across all companies and product lines during the year. Below, we highlight some factors that explain this performance:

- Strong production volume of trucks and semi-trailers.
- Heated aftermarket, both in commercial and passenger vehicles.
- Price readjustments to pass through inflation.
- FX rate favorable to exports.
- Addition of revenues from the subsidiaries acquired in 2021 (Castertech Schroeder and CNCS by Castertech).
- First full year of revenue of Nakata, with great capture of synergies.
- Portfolio expansion and exposure in new markets.

## Diversification

One of the Company's goals is to continue expanding and diversifying its businesses, making the company stronger and results more resilient.

The chart on the right shows the exposure of this division's revenues by segment. We highlight the increasingly balanced distribution between the different sectors in which the Company operates, especially the growth of the aftermarket, which already accounts for one third of sales.

In the OEM segment, it is important to note that more than half of the truck and semi-trailers market is linked to the agribusiness – a thriving sector that has shown consistent growth.

Breaking down net revenue by product, we can see the relevance of revenue from the subsidiary Fras-le, with 26.6% from the group "other products Fras-le" and 25.5% from friction materials, especially in the aftermarket and international markets.

Then we have the axles and suspensions of Suspensys, which account for 15.9% of the auto parts revenue, driven by the semi-trailer and OEM market, followed by the brake systems of Master (13.4%), the hubs and drums of Castertech (11.6%) and the coupling systems of JOST (6.8%).

## CASTERTECH, JOST, MASTER and SUSPENSYS

With historical production records, these companies expanded business, added capacity and gained new products and markets, resulting in excellent results. The main highlights in 2021 were:

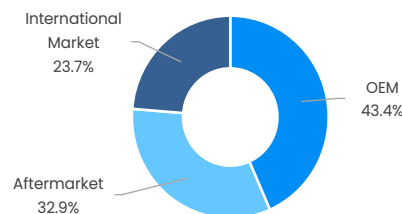
- Strong growth in volumes and revenues in all product lines.
- Master expanded its exports of brake systems to the North American market.
- Suspensys delivered its first suspensions as part of the *Volkswagen Caminhões e Ônibus* modular consortium.
- Setup of the company Castertech Schroeder, adding revenue and important results to this division.
- Castertech expanded its exposure into agribusiness through new companies.
- Success in tax proceedings benefited results by R\$ 11.2 million.

## FRAS-LE

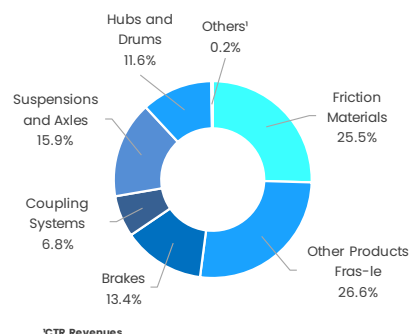
Like the other auto parts companies, Fras-le's economic and financial performance was one of the best in its history, on account of the good market performance and assertiveness in executing the strategy. The important factors for Fras-le and subsidiaries in 2021 were:

- Aftermarket with good volumes, mainly in the commercial line.
- Increase in revenues from the international market, especially in North America.
- Inventory replenishment by distributors boosted sales in various product lines.
- Capture of synergies through the acquisition of Nakata, combined with the inauguration of the new plant, reflected in better results.
- Replacement levels in the light line were good, but also showed signs of downturn in the second half of the year, considering the reduced purchasing power of families due to the advance of inflation.
- Several one-offs penalized EBITDA by R\$ 25.2 million in the year.

**Net Revenue breakdown by Segment  
Auto Parts Division**



**Net Revenue Breakdown by Product  
Auto Parts Division**



## Financial and Digital Services Division

Volumes	2021		2020		Δ% Units
	Units	Revenue	Units	Revenue	
Coop-payment plan quotas sold	16,669	198,594	13,342	160,955	24.9%
Randon Investimentos (Randon Bank)	-	70,901	-	45,011	-
Others <sup>1</sup>	-	4,729	-	24	-

<sup>1</sup> Randon Collection, Conexo, Randon Corretora and Randon Ventures.

Performance	2021	2020	Δ%
Net Revenue	274,224	205,990	33.1%
COGS	-49,596	-26,069	90.2%
Gross Profit	224,628	179,921	24.8%
Gross Margin %	81.9%	87.3%	-543 bps
Operating Expenses/Revenues	-174,599	-136,116	28.3%
EBIT	50,029	43,805	14.2%
EBITDA	51,646	44,532	16.0%
EBITDA Margin %	18.8%	21.6%	-279 bps
Adjusted EBITDA	51,387	45,197	13.7%
Adjusted EBITDA Margin %	18.7%	21.9%	-320 bps

Values in R\$ Thousands, except when indicated otherwise.

The Financial and Digital Services Division underwent major transformation and modernization in 2021.

To make it a complete solution for customers, the division received two new businesses in 2021: Randon Corretora and R4 Digital.

In addition to the traditional granting of credit through the sale of coop-payment plans and funding via Randon Bank, this division also offers a platform in the BaaS (Bank as a Service) modality, that delivers financial solutions focused on logistics, making customer processes more digital.

Additionally, to the financial part, through Randon Ventures' investees, fleet owners and truck drivers have ease and agility in contracting maintenance and technical assistance, which -

combined with the insurance offered by Randon Corretora - guarantee more security for the day to day of customers.

Please see below the main highlights of this Division's companies in 2021:

### RANDON CONSÓRCIOS

- Increase of 24.9% in the number of coop-payment quotas sold year-over-year, reaching 16,669 units in 2021 (13,342 quotas in 2020), which increases the payment of commissions in the short term in benefit of higher management fees received in the long term.
- Most representative segments: trucks, semi-trailers, and agricultural machinery.
- Change of ERP, and consulting costs for the reorganization of the division led to an increase in administrative expenses.

### BANCO RANDON (RANDON BANK)

- Growth in contracted credit operations, with a significant increase in revenue.
- Bad debt under control, with a qualified customer base.
- Increase in funding costs due to the high Selic rate.
- Loan portfolio already exceeds R\$ 1 billion.
- Publication of a new application, reinforcing its increasingly digital performance and optimizing the relationship with customers.

### RANDON VENTURES

- Supports innovative projects aligned with the businesses of Randon Companies: fintechs, insurtechs, autotechs, logtechs, industry 4.0, and others.
- 7 invested startups: TruckHelp, Soon, Trugghub, Delta Global, Abbiamo, PX Driver and R4 Digital.
- 16 co-invested startups.
- Since the beginning of its operation, R\$ 18.9 million of capital have been invested.

## Capital Market

### RAPT4 X IBOV

The price of the Company's preferred shares (RAPT4) decreased by 29.2% at the end of December 2021 as compared to the end of 2020 (R\$ 10.87 on 12/31/2021 and R\$ 15.36 per share on 12/31/20). In the same period, IBOV registered a drop of 11.9%.

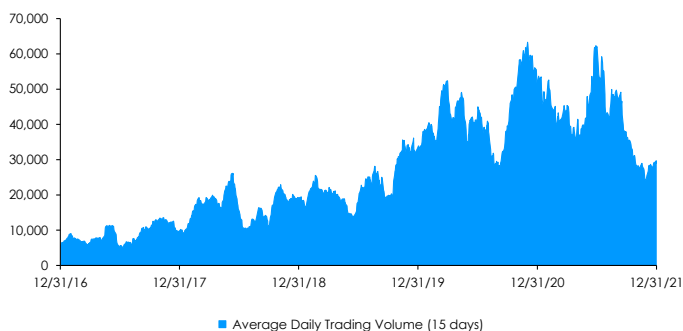
However, looking at the long term, starting from the base date of 12/30/2016, we can see higher appreciation of the Company's shares compared to the benchmark index on B3. In the period, RAPT4's shares appreciated 248.4% against 74.0% of the IBOV.



### Financial Volume

In 2021, the Company recorded an average daily liquidity of R\$ 40.8 million, a decrease of 7.1% when compared to the R\$ 43.9 million in 2020.

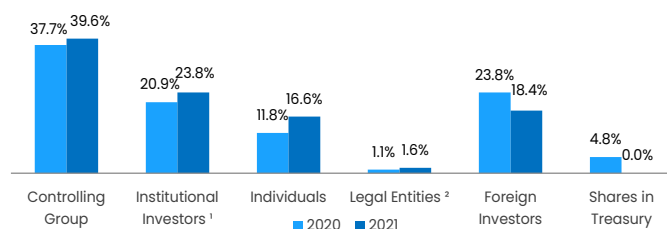
This drop is explained by the combination of two main factors: reduction in the value of the Company's stock and decrease in the number of businesses in capital goods companies in 2021, due to the context of uncertainties in the capital market.



### Shareholders' Profile

At the end of 2021, Randon's shareholder base consisted of 40,869 shareholders (39,155 shareholders in 2020).

The Company's total shares are break down in the following profiles:



<sup>1</sup> Funds and Investments Clubs

<sup>2</sup> Companies, Banks, Stockbrokers and Associations

### Events

In 2021, the Company, represented by its IR team, attended several events, among which we highlight:

- Credit Suisse: Latam Investment Conference.
- J.P. Morgan Latam ESG Series: Randon Conference Call.
- Bradesco BBI: 7th Brazil Investment Forum Conference.
- BM&C NEWS: Interview with Randon.
- BTG Pactual: CEO Conference Brazil 2021.
- Credit Suisse: 2021 Transportation & Infrastructure Conference.
- BM&C News: Randon & Fras-le ESG.
- Santander: Video conferencing.
- Bradesco BBI: Video conferencing.
- Banco do Brasil: Videocast *Café com BB*.
- Santander: 22nd Annual Conference.
- BM&C News: Interview with Randon.
- BTG Pactual: Web session Brasil.
- BTG: CEO Conference.
- Itaú BBA: Auto Parts Day.
- Bradesco BBI: CEO Conference.

Indicators	Jan-Dec/2021	Jan-Dec/2020
Number of Shareholders	40,869	39,155
Traded volume (Pref.)	773,392,300	1,015,841,900
Number of trades	2,142,229	2,962,148
Daily Average Shares per Trade	3,131,143	4,079,686
Daily Average Trades	8,673	11,896
Variance of daily Randon shares (%)	-29.2%	20.0%
Variance of IBOVESPA (%)	-11.9%	2.9%
Share Book Value R\$	9.94	8.09
Stock Market Value R\$	10.87	15.36
Daily Average Traded Volume (R\$ Million)	40,808	43,926
Company's Market Value (R\$ Million)	3,774	4,785

## Material Facts and Other Important Disclosures

In 2021, the Company released the following relevant documents:

### Notices to the Market

- Jan 27, 2021: [Acquisition of CNCS Indústria Metalúrgica](#).
- Feb 08, 2021: [Investment in Delta Global](#).
- Feb 11, 2021: [Acquisition of Auttom Automação e Robótica](#).
- Mar 25, 2021: [Castertech's Fiscal Credits](#).
- Apr 28, 2021: [Transactions with Related Parties](#).
- Jul 29, 2021: [Upgrade of S&P Rating](#).
- Nov 11, 2021: [Recognition of Tax Credits](#).
- Dec 08, 2021: [Changes in the Executive Board](#).

### Material Facts

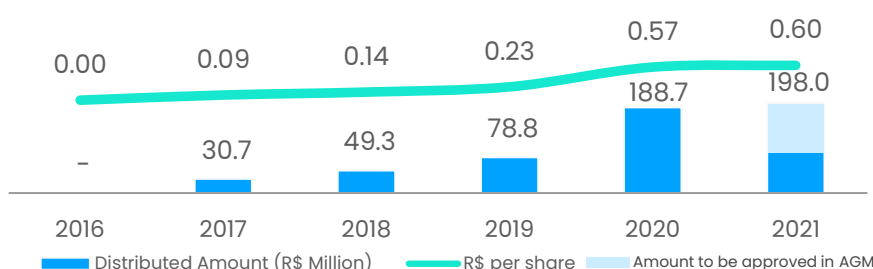
- Feb 11, 2021: [Guidance 2021](#).
- Feb 16, 2021: [Success in Fiscal Credits - Castertech](#).
- Jun 11, 2021: [Acquisition of UPI by Castertech](#).
- Aug 10, 2021: [Guidance 2021 Revision](#).
- Aug 27, 2021: [Discovery of Niobium Nanoparticles](#).
- Dec 17, 2021: [Cancellation of Shares and Buyback Program](#).

## Shareholders' Remuneration

The Company's adjusted Net Income in 2021 - the basis for calculating dividends - was R\$ 659.9 million and the Bylaws and income allocation policy provide for the payment of a minimum dividend to shareholders, corresponding to 30% of the adjusted calculated profit.

During the year, Interest on Equity was credited in the amount of R\$ 94.6 million (R\$ 80.4 million, net of withholding Income Tax). The management's proposal, to be analysed by the shareholders at the Annual General Meeting, is to distribute dividends in the percentage provided for in the bylaws, remaining to shareholders the amount of R\$ 117,6 million.

### History of Distribution of Dividends and Interest on Equity<sup>1</sup>



### CANCELLATION OF TREASURY SHARES

On December 17, the Company disclosed, through a material fact, the cancellation of its treasury shares. In all, 16,445,276 preferred shares (RAPT4) were cancelled, with no reduction in capital stock.

As a result of the deliberate cancellation of shares, the Company's capital stock is now divided into 116,515,527 common shares and 212,815,006 preferred shares, totalling 329,330,533 shares, all registered, book-entry shares with no par value.

### BUYBACK PROGRAM

On the same date, we announced a preferred share buyback program, in which the Company can acquire up to 5,000,000 RAPT4 shares, with the goal of maximizing value generation for shareholders.

The maximum term for settlement of the program is 18 months, starting on December 20, 2021 and ending on June 19, 2023.

## CVM Instruction no. 381/2003 – Independent Auditors

In compliance with Instruction No. 381/2003 of the Securities and Exchange Commission, we inform that, in 2021, the Company paid fees to the company Ernst Young Auditores Independentes S/S in the amount of R\$ 4.3 million, which cover the services of external audit and other services, whose characteristics are shown below:

Audit Fees	
Audit services for financial statements, accounting reports, additional fees related to the review of financial information.	3.8 Million
Extra-Audit Fees	
Tax consultancy services in Brazil and abroad, global mobility consultancy, E-social review.	0.5 Million
<b>% share in non-audit services</b>	<b>13.0%</b>

Values in R\$ million.

The Company has a specific Policy for Contracting Extra-Audit Services. To access it [click here](#).

## Company's Awards and Highlights

In 2021, the Company and its subsidiaries received the following awards and recognitions:

### → Randon Companies:

- 3rd place in preference and memory of the people of Rio Grande do Sul State.
- 7th position in the Champions of Innovation ranking, by *Revista Amanhã*.
- Ranked among the 100 Brazilian companies most connected with startups in Brazil, according to the 100 Open Corps ranking.
- ANEFAC Transparency Trophy.
- Recognition by *Institutional Investor* in the *2021 Latin America Executive Team*, ranking in several categories, for our performance in capital markets.
- Leaders and Winners Award in the business success category.
- IIA May Recognition, granted by IAA Brazil.
- Great Place to Work® in the corporate area of Information Technology and Shared Solutions Center (TI&CSC).
- Most Admired HR Award in Brazil.
- ABRH/RS 2021 Top Human Being Award.
- The 29<sup>th</sup> position among the 500 largest companies in Southern Brazil, according to the ranking of *Grupo Amanhã*. The Company is also among the 100 companies in the specific ranking of Rio Grande do Sul State (11<sup>th</sup>).
- 3rd place in the CSC of the Year Award by the Brazilian Association of Shared Services (ABSC).
- IT Innovative Company Award from SUCE-SU-RS.
- Automotive Business Digital Transformation Award with the Conexo case.

### → Fras-le

- 3rd place in Preference and Memory of the people of Rio Grande do Sul State.
- Fras-le China is among Huajing's top 10 suppliers.
- Fras-le is among the 50 companies in the general ranking Champions of Innovation
- Highlight in the 49th RS Export Award in the category Vehicles and Auto parts.
- The companies Fras-le, Fremax and Nakata were recognized with 1st place in the Brake Pad, Brake Disc and Terminal Pivot categories, respectively in the *Inova 2021* Award.

### → Randon Implementos (Trailers Division)

- Transport Top Of Mind, in the trailers/semi-trailers category.
- Highlight in the 49th RS Export Award in the *Global Advancement* category.

### → JOST

- Great Place to Work® in 12th position in the Industry Sector ranking among medium-sized companies in the country, and 12th in the State of Rio Grande do Sul.

### → Master

- Among the 20 best qualified companies in the ranking *Great Place to Work®*.
- SPM Award granted by DAF.

### → Randon Consórcios

- 3rd place in the preference and memory of the people of Rio Grande do Sul Sta.

## Sustainability (ESG)

Throughout our history, we at Randon Companies have sought to adopt ethical and responsible behavior by efficiently using natural resources and prioritizing our people, their health and safety, always aiming at the sustainable development of the Company itself and all its stakeholders.

And in this journey, which is constantly evolving, we have identified the need to increase our transparency on ESG aspects and commit even more to this cause, which is one of our priorities.

This is how our ESG Ambition was born, released to the market on June 1, 2021, the result of a research that consisted of materiality analysis verifying capital market indicators (ISE and DJSI), which are benchmarks companies for this sector, the main sustainability frameworks such as GRI (Global Reporting Initiative) and SASB (Sustainability Accounting Standards Board), the SDGs (UN Sustainable Development Goals) and the Company's strategy.

We identified that our ESG performance is based on five strategic pillars:



- Ethical and responsible conduct.
- Safety and excellence as a value.
- Sustainable innovation.
- Sustainable innovation.
- Commitment to the environment, and
- Prosperity to all.



[Click here](#) to access the QR-Code and watch the ESG event of Randon Companies.



Credits: Alex Battistel

Daniel Randon, President, at the ESG Ambition event.

Also in 2021, Randon and Fras-le became signatories of the UN Global Compact, an initiative that engages companies and organizations in adopting principles focused on human rights, labor, environment and anti-corruption.

### Ethical and Responsible Commitment

It is with this pillar that we want to enhance the sustainable development of our business by adopting institutional commitments and best practices in sustainability management, ethics and corporate governance, ensuring transparency and accountability to all our stakeholders.

Below are relevant corporate governance initiatives in 2021:

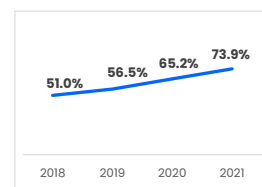
- Creation of sustainability and branding /reputation committees (non-statutory bodies).
- Holding of the Ordinary General Meeting in a hybrid format (in person and digital), enabling the participation of more shareholders.
- Election of a board member, Ana Carolina Ribeiro Strobel, thus expanding diversity in this Company's body.
- Preparation and dissemination of the Remuneration Policy for Administrators and Audit Committee Members, as well as of the Internal Regulations of the Statutory Board.
- Evolution in best corporate governance practices, based on CVM Instruction 586/2017 (Corporate Governance Report), with superior adherence to companies on the *Novo Mercado*:

#### 2021 Corporate Governance Report

Randon adheres to 73.9% of the practices suggested by the IBGC and CVM, in 2021.

Market Average in 2021:

- NM – 67.9%
- N2 – 62.8%
- N1 – 67.2%



Source: Practice or explain research: Quantitative Analysis of the Reports of Brazilian Publicly Traded Companies (2021).

- Revision of the Code of Ethical Conduct.
- Change in management, with the position of CEO occupied by Sérgio L. de Carvalho, the first market professional to occupy this position in the Company's history.

In addition to the 2021 initiatives and the others that have already been mentioned throughout the report, we highlight that the Company has:

- Level 1 of B3's Corporate Governance.
- 60.4% free float.
- Governance Department.
- Governance Portal.
- Risk Management and Compliance Structure.
- Outsourced and independent Whistleblower Channel.
- Corporate Policies.
- Internal Audit.
- We are signatories of the Business Pact for Integrity and Against Corruption – Ethos Institute.

## Safety and Excellence as a Value

We want to continue being a benchmark for quality and safety in all spheres of operation, focusing on the safety of our employees, on data security and on the excellence of products that ensure the safety of our customers.

In this pillar, we have a public commitment to zero serious accidents, and we pursue this by working mainly on accident prevention, through the "An attitude changes a life" initiative, investing in safer pieces of equipment and processes and in the health of our employees.

In addition, in 2021 we improved our quality and safety practices with the following initiatives:

- We held the Randon Summit event - focusing on sustainability - to promote the culture of excellence within the pillars of innovation, safety, quality and productivity.
- We were certified to ISO 45001:2018 by Randon Technological Center (CTR) and ISO 14001:2015 certification by Fremax, a subsidiary of Fras-le.
- Fras-le promoted the S Day, an event that strengthened the culture of safety among its employees.

The Company also adopts the following practices in this pillar:

- Safe Connections Program, which disseminates a culture of prevention in Cybersecurity risks.
- Data Privacy Governance with a specific committee and policy.
- HSE Policy (Health, Safety and Environment).
- Self-management Health Plan, and
- Mapping and treatment for critical risk activities.

## Sustainable Innovation

Our objective is to ensure the sustainability of the business through continuous, disruptive and collaborative innovation, seeking advances in sustainable cargo transport and in the value chain.

We believe in the power of innovation to transform society, and we do this by joining institutions, universities, companies and startups. That's why we are committed to increasing the annual consolidated net revenue generated by new products.

The year 2021 was marked by innovation. We launched several products that are based on the global megatrends in mobility and, currently, we have companies whose core business is industrial automation, open innovation and advanced technology, such as RTS Industry, NIONE and CTR, and we invest in startups through Randon Ventures.

In addition, we maintain the Instituto Hercílio Randon (IHR), which this year has become an IST (Institute of Science and Technology), responsible for disruptive research in the areas of Mobility, Embedded Electronics and Smart Materials.

On all these fronts, we highlight some initiatives that took place in 2021:

- Expansion of CTR's (Randon Technological Center) engineering services, which, joining real data with integrated virtual tests, offer greater assertiveness, precision, speed, and quality in the evaluation of different types of products.
- Based on a study carried out by the CTR and the IHR (Hercílio Randon Institute), an unprecedented method was discovered in the world to produce niobium nanoparticles on a large scale, a product that enhances the characteristics of other elements. When applied, nanoparticles provide greater durability, mechanical strength and significantly change the physical-chemical properties of different materials. In addition, fewer resources such as water and energy are used for their production and application, contributing to a sustainable process.
- NIONE, the company resulting from this discovery, has launched its first product - one for coating surfaces in partnership with WEG Tintas. The product increases resistance against corrosive agents by more than 400%, thus also increasing the product's useful life.
- Launch of the Randon Concept Trailer, a double dump trailer that makes it possible for the transporter to increase performance and reduce its operating costs. With less welding, use of aluminum and high-strength steel, the product uses unprecedented manufacturing processes in the segment and is 1000kg lighter than the current similar model, contributing to greater energy efficiency and reduction of emissions and CO2.
- The subsidiary Fras-le launched the Fras-le Smart Composites line, thus offering the market auto parts made of structural composite materials, which are an alternative to items made of steel, allowing for a reduction in the weight of the part, in addition to innovative design and better ergonomics for its installation.
- The subsidiary Castertech began to use blockchain technology to track the parts manufacturing steps, optimizing processes and increasing the reliability of its products, in addition to helping reduce inefficiencies and human errors in the process.

In addition to these initiatives, several improvements and investments were made in processes, both in the manufacturing and administrative environments. Most of the innovations were promoted in collaboration with the Group's companies, such as Conexo, which has several programs in which employees have the opportunity to develop products, services and even create a startup.

## Committed to the Environment

We seek to identify and develop opportunities for eco-efficiency gains in our operations, focusing on promoting circularity, the efficient use of resources, combating climate change and encouraging advances in the environmental management of suppliers and customers.

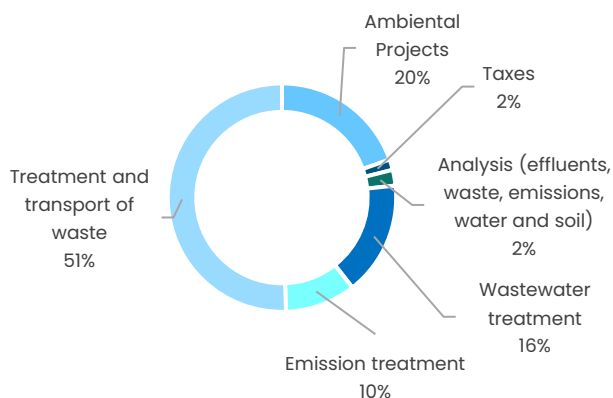
In March 2021, we launched the *Rota Verde* (Green Route) program, which is structured around three pillars:

- Sustainable environmental development, which provides for more responsible economic growth and consumption.
- Technologies and innovations in the environment that result in operational efficiency, with better use of inputs and raw materials, while reducing waste.
- Environmental responsibility, a culture of prevention and support for the communities where the company operates.

Within the *Rota Verde* and ESG Ambition, we pledge the following public commitments:

- Reduce 40% of greenhouse gas emissions by 2030.
- Zero waste disposal in industrial landfills by 2025.
- Zero effluent discharge by 2025.

To achieve these commitments, we invested R\$ 13.6 million in environmental management in 2021 (R\$ 8.6 million in 2020), detailed in the chart below:



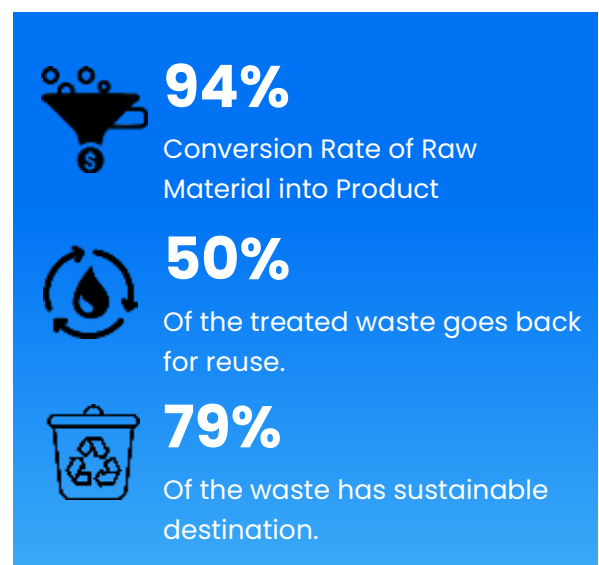
Our companies are certified to ISO 14001 - Environmental Management System, audited every six months by an external certification body, which ensures the continuous improvement of environmental management. The principle "Profit with Sustainability" guides the actions of Randon Companies focused on the environment.

Below are some of our socio-environmental practices in 2021:

- Installation of solar energy poles in the product yard of Randon Araraquara unit and rainwater harvesting in Randon Chapecó;
- SEMEAR event (Randon Environment Week), in which several initiatives were promoted for employee engagement and multiplication of knowledge.
- Florestar Project: students from *Florescer* (a program run by Instituto Elisabetha Randon) took part in theoretical classes on the importance, characteristics and differences of tree species.
- A partnership was signed with the company Eureciclo, by the subsidiary Fras-le, with the objective of encouraging recycling and conscious consumption, financing actions of environmental compensation for the impact caused by product packaging.

In addition to these, see below some highlights in our environmental strategy:

- Reverse logistics: additional service offered by the companies Fras-le and Fremax for collecting and disposing of friction materials after use.
- Reuse of waste (metal scrap) from Fras-le, which is used as raw material at the subsidiary Castertech.
- Documents that strengthen good governance practices in the environment with the HSE policy and the Environment Manual.



## Prosperity for All

Enhancing the generation of value for our stakeholders along with support to the development of our employees, encouraging the development of sustainable practices in our suppliers and the socio-economic inclusion of communities is what we seek through our operations.

This pillar focuses our relationships with employees, suppliers and the community.

Starting with people, at the end of 2021 the Company had 15,433 employees, an increase of 21.7% as compared to 2020. The increase resulted from the greater need for labor, considering the growth in production throughout the year and the addition of new companies to the group.

Randon Companies hold regular programs aimed at offering a better quality of life through healthy practices. In addition, the companies offer benefits such as health plan, private pension, credit union, profit sharing, transportation, health and food center, which allow our employees to carry out their activities with health, safety and well-being.

We also provide an online education platform for the development and training of employees, encouraging their protagonism. One of our most important principles is "People Valued and Respected".

With the continuity of the pandemic and waves of contamination by Covid-19 in the world, we continue to work from home in the administrative areas, and we intend to continue with this model, given its assertiveness.

Below are some highlights of the Company in 2021 related to people management:

- Some of our units were recognized as the Best Companies to Work For, such as the subsidiaries JOST and Master, and the corporate area of Information Technology and the Shared Solutions Center (TI&CSC).
- We held an online event to honor 129 employees who celebrated 25, 35 and 40 years of work at Randon Companies.
- We started our Plural Journey, and held the Diversity Tour, with leadership and work teams to promote diversity and inclusion within the Company.

In this sense, the Company has publicly committed to doubling the number of women in leadership positions by 2025.

## Relations with the Community

Another important aspect of this pillar is the relationship with the community, which is mainly promoted through the Elisabetha Randon Institute (IER), held by the Company.

The IER, founded in 2003, is a Civil Society Organization with Public Interest, which aims to promote citizenship and social development, through actions aimed at education, culture, social assistance and encouraging the practice of volunteering.

In 2021, the Company invested R\$ 4 million in the institute to develop its programs, which are focused on two pillars: traffic education and professional technical training.

The IER holds the following social programs:

- *Florescer*: program that in 2021 served 360 children, and whose mission is to prepare children and young people, who are in situations of social vulnerability, to exercise citizenship. The program promotes the improvement of quality of life by offering pedagogical, cultural and sports activities, carried out in the period that is opposite to their regular school hours.
- *Florescer* Professional Initiation: carried out through a partnership with the National Service for Industrial Learning (SENAI), the program serves adolescents between 15 and 16 years old, who participate in a technical-professional course, focused on Administrative Assistance. 75 students graduated in 2021.
- *Vida Sempre* (Life Always): promotes education for traffic safety. The employees of Randon Companies, their families and the community in general are passed on information through printed material, videos, theatre, and campaigns, with the aim of provoking reflection on appropriate attitudes in traffic. The program benefits around 60 thousand people/year with these actions, and in 2021 there were 130 itinerant theatre presentations.

IER has also worked in the FLORESTAR project since 2020 in partnership with CTR. In 2021, theoretical classes were given to 40 children with a focus on environmental education.

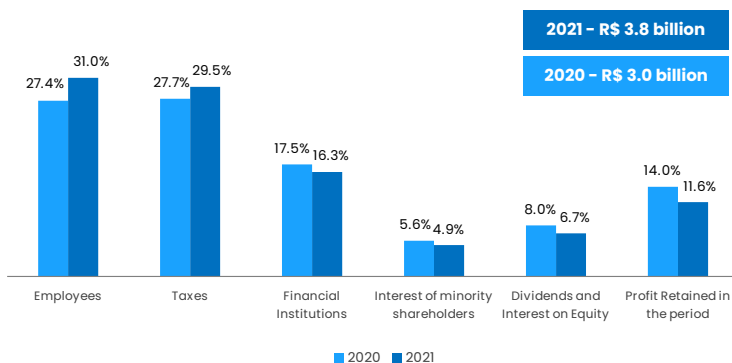
Also in the social sphere, in September the Company held a meeting with the main community leaders of Caxias do Sul (RS), the city that hosts most of our operating units, to present our ESG Ambition and the actions developed by the IHR. The event sought to bring our companies closer to the population. There was also a time to listen to suggestions and demands from local representatives.

## Suppliers

In 2021, the Company also held its traditional meeting with suppliers. In this edition, which was held in a hybrid format, participants were presented with public ESG commitments and the main strategies for the Company's future, in innovation, industrial and product technologies, market and business perspectives.

The *Supplier Awards* took place at this event, which recognizes the suppliers of Randon Companies that have the best practices in sustainability, innovation and competitiveness.

## Statement of Added Value – DVA



## 2022 Outlook

Maintaining our practice of communicating annual projections, the Company disclosed, through a Material Fact, its Guidance for the year 2022, which underwent a change in its format. In addition to the indicator (EBITDA margin), the values are now presented in a range, and have qualitative information to explain them. These improvements aim at an increasingly transparent and qualified communication with the market.

	Guidance 2022
<b>Consolidated Net Revenue</b>	R\$ 9.5 ≤ X ≤ R\$ 11.0 billion
<b>Revenues From International Market<sup>1</sup></b>	US\$ 320 ≤ X ≤ US\$ 370 million
<b>EBITDA Margin</b>	13% ≤ X ≤ 16%
<b>Investments<sup>2</sup></b>	R\$ 340 ≤ X ≤ R\$ 370 million

<sup>1</sup> Value refers to the total exports from Brazil and the revenues generated by operations abroad, without intercompany sales;

<sup>2</sup> Value refers to organic investments.

### Consolidated Net Revenue

- Volumes of semi-trailers are at good levels on account of the recovery of Market Share and higher volume exported, in addition to the growth in sales of railcars.
- Volumes in the sale of OEM auto parts are consistent, considering the resumption of the truck and bus market and the addition of revenue from the companies acquired in 2021.
- There was increase in sales in the aftermarket on account of the expanded product portfolio, good performance abroad and favorable exchange rate.
- Range does not consider revenue from new projects and M&As.

### International market Revenues

- Growing demand in South American markets.
- Volume growth in North America, especially friction materials, and braking components and systems.
- Asia shows good prospects, with emphasis on the start of OEM sales in India.

### EBITDA Margin

- The scenario is still challenging for price negotiation.
- Cost inflation and shortage of some inputs are still present in some chains.
- Synergies are captured from acquired companies.
- Effects of operating leverage, depending on volumes sold.
- Range of values does not consider one-off effects.

### Investments

- Most of the resources go for maintenance and conservation of the assets.
- Additional amount for increases in capacity, efficiency and productivity.

*These projections are estimates by the Company's management and are subject to risks and uncertainties, and do not constitute a promise of performance. In the event of a material change in these factors, which could cause the actual results to differ from the projections, they will be reviewed in due course, presented as a result of changes in the assumptions used.*

## Acknowledgments

Although we end 2021 with many reasons to celebrate, we recognize that it was a very challenging and busy year. The pace of time is no longer the same, and neither are the current problems. When would we imagine having to face two years of a pandemic or even dealing with a shortage of inputs in recent history.

But it is at times like these that we discover the greatest talents of a company, the suppliers that most act as team players, the most loyal customers and the most confident investors. We know that the historic results we attained were only possible because we had people, individuals and companies, by our side, dribbling the daily challenges together with us.

And it is this union and partnership that moves us, towards another year and more challenges, because we know that together, we can innovate for a better future. We thank everyone who is part of our history and for allowing us to achieve our purpose of connecting people and wealth, generating prosperity.

Caxias do Sul, February 24, 2022.

The Management

## Addresses and Contacts

### Board of Directors

- David Abramo Randon – Chairmann
- Alexandre Randon – Vice-Chairmann
- Ana Carolina Ribeiro Strobel – Board Member
- Pedro Ferro Neto – Board Member
- William Ling – Board Member

### Audit Committee

- Ademar Salvador
- José Carlos Sfreddo
- Renato Sobral Pires Chaves

### Statutory Board

- Daniel Raul Randon – President
- Alexandre Randon – Corporate Director
- Sérgio L. Carvalho – Vice-President
- Paulo Prignolato – Vice-President
- Daniel M. Ely – Vice-President Director

### Executive Committee

- Sérgio L. Carvalho – CEO
- Paulo Prignolato – CFO and DRI
- Daniel M. Ely – CTO
- Anderson Pontalti – General Director
- Ricardo Escoboza – General Director
- Sandro A. Trentin – General Director

### Governance Secretary

- Cláudia Onzi Ide

### Finance and IR Director

- Esteban Mario Angeletti

### Accountant

- Paula Machado Correa – RS-097654/0-8

### Investor Relations

- Davi Coin Bacichette
- Caroline Isotton Colleto
- Gustavo Schwaizer
- Fabiana Martini

### Independent Auditors

- Ernst Young Auditores Independentes S/S

### Bookkeeping Bank

Banco Bradesco – Cidade de Deus, s/nº, Vila Yara, Osasco, SP – CEP: 06029-900

### Publication Newspaper and Portal

- Jornal Pioneiro – Caxias do Sul – RS
- Portal <http://luzdigi.com.br/>

### Contact Channels

- E-mail: [ri@randon.com.br](mailto:ri@randon.com.br)
- Site: [ri.randon.com.br](http://ri.randon.com.br)
- Telefone: (54) 3239-2795

## Summarized Financial Information – 12/31/2021

	RANDON S/A IMPL. E PARTIC. CONSOLIDATED	RANDON S/A IMPL. E PARTIC. PARENT CO.	RANDON INVESTIMENTOS
Assets	10,769,555	5,728,943	1,436,500
Current Assets	6,562,299	2,740,485	1,015,609
Cash and equivalents	1,897,384	1,118,468	35,953
Financial Investments	350,304	350,245	-
Derivative Financial Instrument	3,378	-	-
Receivables	1,602,330	260,378	979,106
Inventory	2,039,243	643,119	-
Deferred Charges/ Recoverable taxes	562,846	268,701	-
Others	106,815	99,574	550
Noncurrent Assets	4,207,256	2,988,458	420,891
Long-term Assets	1,412,755	726,372	419,341
Investments of non-immediate liquidity	53,054	-	21,132
Credit with controlled companies	-	178,314	-
Receivables	382,759	-	382,759
Consortiums for resale	16,646	-	-
Deferred Charges/ recoverable taxes	819,611	531,557	7,143
Other non-current assets	29,463	-	123
Taxes under litigation	46,290	12,999	-
Goods for resale	8,474	289	8,185
Long Term Receivables	56,459	3,213	-
Investments/Property, Plant, Property/Intangible/Deferred	2,552,778	2,245,302	577
Right to use asset	241,722	16,784	973
Liabilities	10,769,555	5,728,943	1,436,500
Current Liabilities	3,962,315	1,667,159	908,794
Suppliers	947,661	388,788	6,649
Financing institutions	1,190,389	727,981	290,953
Accounts payable by business combination Short Term	8,359	3,087	-
Salaries and benefits	153,993	49,185	996
Taxes and Fees	203,157	30,513	10,589
Advances for customers and others	1,431,421	462,368	599,506
Leases Short Term	27,336	5,237	101
Noncurrent Liabilities	3,532,361	1,541,457	317,513
Financing institutions	2,852,953	1,483,983	315,028
Accounts payable by business combination Long Term	178,575	8,910	-
Government Subsidy	3,432	-	-
Debits with controlled companies	12,609	-	1
Diverse taxes and contributions	60,633	510	56
Provision for contingencies	73,034	16,814	-
Other non-current liabilities	44,029	4,710	956
Coop-payment plans obligations	79,360	-	-
Advances for customers and others	24,661	14,254	527
Leases Long Term	203,075	12,276	946
Total Net Equity	3,274,879	2,520,327	210,193
Net Equity	2,520,327	2,520,327	210,193
Minority interest	754,552	-	-

## Summarized Financial Information – 12/31/2021

	RANDON S/A IMPL. E PARTIC. CONSOLIDATED	RANDON S/A IMPL. E PARTIC. PARENT CO.	RANDON INVESTIMENTOS
INCOME STATEMENT			
Net revenue	9,057,885	3,710,453	103,172
Cost of goods and services	-6,789,451	-3,075,723	-55,509
Gross income	2,268,434	634,730	47,663
Sales expenses	-616,650	-131,024	-
Administrative expenses	-447,117	-125,822	-22,002
Financial income	-106,031	-64,100	-89
Equity equivalence	-487	396,257	-
Other expenses/income	-103,307	-37,913	-4,594
Income before taxes	994,842	672,128	20,978
Provision for taxes and social contributions	-110,131	25,748	-9,726
Interest of non-controlling shareholders	-186,836	-	-
Net income for the period	697,876	697,876	11,253
EBIT	1,101,361	339,971	21,068
EBITDA	1,327,310	384,769	21,301
EBITDA MARGIN (%)	14.7%	10.4%	20.6%

## Statements of Cash Flow – Indirect Method

	Parent Company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
<b>Cash flow from operations</b>				
Income for the period	697,876	664,674	884,711	833,308
Income tax and social contribution (current and deferred)	-25,748	184,780	110,151	390,024
Exchange variation and interest on loans and leases	132,108	129,388	251,848	265,051
Depreciation and amortization	44,798	56,568	225,950	179,958
Other Provisions	11,551	14,266	49,063	40,821
Provisions (reversal) for litigation	1,799	7,805	20,407	15,276
Variation in derivatives	3,369	-57	13,699	1,224
Residual cost from sold and written off fixed assets	25,022	35,850	37,979	45,332
Provision (reversal) for doubtful accounts	-5,596	-1,466	2,331	-944
Provision (reversal) for obsolete inventory	1,509	665	-428	6,529
Investment property fair value	-395,728	-247,176	487	-
Revenue from active legal proceedings, net of fees	-5,840	-536,211	-42,616	-894,635
Reduction (reversal) impairment	2,763	-	-19,964	32,488
Advantageous Purchase	-	-	-	-2,144
Fair value of investment properties	-	-	714	1,273
Monetary Adjustment (IAS 29)	-	-	-55,473	-36,575
Compensation of retained values business combination	-	-	13,240	-
Consideration payable to customers	-	-	30,542	-
	487,883	309,086	1,522,641	876,986
<b>Variations in assets and liabilities</b>				
Financial Investments	432,781	80,159	447,926	-31,066
Accounts receivable from customers	-35,387	-30,800	-515,970	-512,284
Inventory	-346,253	33,203	-964,391	-145,121
Taxes to be recovered	-135,380	100,970	-121,466	131,890
Other assets	15,232	42,666	11,111	-31,455
Suppliers	42,174	192,733	67,836	463,910
Other liabilities	104,002	-4,560	722,735	228,808
Net variation in discontinued operations	-	-	35	6,569
<b>Cash generated by operation</b>	565,052	723,457	1,170,457	988,237
Income tax and Social Contribution paid	-97,882	-44,144	-261,396	-177,534
<b>Net cash used (generated by) operation</b>	467,170	679,313	909,061	810,703
<b>Cash Flow from Investments</b>				
Receipt of profits and dividends of subsidiaries	149,707	43,215	-	-
Paid-in capital in subsidiary	-86,632	-75,256	-	-
Paid-in capital in joint ventures and other investments	-	-	-1,333	-168
Loans granted to subsidiaries	-59,874	-32,536	-	-
Acquisition of interest in jointly controlled	-12,999	-	-12,999	-
Intangible assets acquisition	-2,832	-3,337	-13,830	-6,656
Permanent assets acquisition	-104,030	-80,812	-430,491	-181,067
Business combination	-5,820	-	-101,282	-267,943
Disposal of investment property and assets sold	-24,044	-12,189	-24,421	-14,108
Net variation in discontinued operations	-	-	-	11,901
<b>Net available cash used in investments</b>	-146,524	-160,915	-584,356	-458,041
<b>Cash Flow From Financing</b>				
Dividend and Interest on Equity Paid	-202,622	-78,267	-262,139	-113,382
Loans taken	544,502	217,447	1,357,329	1,325,288
Payment of loans	-432,324	-317,003	-978,763	-784,061
Acquisition of Treasury Shares	-	-133,737	-	-133,737
Interest paid on loans	-100,607	-86,367	-157,735	-115,803
Loans granted by related parties	-	-	5,527	7,082
Payment of leasings	-7,703	-7,769	-58,529	-32,661
Net variation in discontinued operations	-	-	-	-17,053
<b>Net Cash used (resulting from) financing</b>	-198,754	-405,696	-94,310	135,673
<b>Statement of increase in cash</b>				
At beginning of period	996,576	883,874	1,660,364	1,172,029
At end of period	1,118,468	996,576	1,890,759	1,660,364
<b>Increase in cash</b>	121,892	112,702	230,395	488,335

## Summarized Financial Information – Without the Discontinued Operation – 12/31/2021

	RANDON S/A IMPL. E PARTIC. CONSOLIDATED	RANDON S/A IMPL. E PARTIC. PARENT CO.	RANDON INVESTIMENTOS
Assets	10,719,787	5,728,433	1,436,500
Current Assets	6,556,760	2,740,774	1,015,609
Cash and equivalents	1,890,759	1,118,468	35,953
Financial Investments	336,291	350,245	-
Derivative Financial Instrument	3,378	-	-
Receivables	1,602,329	240,418	979,106
Inventory	2,039,187	643,119	-
Deferred Charges/ Recoverable taxes	562,834	268,701	-
Others	121,982	119,823	550
Noncurrent Assets	4,163,027	2,987,659	420,891
Long-term Assets	1,368,526	725,573	419,341
Investments of non-immediate liquidity	67,067	-	21,132
Credit controlling company/controlled companies	-	178,314	-
Receivables	382,759	-	382,759
Consortiums for resale	16,646	-	-
Deferred Charges/recoverable taxes	769,843	531,047	7,143
Other non-current assets	29,462	-	123
Taxes under litigation	46,290	12,999	-
Goods for resale	-	-	8,185
Long Term Receivables	56,459	3,213	-
Investments/Property, Plant, Property/Intangible/Deferred	2,552,778	2,245,302	577
Right to use asset	241,722	16,784	973
Liabilities	10,719,787	5,728,433	1,436,500
Current Liabilities	3,949,845	1,660,393	908,794
Suppliers	947,660	388,788	6,649
Financing institutions	1,190,389	727,981	290,953
Accounts payable by business combination Short Term	8,359	3,087	-
Salaries and benefits	153,993	49,184	996
Taxes and Fees	203,148	30,513	10,589
Advances for customers and others	1,418,960	455,603	599,506
Leases Short Term	27,336	5,237	101
Noncurrent Liabilities	3,495,202	1,547,821	317,513
Financing institutions	2,852,953	1,483,983	315,028
Accounts payable by business combination Long Term	178,575	8,910	-
Government Subsidy	3,432	-	-
Debits with controlled companies	12,609	-	1
Diverse taxes and contributions	10,865	-	56
Provision for contingencies	73,034	16,814	-
Other non-current liabilities	44,029	6,087	956
Coop-payment plans obligations	79,360	-	-
Advances for customers and others	37,270	19,751	527
Leases	203,075	12,276	946
Total Net Equity	3,274,740	2,520,219	210,193
Net Equity	2,520,219	2,520,219	210,193
Minority interest	754,521	-	-

## Summarized Financial Information – Without the Discontinued Operation – 12/31/2021

	RANDON S/A IMPL. E PARTIC. CONSOLIDATED	RANDON S/A IMPL. E PARTIC. PARENT CO.	RANDON INVESTIMENTOS
INCOME STATEMENT			
Net revenue	9,057,457	3,710,453	103,172
Cost of goods and services	-6,789,104	-3,075,723	-55,509
Gross income	2,268,352	634,730	47,663
Sales expenses	-616,968	-131,024	-
Administrative expenses	-446,852	-125,822	-22,002
Financial income	-106,182	-64,100	-89
Equity equivalence	-487	396,257	-
Other expenses/income	-103,531	-37,913	-4,594
Income before taxes	994,333	672,128	20,978
Provision for taxes and social contributions	-110,151	25,748	-9,726
Interest of non-controlling shareholders	-186,836	-	-
Discontinued operations	529	-	-
Net income for the period	697,876	697,876	11,253
E BIT	1,101,002	339,971	21,068
E BITDA	1,326,952	384,769	21,301
E BITDA MARGIN (%)	14.7%	10.4%	20.6%