



ANNUAL REPORT 2020

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WORD FROM THE CEO



Daniel Randon
CEO

The year 2020 was a year we will never forget. We had to respond to new challenges every day. We had to adapt our personal and professional lives, and transform ourselves quickly and with assertiveness. We lived three years in one. That's because we went through very different contexts, with a promising start to the year and then the arrival of the pandemic, which changed everything. In the second half, a sign of resumption, with recovery in some sectors. Soon after, inflation and shortage of raw materials. That is, scenarios we normally see in years, but not within the same one.

At Randon Companies, since the first movements of the pandemic, we have taken several measures to protect the health of our employees, their families and the entire community, and to ensure the continuity of our operations. We were also careful to look even more closely at our customers, in order to support them in the adversities of the year, and at our truck drivers partners, to whom we are very grateful for staying firm, helping Brazil not to stop, even in such a sensitive moment for everyone.

Our people were instrumental in ending this year more united, as a team, and even more prepared as an organization. We seek, more than ever, to reinforce the care and appreciation of the 12 thousand protagonists who currently make up the Company. Undoubtedly, they are those who move Randon Companies forward.

In business terms, 2020 became part of the Company's history, based on our expansion plans and investments in innovation, on which we continued to focus. We had the closing of Nakata acquisition and other important movements, the achievement of record results and, also the creation of fronts such as Randon Ventures - our investment unit in startups - and Conexo, a business place that is physical and digital, in addition to the RTS Industry, which was developed to act in the support and development of industrial automation. In other words, a year of relevant movements for the Company's strategy, as well as for what we have always sought: our leading position in the market.

Additionally, 2020 brought us opportunities to speed up projects for our cultural and digital transformation and to deepen actions and indicators involving ESG (Environment, Social and Governance). In this line, we revisited environmental initiatives, seeking new technologies with a focus on reducing environmental impacts; we reinforced even more social initiatives, many conducted through the Elisabetha Randon Institute, and we continued to constantly improve our corporate governance.

Amidst the scenarios of this complex year, the challenges, the new possibilities, and the lessons we learned have made us even more resilient and confident. We see good prospects for 2021, with the recovery of economic sectors and with the beginning of vaccination in the world. With the caution and responsibility that have always guided us, we are prepared to continue with the Company's growth, aiming at the sustainable future of our businesses, always aligned with our purpose of "connecting people and riches, generating prosperity".

Covid-19

The first information about the new coronavirus arrived in Brazil at the end of 2019. However, the first confirmed case in Brazilian territory was at the end of February. With the significant increase in the number of infected people in the following weeks, a journey to combat and prevent the Covid-19 began, and so throughout the year.

The WHO (World Health Organization) declared a pandemic only on March 11, 2020, but, for Randon Companies, the first impacts were felt in February, at its industrial unit located in China, the first country affected by the new coronavirus. In that unit, protection and security measures were taken, following the guidelines of the local government. In Brazil, the Company's top management acted quickly in planning and carrying out a number of preventive actions, after all, little was known about this new disease.

The Company's priority, from the beginning, was the health and safety of people. As the main measures indicated for the prevention of Covid-19 were social isolation and the intensification of hygiene, Randon Companies gave mandatory vacations to their employees and established the home office work, which allows as many employees as possible to work from home and already existed in a pilot project, but which was quickly expanded to ensure that the Company's administrative areas would function properly. During the same period, the Company's facilities underwent adjustments, and health and safety protocols were established, preparing them for the resumption of operations, which occurred, in part, in the second half of April. Some of the measures taken are listed in the table below:

- Home isolation for employees returning from travel;
- Trips cancellation;
- Substitution of face-to-face meetings and events for the online format;
- Cancellation or postponement of events;
- Restricted access to the Company's facilities;
- Removal of workers from the risk group from the workplace;
- Installation of visual aids to indicate the recommended distance in shared spaces;
- Distribution of prevention kits, with hand sanitizer and masks;
- Anticipated H1N1 vaccination;
- Reinforcement the cleanliness of spaces/ facilities, in particular, bathrooms, restaurants and vehicles transporting employees;
- Creation of screening posts, with medical and nursing staff;
- Conducting testing, when indicated by the medical team;
- Home medical assistance;
- Temperature measurement at Company accesses;
- Continuous and robust communication to raise awareness on the importance of prevention, with the indication of daily self-assessment;
- Availability of a 0800 toll-free number with health teams and medical and psychological call centers for employees and their dependents.

In addition to preventive actions for internal teams, Randon went further. It also sought to assist the Community by donating equipment, supplies and individual protection material. It also saw the need to be present with its main customer: the truck driver.

Road cargo transportation has gained even more prominence during the pandemic, as it was the transport modal that ensured the supply of markets, hospitals and pharmacies. To help preserve the health of truck drivers, Randon donated masks and more than 50,000 bottles of hand sanitizer, an initiative that included 14 Brazilian States, with the support of several partners. In addition to this, the following actions were carried out with the community:

- Donation, in partnership with other companies, of R\$ 3 million to the campaign "Caxias against Covid-19";
- Donation of one thousand rapid tests for the health network of Caxias do Sul;
- Donation of face shields for the public health network of Serra Gaucha;
- Donation of food to the families most affected by Covid-19, in partnership with other institutions;
- Manufacturing of components for ventilators, by the subsidiary Ferrari;
- Production of parts for face shields by the subsidiary Controil;
- Support for fund-raising projects aimed at purchasing materials and equipment for hospitals;
- Donation of sensors for the manufacturing of ventilators.

Finally, there were also initiatives to face the pandemic and its impact on business, of great importance to guarantee the sustainability of the Company and its good results, which can be seen in this report.

Throughout the year, in addition to the health issues already mentioned, priority was given to financial issues with a primary focus on:

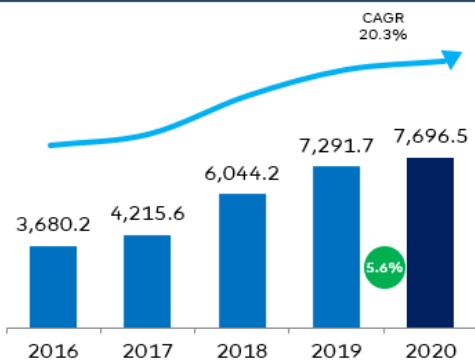
- Annual budget review with the analysis of different scenarios;
- Prioritization of investments;
- Rigorous process for approving new expenses;
- Capture of resources and
- Guarantee of cash liquidity.

Over the months and with the recovery of its operating markets, the Company gradually resumed part of the initiatives planned for the year, such as new projects, acquisitions, and incorporation of companies.

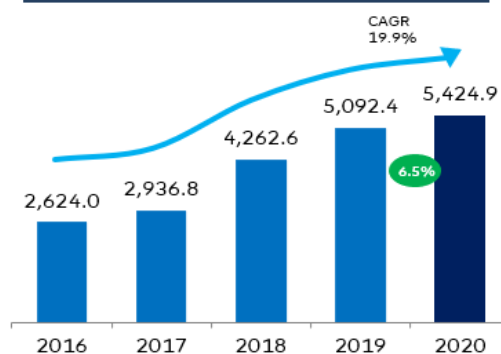
With agility and determination, obstacles are being overcome. Randon remains vigilant, encouraging health and prevention measures, but aware of the positive impact that its growth brings to the communities in which it operates and the importance of continuing to invest, innovating and delivering good results.

MAIN INDICATORS

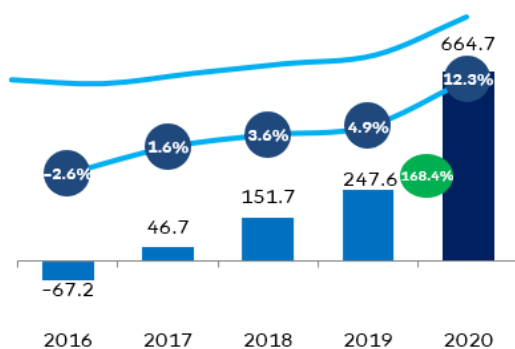
Total Gross Revenue (without elimination) R\$ Million



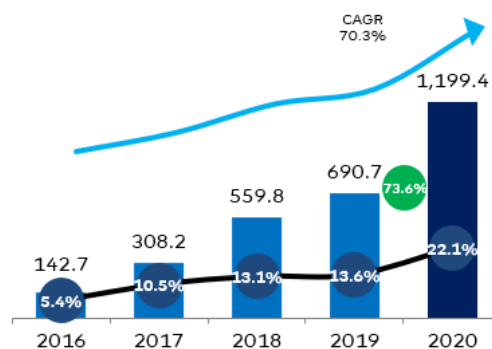
Consolidated Net Revenue R\$ Million



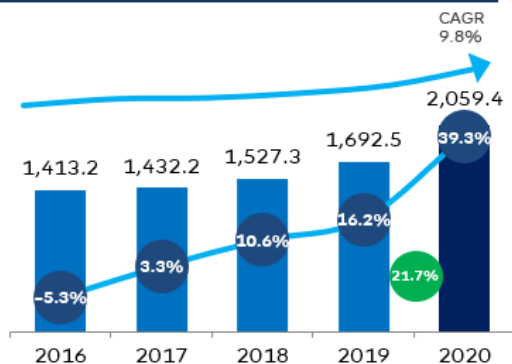
Net Results| Net Margin R\$ Million| %



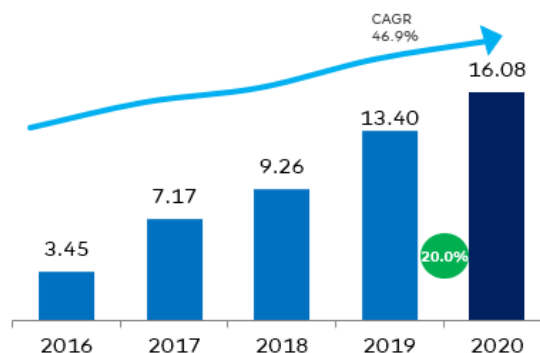
EBITDA| EBITDA Margin R\$ Million| %



Net Equity| ROE R\$ Million | %



RAPT4 Quote In 12/31 R\$ per share



| Capital Market | 2019 | 2020 | Δ% |
|---|--------|--------|-----------|
| Dividends + Interest on Equity (R\$ per share) ¹ | 0.1879 | 0.2693 | 43.3% |
| Dividend Yield (%) ² | 1.49% | 1.85% | 0.37 p.p. |
| Return on Net Equity (%) ³ | 16.2% | 39.3% | 23.1 p.p. |
| Market Value on Dec 31 (R\$ billion) | 4.4 | 4.8 | 9.5% |

People


11,251
2019

7.7%

12,117
2020

¹ Fiscal Year Deliberations and payment.

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

³ Ratio between the net income and the net equity of the controlling company in the prior year.

Values in current Reais

CAGR: Compound Annual Growth Rate

ROE: Return on Equity

PROFILE

Randon S.A. - Implementos e Participações, headquartered in Caxias do Sul, RS, is a holding company, controlling companies that operate in the segments of trailers and railcars, auto parts and services. Randon is among the largest private Brazilian companies, with leadership in most of its operating segments, and is part of B3's Level 1 of Corporate Governance. Its shareholding control is exercised by DRAMD Administração e Participações Ltda., which, together with the individual interest of each partner, holds 37.7% of its total capital.

The conglomerate started in 1949 with a small mechanical workshop aimed at reforming industrial motors in Caxias do Sul, RS. The complex is formed by the following operating companies, the parent company being Randon SA Implementos e Participações and direct subsidiaries: Randon Implementos para Transporte Ltda., Randon Argentina SA, Randon Perú S.A.C, Randon Triel-HT Implementos Rodoviários Ltda., Randon Messias Implementos para o Transporte Eireli, Fras-le S.A, Master Sistemas Automotivos Ltda., JOST Brasil Sistemas Automotivos Ltda., Castertech Tecnologia e Fundação Ltda., Randon Administradora de Consórcios Ltda., Randon Investimentos Ltda. (holding of Banco Randon S.A.), RVC Venture Capital Ltda., Conexo Servs. Dig. e Coworking Ltda. and Randon Tech Solutions Industry Ltda.

In addition to the companies mentioned above, Randon Companies also have several branches and indirect controlled companies. The Units based in Brazil are: Randon Chapecó, Randon Araraquara, Randon Linhares, Suspensys Sistemas Automotivos, Fundituba Indústria Metalúrgica, Ferrari Indústria Metalúrgica, Freios Controil, Jurid do Brasil, Centro Tecnológico Randon, Fremax and Nakata Automotiva.

The companies based abroad are: Suspensys Automotive Systems (Mexico), ASK Fras-le (India), Euro Brakes (Netherlands), Fras-le North America (USA), Fras-le Europe (Germany), Fras-le Mexico, Fras-le Friction Materials (China), Fras-le Argentina, Fras-le Andina (Chile), Fanacif (Uruguay), Fras-le Panamericana (Colombia) and Armetal (Argentina).

The Company holds an international sales and service network, serving more than 120 countries, in particular Chile, Mexico, Canada, the United States, South Africa, and countries located in Asia, the European Union and Mercosur.

Randon Companies are divided into three business divisions: Trailers, Auto Parts and Services.

Randon also has a Corporate Center that includes the areas of IT, Purchasing, CSC (Center for Shared Solutions) and Holding. These areas support the business units, so that they may focus on their core activity.

With the purpose of "Connecting people and riches, generating prosperity", Randon continues to create opportunities and move forward, through its cultural and digital transformation.

At the heart of its strategy are its principles:



Trailers Division

The segment of trailers and railcars is represented by the following companies: Randon S.A. Implementos e Participações, Randon Implementos para Transporte Ltda. Randon Argentina S.A., Randon Perú S.A.C., Randon Triel-HT Implementos Rodoviários Ltda., Randon Messias Implementos para o Transporte Eireli, and Randon branches: Randon Chapecó, Randon Araraquara and Randon Linhares (warehouse). As part of this division was the Randon Veículos Ltda., which was discontinued in December 2020.

Randon Implementos is the largest trailer manufacturer in Latin America and one of the largest in the world. It manufactures bodies, trailers and semi-trailers in the bulk, tank, dry cargo, tipper, silo, reefer, sugar cane, forestry, sider, low-boy, and van models, and, since 2004, railcars of the types hopper, gondola, tank, general cargo, platform, sider, telescopic, among others.

Auto Parts Division

The Auto Parts segment comprises the following companies: Fras-le SA, Master Sistemas Automotivos Ltda., JOST Brasil Sistemas Automotivos Ltda., Castertech Fundação e Tecnologia Ltda and its subsidiary Suspensys, in addition to the indirect subsidiaries: Suspensys Automotive Systems, Fundituba, Ferrari, Fras-le Argentina, ASK Fras-le, Nakata Automotiva, Fras-le North America, Fras-le Europe, Fras-le Mexico, Fras-le Friction Materials, Euro Brakes, Fras-le Andina, Controil Brakes, Fras-le Panamericana, Jurid do Brasil, Fanacif, Armetal and Farloc.

Fras-le S.A. produces brake linings and pads that make up the braking system produced by Master Sistemas Automotivos Ltda. This, in turn, is part of the axle and suspension set produced by Suspensys.

Castertech Fundação e Tecnologia is dedicated to the production of the wheel end that makes up this suspension system. And JOST Brasil Sistemas Automotivos produces the articulation and coupling set

that joins the tractor vehicle to the trailer.

The subsidiary Fras-le, in addition to producing brake linings and pads, has a wide portfolio of products, manufactured by its subsidiaries. Products for the light line: friction materials, bottled liquids, actuators, wheel hubs, suspensions, brake discs and drums, and a number of different shock absorber, steering, transmission and engine components.

Services Division

The services are represented by the companies: Randon Consórcios, Banco Randon, Randon Ventures, Conexo and Randon Tech Solutions Industry.

Randon Consórcios sells and manages groups of Coop-payment plans in order to offer a credit alternative to business partners, and a safe and economical way of acquiring goods. In addition to operating in the road equipment segment, agricultural machinery and equipment, minibuses and trucks segments, it also operates in the real estate and vehicle segments with its own brand Racon.

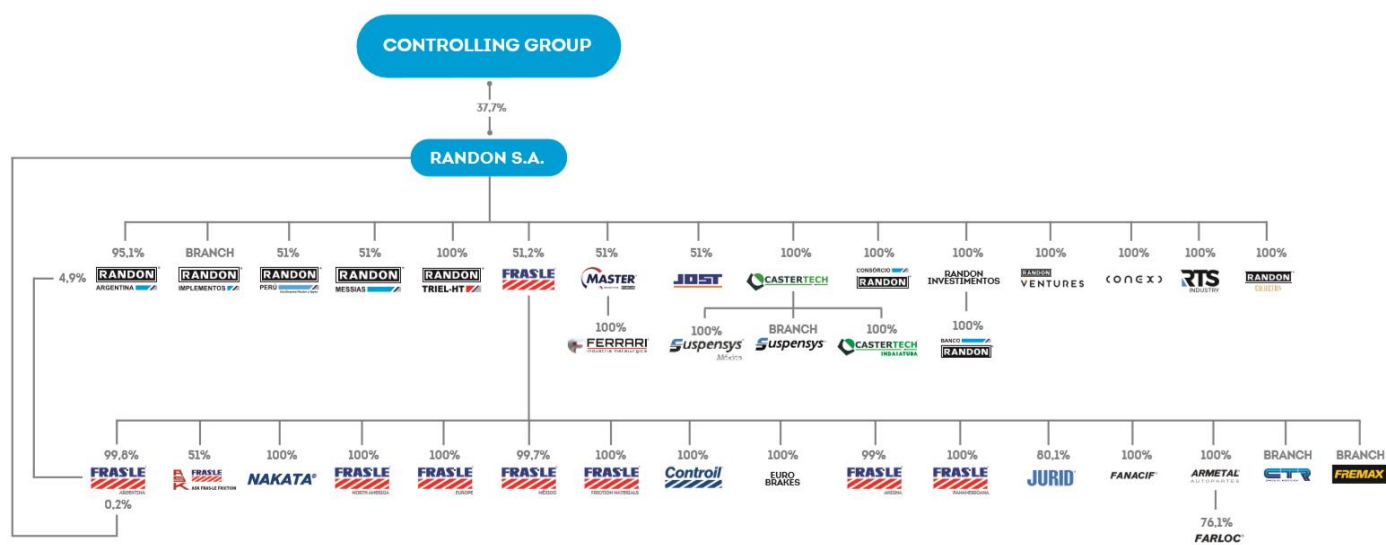
Banco Randon (Randon Bank) is a financial institution that operates in the development of financial products and services in line with the businesses of Randon Companies. Its operating network seeks to meet the financial needs of the group's customers and suppliers.

Randon Ventures is a company that invests in startups, with finished products and dedicated teams to solve real problems linked to the business of Randon Companies.

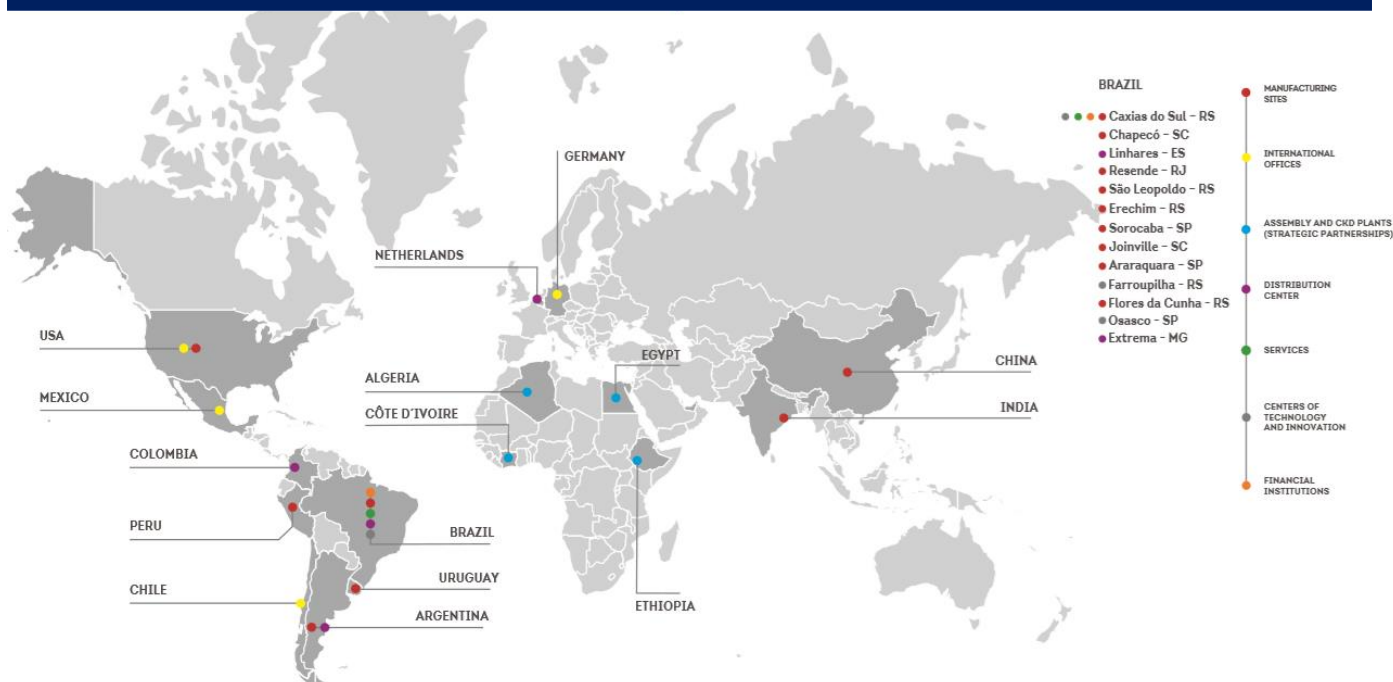
Conexo is an open innovation initiative, which acts as a business hub, a physical and digital space which connects companies, entrepreneurs and startups through co-creation and collaboration.

Randon Tech Solutions Industry (RTS) operates in the support and development of industrial automation, with a focus on providing solutions, special machines and smart manufacturing.

Corporate Structure



Randon Companies Global Presence



CONSOLIDATED PERFORMANCE

Although 2020 was a challenging and unique year, during which unprecedented situations were experienced, Randon's consolidated performance was surprising for a time of pandemic.

In the first quarter, the results achieved were slightly lower than planned by the Company, and revenues were stable when compared to 2019. It was during this period that the first impacts of Covid-19 were felt, such as the unscheduled halt in production at the end of March and reduction in exports. The truck and trailer market which was heated in January and February dropped sharply at the end of the quarter.

In order to preserve the results and seek the best way to face the effects of the pandemic, the Company made important decisions, such as the review of the annual budget with periodic update of scenarios, rigorous process for expenses approval, fundraising and prioritization of investments.

It was in this context that the second quarter began, the period most affected by the pandemic in 2020. In a scenario of many uncertainties, there was a drastic reduction in economic and industrial activity, especially in April. Randon, as well as truck manufacturers and some of the biggest customers in the auto parts segment advanced their employees' vacation period. When activities resumed, following this shutdown, the Company adjusted its production capacity to comply with the number of employees allowed on the facilities, in accordance with government guidelines.

However, starting in May, a recovery movement began. Heavy vehicle traffic on Brazilian roads intensified, mainly due to the demand for agribusiness, but also due to the increased use of e-commerce, reflecting the change in consumption habits resulting from the pandemic.

These factors, combined with a favorable exchange rate for exports and the recovery of the aftermarket segment, were instrumental in minimizing the impacts of the pandemic on the Company's results and cash.

After a very challenging second quarter, the result for the third quarter topped our initial expectations. The positive combination of factors, such as the recovery of the Company's operating markets, the continuity of actions to control costs and expenses, (which started even in the months most impacted by the new coronavirus), and investments in technology to increase efficiency gains and productivity, combined with the business diversification over the past few years, contributed to the Company's records in revenues, EBITDA and net profit in the period.

Additionally, in 3Q20, the company took another important step in its expansion movement, with the completion of the acquisition process of Nakata Automotiva by the subsidiary Fras-le, thus expanding the Company's portfolio and exposure to the aftermarket. The figures of this acquired company started to compose the results of Randon as of September 2020.

4Q20 continued to show the good performance delivered in the previous quarter. In addition to the strong recovery of the domestic market, sales to the foreign market also resumed well during the period, driven mainly by the expectation of a positive 2021, with the beginning of vaccination on a global scale. In addition to the gains from the operation, the Company and some of its subsidiaries were successful in lawsuits related to the exclusion of ICMS taxes from the PIS and Cofins calculation basis, which positively impacted the figures for the quarter.

And so Randon ends its 2020: overcoming challenges, celebrating good results, but above all, proud to have exercised its social responsibility and to have taken important steps in building a more prosperous and sustainable future.

Main indicators:



2020 Total Gross Revenue
(without elimination)

R\$ 7.7 B



2020 Consolidated Net
Revenue

R\$ 5.4 B



2020 Consolidated EBITDA
and EBITDA margin

R\$ 1.2 B | 22.1%



2020 Consolidated Adjusted
EBITDA and Adjusted EBITDA
Margin

R\$ 774.2 M | 14.2%



2020 Consolidated Net
Income and Net Margin

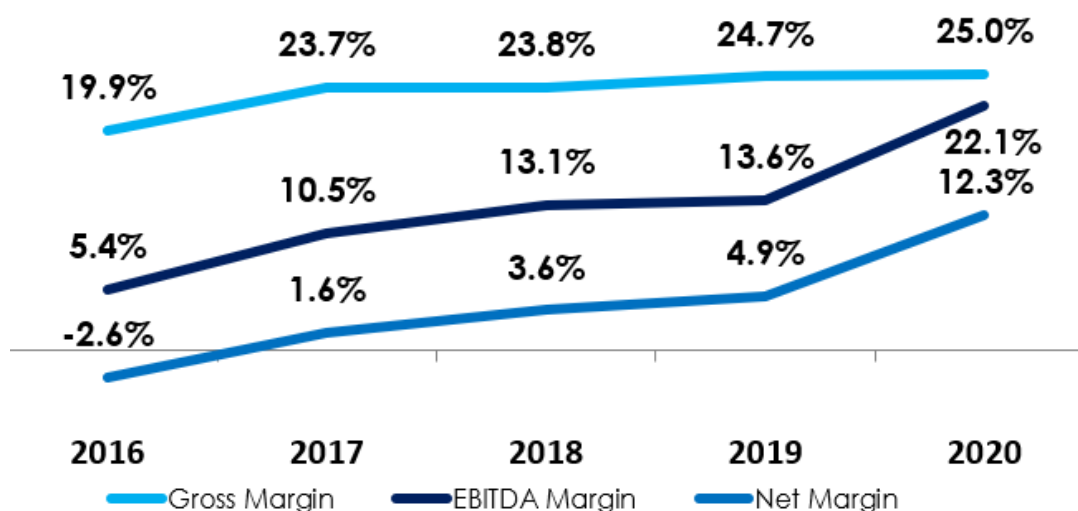
R\$ 664.7 M | 12.3%

Consolidated Overall Performance

| | 2020 | 2019 | Δ% |
|--|-----------|-----------|---------|
| Total Gross Revenue (without eliminations) | 7,696,484 | 7,291,686 | 5.6% |
| Consolidated Net Revenue | 5,424,864 | 5,092,365 | 6.5% |
| Consolidated Gross Profit | 1,355,628 | 1,258,863 | 7.7% |
| Net Income | 664,674 | 247,617 | 168.4% |
| Operating Shareholders' Equity (EBIT) - Consolidated | 1,011,340 | 530,958 | 90.5% |
| Consolidated EBITDA | 1,199,375 | 690,717 | 73.6% |
| Consolidated Net Financial Debt | 1,515,642 | 867,857 | 74.6% |
| Consolidated Net Financial Debt (without Randon Bank) | 859,113 | 535,499 | 60.4% |
| Consolidated Net Financial Income | 217,148 | -101,315 | -314.3% |
| Financial Income | 674,696 | 315,395 | 113.9% |
| Financial Expenses | -494,123 | -442,944 | 11.6% |
| Monetary Adjustment (IAS 29) | 36,575 | 26,234 | 39.4% |
| Consolidated Administrative and Commercial Expenses | -786,667 | -702,273 | 12.0% |
| Consolidated Income per Share | 2.02 | 0.72 | 179.0% |

Values in R\$ Thousands (except Consolidated Income per Share)

Margins History

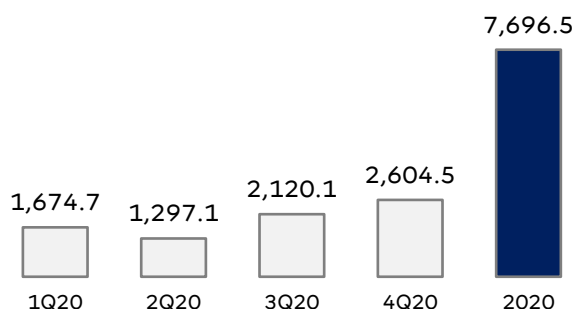


Revenues

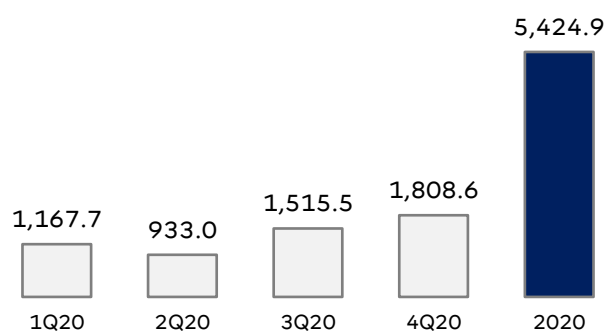
Total gross revenue, with taxes and before consolidation, totaled R\$ 7.7 billion in 2020, 5.6% higher than the gross revenue achieved in 2019 (R\$ 7.3 billion).

In fiscal year 2020, consolidated net revenue reached R\$ 5.4 billion, an increase of 6.5% compared to 2019 (R\$ 5.1 billion).

Total Gross Revenue R\$ Million



Consolidated Net Revenue R\$ Million



The 2Q20 was the most impacted by Covid-19, due to shutdowns and lockdown. The graphs show a gradual resumption from 3Q20, reflecting the increase in the production of trucks and semi-trailers and the positive demand for the aftermarket.

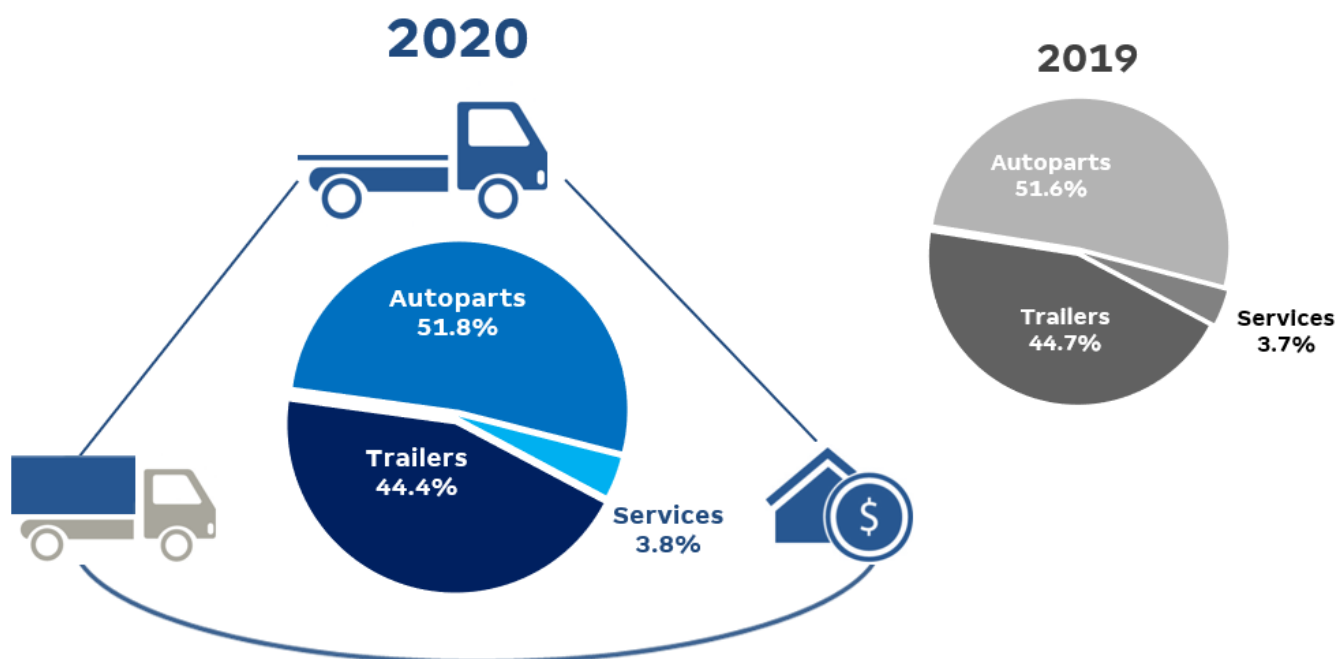
Consolidated Net Revenue Breakdown by Company

| | 2020 | | | | 2019 | |
|---|-------------|---------------------|--------------------------|----------------|--------------------------|----------------|
| | NET REVENUE | INTER-COMPANY SALES | CONSOLIDATED NET REVENUE | % OVER REVENUE | CONSOLIDATED NET REVENUE | % OVER REVENUE |
| Randon S.A. Impl. e Participações (Parent Company) | 2,271,352 | 122,759 | 2,148,593 | 39.6% | 2,110,453 | 41.4% |
| Randon Impl. p/o Transporte Ltda. | 14,760 | - | 14,760 | 0.3% | 56,321 | 1.1% |
| Randon Veículos Ltda. | 72,914 | 2,325 | 70,590 | 1.3% | 31,292 | 0.6% |
| Randon Triel-HT Implementos Rodoviários Ltda. | 82,866 | 3,189 | 79,677 | 1.5% | 20,244 | 0.0% |
| Randon Perú S.A.C. | 18,628 | - | 18,628 | 0.3% | 12,084 | 0.2% |
| Randon Argentina S.A. | 84,724 | 7,770.16 | 76,954 | 1.4% | 44,897 | 0.9% |
| Trailers | 2,545,245 | 136,043 | 2,409,202 | 44.4% | 2,275,291 | 44.7% |
| Master Sist. Automotivos Ltda. | 522,151 | 183,543 | 338,608 | 6.2% | 414,678 | 8.1% |
| Jost Brasil Sistemas Automotivos Ltda. | 269,303 | 104,288 | 165,015 | 3.0% | 188,887 | 3.7% |
| Fras-Le S.A. (Consolidated) | 1,670,789 | 32,186 | 1,638,603 | 30.2% | 1,323,229 | 26.0% |
| Castertech Fundação e Tecnologia Ltda. (Suspensys)¹ | 574,111 | 114,597 | 459,514 | 8.5% | 505,326 | 9.9% |
| Castertech Fundação e Tecnologia Ltda | 356,798 | 148,866 | 207,932 | 3.8% | 194,631 | 3.8% |
| Auto parts | 3,393,152 | 583,480 | 2,809,672 | 51.8% | 2,626,752 | 51.6% |
| Randon Administradora de Consórcios Ltda. | 161,158 | 203 | 160,955 | 3.0% | 156,582 | 3.1% |
| Randon Investimentos Ltda. | 64,835 | 19,824 | 45,011 | 0.8% | 33,684 | 0.7% |
| Randon Collection | 35 | 11 | 24 | 0.0% | 56 | 0.0% |
| Services | 226,028 | 20,038 | 205,990 | 3.8% | 190,321 | 3.7% |
| TOTAL | 6,164,425 | 739,561 | 5,424,864 | 100.0% | 5,092,365 | 100.0% |

R\$ Thousands

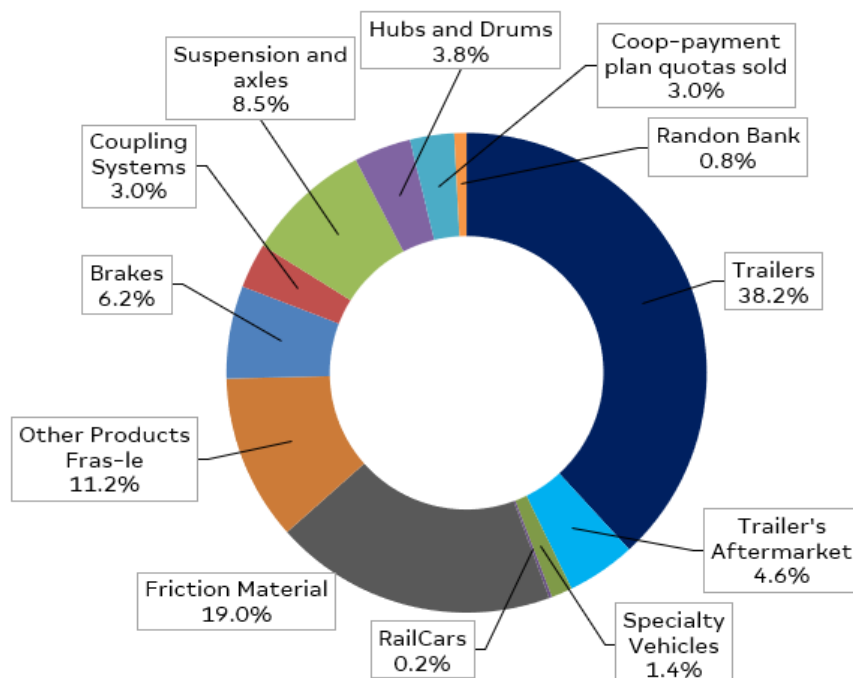
¹ As of October 2020, Suspensys, which was a subsidiary of Randon, was merged into the subsidiary Castertech.

Net Revenue Breakdown by Segment and Product



The auto parts division remained the most representative for the Company in 2020, with 51.8% of consolidated revenues. With the acquisition of the company Nakata, this division gains even more relevance in the composition of revenue.

Net Revenue Breakdown By Product



In 2020, the products that have most accounted for the Company's net revenue were semi-trailers (38.2%), driven by the good moment of the agribusiness, followed by friction materials (19.0%) and other products Fras-le (11.2%), which gained relevance after the acquisition of Nakata Automotiva, in September 2020.

Auto parts connected to the production of trucks, whose main customer are the OEMs, had a reduction in their share of revenues in 2020, mainly due to production stops in 2Q20 and a slower recovery than other sectors throughout the year.

Railcars had a significant reduction in their share of the Company's revenues, as this market remained showing low volumes throughout 2020.

Despite the performance of some segments being below expectations, the Company invested in the expansion of its product portfolio, and geographies, and in new business fronts.

In addition to Nakata Automotiva, previously mentioned, the acquisitions of Ferrari companies by Master, and Fundituba by Castertech, added important growth drivers for these two operations, improving

their competitiveness and increasing their productive capacity.

Suspensys joined the select group of companies that make up the modular consortium of a relevant OEM customer, an important step in continuing its growth process. Jost has developed new solutions and is expanding its product portfolio in the coupling segment.

In the services sector, in addition to Banco Randon (Randon Bank) and Randon Consórcios, the companies Randon Ventures, Conexo and Randon Tech Solutions Industry were formed and are in their first year of operation but have the perspective of increasing the Company's revenues in this division in medium and long term.

This chart also shows the diversification of Randon's business model, which operates within several sectors, with different drivers and possibilities.

Foreign Market

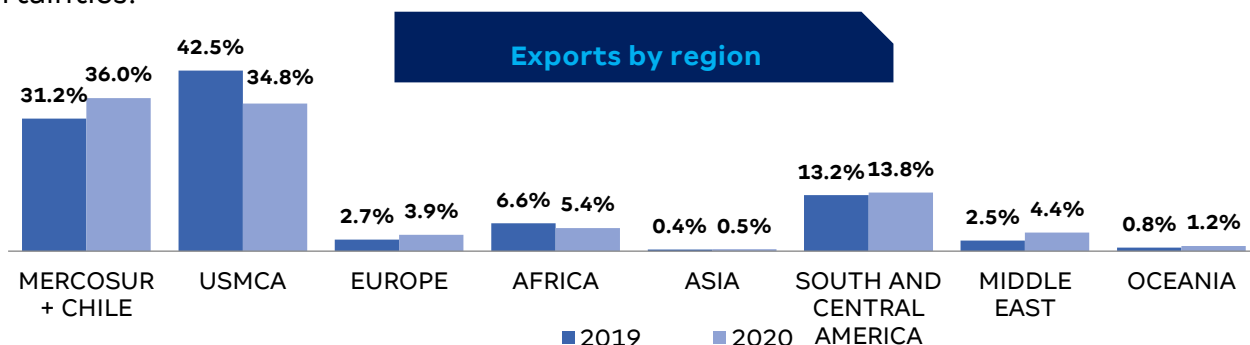
Exports from Brazilian plants, in fiscal year 2020, totaled US\$ 127.3 million, down 28.7% from the same period in 2019 (US\$ 178.6 million). When consolidated, 2020 exports totaled US\$ 79.6 million (US\$ 130.3 million in 2019).

Randon Companies' exports accounted for 12.2% of the consolidated net revenue for the twelve months of 2020, against 13.3% in the previous year.

The foreign market was greatly impacted by the pandemic in 2020. Strict measures of social isolation, border closures, political and economic instability in some regions made exports difficult. The positive factor was the appreciation of the dollar against the real, but that, alone, was not able to rise sales in an environment of so many uncertainties.

The second quarter of 2020 was the most affected in this context. However, after a period of strong drop in demand, only consuming inventories, customers in the foreign market started to buy again in 3Q20, both in the auto parts division and also in the trailers division.

The graph of Exports by Region, shows the increase in sales to the Mercosur and Chile region (36.0%), followed by USMCA (34.8%). This region decreased when compared to the same period last year, due to the reduction of volumes exported to Mexico (a market that was very affected by Covid-19) and decrease in sales of brake systems to the United States.

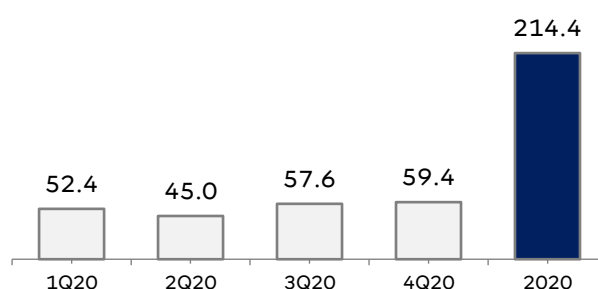


In 2020, our Business Units abroad achieved a consolidated net revenue of US\$ 134.8 million, down 14.6% when compared to 2019 (US\$ 157.8 million).

Without the eliminations, the trailers division (Randon Peru and Randon Argentina) totaled US\$ 23.1 million in 2020, while the auto parts division (Fras-le subsidiaries and Suspensys México) totaled US\$ 127.7 million in the same period.

Together, exports out of Brazil and revenues from our operations abroad reached US\$ 214.4 million in 2020, down 25.6% as compared to 2019, when they reached US\$ 288.1 million.

Revenues From Abroad US\$ Million



| Exports | 2020 | 2019 | Δ% |
|-------------------------------------|----------------|----------------|---------------|
| Randon Implementos | 38,634 | 53,770 | -28.1% |
| Randon Triel-HT | 1,766 | - | 100.0% |
| Randon Veículos | 1,189 | 7,379 | -83.9% |
| Trailers | 41,590 | 61,149 | -32.0% |
| Master | 7,967 | 18,679 | -57.3% |
| Jost | 2,775 | 3,834 | -27.6% |
| Fras-le | 68,887 | 89,277 | -22.8% |
| Castertech (Suspensys) ¹ | 5,340 | 4,945 | 8.0% |
| Castertech | 716 | 732 | -2.1% |
| Auto Parts | 85,685 | 117,466 | -27.1% |
| Sub-Total | 127,274 | 178,615 | -28.7% |
| (-) Intercompany Sales | -47,692 | -48,342 | -1.3% |
| Total | 79,582 | 130,273 | -38.9% |
| Revenues from overseas | 2020 | 2019 | Δ% |
| Trailers | 23,143 | 23,867 | -3.0% |
| Auto Parts | 127,747 | 144,532 | -11.6% |
| (-) Intercompany Sales | -16,065 | -10,592 | 51.7% |
| Total | 134,825 | 157,807 | -14.6% |
| Foreign Market US\$ | 214,408 | 288,081 | -25.6% |

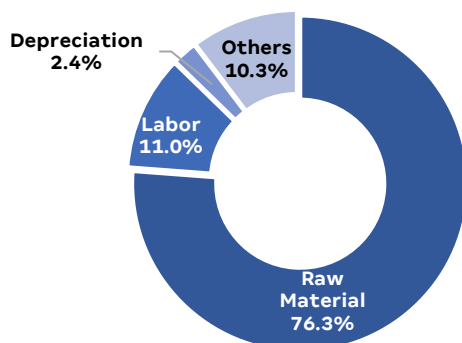
Values in US\$ Mil

¹ As of October 2020, Suspensys, which was a subsidiary of Randon, was merged into the subsidiary Castertech.

Costs of Goods Sold

The cost of goods sold accounted for 75.0% of consolidated net revenue (R\$ 4.1 billion) in 2020 against R\$ 3.8 billion in 2019, accounting for 75.3% of net revenue.

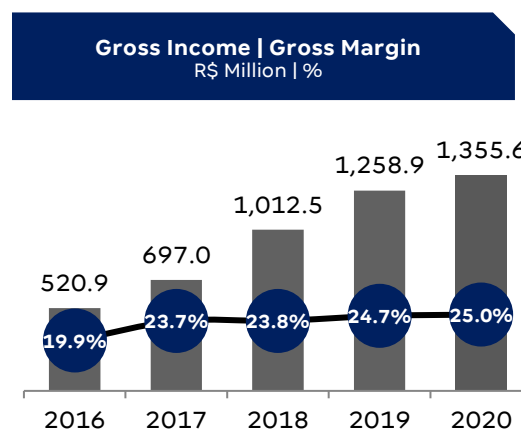
Some inputs had their prices adjusted, such as steel, wheels, resins, rubbers, and structural components. However, gains in efficiency and productivity and the increase in volumes sold have been instrumental in mitigating inflationary impacts and allowing advances in this indicator.



Gross Income

Gross Income totaled R\$ 1.4 billion in full-year 2020, accounting for 25.0% of consolidated net revenue, an increase of 7.7% in relation to the year 2019 (R\$ 1.3 billion) or 24.7% of consolidated net revenue.

The chart below shows the performance of gross income and gross margin over the past five years, with 2020 being the best of the period.



Operating Expenses

Operating expenses and revenues (commercial, administrative, and other operating revenues and expenses) totaled R\$ 344.3 million in 2020 (6.3% of Consolidated Net Revenue), down 52.7% as compared to 2019 (R\$ 727.9 million), which is 14.3% of Consolidated Net Revenue).

In 2020, several one-offs events impacted operating expenses, as follows:

Operating Expenses

- Loss on the sale of assets (R\$ 9.1 million);
- Impairment in indirect subsidiaries (R\$ 34.5 million);
- Sale of assets (R\$ 6.3 million);
- Voluntary employment leave (R\$ 1.2 million);
- Expenses from Discontinued Operations (R\$ 1.7 million);
- Provision for Discontinued Operations (R\$ 10.4 million);
- Provision for Loss of Receivables (R\$ 1.2 million);
- Expected Recovery of Pension Plan (R\$ 10.7 million).

Operating Revenues

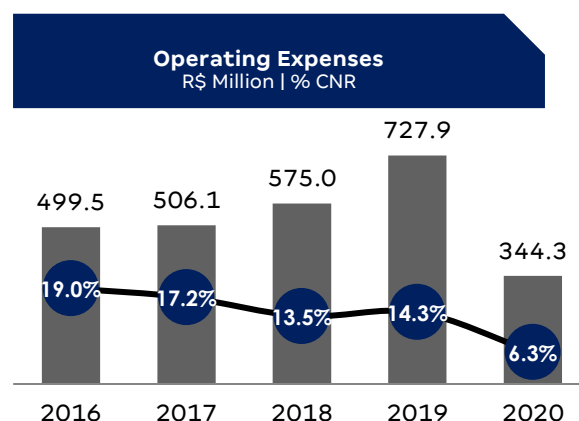
- Gain on the sale of assets (R\$ 9.4 million);
- Purchase with an advantage (R\$ 2.1 million);
- Incident reimbursement (R\$ 6.9 million);
- Gains from tax proceedings (R\$ 18.9 million).

In addition to the aforementioned items, we highlight the revenues and expenses with legal proceedings related to the exclusion of ICMS taxes from the PIS and COFINS calculation basis. Below is a breakdown of the net impact by division:

| Division | Values in R\$ Thousand ¹ |
|---------------------------|-------------------------------------|
| Trailers | 298,927 |
| Auto Parts | 203,195 |
| Consolidated Total | 502,122 |

¹ Income and Expenses that make up the net amount, with an impact on EBITDA: Other operating income, attorneys' fees, donations and provisions for profit sharing.

For more details on the success of tax proceedings, see item 20.5 of the Notes, in 2020 Financial Statements.



| | 2020 | % | 2019 | % | Δ% |
|-----------------------------------|----------|-------|----------|--------|----------|
| Selling Expenses | -413,465 | -7.6% | -423,289 | -8.3% | -2.3% |
| Administrative Expenses | -373,202 | -6.9% | -278,984 | -5.5% | 33.8% |
| Other Expenses/Income | 442,379 | 8.2% | -25,632 | -0.5% | -1825.9% |
| Other Operating Expenses | -262,207 | -4.8% | -85,185 | -1.7% | 207.8% |
| Other Operating Income | 704,586 | 13.0% | 59,554 | 1.2% | 1083.1% |
| Total Operating Exp/Income | -344,288 | -6.3% | -727,905 | -14.3% | -52.7% |

Values in R\$ Thousand and % over Net Revenue

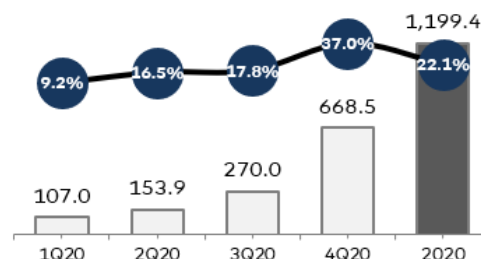
EBITDA

In 2020, Consolidated EBITDA reached R\$ 1.2 billion, or 22.1% of net revenue for the period, while in 2019 it totaled R\$ 690.7 million, or 13.6% of net revenue.

The increase in EBITDA is explained by the increase in volumes that allowed greater absorption of fixed costs, discipline in costs and expenses, gains in efficiency and productivity, and one-offs, already explained on the Operating Expenses chapter.

Below is the composition of Adjusted EBITDA for 2020:

EBITDA | EBITDA Margin
R\$ Million | %



| | 1Q20 | 2Q20 | 3Q20 | 4Q20 | 2020 |
|--|------------------|-----------------|-------------------|-------------------|-------------------|
| Consolidated Net Revenue | 1,167,733 | 932,991 | 1,515,500 | 1,808,639 | 5,424,864 |
| <i>Hedge Accounting</i> | 26,101 | - | - | - | 26,101 |
| <i>Discontinued Operation's Revenue</i> | - | - | - | -5,439 | -5,439 |
| Consolidated Adjusted Net Revenue | 1,193,834 | 932,991 | 1,515,500 | 1,803,201 | 5,445,526 |
| Consolidated COGS | -915,552 | -732,204 | -1,095,876 | -1,325,605 | -4,069,236 |
| <i>Voluntary Redundancy Plan</i> | - | 12,389 | - | - | 12,389 |
| <i>Restructuring Costs</i> | - | 1,826 | - | - | 1,826 |
| <i>Discontinued Operation's COGS</i> | - | - | - | 4,391 | 4,391 |
| Consolidated Adjusted COGS | -915,552 | -717,989 | -1,095,876 | -1,321,213 | -4,050,630 |
| Consolidated Adjusted Gross Income | 278,282 | 215,003 | 419,624 | 481,988 | 1,394,896 |
| Operating Expenses | -188,669 | -91,047 | -197,591 | 133,018 | -344,288 |
| <i>Loss on Asset Sales</i> | 9,080 | - | - | - | 9,080 |
| <i>Controlled Companies Impairment</i> | 5,686 | 2,744 | - | 26,032 | 34,463 |
| <i>Assets Demobilization</i> | 2,159 | 4,108 | - | - | 6,267 |
| <i>Voluntary Redundancy Plan</i> | - | 1,151 | - | - | 1,151 |
| <i>Net Impact of the Gains with Tax Processes</i> | - | -92,649 | -9,445 | -418,963 | -521,057 |
| <i>Discontinued Operation's Operating Expenses</i> | - | - | - | 1,699 | 1,699 |
| <i>Gain on Asset Sales</i> | - | - | - | -9,388 | -9,388 |
| <i>Discontinued Operation's Provision</i> | - | - | - | 10,444 | 10,444 |
| <i>Advantageous Purchase</i> | - | - | - | -2,144 | -2,144 |
| <i>Incident Reimbursement</i> | - | - | - | -6,942 | -6,942 |
| <i>Expected Recovery of Pension Plan</i> | - | - | - | 10,724 | 10,724 |
| <i>Provision for Loss of Receivables</i> | - | 1,238 | - | - | 1,238 |
| Adjusted Operational Results | 106,539 | 40,549 | 212,588 | 226,467 | 586,143 |
| (+) Depreciation/Amortization | 43,468 | 44,191 | 47,962 | 52,414 | 188,035 |
| Adjusted EBITDA | 150,006 | 84,740 | 260,551 | 278,881 | 774,178 |
| Adjusted EBITDA Margin (%)¹ | 12.6% | 9.1% | 17.2% | 15.5% | 14.2% |

¹ Based on the adjusted net revenue shown in this table.

Values in R\$ Thousand

Financial Result

Net financial result, in 2020, totaled R\$ 217.1 million positive (R\$ 101.3 million negative in 2019).

The composition of financial result for 2020 is as follows:

- Reduction of interest on income from financial investments (-27.6%) linked to CDI (Interbank Certificate of Deposit);
- Revenue from lawsuits totaling R\$ 292.9 million in 2020;
- Decrease in interest on financing indexed to the CDI (-29.2%);
- 39.7% decrease in other financial expenses, mainly due to the exemption from IOF (Taxes on financial operations).

The table below shows the opening of the net financial result for 2019 and 2020.

| | 2020 | 2019 | Δ% |
|--|-----------------|-----------------|----------------|
| Exchange variance | 285,443 | 178,908 | 59.5% |
| Interest on financial investments | 67,253 | 92,940 | -27.6% |
| Revenue from swap operations | 5,030 | 2,633 | 91.0% |
| Gains with other derivative operations | 2,119 | 704 | 201.0% |
| Adjustments to present value | 19,578 | 25,381 | -22.9% |
| Revenues from Law Suits | 292,936 | 3,420 | 8465.4% |
| Other financial revenues | 2,337 | 11,409 | -79.5% |
| Financial Revenues | 674,696 | 315,395 | 113.9% |
| Exchange variance | -316,756 | -207,273 | 52.8% |
| Interest on financing | -116,175 | -164,073 | -29.2% |
| Expenses on swap operations | -5,859 | -1,250 | 368.7% |
| Adjustments to present value | -19,265 | -21,193 | -9.1% |
| Leasing adjustments to present value | -12,479 | -8,434 | 48.0% |
| Bank Expenses | -153 | -1,842 | -91.7% |
| Other financial expenses | -23,436 | -38,879 | -39.7% |
| Financial Expenses | -494,123 | -442,944 | 11.6% |
| Monetary Adjustment (IAS 29) | 36,575 | 26,234 | 39.4% |
| Net Financial Income | 217,148 | -101,315 | -314.3% |

Values in R\$ Thousand

INCOME TAX AND SOCIAL CONTRIBUTION

Income Tax and Social Contribution reached R\$ 395.2 million in 2020 (R\$ 129.1 million in the same period of 2019), as compared to profit before Income Tax of R\$ 1.2 billion (R\$ 429.6 million in 2019).

The one-offs, already mentioned in this report, affected the result and, in turn, the taxes of 2020.

Taxes were also impacted by the deferred tax write-off, in the amount of R\$ 8.2 million, of Randon Veículos and ASK Frasele, due to the expectation of non-recoverability of tax loss in the next ten years. In addition, an adjustment of R\$ 5.3 million was made to the deferred tax of the subsidiary Randon Argentina.

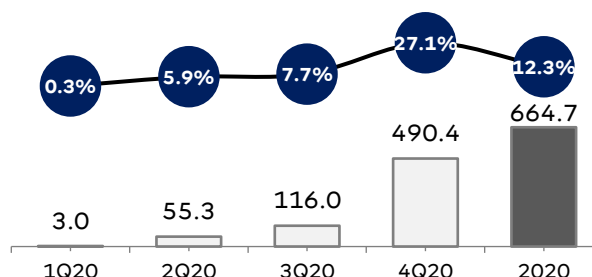
Net Income

In 2020, net profit was R\$ 664.7 million, against R\$ 247.6 million in 2019. Consolidated net margin was 12.3% in 2020 against 4.9% in 2019.

In addition to improving profitability through the operation, net income advanced significantly due to the success in tax proceedings already mentioned in this report.

Net Income | Net Margin

R\$ Million | %



Net Indebtedness

Consolidated net financial debt (gross debt less cash and cash equivalents) was R\$ 1.5 billion at the end of 2020, which is equivalent to a multiple of 1.26 times the EBITDA of the last 12 months.

At the end of 2019, this debt was R\$ 867.9 million and accounted for a multiple of 1.26 times the EBITDA of the last 12 months.

It should be noted that part of the Company's consolidated net debt (R\$ 656.5 million), refers to the financial activity of Banco Randon (Randon Bank). The increase in the bank's operations is due to the growth in operations and the addition of funding from third parties in the calculation of net debt, in the amount of R\$ 214 million.

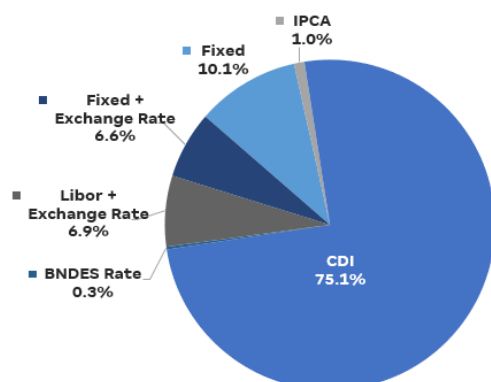
Excluding the amount related to this activity, consolidated net debt is R\$ 859.1 million and a multiple of 0.72 times the EBITDA of the last twelve months.

The increase in net debt in the last year was mainly due to the acquisition of Nakata Automotiva, through the subsidiary Fras-le, which added R\$ 511.8 million to the Company's net debt (purchase of the company and the debt it already had).

In 2Q20, the subsidiary Fras-le concluded the 3rd and 4th issuance of debentures, which together totaled R\$ 420.0 million, used to pay part of the value of Nakata's acquisition and also to reinforce cash and roll over debt.

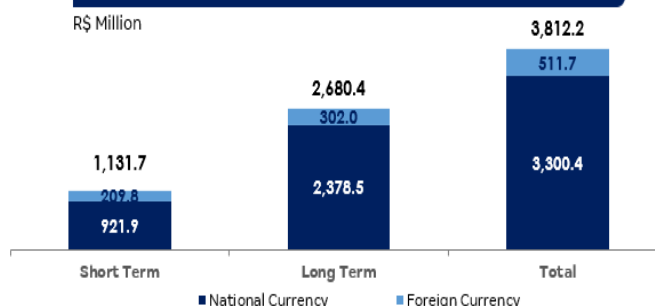
At Randon, the 8th issue of debentures was done in late December, which totaled R\$ 250 million, and will be fully used to reinforce cash and make future investments by the Company. However, the proceeds of this issue were only received in January 2021.

Gross Debt Indexes



Origin of Debt - Short and Long Term

DECEMBER/2020



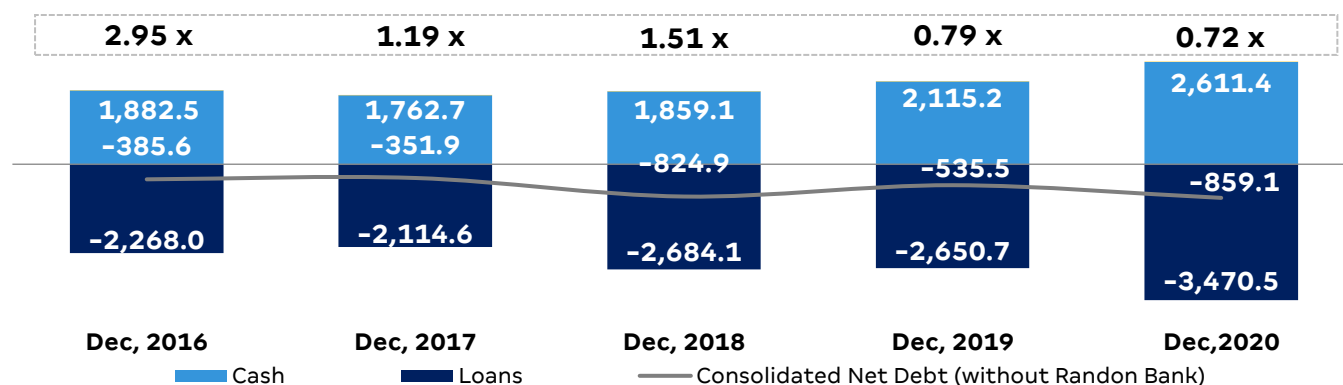
Please see below the history of the Company's debt composition over the past quarters:

| | 12/31/2019 | 03/31/2020 | 06/30/2020 | 09/30/2020 | 12/31/2020 |
|---|------------------|------------------|------------------|------------------|------------------|
| Total Gross Debt | 2,866,659 | 2,846,133 | 3,338,109 | 3,953,385 | 4,043,635 |
| <i>Total Bank Indebtedness</i> | <i>2,866,659</i> | <i>2,846,133</i> | <i>3,338,109</i> | <i>3,716,442</i> | <i>3,812,151</i> |
| <i>Accounts Payable by Business Combination¹</i> | <i>-</i> | <i>-</i> | <i>-</i> | <i>236,943</i> | <i>231,484</i> |
| Total Consolidated Net Debt | 867,857 | 1,104,396 | 1,154,691 | 1,594,860 | 1,515,642 |
| Net Debt (without Randon Bank) | 535,499 | 847,287 | 829,559 | 1,195,657 | 859,113 |

Values in R\$ Thousand

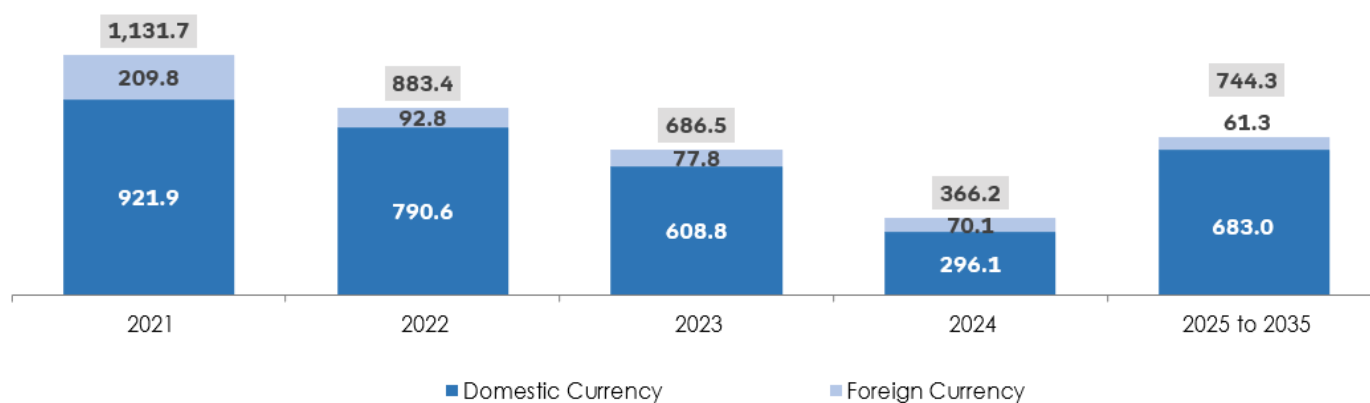
Below is the evolution of consolidated net debt (without Banco Randon) on Dec 31, 2020:

*Net Debt/EBITDA



The chart above shows the Company's debt in R\$ million without Banco Randon's cash and debt indicators. Consolidated Net Debt at the end of 2020 totaled R\$ 1.5 billion, a multiple of 1.26x the EBITDA of the last 12 Months.

SCHEDULE OF DEBT PAYMENT (R\$ Million)



Investments

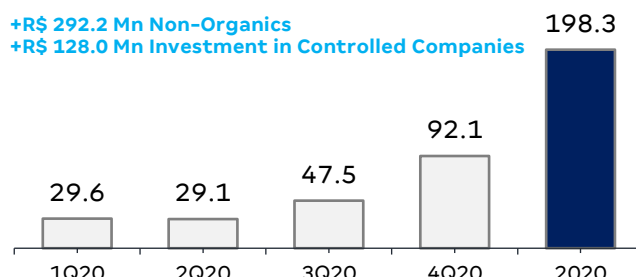
In 2020, investments were made in the total amount of R\$ 618.6 million (R\$ 237.8 million in 2019). Of the amount invested in 2020, R\$ 292.2 million was non-organic, R\$ 128.0 million in paid-in capital and R\$ 198.3 million in fixed assets.

Below are some investments the Company made in 2020:

- Amount paid in 2020 for the acquisition of Nakata - Automotiva: R\$ 277.9 million;
- Acquisition of Robots: R\$ 25.1 million;
- Expansion of Randon Araraquara: R\$ 12.7 million;
- Painting booth (Randon Implementos): R\$ 8.3 million;
- Payment of capital at Randon Ventures (R\$ 13.5 million), Frás-le (R\$ 51.7 million) and Banco Randon (R\$ 60.5 million).

Organic Investment

R\$ Million



+R\$ 292.2 Mn Non-Organics
+R\$ 128.0 Mn Investment in Controlled Companies

| INVESTMENTS 2020 | | | | | | | | | | | | |
|------------------------------|----------------|----------------|---------------|--------------|-------------------|------------------|------------------|-----------------|-------------|---------------|----------------------|----------------|
| Fixed Assets (R\$ thousands) | Randon | Frás-le | Master | Jost | Randon Consórcios | Randon Argentina | Randon Tritel-HT | Randon Veículos | Randon Perú | Castertech | Randon Investimentos | Total |
| Machinery | 39,522 | 11,938 | 2,057 | 1,967 | - | 276 | 1,024 | 47 | 62 | 9,765 | - | 66,658 |
| Buildings | 8,337 | 1,078 | 19 | 1,300 | 590 | - | 59 | - | - | 1,546 | - | 12,929 |
| Vehicles | 230 | 19 | - | - | - | - | - | - | - | 146 | - | 395 |
| Furniture and Fixture | 1,185 | 368 | 101 | 200 | 1,486 | 180 | 166 | 44 | - | 127 | 71 | 3,928 |
| Computer and Hardware | 3,047 | 2,736 | 337 | 125 | 458 | 9 | 157 | 8 | 73 | 232 | 22 | 7,204 |
| Others / Intangible Assets | 42,261 | 39,812 | 9,240 | 823 | 1,805 | 28 | 3,759 | - | - | 9,346 | 131 | 107,205 |
| SUBTOTAL: | 94,582 | 55,951 | 11,754 | 4,415 | 4,339 | 493 | 5,165 | 99 | 135 | 21,162 | 224 | 198,320 |
| INVESTMENTS (*) | 76,328 | 338,415 | 2,000 | - | - | - | - | - | - | 3,490 | - | 420,233 |
| GRAND TOTAL | 170,910 | 394,366 | 13,754 | 4,415 | 4,339 | 493 | 5,165 | 99 | 135 | 24,652 | 224 | 618,553 |

(*) Other companies' shares or quotas, etc.

Free Cash Flow

In 2020, the Company had a negative free cash flow of R\$ 323.6 million, increasing its consolidated net debt (excluding Banco Randon) from R\$ 535.5 million in 2019 to R\$ 859.1 million in 2020.

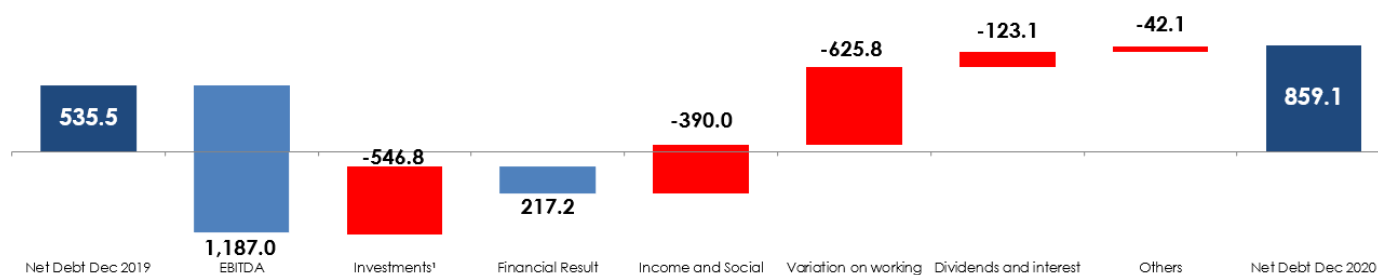
On the positive side, we can highlight the Company's gross cash generation (R\$ 1.2 billion) and the increase in financial results (R\$ 217.1 million).

In 2020, in addition to investments required for maintenance, there was also the acquisition value of the company Nakata

Automotiva and other amounts related to the innovation and automation of the Company's industrial processes.

The inclusion of Nakata's operations, the gains in tax proceedings and the increase in the level of activity resulted in an increase in the working capital, mainly in the accounts of customers, suppliers and taxes.

In addition, improved results resulted in higher tax payments and profit sharing.

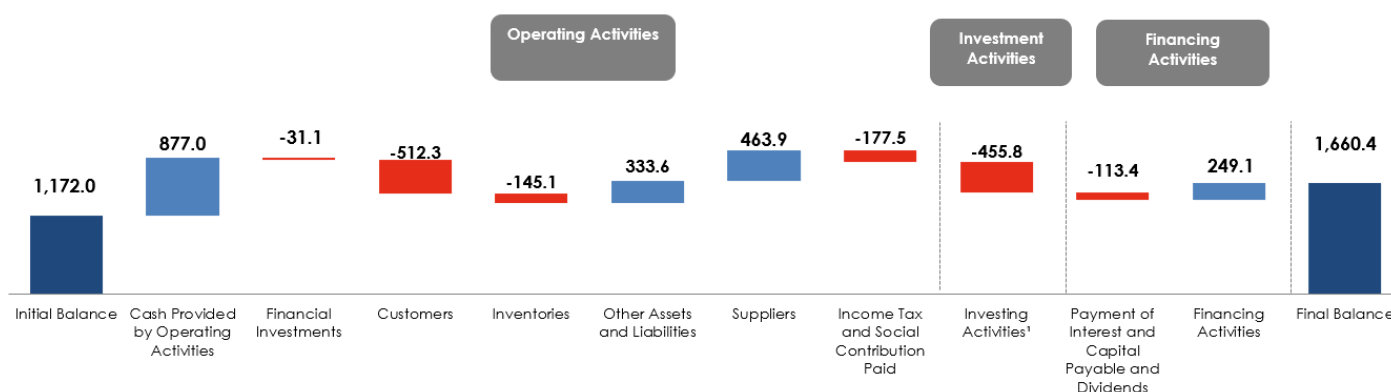
**Free Cash Flow
(Consolidated without Randon Bank)**
-R\$ 323.6 Million

¹Organic Investments, non-organic and consolidated investment in controlled companies (without Randon Bank)

Cash Movement

The Company's good performance allowed it to end the year with a Cash Generation from Operating Activities of R\$ 877.8 million.

Even with the increase in Working Capital explained above, in investment activities (payment of part of the acquisition value of Nakata Automotiva, R\$ 277.9 million), the distribution of dividends and interest on equity, the balance was positive in R\$ 239.3 million.

This amount added to loan activities (R\$ 249.1 million in the year), resulted in a positive cash flow of R\$ 488.3 million in the twelve months of 2020, ending the year with a final balance of R\$ 1,7 billion.


¹For details on Investing Activities, see Cash Flow Statement on page 43 of this report

PERFORMANCE BY SEGMENT

Trailers Division

Semi-Trailers

Although 2020 was a challenging year for all segments, we could see the strength of road transport and its importance for the country.

Even with a second quarter strongly impacted by the pandemic, Randon ended 2020 recording sales in the domestic market of 24,326 units, 8.3% higher than 2019 (22,460 units).

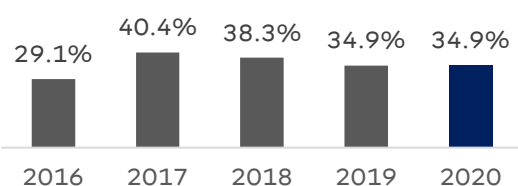
The main driver for this growth was agribusiness, which counted on excellent harvest, reaching historical records. However, other sectors also stood out, such as consumer goods and e-commerce, which became more relevant in 2020 on account of social isolation.

Another important factor is the increase in sales of the dump semi-trailer, which became the most demanded by the market in 2020, moving ahead of the grain semi-trailer, given its versatility and easy cargo discharging.

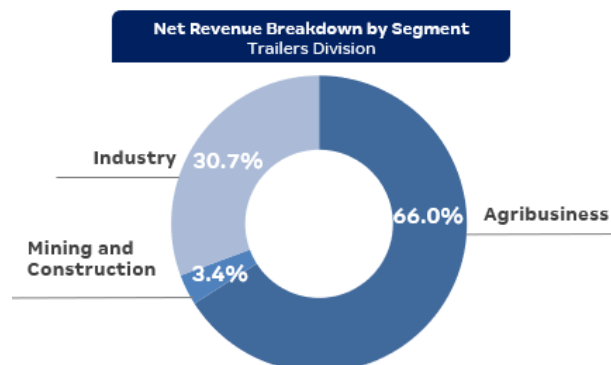
Even with the production restrictions caused by the pandemic, the Company managed to increase its production level of semi-trailers, mainly due to efficiency and productivity gains. In 2020, 23,534 products with the Randon brand were licenced, an increase of 6.3% when compared to 2019 (22,138 units).

This allowed Randon to maintain its market share at 34.9%, a positive result if we consider the interruption of its operations for 3 weeks at the beginning of the pandemic, and also the strong increase in volumes in the second half.

Market Share



In the graph below, see the breakdown of net revenue by economic sector:



The agribusiness sector remains the main destination of the sales of trailers by the Company, accounting for 66.0% of the sales in 2020.

Exports

In 2020, on account of the pandemic and isolation measures, sales to the foreign market, - which have been difficult in recent years due to factors such as political and economic crises, and prices of some commodities - became even more complex.

2,284 semi-trailers were sold abroad in 2020 through Brazilian plants and units located in Peru and Argentina, a decrease of 22.5% when compared to 2019.

The second quarter of 2020 was one of the worst for exports in this segment in the last decade, due to the shutdown of markets and closing of borders.

The recovery took place in 3Q20, and in 4Q20 the exported volumes were already at normal levels.

Mercosur + Chile region remains as the main market in this division. The African market keeps at very low levels, as this was one of the regions most affected by the pandemic.

Randon is the main Brazilian exporter of semi-trailers, with a 61% market share in 2020.

An important achievement took place in the industrial plant located in Peru in 2020. Despite all the difficulties imposed by Covid-19, this unit managed to achieve its production and sales goals and has gradually increased its profitability.

Randon Argentina faced the economic difficulties experienced in that country plus those caused by the pandemic, showing a drop in volumes in the annual comparison.

2020 Launchs



DRY VAN

Some innovations in the new van:

- 600 kg lighter, the lightest on the market;
- Embedded electronics;
- Clinch system;
- Greater resistance and sealing.



CURTAIN SIDER

Innovations in the new curtain sider:

- 300 kg lighter;
- Approach sensor;
- Embedded electronics;
- Greater resistance and sealing;
- New ratchet system;
- Greater ergonomics.

Railcars

Like the previous year, the railcars market in 2020 showed low demand for products and was the second lowest over the last ten years.

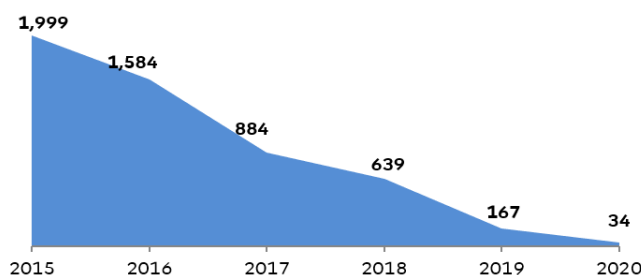
Even with the concession renewal of important customers, this market segment has not shown a pickup yet.

Randon sold 34 railcars in 2020, a 79.6% reduction as compared to 2019 (167 units).

The graph shows the drop in the Company's sales on account of the difficulties of the past few years.

However, expectations are positive for the coming years and the Company is prepared to meet the demand with its unit in Araraquara, SP.

Sale of Rail Cars
Physical Units



Specialty Vehicles

In 2020, 325 specialty vehicles were sold, down 18.3% when compared to the volume sold in 2019 (398 units).

With the sale of Randon Veículos assets, announced in October 2020, and the phasing out of this operation at the end of the year, this will no longer be a market served by the Company as of 2021.

The decision was aimed at concentrating Randon Companies' activities in their main businesses, and the synergies between them. Another factor taken into account for this decision was the process of optimization of Randon's plants and industrial processes.

| Trailers Division | 2020 | 2019 | Δ% |
|---------------------------------------|-----------|-----------|--------|
| Consolidated Net Revenue (R\$) | 2,409,202 | 2,275,291 | 5.9% |
| Unit Sales: | | | |
| Trailers (un.) | 24,326 | 22,460 | 8.3% |
| Trailers Exports (un.) | 2,284 | 2,946 | -22.5% |
| Specialty Vehicles (un.) | 325 | 398 | -18.3% |
| Railcars (un.) | 34 | 167 | -79.6% |

Dump Trailer



The most sold product in 2020

Net Revenue

R\$ 2.4 B

Gross Margin

16.2%

Exports

US\$ 41.6 M

EBITDA | Margin

R\$ 488.9 M

20.3%

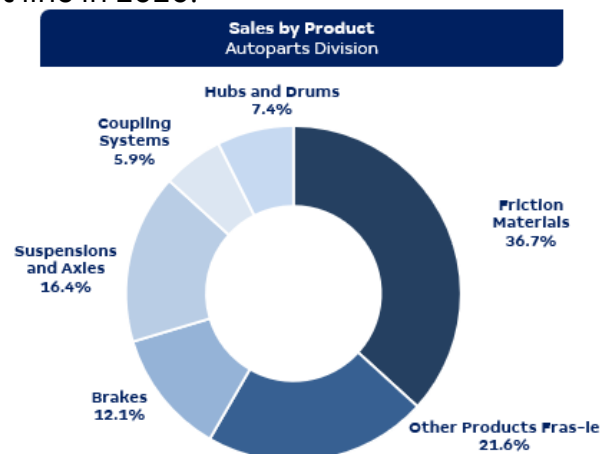
Auto Parts Division

The truck market decreased by 19.9% in the volumes produced in 2020 (90,936 units x 113,476 units in 2019) and 11.5% in sales in the annual comparison (89,678 units in 2020 x 101,335 units in 2019). This reflected in the reduction in sales of brakes (-23.2%), axles and suspensions (-2.9%), and coupling systems (-12.0%) in the same comparison.

In April 2020, OEMs completely stopped their operations, and the resumption of production was slow and gradual over the following months. However, the consumption of truck stocks in plants and distributors, and the strong recovery in demand in the second half, forced OEMs to accelerate the pace of production, registering, in the last months of the year, volumes higher than those of the pre-pandemic period.

In the aftermarket, volumes also declined due to the effects of the pandemic, but showed a good recovery throughout the year.

In the chart below, please see the sales product line in 2020:



The product line responsible for 36.7% of the auto parts division's revenues – friction materials – showed a drop in volumes in the annual comparison (-7.9%). However, by having a good part of its revenues from exports (US\$ 68.9 million in 2020), when converting from Dollar to Reais, it appreciated, given that the Real was very depreciated in 2020.

As the aftermarket is one of the main markets and as friction materials are safety items, it makes this products sales very resilient, since vehicle brakes need maintenance and this is something that cannot be postponed, even in adverse market scenarios.

In addition to these materials, the subsidiary Fras-le manufactures and sells other types of products such as brake discs and drums, bottled liquids, actuators, shock absorbers and parts for transmission and powertrain, which we call other products Fras-le, which accounted for 21.6% of the auto parts division's revenues in 2020.

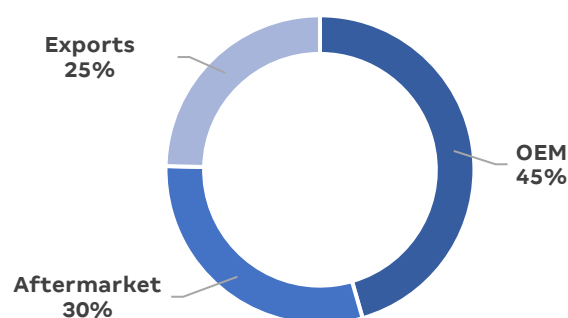
This line gained relevance in 2020 with the acquisition of the company Nakata Automotiva, which added R\$ 234.6 million in revenues since the 4-month period it joined Randon Companies.

Another subsidiary that showed an increase in volumes sold in 2020 was Castertech, with the sale of hubs and drums, growing 20.5% in the annual comparison.

This unit has made important moves to gain new markets, new customers and expand its product portfolio.

As examples, we can mention the acquisition of the company Fundituba at the end of 2020, which will expand its productive capacity, for the agricultural segment, which tends to gain relevance in 2021 for this unit.

Below is a graph of auto parts sales by market at the end of 2020:



Exports

Direct exports of auto parts (US\$ 85.7 million) decreased 27.1% in 2020, as compared to 2019.

This drop is mainly the result of the pandemic on 2020 businesses, which caused a significant retraction, mainly, in 2Q20.

Some markets were more affected, such as Europe, which underwent the effects of the first and second wave of the new coronavirus. Africa and Mexico also remain at a low level of volumes.

However, in 4Q20, a more consistent recovery was observed in important markets such as Mercosur, Chile and Asia.

| Auto parts | 2020 | 2019 | Δ% |
|---|-----------|-----------|--------|
| Consolidated Net Revenue (R\$) | 2,809,672 | 2,626,752 | 7.0% |
| Unit Sales: | | | |
| Friction Material (un.) | 94,730 | 102,843 | -7.9% |
| Other Products Fras-le (un.) ² | 25,108 | 22,571 | 11.2% |
| Brakes (un.) | 576,319 | 750,204 | -23.2% |
| Coupling Systems (un.) | 109,143 | 124,025 | -12.0% |
| Suspension and undercarriage systems (un.) ¹ | 135,243 | 139,272 | -2.9% |
| Hubs and Drums (un.) | 595,548 | 494,169 | 20.5% |

¹ The axle and suspension volumes were revised to better reflect the units sold by Suspensys. The history of these volumes can be seen in the section Interactive Spreadsheets – Consolidated Data Randon S/A.

² The product volumes of the indirect subsidiary Nakata Automotiva started to compose this line as of September 2020.

Some products of the Auto Parts Division


Net Revenue
R\$ 2.8 B
Gross Margin
28.0%
Exports
US\$ 85.7 M
EBITDA | Margin
R\$ 666.0 M
23.7%

Services Division

The Company's Services Division, represented by the companies Randon Consórcios, Randon Investimentos (Banco Randon), Randon Ventures, Conexo and Randon Tech Solutions Industry, accounted for 3.8% of consolidated net revenue.

Randon Consórcios - In 2020, 13,342 coop-payment plan quotas were sold, down 4.0% as compared to the quotas sold in 2019 (13,904 units).

Because face-to-face events stopped - the main selling vehicle for this type of sales - the company needed to reinvent itself and migrate to the online sales model, which brought good results in the year, despite the drop in the number of quotas.

Banco Randon - Acts as a support to the sales of Randon Companies, offering financing alternatives directed to the Company's customers and suppliers. In 2020, even with the pandemic, the Bank expanded its operations, strengthening its positioning in the financial market linked to transportation.

Additionally, both companies are investing in innovation and in new technologies so as to expand their scope of action and provide a better customer experience thorough digital transformation,

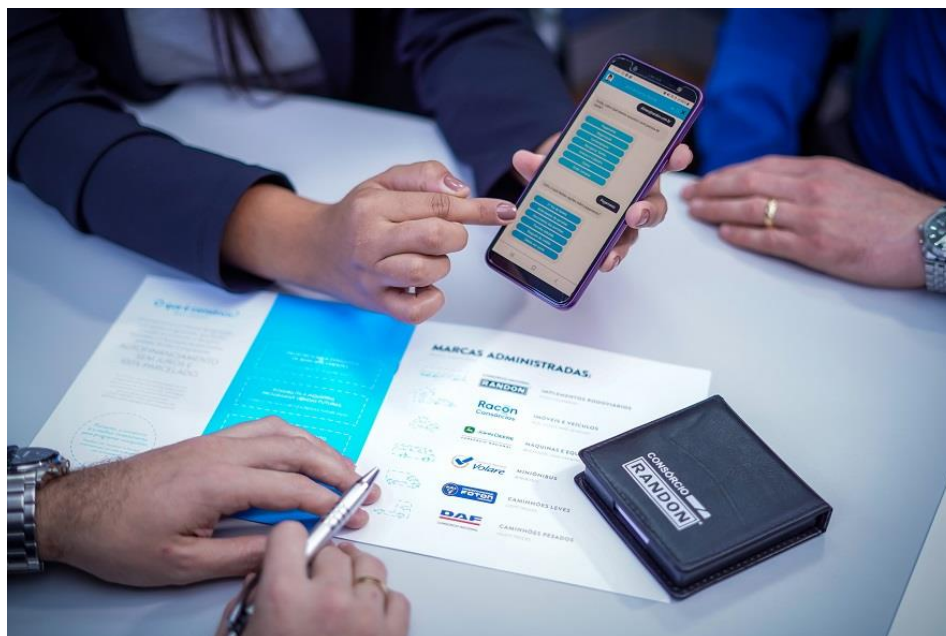
which is today so present in this segment. This movement of digitalization of services started on Randon Ventures, a company founded in 2020 to invest in startups that have a connection with the Company's other businesses.

Randon Ventures - announced investments in two startups: Truckhelp and Soon (Reboque.me). These startups connect truck drivers, carriers and the general public to auto parts stores and repair shops, in addition to 24-hour on-demand assistance services, through a digital platform.

The Company also announced a joint venture between Randon Ventures and 4all, called Project R4, which will start in 1Q21, and will offer digital financial services for the logistics and transportation segment, such as making various payments, issuing bills, collections, making financial transfers, and others.

The companies Conexo and Randon Tech Solutions Industry, which also operate in the services segment, are still ramping up their operations, but have good prospects for the year 2021.

| Services | 2020 | 2019 | Δ% |
|---------------------------------------|---------|---------|-------|
| Consolidated Net Revenue (R\$) | 205,990 | 190,321 | 8.2% |
| <i>Coop-payment plan quotas sold.</i> | 13,342 | 13,904 | -4.0% |


Net Revenue
R\$ 206.0 M
Gross Margin
87.3%
EBITDA | Margin
R\$ 44.5 M
21.6%

ESG | SUSTAINABILITY

Randon Companies tirelessly pursue the basic principle that good economic and financial performance must necessarily be accompanied by clear attitudes in favor of sustainability.

The guideline followed by a true citizen-company permeates the affiliated companies that, as a guideline, have been acting ahead of legal requirements and taking pioneering measures of social and environmental responsibility.

In addition, the adoption of good corporate governance practices, with the management committed to ethics and transparency, are essential for business continuity and growth.

This is a theme that is constantly evolving for the Company, and some initiatives carried out in 2020, as well as ongoing projects in the ESG aspects, will be reported below.

Environment

The search for innovative and cleaner technologies, within the environmental concept, resulted in initiatives related to the efficient use of energy, wastewater treatment, reuse of treated wastewater, use of rainwater and recycling of waste.

Randon has maintained the practice of aligning environmental actions, information and monitoring since 2004, when the Environment Task Force was created, a team formed by technical representatives from all the Group's companies and which holds monthly meetings to align concepts, legal requirements and practices.

The "Profit with Sustainability" principle guides the actions of Randon Companies focused on the environment. One of them is the Environment Week, which recently evolved into a broader and more significant concept: the SEMEAR initiative.

Much beyond an acronym, it brings a proposal for action, not only for Randon Companies, but for all stakeholders, aiming at guiding and inspiring sustainable actions. Sowing sustainability consists of creating opportunities, minimizing impacts and taking care of resources.

In 2020, during SEMEAR, the Environment Manual was launched, which includes guidelines regarding the use of natural resources, responsible production processes, product development and sustainable construction, connecting these actions with the SDGs (Sustainable Development Goals), from UN.



In addition to these initiatives, Randon 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. Investments are made in the preservation of resources, maximizing processes so that the lowest level of scrap is generated. Sustainable consumption patterns are adopted, aiming to preserve natural resources and eliminate waste. In this way, we ensure increased level of sustainability, cost reduction of the process and the strengthening of the concept Circular Economy.

One of the Company's priorities is the disposal of waste, a large part of which is used in the manufacturing process itself, such as metal scrap, which is the raw material for the casting processes of our direct subsidiary Castertech and Fras-le subsidiary, Fremax .

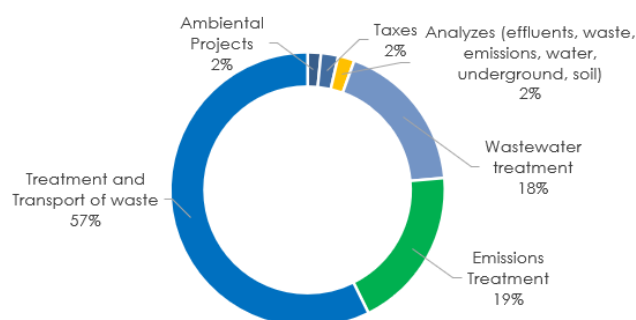
Another practice we put in place is the reuse of effluent, which is used in the cleaning process of dies, gas scrubbers and in cooling of parts.

At the subsidiary Fras-le, customers are offered reverse logistics as an additional service for the collection and disposal of friction materials after use. The destination of these materials is co-processing, in which they are used to generate energy in cement manufacturing ovens. This process does not generate environmental liabilities and guarantees the collection and correct disposal of approximately 1,000 tons of waste per year.

Good practices are not only focused on productive areas. Administrative departments also seek to reduce the use of paper, such as the electronic signature of documents, and the use of LED lighting.

In 2020, R\$ 8.6 million was invested in environmental preservation and conservation, guided by the Health, Safety and Environment Policy.

The chart below shows the breakdown of these investments:



77%
Of waste with sustainable destination.



55.5%
Of the effluente treated is reused.



83%
is the rate to convert raw material into a product.

Social

The Company ended 2020 with 12,117 employees, an increase of 7.0% as compared to 2019 (11,251 employees).

The increase over 2020 is due to the addition of employees from acquired companies such as Ferrari Metalúrgica and Nakata Automotiva. Furthermore, during the year, adjustments were made to the staff so as to adapt production to demand.

Employees are offered benefits such as health insurance, private pension, credit cooperative, profit sharing, transportation, health and food center, which allow them to develop their activities with health, safety and well-being.

Randon Companies maintain regular programs aimed at a better quality of life, which encourage healthy practices.

To provide personal and professional development of employees, Randon offers an online platform that encourages protagonism in the search for knowledge, Pra.VC. (For You in English). The platform offers courses and training on a wide range of topics, encouraging cultural change through digital transformation, autonomy, flexibility, performance management and updating.

In 2020, the Company began its Company Diversity Day, which included stages such as the development of teams and leadership, the analysis of scenarios and diagnostics, the preparation of the action plan and strategy, and the creation of focus groups.

The Company's strategy is to create a diverse and inclusive environment for employees, customers, communities and



partners, thus reinforcing the principle of "People Valued and Respected", aligned with the purpose of "Connecting people and riches, generating prosperity".

Diversity was also the theme of SEPAT (Internal Accident Prevention Week), an event that took place in 4Q20, and which was adapted to meet the new safety protocols.

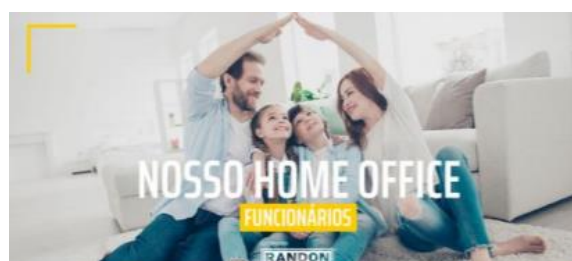
Workshops on the Brazilian Sign Language were offered to employees, webinars on the topic, in addition to the delivery of thermometers and masks, encouraging the prevention of Covid-19. There was also a Live Stream Event with the management of the Company on the Culture of Safety.



Handing out kits at the controlled company Master, in the SEPAT (week of education and prevention of accidents at work)

The year 2020 brought several changes in the way we work. One of them allowed the Company's employees to working from home, and keep the administrative processes functioning properly during the period of social distancing.

To help employees in this new way of working, an e-book was released with guidelines, aiming at their well-being and safety. In addition, the Company grants an Expense Allowance to those who adopt this form of work.



Valued and Respected People. More than one of the Company's principles, the phrase conveys respect for human beings as the final recipient of the actions carried out and of all business initiatives.

Exercising its social responsibility, the Company has in place the Instituto Elisabetha Randon (IER), in which it invested R\$ 7.7 million in 2020. The IER, founded in 2003, is a Public Interest Civil Society Organization, which aims to promote citizenship and social development through actions aimed at education, culture, social assistance and encouraging the practice of volunteering.

The IER holds social programs aimed at the community. The following stand out:

- Florescer Program: its mission is to prepare children and adolescents in a situation of social vulnerability for the exercise of citizenship, through coexistence and the strengthening of bonds, conducted through various activities, on the shift opposite to their regular school hours. Created in 2002, the program annually benefits 360 children and adolescents aged 6 to 15 years.

- Florescer Program - Professional Initiation: prepares young people from 15 to 16 years of age for a better insertion in the job market, with technical and humanistic training, through Professional Initiation courses in the administrative segment. In 2020, the program served 78 teenagers.

- Vida Sempre Program (Life Always in English) : promotes education for traffic safety. Information is provided to employees of Randon Companies, their families and the community in general through printed material, videos, theater and campaigns, with the aim of encouraging reflection on appropriate attitudes in traffic, with a view to contributing to improving education rates in this area. The program benefits around 60 thousand people / year with these actions.

In 2020, the FLORESTAR: Planting the Future project was launched in partnership with the Randon Technological Center (CTR), which aims to encourage environmental preservation through education.

This initiative involved, in 2020, about 40 children and adolescents assisted by the Florescer program. The kids participated in the implantation of a forest garden of native species, for environmental recovery, collecting seeds and providing the cultural treatments needed to prepare the seedling for definitive planting.

The young people were accompanied by a team of biologists, educators and social workers, who gave guidance on caring for the seedlings received, handling forms, and educational content on the environmental preservation of fauna and flora.

The young people also participated in the creation of a compost of organic waste and in using this process for soil improvement.

The project is financed by the Secretariat of Labor and Social Assistance of the Government of the State of Rio Grande do Sul and integrates the environmental compensation measures resulting from the expansion works of the CTR, which opened, this year, a new area of proving ground for dynamic vehicle tests.



Florestar Project



Corporate Governance

Randon Companies are concerned with building an ethical organizational environment so everyone may carry out their activities based on honesty, transparency, integrity and seriousness and, through this, reaffirm their commitment to society as a whole.

To further strengthen this front, the Company has an integrity program, known as ID Randon, which was developed to guide coexistence and sustain actions in an organized work environment that is conducive to constant improvement and to the achievement of results. ID Randon is based on the Company's principles and includes the Code of Ethical Conduct, corporate policies and the Ethics Hot Line.

The ID Randon is continuously monitored and its results are shared bimonthly by the Ethics and Compliance Committee - composed of the CEO, the vice-president directors, the corporate human resources director and the controllership director.

To continue growing in corporate governance, in 2020, the Company implemented the following policies:

- Profit Destination Policy;
- Policy for Hiring Extra-Audit Services;
- Sponsorship and Donation Policy;
- Policy on Transactions with Related Parties.

In addition, some changes were made to processes, such as:

- Adjustment in the number of meetings of the Board of Directors to at least six a year;
- Creation of the new program for Board Members' integration;
- Creation of the Governance Secretariat;
- Inclusion of sustainability and risk management themes in the attributions of the Board of Directors that are included in the Rules of Procedure of this Body.



This year, the Privacy Committee was also created in order to monitor and mitigate privacy risks related to the application of the LGPD (General Data Protection Law), through the implementation of effective controls.

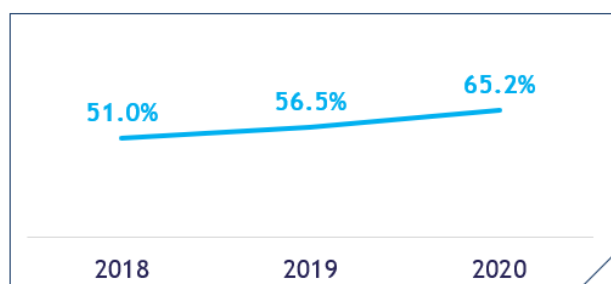
In recognition of good corporate governance practices, the Company received the following awards:



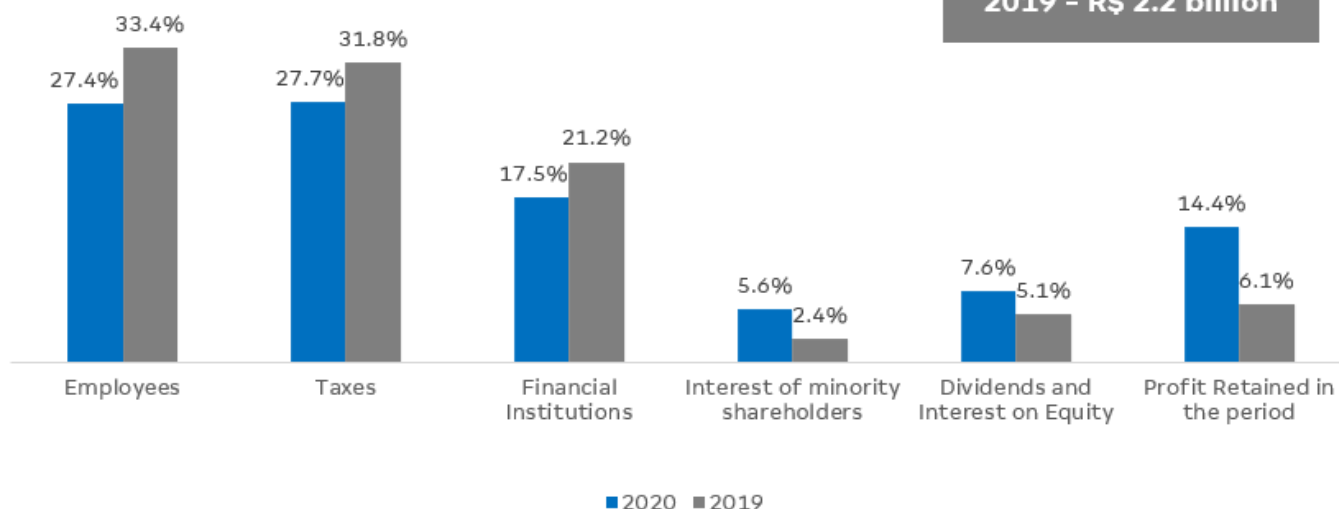
Some of four Corporate Governance Practices

- B3 Level 1 of Corporate Governance;
- 62.3% of free float;
- Manual for Attending General Meetings;
- Governance Portal for the Board of Directors and Fiscal Committee;
- Risk and Compliance Management Structure;
- Internal Audit;
- Outsourced and independent Reporting Channel;
- Corporate Policies;
- Governance Secretariat.

Evolution in Governance based on the % of practices complied with in the Corporate Governance Report (ICVM 586/17):



Statement of Added Value

2020 - R\$ 3.0 billion
2019 - R\$ 2.2 billion


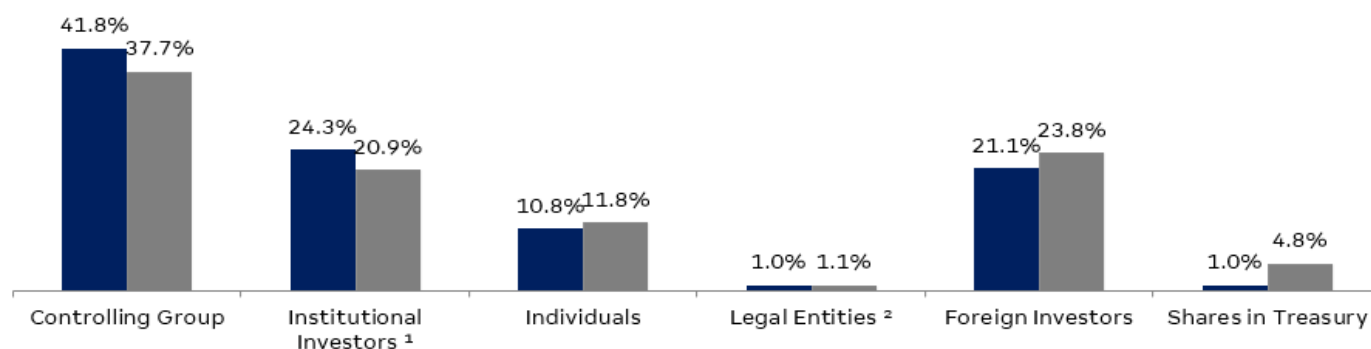
CAPITAL MARKET

Shares' Performance

The price of preferred shares of Randon SA Implementos e Participações increased by 20.0% at the end of December 2020 as compared to the end of 2019 (R\$ 16.08 per share on Dec 31, 2020 and R\$ 13.40 per share on Dec 31, 2019). In the same period, the Ibovespa index showed a positive variation of 2.9%.

In the twelve months of 2020, 1.0 billion preferred shares were traded on the B3 spot market (Bolsa, Brasil, Balcão). The Company recorded, in this period, an average daily trading volume of R\$ 44.1 million (R\$ 23.6 million in 2019).

Shareholder's Profile



¹ Funds and Investments Clubs

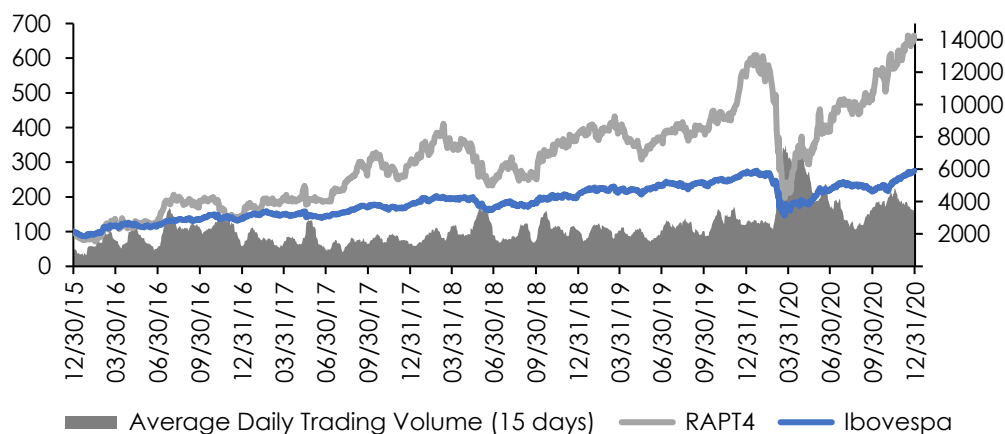
² Companies, Banks, Stockbrokers and Associations

■ 2019 ■ 2020



| Variables | Jan - Dec/2020 | Jan - Dec/2019 |
|---|----------------|----------------|
| Number of Shareholders | 39,155 | 20,249 |
| Traded volume (Pref.) | 1,015,841,900 | 593,919,500 |
| Number of trades | 2,962,148 | 1,690,987 |
| Daily Average Shares per Trade | 4,079,686 | 2,394,837 |
| Daily Average Trades | 11,896 | 6,818 |
| Variance of daily Randon shares (%) | 20.0% | 44.7% |
| Variance of IBOVESPA (%) | 2.9% | 31.6% |
| Share Book Value | 8.07 | 6.29 |
| Stock Market Value | 16.08 | 13.40 |
| Daily Average Traded Volume (R\$ Million) | 44,055 | 23,577 |
| Company's Market Value (R\$ Million) | 4,785 | 4,371 |

RAPT4 (100=12/30/2015)



In 2020, the Company carried out a share buyback program, in which it acquired 13 million preferred shares, which can be held in treasury, sold or canceled, under the terms of the law.

Investor Relations

In 2020, the Company held and participated in meetings, events and Live Streams events for the capital market, shareholders and potential investors, as follows:

- 24th Santander Annual Latam CEO Conference – Cancun, México;
- BofAML 2020 Capital Goods Day – São Paulo –SP;
- Credit Suisse 2020 Latin America Investment Conference – São Paulo – SP;
- BTG Conference XXI, São Paulo – SP;
- Credit Suisse: Video Conference Brasil and Video Conference Abroad;
- Bradesco BBI: Virtual NDR;
- J.P. Morgan: Randon's Comments Post Lockdown;
- Eleven Financial Research: Live stream event with investors;
- Finecap: Live Stream events with investors;
- XP: Live Stream Event with investors;
- Itaú BBA: Group Meeting;
- Santander: 21st Annual Santander Conference;
- APIMEC Randon Meeting;
- Safra: Group Meeting;
- Necton: Live Stram with event investors;
- BTG – Websession with Randon;
- Bradesco BBI – Group Meeting;
- J.P. Morgan – Capital Goods Day;
- Bradesco BBI – 10th Virtual CEO Forum;
- Itaú BBA – 13th Annual LatAm Conference in London;
- UBS – Global Emerging Markets One-on-One Virtual Conference;
- Randon Day.



Material Facts and Notice to Shareholders

In 2020 the Company disclosed the following Material Facts:

02/17/20: [Guidance 2020](#);

03/19/20: [Preventive measure coronavirus](#);

04/03/20: [Alternative Measures for Remote Voting](#);

04/09/20: [Buyback](#);

04/24/20: [2020 Guidance Cancellation](#);

10/29/20: [Favorable Decision on Tax Credits](#);

12/11/20: [Exchange agreement](#);

12/22/20: [8th Issuance of Debentures](#);

12/29/20: [Tax Credits](#).

Shareholders' Remuneration

The Company's adjusted net income in 2020 -, the basis for calculating dividends - was R\$ 664.6 million and the Bylaws provide for the payment of a minimum dividend to shareholders, corresponding to 30% of the aforementioned adjusted income. During the year, Interest on Equity (JCP) was credited in the amount of R\$ 80.3 million (R\$ 68.2 million, net of IRRF (Withholding Income Tax)).

The proposal of the administrators, to be considered by the shareholders at the Annual Shareholders' Meeting, is to distribute dividends in the percentage provided for in the Bylaws, remaining the amount of R\$ 120.4 million for shareholders. The amount distributed, interest on gross equity and dividends, amounts to R\$ 200.7 million.

CVM Instruction no. 381/2003 – Independent Auditors

In compliance with Instruction No. 381/2003 of the Brazilian Securities and Exchange Commission, we inform that, in 2020, the Company paid fees to Ernst Young Auditores Independentes S/S in the amount of R\$ 3.2 million, which cover the external audit and other services, whose characteristics are shown below:

| (a) Other Services | | | |
|--|-----------------|--------------------|--|
| Period | Duration | Fees Paid | % on the value of external audit services |
| January to December | 12 months | R\$ 373.6 thousand | 11.5% |
| During the year ended December 31, 2020, fees were paid for additional tax advisory and consultancy services, and valuation to review the Purchase Price Allocation report of Nakata Automotiva S/A, Ferrari Indústria Metalúrgica, and the merging of Fremax by Fras-le and Suspensys by Castertech. | | | |
| These services did not affect the restrictions of CVM Instruction 381/03, as they refer mainly to other specific works and were performed by professionals from an area totally different from that in which the professionals who perform the external audit services work, therefore not affecting the objectivity required for external audit services. | | | |
| (b) Mandatory External Audit Services | | | |
| Period | Duration | Fees Paid | % on the value of external audit services |
| January to December | 12 months | R\$ 2,870 thousand | 88.5% |
| The mandatory legal external audit services included the review of quarterly information (ITRs) for the periods ended in March, June and September 2020 as well as the auditing of the financial statements for the year ended December 31, 2020 (DFP). | | | |

The Company has a specific Policy for Hiring Extra-Audit Services.

[Click here](#) to access.

AWARDS AND HIGHLIGHTS

▪ Randon Companies are among the most remembered and preferred brands by company managers and top business executives in the Rio Grande do Sul market. The results are in the 22nd edition of the **Marcas de Quem Decide** survey, promoted by Jornal do Comércio, in partnership with Qualidata;

▪ Randon and Fras-le were included in the **Best Evaluated Meetings** in 2019 by the Association of Analysts and Investment Professionals of the São Paulo Capital Market (APIMECSP);

▪ **Institutional Investor** released a 2020 ranking of the best Investor Relations professionals in Latin America. Randon and its professionals were included in the following categories: 1) Daniel Randon - Best CEO in the capital goods category; 2) Paulo Prignolato - 1st position among the best CFOs in Latin America; 3) Esteban Angeletti and Davi Bacichette - best IR professionals; 4) Randon - Best IR program; 5) Randon - ESG metrics; 6) Randon - Best Investor Day;

▪ Randon Companies were awarded the Platinum category of the 17th edition of the **Aliança Award**, which highlighted the most prominent auto parts companies in 2019;

▪ The subsidiaries JOST Brasil and Master received the **Quality Award from the customer DAF**, for meeting the customer's expectations in 2019;

▪ Randon S/A and Fras-le are among the **10 most innovative companies in Southern Brazil**, according to a ranking published by Amanhã Magazine;

▪ Castertech ranked 3rd in the ranking of the **Best Companies to Work in Serra Gaucha** (Northeastern portion of Rio Grande do Sul State);

▪ Randon Companies appear in the ranking of the **Valor Inovação 2020 Award** among the most innovative companies in the country, an initiative of the newspaper Valor Econômico in partnership with Strategy &;

▪ Randon Companies received the prominent position in the award **The 100+ Innovative in the Use of IT** - recognition given by IT Mídia in partnership with PwC;

▪ The subsidiary Master was certified in GPTW (Great Place to Work: Best Companies to Work for) Program;

▪ Randon Companies won the **Transparency Trophy** award, granted by ANEFAC (National Association of Finance, Administration and Accounting Executives) in partnership with FIPECAFI (Foundation Institute for Accounting, Actuarial and Financial Research);

▪ The companies Randon Implementos, Frasle and Randon Veículos were highlighted in the **48th Export Award RS**, in the categories Global Advance and Sectorial Highlight - Vehicles and Auto Parts, promoted by the Association of Marketing and Sales Managers of Brazil (ADVB / RS);

▪ Fremax received the gold distinction in the **Best Brake Disc** category and Fras-le received the bronze seal in the **Best Brake Pad** category, in the 11th edition of the Sindirepa-SP Award;

▪ Daniel Randon, was one of the winners at the 26th edition of Líderes & Vencedores, (Leaders & Winners), an award granted by the Federation of Business Entities of Rio Grande do Sul (Federasul) and the State Legislative Assembly;

▪ Daniel Randon and Daniel Ely, CEO and CTO of Randon, are among the most admired executives by HRs in Southern Brazil;

▪ Randon Implementos ranked 1st among national organizations in the auto industry segment in the Exame magazine's **Best & Biggest 2020** ranking;



▪ The Company was highlighted in the **"The 500 Largest in Southern Brazil"** ranking released by Grupo Amanhã and PwC Brasil. Randon Companies were ranked 27th among the most relevant companies with the best performance in Rio Grande de Sul, Santa Catarina and Paraná States. Among those based in Rio Grande do Sul State, the Group ranks 8th;

▪ Randon Companies were on the list of the **15 most innovative companies on the Brazilian stock exchange**. The list is based on the Innovation Index created by Itaú BBA;

▪ The Company is part of the **Top 100 Open Corps** ranking, which lists the companies that most connect to startups in Brazil;

▪ The Company won the southern region of the **Aberje award**, in the Brand category, for the case "Together, innovating for a better future: repositioning of Randon Companies as an innovative brand at the age of 70";

▪ Fras-le was the highlight of the 48th edition of the **RS Export Award**, among the vehicle and auto parts companies, due to its positive performance in 2019;

▪ Randon Companies are among the most ethical in Brazil, according to the **Brazilian Institute of Business Ethics**, and received the title of Outstanding Company of 2020.

GUIDANCE 2021

On February 11, 2021, the Company announced its business projection for 2021:

| | 2021 |
|--|------------------|
| Total Gross Revenue (before consolidation) | R\$ 9.6 billion |
| Consolidated Net Revenue | R\$ 6.8 billion |
| Revenues From Abroad ¹ | US\$ 250 million |
| Imports | US\$ 100 million |
| Investments ² | R\$ 250 million |

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

² Value refers to organic investments.

These indicators were validated in Randon's strategic planning process and are backed by the assessment of the macroeconomic scenarios of Brazil and of the countries that Randon has business relations with, as well as on the indicators of the automotive industry and market behavior of its business segments.

ACKNOWLEDGMENTS

In a year like 2020, which challenged us in the most diverse ways, counting on the engagement of our employees, the partnership of our customers and suppliers, and the trust of our investors, was essential to overcome all difficulties and deliver excellent results.

We thank all of you who were part of another year in the history of Randon Companies, and who enabled us to continue with our purpose of "Connecting people and riches generating prosperity".

Caxias do Sul, March 4, 2021.

The Management

MANAGEMENT

Board of Directors

David Abramo Randon – President
 Alexandre Randon – Vice-President
 Pedro Ferro Neto – Board member
 Ruy Lopes Filho – Board member
 William Ling – Board member

Fiscal Council

Ademar Salvador
 João Carlos Sfreddo
 Renato Sobral Pires Chaves

Executive Board (Statutory)

Daniel Randon – President Director
 Alexandre Randon – Director
 Alexandre Gazzi – Director
 Sergio Carvalho – Director
 Paulo Prignolato – Director

Executive Committee (Non-statutory)

Daniel Randon – President Director
 Daniel Martin Ely – Corporate Director
 Paulo Prignolato – Corporate Director
 Sergio Carvalho – Corporate Director

CFO and IRO

Paulo Prignolato – Director

Director of IR and Corporate Finance

Esteban Mario Angeletti

Accountant

Paula Machado Corrêa
 RS-097654/O-8

Investor Relations

Caroline Isotton Colleto
 Davi Coin Bacichette
 Gustavo Schwaizer

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ri@randon.com.br



Índice de
 Ações com Governança
 Corporativa Diferenciada **IGC**

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ADDRESSES AND CONTACTS

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- **Home Page:** www.empresasrandon.com.br
- **Shareholders' Services**
Banco Bradesco
Cidade de Deus, s/nº, Vila Yara, Osasco, SP – CEP: 06029-900
- **Independent Auditors:**
Ernst Young Auditores Independentes S/S
- **Newspapers for Disclosure of Information:**
Diário Oficial do Estado do Rio Grande do Sul
Jornal Pioneiro – Caxias do Sul – RS
- **Photography:**
Magrão Scalco
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Banco de Imagens Empresas Randon

SUMMARIZED FINANCIAL INFORMATION

| | RANDON S/A IMPL. E PARTIC. CONSOLIDATED | RANDON S/A IMPL. E PARTIC. PARENT CO. | RANDON INVESTIMENTOS |
|---|---|---|-------------------------|
| Assets | 8,981,081 | 5,041,191 | 873,149 |
| Current Assets | 5,308,216 | 2,496,877 | 554,039 |
| Cash and equivalents | 1,666,955 | 996,576 | 11,949 |
| Financial Investments | 782,544 | 722,190 | 11,587 |
| Derivative Financial Instrument | 9,755 | 1,439 | - |
| Receivables | 1,207,696 | 199,366 | 530,111 |
| Inventory | 1,070,613 | 298,375 | - |
| Deferred Charges/ Recoverable taxes | 500,302 | 217,505 | 76 |
| Others | 70,353 | 61,426 | 316 |
| Noncurrent Assets | 3,672,865 | 2,544,314 | 319,109 |
| Long-term Assets | 1,218,676 | 642,195 | 313,756 |
| Investments of non-immediate liquidity | 68,740 | 60,835 | - |
| Credit controlling company/controlled companies | - | 118,440 | - |
| Receivables | 296,000 | - | 296,000 |
| Consortiums for resale | 15,148 | 192 | - |
| Deferred Charges/ recoverable taxes | 709,042 | 448,472 | 5,461 |
| Other non-current assets | 13,552 | 1,797 | 123 |
| Taxes under litigation | 45,701 | 12,169 | - |
| Goods for resale | 12,462 | 289 | 12,172 |
| Long Term Receivables | 58,031 | - | - |
| Investments/Property/Intangible/Deferred | 2,258,879 | 1,881,735 | 4,344 |
| Right to use asset | 195,310 | 20,384 | 1,010 |
| Liabilities | 8,981,081 | 5,041,191 | 873,149 |
| Current Liabilities | 3,029,500 | 1,341,019 | 441,546 |
| Suppliers | 873,557 | 418,274 | 7,946 |
| Financing institutions | 955,963 | 483,918 | 247,519 |
| Accounts payable by business combination Short Term | 53,216 | - | - |
| Salaries and benefits | 99,791 | 33,390 | 834 |
| Taxes and Fees | 283,201 | 116,234 | 7,311 |
| Advances for customers and others | 732,461 | 283,986 | 177,851 |
| Leases Short Term | 31,310 | 5,216 | 85 |
| Noncurrent Liabilities | 3,275,374 | 1,640,751 | 279,240 |
| Financing institutions | 2,635,151 | 1,585,435 | 238,605 |
| Accounts payable by business combination Long Term | 178,268 | - | - |
| Government Subsidy | 3,858 | 1,576 | - |
| Debits with controlled companies | 7,082 | - | 1 |
| Diverse taxes and contributions | 62,508 | - | 55 |
| Provision for contingencies | 60,601 | 18,190 | - |
| Other non-current liabilities | 25,196 | 1,098 | 1,416 |
| Coop-payment plans obligations | 75,396 | - | - |
| Advances for customers and others | 69,313 | 18,688 | 38,195 |
| Leases | 158,002 | 15,764 | 967 |
| Total Net Equity | 2,676,207 | 2,059,421 | 152,363 |
| Net Equity | 2,059,421 | 2,059,421 | 152,359 |
| Minority interest | 616,787 | - | 3 |

SUMMARIZED FINANCIAL INFORMATION

RANDON S/A
IMPL. E PARTIC.
CONSOLIDATED

RANDON S/A
IMPL. E PARTIC.
PARENT CO.

RANDON
INVESTIMENTOS

INCOME STATEMENT

| | | | |
|--|------------------|----------------|---------------|
| Net revenue | 5,424,864 | 2,576,367 | 64,835 |
| Cost of goods and services | -4,069,236 | -2,142,731 | -29,169 |
| Gross income | 1,355,628 | 433,636 | 35,666 |
| Sales expenses | -413,465 | -118,380 | - |
| Administrative expenses | -373,202 | -138,046 | -15,149 |
| Financial income | 217,148 | 133,534 | -90 |
| Investment valuation income | - | 238,392 | - |
| Other expenses/income | 442,379 | 300,314 | -8,348 |
| Income before taxes | 1,228,488 | 849,450 | 12,079 |
| Provision for taxes and social contributions | -395,180 | -184,776 | -5,203 |
| Interest of non-controlling shareholders | -168,633 | - | -0.6 |
| Net income for the period | 664,674 | 664,674 | 6,876 |
| EBIT | 1,011,340 | 477,524 | 12,169 |
| EBITDA | 1,199,375 | 534,092 | 12,353 |
| EBITDA MARGIN (%) | 22.1% | 20.7% | 19.1% |

STATEMENT OF CASH FLOW – INDIRECT METHOD R\$ THOUSAND

| | Parent Company | | Consolidated | |
|---|-----------------|-----------------|-----------------|-----------------|
| | 12/31/2020 | 12/31/2019 | 12/31/2020 | 12/31/2019 |
| Cash flow from operations | | | | |
| Income for the period | 664,674 | 247,617 | 833,308 | 300,544 |
| Income tax and social contribution (current and deferred) | 184,780 | 31,054 | 390,024 | 131,734 |
| Exchange variation and interest on loans and leases | 129,388 | 184,875 | 265,051 | 319,833 |
| Depreciation and amortization | 56,568 | 59,700 | 179,958 | 154,098 |
| Other Provisions | 14,266 | 77,657 | 38,847 | 84,730 |
| Reversal Reduction in Recoverable Value | 7,805 | -266 | 15,276 | 5,816 |
| Variation in derivatives | -57 | -1,382 | 1,224 | -1,382 |
| Residual cost from sold and written off fixed assets | 35,850 | 2,460 | 45,332 | 4,409 |
| Provision for doubtful accounts | -1,466 | -3,122 | -944 | -4,663 |
| Provision for obsolete inventory | 665 | -333 | 6,529 | 3,410 |
| Investment property fair value | -247,176 | -113,538 | - | - |
| Revenue from active legal proceedings, net of fees | -536,211 | -4,662 | -894,635 | -15,987 |
| Reduction (reversal) impairment | - | -100 | 34,463 | -100 |
| Advantageous Purchase | - | - | -2,144 | - |
| Fair value of investment properties | - | - | 1,273 | -2,756 |
| Monetary Adjustment (IAS 29) | - | - | -36,575 | -26,234 |
| | 309,086 | 479,960 | 876,986 | 953,452 |
| Variations in assets and liabilities | | | | |
| Financial Investments | 80,159 | -293,309 | -31,066 | -310,798 |
| Accounts receivable from customers | -30,800 | 52,247 | -512,284 | -119,798 |
| Inventory | 33,203 | 6,492 | -145,121 | 7,477 |
| Taxes to be recovered | 100,970 | 24,018 | 131,890 | 34,651 |
| Other assets | 42,532 | 46,152 | -33,676 | 14,429 |
| Suppliers | 192,733 | -45,681 | 463,910 | -113,836 |
| Other liabilities | -4,560 | 26,958 | 228,808 | 102,481 |
| Net variation in discontinued operations | - | - | 6,569 | -12,785 |
| Cash generated by operation | 723,323 | 296,837 | 986,016 | 555,273 |
| Income tax and Social Contribution paid | -44,144 | -15,901 | -177,534 | -89,219 |
| Net cash used (generated by) operation | 679,179 | 280,936 | 808,482 | 466,054 |
| Cash Flow from Investments | | | | |
| Receipt of profits and dividends of subsidiaries | 43,215 | 133,704 | - | - |
| Pay-up of capital in subsidiary | -75,256 | -11,490 | - | - |
| Disposal for investment property | -12,055 | - | -12,055 | - |
| Reduction of share capital | - | 65,076 | - | - |
| Loans to subsidiaries | -32,536 | -93,000 | - | - |
| Investment in Permanent Assets by Business Combination | - | - | -267,943 | - |
| Investment in Permanent Assets | -80,812 | -81,747 | -181,067 | -204,510 |
| Investment in Intangible Assets | -3,337 | -3,662 | -6,656 | -6,292 |
| Net variation in discontinued operations | - | - | 11,901 | -382 |
| Net available cash used in investments | -160,781 | 8,881 | -455,820 | -211,184 |
| Cash Flow From Financing | | | | |
| Dividend and Interest on Equity Paid | -78,267 | -60,939 | -113,382 | -150,695 |
| Loans | 217,447 | 445,480 | 1,325,288 | 879,073 |
| Payment of loans | -317,003 | -578,641 | -784,061 | -834,746 |
| Acquisition of Treasury Shares | -133,737 | - | -133,737 | - |
| Interest paid on loans | -86,367 | -127,499 | -115,803 | -200,057 |
| Loans granted by related parties | - | - | 7,082 | - |
| Payment of leasings | -7,769 | -7,060 | -32,661 | -22,269 |
| Net variation in discontinued operations | - | - | -17,053 | 16,702 |
| Net Cash used (resulting from) financing | -405,696 | -328,659 | 135,673 | -311,992 |
| Statement of increase in cash | | | | |
| At beginning of period | 883,874 | 922,716 | 1,172,029 | 1,229,151 |
| At end of period | 996,576 | 883,874 | 1,660,364 | 1,172,029 |
| Increase in cash | 112,702 | -38,842 | 488,335 | -57,122 |

SUMMARIZED FINANCIAL STATEMENTS – WITHOUT THE DISCONTINUED OPERATION (R\$ THOUSAND)

| | RANDON S/A IMPL. E PARTIC. CONSOLIDATED | RANDON S/A IMPL. E PARTIC. PARENT CO. | RANDON INVESTIMENTOS |
|---|---|---|-------------------------|
| Assets | 8,980,458 | 5,041,191 | 873,149 |
| Current Assets | 5,307,593 | 2,496,877 | 554,039 |
| Cash and equivalents | 1,660,364 | 996,576 | 11,949 |
| Financial Investments | 782,544 | 722,190 | 11,587 |
| Derivative Financial Instrument | 9,755 | 1,439 | - |
| Receivables | 1,204,125 | 199,366 | 530,111 |
| Inventory | 1,070,230 | 298,375 | - |
| Deferred Charges/ Recoverable taxes | 500,294 | 217,505 | 76 |
| Discontinued operation | 10,017 | - | - |
| Others | 70,264 | 61,426 | 316 |
| Noncurrent Assets | 3,672,865 | 2,544,314 | 319,109 |
| Long-term Assets | 1,218,676 | 642,195 | 313,756 |
| Investments of non-immediate liquidity | 68,740 | 60,835 | - |
| Credit controlling company/controlled companies | - | 118,440 | - |
| Receivables | 296,000 | - | 296,000 |
| Consortiums for resale | 15,148 | 192 | - |
| Deferred Charges/ recoverable taxes | 709,042 | 448,472 | 5,461 |
| Other non-current assets | 13,552 | 1,797 | 123 |
| Taxes under litigation | 45,701 | 12,169 | - |
| Goods for resale | 12,462 | 289 | 12,172 |
| Long Term Receivables | 58,031 | - | - |
| Investments/Property/Intangible/Deferred | 2,258,879 | 1,881,735 | 4,344 |
| Right to use asset | 195,310 | 20,384 | 1,010 |
| Liabilities | 8,980,458 | 5,041,191 | 873,149 |
| Current Liabilities | 3,028,876 | 1,341,019 | 441,546 |
| Suppliers | 875,332 | 418,274 | 7,946 |
| Financing institutions | 955,963 | 483,918 | 247,519 |
| Accounts payable by business combination Short Term | 53,216 | - | - |
| Salaries and benefits | 99,698 | 33,390 | 834 |
| Taxes and Fees | 280,594 | 116,234 | 7,311 |
| Advances for customers and others | 722,745 | 283,986 | 177,851 |
| Discontinued operation | 10,017 | - | - |
| Leases Short Term | 31,310 | 5,216 | 85 |
| Noncurrent Liabilities | 3,275,374 | 1,640,751 | 279,240 |
| Financing institutions | 2,635,151 | 1,585,435 | 238,605 |
| Accounts payable by business combination Long Term | 178,268 | - | - |
| Government Subsidy | 3,858 | 1,576 | - |
| Debits with controlled companies | 7,082 | - | 1 |
| Diverse taxes and contributions | 62,508 | - | 55 |
| Provision for contingencies | 52,627 | 18,190 | - |
| Other non-current liabilities | 33,170 | 1,098 | 1,416 |
| Coop-payment plans obligations | 75,396 | - | - |
| Advances for customers and others | 69,313 | 18,688 | 38,195 |
| Leases | 158,002 | 15,764 | 967 |
| Total Net Equity | 2,676,207 | 2,059,421 | 152,363 |
| Net Equity | 2,059,421 | 2,059,421 | 152,359 |
| Minority interest | 616,787 | - | 3 |

SUMMARIZED FINANCIAL STATEMENTS – WITHOUT THE DISCONTINUED OPERATION (R\$ THOUSAND)

| | RANDON S/A IMPL. E PARTIC. CONSOLIDATED | RANDON S/A IMPL. E PARTIC. PARENT CO. | RANDON INVESTIMENTOS |
|--|---|--|-------------------------|
| INCOME STATEMENT | | | |
| Net revenue | 5,363,035 | 2,576,367 | 64,835 |
| Cost of goods and services | -4,012,505 | -2,142,731 | -29,169 |
| Gross income | 1,350,530 | 433,636 | 35,666 |
| Sales expenses | -409,685 | -118,380 | - |
| Administrative expenses | -369,857 | -138,046 | -15,149 |
| Financial income | 217,676 | 133,534 | -90 |
| Investment valuation income | - | 238,392 | - |
| Other expenses/income | 443,451 | 300,314 | -8,348 |
| Income before taxes | 1,232,116 | 849,450 | 12,079 |
| Provision for taxes and social contributions | -390,023 | -184,776 | -5,203 |
| Interest of non-controlling shareholders | -168,633 | - | -0.6 |
| Net income for the period | 673,459 | 664,674 | 6,876 |
| EBIT | 1,014,440 | 477,524 | 12,169 |
| EBITDA | 1,201,768 | 534,092 | 12,353 |
| EBITDA MARGIN (%) | 22.4% | 20.7% | 19.1% |