

GRUPO TECHNOS ANNOUNCES RECORD RESULT WITH A TWO-DIGIT GROWTH IN REVENUE AND PROFIT COMPARED TO 2020 AND 2019, AND BETTER EBITDA SINCE 2016

Rio de Janeiro, November 8, 2021- Grupo Technos (B3: TECN3) announces its 3Q21 results. The following financial and operational information is presented on a consolidated basis, in compliance with Brazilian Corporate Law, unless otherwise indicated.

3Q21 HIGHLIGHTS

- Net revenue increased by 20.4% compared to 3Q20 and increased by 10.2% compared to 3Q19
- Gross profit increased by 29.2% compared to 3Q20 and increased by 31.0% compared to 3Q19
- SG&A increased by 16.9% compared to 3Q20 and decreased by 23.1% compared to 3Q19
- Adjusted EBITDA totaled R\$16.8 million, representing an increase of 65.6% compared to 3Q20 and by 1.300% compared to 2019
- Adjusted EBITDA for the last twelve months totaled R\$60.3 million, the best performance since 2016
- Net debt totaled R\$22.0 million and cash totaled R\$113.2 million, a historical record

DATE

11/8/2021

CLOSING PRICE

R\$ 2.92/share

MARKET CAP

R\$ 229.2 million

CONFERENCE CALL

11/9/2021 10:00 a.m. Brasília

Telephone:

Brazil: +55 (11) 3181-8565

+55 (11) 4090 1621

Connection code: Technos

IR CONTACTS

Daniela Pires – CFO and IR Officer

Luís Ricardo – Financial and IR Manager

Danielle Barbosa – Planning and IR Analyst

ri@grupotechnos.com.br

www.grupotechnos.com.br/ri

+55 (21) 2131-8950

R\$ million	3Q20	3Q21	%	2020	2021	%
Gross revenue	76.9	89.6	16.5%	149.9	223.1	48.9%
Net revenue	66.9	80.5	20.4%	126.6	200.5	58.3%
Gross profit	32.8	42.4	29.2%	53.7	106.0	97.6%
Gross margin	49.0%	52.6%	3.6p.p.	42.4%	52.9%	10.5p.p.
SG&A	-23.6	-27.5	16.9%	-76.3	-74.8	-2.1%
Net income	3.7	6.4	74.4%	-31.0	10.0	N/A
Net margin	5.5%	8.0%	2.5p.p.	-24.5%	5.0%	29.5p.p.
Adjusted EBITDA	10.1	16.8	65.6%	-18.5	35.6	N/A
Adjusted EBITDA margin	15.2%	20.9%	5.7p.p.	-14.6%	17.8%	32.4p.p.
Number of watches (000s)	502	497	-1.0%	978	1.250	27.9%
Average price (R\$/product)	152	179	17.7%	151	177	17.0%

Adjusted EBITDA – Represents CVM EBITDA (net income plus depreciation and amortization, financial expenses, financial income, current and deferred taxes), adjusted for the present value adjustment on sales and sales taxes, non-operational contingency provisions, nonrecurring results, extraordinary, and stock option plan.

In the third quarter of 2021, Grupo Technos once again achieved positive results, notwithstanding a highly volatile and challenging scenario. From a global standpoint, on the one hand, the improvement in health indicators that were highly impacted by the pandemic favored a better flexibilization of measures of isolation and fostered the economic activity. On the other hand, economic pressure resulting from inflation, interest and exchange rate presented new challenges to the company. Moreover, the global logistics and supply chain crisis fully announced by the media hindered the stabilization of supply and inventories. Notwithstanding a challenging scenario, Grupo Technos resumed its success in several fronts of operation, achieving a record performance compared to recently results.

The sequence of positive results showed by Grupo Technos – in comparison with 2020 or even in comparison with years before the pandemic – is a direct result of internal actions to recover sales and gross margin, in addition to the successful implementation of an aggressive plan to protect cash and create efficiencies, as it has been occurring since the beginning of 2020. Specifically, the positive performance of the third quarter was built through a significant balance between sales growth and economic profitability, as a result of the acceleration of innovative initiatives that include the growth of core channels and products and the increasing digitalization of the company's channels and products.

Net Revenue in the third quarter increased by 20.4% compared to the same quarter of the previous year and by 10.2% compared to the third quarter of 2019, showing the consistency of sales growth. In the quarter, an important factor for the growth in revenue was the successful launch of new collections of traditional iconic products together with the introduction of new smartwatch collections. The growth in the category of traditional products and smartwatches in the quarter corroborated the high complementarity of the company's product portfolio and the high growth potential of its collections. The increased gross revenue in the quarter was a result of the 17.7% increase in average price and the virtually stable sales volume.

Gross Profit in the third quarter increased by 29.2% compared to the same quarter in the previous year and by 31.0% compared to the third quarter of 2019, evidencing significant gains in gross margin even in the face of exchange pressures. The increase in gross margin, notwithstanding a more challenging exchange rate scenario, shows the progress of the Company's profitability recovery strategy, which is mainly focused on good management of product margins – as a result of price increases, launching of more desired collections, reduction of promotional sales and better negotiations with suppliers, offsetting the increased dollar exchange rate – and lower costs of Technical Assistance due to the outsourcing model implemented during 2020. Finally, the greater use of the ICMS tax benefit granted to the sector by the State of Amazonas exceptionally for the year of 2021 also had a positive impact on Gross Profit.

Sales and administrative expenses increased by 16.9% compared to the third quarter of 2020, both by increasing sales in the quarter and by adopting cost containment measures taken last year due to the pandemic - and were reduced by 23,1% compared to the same quarter of 2019 demonstrating the perennality of significant efficiency gains.

In the quarter, the Company's adjusted EBITDA totaled R\$16.8 million compared to R\$10.1 million in the previous year and R\$1.2 million in 2019. This is the third consecutive quarter in which the Company had the best adjusted EBITDA in the quarter in six years, illustrating the sustainability and consistency of its turnaround plan. As a result, Adjusted EBITDA for the last twelve months of R\$60.3 million and EBITDA margin of 18.9% represent the highest level when compared to annual results since 2016.

The net indebtedness of R\$22.0 million and the record cash of R\$113.2 million illustrate the financial soundness of the Company.

It is noteworthy that the Company's current gross debt has an average term of 3.3 years, according to the renegotiation and payment extension completed in October 2020. The Company's working capital totaled R\$171.4 million in the third quarter of 2021, representing a decrease of R\$8.4 million compared to the same period in the previous year.

In August 2021, the Company announced the approval of a plan to repurchase shares of up to 4.372.480 million shares. So far, the Company had already repurchased 3.358.546 shares at an average price of R\$ 3,57

The sequence of positive quarter results since last year shows the impact and consistency of the operational restructuring plan that is being implemented by the company since 2019, and was accelerated in the period of the pandemic. The acceleration of sales regarding our core channels and products, as well as new technological products, together with the maintenance of efficiency gains in our cost structure, are a direct result of all efforts made by the management team, notwithstanding the adverse scenario. The leadership of Grupo Technos continues to monitor the volatile and challenging business scenario and is ready to implement additional measures to ensure the continuous acceleration of results, regardless of all market uncertainties.

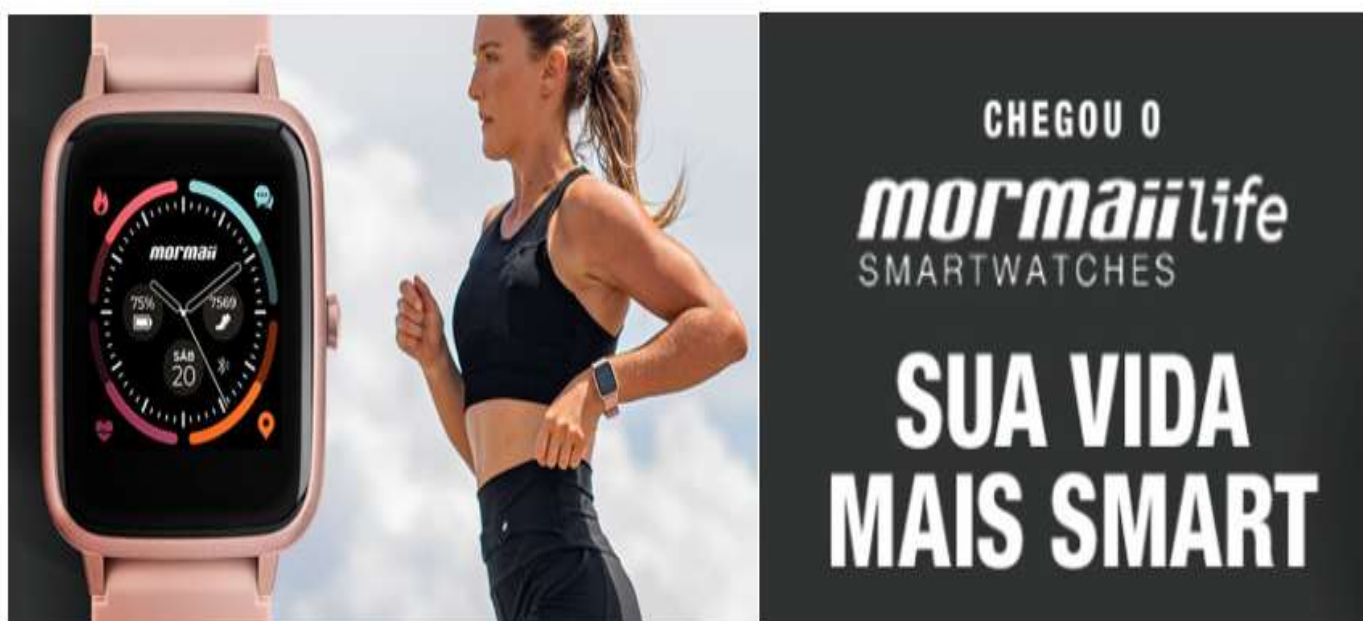
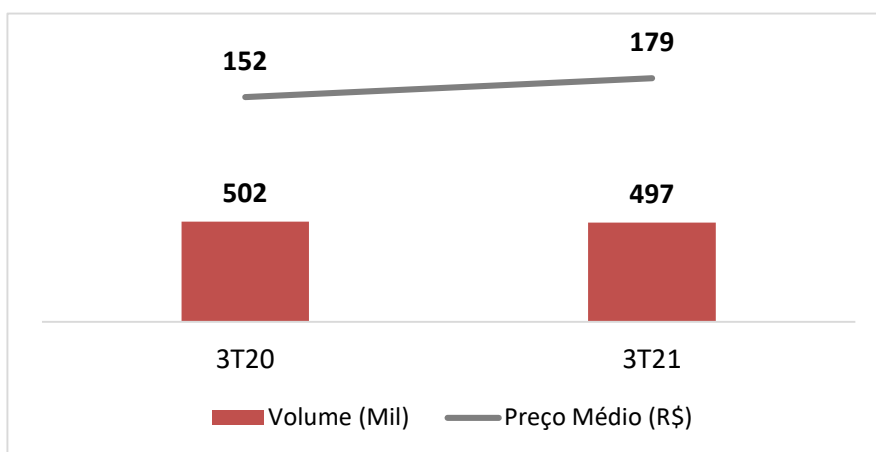


Gross revenue reached R\$89.6 million in the third quarter of 2021, representing an increase of R\$12.7 million compared to the third quarter of 2020, with significant growth in both product sales and technical assistance.

The 16.5% increase in product sales in the quarter is due to the increase in sales in the categories of traditional products and smartwatches, corroborating the high complementarity of the company's portfolio of products and the high growth potential of its collections. In the quarter, an important factor for the growth in revenue was the successful launching of new collections of traditional iconic products, together with the introduction of new collections of connected products of the Technos and Mormaii brands.

In the quarter, the number of watches sold totaled 497 thousand watches, remaining virtually stable compared to the third quarter of 2020.

Average price reached R\$179 in the third quarter of 2021, representing a 17.7% increase. This increase in the average price reflects the Company's strategy to seek greater profitability through selective price increases, decreased discounts and promotional sales, and better management of mix per sales channel.



Analysis per Distribution Channel

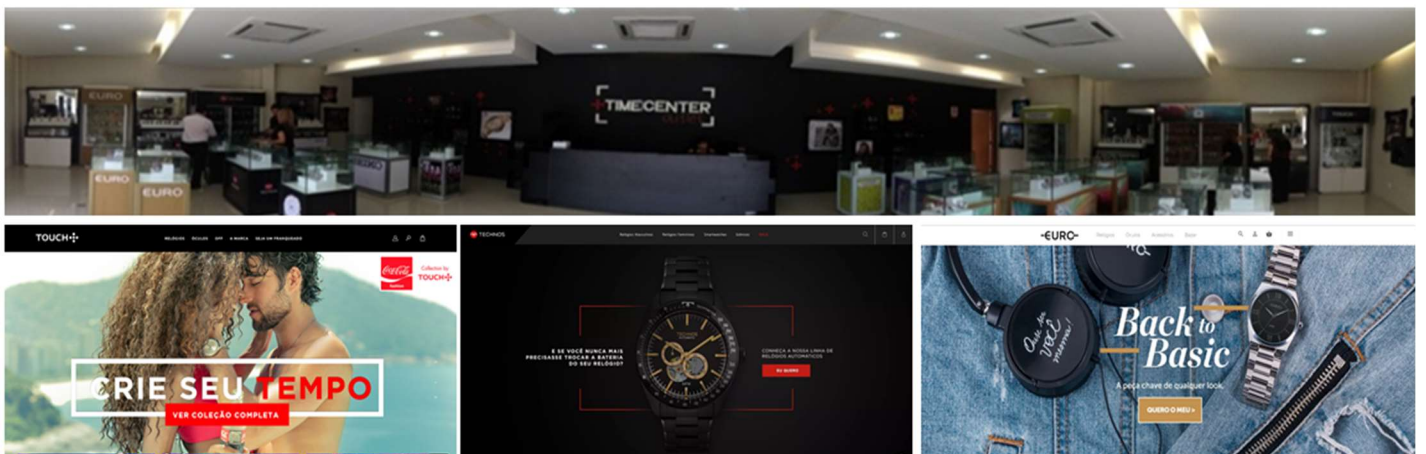
The analysis of sales of watches per distribution channel shows an increase compared to the previous year of 21.6% in specialized stores and 6.4% in Department Stores and Others, which also include online sale retailers. The double-digit sales increase in specialized stores is particularly important and shows the resilience of our core channel.

R\$ Million	3Q20	3Q21	Var %	Var R\$	2020	2021	Var %	Var R\$
Specialized Stores	51.1	62.1	21.6%	11.0	99.5	150.1	50.8%	50.6
Department Stores and Others	25.4	27.0	6.4%	1.6	48.6	71.7	47.3%	23.0
Total	76.5	89.1	16.5%	12.6	148.1	221.7	49.7%	73.6

RETAIL

In retail, the Company runs its own operations through websites and outlets. The company operates in ecommerce with five e-commerce websites, four of which are dedicated to the brands Technos, Fossil, Euro, Condor, and one, Timecenter, is dedicated to online sales of all brands. The main goal of this online activity is brand building and brand communication in the virtual environment, as a large number of customers performs online searches before completing their purchases in physical stores, as well as the engagement and allurements of consumers in relation to the category and our brands.

The Company has 15 own stores in the main capitals, including full price stores and Outlets. The mission of the full price sales points is to reinforce the presence of the brand, as well as test products and provide a differentiated purchase experience. The outlets are part of the Company's inventory management strategy, ensuring the sale of low turnover products outside the traditional sales channels.



NET REVENUE

In the third quarter of 2021, net revenue totaled R\$80.5 million, representing a 20.4% increase compared to the same period in the previous year and a 10.2% increase compared to 3Q19. It is noteworthy that this growth includes traditional watches and smartwatches

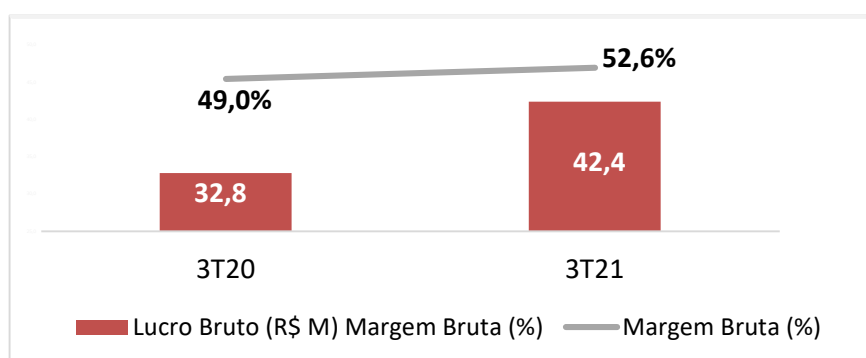
Present value adjustment on gross revenue totaled R\$1.3 million in the third quarter of 2021, representing a R\$0.5 million increase. This is a non-cash adjustment, as the portion deducted from gross revenue at the time of sale returns to the Company and is credited to financial income at the time of receipt.

Notwithstanding the 16.5% increase in Gross Revenue, sales taxes decreased by 15.8% compared to the same period in the previous year. This effect is primarily due to the increased enjoyment of the ICMS tax benefit, pursuant to Decree 43,274. It is noteworthy that this benefit was exceptionally granted for 2021 due to the great impact of the pandemic on the watch sector. Excluding this effect, tax in 3Q21 would be R\$ 4.6 million higher, with a percentage increase closer to sales increase.

R\$ Million	3Q20	3Q21	Var %	Var R\$	2020	2021	Var %	Var R\$
Gross Revenue	76.9	89.6	16.5%	12.7	149.9	223.1	48.9%	73.2
Present Value Adjustment on Sales	(0.8)	(1.3)	64.1%	(0.5)	(1.8)	(3.1)	71.8%	(1.3)
Sales Taxes	(9.3)	(7.9)	-15.8%	1.5	(21.7)	(19.8)	-8.8%	1.9
Present Value Adjustment on Taxes	0.1	0.1	27.5%	0.0	0.3	0.3	4.9%	0.0
Net Revenue	66.9	80.5	20.4%	13.7	126.6	200.5	58.3%	73.9

GROSS PROFIT AND GROSS MARGIN

In the third quarter of 2021, the Company's gross profit totaled R\$42.4 million compared to R\$32.8 million in the same period in the previous year, and gross margin increased by 3.6p.p., from 49.0% in the third quarter of 2020 to 52.6% in the third quarter of 2021. This increase is primarily due to the implementation of the strategy to recover the Company's profitability and efficiency. The key factors accounting for increased gross margin, notwithstanding a scenario of increased dollar exchange rate, include increased prices, launchings of most desired collections, decreased sales promotions, decreased post-sales costs as a result of the outsourcing of the network, and the impact of the increased ICMS tax benefit exceptionally approved for 2021. The positive effect of the increased tax benefit in the quarter totaled R\$4.6 million. This quarter, the impact of the provision for obsolete inventory totaled R\$2.0 million.



SALES AND ADMINISTRATIVE EXPENSES



The Company's sales and administrative expenses increased by 16.9%, or R\$4.0 million, from R\$23.6 million in the third quarter of 2020 to R\$27.5 million in the third quarter of 2021. This increase is primarily due to two major factors - increased sales and sales expenses, in addition to the comparison with a period in which the Company used strategies to decrease working hours and terminate employment contracts of a significant number of employees. These strategies were adopted to protect the Company's cash in a period in which the impact of the pandemic was most significant, primarily during the second and third quarters of 2020. Compared to the same period in 2019, sales and administrative expenses were reduced by 23.1%, showing the structural impact of the decrease in headcount and operational expenses.

Sales expenses increased by 9.5%, or R\$1.5 million, compared to the same quarter in 2020. This increase was primarily due to sales expenses, including investments in marketing and trade actions, freight, travel, and headcount.

General and administrative expenses increased by R\$2.5 million, or 31.4%, compared to the same quarter in 2020, and R\$0.5 million, or 5.1%, compared to the same quarter in 2019. It is noteworthy that, in the quarter, we had the impact of R\$2.2 million regarding a previous labor proceeding involving Dumont Saab, a company that we acquired in 2012. This amount was already mapped in the acquisition and is provisioned and covered by an escrow account. Considering the information described above, the impact of this proceeding is only between lines, as a reversion of provision of the same magnitude positively affected the Others, net line item.

Excluding this impact, general and administrative expenses increased by R\$0.4 million or 4.9% compared to the same period in the previous year and decreased by R\$1.6 million or 16.1% compared to the same period in 2019. The increased expenses compared to the previous year is primarily due to the aggressive one-off measures taken in 2020 to contain expenses, including reduced working hours and the termination of employment contracts. On the other hand, in the comparison with 2019, it is possible to note the effects of structural actions to decrease expenses, including the restructuring in headcount and review of office expenses.

OTHER OPERATING RESULTS, NET



Other operating results, net totaled an expense of R\$3.7 million, compared to an expense of R\$1.4 million in the same period in the previous year. The most significant impacts on this line item in the period refer to expenses with the profit-sharing plan, stock option plan, asset write-off and contingency provisions or reversals.

The Company's EBITDA increased by R\$6.7 million, or 65.6%, from R\$ 10.1 million in the third quarter of 2020 to R\$16.8 million in the third quarter of 2021. EBITDA margin reached 20.9% compared to 15.2% in 3Q20 and 1.6% in 3Q19. This positive result is due to the strong sales growth, combined with the implementation of the strategy to recover profitability, through the recovery of gross margin and higher efficiency in expenses with significant savings.

The adjustments made in Adjusted EBITDA in 3Q21 refer to taxes on the provision for obsolete inventory, in the amount of R\$1.6 million, the impact of R\$0.8 million of asset write-off, and the impact of present value adjustment on Operational Result, in the amount of R\$1.3 million. The expenses with the stock option plan, which in 3Q21 totaled R\$0.9 million, were not adjusted in the Adjusted EBITDA calculation.

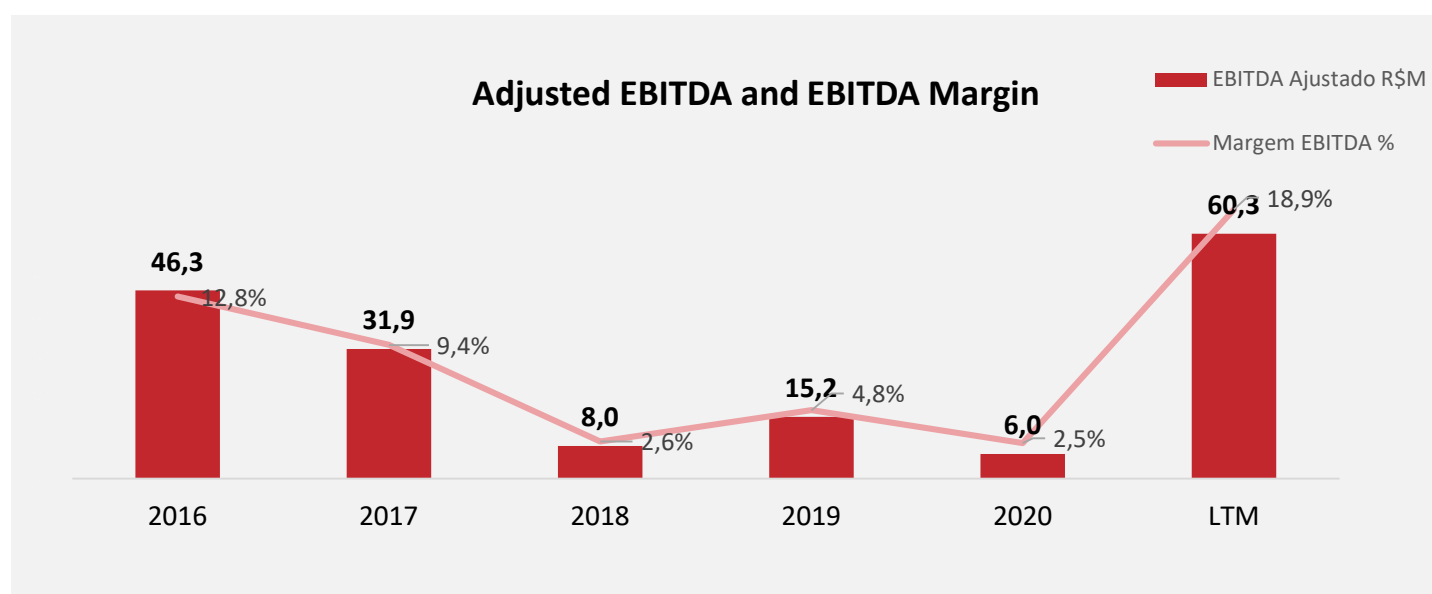
R\$ Million	3Q20	3Q21	2020	2021
(=) Net income	3.7	6.4	(31.0)	10.0
(+) Depreciation and amortization	(2.7)	(2.1)	(8.4)	(6.4)
(+/-) Financial result	(1.7)	(0.8)	(18.3)	(5.1)
(+) Current taxes	0.0	(2.5)	0.0	(9.0)
(+/-) Deferred taxes	(2.4)	(1.4)	13.6	0.6
(=) EBITDA (CVM 527/12)	10.5	13.2	(17.9)	29.9
(+/-) Provision for contingencies ¹	0.9	(1.6)	1.9	(1.4)
(+) Other non-cash expenses	0.0	0.0	0.0	0.0
(+) Other non-recurring expenses ²	0.0	(0.8)	0.0	(1.4)
(+) Impact of present value adjustment on operational result ³	(0.5)	(1.3)	(1.4)	(2.8)
(=) Adjusted EBITDA	10.1	16.8	(18.5)	35.6

¹ Adjustment of tax on provision for obsolete inventory

² Non-recurring or non-operational expenses

³ Present value adjustment that results in a decrease in the Company's gross revenue (affecting CVM EBITDA) and an increase in the Company's financial income (not affecting CVM EBITDA), leading to a mismatch in connection with the CVM EBITDA view

As a result, Adjusted EBITDA for the last twelve months of R\$60.3 million and EBITDA margin of 18.9% represent the highest level when compared to annual results since 2016.



NET FINANCIAL RESULT



In the third quarter of 2021, net financial result totaled an expense of R\$0.8 million, representing a decrease of R\$0.9 million compared to an expense of R\$1.7 million in the third quarter of 2020. The main impacts of this line item in the third quarter of 2021 were due to the direct and indirect effects of the exchange rate variation in the period, including appreciations and depreciations, as well as derivative transactions. In the third quarter of 2021, the main financial expenses were due to the payment of interest on loans, in the amount of R\$0.6 million, and the impact of the exchange rate variation that affects the amounts of hedging transactions.

NET INCOME



In the quarter, the Company's net income totaled an income of R\$6.4 million, representing an improvement of R\$2.7 million compared to the third quarter of 2020.



WORKING CAPITAL

R\$ million	3Q20	Days	3Q21	Days
(+) Accounts receivable	91.1	142	106.2	120
(+) Inventories	113.4	318	120.7	283
(-) Accounts payable	17.4	49	55.8	131
(=) Working Capital	187.1	411	171.1	272

In the third quarter of 2021, the Company's working capital totaled R\$171.1 million, accounting for 272 days. In the same period in the previous year, working capital totaled R\$187.1 million, representing a decrease of R\$16.0 million, or 8,4%.

The Company's balance of Accounts Receivable totaled R\$106.2 million compared to R\$91.1 million in the previous year. This increase is due to the sales increase in the last 12 months. It is noteworthy that assiduity showed an improvement of 14p.p. in 3Q21 compared to 3Q20, performing at the best level in the Company's history. The average sales term in the last twelve months shows a reduction of 3 days compared to the same period in the previous year.

Inventory totaled R\$121.0 million at the end of the quarter, representing a R\$7.6 million increase compared to the third quarter of 2020. This increase is the result of the recomposition of inventories and the recovery of supply flows, efforts that we have been implementing since the third quarter of 2020 and whose results began to be perceived in sales growth. It is noteworthy that, at the end of September, a portion of this inventory was still in transit. Moreover, the management of the international chain has been a challenge in view of the energy crisis in China, affecting the production capacity of our suppliers, and also due to the global logistics scenario, which still has not recovered to normal levels.

The Company's balance of Accounts Payable totaled R\$55.8 million, compared to R\$17.4 million in the same period in 2020, due to the freezing of shipments and new purchases as of March 2020, and also due to this year's supply for the 4Q21 sales.

CASH BALANCE

The Technos Group ended the third quarter of 2021 with net debt of R\$22.0 million, falling R\$43.7 million compared to the position of the third quarter of 2020, due to the recovery of sales and profitability. Compared to the second quarter of 2021, there was a drop of R\$2.8 million, primarily due to the positive result of operating activities of R\$13.1 million, investment of R\$2.0 million in fixed and intangible assets in the quarter and R\$0.6 million in interest payments on contracted loans and amortizations in the period.

R\$ million	3Q20	2Q21	3Q21
Gross debt	(150.8)	(136.5)	(135.2)
(-) Cash	85.1	111.6	113.2
(=) (Debt)/Net Cash	(65.7)	(24.9)	(22.0)

¹In the calculation of net debt, we considered cash plus restricted cash of R\$12.9 million in 3Q21

INCOME STATEMENT



R\$ thousand

QUARTER

	Consolidated	
	3Q20	3Q21
Net revenue	66,869	80,542
Cost of goods sold	(34,071)	(38,174)
Gross profit	32,798	42,368
Sales expenses	(14,261)	(17,440)
Provision for impairment of trade receivable	(1,376)	322
Administrative expenses	(7,915)	(10,403)
Others, net	(1,424)	(3,735)
Operational profit	7,822	11,112
Financial result, net	(1,697)	(769)
Financial income	11,982	3,740
Financial expenses	(13,679)	(4,509)
Income before income tax and social contribution	6,125	10,343
Income tax and social contribution	(2,436)	(3,911)
Deferred	0	(2,523)
Current	(2,436)	(24)
Net income	3,689	6,432

ACCUMULATED

	Consolidated	
	2020	2021
Net revenue	126,615	200,492
Cost of goods sold	(72,963)	(94,474)
Gross profit	53,652	106,018
Sales expenses	(41,697)	(46,902)
Provision for impairment of trade receivable	(11,730)	(755)
Administrative expenses	(22,913)	(27,114)
Others, net	(3,808)	(7,744)
Operational profit	(26,496)	23,503
Financial result, net	(18,152)	(5,133)
Financial income	53,164	9,664
Financial expenses	(71,316)	(14,797)
Income before income tax and social contribution	(44,648)	18,370
Income tax and social contribution	13,633	(8,374)
Deferred	0	(8,978)
Current	13,633	604
Net income	(31,015)	9,996

BALANCE SHEET



R\$ thousand

	Consolidated	
	September 30, 2020	September 30, 2021
Assets		
Current assets		
Cash and cash equivalents	38,285	100,367
Restricted cash	46,802	12,865
Marketable securities	0	0
Accounts receivable	91,115	106,201
Inventories	113,393	120,706
Income tax and social contribution recoverable	8,691	17,464
Recoverable taxes	30,111	26,177
Derivative financial instruments	4,735	904
Other assets	12,167	11,235
Assets held for sale	4,800	1,880
	350,099	397,799
Non-current assets		
Related deposits	0	1,554
Advances to suppliers	3,811	2,750
Recoverable taxes	3,688	24,294
Judicial deposits	35,110	1,619
Other assets	3,441	0
Derivative financial instruments	15,784	0
	61,834	30,217
Investments		
Intangible	191,350	191,076
Property and equipment	33,256	25,563
	224,606	216,639
Total assets	636,539	644,655

BALANCE SHEET



	Consolidated	
	September 30, 2020	September 30, 2021
Liabilities		
Current liabilities		
Borrowings	64,263	11,665
Accounts payable	17,416	55,784
Income tax and social contributions payable	7,437	17,009
Deferred income tax and social contributions	342	326
Amount payable for the acquisition of non-controlling interest	1,103	1,103
Salaries and social charges payable	7,925	12,200
Dividends payable	1,375	1,371
Derivative financial instruments	0	43
Lease payment	2,124	1,609
Other payables	11,624	9,380
Provision for success fees	1,993	919
Payables - assignment of credit right	15,607	5,231
	131,209	116,640
Non-current liabilities		
Borrowings	106,623	123,583
Income tax and social contributions payable (Note 14)	1,738	1,580
Deferred income tax and social contributions	9,580	14,955
Provision for contingencies	53,538	56,315
Amount payable for the acquisition of equity interest	4,223	1,008
Payables - assignment of credit right	7,544	0
Lease payment	2,719	2,714
Other payables	0	0
Provision for success fees	5,899	4,633
	191,864	204,788
Total liabilities	323,073	321,428
Equity		
Capital stock	130,583	130,583
Treasury shares	(11,208)	(16,579)
Share issuance expenses	(10,870)	(10,870)
Capital reserves	204,432	206,695
Profit reserve for reflex tax incentive	42,450	14,287
Carrying value adjustment	(14,111)	(14,090)
Additional proposed dividend	3,205	3,205
Income (loss) in the period	(31,015)	9,996
Total equity	313,466	323,227
Total liabilities and equity	636,539	644,655

CASH FLOW



R\$ thousand

QUARTER

Consolidated

	3Q20	3Q21
Income before income tax and social contribution	6,125	10,343
Adjustments for items that do not affect cash flow		
Amortization and depreciation	2,709	2,074
Allowance for recoverable value of inventory	1,140	(3,873)
Allowance for recoverable value of accounts receivable	1,362	(322)
Write-off of accounts receivable for foreclosure of guarantees without generation of cash	0	0
Adjustment to market value in noncurrent assets available for sale	0	845
Allowance for contingencies (reversal)	(862)	1,978
Results from disposal of permanent assets	432	790
Impairment of permanent assets	(1)	(1)
Provision for impairment of goodwill	0	0
Interest on loans	1,096	3,179
Other interest expenses and foreign exchange variation	4,590	11
Derivative financial instruments	5,788	(3,298)
Stock option premium	0	894
Others	(480)	519
Changes in assets and liabilities		
Decrease (increase) in accounts receivable	(11,111)	(4,771)
Decrease (increase) in inventories	24,973	(12,726)
Decrease (increase) in tax recoverable	3,743	4,006
Decrease (increase) in other assets	754	1,136
Increase (decrease) in suppliers and accounts payable	(31,203)	14,306
Increase (decrease) in salaries and social charges payable	582	2,622
Increase (decrease) in taxes, rates and social contributions payable	(479)	(163)
Interest paid	(1,313)	(4,009)
Income tax and social contribution paid	0	(3,708)
Others	0	0
Net cash (applied in) generated by operational activities	7,845	9,832
Cash flow from investment activities		
Redemption of escrow accounts	501	2,236
Acquisition of equity interest	(501)	1,032
Restricted cash	0	0
Purchases of fixed assets	(157)	(1,356)
Amount received from the sale of fixed assets	349	238
Purchases of intangible assets	(8)	(879)
Net cash (applied in) generated by investment activities	184	1,271
Cash flow from financial activities		
Deposits as collaterals - restricted cash	(26,447)	(1,296)
Borrowings	76,045	0
Payment of borrowings	(66,646)	(559)

Lease contracted	0	0
Lease paid	(543)	(428)
Acquisition of own shares held in treasury	0	(5,371)
Acquisition of equity interest	0	(3,286)
Net cash applied in financial activities	(17,591)	(10,940)
Increase (decrease) in cash and cash equivalents	(9,562)	163
Cash and cash equivalents at beginning of period	47,847	100,204
Cash and cash equivalents at end of period	38,285	100,367

CASH FLOW



R\$ thousand

ACCUMULATED

Consolidated

	2020	2021
Income before income tax and social contribution	(44,648)	18,370
Adjustments for items that do not affect cash flow		
Amortization and depreciation	8,455	6,408
Allowance for recoverable value of inventory	3,582	(3,944)
Allowance for recoverable value of accounts receivable	11,730	755
Write-off of accounts receivable for foreclosure of guarantees without generation of cash	0	0
Adjustment to market value in noncurrent assets available for sale	0	845
Allowance for contingencies (reversal)	(1,100)	2,377
Results from disposal of permanent assets	1,407	1,666
Impairment of permanent assets	(4)	(4)
Provision for impairment of goodwill	0	0
Interest on loans	3,513	8,070
Other interest expenses and foreign exchange variation	34,228	9
Derivative financial instruments	(18,663)	(454)
Stock option premium	0	2,263
Others	(264)	411
Changes in assets and liabilities		
Decrease (increase) in accounts receivable	48,912	26,496
Decrease (increase) in inventories	5,640	(39,783)
Decrease (increase) in tax recoverable	1,681	8,526
Decrease (increase) in other assets	2,337	2,150
Increase (decrease) in suppliers and accounts payable	(63,387)	24,430
Increase (decrease) in salaries and social charges payable	1,429	7,741
Increase (decrease) in taxes, rates and social contributions payable	3,160	2,030
Interest paid	(5,769)	(9,134)
Income tax and social contribution paid	0	(8,861)
Others	0	0
Net cash (applied in) generated by operational activities	(7,761)	50,367
Cash flow from investment activities		
Redemption of escrow accounts	537	2,249
Acquisition of equity interest	(525)	0
Restricted cash	0	0
Purchases of fixed assets	(1,286)	(2,595)
Amount received from the sale of fixed assets	624	1,394
Purchases of intangible assets	(1,481)	(2,315)
Net cash (applied in) generated by investment activities	(2,131)	(1,267)
Cash flow from financial activities		
Deposits as collaterals - restricted cash	(39,770)	(1,287)
Borrowings	131,281	0

Payment of borrowings	(94,515)	(2,174)
Lease contracted	0	0
Lease paid	(2,928)	(1,873)
Dividends paid to non-controlling interest	0	(5,371)
Acquisition of equity interest	0	(3,286)
Net cash applied in financial activities	(5,932)	(13,991)
Increase (decrease) in cash and cash equivalents	(15,824)	35,109
Cash and cash equivalents at beginning of period	54,109	65,258
Cash and cash equivalents at end of period	38,285	100,367