



## 3Q20 Earnings Results

**São Paulo, November 16, 2020: ATMA Participações S.A.** (“Company”, “ATMA”) (B3: ATMP3) announces today its results for the third quarter of 2020. The financial information in this report was prepared in accordance with the International Financial Reporting Standards (“IFRS”) and the accounting practices adopted in Brazil, including the Brazilian Corporate Law and the pronouncements, guidelines and interpretations issued by the Accounting Pronouncements Committee (“CPC”) and approved by the Brazilian Securities and Exchange Commission (“CVM”), applicable to the Company’s operations.

### Financial and Operating Highlights

In the charts below we present the numbers without depreciation, for EBITDA purposes. In Attachment I, we present the consolidated Income Statement, considering depreciation.

Financial Indicators R\$ million	3Q20	2Q20	1Q20	4Q19	3Q20 vs. 2Q20	3Q20 vs. 1Q20	3Q20 vs. 4Q19
Gross Revenue	261.4	233.8	280.0	182.8	11.8%	-6.6%	43.0%
Net Operating Revenue	229.5	205.7	245.2	164.6	11.6%	-6.4%	39.5%
Gross Income	33.3	4.7	(7.6)	(77.7)	614.7%	n.m.	n.m.
Gross Margin	14.5%	2.3%	-3.1%	-47.2%	12.2 p.p.	n.m.	n.m.
EBITDA	6.9	(8.1)	(44.3)	(103.0)	n.m.	n.m.	n.m.
EBITDA Margin	3.0%	-4.0%	-18.1%	-62.6%	n.m.	n.m.	n.m.
Recurring EBITDA	29.7	25.6	(26.3)	(30.1)	16.0%	n.m.	n.m.
Recurring EBITDA Margin	13.0%	12.5%	-10.7%	-18.3%	0.0 p.p.	n.m.	n.m.
Net Loss	(65.6)	(46.7)	(92.2)	(160.9)	40.4%	-28.8%	-59.2%
Operating Indicators Units	3Q20	2Q20	1Q20	4Q19	3Q20 vs. 2Q20	3Q20 vs. 1Q20	3Q20 vs. 4Q19
Occupied Workstations	9,501	8,368	7,235	6,944	13.5%	31.3%	36.8%
Employees	26,589	25,028	24,489	20,173	6.2%	8.6%	31.8%

*n.m.: not measurable*



## Message from Management

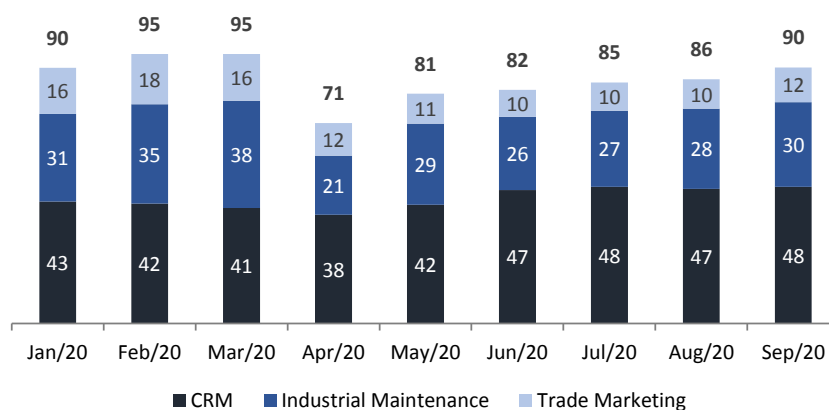
In the third quarter of 2020, the Company had important conquests and consolidated itself as one of the largest specialized services companies in the country. We focused on (i) adapting the impacts of the Covid-19 pandemic, (ii) resuming new revenue growth, and (iii) following with the integration and adjustments process.

The Company recorded a 12% increase in revenue over the second quarter, closing the period with gross revenue of R\$ 261 million, despite the new scenario of the Covid-19 pandemic that continues to affect Brazil and the world.

The Company's CRM business grew 13% over 2Q20, as a result of its strong operating capacity, even with the pandemic. It is worth pointing out that the main activities of the Company were considered essential services, allowing the continuity and intensification of services and operational support to customers.

In the Industrial Maintenance segment, the Company recorded a 13% increase in revenue over 2Q20, mainly due to the mobilization of contracts postponed due to the pandemic in 3Q20. Nevertheless, the Company still feels with the effects from the Covid-19 pandemic and continues to postpone the implementation of contracts in its initial phase for the coming months.

Revenue by Segment (R\$M)



Regarding costs, even with the 12% increase in revenues, the Company recorded a 2.4% drop in costs in comparison to 2Q20, due to the continuity of opportunity capture and spending reduction activities taken during the last months. Costs dropped from 97.7% to 85.4% of the Company's net revenues.

Gross margin in 3Q20 was 14.5%, 12.2 p.p. better than in 2Q20, showing an effective reversion over the previous quarters, as in the 1Q20 gross margin was of -3.1%.

Non recurring impacts from Covid-19 pandemic and business integration and adjustment process were of R\$ 22.8 million. Including (i) personnel and structural adjustments costs and expenses due to the new occupancy rules (reduction in working hours, layoffs, release of people in risk group, among others), (ii) integration of operational management and controlling systems, and (iii) settlement of agreements and contingencies.

The Company's efforts to improve operating efficiency in the last quarters are reflected in 3Q20 recurring EBITDA improvement, that totaled a positive R\$ 29.7 million, with a 13% margin. This improvement was due to the 615% increase recorded in gross income over the previous quarter, as a result of the several operating efficiency initiatives applied since June 2019.



The Company's cash position also had a positive result, closing the quarter at R\$ 46 million, a positive flow of R\$ 13 million in 3Q20, due a cash generation in the period.

Additionally, on October 27, the effects of the approval of the restructuring plan for the company's financial debt were resumed, after the repeal of the suspensive effect granted on August 14, 2020.

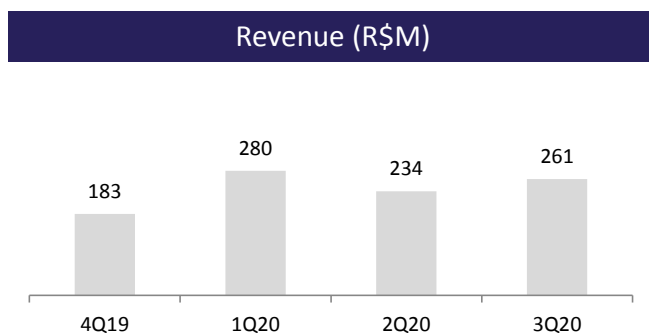
On November 16, the Company started offering the 7<sup>th</sup> Debentures Issue, advancing in its financial debt restructuring process. After its subscription, the debentures of this new issue will be convertible into shares, at the option of its holders, which allows, if converted, the reduction of indebtedness and the consequent improvement of the Company's capital structure.

In the coming months, we plan to complete the Company's integration and adjustment process implemented during this year. The financial and operating results obtained in the last quarters reinforce the management's confidence in our Company, its team and the capacity to generate value for all stakeholders.

## Revenues

In the third quarter of 2020, the Company recorded revenue increase, despite the effects of the Covid-19 pandemic that still affects Brazil and the world's economy.

Gross Operating Revenue was R\$ 261 million, 11.8% up on the R\$ 234 million recorded in the previous quarter, but still 6.6% lower than the R\$ 280 million recorded in March 2020, prior to the pandemic.



It is worth pointing out that according to Federal Decree No. 10,282, of March 20, 2020 and understandings of the State and Municipal spheres, the Company's main operations (CRM and Industrial Maintenance) were considered essential services. This fact generated the necessary stability to maintain the Company's main activities, allowing the continuity and intensification of services and operational support to customers.

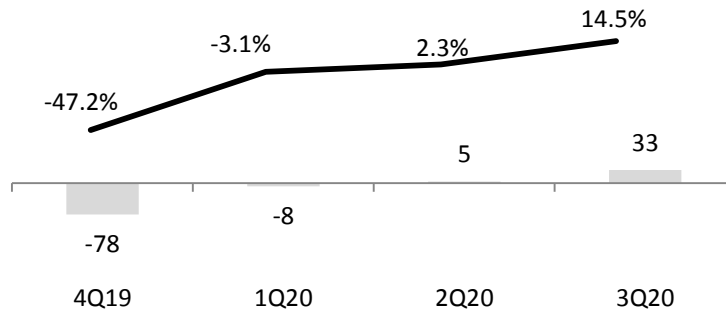
R\$ million	3Q20	2Q20	1Q20	4Q19	3Q20 vs. 2Q20	3Q20 vs. 1Q20	3Q20 vs. 4Q19
<b>Gross Operating Revenue</b>	<b>261.4</b>	<b>233.8</b>	<b>280.0</b>	<b>280.0</b>	<b>11.8%</b>	<b>-6.6%</b>	<b>-6.6%</b>
Taxes and Revenue deductions	261.4	233.8	280.0	182.8	11.8%	-6.6%	43.0%
<b>Net Operation Revenue</b>	<b>(31.9)</b>	<b>(28.1)</b>	<b>(34.8)</b>	<b>(18.2)</b>	<b>13.6%</b>	<b>-8.3%</b>	<b>75.3%</b>

## Gross Income and Cost of Services

The company continues to focus on initiatives to reduce Cost of Services, ending 3Q20 with a drop of 2.4% when compared to the previous quarter and of 22.4% compared to the first quarter of 2020.

Cost control initiative were very important to the Company, that managed to revert its gross income down history, closing the quarter, for the second consecutive time, with a positive gross margin of 14.5%.

## Gross Income\* (R\$M) and Margin (%)



\*Ex, depreciation and amortization

In the charts below we present the numbers without depreciation, for EBITDA purposes. In Attachment I, we present the consolidated Income Statement, considering depreciation.

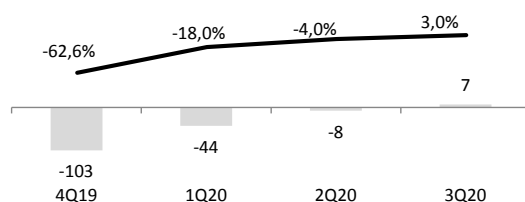
R\$ million	3Q20	2Q20	1Q20	4Q19	3Q20 vs. 2Q20	3Q20 vs. 1Q20	3Q20 vs. 4Q19
<b>Net Operating Margin</b>	<b>229.5</b>	<b>205.7</b>	<b>245.2</b>	<b>164.6</b>	<b>11.6%</b>	<b>-6.4%</b>	<b>39.5%</b>
Cost of Services	(196.3)	(201.0)	(252.8)	(242.3)	-2.4%	-22.4%	-19.0%
Gross Income	33.3	4.7	(7.6)	(77.7)	<b>614.7%</b>	<b>n.m.</b>	<b>n.m.</b>
<b>Gross Margin</b>	<b>14.5%</b>	<b>2.3%</b>	<b>-3.1%</b>	<b>-47.2%</b>	<b>12.2 p.p.</b>	<b>n.m.</b>	<b>n.m.</b>

R\$ million	3Q20	2Q20	1Q20	4Q19	3Q20 vs. 2Q20	3Q20 vs. 1Q20	3Q20 vs. 4Q19
<b>Cost of Services</b>	<b>(196.3)</b>	<b>(201.0)</b>	<b>(252.8)</b>	<b>(242.3)</b>	-2.4%	-22.4%	-19.0%
Personnel	(171.8)	(170.8)	(206.9)	(144.2)	0.6%	-16.9%	19.2%
Infrastructure and services	(21.8)	(28.4)	(39.6)	(93.0)	-23.3%	-45.0%	-76.6%
Materials	(2.7)	(1.8)	(6.3)	(0.9)	44.2%	-57.8%	207.6%

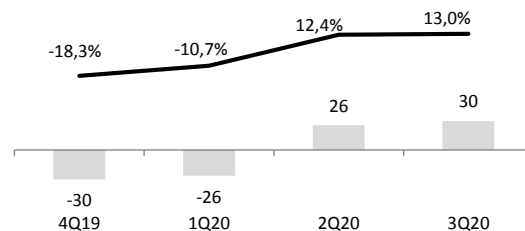
n.m: not measurable

## EBITDA

### EBITDA (R\$M) and Margin (%)



### Recurring EBITDA (R\$M) and Margin (%)





In 3Q20 the Company recorded a positive EBITDA of R\$ 6.9 million, with a 3% margin, in comparison to a negative EBITDA of R\$ 8.1 million, with a -4% margin in the previous quarter, and a negative EBITDA of R\$ 44 million in the first quarter of 2020. This improvement is a result of the actions focused on operational stability, adopted by the Company in the period.

The impacts caused by Covid-19, which were very relevant as of March/20, and the measures of social distancing generated economic consequences for all sectors of the economy and for the Company's customers. During this period, the Company recorded a reduction in demand for services considered non-essential and an increase in operating costs due to the new occupancy rules. Disregarding this effect, the management integration system and litigation costs, which are the non-recurring effects, the Company reached a positive recurring EBITDA of R\$ 29.7 million in 3Q20, with a 13% margin. It is worth mentioning that even with the economic effects of the Covid-19 pandemic, the Company maintained a positive recurring EBITDA level in the period.

R\$ million	3Q20	2Q20	1Q20	4Q19	3Q20 vs. 2Q20	3Q20 vs. 1Q20	3Q20 vs. 4Q19
<b>Net Operating Revenue</b>	<b>229.5</b>	<b>205.7</b>	<b>245.2</b>	<b>164.6</b>	<b>11.6%</b>	<b>-6.4%</b>	<b>39.5%</b>
Cost of Services	(196.3)	(201.0)	(252.8)	(242.3)	-2.4%	-22.4%	-19.0%
<b>Gross Income</b>	<b>33.3</b>	<b>4.7</b>	<b>-7.6</b>	<b>-77.7</b>	<b>614.7%</b>	<b>n.m.</b>	<b>n.m.</b>
SG&A	(19.4)	(18.8)	(33.9)	(2.6)	3.1%	-42.7%	652.6%
SG&A (other)	-	8.5	-	15.9	-	-	-
Other Operating Revenue and Expenses	(7.0)	(2.5)	(2.9)	(38.7)	182.6%	145.1%	-81.9%
<b>EBITDA</b>	<b>6.9</b>	<b>(8.1)</b>	<b>(44.3)</b>	<b>(103.0)</b>	<b>n.m.</b>	<b>n.m.</b>	<b>n.m.</b>
<b>EBITDA Margin</b>	<b>3.0%</b>	<b>-4.0%</b>	<b>-18.1%</b>	<b>-62.6%</b>	<b>n.m.</b>	<b>n.m.</b>	<b>n.m.</b>
(Litigation, net of provisions and reversions)	9.8	11.6	9.4	61.0	-15.4%	4.0%	-83.9%
(Non-recurring effects)	13.0	22.2	8.5	11.9	-41.2%	53.2%	9.9%
<b>Recurring EBITDA</b>	<b>29.7</b>	<b>25.6</b>	<b>(26.3)</b>	<b>(30.1)</b>	<b>16.0%</b>	<b>n.m.</b>	<b>n.m.</b>
<b>Recurring EBITDA margin</b>	<b>13.0%</b>	<b>12.5%</b>	<b>-10.7%</b>	<b>-18.3%</b>	<b>0.0 p.p.</b>	<b>n.m.</b>	<b>n.m.</b>

*n.m.: not measurable*

## Restructuring of the Financial Debt

On December 30, 2019, the Company and its subsidiary Liq Corp S.A. filed a Request for Homologation of the Financial Debt Extrajudicial Recovery Plan in the 1<sup>st</sup> Bankruptcy and Reorganizations Court of the Central District of São Paulo/SP, under N<sup>o</sup> 1000687-91.2019.8.26.0228. The Plan covers only financial creditors, and it does not include its suppliers and employees.

The total amount of the financial indebtedness covered by the Recovery Plan is of R\$ 1,265,541,751.64.

The financial debt of ETS Participações and its subsidiaries are not part of the referred Plan.

The Recovery Plan comprises the issuance of new debentures (7<sup>th</sup> issue) by ATMA Participações S.A., in 4 distinct series that represent the payment terms chosen by financial creditors.



The terms and conditions of each Serie of the 7<sup>th</sup> issue of debentures are summarized as follows:

Series	Interest Rate	Maturity	Amortization	Convertible into shares	Allocation option
1 <sup>st</sup>	CDI + 1% p.a.	12/15/2025	Quarterly, 03/15/2022 onwards	Yes	10%
2 <sup>nd</sup>	CDI + 1% p.a.	12/15/2025	Quarterly, 03/15/2022 onwards	No	10%
3 <sup>rd</sup>	TR + 1% p.a.	12/15/2038	Bullet	Yes	90% or 100%
4 <sup>th</sup>	TR + 1% p.a.	12/15/2038	Bullet	No	90%

On July 14, 2020, the Court ratified the Extrajudicial Recovery Plan for the financial debt of the Company and its subsidiary Liq Corp.

On July 31, 2020, ended the period for the creditors to choose their allocation option, and all the creditors opted for the 1<sup>st</sup> and 3<sup>rd</sup> series, which represent the option for them to convert the debentures into Company shares.

On August 13, 2020, the Deed of the 7<sup>th</sup> issue of debentures of the Company was executed, initiating the process of subscription and settlement of the new debentures in exchange for the current debt instruments of ATMA and Liq Corp.

On August 14, 2020, a suspensive effect on the ratified Recovery Plan was provisionally granted, upon request of one creditor.

On October 27, 2020, the referred suspensive effect was revoked, so that the Recovery Plan effects that were ratified on July 14, 2020 came back into force.

We present below a table with the estimated amounts of the 7<sup>th</sup> issue of debentures Nominal and MTM value:

Debentures - 7 <sup>th</sup> Issue	Nominal Amount	MTM Value
1 <sup>st</sup> series	126,214	79,765
3 <sup>rd</sup> series	1,139,327	30,273
	<b>1,265,541</b>	<b>110,038</b>

The nominal value of the 7<sup>th</sup> issue of debentures of the Company considers the total Credits covered by the Company's Extrajudicial Recovery Plan.

The MTM value of the debentures is an estimate of its payments discounted to present value using the CDI Floating x Fixed interest rate curve + credit risk spread of companies' bonds with similar credit rating (CCC or lower).

The complete version of the Recovery Plan is available at the Company's website ([www.atmasa.com.br](http://www.atmasa.com.br)).

## Subsequent Events

---

On October 27, 2020, the suspensive effect on the Recovery Plan was revoked, so that the Recovery Plan effects, that were ratified on July 14, 2020, came back into force. Thus, the Company resumed the process of the 7<sup>th</sup> issue of debentures to comply with the extrajudicial Recovery Plan.

On November 5, 2020, the Company filled the request for the 7<sup>th</sup> issue of debentures on the Brazilian Stock Exchange ("B3"). In order to comply with the provisions of article 9-A of CVM 476 Instruction and grant the participation of the current shareholders of the Company, it is necessary to execute a Priority Offering of the First Series Debentures and the Third Series Debentures, upon the shareholding position of November 5, 2020.



On November 16, 2020, the Priority Offer period started, lasting five (5) working days.

After the Priority Offer period, it will take place the subscription and settlement of the 7<sup>th</sup> issue of debentures by the covered creditors of the extrajudicial Recovery Plan.

We present below a table with the estimated amounts of the 7<sup>th</sup> issue of debentures Nominal and MTM value:

Debentures – 7 <sup>th</sup> Issue	Nominal Value	MTM Value
1 <sup>st</sup> Serie	126,214	79,765
3 <sup>rd</sup> Serie	1,139,327	30,273
	<b>1,265,541</b>	<b>110,038</b>

The nominal value of the 7<sup>th</sup> issue of debentures of the Company considers the total Credits covered by the Company's Extrajudicial Recovery Plan.

The MTM value of the debentures is an estimate of its payments discounted to present value using the CDI Floating x Fixed interest rate curve + credit risk spread of companies' bonds with similar credit rating (CCC or lower).

The complete version of the Recovery Plan is available at the Company's website ([www.atmasa.com.br](http://www.atmasa.com.br)).

## Conference Call

---

### Conference Call in Portuguese

**November 17, 2020**

9AM (Brasília) / 7AM (US EST)

Dial in access: +55 (11) 3127.4971 or 3728.5971

Conference ID: ATMA

Webcast: [click here](#)

*The information contained in this document relating to the business prospects, operating and financial results estimates, and growth prospects of ATMA are merely projections and as such are based exclusively on the Management's expectations concerning the future of the business. These forward-looking statements estimates depend on changes in market conditions, the performance of the Brazilian economy, the industry and international markets and are therefore subject to change without prior notice.*



## Attachment I – Financial Statements – Consolidated IFRS

Gross revenue	3Q20	2Q20	1Q20	4Q19	3Q20 vs. 2Q20	3Q20 vs. 1Q20	3Q20 vs. 4Q19
Taxes	261.4	233.8	280.0	182.8	11.8%	-6.6%	43.0%
Revenue deductions	(30.4)	(27.6)	(34.0)	(18.2)	10.1%	-10.7%	66.9%
<b>Net revenue</b>	(1.5)	(0.6)	(0.8)		176.8%	87.9%	n.m.
Cost of services	229.5	205.7	245.2	164.6	11.6%	-6.4%	39.5%
<b>Gross income</b>	(209.0)	(213.9)	(266.1)	(260.4)	-2.3%	-21.4%	-19.7%
General and administrative expenses	20.5	(8.3)	(20.9)	(95.8)	n.m.	n.m.	n.m.
Other operating revenue and expenses	(26.7)	(17.8)	(40.6)	13.6	49.9%	-34.4%	-295.9%
<b>Earnings before financial revenues (expenses)</b>	(7.0)	(2.5)	(2.9)	(38.7)	182.6%	145.1%	-81.9%
Financial revenues	(13.1)	(28.5)	(64.3)	(120.9)	-53.9%	-79.6%	-89.1%
Financial expenses	2.8	4.5	3.7	3.1	-38.5%	-24.2%	-10.8%
<b>Net financial result</b>	(52.1)	(19.2)	(30.5)	(27.7)	171.9%	70.9%	88.0%
<b>Earnings before taxes and stakes</b>	(49.4)	(14.7)	(26.9)	(24.6)	236.4%	83.8%	100.5%
Income tax and social contribution	(62.5)	(43.2)	(91.2)	(145.5)	44.7%	-31.5%	-57.0%
<b>Net loss</b>	(3.1)	(3.6)	(1.0)	(15.4)	-11.7%	220.1%	-79.6%
# of shares, ex treasury ('000)	(65.6)	(46.7)	(92.2)	(160.9)	40.4%	-28.8%	-59.2%
<b>Gross revenue</b>	23.971.3	23.971.3	23.971.3	2.812.6			

n.m.: not measurable





## Attachment II – Balance Sheet - Consolidated

R\$ million	09/30/2020	06/30/2020	03/31/2020	12/31/2019
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	46.5	33.5	52.2	57.9
Accounts receivable from clients	196.4	207.6	205.5	133.7
Recoverable taxes	51.6	48.3	79.5	16.9
Prepaid expenses and other taxes	18.4	25.2	24.8	15.9
<b>Total current assets</b>	<b>313.0</b>	<b>314.6</b>	<b>362.0</b>	<b>224.3</b>
<b>NON-CURRENT ASSETS</b>				
Accounts receivable from clients	22.6	22.2	100.9	46.2
Recoverable taxes	2.2	2.2	2.2	1.6
Judicial deposits	336.8	338.6	346.6	354.8
Prepaid expenses and other assets	24.3	24.4	19.1	21.6
Fixed	70.8	246.2	326.7	333.8
Intangible	620.9	621.5	551.0	312.6
Right of use	162.0			
<b>Total non-current assets</b>	<b>1,239.5</b>	<b>1,255.1</b>	<b>1,346.4</b>	<b>1,070.7</b>
<b>TOTAL ASSETS</b>	<b>1,552.6</b>	<b>1,569.7</b>	<b>1,708.4</b>	<b>1,295.0</b>
<b>CURRENT LIABILITIES</b>				
Suppliers	187.9	196.9	192.9	132.9
Payroll and related charges	187.7	180.0	168.1	109.5
Taxes payable	101.6	93.4	102.9	29.7
Debentures	59.2	56.9	18.4	10.9
Loans and financing	151.2	135.8	155.3	113.8
Right of use leases	43.8	42.4	46.1	44.4
Related parties	2.0	2.0	2.0	-
Dividends payable	12.5	-	-	
Other liabilities	17.9	21.1	21.8	16.5
<b>Total current liabilities</b>	<b>751.3</b>	<b>728.5</b>	<b>707.5</b>	<b>457.6</b>
<b>NON-CURRENT LIABILITIES</b>				
Taxes payable	107.6	80.0	80.4	62.2
Differed Income taxes and social distribution	337.5	334.4	335.3	346.7
Debentures	7.5	9.4	48.9	36.7
Loans and financing	13.2	18.5	23.9	-
Right of use leases	134.2	137.4	214.7	241.0
Provision for contingencies	208.1	213.1	219.3	203.5
Dividends payable	13.2	25.7	25.7	25.7
Other liabilities	42.9	47.5	49.2	87.2
<b>Total non-current liabilities</b>	<b>876.8</b>	<b>865.9</b>	<b>997.4</b>	<b>1,003.0</b>
<b>TOTAL LIABILITIES</b>	<b>1,628.1</b>	<b>1,594.4</b>	<b>1,704.9</b>	<b>1,460.5</b>
<b>SHAREHOLDERS' EQUITY</b>				
Capital social stock	870.8	870.8	870.8	620.8
Capital reserve	10.7	10.7	10.7	10.7
Reserve for the acquisition of non-controlled companies	(32.7)	(32.8)	(32.8)	(32.8)
Treasury stock	(19.4)	(19.5)	(19.5)	(19.5)
Other comprehensive income	2.7	(39.9)	(30.7)	(41.9)
Accrued loss	(907.5)	(814.3)	(795.1)	(702.9)
<b>Total Shareholders' Equity</b>	<b>(75.5)</b>	<b>(24.9)</b>	<b>3.5</b>	<b>(165.5)</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>1,552.6</b>	<b>1,569.5</b>	<b>1,708.4</b>	<b>1,295.0</b>