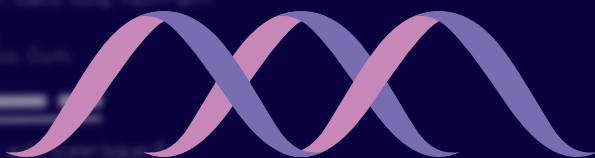


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Earnings Release 4Q20

The future
has begun

VIDEOCONFERENCE

2021, March 18th
12h30 (BZT)

[Click here to access](#)



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São Paulo, March 17, 2021 - Centro de Imagem Diagnósticos S.A. (“Alliar” or “Company”) (B3: AALR3), one of Brazil’s largest diagnostic medicine companies, announces today its earnings results for the fourth quarter of 2020 (4Q20). The figures and their historical series (when available) can be obtained in excel format at <http://ri.alliar.com>.

As of 2019, the adoption of IFRS 16 brought changes in the accounting of the fixed portion of rents (lease), requiring the recognition of future commitments as compensation for the right-of-use asset. Rental costs and expenses, recorded under “Occupancy”, are recognized in depreciation and financial expenses. **The comparisons below include IFRS-16 in both periods.**

4Q20 HIGHLIGHTS

- **Highest revenue recorded by Alliar, of R\$315.5 million, growth of 11.5% y/y**
- **Record in the Clinical Analysis segment, of R\$61.8 million, growth of 67% y/y**
- **All-time high figure recorded in iDr, with growth of 77.6% y/y**
- **Record in the Private Segment/Aliança Card Marketplace, growth of 111.5% y/y**
- **Record in Online Scheduling and appointments in Remote Channels**
- **All-time high quarterly adjusted EBITDA, of R\$75.5 million, growth of 11.5% y/y**
- **All-time high quarterly net income (Shareholders) of R\$12.7 million; growth of 71.2% y/y⁶**
- **Net cash generation of R\$119.8 million in 2020; and robust cash position, totaling R\$229.1 million at the end of the period.**

2021 NEWS: RESUMPTION OF INVESTMENTS

- **iQMR:** implementation of machine learning in **30 MRI equipment** units within Alliar group
- **Capacity expansion** in current mega units
- **Addition of new ultrasounds, ABPMs, Holter and other equipment’s** to gain capacity and productivity
- **Cartão Aliança Marketplace:** currently present in 14 States (expected to reach all Brazilian states in 2021) the product reaches 135 thousand lives and begin to sell **Hospital Admission Insurance** and Funeral Assistance. MPV
- Launch of **Cartão 2.0** due to 2Q21

NEWS - LEADERSHIP

- **Dr. Gustavo Meirelles** - Medical Officer ([Notice to the Market](#))
- **Karla Maciel** – CFO ([Notice to the Market](#))
- **Gabriel Rozenberg** – Investor Relations Officer ([Notice to the Market](#))

Highlights (R\$ Million)	4Q20	4Q19	YoY	2020	2019	YoY
Gross Revenue (ex-construction) ¹	315.5	282.9	11.5%	999.4	1,157.7	-13.7%
Net Revenue (ex-construction) ¹	292.7	261.8	11.8%	927.5	1,071.5	-13.4%
Gross Profit	86.2	67.7	27.2%	165.3	284.8	-42.0%
Gross Margin ²	29.4%	25.9%	356 bps	17.8%	26.6%	n/a
EBITDA	67.5	59.9	12.8%	110.1	260.5	-57.7%
EBITDA Margin ²	23.1%	22.9%	0.2 p.p.	11.9%	24.3%	-12 p.p.
Adjusted EBITDA ³	75.5	67.7	11.5%	141.8	291.8	-51.4%
Adjusted EBITDA Margin ²	25.8%	25.9%	-9 bps	15.3%	27.2%	-12 p.p.
Net Income/Loss (Shareholders)	12.7	7.4	71.2%	-97.4	41.3	n/a
Operating Cash Flow	49.9	59.3	-15.8%	119.8	219.0	-45.3%
Cash Conversion	66.2%	87.5%	n/a	84.5%	75.6%	n.s.
Free Cash Flow	26.9	37.6	-28.5%	51.8	142.3	-63.6%
ROIC ⁴	-2.9%	13.4%	n/a	-2.9%	13.4%	n/a
NPS ⁵	67.1%	67.3%	-0.4%	65.9%	66.5%	-0.9%

(1) Excludes “construction revenue”, an accounting entry referring to the investment made in RBD (PPP Bahia); (2) Margins are calculated on net revenue (ex-construction); (3) Excludes the write-down of financial assets (see chapter on EBITDA); (4) ROIC excluding goodwill (adjusted NOPAT divided by average invested capital excluding goodwill); and (5) Net Promoter Score. (6) Record Net Income on a recurring basis. Excludes the sale of Hospital São Rafael in 2018.

MESSAGE FROM MANAGEMENT

THE FUTURE HAS BEGUN: The fourth quarter of 2020 marks the resumption of the Company’s growth and profitability. We recorded the highest quarterly revenue in history, totaling R\$315 million, a significant organic growth of 11.5% over the same period in 2019. The quarterly growth was mostly a result of the new growth drivers, which have been proven consistently positive. For a consecutive quarter Alliar reported consistent execution in iDr, Clinical Analysis, the Private segment, Cartão Aliança Marketplace, omnichannel strategy and the imaging tests growth return.

iDr – REMOTE DIAGNOSTIC INTELLIGENCE

In 4Q20, we kept the pace of accelerated expansion in new contracts and locations. We ended 2020 with operations in 23 municipalities and 9 States. We are currently present in 31 municipalities and 12 States, proving once again the scalability of our solutions.



For another quarter, iDr recorded substantial revenue growth (+77.6% y/y), reaching an all-time high figure. iDr’s growth is a result of both the reinforcement of the sales and operational teams – which continue growing in 2021 – and the growing demand of clinics and hospitals for solutions to increase efficiency and quality and reduce costs. iDr is pricing to be one of the largest healthtechs in Brazil, and this is just the beginning.

CARTÃO ALIANÇA AND OUT-OF-POCKET

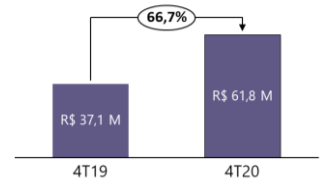


Revenue from out-of-pocket clients reached an all-time high for another consecutive quarter, increasing 111.5% over 4Q19 and growing by double digits over 3Q20. These clients accounted for 15% of consolidated revenue in 4Q20, substantially higher than the average of 8% in 2019. This growth already reflects the performance of [Cartão Aliança](#), which ended 4Q20 with 95,000 lives and currently has more than 135,000 beneficiaries.

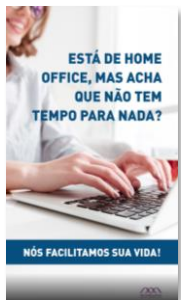


CLINICAL ANALYSIS (CA)

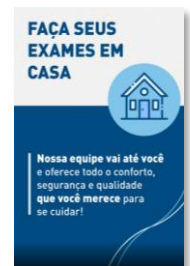
The Clinical Analysis segment **reported record revenue**, of R\$61.8 million in 4Q20, growth of 66.7% y/y. For another consecutive quarter, we highlight the relevance of this business, which accounted for 20% of revenue, higher than the historical average of 13%. The growth in clinical analysis is a result of the portfolio expansion associated with new accreditations achieved in the last few quarters, in the most diverse units, across all states and brands. This level would not have been achieved without our Home Care and Drive-Thru solutions. We created and scaled these remote service channels in an agile and efficient manner, reinforcing our execution capacity.



OMNICHANNEL



We continue enhancing the multichannel fronts, both in regard to scheduling and services delivery. In Dec / 20, the self-scheduling option already represented more than 9% of all appointments made vs a participation close to 0% in 2019. To further improve scheduling options, in 1T21 we finished the implementation of the new telecom structure and the new IVR system, providing our multichannel scheduling platform more quality and efficiency. In the remote service channel front – especially Home Care services – accounted for 8.0% of Alliar’s consolidated revenue in 4Q20. For another quarter, the new channels were more representative in revenue terms than Alliar’s largest in-person service unit.



Balance Sheet

We took an important step towards further strengthening the financial soundness of our Balance Sheet. As announced to the market on October 26, we have renegotiated payment terms and conditions with our bank creditors, substantially reducing the share of short-term debt. In addition to the success in lengthening maturities, our balance sheet was strengthened by the generation of operating cash that, despite the challenging year, had a robust performance totaling R\$ 119.4 million in 2020. Finally, we ended the year with a solid cash position, in the amount of R\$ 229.1 million, considerably above the cash in Dec / 19, in the amount of R\$ 88.3 million.

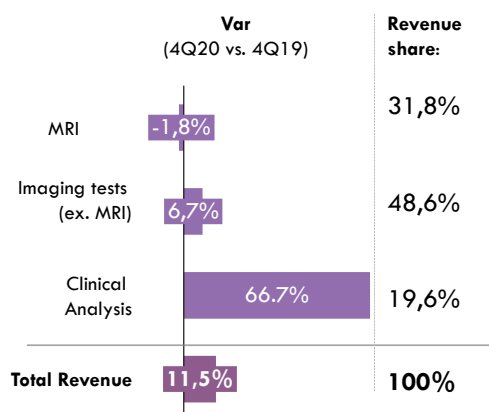
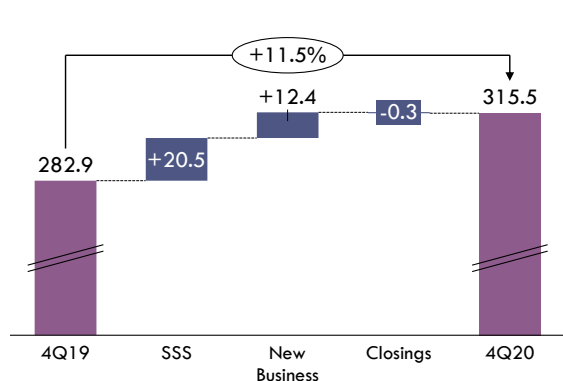
Final acknowledgments

This quarter we resumed growth in our operations, driven by Alliar’s initiatives towards private clients, Cartão Aliança Marketplace and the developments in iDr, in addition to the resumption of imaging tests. Once again, we maintained consistency and focus, carrying out projects that meet the needs of our clients, the medical community, partner clinics and hospitals, providing precision to those in need.

These historic results would not have been possible without our employees, the clinical staff, and the medical community, as well as our strategic partners and suppliers. Their tireless work and daily commitment were responsible for this further delivery. We also thank the confidence of our shareholders, who are confident in our ambitious project to double Alliar. Project that has already started to become a reality as of 4Q20.

REVENUE

Gross revenue totaled **R\$315.5** million in 4Q20, the highest quarterly revenue in Alliar's history, with **organic growth of 11.5%** over 4Q19. This performance is the result of the company's execution capacity and operational adaptation, as well as the results of the new sales initiatives, such as the expansion of iDr, launch of Aliança Card Marketplace and the Remote Service Channels (home care and drive-thru). For another consecutive quarter, Alliar's Clinical Analysis (CA) segment reported **record revenue** of R\$61.8 million in 4Q20, up by **66.7%** YoY.



Contribution	7.2%	+4.4%	-0.1%
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SSS had a positive performance every month in 4Q20. The positive contribution of new businesses reflects iDr's new contracts, the Cartão Aliança marketplace revenues and the new clinical analysis rooms. The variation in the Company's total revenue reflects the closing of units over the last 12 months.

Gross Revenue (R\$ Million)	4Q20	4Q19	YoY	2020	2019	YoY
Gross Revenue (ex-construction)	315.5	282.9	11.5%	999.4	1,157.7	-13.7%
Diagnostic Imaging	253.6	245.8	3.2%	808.1	1,002.7	-19.4%
MRI	100.2	102.0	-1.8%	322.2	418.0	-22.9%
Ex-MRI imaging	153.4	143.8	6.7%	485.9	584.7	-16.9%
Clinical Analysis	61.8	37.1	66.7%	191.2	155.1	23.3%
Construction revenue	0.2	0.4	-52.9%	1.3	1.5	-9.4%
Gross revenue	315.7	283.3	11.4%	1,001	1,159.2	-13.7%
Deductions	-22.8	-21.1	7.8%	-71.9	-86.3	-16.7%
Net revenue	292.9	262.1	11.8%	928.8	1,072.9	-13.4%
Net revenue (ex-construction)	292.7	261.8	11.8%	927.5	1,071.5	-13.4%

Operational Highlights	4Q20	4Q19	YoY	2020	2019	YoY
Avg Revenue - MRI/Equipment (R\$ M)	0.86	0.88	-1.8%	2.78	3.60	-22.9%
Avg. Revenue - CA/Room (R\$ M)	0.21	0.13	66.2%	0.65	0.53	22.9%
MRI Exams ('000)	186.6	188.9	-1.2%	598.2	760.6	-21.3%
CA Exams ('000)	2,693.0	2,462	9.4%	8,934	10,340	-13.6%
MRI Avg. Ticket (R\$)	537.0	540.1	-0.6%	538.5	549.6	-2.0%
CA Avg. Ticket (R\$)	23.0	15.1	52.4%	21.4	15.0	42.7%
MRI Exams/Equipment/Day	25.7	26.1	-1.2%	20.6	26.2	-21.3%
CA Exams/Room/Day	146.6	134	9.0%	121.6	141.2	-13.9%

Assets - End of period	4Q20	3Q20	QoQ	4Q20	4Q19	YoY
Units	105	106	-0.9%	105	107	-1.9%
Mega	17	17	0.0%	17	17	0.0%
Standard	76	77	-1.3%	76	78	-2.6%
Collection units	12	12	0.0%	12	12	0.0%
MRI equipment	116	116	0.0%	116	116	0.0%
CA rooms	286	294	-2.7%	286	293	-2.4%

FINANCIAL PERFORMANCE

Income Statement Overview	4Q20	4Q19	YoY	2020	2019	YoY
Gross Revenue (ex-construction)	315.5	282.9	11.5%	999.4	1,157.7	-13.7%
Deductions (ex)	(22.8)	(21.1)	7.8%	(71.8)	(86.3)	-16.7%
Net Revenue (ex-construction)	292.7	261.8	11.8%	927.5	1,071.5	-13.4%
Cost of services	(206.6)	(194.0)	6.5%	(762.2)	(786.7)	-3.1%
Gross Profit	86.2	67.7	27.2%	165.3	284.8	-42.0%
<i>Gross Profit Margin</i>	<i>29.4%</i>	<i>25.9%</i>	<i>356 bps</i>	<i>17.8%</i>	<i>26.6%</i>	<i>-9 p.p.</i>
General and administrative expenses	(47.1)	(42.8)	9.9%	(172.2)	(159.0)	8.3%
Other income (expenses), net	(6.7)	1.2	n.s.	(14.5)	(0.4)	n.s.
Share of profit (loss) on investments	3.7	4.3	-14.7%	12.3	17.3	-29.0%
(+) Depreciation and Amortization	31.5	29.4	7.1%	119.2	117.9	1.2%
EBITDA	67.5	59.9	12.8%	110.1	260.5	-57.7%
(+/- adjustments)	8.0	7.9	1.5%	31.7	31.3	1.4%
Adjusted EBITDA	75.5	67.7	11.5%	141.8	291.8	-51.4%
Adjusted EBITDA Margin	25.8%	25.9%	-9 bps	15.3%	27.2%	-12 p.p.
(-) Depreciation and Amortization	(31.5)	(29.4)	7.1%	(119.2)	(117.9)	1.2%
Finance income (expenses)	(14.7)	(16.5)	-10.6%	(63.9)	(76.9)	-16.9%
EBT	21.3	14.0	52.1%	(73.1)	65.7	n/a
Taxes	(6.8)	(4.0)	70.4%	(19.4)	(15.6)	23.8%
<i>Effective tax rate</i>	<i>31.7%</i>	<i>28.3%</i>	<i>339 bps</i>	<i>n/a</i>	<i>23.8%</i>	<i>n/a</i>
Attributable to non-controlling shareholders	(1.8)	(2.6)	-29.8%	(5.0)	(8.8)	-43.2%
Net Income (Shareholders)	12.7	7.4	71.2%	-97.4	41.3	n/a
<i>Net margin (Shareholders)</i>	<i>4.4%</i>	<i>2.8%</i>	<i>151 bps</i>	<i>-10.5%</i>	<i>3.9%</i>	<i>n/a</i>

n/a.: not applicable
n.s.: not significant

GROSS PROFIT/GROSS MARGIN

Quarterly Gross Profit (R\$ Million)	4Q20	4Q19	YoY	% NR (4Q20)	% NR (4Q19)	YoY
Net Revenue (ex)	292.7	261.8	11.8%	-	-	-
Costs (ex)	-206.6	-194.0	6.5%	-70.6%	-74.1%	3.6 p.p.
Medical services	-53.5	-50.4	6.2%	-18.3%	-19.3%	1.0 p.p.
Personnel	-46.3	-52.2	-11.3%	-15.8%	-20.0%	4.1 p.p.
Supplies and support labs	-53.1	-30.5	74.1%	-18.1%	-11.7%	-6.5 p.p.
Maintenance	-2.8	-10.0	-71.9%	-1.0%	-3.8%	2.9 p.p.
Occupancy	-10.2	-11.7	-13.1%	-3.5%	-4.5%	1.0 p.p.
Third-party services and others	-12.8	-12.1	5.8%	-4.4%	-4.6%	0.2 p.p.
Depreciation (cost)	-27.8	-27.1	2.7%	-9.5%	-10.3%	0.8 p.p.
Gross Profit	86.2	67.7	27.2%	29.4%	25.9%	3.6 p.p.
Construction costs	-0.2	-0.4	-52.9%	-0.1%	-0.1%	0.1 p.p.

Gross Profit totaled **R\$86.2** million in 4Q20, significant growth of 27.2% y/y. The gross profit recovery was a direct consequence of the revenue recovery (QoQ), and costs in line with the same period last year due to strict cost control. The control of costs, resulting from the successful renegotiation of contracts with the Company's main suppliers also allowed an expansion in gross margin, which reached 29.4%, + 3.6 p.p. YoY.

Yearly Gross Profit (R\$ Million)	2020	2019	YoY	% NR 2020	% NR 2019	YoY
Net Revenue (ex-construction)	927.5	1,071.5	-13.4%	-	-	-
Costs (ex-construction)	-762.2	-786.7	-3.1%	-82.2%	-73.4%	-8.8 p.p.
Medical services	-175.1	-207.1	-15.5%	-18.9%	-19.3%	0.5 p.p.
Personnel	-189.4	-206.1	-8.1%	-20.4%	-19.2%	-1.2 p.p.
Supplies and support labs	-170.3	-129.5	31.5%	-18.4%	-12.1%	-6.3 p.p.
Maintenance	-29.1	-31.8	-8.4%	-3.1%	-3.0%	-0.2 p.p.
Occupancy	-37.4	-46.6	-19.7%	-4.0%	-4.3%	0.3 p.p.
Third-party services and others	-52.1	-57.1	-8.8%	-5.6%	-5.3%	-0.3 p.p.
Depreciation (cost)	-108.8	-108.5	0.3%	-11.7%	-10.1%	-1.6 p.p.
Gross Profit	165.3	284.8	-42.0%	17.8%	26.6%	-8.8 p.p.
Construction costs	-1.3	-1.4	-9.4%	-0.1%	-0.1%	0.0 p.p.

In 2020, **Gross Profit** totaled **R\$165.3** million, 2.1x higher than in 9M20 (**R\$79.2** million), reflecting the strong recovery of operations in the last period. Despite the 42% y/y decrease – given the impact of the pandemic, especially in 2Q20 – the performance of gross profit benefited from the control of costs because of the successful renegotiation of contracts with the Company's main suppliers. We noticed that the increase in Supplies and support labs reflects the high performance of Clinical Analysis, associated with the other PPE costs.

EBITDA/EBITDA MARGIN

Quarterly EBITDA (R\$ Million)	4Q20	4Q19	YoY	% NR (4Q20)	% NR (4Q19)	YoY
Net Revenue (ex-construction)	292.7	261.8	11.8%	-	-	-
Gross Profit	86.2	67.7	27.2%	29.4%	25.9%	3.6 p.p.
General Expenses	-47.1	-42.8	9.9%	-16.1%	-16.4%	0.3 p.p.
Personnel	-24.6	-23.5	4.7%	-8.4%	-9.0%	0.6 p.p.
Occupancy, third parties and others	-17.7	-15.4	15.1%	-6.0%	-5.9%	-0.2 p.p.
Depreciation (expense)	-3.6	-2.3	55.7%	-1.2%	-0.9%	-0.3 p.p.
Incentive program (shares)	-1.2	-1.7	n.s.	-0.4%	-0.6%	0.2 p.p.
Other expenses, net	-6.7	1.2	n.s.	-2.3%	0.5%	-2.8 p.p.
Earnings (loss) of subsidiaries	3.7	4.3	-14.7%	1.3%	1.7%	-0.4 p.p.
EBIT	36.1	30.5	18.3%	12.3%	11.6%	0.7 p.p.
(+) Depreciation and amortization (total)	31.5	29.4	7.1%	10.8%	11.2%	-0.5 p.p.
EBITDA	67.5	59.9	12.8%	23.1%	22.9%	0.2 p.p.
(+) Adj. write-down of financial assets	8.0	7.8	2.4%	2.7%	3.0%	-0.2 p.p.
Adjusted EBITDA	75.5	67.7	11.5%	25.8%	25.9%	-0.1 p.p.

1) Recurring adjustment, corresponding to the recovery of investments made by RBD in the PPP with the Bahia State
n/a.: not applicable
n.s.: not significant

Adjusted EBITDA totaled **R\$75.5** million in 4Q20, growth of 11.5% y/y. The EBITDA recovery was directly due to revenue growth associated with strict cost control.

Yearly EBITDA (R\$ Million)	2020	2019	YoY	% NR 2020	% NR 2019	YoY
Net Revenue (ex-construction)	927.5	1,071.5	-13.4%	-	-	-
Gross Profit	165.3	284.8	-42.0%	17.8%	26.6%	-8.8 p.p.
General Expenses	-172.2	-159.0	8.3%	-18.6%	-14.8%	-3.7 p.p.
Personnel	-88.6	-84.6	4.7%	-9.6%	-7.9%	-1.7 p.p.
Occupancy, third parties and others	-67.7	-61.3	10.3%	-7.3%	-5.7%	-1.6 p.p.
Depreciation (expense)	-10.4	-9.4	10.8%	-1.1%	-0.9%	-0.2 p.p.
Incentive program (shares)	-5.5	-3.7	48.8%	-0.6%	-0.3%	-0.2 p.p.
Other expenses, net	-14.5	-0.4	n/a	-1.6%	0.0%	-1.5 p.p.
Earnings (loss) of subsidiaries	12.3	17.3	-29.0%	1.3%	1.6%	-0.3 p.p.
EBIT	-9.1	142.7	n/a	-1.0%	13.3%	-14.3 p.p.
(+) Depreciation and amortization (total)	119.2	117.9	1.2%	12.9%	11.0%	1.9 p.p.
EBITDA	110.1	260.5	-57.7%	11.9%	24.3%	-12.4 p.p.
(+) Adj. write-down of financial assets	31.7	31.3	1.4%	3.4%	2.9%	0.5 p.p.
Adjusted EBITDA	141.8	291.8	-51.4%	15.3%	27.2%	-11.9 p.p.

1) Recurring adjustment, corresponding to the recovery of investments made by RBD in the PPP with the Bahia State
n/a.: not applicable
n.s.: not significant

FINANCIAL RESULT AND DEBT

Financial Result (R\$ Million)	4Q20	3Q20	4Q19	YoY	2020	2019	YoY
Financial Income	0.8	1.1	0.5	62.8%	4.1	2.2	87.6%
Financial Expense	-10.6	-11.5	-12.2	-13.5%	-46.0	-58.6	-21.5%
Lease interest	-5.5	-5.3	-4.9	12.3%	-21.7	-20.4	6.2%
FX effect on USD debt	0.5	0.1	0.1	411.1%	-0.4	-0.1	322.0%
Total	-14.7	-15.5	-16.5	-10.7%	-63.9	-76.9	-16.8%

The **10.7%** YoY decrease in the fourth quarter financial result was mainly due to financial expenses in the period, as **net debt remained under control**, and lower SELIC/CDI rates.

Indebtedness (R\$ Million)	Dec/20	Sep/20	Dec/19	YoY
Borrowings and debentures	793.8	802.1	614.8	29.1%
Derivative financial instruments	-2.9	-32.1	-7.4	-60.8%
Gross Bank Debt	791.0	770.0	607.4	30.2%
Gross bank debt - R\$ ¹	788.6	767.6	604.0	30.6%
Gross bank debt - US\$	2.3	2.3	3.4	-31.5%
Tax installments	7.6	8.4	10.4	-26.3%
Accounts payable - acquisition of companies	41.6	42.7	42.0	-0.9%
Total Gross Debt	840.2	821.1	659.7	27.3%
Cash, Cash Equivalents and Securities	231.9	215.6	91.1	154.4%
Total Net Debt	608.3	605.5	568.6	7.0%
LTM Adjusted EBITDA	141.8	134.0	291.8	-51.4%
Total Net Debt/LTM Adjusted EBITDA LTM	4.29 x	4.52 x	1.95 x	120.2%

1) Approximately 13% of the debt exposed to BRL is denominated in foreign currency, protected from the exchange variation through hedge instruments
n.s.: not significant

Total net debt amounted to R\$608.3 million, 7% higher than in the same period last year. The **total net debt/LTM adjusted EBITDA** ratio reached **4.29x** at the end of the period, especially due to 2Q20 EBITDA. This indicator complies with the current covenants.

INCOME TAX AND SOCIAL CONTRIBUTION

Income Tax (R\$ Million)	4Q20	4Q19	YoY	2020	2019	YoY
Income before taxes on income	21.3	14.0	52.1%	-73.1	65.7	n/a
Taxes on income	-6.8	-4.0	70.4%	-19.4	-15.6	23.8%
Current taxes on income	-10.8	-5.0	116.9%	-24.4	-20.9	16.6%
Deferred taxes on income	4.0	1.0	299.4%	5.0	5.3	-4.9%
Effective tax rate	31.7%	28.3%	339 bps	n/a	23.8%	n/a

In 4Q20, the Company recorded a provision for IR&CS in the amount of R\$ 6.8 million. The temporary increase in the effective rate reflects 2 factors, of which (i) group companies reversed losses and presented profit and (ii) given that presumed profit regime have cash-based tax obligations, some group companies had an increase in the receipt from previous periods, temporarily impacting the IRCS.

NET INCOME

Net Income (R\$ Million)	4Q20	4Q19	YoY	2020	2019	YoY
Net Income	14.6	10.1	44.9%	-92.4	50.1	n/a
(-) Non-controlling shareholders	1.8	2.6	-29.8%	5.0	8.8	-43.2%
Net Income/Loss (Shareholders)	12.7	7.4	71.2%	-97.4	41.3	n/a
Earnings per share (R\$)	0.11	0.06	71.2%	-0.82	0.35	n/a
Net Margin	5.0%	3.8%	114 bps	-10.0%	4.7%	n/a
Net Margin (Shareholders)	4.4%	2.8%	151 bps	-10.5%	3.9%	n/a

Net Result (shareholders) totaled R\$12.7 million, growth of 71.2% y/y. In recurring basis, this a record for the period, resulting from the resumption of revenue growth, associated with the strong control of operating costs.

INVESTMENTS

Investments (R\$ Million)	4Q20	4Q19	YoY	2020	2019	YoY
Organic expansion	3.9	3.1	25.2%	20.7	21.2	-2.7%
Maintenance	17.7	16.1	10.2%	37.4	46.9	-20.2%
Others	1.2	2.0	-40.8%	8.6	7.2	20.1%
Total CAPEX	22.9	21.3	7.6%	66.7	75.3	-11.4%
Financial assets (RBD)	0.2	0.4	-53.1%	1.3	1.5	-9.4%
M&A / Investments	0.0	0.0	n/a	0.0	0.0	n/a
TOTAL	23.1	21.7	6.4%	68.0	76.8	-11.4%

Investments totaled R\$23.1 million in the quarter, up by 6.4% over 4Q19, mainly as a result of greater investments in maintenance.

OPERATING CASH FLOW AND FREE CASH FLOW

Operating Cash Flow reached R\$119.8 million in 2020, with cash conversion of **84.5%**, showing the **strong capacity to generate cash**, despite the loss in the period.

Cash Flow (R\$ Million)	2020	2019	YoY
(1) Adjusted EBITDA	141.8	291.8	-51.4%
(2) Non-cash items	-36.8	-52.4	-29.8%
(3) Working Capital ^a	39.2	2.2	n.s.
Clients	4.0	8.7	-53.5%
Trade payables	28.0	-8.4	n/a
Payroll and related taxes	2.2	-6.6	n/a
Taxes payable and taxes in installments	8.5	9.2	-7.0%
Other	-3.6	-0.6	493.9%
(4) Current income tax	-24.4	-20.9	16.6%
(5) Operating Cash Flow [= (1)+(2)+(3)+(4)]	119.8	220.7	-45.7%
(6) Investing Activities^b	-68.0	-76.8	-11.4%
PPE and intangible assets	-66.7	-75.3	-11.4%
Financial Asset (Capex RBD)	-1.3	-1.5	-9.4%
(7) Free Cash Flow ex-M&A [= (5)+(6)]	51.8	143.9	-64.0%
(8) Financing Activities^c	89.0	-128.8	n/a
Dividends / IOC paid	-6.3	-22.2	-71.4%
Borrowings, leases and amortizations, net	147.1	-46.7	n/a
Financial expenses (cash)	-54.3	-57.8	-6.0%
Treasury Shares	-0.2	-5.7	-97.0%
Related Parties	2.8	3.6	-22.9%
(9) Cash Increase (decrease) [= (7)+(8)]	140.8	15.1	830.6%
Conversion (Operating CF /Adj. EBITDA)	84.5%	75.6%	884 bps
Adjusted EBITDA	141.8	291.8	-51.4%

a) Excludes Financial Asset (Capex RBD), considered in Investment

b) Includes Financial Asset (Capex RBD) and excludes financial investments and related parties, considered in Financing

c) Includes debt from acquisitions, financial investments and related parties.

FINANCIAL STATEMENTS

BALANCE SHEETS ON DECEMBER 31, 2020 AND DECEMBER 31, 2019

(R\$ '000)

ASSETS	Consolidated		LIABILITIES AND EQUITY	Consolidated	
	31/12/2020	31/12/2019		31/12/2020	31/12/2019
CURRENT ASSETS			CURRENT LIABILITIES		
Cash and cash equivalents	229,087	88,301	Trade payables	80,425	52,388
Accounts receivable	242,575	229,645	Payroll and benefits	39,034	36,860
Inventories	10,007	10,928	Borrowings and financing	262,982	249,778
Financial assets	31,929	31,520	Leases	39,632	30,729
Taxes recoverable	46,107	34,904	Derivative financial instruments	-	287
Derivative financial instruments	2,888	7,649	Tax obligations	25,988	16,604
Other accounts receivable	6,339	14,096	Tax installment payments	2,116	2,276
Total current assets	568,932	417,043	Accounts payable - acquisition of companies	14,462	4,282
			Dividends payable	3,978	10,325
			Other accounts payable	7,864	2,702
			Total current liabilities	476,481	406,231
NONCURRENT ASSETS			NONCURRENT LIABILITIES		
Securities	2,777	2,823	Borrowings and financing	530,857	364,991
Escrow deposits	25,013	25,681	Leases	212,197	191,339
Contingency reimbursement guarantee	11,131	20,949	Related parties	337	542
Related parties	16,485	19,442	Tax installment payments	5,511	8,077
Deferred income and social contribution taxes	137,892	133,924	Accounts payable - acquisition of companies	27,146	37,704
Financial assets	68,989	75,272	Deferred income and social contribution taxes	16,827	10,618
Investments	9,400	8,951	Deferred PIS/COFINS/ISS	-	6,971
Property and equipment	508,145	519,777	Provision for legal contingencies	41,864	51,793
Intangible assets	964,517	966,126	Other accounts payable	5,698	2,853
Usage rights	227,321	211,133			
Total noncurrent assets	1,971,670	1,984,078	Total non-current liabilities	840,437	674,888
			EQUITY		
			Capital stock	612,412	612,412
			Capital reserves	622,894	620,448
			Treasury shares	(276)	(106)
			Profits reserve	-	49,842
			Other comprehensive income	(44,493)	(406)
			Controlling shareholders' equity	1,190,537	1,282,190
			Minority interest	33,147	37,812
			Total equity	1,223,684	1,320,002
TOTAL ASSETS	2,540,602	2,401,121	TOTAL LIABILITIES AND EQUITY	2,540,602	2,401,121

STATEMENTS OF INCOME FOR THE PERIODS ENDED DECEMBER 31, 2020 AND DECEMBER 31, 2019

(R\$ '000)

Consolidated	4Q20	4Q19	2019	2020
Net revenues	292,917	262,157	928,787	1,072,865
Cost of services	(206,750)	(194,424)	(763,465)	(788,049)
Gross profit	86,166	67,734	165,322	284,816
Operating (expenses) income				
General and administrative expenses	(47,059)	(42,811)	(172,156)	(159,023)
Other (expenses) income, net	(6,750)	1,228	(14,550)	(399)
Equity in the earnings (loss) of subsidiaries	3,705	4,346	12,261	17,262
Operating income before financial result	36,063	30,496	(9,123)	142,655
Financial result	(14,733)	(16,474)	(63,944)	(76,948)
Financial expenses	(15,547)	(16,999)	(68,072)	(79,115)
Financial income	814	525	4,128	2,167
Operating income (loss) before income and social contribution taxes	21,330	14,020	(73,066)	65,709
Income and social contribution taxes Current and deferred	(6,759)	(3,967)	(19,364)	(15,635)
Net income (loss) for the period	14,570	10,053	(92,430)	50,073
Attributable to controlling shareholders	12,738	7,442	(97,416)	41,300
Attributable to minority interest	1,833	2,611	4,985	8,771

STATEMENTS OF CASH FLOWS AS AT DECEMBER 31, 2020 AND DECEMBER 31, 2019
(R\$ '000)

	Consolidated	
	31/12/2020	31/12/2019
CASH FLOW FROM OPERATING ACTIVITIES		
Net Income (loss) for the period	(92,431)	50,073
Adjustments to reconcile net income to net cash generated by (used in) operating activities:	141,204	136,285
Depreciation and amortization	119,177	117,870
Stock options granted and restricted stocks	5,479	3,680
Residual value of property, plant and equipment and rights of use disposed of, and invest	1,546	602
Finance charges, foreign exchange effect and derivatives	63,388	71,108
Financial asset update	(24,494)	(25,629)
Income (loss) from subsidiaries	(12,261)	(17,262)
Allowance for doubtful debts	(9,761)	(3,753)
Provisions for civil, labor and tax risks	108	(5,296)
Deferred Taxes	(1,978)	(5,035)
	48,773	186,358
Decrease (increase) in operating assets	25,452	37,752
Decrease (increase) in clients	28,536	34,330
Decrease (increase) in inventories	921	(5,493)
Decrease (increase) in other assets	(2,668)	10,391
Decrease (increase) in Financial Asset	(1,337)	(1,476)
Increase (decrease) in operating liabilities:	43,639	(10,700)
Increase (decrease) in trade payables	28,037	(8,415)
Increase (decrease) in payroll and related taxes	2,174	(6,611)
Increase (decrease) in taxes payable and taxes in installments	8,538	9,176
Increase (decrease) in other liabilities	(1,876)	(5,508)
Income Tax and Social Contribution paid	(5,046)	(14,278)
Dividends and interest on equity received	11,812	14,936
Net Cash generated by Operating Activities	117,864	213,410
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of subsidiaries, net of cash received	(722)	(5,490)
Related Parties	2,752	3,571
Purchase of property, plant and equipment and intangible assets	(66,708)	(75,301)
Net cash used in investing activities	(64,678)	(77,054)
CASH FLOW FROM FINANCING ACTIVITIES		
Treasury Shares	(170)	(5,712)
Dividends paid	(6,347)	(22,204)
Borrowings and bonds, net	642,447	622,558
Interest paid	(53,736)	(52,114)
Repayment of borrowings and financing and lease	(494,594)	(663,748)
Net cash used in financing activities	87,600	(121,220)
INCREASE IN CASH AND CASH EQUIVALENTS	140,786	15,136
CASH AND CASH EQUIVALENTS		
At the beginning of the period	88,301	73,165
At the end of the period	229,087	88,301