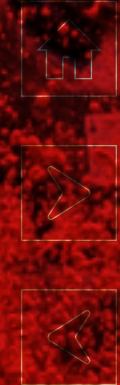




# Financial Capital





# Economic and financial management

In terms of economic and financial management, we have adopted resources such as quarterly reports, released to the market following recommendations from international standards (IFRS); monthly presentation of results to the Board of Directors; monitoring of monthly results related to the budget; external audit of all publications directed to the market; and a Risk Management Policy (*learn more about it in the Risk Management section*). In addition, we rely on the Audit Committee, which is responsible for overseeing the quality and integrity of financial reports; adherence to legal, statutory, and regulatory standards; the adequacy of processes related to risk management; and the activities of the internal audit and independent auditors. Every executive is committed to the values set out in the subsequent year's budget, in conjunction with the Executive Board. A validated five-year macro plan is also prepared.

Financial panels are prepared on a weekly basis to monitor the performance of each operation, and they are presented in meetings to the executives responsible. Monthly meetings are also held between the main executives and the Board of Directors to discuss results and future steps to improve margins and returns on operations. Business performance is one of the criteria for the bonuses executives receive, in addition to the financial indicators Net Profit, EBITDA, ROE, and leverage for the CEO and CFO.

GRI 103-1 | 103-2 | 103-3 – Economic-financial growth and new businesses



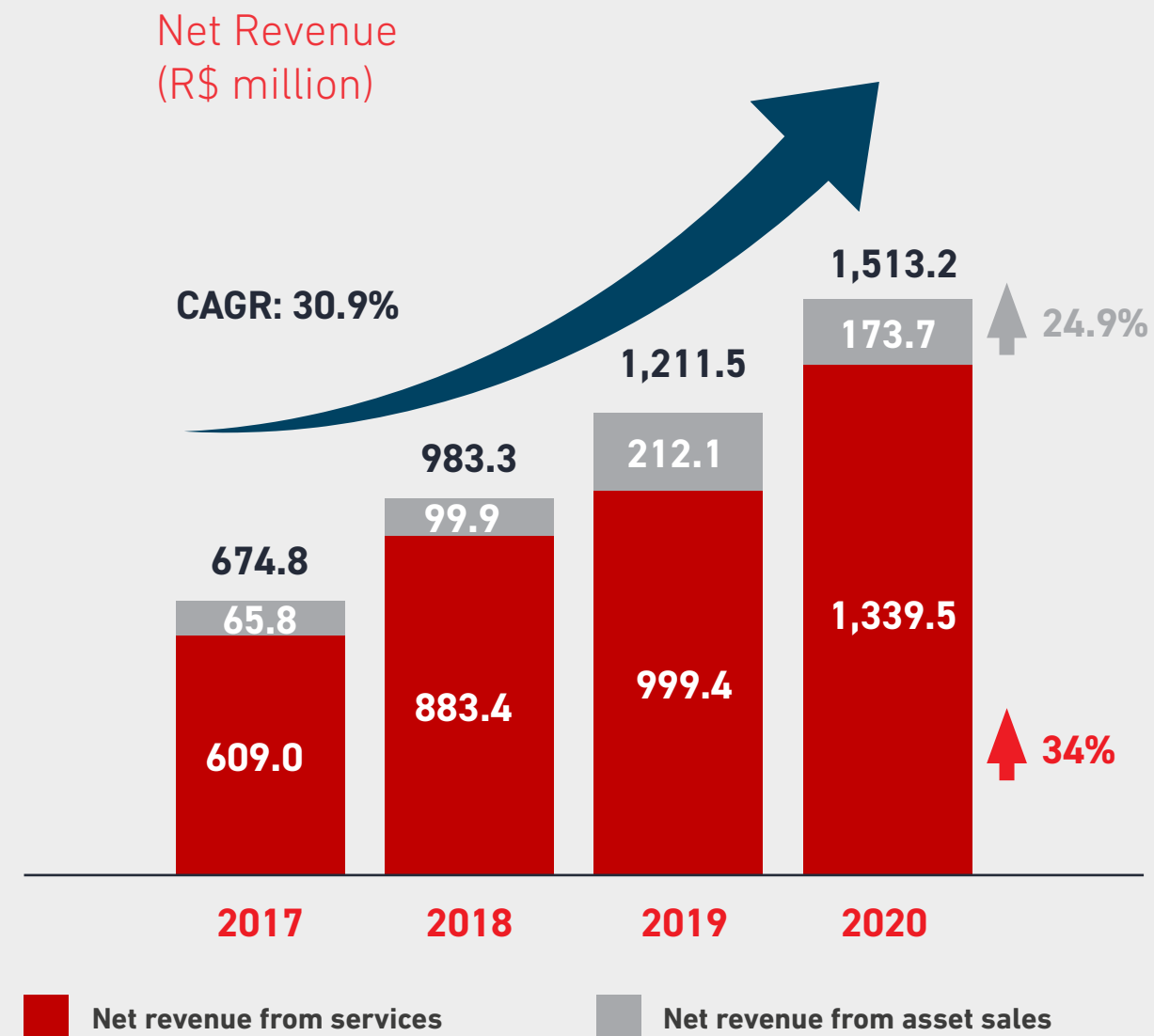
## Economic and Financial Results

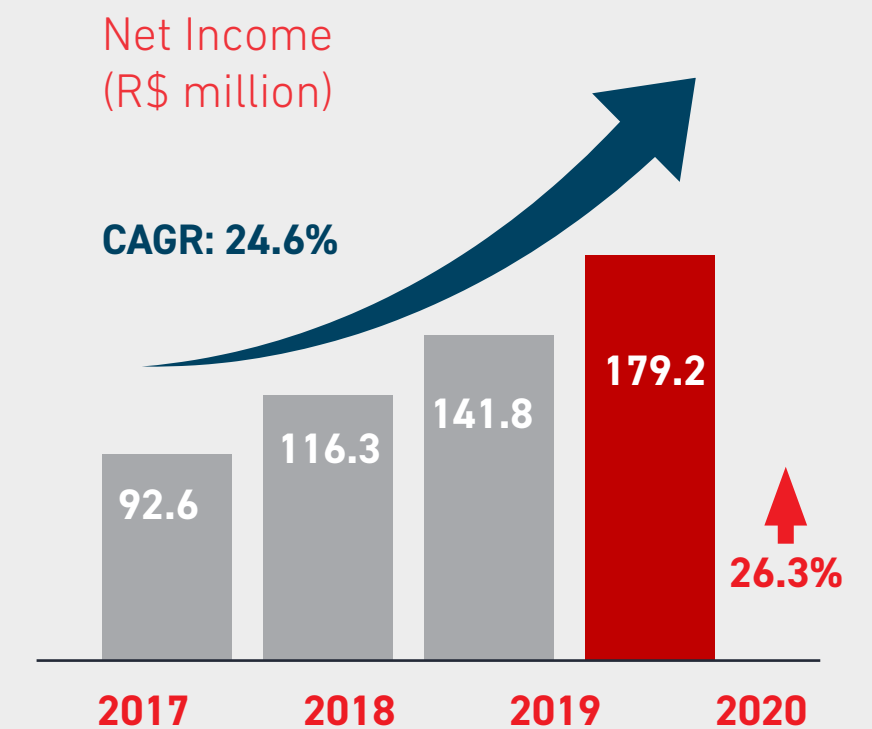
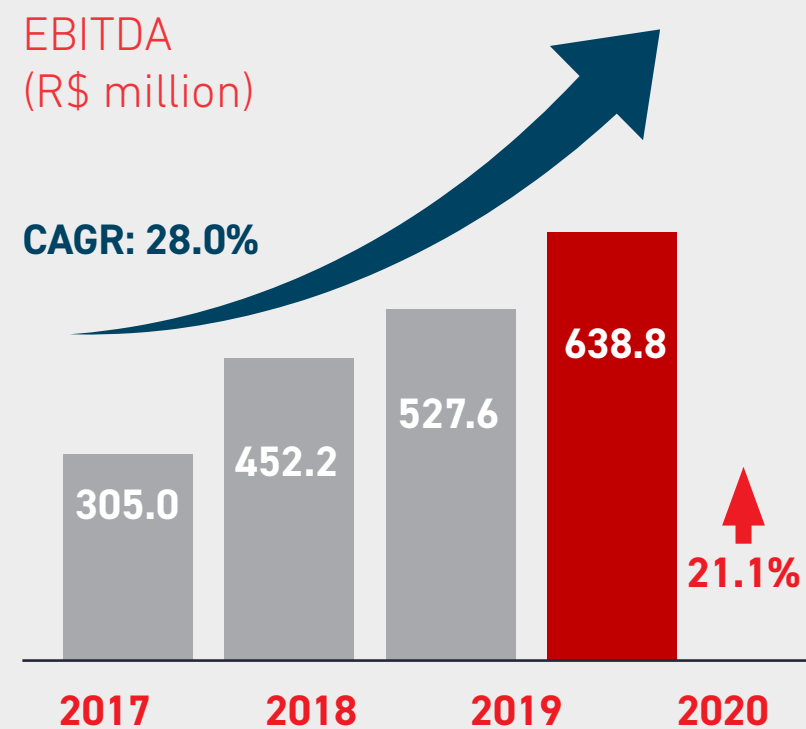
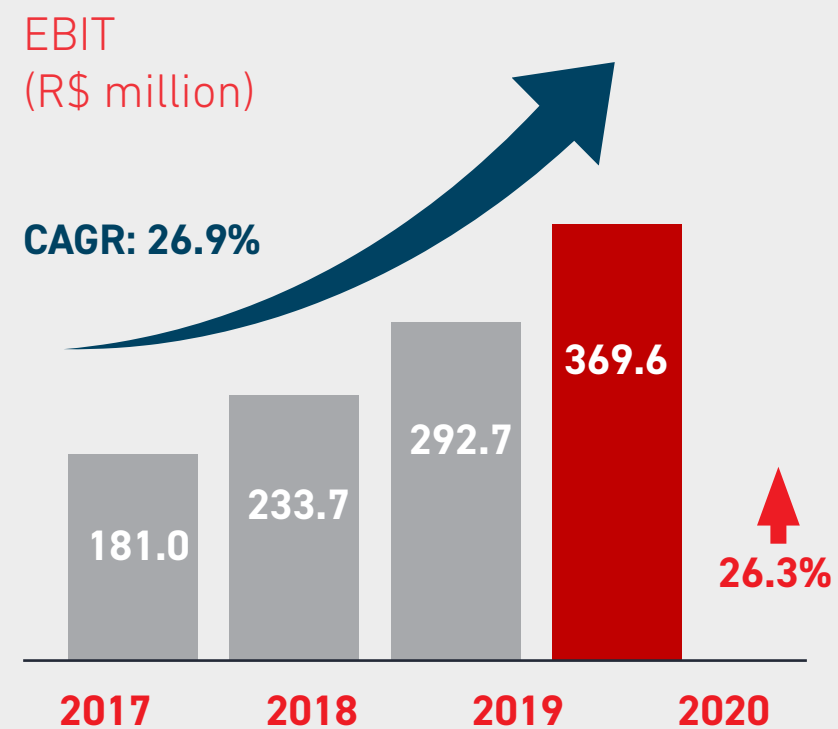
In 2020, all our operational and financial indicators showed improvement, which attests to the resilience of our business model.

We ended 2020 with a total fleet of 15,128 assets, of which 12,793 were trucks and implements, and 2,335 were machinery and equipment.

CAPEX reached R\$ 1.3 billion in 2020 in long-term leases with our customers, up 76.8% compared with R\$ 727 million in 2019 — 88% of this total was invested in trucks and 12% in machines.

2020 showed a 24.9% growth in net revenue compared with 2019, reaching R\$ 1.5 billion, due to the increase in our commercial market coverage and the support of technology tools to accelerate our go-to-market strategy. The 30.9% growth in the last four years corroborates the strong growth trend of our business model with long-term contracts.





EBIT totaled R\$ 369.6 million in 2020 and R\$ 103.0 million in 4Q20, an increase of 26.3% and 33.3%, respectively, compared to the same periods in the previous year. All business segments recorded improvements in EBIT due to organic growth in all segments with gains in scale and productivity.

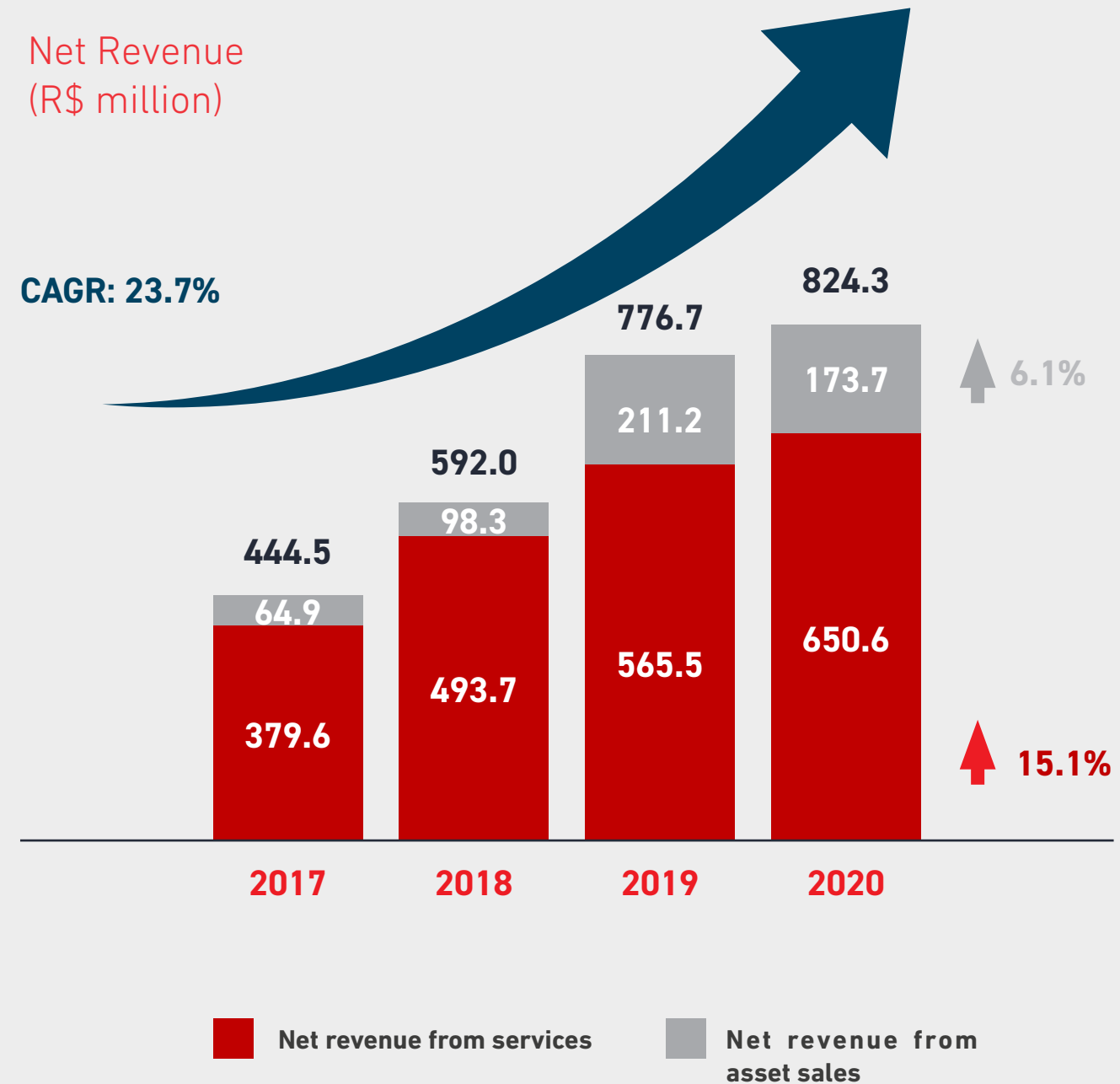
Consolidated EBITDA totaled R\$ 638.8 million in 2020, representing a growth of 21.1% over 2019.

In 2020, our net income reached R\$ 179.2 million, the best result in our history, up 26.3% from the previous year. This exceptional result stems from strong organic growth in all business segments with a steady focus and discipline in execution.

## Leasing

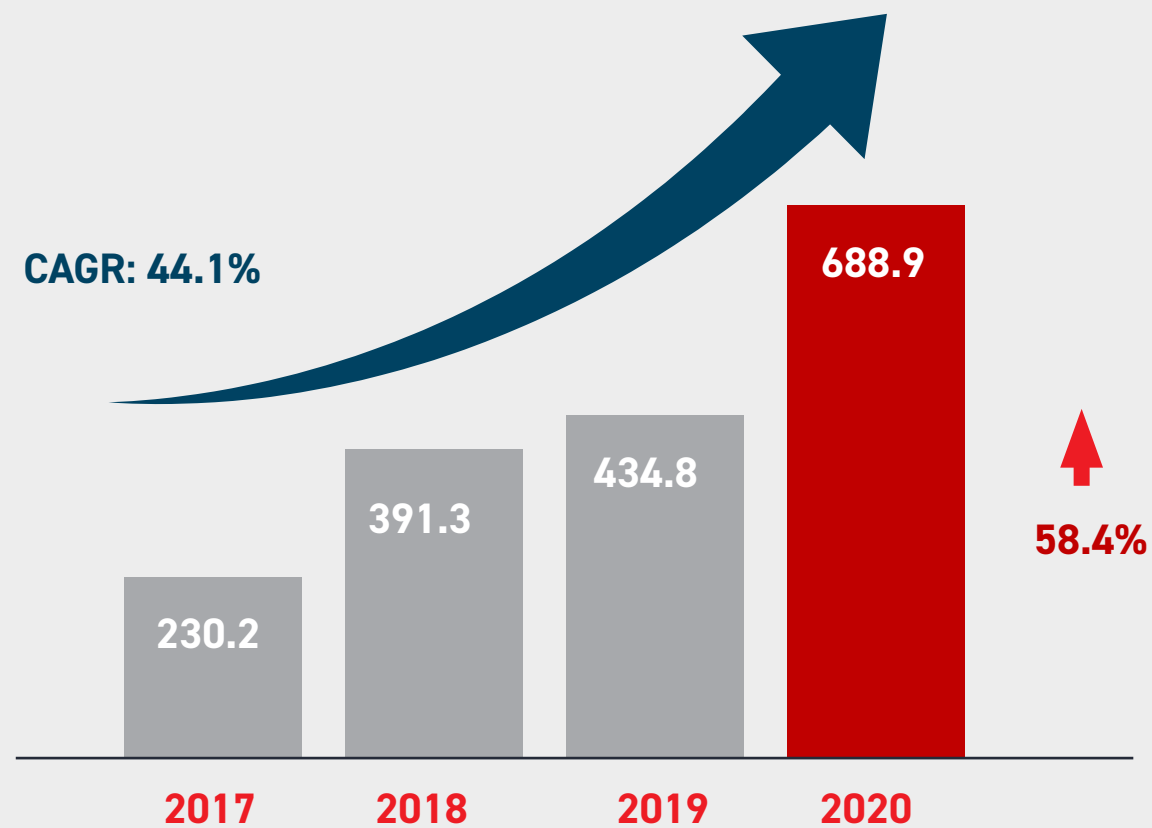
We maintained accelerated growth in the Leasing segment, expanding our operations to new customers and sectors of the economy and more than doubling our customer portfolio in 2020, with 319 customers compared with 148 customers in 2019 to end the year. We also ended the year with 667 active contracts, compared with 390 contracts in 2019. At the end of 2020, we reached a volume of R\$ 1.285 billion in CAPEX in new leasing agreements, 76.8% higher than the previous year. Our leased fleet totaled 15,128 assets, 85% of which were trucks, consistent with our asset mix strategy concentrated on trucks. And future contracted revenue (backlog) increased to R\$ 3.1 billion, up 44.3% over 2019, with 82% in contracts with terms greater than or equal to 5 years. This is how we are ensuring a solid growth base for 2021.

Completing the cycle of our assets, in 2020 we sold 1,796 pre-owned trucks and machines, yielding net revenue of R\$ 173.7 million and a gross margin of 6.3% compared with a gross margin of 3.4% in 2019.





Net Revenue  
(R\$ million)



## Dealerships

In the Dealerships business, 2020 was a year of excellent performance for all our units in the segment, with net revenue growth of 58.4% compared with 2019. A highlight was the Valtra agricultural machinery dealers, which had strong growth in net revenue of 123.7% compared with 2019, reinforcing the strength of the agribusiness sector, which continued to grow throughout the year, even in the midst of the pandemic. Transrio truck dealerships also performed well, with net revenue growth of 20.2% over 2019. We started operating the Komatsu brand dealership in January 2020, which has already contributed to our revenue growth. Even in a challenging year, dealership results showed strong expansion, yielding an EBIT of R\$ 47 million, 2 times higher than in 2019, and an EBITDA of R\$ 59.3 million, an increase of 72.4% compared with 2019. The substantial increase in dealership profitability resulted from a significant increase in sales volume and the restructuring of costs and expenses of the Transrio truck dealerships and the Valtra agricultural machinery dealerships during the year. The start of operations for the Komatsu brand also positively contributed to the result.



## Highlights

- Record net income of **R\$ 179.2 million**, up 26.4% compared with 2019.
- Contracted CAPEX of **R\$ 1.285 billion**, an increase of 76.8% compared with 2019.
- **15,128 assets leased:** 12,793 trucks (also includes tractor trucks, trailers, utility vehicles, and buses) and 2,335 machines and pieces of equipment.
- Future contracted revenue (backlog) of **R\$ 3.1 billion**, 44.3% more than at the end of the previous year.
- Net revenue of **R\$ 1.5 billion**, an increase of 24.9%.
- Earnings Before Interest and Taxes (EBIT) of **R\$ 369.6 million**, an increase of 26.3%.
- EBITDA of **R\$ 638.8 million**, an increase of 21.1%.
- Solid cash position and financial investments of **R\$ 785.6 million**, enough to cover short-term debt by 3.3 times.
- **R\$ 900 million in issuance to the capital market**, with an emphasis on the issuance of the R\$ 400 million CRA in November, which matures in ten years.
- Improvement in the debt profile, with an **average term of 4.2 years**, an average cost of 3.2% per year (before taxes) and leverage of 3.0 times, even with a strong growth cycle in the year.
- **35.9% ROE**, an increase of 10.9 percentage points compared with 2019.

Distribution of Value Added (DVA) GRI 201-1	Consolidated	
	12/31/2020	12/31/2019
<b>SALES, LEASE, AND SERVICES</b>	<b>1,661,634</b>	<b>1,321,741</b>
(Provision) Reversal for expected losses (impairment) of accounts receivable	-2,911	-6,024
Other operating income	17,713	21,341
	<b>1,676,436</b>	<b>1,337,058</b>
<b>INPUTS ACQUIRED FROM THIRD PARTIES</b>		
Cost of sales and services	-815,799	-572,161
Materials, energy, third-party services, and other	-6,977	-13,168
	<b>-822,776</b>	<b>-585,329</b>
<b>Gross value added</b>	<b>853,660</b>	<b>751,729</b>
<b>WITHHOLDINGS</b>		
Depreciation and amortization	-269,219	-234,971
<b>Net value added produced by the Group</b>	<b>584,441</b>	<b>516,758</b>
<b>VALUE ADDED RECEIVED IN TRANSFER</b>		
Result of equity accounting	-	-
Financial income	21,176	16,670
	<b>21,176</b>	<b>16,670</b>
<b>Total value added for distribution</b>	<b>605,617</b>	<b>533,428</b>
<b>DISTRIBUTION OF VALUE ADDED</b>		
Personnel		
Personnel and payroll charges, except INSS (Social Security)	99,082	83,699
	<b>99,082</b>	<b>83,699</b>
<b>TAXES, FEES, AND CONTRIBUTIONS</b>		
Federal	129,255	148,506
State	60,216	35,101
Municipal	2,418	2,259
	<b>191,889</b>	<b>185,866</b>
<b>REMUNERATION OF THIRD-PARTY CAPITAL</b>		
Interest and bank charges	133,268	110,158
Leasing of trucks, machinery, and equipment	1,019	8,547
Real Estate Lease	1,167	3,376
	<b>135,454</b>	<b>122,081</b>
<b>REMUNERATION OF EQUITY CAPITAL</b>		
Retained profits in the period	17,397	6,283
Cancellation of treasury stock	-	51,642
Dividends/interest on equity in the period	161,795	82,857
	<b>179,192</b>	<b>141,782</b>
<b>Distribution of value added</b>	<b>605,617</b>	<b>533,428</b>