

**INOXCVA COMÉRCIO E
INDÚSTRIA DE
EQUIPAMENTOS
CRIOGÊNICOS LTDA.**

Financial statements for the year ended
December 31, 2020 and Independent Auditor's
Report

INOXCVA COMÉRCIO E INDÚSTRIA DE EQUIPAMENTOS CRIOGÊNICOS LTDA.

Financial statements
December 31, 2020

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INDEPENDENT AUDITOR'S REPORT

To the Management of
Inoxcva Comércio e Indústria de Equipamentos Criogênicos Ltda.
São Paulo - SP

Opinion

We have audited the financial statements of Inoxcva Comércio e Indústria de Equipamentos Criogênicos Ltda. ("Company" or "Inoxcva"), which comprise the statement of financial position as at December 31, 2020 and the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Inoxcva Comércio e Indústria de Equipamentos Criogênicos Ltda. as at December 31, 2020, and its financial performance and its cash flows for the year then ended in accordance with accounting practices adopted in Brazil.

Basis for opinion

We conducted our audit in accordance with Brazilian and International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the relevant ethical requirements in the Code of Ethics for Professional Accountants and the professional standards issued by the Brazilian Federal Accounting Council (CFC), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

Restatement of amounts for the year ended December 31, 2019

The financial statements of Inoxcva Comércio e Indústria de Equipamentos Criogênicos Ltda. for the year ended December 31, 2019, presented for comparison purposes, were audited by us and our report thereon, dated March 13, 2020, did not contain qualifications. As described in Note 3.20, these financial statements are being restated because management identified adjustment in the calculation of income tax and social contribution. Our opinion is not modified in respect of this matter.

Responsibilities of Management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting practices adopted in Brazil, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Brazilian and International Standards on Auditing will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Brazilian and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion;
- The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern;
If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion.
Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Indaiatuba, April 12, 2021.

Pemom Auditoria e Consultoria S.S.
CRC 2 SP 030.181/O-6



Marco Antonio Miranda Alves
Accountant CRC 1SP-223-797/O-7



Renato Tsunezo Tanikawa
Accountant CRC 1SP-270.926/O-0

INOXCVA COMÉRCIO E INDÚSTRIA DE EQUIPAMENTOS CRIOGÊNICOS LTDA.

Statements of financial position
As at December 31, 2020 and 2019
(In Reais - R\$)

ASSETS

	Note	2020	2019 (Restated)
Current assets			
Cash and cash equivalents	4	920.760	568.193
Trade receivables	5	502.724	1.619.390
Inventories	6	74.882	507.617
Taxes recoverable	7	290.129	438.369
Related parties	13.2	197.869	973.292
Other assets	-	23.076	354.780
Total current assets		2.009.440	4.461.641
Noncurrent assets			
Assets held for sale	8	6.486.399	6.486.399
Property, plant and equipment	9	2.925.582	3.694.529
Total noncurrent assets		9.411.981	10.180.928
Total assets		11.421.421	14.642.569

The accompanying notes are an integral part of these financial statements.

INOXCVA COMÉRCIO E INDÚSTRIA DE EQUIPAMENTOS CRIOGÊNICOS LTDA.

Statements of financial position
As at December 31, 2020 and 2019
(In Reais - R\$)

LIABILITIES AND EQUITY

	Note	2020	2019 (Restated)
Current liabilities			
Trade payables	-	114.134	232.595
Payroll and related taxes	10	238.418	367.945
Taxes payable	11	4.097	702.094
Deferred taxes	-	266.205	330.919
Other liabilities	12	623.040	676.956
		<u>1.245.894</u>	<u>2.310.509</u>
Noncurrent liabilities			
Related parties	13.1	3.027.080	2.347.881
Other liabilities	12	1.965.625	2.527.773
Provision for legal claims	-	-	-
Total noncurrent liabilities		<u>4.992.705</u>	<u>4.875.654</u>
Equity			
Capital	14	13.332.327	13.332.327
Unpaid capital	-	-	-
Accumulated losses	-	(8.149.505)	(5.875.921)
Total equity		<u>5.182.822</u>	<u>7.456.406</u>
Total liabilities and equity		<u>11.421.421</u>	<u>14.642.569</u>

The accompanying notes are an integral part of these financial statements.

INOXCVA COMÉRCIO E INDÚSTRIA DE EQUIPAMENTOS CRIOGÊNICOS LTDA.

Statements of profit or loss and comprehensive income
For the years ended December 31, 2020 and 2019
(In Reais - R\$)

	Note	2020	2019 (restated)
Net revenue	15	4.133.762	11.345.314
(-) Cost of sales and services	16	(3.347.267)	(7.972.041)
Gross profit		786.495	3.373.273
General and administrative expenses	17	(2.378.959)	(2.074.999)
Other operating income	-	43.864	-
		(2.335.095)	(2.074.999)
Profit (loss) before finance income (costs)		(1.548.600)	1.298.274
Finance income (costs), net	18	(796.608)	(682.744)
Profit (loss) before income tax and social contribution		(2.345.208)	615.530
Deferred income tax and social contribution	-	71.624	(363.183)
Loss for the year		(2.273.584)	252.347
Other comprehensive income		-	-
Total comprehensive income for the year		(2.273.584)	252.347

The accompanying notes are an integral part of these financial statements.

INOXCVA COMÉRCIO E INDÚSTRIA DE EQUIPAMENTOS CRIOGÊNICOS LTDA.

Statements of changes in equity
For the years ended December 31, 2020 and 2019
(In Reais - R\$)

	Capital	Accumulated losses	Total equity
Balance at December 31, 2018	13.332.327	(6.128.268)	7.204.059
Profit for the year	-	252.347	252.347
Balance at December 31, 2019 (restated)	13.332.327	(5.875.921)	7.456.406
Loss for the year	-	(2.273.584)	(2.273.584)
Balance at December 31, 2020	13.332.327	(8.149.505)	5.182.822

The accompanying notes are an integral part of these financial statements.

INOXCVA COMÉRCIO E INDÚSTRIA DE EQUIPAMENTOS CRIOGÊNICOS LTDA.

Statements of cash flows

For the years ended December 31, 2020 and 2019

(In Reais - R\$)

	<u>2020</u>	<u>2019 (restated)</u>
Profit (loss) before income tax and social contribution	(2.345.208)	615.530
Adjustments to reconcile profit (loss) to cash generated by operating activities		
Depreciation and amortization	641.695	574.448
Disposal of property, plant and equipment	136.729	-
Loss on inventories	25.463	-
Provision for legal claims	-	(52.162)
	(1.541.321)	1.137.816
Decrease (increase) in assets		
Trade receivables	1.116.666	(728.785)
Inventories	414.182	364.420
Taxes recoverable	148.240	328.386
Other assets	331.704	(302.849)
Other receivables	-	-
Judicial deposits	-	-
	2.010.792	(338.828)
Increase (decrease) in liabilities		
Trade payables	(118.461)	117.744
Payroll and related taxes	(129.527)	158.726
Provision for labor risks	-	-
Taxes payable	(697.997)	640.942
Advances from customers	-	-
Other liabilities	(616.064)	3.129.552
Taxes payable	-	(24.910)
	(1.562.049)	4.022.054
Net cash flows from operating activities	(1.092.578)	4.821.042
Investing activities		
Purchases of property, plant and equipment	(9.477)	(3.532.482)
Net cash flows used in investing activities	(9.477)	(3.532.482)
Financing activities		
Capital contribution/increase	-	-
Setting up of capital reserves	-	-
Related-party transactions	1.454.622	(1.049.196)
Cash flows from financing activities	1.454.622	(1.049.196)
Increase (decrease) in cash and cash equivalents	352.567	239.364
Cash and cash equivalents at the beginning of the year	568.193	328.829
Cash and cash equivalents at the end of the year	920.760	568.193
Increase (decrease) in cash and cash equivalents	352.567	239.364

The accompanying notes are an integral part of these financial statements.

INOXCVA COMÉRCIO E INDÚSTRIA DE EQUIPAMENTOS CRIOGÊNICOS LTDA.

Notes to the financial statements
December 31, 2020 and 2019
(Amounts expressed in Reais - R\$)

1. General information

Inoxcva Comércio e Indústria de Equipamentos Criogênicos Ltda. (“Inoxcva” or “Company”) is a subsidiary of an Indian based company engaged in holding of equity interests, as shareholder or stockholder, in other companies in Brazil or abroad, business development of the Inox Group in Brazil, participation in business meetings, events, trade shows and exhibitions, and distribution of promotional material.

The Company is also engaged in import, export, storage, purchase, sale, resale, equipment lease, rental, marketing, contracting, distribution, processing, disposal, assembly, manufacturing, overhaul, maintenance, repair, renovation and treatment of any type of tank for cryogenic and non-cryogenic packaging and distribution, vaporizers and related equipment including tanks for natural gas storage, tanks for oil storage, industrial plants for liquefied natural gas, packaging, distribution and provision for use of liquefied natural gas.

The financial statements were reviewed and approved by the Company’s management on April 12, 2021.

2. Presentation of financial statements

The financial statements have been prepared and are presented in accordance with accounting practices adopted in Brazil.

The accounting practices adopted in Brazil comprise those included in the Brazilian corporate law and the standards, guidance and interpretations issued by the Brazilian Accounting Pronouncements Committee (CPC) and approved by the Brazilian Federal Accounting Council (CFC).

2.1. Accounting judgments, estimates and assumptions

In preparing the financial statements in accordance with accounting practices adopted in Brazil, Management is required to make judgments, estimates and assumptions that affect the amounts of revenues, expenses, assets and liabilities reported in the financial statements and the notes to the financial statements.

Significant items subject to these estimates and assumptions include the economic useful life and the residual value of property, plant and equipment and intangible assets, allowance for expected credit losses, provision for legal claims, provision for inventory losses, provision for impairment of inventories, social contribution and other taxes, impairment of assets and fair value of financial instruments.

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The use of estimates and judgments is complex and considers several assumptions and future projections and, therefore, the settlement of transactions may result in amounts that differ from the estimates. The Company reviews its estimates and assumptions annually.

2.2. Statement of compliance

The financial statements for the years ended December 31, 2020 and 2019 have been prepared in accordance with accounting practices adopted in Brazil, which comprise the standards, guidance and interpretations issued by the Brazilian Accounting Pronouncements Committee (CPC).

2.3. Impacts of the new coronavirus pandemic

On March 11, 2020, the World Health Organization (WHO) declared the outbreak of Covid-19, a disease caused by the new coronavirus, a pandemic, which caused countries to adopt measures for the prevention of infections, preservation of life and mitigation of impacts arising from this disease.

As a result of this pandemic, restrictive measures were taken to enforce social distancing and closing of commercial businesses, in addition to the shutdown of the industrial sector.

These measures caused a downturn in the supply chain and a significant impact on the global economy.

In 2020, the Company did not identify significant impacts on its financial statements arising from the pandemic. Additionally, considering that the pandemic scenario will not worsen and the economic activity will return to the previous levels, the Company does not estimate significant impacts on its results that could affect its operating capacity and the implementation of its projects.

3. Significant accounting policies

The significant accounting policies adopted in the preparation of the financial statements are as follows:

3.1. Functional currency

The Company's functional currency is the Brazilian Real (R\$), which is also its presentation currency.

3.2. Income recognition

Revenues, costs and expenses are recognized on an accrual basis.

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3.3. Cash and cash equivalents

Cash and cash equivalents comprise cash, checking account and highly liquid short-term investments, immediately convertible into a known amount of cash and subject to an insignificant risk of change in value with the possibility of redemption in the short term (three months from the date of purchase).

3.4. Trade receivables and allowance for expected credit losses

Trade receivables arise from the sale of products and provision of services and comprise the consideration receivable for the sale in the ordinary course of business.

Revenues from the sale of products and services are measured at the consideration to which the Company expects to be entitled, less returns, discounts, rebates, amortization of customer contract assets and other deductions, if applicable, and is recognized as the Company satisfies its performance obligation, i.e., upon the transfer of ownership and/or completion of provision of services.

The Company does not have a history of losses on trade receivables, for this reason there is no indication of the need to establish an allowance for expected credit losses for its receivables, as established by CPC 48 - Financial Instruments.

3.5. Inventories

Inventories are stated at average acquisition or production cost, adjusted to replacement cost and net realizable value, when applicable.

The cost of finished goods and work in process comprises raw materials, labor and other indirect costs related to production, based on normal production capacity.

Provisions for impairment of inventories and for slow-moving and/or obsolete inventories are established whenever identified.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

3.6. Taxes recoverable

Taxes recoverable are those included in the acquisitions of goods and services, generally related to the Company's operating activities.

These taxes are not recorded in costs of inventories and the Company adopts the criteria set forth in the prevailing legislation for their allocation.

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3.7. Related parties

Transactions with related parties refer to transfers of a finance nature that were carried out under conditions and terms similar to those of the market.

3.8. Prepaid expenses

These refer to prepayments of insurance and other expenses whose benefits or provision of services to the company will occur in the following year.

3.9. Assets held for sale

Assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell, and are not depreciated or amortized.

These items are only classified in this line item when their sale is highly probable and they are available for immediate sale in their current conditions.

3.10. Property, plant and equipment

Property, plant and equipment are stated at acquisition cost less accumulated depreciation and accumulated impairment losses, if any.

The depreciation is calculated under the straight-line method and the rates are calculated according to the estimated useful lives of the assets.

An item of property, plant and equipment is derecognized when sold or when no future economic benefits from its use or sale are expected.

Any gain or loss arising from the derecognition of the asset (measured as the difference between the net proceeds from the sale and the carrying amount of the asset) is included in the statement of profit or loss in the year in which the asset is derecognized.

The residual values, useful lives of assets and depreciation methods are reviewed at the end of each reporting period and adjusted prospectively, as applicable.

3.11. Impairment testing of assets

Management reviews annually the net carrying amount of assets to assess events or changes in economic, operating or technological circumstances that might indicate an impairment of these assets.

When there is such evidence and the net carrying amount of the asset exceeds its recoverable amount, a provision for impairment is established adjusting the net carrying amount to the recoverable amount.

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The Company periodically assesses the effect of this procedure, and in the financial statements for December 31, 2020 no adjustments to be accounted for were identified.

3.12. Other current and noncurrent assets and liabilities

A liability is recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic resources will be required to settle it.

Provisions are recognized based on the best estimates of the risk involved. An asset is recognized in the statement of financial position when it is probable that its future economic benefits will flow to the Company and its cost or amount can be reliably measured.

Assets and liabilities are classified as current when their realization or settlement is likely to occur in the next 12 months, otherwise they are stated as noncurrent.

3.13. Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business.

Trade payables are classified as current liabilities if payment is due in one year or less (or in the normal operating cycle of business, if longer). Otherwise, they are presented as noncurrent liabilities.

3.14. Payroll and related taxes

These refer to amounts payable to employees arising from benefits, accrual for vacation already incurred and charges levied on these provisions.

3.15. Provisions

Provisions are recognized when:

- (i) The Company has a present obligation (legal or constructive obligation as a result of past events);
- (ii) It is probable that an outflow of resources will be required to settle the obligation;
- (iii) The amount can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

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The increase in the provision due to the time elapsed is recognized as interest expense.

3.16. Provision for legal claims

These provisions are recognized for all contingencies related to lawsuits in which it is probable that an outflow of resources will be required to settle the contingency/obligation and a reliable estimate can be made.

The assessment of the likelihood of loss includes the assessment of available evidence, hierarchy of laws, available case laws, the most recent court decisions and their relevance in the legal system, as well as the assessment made by outside legal counsel.

Provisions are reviewed and adjusted so as to consider changes in circumstances, such as applicable statute of limitations, the completion of tax audits or additional exposures identified based on new matters or court rulings.

3.17. Current and deferred income tax and social contribution

Current and deferred income tax and social contribution are calculated at the rates of 15% plus a 10% surtax on taxable profit exceeding R\$240,000 for income tax and 9% on taxable profit for social contribution and consider the offset of tax losses limited to 30% of the taxable profit.

3.18. Financial instruments

The Company's financial instruments comprise cash and cash equivalents (assets measured at fair value through profit or loss), trade receivables, trade payables and related parties.

The Company recognizes financial instruments on the date on which they originated or on the trading date in which it becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire or when it transfers the rights to receiving contractual cash flows from a financial asset under a transaction that transfers substantially all the risks and rewards of ownership of the financial asset.

Any interest that is created or retained in the financial assets is recognized as an individual asset or liability.

The Company derecognizes a financial liability when, and only when, its obligations are discharged, canceled or have expired.

3.19. Right-of-use assets and lease liabilities

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets.

The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use).

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term.

The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable.

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After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).

It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognized as expense on a straight-line basis over the lease term.

3.20. Standards issued but not yet effective at December 31, 2020

IBOR/LIBOR Reform - IFRS 9, IAS 39 and IFRS 7	Interest rate benchmark reform (Phase 1) IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS16 – Interest rate benchmark reform (Phase 2).
IFRS 17 -	Insurance Contracts
IFRS 10 - Consolidated Financial Statements and IAS 28 (amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to IAS 1	Classification of Liabilities as Current or Noncurrent
Amendments to IFRS 3	Reference to Conceptual Framework
Amendments to IAS 16	Property, Plant and Equipment: Proceeds before intended use
Amendments to IAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Annual Improvements to IFRS 2018 - 2020 Cycle	Amendments to IFRS 1 - First-time Adoption of International Financial Reporting Standards, IFRS 9 - Financial Instruments, IFRS 16 - Leases and IAS 41 - Agriculture

INOXCVA COMÉRCIO E INDÚSTRIA DE EQUIPAMENTOS CRIOGÊNICOS LTDA.

Notes to the financial statements
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3.21. Restatement of the financial statements at December 31, 2019

For better presentation of the consolidated financial statements, and based on CPC 23 - Accounting Policies, Changes in Accounting Estimates and Errors, the Company reconciled its calculation of income tax and social contribution due to transactions with foreign related parties (transfer pricing) and adjusted, at December 31, 2019, the amount of R\$37,395, previously presented under provision for legal claims, and recalculated the tax due.

In addition, the assets and equity were reclassified and the notes to the financial statements related to these line items were updated.

	Originally stated	Correction of errors and reclassifications	Restated amounts
Current assets			
Cash and cash equivalents	568,193	-	568,193
Trade receivables	1,619,390	-	1,619,390
Inventories	507,617	-	507,617
Taxes recoverable	463,279	(24,910)	438,369
Related parties	973,292	-	973,292
Other assets	354,780	-	354,780
Total current assets	4,486,551	(24,910)	4,461,641
Noncurrent assets			
Assets held for sale	6,486,399	-	6,486,399
Property, plant and equipment, net	3,694,529	-	3,694,529
Total noncurrent assets	10,180,928	-	10,180,928
Total assets	14,667,479	(24,910)	14,642,569
	Originally stated	Correction of errors and reclassifications	Restated amounts
Current liabilities			
Trade payables	232,595	-	232,595
Payroll and related taxes	367,945	-	367,945
Taxes payable	694,740	7,354	702,094
Deferred taxes	330,919	-	330,919
Other liabilities	676,956	-	676,956
Total current liabilities	2,303,155	7,355	2,310,509
Noncurrent liabilities			
Related parties	2,347,881	-	2,347,881
Other liabilities	2,527,773	-	2,527,773
Provision for legal claims	37,395	(37,395)	-
Total noncurrent liabilities	4,913,049	(37,395)	4,875,654
Equity			
Capital	13,332,327	-	13,332,327
Accumulated losses	(5,881,052)	5,131	(5,875,921)
Total equity	6,678,839	5,131	7,456,406
Total liabilities and equity	14,667,479	(24,910)	14,642,569

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Notes to the financial statements
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(Amounts expressed in Reais - R\$)

	Originally stated	Correction of errors and reclassifications	Restated amounts
Net revenue	11,345,314	-	11,345,314
(-) Cost of sales and services	(7,972,041)	-	(7,972,041)
Gross profit	3,373,273	-	3,373,273
General and administrative expenses	(2,112,394)	37,395	(2,074,999)
	(2,112,394)	37,395	(2,074,999)
Profit (loss) before finance income (costs)	1,260,879	37,395	1,298,274
Finance income (costs), net	(682,744)	-	(682,744)
Profit (loss) before income tax and social contribution	578,135	37,395	615,530
Deferred income tax and social contribution	(330,919)	(32,264)	(363,183)
Profit (loss) for the year	247,216	5,131	252,347

4. Cash and cash equivalents

Comprised by:

	2020	2019
Cash	9,124	9,774
Banks	782,113	428,895
Short-term investments	129,523	129,524
	920,760	568,193

Short-term investments refer to fixed-income investment funds and Bank Certificates of Deposit (CDB) with short-term maturities and/or immediate liquidity, with yield based on the variation of the Interbank Certificate of Deposit (CDI) rates.

5. Trade receivables

Trade receivables are comprised as follows:

	2020	2019
Trade notes receivable	502,724	1,619,390

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The aging list of trade receivables is summarized as follows:

	2020	2019 (restated)
Current (not past due)	388,304	1,539,331
Up to 30 days past due	71,513	23,655
61 to 90 days past due	42,907	49,535
More than 360 days past due	-	6,869
	502,724	1,619,390

6. Inventories

Inventories are comprised as follows:

	2020	2019
Products for resale	34,900	461,243
Inputs for provision of services	32,224	38,615
Raw materials	7,758	7,759
	74,882	507,617

7. Taxes recoverable

Taxes recoverable are comprised as follows:

	2020	2019 (restated)
ICMS (state VAT)	88,324	-
Taxes overpaid	404	118,391
Social contribution	154,826	230,846
Income tax	46,575	38,872
Other taxes recoverable	-	50,260
	290,129	438,369

8. Assets held for sale

In 2012, the Company planned the installation of a manufacturing plant in the city of Monte Mor, State of São Paulo, purchasing land and making improvements such as earthwork and cleaning in the amount of R\$ 6,486,399.

Subsequently, due to the change of strategy, the Company decided to discontinue the planning of the installation of such manufacturing plant in Monte Mor. In view of such discontinuity, Management decided to sell the property (land and improvements).

Management believes that the sale value will be higher than the carrying amount and, therefore, no provision for loss is required.

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9. Property, plant and equipment

Property, plant and equipment are comprised as follows:

	Depreciation rate	2020			2019
		Cost	Depreciation	Net	
Machinery and equipment	10%	1,235,781	(800,255)	435,526	557,912
Furniture and fixtures	10%	184,947	(119,350)	65,597	84,092
IT equipment	20%	91,237	(66,631)	24,606	24,202
Leasehold improvements	10%	51,249	(51,249)	-	11,149
Right of use - lease	-	3,254,733	(854,880)	2,399,853	3,017,174
		4,817,947	(1,892,365)	2,925,582	3,694,529

9.1. Changes

	2019	Additions	Disposals	Depreciation	2020
Machinery and equipment	557,912	1,147	-	(123,533)	435,526
Furniture and fixtures	84,092	-	-	(18,495)	65,597
IT equipment	24,202	8,330	-	(7,926)	24,606
Leasehold improvements	11,149	-	-	(11,149)	-
Right of use - lease	3,017,174	-	(136,729)	(480,592)	2,399,853
	3,694,529	9,477	(136,729)	(641,695)	2,925,582

	2018	Additions	Depreciation	2019
Machinery and equipment	594,531	84,737	(121,356)	557,912
Furniture and fixtures	99,047	3,376	(18,331)	84,092
IT equipment	21,518	9,827	(7,143)	24,202
Leasehold improvements	21,399	-	(10,250)	11,149
Right of use - lease	-	3,434,542	(417,368)	3,017,174
	736,495	3,532,482	(574,448)	3,694,529

10. Payroll and related taxes

	2020	2019
Accrued vacation pay	126,344	124,591
INSS (social security contribution) on accrued vacation	34,492	34,013
INSS payable	18,752	35,357
Performance bonus	25,355	130,185
FGTS (Severance pay fund)	8,799	10,752
FGTS on accrued vacation	10,107	9,967
Other social security obligations	14,569	23,080
	238,418	367,945

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11. Taxes payable

	2020	2019 (restated)
ICMS (state VAT)	-	446,233
ISS (service tax)	1,600	2,548
COFINS (tax on revenue)	158	168,609
PIS (tax on revenue)	33	36,605
Other taxes payable	2,306	48,099
	4,097	702,094

12. Other liabilities

	2020	2019
Rent payable (i)	2,544,216	3,172,939
Fees payable	22,427	23,604
Insurance payable	7,265	7,570
Other payables	14,757	616
	2,588,665	3,204,729
Current	623,040	676,956
Noncurrent	1,965,625	2,527,773
	2,588,665	3,204,729

(i) As a result of the initial application of CPC 06 (R2) / IFRS 16 in respect of leases that were previously classified as operating, the Company recognized at January 1, 2019 lease liabilities in the amount of R\$ 3,434,542, this amount is monetarily adjusted and amortized over the lease term.

13. Related parties

13.1. Amounts payable to Inox India Private Limited.

The balance payable to related parties at December 31, 2020 was R\$ 3,027,080 (R\$ 2,347,881 at December 31, 2019) equivalent to USD 582,500 at December 31, 2020 (USD 582,550 at December 31, 2019).

13.2. Assets with Inox India Private Limited.

The amount of R\$ 197,869 (R\$ 973,292 at December 31, 2019) equivalent to USD 38,076 at December 31, 2020 (USD 241,470 at December 31, 2019) arises from the provision of commissions to related parties, Inox India Private Limited.

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14. Equity

14.1. Capital

The subscribed capital at December 31, 2020 and 2019 is R\$ 13,332,327 and comprises 13,332,327 share units with par value of R\$ 1.00 each, held as follows:

Shareholders	Number of share units	R\$
Inox India Private Limited	13,332,327	13,332,327
	13,332,327	13,332,327

15. Net revenue

Net revenue is comprised as follows:

	2020	2019
Maintenance services	2,575,386	2,266,737
Representation services	773,244	1,168,441
Resale of products	1,691,943	10,115,168
Commissions	(220,275)	973,292
Taxes on revenue	(686,536)	(3,178,324)
	4,133,762	11,345,314

16. Cost of sales and services

This balance is comprised as follows:

	2020	2019
Cost of services rendered	(1,971,303)	(6,426,612)
Cost of goods sold	(1,269,113)	(1,401,128)
Other costs	(106,851)	(144,301)
	(3,347,267)	(7,972,041)

17. General and administrative expenses

	2020	2019 (restated)
Administrative expenses	(1,516,818)	(1,290,076)
Provision for legal claims	-	52,162
Personnel expenses	(196,825)	(168,962)
Depreciation and amortization	(589,042)	(564,873)
Taxes and fees	(49,285)	(53,166)
Other general and administrative expenses	(26,989)	(50,084)
	(2,378,959)	(2,074,999)

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18. Finance income (costs), net

	2020	2019
Finance income		
Income from short-term investments	9,620	66,398
Discounts obtained	4,501	1
Other finance income	90,300	4,409
Total finance income	104,421	70,808
Finance costs		
Foreign exchange losses	(459,586)	(350,654)
Interest	(187,998)	(154,555)
Discounts granted	(27,269)	-
Present value adjustment	(205,251)	(226,806)
Other finance costs	(20,925)	(21,537)
Total finance costs	(901,029)	(753,552)
Total finance income (costs)	(796,608)	(682,744)

19. Financial instruments

19.1. Risks

Liquidity risk: this is the risk of not having sufficient liquid funds to meet the Company's financial commitments due to the mismatch of terms or volumes regarding expected receipts and payments.

Foreign exchange risk: this risk arises from the possibility of fluctuations in the exchange rates of foreign currencies used by the Company for purchase of inputs, sale of products and contracting of financial instruments.

Interest rate risk: this risk arises from the possibility that the Company may obtain gains or incur losses due to fluctuations in interest rates to which its financial assets and liabilities are subject.

In order to mitigate this type of risk, the Company seeks to diversify its funding in terms of fixed and floating rates.

The Company reviewed the main financial assets and liabilities at December 31, 2020, as well as the criteria for their measurement, valuation and classification, which are described below:

- **Cash and cash equivalents:** the amounts of cash and cash equivalents the carrying amounts of which approximate the realizable values at the end of the reporting period are classified as receivables;
- **Trade receivables:** are stated at carrying amounts which approximate the realizable values at the end of the reporting period;

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- **Trade payables:** are stated at carrying amount which approximate the realizable values at the end of the reporting period;
- **Related parties:** are stated at carrying amounts which approximate the realizable values at the end of the reporting period.

20. Insurance (unaudited)

The Company's Management adopts the policy of contracting insurance for assets subject to risks in amounts considered sufficient to cover any losses, in view of the nature of its activities.

The risk assumptions adopted and the insurance coverage, considering the nature of such risks, are not part of the audit of the financial statements and, consequently, were not examined by our independent auditors.