

EARNINGS RELEASE

2Q20



Teleconference on Results
August 18, 2020 | Tuesday

Time: 11 a.m.

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Results for the 2nd quarter of 2020

The Priner Group presents its consolidated results for 2020 (2Q20) according to the IFRS and in Brazilian reais (R\$ thousands). The comparisons refer to 2Q20 and to the same period of 2019 (2Q19). The information in this report corresponds to the audited Financial Statements.

Highlights for 2Q20

- Positive operating cash flow in 2Q20 of R\$ 3.6 million, ending the quarter with cash position of R\$ 149.1 million and positive net financial position of R\$ 76.0 million;
- Net Revenue for 2Q20 was R\$ R\$ 48.2 million, a drop of 47.9% from 2Q19 (R\$ 92.5 million). In the first half, Net Revenue reached R\$ 119.4 million, 32% lower than in the same period of the previous year. The main cause of this decline was the global coronavirus (Covid-19) pandemic. May was the month that presented the lowest revenue in the quarter, with recovery in June;
- In 2Q20, the Company recorded Gross Loss of R\$ 4.2 million. In the first half of 2020, Gross Profit was R\$ 5.2 million, 77.8% lower in relation to the same period of the previous year due to a slowdown in the pace of performance of many contracts and to the expenditures related to the downsizing carried out by management (R\$ 8.5 million);
- In 2Q20, EBITDA was negative by R\$ 9.8 million. In the first half, EBITDA was R\$ 6 million, down 51.8% from 1H19. These results were affected by the slowdown in the pace of performance of many contracts and by the expenditures related to the downsizing carried out by the Company (R\$ 10.1 million);
- In 2Q20, the Company posted a Loss of R\$ 18.2 million as a result of the effects of the pandemic. In the first half, Loss was R\$ 14.9 million.

Summarized Information (R\$ thousands)

| Summary of Results | 2Q20 | 2Q19 | % | 1H20 | 1H19 | % |
|------------------------|---------------|--------------|-------------------|---------------|--------------|-------------------|
| Net revenue | 48,186 | 92,456 | -47.9% | 119,309 | 175,336 | -32.0% |
| Gross profit | (4,249) | 12,687 | n/a | 5,166 | 23,218 | -77.8% |
| Gross margin % | -8.8% | 13.7% | -22.5 p.p. | 4.3% | 13.2% | -8.9 p.p. |
| EBITDA | (9,787) | 7,044 | n/a | 6,108 | 12,669 | -51.8% |
| EBITDA margin % | -20.3% | 7.6% | -28.0 p.p. | 5.1% | 7.2% | -2.2 p.p. |
| Profit (loss) | (18,152) | (1,986) | 814.0% | (14,882) | (2,491) | 497.4% |
| Net margin % | -37.7% | -2.1% | -35.5 p.p. | -12.5% | -1.4% | -11.1 p.p. |
| Annualized ROIC % | -30.6% | 3.9% | -34.5 p.p. | 3.5% | 2.9% | +0.7 p.p. |
| Capex | 1,168 | 5,448 | -78.6% | 3,174 | 11,104 | -71.4% |
| Net debt | (76,020) | 73,193 | n/a | (76,020) | 73,193 | n/a |
| Net debt/LTM EBITDA | -3.6 | 2.6 | n/a | -3.6 | 2.6 | n/a |

| Operational Data | 2Q20 | 2Q19 | % | 1H20 | 1H19 | % |
|--|---------|--------|--------|--------|--------|--------|
| Number of employees | 1,676 | 2,975 | -43.7% | 1,676 | 2,975 | -43.7% |
| Net revenue per employee per month | 7,434 | 9,656 | -23.0% | 8,173 | 9,066 | -9.9% |
| Cost of products sold per employee per month | 8,090 | 8,331 | -2.9% | 7,911 | 7,865 | 0.6% |
| Operating income per employee per month | (2,322) | 217 | n/a | (486) | 156 | n/a |
| Working capital (customers, suppliers and employees) | 23,191 | 14,914 | 55.5% | 23,191 | 14,914 | 55.5% |
| Number of days of working capital | 38 | 13 | 190.0% | 42 | 19 | 122.0% |
| Investments + Property, plant and equipment + Intangit | 75,723 | 87,642 | -13.6% | 75,723 | 87,642 | -13.6% |

Management's Comments

The beginning of 2020 was characterized by two non-recurring events that affected the second quarter and that will certainly affect the future: Priner's IPO, which deeply changed the Company's capital structure, opening a range of opportunities for the Company's financial, and an unprecedented worldwide crisis: the coronavirus (Covid-19) pandemic.

The closing of the second quarter, which brought enormous challenges as a result of the pandemic Coronavirus (Covid-19), with a cash position of R\$ 149.1 million and a positive net financial position of R\$ 76.0 million, higher than the closing of the first quarter, which was R\$ 71.7 million. We kept 100% of the contracts in backlog, despite the fact that many customers postponed or reduced the maintenance activities that were in progress, which prompted the Company to adjust its headcount in a matter of weeks. May was the month with the lowest level of activities in the first half of this year and we have already observed a resumption of activities since June, a fact that reinforces our confidence.

In addition to the inevitable layoffs, we concentrated our efforts on implementing measures aimed at rationalizing costs and expenses in order to achieve higher levels of productivity. We will accelerate the pace of investments in the second half of this year, by resuming some CAPEX projects with attractive return rates and low risk, aiming to replace equipment previously rented from third parties.

In order to expand our business, we intensified negotiations with several target companies in our acquisition strategy, strengthened our commercial structure and started prospecting in new markets, such as beverages and food, biofuels and equipment manufacturing.

The Company remains actively monitoring the developments of CORONAVÍRUS (COVID-19) in its business and implementing actions in order to preserve its employees, its results and its robust liquidity, seeking to meet the expectations of its customers, shareholders, employees and suppliers.

We remain firm in our purpose of becoming the leading company in Industrial Services in Brazil, focusing on APIIL Market (Access, Painting, Insulation, Inspection and Technical Cleaning) and we see this moment as a great opportunity to shorten the path that will take us to this leadership.

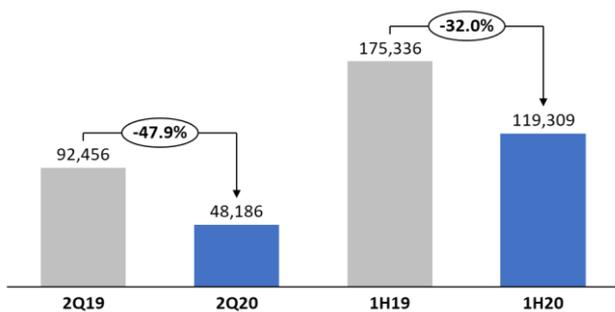
Management

Net Revenue

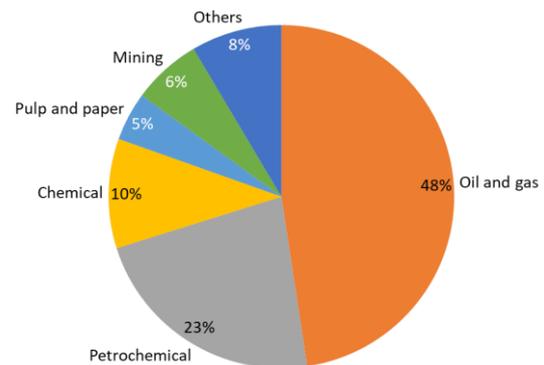
Net Revenue was R\$ 48.2 million in 2Q20, a drop of 47.9% from 2Q19 (R\$ 92.5 million). The main cause of this reduction was the unprecedented global pandemic: coronavirus (Covid-19), and it is in line with the Company's expectation, a reduction of 32.2% in relation to 1Q20. It is worth noting that, to this date, no contract of the Company has been cancelled. However, there was a significant slowdown in the pace of performance of many contracts. In the first half, Net Revenue dropped 32% from the same period of the previous year. May was the month that presented the lowest revenue in the six-month period;

Despite the downsizing implemented in the second quarter, Net Revenue per head for 2Q20 was R\$ 7,434 per employee, a drop of 23.0% from the same period of the previous year. This was due to the fact that the slowdown in the pace of performance of many contracts was faster than the dismissals of personnel, particularly because we opted, at first, to grant a vacation leave for hundreds of employees.

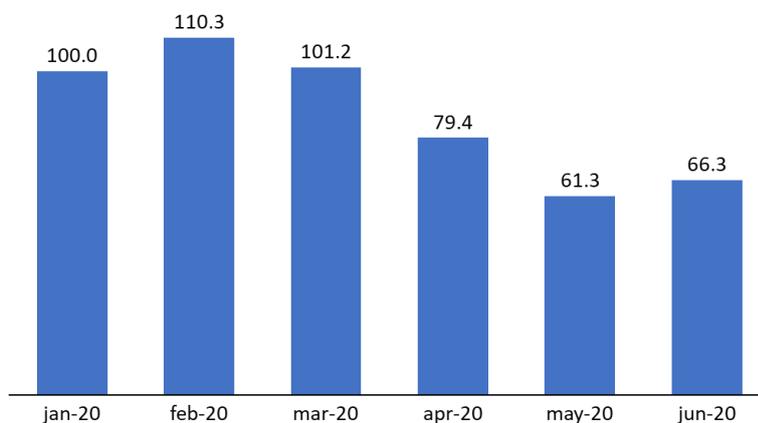
NET REVENUE (R\$ THOUSANDS)



BREAKDOWN OF NET REVENUE PER INDUSTRY (2Q20)



NET REVENUE (BASE 100 = Jan20)

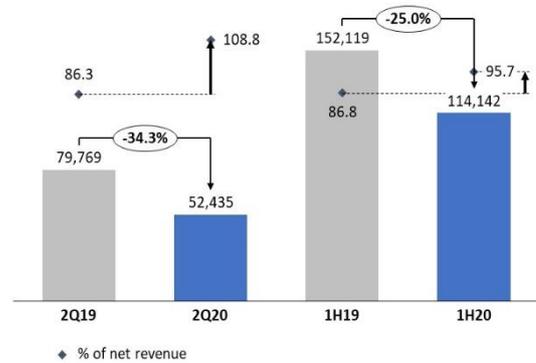


Cost of Products Sold

The Cost of Products Sold totaled R\$ 52.4 million in 2Q20, a reduction of 34.3% from the same period of the previous year. Due to the fact that the slowdown in the pace of performance of many contracts was faster than the dismissal of personnel, the Costs of Products Sold over Net Revenue grew 2,250 bps between 2Q20 and 2Q19. In the first half, Cost of Products Sold totaled R\$ 114.1 million, a reduction of 25.0% in relation to 1H19 and an increase of 890 bps with respect to Net Revenue.

Expenditures with dismissals as a result of the coronavirus (Covid-19) crisis amounted to R\$ 8.5 million.

COST OF PRODUCTS SOLD (R\$ THOUSANDS)

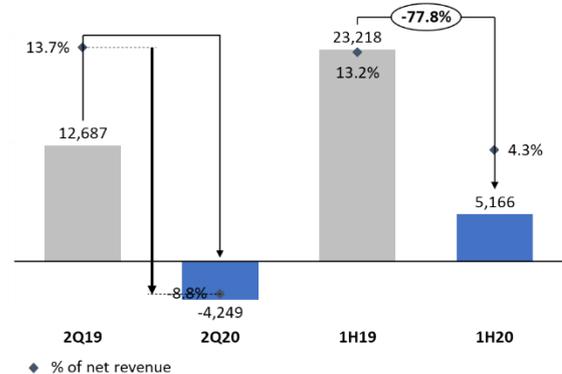


Gross Profit

In 2Q20, the Company recorded a Gross Loss of R\$ 4.2 million with a negative margin of 8.8%, a consequence of the combination between the drop in revenue and extraordinary expenditures with dismissals. Priner (Services and Rental) had 2,322 employees at the end of the first quarter of 2020 and, at the end of the second quarter, the total number of employees was 1,485, a reduction of 36.0%. Meanwhile, at Smartcoat, the number of employees dropped 49.5%, from 323 at the end of the first quarter of 2020 to 163 at the end of the second quarter of 2020. This reduction generated total expenditures with dismissals in the amount of R\$ 10.1 million, of which R\$ 8.5 million had an impact on Gross Profit.

In the first half, Gross Profit was R\$ 5.2 million, a reduction of 77.8% in relation to 1H19 and the main cause was the slowdown in the pace of performance of many contracts and the downsizing as a result of the coronavirus (Covid-19) pandemic.

GROSS PROFIT (R\$ THOUSANDS) AND GROSS MARGIN (%)

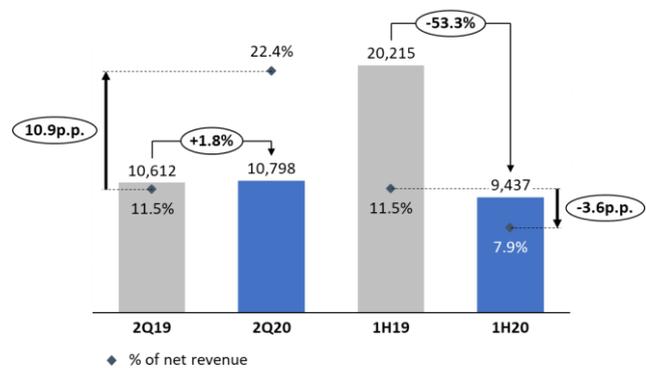


Operating and General and Administrative Expenses

Operating and General and Administrative Expenses in 2Q20 were affected by R\$ 1.6 million by expenditures with dismissals and reached R\$ 10.8 million, an increase of 1.8% in relation to 2Q19. In the first half, Operating and General and Administrative Expenses dropped 53.3% from the same period of the previous year.

Excluding the expenditures with dismissals, Operating and General and Administrative Expenses in 2Q20 totaled R\$ 9.2 million, a decrease of 13.1% in relation to 2Q19, as a result of the Company's efforts to constantly reduce expenses.

OPERATING AND GENERAL AND ADMINISTRATIVE EXPENSES WITH INVESTEES (R\$ THOUSANDS)

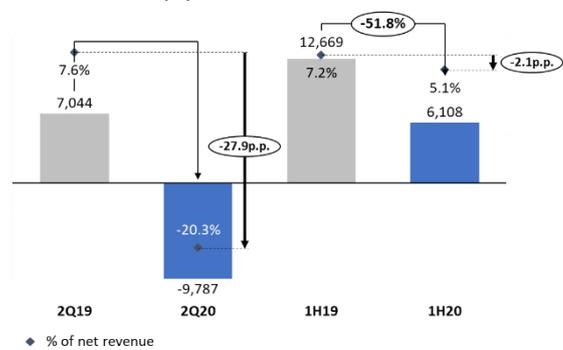


EBITDA

EBITDA was negative by R\$ 9.8 million in the second quarter of 2020. In the first six months of 2020, EBITDA amounted to R\$ 6.1 million, a reduction of 51.8% from the same period of the previous year.

These results were strongly affected by the coronavirus (Covid-19) pandemic due to the combination of the drop in revenue and the increase of extraordinary expenditures with the dismissals of employees, direct and indirect labor levels.

EBITDA (R\$ THOUSANDS) AND EBITDA MARGIN (%)



| EBITDA | 2Q20 | 2Q19 | % | 1H20 | 1H19 | % |
|---|----------------|--------------|------------|--------------|---------------|---------------|
| Net revenue | 48,186 | 92,456 | -47.9% | 119,309 | 175,336 | -32.0% |
| (-) Cost of products sold | (52,435) | (79,769) | -34.3% | (114,142) | (152,119) | -25.0% |
| (-) Operating and general and administrative expenses | (10,798) | (10,900) | -0.9% | (9,654) | (20,340) | -52.5% |
| (+) Equity in the results of investees | 0 | 288 | N/A | 217 | 125 | 73.6% |
| (+) Depreciation and amortization | 5,260 | 4,969 | 5.9% | 10,379 | 9,667 | 7.4% |
| EBITDA | (9,787) | 7,044 | N/A | 6,108 | 12,669 | -51.8% |
| Margin % | -20.3% | 7.6% | -27.9% | 5.1% | 7.2% | -2.1% |

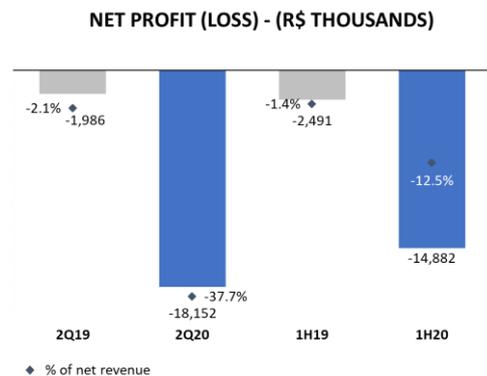
Finance Result

Net Finance Result in 1Q20 amounted to R\$ 0.9 million (costs), a decline of 77.7% in relation to 2Q19 (R\$ - 4.0 million), as a result of the capital contribution arising from the IPO that took place in February 2020.

| Finance Result | 2Q20 | 2Q19 | % | 1H20 | 1H19 | % |
|---------------------------------------|--------------|----------------|---------------|----------------|----------------|---------------|
| Income from financial investments | 1,046 | 149 | 602.0% | 1,902 | 190 | 901.1% |
| Interest on financing (including IOF) | (1,652) | (2,730) | -39.5% | (3,656) | (4,523) | -19.2% |
| Debt from acquisition | (29) | (130) | -77.7% | (98) | (259) | -62.2% |
| Interest of customers | 121 | 93 | 30.1% | 171 | 163 | 4.9% |
| Assignment of credit rights | (71) | (737) | -90.4% | (455) | (1,109) | -59.0% |
| Other | (299) | (608) | -50.8% | (1,320) | (928) | 42.2% |
| Total | (884) | (3,963) | -77.7% | (3,456) | (6,466) | -46.6% |

Profit (Loss)

Loss for 2Q20 was R\$ 18.2 million, compared with a loss of R\$ 2.0 million in 2Q19. In the first half, Loss was R\$ 14.9 million (R\$ 2.5 million in 1H19). The results obtained are the consequence of the factors described above.



Investments

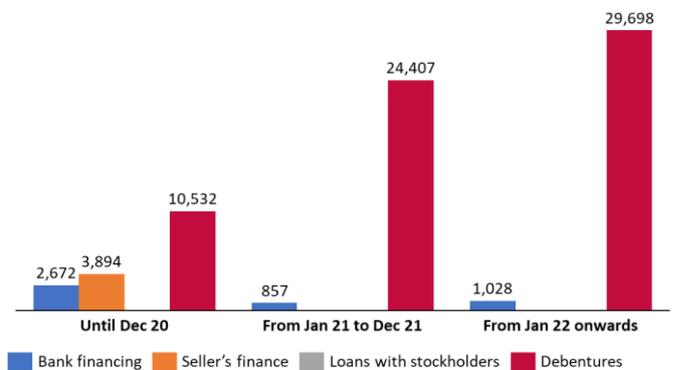
In 2Q20, a period characterized by the uncertainties generated by the coronavirus pandemic, the Company temporarily suspended investments in order to preserve Priner's cash and liquidity. Consequently, CAPEX decreased substantially in relation to the same period of the previous year (78.6%), totaling R\$ 1.2 million, of which R\$ 0.9 million refers to productive equipment and R\$ 0.3 million to new facilities of the subsidiary R&R, which moved from address to wider area.

Cash and Cash Equivalents and Debts

At the end of 2Q20, cash and cash equivalents amounted to R\$ 149.1 million, which originated mainly from the capital contribution of R\$ 161.3 million arising from the IPO. Cash and cash equivalents are invested in post-fixed government bonds and Bank Deposit Certificates (CDBs) of first-class banks. At the end of the quarter, Priner's Consolidated Gross Debt was R\$ 73.0 million, down 27.1% from 2Q19. Due to the capital contribution, the Company's consolidated net financial position is now positive and, at the end of 2Q20, it amounted to R\$ 76.0 million, up 6.0% in relation to 1Q20, when it totaled R\$ 71.7 million.

| Financial Indicators | 2Q20 | 2Q19 |
|---|----------|-----------|
| Cash and cash equivalents | 149,107 | 27,016 |
| Bank loans | (4,556) | (17,107) |
| Debentures | (64,637) | (65,498) |
| Loans | 0 | (9,183) |
| Acquisition-related debts (Seller's loan) | (3,894) | (8,421) |
| Gross debt (R\$ thousands) | (73,087) | (100,209) |
| Net financial position (R\$ thousands) | 76,020 | (73,193) |
| Net debt/LTM EBITDA (1) | (3.6) | 2.6 |

DEBT AMORTIZATION SCHEDULE (R\$ THOUSANDS)



Working Capital

In 2Q20, the balance of trade accounts receivable exceeded the balance of trade accounts payable and employees by R\$ 23.2 million. In relation to 2Q19, there was an increase in the average receipt term with customers, and the average payment term with suppliers remained unchanged. The changes in the average terms were caused by the completion of operations of factoring of receivables and postponement of trade payables, which occurred after the inflow of funds from the IPO.

| Financial Indicators | 2Q20 | 2Q19 |
|--|---------------|---------------|
| Trade accounts receivable | 51,624 | 65,509 |
| Number of days | 84 | 57 |
| Accounts payable (suppliers and employees) | 28,433 | 50,595 |
| Number of days | 46 | 44 |
| Working capital, taking into consideration the item | 23,191 | 14,914 |
| Number of days | 38 | 13 |

Capital Markets

In February 2020, the Company carried out its IPO through the primary distribution of seventeen million, three hundred and ninety-one thousand and three hundred and four (17,391,304) new common shares and the secondary distribution of two million, six hundred and eight thousand and six hundred and ninety-five (2,608,695) common shares. The total amount was R\$ 200 million, of which R\$ 174 million refers to the primary distribution and R\$ 26 million refers to the secondary distribution. The start of the trading of the shares in the New Market segment of B3 was on February 17, 2020.

On June 30, 2020, Priner's common shares (B3: PRNR3) were priced at R\$ 9.70, an appreciation of 20.5% in relation to the closing price of March 31, 2020. The Ibovespa index, in the same period, recorded an appreciation of 33.9%. At the end of 2T20, Priner's market value at B3 was R\$ 369.0 million.

Balance Sheets

| Assets | 06/30/2020 | 06/30/2019 |
|-------------------------------|----------------|----------------|
| Current assets | 246,837 | 124,944 |
| Cash and cash equivalents | 149,107 | 26,910 |
| Trade accounts receivable | 51,624 | 65,509 |
| Inventories | 639 | 684 |
| Taxes recoverable | 27,577 | 25,535 |
| Dividends receivable | 0 | 0 |
| Other current assets | 17,890 | 6,306 |
| Non-current assets | 98,820 | 117,372 |
| Deferred taxes | 13,739 | 20,598 |
| Other assets | 9,358 | 9,132 |
| Investments | 0 | 1,821 |
| Property, plant and equipment | 70,589 | 80,360 |
| Intangible assets | 5,134 | 5,461 |
| Total assets | 345,657 | 242,316 |

| Liabilities and equity | 06/30/2020 | 06/30/2019 |
|--|----------------|----------------|
| Current liabilities | 69,380 | 92,451 |
| Trade accounts payable | 6,606 | 12,713 |
| Debts | 27,898 | 15,066 |
| Finance lease payable – Rights of use CPC 06 | 1,731 | 1,847 |
| Loan payable | 0 | 9,325 |
| Seller's finance | 0 | 6,585 |
| Salaries and payroll charges | 21,683 | 35,377 |
| Taxes payable | 6,672 | 4,553 |
| Other payables | 4,790 | 6,985 |
| Non-current liabilities | 58,108 | 86,949 |
| Trade accounts payable | 144 | 0 |
| Debts | 43,194 | 70,582 |
| Finance lease payable – Rights of use CPC 06 | 5,853 | 7,250 |
| Loan payable | 0 | 121 |
| Seller's finance | 3,894 | 1,836 |
| Deferred taxes | 0 | 0 |
| Provision for tax, civil and labor contingencies | 4,837 | 5,499 |
| Other liabilities | 186 | 1,661 |
| Equity | 218,169 | 62,916 |
| Total liabilities and equity | 345,657 | 242,316 |

Statements of Operations

| Statements of Operations (R\$ thousands) | 2Q20 | 2Q19 | % | 1H20 | 1H19 | % |
|---|-----------------|-----------------|-------------------|------------------|------------------|-------------------|
| Net revenue | 48,186 | 92,456 | -47.9% | 119,308 | 175,336 | -32.0% |
| Cost of products and/or services sold | (52,435) | (79,769) | -34.3% | (114,142) | (152,119) | -25.0% |
| % of net revenue | -108.8% | -86.3% | -22.5 p.p. | -95.7% | -86.8% | -8.9 p.p. |
| Construction costs | (41,601) | (67,336) | -38.2% | (97,193) | (131,642) | -26.2% |
| Depreciation of rented equipment | (4,397) | (4,114) | 6.9% | (8,740) | (8,017) | 9.0% |
| Other costs | (6,437) | (8,319) | -22.6% | (8,209) | (12,461) | -34.1% |
| Gross profit | (4,249) | 12,687 | n/a | 5,166 | 23,217 | -77.7% |
| % of net revenue | -8.8% | 13.7% | -22.5 p.p. | 4.3% | 13.2% | -8.9 p.p. |
| Operating and general and administrative expenses | (10,798) | (10,900) | -0.9% | (9,654) | (20,340) | -52.5% |
| % of net revenue | -22.4% | -11.8% | -10.6 p.p. | -8.1% | -11.6% | 3.5 p.p. |
| Equity in the results of investees | 0 | 288 | n/a | 217 | 125 | 73.6% |
| % of net revenue | 0.0% | 0.3% | -0.3 p.p. | 0.2% | 0.1% | 0.1 p.p. |
| Profit (loss) from operations | (15,047) | 2,075 | -825.2% | (4,271) | 3,002 | -242.3% |
| % of net revenue | -31.2% | 2.2% | -33.5 p.p. | -3.6% | 1.7% | -5.3 p.p. |
| Finance result | (884) | (3,963) | -77.7% | (3,456) | (6,466) | -46.6% |
| % of net revenue | -1.8% | -4.3% | 2.5 p.p. | -2.9% | -3.7% | 0.8 p.p. |
| Finance income | 2,932 | 693 | 323.1% | 4,871 | 2,259 | 115.6% |
| Finance costs | (3,816) | (4,656) | -18.0% | (8,327) | (8,725) | -4.6% |
| Profit before income tax | (15,931) | (1,888) | 743.8% | (7,727) | (3,464) | 123.1% |
| Current income tax and social contribution | (1,262) | (1,433) | -11.9% | (2,848) | (2,812) | 1.3% |
| Deferred income tax and social contribution | (959) | 1,335 | n/a | (4,307) | 3,785 | n/a |
| Profit (loss) | (18,152) | (1,986) | 814.0% | (14,882) | (2,491) | 497.4% |
| % of net revenue | -37.7% | -2.1% | -35.5 p.p. | -12.5% | -1.4% | -11.1 p.p. |

Statements of Cash Flows

| Consolidated Cash Flows | 2Q20 | 2Q19 |
|---|-----------------|----------------|
| Profit (loss) | (18,152) | (1,986) |
| Depreciation and amortization | 5,260 | 4,969 |
| Non-controlling interests of R&R | 1,035 | 0 |
| Changes in working capital and non-current assets and liabilities: | | |
| Trade accounts receivable | 17,868 | 6,019 |
| Accounts payable | (1,913) | 3,854 |
| Other current and non-current accounts (except Property, plant and equipment and Intangible assets) | (513) | (1,193) |
| Cash from operations | 3,585 | 11,663 |
| Acquisition of a fixed asset (net of write-offs) | (729) | (5,435) |
| Acquisition of right of use (CPC 06) (net of write-offs) | 0 | (688) |
| Addition to the inclusion of the subsidiary R&R in consolidation (fixed and intangible assets) | (1,889) | 0 |
| Investments | 1,945 | (288) |
| Financial activities: | | |
| Capital increase | 0 | 0 |
| Expenditures with the issue of shares - IPO | (105) | 0 |
| Changes in short-term financing | 619 | (43,010) |
| Changes in long-term financing | (46) | (6,275) |
| Changes in short and long-term debentures | (1,237) | 65,498 |
| Changes in restricted deposits (escrow account) | 268 | (14,637) |
| Changes in short and long-term acquisition-related debt | (193) | (142) |
| Changes in short and long-term finance leases | (295) | 483 |
| Interest on capital/dividends proposed | 0 | 0 |
| Cash from financing activities | (989) | 1,917 |
| Changes in cash (see Note) | 1,923 | 7,169 |
| Opening balance | 146,054 | 5,104 |
| Closing balance | 147,977 | 12,273 |

Note: "Cash" includes Cash and cash equivalents and Marketable securities. It does not include restricted bank deposits (escrow account related to the debentures).



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