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(A free translation of the original in Portuguese)

Nadir Figueiredo S.A. (Former Nadir Figueiredo Indústria e Comércio S.A.)

Parent company and consolidated financial statements at December 31, 2020 and independent auditor's report

(A free translation of the original in Portuguese)

Independent auditor's report

To the Board of Directors
Nadir Figueiredo S.A.
(Former Nadir Figueiredo
Indústria e Comércio S.A.)

Opinion

We have audited the accompanying parent company financial statements of Nadir Figueiredo S.A. (the "Company"), which comprise the balance sheet as at December 31, 2020 and the statements of income, comprehensive income, changes in equity and cash flows for the year then ended, as well as the accompanying consolidated financial statements of Nadir Figueiredo S.A. and its subsidiary ("Consolidated"), which comprise the consolidated balance sheet as at December 31, 2020 and the consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

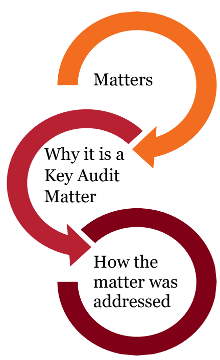
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Nadir Figueiredo S.A. and of Nadir Figueiredo S.A. and its subsidiary as at December 31, 2020, and the financial performance and the cash flows for the year then ended, as well as the consolidated financial performance and the cash flows for the year then ended, in accordance with accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Basis for opinion

We conducted our audit in accordance with Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in the “Auditor's responsibilities for the audit of the parent company and consolidated financial statements” section of our report. We are independent of the Company and its subsidiary in accordance with the ethical requirements established in the Code of Professional Ethics and Professional Standards issued by the Brazilian Federal Accounting Council, 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 audit opinion.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the parent company and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Why it is a Key Audit Matter	How the matter was addressed in the audit
Recoverability of deferred tax assets arising from the tax benefit generated by the reverse merger of the controlling company (Notes 1.2 and 10(b))	
As at December 31, 2020, the Company had deferred tax assets in the amount of R$ 190,177 thousand. On November 6, 2020, through a reverse merger, the controlling company Vidros da Glória Participações S.A. was merged into the Company. As a result of this corporate reorganization, the Company recorded deferred tax assets provided by the future tax deductibility of depreciation and amortization of capital gains on intangible assets with defined useful live as well as goodwill, totaling R$ 165,796 thousand. The estimated recoverability of deferred taxes assets through future taxable income requires an assessment of management's estimates and judgments and may vary significantly if different assumptions are made for the projection of future taxable income. This matter was considered significant and an area of focus in our audit due to the amounts involved, as well as the use of estimates and judgments adopted by the Company's management in determining the recoverable amount of the deferred tax.	Our audit procedures involved, among others: • Review of the basis of tax credits arising from temporary differences and from tax depreciation and amortization of intangible assets with defined useful live and goodwill. • Evaluation of the main assumptions adopted by management contained in the study of projections of future taxable income presented, including the evolution of revenue, costs and expenses, the consistency of these variables with the business plan, the projections for realization of temporary differences, as well as the projected cash flows. • We test the projections considered in the analyzes and historical data whose deferred tax credits were recorded, corroborating the adequacy and consistency of these estimates. As a result of these procedures, we have not identified any relevant aspects that would lead us to consider that changes in the amounts recorded and information disclosed in the explanatory notes are necessary, considering the parent company and consolidated financial statements taken as a whole.

Other matters

Statements of value added

The parent company and consolidated statements of value added for the year ended December 31, 2020, prepared under the responsibility of the Company's management and presented as supplementary information for IFRS purposes, were submitted to audit procedures performed in conjunction with the audit of the Company's financial statements. For the purposes of forming our opinion, we evaluated whether these statements are reconciled with the financial statements and accounting records, as applicable, and if their form and content are in accordance with the criteria defined in Technical Pronouncement CPC 09 - "Statement of Value Added". In our opinion, these Statements of Value Added have been properly prepared in all material respects, in accordance with the criteria established in the Technical Pronouncement, and are consistent with the parent company and consolidated financial statements taken as a whole.

Nadir Figueiredo S.A.
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Indústria e Comércio S.A.)

Audit of previous year information

The parent company and consolidated financial statements for the year ended December 31, 2019 were audited by other independent auditors, whose report, dated March 5, 2020, expressed an unqualified opinion on those financial statements.

Other information accompanying the parent company and consolidated financial statements and the auditor's report

The Company's management is responsible for the other information that comprises the Management Report.

Our opinion on the parent company and consolidated financial statements does not cover the Management Report, and we do not express any form of audit conclusion thereon.

In connection with the audit of the parent company and consolidated financial statements, our responsibility is to read the Management Report and, in doing so, consider whether this report is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement in the Management Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the parent company and consolidated financial statements

Management is responsible for the preparation and fair presentation of the parent company and consolidated financial statements in accordance with accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), 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 parent company and consolidated 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 financial reporting process of the Company and its subsidiary.

Auditor's responsibilities for the audit of the parent company and consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the parent company and consolidated 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:

Nadir Figueiredo S.A.
(Former Nadir Figueiredo
Indústria e Comércio S.A.)

- Identify and assess the risks of material misstatement of the parent company and consolidated 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 internal control of the Company and its subsidiaries.

- 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 ability of the Company 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 parent company and consolidated 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 parent company and consolidated financial statements, including the disclosures, and whether these financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the parent company and consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

São Paulo, February 3, 2021

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5

Geovani da Silveira Fagunde
Contador CRC 1MG051926/O-0

Management Report 2020

MESSAGE FROM THE BOARD OF DIRECTORS

Nadir Figueiredo demonstrates the solidity and experience of those who know their consumers and the market in which they operate, maintaining its growth strategy with profitability even in the most adverse moments.

2020 was not any different: we achieved historic levels in consolidated net sales with a growth of 12.7% and EBITDA with a growth of 62.6% in relation to the previous year. These are impressive numbers when we consider how challenging this exercise was due to the context of COVID-19 and the impact on the economy and the daily lives of our consumers, employees and suppliers.

This was possible because we established four pillars for the conduct of the Company in the new context at the beginning of March:

- Implementation of all protection measures for the health of our employees, customers and suppliers
- Reinforcement of actions to protect the Company's cash
- Reduced costs and expenses, with a positive long-term impact
- Deep analysis of changes in consumption habits in order to anticipate the needs of our customers

We understand that the partnership with our sales channels, as well as the proximity of our brands to the final consumer, were crucial factors for the success and growth despite the pandemic, allowing us to counteract the difficulties faced in the same period by our customers. In the segment of bars, hotels and restaurants, demand at the present date remains below historical levels for the Company.

In order to continue serving the market with excellence, we made strategic decisions for 2021 that will allow us to increase our sales capacity as investments in expanding production capacity throughout the year and hiring a company specializing in full-commerce, to strengthen the Company's presence in the channel online sales with own e-commerce.

In the second half of the year, we have implemented a new administrative model simplifying the hierarchical structure, saving costs and gaining agility in making decisions that should benefit the Company in the long run.

On November 6, 2020, as part of the corporate restructuring, Vidros da Glória Participações S.A. (former parent company of the Company) and Colorex Comércio e Desenvolvimento de Produtos Ltda. (former subsidiary of the Company) were merged by the Company, based on the book values of September 30, 2020. The Protocol of

Incorporation and Amendment of the Articles of Association were approved by the Commercial Board of the State of São Paulo on December 16, 2020.

On February 1, 2021, the merger of Vidigal Participações S.A. into the Company was unanimously approved through the minutes of the Extraordinary Meeting.
The Company and Vidigal Participações S.A issued the Merger and amendment to the articles of association protocol, which were submitted to the approval of the Board of Trade of SP.

In 2020, we also reinforced the Company's corporate governance, with the establishment of a compliance committee with the presence of independent members and a new outsourced and confidential reporting channel. In this same line, we reinforced our board of directors with people with proven experience in consumer goods and housewares.

We believe that the decisions made this year will allow us to produce a new wave of growth with a new level of profitability, guided by the demand of our consumers, for whom we will always provide quality products and unique designs through strong and loved brands.

We are particularly grateful to our more than 2000 employees who were with us keeping our operations running 24/7 during the 366 days of the year, even in the most difficult moments of the pandemic, always respecting the safety and distance protocols.

THE BOARD OF DIRECTORS OF NADIR FIGUEIREDO S.A

FINANCIAL INDICATORS

Main Indicators	
	Consolidated net operating revenue growing, 12.7% reaching R$ 894.1 million
	Consolidated EBITDA of R$ 273.6 million with a 30.6% margin of net revenue
	Operating cash generation of R$ 260.0 million with a CAPEX of R$ 42.5 million, ending the year with net debt of R$ 330.2 million
	Year ROIC of 34.4%

- Sales: Consolidated net revenue in 2020 totaled R$ 894.1 million, which corresponds to a growth of 12.7% or R$ 100.8 million when compared to 2019. The volumes of housewares and packaging grew, which offset the declines in the promotional product markets. The demand for products for sale to the final consumer offset the impact suffered by the closing of bars, hotels and restaurants.

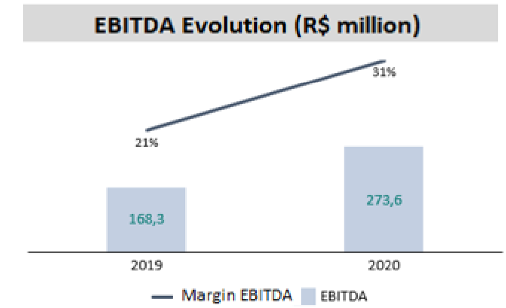
- Margin: Consolidated gross profit for 2020 reached R$ 425.3 million with an increase of R$ 98.9 million or 30.3% when compared to 2019. Gross margin in 2020 was 47.6% of net revenue against 41.1% in the previous year, due to gains in scale, with growth in sales volume and price adjustments to offset the increase in the cost of products sold.

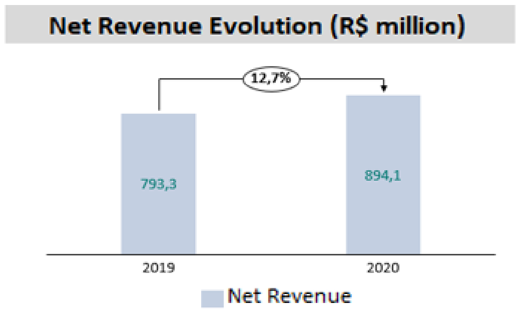
- Selling, General and Administrative Expenses: Consolidated administrative and selling expenses increased by R$ 7.8 million with respect to the same period of the previous year, reaching R$ 215.3 million, corresponding to 24.1% of the net revenue and represents an improvement compared to the 26.2% of the previous period. This increase in absolute values results mainly from personnel expenses (+ R$ 8.2 million) as a result of hierarchical restructuring expenses that will mean expenditure reductions from 2021 onwards.

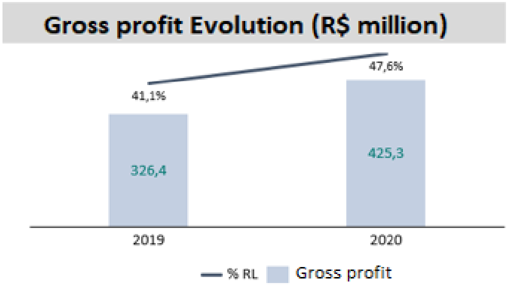
- EBITDA and Net Income: The increase in net revenue with an increase in gross margin offset the slight increase in administrative expenses and sales so that the consolidated EBITDA for the period reached R$ 273.6 million, representing an EBITDA margin of 30.6% against 21.2% in the previous year. Financial expenses totaled R$ -17.1 million against the R$ -17.6 million of the previous year, allowing to reach a net profit of R$ 138.8 million with a net margin of 15.5%

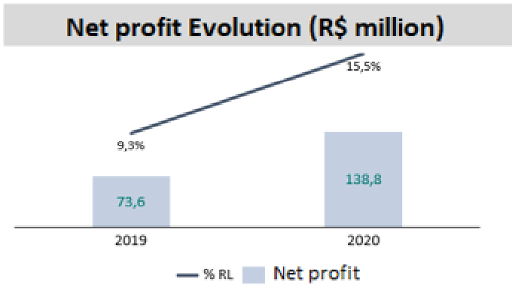
- FCO and Invested Capital Returns: Operating cash flow in the period was R$ 260.0 million, comprising cash flow from operating activities totaling R$ 285.9 million plus the change in assets, liabilities and cash generated in operations as a result of EBITDA and actions to protect cash in the face of the pandemic, which reduced the need for working capital with respect to the previous year. The additions to property, plant and equipment in the period amounted to R$ 42.5 million, mainly represented by property, plant and equipment under renovation and furnace expansion to be carried out in 2021. ROIC reached 34.42% in the period, determined by operating profit before financial result of R$ 234.7 million less IR/CS of R$ 78.8 million divided by the sum of fixed assets and working capital of R$ 278.6 million and R$ 174.2 million respectively.

- Indebtedness and Covenants: Net financial indebtedness reached R$ 330.2 million at the end of the period, comprising R$ 90.2 million and R$ 585 million in short-term and long-term loans and financing, respectively less R$ 345 million of cash, securities and real estate against the R$ 153.2 million of net debt in the previous period. All covenants provided for in the financial contracts have been complied with. The R$ 585.0 million of long-term loans and financing comprises the issuance of R$ 390 million debenture (corporate bond) with interest CDI + 2% per annum and R$ 195 million of credits related to exports (NCE / CCE) linked to the CDI. All lines are with settlement until 2026 and grace period for principal amortization until 2022.









Comprehensive income

The following table shows the consolidated results for the years ended December 31, 2020 and 2019.

Consolidated Comprehensive Income						
in R$ million	2020		2019		Δ	
Gross Revenue	1,253.6		1,127.7		126.0	
Taxes and Discounts	(359.6)		(334.4)		(25.2)	
Net Revenue	894.1	100.0%	793.3	100.0%	100.8	12.7%
Cost	(468.7)	(52.4)%	(466.9)	(58.9)%	(1.9)	.4%
Gross profit	425.3	47.6%	326.4	41.1%	98.9	30.3%
Selling and Logistics Expenses	(118.9)	(13.3)%	(119.6)	(15.1)%	0.7	(.6)%
General and Administrative Expenses	(96.4)	(10.8)%	(87.9)	(11.1)%	(8.5)	9.6%
Other income and expenses	24.7	2.8%	11.9	1.5%	12.9	108.2%
Equity Method	0.0	0%	0.0	0%	0.0	
EBITDA	273.6	30.6%	168.3	21.2%	105.3	62.6%
Depreciation and amortization	(38.9)	(4.3)%	(37.5)	(4.7)%	(1.3)	3.6%
EBIT	234.7	26.3%	130.8	16.5%	104.0	79.5%
Financial result	(17.1)	(1.9)%	(17.6)	(2.2)%	0.5	
Profit before tax	217.6	24.3%	113.1	14.3%	104.5	92.4%

IR/CSLL	(78.9)	(8.8)%	(39.5)	(5.0)%	(39.3)	99.5%
Net profit	138.8	15.5%	73.6	9.3%	65.1	88.5%

STATEMENT BY DIRECTORS

In compliance with the provisions of article 25 of CVM Instruction 480, the company's directors declare that they discussed, reviewed and agreed with the 2020 and 2019 financial statements of Nadir Figueiredo S.A and the report of the independent auditors.

INDEPENDENT AUDITORS

In accordance with CVM Instruction 381/03, Nadir Figueiredo S / A and its subsidiaries state that, as a formal procedure, they consulted the independent auditors PricewaterhouseCoopers Auditores Independentes (PwC), in order to ensure that the performance of the provision of other services will not affect the independence and objectivity necessary for the performance of the independent audit services. The Company's policy on contracting the services of independent auditors ensures that there is no conflict of interest, loss of independence or objectivity.
In the fiscal year ended December 31, 2020, PwC did not provide other additional services that exceeded 5% of the audit fees of the Company's consolidated financial statements.
When hiring these services, the policies adopted by the Company are based on principles that preserve the auditor's independence. These principles consist, in accordance with internationally accepted standards, of: (a) the auditor must not audit his own work; (b) the auditor must not exercise a management role in his client, and (c) the auditor must not legally represent the interests of his clients.
PwC stated that the services were provided in strict compliance with accounting standards that deal with the independence of independent auditors in audit work and did not represent a situation that could affect the independence and objectivity of the performance of its external audit services.

ACKNOWLEDGMENT

At the end of yet another period of activities, the results achieved in 2020 reflect the constant search for improvement and value generation, which has only been possible due to the trust placed in us by customers and consumers, the dedication and commitment of our employees, cooperation with suppliers and support from shareholders.

São Paulo, February 3, 2021.

The administration

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Nadir Figueiredo S.A.
Statement of financial positions
Years ended December 31
(*In thousands of Reais*)

		Parent company		Consolidated	
ASSETS	**Notes**	**12/31/2020**	**12/31/2019**	**12/31/2020**	**12/31/2019**
CURRENT ASSETS					
Cash and cash equivalents	6	62,977	12,026	63,593	12,926
Securities	7	279,292	89,260	281,410	89,461
Trade accounts receivable	8	235,888	214,882	240,877	216,324
Inventories	9	104,001	118,664	107,212	122,173
Recoverable taxes	-	14,147	5,787	16,485	8,261
Other receivables	-	3,637	4,691	3,637	4,775
Total current assets		**699,942**	**445,310**	**713,214**	**453,920**
NON-CURRENT ASSETS					
Long-term assets					
Trade accounts receivable	8	1,187	1,725	1,187	1,725
Judicial deposits	19	1,359	1,299	1,359	1,299
Deferred taxes	10b	190,177	16,942	190,177	16,942
Other receivables	-	2,684	1,167	2,046	267
Total long-term assets		**195,407**	**21,133**	**194,769**	**20,233**
Investments in subsidiaries	11	3,984	2,977	-	-
Property, plant and equipment	13	278,553	272,369	278,624	272,571
Intangible assets		786	1,083	786	1,083
Right to use	14	7,359	10,416	7,359	10,416
Total non-current assets		**486,089**	**307,978**	**481,538**	**304,303**
TOTAL ASSETS		**1,186,031**	**753,288**	**1,194,752**	**758,223**

Notes are an integral part of the individual and consolidated financial statements.

Nadir Figueiredo S.A.
Statement of financial positions
Years ended December 31
(*In thousands of Reais*)

	Notes	Parent company		Consolidated	
LIABILITIES AND SHAREHOLDERS' EQUITY		**12/31/2020**	**12/31/2019**	**12/31/2020**	**12/31/2019**
CURRENT LIABILITIES					
Suppliers	16	107,598	58,315	109,069	58,957
Loans and financing	15	90,206	40,547	90,206	40,547
Taxes payable	17	26,836	21,603	26,836	21,619
Income tax and social contribution	17	8,003	178	9,578	1,099
Labor obligations	18	23,215	24,541	23,316	24,689
Dividends payable	21e	1,596	16,200	2,735	17,063
Leases	14	3,517	3,376	3,517	3,376
Other liabilities		21,211	13,097	21,662	13,078
Total current liabilities		**282,182**	**177,857**	**286,919**	**180,428**
NON-CURRENT LIABILITIES					
Obligations to third parties	16b	106,178	-	106,178	-
Loans and financing	15	585,000	215,000	585,000	215,000
Provision for legal disputes	19	1,308	1,477	1,308	1,477
Actuarial liabilities	20	42,589	33,828	42,589	33,828
Leases	14	4,301	7,359	4,301	7,359
Other liabilities		25,864	1,375	25,864	1,375
Total non-current liabilities		**765,240**	**259,039**	**765,240**	**259,039**
SHAREHOLDERS' EQUITY					
Share Capital	21a	81,366	172,674	81,366	172,674
Capital reserves	21b	63,107	63,108	63,107	63,108
Profit reserves	21c	30,354	111,084	30,354	111,084
Other comprehensive income	21d	(36,218)	(30,474)	(36,218)	(30,474)
Shareholders' equity attributable to controlling shareholders		**138,609**	**316,392**	**138,609**	**316,392**
Non-controlling interest	4q	-	-	3,984	2,364
Total shareholders' equity		**138,609**	**316,392**	**142,593**	**318,756**
TOTAL LIABILITIES AND SHAREHOLDERS’ EQUITY		**1,186,031**	**753,288**	**1,194,752**	**758,223**

Notes are an integral part of the individual and consolidated financial statements.

Nadir Figueiredo S.A.
Comprehensive income statement
Years ended December 31
(*In thousands of Reais, unless otherwise stated*)

		Parent company		Consolidated	
	Notes	**2020**	**2019**	**2020**	**2019**
Net operating revenue	22	872,537	754,770	894,067	793,252
Cost of products sold	23	(464,438)	(445,224)	(468,742)	(466,852)
Gross income		**408,099**	**309,546**	**425,325**	**326,400**
Sales expenses	24	(110,141)	(108,757)	(118,916)	(119,580)
Administrative expenses	24	(95,151)	(86,628)	(96,400)	(87,918)
Other operating revenues (expenses)	25	27,272	14,447	24,735	11,882
Income of equity method	11	1,319	18	-	-
Operating income (loss) before financial income		**231,398**	**128,626**	**234,744**	**130,784**
Financial expenses	26	(24,041)	(21,964)	(24,132)	(21,976)
Financial revenues	26	6,270	6,513	6,925	7,144
Exchange variations, net	26	1,264	(1,174)	94	(2,813)
Net financial income (loss)		**(16,507)**	**(16,625)**	**(17,113)**	**(17,645)**
Income before income tax and social contribution		**214,891**	**112,001**	**217,631**	**113,139**
Income tax and social contribution		**(77,460)**	**(37,916)**	**(78,881)**	**(39,538)**
Current	10	(78,244)	(69,504)	(79,665)	(71,126)
Deferred assets	10	784	31,588	784	31,588
Net income for the year		**137,431**	**74,085**	**138,750**	**73,601**
Attributed profit:					
Non-controlling shareholders		-	-	1,319	(484)
Controlling shareholders		137,431	74,085	137,431	74,085
Basic denominator (in thousands of shares) (Note 27):					
Net income for the year		137,431	74,085		
Preferred		-	145,170	-	-
Ordinary		241,670	99,252	-	-
Earnings per share - basic and diluted (in R$)		0.57	0.30	-	-

Notes are an integral part of the individual and consolidated financial statements.

Nadir Figueiredo S.A.
Comprehensive income statement
Years ended December 31
(*In thousands of Reais, unless otherwise stated*)

	Parent company		Consolidated	
	2020	2019	2020	2019
Net income for the year	**137,431**	**74,085**	**138,750**	**73,601**
Other comprehensive results:				
Items that will not be reclassified to the result				
Variation in the measurement of actuarial liabilities	(8,761)	(8,968)	(8,761)	(8,968)
Taxes on actuarial liabilities	2,979	3,049	2,979	3,049
Variation in the measurement of actuarial liabilities, net	**(5,782)**	**(5,919)**	**(5,782)**	**(5,919)**
Items to be reclassified later to the result				
Foreign currency translation adjustments	38	303	339	435
Comprehensive income for the year	**131,687**	**68,469**	**133,307**	**68,117**
Comprehensive income attributable to:				
Controlling shareholders	131,687	68,469	131,687	68,601
Non-controlling shareholders			1,620	(484)

Notes are an integral part of the individual and consolidated financial statements.

Nadir Figueiredo S.A.
Statement of changes in equity
Years ended December 31
(*In thousands of Reais*)

		Attributable to controlling shareholders										
					Profit reserves							
	Note	**Share Capital**	**Capital reserve**	**Assets revaluation adjustments**	**Legal**	**Statutory**	**Retention**	**Accumulated profits**	**Other comprehensive income**	**Total**	**Interest of non-controlling shareholders**	**Total shareholders' equity**
Balance at January 01, 2019		**200,000**	**-**	**8,429**	**118,734**	**-**	**36,132**	**-**	**32,687**	**395,982**	**2,716**	**398,698**
Comprehensive income for the year												
Net income for the year		-	-	-	-	-	-	74,.085	-	74,085	(484)	73,601
Effect of foreign currency translation	21c	-	-	-	-	-	-	-	(47)	(47)	(46)	(93)
Effect of exchange-rate change on dividends	21c	-	-	-	-	-	-	-	350	350	178	528
Other comprehensive income		-	-	-	-	-	-	-	(5,919)	(5,919)	-	(5,919)
Comprehensive income for the year		**-**	**-**	**-**	**-**	**-**	**-**	**74,085**	**(5,616)**	**68,469**	**(352)**	**68,117**
Contributions from shareholders and distributions to shareholders												
Capital increase	21a	100,000	-	-	(100,000)	-	-	-	-	-	-	-
Realization of revaluation reserves and deemed cost	21b	-	63,108	(8,429)	-	-	-	-	(57,545)	(2,866)	-	(2,866)
Spun-off net assets	21a	(127,326)	-	-	-	-	-	-	-	(127,326)	-	(127,326)
Allocation of net income for the year												
Reserves constitution	21b	-	-	-	3,704	3,704	48,810	(56,218)	-	-	-	-
Interest on own capital	21d	-	-	-	-	-	-	(1,813)	-	(1,813)	-	(1,813)
Dividends	21d	-	-	-	-	-	-	(16,054)	-	(16,054)	-	(16,054)
Balance at December 31, 2019		**172,674**	**63,108**	**-**	**22,438**	**3,704**	**84,942**	**-**	**(30,474)**	**316,392**	**2,364**	**318,756**

Nadir Figueiredo S.A.
Statement of changes in equity
Years ended December 31
(*In thousands of Reais*)

		Attributable to controlling shareholders										
					Profit reserves							
	Note	**Capital**	**Capital reserve**	**Assets revaluation adjustments**	**Legal**	**Statutory**	**Retention**	**Accumulated profits**	**Other comprehensive income**	**Total**	**Interest of non-controlling shareholders**	**Total shareholders' equity**
Balance at December 31, 2019		**172,674**	**63,108**	**-**	**22,438**	**3,704**	**84,942**	**-**	**(30,474)**	**316,392**	**2,364**	**318,756**
Comprehensive income for the year												
Net income for the year		-	-	-	-	-	-	137,431	-	137,431	1,319	138,750
Effect of foreign currency translation	21c	-	-	-	-	-	-	-	38	38	301	339
Other comprehensive income		-	-	-	-	-	-	-	(5,782)	(5,782)	-	(5,782)
Comprehensive income for the year		**-**	**-**	**-**	**-**	**-**	**-**	**137,431**	**(5,744)**	**131,687**	**1,620**	**133,307**
Contributions from shareholders and distributions to shareholders												
Stock Options	30	-	(1)	-	-	-	-	-	-	(1)	-	(1)
Net effect of the incorporation of a controller	1.2	(26,848)	-	-	-	-	(281,218)	-	-	(308,066)	-	(308,066)
Capital reduction due to loss absorption	21a	(64,460)	-	-	-	-	64,460	-	-	-	-	-
Allocation of net income for the year												
Constitution of reserves	21b	-	-	-	-	281	135,747	(136,028)	-	-	-	-
Dividends	21d	-	-	-	-	-	-	(1,403)	-	(1,403)	-	(1,403)
Balance as of December 31, 2020		**81,366**	**63,107**	**-**	**22,438**	**3,985**	**3,931**	**-**	**(36,218)**	**138,609**	**3,984**	**142,593**

Notes are an integral part of the individual and consolidated financial statements.

Nadir Figueiredo S.A.
Statement of added value
Years ended December 31
(*In thousands of Reais*)

	Parent company		Consolidated	
	2020	2019	2020	2019
CASH FLOWS FROM OPERATIONS				
Income before income tax and social contribution	214,891	112,001	217,631	113,139
Depreciation and amortization	38,731	37,340	38,862	37,516
Income of equity method	(1,319)	(18)	-	-
Expense with interest on loans	16,536	10,109	16,536	10,109
Provision for lawsuits	(169)	(117)	(169)	(117)
Expected credit loss	5,260	(839)	5,260	(839)
Estimated loss on obsolete inventories	1,491	(720)	1,491	(720)
Inflation adjustment and exchange-rate change, net	3,727	3,165	4,027	1,950
Interest of non-controlling shareholders	-	-	-	484
Spin-off Effect - Investments	-	161	-	161
	279,148	161,082	283,638	161,683
Changes in assets				
(Increase) Decrease in trade accounts receivable	(25,584)	(59,021)	(29,131)	(57,441)
(Increase) Decrease in inventories	13,172	931	13,470	9,626
(Increase) decrease in recoverable taxes	(7,841)	(1,598)	(7,705)	1,258
(Increase) Decrease in other assets	(500)	1,086	(678)	300
Changes in liabilities				
Increase (Decrease) in suppliers	49,279	7,125	50,108	6,611
Increase (Decrease) in labor obligations	(1,330)	(1,083)	(1,377)	(1,335)
Increase (Decrease) in tax obligations	4,741	(2,724)	4,725	(3,146)
Increase (Decrease) in other liabilities	26,123	(2,982)	26,092	(3,012)
CASH GENERATED BY OPERATING ACTIVITIES				
Income tax and social contribution paid	(69,022)	(69,504)	(69,323)	(71,126)
Interest paid	(9,777)	(8,721)	(9,777)	(8,721)
NET CASH GENERATED BY OPERATING ACTIVITIES	258,409	24,591	260,042	34,697
CASH FLOWS FROM INVESTMENT ACTIVITIES				
Dividends received	-	586	-	586
(Increase) decrease in securities	(190,032)	(50,522)	(191,949)	(43,604)
Additions in property, plant and equipment	(42,460)	(68,072)	(42,460)	(68,072)
Additions to intangible assets	-	(43)	-	(43)
Receipt upon disposal of fixed assets	590	578	590	578
Effect of spin-off - Investments	-	-	-	(22,244)
NET CASH USED IN INVESTMENT ACTIVITIES	(231,902)	(117,473)	(233,819)	(132,799)
CASH FLOWS FROM FINANCING ACTIVITIES				
Loans and financing	150,053	346,827	150,053	346,827
Leases	(3,510)	(3,057)	(3,510)	(3,057)
Payment of interest on own capital and dividends	(16,007)	(14,658)	(16,007)	(14,658)
Loan principal payment	(131,962)	(225,259)	(131,962)	(225,259)
Receipt (payments) of loans with related parties	-	(14,336)	-	(9,424)
NET CASH INVESTED (CONSUMED) BY FINANCING ACTIVITIES	(1,426)	89,517	(1,426)	94,429
Cash and cash equivalents from the merger	25,870	-	25,870	
Net increase (decrease) in cash and cash equivalents	50,891	(3,365)	50,667	(3,673)
Cash and cash equivalents at the beginning of the year	12,026	15,391	12,926	16,599
Cash and cash equivalents at the end of year	62,977	12,026	63,593	12,926
Net increase (decrease) in cash and cash equivalents	50,891	(3,365)	50,667	(3,673)

Transactions in operating, investing and financing activities that did not impact cash are presented in Note 32

Notes are an integral part of the individual and consolidated financial statements.

Nadir Figueiredo S.A.
Statement of added value
Years ended December 31
(*In thousands of Reais*)

	Parent company		Consolidated	
	2020	**2019**	**2020**	**2019**
REVENUES	**1,278,776**	**1,100,669**	**1,300,852**	**1,139,925**
Sale of merchandise, products and services	1,231,567	1,085,828	1,253,643	1,127,676
Other revenues	52,469	14,447	52,469	11,882
Allowance for doubtful accounts	(5,260)	394	(5,260)	367
INPUTS ACQUIRED FROM THIRD PARTIES	**(449,671)**	**(420,026)**	**(458,508)**	**(447,325)**
Cost of products sold	(82,124)	(71,731)	(82,124)	(71,731)
Materials, energy, outsourced services and other	(367,547)	(348,295)	(376,384)	(375,594)
GROSS ADDED VALUE	**829,105**	**680,643**	**842,344**	**692,600**
Depreciation	(35,826)	(37,340)	(35,957)	(37,516)
NET ADDED VALUE PRODUCED BY THE ENTITY	**793,279**	**643,303**	**806,387**	**655,084**
ADDED VALUE RECEIVED AS TRANSFER	**(16,345)**	**6,859**	**(20,715)**	**7,472**
Equity in net income of subsidiaries	1,319	18	-	-
Financial revenues	7,534	7,221	7,019	7,852
Other	(25,198)	(380)	(27,734)	(380)
TOTAL ADDED VALUE PAYABLE	**776,934**	**650,162**	**785,672**	**662,556**
DISTRIBUTION OF ADDED VALUE	**776,934**	**650,162**	**785,672**	**662,556**
Personnel				
- Direct remuneration	126,059	127,420	130,851	132,699
- Benefits	34,763	34,311	34,808	34,419
- Severance Pay Fund (FGTS)	12,392	11,097	12,392	11,113
Taxes, duties and contributions				
- Federal	311,034	260,510	313,225	265,865
- State	129,896	116,366	129,908	116,394
- Municipal	521	962	810	1,405
Third-party capital remuneration				
- Interest	18,366	21,472	18,366	22,951
- Rents	606	1,566	606	1,565
- Other	5,866	2,374	5,956	2,546
Own capital remuneration				
- Interest on own capital	-	1,813	-	1,813
- Retained earnings	137,431	72,271	138,750	71,786

The notes to the management are an integral part of the individual and consolidated financial statements.

1 Operations

Nadir Figueiredo S.A. (new corporate name of Nadir Figueiredo Indústria e Comércio S.A.) ("Nadir" or "Company”), headquartered at Avenida Zaki Narchi nº 500, in the city of São Paulo, is a privately held society with industrial facilities in the city of Suzano, State of São Paulo. The Company is mainly engaged in industry, trade, export and import of glass, crystal, ceramics and tableware products, intended for housewares and food and beverage packaging, as well as holding interests in other companies. Nadir's controlling shareholder is H.I.G Capital LLC.

The Company has the subsidiary Distribuidora Brasim S.A., located in Argentina, in which the main objectives and activities are trade, distribution and importation of products, tools, homeware, glasses and books.

The issuance of these financial statements was authorized by the Board of Directors in February 03, 2021.

1.1 Acquisition of Vidros da Gloria and Delisting

As at September 2, 2019, Vidros da Glória Participações SA became the holder of 13,262,410 shares issued by the Company, representing, together, 97.67% of the Company's total share capital, of which 5,452,962 are common shares , representing 98.90% of the total of this species, and 7,809,448 preferred shares, representing 96.83% of the total of this species.

On February 3, 2020, Vidros da Glória Participações SA granted the registration of the public offer for the acquisition of common and preferred shares issued by the Company to be launched by Vidros da Glória Participações SA due to the sale of the Company's control, with the aim of cancellation of its registration as a publicly-held company.

On February 4, 2020, the announcement of the public offer for the acquisition of common and preferred shares issued by the Company launched by Vidros da Glória Participações SA was released due to the sale of the Company's control, with the aim of canceling its registration as a publicly-held company, with the full terms and conditions, as well as the other OPA documents.

1.2 Main events held in 2020

On November 6, 2020, as part of the corporate restructuring, Vidros da Glória Participações S.A. (former parent company of the Company) and Colorex Comércio e Desenvolvimento de Produtos Ltda. (former subsidiary of the Company) were merged by the Company, based on the book values of September 30, 2020. The Protocol of Incorporation and Amendment of the Articles of Association were approved by the Commercial Board of the State of São Paulo on December 16, 2020.

The net equity of Vidros da Glória Participações S.A. reverted to the Company, evaluated according to the accounting appraisal report, calculated at book values on September 30, 2020 for merger purposes, issued by a specialized independent company was R$ 369,231. The net assets are shown below:

In thousands of reais	
Cash and cash equivalents	25,665

Recoverable taxes	507
Investments in subsidiary	396,079
Goodwill for expected future profitability	244,265
Fair value of assets and liabilities acquired in the business combination	204,133
Loans, financing and debentures	(391,317)
Suppliers and other accounts payable	(103,139)
Tax liabilities	(482)
Related parts	(6,480)
Total identifiable assets, net	**369,231**

For the purposes of this merger, the following accounting adjustments were made:

1) Elimination of investment in a controlled company - R$ 396,079
2) Write-off of goodwill on investments - R$ 244,265
3) Write-off of capital gains on fixed assets, relationship with customers and brands R$ 204,133
4) Constitution of deferred taxes on items 2 and 3 - R$ 152,455
5) Constitution of tax credit on amortized capital gains - R$ 17,017
6) Write-off of transactions between the date of the report and the merger - R$ 2,292

After the adjustments, the merged net assets amounted to R$ 308,066 (negative). According to the Extraordinary General Meeting held on November 6, 2020, the merger protocol was approved, this amount was recorded partly as a capital reduction, in the amount of R$ 26,848 and partly as a debit to the profit reserve in shareholders' equity, in the amount of R$ 281,218.

The net equity Colorex of Comércio e Desenvolvimento de Produtos Ltda. which reverted to the Company, valued according to the accounting equity appraisal report, calculated at book value on September 30, 2020 for merger purposes and issued by a specialized independent company was R$ 398. According to the Valuation Report, shareholders' equity of the Merged Company was R$ 398.

The net assets are shown below:

In thousands of reais	
Cash and cash equivalents	205
Accounts receivable from customers	144
Recoverable taxes	12
Tax Anticipation	23
Property, plant and equipment	32
Suppliers	(4)
Tax obligations	(10)
Labor obligations	(4)
Total identifiable assets, net	**398**

The value of identifiable assets was eliminated with the value of the Company's investment in the subsidiary on the date of the merger, thus not generating an impact on the Company's shareholders' equity.

On December 28, 2020, the shareholders approved the following matters at an extraordinary general meeting: (i) the Company's stock option plan (Note 30); (ii) the reduction of the Company's capital stock from R $ 145,826 to R $ 81,366, through the absorption of accumulated losses in the merger, now being divided into 12,661,602 common, registered, book-entry common shares (Note 21) ; and (iv) the conversion of all preferred shares issued by the Company into common shares, in the proportion of one common share for each preferred share.

1.3 Impacts of COVID-19 pandemic in Company's business

On March 11, 2020, the World Health Organization (WHO) officially declared the coronavirus outbreak of COVID-19 as a pandemic. After this statement, several countries and states instituted social isolation measures to fight the Covid-19 pandemic.

In compliance with CVM-SNC/SEP Circular Letter No. 03/2020, considering the current scenario that the world and our country are facing due to the COVID-19 pandemic, the Company sought to assess the possible material impacts on its operations, with the purpose of verifying the effects on the individual and consolidated financial statements and future disclosures.

In Brazil, after the confirmation of the first case of coronavirus, stoppages due to social distancing measures were requested or imposed by government authorities or defined by companies as preventive measures. These shutdowns impacted several segments of the Brazilian economy, among the main ones the physical retail and several industry segments, in addition to the service chain.

In view of the pandemic, the main operational and financial measures and indicators of the Company are highlighted:

a. Governmental assistance measures

Several measures of economic and financial assistance were introduced by federal entities with the purpose of assisting companies in mitigating the effects of the pandemic, with emphasis on the following, which were adopted by the Company:

(i) Adoption of Provisional Measure No. 927, dated March 2020, which provides for labor measures to face the COVID-19 pandemic;

(ii) Adoption of Provisional Measure No. 936, dated April 2020, which implements the Emergency Program for Maintaining Employment and Income and provides for complementary labor measures to face the COVID-19 pandemic;

(iii) Adoption of Ordinances No. 139 and 150, which extend the deadline for the payment of federal taxes as a result of the COVID-19 pandemic.

b. Operating measures

The Company is monitoring and following all Covid-19 pandemic prevention guidelines published by the competent health agency in Brazil. Thus, the Company developed several measures to mitigate the risk of transmission in the workplace, such as the adoption of a remote work regime, the creation of crisis committees and the cancellation of participation in external events, international and domestic trips. The Company reiterates its unquestionable commitment to the health and safety of people. The Company is also monitoring the evolution of the pandemic scenario and the impacts that this situation has on the routines of employees, their families and the business.

The industrial operation of the Company is complex and, aiming to continue operating, much of our work cannot be done remotely. Therefore, our focus is to reduce the risk of the virus spreading through the operations, since the operational continuity is critical for keeping jobs. The plant and offices have contingency plans to address the ongoing impact of the pandemic, which will continue to be assessed as the situation evolves.

The Company is currently operating at maximum capacity, with the resumption of production and sales of products. However, the offices continue partially operating remotely, following all coronavirus prevention protocols and with part of the employees working from home.

c. Financial impacts

The impacts of COVID-19 and the change in the economic environment have been considered in the preparation of these financial statements. Information on the relevant estimates and judgments, which require a high level of judgment and complexity in their adoption, may materially affect the Company’s financial situation and results. The Company reviewed the impacts on its assumptions and judgments resulting from the current market conditions, which are reflected in the numbers presented in this financial statement.

The Company reassessed the credit risk of its clients and has not identified, up to preparation of this financial statements, the need for new provisions for losses, in addition to those already recognized in its natural course of activities.

The cost of idleness of the operation due to the temporary decrease in production during the peak of the pandemic was recognized directly as a loss in the annual result, in the amount of R$ 12,416, which is recorded under the item cost of goods sold. In order to reinforce working capital, two borrowings were made with financial institutions in the amount of R$ 70,000.

Furthermore, the Company continues to closely monitor the impacts of COVID-19 on its operating activities. The Company has not identified a significant operational or financial impact from COVID-19 to date. Nevertheless, if the pandemic continues or increases in intensity in the regions where it operates, the Company’s financial conditions or results of its operations may still be adversely affected.

2 Basis of preparation

The Company adopted all the standards, reviews of standards, and interpretations issued by the International Accounting Standards Board (IASB) and Accounting Pronouncement Committee (CPC) that were in force on December 31, 2020 and provides all information that is specifically relevant to the financial statements and which is consistent with the information used by management in its management of the Company.

a. Individual and consolidated financial statements

The Company’s individual and consolidated financial statements have been prepared based on international accounting standards (“IFRS”) issued by the IASB and interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”), implemented in Brazil through the Accounting Pronouncement Committee (“CPC”) and technical interpretations (“ICPC”) and guidelines (“OCPC”), as approved by the Brazilian Securities and Exchange Commission (“CVM”).

The main accounting policies applied in the preparation of these financial statements are presented in Note 4.

The Company’s individual and consolidated financial statements include the financial information of the Company and subsidiaries. Control over these companies is obtained when the Company has the power to control their financial and operating policies and has the capacity to obtain benefits and be exposed to the risks of their activities. The subsidiaries were fully consolidated since the acquisition date, defined as the date when the Company obtained control over them, and continue being consolidated until that control is no longer in effect.

(In thousands of Reais, unless otherwise stated)

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires the Company's management to exercise its judgment in the process of applying the Company's accounting policies. Those areas requiring the highest level of judgment and having the highest complexity and the areas where assumptions and estimates are significant for the financial statements are disclosed in Note 2.3.

The consolidated financial statements include the consolidation of the following companies:

	12/31/2020		12/31/2019	
	Interest		Interest	
Subsidiaries	**Direct**	**Indirect**	**Direct**	**Indirect**
Mineração Rosicler Ltda.	-	-	-	-
Ridan Empreendimentos Imobiliários Ltda.	-	-	-	-
Distribuidora Brasim S.A. (i)	50.00%	-	50.00%	-
Colorex Comércio e Desenvolvimento de Produtos Ltda.	-	-	100.00%	-

(i) The Company controls financial and operating policies, mainly because the subsidiary is an exclusive reseller and only sell products acquired from the Company.

The accounting practices were consistently applied in all the subsidiaries included in individual and consolidated financial statements and are consistent with those applied in the previous year. Whenever is necessary, adjustments are made to conform accounting practices with those of the Company.

Balance sheet accounts, unrealized revenues, expenses and income (losses) arising from transactions between related parties are fully eliminated, net of tax effects (when applicable).

b. Statement of added value

The presentation of the Individual and Consolidated Statement of Added Value is required by Brazilian corporate law and the accounting practices adopted in Brazil applicable to publicly held companies. The Statement of Added Value was prepared in accordance with the criteria defined in Technical Pronouncement CPC 09 - "Statement of Added Value". The IFRS do not require the presentation of this statement. Accordingly, in conformity with IFRS, this statement is presented as supplementary information, without prejudice to financial statements as a whole.

Hyperinflation in Argentina

In July 2018, considering that the inflation accumulated in the past three years in Argentina was higher than 100%, the adoption of the accounting and reporting standard in a hyperinflationary economy (IAS 29, equivalent to CPC 42) became mandatory. Pursuant to IAS 29, non-cash assets and liabilities, the shareholders' equity and the statement of income of the subsidiaries that operate in a hyperinflationary economy are adjusted by the change in the general purchasing power of the currency, applying a Consumer Price Index. Consequently, non-monetary assets and liabilities recorded at historical cost and the shareholders' equity of the subsidiary in Argentina were restated at the inflation.

The hyperinflation impacts resulting from changes in general, considered are not relevant to the Company, purchasing power were reported as equity valuation adjustments, in the net amount of R$ 339 on December 31, 2020 (R$ 435 on 12/31/2019).

The translation of the balances of the subsidiaries in a hyperinflationary economy to the presentation currency was carried out at the exchange rate in force at the end of the month, for balance sheet and income items. The Company used the Consumer Price Index (“IPC”) to update the balances for the period from January 1, 2017 to the current period.

2.1 Consolidation

The following accounting policies are used in the preparation of the financial statements:

a. Subsidiaries

Subsidiaries are all entities that the Company controls. The subsidiaries are fully consolidated as of the date control is transferred to the Company. The consolidation is interrupted beginning on the date on which the Company no longer has control.

Unrealized transactions, balances and gains in transactions among companies of the group are eliminated. Unrealized losses are also eliminated, unless the transaction provides evidence of an impairment loss of the asset transferred. The accounting policies of the subsidiaries are changed when required in order to assure the consistency with the policies adopted by Nadir.

2.2 Functional and presentation currency

Individual and consolidated financial statements are being presented in reais (R$), the functional currency of the Company. Each entity of the Group determines its own functional currency, and those whose functional currencies are different from Reais, the financial statements are translated into Reais on the closing date.

Transactions and balances

Transactions in foreign currency are initially recorded at the exchange rate of the functional currency in force on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rate of the functional currency in force on the balance sheet date and all differences recorded in the statement of income.

2.3 Estimates and critical accounting judgements

Accounting estimates and judgments are constantly assessed and are based on prior experience and other factors, including expected future events considered as reasonable in view of circumstances.

2.3.1 Critical accounting estimates and assumptions

The Company, based on assumptions, makes estimates for the future. The resulting accounting estimates are rarely equal to the respective actual incomes. The estimates and assumptions which present a significant risk of causing an important adjustment to the book value of assets and liabilities for the coming year are shown below.

The preparation of thebCompany’s individual and consolidated financial statements requires Management to make judgments and estimates and adopt assumptions that affect the amounts presented for revenues, expenses, assets and liabilities, as well as the disclosure of contingent liabilities, on the base date of the financial statements. Assets and liabilities subject to estimates and assumptions include estimates of expected credit loss, provision for inventory loss, provision for impairment of asset, deferred tax assets, provision for lawsuits concerning employee benefits, measurement of fair value and share-based compensation.

The main assumptions concerning the sources of uncertainty in future estimates and other important sources of uncertainty in estimates on the balance sheet dates that may result in different amounts upon settlement are discussed below:

a. Expected credit losses (Note 8)

The expected credit losses are recorded in an amount considered sufficient to cover losses arising from collections of trade notes receivable. In order to reduce credit risk, the Company adopts the practice of performing an individual analysis of the financial position of its clients, establishing a credit limit and making a permanent follow-up of their debt balance. The expected credit loss was calculated based on expected losses by using a prospective model, considering the individual analysis of credit risks, which contemplates loss history, the individual situation of clients, the situation of the corporate group to which they belong, real guarantees for debts and the assessment of the legal counsel, and is considered sufficient to cover possible losses on amounts receivable.

b. Provision for inventory losses (Note 9)

The Company periodically reviews the net realizable value and the demand for its inventories to ensure that inventories recorded are stated at the acquisition or production cost and the net realizable value, whichever is lower, as well as obsolete inventories.

c. Impairment losses for non-financial assets (Note 4.i)

Management reviews the net book value of assets annually in order to assess events or changes in economic, operating, or technological circumstances likely to point out impairment or loss of their recoverable value. When these evidences are detected, and the net book value exceeds recoverable value, a deterioration provision is created to adjust net book value to recoverable value. These losses are entered in income (loss) for the year when identified.

The book value of a certain cash-generating unit is defined as the greater of its value in use and its net value less selling expenses. In estimating the value in use of an asset, estimated future cash flows are discounted to their present values, using a pre-tax discount rate that reflects the weighted average cost of capital in the industry where the cash-generating unit operates.

Cash flows result from the budget for the next five years and do not include restructuring activities to which the Company has not yet committed or significant future investments that will enhance the asset base of the cash generating unit under test. The recoverable value is sensitive to the discount rate used for the discounted cash flow model, as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

The net sales value is determined, whenever possible, on a binding contract of sale in a transaction on an arm’s length basis, between knowledgeable and interested parties, adjusted by expenses attributable to the sale of the asset, or when there is no binding contract of sale, on the market price of an active market, or on the price of the most recent transaction with similar assets.

d. Realization of deferred income tax (Note 10)

The initial recognition and later valuations of deferred income tax occur when it is probable that the taxable profit for the following years will be available for offsetting the deferred tax asset, based on projections and adopting internal assumptions and future economic scenarios which enable its total or partial use if the full credit is formed.

e. Provisions for lawsuits (Note 19)

The Company recognizes provisions for tax, labor and civil risks. Determination of the likelihood of loss includes determination of evidence available, the hierarchy of laws, jurisprudence available, more recent court decisions and the relevance thereof in the legal system, as well as the evaluations of internal and external attorneys. Provisions are reviewed and adjusted to consider changes in circumstances, such as applicable statute of limitations, conclusions of tax audits or additional exposures identified based on new matters or court rulings. The settlement of transactions involving these estimates may result in significantly different amounts due to the lack of precision inherent to the process of determination. The Company reviews the estimates and assumptions periodically.

f. Employee benefits (Note 20)

i. Pension Plans
The recognized liability is the present value of the defined benefit obligation on the balance sheet dates less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries, using the unit credit unit method designed to determine the present value of the obligations and the respective current service cost, considering demographic, economic and financial assumptions appropriate to the mass profile.

ii. Health care plans
Actuarial gains and losses, resulting from adjustments based on experience and on changes in actuarial assumptions, are debited or credited to shareholders' equity in other components of comprehensive income. These obligations are assessed annually by independent and qualified actuaries.

iii. Benefits
Employee short-term benefits are measured on a non-discounted basis and incurred as expenses as the related service is rendered. The liability is recognized at the amount expected to be paid under the cash bonus plans or short-term profit sharing if the Company has a legal or constructive obligation to pay this amount as a result of prior service rendered by the employee, and the obligation can be reliably estimated.

g. Measurement of fair value (Note 4.h)
The Company’s accounting policies and disclosures require the measurement of fair value, for financial and non-financial assets and liabilities.

The Company reviews significant non-observable data and valuation adjustments. If third-party information, such as brokerage firms’ quotes or pricing services, is used to measure fair value, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of CPC/IFRS standards, including the level in the fair value hierarchy at which such valuations should be classified.

When measuring the fair value of an asset or liability, Nadir uses observable data as much as possible. Fair values are classified at different levels according to hierarchy based on information (inputs) used in valuation techniques, as follows:

- **Level 1**: prices quoted (not adjusted) in active markets for identical assets and liabilities.
- **Level 2**: inputs, except for quoted prices, included in Level 1 which are observable for assets or liabilities, directly (prices) or indirectly (derived from prices).
- **Level 3**: inputs, for assets or liabilities, which are not based on observable market data (non-observable inputs).

The company recognizes transfers between fair value hierarchic levels at the end of the financial statement period in which changes occurred.

h. Share-based compensation (Note 30)
The Company has a share-based compensation plan, to be settled at the discretion of the Board of Directors and under the terms of the applicable legislation (i) to issue new shares, within the authorized capital limit; or (ii) sell shares held in treasury, which allows members of the Management and other executives appointed by the Board of Directors to acquire their shares. The

fair value of employee services, received in exchange for the granting of options, is recognized as an expense against equity

When the options are exercised, the amounts received, net of any directly attributable transaction costs, are credited to the share capital (nominal value).

3 Measuring basis

The financial statements were prepared based on historical cost, except when otherwise stated, as described in the summary of accounting practices, which are measured at each reporting date and recognized in the balance sheets.

4 Description of significant accounting policies

The following accounting policies have been applied consistently to all years presented in these individual and consolidated financial statements, unless otherwise indicated.

a. Financial instruments

Financial instruments include interest-earning bank deposits, accounts receivable and other receivables, cash and cash equivalents, loans and financing, as well as other accounts payable and other debts.

Financial instruments were recognized in accordance with NBC TG 48 (IFRS 9) – Financial instruments, pursuant to CVM Resolution 763/16.

The initial recognition of these financial assets and liabilities is made only when the Company becomes part of the contractual provisions of the instruments and is recognized at fair value plus, for instruments that are not recognized at fair value through profit or loss, any directly attributable transaction costs.

After initial recognition, the Company classifies financial assets as subsequently measured at:

- **Amortized cost**: when financial assets are held for the purpose of receiving contractual cash flows and the contractual terms of these assets must exclusively originate cash flows arising from the payment of principal and interest on the principal amount outstanding.

- **Fair value through other comprehensive income (FVTOCI):** when financial assets are held both for the purpose of receiving contractual cash flows and for the sale of these financial assets. Furthermore, the contractual terms must exclusively originate cash flows from the payment of principal and interest on the principal amount outstanding.

- **Fair value through profit or loss (FVTPL)**: when financial assets are not measured at amortized cost or fair value through other comprehensive income or when they are designated as such at initial recognition. Financial instruments are stated at fair value through profit or loss when the Company manages and makes decisions on purchase and sale of such investments, based on their fair value and according to the strategy of investment and risk management documented by the Company. After the initial recognition, the attributable transaction costs are recognized in income (loss) when incurred, as well as the income (loss) from fluctuations in fair value.

The classification of financial assets is based both on the Company’s business model for the management of financial assets and on its cash flow characteristics.

Similarly, the Company classifies financial liabilities as subsequently measured at amortized cost, FVTPL or FVTOCI. Financial liabilities measured at amortized cost use the effective interest rate method, adjusted by possible decreases in settlement value.

The Company derecognizes a financial asset when contract rights to assets' cash flows expire, or when the Company transfers the contract right of receiving a financial asset to contract cash flows, in a transaction in which substantially all risks and rewards of owning the financial asset are transferred or in which the Company neither substantially transfers nor maintains all risks and rewards of owning the financial asset and neither retains control over the financial asset.

The Company derecognizes a financial liability when its contractual obligations are discharged or canceled or expired. Nadir also derecognizes a financial liability when terms are modified, and the cash flows of the modified liability are substantially different if a new financial liability based on the terms changed is recognized at fair value.

In the derecognition of a financial liability, the difference between the extinct book value and the consideration paid (including assets transferred that do not pass through the cash or assumed liabilities) is recognized in income (loss).

Financial assets or liabilities are offset and the net value reported in the balance sheet only when the Company currently has a legally enforceable right to offset them and there is intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

b. Cash and cash equivalents and securities

Cash and cash equivalents substantially include cash deposits denominated in reais, with high market liquidity ratio and 90-day maturities from the contracting date or for which there is no fine or any other restriction on immediate redemption.

Cash equivalents are classified as financial assets in the amortized cost category and are recorded at the original amount plus income earned up to the closing dates of the financial statements, calculated under the pro rata temporaries basis, which is equivalent to their market values, with no impact to be recorded in the Company's shareholders' equity.

The securities include non-exclusive investment funds whose market values approximate the book values, and for which there is no immediate redemption.

c. Trade accounts receivable and estimated credit loss

Trade accounts receivable are recorded at nominal value and deducted from the estimated credit losses, which is recorded based on the expected loss (using a prospective model), being considered sufficient by Management to cover possible losses.

d. Inventories

Recorded at average acquisition or production cost, adjusted at net realizable value (when it is lower than the cost). The Company considers slow moving and/or obsolete materials in its provision for inventory losses.

Provisions for low inventory turnover are set up based on sales of its products, market analysis and analysis of the expectation of loss made by Management. The provisioned amounts are enough to cover future losses on items that have not been in operation for more than 1 year.

e. Investments

The Company has control over a company when it has the power to control its financial and operating policies and could obtain benefits and be exposed to the risks of its activities. Investments in subsidiaries are recorded at the parent company under the equity method for the purposes of individual financial statements, with investments in subsidiaries eliminated for the purpose of preparing the consolidated financial statements, and the effect of exchange variations on the translation of foreign investments, which are recognized in a specific shareholders' equity account.

(In thousands of Reais, unless otherwise stated)

f. Property, plant and equipment

Fixed assets are recorded at their acquisition or construction costs, minus depreciation calculated using the straight-line method based on rates that consider the estimated useful lives of the assets and on the contractual terms of the rental properties in relation to improvements made.

Depreciation is calculated using the straight-line method, to distribute its cost value over the estimated useful lives of the assets, the useful life review is carried out annually and there was no change for the year 2020, as follows:

Asset description	Years
Buildings and constructions	25
Equipments	10
Facilities	10
Furnaces	02 and 03
Machinery and matrices	10
Vehicles	05

g. Leases

At the inception of an agreement, the Company evaluates whether the agreement is for or contains a lease.

A contract is or contains a lease if it transfers the right to control the use of an identified asset for a period in exchange for consideration. The Company follows the definition of lease under CPC 06(R2)/IFRS 16 to assess whether an agreement transfer the right to control the use of an identified asset.

(i) As a lessee

At the inception or amendment of an agreement containing a lease component, Nadir allocates the lease consideration to each lease and non-lease component based on its individual prices.

Nadir recognizes a right-of-use asset and a lease liability on the lease inception date. The right-of-use asset is initially measured at cost, which comprises the value of initial measurement of the lease liability adjusted to any lease payments made to the initial date, plus any initial direct costs incurred by the lessee and an estimate of the costs to be incurred by the lessee to disassemble and remove the underlying asset, by returning it to the place where it is located or returning the underlying asset to the state required under the lease terms and conditions, less any lease incentives received accordingly.

Assets and liabilities arising from a lease are initially measured at present value.

Right-of-use assets are measured at cost, according to the following items:

- The value of the initial measurement of the lease liability;
- Any lease payments made on or before the start date, less any lease incentives received;
- Any initial direct costs; and
- Restoration costs.

Right-of-use assets are generally depreciated over the useful life of the asset or the lease term using the straight-line method, whichever is less. If the Company is reasonably certain that it will exercise a call option, the right to use asset is depreciated over the useful life of the underlying asset.

The right-of-use asset is subsequently depreciated using the straight-line method from the start date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the lessee at the end of lease term, or if the cost of the right-of-use asset reflects that the lessee will exercise the call option. In this case, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as that of fixed assets. Moreover, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments gross PIS and COFINS, that are not paid at the inception date, and discounted using the interest rate implied in the lease or, if that rate cannot be immediately determined, the incremental loan rate of the Company, calculated based on a fixed rate of average indebtedness of the Company, according to NBC TG 06 / R3 (CVM Resolution 645/10) - Leases. Usually, the Company uses their incremental loan rate as discount rate.

To determine the incremental loan rate, the Company:

- Whenever possible, use as a starting point rates for recent financing contracted with third parties, adjusted to reflect changes in financing conditions since such third-party financing was received;

- Uses a progressive approach that starts from a risk-free interest rate adjusted for credit risk for leases held by the Company, without recent financing with third parties; and

- Makes specific adjustments to the rate, such as term, country, currency and guarantee, for example.

Lease payments included in the measurement of lease liability are comprised by the following:

- Fixed payments, including initial fixed payments;

- Variable lease payments based on an index or rate, initially measured based on the index or rate at the initial date;

- Amounts expected to be paid by the lessee, in accordance with the residual value guarantees; and

- The call option exercise price if the lessee is reasonably certain to exercise such option, and payments of fines due to termination of the lease agreement, if the term of the lease reflects the fact that the lessee is exercising their option to terminate the lease agreement.

The lease liability is measured at amortized cost using the effective interest rate method. It is remeasured when a change occurs in future lease payments as a result of a change in an index or rate, if there is a change in the amounts expected to be paid in accordance with the residual value guarantee, if the Company changes its assessment to exercise a call option, extend or terminate it, or if there is a payment of an initially fixed revised lease.

When the lease liability is thus remeasured, an adjustment corresponding to the book value of the right-of-use asset is made or recorded in income if the right-of-use asset is reduced to zero.

(In thousands of Reais, unless otherwise stated)

Low-value asset leases
Nadir opted not to recognize the assets of right-of-use and the lease liabilities for low-value lease assets and short-term lease, including IT equipment. The Company recognizes payments of those leases as a straight-line method expense during the lease term.

The Company adopted as an accounting policy the requirements of CPC 06 (R2) / IFRS 16 when measuring its lease liabilities and measuring its right to use, based on discounted cash flow without considering inflation. Management assessed the impacts of using nominal flows and concluded that they do not present significant distortions in the information presented.

The Company did not apply to the financial statements for the period ended December 31, 2020, the practical file provided for in CVM Resolution 859 approved by CVM (securities commission) on July 7, 2020.

During the year ended December 31, 2020, the discount rates applied in accordance with the contractual term were as follows:

Term contracts and discount rate

Term	Nominal rate % per year	Real rate % per year
3 years	6.50%	2.81%
4 years	6.50%	2.81%

h. Measurement of fair value

Fair value is the price that would be received upon the sale of an asset or paid for the transfer of a liability in a non-forced transaction between market participants at the measurement date, on the primary market or, in the absence thereof, on the most advantageous market to which the Company has access on such a date. The fair value of a liability reflects its risk of non-performance.

A number of Nadir's accounting policies and disclosures require the measurement of fair values, for financial and non-financial assets and liabilities (see Note 2.3.1.g).

i. Impairment

Financial Assets

The Company recognizes provisions for expected credit losses on:

- Financial contractual assets measured at amortized cost;
- Debt investments measured at VJORA; and
- Contract assets.

The Company measures the provision for loss in an amount equal to the expected credit loss for life, except for the items described below, which are measured as expected credit loss for 12 months:

- Debt securities with low credit risk at the balance sheet date; and
- Other debt securities and bank balances for which the credit risk (that is, the risk of default over the expected life of the financial instrument) has not increased significantly since the initial recognition.

Provisions for losses on accounts receivable from customers (including lease receivables) and contract assets are measured at an amount equal to the expected credit loss for the entire life of the instrument.

In determining whether the credit risk of a financial asset has increased significantly since the initial recognition and in estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes quantitative and qualitative information and analysis, based on the Company's historical experience, credit assessment and considers forward-looking information.

The Company assumes that the credit risk of a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when:

- It is unlikely that the debtor will pay its credit obligations in full, without resorting to actions such as collateral (if any); or

- The financial asset is past due for more than 90 days.

Credit losses expected for life are expected credit losses that result from all possible events of default over the expected life of the financial instrument.

Credit losses expected for 12 months are credit losses that result from possible events of default within 12 months after the balance sheet date (or in a shorter period, if the expected life of the instrument is less than 12 months).

The maximum period considered in the expected credit loss estimate is the maximum contractual period during which the Company is exposed to credit risk.

Non-Financial Assets

On each reporting date, the Company reviews book values of non-financial assets (except for inventories and deferred taxes) to determine if there is an indication of impairment. If certain evidence exists, the recoverable value of the asset is determined.

For impairment tests, assets are grouped into CGUs, that is, the smallest identifiable group of assets that can generate cash inflows by continuous use, which are highly independent from cash inflows referring to other assets or cash generating units.

Recoverable value of an assets or CGU is the higher of value in use and fair value fewer selling costs. Value in use is based on estimated future cash flows discounted to present value using a discount rate before taxes that reflects current market evaluations of times value of money and the specific risks of the assets or CGU.

An impairment loss is recognized when the book value of an asset or its CGU exceeds its recoverable value.

Impairment losses are recognized in profit or loss. Regarding other assets, impairment losses are reversed only with the condition that the new book value of the asset does not exceed the book value that would have been calculated, net of depreciation or amortization, if the value loss had not been recognized.

j. Loans and financing

Recognized at fair value upon receipt of funds, net of transaction costs, in the applicable cases, plus charges, interest, inflation adjustment and exchange-rate change as contractually provided for, incurred up to the balance sheet dates.

k. Suppliers and other accounts payable
They are recognized at nominal value and increased, when applicable, by the corresponding charges and Inflation adjustments and exchange-rate changes incurred up to the balance sheet dates.

l. Income tax and social contribution

Current
Taxes on income comprise income tax and social contribution. Income tax is computed on taxable income at the rate of 15%, plus a 10% surtax for income exceeding R$ 240 in the 12-month period, whereas social contribution is computed at the rate of 9% on taxable income, recognized on the accrual basis.

Income taxes and contributions are recognized in the statement of income, except for cases in which they are directly related to items recorded in shareholders' equity or in the reserve for equity valuation adjustments, which are recognized net of these effects.

Prepayments or amounts that can be offset are presented in current and non-current assets or liabilities, in accordance with their expected realization.

In Argentina, the presumed minimum income tax was established in 1998 by Law No. 25,063 for a period of ten annual fiscal years and extended first by Law 26,426 until December 30, 2009 and then by Law 26,545 until December 30, 2009. This tax is complementary to the income tax, since while the latter taxes the taxable profit for the year, the presumed minimum profit tax constitutes a minimum tax that taxes the potential income of certain productive assets at the rate of 1%, so that the The Company's tax obligation coincides with the higher of both taxes.

Deferred assets
Deferred income and social contribution tax assets and liabilities are recognized on temporary differences between the tax base of assets and liabilities and their book values. Deferred income and social contribution tax assets are recognized only to the extent that future taxable income will be available, against which temporary differences can be used.

The Company assesses the book value of deferred income and social contribution tax assets annually in relation to its operating performance and projected future taxable income and, when necessary, reduces its amount to the expected realizable value.

Deferred income and social contribution tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities.

Deferred tax assets and liabilities in different entities or in different countries, in general are presented separately, not by net. Deferred taxes are calculated based on the rates provided for when they are realized and reviewed annually.

m. Statement of income and revenue recognition
Revenue from product sales is recognized in accordance with CPC 47 (IFRS 15) – Revenue from Contracts with Customers, establishing a five-step model for determining the revenue measurement and when and how it will be recognized. Accordingly, the Company recognizes revenues when products are delivered and duly accepted by its clients, where the control related to ownership is transferred. The transfer of control occurs when the products are shipped,

accompanied by a respective sales invoice, considering the incoterms. These criteria are met when the goods are transferred to the buyer, respecting the main freight modalities used by the Company.

n. Employee benefits

(i). Pension Plans

The Company sponsors a benefit plan managed by MultiBRA Pension Fund - Bradesco Multipensions, which guarantees disability retirement, death pension, annual bonus, sickness benefit, death benefit and disability benefit to its employees, in the defined benefit modality, and normal retirement in the form of variable contribution and/or defined contribution, depending on the option made by the participant on the date of the benefit granting.

The recognized liability is the present value of the defined benefit obligation on the balance sheet dates less the fair value of plan assets.

The defined benefit obligation is calculated annually by independent actuaries, using the unit credit unit method designed to determine the present value of the obligations and the respective current service cost, considering demographic, economic and financial assumptions appropriate to the mass profile.

The variable contribution plans cover benefits with defined contribution characteristics, which are retirement and early retirement, in addition to benefits with defined benefit characteristics, which are disability retirement, proportional benefit, sick pay, annual bonus, minimum benefit and death pension.

The plan assets are held by MultiBRA Pension Fund - Bradesco Multipensions, a closed-ended supplementary pension entity. The plan’s assets are not available to the Company’s creditors and cannot be paid directly to them.

(ii) Healthcare plans

The Company also grants its employees post-employment healthcare benefits. For this group, a special condition has been developed, where the premium calculation is made by the age group table, but the premium payments are made through bank slips issued by Sul América Companhia de Seguro Saúde, directly on behalf of the insured.

Actuarial gains and losses, resulting from adjustments based on experience and on changes in actuarial assumptions, are debited or credited on shareholders' equity in other components of comprehensive income. These obligations are assessed annually by independent and qualified actuaries.

Furthermore, the result of the actuarial valuation may generate an asset to be recognized. This asset, when applicable, is recorded by the Company only when:

(a) it controls a resource, which is the ability to use the surplus to generate future benefits;

(b) this control is the result of past events (contributions paid by the Company and service provided by the employee); and

(c) future economic benefits are available to the Company in the form of a reduction in future contributions or a refund, either directly to the Company or indirectly to offset the insufficiency of another post-employment benefit plan (in compliance with the current legislation).

(iii) Benefits

Employee short-term benefits are measured on a non-discounted basis and incurred as expenses as the related service is rendered. The liability is recognized at the amount expected to be paid under the cash bonus plans or short-term profit sharing if the Company has a legal or constructive obligation to pay this amount as a result of prior service rendered by the employee, and the obligation can be reliably estimated.

(iv) Share-based payment agreements

The fair value of share-based payment agreements is recognized at the grant date, as personnel expenses, with a corresponding increase in shareholders' equity, over the period when employees become unconditionally entitled to the premiums. The amount recognized as an expense is adjusted to reflect the actual number of stock options for which the related service and non-market vesting conditions are expected to be met, so that the amount ultimately recognized as an expense is based on the actual number of shares meeting service conditions and non-market vesting conditions at vesting date. For share-based payment awards with non-vesting conditions, the fair value at grant date of share-based payment is measured to reflect such conditions and no further adjustments are made for differences between expected and actual results.

The fair value of the amount payable to the employees in relation to stock appreciation rights, which are payable in cash, is recognized as an expense, with a corresponding increase in liability over the period the employees become unconditionally entitled to the benefits. The liability is measured again at each balance sheet date and at settlement date based on the fair value on stock appreciation rights. Any changes in the fair value of the liability are recognized in the income (loss) as personnel expenses.

o. Provision for legal disputes

The Company is a party to several judicial and administrative proceedings. Provisions are formed for all contingencies referring to lawsuits in which an outflow of funds will probably be required to settle the contingency and a reasonable estimate can be made. Determination of the likelihood of loss includes determination of evidence available, hierarchy of laws, jurisprudence available, more recent court decisions and the relevance thereof in the legal system, as well as evaluation of legal advisors of the Company.

Provisions are reviewed and adjusted to consider changes in circumstances, such as applicable statutes of limitations, conclusions of tax audits or additional exposures identified based on new matters or court rulings. Actual results may differ from management’s estimates.

The contingent liabilities regarded as possible losses are only disclosed in the accompanying notes, whereas those regarded as remote losses are neither accrued nor disclosed.

Contingent assets are only recognized when there are real guarantees, or favorable, final and unappealable decisions. Contingent assets with chance of success (if any) classified as probable are only disclosed in a note. As at December 31, 2020, there were no lawsuits involving contingent assets recorded in the Company’s balance sheet.

The Company has a process requesting the exclusion of the ICMS amount in the PIS and COFINS calculation basis. This case is in the final stages of appeal at the Supreme Court of Justice. The Company did not recognize the asset arising from this lawsuit because it is still awaiting the final decision of the suit and the modulation of the effects by the Supreme Federal Court of Extraordinary Appeal No. 574,706. If the Company is successful in the process, it will have to pass on the appeal to its former shareholders.

p. Sales taxes

The Company is subject to the following taxes and contributions, and the following basic rates:

- Social Integration Program (PIS) - 1.65%;
- Contribution for Social Security Funding (COFINS) - 7.6%
- Excise Tax (IPI) - up to 15%;

- Value-Added Tax on Sales and Services (ICMS) - 7% to 18%.

q. profit per basic and diluted shares
The basic earnings per share are calculated based on the result for the period attributable to the Company's controlling shareholders and the weighted average of outstanding common and preferred shares in the respective year.

r. Share capital
Common and preferred shares are classified in equity.

Incremental costs directly attributable to the issuance of new shares or options are shown in equity as a deduction from the amount raised, net of taxes.

s. Statement of added value
The purpose of this statement is to show the wealth created by the Company and its distribution during a certain period. It is presented as required by the Brazilian Corporate Law, as part of its individual financial statements under the terms of CPC – 09 – Statement of Added Value and as supplementary information to the consolidated financial statements, since it is not a planned or required statement pursuant to the IFRS.

t. Financial revenues and costs
The financial revenues and expenses of the Company comprise the following:

- interest revenue;
- interest expense;
- gains/losses, net of financial assets measured at fair value through profit or loss;
- net gains/losses from exchange rate on financial assets and liabilities;
- fair value losses in contingent consideration classified as financial liability;

Interest revenue and expenses are recognized in income (loss) using the effective interest method. The Company classifies interests received and dividends and interest on its own capital received as cash flows from investment activities.

The effective interest rate is the rate that exactly discounts payments or receipts in estimated future cash flows over the expected life of the financial instrument at:

- gross book value of financial asset; or
- amortized cost of financial liabilities.

5 Changes to new standards that are not yet in force

There are no other IFRS or IFRIC interpretations that have not yet entered effect and that could have a significant impact on the Company's financial information.

6 Cash and cash equivalents

	Parent company	Consolidated

(In thousands of Reais, unless otherwise stated)

	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Cash and banks	62,977	12,026	63,593	12,926
	62,977	**12,026**	**63,593**	**12,926**

Represented by cash in local and foreign currencies (mostly dollar and euro), in top-tier financial institutions, with immediate availability for use.

7 Securities

	Parent company		Consolidated	
	12/31/2020	**12/31/2019**	**12/31/2020**	**12/31/2019**
Fixed income investment (i)	279,292	89,260	281,410	89,461
	279,292	**89,260**	**281,410**	**89,461**

(i) Fixed income investment is remunerated based on the CDI variation.

The calculation of the fair value of financial investments, when applicable, is carried out considering financial instrument market quotations or market information that make such a calculation possible, based on the future rates of similar papers. In 2020, the Company obtained R$ 4,440 (R$ 3,390 in 2019) in the Parent Company and R$ 4,440 (R$ 3,400 in 2019) in the Consolidated, as financial income, according to Note 26.

8 Trade accounts receivable

	Parent company		Consolidated	
	12/31/2020	**12/31/2019**	**12/31/2020**	**12/31/2019**
Domestic market	227,742	203,194	227,742	203,397
Foreign market	18,397	17,217	23,386	18,456
Total trade accounts receivable	**246,139**	**220,411**	**251,128**	**221,853**
Expected loss with doubtful accounts	(9,064)	(3,804)	(9,064)	(3,804)
	237,075	**216,607**	**242,064**	**218,049**
Current	235,888	214,882	240,877	216,324
Non-current	1,187	1,725	1,187	1,725
	237,075	**216,607**	**242,064**	**218,049**

The expected credit loss is formed considering the individual quantitative and qualitative analysis of accounts receivable, and when needed, in amounts enough to cover possible losses due to non-performance. The analysis of the maturity of trade notes of clients is as follows:

(*In thousands of Reais, unless otherwise stated*)

	Parent company		Consolidated	
	12/31/2020	**12/31/2019**	**12/31/2020**	**12/31/2019**
Falling due	**233,645**	**196,827**	**239,409**	**198,269**
Overdue (days):				
1–30	3,887	16,747	3,112	16,747
31–60	396	848	396	848
61–90	113	935	113	935
>90	8,098	5,054	8,098	5,054
Expected loss with doubtful accounts	(9,064)	(3,804)	(9,064)	(3,804)
	237,075	**216,607**	**242,064**	**218,049**

Changes in the expected credit losses from the Parent Company and Consolidated:

	12/31/2020	**12/31/2019**
Balance at beginning of year	**(3,804)**	**(4,761)**
Additions	(5,416)	(135)
Write-offs	156	235
Reversals	-	857
Balance at the end of the year	**(9,064)**	**(3,804)**

9 Inventories

	Parent company		Consolidated	
	12/31/2020	**12/31/2019**	**12/31/2020**	**12/31/2019**
Finished goods	64,794	83,584	68,005	87,047
Work in process	1,464	762	1,464	762
Raw material	9,005	9,450	9,005	9,450
Packaging materials	6,263	1,427	6,263	1,439
Storeroom	28,629	28,104	28,629	28,138
Total	**110,155**	**123,327**	**113,366**	**126,836**
Provisions for losses on inventories	**(6,154)**	**(4,663)**	**(6,154)**	**(4,663)**
	104,001	**118,664**	**107,212**	**122,173**

The change in the provision for inventory losses is as follows:

	12/31/2020	**12/31/2019**
Balance at beginning of year	**4,663**	**6,870**
Additions	1,760	121

(In thousands of Reais, unless otherwise stated)

Write-offs	(269)	(989)
Reversals	-	(1,339)
Balance at the end of the year	**6,154**	**4,663**

The provisions were recorded in accordance with the policies established by the Company, where the technical areas responsible for the management of inventories make individual assessments and/or assessment of a group of inventories, and when obsolete and/or slow-moving items are identified, with remote probability of use, the provision is recorded.

10 Taxes

a. Reconciliation of income tax and social contribution expense is as follows:

	Parent company		**Consolidated**	
	12/31/2020	**12/31/2019**	**12/31/2020**	**12/31/2019**
Income before income tax and social contribution	214,891	112,001	217,631	113,139
Income tax calculated at nominal rate - 34%	(73,063)	(38,080)	(73,995)	(38,467)
Adjustments for calculating the effective rate				
Tax breaks	422	723	422	723
Expenses with administrators	(1,682)	850	(1,682)	850
Interest on own capital	-	617	-	-
Other (Additions) / Permanent exclusions, net	(3,137)	326	(3,137)	(944)
	(77,460)	**(37,916)**	**(78,881)**	**(39,538)**
Current	(78,244)	(69,504)	(79,665)	(71,126)
Deferred assets	784	31,588	784	31,588
Effective rate - %	36%	34%	36%	35%

Law 9249/95 provides that the Company may pay interest on own capital to shareholders additionally or as an alternative to the proposed dividends, subject to specific limitations, which result in tax deductions in calculating income tax and social contribution. The limitation considers the following (whichever is higher): (i) TJLP (Long-term Interest Rate) applied over the shareholders' equity of the Company; or (ii) 50% of net income for the year. Interest on equity is recognized in the financial statements directly in equity and, for this reason, does not impact net income.

b. Breakdown of deferred income tax and social contribution:

	Parent company and Consolidated	
Assets:	**12/31/2020**	**12/31/2019**
Expected losses for allowance for doubtful accounts	1,842	1,294
Provision for obsolete inventories	2,092	1,585
Provision for labor contingencies	409	526
Provision for environmental expenditures	468	-
Provision for freight, commissions and funds	5,090	2,036
Capital gain tax benefit and goodwill for future profitability	165,796	-
Actuarial obligations	14,480	11,501
	190,177	**16,942**

(In thousands of Reais, unless otherwise stated)

Deferred tax assets for income tax and social contribution on profit are recognized to the extent to which it is probable that future taxable income will be available for use upon the actual payment and/or realization of said additions to temporary differences, at a time when these will become deductible in the calculation of said taxes, based on the assumptions and conditions provided for in the Company's business model.

The tax benefit of goodwill and goodwill for future profitability refers to a reverse merger carried out by the parent company Vidros da Glória Participações S.A., for more details see note 1.1

The book value of the deferred tax asset is reviewed in a regular basis and the projections are reviewed on an annual basis.

The Company expects to realize deferred tax assets in a minimum period of 5 years and a maximum period of 10 years.

Estimated realization period	Year	Total
1 year	2021	22,296
2 years	2022	22,296
3 years	2023	22,296
4 years	2024	22,292
5 years	2025	21,903
Over de 5 years	2026	79,094
		190,177

11 Investments in subsidiaries

On November 6, 2020, the Company incorporated the totality of Colorex's shareholders' equity, at book value. As a result of the approval of the merger, Colorex was extinguished in its own right and all of its assets, rights and obligations were fully transferred, at book value, to the merging company. The Merger was implemented without increasing the capital of the Merging Company and, therefore, did not incur any changes in the Company's shareholding base. According to the Appraisal Report, the Merged Company's shareholders' equity was valued on the base date of September 30, 2020, at book value, at R$ 397 (Note 1.1).

a. Information on subsidiaries on December 31, 2020:

Subsidiaries	Interest	Assets	Shareholders' equity	Income (loss)	Equity in net income of subsidiaries	Balance of the investment
Distribuidora Brasim S.A.	50.00%	14,118	7,968	2,639	1,319	3,984
					1,319	**3,984**

b. Information on subsidiaries on December 31, 2019:

Subsidiaries	Interest	Assets	Shareholders' equity	Income (loss)	Equity in net income of subsidiaries	Balance of the investment
Mineração Rosicler Ltda.	99.97%	-	-	-	48	-
Ridan Empreendimentos Imobiliários Ltda. (i)	92.02%	-	-	-	119	-
Distribuidora Brasim S.A.	50.00%	10,619	4,728	(640)	(320)	2,364
Colorex Comércio e Desenvolvimento de Produtos Ltda.	100.00%	725	613	174	171	613

(*In thousands of Reais, unless otherwise stated*)

	18	**2,977**

(i) According to the Extraordinary General Meeting held on July 31, 2019, the amendment to the Company's Partial Spin-Off was approved, and this investment was part of the spun-off assets.

c. Investment movement

	Mineração Rosicler Ltda.	Ridan Empreendimentos Imobiliários Ltda.	Distribuidora Brasim S.A.	Colorex Comércio e Desenvolvimento de Produtos Ltda.	Total
Opening balance 2019	**3,754**	**18,324**	**2,731**	**434**	**25,243**
Write-offs	(3,802)	(18,443)	-	8	(22,237)
Income of equity method	48	119	(320)	171	18
Exchange rate change	-	-	(47)	-	(47)
Final balance 2019	**-**	**-**	**2,364**	**613**	**2,977**
Opening balance 2020	**-**	**-**	**2,364**	**613**	**2,977**
Incorporation (Note 1.2) (i)	-	-	-	(613)	(613)
Income of equity method	-	-	1,319	-	1.319
Exchange variation	-	-	301	-	301
Final balance 2020	**-**	**-**	**3,984**	**-**	**3,984**

(i) The amount above consists of R$ 397 referring to the merger of Colorex (Note 1.2) and R $ 216 of the equity income until the date of its merger.

12 Related parties

Transactions with related parties are as follows:

a. Balance sheet

	Parent company		**Consolidated**	
Current assets	**12/31/2020**	**12/31/2019**	**12/31/2020**	**12/31/2019**
Accounts receivable				
Distribuidora Brasim S.A.	766	3,156	-	-
Non-current assets				
Dividends receivable				
Distribuidora Brasim S.A.	638	900	-	-
Current liabilities				
Accounts payable				
Colorex Comércio e Desenvolvimento de Produtos Ltda.	-	50	-	-

b. Income statement

(*In thousands of Reais, unless otherwise stated*)

	Parent company	
	12/31/2020	**12/31/2019**
Operating revenue		
Distribuidora Brasim S.A.	16,360	9,160
Cost of products sold		
Distribuidora Brasim S.A.	(8,966)	(6,191)
Administrative and commercial expenses		
Colorex Comércio e Desenvolvimento de Produtos Ltda.	-	(600)
Financial expenses		
Ridan Empreendimentos Imobiliários Ltda.	-	(159)
Indirect shareholders	-	(378)

Related party transactions refer to the sale of products to the subsidiary Distribuidora Brasim S.A. and the provision of administrative, marketing and product development services by the subsidiary Colorex Comércio e Desenvolvimento de Produtos Ltda., which was merged by the Company on November 6, 2020. These transactions are carried out based on prices and terms defined by the parties involved, considered by Management as strictly commutative and appropriate to preserve the interests of both parties involved in the business.

During the financial year 2019, the financial operations agreed through a loan agreement between the group companies and shareholders were remunerated at the CDI rate (100%), based on the conditions defined between the parties, with the maturity of these operations being indefinite.

Management remuneration

Management compensation (Statutory Officers and Board of Directors), which was recorded in the result for each year, is as follows:

	Parent company		Consolidated	
	12/31/2020	**12/31/2019**	**12/31/2020**	**12/31/2019**
Annual remuneration	3,944	2,769	3,944	2,864
Variable remuneration	4,627	2,500	4,627	2,500
	8,571	**5,269**	**8,571**	**5,364**

Management remuneration (short-term benefits) includes the remuneration of officers and board members. These amounts are recorded under general and administrative expenses. The overall remuneration of the Company’s Management and Board of Directors for the year ended December 31, 2020 was established up to the limit of R$ 7,500 (R$ 7,500 in 2019), as approved by the Annual General Meeting. The Company offers remuneration as share-based payment (Note 30).

In thousands of reais, unless otherwise indicated

13 Property, plant and equipment

Changes in fixed assets are as follows:

	Parent company							
Cost	**Land**	Buildings and constructions	Equipment and facilities	Furnaces	Machinery and matrices	Vehicles	Constructions in progress	**Total**
Balance at 12/31/2019	**15,214**	**69,029**	**77,804**	**21,187**	**23,222**	**1,106**	**64,807**	**272,369**
Additions	-	114	418	-	3	-	41,957	42,492
Write-offs	-	-	(375)	-	(49)	-	(210)	(634)
Transfers	-	257	3,006	7,579	417	-	(11,259)	-
	15,214	**69,400**	**80,853**	**28,766**	**23,593**	**1,106**	**95,295**	**314,227**
Depreciation								
Additions	-	(4,011)	(15,792)	(10,905)	(4,746)	(312)	-	(35,766)
Write-offs	-	-	355	-	32	(295)	-	92
	-	**(4,011)**	**(15,437)**	**(10,905)**	**(4,714)**	**(607)**	**-**	**(35,674)**
Balance at 12/31/2020	**15,214**	**65,389**	**65,416**	**17,861**	**18,879**	**499**	**95,295**	**278,553**

In thousands of reais, unless otherwise indicated

	Parent company							
Cost	Land	Buildings and constructions	Equipment and facilities	Furnaces	Machinery and matrices	Vehicles	Constructions in progress	**Total**
Balance at 12/31/2018	**15,214**	**69, 139**	**80,870**	**12,195**	**24,793**	**1,423**	**37,784**	**241,418**
Additions	-	3,902	762	-	18	271	63,119	68,072
Write-offs	-	-	-	(24,975)	-	(497)	-	(25,472)
Transfers	-	358	12,233	19,331	3,923	-	(36,095)	(250)
	15,214	**73,399**	**93,865**	**6,551**	**28,734**	**1,197**	**64,808**	**283,768**
Depreciation								
Additions	-	(4,371)	(16,061)	(10,339)	(5,512)	(427)	-	(36,710)
Write-offs	-	-	-	24,975	-	336	-	25,311
	-	**(4,371)**	**(16,061)**	**14,636**	**(5,512)**	**(91)**	**-**	**(11,399)**
Balance at 12/31/2019	**15,214**	**69,028**	**77,804**	**21,187**	**23,222**	**1,106**	**64,808**	**272,369**

In thousands of reais, unless otherwise indicated

	Consolidated							
Cost	Land	Buildings and constructions	Equipment and facilities	Furnaces	Machinery and matrices	Vehicles	Constructions in progress	**Total**
Balance at 12/31/2019	**15,214**	**69,028**	**77,942**	**21,187**	**23,222**	**1,168**	**64,810**	**272,571**
Additions	-	114	418	-	3	-	41,957	42,492
Write-offs	-	-	(375)	-	(49)	-	(210)	(634)
Transfers	-	257	3,006	7,579	417	-	(11,259)	-
	15,214	**69,399**	**80,991**	**28,766**	**23,593**	**1,168**	**95,298**	**314,429**
Depreciation								
Additions	-	(4,011)	(15,878)	(10,905)	(4,746)	(357)	-	(35,897)
Write-offs	-	-	355	-	32	(295)	-	92
	-	**(4,011)**	**(15,523)**	**(10,905)**	**(4,714)**	**(652)**	**-**	**(35,805)**
Balance at 31/12/2020	**15,214**	**65,388**	**65,468**	**17,861**	**18,879**	**516**	**95,298**	**278,624**

In thousands of reais, unless otherwise indicated

	Consolidated							
Cost	Land	Buildings and constructions	Equipment and facilities	Furnaces	Machinery and matrices	Vehicles	Constructions in progress	**Total**
Balance at 12/31/2018	**15,214**	**69,139**	**81,163**	**12,195**	**24,793**	**1,537**	**37,786**	**241,827**
Additions	-	3,902	762	-	18	271	63,119	68,072
Write-offs	-	-	-	(24,975)	-	(497)	-	(25,472)
Transfers	-	358	12,233	19,331	3,923	-	(36,095)	(250)
IAS - 29	-	-	7	-	-	2	-	9
	15,214	**73,399**	**94,165**	**6,551**	**28,734**	**1,313**	**64,810**	**284,186**
Depreciation								
Additions	-	(4,371)	(16,223)	(10,339)	(5,512)	(481)	-	(36,926)
Write-offs	-	-	-	24,975	-	336	-	25,311
	-	**(4,371)**	**(16,223)**	**14,636**	**(5,512)**	**(145)**	**-**	**(11,615)**
Balance at 12/31/2019	**15,214**	**69,028**	**77,942**	**21,187**	**23,222**	**1,168**	**64,810**	**272,571**

In thousands of reais, unless otherwise indicated

The construction in progress is in line with the Company's investment plan, and consists substantially of materials, equipment and provision of services for the construction of furnaces, buildings, installations, machinery and equipment and which will be substantially completed during the year. 2021.

The transfer balance of R$ 250 in 2019 refers to software, initially allocated to the corresponding project, and later reclassified to the item Intangible assets.

Depreciation rates for property, plant and equipment were determined based on the estimated useful life of the assets (Note 4.f), according to the technical appraisal report prepared internally. There were no changes in useful life during the years 2020 and 2019.

14 Leases

(i) Balances recognized in the balance sheet

The movement of balances of the right-of-use assets is shown below:

	Parent company and Consolidated		
	Properties	**Machines and equipment**	**Total**
Balance at 12/31/2019	**3,879**	**6,537**	**10,416**
Accumulated amortization	(878)	(2,179)	(3,057)
Balance at 12/31/2020	**3,001**	**4,358**	**7,359**

	Parent company and Consolidated		
	Properties	**Machines and equipment**	**Total**
Balance at 01/ 01/ 2019	4,757	8,716	13,473
Accumulated amortization	(878)	(2,179)	(3,057)
Balance at 12/31/ 2019	**3,879**	**6,537**	**10,416**

The following useful lives are used to calculate amortization on December 31, 2020:

Properties	5 years
Machines and equipment	4 years

In thousands of reais, unless otherwise indicated

The lease terms are negotiated individually and contain a wide range of different terms and conditions. The lease agreements do not contain restrictive clauses; however, the leased assets cannot be used as collateral for loans.

The measurement of the lease liability is composed of the present value of the installments and costs associated with the lease.

			Parent company and Consolidated	
Lease	**Weighted average interest rate (per year)**	**Weighted average maturity. (years)**	**12/31/2020**	**12/31/2019**
Properties	6.5%	4.4	3,186	2,916
Machines and equipment	6.5%	3	4,632	7,819
			7,818	10,735
Current			3,517	3,376
Non-current			4,301	7,359

Financial charges are calculated based on the incremental rate of loans and appropriated to income as a financial expense for the remaining term of the contracts.

	Properties	**Machines and equipment**	**Total**
Balance at 01/01/2020	**(3,996)**	**(6,739)**	**(10,735)**
Financial charges	(228)	(365)	**(593)**
Payments made	1,039	2,471	**3,510**
Balance at 12/31/2020	**(3,185)**	**(4,633)**	**(7,818)**
Balance at 01/01/2019	**(4,757)**	**(8,716)**	**(13,473)**
Financial charges	(278)	(494)	**(772)**
Payments made	1,039	2,471	**3,510**
Balance at 12/31/2019	**(3,996)**	**(6,739)**	**(10,735)**

Lease payments are allocated between principal and financial expenses. Financial expenses are recognized in the income statement during the lease period to produce a constant periodic interest rate on the remaining balance of the liability for each period.

Maturity dates of installments

Benefits due (i):	
Less than 1 year	3,517
1–2 years	3,308
2–5 years	993
Balance of lease liabilities as of December 31, 2020	7,818

(i) These values are nominal and without adjustment to present value

In thousands of reais, unless otherwise indicated

15 Loans

Bank loans are due until September 2026. Of the total loans, R$ 158,021 are subject to collateral, the remaining balance of R$ 517,004 does not include guaranteed obligations (bank and real), the Company is only subject to compliance with financial indexes related debenture and CCE contracts. The fair value of loans classified in current is equal to their book value, since the impact of the discount is not significant.

i. Breakdown of loans and financing is as follows:

Current			**Parent company and Consolidated**	
Description	**Maturities**	**Rates (%)**	**12/31/2020**	**12/31/2019**
Export credit note	Between Jan/2021 and Sep/2026	Between 118,2% per year and CDI + 2% per year.	322	668
Export credit note	Sep/2026	CDI + 2% per year	825	1,349
Vendor	Apr/2020	Between 3,84% and 4,91% per year	10,812	14,346
Bank credit note	Between Apr/2021 and May/2021	CDI + 3,85% per year. and 4,25% per year.	73,133	-
Debentures	Mar/2021	CDI + 2% per year	5,114	-
Advance against exchange contract	Between Feb/2019 and Apr/2020	Exchange variation Between + 3,96% per year and 4,89% per year.	-	24,184
			90,206	**40,547**

Non-current			**Parent company and Consolidated**	
Description	**Maturities**	**Rates (%)**	**12/31/2020**	**12/31/2019**
Export credit note	Between May 2022 and Sep/2026	Between 118,2% do CDI per year and CDI 2% per year	64,200	84,200
Export Credit note	Sep/2026	CDI + 2% per year	130,800	130,800
Debentures	Aug/2026	CDI + 2% per year	390,000	-
			585,000	**215,000**
			675,206	**255,547**

b. The table below shows the changes presented in the cash flow financing activities.

	Parent company and Consolidated
Balance at December 31, 2019	**255,547**
Funding	150,053
Amortizations	(131,962)
Payment of interest	(9,777)
Changes not involving cash	
Interest accrual	17,356
Exchange rate change	3,989
Debentures	
Debentures received by merger (Note 1.1)	390,000

In thousands of reais, unless otherwise indicated

Balance at December 31, 2020	**675,206**

In August 2019, Vidros da Glória (Incorporated) issued 390,000 debentures with a unit value of R$ 1,000.00 (expressed in reais), non-convertible into shares, unsecured, to be converted into cash with real guarantee, in two series. The institution providing the Debentures bookkeeping services was Oliveira Trust Distribuidora de Títulos e Valores Mobiliários S.A., qualified as a "bookkeeper". The net proceeds obtained by the Issuer (Vidros da Glória) followed the destination provided for in the issuance deed, including the acquisition of Nadir shares.

Below we show the composition of the debentures on 12/31/2020:

	12/31/2020
Nominal value	
First issue	195,000
Second issue	195,000
	390,000
Interest on debentures	
First issue	2,557
Second issue	2,557
	5,114
Current	5,114
Non-current	390,000
	395,114

The nominal unit value or balance of the unit face value of the debentures bears interest corresponding to 100% (one hundred percent) of the accumulated variation of the daily average rates of the DI - Interbank Deposits of one day, over extra group, expressed as a percentage to the year, base 252 business days, calculated and released daily) ("DI Rate"), plus a surcharge of 2.00% (two percent) per year, base 252 business days, calculated exponentially and cumulatively pro rata temporize, for business days elapsed, from the respective first payment date or the payment date of the remuneration until the date of the effective payment.

The remuneration will be paid semiannually from the 6th (sixth) month (inclusive) counted from the issue date, the first payment being on February 28, 2020 and the others on the 28th of February and August each year, until the year 2026.

The unit value will be amortized, semiannually, from the 30th month (inclusive) counted from the Issue Date, the first payment being on February 28, 2022 and the other payments always on the 28th of February and August of each year, and the last payment being on the Maturity Date. The maturity date is seven years from the issue date, therefore expiring on August 28, 2026.

Below we show the table for payments of the nominal unit value:

In thousands of reais, unless otherwise indicated

Date	Percentage of the balance of the Nominal Unit Value
February 28, 2022	10.0%
August 28, 2022	11.1%
February 28, 2023	12.5%
August 28, 2023	14.3%
February 28, 2024	16.7%
August 28, 2024	20.0%
February 28, 2025	25.0%
August 28, 2025	33.3%
February 28, 2026	50.0%
Due date	100.0%

The amounts falling due in the long term are as follows:

	Consolidated Parent company and	
Year	**12/31/2020**	**12/31/2019**
2020	-	-
2021	-	20,000
2022	137,000	59,000
2023	112,000	34,000
2024	112,000	34,000
2025	112,000	34,000
2026	112,000	34,000
	585,000	**215,000**

Restrictive clauses (financial covenants)

The Company is subject to compliance with financial ratios related to loan and financing contracts. The Company is required to comply with the index below, which is being met in accordance with the contractual requirements. As at December 31, 2020, the index reached was 1.24.

$$\frac{\text{Net financial debt (*)}}{\text{Adjusted EBITDA}}$$

Up to 3 times annual measurements.

(*) Net financial debt is calculated by the difference between total short and long-term loans and financing (financial institutions and / or debentures) and the balance readily available (cash, cash in transit, movement account in banks and free financial investments).

16 Suppliers and other accounts payable

(a) Suppliers:

Parent company	Consolidated

	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Domestic suppliers	81,165	43,475	82,636	44,117
Operations with drawn risk (i)	18,061	9,252	18,061	9,252
Foreign suppliers	8,372	5,588	8,372	5,588
Total	**107,598**	**58,315**	**109,069**	**58,957**

(i) The Company entered contracts with financial institutions, with the objective of allowing suppliers in the domestic and foreign markets, to anticipate their receipt. In this operation, the suppliers transfer the right to receive the sales securities of the goods to the financial institutions. The balance payable to the supplier is recorded in the same balance sheet item because there is no difference in nature and payment terms before and after the advance.

(b) Obligations to third parties

The amount of R$ 106,178 refers to the agreement made with former partners of Nadir registered on the purchase and sale of the Company, recorded in non-current liabilities. In 2020, the principal amount was R$ 100,000 and monetary restatement was R$ 6,178, in 2019 the principal was R$ 100,000 and monetary restatement was R$ 3,097. The monetary correction presented for non-current liabilities is calculated using the IPC-A accumulated during the same period. The contract expiration date is September 2, 2026.

17 Taxes payable

	Parent company		Consolidated	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
ICMS payable	10,473	10,583	10,473	10,583
IPI payable	7,427	7,061	7,427	7,061
IRRF payable	1,910	2,048	1,910	2,051
PIS payable	1,060	266	1,060	267
COFINS payable	4,889	1,238	4,889	1,242
Others payable	1,077	407	1,077	415
	26,836	**21,603**	**26,836**	**21,619**
IRPJ payable	5,244	-	6,819	900
CSLL payable	2,759	178	2,759	199
	8,003	**178**	**9,578**	**1,099**

18 Labor obligations

	Parent company		Consolidated	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Salaries and social charges payable	8,073	9,060	8,174	9,191
Provision for vacation and social security charges payable	15,142	15,481	15,142	15,498
	23,215	**24,541**	**23,316**	**24,689**

19 Provisions, contingent assets and liabilities

In thousands of reais, unless otherwise indicated

The Company is a party to labor, tax, civil and commercial lawsuits that have been discussed both in their administrative and judicial scopes and, when applicable, said lawsuits are guaranteed by judicial deposits. Provisions for potential losses arising from these lawsuits are estimated and updated by management, backed by the opinion of the internal and external legal advisors.

The Company maintained a provision corresponding to lawsuits whose risk of loss was considered probable by the Company's legal advisors, as follows:

	Parent company and Consolidated					
	12/31/2020			12/31/2019		
	Provision	**Judicial deposit**	**Net**	**Provision**	**Judicial deposit**	**Net**
Labor and social security	1,308	(1,359)	(51)	1,477	(1,299)	178
	1,308	**(1,359)**	**(51)**	**1,477**	**(1,299)**	**178**

Changes are as follows:

	12/31/2020	**12/31/2019**
Labor and social security		
Balance at beginning of year	(1,477)	(1,194)
Additions	-	(283)
Write-offs	169	-
Balance at the end of the year	(1,308)	(1,477)

Labor

The Company and its subsidiaries are subject to labor lawsuits, with the most varied characteristics and in several stages of the proceedings awaiting judgment, filed by former employees who claim, among others, the payment of overtime, commuting hours, night work pay and unhealthy work allowance, profit sharing payment, among others. Based on the opinions issued by the Company’s legal advisors and the expected favorable outcome of some decisions and negotiations that must be carried out, the amount provisioned is considered enough by Management to cover expected losses.

Proceedings with a probability of loss classified as possible

The Company and its subsidiaries are involved in other tax, labor and civil proceedings arising in the normal course of their business, which, in the opinion of Management and its legal advisors, have an expected loss classified as possible and, therefore, Management understands it is not necessary to set up a provision for possible losses in these proceedings. In Management's opinion, any of these processes is not expected to have a material effect on the Company's financial position or results of operations. As at December 31, 2020, the maximum risk amount for these lawsuits was R$ 9,437 (R$ 8,621 in 2019).

	12/31/2020	**12/31/2019**
Labor	7,991	8,621
Tax	1,446	-
Balance at the end of the year	**9,437**	**8,621**

In accordance with prevailing law, the Company’s operations are subject to Tax Authorities’ reviews on federal, state and municipal taxes over a period of five years. There is no limitation period for examination of labor and social security charges. As a result of these reviews, transactions and payments might be challenged, and the amounts identified subject to fines, interest and inflation adjustment.

20 Supplementary retirement and health care plan

Benefits of pension and health plans

The Company offers its employees Health Assistance Reimbursement Insurance in the Outpatient, Hospital and Obstetric segments, pursuant to ANS normative resolution 279, which regulates the continuity of the plan by the age group table. Bank slips for payment will be issued by Porto Seguro – Seguro Saúde. As of February 20, 2019, the health insurance operator was changed to Sul América Companhia de Seguro Saúde. For a group of former officers, there is a special condition where premium payments are made through bank slips issued by the Company, directly on behalf of the insured. The recognition of actuarial gains and losses is made in ‘other comprehensive income’.

The Company sponsors a variable contribution benefit plan managed by MultiBRA Pension Fund - Bradesco Multipensions, which ensures monthly income for disability retirement, death pension, annual bonus, sick pay, lump-sum death and disability benefit, in the defined benefit modality.

As at December 31, 2020, the Company had an actuarial provision for these plans in the amount of R$ 42,589 (R$ 33,828 on December 31, 2019) and R$ 3,608 in 2020 (R$ 3,876 on December 31, 2019), recorded under administrative expenses. As assumptions used for calculation, are included in Note 2.3.1.f.

The actuarial liability of the Health Assistance Reimbursement Insurance in the Outpatient, Hospital and Obstetric segments was calculated by an independent actuary considering the following main assumptions:

Assumptions and Assumptions	**12/31/2020**	**12/31/2019**
General Mortality Table	AT 2000 smoothed by 10%, segregated by sex	AT 2000 smoothed by 10%, segregated by sex
Turnover Table	Prudential 4	Prudential 4
Real Bond Discount Rate	3.3672% per year	2.87% per year
Expected Rate of Return on Assets	0.00% per year	0.00% per year
Inflation rate	3.75% per year	4% per year
Liability Duration	10.27 years	8.94 years
Factor of permanence in the Health Insurance Plan at the time of retirement	0% for salaries up to R$ 5,000.00 1% for salaries between R$ 5,001.00 to R$ 10,000.00 3% for salaries between R$ 10,001.00 to R$ 15,000.00 50% for salaries above R$ 15,001.01	0% for salaries up to R$ 5,000.00 1% for salaries between R $ 5,001.00 to R$ 10,000.00 3% for salaries between R $ 10,001.00 to R$ 15,000.00 50% for salaries above R$ 15,001.01
Retirement Age	60 years	60 years
Monthly Subsidy Amount	R$ 1,044.88, according to statistical observation	R$ 961.37, according to statistical observation
Actual annual subsidy growth		
HCTR (health service cost growth)	2.00%	1.00%
Aging Factor (rising cost of aging)	2.00%	1.00%
Family Composition	All married Spouse age +/- 4 years	All married Spouse age +/- 4 years

The actuarial liability of the pension plan and pension fund was calculated by an independent actuary considering the following main assumptions:

Assumptions	**12/31/2020**	**12/31/2019**
Mortality Table	AT-2000 smoothed by 10%	AT-2000 smoothed by 10%
Disability Mortality Table	AT-2000 smoothed by 10%	AT-2000 smoothed by 10%
Disability Entry Table	Álvaro Vindas	Álvaro Vindas
Real Salary Growth	1% per year	1% per year
Discount Rate for calculating the Present Value of Obligations	3.3672% per year	2.87% per year
Expected Rate of Return on Plan Assets	3.3672% per year	2.87% per year
Inflation rate	3.75% per year	4% per year

Net changes in actuarial liability for the years ended December 31, 2020 and 2019 were as follows:

	Parent company and Consolidated
Balance at December 31, 2018	**24,859**
Provision organized in the year	8,969
Balance at December 31, 2019	**33,828**
Provision organized in the year	8,761
Balance at December 31, 2020	**42,589**

The breakdown of present value of contractual obligations and fair value of assets as at December 31, 2020 and 2019 was as follows:

	Parent company and Consolidated	
	12/31/2020	**12/31/2019**
Present value of financial obligations	(113,967)	(102,285)
Fair value of plan assets	71,378	68,457
	(42,589)	**(33,828)**

21 Capital and reserves

a. Subscribed and paid-up capital

At December 31, 2020, the capital amounted to R$ 81,366 (R$ 172,674 as at December 31, 2019), fully subscribed and paid-up, represented by 12,661,602 common, nominative, book-entry shares (13,579,031 shares with no par value as at December 31, 2019).

On November 6, 2020, the merger of Colorex Comércio e Desenvolvimento Ltda. and Vidros da Gloria Participações S.A. was unanimously approved by the Company through the minutes of the Extraordinary General Meeting. At the time, a reduction of the Company's capital in the amount of R$ 26,848 was established, decreasing from R$ 172,674 to R$ 145,826, being divided into 12,661,602 registered book-entry shares, without par value, of which 5,513,608 common shares and 7,147,994 preferred shares (Note 1.2).

According to the Extraordinary General Meeting held on December 28, 2020, a capital reduction was approved, with the objective of absorbing the losses resulting from the merger of Vidros da Glória Participações SA by the Company, in the amount of R$ 64,460, reducing from R$ 145,826 to R$ 81,366, now divided into 12,661,602 common shares, registered, book-entry and without par value and the conversion of the total preferred shares issued by the Company into common shares, in the proportion of one common share for each preferred share.

The capital reduction of R$ 64,460 is represented by:

(1) Write-off of incorporation adjustments in the retained earnings account **-** R$ 281,218

(2) Retained earnings until December 31, 2019 R$ 84,942

(3) Accumulated earnings from January 1 to November 30, 2020 R$ 131,818

b. Capital reserves

Recognized with the balance of the assigned cost, after the partial spin-off, approved by the Extraordinary Shareholders' Meeting on July 31, 2019. Also composed of options granted, according to the share-based payment, as per Note 30.

c. Profit reserves

(i) Legal reserve

The legal reserve is set up annually by the allocation of 5% of net income for the year and may not exceed 20% of the Company's capital. The purpose of the legal reserve is to guarantee that the capital is paid up and it is used solely to offset losses and increase capital.

(ii) Statutory reserve

Recorded at a percentage of 5% for the development reserve, to be used in the acquisition of fixed assets or in new investments by the company, following the provisions of articles 198 and 199 of Law 6404/76. As at December 31, 2020, the balance amounted to R$ 3,985 (R$ 3,704 in 2019).

(iii) Profit retention reserve

The reserve is related to the retention of the remaining balance of retained earnings in the amount of R$ 3,930 (R$ 84,942 in 2019), to aid a business growth project established in the Company's investment plan, according to the capital budget proposed by management and to be decided in the Annual Shareholders' Meeting, in compliance with Article 196 of the Brazilian Corporate Law. Income for the year of 2020 and 2019 not allocated as dividends were allocated to this reserve.

d. Other comprehensive income

(i) Foreign currency translation

The debt amount of R$ 8,110 as at December 31, 2020 (R$ 8,148 in 2019) refers to the accumulated effect of the currency translation of the financial statements of the subsidiary that maintain accounting records in a functional currency other than the parent company's functional currency. This accumulated effect will be reverted to income for the year as gain or loss only in the case of disposal or write-off of investment.

(ii) Actuarial gains and losses

The debt amount of R$ 28,108 (net of taxes) as at December 31, 2020 (R$ 22,326 in 2019) refers to changes in the actuarial calculations of supplementary pension plans and health insurance.

e. Dividends

The Company's bylaws provide for the distribution of a mandatory minimum dividend of 25% of the income for the year, adjusted in accordance with the law. Dividends and interest on equity payable were recorded in equity at the end of the year and recorded as an obligation in liabilities.

During the year of 2020, the Board of Directors proposed minimum mandatory dividends, calculated based on the profit for the year of 2020 after the absorption of accumulated losses, in the amount of R$ 1,403 (R $ 16,054 in 2019).

As at December 31, 2020, the outstanding balance referring to dividends payable amounts to R$ 1,596 (R$ 16,200 in 2019) for the individual financial statements and R$ 2,735 (R$ 17,063 in 2019) for the consolidated financial statements.

Dividends of the year were calculated as follows:

	12/31/2020	12/31/2019
Net income for the year	**137,431**	**74,085**
Absorption to accumulated losses (Note 21a)	(131,818)	-
Legal reserve 5%	-	(3,704)
Basis of calculation for minimum dividends	**5,613**	**70,381**
Minimum compulsory dividends	25%	25%
Minimum annual dividend	**1,403**	**17,595**
Proposed dividends	1,403	16,054
Interest on own capital	-	1,813
IRRF on interest on capital	-	(272)
Total dividends and interest on equity for the year	**1,403**	**17,595**

22 Net operating revenue

	Parent company		Consolidated	
	12/31/2020	**12/31/2019**	**12/31/2020**	**12/31/2019**
Domestic market	1,127,218	995,167	1,149,294	1,037,015
Foreign market	104,349	90,661	104,349	90,661
Sales tax	(331,705)	(304,978)	(332,251)	(308,344)
Refunds and rebates	(27,325)	(26,080)	(27,325)	(26,080)
	872,537	**754,770**	**894,067**	**793,252**

23 Cost of goods sold

	Parent company		Consolidated	
	12/31/2020	**12/31/2019**	**12/31/2020**	**12/31/2019**
Labor	(88,169)	(86,575)	(88,169)	(86,575)
Energy	(127,134)	(130,769)	(127,134)	(130,769)
Raw material	(88,169)	(71,673)	(88,169)	(71,673)
Packaging material	(74,330)	(55,302)	(74,330)	(55,302)
Maintenance and repair	(35,430)	(41,010)	(35,430)	(41,010)
Depreciation	(29,328)	(30,886)	(29,328)	(30,886)
Other	(21,878)	(29,009)	(26,182)	(50,637)
	(464,438)	**(445,224)**	**(468,742)**	**(466,852)**

24 Expenses per type

	Parent company		Consolidated	
	12/31/2020	**12/31/2019**	**12/31/2020**	**12/31/2019**
Sales				
Personnel	(42,214)	(43,918)	(43,541)	(46,133)
Freight	(30,244)	(28,202)	(34,192)	(31,621)
Utilities and services	(32,266)	(37,031)	(35,766)	(42,193)
Non-collectible credits	(5,417)	394	(5,417)	367
	(110,141)	**(108,757)**	**(118,916)**	**(119,580)**
General and administrative				
Personnel	(70,891)	(62,388)	(71,234)	(63,022)
Utilities and services	(24,260)	(24,240)	(25,166)	(24,896)
	(95,151)	**(86,628)**	**(96,400)**	**(87,918)**

25 Other operating income, net

	Parent company		Consolidated	
	12/31/2020	**12/31/2019**	**12/31/2020**	**12/31/2019**
Gains on lawsuits (i)	30,920	7,353	30,920	7,353
Outstanding credits (ii)	18,504	2,800	18,504	2,800
Other revenue	3,045	4,294	3,045	1,708
	52,469	**14,447**	**52,469**	**11,860**
Restitution to ex-controlling shareholders (iii)	(23,778)	-	(23,778)	-
Other expenses	(1,419)	-	(3,956)	22
	(25,197)	**-**	**(27,734)**	**22**
Other revenue (expenses), net	**27,272**	**14,447**	**24,735**	**11,882**

(i) As at December 31, 2020, this refers substantially to the gain related to compulsory loans with Eletrobrás, the amount of which is presented net of PIS and COFINS and attorney's fees. As at December 31, 2019, this refers substantially to the recovery of IOF credits that had been unduly retained in financial operations.

(ii) Refers substantially to PIS and COFINS non-current credits assumed in natural gas operations and non-current credits related to labor and social benefits.

(iii) Refers to the commitment to return the gains on lawsuits to the Company's former controlling shareholders, pursuant to the purchase and sale agreement, as mentioned in item (i).

26 Financial revenues and expenses

	Parent company		Consolidated	
	12/31/2020	**12/31/2019**	**12/31/2020**	**12/31/2019**
Financial expenses				
Liability interest	(18,366)	(12,556)	(18,366)	(12,397)
Bank expenses	(881)	(2,374)	(1,170)	(2,546)
Discounts granted	(4,006)	(5,564)	(4,006)	(5,563)
Other	(788)	(1,470)	(590)	(1,470)
	(24,041)	**(21,964)**	**(24,132)**	**(21,976)**
Financial revenues				
Asset interest	1,830	3,123	2,485	3,744
Yields from financial investments	4,440	3,390	4,440	3,400
	6,270	**6,513**	**6,925**	**7,144**
Exchange variations on financial activities, net	**1,264**	**(1,174)**	**94**	**(2,813)**
Net financial income	**(16,507)**	**(16,625)**	**(17,113)**	**(17,645)**

27 Earnings per share

(i) Basic

Basic earnings per share are calculated by dividing the profit attributable to the Company's shareholders by the weighted average number of shares in the period. Any dividends from preferred shares and any premiums paid on the issuance of preferred shares during the period are reduced from the profit (loss) attributed to the parent company's shareholders.

	December 31, 2020		
	Ordinary	**Preferred**	**Total**
Basic numerator:			
Profit for the year	137,431	-	137,431
Basic denominator (in thousands of shares) after the split:			
Weighted average number of shares (i)	241,670	-	241,670
Net earnings per share - basic	**0.57**	-	**0.57**

(i) It already considers the stock split approved by the Company after the period covered by these financial statements, see Note 34c, pursuant to CPC 41/IAS 33 - Earnings per share, Item 64.

	December 31, 2019		
			Resubmitted
	Ordinary	**Preferred**	**Total**
Basic numerator:			
Profit for the year	30,084	44,001	74,085
Basic denominator (in thousands of shares) after the split:			
Weighted average number of shares (i)	99,252	145,170	244,422
Net earnings per share - basic	**0.30**	**0.30**	**0.30**

(i) It already considers the stock split approved by the Company after the period covered by these financial statements, see Note 34c, pursuant to CPC 41/IAS 33 - Earnings per share, Item 64

(ii) Diluted

The Company does not have an instrument convertible into shares. The stock option plan approved on December 28, 2020 does not cause a change between basic and diluted earnings. (Note 30).

28 Operating segments

The operating segments are reported consistently with the internal reports provided to the main operating decision maker for the purpose of evaluating the performance of each segment and allocating resources.

An operating segment is defined as a component of the Company that operates in commercial activities from which it can generate revenue and incur expenses. Each operating segment is directly responsible for the income and expenses related to its operations. The main operating decision makers evaluate the performance of each operating segment using information on its revenue and gross margin (gross profit), and do not evaluate operations using information on assets and liabilities by segment. Transactions between segments are eliminated, and the Company allocates administrative and selling expenses, financial income and expenses and income and social contribution taxes to the operating segments.

For the purposes of analysis and management of operations, the Company has three operating segments that are used by management for purposes of analysis and decision making, which are: housewares (intern market), packaging (intern market), and exportation.

	Housewares	Packaging	Exports	Others	Consolidated 01/01/2020–12/31/2020 Total
Gross operating revenue	**996,164**	**125,717**	**105,742**	**26,020**	**1,253,643**
Deductions: Taxes, returns and rebates	(330,085)	(28,946)	-	**(546)**	(359,576)
Net operating revenue	**666,079**	**96,772**	**105,742**	**25,475**	**894,067**
Cost of products sold	(345,337)	(60,206)	(58,039)	(5,161)	(468,742)
Gross income	**320,742**	**36,566**	**47,703**	**20,314**	**425,325**
Sales expenses	(90,419)	(9,986)	(9,736)	(8,775)	(118,916)
Administrative expenses	(75,350)	(8,592)	(11,209)	(1,249)	(96,400)
Other operating and financial revenues (expenses), net	21,321	2,582	3,368	(2,536)	24,735
Net financial result	(13,071)	(1,491)	(1,944)	(607)	(17,113)
Income tax and social contribution on net income - current and deferred, net	(61,341)	(6,995)	(9,125)	(1,421)	(78,881)
Net income for the year	**101,882**	**12,084**	**19,057**	**5,726**	**138,750**
Net income for the year attributable to controlling shareholders					**137,431**
Net loss for the year attributable to non-controlling shareholders					**1,319**

	Housewares	Packaging	Exports	Others	Consolidated 01/01/2019–12/31/2019 (Resubmitted) Total
Gross operating revenue	**881,682**	**108,296**	**89,833**	**47,864**	**1,127,675**
Deductions: Taxes, returns and rebates	(304,340)	(26,760)	-	**(3,323)**	**(334,423)**
Net operating revenue	**577,342**	**81,536**	**89,833**	**44,541**	**793,252**
Cost of products sold	(327,900)	(54,790)	(59,814)	(24,348)	(466,852)
Gross income	**249,442**	**26,746**	**30,019**	**20,193**	**326,400**
Sales expenses	(89,923)	(9,483)	(9,351)	(10,823)	(119,580)
Administrative expenses	(70,549)	(7,576)	(8,503)	(1,290)	(87,918)
Other operating and financial revenues (expenses), net	11,780	1,265	1,420	(2,583)	11,882
Net financial result	(13,539)	(1,454)	(1,632)	(1,020)	(17,645)
Income tax and social contribution on net income - current and deferred, net	(30,879)	(3,316)	(3,722)	(1,622)	(39,538)
Net income for the year	**56,332**	**6,182**	**8,232**	**2,855**	**73,601**
Net income for the year attributable to controlling shareholders					**74,085**
Net loss for the year attributable to on-controlling shareholders					**(484)**

29 Management of risks and financial instruments

The Company and its subsidiaries carry out operations with financial instruments. The management of these instruments is done through operating strategies and internal controls, aimed at liquidity, profitability and security. The contracting of financial instruments with the objective of offering protection is performed by means of a periodic analysis of the risk exposure that management intends to cover (exchange rate, interest rate, etc.), which is examined by the Board of Directors, if approved for operation of the strategy presented. The control policy consists of permanent follow-up of the conditions engaged versus those in force in the market. The Company and its subsidiaries do not invest in derivatives or any other risk assets on a speculative basis. The results obtained from such operations are consistent with the policies and strategies defined by Company's management. The operations of the Company and of its subsidiaries are subject to the risk factors described below:

a. Risk management policy

The Company and its subsidiaries are exposed to market risks, and main ones are: (i) volatility of exchange rate; and (ii) interest rate volatility. The contracting of financial instruments with the objective of offering protection is performed by means of an analysis of risk exposure that management intends to cover.

b. Interest rate risk

This results from the possibility of the Company and its subsidiaries suffering gains or losses arising from oscillations of interest rates levied on their financial assets and liabilities. Aiming to mitigate this kind of risk, the Company and its subsidiaries seek to diversify funding in terms of prefixed or post-fixed rates.

As at December 31, 2020, and December 31, 2019, the Company did not have derivative financial instruments to cover interest rate risks.

c. Currency risk

The related risk derives from the possibility of incurring losses due to fluctuations in foreign exchange rates that reduce or increase amounts raised in the market. Below we present the exposure by currency as at December 31, 2020, which considers the equity values of loans and financing and cash and cash equivalents:

Amounts denominated in thousands of US dollars.

	Parent company		Consolidated	
	12/31/2020	**12/31/2019**	**12/31/2020**	**12/31/2019**
Accounts receivable (i)				
US dollar	3,541	4,271	4,501	4,579
Loans and financing (ii)				
US dollar	-	(6,199)	-	(6,199)
Net exposure (i-ii):	3,541	(1,928)	4,501	(1,620)

As at December 31, 2020, the Company did not have derivative financial instruments to cover the foreign exchange rate risks.

d. Credit risk

The Company and its subsidiaries restrict their exposure to credit risks associated with cash and cash equivalents and securities, investing assets in top-tier financial institutions and remunerated with short-term securities.

As to accounts receivable, the Company restricts its exposure to credit risks by means of sales to a broad range of clients and the ongoing performance of credit analyses. In order to cover losses on impaired receivables, provisions were recorded at amounts deemed enough by Management to cover possible losses on the collection of trade receivables.

The book value of financial assets that represent the maximum exposure to credit risk is as follows:

	Parent company		**Consolidated**	
	12/31/2020	**12/31/2019**	**12/31/2020**	**12/31/2019**
Cash and cash equivalents	62,977	12,026	63,593	12,926
Securities	279,292	89,260	281,410	89,461
Trade accounts receivable	237,075	216,607	242,064	218,049
	579,344	**317,893**	**587,067**	**320,436**

Management understands that there is no significant credit risk to which the Company and its subsidiaries are exposed, taking into consideration the characteristics of the counterparties, concentration levels and the relevance of the amounts in relation to total revenue.

e. Liquidity risk

Liquidity risk is the risk of the Company and its subsidiaries encountering difficulties in performing the obligations associated with its financial liabilities that are settled with cash payments or with another financial asset.

To mitigate liquidity risks and optimize capital weighted average cost, the Company and its subsidiaries permanently monitor indebtedness level in accordance with market standards and index compliance ("covenants") provided for in loan and financing contracts so as to ensure that cash operating generation and previous fund raising, as necessary, are sufficient to maintain payment schedule, thus not generating liquidity risk for the Company and its subsidiaries.

The contractual maturities of financial liabilities including payment of estimated interest are as follows:

	Consolidated		
	12/31/2020		
	Book value	**Up to 1 year**	**2–6 years**
Loans and financing	675,206	90,206	585,000
Suppliers	109,069	109,069	-
Lease liability	7,818	3,517	4,301

	792,093	**202,792**	**589,301**

		Consolidated	
		12/31/2019	
	Book value	**Up to 1 year**	**2–6 years**
Loans and financing	255,547	40,547	215,000
Suppliers	58,957	58,957	-
Lease liability	10,735	3,376	7,359
	325,239	**102,880**	**222,359**

Cash flows previously presented are not expected to be anticipated.

f. Fair value of financial instruments

(i) Calculation of fair value

The following estimated fair values were determined using available market information and appropriate valuation methodologies. Nevertheless, a considerable judgment is required to interpret market information and estimate fair value. Thus, the estimates presented herein are not necessarily indicative of the amounts that the Company could realize in the current market. The use of different market assumptions and/or estimating methodologies may have a significant effect on the estimated fair values.

The fair value was estimated based on discounted future cash flows, using rates available annually and/or similar and remaining terms.

The classification and the main book and fair values of consolidated financial assets and liabilities as at December 31, 2020 is presented below:

		Consolidated	
		12/31/2020	
	Fair value through profit or loss	**Amortized cost**	**Total**
Assets			
Cash and cash equivalents	-	63,593	63,593
Securities	281,410	-	281,410
Accounts receivable	-	242,064	242,064
Liabilities			
Suppliers	-	109,069	109,069
Loans and financing	-	675,206	675,206
Lease liability	-	7,818	7,818

	Consolidated		
	12/31/2019		
	Fair value through profit or loss	**Amortized cost**	**Total**
Assets			
Cash and cash equivalents	-	12,926	12,926
Securities	89,461	-	89,461
Accounts receivable	-	218,049	218,049
Liabilities			
Suppliers	-	58,957	58,957
Loans and financing	-	255,547	255,547
Lease liability	-	10,735	10,735

(ii) Fair value hierarchy:

The following table presents an analysis of the financial instruments recognized at fair value after their initial recognition. These financial instruments are grouped in levels from 1 to 3, based on the grade that their fair value is quoted

Financial instruments measured at fair value are as follows:

	Level 2			
	Parent company		Consolidated	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Assets: Securities	279,292	89,260	281,410	89,461
	279,292	**89,260**	**281,410**	**89,461**

The Company is engaged in the production and sale of household products and glass packaging. In addition to the risks affecting the industry in general, such as supply disruptions and volatility in material prices, changes in demand, strikes and environmental regulations, the Company’s activities are specifically affected by the following risks:

(i) The economic situation in Brazil, which may hinder the growth of the consumer sector, by slowing the economy, increasing interest rates, through currency fluctuation and political instability, among other factors.

(ii) In the event of bankruptcy or significant financial difficulties of a large client, the sector may suffer, which could cause a reduction in demand.

(iii) The Company’s profit margins may be affected due to increased operating costs.

g. Sensitivity analysis

Management identified, for each type of financial instrument, changes in exchange rates and interest rates that may generate losses on the asset and/or liability that is being hedged.

For each exposure, management defined a probable scenario based on the information available on the balance sheet dates, and defined the change in interest rates that considers the effects of a 25% and 50% increase in the interest rates of the economy and other indexes sensitive to changes in financial assets and liabilities directly subject to fluctuations in interest rates practiced by the market, for outstanding positions as at December 31, 2020.

Sensitivity analysis	**Consolidated**		
Financial instruments	**Probable scenario on 12/31/2020**	**Increase scenario - 25%**	**Increase scenario - 50%**
Securities	7,328	9,160	10,992
Loans and financing	(29,831)	(37,288)	(44,746)
	(22,503)	**(28,128)**	**(33,754)**

30 Share-based payment

On December 28, 2020, the Company established a stock option plan that entitled key management personnel to purchase shares in the Company. According to this program, options can be exercised at the market price of the shares on the grant date. The Plan will be limited to a maximum dilution that does not exceed 5% (five percent) of the Company's capital stock, after the issuance of all shares resulting from the options in this Plan and subject to the limit of the Company's authorized capital.

The price to be paid by the beneficiary to the Company for the exercise of each option will be determined in the respective Program approved by the Board of Directors and the acquisition of the right to exercise the options will occur in five annual installments, the first installment being from the second anniversary of each Program and the other installments from the subsequent anniversaries, as indicated in the table below:

Vesting of Options (from the effective date of each Program)	**Percentage of Mature Options**
Before the second birthday	0%
On the second birthday	40%
On the third birthday	15%
On the fourth birthday	15%
On the fifth anniversary	15%
On the sixth birthday	15%

a) Stock options modalities

Mature options may be exercised by the beneficiary within 180 consecutive days from the end of the vesting period, upon signature and delivery by the beneficiary to the Company of the option exercise term and payment of the exercise price, as provided for in the concession agreement, or they will be automatically extinguished, in full right, regardless of prior notice or indemnity in case of non-exercise within that period.

b) Main features of the programs

Managers, employees and other employees of the Company and its subsidiaries are eligible for the program, at the Board of Directors' discretion. In each program, the Board of Directors will indicate, at its sole discretion, among those eligible, those who may become beneficiaries as well as the characteristics of any granting of options.

Grant date / beneficiaries Granting of options to key management personnel	Number of shares (in thousands)	Conditions for the acquisition of rights	Option contractual life
on December 28, 2020			
Total stock options	**245,480**	Exceed 5% (five percent) of the Company's capital	**6 years**

Additionally, the plan will be limited to a maximum dilution that does not exceed 5% of the Company's capital stock, after the issuance of all shares resulting from the options of this Plan (fully diluted basis) and observing the limit of authorized capital of the Company.

c) Fair value of Options

The fair value on the grant date, as well as the main assumptions used according to the Black & Scholes pricing model were as follows:

Grant	*Vesting*	Months between grant and vesting	Price	Total (R$ thousand)	12/31/2020	12/31/2021	12/31/2022	12/31/2023	12/31/2024	12/31/2025	12/31/2026	Total
12/29/2020	12/31/2022	24	0.831	82	-	41	40	-	-	-	-	82
12/29/2020	12/31/2023	36	1.060	39	-	13	13	13	-	-	-	39
12/29/2020	12/31/2024	48	1.136	42	-	10	10	10	10	-	-	42
12/29/2020	12/31/2025	60	1.126	41	-	8	8	8	8	8	-	41
12/29/2020	12/31/2026	72	1.124	41	-	7	7	7	7	7	7	41
					-	**79**	**78**	**38**	**25**	**15**	**7**	**245**

31 Insurance (unaudited)

The insured amounts are calculated and contracted by management on technical bases that include the maximum claim amount to cover possible losses arising from property, plant and equipment items, inventories and civil liability. The contracted insurance coverages considered enough by the Company to cover possible risks on its assets and/or responsibilities. As at December 31, 2020, the amount of coverage for possible claims, per insured location, amounted to R$ 500,000 (R$ 390,000 as of December 31, 2019). The scope of work of our independent auditor does not include the assessment of the adequacy of our insurance coverage; therefore, it was not audited.

32 Non-cash transactions

a) Cash and cash equivalents

The composition of the cash and cash equivalents balances included in the statement of cash flows is shown in note 6.

b) Additional information

Non-cash transactions

Vidros da Glória Participações S.A

	Parent Company and Consolidated
	12/31/2020
Assets	
Recoverable taxes	507
	507
Liabilities	
Loans and financing	391,317
Tax obligations	482
Obligations with third parties	103,139
Other obligations	6,480
	501,418

Colorex Comércio e Desenvolvimento de Produtos Ltda.

	Parent Company and Consolidated
	12/31/2020
Assets	
Accounts receivable from customers	144
Recoverable taxes	12
Prepaid expenses	23
Property, plant and equipment	32
	211
Liabilities	
Suppliers	4
Tax obligations	10
Labor obligations	4
	18

33 Long-term commitments

The company has several contracts for the acquisition of inputs used in production, contracts for supplying energy in the free market, natural gas and oxygen, thus guaranteeing its need for raw materials and energy. Maturities vary from contract to contract, the longest of which ends in 2032.

34 Subsequent events

a) Second Stock Option Plan

On January 26, 2020, the Second Stock Option Plan was approved under the Company's Stock Option Plan, granting authorization to the Company's Board of Executive Officers to execute the respective stock option agreements.

b) Merger with Vidigal Participações

On February 1, 2021, the merger with Vidigal Participações S.A. was approved. The net equity of Vidigal Participações S.A. reverted to the Company was R$ 429,249, according to the equity appraisal report issued by a specialized independent company. As a result of the merger, the Company's capital increased from R$ 632 to R$ 81,998. The net assets are shown below:

In thousands of reais

Cash and cash equivalents	626
Dividends receivable (i)	1,399
Taxes to recover	8
Investments in subsidiaries	138,185
Goodwill for expected future profitability	289,033
Suppliers and other accounts payable	(2)
Total identifiable assets, net	**429,249**

(i) Amounts eliminated at the time of incorporation, leaving a net asset of R$ 632

c) Split of common shares and increase in the authorized capital limit

On February 1, 2021, the Company split its common shares in a ratio of 1 to 18, with the Company's share capital being divided into 227,908,836 registered, registered, book-entry common shares with no par value. Additionally, the Company's authorized capital had its limit changed to 450,000,000 shares.

d) New company name

On February 1, 2021, the Company's name was changed to “Nadir Figueiredo Indústria e Comércio S.A.” for “Nadir Figueiredo S.A.”.