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Portobello Group registers growth in Net Revenue, EBITDA and Net Income

Tijucas, May 14, 2021. PBG S.A. (B3: PTBL3), the largest ceramic tile company in Brazil, announces its results for the first quarter of 2021. The financial information reported herein is derived from PBG S.A.'s consolidated financial statements, prepared in accordance with the standards issued by the Accounting Pronouncements Committee (CPC) and the International Financial Reporting Standards (IFRS).

1Q21 Highlights

- **Net Revenue growth of 51.9% over 1Q20** due to **greater performance of the Company's retail operations combined with international expansion.**
- **Recurring and Adjusted Gross Margin** reached **42.9% in 1Q21**, **8.2 pp over 1Q20** and **3.6 pp over 4Q20.**
- **Adjusted and Recurring EBITDA** of **R\$ 80.8 million in 1Q21**, **R\$ 57.9 million or 253.3% over 1Q20.** **Recurring and Adjusted EBITDA Margin** of **19.4% in 1Q21**, **up 11.1 pp over 1Q20.**
- **Recurring and Adjusted Net Profit** of **R\$ 40.4 million in 1Q21**, **R\$27.9 million or 224.3% over 1Q20.**
- **Working Capital Investment** of **R\$ 229.4 million**, **R\$ 31.4 million less than 1Q20**, due to **consistent reduction in the Cash Conversion Cycle to 35 days**, **improvement of 42 days over 1Q20** and **7 days over 4Q20.**
- **Net Debt** of **R\$ 467.4 million in 1Q21**, **in line with 1Q20**, although **Net Debt/Adjusted and Recurring EBITDA** reduced to **2.0 times in 1Q21**, **an improvement of 58.9% or 2.9 times over 1Q20.**
- **PTBL3 price** ended 1Q21 at **R\$ 8.76**, **292.8% over 1Q20** and **29.6% over 4Q20.**

R\$ Million		1Q20	1Q21	▲	Absolute	4Q20	▲	Absolute
Performance	Net Revenue	274,2	416,4	51,9%	142,2	401,1	3,8%	15,3
	<i>Adjusted and Recurring Gross Margin</i>	34,7%	42,9%	8,2 p.p.	8,2 p.p.	39,3%	3,6 p.p.	3,6 p.p.
	EBITDA	36,0	80,8	124,6%	44,8	74,7	8,2%	6,1
	Adjusted and Recurring EBITDA	22,9	80,8	253,3%	57,9	74,7	8,2%	6,1
	<i>Adjusted and Recurring EBITDA Margin</i>	8,3%	19,4%	11,1 p.p.	11,1 p.p.	18,6%	0,8 p.p.	0,8 p.p.
	Net Income	21,0	40,4	92,3%	19,4	34,8	16,0%	5,6
	Adjusted and Recurring Net Income	12,5	40,4	224,3%	27,9	34,8	16,0%	5,6
	Working Capital (R\$)	260,8	229,4	-12,1%	-31,4	195,3	17,5%	34,1
	Cash Conversion Cycle (days)	77	35	-54,5%	-42	42	-16,7%	-7
	Net debt	470,7	467,4	-0,7%	-3,3	401,4	16,4%	66,0
Debt	<i>Net Debt-to-EBITDA</i>	2,9	2,1	-26,9%	-0,8	2,3	-7,3%	-0,2
	<i>Net Debt/Adjusted and Recurring EBITDA</i>	4,9	2,0	-58,9%	-2,9	2,3	-12,6%	-0,3
PTBL3	Quotation	2,23	8,76	292,8%	6,53	6,76	29,6%	2,00

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Message from the Management

PBG S.A. presented an excellent performance in 1Q21, with significant figures for the period, despite the continuity of the challenges of the COVID-19 pandemic, such as closing the trade in construction materials to reduce circulation in some states and municipalities. In these shopping centers, small effects of reduced incoming orders were felt in the month of March, which were more than offset by additional revenue in other markets with less restrictions.

Net revenue in 1Q21 reached R\$ 416.4 million, with growth of 51.9% over 1Q20. In the domestic market, the Company posted a significant increase in Net Revenue of 52.5% in 1Q21 when compared to 1Q20. According to ABRAMAT (Brazilian Association of Construction Materials Industries), the sales of the construction materials market grew by 15.5% in the same period. This increase continues to be driven by basic materials, due to the resumption of works and the good moment of civil construction, with a wide expansion in recent months.

In the foreign market, the Company also posted a very strong growth of Net Revenue in 1Q21 of 49.4% over 1Q20 (22.6% in dollar), as a result of the expansion of exports, the growth of the distribution activity in the United States, through the Portobello America business unit, in addition to the appreciation of the North American currency.

The excellent performance of Net Revenue is the result of the qualification of the product mix with better profitability, price increases, and gains in productivity/cost efficiency, continue to bring the Recurring Gross Margin to better levels, reaching 42.9% in 1Q21, with an increase of 8.2 pp over 1Q20. The progression of the Recurring Gross Margin combined with the optimization of Operating Expenses, which decreased by 4.4 pp over 1Q20 in relation to Net Revenue, led the Company's Adjusted and Recurring EBITDA to reach R\$ 80.8 million in 1Q21, with Adjusted and Recurring EBITDA Margin of 19.4% and increase of 11.1 pp over 1Q20.

Actions to strengthen the Company's cash position over the past 12 months - by optimizing investment in Working Capital - reduced the Cash Conversion Cycle from 77 days in 1Q20 to 35 days in 1Q21. The main reasons for this significant reduction in the Cash Conversion Cycle are the optimization/qualification of the inventory level and improvement in the conversion of the receivables portfolio.

As for financial leverage, the Company ended the quarter with a Net Debt of R\$ 467.4 million, at levels similar to 1Q20, of R\$ 470.7 million. In 1Q21, the Company had more debt amortization than funding, in addition to anticipating the distribution of dividends and implementing the share buyback program. The stability in the Net Debt level combined with the significant increase in EBITDA led to a reduction in Net Debt/Adjusted and Recurring EBITDA to 2.0 times in 1Q21.

The Company's investments in 1Q21 were R\$ 79.2 million. CapEx for the quarter totaled R\$ 16.8 million, of which 79% was allocated to the Tijucas-SC industrial park, for updating and migration to produce products of larger formats with greater added value. The remaining CapEx amounts were allocated to the Marechal Deodoro industrial park and the expansion of its own stores. R\$ 62.4 million were also invested in the company's share buyback program. The program was approved in January and concluded in March 2021, with a buyback of 7.0 million shares at an average price of R\$ 8.91 per share.

Business Unit Performance

The Portobello Business Unit posted net revenue growth of 41.3% in 1Q21 vs. 1Q20. Growth was leveraged by the qualification of the mix of products offered, efficiency in commercial and channel management, resulting in one-off price gains. The volume grew due to greater efficiency in the management of the chain and prioritization in serving strategic clients and exports. Gross Margin advanced 6.6 p.p. vs. 1Q20.

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The Pointer Business Unit, the group's democratic design brand, achieved excellent results in 1Q21, doubling Net Revenue over 1Q20, that is, a 101.6% growth. This increase in Net Revenue was due to an increase in volume, price readjustments and a more qualified mix with "Superceramic" items. In the Gross Margin, there was an increase in 1Q21 of 20.1 pp over 1Q20 due to the positive effects of the qualification of the product mix, pricing and consolidation of the brand's positioning in the market.

The Portobello Shop Business Unit ended 1Q21 with a 50.3% growth in Net Revenue over 1Q20. The ICVA (Cielo Broad Retail Index), which measures the construction materials retail sector in Brazil in value and which showed growth of 19.4% in 1Q21 over 1Q20. In the Gross Margin, the results remain expressive, with a growth of 6.5 pp in 1Q21 over 1Q20.

The Portobello America Business Unit achieved a 59.4% growth in Net Revenue in 1Q21 over 1Q20 (30.5% in Dollars). This growth was due to the increase in sales volume in the North American market and the exchange rate devaluation. Portobello America also presented a significant increase in Gross Margin in 1Q21 of 10.5 pp over 1Q20, due to the improvement in the product mix and the exchange rate effect.

2Q21 Prospects

- The expectation is that the civil construction market will continue to heat up and that the Company's Net Revenue in 2Q21 will have significant growth over the weak comparison base in 2Q20 (greater impact of the COVID-19 pandemic), with absolute figures similar to 1Q21. It is important to mention that the evolution of basic interest rates may affect the growth projections of the economy and prospects for the real estate market in the medium / long term.
- The focus continues to be the maintenance of the Gross Margin around 40.0%, despite the greater inflationary pressure on costs (mainly energy and imported raw materials), through price increases, improvement of the product *mix* and factory productivity, in addition to strict management in the choices related to operating costs and expenses.
- The CapEx investment plan continues to focus on strategic projects for growth in retail with the expansion of the Portobello Shop chain, the expansion of the Tijucas-SC plant, as well as the expansion of Portobello América's businesses.
- The maintenance of the Net Debt/EBITDA ratio below 2.5 times Adjusted and Recurring EBITDA also remains a priority that has been materializing through discipline in cash management, optimization of the Cash Conversion Cycle and preservation of liquidity.

COVID-19

2021 started with a positive outlook after the vaccination against COVID-19 started. However, during 1Q21, city and state governments once again imposed circulation restrictions to contain the spread of the virus, due to the significant increase in cases, lack of medicines and inability of hospital care due to the high demand for the most severe cases, and consequently increase in the number of deaths. During 1Q21, some company-owned and franchised stores had periods in which they remained closed, however the production units in Tijucas-SC and Marechal Deodoro-AL remained in operation.

The Company stresses that all safety protocols necessary to ensure the health of employees continue to be observed, in accordance with the guidance and monitoring of the Crisis Management Committee. Remote work for administrative areas is intensified as a practice, giving priority to people at risk. These actions are synchronized in all units where the Company does business, whether in factories, stores, in the United States or in distribution centers.

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In the communities where we operate, we maintain support for institutions and the population in general. In 1Q21, the Company donated respirators to hospitals, basic food baskets to serve needy communities, and personal protective equipment.

Economic-Financial performance

	1Q20	1Q21	▲	Absolute	4Q20	▲	Absolute	
Performance	Net Revenue	274,2	416,4	51,9%	142,2	401,1	3,8%	15,3
	Gross Profit	95,2	178,5	87,6%	83,3	157,5	13,3%	21,0
	Gross Margin	34,7%	42,9%	8,2 p.p.	8,2 p.p.	39,3%	3,6 p.p.	3,6 p.p.
	Adjusted and Recurring Gross Profit	95,2	178,5	87,6%	83,3	157,5	13,3%	21,0
	Adjusted and Recurring Gross Margin	34,7%	42,9%	8,2 p.p.	8,2 p.p.	39,3%	3,6 p.p.	3,6 p.p.
	EBIT	21,7	65,3	201,1%	43,6	57,5	13,6%	7,8
	EBIT margin	7,9%	15,7%	7,8 p.p.	7,8 p.p.	14,3%	1,4p.p.	1,4p.p.
	Net Income	21,0	40,4	92,3%	19,4	34,8	16,0%	5,6
	Net Margin	7,7%	9,7%	2,0 p.p.	2,0 p.p.	8,7%	1,0 p.p.	1,0 p.p.
	Adjusted and Recurring Net Income	12,5	40,4	224,3%	27,9	34,8	16,0%	5,6
	Adjusted and Recurring Net Margin	4,5%	9,7%	5,2 p.p.	5,2 p.p.	8,7%	1,0 p.p.	1,0 p.p.
	EBITDA	36,0	80,8	124,6%	44,8	74,7	8,0%	6,0
EBITDA margin	13,1%	19,4%	6,3 p.p.	6,3 p.p.	18,6%	0,8 p.p.	0,8 p.p.	
Adjusted and Recurring EBITDA	22,9	80,8	253,3%	57,9	74,7	8,0%	6,0	
Adjusted and Recurring EBITDA Margin	8,3%	19,4%	11,1 p.p.	11,1 p.p.	18,6%	0,8 p.p.	0,8 p.p.	
Indicators	Working Capital (R\$)	260,8	229,4	-12,1%	-31,4	195,3	17,5%	34,1
	Cash Conversion Cycle (days)	77	35	-54,5%	-42	42	-16,7%	-7
	Net debt	470,7	467,4	-0,7%	-3,3	401,4	16,4%	66,0
	Net Debt-to-EBITDA	2,9	2,1	-26,9%	0,8	2,3	-7,3%	0,2
	Net Debt/Adjusted and Recurring EBITDA	4,9	2,0	-58,9%	-2,9	2,3	-12,6%	-0,3
PTBL3	Closing Quotation	2,23	8,76	292,8%	6,53	6,76	29,6%	2,00
	Market value	353,4	1.292,4	265,7%	939,0	1.044,6	23,7%	247,8
	Average Trading Volume From Past 12 Months	65,8	305,8	364,7%	240,0	223,7	36,7%	82,1

Net Revenue

Net Revenue totaled R\$ 416.4 million in 1Q21, an increase of 51.9% over 1Q20 and 3.8% over 4Q20, which represents the Company's best performance for the first quarter in the last five years. This result is due to the double digit growth of all the Company's Business Units. The main factors that contributed to this growth were (i) the higher sales volume, (ii) higher value-added product mix, with higher prices, (iii) expansion of the share of company-owned stores and (iv) expansion of the share of Portobello América, and (iv) favorable effect of the exchange rate on sales in the foreign market.

Net Revenue in the domestic market grew 52.5% in 1Q21 over 1Q20. According to ABRAMAT (Brazilian Association of Construction Materials Industries), the turnover of the construction materials market (in value) grew by 15.5% in 1Q21. According to ANFACER (National Association of Ceramic Tile Manufacturers), the sales volume of ceramic tiles in the domestic market (in square meters) grew 21.5% in 1Q21 over 1Q20.

In the foreign market, Net Revenue grew 49.4% in Reais and 22.6% in Dollars in 1Q21 over 1Q20. This result was influenced by the significant volume of sales in the USA, with an increase in the share of Portobello America's businesses and the effect of the exchange devaluation.

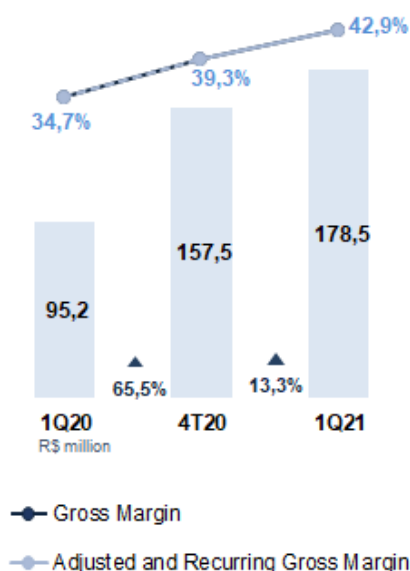
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R\$ million	1Q20	1Q21	▲	Absolute	4Q20	▲	Absolute
Net Revenue	274,2	416,4	51,9%	142,2	401,1	3,8%	15,3
Domestic market	215,2	328,2	52,5%	113,0	320,9	2,2%	7,3
Foreign market	59,0	88,2	49,4%	29,2	80,2	10,0%	8,0
US\$ million	1Q20	1Q21	▲	Absolute	4Q20	▲	Absolute
Foreign market	13,1	16,1	22,6%	3,0	14,1	14,0%	2,0

Gross Profit

Gross Profit in 1Q21 increased 87.6% over 1Q20, and 13.3% over 4Q20. Among the main factors for the increase in Gross Margin, the following stand out: (i) increase in sales volume, (ii) increase in the share of products with higher added value, (iii) increase in prices, and (iv) greater dilution of fixed production costs. Thus, there was an expressive increase in the Adjusted and Recurring Gross Margin of 8.2 pp over 1Q20 and 3.6 pp over the 4Q20.

R\$ Million	1Q20	1Q21	▲	Absolute	4Q20	▲	Absolute
Net Operating Revenue	274,2	416,4	51,9%	142,2	401,1	3,8%	15,3
Cost of Goods Sold (COGS)	-179,0	-237,9	32,9%	58,9	-243,6	-2,3%	-5,7
Gross Operating Profit	95,2	178,5	87,6%	83,3	157,5	13,3%	21,0
Gross Margin	34,7%	42,9%	8,2 p.p.	8,2 p.p.	39,3%	3,6 p.p.	3,6 p.p.
Adjusted and Recurring Gross Margin	34,7%	42,9%	8,2 p.p.	8,2 p.p.	39,3%	3,6 p.p.	3,6 p.p.



Operating Expenses

Operating and Recurring Expenses in 1Q21 were 30.8% higher than 1Q20. This growth is concentrated in sales expenses and in the implementation of the new organizational structure with a focus on the Business Units. When analyzed in relation to Net Revenue, expenses represented 27.2% in 1Q21, down 4.4 pp compared to 1Q20, reflecting the better dilution of expenses.

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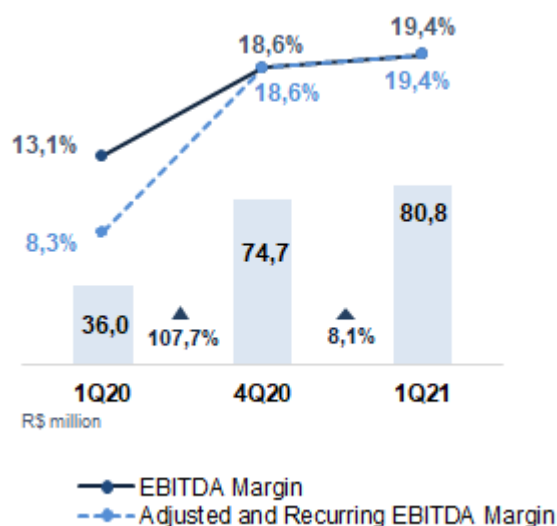
R\$ Million	1Q20	%NR	1Q21	%NR	▲	Absolute	4Q20	%NR	▲	Absolute
Operating Expenses										
Selling	-74,6	27,2%	-91,7	22,0%	22,8%	17,1	-87,4	21,8%	4,9%	4,2
General and administrative	-10,7	3,9%	-13,5	3,2%	26,3%	2,8	-12,4	3,1%	9,2%	1,1
Other Income (Expenses)	11,9	4,3%	-8,0	-1,9%	-167,4%	-19,9	-0,1	0,0%	+100%	-7,9
Non-recurring Income	-13,1	-	-	0,0%	-100,0%	13,1	-	-	-	-
Adjusted and Recurring Operating Expenses	-86,6	31,6%	-113,2	27,2%	30,8%	26,6	-100,0	24,9%	13,3%	13,3

Selling expenses grew by 22.8% compared to 1Q20. This growth was due to the higher sales volume, which is directly linked to variable expenses, mostly related to the Portobello Shop business, with an increase in the structure due to 4 new company-owned stores over 1Q20, and marketing in the resale channel (home centers) with allocation of fair expenses in the quarter.

In 1Q21, general and administrative expenses increased by 26.3% compared to 1Q20. This increase is explained by expenses with the implementation of the new organizational structure focused on the Business Units, in addition to strengthening corporate governance.

In other expenses, the Company incurred R\$ 8.0 million, which refer to: (i) provision for lawsuits in the amount of R\$ 2.5 million, (ii) provision for the Profit Sharing Program (PPR) for 2021 of R\$ 3.8 million, and (iii) extra bonus for the achievement of results for the quarter of R\$ 2.3 million.

EBITDA



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R\$ Million	1Q20	%NR	1Q21	%NR	4Q20	%NR
Net Income	21,0	7,7%	40,4	9,7%	34,8	8,7%
(+) Finance Income (Cost)	-10,7	-3,9%	11,5	2,8%	17,3	4,3%
(+) Depreciation and Amortization	14,3	5,2%	15,5	3,7%	17,2	4,3%
(+) Income Taxes	11,4	4,2%	13,4	3,2%	5,4	1,3%
(+) Other	0,0	0,0%	0,0	0,0%	0,0	0,0%
EBITDA	36,0	13,1%	80,8	19,4%	74,7	18,6%
Non-recurring events	-13,1	4,8%	-	0,0%	0,0	0,0%
1) Other Favorable Outcomes in Lawsuits	-13,1		-		0,0	
Adjusted and Recurring EBITDA	22,9	8,4%	80,8	19,4%	74,7	18,6%

1) Other Favorable Outcomes in Lawsuits R\$ (13.2) million in 1Q20, related to the favorable outcome for the correction of rural credit notes

The Company ended 1Q21 with Adjusted and Recurring EBITDA of R\$ 80.8 million, 253.3% above 1Q20 and 8.0% above 4Q20 with R\$ 74.7 million. The Company continues to show a significant increase in EBITDA in relation to the compared periods, with emphasis on the growth in sales due to better prices, volume, channel and product mixes, in addition to the favorable exchange rate effect, combined with operational efficiency, dilution of costs and fixed expenses.

The EBITDA Margin increase was 11.1 pp in 1Q21 over 1Q20 and e 0.8 pp. in 4Q20, impacted by the increase in sales volume, coupled with productivity gains, in the qualification of the product mix with better profitability, price increases, absorption of fixed production costs, and optimization of recurring expenses.

Net Income

Adjusted and Recurring Net Income in 1Q21 was R\$ 40.4 million, with improvement of 224.3% (R\$ 27.9 million) when compared to 1Q20 and an improvement of 16.0% over 4Q20. The high volume of sales, the price readjustments, the

excellent operating performance, the financial gain arising from the exchange rate variation and the control of operating expenses were the main reasons for the increase in Net Income.

R\$ Million	1Q20	1Q21	▲	Absolute	4Q20	▲	Absolute
Net Income	21,0	40,4	92,3%	19,4	34,8	16,0%	5,6
Non-Recurring events	(8,6)	-		8,6	-		
(1) Finance Income (Cost)	(1,3)	-		1,3	-		
(2) Income Tax / Social Contribution	5,9	-		(5,9)	-		
(3) Other income/expenses	(13,1)	-		13,1	-		
Adjusted and Recurring Net Income	12,5	40,4	224,3%	27,9	34,8	16,0%	5,6

Cash Flow

In the quarter, the Company's cash position closed at R\$ 242.9 million, down R\$ 83.4 million when compared to the beginning of the period, due to the advance payment of dividends and disbursements of the buyback program.

During this quarter, R\$ 79.2 million was allocated for investments, of which R\$ 62.4 million was allocated to the second share buyback program. The remainder - CapEx - was invested in the plants in Tijucas-SC, with an update of the industrial park for the production of products with greater added value and larger formats, in Marechal Deodoro-AL and also for the expansion of the sales area of the company-owned stores. Financing activities consumed R\$ 45.1 million, according to the amortization schedule.

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R\$ Million	1Q20	1Q21	▲	Absolute	4Q20	▲	Absolute
Activities							
Operating Activities	48,0	40,9	-0,1	-7,0	91,2	-0,6	-50,3
Investing Activities	-14,1	-79,2	4,6	-65,1	-39,0	1,0	-40,2
Financing Activities	15,5	-45,1	-3,9	-60,6	-15,0	2,0	-30,1
Increase (Decrease) in Cash	49,4	-83,4	-2,7	-132,8	37,1	-3,2	-120,6
Cash at the Beginning of the Period	275,4	326,3	0,2	50,9	289,2	0,1	37,1
Cash at the End of the Period	324,8	242,9	-0,3	-81,9	326,3	-0,3	-83,4

Working Capital

Working Capital ended 1Q21 with a decrease of 12.1% over 1Q20 or R\$ 31.4 million, with emphasis on the reduction in finished product inventory levels and better management of receivables. In the Cash Conversion Cycle, the Company presents a significant reduction of 42 days over 1Q20 and 7 days over 4Q20, due to the optimization of inventories, where there was a reduction in the unhealthy inventory, good management of the receivables portfolio with an effective reduction in the average term, in addition to lower levels of past due.

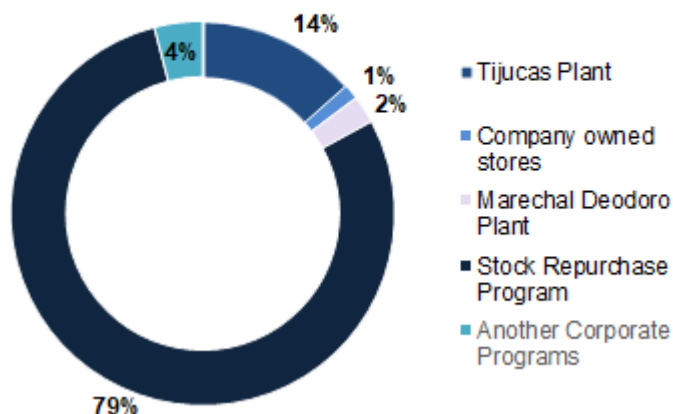
	1Q20	1Q21	▲	Absolute	4Q20	▲	Absolute
In R\$ million							
Trade Receivables	218,5	277,2	26,9%	58,7	245,3	13,0%	31,9
Inventories	285,9	218,3	-23,6%	-67,6	204,6	6,7%	13,7
Trade payables	243,5	266,1	9,3%	22,6	254,6	4,5%	11,5
Working Capital	260,8	229,4	-12,1%	-31,4	195,3	17,5%	34,1
In Days							
Trade Receivables	58	53	-7,9%	-5	58	-9,2%	-5
Inventories	124	82	-33,8%	-42	84	-2,5%	-2
Trade payables	105	101	-4,2%	-4	101	-0,6%	-1
Cash Conversion Cycle (CCC in Days)	77	35	-54,9%	-42	42	-16,6%	-7

Investments

Investments totaled R\$ 79.2 million in 1Q21, of which 14% were allocated to the Tijucas-SC plant, 79% to the Share Buyback Plan, 4% to company-owned stores, 2% to the Marechal Deodoro-AL plant and the rest to commercial and corporate projects. At the Tijucas-SC plant, 96% of the investments are for the preparation and updating of the industrial facilities for the manufacturing of products with greater added value and larger formats, and 4% for other commercial and logistics projects. At the Marechal Deodoro-AL plant, most of the investments were allocated to the structural adjustment of the industrial park. With regard to the expansion of its own stores, investments in 1Q21 were mainly related to the updating of points of sale, taking the innovation of large size formats to the front of stores.

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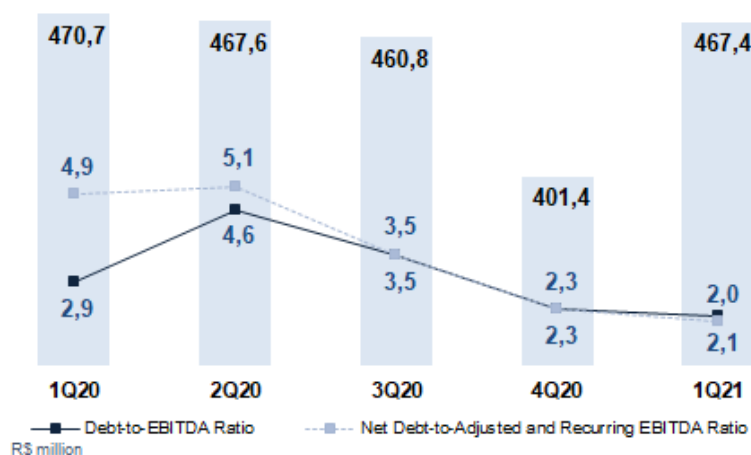
Investments 1Q21



Net Debt / Capital Structure

The Company's Net Debt ended 1Q21 at the level of R\$ 467.6 million, similar to the figures for 1Q20, but showed growth in relation to 4Q20, related to the reduction of cash and cash equivalents in the quarter, mainly due to the share buyback program with disbursement of R\$ 62.4 million and dividends advancement of R\$ 17.2 million. The increase in Adjusted and Recurring EBITDA to R\$ 232.4 million in the last 12 months resulted in a drop in leverage to 2.0 times the Adjusted and Recurring EBITDA.

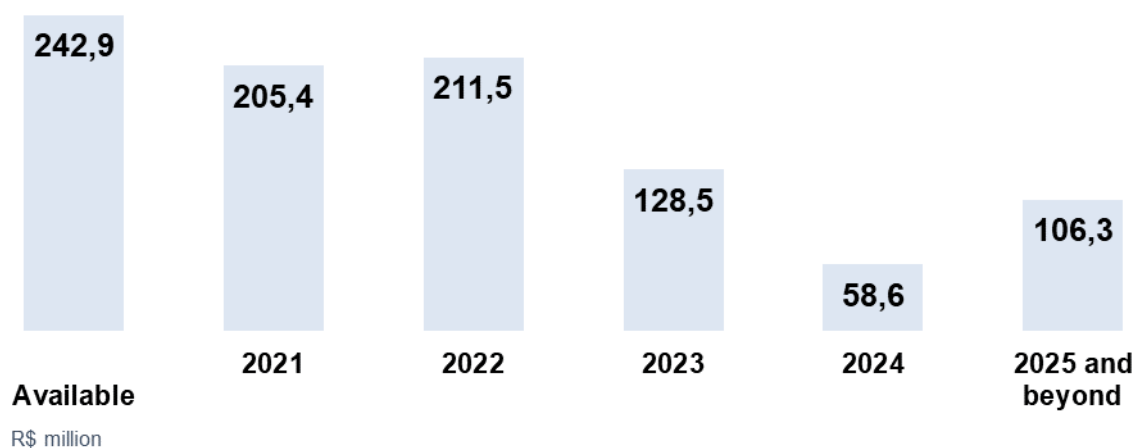
In 1Q21, R\$ 41.5 million of debt was repaid and R\$ 16.9 million was raised from Banco do Nordeste S.A. and PRODEC (Santa Catarina Company Development Program). At the end of this period, all contractual requirements (covenants) related to the leverage ratio were met, which could cause early maturity of financing contracts and debentures.



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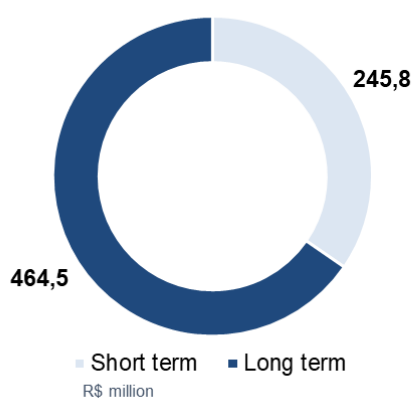
R\$ million	1Q20	2Q20	3Q20	4Q20	1Q21
Gross Bank Debt	795,5	749,7	750,0	727,8	710,3
Cash and cash equivalents	-324,8	-282,1	-289,2	-326,4	-242,9
Net Debt	470,7	467,6	460,8	401,4	467,4
EBITDA (Last 12 Months)	162,1	102,6	130,9	175,3	220,1
Adjusted and Recurring EBITDA (Last 12 months)	96,1	93,5	130,0	174,5	232,4
Net Debt-to-EBITDA Ratio	2,9	4,6	3,5	2,3	2,1
Net Debt-to-Adjusted and Recurring EBITDA Ratio	4,9	5,1	3,5	2,3	2,0

The details of the amortization schedule (Gross Banking Debt) can be found below:

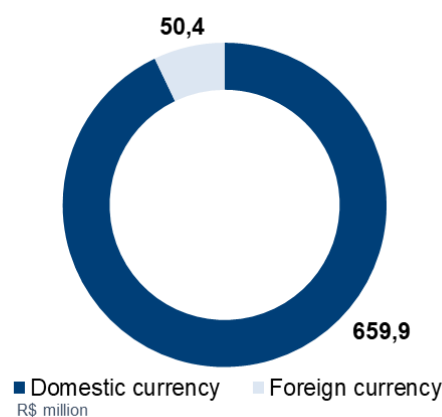


Gross Banking Debt maturing in the short term represents 34.6% of the total and the remainder matures in the long term, as shown in the amortization schedule of the chart above, demonstrating that the cash position is sufficient to cover the fulfillment of the debt in the short term. The Gross Banking Debt is mostly in national currency (92.9%). The average total cost of Banking Debt is 5.3% per year and the average term is 3.4 years.

Gross Bank Debt 1Q21



Origin of Bank Debt 1Q21



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As communicated to the market on March 11, 2021, the credit risk rating agency Fitch Ratings assigned the initial rating “BBB (bra)” - long-term national rating to the Company, with a stable outlook.

Deliberation of the Meetings

The Annual General Meeting, held on April 27, 2021, approved the distribution of dividends in the amount of R\$ 60.9 million. R\$ 17.3 million was anticipated on February 9, 2021, the remaining outstanding balance of R\$ 43.6 million paid on May 13, 2021.

The total compensation distributed to shareholders, referring to 2020, represented a dividend yield (dividend per share divided by the final share price) of 6.11%.

Buyback Plans

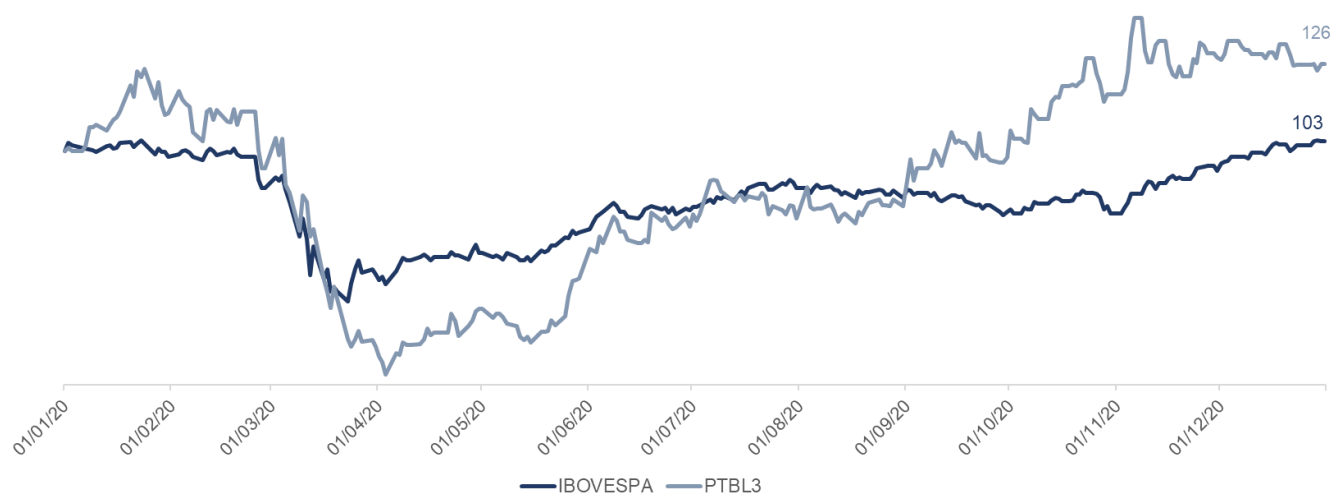
On January 20, 2021, the Board of Directors approved the cancellation of 3.9 million treasury shares in the amount of R\$ 14.1 million, without reducing the share capital, as well as the new share buyback program for acquisition of up to 7.0 million shares, corresponding to 4.4% of the total shares issued by the Company or 10.0% of the outstanding shares (*free float*), effective until January 21, 2022. On March 31, 2021, the Company had completed the second buyback program with 7.0 million shares at an average price of R\$ 8.91.

The Board of Directors approved, on May 12, 2021, the cancellation of 7.0 million treasury shares in the amount of R\$ 62.4 million, without reducing the capital stock.

PTBL3 stock performance

The shares traded under the ticker symbol PTBL3 closed the last trading session of March 2021 quoted at R\$ 8.76, with an increase of 292.8% when compared to the closing of March 2020 (R\$ 2.23). The stock performed 251.9% above the Bovespa index during this period. The average monthly financial volume traded in the last twelve months was R\$ 305.8 million, an increase of 364.7% compared to the R\$ 65.8 million in March 2020. At the end of the quarter, the Company had a market cap equivalent to R\$ 1,292.4 million, considering the final share price of R\$ 8.76.

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PTBL3 x Ibovespa
From (base 100) 01/01/2020 to 12/31/2020

Independent Audit

The policy of the Company in relation to its independent auditors, with regard to the provision of services not related to the external audit of financial statements, is based on the principles that preserve professional independence. These principles are based on the premise that the auditor should not examine their own work, perform managerial functions, or even advocate for their client.

Management

Statutory Executive Board

Name	Title
Mauro do Valle Pereira	Chief Executive Officer
Ronei Gomes	VP of Finance and Investor Relations
Edson Luiz Mees Stringari	VP of Legal and Compliance

Board of Directors

Name	Member
Cesar Gomes Júnior	Chairman of the Board
Cláudio Ávila da Silva	Vice Chairman of the Board
Nilton Torres de Bastos Filho	Board Member
Glauco José Côrte	Independent Board Member
Geraldo Luciano Mattos Junior	Independent Board Member
Walter Roberto de Oliveira Longo	Independent Board Member
Marcos Gouvêa de Souza	Independent Board Member

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Corporate Governance

Electronic address to communicate corporate governance related issues to senior management dri@portobello.com.br

- Shares listed on the Novo Mercado of B3.
- Only outstanding common shares, that is, each share entitles their holders to one vote in General Shareholders' Meetings.
- Tag-Along to 100% of the shares.
- Four independent members on the Board of Directors.
- Policy on minimum mandatory dividend of 25% of adjusted net profit.
- Policies in force on the disclosure of significant acts and facts and on the trading of securities.

The adjustment to regulatory requirements in the new market began in relation to the inspection and control bodies, including the Audit Committee's pilot, in addition to the areas of internal audit, compliance and internal controls, functions that will be implemented during the year.

Conference Call

Thursday, May 18, 2021 at 11:00 am will be held in Portuguese language to report the earnings for the first quarter of 2021.

Data for connection:

Telephone: +55 11 3137-8043

Password: PORTOBELLO

The audio of the teleconference will be transmitted over the Internet, accompanied by the slide show, which will be available 30 minutes in advance at: <https://ri.portobello.com.br/>

For those who are unable to follow live teleconferences, the full audio will be made available directly through the Company's IR website <https://ri.portobello.com.br/>.



Portobello Grupo

Financial Statements

Balance Sheet

Assets	1Q20	AV %	4Q20	AV %	1Q21	AV %
Current	956,9	46,9%	916,7	45,1%	876,4	43,9%
Cash and cash equivalents	324,8	15,9%	326,3	16,0%	242,9	12,2%
Trade Receivables	243,2	11,9%	289,1	14,2%	320,1	16,0%
Inventories	285,9	14,0%	204,6	10,1%	218,3	10,9%
Other	103,0	5,1%	96,7	4,8%	95,0	4,8%
Non Current	1.082,8	53,1%	1.117,6	54,9%	1.119,7	56,1%
Long-Term Assets	498,2	24,4%	464,5	22,8%	460,1	23,1%
Escrow Deposits	157,8	7,7%	156,3	7,7%	158,5	7,9%
Legal Assets	119,7	5,9%	119,7	5,9%	119,7	6,0%
Guarantee Deposit	101,4	5,0%	87,4	4,3%	87,1	4,4%
Receivables from Eletrobrás	12,8	0,6%	12,8	0,6%	12,8	0,6%
Restricted financial investments	-	0,0%	15,3	0,8%	10,5	0,5%
Recoverable taxes and deferred tax	-	0,0%	50,99	2,5%	49,41	2,5%
Other Non Current Assets	106,4	5,2%	22,0	1,1%	22,0	1,1%
Fixed Assets	584,6	28,7%	653,1	32,1%	659,6	33,0%
PPE, Intangible assets and Investments	522,8	25,6%	581,3	28,6%	585,0	29,3%
Right of Use of Leased Assets	61,8	3,0%	71,4	3,5%	74,2	3,7%
Other Investments	-	0,0%	0,3	0,0%	0,3	0,0%
Total Assets	2.039,7	100,0%	2.034,3	100,0%	1.996,1	100,0%
Liabilities	1Q20	AV %	4Q20	AV %	1Q21	AV %
Current	757,7	37,1%	740,6	36,4%	760,3	38,1%
Loans and Debentures	288,7	14,2%	223,9	11,0%	248,9	12,5%
Trade Payables and Credit Assignment	266,7	13,1%	292,7	14,4%	297,1	14,9%
Lease Obligation	12,0	0,6%	34,8	1,7%	32,2	1,6%
Tax Liabilities	-	0,0%	33,8	1,7%	33,2	1,7%
Payroll and Related Taxes	-	0,0%	46,5	2,3%	53,5	2,7%
Advances from Customers	-	0,0%	43,8	2,2%	43,1	2,2%
Other	190,4	9,3%	65,1	3,2%	52,2	2,6%
Non Current	910,7	44,6%	876,5	43,1%	838,0	42,0%
Loans and Debentures	506,8	24,8%	503,9	24,8%	461,4	23,1%
Trade payables	129,6	6,4%	169,7	8,3%	169,3	8,5%
Debts with Related Parties	56,3	2,8%	56,3	2,8%	56,4	2,8%
Provisions	137,8	6,8%	63,6	3,1%	65,6	3,3%
Lease Obligations	37,6	1,8%	38,4	1,9%	45,4	2,3%
Other Non Current Liabilities	42,6	2,1%	44,6	2,2%	40,0	2,0%
Equity	371,3	18,2%	417,2	20,5%	397,7	19,9%
Capital	200,0	9,8%	200,0	9,8%	200,0	10,0%
Treasury Shares	-	0,0%	(14,1)	-0,7%	(62,4)	-3,1%
Earnings Reserve	205,4	10,1%	250,9	12,3%	277,6	13,9%
Other Comprehensive Income	(39,9)	-2,0%	(50,1)	-2,5%	(47,9)	-2,4%
Additional Proposed Dividends	5,8	0,3%	30,4	1,5%	30,4	1,5%
Total Liabilities and Equity	2.039,7	100,0%	2.034,3	100,0%	1.996,1	100,0%

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Statement of Income

R\$ million	1Q20	4Q20	1Q21
Net Sales Revenue	274,2	401,1	416,4
Gross Operating Profit	95,2	157,5	178,5
Operating Income (Expenses), Net	-73,5	-100,1	-113,2
Selling	-74,6	-87,5	-91,7
General and Administrative	-10,7	-12,4	-13,5
Other Operating Income (Expenses), Net	11,9	-0,1	-8,0
Operating Profit before Finance Income	21,6	57,5	65,3
Finance income (costs)	10,7	-17,3	-11,5
Finance Income	8,6	2,3	3,1
Finance Costs	-18,2	-18,7	-15,4
Net Exchange Rate	20,2	-0,9	0,8
Profit or Loss Before Income Tax and Social Contribution	32,3	40,2	53,8
Income Tax and Social Contribution	-11,3	-5,3	-13,4
Net Profit (Loss) for the Period	21,0	34,8	40,4

Cash Flow

R\$ million	1Q20	4Q20	1Q21
Cash Flow from Operating Activities	48,0	80,2	40,9
Cash from Operations	52,2	45,6	95,3
Variations in Assets and Liabilities	4,6	61,7	-39,2
Interests Paid and Tax Over Income Paid	(8,8)	-27,1	-15,1
Net Cash Used in Investing Activities	(14,1)	-24,9	-79,2
Acquisition of Property, Plant and Equipment	(12,3)	-21,2	-13,0
Acquisition of Intangible Assets	(2,0)	-3,7	-3,9
Treasury Acquisitions	0,2	0,0	-62,4
Net Cash Provided by (Used in) Financing Activities	15,5	-18,1	-45,1
Loans and Financing and Debentures	37,7	76,4	16,9
Payments of Loans and Financing	(19,7)	-94,2	-41,5
Dividends Paid	(0,0)	-6,3	-17,2
Lease Repayments	(2,4)	5,9	-3,3
Increase / (Decrease) in Cash and Cash Equivalents	49,4	37,1	-83,4
Cash and Cash Equivalents at the Beginning of the Period	275,4	289,2	326,3
Cash and Cash Equivalents at the End of the Period	324,8	326,3	242,9

Visit the Investor Relations website:

<https://ri.portobello.com.br/>