

EARNINGS RELEASE

2Q21



São Paulo, August 10, 2021. **RD – People, Health and Well-being** (Raia Drogasil S.A. – B3: RADL3) announces today its results for the 2nd quarter of 2021 (2Q21). The Company's parent company and consolidated interim financial statements for the periods ended June 30, 2021 and 2020 have been prepared in accordance with the accounting practices adopted in Brazil, including the rules issued by the Brazilian Securities Commission (CVM), the Brazilian Accounting Standards - General Technical (NBC TG) and the pronouncements issued by the Brazilian Accounting Pronouncements Committee (CPC), and are in conformity with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and provide all the significant information related solely to the interim financial statements, which is consistent with the information used by management. The financial statements were prepared in Reais and all growth rates, unless otherwise stated, relate to the same period of 2020.

Since 2019, our financial statements have been prepared in accordance with IFRS 16. In order to better represent the economics of the business, the figures in this report are presented under IAS 17 / CPC 06, the previous reporting standard. Reconciliation with IFRS 16 can be found on pages 12 and 13.

QUARTERLY HIGHLIGHTS:

- › **PHARMACIES: 2,374 units in operation (62 openings and 7 closures)**
- › **MARKET SHARE: 1.1 percentage point increase, with gains in every region**
- › **GROSS REVENUE: R\$ 6.2 billion, 32.3% growth vs. the 2Q20 and 40.6% vs. the 2Q19**
- › **CONTRIBUTION MARGIN*: 10.8%, 81% of growth and 2.9 p.p. of margin expansion**
- › **ADJUSTED EBITDA: R\$ 497.1 million, an 8.0% EBITDA margin and 114% growth**
- › **ADJUSTED NET INCOME: R\$ 232.0 million, 3.7% of net margin and 276% growth**
- › **CASH FLOW: R\$ 302.1 million negative free cash flow, R\$ 387.3 million total cash consumption**
- › **HEALTH PLATFORM: Announcement of Vitat, new platform for the promotion of integral health**

* Margin before corporate overhead (gross profit – selling expenses)

RADL3

R\$ 26.70/share

NUMBER OF SHARES

1,651,930,000

MARKET CAP

R\$ 44,107 (million)

CLOSING

August 9th, 2021

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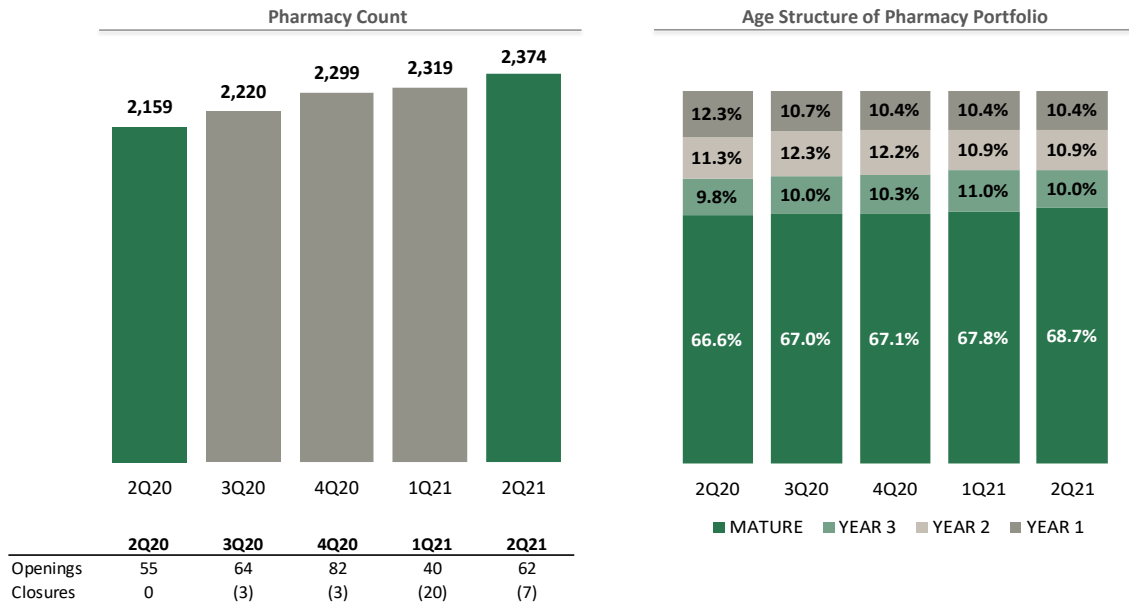
E-MAIL: ri@rd.com.br

Summary	2Q20	3Q20	4Q20	1Q21	2Q21
<i>(R\$ thousand)</i>					
# of Pharmacies	2,159	2,220	2,299	2,319	2,374
Organic Openings	55	64	82	40	62
Closures	0	(3)	(3)	(20)	(7)
4Bio	3	3	4	4	4
# of Stores - Pharmacies + 4Bio	2,162	2,223	2,303	2,323	2,378
Headcount (EoP)	42,115	43,223	44,631	45,532	47,208
Pharmacist Count (EoP)	8,414	8,658	8,788	9,088	9,346
# of Tickets (000)	52,308	60,298	67,098	65,660	66,911
Gross Revenue	4,721,872	5,384,230	5,868,052	5,979,508	6,245,163
Gross Profit	1,320,122	1,494,996	1,634,213	1,641,852	1,797,052
% of Gross Revenues	28.0%	27.8%	27.8%	27.5%	28.8%
Adjusted EBITDA	231,811	397,159	430,843	415,855	497,115
% of Gross Revenues	4.9%	7.4%	7.3%	7.0%	8.0%
Adjusted Net Income	61,688	172,871	213,672	177,947	232,022
% of Gross Revenues	1.3%	3.2%	3.6%	3.0%	3.7%
Net Income	60,210	174,717	198,492	188,789	266,443
% of Gross Revenues	1.3%	3.2%	3.4%	3.2%	4.3%
Free Cash Flow	(437,520)	351,792	425,112	(131,972)	(302,106)

PHARMACY DEVELOPMENT

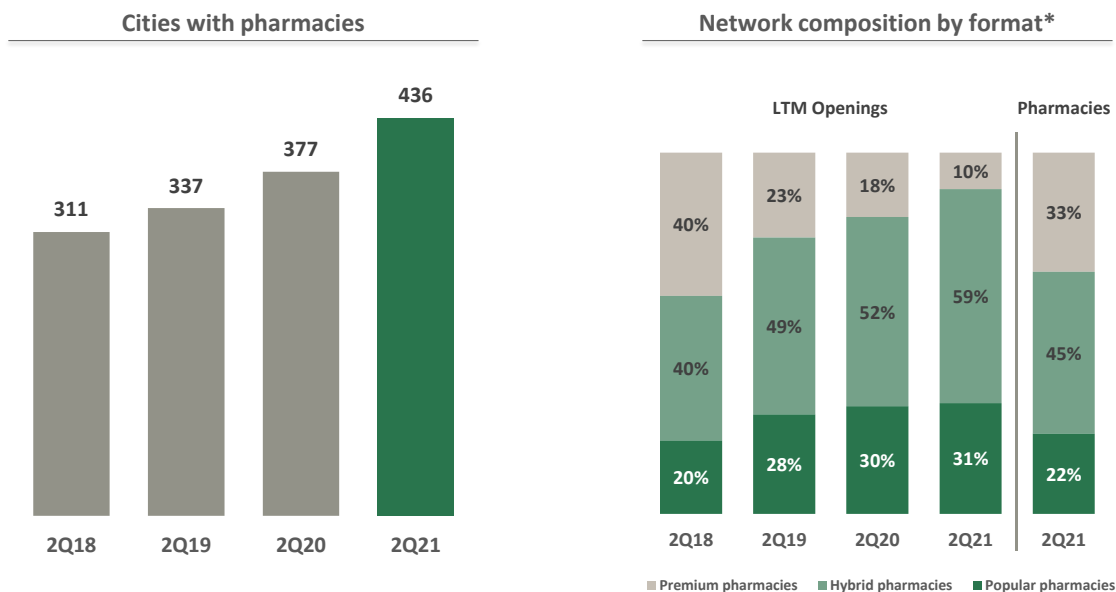
We opened 62 new pharmacies in the 2Q21 and closed 7, ending the quarter with 2,374 units in operation, in addition to 4 4Bio locations. We reiterate our gross openings guidance of 240 pharmacies per year for both 2021 and 2022.

At the end of the period, 31.3% of our pharmacies were still in the process of maturation and had not yet reached their full potential both in terms of revenue and profitability.



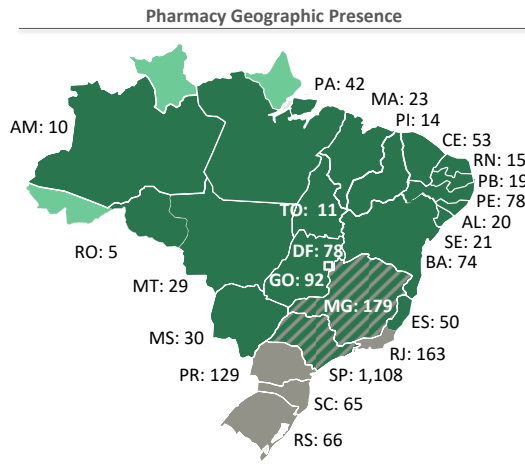
Of the 7 pharmacies closed in the 2Q21, 3 were still in the maturation process and represent corrections of mistakes that are to be expected in a large-scale expansion such as RD's. The remaining 4 closures were mature units driven by the optimization of our pharmacy portfolio, including 3 for relocation, with positive return expectations associated to them.

We continued diversifying our pharmacy network in the quarter, both geographically and demographically, with 76% of our openings in the last twelve months outside of the state of São Paulo, our native market. We also increased our capillarity, extending our presence to 436 cities, 59 more than in the 2Q20. Finally, while 67% of our units have popular or hybrid formats, 90% of the openings in the last twelve months belong to these clusters, increasing our reach into the expanded middle class.

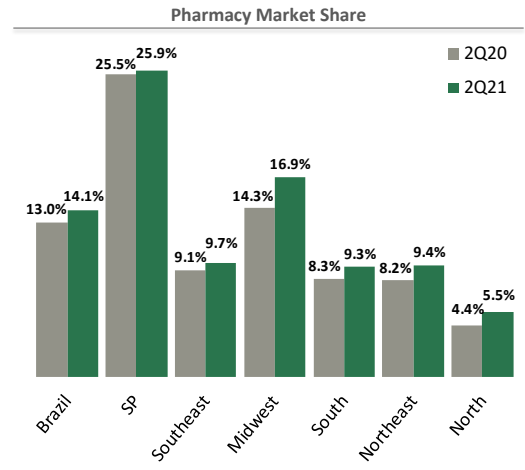


* Premium and super premium pharmacies are grouped together, as well as popular and super popular units. Openings exclude the Onofre acquisition.

Lastly, we signed contracts to enter the states of Acre, Roraima and Amapá, expanding our presence to all states in Brazil by the end of 2021.



Total: 2,374 pharmacies
 Raia: 1,019
 Drogasil: 1,355
 Future markets



Source: IQVIA. Southeast excludes SP.

LTM Openings	2Q17	2Q18	2Q19	2Q20	2Q21
São Paulo	89	79	67	71	59
Other States	122	141	176	154	189
Onofre				42	
Total	211	220	243	267	248
<i>São Paulo %*</i>	<i>42%</i>	<i>36%</i>	<i>28%</i>	<i>32%</i>	<i>24%</i>

*Disconsiders Onofre

Our national share totaled 14.1%, a 1.1 percentage point increase when compared to the 2Q20, leveraged by our organic expansion and also by our digital transformation.

We increased our market share in the quarter in all six regions where we operate, with the Midwest region being our main highlight, with a market share of 16.9%, a 2.6 percentage point gain vs. the 2Q20.

We also recorded strong gains in the Northeast region, where we reached a market share of 9.4%, a 1.2 percentage point gain, and in the North, where we registered a market share of 5.5%, an increase of 1.1 percentage point.

Finally, we recorded a market share of 9.3% in the South, an increase of 1.0 percentage point, a market share of 9.7% in the Southeast (excluding São Paulo), an increase of 0.6 percentage point and a market share of 25.9% in São Paulo, an increase of 0.4 percentage point vs. the 2Q20.

DIGITAL HEALTH TRANSFORMATION

Our digital health transformation is based on three complementary pillars: the New Pharmacy, which combines a health hub with a digital and omnichannel experience, the Marketplace, and the Integral Health Platform. Together, these three businesses will allow us to take care of the health and well-being of our customers and, at the same time, leverage the frequency of interaction, the engagement and the spending of our more than 40 million customers.

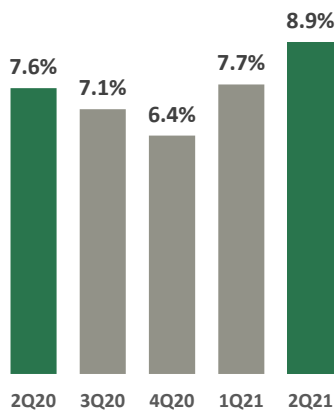
In the 2Q21, the digital channel penetration in the New Pharmacy reached 8.9%, stemming from our commercial and operational efforts to enhance our omnichannel experience. It is important to highlight that 84% of our digital transactions were fulfilled by our pharmacies, which have delivered in under 4 hours with high economic efficiency.

Ship-from-store deliveries were made available in 405 cities, which represent 93% of those where RD operates pharmacies, complementing our *Neighborhood Delivery* and *Click & Collect* options that were already available at 100% of our locations.

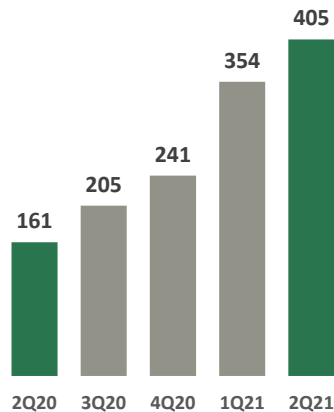
We recorded 11.8 million cumulative app downloads since the 1Q19. Our apps have a sales conversion rate of approximately 10%, a level well above other digital channels, and prove to be essential for increasing customer frequency, engagement, loyalty and spending.

The digitalization of the relationship with our customers is key to our long-term strategy. Customers who use our digital channels increase their loyalty, engagement and frequency, resulting in an increase in their spending by an average of 20% to 25%, making their digitalization a fundamental driver of long-term value creation.

Digital channel penetration

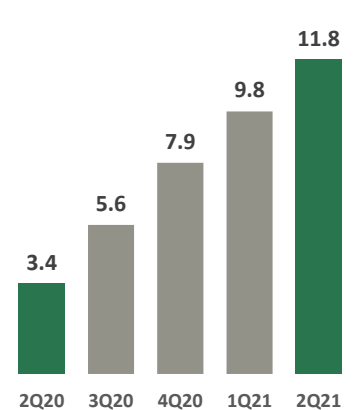


Cities with motorized ship-from-store deliveries



Cumulative app downloads

Millions



Finally, we've also advanced in the offering of health-related services by performing 1.9 million COVID-19 tests in the 1H21 alone (3.0 million since may/2020), as well as the application of flu shots and the offering of other health services to our customers. Finally, a total of 108.0 thousand COVID-19 immunizations have been performed for free at our stores during the quarter in partnership with 14 Brazilian municipalities.

We have also advanced in the development of our marketplace, which is in its initial stage of development. We already offer over 40 thousand SKUs from approximately 160 sellers in the marketplace, and we are preparing its roll-out to Drogasil, since it is currently operational only at Raia.

Lastly, we have launched in July **Vitat**, our Integral Health Platform. **Vitat** combines a portal with ample content health and wellness content, an app focused on the promotion of integral health, and the **Vitat Space**, an evolution of our health hubs which aims to offer a broader healthcare journey in the pharmacies.

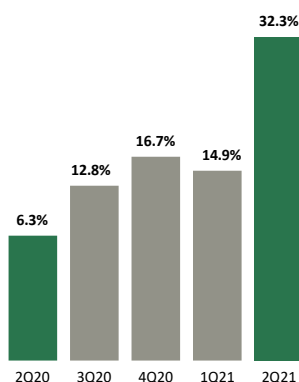
The **Vitat** app started with 25 different programs focused on healthy eating, exercises, sleep, mental health and health promotion. It will also offer medical, nutritional, psychological and physical teleconsultations. In addition, the app will also allow the monitoring of the customer's history through a unified health wallet and the scheduling of services at the **Vitat Space**. All programs currently available are free.

The **Vitat Space** offers quick tests, monitoring of clinical parameters and orientation from trained pharmacists, which are integrated with the app's health programs. The **Vitat Space** will also be connected to the **Healthy Life Space**, which will focus on products that offer healthier and more sustainable choices, including our private label brands, thus complementing the health and well-being journey of the customers of Raia and Drogasil. By the end of 2021, RD plans to implement the **Vitat Space** as well as the **Healthy Life Space** in 20 stores. By 2022, all Droga Raia and Drogasil pharmacies will be connected to the **Vitat** app.

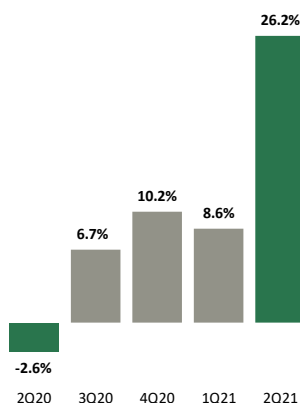
GROSS REVENUES

Our consolidated revenue totaled R\$ 6,245 million, a 32.3% growth vs. the 2Q20. We recorded a same-store sales growth of 26.2% at our pharmacies, with 23.5% for mature stores, including a positive calendar effect of 0.1%.

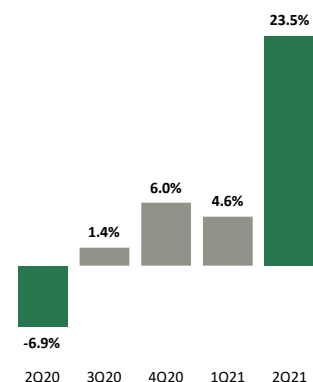
Consolidated Revenue Growth



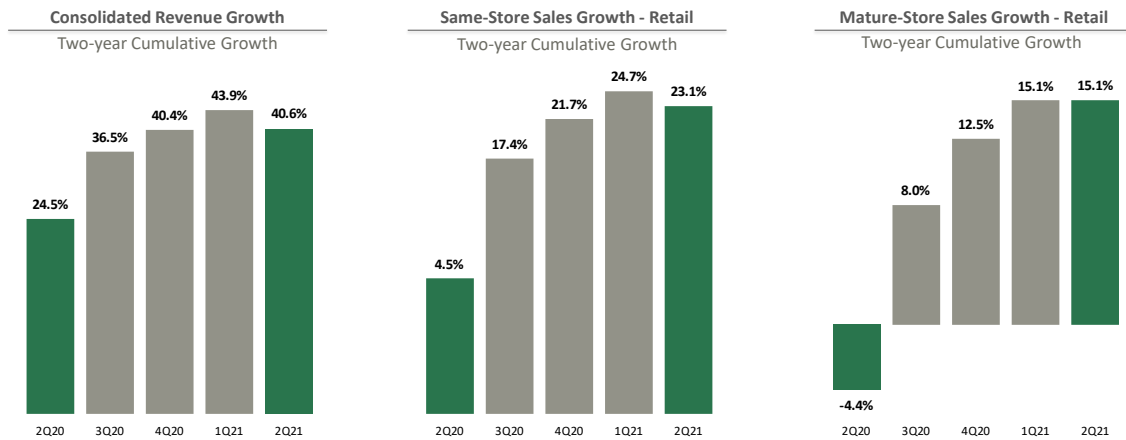
Same-Store Sales Growth - Retail



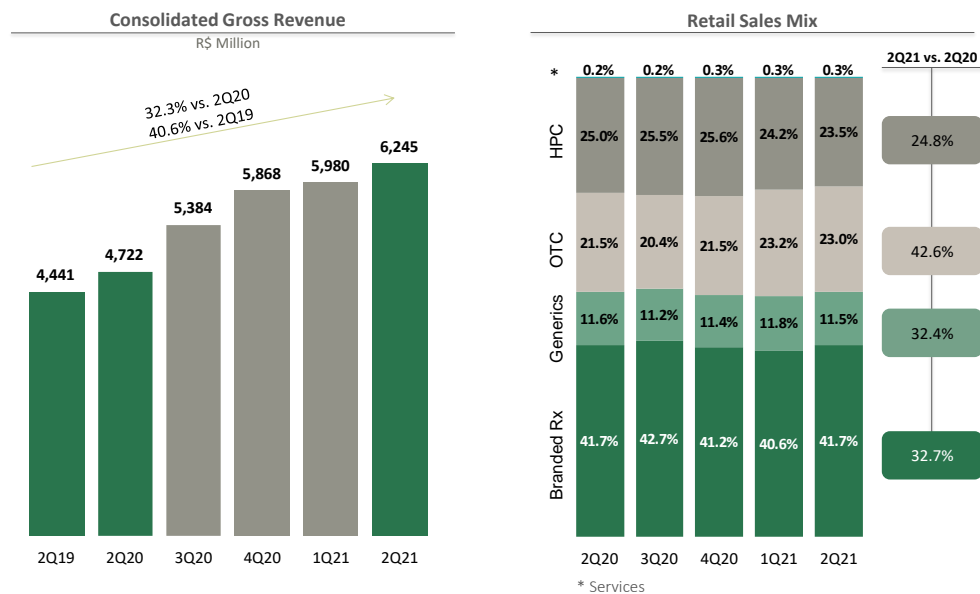
Mature-Store Sales Growth - Retail



Our revenue growth in the 2Q21 was favored by the atypical decrease in sales registered in the 2Q20 due to the strict social isolation verified in that quarter. In order to provide a better understanding of our structural sales performance, without the transitory effects of the peaks and valleys in growth caused by the pandemic, we provide below our quarterly growth over a cumulative two-year period.



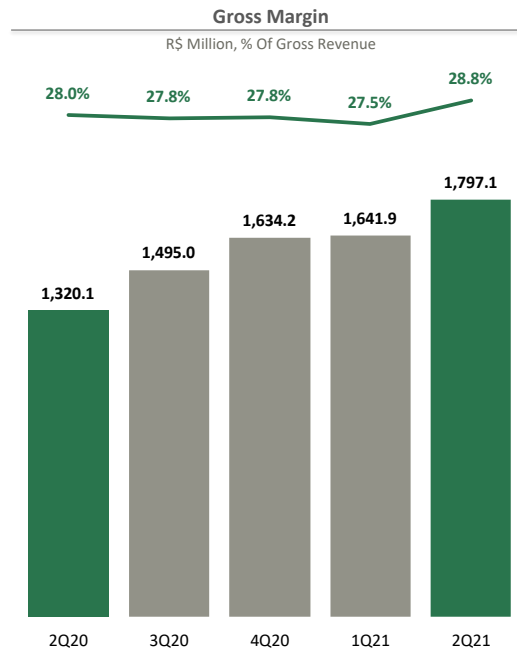
We recorded in the quarter a two-year cumulative top-line growth of 40.6% over the 2Q19, with 23.1% for same-store sales and 15.1% for mature stores, including a negative calendar effect of 0.3%. Our two-year mature-store growth was 4.7 percentage points higher than the accumulated inflation recorded in the period, adjusted for the calendar effect, allowing for a significant gain in operating leverage and underscoring the structural growth of the Company.



OTC was the highlight of the quarter growing 42.6% and gaining 1.5 percentage point in the mix vs. the 2Q20. The increase of OTC in the sales mix continues to be driven mainly by products related to the pandemic, such as masks, vitamins and COVID-19 tests. In addition, Branded Rx grew 32.7%, with its participation in the sales mix in line with the previous year. Lastly, Generics grew 32.4% and lost 0.1 percentage point in the mix, while HPC grew 24.8% and lost 1.5 percentage points in the mix.

GROSS PROFIT

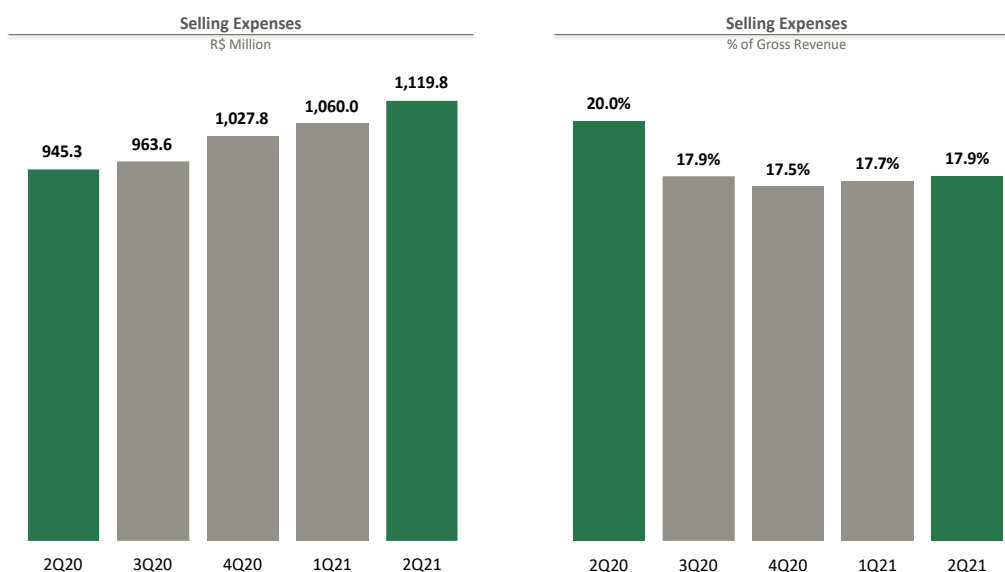
Our gross profit totaled R\$ 1,797.1 million, with a gross margin of 28.8%, a 0.8 percentage point increase versus the 2Q20, mainly due to the inflationary gains on inventories stemming from the 2021 price cap increase, which was above the historical average, and by the fact that in 2020 the increase was postponed by two months, coming into effect only in June. We also recorded a 0.1 percentage point expansion due to the Net Present Value (NPV) adjustment, a non-cash effect stemming from higher interest rates when compared to the same period last year, and a pressure of 0.1 percentage point from higher inventory losses.



SELLING EXPENSES

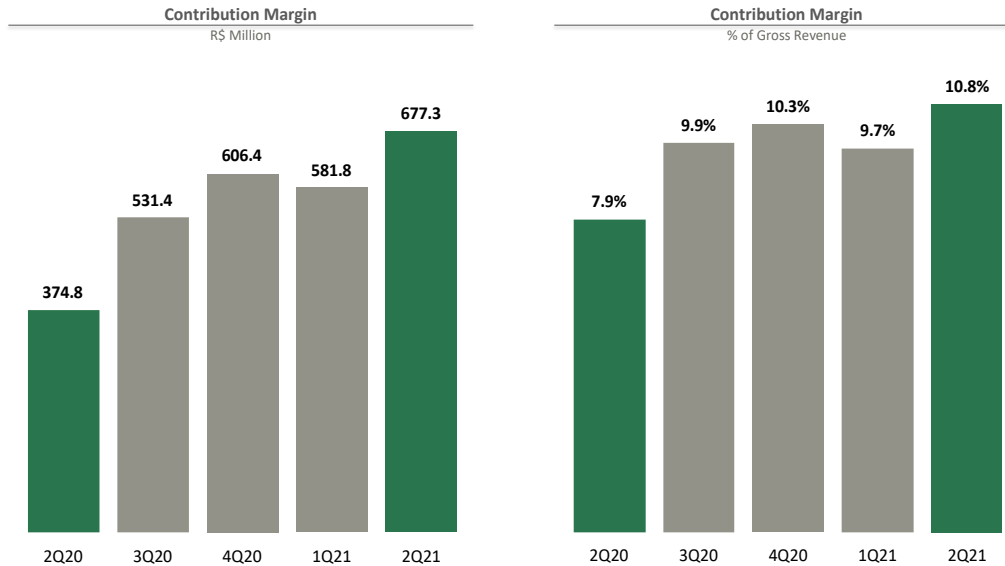
Selling expenses in the quarter totaled R\$ 1,119.8 million, equivalent to 17.9% of gross revenue, a 2.1 percentage point dilution over the same period of the previous year. We had recorded a drop in sales performance in the 2Q20 due to the pandemic, with a decrease in mature store sales, resulting in a considerable loss of operating leverage that raised the level of expenses in the comparison base. On the other hand, we registered a robust structural sales performance in the 2Q21, with a calendar-adjusted bi-annual mature stores growth 4.7 percentage points above the period's inflation.

We've recorded a dilution of 1.5 percentage point in personnel expenses, 0.2 percentage point in rentals, 0.2 percentage point in transportation expenses and 0.1 percentage point in utilities expenses, amongst other effects that generated a combined dilution of 0.1 percentage point.



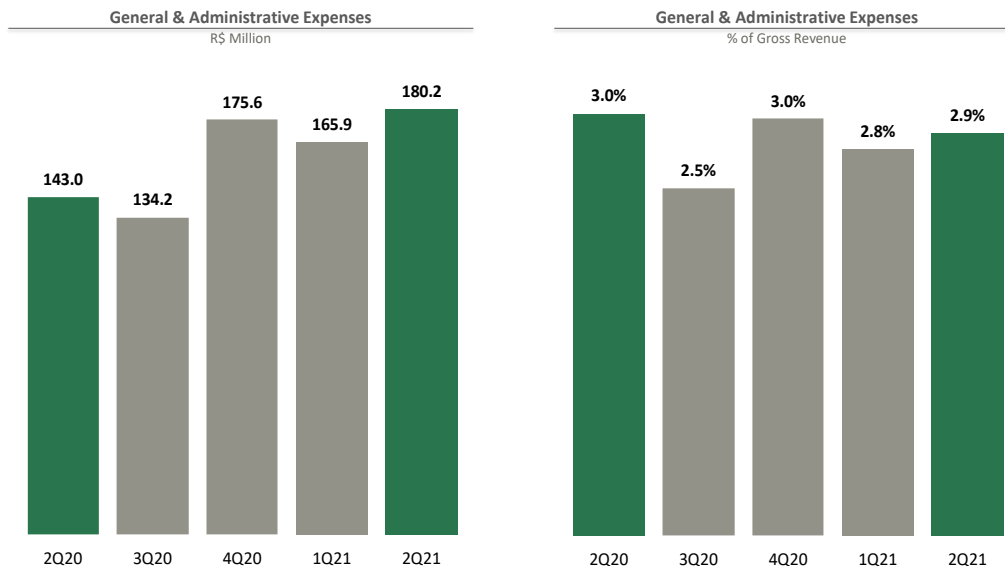
CONTRIBUTION MARGIN

Our contribution margin totaled R\$ 677,3 million, an increase of 81% versus the 2Q20. This represented 10.8% of gross revenue, a margin increase of 2.9 percentage points over the 2Q20 stemming from the 0.8 percentage point expansion in gross margin and the 2.1 percentage point dilution in selling expenses.



GENERAL & ADMINISTRATIVE EXPENSES

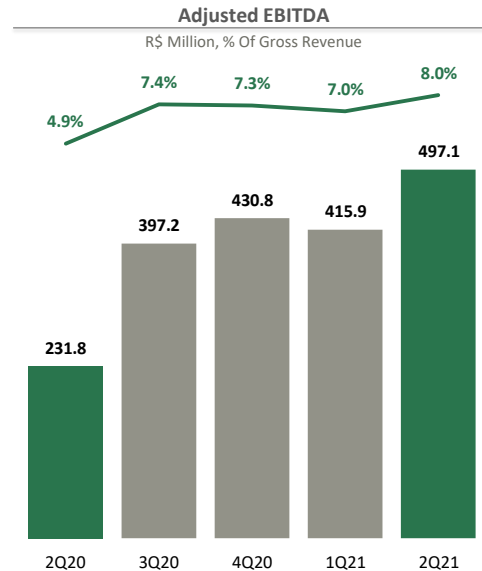
General and administrative expenses amounted to R\$ 180.2 million in the 2Q21, equivalent to 2.9% of gross revenue, a 0.1 percentage point dilution when compared to the same period of last year. We recorded a 0.2 percentage point pressure in personnel expenses, more than offset by dilutions of 0.2 percentage point in labor contingencies and 0.1 percentage point in institutional marketing expenses.



It is important to mention that the temporary drop in sales recorded in 2Q20 resulted in a higher-than-normal level of general and administrative expenses relative to revenues. However, even with the normalization of demand, the 0.4 percentage point increase in digital-related expenses (squads, software licenses, support teams, infrastructure and third-party services, among others) recorded in the 2Q21 have limited our G&A dilution.

EBITDA

Our adjusted EBITDA totaled R\$ 497.1 million in the quarter, an increase of 114% when compared to the 2Q20. We recorded an adjusted EBITDA margin of 8.0%, corresponding to a 3.1 percentage point expansion.



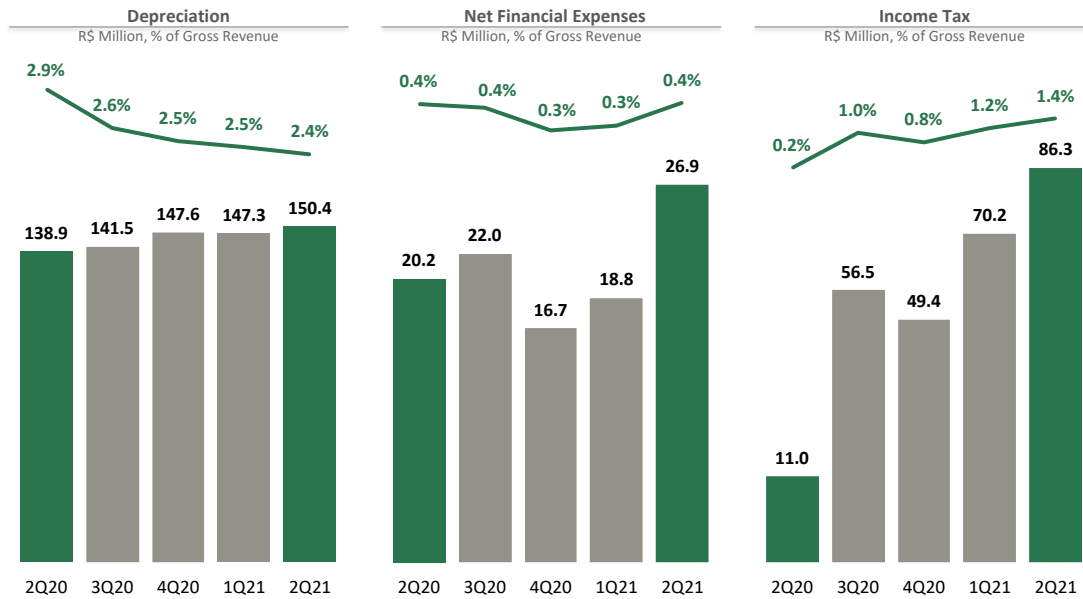
New pharmacies opened in the year, as well as those in the opening process, reduced the EBITDA by R\$ 9.0 million in the 2Q21. Therefore, considering only the 2,272 units in operation since the end of 2020 and full logistics, general and administrative expenses, the consolidated adjusted EBITDA would have totaled R\$ 506.1 million, equivalent to 8.2% of gross revenue.

EBITDA RECONCILIATION AND NON-RECURRING EXPENSES

EBITDA Reconciliation	2Q21	2Q20
<i>(R\$ million)</i>		
Net Income	266.4	60.2
(+) Income Tax	104.0	10.2
(+) Equity Equivalence	1.5	0.0
(+) Financial Result	26.9	20.2
EBIT	398.8	90.6
(+) Depreciation and Amortization	150.4	138.9
EBITDA	549.3	229.6
(-) INSS, PIS and COFINS Credits from Previous Years	(58.0)	(32.0)
(+) Asset Write-offs	6.1	0.2
(+) Donations	0.3	25.9
(+) Consulting, Advisory and Restructuring Expenses		8.0
(+) Provisions for Inventory Losses from previous periods		(0.1)
(+) Other non-recurring / non-operating net expenses	(0.5)	0.2
Non-recurring / non-operating Expenses	(52.2)	2.2
Adjusted EBITDA	497.1	231.8

In the 2Q21, we recorded R\$ 52.2 million in non-recurring gains, of which R\$ 58.0 million refer to PIS and COFINS credits from previous years, resulting from a legal decision that determined the removal of the ICMS tax from the PIS and COFINS calculation, and R\$ 0.5 million in other non-recurring/non-operating revenues. We also recorded R\$6.1 million related to asset write-off expenses, mainly due to store closures, and R\$ 0.3 million related to donations.

DEPRECIATION, NET FINANCIAL EXPENSES AND INCOME TAXES

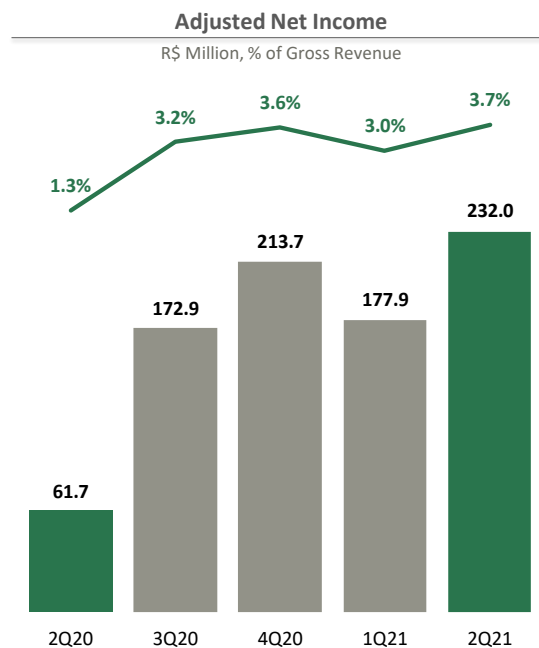


Depreciation expenses amounted to R\$ 150.4 million in the 2Q21, equivalent to 2.4% of gross revenues, a 0.5 percentage point dilution when compared to the same period of last year.

Net financial expenses represented 0.4% of gross revenue, in line with the 2Q20. Of the R\$ 26.9 million recorded in the quarter, R\$ 17.9 million refer to the actual financial interest accrued on financial liabilities, equivalent to 0.3% of gross revenue and stable when compared to the 2Q20. We've also recorded R\$ 8.3 million in financial expenses which refers to the NPV adjustment and R\$ 0.7 million which refers to the interest on the option to acquire the remaining 15% of 4Bio.

Lastly, we booked R\$ 86.3 million in income taxes, equivalent to 1.4% of gross revenue, a 1.2 percentage point increase.

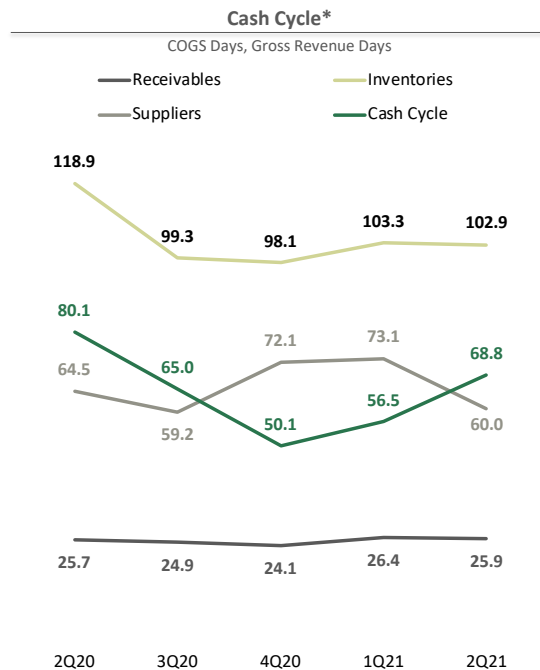
NET INCOME



Our adjusted net income totaled R\$ 232.0 million in the quarter, an increase of 276%. We recorded a net margin of 3.7%, an expansion of 2.4 percentage point versus the 2Q20.

CASH CYCLE

Our cash cycle in the 2Q21 was 68.8 days, a reduction of 11.3 days when compared to the same period of the previous year. Our inventories decreased by 16.0 days, while accounts payable decreased by 4.5 days. Finally, receivables were 0.2 day above the level of the 2Q20.



* Adjusted for discounted receivables.

CASH FLOW

We recorded a negative free cash flow of R\$ 302.1 million and a total cash consumption of R\$ 387.3 million in the 2Q21. Our operating cash flow consumed R\$ 70.3 million.

Cash Flow	2Q21	2Q20
<i>(R\$ million)</i>		
Adjusted EBIT	346.7	92.9
NPV Adjustment	(6.9)	(1.8)
Non-Recurring Expenses	52.2	(2.2)
Income Tax (34%)	(133.3)	(30.2)
Depreciation	150.4	138.9
Others	20.6	5.0
Resources from Operations	429.7	202.6
Cash Cycle*	(647.4)	(532.1)
Other Assets (Liabilities)**	147.4	43.3
Operating Cash Flow	(70.3)	(286.3)
Investments	(231.8)	(151.3)
Free Cash Flow	(302.1)	(437.5)
Interest on Equity	(83.6)	(107.0)
Income Tax Paid over Interest on Equity	(6.3)	(5.4)
Net Financial Expenses***	(18.6)	(17.5)
Income Tax (Tax benefit over financial expenses and interest on equity)	23.3	22.6
Total Cash Flow	(387.3)	(544.8)

*Includes adjustments to discounted receivables.

**Includes NPV adjustments.

***Excludes NPV adjustments.

Resources from operations totaled R\$ 429.7 million, equivalent to 6.9% of gross revenue, while we recorded a working capital consumption of R\$ 500.0 million, due to the seasonal working capital peak that happens in the second quarter when compared to the regular level at the end of the year.

Of the R\$ 231.8 million invested in the quarter, R\$ 89.3 million corresponded to new pharmacy openings, R\$ 37.3 million to the renovation or expansion of existing units and R\$ 105.2 million to investments in infrastructure.

Net financial expenses totaled R\$ 18.6 million in the 2Q21, excluding the NPV adjustments. These were more than fully offset by the R\$ 23.3 million in tax shield related to the net financial expenses and to the interest on equity accrued in the period, which shall be paid in the following quarters.

We accrued R\$ 50.0 million in interest on equity in the 2Q21 versus R\$ 49.0 million in the 2Q20, reflecting a payout of 18.8% over the Net Income, through the full usage of the legal interest on equity limit.

INDEBTEDNESS

We ended the 2Q21 with an adjusted net financial debt of R\$ 1,332.8 million, versus R\$ 1,508.9 million in the same period of 2020. This equals an adjusted net debt to EBITDA ratio of 0.8x, 0.4x lower than the same period of the previous year.

Our adjusted net debt includes R\$ 35.9 million in liabilities related to the exercise of the put option granted and/or call option obtained for the acquisition of the remaining 15% minority stake of 4Bio.

Finally, we have concluded the acquisition of an additional 30% of 4Bio through the exercise of the first tranche of the call/put option, reaching an 85% voting interest in the company. The 2nd call/put option on the 15% remaining shares will be exercisable in 2024, and the estimated valuation of 4Bio will be revisited yearly to reflect changes in the financial outlook of the Company.

Net Debt	2Q21	1Q21	4Q20	3Q20	2Q20
<i>(R\$ million)</i>					
Short-term Debt	622.7	206.7	531.2	536.5	537.4
Long-term Debt	934.3	1,426.2	1,122.2	1,195.5	1,191.1
Total Gross Debt	1,557.0	1,632.8	1,653.5	1,732.0	1,728.4
(-) Cash and Equivalents	266.7	734.4	880.4	600.2	266.4
Net Debt	1,290.4	898.4	773.1	1,131.8	1,462.0
Discounted Receivables	6.6	-	-	-	2.4
Put/Call options to acquire 4Bio (estimated)	35.9	47.1	46.4	45.8	44.5
Adjusted Net Debt	1,332.8	945.5	819.5	1,177.6	1,508.9
Adjusted Net Debt / EBITDA	0.8x	0.6x	0.6x	0.9x	1.2x

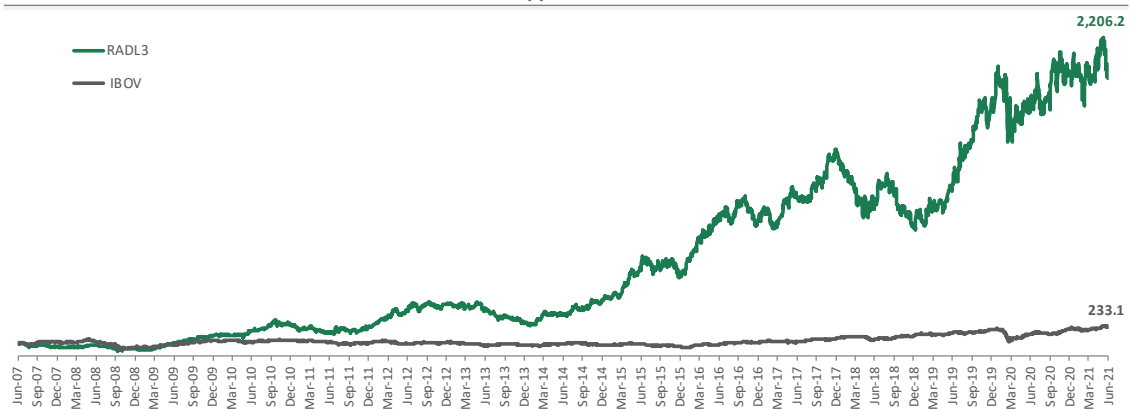
Our gross debt totaled R\$ 1,557.0 million, of which 71.4% corresponds to the debentures issued in 2017, 2018 and 2019, to the Certificate of Real Estate Receivables issued in 2019 and to the commercial papers issued in 2020 and 28.6% corresponds to other credit lines. Of our total debt, 60.0% is long-term, while 40.0% relates to its short-term parcels. We ended the quarter with a total cash position (cash and marketable securities) of R\$ 266.7 million.

TOTAL SHAREHOLDER RETURNS

Our share price decreased by 1.4% in the quarter, 10.1 percentage points below the IBOVESPA, which grew by 8.7%. Since the IPO of Drogasil, we achieved a cumulative share appreciation of 2,106.2% versus a return of only 133.1% for the IBOVESPA. Including the payment of interest on equity, we generated an average annual total return to shareholders of 25.1%.

Considering the IPO of Raia in December of 2010, the cumulative return amounted to 748.2% versus an increase of only 86.5% of the IBOVESPA. Considering the payment of interest on equity, this resulted in an average annual total return to shareholders of 22.9%. Lastly, our shares recorded an average daily trading volume of R\$ 143.7 million in the quarter.

Share Appreciation



IFRS 16

Since 2019, our financial statements have been prepared in accordance with IFRS 16. In order to preserve historic comparability, the figures in this report are presented under IAS 17 / CPC 06, the previous reporting standard, which we believe best represents the economic performance of our operations.

Financial statements in both IAS 17 and IFRS 16 are also available at our website ir.rd.com.br, under Interactive Spreadsheets.

Income Statement (R\$ million)	2Q21		Change
	IAS 17	IFRS 16	Δ 2Q21
Gross Revenue	6,245.2	6,245.2	0.0
Gross Profit	1,797.1	1,797.1	0.0
Gross Margin	28.8%	28.8%	0.0%
Selling Expenses	(1,119.8)	(923.8)	195.9
G&A	(180.2)	(179.8)	0.4
Total Expenses	(1,299.9)	(1,103.6)	196.4
as % of Gross Revenue	20.8%	17.7%	-3.1%
Adjusted EBITDA	497.1	693.5	196.4
as % of Gross Revenue	8.0%	11.1%	3.1%
Non-Recurring Expenses / Revenues	52.2	52.9	0.7
Depreciation and Amortization	(150.4)	(311.5)	(161.0)
Financial Results	(26.9)	(82.2)	(55.3)
Equity Equivalence	(1.5)	(1.5)	0.0
Income Tax	(104.0)	(97.5)	6.5
Net Income	266.4	253.8	(12.7)
as % of Gross Revenue	4.3%	4.1%	-0.2%

Balance Sheet (R\$ million)	2Q21		Change
	IAS 17	IFRS 16	Δ 2Q21
Assets	10,757.4	14,018.3	3,260.9
Current Assets	7,011.3	7,011.3	0.0
Taxes Receivable	91.0	91.0	0.0
Other Accounts Receivable	220.0	220.0	(0.0)
Non-Current Assets	3,746.1	7,007.0	3,260.9
Other Credits	356.9	356.5	(0.5)
Investments	8.1	8.1	(0.0)
Property, Plant and Equipment	1,870.3	5,131.7	3,261.3
Liabilities and Shareholder's Equity	10,757.4	14,018.3	3,260.9
Current Liabilities	4,321.5	4,827.5	506.1
Financial Leases	0.0	573.3	573.3
Dividend and Interest on Equity	133.3	83.5	(49.8)
Other Accounts Payable	270.5	253.1	(17.4)
Non-Current Liabilities	1,597.6	4,493.9	2,896.3
Financial Leases	0.0	2,994.7	2,994.7
Income Tax and Social Charges Deferred	149.2	50.8	(98.4)
Shareholder's Equity	4,838.4	4,696.9	(141.5)
Income Reserves	1,780.4	1,664.2	(116.2)
Accrued Income	358.6	333.4	(25.2)
Equity Adjustments	3.8	3.8	0.0
Non Controller Interest	31.5	31.4	(0.0)

Cash Flow (R\$ million)	2Q21		Change
	IAS 17	IFRS 16	Δ 2Q21
Adjusted EBIT	346.7	382.0	35.3
NPV Adjustment	(6.9)	(6.9)	0.0
Non-Recurring Expenses	52.2	52.9	0.7
Income Tax (34%)	(133.3)	(145.5)	(12.3)
Depreciation	150.4	311.5	161.0
Rental Expenses	0.0	(197.1)	(197.1)
Others	20.6	32.9	12.3
Resources from Operations	429.7	429.7	0.0
Cash Cycle*	(647.4)	(647.4)	0.0
Other Assets (Liabilities)**	147.4	147.4	0.0
Operating Cash Flow	(70.3)	(70.3)	0.0
Investments	(231.8)	(231.8)	0.0
Free Cash Flow	(302.1)	(302.1)	0.0
Interest on Equity	(83.6)	(83.6)	0.0
Net Financial Expenses***	(18.6)	(18.6)	0.0
Income Tax (Tax benefit over financial expenses and interest on equity)	23.3	23.3	0.0
Total Cash Flow	(387.3)	(387.3)	0.0

*Includes adjustments to discounted receivables.

**Includes NPV adjustments

***Excludes NPV adjustments

2Q21 Results Conference Calls – August 11th, 2021

Portuguese

at 10:00 am (BRT)

Link:

<https://live.atmodigital.com/register/a/rdresultados>

English

at 12:00 pm (BRT)

Link:

<https://live.atmodigital.com/register/a/rdresultados>

For more information, please contact our Investor Relations department.

E-mail: ri@rd.com.br

Consolidated Adjusted Income Statement <i>(R\$ thousand)</i>	<u>2Q20</u>	<u>2Q21</u>
Gross Revenue	4,721,872	6,245,163
Taxes, Discounts and Returns	(252,098)	(376,898)
Net Revenue	4,469,774	5,868,265
Cost of Goods Sold	(3,149,652)	(4,071,213)
Gross Profit	1,320,122	1,797,052
Operational (Expenses) Revenues		
Sales	(945,308)	(1,119,754)
General and Administrative	(143,003)	(180,183)
Operational Expenses	(1,088,312)	(1,299,937)
EBITDA	231,811	497,115
Depreciation and Amortization	(138,934)	(150,430)
Operational Earnings before Financial Results	92,877	346,685
Financial Expenses	(35,124)	(40,397)
Financial Revenue	14,936	13,492
Financial Expenses/Revenue	(20,187)	(26,906)
Equity Equivalence	0	(1,486)
Earnings before Income Tax and Social Charges	72,690	318,293
Income Tax and Social Charges	(11,002)	(86,271)
Net Income	61,688	232,022

Consolidated Income Statement <i>(R\$ thousand)</i>	<u>2Q20</u>	<u>2Q21</u>
Gross Revenue	4,721,872	6,245,163
Taxes, Discounts and Returns	(252,098)	(376,898)
Net Revenue	4,469,774	5,868,265
Cost of Goods Sold	(3,149,652)	(4,071,213)
Gross Profit	1,320,122	1,797,052
Operational (Expenses) Revenues		
Sales	(945,308)	(1,119,754)
General and Administrative	(143,003)	(180,183)
Other Operational Expenses, Net	(2,240)	52,153
Operational Expenses	(1,090,552)	(1,247,784)
EBITDA	229,571	549,268
Depreciation and Amortization	(138,934)	(150,430)
Operational Earnings before Financial Results	90,637	398,838
Financial Expenses	(35,124)	(40,397)
Financial Revenue	14,936	13,492
Financial Expenses/Revenue	(20,187)	(26,906)
Equity Equivalence	0	(1,486)
Earnings before Income Tax and Social Charges	70,450	370,446
Income Tax and Social Charges	(10,240)	(104,003)
Net Income	60,210	266,443

Assets <i>(R\$ thousand)</i>	<u>2Q20</u>	<u>2Q21</u>
Current Assets		
Cash and Cash Equivalents	266,416	266,685
Accounts Receivable	1,330,446	1,770,670
Inventories	4,114,635	4,603,133
Taxes Receivable	140,053	90,999
Other Accounts Receivable	233,490	220,028
Anticipated Expenses	54,925	59,773
	<u>6,139,964</u>	<u>7,011,289</u>
Non-Current Assets		
Deposit in Court	30,595	26,752
Taxes Receivable	71,494	129,764
Income Tax and Social Charges deferred	19,678	37,899
Other Credits	340,901	356,934
Investments	3,289	8,097
Property, Plant and Equipment	1,780,196	1,870,331
Intangible	1,253,664	1,316,302
	<u>3,499,817</u>	<u>3,746,079</u>
ASSETS	<u>9,639,782</u>	<u>10,757,368</u>

Liabilities and Shareholder's Equity <i>(R\$ thousand)</i>	<u>2Q20</u>	<u>2Q21</u>
Current Liabilities		
Suppliers	2,232,219	2,682,595
Loans and Financing	537,353	622,705
Salaries and Social Charges Payable	415,427	413,459
Taxes Payable	119,333	151,859
Dividend and Interest on Equity	109,951	133,309
Provision for Lawsuits	28,870	46,998
Other Accounts Payable	<u>170,099</u>	<u>270,529</u>
	<u>3,613,253</u>	<u>4,321,454</u>
Non-Current Liabilities		
Loans and Financing	1,191,067	934,332
Provision for Lawsuits	72,545	61,138
Income Tax and Social Charges deferred	162,925	149,170
Other Accounts Payable	<u>389,209</u>	<u>452,921</u>
	<u>1,815,746</u>	<u>1,597,560</u>
Shareholder's Equity		
Common Stock	2,500,000	2,500,000
Capital Reserves	137,813	152,448
Revaluation Reserve	11,762	11,595
Income Reserves	1,429,597	1,780,379
Accrued Income	108,150	358,641
Equity Adjustments	(30,230)	3,821
Non Controller Interest	<u>53,691</u>	<u>31,469</u>
	<u>4,210,782</u>	<u>4,838,354</u>
LIABILITIES AND SHAREHOLDERS' EQUITY	<u>9,639,782</u>	<u>10,757,368</u>

Cash Flow	2Q20	2Q21
<i>(R\$ thousand)</i>		
Earnings before Income Tax and Social Charges	70,450	339,384
Adjustments		
Depreciation and Amortization	138,933	150,430
Compensation plan with restricted shares, net	4,533	5,666
Interest over additional stock option	1,226	694
P,P&E and Intangible Assets residual value	233	872
Provisioned Lawsuits	2,976	39,979
Provisioned Inventory Loss	(2,610)	2,753
Provision for Doubtful Accounts	(85)	1,885
Provisioned Store Closures	0	5,068
Interest Expenses	17,829	17,686
Debt Issuance Costs Amortization	991	1,127
Equity Equivalence Result	0	1,486
Gains from business combination	(29)	0
Provision for Estimated Losses on other Assets	234,447	0
Discount on rentals		(4,546)
	234,447	562,484
Assets and Liabilities variation		
Clients and Other Accounts Receivable	161,169	(37,625)
Inventories	(179,298)	(91,494)
Other Short Term Assets	(15,532)	(39,770)
Long Term Assets	(6,976)	(718)
Suppliers	(553,015)	(511,744)
Salaries and Social Charges	121,906	93,444
Taxes Payable	(36,496)	47,221
Other Liabilities	11,530	(28,794)
Rents Payable	(118)	45,322
Cash from Operations	(262,383)	38,326
Interest Paid	(17,809)	(9,318)
Income Tax and Social Charges Paid	(43,064)	(96,079)
Net Cash from (invested) Operational Activities	(323,256)	(67,071)
Investment Activities Cash Flow		
Cash acquired from business combination	0	13,275
P,P&E and Intangible Acquisitions	(151,252)	(230,645)
P,P&E Sale Payments	0	209
Investments in Associates	0	(332)
Cash from incorporated company	0	(14,292)
Net Cash from Investment Activities	(151,252)	(231,785)
Financing Activities Cash Flow		
Funding	411,599	39,954
Payments	(97,362)	(125,229)
Share Buyback	0	0
Interest on Equity and Dividends Paid	(107,020)	(83,618)
Net Cash from Funding Activities	207,217	(168,893)
Cash and Cash Equivalents net increase	(267,291)	(467,749)
Cash and Cash Equivalents in the beginning of the period	533,707	734,434
Cash and Cash Equivalents in the end of the period	266,416	266,685