

Caxias do Sul, August 2, 2021 - Marcopolo S.A. (B3: POMO3; POMO4) announces its results referring to the performance of the second quarter of 2021 (2Q21). The financial statements are presented in accordance with accounting practices adopted in Brazil and with IFRS – *International Financial Reporting Standards*, established by IASB - *International Accounting Standards Board*.

HIGHLIGHTS OF THE 2nd QUARTER 2021

- ✿ Marcopolo's **Total Production** reached 2,973 units, 27.3% higher than 2Q20.
- ✿ **Net Revenue** totaled BRL 823.7 million, an increase of 3.2% compared to 2Q20.
- ✿ **Gross Profit** reached BRL 60.5 million, with a margin of 7.4%.
- ✿ **EBITDA** totaled BRL 140.5 million, with a margin of 17.1%.
- ✿ **Net Profit** was BRL 200.9 million, with a margin of 24.4%.

(BRL million and percentage variation, unless otherwise indicated).

Selected Information	2Q21	2Q20	Var. %	1S21	1S20	Var. %
Net operating revenue	823.7	798.5	3.2%	1,657.7	1,717.9	-3.5%
Revenues in Brazil	460.1	356.3	29.1%	908.9	825.9	10.0%
Brazil's export revenue	147.3	247.7	-40.5%	304.2	461.6	-34.1%
Revenue overseas	216.3	194.5	11.2%	444.6	430.3	3.3%
Gross Profit	60.5	130.5	-53.6%	161.0	280.5	-42.6%
EBITDA ⁽¹⁾	140.5	40.9	243.5%	164.0	142.8	14.8%
Net Profit	200.9	1.3	15,353.8%	186.2	12.0	1,451.7%
Profit per Share	0.214	0.001	21,300.0%	0.198	0.021	842.9%
Return on Invested Capital (ROIC) ⁽²⁾	4.5%	6.4%	-1.9 pp	4.5%	6.4%	-1.9 pp
Return on Equity (ROE) ⁽³⁾	10.4%	4.7%	5.7 pp	10.4%	4.7%	5.7 pp
Investments	29.6	23.4	26.5%	62.6	73.1	-14.4%
Gross Margin	7.4%	16.3%	-8.9 pp	9.8%	16.3%	-6.5 pp
EBITDA Margin	17.1%	5.1%	12.0 pp	9.9%	8.3%	1.6 pp
Net Margin	24.4%	0.2%	24.2 pp	11.2%	0.7%	10.5 pp
Balance Sheet Data	06/30/21	03/31/21	Var. %			
Net Worth	2,682.5	2,588.8	3.6%			
Cash, cash equivalents and financial investments	1,140.7	1,070.1	6.6%			
Short-term financial liabilities	-630.5	-729.7	-13.6%			
Long-term financial liabilities	-1,524.5	-1,337.8	14.0%			
Net financial liabilities - Industrial Segment	-544.9	-506.1	7.7%			

Notes: ⁽¹⁾ EBITDA = Earnings before interest, taxes, depreciation and amortization; ⁽²⁾ ROIC (Return on Invested Capital) = (Nopat of the last 12 months) / (customers + inventories + other receivables + investments + intangible - suppliers - other payables). Banco Moneo's effects on the assets and liabilities base were excluded from the calculation. ⁽³⁾ ROE (Return on Equity) = Net Revenue of the last 12 months / Initial Net Equity; pp = percentage points.

PERFORMANCE OF THE BRAZILIAN BUS SECTOR

In 2Q21, Brazilian bus production reached 3,456 units, an increase of 4.7% compared to 2Q20.

a) Domestic Market. Domestic production totaled 2,599 units in 2Q21, 3.8% higher than 2,504 units produced in 2Q20.

b) Foreign Market. Exports totaled 857 units in 2Q21, 7.7% higher than the 796 units exported in 2Q20.

BRAZILIAN BUS PRODUCTION (in units)

PRODUCTS ⁽¹⁾	2Q21			2Q20			Var.
	MI	ME ⁽²⁾	TOTAL	MI	ME ⁽²⁾	TOTAL	%
Intercity	827	352	1,179	671	225	896	31.6%
Urban	1,243	465	1,708	1,313	553	1,866	-8.5%
Micro	529	40	569	520	18	538	5.8%
TOTAL	2,599	857	3,456	2,504	796	3,300	4.7%

PRODUCTS ⁽¹⁾	1S21			1S20			Var.
	MI	ME ⁽²⁾	TOTAL	MI	ME ⁽²⁾	TOTAL	%
Intercity	1,550	617	2,167	1,514	519	2,033	6.6%
Urban	2,079	655	2,734	3,509	1,100	4,609	-40.7%
Micro	1,544	76	1,620	1,161	41	1,202	34.8%
TOTAL	5,173	1,348	6,521	6,184	1,660	7,844	-16.9%

Sources: FABUS (Associação Nacional dos Fabricantes de Ônibus) and SIMEFRE (Sindicato Interestadual da Indústria de Materiais e Equipamentos Ferroviários e Rodoviários).

Notes: ⁽¹⁾ MI = Domestic Market; ME = Foreign Market, units produced for export; ⁽²⁾ Includes units exported in KD (dismantled).

OPERATIONAL AND FINANCIAL PERFORMANCE OF MARCOPOLO

Units recorded in Net Revenue

In 2Q21, 2,950 units were recorded in net revenue, 2,037 of which were invoiced in Brazil (69.1% of the total), 423 exported from Brazil (14.3%) and 490 abroad (16.6%).

OPERATIONS (in units)	2Q21	2Q20	Var. %	1S21	1S20	Var. %
BRAZIL:						
- Domestic Market	2,037	1,799	13.2%	4,107	4,011	2.4%
- Foreign Market	685	524	30.7%	1,127	1,172	-3.8%
SUBTOTAL	2,722	2,323	17.2%	5,234	5,183	1.0%
Exported KD eliminations ⁽¹⁾	262	36	627.8%	320	298	7.4%
TOTAL IN BRAZIL	2,460	2,287	7.6%	4,914	4,885	0.6%
OVERSEAS:						

- South Africa	90	33	172.7%	120	84	42.9%
- Australia	63	93	-32.3%	136	169	-19.5%
- China	2	9	-77.8%	2	17	-88.2%
- Mexico	190	167	13.8%	420	490	-14.3%
- Argentina	145	2	7,150.0%	242	28	764.3%
TOTAL OVERSEAS	490	304	61.2%	920	788	16.8%
GRAND TOTAL	2,950	2,591	13.9%	5,834	5,673	2.8%

Note: ⁽¹⁾ KD (*Knock Down*) = Partially or fully disassembled bodies.

PRODUCTION

Marcopolo's consolidated production was 2,973 units in 2Q21. In Brazil, production reached 2,483 units, 21.6% higher than in 2Q20, while abroad production was 490, 67.2% higher than the units produced in the same period of the previous year. In the related, unconsolidated operations, considering only Marcopolo's proportion in the respective share capital of the companies, production was 91 units, 19.5% lower than in 2Q20.

The significant increase in production in 2Q21 compared to 2Q20 is explained by the fact that Brazilian operations granted collective vacations in the first half of April 2020, returning with a reduction of approximately 50% after this period, as well as the partial shutdown of operations located abroad in 2Q20. In 2Q21, production continued to be negatively affected by the second wave of Covid-19 in the countries in which we have operations. The production associated with the quarter refers to sales made between 60 and 90 days before, still in a context of restrictions on locomotion, suspension of tourism and closure of cities under *lockdown*. In the domestic market, the production of buses continued to be supported by the charter sector, benefited by the use of more vehicles to maintain distance in the transportation of employees to companies, as well as by the volumes of Volares directed to the federal program Caminho da Escola. In exports, the recovery of volumes directed to the Chilean market continues to be the highlight. In international operations, the *ramp-up* of urban production in Argentina continues, while the recovery of volumes in South Africa and Mexico is related to the shutdown of activities in these countries in 2Q20.

Marcopolo's production data and its respective comparison with the previous year are presented in the following table:

MARCOPOLO - CONSOLIDATED GLOBAL PRODUCTION

OPERATIONS (in units)	2Q21	2Q20	Var. %	1S21	1S20	Var. %
BRAZIL: ⁽¹⁾						
- Domestic Market	2,084	1,742	19.6%	4,312	4,256	1.3%
- Foreign Market	661	336	96.7%	1,077	1,024	5.2%
SUBTOTAL	2,745	2,078	32.1%	5,389	5,280	2.1%
Exported KD eliminations ⁽²⁾	262	36	627.8%	320	298	7.4%
TOTAL IN BRAZIL	2,483	2,042	21.6%	5,069	4,982	1.7%

OVERSEAS:						
- South Africa	90	24	275.0%	120	75	60.0%
- Australia	63	93	-32.3%	136	169	-19.5%
- China	2	15	-86.7%	2	26	-92.3%
- Mexico	190	161	18.0%	420	514	-18.3%
- Argentina	145	-	-	242	13	1,761.5%
TOTAL OVERSEAS	490	293	67.2%	920	797	15.4%
GRAND TOTAL	2,973	2,335	27.3%	5,989	5,779	3.6%

UNCONSOLIDATED OPERATIONS (in units)	2Q21	2Q20	Var. %	1S21	1S20	Var. %
- Colombia (50%)	91	113	-19.5%	139	287	-51.7%
TOTAL AFFILIATES	91	113	-19.5%	139	287	-51.7%

Notes: ⁽¹⁾ Includes the production of the Volare model; ⁽²⁾ KD (*Knock Down*) = Partially or fully disassembled bodies; ⁽³⁾ Volume proportional to Marcopolo's participation in the respective companies.

MARCOPOLO - GLOBAL PRODUCTION CONSOLIDATED BY MODEL

PRODUCTS/MARKETS ⁽²⁾ (in units)	2Q21			2Q20		
	MI	ME ⁽¹⁾	TOTAL	MI	ME ⁽¹⁾	TOTAL
Intercity	522	137	659	244	142	386
Urban	495	942	1,437	704	462	1,166
Micro	235	29	264	356	7	363
SUBTOTAL	1,252	1,108	2,360	1,304	611	1,915
Volares ⁽³⁾	832	43	875	438	18	456
TOTAL PRODUCTION	2,084	1,151	3,235	1,742	629	2,371

PRODUCTS/MARKETS ⁽²⁾ (in units)	1S21			1S20		
	MI	ME ⁽¹⁾	TOTAL	MI	ME ⁽¹⁾	TOTAL
Intercity	931	282	1,213	767	358	1,125
Urban	794	1,559	2,353	1,730	1,390	3,120
Micro	761	46	807	711	29	740
SUBTOTAL	2,486	1,887	4,373	3,208	1,777	4,985
Volares ⁽³⁾	1,826	110	1,936	1,048	44	1,092
TOTAL PRODUCTION	4,312	1,997	6,309	4,256	1,821	6,077

Notes: ⁽¹⁾ The total production of ME includes the units exported in KD (partially or fully dismantled bodies); ⁽²⁾ MI = Domestic Market; ME = Foreign Market; ⁽³⁾ The production of Volares is not part of the data of SIMEFRE and FABUS, or the production of the sector.

MARCOPOLO - PRODUCTION IN BRAZIL

PRODUCTS/MARKETS ⁽²⁾ (in units)	2Q21			2Q20		
	MI	ME ⁽¹⁾	TOTAL	MI	ME ⁽¹⁾	TOTAL
Intercity	522	126	648	244	104	348
Urban	495	463	958	704	208	912
Micro	235	29	264	356	7	363
SUBTOTAL	1,252	618	1,870	1,304	319	1,623
Volares ⁽³⁾	832	43	875	437	17	454
TOTAL PRODUCTION	2,084	661	2,745	1,741	336	2,077

PRODUCTS/MARKETS ⁽²⁾ (in units)	1S21			1S20		
	MI	ME ⁽¹⁾	TOTAL	MI	ME ⁽¹⁾	TOTAL
Intercity	931	269	1,200	767	211	978
Urban	794	652	1,446	1,730	743	2,473
Micro	761	46	807	711	29	740
SUBTOTAL	2,486	967	3,453	3,208	983	4,191
Volares ⁽³⁾	1,826	110	1,936	1,048	41	1,089
TOTAL PRODUCTION	4,312	1,077	5,389	4,256	1,024	5,280

Note: See notes in the table Consolidated Global Production by Model.

PARTICIPATION IN THE BRAZILIAN MARKET

Marcopolo's market share in Brazilian bodywork production was 54.1% in 2Q21 compared to 49.2% in 2Q20.

The highlight of the quarter was the 16.2 percentage point increase in the road segment compared to 2Q20, related to the increase in the Company's interest in the charter sector. The charter market, the lightest bus within the bus category, represented 73% of the segment's volumes in 2Q21 (24% in 2Q20). The drop in the market in micros is related to the reduction in deliveries of this model to the federal program Caminho da Escola, whose sales were concentrated until 1Q21.

PARTICIPATION IN BRAZILIAN PRODUCTION (%)

PRODUCTS	2Q21	1S21	2Q20	1S20
Intercity	55.0	55.2	38.8	48.1
Urban	56.1	56.6	48.9	53.7
Micro	46.4	52.0	67.5	61.6
TOTAL ⁽¹⁾	54.1	53.0	49.2	53.4

Source: FABUS and SIMEFRE

Note: ⁽¹⁾ Volare is not calculated for market share purposes.

NET REVENUE

Consolidated net revenue reached BRL 823.7 million in 2Q21, of which BRL 460.1 million, or 55.9% of the total, came from the domestic market, and BRL 363.6 million, representing the remaining 44.1%, from the foreign market.

The highlight of 2Q21 was the performance of the Volare segment, with an 84.5% increase in net revenue in the quarterly comparison, benefited by the growth in volumes delivered to the Caminho da Escola program, and by the greater demand in the charter and exports sector.

The table and charts below present the net revenue opening by products and markets:

TOTAL CONSOLIDATED NET REVENUE
By Products and Markets (BRL Million)

PRODUCTS/MARKETS ⁽¹⁾	2Q21			2Q20		
	MI	ME	TOTAL	MI	ME	TOTAL
Intercity	131.8	79.6	211.5	98.1	92.2	190.3
Urban	76.0	235.5	311.6	94.1	275.5	369.6
Micro	32.7	6.0	38.6	37.4	5.8	43.2
Bodywork subtotal	240.6	321.1	561.6	229.6	373.5	603.1
Volares ⁽²⁾	185.1	14.5	199.6	105.9	2.3	108.2
Chassis	0.6	1.1	1.7	0.5	49.7	50.2
Bco. Moneo	20.5	-	20.5	16.0	-	16.0
Parts and Others	13.3	26.9	40.2	4.3	16.7	21.0
GRAND TOTAL	460.1	363.6	823.7	356.3	442.2	798.5

PRODUCTS/MARKETS ⁽¹⁾	1S21			1S20		
	MI	ME	TOTAL	MI	ME	TOTAL
Intercity	221.8	154.2	376.0	239.2	300.6	539.8
Urban	124.7	474.9	599.6	230.1	442.2	672.3
Micro	87.1	12.4	99.5	73.6	11.4	85.0
Bodywork subtotal	433.6	641.5	1,075.1	542.9	754.2	1,297.1
Volares ⁽²⁾	408.9	42.6	451.5	237.0	8.9	245.9
Chassis	0.7	9.0	9.7	4.3	90.3	94.6
Bco. Moneo	41.8	-	41.8	25.5	-	25.5
Parts and Others	23.8	55.6	79.4	16.3	38.5	54.8
GRAND TOTAL	908.8	748.7	1,657.6	826.0	891.9	1,717.9

Notes: ⁽¹⁾ MI = Domestic Market; ME = Foreign Market, units exported and produced in international operations by subsidiaries; ⁽²⁾ Volare revenue includes chassis.

GROSS PROFIT AND MARGINS

Consolidated gross profit in 2Q20 reached BRL 60.5 million, with a margin of 7.4%, versus BRL 130.5 million and a margin of 16.3% in 2Q20. The gross margin was affected by adjustments in the staff, by the greater exposure of revenue to the domestic market, by the greater representativeness of the revenue of the Volare segment, by the appreciation of the Brazilian Real against the dollar and by the lighter *mix* of products, especially in the segment of road with sales concentrated in the charter.

In 2Q21, the Company made dismissals seeking to adapt its staff to lower volumes than those foreseen in 2Q21 and 3Q21. In fewer numbers than the terminations made in 1Q21, the impact on gross margin was BRL 6.6 million in the quarter. If we excluded this effect, the gross margin would have reached 8.3% in the quarter.

SELLING EXPENSES

Sales expenses totaled BRL 49.1 million in 2Q21, or 6.0% of net revenue, versus BRL 53.8 million in 2Q20, 6.7% on net revenue. The reduction, both in absolute and relative values, is explained by the lower representativeness of sales directed to the foreign market and the cost reduction efforts made in 2020.

GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses totaled BRL 55.5 million in 2Q21, or 6.7% of net revenue, while in 2Q20 these expenses totaled BRL 39.2 million, or 4.9% of net revenue. The growth in general and administrative expenses is explained by costs with indemnities associated with framework adjustments made in 2Q21, as well as by the reduced comparison base in 2Q20, benefited by the effects of collective vacation and suspension of employment contracts of approximately half of the administrative workforce in 2020.

OTHER NET OPERATING REVENUE/EXPENSES

In 2Q21, BRL 150,8 million were recorded as “Other Operating Revenues” against BRL 31.2 million recognized as “Other Operating Revenues” in 2Q20.

The Company recognized in the line of Other Operating Revenues a positive impact of BRL 182.0 million (net of attorney's fees related to the cases) associated with ICMS exclusion processes from the PIS and COFINS tax bases, as reported to the market on June 30 p.p.

In the quarter, provisions were also made for tax expenses (BRL 9.5 million) and labor contingencies arising from the personal adjustments made in 2H20 and 1Q21 (BRL 14.4 million). Additionally, the Company made an impairment related with its real estate located in Três Rios, RJ, in the amount of BRL 5.5 million.

EQUITY EQUIVALENCE RESULT

The equity equivalence result in 2Q21 was BRL 5.7 million positive compared to negative BRL 51.8 million in 2Q20.

The main contributions were originated by the Canadian affiliate NFI Group Inc., which brought positive equity of BRL 3.2 million, and by the Colombian Superpolo, with BRL 2.4 million.

The equity equivalence result is presented in detail in Explanatory Note No. 11 to the Quarterly Information.

NET FINANCIAL RESULT

The net financial result of 2Q21 was positive by BRL 182.7 million, compared to a result of negative BRL 16.9 million in 2Q20.

The main positive impact arises from the recognition of the monetary restatement levied on the amounts under discussion in the processes for excluding ICMS from the PIS and COFINS tax bases, contributing positively to BRL 166.2 million. Additionally, the appreciation of the Brazilian Real against the US Dollar on the dollar order portfolio also benefited the financial result, remembering that the Company performs the export exchange *hedge* at the time of confirmation of sales orders.

The financial result is presented in detail in Explanatory Note No. 28.

EBITDA

EBITDA was positive by BRL 140.5 million in 2Q21, with a margin of 17.1%, versus an *EBITDA* of 40.9 million and a margin of 5.1% in 1Q20.

EBITDA was positively affected by the recognition of the processes for excluding ICMS from the PIS and COFINS tax bases in the line of Other Operating Revenues, and negatively by adjustments in the staff, due to the lower representativeness of exports in the distribution of revenue, by the lighter *mix* aimed at buses with lower added value, and by the impact of labor and tax provisions.

The table below highlights the accounts that make up the *EBITDA*:

BRL million	2Q21	2Q20	1S21	1S20
Result before IR and CS	295.1	0.0	265.4	-24.3
Financial Revenue	-144.2	-130.9	-265.0	-381.2
Financial Expenses	-38.4	147.8	109.3	501.8
Depreciation / Amortization	28.0	24.0	54.2	46.6
EBITDA	140.5	40.9	163.9	142.8

NET PROFIT

Consolidated net profit in 2Q21 was of BRL 200.9 million, with a margin of 24.4%, versus a profit of BRL 1.3 million and a margin of 0.2% in 2Q20. The result was affected by the same effects reflected in *EBITDA*, also benefiting from the financial result, due to the recognition of the monetary restatement on the processes for excluding ICMS from the PIS and COFINS tax bases.

FINANCIAL DEBT

Net financial debt totaled BRL 1,014.3 million on June 30, 2021 (BRL 997.5 million on March 31, 2021). BRL 469.4 million of this total came from the financial segment (Banco Moneo) and BRL 544.9 million from the industrial segment.

It should be noted that the debt from the financial segment comes from the consolidation of Banco Moneo's activities and should be analyzed separately, since it has characteristics that are different from those of the Company's industrial activities. Banco Moneo's financial liabilities have as counterpart the "Customer" account in the Bank's Assets. The credit risk is properly provisioned. Since these are FINAME transfers, each disbursement from BNDES has an exact counterpart in the receivables account of Banco Moneo's customer, both in term and in rate.

On June 30, the net financial debt of the industrial segment represented 1.9 times *EBITDA* for the last 12 months.

CASH GENERATION

In 2Q21, operating activities consumed cash of BRL 62.5 million, while investment activities, net of dividends and exchange variation, demanded BRL 25.0 million and financing activities aggregated BRL 187.1 million.

The initial cash balance of BRL 1,070.1 million at the end of March 2021, considering the unavailable financial investments and decreasing BRL 12.0 million of the difference between the exchange rate change and the change in accounts related to unavailable financial investments, amounted to BRL 1,140.7 million at the end of June 2021.

INVESTMENTS IN FIXED ASSETS

In 2Q21, Marcopolo invested BRL 29.6 million in its fixed assets, BRL 20.0 million of which was spent by the parent company and invested as follows: BRL 14.3 million in machinery and equipment, BRL 1.4 million in *hardware* and *software*, BRL 4.0 million in buildings and improvements, and BRL 0.3 million in other fixed assets. BRL 9.6 million was invested in the subsidiaries, of which BRL 2.7 million was invested in Volare Veículos (São Mateus), BRL 1.7 million in Marcopolo Argentina, BRL 1.7 million in Marcopolo Australia, BRL 1.6 million in Marcopolo México and BRL 1.9 million in the other units.

CAPITAL MARKET

In 2Q21, transactions with Marcopolo shares moved BRL1,235.6 million. On June 30, the participation of foreign investors in Marcopolo's share capital amounted to 37.8% of the preferred shares and 24.9% of the total share capital. At the end of the period, the Company had 85,421 shareholders.

On June 30, the Company's Board of Directors approved the payment of interest on equity at the rate of BRL 0.07 per share. The shares traded ex-interest as of July 6 p.p. The proceeds will be paid from April 4, 2022.

The following table shows the evolution of the main indicators related to the capitals market:

INDICATORS	2Q21	2Q20	1S21	1S20
Traded value (BRL million)	1,235.6	2,179.8	3,004.8	4,857.2
Market value (BRL million) ⁽¹⁾⁽²⁾	3,210.0	2,774.4	3,210.0	2,774.4
Existing shares	946,892,882	946,892,882	946,892,882	946,892,882
Equity value per share (BRL)	2.83	2.63	2.83	2.63
POMO4 quotation at the end of the period	3.39	2.93	3.39	2.93

Notes: ⁽¹⁾ Quotation of the last transaction of the Book-entry Preferred share (PE) period, multiplied by the total of the shares (OE+PE) existing in the same period; ⁽²⁾ Of this total 7,252,882 preferred shares were in treasury on 06/30/2021.

ANALYSIS & PERSPECTIVES

The Company's results continued to be pressured by the context of the Covid-19 pandemic, reflecting, in 2Q21, the sales made in a period of increase in the number of cases of the disease in the main markets, especially between February and April 2021. The volume growth in the quarterly comparison against the weak 2020 base does not yet mark a demand inflection, but only highlights the exceptionality of the 2Q20 volumes, affected by collective vacation and plant shutdowns at that time.

The advancement of vaccination and the gradual reduction of contagion levels begin to indicate signs of recovery in the confidence of customers and users. The first indicator is given by the increase in purchase interest and greater use of stopped fleets, which should lead to effective purchases later on. The Company remains confident that demand will return more intensely at the end of 3Q21, with good prospects for 4Q21, when at least the first dose of the vaccine should be available to the majority of the Brazilian population. Essential activities for the bus segment such as tourism, face-to-face work and classes in schools and universities find broad support to return to normal operation and already positively influence circulation in cities.

In the short term, sales in Brazil continue to focus on segments that showed good performance during the pandemic, especially road, micro and Volares dedicated to chartering. In urban areas, the recovery is affected by the lack of support from municipalities in obtaining adequate compensation for the drop in demand in public transport. All segments will face the need to pass on cost increases to users, considering the high inflation scenario and the need for economic sustainability of their operations.

In 2Q21, the Company delivered 368 units for the federal program Caminho da Escola, with 120 micros, 18 urban and 230 Volare models. Over the last two years, the Company has supplied 4,612 vehicles with a potential of 4,800 units related to the bidding process that took place in the 2019 program, closing the deliveries of the previous notice in 2Q21. The auction of the new bidding has already taken place and the Company is awaiting approval for the direct or indirect supply (through a partnership with a chassis assembler) of 3,900 units of a total of 7,000 buses bid. The current forecast is that the manufacture of these vehicles will start at the end of 3Q21, with deliveries starting in 4Q21.

As in the case of Brazilian operations, exports continued to be affected by the new Covid-19 transmission waves, with a drop in sales in the quarterly comparison. When the Company returned from collective vacation in April 2020, we had a robust export order portfolio, a market that had not been significantly affected by the pandemic until then. In 2021, all markets are inserted in the context of the pandemic and the closing of orders is gradual. Countries that are more advanced in vaccination, such as Chile, show volume recovery, while important markets such as Peru and Central America progress slowly. The African continent remains an important market, with significant volumes also in 2H21. Maintaining this level, the exchange rate will benefit exports when the markets reopen and demand recovery.

In international operations, each subsidiary or affiliate experiences in a specific way the market environment guided by the retraction or the advance of the pandemic in the respective countries. In 2020, the Company's operations located in South Africa,

Argentina and Mexico were totally or partially interrupted due to the Covid-19 pandemic, a fact that explains the substantial increase in volumes in 2Q21.

Marcopolo Argentina maintains accelerated production of urban buses with positive bias for results. Marcopolo South Africa indicates a trend of volume recovery in the short term, reflecting purchases below those required in the country even before the pandemic. The unit has also benefited from restructuring initiated at the end of 2020. In Mexico, the operation still suffers from the composition of a *mix* more focused on products with lower added value, with lower demand for heavy buses as a result of the drop in tourism. Marcopolo China undergoes extensive reformulation, and has been focusing on establishing new partnerships, exploring *sourcing* opportunities and prospecting new markets.

In 2Q21, Marcopolo Australia continued to face a scenario of repressed demand, also reflecting the impacts of the pandemic and the consequent review of investments by local governments and customers. Even with the difficulties, the operation continues to reap the fruits of the reductions in expenses and efficiency gains, related to the restructuring promoted since 2019. These benefits should become even more evident as the local market begins to resume, which should happen as of 4Q21.

Even after the end of deliveries aimed at renewing the Bogota fleet, Colombian affiliate Superpolo maintains healthy results. Demonstrations in Colombia at the beginning of 2Q21 affected production in the quarter.

The Company anticipates a still challenging scenario in 3Q21, in a sales environment still affected by Covid-19 and a slow drop in contamination. In addition to the scenario, a quarter without volumes directed to the Caminho da Escola program, which helped increase production throughout the pandemic. It is projected that the structure adjustments will be completed in 3Q21 and that the inflection of volumes and operating results will occur from the beginning of 4Q21, with recovery in all relevant markets with the advance of vaccination.

In 2Q21, the Company announced two important launches. On May 25, Volare announced a new complete line of New Attack micros, combining the robustness, comfort and safety of the model with a more modern look. And on June 16 it was the turn of the Marcopolo Viaggio 800 model, dedicated to the charter sector. The differentials of the bodywork include the larger width, which provides more comfort and internal space to the passenger, positioning the product in the *premium* line of the segment that stood out in the period of the pandemic.

On July 20, Marcopolo announced the launch of the new generation of G8 buses to the market. Generation 8 buses feature substantial performance, safety, comfort and design evolutions, developed with a focus on customers and users. Marcopolo reinforces its position in the world bus market, proposing innovative solutions in mobility. The launches should contribute and stimulate sales from 3Q21, bringing news at a time of resumption of sales.

By proposing innovative solutions in processes and products for mobility, Marcopolo renews its role in the challenges created by the pandemic. Commitment to customers and users is reinforced by substantial investments in a revolutionary line of buses that indicate the future of public transport. Marcopolo has adapted and remains focused on supporting its customers in the search for economically and environmentally

sustainable buses, bringing people together in the world that will soon be open again to travel.

The Management.

BALANCE SHEET		IFRS 10 E 11 (CPC 36 R3 E CPC 19 R2) - in thousands of reais	
		Consolidated	
ASSETS		06/30/21	12/31/20
Current Assets			
Cash and cash equivalents		1.073.060	1.040.931
Short-term investments valued at fair value		-	-
Derivatives financial instruments		1.284	2.641
Trade accounts receivable		846.841	970.452
Inventories		842.485	748.411
Recoverable taxes		209.605	228.711
Other accounts receivable		165.615	179.906
		3.138.890	3.171.052
Non-current Assets			
Related parties		-	-
Financial assets available for sale		66.348	67.961
Recoverable taxes		387.391	4.913
Deferred income tax and social contribution		165.588	164.725
Judicial Deposits		62.607	66.670
Trade accounts receivable		418.018	449.933
Other accounts receivable		3.665	4.732
Investments		524.371	489.312
Investment Property		83.728	89.361
Property, plant and equipment		1.007.990	1.006.320
Intangible assets		334.826	345.930
		3.054.532	2.689.857
TOTAL ASSETS		6.193.422	5.860.909
LIABILITIES AND STOCKHOLDERS' EQUITY		Consolidated	
		06/30/21	12/31/20
Current Liabilities			
Suppliers		375.614	358.824
Loans and financing		622.661	722.097
Derivative financial instruciones		7.864	5.723
Salaries and vacation pay		135.347	102.505
Taxes and contributions payable		143.809	82.399
Related parties		-	-
Advances from customers		125.815	202.149
Comissioned representatives		30.328	45.737
Interest on own capital and dividends		56.798	92
Management profit sharing		1.838	3.608
Other accounts payable		208.013	195.174
		1.708.087	1.718.308
Non-current Liabilities			
Loans and financing		1.524.489	1.302.965
Provision		116.823	97.478
Taxes contributions payable		872	13.419
Obligations to purchase equity interests		24.406	24.406
Other accounts payable		85.490	96.338
		1.752.080	1.534.606
Stockholders' equity			
Capital		1.334.052	1.334.052
Capital reserves		2.745	3.268
Revenue reserves		928.092	827.843
Treasury stock		(28.603)	(29.776)
Equity valuation adjustments		446.219	416.829
		2.682.505	2.552.216
Non-controlling Interest		50.750	55.779
		2.733.255	2.607.995
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		6.193.422	5.860.909

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STATEMENTS OF INCOME	IFRS 10 E 11 (CPC 36 R3 E CPC 19 R2) - in thousands of reais				
	ACCOUNTS	Consolidated			
		2Q21	2Q20	1H21	1H20
Net sales and service revenues	823.692	798.469	1.657.666	1.717.868	
Cost of sales and services	(763.143)	(668.008)	(1.496.630)	(1.437.335)	
Gross Profit	60.549	130.461	161.036	280.533	
Operating income (expenses)	7,4%	16,3%	9,7%	16,3%	
Selling expenses	(49.094)	(53.757)	(91.797)	(106.672)	
Administrative expenses	(55.505)	(39.187)	(105.451)	(86.857)	
Other operating income (expenses), net	150.773	31.170	134.236	26.873	
Equity in the results of investees	5.712	(51.818)	11.756	(17.664)	
Net income (loss) from operations	112.435	16.869	109.780	96.213	
Financial revenue	144.249	133.454	264.920	383.796	
Financial expenses	38.447	(150.362)	(109.341)	(504.313)	
Financial Income/loss	182.696	(16.908)	155.579	(120.517)	
Equity in earnings of affiliates	295.131	(39)	265.359	(24.304)	
Income taxes and social contribution					
Current	(64.261)	3.235	(83.110)	3.145	
Deferred	(30.011)	(1.889)	3.916	33.184	
Net income from continued operations	200.859	1.307	186.165	12.025	
Net income per share - R\$	0,21376	0,00139	0,19812	0,01281	

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CASH FLOWS	IFRS 10 E 11 (CPC 36 R3 E CPC 19 R2) - in thousands of reais			
	Statement of Cash Flows	Consolidated		
		2Q21	2Q20	1H21
Cash flows from operating activities				
Net income for the period	200.858	1.307	186.165	12.025
Cash generated by (used in) operating activities:				
Depreciation and amortization	28.024	24.000	54.195	46.556
Equity in the results of investees	5.796	832	6.571	2.551
Provision for credit losses	(5.712)	51.818	(11.756)	17.664
Current and deferred income tax and social contribution	8.473	6.706	13.625	3.777
Interest and appropriated exchange variations	94.272	(1.346)	79.194	(36.329)
Cumulative translation adjustments	(71.652)	37.512	(3.903)	261.271
Non-controlling Interest	(2.481)	(4.096)	(3.803)	(7.673)
Changes in assets and liabilities				
(Increase) decrease in trade accounts receivable	61.344	(243.429)	131.216	(396.523)
(Increase) decrease in other accounts receivable	12.814	(7.203)	2.970	75.717
(Increase) decrease in inventories	(59.106)	45.446	(112.571)	(75.138)
(Increase) decrease in short-term investment	(319.351)	(31.758)	(351.848)	(133.733)
(Increase) decrease in actuarial liabilities	(12.631)	(87.604)	27.679	(50.364)
Increase (decrease) in accounts payable	61.106	33.863	47.910	45.255
Cash flows from operating activities	1.754	(167.640)	65.644	(228.632)
Income taxes paid	(64.261)	3.235	(83.110)	3.145
Net cash provided by (used in) operating activities	(62.507)	(164.405)	(17.466)	(225.487)
Cash flows from investing activities				
Investments	-	-	-	-
Related parties	-	-	-	-
Dividends from subsidiaries, jointly-controlled entities and associates	4.302	-	4.302	448
Purchase of fixed assets	(28.911)	(22.818)	(59.925)	(71.174)
Purchase of intangible assets	(651)	(539)	(2.670)	(1.961)
Proceeds from sale of fixed	252	(6)	765	-
Net cash obtained in investing activities	(25.008)	(23.363)	(57.528)	(72.687)
Cash flows from financing activities				
Issued shares	-	-	-	-
Treasury stock	650	-	650	-
Borrowings from third parties	414.902	114.295	532.699	362.623
Payment of borrowings - principal	(211.608)	12.115	(367.554)	(286.418)
Payment of borrowings - interest	(16.888)	(8.099)	(33.155)	(23.496)
Interest on capital and dividends	-	(45.005)	(16.539)	(69.971)
Net cash applied financing activities	187.056	73.306	116.101	(17.262)
Foreign exchange gains on cash and cash equivalents	(16.092)	8.653	(8.978)	46.671
Foreign exchange gains/(losses) on cash equivalents	(16.092)	8.653	(8.978)	46.671
Cash and cash equivalents at the beginning of the period	1.040.931	1.074.622	1.040.931	1.074.622
Cash and cash equivalents at the end of the period	1.073.060	805.857	1.073.060	805.857
Net increase (decrease) in cash and cash equivalents	32.129	(268.765)	32.129	(268.765)

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