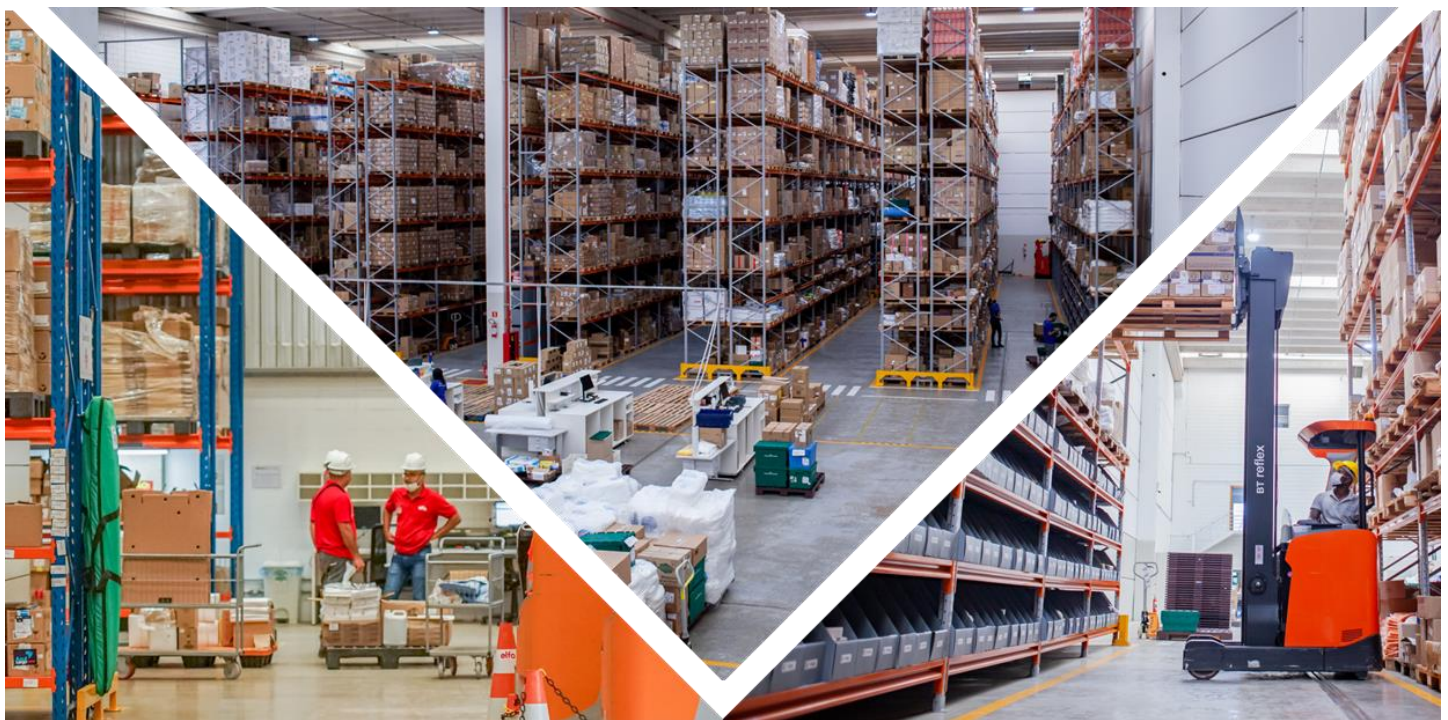


EARNINGS RELEASE



2Q21

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Elfa announces its results for 2Q21

São Paulo, August 12th, 2021 - Elfa Medicamentos S.A. announces its consolidated results for second quarter of 2021. The operational and financial information, unless otherwise indicated, is presented in Brazilian Reais, in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the accounting practices adopted in Brazil issued by the Accounting Pronouncements Committee (CPC) and approved by the Securities and Exchange Commission (CVM). The information contained herein must be analyzed together with the financial reports for the six-month period ended June 30th, 2021 (2Q21) filed with the CVM and available on the Company's Investor Relations website (<https://ir.grupoelfa.com.br>).

Highlights 2Q21

- **Net Revenues of R\$1.550,9 million, 178,5% above the same period last year and organic growth of 40,6%**
- **Gross Profit of R\$258,3 million, 289,3% above the same period of the previous year**
- **Adjusted EBITDA of R\$112,6 million, 321,5% above the same period last year**
- **Adjusted Net Income of R\$108,9 million, 354,6% above the same period of the previous year**
- **Acceptance of the request to list in the Novo Mercado segment of B3 in June 2021**
- Signing of the acquisition of **Grupo DRS** in June 2021 which marks the entry into **complex logistics services to support clinical research** in the pharmaceutical industry
- **'Women on Board' (WOB) certification** recognizing the presence of women on Boards of Directors in July 2021
- **Closing of the acquisition of Biodente** in July 2021, which complements our dental business
- **ISO37001 Certification (Anti-bribery Management Systems)** in August 2021

(R\$ million)	2Q20		2021		Growth		6M20		6M21		Growth	
	Reported	Scope	Organic	Reported	Organic	Reported	Reported	Scope	Organic	Reported	Organic	Reported
	(a)	(b)	(c)= (d-b-a)	(d)	(e)= (c)÷(a+b)	(f)= (d÷a)-1	(a)	(b)	(c)= (d-b-a)	(d)	(e)= (c)÷(a+b)	(f)= (d÷a)-1
Net Revenues (NOR)	556,9	546,4	447,6	1.550,9	40,6%	178,5%	1.009,2	1.078,9	794,3	2.882,4	38,0%	185,6%
Gross Profit	66,4	123,0	69,0	258,3	36,4%	289,3%	112,0	224,0	114,2	450,1	34,0%	302,0%
Gross Margin (% NOR)	11,9%	373,2%	100,9%	16,7%		4,7 p.p.	11,1%	+ 5,0 p.p.	- 0,5 p.p.	15,6%		4,5 p.p.
Adjusted EBITDA	26,7	61,1	24,7	112,6	28,2%	321,5%	36,0	98,1	79,2	213,3	59,0%	492,5%
% Adjusted EBITDA Margin (% NOR)	4,8%	11,2%	5,5%	7,3%		2,5 p.p.	3,6%	9,1%	10,0%	7,4%		3,8 p.p.
Adjusted Net Income	24,0			108,9		354,6%	29,6			160,2		441,5%
Adjusted Net Margin (% NOR)	4,3%			7,0%		2,7 p.p.	2,9%			5,6%		2,6 p.p.

About Elfa

With over 30 years of experience in the national healthcare market, Grupo Elfa is one of the leading providers of healthcare logistics solutions and services in Brazil, being a reference as a partner in the hospital market value chain through the provision of high value services aggregation and distribution of highly complex medicines and medical hospital materials. It is controlled by funds managed by Patria Investments, one of the most relevant private equity firms in the country.

Elfa ranks as 32nd in the Great Place to Work ranking¹. In addition, the Company received the ABRH Human Development award, was ranked in the Valor 1000 ranking of the Valor Econômico newspaper, and in the 'Melhores e Maiores' ranking of the Revista Exame magazine.

Message from Management

In the 1st half of this year, we achieved promising achievements and results for Elfa, despite the complexity imposed by the COVID-19 pandemic. We continued to raise our operations level of with double-digit organic growth, we advanced as expected in our acquisitions agenda, integrations continued within the deadlines and expected results, and we took relevant steps in the governance front. These themes will be explored below.

In the period ending on July 30th 2021, Net Revenues reached R\$ 2.882,4 million with a total growth of 185,6% and organic growth of 38,0%, due to the expected effect of the eight acquisitions and the merger with Atrial consolidated in our results since July of last year, and strong organic commercial performance, with emphasis on Pharmaceutical Specialties with increased sales and resilience of a diversified portfolio despite the challenges posed by the pandemic. We present in the period an adjusted EBITDA of R\$ R\$213,3 million, total growth of 492,5% and organic growth of 59,0% over the same period last year and Adjusted Net Income of R\$ 160,2 million, 441,5% higher than the same period of 2020.

As we commented in our last message, Elfa has been judicially discussing the constitutionality of the DIFAL (ICMS Rate Differential) on interstate sales. The Company deposits the amounts of DIFAL in court in case of injunction. As of June 30, 2021, such deposits totaled R\$62,1 million. Considering the decision of the Supreme Court regarding the unconstitutionality of the DIFAL and the discussions held with legal advisors, Elfa reversed R\$ 29,8 million in "Other Revenues" from credits referring to 2020 during the first quarter of 2021. DIFAL amounts referring to the period 2021 were reversed in Revenues Sales Tax.

On the acquisitions front, we remain focus on our strategy of seeking opportunities to strengthen our business, supported by our experienced team that seeks potential targets to expand our presence and add new services and knowledge that we see as relevant competitive advantages.

In the 2nd quarter of this year, we completed two acquisitions: (i) we closed, on May 7th, the acquisition of Grupo Anbioton, a drug distributor focused on the generics and nutrition markets in the Southeast, and (ii)

¹ Great Place to Work (24th Edition; Best Companies to Work for in Brazil in 2020; National Average Ranking)

we announced the acquisition of the Grupo DRS on June 30th, which holds a leading position in complex logistics services to support clinical research in the pharmaceutical industry, supporting the development and launch of new drugs. This will mark our entry into this segment in Brazil; a country that has attractive characteristics for the development of new drugs, such as the 6th largest population in the world, great genetic diversity, and strict health regulation. This operation reinforces the Company's strategy of providing innovative and high value-added logistics solutions for the Brazilian healthcare chain, and its conclusion is subject to the verification of certain usual conditions, including the approval by the Administrative Council for Economic Defense (“CADE”).

In addition, we concluded, on the 30th of July, the acquisition of Biodente, which complements strategically our dental business in the southern region of Brazil.

As well as the positive impact that the operation of the Grupo DRS will bring to our 'Logistic Services' BU, this business unit has expanded the delivery of direct orders to hospitals, where we save our customers from separation and picking in their warehouses, as we deliver directly to their dispensaries. This service has Elfa employees directly allocated to hospital operations.

Our acquisition integrations are strictly within the planned deadlines and the extraction of their synergies in line with the business plans previously drawn up. Here is where the most recent acquisitions are at in our proprietary integration methodology:

- Evaluation prior to closing: DRS
- Operations Taking Plan: -
- 100 Day Plan: Anbioton and Biodente
- Growth Action Plan: BioHosp, Dupatri, Fenenergy, Surya, Mostaert, and Oncorio

The newly created Digital and Innovation Department – responsible for the 'Elfa Digital Journey' – started working on three fronts:

- Innovation:
 - Elfa Labs: We started the work of this team that is responsible for developing experiments and validating businesses in an agile way with the support of digital technologies. This front has the support of Starse and Captable, the largest startup hubs in Brazil, to support the development of tests for startups investments.
 - Elfa Ideias: we launched an intrapreneurship platform with goal of transforming our employees into entrepreneurs who can improve our operational efficiency, as well as innovate in customer service.
- Customer Experience:
 - NPS (*Net Promoter Score*) Survey: We kicked off the NPS (Net Promoter Score) assessment throughout Elfa.
 - Personas and Journeys: we started mapping the personas and journeys of our customers

- Digital:
 - Artificial Intelligence in Pricing: start of project for price differentiation for each customer
 - Indicators and Dashboards: Implementation that seeks to improve the information visibility to boost sales and margins.
 - eCommerce: Enhancement of our eCommerce platforms.
 - Artificial intelligence in quotes: development of a process to increase response to quotes.

We obtained ISO37001 certification (Anti-bribery Management Systems), where we are pioneers in the segment (distributors and providers of logistics services and health solutions) and reflects our constant search to be an active agent in the process of transforming the sector into a more ethical and with high standards of compliance. The certification process consisted of analysis and testing of practices from all areas of Elfa to demonstrate that we have the proper Compliance controls and care. Our Compliance program was implemented in 2015 and minor adjustments were needed to highlight anti-bribery care that already existed in our routines. We understand that the implementation of an efficient anti-bribery management is fundamental and an important competitive advantage. We believe that only companies guided by such values will be able to survive in the complex healthcare chain and we are aware of our responsibility to act in this market.

As we have informed in the past, we applied to join B3's Novo Mercado in April of this year. Our request was accepted on June 1, conditional on the public offering (IPO) and admission to trading on B3. This initiative complements the achievements of 2020 (registration with the CVM in Category "A" – December 2020 – and evolution to comply with Novo Mercado rules) and is another relevant step towards a potential IPO.

Elfa has also been certified by the '*Women on Board*' (WOB). The '*Women on Board*' is an independent initiative, supported by UN Women, which aims to recognize, value, and publicize the existence of corporate environments with the presence of women on Boards of Directors, with the aim of demonstrating the benefits of this diversity to the business world and to society. Our Board of Directors currently has the work of three executives with extensive business experience. We are committed to diversity, and we believe that diverse groups are more assertive and, consequently, make better decisions that positively impact our results. We are especially benefited by diversity through our various acquisitions, as we bring together professionals from different backgrounds, experiences and visions that provide an environment that encourages innovation and collaboration.

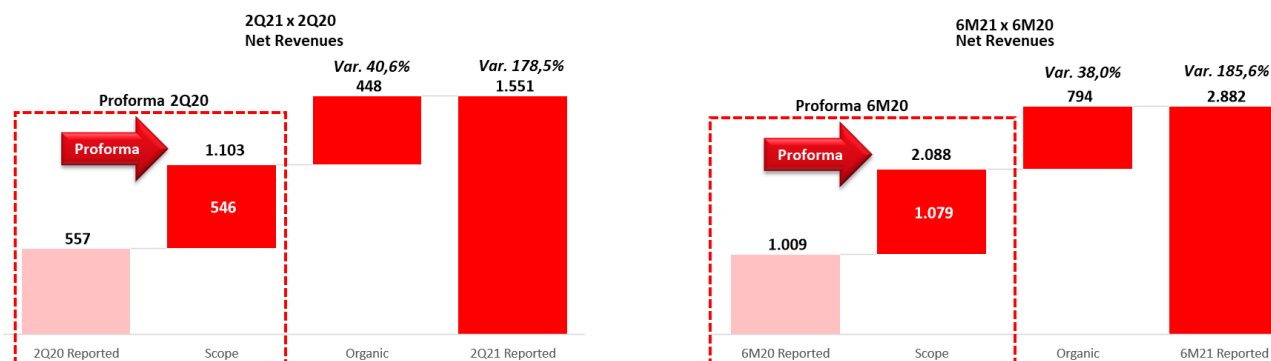
The pandemic continues to impact our families, society, and businesses, and we are aware of the importance of those involved in every link in the healthcare sector – from the creation of medicines to the professionals in charge of patient care. Without the effort, resilience, and competence of everyone, we would not have the first signs that our lives will gradually return to normality. Our sincere respect and admiration to the Elfa team for its heroic performance in bringing health to the four corners of Brazil. We take this message to welcome the Biodente team.

We remain positive with Elfa's 2021 results and prospects and that the pandemic will pass.

Consolidated Income Statement

(R\$ million)	2Q20		2Q21		Growth		6M20		6M21		Growth	
	Reported	Scope	Organic	Reported	Organic	Reported	Reported	Scope	Organic	Reported	Organic	Reported
	(a)	(b)	(c)= (d-b-a)	(d)	(e)= (c)÷(a+b)	(f)= (d÷a)-1	(a)	(b)	(c)= (d-b-a)	(d)	(e)= (c)÷(a+b)	(f)= (d÷a)-1
Net Revenues (NOR)	556,9	546,4	447,6	1.550,9	40,6%	178,5%	1.009,2	1.078,9	794,3	2.882,4	38,0%	185,6%
COGS	(490,5)	(423,4)	(378,6)	(1.292,5)	41,4%	163,5%	(897,2)	(854,9)	(680,1)	(2.432,3)	38,8%	171,1%
Gross Profit	66,4	123,0	69,0	258,3	36,4%	289,3%	112,0	224,0	114,2	450,1	34,0%	302,0%
Gross Margin (% NOR)	11,9%	+ 3,7 p.p.	+ 1,0 p.p.	16,7%		4,7 p.p.	11,1%	+ 5,0 p.p.	- 0,5 p.p.	15,6%		4,5 p.p.
Operating Expenses	(46,9)	(65,6)	(39,4)	(151,9)	35,1%	224,2%	(81,8)	(132,6)	(56,6)	(271,0)	26,4%	231,2%
Other Operating	7,2	3,8	(4,8)	6,2	-43,9%	-14,5%	5,9	6,7	21,6	34,2	171,7%	483,5%
Adjusted EBITDA	26,7	61,1	24,7	112,6	28,2%	321,5%	36,0	98,1	79,2	213,3	59,0%	492,5%
% Adjusted EBITDA Margin (% NOR)	4,8%	11,2%	5,5%	7,3%		2,5 p.p.	3,6%	9,1%	10,0%	7,4%		3,8 p.p.
Non-Recurring	(12,2)	(4,0)	11,1	(5,1)	-68,6%	-58,3%	(13,8)	(6,8)	1,8	(18,8)	-8,8%	36,0%
Depreciation and Amortization	(10,8)	(21,2)	4,0	(28,0)	-12,5%	159,1%	(17,2)	(34,6)	(0,7)	(52,5)	1,3%	205,7%
Operating Profit (EBIT)	3,7	36,0	39,8	79,6	100,2%	2023,1%	5,0	56,7	80,3	142,0	130,2%	2732,9%
Financial Result	(4,6)			(17,3)		278,8%	(6,8)			(28,2)		314,0%
IR/CSSL	12,6			41,6		230,0%	17,6			27,7		57,3%
Net Income	11,8			103,9		781,3%	15,8			141,4		796,4%
Net Margin (% NOR)	2,1%			6,7%		4,6 p.p.	1,6%			4,9%		3,3 p.p.
Non-recurring	12,2			5,1		-58,3%	13,8			18,8		36,0%
Adjusted Net Income	24,0			108,9		354,6%	29,6			160,2		441,5%
Adjusted Net Margin (% NOR)	4,3%			7,0%		2,7 p.p.	2,9%			5,6%		2,6 p.p.

Net Revenues



(R\$ million)	2Q20		2Q21		Growth		6M20		6M21		Growth	
	Reported	Scope	Organic	Reported	Organic	Reported	Reported	Scope	Organic	Reported	Organic	Reported
	(a)	(b)	(c)= (d-b-a)	(d)	(e)= (c)÷(a+b)	(f)= (d÷a)-1	(a)	(b)	(c)= (d-b-a)	(d)	(e)= (c)÷(a+b)	(f)= (d÷a)-1
Net Revenues	556,9	546,4	447,6	1.550,9	40,6%	178,5%	1.009,2	1.078,9	794,3	2.882,4	38,0%	185,6%
Pharmaceutical Specialties	532,8	355,5	498,4	1.386,7	56,1%	160,3%	978,8	682,2	818,6	2.479,6	49,3%	153,3%
Hospital Medical Supplies	24,1	190,9	-50,8	164,2	-23,6%	580,0%	30,3	396,8	-24,3	402,8	-5,7%	1227,7%

Net revenues totaled R\$1.550,9 million in the second quarter of 2021, a total growth of 178,5% compared to the same period in 2020. The evolution comprises the merger with Atrial (June 2020) and eight acquisitions concluded between 2020 and the 2nd quarter of this year (Medcom, Fenenergy, Surya Dental, Mostaert, Oncorio, Biohosp, Dupatri and Anbioton) and robust organic performance and growth of 40,6%. Such organic growth was mainly supported by the 'Pharmaceutical Specialties' segment, reflecting the good commercial performance with consequent increase in volumes and the resilience of the diversified portfolio even during the pandemic.

'Pharmaceutical Specialties' presented organic growth of 56,1% in the quarter, due to the good performance in all businesses. In this segment, we highlight the gradual normalization of cancer treatments impacted in 2020 ('reference drugs'), demand for drugs to treat COVID-19 ('reference drugs' and 'generics and similar'), larger customer base in dermatological and dental eCommerce ('clinics'), and better delivery performance. 'Hospital Medical Materials' presented an organic contraction of -23,6%, especially due to (i) strong performance in the first quarter of 2020; (ii) a drop in demand and prices for 'Essentials' (such as masks, gloves and syringes) and (iii) reduction in demand for 'Specialties' (such as prostheses and orthotics) due to limitations in elective procedures due to consequence of the pandemic.

In relation to 6M21, net revenues reached R\$ 2.882,4 million, a variation of 185,6% vis-à-vis 6M20. The performance in the semester, as in the quarter, was positively impacted by mergers and acquisitions and the good organic performance of 38,0%. 'Pharmaceutical Specialties' presented organic growth of 49,3%, driven by the good performance in all businesses, with emphasis on reference medicines. 'Hospital Medical Materials' delivered an evolution of -5,7% smoothing the impact of the strong comparison of last year. Such reduction occurred principally due to price and demand for 'Essentials'.

Gross Profit

(R\$ million)	2Q20		2Q21		Growth		6M20		6M21		Growth	
	Reported	Scope	Organic	Reported	Organic	Reported	Reported	Scope	Organic	Reported	Organic	Reported
	(a)	(b)	(c)= (d-b-a)	(d)	(e)= (c)÷(a+b)	(f)= (d÷a)-1	(a)	(b)	(c)= (d-b-a)	(d)	(e)= (c)÷(a+b)	(f)= (d÷a)-1
Gross Profit	66,4	123,0	69,0	258,3	36,4%	289,3%	112,0	224,0	114,2	450,1	34,0%	302,0%
Pharmaceutical Specialties	62,1	68,5	79,4	210,0	60,8%	238,3%	104,7	118,5	125,8	349,0	56,4%	233,4%
Hospital Medical Supplies	4,3	54,4	-10,4	48,4	-17,7%	1024,6%	7,3	105,5	-11,7	101,2	-10,3%	1288,8%
Gross Margin	11,9%	+3,7 p.p.	+1,0 p.p.	16,7%		4,7 p.p.	11,1%	+3,6 p.p.	+0,9 p.p.	15,6%		4,5 p.p.
Pharmaceutical Specialties	11,6%	+2,0 p.p.	+1,5 p.p.	15,1%		3,5 p.p.	10,7%	+1,8 p.p.	+1,5 p.p.	14,1%		3,4 p.p.
Hospital Medical Supplies	17,8%	+12,4 p.p.	-0,8 p.p.	29,5%		11,6 p.p.	24,0%	+2,6 p.p.	-1,4 p.p.	25,1%		1,1 p.p.

Gross profit in the second quarter of 2021 reached R\$ 258,3 million, a 289,3% growth compared to the same period of the previous year. This behavior is a consequence of the aforementioned merger and acquisitions, and organic growth of 36,4% over 2Q20. Gross margin reached 16,7% in the quarter, +4,7 p.p. above 2Q20. Such expansion of Margin is due to the combination of acquisitions with attractive margins and good organic performance (organic contribution of +1,0 p.p.). 'Pharmaceutical Specialties' increased gross profit of 238,3% and 60,8% organically with margin expansion of +3,5 p.p. (organic contribution of +1,5 p.p.), mainly due to greater tax efficiency in the period and results positive results of commercial initiatives in 'generics and similar'. During the first quarter of 2021, the Federal Supreme Court ruled that the collection of DIFAL (ICMS rate differential) in interstate sales was unconstitutional, benefiting companies, such as Elfa, that were questioning this tax in court. 'Hospital Medical Supplies' showed gross profit growth of about 10x mainly due to the merger with Atrial in June 2020. The margin in this segment grew +11,6 p.p. given Atrial expertise in such segment. The organic margin contraction of -0,8 p.p. when compared to 2Q20, is mainly due to the impact of mix effect of the pandemic on elective surgeries that demand high value-added materials ('Specialties'²) with higher margins and reduction in price of 'Essentials' when compared to the previous year.

In the first half, gross profit reached R\$ 450,1 million, grew 302,0% in total and 34,0% organically over the same semester of the previous year. Gross margin reached 15,6%, an expansion of +4,5 p.p. compared to 6M20, due to acquisitions with attractive margins and good organic performance (organic contribution of +0,9 p.p.).

² 'Specialties' is a sub-segment of "Hospital Medical Supplies" offering high value added solutions that require specialized sales team, such as materials for surgical procedures (bariatric, oncological and digestive system surgeries), breast prostheses, blood glucose monitoring equipment and treatment of cardiac arrhythmia.

Operating Expenses and Others

(R\$ million)	2Q20		2Q21		Growth		6M20		6M21		Growth	
	Reported	Scope	Organic	Reported	Organic	Reported	Reported	Scope	Organic	Reported	Organic	Reported
	(a)	(b)	(c)= (d-b-a)	(d)	(e)= (c)÷(a+b)	(f)= (d÷a)-1	(a)	(b)	(c)= (d-b-a)	(d)	(e)= (c)÷(a+b)	(f)= (d÷a)-1
Operating Expenses	(46,9)	(65,6)	(39,4)	(151,9)	35,1%	224,2%	(81,8)	(132,6)	(56,6)	(271,0)	26,4%	231,2%
% NOR	-8,4%	-1,3 p.p.	-0,1 p.p.	-9,8%		-1,4 p.p.	-8,1%	-1,6 p.p.	+0,3 p.p.	-9,4%		-1,3 p.p.
Selling Expenses	(19,3)	(29,9)	(21,7)	(70,9)	44,1%	266,7%	(36,2)	(59,7)	(32,5)	(128,5)	33,9%	254,6%
Allowance for Doubtful Accounts	(3,2)	(1,8)	(0,8)	(5,9)	16,2%	83,0%	(7,5)	(2,9)	(1,2)	(11,6)	11,8%	54,6%
General and Administrative	(24,3)	(33,9)	(16,9)	(75,1)	29,0%	209,0%	(38,1)	(70,0)	(22,9)	(131,0)	21,1%	243,8%
Other Operating	7,2	3,8	(4,8)	6,2	-43,9%	-14,5%	5,9	6,7	21,6	34,2	171,7%	483,5%
% NOR	1,3%	0,7%	-1,1%	0,4%		-0,9 p.p.	0,6%	0,6%	2,7%	1,2%		0,6 p.p.

2Q21 operating expenses totaled R\$151,9 million or 9,8% of net revenue, representing an increase of 224,2% over the same period last year and an increase of 1,4 p.p. over net revenue. In addition to the expected effect of acquisitions in the process of integrating and capturing synergies, it should be noted that the increased representativeness of 'Hospital Medical Supplies' segment has a higher gross margin (29,5% in 2Q21 vs. 15,1% in Pharmaceutical Specialties) but requires a specialized sales force with higher expenses as a percentage of sales (see section 'Information by Segment'). The 35,1% organic evolution of operating expenses (below 40,6% of the organic revenue growth) is mainly due to:

- Selling Expenses: 44,1% organic expansion compared with the 40,6% organic growth of Net Revenues, driven by (i) price effect on freight consequence of the impact of the pandemic on the air network, (ii) price effect on packaging mainly due to the increase in price of associated 'commodities' such as cardboard and Styrofoam
- General and Administrative: 29,0% organic growth mainly due to (i) the impact of Profit Sharing (PLR) and (ii) a larger corporate team to support the integration of acquired companies.

In the first half of the year, operating expenses totaled R\$ 271,0 million or 9,4% of net revenue, representing an increase of 231,2% compared to the same period last year and an evolution of 1,3 p.p. over net revenue. The 26,4% organic growth in operating expenses (below 38,0% of the organic revenue growth) reflects the greater efficiency in the management of these expenses (see gain of +0,3 p.p. as %NOR above) and is mainly a consequence of:

- Selling Expenses: organic growth of 33,9% compared with an organic growth of 38,0% in Net Revenues explained by price effect in both freights and packaging due to the pandemic (as observed above) offset by the success of operational efficiency and logistics network initiatives in the period.
- General and Administrative: organic growth of 21,1% due to (i) the impact of Profit Sharing (PLR), and (ii) lower expenses related to strategic projects to support the company's growth.

The evolution of Other Operating in the quarter is due to the withdrawal of extemporaneous tax credits. In the semester, the results were positively impacted by a reversal of provisions for taxes payable under 2020 due to the Federal Supreme Court's decision to the unconstitutionality of payment of DIFAL totaling R\$29,8 million.

Adjusted EBITDA

(R\$ million)	2Q20		2Q21		Growth		6M20		6M21		Growth	
	Reported	Scope	Organic	Reported	Organic	Reported	Reported	Scope	Organic	Reported	Organic	Reported
	(a)	(b)	(c)= (d-b-a)	(d)	(e)= (c)÷(a+b)	(f)= (d÷a)-1	(a)	(b)	(c)= (d-b-a)	(d)	(e)= (c)÷(a+b)	(f)= (d÷a)-1
Gross Profit	66,4	123,0	69,0	258,3	36,4%	289,3%	112,0	224,0	114,2	450,1	34,0%	302,0%
<i>Gross Margin (% NOR)</i>	11,9%	+ 3,7 p.p.	+ 1,0 p.p.	16,7%		4,7 p.p.	11,1%	+ 5,0 p.p.	- 0,5 p.p.	15,6%		4,5 p.p.
Operating Expenses	(46,9)	(65,6)	(39,4)	(151,9)	35,1%	224,2%	(81,8)	(132,6)	(56,6)	(271,0)	26,4%	231,2%
Other Operating	7,2	3,8	(4,8)	6,2	-43,9%	-14,5%	5,9	6,7	21,6	34,2	171,7%	483,5%
Adjusted EBITDA	26,7	61,1	24,7	112,6	28,2%	321,5%	36,0	98,1	79,2	213,3	59,0%	492,5%
<i>Adjusted EBITDA Margin (% NOR)</i>	4,8%	11,2%	5,5%	7,3%		2,5 p.p.	3,6%	9,1%	10,0%	7,4%		3,8 p.p.

Adjusted EBITDA for the second quarter resulted in R\$ 112,6 million, a growth of 321,5% compared to the same period last year. The growth is a combination of the merger with Atrial and acquisitions in the period, and an organic evolution of 28,2% in the period, due to (i) growth of 36,4% in our gross profit, driven by the strong commercial performance in the quarter, e (ii) greater efficiency in the management of operating expenses

In the semester, Adjusted EBITDA totaled R\$ 213,3 million, an increase of 492,5% compared to 6M20. The evolution is due to the aforementioned mergers and acquisitions, and the organic growth of 59,0% in the period, mainly due to the 34,0% growth in our gross profit, driven by the above mentioned factors and the reversal of tax provisions in the first quarter.

Operating Profit (EBIT)

(R\$ million)	2Q20		2Q21		Growth		6M20		6M21		Growth	
	Reported	Scope	Organic	Reported	Organic	Reported	Reported	Scope	Organic	Reported	Organic	Reported
	(a)	(b)	(c)= (d-b-a)	(d)	(e)= (c)÷(a+b)	(f)= (d÷a)-1	(a)	(b)	(c)= (d-b-a)	(d)	(e)= (c)÷(a+b)	(f)= (d÷a)-1
Adjusted EBITDA	26,7	61,1	24,7	112,6	28,2%	321,5%	36,0	98,1	79,2	213,3	59,0%	492,5%
<i>Adjusted EBITDA Margin (% NOR)</i>	4,8%	11,2%	5,5%	7,3%		2,5 p.p.	3,6%	9,1%	10,0%	7,4%		3,8 p.p.
Non-recurring	(12,2)	(4,0)	11,1	(5,1)	-68,6%	-58,3%	(13,8)	(6,8)	1,8	(18,8)	-8,8%	36,0%
Depreciation and Amortization	(10,8)	(21,2)	4,0	(28,0)	-12,5%	159,1%	(17,2)	(34,6)	(0,7)	(52,5)	1,3%	205,7%
Operating Profit (EBIT)	3,7	36,0	39,8	79,6	100,2%	2023,1%	5,0	56,7	80,3	142,0	130,2%	2732,9%

Operating Profit in 2Q21 was R\$ 79,6 million, representing an expansion in reported figures of 2023,1% and organic growth 100,2% compared to the same period of the previous year. In addition to the 321,5% increase in Adjusted EBITDA, Operating Income contemplates the effects of (i) non-recurring expenses resulting from acquisitions (expenses with lawyers and 'due diligence') and integrations (consultancy support), and (ii) increase in the amortization of capital gains from acquisitions.

In 6M21, Operating Profit was R\$ 142,0 million, representing an expansion of 2732,9% over 6M20 and an organic growth of 130,2%. In addition to the 492,5% growth in Adjusted EBITDA, as in the quarter, Operating Income incorporates the effects of non-recurring expenses and an increase in the amortization of capital gains.

Financial Results

(R\$ million)	2Q20	2Q21	Growth	6M20	6M21	Growth
	Reported	Reported	Reported	Reported	Reported	Reported
	(a)	(d)	(f)= (d÷a)-1	(a)	(d)	(f)= (d÷a)-1
Financial Expenses	(5,6)	(18,9)	239,4%	(8,3)	(32,7)	291,7%
Financial Income	1,0	1,6	60,4%	1,5	4,5	192,2%
Financial Result	(4,6)	(17,3)	278,8%	(6,8)	(28,2)	314,0%

The financial result for the second quarter presented a net expense of R\$ 17,3 million, representing an increase of 278,8% over the same period of the previous year. This evolution is essentially due to the increase in debt and accounts payable from acquisitions in the period.

The financial result for 6M21 showed a net expense of R\$28,2 million, representing an increase of 314,0% over the same period of the previous year. This is due to the same factors observed in the quarter (increased debt and accounts payable from acquisitions).

Part of the integration activities is to optimize the debt profile of acquired companies. Such companies are usually smaller than Elfa and have access to credit at higher costs.

Income Tax (IR) and Social Contribution on Net Income (CSLL)

(R\$ million)		2Q20	2Q21	6M20	6M21
		Operating profit before taxes	(a)	(0,8)	62,2
Legal combined tax rate		34,0%	34,0%	34,0%	34,0%
Income tax and social contribution over legal tax rates	(b)	0,3	(21,2)	0,6	(38,7)
Adjustments (tax effect; multiplied by 34%)					
Grants on investments		6,8	43,7	13,8	56,0
Other additions and exclusions, net		5,5	19,1	3,2	10,3
Additions and exclusions, net	(c)	12,3	62,8	17,0	66,3
Income tax and social contribution, net	(d) = (b) + (c)	12,6	41,6	17,6	27,7
Effective tax rate	(d) ÷ (a)	1525,2%	-66,9%	974,2%	-24,3%

The Company benefits from a special ICMS regime with a reduction in the calculation basis. In accordance with Brazilian tax legislation, ICMS tax benefits validated by CONFAZ (National Council of Treasury Policy) are also excluded from the calculation basis of IR / CSLL - as can be observed in the line "Grants on Investments".

Net Income and Adjusted Net Income

(R\$ million)	2021			6M21		
	Reported	Reported	Growth	Reported	Reported	Growth
	(a)	(d)	(f)= (d÷a)-1	(a)	(d)	(f)= (d÷a)-1
Operating Profit (EBIT)	3,7	79,6	2023,1%	5,0	142,0	2732,9%
Financial Result	(4,6)	(17,3)	278,8%	(6,8)	(28,2)	314,0%
IR/CSLL	12,6	41,6	230,0%	17,6	27,7	57,3%
Net Income	11,8	103,9	781,3%	15,8	141,4	796,4%
Net Margin (% NOR)	2,1%	6,7%	4,6 p.p.	1,6%	4,9%	3,3 p.p.
Non-recurring	12,2	5,1	-58,3%	13,8	18,8	36,0%
Adjusted Net Income	24,0	108,9	354,6%	29,6	160,2	441,5%
Adjusted Net Margin (% NOR)	4,3%	7,0%	2,7 p.p.	2,9%	5,6%	2,6 p.p.

Net income totaled R\$ 103,9 million in 2Q21, 781,3% higher than the same period last year, mainly due to the expansion of operating income (EBIT) and positive result of IR/CSLL, partially offset by the increase in net financial expenses. Excluding the impact of non-recurring expenses (R\$ 5,1 million), adjusted net income in 2Q21 increased by 354,6% reaching R\$ 108,9 million.

As per the first half, net income reached R\$ 141,4 million, a variation of 796,4% above the same period last year. This growth is principally due to the expansion of operating profit (EBIT), offset in parts net financial expense. Excluding the effect of non-recurring expenses (R\$ 18,8 million), adjusted net income in 6M21 increased by 441,5%, reaching R\$ 160,2 million.

Debt

(R\$ million)	2020	2Q21
Loans and financings		
Short term	142,0	194,1
Long term	267,8	342,3
Gross Debt	(a) 409,9	536,4
Cash and cash equivalents	(228,5)	(214,7)
Securities	(75,1)	0,0
Financial investments	(0,1)	(0,0)
Cash	(b) (303,7)	(214,7)
Net Debt	(a) + (b) 106,1	321,7

At the end of the quarter, Elfa had gross debt of R\$ 536,4 million, compared to the R\$142 million on December 31st, 2020. The increase in debt was intended to finance the acquisition closed during the period at hand (Dupatri and Anbioton), as well as our working capital needs during the first quarter.

At the end of the period, 63,8% of the debt was in the long term. The cash position was R\$ 214,7 million and part of this was used to pay for the acquisition of Biodente (July).

Elfa holds debt instruments with maximum leverage limitations to which the Company must be exposed. The 'covenant' currently considered stricter by Management is calculated at the end of the year and must meet a leverage of a maximum of 2.5x net debt / Accounting EBITDA.

Cash Flow

(R\$ '000)	2Q20	2Q21	6M20	6M21
Cash flow from operating activities				
Net profit/(loss) in the period	11.786	103.867	15.780	141.446
Adjustments to reconcile net income with cash:	2.855	10.173	15.865	70.603
(Increase)/decrease in assets:				
Trade account receivables	(41.225)	(89.170)	(26.129)	(185.140)
Inventory	(30.777)	(66.576)	(22.581)	(58.110)
Taxes to recover	(4.798)	(27.677)	1.042	(45.076)
Related parties	4.392	-	4.392	-
Other assets	(1.546)	(46.008)	1.839	(82.699)
(Decrease)/increase in liabilities:				
Suppliers and other accounts payable	(8.569)	94.112	(84.190)	9.508
Labor obligations	3.743	12.372	2.114	10.081
Taxes payable	651	(2.826)	(7.741)	(31.471)
Cash generated by (used in) operating activities	(63.488)	(11.734)	(99.609)	(170.859)
Payment of interest on loans and financings	(3.911)	(3.675)	(9.358)	(11.890)
Income tax and social contribution paid	(2.504)	(10.951)	(4.183)	(19.952)
Net cash flow generated by (used in) operating activities	(69.903)	(26.360)	(113.150)	(202.701)
Investing activities:				
Acquisition of PP&E and intangible assets, net	(2.300)	(3.010)	(2.516)	(11.098)
Subsidiaries acquisitions, net of cash	(76.348)	(26.244)	(76.348)	(110.479)
Subsidiaries acquisitions of non-controlling shareholders	-	-	-	(21.243)
Cash from the acquisition of subsidiaries	42.741	-	42.741	-
Marketable Securities	-	-	-	75.243
Net cash flow from (used in) investing activities	(35.907)	(29.254)	(36.123)	(67.577)
Financing activities:				
Increase in share capital	10.322	5.059	250.000	227.640
Loans, financings and leases	130.000	-	265.205	190.268
Payment of installments for acquired companies	(13.887)	(33.530)	(13.887)	(38.053)
Payment of principal on loans and financing	(76.661)	(27.683)	(219.244)	(117.648)
Leases payment	-	(2.799)	-	(5.690)
Dividends paid	(664)	-	(664)	-
Cash flow from financing activities	49.110	(58.954)	281.410	256.516
Increase/(reduction) in cash and cash equivalents, net	(56.700)	(114.568)	132.137	(13.762)

As previously mentioned, Elfa's activities generate cash, but require capital to support its growth. Furthermore, operating cash generation is highly seasonal, with significant consumption in the first half of the year and strong generation in the second half.

In the second quarter of 2021, there was a cash consumption of R\$ 26,4 million from operating activities, mainly due to increases in "Accounts Receivable" (R\$R\$ 89,2 million) and "Inventory" (R\$R\$ 58,1 million), softened by the improvement in "Suppliers and other accounts payable" (R\$ 94,1 million).

Cash Flow from Investments consumed R\$ 29,3 million in 6M21, largely due to the R\$ 26,2 million paid for the acquisitions.

Cash Flow from Financing in 2Q21 consumed R\$ 59,0 million, due to the payment of installments for acquisitions in the amount of R\$ 33,5 million and payment of debt instruments in the amount of R\$ 27,7 million.

At the end of the 2021 quarter, there was a cash reduction of R\$ 114,6 million.

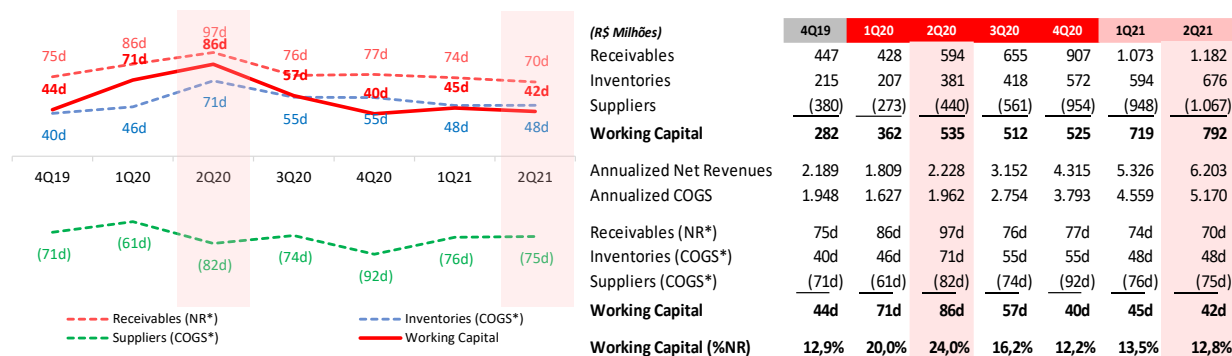
It was observed cash consumption from operating activities of R\$ 202,7 million in 6M21, mainly due to the increase in "Accounts Receivable" (R\$ 185,1 million), and partially offset by "Suppliers and other accounts payable" (R\$ 9,51 million) and Labor liabilities (R\$ 10,08 million).

Cash Flow from Investments consumed R\$ 67,6 million in the period, mainly due to the R\$ 110.5 million paid for acquisitions, partially offset by the withdrawal of R\$ 75,2 million in bonds and securities (financial investments).

The Financing Cash Flow in the first half contributed R\$ 256,5 million, mainly due to the capital increase of R\$ 227,6 million and the raising of loans and financing in the amount of R\$ 190,3 million, partially offset by the payment of financial debts instruments worth R\$ 117,6 million.

Considering the above, there was a cash consumption of R\$ 13,8 million in the accumulated in the period.

Working Capital



(R\$ Milhões)	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21
Receivables	447	428	594	655	907	1.073	1.182
Inventories	215	207	381	418	572	594	676
Suppliers	(380)	(273)	(440)	(561)	(954)	(948)	(1.067)
Working Capital	282	362	535	512	525	719	792
Annualized Net Revenues	2.189	1.809	2.228	3.152	4.315	5.326	6.203
Annualized COGS	1.948	1.627	1.962	2.754	3.793	4.559	5.170
Receivables (NR*)	75d	86d	97d	76d	77d	74d	70d
Inventories (COGS*)	40d	46d	71d	55d	55d	48d	48d
Suppliers (COGS*)	(71d)	(61d)	(82d)	(74d)	(92d)	(76d)	(75d)
Working Capital	44d	71d	86d	57d	40d	45d	42d
Working Capital (%NR)	12,9%	20,0%	24,0%	16,2%	12,2%	13,5%	12,8%

The simplified working capital used in our operations in 2Q21 was reduced to approximately half when compared to the same period last year. The cash cycle presented in 2Q21 was 42 days, compared to 86 days a year ago. This effect is mainly explained by a 28-day reduction in receivables, 23 days in inventories, partially offset by a 6-day reduction in suppliers.

Reconciliation of Net Income and EBITDA

Below we present the reconciliation of Net Income to Accounting EBITDA.

(R\$ million)	2Q20		2021		Growth		6M20		6M21		Growth	
	Reported	Scope	Organic	Reported	Organic	Reported	Reported	Scope	Organic	Reported	Organic	Reported
	(a)	(b)	(c)= (d-b-a)	(d)	(e)= (c)÷(a+b)	(f)= (d÷a)-1	(a)	(b)	(c)= (d-b-a)	(d)	(e)= (c)÷(a+b)	(f)= (d÷a)-1
Net Income	11,8	36,0	56,1	103,9	117,4%	781,3%	15,8	56,7	69,0	141,4	95,2%	796,4%
IR/CSLL	(12,6)	-	(29,0)	(41,6)	230,0%	230,0%	(17,6)	-	(10,1)	(27,7)	57,3%	57,3%
Financial Result	4,6	-	12,8	17,3	278,8%	278,8%	6,8	-	21,4	28,2	314,0%	314,0%
Operating Profit (EBIT)	3,7	36,0	39,8	79,6	100,2%	2023,1%	5,0	56,7	80,3	142,0	130,2%	2732,9%
Depreciation and Amortization	10,8	21,2	(4,0)	28,0	-12,5%	159,1%	17,2	34,6	0,7	52,5	1,3%	205,7%
Accounting EBITDA	14,5	57,2	35,8	107,5	50,0%	639,7%	22,2	91,3	81,0	194,5	71,4%	776,5%
% NOR	2,6%	10,5%	8,0%	6,9%		1,7 p.p.	2,2%	8,5%	10,2%	6,7%		2,1 p.p.
Non-recurring	12,2	4,0	(11,1)	5,1	-68,6%	-58,3%	13,8	6,8	(1,8)	18,8	-8,8%	36,0%
Adjusted EBITDA	26,7	61,1	24,7	112,6	28,2%	321,5%	36,0	98,1	79,2	213,3	59,0%	492,5%
% NOR	4,8%	11,2%	5,5%	7,3%		0,5 p.p.	3,6%	9,1%	10,0%	7,4%		1,1 p.p.

We consider 'non-recurring expenses' essentially as expenses related to (i) acquisitions (such as legal advisors and due diligence) and (ii) integration of the acquired companies (such as support from consultants).

Appendix

Balance Sheet

(R\$ '000)	2020	2021	2020	2021
Assets				
Current Assets				
Cash and cash equivalents	228.461	214.699		
Securities	75.137	-		
Trade accounts receivable	907.060	1.182.453		
Inventory	571.950	675.934		
Taxes to recover	82.417	156.910		
Income tax and social contribution	33.066	42.025		
Other receivables	67.030	114.346		
Total Current Assets	1.965.121	2.386.367		
Non-current Assets				
Financial investments	146	40		
Deferred IR and CSSL taxes	125.710	163.664		
Judicial deposits	28.317	62.130		
indemnity asset	103.852	103.855		
Total Non-current Assets	258.025	329.689		
Fixed Assets	84.435	122.617		
PP&E	1.265.821	1.422.578		
Intangible assets	1.350.256	1.545.195		
Total Assets	3.573.402	4.261.251		
Liabilities				
Current Liabilities				
Suppliers and other accounts payable	954.467	1.066.551		
Loans and financings	142.029	194.133		
Labor obligations	40.381	55.815		
Taxes payable	86.605	66.740		
Accounts payable on the acquisition of investments	75.673	191.538		
Dividends Payable	-	-		
Total Current Liabilities	1.299.155	1.574.777		
Loans and financings				
Taxes payable	267.825	342.298		
Accounts payable to related parties	4.413	4.029		
Provision for contingencies	104.628	104.541		
Deferred IR and CSSL taxes	9	-		
Accounts payable on the acquisition of investments	259.802	247.296		
Total Non-current Liabilities	636.677	698.164		
Shareholders' Equity				
P&L of controlling shareholders	1.622.431	1.977.414		
Stake of non-controlling shareholders	15.139	10.896		
Total Shareholders' Equity	1.637.570	1.988.310		
Total Liabilities and Shareholders' Equity	3.573.402	4.261.251		

(R\$ '000)	2Q20	2Q21	6M20	6M21
Net operating revenues	556.909	1.550.869	1.009.172	2.882.358
Cost of goods sold	<u>(490.541)</u>	<u>(1.292.526)</u>	<u>(897.213)</u>	<u>(2.432.250)</u>
Gross profit	66.368	258.343	111.959	450.108
Selling expenses	(19.336)	(70.904)	(36.234)	(128.487)
(Losses) / reversion of accounts receivable to recover	(3.206)	(5.868)	(7.490)	(11.581)
General and administrative expenses	(47.281)	(108.158)	(69.091)	(202.270)
Other revenues (expenses)	7.203	6.159	5.869	34.245
Operating profit before financial income and taxes	3.748	79.572	5.013	142.015
Financial expenses, net	(4.575)	(17.328)	(6.818)	(28.227)
Profit / (loss) before income tax and social contribution	(827)	62.244	(1.805)	113.788
Income tax and social contribution				
Current	(2.577)	(2.955)	(3.935)	(20.375)
Deferred	<u>15.190</u>	<u>44.578</u>	<u>21.520</u>	<u>48.033</u>
	12.613	41.623	17.585	27.658
Net income in the period	11.786	103.867	15.780	141.446
Attributed to:				
Controlling shareholders	-	102.097	15.780	139.566
Non-controlling shareholders	-	1.770	-	1.880

(R\$ '000)	2Q20	2Q21	6M20	6M21
Cash flow from operating activities				
Net profit/(loss) in the period	11.786	103.867	15.780	141.446
Adjustments to reconcile net income with cash:				
Depreciation and amortization	10.789	27.958	17.182	52.517
Income tax and social contribution, net	(12.613)	(41.621)	(17.585)	(27.657)
Provision for impairment	3.276	5.868	7.490	11.581
Other	(92)	-	(92)	-
Provision for contingencies	48	(403)	(263)	1.019
Provision for inventory losses	(78)	(844)	102	1.179
Share-based compensation	1.188	1.449	2.371	2.897
Interest, monetary variations, net - Loans	337	17.766	6.660	29.067
(Increase)/decrease in assets:				
Trade account receivables	(41.225)	(89.170)	(26.129)	(185.140)
Inventory	(30.777)	(66.576)	(22.581)	(58.110)
Taxes to recover	(4.798)	(27.677)	1.042	(45.076)
Related parties	4.392	-	4.392	-
Other assets	(1.546)	(46.008)	1.839	(82.699)
(Decrease)/increase in liabilities:				
Suppliers and other accounts payable	(8.569)	94.112	(84.190)	9.508
Labor obligations	3.743	12.372	2.114	10.081
Taxes payable	651	(2.826)	(7.741)	(31.471)
Cash generated by (used in) operating activities	(63.488)	(11.734)	(99.609)	(170.859)
Payment of interest on loans and financings	(3.911)	(3.675)	(9.358)	(11.890)
Income tax and social contribution paid	(2.504)	(10.951)	(4.183)	(19.952)
Net cash flow generated by (used in) operating activities	(69.903)	(26.360)	(113.150)	(202.701)
Investing activities:				
Acquisition of PP&E and intangible assets, net	(2.300)	(3.010)	(2.516)	(11.098)
Subsidiaries acquisitions, net of cash	(76.348)	(26.244)	(76.348)	(110.479)
Subsidiaries acquisitions of non-controlling shareholders	-	-	-	(21.243)
Cash from the acquisition of subsidiaries	42.741	-	42.741	-
Marketable Securities	-	-	-	75.243
Net cash flow from (used in) investing activities	(35.907)	(29.254)	(36.123)	(67.577)
Financing activities:				
Increase in share capital	10.322	5.059	250.000	227.640
Loans, financings and leases	130.000	-	265.205	190.268
Payment of installments for acquired companies	(13.887)	(33.530)	(13.887)	(38.053)
Payment of principal on loans and financing	(76.661)	(27.683)	(219.244)	(117.648)
Leases payment	-	(2.799)	-	(5.690)
Dividends paid	(664)	-	(664)	-
Cash flow from financing activities	49.110	(58.954)	281.410	256.516
Increase/(reduction) in cash and cash equivalents, net	(56.700)	(114.568)	132.137	(13.762)
Cash and cash equivalents at the beginning of the period	309.397	329.267	120.560	228.461
Cash and cash equivalents at the end of the period	252.697	214.699	252.697	214.699
Increase/(reduction) in cash and cash equivalents, net	(56.700)	(114.568)	132.137	(13.762)

<i>Pharmaceutical Specialties (R\$ '000)</i>	2Q20	2Q21	6M20	6M21
Net revenues	532.763	1.386.668	978.834	2.479.566
Cost of goods sold	<u>(470.697)</u>	<u>(1.176.692)</u>	<u>(874.158)</u>	<u>(2.130.612)</u>
Gross Profit	62.066	209.976	104.676	348.954
Gross margin	11,6%	15,1%	10,7%	14,1%
Selling expenses	<u>(20.737)</u>	<u>(47.554)</u>	<u>(35.278)</u>	<u>(83.377)</u>
Contribution margin	41.329	162.422	69.398	265.577
% NR	7,8%	11,7%	7,1%	10,7%
<i>Hospital Medical Supplies (R\$ '000)</i>	2Q20	2Q21	6M20	6M21
Net revenues	24.146	164.201	30.338	402.792
Cost of goods sold	<u>(19.845)</u>	<u>(115.834)</u>	<u>(23.055)</u>	<u>(301.639)</u>
Gross Profit	4.301	48.367	7.283	101.153
Gross margin	17,8%	29,5%	24,0%	25,1%
Selling expenses	<u>1.402</u>	<u>(23.351)</u>	<u>(956)</u>	<u>(45.111)</u>
Contribution margin	5.703	25.016	6.327	56.042
% NR	23,6%	15,2%	20,9%	13,9%
<i>Consolidated (R\$ '000)</i>	2Q20	2Q21	6M20	6M21
Net revenues	556.909	1.550.869	1.009.172	2.882.358
Cost of goods sold	<u>(490.542)</u>	<u>(1.292.526)</u>	<u>(897.213)</u>	<u>(2.432.250)</u>
Gross Profit	66.367	258.343	111.959	450.108
Gross margin	11,9%	16,7%	11,1%	15,6%
Selling expenses	<u>(19.335)</u>	<u>(70.904)</u>	<u>(36.234)</u>	<u>(128.488)</u>
Contribution margin	47.032	187.439	75.725	321.620
% NR	8,4%	12,1%	7,5%	11,2%

Income Statement - Quarterly Results

(R\$ '000)	1Q19	2Q19	3Q19	4Q19	2019	1Q20	2Q20	3Q20	4Q20	2020	1Q21	2Q21
NOR	351.065	444.609	488.480	547.308	1.831.462	452.263	556.909	788.027	1.078.774	2.875.973	1.331.489	1.550.869
Cost of goods sold	(317.262)	(405.451)	(425.960)	(486.920)	(1.635.593)	(406.672)	(490.541)	(688.511)	(948.345)	(2.534.069)	(1.139.724)	(1.292.526)
Gross Profit	33.803	39.158	62.520	60.388	195.869	45.591	66.368	99.516	130.429	341.904	191.765	258.343
% NOR	9,6%	8,8%	12,8%	11,0%	10,7%	10,1%	11,9%	12,6%	12,1%	11,9%	14,4%	16,7%
Operating Expenses	(37.831)	(38.567)	(34.017)	(48.158)	(158.573)	(42.992)	(69.823)	(93.106)	(118.869)	(324.790)	(157.408)	(184.930)
Selling	(14.814)	(16.605)	(15.934)	(16.224)	(63.577)	(16.898)	(19.336)	(33.725)	(44.303)	(114.262)	(57.583)	(70.904)
Allowance for doubtful accounts	(9.569)	(346)	5.580	726	(3.609)	(4.284)	(3.206)	(96)	(230)	(7.816)	(5.713)	(5.868)
General and administrative	(13.448)	(21.616)	(23.663)	(32.660)	(91.387)	(21.810)	(47.281)	(59.285)	(74.336)	(202.712)	(94.112)	(108.158)
G&A	(10.945)	(15.107)	(16.893)	(22.163)	(65.108)	(15.417)	(36.492)	(44.414)	(53.623)	(149.946)	(69.553)	(80.200)
Depreciation and amortization	(2.503)	(6.509)	(6.770)	(10.497)	(26.279)	(6.393)	(10.789)	(14.871)	(20.713)	(52.766)	(24.559)	(27.958)
Other operating	6	1.464	8.283	11.141	20.894	(1.334)	7.203	8.094	5.164	19.127	28.086	6.159
Other income	1.350	2.669	9.893	16.984	30.896	3.434	9.000	7.173	8.871	28.478	32.308	12.578
Other expenses	(1.344)	(1.205)	(1.610)	(5.843)	(10.002)	(4.768)	(1.797)	921	(3.707)	(9.351)	(4.222)	(6.419)
Operating Profit (EBIT)	(4.022)	2.055	36.786	23.371	58.190	1.265	3.748	14.504	16.725	36.242	62.443	79.572
Financial result	(3.378)	(1.477)	(10.002)	(12.465)	(27.322)	(2.243)	(4.575)	(2.963)	(6.778)	(16.559)	(10.899)	(17.328)
Financial income	654	473	573	19	1.719	524	1.005	4.543	(937)	5.135	2.856	1.612
Financial expenses	(4.032)	(1.950)	(10.575)	(12.484)	(29.041)	(2.767)	(5.580)	(7.506)	(5.841)	(21.694)	(13.755)	(18.940)
Earnings Before Taxes (EBT)	(7.400)	578	26.784	10.906	30.868	(978)	(827)	11.541	9.947	19.683	51.544	62.244
IR/CSSL	4.685	3.477	(5.314)	5.844	8.692	4.972	12.613	3.153	521	21.259	(13.964)	41.623
Current	(858)	(3.957)	(1.157)	(4.653)	(10.625)	(1.358)	(2.577)	(6.367)	(7.173)	(17.475)	(17.419)	(2.955)
Deferred	5.543	7.434	(4.157)	10.497	19.317	6.330	15.190	9.520	7.694	38.734	3.455	44.578
Net Income	(2.715)	4.055	21.470	16.750	39.560	3.994	11.786	14.694	10.468	40.942	37.580	103.867
% NOR	-0,8%	0,9%	4,4%	3,1%	2,2%	0,9%	2,1%	1,9%	1,0%	1,4%	2,8%	6,7%
Accounting EBITDA	(1.519)	8.564	43.556	33.868	84.469	7.658	14.537	29.375	37.438	89.008	87.002	107.530
% NOR	-0,4%	1,9%	8,9%	6,2%	4,6%	1,7%	2,6%	3,7%	3,5%	3,1%	6,5%	6,9%
Non-recurring	1.540	3.231	3.512	3.831	12.113	1.628	12.179	7.160	8.852	29.820	13.701	5.077
Adjusted EBITDA	21	11.795	47.068	37.699	96.582	9.286	26.716	36.535	46.290	118.827	100.703	112.607
% NOR	0,0%	2,7%	9,6%	6,9%	5,3%	2,1%	4,8%	4,6%	4,3%	4,1%	7,6%	7,3%
Adjusted Net Income	(1.175)	7.286	24.982	20.581	51.673	5.622	23.965	21.854	19.320	70.761	51.281	108.944
% NOR	-0,3%	1,6%	5,1%	3,8%	2,8%	1,2%	4,3%	2,8%	1,8%	2,5%	3,9%	7,0%

Cash Flow - Quarterly Results

(R\$ '000)	1Q19	2Q19	3Q19	4Q19	2019	1Q20	2Q20	3Q20	4Q20	2020	1Q21	2Q21
Cash flow from operating activities												
Net profit/(loss) in the period	(2.715)	4.055	21.470	16.750	39.560	3.994	11.786	14.466	10.696	40.942	37.579	103.867
Adjustments to reconcile net income with cash:												
Depreciation and amortization	2.503	6.509	6.770	10.497	26.279	6.393	10.789	14.871	20.713	52.766	24.559	27.958
Income tax and social contribution, net	(4.685)	(3.477)	5.314	(5.844)	(8.692)	(4.972)	(12.613)	(3.153)	(521)	(21.259)	13.964	(41.621)
Provision for impairment	25.047	(15.132)	(5.580)	(1.480)	2.855	4.214	3.276	96	230	7.816	5.713	5.868
Other	-	-	-	3.034	3.034	-	(92)	92	-	-	-	-
Provision for contingencies	-	-	-	523	523	(311)	48	(65)	453	125	1.422	(403)
Provision for inventory losses	456	(17)	-	(1.792)	(1.353)	180	(78)	-	400	502	2.023	(844)
Share-based compensation	1.394	1.394	1.391	1.393	5.572	1.183	1.188	1.182	2.251	5.804	1.448	1.449
Interest, monetary variations, net - Loans	2.579	3.403	4.918	8.964	19.864	7.685	337	5.390	6.472	18.522	11.301	17.766
Interest, monetary variations, net - Debentures	-	-	-	-	-	(1.362)	-	-	-	-	-	-
(Increase)/decrease in assets:												
Trade account receivables	8.773	(24.742)	1.662	(16.187)	(30.494)	15.096	(41.225)	(64.630)	(61.734)	(152.493)	(95.970)	(89.170)
Inventory	(28.195)	1.103	26.643	(8.501)	(8.950)	8.196	(30.777)	(40.085)	(13.241)	(75.907)	8.466	(66.576)
Taxes to recover	(4.778)	(4.085)	(4.501)	(14.415)	(27.779)	5.840	(4.798)	632	(10.235)	(8.561)	(17.399)	(27.677)
Related parties	-	-	(18.117)	18.117	-	-	4.392	(3.116)	(1.276)	-	-	-
Other assets	(15.144)	14.257	5.784	(22.363)	(17.466)	3.385	(1.546)	(23.532)	(21.813)	(43.506)	(36.691)	(46.008)
(Decrease)/increase in liabilities:												
Suppliers and other accounts payable	(43.203)	(2.143)	(20.722)	107.279	41.211	(81.237)	(8.569)	121.082	184.175	221.067	(84.604)	94.112
Labor obligations	310	1.282	1.624	3.172	6.388	(1.629)	3.743	8.332	(7.374)	3.072	(2.291)	12.372
Taxes payable	(1.081)	4.956	3.474	(10.335)	(2.986)	(8.392)	651	180	28.158	20.597	(28.645)	(2.826)
Other Obligations	-	-	-	-	-	5.616	-	-	-	-	-	-
Cash generated by (used in) operating activities	(58.739)	(12.637)	30.130	88.812	47.566	(36.121)	(63.488)	31.742	137.354	69.487	(159.125)	(11.734)
Payment of interest on loans and financings	(3.794)	(2.510)	(8.636)	(7.275)	(22.215)	(5.447)	(3.911)	(4.496)	(3.791)	(17.645)	(8.215)	(3.675)
Income tax and social contribution paid	463	(1.712)	(4.723)	550	(5.422)	(1.679)	(2.504)	(6.119)	(8.933)	(19.235)	(9.001)	(10.951)
Net cash flow generated by (used in) operating activities	(62.070)	(16.859)	16.771	82.087	19.929	(43.247)	(69.903)	21.127	124.630	32.607	(176.341)	(26.360)
Investing activities:												
Acquisition of PP&E and intangible assets, net	(3.689)	8.694	(10.316)	(5.077)	(10.388)	(216)	(2.300)	(3.840)	(8.240)	(14.596)	(8.088)	(3.010)
Advances for future capital increase	3.406	(3.406)	-	-	-	-	-	-	-	-	-	-
Subsidiaries acquisitions, net of cash	-	(73.168)	-	-	(73.168)	-	(76.348)	-	(180.176)	(256.524)	(84.235)	(26.244)
Subsidiaries acquisitions of non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	(21.243)	-
Cash from the acquisition of subsidiaries	-	-	-	-	-	-	42.741	-	-	42.741	-	-
Marketable Securities	-	-	-	-	-	-	-	8.657	97.906	106.563	75.243	-
Net cash flow from (used in) investing activities	(283)	(67.880)	(10.316)	(5.077)	(83.556)	(216)	(35.907)	4.817	(90.510)	(121.816)	(38.323)	(29.254)
Financing activities:												
Increase in share capital	-	-	-	-	-	239.678	10.322	-	-	250.000	222.581	5.059
Loans, financings and leases	134.938	60.341	234.515	62.378	492.172	135.205	130.000	45.561	104.439	415.205	190.268	-
Payment of installments for acquired companies	-	-	(14.226)	(15.857)	(30.083)	-	(13.887)	(973)	(889)	(15.749)	(4.523)	(33.530)
Payment of principal on loans and financing	(116.628)	(17.469)	(233.590)	42.568	(325.119)	(142.583)	(76.661)	(176.582)	(50.364)	(446.190)	(89.965)	(27.683)
Payment of principal on debentures	-	-	-	(100.000)	(100.000)	-	-	-	-	-	-	-
Leases payment	-	-	-	(3.687)	(3.687)	-	-	-	(5.491)	(5.491)	(2.891)	(2.799)
Dividends paid	-	(3.135)	-	-	(3.135)	-	(664)	(1)	-	(665)	-	-
Cash flow from financing activities	18.310	39.737	(13.301)	(14.598)	30.148	232.300	49.110	(131.995)	47.695	197.110	315.470	(58.954)
Increase/(reduction) in cash and cash equivalents, net	(44.043)	(45.002)	(6.846)	62.412	(33.479)	188.837	(56.700)	(106.051)	81.815	107.901	100.806	(114.568)
Cash and cash equivalents at the beginning of the period	154.039	109.996	64.994	58.148	154.039	120.560	309.397	252.697	146.646	120.560	228.461	329.267
Cash and cash equivalents at the end of the period	109.996	64.994	58.148	120.560	120.560	309.397	252.697	146.646	228.461	228.461	329.267	214.699
Increase/(reduction) in cash and cash equivalents, net	(44.043)	(45.002)	(6.846)	62.412	(33.479)	188.837	(56.700)	(106.051)	81.815	107.901	100.806	(114.568)

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