

EARNINGS RELEASE

1Q21



São Paulo, May 11, 2021. **RD – People, Health and Well-being** (Raia Drogasil S.A. – B3: RADL3) announces today its results for the 1st quarter of 2021 (1Q21). The Company's parent company and consolidated interim financial statements for the periods ended March 31, 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: 2,319 units in operation (40 openings and 20 closures)**
- › **MARKET SHARE: 0.3 percentage point national increase**
- › **GROSS REVENUE: R\$ 6.0 billion, 14.9% growth vs. the 1Q20 and 43.9% vs. the 1Q19**
- › **CONTRIBUTION MARGIN*: 9.7%, 16.0% of growth and 0.1 p.p. of margin expansion**
- › **ADJUSTED EBITDA: R\$ 415.9 million, a 7.0% EBITDA margin and 12.6% of growth**
- › **ADJUSTED NET INCOME: R\$ 177.9 million, 3.0% of net margin and 16.5% of growth**
- › **CASH FLOW: R\$ 132.0 million negative free cash flow, R\$ 126.0 million total cash consumption**

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

RADL3

R\$ 27.39/share

NUMBER OF SHARES

1,651,930,000

MARKET CAP

R\$ 45,246 (million)

CLOSING

May 10th, 2021

IR CONTACTS:

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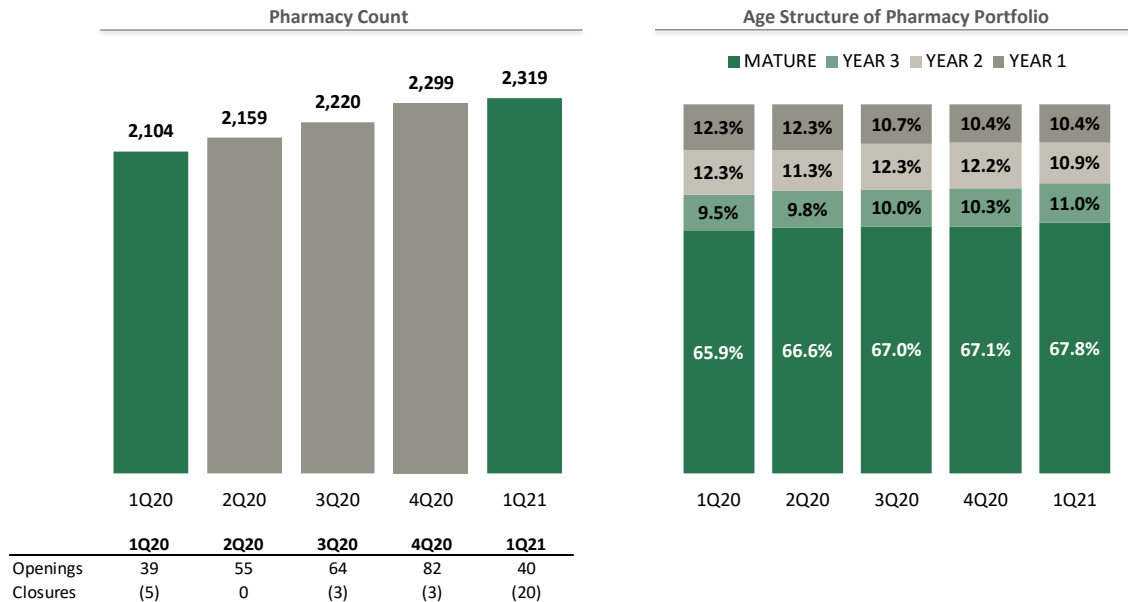
E-MAIL: ri@rd.com.br

Summary	1Q20	2Q20	3Q20	4Q20	1Q21
<i>(R\$ thousand)</i>					
# of Pharmacies	2,104	2,159	2,220	2,299	2,319
Organic Openings	39	55	64	82	40
Closures	(5)	0	(3)	(3)	(20)
4Bio	3	3	3	4	4
# of Stores - Pharmacies + 4Bio	2,107	2,162	2,223	2,303	2,323
Headcount (EoP)	42,250	42,115	43,223	44,631	45,532
Pharmacist Count (EoP)	8,125	8,414	8,658	8,788	9,088
# of Tickets (000)	67,173	52,308	60,298	67,098	65,660
Gross Revenue	5,206,320	4,721,872	5,384,230	5,868,052	5,979,508
Gross Profit	1,441,851	1,320,122	1,494,996	1,634,213	1,641,852
% of Gross Revenues	27.7%	28.0%	27.8%	27.8%	27.5%
Adjusted EBITDA	369,356	231,811	397,159	430,843	415,855
% of Gross Revenues	7.1%	4.9%	7.4%	7.3%	7.0%
Adjusted Net Income	152,753	61,688	172,871	213,672	177,947
% of Gross Revenues	2.9%	1.3%	3.2%	3.6%	3.0%
Net Income	145,840	60,210	174,717	198,492	188,789
% of Gross Revenues	2.8%	1.3%	3.2%	3.4%	3.2%
Free Cash Flow	(48,150)	(437,520)	351,785	425,112	(131,972)

PHARMACY DEVELOPMENT

We opened 40 new pharmacies in the 1Q21 and closed 20, ending the quarter with 2,319 units in operation, in addition to 4 4Bio locations. We reiterate our gross openings guidance of 240 pharmacies per year for 2021 and 2022.

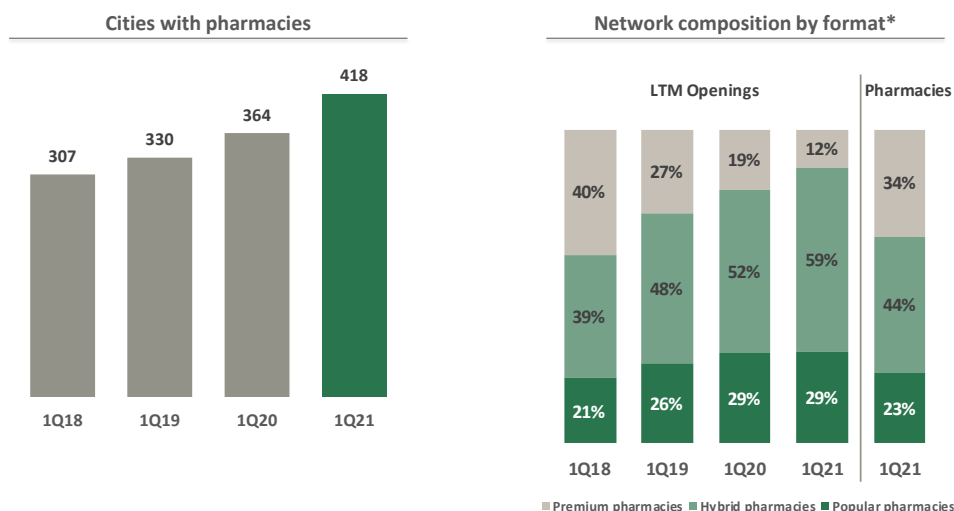
At the end of the period, 32.2% of our pharmacies were still in the process of maturation and had not yet reached their full potential both in terms of revenue and profitability.



Of the 20 pharmacies closed in the 1Q21, 9 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 11 closures were mature units driven by the optimization of our pharmacy portfolio, including 1 for relocation, with positive return expectations associated to them.

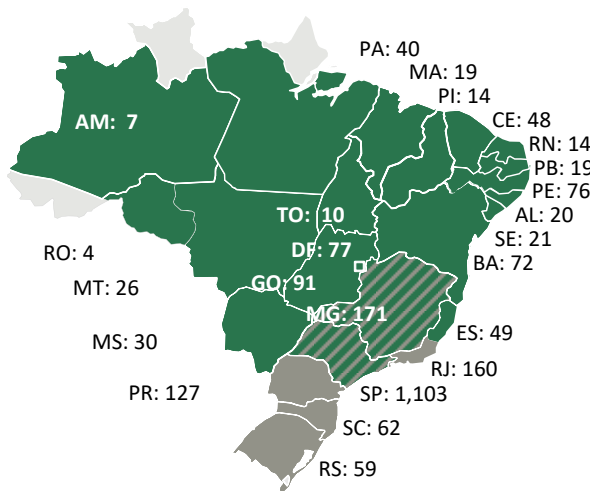
The COVID-19 pandemic generated in 2020 a temporary sales decline, especially in the 2Q20 and 3Q20, as well as demand shifts across locations which distorted the regular assessment of our pharmacy portfolio. Therefore, we limited in 2020 our closures to handful of extreme situations. As our revenue growth progressively normalized and distortions were minimized, we resumed our portfolio analyses, shifting to the 1Q21 the pharmacy closures that would have normally happened in 2020.

We continued to diversify our pharmacy network in the quarter, both geographically and demographically, with 73% 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 418 cities. Finally, while 67% of our units have popular or hybrid formats, 88% 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. Openings exclude the Onfre acquisition.

Pharmacy Geographic Presence



Total: 2,319 pharmacies

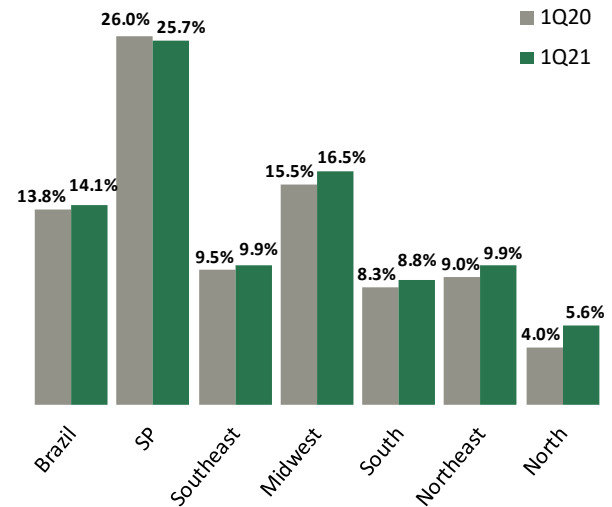
■ Raia: 1,002

■ Drogasil: 1,317

LTM Openings	1Q17	1Q18	1Q19	1Q20	1Q21
São Paulo	101	75	76	71	64
Other States	114	137	182	146	177
Onofre				42	
Total	215	212	258	259	241
<i>São Paulo %*</i>	<i>47%</i>	<i>35%</i>	<i>29%</i>	<i>33%</i>	<i>27%</i>

*Disconsiders Onofre

Pharmacy Market Share



Source: IQVIA. Southeast excludes SP.

Our national share totaled 14.1%, a 0.3 percentage point increase when compared to the 1Q20.

The Northern region was our main highlight, with a market share of 5.6%, a 1.6 percentage points gain vs. the 1Q20, followed by the Midwest, where we reached a market share of 16.5%, a 1.0 percentage point gain. We registered a market share in the Northeast of 9.9%, an increase of 0.9 percentage point. We also recorded market shares of 8.8% in the South, an increase of 0.5 percentage point and of 9.9% in the Southeast (excluding São Paulo), an increase of 0.4 percentage point. Finally, we recorded a market share of 25.7% in São Paulo, a 0.3 percentage point loss vs. the 1Q20.

Every year, pharmaceutical retailers increase their inventory levels in the 1st quarter to take advantage of inflationary gains from the annual price cap increase, which happens at the end of march. In 2021, the authorized price cap increase was higher than normal (average of approximately 8.2%), thus resulting in a higher than usual inventory build-up. Because IQVIA's reported market share is based on sell-in data to independent pharmacies and small chains reported by wholesalers combined with actual demand data directly reported by the large chains, the figures become distorted in times of high inventory accumulation such as in the 1Q21. If we consider our market share only among the chains that directly report sell-out data to IQVIA, we recorded an increase of 1.7 percentage point in the quarter, with a 0.6 percentage point gain in São Paulo.

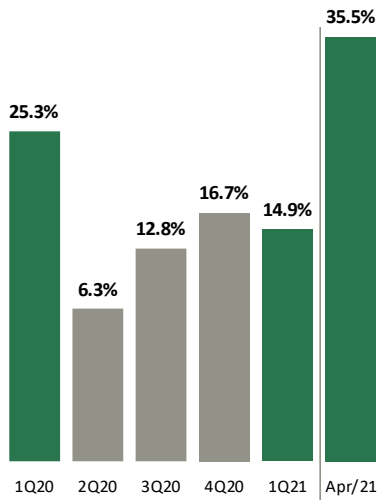
GROSS REVENUES

Our consolidated revenue growth totaled 14.9% in the quarter, with 14.4% by RD Pharmacies and 22.6% by 4Bio. We recorded a same-store sales growth of 8.6%, with 4.6% for mature stores, with a negative calendar effect of 1.2% due to the fact that 2020 was a leap year.

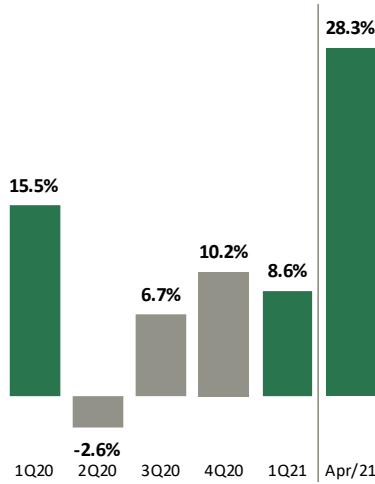
Our top-line growth was penalized by the demand peak recorded in the 1Q20 (25.3% consolidated growth over the 1Q19), in anticipation of the social isolation that started in April of that year. But in spite of such a high comp-base, our mature stores, on a calendar-adjusted basis, still grew only 0.3 percentage point below the inflation of 6.1% recorded in the period.

This strong momentum was also sustained in April, despite the recent increase in restrictions due the second wave of the COVID-19 pandemic in Brazil. We recorded in the month a total revenue growth of 35.5%, with 24.5% for mature stores, with no calendar effect (preliminary, non-audited numbers). It is important to highlight that the April growth happened on top of a very weak comp-base of the same month of 2020 (4.6% total growth, with a negative 7.6% for mature stores) as a result of the strict social isolation verified in the month.

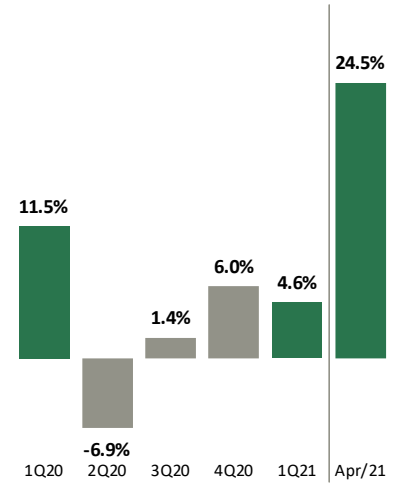
Consolidated Revenue Growth



Same-Store Sales Growth - Retail



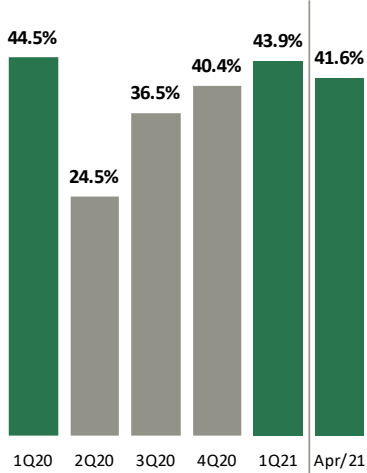
Mature-Store Sales Growth - Retail



In order to provide a better understanding of our structural sales performance, without the effect of the temporary peaks and valleys in top-line growth generated by the pandemic, we provide below the two-year stack figures, which depict our cumulative growth in each quarter over a two-year period.

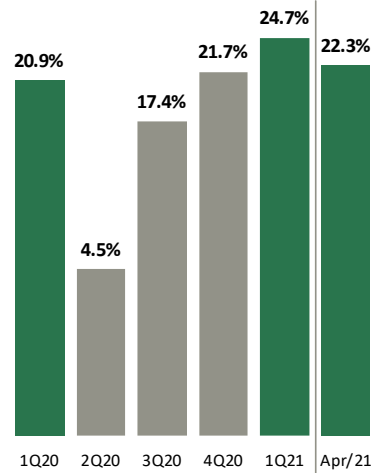
Consolidated Revenue Growth

Two-year Cumulative Growth



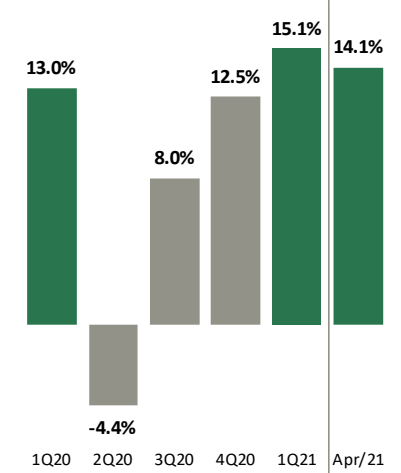
Same-Store Sales Growth - Retail

Two-year Cumulative Growth



Mature-Store Sales Growth - Retail

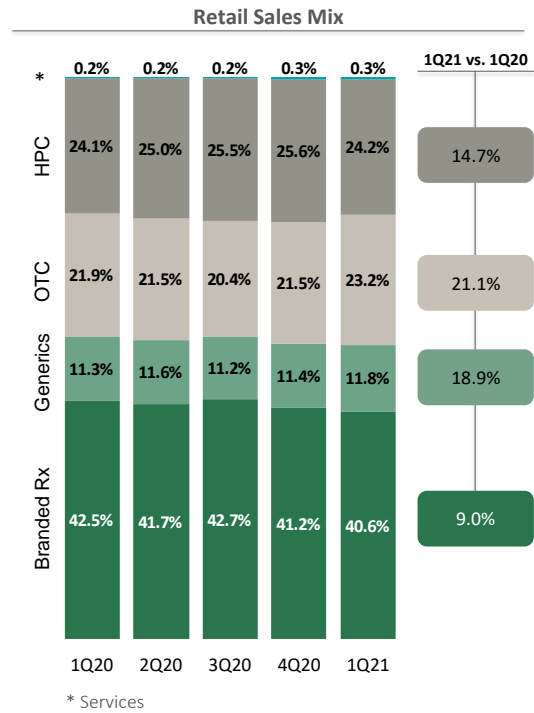
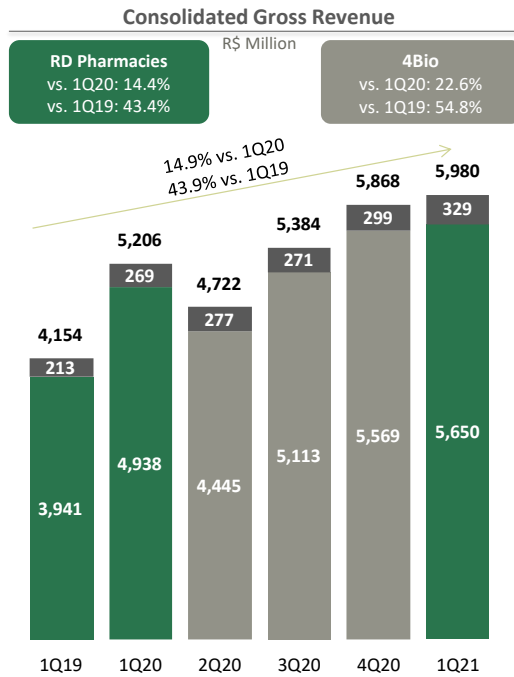
Two-year Cumulative Growth



We recorded in the quarter a two-year accumulated top-line growth of 43.9% over the 1Q19, with 24.7% of same-store sales and 15.1% for mature stores, with no calendar effect, showing a structural acceleration in the quarter over the previous periods, which persisted in April.

Our two-year mature-store growth was 5.5 percentage points higher than the accumulated inflation recorded in the quarter, with no calendar effect. Finally, we recorded in April (preliminary, non-audited figures) a 41.6% two-year cumulative growth, with 14.1% for mature stores, a real two-year accumulated growth of 4.8 percentage point, with a negative calendar effect of 1.3%, maintaining the strong momentum of the 1Q20 in spite of the second wave of the pandemic.

OTC was the highlight of the quarter by gaining 1.3 percentage point in the mix vs. the 1Q20. The increase of OTC in the sales mix was driven mainly by the products related to the pandemic, such as hand sanitizers, masks, vitamins and COVID-19 tests. In addition, Generics gained 0.5 percentage point in the mix, maintaining a positive trend since our price repositioning in 2018. Lastly, HPC gained 0.1 percentage point in the mix, while Branded Rx lost 1.9 percentage points in the mix.



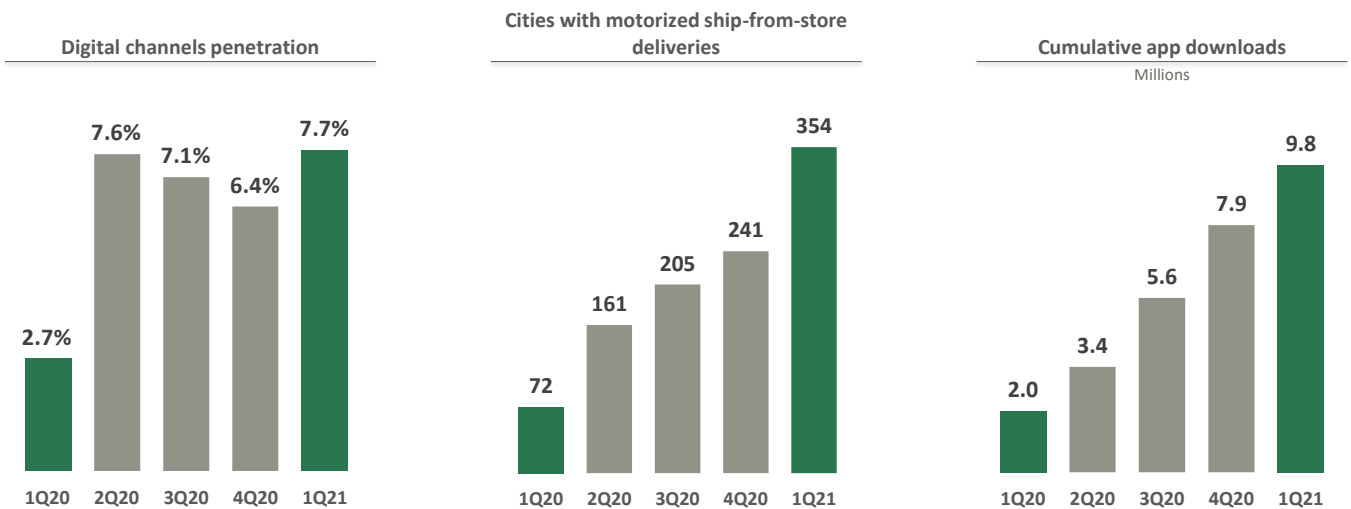
DIGITAL

The digitalization of the relationship with our customers is key to our long-term strategy. It increases customer engagement, loyalty, frequency and spending, thus becoming a fundamental driver of long-term value creation.

In the 1Q21, the digital channel penetration increased to 7.7%, surpassing the penetration observed in the 2Q20 during the peak of the social isolation.

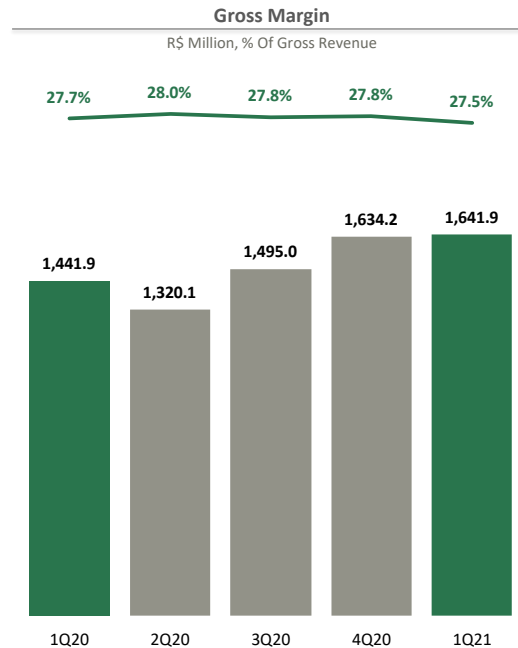
This increase in digital adoption stemmed from our commercial and operational efforts to enhance our omnichannel experience. We have increased five-fold the number of cities with access to our motorized ship-from-store network over the last twelve months, reaching a total of 354 cities by the end of the quarter. Of our total digital transactions, 84% were fulfilled by the pharmacies, with 85% of these store-fulfilled orders delivered in up to 4 hours.

Finally, the digital onboarding of customers through in-store engagement, digital coupons and Stix, our digital retail loyalty coalition with GPA, boosted our cumulative app downloads to 9.8 million, another five-fold increase vs. the 1Q20.



GROSS PROFIT

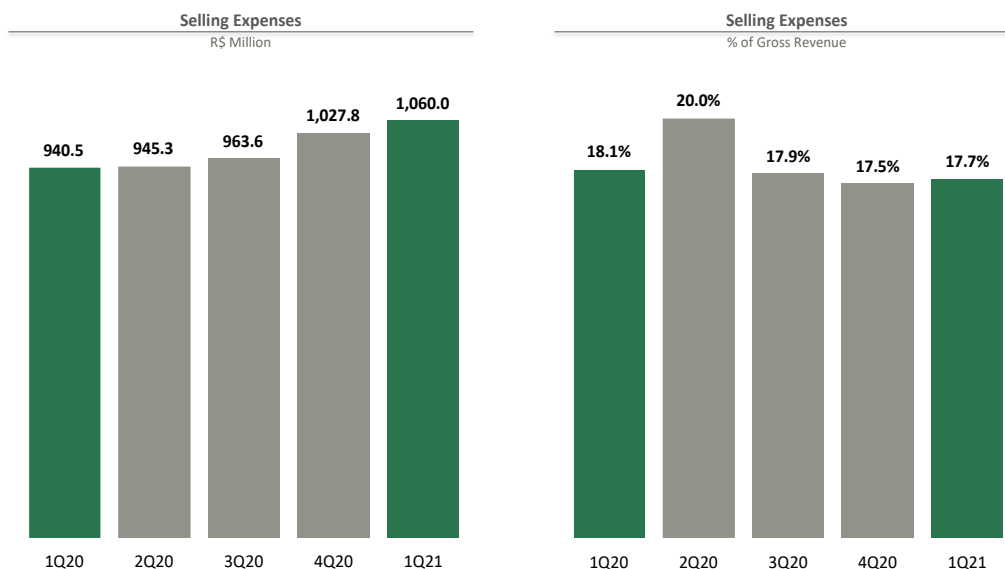
Our gross profit totaled R\$ 1,641.9 million, with a gross margin of 27.5%, a 0.2 percentage point pressure versus the 1Q20. We reported a 0.1 percentage point pressure due to a lower Net Present Value (NPV) adjustment, a non-cash effect stemming from lower interest rates. Finally, our margin investments, especially in digital, have pressured our gross margin by an additional 0.1 percentage point, net of other gains.



SELLING EXPENSES

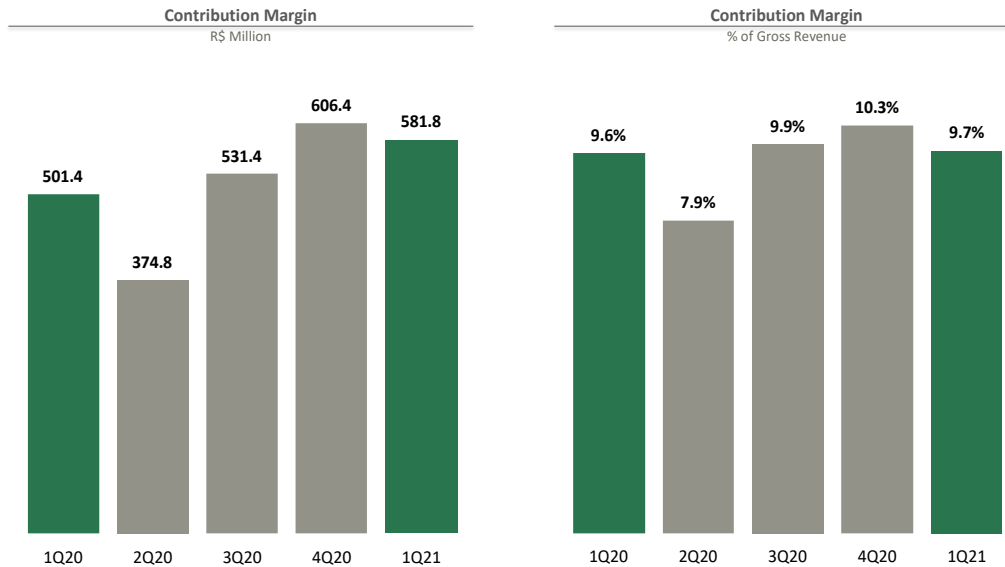
Selling expenses in the quarter totaled R\$ 1,060.0 million, equivalent to 17.7% of gross revenue and a 0.4 percentage point dilution over the 1Q20, mostly driven by the strong structural performance of our mature stores and by efficiency gains.

We recorded a dilution of 0.4 percentage point in personnel and of 0.2 percentage point in logistics costs. These gains were partly offset by a 0.1 percentage point pressure from digital variable expenses and another 0.1 percentage point pressure in other expenses.



CONTRIBUTION MARGIN

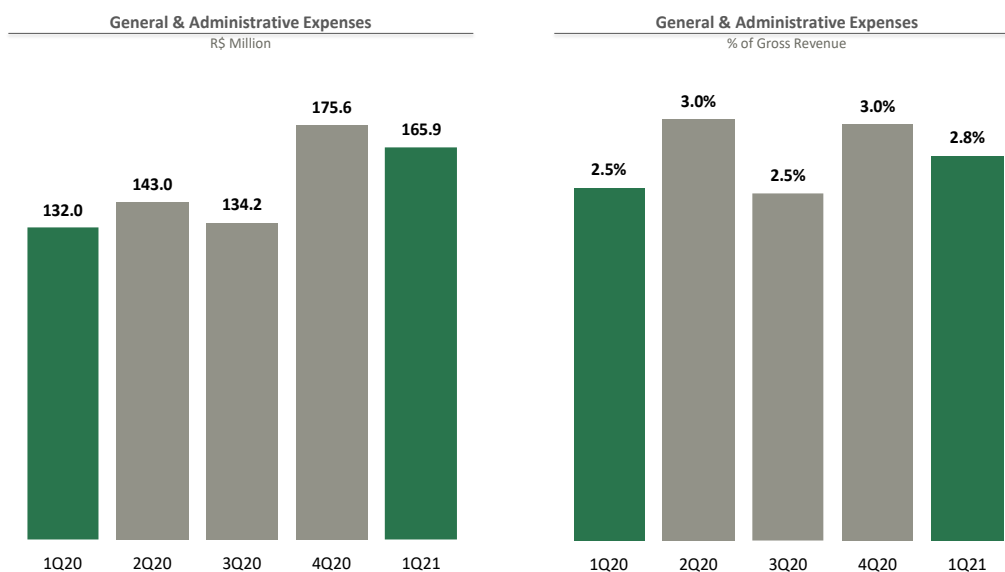
Our contribution margin totaled 9.7% in the 1Q21, an increase of 16.0% and a margin expansion of 0.1 percentage point versus the 1Q20. This was a result of the dilution in sales expenses, net of the pressure in gross margin.



GENERAL & ADMINISTRATIVE EXPENSES

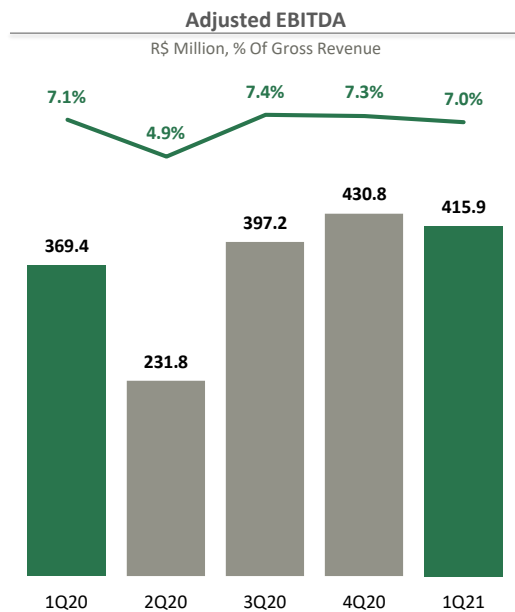
General and administrative expenses amounted to R\$ 165.9 million in the 1Q21, equivalent to 2.8% of gross revenue, a 0.3 percentage point pressure when compared to the same period of last year. We recorded a 0.2 percentage point pressure in personnel and a 0.1 percentage point pressure in IT expenses.

The direct costs related to our strategic long-term investments, our digital transformation and the construction of our marketplace and health platform, increased general and administrative expenses by R\$ 18.6 million in the 1Q21, a 0.2 percentage point pressure. There are also indirect pressures, like the enhancement of our corporate structure to cope with a more complex strategic plan, which are not factored into this calculation.



EBITDA

Our adjusted EBITDA totaled R\$ 415.9 million in the quarter, an increase of 12.6% when compared to the 1Q20. We recorded an adjusted EBITDA margin of 7.0%, corresponding to a 0.1 percentage point contraction.



2,279* pharmacies operating since 2020: (performance in the 1Q21)

- › R\$ 5,636.4 million in Gross Revenues
- › EBITDA of R\$ 420.1 million
- › EBITDA margin of 7.5%

RD Pharmacies

- › EBITDA of R\$ 411.1 million
- › EBITDA margin of 7.3%

4Bio

- › EBITDA of R\$ 5.4 million
- › EBITDA margin of 1.6%

* 2,299 Retail stores by the end of the 4Q20 less 20 closures.

New pharmacies opened in the year, as well as those in the opening process, reduced the EBITDA by R\$ 9.0 million in the 1Q21. Therefore, considering only the 2,279 units in operation since the end of 2020 and full logistics, general and administrative expenses, RD Pharmacies EBITDA would have totaled R\$ 420.1 million, equivalent to 7.5% of gross revenue.

RD Pharmacies reached an EBITDA of R\$ 411.1 million and a margin of 7.3% in the 1Q21, a contraction of 0.1 percentage point over the same period of the last year.

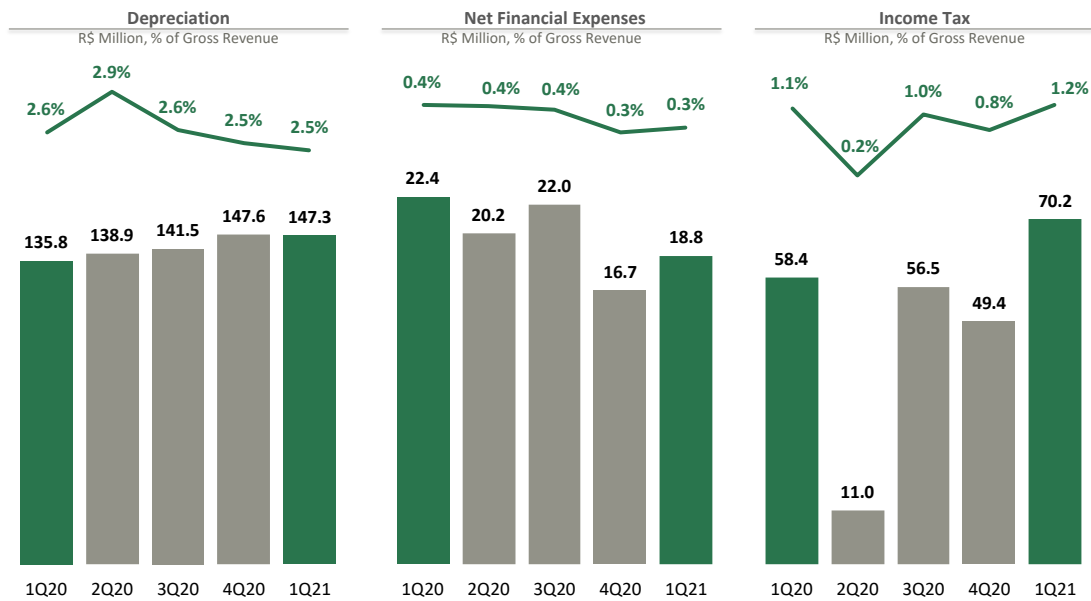
Finally, 4Bio reached an EBITDA of R\$ 5.4 million and a margin of 1.6%, a 0.6 percentage point expansion over the same period of the last year.

EBITDA RECONCILIATION AND NON-RECURRING EXPENSES

EBITDA Reconciliation	1Q21	1Q20
<i>(R\$ million)</i>		
Net Income	188.8	145.8
(+) Income Tax	75.8	54.8
(+) Equity Equivalence	1.5	0.0
(+) Financial Result	18.8	22.4
EBIT	284.9	223.1
(+) Depreciation and Amortization	147.3	135.8
EBITDA	432.3	358.9
(-) Tax Credits from Previous Periods	(13.6)	
(-) Labor Contingencies - Monetary Restatement Rate Change	(3.4)	
(+) Asset Write-off	(1.1)	(0.2)
(+) Donations	3.3	
(+) Provisions for Inventory Losses from previous periods		11.5
(+) Consulting, Advisory and Restructuring Expenses		0.4
(+) Other non-recurring / non-operating net expenses	(1.6)	(1.3)
Non-recurring / non-operating Expenses	(16.4)	10.5
Adjusted EBITDA	415.9	369.4

In the 1Q21, we recorded R\$ 16.4 million in non-recurring/non-operating gains, of which R\$ 13.6 million refer to tax credits from previous periods. We've also saved another R\$ 3.4 million due to a legal ruling that reduced the rate used to calculate the monetary restatement of labor contingencies. Finally, we recorded R\$ 3.3 million in donations, R\$ 1.1 million in asset write-offs and R\$ 1.6 million in other non-recurring/non-operating net revenues.

DEPRECIATION, NET FINANCIAL EXPENSES AND INCOME TAXES

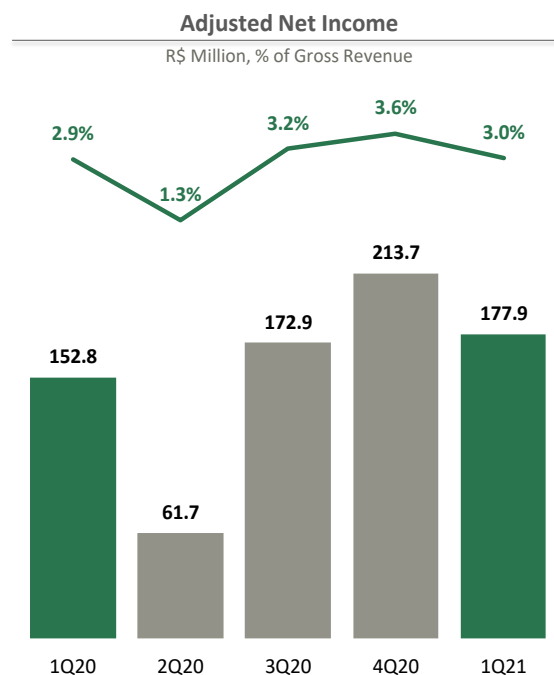


Depreciation expenses amounted to R\$ 147.3 million in the 1Q21, equivalent to 2.5% of gross revenues, a 0.1 percentage point dilution when compared to the same period of last year.

Net financial expenses represented 0.3% of gross revenue, a 0.1 percentage point dilution over the 1Q21. Of the R\$ 18.8 million recorded in the quarter, R\$ 5.3 million refers to the NPV adjustment, while R\$ 0.7 million refers to interest on the options to acquire the remaining 45% of 4Bio. Excluding these, the financial interest accrued on net debt amounted to R\$ 12.8 million in the 1Q21, equivalent to 0.2% of gross revenue and stable when compared to the 1Q20.

Lastly, we booked R\$ 70.2 million in income taxes, equivalent to 1.2% of gross revenue, a 0.1 percentage point increase.

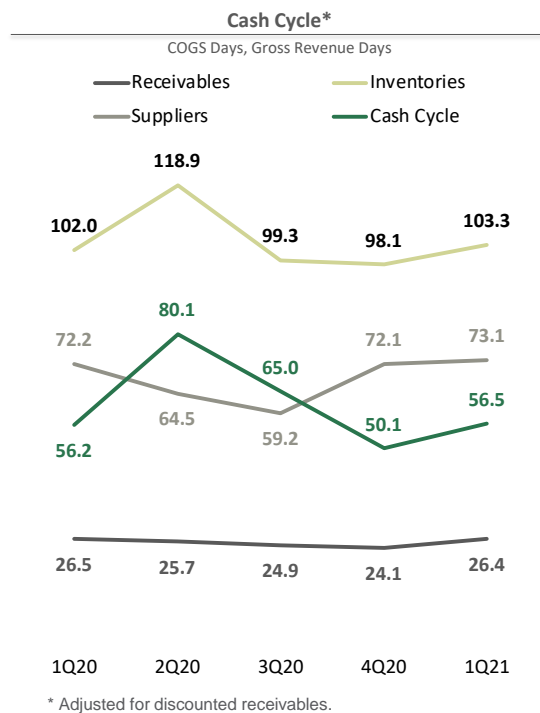
NET INCOME



Our adjusted net income totaled R\$ 177.9 million in the quarter, an increase of 16.5%. We recorded a net margin of 3.0%, an expansion of 0.1 percentage point versus the 1Q20.

CASH CYCLE

Our cash cycle in the 1Q21 was 0.3 days higher when compared to the same period of the previous year. Our inventories were higher by 1.3 days, while receivables decreased by 0.1 day. Finally, accounts payable were 0.9 day above the level of the 1Q20.



CASH FLOW

Cash Flow	1Q21	1Q20
<i>(R\$ million)</i>		
Adjusted EBIT	268.5	233.5
NPV Adjustment	(3.0)	(9.1)
Non-Recurring Expenses	16.4	(10.5)
Income Tax (34%)	(95.9)	(72.7)
Depreciation	147.3	135.8
Others	53.7	29.7
Resources from Operations	387.2	306.7
Cash Cycle*	(385.5)	(248.2)
Other Assets (Liabilities)**	14.1	32.8
Operating Cash Flow	15.7	91.3
Investments	(147.7)	(139.5)
Free Cash Flow	(132.0)	(48.1)
Interest on Equity	(0.0)	(0.6)
Net Financial Expenses***	(13.5)	(12.1)
Income Tax (Tax benefit over financial expenses and interest on equity)	19.6	20.1
Total Cash Flow	(126.0)	(40.8)

*Includes adjustments to discounted receivables.

**Includes NPV adjustments.

***Excludes NPV adjustments.

We recorded a negative free cash flow of R\$ 132.0 million and a total cash consumption of R\$ 126.0 million in the 1Q21. Our operating cash flow totaled R\$ 15.7 million, which was fully consumed by the R\$ 147.7 million in investments undertaken in the period. It is important to highlight that the first quarter always brings an unfavorable cash cycle seasonality, while the fourth quarter has the most favorable seasonality of the year, therefore resulting in a material cash outlay in the quarter.

Resources from operations totaled R\$ 387.2 million, equivalent to 6.5% of gross revenue, while we recorded a working capital consumption of R\$ 371.5 million.

Of the R\$ 147.7 million invested in the quarter, R\$ 70.5 million corresponded to new pharmacy openings, R\$ 26.7 million to the renovation or expansion of existing units and R\$ 50.4 million to investments in infrastructure, including R\$ 14.0 million for our digital transformation and the construction of our marketplace and health platform.

Net financial expenses totaled R\$ 13.5 million in the 1Q21, excluding the NPV adjustments. These were more than fully offset by the R\$ 19.6 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\$ 44.0 million in interest on equity in the 1Q21 versus R\$ 47.0 million in the 1Q20, reflecting a payout of 23.3% over the Net Income, through the full usage of the legal interest on equity limit.

INDEBTEDNESS

We ended the 1Q21 with an adjusted net financial debt of R\$ 945.5 million, versus R\$ 964.2 million in the same period of 2020. This equals an adjusted net debt to EBITDA ratio of 0.6x, 0.1x lower than the same period of the previous year.

Our adjusted net debt includes R\$ 47.1 million in liabilities related to the exercise of the put option granted and/or call option obtained for the acquisition of the remaining 45% minority stake of 4Bio. This liability reflects the estimated valuation of 4Bio considering the amendment to 4Bio's purchase and sale agreement, as announced to the market in September 24, 2019, which will now occur in two different stages: the 1st call/put option on 2/3 of the remaining shares (30% of total 4Bio shares) exercisable in 2021; and the 2nd call/put option on 1/3 of the remaining shares (15% of total 4Bio shares) exercisable in 2024. Other conditions of the agreement remain unchanged. The estimated valuation of 4Bio will be revisited every year-end to reflect changes in the financial outlook of the Company.

Net Debt	1Q21	4Q20	3Q20	2Q20	1Q20
<i>(R\$ million)</i>					
Short-term Debt	206.7	531.2	536.5	537.4	533.5
Long-term Debt	1,426.2	1,122.2	1,195.5	1,191.1	879.7
Total Gross Debt	1,632.8	1,653.5	1,732.0	1,728.4	1,413.2
(-) Cash and Equivalents	734.4	880.4	600.2	266.4	533.7
Net Debt	898.4	773.1	1,131.8	1,462.0	879.5
Discounted Receivables	-	-	-	2.4	41.4
Put/Call options to acquire 4Bio (estimated)	47.1	46.4	45.8	44.5	43.3
Adjusted Net Debt	945.5	819.5	1,177.6	1,508.9	964.2
Adjusted Net Debt / EBITDA	0.6x	0.6x	0.9x	1.2x	0.7x

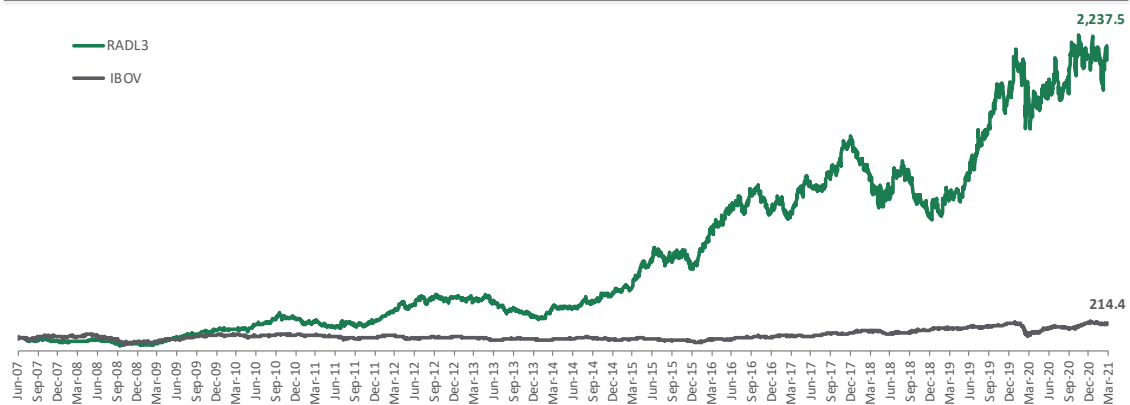
Our gross debt totaled R\$ 1,632.8 million, of which 72.5% corresponds to the debentures issued in 2017, 2018 and 2019, to our Certificate of Real Estate Receivables issued in 2019 and to our commercial papers issued in 2020, 26.6% corresponds to other credit lines and the remaining 0.9% corresponds to BNDES (Brazilian Economic and Social Development Bank) lines. Of our total debt, 87.3% is long-term, while 12.7% relates to its short-term parcels. We ended the quarter with a total cash position (cash and marketable securities) of R\$ 734.4 million.

TOTAL SHAREHOLDER RETURNS

Our share price increased by 0.1% in the quarter, 2.3 percentage points above the IBOVESPA, which fell by 2.2%. Since the IPO of Drogasil, we achieved a cumulative share appreciation of 2,137.5% versus a return of only 114.4% for the IBOVESPA. Including the payment of interest on equity, we generated an average annual total return to shareholders of 25.7%.

Considering the IPO of Raia in December of 2010, the cumulative return amounted to 760.2% versus an increase of only 71.6% of the IBOVESPA. Considering the payment of interest on equity, this resulted in an average annual total return to shareholders of 23.7%. Lastly, our shares recorded an average daily trading volume of R\$ 154.5 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)	1Q21		Change
	IAS 17	IFRS 16	Δ 1Q21
Gross Revenue	5,979.5	5,979.5	0.0
Gross Profit	1,641.9	1,641.9	0.0
Gross Margin	27.5%	27.5%	0.0%
Selling Expenses	(1,060.0)	(871.6)	188.5
G&A	(165.9)	(165.5)	0.4
Total Expenses	(1,226.0)	(1,037.1)	188.9
as % of Gross Revenue	20.5%	17.3%	-3.2%
Adjusted EBITDA	415.9	604.8	188.9
as % of Gross Revenue	7.0%	10.1%	3.2%
Non-Recurring Expenses / Revenues	16.4	16.5	0.1
Depreciation and Amortization	(147.3)	(301.7)	(154.4)
Financial Results	(18.8)	(72.5)	(53.7)
Equity Equivalence	(1.5)	(1.5)	0.0
Income Tax	(75.8)	(69.3)	6.5
Net Income	188.8	176.2	(12.6)
as % of Gross Revenue	3.2%	2.9%	-0.2%

Balance Sheet (R\$ million)	1Q21		Change
	IAS 17	IFRS 16	Δ 1Q21
Assets	10,972.3	14,149.8	3,177.5
Current Assets	7,333.7	7,333.7	0.0
Taxes Receivable	66.3	66.4	0.0
Other Accounts Receivable	230.9	230.8	(0.0)
Non-Current Assets	3,638.6	6,816.1	3,177.5
Income Tax and Social Charges deferred	37.5	39.1	1.6
Other Credits	354.7	354.2	(0.5)
Investments	8.2	8.2	(0.0)
Property, Plant and Equipment	1,850.4	5,026.7	3,176.3
Liabilities and Shareholder's Equity	10,972.3	14,149.8	3,177.5
Current Liabilities	4,293.6	4,764.0	470.4
Financial Leases	0.0	538.4	538.4
Dividend and Interest on Equity	173.8	124.0	(49.8)
Other Accounts Payable	208.9	190.7	(18.2)
Non-Current Liabilities	2,062.7	4,898.6	2,835.9
Financial Leases	0.0	2,926.1	2,926.1
Income Tax and Social Charges Deferred	165.6	75.4	(90.2)
Shareholder's Equity	4,616.0	4,487.2	(128.8)
Income Reserves	1,780.4	1,664.2	(116.2)
Accrued Income	142.9	130.3	(12.6)
Non Controller Interest	64.5	64.4	(0.0)

Cash Flow (R\$ million)	1Q21		Change
	IAS 17	IFRS 16	Δ 1Q21
Adjusted EBIT	268.5	303.1	34.5
NPV Adjustment	(3.0)	(3.0)	0.0
Non-Recurring Expenses	16.4	16.5	0.1
Income Tax (34%)	(95.9)	(107.7)	(11.8)
Depreciation	147.3	301.7	154.4
Rental Expenses	0.0	(189.1)	(189.1)
Others	53.7	65.5	11.8
Resources from Operations	387.2	387.2	0.0
Cash Cycle*	(385.5)	(385.5)	0.0
Other Assets (Liabilities)**	14.1	14.1	0.0
Operating Cash Flow	15.7	15.7	0.0
Investments	(147.7)	(147.7)	0.0
Free Cash Flow	(132.0)	(132.0)	0.0
Interest on Equity	(0.0)	(0.0)	0.0
Net Financial Expenses***	(13.5)	(13.5)	0.0
Income Tax (Tax benefit over financial expenses and interest on equity)	19.6	19.6	0.0
Total Cash Flow	(126.0)	(126.0)	0.0

*Includes adjustments to discounted receivables.

**Includes NPV adjustments

***Excludes NPV adjustments

1Q21 Results Conference Calls – May 12th, 2021

Portuguese

at 10:00 am (Brasília)

Link:

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

English

at 12:00 pm (Brasília)

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>1Q20</u>	<u>1Q21</u>
Gross Revenue	5,206,320	5,979,508
Taxes, Discounts and Returns	(256,449)	(359,456)
Net Revenue	4,949,871	5,620,051
Cost of Goods Sold	(3,508,021)	(3,978,199)
Gross Profit	1,441,851	1,641,852
Operational (Expenses) Revenues		
Sales	(940,500)	(1,060,050)
General and Administrative	(131,995)	(165,947)
Operational Expenses	(1,072,495)	(1,225,997)
EBITDA	369,356	415,855
Depreciation and Amortization	(135,811)	(147,343)
Operational Earnings before Financial Results	233,545	268,513
Financial Expenses	(38,291)	(29,544)
Financial Revenue	15,859	10,712
Financial Expenses/Revenue	(22,432)	(18,832)
Equity Equivalence	0	(1,515)
Earnings before Income Tax and Social Charges	211,114	248,166
Income Tax and Social Charges	(58,361)	(70,219)
Net Income	152,753	177,947

Consolidated Income Statement <i>(R\$ thousand)</i>	<u>1Q20</u>	<u>1Q21</u>
Gross Revenue	5,206,320	5,979,508
Taxes, Discounts and Returns	(256,449)	(359,456)
Net Revenue	4,949,871	5,620,051
Cost of Goods Sold	(3,508,021)	(3,978,199)
Gross Profit	1,441,851	1,641,852
Operational (Expenses) Revenues		
Sales	(940,500)	(1,060,050)
General and Administrative	(131,995)	(165,947)
Other Operational Expenses, Net	(10,474)	16,427
Operational Expenses	(1,082,968)	(1,209,570)
EBITDA	358,882	432,283
Depreciation and Amortization	(135,811)	(147,343)
Operational Earnings before Financial Results	223,071	284,940
Financial Expenses	(38,291)	(29,544)
Financial Revenue	15,859	10,712
Financial Expenses/Revenue	(22,432)	(18,832)
Equity Equivalence	0	(1,515)
Earnings before Income Tax and Social Charges	200,640	264,593
Income Tax and Social Charges	(54,800)	(75,804)
Net Income	145,840	188,789

Assets	<u>1Q20</u>	<u>1Q21</u>
<i>(R\$ thousand)</i>		
Current Assets		
Cash and Cash Equivalents	533,708	734,434
Accounts Receivable	1,472,056	1,732,296
Inventories	3,932,728	4,514,392
Taxes Receivable	121,018	66,320
Other Accounts Receivable	252,349	230,861
Anticipated Expenses	58,422	55,416
	<u>6,370,281</u>	<u>7,333,720</u>
Non-Current Assets		
Deposit in Court	30,850	26,967
Taxes Receivable	67,255	97,508
Income Tax and Social Charges deferred	21,154	37,463
Other Credits	338,366	354,669
Investments	3,289	8,180
Property, Plant and Equipment	1,769,798	1,850,361
Intangible	1,251,216	1,263,430
	<u>3,481,928</u>	<u>3,638,578</u>
ASSETS	<u>9,852,209</u>	<u>10,972,298</u>

Liabilities and Shareholder's Equity <i>(R\$ thousand)</i>	<u>1Q20</u>	<u>1Q21</u>
Current Liabilities		
Suppliers	2,784,446	3,196,508
Loans and Financing	533,458	206,650
Salaries and Social Charges Payable	293,518	319,416
Taxes Payable	161,355	143,983
Dividend and Interest on Equity	133,190	173,828
Provision for Lawsuits	28,131	44,333
Other Accounts Payable	162,021	208,888
	<u>4,096,120</u>	<u>4,293,606</u>
Non-Current Liabilities		
Loans and Financing	879,716	1,426,168
Provision for Lawsuits	69,375	68,363
Income Tax and Social Charges deferred	185,127	165,593
Other Accounts Payable	385,540	402,597
	<u>1,519,757</u>	<u>2,062,722</u>
Shareholder's Equity		
Common Stock	2,500,000	2,500,000
Capital Reserves	133,213	146,824
Revaluation Reserve	11,805	11,635
Income Reserves	1,429,597	1,780,379
Accrued Income	98,160	142,893
Equity Adjustments	(30,230)	(30,230)
Non Controller Interest	52,144	64,468
	<u>4,236,332</u>	<u>4,615,970</u>
LIABILITIES AND SHAREHOLDERS' EQUITY	<u>9,852,209</u>	<u>10,972,298</u>

Cash Flow	1Q20	1Q21
<i>(R\$ thousand)</i>		
Earnings before Income Tax and Social Charges	200,640	264,593
Adjustments		
Depreciation and Amortization	135,812	147,342
Compensation plan with restricted shares, net	3,476	(1,247)
Interest over additional stock option	1,192	676
P,P&E and Intangible Assets residual value	992	8,035
Provisioned Lawsuits	3,084	54,370
Provisioned Inventory Loss	23,200	2,501
Provision for Doubtful Accounts	180	770
Provisioned Store Closures	(1,198)	(8,853)
Interest Expenses	12,477	13,832
Debt Issuance Costs Amortization	714	1,261
Equity Equivalence Result	0	1,515
Discount on rentals	0	(1,873)
	380,569	482,922
Assets and Liabilities variation		
Clients and Other Accounts Receivable	(290,235)	(177,633)
Inventories	(104,540)	(291,485)
Other Short Term Assets	(7,476)	(26,402)
Long Term Assets	(4,087)	7,650
Suppliers	133,960	83,581
Salaries and Social Charges	(3,155)	10,255
Taxes Payable	39,461	11,396
Other Liabilities	3,587	(15,759)
Rents Payable	(3,030)	14,735
Cash from Operations	145,054	99,260
Interest Paid	(1,074)	(20,298)
Income Tax and Social Charges Paid	(44,006)	(61,743)
Net Cash from (invested) Operational Activities	99,974	17,219
Investment Activities Cash Flow		
P,P&E and Intangible Acquisitions	(136,210)	(133,863)
P,P&E Sale Payments	8	466
Investments in Associates	(3,289)	(14,274)
Net Cash from Investment Activities	(139,491)	(147,671)
Financing Activities Cash Flow		
Funding	299,821	299,056
Payments	(25,238)	(314,487)
Interest on Equity and Dividends Paid	(585)	(40)
Net Cash from Funding Activities	273,998	(15,471)
Cash and Cash Equivalents net increase	234,481	(145,923)
Cash and Cash Equivalents in the beginning of the period	299,226	880,357
Cash and Cash Equivalents in the end of the period	533,707	734,434