

Second Quarter and First Half 2021 Results

August 12th, 2021

São Paulo, Brazil, August, 12th 2021 – Metalfrío Solutions S.A. (FRI03) (“Metalfrío”), the world’s leading cold solutions provider, announces its results for the second quarter of 2021 (“2Q21”) and first half 2021 (“1H21”). Financial and operational information given are in accordance with accounting practices adopted in Brazil and International Financial Reporting Standards (IFRS), in Brazilian Reais (R\$). Comparisons are with the second quarter of 2020 (“2Q20”) and first half of 2020 (“1H20”) or as indicated.

Commenting on the results, the Company stated:

“In delivering the highest Sales and EBITDA level for a single Quarter and 12 month period, the Company confirmed that it is well positioned to benefit from the initial market improvement and the great increase of the number of customers. Our continued focus on meeting customers’ needs in terms of innovation, on-time deliveries and providing value enhancing Service Solutions, has enabled Metalfrío to capture a larger share of the market recovery.

Growing by 81% vs 2Q20 of course is not a clear indication of our traction in the market given that the comparable period was affected by the demand decrease due to Covid-19 pandemic but growing by 42% vs 2Q19, highlights the effect of new model Metalfrío implemented in all its Operations.

Our Supply Chain has been facing challenging conditions as the commodity super cycle and logistics availability pressured material costs. With the introduction of new products, intensified cost optimization programs and adjustments in commercial policy the Company was able to improve its Gross Margin when compared with 1Q21 (14.8%).

The ability of Metalfrío to quickly adapt to evolving market conditions and take timely decisions across its operations, facilitated consistent performance also at EBITDA level limiting margin dilution and yielding historical high results.

For the rest of this year we remain confident in our ability to deliver the expected full year progress. We aim to achieve this through continuing to deliver innovative value added products and solutions to our customers whilst working towards deleveraging the Company.”

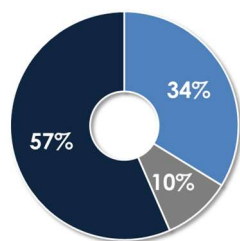
2Q21 AND 1H21 HIGHLIGHTS

- Revenues increased by 81% in 2Q21 to R\$604 million and 49% in 1H21 to R\$1,072 million benefiting from the diversified customer base developed during the pandemic and the initial recovery in some geographies.
- Revenues from Services increased 15% to R\$74.1 million for 2Q21, compared to R\$64.4 million in 2Q20
- In 2Q21 EBITDA was R\$66.7million in 2Q21 and R\$108.2 million in 1H21, an increase of 142% and 50% respectively whilst the LTM EBITDA level was R\$166.9 million (LTM Adjusted EBITDA was R\$179.8 million)
- Net Profit of R\$20.7 million in 2Q21, improved from Net Loss of R\$12.6 million in 2Q20, owing to both improvement in Operational and Financial Performances. Net Profit of R\$24.6 million in 1H21 vs Net Loss of R\$120.0 million in 1H20 also as a result of better Operational and Financial results.

(R\$ million)	2Q21	2Q20	% Var	1H21	1H20	% Var
Net Revenues	604.3	333.1	81.4	1072.4	717.7	49.4
Gross Profit	100.9	56.9	77.3	170.4	131.8	29.2
Gross Margin	16.7%	17.1%		15.9%	18.4%	
Adj. EBITDA	67.2	36.5	84.1	109.5	81.0	35.1
Adj. EBITDA Margin	11.1%	11.0%		10.2%	11.3%	

Net Revenue

Consolidated Net Revenues increased 81% in the second quarter to R\$604 million, setting a new record level of sales for Metalfrío in a single quarter, benefitting from higher volumes, price adjustments and sales in hard currencies. For the first half of the year, revenues increased by 49% to R\$1,072 million. Net Revenues of the last twelve months (LTM) were R\$1,800 million.



- South America
- Central & North America
- EMEA

(R\$ million)	2Q21	2Q20	% Var	1H21	1H20	% Var
South America	192.8	90.3	113.5	362.0	253.2	43.0
Central and North America	59.2	21.3	177.9	104.4	87.8	18.9
Europe, M. East and Africa	352.3	221.5	59.1	606.1	376.7	60.9
Total	604.3	333.1	81.4	1,072.4	717.7	49.4

South America

Sales in 2Q21 more than doubled when compared with 2Q20 and increased 40% when compared with 2Q19. For the 6 months, Sales increased by 43%.

The quarter continued to experience consistent market share gains in the middle-market commercial refrigeration segment, highlighting Metalfrío's multi-channel strength and ongoing success in further diversifying its customer base.

In Brasil during 2Q21, Metalfrío signed two new contracts of full service increasing our Life Cycle operation. It was possible thanks to our investment in the Refurbishment Centre in São Paulo finished in 1Q21.

Central & North America

The region experienced a 178% increase in Revenues vs 2Q20, after a challenging Covid scenario in the last period. For the period of six months, Revenues improved by 19% as

the market recovery was partially offset by supply chain disruption caused by weather conditions in Texas, that led chemical suppliers declaring force majeure, resulting in the temporary shut-down of the Mexican Plant in 1Q21.

Services for the 2Q21 increased in-line with our expectations. In the coming months, the company expects higher revenue considering the new workshop. As a percentage of revenues, services was slightly up to 12.3%.

Europe, Middle East and Africa (EMEA)

Sales in EMEA increased by almost 60% both during 2Q21 and 1H21. During the first six months of 2021 the operation experienced growth in all the regions part of EMEA, specially in Turkey and Middle East.

Another item that contributed to higher Sales in EMEA in 1H21 was an increase in the average realisation price, mostly due to product innovation and sales in hard currencies, and the continuous growth in Services.

Gross Profit (R\$ million) & Gross Margin

Gross Profit for the second quarter increased 77% to R\$100.9 million against the prior year comparable period, despite higher material costs, as a result of the significant growth in sales. The gross margin in 2Q21 decreased to 16.7% from 17.1%, but the company expects a gradual recovery after the stabilization of raw material cost followed by the usual price adjustments.

Operating Expenses (SG&A)

SG&A expenses for the second quarter increased 47%, compared to the increase in sales of 81%. As a result, SG&A as a percentage of sales decreased by 2.4% showing the company continues focused on a strong financial control (almost all the increase is justified by selling expenses).

EBITDA & EBITDA Margin

EBITDA for the second quarter increased by 142% to R\$66.7 million, versus the prior year comparable period, resulting in a record LTM EBITDA of R\$167 million. In the same period, the EBITDA margin increased to 11% from 8%, indicating the start of normalization after the COVID19 pandemic.

Reconciliation of EBITDA and Adjusted EBITDA

EBITDA (R\$ million)	2Q20	3Q20	4Q20	1Q21	2Q21	2Q21 vs 2Q20
Operating result	13.7	13.3	14.7	25.5	50.1	266.4%
Depreciation and amortization	13.9	13.7	16.9	16.0	16.7	20.1%
EBITDA	27.5	27.0	31.6	41.5	66.7	142.3%
Other extraordinary expenses/(income) (i)	9.0	6.2	5.4	0.8	0.5	
Adjusted EBITDA	36.5	33.3	37.0	42.3	67.2	84.1%

i. Extraordinary expenses in 2020 and 2021 are mainly related to due to COVID-19.

Financial Result

Net Financial Result for the second quarter improved significantly compared to the same period last year, despite a lower securities market value change. This was driven by a material improvement in Net FX variation (from a negative R\$14.3 million to a positive R\$8.2 million).

FINANCIAL RESULT (R\$ million)	2Q21	2Q20	Var. 21/20	1H21	1H20	Var. 21/20
Result with cash investments	2.0	1.7	18.1%	5.1	8.5	-40.2%
Securities market Value Change	2.5	14.8	-83.3%	25.6	0.0	nm
Other financial income	0.1	0.1	21.2%	0.2	0.1	21.5%
Interest and Other Income	4.5	16.5	-72.5%	30.8	8.6	257.6%
Interest on loans and financing	-13.6	-12.4	9.7%	-27.6	-24.6	11.9%
Securities market Value Change	0.0	0.0	nm	0.0	-33.1	nm
Other financial expenses	-14.0	-13.7	2.3%	-27.1	-23.6	14.6%
Interest and Other Expenses	-27.7	-26.1	5.8%	-54.7	-81.4	-32.8%
Hedge Operations Result	3.1	1.1	183.5%	-7.5	-0.9	720.6%
Net FX Variation	8.2	-14.3	nm	-1.7	-86.4	-98.0%
Net Financial Result	-11.8	-22.9	-48.3%	-33.1	-160.1	-79.3%

Net Profit/Loss

The Net Profit reached R\$21 million in the second quarter of 2021, which represented a turnaround from a net loss of R\$13 million in the prior year period. Considering 1H21 vs 1H20 (positive R\$25 million vs negative R\$120 million), the company presented a strong improvement explained by better operating performance and a significant recovery in financial items.

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Working Capital

In 2Q21 working capital less financial assets and liabilities reached R\$287.8 million, showing that Metalfrío is dedicated to maintain a high focus in cash control.

WORKING CAPITAL (R\$ million)	2Q20	3Q20	4Q20	1Q21	2Q21	Chg. 2Q21/ 2Q20	Chg. 2Q21/ 4Q20
A) Current assets (less fin. assets):	902.4	770.4	675.4	1013.7	921.6	19.2	246.1
Accounts receivable	394.9	325.8	222.0	415.2	409.1	14.2	187.1
Inventory	351.1	296.9	319.0	451.2	357.6	6.5	38.6
Other	156.3	147.6	134.4	147.4	154.8	-1.5	20.4
B) Current liabilities (less fin. liab.)	443.7	408.8	506.0	663.1	633.8	190.1	127.8
Accounts payable	338.6	305.9	377.2	524.2	493.5	154.9	116.3
Other	105.1	103.0	128.8	138.9	140.3	35.2	11.5
Working capital (A-B)	458.7	361.6	169.4	350.6	287.8	-170.9	118.4
Days of receivables	90	72	42	67	51	-39	9
Days of inventory	114	94	89	102	64	-51	-25
Days of suppliers	110	97	105	118	88	-22	-17
Cash cycle	94	69	26	50	27	-67	1

Fixed Assets

Property, Plant and Equipment (PP&E)

In 2Q21 net property, plant and equipment was R\$272.4 million, R\$ 0.2 million higher than 2Q20.

Intangible assets

Total intangible assets increased R\$3.2 million, reaching R\$172.3 million vs R\$169.1 million in 2Q20.

FIXED ASSETS (R\$ million)	2Q20	3Q20	4Q20	1Q21	2Q21	Chg. 2Q21/ 2Q20	Chg. 2Q21/ 4Q20
Net PP&E	272.2	261.7	289.1	293.6	272.4	+0.2	-16.7
Intangibles	169.1	168.0	178.7	179.5	172.3	+3.2	-6.4
Total	441.3	429.7	467.8	473.1	444.7	+3.4	-23.1

Capitalization and Liquidity

At 2Q21, cash and cash equivalents were R\$423.1 million, R\$43.6 million higher when compared with the prior year. Gross debt decreased to R\$1,181.0 million, compared to R\$1,259.6 million at 2Q20. Metalfrío is committed to reducing its indebtedness as the cash generation after Covid Pandemic normalizes.

LIQUIDITY INDICATORS (R\$ million)	2Q20	3Q20	4Q20	1Q21	2Q21	Chg. 2Q21/ 2Q20	Chg. 2Q21/ 4Q20
Cash and equivalents, bonds and securities	379.4	437.4	508.3	487.8	423.1	43.6	-85.3
Short term debt (ST)	840.3	822.1	476.0	572.8	684.9	-155.4	208.8
Long term debt (LT)	419.3	434.4	672.0	740.3	496.1	76.8	-175.9
USD denominated debt	38.4	71.4	55.8	62.2	45.8	7.4	-10.0
BRL denominated debt	488.9	519.9	505.7	511.8	497.7	8.8	-8.0
Euro denominated debt	656.2	614.5	572.6	725.4	625.2	-30.9	52.6
TRY denominated debt	55.9	50.7	14.0	13.8	12.3	-43.6	-1.7
MXN denominated debt	20.3	0.0	0.0	0.0	0.0	-20.3	0.0
Gross debt	1.259.6	1.256.5	1.148.1	1.313.1	1.181.0	-78.6	32.9
Net cash / (Net debt)	-880.2	-819.1	-639.7	-825.3	-757.9	122.3	-118.2
Shareholders' equity	46.5	-2.4	12.8	20.6	-15.8	-62.3	-28.6
Cash and equiv. / ST debt	0.5x	0.5x	1.1x	0.9x	0.6x	n/a	n/a
ST debt / (ST + LT)	66.7%	65.4%	41.5%	43.6%	58.0%	n/a	n/a

Shareholders' equity

Shareholders' equity at 2Q21 was negative R\$15.8 million, which compares to R\$12.8 million at 4Q20. Despite presenting a Net Profit in both quarters of 2021 totalizing R\$24.6 million in 1H21 Shareholders' equity decreased due to the accounting Cumulative Translation Adjustment (CTA) which converts foreign currency denominated balance sheets to reais directly adjusting Shareholder's equity. This had a material impact mainly in the EMEA Balance Sheet, as during the first six months of this year, the Turkish Lira devaluated by 18% against R\$. However it is worth noting that since 30/06/2021 until 11/08/2021, the same currency already recovered 5% of its value.

WEBCAST – 2Q21 – Metafrío

Aug 19th 2021

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Other Information

Management Statement

In accordance with article 25 of Instruction 480/2009 of the CVM (Brazilian Securities Commission – Comissão de Valores Mobiliários), the Company's Management states it has discussed, revised and agreed with the Independent Auditor's Opinion and with the accounting statements relative to the business by June 30st, 2021.

Relationship with external auditors

In accordance with Instruction 381/2003 of the CVM (Brazilian Securities Commission – Comissão de Valores Mobiliários), we report that in 2020 we did not hire our Independent Auditors for services not related to external auditing.

The Company policy for hiring independent auditing services assures there are no conflicts of interests, loss of independency or objectivity for services eventually rendered by independent auditors not related to external auditing.

Commitment Clause

The Company, its shareholders, administrators and members of its Tax Board, if installed, are responsible for solving, through arbitration, any and every dispute or controversy that might arise among them, related or resulting, specially, of application, validity, effectiveness, interpretation, violation and its effects, of provisions set forth in the Business Corporation Act, the Company's Bylaws, in the rules edited by CMN, by the Central Bank of Brazil and by CVM, as well as in other rules applicable to operation of general capital markets, besides those included in the Regulation of *Novo Mercado*, Agreement for Participation in *Novo Mercado* and Arbitration Regulation.

Disclaimer

Information in this report on performance that is not directly derived from the financial statements, such as, for example, information on the market, quantities produced and sold, production capacity, and the calculation of EBITDA and adjusted EBITDA has not been revised by our external auditors.

We make forward-looking statements that are subject to risks and uncertainties. These statements are based on our Management's beliefs and assumptions and information to which the company currently has access. Forward-looking statements include information about our present intentions, beliefs or expectations, and those of the members of the company's Board of Directors, and Executive Officers. Reservations in relation to statements and information about the future also include information about possible or presumed operational results, and also statements that are preceded, followed by or include the words "believe", "may", "will", "continue", "expect", "forecast", "intend", "plan", "estimate", or similar expressions. Statements and information about the future are not guarantees of performance. They involve risks, uncertainties and suppositions because they refer to future events, and thus depend on circumstances which may or may not occur. Future results and the creation of value for stockholders may differ significantly from those expressed or suggested by forward-looking statements. Many of the factors that will determine these results and amounts are beyond Metafrío's capacity to control or forecast.

Segments Breakdown

2Q	Net Revenues			Net Rev Share*		Gross Profit			Gross Margin		
	2021	2020	Δ%	2021	2020	2021	2020	Δ%	2021	2020	Δ%
Consolidated	604.3	333.1	81.4%	100.0%	100.0%	100.9	56.9	77.3%	16.7%	17.1%	-0.4%
+ Products	530.2	268.7	97.3%	87.7%	80.7%	82.1	44.2	85.7%	15.5%	16.5%	-1.0%
+ Service	74.1	64.4	15.2%	12.3%	19.3%	18.8	12.7	47.9%	25.3%	19.7%	5.6%
South America	192.8	90.3	113.5%	31.9%	27.1%	27.8	11.9	133.0%	14.4%	13.2%	1.2%
+ Products	152.6	57.1	167.5%	79.1%	63.2%	17.9	5.1	250.4%	11.8%	9.0%	2.8%
+ Service	40.2	33.3	20.9%	20.9%	36.8%	9.9	6.8	45.0%	24.6%	20.5%	4.1%
Central & North America	59.2	21.3	177.9%	9.8%	6.4%	2.8	-3.8	nm	4.7%	-17.8%	22.5%
+ Products	53.0	17.1	210.9%	89.6%	80.1%	1.0	-5.5	nm	1.8%	-32.2%	34.0%
+ Service	6.2	4.2	45.5%	10.4%	19.9%	1.9	1.7	8.2%	30.0%	40.4%	-10.3%
EMEA	352.3	221.5	59.1%	58.3%	66.5%	70.3	48.8	44.1%	19.9%	22.0%	-2.1%
+ Products	324.5	194.6	66.8%	92.1%	87.9%	63.2	44.6	41.8%	19.5%	22.9%	-3.4%
+ Service	27.7	26.9	3.3%	7.9%	12.1%	7.0	4.2	69.1%	25.3%	15.5%	9.9%

1H	Net Revenues			Net Rev Share*		Gross Profit			Gross Margin		
	2021	2020	Δ%	2021	2020	2021	2020	Δ%	2021	2020	Δ%
Consolidated	1,072.4	717.7	49.4%	100.0%	100.0%	170.4	131.8	29.2%	15.9%	18.4%	-2.5%
+ Products	938.6	591.1	58.8%	87.5%	82.4%	139.1	105.2	32.2%	14.8%	17.8%	-3.0%
+ Service	133.8	126.6	5.7%	12.5%	17.6%	31.3	26.7	17.5%	23.4%	21.1%	2.3%
South America	362.0	253.2	43.0%	33.8%	35.3%	51.0	41.6	22.7%	14.1%	16.4%	-2.3%
+ Products	284.7	180.3	57.9%	78.7%	71.2%	36.0	29.6	21.6%	12.7%	16.4%	-3.8%
+ Service	77.2	72.9	6.0%	21.3%	28.8%	15.0	12.0	25.3%	19.4%	16.4%	3.0%
Central & North America	104.4	87.8	18.9%	9.7%	12.2%	2.5	3.5	-29.6%	2.4%	4.0%	-1.6%
+ Products	92.9	75.0	23.9%	89.0%	85.4%	-0.8	-1.1	-25.6%	-0.9%	-1.5%	0.6%
+ Service	11.5	12.8	-10.3%	11.0%	14.6%	3.3	4.6	-28.6%	28.4%	35.7%	-7.3%
EMEA	606.1	376.7	60.9%	56.5%	52.5%	116.9	86.8	34.7%	19.3%	23.0%	-3.7%
+ Products	561.0	335.8	67.1%	92.6%	89.1%	103.8	76.7	35.5%	18.5%	22.8%	-4.3%
+ Service	45.1	40.9	10.2%	7.4%	10.9%	13.1	10.1	29.1%	29.0%	24.7%	4.2%

* Region as % of Consolidated and Segments as % of Region

Consolidated Income Statement – 2nd Quarter

(R\$ Mn)	2Q21	% Rev	2Q20	% Rev	Var. 2Q21 vs. 2Q20 (%)
NET REVENUES	604.3	100.0%	333.1	100.0%	81.4%
Cost of goods	(503.4)	-83.3%	(276.1)	-82.9%	82.3%
GROSS PROFIT	100.9	16.7%	56.9	17.1%	77.3%
OPERATING INCOMES (EXPENSES)					
Selling expenses	(39.8)	-6.6%	(25.7)	-7.7%	54.6%
Administrative and general expenses	(22.6)	-3.7%	(16.6)	-5.0%	36.0%
Other operating income	11.5	1.9%	(0.9)	-0.3%	nm
RESULTS BEFORE NET FINANCIAL	50.1	8.3%	13.7	4.1%	266.4%
NET FINANCIAL RESULT					
Financial expenses	(24.8)	-4.1%	(11.0)	-3.3%	124.3%
Financial income	4.7	0.8%	2.5	0.8%	86.5%
Net exchange variation	8.2	1.4%	(14.3)	-4.3%	nm
RESULTS BEFORE TAXES	38.2	6.3%	(9.2)	-2.8%	nm
INCOME AND SOCIAL CONTRIB. TAXES					
Current	(7.4)	-1.2%	(5.5)	-1.7%	33.5%
Deferred	(10.2)	-1.7%	2.1	0.6%	nm
NET RESULT FOR THE PERIOD	20.7	3.4%	(12.6)	-3.8%	nm

Consolidated Income Statement – 1H

(R\$ Mn)	1H21	% Rev	1H20	% Rev	Var. 1H21 vs. 1H20 (%)
NET REVENUES	1,072.4	100.0%	717.7	100.0%	49.4%
Cost of goods	(902.0)	-84.1%	(585.8)	-81.6%	54.0%
GROSS PROFIT	170.4	15.9%	131.8	18.4%	29.2%
OPERATING INCOMES (EXPENSES)					
Selling expenses	(74.2)	-6.9%	(59.0)	-8.2%	25.7%
Administrative and general expenses	(42.2)	-3.9%	(36.3)	-5.1%	16.2%
Other operating income	21.5	2.0%	8.0	1.1%	167.3%
RESULTS BEFORE NET FINANCIAL	75.5	7.0%	44.6	6.2%	69.3%
NET FINANCIAL RESULT					
Financial expenses	(69.5)	-6.5%	(90.1)	-12.6%	-22.9%
Financial income	38.1	3.6%	16.4	2.3%	131.6%
Net exchange variation	(1.7)	-0.2%	(86.4)	-12.0%	-98.0%
RESULTS BEFORE TAXES	42.4	4.0%	(115.5)	-16.1%	nm
INCOME AND SOCIAL CONTRIB. TAXES					
Current	(18.4)	-1.7%	(8.3)	-1.2%	121.1%
Deferred	0.6	0.1%	3.8	0.5%	nm
NET RESULT FOR THE PERIOD	24.6	2.3%	(120.0)	-16.7%	nm

Consolidated Balance sheet

ASSETS (R\$ mn)	2Q21	4Q20
CURRENT ASSETS		
Cash and cash equivalents	143.6	204.2
Marketable securities	275.4	300.1
Trade accounts receivable	409.1	222.0
Related parties	25.0	16.8
Inventories	357.6	319.0
Recoverable taxes	102.3	86.8
Recoverable income tax and social contribution	9.8	10.1
Accounts receivable on derivatives	-	9.1
Other accounts receivable	17.8	11.6
Total current assets	1,340.6	1,179.7
NON-CURRENT		
Long-term receivables:		
Marketable securities	4.1	4.1
Loans to related parties	0.4	0.3
Deferred taxes	34.1	33.5
Recoverable taxes	14.9	21.1
Other Accounts Receivable	12.9	13.3
Investments	(0.0)	-
Property, plant and equipment	272.4	289.1
Intangible assets	172.3	178.7
Total non-current	511.1	540.1
TOTAL	1,851.6	1,719.8

LIABILITIES, NON-CONTROLLING INTEREST AND SHAREHOLDERS' EQUITY (R\$ mn)	2Q21	4Q20
CURRENT LIABILITIES		
Accounts payable to suppliers	493.5	377.2
Loans and financing	684.9	476.0
Tax payable	26.8	16.0
Payroll and related charges	27.4	25.8
Other provisions	57.6	50.7
Lease liability	9.0	10.8
Accounts payable on derivatives	1.8	-
Other accounts payable	17.5	25.6
Total current liabilities	1,318.7	982.1
NON-CURRENT		
Loans and financing	496.1	672.0
Taxes payable	1.3	1.5
Provision for risks	14.5	14.3
Lease liability	19.3	19.3
Other accounts payable	17.6	17.8
Total non-current liabilities	548.7	724.9
SHAREHOLDERS' EQUITY		
Capital	244.0	244.0
Capital reserve	2.7	2.7
Profit reserve	0.0	0.0
Equity valuation adjustments	(103.7)	(64.3)
Capital transaction between shareholders	(69.3)	(69.3)
Accumulated profits (losses)	(167.6)	(179.6)
	(93.8)	(66.5)
Non-controlling interest	78.0	79.3
Total Shareholders' equity	(15,8)	12,8
TOTAL	1,851,6	1,719,8

Consolidated Cash Flow – 1H21

(R\$ mn)	1H21	1H20
CASH FLOWS FROM OPERATING ACTIVITIES		
Result for the Period	24.6	(120.0)
Reconciliation of the result for the period to net cash generated by (used in) operating activities:		
Depreciation and amortization	32.6	27.5
Provision for risks	2.6	4.0
Other provisions	27.4	15.0
Provision for losses (gains) on derivatives	7.5	0.9
Allowance for expected credit loss	(0.9)	0.8
Provision of actuarial law	1.5	2.8
Exchange Differences	70.4	123.7
Interest on borrowings	27.4	25.7
Residual value of fixed and intangible assets disposed of	1.8	0.5
Deferred income tax and social contribution	(0.6)	(3.8)
	194.4	77.2
(Increase) decrease in assets:		
Current:		
Trade receivables	(224.0)	(133.2)
Inventories	(86.1)	(105.9)
Taxes recoverable	(15.1)	(9.7)
Receivables from related parties	(8.2)	(8.0)
Other receivables	(6.2)	(11.7)
Noncurrent:		
Taxes recoverable	6.2	(11.5)
Other receivables	0.4	-
	(333.1)	(280.0)
Increase (decrease) in liabilities:		
Current:		
Trade payables	137.3	(27.9)
Taxes payable	12.9	8.5
Payroll and related charges	1.6	5.7
Current Other payables	(8.1)	4.8
Contingency Payments	(2.4)	(0.5)
Others provisions	(20.4)	(11.8)
Noncurrent:		
Taxes payables	(0.2)	(0.3)
Non-Current Other payables	(2.5)	0.5
	118.2	(20.9)
Other Cash Flow From Operating Activities:		
Income tax and social contribution payments	(2.0)	(1.1)
	(2.0)	(1.1)
Net cash generated by (used in) operating activities	(22.5)	(224.8)
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(25.4)	(16.5)
Additions to intangible assets	(5.7)	(5.0)
Marketable securities	24.7	20.6
Loans to related parties	(0.1)	(0.3)
Net cash generated by (used in) investing activities	(6.6)	(1.1)
CASH FLOWS FROM FINANCING ACTIVITIES		
New borrowings	463.7	667.8
Payment of principal	(382.7)	(622.9)
Payment of interest	(24.9)	(31.6)
Lease Liability	(5.9)	(2.7)
Interest from lease liability	(1.0)	(0.3)
Payment / Receipt of Derivatives	3.5	(14.0)
Net cash (used in) generated by financing activities	52.6	(10.4)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	23.6	(236.3)
CASH AND CASH EQUIVALENTS		
At the end of the period	143.6	103.7
Effects Of Exchange On Cash And Cash Equivalents	(84.2)	99.9
At the beginning of the period	204.2	240.1
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	23.6	(236.3)