



Blau[®]
FARMACÊUTICA

1Q23 RESULTS



HIGHLIGHTS



1st non-retail pharmaceutical in the national ranking *(2nd on 2022)*¹
25% market share in the institutional market ¹



Faster advances than expected in the **partnership with Similis Bio**



10 new drugs registered in 1Q23, 6 in Latin America and 4 in Brazil.
In April, +4 new registrations in Brazil.



Expansion works at all plants. In April, **obtention of ANVISA's license for selling products of the new Specialties facility, P210**



Investments in RD&I reach BRL 31 million (12% of Net Revenue)



P1000: 1st environmental license from CPRH and authorization from PRODEPE to capture tax benefits

Partnership with Similis Bio is progressing faster than expected

Exclusivity agreement between Blau and Similis Bio for the development of 4 monoclonal antibodies

Goal: be the **1st** to launch products in Brazil

TAM: **USD 42 billion** (4 MABs) – **BRL 4,3 billion** in Brazil
Growing TAM

USD 100 million over the next 10 years

No Territorial Restriction



Relevant Milestones in 1Q23 for two MABS:



Research cell banks already received



Large-capacity bioreactors (500 liters and 3,000 liters) already received in the quarter

Project Evolution (2 MABs project):

API Development

Physicochemical and biological characterization

Comparability study

100%

20%

20%

Launch of 1st MAB (forecast): 2028

Acquisition of Laboratório Bergamo, Company with more than 70 years of history

BLAU
B3 LISTED NM

Transaction rational and potential synergies

Book value higher than transaction value. Opportunity for tax planning with a **reduction in the Companies tax burden.**

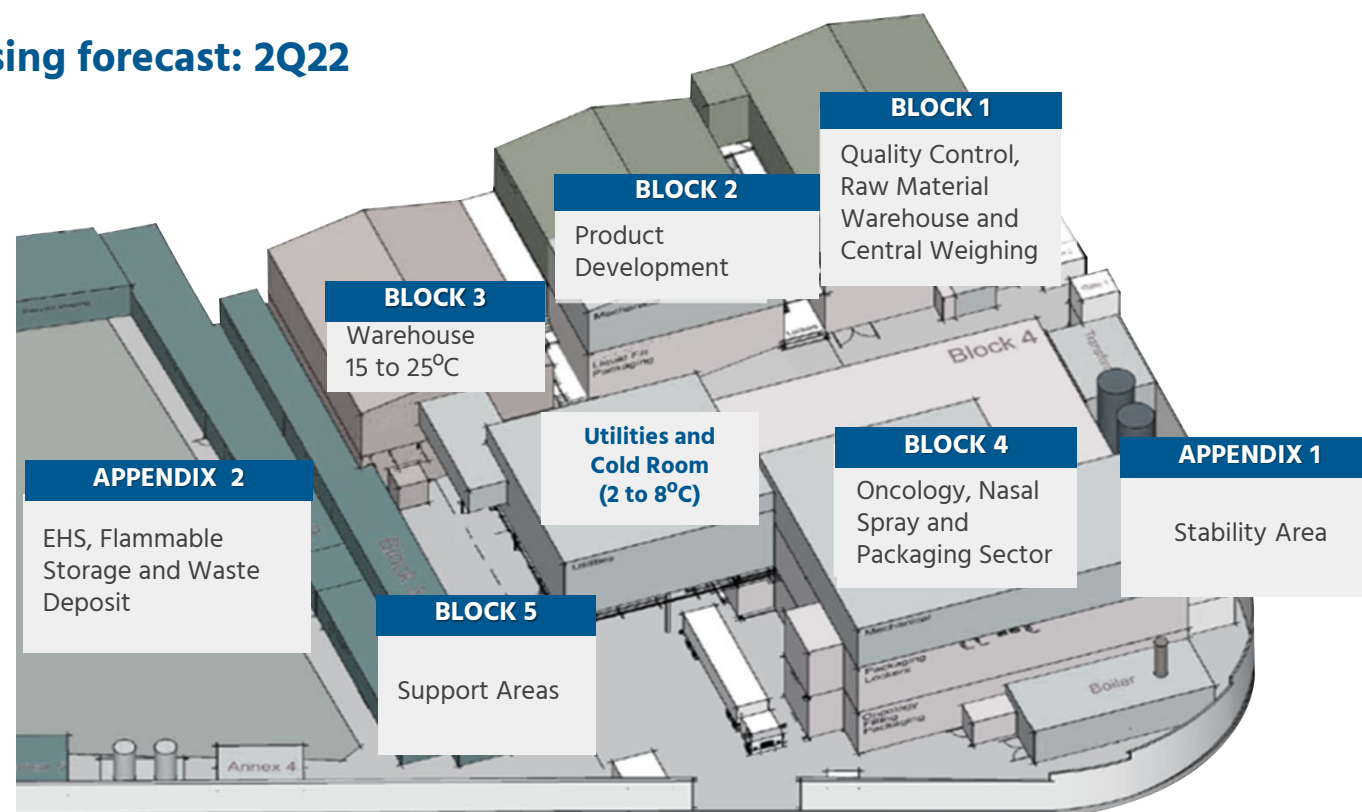
Portfolio: expansion of Blau's products

New products: 2 new drugs since signing

Capacity increase: 2 state-of-the-art lines production lines

Combination of the companies leveraging the operation and capturing synergies

Closing forecast: 2Q22



Main drug lines



Oncology and Hematology

Essential therapies for cancer treatment

Recognized brands in Oncology



Medicina geral

Antifungal class, growth hormone, botulinum toxin, vasopressin, among others.



More than 20 products

in Bergamo's portfolio, with a pipeline of future launches



BRL 185 Million

Net Revenue in 2021



USD 28 Million

Purchase value for 100% of the capital



BRL 50 Million

Invested in the facility in recent years



Modern Equipment's

Environments monitored by Artificial Intelligence



RD&I and Quality Control

Inauguration of the P210, unlocking production bottlenecks in Specialties Unit

In April, we received approval from ANVISA to start selling products from the new plant



About 30% increase in production capacity

In the specialties unit operating in three shifts
Currently operating with two shifts



New facility already operates in the industry 4.0 concept

State-of-the-art equipment, environments monitored by artificial intelligence and an integrated Audit Trail system



+2 new lines equipped with the latest technology

1 line for ampoules (max. 24,000 un/h)
1 line for vials (sterile powder) (max. 18,000 un/h)

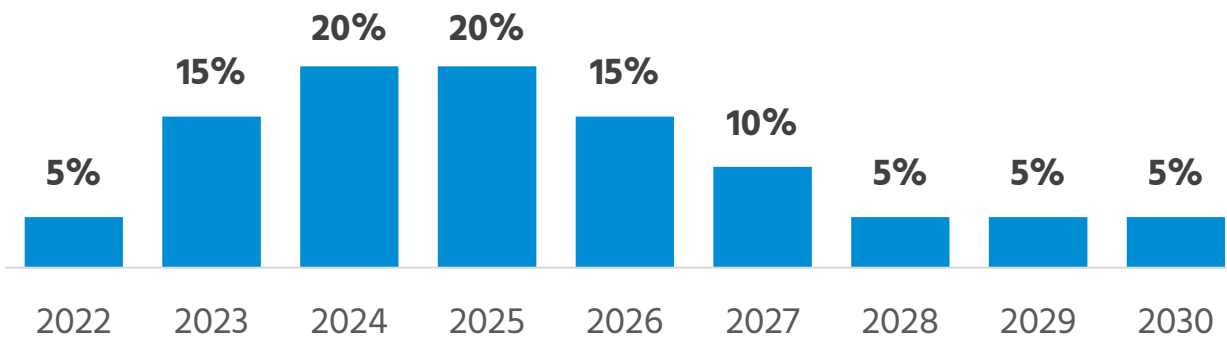


Focus on high production capacity with low operating costs



Pernambuco Industrial Complex (P1000)

CAPEX Schedule (% Total Investment)



From 2023 to 2026: greater investment during this period due to the construction and the start of production of the first lines.

From 2027 to 2030: migration of the Other production line to P1000



Estimante Investment

BRL 1,2 billion



Forecast start of production

2026



Capacity

36 production lines

What will be produced

Injectables, oral solids and liquids, gels, creams and ointments

SUAPE - Pernambuco (BR)

Strategic Location
Tax Incentive Program



Tax Benefits


PRODEPE **ICMS: 85%**

SUDENE **IRPJ: 75%**



We have a robust pipeline to support our future growth

ADDRESSABLE MARKET IN THE YEAR OF LAUNCHES (IN BRL MN)

	2023 <i>Foreseen</i>	2023 <i>Registered until May 3rd</i>	2024	2025	2026
 BIOLOGICALS	-	-	406	2,393	835
 SPECIALTIES	234	31	160	441	944
 ONCOLOGICALS	692	476	440	64	1,184
TOTAL PIPELINE	926	507	1,006	2,899	2,963

**BRL 7,8
billion
of TAM**

Product	Source	TAM (BRL MM)
Anastrozole	RD&I	127
Azacitidine	RD&I	106
Bortezomib	RD&I	102
Fulvestrant	RD&I	97
Hydroxyurea	RD&I	24
Bicalutamide	RD&I	19
Clarithromycin	BD	31



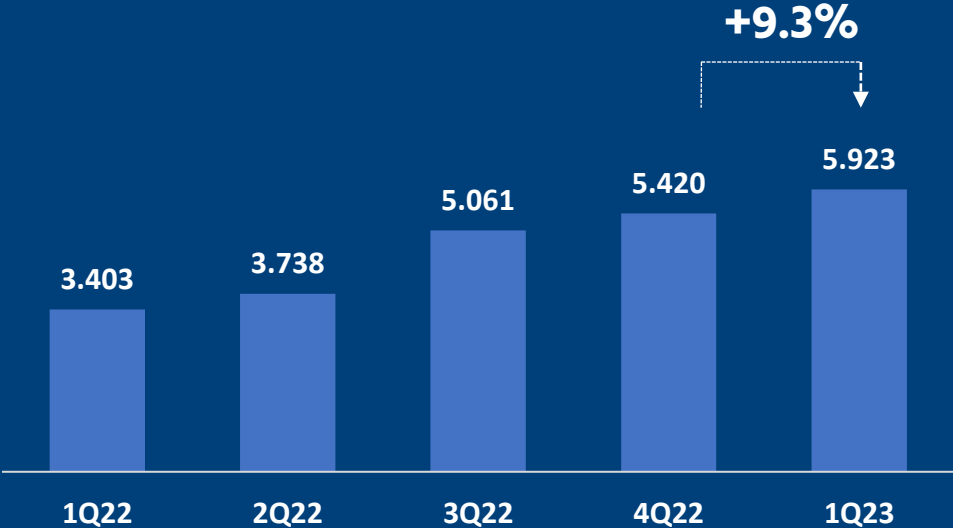
Blau Research, Development and
Innovation Center





Our plasma collection operation is in an accelerated ramp-up process

Collection Volume (in Liters)



1st CENTER – LAUDERHILL

- Acceleration of collected volume (+9.3% vs 4Q22 and +74.0% vs 1Q22)
- Growth in new donors (+15.9%)
- Close to breakeven
- eProgesa system in installation process: management of the plasma collection operation

2nd CENTER – NORTH MIAMI

- In the process of obtaining licenses
- Start hiring teams

3rd CENTER – FLAMINGO

- In final stage of project
- Works will start in the coming months

4th CENTER – JACKSONVILLE

- 25% stake acquired in Feb/2022
- Strategic purchase (license)
- Operates at ~70% capacity (55,000 liters/year)



Always engaged in innovation and ESG best practices

SOCIAL



- Evolution in defining the Company's "causes": **access, innovation and education.**
- 1st volunteer action of the year, with donations to flood victims on the North Coast of São Paulo.
- Visit of the **drivers from the Blau Motor Sport team**, from StockCar, to **Santa Casa de Anápolis.**



ENVIRONMENTAL



- **Definition of the main work fronts for 2023:** reduction of water and electricity consumption, reduction of waste generation and gas emissions.



1Q23 HIGHLIGHTS

NET REVENUE



BRL **258** MN



-17.6%
OVER 1Q22

GROSS PROFIT



BRL **107** MN



-33.5%
OVER 1Q22



41.6%
OF MARGIN

EBITDA



BRL **58** MN



-49.6%
OVER 1Q22



22.5%
OF MARGIN

NET INCOME



BRL **52** MN



-15.7%
OVER 1Q22



20.0%
OF MARGIN

CAPEX

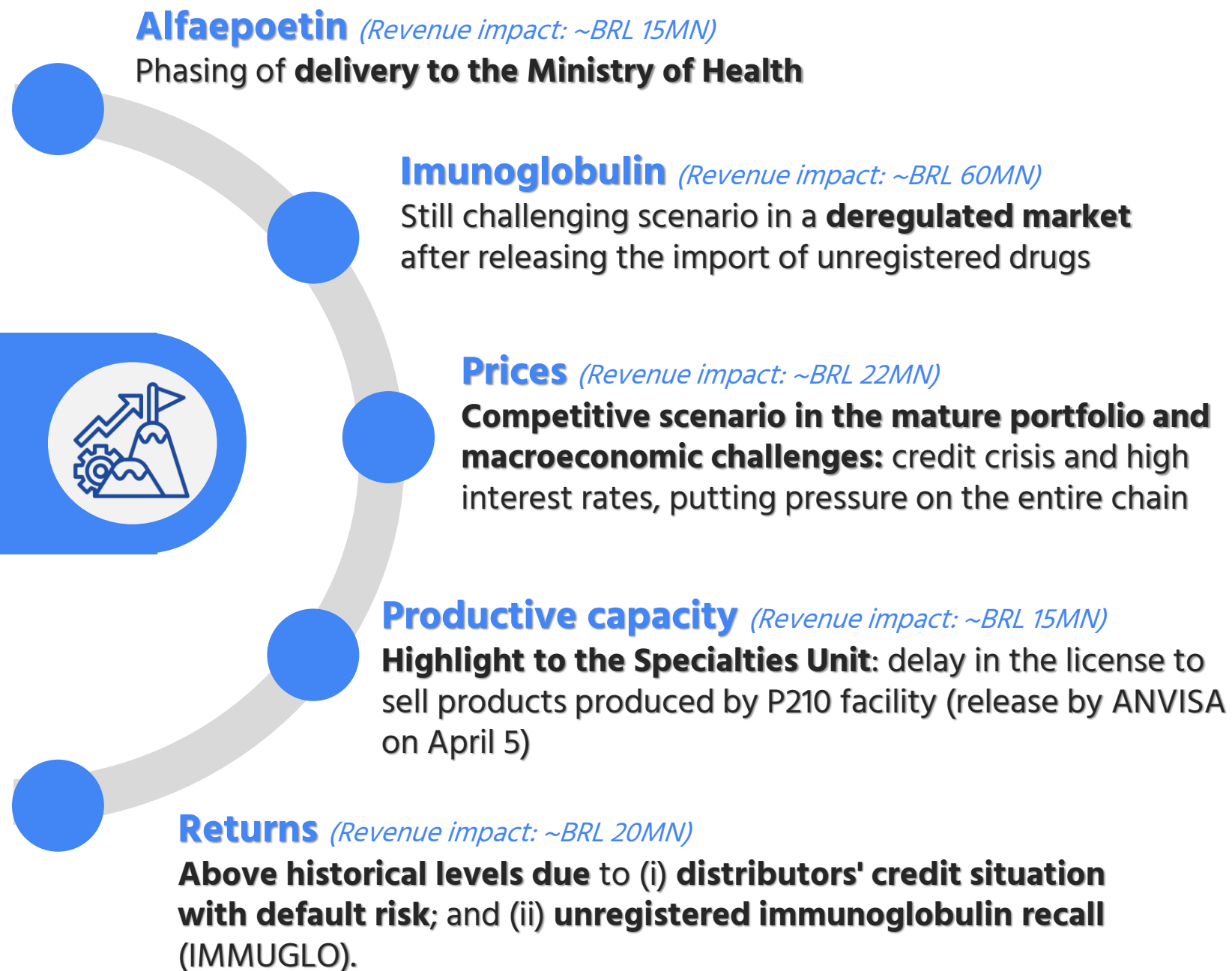


BRL **48** MN



+46.4%
OVER 1Q22

2023 started with additional market challenges and specific impacts



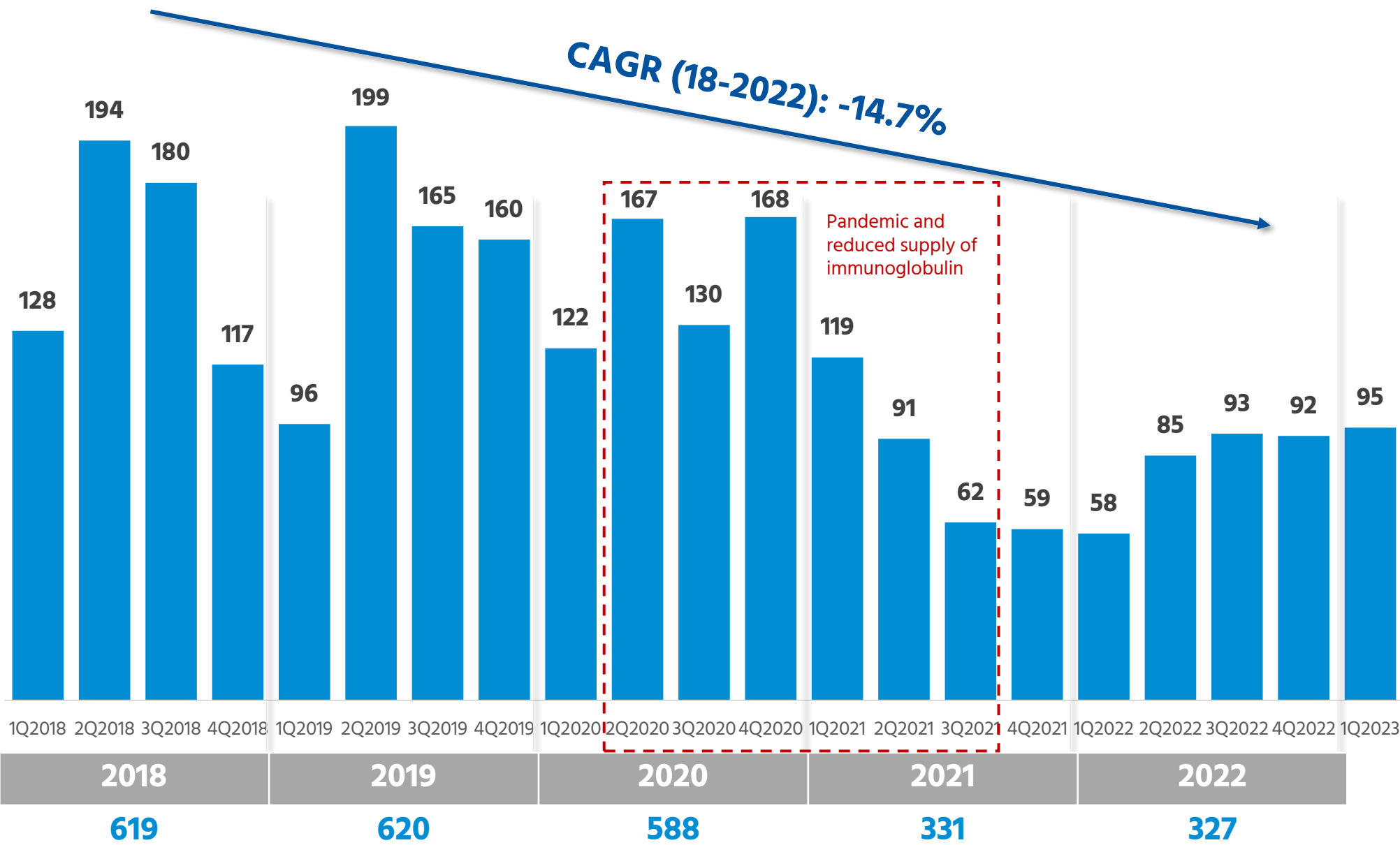
And part of these effects will be offset in the coming quarters

- ✓ **Alfaepoetin**
Relevant delivery to the Ministry of Health scheduled for **2Q22**
- ✓ **Imunoglobulin**
Since 1Q23, Blau has resumed sales to the **public sector and intensified exports**
- ✓ **Mature Portfolio**
Increase of volume offered and **performance of launches** as alternatives to offset price drops
- ✓ **Productive capacity increase**
Approval from ANVISA to start selling products from P120 (Specialties new plant) granted in April 2023

Blau spares no efforts to resume the Revenue growth trajectory, even in a turbulent economic scenario

Immunoglobulin market still pressured by unregistered product

TAM Immunoglobulin in doses (# Thousand)
(IQVIA only captures the registered product)



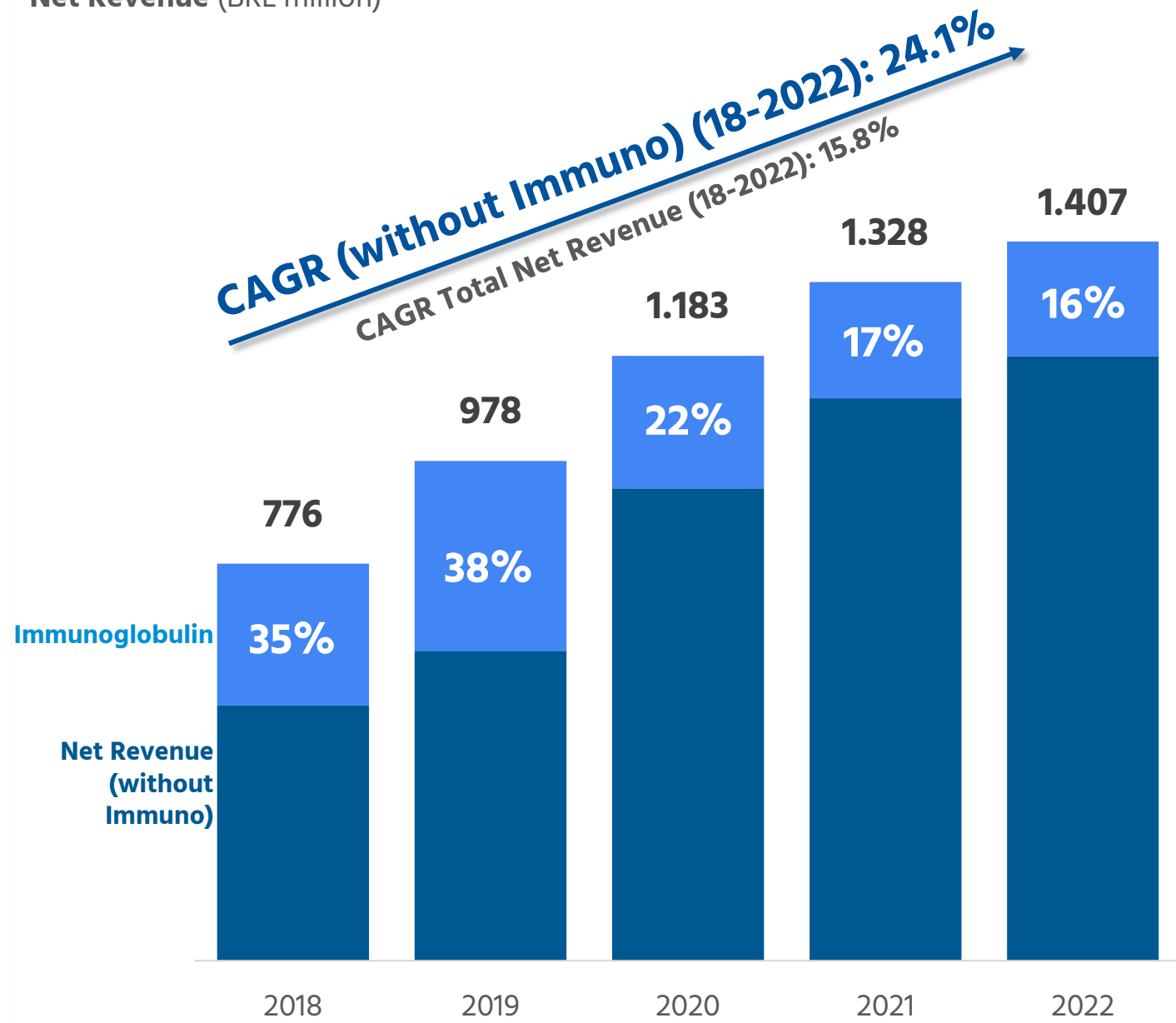
Immunoglobulin Market Timeline

- 2018-19** Normalized market.
- 2020-21** **Start of Covid 19 pandemic:** Plasma collection centers closed due to lockdowns. At the end of 2020, the supply of the product was reduced, causing **shortages**. **Sep/2021:** Release of import of unregistered products.
- 2022** Release of **import of unregistered products continues** until 31/Jul/2022. **Recall of an unregistered drug - Immuglo (Dec/22).**
- 2023** The year started still **pressured by the unregistered product**. Possibility of purchasing Immunoglobulin without registration for the public sector. **Blau is taking measures to contain this purchase.**

Source: IQVIA

With new sources of revenue, Immunoglobulin now has less participation in Blau's Revenue

Net Revenue (BRL million)



Even facing the challenge of operating in a deregulated Immunoglobulin market, Blau managed to capture opportunities in the other drugs in the portfolio, in launches - that perform in line with or above expectations - and in international operations, growing at a CAGR without Immunoglobulin (18-22) of 24.1% (15.8% of Total Net Revenue) compared to a decrease of 14.7% in the Immunoglobulin market.

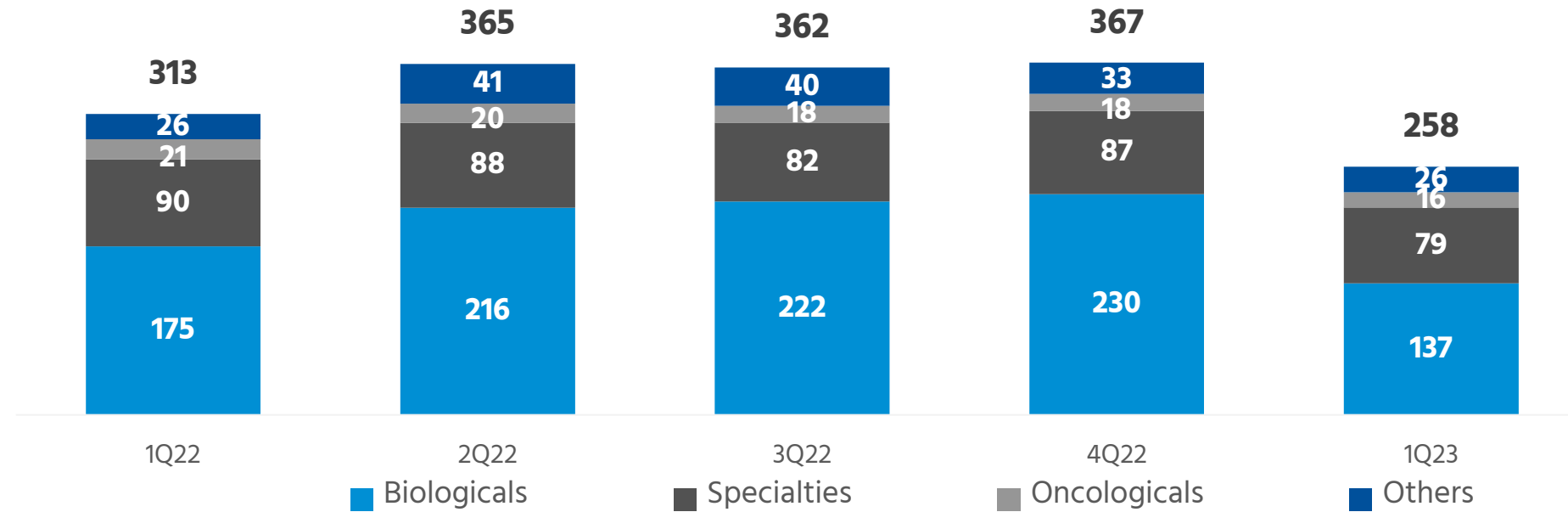
In 1Q23, Immunoglobulin represented 10% of the Revenue

In the quarter, we resumed and opened new channels for sale for this medicine:

- ✓ We resumed selling to the public sector in smaller tenders to city halls and states.
- ✓ We expand Immunoglobulin exports to affiliates in Latin America

Net Revenue

Net Revenue(BRL Million)



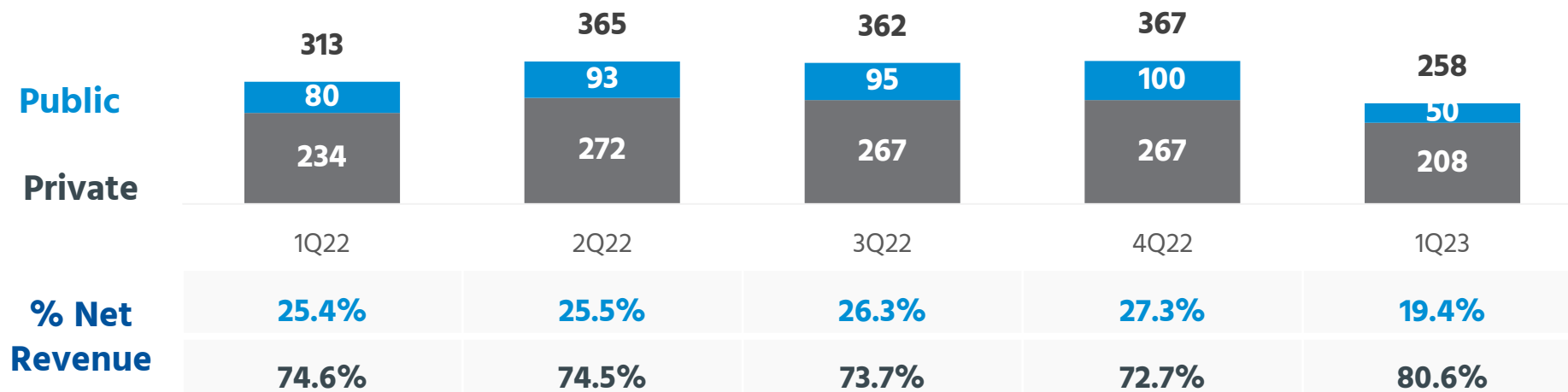
Biologicals: retraction over 1Q22 reflects the phasing in the delivery of Alfa Epoetin to the Ministry of Health and price pressure on other biologics.

Specialties: reduction reflects price pressure and competitive scenario (volume grew by 10% YoY)

Oncology: scenario of strong competitive pressure and product mix impacted revenue over 1Q22.

Others: flat over 1Q22, even without condom and metrexate bidding.

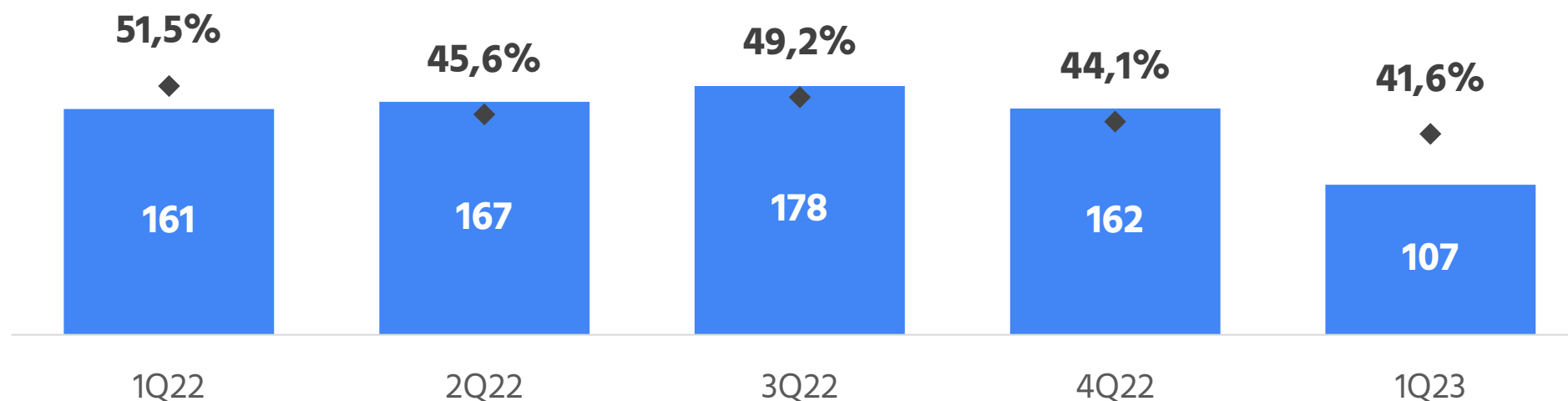
Net Revenue(BRL Million)



Decrease in sales to the Public channel, reflecting the **phased delivery of Alfa Epoetin to the Ministry of Health** in this period.

Gross Profit and EBITDA

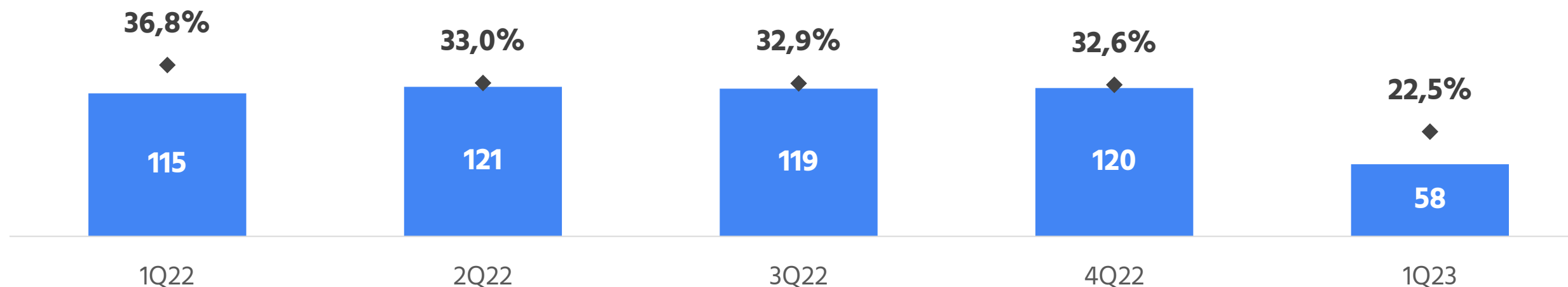
Gross Profit (BRL Million) e Gross Margin (%)



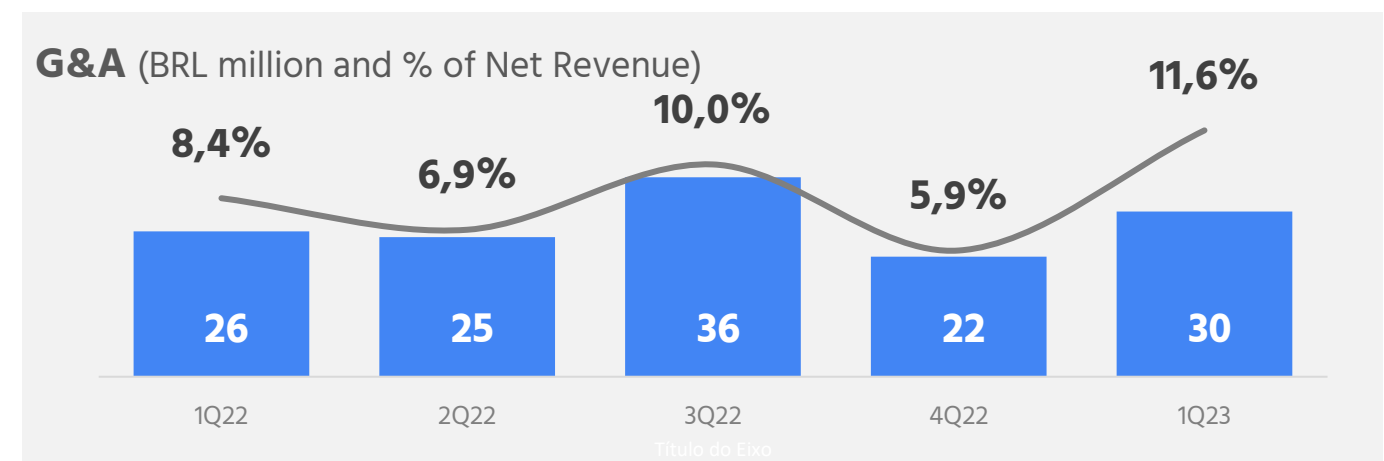
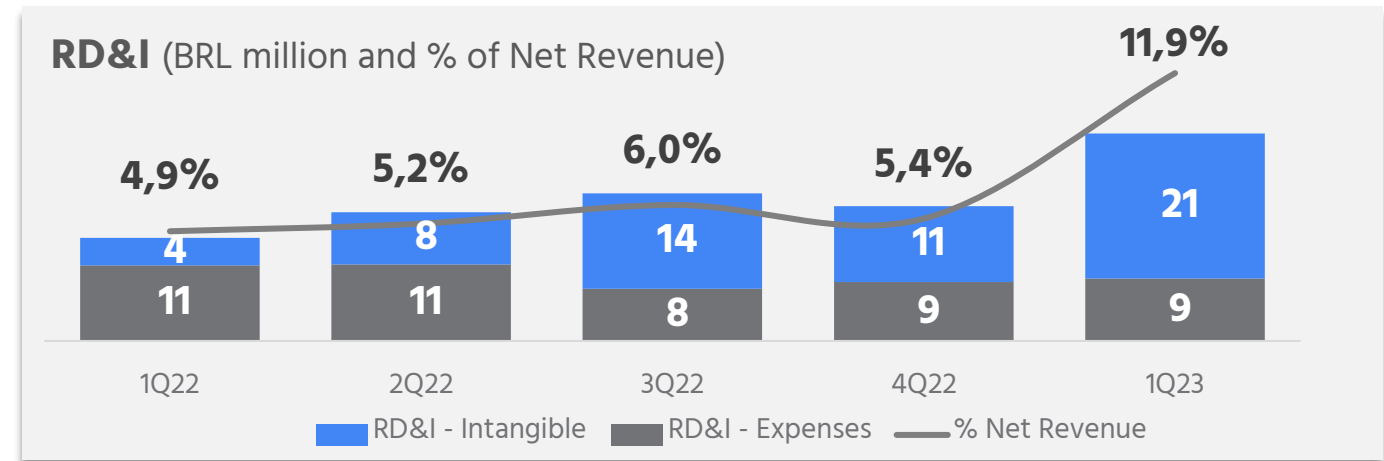
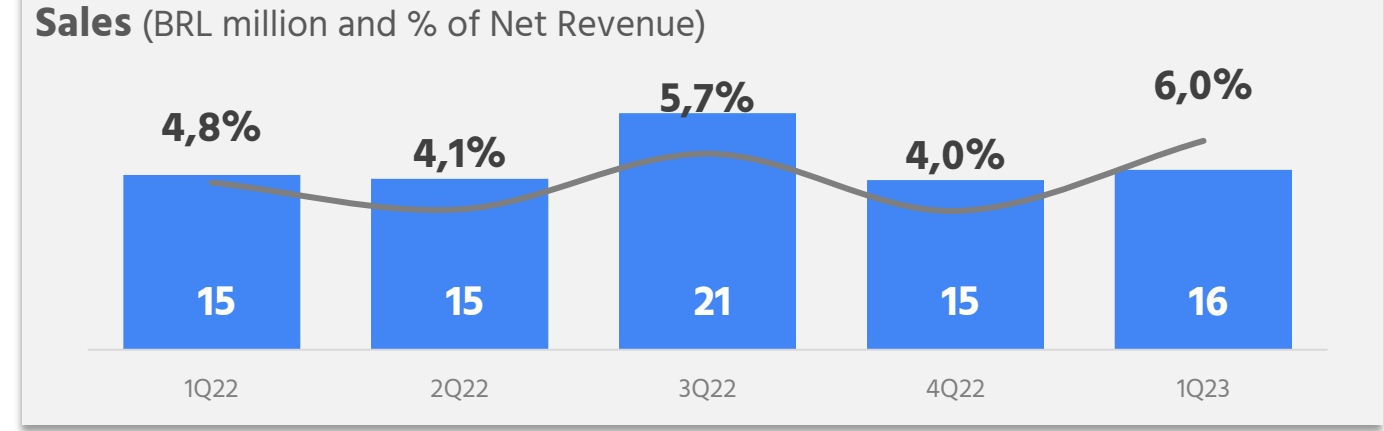
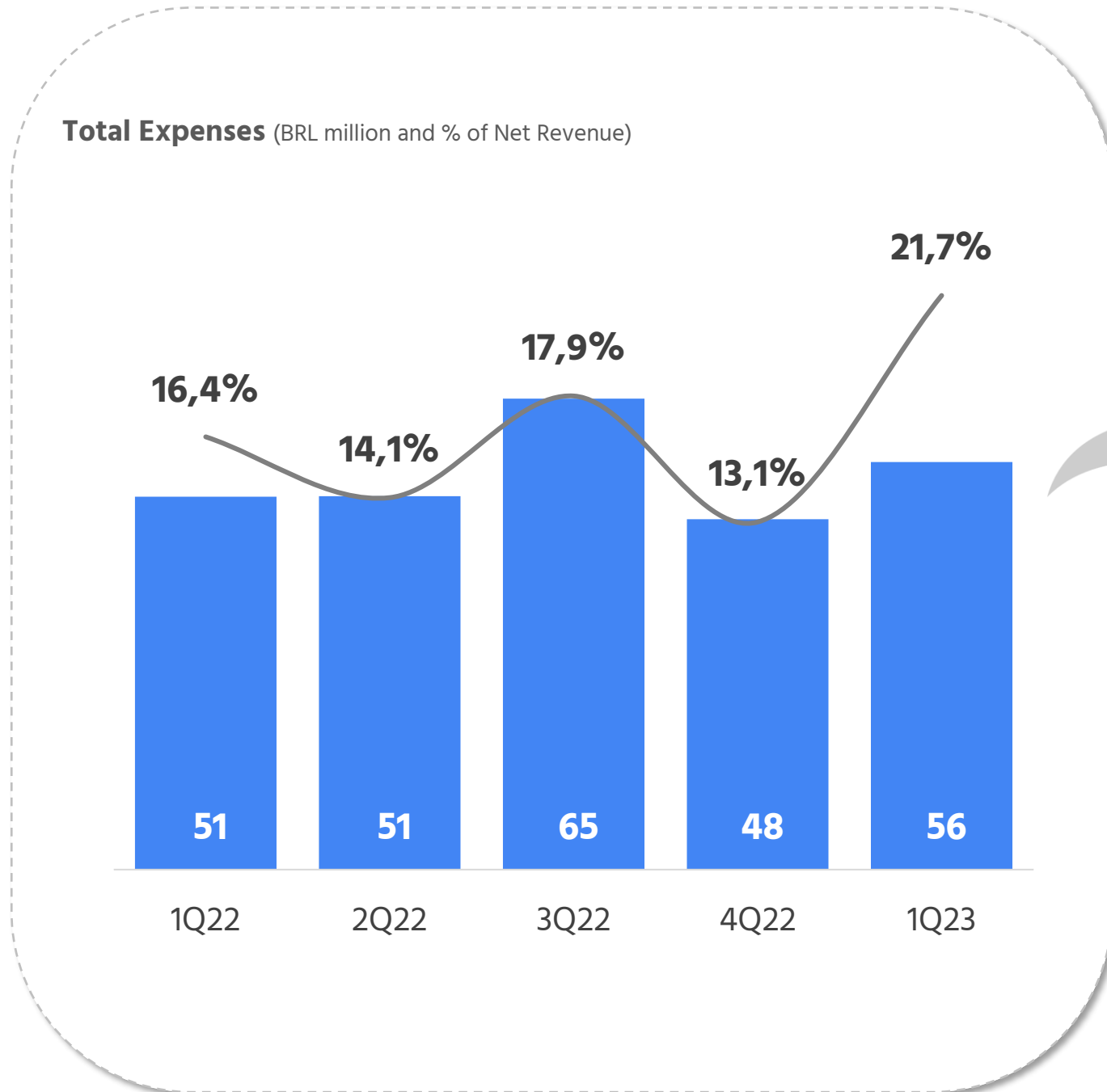
Decrease in **Gross Margin** and **EBITDA** reflect maintenance of the level of costs and expenses in a scenario of retraction in revenue.

It is worth mentioning that, as of 4Q22, **Hemarus costs were reallocated** (from expenses to costs).

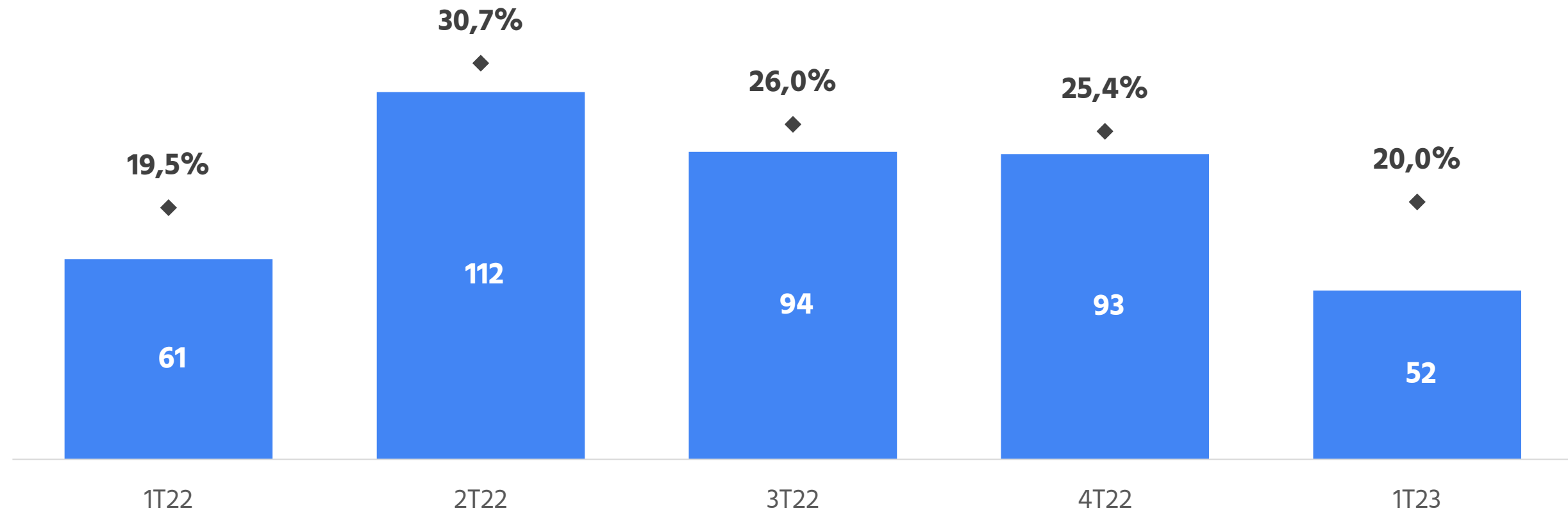
EBITDA (BRL Million) e EBITDA Margin (%)



Operating Expenses

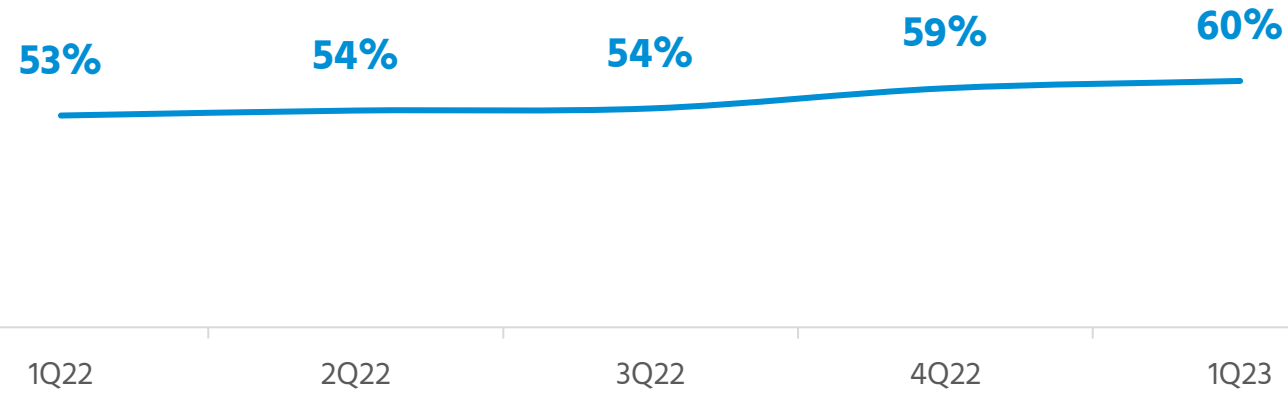


Lucro Líquido (BRL Million) e Margin Líquida(%)



CAPEX & Working Capital

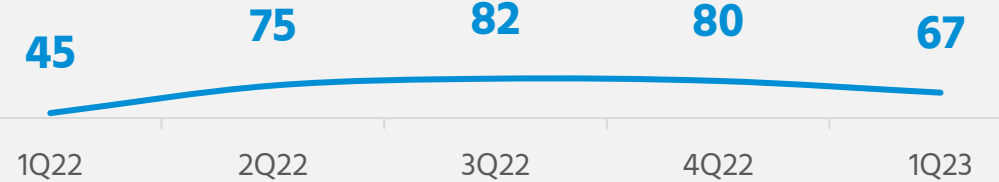
Working Capital (% Net Revenue)



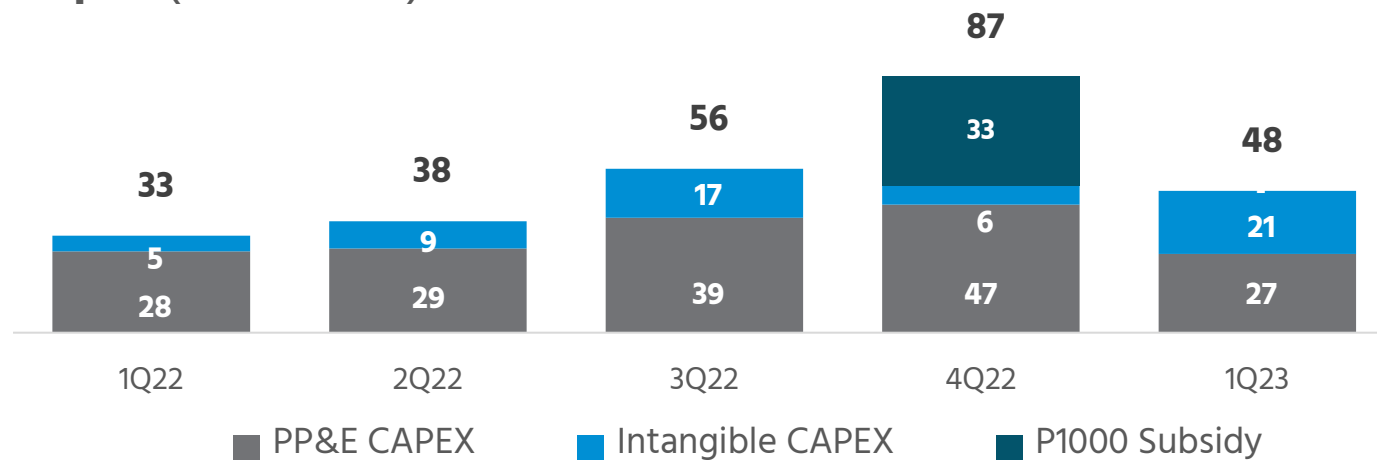
Account receivables (#days)



Suppliers (#days)



Capex (BRL Million)



Inventory (#days)



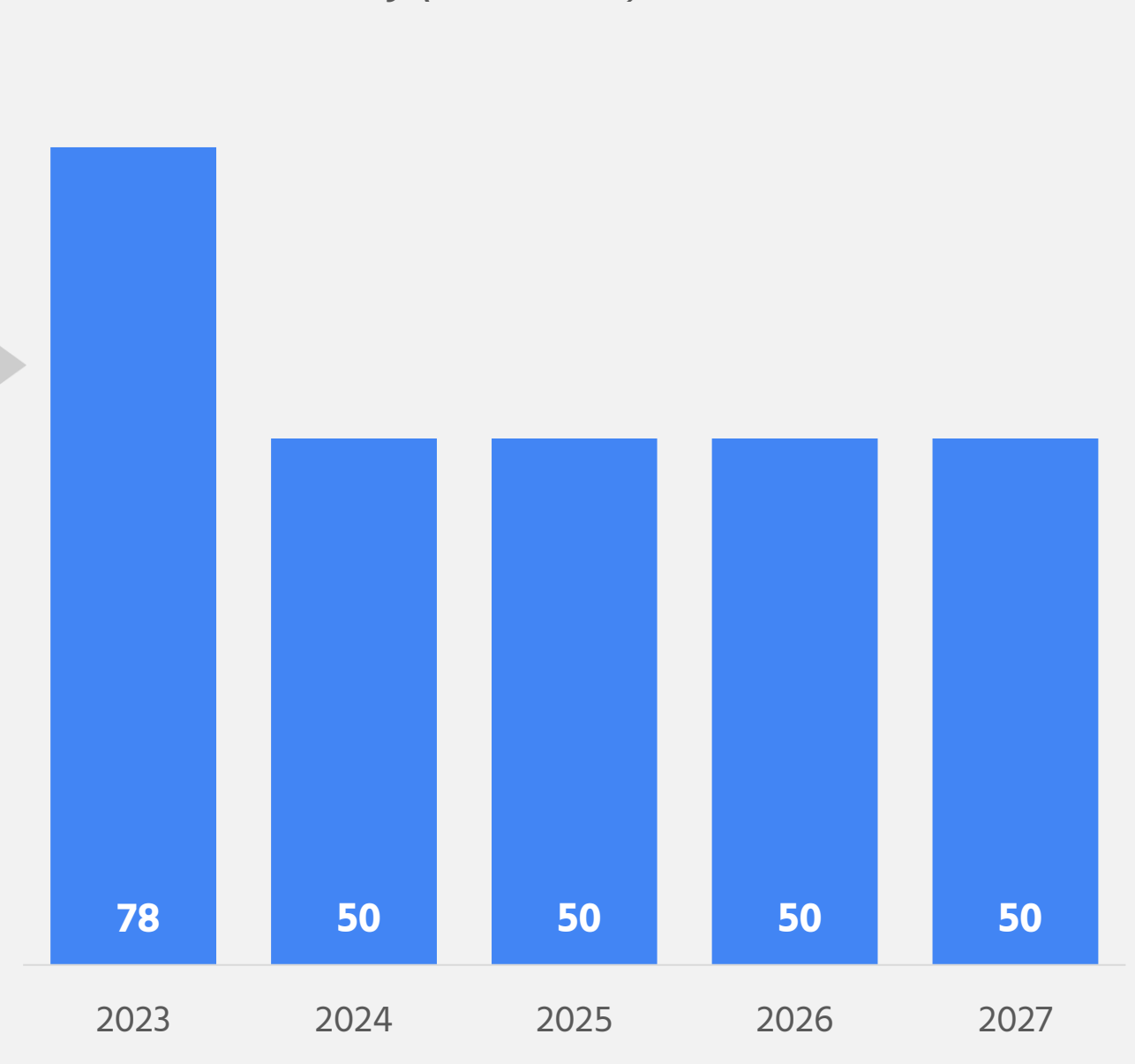
Suppliers: reduction reflects anticipation of international suppliers based on strategic negotiations.

Inventory: increase mainly reflects inventory of IgG and P210 products that, due to delay in the license, could not be sold.

Indebtedness

BRL (Million)	03/31/2022	03/31/2023
Short Term	58	78
Long Term	261	200
Gross Debt	319	278
Cash and cash equivalents	819	621
Net Debt	(500)	(344)
EBITDA LTM	465	417
Net Debt/ EBITDA LTM	-1.1x	-0.8x

Gross Debt Maturity (BRL million)



Blau keeps its innovative DNA even in turbulent scenarios

Since our founding, we have faced several challenges in the macroeconomic scenario and, even in the face of adversity, Blau has innovated and reinvented itself over the years.

**Two
years
after IPO**



Purchase of land for the **Pernambuco Industrial Complex**



Partnership with **Similis Bio** for the **development of 4 MABs**



Acquisition of **Laboratório Bergamo**



In 2022, launch of 8 new drugs. Robust pipeline for 2023, with **9 new products.**

Without compromising the profitability of the business...



Solid Cash Position, helping Blau's passage through turbulent times



Renegotiation with suppliers and a **close look at cost and expense reduction opportunities**



Caution in making investments



Focus on a **healthy receivable's portfolio**, with low default potential

We are attentive to opportunities and are cautiously optimistic about 2023, always focusing on long-term deliveries and the perpetuity of our business.

Q & A ? =



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