

**Interim Financial Statements  
Individual and Consolidated  
(unaudited)**

**Blau Farmacêutica S.A.**

March 31, 2022  
with Independent Auditors' Report

# **Blau Farmacêutica S.A.**

Interim financial information (unaudited)

Mach 31, 2022

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A free translation from Portuguese into English of Independent Auditor's Review Report on Quarterly Information prepared in Brazilian currency in accordance with NBC TG 21 and IAS 34 - Interim Financial Reporting, and with the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Quarterly Information (ITR)

## **Report on the review of interim financial information**

The Shareholders and Officers

**Blau Farmacêutica S.A.**

Cotia – SP

### **Introduction**

We have reviewed the interim individual and consolidated financial information of Blau Farmacêutica S.A. (the "Company") contained in the Quarterly Information Form – ITR form as of March 31, 2022 which comprise the statement of financial position on March 31, 2022, and the statements of operations, of comprehensive income (loss) and the statements of changes in equity and of cash flows for the three-month period then ended, including explanatory notes.

Management is responsible for the preparation of the individual and consolidated interim financial information in accordance with the NBC TG 21 - Interim Financial Reporting and the international standard IAS 34 - Interim Financial Reporting issued by the International Accounting Standards Board (IASB), as well as for the presentation of this information in accordance with the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Quarterly Information (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

### **Scope of review**

We conducted our review in accordance with the Brazilian and international standards on review engagements (NBC TR 2410 and *ISRE 2410* - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion on the individual and consolidated interim financial information**

Based on our review, nothing has come to our attention that causes us to believe that the individual and consolidated interim financial information included in the quarterly information referred to above was not prepared, in all material respects, in accordance with the NBC TG 21 and IAS 34 applicable to the preparation of Quarterly Information (ITR), and presented consistently with the rules issued by the Brazilian Securities and Exchange Commission (CVM).

## **Other matters**

### **Statements of value added**

The quarterly information referred to above includes the individual and consolidated statements of value added (DVA) for the three-month period ended March 31, 2022, prepared under the responsibility of the Company management and presented as supplementary information under IAS 34. These statements have been subject to review procedures performed in conjunction with the review of the quarterly information, in order to determine whether they are reconciled with the interim financial information and accounting records, as applicable, and whether their form and content are in accordance with the criteria defined in NBC TG 09 – Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that these statements of value added were not prepared, in all material respects, in accordance with the criteria set forth by this Standard and consistently with the individual and consolidated interim financial information taken as a whole.

São Paulo, May 09, 2022.

ERNST & YOUNG  
Auditores Independentes S.S.  
CRC-2SP034519/O-6

Márcio D. Berstecher  
Accountant CRC-1SP 259735/O-2

**Blau Farmacêutica S.A.**

Statements of financial position

March 31, 2022 and December 31, 2021

(In thousands of *Reais*)

	Notes	Individual		Consolidated	
		03/31/2022	12/31/2021	03/31/2022	12/31/2021
Assets					
Cash and cash equivalents	6	193,687	45,497	206,099	51,864
Financial Investments	7	606,386	859,343	613,210	870,958
Trade accounts receivable	8	355,020	318,789	369,706	331,520
Accounts receivable from related parties	15	18,017	16,285	1,330	272
Inventories	9	402,207	396,560	428,292	416,848
Taxes recoverable	10	9,025	3,585	14,116	5,628
Derivative financial instruments	28	-	11,354	-	11,354
Other receivables		7,164	7,590	8,001	8,030
Total current assets		<b>1,591,506</b>	<b>1,659,003</b>	<b>1,640,754</b>	<b>1,696,474</b>
Taxes recoverable	10	28,898	27,782	28,898	27,782
Judicial deposits	22	6,646	6,578	6,646	6,578
Other receivables		363	441	1,260	5,722
Investments	11	70,202	60,268	43	43
Right of use	12	9,070	9,228	9,511	9,737
Property, plant and equipment	13	393,767	371,095	406,364	382,898
Intangible assets	14	190,288	186,200	203,700	198,813
Total non-current assets		<b>699,234</b>	<b>661,592</b>	<b>656,422</b>	<b>631,573</b>
Total assets		<b>2,290,740</b>	<b>2,320,595</b>	<b>2,297,176</b>	<b>2,328,047</b>

	Notes	Individual		Consolidated	
		03/31/2022	12/31/2021	03/31/2022	12/31/2021
Liabilities					
Trade accounts payable	16	86,120	114,979	86,507	115,535
Related party suppliers	15	1,132	896	1,132	896
Loans and financing	17	-	39,861	1,449	41,729
Debentures	18	56,677	49,823	56,677	49,823
Taxes payable		13,704	18,295	17,191	19,654
Income and social contribution taxes payable	19	14,341	19,991	14,486	19,991
Labor obligations	20	38,046	34,866	38,693	35,549
Dividends and interest on own capital payable		58,095	36,882	58,095	36,882
Leases payable	12	1,448	1,384	2,009	2,110
Derivative financial instruments	28	6,450	-	6,450	-
Other accounts payable	21	19,565	20,354	20,174	20,837
Total current liabilities		<b>295,578</b>	<b>337,331</b>	<b>302,863</b>	<b>343,006</b>
Debentures	18	261,253	272,503	261,253	272,503
Tax liabilities		9,711	7,939	9,711	7,939
Provision for tax, civil and labor lawsuits	22	5,782	6,056	5,782	6,056
Leases payable	12	8,488	8,353	8,488	8,353
Deferred income and social contribution taxes	19	17,545	18,695	17,134	18,249
Other accounts payable	21	29,082	33,429	30,361	37,056
Total non-current liabilities		<b>331,861</b>	<b>346,975</b>	<b>332,729</b>	<b>350,156</b>
Equity					
Share capital	23	1,316,609	1,316,609	1,316,609	1,316,609
Profit reserve		300,176	325,132	300,176	325,132
Retained earnings		61,487	-	61,487	-
Equity valuation adjustments		(14,945)	(5,452)	(14,945)	(5,452)
Equity attributed to controlling shareholders		<b>1,663,301</b>	<b>1,636,289</b>	<b>1,663,301</b>	<b>1,636,289</b>
Share of non-controlling shareholders		-	-	(1,717)	(1,404)
Total equity		<b>1,663,301</b>	<b>1,636,289</b>	<b>1,661,584</b>	<b>1,634,885</b>
Total liabilities and equity		<b>2,290,740</b>	<b>2,320,595</b>	<b>2,297,176</b>	<b>2,328,047</b>

The accompanying notes are an integral part of the individual and consolidated interim financial statements.

## Blau Farmacêutica S.A.

### Statements of profit or loss

Three-month periods ended March 31, 2022 and 2021

(In thousands of *Reais*, except basic earnings (loss) per share)

	Notes	Individual		Consolidated	
		03/31/2022	03/31/2021	03/31/2022	03/31/2021
Net operating revenue	24	309,733	320,735	313,342	326,128
Cost of goods and products sold	25	(155,899)	(152,220)	(151,856)	(155,243)
<b>Gross profit</b>		<b>153,834</b>	<b>168,515</b>	<b>161,486</b>	<b>170,885</b>
Selling expenses	26	(24,882)	(21,267)	(27,144)	(23,062)
Administrative expenses	26	(21,844)	(21,938)	(26,382)	(23,761)
Impairment loss on accounts receivable	26	720	(231)	813	(216)
Other operating revenues and expenses, net	26	1,424	(1,000)	1,417	(311)
Total operating expenses, net		<b>(44,582)</b>	<b>(44,436)</b>	<b>(51,296)</b>	<b>(47,350)</b>
<b>Income before financial income, interest in investees and taxes</b>		<b>109,251</b>	<b>124,079</b>	<b>110,190</b>	<b>123,535</b>
Financial revenues	27	17,074	13,485	17,094	13,501
Financial expenses	27	(50,483)	(13,565)	(49,261)	(13,987)
Financial income		(33,409)	(80)	(32,167)	(486)
Profit sharing of investees by the equity method, net of taxes		2,341	(1,439)	-	-
<b>Income before taxes</b>		<b>78,183</b>	<b>122,560</b>	<b>78,023</b>	<b>123,049</b>
Current income tax and social contribution	19	(17,059)	(32,094)	(17,213)	(32,583)
Deferred income tax and social contribution	19	337	(4,301)	337	(4,301)
<b>Income tax and social contribution</b>		<b>(16,722)</b>	<b>(36,395)</b>	<b>(16,876)</b>	<b>(36,884)</b>
<b>Net income for the period</b>		<b>61,461</b>	<b>86,165</b>	<b>61,147</b>	<b>86,165</b>
Income attributed to:					
Controlling shareholders		61,461	86,165	61,461	86,165
Non-controlling shareholders		-	-	(314)	-
		<b>61,461</b>	<b>86,165</b>	<b>61,147</b>	<b>86,165</b>
<b>Earnings per share (in R\$)</b>					
<b>Basic</b>		0.34	0.58	0.34	0.58
<b>Diluted</b>		0.34	0.58	0.34	0.58

The accompanying notes are an integral part of the individual and consolidated interim financial statements.

## Blau Farmacêutica S.A.

Statements of comprehensive income  
Three-month periods ended March 31, 2022 and 2021  
(In thousands of *Reais*)

	Individual		Consolidated	
	03/31/2022	03/31/2021	03/31/2022	03/31/2021
Net profit for the year	61,461	86,165	61,147	86,165
Accumulated translation adjustments in subsidiaries	(9,493)	1,212	(9,492)	1,212
<b>Total comprehensive income</b>	<b>51,986</b>	<b>87,377</b>	<b>51,655</b>	<b>87,377</b>
Comprehensive income attributable to:				
Controlling shareholders	51,986	87,377	51,968	87,377
Non-controlling shareholders	-	-	(313)	-
<b>Total comprehensive income</b>	<b>51,986</b>	<b>87,377</b>	<b>51,655</b>	<b>87,377</b>

The accompanying notes are an integral part of the individual and consolidated interim financial statements.



## Blau Farmacêutica S.A.

Statements of changes in equity  
Three-month periods ended March 31, 2022 and 2021  
(In thousands of *Reais*)

	Share capital	Capital reserve	Legal reserve	Profit reserve	Equity valuation adjustment	Retained earnings	Total	Non- controlling interests	Total equity
<b>Balances as of January 1, 2021</b>	100,640	34,562	-	84,636	1,505	-	221,343	-	221,343
Net profit for the period	-	-	-	-	-	86,165	86,165	-	86,165
Accumulated translation adjustments in subsidiaries	-	-	-	-	1,212	-	1,212	-	1,212
Interest on own capital	-	-	-	(2,413)	-	-	(2,413)	-	(2,413)
<b>Balances as of March 31, 2021</b>	100,640	34,562	-	82,223	2,717	86,165	306,307	-	306,307
<b>Balances as of January 1, 2022</b>	<b>1,316,609</b>	-	<b>36,389</b>	<b>288,743</b>	<b>(5,452)</b>	-	<b>1,636,289</b>	<b>(1,404)</b>	<b>1,634,885</b>
Net profit for the period	-	-	-	-	-	61,461	61,461	(314)	61,147
Accumulated translation adjustments in subsidiaries	-	-	-	-	(9,493)	-	(9,493)	1	(9,492)
Interest on own capital	-	-	-	(24,956)	-	-	(24,956)	-	(24,956)
<b>Balances as of March 31, 2022</b>	<b>1,316,609</b>	-	<b>36,389</b>	<b>263,787</b>	<b>(14,945)</b>	<b>61,461</b>	<b>1,663,301</b>	<b>(1,717)</b>	<b>1,661,584</b>

The accompanying notes are an integral part of the individual and consolidated interim financial statements.

## Blau Farmacêutica S.A.

Notes to the interim financial information

As of March 31, 2022

(In thousands of *Reais*, unless otherwise stated)

## Blau Farmacêutica S.A.

Statements of cash flows – Indirect method

Three-month periods ended March 31, 2022 and 2021

(In thousands of *Reais*)

	Individual		Consolidated	
	03/31/2022	03/31/2021	03/31/2022	03/31/2021
<b>Cash flows from operating activities</b>				
Profit before taxes	78,183	122,560	78,023	123,049
<b>Adjustments to reconcile income for the period with cash from operating activities:</b>				
Depreciation and amortization	4,878	4,418	5,205	4,874
Write-offs of property, plant and equipment and intangible assets	(8)	2,451	(8)	3,299
Interest on leases	200	-	209	-
Financial charges on loans and financing	33	579	33	579
Financial charges on debentures	8,535	4,999	8,535	4,999
Earnings from investments	(16,418)	(920)	(16,418)	(920)
Unrealized foreign exchange variation in loans	(391)	-	(391)	-
Unrealized gains and losses on changes in fair value of assets	15,598	(12,473)	15,598	(12,473)
Unrealized foreign exchange variation in trade accounts payable and receivable	(505)	4,452	(505)	4,452
Equity pick-up	(2,341)	1,439	-	-
Provision for expected losses on trade accounts receivable	720	1,751	813	1,766
Provision (reversal) for inventory impairment, net	(2,288)	(4,748)	(2,609)	(4,953)
Provision for tax, civil and labor lawsuits	(274)	268	(274)	268
Monetary adjustment, judicial deposits	(159)	-	(159)	-
	<b>85,763</b>	<b>124,776</b>	<b>88,052</b>	<b>124,940</b>
<b>(Increase) decrease in asset accounts</b>				
Trade accounts receivable	(41,975)	(48,136)	(43,349)	(46,907)
Inventory	(3,359)	(25,905)	(8,835)	(28,093)
Taxes recoverable	(9,275)	(4,900)	(12,331)	(5,454)
Derivative financial instruments	2,206	-	2,206	-
Other receivables	504	1,172	4,491	3,866
Judicial deposits	91	(103)	91	(103)
<b>Increase (decrease) in liability accounts</b>				
Trade accounts payable	(24,826)	(28,358)	(24,995)	(26,749)
Labor obligations	3,180	3,291	3,144	3,363
Taxes payable	4,307	4,712	(1,470)	4,737
Other accounts payable	(4,299)	3,501	(8,887)	1,487
<b>Cash from operating activities</b>	<b>12,318</b>	<b>30,050</b>	<b>(1,883)</b>	<b>31,087</b>
Income tax and social contribution paid	(19,991)	(36,228)	(19,991)	(36,228)

# Blau Farmacêutica S.A.

Notes to the interim financial information  
As of March 31, 2022  
(In thousands of *Reais*, unless otherwise stated)

<b>Net cash from operating activities</b>	<b>(7,673)</b>	<b>(6,178)</b>	<b>(21,874)</b>	<b>(5,141)</b>
<b>Cash flows from investing activities</b>				
Financial investments	269,375	(85,168)	274,166	(85,088)
Additions to property, plant and equipment	(26,725)	(38,152)	(27,621)	(46,538)
Advance for capital increase in investee	(17,900)	(5,829)	-	-
Additions to intangible assets	(4,299)	(4,326)	(5,241)	(5,455)
<b>Net cash from (used in) investing activities</b>	<b>220,451</b>	<b>(133,475)</b>	<b>241,304</b>	<b>(137,081)</b>
<b>Cash flows from financing activities</b>				
Dividends and interest on own capital	-	(15,700)	-	(15,700)
Right of use and leases payable	(449)	-	(637)	-
Acquisition of financed equity interests	(11,705)	(5,000)	(11,705)	(5,000)
Raising of loans and financing	-	115,279	-	116,746
Payment of loans and financing – principal	(38,672)	(5,151)	(39,091)	(5,152)
Payment of loans and financing – interest	(831)	(255)	(831)	(255)
Payment of debentures – principal	(11,250)	(11,250)	(11,250)	(11,250)
Payment of debentures – Interest	(1,681)	(2,710)	(1,681)	(2,710)
<b>Net cash used in financing activities</b>	<b>(64,588)</b>	<b>75,213</b>	<b>(65,195)</b>	<b>76,679</b>
Net increase (decrease) in cash and cash equivalents	<b>148,190</b>	<b>(64,440)</b>	<b>154,235</b>	<b>(65,543)</b>
Cash and cash equivalents as of January 1	45,497	65,852	51,864	70,197
Effect of change in the foreign exchange rate on the balance of cash and cash equivalents	-	-	-	1,212
<b>Cash and cash equivalents as of March 31</b>	<b>193,687</b>	<b>1,412</b>	<b>206,099</b>	<b>5,866</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>148,190</b>	<b>(64,440)</b>	<b>154,235</b>	<b>(65,543)</b>
<b>Transactions not affecting cash</b>				
Acquisition of Property, plant and equipment	4,935	2,443	4,935	2,443
Acquisition of Pharma Limirio	43,682	-	43,682	-
Increase in interest in Hemarus	1,279	-	1,279	-
	<b>49,896</b>	<b>2,443</b>	<b>49,896</b>	<b>2,443</b>

The accompanying notes are an integral part of the individual and consolidated interim financial statements.

## Blau Farmacêutica S.A.

Notes to the interim financial information

On March 31, 2022

(In thousands of *Reais*, unless otherwise stated)

## Blau Farmacêutica S.A.

Statements of value added

Three-month periods ended March 31, 2022 and 2021

(In thousands of *Reais*)

	Individual		Consolidated	
	03/31/2022	31/03/2021	03/31/2022	31/03/2021
<b>Revenues</b>	<b>333,243</b>	<b>354,453</b>	<b>336,819</b>	<b>362,834</b>
Sales of goods, products and services	332,392	355,281	336,001	360,719
Other (expenses) revenues, net	131	(597)	5	2,331
Provision for expected losses on trade accounts receivable	720	(231)	813	(216)
<b>Inputs acquired from third parties</b>	<b>(166,917)</b>	<b>(156,780)</b>	<b>(166,887)</b>	<b>(162,543)</b>
Cost of products, goods and services sold	(137,988)	(128,505)	(133,945)	(131,527)
Materials, energy, outsourced services and others	(29,011)	(28,275)	(33,024)	(31,016)
Gain (loss) of active values	82	-	82	-
<b>Gross value added</b>	<b>166,326</b>	<b>197,673</b>	<b>169,932</b>	<b>200,291</b>
Depreciation and amortization	(4,878)	(4,418)	(5,205)	(4,855)
<b>Net value added produced by the Company</b>	<b>161,448</b>	<b>193,255</b>	<b>164,727</b>	<b>195,436</b>
<b>Value added received in transfer</b>	<b>(3,526)</b>	<b>11,218</b>	<b>(4,621)</b>	<b>12,667</b>
Equity pick-up	2,341	(1,439)	-	-
Financial revenues	(5,867)	12,657	(4,621)	12,667
<b>Total value added distributable</b>	<b>157,923</b>	<b>204,473</b>	<b>160,107</b>	<b>208,103</b>
<b>Personnel</b>	<b>37,955</b>	<b>31,434</b>	<b>40,222</b>	<b>34,060</b>
Direct remuneration	30,308	24,834	32,369	27,238
Benefits	5,109	4,216	5,315	4,438
FGTS	2,538	2,384	2,538	2,384
<b>Taxes, fees and contributions</b>	<b>30,084</b>	<b>73,545</b>	<b>30,313</b>	<b>74,133</b>
Federal	17,073	47,562	17,226	48,096
State	12,639	24,834	12,714	24,888
Municipal	372	1,149	372	1,149
<b>Third-party capital remuneration</b>	<b>28,422</b>	<b>13,329</b>	<b>28,425</b>	<b>13,745</b>
Interest	9,006	6,485	9,006	6,485
Financial expenses (includes foreign exchange rate variation)	18,537	6,252	18,540	6,668
Rent	879	592	879	592
<b>Own capital remuneration</b>	<b>61,461</b>	<b>86,165</b>	<b>61,467</b>	<b>86,165</b>
Interest on own capital	24,956	2,413	24,956	2,413
Retained earnings for the period	36,505	83,752	36,505	83,752
Share of non-controlling shareholders in retained earnings	-	-	(314)	-
<b>Total value added distributed</b>	<b>157,922</b>	<b>204,473</b>	<b>160,106</b>	<b>208,103</b>

The accompanying notes are an integral part of the individual and consolidated interim financial statements.

## Blau Farmacêutica S.A.

Notes to the financial statements – Continuation

As of March 31, 2022

(In thousands of *Reais*, except when otherwise indicated)

### 1. Operations

Blau Farmacêutica S.A. (“Company,” “Blau” or the “Group”) is a Brazilian joint-stock pharmaceutical company having its head office at Rodovia Raposo Tavares No. 2833, Km 30.5, in the city of Cotia, in the State of São Paulo, and is registered with B3 S.A. – Brasil, Bolsa, Balcão (B3) under ticker “BLAU3.”

The main business of the Company and its subsidiaries (the “Group”) is the manufacture, development and sale of highly complex private label drugs for the institutional and retail segments with business activities divided into four business units: Biologicals, Oncology, Specialties, and Others, as per note 30 (information by business segment).

Blau has a pharmaceutical industrial complex comprising five industrial plants devoted to the manufacturing of biological, biotechnological, and oncological drugs, antibiotics, injectable anesthetics, and biotechnological pharmaceutical (IFAS) inputs, including four units located in the State of São Paulo (three in the municipality of Cotia and one in the municipality of São Paulo) and one in the State of Goiás (in the municipality of Anápolis).

The company has its own sales structure with national coverage, catering to distributors, health institutions and retailers, and international coverage, by means of its subsidiaries located in Uruguay and Colombia and through direct exports to other countries. Blau makes continuous investments in research, development and innovation, operational excellence and production capacity.

#### 1.1 COVID-19

The Company adopted measures designed to mitigate the effects of the COVID-19 pandemic, in line with the recommendations of the Ministry of Health, with the aim of protecting its employees and avoiding shortages of hospital drugs from its portfolio in Brazil.

Blau is committed, together with its employees, partners, and customers, to taking on the challenges of the COVID-19 pandemic. The Company is working to be part of the solution and to make sure that it is prepared to cope with this challenge, focusing on maintaining operations with a minimal impact on customers, promoting employees’ well-being, and contributing to minimizing risks to the community.

An interdisciplinary crisis technical committee was set up with meetings at regular intervals for the purpose of monitoring the pandemic’s evolution and comprising health professionals from different areas.

Blau’s activity is considered to be essential by the health authorities, and ever since the start of the pandemic, the Company has continued to operate regularly, with the full functioning of its production, logistics, supply chain and offices, even if temporarily and partially under a

## Blau Farmacêutica S.A.

Notes to the financial statements – Continuation

As of March 31, 2022

(In thousands of *Reais*, except when otherwise indicated)

remote work regime. Up to the present, there has been no change in its production, operation and commercialization schedule, however management understands that the Company is exposed to operational and market risks related to the pandemic, mainly: (i) exchange rate variations regarding exposed assets and liabilities; (ii) possible impacts on its supply chain; and (iii) possible credit problems with customers.

The Company does not expect any significant increase in the loss estimates of its receivables portfolio, as a result of the effects of COVID 19, given the characteristics of its business and the profile of its customers.

With regard to the Company's inventories, the expected realization in the face of the COVID-19 pandemic crisis is high due to the fact that 96% of products and supplies are distributed for the treatment of highly complex diseases in the institutional channel, in Oncology, Biologicals, and Specialties. There were no significant impacts on the supply chain.

In the case of exchange rate variation, the company periodically analyzes ways of hedging against new exchange rate oscillations through financial instruments to be adhered to if necessary. See details about the exposure to exchange rate risks in Note No. 28.

Blau reinforces its commitment to the safety and health of its employees, while maintaining its efforts for the regular production of drugs for the institutional segment that are essential to maintain life.

## 2. Relationships with entities

The Company's consolidated interim financial information includes the parent company Blau Farmacêutica S.A. and its subsidiaries, collectively referred to as "Company" and or "Group".

Company	Country	Equity Interest	
		03/31/2022	12/31/2021
Blau Farmacêutica Colombia S.A.S.	Colombia	<b>Direct 100%</b>	Direct 100%
Blau Farma Uruguay S.A.	Uruguay	<b>Direct 100%</b>	Direct 100%
Blau Farmacêutica Chile S.p.A.	Chile	<b>Indirect 100%</b>	Indirect 100%
Blau Farmacêutica Peru S.A.C.	Peru	<b>Indirect 100%</b>	Indirect 100%
Blau Farmacêutica Argentina S.A.	Argentina	<b>Indirect 100%</b>	Indirect 100%
Plex – Plasma Experts Corp.	USA	<b>Direct 100%</b>	Direct 100%
Hemarus Plasma-Lauderhill, LLC	USA	<b>Indirect 81%</b>	Direct 64,16%
Hemarus Plasma – Miami Northside, LLC	USA	<b>Indirect 75.50%</b>	Indirect 75.50%

### a) Blau Farmacêutica Colombia S.A.S.

This is a subsidiary with its headquarters in the city of Bogota, in Colombia, and acquired by the Company as part of its expansion policy in August 2011. It sells pharmaceutical drugs and biopharmaceutical inputs. The drugs mostly produced by the parent company. The subsidiary currently has 70 sanitary registrations of drugs. The company's main activity is importing the

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Company's products for distribution and sale in Colombia.

### **b) Blau Farma Uruguay S.A.**

With its headquarters in the city of Montevideo, in Uruguay, this subsidiary's operations got underway in January 2012 to market mainly pharmaceutical products produced by the parent company. The subsidiary currently has 72 sanitary registrations of drugs. The company's main activity is importing the Company's products for distribution and sale in Uruguay.

This subsidiary represents a key part of the Company's expansion strategy into the South American market, given that it is the vehicle with equity interests in Blau Farmacêutica Peru S.A.C., Blau Farmacêutica Chile S.p.A. and Blau Farmacêutica Argentina S.A, all of which set up in 2016. The Peru and Chile subsidiaries have respectively 20 and 30 sanitary registrations of drugs. The Argentina subsidiary is still awaiting the drug registration process with the country's health authorities.

### **c) Plex – Plasma Experts Corp.**

This subsidiary was incorporated on September 25, 2020, in accordance with the laws of the state of Delaware, in the United States of America, where it is based. The company was incorporated in order to consolidate new investments in that country, in the plasma collection segment. Immediately after its incorporation, Plex Plasma Experts acquired an interest in the share capital of Hemarus Plasma-Lauderhill, LLC and, in May 2021, Plex Plasma Experts set up the legal entity Hemarus Plasma-Miami Northside, LLC, in which capital Plex Plasma Experts hold an interest. Both are limited liability entities duly incorporated and existing under the laws of the State of Florida in the United States of America to develop, operate and manage blood plasma collection centers. On average, a plasma collection center takes a year to become operational and requires an estimated investment of between USD 3 million and USD 5 million.

In February 2022, Plex Plasma increased its interest in Hemarus Plasma-Lauderhill and from 64.16% to 81%.

## **3. Management statement and basis for preparation of the information**

### **3.1 Statement of compliance**

The individual and consolidated interim financial information of the Company and its Subsidiaries for the three-month period ended March 31, 2022 comprise the individual and consolidated interim financial information prepared according to CPC Technical Statement No. 21 (R1) - Interim Financial Statements, issued by the Accounting Pronouncements Committee ("CPC"), and to International Accounting Standard ("IAS") No. 34 - Interim Financial Reporting, issued by the

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International Accounting Standards Board (“IASB”), and is also based on the provisions contained in the Brazilian Corporate Law, and presented in a manner consistent with the standards issued by the Brazilian Securities and Exchange Commission (“CVM”), as applicable to the preparation of quarterly information.

The interim financial statements show all the relevant information specific to interim financial information, and only such information, which is consistent with that used by Management in its managing activity.

### **3.2 Basis of preparation**

The individual and consolidated interim financial information was prepared based on historical cost, with the exception of the following material items recognized in the balance sheets measured at fair value, and is provided in thousands of *Reais* (R\$), rounded to the nearest thousand:

- a) Non-derivative financial instruments measured at fair value through profit or loss;
- b) Derivative financial instruments are measured at fair value;
- c) Debt and equity securities are measured at fair value;
- d) Contingent payments assumed in a business combination are measured at fair value.

The Company’s individual and consolidated interim financial information was approved by the Board of Directors and authorized for publication at a meeting held on May 9, 2022.

### **3.3 Functional currency and presentation currency**

Items included in the individual and consolidated interim financial information are measured in *Reais* (R\$), the functional and presentation currency of the individual and consolidated financial statements, which represents the currency of the main economic environment in which the Company operates.

The functional currency of subsidiaries located abroad is the local currency of each jurisdiction where these subsidiaries operate.

## **4. Summary of critical accounting policies and estimates**

The individual and consolidated interim financial information presented herein was prepared based on the accounting policies and practices and on estimate calculation methods used and described in detail in the annual financial statements for the year ended December 31, 2021 and should therefore be read together.

## **5. New standards and interpretations not yet in force**



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New and amended standards and interpretations issued but not yet in force as of the date of issue of the Company's interim financial information are described below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they come into force.

### **5.1 IFRS 17 - Insurance Contracts**

In May 2017, the IASB issued IFRS 17 - Insurance Contracts (the standard has not yet been issued by the CPC in Brazil, but will be codified as CPC 50 - Insurance Contracts and will replace CPC 11 - Insurance Contracts), a new comprehensive accounting standard for insurance contracts that includes recognition and measurement, presentation and disclosure. As soon as it comes into force, IFRS 17 (CPC 50) will replace IFRS 4 - Insurance Contracts (CPC 11), which was issued in 2005. IFRS 17 applies to all types of insurance contracts (such as life, property and casualty insurance, direct insurance, and reinsurance) regardless of the type of entity that issues them, as well as certain guarantees and financial instruments with discretionary participation characteristics. There are a few scope exceptions. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurance companies. In contrast to the requirements of IFRS 4, which are largely based on local accounting policies that were in force in previous periods, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The focus of IFRS 17 is on the general model, supplemented by:

- A specific adaptation for contracts with direct participation characteristics (variable rate approach).
- A simplified approach (premium allocation approach) mainly for short-term contracts.

IFRS 17 will come into force for periods starting on or after January 1, 2023, presentation of comparative figures being required. Earlier adoption is permitted if the entity also adopts IFRS 9 and IFRS 15 on the same date or before the initial adoption of IFRS 17. This standard does not apply to the Company.

### **5.2 Alterations in IAS 1 – Classification of liabilities as current or non-current**

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1, related to CPC 26, in such a way as to specify the requirements for classifying liabilities as current or non-current. The amendments explain:

- What is meant by a right to defer settlement;
- That the right to defer should exist at the reporting base date;
- That this classification is not affected by the likelihood of an entity exercising its right to defer;
- That only if a derivative embedded in a convertible liability is itself an equity instrument would the terms of a liability not affect its classification;

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The amendments are valid for periods beginning on or after January 1, 2023 and should be applied retrospectively. The Company is currently assessing the impact that the amendments will have on its current practice and whether or not it will be necessary to renegotiate existing loan agreements.

### **5.3 Amendments to IAS 8: Definition of accounting estimates**

In February 2021, the IASB issued amendments to IAS 8 (standard related to CPC 23), in which it introduces the definition of ‘accounting estimates’. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and correction of errors. In addition, they clarify how entities use measurement and input techniques to develop accounting estimates.

The amendments will be effective for periods beginning on or after January 1, 2023 and will apply to changes in accounting policies and estimates that occur on or after the beginning of that period. Early adoption is permitted if disclosed.

The amendments are not expected to have a significant impact on the Company’s individual and consolidated financial statements.

### **5.4 Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of accounting policies**

In February 2021, the IASB issued amendments to IAS 1 (standard related to CPC 26 (R1)) and IFRS Practice Statement 2, Making Materiality Judgments, in which it provides guides and examples to help entities apply materiality judgment to the disclosure of accounting policies. The amendments are to assist entities in disclosing the most useful accounting policies by replacing the requirement for disclosure of significant accounting policies with material accounting policies and adding guidance on how entities should apply the concept of materiality in making decisions about disclosure of accounting policies.

The amendments to IAS 1 are applicable for periods beginning on or after January 1, 2023 with early adoption permitted. Since the amendments to Practice Statement 2 provide non-mandatory guidance on applying the material definition to accounting policy information, an adoption date for this amendment is not required.

The Company is currently evaluating the impacts of these changes in the accounting policies disclosed.

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### 6. Cash and cash equivalents

	Individual		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Cash and bank deposits	193,687	45,497	206,099	51,864
Total cash and cash equivalents	<b>193,687</b>	<b>45,497</b>	<b>206,099</b>	<b>51,864</b>

The R\$154,235 variation against December 2021 (consolidated) is primarily related to a transfer of the balance of financial investments to cash and cash equivalents, mostly for the set of international accounts. The migration was intended for investments in the subsidiaries Hemarus Plasma-Lauderhill and Hemarus Plasma-Miami.

The Company's exposure to credit risks and a sensitivity analysis for financial assets and liabilities can be found in Note No. 28.

### 7. Financial investments

	Individual		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Financial Investments	606,386	859,343	613,210	870,958
<b>Total Financial Investments</b>	<b>606,386</b>	<b>859,343</b>	<b>613,210</b>	<b>870,958</b>

As of March 31, 2022, financial investments comprising Commercial Lease Bills (LAM) and CDB (Bank Deposit Certificate) are remunerated at an average rate of 105% of the CDI (Interbank Deposit Certificate) rate, which is the same average rate as in December 2021.

### 8. Trade accounts receivable

	Individual		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Customers in the country	<b>355,361</b>	316,989	<b>355,361</b>	316,989
Customers abroad	<b>6,946</b>	9,807	<b>23,034</b>	24,033
<b>Total</b>	<b>362,307</b>	326,796	<b>378,395</b>	341,022
Expected credit losses	<b>(7,287)</b>	(8,007)	<b>(8,689)</b>	(9,502)
<b>Total Trade accounts receivable</b>	<b>355,020</b>	318,789	<b>369,706</b>	331,520

As of March 31, 2022, the maximum credit risk exposure on the date of the interim financial information is the book value of each maturity aging range net of the provision for expected credit losses. The aging of maturities in table (a), the maturities of the entire portfolio, and maturity dates by segment in table (b) are demonstrated below:

a) Aging of balances of trade accounts receivable by segment

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	Individual					
	Private		Public		Total	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Due	268,438	295,722	82,669	20,597	351,107	316,319
<b>Overdue</b>						
From 1 to 30 days	2,763	2,846	765	741	3,528	3,587
From 31 to 60 days	619	197	88	454	707	651
From 61 to 180 days	84	206	1,354	543	1,438	749
More than 181 days	3,697	3,831	1,830	1,659	5,527	5,490
<b>Trade accounts receivable</b>	<b>275,601</b>	<b>302,802</b>	<b>86,706</b>	<b>23,994</b>	<b>362,307</b>	<b>326,796</b>
Expected credit losses	(6,159)	(6,902)	(1,128)	(1,105)	(7,287)	(8,007)
<b>Total</b>	<b>269,442</b>	<b>295,900</b>	<b>85,578</b>	<b>22,889</b>	<b>355,020</b>	<b>318,789</b>

  

	Consolidated					
	Private		Public		Total	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Due	274,697	303,048	83,018	20,669	357,715	323,717
<b>Overdue</b>						
From 1 to 30 days	6,027	5,109	1,482	868	7,509	5,977
From 31 to 60 days	1,924	1,256	573	570	2,497	1,826
From 61 to 180 days	2,524	2,134	1,354	543	3,878	2,677
More than 181 days	4,966	5,166	1,830	1,659	6,796	6,825
<b>Trade accounts receivable</b>	<b>290,138</b>	<b>316,713</b>	<b>88,257</b>	<b>24,309</b>	<b>378,395</b>	<b>341,022</b>
Expected credit losses	(7,561)	(8,397)	(1,128)	(1,105)	(8,689)	(9,502)
<b>Total</b>	<b>282,577</b>	<b>308,316</b>	<b>87,129</b>	<b>23,204</b>	<b>369,706</b>	<b>331,520</b>

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### b) Aging of balances of trade accounts receivable by segment

	Individual					
	Institutional		Retail		Total	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Due	312,805	293,667	38,302	22,652	351,107	316,319
<b>Overdue</b>						
From 1 to 30 days	3,143	3,330	385	257	3,528	3,587
From 31 to 60 days	630	604	77	47	707	651
From 61 to 180 days	1,281	695	157	54	1,438	749
More than 181 days	4,924	5,097	603	393	5,527	5,490
<b>Trade accounts receivable</b>	<b>322,783</b>	<b>303,393</b>	<b>39,524</b>	<b>23,403</b>	<b>362,307</b>	<b>326,796</b>
Expected credit losses	(6,492)	(7,434)	(795)	(573)	(7,287)	(8,007)
<b>Total</b>	<b>316,291</b>	<b>295,959</b>	<b>38,729</b>	<b>22,830</b>	<b>355,020</b>	<b>318,789</b>

  

	Consolidated					
	Institutional		Retail		Total	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Due	318,692	300,534	39,023	23,182	357,715	323,716
<b>Overdue</b>						
From 1 to 30 days	6,690	5,549	819	428	7,509	5,977
From 31 to 60 days	2,225	1,695	272	131	2,497	1,826
From 61 to 180 days	3,455	2,485	423	192	3,878	2,677
More than 181 days	6,055	6,336	741	490	6,796	6,826
<b>Trade accounts receivable</b>	<b>337,117</b>	<b>316,599</b>	<b>41,278</b>	<b>24,423</b>	<b>378,395</b>	<b>341,022</b>
Expected credit losses	(7,741)	(8,822)	(948)	(680)	(8,689)	(9,502)
<b>Total</b>	<b>329,376</b>	<b>307,777</b>	<b>40,330</b>	<b>23,743</b>	<b>369,706</b>	<b>331,520</b>

### c) Change in the expected losses

The changes in expected losses are based on estimates in accordance with the potential realization of receivables under the trade accounts receivables credit risk policy or the reversal of estimates of previous periods.

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	Individual		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Initial balance	(8,007)	(5,844)	(9,502)	(7,376)
Provision recorded in the period	(9,170)	(31,359)	(9,077)	(31,436)
Write-offs during the period	3,371	9,358	3,371	9,366
Reversal in the period	6,519	19,836	6,519	19,942
Other write-offs not affecting profit or loss	-	2	-	2
<b>Final balance</b>	<b>(7,287)</b>	<b>(8,007)</b>	<b>(8,689)</b>	<b>(9,502)</b>

No receivables had been given as collateral for debt as of March 31, 2022 and December 31, 2021.

## 9. Inventories

	Individual		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Finished goods	87,168	80,173	112,982	101,172
Semi-finished goods and goods in process	41,770	61,399	41,770	61,636
Raw materials and packaging	187,220	168,151	187,220	168,253
Imports in progress	73,784	80,544	74,225	80,544
Others	32,971	28,727	33,378	29,135
Provision for impairment	(20,706)	(22,994)	(21,283)	(23,892)
Blau Goiás merger	-	560	-	-
<b>Total</b>	<b>402,207</b>	<b>396,560</b>	<b>428,292</b>	<b>416,848</b>

### a) Change in the provision for impairment of inventories

The provision for impairment of inventories is calculated considering product expiration dates as well as expected future product sales. This provision is recognized in the costs of goods and products sold line in the statement of profit or loss.

	Individual		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Initial balance	(22,994)	(18,454)	(23,892)	(19,620)
Provision recorded in the period	(534)	(17,397)	(704)	(18,027)
Write-off	2,822	12,857	3,313	13,755
<b>Final balance</b>	<b>(20,706)</b>	<b>(22,994)</b>	<b>(21,283)</b>	<b>(23,892)</b>

No inventory had been given as collateral for debt by the Company as of March 31, 2022 and December 31, 2021.

## 10. Taxes recoverable

	Individual		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
<b>Current</b>				
ICMS	388	317	388	317
IPI	207	174	207	174
PIS	1,422	452	1,422	452

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COFINS	6,278	1,966	6,278	1,966
IVA/IRAE	-	-	4,744	1,855
Others	730	676	1,077	864
<b>Total current</b>	<b>9,025</b>	<b>3,585</b>	<b>14,116</b>	<b>5,628</b>
<b>Non-current</b>				
CIAP	15,873	15,641	15,873	15,641
PIS	2,265	2,101	2,265	2,101
COFINS	10,597	9,847	10,597	9,847
OTHERS	163	193	163	193
<b>Total non-current</b>	<b>28,898</b>	<b>27,782</b>	<b>28,898</b>	<b>27,782</b>
<b>Total</b>	<b>37,923</b>	<b>31,367</b>	<b>43,014</b>	<b>33,410</b>

### 10.1 Expected realization

The expected realization of ICMS is based on the projection of operations and growth, operational management, ICMS legislation in each state and generation of debts for consumption of these credits per operation.

The ICMS credit realization plan is monitored periodically in order to ensure compliance with the established assumptions, as well as their reassessment according to business events, allowing for a better performance of credit realization.

Below is the expected realization of the Company's taxes recoverable:

Expected realization	Consolidated	Individual
2022	12,747	12,747
2023	24,416	29,507
More than 2 years	760	760
<b>Total</b>	<b>37,923</b>	<b>43,014</b>

## 11. Investments

	Individual and Consolidated	
	03/31/2022	12/31/2021
Equity interest in Blau Farmacêutica Colombia S.A.S.	27,642	28,957
Goodwill Blau Farmacêutica Colombia S.A.S.	6,801	6,801
<b>Total Blau Farmacêutica Colombia S.A.S.</b>	<b>34,443</b>	<b>35,758</b>
Equity interest in Blau Farma Uruguay S.A.	8,262	9,546
Goodwill Blau Farma Uruguay S.A.	271	271
<b>Total Blau Farmacêutica Uruguay S.A.</b>	<b>8,533</b>	<b>9,817</b>
Equity interest in Plex - Plasma Experts Corp.	27,183	14,650
<b>Total PLEX</b>	<b>27,183</b>	<b>14,650</b>
<b>Other investments</b>	<b>43</b>	<b>43</b>
<b>Total</b>	<b>70,202</b>	<b>60,268</b>

## Blau Farmacêutica S.A.

Notes to the financial statements – Continuation

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(In thousands of *Reais*, except when otherwise indicated)

### 11.1 Changes in investments

	Blau Colombia	Blau Uruguay	Blau Goiás	Plex Plasma	Other investments	Total
<b>Balance of investments as of December 31, 2020</b>	<b>33,773</b>	<b>7,987</b>	<b>138,671</b>	<b>3,698</b>	<b>29</b>	<b>184,158</b>
Equity valuation adjustment	4,534	(3,954)	(2,801)	(2,500)	-	(4,721)
Translation adjustment	(2,549)	548	-	(4,920)	-	(6,921)
Capital increase	-	5,236	8,835	18,372	14	32,457
Blau Goiás merger (i)	-	-	(144,705)	-	-	(144,705)
<b>Balance of investments as of December 31, 2021</b>	<b>35,758</b>	<b>9,817</b>	<b>-</b>	<b>14,650</b>	<b>43</b>	<b>60,268</b>
Equity valuation adjustment	1,186	2,461	-	(1,306)	-	2,341
Translation adjustment	(2,501)	(3,745)	-	(4,061)	-	(10,307)
Advance for future capital increase	-	-	-	17,900	-	17,900
<b>Balance of investments as of March 31, 2022</b>	<b>34,443</b>	<b>8,533</b>	<b>-</b>	<b>27,183</b>	<b>43</b>	<b>70,202</b>

- (i) Merger balances refer to investment, surplus value and goodwill of R\$8,533, R\$24,650 and R\$111,523, respectively. The goodwill incorporated by Blau Matriz was transferred to the Intangible Assets subgroup, in a specific account, and is annually tested for impairment (as per CPC 01 – Impairment of Assets). The surplus value was recorded according to the asset from which it originated, in the “Sanitary Registrations” item of intangible assets.

### 11.2 Summary of its subsidiaries' financial information:

	03/31/2022			12/31/2021		
	Blau Colombia	Blau Uruguai	Plex Plasma	Blau Colombia	Blau Uruguai	Plex Plasma
Current assets	29,686	24,176	10,494	34,009	16,723	2,174
Non-current assets	2,120	2,241	16,326	2,141	6,603	14,837
<b>Total assets</b>	<b>31,806</b>	<b>26,417</b>	<b>26,820</b>	<b>36,150</b>	<b>23,326</b>	<b>17,011</b>
Passivo circulante	4,781	19,117	75	7,302	14,250	138
Passivo não circulante	-	-	1,279	-	-	3,627
Patrimônio líquido	27,025	7,300	25,466	28,848	9,076	13,246
<b>Total Passivo + PL</b>	<b>31,806</b>	<b>26,417</b>	<b>26,820</b>	<b>36,150</b>	<b>23,326</b>	<b>17,011</b>
Receita Operacional	5,896	7,639	3,276	35,579	15,420	1,706
Lucro/(Prejuízo) do período	404	1,003	(1,306)	4,614	(3,929)	(2,499)



## Blau Farmacêutica S.A.

Notes to the financial statements – Continuation

As of March 31, 2022

(In thousands of *Reais*, except when otherwise indicated)

### 12. Right of use and lease liability

#### 12.1 Composition of balances and variation (right of use)

	Individual	Consolidated
<b>Balance as of December 31, 2020</b>	<b>855</b>	<b>1,588</b>
Additions	9,503	10,210
Depreciation	(9)	(346)
Merger	(1,355)	(1,715)
<b>Balance as of December 31, 2021</b>	<b>234</b>	<b>-</b>
Additions	9,228	9,737
Write-off	450	464
Depreciation	(2)	(2)
Balance as March 31, 2022	(606)	(688)
<b>Balance as of December 31, 2020</b>	<b>9,070</b>	<b>9,511</b>

I. Below, the average amortization period of the right-of-use asset:

Class Denomination	Life cycle to be Used (in years)
Buildings	10
Vehicles	3

#### 12.2 Composition of balances and variation (lease liabilities)

	Individual	Consolidated
<b>Balance December 31, 2020</b>	<b>868</b>	<b>1,817</b>
Additions / remeasurement	9,516	10,364
Write-off	(9)	(668)
Payment of principal	(1,088)	(1,261)
Payment of interest	(67)	(117)
Interest incurred	278	328
Merger	239	-
<b>Balance December 31, 2021</b>	<b>9,737</b>	<b>10,463</b>
Additions / remeasurement	477	420

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Write-off	(2)	(2)
Payment of principal	(438)	(546)
Payment of interest	(38)	(47)
Interest incurred	200	209
<b>Balance as of March 31, 2022</b>	<b>9,936</b>	<b>10,497</b>
Current	1,448	2,009
Non-current	8,488	8,488

### 12.3 Lease liability maturity schedule - recognized in non-current liabilities:

	Individual	Consolidated
Year	Gross Flow	Gross Flow
2023	1,366	1,366
2024	1,173	1,173
2025	968	968
2026	934	934
2027	867	867
More than 5 years	3,180	3,180
<b>Total</b>	<b>8,488</b>	<b>8,488</b>

- a) **Potential right to PIS and COFINS recoverable:** The Company has the potential right to PIS and COFINS recoverable embedded in the consideration for the leases. In the measurement of cash flows from leases, tax credits were not shown separately.
- b) **Additional information (actual cash flow x inflated cash flow):** Although the accounting methodology used by the Company is in line with the rule set forth in IFRS 16/CPC06(R2), it generates distortions in the information to be provided due to the mismatch between cash flow and present value, given the current reality of long-term interest rates in the Brazilian economic environment. Accordingly, the Company recalculated amounts for depreciation and financial charges for the total term of the active contracts as of March 31, 2022, based on a future cash flow that incorporates inflation expectation (nominal flow).

The Company's lease agreements have their payment flows substantially indexed to inflation rates and to safeguard the reliable representation and comply with CVM guidelines set forth in its CVM Circular Letter No. 2/2019, liability balances stated without inflation and effectively accounted for, as well as the estimate of inflated balances are provided.

The inflated flow was measured at the present value of lease payments expected until the end of each contract, incorporated into projected future inflation and discounted at the incremental financing rate, i.e., the nominal interest rate.

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As of March 31, 2022

(In thousands of *Reais*, except when otherwise indicated)

	Individual		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Actual flow				
Lease Liabilities	10,136	10,015	10,706	10,791
Interest	(200)	(278)	(209)	(328)
	<b>9,936</b>	<b>9,737</b>	<b>10,497</b>	<b>10,463</b>
Inflated flow				
Lease Liabilities	10,483	10,308	11,073	11,107
Interest	(207)	(286)	(216)	(338)
	<b>10,276</b>	<b>10,022</b>	<b>10,857</b>	<b>10,769</b>

### 13. Property, plant and equipment

		Individual			
		Balance 12/31/20	Additions	Transfer	Balance 03/31/21
<b>Cost</b>					
Property and land		93,169	-	488	93,643
Machinery and equipment		102,646	3,857	2,086	108,384
Vehicles		3,491	-	165	3,656
Furniture and fixtures		7,137	51	12	7,200
Facilities in use		20,360	33	296	20,689
IT equipment		7,227	158	115	7,500
Property, plant and equipment in progress		83,701	16,326	5,389	103,203
Advance on goods for future delivery		13,279	19,857	(8,551)	24,575
<b>Total cost</b>		<b>331,010</b>	<b>40,282</b>	<b>-</b>	<b>368,850</b>
<b>Cumulative depreciation</b>	<b>Rate</b>	<b>Balance 12/31/20</b>	<b>Additions</b>	<b>Transfer</b>	<b>Balance 12/31/21</b>
Property	4%	(6,587)	(847)	2	(7,432)
Machinery and equipment	10%	(52,475)	(2,417)	(1)	(54,893)
Vehicles	20%	(2,615)	(123)	-	(2,738)
Furniture and fixtures	10%	(4,503)	(87)	-	(4,590)
Facilities in use	10%	(8,171)	(377)	(1)	(8,549)
IT equipment	20%	(4,120)	(244)	-	(4,364)
<b>Total cumulative depreciation</b>		<b>(78,471)</b>	<b>(4,095)</b>	<b>-</b>	<b>(82,566)</b>
<b>Net property, plant and equipment</b>		<b>252,539</b>	<b>36,187</b>	<b>-</b>	<b>286,284</b>
		Consolidated			
		Balance 12/31/2020	Additions	Transfer	Balance 12/31/21

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### Cost

Property and land	93,611	-	488	(44)	94,055
Machinery and equipment	101,734	3,858	2,359	(268)	107,683
Improvements	2,976	-	-	-	2,976
Vehicles	3,837	3	165	(3)	4,002
Furniture and fixtures	8,282	70	18	(12)	8,358
Facilities in use	20,970	33	1,500	-	22,503
IT equipment	7,662	302	115	-	8,079
Property, plant and equipment in progress	84,276	16,430	5,388	(2,327)	103,767
Advance on goods for future delivery	13,312	27,975	(10,033)	(10)	31,244
<b>Total cost</b>	<b>336,660</b>	<b>48,671</b>	<b>-</b>	<b>(2,664)</b>	<b>382,667</b>

### Cumulative depreciation

	Rate	Balance 12/31/20	Additions	Transfer	Write-off	Balance 12/31/21
Property	4%	(7,396)	(855)	2	-	(8,249)
Machinery and equipment	10%	(52,570)	(2,527)	(209)	22	(55,284)
Improvements	4%	(222)	(96)	-	-	(318)
Vehicles	20%	(3,125)	(160)	(4)	-	(3,289)
Furniture and fixtures	10%	(4,658)	(88)	-	-	(4,746)
Facilities in use	10%	(8,420)	(396)	211	-	(8,605)
IT equipment	20%	(4,542)	(247)	-	-	(4,789)
<b>Total cumulative depreciation</b>		<b>(80,933)</b>	<b>(4,369)</b>	<b>-</b>	<b>22</b>	<b>(85,280)</b>
Net property, plant and equipment		<b>255,727</b>	<b>44,302</b>	<b>-</b>	<b>(2,642)</b>	<b>297,387</b>

		Balance 03/31/21	Additions	Transfer	Write-off	Balance 03/31/22
Cost						
Property and land		96,440	-	7	-	96,447
Improvements		3,742	-	-	-	3,742
Machinery and equipment		117,605	2,707	250	-	120,562
Vehicles		4,574	-	(7)	(61)	4,506
Furniture and fixtures		7,557	125	15	-	7,697
Facilities in use		21,867	-	-	-	21,867
IT equipment		8,771	518	67	-	9,356
Property, plant and equipment in progress		191,981	35,051	(332)	-	226,700
Advance on goods for future delivery		21,024	-	-	(11,676)	9,348
<b>Total cost</b>		<b>473,561</b>	<b>38,401</b>	<b>-</b>	<b>(11,737)</b>	<b>500,225</b>

	Rate	Balance 12/31/21	Additions	Transfer	Write-off	Balance 03/31/22
Property	4%	(9,656)	(874)	-	-	(10,530)
Improvements	4%	(2,790)	(134)	-	-	(2,924)
Machinery and equipment	10%	(66,965)	(2,072)	-	-	(69,037)
Vehicles	20%	(3,032)	(167)	-	68	(3,131)
Furniture and fixtures	10%	(4,859)	(104)	-	-	(4,963)
Facilities in use	10%	(10,066)	(409)	-	-	(10,475)
IT equipment	20%	(5,098)	(301)	-	1	(5,398)
<b>Total cumulative depreciation</b>		<b>(102,466)</b>	<b>(4,061)</b>	<b>-</b>	<b>69</b>	<b>(106,458)</b>
Net property, plant and equipment		<b>371,095</b>	<b>34,340</b>	<b>-</b>	<b>(11,668)</b>	<b>393,767</b>

Consolidated

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As of March 31, 2022

(In thousands of *Reais*, except when otherwise indicated)

		Balance 03/31/21	Additions	Transfer	Write-off	Balance 03/31/22
Cost						
Property and land		106,147	790	597	-	107,534
Improvements		3,742	-	-	-	3,742
Machinery and equipment		112,216	2,742	250	-	115,208
Vehicles		4,920	-	(7)	(61)	4,852
Furniture and fixtures		8,958	148	38	-	9,144
Facilities in use		22,088	-	-	-	22,088
IT equipment		9,121	527	86	-	9,734
Property, plant and equipment in progress		194,064	35,063	(332)	-	228,795
Advance on goods for future delivery		21,058	-	-	(11,676)	9,382
Total cost		<b>482,314</b>	<b>39,270</b>	<b>632</b>	<b>(11,737)</b>	<b>510,479</b>
Cumulative depreciation	Rate	Balance 12/31/21	Additions	Transfer	Write-off	Balance 03/31/22
Property	4%	(10,564)	(919)	(590)	-	(12,073)
Improvements	4%	(708)	(134)	-	-	(842)
Machinery and equipment	10%	(64,051)	(2,086)	-	-	(66,137)
Vehicles	20%	(3,534)	(167)	-	68	(3,633)
Furniture and fixtures	10%	(5,066)	(115)	(23)	-	(5,204)
Facilities in use	10%	(10,039)	(409)	-	-	(10,448)
IT equipment	20%	(5,454)	(306)	(19)	1	(5,778)
Total cumulative depreciation		<b>(99,416)</b>	<b>(4,136)</b>	<b>(632)</b>	<b>69</b>	<b>(104,115)</b>
Net property, plant and equipment		<b>382,898</b>	<b>35,134</b>	<b>-</b>	<b>(11,668)</b>	<b>406,364</b>

(i) Due to the nature of the balances in “advances on goods for future delivery,” the write-off indicated refers to additions for the period (see “additions” column). Therefore, the write-off has no effect on income.

Below we disclose the breakdown of property, plant and equipment in progress. Of the balance, R\$127,994 (66%) refer to the acquisition of installation machinery and equipment, and R\$66,070 (34%) refer to the industrial expansion of the São Paulo and Cotia production units. Completion is expected by the end of 2023.

	Individual		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Machinery and equipment being installed	<b>140,173</b>	127,994	<b>140,173</b>	127,994
Industrial expansion	<b>86,527</b>	63,987	<b>88,622</b>	66,070
<b>Total</b>	<b>226,700</b>	191,981	<b>228,795</b>	194,064

No property, plant and equipment had been given as collateral for debt incurred by the Company as of March 31, 2022 and December 31, 2021.

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As of March 31, 2022

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### 14. Intangible Assets

	Individual			
	Balance 12/31/2020	Additions	Transfer	Write-off
				Balance 03/31/2021
<b>Cost</b>				
Software	5,964	-	-	5,964
Trademarks	881	-	-	881
Sanitary registrations	-	-	-	-
Development of new products	21,777	4,326	-	26,103
Goodwill	-	-	-	-
<b>Total Cost</b>	<b>28,622</b>	<b>4,326</b>	-	<b>32,948</b>

<b>Cumulative amortization</b>				
Software	(4,376)	(134)	-	(4,510)
Sanitary registrations	-	-	-	-
<b>Total cumulative amortization</b>	<b>(4,376)</b>	<b>(134)</b>	-	<b>(4,510)</b>
<b>Net intangible assets</b>	<b>24,246</b>	<b>4,192</b>	-	<b>28,438</b>

	Consolidated			
	Balance 12/31/2020	Additions	Transfer	Write-off
				Balance 03/31/2021
<b>Cost</b>				
Software	6,183	1,026	-	879
Trademarks	1,038	-	-	-
Sanitary registrations	1,420	71	-	(2)
Development of new products	21,777	4,357	-	-
Goodwill	144,644	-	-	-
<b>Total cost</b>	<b>175,062</b>	<b>5,454</b>	-	<b>877</b>

<b>Cumulative amortization</b>				
Software	(4,301)	(239)	-	293
Sanitary Registrations	(672)	(52)	-	-
Development of new products	(137)	-	-	-
Other	(190)	-	-	-
<b>Total cumulative amortization</b>	<b>(5,300)</b>	<b>(291)</b>	-	<b>293</b>
<b>Net intangible assets</b>	<b>169,762</b>	<b>5,163</b>	-	<b>1,170</b>

	Individual			
	Balance 12/31/2021	Additions	Transfer	Write-off
				Balance 03/31/2022
<b>Cost</b>				
Software	7,570	-	-	-
Trademarks	881	-	-	-
Sanitary registrations	500	284	3,948	-
Development of new products	46,160	4,015	(3,948)	-

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Goodwill	136,173	-	-	-	136,173
<b>Total Cost</b>	<b>191,284</b>	<b>4,299</b>	-	-	<b>195,583</b>
<b>Cumulative amortization</b>					
Software	(5,076)	(187)	-	-	(5,263)
Sanitary registrations	(8)	(24)	-	-	(32)
<b>Total cumulative amortization</b>	<b>(5,084)</b>	<b>(211)</b>	-	-	<b>(5,295)</b>
<b>Net intangible assets</b>	<b>186,200</b>	<b>4,088</b>	-	-	<b>190,288</b>

	Consolidated				
	Balance 12/31/2021	Additions	Transfer	Write- off	Balance 03/31/2022
<b>Cost</b>					
Software	7,648	727	-	-	8,375
Trademarks	1,033	115	-	-	1,148
Sanitary registrations	3,095	312	3,948	-	7,355
Development of new products	49,954	4,087	(3,948)	-	50,093
Goodwill	143,244	-	-	-	143,244
<b>Total Cost</b>	<b>204,974</b>	<b>5,241</b>	-	-	<b>210,215</b>
<b>Cumulative amortization</b>					
Software	(5,270)	(295)	-	-	(5,565)
Sanitary registrations	(704)	(59)	-	-	(763)
Development of new products	(137)	-	-	-	(137)
Other	(50)	-	-	-	(50)
<b>Total cumulative amortization</b>	<b>(6,161)</b>	<b>(354)</b>	-	-	<b>(6,515)</b>
<b>Net intangible assets</b>	<b>198,813</b>	<b>4,887</b>	-	-	<b>203,700</b>

### 14.1 Impairment testing - Intangible Assets

The book values of the Company's intangible assets are reviewed every balance sheet date to find out whether any indication of impairment exists. If there is such an indication, then the impairment test is done annually. For the period ended March 31, 2022, the Company did not find any other intangible assets that, in Management's assessment, would not be able to generate future economic benefits.

Based on the annual test of impairment of intangible assets, drawn up based on the projections made on the financial statements as of December 31, 2021, growth prospects at the time and monitoring of the projections and operating results during the period, no possible losses or indications of losses were identified, taking into account that the value in use is greater than the net carrying amount on the valuation date.

## 15. Related parties

Transactions with related parties comply with the Company's current policy, which is designed to establish rules and procedures aimed at guaranteeing that all decisions where there is a potential

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conflict of interest are made taking into account the best interests of the Company and its shareholders.

a) Shareholding composition

The Company's shareholding structure is distributed as follows: the main shareholder is Mr. Marcelo Rodolfo Hahn, who has 82.50% of the capital stock of the Company and the remaining 17.50% is held by several other shareholders.

b) Compensation of key management personnel

The compensation of key Management personnel consists of salaries and direct benefits, such as medical and dental care, meals and private pension. The Company and its subsidiaries do not provide non-cash benefits to officers, nor do they contribute to a defined benefit post-employment plan or provide any other post-employment benefits. There are no stock option policies or other long-term benefits in place in the Company.

Annual compensation of the key management personnel as of March 31, 2022, which include the statutory officers (CEO, CFO, COO, Chief Legal Officer, Chief Investor Relations and Chief Quality Officer) is shown below:

	Individual	
	03/31/2022	03/31/2021
Management compensation	(1,169)	(1,134)
Benefits	(148)	(146)
<b>Total</b>	<b>(1,317)</b>	<b>(1,280)</b>

c) Balances and transactions with related parties

The main balances with related parties as of March 31, 2022 and December 31, 2021 in the equity accounts, as well as the transactions in the profit or loss accounts are shown below:

	Individual		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
<b>Assets</b>				
<b>Trade accounts receivable</b>				
The Package Store Imp. Com. Distr. Emb. Ltda. (a)	1,330	272	1,330	272
Blau Farmacêutica Colombia S.A.S. (b)	2,341	4,931	-	-
Blau Farma Uruguay S.A. (c)	14,346	11,082	-	-
<b>Position of receivables from subsidiaries</b>	<b>18,017</b>	<b>16,285</b>	<b>1,330</b>	<b>272</b>
<b>Investments (Note 11)</b>				
Blau Farmacêutica Colombia S.A.S.	34,443	35,758	-	-
Blau Farma Uruguay S.A.	8,576	9,860	43	43
Plex - Plasm Experts Corp. (d)	27,183	14,650	-	-
<b>Total Investments</b>	<b>70,202</b>	<b>60,268</b>	<b>43</b>	<b>43</b>



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<b>Total assets with related parties</b>	<b>88,219</b>	<b>76,553</b>	<b>1,373</b>	<b>315</b>
<b>Liabilities</b>				
<b>Related party suppliers</b>				
F11 Segurança Privada Ltda. (e)	446	369	446	369
F11 Facilities Eireli (f)	686	527	686	527
<b>Total trade accounts payable</b>	<b>1,132</b>	<b>896</b>	<b>1,132</b>	<b>896</b>
<b>Total liabilities with related parties</b>	<b>1,132</b>	<b>896</b>	<b>1,132</b>	<b>896</b>

Income – gross revenue (Note Nos. 25 and 26 (sic)) and cost of goods and products sold.

	<b>Individual</b>			
	<b>03/31/2022</b>		<b>03/31/2021</b>	
	<b>Revenue</b>	<b>Cost</b>	<b>Revenue</b>	<b>Cost</b>
The Package Store Imp. Com. Distr. Emb. Ltda. (a)	990	593	418	(342)
Blau Farmacêutica Colombia S.A.S. (b)	7,101	-	3,923	(2,590)
Blau Farma Uruguay S.A. (c)	6,102	-	1,400	(1,270)
Blau Goiás			692	(2,197)
<b>Total income from related parties</b>	<b>14,193</b>	<b>593</b>	<b>6,433</b>	<b>(6,399)</b>
	<b>Consolidated</b>			
	<b>03/31/2022</b>		<b>12/31/2021</b>	
	<b>Revenue</b>	<b>Cost</b>	<b>Revenue</b>	<b>Cost</b>
The Package Store Imp. Com. Distr. Emb. Ltda. (b)	990	593	418	(342)
<b>Total income from related parties</b>	<b>990</b>	<b>593</b>	<b>418</b>	<b>(342)</b>

Income – other transactions

	<b>Individual</b>	
	<b>03/31/2022</b>	<b>12/31/2021</b>
F11 Segurança Privada Ltda. (e)	(1,597)	(1,345)
F11 Facilities Eireli (f)	(3,227)	(1,778)
Symbiosis Fundo de investimento Multimercado de Crédito Privado no Exterior (g)	-	(1,932)
	(4,824)	(5,055)

- (a) The main activity of The Package Store Imp. Com. Distr. Ltda. ("The Package Store") is the sale of glass packaging to the pharmaceutical industry. The amounts billed to The Package Store are the result of the glass packaging purchased by the Company from suppliers abroad and resold to The Package Store under normal market conditions;
- (b) Blau Farmacêutica Colombia S.A.S. – This refers to operations entailing the export of drugs manufactured by the Company, which are resold by the subsidiary in Colombia;
- (c) Blau Farma Uruguay S.A. – This refers to operations entailing the export of drugs manufactured by the Company, which are resold by the subsidiary in Uruguay;
- (d) Plex is the holding company for joint ventures in the plasma collection segment abroad. The Company owns 64.16% of Hemarus Plasma-Ludherhill, LLC and of Hemarus Plasma-Miami, LLC, both of which are limited liability companies duly incorporated and existing in accordance with the laws of the State of Florida, set up to develop, operate and manage a plasma collection center;
- (e) The Company has an agreement for security services entered into in the second half of 2016 with the related company F-11 Segurança Privada Ltda;

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- (f) F-11 Facilities Eireli is an individual limited liability company and provides outsourced labor services to the Company, such as cleaning and concierge services;
- (g) Symbiosis - Fundo de Investimento Multimercado de Crédito Privado no Exterior, in the capacity of debenture holder. The amount relates to interest on the debentures;

### 16. Trade accounts payable

	Individual		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
In the country	28,770	24,694	28,770	24,694
Abroad	57,350	90,285	57,737	90,841
<b>Total trade accounts payable</b>	<b>86,120</b>	<b>114,979</b>	<b>86,507</b>	<b>115,535</b>

The reduction in the balance of foreign suppliers is related to the advance on foreign exchange in order to cater to strategic negotiations and in spite of the depreciation of the Dollar and Euro. The increase in the balance of domestic suppliers is basically due to the increase in purchases aimed at supporting the growth in commercial demand.

The information regarding the Company's exposure to market and liquidity risks related to suppliers can be found in Note No. 28.

### 17. Loans and financing

Modality	Average rate	Bank	Guarantee	Individual		Consolidated	
				03/31/2022	2/31/2021	03/31/2022	2/31/2021
Working capital	1,65% a.a	Citibank	Acionista controlador	-	39.861	-	39.861
Working capital Uruguay	USD + 8% a.a.	Itaú	Sem garantia	-	-	1.449	1.868
<b>Total</b>				<b>-</b>	<b>39.861</b>	<b>1.449</b>	<b>41.729</b>

#### a) Changes in loans and financing

	Individual	Consolidated
<b>Balance as of December 31, 2020</b>	<b>15,051</b>	<b>15,805</b>
Loans raised with cash effect	154,182	155,296
Appropriation of interest	7,878	7,878
Payment of principal	(131,020)	(131,020)
Payment of interest	(7,132)	(7,132)
Monetary adjustment	902	902
<b>Balance as of December 31, 2021</b>	<b>39,861</b>	<b>41,729</b>
Loans raised	-	-
Appropriation of interest	33	33
Payment of principal	(38,672)	(39,091)
Payment of interest	(831)	(831)
Monetary adjustment	(391)	(391)
<b>Balance as of March 31, 2022</b>	<b>-</b>	<b>1,449</b>

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As of March 31, 2022

(In thousands of *Reais*, except when otherwise indicated)

### b) Debt repayment schedule in relation to the balance of loans and financing

	Individual		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
<b>Year</b>				
Up to March 2023	-	39,861	1,449	41,729
<b>Total</b>	<b>-</b>	<b>39,861</b>	<b>1,449</b>	<b>41,729</b>

### c) Covenants

The Company has loan agreements with clauses that establish the circumstances under which the debt's maturity would be accelerated, such as alterations and changes to the composition of share capital the transfer or direct or indirect assignment of shareholding control, along with the merger, consolidation or spin-off of the issuer, without prior express consent from the creditor. However, none of these circumstances establishes the maintenance of financial indicators. As of March 31, 2022 and December 31, 2021, 2020, the Company was in compliance with all the early maturity clauses.

## 18. Debentures

Modality	Average rate	Consolidated and Individual	
		03/31/2022	12/31/2021
Debentures 1 <sup>st</sup> issue	CDI + 1.05% p.a.	56,468	67,738
Debentures 3 <sup>rd</sup> issue	CDI + 1.30% p.a.	261,462	254,588
<b>Total debentures</b>		<b>317,930</b>	<b>322,326</b>
Current		56,677	49,823
Non-current		261,253	272,503
<b>Total</b>		<b>317,930</b>	<b>322,326</b>

The net proceeds raised are earmarked for investments in studies, production capacity expansion projects, launches, research, development and innovation, as well as for general corporate use.

## Blau Farmacêutica S.A.

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The characteristics of the debentures are shown in the following table:

Description	1st issue	3rd issue
Issuing entity	Blau	Blau
Financial institution	Bradesco	Bradesco
		66.7%
		Itaú 33.3%
Total value of the issue in a single series	180,000	250,000
Nature	Public	Public
Date of issue	06/20/2018	04/15/2020
Funding date	06/27/2018	04/20/2020
Maturity	06/20/2023	04/15/2027
Type	Unsecured	Unsecured
Identification of asset at CETIP	BLAU11	BLAU13
<b>b. Effective interest rate p.a. %</b>	1.05% + 100% CDI	1.10% + 100% CDI
<b>c. Total amount of debt</b>	(67,738)	(254,588)

### a) Changes in the balance of debentures

	1st Issue	3rd Issue	Total
<b>Balance in December 2020</b>	(112,593)	(251,671)	(364,264)
Interest paid	4,431	11,120	15,550
Interest accrued	(4,575)	(14,037)	(18,611)
Amortization	44,999	-	44,999
<b>Balance in December 2021</b>	<b>(67,738)</b>	<b>(254,588)</b>	<b>(322,326)</b>
Interest paid	1,681	-	1,681
Interest accrued	(1,660)	(6,875)	(8,535)
Amortization	11,250	-	11,250
<b>Balance in March 2022</b>	<b>(56,467)</b>	<b>(261,463)</b>	<b>(317,930)</b>

### b) Debt repayment schedule in relation to the balance of debentures

Year	Principal	Interest	Consolidated and Individual
			Total
04/01/2022 to 03/31/2023	44,999	11,678	56,677
04/01/2023 to 03/31/2024	50,000	11,253	61,253
04/01/2024 to 03/31/2025	50,000	-	50,000
04/01/2024 to 03/31/2026	50,000	-	50,000
04/01/2026 to 03/31/2027	50,000	-	50,000
04/01/2027 to 03/31/2028	50,000	-	50,000
<b>Total</b>	<b>294,999</b>	<b>22,931</b>	<b>317,930</b>

### c) Covenants

Due to the fact that funds have been raised by means of debentures, certain covenants are provided to be complied with by the Company. The financial ratio consists of a net debt / EBITDA ratio of less than 2.50x, only taking into account the year ended December 31 of each year and based on

## Blau Farmacêutica S.A.

Notes to the financial statements – Continuation

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the consolidated financial statements.

### 19. Income tax and social contribution payable

Current	Individual		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Income tax	9,815	13,917	9,960	13,917
Social contribution	4,526	6,074	4,526	6,074
<b>Total</b>	<b>14,341</b>	<b>19,991</b>	<b>14,486</b>	<b>19,991</b>

#### d) Changes in income tax and social contribution payable

	Controladora		Consolidado	
	03/31/2022	12/31/2021	31/03/2022	31/12/2021
Initial balance	19,991	36,228	19,991	36,228
Provision	17,059	122,479	17,213	124,485
Compensation	(2,718)	(5,771)	(2,727)	(5,771)
Tax paid	(19,991)	(132,945)	(19,991)	(134,951)
<b>Total</b>	<b>14,341</b>	<b>19,991</b>	<b>14,486</b>	<b>19,991</b>

#### e) Effective rate in the parent company

Reconciliation of income tax and social contribution	Individual	
	03/31/2022	12/31/2021
Income before income tax and social contribution	78,183	481,820
Statutory rate	34.00%	34.00%
<b>Amount of income tax and social contribution on accounting profit at the statutory rate</b>	<b>26,582</b>	<b>163,819</b>
<b>Theoretical difference in income tax and social contribution</b>		
Non-taxable permanent differences	391	2,559
Equity pick-up	18	1,569
Interest on own capital	(8,485)	(15,956)
Tax incentive – 'Lei do bem'	(1,799)	(8,425)
Others	(15)	13,032
<b>IR/CS Effective Expense</b>	<b>16,722</b>	<b>156,598</b>
IR/CS Effective Rate (%)	21.39%	32.50%
<b>Current income tax and social contribution expenses</b>		
Current income tax and social contribution	(17,059)	(122,479)
Deferred income tax and social contribution	377	(34,119)
<b>Current income tax and contribution, net</b>	<b>(16,722)</b>	<b>(156,598)</b>

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As of March 31, 2022

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### f) Deferred income tax and social contribution

<b>ASSETS</b>	<b>Individual</b>		<b>Consolidated</b>	
	<b>03/31/2022</b>	<b>31/12/2021</b>	<b>03/31/2022</b>	<b>12/31/2021</b>
Provision for inventory impairment	7,040	7,818	7,236	8,123
Provision for contingencies	1,966	2,059	1,966	2,059
Provision for expected losses	1,019	1,258	1,495	1,715
Provision for expenses	1,179	-	1,179	-
Depreciation	2,014	-	2,014	-
Others	4,557	7,112	4,297	6,796
Non-current assets	17,775	18,247	18,187	18,693
Initial balance of deferred assets	(18,247)	(19,265)	(18,693)	(19,671)
Change in income for the year	(472)	(1,018)	(506)	(978)
<b>LIABILITIES</b>				
	<b>Individual</b>		<b>Consolidated</b>	
	<b>03/31/2022</b>	<b>31/12/2021</b>	<b>03/31/2022</b>	<b>12/31/2021</b>
Derivatives	2,193	(4,261)	2,193	(4,261)
R&D	(28,328)	(26,615)	(28,328)	(26,615)
Goodwill	(3,792)	(1,896)	(3,792)	(1,896)
Interest	(5,086)	(3,979)	(5,086)	(3,979)
Other	(307)	(191)	(307)	(191)
Non-current liabilities	(35,320)	(36,942)	(35,320)	(36,942)
Initial balance of deferred liabilities	36,942	3,805	36,942	3,805
Change in income for the year	1,622	(33,137)	1,622	(33,137)
Unrealized inventory abroad deferred income	(813)	36	(779)	(4)
Variation in deferred income tax and social contribution in income for the year	337	(34,119)	337	(34,119)
	<b>Individual</b>		<b>Consolidated</b>	
	<b>03/31/2022</b>	<b>12/31/2021</b>	<b>03/31/2022</b>	<b>12/31/2021</b>
Balance of non-current assets	17,775	18,247	18,187	18,693
Balance of non-current liabilities	(35,320)	(36,942)	(35,320)	(36,942)
Deferred income tax and social contribution, net	(17,545)	(18,695)	(17,133)	(18,249)
	<b>03/31/2022</b>	<b>12/31/2021</b>	<b>03/31/2022</b>	<b>12/31/2021</b>

The Company, based on the expectation of generating future taxable income, determined in a technical study approved by Management, recognized tax credits on temporary differences. The carrying amount of deferred assets is reviewed annually by the Company.

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### 20. Labor related obligations

	Individual		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Salaries	4,204	4,089	4,774	4,692
Charges	3,885	4,267	3,885	4,267
13 <sup>th</sup> salary	2,685	-	2,685	-
Vacation pay	13,162	13,540	13,239	13,620
Provision for profit sharing	12,094	9,672	12,094	9,672
Other accounts	2,016	3,298	2,016	3,298
<b>Total</b>	<b>38,046</b>	<b>34,866</b>	<b>38,693</b>	<b>35,549</b>

### 21. Other accounts payable

	Individual		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Investments payable (a)	43,682	47,979	44,961	51,606
Advances from customers	223	284	258	341
Provision for distribution costs of products and goods sold	3,471	2,116	2,154	2,116
Other accounts payable	1,271	3,404	3,162	3,830
<b>Total</b>	<b>48,647</b>	<b>53,783</b>	<b>50,535</b>	<b>57,893</b>
Current	19,565	20,354	20,174	20,837
Non-current	29,082	33,429	30,361	37,056
<b>Total</b>	<b>48,647</b>	<b>53,783</b>	<b>50,535</b>	<b>57,893</b>

(a) Refers to the remaining amounts payable to the former owners of Blau Goiás (acquisition closed in May 2020), as per the purchase and sale agreement.

### 22. Provisions for tax, civil and labor lawsuits

The Company and its subsidiaries, in the normal course of their activities, are subject to tax, civil and labor proceedings. The company's management, supported by the opinion of its legal advisors and, when applicable, based on specific opinions issued by experts, assesses the expected outcome of the proceedings in progress and determines whether or not there is a need to set up a provision for tax, civil and labor contingencies.

Based on this evaluation, the following provisions have been set up:

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As of March 31, 2022

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	Individual and Consolidated			Total
	Labor claims	Civil claims	Administrative proceedings	
Balance as of December 31, 2020	4,177	741	144	5,062
Net addition	2,562	488	-	3,050
New proceedings	1,336	-	-	1,336
Reclassification	62	287	-	349
Monetary adjustment	1,164	201	-	1,365
Write-off	(2,013)	(43)	-	(2,056)
Payment	(147)	(2)	-	(149)
Reclassification	(552)	(41)	-	(593)
Monetary adjustment	(1,314)	-	-	(1,314)
Balance as of December 31, 2021	4,726	1,186	144	6,056
Addition	471	28	-	499
New proceedings	-	-	-	-
Reclassification	64	-	-	64
Monetary adjustment	407	28	-	435
Write-off	(491)	(282)	-	(773)
Payments	-	-	-	-
Reclassification	(201)	-	-	(201)
Monetary adjustment	(290)	(282)	-	(572)
Balance as of March 31, 2022	4,706	932	144	5,782

### a) Claims classified by legal advisors as a possible loss

The Company and its subsidiaries are subject to other legal proceedings, and based on the assessment of the legal advisors, there is a probability of possible loss in the amount of R\$695 as of March 31, 2022 (R\$684 as of December 31, 2021). No provision was recognized for labor and civil risks classified as possible, according to their nature:

Nature	Consolidated	
	03/31/2022	12/31/2021
Labor	512	509
Civil	183	175
<b>Total</b>	<b>695</b>	<b>684</b>

### b) Judicial deposits

They represent restricted assets of the Company and its subsidiaries and are related to the amounts deposited and kept in court until the resolution of the related disputes. Therefore, provisions for lawsuits are presented in accordance with the amounts of the lawsuits, and do not consider the balances of escrow deposits, given that the conditions required to show them net with the provision do not exist.



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As of March 31, 2022

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	Balance 12/31/20	Addition	Write- off	Monetary Adjustment	Balance 12/31/21	Addition	Write- off	Monetary Adjustment	Balance 03/31/22
Labor	569	-	-	35	604	-	-	16	620
Civil	5,447	91	-	436	5,974	-	(4,665)	143	1,452
Tax	-	-	-	-	-	4,574	-	-	4,574
<b>Total</b>	<b>6,016</b>	<b>91</b>	<b>-</b>	<b>471</b>	<b>6,578</b>	<b>4,574</b>	<b>(4,665)</b>	<b>159</b>	<b>6,646</b>

## 23. Equity

### a) Capital Stock

The Company's capital stock comprises 100% of common, registered, book-entry shares with no par value.

Under the terms of article 5 of its Bylaws, the Company is authorized to increase its share capital by resolution of the Board of Directors, regardless of a statutory amendment, through the issue of shares, debentures convertible into shares, or subscription bonuses, up to a limit of one hundred and ninety-eight million (198,000,000) shares. It is also up to the Board of Directors to establish the conditions of the issue, including price, term and form of payment.

### b) Subscribed and paid-in capital

Shareholding structure	Amount of the capital stock	Common shares
March 31, 2022	1,316,609	179,393,939
December 31, 2021	1,316,609	179,393,939

### c) Profit reserves

Consists of the legal reserve, the reserve for investments and proposed additional dividends. The legal reserve is set up in accordance with the Brazilian Corporate Law, based on 5% of net income for each year until it reaches 20% of share capital.

The investment reserve is set up based on up to 75% of net income for each year, minus the amounts set aside for the legal reserve, the contingencies reserve and the tax incentive reserve as per the bylaws. The purpose of the investment reserve is to ensure sufficient funds for the expansion of the Company's activities and investments, and the balance of this reserve may not exceed share capital, either separately or together with the other profit reserves.

### d) Other comprehensive income

This refers to gain and loss on the translation of the financial statements of subsidiaries domiciled abroad, as well as equity valuation adjustment to property, plant, and equipment upon initial adoption (deemed cost).

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### e) Profit allocation

As allowed under paragraph “c” of Article 28 combined with Article 29 of the Company’s Bylaws, the balance of net income as of March 31, 2022 is shown after deductions for the minimum compulsory dividends and Interest on Own Capital.

### f) Earnings per share

Earnings per share are shown by type and nature of share, in accordance with the practice in Brazil of trading and quoting shares in lots of shares.

#### *Basic and diluted*

Basic earnings per share were calculated based on the weighted average number of common shares outstanding.

	<b>Consolidated</b>	
	<b>03/31/2022</b>	<b>12/31/2021</b>
Net income for the year	61,173	323,864
Number of common shares (thousands of shares)	179,394	179,394
Number of convertible shares (thousands of shares)		
<b>Basic and diluted earnings per common share</b>	<b>0.3416</b>	<b>1.8917</b>
<b>Diluted earnings per common share</b>	<b>0.3416</b>	<b>1.8917</b>

## 24. Net operating revenue

	<b>Individual</b>		<b>Consolidated</b>	
	<b>03/31/2022</b>	<b>12/31/2021</b>	<b>03/31/2022</b>	<b>12/31/2021</b>
Sales of products – domestic market	314,682	348,609	331,568	360,194
Sales of products – overseas market	4,703	1,672	4,703	1,672
Sales – related parties (Note 15)	14,193	6,433	990	418
<b>Gross revenue</b>	<b>333,578</b>	<b>356,714</b>	<b>337,261</b>	<b>362,284</b>
(-) Taxes	(22,658)	(34,546)	(22,658)	(34,591)
(-) Discounts	(234)	(60)	(269)	(135)
(-) Returns	(953)	(1,373)	(992)	(1,430)
<b>Total deductions from gross revenue</b>	<b>(23,845)</b>	<b>(35,979)</b>	<b>(23,919)</b>	<b>(36,156)</b>
<b>Net operating revenue</b>	<b>309,733</b>	<b>320,735</b>	<b>313,342</b>	<b>326,128</b>

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### a) Net operating revenue

Net operating revenue is shown by segment in Note No. 30 and consists of the fair value of the consideration received or receivable for the sale of products and goods in the ordinary course of the Company's activities.

The Company recognizes revenue when the amount can be reliably measured, it is probable that future economic benefits will flow to the entity, and when control over the products is transferred, which normally occurs upon delivery of the products to the buyer, who will have total freedom over the selling price of the products and goods, and as long as there is no unfulfilled obligation and there is no permanent involvement with the goods sold or any other factor that may affect the buyer's acceptance of the goods.

Revenue is shown net of sales taxes, returns, rebates and discounts, and on a consolidated basis, net of eliminations of sales between controlled companies.

The right to recover returned goods is measured at the previous carrying amount of the inventory minus any expected costs, while the obligation to make reimbursement is recorded under other payables. The Company does not make provisions for returns of goods sold on account of the fact that it does not consider the effect to be material; however, on an annual basis management reassesses the need to make a provision for sales returns on the reporting date.

Sales discounts are only granted in the case of specific deals or events, such as slow-moving inventory items with a risk of obsolescence at the customer, in order to avoid sales return. For the retail channel, there are usual discounts based on the level of sales, and these discounts are made on the amounts payable by the customer to the Company. The Company does not make any provision for sales discounts as it does consider the amount to be material.

### b) Revenue from Contracts with Customers

Revenue from contracts with customers is recognized when control of goods or services is transferred to the customer for an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. The Company concludes, in general, that this is the principal item in its revenue contracts.

The Company does not have any contracts with private sector customers as of March 2022 with expected realization within one year. In the case of a new contract being signed, the Company assesses contracts with customers that will be subject to revenue recognition and identifies the different goods promised in each contract and the performance obligations, if any.

In the Public channel, contracts are signed following the auctions in order to guarantee all the obligations of both parties.

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In relation to geographical location, net revenue in Brazil accounted for 94.39% of the Company's consolidated net revenue in March 2022 (96.20% in 2021).

	<b>Consolidated</b>	
	<b>03/31/2022</b>	<b>12/31/2021</b>
Brazil	<b>295,756</b>	313,743
Colombia	<b>5,896</b>	7,348
Peru	<b>2,675</b>	-
Uruguay	<b>7,639</b>	3,365
Chile	<b>1,309</b>	628
Others	<b>67</b>	1,044
<b>Total</b>	<b>313,342</b>	<b>326,128</b>

Regarding consolidated net revenue in the year ended March 31, 2022 between public and private customers is as follows:

	<b>Consolidated</b>	
	<b>03/31/2022</b>	<b>12/31/2021</b>
Public	79,720	69,809
Private	233,622	256,319
<b>Total</b>	<b>313,342</b>	<b>326,128</b>

Revenue from private customers represented 74.56% of total net operating revenue as of March 31, 2022 (87.95% in 2021).

Regarding consolidated net revenue in the period ended March 31, 2022, the breakdown between the various lines of medication is as follows:

	<b>Consolidated</b>	
	<b>03/31/2022</b>	<b>12/31/2021</b>
Biologicals	175,417	166,250
Specialties	90,428	124,974
Oncology	21,175	20,537
Outros	26,322	14,367
<b>Total</b>	<b>313,342</b>	<b>326,128</b>

### c) *Performance obligations and revenue recognition policies*

Revenue is measured based on the consideration specified in the contract with the customer. The Company and its subsidiaries recognize revenue when control over the product or service is transferred to the customer.

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The notes below provide information regarding the nature and period of fulfillment of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

i) *Nature and period of fulfillment of performance obligations, including significant payment terms*

Customers receive control of the products when the goods are delivered and accepted on their premises. Invoices are issued at that time. Payment terms depend on the segment and the contract signed, and can vary from 30 to 120 days;

## 25. Cost of goods and products sold

	Individual		Consolidated	
	03/31/2022	03/31/2021	03/31/2022	03/31/2021
Raw materials and packaging	(125,894)	(121,518)	(121,851)	(122,342)
Workforce	(6,384)	(6,649)	(6,384)	(7,253)
Depreciation and amortization	(1,218)	(1,584)	(1,218)	(1,714)
Other manufacturing expenses	(22,403)	(22,469)	(22,403)	(23,934)
<b>Total cost of sales</b>	<b>(155,899)</b>	<b>(152,220)</b>	<b>(151,856)</b>	<b>(155,243)</b>

## 26. Operating expenses by category

	Individual		Consolidated	
	03/31/2022	03/31/2021	03/31/2022	03/31/2021
Sales expenses	(12,989)	(12,017)	(15,158)	(13,812)
Research and development expenses	(11,173)	(9,250)	(11,173)	(9,250)
<b>Total selling expenses</b>	<b>(24,162)</b>	<b>(21,267)</b>	<b>(26,331)</b>	<b>(23,062)</b>
Expected loss due to impairment of trade receivables	720	(231)	813	(216)
Administrative expenses	(21,844)	(21,938)	(26,382)	(23,761)
Other operating revenue, net	703	(1,000)	604	(311)
<b>Total expenses</b>	<b>(44,583)</b>	<b>(44,436)</b>	<b>(51,296)</b>	<b>(47,350)</b>

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Notes to the financial statements – Continuation

As of March 31, 2022

(In thousands of *Reais*, except when otherwise indicated)

### a) Expenses by type

	Individual		Consolidated	
	03/31/2022	03/31/2021	03/31/2022	03/31/2022
Personnel	(23,272)	(20,565)	(25,588)	(22,258)
Specialized services	(4,727)	(7,627)	(4,743)	(6,392)
Marketing	(2,163)	(2,465)	(2,208)	(2,497)
Freight	(1,424)	(2,571)	(1,436)	(2,623)
Materials	(2,931)	(2,572)	(2,931)	(2,572)
Depreciation	(3,496)	(2,813)	(3,828)	(3,122)
General	(6,570)	(5,823)	(10,562)	(7,886)
<b>Total operating expenses</b>	<b>(44,583)</b>	<b>(44,436)</b>	<b>(51,296)</b>	<b>(47,350)</b>

## 27. Net financial result

	Individual		Consolidated	
	03/31/2022	03/31/2021	03/31/2022	03/31/2021
Interest received	16,514	967	16,534	981
Derivatives	-	12,473	-	12,473
Discounts obtained	560	45	560	47
<b>Total financial revenues</b>	<b>17,074</b>	<b>13,485</b>	<b>17,094</b>	<b>13,501</b>
Foreign exchange variation (a)	(24,969)	(6,912)	(23,662)	(7,180)
Derivatives	(15,598)	-	(15,598)	-
Interest incurred	(6,481)	(6,072)	(6,481)	(6,128)
Tax on financial operations	(2,050)	(333)	(2,050)	(333)
Bank commissions and expenses	(90)	(80)	(126)	(113)
Discounts granted	(36)	-	(83)	(66)
Others	(1,259)	(168)	(1,261)	(167)
<b>Total financial expenses</b>	<b>(50,483)</b>	<b>(13,565)</b>	<b>(49,261)</b>	<b>(13,987)</b>
<b>Total net financial income</b>	<b>(33,409)</b>	<b>(80)</b>	<b>(32,167)</b>	<b>(486)</b>

(a) Derivative instruments traded on the over-the-counter market with the purpose of establishing, in advance, an exchange rate at a future date. On the maturity date, settlement is made at the difference between the forward rate contracted and the market rate defined as reference, with the variation being attributed to the positive result. For further information see note 28.

## 28. Financial instruments

The financial instruments of the Company and its subsidiaries are substantially the same and therefore the Company only presents the consolidated information.

### a) Accounting classification and fair values

The table below shows the carrying amounts and the fair values of financial assets and liabilities, including their fair value hierarchy levels. It does not include fair value information for financial assets and liabilities that are not measured at fair value, if the carrying amount reasonably approaches fair value.

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	Accounting balance				Fair value		
	Note	Classification by Category	Fair value hierarchy	03/31/2022	12/31/2021	03/31/2022	12/31/2021
<b>Cash and Cash Equivalents</b>							
Cash and Cash Equivalents	6	Amortized cost	Level 1	206,099	51,864	-	-
Financial investments	7	Fair value through profit or loss	Level 1	613,210	870,958	613,210	870,958
<b>Trade accounts</b>							
Trade accounts	8	Amortized cost	Level 1	369,706	331,520	-	-
Related parties trade accounts	15	Amortized cost	Level 1	1,330	272	-	-
<b>Derivative financial instruments</b>							
Swap	28	Fair value through profit or loss	Level 2	-	(1,179)	-	(1,179)
NDF	28	Fair value through profit or loss	Level 2	(6,450)	12,534	-	12,534
<b>Other credits</b>							
Other credits		Amortized cost	Level 1	9,261	13,752	-	-
<b>Trade accounts payable</b>							
Trade accounts payable	16	Amortized cost	Level 2	86,507	115,535	-	-
Related party suppliers	15	Amortized cost	Level 2	1,132	-	-	-
<b>Financing</b>							
Loans and financing	17	Amortized cost	Level 2	-	39,861	-	-
Loans and financing foreign currency	17	Amortized cost	Level 2	-	1,868	-	-
Leases payable	12	Amortized cost	Level 2	-	902	-	902
Swap	28	Fair value through profit or loss	Level 2	10,497	10,463	-	-
Debentures	18	Amortized cost	Level 2	317,930	322,326	-	-
Other accounts payable	21	Amortized cost	Level 1	50,535	48,674	50,535	48,674

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### b) Fair Value Measurement

#### i) *Valuation Techniques and Significant Unobservable Inputs*

The table below presents the valuation technique used in Level 2 fair value measurement, as well as the significant unobservable inputs used.

#### Financial instruments measured at fair value

Type	Valuation technique	Assumptions
Forward exchange contracts and interest rate SWAPS	Market approach: the market approach takes into account the amounts that would be received from the sale of an asset under analysis. It reflects the market's perception of the value of a given asset.	The fair values are based on quotations from brokers. Similar contracts are traded in active markets and the quotes reflect current transactions of similar instruments.
Liabilities from the acquisition of subsidiaries - contingent consideration	Fair value estimated based on management's estimate of the realization of payment, based on knowledge of processes for registration of new drugs in progress at ANVISA. Obtaining the registrations will result in payment of the contingent obligation.	Estimate of success in obtaining ANVISA registrations.  Management's estimate directly determined the fair value applied to the amount payable, and the same estimate determined the value of the intangible assets related to the aforesaid ANVISA registrations.

### c) Financial risk management

The Company and its subsidiaries are exposed to the following risks resulting from financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk.

#### i) **Credit risk**

Credit risk is the risk that the Company and its subsidiaries will incur financial losses if a customer or counterparty to a financial instrument fails to fulfill its contractual obligations. This risk mainly results from the trade accounts receivable and financial instruments of the Company and its subsidiaries.

The carrying amount of financial assets represents the maximum credit exposure.



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The exposure of the Company and its subsidiaries to credit risk is mainly influenced by each customer's individual characteristics. However, management also takes into account factors that may influence the credit risk of its customer base, including the risk of default of the industry and country in which the customer operates.

As of March 31, 2022 and 2021, the maximum exposure to credit risk was as follows:

	Individual		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Cash and cash equivalents	193,687	45,497	206,099	51,864
Financial investments	606,386	859,343	613,210	870,958
Trade accounts receivable	373,037	335,074	371,036	331,792
Derivative financial instruments	-	11,354	-	11,354
Other receivables	7,527	8,031	9,261	13,752
<b>Total</b>	<b>1,180,637</b>	<b>1,259,299</b>	<b>1,199,606</b>	<b>1,279,720</b>

### ii) *Liquidity risk*

Liquidity risk is the risk that the Company and its subsidiaries may have difficulty to meet obligations associated with their financial liabilities settled in cash or another financial asset. The approach of the Company and its subsidiaries to managing liquidity is to ensure, as far as possible, that it always has sufficient liquidity to meet its obligations when due, both under normal conditions as well as under stress conditions, without incurring unacceptable losses or risking any damage to their reputation.

The Company and its subsidiaries monitor the expected level of cash receipts from 'Trade accounts and other receivables' together with the expected cash outflows related to 'Trade accounts payable and other accounts payable'.

#### Exposure to liquidity risk

The contractual maturities of financial liabilities at the reporting date are shown below.

	Consolidated – 03/31/2022		
	Up to 1 year	Up to 5 years	Accounting total
Trade accounts payable	87,639	-	87,639
Loans and financing	1,449	-	1,449
Debentures	56,677	261,253	317,930
Lease payable	2,009	8,488	10,497
Derivative financial instruments	6,450	-	6,450
Other accounts payable	20,175	15,224	35,399

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Total	174,399	284,965	459,364
<b>Consolidated – 12/31/2021</b>			
	Up to 1 year	Up to 5 years	Accounting total
Trade accounts payable	116,431	-	116,431
Loans and financing	41,729	-	41,729
Debentures	49,823	272,503	322,326
Lease payable	2,110	8,353	10,463
Other accounts payable	20,837	18,249	39,086
<b>Total</b>	<b>230,930</b>	<b>299,105</b>	<b>530,035</b>

### iii) **Market risks**

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the income of the Company and its subsidiaries or the value of their financial instruments. The objective of market risk management is to manage and control this type of exposure, keeping it within acceptable parameters.

In order to manage market risks, the Company and its subsidiaries use derivatives.

### iv) **Foreign exchange risk**

The Company and its subsidiaries are exposed to foreign exchange risk as a result of differences between the currencies in which sales, purchases, and loans are denominated and the respective functional currencies of the Company's entities. The functional currencies of the Company and its subsidiaries are basically the Brazilian Real (R\$), the Colombian Peso (COP) and the Uruguayan Peso (UYU). The currencies in which the Company's and its subsidiaries' transactions are primarily denominated are: BRL, USD, COP and UYU.

In general, loans are denominated in currencies equivalent to the cash flows generated by the business operations of the Company and its subsidiaries, primarily in BRL, but also in USD.

The Company designates the spot element of the forward exchange contracts in order to hedge its currency risk, applying a hedge ratio of 1:1. The forward elements of forward exchange contracts are excluded from the designation of the hedging instrument and are accounted for separately as hedging cost, which is recognized in equity in the hedging cost reserve. The Company's policy is that the critical terms of the forward exchange contracts are in alignment with the hedged items.

The Company determines the existence of an economic relationship between the hedging instrument and the hedged item based on the currency, amount and timing of the respective cash flows. The Company also makes an assessment as to whether or not the

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derivative designated in each hedging relationship is expected to be and has been effective in offsetting changes in the cash flows of the hedged item using the hypothetical derivative method.

In these hedge relationships, the main sources of ineffectiveness are:

- the effect of the Group's and the counterparties' own credit risk on the fair value of the forward exchange contracts, which is not reflected in the change in the fair value of the hedged cash flows attributable to the change in exchange rates; and
- the changes in the timing of hedged transactions

### Exposure to foreign exchange risk

A summary of the Company's and its subsidiaries' exposure to foreign exchange risk, as reported to management, is shown below:

	Consolidated 03/31/2022		Consolidated 12/31/2021	
	USD thousands	Reais	USD thousands	Reais
Trade accounts receivable	4,862	23,034	4,307	24,033
Trade accounts payable	(12,186)	(57,737)	(16,278)	(90,841)
Loans and financing	-	-	(7,478)	(41,729)
<b>Net exposure from expected transactions</b>	<b>(7,324)</b>	<b>(34,703)</b>	<b>(19,449)</b>	<b>(108,537)</b>
Non deliverable forward (NDF) contracts	16,000	69,355	23,000	137,091
<b>Net exposure</b>	<b>8,676</b>	<b>34,652</b>	<b>3,551</b>	<b>28,554</b>

### Sensitivity analysis

Pursuant to CVM Instruction No. 475, of December 17, 2008, the Company, in addition to the provisions of item 40 of CPC 40 (R1) – Financial Instruments: Disclosure, discloses a sensitivity analysis chart for each type of market risk considered material by Management, originated by financial instruments, to which the Company is exposed at the statement of financial position date, including all operations with derivative financial instruments.

Dollar-linked transactions: A reasonably possible appreciation (depreciation) of the US dollar versus all other currencies would have affected the measurement of financial instruments denominated in foreign currency and affected equity and net income by the amounts shown below.

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For sensitivity analysis purposes, we start off from the realized basis, where the closing dollar rate was R\$4.7378 and we considered two increase and decrease scenarios, according to the forecasts established in the FOCUS table for the coming periods.

Consolidated 03/31/2022					
	Risk	Exposure in R\$	Scenario I	Scenario II	Scenario III
<b>Transactions</b>					
Trade accounts receivable	USD	23.034	25.524	25.281	25.427
NDF	USD	(6.450)	(7.147)	(7.079)	(7.120)
<b>Effect on net income</b>		<b>16.584</b>	<b>(1.793)</b>	<b>(1.618)</b>	<b>(1.723)</b>

The Company has NDFs for the purchase of US dollar (USD) in the total amount of USD 16,000 (sixteen million dollars). The Company estimates for scenario I the dollar at 5.25/USD, for scenario II the dollar at 5.20/USD and for scenario III the dollar at 5.40/USD.

NDFs	Currency	Term	Contracted amount USD	Contracted rate	03/31/2022
Purchase	USD	08/01/2022	4,000	5.3570	21,428
Purchase	USD	09/01/2022	4,000	5.3925	21,570
Purchase	USD	10/03/2022	4,000	5.4280	21,711
Purchase	USD	11/01/2022	4,000	5.4680	21,871
<b>Total</b>			<b>16,000</b>		<b>86,580</b>

### Income related to derivative financial instruments

The liability the financial instruments is recognized as loans and financing, in the short term, and the gain or loss is recognized in the net financial income group.

Operations linked to CDI and IPCA: An appreciation (depreciation) would have affected the measurement of the Company's financial assets and liabilities and affected equity and profit or loss by the amounts shown below.

For sensitivity analysis purposes, we started from the closing basis, with CDI and IPCA, respectively at 9.25% and 10.06%, and considered two scenarios of increase and decrease, according to the forecasts established for in the FOCUS table.

Consolidated 03/31/2022					
	Risk	Exposure in R\$	Scenario I	Scenario II	Scenario III
<b>Operation</b>					
Financial investments	CDI	606,386	608,273	602,817	600,732
Debentures	CDI	317,930	318,010	313,786	312,683

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Loans and financing	CDI	1,449	1,452	1,431	1,425
Lease payable	IPCA	10,497	11,217	10,896	10,833
<b>Effect on net income</b>		<b>936,262</b>	<b>(2,690)</b>	<b>7,333</b>	<b>10,588</b>

The Company estimates the following probable scenarios: For scenario I, considering the next period of contracts, CDI at 13% and IPCA at 9%, for scenario II, CDI at 7.5% and IPCA at 3.80% and for scenario III, CDI at % and IPCA at -3.20%.

## 29. Insurance Coverage

The Company and its subsidiaries adopt an insurance policy that mainly considers the concentration of risks and their materiality, taking into account the nature of their activities and the guidance of their insurance advisors.

Insurance coverage, as of March 31, 2022, is as follows:

Insured goods	Covered risks	Coverage amount
Industrial complex and administrative sites	Any material damage to buildings, facilities, inventories and machinery and equipment.	345,330,000
Vehicles	Fire, theft and collision of vehicles insured by the Company and its subsidiaries.	18,083,000
Loss of profits	Non-realization of profits resulting from material damage to facilities, buildings and production machinery and equipment.	200,000,000
Transport	Damage to goods in transit.	20,000,000
Civil liability	Protection against errors or claims in the exercise of professional activity that affects third parties.	30,000,000

## 30. Information by business segment

The Company's segmentation is based on the commercial strategy found in the pharmaceutical market and as presented to the main internal decision maker, which is the Company's Board of Directors, as well as the performance assessment of the segments listed below:

- Institutional – the business segment consisting of drugs applied in specific treatments in public and private hospitals and clinics, with a broad portfolio of biological, oncology, and specialties products, among others.
- Retail - the business segment that caters to the pharmaceutical retail channel, which consists of a less varied portfolio.

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The Company's business activities is divided into four business units:

- **Biologicals:** Biological products are drugs produced by biosynthesis in living cells, as opposed to synthetics, which are produced by chemical synthesis. Biologicals are a diverse and heterogeneous class of products that can be produced using raw materials from two different origins: a) drugs obtained from biological material that are extracted from microorganisms (live, attenuated or dead), organs and tissues of plant or animal origin, cells or fluids of human or animal origin; b) drugs obtained by biotechnological procedures, which are recombinant proteins obtained from genetically modified cells; monoclonal antibodies.
- **Oncology:** The oncology line is made up of oral and injectable drugs of different origins, intended for treating cancer, which encompass a number of therapeutic classes and types of treatment.
- **Specialties:** The specialties line is made up of products that are used in the hospital's daily routine, in most of the specialized treatments for infectious diseases and special treatments, and others. The line includes antibiotics, muscle relaxants with therapeutic applications, injectable drugs and anesthetics, and others.
- **Others:** The Others line consists of prescription and non-prescription over-the-counter (OTC) drugs, focused on the retail and non-retail markets, including dermo-medicines, condoms, and others.

Information regarding the results of each reportable segment is shown below. Performance is assessed based on the result of the segment before income tax and social contribution, as it is management's opinion that this information is more relevant in assessing the results of the respective segments for comparability with other entities operating in the same industry.

### a) Statements of profit or loss by segment

	<b>Individual Institutional</b>		<b>Consolidated Institutional</b>	
	<b>03/31/2022</b>	<b>03/31/2021</b>	<b>03/31/2022</b>	<b>03/31/2021</b>
Net revenue	<b>275,945</b>	300,322	<b>279,160</b>	305,372
Cost of goods and products sold (i)	<b>(138,892)</b>	(142,532)	<b>(137,422)</b>	(145,363)
<b>Gross Profit</b>	<b>137,053</b>	<b>157,790</b>	<b>141,738</b>	<b>160,009</b>
Operating expenses	<b>(42,310)</b>	(40,671)	<b>(48,286)</b>	(44,045)
Other operating revenue	<b>1,268</b>	(936)	<b>3,393</b>	(291)
Financial income	<b>(29,764)</b>	(75)	<b>(28,658)</b>	(455)
Equity accounting income	<b>2,086</b>	(1,266)	-	-
<b>Income before taxes</b>	<b>68,333</b>	<b>114,842</b>	<b>68,187</b>	<b>115,218</b>
	<b>Individual Retail</b>		<b>Consolidated Retail</b>	

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As of March 31, 2022

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Net revenue	33,788	20,413	34,182	20,756
Cost of goods and products sold (i)	(17,007)	(9,688)	(16,827)	(9,880)
<b>Gross Profit</b>	<b>16,781</b>	<b>10,725</b>	<b>17,355</b>	<b>10,876</b>
Operating expenses (ii)	(5,181)	(2,765)	(5,912)	(2,994)
Other operating revenues	155	(64)	416	(20)
Financial income	(3,645)	(5)	(3,509)	(31)
Equity accounting income	255	(173)	-	-
<b>Income before taxes</b>	<b>8,365</b>	<b>7,718</b>	<b>8,350</b>	<b>7,831</b>

### (i) Costs of goods and products sold

	Individual		Consolidated	
	03/31/2022	03/31/2021	03/31/2022	03/31/2021
<b>Institucional</b>				
Raw materials and packaging	(112,160)	(113,784)	(110,691)	(114,556)
Workforce	(5,688)	(6,226)	(5,688)	(6,792)
Depreciation and amortization	(1,085)	(1,484)	(1,085)	(1,603)
Other manufacturing expenses	(19,960)	(21,038)	(19,958)	(22,412)
<b>Total cost of sales</b>	<b>(138,893)</b>	<b>(142,532)</b>	<b>(137,422)</b>	<b>(145,363)</b>
	Individual		Consolidated	
	31/03/2022	31/03/2021	31/03/2022	31/03/2021
<b>Retail</b>				
Raw materials and packaging	(13,734)	(7,734)	(13,554)	(7,786)
Workforce	(696)	(423)	(696)	(462)
Depreciation and amortization	(133)	(101)	(133)	(109)
Other manufacturing expenses	(2,443)	(1,430)	(2,444)	(1,523)
<b>Total cost of sales</b>	<b>(17,006)</b>	<b>(9,688)</b>	<b>(16,827)</b>	<b>(9,880)</b>

### (ii) Operating expenses

	Individual		Consolidated	
	03/31/2022	03/31/2021	03/31/2022	03/31/2021
<b>Institucional</b>				
Sales	(12,214)	(11,252)	(14,229)	(12,933)
Research and development	(11,277)	(8,661)	(11,277)	(8,661)
<b>Total selling expenses</b>	<b>(23,491)</b>	<b>(19,913)</b>	<b>(25,506)</b>	<b>(21,594)</b>
Expected loss from impairment of accounts receivable	641	(216)	724	(202)
Administrative expenses	(19,460)	(20,542)	(23,504)	(22,249)
<b>Total expenses</b>	<b>(42,310)</b>	<b>(40,671)</b>	<b>(48,286)</b>	<b>(44,045)</b>
	Individual		Consolidated	
	03/31/2022	03/31/2021	03/31/2022	03/31/2021
<b>Retail</b>				
Sales	(1,495)	(765)	(1,742)	(879)
Research and development	(1,381)	(589)	(1,381)	(589)
<b>Total selling expenses</b>	<b>(2,876)</b>	<b>(1,354)</b>	<b>(3,123)</b>	<b>(1,468)</b>

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Expected loss from impairment of accounts receivable	79	(15)	89	(14)
Administrative expenses	(2,384)	(1,396)	(2,878)	(1,512)
<b>Total expenses</b>	<b>(5,181)</b>	<b>(2,765)</b>	<b>(5,912)</b>	<b>(2,994)</b>

### b) Statement of financial position accounts by segment

	<u>Individual Institutional</u>		<u>Consolidated Institutional</u>	
	<u>03/31/2022</u>	<u>03/31/2021</u>	<u>03/31/2022</u>	<u>03/31/2021</u>
<b>Assets</b>				
Trade accounts receivable	338,835	277,229	338,301	281,659
Provision for expected credit losses	(6,492)	(5,256)	(7,741)	(6,704)
Inventories	376,778	334,146	400,531	351,766
Provision for impairment	(18,447)	(12,834)	(18,961)	(13,734)
<b>Total assets</b>	<b>690,674</b>	<b>593,285</b>	<b>712,130</b>	<b>612,987</b>
Trade accounts payable	77,734	100,694	78,079	102,155
<b>Total liabilities</b>	<b>77,734</b>	<b>100,694</b>	<b>78,079</b>	<b>102,155</b>
	<u>Individual Retail</u>		<u>Consolidated Retail</u>	
	<u>03/31/2022</u>	<u>12/31/2021</u>	<u>03/31/2022</u>	<u>12/31/2021</u>
<b>Ativo</b>				
Contas a receber de clientes	41,489	18,844	41,424	19,145
Provisão para perdas esperadas	(795)	(357)	(948)	(456)
Estoques	46,135	22,243	49,044	23,441
Provisão para redução ao valor recuperável	(2,259)	(872)	(2,322)	(933)
<b>Total do ativo</b>	<b>84,570</b>	<b>39,858</b>	<b>87,198</b>	<b>41,197</b>
Fornecedores	9,518	6,844	9,560	6,944
<b>Total do passive</b>	<b>9,518</b>	<b>6,844</b>	<b>9,560</b>	<b>6,944</b>

## 31. Subsequent events

In March 2022, the Annual General Meeting approved the allocation of income for the year ended December 31, 2021. The minimum mandatory dividend and interest on equity (JCP) in the amount of R\$36,882 and R\$24,956, respectively, were deducted from net income in question, and were both paid in full on April 5 and 19, respectively.



## **Blau Farmacêutica S.A.**

Notes to the financial statements – Continuation

As of March 31, 2022

(In thousands of *Reais*, except when otherwise indicated)

\* \* \*

Marcelo Rodolfo Hahn  
Chief Executive Officer

Rogério Ferreira  
Chief Financial and Investor Relations Officer

Darcio Siqueira Zarpellon  
Accountant CRC – 1SP216891/O-9  
Controllership Manager