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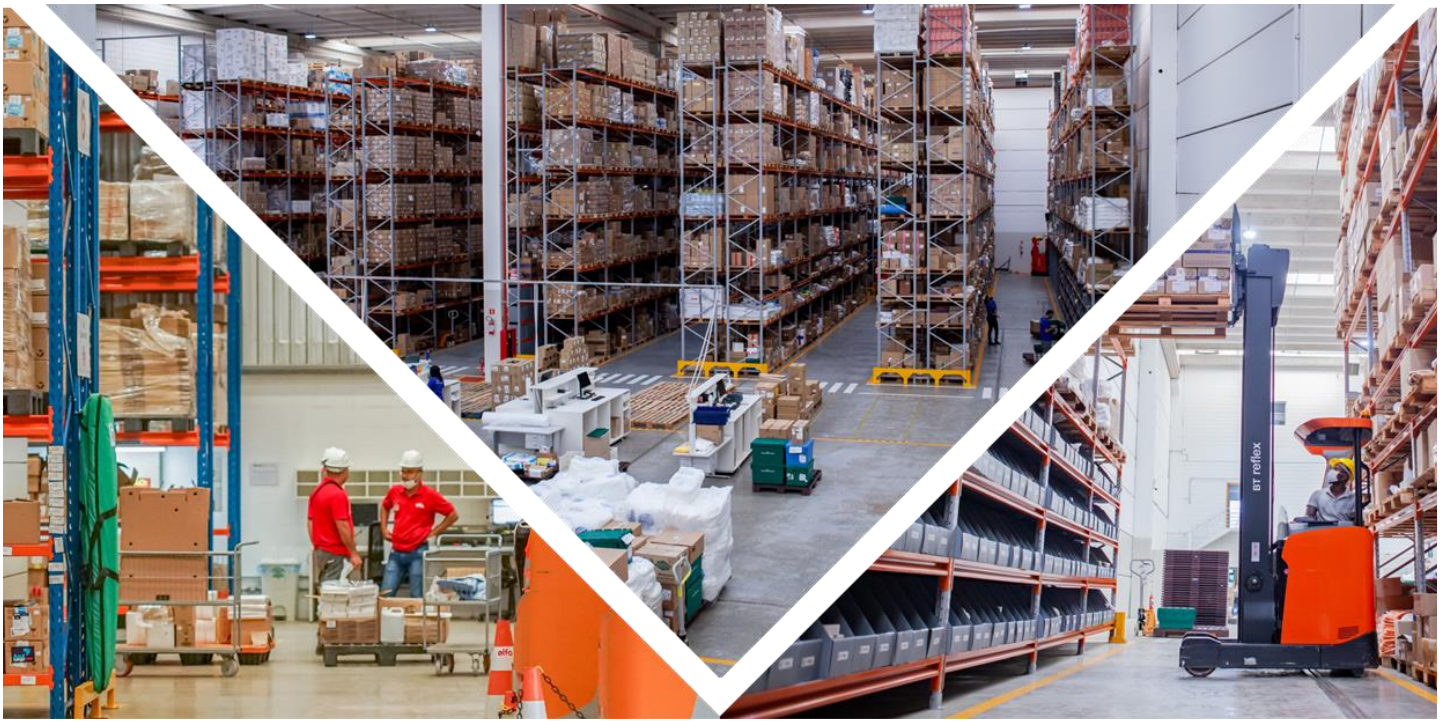

3Q22

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Grupo Elfa announces its results for the third quarter of 2022

São Paulo, November 14, 2022 – Elfa Medicamentos S.A. announces its consolidated results for the third quarter of 2022 (3Q22). The operational and financial information, unless otherwise indicated, is presented in Brazilian reais, in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the accounting practices adopted in Brazil issued by the Accounting Pronouncements Committee (CPC) and approved by the Brazilian Securities and Exchange Commission (CVM). The information contained herein must be analyzed together with the financial reports for the nine-month period ended September 30, 2022 filed with the CVM and available on the Company's Investor Relations website (https://ri.grupoelfa.com.br).

3Q22 Financial and Operating Highlights

- **Net Operating Revenue (NOR) of R$1,619.7 million** in 3Q22, up by +9.2% over 3Q21.
- **Gross Profit of R$194.7 million** in 3Q22, down by -13.4% compared to 3Q21.
- **The efficient management of our expenses** allowed them to reduce organically by -7.9% in 3Q22 compared to 3Q21. 3.9% growth explained by acquisitions.
- **Adjusted EBITDA of R$71.7 million** in 3Q22, down by -13.7% over 3Q21.
- **Adjusted Net Income of R$-40.4 million** in 3Q22, -172.8% compared to 3Q21.

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- We advanced in our project to **optimize our Distribution Centers** and inaugurated two DCs in 3Q22, strengthening our operations and regional service portfolio.
- **We intensified our ESG agenda**, through actions by Committees and diversity, seeking to agendas, proposals, and indispensable solutions to guarantee a more equal and inclusive reality inside and outside of the Elfa Group, fully supported by the Executive Board.

(R$ million)	3Q21 Reported (a)	3Q22 Reported (d)	Growth Reported (f)= (d÷a)-1	9M21 Reported (a)	9M22 Reported (d)	Growth Reported (f)= (d÷a)-1
Adjusted Net Revenues (NOR)	1,483.7	1,619.7	*9.2%*	4,366.1	4,407.4	*0.9%*
Adjusted Gross Profit	224.8	194.7	*-13.4%*	675.0	593.1	*-12.1%*
Gross Margin (% NOR)	*15.2%*	*12.0%*	-3.1 p.p.	*15.5%*	*13.5%*	-2.0 p.p.
Adjusted EBITDA	83.1	71.7	*-13.7%*	296.5	239.3	*-19.3%*
% Adusted EBITDA Margin (% NOR)	*5.6%*	*4.4%*	*-1.2 p.p.*	*6.8%*	*5.4%*	*-1.4 p.p.*
Adjusted Net Income	55.6	(40.4)	*-172.8%*	215.8	10.8	*-95.0%*
Net Margin (% NOR)	*3.7%*	*-2.5%*	*-6.2 p.p.*	*4.9%*	*0.2%*	*-4.7 p.p.*
Net Income	50.9	(48.1)	*-194.6%*	192.3	(11.9)	*-106.2%*
Net Margin (% NOR)	*3.4%*	*-3.0%*	*-6.4 p.p.*	*4.4%*	*-0.3%*	*-4.7 p.p.*

Message from Management

The third quarter of 2022 represented an important inflection point in relation to the results of the first half of 2022, with important improvements in revenue in our main business units and a great perspective for the recovery of supply chains that point to a very positive scenario for the next quarters.

Although we are still facing a very strong comparison base due to the pandemic in 2021, we believe that the third quarter will be the last with these impacts increasing our expectations regarding the subsequent quarters.

In this quarter, we resumed growth in our largest line of business Reference Medicines - Private (Pharmaceuticals Specialties segment) with market share gains for the second consecutive quarter. We also observed an important evolution in sales in OPME (MedTech - Hospital Medical Supplies Segment) and Private Generics and Similar (Pharmaceuticals Specialties segment) accompanied by a gain in market share in the period. On the other hand, the Essential Materials line (disposable products - Hospital Medical Materials Segment) and Descarpack continue to face a challenging scenario as they benefited the most in the same period of the previous year.

Regarding our operating expenses, despite the inflationary scenario, we maintained a strong discipline with growth significantly below the inflation for the period.

Our Services business unit continues to be fundamental to our strategy of being a “one stop shop” for our customers. We continue to seek opportunities to strengthen our products and service portfolio and to expand our national presence in selected segments and channels where we have relevant competitive advantages, generating value to our customers and shareholders.

We continued to accelerate our distribution center optimization project with the opening of two new DCs this quarter, the first in the city of Simões Filho (BA) which will supply 30% of the Group's hospital supplies and medicines to Sergipe, Alagoas, Pernambuco, Bahia, Rio Grande do Norte, Tocantins and Rondônia, in addition to strengthening our operations and our regional service portfolio; and the second in the state of Pernambuco, which will be our largest distribution center in the north-northeast region and which will inaugurate a major project to expand our logistics network.

We remain confident in the resilience of the market in which Elfa operates, guided by the continuous aging of the population, focus on long-term investments in innovations in value-added reference medicines by large pharmaceutical companies, greater access of the Brazilian population to healthcare, and the offer of high value-added services to our customers and business partners, with Elfa becoming one of the most relevant and prepared players through its management and logistics solutions for the Brazilian healthcare market.

We are aware of the importance of everyone involved in the healthcare chain and, without their dedication, we would not have strengthened our presence with customers, suppliers, and hospitals, positively impacting the lives of patients.

Innovation and Digital Agenda

We aim to build a solid base of digital resources and platforms with a single integrated ecosystem, connecting clinics and integrating hospitals. To achieve this goal, we built an ambitious digital agenda aiming to attract talent and develop our internal teams.

In the first nine months of 2022, we had many accomplishments and advances in our agenda, which is to become an increasingly digital company and to transform our corporate culture through innovation.

In July, we were awarded as one of the most innovative companies in Brazil by winning in the Transportation and Logistics segment in a survey carried out by Valor Econômico in partnership with Strategy, of PwC.

Our Digital and Innovation Board - responsible for the ‘Elfa Digital Journey’ and Ágil feature - is accelerating expansion on three work fronts:

Innovation:

- Our intrapreneurship program increased by 64% in relation to the year of 2021;

Customer Experience:

- Go live from the 'Customer Service' area (after-sales Customer Service) in three more Group companies;
- Omnichannel: we implemented a new customer service channel, entirely connected, to serve with greater effectiveness and agility;
- Post-sales service BOT: we implemented this additional alternative for Elfa customers to gain quick and practical access to order information, slips, post-sales requests, among others.

Digital:

- Launch of the new e-commerce of Atrial Materials, with the objective of selling medical and hospital materials to a wide variety of audiences, mainly medical clinics.
- Launch of an internal price quotation platform integrated, integrated with the main portals in the market, using artificial intelligence to increase and accelerate responses to customers and boost our conversions.
- Implementation of the “Salesforce” system in another company of the group, supporting customer management, business generation and decision making for our commercial team in the drug and medical supplies business units.
- Launch of the Self-Service Portal (Client Portal) for the customers of 6 companies of our group, concentrating our customers’ main demands, such as: Tracking view, orders, financial securities, slips, invoices, return request and a chatbot to answer questions or forward them it to an attendant already registering a Service ticket.

Acquisition of Descarpack

On May 2, 2022, we concluded the acquisition of 100% of the share capital of Descarpack Descartáveis do Brasil Ltda. (“Descarpack”), announced on October 18 of last year.

Descarpack was founded in 1996 and is a national leader in the high-quality disposable products market, being "top of mind" in the institutional segment aimed at hospitals, professionals and pharmaceutical areas. The company operates an asset light business model and is focused on innovation, wide customer base, building solid relationship with global suppliers, and having a recognized own brand.

The assets acquired from Descarpack had a fair value of R$943 million on the acquisition date, and the Transaction is subject to achieving certain targets and adjustments established in the purchase agreement. For more information on this Transaction, please see Note 3 of our Quarterly Information (ITR) for the nine-month period ended September 30, 2022.

Seeking to report Descarpack's performance based on the numbers we consider in our models (ex-Covid), we are reporting two different values as a comparative base (scope) for 2021: (i) NOR, Gross profit (and % gross margin) and EBITDA that reflects the reported (book) values of Descarpack, and (ii) NOR, Gross profit (and % gross margin) and “adjusted” EBITDA which reflect our best estimate for Descarpack’s performance in 2021, excluding the effects of the pandemic. It is worth highlighting that this does not change the amounts actually reported in our 2022 results, but it does affect the Company’s organic performance reported in this period.

We are including in the appendix of this report the comparison for the year ended December 31, 2021, scheduled by quarter to demonstrate the allocation of the effects of the pandemic over the past year.

DIFAL (differential ICMS tax rate system) – Update

As mentioned throughout 2021, on February 24, 2021, the Federal Supreme Court (STF) set a thesis of unconstitutionality for DIFAL. In response to the STF decision, rules for the DIFAL were finally introduced by Complementary Law 190/2022. The new legislation addressed the gap; however, the States began to require DIFAL to be applicable as of April 2022, respecting not the previous annual precedence, but only a 90-day holding period. In view of this scenario, the Company stopped paying DIFAL in the 90 days following the publication of the Complementary Law and, in the meantime, filed lawsuits to discuss the need to apply the precedence. As a result, since April, the Company has stopped paying DIFAL in the states where it obtained a favorable injunction and has been making legal deposits in states where the Company has not obtained injunctions.

Gains arising from the non-payment of DIFAL, in the first nine months of 2021 and 2022, are reported in the corresponding sales tax line under Net Operating Revenue. Additionally, in the first quarter of 2021, Elfa reversed R$29.8 million in “Other Income” referring to DIFAL credits for the year of 2020.

Subsequent Events

On October 11, 2022, the Company hired a bank loan with Banco ABC Brasil S.A. in the form of a Bank Credit Bill, in the amount of R$65.0 million, with interest of CDI + 2.90% p.a., maturing in 18 months and without the need for guarantees.

On October 14, 2022, the Company hired a bank loan with Banco do Brasil S.A. in the form of a Bank Credit Bill, in the amount of R$20.0 million, with interest of CDI + 2.80% p.a., an additional fee of 0.50%, and an additional IOF flat rate of 0.38% + 0.0041% per day, maturing in 12 months, with quarterly interest payments.

On October 14, 2022, the Company hired, through one of its subsidiaries, a bank loan with Banco do Brasil S.A. in the form of a Bank Credit Bill, in the amount of R$15.0 million, with interest of CDI + 2.80% p.a., an additional fee of 0.50%, and an additional IOF flat rate of 0.38% + 0.0041% per day, maturing in 12 months, with quarterly interest payments.

Consolidated Income Statement

(R$ million)	3Q21 Reported (a)	3Q22 Reported (d)	Growth Reported (f)=(d÷a)-1	9M21 Reported (a)	9M22 Reported (d)	Growth Reported (f)=(d÷a)-1
Adjusted Net Revenues (NOR)	1,483.7	1,619.7	9.2%	4,366.1	4,407.4	0.9%
COGS	(1,258.9)	(1,425.0)	13.2%	(3,691.1)	(3,814.3)	3.3%
Adjusted Gross Profit	224.8	194.7	-13.4%	675.0	593.1	-12.1%
Gross Margin (% NOR)	15.2%	12.0%	-3.1 p.p.	15.5%	13.5%	-2.0 p.p.
Operating Expenses	(147.4)	(153.2)	3.9%	(418.5)	(462.4)	10.5%
Other Operating	5.7	30.3	429.7%	40.0	108.7	172.0%
Adjusted EBITDA	83.1	71.7	-13.7%	296.5	239.3	-19.3%
% Adusted EBITDA Margin (% NOR)	5.6%	4.4%	-1.2 p.p.	6.8%	5.4%	-1.4 p.p.
Non-Recurring	(4.7)	(7.7)	63.9%	(23.5)	(22.6)	-3.5%
Depreciation and Amortization	(28.0)	(42.8)	53.2%	(80.5)	(116.1)	44.3%
Operating Profit (EBIT)	50.5	21.2	-58.0%	192.5	100.5	-47.8%
Financial Result	(21.4)	(95.2)	345.1%	(49.6)	(185.3)	273.4%
IR/CSSL	21.8	25.9	18.8%	49.4	72.9	47.4%
Net Income	50.9	(48.1)	-194.6%	192.3	(11.9)	-106.2%
Net Margin (% NOR)	3.4%	-3.0%	-6.4 p.p.	4.4%	-0.3%	-4.7 p.p.
Non-recurring	4.7	7.7	63.9%	23.5	22.6	-3.5%
Adjusted Net Income	55.6	(40.4)	-172.8%	215.8	10.8	-95.0%
Net Margin (% NOR)	3.7%	-2.5%	-6.2 p.p.	4.9%	0.2%	-4.7 p.p.

Net Revenue

(R$ million)	3Q21 Reported (a)	3Q22 Reported (d)	Growth Reported (f)=(d÷a)-1	9M21 Reported (a)	9M22 Reported (d)	Growth Reported (f)=(d÷a)-1
Adjusted Net Revenues	**1,483.7**	**1,619.7**	**9.2%**	**4,366.1**	**4,407.4**	**0.9%**
Pharmaceutical Specialties	1,204.7	1,231.1	2.2%	3,582.9	3,420.9	-4.5%
Hospital Medical Supplies	279.1	388.6	39.3%	783.2	986.5	26.0%

Adjusted net operating revenues reached R$1,619.7 million in 3Q22, up by +9.2% compared to 3Q21. This growth is explained by the acquisitions in the period, offset by the strong sales comparison period in our Medical Hospital Supplies business and the disruption observed in our aesthetic clinics (Delivery) business. Excluding this disruption, our NOR grew +12.5% in the quarter.

In 'Pharmaceutical Specialties', adjusted net operating revenue in 3Q22 grew 2.2% over the previous year, despite the strong organic growth delivered in 3Q21 (+18.6%), the reduction in price and demand for medicines for the treatment of COVID-19 observed since August of last year, mainly in 'Generics and Similar' and by the disruption observed in our aesthetic clinics (Delivery) business, partially offset by the improvement in the BU of Reference Medicines. Excluding the effect of the disruption of Delivery clinics, NOR of Pharmaceutical Specialties grew +6.3%.

Our Hospital Medical Supplies segment grew by +39.3%, mainly due to the acquisition of Descarpack, by the increased volume of elective surgeries in our MedTech BU and retail acceleration in our Nutrition BU, partially offset by the negative effect of the pandemic on our “Essentials” line.

In relation to 9M22, adjusted net revenue reached R$ 4,407.4, an increase of 0.9% compared to 9M21. 'Pharmaceutical Specialties' fell by -4.5%, due to the strong comparison period in the previous year (+37.6% in 9M21). 'Hospital Medical Materials' delivered growth of 26.0%, mainly due to the effect of the acquisition of Descarpack.

Gross Profit

(R$ million)	3Q21 Reported (a)	3Q22 Reported (d)	Growth Reported (f)= (d÷a)-1	9M21 Reported (a)	9M22 Reported (d)	Growth Reported (f)= (d÷a)-1
Adjusted Gross Profit	**224.8**	**194.7**	***-13.4%***	**675.0**	**593.1**	***-12.1%***
Pharmaceutical Specialties	155.5	94.4	*-39.3%*	487.9	379.7	*-22.2%*
Hospital Medical Supplies	69.4	100.3	*44.7%*	187.0	213.4	*14.1%*
Adjusted Gross Margin	**15.2%**	**12.0%**	**-3.1 p.p.**	**15.5%**	**13.5%**	**-2.0 p.p.**
Pharmaceutical Specialties	12.9%	7.7%	-5.2 p.p.	13.6%	11.1%	-2.5 p.p.
Hospital Medical Supplies	24.9%	25.8%	1.0 p.p.	23.9%	21.6%	-2.3 p.p.

Adjusted gross profit totaled R$194.7 million in 3Q22, reducing by -13.4% compared to the same quarter in the previous year.

Gross margin reached 12.0% in 3Q22, a -3.1pp contraction compared to 3Q21. This margin reduction was a consequence of a reduction in the prices charged for medicines, mainly Generics and Similar, and an adjustment in the prices charged for Hospital Medical Supplies in the Essentials line.

'Pharmaceutical Specialties' showed a reduction in adjusted gross profit of -39.3%, and a gross margin contraction of -5.2pp due to: (i) 3Q21 comparison; and (ii) effect observed mainly in the Generics and Similar lines.

'Hospital Medical Materials' showed adjusted gross profit growth of 44.7%, reflecting the acquisition of Descarpack.

In the first nine months of the year, gross profit reached R$593.1 million, which represents a decrease of -12.1% compared to 9M21, as a result of inflationary pressure on our costs in the period, partially offset by the positive effect of our acquisitions in the period have margins above our average. Gross margin reached 13.5%, a contraction of -2.0p.p. compared to 9M21, mainly due to the strong comparison period.

Operating Expenses and Others

(R$ million)	3Q21 Reported (a)	3Q22 Reported (d)	Growth Reported (f)= (d÷a)-1	9M21 Reported (a)	9M22 Reported (d)	Growth Reported (f)= (d÷a)-1
Operating Expenses	**(147.4)**	**(153.2)**	***3.9%***	**(418.5)**	**(462.4)**	***10.5%***
% NOR	***-9.9%***	***-9.5%***	***0.5 p.p.***	***-9.6%***	***-10.5%***	***-0.9 p.p.***
Selling Expenses	(69.0)	(71.4)	*3.5%*	(197.5)	(250.8)	*27.0%*
Allowance for Doubtful Accounts	(4.1)	(5.6)	*35.7%*	(15.7)	(15.2)	*-3.2%*
General and Administrative	(74.3)	(76.2)	*2.6%*	(205.2)	(196.4)	*-4.3%*
Other Operating	**5.7**	**30.3**	***429.7%***	**40.0**	**108.7**	***172.0%***
% NOR	***0.4%***	***1.9%***	***1.5 p.p.***	***0.9%***	***2.5%***	***1.6 p.p.***

In 3Q22, operating expenses totaled R$153.2 million (9.5% of net operating revenue), an increase of 3.9% compared to 3Q21. Eliminating the effect of our acquisitions, our operating expenses decreased by 7.9% compared to 3Q21.

This reduction in operating expenses, excluding the effect of acquisitions in 3Q22, is due to the disciplined management of our expenses, which is allowing us to offset an inflation of 11% in the last twelve months combined with the phasing of some expenses in 2022.

Other Operating Results in 2Q22 totaled R$30.3 million, compared to R$5.7 million in 3Q21, mainly due to extemporaneous credits recognized in the quarter.

In the first nine months of 2022, operating expenses totaled R$462.4 million (10.5% of net operating revenue), an increase of 10.5% compared to 2021. Excluding the effect of acquisitions in the period, our expenses reduced by 2.8% or a real reduction of 14.7% when considering inflation for the period. This reduction is due to an efficient management of our expenses in 9M22. Operating expenses as a percentage of NOR grew 0.9pp in the period, reaching 10.5%, a 100% increase explained by the drop in NOR in 9M22 when compared to the same period in 2021.

Other Operating Results in 9M22 totaled R$108.7 million, compared to R$40.0 million in 9M21, mainly due to extemporaneous credits recognized during 2022.

Adjusted EBITDA

(R$ million)	3Q21 Reported (a)	3Q22 Reported (d)	Growth Reported (f)= (d÷a)-1	9M21 Reported (a)	9M22 Reported (d)	Growth Reported (f)= (d÷a)-1
Adjusted Gross Profit	**224.8**	**194.7**	***-13.4%***	**675.0**	**593.1**	***-12.1%***
Gross Margin (% NOR)	*16.7%*	*13.0%*	*-3.6 p.p.*	*15.6%*	*14.3%*	*-1.3 p.p.*
Operating Expenses	(147.4)	(153.2)	*3.9%*	(418.5)	(462.4)	*10.5%*
Other Operating	5.7	30.3	*429.7%*	40.0	108.7	*172.0%*
Adjusted EBITDA	**83.1**	**71.7**	***-13.7%***	**296.5**	**239.3**	***-19.3%***
Adjusted EBITDA Margin (% NOR)	*5.6%*	*4.4%*	*-1.2 p.p.*	*6.8%*	*5.4%*	*-1.4 p.p.*

Adjusted EBITDA totaled R$71.7 million in 3Q22, reducing by -13.7% over the same quarter in the previous year. This reduction is mainly due to (i) -13.4% reduction in adjusted gross profit, and (ii) 3.9% growth in operating expenses, partially offset by (iii) extemporaneous gains recognized in the quarter.

Year-to-date until September, adjusted EBITDA totaled R$239.3 million, declining by -19.3% from 9M21. This reduction is mainly due to (i) a -12.1% reduction in adjusted gross profit and (ii) a 10.5% increase in operating expenses; partially offset by (iii) extemporaneous gains in 9M22.

Operating Income (EBIT)

(R$ million)	3Q21 Reported (a)	3Q22 Reported (d)	Growth Reported (f)= (d÷a)-1	9M21 Reported (a)	9M22 Reported (d)	Growth Reported (f)= (d÷a)-1
Adjusted EBITDA	**83.1**	**71.7**	***-13.7%***	**296.5**	**239.3**	***-19.3%***
Adjusted EBITDA Margin (% NOR)	*5.6%*	*4.4%*	*-1.2 p.p.*	*6.8%*	*5.4%*	*-1.4 p.p.*
Non-recurring	(4.7)	(7.7)	*63.9%*	(23.5)	(22.6)	*-3.5%*
Depreciation and Amortization	(28.0)	(42.8)	*53.2%*	(80.5)	(116.1)	*44.3%*
Operating Profit (EBIT)	**50.5**	**21.2**	***-58.0%***	**192.5**	**100.5**	***-47.8%***

In 3Q22, Operating Income (EBIT) was R$ 21.2 million, a reduction of -58.0% compared to 3Q21.

In addition to the 13.7% reduction in Adjusted EBITDA, the operating income line also considered the effects of (i) non-recurring expenses resulting from acquisitions (such as legal advisors and due diligence) and integrations (consulting support), and; (ii) increase in depreciation and amortization, mainly due to the amortization of capital gains from acquisitions in the period.

In 9M22, operating income (EBIT) was R$100.5 million, down by -47.8% vs. 9M21.

In addition to the 19.3% reduction in Adjusted EBITDA, the operating income line includes the effects of non-recurring expenses and increase in amortization of capital gains. In 1Q22, we recognized, as a non-recurring item, a gain of R$18 million from the price adjustment for the acquisition in previous years.

Financial Result

(R$ million)	3Q21 Reported	3Q22 Reported	Growth Reported	9M21 Reported	9M22 Reported	Growth Reported
Financial Expenses	(24.4)	(102.4)	*319.9%*	(57.1)	(204.2)	*257.7%*
Financial Income	3.0	7.1	*139.1%*	7.5	18.9	*153.3%*
Financial Result	**(21.4)**	**(95.2)**	***345.1%***	**(49.6)**	**(185.3)**	***273.4%***

Financial result for 3Q22 came in as a net expense of R$95.2 million, up by 345.1% over 3Q21. This growth was mainly driven by the increase in the Group's debt to finance the acquisition agenda in 2H21 (Biodente, DRS and TLS) and the acquisition of Descarpack in April of this year (bank loans and accounts payable of the acquired companies), in addition to an increase in interest rate.

In 9M22, financial result came in as a net expense of R$185.3 million, up by 273.4% over the same period of the previous year. This evolution was due to the same factors observed in the quarter (increase in debt and accounts payable for acquisitions).

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

(R$ million)		3Q21	3Q22	9M21	9M22
Operating profit before taxes	(a)	29.1	(74.0)	142.9	(84.8)
Legal combined tax rate		34.0%	34.0%	34.0%	34.0%
Income tax and social contribution over legal tax rates	**(b)**	**(9.9)**	**25.2**	**(48.6)**	**28.8**
Adjustments (tax effect; multiplied by 34%)					
Grants on investments		17.4	18.5	73.5	62.3
Other additions and exclusions, net		14.7	(17.8)	25.0	(18.2)
Additions and exclusions, net	(c)	32.1	0.7	98.4	44.0
Income tax and social contribution, net	**(d) = (b) + (c)**	**22.2**	**25.9**	**49.9**	**72.9**
Effective tax rate	(d) ÷ (a)	-76.4%	35.0%	-34.9%	86.0%

In 3Q22, IR/CS came in as a revenue of R$25.9 million, compared to a revenue of R$22.2 million in 3Q21. This gain is explained by the reduction in earnings before taxes and was partially offset by lower adjustments to the effective tax rate in 3Q22 vs. 3Q21.

The Company benefits from a special ICMS regime with a lower calculation base. In accordance with Brazilian tax legislation, ICMS tax benefits validated by CONFAZ (National Council of Fiscal Policy) are also excluded from the base used to calculate IR/CSLL taxes, as seen in the "Investment subsidy" item.

Net Income and Adjusted Net Income

(R$ million)	3Q21 Reported (a)	3Q22 Reported (d)	Growth Reported (f)= (d÷a)-1	9M21 Reported (a)	9M22 Reported (d)	Growth Reported (f)= (d÷a)-1
Operating Profit (EBIT)	50.5	21.2	*-58.0%*	192.5	100.5	*-47.8%*
Financial Result	(21.4)	(95.2)	*345.1%*	(49.6)	(185.3)	*273.4%*
IR/CSLL	21.8	25.9	*18.8%*	49.4	72.9	*47.4%*
Net Income	**50.9**	**(48.1)**	***-194.6%***	**192.3**	**(11.9)**	***-106.2%***
Net Margin (% NOR)	***3.4%***	***-3.0%***	***-6.4 p.p.***	***4.4%***	***-0.3%***	***-4.7 p.p.***
Non-recurring	4.7	7.7	*63.9%*	23.5	22.6	*-3.5%*
Adjusted Net Income	**55.6**	**(40.4)**	***-172.8%***	**215.8**	**10.8**	***-95.0%***
Adjusted Net Margin (% NOR)	***3.7%***	***-2.5%***	***-6.2 p.p.***	***4.9%***	***0.2%***	***-4.7 p.p.***

Net income reached R$-48.1 million in 3Q22, reducing by -194.6% from 3Q21, mainly due to a lower operating income (EBIT) and a rise in financial result. When adjusting the effect of non-recurring expenses, in the amount of R$7.7 million, the adjusted net income in 3Q22 fell by -172.8% and reached R$-40.4 million.

In 9M22, net income reached R$10.8 million, down by 95.0% from 9M21, mainly due to the reduction in operating income (EBIT) and the increase in the financial result, partially offset by the positive result in IR/CSLL. When adjusting the effect of non-recurring expenses, in the amount of R$22.6 million, adjusted net income in 9M22 fell by -95.0% and reached R$ 10.8 million.

Debt

(R$ million)		2021	3Q22
Loans and financings			
Short term		349.5	696.1
Long term		422.7	1,222.7
Gross Debt	**(a)**	**772.2**	**1,918.8**
Cash and cash equivalents		(456.2)	(151.9)
Cash	**(b)**	**(456.2)**	**(151.9)**
Net Debt	**(a) + (b)**	**316.1**	**1,766.8**

At the end of the quarter, Elfa reported a gross debt of R$1,918.8 million. The increase in debt, compared to December 2021, was mainly due to the issue of debentures (R$700 million) to finance the acquisition of Descarpack, the seasonality of our cash generation, and the payment of accounts payable from acquired companies during 9M22.

Below is a breakdown of the changes between the 2021 fiscal year and 9M22:

	2021	3Q22
Initial Balance	**379.1**	**717.5**
Additions due to the acquisition of new subsidiaries	41.6	15.8
Financing	501.5	1,332
Interest incurred on loans and financing	52.8	148.0
Payment of principal loans and financing	(232.1)	(298.7)
Payment of interest on loans and financing	(25.4)	(74.3)
Total loans, financing, and derivatives	**717.5**	**1,840.2**
Leases payable	54.7	78.6
Total working capital and derivatives	**772.2**	**1,918.8**

At the end of 3Q22, long-term debt accounted for 64.0% of total debt. Our cash balance was R$151.9 million on September 30, 2022.

Elfa's debt instruments have the highest level of leverage limits to which the Company can be exposed. The strictest covenant level currently used by Management is calculated at the end of each fiscal year and must have a net debt/accounting EBITDA ratio between 2.5x and 2.75x.

Cash Flow

(R$ '000)	3Q21	3Q22	9M21	9M22
Cash flow from operating activities				
Net profit/(loss) in the period	**50,877**	**(48,121)**	**192,323**	**(11,892)**
Adjustments to reconcile net income with cash:	34,826	115,586	105,429	244,544
(Increase)/decrease in assets:				
Trade account receivables	103,125	(33,941)	(82,015)	(214,937)
Inventory	(73,051)	55,031	(131,161)	(78,138)
Taxes to recover	(28,822)	(39,457)	(73,898)	(80,681)
Related parties	-	-	-	-
Other assets	(14,921)	(25,252)	(65,077)	(112,568)
Judicial deposits	(2,558)	(34,781)	(35,101)	(50,443)
(Decrease)/increase in liabilities:				
Suppliers and other accounts payable	(106,880)	(45,300)	(97,372)	(98,807)
Labor obligations	12,539	8,142	22,620	(15,855)
Taxes payable	4,245	42,948	(27,226)	52,255
Other Obligations	-	(5,700)	-	(799)
Cash generated by (used in) operating activities	**(20,619)**	**(10,845)**	**(191,478)**	**(367,320)**
Payment of interest on loans and financings	(9,695)	(34,593)	(21,585)	(74,699)
Income tax and social contribution paid	(18,672)	(11,926)	(38,624)	(20,480)
Net cash flow generated by (used in) operating activities	**(48,986)**	**(57,364)**	**(251,687)**	**(462,499)**
Investing activities:				
Acquisition of PP&E and intangible assets, net	(5,238)	(21,198)	(16,336)	(50,764)
Subsidiaries acquisitions, net of cash	(88,917)	(3,754)	(199,396)	(459,373)
Subsidiaries acquisitions of non-controling shareholders	6,123	-	(15,120)	-
Marketable Securities	40	-	75,283	-
Net cash flow from (used in) investing activities	**(87,991)**	**(24,953)**	**(155,569)**	**(510,137)**
Financing activities:				
Increase in share capital	(0)	-	227,640	-
Loans, financings and leases	223,190	144,042	413,458	1,331,844
Payment of installments for acquired companies	(7,284)	(166,182)	(45,337)	(338,711)
Payment of principal on loans and financing	(68,972)	(160,907)	(186,620)	(298,256)
Leases payhment	(2,845)	(10,520)	(8,535)	(26,451)
Cash flow from financing activities	**144,088**	**(193,567)**	**400,605**	**668,426**
Increase/(reduction) in cash and cash equivalents, net	**7,111**	**(275,885)**	**(6,651)**	**(304,210)**
Cash and cash equivalents at the beginning of the period	214,699	427,830	228,461	456,156
Cash and cash equivalents at the end of the period	221,810	151,946	221,810	151,946
Increase/(reduction) in cash and cash equivalents, net	**7,111**	**(275,884)**	**(6,651)**	**(304,210)**

We had an operating cash consumption of R$57.4 million in 3Q22 (R$-49.0 million in 3Q21), mainly due to the decrease in net income (adjusted for non-cash items) of R$ 25 million and the interest paid in the quarter of R$ 25 million, partially offset by better management of working capital accounts in 3Q22.

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

Cash Flow from Investing activities consumed R$24.9 million in 3Q22 (R$-88.0 million in 3Q21), mainly due to a lower “Consideration paid for acquisitions” by R$3.7 million (R$-88.9 million in 3Q21).

Cash Flow from Financing activities consumed R$193.6 million in 3Q22 (R$144.1 million in 3Q21) mainly due to the payment of loans and financings, in the amount of R$160.9 million, and payment of installments for acquired companies, in the amount of R$166.2 million.

Considering the explanation above, at the end of 3Q22, our cash and cash equivalents balance reduced by R$275.9 million.

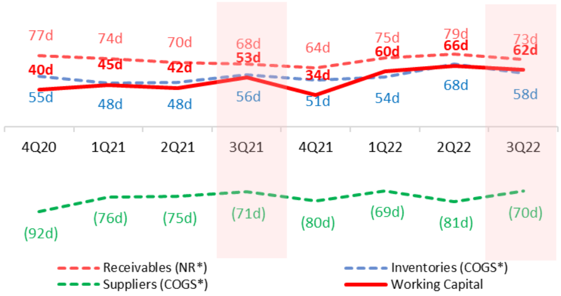
We had a cash consumption from operating activities of R$462.5 million in 9M22 (R$251.7 million in 9M21), an increase of R$210 million, mainly explained by: (i) a decrease in net income adjusted for non-cash items of R$65 million; (ii) an increase in interest paid in the quarter of R$54 million; and (iii) worsening working capital accounts of R$90 million in 9M22 compared to 9M21.

Cash Flow from Investing activities consumed R$510.1 million in 9M22 (R$155.6 million in 9M21), mainly due to the collection of “Consideration paid for acquisitions”.

Cash Flow from Financing activities contributed R$668.4 million in 9M22 (R$400.6 million in 9M21) through the raising of loans and financings, in the amount of R$1,331.8 million, partially offset by the payment of loans and financing, of R$298.3 million, and payment of installments for acquired companies, in a total of R$338.7 million.

Considering the explanations above, at the end of 9M22, our cash and cash equivalents balance reduced by R$304.2 million.

Working Capital



(R$ Million)	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22
Receivables	907	1,073	1,182	1,101	1,028	1,078	1,268	1,296
Inventories	572	594	676	774	701	657	960	910
Suppliers	(954)	(948)	(1,067)	(976)	(1,107)	(839)	(1,134)	(1,088)
Working Capital	**525**	**719**	**792**	**899**	**622**	**896**	**1,094**	**1,118**
Annualized Net Revenues	4,315	5,326	6,203	5,935	5,897	5,257	5,894	6,479
Annualized COGS	3,793	4,559	5,170	5,036	5,029	4,431	5,126	5,700
Receivables (NR*)	77d	74d	70d	68d	64d	75d	79d	73d
Inventories (COGS*)	55d	48d	48d	56d	51d	54d	68d	58d
Suppliers (COGS*)	(92d)	(76d)	(75d)	(71d)	(80d)	(69d)	(81d)	(70d)
Working Capital	**40d**	**45d**	**42d**	**53d**	**34d**	**60d**	**66d**	**62d**
Working Capital (%NR)	**12.2%**	**13.5%**	**12.8%**	**15.2%**	**10.5%**	**17.0%**	**18.6%**	**17.3%**

Our working capital reached 62 days in 3Q22, an improvement of 4 days compared to 2Q22. This effect is mainly explained by a reduction of 6 days in receivables, 10 days in inventories and 11 days in suppliers.

The working capital used in our operations in 3Q22 increased by approximately 9 days compared to the previous quarter. In 3Q22, the cash cycle reported was 62 days, compared to 53 days in 3Q21. This effect is mainly explained by the increase in 5 days in receivables and 2 days in inventories, partially offset by a 1 day reduction in suppliers.

Reconciliation of Net Income and EBITDA

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

(R$ million)	3Q21 Reported (a)	3Q22 Reported (d)	Growth Reported (f)= (d÷a)-1	9M21 Reported (a)	9M22 Reported (d)	Growth Reported (f)= (d÷a)-1
Net Income	**50.9**	**(48.1)**	***-194.6%***	**192.3**	**(11.9)**	***-106.2%***
IR/CSLL	(21.8)	(25.9)	*18.8%*	(49.4)	(72.9)	*47.4%*
Financial Result	21.4	95.2	*345.1%*	49.6	185.3	*273.4%*
Operating Profit (EBIT)	50.5	21.2	*-58.0%*	192.5	100.5	*-47.8%*
Depreciation and Amortization	28.0	42.8	*53.2%*	80.5	116.1	*44.3%*
Accounting EBITDA	**78.5**	**64.1**	***-18.3%***	**273.0**	**216.7**	***-20.6%***
% NOR	***5.3%***	***4.0%***	***-0.3 p.p.***	***6.3%***	***4.9%***	***-0.2 p.p.***
Non-recurring	4.7	7.7	*63.9%*	23.5	22.6	*-3.5%*
Adjusted EBITDA	**83.1**	**71.7**	***-13.7%***	**296.5**	**239.3**	***-19.3%***
% NOR	***5.6%***	***4.4%***	***-0.2 p.p.***	***6.8%***	***5.4%***	***-0.2 p.p.***

Appendix

Balance Sheet

(R$ '000)	2021	3Q22
Assets		
Current Assets		
Cash and cash equivalents	456,156	151,946
Securities	-	-
Trade accounts receivable	1,027,677	1,295,950
Inventory	701,100	910,470
Taxes to recover	196,774	271,048
Income tax and social contribution	29,080	38,061
Other receivables	130,833	252,104
Margin replacement credits	70,883	130,562
Other accounts receivable	51,182	76,527
Total Current Assets	**2,541,620**	**2,919,579**
Non-current Assets		
Financial investments	-	-
Deferred IR and CSSL taxes	241,059	351,784
Judicial deposits	44,892	95,335
indemnity asset	183,495	235,641
Total Non-current Assets	**469,446**	**682,761**
Fixed Assets	154,345	220,293
PP&E	1,564,730	2,281,545
Intangible assets	**1,719,075**	**2,501,838**
Total Assets	**4,730,141**	**6,104,178**

	2021	3Q22
Liabilities		
Current Liabilities		
Suppliers and other accounts payable	1,107,182	1,088,400
Loans and financings	349,458	696,123
Labor obligations	68,490	54,620
Taxes payable	77,683	140,214
Accounts payable on the acquisition of investments	148,077	185,157
Dividends Payable	-	-
Total Current Liabilities	**1,750,890**	**2,164,514**
Loans and financings		
Taxes payable	411,928	1,151,083
Derivatives	10,820	71,568
Accounts payable to related parties	3,317	3,519
Provision for contingencies	188,015	229,163
Deferred IR and CSSL taxes	-	-
Accounts payable on the acquisition of investments	330,878	184,429
Total Non-current Liabilities	**944,958**	**1,639,762**
Shareholders' Equity		
P&L of controlling shareholders	2,017,056	2,279,192
Stake of non-controlling shareholders	17,237	20,710
Total Shareholders' Equity	**2,034,293**	**2,299,902**
Total Liabilities and Shareholders' Equity	**4,730,141**	**6,104,178**

Income Statement

(R$ '000)	3Q21	3Q22	9M21	9M22
Net operating revenues	1,483,732	1,619,726	4,366,090	4,407,384
Cost of goods sold	(1,258,889)	(1,425,009)	(3,691,139)	(3,814,313)
Gross profit	**224,843**	**194,717**	**674,951**	**593,071**
Selling expenses	(69,014)	(71,397)	(197,501)	(250,830)
(Losses) / reversion of accounts receivable to recover	(4,147)	(5,627)	(15,728)	(15,220)
General and administrative expenses	(106,897)	(122,285)	(309,167)	(323,874)
Other revenues (expenses)	5,714	25,825	39,959	97,389
Operating profit before financial income and taxes	**50,499**	**21,233**	**192,514**	**100,536**
Financial expenses, net	**(21,391)**	**(95,216)**	**(49,619)**	**(185,294)**
Profit / (loss) before income tax and social contribution	**29,108**	**(73,983)**	**142,895**	**(84,758)**
Income tax and social constribution				
Current	(4,045)	(864)	(24,420)	(27,851)
Deferred	25,815	26,726	73,848	100,717
	21,770	**25,862**	**49,428**	**72,866**
Net income in the period	**50,878**	**(48,121)**	**192,323**	**(11,892)**
Attributed to:				
Controlling shareholders	50,254	(48,980)	189,820	(15,365)
Non-controlling shareholders	624	859	2,503	3,473

Cash Flow

(R$ '000)	3Q21	3Q22	9M21	9M22
Cash flow from operating activities				
Net profit/(loss) in the period	**50,877**	**(48,121)**	**192,323**	**(11,892)**
Adjustments to reconcile net income with cash:				
Depreciation and amortization	27,957	42,839	80,474	116,147
Income tax and social contribution, net	(21,771)	(25,861)	(49,428)	(72,865)
Provision for impairment	4,147	5,627	15,728	15,220
Provision for contingencies	0	1,119	1,019	(11,171)
Provision for inventory losses	330	(5,718)	1,509	(3,116)
Share-based compensation	3,251	2,925	6,148	8,770
Interest, monetary variations, net - Loans	20,911	94,655	49,978	191,559
(Increase)/decrease in assets:				
Trade account receivables	103,125	(33,941)	(82,015)	(214,937)
Inventory	(73,051)	55,031	(131,161)	(78,138)
Taxes to recover	(28,822)	(39,457)	(73,898)	(80,681)
Other assets	(14,921)	(25,252)	(65,077)	(112,568)
Judicial deposits	(2,558)	(34,781)	(35,101)	(50,443)
(Decrease)/increase in liabilities:				
Suppliers and other accounts payable	(106,880)	(45,300)	(97,372)	(98,807)
Labor obligations	12,539	8,142	22,620	(15,855)
Taxes payable	4,245	42,948	(27,226)	52,255
Other Obligations	-	(5,700)	-	(799)
Cash generated by (used in) operating activities	**(20,619)**	**(5,145)**	**(191,478)**	**(366,521)**
Payment of interest on loans and financings	(9,695)	(34,593)	(21,585)	(74,699)
Income tax and social contribution paid	(18,672)	(11,926)	(38,624)	(20,480)
Net cash flow generated by (used in) operating activities	**(48,986)**	**(57,364)**	**(251,687)**	**(462,499)**
Investing activities:				
Acquisition of PP&E and intangible assets, net	(5,238)	(21,198)	(16,336)	(50,764)
Subsidiaries acquisitions, net of cash	(88,917)	(3,754)	(199,396)	(459,373)
Subsidiaries acquisitions of non-controling shareholders	6,123	-	(15,120)	-
Marketable Securities	40	-	75,283	-
Net cash flow from (used in) investing activities	**(87,991)**	**(24,953)**	**(155,569)**	**(510,137)**
Financing activities:				
Increase in share capital	(0)	-	227,640	-
Loans, financings and leases	223,190	144,042	413,458	1,331,844
Payment of installments for acquired companies	(7,284)	(166,182)	(45,337)	(338,711)
Payment of principal on loans and financing	(68,972)	(160,907)	(186,620)	(298,256)
Payment of principal on debentures	-	-	-	-
Leases payhment	(2,845)	(10,520)	(8,535)	(26,451)
Cash flow from financing activities	**144,088**	**(193,567)**	**400,605**	**668,426**
Increase/(reduction) in cash and cash equivalents, net	**7,111**	**(275,884)**	**(6,651)**	**(304,210)**
Cash and cash equivalents at the beginning of the period	214,699	427,830	228,461	456,156
Cash and cash equivalents at the end of the period	221,810	151,946	221,810	151,946
Increase/(reduction) in cash and cash equivalents, net	**7,111**	**(275,884)**	**(6,651)**	**(304,210)**

Information by Segment

Pharmaceutical Specialties (R$ '000)	3Q21	3Q22	9M21	9M22
Net revenues	1,204,653	1,231,105	3,582,858	3,420,884
Cost of goods sold	(1,049,163)	(1,136,720)	(3,094,951)	(3,041,197)
Gross Profit	**155,490**	**94,385**	**487,907**	**379,687**
Gross margin	***12.9%***	***7.7%***	***13.6%***	***11.1%***
Selling expenses	(39,385)	(39,162)	(120,832)	(149,936)
Contribution margin	**116,105**	**55,223**	**367,075**	**229,751**
% NR	***9.6%***	***4.5%***	***10.2%***	***6.7%***

Hospital Medical Supplies (R$ '000)	3Q21	3Q22	9M21	9M22
Net revenues	279,079	388,621	783,232	986,500
Cost of goods sold	(209,725)	(288,289)	(596,187)	(773,116)
Gross Profit	**69,354**	**100,332**	**187,044**	**213,384**
Gross margin	***24.9%***	***25.8%***	***23.9%***	***21.6%***
Selling expenses	(29,628)	(32,235)	(76,668)	(100,894)
Contribution margin	**39,726**	**68,096**	**110,377**	**112,491**
% NR	***14.2%***	***17.5%***	***14.1%***	***11.4%***

Consolidated (R$ '000)	3Q21	3Q22	9M21	9M22
Net revenues	1,483,732	1,619,725	4,366,090	4,407,384
Cost of goods sold	(1,258,888)	(1,425,009)	(3,691,138)	(3,814,312)
Gross Profit	**224,844**	**194,716**	**674,952**	**593,071**
Gross margin	***15.2%***	***12.0%***	***15.5%***	***13.5%***
Selling expenses	(69,012)	(71,397)	(197,500)	(250,830)
Contribution margin	**155,832**	**123,319**	**477,452**	**342,241**
% NR	***10.5%***	***7.6%***	***10.9%***	***7.8%***

Descarpack

The table below shows the reported (accounting) result of Descarpack for the fiscal year ended December 31, 2021, and the "adjusted" result for the effects of Covid-19 that were considered in our models and projections.

Descarpack	Reported					Adjusted				
	1Q21	2Q21	3Q21	4Q21	FY21	1Q21	2Q21	3Q21	4Q21	FY21
Net Revenue	**456.6**	**336.5**	**225.1**	**191.6**	**1,209.8**	**222.1**	**230.2**	**195.5**	**220.5**	**868.3**
Gross Profit	**182.3**	**72.6**	**0.5**	**25.5**	**280.9**	**36.4**	**37.7**	**31.9**	**36.1**	**142.1**
Gross Margin	*39.9%*	*21.6%*	*0.2%*	*13.3%*	*23.2%*	*16.4%*	*16.4%*	*16.3%*	*16.4%*	*16.4%*
EBITDA	**175.1**	**66.2**	**(5.1)**	**17.5**	**253.8**	**28.0**	**29.3**	**23.9**	**27.8**	**109.0**

Disclaimer

This document may contain forward-looking statements about future results or events, which reflect the expectations of the management team of Elfa Medicamentos S.A. based on the information currently available. These considerations can be identified by the words "anticipate, wish, hope, predict, intend, plan, project, objectify" and other similar terms, as well as by indicating future dates.

Although such statements reflect what our management believes, they are naturally subject to risks and uncertainties, being influenced by external factors that cannot be controlled or foreseen by Elfa Medicamentos S.A.

Elfa Medicamentos S.A. cannot guarantee the implementation of future events and thus they should not be interpreted as guarantees. Elfa Medicamentos S.A.'s financial situation, operating results, market share and competitive position, among other expectations and future results, may differ substantially from those expressed or suggested in the forward-looking statements contained herein.

Any statements made by Elfa Medicamentos S.A. regarding future projects may change significantly due to variations in market conditions, changes in legislation or government policies and/or changes in the project's operating conditions and their respective costs, timing, operational performance, commercial negotiations or other technical and economic factors. Elfa Medicamentos S.A.'s projects may be modified in whole or in part without prior notice.

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