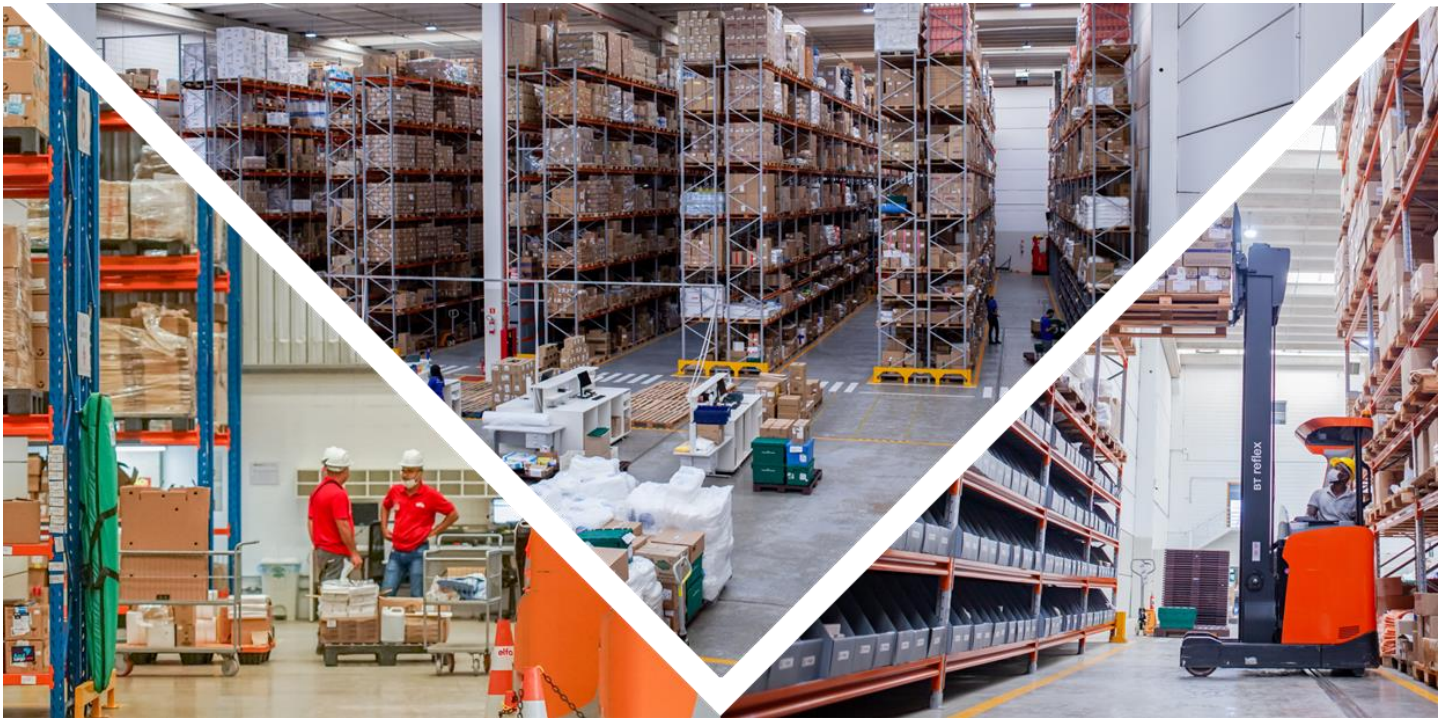


EARNINGS RELEASE



2Q22

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Grupo Elfa announces its results for the second quarter of 2022

São Paulo, August 15, 2022 - Elfa Medicamentos S.A. announces its consolidated results for the second quarter of 2022 (2Q22). 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 three-month period ended June 30, 2022, filed with the CVM and available on the Company's Investor Relations website (<https://ri.grupoelfa.com.br>).

2Q22 Financial and Operating Highlights

- **Net Revenues (NOR) of R\$1,473.4 million** in 2Q22, reducing by -5.0% over 2Q21, the biggest comparison of 2022 and an organic reduction of -16.9%.
- **Gross Profit of R\$191.9 million** in 2Q22, -25.7% compared to 2Q21, which had the highest gross margin of any quarter of 2021.
- **Efficient management of our expenses** resulted in an organic reduction of 11.9% in 2Q22 compared to 2Q21, despite inflation of 11.9% in the last twelve months.
- **Adjusted EBITDA of R\$91.7 million** in 2Q22, -18.6% compared to 2Q21.
- **Adjusted Net Income of R\$13.2 million** in 2Q22, -87.9% compared to 2Q21.
- **Conclusion of the acquisition of Descarpack**, which adds strategic sourcing resources and brings its own brand to the Company, focused on high-quality disposable products and growth.
- **Winners of 'Valor Inovação Brasil 2022' Award**, debuting as champion in the Transportation and Logistics category among 150 of the most innovative companies in the country, recognizing our processes and results in innovation and digital.
- **Winners of the 3rd Edition of the 'I Don't Accept Corruption' Award**, in the category: Companies (Corporate Governance) with our Eva Compliance Case Study, which reinforces our positioning of creating an innovation ecosystem to change the health scenario in Brazil.

	2Q21		2Q22		Growth		6M21		6M22		Growth	
	Reported	Scope	Organic	Reported	Organic	Reported	Reported	Scope	Organic	Reported	Organic	Reported
	(a)	(b)	(c)= (d-b-a)	(d)	(e)= (c)+(a+b)	(f)= (d+a)-1	(a)	(b)	(c)= (d-b-a)	(d)	(e)= (c)+(a+b)	(f)= (d+a)-1
Net Revenues (NOR)	1,550.9	255.0	(332.4)	1,473.4	-18.4%	-5.0%	2,882.4	343.5	(438.2)	2,787.7	-13.6%	-3.3%
Adjusted Net Revenues (NOR) ¹	1,550.9	221.9	(299.3)	1,473.4	-16.9%	-5.0%	2,882.4	310.4	(405.1)	2,787.7	-12.7%	-3.3%
Gross Profit	258.3	65.3	(131.8)	191.9	-40.7%	-25.7%	450.1	100.9	(152.7)	398.4	-27.7%	-11.5%
Adjusted Gross Profit ¹	258.3	46.8	(113.3)	191.9	-37.1%	-25.7%	450.1	82.4	(134.2)	398.4	-25.2%	-11.5%
Gross Margin (% NOR)	16.7%	+ 1.5 p.p.	- 5.2 p.p.	13.0%		-3.6 p.p.	15.6%	+ 1.7 p.p.	- 3.0 p.p.	14.3%		-1.3 p.p.
Gross Margin (% NOR)	16.7%	+ 0.7 p.p.	- 4.3 p.p.	13.0%		-3.6 p.p.	15.6%	+ 1.2 p.p.	- 2.5 p.p.	14.3%		-1.3 p.p.
Adjusted EBITDA ²	112.6	30.3	(51.2)	91.7	-35.9%	-18.6%	213.3	42.6	(105.6)	150.2	-41.3%	-29.6%
% Adjusted EBITDA Margin (% NOR)	7.3%	13.6%	17.1%	6.2%		-1.0 p.p.	7.4%	13.7%	26.1%	5.4%		-2.0 p.p.
Adjusted Net Income	108.9			13.2		-87.9%	160.2			33.9		-78.9%
Net Margin (% NOR)	7.0%			0.9%		-6.1 p.p.	5.6%			1.2%		-4.3 p.p.

¹considers the Descarpack effect as normalized.

²considers the Descarpack effect as normalized and non-recurring.

Message from Management

The second quarter of 2022 was an important quarter for Grupo Elfa. In addition to the completion of the largest acquisition in our history and recognition of our focus on digital innovation and compliance through outstanding awards in the market, we observed what we believe to be the last quarter of “tough comps” (hard comparatives) of 2021 due to the effects of the pandemic in our Essential Materials (disposable products - Medical Hospital Materials Segment) and 'Generics and Similar' (Pharmaceutical Specialties Segment).

2021 was a transformational year for Grupo Elfa, combining the integration of the six acquisitions completed in the second half of 2020, four new acquisitions reinforcing our 'Clinics' (Biodente) and 'Services' (DRS and TLS) Business Unit, with strong organic growth in our revenues of 20.1% (Pharmaceutical Specialties 25.4% and Medical and Hospital Supplies -0.7%). However, this growth was disproportionate in the first half of 2021, which we delivered an organic growth of 38% in our NOR (Pharmaceutical Specialties 44.9% and Medical Hospital Supplies 23.2%).

In the second quarter of 2022, we observed a behavior similar to the previous quarter, with a deceleration of Covid cases starting in the second half of last year, resulting in lower volumes and prices of medication used to treat the disease in hospitals and therefore impacting some of our business lines. We also observed a greater aggressiveness practiced by our competitors in Pharmaceutical Specialties, which passed on the price gains with DIFAL between January and March (see “DIFAL (differential ICMS tax rate system) – Update” below) and that bet on the CMED increase of 11% on April 1st to maintain this commercial aggressiveness for most of 2Q22. The positive highlights of 2Q22 were our 'Clinics' channel and our 'Services' delivery unit, both with double-digit growth in the period, in addition an expressive growth in our Medical Hospital Materials business unit with the incorporation of Descarpack and the resumption of elective surgeries and procedures in the 'Medtech' (OPME) line.

In the second quarter, we observed an organic contraction in sales, mainly explained by the strong period of comparison. We still felt during the second quarter a lot of volatility in terms of volume and prices in specific segments such as essential hospital materials and generics and the like, where competitors bet on a possible increase in demand with the Ômicron variant and had to get rid of inventories with aggressive prices during the second quarter.

We remain focused on balancing and optimizing our sales growth with the discipline of managing our margin. During 2Q22, this discipline, combined with the fact that our margin in 2Q21 was the highest of the year, ended up resulting in an organic contraction in our Pharmaceutical Specialties business, by -19.7% in NOR and -3.1 p.p. in gross margin, even delivering higher margins than our main competitors.

In Hospital Medical Supplies, we observed an organic reduction in adjusted NOR of -8.3% in 2Q22, with the negative effect of the pandemic on our 'Essentials' (disposable products) line being partially offset by the good growth in our area of 'MedTech' (OPME), a result of the resumption of elective surgeries as well as the acceleration of Retail in our 'Nutrition and Diabetes' Business Unit. It is worth noting that we have already seen an organic acceleration in total sales of this BU of 17.4% compared to 1Q22.

We had a first semester of important deliveries in the efficient management of our operating expenses that resulted in an organic reduction of 11.9% in 2Q22 compared to 2Q21 and flat when considering 6M22 compared to 6M21, despite an inflation of 11.9% in the last twelve months and all the price pressure that we have suffered in freight and packaging.

We remain committed to our strategy of seeking opportunities to strengthen our products and service portfolio and to expand our national presence in selected segments and channels in which we have relevant competitive advantages, generating value for our shareholders and always thinking of ways to add value to our customers and shareholders.

Our acquisition pipeline remains active with the support of our own and experienced team. We seek for potential targets that complement our presence in Brazil (products and regions) or that add new knowledge and services to offer our Company important competitive differentials.

Allied with its strategy of combining organic and inorganic growth, the Company remains focused on integrating these acquisitions and capturing the identified synergies. We have a team that is fully dedicated to this integration process, supported by all business areas. In May, with the acquisition of Descarpack, we have this team working on the integration of processes and on our plan to capture synergies for the next three years. Integrations and capture of synergies from our acquisitions strictly follow the planned deadlines

We achieved significant results in the second quarter in our “Innovation and Digital Agenda” (see below) which continues to be a strategic pillar of Elfa's differentiation with customers and suppliers.

We won the “Valor Inovação Brasil 2022 Award”, debuting as a champion in the Transport and Logistics category, in a ranking of the 150 most innovative companies in the country, recognizing our processes and results in innovation and digital.

Another positive highlight was that we won the 3rd Edition of the 'I Don't Accept Corruption' Award, in the category: Companies (Corporate Governance) with our Eva Compliance Case Study, which reinforces our positioning of creating an innovation ecosystem to change the health scenario in Brazil.

Regarding the macroeconomic scenario, we believe there will still be some challenges this year, mainly in relation to inflationary pressure and higher interest rates. However, in our opinion, our diversified product and service portfolio, consolidated commercial partnerships with customers and laboratories, and manufacturers of medical, hospital materials and equipment will allow us to navigate the year with good results and sustainable growth.

We still believe in a resilient growth in the market in which Elfa operates, guided by the continuous growth of the population's average age (aging), the large pharmaceutical companies' focus on long-term investments in innovations in value-added reference medicines, 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 are seeking to build a solid foundation of digital resources and platforms, with a unique integrated ecosystem, connecting clinics and integrating hospitals. To achieve this goal, we built an ambitious digital agenda seeking to attract talent and develop our internal teams.

The first half of 2022 was full of achievements and advances in our agenda to become an increasingly digital company and transform our organizational 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:

- We strengthened the Intrapreneurship program with challenges related to customer experience;
- We increased the engagement of our employees in the Intrapreneurship program during the first six months of 2022 compared to 2021.

'Customer Experience':

- We launched the 'Customer Service' department (post-sale Customer Service) at three investees of Grupo Elfa;
- We developed a new version of our Customer Portal: after-sales self-service;
- We implemented an NPS for E-commerce and Customer Service;

Digital:

- We implemented "Salesforce" in two additional companies, reaching a total of seven, enabling a 360 view of the customer and receiving support from our sales teams in pricing and order entry;
- We launched the "Salesforce" application for external sales representatives, improving our relationship and positively impacting customer experience;
- We structured a new "Analytics" area, with artificial intelligence and digital architecture to strengthen the data driven culture;
- We created an E-commerce Center of Excellence for the Group, focusing efforts and leveraging best practices;
- We unified the Digital Marketing processes among all the companies in our group that sell products through the e-Commerce channel.

Descarpack Acquisition

On May 2, we concluded the acquisition of all the quotas representing the capital stock of Descarpack Descartáveis do Brasil Ltda. ("Descarpack") announced on October 18 of last year.

Founded in 1996, Descarpack is a national leader in the market of high-quality disposable products, being "top of mind" in the institutional market, aimed at the hospital, professional and pharmaceutical areas, and has an asset-light business model, focused on innovation, wide customer base, solid relationship with global suppliers and recognized own brand.

The fair value of the assets acquired from Descarpack on the acquisition date was R\$943 million, subject to the achievement of certain goals and the adjustments provided for in the Transaction Agreement. For more information regarding this acquisition, see Note 3 to our Quarterly Information (ITR) for the six-month period ended June 30, 2022.

Descarpack's acquisition value and expected returns disregarded the positive impact that Covid-19 had on its results. In 2021, Descarpack reported NOR of R\$1,209.8 million and EBITDA of R\$255.6 million. We consider in our valuation models that Descarpack's adjusted NOR and adjusted EBITDA, that is, excluding the effects of the pandemic, were R\$868.3 million and R\$109 million, respectively.

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 basis (scope) 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 of the performance of Descarpack 2021 without the effects of the pandemic. It is worth noting that this does not change the amounts reported in our 2022 results, but it does change the organic and reported performance of the Company in this period.

The table below shows the comparison between the reported (accounting) results of Descarpack and their adjusted value for the two-month period in which Descarpack was consolidated into Elfa (May and June). We are including in the appendix of this report the comparison for the year ended December 31, 2021, calendared by quarter to demonstrate the allocation of the effects of the pandemic over the past year.

Descarpack	Reported			Adjusted		
	may-21	jun-21	Total 2M	may-21	jun-21	Total 2M
Net Revenue	113.0	78.0	191.0	81.6	76.3	157.9
Gross Profit	27.2	6.0	33.2	13.4	12.5	25.9
Gross Margin	24.0%	7.7%	17.4%	16.4%	16.4%	16.4%
EBITDA	25.1	4.2	29.3	10.5	9.7	20.2

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. The Company has made legal deposits of the DIFAL amounts in the event of a writ of mandamus and paid the usual amounts in its absence.

In response to the STF decision, rules for the DIFAL were finally introduced by Complementary Law 190/2022. The new legislation solved the gap, but it was only published on January 5, 2022, and therefore the previous annual precedence must be observed, that is, collection should only start in 2023. Most of the states expressed their opposition to this understanding and 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 annual precedence (the Company's right not to collect the DIFAL until December 31, 2022). 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 half 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 July 1st, 2022, the Company raised, 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\$ 50 million, with interest of CDI + 1.60% p.a., maturing in three years and payment of semi-annual interest.

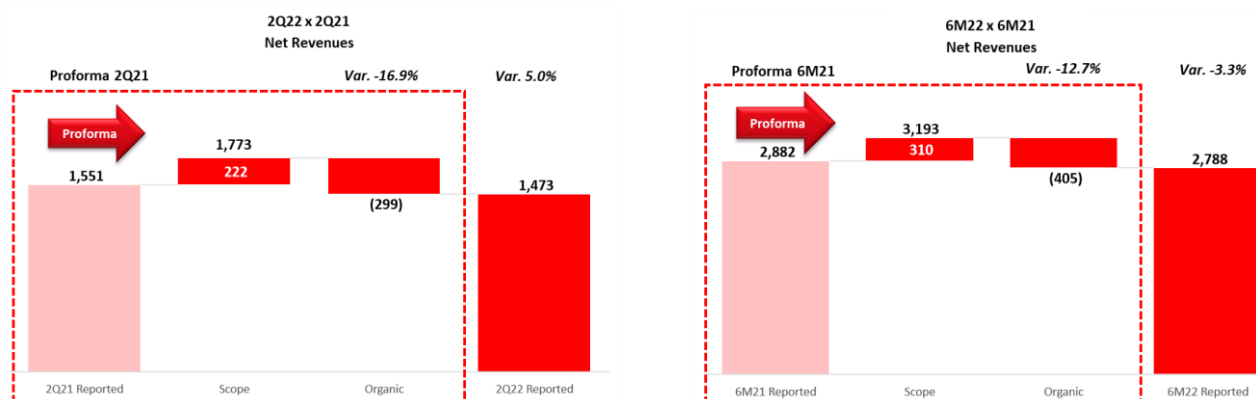
On July 12, 2022, the Company obtained, through one of its subsidiaries, a bank loan with Banco Santander S.A. in the form of FRN Non Trade Dollar, in the amount of R\$28 million, with interest of CDI + 2.50% p.a., maturing in three years and payment of semi-annual interest.

On July 1st, 2022, the Board of Directors approved the granting of up to 938,878 restricted shares (RSU's), in accordance with the general rules and parameters established in the Company's model guideline for the granting of restricted shares.

Consolidated Income Statement

(R\$ million)	2Q21		2Q22		Growth		6M21		6M22		Growth	
	Reported	Scope	Organic	Reported	Organic	Reported	Reported	Scope	Organic	Reported	Organic	Reported
	(a)	(b)	(c)= (d-b-a)	(d)	(e)= (c)÷(a+b)	(f)= (d÷a)-1	(a)	(b)	(c)= (d-b-a)	(d)	(e)= (c)÷(a+b)	(f)= (d÷a)-1
Net Revenues (NOR)	1,550.9	255.0	(332.4)	1,473.4	-18.4%	-5.0%	2,882.4	343.5	(438.2)	2,787.7	-13.6%	-3.3%
Adjusted Net Revenues (NOR)	1,550.9	221.9	(299.3)	1,473.4	-16.9%	-5.0%	2,882.4	310.4	(405.1)	2,787.7	-12.7%	-3.3%
COGS	(1,292.5)	(175.1)	186.0	(1,281.6)	-12.7%	-0.8%	(2,432.3)	(228.0)	270.9	(2,389.3)	-10.2%	-1.8%
Gross Profit	258.3	65.3	(131.8)	191.9	-40.7%	-25.7%	450.1	100.9	(152.7)	398.4	-27.7%	-11.5%
Gross Margin (% NOR)	16.7%	+ 1.5 p.p.	- 5.2 p.p.	13.0%		-3.6 p.p.	15.6%	+ 1.7 p.p.	- 3.0 p.p.	14.3%		-1.3 p.p.
Operating Expenses	(151.9)	(15.1)	19.9	(147.1)	-11.9%	-3.2%	(271.0)	(38.4)	0.3	(309.2)	-0.1%	14.1%
Other Operating	6.2	(1.4)	42.1	46.9	886.2%	661.5%	34.2	(1.4)	28.3	61.1	86.1%	78.4%
Adjusted EBITDA	112.6	30.3	(51.2)	91.7	-35.9%	-18.6%	213.3	42.6	(105.6)	150.2	-41.3%	-29.6%
% Adjusted EBITDA Margin (% NOR)	7.3%	13.6%	17.1%	6.2%		-1.0 p.p.	7.4%	13.7%	26.1%	5.4%		-2.0 p.p.
Non-Recurring	(5.1)	(2.7)	1.5	(6.2)	-19.6%	22.7%	(18.8)	(2.7)	23.8	2.4	-111.0%	-112.6%
Depreciation and Amortization	(28.0)	(12.9)	0.2	(40.6)	-0.6%	45.2%	(52.5)	(13.5)	(7.3)	(73.3)	11.1%	39.6%
Operating Profit (EBIT)	79.6	14.7	(49.5)	44.8	-52.5%	-43.7%	142.0	26.4	(89.1)	79.3	-52.9%	-44.2%
Financial Result	(17.3)			(65.2)		276.3%	(28.2)			(90.1)		219.1%
IR/CSSL	41.6			27.3		-34.3%	27.7			47.0		69.9%
Net Income	103.9			7.0		-93.3%	141.4			36.2		-74.4%
Net Margin (% NOR)	6.7%			0.5%		-6.2 p.p.	4.9%			1.3%		-3.6 p.p.
Non-recurring	5.1			6.2		22.7%	18.8			(2.4)		-112.6%
Adjusted Net Income	108.9			13.2		-87.9%	160.2			33.9		-78.9%
Net Margin (% NOR)	7.0%			0.9%		-6.1 p.p.	5.6%			1.2%		-4.3 p.p.

Net Revenue



(R\$ million)	2Q21		2Q22		Growth		6M21		6M22		Growth	
	Reported	Scope	Organic	Reported	Organic	Reported	Reported	Scope	Organic	Reported	Organic	Reported
	(a)	(b)	(c)= (d-b-a)	(d)	(e)= (c)÷(a+b)	(f)= (d÷a)-1	(a)	(b)	(c)= (d-b-a)	(d)	(e)= (c)÷(a+b)	(f)= (d÷a)-1
Net Revenues	1,550.9	255.0	(332.4)	1,473.4	-18.4%	-5.0%	2,882.4	343.5	(438.2)	2,787.7	-13.6%	-3.3%
Pharmaceutical Specialties	1,286.3	46.0	-262.8	1,069.5	-19.7%	-16.9%	2,378.2	117.8	-306.3	2,189.8	-12.3%	-7.9%
Hospital Medical Supplies	264.6	209.0	-69.6	403.9	-14.7%	52.7%	504.2	225.7	-131.9	597.9	-18.1%	18.6%
(R\$ million)	2Q21	2Q22	Growth	6M21	6M22	Growth	Reported	Scope	Organic	Reported	Organic	Reported
	(a)	(b)	(c)= (d-b-a)	(d)	(e)= (c)÷(a+b)	(f)= (d÷a)-1	(a)	(b)	(c)= (d-b-a)	(d)	(e)= (c)÷(a+b)	(f)= (d÷a)-1
Adjusted Net Revenues	1,550.9	221.9	(299.3)	1,473.4	-16.9%	-5.0%	2,882.4	310.4	(405.1)	2,787.7	-12.7%	-3.3%
Pharmaceutical Specialties	1,286.3	46.0	-262.8	1,069.5	-19.7%	-16.9%	2,378.2	117.8	-306.3	2,189.8	-12.3%	-7.9%
Hospital Medical Supplies	264.6	175.9	-36.5	403.9	-8.3%	52.7%	504.2	192.6	-98.8	597.9	-14.2%	18.6%

Net revenues reached R\$1,473.4 million in 2Q22, reducing by -5.0% and an organic reduction of -16.9% from 2Q21. This reduction is mainly explained by the strong comparison period, as Elfa delivered a 40.6% organic growth in 2Q21 (20.1% organic growth in FY21).

In Pharmaceutical Specialties, we had an organic reduction of -19.7% in 2Q22, due to the strong organic growth delivered in 2Q2. Added to this is the reduction in price and demand for medicines for the treatment of COVID-19 observed since August last year, mainly in 'Generics and Similar'. It is worth noting the comparative effect between the quarters throughout 2021. We observed organic growth in this segment in FY21 of 25.4%, while organic growth in 2Q21 was 56.1%.

Our Hospital Medical Supplies segment grew by 146.0%, mainly because of the integration of Descarpack into our business, and an organic decline of -8.3% due to lower demand and price observed in 'Essential Materials', partially offset by the increase in elective surgery volume in our 'MedTech' BU and retail acceleration in our 'Nutrition' BU.

In 6M22, net revenue reached R\$2,787.7 million, declining by -3.3% and an organic reduction of -12.7% compared to 2Q21. Pharmaceutical Specialties had an organic reduction of -12.3%, due to the strong comparison period in the previous year (+49.3% in 6M21). Hospital Medical Supplies increased by 18.6%, mainly with the acquisition of Descarpack, and an organic reduction of -14.2%, due to the reduction of the 'Essential Materials' line in the period.

Gross Profit

	2Q21		2Q22		Growth		6M21		6M22		Growth	
	Reported	Scope	Organic	Reported	Organic	Reported	Reported	Scope	Organic	Reported	Organic	Reported
	(a)	(b)	(c)= (d-b-a)	(d)	(e)= (c)÷(a+b)	(f)= (d÷a)-1	(a)	(b)	(c)= (d-b-a)	(d)	(e)= (c)÷(a+b)	(f)= (d÷a)-1
Gross Profit	258.3	65.3	(131.8)	191.9	-40.7%	-25.7%	450.1	100.9	(152.7)	398.4	-27.7%	-11.5%
Pharmaceutical Specialties	193.4	25.1	(89.4)	129.1	-40.9%	-33.2%	332.4	53.4	(100.5)	285.3	-26.0%	-14.2%
Hospital Medical Supplies	64.9	40.2	(42.4)	62.7	-40.3%	-3.4%	117.7	47.6	(52.2)	113.1	-31.6%	-3.9%
Gross Margin	16.7%	+ 1.5 p.p.	- 5.2 p.p.	13.0%		-3.6 p.p.	15.6%	+ 1.7 p.p.	- 3.0 p.p.	14.3%		-1.3 p.p.
Pharmaceutical Specialties	15.0%	+ 1.7 p.p.	- 4.7 p.p.	12.1%		-3.0 p.p.	14.0%	+ 1.7 p.p.	- 2.6 p.p.	13.0%		-0.9 p.p.
Hospital Medical Supplies	24.5%	- 2.7 p.p.	- 6.3 p.p.	15.5%		-9.0 p.p.	23.3%	- 0.9 p.p.	- 3.6 p.p.	18.9%		-4.4 p.p.

	2Q21		2Q22		Growth		6M21		6M22		Growth	
	Reported	Scope	Organic	Reported	Organic	Reported	Reported	Scope	Organic	Reported	Organic	Reported
	(a)	(b)	(c)= (d-b-a)	(d)	(e)= (c)÷(a+b)	(f)= (d÷a)-1	(a)	(b)	(c)= (d-b-a)	(d)	(e)= (c)÷(a+b)	(f)= (d÷a)-1
Adjusted Gross Profit	258.3	46.8	(113.3)	191.9	-37.1%	-25.7%	450.1	82.4	(134.2)	398.4	-25.2%	-11.5%
Pharmaceutical Specialties	193.4	25.1	(89.4)	129.1	-40.9%	-33.2%	332.4	53.4	(100.5)	285.3	-26.0%	-14.2%
Hospital Medical Supplies	64.9	32.9	(35.1)	62.7	-35.9%	-3.4%	117.7	40.2	(44.9)	113.1	-28.4%	-3.9%
Adjusted Gross Margin	16.7%	+ 0.7 p.p.	- 4.3 p.p.	13.0%		-3.6 p.p.	15.6%	+ 1.2 p.p.	- 2.5 p.p.	14.3%		-1.3 p.p.
Pharmaceutical Specialties	15.0%	+ 1.7 p.p.	- 4.8 p.p.	12.1%		-3.0 p.p.	14.0%	+ 1.7 p.p.	- 2.7 p.p.	13.0%		-0.9 p.p.
Hospital Medical Supplies	29.5%	- 7.5 p.p.	- 6.4 p.p.	15.5%		-13.9 p.p.	25.1%	- 3.3 p.p.	- 3.0 p.p.	18.9%		-6.3 p.p.

Gross profit reached R\$191.9 million in 2Q22, down by -25.7% compared to the same quarter of the previous year, due to lower revenues in the period (-5.0%), partially offset with the margin expansion of our acquisitions in the period, by +0.7 p.p.

Gross profit had an organic reduction of -37.1%, due to the organic drop in sales (-16.9%) and the 4.3 p.p. organic retraction in margins in the period by -4.3p.p.

Gross margin reached 13.0% in 2Q22, contracting by -3.6 p.p. compared to 2Q21. This contraction in margin was due to the strong comparison period, due to a greater commercial aggressiveness observed in Pharmaceutical Specialties, partially offset by the effect of acquisitions with attractive margins (+0.7pp).

The Pharmaceutical Specialties line recorded a reduction in gross profit of -33.2% and an organic contraction of -4.8 p.p due to: (i) 2Q21 comparison; (ii) the price effect observed mainly in the Generics and similar line; and (iii) more aggressive pricing practiced since 1Q22 by some competitors.

'Hospital Medical Supplies' segment had a gross profit reduction of 3.4% and an organic reduction of -6.4 p.p., reflection of the price effect in Essential Materials.

Gross profit reached R\$398.4 million in the first six months of the year, reducing by -11.5% compared to 6M21, due to the drop in sales in the period (-3.3%), which was partially offset with the margin expansion of our acquisitions in the period, by 1.2 p.p. The reduction in gross profit was negatively impacted by an organic margin reduction in the Hospital Medical Supplies segment and a more competitive market environment. Gross margin reached 14.3%, contracting by -1.3 p.p. compared to 6M21, mainly due to the strong comparison period.

Operating Expenses and Others

(R\$ million)	2Q21		2Q22		Growth		6M21		6M22		Growth	
	Reported	Scope	Organic	Reported	Organic	Reported	Reported	Scope	Organic	Reported	Organic	Reported
	(a)	(b)	(c)= (d-b-a)	(d)	(e)= (c)÷(a+b)	(f)= (d÷a)-1	(a)	(b)	(c)= (d-b-a)	(d)	(e)= (c)÷(a+b)	(f)= (d÷a)-1
Operating Expenses	(151.9)	(15.1)	19.9	(147.1)	-11.9%	-3.2%	(271.0)	(38.4)	0.3	(309.2)	-0.1%	14.1%
% NOR	-9.8%	+ 0.5 p.p.	- 0.6 p.p.	-10.0%		-0.2 p.p.	-9.4%	- 0.3 p.p.	- 1.4 p.p.	-11.1%		-1.7 p.p.
Selling Expenses	(70.9)	(0.8)	(27.8)	(99.5)	38.7%	40.3%	(128.5)	(8.9)	(42.1)	(179.4)	30.6%	39.7%
Allowance for Doubtful Accounts	(5.9)	(1.2)	2.1	(5.0)	-29.2%	-15.0%	(11.6)	(1.3)	3.3	(9.6)	-25.6%	-17.2%
General and Administrative	(75.1)	(13.1)	45.6	(42.6)	-51.7%	-43.3%	(131.0)	(28.3)	39.1	(120.2)	-24.5%	-8.2%
Other Operating	6.2	(1.4)	42.1	46.9	886.2%	661.5%	34.2	(1.4)	28.3	61.1	86.1%	78.4%
% NOR	0.4%	-0.6%	-14.1%	3.2%		2.8 p.p.	1.2%	-0.5%	-7.0%	2.2%		1.0 p.p.

In 2Q22, operating expenses totaled R\$147.1 million (10.0% of net operating revenue), an organic reduction of -11.9% compared to 2Q21. Operating expenses with a percentage of NOR evolution of -0.2pp and reached 10% in 2Q22, fully explained by the reduction in NOR in the quarter.

The organic reduction in operating expenses in 2Q22 is due to the disciplined management of our expenses, which is allowing us to offset inflation of 11% in the last twelve months combined with the phasing of some expenses between 2Q22 (positive) and 1Q22 (negative).

Other Operating Results totaled R\$42.6 million in 2Q22, compared to R\$6.2 million in 2Q21, mainly due to extemporaneous events recognized in this quarter.

In the first six months of the year, operating expenses totaled R\$309.2 million (11.1% of net operating revenue), an organic reduction of 0.1% or a real reduction of 11% when considering inflation for the period. This reduction is due to efficient management of our expenses in 6M22. Operating expenses as a percentage of NOR grew -1.7pp in the period, reaching 11.1%. This increase is 100% explained by the drop in NOR in 6M22 when compared to the same period in 2021.

Other Operating Results totaled R\$61.1 million in 6M22, compared to R\$34.2 million in 6M21 mainly due to extemporaneous events recognized in the first half of 2022.

Adjusted EBITDA

(R\$ million)	2Q21		2Q22		Growth		6M21		6M22		Growth	
	Reported	Scope	Organic	Reported	Organic	Reported	Reported	Scope	Organic	Reported	Organic	Reported
	(a)	(b)	(c)= (d-b-a)	(d)	(e)= (c)÷(a+b)	(f)= (d÷a)-1	(a)	(b)	(c)= (d-b-a)	(d)	(e)= (c)÷(a+b)	(f)= (d÷a)-1
Gross Profit	258.3	65.3	(131.8)	191.9	-40.7%	-25.7%	450.1	100.9	(152.7)	398.4	-27.7%	-11.5%
Gross Margin (% NOR)	16.7%	+ 1.5 p.p.	- 5.2 p.p.	13.0%		-3.6 p.p.	15.6%	+ 1.7 p.p.	- 3.0 p.p.	14.3%		-1.3 p.p.
Adjusted Gross Profit	258.3	46.8	(113.3)	191.9	-37.1%	-25.7%	450.1	82.4	(134.2)	398.4	-25.2%	-11.5%
Gross Margin (% NOR)	16.7%	+ 0.7 p.p.	- 4.3 p.p.	13.0%		-3.6 p.p.	15.6%	+ 1.1 p.p.	- 2.4 p.p.	14.3%		-1.3 p.p.
Operating Expenses	(151.9)	(15.1)	19.9	(147.1)	-11.9%	-3.2%	(271.0)	(38.4)	0.3	(309.2)	-0.1%	14.1%
Other Operating	6.2	(1.4)	42.1	46.9	886.2%	661.5%	34.2	(1.4)	28.3	61.1	86.1%	78.4%
Adjusted EBITDA	112.6	30.3	(51.2)	91.7	-35.9%	-18.6%	213.3	42.6	(105.6)	150.2	-41.3%	-29.6%
Adjusted EBITDA Margin (% NOR)	7.3%	13.6%	17.1%	6.2%		-1.0 p.p.	7.4%	13.7%	26.1%	5.4%		-2.0 p.p.

Adjusted EBITDA totaled R\$91.7 million in 2Q22, reducing by -18.6% compared to the same quarter in the previous year. The -35.9% reduction in the organic mainly due to (i) a -37.1% reduction in adjusted gross profit, partially offset by (ii) organic reduction in operating expenses (-11.9% vs. 2Q21) and (iii) extemporaneous events recognized in the quarter.

In the first six months of the year, Adjusted EBITDA totaled R\$150.2 million, reducing by -29.6% compared 6M21. The -41.3% reduction in the organic result was mainly due to (i) the -25.2% reduction in gross profit partially offset by (ii) operating expenses in line with 6M21 and (iii) extemporaneous events in 6M22.

Operating Income (EBIT)

(R\$ million)	2Q21		2Q22		Growth		6M21		6M22		Growth	
	Reported	Scope	Organic	Reported	Organic	Reported	Reported	Scope	Organic	Reported	Organic	Reported
	(a)	(b)	(c)= (d-b-a)	(d)	(e)= (c)÷(a+b)	(f)= (d÷a)-1	(a)	(b)	(c)= (d-b-a)	(d)	(e)= (c)÷(a+b)	(f)= (d÷a)-1
Adjusted EBITDA	112.6	30.3	(51.2)	91.7	-35.9%	-18.6%	213.3	42.6	(105.6)	150.2	-41.3%	-29.6%
Adjusted EBITDA Margin (% NOR)	7.3%	13.6%	17.1%	6.2%		-1.0 p.p.	7.4%	13.7%	26.1%	5.4%		-2.0 p.p.
Non-recurring	(5.1)	(2.7)	1.5	(6.2)	-19.6%	22.7%	(18.8)	(2.7)	23.8	2.4	-111.0%	-112.6%
Depreciation and Amortization	(28.0)	(12.9)	0.2	(40.6)	-0.6%	45.2%	(52.5)	(13.5)	(7.3)	(73.3)	11.1%	39.6%
Operating Profit (EBIT)	79.6	14.7	(49.5)	44.8	-52.5%	-43.7%	142.0	26.4	(89.1)	79.3	-52.9%	-44.2%

In 2Q22, Operating Income (EBIT) was R\$44.8 million, a reduction of -43.7% and an organic reduction of -52.5% compared to 2Q21.

In addition to the -35.9% organic reduction in Adjusted EBITDA, Operating Income considers the effects of (i) non-recurring expenses resulting from acquisitions (expenses such as lawyers and due diligence) and integrations (consulting support), and (ii) an increase in depreciation and amortization, mainly due to the amortization of capital gains from acquisitions in the period.

In 6M22, Operating Income (EBIT) was R\$79.3 million, down by -44.2% and an organic reduction of -52.9% from 6M21.

In addition to the -45.6% organic reduction in Adjusted EBITDA, Operating Income includes the effects of non-recurring expenses and increase in amortization of capital gains. In 1Q22, we recognized, as non-recurring results, a gain of R\$18 million from the price adjustment for the acquisition in previous years.

Financial Result

(R\$ million)	2Q21	2Q22	Growth	6M21	6M22	Growth
	Reported	Reported	Reported	Reported	Reported	Reported
Financial Expenses	(18.9)	(74.1)	291.2%	(32.7)	(101.8)	211.4%
Financial Income	1.6	8.9	451.2%	4.5	11.7	162.8%
Financial Result	(17.3)	(65.2)	276.3%	(28.2)	(90.1)	219.1%

Financial result for 2Q22 came in as a net expense of R\$65.2 million, an increase of 276.3% over 2Q21. This growth was mainly driven by the increase in the Group's debt to finance the acquisitions agenda (Biodente, DRS, and TLS in the second half of 2021 and Descarpack in the second quarter of this year) (bank loans and accounts payable of the acquired companies), in addition to an increase in interest rate.

In 6M22, financial result came in as a net expense of R\$90.1 million, up by 219.1% 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)		2Q21	2Q22	6M21	6M22
Operating profit before taxes	(a)	62.2	(20.4)	113.8	(10.8)
Legal combined tax rate		<u>34.0%</u>	<u>34.0%</u>	<u>34.0%</u>	<u>34.0%</u>
Income tax and social contribution over legal tax rates	(b)	(21.2)	6.9	(38.7)	3.7
Adjustments (tax effect; multiplied by 34%)					
Grants on investments		43.7	25.1	56.0	43.8
Other additions and exclusions, net		<u>19.1</u>	<u>(4.7)</u>	<u>10.3</u>	<u>(0.4)</u>
Additions and exclusions, net	(c)	62.8	20.4	66.3	43.3
Income tax and social contribution, net	(d) = (b) + (c)	41.6	27.3	27.7	47.0
Effective tax rate	(d) ÷ (a)	-66.9%	134.1%	-24.3%	436.2%

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.

IR/CS came in as a revenue of R\$27.3 million in 2Q22, compared to a revenue of R\$41.6 million in 2Q21. This improvement is explained by the reduction in earnings before taxes combined with a higher gain in government subsidies compared to 2Q21.

Net Income and Adjusted Net Income

(R\$ million)	2Q21	2Q22	Growth	6M21	6M22	Growth
	Reported	Reported	Reported	Reported	Reported	Reported
	(a)	(d)	(f) = (d)÷(a)-1	(a)	(d)	(f) = (d)÷(a)-1
Operating Profit (EBIT)	79.6	44.8	-43.7%	142.0	79.3	-44.2%
Financial Result	(17.3)	(65.2)	276.3%	(28.2)	(90.1)	219.1%
IR/CSLL	<u>41.6</u>	<u>27.3</u>	<u>-34.3%</u>	<u>27.7</u>	<u>47.0</u>	<u>69.9%</u>
Net Income	103.9	7.0	-93.3%	141.4	36.2	-74.4%
<i>Net Margin (% NOR)</i>	<i>6.7%</i>	<i>0.5%</i>	<i>-6.2 p.p.</i>	<i>4.9%</i>	<i>1.3%</i>	<i>-3.6 p.p.</i>
Non-recurring	<u>5.1</u>	<u>6.2</u>	<u>22.7%</u>	<u>18.8</u>	<u>(2.4)</u>	<u>-112.6%</u>
Adjusted Net Income	108.9	13.2	-87.9%	160.2	33.9	-78.9%
<i>Adjusted Net Margin (% NOR)</i>	<i>7.0%</i>	<i>0.9%</i>	<i>-6.1 p.p.</i>	<i>5.6%</i>	<i>1.2%</i>	<i>-4.3 p.p.</i>

Net income reached R\$7.0 million in 2Q22, reducing by -93.3% from 2Q21, mainly due to the reduction in operating income (EBIT) and the increase in financial results. When adjusting the effect of non-recurring expenses of R\$6.2 million, the adjusted net income in 2Q22 fell by -87.9% and reached R\$ 13.2 million.

Net income reached R\$33.9 million in the first six months of the year, reducing by -78.9% from 6M21, mainly due to the reduction in operating income (EBIT) and the increase in financial result, which was partially offset by the positive result of in IR/CSLL. When adjusting the effect of non-recurring expenses (R\$2.4 million), the adjusted net income in 6M22 fell by -78.9% and reached R\$ 33.9 million.

Debt

(R\$ million)	2021	2Q22
Loans and financings		
Short term	349.5	663.4
Long term	422.7	1,233.9
Gross Debt	(a) 772.2	1,897.3
Cash and cash equivalents	(456.2)	(427.8)
Cash	(b) (456.2)	(427.8)
Net Debt	(a) + (b) 316.1	1,469.4

At the end of the quarter, Elfa reported a gross debt of R\$1,897.3 million. The increase in debt compared to December was mainly due debentures issues (R\$700 million) to finance the acquisition of Descarpac, the seasonality of our cash generation, in addition to the payment of accounts payable from acquired companies during 6M22.

The changes for the 2021 and 6M22 periods were as follows.

	2021	2Q22
Initial Balance	379.1	717.5
Additions due to the acquisition of new subsidiaries	41.6	15.8
Financing	501.5	1,187.8
Interest incurred on loans and financing	52.8	73.0
Payment of principal loans and financing	(232.1)	(137.3)
Payment of interest on loans and financing	(25.4)	(40.1)
Total loans, financing, and derivatives	717.5	1,816.7
Leases payable	54.7	80.6
Total working capital and derivatives	772.2	1,897.3

At the end of 2Q22, long-term debt accounted for 65.0% of total debt. Our cash position was R\$427.8 million on June 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)	2Q21	2Q22	6M21	6M22
Cash flow from operating activities				
Net profit/(loss) in the period	103,867	6,958	141,446	36,229
Adjustments to reconcile net income with cash:	10,173	79,682	70,603	128,958
(Increase)/decrease in assets:				
Trade account receivables	(89,170)	(126,305)	(185,140)	(180,996)
Inventory	(66,576)	(175,326)	(58,110)	(133,169)
Taxes to recover	(27,677)	(20,826)	(45,076)	(41,224)
Related parties	-	-	-	-
Other assets	(13,465)	(66,674)	(50,156)	(87,316)
Judicial deposits	(32,543)	(21,426)	(32,543)	(15,662)
(Decrease)/increase in liabilities:				
Suppliers and other accounts payable	94,112	214,286	9,508	(53,507)
Labor obligations	12,372	(20,528)	10,081	(23,997)
Taxes payable	(2,826)	14,374	(31,471)	9,307
Other Obligations	-	4,901	-	4,901
Cash generated by (used in) operating activities	(11,734)	(110,883)	(170,859)	(356,475)
Payment of interest on loans and financings	(3,675)	(27,054)	(11,890)	(40,106)
Income tax and social contribution paid	(10,951)	(7,221)	(19,952)	(8,554)
Net cash flow generated by (used in) operating activities	(26,360)	(145,158)	(202,701)	(405,135)
Investing activities:				
Acquisition of PP&E and intangible assets, net	(3,010)	(20,187)	(11,098)	(29,566)
Subsidiaries acquisitions, net of cash	(26,244)	(453,876)	(110,479)	(455,619)
Subsidiaries acquisitions of non-controlling shareholders	(0)	-	(21,243)	-
Marketable Securities	-	-	75,243	-
Net cash flow from (used in) investing activities	(29,254)	(474,062)	(67,577)	(485,184)
Financing activities:				
Increase in share capital	5,059	-	227,640	-
Loans, financings and leases	-	968,802	190,268	1,187,802
Payment of installments for acquired companies	(33,530)	(99,567)	(38,053)	(172,529)
Payment of principal on loans and financing	(27,683)	(63,892)	(117,648)	(137,349)
Leases payment	(2,799)	(9,446)	(5,690)	(15,931)
Cash flow from financing activities	(58,954)	795,896	256,516	861,993
Increase/(reduction) in cash and cash equivalents, net	(114,568)	176,675	(13,762)	(28,326)
Cash and cash equivalents at the beginning of the period	329,267	251,154	228,461	456,156
Cash and cash equivalents at the end of the period	214,699	427,830	214,699	427,830
Increase/(reduction) in cash and cash equivalents, net	(114,568)	176,676	(13,762)	(28,326)

We had an operating cash consumption of R\$145.2 million in 2Q22 (R\$26.4 million in 2Q21), mainly due to the increase in "Trade accounts receivables" of R\$126.3 million and "Inventories" of R\$175.3 million and "Other assets" of R\$66.7 million, partially offset by the improvement in "Suppliers and other accounts payable" of R\$ 214.3 million.

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\$474.1 million in 2Q22 (R\$29.3 million in 2Q21), mainly due to the payment of Descarpac acquisition "Consideration paid for acquisitions".

Cash Flow from Financing activities contributed R\$795.9 million in 2Q22 (-R\$59.0 million in 2Q21) through the raising of loans and financings, in the amount of R\$968.8 million (Descarpack Debenture R\$700 million), partially offset by the payment of loans and financing, of R\$63.9 million, and payment of installments for acquired companies, in the amount of R\$99.6 million.

Considering the above, at the end of 2Q22, our cash and cash equivalents increased by R\$176.7 million.

We had a cash consumption from operating activities of R\$405 million in 6M22 (R\$202.7 million in 6M21), mainly due to an increase in “Inventories” of R\$133.2 million and a reduction in net income in 6M22 over 6M21.

Cash Flow from Investing activities consumed R\$485.2 million in 6M22 (R\$67.6 million in 6M21), mainly due to the collection of “Consideration paid for acquisitions”.

Cash Flow from Financing activities contributed R\$862.0 million in 6M22 (R\$256.5 million in 6M21) through the raising of loans and financings, in the amount of R\$1,187.8 million, partially offset by the payment of loans and financing, of R\$172.5 million, and payment of installments for acquired companies, in the amount of R\$137.3 million.

Considering the above, at the end of 6M22, our cash and cash equivalents reduced by R\$28.3 million.

Working Capital



(R\$ Million)	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22
Receivables	428	594	655	907	1,073	1,182	1,101	1,028	1,078	1,268
Inventories	207	381	418	572	594	676	774	701	657	960
Suppliers	(273)	(440)	(561)	(954)	(948)	(1,067)	(976)	(1,107)	(839)	(1,134)
Working Capital	362	535	512	525	719	792	899	622	896	1,094
Annualized Net Revenues	1,809	2,228	3,152	4,315	5,326	6,203	5,935	5,897	5,257	5,894
Annualized COGS	1,627	1,962	2,754	3,793	4,559	5,170	5,036	5,029	4,431	5,126
Receivables (NR*)	86d	97d	76d	77d	74d	70d	68d	64d	75d	79d
Inventories (COGS*)	46d	71d	55d	55d	48d	48d	56d	51d	54d	68d
Suppliers (COGS*)	(61d)	(82d)	(74d)	(92d)	(76d)	(75d)	(71d)	(80d)	(69d)	(81d)
Working Capital	71d	86d	57d	40d	45d	42d	53d	34d	60d	66d
Working Capital (%NR)	20.0%	24.0%	16.2%	12.2%	13.5%	12.8%	15.2%	10.5%	17.0%	18.6%

The working capital used in our operations in 2Q22 increased by approximately 20 days compared to the previous quarter. In 2Q22, the cash cycle reported was 62 days, compared to 42 days in 2Q21. This effect is mainly explained by the increase in 9 days in receivables and 21 days in inventories, partially offset by a reduction in 6 days in suppliers.

Reconciliation of Net Income and EBITDA

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

(R\$ million)	2Q21				2Q22			Growth		6M21				6M22			Growth	
	Reported	Scope	Organic	Reported	Organic	Reported	Organic	Reported	Organic	Reported	Scope	Organic	Reported	Organic	Reported	Organic	Reported	
	(a)	(b)	(c)= (d-b-a)	(d)	(e)= (c)+(a+b)	(f)= (d+a)-1	(g)= (e)-(a+b)	(h)= (f)-1	(i)= (g)-(a+b)	(j)= (h)-1	(k)	(l)	(m)= (n-l-k)	(o)= (m)-(k)	(p)= (o)-(k)	(q)= (p)-(k)	(r)= (q)-(k)	
Net Income	103.9	14.7	(111.6)	7.0	-94.1%	-93.3%	141.4	26.4	(131.6)	36.2	-78.4%	-74.4%						
IR/CSLL	(41.6)	-	14.3	(27.3)	-34.3%	-34.3%	(27.7)	-	(19.3)	(47.0)	69.9%	69.9%						
Financial Result	17.3	-	47.9	65.2	276.3%	276.3%	28.2	-	61.9	90.1	219.1%	219.1%						
Operating Profit (EBIT)	79.6	14.7	(49.5)	44.8	-52.5%	-43.7%	142.0	26.4	(89.1)	79.3	-52.9%	-44.2%						
Depreciation and Amortization	28.0	12.9	(0.2)	40.6	-0.6%	45.2%	52.5	13.5	7.3	73.3	11.1%	39.6%						
Accounting EBITDA	107.5	27.6	(49.7)	85.4	-36.8%	-20.6%	194.5	39.9	(81.8)	152.6	-34.9%	-21.5%						
% NOR	6.9%	12.4%	16.6%	5.8%	-0.2 p.p.	-0.2 p.p.	6.7%	12.8%	20.2%	5.5%	-0.2 p.p.	-0.2 p.p.						
Non-recurring	5.1	2.7	(1.5)	6.2	-19.6%	22.7%	18.8	2.7	(23.8)	(2.4)	-111.0%	-112.6%						
Adjusted EBITDA	112.6	30.3	(51.2)	91.7	-35.9%	-18.6%	213.3	42.6	(105.6)	150.2	-41.3%	-29.6%						
% NOR	7.3%	13.6%	17.1%	6.2%	-0.1 p.p.	-0.1 p.p.	7.4%	13.7%	26.1%	5.4%	-0.3 p.p.	-0.3 p.p.						

Appendix

Balance Sheet

(R\$ '000)	2021	2Q22	2021	2Q22
Assets				
Current Assets				
Cash and cash equivalents	456,156	427,830		
Securities	-	-		
Trade accounts receivable	1,027,677	1,267,636		
Inventory	701,100	959,783		
Taxes to recover	196,774	238,509		
Income tax and social contribution	29,080	50,019		
Other receivables	130,833	227,166		
Total Current Assets	2,541,620	3,170,943		
Non-current Assets				
Financial investments	-	-		
Deferred IR and CSSL taxes	241,059	306,182		
Judicial deposits	44,892	60,554		
indemnity asset	183,495	235,327		
Total Non-current Assets	469,446	602,063		
Fixed Assets	154,345	206,094		
PP&E	1,564,730	2,309,682		
Intangible assets	1,719,075	2,515,776		
Total Assets	4,730,141	6,288,782		
Liabilities				
Current Liabilities				
Suppliers and other accounts payable	1,107,182	1,133,700		
Loans and financings	349,458	663,359		
Labor obligations	68,490	46,478		
Taxes payable	77,683	108,484		
Accounts payable on the acquisition of investments	148,077	269,349		
Dividends Payable	-	-		
Total Current Liabilities	1,750,890	2,221,370		
Loans and financings				
Taxes payable	411,928	1,162,347		
Derivatives	10,820	71,568		
Accounts payable to related parties	3,317	3,361		
Provision for contingencies	188,015	228,045		
Deferred IR and CSSL taxes	-	-		
Accounts payable on the acquisition of investments	330,878	256,993		
Total Non-current Liabilities	944,958	1,722,314		
Shareholders' Equity				
P&L of controlling shareholders	2,017,056	2,325,247		
Stake of non-controlling shareholders	17,237	19,851		
Total Shareholders' Equity	2,034,293	2,345,098		
Total Liabilities and Shareholders' Equity	4,730,141	6,288,782		

Income Statement

<i>Income Statement</i> (R\$ '000)	2Q21	2Q22	6M21	6M22
Net operating revenues	1,550,869	1,473,445	2,882,358	2,787,658
Cost of goods sold	(1,292,526)	(1,281,591)	(2,432,250)	(2,389,304)
Gross profit	258,343	191,854	450,108	398,354
Selling expenses	(70,904)	(99,504)	(128,487)	(179,433)
(Losses) / reversion of accounts receivable to recover	(5,868)	(4,988)	(11,581)	(9,593)
General and administrative expenses	(108,158)	(99,894)	(202,270)	(201,589)
Other revenues (expenses)	6,159	57,361	34,245	71,564
Operating profit before financial income and taxes	79,572	44,829	142,015	79,303
Financial expenses, net	(17,328)	(65,202)	(28,228)	(90,078)
Profit / (loss) before income tax and social contribution	62,244	(20,373)	113,788	(10,775)
Income tax and social contribution				
Current	(2,955)	(22,156)	(20,375)	(26,987)
Deferred	44,578	49,487	48,033	73,991
	41,623	27,331	27,658	47,004
Net income in the period	103,867	6,958	141,446	36,229
Attributed to:				
Controlling shareholders	102,097	5,022	139,566	33,615
Non-controlling shareholders	1,770	1,936	1,880	2,614

Cash Flow

(R\$ '000)	2Q21	2Q22	6M21	6M22
Cash flow from operating activities				
Net profit/(loss) in the period	103,867	6,958	141,446	36,229
Adjustments to reconcile net income with cash:				
Depreciation and amortization	27,958	40,601	52,517	73,308
Income tax and social contribution, net	(41,621)	(27,330)	(27,657)	(47,004)
Provision for impairment	5,868	4,988	11,581	9,593
Provision for contingencies	(403)	(12,284)	1,019	(12,290)
Provision for inventory losses	(844)	956	1,179	2,602
Share-based compensation	1,449	2,922	2,897	5,845
Interest, monetary variations, net - Loans	17,766	69,829	29,067	96,904
(Increase)/decrease in assets:				
Trade account receivables	(89,170)	(126,305)	(185,140)	(180,996)
Inventory	(66,576)	(175,326)	(58,110)	(133,169)
Taxes to recover	(27,677)	(20,826)	(45,076)	(41,224)
Other assets	(13,465)	(66,674)	(50,156)	(87,316)
Judicial deposits	(32,543)	(21,426)	(32,543)	(15,662)
(Decrease)/increase in liabilities:				
Suppliers and other accounts payable	94,112	214,286	9,508	(53,507)
Labor obligations	12,372	(20,528)	10,081	(23,997)
Taxes payable	(2,826)	14,374	(31,471)	9,307
Other Obligations	-	4,901	-	4,901
Cash generated by (used in) operating activities	(11,734)	(115,784)	(170,859)	(361,376)
Payment of interest on loans and financings	(3,675)	(27,054)	(11,890)	(40,106)
Income tax and social contribution paid	(10,951)	(7,221)	(19,952)	(8,554)
Net cash flow generated by (used in) operating activities	(26,360)	(145,158)	(202,701)	(405,135)
Investing activities:				
Acquisition of PP&E and intangible assets, net	(3,010)	(20,187)	(11,098)	(29,566)
Subsidiaries acquisitions, net of cash	(26,244)	(453,876)	(110,479)	(455,619)
Subsidiaries acquisitions of non-controlling shareholders	(0)	-	(21,243)	-
Cash from the acquisition of subsidiaries	-	-	-	-
Marketable Securities	-	-	75,243	-
Net cash flow from (used in) investing activities	(29,254)	(474,062)	(67,577)	(485,184)
Financing activities:				
Increase in share capital	5,059	-	227,640	-
Loans, financings and leases	-	968,802	190,268	1,187,802
Payment of installments for acquired companies	(33,530)	(99,567)	(38,053)	(172,529)
Payment of principal on loans and financing	(27,683)	(63,892)	(117,648)	(137,349)
Leases payment	(2,799)	(9,446)	(5,690)	(15,931)
Cash flow from financing activities	(58,954)	795,896	256,516	861,993
Increase/(reduction) in cash and cash equivalents, net	(114,568)	176,676	(13,762)	(28,326)
Cash and cash equivalents at the beginning of the period	329,267	251,154	228,461	456,156
Cash and cash equivalents at the end of the period	214,699	427,830	214,699	427,830
Increase/(reduction) in cash and cash equivalents, net	(114,568)	176,676	(13,762)	(28,326)

Information by Segment

<i>Pharmaceutical Specialties (R\$ '000)</i>	2Q21	2Q22	6M21	6M22
Net revenues	1,285,307	1,071,022	2,378,205	2,189,779
Cost of goods sold	(1,091,868)	(941,880)	(2,045,788)	(1,904,477)
Gross Profit	193,438	129,142	332,417	285,302
<i>Gross margin</i>	<i>15.0%</i>	<i>12.1%</i>	<i>14.0%</i>	<i>13.0%</i>
Selling expenses	(45,624)	(61,021)	(81,447)	(110,774)
Contribution margin	147,814	68,120	250,970	174,528
<i>% NR</i>	<i>11.5%</i>	<i>6.4%</i>	<i>10.6%</i>	<i>8.0%</i>
<i>Hospital Medical Supplies (R\$ '000)</i>	2Q21	2Q22	6M21	6M22
Net revenues	265,562	402,423	504,153	597,878
Cost of goods sold	(200,657)	(339,711)	(386,461)	(484,827)
Gross Profit	64,905	62,712	117,691	113,052
<i>Gross margin</i>	<i>24.4%</i>	<i>15.6%</i>	<i>23.3%</i>	<i>18.9%</i>
Selling expenses	(25,278)	(38,485)	(47,040)	(68,659)
Contribution margin	39,628	24,227	70,651	44,393
<i>% NR</i>	<i>14.9%</i>	<i>6.0%</i>	<i>14.0%</i>	<i>7.4%</i>
<i>Consolidated (R\$ '000)</i>	2Q21	2Q22	6M21	6M22
Net revenues	1,550,869	1,473,445	2,882,358	2,787,658
Cost of goods sold	(1,292,525)	(1,281,591)	(2,432,249)	(2,389,304)
Gross Profit	258,344	191,854	450,108	398,354
<i>Gross margin</i>	<i>16.7%</i>	<i>13.0%</i>	<i>15.6%</i>	<i>14.3%</i>
Selling expenses	(70,901)	(99,507)	(128,487)	(179,433)
Contribution margin	187,442	92,347	321,621	218,921
<i>% NR</i>	<i>12.1%</i>	<i>6.3%</i>	<i>11.2%</i>	<i>7.9%</i>

Descarpack

The table below shows Descarpack's reported (accounting) results for the 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
<i>Gross Margin</i>	<i>39.9%</i>	<i>21.6%</i>	<i>0.2%</i>	<i>13.3%</i>	<i>23.2%</i>	<i>16.4%</i>	<i>16.4%</i>	<i>16.3%</i>	<i>16.4%</i>	<i>16.4%</i>
EBITDA	175.1	66.2	(5.1)	17.5	253.8	28.0	29.3	23.9	27.8	109.0

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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.

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