

## Hypera Pharma reports 27.1% growth in Net Revenue and 29.3% in EBITDA from Continuing Operations (excl-Others) in 2022, with another year of organic market-share<sup>1</sup> gains

São Paulo, February 16, 2023 – Hypera S.A. (“Hypera Pharma” or “Company”; B3: HYPE3; Bloomberg: HYPE3 BZ; ISIN: BRHYPEACNOR0; Reuters: HYPE3.SA; ADR: HYPMY) announces its financial results for 2022. Financial data disclosed here are taken from the consolidated financial statements of Hypera S.A., prepared in accordance with the Brazilian Accounting Pronouncement Committee (CPC) and the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

### 4Q22 Highlights

- Highest ever recorded Net Revenue of R\$2,121.4 million, up 30.4% vs. 4Q21
- Non-Retail Net Revenue growth of 139.2% in 4Q22, when compared to 4Q21
- Highest ever recorded EBITDA from Continuing Operations (excl. Others) of R\$756.5 million, up 24.6% over 4Q21

### 2022 Highlights

- Net Revenue of R\$7,546.4 million, up 27.1% vs. 2021
- Highest ever recorded organic sell-out growth of 19.2%<sup>1</sup> in the year, or 2.5 p.p. higher than the market growth<sup>2</sup>
- EBITDA from Continuing Operations (excl. Others) of R\$2,654.2 million, or 29.3% higher than the previous year
- Highest ever recorded Cash Flow from Operations of R\$2,038.8 million in the year, or 45.7% higher than 2021
- Interest on Equity approval of R\$779.0 million (R\$1.23 per share)

**Table 1**

(R\$ million)	4Q21	% NR	4Q22	% NR	Δ %	2021	% NR	2022	% NR	Δ %
Gross Revenue, net of Returns and Unconditional Discounts	1,876.1	115.3%	2,452.8	115.6%	30.7%	6,798.3	114.5%	8,658.3	114.7%	27.4%
Net Revenue	1,626.5	100.0%	2,121.4	100.0%	30.4%	5,937.4	100.0%	7,546.4	100.0%	27.1%
Gross Profit	1,018.9	62.6%	1,322.0	62.3%	29.7%	3,802.9	64.0%	4,761.5	63.1%	25.2%
SG&A (excl. Marketing and R&D)	(193.9)	-11.9%	(274.2)	-12.9%	41.4%	(735.1)	-12.4%	(965.5)	-12.8%	31.3%
Marketing	(244.7)	-15.0%	(302.2)	-14.2%	23.5%	(1,032.7)	-17.4%	(1,174.3)	-15.6%	13.7%
EBITDA from Continuing Operations (excl. Others)	607.2	37.3%	756.5	35.7%	24.6%	2,053.0	34.6%	2,654.2	35.2%	29.3%
Net Income from Continuing Operations	366.0	22.5%	431.7	20.4%	18.0%	1,617.7	27.2%	1,706.5	22.6%	5.5%
Cash Flow from Operations	301.1	18.5%	514.5	24.3%	70.9%	1,399.1	23.6%	2,038.8	27.0%	45.7%

**EARNINGS CONFERENCE CALL – PORTUGUESE: 02/17/2023, 11am (Brasília) / 9am (New York)**

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*Note: (1) Sell-out PPP (Pharmacy Purchase Price), as informed by IQVIA, considers the average purchase price by pharmacies and chains; (2) As informed by IQVIA, excludes the infant formula segment*

## Operating Scenario

Hypera Pharma's Net Revenue grew 27.1% in 2022 and reached R\$7,546.4 million, higher than the guidance of R\$7,400 million set by the Company for the year. This performance was mainly driven: (i) by the organic sell-out growth of 19.2%<sup>1</sup> in the period, or 2.5 percentage points higher than the market growth<sup>2</sup>; (ii) by the expressive growth registered in Non-Retail; and (iii) by the contribution from the portfolio of brands acquired from Sanofi at the beginning of the year.

The Company presented organic sell-out growth higher than the market for the second consecutive year, and this time in all the business units dedicated to the retail pharmaceutical market.

In Prescription Products and Consumer Health, the market share gains were driven once again by the Power Brands<sup>3</sup> **Nesina**, **Predsim**, **Alivium**, **Rinosoro**, **Dramin**, **Benegrip** and **Engov**. In Skincare, growth above the market was driven primarily by the performance of recent launches and line extensions of the **Mantecorp Skincare**, **Simple Organic** and **Bioage** brands. In Similar and Generics, growth was driven by **Doralgina** and **Histamin**, new Power Brands of the Company, **Neosoro**, **Vitaminas Neo Química** and the recent launches of new molecules in generics.

The market-share gain recorded in all business units dedicated to the retail pharmaceutical market is a result of the Company's initiatives to boost its sustainable growth, with emphasis on the acceleration of the launches pace in recent years, the increase in production capacity and the investments in its leading brands of the retail pharmaceutical market.

**Non-Retail contributed with R\$380.8 million to Net Revenue in 2022, compared to R\$145.6 million in 2021.** This growth is the result of the initiatives implemented by the new structure dedicated to the non-retail market created in 2021, that contributed to the 69.9% growth of the Company's current portfolio in this segment, and to the additional revenue from the sales of Immunoglobulin in the year.

**This growth in Net Revenue helped Hypera Pharma to: (i) reach EBITDA from Continuing Operations, when excluding the contribution from Other Operating Revenues, of R\$2,654.2 million, in line with the guidance set by the Company for the year, with a margin of 35.2%, or 0.6 percentage point higher than 2021; and (ii) to increase its operating cash generation in 45.7% when compared to 2021.**

The Company had important operational and financial advances during the year and did not lose sight of its commitment to the sustainable growth of its business, the remuneration of its shareholders and the preservation of the well-being of its stakeholders. **Hypera Pharma launched its new injectables plant, in the manufacturing complex of Anápolis-GO, and kept moving forward with the establishment of its new innovation center, pilot plant and oncology plant to support its growth in the non-retail market, which currently has a pipeline of 87 new molecules to be launched in the coming years.**

In the retail market, the Company also announced the acquisition of the know-how and the site responsible for the production of the raw material related to scopolamine, with the purpose of guaranteeing autonomy in the supply of the main raw material to produce the **Buscopan**, and approved new investments to increase production capacity in solids and vitamins, and to expand its distribution center located in Anápolis-GO.

**The Board of Directors approved the payment of Interest on Equity of R\$779.0 million (R\$1.23/share), referring to the year 2022.**

Hypera Pharma had significantly progress in its sustainable agenda in 2022, with the implementation of several initiatives in the environmental, social and corporate governance areas. **These initiatives contributed to: (i) the 21% score increase in the Standard & Poor's ESG ranking (DJSI) and the participation in the S&P Global Sustainability Yearbook, which highlights the best performing ESG companies in 2022; (ii) the increase of its CDP (Carbon Disclosure Project) score from "C" to "B", which positioned Hypera Pharma above the global average of the pharmaceutical sector; and (iii) the selection for the first time to be part of the Corporate Sustainability Index ("ISE") portfolio of B3 (Brazilian Stock Exchange) for 2023.**

The Company's unique positioning in all segments of the Brazilian pharmaceutical retail market, the strength and resilience of its portfolio of leading brands and the strength of its innovation pipeline place Hypera Pharma as the pharmaceutical player best prepared to capture the diverse growth opportunities in the Brazilian pharmaceutical market.

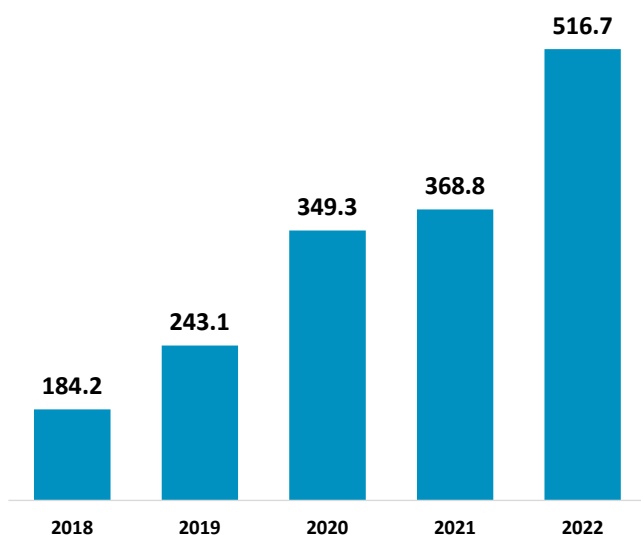
*Note: (1) Sell-out PPP (Pharmacy Purchase Price), as informed by IQVIA, considers the average purchase price by pharmacies and chains; (2) As informed by IQVIA, excludes the infant formula segment; (3) Power Brands are brands with +R\$100 million sell-out.*

Thus, the Company announced its 2023 guidance for Net Revenue of around R\$8,600 million, EBITDA from Continuing Operations of around R\$3,050 million, and Net Income from Continuing Operations of around R\$1,850 million. The EBITDA from Continuing Operations guidance did not consider “Other Operating Revenues/Expenses” and Net Income from Continuing Operations guidance considers the current interest rate scenario expected for 2023.

## Innovation & Launches

[Graph 1](#)

R&D Investments<sup>1</sup>  
(R\$ million)



The Company invested R\$516.7 million in Research and Development and surpassed R\$1.6 billion invested since 2018, when it started to focus its operations exclusively on the Brazilian pharmaceutical market. The Freshness Index, corresponding to the percentage of Net Revenue coming from products launched in the last five years, was 22% in 2022.

In 2022, Hypera Pharma reinforced its product portfolio with approximately 100 launches for the pharmaceutical retail and non-retail markets.

In Prescription Products, the Company launched **Ammy**, a patented estrogen-free contraceptive that marked the Company's entry into the main category of the women's health market in Brazil, **Ondif**, for the nausea prevention and treatment, and **Picbam**, the first apixaban-based medicine launched in the Brazilian market after patent cliff, for the prevention of venous thrombosis.

The year 2022 also marked the Company's entry into the cannabidiol market, with the launch of two full spectrum cannabidiol-based medicines.

In Consumer Health, the highlights were **Engov Up**, which represented the Company's entry into the energy drink market, and the line extensions of the **Vitasay**, **Merthiolate**, **Epocler**, **Buscopan** and **Neosaldina** brands.

In Similar and Generics, the Company advanced in its strategy to increase the coverage of molecules in generics, with important launches such as **Bilastin**, Power Brand pure generic version of **Alektos**, **Paroxetine**, **Minoxidil**, **Pantoprazol**, **Desvenlafaxine**, **Apixaban** and **Ondansetron**.

In Skincare, the main highlights were the line extensions of the **Episol** brand, such as **Episol Acqua** and **Episol Smart Color**, and the new line for skincare **PPoeta by Bioage** signed by Patrícia Poeta. In the Non-Retail Market, the highlights were the launches of the antibiotics **Cefepima**, **Cefuroxime** and **Bac-Sulfitrin**.

The Company currently has an innovation pipeline with approximately 450 products to further strengthen its participation in the Brazilian pharmaceutical retail market, in addition to 87 new molecules to be launched in the coming years to boost its growth in the non-retail market.

Note: (1) Considers the R&D expenses and the amount capitalized as intangible assets. Excludes the effect of the Lei do Bem and the R&D amortization

## Earnings Discussion

### Income Statement

Table 2

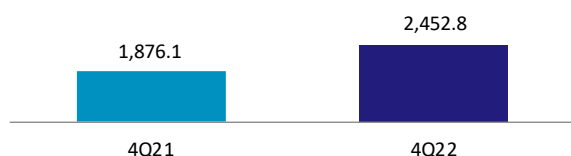
(R\$ million)	4Q21	% NR	4Q22	% NR	Δ %	2021	% NR	2022	% NR	Δ %
<b>Net Revenue</b>	<b>1,626.5</b>	<b>100.0%</b>	<b>2,121.4</b>	<b>100.0%</b>	<b>30.4%</b>	<b>5,937.4</b>	<b>100.0%</b>	<b>7,546.4</b>	<b>100.0%</b>	<b>27.1%</b>
<b>Gross Profit</b>	<b>1,018.9</b>	<b>62.6%</b>	<b>1,322.0</b>	<b>62.3%</b>	<b>29.7%</b>	<b>3,802.9</b>	<b>64.0%</b>	<b>4,761.5</b>	<b>63.1%</b>	<b>25.2%</b>
Marketing Expenses	(244.7)	-15.0%	(302.2)	-14.2%	23.5%	(1,032.7)	-17.4%	(1,174.3)	-15.6%	13.7%
Selling Expenses	(143.3)	-8.8%	(232.4)	-11.0%	62.2%	(624.2)	-10.5%	(810.4)	-10.7%	29.8%
General and Administrative Expenses	(64.1)	-3.9%	(95.9)	-4.5%	49.7%	(237.6)	-4.0%	(314.5)	-4.2%	32.4%
Other Operating Revenues (Expenses)	(40.3)	-2.5%	(21.5)	-1.0%	-46.6%	48.7	0.8%	(3.0)	0.0%	-
Equity in Subsidiaries	4.2	0.3%	16.7	0.8%	295.4%	11.0	0.2%	23.4	0.3%	113.8%
<b>EBIT from Continuing Operations</b>	<b>530.9</b>	<b>32.6%</b>	<b>686.6</b>	<b>32.4%</b>	<b>29.3%</b>	<b>1,968.0</b>	<b>33.1%</b>	<b>2,482.8</b>	<b>32.9%</b>	<b>26.2%</b>
Net Financial Expenses	(134.6)	-8.3%	(245.8)	-11.6%	82.6%	(323.7)	-5.5%	(871.6)	-11.6%	169.3%
Income Tax and CSLL	(30.3)	-1.9%	(9.1)	-0.4%	-69.9%	(26.6)	-0.4%	95.3	1.3%	-
Net Income (Loss) from Continuing Operations	366.0	22.5%	431.7	20.4%	18.0%	1,617.7	27.2%	1,706.5	22.6%	5.5%
Net Income from Discontinued Operations	(12.9)	-0.8%	(2.2)	-0.1%	-83.1%	(287.4)	-4.8%	(8.1)	-0.1%	-97.2%
Net Income (Loss)	353.1	21.7%	429.6	20.2%	21.7%	1,330.3	22.4%	1,698.4	22.5%	27.7%
<b>EBITDA from Continuing Operations</b>	<b>566.9</b>	<b>34.9%</b>	<b>735.0</b>	<b>34.6%</b>	<b>29.6%</b>	<b>2,101.7</b>	<b>35.4%</b>	<b>2,651.1</b>	<b>35.1%</b>	<b>26.1%</b>

## Net Revenue

Graph 2

Gross Revenue, net of Returns and Unconditional Discounts (R\$ mm)

Δ 4Q22 vs 4Q21 30.7%



Graph 3

Gross Revenue, net of Returns and Unconditional Discounts (R\$ mm)

Δ 2022 vs 2021 27.4%



Graph 4

Net Revenue (R\$ mm)

Δ 4Q22 vs 4Q21 30.4%



Graph 5

Net Revenue (R\$ mm)

Δ 2022 vs 2021 27.1%

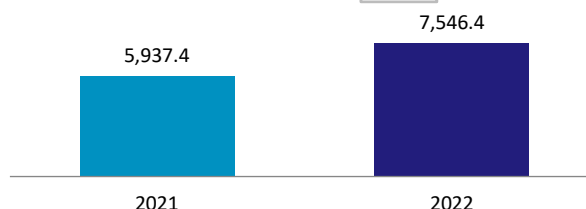


Table 3

(R\$ million)	4Q21	4Q22	Δ %	2021	2022	Δ %
Gross Revenue, net of Returns and Unconditional Discounts	1,876.1	2,452.8	30.7%	6,798.3	8,658.3	27.4%
Promotional Discounts	(119.8)	(154.9)	29.2%	(385.6)	(492.5)	27.7%
Taxes	(129.8)	(176.6)	36.0%	(475.3)	(619.5)	30.3%
Net Revenue	1,626.5	2,121.4	30.4%	5,937.4	7,546.4	27.1%

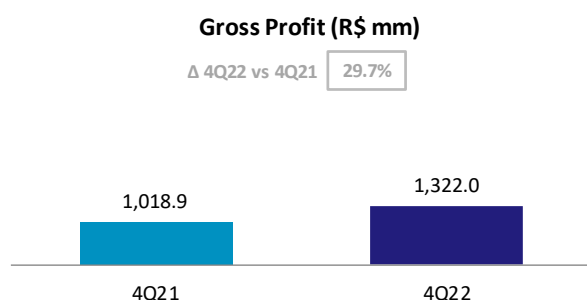
In 4Q22, Net Revenue grew 30.4% when compared to the same period of the previous year, reaching R\$2,121.4 million, the highest level ever recorded by the Company in a quarter. This growth is mainly the result of: (i) the recent organic growth of the pharmaceutical retail sell-out, which in 4Q22 was 12.1%, or 1.8 percentage points lower than the market growth; (ii) the Non-Retail Market Net Revenue growth, which increased from R\$41.5 million in 4Q21 to R\$99.3 million in 4Q22; and (iii) the contribution to Net Revenue of R\$55.5 million from the brands acquired from Sanofi.

It is important to mention that sell-out growth in 4Q22 was negatively influenced by the strong year-over-year growth recorded in December 2021, when the Company grew organically 29.0%, or 8.2 percentage points above the market, a consequence mainly of the significant growth in anti-flu medicines sales due to the increase in cases of influenza (H3N2) observed in Brazil that month.

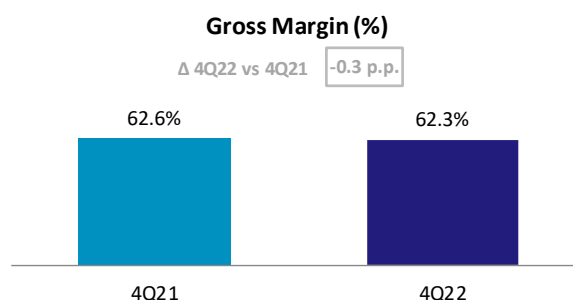
In 2022, Hypera Pharma's Net Revenue grew 27.1% and reached R\$7,546.4 million, higher than the guidance established by the Company for the year. This performance was mainly driven by: (i) the organic the sell-out growth of 19.2% in the period; (ii) the growth of the Non-Retail Market Net Revenue, which reached R\$380.8 million in 2022, compared to R\$145.6 million in 2021; and (iii) the additional contribution to Net Revenue of the portfolio of brands acquired from Sanofi.

## Gross Profit

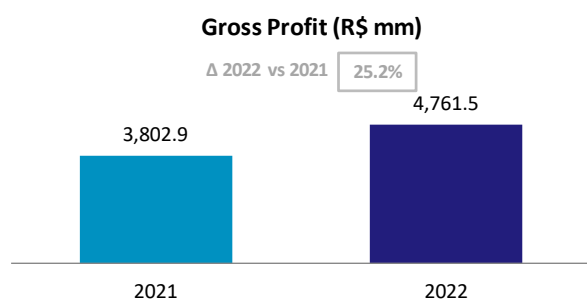
Graph 6



Graph 7



Graph 8



Graph 9

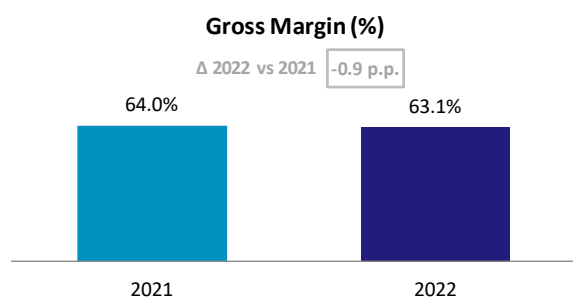


Table 4

(R\$ million)	4Q21	% NR	4Q22	% NR	Δ %	Δ p.p.	2021	% NR	2022	% NR	Δ %	Δ p.p.
Gross Profit	1,018.9	62.6%	1,322.0	62.3%	29.7%	-0.3 p.p.	3,802.9	64.0%	4,761.5	63.1%	25.2%	-0.9 p.p.

**Gross Profit** reached R\$1,322.0 million in 4Q22, with Gross Margin of 62.3%, and R\$4,761.5 million in 2022, with Gross Margin of 63.1%. The Gross Margin change in the quarter and in the year is mainly a consequence of the Non-Retail increase in the mix of products sold.



## Marketing Expenses

Table 5

(R\$ million)	4Q21	% NR	4Q22	% NR	Δ %	2021	% NR	2022	% NR	Δ %
Marketing Expenses	(244.7)	-15.0%	(302.2)	-14.2%	23.5%	(1,032.7)	-17.4%	(1,174.3)	-15.6%	13.7%
Advertisement and Consumer Promotion	(77.1)	-4.7%	(88.0)	-4.1%	14.1%	(333.8)	-5.6%	(350.1)	-4.6%	4.9%
Trade Deals	(40.2)	-2.5%	(54.6)	-2.6%	36.0%	(160.0)	-2.7%	(182.3)	-2.4%	13.9%
Medical Visits, Promotions and Others	(127.4)	-7.8%	(159.6)	-7.5%	25.3%	(538.8)	-9.1%	(641.9)	-8.5%	19.1%

**Marketing Expenses** grew 23.5% in 4Q22, when compared to the same period of the last year, and 13.7% in 2022, and reduced their share of Net Revenue by 0.8 and 1.8 percentage point, respectively. The decrease in the share of Net Revenue in the quarter is mainly due to: (i) the sell-out growth acceleration in Consumer Health, Prescription Products and Skincare Power Brands; (ii) the Non-Retail Net Revenue growth; and (iii) the operational synergies from the integration of the portfolio acquired from Sanofi.

## Selling Expenses

Table 6

(R\$ million)	4Q21	% NR	4Q22	% NR	Δ %	2021	% NR	2022	% NR	Δ %
Selling Expenses	(143.3)	-8.8%	(232.4)	-11.0%	62.2%	(624.2)	-10.5%	(810.4)	-10.7%	29.8%
Commercial Expenses	(97.6)	-6.0%	(132.1)	-6.2%	35.3%	(375.9)	-6.3%	(486.8)	-6.5%	29.5%
Freight and Logistics Expenses	(32.2)	-2.0%	(46.2)	-2.2%	43.6%	(121.7)	-2.0%	(164.2)	-2.2%	35.0%
Research & Development	(13.5)	-0.8%	(54.1)	-2.5%	301.4%	(126.7)	-2.1%	(159.4)	-2.1%	25.8%

**Selling Expenses** increased their share of Net Revenue by 2.2 percentage points in 4Q22, when compared to 4Q21, mainly reflecting the growth in Research and Development expenses in the quarter. The increase in R&D expenses in the quarter is mainly due to the additional provision for innovation projects losses in 4Q22. In 4Q22, the benefit from Lei do Bem was R\$19.5 million, compared to R\$24.5 million in 4Q21.

In 2022, **Selling Expenses** represented 10.7% of Net Revenues, versus 10.5% in 2021.

## General and Administrative Expenses & Other Operating Revenues / Expenses, Net

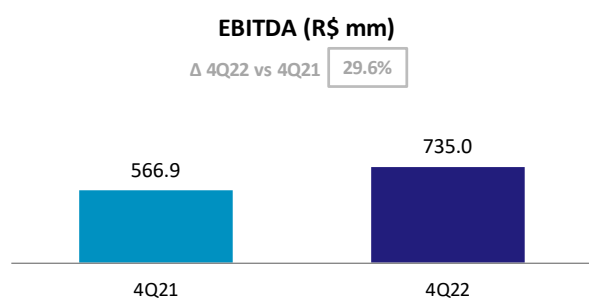
Table 7

(R\$ million)	4Q21	% NR	4Q22	% NR	Δ %	2021	% NR	2022	% NR	Δ %
General & Administrative Expenses	(64.1)	-3.9%	(95.9)	-4.5%	49.7%	(237.6)	-4.0%	(314.5)	-4.2%	32.4%
Other Operating Revenues (Expenses)	(40.3)	-2.5%	(21.5)	-1.0%	-46.6%	48.7	0.8%	(3.0)	0.0%	-

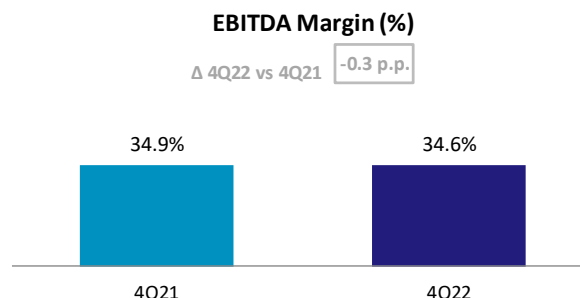
**General and Administrative Expenses** increased its share of Net Revenue by 0.6 percentage point in 4Q22, when compared to 4Q21, and 0.2 percentage point in 2022, mainly reflecting the increase in the administrative teams and the technology and infrastructure expenses in the periods.

## EBITDA from Continuing Operations

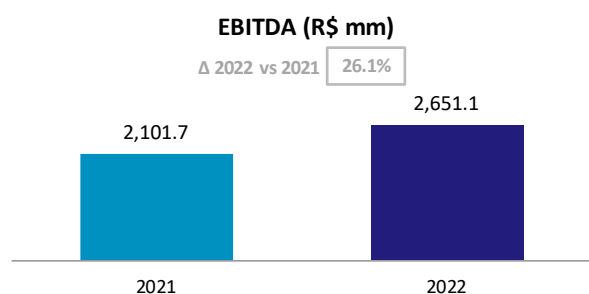
**Graph 10**



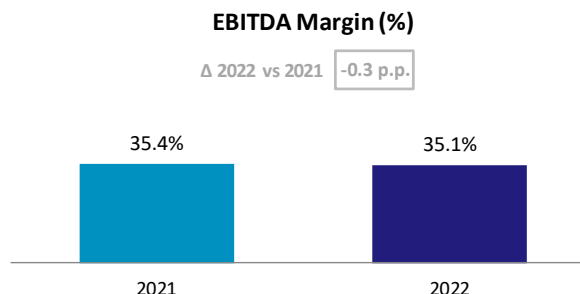
**Graph 11**



**Graph 12**



**Graph 13**



**Table 8 – EBITDA from Continuing Operations**

(R\$ million)	4Q21	% NR	4Q22	% NR	Δ %	2021	% NR	2022	% NR	Δ %
EBITDA from Continuing Operations	566.9	34.9%	735.0	34.6%	29.6%	2,101.7	35.4%	2,651.1	35.1%	26.1%
EBITDA from Continuing Operations (excl. Others)	607.2	37.3%	756.5	35.7%	24.6%	2,053.0	34.6%	2,654.2	35.2%	29.3%

**EBITDA from Continuing Operations** was R\$2,651.1 million in 2022, with 35.1% margin, or 0.7 percentage point higher than 2021.

**EBITDA from Continuing Operations**, when excluding the contribution of **Other Operating Revenues/Expenses**, reached R\$756.5 million in 4Q22, with a margin of 35.7%, and R\$2,654.2 million in 2022, with 35.2% margin, according to the Company's guidance for the year. The EBITDA margin expansion in the quarter and the year is mainly due to the dilution of marketing expenses.



## Net Financial Expenses

Table 9

(R\$ million)	4Q21	% NR	4Q22	% NR	Δ R\$	2021	% NR	2022	% NR	Δ R\$
Financial Result	(134.6)	-8.3%	(245.8)	-11.6%	(111.2)	(323.7)	-5.5%	(871.6)	-11.6%	(548.0)
Net Interest Expenses	(113.7)	-7.0%	(219.9)	-10.4%	(106.2)	(262.1)	-4.4%	(735.3)	-9.7%	(473.2)
Cost of Hedge and FX Gains (Losses)	(4.9)	-0.3%	(7.1)	-0.3%	(2.2)	(8.7)	-0.1%	(45.5)	-0.6%	(36.7)
Other	(15.9)	-1.0%	(18.7)	-0.9%	(2.8)	(52.8)	-0.9%	(90.9)	-1.2%	(38.1)

**Financial Result** presented negative balance of R\$871.6 million in 2022, compared to R\$323.7 million in 2021. This variation is a consequence of the increase in interest expenses in the period, as a result of: (i) the higher gross debt of the Company, mainly due from the issuance of debentures to pay for recent acquisitions; and (ii) the increase in the Selic rate.

## Net Income

Table 10

(R\$ million)	4Q21	4Q22	Δ %	2021	2022	Δ %
EBIT from Continuing Operations	530.9	686.6	29.3%	1,968.0	2,482.8	26.2%
(-) Net Financial Expenses	(134.6)	(245.8)	82.6%	(323.7)	(871.6)	169.3%
(-) Income Tax and Social Contribution	(30.3)	(9.1)	-69.9%	(26.6)	95.3	-
<b>Net Income from Continuing Operations</b>	<b>366.0</b>	<b>431.7</b>	<b>18.0%</b>	<b>1,617.7</b>	<b>1,706.5</b>	<b>5.5%</b>
(+) Net Income from Discontinued Operations	(12.9)	(2.2)	-83.1%	(287.4)	(8.1)	-97.2%
<b>Net Income</b>	<b>353.1</b>	<b>429.6</b>	<b>21.7%</b>	<b>1,330.3</b>	<b>1,698.4</b>	<b>27.7%</b>
EPS	0.56	0.68	21.2%	2.11	2.68	27.5%
EPS from Continuing Operations	0.58	0.68	17.7%	2.56	2.70	5.4%

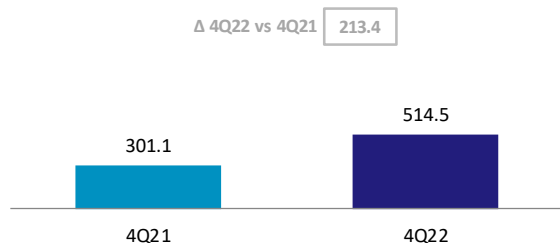
**Net Income from Continuing Operations** totaled R\$431.7 million in the quarter, or 18.0% higher than 4Q21. The change in Net Income from Continuing Operations is mainly a consequence of the 29.3% growth in EBIT of Continuing Operations and the R\$111.2 million increase in Net Financial Expenses.

In 2022, the Company presented **Net Income from Continuing Operations** of R\$1,706.5 million, compared to R\$1,617.7 million in the previous period, in line with the guidance set for the year, and reflects the 26.2% growth in EBIT from Continuing Operations and the R\$547.9 million increase in Net Financial Expenses.

## Cash Flow (Continuing and Discontinued Operations)

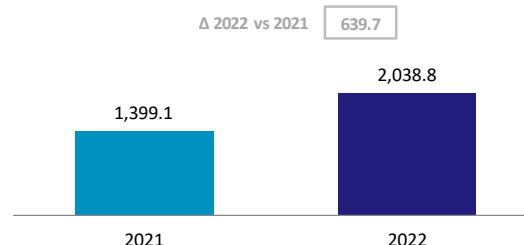
**Graph 14**

### Cash Flow from Operations (R\$ mm)



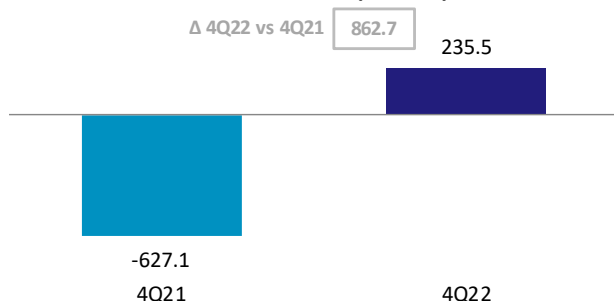
**Graph 15**

### Cash Flow from Operations (R\$ mm)



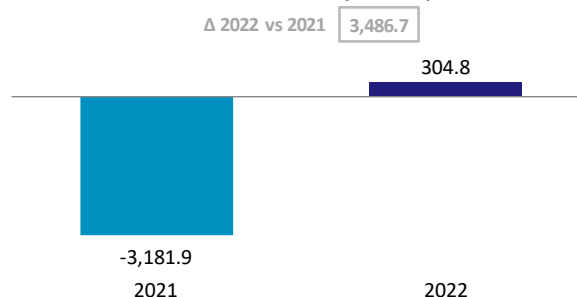
**Graph 16**

### Free Cash Flow (R\$ mm)



**Graph 17**

### Free Cash Flow (R\$ mm)



**Table 11**

(R\$ million)	4Q21	4Q22	2021	2022
Cash Flow from Operations	301.1	514.5	1,399.1	2,038.8
Capital increase in subsidiaries/associates	(20.0)	(3.8)	(40.4)	(14.7)
Dividends Received	0.0	2.5	0.0	2.5
Purchase of Property, Plant and Equipment	(254.5)	(176.3)	(632.7)	(515.5)
Purchase of Intangible Assets	(60.1)	(93.6)	(206.2)	(993.9)
Acquisitions of Subsidiaries, Net of Cash Acquired	(81.7)	(3.8)	(3,635.2)	(212.3)
Sale of Property, Plant and Equipment	(511.8)	(3.9)	(66.6)	(0.1)
(=) Free Cash Flow	(627.1)	235.5	(3,181.9)	304.8

Cash Flow from Operations grew 45.7% in 2022, and reached R\$2,038.8 million, the highest level ever recorded by the Company. Free Cash Flow was R\$304.8 million in the period, mainly as a result of the payments for the brands acquired from Sanofi, net of the proceeds from the sale of the ex-Brazil portfolio, and for the know-how and the site responsible for the production of the raw material related to scopolamine.

## Net Debt

Table 12

(R\$ million)	2021	2022
Loans and Financing	(7,361.0)	(9,607.6)
Notes Payable	(45.4)	(73.4)
<b>Gross Debt</b>	<b>(7,406.4)</b>	<b>(9,681.0)</b>
Cash and Cash Equivalents	2,287.1	2,862.5
<b>Net Cash / (Debt)</b>	<b>(5,119.3)</b>	<b>(6,818.5)</b>
Unrealized Gain/Loss on Debt Hedge	(24.6)	(17.3)
<b>Net Cash / (Debt) After Hedge</b>	<b>(5,143.9)</b>	<b>(6,835.8)</b>

The Company ended 2022 with a Net Debt After Hedge position of R\$6,835.8 million, compared to R\$5,143.9 million at the end of 2021. The increase in Net Debt after Hedge is mainly a consequence of the increase in the Company's gross debt in the period.

## Other Information

### Cash Conversion Cycle – Continuing Operations

Table 13

						(R\$ million)	4Q21	1Q22	2Q22	3Q22	4Q22
(Days)	4Q21	1Q22	2Q22	3Q22	4Q22						
Receivables <sup>(1)</sup>	103	104	94	90	98	Receivables	2,039	1,887	2,160	2,238	2,532
Inventories <sup>(2)</sup>	193	249	223	243	247	Inventories	1,303	1,531	1,701	2,009	2,196
Payables <sup>(2)(3)</sup>	(117)	(139)	(129)	(143)	(147)	Payables <sup>(3)</sup>	(791)	(854)	(983)	(1,181)	(1,310)
<b>Cash Conversion Cycle</b>	<b>179</b>	<b>214</b>	<b>188</b>	<b>190</b>	<b>198</b>	<b>Working Capital</b>	<b>2,552</b>	<b>2,564</b>	<b>2,878</b>	<b>3,066</b>	<b>3,418</b>
						<b>% of Annualized Net Revenue <sup>(4)</sup></b>	<b>39%</b>	<b>43%</b>	<b>38%</b>	<b>38%</b>	<b>40%</b>

(1) Calculated based on Continuing Operations Gross Revenue, Net of Discounts

(2) Calculated based on Continuing Operations COGS

(3) Includes Suppliers' Assignment of Receivables

(4) Annualized Net Revenue for the last 3 months

### Tax Credits to offset Income Tax payment

- i) Federal Recoverable Taxes: R\$676.2 million (please refer to Explanatory Note 13 of the Financial Statements);
- ii) Cash effect of Income Tax and Social Contribution Losses Carryforward: R\$2,484.5 million (please refer to Explanatory Note 23(a) of the Financial Statements).

### Reconciliation of Adjusted EBITDA, or EBITDA from Continuing Operations

Table 14

(R\$ million)	4Q21	% NR	4Q22	% NR	Δ %	2021	% NR	2022	% NR	Δ %
Net Income	353.1	21.7%	429.6	20.2%	21.7%	1,330.3	22.4%	1,698.4	22.5%	27.7%
(+) Income Tax and CSLL	24.0	1.5%	7.6	0.4%	-68.2%	(121.0)	-2.0%	(100.6)	-1.3%	-16.9%
(+) Net Interest Expenses	134.6	8.3%	245.8	11.6%	82.6%	323.7	5.5%	871.6	11.6%	169.3%
(+) Depreciations / Amortizations	36.1	2.2%	49.1	2.3%	36.0%	133.7	2.3%	169.1	2.2%	26.5%
<b>EBITDA</b>	<b>547.7</b>	<b>33.7%</b>	<b>732.0</b>	<b>34.5%</b>	<b>33.6%</b>	<b>1,666.7</b>	<b>28.1%</b>	<b>2,638.6</b>	<b>35.0%</b>	<b>58.3%</b>
(-) EBITDA from Discontinued Operations	19.2	1.2%	3.0	0.1%	-84.6%	435.0	7.3%	12.6	0.2%	-97.1%
<b>Adjusted EBITDA (EBITDA from Continuing Operations)</b>	<b>566.9</b>	<b>34.9%</b>	<b>735.0</b>	<b>34.6%</b>	<b>29.6%</b>	<b>2,101.7</b>	<b>35.4%</b>	<b>2,651.1</b>	<b>35.1%</b>	<b>26.1%</b>

EBITDA is a non-accounting measure prepared by the Company and it is calculated based on net income, added by income taxes, financial expenses net of financial income, depreciation and amortization. The Adjusted EBITDA, or EBITDA from Continuing Operations, represents the EBITDA, excluding the effects related to discontinued operations that affected the Company's EBITDA. The Company uses Adjusted EBITDA, or EBITDA from Continuing Operations, as a non-accounting measure, in order to present its performance in a way that better translates the operating cash generation potential of its business.

## Disclaimer

This release contains forward-looking statements that are exclusively related to the prospects of the business, its operating and financial results, and prospects for growth. These data are merely projections and, as such, based exclusively on our management's expectations for the future of the business and its continued access to capital to fund its business plan. These forward-looking statements substantially depend on changing market conditions, government regulations, competitive pressures, the performance of the Brazilian economy and the industry, among other factors, as well as the risks shown in our filed disclosure documents, and are therefore subject to change without prior notice.

Additional unaudited information herein reflects management's interpretation of information taken from its financial information and their respective adjustments, which were prepared in accordance with market practices and for the sole purpose of a more detailed and specific analysis of our results. Therefore, these additional data must also be analyzed and interpreted independently by shareholders and market agents, who should carry out their own analysis and draw their own conclusions from the results reported herein. No data or interpretative analysis provided by our management should be treated as a guarantee of future performance or results and are merely illustrative of our directors' vision of our results.

Our management is not responsible for compliance or accuracy of the management financial data discussed in this report, which must be considered as for informational purposes only, and should not override the analysis of our audited consolidated financial statements or our reviewed quarterly information for purposes of a decision to invest in our stock, or for any other purpose.

## Consolidated Income Statement (R\$ thousand)

Table 15

	4Q21	4Q22	2021	2022
Net Revenue	1,626,490	2,121,394	5,937,373	7,546,355
Cost of Goods Sold	(607,576)	(799,441)	(2,134,487)	(2,784,831)
Gross Profit	1,018,914	1,321,953	3,802,886	4,761,524
Selling and Marketing Expenses	(387,922)	(534,640)	(1,656,942)	(1,984,715)
General and Administrative Expenses	(64,087)	(95,914)	(237,597)	(314,460)
Other Operating Revenues (Expenses)	(40,278)	(21,499)	48,703	(3,009)
Equity in Subsidiaries	4,229	16,723	10,951	23,411
Operating Income Before Equity Income and Financial Result	530,856	686,623	1,968,001	2,482,751
Net Financial Expenses	(134,598)	(245,784)	(323,672)	(871,647)
Financial Expenses	(185,373)	(317,952)	(445,106)	(1,122,687)
Financial Income	50,775	72,168	121,434	251,040
Profit Before Income Tax and Social Contribution	396,258	440,839	1,644,329	1,611,104
Income Tax and Social Contribution	(30,290)	(9,104)	(26,580)	95,348
Net Income from Continuing Operations	365,968	431,735	1,617,749	1,706,452
Net Income from Discontinued Operations	(12,892)	(2,184)	(287,444)	(8,053)
Income for the Period	353,076	429,551	1,330,305	1,698,399
Earnings per Share – R\$	0.56	0.68	2.11	2.68

## Consolidated Balance Sheet (R\$ thousand)

Table 16

Assets	12/31/2021	12/31/2022	Liabilities and Shareholders' Equity	12/31/2021	12/31/2022
<b>Current Assets</b>	<b>6,491,633</b>	<b>8,530,120</b>	<b>Current Liabilities</b>	<b>2,776,526</b>	<b>5,225,194</b>
Cash and Cash Equivalents	2,287,062	2,862,473	Suppliers	327,133	421,501
Accounts Receivables	2,039,474	2,531,789	Suppliers' Assignment of Receivables	463,627	888,150
Inventories	1,303,480	2,195,982	Loans and Financing	565,648	2,230,678
Recoverable Taxes	597,195	532,564	Salaries Payable	284,290	378,933
Financial Derivatives	29,305	10,303	Income Tax and Social Contribution	984	6,389
Other Assets	232,348	391,058	Taxes Payable	68,865	70,861
Dividends and IOC receivables	2,769	5,951	Accounts Payable	276,647	431,239
			Dividends and IOC Payable	704,808	677,773
			Notes Payable	36,840	68,079
			Financial Derivatives	47,684	51,591
<b>Non-Current Assets</b>	<b>13,326,329</b>	<b>15,225,513</b>	<b>Non-Current Liabilities</b>	<b>7,207,965</b>	<b>7,874,998</b>
<b>Long Term Assets</b>	<b>1,097,410</b>	<b>1,159,417</b>	Loans and Financing	6,795,339	7,376,881
Deferred Income Tax and Social Contribution	355,115	603,170	Deferred Income Tax and Social Contribution	73,993	206,378
Recoverable Taxes	492,676	344,013	Taxes Payable	12,495	4,179
Other Assets	249,619	188,109	Accounts Payable	99,548	128,966
Financial Derivatives	0	24,125	Provisions for Contingencies	193,494	153,256
			Notes Payable	8,544	5,331
			Financial Derivatives	24,552	7
<b>Fixed Assets and Investments</b>	<b>12,228,919</b>	<b>14,066,096</b>	<b>Shareholders' Equity</b>	<b>9,833,471</b>	<b>10,655,441</b>
Investments	111,001	131,717	Capital	4,478,126	4,478,126
Investment Properties	25,616	19,568	Capital Reserve	1,251,417	1,232,710
Biological Assets	0	4,799	Equity Valuation Adjustments	(181,839)	(244,191)
Property, Plants and Equipments	2,095,140	2,814,540	Profit Reserves	4,360,237	5,266,249
Intangible Assets	9,997,162	11,095,472	Treasury Stock	(81,350)	(87,134)
			Attributed to non-controlling shareholders	6,880	9,681
<b>Total Assets</b>	<b>19,817,962</b>	<b>23,755,633</b>	<b>Total Liabilities and Shareholders' Equity</b>	<b>19,817,962</b>	<b>23,755,633</b>



## Consolidated Cash Flow Statement (R\$ thousand)

Table 17

	4Q21	4Q22	2021	2022
<b>Cash Flows from Operating Activities</b>				
Income (Loss) Before Income Taxes including Discontinued Operations	377,053	437,162	1,209,329	1,597,822
Depreciation and Amortization	36,072	49,055	133,686	169,101
Asset Impairment	7,844	27,325	3,123	15,763
Gain on Permanent Asset Disposals	18,929	(2,332)	420,834	61,146
Equity Method	(4,109)	(16,622)	(10,566)	(22,927)
Foreign Exchange (Gains) Losses	4,948	7,104	8,745	45,416
Net Interest and Related Revenue/Expenses	129,650	238,679	314,927	826,200
Expenses Related to Share Based Remuneration	7,580	6,177	24,954	24,875
Provisions	25,879	(8,745)	49,998	8,607
<b>Adjusted Results</b>	<b>603,846</b>	<b>737,803</b>	<b>2,155,030</b>	<b>2,726,003</b>
<b>Decrease (Increase) in Assets</b>	<b>(308,484)</b>	<b>(321,005)</b>	<b>(917,478)</b>	<b>(1,239,518)</b>
Trade Accounts Receivable	(222,222)	(293,505)	(511,810)	(471,365)
Inventories	(76,680)	(204,636)	(405,538)	(961,655)
Recoverable Taxes	707	120,027	(136,262)	195,360
Judicial Deposits and Others	(13,665)	2,523	2,929	(15,037)
Other Accounts Receivable	3,376	54,586	133,203	13,179
<b>Increase (Decrease) in Liabilities</b>	<b>5,716</b>	<b>97,655</b>	<b>161,579</b>	<b>552,308</b>
Suppliers	(17,327)	(32,330)	28,882	91,673
Suppliers' Assignment of Receivables	(14,445)	172,998	26,476	419,595
Financial Derivatives	62,274	(7,523)	52,448	(115,662)
Income Tax and Social Contribution Paid	(100)	(4,920)	(7,046)	(5,950)
Taxes Payable	(9,337)	(4,587)	5,809	336
Salaries and Payroll Charges	(29,330)	(2,590)	45,758	91,066
Accounts Payable	2,674	(10,021)	5,676	18,190
Operations Interest Paid	(7,497)	(10,918)	(4,977)	45,262
Other Accounts Payable	18,804	(2,454)	8,553	7,798
<b>Net Cash Provided by Operating Activities</b>	<b>301,078</b>	<b>514,453</b>	<b>1,399,131</b>	<b>2,038,793</b>
<b>Cash Flows from Investing Activities</b>				
Capital Increase/Decrease in Subsidiaries/Affiliates	(20,000)	(3,847)	(40,365)	(14,673)
Acquisitions of Subsidiaries, Net of Cash Acquired	(81,717)	(3,804)	(3,635,180)	(212,267)
Acquisitions of Property, Plant and Equipment	(254,544)	(176,287)	(632,719)	(515,548)
Intangible Assets	(60,149)	(93,618)	(206,163)	(993,908)
Proceeds from the Sale of Assets with Permanent Nature	(511,787)	(3,885)	(66,566)	(139)
Interest and Others	31,479	42,536	67,303	140,294
Dividends Received	0	2,533	0	2,533
Investment Hedge	55,895	0	101,265	(148,629)
<b>Net Cash From Investing Activities</b>	<b>(840,823)</b>	<b>(236,372)</b>	<b>(4,412,425)</b>	<b>(1,742,337)</b>
<b>Cash Flows from Financing Activities</b>				
Borrowings	0	762,144	2,221,183	2,419,817
Treasury Stock Purchase / Sale	(43,548)	(38,466)	(109,974)	(2,694)
Repayment of Loans - Principal	(141,497)	(37,243)	(519,687)	(409,551)
Repayment of Loans - Interest	(105,572)	(267,446)	(308,417)	(867,238)
Dividends and IOC Paid	(25,053)	(51,146)	(745,936)	(806,208)
Loan Derivatives	0	(2,356)	19,889	(55,171)
<b>Net Cash From Financing Activities</b>	<b>(315,670)</b>	<b>365,487</b>	<b>557,058</b>	<b>278,955</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(855,415)</b>	<b>643,568</b>	<b>(2,456,236)</b>	<b>575,411</b>
<b>Statement of Increase in Cash and Cash Equivalents, Net</b>				
Cash and Cash Equivalents at the Beginning of the Period	3,142,477	2,218,905	4,743,298	2,287,062
Cash and Cash Equivalents at the End of the Period	2,287,062	2,862,473	2,287,062	2,862,473
<b>Change in Cash and Cash Equivalent</b>	<b>(855,415)</b>	<b>643,568</b>	<b>(2,456,236)</b>	<b>575,411</b>