

Hypera Pharma increases Net Revenue by 50.0% and EBITDA from Continuing Operations by 47.6% in 3Q21, with organic market-share¹ expansion for the fourth consecutive quarter

São Paulo, October 22, 2021 – Hypera S.A. (“Hypera Pharma” or “Company”; B3: HYPE3; Bloomberg: HYPE3 BZ; ISIN: BRHYPEACNORO; Reuters: HYPE3.SA; ADR: HYPMY) announces its financial results for the 3rd quarter of 2021. 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 International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

3Q21 Highlights

- Net revenue of R\$1,632.6 million in the quarter, or 50.0% higher than 3Q20
- EBITDA from Continuing Operations of R\$580.9 million in 3Q21, or 47.6% higher than 3Q20
- Net Income from Continuing Operations of R\$464.7 million, an increase of 32.9% over 3Q20
- Organic sell-out growth of 13.7%¹ in 3Q21, or 1.4 p.p. above the market²
- Highest ever recorded Operating Cash Flow of R\$539.9 million in the quarter, versus R\$465.1 million in 3Q20
- Interest on Equity approval of R\$194.8 million in 3Q21, or 5% greater than 3Q20

Table 1

(R\$ million)	3Q20	% NR	3Q21	% NR	Δ %	9M20	% NR	9M21	% NR	Δ %
Gross Revenue, net of Returns and Unconditional Discounts	1,235.2	113.5%	1,865.0	114.2%	51.0%	3,348.1	113.3%	4,922.2	114.2%	47.0%
Net Revenue	1,088.5	100.0%	1,632.6	100.0%	50.0%	2,954.0	100.0%	4,310.9	100.0%	45.9%
Gross Profit	696.3	64.0%	1,043.5	63.9%	49.9%	1,929.6	65.3%	2,784.0	64.6%	44.3%
SG&A (ex-Marketing and R&D)	(145.9)	-13.4%	(192.4)	-11.8%	31.9%	(445.3)	-15.1%	(541.3)	-12.6%	21.5%
Marketing	(202.6)	-18.6%	(275.0)	-16.8%	35.8%	(572.3)	-19.4%	(788.0)	-18.3%	37.7%
EBITDA from Continuing Operations	393.5	36.1%	580.9	35.6%	47.6%	1,091.4	36.9%	1,534.8	35.6%	40.6%
Net Income from Continuing Operations	349.6	32.1%	464.7	28.5%	32.9%	996.7	33.7%	1,251.8	29.0%	25.6%
Cash Flow from Operations	465.1	42.7%	539.9	33.1%	16.1%	987.8	33.4%	1,098.1	25.5%	11.2%

EARNINGS CONFERENCE CALL – PORTUGUESE: 10/25/2021, 11am (Brasília) / 10am (New York)

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Note: (1) Sell-out PPP 3Q21 (Pharmacy Purchase Price), as informed by IQVIA, considers the average purchase price from pharmacies and chains. It does not consider the sell-out of the Buscopan brands and the portfolio acquired from Takeda; (2) As informed by IQVIA, it excludes the infant formula segment

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Operating Scenario

Hypera Pharma's Net Revenue grew 50.0% in 3Q21, mainly driven by: (i) the contribution to Net Revenue from the portfolio of medicines acquired from Takeda and the Buscopan brands, and (ii) the **13.7% organic sell-out¹ growth, or 1.4 percentage point above the market²**.

The organic sell-out growth was higher than the market for the fourth consecutive quarter, and reflects the Company's initiatives to boost its long-term sustainable growth, with highlights including the launches acceleration in the last years, the increase in production capacity and the investments in its leading brands.

Prescription Products was the highlight of the quarter, with sell-out growth exceeding the market growth once again. The performance benefited from the growth in chronic medicines, a segment in which the Company has been strengthening its participation in recent years with several important launches, and by the increase in the number of prescriptions seen throughout 2021, which has exceeded pre-pandemic levels, according to a recent IQVIA study.

In **Skincare**, a segment that has been growing faster than the pharmaceutical retail market in the past 12 months, **Hypera Pharma expanded its market-share again**, driven primarily by the growth in **Episol, Epidrat, Ivy C and Pielus** brands, which had relevant line extensions in recent quarters, and by the growth from the portfolio of medicines acquired from Glenmark in the beginning of 2020.

In **Similar and Generics**, the growth continues to be driven by: (i) the Company's robust distribution platform; (ii) the initiatives to increase the visibility of the Neo Química brand; (iii) the expansion of the production capacity; and (iv) the acceleration in the number of launches. In **Consumer Health**, a segment in which the Company is the leader with several iconic brands in the Brazilian market, the 3Q21 highlights were the Gastrointestinal, Nutritional and Antiflu categories.

The combination of the sell-out growth with the integration synergies from the portfolio of medicines acquired from Takeda and the Buscopan brands contributed to EBITDA from Continuing Operations Margin expansion, when excluding Other Operating Revenues, of 4.0 percentage points in 3Q21, to 34.9%.

The operating cash generation reached R\$539.9 million in 3Q21, the highest level ever recorded by the Company in a quarter, and has been benefited by the working capital investment reduction, which reached 34% of the annualized Net Revenue in 3Q21, versus 38% in 3Q20.

The Company also approved the Interest on Equity distribution of R\$194.8 million (R\$0.31/share), an increase of 5% over the amount declared in 3Q20.

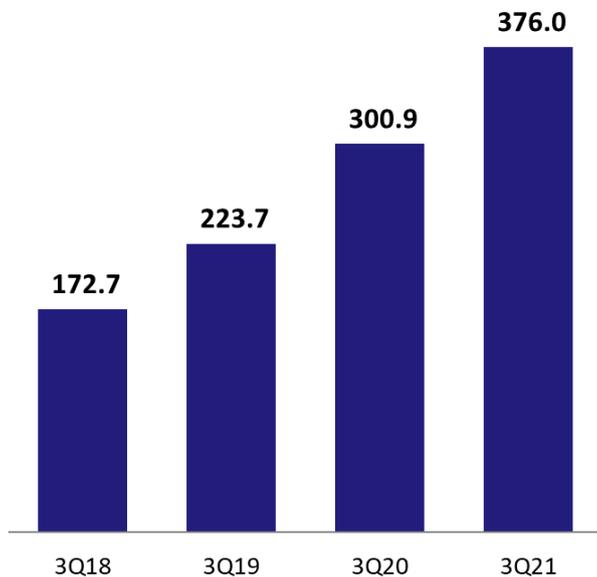
Hypera Pharma continued investing in the well-being of its stakeholders and this quarter held its first *Mutirão da Saúde* (Health Task Force) at **Neo Química Arena**, offering medical care to the residents of the São Paulo East Zone focusing on chronic and silent diseases prevention, including diabetes and hypertension measurement, as well as nutritional assessment **so people can live longer and better.**

The performance presented in the first 9 months of the year, coupled with the strength and resilience of the Company's portfolio of leading brands, the contribution of the launches and innovation pipeline, and the recent performance of the portfolio of medicines acquired from Takeda and the Buscopan brands reinforce Hypera Pharma's confidence in reaching the goals and financial projections set for 2021 and in its medium and long-term sustainable growth.

Note: (1) Sell-out PPP 3Q21 (Pharmacy Purchase Price), as informed by IQVIA, considers the average purchase price from pharmacies and chains. It does not consider the sell-out of the Buscopan brands and the portfolio acquired from Takeda; (2) As informed by IQVIA, it excludes the infant formula segment

Innovation & Launches

R&D Investments in the last 12 months¹
(R\$ mm)



Total R&D investments, including the amount capitalized as intangible assets, were R\$376.0 million in the last 12 months, or 25.0% higher than the same period of the previous year.

The Freshness Index, corresponding to the percentage of Net Revenue coming from products launched in the last five years, was 24% in 3Q21. When excluding the portfolio of medicines acquired from Takeda and the Buscopan brands, the innovation index reached 31% in 3Q21.

The main recent launch was the anticoagulant **Vabam**, to treat atrial fibrillation and thrombosis, which marked the Company's entry into the largest therapeutic class of prescription products in Brazil, with a sell-out, according to IQVIA, of over R\$1.2 billion in the last 12 months, or 39% higher than the same period of 2020.

Hypera Pharma also launched **Melatonum**, **Vitasay Melatonina** and **Vitamina Neo Química Melatonina**, new options of melatonin supplements, and the line extensions **Colflex Hialu**, a type 2 collagen supplement that helps maintain joint function,

Engov After Red Hits, with an exclusive formula for body recovery and hydration, and **Addera + Muscular**. In Skincare, the highlights were **Pielus MX** (minoxidil), part of the protocol for the treatment of baldness, and the line extensions **Epidrat Calm**, **Urby Men** and **Nouve Collagen**.

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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 amortizations.

Earnings Discussion

Income Statement

The following table is a summary of Hypera Pharma's Income Statement:

Table 2

(R\$ million)	3Q20	% NR	3Q21	% NR	Δ %	9M20	% NR	9M21	% NR	Δ %
Net Revenue	1,088.5	100.0%	1,632.6	100.0%	50.0%	2,954.0	100.0%	4,310.9	100.0%	45.9%
Gross Profit	696.3	64.0%	1,043.5	63.9%	49.9%	1,929.6	65.3%	2,784.0	64.6%	44.3%
Marketing Expenses	(202.6)	-18.6%	(275.0)	-16.8%	35.8%	(572.3)	-19.4%	(788.0)	-18.3%	37.7%
Selling Expenses	(149.1)	-13.7%	(177.9)	-10.9%	19.3%	(417.1)	-14.1%	(481.0)	-11.2%	15.3%
General and Administrative Expenses	(43.6)	-4.0%	(58.4)	-3.6%	34.1%	(145.2)	-4.9%	(173.5)	-4.0%	19.5%
Other Operating Revenues (Expenses)	56.8	5.2%	11.3	0.7%	-80.1%	193.1	6.5%	89.0	2.1%	-53.9%
Equity in Subsidiaries	5.9	0.5%	3.5	0.2%	-40.0%	12.0	0.4%	6.7	0.2%	-44.0%
EBIT from Continuing Operations	363.7	33.4%	547.0	33.5%	50.4%	1,000.1	33.9%	1,437.1	33.3%	43.7%
Net Financial Expenses	(36.4)	-3.3%	(75.8)	-4.6%	108.3%	(39.4)	-1.3%	(189.1)	-4.4%	379.9%
Income Tax and CSLL	22.3	2.1%	(6.4)	-0.4%	-	36.0	1.2%	3.7	0.1%	-89.7%
Net Income (Loss) from Continuing Operations	349.6	32.1%	464.7	28.5%	32.9%	996.7	33.7%	1,251.8	29.0%	25.6%
Net Income from Discontinued Operations	(4.0)	-0.4%	(263.2)	-16.1%	6489.3%	(16.5)	-0.6%	(274.6)	-6.4%	1569.0%
Net Income (Loss)	345.6	31.8%	201.6	12.3%	-41.7%	980.3	33.2%	977.2	22.7%	-0.3%
EBITDA from Continuing Operations	393.5	36.1%	580.9	35.6%	47.6%	1,091.4	36.9%	1,534.8	35.6%	40.6%

Net Revenue

Graph 1

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

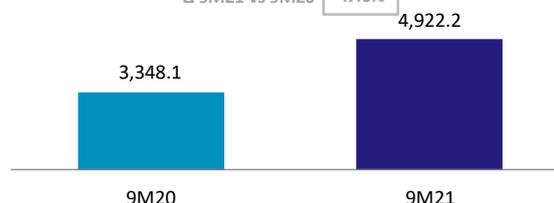
Δ 3Q21 vs 3Q20 51.0%



Graph 2

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

Δ 9M21 vs 9M20 47.0%



Graph 3

Net Revenue (R\$ mm)

Δ 3Q21 vs 3Q20 50.0%



Graph 4

Net Revenue (R\$ mm)

Δ 9M21 vs 9M20 45.9%

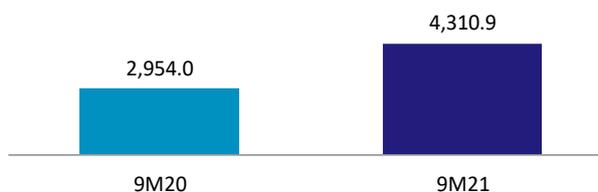


Table 3

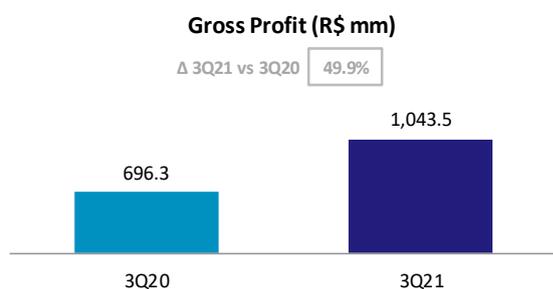
(R\$ million)	3Q20	3Q21	Δ %	9M20	9M21	Δ %
Gross Revenue, net of Returns and Unconditional Discounts	1,235.2	1,865.0	51.0%	3,348.1	4,922.2	47.0%
Promotional Discounts	(56.2)	(104.0)	84.9%	(149.5)	(265.8)	77.8%
Taxes	(90.5)	(128.3)	41.9%	(244.6)	(345.5)	41.3%
Net Revenue	1,088.5	1,632.6	50.0%	2,954.0	4,310.9	45.9%

In 3Q21, Net Revenue growth was 50.0% when compared to the same period of the previous year, totaling R\$1,632.6 million. This growth is mainly due to: **(i) the contribution to Net Revenue in 3Q21 from the portfolio of medicines acquired from Takeda and the Buscopan family**; and **(ii) the increase in sell-out**, which was driven by the growth in **Prescription Products, Skincare, Generics and Similar** and Antiflu, Gastrointestinal and Nutritionals in **Consumer Health**.

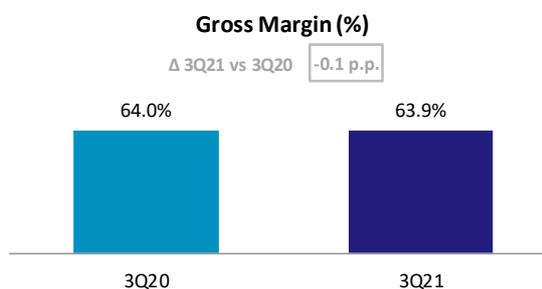
When excluding the contribution to Net Revenues from the portfolio of medicines acquired from Takeda and the Buscopan brands, Net Revenue grew 18.7%.

Gross Profit

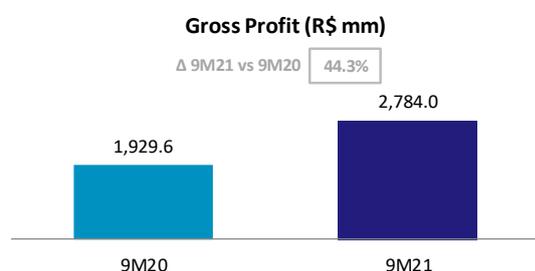
Graph 5



Graph 6



Graph 7



Graph 8

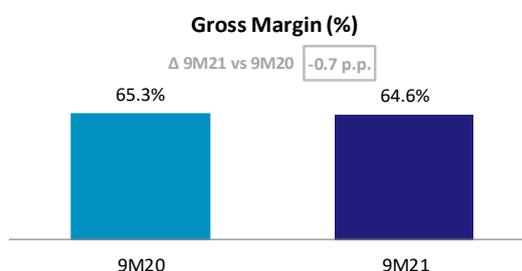


Table 4

(R\$ million)	3Q20	% NR	3Q21	% NR	Δ %	Δ p.p.	9M20	% NR	9M21	% NR	Δ %	Δ p.p.
Gross Profit	696.3	64.0%	1,043.5	63.9%	49.9%	-0.1 p.p.	1,929.6	65.3%	2,784.0	64.6%	44.3%	-0.7 p.p.

Gross Profit grew 49.9% in the quarter and reached R\$1,043.5 million in 3Q21, with Gross Margin of 63.9%, the same level registered in 3Q20. The variation in Gross Margin is mainly a due to; (i) the positive contribution of 2.5 percentage points from the portfolio of medicines acquired from Takeda and the Buscopan brands; (ii) the devaluation of the Brazilian Real against the US Dollar in the period, which negatively impacted the Gross Margin by 1.1 percentage point; (iii) the increase in commercial discounts to drive sell-out growth, which negatively impacted the Gross Margin by 0.6 percentage point; and (iv) the increase in other costs at a higher level than the increase in prices in the period.

The Company has already carried out foreign exchange derivatives operations (foreign exchange hedge) related to the future purchase of raw material indexed to the US Dollar estimated for the next 9 months in order to mitigate the impact of the devaluation of the Brazilian Real against the US Dollar and protect its operations from the exchange rate volatility.

Marketing Expenses

Table 5

(R\$ million)	3Q20	% NR	3Q21	% NR	Δ %	9M20	% NR	9M21	% NR	Δ %
Marketing Expenses	(202.6)	-18.6%	(275.0)	-16.8%	35.8%	(572.3)	-19.4%	(788.0)	-18.3%	37.7%
Advertisement and Consumer Promotion	(59.2)	-5.4%	(96.3)	-5.9%	62.8%	(173.8)	-5.9%	(256.8)	-6.0%	47.7%
Trade Deals	(33.3)	-3.1%	(43.5)	-2.7%	30.8%	(77.9)	-2.6%	(119.9)	-2.8%	53.8%
Medical Visits, Promotions and Others	(110.1)	-10.1%	(135.2)	-8.3%	22.8%	(320.6)	-10.9%	(411.4)	-9.5%	28.3%

Marketing Expenses reduced their share of Net Revenue by 1.8 percentage point, from 18.6% of Net Revenue in 3Q20 to 16.8% in 3Q21. This reduction was mainly due to the decrease in the of Medical Visits, Promotions and Others over Net Revenues, as a consequence of: (i) the increase in medical visits and medical events carried out remotely after the beginning of the Covid-19 pandemic, which contributed to the reduction of travel expenses; (ii) the acceleration of sell-out growth and Net Revenue in Prescription Products; and (iii) the operational synergies of the integration of the prescription products portfolio acquired from Takeda.

Selling Expenses

Table 6

(R\$ million)	3Q20	% NR	3Q21	% NR	Δ %	9M20	% NR	9M21	% NR	Δ %
Selling Expenses	(149.1)	-13.7%	(177.9)	-10.9%	19.3%	(417.1)	-14.1%	(481.0)	-11.2%	15.3%
Commercial Expenses	(74.3)	-6.8%	(102.3)	-6.3%	37.6%	(223.0)	-7.6%	(278.2)	-6.5%	24.7%
Freight and Logistics Expenses	(28.0)	-2.6%	(31.7)	-1.9%	13.1%	(77.1)	-2.6%	(89.5)	-2.1%	16.1%
Research & Development	(46.8)	-4.3%	(43.9)	-2.7%	-6.2%	(117.0)	-4.0%	(113.2)	-2.6%	-3.2%

Selling Expenses represented 10.9% of Net Revenue in 3Q21, a reduction of 2.8 percentage points when compared to 3Q20. This reduction is mainly due to the 1.6 percentage point decreased in Research and Development (R&D) expenses, mainly reflecting the synergies from the integration of the brands acquired from Takeda and the Buscopan brands. **R&D total investments, including the amount capitalized as intangible assets, represented 5.9% of Net Revenues in 3Q21, versus 8.6% in 3Q20, and reached R\$252.3 million in 9M21, or 11.4% higher than the same period of the previous year.**

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

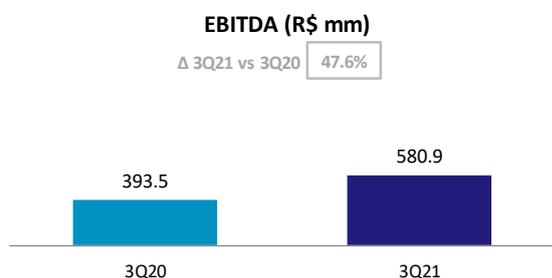
Table 7

(R\$ million)	3Q20	% NR	3Q21	% NR	Δ %	9M20	% NR	9M21	% NR	Δ %
General & Administrative Expenses	(43.6)	-4.0%	(58.4)	-3.6%	34.1%	(145.2)	-4.9%	(173.5)	-4.0%	19.5%
Other Operating Revenues (Expenses)	56.8	5.2%	11.3	0.7%	-80.1%	193.1	6.5%	89.0	2.1%	-53.9%

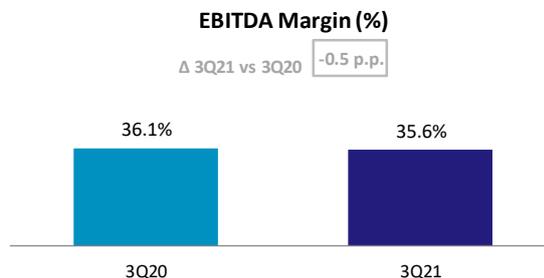
General and Administrative Expenses reduced their share of Net Revenue by 0.4 percentage point in 3Q21, mainly due to: (i) the dilution of fixed expenses with the integration of the portfolio of medicines acquired from Takeda and the Buscopan brands; and (ii) the Company's initiatives to preserve the profitability of its operations during the Covid-19 pandemic, including mainly the reduction in the number of business trips.

EBITDA from Continuing Operations

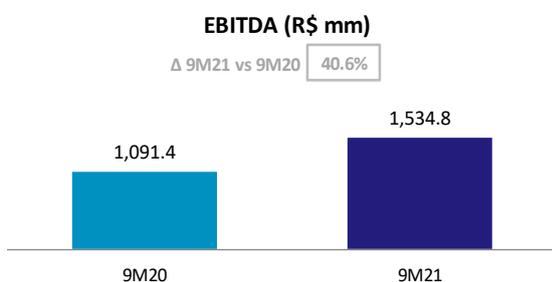
Graph 9



Graph 10



Graph 11



Graph 12

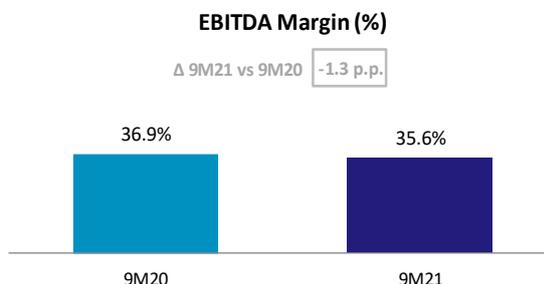


Table 8 – EBITDA from Continuing Operations

(R\$ million)	3Q20	% NR	3Q21	% NR	Δ %	9M20	% NR	9M21	% NR	Δ %
EBITDA from Continuing Operations	393.5	36.1%	580.9	35.6%	47.6%	1,091.4	36.9%	1,534.8	35.6%	40.6%

EBITDA from Continuing Operations was R\$580.9 million in 3Q21, an increase of 47.6% over the previous year, with 35.6% margin. When excluding the contribution of Other Operating Revenues (Expenses), the EBITDA Margin from Continuing Operations grew 4.0 percentage points over 3Q20 and reached 34.9%, mainly due to the dilution of Selling, General and Administrative Expenses.

Net Financial Expenses

Table 9

(R\$ million)	3Q20	% NR	3Q21	% NR	Δ R\$	9M20	% NR	9M21	% NR	Δ R\$
Financial Result	(36.4)	-3.3%	(75.8)	-4.6%	(39.4)	(39.4)	-1.3%	(189.1)	-4.4%	(149.7)
Net Interest Expenses	(20.1)	-1.8%	(69.3)	-4.2%	(49.3)	(10.5)	-0.4%	(148.4)	-3.4%	(137.9)
Cost of Hedge and FX Gains (Losses)	(0.7)	-0.1%	6.1	0.4%	6.8	5.4	0.2%	(3.8)	-0.1%	(9.2)
Other	(15.6)	-1.4%	(12.6)	-0.8%	3.0	(34.3)	-1.2%	(36.9)	-0.9%	(2.6)

The Financial Result presented a negative balance of R\$75.8 million in 3Q21, compared to R\$36.4 million in 3Q20. This variation is a result of the increase in interest expenses due to the Company's greater gross debt, mainly due to the issuance of debentures to pay for the portfolio of medicines acquired from Takeda, and the *Selic* interest rate increase.

Net Income

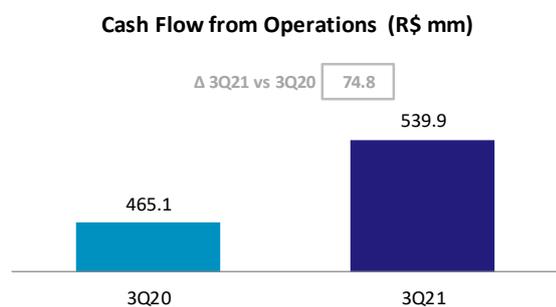
Table 10

(R\$ million)	3Q20	3Q21	Δ %	9M20	9M21	Δ %
EBIT from Continuing Operations	363.7	547.0	50.4%	1,000.1	1,437.1	43.7%
(-) Net Financial Expenses	(36.4)	(75.8)	108.3%	(39.4)	(189.1)	379.9%
(-) Income Tax and Social Contribution	22.3	(6.4)	-	36.0	3.7	-89.7%
Net Income from Continuing Operations	349.6	464.7	32.9%	996.7	1,251.8	25.6%
(+) Net Income from Discontinued Operations	(4.0)	(263.2)	6,489.3%	(16.5)	(274.6)	1569.0%
Net Income	345.6	201.6	-41.7%	980.3	977.2	-0.3%
EPS	0.55	0.32	-41.6%	1.55	1.55	-0.3%
EPS from Continuing Operations	0.55	0.74	32.9%	1.58	1.98	25.5%

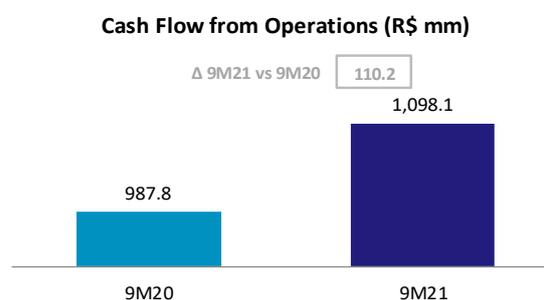
Net Income from Continuing Operations totaled R\$464.7 million in the quarter, an increase of 32.9%. The change in Net Income from Continuing Operations is mainly due to the 50.4% growth in EBIT from Continuing Operations and the Net Financial Expenses growth of R\$39.4 million. Net Income totaled R\$201.6 million, and was negatively impacted by the Net Income from Discontinuing Operations that reflected the agreement set with Ontex related to the divestment of the disposable business in 2017.

Cash Flow (Continuing and Discontinued Operations)

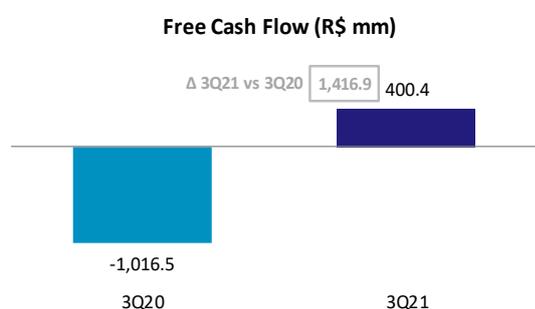
Graph 13



Graph 14



Graph 15



Graph 16

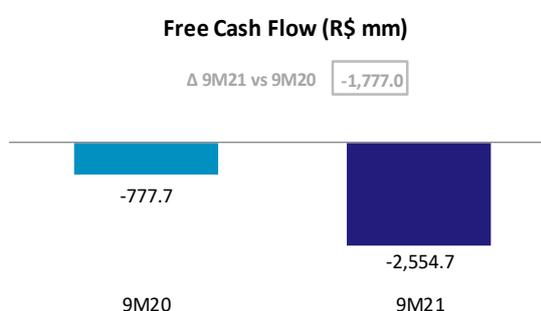


Table 11

(R\$ million)	3Q20	3Q21	9M20	9M21
Cash Flow from Operations	465.1	539.9	987.8	1,098.1
Capital increase in subsidiaries/associates	0.0	0.0	(0.1)	(20.4)
Purchase of Property, Plant and Equipment	(155.4)	(150.5)	(320.5)	(378.2)
Purchase of Intangible Assets	(1,351.7)	(50.2)	(1,426.1)	(146.0)
Acquisitions of Subsidiaries, Net of Cash Acquired	0.0	0.0	(45.5)	(3,553.5)
Sale of Property, Plant and Equipment	25.6	61.3	26.7	445.2
(=) Free Cash Flow	(1,016.5)	400.4	(777.7)	(2,554.7)

Operating Cash Flow reached R\$539.9 in 3Q21, Hypera Pharma's highest level ever recorded in a quarter, driven mainly by the growth in EBIT from Continuing Operations. Free Cash Flow totaled R\$400.4 million in the quarter, and benefited from the proceeds of part of the amount related to the Neocopan and Xantinon divestments announced in 2020.

Net Debt

Table 12

(R\$ million)	3Q21
Loans and Financing	(7,415.1)
Notes Payable	(33.6)
Gross Debt	(7,448.8)
Cash and Cash Equivalents	3,142.5
Net Cash / (Debt)	(4,306.3)
Unrealized Gain/Loss on Debt Hedge	(19.7)
Net Cash / (Debt) After Hedge	(4,326.0)

The Company ended 3Q21 with a Net Debt After Hedge position of R\$4,326.0 million, compared to R\$4.589.1 million at the end of 2Q21, and corresponded to 2.2x EBITDA from Continuing Operations considered in the guidance set for this year. The reduction of Net Debt After Hedge in the quarter is mainly due to free cash flow generation of R\$400.4 million in the quarter.

Other Information

Cash Conversion Cycle – Continuing Operations

Table 13

(Days)	3Q20	4Q20	1Q21	2Q21	3Q21	(R\$ million)	3Q20	4Q20	1Q21	2Q21	3Q21
Receivables ⁽¹⁾	110	111	108	98	91	Receivables	1,478	1,564	1,546	1,796	1,807
Inventories ⁽²⁾	205	190	237	200	188	Inventories	892	921	1,099	1,153	1,230
Payables ⁽²⁾⁽³⁾	(164)	(148)	(170)	(135)	(125)	Payables ⁽³⁾	(715)	(716)	(791)	(778)	(816)
Cash Conversion Cycle	151	153	174	163	154	Working Capital	1,655	1,769	1,854	2,171	2,222
						% of Annualized Net Revenue ⁽⁴⁾	38%	39%	40%	36%	34%

(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\$950.0 million (please refer to Explanatory Note 13 of the Financial Statements);
- ii) Cash effect of Income Tax and Social Contribution Losses Carryforward: R\$1,966.5 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)	3Q20	% NR	3Q21	% NR	Δ %	9M20	% NR	9M21	% NR	Δ %
Net Income	345.6	31.8%	201.6	12.3%	-41.7%	980.3	33.2%	977.2	22.7%	-0.3%
(+) Income Tax and CSLL	(23.8)	-2.2%	(128.8)	-7.9%	441.6%	(41.7)	-1.4%	(145.0)	-3.4%	247.5%
(+) Net Interest Expenses	36.4	3.3%	75.8	4.6%	108.3%	39.4	1.3%	189.1	4.4%	379.9%
(+) Depreciations / Amortizations	29.8	2.7%	33.9	2.1%	13.8%	91.3	3.1%	97.6	2.3%	6.9%
EBITDA	388.0	35.6%	182.5	11.2%	-53.0%	1,069.2	36.2%	1,119.0	26.0%	4.7%
(-) EBITDA from Discontinued Operations	5.4	0.5%	398.5	24.4%	7,213.8%	22.2	0.8%	415.8	9.6%	1776.4%
Adjusted EBITDA (EBITDA from Continuing Operations)	393.5	36.1%	580.9	35.6%	47.6%	1,091.4	36.9%	1,534.8	35.6%	40.6%

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

	3Q20	3Q21	9M20	9M21
Net Revenue	1,088,497	1,632,642	2,954,023	4,310,883
Cost of Goods Sold	(392,218)	(589,146)	(1,024,435)	(1,526,911)
Gross Profit	696,279	1,043,496	1,929,588	2,783,972
Selling and Marketing Expenses	(351,696)	(452,909)	(989,422)	(1,269,020)
General and Administrative Expenses	(43,575)	(58,447)	(145,175)	(173,510)
Other Operating Revenues (Expenses)	56,773	11,307	193,103	88,981
Equity in Subsidiaries	5,904	3,544	12,008	6,722
Operating Income Before Equity Income and Financial Result	363,685	546,991	1,000,102	1,437,145
Net Financial Expenses	(36,396)	(75,813)	(39,399)	(189,074)
Financial Expenses	(69,350)	(110,011)	(157,556)	(259,733)
Financial Income	32,954	34,198	118,157	70,659
Profit Before Income Tax and Social Contribution	327,289	471,178	960,703	1,248,071
Income Tax and Social Contribution	22,334	(6,448)	35,998	3,710
Net Income from Continuing Operations	349,623	464,730	996,701	1,251,781
Net Income from Discontinued Operations	(3,994)	(263,176)	(16,450)	(274,552)
Income for the Period	345,629	201,554	980,251	977,229
Earnings per Share – R\$	0.55	0.32	1.55	1.55

Consolidated Balance Sheet (R\$ thousand)

Table 16

Assets	12/31/2020	09/30/2021	Liabilities and Shareholders' Equity	12/31/2020	09/30/2021
Current Assets	7,899,047	6,842,340	Current Liabilities	2,623,249	3,438,892
Cash and Cash Equivalents	4,743,298	3,142,477	Suppliers	275,539	337,172
Accounts Receivables	1,564,341	1,807,174	Suppliers' Assignment of Receivables	440,256	478,893
Inventories	920,796	1,230,423	Loans and Financing	461,816	893,381
Recoverable Taxes	274,017	336,840	Salaries Payable	224,479	312,007
Financial Derivatives	85,674	92,105	Income Tax and Social Contribution	10,570	901
Other Assets	306,823	233,321	Taxes Payable	63,659	75,767
Dividends and IOC receivables	4,098	0	Accounts Payable	273,353	763,426
			Dividends and IOC Payable	671,654	535,088
			Notes Payable	23,980	33,619
			Financial Derivatives	177,943	8,638
Non-Current Assets	9,350,763	13,210,156	Non-Current Liabilities	5,385,846	6,928,608
Long Term Assets	1,217,542	1,367,815	Loans and Financing	5,051,233	6,521,753
Deferred Income Tax and Social Contribution	194,716	313,820	Deferred Income Tax and Social Contribution	46,017	78,956
Recoverable Taxes	680,495	784,345	Taxes Payable	7,651	7,029
Other Assets	342,331	269,650	Accounts Payable	74,557	97,476
			Provisions for Contingencies	206,388	203,713
			Financial Derivatives	0	19,681
Fixed Assets and Investments	8,133,221	11,842,341	Shareholders' Equity	9,240,715	9,684,996
Investments	34,233	72,661	Capital	4,478,126	4,478,126
Investment Properties	154,318	25,794	Capital Reserve	1,266,381	1,243,916
Property, Plants and Equipments	1,546,409	1,879,184	Equity Valuation Adjustments	(336,724)	(206,238)
Intangible Assets	6,398,261	9,864,702	Profit Reserves	3,833,210	3,833,210
			Treasury Stock	(278)	(37,881)
			Attributed to non-controlling shareholders	0	4,462
			Income for the Period	0	369,401
Total Assets	17,249,810	20,052,496	Total Liabilities and Shareholders' Equity	17,249,810	20,052,496

Consolidated Cash Flow Statement (R\$ thousand)

Tabela 17

	3Q20	3Q21	9M20	9M21
Cash Flows from Operating Activities				
Income (Loss) Before Income Taxes including Discontinued Operations	321,841	72,725	938,543	832,276
Depreciation and Amortization	29,804	33,931	91,277	97,614
Asset Impairment	(985)	6,028	40,129	(4,721)
Gain on Permanent Asset Disposals	(24,709)	398,805	(14,445)	401,905
Equity Method	(5,801)	(3,689)	(10,856)	(6,457)
Foreign Exchange (Gains) Losses	1,348	(6,087)	(27,805)	3,797
Net Interest and Related Revenue/Expenses	35,047	81,900	67,204	185,277
Expenses Related to Share Based Remuneration	4,802	7,000	14,318	17,374
Provisions	11,462	15,953	16,884	24,119
Adjusted Results	372,809	606,566	1,115,249	1,551,184
Decrease (Increase) in Assets	(111,986)	(99,816)	(423,959)	(608,994)
Trade Accounts Receivable	(62,277)	(12,600)	(137,536)	(289,588)
Inventories	(106,773)	(90,693)	(286,994)	(328,858)
Recoverable Taxes	(552)	(48,857)	57,903	(136,969)
Judicial Deposits and Others	(30)	(4,192)	10,363	16,594
Other Accounts Receivable	57,646	56,526	(67,695)	129,827
Increase (Decrease) in Liabilities	204,289	33,149	296,559	155,863
Suppliers	53,400	(23,431)	(86,422)	46,209
Suppliers' Assignment of Receivables	99,013	35,168	297,361	40,921
Financial Derivatives	23,149	(17,292)	58,357	(9,826)
Income Tax and Social Contribution Paid	(5,308)	(74)	(9,238)	(6,946)
Taxes Payable	7,176	648	20,224	15,146
Salaries and Payroll Charges	12,432	52,669	26,836	75,088
Accounts Payable	42,709	(25,291)	66,209	3,002
Operations Interest Paid	(24,922)	14,090	(63,381)	2,520
Other Accounts Payable	(3,360)	(3,338)	(13,387)	(10,251)
Net Cash Provided by Operating Activities	465,112	539,899	987,849	1,098,053
Cash Flows from Investing Activities				
Capital Increase/Decrease in Subsidiaries/Affiliates	(345)	0	(445)	(20,365)
Acquisitions of Subsidiaries, Net of Cash Acquired	0	0	(45,500)	(3,553,463)
Acquisitions of Property, Plant and Equipment	(155,393)	(150,519)	(320,545)	(378,175)
Intangible Assets	(1,351,749)	(50,205)	(1,426,114)	(146,014)
Proceeds from the Sale of Assets with Permanent Nature	25,562	61,263	26,709	445,221
Interest and Others	20,032	18,724	59,327	35,824
Investment Hedge	47,170	(1,026)	45,015	45,370
Net Cash From Investing Activities	(1,414,723)	(121,763)	(1,661,553)	(3,571,602)
Cash Flows from Financing Activities				
Capital Integralization	27,243	0	27,243	0
Borrowings	735,000	1,000,000	4,115,000	2,221,184
Treasury Stock Purchase / Sale	867	(1)	12,101	(66,426)
Repayment of Loans - Principal	(14,490)	(221,263)	(55,607)	(378,191)
Repayment of Loans - Interest	(28,733)	(98,967)	(81,227)	(202,845)
Dividends and IOC Paid	(23,204)	(24,662)	(659,269)	(720,883)
Loan Derivatives	0	19,889	0	19,889
Net Cash From Financing Activities	696,683	674,996	3,358,241	872,728
Net Increase (Decrease) in Cash and Cash Equivalents	(252,928)	1,093,132	2,684,537	(1,600,821)
Statement of Increase in Cash and Cash Equivalents, Net				
Cash and Cash Equivalents at the Beginning of the Period	5,183,901	2,049,345	2,246,436	4,743,298
Cash and Cash Equivalents at the End of the Period	4,930,973	3,142,477	4,930,973	3,142,477
Change in Cash and Cash Equivalent	(252,928)	1,093,132	2,684,537	(1,600,821)