

Operator:

Good morning, ladies and gentlemen. Welcome to Hypera Pharma's video conference that will discuss the earnings for the 2Q25. We have with us Mr. Breno Oliveira, CEO, and Mr. Ramon Sanches, CFO and Director of Investor Relations.

This event will be recorded and the recording can be accessed on the website of the Company, ri.hypera.com.br/en. All participants will only be watching the video conference during the presentation and, after that, we will follow up with a Q&A session, when we are going to give you more instructions.

Before we move forward, I would like to highlight that information contained in this conference call may contain projections or statements about future expectations. These statements are subject to known and unknown risks and uncertainties that may lead these expectations to not occur or to be substantially different from expected.

Now I will give the floor to Mr. Breno Oliveira, who will start the presentation. Mr. Breno, you have the floor.

Breno Oliveira:

Good morning, everyone. Thank you for joining our 2Q25 earnings conference call.

I will begin the presentation on slide 3. This quarter, our sell-out grew 5.5%, and the retail market above the 5.2% growth of our addressable market during the same period. We experienced significant acceleration in sell-out growth in May, June, and July, with an average growth of 8% in these three months.

The sell-out acceleration was driven by the market recovery in the categories where we operate after a weaker sales performance in April, as well as by the contribution of recent product launches and increased marketing investments, mainly in digital media. Our sell-out growth did not translate into net revenue growth due to the lingering impact of the working capital optimization process, which we successfully completed in April.

With the conclusion of the working capital optimization process, we reduced our average receivable term from 116 days in 2Q24 to 60 days, and our working capital investment decreased from 49% to 32% of net revenue, the lowest level in the Company's history.

Moreover, finalizing this process at the start of 2Q allowed our operating results in May and June to align more closely with our sell-out level, contributing to the return of gross and EBITDA margins to historical levels in the quarter.

Starting in 3Q, we will once again combine sustainable growth and operational profitability as we have been doing in recent years, with lower working capital investment and, consequently, higher return on invested capital.

It is important to highlight that the working capital optimization did not impact our sell-out performance, our planned investments, or our shareholder remuneration.

This quarter, we expanded our production capacity, launched new products across all business units, and declared interest on equity, which I will discuss in more detail on slide 4.

This quarter, we declared interest on equity of R\$185 million, or R\$0.29 per share, in line with recent quarters. In addition, our shareholders' meeting approved the new composition of our board of directors, which now includes four new members: João Alves de Queiroz Filho, or Junior, the Company's founder, João Schmidt and Claudio Ermirio de Moraes, representing Votorantim, and Rachel Maia, an independent director. The new board composition strengthens our governance, seeking greater agility in decision-making and diversity and complementarity in its members' profiles.

We also announced the execution of a new shareholders' agreement between João Alves de Queiroz Filho, Maiorem and Votorantim, forming the Company's new controlling block. This new controlling block, which currently holds 53% of Hypera's capital, aims at further strengthening corporate governance and the strategic decision-making process, contributing to value creation for all of our shareholders.

Now I will give the floor to Ramon, who will further discuss the quarter's results in more detail on slide 4.

Ramon Sanches:

Thank you, Breno, and good morning everyone. In the 2Q25, our net revenue was R\$2.2 billion. This performance reflects primarily the working capital optimization, which we completed in April, as we mentioned, and also slightly lower sales in the non-retail. Gross profit was R\$1.3 billion, with a margin of around 60%, in line with the historical levels of the Company, and as mentioned in our last call.

Marketing expenses were at around R\$361 million, basically at the same level as the 1Q. Investments were focused on digital media and point-of-sale activities, focusing on driving sustainable sell-out growth.

Sell-in expenses dropped 10% year-over-year, as a result of operational synergies from the adjustment of our commercial structure to the new model, implemented alongside working capital optimization.

General and administrative expenses totaled R\$73 million, a significant reduction compared to the same period last year, reflecting greater efficiency in cost and team management.

As a result, EBITDA from continuing operations reached R\$725 million, with a margin of 33.7%. Excluding other operating income, the EBITDA margin expanded by 0.5 p.p. versus 2Q24.

Moving now to the cash flow, on the next slide, we generated R\$443 million in operating cash flow in the quarter. This number was impacted by the lower level of sales in the previous quarter, due to the working capital optimization. Nonetheless, it slightly exceeded our initial expectations, due to better billing phasing throughout the quarter and months.

Starting in 3Q, we expect to capture all the benefits from lower working capital investments, resulting in strong EBITDA to cash conversion in the 2H. We also invested R\$157 million in CAPEX, highlighting the construction of our scopolamine extraction plant, raw material for Buscopan, which will secure long-term supply and lower costs.

We also made progress on expanding the Itapecerica plant, which will absorb production of products acquired from Takeda. Investments in intangibles totaled R\$81 million, focusing mainly on innovation, research, and development.

We ended the quarter with R\$205 million in free cash flow. After paying principal and interest on loans and debentures, as well as financial charges for the period, our net debt was at R\$7.6 billion, equivalent to 2.6x the quarter's annualized EBITDA.

Now I will give the floor back to Breno for closing remarks.

Breno Oliveira:

Thank you, Ramon. Over the past few months, we dedicated significant time and energy to successfully completing the working capital optimization ahead of schedule, with minimal impact on operations.

We changed our order placement routine with customers, improved delivery efficiency and frequency, and strengthened our S&OP team to more closely monitor clients' stock levels.

Now, we target on identifying new opportunities to gain efficiency in this process while maintaining sell-out performance. With the optimization process completed, we will further focus on the Company's sustainable growth, as mentioned earlier.

We are very confident that these initiatives will boost brand and growth and, combined with a return on invested capital, this will leverage the growth of our brand in the mid- and long-term. That, combined with a better return on invested capital, will result in significant value creation potential for our long-term shareholders.

Thank you. And now, let's start the Q&A session.

Joseph Giordano, JPMorgan:

Good morning. I would like to explore two things. The first one is related to the highlights of the results in terms of expenses. Do we still have some room for improvements in terms of SG&A, and also in terms of the costs, in terms of visibility of the business's natural mix and operational leveraging from a manufacturing perspective?

My second question is related to external factors. We see an acceleration of the sell-out, as you mentioned in the July release. I would like to understand where you see the growth of the sell-out for the year. And maybe to talk about the expectations of 2026, what's your best sell-out growth forecast for the current portfolio in the midterm?

And lastly, as we see the emergence of certain opportunities in the market with semaglutide, for instance, GLP-1, how's that going in terms of your portfolio? You already have a product approval application. Can you give us any update about that? And also talk about some initiatives with immunoglobulin, alphapoetin. So in terms of non-retail activities. Thank you.

Ramon Sanches:

Good morning, Joseph. I will take the first question and Breno can answer the second one. Concerning the expenses, we incorporated the reduction initiatives that we already expected. So we implemented everything that we had planned so far in terms of expense reduction, except for the ones related and unrelated to sell-out.

From here on, thinking about administrative and commercial expenses, we will see a slight increase, which is just natural with turnover. But the levels are pretty close to the ones that we are already seeing in the quarter.

Concerning the gross margin that you mentioned, this is heavily reliant on the mix. So it will depend on how the categories are going to behave in the quarter. There was a loss of dilution, but that's gone now. So our levels will be closer to our historical levels probably, but that depends on the performance of the sell-out, which impacts us.

And concerning the EBITDA margin as a whole, the level that we see as something close to what we are presenting is what we are forecasting for the future.

Breno Oliveira:

Good morning, Joe. Concerning your second question, we have seen this acceleration in the past few months with a growth of around 8%, and we believe that this level will probably be maintained for the 2H25, something around these levels. And for 2026, I think it's a bit too early to talk about that, but it depends.

We are starting our budgetary process right now, but probably it will be something similar to what we are looking at in 2025. That is probably quite feasible.

About semaglutide, not to mention the potentiality of this huge market, the patent will expire, and that will benefit us and others. And as we said about the last quarter, we are working on launching the product as soon as the patent expires, but we are also waiting for Anvisa's registration. We are expecting this authorization to be issued with the expiration of the patent.

Concerning the non-retail, we still believe it has a high potential, especially in the segment of oncological treatments, which is where we started our investments right after the creation of the business unit. And the process is a bit slower than we would like it to be due to the approval terms of Anvisa that have been delayed by a bit since we initiated our requests.

But we are quite optimistic about the new portfolio that we have been investing on and developing for the last few years, and we believe that, as of 2026, we will start reaping the results with the first oncological treatment being released in 2026, we expect.

Gustavo Miele, Goldman Sachs:

Good morning. Thank you for the presentation. I also have two questions. The first one, I would like to go back to your comments about prospective sell-out. The numbers from June indicate a stronger performance than the consolidated 2Q. I would like to understand the message behind the July sell-out numbers. Maybe you could comment on the mix of sales that you see for the beginning of the 3Q, if there's a predominance of flu treatment drugs, or if other categories are also having any variation. And also, the process involving receivables that was completed successfully in the 1Q.

And the second question about new verticals and new products coming into the Company, maybe you could talk about the opportunities for extending brand. You have been very vocal, and you have been executing this vertical very well. In the last quarters, maybe Neosaldina Muscular. So how do you see other opportunities in terms of brand extension for mature brands in the midterm? These are my two questions. Thank you.

Breno Oliveira:

Hi, Miele, good morning. Concerning the short-term details in our main categories of OTC products, we see an improvement in the market for anti-flu drugs with more intense cold

weather in the south and southeast. So we have been growing in the anti-flu segment, in terms of branded drugs and similar drugs.

It's important to highlight that we cover all of these sectors in the market. And the biggest impact that we saw lately was in the analgesics market. We have been getting more market share in this category.

And what I have been trying to highlight with you is that it's important to see that there is a high volatility across the categories, especially in the acute drugs market, where we have a greater presence. But if you look at the long term, these categories have a very strong growth. If you look at the market since 2018 onwards, we have an activity in the range of low double digits, but with a certain volatility over time.

Concerning your second question, the feedback of customers and their reaction concerning our adjustment process, I think this process required a lot of attention, both on our end and on our customers' end, in terms of improving the efficiency of deliveries and order placement. That's one of our biggest focal points, especially towards the end of the quarter.

We started working with lower inventory levels. I mean, there's always some adjustments that have to be made, but I believe that we are already at very good levels, and this adjustment was made in a very positive manner.

So we are working increasingly closer to our customers. We are also working to make faster deliveries. We ship products from Anápolis, which is a bit farther from our competitors, they are closer to São Paulo and Rio. So we have been working to serve our customers more quickly, and I think we still have some room for improvement moving forward, but it's been working very well, this process with lower inventory levels.

Concerning brand extensions, to your point, that's something that's outside of our strategy, and we believe that with the line extensions, several of our brands can extend their scope of activity. Just like with the example that you mentioned, with the Neosaldina Muscular, we are now entering a market of more than R\$1 billion. That's above our plans.

And we also see opportunities with other brands. We have been releasing a new formula, Epocler Tabs. We did not have that before. It's a fast-growing market. And with that, the big benefit of this strategy is marketing dilution. By investing in the same brand, we can have better revenue, thereby increasing our efficiency in our media investments.

So that will be part of our strategy moving forward, and also, in terms of starting new categories, medical prescriptions and a sector that we do not operate in yet, new molecules, we also see a lot of opportunity moving forward.

Samuel Alves, BTG Pactual:

Good morning. We have two questions. The first one, we would like to understand your perspective about capital allocation. The Company mentioned in previous calls that there is a focus on deleveraging and maybe some inorganic initiatives would be postponed. But considering that the working capital optimization process occurred as expected and everything is going as planned, how do you see that today? Are you assessing any inorganic movements, or are you still focusing on reducing indebtedness? That's my first question.

And my second question is a follow-up to the previous question concerning inventories. It's very clear that you are working well at the current levels, but I would like to understand if you

see any room for improvement in terms of inventory and if you can work with fewer days as the Company gets used to this cash flow at this new level. Thank you.

Breno Oliveira:

Good morning, Samuel. I will take your first question and Ramon can answer the second one. Our focus in the short term is reducing indebtedness, especially in this scenario of a high interest. And we do not envision a significant decrease in the short term.

That's our focus. It's the Company's mandate. And we believe that in the next quarters and years, we will start seeing a reduction of leveraging given the strong cash generation of our business and our company specifically. So that's our focus. We are constantly in the lookout for new opportunities, but that's not really part of our short term strategy.

For the mid and long term, of course, M&A is in our DNA. We believe that we can generate a lot of value for our shareholders through M&A operations, given our capacity to expand brands, which in the latest acquisitions, many of them have not seen any investments by the previous owners. So there is a lot of room for value generation, but our focus now is deleveraging.

And Ramon will take the second question.

Ramon Sanches:

Thank you for the question, Samuel. Concerning inventory levels, we have to remember that last year, we did this first movement towards reducing inventory that benefited the 2024 cash flow. And now, with the working capital adjustments, with inventory adjustments, we decided to work with more comfortable inventory levels.

Moving forward, we believe that we will continue to reduce the inventory levels, but we are still assessing what the ideal levels would be. We just finished implementing the policy in April, and we have been working well with this new level of inventory with the customers. But for the internal inventory, even though it can be a bit lower, we will assess the next months to better understand the ideal policies moving forward. We believe we will be able to reduce it a little bit, but much will depend on the future studies.

Robert Ford, Bank of America:

Good morning, and congratulations on the results. How should we think about biologics in terms of size? When will it be completed?

And also, can you explain structural changes in the sales department? I would like to understand what's behind your current decisions. Thank you.

Breno Oliveira:

Bob, good morning. I will take your first question, and Ramon can answer the second question concerning the evolution of expenses. We also want to participate in the liraglutide market. As you know, the patent already expired, but that's not a market that we believe will have that high of a potential in the near future. It's in the range of R\$300 million of sales per year, a drop of 45% versus the last 12 months, and it's been losing space to the tirzepatide and semaglutide markets.

So this molecule, in terms of efficiency and efficacy, they are both lower than semaglutide, which is a new generation. So we will be focusing our efforts mainly on semaglutide when the patent expires.

Robert Ford:

But it's also quite advantageous, isn't it? Not maybe for current sales, but for semaglutide, there are good implications, correct?

Breno Oliveira:

Yes, the development process is quite similar for both molecules, and one of them stems from the other. But from a commercial standpoint, we firmly believe in semaglutide much more than in liraglutide, but we will also work on that market. So depending on the market evolution, we will probably also have opportunities for 2026, towards the end of 2026, with that molecule.

And now I will give the floor to Ramon.

Ramon Sanches:

Good morning, Bob. Concerning the reduction of expenses in medical administration and promotions in the quarter, they are more closely related to a reduction of events and gifts.

We increased, we expanded the medical demand team this year to work with a growing portfolio with new releases, and we are also increasing the number of remote visits as part of our growth expansion plan. So it's a reduction of expenses less related to sell-out and not the structure of medical demand in and of itself.

Leandro Bastos, Citi:

Good morning. I have two questions. The first one is a follow-up on sell-out. At some point, Breno talked about a weaker analgesics market. What are the reasons for this performance? Is it a behavioral effect? That's my first question.

And the second one is about the inventories. It's very clear through Ramon's comments, we see an important increase in the levels of inventories. Are that the new levels that you intend to operate in?

Breno Oliveira:

Leandro. I will take your first question and Ramon will answer the second one about the finished goods inventory level. What we see in the analgesics market, if you split the market into two, with the generalists or the single molecules like dipyrrone, ibuprofen, paracetamol, we see over time a migration of these categories towards the generics market.

There was also an impact of dengue fever. Last year, we had a big outbreak, and dipyrrone is indicated for dengue fever, and now there's been a significant reduction in the number of cases that led to a significant impact on the market.

And in this migration process, we act very strongly, and we have single molecules that are much stronger in the generics market. We are leaders in the dipyrrone market. And even though it's a generic, our competition is way above the average margin in the generics category.

And another aspect that's also affecting the analgesics market is the indirect channel, the small drug stores. We see a deceleration in that category, in that channel, and that we believe is related to the macroeconomic scenario with a higher interest rate. So the in-store inventories of independent pharmacies is decreasing a little bit due to the working capital pressure in this type of customer.

What's quite usual in this category is that you see big baskets with lots of products in the stores, and we believe that the high interest rates are impacting this profile. But we believe that over time, as the interest rates decrease, that will tend to decrease.

So that's our perspective for the short term based on the category's performance. But in the midterm, this category grows by about 9%, and we have lots of initiatives like the Neosaldina Muscular, and there's also other new releases, especially in our brands.

And one thing that I forgot to say is that in the brands, it's mostly molecule associations as we see in Neosaldina or Buscopan. So it's harder to see any generics in this segment, and we have not seen that trend in the associations market, which is where our big brands are. These brands continue to grow, especially Buscopan.

Now I will give the floor to Ramon for the second question.

Ramon Sanches:

Leandro, concerning the inventory level increase, we already expected an increase in the finished goods inventory levels. That was done on purpose. We do not believe that this is the new ideal level.

We believe that a reduction is possible moving forward, but how much will depend basically on two factors: this formal accommodation in terms of inventory replacement in customers, and also the short-term sales, which may help us reduce the inventories more quickly if possible.

Vinicius Figueiredo, Itaú BBA:

Good morning. It's a follow-up to the last question. Knowing that there is a migration of certain categories to generics, do you foresee a bigger volume in these segments in terms of analgesics, for instance, that you already touched upon? Does it make sense that not only we can have this migration of brands to generics, which would put pressure on the average ticket of that molecule, but also, do you see stronger competition between the pharma companies that produce generics in these molecules specifically?

And I think that you have also touched upon that, but with the numbers that we currently see, where you see a sell-out aligned with the sell-out that you forecast for the industry, for the categories where you are, how is this being offset? Which category is offsetting the painkillers, for instance? Is that a result of the pipeline that you are delivering, or the ramp that you see in chronic diseases? Maybe you could talk about the positive highlights. If you could, that would be great. Thank you.

Breno Oliveira:

Vinicius, I do not think we can extrapolate. What I said is very specific to the analgesics category in the short term. If you look, for instance, at the anti-flu drug category, in the recent past, there was an increase in the brand market share. If compared to generics and similars,

which are cheaper, the brand market has been growing a bit more than the similars market in the short term.

So what we can extrapolate is this trend. If you look at the market share of generics in value, it does not grow that much. It went from 14% to 16% in the last few years. So it's a very gradual increase, especially due to the patent expirations. There were some relevant patents that expired in the last few years, such as some medications. So that comes from that and not so much from the brand penetration as a whole.

Another thing is that when a patent expires, there is a market expansion, usually. Obviously, each molecule, each product is different, but we usually see an increase in the number of units sold and the penetration of that category in the pharmaceutical market. So we need to be careful in these analyses. The market share of generics grows, but it grows very gradually over the years through market expansion.

Concerning the question about competition in the generics market, we see that this competition has been happening. Back in 2024, our strategy was more focused on profitability.

And since the beginning of last year, we went back to working on our leading molecules to maintain our market share, such as losartan and dipyrone. And we have been working with positive profitability, attempting to defend our market share.

In molecules where we had a smaller presence in large markets, we have been seeking increase in market share, making good use of our production capacity surplus, and also after our working capital optimization process that cleared some plant space for this category.

Some of our competitors are also being aggressive, but we see that basically there is a market share variation. We have been gaining market share in this category, whereas other smaller players with not so much scale in terms of manufacturing costs and in terms of raw material purchase or competitive costs, they end up losing market share in this context.

Mauricio Cepeda, Morgan Stanley:

Good morning. We have two questions. The first one is related to management and governance. I get asked by the investors if there is the risk of oversupply in the channel, as has happened before. So what are the mechanisms that you have in place to prevent misalignment between sell-in and sell-out across the several SKUs that you have?

And my second question is related to Raia Drogasil. Three months after CMED's price increase, what can you tell us about the chain discounts? Is there any compensation through discounts? And what can you tell us about the competition? You talked about generics in general. And when I talk about discounts, I am mentioning the discounts on the manufacturing price, I'm not talking about the unconditional discounts on the statement. Thank you.

Breno Oliveira:

Good morning, Cepeda. Concerning your first question, I think the metric that has to be monitored by the market is the accounts receivable days. That is our tool whereby we can control inventories, and we see that it's quite effective. Both in retail and distribution, they work with the terms set by the industry. Even more so with retail, because they have the in-store inventories, and you can see with the open capital retailers, they usually have an inventory level that's usually 30 days larger than the accounts receivable. And the distribution is more in line, the inventories with the days of suppliers.

So I think that the main tool we have to monitor, as both for us, the Company, and investors, to monitor the effectiveness and the evolution of this strategy, is the accounts receivable term. That's very clear in the Company. That's defined by the high management, and we focus on maintaining these terms moving forward.

It took a lot of effort from the Company to maintain these levels, and we believe it's much more efficient. Given all the improvements that we made from an operational standpoint, it's much more effective to operate like that because this will generate more return for our shareholders in the mid and long term.

As I said in the beginning, when we announced this process in the past, we are going to have the same performance we would have if we hadn't made this adjustment in a post-adjustment scenario in 2026, however with much lower investments in working capital, more than 53% of the sales, moving now to something close to 30% of the sales. And if you look at the models, when we look at the models, we are going to see the incredible value generation that will generate for the shareholders.

Concerning the second question about CMED, no, there are no changes to the level of discounts, at least on our side, and I believe that's the same with our competitors as a result of CMED's lower levels.

We know that the prices vary year after year, but in the midterm, it reflects very well the increased costs of the sector. It takes into account the level of the FX rate and the increased electricity costs used in manufacturing.

So year after year, there's a certain variation, but in the mid and long term, it's very clear, very close to the cost variation of the industry. So I do not see that happening among our competitors or ourselves in terms of the average discount levels.

What we have been focusing on are the discounts that I talked about in the beginning, discounts that we used to give for using the structures by customers and distribution centers. That ended as of the end of last year, and we have also been monitoring the discounts offered to end consumers, considering the effectiveness of promotional levels and also testing the sell-out levers.

Is it more effective to give discounts or to focus on media for certain products? That's something that we have been assessing, and it's part of our initiative to migrate investments in marketing towards media, being able to better support brands in our portfolio.

And what we have been starting to see is a lot of successful initiatives in some brands and some more accelerated growth in these brands, but it's a mid and long-term process. So we believe that we will reap even better results in 2026 and later.

Lucca Biasi, UBS:

Good morning. I have two follow-up questions. First, in the non-retail, I would like to hear your comments about how much of the non-retail sales go to the public and private sector, and do you see this drop in sell-out as something that's a one-off factor?

And in semaglutide, do you have any numbers to share in terms of what you expect in terms of contribution to revenue or margin? That would be great. Thank you.

Breno Oliveira:

Good morning, Lucca. Concerning your first question, more or less 75% from the public market, 25% to private. And the market is the opposite of that, 60% private, 40% public. And in the midterm, we are developing a portfolio, much more for the private market. So basically, we are dealing with some older products we had in the portfolio, especially oral solids.

As we develop the portfolio of injectable drugs, we tend to see an increasingly higher penetration in the private market, and we recently saw this decrease, this drop in the market. There was a greater impact on the market and also the public market.

So we see the level of involvement of the governmental agencies and bodies in terms of how many bidding processes we had and how much the government is buying. And these levels decreased in the past months, and we have been monitoring that closely, but our focus is to have a greater market share in the private market.

Concerning semaglutide, I would not like to talk about amounts or potential because we did not obtain the registration of the products. But we know that it's a market of more than R\$5 billion.

But what we recently saw was that tirzepatide, whose patent is going to expire in 2036, did not decrease the market of semaglutide. Actually, it increased. We still have to monitor. They have been on the market for only three months, so we have to monitor that, but it's quite good. It's a market whose patent will expire next year, but it did not drop with the entry of a new product, a new generation that's more efficient. Actually, the market increased even further.

In terms of margin, it will depend on the prices that will be applied by our competitors, but we do not foresee any dilution or increase in the margins due to this new market opportunity.

Tales Granello, Safra:

Good morning. I have two follow-up questions, the first one is about sell-out. The sell-out is way below the industry's from the data that we saw, but I think that the market has also benefited from GLP-1 and semaglutide. So if we exclude that from this database, what's your performance like versus that of the market, given that you do not yet operate on these categories?

And the second question is about the selling of drugs in supermarkets. It appears every year and reappears every year. So what do you think could happen? Do you think you have a greater chance of that occurring this time? And if for you that is positive or if it does not change anything.

Ramon Sanches:

I will take the first question and Breno will take the second one. As we mentioned in the release, we grew above the operating categories in the 2Q. If we exclude the categories where we do not operate, whether due to patents or categories of products that we do not yet have on our portfolio, our growth was a bit higher, with a bit more market share in this market in the 2Q.

I do not know if that was your question, but if I answered your question, Breno can take the second question.

Tales Granello:

Yes, that's it. Thank you.

Breno Oliveira:

So Tales, is the second question about the OTC in the food channel?

Tales Granello:

Yes. Do you think there is a greater chance of that being approved given that this is discussed every year? And is that positive or negative for you? I would like to hear your take on that.

Breno Oliveira:

Tales, this is a subject that we have been monitoring closely. We have been seeing a greater protagonism in distribution and retail and in the food channel. To us, we see it as an opportunity. There will be greater availability of products. The name of the association is *Acessa*. It's seeking greater access to this type of medication.

And we believe, once all of the regulatory aspects are met, there are demands related to point of sales and whatnot, and in our perspective, there will be an increased access to our products, especially OTCs. But based on the last proposal, it's not only OTCs. All of the drugs will be available there. So it's basically pharmacies within the supermarkets.

So to us, that is positive in that there's greater access to our products. And we know that many OTC drugs are bought by impulse for acute usage. So if there is greater access and greater availability, that will be positive to Hypera.

Of course, we have to take into account the dynamics of each channel. The food channel is slightly different. It has its own dynamics. We have seen that, especially through the portfolio of sweeteners. And that will also be helpful in terms of distribution of field teams. They will have a better and larger portfolio to work with.

Operator:

The Q&A session is over. Thank you for your participation. Have a good day.

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