

Hypera Pharma reports 24.7% growth in Net Revenue, with the highest levels ever recorded of EBITDA and Cash Flow from Operations

São Paulo, October 27, 2022 – Hypera S.A. (“Hypera Pharma” or “Company”; B3: HYPE3; Bloomberg: HYPE3 BZ; ISIN: BRHYPEACNOR0; Reuters: HYPE3.SA; ADR: HYPMY) announces its financial results for the 3rd quarter of 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 International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

3Q22 Highlights

- Organic sell-out growth of 17.3%¹ in 3Q22 when compared to 3Q21
- Highest ever recorded Net Revenue of R\$2,035.8 million in the quarter, up 24.7% over 3Q21
- Non-Retail Net Revenue growth of 189.2% in 3Q22, when compared to 3Q21
- Highest ever recorded EBITDA from Continuing Operations (excl. Others) of R\$723.6 million, up 27.0% over 3Q21
- Highest ever recorded Cash Flow from Operations of R\$677.5 million in 3Q22, up 25.5% over 3Q21
- Interest on Equity approval of R\$194.8 million in 3Q22

Table 1

(R\$ million)	3Q21	% NR	3Q22	% NR	Δ %	9M21	% NR	9M22	% NR	Δ %
Gross Revenue, net of Returns and Unconditional Discounts	1,865.0	114.2%	2,341.4	115.0%	25.5%	4,922.2	114.2%	6,205.5	114.4%	26.1%
Net Revenue	1,632.6	100.0%	2,035.8	100.0%	24.7%	4,310.9	100.0%	5,425.0	100.0%	25.8%
Gross Profit	1,043.5	63.9%	1,292.4	63.5%	23.8%	2,784.0	64.6%	3,439.6	63.4%	23.5%
SG&A (excl. Marketing and R&D)	(192.4)	-11.8%	(259.3)	-12.7%	34.8%	(541.3)	-12.6%	(691.3)	-12.7%	27.7%
Marketing	(275.0)	-16.8%	(326.8)	-16.1%	18.8%	(788.0)	-18.3%	(872.0)	-16.1%	10.7%
EBITDA from Continuing Operations (excl. Others)	569.6	34.9%	723.6	35.5%	27.0%	1,445.8	33.5%	1,897.7	35.0%	31.3%
Net Income from Continuing Operations	464.7	28.5%	469.7	23.1%	1.1%	1,251.8	29.0%	1,274.7	23.5%	1.8%
Cash Flow from Operations	539.9	33.1%	677.5	33.3%	25.5%	1,098.1	25.5%	1,524.3	28.1%	38.8%

EARNINGS CONFERENCE CALL – PORTUGUESE: 10/28/2022, 11am (Brasília) / 10am (New York)

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Replay: ir.hypera.com

IR contacts

+55 (11) 3627-4206
+55 (11) 3627-4097
ri@hypera.com.br

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

Operating Scenario

In 3Q22, Hypera Pharma's Net Revenue grew 24.7% and reached R\$2,035.8 million, the highest level ever recorded by the Company in a quarter. This performance was mainly driven by the organic sell-out growth of 17.3%¹, in line with the retail market performance², and by the growth in Non-Retail.

In the first 9 months of the year, organic sell-out grew 21.7%, or 4.1 percentage points above the market, as a result of the Company's initiatives to boost its sustainable growth, highlighting the acceleration in the pace of launches recently, the increase in production capacity and the investments in leading brands in the retail pharmaceutical market.

In **Prescription Products**, market share gains in the quarter were driven once again by the Power Brands³ **Nesina**, **Predsim**, **Alivium**, **Rinosoro**, **Dramin** and **Alektos**, as well as by the recent launches in central nervous system and cardiology. It is worth mentioning that the Company has around 90 products in its innovation pipeline to be launched in central nervous system and cardiology, the two main markets for prescription products in Brazil that currently have annual sell-out of over R\$20 billion, according to IQVIA.

In **Consumer Health**, the performance was benefited by the brands **Benegrip**, **Coristina-d**, **Engov**, **Polaramine** and **Eparema**. In **Skincare**, the main highlights were the recent launches and line extensions of **Mantecorp Skincare** and **Simple Organic**, while in **Similar and Generics**, the performance of the **Neo Química** brand was once again favored by the acceleration in the pace of generic launches and the expansion of production capacity.

Non-Retail contributed with R\$100.9 million to 3Q22 Net Revenue, compared to R\$34.9 million in 3Q21. This growth is the result of the initiatives implemented by the new structure dedicated to the non-retail market to leverage the growth of the Company's current portfolio in this segment, and of the additional revenue from the sales of Immunoglobulin in 3Q22.

Hypera Pharma also launched the antibiotics Cefepime, Cefuroxime and Bac-Sulfitrin in 3Q22, which were part of the Company's innovation pipeline for Non-Retail with focus on Oncology, Specialties and Biologics, and which now includes approximately 70 molecules that will support Hypera Pharma's market share and sales increase in this segment in the medium term.

This growth also contributed to Hypera Pharma's: (i) record in EBITDA from Continuing Operations, when excluding the contribution from Other Operating Revenues, of R\$723.6 million in 3Q22, with a margin of 35.5%, or 0.6 percentage point higher than 3Q21; and (ii) operating cash generation increase of 25.5% when compared to 3Q21, to R\$677.5 million, the Company's highest level ever recorded in a quarter.

The Company also approved Interest on Equity of R\$194.8 million this quarter, or R\$0.31/share, and concluded the acquisition of the know-how and the site responsible for the raw material production related to scopolamine, the main API to produce the Power Brand **Buscopan**.

Hypera Pharma continued to make significant progress in its sustainable agenda this quarter, with the creation of affinity groups to focus on gender, ethnicity, people with disabilities and LGBTQIA+, which should contribute to the constant increase of diversity and inclusion in the Company. In addition, Hypera Pharma promoted three "*Mutirões da Saúde*" (Health efforts) in the cities of São Paulo and Anápolis, which included actions focused on the prevention of diseases and adoption of a healthy lifestyle, and also held its 3rd Compliance Day, which this year focused on the importance of the Code of Ethical Conduct in the Company's daily activities.

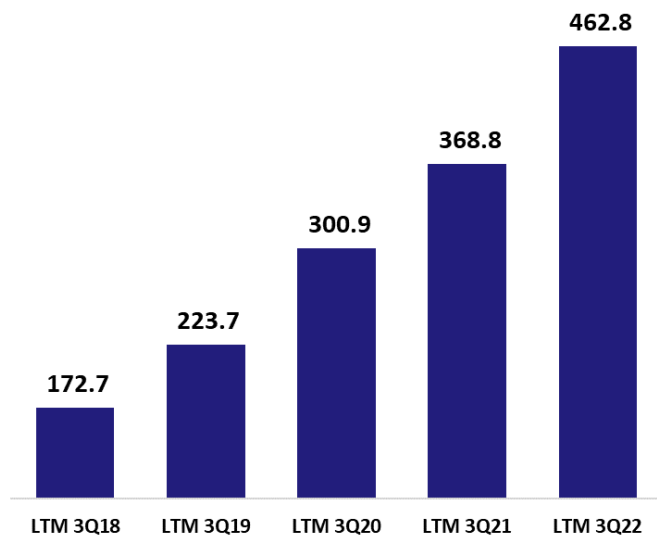
Recent initiatives focused on ESG to enhance the Company's value generation have also contributed to the Hypera Pharma's 21% score increase in the Standard & Poor's ESG ranking (DJSI) this year.

The performance presented in 9M22, the strength and resilience of the Company's portfolio of leading brands and the contribution of recent launches and acquisitions reinforce Hypera Pharma's confidence in achieving the financial targets and projections set for 2022.

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.

Innovation & Launches

R&D Investments¹
(R\$ million)



Total R&D investments, including the amount capitalized as intangible assets, were R\$462.8 million in the last 12 months, or 25.5% higher than the same period of 2021.

The Freshness Index, corresponding to the percentage of Net Revenue coming from products launched in the last five years, was 25% in 3Q22. It should be noted that the Freshness Index calculation includes the contribution of the Buscopan family and the portfolio of medicines acquired from Takeda and Sanofi.

In 3Q22, Hypera Pharma launched several new products in all its business units dedicated to the pharmaceutical retail market.

In Prescription Products, the highlights were: (i) **Picbam**, the first apixaban-based drug launched in the Brazilian market after patent cliff for the prevention of venous thrombosis, whose therapeutic class presented annual sell-out, according to IQVIA, of R\$320 million; (ii) **Ondif**, for nausea prevention and treatment, whose therapeutic class

presented annual sell-out of R\$509 million in the last 12 months, according to IQVIA; and (iii) **Aviv**, for the treatment of Major Depressive Disorder (MDD).

In addition, 3Q22 marked the Company's first move in the cannabidiol market, with the launch of its first full spectrum cannabidiol-based medicine. It is worth noting that Hypera Pharma is the first major Brazilian pharmaceutical company to launch this product in Brazil.

In Consumer Health, the main highlight was **Merthiolate Cicatrix**, line extension of the Merthiolate brand to repair and renew sensitized skin, and in Skincare, the main highlights were **Episol Acqua**, line extension of the sunscreen Episol in a water-based formulation, and the new line for skin treatment **PPoeta by Bioage**, signed by Patrícia Poeta.

In Similar and Generics, the highlights were the launches of **Pantoprazol** and **Desvenlafaxine**, important molecules whose markets had sell-out higher than R\$394 million in the last 12 months, according to IQVIA, in addition to **Apixaban** and **Ondansetron**, contributing to the increase in the coverage of molecules in generics.

In **Non-Retail**, the highlights were the launches of the antibiotics **Cefepime**, **Cefuroxime** and **Bac-Sulfitrin**, whose markets currently have annual sell-out higher than R\$63 million, according to IQVIA.



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

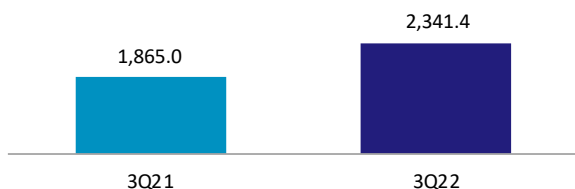
(R\$ million)	3Q21	% NR	3Q22	% NR	Δ %	9M21	% NR	9M22	% NR	Δ %
Net Revenue	1,632.6	100.0%	2,035.8	100.0%	24.7%	4,310.9	100.0%	5,425.0	100.0%	25.8%
Gross Profit	1,043.5	63.9%	1,292.4	63.5%	23.8%	2,784.0	64.6%	3,439.6	63.4%	23.5%
Marketing Expenses	(275.0)	-16.8%	(326.8)	-16.1%	18.8%	(788.0)	-18.3%	(872.0)	-16.1%	10.7%
Selling Expenses	(177.9)	-10.9%	(205.7)	-10.1%	15.6%	(481.0)	-11.2%	(578.1)	-10.7%	20.2%
General and Administrative Expenses	(58.4)	-3.6%	(82.5)	-4.1%	41.2%	(173.5)	-4.0%	(218.5)	-4.0%	26.0%
Other Operating Revenues (Expenses)	11.3	0.7%	3.7	0.2%	-67.6%	89.0	2.1%	18.5	0.3%	-79.2%
Equity in Subsidiaries	3.5	0.2%	3.0	0.1%	-15.9%	6.7	0.2%	6.7	0.1%	-0.5%
EBIT from Continuing Operations	547.0	33.5%	684.0	33.6%	25.1%	1,437.1	33.3%	1,796.1	33.1%	25.0%
Net Financial Expenses	(75.8)	-4.6%	(241.9)	-11.9%	219.1%	(189.1)	-4.4%	(625.9)	-11.5%	231.0%
Income Tax and CSLL	(6.4)	-0.4%	27.5	1.4%	-	3.7	0.1%	104.5	1.9%	2715.4%
Net Income (Loss) from Continuing Operations	464.7	28.5%	469.7	23.1%	1.1%	1,251.8	29.0%	1,274.7	23.5%	1.8%
Net Income from Discontinued Operations	(263.2)	-16.1%	(3.6)	-0.2%	-98.6%	(274.6)	-6.4%	(5.9)	-0.1%	-97.9%
Net Income (Loss)	201.6	12.3%	466.0	22.9%	131.2%	977.2	22.7%	1,268.8	23.4%	29.8%
EBITDA from Continuing Operations	580.9	35.6%	727.2	35.7%	25.2%	1,534.8	35.6%	1,916.2	35.3%	24.9%

Net Revenue

Graph 1

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

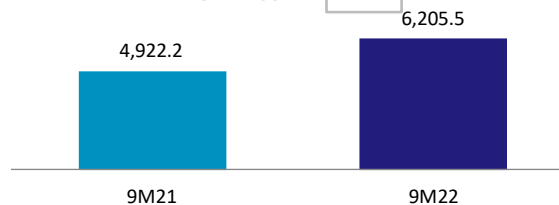
Δ 3Q22 vs 3Q21 25.5%



Graph 2

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

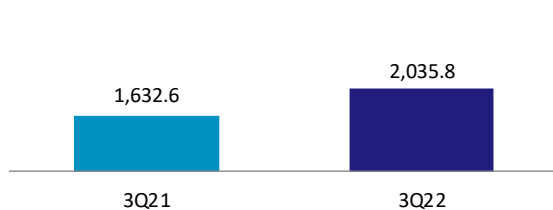
Δ 9M22 vs 9M21 26.1%



Graph 3

Net Revenue (R\$ mm)

Δ 3Q22 vs 3Q21 24.7%



Graph 4

Net Revenue (R\$ mm)

Δ 9M22 vs 9M21 25.8%

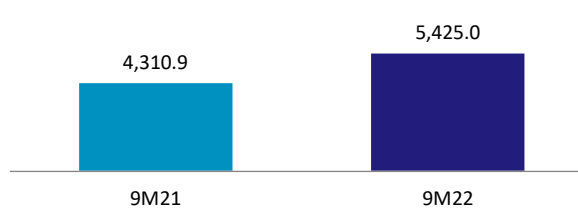


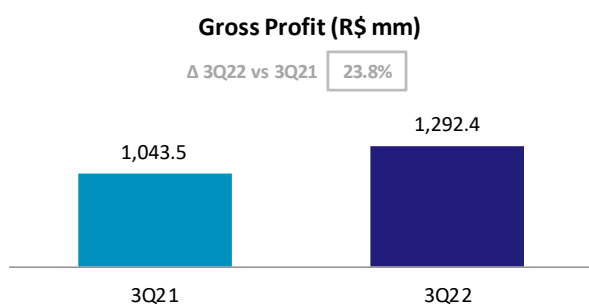
Table 3

(R\$ million)	3Q21	3Q22	Δ %	9M21	9M22	Δ %
Gross Revenue, net of Returns and Unconditional Discounts	1,865.0	2,341.4	25.5%	4,922.2	6,205.5	26.1%
Promotional Discounts	(104.0)	(137.7)	32.4%	(265.8)	(337.6)	27.0%
Taxes	(128.3)	(168.0)	30.9%	(345.5)	(442.9)	28.2%
Net Revenue	1,632.6	2,035.8	24.7%	4,310.9	5,425.0	25.8%

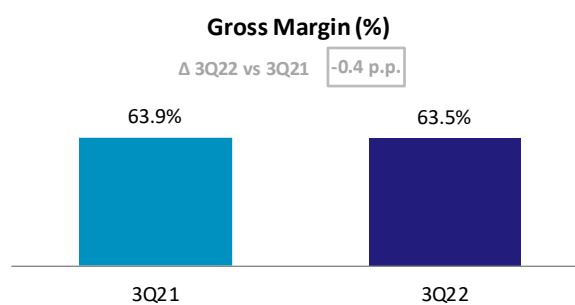
In 3Q22, Net Revenue grew 24.7% when compared to the same period of the previous year, reaching R\$2,035.8 million, highest level ever recorded by the Company in a quarter. This growth is the result of: (i) the recent increase in sell-out in all business units dedicated to the pharmaceutical retail market; (ii) the growth of the **Non-Retail** Net Revenue, which went from R\$34.9 million in 3Q21 to R\$100.9 million in 3Q22, benefited by the additional revenue from the sale of Immunoglobulin; and (iii) the contribution to the Net Revenue of R\$61.1 million from the brands acquired from Sanofi.

Gross Profit

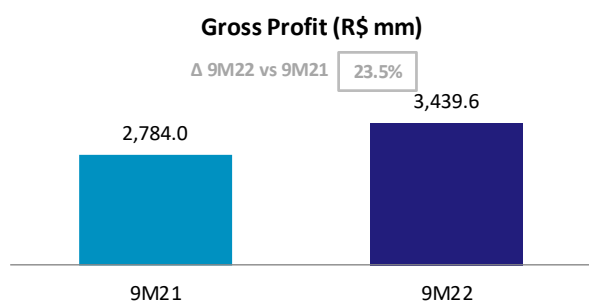
Graph 5



Graph 6



Graph 7



Graph 8

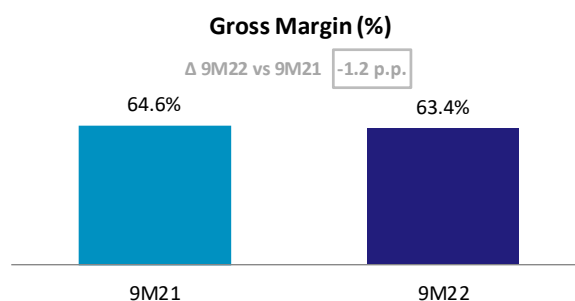


Table 4

(R\$ million)	3Q21	% NR	3Q22	% NR	Δ %	Δ p.p.	9M21	% NR	9M22	% NR	Δ %	Δ p.p.
Gross Profit	1,043.5	63.9%	1,292.4	63.5%	23.8%	-0.4 p.p.	2,784.0	64.6%	3,439.6	63.4%	23.5%	-1.2 p.p.

Gross Profit reached R\$1,292.4 million in 3Q22, with a Gross Margin of 63.5%, versus 63.9% in 3Q21. The variation of Gross Margin in the period is a consequence of the increase of Non-Retail in the mix of products sold.

Marketing Expenses

Table 5

(R\$ million)	3Q21	% NR	3Q22	% NR	Δ %	9M21	% NR	9M22	% NR	Δ %
Marketing Expenses	(275.0)	-16.8%	(326.8)	-16.1%	18.8%	(788.0)	-18.3%	(872.0)	-16.1%	10.7%
Advertisement and Consumer Promotion	(96.3)	-5.9%	(95.9)	-4.7%	-0.4%	(256.8)	-6.0%	(262.1)	-4.8%	2.1%
Trade Deals	(43.5)	-2.7%	(48.2)	-2.4%	10.7%	(119.9)	-2.8%	(127.6)	-2.4%	6.5%
Medical Visits, Promotions and Others	(135.2)	-8.3%	(182.7)	-9.0%	35.1%	(411.4)	-9.5%	(482.3)	-8.9%	17.2%

In 3Q22, Marketing Expenses grew 18.8% when compared to the same period last year and reduced their share of Net Revenue by 0.7 percentage point in the quarter. The decrease in the share of Net Revenue 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)	3Q21	% NR	3Q22	% NR	Δ %	9M21	% NR	9M22	% NR	Δ %
Selling Expenses	(177.9)	-10.9%	(205.7)	-10.1%	15.6%	(481.0)	-11.2%	(578.1)	-10.7%	20.2%
Commercial Expenses	(102.3)	-6.3%	(131.2)	-6.4%	28.2%	(278.2)	-6.5%	(354.7)	-6.5%	27.5%
Freight and Logistics Expenses	(31.7)	-1.9%	(45.6)	-2.2%	43.9%	(89.5)	-2.1%	(118.0)	-2.2%	31.8%
Research & Development	(43.9)	-2.7%	(28.9)	-1.4%	-34.2%	(113.2)	-2.6%	(105.3)	-1.9%	-7.0%

Selling Expenses grew 15.6% and represented 10.1% of Net Revenue in 3Q22, a dilution of 0.8 percentage point when compared to 3Q21, resulting mainly from the reduction in Research and Development expenses in the period due to the Lei do Bem benefit of R\$21.6 million in this quarter. In 3Q21, the Company did not book this benefit.

Total Research and Development (R&D) investments, including the amount capitalized as intangible asset, reached R\$131.7 million this quarter, a 46.9% increase over 3Q21.

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

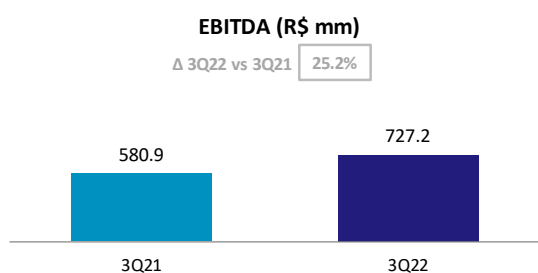
Table 7

(R\$ million)	3Q21	% NR	3Q22	% NR	Δ %	9M21	% NR	9M22	% NR	Δ %
General & Administrative Expenses	(58.4)	-3.6%	(82.5)	-4.1%	41.2%	(173.5)	-4.0%	(218.5)	-4.0%	26.0%
Other Operating Revenues (Expenses)	11.3	0.7%	3.7	0.2%	-67.6%	89.0	2.1%	18.5	0.3%	-79.2%

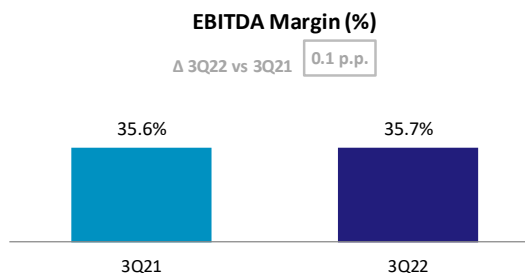
General and Administrative Expenses represented 4.1% of Net Revenue in 3Q22, in line with 9M22 and 9M21.

EBITDA from Continuing Operations

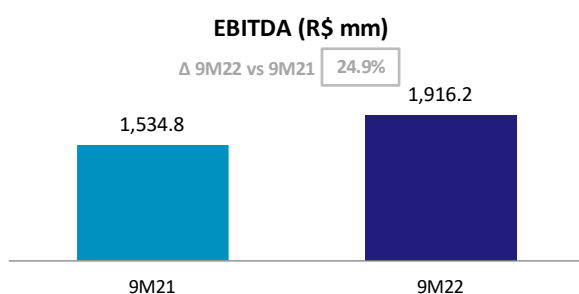
Graph 9



Graph 10



Graph 11



Graph 12

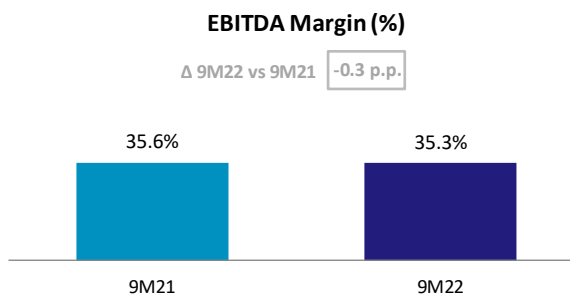


Table 8 – EBITDA from Continuing Operations

(R\$ million)	3Q21	% NR	3Q22	% NR	Δ %	9M21	% NR	9M22	% NR	Δ %
EBITDA from Continuing Operations	580.9	35.6%	727.2	35.7%	25.2%	1,534.8	35.6%	1,916.2	35.3%	24.9%
EBITDA from Continuing Operations (excl. Others)	569.6	34.9%	723.6	35.5%	27.0%	1,445.8	33.5%	1,897.7	35.0%	31.3%

EBITDA from Continuing Operations was R\$727.2 million in 3Q22, with 35.7% margin. **When excluded the contribution of Other Operating Revenues, EBITDA from Continuing Operations grew 27.0%, 35.5% margin, or 0.6 percentage point higher than 3Q21**, mainly as a result of the dilution of Marketing and Selling Expenses in the period.

Net Financial Expenses

Table 9

(R\$ million)	3Q21	% NR	3Q22	% NR	Δ R\$	9M21	% NR	9M22	% NR	Δ R\$
Financial Result	(75.8)	-4.6%	(241.9)	-11.9%	(166.1)	(189.1)	-4.4%	(625.9)	-11.5%	(436.8)
Net Interest Expenses	(69.3)	-4.2%	(195.9)	-9.6%	(126.5)	(148.4)	-3.4%	(515.3)	-9.5%	(367.0)
Cost of Hedge and FX Gains (Losses)	6.1	0.4%	(14.1)	-0.7%	(20.1)	(3.8)	-0.1%	(38.4)	-0.7%	(34.6)
Other	(6.8)	-0.4%	(32.0)	-1.6%	(25.2)	(31.1)	-0.7%	(72.2)	-1.3%	(41.0)

Financial Result presented a negative balance of R\$241.9 million in 3Q22, compared to R\$75.8 million in 3Q21. 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 resulting from the issuance of debentures to pay for recent acquisitions; and (ii) the increase in the Selic rate.

Net Income

Table 10

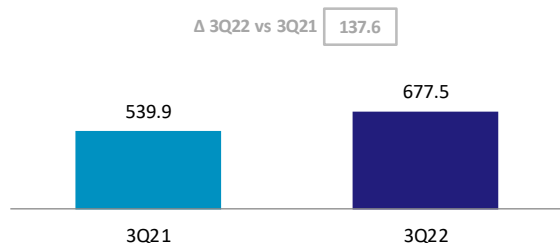
(R\$ million)	3Q21	3Q22	Δ %	9M21	9M22	Δ %
EBIT from Continuing Operations	547.0	684.0	25.1%	1,437.1	1,796.1	25.0%
(-) Net Financial Expenses	(75.8)	(241.9)	219.1%	(189.1)	(625.9)	231.0%
(-) Income Tax and Social Contribution	(6.4)	27.5	-	3.7	104.5	2715.4%
Net Income from Continuing Operations	464.7	469.7	1.1%	1,251.8	1,274.7	1.8%
(+) Net Income from Discontinued Operations	(263.2)	(3.6)	-98.6%	(274.6)	(5.9)	-97.9%
Net Income	201.6	466.0	131.2%	977.2	1,268.8	29.8%
EPS	0.32	0.73	130.3%	1.55	2.01	29.8%
EPS from Continuing Operations	0.74	0.74	0.9%	1.98	2.02	1.8%

Net Income from Continuing Operations totaled R\$469.7 million in the quarter, or 1.1% higher than 3Q21. The variation of Net Income from Continuing Operations is mainly a consequence of the 25.1% growth in EBIT of Continuing Operations and the R\$166.1 million increase in Net Financial Expenses.

Cash Flow (Continuing and Discontinued Operations)

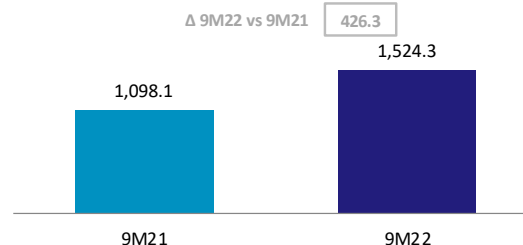
Graph 13

Cash Flow from Operations (R\$ mm)



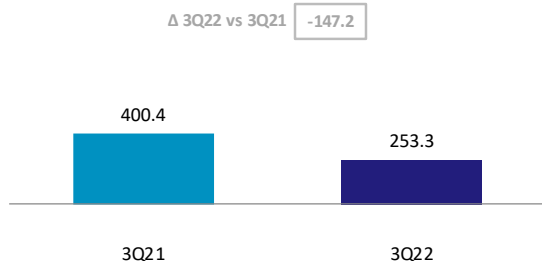
Graph 14

Cash Flow from Operations (R\$ mm)



Graph 15

Free Cash Flow (R\$ mm)



Graph 16

Free Cash Flow (R\$ mm)

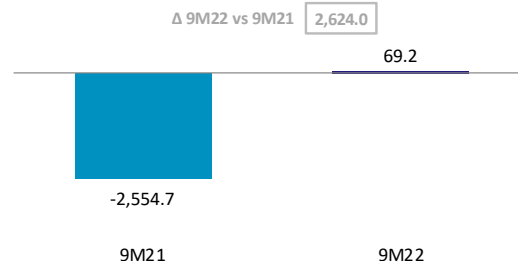


Table 11

(R\$ million)	3Q21	3Q22	9M21	9M22
Cash Flow from Operations	539.9	677.5	1,098.1	1,524.3
Capital increase in subsidiaries/associates	0.0	(4.6)	(20.4)	(10.8)
Purchase of Property, Plant and Equipment	(150.5)	(142.5)	(378.2)	(339.3)
Purchase of Intangible Assets	(50.2)	(86.6)	(146.0)	(900.3)
Acquisitions of Subsidiaries, Net of Cash Acquired	0.0	(198.5)	(3,553.5)	(208.5)
Sale of Property, Plant and Equipment	61.3	8.0	445.2	3.7
(=) Free Cash Flow	400.4	253.3	(2,554.7)	69.2

Cash Flow from Operations grew 25.5% in the quarter, in line with the EBITDA from Continuing Operations growth, and amounted R\$677.5 million, the highest level ever recorded by the Company in a quarter. This quarter, Hypera Pharma converted 93.2% of EBITDA from Continuing Operations into Cash Flow from Operations.

Free Cash Flow was R\$253.3 million in the quarter, versus R\$400.4 million in 3Q21, and was impacted in the quarter by the payment for the acquisition of the know-how and the site responsible for the raw material production related to scopolamine, the main API to produce the Power Brand **Buscopan**.

Net Debt

Table 12

(R\$ million)	3Q22
Loans and Financing	(8,850.1)
Notes Payable	(36.1)
Gross Debt	(8,886.2)
Cash and Cash Equivalents	2,218.9
Net Cash / (Debt)	(6,667.3)
Unrealized Gain/Loss on Debt Hedge	6.0
Net Cash / (Debt) After Hedge	(6,661.3)

The Company ended 3Q22 with a Net Debt After Hedge position of R\$6,661.3 million, compared to R\$6,609.9 million at the end of 2Q22, or 2.5x EBITDA from Continuing Operations from the guidance set for 2022.

Other Information

Cash Conversion Cycle – Continuing Operations

Table 13

						(R\$ million)	3Q21	4Q21	1Q22	2Q22	3Q22
(Days)	3Q21	4Q21	1Q22	2Q22	3Q22						
Receivables ⁽¹⁾	91	103	104	94	90	Receivables	1,807	2,039	1,887	2,160	2,238
Inventories ⁽²⁾	188	193	249	223	243	Inventories	1,230	1,303	1,531	1,701	2,009
Payables ⁽²⁾⁽³⁾	(125)	(117)	(139)	(129)	(143)	Payables ⁽³⁾	(816)	(791)	(854)	(983)	(1,181)
Cash Conversion Cycle	154	179	214	188	190	Working Capital	2,222	2,552	2,564	2,878	3,066
						% of Annualized Net Revenue ⁽⁴⁾	34%	39%	43%	38%	38%

(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\$820.1 million (please refer to Explanatory Note 13 of the Financial Statements);
- ii) Cash effect of Income Tax and Social Contribution Losses Carryforward: R\$2,407.0 million (please refer to Explanatory Note 24(a) of the Financial Statements).

Reconciliation of Adjusted EBITDA, or EBITDA from Continuing Operations

Table 14

(R\$ million)	3Q21	% NR	3Q22	% NR	Δ %	9M21	% NR	9M22	% NR	Δ %
Net Income	201.6	12.3%	466.0	22.9%	131.2%	977.2	22.7%	1,268.8	23.4%	29.8%
(+) Income Tax and CSLL	(128.8)	-7.9%	(29.8)	-1.5%	-76.9%	(145.0)	-3.4%	(108.2)	-2.0%	-25.4%
(+) Net Interest Expenses	75.8	4.6%	241.9	11.9%	219.1%	189.1	4.4%	625.9	11.5%	231.0%
(+) Depreciations / Amortizations	33.9	2.1%	43.2	2.1%	27.3%	97.6	2.3%	120.0	2.2%	23.0%
EBITDA	182.5	11.2%	721.3	35.4%	295.3%	1,119.0	26.0%	1,906.6	35.1%	70.4%
(-) EBITDA from Discontinued Operations	398.5	24.4%	5.9	0.3%	-98.5%	415.8	9.6%	9.6	0.2%	-97.7%
Adjusted EBITDA (EBITDA from Continuing Operations)	580.9	35.6%	727.2	35.7%	25.2%	1,534.8	35.6%	1,916.2	35.3%	24.9%

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

	3Q21	3Q22	9M21	9M22
Net Revenue	1,632,642	2,035,775	4,310,883	5,424,961
Cost of Goods Sold	(589,146)	(743,411)	(1,526,911)	(1,985,390)
Gross Profit	1,043,496	1,292,364	2,783,972	3,439,571
Selling and Marketing Expenses	(452,909)	(532,455)	(1,269,020)	(1,450,075)
General and Administrative Expenses	(58,447)	(82,527)	(173,510)	(218,546)
Other Operating Revenues (Expenses)	11,307	3,667	88,981	18,490
Equity in Subsidiaries	3,544	2,981	6,722	6,688
Operating Income Before Equity Income and Financial Result	546,991	684,030	1,437,145	1,796,128
Net Financial Expenses	(75,813)	(241,897)	(189,074)	(625,863)
Financial Expenses	(110,011)	(310,562)	(259,733)	(804,735)
Financial Income	34,198	68,665	70,659	178,872
Profit Before Income Tax and Social Contribution	471,178	442,133	1,248,071	1,170,265
Income Tax and Social Contribution	(6,448)	27,543	3,710	104,452
Net Income from Continuing Operations	464,730	469,676	1,251,781	1,274,717
Net Income from Discontinued Operations	(263,176)	(3,649)	(274,552)	(5,869)
Income for the Period	201,554	466,027	977,229	1,268,848
Earnings per Share – R\$	0.32	0.73	1.55	2.01

Consolidated Balance Sheet (R\$ thousand)

Table 16

Assets	12/31/2021	09/30/2022	Liabilities and Shareholders' Equity	12/31/2021	09/30/2022
Current Assets	6,491,633	7,452,100	Current Liabilities	2,776,526	4,139,168
Cash and Cash Equivalents	2,287,062	2,218,905	Suppliers	327,133	465,278
Accounts Receivables	2,039,474	2,237,622	Suppliers' Assignment of Receivables	463,627	715,325
Inventories	1,303,480	2,009,331	Loans and Financing	565,648	1,449,610
Recoverable Taxes	597,195	549,446	Salaries Payable	284,290	380,507
Financial Derivatives	29,305	21,904	Income Tax and Social Contribution	984	8,193
Other Assets	232,348	414,892	Taxes Payable	68,865	74,049
Dividends and IOC receivables	2,769	0	Accounts Payable	276,647	449,336
			Dividends and IOC Payable	704,808	534,068
			Notes Payable	36,840	26,768
			Financial Derivatives	47,684	36,034
Non-Current Assets	13,326,329	15,096,665	Non-Current Liabilities	7,207,965	7,909,288
Long Term Assets	1,097,410	1,289,216	Loans and Financing	6,795,339	7,400,514
Deferred Income Tax and Social Contribution	355,115	572,527	Deferred Income Tax and Social Contribution	73,993	206,429
Recoverable Taxes	492,676	465,656	Taxes Payable	12,495	5,994
Other Assets	249,619	216,229	Accounts Payable	99,548	113,825
Financial Derivatives	0	34,804	Provisions for Contingencies	193,494	170,231
			Notes Payable	8,544	9,303
			Financial Derivatives	24,552	2,992
Fixed Assets and Investments²	12,228,919	13,807,449	Shareholders' Equity	9,833,471	10,500,309
Investments	111,001	120,834	Capital	4,478,126	4,478,126
Investment Properties	25,616	28,886	Capital Reserve	1,251,417	1,234,276
Biological Assets	0	4,000	Equity Valuation Adjustments	(181,839)	(242,498)
Property, Plants and Equipments	2,095,140	2,636,717	Profit Reserves	4,360,237	4,360,237
Intangible Assets	9,997,162	11,017,012	Treasury Stock	(81,350)	(10,743)
			Attributed to non-controlling shareholders	6,880	7,622
			Income for the Period	0	673,289
Total Assets	19,817,962	22,548,765	Total Liabilities and Shareholders' Equity	19,817,962	22,548,765

Consolidated Cash Flow Statement (R\$ thousand)

Table 17

	3Q21	3Q22	9M21	9M22
Cash Flows from Operating Activities				
Income (Loss) Before Income Taxes including Discontinued Operations	72,725	436,255	832,276	1,160,660
Depreciation and Amortization	33,931	43,198	97,614	120,046
Asset Impairment	6,028	(10,967)	(4,721)	(11,562)
Gain on Permanent Asset Disposals	398,805	17,776	401,905	63,478
Equity Method	(3,689)	(2,793)	(6,457)	(6,305)
Foreign Exchange (Gains) Losses	(6,087)	14,013	3,797	38,312
Net Interest and Related Revenue/Expenses	81,900	227,854	185,277	587,521
Expenses Related to Share Based Remuneration	7,000	5,773	17,374	18,698
Provisions	15,953	6,887	24,119	17,352
Adjusted Results	606,566	737,996	1,551,184	1,988,200
Decrease (Increase) in Assets	(99,816)	(333,698)	(608,994)	(918,513)
Trade Accounts Receivable	(12,600)	(70,056)	(289,588)	(177,860)
Inventories	(90,693)	(318,198)	(328,858)	(757,019)
Recoverable Taxes	(48,857)	12,920	(136,969)	75,333
Judicial Deposits and Others	(4,192)	(3,293)	16,594	(17,560)
Other Accounts Receivable	56,526	44,929	129,827	(41,407)
Increase (Decrease) in Liabilities	33,149	273,206	155,863	454,653
Suppliers	(23,431)	49,141	46,209	124,003
Suppliers' Assignment of Receivables	35,168	128,396	40,921	246,597
Financial Derivatives	(17,292)	(8,576)	(9,826)	(108,139)
Income Tax and Social Contribution Paid	(74)	(488)	(6,946)	(1,030)
Taxes Payable	648	4,491	15,146	4,923
Salaries and Payroll Charges	52,669	74,483	75,088	93,656
Accounts Payable	(25,291)	1,973	3,002	28,211
Operations Interest Paid	14,090	22,176	2,520	56,180
Other Accounts Payable	(3,338)	1,610	(10,251)	10,252
Net Cash Provided by Operating Activities	539,899	677,504	1,098,053	1,524,340
Cash Flows from Investing Activities				
Capital Increase/Decrease in Subsidiaries/Affiliates	0	(4,598)	(20,365)	(10,826)
Acquisitions of Subsidiaries, Net of Cash Acquired	0	(198,473)	(3,553,463)	(208,463)
Acquisitions of Property, Plant and Equipment	(150,519)	(142,520)	(378,175)	(339,261)
Intangible Assets	(50,205)	(86,606)	(146,014)	(900,290)
Proceeds from the Sale of Assets with Permanent Nature	61,263	7,950	445,221	3,746
Interest and Others	18,724	38,284	35,824	97,758
Investment Hedge	(1,026)	820	45,370	(148,629)
Net Cash From Investing Activities	(121,763)	(385,143)	(3,571,602)	(1,505,965)
Cash Flows from Financing Activities				
Borrowings	1,000,000	750,000	2,221,184	1,657,674
Treasury Stock Purchase / Sale	(1)	(1)	(66,426)	35,772
Repayment of Loans - Principal	(221,263)	(26,716)	(378,191)	(372,309)
Repayment of Loans - Interest	(98,967)	(231,682)	(202,845)	(599,792)
Dividends and IOC Paid	(24,662)	(25,310)	(720,883)	(755,062)
Loan Derivatives	19,889	(38,852)	19,889	(52,815)
Net Cash From Financing Activities	674,996	427,439	872,728	(86,532)
Net Increase (Decrease) in Cash and Cash Equivalents	1,093,132	719,800	(1,600,821)	(68,157)
Statement of Increase in Cash and Cash Equivalents, Net				
Cash and Cash Equivalents at the Beginning of the Period	2,049,345	1,499,105	4,743,298	2,287,062
Cash and Cash Equivalents at the End of the Period	3,142,477	2,218,905	3,142,477	2,218,905
Change in Cash and Cash Equivalent	1,093,132	719,800	(1,600,821)	(68,157)