

Hypera Pharma reports Net Revenue growth of 43.5% in 2Q21, with EBITDA from Continuing Operations expansion of 31.8%

São Paulo, July 23, 2021 – 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 2nd 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).

2Q21 Highlights

- Net revenue of R\$1,507.4 million in the quarter, or 43.5% higher than 2Q20
- EBITDA from Continuing Operations of R\$591.9 million, or 31.8% higher than 2Q20
- Net Income from Continuing Operations of R\$479.4 million, an increase of 20.1% over 2Q20
- Organic Sell-out growth of 23.3%¹ in 2Q21, or 1.1 p.p. above the market², according to IQVIA
- Interest on Equity Approval of R\$194.8 million in 2Q21, or 5% greater than 2Q20
- Acquisition of a portfolio of 12 medicines from Sanofi
- Acquisition of Bioage, a leading brand in the Brazilian aesthetics market

Table 1

(R\$ million)	2Q20	% NR	2Q21	% NR	Δ %	1H20	% NR	1H21	% NR	Δ %
Gross Revenue, net of Returns and Unconditional Discounts	1,201.3	114.4%	1,725.7	114.5%	43.7%	2,112.9	113.3%	3,057.2	114.2%	44.7%
Net Revenue	1,050.5	100.0%	1,507.4	100.0%	43.5%	1,865.5	100.0%	2,678.2	100.0%	43.6%
Gross Profit	690.3	65.7%	987.7	65.5%	43.1%	1,233.3	66.1%	1,740.5	65.0%	41.1%
SG&A (ex-Marketing and R&D)	(154.2)	-14.7%	(182.0)	-12.1%	18.0%	(299.4)	-16.0%	(348.8)	-13.0%	16.5%
Marketing	(187.2)	-17.8%	(298.3)	-19.8%	59.4%	(369.7)	-19.8%	(513.0)	-19.2%	38.8%
EBITDA from Continuing Operations	449.2	42.8%	591.9	39.3%	31.8%	697.9	37.4%	953.8	35.6%	36.7%
Net Income from Continuing Operations	399.1	38.0%	479.4	31.8%	20.1%	647.1	34.7%	787.1	29.4%	21.6%
Net Income	396.4	37.7%	470.6	31.2%	18.7%	634.6	34.0%	775.7	29.0%	22.2%
Cash Flow from Operations	352.0	33.5%	407.1	27.0%	15.7%	522.7	28.0%	558.2	20.8%	6.8%

EARNINGS CONFERENCE CALL – PORTUGUESE: 7/26/2021, 11am (Brasília) / 10am (New York)

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Operating Scenario

Hypera Pharma's Net Revenue grew 43.5% and reached R\$1,507.4 million in 2Q21. This growth was mainly driven by: (i) the contribution to Net Revenue from the portfolio of medicines acquired from Takeda and the Buscopan family, and (ii) the 23.3% organic growth in sell-out¹, or 1.1 percentage point above the market. **Sell-out organic growth was higher than the market growth for the third 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 quarter's highlight, 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 relevant launches, in dermatology and in Vitamin D, with its leading brand Addera D-3.

In Consumer Health, the main highlights were the growth in the Gastrointestinal segment, with the **Engov, Epocler, Tamarine** and **Gastrol** brands, and Vitamins, Supplements and Nutritionals, a segment that has been growing at a faster pace than the average Consumer Health growth rate in recent years and which has accelerated strongly since the beginning of the Covid-19 pandemic. **The performance of those segments helped Hypera Pharma to gain market-share in Consumer Health in this quarter.**

In Similar and Generics, growth was 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, which has been contributing to the Company's increasing coverage of generic molecules in Brazilian pharmaceutical retail.

The growth in organic sell-out and the operational synergies from the integration of the portfolio of medicines acquired from Takeda and the Buscopan brands contributed to the Company's expansion in EBITDA Margin from Continued Operations, when excluding Other Net Operating Income and Expenses, to 34.1%, and to reach free cash flow generation of R\$444.9 million in 2Q21. In addition, Hypera Pharma declared Interest on Equity of R\$194.8 million (R\$0.31/share), an increase of 5% over the amount declared in 2Q20.

The Company will strengthen its product portfolio with two important acquisitions: (i) the 12 products from Sanofi, which include iconic Consumer Health brands such as the analgesic **AAS**, the herbal medicine **Naturetti** and the antiseptic **Cepacol**, in addition to the prescription medicines **Buclina**, for appetite stimulation, **Hidantal**, indicated for the treatment of epilepsy, among others; and (ii) **Bioage**, a leading company in the Brazilian aesthetics market, which develops and markets the largest and most complete line of high-performance dermocosmetics for professional use and home care in Brazil. **With the conclusion of these acquisitions, Hypera Pharma will reinforce its unique portfolio of leading brands in the Brazilian pharmaceutical retail market and strengthen its leadership in Consumer Health and its operations in the Dermatology, Central Nervous System and Gastrointestinal.**

Hypera Pharma continues to invest in its sustainable growth to further strengthen its participation in the Brazilian pharmaceutical market, without losing sight of its commitment to business profitability, shareholder remuneration and the stakeholders' well-being.

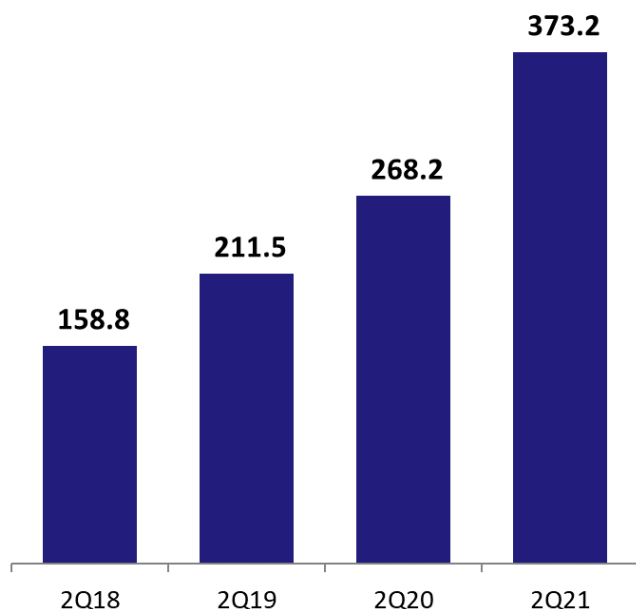
In 2Q21, the Company was once again certified by Great Place to Work as an excellent place to work in Brazil and received the WOB - Women on Board certification, an initiative supported by UN Women, for the relevance of women on its Board of Directors. Hypera Pharma also published its 2020 Annual Report, the first one following the Global Reporting Initiative (GRI), with a materiality study and aligned with the UN Sustainable Development Goals, which brought information about the main highlights and initiatives in the environmental, social and corporate governance fields to enhance its value generation so that **Hypera Pharma keeps connecting purposes for people to live longer and better.**

The performance presented in 1H21, the strength and resilience of the Company's portfolio of leading brands and the contribution of the launches and 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.

Note: ¹ Sell-out PPP 2Q21 (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 family and the brands acquired from Takeda; ²As 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\$373.2 million in the last 12 months, or 39.2% 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 25% in 2Q21, compared to 31% in 2Q20. **When excluding the portfolio of medicines acquired from Takeda and the Buscopan brands, the innovation index reached 33% in 2Q21.**

The Company launched important products this quarter to strengthen its leadership in Consumer Health, such as **Blumel**, a new line of natural products for the treatment and prevention of cold that includes expectorant syrup, nasal decongestant and a supplement to improve immunity, **Benegrip Imuno Energy** and **Benegrip Imuno Complex**, brand extensions of the leading Benegrip brand for the vitamin segment.

In Prescription Products, the highlights are the nasal spray **Amome**, for the treatment of allergic rhinitis symptoms,

Crystalvisc, for the treatment of pain associated with osteoarthritis, and the line extensions of the **Ofolato** brand and the dermocosmetic brands **Blancy**, **Glycare** and **Reviline**.

In Similar and Generics, the main launches were the dipyrone monohydrate **Mirador**, and the generics **Pregabalina**, for the treatment of epilepsy, and **Celecoxibe**, for the treatment of osteoarthritis and rheumatoid arthritis.



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)	2Q20	% NR	2Q21	% NR	Δ %	1H20	% NR	1H21	% NR	Δ %
Net Revenue	1,050.5	100.0%	1,507.4	100.0%	43.5%	1,865.5	100.0%	2,678.2	100.0%	43.6%
Gross Profit	690.3	65.7%	987.7	65.5%	43.1%	1,233.3	66.1%	1,740.5	65.0%	41.1%
Marketing Expenses	(187.2)	-17.8%	(298.3)	-19.8%	59.4%	(369.7)	-19.8%	(513.0)	-19.2%	38.8%
Selling Expenses	(140.6)	-13.4%	(151.7)	-10.1%	7.9%	(268.0)	-14.4%	(303.1)	-11.3%	13.1%
General and Administrative Expenses	(51.8)	-4.9%	(59.2)	-3.9%	14.4%	(101.6)	-5.4%	(115.1)	-4.3%	13.3%
Other Operating Revenues (Expenses)	106.9	10.2%	77.2	5.1%	-27.8%	136.3	7.3%	77.7	2.9%	-43.0%
Equity in Subsidiaries	0.5	0.1%	3.7	0.2%	603.4%	6.1	0.3%	3.2	0.1%	-47.9%
EBIT from Continuing Operations	418.1	39.8%	559.3	37.1%	33.8%	636.4	34.1%	890.2	33.2%	39.9%
Net Financial Expenses	(15.7)	-1.5%	(71.9)	-4.8%	357.7%	(3.0)	-0.2%	(113.3)	-4.2%	3671.6%
Income Tax and CSLL	(3.3)	-0.3%	(8.0)	-0.5%	143.4%	13.7	0.7%	10.2	0.4%	-25.7%
Net Income (Loss) from Continuing Operations	399.1	38.0%	479.4	31.8%	20.1%	647.1	34.7%	787.1	29.4%	21.6%
Net Income from Discontinued Operations	(2.7)	-0.3%	(8.8)	-0.6%	230.4%	(12.5)	-0.7%	(11.4)	-0.4%	-8.7%
Net Income (Loss)	396.4	37.7%	470.6	31.2%	18.7%	634.6	34.0%	775.7	29.0%	22.2%
EBITDA from Continuing Operations	449.2	42.8%	591.9	39.3%	31.8%	697.9	37.4%	953.8	35.6%	36.7%

Net Revenue

Graph 1

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

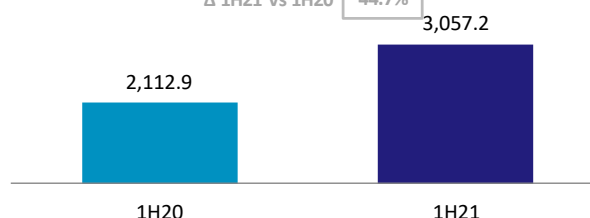
Δ 2Q21 vs 2Q20 43.7%



Graph 2

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

Δ 1H21 vs 1H20 44.7%



Graph 3

Net Revenue (R\$ mm)

Δ 2Q21 vs 2Q20 43.5%



Graph 4

Net Revenue (R\$ mm)

Δ 1H21 vs 1H20 43.6%

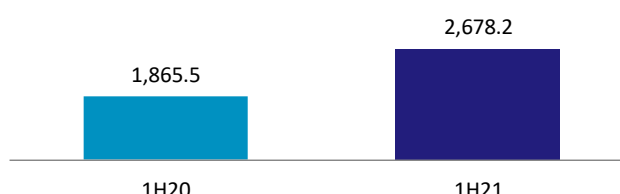


Table 3

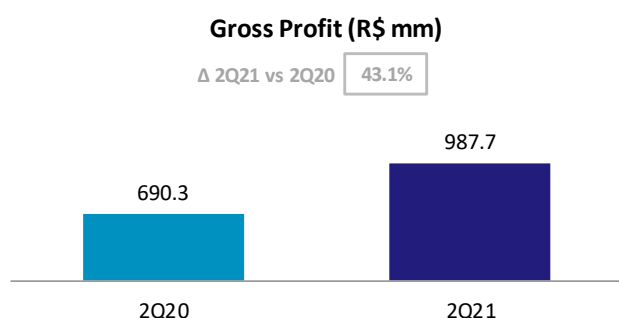
(R\$ million)	2Q20	2Q21	Δ %	1H20	1H21	Δ %
Gross Revenue, net of Returns and Unconditional Discounts	1,201.3	1,725.7	43.7%	2,112.9	3,057.2	44.7%
Promotional Discounts	(67.2)	(99.2)	47.7%	(93.2)	(161.8)	73.5%
Taxes	(83.7)	(119.2)	42.4%	(154.1)	(217.2)	40.9%
Net Revenue	1,050.5	1,507.4	43.5%	1,865.5	2,678.2	43.6%

In 2Q21, Net Revenue growth was 43.5% when compared to the same period of the previous year, totaling R\$1,507.4 million. This growth is mainly due to: **(i) the contribution to Net Revenue from the portfolio of medicines acquired from Takeda and the Buscopan family;** and **(ii) the increase in sell-out in the period, which was driven by the growth in Prescription Products, Generics and Similar and Vitamins, Supplements, Gastrointestinal and Nutritionals in Consumer Health.**

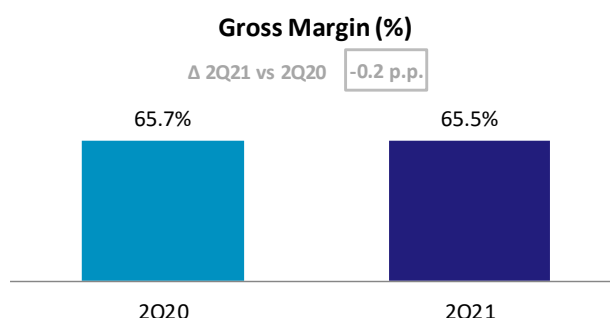
When excluding the contribution to Net Revenues from the portfolio of medicines acquired from Takeda and the Buscopan family, Net Revenues growth reached 10.0%.

Gross Profit

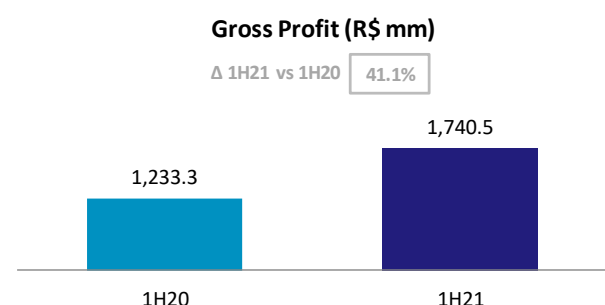
Graph 5



Graph 6



Graph 7



Graph 8

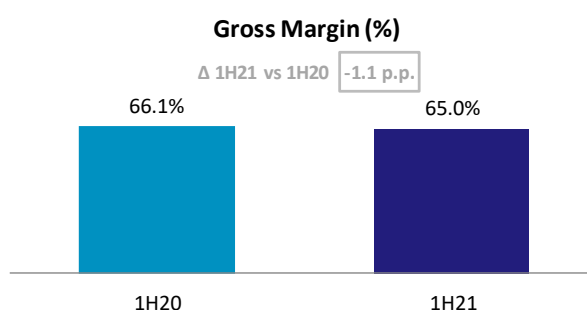


Table 4

(R\$ million)	2Q20	% NR	2Q21	% NR	Δ %	Δ p.p.	1H20	% NR	1H21	% NR	Δ %	Δ p.p.
Gross Profit	690.3	65.7%	987.7	65.5%	43.1%	-0.2 p.p.	1,233.3	66.1%	1,740.5	65.0%	41.1%	-1.1 p.p.

Gross Profit reached R\$987.7 million in 2Q21, with Gross Margin of 65.5%, compared to 65.7% in 2Q20. The variation in Gross Margin is mainly a due to: (i) the adjustment of drug prices as of April, in accordance with what was authorized by the Brazilian Medicines Market Regulation Chamber (*Câmara de Regulação do Mercado de Medicamentos - CMED*); (ii) the positive contribution of 1.6 percentage point of the medicine portfolio acquired from Takeda and the Buscopan brands to the mix of products sold; and (iii) the devaluation of the Brazilian Real against the US Dollar in the period, which negatively impacted the Gross Margin by 1.5 percentage point.

In order to mitigate the impact of the devaluation of the Brazilian Real against the US Dollar and to protect its operations from the exchange rate volatility, 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 2021.

Marketing Expenses

Table 5

(R\$ million)	2Q20	% NR	2Q21	% NR	Δ %	1H20	% NR	1H21	% NR	Δ %
Marketing Expenses	(187.2)	-17.8%	(298.3)	-19.8%	59.4%	(369.7)	-19.8%	(513.0)	-19.2%	38.8%
Advertisement and Consumer Promotion	(72.0)	-6.9%	(100.9)	-6.7%	40.0%	(114.7)	-6.1%	(160.5)	-6.0%	40.0%
Trade Deals	(24.1)	-2.3%	(42.8)	-2.8%	77.2%	(44.6)	-2.4%	(76.3)	-2.8%	71.0%
Medical Visits, Promotions and Others	(91.0)	-8.7%	(154.6)	-10.3%	70.0%	(210.4)	-11.3%	(276.2)	-10.3%	31.3%

Marketing Expenses increased their share of Net Revenue by 2.0 percentage points in the quarter, mainly due to the increase in Medical Visits, Promotions and Others versus 2Q20, when the Company had granted collective vacation to the medical visitation teams and reduced the number of free samples and events with doctors due to the beginning of the Covid-19 pandemic in Brazil.

Selling Expenses

Table 6

(R\$ million)	2Q20	% NR	2Q21	% NR	Δ %	1H20	% NR	1H21	% NR	Δ %
Selling Expenses	(140.6)	-13.4%	(151.7)	-10.1%	7.9%	(268.0)	-14.4%	(303.1)	-11.3%	13.1%
Commercial Expenses	(74.6)	-7.1%	(92.1)	-6.1%	23.3%	(148.7)	-8.0%	(176.0)	-6.6%	18.3%
Freight and Logistics Expenses	(27.8)	-2.6%	(30.7)	-2.0%	10.4%	(49.1)	-2.6%	(57.8)	-2.2%	17.7%
Research & Development	(38.2)	-3.6%	(29.0)	-1.9%	-24.1%	(70.2)	-3.8%	(69.3)	-2.6%	-1.2%

Selling Expenses represented 10.1% of Net Revenue in 2Q21, a reduction of 3.3 percentage points when compared to 2Q20. This reduction is mainly due to the dilution of Commercial Expenses and investments in R&D due to the additional contribution to Net Revenue of the portfolio of medicines acquired from Takeda and the Buscopan brands.

R&D total investments, including the amount capitalized as intangible assets, represented 4.8% in 2Q21, versus 7.1% in 2Q20, mainly as a result of the dilution of these investments due to the additional contribution to the Net Revenue from the portfolio of medicines acquired from Takeda and the Buscopan brands.

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

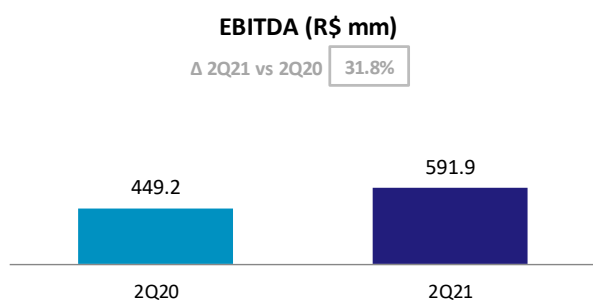
Table 7

(R\$ million)	2Q20	% NR	2Q21	% NR	Δ %	1H20	% NR	1H21	% NR	Δ %
General & Administrative Expenses	(51.8)	-4.9%	(59.2)	-3.9%	14.4%	(101.6)	-5.4%	(115.1)	-4.3%	13.3%
Other Operating Revenues (Expenses)	106.9	10.2%	77.2	5.1%	-27.8%	136.3	7.3%	77.7	2.9%	-43.0%

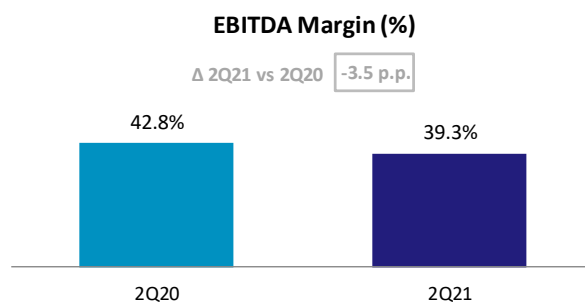
General and Administrative Expenses reduced their share of Net Revenue by 1.0 percentage point in 2Q21, mainly due to: (i) the dilution of fixed expenses with the integration of the portfolio of medicines acquired from Takeda and the Buscopan brands; and (ii) the Company's initiatives to preserve the profitability of its operations during the Covid-19 pandemic, such as the reduction in the number of trips and the implementation of home office for administrative teams.

EBITDA from Continuing Operations

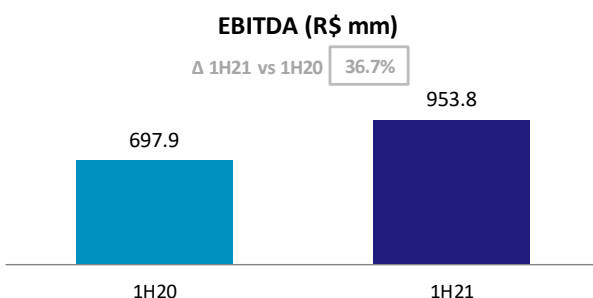
Graph 9



Graph 10



Graph 11



Graph 12

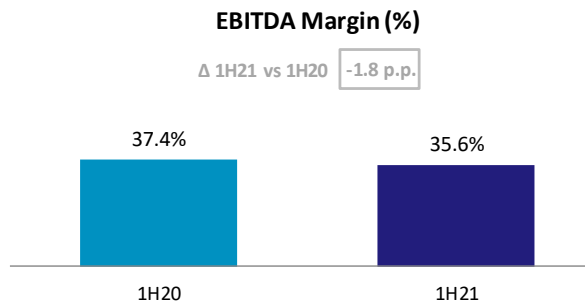


Table 8 – EBITDA from Continuing Operations

(R\$ million)	2Q20	% NR	2Q21	% NR	Δ %	1H20	% NR	1H21	% NR	Δ %
EBITDA from Continuing Operations	449.2	42.8%	591.9	39.3%	31.8%	697.9	37.4%	953.8	35.6%	36.7%

EBITDA from Continuing Operations was R\$591.9 million in 2Q21, an increase of 31.8% over the previous year and margin of 39.3%. When excluding the contribution of Other Net Operating Revenues (Expenses), the EBITDA Margin from Continued Operations grew 1.5 percentage point over 2Q20 and reached 34.1%, mainly due to the dilution of Selling, General and Administrative Expenses due to the integration of the portfolio of medicines acquired from Takeda and the Buscopan brands.

Net Financial Expenses

Table 9

(R\$ million)	2Q20	% NR	2Q21	% NR	Δ R\$	1H20	% NR	1H21	% NR	Δ R\$
Financial Result	(15.7)	-1.5%	(71.9)	-4.8%	(56.2)	(3.0)	-0.2%	(113.3)	-4.2%	(110.3)
Net Interest Expenses	(8.3)	-0.8%	(45.8)	-3.0%	(37.5)	9.6	0.5%	(79.0)	-3.0%	(88.6)
Cost of Hedge and FX Gains (Losses)	(0.2)	0.0%	(13.1)	-0.9%	(12.9)	6.1	0.3%	(9.9)	-0.4%	(16.0)
Other	(7.2)	-0.7%	(13.0)	-0.9%	(5.8)	(18.7)	-1.0%	(24.3)	-0.9%	(5.6)

The Financial Result presented a negative balance of R\$71.9 million in 2Q21, compared to R\$15.7 million in 2Q20. 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

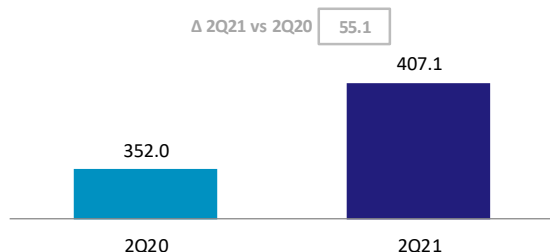
(R\$ million)	2Q20	2Q21	Δ %	1H20	1H21	Δ %
EBIT from Continuing Operations	418.1	559.3	33.8%	636.4	890.2	39.9%
(-) Net Financial Expenses	(15.7)	(71.9)	357.7%	(3.0)	(113.3)	3671.6%
(-) Income Tax and Social Contribution	(3.3)	(8.0)	143.4%	13.7	10.2	-25.7%
Net Income from Continuing Operations	399.1	479.4	20.1%	647.1	787.1	21.6%
(+) Net Income from Discontinued Operations	(2.7)	(8.8)	230.4%	(12.5)	(11.4)	-8.7%
Net Income	396.4	470.6	18.7%	634.6	775.7	22.2%
EPS	0.63	0.75	18.7%	1.01	1.23	22.1%
EPS from Continuing Operations	0.63	0.76	20.1%	1.03	1.25	21.5%

Net Income from Continuing Operations totaled R\$479.4 million in the quarter, an increase of 20.1%. The change in Net Income from Continuing Operations is mainly due to the 33.8% growth in EBIT from Continuing Operations and the Net Financial Expenses growth of R\$56.2 million recorded in the quarter.

Cash Flow (Continuing and Discontinued Operations)

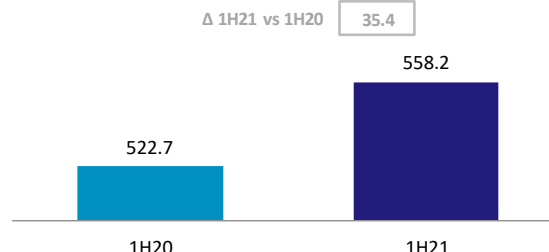
Graph 13

Cash Flow from Operations (R\$ mm)



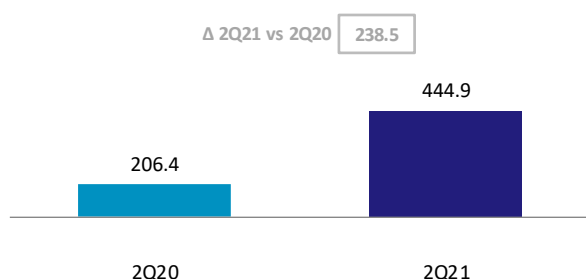
Graph 14

Cash Flow from Operations (R\$ mm)



Graph 15

Free Cash Flow (R\$ mm)



Graph 16

Free Cash Flow (R\$ mm)

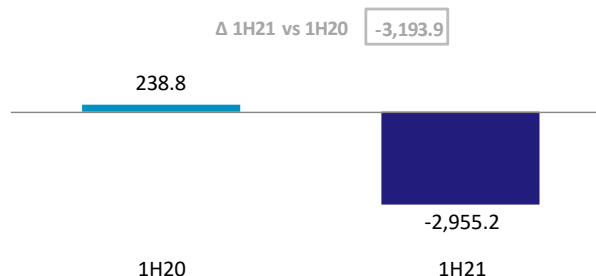


Table 11

(R\$ million)	2Q20	2Q21	1H20	1H21
Cash Flow from Operations	352.0	407.1	522.7	558.2
Capital increase in subsidiaries/associates	0.0	(20.2)	(0.1)	(20.4)
Purchase of Property, Plant and Equipment	(72.4)	(112.5)	(165.2)	(227.7)
Purchase of Intangible Assets	(41.3)	(49.1)	(74.4)	(95.8)
Acquisitions of Subsidiaries, Net of Cash Acquired	(32.5)	(9.8)	(45.5)	(3,553.5)
Sale of Property, Plant and Equipment	0.6	229.4	1.1	384.0
(=) Free Cash Flow	206.4	444.9	238.8	(2,955.2)

Operating Cash Flow grew 15.7% in the quarter and reached R\$407.1 million. Free Cash Flow grew 115.6%, even with the additional investments to expand the capacity in Anápolis, mainly as a result of the cash generated from the Goiânia Distribution Center sale, which was dedicated to the Company's former consumer products operation and was leased to third parties, which positively affected the Sale of Property, Plant and Equipment.

Net Debt

Table 12

(R\$ million)	2Q21
Loans and Financing	(6,587.2)
Notes Payable	(34.2)
Gross Debt	(6,621.4)
Cash and Cash Equivalents	2,049.3
Net Cash / (Debt)	(4,572.1)
Unrealized Gain/Loss on Debt Hedge	(17.0)
Net Cash / (Debt) After Hedge	(4,589.1)

The Company ended 2Q21 with a Net Debt After Hedge position of R\$4,589.1 million, compared to R\$4,952.9 million at the end of 1Q21. The reduction in Net Debt After Hedge in the quarter is mainly due to free cash flow generation of R\$444.9 million.

Other Information

Cash Conversion Cycle – Continuing Operations

Table 13

(Days)	2Q20	3Q20	4Q20	1Q21	1Q21
Receivables ⁽¹⁾	110	110	111	108	98
Inventories ⁽²⁾	200	205	190	237	200
Payables ⁽²⁾⁽³⁾	(139)	(164)	(148)	(170)	(135)
Cash Conversion Cycle	172	151	153	174	163

(R\$ million)	2Q20	3Q20	4Q20	1Q21	1Q21
Receivables	1,413	1,478	1,564	1,546	1,796
Inventories	802	892	921	1,099	1,153
Payables ⁽³⁾	(556)	(715)	(716)	(791)	(778)
Working Capital	1,659	1,655	1,769	1,854	2,171
% of Annualized Net Revenue ⁽⁴⁾	39%	38%	39%	40%	36%

(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\$886.8 million (please refer to Explanatory Note 13 of the Financial Statements);
- ii) Cash effect of Income Tax and Social Contribution Losses Carryforward: R\$1,740.6 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)	2Q20	% NR	2Q21	% NR	Δ %	1H20	% NR	1H21	% NR	Δ %
Net Income	396.4	37.7%	470.6	31.2%	18.7%	634.6	34.0%	775.7	29.0%	22.2%
(+) Income Tax and CSLL	2.6	0.2%	3.2	0.2%	23.8%	(17.9)	-1.0%	(16.1)	-0.6%	-10.0%
(+) Net Interest Expenses	15.7	1.5%	71.9	4.8%	357.7%	3.0	0.2%	113.3	4.2%	3671.6%
(+) Depreciations / Amortizations	31.1	3.0%	32.5	2.2%	4.5%	61.5	3.3%	63.7	2.4%	3.6%
EBITDA	445.9	42.4%	578.3	38.4%	29.7%	681.2	36.5%	936.5	35.0%	37.5%
(-) EBITDA from Discontinued Operations	3.3	0.3%	13.6	0.9%	306.9%	16.7	0.9%	17.3	0.6%	3.8%
Adjusted EBITDA (EBITDA from Continuing Operations)	449.2	42.8%	591.9	39.3%	31.8%	697.9	37.4%	953.8	35.6%	36.7%

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

	2Q20	2Q21	1H20	1H21
Net Revenue	1,050,494	1,507,379	1,865,526	2,678,241
Cost of Goods Sold	(360,243)	(519,702)	(632,217)	(937,765)
Gross Profit	690,251	987,677	1,233,309	1,740,476
Selling and Marketing Expenses	(327,793)	(450,017)	(637,726)	(816,111)
General and Administrative Expenses	(51,765)	(59,202)	(101,600)	(115,063)
Other Operating Revenues (Expenses)	106,861	77,171	136,330	77,674
Equity in Subsidiaries	527	3,707	6,104	3,178
Operating Income Before Equity Income and Financial Result	418,081	559,336	636,417	890,154
Net Financial Expenses	(15,719)	(71,948)	(3,003)	(113,261)
Financial Expenses	(61,741)	(91,654)	(88,206)	(149,722)
Financial Income	46,022	19,706	85,203	36,461
Profit Before Income Tax and Social Contribution	402,362	487,388	633,414	776,893
Income Tax and Social Contribution	(3,275)	(7,970)	13,664	10,158
Net Income from Continuing Operations	399,087	479,418	647,078	787,051
Net Income from Discontinued Operations	(2,674)	(8,835)	(12,456)	(11,376)
Income for the Period	396,413	470,583	634,622	775,675
Earnings per Share – R\$	0.63	0.75	1.01	1.23

Consolidated Balance Sheet (R\$ thousand)

Table 16

Assets	12/31/2020	06/30/2021	Liabilities and Shareholders' Equity	12/31/2020	06/30/2021
Current Assets	7,899,047	5,636,344	Current Liabilities	2,623,249	2,923,143
Cash and Cash Equivalents	4,743,298	2,049,345	Suppliers	275,539	332,152
Accounts Receivables	1,564,341	1,795,502	Suppliers' Assignment of Receivables	440,256	445,997
Inventories	920,796	1,153,226	Loans and Financing	461,816	1,046,866
Recoverable Taxes	274,017	271,798	Salaries Payable	224,479	259,211
Financial Derivatives	85,674	19,680	Income Tax and Social Contribution	10,570	925
Other Assets	306,823	342,695	Taxes Payable	63,659	72,340
Dividends and IOC receivables	4,098	4,098	Accounts Payable	273,353	290,568
			Dividends and IOC Payable	671,654	364,976
			Notes Payable	23,980	34,167
			Financial Derivatives	177,943	75,941
Non-Current Assets	9,350,763	12,918,624	Non-Current Liabilities	5,385,846	6,039,552
Long Term Assets	1,217,542	1,254,081	Loans and Financing	5,051,233	5,540,366
Deferred Income Tax and Social Contribution	194,716	195,694	Deferred Income Tax and Social Contribution	46,017	49,856
Recoverable Taxes	680,495	784,531	Taxes Payable	7,651	7,244
Other Assets	342,331	273,856	Accounts Payable	74,557	99,853
			Provisions for Contingencies	206,388	307,707
			Financial Derivatives	0	34,526
Fixed Assets and Investments	8,133,221	11,664,543	Shareholders' Equity	9,240,715	9,592,273
Investments	34,233	64,947	Capital	4,478,126	4,478,126
Investment Properties	154,318	25,972	Capital Reserve	1,266,381	1,243,111
Property, Plants and Equipments	1,546,409	1,760,127	Equity Valuation Adjustments	(336,724)	(283,642)
Intangible Assets	6,398,261	9,813,497	Profit Reserves	3,833,210	3,833,210
			Treasury Stock	(278)	(43,948)
			Attributed to non-controlling shareholders	0	2,945
			Income for the Period	0	362,471
Total Assets	17,249,810	18,554,968	Total Liabilities and Shareholders' Equity	17,249,810	18,554,968

Consolidated Cash Flow Statement (R\$ thousand)

Tabela 17

	2Q20	2Q21	1H20	1H21
Cash Flows from Operating Activities				
Income (Loss) Before Income Taxes including Discontinued Operations	399,025	473,817	616,702	759,551
Depreciation and Amortization	31,146	32,537	61,473	63,683
Asset Impairment	40,019	(10,846)	41,114	(10,749)
Gain on Permanent Asset Disposals	(755)	17,387	10,264	3,100
Equity Method	(451)	(3,354)	(5,055)	(2,768)
Foreign Exchange (Gains) Losses	(6,115)	13,095	(29,153)	9,884
Net Interest and Related Revenue/Expenses	21,835	58,853	32,157	103,377
Expenses Related to Share Based Remuneration	5,386	6,243	9,516	10,374
Provisions	6,475	(8,042)	5,422	8,166
Adjusted Results	496,565	579,690	742,440	944,618
Decrease (Increase) in Assets	(378,416)	(213,524)	(311,973)	(509,178)
Trade Accounts Receivable	(226,239)	(246,298)	(75,259)	(276,988)
Inventories	(127,102)	(57,744)	(180,221)	(238,165)
Recoverable Taxes	53,058	(38,886)	58,455	(88,112)
Judicial Deposits and Others	8,963	3,749	10,393	20,786
Other Accounts Receivable	(87,096)	125,655	(125,341)	73,301
Increase (Decrease) in Liabilities	233,815	40,940	92,270	122,714
Suppliers	40,451	27,133	(139,822)	69,640
Suppliers' Assignment of Receivables	112,884	(4,891)	198,348	5,753
Financial Derivatives	26,777	(4,590)	35,208	7,466
Income Tax and Social Contribution Paid	(3,320)	10	(3,930)	(6,872)
Taxes Payable	(5,333)	4,144	13,048	14,498
Salaries and Payroll Charges	66,865	9,135	14,404	22,419
Accounts Payable	27,528	16,267	23,500	28,293
Operations Interest Paid	(26,243)	533	(38,459)	(11,570)
Other Accounts Payable	(5,794)	(6,801)	(10,027)	(6,913)
Net Cash Provided by Operating Activities	351,964	407,106	522,737	558,154
Cash Flows from Investing Activities				
Capital Increase/Decrease in Subsidiaries/Affiliates	0	(20,163)	(100)	(20,365)
Acquisitions of Subsidiaries, Net of Cash Acquired	(32,500)	(9,832)	(45,500)	(3,553,463)
Acquisitions of Property, Plant and Equipment	(72,367)	(112,532)	(165,152)	(227,656)
Intangible Assets	(41,298)	(49,142)	(74,365)	(95,809)
Proceeds from the Sale of Assets with Permanent Nature	600	229,445	1,147	383,958
Interest and Others	26,191	9,565	39,295	17,100
Investment Hedge	0	0	(2,155)	46,396
Net Cash From Investing Activities	(119,374)	47,341	(246,830)	(3,449,839)
Cash Flows from Financing Activities				
Borrowings	2,785,000	116,184	3,380,000	1,221,184
Treasury Stock Purchase / Sale	340	18,548	11,234	(66,425)
Repayment of Loans - Principal	(18,292)	(135,345)	(41,117)	(156,928)
Repayment of Loans - Interest	(45,408)	(77,864)	(52,494)	(103,878)
Dividends and IOC Paid	(23,922)	(24,627)	(636,065)	(696,221)
Net Cash From Financing Activities	2,697,718	(103,104)	2,661,558	197,732
Net Increase (Decrease) in Cash and Cash Equivalents	2,930,308	351,343	2,937,465	(2,693,953)
Statement of Increase in Cash and Cash Equivalents, Net				
Cash and Cash Equivalents at the Beginning of the Period	2,253,593	1,698,002	2,246,436	4,743,298
Cash and Cash Equivalents at the End of the Period	5,183,901	2,049,345	5,183,901	2,049,345
Change in Cash and Cash Equivalent	2,930,308	351,343	2,937,465	(2,693,953)