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## EARNINGS RELEASE

### Investor Relations

**Antônio Carlos Tochetto Napp**  
Chief Financial and Investor Relations Officer

**Ismael Rohrig**  
IR analyst

Telephone: (51) 3481.9999 / 3481.9588  
relinvest@grupodimed.com.br  
ri.grupodimed.com.br

# 2Q21

Eldorado do Sul, RS, August 16, 2021 – **A Dimed S.A. Distribuidora de Medicamentos** (B3 S.A. - BRASIL, BOLSA, BALCÃO: PNVL3), one of the leading pharmaceutical retailers and distributors in the country, announces its earnings for the 2nd quarter of 2021 (2Q21). The Company's financial statements are prepared in reais (BRL), in accordance with Brazilian corporate law and international financial reporting standards (IFRS). The comparisons of 2Q21 earnings are based on 2Q20. For purposes of comparison with previous periods, the figures in this report are shown in accordance with IAS 17/CPC 06.

## 2Q21 Highlights



**Gross Revenue  
Retail**

**BRL 766.8 M**

+28.9% during 2Q20



**Gross Margin for  
Retail**

**30.2%**

+1.4 p.p. during 2Q20



**Adjusted Net  
Income**

**BRL 24.2 M**

2.9% net margin  
+242.1% during 2Q20



**Digital Share**



**16.1%**

of Retail sales



**Adjusted  
EBITDA**

**BRL 39.9 M**

4.8% margin  
+107.1% during 2Q20



**NPS**

**80 ▲**

+ 4 points in  
relation to 1Q21

## Summary

Description	2Q20	3Q20	4Q20	1Q21	2Q21
Number of Stores	450	459	473	477	494
Number of employees	6,271	6,447	7,493*	7,622*	7,771*
in thousand reais					
Consolidated Gross Revenue**	662,482	741,538	853,152	811,830	834,720
Consolidated Gross Margin	181,971	205,963	235,987	233,074	240,674
% of Gross Revenue	27.5%	27.8%	27.7%	28.7%	28.8%
Gross Revenue for Retail	594,818	666,942	773,567	735,760	766,846
Gross Margin for Retail	171,033	196,188	224,214	223,495	231,967
% Gross Revenue for Retail	28.8%	29.4%	29.0%	30.4%	30.2%
Consolidated Adjusted EBITDA	19,269	32,309	42,790	37,478	39,913
% of Gross Revenue	2.9%	4.4%	5.0%	4.6%	4.8%
Consolidated Adjusted Net Income	7,065	19,843	26,571	19,714	24,169
% of Gross Revenue	1.1%	2.7%	3.1%	2.4%	2.9%

\* Number of employees considers temporary employees. Other periods do not have temporary employees.

\*\*Cons. = Consolidated, considering all the group's business segments.

## INTRODUCTION

After a first quarter of robust earnings, but marked by new restrictions caused by the Covid-19 pandemic, the second quarter of 2021 made clear Panvel's ability to accelerate growth in its operating region, with strong sales growth and market share gain, keeping the focus on its Digital and Services initiatives (Panvel Clinic).

### ***Panvel's sales grow 28.9% vs 2Q20***

The success of our strategy allowed Panvel's sales to reach record growth of 28.9% compared to 2Q20 and 26.6% compared to 2Q19. This strong growth was accompanied by the high share of our digital channels in sales, which represented 16.1% of retail sales in the period, in a quarter of resumption of customer flow in

our physical operation. Even with customers returning to the stores, the habit of shopping online remains a reality and presents excellent opportunities for growth.

**Digital** continues to be one of our major operational highlights. Panvel is the benchmark in the Brazilian pharmaceutical market, with a market share growth of 0.8 pp during 1Q21. This continuous evolution with quality in delivery and high satisfaction rates was only possible thanks to the maturity of our digital platforms, as well as the strong know-how of our operation teams. Our digital platform, in addition to being recognized by consumers as one of the best in the country, allows us to increase our product offer, in addition to capturing new customers in our markets of operation.

### ***Digital sales reach 16.1% share in a quarter of strong sales growth***

### ***Panvel Clinic reaches record share of 5.4% in Chain Sales***

Our Health Ecosystem is another highlight through the **Panvel Clinic**, whether on the physical or digital channel. In addition to services provided in stores (such as vaccinations, sale of exams and other procedures), we make available on our digital platforms, exams, scheduling of vaccines, in-store procedures, and much more.

During 2Q21 we had the opportunity to expand our service capacity, seeing the volume of services provided increase significantly, with emphasis on our vaccination operation, which grew by 361.4% over the same period of the previous year, totaling the application of more than 120 thousand doses of vaccines.

All this sales growth was accompanied by an increase in earnings. Our adjusted net income reached BRL 24.2 million, an increase of 242.1% compared to the same period of the previous year. Our Adjusted EBITDA reached BRL39.9 million, an increase of 107.1% compared to 2Q20. The result was not even greater due to continued heavy investments in new stores, logistics and technology, fundamental pillars for the Company's future growth.

### ***Adjusted Net Income grows 242.1% vs 2Q20***

These results were reflected in relevant gains in marketshare in all regions in which we operate, an unmistakable sign of the success of our **Expansion** strategy. In 2Q21, we saw the pace of store openings return to normal, in line with the Company's expectations for the quarter, having opened 20 stores in the period.

We cannot fail to mention that at the end of the second quarter we launched our **ESG Platform**, called *Todos Bem*. Based on this important step in the Company's history, we not only continued the actions we had been practicing for a long time, but also began to organize our efforts on a comprehensive platform, in line with the sustainability themes established by the United Nations.



[Click here](#) to watch the  
ESG manifesto



The Company is also continuing its migration process to **Novo Mercado**,

having completed on August 4, 2021 the conversion of its preferred shares. On August 19, 2021, the General Meeting will be held, which will elect an Independent Director of the Company, this being the last step to complete the migration process.

In **Logistics**, Panvel continues with the fastest delivery of medications and hygiene and beauty products in Brazil, reaching in 2Q21 a level of service (on-time delivery) of 97%, with 31% of our deliveries made within 1 hour. With the start of full operation of our new Distribution Center in the city of São José dos Pinhais, Paraná, we will start to ensure important gains in productivity (cost reduction) and in the level of service (deliveries) for our stores in Santa Catarina, Paraná and São Paulo. Following the strategy defined by the Company, at the end of April/21 we made an important change in our logistics network, by reducing the operation of the Distribution Center in the city of Passo Fundo/RS, the branches of which are now served by distribution centers in Eldorado do Sul/RS and São José dos Pinhais/PR. The completion of this operation had additional non-recurring impacts on the Company's expenses in the second quarter.

We would like to thank all our employees, suppliers and partners for the excellent results obtained this quarter, and we reinforce our commitment to the growth of sales and earnings throughout this year.

## INVESTMENTS

Continuing with the expansion projects, evolution in information technology, and continuous improvement of its logistic processes, in 2Q21 the Company maintained a high level of investments, totaling BRL 32.9 million (growth of 223.3% over the same period in the previous year).

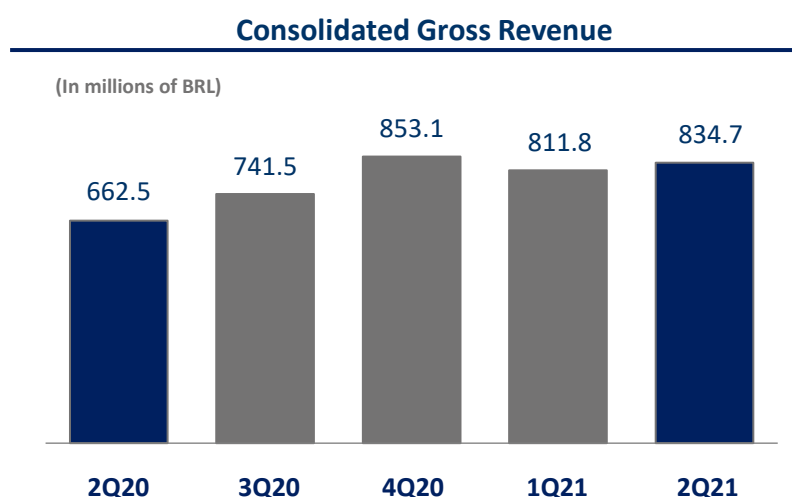
In the expansion area, BRL18.1 million were invested in the opening of new stores, an investment in line with the Company's strategic expansion plan. Furthermore, BRL3.0 million were invested in store renovations.

Investments in Technology continue in line with the Company's digital strategy, totaling BRL6.9 million in the quarter.

## GROSS REVENUE

Consolidated gross revenue in 2Q21 was BRL834.7 million, a 26.0% increase compared to 2Q20.

Consolidated gross revenue includes sales from retail, wholesale and other business units of the Company.





## RETAIL

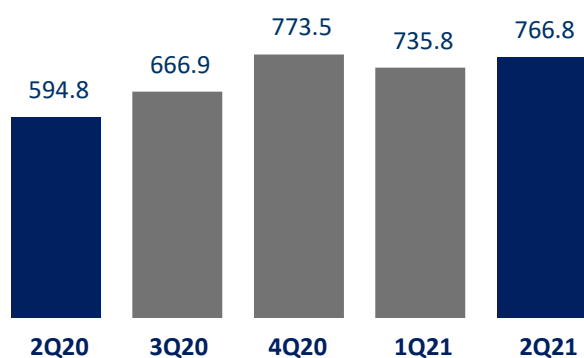
### Sales grow 28.9% in 2Q21

Retail gross revenue in 2Q21 was BRL 766.8 million, a robust growth of 28.9% over 2Q20. Considering that the comparison is made against a base more affected by the start of Covid-19 in Brazil (2Q20), it is important to highlight that even compared to the 2Q19 base, the results show a record growth of 26.6%.

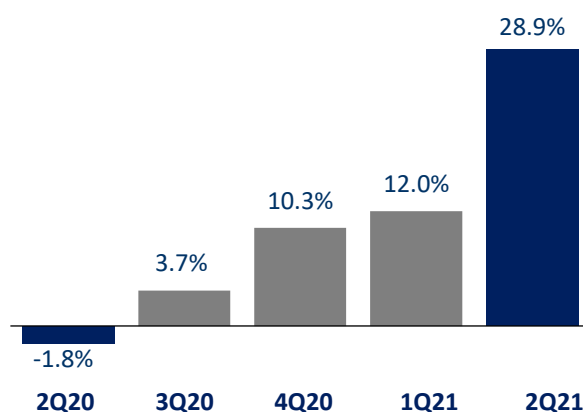
When we analyze our sales performance in detail, the consistent improvement in our indicators becomes even clearer, which were positively impacted by several factors, including: beginning of the return to normality regarding the circulation of people (driven by the acceleration of vaccination against Covid-19 in the southern region of the country), maintenance of a high share of digital even in a quarter of strong growth in sales, and significant increase in the representativeness of our pillar of services (Panvel Clinic). Also, throughout 2Q21, our customer base increased by 25.4% compared to 2Q20, a number that reinforces the view of a movement towards resumption of the flow of customers in stores.

#### Gross Revenue for Retail

(In millions of BRL)



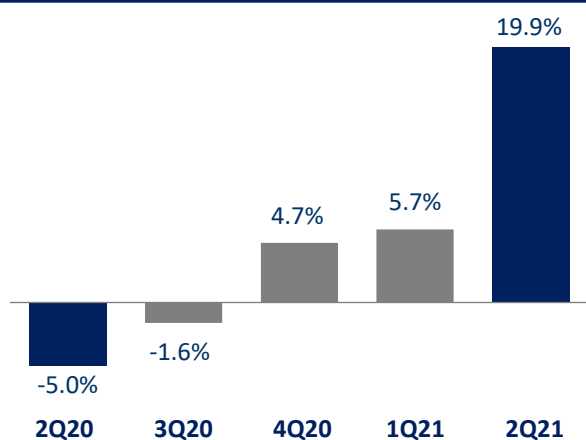
#### Sales growth - Retail



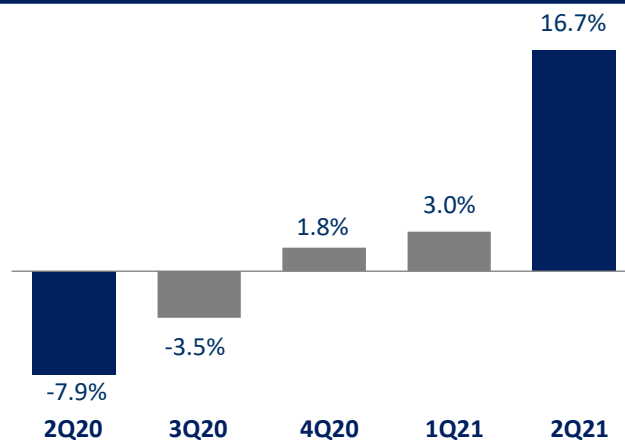
Same Store Sales or SSS grew by 19.9% in 2Q21 compared to 2Q20, a very robust growth rate.

Mature Same Store Sales or MSSS also had a very positive performance, with a growth of 16.7% compared to 2Q20, a percentage significantly higher than the inflation in the period.

#### Same Store Growth - Retail

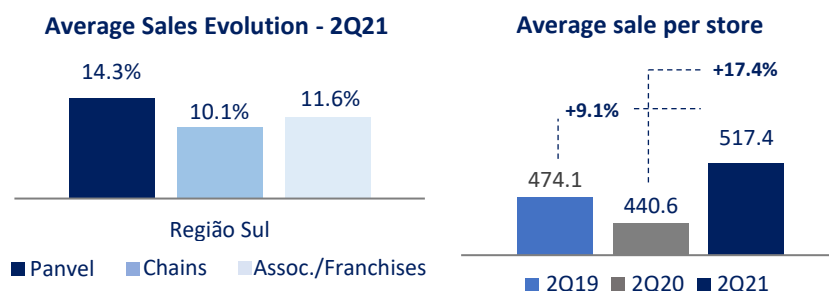


#### Mature Store Growth - Retail



Another point worth mentioning is the increase in average sales per store in the quarterly comparison, either in relation to 2Q20 or 2Q19, an increase from BRL 440.6 thousand/month (2Q20) to BRL 517.4 thousand/month. It is important to highlight that even with the opening of 20 new stores in 2Q21, we have experienced a strong growth in the average sales of our stores (excluding the opening of these 20 stores, the average sales were BRL 539.3

thousand/month, an increase of 22.4%). This data is confirmed when we analyze IQVIA's average sales data. In 2Q21, Panvel registered an average sales evolution higher than the Chains and Associations and Independents. Improving this indicator is one of the Company's main goals, as it brings important productivity gains.

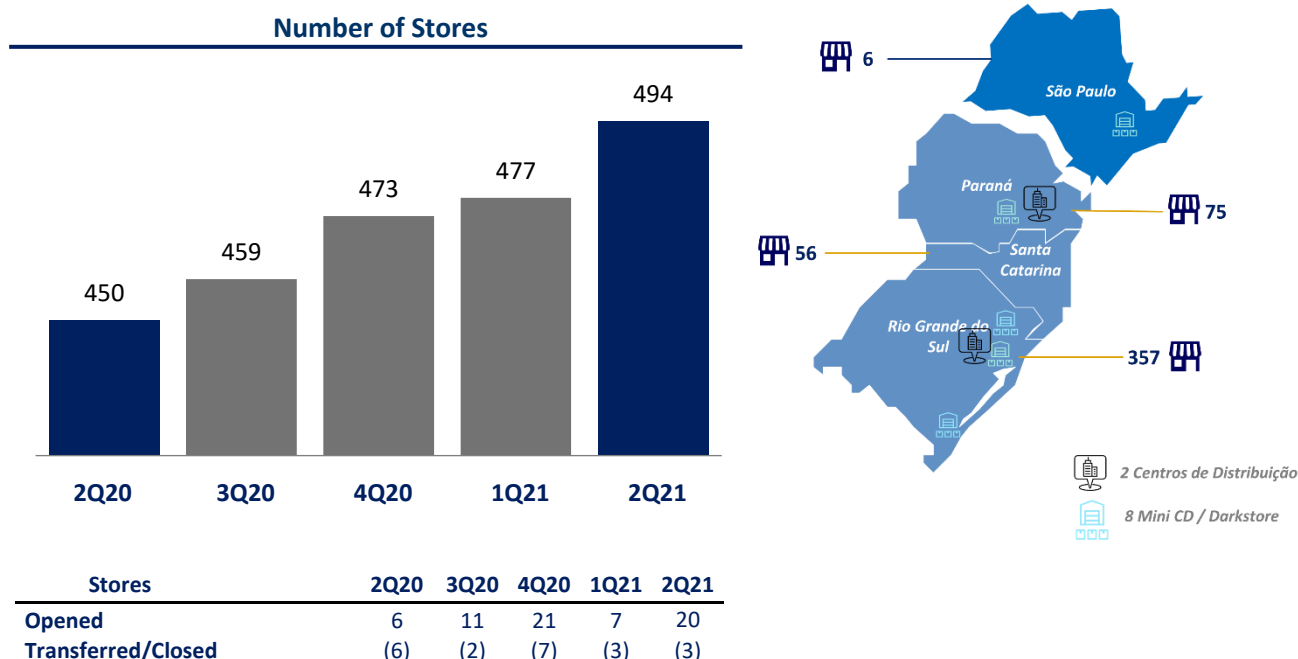


In addition to high operational efficiency, the strong penetration of digital channels and the growth of services in stores contribute to this indicator.

## PORTFOLIO OF STORES

In 2Q21, the Company opened 20 stores, ending the period with a total of 494 stores. We saw the pace of store openings return to normal, in line with the Company's expectations for the quarter.

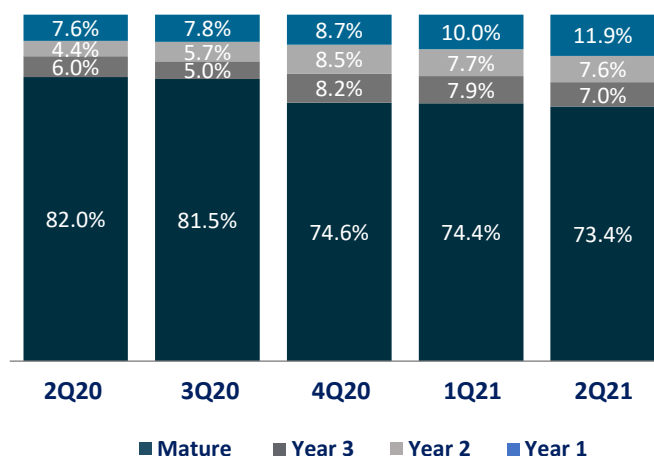
For the year 2021, the Company's purpose remains to open 65 new stores. We also highlight that the performance presented by the new stores has been extremely positive, reaching in less than 12 months approximately 80% of the chain's average sales.



In addition to the openings, the Company transferred in the period 3 branches (mature) to points with greater sales potential, in order to increase the average sales per store in the chain.

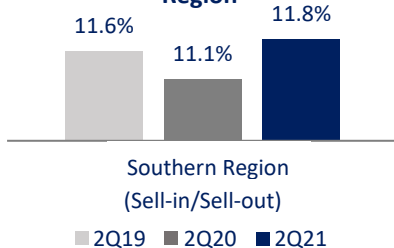
At the end of the period, the company had a total of 73.4% of mature stores and 26.6% in the maturation process, reflecting its expansion acceleration in the last 12 months.

Distribution of the Store Portfolio per Maturity



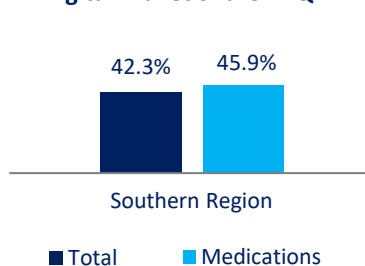
## MARKET SHARE

In 2Q21, Panvel's share in the Southern Region reached 11.8%, an increase of 0.7 pp over the same period of the previous year, and 0.2 pp compared to 2Q19, with growth in all States of the Southern Region. This consistent evolution of market share, quarter after quarter, reinforces the excellence of Panvel's operations in its territory, aligning strong operational efficiency in stores, high penetration of digital channels, and strong growth in the pillar of services.

Market Share - Southern  
RegionSouthern Region  
(Sell-in/Sell-out)

■ 2Q19 ■ 2Q20 ■ 2Q21

Digital Market Share - 2Q21



Southern Region

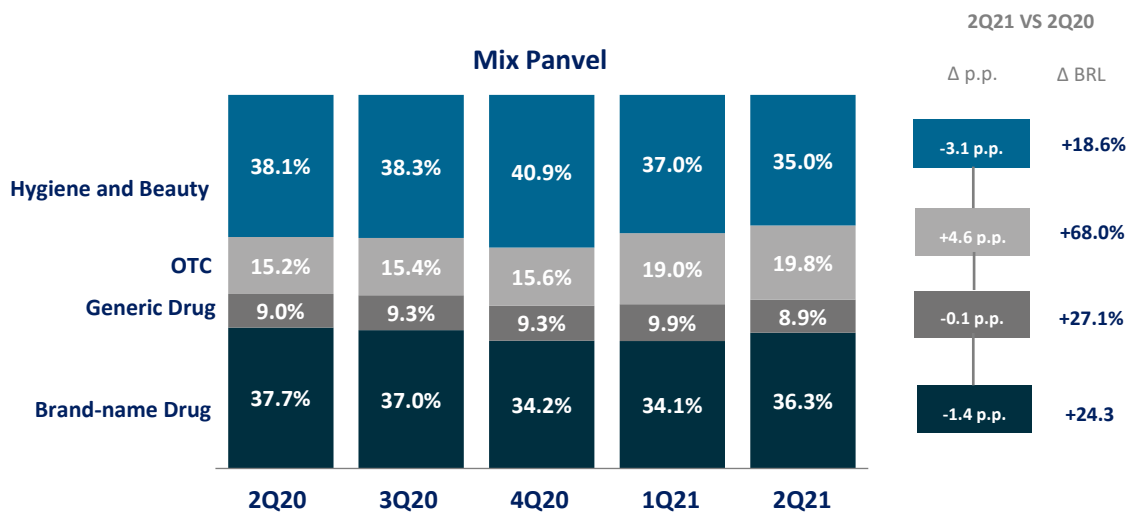
■ Total ■ Medications

It is also worth mentioning the maintenance of a high market share of our **Digital** pillar in the Southern Region, having achieved a 42.3% share in the total market and 45.9% in the sale of medications, figures that reinforce our benchmark position in off-site sales.

\*Sell-in / sell-out = distributor sales plus retail sales

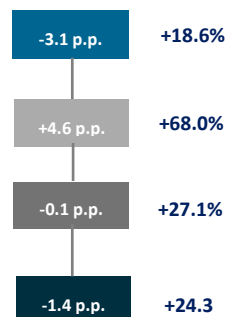
## RETAIL SALES MIX

Mix Panvel



2Q21 VS 2Q20

Δ p.p. Δ BRL



The **OTC** category was the highlight, with a 68.0% growth in 2Q21, driven by the sale of Covid-19 rapid tests, which, as occurred in 1Q21, maintain strong demand. In addition to this group, during the quarter, we noticed the

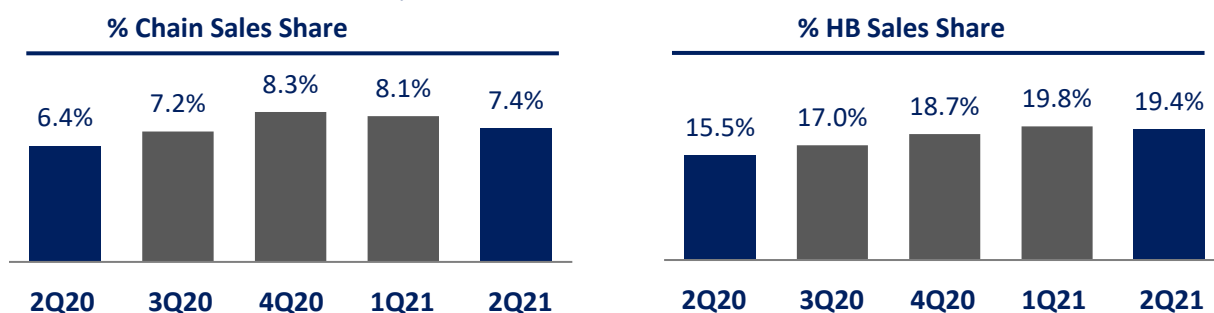
resumption of the Flu and Colds group, in addition to the Vitamins and Supplements group (+23.4%), which continued to grow.

In the **Generic Drugs** category, we were successful in our strategy in 2Q21 of improving the level of service for these items and exploring a more balanced commercial policy, according to the locations of operation, with a 27.1% growth compared to the same quarter of the previous year.

The **Hygiene and Beauty (HB)** category grew by 18.6% over the same period last year. HB still maintains a high market share rate, where the performance of groups such as *specialized nutrition* (+70.8%) and *women's health* (+28.1%) stands out. These are groups that have followed a new consumption trend, which includes preventive actions in health care, with natural products, food and vitamin supplements.

## PANVEL PRODUCTS

The sale of **Panvel Products** grew 48.3% compared to 2Q20, representing 7.4% of total Retail sales and 19.4% of total Health and Beauty product sales in 2Q21. This high share maintains Panvel as a benchmark in the pharmaceutical market in the *Private Label* strategy, through a highly profitable operation that registers consistent growth (CAGR<sup>1</sup> of 17% in the last 10 years).



## E-COMMERCE AND DIGITAL INITIATIVES

When analyzing the performance of the **Digital** segment in 2Q21, we can see that it maintained a high share in retail sales, reaching a market share of 16.1%, an increase of 0.8 p.p. over 1Q21. We emphasize that this excellent result was obtained in a quarter of strong growth of Panvel's sales, with the resumption of customer flow in physical stores. Thus, there is no doubt that Digital is an important competitive differential for the Company, which remains the benchmark of the Brazilian pharmaceutical retail.

Despite finding a strong comparison base, **Digital** sales grew 16.6% quarter-on-quarter, demonstrating the maturity of our business model and our last-mile delivery structure<sup>2</sup>. Investments in this structure translate into solid indicators, such as:

<sup>1</sup> CAGR = Compound annual growth rate

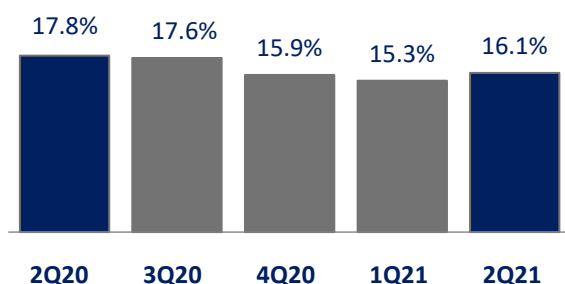
<sup>2</sup> It refers to the final part of the logistical process, with the delivery of products to customers.



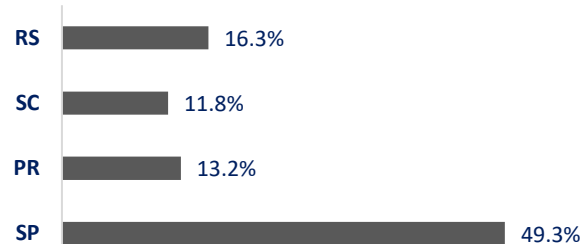
## DIGITAL HIGHLIGHTS

- **Scope of delivery within 2 hours:** All cities in which we are present;
  - **Deliveries made within 1 hour:** 31% (2Q21)
- **2Q21 Delivery Structure:** 126 hybrid stores + 8 Mini CDs (dark stores);
- **Digital's Share in Retail Sales 2Q21:** 16.1% (16.6% growth over 2Q20).
- **Number of Deliveries 2Q21:** 595.3 thousand (growth of 4.7% compared to 2Q20);
  - **Monthly deliveries:** 198.4 thousand on average;
- **Integrated inventories and digital functionalities** (such as Clique & Retire): 100% of stores;
- **Service level:** 97% of deliveries on time (2Q21).

Digital - % Retail Share

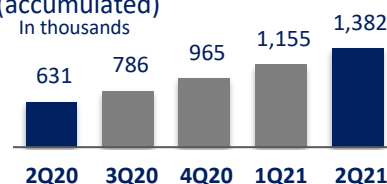


% of total sales per State - 2Q21



Sales share remained high and balanced throughout the southern region of the country (RS/SC/PR). In São Paulo, market share well above the chain's average is noteworthy, in line with the Company's strategy for the region.

Through these investments and deliveries, Panvel continues to offer a fluid experience, through which the customer can buy in any way they want (Physical Store, Telephone, Social Media, App or Website) and receive/collect their products as they like (Clique & Retire, Home Delivery, Locker, etc.), without sacrificing the quality of the customer experience and journey.

Download App  
(accumulated)  
In thousands

## QUALITY IN SERVICE

Panvel's commitment goes directly to providing its customers with a journey of satisfaction, quality and a unique positive experience, regardless of the modality our customers choose, which is why Panvel is recognized by its consumers as having the best retail pharmaceutical experience, according to the indicators below:

 **80**  
NPS - Panvel

 **79**  
NPS - Store

 **83**  
NPS - App

 **85**  
NPS - Website

 **77**  
NPS - Hello

 **4.7**  
App Store

 **4.6**  
Play Store

 **8.8**  
Complain

 **TOP FIVE**

Highlight for Panvel's NPS, which rose 4 points in the last quarter, from 76 in 1Q21 to 80 in 2Q21. Panvel is the only Brazilian pharmaceutical retail chain that combines high penetration of digital channels, the fastest product delivery in Brazil and enviable quality, made tangible by an NPS that grows every quarter. This unique platform will allow for even more innovation and growth in the future.

## PANVEL CLINIC AND HEALTH ECOSYSTEM

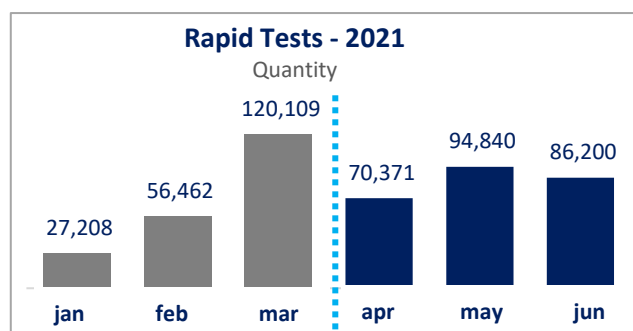
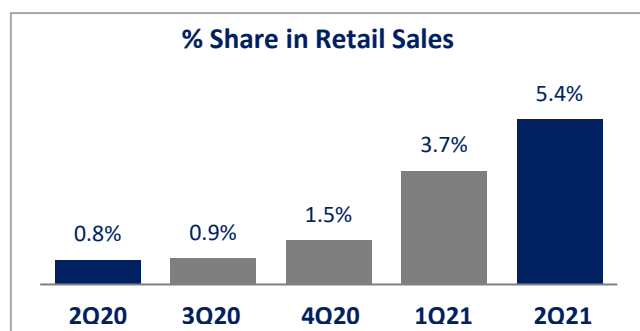
Panvel's health ecosystem has been constantly evolving, with the inclusion of new products and services. Customers increasingly identify Panvel stores as a place to deal with and solve the most diverse health-related issues.

### PANVEL CLINIC HIGHLIGHTS

- **Scope:** present in all States in which we operate.
- **Available services:** +100 services available.
- **Panvel Clinic:** 286 stores providing these services (+66.7% vs 2Q20);
- **Vaccination Rooms:** 64 rooms (+46.3% vs 2Q20);
- **Vaccines applied:** +120 thousand (+361.4% vs 2Q20);
- **Branches Performing Covid-19 Rapid Tests Only:** 251 branches (2Q21);
- **Rapid Tests performed:** +251 thousand (+23.4% vs 1Q21)
- **Other services:** +77 thousand other services provided (+124.8% vs 2Q20);

Through this structure, we have become the leader in vaccination in the southern region of Brazil, with market share of 39.5% in 2Q21. The strong growth of H1N1 vaccination (228.5% compared to 2Q20) should be highlighted. Furthermore, Panvel carried out, in partnership with the government, the application of more than 60 thousand Covid-19 vaccines during this period.

In addition to the strong growth in vaccination, another highlight in the quarter was the performance of the sale of Covid-19 Rapid Tests. Panvel is also a leader in Covid-19 testing in the southern region of the country, with market share of 22.1%. All these figures led to a record share of Services in retail sales, reaching a 5.4% share.



The growth and evolution of figures demonstrates the maturation of the concept and understanding of the pharmacy as a **health hub** by consumers. The **Services Marketplace** is already a reality at Panvel, both in the physical and digital worlds. On our Website and App, customers find a complete portfolio of healthcare services, involving telemedicine, sales of exams (including Covid-19 rapid tests), home care services, in-person purchase and scheduling of vaccines, genetic testing, among others.



[Click here](#) to access the Clinic

## CRM

We currently have more than 11 million customers in our Bem Panvel program and we have reached an identified sale of over 92%. The program has a great impact on customer retention, considering that almost 80% of sales come from customers with more than 2 years of relationship with our brand. Regarding the evolution of active customers, in 2Q21 we had a growth of 25.4% compared to the same period in 2020.

With a strong omni strategy, we have reached more than 7% of customers purchasing in a hybrid manner (buying in the physical store and in the virtual store). Such customers have a better engagement with the brand, reflecting in greater frequency and higher ticket in relation to single channel customers. Moreover, we have noticed that 88% of customers still prefer to purchase exclusively in physical stores. This information makes, on the one hand, very clear the relevance of physical expansion in the company's growth plan. On the other hand, it also makes very clear the opportunity to increase the number of hybrid customers. This speaks directly to Panvel's efforts to digitize its customer.

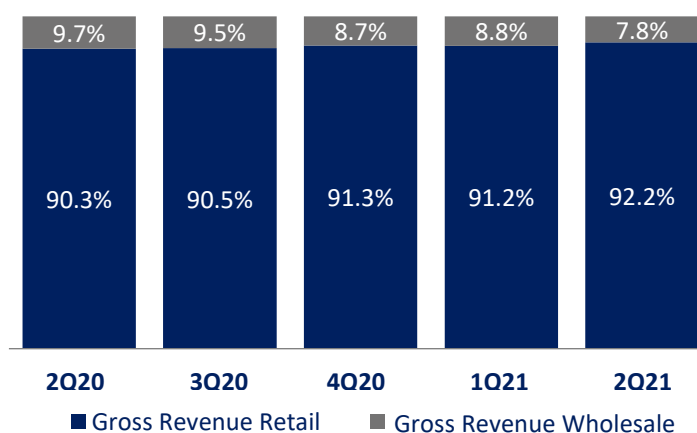
To enhance the digitalization of our customer, we have developed the new Bem Panvel coupon, where, in addition to providing exclusive and personalized discounts in store, we will have, as of October/21, a digital coupon portfolio for the customer. This can be consulted in the store via QR code and also on the app and website.

With the modeling and segmentation work, we have mapped 12 personas with different behaviors at the base, reflecting on different relationship strategies. We have initiatives with very expressive results for chronic patients, especially the reminder to purchase medications. This action takes place both through direct marketing (email and SMS) and in-store, where our employee signals the customer that their medication is running out. Since the launch of this feature in the second quarter, we have achieved a conversion of over 25%.

## WHOLESALE

In 2Q21, Wholesale represented 7.8% of the Company's total sales, a reduction in line with the previously defined strategy. It is important to highlight that in the second quarter of the year, 80.0% of the Wholesale sale orders derived from Digital Channels, which reinforces the positioning of this business within the Company's digital strategy.

Wholesale Share in Business



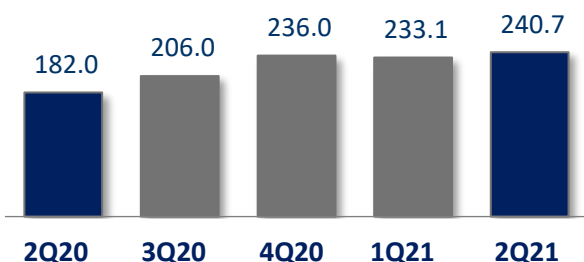
## GROSS MARGIN

The Company had a Consolidated Gross Margin (including retail, wholesale and other business units) of BRL 240.7 million in 2Q21, which represented 28.8% of gross revenue, a 1.3 pp growth compared to 2Q20.

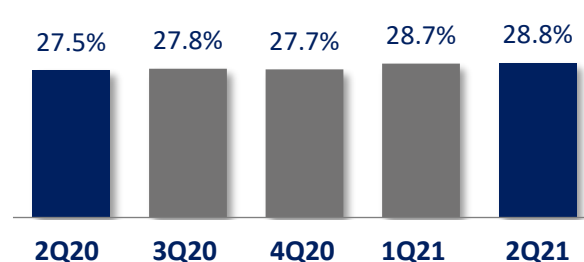
Gross Margin for Retail in 2Q21 was BRL 232.0 million, equivalent to 30.2% of Gross Revenue, a 1.4 pp growth compared to 2Q20, reflecting the Company's strategic moves, such as the acquisition of medication inventories in the pre-increase period, the evolution of the sale of services, and the increased penetration of Panvel Products.

### GROSS MARGIN - GROUP

(In millions of BRL)

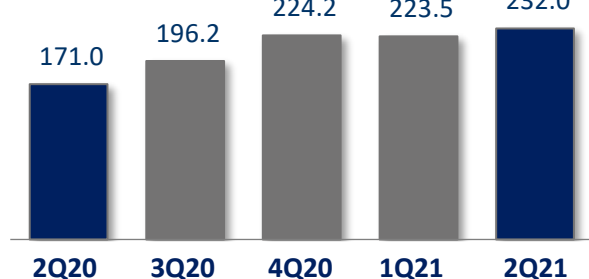


(% Gross Revenue of the Group)

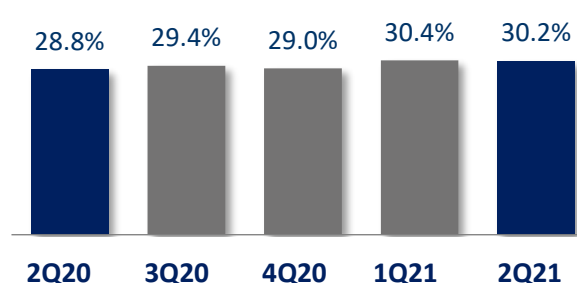


### GROSS MARGIN - RETAIL

(In millions of BRL)

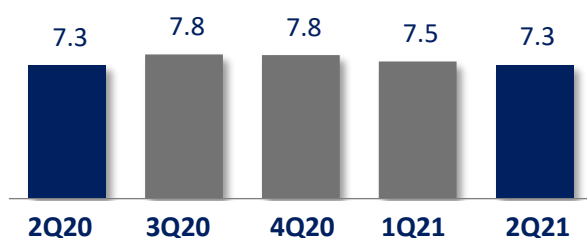


(% Gross Revenue from Retail)

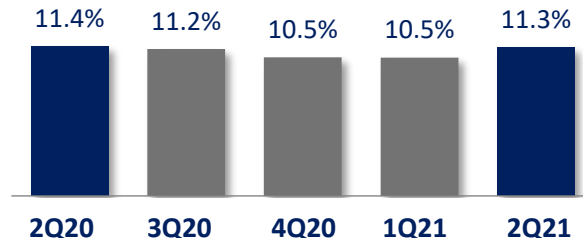


### GROSS MARGIN - WHOLESALE

(In millions of BRL)

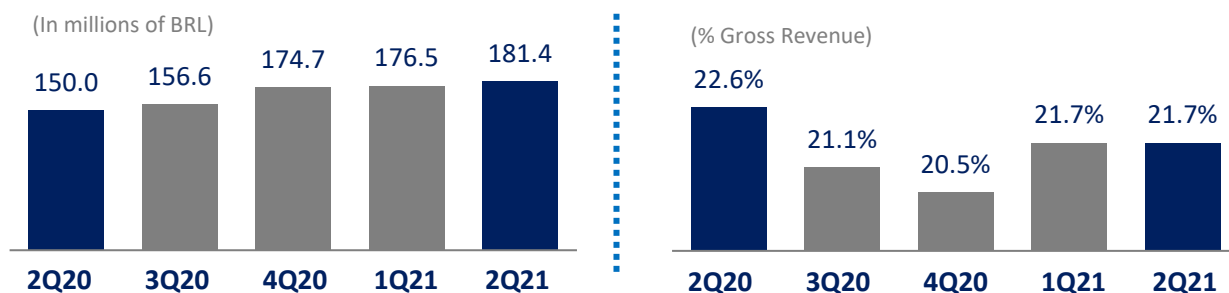


(% of Gross Revenue from Wholesale)



## SALES EXPENSES

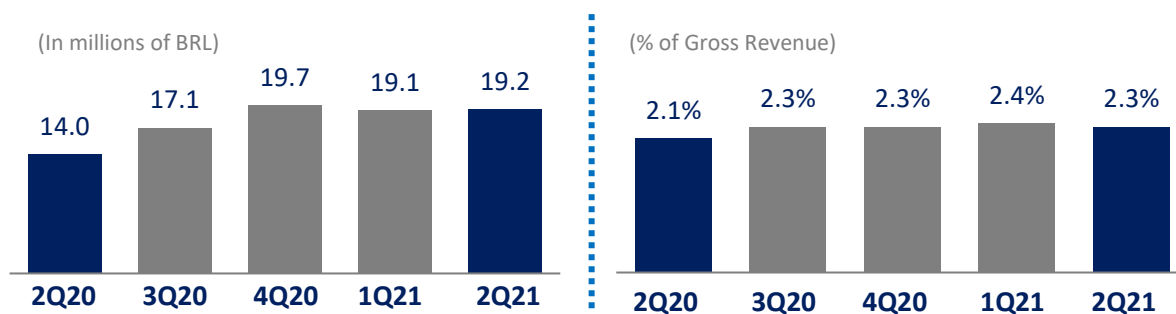
Total Sales Expenses in 2Q21 amounted to BRL 181.4 million, representing 21.7% of Gross Revenue, a 0.9 p.p. reduction compared to the same period of 2Q20, remaining stable compared to 1Q21. The improvement in operating leverage was decisive for the reduction compared to the same period of the previous year.



## GENERAL AND ADMINISTRATIVE EXPENSES

General and Administrative Expenses totaled BRL 19.2 million in 2Q21, representing 2.3% of Gross Revenue, an increase of 0.3 p.p. over the same period of the previous year, but in line with what has been achieved in recent quarters.

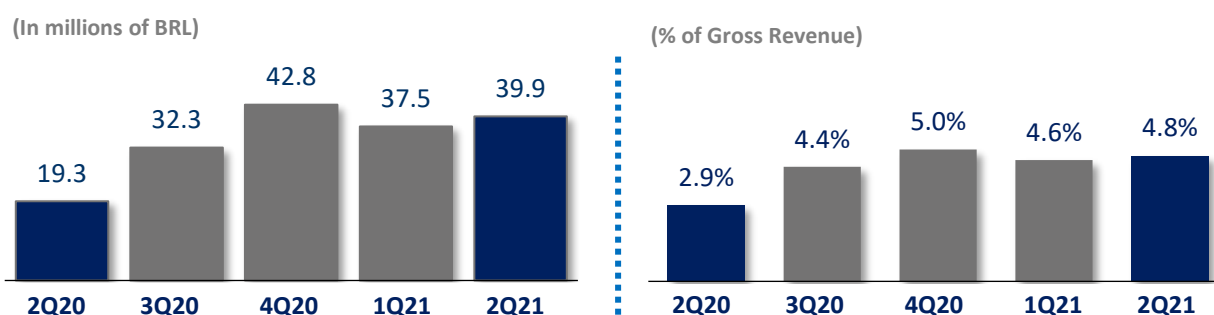
The 0.2 p.p. growth in 2Q21 is related to the increase in investments in strategic areas and projects, which will allow the Company to maintain the strong pace of sales growth in the future.



## EBITDA

In 2Q21, we reached an adjusted EBITDA of BRL 39.9 million, equivalent to 4.8% of Gross Revenue, an increase of 107.1% compared to 2Q20, a result that demonstrates the strong resumption of the Company's growth.

### ADJUSTED EBITDA



In the quarter, the special tax credit referring to the final and unappealable decision regarding Supplementary Law 160/17 was recognized, generating a non-recurring gain. The exclusion of credits and their considerations are shown in the following Adjusted EBITDA reconciliation table:



EBITDA Reconciliation	2Q20	2Q21
(In millions of BRL)		
<b>Net Income</b>	<b>5.7</b>	<b>22.6</b>
(+) Income Tax	(1.3)	3.5
(+) Financial Income	5.0	(4.1)
<b>EBIT</b>	<b>9.4</b>	<b>22.0</b>
(+) Depreciation and amortization	8.5	11.2
<b>EBITDA</b>	<b>17.9</b>	<b>33.2</b>
Special Credit	0.0	(11.9)
Fees without special credit	0.0	1.5
Adjustment stocks from previous periods	0.0	2.0
Donations/Expenses with Covid-19	0.0	0.6
Consulting/Strategic Planning	1.4	2.6
Asset Write-offs	0.0	0.7
Provisions for non-recurring contingencies	0.0	11.1
<b>Adjusted EBITDA</b>	<b>19.3</b>	<b>39.9</b>
<b>Adjusted EBITDA Margin</b>	<b>2.9%</b>	<b>4.8%</b>

## RETAIL EBITDA

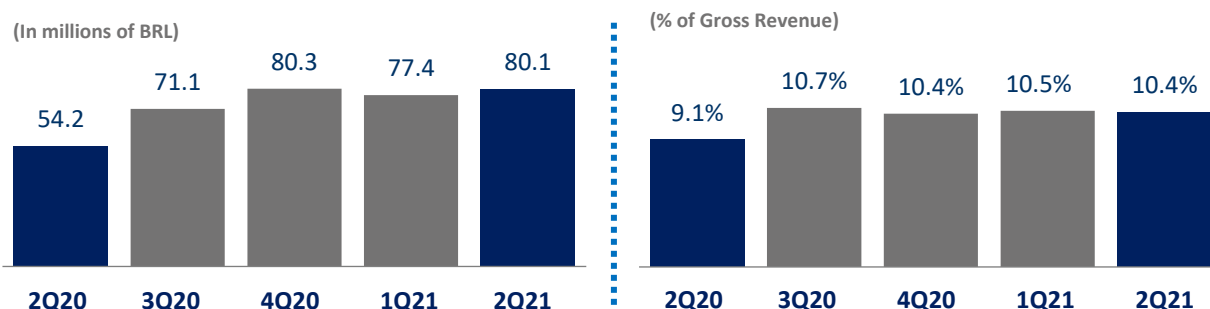
Retail EBITDA represents the stores' income generation and is calculated using the formula described on the side.

Retail EBITDA in 2Q21 was BRL 80.1 million, equivalent to 10.4% of Gross Revenue. Compared to 2Q20, there was a growth of 47.8% or 1.3 p.p., driven by the growth in Gross Margin and efficiency gains in same stores.

**Gross Revenue for Retail**  
 (-) CMV/Taxes/Discounts/Returns  
 = **Gross Margin for Retail**  
 (-) Expenses with store sales  
 (+) Depreciation of stores  
 = **EBITDA Margin for Retail**

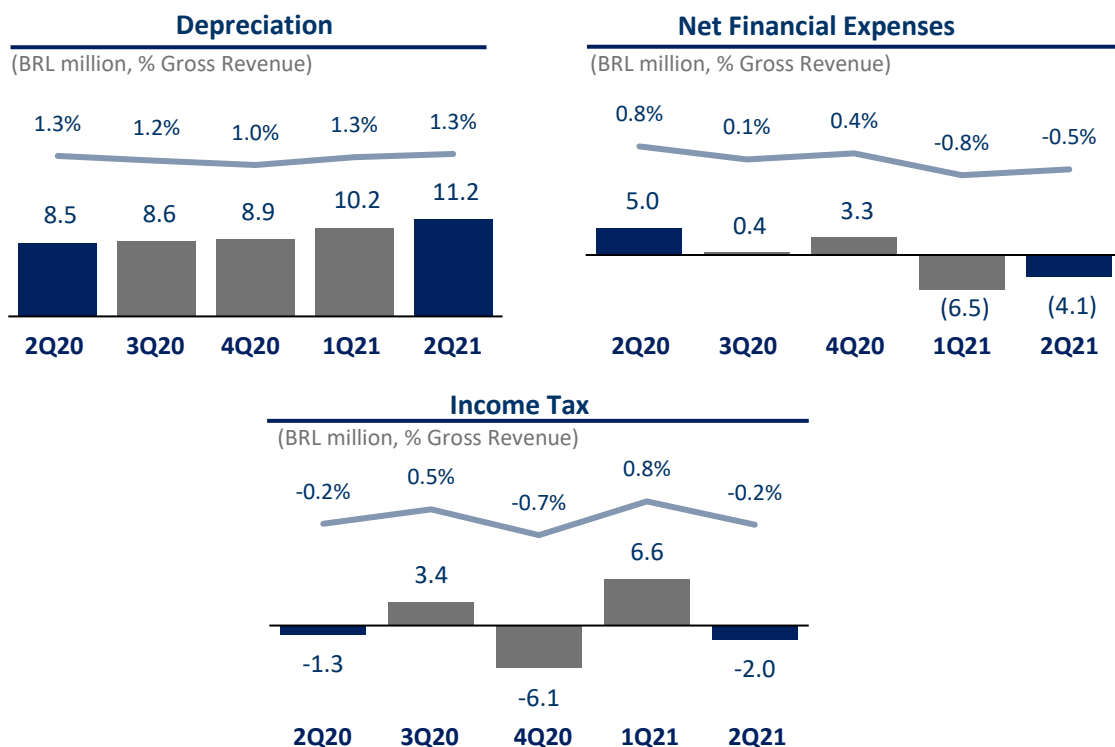
The consistency of this indicator over the quarters, even with the acceleration of store openings, is a direct result of the quality of our performance.

### RETAIL EBITDA



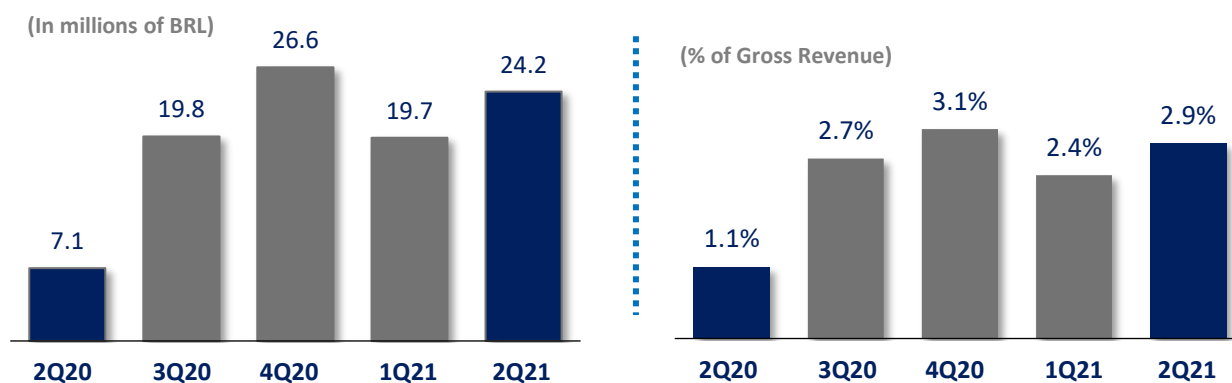
## DEPRECIATION, NET FINANCIAL EXPENSES AND IR/CSLL

It should be pointed out in the period a 1.3 pp reduction in net financial expenses in 2Q21 compared to 2Q20, affected by the result of the initial public offering (Re-IPO) held in Jul/20, and by the non-recurring effect of adjustment for inflation on unappealable tax credit.



## NET INCOME

Adjusted net income in 2Q21 was BRL 24.2 million, representing a net margin of 2.9%, 1.8 pp higher than in 2Q20. In the period, we achieved a record growth of 242.1% in our net income.



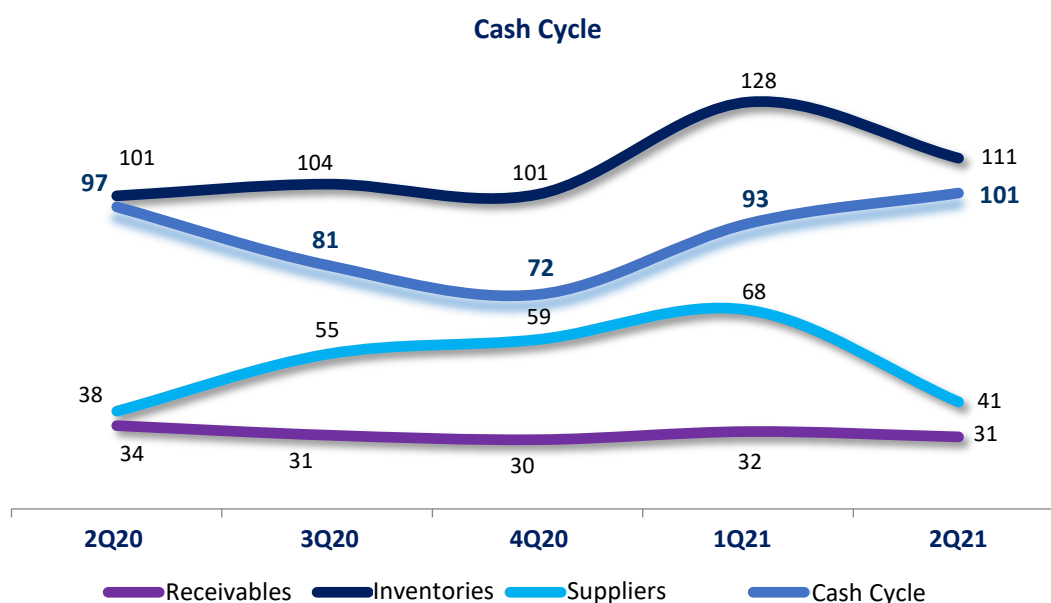
The table below shows the reconciliation of Net Income and non-recurring expenses for the period.

Net Income Reconciliation	2Q20	2Q21
(In millions of BRL)		
<b>Net Income</b>	<b>5.7</b>	<b>22.6</b>
Special Credit	0.0	(11.9)
Fees without special credit	0.0	1.5
Non-recurring inventory adjustments	0.0	2.0
Donations/Expenses with Covid-19	0.0	0.6
Consulting/Strategic Planning	0.0	2.6
Asset Write-offs	0.0	0.7
Provisions for non-recurring contingencies	1.4	11.1
Adjustment for Inflation LC 160	0.0	(5.1)
<b>Adjusted Net Income</b>	<b>7.1</b>	<b>24.2</b>
<b>Adjusted Net Margin</b>	<b>1.1%</b>	<b>2.9%</b>

## CASH CYCLE

The Company increased its cash cycle by 3 days compared to 2Q20. The stock level started to normalize, reducing 17 days compared to the first quarter of the year, after having grown significantly due to the purchase of medications in the pre-increase period and the transition from the Passo Fundo/RS CD to the new CD of São José dos Pinhais/PR. Suppliers reduced 27 days compared to the first quarter of the year, due to the reduction in the volume of purchases after the two movements mentioned above.

It is expected that over the second half of 2021, inventory days and the cash cycle will return to their historic pattern.



## CASH FLOW

The Company presented a negative free cash flow of BRL 97.8 million in 2Q21. This cash consumption is considered normal for the period, given the purchase of medications made during the “pre-increase”.

Cash flow BRL in thousand	2Q20	2Q21	Var.
Net income for the fiscal year	5,717	22,628	16,912
IRPJ/CSLL	(1,300)	3,517	4,817
Financial Income	4,790	(4,125)	(8,915)
<b>EBIT</b>	<b>9,207</b>	<b>22,021</b>	<b>12,814</b>
Depreciations and Amortizations	8,740	11,212	2,472
Other adjustments	1,400	6,746	5,346
<b>EBITDA</b>	<b>19,347</b>	<b>39,980</b>	<b>20,633</b>
Others	2,730	(19,503)	(22,233)
<b>Operation Resources</b>	<b>22,077</b>	<b>20,477</b>	<b>(1,600)</b>
Credits receivable from customers	(4,744)	6,578	11,322
Inventories	48,641	78,190	29,549
Suppliers	(134,100)	(152,550)	(18,450)
Other variations in assets and liabilities	25,635	(5,568)	(31,203)
<b>Operating cash flow</b>	<b>(42,491)</b>	<b>(52,873)</b>	<b>(10,382)</b>
Investments	(10,178)	(32,907)	(22,729)
<b>Free Cash Flow</b>	<b>(52,669)</b>	<b>(85,780)</b>	<b>(33,111)</b>
Interest on Equity	(8,260)	(11,988)	(3,728)
Treasury shares	-	-	-
<b>Total Cash Flow</b>	<b>(60,929)</b>	<b>(97,768)</b>	<b>(36,839)</b>

## INDEBTEDNESS

Dimed's gross indebtedness level at the end of 2Q21 was BRL 159.5 million and, after discounting the cash equivalents (BRL 172.2 million), Net Cash ended the period at BRL 12.7 million. The change in the Company's net debt profile is directly related to the Re-IPO operation performed in July 2020, primary portion of which represented the inflow of BRL 455.8 million, net of commissions and expenses.

Net Debt	2Q20	3Q20	4Q20	1Q21	2Q21
Short Term Debt	136.7	140.9	54.9	55.8	53.7
Long-term debt	162.7	161.6	134.8	134.4	105.7
<b>Gross Debt</b>	<b>299.4</b>	<b>302.6</b>	<b>189.7</b>	<b>190.3</b>	<b>159.5</b>
(-) Cash, Equivalents and Financial Investments	79.9	579.8	436.9	293.9	172.2
<b>Net Debt / Net Cash</b>	<b>219.5</b>	<b>(277.2)</b>	<b>(247.2)</b>	<b>(103.7)</b>	<b>(12.7)</b>
<b>Net Debt / EBITDA</b>	<b>1.53x</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>

## CAPITAL MARKET

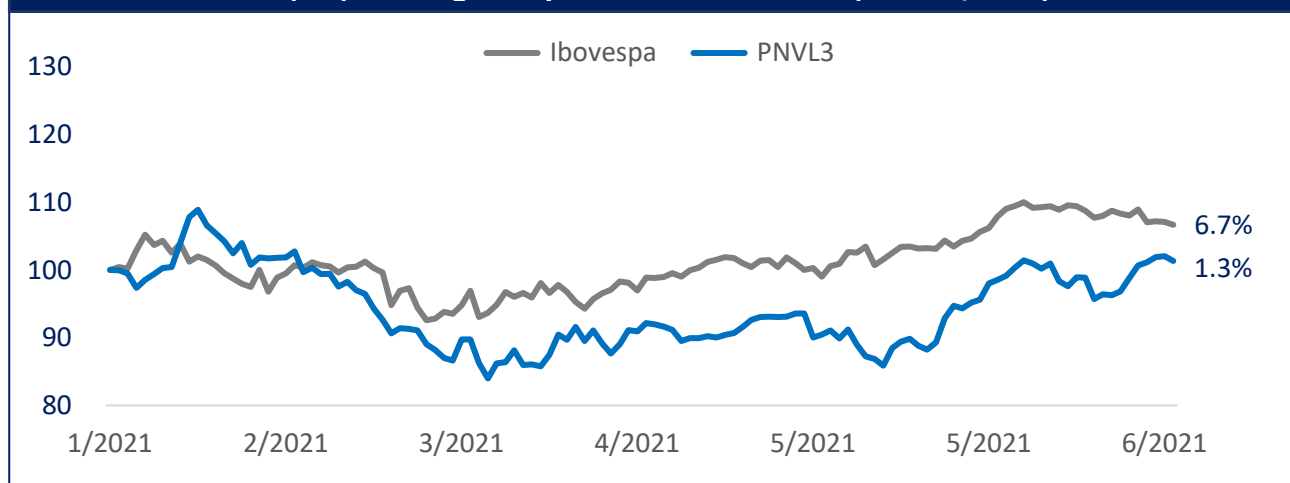
The Company carried out a capital increase in July/20 (re-IPO) with the purpose of having the financial resources to accelerate its projects over the next 5 years, investing in the expansion of its drugstore network, the improvement of its digital systems and its logistics.

In line with the purpose of raising its Corporate Governance standard, the Company completed an important step towards its migration to Novo Mercado, having on 08/04/2021 converted its preferred shares into common shares. With the unification of its share classes, the Company also aims at increasing the liquidity of its daily trading. Also in this process, a Special Shareholders' Meeting was called for 08/19/2021 to resolve on the election of an Independent Board Member of the Company, Mrs. Clarice Martins Costa, first woman to be appointed to the Board of Directors.

Currently, the Company integrates several B3 indices, as follows: IBRA (Brazil Broad Index), ICON (Consumer Index), IGCT (Corporate Trade Governance Index) and SMLL (Small Cap Index).

The Company also has an active Buyback Program, with a limit approved by the Board of Directors of 2 million shares, and by the end of 2Q21 approximately 1.5 million shares had already been repurchased, as it understands that the current value of the shares does not reflect its market value.

**PNVL3 (ON) - Average Daily Volume BRL 17.1MM (YTD' 06/2021)**





**CORPORATE, SOCIAL AND ENVIRONMENTAL RESPONSIBILITY (ESG)**

Dimed Group has always looked at social, environmental and corporate governance principles with seriousness and responsibility, aiming at developing projects in line with these practices.

To evolve in this process and integrate these practices into our organizational culture, reinforcing the principles that have guided us so far and adding even more value to the business strategies and to all stakeholders, we launched Grupo Dimed's ESG Platform, *Todos Bem* (Everyone Well). There, our ESG goals and targets are set out by the year 2026.



[Click here](#) to access  
the Platform



[Click here](#) to watch  
the Manifesto

**Our Manifesto:**

*"Health is important to everyone. The world included.*

*Nobody can be very healthy in a sick planet.*

*Since 1967, our way of doing business has been to respect life in all its dimensions.*

*Adopting values and practices that positively impact our people, our partners, our customers and our home.*

*Always guided by the commitment to be more sustainable today than yesterday, and less than tomorrow.*

*Health. Well-being. **For us, taking care of everyone is taking care of each one.**"*

The platform is aligned with the Company's purpose and values, which are to promote health and well-being in a sustainable manner, as well as the Sustainable Development Goals set out by the United Nations, highlighted on the side.



From now on, the *Todos Bem* platform will add new initiatives and initiatives already in place, with clear goals that we will pursue. Our platform is divided into four pillars and each pillar has strategic themes developed, as follows:

**Themes:**

- Ethics and Transparency
- Health, Safety, Well-being and Employee Development
- Diversity, Equity and Inclusion
- Engagements and Development of Local Communities

**NOSSA  
GENTE****Themes:**

- Safety, Support and Customer Orientation
- Disease Prevention and Health Promotion
- Data Privacy and Information Security
- Sustainable Innovation in Products
- Responsible Marketing

**NOSSOS  
CLIENTES****Themes:**

- Relationship with suppliers
- Development of commercial partnerships

**NOSSOS  
PARCEIROS****Themes:**

- Disposal of Medications
- Efficiency and responsibility in the distribution chain
- Environmental impact

**NOSSA  
CASA**

Guided by our guidelines and our goals in ESG, we currently have the following initiatives:

### **Renewable energy**

The Company has 5 (five) plants, located in the cities of Montenegro/RS, Vacaria/RS, Rosário do Sul/RS, Mondai/SC and Santo Antônio do Sudoeste/PR, which together have approximately 14.9 thousand solar panels, reaching a generation capacity of approximately 7 million kWh/year, which currently supply 40% of Panvel's stores, with a consequent reduction of approximately 584 tons of CO<sup>2</sup> per year. In 2021, we started construction of our sixth photovoltaic power plant, which will be located in the city of Eldorado do Sul/RS and will provide energy to supply the company's headquarters and our distribution center, further expanding our generation capacity of clean and renewable energy. The construction of this plant should be completed in the coming months and will have an annual generation capacity of approximately 1.2 million kWh and 2.3 thousand solar panels, making it the largest carport plant in Rio Grande do Sul and the fourth in Brazil.



Another important project of the Company is **Destino Certo** (Right Destination/Disposal), through which Panvel advances in its reverse logistics practice. In addition to the 180 collectors already installed and throughout 2021, the Company will install new collectors in Panvel stores with a non-return dispenser with a customized design for the disposal of medications and their packaging. *Destino Certo* was launched by Panvel in 2010 and only in 2020 it collected and correctly discarded 19 tons of expired medications.



### **Diversity and Inclusion**

Female leadership in the company is already a reality, and we want this growth trend to continue, so that we have an increasingly diversified and representative team. Currently, women occupy 72.5% of management positions and 30.0% of top management roles in the company. Women represent 71.9% of our total number of employees.

	<b>% of Employees</b>	<b>Board of Directors</b>	<b>Positions of Top Management</b>	<b>Positions of Management</b>
	71.9%	1st Appointment	30.0%	72.5%

In order to promote the inclusion of diversity in the workforce and reinforce its role in society, Dimed Group created, in 2012, the *Programa Juntos* (Together Programme). Through this program, several initiatives have been adopted by the Company in recent years, such as, for example, adoption of the employee's corporate name. We work to include all diversities in our workforce and maintain relationships with several institutions.



Moreover, currently 19% of the Company's leadership positions are held by black/brown people.



Within the Learning Program, Dimed Group operates with two initiatives dedicated to society: *Projeto Pescar* (Fishing Project) and the *Jovem Aprendiz* (Young Apprentice). Currently, we have more than 350 young apprentices on our staff, distributed across all company units in the 4 states where we operate.

## **Social Responsibility**

The Company launched its teaching platform in March this year, available to all its employees, **Uni.D**. With it, we have a new way of learning, with the use of crowdlearning and artificial intelligence. A learning schedule based on the skills we want to develop, according to the challenges and aspirations we have for each career. Thus, we intend to support the protagonism and performance of our teams, sustaining business growth.



In Uni.D's virtual environment we have access to a wide range of content, available to everyone, in a connected network, which has come to unite our employees through learning.

With our actions, we reached 5,186 active employees on the platform, a participation of 66.7% of employees, and their most sought-after skills were Commit to Results, Serve with Excellence, Continuous Improvement, Leadership and Developing People.



### **Data Protection**

With a project started in 2019 to adapt to the General Data Protection Law (LGPD), we currently have a high level of information security and data protection for our customers and employees.

In addition to creating a Privacy Policy, Cookies Acceptance Terms and creating a module for Data Privacy management in our App, we went a step further and once again innovated, being the

first 100% omni farm retail network with regard to data protection.

Panvel's *Troco Amigo* (Friendly Change) Program raised a total of BRL 2.7 million last year, 40% more than in 2019. In 2020, to help fight Coronavirus, the network launched a special edition of the campaign, '*Troco Amigo - Covid-19*', with donations over the internet and with a contribution of BRL 1.0 million made by the company itself. Over 12 years of existence, the project raised more than BRL 14.1 million, benefiting 91 hospitals in RS, SC, PR and SP. The funds raised through the '*Troco Amigo Covid-19*' was distributed to hospitals that are on the front lines in the fight against Covid-19. In 2021, BRL 0.7 million have already been raised.



## IFRS 16: IMPACTS

The standard introduced by IFRS 16/CPC 06 (R2) establishes new procedures as to the form of accounting for some rental contracts. For those who fit the new rule, accounting records are made to recognize the values in the Assets (rights of use), and in Liabilities (future commitments) of the Company, resulting in a change in the accounting records between rental and depreciation and fees.

In order to maintain historical comparability, the amounts herein are presented using the old methodology (IAS 17). Data and financial statements under IFRS 16 rules are available on the website of the Company and CVM.

Income statement	IAS 17	Reclassification	IFRS 16
<b>Gross Revenue</b>	<b>834,720</b>	-	<b>834,720</b>
<b>Gross Profit</b>	<b>240,675</b>	-	<b>240,675</b>
% RB	28.8%		28.8%
Sales Expenses	(195,601)	31,284	(164,317)
Administrative Expenses	(24,264)	-	(24,264)
<b>Total Expenses</b>	<b>(219,865)</b>	<b>31,284</b>	<b>(188,581)</b>
% RB	26.3%	3.7%	22.6%
<b>Adjusted EBITDA</b>	<b>39,913</b>	<b>30,969</b>	<b>70,882</b>
% RB	4.8%	3.7%	8.5%
Depreciation and amortization	(11,212)	(27,038)	(38,250)
Part. Adm/PLR	-	-	-
Other adjustments	(6,678)	-	(6,678)
Financial Income	4,125	(7,467)	(3,342)
IRPJ/CSLL	(3,519)	1,202	(2,317)
<b>Net Income</b>	<b>22,628</b>	<b>(2,333)</b>	<b>20,295</b>
% RB	2.7%	-0.3%	2.4%

2Q21			
Balance Sheet	IAS 17	Reclassification	IFRS 16
(In millions of BRL)			
<b>Assets</b>	<b>812,091</b>	<b>435,699</b>	<b>1,247,790</b>
<b>Non-Current Assets</b>	<b>458,437</b>	<b>435,699</b>	<b>894,136</b>
Deferred Asset	23,335	7,792	31,127
Property, plant, and equipment	366,412	427,907	794,319
<b>Liabilities and Equity</b>	<b>1,650,424</b>	<b>491,502</b>	<b>2,141,926</b>
<b>Current Liabilities</b>	<b>477,652</b>	<b>118,663</b>	<b>596,315</b>
Commercial Leases	1,453	118,663	120,116
<b>Non-Current Liabilities</b>	<b>132,902</b>	<b>387,964</b>	<b>520,866</b>
Commercial Leases	2,295	387,964	390,259
<b>Shareholders' Equity</b>	<b>1,039,870</b>	<b>(15,125)</b>	<b>1,024,745</b>
Retained Earnings	55,701	(15,125)	40,576

**BALANCE SHEET**

Old Standard (IAS 17)			
ASSETS	2Q20	2Q21	Var. %
(in thousands)			
<b>Current Assets</b>	<b>858,033</b>	<b>1,247,790</b>	<b>45.4%</b>
Cash and cash equivalents	79,872	47,351	-40.7%
Financial Investments	-	124,809	100.00%
Clients	250,995	286,111	14.0%
Inventory	445,494	680,909	52.8%
Recoverable income tax and social security contribution	4,509	22,071	389.5%
Recoverable taxes	4,005	28,313	606.9%
Other trade receivables	67,071	58,226	-13.2%
Derivative instruments	6,087	-	-100.0%
<b>Non-Current Assets</b>	<b>307,614</b>	<b>403,524</b>	<b>31.2%</b>
Deferred taxes	10,683	22,682	112.3%
Recoverable taxes	3,209	7,606	137.0%
Judicial deposits	6,949	5,274	-24.1%
Credits with related parties	-	3,541	100.00%
Other assets	983	367	-62.7%
Investments	284	5	-98.2%
Property, plant, and equipment	247,794	312,152	26.0%
Intangible Assets	37,712	51,897	37.6%
<b>Total Assets</b>	<b>1,165,647</b>	<b>1,651,314</b>	<b>41.7%</b>

Old Standard (IAS 17)			
LIABILITIES	2Q20	2Q21	Var. %
(in thousands)			
<b>Current Liabilities</b>	<b>453,711</b>	<b>477,652</b>	<b>5.3%</b>
Suppliers	187,828	260,747	38.8%
Loans and financing	136,660	53,740	-60.7%
Lease - IFRS 16	-	1,453	-
Salaries and social charges	54,512	57,544	5.6%
Interests payable	1,353	2,698	99.4%
Taxes, fees, and contributions	29,016	32,980	13.7%
Dividends and interest on equity	1,464	1,563	6.8%
Other accounts payable	40,374	64,814	60.5%
Other Provisions	2,504	2,113	-15.6%
<b>Non-Current Liabilities</b>	<b>172,901</b>	<b>132,523</b>	<b>-23.4%</b>
Loans and financing	162,011	105,714	-34.7%
Lease - IFRS 16	-	1,916	100.00%
Liabilities with Related Parties	-	1,356	100.00%
Tax provisions for civil, labor and social security	10,890	23,537	116.1%
<b>Shareholders' Equity</b>	<b>539,035</b>	<b>1,041,139</b>	<b>93.1%</b>
Capital stock	410,000	918,000	123.9%
Capital operations with partners	-	(43,012)	100.00%
Capital reserve	-	-	100.00%
Profit reserve	129,035	109,181	-15.4%
Retained Earnings	-	56,970	-
<b>Total Liabilities and Equity</b>	<b>1,165,647</b>	<b>1,651,314</b>	<b>41.7%</b>



## PROFIT AND LOSS REPORT

Old Standard (IAS 17)			
	2Q20	2Q21	Var. %
(in thousands)			
<b>Gross revenue</b>	<b>662,483</b>	<b>834,720</b>	<b>26.0%</b>
Taxes and Returns	(38,929)	(57,953)	48.9%
Commitment	9	-	-
<b>Net revenue</b>	<b>623,563</b>	<b>776,767</b>	<b>24.6%</b>
Cost of goods sold	(441,591)	(536,092)	21.4%
<b>Gross Profit</b>	<b>181,972</b>	<b>240,675</b>	<b>32.3%</b>
<b>Expenses</b>	<b>(172,585)</b>	<b>(218,653)</b>	<b>26.7%</b>
With sales	(157,864)	(206,459)	30.8%
General and administrative	(15,375)	(24,264)	57.8%
Other operating revenue	654	12,070	1,745.6%
<b>Financial income</b>	<b>(4,995)</b>	<b>4,125</b>	<b>-182.6%</b>
Financial expenses	(11,855)	(2,852)	-75.9%
Financial revenues	6,860	6,977	1.7%
<b>Income before income tax and social contribution and interests</b>	<b>4,392</b>	<b>26,147</b>	<b>495.3%</b>
Income tax and social security contribution	1,325	(3,519)	-365.6%
<b>Net income for the fiscal year</b>	<b>5,717</b>	<b>22,628</b>	<b>295.8%</b>

## DISCLAIMER

The statements contained herein related to business perspectives, projections on operating and financial results and those related to DIMED's growth prospects are merely projections and, as such, are based exclusively on Management's expectations regarding the future of the business. These expectations substantially depend on market conditions, legislation, the performance of the Brazilian economy, the sector and international markets and; therefore, are subject to change without prior notice.

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**DIMED**  
distribuidora

**PanVel**  
FARMÁCIAS

**LIFAR**

**Baixe o app**

Disponível na  
App Store



Disponível no  
Google Play



## Call of Profit and Loss

August 17, 2021 – Tuesday  
11:00 AM (Brasilia time) / 10:00 AM (EDT)  
The call will be held in Portuguese with  
simultaneous translation into English.

## Call in Portuguese

Access phone  
+55 11 3137-8095

[Webcast link](#)

## Call in English

Access phone  
+1 786 837-9597 (USA)  
+44 20 3318-3776 (UK)

[Webcast link](#)