



grupo panvel

4Q21 Earnings  
Release

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Eldorado do Sul, RS, March 24<sup>th</sup>, 2022

Dimed S.A. Distribuidora de Medicamentos (B3 S.A. - BRASIL, BOLSA, BALCÃO: PNVL3), one of the main retailers and distributors of pharmaceutical products in the Country, announces the results for the 4th quarter of 2021 (4Q21). The Company's financial statements are prepared in Brazilian reais (BRL), under the Brazilian corporate law and international financial reporting standards (IFRS). 4Q21 result comparisons are based on 4Q20, unless stated otherwise. For comparative purposes, figures in this report are indicated pursuant to IAS 17/CPC 06.



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## Investor Relations

Antônio Carlos Tocchetto Napp

Financial and IR Officer

José Eduardo Szuster

Executive IR Manager

Ismael Rohrig

IR Analyst

Pedro Bernardes

IR Intern

Phone number.: 51 3481-9588 / E-mail: [relinvest@grupodimed.com.br](mailto:relinvest@grupodimed.com.br) / Site: [www.grupodimed.com.br/ri](http://www.grupodimed.com.br/ri)

# 4Q21 and 2021 Results

## 4Q21

Retail Gross Revenue BRL 884M (+14.3%)	Retail Gross Margin 29.7% (+0.7 p.p.)
Adjusted EBITDA BRL 49M (+14.6%) 5.1% Margin	Adjusted Net Profit BRL 28M (+5.9%) 2.9% Margin

## 2021

Retail Gross Revenue BRL 3,174M (+17.9%)	Retail Gross Margin 30.0% (+0.9 p.p.)
Adjusted EBITDA BRL 161M (+25.7%) 4.6% Margin	Adjusted Net Profit BRL 92M (+32.2%) 2.7% Margin

Description	4Q20	1Q21	2Q21	3Q21	4Q21	2020	2021	Δ
No. of Stores	473	477	494	500	517	473	517	+9.3%
No. of employees	7,493	7,622	7,771	7,805	8,646	7,493	8,646	+15.4%
<b>R\$ '000</b>								
TT Gross Revenue	853,152	811,830	834,720	860,213	959,918	2,987,128	3,466,681	+16.1%
TT Gross Margin	235,987	233,074	240,674	241,875	272,976	823,695	988,599	+20.0%
% of Gross Revenue	27.7%	28.7%	28.8%	28.1%	28.4%	27.6%	28.5%	+0.9 p.p.
Retail Gross Revenue	773,567	735,760	766,846	787,863	883,890	2,692,055	3,174,359	+17.9%
Retail Gross Margin	224,214	223,495	231,967	233,319	262,214	782,525	950,994	+21.5%
% of Retail Gross Revenue	29.0%	30.4%	30.2%	29.6%	29.7%	29.1%	30.0%	+0.9 p.p.
Adjusted EBITDA TT	42,790	37,478	39,913	34,833	49,041	128,276	161,265	+25.7%
% of Gross Revenue	5.0%	4.6%	4.8%	4.0%	5.1%	4.3%	4.6%	+0.3 p.p.
Adjusted Net Profit TT	26,571	19,714	24,169	20,333	28,126	69,836	92,343	+32.2%
% of Gross Revenue	3.1%	2.4%	2.9%	2.4%	2.9%	2.3%	2.7%	+0.4 p.p.

# A message from Management

2021 was a year of hard work and challenges but it also brought important achievements and records for the Group.

It was the period with the highest volume of investments in the Company's history. After the follow-on carried out in July 2020, we entered a new and growing cycle of investments that has just completed its second year, focused on store operations, logistics, as well as technology. Those investments were directly responsible for the delivery of two essential elements of our long-term strategy:

- a) 60 new stores opened in the year: we reached the all-time record for Panvel store openings. This milestone reinforces the maturity reached by our expansion process, which is increasingly structured. This new pace of store openings, which is in its second year of acceleration, on the one hand, puts natural pressure on our margins compared to pre-pandemic periods, on the other hand, it builds the foundations for future margin gains;
- b) Opening of the new Distribution Center in São José dos Pinhais: the start-up of the new DC in the State of Paraná and the closing of the old DC in the City of Passo Fundo (RS) were essential operations to push Panvel's new growth pace further, especially in the States of Santa Catarina and Paraná, where the positive effects shall already be perceived in 2022 on the Group's results and service level.

2021 achievements were not only about investments made. Throughout the year, we delivered consistent and growing results in all our strategic pillars. The Company's sales reached BRL 3.5 billion in the year, and Panvel's sales grew 17.9% in the period, with an excellent performance of SSS (14.7% in the year) and MSSS (8.4% in the year). The strong above-market sales growth is directly related to the success of several initiatives and projects:

**The growth in sales  
was followed by an  
important expansion of  
our Margins**

- a) At Panvel Clinic, we achieved the largest share of services on sales of the entire pharmacy retail and the Company consolidated itself as a leader in the Southern region in the provision of services in drugstores, whether tests, vaccines, or other services. We ended the year with 305 stores with Clinic, which represents a 167.5% growth compared to last year;
- b) In Digital, Panvel once again stood out, maintaining a high share of the chain's total sales (15.9% in the year) and increasingly improving its last-mile delivery capacity (in up to 2 hours). With numerous projects focused on user experience and operational efficiency, Panvel continues to be the retail pharmacy benchmark when it comes to e-commerce;
- c) The strong growth of our client base (22.8% in the year) combined with our CRM tools, which brings a higher level of loyalty, through initiatives such as the creation of *PBM Panvel* and other projects focused on monitoring customers that use drugs for chronic diseases and continuous use;
- d) In Panvel Products, we had another year of growth in the share of these products over sales, reaching a record 7.8% share in the year (vs 7.3% in 2020) and maintaining our leadership regarding the rest of pharmacy retail in Brazil.

In the year, we reached an adjusted EBITDA of BRL 161.3 million, a growth of 25.7% over 2020, and an adjusted net profit of BRL 92.3 million, a growth of 32.2% compared to the same period in the previous year. Those results are the consequence of a well-balanced commercial strategy focused on pricing and an advantageous product mix. Moreover, the continuous search for better internal processes and better productivity, as well as a faster store maturation curve than initially expected, had a very positive contribution.

It should be reminded that such growth in sales was also followed by an improvement in our client service indicators, whose main KPI is the NPS (Net Promoter Score). This indicator went from 74 points in 2020 to 80 points at the end of 2021, another historic record for Panvel, and one of the highest in the segment. This is the best possible translation of our purpose of “Providing Health and Well-being”, with the client always at the core of our decisions.

Besides presenting robust and consistent numbers, throughout 2021, we had the opportunity to evolve on several other fronts, launching and reinforcing some very important milestones, such as the examples below:

- a) In the ESG strategy, we officially launched our platform, referred to as Todos Bem. With that, we took a definitive step in the Company's history, as we started to organize and show our ESG efforts in a structured way, with clear and defined goals until 2026;
- b) In the pursuit of constant evolution in Corporate Governance, the Company completed its migration to B3's Novo Mercado, reinforcing its commitment to the highest levels of governance and information disclosure on the Brazilian stock exchange;
- c) In the last quarter of the year, we announced the launch of our new corporate brand, Grupo Panvel, which was officially incorporated into our daily activities in the first quarter of 2022 and is already present in this release and all our materials. That change reinforces our ability to communicate with our internal and external audiences.

Evaluating all these deliveries in perspective, we are very proud of the fact that all the commitments made by the Company in its follow-on, in July/2020, have been delivered so far, in the form of sales growth, obtained results, investments, and governance. It motivates us and reinforces our commitment to all shareholders and other stakeholders.

**We thank all our employees and partners who make Grupo Panvel a reference in Health and Well-Being in the pharmaceutical segment throughout the Southern Region and also in Brazil. And let the new challenges of 2022 come.**

# Investments

As mentioned in the Message from the Management, and continuing the expansion projects, evolution in information technology, and improvement of logistics processes, the Company made a high level of investment in the year, totaling BRL 135.2 million in 2021, a 59.9% growth compared to the previous year, and a 153.3% growth over 2019.

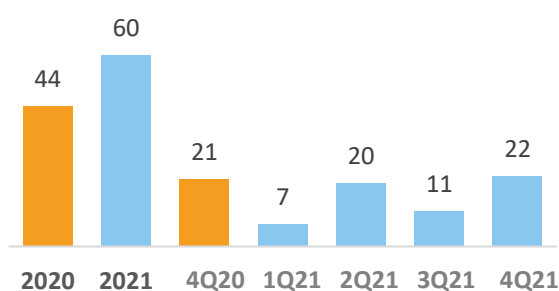
We are in the 2nd year of this new investment cycle and again the focus shall be on opening stores. We understand that the short-term impacts of the greater number of stores in maturation are a necessary step in building our vision of the future for the Company.

R\$ thousand	2019	2020	2021	Δ vs 2020	Δ vs 2019
Opening Stores	19.557	31.939	76.404	139,2%	290,7%
Renovation of Stores	8.321	6.306	9.396	49,0%	12,9%
IT	15.447	18.475	27.145	46,9%	75,7%
Logistics and others	10.045	27.836	22.228	-20,2%	121,3%
Total	53.369	84.556	135.173	59,9%	153,3%

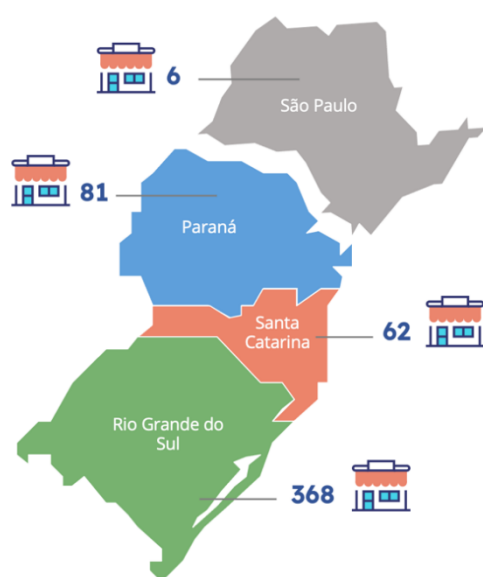
## STORE PORTFOLIO

With the opening of 22 stores in 4Q21, we reached a total of 60 new units in just 12 months – a record for the Company. Even with the opening pace affected by the restrictions of the pandemic, the Company opened 36 stores in RS, 13 in SC, and 11 in PR. The expansion plan is aligned with the strategy of regional densification in the Southern Region, mainly outside Capital Cities, and an increase in the digital capacity, ending 2021 with a total of 517 stores.

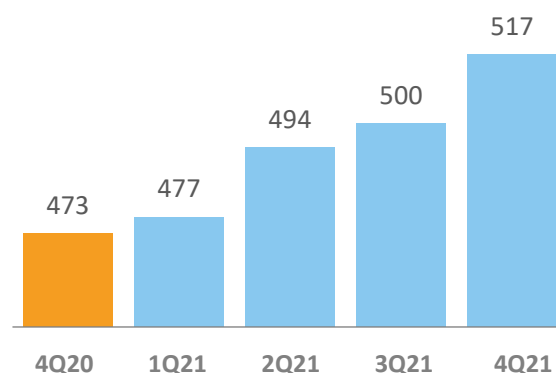
### Opening Stores



Besides the openings carried out throughout the year, the Company transferred / (mature) branches to points with greater sales potential. Another 9 branches (8 mature and 1 in the process of maturation) were closed because they no longer met the profile and sales potential determined by the Company's operating standards.



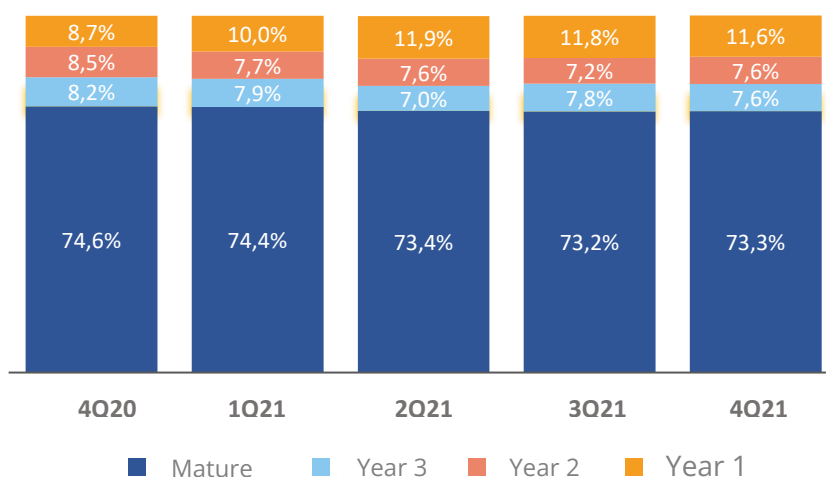
## Number of Stores



	4Q20	1Q21	2Q21	3Q21	4Q21
Stores					
Opened	21	7	20	11	22
Transferred/Closed	(7)	(3)	(3)	(5)	(5)

At the end of the period, the Company had 73.3% mature stores and 26.7% in the maturation process.

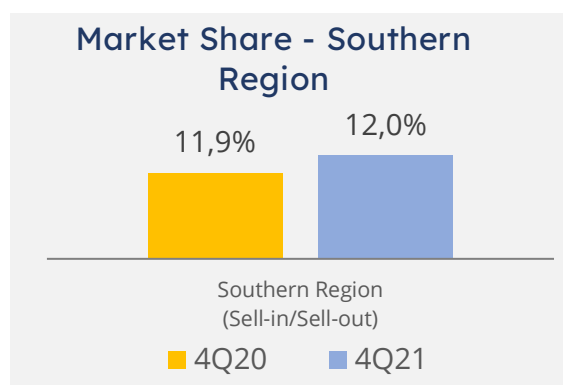
## Distribution of Stores Portfolio by Maturity



## Market share

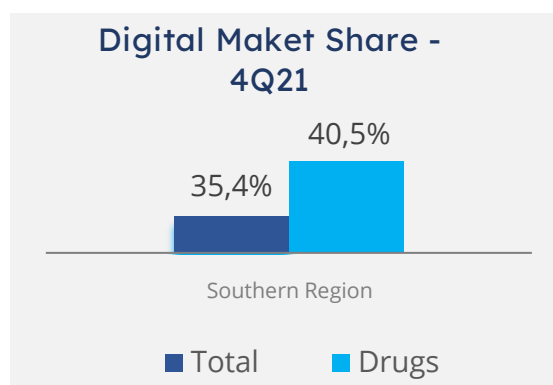
In 4Q21, Panvel's share in the Southern Region reached 12.0%, a 0.1 p.p. increase compared to the same period of the previous year, with growth in all States in which it operates, reaffirming our consistency in the evolution of market share. Those numbers reflect the operating quality of Panvel's existing stores and the assertiveness of the execution of our expansion plan.

When analyzing the market share by region (capital city and countryside), and also by State, we realized that we still have clear opportunities in the market, especially with the expansion inland in the states of Santa Catarina and Paraná.



Source: IQVIA

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



## E-COMMERCE AND DIGITAL INITIATIVES

**Digital maintained a high share of retail sales, with a 15.3% share in 4Q21 and 15.9% in the year total, well above the market average.**

quality of our business model and our last-mile delivery structure. In this regard, Panvel also stands out as having the fastest last-mile delivery in Brazilian pharmacy retail. It should be mentioned that 2020 was a year with many restrictions due to Covid, especially in 2Q20 and 3Q20, which ended up impacting some indicators, but even so we presented robust results. Investments in such structure translate into solid indicators.

We emphasize once again that the excellent results were obtained in a quarter of strong sales growth for Panvel in physical stores. Thus, there is no doubt that Digital is an important competitive differentiator for the Company, which remains the benchmark for Brazilian pharmacy retail.

Even with a strong comparison base, Digital sales grew 14.1% in 4Q21 and 16.0% in the year, demonstrating the



## Digital Highlights

Scope of delivery within 1 hour: All the cities in which we are present

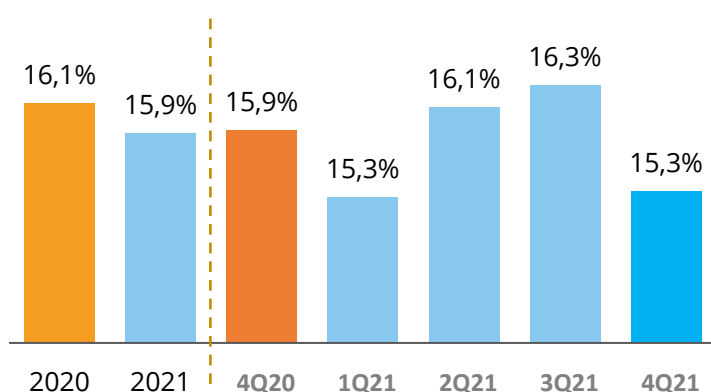
4Q21 Delivery Structure: 128 hybrid stores + 9 Mini DCs (dark stores)

Digital's Share in Retail Sales 4Q21: 15.3% (14.1% growth over 4Q20)

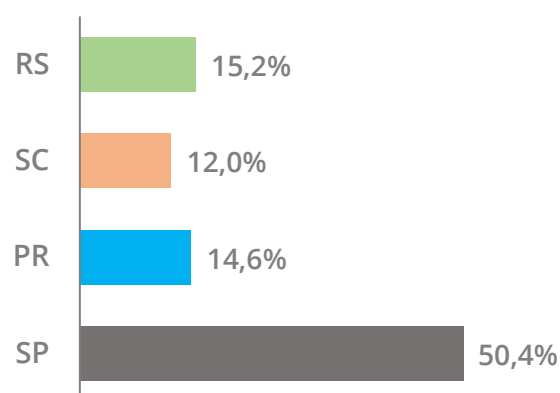
Number of Deliveries 4Q21: 577 thousand (average of 192.3 thousand deliveries per month)

Service Level: 97% of on-time deliveries (4Q21)

**Digital**  
(share in Retail Gross Revenue)



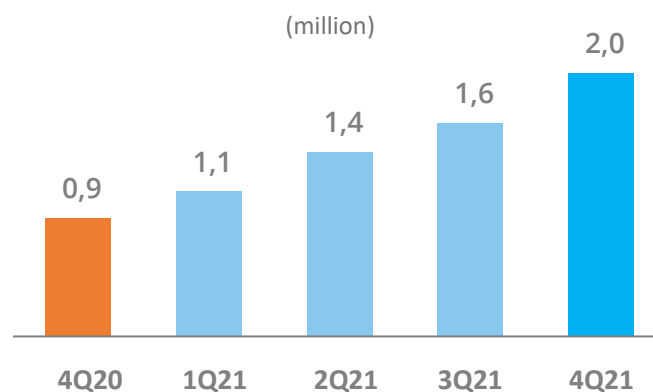
**% of total sales per State**  
(4Q21)



The share of sales remained high and balanced throughout the Southern Region (RS/SC/PR). In São Paulo, it is worth mentioning the higher-than-average share of the chain, in line with the Company's strategy for the region.

Another important highlight in the quarter was the strong growth in downloads of our app, which grew 122,2% compared to 4Q20. This growth is in line with Panvel's strategy of increasingly digitizing its clients, and it was not by chance: it is directly linked to the evolution of our promotional coupons, with incentives to download app, in addition to the strong use of promotional dates such as Black Friday and Christmas.

**App - Download (cumulated)**



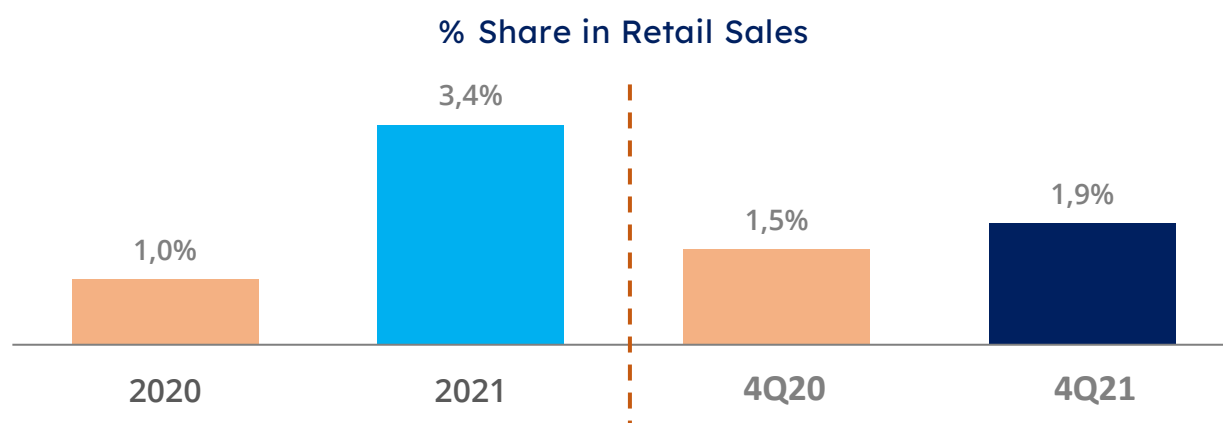
Throughout 2021, we have evolved on several fronts, such as in the rewriting of our entire website, panvel.com, updating technology so that it can grow and evolve much faster. We have invested heavily in UX (user experience) improvements, both in the app and on the website, as well as in our search engine and categorization. We have already put on the air a renewed website and an app with many improvements. All focused on making our customer's life easier at the time they need it most, to find and buy a product.

# Panvel Clinic and health ecosystem

Panvel's health ecosystem has been consolidated over the last few years with the inclusion of new products and services, in addition to maintaining a high share in the Southern Region. Clients increasingly identify Panvel stores as a place to deal with and solve the most diverse issues related to health.

## Panvel Clinic Highlights

<b>Panvel Clinic</b> 305 stores (+167.5% vs 4Q20)	<b>Vaccination Rooms</b> 74 (+48.0% vs 4Q20)	<b>Vaccines applied</b> +160k (2021) (+112.8 vs 2020)
<b>Branches performing only Covid-19 Quick Tests</b> 251 branches (4Q21)	<b>Quick Tests performed</b> +770k (2021) and +134k (4Q21)	<b>Other services</b> +257k other services provided in 2021 (+14.1% vs 2020)



With a robust structure and expertise in the provision of services, combined with the quality of service, we became leaders in services, with a 39.0% market share in the Southern Region, in 4Q21, and 41.0% in 2021.

During the year, we applied more than 160,000 vaccines and performed more than 770,000 quick Covid tests, in addition to more than 257,000 other types of services. With that result, Panvel Clinic broke a record share of Panvel's sales revenue, reaching 3.4% in 2021. Figures indicate that Panvel has increasingly become a reference for services. We understand that, like Digital, the Services pillar has a new level in retail sales, which should not return to pre-pandemic levels.

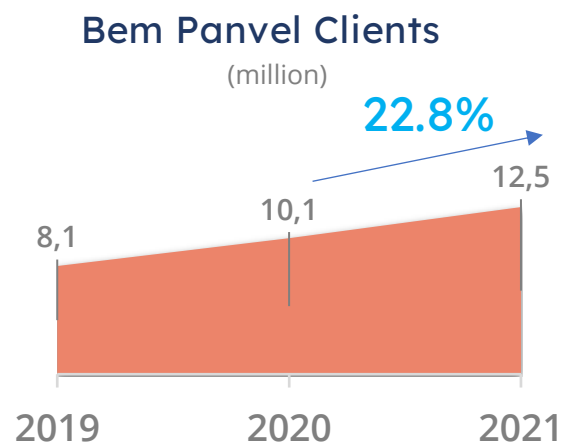
With the objective of strengthening one more pillar of its Health Ecosystem, in 2021, the Company invested in the renovation of its service structure for Special Drugs and Partnerships. As a result, [Panvel Saúde Empresarial](#) was created, a new department that is already robust and covers Partnerships, Special Drugs, Patient Management, and Public Bids.

[Panvel Saúde Empresarial](#) offers a benefits program to employees of partner companies. For Health Insurance Providers, Self-Management, and Group Medicines, it offers the management and monitoring of its beneficiaries, the supply of special drugs and all products necessary to improve the quality of life of that population and, in that context, it presented a 21.3% growth only in Special Drugs compared to 2020. Such improvement reflects the commitment and strength of our partnerships, which follow quality criteria in the health products and services offered in the B2B2C model. It is also the merit of a team of visitors that takes to the medical class all the innovations that we are developing for the market.

Throughout 2021, with this new structure, we had many achievements and expanded our borders, including in regions with low penetration of our physical stores. Prominence the important partnerships made in the State of Paraná, bringing more than 40 thousand beneficiaries, and in the Southeastern Region (Rio de Janeiro), with more than 20 thousand beneficiaries. Currently, Panvel Saúde Empresarial represents 32% of Panvel's sales.

## CRM

The *Programa Bem Panvel* has more than 12 million clients, which represents a 22.8% growth compared to 2020, and more than 92% of the sales identified in the store, which allows us to design highly personalized strategies for each of our audiences. With the segmentation and personas strategy, we boosted our direct marketing actions, generating an important sales result in all channels. We also saw significant growth in the Omni client base, which reached 10.1% (vs 9.5% in 2020). It is worth remembering that these are the customers who buy both in our physical stores and in the virtual stores, with an average frequency and a ticket average higher than customers only physical or just digital. When we talk about our customers' scanning strategy, we're talking about increasing the omni customer share within the company.



In line with this strategy, we have brought a new benefit to the program's client: the omnichannel Bem Panvel's Coupon. Now, in addition to the physical store, the customer can use coupons with personalized and segmented offers on digital channels. It is another driver for the company's omni strategy, focusing on customizing and increasing products in the basket, making the customer enjoy program benefits across all channels.

Another important launch in the last quarter was the *Programa de Uso Contínuo Bem Panvel*, Panvel's PBM (*Programa de Benefício em Medicamentos* - Drug Benefit Program), focused on patients who use continuous drugs, aiming to improve adherence to treatment through personalization of journeys, reminders, and personalized discounts. The *Programa de Uso Contínuo Bem Panvel* works in all channels and has already shown excellent performance in a short period, having reached a conversion rate of more than 80% and the adhesion of more than 280 thousand clients until Dec/21.

## SERVICE QUALITY

Panvel continues to offer its clients a unique journey of satisfaction, quality, and experience, regardless of the channel where the purchase takes place. For this reason, Panvel is recognized by consumers for offering the best retail pharmacy experience, according to the indicators below (Dec/2021 position):



80

NPS - Panvel



80

NPS - Store



80

NPS - App



83

NPS - Site



75

NPS - Alô Panvel



4,7

App



4,6

Play



8,7

Reclame Aqui



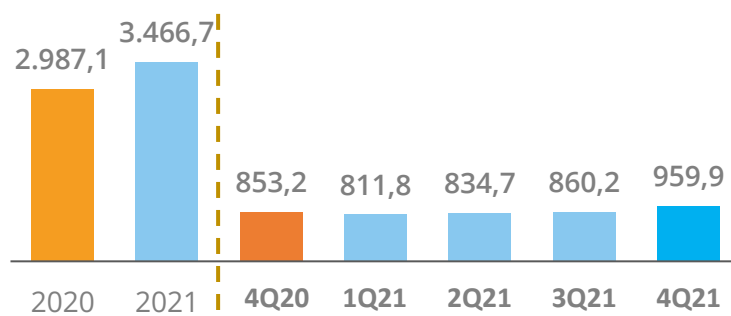
The store's NPS increased by 6 points compared to the same period last year, reaching 80 points in 4Q21. Panvel is the only Brazilian pharmaceutical retail chain that combines high penetration of digital channels with the fastest delivery of products in Brazil and an enviable quality, quantified by an NPS that remains at high levels. That unique platform shall allow for even more growth in the future.

## Gross revenue

The consolidated gross revenue (which includes sales from retail, wholesale, and other business units of the Company), in 4Q21, was BRL 959.9 million, which represents a 12.5% increase compared to 4Q20. As a result, we ended the year with a revenue of BRL 3.5 billion, a 16.1% growth compared to 2020.

### Consolidated Gross Revenue

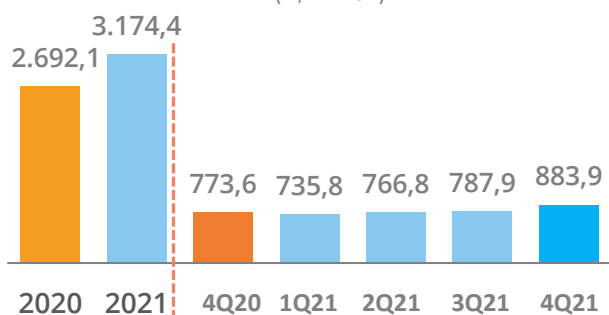
(R\$ million)



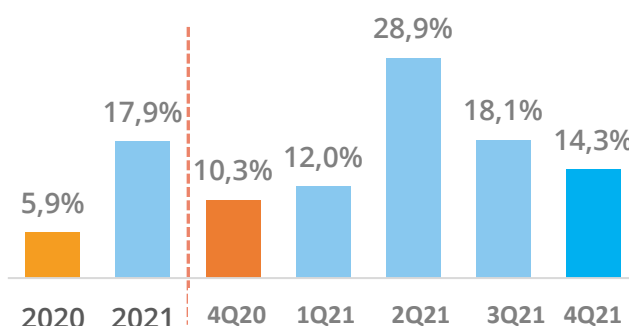
## Retail

### Gross Revenue - Retail

(R\$ million)



### Sales Growth - Retail



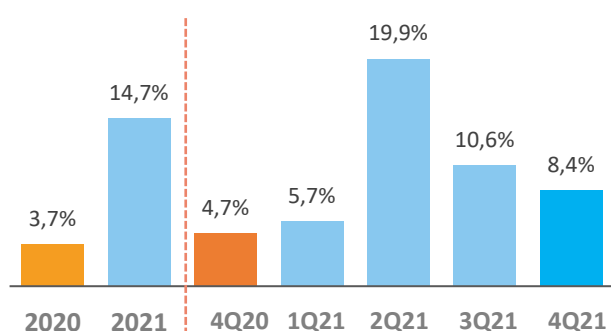
Retail gross revenue was BRL 883.9 million in 4Q21, a 14.3% growth over the same period last year. This strong performance is explained by the increase in the flow of clients in our physical and virtual stores, especially in the months of November and December

Looking at the consolidated figures for 2021, we had a 17.9% growth compared to the previous year, reinforcing Panvel's operational excellence and the assertiveness of our expansion strategy.

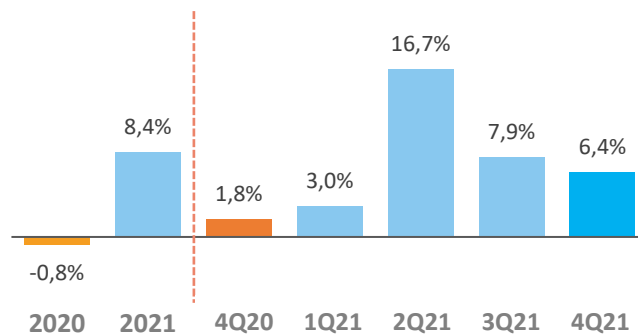
Same-Store Sales (SSS) grew by 8.4% in 4Q21 compared to 4Q20. It is a very robust rate, considering that growth takes place on a strong basis of comparison, different from 2Q20 and 3Q20 that were highly impacted by pandemic. In the year, there was 14.7% growth compared to 2020.

The performance of Mature Stores (Mature Same-Store Sales or MSSS) was also relevant, with a 6.4% growth compared to 4Q20, and 8.4% in the year total compared to 2020.

### Same Store Sales Growth



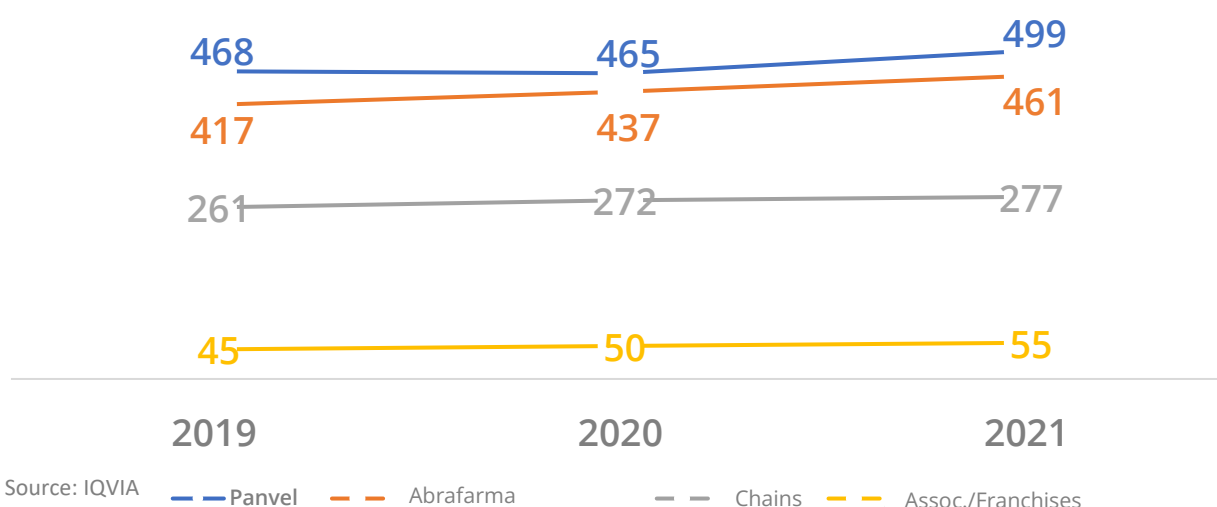
### Mature Store Growth



It is also worth mentioning the increase in average sales per store, which has been evolving consistently each quarter. In 4Q21, we had an average sales per store of BRL 569.9 thousand per month (+4.5% vs. 4Q20) and we ended the year with an average sale of BRL 511.7 thousand per month (+7.9% vs. 2020). We emphasize that such growth occurs even with the opening of more than 100 stores in the last two years, with 60 new units in 2021 alone. By analyzing IQVIA's average sales data in the Southern Region, where Panvel has a higher average sales evolution than Chains and Associativists and Independents, the assertiveness of our expansion project and our productivity are demonstrated.

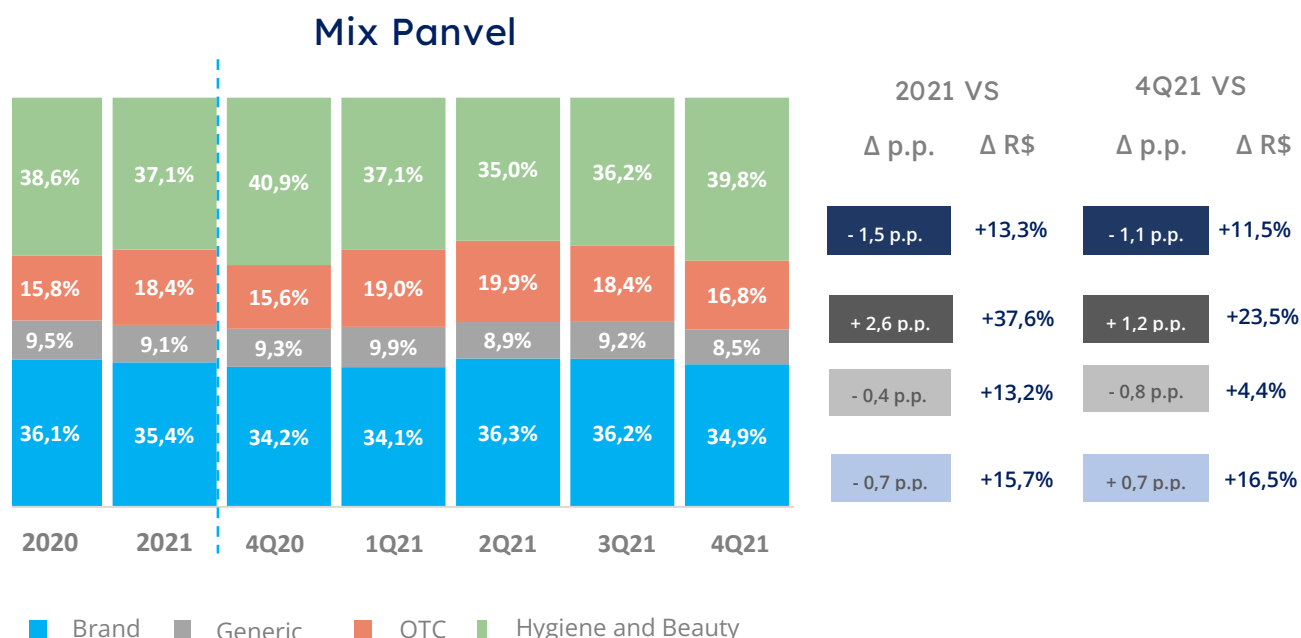
### Average Sales Evolution per Store - Southern Region (BRL CPP)

(Thousand)



BRL CPP: Consumer Product Purchase is the measurement unit used by IQVIA

# Retail Sales Mix



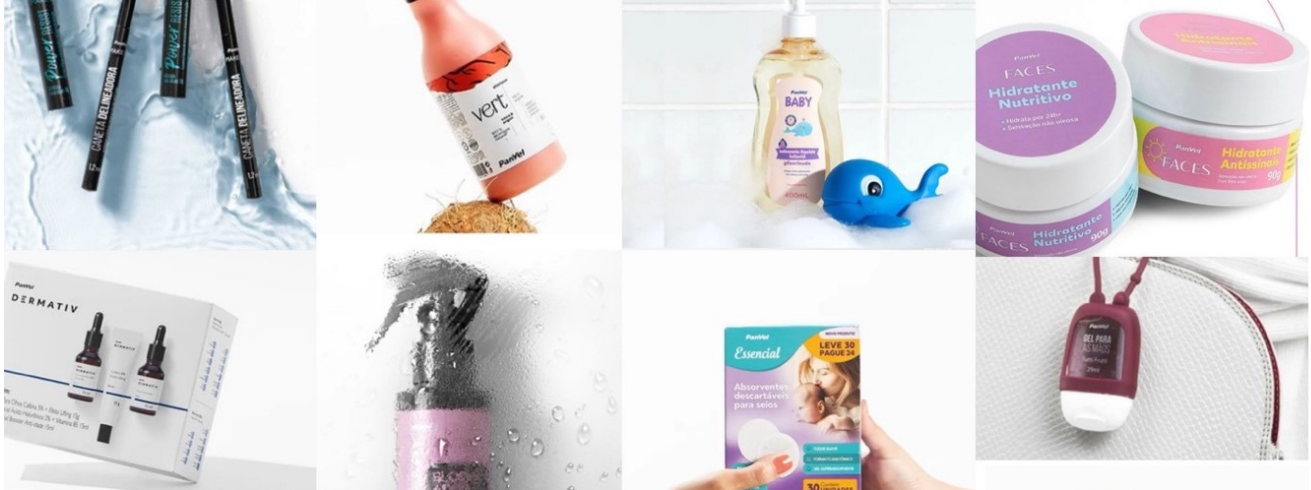
*General drugs* maintained an excellent performance in our mix, representing 60.2% in 4Q21 and 62.9% in 2021, with a 16.5% growth in 4Q21 (vs 4Q20) and 20.9% in 2021 (vs 2020). The growth in the share of drugs, especially in the last quarter, is directly related to important projects being carried out by the Company, such as monitoring the journey of clients with Chronic diseases, and the increase in partnerships with health insurance operators and the sale of Special Drugs.

The *OTC* category showed strong growth in 4Q21 (+23.5%). Within it, the highlights were the *Flu and Colds* groups (+74.4%), *Diabetes* (+33.2%), *Gastrointestinal* (+20.3%), and *Specialized Nutrition* (+22.8%). Moreover, services continue to play a very important role, especially vaccines and quick Covid-19 tests. We emphasize that, in December/21, with the resurgence of the pandemic, there was strong growth in demand for quick tests and drugs, a trend that continued in January/22.

The *Generics* category, in turn, grew by 4.4% in the last quarter. The small percentage increase is impacted by the strong comparison base of 4Q20 when we recorded strong demand for drugs indicated for the treatment of Covid-19. Excluding that base effect, Generics growth in 4Q21 would reach 11.1% in the quarterly comparison.

The *Hygiene and Beauty (HB)* category, on the other hand, grew by 11.5% compared to 4Q20. Let us emphasize the performance of *Panvel Products*, in addition to categories such as *Makeup* (+19.3%), *Hands and Feet* (+19.5%), *Children* (+18.2%), *Body Products* (+14.6 %), *Convenience* (+33.3%), and *Food* (+36.9%).

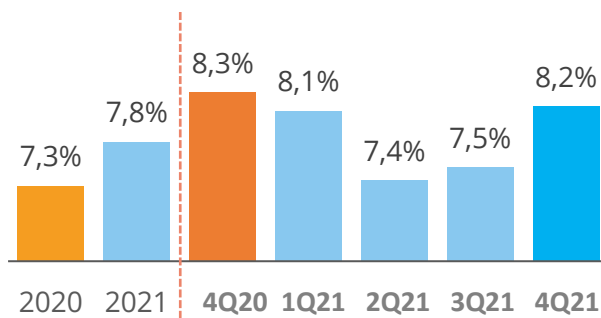
# PanVel Products



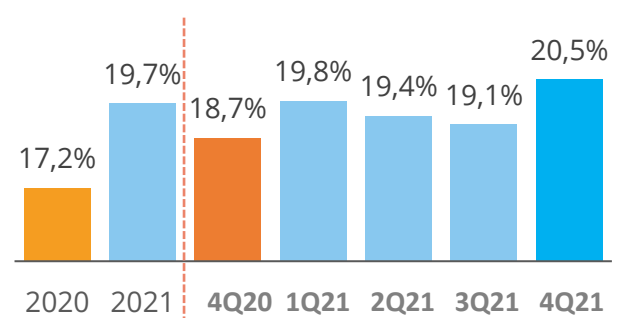
Sales of Panvel Products grew 12.6% when compared to 4Q20, reaching a share of 8.2% of total retail sales and 20.5% of total sales of Hygiene and Beauty products in 4Q21. In the year, we reached the highest share level in Panvel's history (7.8%), once again consolidating the Company as a benchmark in the Private Label pharmaceutical market.

It is important to note that a relevant portion of Panvel branded products is manufactured by the group's own laboratory, Lifar, guaranteeing quality and an excellent cost/benefit ratio. Moreover, that strategy enables even higher margins due to the profitability of the entire value chain.

% Share in the Chain



% Share in HB

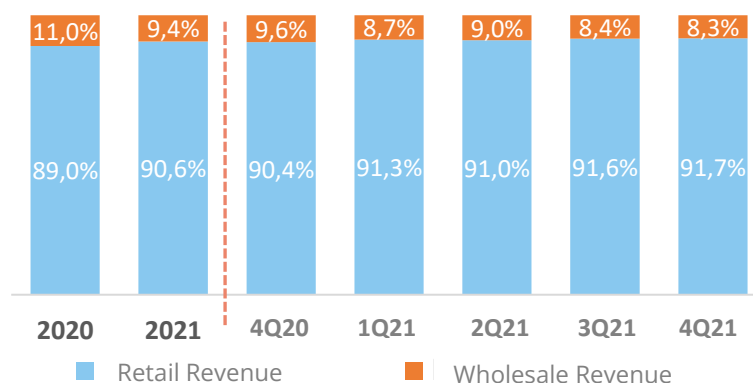




## Wholesale

In 4Q21, Wholesale represented 8.3% of the Company's total sales, following the trend of reduced sales share, aligned with the previously defined strategy. After the restructuring of the Company's logistics capacity, with the transition of the Distribution Center from Passo Fundo/RS to São José dos Pinhais/PR, we saw in 4Q21 the Wholesale results return to the expected levels.

Wholesale share in the business



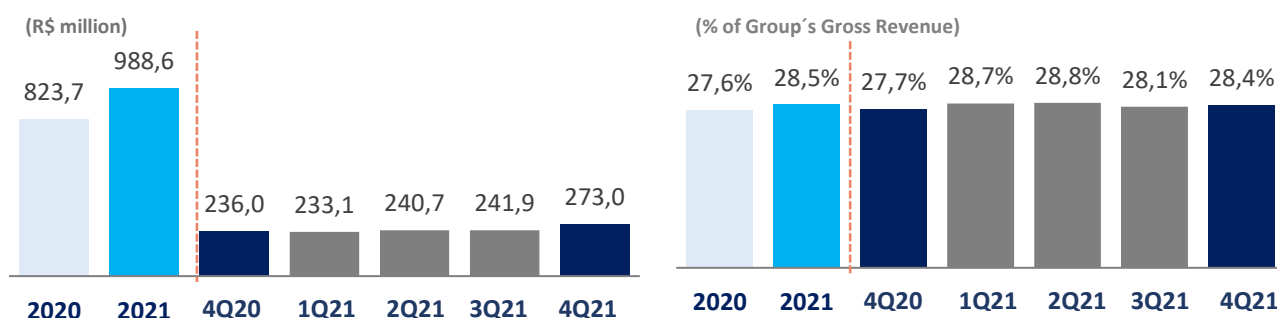
## Gross Margin

The Company delivered a Consolidated Gross Margin (including retail, wholesale, and other business units) of BRL 273.0 million in 4Q21, which represents 28.4% of gross revenue for the period, an increase of 0.7 p.p. compared to 4Q20. In the year total, the margin was BRL 988.6 million, or 28.5% – a growth of 0.9 p.p. compared to the previous year.

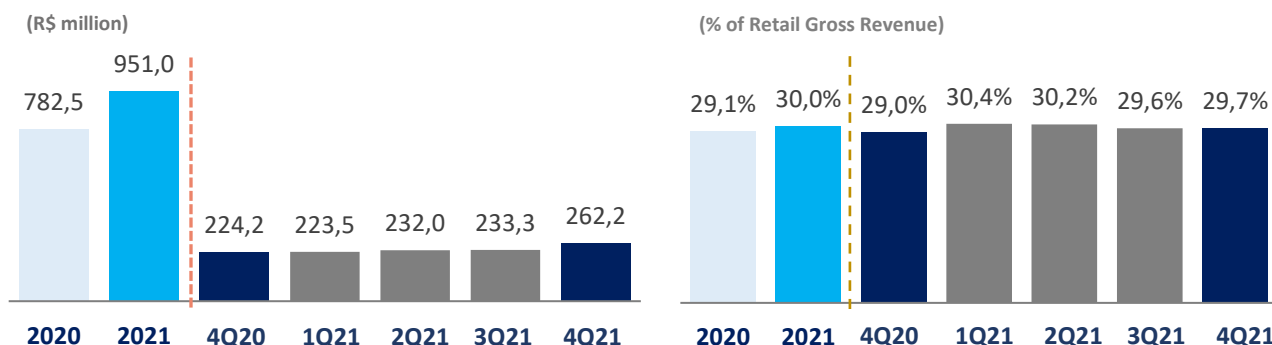
The Retail Gross Margin was BRL 262.2 million, equivalent to 29.7% of Gross Revenue in 4Q21, and a growth of 0.7 p.p. compared to 4Q20. This evolution reflects the Company's strategic moves built throughout 2021, such as the Generics project, the increase in the sale of Services, and the share of Panvel Products, among other initiatives. In the year, the Gross Retail Margin grew 0.9 p.p., reaching 30% of Gross Revenue.

The Gross Wholesale Margin returned in 4Q21 to its historical levels, after weaker results in the third quarter. In 4Q21, the margin was 11.3%, an increase of 0.8 p.p. vs. 4Q20. In 2021, the Gross Margin reached 9.8%, a pressure of 1.0 p.p, reflecting the reorganizations that involved the Company's logistics operation throughout the year.

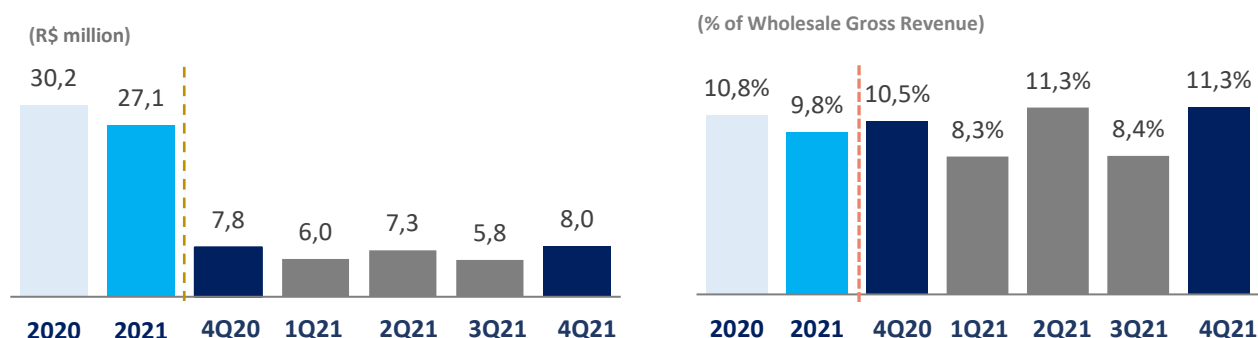
Gross Margin - Group



### Gross Margin – Retail

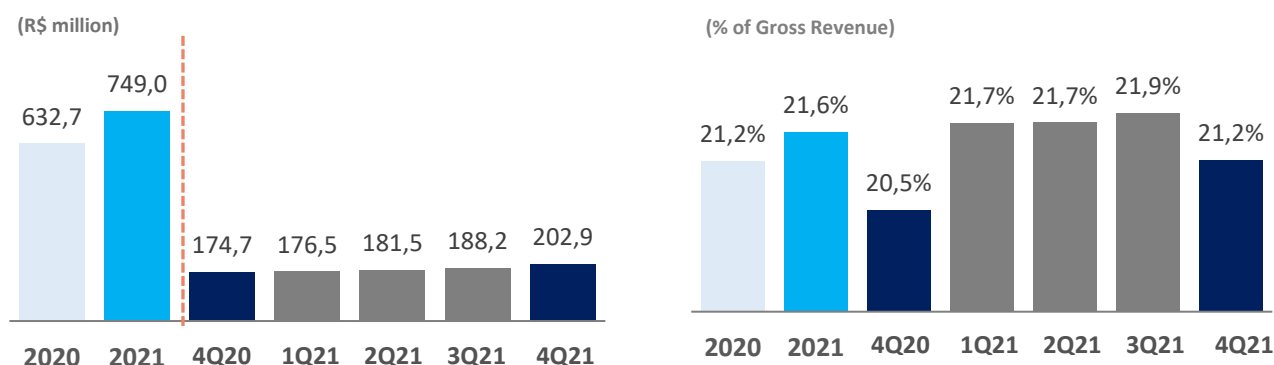


### Gross Margin – Wholesale



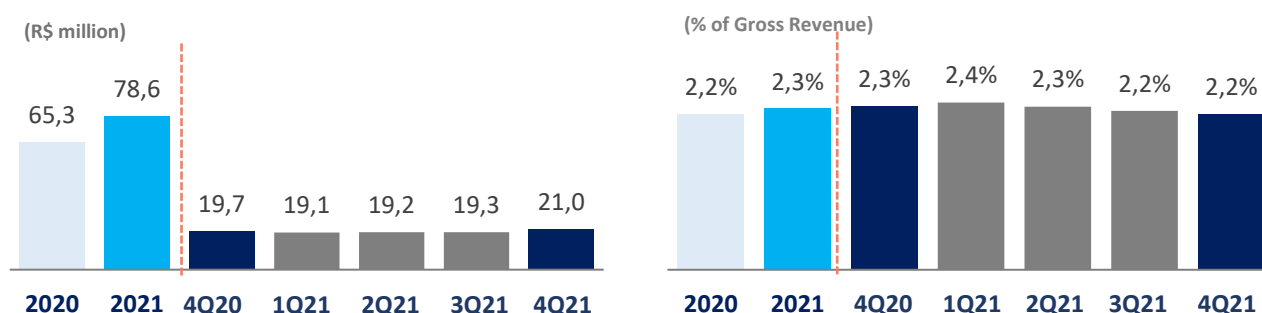
## Selling Expenses

Total Selling Expenses in 4Q21 amounted to BRL 202.9 million, which represented 21.2% of Gross Revenue, an increase of 0.7 p.p. compared to 4Q20, but an important dilution compared to the other quarters of 2021. Selling expenses at this level are directly related to the acceleration of store expansion observed in the last year and to the inflationary effects that impacted, in particular, salaries and rents. It is worth mentioning herein that, in December, we had a few employees on leave due to Covid, and it ended up impacting selling expenses.



## General and Administrative Expenses

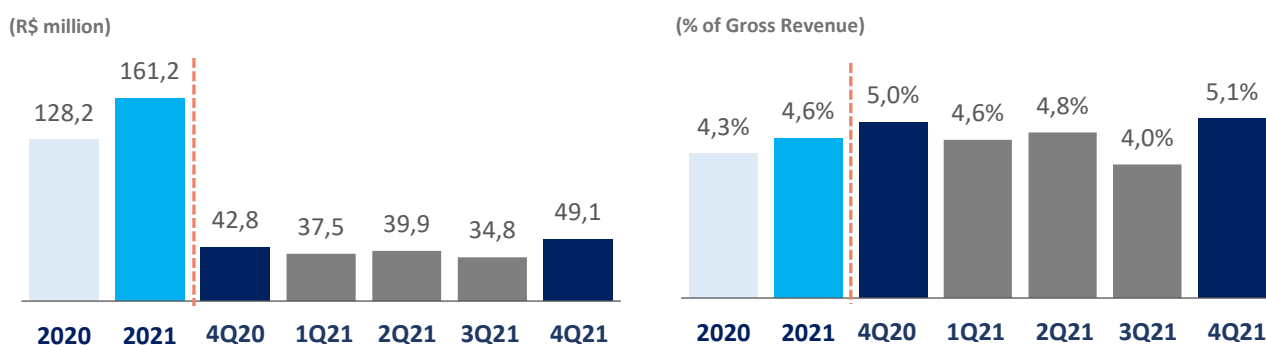
General and Administrative Expenses totaled BRL 21.0 million in 4Q21, representing 2.2% of Gross Revenue and a reduction of 0.1 p.p. over the same period in the previous year. This result reinforces the Company's commitment to cost-control and the constant search for greater operational efficiency, even in a scenario of inflationary pressure.



## EBITDA

In 4Q21, we reached an adjusted EBITDA of BRL 49.1 million, 14.6% higher than the same period in 2020, and with a margin equivalent to 5.1% of Gross Revenue, an increase of 0.1 p.p. in the period. In 2021, we achieved an important growth of 25.7% in our adjusted EBITDA, with a margin expansion of 0.3 p.p. This margin increase makes it possible for the success of the Company's strategy in another year of strong investment in stores, logistics, and technology. And even with the natural short-term pressure brought by the investment plan, we were successful in obtaining important gains in our Gross Margin and in the productivity of our operations.

### Adjusted EBITDA



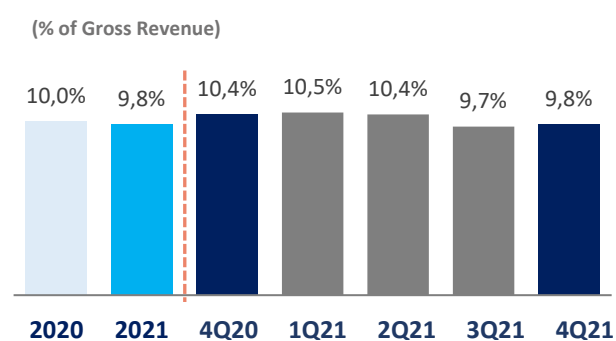
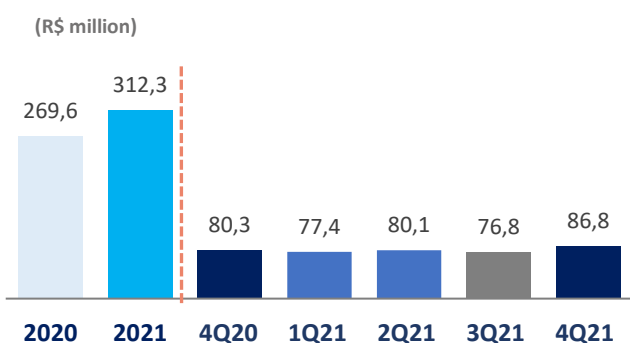
EBITDA Reconciliation	4Q20	4Q21	Var. %	2020	2021	Var. %
(R\$ million)						
Net Profit	24.5	26.0	6.1%	64.0	88.3	38.0%
(+) Income Tax	(6.2)	(3.8)	-	1.1	9.0	-
(+) Financial Result	3.2	(0.6)	-	12.4	(11.0)	-
EBIT	21.5	21.6	0.5%	77.5	86.3	11.3%
(+) Depreciation and amortization	9.0	12.1	-	34.6	45.3	-
EBITDA	30.4	33.7	10.8%	112.1	131.6	17.4%
Interests/Distributions	10.2	13.3	-	10.2	13.3	-
Asset Write-offs	1.2	0.6	-	1.2	2.4	-
Other Adjustments	0.9	1.5	-	2.3	14.1	-
Re-IPO expenses (Follow On)	0.0	0.0	-	2.4	-	-
Adjusted EBITDA	42.8	49.1	14.6%	128.2	161.3	25.7%
Adjusted EBITDA Margin	5.0%	5.1%	0.1 pp	4.3%	4.6%	0.3 pp

## Retail EBITDA

Retail EBITDA represents the income generated by the stores and is calculated using the formula described on the side.

Retail EBITDA in 4Q21 was BRL 86.8 million, equivalent to 9.8% of Gross Revenue. In the year total, Retail EBITDA also reached 9.8%, with a pressure of 0.2 p.p. in the annual comparison. This reduction is aligned with our strategy and is a direct result of the acceleration of physical expansion observed in 2021, with a greater number of stores in the maturation period.

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

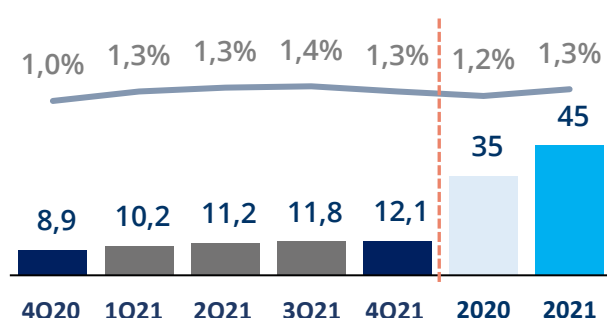


# Depreciation, financial result and IR/CSLL

It should be emphasized in the period the increase in depreciation of 0.3 p.p. as a percentage of Gross Revenue, justified by the increase in the pace of investment in store expansion, logistics, and technology.

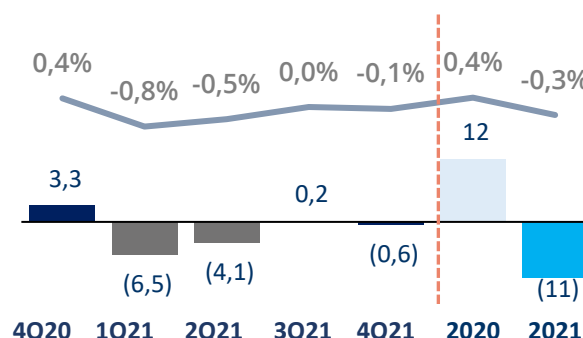
## Depreciation

(R\$ million, % of Gross Revenue)



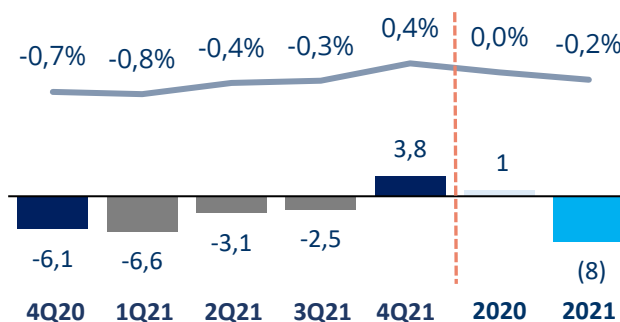
## Net Financial Result

(R\$ million, % of Gross Revenue)



## IR/CSLL

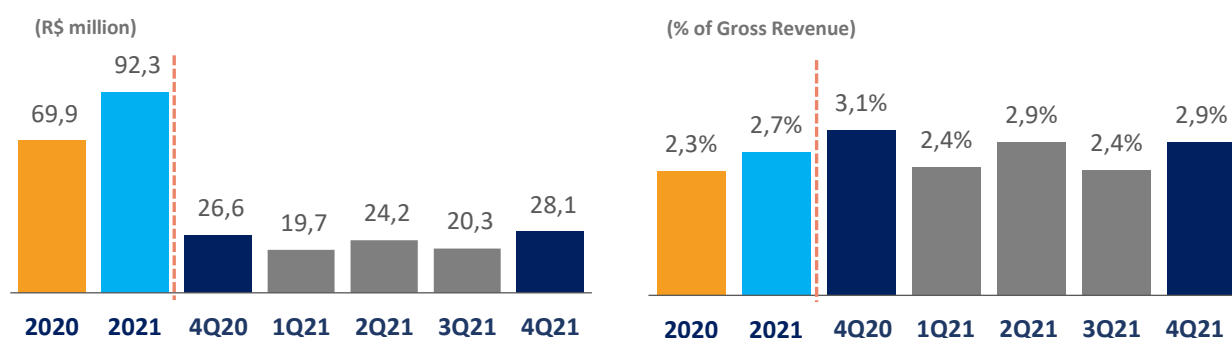
(R\$ million, % of Gross Revenue)



# Net Profit

Adjusted net profit in 4Q21 was BRL 28.1 million, representing a net margin of 2.9% and a growth of 5.7% compared to 4Q20. In 2021, our adjusted net profit reached BRL 92.3 million, with a growth of 32.2% over the previous year and a net margin of 2.7%. This strong growth, as previously mentioned, is a direct result of the success of our deliveries throughout 2021.

## Net Profit

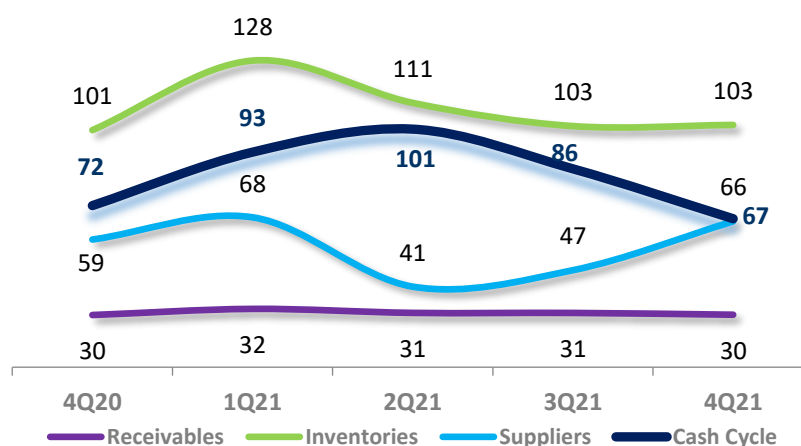


The table below shows the reconciliation of Net Profit and non-recurring expenses in the period.

Net Profit Reconciliation	4Q20	4Q21	Var. %	2020	2021	Var. %
(R\$ million)						
Net Profit	24.5	26.0	6.1%	64.0	88.3	38.0%
Asset Write-offs	1.2	0.6	(50.5%)	1.2	2.4	-
Other Adjustments	0.9	1.5	-	2.3	1.6	-
Re-IPO expenses (Follow On)	0.0	0.0	-	2.4	0.0	-
Adjusted Net Profit	26.6	28.1	5.7%	69.9	92.3	32.2%
Adjusted Net Margin	3.1%	2.9%	-0.2 pp	2.3%	2.7%	0.4 pp

## Cash cycle

The Company decreased its cash cycle by 5 days compared to 4Q20. The inventory level remained stable, after a strong year of investments regarding the purchase of drugs (prices pre-adjustments) and logistics' transition of our Distribution Centers. The suppliers' term increased in a consistent way, increasing by 7 days compared to 4Q20.



## Cash Flow

The Company presented a positive free cash flow of BRL 32.7 million in 4Q21, compared to a negative free cash flow in 4Q20. This result was only possible, mainly, due to the improvement in the cash cycle as previously demonstrated.

Cash Flow (R\$ thousand)	4Q21	4Q20	Var.	2021	2020	Var.
Net profit for the period	25.996	24.409	6,5%	88.783	63.898	38,9%
IRPJ/CSLL	(3.810)	(6.149)	-38,0%	8.426	1.144	636,5%
Financial Results	(553)	3.238	-117,1%	(11.057)	12.454	-188,8%
EBIT	21.633	21.498	0,6%	86.152	77.496	11,2%
Depreciations and Amortizations	12.102	8.931	35,5%	45.373	34.644	31,0%
EBITDA	33.735	30.429	10,9%	131.525	112.140	17,3%
Others	467	(830)	-156,3%	(15.292)	(4.218)	262,5%
Operations Resources	34.202	29.599	15,6%	116.233	107.922	7,7%
Cash Cycle	65.148	(19.853)	-428,2%	(112.891)	(85.937)	31,4%
Other variations in assets and liabilities	(27.496)	9.662	-384,6%	(2.935)	(3.795)	-22,7%
Operating cash Flow	71.854	19.408	270,2%	407	18.190	-97,8%
Investments	(39.169)	(37.359)	4,8%	(135.580)	(84.797)	59,9%
Free Cash Flow	32.685	(17.951)	-282,1%	(135.173)	(66.607)	102,9%
Interest on Equity	3.501	(5.479)	-163,9%	(20.442)	(18.241)	12,1%
Treasury shares	(1.656)	(8.960)	-81,5%	(20.406)	(16.356)	24,8%
Total Cash Flow	34.530	(32.390)	-206,6%	(176.021)	(101.204)	73,9%

## Indebtedness

Dimed's gross debt level at the end of 4Q21 was BRL 136.4 million and, after deducting cash and cash equivalents (BRL 209.7 million), Net Cash ended the period at BRL 73.2 million. We believe that the capital structure is solid and supports the continuity of the Company's expansion plan.

Net Debt	4Q20	1Q21	2Q21	3Q21	4Q21
Short-Term Debt	54.9	55.8	55.2	57.3	56.0
Long-Term Debt	134.8	134.4	107.6	107.3	80.4
Gross Debt	189.7	190.3	162.8	164.6	136.4
(-) Cash, Equivalents, and Financial	436.9	293.9	172.2	205.5	209.7
Net Debt (Net Cash)	(247.2)	(103.7)	(9.3)	(41.0)	(73.2)
Net Debt (Net Cash) / EBITDA	n/a	n/a	n/a	n/a	n/a

## Environmental, Social and Corporate Governance (ESG)

At the beginning of the 2nd half of 2021, we officially launched the [To-dos Bem](#) platform for all stakeholders. There are 4 pillars that guide our environmental, social, and corporate governance actions: Our People, Our House, Our Clients, and Our Partners. Emphasis on the results achieved during 2021:

### Within the NOSSA CASA (OUR HOUSE) pillar

which involves renewable energy, we delivered two photovoltaic plants plus Carport at our principal place of business, in Eldorado do Sul, closing the year with 8,346 MWh/year generated, enough to supply the Company's principal place of business and 195 more stores. Committed to preserving the environment, we recycled 710 tons of paper, wood, metal, and plastic. And with the *Destino Certo* program, we properly disposed of 23 tons of drugs collected in 211 stores.

### Regarding the NOSSA GENTE (OUR PEOPLE) pillar

we emphasize the importance of our Ethics Channel, which answered and resolved 91% of all reports made in the organization. We also have important advances in the field of diversity: today, 72% of our workforce is made up of women. Altogether, 432 hold management positions, which is equivalent to 68% of all manager positions and above. At the same time, 19% of management positions are held by people who declare themselves to be black and/or brown.

As for leadership development, which is essential to meet the demand for accelerated store expansion, we trained 141 managers in 2021 through our Leadership Development Program. Of these, 108 have already been promoted. We value the development of our employees and provide many career opportunities.



## Regarding NOSSOS CLIENTES (OUR CLIENTS)

we reached an NPS of 80 points in December, demonstrating satisfaction and admiration for our brand.

### 2021-2026 Goals

We have set 30 clear ESG goals to be achieved by 2026. All the goals set for 2021 were 100% delivered and we take the opportunity to emphasize herein the ones we must meet in 2022:

- Nossa CASA (Our HOUSE) – supplying 70% of our street stores opened in the previous year with renewable energy and 100% of the distribution center in Eldorado do Sul; moreover, use LED lighting in 100% of store installations by the end of 2022.
- Nossos CLIENTES (Our CLIENTS) – Considering as advertising funds campaigns that encourage health and sustainability; in 100% of the Panvel brand campaigns, consider the diversity of people in their plurality, reflecting the diversity of the company.
- Nossa GENTE (Our People) – Restructuring the Troco Amigo program; invest 1% of net profit in community health projects from 2022; create Affinity Groups (racial/ethnic, LGBTQIA+, PWD, gender equality, generational) to define policies and initiatives that make the group even more diverse and inclusive.

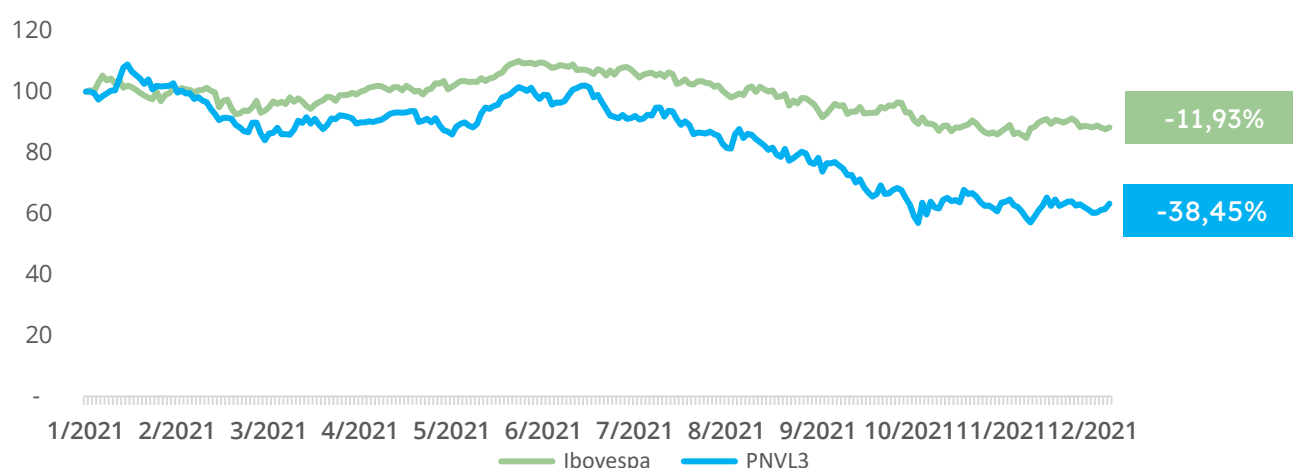
We shall also carry out our first report on social and environmental activities, giving even more visibility and transparency to our social, environmental, economic, financial, and governance performance.

## Capital Market

The year 2021 allowed the Company to advance in several commitments made since its follow-on, in July 2020. The resources obtained by the Company allowed the acceleration of projects, with investment in the expansion of its drugstore chain and the improvement of its digital and logistics systems.

In 2021, the Company advanced in its commitment to shareholders to raise its Corporate Governance standard to the highest level at B3. The migration process to the Novo Mercado was completed and shares began to be traded at this level in September/20. We also had the election of Mrs. Clarice Martins Costa as the Company's first Female Director, reinforcing our commitment to diversity.

Currently, the Company is part of the following B3 indexes: IBRA (Broad Brazil Index), ICON (Consumer Index), IGCT (Trade Corporate Governance Index), IGCX (Stocks Index with Differentiated Corporate Governance), IGM (Corporate Governance Index - Novo Mercado), ITAG (Stock Index with Differentiated Tag Along), and SMLL (Small Cap Index).



## Shareholder' Compensation

Earnings	Event	Resolution	Base date	Payment	Amount (BRL thousand)	Amount per common share
JCP - Single Installment	RCA	8/6/2021	8/20/2021	8/31/2021	6,000	0.039899591
JCP - 1st Installment	RCA	8/17/2021	12/27/2021	3/31/2022	6,666	0.044884818
JCP - 2nd Installment	RCA	8/17/2021	12/27/2021	4/29/2022	6,667	0.044884818
JCP - 3rd Installment	RCA	8/17/2021	12/27/2021	5/31/2022	6,667	0.044884818
Total					26,000	0.174554045

Based on the results obtained in 2021, the Company decided to pay interest on equity of BRL 26.0 million, as indicated in the table.

# IFRS 16: impacts

The standard introduced by IFRS 16/CPC 06 (R2) establishes new procedures regarding the accounting method for a few rental agreements. For those who fit the new standard, accounting records are made to recognize the amounts in the Company's Assets (rights to use) and Liabilities (future commitments), resulting in a change in accounting records between rent, depreciation, and interest expenses.

To maintain historical comparability, figures herein are presented using the old methodology (IAS 17). Data and financial statements under IFRS 16 are available on the Company's and CVM's websites.

4Q21			
Statement of Profit and Loss	IAS 17	Reclassification	IFRS 16
(BRL million)			
Gross Revenue	893.830	-	893.830
Gross Profit	272.977	-	272.977
% GI	30,5%	0,0%	30,5%
Sales Expenses	(202.859)	34.485	(168.374)
Administrative Expenses	(21.004)	-	(21.004)
Total Expenses	(223.863)	34.485	(189.378)
% GI	25,0%	-3,9%	21,2%
Adjusted EBITDA	49.115	30.254	79.369
% GI	5,5%	3,4%	8,9%
Depreciation and amortization	(12.102)	(30.192)	(42.294)
Part. Adm/PLR	(13.943)	-	(13.943)
Other adjustments	(1.439)	-	(1.439)
Financial Results	554	(8.534)	(7.980)
IRPJ/CSLL	3.810	1.442	5.252
Net Profit	25.996	(2.799)	23.197
% GI	2,9%	-0,3%	2,6%

4Q21			
Balance Sheet	IAS 17	Reclassification	IFRS 16
(BRL million)			
Assets	1.850.520	532.540	2.383.060
Non-Current Assets	455.436	532.540	987.976
Deferred Assets	25.537	11.309	36.846
Fixed Assets	354.875	521.231	876.106
Liabilities and Shareholders' Equity	1.850.520	532.539	2.383.059
Current Liabilities	695.212	133.151	828.363
Leases	1.454	133.151	134.605
Non-Current Liabilities	100.551	421.340	521.891
Leases	3.164	421.340	424.504
Shareholders' Equity	1.054.757	(21.952)	1.032.805
Retained Profits	75.434	(21.952)	53.482

# Balance

Former Standard (IAS 17)			
ASSETS	4Q20	4Q21	Var. %
(in thousands)			
Current Assets	1.376.502	1.395.084	1,3%
Cash and cash equivalents	130.107	54.435	-58,2%
Financial Investments	305.701	155.216	-49,2%
Clients	285.753	324.615	13,6%
Inventory	574.821	739.036	28,6%
Recoverable income tax and social security contribution	4.396	11.693	166,0%
Recoverable taxes	9.912	35.248	255,6%
Derivative Instruments	65.812	74.841	13,7%
Non-Current Assets	367.552	453.436	23,4%
Deferred taxes	25.132	25.537	1,6%
Recoverable taxes	5.858	7.895	34,8%
Court deposits	6.424	3.875	-39,7%
Credits with related parties	3.030	3.030	0,0%
Other assets	891	275	-69,1%
Investments	284	5	-98,2%
Fixed Assets	280.065	352.875	26,0%
Intangible Assets	45.868	59.944	30,7%
Total Assets	1.744.054	1.848.520	6,0%

Former Standard (IAS 17)			
LIABILITIES	4Q20	4Q21	Var. %
(in thousands)			
Current Liabilities	571.175	695.212	21,7%
Suppliers	371.763	464.714	25,0%
Loans and financing	53.400	54.532	2,1%
Lease - IFRS 16	1.453	1.453	0,0%
Salaries and social charges	39.481	51.167	29,6%
Interests payable	7.121	12.211	71,5%
Taxes, fees, and contributions	29.900	30.801	3,0%
Dividends and interest on equity	2.305	19.090	728,2%
Other accounts payable	63.490	59.520	-6,3%
Other Provisions	2.262	1.724	-23,8%
Non-Current Liabilities	149.242	98.551	-34,0%
Loans and financing	132.143	79.286	-40,0%
Lease - IFRS 16	2.680	1.164	-56,6%
Liabilities with related parties	-	-	100,0%
Civil, labor, and social security tax provisions	14.419	18.101	25,5%
Shareholders' Equity	1.023.637	1.054.757	3,0%
Share capital	912.000	918.000	0,7%
Capital transactions with members	(14.448)	(14.448)	0,0%
Profit reserve	56.937	75.771	33,1%
Retained Profits	69.148	75.434	9,1%
Total Liabilities and Shareholder's Equity	1.744.054	1.848.520	6,0%

# Statement of Profit and Loss

Former Standard (IAS 17)						
P&L	4Q20	4Q21	Var. %	2020	2021	Var. %
(in thousands)						
Gross revenue	853.152	959.919	12,5%	2.987.128	3.466.681	16,1%
Taxes and returns	(49.617)	(77.673)	56,5%	(168.018)	(252.858)	50,5%
Fidelity	-	-	-	-	-	-
Net revenue	803.535	893.830	11,2%	2.819.110	3.225.408	14,4%
Cost of goods sold	(567.548)	(620.853)	9,4%	(1.995.415)	(2.236.809)	12,1%
Gross profit	235.987	272.977	15,7%	823.695	988.599	20,0%
Expenses	(214.489)	(251.346)	17,2%	(746.199)	(902.448)	20,9%
With sales	(190.490)	(232.613)	22,1%	(676.031)	(841.819)	24,5%
General and administrative	(23.551)	(26.598)	12,9%	(74.100)	(95.179)	28,4%
Other operating revenue	(448)	7.865	-	3.932	34.550	778,7%
Financial results	(3.252)	554	-117,0%	(12.454)	11.058	-
Financial expenses	(8.094)	(5.393)	-33,4%	(30.636)	(14.560)	-52,5%
Financial revenue	4.842	5.947	22,8%	18.182	25.618	40,9%
Profit before IR (income tax), social	18.246	22.186	21,6%	65.042	97.209	49,5%
Income tax and social contribution	6.163	3.810	-38,2%	(1.144)	(8.426)	636,5%
Net profit for the fiscal year	24.409	25.996	6,5%	63.898	88.783	38,9%

## Disclaimer

Statements contained in this document related to business perspectives, projections on operating and financial results, and those related to growth perspectives of DIMED are merely projections and, as such, are based exclusively on Management's expectations about the future of the business. Those expectations depend materially on market conditions, legislation, the performance of the Brazilian economy, the segment, and international markets and, therefore, are subject to change without notice.

grupo panvel



Earnings Call  
March 25<sup>th</sup>, 2022 – Friday  
 10:00 AM (EDT) / 11:00 AM (Brazil Time)  
 The call will be held in Portuguese  
 with simultaneous translation into English  
[Link Webcast](#)