

grupo panvel

2022/4Q22 Earnings Release

Results Call

March 24, 2023 – Friday

11:00 a.m. (Brasilia time) / 10:00 a.m. (EDT)

The call shall be held in Portuguese with simultaneous interpreting to English.

Link: [Click here](#)

Eldorado do Sul, RS, March 23, 2023

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 2022 (4Q22). The Company's financial statements are prepared in Brazilian reais (BRL), pursuant to the Brazilian corporate law and international financial reporting standards (IFRS). The 4Q22 result comparisons are based on the 4Q21, unless stated otherwise. For comparative purposes, figures in this report are indicated pursuant to IAS 17/CPC 06. Mentioned financial values refer to amounts in Brazilian reais (BRL).



Investor Relations

Antônio Carlos Tocchetto Napp
Financial and IR Officer

Ismael Rohrig
IR Coordinator

Pedro Bernardes
IR Assistant

Pedro Gazzana
IR Trainee

Phone: 51 3481-9588 / Email: reinvest@grupopanvel.com.br / Website: <https://ri.grupopanvel.com.br/>

Disclaimer: Statements contained in this document related to business perspectives, projections on operating and financial results, and those related to growth perspectives of the Panvel Group are merely projections and, as such, are based exclusively on the 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, they are subject to change without notice.

Results

2022

Group's Gross Revenue BRL 4,280M (+23.5%)	Retail Gross Revenue BRL 3,908M (+23.1%)
Group's Gross Margin 29.0% (+0.5 p.p.)	Retail Gross Margin 30.4% (+0.4 p.p.)
Adjusted EBITDA BRL 202.8M (+25.7%) 4.7% Margin	Digital (% of Retail sales) 15.8% (22.8% vs 2021)

4Q22

Group's Gross Revenue BRL 1,165M (+21.4%)	Retail Gross Revenue BRL 1,070M (+21.1%)
Group's Gross Margin 28.9% (+0.5 p.p.)	Retail Gross Margin 30.0% (+0.3 p.p.)
Adjusted EBITDA BRL 58.6M (+19.4%) 5.0% Margin	Customer Base 15.8 Million Customers 26.4% (vs 2021)

Description	4Q21	1Q22	2Q22	3Q22	4Q22	2021	2022
No. of Stores	517	527	538	548	556	517	556
No. of employees	8,646	8,550	9,026	9,414	9,300	8,646	9,300
In thousands of							
TT Gross Revenue	959,918	969,334	1,057,661	1,087,775	1,165,011	3,466,681	4,279,781
TT Gross Margin	272,976	275,474	315,342	315,143	336,580	988,599	1,242,539
% of Gross Revenue	28.4%	28.4%	29.8%	29.0%	28.9%	28.5%	29.0%
Gross Retail Revenue	883,890	877,411	965,395	995,322	1,070,306	3,174,359	3,908,434
Gross Retail Margin	262,214	261,504	300,664	303,502	321,089	950,994	1,186,759
% of Gross Retail Revenue	29.7%	29.8%	31.1%	30.5%	30.0%	30.0%	30.4%
Adjusted EBITDA TT	49,041	39,664	56,098	48,458	58,647	161,265	202,757
% of Gross Revenue	5.1%	4.1%	5.3%	4.5%	5.0%	4.6%	4.7%
Adjusted Net Income TT	28,126	25,625	27,986	23,610	24,294	92,343	101,435
% of Gross Revenue	2.9%	2.6%	2.6%	2.2%	2.1%	2.7%	2.4%

A message from the management

The year 2022 was a period of intensive work by the Company, which resulted in a number of achievements and set new records for the Group.

Grupo Panvel makes record investment in the period, totaling more than R\$ 313 million in the last two years.

We close another full year of a new growth cycle, which started after our follow-on in July 2020. This was the period with the highest volume of investments in the Company's history, totaling BRL 180.7 million in 2022 alone, totaling BRL 313.2 million in the last two years. These investments, focused on store operations, logistics and technology, were directly responsible for delivering key pillars of our long-term strategy:

- a) Opening 60 new stores in the year and 120 new stores in the last two years: For the second consecutive year, we maintained a record number of Panvel store openings. There were 60 more stores, representing a growth of around 12% over the existing base. This figure reinforces the consistency achieved by our expansion process. Furthermore, the maturation of these stores continues at an accelerated pace, as can be seen from the growth in sales and margin gains;
- b) Logistics: at the end of 2022, we finalized another investment in the expansion of the Eldorado do Sul/RS Distribution Center. This investment doubles our storage capacity in the region and, together with the investment made in the São José dos Pinhais DC in previous years, will give us strength and scale gains to support the expansion project until 2025.
- c) Technology: We continue to invest in our digital capabilities, increasingly improving the experience of our remote sales channels (focus on customer experience and the quality of our last mile delivery, in addition to the launch of our Marketplace and product long tail initiatives). In addition, we continue to make rapid progress in bringing our customers online. That is why Panvel continues to be the pharmaceutical retail benchmark when it comes to Digital, maintaining the highest sales penetration of online channels in the industry and the quickest last mile delivery in Brazil.

Group sales grow 23.5% and reach R\$ 4.3 Billion in 2022.

The achievements of 2022 are not only about investments made. Throughout the year, we delivered consistent and growing results in all our strategic pillars. The Group's Gross Revenue exceeded the four billion reais mark, having reached BRL 4.3 billion for the year, a record growth of 23.5% in the period. This growth was driven by Panvel, whose sales grew 23.1% in the period (21.1% in 4Q22), accompanied by an excellent performance of SSS (19.7% in the year) and MSSS (12.8% in the year). Robust sales growth had two important consequences:

- a) Consecutive gains in market share in all states in the South Region: In 4Q22, we reached a market share of 12.2% in the South Region, an increase of 0.4 pp over the same period for 2021.
- b) Achieving the highest level of average sales per store in our history: BRL 642 thousand/month.

This excellent sales performance was constructed on several fronts. At Panvel Clinic, even with reduced demand related to Covid-19 (mainly tests), we reached a 2.3% share of services over sales in 2022, and once again the Company consolidated itself as the leader in the South region in the provision of services in pharmacies and retail pharmacy benchmark in terms of participation. We ended the year with 336 stores with Clinic and 86 Vaccination rooms;

On Digital, as already mentioned, Panvel maintained a high share of the chain's total sales (15.8% in the year) and increasingly improved its last mile delivery capacity. Throughout 2022, more than 2.9 million deliveries were made, with more than 40% of this volume being delivered within 60 minutes, reinforcing Panvel's last mile delivery as the fastest in pharmaceutical retail. Thus, with numerous projects focused on user experience and operational efficiency, Panvel continues to be the retail pharmacy benchmark when it comes to e-commerce;

Panvel customer base grows 26.4% in the year and represents 52% of the population of the Southern

And, of course, we have to mention the strong growth in the customer base in 2022. We ended the fiscal year with 15.8 million customers in our base, which represents a 26.4% growth in the year, which, together with our CRM tools, enabled us to bring a higher level of loyalty and recurrence, through initiatives such as the creation of PBM Panvel and other projects focused on

monitoring customers who use medication for chronic diseases and continuous use;

All sales growth was accompanied by the expansion of margins. The good investment in inventory before the annual readjustment of medicine prices, combined with product mix management, an efficient commercial policy, and the implementation of strategic projects focused on medicines, allowed Panvel Retail to reach a Gross Margin of 30.4% in the year, a growth of 0.4 p.p. in relation to the previous year. This performance in the Gross Margin, jointly with the performance in sales, offset the effects of the inflation in our selling expenses, especially in Personnel and Rent, remaining only the natural pressure on expenses related to the pace of expansion.

Within this context of pressure on short-term expenses due to the pace of expansion, it is very important to highlight that the Adjusted EBITDA Margin grew by 25.7% in the year, reaching the level of BRL 202.8 million, equivalent to 4.7 % on Gross Revenue (5.0% in 4Q22). Adjusted Net Income reached BRL 101.4 million, representing 2.1% of Gross Revenue, with a growth of 9.8%.

EBITDA grows 25.7% in 2022, reaching R\$ 202,8 Million, even with accelerated expansion.

Panvel maintains low leverage, staying below 0.4x EBITDA.

The quality of cash management is also worth mentioning. We grow sales in an accelerated way, we open stores, we invest in logistics and technology in a sustainable way. As a result, we closed 2022 with low debt and leverage, less than 0.4 x EBITDA. This comfortable cash situation gives us the breath to continue growing even with a more challenging economic scenario.

It should be reminded that such growth in sales was also followed by an improvement in our customer service indicators, whose main KPI is the NPS (Net Promoter Score). This indicator remained at a record level of 80 points in 2022, one of the highest in the industry. This is the best possible translation of our purpose of "Providing Health and Well-being", with the customer always at the core of our decisions.

In addition to all these robust and consistent numbers, throughout 2022 we had the chance to evolve considerably in the ESG journey. After the launch of the Todos Bem platform in 2021, important steps were taken in this pillar, such as conducting our first Greenhouse Gas Inventory, starting to prepare the Company's first Sustainability Report (to be published in 2023), restructuring the Troco Amigo program, among other initiatives. We closed the year 2022 with significant advances in the goals set within the program, which are available at <https://www.grupopanvel.com.br/todosbem/>.

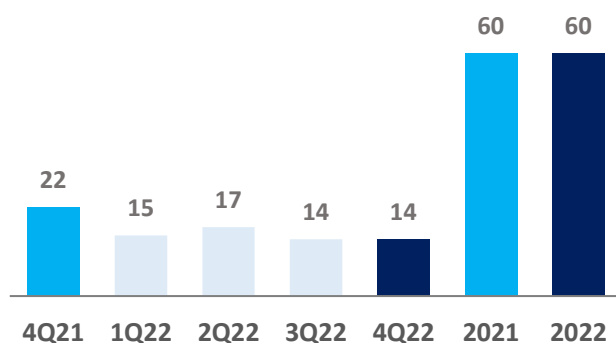
All these important deliveries reinforce our consistency and confidence for the coming years. We will continue investing and innovating in our business and will reap the rewards of past projects and investments. We are fully aware that, to achieve our long-term goals, we still have a lot of work ahead of us, but we continue to deliver on all the commitments made in our follow on. Finally, it is worth pointing out that all of this was only possible and will continue to be built through our people. With this, we would like to thank all the stakeholders that are part of our Group and that contribute to making each quarter an overachieving quarter.

Store portfolio

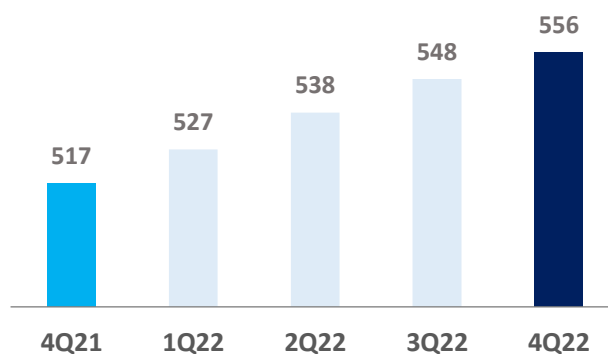
In the 4Q22, the company opened 14 stores, of which 4 were in Rio Grande do Sul, 6 in Santa Catarina, 3 in Paraná, and 1 in São Paulo. At the end of 2022, 60 new stores were opened, 34 in Rio Grande do Sul, 10 in Santa Catarina, 15 in Paraná and 1 in São Paulo, reaching the mark of 556 stores in operation. These numbers represent the consistency and capacity to execute this pace of expansion, in line with the strategy of densification in the South Region, mainly outside the Capitals, plus the increase in the service capacity of the online channels.

In the 4Q22, the Company transferred 3 (mature) branches to points with greater sales potential. More 3 (mature) branches were closed because they no longer met the profile, sales potential, and profitability determined by the Company's operating standards, considering indicators such as location, parking spaces, and square footage. Throughout the year, the Company transferred 12 (mature) branches and another 9 (mature) branches were closed. We remind you that the closing of branches not aligned with the Company's strategy is a tool for optimizing the use of our assets, freeing up resources and increasing the rates of return on our investments.

Opening of Stores

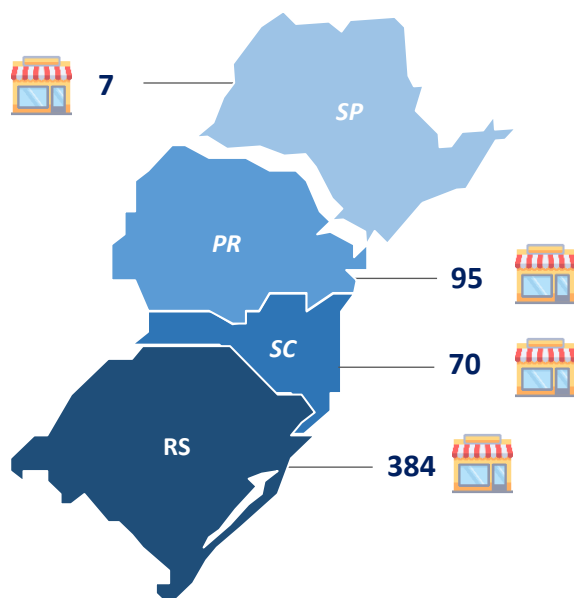


Number of Stores

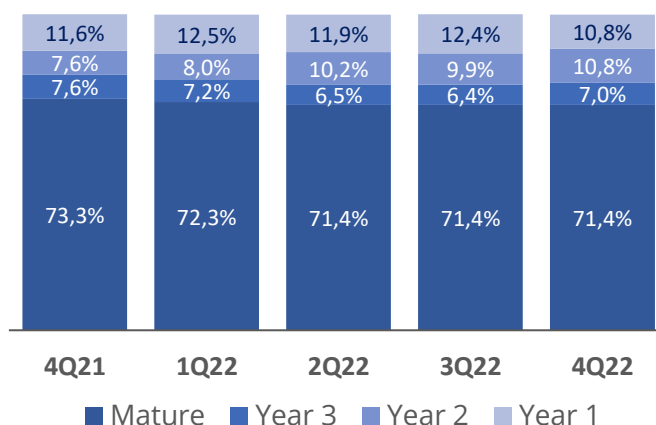


	4Q21	1Q22	2Q22	3Q22	4Q22	2021	2022
Open Stores	22	15	17	14	14	60	60
Transfers/Closed	(5)	(5)	(6)	(4)	(6)	(16)	(21)

At the end of the period, the Company had 71.4% of mature stores and 28.6% in the process of maturation, the highest percentage of stores undergoing maturation in the Company's history.



Store Portfolio by Maturity



Market share

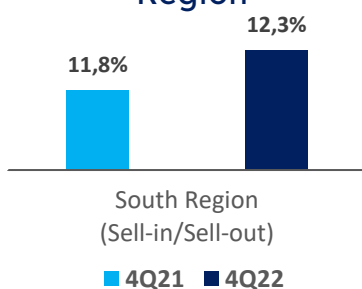
Throughout 2022, the Company continued to show consecutive gains in market share, in all states in the South Region, including Rio Grande do Sul, where Panvel already has a more mature store network. These market share gains are the result of an assertive expansion strategy and the quality of operations at existing stores.

In 4Q22, Panvel reached a market share of 12.2% in the South Region, an evolution of 0.4 p.p. over the same period of the previous year, with emphasis on the State of Paraná, where there was a gain of 0.9 p.p. The Company still sees many opportunities for the Southern Region, especially in the interior of the three States that comprise it. These opportunities will continue to be explored over the coming years.

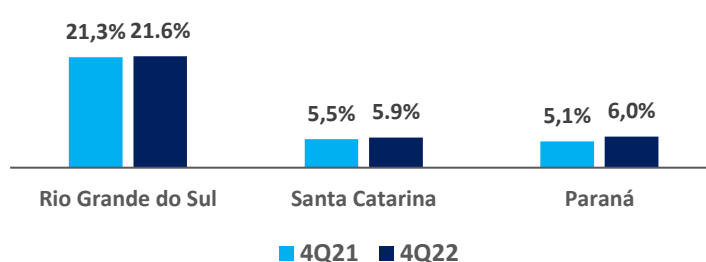
Another important highlight in the quarter is the market share gain in all medicines categories, aligned with the outlined strategy of monitoring the journey of patients with chronic diseases and continuous use, in addition to the increased participation of generics.

Market Share gain in all states, including RS, with gains of 0.5 p.p. in the South Region.

Market Share - Southern Region

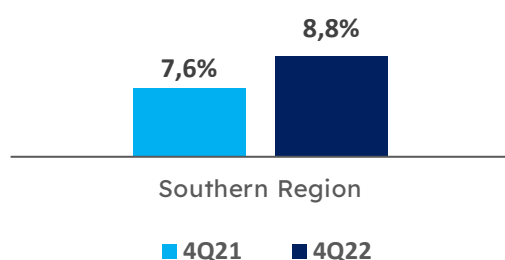


Market Share by State



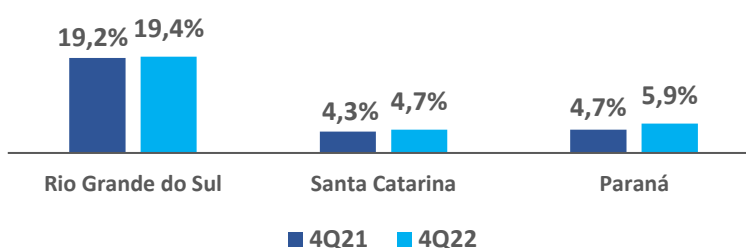
Source: IQVIA – *Sell-in / sell-out concept = distributors sales plus retail sales

Market Share - Generics



Market Share - Drugs

* IQVIA Total Drug Data RX



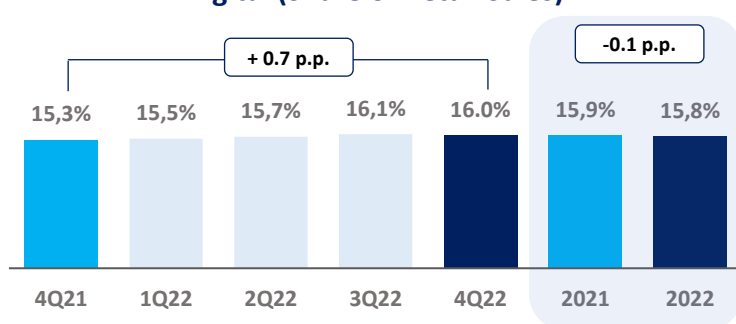
E-commerce and digital initiatives

In another quarter with a strong performance in the Digital, we maintained our position as a benchmark in Brazilian pharmaceutical retail, with the highest share of digital sales channels, and a competitive advantage as a result of the fluid and full Omni experience, provided in all our off-site sales channels (App, Site, Marketplaces, Alô Panvel). This share does not include sales attributed to Social Commerce tools, such as WhatsApp.

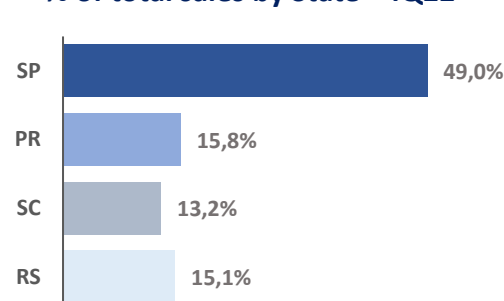
Even with a strong comparison base, Digital sales grew 26.2% in the 4Q22 and 22.8% in the 2022 x 2021 comparison, demonstrating the quality of our business model and our last-mile delivery structure. In this regard, Panvel also stands out as having the fastest last-mile delivery in Brazilian pharmacy retail. Investments in such a structure translate into solid and consistent indicators.

Digital sales grow 22.8% in 2022 and keep Panvel as an benchmark in the sector.

Digital (Share of Retail Sales)



% of total sales by State - 4Q22



Digital Highlights

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

4Q22 Delivery Structure: 132 hybrid stores + 9 Mini DCs (dark stores)

4Q22 Number of Deliveries: 895 thousand (55.2% growth vs 4Q21, and an average of 298 thousand deliveries/month)

Service Level: 97% of on-time deliveries (4Q22)

Digital maintains a high share in Panvel's sales, reaching 16.0% share in the 4Q22, a share well above the market average, with a 26.2% growth vs. 4Q21.

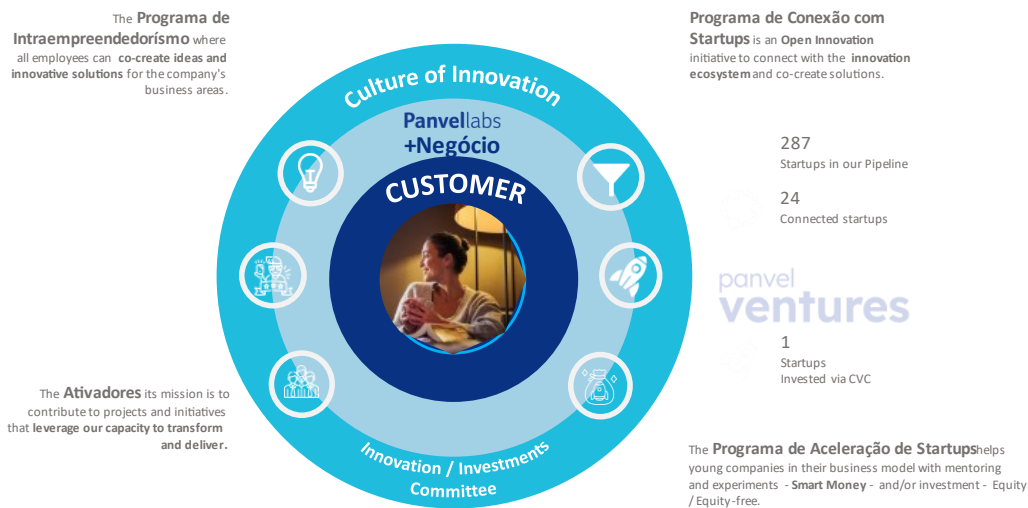
Aligned with our strategy for each of the locations where we are present, we had another quarter of balance in Digital's share among the states in the Southern Region. Regarding the City of São Paulo, Panvel follows its strategy for the region, which aims to provide the best online experience, with the fastest delivery in pharmaceutical retail in Brazil without giving up profitability.

In a year of strong growth in Panvel's sales and a resumption in the flow of customers in physical stores, with Digital maintaining its high average share and even gaining share in Retail sales throughout the year. Furthermore, it is important to point out that this growth does not negatively affect the Company's margins, as it works as a lever to increase productivity in the stores.

Throughout 2022 we completed several projects that were fundamental in maintaining our position as an sector benchmark.

- Marketplace: launch of Panvel Infinita that currently has 14 sellers and 7 thousand SKU's, and will continue to grow in 2023;
- Order Tracking: functionality embedded in all digital channels;
- End-to-end redesign of our Site and App: we continuously carry out projects to improve and reduce friction in the journey of our customers;
- Customization: implementation of digital showcases with the use of machine learning;
- Order Split: Split order split functionality linked and making available in real time the stocks of all our stores, CDs and Mini Cds, as a tool to complement the mix and basket of our customers;
- Microservices: migration of all platforms to microservices, allowing scalability and greater productivity;

Innovation Ecosystem



Technology and Innovation have always been part of the growth and construction of the business in the Grupo Panvel. In this quarter we can realize once again the differential of our technological platform, Omnipharma, because even with an acceleration of physical sales, we were able to maintain traction in online sales. This only reinforces our commitment to having a truly omnichannel operation, and that is highlighted throughout retail pharma, where the customer can have a very good experience and level of service regardless of the channel they are using.

It is worth remembering that innovation occurs not only internally, but also through the connection with numerous startups. This began with the creation of Panvellabs, which is already on its way to the 4th year of life. In addition, in 2021, we started our Programa de Aceleração de Startups, focusing on companies aligned with three pillars: solutions for health and wellness, for consumer experience and for operational intelligence. Throughout 2022 we made several advances in our Innovation Ecosystem, having ended the year with 287 startups in the Pipeline, 24 of which are already connected and collaborating for process improvements, efficiency, and friction reduction in the journey of our customers and even in support / backoffice activities.

Also in 2022, after the success of our strategies to connect with this ecosystem, we understood that it was time to take another step in the innovation ecosystem and launched Panvel Ventures, our Corporate Venture Capital (CVC) structure with the objective of making investments in startups aligned with our core business and that allow us to accelerate our innovation strategy. Panvel Ventures' first foray is Lincon –

which means "life in control", healthtech that promotes humanized digital therapy, controlled, then, by its own multidisciplinary team formed by doctors, nurses, nutritionists, physical educators and psychologists.

Health Ecosystem

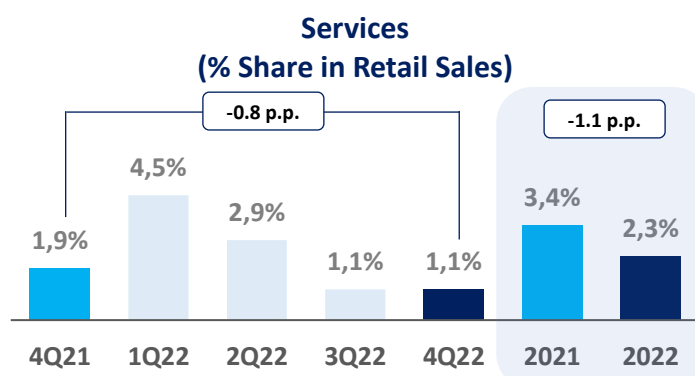
Panvel is a reference in health services in the South Region of the country, a fact reflected in the high market share in services such as tests, vaccines, and other services that are part of our portfolio. Customers increasingly identify Panvel stores as a place to deal with and solve the most diverse issues related to health.

Panvel Clinic

Panvel Clinic 336 stores (+31 rooms vs 4Q21)	Vaccination Rooms 86 (+12 rooms vs 4Q21)	Services Provided: over 146 thousand (4Q22)
---	---	--

With a robust structure and expertise in the provision of services, combined with the quality of service, Panvel maintained its benchmark role in the sector, with a **54.3% market share for vaccination in the Southern Region in the 4Q22**, as per IQVIA.

In line with the Company's expectations, throughout 4Q22 services maintained a reduced share of Retail sales, with 1.1% penetration. This drop in share was offset by the growth in other categories within our sales mix, especially drugs (brand and generic drugs).



Panvel Saúde Empresarial

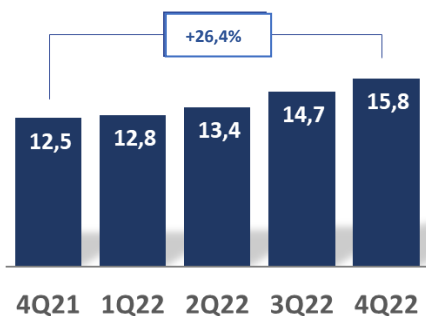
Panvel Saúde Empresarial offers a benefits program to employees of associated companies and to the companies themselves. For Health Insurance Providers, Self-Management, and Group Medicines, we offer the management and monitoring of their beneficiaries, the supply of special drugs and all products necessary to improve the quality of life of that population. In this context, the Specialty Medicine category showed a strong evolution of 44.1% in 2022, a growth that took place over a strong basis for comparison.

Such improvement reflects the commitment and strength of our partnerships, which follow quality criteria in the products and health services offered in the B2B2C model, combined with a unique business model.

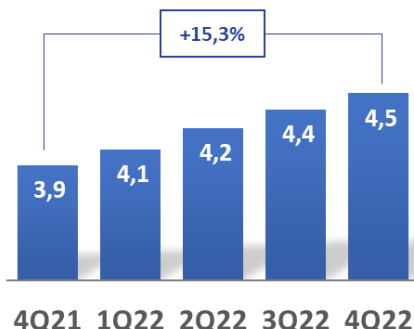
Our health insurance plans currently total about 6.4 million lives under management. Throughout the quarter we maintained a strong pace of growth in the customer base and health insurance plans, through partnerships that represent one of Panvel's main strengths in the South Region.

CRM

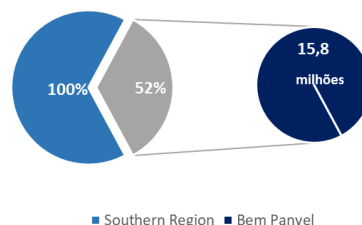
**Bem Panvel Customers Evolution
(in millions)**



**Active Customers
Evolution (in millions)**



**Bem Panvel – Population in the
Southern Regions
(IBGE 2021)**



The unified base of the Bem Panvel Program showed annual growth of 26.4% (+ 3 million new customers), ending 4Q22 with 15.8 million customers in its base. Currently, Panvel's customer base represents 52% of the population in the Southern Region of the country (IBGE data, 2021), as provided in the graph above. Also, in this last quarter, we saw our active customer base grow 15.3% compared to the previous year. Our sales were leveraged in the last year both by growth in the number of customers and by the increased attendance of these customers in stores.

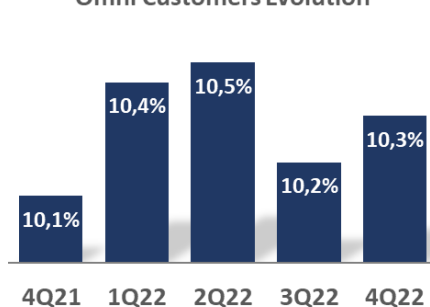
Customer Base grows with evolution in customers and assets and increased loyalty.

To support the company's Omni strategy, we work on actions to encourage customers to go online, such as, for example, activating coupons in the App for use in stores. In 4Q22, the share of Omni customers (customers who buy through more than one of our channels) grew by 0.2 p.p. compared to the previous year.

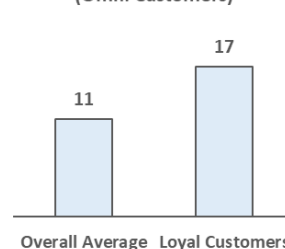
We are providing our agents with new personalization tools to expand sales and build customer loyalty, such as reminders to repurchase medicines in physical stores, warnings about items in the basket on online channels (abandoned basket) and other CRM rules, expanding the penetration and reach of these initiatives to all our sales channels.

Customer Digitalization

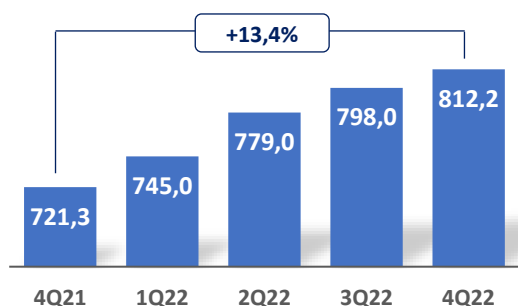
Omni Customers Evolution



**Semester attendance
(Omni Customers)**



Field Customers Evolution



In line with our online and loyalty strategy, the number of loyal customers at Panvel grew by 13.4% in 4Q22 compared to 4Q21, robust growth that converges with our mission of providing an increasingly complete and personalized experience for Panvel customers. It is also important to highlight that a "loyal customer" has a frequency 3 times higher than a normal customer.

Service quality

Panvel continues to offer its customers 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:



80

NPS – Panvel



80

NPS - Store



82

NPS - App



83

NPS - Website



71

NPS – Alô Panvel



4.7

App.



4.8

Play



8.6

Reclame Aqui

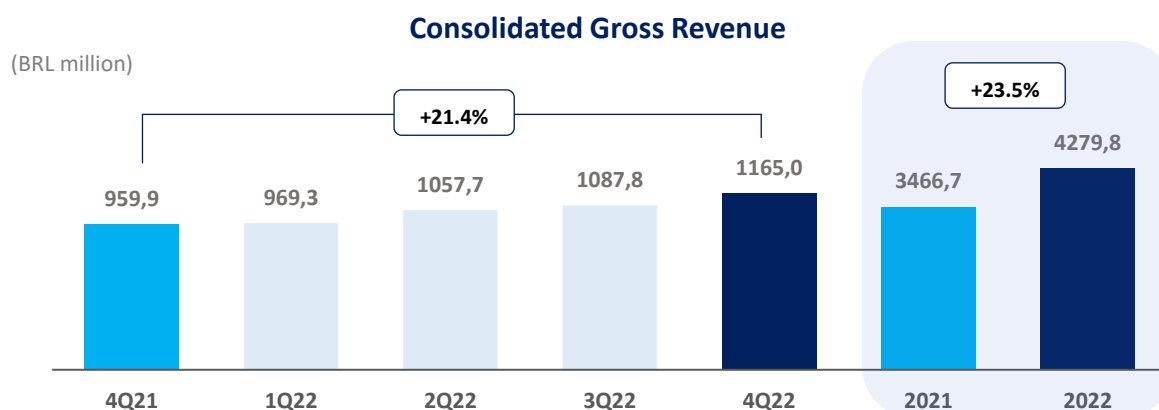


Panvel's NPS remained high in 4Q22, reaching 80 points. Panvel is the only Brazilian pharmaceutical retail chain that combines high penetration of digital channels with the fastest delivery of products in the country. No wonder that, in 2022, we were recognized by IBEVAR as the most admired pharmacy in Brazil.

Gross revenue

The consolidated gross revenue (which includes sales from retail, wholesale, and other business units of the Company), in 4Q22, was BRL 1,165.0 million, which represents a 21.4% increase compared to the 4Q21. Thus, we ended 2022 with a growth of 23.5% compared to the previous year, reaching a total gross revenue of BRL 4,279.8 million.

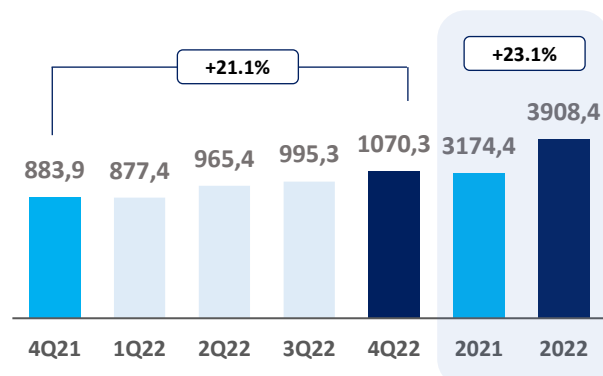
The strong sales growth in the period reinforces the quality of the execution of our expansion strategy and of all our strategic pillars.



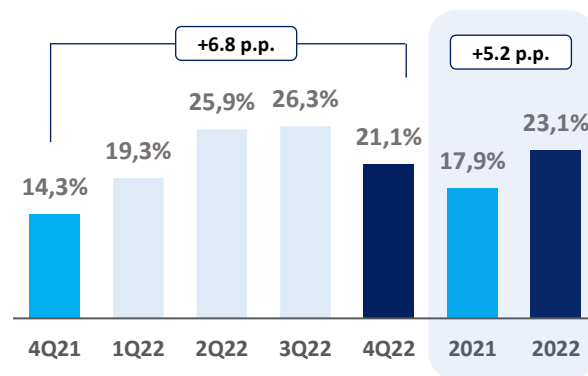
Retail

Gross Revenue - Retail

(BRL million)



Sales Growth - Retail



In the 4Q22, gross retail revenue was BRL 1,070.3 million, a growth of 21.1% over the same period of the previous year. For the first time, Retail exceeded the milestone of one billion reais in sales in the quarter. Panvel ended 2022 with gross revenue of BRL 3,908.4 million, a growth of 23.1% compared to 2021.

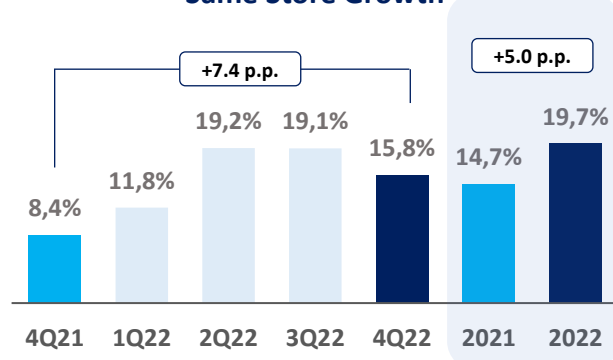
Throughout 2022, Panvel delivered yet another year of sales growth above the industry average. This behavior is translated by the increased flow of customers in our physical stores and in our digital channels, thanks to factors such as a strategy of drugs with a well-sized portfolio and efficient inventory management, ensuring a low level of out-of-stocks for the customer, in addition to maintaining high indicators of our service quality.

It is worth noting that the new stores also contributed significantly to this result, with accelerated maturation rates, reinforcing the success of our expansion strategy.

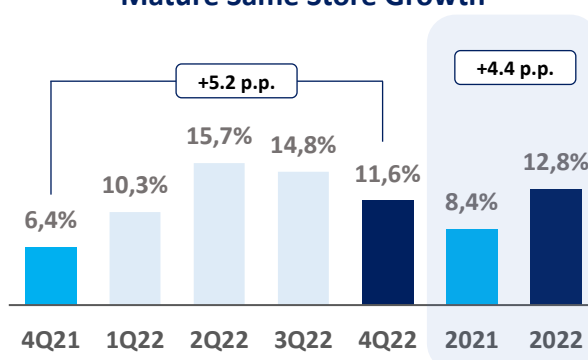
Sale at Panvel grows 23.1% in 2022, with the highest average sale in history reaching 642 thousand/store per month.

Same-Store Sales (SSS) grew by 15.8% in the 4Q22 compared to the 4Q21. The performance of Mature Stores (Mature Same Store Sales or MSSS) was also maintained at a healthy level, with an 11.6% growth compared to the 4Q21, a percentage much higher than the inflation rate of the period.

Same Store Growth



Mature Same Store Growth

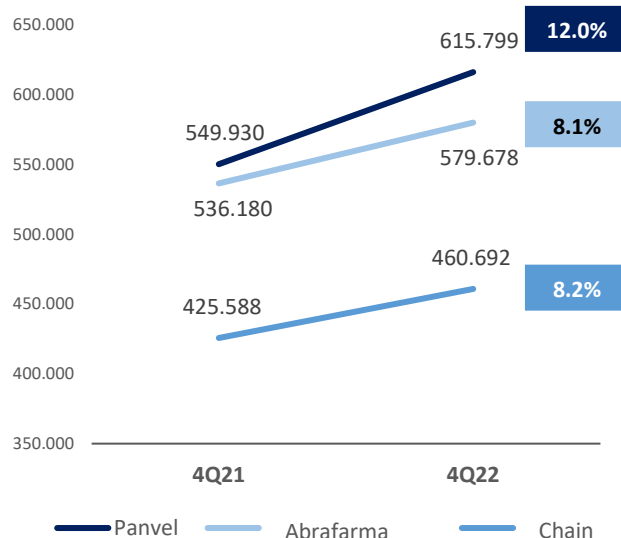


Throughout 4Q22, we reached a record average sale of BRL 642 thousand/store, 12.6% above the same period last year. It is important to highlight that this is the first full quarter in which average sales exceed BRL 600 thousand/store, an important milestone for the company which reinforces our strategic commitment to raising our productivity.

Considering that the Company has opened 120 stores in the last 24 months, with 60 new stores in 2022 (11.6% growth in the store base) and with the highest historical percentage of stores in maturation, we can see that the average sales results delivered by our operation demonstrate the efficiency of our expansion project and the productivity gains in the existing store base.

IQVIA analysis of average sales data in the South Region, comparing Panvel with its competitors, reinforces the concept demonstrated above, as once again we show higher sales growth rate than the other players in the region.

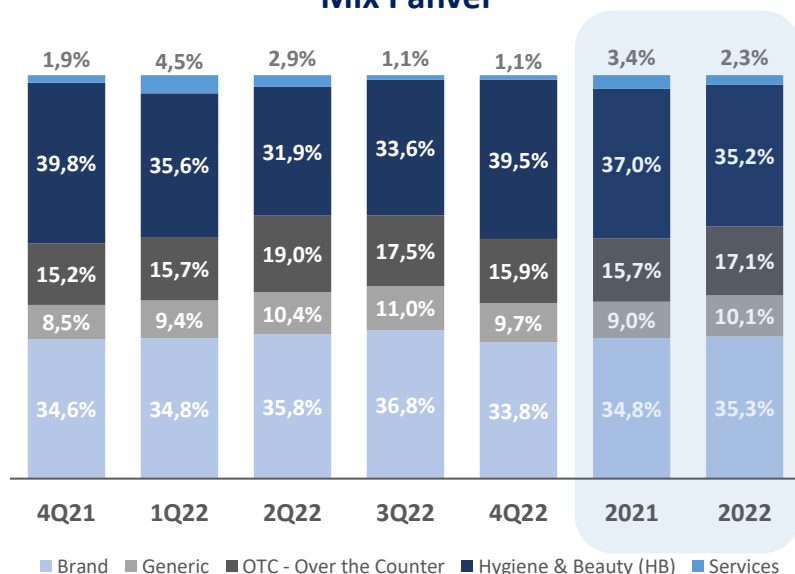
Average Sales Evolution per Store - Southern Region (BRL CPP)



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

Retail sales mix

Mix Panvel



4Q22 vs 4Q21

Δ p.p.	Δ
- 0.8 p.p.	-28.2%
- 0.3 p.p.	+20.2%
+ 0.7 p.p.	+25.9%
+ 1.2 p.p.	+38.7%
- 1.2 p.p.	+18.4%

2022 vs 2021

Δ p.p.	Δ
- 0.9 p.p.	-16.3%
- 1.8 p.p.	+17.2%
+ 1.4 p.p.	+33.8%
+ 1.1 p.p.	+37.8%
+0.5 p.p.	+24.8%

Overall drugs maintained a high performance throughout the year, with growth of 23.3% in 4Q22 and 29.2% accumulated for 2022. These results demonstrate the commitment to efficient management of the product mix. It is important to highlight that the reduction in sales of Covid Tests and Vaccines was more than offset by growth in other categories, not affecting Panvel's sales growth rate.

The Services pillar reached a share of 1.1% of Retail sales in 4Q22, a drop that was already expected. Even with this reduction, Services remain an important strategic pillar for the Company, and in this quarter, it provided more than 146,000 healthcare services to its customers.

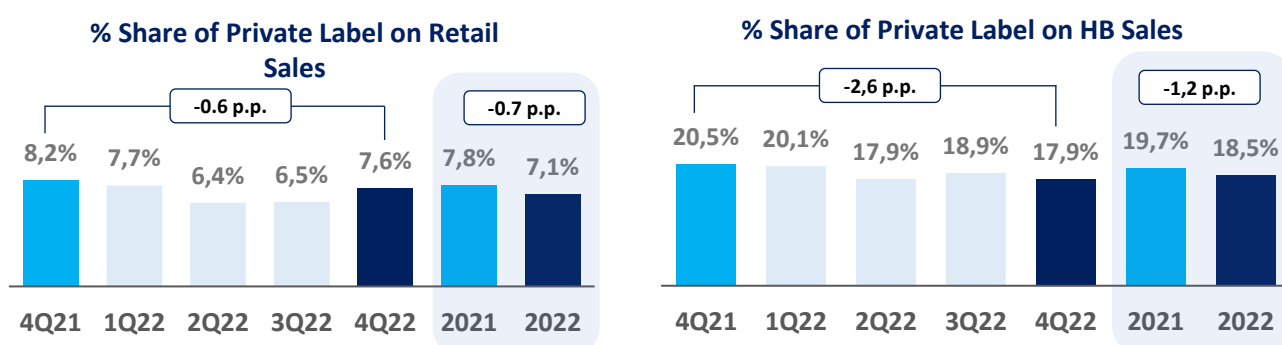
The OTC category maintained its excellent performance and was one of the highlights of the period, showing growth of 25.9% compared to 4Q21. Within this category, the highlights were Influenza and Colds

(+32.5%), Pain and Fever (+20.1%), Gastrointestinal (+20.7%), Wounds and Bruises (+23.3%), Specialized Nutrition (+41.5%), and Diabetes (29.6%).

The Generics category was also a highlight in the period, with a growth of 38.7% and an expansion of 1.2 p.p. in the representativity within the Mix in the 4Q22. In addition to playing an important role in bringing more customers to the stores, this category is a key lever for maintaining a healthy Gross Margin.

The Hygiene and Beauty (HB) category, on the other hand, grew by 20.2% compared to 4Q21. The loss of share within the mix is mainly due to the strong growth in medicines. However, we maintained solid growth and the performance of important categories, such as Food (+66.8%), Children (+30.4%), Makeup (+29.1%), Facial Care (+28.5%), Oral Care (+21.0%), and Convenience (+33.3%).

Panvel Products



The sale of Panvel Products grew 12.5% in relation to the 4Q21, reaching a share of 7.6% in total Retail sales in the 4Q22. In relation to the Hygiene and Beauty mix, private label reached a representativeness of 17.9%, numbers that reinforce the positioning of Panvel Products as a benchmark in Brazilian retail pharmacy.

Panvel product grows 25.3%, excluding Covid items from the base.

If we analyze the performance of Panvel Products excluding items related to Covid 19 (such as masks) from the base, the category shows a growth of 25.3% in 4Q22 and 21.9% compared to 2021, respectively. As of 2023, it is our view that the basis for comparison will be free of these seasonal effects and that the speed of new product launches will mean the share of Private Label products in Panvel's sales grows again.

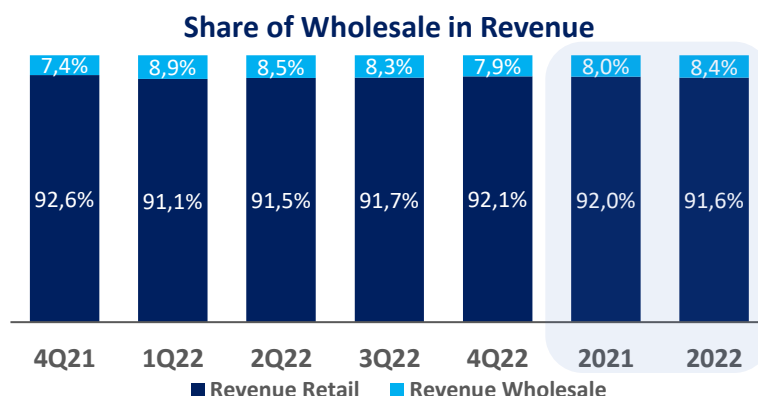
Reflecting the increased demand for care and beauty products, the Panvel Make Up brand presented a 44.3% growth in sales compared to the 4Q21, consolidating its leadership in the makeup category. In the year, this growth was 50.7% compared to 2021. Products related to skin care also showed excellent results and, again, showed consistent growth. Among the categories that stood out are the Solar (+39.2%) and Panvel Faces (+25.4%) line.

The Panvel Baby brand, a baby care product line and one of the group's main brands, grew 21.1% in the 4Q22 compared to the 4Q21. Also, the Panvel Accessories line grew by 42.7% in 4Q22 vs 4Q21, demonstrating that the strength of our private label products goes beyond personal care and hygiene.

Reflecting the brand's movement of providing a line of modern products, in line with the trend of a more conscious consumption with the preservation of the environment and animal welfare, the Vert line, composed of natural and vegan items, maintained its acceleration and showed a significant evolution in sales, growing 187.4% in the 4Q22 compared to the 4Q21.

Wholesale

In the 4Q22, Wholesale represented 7.9% of the Company's total sales, with a growth of 29.1% in revenue. As already observed throughout this year, the numbers of our Wholesale operation have been showing growth, both in sales and Gross Margin, increasing the profitability of the business. In the year, the Wholesale share reached 8.4%, with a 28.4% growth in sales in the annual comparison.



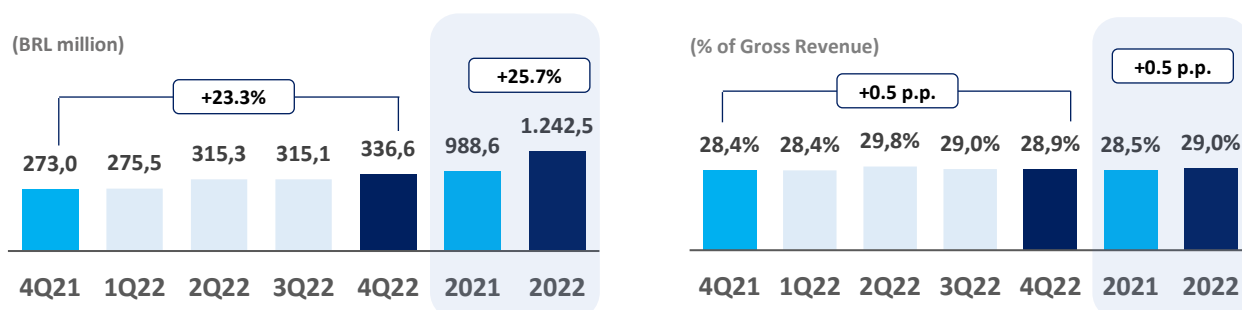
Gross margin

The Company delivered a Consolidated Gross Margin (including retail, wholesale, and other business units) of BRL 336.6 million in the 4Q22, which represents 28.9% of the gross revenue for the period, an increase of 0.5 p.p. compared to the 4Q21. In the consolidated view of the year, Gross Margin was BRL 1.2 billion in 2022, which represented 29.0% of gross revenue for the period and a growth of 25.7% compared to 2021.

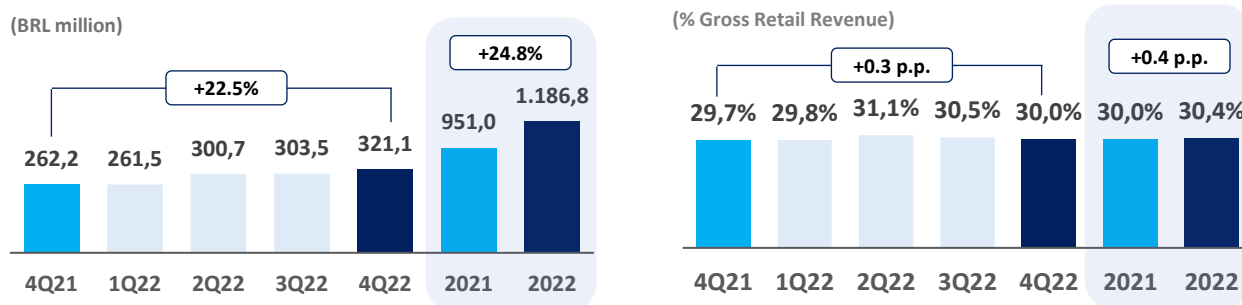
The Gross Retail Margin was BRL 321.1 million, equivalent to 30.0% of Gross Retail Revenue in the 4Q22, with a 22.5% growth and an expansion of 0.3 p.p. compared to the 4Q21. In the year to date, the Margin was 30.4% with a growth of 24.8% and an expansion of 0.4 p.p. at the Margin in relation to the year 2021. This expansion in the year is explained by the strong performance of the Generics and OTC categories, in addition to the drug price markdown effect that occurred on April/22.

The Wholesale Gross Margin remained high, representing 12.1% of the Gross Revenue of this business unit in the 4Q22, a growth of 37.3% and an expansion of 0.8 p.p. compared to the 4Q21. In the year to date, Wholesale Gross Margin reached 12.4%, a strong growth of 2.6 pp over 2021. This evolution is related to the healthiness of the sales mix, with emphasis on the growth of Generics over the period.

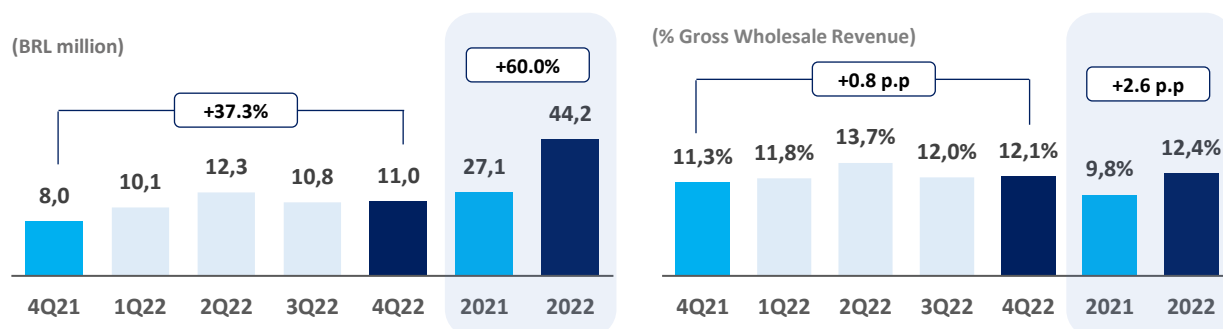
GROSS MARGIN - GROUP



GROSS MARGIN - RETAIL

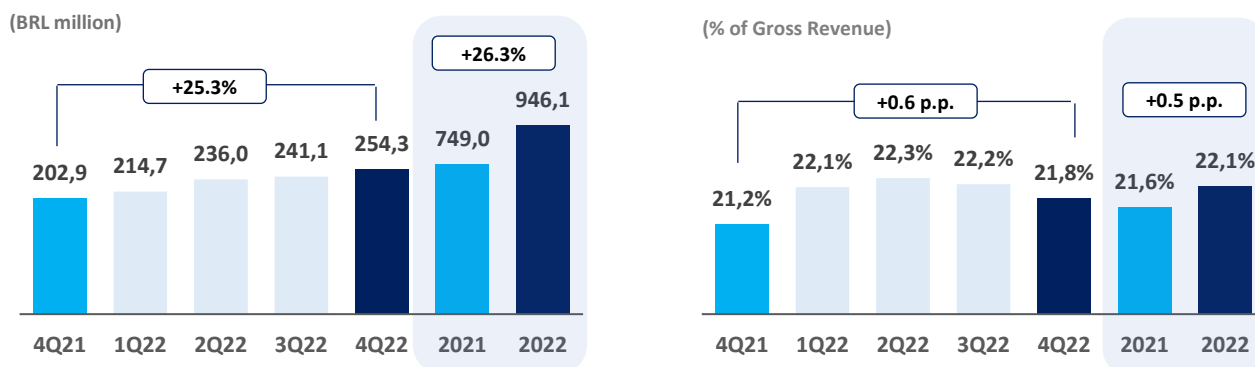


GROSS MARGIN - WHOLESALE



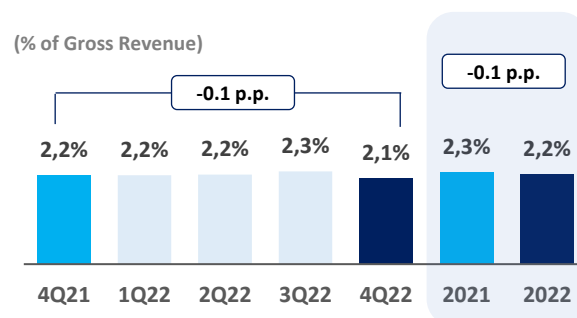
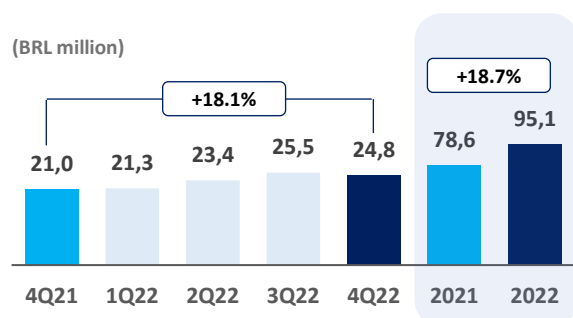
Selling Expenses

Total Sales Expenses in 4Q22 amounted to BRL 254.3 million, which represented 21.8% of Gross Revenue, a decrease of 0.4 p.p. compared to the third quarter and the lowest level for the year 2022. Gradually reducing sales expenses, quarter after quarter, reinforces one of the Company's main commitments for the year, after a period of strong acceleration in investments in new stores and distribution centers, in addition to the inflationary effects verified, in particular in the first half of 2022. In the year, Sales Expenses totaled BRL 946.1 million, equivalent to 22.1% of Gross Revenue. The 0.5 pp growth in the year is related to inflationary impacts on the Personnel and Rent accounts, expenses from Logistics and the pace of opening new stores.



General and administrative expenses

General and Administrative Expenses totaled BRL 24.8 million in the 4Q22, representing 2.1% of the Gross Revenue, a 0.1 p.p. decrease in relation to the same period in the previous year. In 2022 these expenses represented 2.2%, a reduction of 0.1 p.p. in relation to the year 2021. This outstanding result reinforces the Company's commitment to cost control and the constant search for greater operational efficiency.

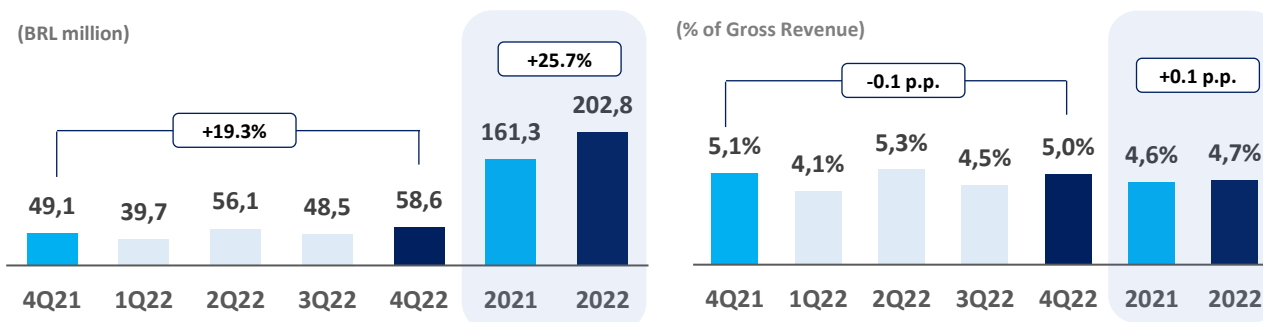


EBITDA

In 2022, we reached a record EBITDA of BRL 202.8 million, a growth of 25.7% compared to 2021, with a margin equivalent to 4.7% of Gross Revenue and a growth of 0.1 p.p. This consistent progress in the year reinforces the commitment, after two years of strong investments, to continue expanding the Company's margins through increasing returns on our assets and gains in scale in logistics.

In 4Q22, we reached an adjusted EBITDA of BRL 58.6 million, an increase of 19.4% compared to 4Q21, with a margin equivalent to 5.0% of Gross Revenue.

ADJUSTED EBITDA

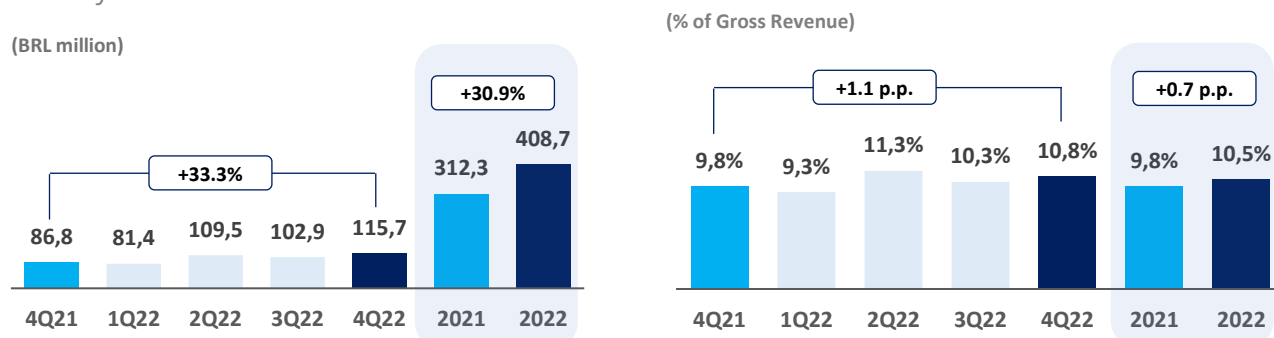


EBITDA Reconciliation	4Q21	4Q22	Var. %	2021	2022	Var. %
(BRL million)						
Net Income	26.0	23.9	(8.2%)	88.3	97.7	10.7%
(+) Income Tax	(3.8)	(3.9)	3.2%	9.0	(2.0)	(121.8%)
(+) Financial Income	(0.6)	5.2	(962.9%)	(11.0)	18.1	(264.8%)
EBIT	21.60	25.11	16.3%	86.3	113.9	32.0%
(+) Depreciation and amortization	12.1	15.0	23.8%	45.3	56.9	25.6%
EBITDA	33.7	40.1	19.0%	131.6	170.8	29.8%
Interests/Distributions	13.3	18.1	36.3%	19.3	28.2	46.8%
Asset Write-offs	0.6	0.3	(49.8%)	2.4	1.4	(40.5%)
Other Adjustments	1.5	0.1	(91.1%)	8.2	2.3	(71.9%)
Adjusted EBITDA	49.1	58.6	19.4%	161.3	202.8	25.7%
Adjusted EBITDA Margin	5.1%	5.0%	-0.1 p.p.	4.6%	4.7%	0.1 p.p.

Retail EBITDA

Retail EBITDA represents the income generated by the stores and is calculated using the formula described below¹.

In 2022, Retail EBITDA was BRL 408.7 million, equivalent to 10.5% of Gross Retail Revenue, with a 0.7 p.p. increase in the annual comparison. This growth is a result of the Retail Gross Margin expansion in the period and operational leverage in the mature store base, which more than offset the effects of accelerating expansion over expenses. In the quarterly view, the indicator was BRL 115.7 million, equivalent to 10.8% of Gross Retail Revenue, an increase of 1.0 p.p., in relation to the same period of the previous year.



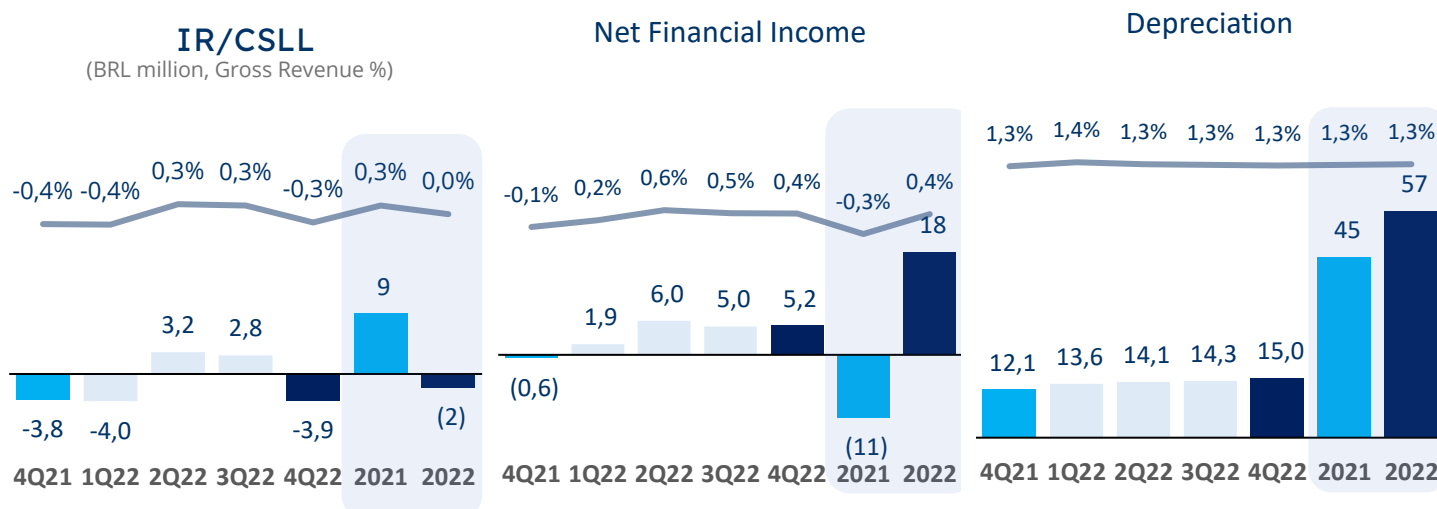
¹Retail Gross Revenue (-) CGS/Taxes/Discounts/Returns = Retail Gross Margin (-) Store Selling Expenses (+) Store Depreciation = Retail EBITDA.

The return of this indicator to the 10.5% level, after opening 120 stores in the last two years, reinforces that Panvel has found the desired balance between the performance of mature stores and the maturation rate of new stores, which will enable new gains in margin and scale in the coming years

Depreciation, net financial income, and IR/CSLL

Depreciation remained stable in the accumulated of 2022 and in the 4Q22, even with the store expansion, due to the strong sales growth in the period and the respective operating leverage.

Net financial expenses increased 0.5 p.p. in the quarterly comparison, from a net revenue of BRL 0.6 million to a net expense of BRL 5.2 million. This movement is a direct result of the reduction in the net cash position, in line with the Company's expectations.

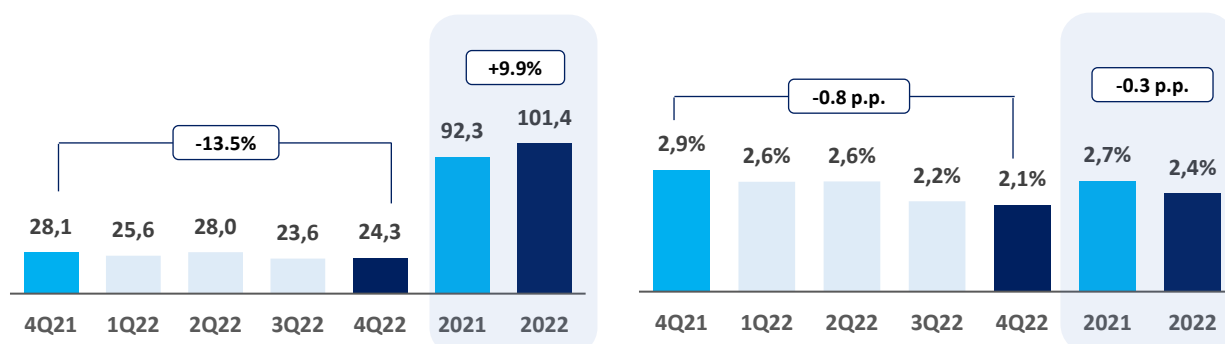


Net income

Adjusted Net Income in 2022 exceeded BRL 100 million for the first time, reaching BRL 101.4 million, equivalent to a net margin of 2.4%. The 9.8% growth in the period was not greater due to the impact of interest expenses (increase of 0.7 p.p. in the period), an effect already expected due to the consumption of cash linked to the highest level of investments in the Company's history.

Adjusted Net Income in 4Q22 was BRL 24.3 million, representing a net margin of 2.1%.

ADJUSTED NET INCOME

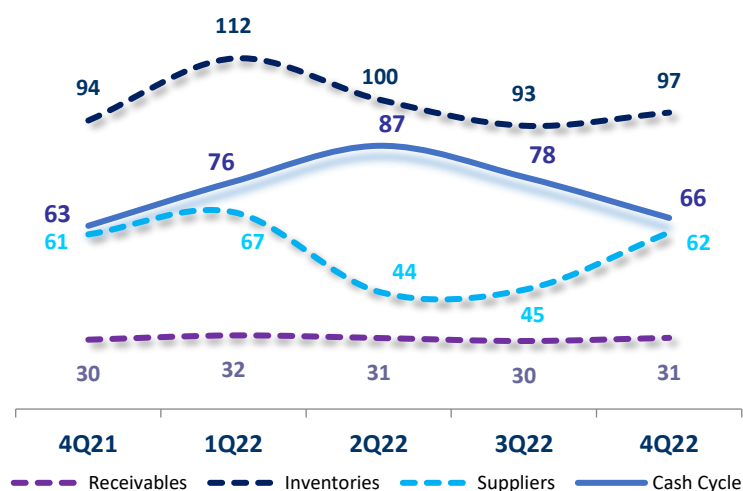


The table below shows the reconciliation of Net Income and non-recurring adjustments in the period.

Net Income Reconciliation	4Q21	4Q22	Var. %	2021	2022	Var. %
(BRL million)						
Net Income	26.0	23.9	(8.2%)	88.3	97.7	10.7%
Asset Write-offs	0.6	0.3	(49.8%)	2.4	1.4	(40.5%)
Other Adjustments	1.5	0.1	(91.1%)	1.6	2.3	42.9%
Adjusted Net Income	28.1	24.3	(13.5%)	92.3	101.4	9.9%
Adjusted Net Margin	2.9%	2.1%	-0.8 p.p.	2.7%	2.4%	-0.3 p.p.

Cash cycle

The Company increased its cash cycle by 3 days compared to the 4Q21. Even so, in the sequential view, it presented the best cash cycle of the year, having obtained a significant increase in supplier terms.



Cash flow

The Company had a positive free cash flow of BRL 29.6 million in the period.

Cash flow	4Q21	4Q22	Var.	2021	2022	Var.
Net income for the period	25,996	23,859	-8.2%	88,783	97,750	10.1%
IRPJ/CSLL	(3,810)	(3,923)	3.0%	8,426	(1,952)	-
Financial Income	(553)	5,177	-1,036.3%	(11,057)	18,123	-
EBIT	21,633	25,113	16.1%	86,152	113,921	32.2%
Depreciations and Amortizations	12,102	13,701	13.2%	45,373	55,655	22.7%
EBITDA	33,735	38,815	15.1%	131,525	169,577	28.9%
Cash Cycle	65,148	41,661	-36.1%	(112,891)	(146,345)	29.6%
Other variations in assets and liabilities	(27,029)	(9,087)	-66.4%	(18,227)	33,046	-
Operating Cash Flow	71,854	71,389	-0.6%	407	56,278	-
Investments	(39,169)	(41,814)	6.8%	(135,580)	(181,637)	34.0%
Free Cash Flow	32,685	29,575	-9.5%	(135,173)	(125,359)	-7.3%
Interest on Equity	3,501	748	-78.6%	(20,442)	(24,752)	21.1%
Treasury shares	(1,656)	(1,023)	-38.2%	(20,406)	(160)	-99.2%
Total Cash Flow	34,530	29,300	-15.1%	(176,021)	(150,271)	-14.6%

Indebtedness

The Company's gross indebtedness level at the end of 4Q22 was BRL 234.8 million and, after deducting cash and cash equivalents (BRL 157.4 million), the Net Debt at the end of the period was BRL 77.5 million. The cash generation allowed the reduction of Net Debt and leverage in relation to the third quarter of the year, in line with the planning.

We consider that the Company's capital structure remains solid and with low leverage, even in a scenario of strong investments and accelerated expansion. We understand that this low level of indebtedness represents a competitive advantage within the country's current macroeconomic scenario.

Net Debt (in BRL million)	4Q21	1Q22	2Q22	3Q22	4Q22
Short-Term Debt	56.0	59.5	88.3	97.9	118.4
Long-Term Debt	80.4	80.1	172.9	172.9	116.4
Gross Debt	136.4	139.6	261.2	270.7	234.8
(-) Cash, Equivalents, and Financial Investments	209.7	95.9	127.0	164.3	157.4
Net Debt / Net Cash	(73.2)	43.7	134.2	106.5	77.5
Net Debt / EBITDA LTM	n/a	0.27x	0.75x	0.55x	0.38x

Investments

In line with the Company's planning, total investments of BRL 41.8 million were made in the 4Q22, an increase of 6.8% compared to the 4Q21. Thus, we ended 2022 with a total investment of BRL 180.7 million, a 36.3% growth compared to 2021, being the year with the highest investment in the Company's history.

In 2022, the expansion of the Distribution Center in Eldorado do Sul/RS stands out. This investment, together with the investment made in the São José dos Pinhais DC in previous years, closes an important cycle of investments in logistics to support the expansion project ongoing until 2025. We understand that the short-term impacts are a necessary step in building our vision of the future for the Company.

BRL thousands	4Q21	4Q22	Δ	2021	2022	Δ
Opening of Stores	21,963,665	15,226,582	-30.7%	69,815,328	77,996,386	11.7%
Renovation of Stores	1,039,816	3,567,236	243.1%	9,396,079	11,969,705	27.4%
IT	7,672,273	8,623,880	12.4%	27,157,981	32,627,249	20.1%
Logistics and Others	5,778,829	14,396,402	149.1%	26,184,816	58,070,606	121.8%
Total	39,144,353	41,814,100	6.8%	132,554,203	180,663,946	36.3%

ESG

Throughout 2022, we maintained our ESG commitments to all stakeholders, formalized through our platform known as *Todos Bem*.

As informed in the last results releases, we are making great progress in the 4 pillars of our environmental, social, and corporate responsibility platform, which are Our People, Our Home, Our Customers, and Our Partners. We had important achievements throughout this year, and it is worth highlighting some examples.

Our Home

- We completed our first Greenhouse Gas Inventory, which is the first step toward creating a strategic plan to reduce and offset direct and indirect emissions. Our goal is to neutralize/offset 100% of scope 1 and 2 carbon emissions by 2030, we currently neutralize 38% of these emissions.
- We concluded the installation of LED lighting in 100% of our stores, thus reducing the environmental impact on energy consumption and the environment caused by conventional bulbs and also providing visual comfort in the environment.
- We recycled 710 tons of waste in our Distribution Centers and Eldorado do Sul principal place of business.
- Our Right Destination (*Destino Certo*) program has already collected and treated 9 tons of drugs, thus avoiding incorrect disposal in households that could cause risks to the environment and health.
- By the end of 2022, 70% of our street stores, which opened in the previous year, and 100% of the Eldorado do Sul distribution center, will be powered by renewable energy sources.

Our People

- We have updated the *Troco Amigo* Program with a great news: the possibility of making donations via Credit Card and Pix. With this functionality, we will accelerate the program's collection and contribute even more to the hospitals in the regions served by Panvel.

Capital market

In the 4Q22, the Company's shares followed the movement of companies in the retail sector, as well as companies qualified as small caps. In 2022, the Company's shares fell by 23.87%

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), IGMN (Corporate Governance Index - Novo Mercado), ITAG (Stock Index with Differentiated Tag Along), and SMLL (Small Cap Index).



Shareholders' Compensation

Based on the results reached in 2022, the Company decided to pay interest on equity of BRL 33.0 million, as indicated in the table below:

Earnings	Event	Resolution	Base date	Payment	Amount (BRL)	Amount per common
JCP - Single Installment	RCA	08/12/2022	08/22/2022	08/31/2022	8,000	0.05381962
JCP - 1 st Installment	RCA	12/15/2022	12/26/2022	03/31/2023	8,333	0.05610363
JCP - 2 nd Installment	RCA	12/15/2022	12/26/2022	04/28/2023	8,333	0.05610363
JCP - 3 rd Installment	RCA	12/15/2022	12/26/2022	05/31/2023	8,333	0.05610363
Total					33,000	0.22213051

IFRS 16: Impacts

The standard introduced by IFRS 16/CPC 06 (R2) establishes new procedures regarding the accounting method for a few lease 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, the 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.

Statement of Profit and Loss	4Q22		
	IAS 17	Reclassification	IFRS 16
(BRL million)			
Gross Revenue	1,164,505	-	1,164,505
Gross Profit	336,579	-	336,579
% GI	28.9%	0.0%	28.9%
Sales Expenses	(253,379)	38,763	(214,616)
Administrative Expenses	(24,828)	-	(24,828)
Total Expenses	(278,207)	38,763	(239,444)
% GI	23.9%	-3.3%	20.6%
Adjusted EBITDA	58,372	38,763	97,135
% GI	5.0%	3.3%	8.3%
Depreciation and amortization	(14,701)	(27,543)	(42,245)
Part. Adm/PLR	(18,122)	-	(18,122)
Other adjustments	(435)	-	(435)
Financial Income	(5,177)	(10,896)	(16,073)
IRPJ/CSLL	3,923	(52)	3,871
Net Income	23,859	272	24,131
% GI	2.0%	0.0%	2.1%

Balance Sheet	4Q22		
	IAS 17	Reclassification	IFRS 16
(BRL million)			
Assets	2,129,825	603,301	2,733,126
Current Assets	1,558,923	(376)	1,558,547
Customers	399,549	(376)	399,173
Non-Current Assets	570,902	603,677	1,174,579
Deferred Assets	32,200	16,398	48,598
Property, Plant and Equipment	447,158	587,279	1,034,437
Liabilities and Shareholders' Equity	2,129,825	603,301	2,733,126
Current Liabilities	856,141	152,093	1,008,234
Leases	0	152,093	152,093
Non-Current Liabilities	132,107	484,623	616,730
Leases	(0)	484,623	484,623
Equity	1,141,577	(33,415)	1,108,162
Retained Profits	33,415	(33,415)	-

Balance Sheet

	Former Standard (IAS 17)		
ASSETS	4Q21	4Q22	Var. %
(in thousands)			
Current Assets	1,395,084	1,558,546	11.7%
Cash and cash equivalents	54,435	12,836	-76.4%
Financial Investments	155,216	144,519	-6.9%
Customers	324,615	399,173	23.0%
Inventory	739,036	896,535	21.3%
Recoverable income tax and social security contribution	11,693	26,587	127.4%
Taxes recoverable	35,248	13,339	-62.2%
Other trade receivables	78,841	65,558	-16.8%
Non-Current Assets	453,436	592,754	30.7%
Deferred taxes	25,537	34,135	33.7%
Taxes recoverable	7,895	9,625	21.9%
Deposits in court	3,875	3,124	-19.4%
Credits with related parties	3,030	1,530	-49.5%
Other assets	275	525	90.9%
Investments	5	4	-20.0%
Property, plant and equipment	352,875	467,076	32.4%
Intangible assets	59,944	76,736	28.0%
Total Assets	1,848,520	2,151,301	16.4%

	Former Standart (IAS 17)		
LIABILITIES	4Q21	4Q22	Var. %
(in thousands)			
Current Liabilities	695,212	862,086	24.0%
Suppliers	464,714	555,452	19.5%
Loans and financing	54,532	118,395	117.1%
Lease - IFRS 16	1,453	5,945	309.2%
Salaries and welfare charges	51,167	60,105	17.5%
Interests payable	12,211	16,879	38.2%
Taxes, fees, and contributions	30,801	30,583	-0.7%
Dividends and interest on equity	19,090	5,518	-71.1%
Other accounts payable	59,520	66,465	11.7%
Other Provisions	1,724	2,744	59.2%
Non-Current Liabilities	98,551	151,841	54.1%
Loans and financing	79,286	116,429	46.8%
Lease - IFRS 16	1,164	19,734	1595.3%
Other Obligations	-	6,665	100.0%
Civil, labor, social security, and tax provisions	18,101	9,013	-50.2%
Shareholders' Equity	1,054,757	1,137,374	7.8%
Share capital	918,000	943,000	2.7%
Capital transactions with members	(14,448)	(14,448)	0.0%
Capital reserve	-	(29,368)	-
Appropriated retained earnings	75,771	208,978	175.8%
Retained Profits	75,434	29,212	-61.3%
Total Liabilities and Shareholder's Equity	1,848,520	2,151,301	16.4%

Income Statement

DRE	Former Standard (IAS 17)					
	4Q21	4Q22	Var. %	2021	2022	Var. %
(in thousands)						
Gross revenue	959,919	1,164,505	21.3%	3,466,681	4,279,288	23.4%
Taxes and returns	(77,673)	(78,900)	1.6%	(252,858)	(216,842)	-14.2%
Net revenue	893,830	1,085,605	21.5%	3,225,408	3,990,475	23.7%
Cost of goods sold	(620,853)	(749,026)	20.6%	(2,236,809)	(2,747,937)	22.9%
Gross profit	272,977	336,579	23.3%	988,599	1,242,538	25.7%
Expenses	(251,346)	(311,466)	23.9%	(902,448)	(1,128,617)	25.1%
With sales	(232,613)	(280,211)	20.5%	(841,819)	(1,032,718)	22.7%
General and administrative	(26,598)	(31,023)	16.6%	(95,179)	(109,750)	15.3%
Other operating revenue	7,865	(232)	-102.9%	34,550	13,851	-59.9%
Financial income	554	(5,177)	-1034.6%	11,058	(18,123)	-263.9%
Financial expenses	(5,393)	(11,220)	108.1%	(14,560)	(38,552)	164.8%
Financial revenues	5,947	6,043	1.6%	25,618	20,429	-20.3%
Profit before IR (income tax), social contribution, and interests	22,186	19,936	-10.1%	96,808	95,798	-1.5%
Income tax and social security contribution	3,810	3,923	3.0%	(8,426)	1,952	-123.2%
Net Income for the year	25,996	23,859	-8.2%	88,382	97,749	10.1%