grupo panvel

1Q22 Earnings Release

Eldorado do Sul, RS, May 11, 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 1st quarter of 2022 (1Q22). The Company's financial statements are prepared in Brazilian reais (BRL), pursuant to the Brazilian corporate law and international financial reporting standards (IFRS). 1Q22 result comparison is based on 1Q21 unless stated otherwise. For comparison with previous periods, figures in this report are indicated pursuant to standard IAS 17/CPC 06. Mentioned financial values refer to amounts in Brazilian reais (BRL).

Investor Relations

Antônio Carlos Tocchetto Napp	José Eduardo Szuster	Ismael Rohrig	Pedro Bernardes
Financial and IR Officer	Executive IR Manager	IR Analyst	IR Intern

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

1Q22 Results

Group's Gross Revenue BRL 969M (+19.4%)	Retail Gross Revenue BRL 877M (+19.3%)
Adjusted EBITDA BRL 39M (+5.8%) 4.1% Margin	Expansion +15 new stores
Adjusted Net Profit BRL 26M (+30.1%) 2.6% Margin	Digital (% of Retail sales) 15.5% (+14.5% vs 1Q21)

Description	1Q21	2Q21	3Q21	4Q21	1Q22
No. of Stores	477	494	500	517	527
No. of employees	7,622	7,771	7,805	8,646	8,550
In thousands of Brazilian reais					
TT Gross Revenue	811,830	834,720	860,213	959,918	969,334
TT Gross Margin	233,074	240,674	241,875	272,976	275,474
% of Gross Revenue	28.7%	28.8%	28.1%	28.4%	28.4%
Retail Gross Revenue	735,760	766,846	787,863	883,890	877,411
Retail Gross Margin	223,495	231,967	233,319	262,214	261,504
% of Retail Gross Revenue	30.4%	30.2%	29.6%	29.7%	29.8%
Adjusted EBITDA TT	37,478	39,913	34,833	49,041	39,664
% of Gross Revenue	4.6%	4.8%	4.0%	5.1%	4.1%
Adjusted Net Profit TT	19,714	24,169	20,333	28,126	25,625
% of Gross Revenue	2.4%	2.9%	2.4%	2.9%	2.6%

A message from management

We started 2022 at the same pace we ended 2021, with many deliveries and achievements. Although the year started with a challenging macro scenario, involving inflationary impacts, interest rate growth, and restriction risks in some supply chains, we remain optimistic about our performance capacity for the year. The quarter's figures support this opinion.

Sales were one of the great highlights of the period. Panvel presented a robust 19.3% growth in its sales, followed by a good performance in SSS (11.8% growth) compared to the same period last year. Such a good performance is explained by several factors, such as strong client growth in physical stores, upkeep of Digital sales at a high level (reaching 15.5% of total sales), and the high level of success in the physical-store expansion. Regarding the Expansion, we emphasize the opening of 15 stores in 1Q22 and that we reached a record of 68 openings in the last 12 months.

It is worth noting that in 1Q22 Panvel stood out once again in services, with sales from Panvel Clinic representing 4.5% of Panvel's total revenue, driven by the strong movement of testing for Covid 19 seen in January/22 and by the beginning of flu vaccination that started in March/22.

Healthy EBITDA even in a challenging scenario with strong inflationary impacts

All these activities let Panvel gain Market Share in the Southern Region, reaching 11.6%, a 0.1 p.p. increase compared to 1Q21. This consistent gain in Market Share, quarter after quarter, is another element that reinforces the excellence in the performance of our strategy. And we remain committed to growth while maintaining the quality of service. Our NPS reached 80 points in 1Q22, a 4-point increase compared to 1Q21.

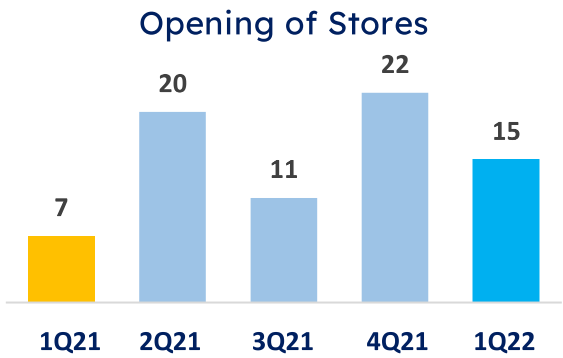
Our adjusted EBITDA in the period grew 5.8% compared to the first quarter of 2021, reaching 4.1% of the sales. This growth in the EBITDA Margin was followed by strong growth in the Adjusted Net Profit, around 30.1%, reaching 2.6% regarding sales. We understand that these are very healthy margins, especially in the context of rising inflation and accelerating expansion, which naturally puts pressure on short-term results.

It should also be emphasized that this first quarter, with great pride, we finished our brand change and officially became Grupo Panvel as of March/22.

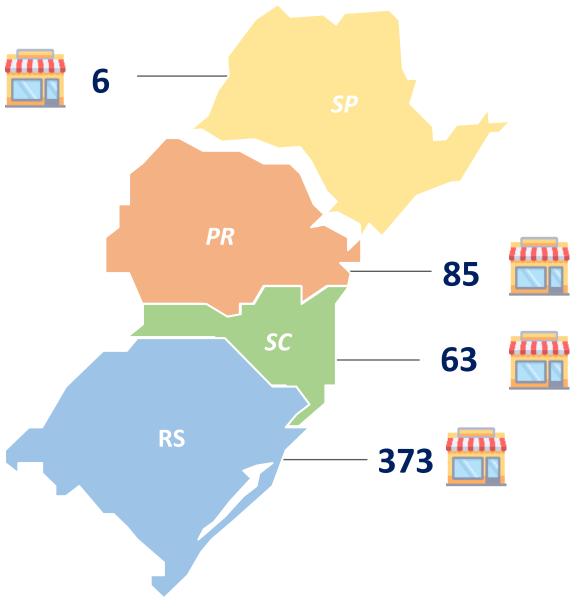
We would like to thank all our clients, employees, suppliers, and partners for the results obtained and to reinforce our commitment to the growth of sales and results consistently over the coming quarters.

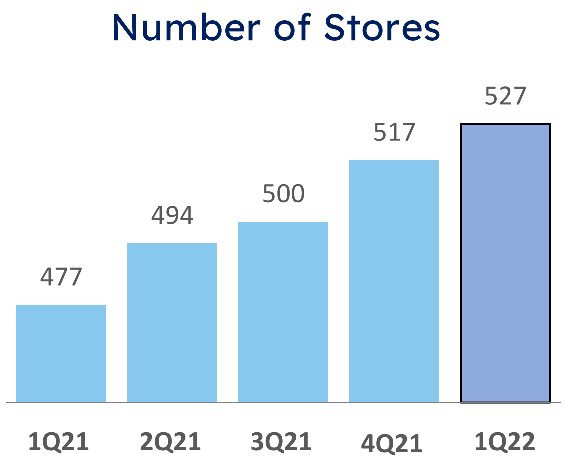
Store portfolio

The Company started the year by opening 15 stores in 1Q22, reaching a total of 527 operating stores. Among them, 10 units have been opened in RS, 4 in PR, and 1 in SC. It should be emphasized that in the last twelve months we opened 68 stores, a record number in the company's history. For 2022 our plan is aligned with the strategy of regional densification in the Southern Region, mainly outside Capitals, and increasing our digital capacity.



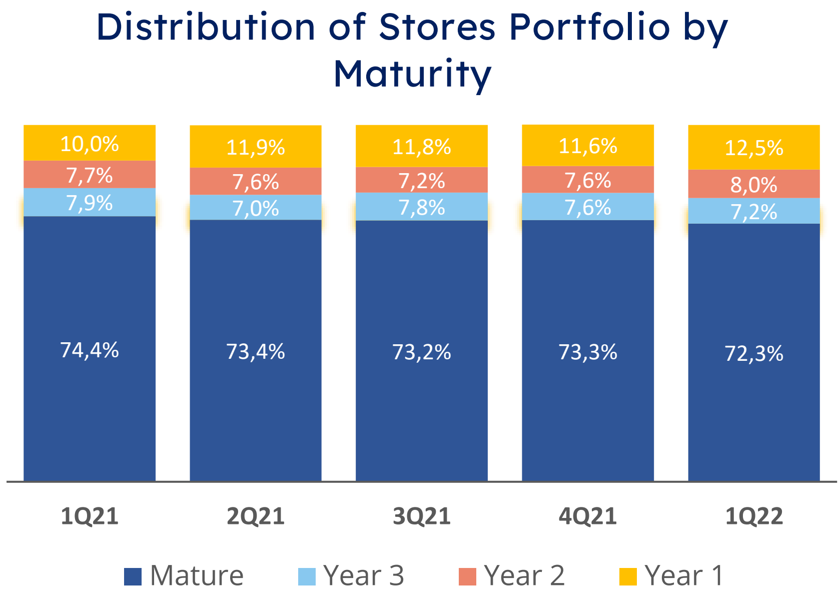
In the period, the company transferred 3 (mature) branches to points with greater sales potential. Another 2 (mature) branches were closed since they no longer met the profile and sales potential determined by the Company's operating standards.





Stores	1Q21	2Q21	3Q21	4Q21	1Q22
Opened	7	20	11	22	15
Transferred/Closed	(3)	(3)	(5)	(5)	(5)

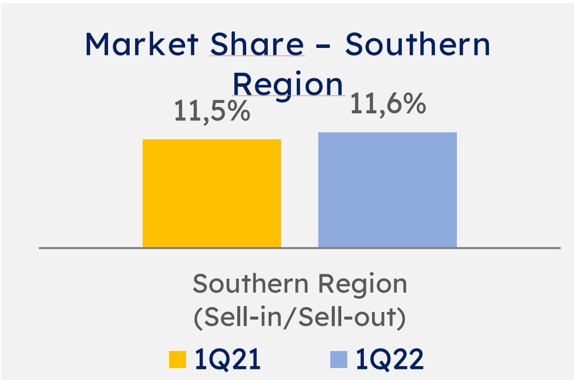
At the end of the period, the Company had 72.3% mature stores and 27.7% in the maturation process.

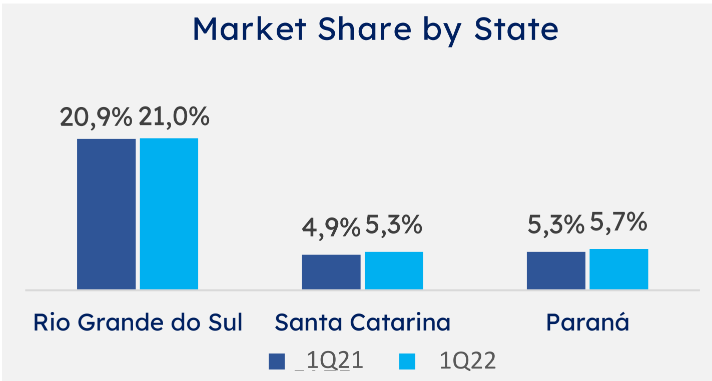


Market share

In 1Q22, Panvel's share in the Southern Region reached 11.6%, a 0.1 p.p. increase compared to the same period of the previous year, with growth in all States in which it operates, reinforcing our consistency in the evolution of the market share. Those numbers reflect the operating quality of Panvel's existing stores and the high rate of assertiveness in the performance of our expansion plan. Moreover, this growth took place on a very strong basis since IQVIA numbers for 1Q22 captured the strong activity of anticipation of drug purchases made by small pharmacies, measured through the sell-in reported by distributors.

When analyzing our market share by region (Capital and Countryside), and by State, the opportunities for expansion are quite clear, both in the countryside of Rio Grande do Sul and in the States of Santa Catarina and Paraná, States in which we have consistently been evolving our market presence.





Another important highlight in the quarter is the share gain in all drug categories, aligned with the outlined strategy of monitoring the journey of patients with chronic and continuous use, growth in generics, and the evolution of Panvel Saúde Empresarial.

Source: IQVIA
*Sell-in / sell-out = distributor sales plus retail sales

E-commerce and digital initiatives

Digital maintains a high share of retail sales, with a 15.5% share in 1Q22, shares well above the market average, with a 14.5% growth vs. 1Q21.

We maintained our position as a benchmark in Brazilian pharmaceutical retail, with the highest share of digital channels, and a competitive advantage as a result of the fluid and full Omni experience, provided in all our sales channels.

Even with a strong comparison base, Digital sales grew 14.5% in 1Q22, 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 Highlights

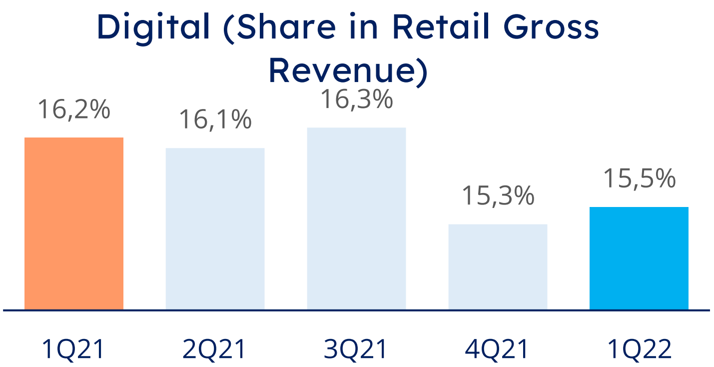
Scope of delivery within 1 hour: All the cities in which we are present

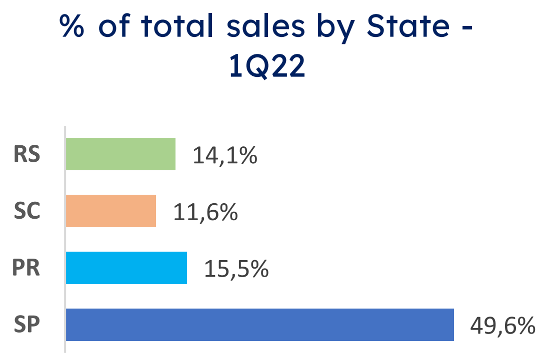
1Q22 Delivery Structure: 126 hybrid stores + 9 Mini DCs (dark stores)

Digital's Share in Retail Sales 1Q22: 15.5% (14.5% growth compared to 1Q22)

Number of Deliveries 1Q22: 544 thousand (average of 181.3 thousand deliveries per month)

Service Level: 97% of on-time deliveries (1Q22)





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.

Throughout the first quarter, we introduced new features and made improvements to our digital platforms (App and Website), such as:

- OMNI basket: With the implementation of the OMNI basket, when placing items in the "cart" on the App or Website and not completing the purchase, that information would appear in all channels (store, website, App, and Alô Panvel), allowing the client to set the cart in a purchase channel and complete such purchase by accessing any other.
- Split orders on the App: such as on the website, now, when the branch closest to the address where the client wants to receive their order does not have all the items in their basket in inventory, on the Panvel App, the client shall have the possibility to receive their order divided into 2 deliveries: part of the items in the fast delivery and the other part (which does not have inventory

in the store) in the scheduled delivery. This functionality is another initiative covered in the PIP (*Prateleira Infinita Panvel*), which provides practically infinite scalability of inventory.

Technology and Innovation

Panvellabs

The building of our innovation ecosystem, whose focal point is the client at the center and the promotion of a culture of innovation, began with the foundation of the Startup Connection Program (*Programa de Conexão com Startups*), an open innovation initiative to connect and co-create solutions that help solve problems and accelerate the business. We currently have approximately 20 startups connected to our business, covering the areas of health and well-being, logistics, HR, pricing, IT, CRM, and Tax, among others.

In 2021 we started, together with the consultancy *Innoscience*, our Startup Acceleration Program (*Programa de Aceleração de Startups*). With that, we are building with that our corporate startup accelerator with the objective of helping new companies to accelerate their business models through specialized mentoring, experiments, and market access, with the potential for financial investments. This next step was constituted from the definition of the strategy in which we defined targets for health and well-being, consumer experience, and operational intelligence. Out of 1,600 companies, 244 were chosen in the first phase — 101 in the health and well-being segment, 56 in the client experience pillar, and 87 in operational intelligence. After being evaluated by experts, 30 of them were invited to participate in Pitch Day, between the 16th and 18th of February, to present their proposals. The evaluation by the panel of experts recommended 7 startups to follow in our acceleration program, which shall continue until September 2022.

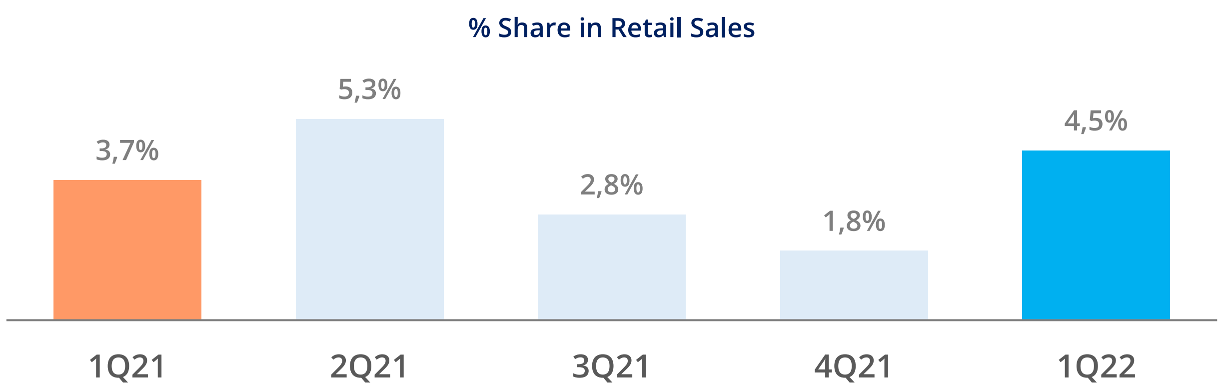
In the value proposition of our innovation ecosystem, the Innovation Committee is also constituted, focused on deliberating paths according to market trends in our segment. Moreover, considering that one of the great objectives of this ecosystem is to foster a culture of innovation within all hierarchical levels of Grupo Panvel, we have brought an internal program for employees, referred to as the Intrapreneurship Program, in which all employees shall be able to jointly-create innovative ideas and solutions for the company's business areas, also guided by 3 strategic pillars of Health and Well-being, Client Experience, and Operational Intelligence. This program aims to train employees with innovation methodologies such as design thinking, design sprint, and lean startup so that they may emulate how a startup is born, from the initial idea to the development of the MVP, the minimum viable 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

Panvel Clinic 317 stores (+153.6% vs 1Q21)	**Vaccination Rooms** 81 (+44.6% vs 1Q21)	**Vaccines applied** +19 thousand (1Q22) (+11.6 vs 1Q21)
Branches performing only Covid-19 Quick Tests 281 branches (1Q22)	**Quick Tests performed** +380 thousand (1Q22) (+89.0% vs 1Q21)	**Other services** +29 thousand other services provided in 1Q22



With a robust structure and expertise in the provision of services, combined with the quality of service, we remained leaders in services, with a 39.9% market share in the Southern Region, in 1Q22.

We started 2022 with a strong share of the services pillar, driven by the acceleration of the Covid-19 quick testing service that reached more than 380 thousand tests carried out in the quarter, with a strong volume on Jan/22, thus, we closed the quarter with 38.2% market share of testing in the Southern Region (IQVIA data). In the coming quarters, we should see the demand for Covid testing decrease, an activity that should be partially offset in the short term by other services, mainly vaccination.

With the consolidation of new health habits (mainly preventive) by consumers, services such as vaccination end up having strong adhesion and representation within the Health Ecosystem. Panvel was once again the vaccination leader in the Southern Region, with 59.6% market share in 1Q22, according to IQVIA data, having applied more than 49 thousand vaccines in April/22 alone.

Panvel Saúde Empresarial continues to be an important differential for Panvel. Representing 33% of Panvel's sales, this framework, which encompasses the demands of Special Drugs, Agreements, Patient Management, and Biddings, offers a benefits program to employees of partner companies and the management/follow-up of beneficiaries, supply of special drugs, and all the products necessary for Health Insurance Providers, Self-Management, and Group Medicine. In 1Q22, the sale of special drugs grew 63.0% compared to the first quarter of 2021, which reflects the commitment and strength of our partnerships that follow quality criteria in the products and health services offered in the model B2B2C.

When it comes to primary health care, Panvel Saúde Empresarial may not be left out, having closed numerous partnerships for the application of vaccines and for Covid testing in the employees of our partner companies.

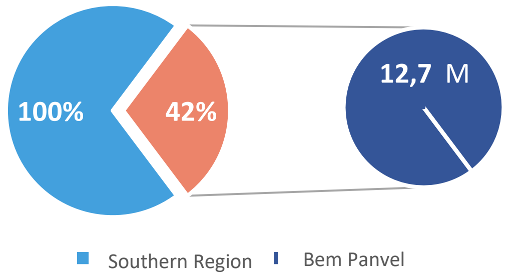
Obtained figures clearly demonstrate that Panvel has increasingly become a reference in services in the Southern Region, and we understand that, like Digital, this pillar shall have a new level in retail sales, which should not return to pre-pandemic levels.

CRM

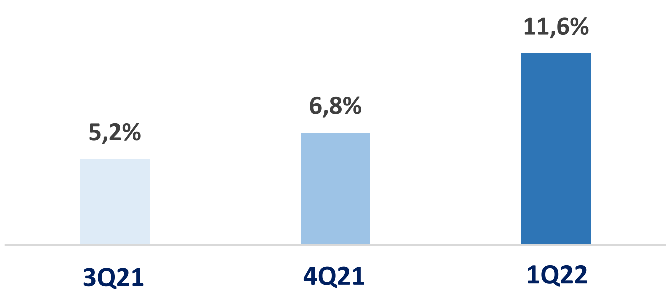
The *Programa Bem Panvel* has a unified base of around the 13 million clients, with exponential growth in recent years.

Currently, our client base represents 42% of the population in the Southern Region of the country (IBGE data), as provided in the graph aside. With the segmentation and *personas* strategy, we boosted our direct marketing actions, generating an important sales result in all channels.

Bem Panvel - Population in the Southern Region



Cash Reminder*
(% share UC Drug Sales)



Moreover, based on the high level of knowledge we have of our client base, we have been able to act strongly with CRM actions aimed mainly at patients with *Chronic and Continuous* use, a movement that has been gaining more and more traction. The result of these actions may be seen clearly in numbers. By one hand with market share growth of the chronic-patients market, which was 1.0 p.p. in 1Q22 (11.1% vs 10.1%, in 1Q21) in the Southern Region, according to IQVIA data. By the other hand, we have seen actions such as the cash reminder reach a 3.4% share in Retail Sales, and 11.6% in the sale of medications for continuous use.

Our CRM actions generated 7% of sales in the quarter, reinforcing our relationship strategy with our clients.

**CRM action that takes place at the Store's POS to remind the consumer of the end of their chronic/continuous use of medication*

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:

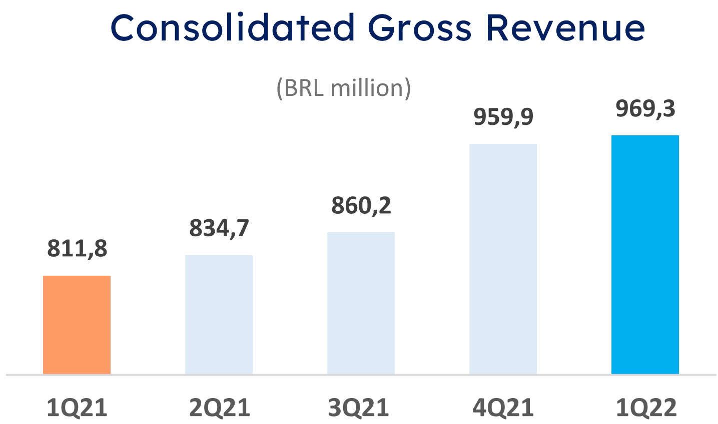
80	80	77	84	81
NPS - Panvel	NPS - Store	NPS - App	NPS - Website	NPS – Alô Panvel

4.7	4.5	8.4	ebit TOP FIVE
App	Play	Reclame Aqui	

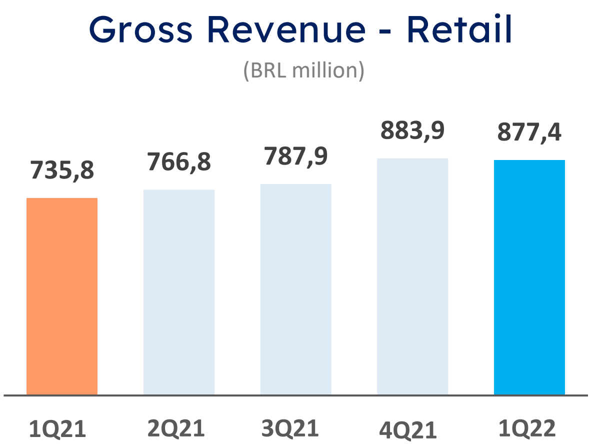
The Panvel's NPS increased 4 points compared to the same period last year, reaching 80 points in 1Q22. Panvel is the only Brazilian pharmaceutical retail chain that combines high penetration of digital channels with the fastest delivery of products in Brazil and an enviable quality, quantified by an NPS that remains at high levels. That unique platform shall allow for even more growth in the future.

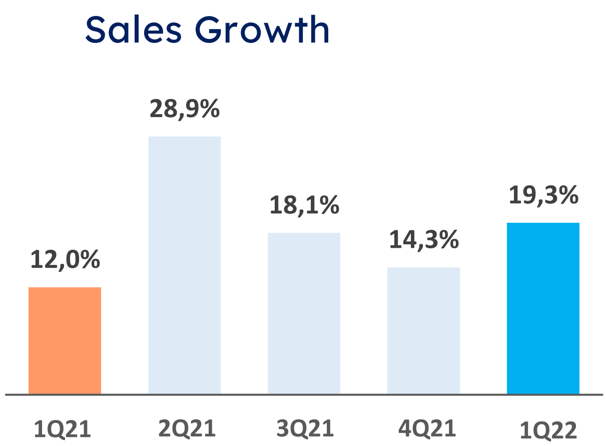
Gross revenue

The consolidated gross revenue (which includes sales from retail, wholesale, and other business units of the Company), in 1Q22, was BRL 969.3 million, which represents a 19.4% increase compared to 1Q21.



Retail



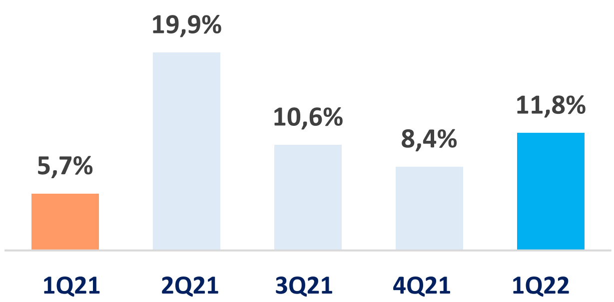


The retail gross revenue was BRL 877.4 million in 1Q22, a 19.3% growth over the same period last year. This strong performance, above sector average, is explained by the increase in the flow of clients in our physical and virtual stores, as well as the success of important pillars such as our healthcare ecosystem. New stores also contributed significantly to that result, with good maturation rates.

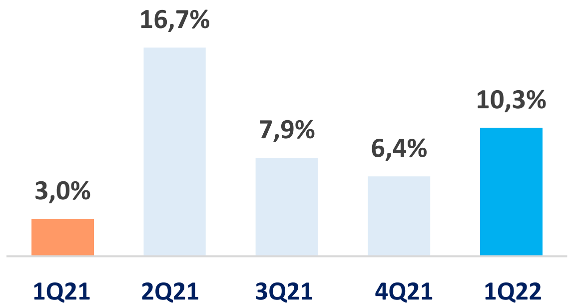
Same-Store Sales (SSS) grew 11.8% in 1Q22 compared to 1Q21. It is a very robust rate, considering that growth takes place on a strong basis of comparison.

The performance of Mature Stores (Mature Same Store Sales or MSSS) was also relevant and had an excellent performance, with a 10.3% growth compared to 1Q21.

Same Store Growth

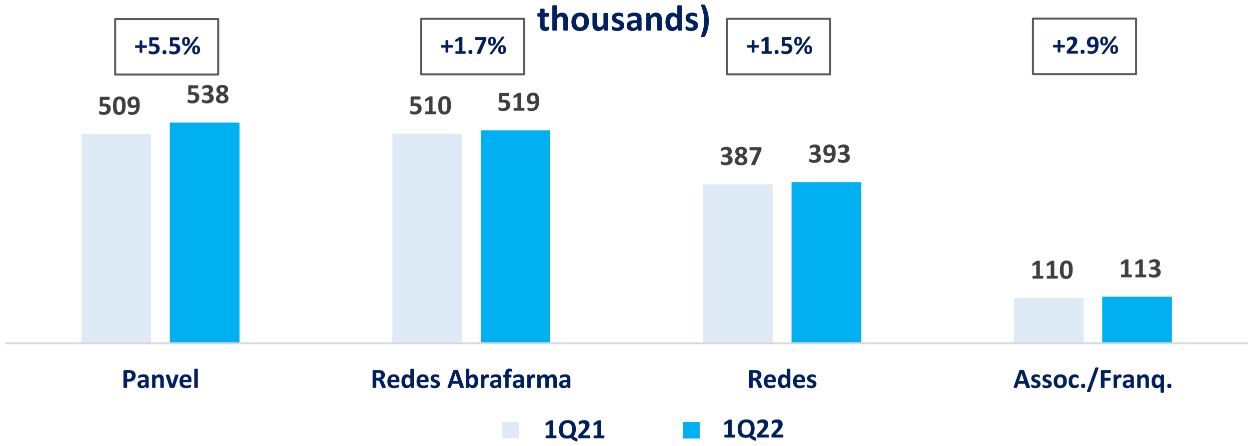


Mature Store Growth



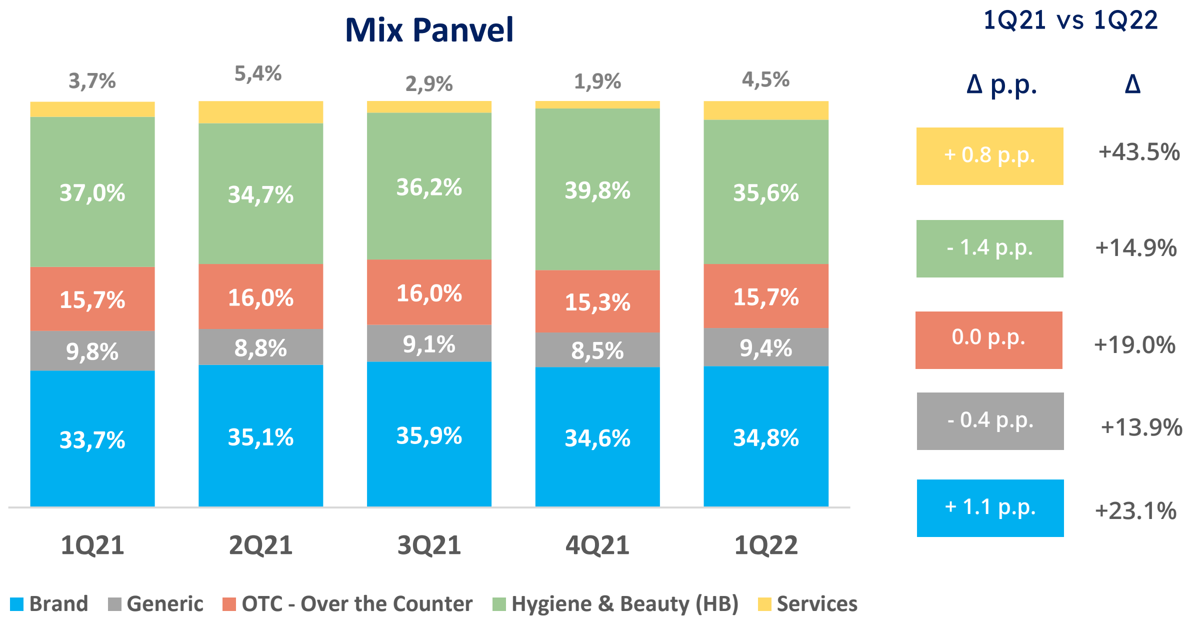
Throughout 1Q22, we had average sales of BRL 555 thousand/store, 7.9% over the same period last year, and 8.5% over the average for 2021. We emphasize that this growth in average sales takes place despite the record opening of 68 stores in the last twelve months, which naturally puts the average down. 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 quality of our expansion project and our productivity are demonstrated.

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



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

Retail sales mix

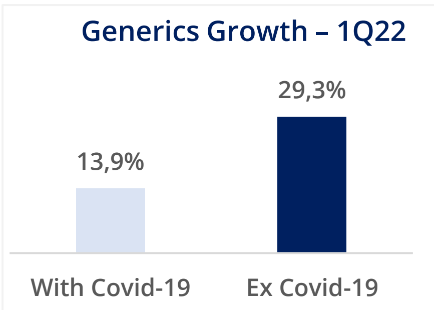


As of this quarter, we shall emphasize the share of Services in the composition of our Sales Mix. Considering the relevant share of that strategic pillar, we understand that such a format makes access to this information more transparent.

General drugs performed well in our mix, with a 20.5% growth (vs 1Q21). The growth in the share of drugs, especially in the previous quarters, is directly related to important projects being carried out by the Company, such as monitoring the journey of clients with Chronic diseases, CRM actions that assist in the follow-up of treatments, and the increase in partnerships with health insurance providers and the sale of Special Drugs, through Panvel Saúde Empresarial.

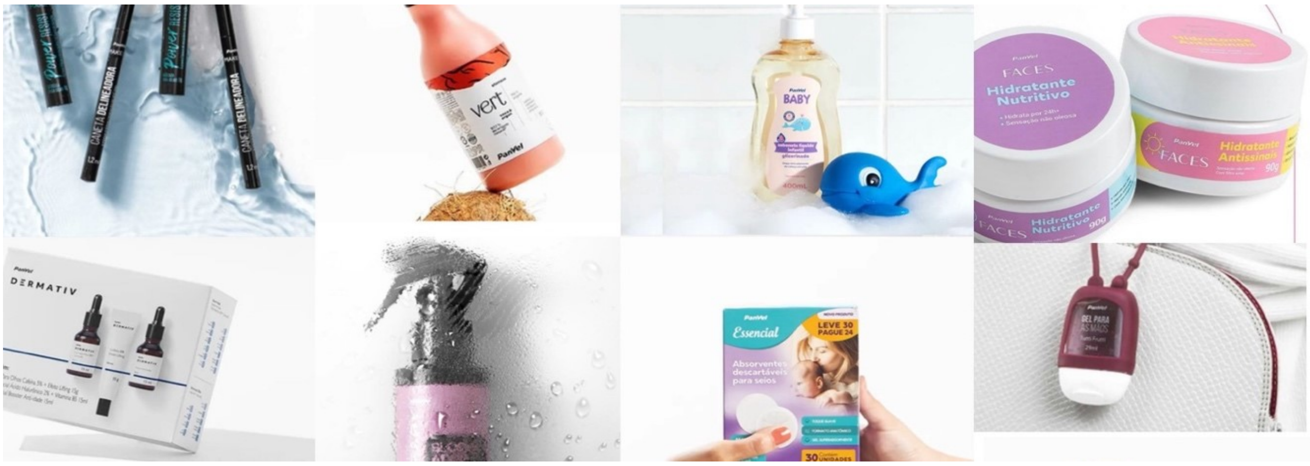
The OTC category stood out, having a 19.0% growth compared to 1Q21. Within this category, the highlights were Influenza and Colds (+33.6%), Pain and Fever (+23.8%), Specialized Nutrition (+37.9%), Diabetes (+28.5%), Wounds and Bruises (+26.0%), and Gastrointestinal (+25.1%).

The Generics category grew 13.9% in the quarter, still impacted by the strong comparison base of products related to the Covid basket. Thus, considering the share of generics without items related to Covid-19, the growth would be 29.3% and the share would be 0.6 p.p. higher compared to 1Q21.



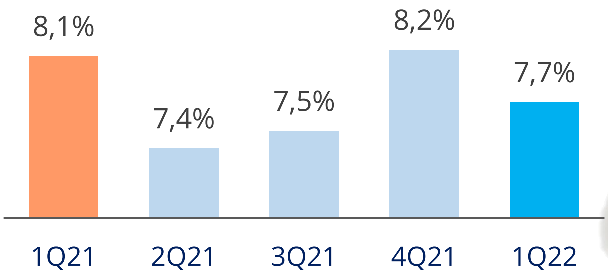
The Hygiene and Beauty (HB) category, on the other hand, grew 14.9% compared to 1Q21. Let us highlight the performance of Panvel Products besides categories such as Body Products (+37.7%), Facial Treatment (+18.4%), Hair (+19.2%), Food (+30.2%), and Makeup (+41.3%).

Panvel Products

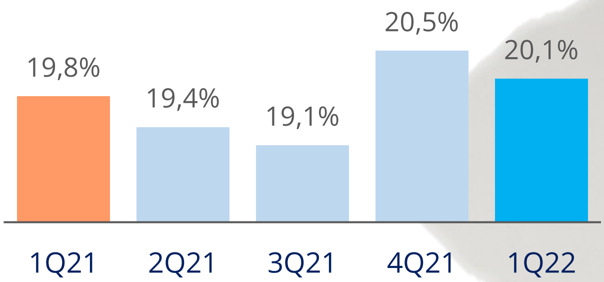


Sales of Panvel Products grew 14.6% compared to 1Q21, with the share of total sales in Retail reaching 7.7% and reaching 20.1% over Hygiene and Beauty sales. These levels keep Panvel as a benchmark for retail pharmaceutics when it comes to Private Label products. The decrease seen in the overall share compared to 1Q21 is due to seasonal effects, especially with the decrease in the sale of Covid items, such as Panvel branded masks. We understand that, after these effects on comparison basis ended, the overall share of Panvel Products shall grow again, either through their launches or through the resumption of growth in important categories, such as makeup.

% Share in the Chain

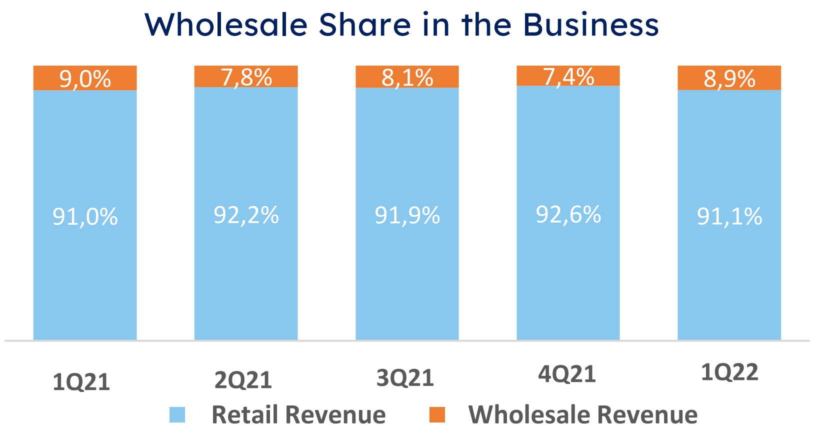


% Share in HB



Wholesale

In 1Q22, Wholesale represented 8.9% of the Company's total sales. As seen in 4Q21, after completing the transition from the Distribution Center in Passo Fundo/RS to São José dos Pinhais/PR, Wholesale results returned to expected levels, with good sales and profitability growth.



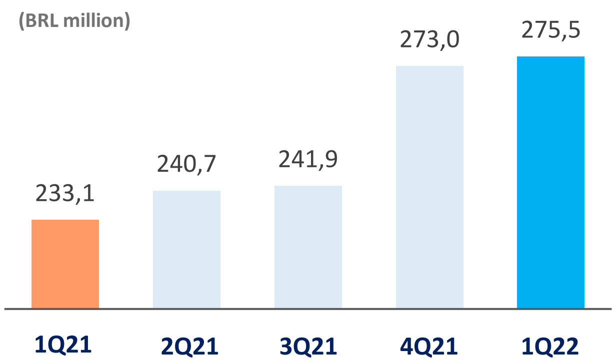
Gross margin

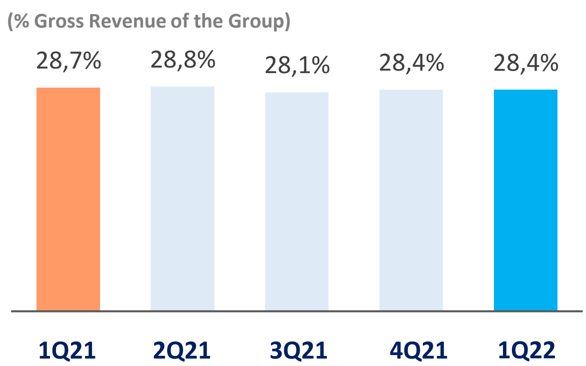
The Company delivered a Consolidated Gross Margin (including retail, wholesale, and other business units) of BRL 275.5 million in 1Q22, which represents 28.4% of gross revenue for the period, a 0.3 p.p. increase compared to 1Q21, resulting especially from effects suffered by the Retail mix.

The Retail Gross Margin was BRL 261.5 million, equivalent to 29.8% of Gross Revenue in 1Q22, and a 0.6 p.p. growth compared to 1Q21. This reduction is explained by the growth in the share of drugs in the mix, mainly special drugs (high ticket but lower percentage margin), and also by the decrease in the share of products related to Covid-19, such as masks. This effect on the product mix begins to be mitigated at the beginning of 2Q22 through the growth of important categories, mainly generics.

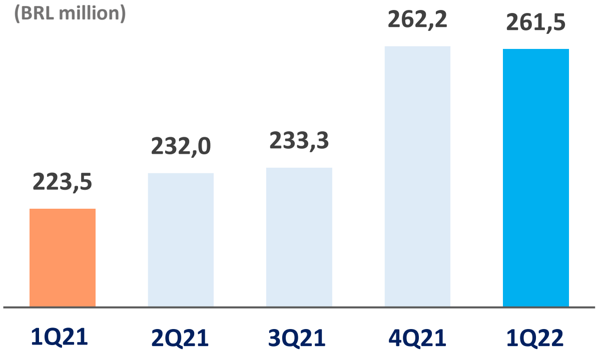
The Wholesale Gross Margin reached 11.8% of the gross revenue of this business unit in 1Q22, a strong 3.5 p.p. growth compared to 1Q21. This margin evolution is directly related to the sale of a healthier mix of products, especially generics. We expect this favorable effect on the mix to continue in the coming quarters.

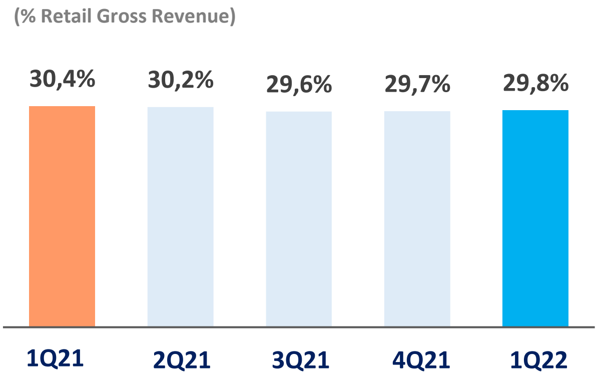
GROSS MARGIN - GROUP



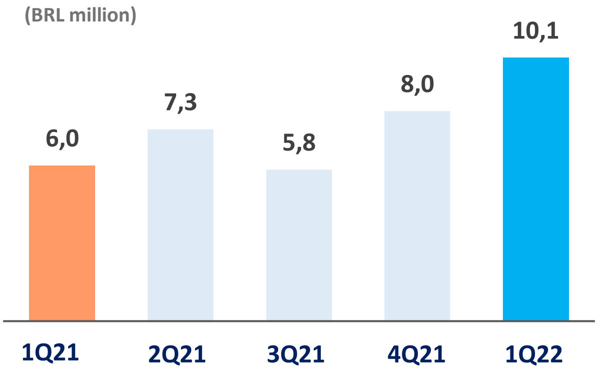


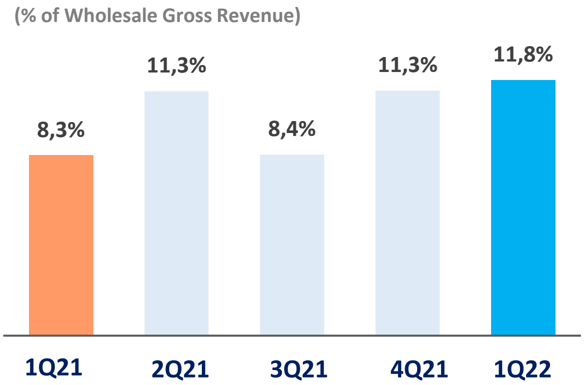
GROSS MARGIN - RETAIL





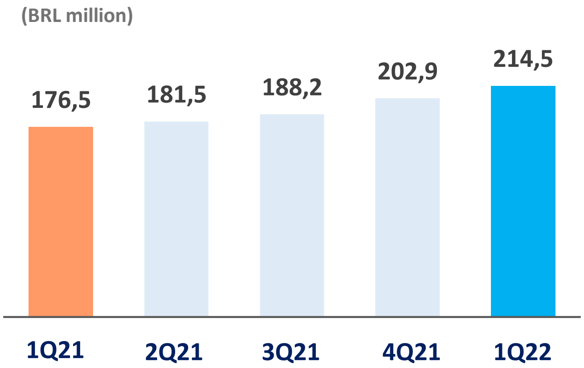
GROSS MARGIN - WHOLESALE

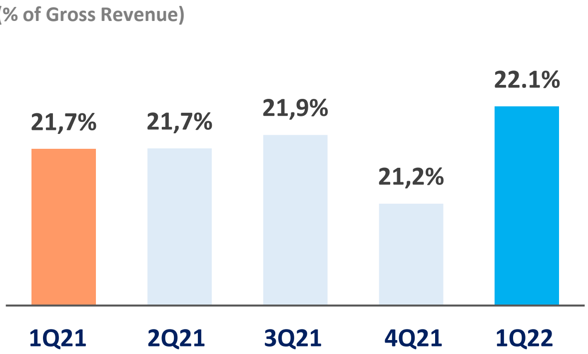




Selling expenses

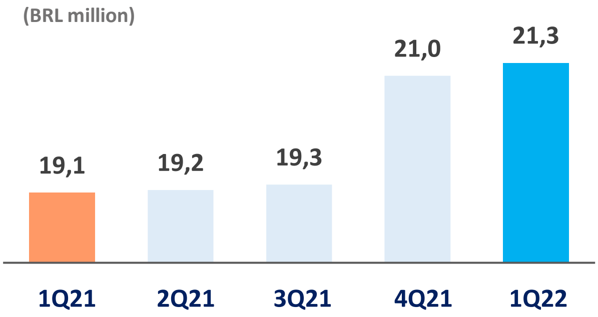
Total Selling Expenses in 1Q22 was BRL 214.5 million, which represented 22.1% of Gross Revenue, a 0.4 p.p. increase compared to 1Q21. Selling expenses at this level are directly related to the acceleration of store expansion besides the inflationary effects that impacted accounts such as Personnel and Rent. Moreover, in the quarter, we had a negative impact with inventory losses (expired goods) mainly items whose demand was related to the pandemic.

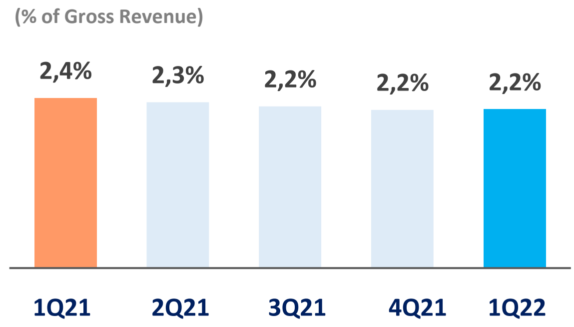




General and administrative expenses

General and Administrative Expenses totaled BRL 21.3 million in 1Q22, representing 2.2% of Gross Revenue and a 0.2 p.p. decrease 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.

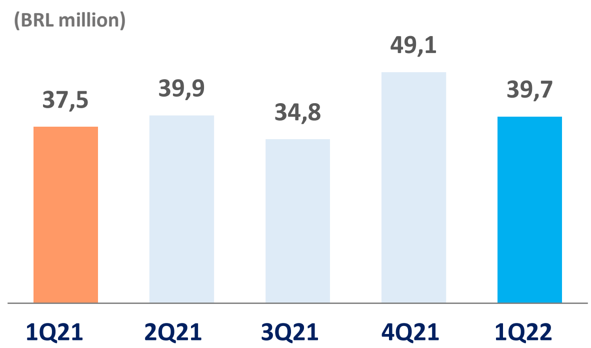


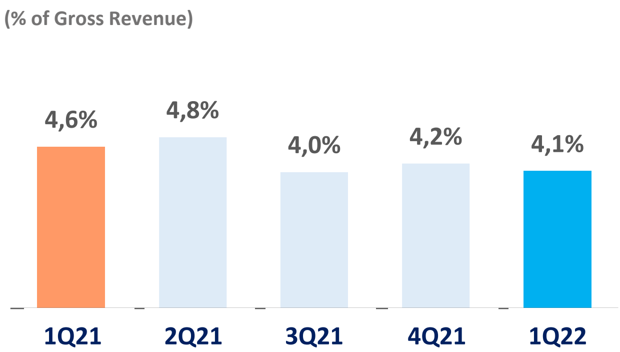


EBITDA

In 1Q22, we reached an adjusted EBITDA of BRL 39.7 million, 5.8% more than the same period in 2021, and with a margin equivalent to 4.1% of Gross Revenue, a 0.5 p.p. decrease in the period. This margin pressure, as explained above, is related to inflationary impacts on selling expenses (partially offset by general and administrative expenses), in addition to the expected effect of accelerating expansion.

ADJUSTED EBITDA





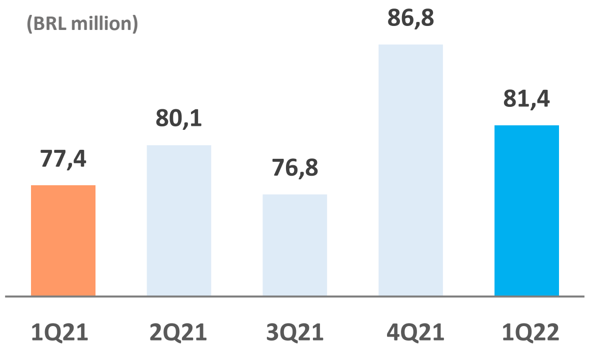
EBITDA Reconciliation	1Q21	1Q22	Var. %
(BRL million)			
Net Profit	21.3	24.4	14.6%
(+) Income Tax	6.6	(4.0)	(160.3%)
(+) Financial Income	(6.5)	1.9	(128.8%)
EBIT	21.40	22.3	4.2%
(+) Depreciation and amortization	10.2	13.6	33.0%
EBITDA	31.6	35.9	13.5%
Interests/Distributions	0.0	2.6	-
Asset Write-offs	0.3	0.3	-
Other Adjustments	5.6	0.9	-
Adjusted EBITDA	37.5	39.7	5.8%
Adjusted EBITDA Margin	4.6%	4.1%	-0.5 p.p.

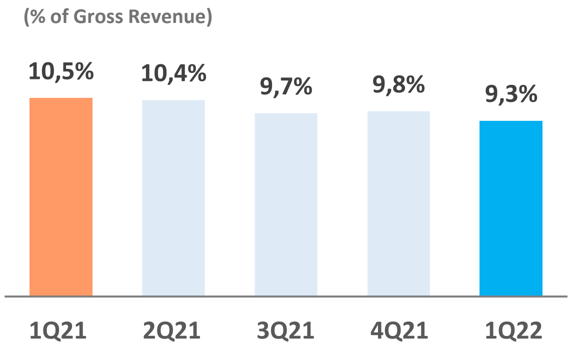
Retail EBITDA

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

Retail EBITDA in 1Q22 was BRL 81.4 million, equivalent to 9.3% of Gross Revenue, with a 1.2 p.p. decrease in the annual comparison. This reduction is a direct result of the acceleration of physical expansion (68 openings in the last 12 months), with a greater number of stores in the maturation period besides the inflationary impact on items such as salaries and rents. Moreover, we had a 0.6 p.p. decrease in the Retail Gross Margin in this comparison period, as mentioned above.

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





Depreciation, net financial income, and IR/CSLL

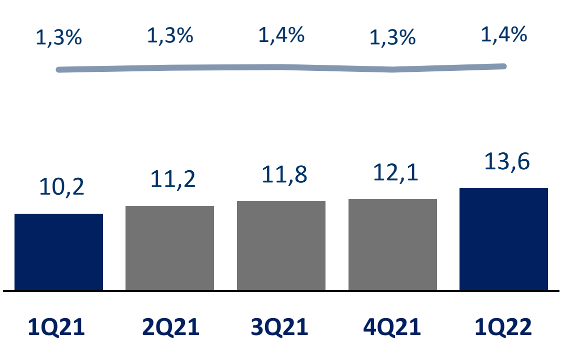
Depreciation increased 0.1 p.p. in 1Q22, justified by the increase in the pace of investment in store expansion, logistics, and technology.

Net financial expenses increased 1 p.p. in the quarterly comparison, from net revenue of BRL 6.5 million to a net expense of BRL 1.9 million. This activity is a direct result of the net Cash position in each quarter.

Moreover, we recognized as Income tax the effect of tax credits arising from a final and unappealable action in the period, with a net favorable effect of BRL 6.2 million in 1Q22.

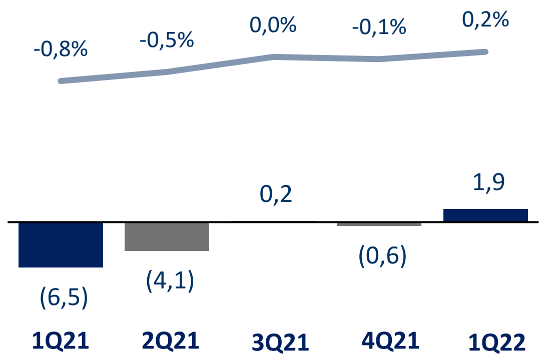
Depreciation

(BRL million, % Gross Revenue)



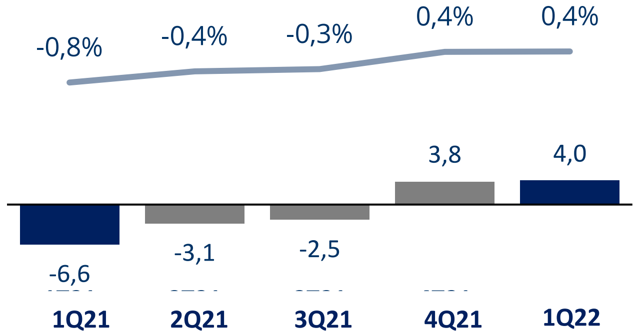
Net Financial Income

(BRL million, % Gross Revenue)



IR/CSLL

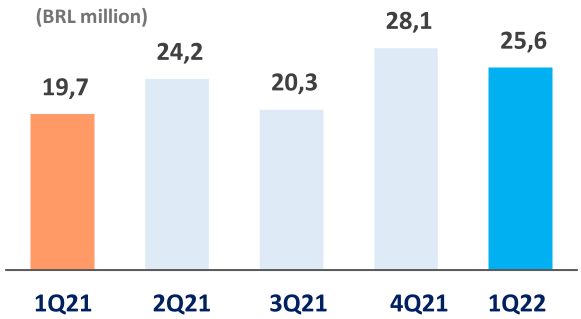
(BRL million, % Gross Revenue)

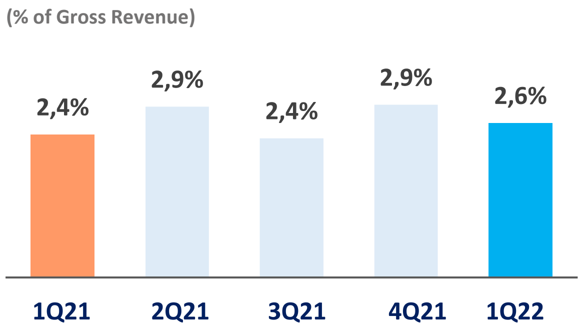


Net profit

Adjusted net profit in 1Q22 was BRL 25.6 million, representing a net margin of 2.6% and a 30.1% growth compared to 1Q21. This good result, in a quarter with significant inflationary challenges, reinforces Grupo Panvel's ability to deliver consistent results every quarter.

NET PROFIT



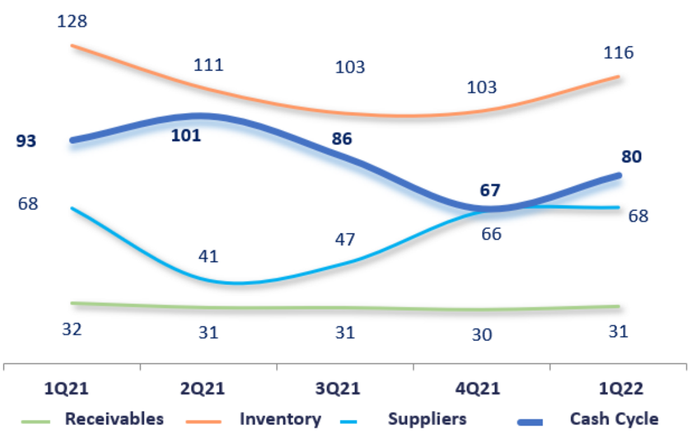


The table below shows the reconciliation of Net Profit and non-recurring adjustments in the period.

Net Profit Reconciliation	1Q21	1Q22	Var. %
(BRL million)			
Net Profit	21.3	24.4	14.6%
Asset Write-offs	0.3	0.3	-
Other Adjustments	(1.9)	0.9	-
Adjusted Net Profit	19.7	25.6	30.1%
Adjusted Net Margin	2.4%	2.6%	0.2 p.p.

Cash cycle

The Company decreased its cash cycle by 13 days compared to 1Q21, reinforcing our commitment to continue increasing the efficiency of our operation. Inventory days are stabilized but with seasonality in the period regarding the strong investments in the purchase of drugs (before high prices – *pré alta*). The supplier's term remained stable compared to 1Q21.



Cash flow

The Company presented a negative free cash flow of R$111.2 million in 1Q22, an improvement when compared to the same period in 2021. This result was mainly possible due to a reduction in the cash cycle, as shown above.

Cash flow	1Q21	1Q22	Δ
Net profit for the period	24.409	21.345	14,4%
IRPJ/CSLL	(3.980)	6.613	-160,2%
Financial Income	1.870	(6.539)	-128,6%
EBIT	22.299	21.419	4,1%
Depreciations and Amortizations	13.565	10.226	32,7%
Other Adjustments	-	5.833	-
EBITDA	35.864	37.478	-4,3%
Others	(2.165)	(8.416)	-74,3%
Operations Resources	33.699	29.062	16,0%
Cash Cycle	(92.857)	(152.123)	-39,0%
Other variations in assets and liabilities	281	27.294	-99,0%
Operating cash Flow	(58.877)	(95.767)	-38,5%
Investments	(52.273)	(27.844)	87,7%
Free Cash Flow	(111.150)	(123.611)	-10,1%
Interest on Equity	(5.809)	(6.010)	-3,3%
Treasury shares	(582)	(12.689)	-95,4%
Total Cash Flow	(117.541)	(142.310)	-17,4%

Indebtedness

The Company's gross indebtedness level at the end of 1Q22 was BRL 139.6 million and, after deducting cash and cash equivalents (BRL 95.9 million), the Net Debt at the end of the period was BRL 43.7 million. We believe that the capital structure remains solid, with low leverage, and supports the continuity of the Company's expansion plan.

Net Debt	1Q21	2Q21	3Q21	4Q21	1Q22
Short-Term Debt	55.8	55.2	57.3	56.0	59.5
Long-Term Debt	134.4	107.6	107.3	80.4	80.1
Gross Debt	190.3	162.8	164.6	136.4	139.6
(-) Cash, Equivalents, and Financial Investments	293.9	172.2	205.5	209.7	95.9
Net Debt / Net Cash	(103.7)	(9.3)	(41.0)	(73.2)	43.7
Net Debt / EBITDA	n/a	n/a	n/a	n/a	0.3x

Investments

Aligned with the Company's planning and with the activity happening in the last 2 years, a total investment of BRL 52,3 million was made in the period, an 87,7% increase compared to 1Q21. We remain in a strong investment cycle, focusing on opening stores and logistics, and 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.

BRL thousands	1Q21	1Q22	Δ
Opening Stores	10,392,331	16,976,501	63.4%
Renovation of Stores	2,299,656	2,411,045	4.8%
IT	5,103,685	7,148,329	40.1%
Logistics and Others	10,048,328	25,737,125	156.1%
Total	27,844,000	52,273,000	87.7%

Environmental, social, and corporate governance (ESG)

At the beginning of the 2nd half of 2021, as widely disclosed, the Todos Bem platform was launched with 4 pillars that guide all our environmental, social, and corporate responsibility actions: Our People, Our House, Our Clients, and Our Partners.

Throughout 1Q22, we followed a well-structured path to achieve the 2022 goals within our pillars:

- Nossa CASA (Our HOUSE) – We emphasize that we started our first Greenhouse Gas Inventory, where it shall be possible to understand our emissions and implement actions/programs to zero, reduce, and/or offset generated emissions. Moreover, at the end of 1Q22, we already had 45% of our street stores opened in the previous year supplied with renewable energy, as well as 50% of our registered office; moreover, 88% of our stores already use LED lighting and our goal is for this indicator to reach 100% by the end of 2022.

  We expanded our reverse logistics program for expired drugs, with 250 new collectors distributed, where it shall also be possible to collect batteries.

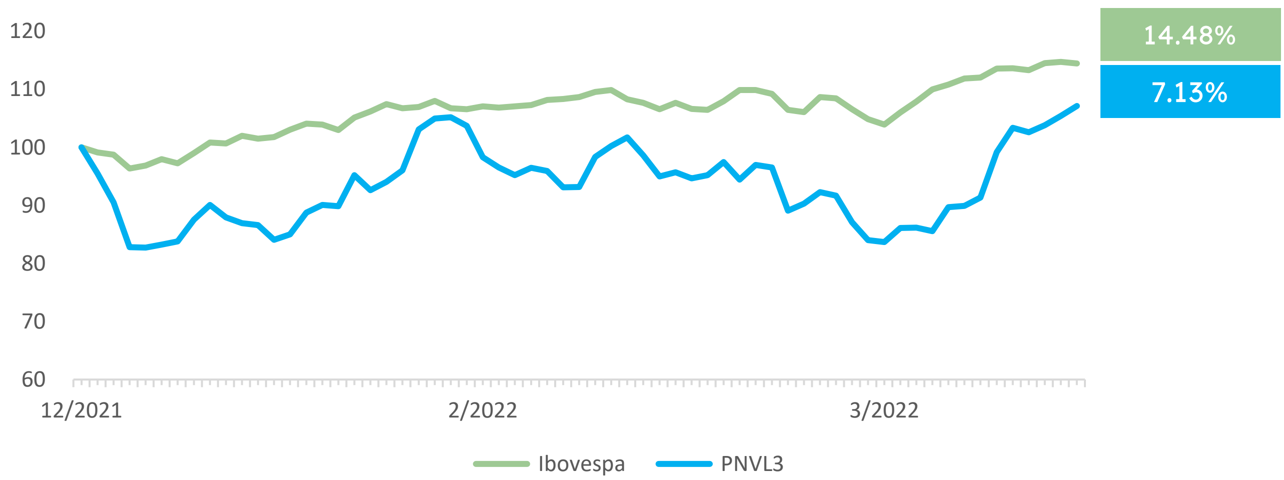
- Nossos CLIENTES (Our CLIENTS) – we consider advertising funds campaigns that encourage health and sustainability; in 100% of the Panvel brand campaigns, we consider the diversity of people in their plurality, reflecting the diversity of the company.

- Nossa GENTE (Our PEOPLE) – we restructured the Troco Amigo program, which has raised almost BRL 15 million since its creation, and we distributed part of the collected funds to projects aimed at community health; we created Affinity Groups (racial/ethnic, LGBTQIA+, PWD, gender equality, generational) that shall define policies and initiatives that make the group even more diverse and inclusive.

Capital market

In the first quarter, the Company's shares stood out among its peers in the pharmaceutical sector, with an appreciation of 7.13% in the period. In comparison with the Ibovespa, the share was 7.35 percentage points below the index, which appreciated 14.48%.

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



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.

		1Q22	
Income Statement	**IAS 17**	**Reclassification**	**IFRS 16**
(BRL million)			
Gross Revenue	**969,771**	**-**	**969,771**
Gross Profit	**275,474**	**-**	**275,474**
% GR	28.4%	0.0%	28.4%
Selling Expenses	(214,727)	**35,767**	(178,960)
Administrative Expenses	(21,262)	-	(21,262)
Total Expenses	**(235,989)**	**35,767**	**(200,222)**
% GR	24.3%	-3.7%	20.6%
Adjusted EBITDA	**39,485**	**35,767**	**75,252**
% GR	4.1%	3.7%	7.8%
Depreciation and amortization	(13,565)	(32,224)	(45,789)
Part. Adm/PLR	(2,584)	-	(2,584)
Other adjustments	(1,037)	-	(1,037)
Financial Income	(1,870)	(9,302)	(11,172)
IRPJ/CSLL	3,980	1,958	5,938
Net Profit	**24,409**	**(3,801)**	**20,608**
% GR	2.5%	-0.4%	2.1%

		1Q22	
Statement of Financial Position	**IAS 17**	**Reclassification**	**IFRS 16**
(BRL million)			
Assets	**1,889,631**	**559,204**	**2,448,835**
Current Assets	**1,402,596**	**585**	**1,403,181**
Clients	338,557	585	339,142
Non-current Assets	**487,036**	**558,618**	**1,045,654**
Deferred Assets	24,400	13,266	37,666
Property, plant, and equipment	385,123	545,352	930,475
Liabilities and Shareholders' Equity	**1,890,800**	**558,033**	**2,448,833**
Current Liabilities	**694,477**	**140,974**	**835,451**
Leases	1,452	140,974	142,426
Non-current Liabilities	**97,023**	**442,812**	**539,835**
Leases	785	442,812	443,597
Shareholders' Equity	**1,099,300**	**(25,753)**	**1,073,547**
Retained Earnings	52,939	(25,753)	27,186

Balance

	Former Standard (IAS 17)		
ASSETS	**1Q21**	**1Q22**	**Var. %**
(in thousands)			
Current Assets	**1,436,131**	**1,436,198**	**0.0%**
Cash and cash equivalents	43,071	51,203	18.9%
Financial Investments	250,877	44,730	-82.2%
Clients	292,119	338,557	15.9%
Inventory	759,184	853,647	12.4%
Recoverable income tax and social security contribution	4,443	29,640	567.1%
Taxes recoverable	28,744	30,856	7.3%
Other trade receivables	57,693	87,565	51.8%
Non-Current Assets	**382,177**	**488,208**	**27.7%**
Deferred taxes	22,722	25,571	12.5%
Recoverable taxes	6,370	8,173	28.3%
Court deposits	6,372	3,952	-38.0%
Credits with related parties	3,030	2,530	-16.5%
Other assets	414	214	-48.3%
Investments	284	4	-98.6%
Property, plant, and equipment	294,403	385,123	30.8%
Intangible Assets	48,582	62,641	28.9%
Total Assets	**1,818,308**	**1,924,405**	**5.8%**

Former Standard (IAS 17)			
LIABILITIES	**1Q21**	**1Q22**	**Var. %**
(in thousands)			
Current Liabilities	**632,868**	**728,081**	**15.0%**
Suppliers	412,075	503,177	22.1%
Loans and financing	54,377	58,071	6.8%
Lease - IFRS 16	1,453	1,452	0.0%
Salaries and social charges	45,709	55,325	21.0%
Interests payable	4,153	4,439	6.9%
Taxes, fees, and contributions	57,414	21,469	-62.6%
Dividends and interest on equity	1,367	(108)	-107.9%
Other trade payables	51,593	82,133	59.2%
Other Provisions	4,727	2,123	-55.1%
Non-Current Liabilities	**155,215**	**103,602**	**-33.3%**
Loans and financing	132,143	79,286	-40.0%
Lease - IFRS 16	2,295	785	-65.8%
Other Obligations	-	6,579	100.0%
Tax provisions for civil, labor, and social security	20,777	16,952	-18.4%
Shareholders' equity	**1,030,225**	**1,092,721**	**6.1%**
Share capital	912,000	918,000	0.7%
Capital transactions with members	(14,448)	(14,448)	0.0%
Capital reserve	(29,045)	(33,243)	14.5%
Earnings reserve	127,376	176,052	38.2%
Retained Earnings	34,342	46,361	35.0%
Total Liabilities and Shareholders' equity	**1,818,308**	**1,924,405**	**5.8%**

Statement of profit and loss

	Former Standard (IAS 17)		
DRE	**1Q21**	**1Q22**	**Var. %**
(in thousands)			
Gross revenue	**811,830**	**969,771**	**19,5%**
Taxes and returns	(59,492)	(68,221)	14.7%
Net revenue	**752,338**	**901,550**	**19.8%**
Cost of goods sold	(519,264)	(626,076)	20.6%
Gross profit	**233,074**	**275,474**	**18.2%**
Expenses	**(211,655)**	**(253,175)**	**19.6%**
With sales	(200,002)	(235,004)	17.5%
General and administrative	(23,270)	(23,874)	2.6%
Other operating revenues	11,617	5,703	-50.9%
Financial income	**6,539**	**(1,870)**	**-128.6%**
Financial expenses	(2,761)	(6,231)	125.7%
Financial revenues	9,300	4,361	-53.1%
Profit before IR, social contribution, and interests	**27,958**	**20,429**	**-26.9%**
Income tax and social security contribution	(6,613)	3,980	-160.2%
Net profit for the fiscal year	**21,345**	**24,409**	**14.4%**

Legal notice

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

Baixe o app

Disponível na App Store

Disponível no Google Play

Results Call
May 12, 2022 - Thursday
11:00 a.m. (Brasilia time) / 10:00 a.m. (EDT)
The call shall be held in Portuguese language with simultaneous translation into English language.
[Webcast Link]