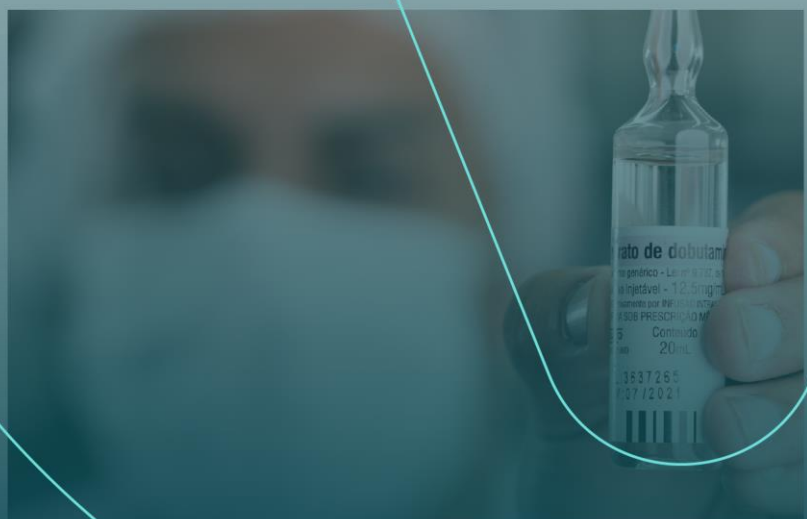




The ecosystem of solutions
for the whole of Brazil's
healthcare chain
– born with a mission to
simplify the market



EARNINGS RELEASE



1Q22



viveo

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São Paulo, May 9, 2022: In this release, **CM Hospitalar S.A.** (**'Viveo'** or **'the Company'**) reports results for first quarter 2022 (**'1Q22'**). Except where otherwise indicated, financial and operational information is consolidated, and in accordance with applicable Brazilian Corporate Law. The financial statements are presented in thousands of Reais (BRL'000), unless otherwise indicated, and are compared with the first quarter of 2021.

FIRST QUARTER 2022 FINANCIAL HIGHLIGHTS

NET REVENUE	<ul style="list-style-type: none">• BRL1,899.9 million (up 27.9% from 1Q21)
GROSS PROFIT	<ul style="list-style-type: none">• BRL298.3 million (up 46.5% from 1Q21):• Gross margin: 15.7%
ADJUSTED EBITDA	<ul style="list-style-type: none">• BRL167.3 million (up 55.2% from 1Q21):• Adjusted Ebitda margin: 8.8%
ADJUSTED NET PROFIT	<ul style="list-style-type: none">• BRL99.2 million (up 107.6% from 1Q21)
CASH CYCLE	<ul style="list-style-type: none">• 49 days, 11 days higher than in 1Q21

* Net revenue and Gross profit reported in the table above are the accounting numbers. Ebitda and Net profit are adjusted for non-recurring items, which include, among others, M&A expenses.

Video conference on 1Q22 results

In Portuguese with simultaneous translation

Date: May 10, 2022

Time: 9 a.m. Brasília time | (8 a.m. New York time)

Connect on: +55 (11) 4090 1621 or 3181 8565

Password: Viveo

Webcast: [Click here](#)

MESSAGE FROM MANAGEMENT



Viveo continues to build an increasingly key role in the Brazilian health sector, manufacturing and distributing materials and medications and expanding its network of services. We began 2022 with further consolidation of our ecosystem, and expansion of our portfolio of products and services, in line with our one-stop shop strategy.

As well as organic growth, we have accelerated the strategy with M&A transactions: in 1Q22 we reported acquisition of Azimute Med, a benchmark company in Patient Support Programs (PSPs). This transaction awaits the approval of the Brazilian anti-trust authority, CADE. We also completed the acquisitions of Medcare and BEMK. These two companies work in importation and distribution of materials for medical, hospital, surgical and laboratory use under contracts with leading manufacturers.

In April, we expanded our offer of services, and announced signature of contracts to purchase Famap and Life. Viveo will now operate in preparation of sterile solutions and expand the services offered to clients. We also acquired PHD, which operates in distribution of hospital and nutritional products and medications. Together with the acquisitions of Tecno4, Pointmed, Medcare and BEMK, these expand our portfolio of technical and higher-added-value products. Completion of the Life and PHD acquisitions is subject to conditions precedent that are usual in the market, including authorization by Brazil's anti-trust authority, CADE.

To strengthen Viveo's direct-to-patient strategy, in April we also reported acquisition of Boxifarma, the first company in Latin America to provide automatically unitized pharmacotherapeutic services, with technology already used in Europe and United States. This acquisition will be an important element in strengthening the business model of Far.me, and the whole of the ecosystem, enabling progress with our agenda of unitizing services for hospitals and clinics – as well as expanding the compounding (manipulation) pharmacy services already offered by Life and Famap, thus adding value to the business through use of intensive technology and expansion of the regions where we operate.

On April 27, we reported another important step: approval by the Supervisory Council of CADE of our acquisition of Profarma Specialty. This decision becomes final if not contested by any third party within 15 days of publication, enabling the acquisition to be concluded and integration between the two companies to begin – currently scheduled for June 1.

In the first quarter of 2022, demand in general continued to be lower than historic levels, with slow resumption of procedures and surgeries, and the impact of the new micron variant. March was stronger, giving signals of recovery, and we will succeed in meeting our objectives for 2022.

For the first quarter of 2022 we report net revenue of BRL1.9 billion, or 27.9% more than in 1Q21. Within this total, organic growth was 17.5%. We note that we have reported organic growth of approximately 15% in the last 4 years. Gross margin in first quarter 2022 was 15.7%.

Adjusted Ebitda was BRL167.3 million, or 55.2% more than in 1Q21, with adjusted Ebitda margin of 8.8%. This is the best adjusted Ebitda margin in the Company's history – demonstrating our expertise in integrating and capturing the synergies resulting from acquisitions. Adjusted net profit was BRL99.2 million, or 107.6% higher than in 1Q21.

We continue to have a robust cash position and a solid capital structure with which to execute future investments and our growth agenda.

Our first quarter 2022 results reflect our team's abilities in conducting the ecosystem and expansion of the portfolio of products and services. We continue to be confident in our strategy of execution, and in our mission of to care for every life.

Leonardo Byrro

CEO



EVENTS IN THE QUARTER – 1Q22

Share buyback program: On January 20, 2022 we reported the Board of Directors' approval of a share buyback program, to serve our Long-Term Restricted Shares Incentive Plan, maximizing generation of value for the stockholder. The Buyback Program will be for 18 months, starting January 21, 2022, for purchase of up to 2.02% of the Company's total shares (5.0% of the free float on the date of announcement of the Program). For more details, please [click here](#).

Acquisition of Azimute Med: On January 20, 2022 the Board of Directors approved acquisition of 100% of the equity of Azimute Med Consultoria e Assessoria S.A. Azimute Med operates in healthcare and is a benchmark operator in Patient Support Programs (PSPs). This operation will strengthen the Viveo ecosystem and expand the Company's activity in services. The transaction is subject to approval by the Brazilian antitrust authority, CADE. For more details, please [click here](#).

Conclusion of acquisition of Medcare and BEMK: On February 25, 2022, we announced conclusion of the acquisition of Medcare and BEMK. For more details, please [click here](#).

Market maker: On March 15, 2022 the Company announced that it has signed a service contract with BTG Pactual Corretora de Títulos e Valores Mobiliários S.A. to carry out the function of market maker in the Company's shares (VVEO3). The Contract is for 12 months, able to be extended automatically for same period. The market maker began operating on March 16, 2022. For more details, please [click here](#).

SUBSEQUENT EVENTS

Rating Agency Report: On March 14, 2022 Fitch Ratings attributed its first Brazilian Long-term Rating, of 'AA-(bra)' to the single series of the Company's 4th issue of unsecured debentures, placed in November 2021 for a total of BRL 530 million, with maturity in 2028. The Outlook of this rating is Stable. For more details, please [click here \(Portuguese only\)](#).

Announcement of acquisitions of Life, Famap and PHD:

On April 11, 2022 the Board of Directors approved signature of binding contracts for acquisition of the following companies: (i) Life – Laboratório de Insumos Farmacêuticos Estéreis Ltda., with head office in Porto Alegre, in the state of Rio Grande do Sul ('Life'); (ii) Famap Nutrição Parenteral Ltda. and Aporte Nutricional Ltda., both



with head office in Belo Horizonte, Minas Gerais (jointly, 'Famap'); and (iii) Hospshop Comércio, Importação, Exportação, Consultoria e Representação Ltda. and Alminhana Comércio e Representação Ltda., both with head office in Porto Alegre (jointly, 'PHD'). The total value of the transaction was BRL365.5 million. Conclusion of the transaction is subject to implementation of certain conditions precedent, including approval by CADE of the transactions for acquisitions of Life and PHD. For access to more details, please [click here](#).

Acquisition of Boxifarma: On April 19, 2022, Viveo signed a contract to acquire 100% of the shares in the following companies: (i) Boxifarma Soluções em Saúde Ltda., (ii) Boxi Soluções em Saúde Ltda., and (iii) Boxi Serviços de Atenção à Saúde Ltda. The acquisition of Boxifarma strengthens Viveo's direct-to-patient strategy and is an important strengthening of the business model of Far.me. It also strengthens the whole of the ecosystem, enabling progress on the agenda of unitized services for hospitals and clinics, and will be able to be used to expand the services already offered by the pharmaceutical manipulators Life and Famap, adding more value to the business through the use of intensive technology, and expanding its regions of operation. For more details, please [click here](#).



Approval by the Supervisory Council of CADE for acquisition of Profarma Specialty: On April 27, 2022, the Company reported publication on the website of CADE, the Brazilian anti-trust authority, of approval, without restrictions, by CADE's Supervisory Council of acquisition by Viveo of 100% of shares representing the total capital of BPL Brasil Participações Ltda, Cannes RJ Participações S.A. and its subsidiaries — Profarma Specialty S.A., Arp Med S.A., Amostra Medicamentos Hospitalares Ltda., Arp Med Serviços e Comércio de Produtos Médicos Ltda. and Íntegra

Medical Consultoria S.A. (jointly, 'Profarma Specialty'), held by BPL Brazil Holding Company S.À.R.L and Profarma Distribuidora de Produtos Farmacêuticos S.A. For more details, please [click here](#).

Payment of dividends: The Company announced that, as approved by the Annual General Meeting and Extraordinary Meeting of April 29, 2022, on May 11 2022 it will pay dividends totaling BRL44,634,603.90, equivalent to BRL0.157441417 per-share. The cut-off date was April 29, 2022, so that the Company's shares traded ex-dividend on May 2, 2022. For more details, please [click here](#).

OUR SERVICES AGENDA

At the end of 1Q22, through **Health Log**, **Viveo** had 82 hospitals using its warehousing and storage services, and 137 companies using its transport services. The Company's owned fleet grew by 5%, to a total of 229 vehicles.

GROWTH INITIATIVES

Of our 14 initiatives for growth, we highlight these achievements in 1Q22:

Hospitals and Clinics

- Increase in the Medical Materials portfolio: expansion of the partnership with B Braun for development of technical and strategic cooperation in sterile solutions, in line with the announcement of the acquisitions made in recent months; and
- Development of a strategic partnership with Medline within the ecosystem.

Consumption

- Expansion of the portfolio: Addition of the line of PURELL products, the world leader in hand hygiene solutions.

Oncology

- Net revenue from this business unit was 48% higher in 1Q22 than 1Q21, reflecting our efforts in its 3 main areas: major clinic groups, potential clients, and other (medium-sized and small) clients.

The public market

- 87% more contracts at the end of 1Q22 than 1Q21, while maintaining our discipline of prior assessment of the client's risk rating and the ROIC of each contract.

MARKET

Viveo works in a health market which transacts more than BRL220 billion annually, in Brazil, according to the Company's estimates. This market comprises a very wide range of providers of health services, in the retail market, services and logistics, in both the private and public institutional markets.

According to the latest data reported by IQVIA (December 2021), the non-retail medications market – comprising the private and public channels – totaled BRL58.5 billion, 12.6% more than in 2021. Meanwhile, GDP growth in the same period was 4.6%. Within the non-retail medications market, the private channel accounts for BRL37.4 billion (64% of total). At present the private channel is 95% of **Viveo**'s medications distribution business.

Another important highlight is the growth of the oncology medications segment, from BRL12.1 billion in MAT February 2021 to BRL14 billion in MAT December 2021 according to IQVIA – an increase of 15.7%. These factors have contributed to the growth of **Viveo**'s medications distribution business, including a positive impact in 1Q22 from increasing demand for oncology, and resumption of diagnoses and treatments, following the effect of Covid-19. IQVIA data from December 2021 show an increase of 6% in sales of immunosuppressant therapy medications in

the first year of the pandemic, followed by an increase of 37,5% in its second year. Finally, the proportion of medications related to Covid-19 treatment in the sales mix continued to decline, year-on-year, in 1Q22.

It's also important to note that there is a positive effect on medication sales every year from purchases prior to the annual April price increases set by CMED, the pharmaceutical price regulator. The resolution approved by CMED set a maximum percentage increase of 10.89% for the 3 classes of medications and those with substance competition profile levels 1, 2 and 3.

We estimate that the market for distribution of inputs to laboratories (excluding Covid materials) grew by 17% from 2020 to 2021, and that the market now totals approximately BRL4.1 billion.

A feature of 2021 was a fall in demand for elective tests, and strong growth in tests relating to Covid-19 diagnostics. Now, in 2022, we see the opposite situation: gradual resumption in elective tests, and a sharp fall in tests related to Covid-19. On the other hand there is the possibility of a mismatch between these two movements, causing volume pressure in the short term. The pandemic caused effects in all supply chains, mainly in those dependent on global dynamics, and the in vitro diagnostics (IVD) market was no exception. We are seeing some challenges in availability of products, reagents and equipment for analysis. It is still difficult to forecast the intensity and scale of these problems, but we expect that we will still have to live with some dimensional imbalance in the supply chain, principally from multinational suppliers.

Inflationary pressure caused the need for the market to adjust its prices more intensely, resulting in a trend for sales growth to come more from price than from increased volume.

Independently of the more challenging scenario post-pandemic, we continue to see an important avenue for our growth in the IVD market. The fundamentals and growth drivers of this market continue to be solid, and structural, underlining our enthusiasm on the sector for the long term.

The market for health products, considering only the Patient Care and Personal Care categories, which **Viveo** manufactures through **Cremer** and **Flexicotton** – products for surgery, first aid, urinary treatment, diagnostics, sterilization, wound management, hygiene and protection – is estimated at approximately BRL12,2 billion/year. In 2021, the Personal Hygiene, Perfumes and Cosmetics, Child Care and Patient Care sales grew 5.2%, 17.6% and 24.3% respectively, according to IQVIA data.

In 2021, Viveo started to operate in a new segment with the acquisitions of Daviso and FW, which are companies focused on the personal hygiene sector, specialized in the manufacture of wet wipes and towels and with an estimated market of approximately BRL750 million.

The diversification of Viveo's businesses and portfolio ensure greater resilience and has contributed to the delivery of consistent results over the years.

ABOUT **viveo**



Viveo is an ecosystem of products and services that connect healthcare solutions. It brings together companies operating over the range from manufacture and distribution of materials and medications to management of its clients, and management for patients.

Viveo's vocation is "To Care for Every Life"; and its mission is to simplify the healthcare sector, democratizing access to health through support and maintenance for each link in this chain. It comprises the following companies: Mafra Hospitalar, Pointmed, Tecno4, MedCare, BEMK, Tecnocold Vacinas, Diagnóstica Cremer, Byogene, Biogenetix, Vitalab, Apijã, Laborsys, Macromed, Cremer, Flexicotton, FW, Daviso, HealthLog, Cirúrgica Mafra, Boxifarma and Far.me. Viveo is also owner of the brands Embramed, Cremer, Topz, Bellacotton, Salvelox – and more recently acquired, Piquitucho and FeelClean.

ACQUISITIONS ANNOUNCED

In 2021 and early 2022, the Company announced 16 acquisitions, of which 2 were completed in 1Q22.

M&A	Channel	Date of announcement	Closing	Annual revenue ¹	Annual Ebitda ¹
Daviso	Consumption	March 2021	May 2021	BRL147 mn	BRL23 mn
FW	Consumption	March 2021	November 2021	BRL151 mn	BRL29 mn
Cirúrgica Mafra	Services	August 2021	December 2021	BRL170 mn	BRL15 mn
Profarma Specialty (PFS)	Hospitals and Clinics	August 2021	Awaits closing	BRL1,650 mn	BRL70 mn
Tecno4	Hospitals and Clinics	October 2021	November 2021	BRL45 mn	BRL4 mn
Pointmed	Hospitals and Clinics	October 2021	November 2021		
Apijã	Laboratories	November 2021		BRL78 mn	BRL14 mn
Laborsys	Laboratories	November 2021	December 2021		
Macromed	Laboratories	November 2021			
Medcare	Hospitals and Clinics	December 2021	February 2022	BRL15 mn	BRL1.7 mn
BEMK	Hospitals and Clinics	December 2021	February 2022		
Azimute Med	Services	January 2022	Awaits closing	BRL34 mn	BRL3.6 mn
Famap	Services	April 2022	Awaits closing	BRL153.5 mn	BRL58 mn
Life	Service	April 2022	Awaits closing		
PHD	Services	April 2022	Awaits closing	BRL105.5 mn	BRL17.5 mn
Boxifarma	Services	April 2022	April 2022	BRL1.8 mn	N.A.

¹ This includes 2021 Revenue and Ebitda of the 8 acquisitions concluded up to December, and for the other acquisitions, estimates of value on the dates of signature of each purchase agreement.

INCOME STATEMENT

BRL'000	1Q22	1Q21	Change, 1Q21–1Q22
Net revenue	1,899,854	1,485,087	27.9%
Costs	(1,601,578)	(1,281,475)	25.0%
Gross profit	298,276	203,612	46.5%
<i>Gross margin</i>	<i>15.7%</i>	<i>13.7%</i>	<i>2.0 p.p</i>
General and administrative expenses	(174,790)	(138,439)	26.3%
Selling expenses	(51,981)	(41,388)	25.6%
General and administrative expenses	(123,020)	(93,725)	31.3%
Impairments of assets	563	(1,504)	-137.4%
Other revenues (expenses)	362	(580)	-162.4%
Share of gain(loss) in non-consolidated investees	(714)	(1,242)	-42.5%
Non-recurring	3,305	20,761	-84.1%
Depreciation and amortization	40,532	21,903	85.1%
Ebitda	164,018	87,075	88.4%
<i>Ebitda margin</i>	<i>8.6%</i>	<i>5.9%</i>	<i>2.8 p.p</i>
Adjusted Ebitda	167,323	107,837	55.2%
<i>Adjusted Ebitda margin ¹</i>	<i>8.8%</i>	<i>7.3%</i>	<i>1.5 p.p</i>
Net financial revenue (expenses)	(36,352)	(16,740)	117.2%
Income tax and Social Contribution tax	9,870	(14,370)	-168.7%
Net profit	97,004	34,063	184.8%
Adjusted net profit	99,185	47,768	107.6%
<i>Adjusted net margin ¹</i>	<i>5.2%</i>	<i>3.2%</i>	<i>2.0 p.p</i>

¹ Margins calculated by dividing Adjusted Ebitda and Adjusted net profit by Adjusted net revenue.

NET REVENUE

Viveo reports Net revenue in 1Q22 of BRL1,899.9 million, 27.9% higher than in 1Q21. Organic growth in net revenue between the two periods was 17.5%.

BRL'000	1Q22	1Q21	Change, 1Q21–1Q22
Hospitals and clinics	1,564,657	1,294,261	20.9%
Laboratories	76,503	60,250	27.0%
Retail	191,219	113,249	68.8%
Services	67,475	17,327	289.4%
Total	1,899,854	1,485,087	27.9%

Net revenue of the **Hospitals and Clinics channel** in 1Q22 was BRL1,564.7 million, 20.9% higher than in 1Q21, mainly on the following factors: (i) increased demand in oncology, with the resumption of diagnoses and treatment after the effect of Covid-19, and increase in both sales and market share of sales to oncology clinics; (ii) increased in market share in vaccines, principally in campaigns against influenza; (iii) number of portfolio contracts with the

public market 87% higher at the end of 1Q22 than 1Q21, while maintaining our discipline of prior assessment of the client's risk rating, and the ROIC of contracts; and (iv) the acquisitions of Tecno4/ Pointmed (November 2021) and Medcare/ BEMK (February 2022). On the other hand, sales of IPE and other products more related to combat of the pandemic were lower than in 1Q21. Note that historically March is a month of higher volume due to the annual April price increase by the pharmaceuticals pricing authority, CMED¹ – this year Viveo had record sales. **Organic growth from 1Q21 to 1Q22 was 19.6%.**

The **laboratories channel**, which includes the companies Biogene, Biogenetix and Vitalab acquired in April 2020, and Apijã, Laborsys and Macromed, acquired in December 2021, which is responsible for distribution of reagents (analytics), and Diagnóstica Cremer, with sales of pre-analytic materials, reported sales 27.0% higher in 1Q22 than in 1Q21, mainly due to our new acquisitions in the period. Excluding the acquisitions, sales by the Laboratories channel were 3.5% lower in 1Q22 than 1Q21, mainly due to: (i) prices of IPE (especially gloves) and Covid tests; and (ii) volume of sales of Covid tests in 1Q22 when, in spite of the increased demand in January 2022 as a result of the Omicron variant, products were not available for sale. Excluding the Covid-19 effect and normalizing the sell-out price effect of the purchase of gloves, net revenue was 19.3% higher and the number of clients was 20.7% higher.

Net revenue in the **Retail channel** in 1Q22 was BRL191.2 million, 68.8% more than in 1Q21. The increase is mainly due to the acquisitions of Daviso (in May 2021) and FW (in November 2021), and the growth in sales of Flexicotton after it became part of the Viveo ecosystem (October 2020). **Organic growth from 1Q21 to 1Q22 was 8.8%**, negatively affected by lower sales of IPE and products related to combat of the pandemic. However, if we exclude sales of IPE (gloves and masks) in the periods, there would have been growth of 29.3% in the retail channel due to the higher volume of sales of manufactured products.

Net revenue in the **Services channel** was BRL67.5 million in 1Q22, an increase of 289.4% compared to 1Q21. The acquisition of Cirúrgica Mafra in December 2021 made a positive contribution to the growth in this channel. **Organic growth from 1Q21 to 1Q22 was 24.7%**, showing the progress of the Services agenda with Health Log.

The results of **Far.Me** are reported via equity income (share of gain/loss in non-consolidated investees). At the end of March 2022 the client base had expanded by 189% from end-March 2021, with 2,183 patients served, including the recurring users of Box (1,239) and the patients served by the Patient Support Program (PSP) in the commercial relationships with various health insurance plans. In March 2022 we announced a partnership between Far.me and Porto Seguro Saúde. In this partnership, beneficiaries will not only receive their medications faster, but will have access to the personalized services of Mafra Hospitalar.

Far.me has a specialized solution for pharmaceutical service and accompaniment of patients, integrated with distribution of products, which offers care and efficiency from the purchase order to delivery at the institution or the patient's home..

All the processes are 100% traceable, and accompanied by a team of specialized pharmacists. The products and services offered: *Far.me Box*; Delivery of medications and health products; and PSP. The acquisition of **Boxifarma**, announced on April 19, 2022, will strengthen this strategy, enable geographical expansion, and add technology and greater automation to the processes.

GROSS PROFIT

BRL'000	1Q22	1Q21	Change, 1Q21–1Q22
Gross profit	298,276	203,612	46.5%
Gross margin	15.7%	13.7%	2.0 p.p.

Viveo reports gross profit in 1Q22 of BRL298.3 million, 46.5% higher than in 1Q21. **Organic growth from 1Q21 to 1Q22 was 17.2%.**

Gross margin in 1Q22 was 15.7%, an increase of 2.0 p.p. from 1Q21, mainly due to improvement in the margin on the **Hospitals and Clinics** channel arising from the mix, with: (i) higher sales of medical materials (excluding IPE,

¹ Every year, the pharmaceuticals pricing authority (CMED) approves the maximum percentage increase allowed for prices of medications. In 2022, the maximum increase in prices of medications allowed as from April 1 was 10.89%.

which has higher margins) – to which the acquisitions of Tecno4, Pointmed, BEMK and Medcare contributed; (ii) higher government revenue; (iii) improvement in the margin of Tecnocold (vaccines); and (iv) higher revenue from sales in the OL (logistics operations) mode. Other acquisitions also contributed to the increase in gross margin, since they have higher margins than the average margin of the portfolio.

GENERAL AND ADMINISTRATIVE EXPENSES

R\$ thousand	1Q22	1Q21	Chg. 1Q22/1Q21
Sales expenses	(51,981)	(41,388)	25.6%
General and administrative expenses	(123,020)	(93,725)	31.3%
Impairments of assets	563	(1,504)	-137.4%
Other revenues (expenses)	362	(580)	-162.4%
Equity income	(714)	(1,242)	-42.5%
TOTAL EXPENSES	(174,790)	(138,439)	26.3%
% of Net Revenue	-9.2%	-9.3%	0.1 p.p
Non-recurring	3,305	20,761	-84.1%
Total excluding non-recurring	(171,485)	(117,678)	45.7%
% of Net Revenue	-9.0%	-7.9%	-1.1 p.p
Depreciation	32,727	15,901	105.8%
% of Net Revenue ex non-recurring and ex-depreciation	-7.3%	-6.9%	-0.5 p.p

General and administrative expenses in 1Q22 were BRL174.8 million, 26.3% more than in 1Q21. This was a lower increase than the increase in revenue, demonstrating the start of capture of the synergies from the M&A carried out in 2021.

Selling expenses in 1Q22 were BRL52.0 mn, 25.6% higher than in 1Q21. This basically reflects the acquisitions made over the prior 12 months, and the increase in sales.

General and administrative expenses in the quarter were BRL123.0 mn, or 31.3% more than in 1Q21. The depreciation reported in this line contributed BRL16.8 million to the increase between the two quarters. Excluding this effect, the increase is 16.0%. This increase is due to the higher provision for bonuses, as well as the addition of the new companies.

Note that we have also had success in our strategy for collection, which resulted in a positive effect in the provision for doubtful receivables.

Depreciation and amortization in 1Q22 totaled BRL40.5 million, compared to BRL21.9 million in 1Q21, the amount recorded in expenses being BRL32.7 million and BRL15.9 million.

EBITDA² AND ADJUSTED EBITDA

BRL'000	1Q22	1Q21	Change, 1Q21–1Q22
Net profit	97,004	34,063	184.8%
Income tax and Social Contribution tax	9,870	(14,370)	-168.7%
Net financial income (expenses)	(36,352)	(16,740)	117.2%
Depreciation and amortization	(40,532)	(21,903)	85.1%
Ebitda	164,018	87,075	88.4%
<i>Ebitda margin</i>	8.6%	5.9%	2.8 p.p
Non-recurring	3,305	20,761	-84.1%
Adjusted Ebitda	167,323	107,837	55.2%
<i>Adjusted Ebitda margin</i> ³	8.8%	7.3%	1.5 p.p

³ Comprises: Adjusted Ebitda divided by Adjusted net revenue.

Ebitda in 1Q22 was BRL164.0 million, 88.4% higher than in 1Q21. Organic growth in Adjusted Ebitda was 26.9% from 1Q21 to 1Q22, with margin expansion of 0.6 p.p.

Adjusted Ebitda margin in 1Q22 was 1.5 p.p. higher than in 1Q21. This increase reflects the improvement in gross margin, capture of synergies, and acquisitions with a margin higher than the average for the portfolio. Note that this was the quarter with the best Adjusted Ebitda margin in the Company's history.

Non-recurring expenses (BRL'000)	1Q22	1Q21	Change, 1Q21–1Q22
Expenses on M&A and consultancy	1,964	14,341	-86.3%
Escrow account	707	5,838	-87.9%
ICMS legal actions – PIS/Cofins tax base	192	–	N.A.
Other	442	583	-24.1%
Total	3,305	20,762	-84.1%

M&A expenses and Consultancy: Expenses on contracting of consultants and advisors, and other expenditures on execution and integration of the companies acquired.

Escrow account: Adjustment to the net balance of the amounts relating to the expenses of the Company, which will be reimbursed by the vendors of the companies acquired, or discounted from future payments owed by the Company to these vendors; and

Legal actions on ICMS tax – on the calculation base for the PIS and Cofins taxes: an action to exclude amounts of ICMS tax (paid or payable) from the basis for calculation of the PIS and Cofins taxes.

² Ebitda is not a financial measurement under BR GAAP, nor international accounting rules nor IFRS, and should not be considered in isolation as a measure of operational performance or as an alternative to operational cash flow as a measure of liquidity. This indicator is a management monitoring instrument, presented to offer additional information on operational cash generation.

NET FINANCIAL REVENUES (EXPENSES)

BRL'000	1Q22	1Q21	Change, 1Q21–1Q22
Financial revenue	157,725	64,632	144.0%
Financial expenses	(194,077)	(81,372)	138.5%
Net financial revenue (expenses)	(36,352)	(16,740)	117.2%

For 1Q22, the Company reports net financial expenses of BRL36.4 mn, 117.2% more than in 1Q21.

Financial Revenues in 1Q22 were BRL157.7 million, BRL93.0 million more than in 1Q21. This reflects the higher average cash position of BRL1,727.0 million in 1Q22, vs. BRL533.5 million in 1Q21, and the higher CDI rate between the periods (11.65% in 1Q22, vs 2.65% in 1Q21).

Financial expenses were BRL194.1 million, or BRL112.7 million more than in 1Q21. The main factors in this difference are: (i) higher expenses on interest on loans, due to the higher Selic rate; and (ii) monetary updating on the retained portions in M&A transactions, which are updated by the CDI rate.

INCOME TAX AND SOCIAL CONTRIBUTION TAX

The Company reports a gain of BRL9.9 million in the Income tax and Social Contribution tax line, which compares with an expense of BRL13.7 million in 1Q21. The main reasons for this difference are the following factors in 1Q22: (i) conclusions of the valuation opinions for the acquisitions of subsidiaries, generating use of tax credits and tax loss carryforwards in Expressa and amortization of intangible assets of the companies totaling BRL23.7 million; and (ii) accounting of the tax incentive subsidies for investments, in the amount of BRL11.6 million.

NET PROFIT AND ADJUSTED NET PROFIT

BRL'000	1Q22	1Q21	Change, 1Q21–1Q22
Net profit	97,004	34,063	184.8%
Adjustments to Ebitda*	2,181	13,702	-84.1%
Adjusted net profit	99,185	47,766	107.6%
Adjusted net margin	5.2%	3.2%	2.0 p.p

*After deduction of the standard 34% aggregate rate of income tax + Social Contribution tax.

¹ For more information see Note 12(a).

² For more information, see Note 20(b).

1Q22 Adjusted net profit, at BRL99.2 million, was 107.6% higher than in 1Q21. In 1Q22, Adjusted net margin was 5.2%, 2.0 p.p. higher than in 1Q21.

Net profit was adjusted by the same non-recurring expenses used to adjust Ebitda, net of income tax and Social Contribution at the rate of 34%.

RETURN ON INVESTED CAPITAL

ROIC is adjusted operational profit (Ebit) after income tax and Social Contribution tax, divided by the Company's total invested capital, which is calculated as the sum of Working capital and Fixed assets ('Total Invested Capital'). As an illustration: Working capital = Accounts Receivable + Inventories + Recoverable taxes – Suppliers – Salaries and payroll-related obligations payable – Taxes payable – Advances from clients; all the account lines of Working capital being current and short-term.

The standard rate for calculation of income tax plus the Social Contribution tax is 34% on operational profit. **Annualizing the results for 1Q22, the Company's ROIC was 21.7%.**

BALANCE SHEET

ASSETS	March 31 2022	Dec. 31 2021	Change
Cash and cash equivalents	1,276,377	1,364,846	-6.5%
Cash investments	480,956	838,879	-42.7%
Accounts receivable from clients	1,426,110	1,183,243	20.5%
Inventories	1,038,688	946,297	9.8%
Taxes recoverable	161,247	145,489	10.8%
Derivatives	585	2,753	-78.8%
Other assets	87,601	97,798	-10.4%
Related party transactions	8,306	8,109	2.4%
Total, current assets	4,479,870	4,587,414	-2.3%
Accounts receivable from clients	10,253	9,786	4.8%
Taxes recoverable	141,369	147,024	-3.8%
Court escrow deposits	169,290	186,425	-9.2%
Deferred tax assets	174,979	136,285	28.4%
Other assets	21,639	20,242	6.9%
Investments	1,041	1,751	-40.5%
Property, plant and equipment	307,578	293,914	4.6%
Intangible assets	1,399,654	1,397,614	0.1%
Right to use of assets	111,214	116,735	-4.7%
Total, non-current assets	2,337,017	2,309,776	1.2%
Total assets	6,816,887	6,897,190	-1.2%

LIABILITIES	March 31 2022	Dec. 31 2021	Change
Suppliers	1,068,218	1,153,461	-7.4%
Suppliers – reverse factoring	140,981	139,868	0.8%
Tax obligations	79,190	59,862	32.3%
Loans and financings	165,275	174,878	-5.5%
Debentures	114,139	75,026	52.1%
Salaries and payroll-related costs payable	77,866	72,860	6.9%
Taxes payable by installments	3,037	3,237	-6.2%
Advances from clients	22,832	8,702	162.4%
Dividends payable	56,328	124,313	-54.7%
Leasing liabilities	49,855	51,246	-2.7%
Provisions	2,213	3,622	-38.9%
Due to former stockholders of subsidiary	91,959	97,661	-5.8%
Obligations under acquisitions	61,000	63,329	-3.7%
Other liabilities	106,090	96,219	10.3%
Total, current liabilities	2,038,983	2,124,284	-4.0%
Loans and financings	311,264	366,348	-15.0%
Debentures	1,495,591	1,510,946	-1.0%
Obligations under acquisitions	469,615	476,693	-1.5%
Taxes payable by installments	12,961	12,445	4.1%
Deferred taxes	45,434	49,090	-7.4%
Provisions	45,146	44,245	2.0%
Leasing liabilities	80,753	86,024	-6.1%
Derivatives	52,819	6,740	683.7%
Tax legal action – passthrough	68,900	68,900	0.0%
Other liabilities	537	458	17.2%
Total, non-current liabilities	2,583,020	2,621,889	-1.5%
Share capital	1,771,044	1,771,044	0.0%
Capital reserves	-243,169	-204,905	18.7%
Profit reserve	667,009	584,878	14.0%
Total Stockholders' equity	2,194,884	2,151,017	2.0%
Total liabilities + equity	6,816,887	6,897,190	-1.2%

Assets

Current assets at March 31, 2022 were BRL4,479.9 million, 2.3% lower than at December 31, 2021. Non-current assets at March 31, 2022 totaled BRL2,337.0 million, 1.2% less than at December 31, 2021.

Liabilities

Current liabilities on March 31, 2022, were BRL2,039.0 million, 4.0% lower than at December 31, 2021. Non-current liabilities were BRL2,583.0 million, 1.5% lower than at December, 31, 2021.

Stockholders' equity at the end of March 2022 was BRL2,194.9 million, 2.0% higher than at December 31, 2021, mainly reflecting higher the Future earnings reserve.

Loans, financings and debentures

The Company's gross debt on March 31, 2022, including derivatives, was BRL2,138.5 million, BRL7.3 million higher than at December, 31, 2021.

At the close of 1Q22 Viveo held net debt of BRL381.2 million, compared to a net cash of BRL72.5 million at the end of 2021.

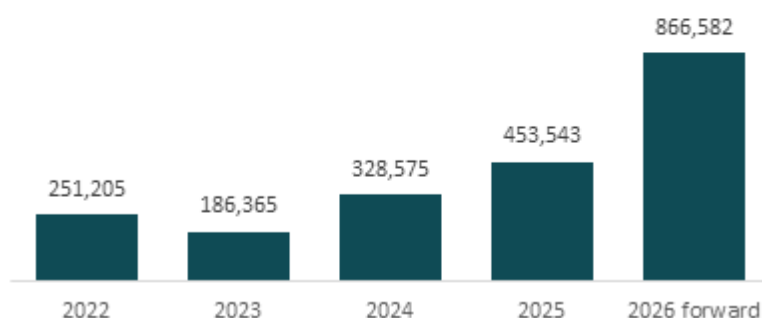
In 1Q22 a total of BRL51.9 million was paid in interest and principal on loans, financings and debentures.

In the maturities profile, at the end of 1Q22, 86.62% of the Company's debt had maturities in the long term, and average tenor of the debt was 4.8 years. On the same date, 87.85% of the debt was contracted in Brazilian currency, and practically all of the portion in foreign currency was fully hedged with financial instruments converting balances to Reais. The average cost of the Company's debt at the end of 1Q22 was the CDI rate plus 2.01% p.a. This compares to CDI rate +2.19% at the end of 4Q21.

Loans and financings (BRLmn)	March 31, 2022	December 31, 2021	Change
Cash and cash equivalents plus cash investments	1,757.2	2,203.7	-20.3%
Loans and financings	476.5	541.3	-12.0%
Debentures	1,609.7	1,585.9	1.5%
Derivative financial instruments ¹	52.2	4	1,205.0%
Net debt (cash)	381.2	(72.5)	-625.8%

¹ For more information see Note 4.3 (f)

Debt amortization timetable
(BRL '000)

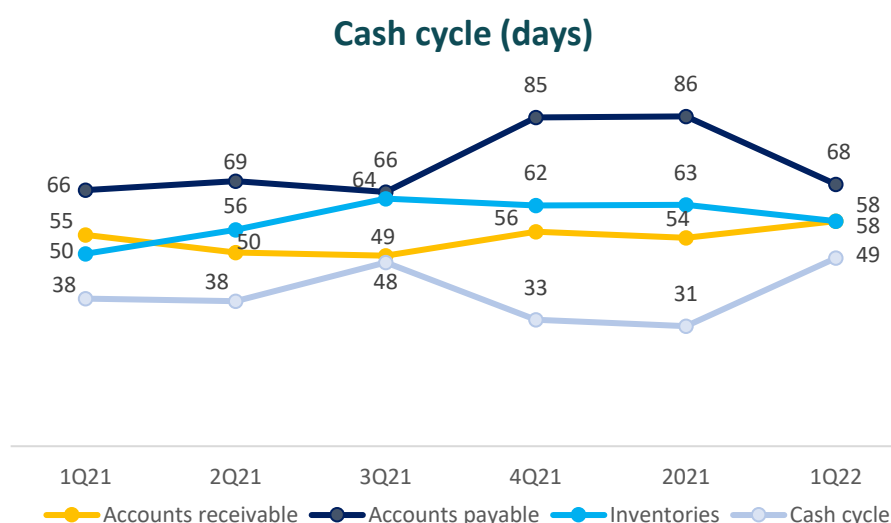


Additionally, the acquisitions generate future payment obligations, which may materialize in full or in part. Today the balance payable arising from the M&A transactions is BRL530.6 million: the timetable of this is shown below.

Amortization timetable – BRL'000	
2022 (short term)	61,000
2023	105,247
2024	103,346
2025	99,109
2026	105,258
2027	56,655
Total	530,615

CASH CYCLE

The cash cycle in 1Q22 was 49 days, 11 days more than in 1Q21. This increase mainly reflects the strategic interest in inventories in response to the annual April CMED price adjustment for 2022.



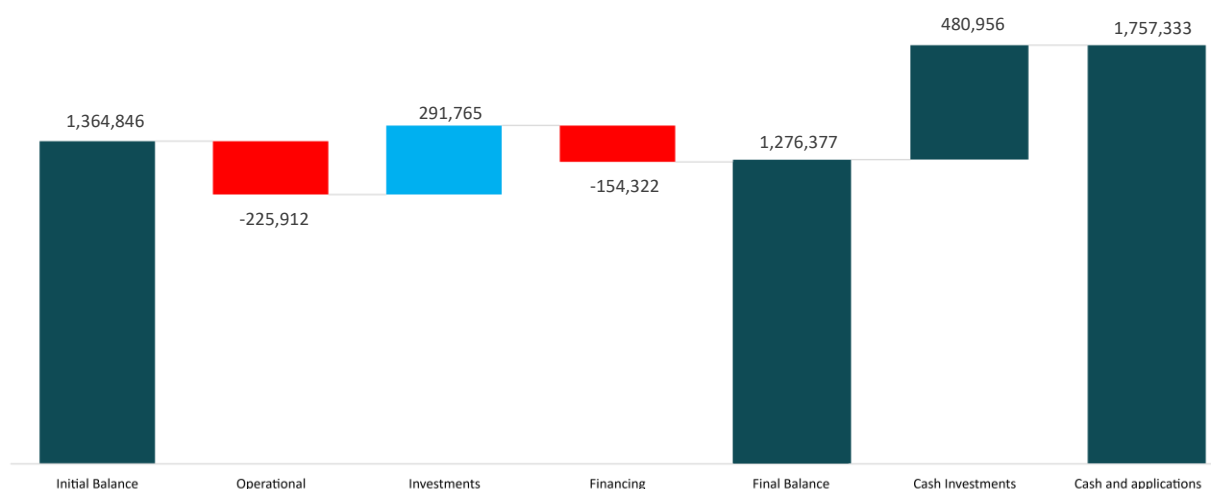
CASH FLOW

Cash and cash equivalents at the end of 1Q22 were BRL1,276.4 million, a reduction of BRL88.5 million from the balance at the start of the period. Including financial investments³ of BRL481.0 million, the total balance of cash, cash equivalents and cash investments was BRL 1,757.3 million.

In 1Q22 cash of BRL225.9 million was used in operational activities (BRL407.6 million in variations of assets and liabilities, mainly reflecting the higher inventory related to the annual CMED price increase) and BRL154.3 million on financing activities, with payment of Interest on Equity, buyback of shares and payment of loans and debentures. Investment activities generated BRL291.8 million, principally from cash investments, partially offset by payments arising from the acquisitions (retained portions) of **Flexicotton**, in the amount of BRL31.7 million, and **FW** in the amount of BRL2.3 million.

³ Financial investments with maturity more than 3 months.

CASH FLOW (BRL'000)



SUSTAINABILITY IN THE BUSINESS

Based on its mission – “**To Care for Every Life**” – Viveo made a deep study to develop a robust ESG plan in 2021, aiming to make investments of BRL65 million over the subsequent years. The study defined 12 main themes, under four key pillars of action, related to the whole organization and its stakeholders – including: **Honest Management, Human Development, Eco-Efficiency, and Solutions for Sustainability.**

In March 2022 **Viveo** published its first Sustainability Report. The publication obeys the guidelines of the Global Reporting Initiative (GRI), and presents the Company’s commitment and performance in relation to environmental, social and governance matters, as well as the performance of the business and its long-term strategy.

There were two important developments in the ESG agenda on the subject of sustainable logistics. The first was the acquisition of electric trucks for pickups and last mile deliveries in São Paulo and Brasília, reducing generation of greenhouse gases and noise from combustion engines in these major city centers. A total of 1,938 deliveries were made, comprising 12,892 miles traveled – avoiding emissions of 5,083 kilograms of CO₂.

The second initiative comprised returnable thermolabile boxes for products requiring temperatures between 2° and 8°C, removing the cost of expanded polystyrene containers and refrigeration fluids, and also the cost of treatment of these as waste after their use. **HealthLog** is currently operating with 140 returnable packaging units with PCM (Phase Change Material) technology. In 1Q22, a total of 3.2 tons of expanded polystyrene and refrigeration fluids were withdrawn from the environment.



Sustainable partnership

With a view to engaging its whole commercial fleet, **Viveo** has signed a sustainability partnership with the company **Movida**. In this initiative, emissions of greenhouse gases are offset in the rental contracts through planting of native trees in the biodiversity corridor of the Araguaia river, one of the world’s largest nature corridors.

Renewable energy

In line with this strategy, one of **Viveo's** areas of focus is reduction of greenhouse gas emissions. For this purpose, it is investing in energy generation technologies based on a renewable fuel: biomass. With this new technology **Viveo** replaces fossil fuels with biomass from eucalyptus wood originating from reforestation. With this investment, the Company intends to achieve 95% of its heat generation from renewable sources in all its production units in 2022. Already, 93.4% of the electricity used by the group comes from renewable sources, through contracts in Brazil's wholesale electricity Free Market.

The I-REC Seal

Viveo was awarded the **I-REC seal**, recognized worldwide, certifying that 100% of the energy consumed by the company in 2020 was from renewable sources. In the last year alone, CO₂ emissions were reduced by approximately 3,685 tons. The certification is an important step for the Company, and underlines its commitment to ESG.

Signatories of the Better Cotton Initiative

As one of these pioneering initiatives in the healthcare sector, **Viveo** has also become a signatory to the **Better Cotton Initiative (BCI)**, a multi-sector governance group promoting improvements in standards of agriculture and cotton lint cultivation practices. The BCI also provides assurance in important social issues of the production chain, such as employment-law rights, gender equality and prevention of slave and child labor. All of the cotton lint acquired by **Viveo** comes from BCI-certified plantations. With this, the Company provides greater transparency for the whole of the production chain, and reaffirms its care and concern for the whole of the ecosystem. As a signatory of the initiative, Viveo will be able to pass through credits received to its clients.

Communities

Viveo is also committed to mobilization, engagement and contribution to support development of health entities in vulnerable communities. In 2020 the entire first week of the company's production of masks and alcohol gel was donated to health institutions to assist in the combat of Covid-19, as well as support for the crisis in Manaus, and other donations.

SHAREHOLDING STRUCTURE

Shareholders	# Shares	% Holding
Genoma VI Fdo. de Inv. Em Part. Multiestratégia	116,026,207	40.55%
Fundo de Invest. Em Part. Mult. Genoma I	50,299,936	17.58%
Diretoria Estatutária	4,116,725	1.44%
In treasury	2,623,600	0.92%
Free Float	113,056,892	39.51%
Government of Singapore	25,100,401	8.77%
Other	87,956,491	30.74%
TOTAL	286,123,360	100.00%

Base date: March 31, 2022.

CAPITAL MARKETS

Listed on the *Novo Mercado* of the B3, the segment for companies with the highest standards of corporate governance, the shares of **Viveo (VVEO3)** are included in the portfolios of the IGCX, IGNM and ITAG indices. The first two of these list companies with high levels of governance, and the ITAG is for shares with differentiated tag-along rights.

Since the IPO, from August 6, 2021 to March 31, 2022, the price of the company's preferred shares (VVEO3) fell by 18.6%, while in the same period, the Bovespa index fell 2.3%, and the ITAG fell 4.0%. At the end of March 2022 the company's market value was BRL4.74 billion.

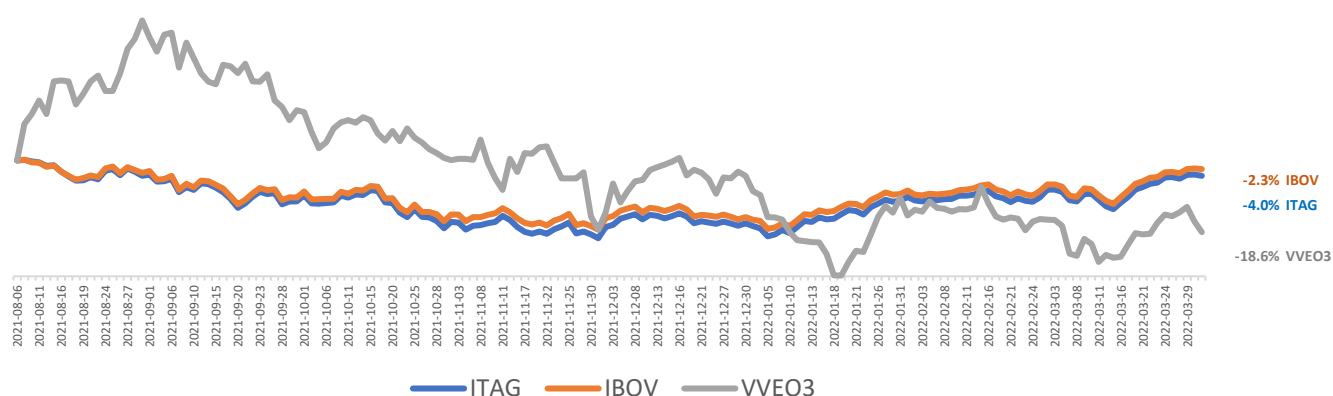
An average of 438,046 trades in the Company's shares were made in 1Q22. Average daily trading on the B3 in the period was BRL6,774,852.

	VVEO3 *	Market value	Trading volume
December 30, 2021	BRL18.87	BRL5.40 billion	6,160,646
March 31, 2022	BRL16.00	BRL4.74 billion	1,808,228
Change	-15.21%	-15.21%	-70.65%

* Closing price, adjusted for corporate action payments.

VVEO3 vs. IBOV and ITAG

Aug 6, 2021 – Mar. 31, 2022



GLOSSARY

3PL: Outsourced logistics operator

4PL: Supply chain manager

DC: Distribution center

Consumption: Sales of health products made by pharmacies, supermarkets and other retail channels to consumers and patients.

Cash cycle: Time between payment of suppliers and receipt of funds from the sale of the products.

Elective surgeries: Programmed surgeries that are not considered to be urgent, and for which the doctor schedules date and time, according to the available schedules of the hospital and the most helpful timing.

CMED: The Medications Market Regulation Chamber (*Câmara de Regulação do Mercado de Medicamentos*) is the interministerial body responsible for economic regulation of the drugs market in Brazil. The role of Executive Secretariat of CMED is carried out by Anvisa. CMED sets upper limits for prices of medications; adopts rules to stimulate competition in the sector; monitors trading; and applies penalties when rules are violated. It is also responsible for setting the minimum obligatory discount for public purchases, and monitoring of its application.

Crossdocking: A distribution system in which, when a product is purchased on the site, it is sent to a distribution system or warehouse which sends it to the client using an organized redistribution system.

D2P: Direct to Patient

Ebitda: Earnings before interest, taxes, depreciation and amortization.

IPE: Individual protection equipment – includes all items of protection used individually by workers to protect them from any risk to their health from the work environment.

Escrow account: Here, this refers to the adjustment to net profit for the Company's expenses that will be reimbursed by the vendors of the companies acquired, or discounted from future payments owed by the Company to these vendors.

ESG: Environmental, social and governance – generally used to describe the area of a company's practices in relation to these aspects.

M&A: Mergers and Acquisitions

OTC medications: Non-prescription medications, sold 'over-the-counter'.

Non-retail: The institutional market segment, comprising sales to institutions such as hospitals, clinics, doctors and insurance companies, where more complex medications are used which require greater care in consumption and application such as, for example, oncology medication.

One-stop-shop: An online or physical environment in which the consumer can make purchases of various items in a single place.

Pre-analytics: Products used in collection and handling of samples.

SKU: Stockkeeping unit.

Start-up: A company in its initial phase, which has an innovative business proposition with high growth potential.

VMI: Vendor Managed Inventory – inventory jointly managed by suppliers and clients.