

# *Earnings Release 4Q22 and 12M22*



**REIMAGINATING  
ANIMAL HEALTH**



## **Earnings Conference Call**

**March 3, 2023 (Friday)**

11 am BRT | 9 am EST

Portuguese with simultaneous translation into English

[Webcast](#)

## **Investor Relations**

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Animal Health Award Winner 2021





**Cravinhos, March 2, 2023** - Ouro Fino Saúde Animal Participações S.A. (“Company” or “Ourofino”) (B3: OFSA3), a company engaged in research, development, production and sales of veterinary drugs, vaccines and other veterinary products for production and companion animals, announces today its financial results for the period ended December 31, 2022 (4Q22 and 12M22).

## HIGHLIGHTS

- **Net revenue exceeded the mark of R\$ 1 billion** with 15% growth as compared to 2021, amounting to R\$ 1,041 million.
- Year-to-date from 2019, **net revenue and net income recorded 68% and 177% growth, respectively**
- **EBITDA reaches R\$ 207.2 million in 2022**, with 20.1% growth compared to 2021.
- **Record** operating cash generation, reaching R\$ 152 million, 72% higher than the same period of the previous year.
- **Leverage Decrease** to 1.18x EBITDA, with 79% of long term debt, 77% of debt via FDINEP and BNDES and average annual cost of 10.3%



## | MESSAGE FROM THE EXECUTIVE BOARD

Since April 2020, when we took over the board of Ourofino, we have lived a path based on a unique scenario in the country. When analyzing the last three years of the market, we highlight that, after significant moves in 2020 and 2021, with the increase in Brazilian animal protein exports and the potential scenario of humanization and care for pets, 2022 was a year of growth, even with the bias of normalization of consumption behavior. Despite complex challenges such as exchange rate variation, high interest rates, presidential elections, the war in Ukraine and many other events, we once again delivered an expressive and consistent growth of 15% as compared to 2021. If we analyze the last three years, the growth is even more relevant, at 68%.

As a result of the execution of our strategic planning, we reached the milestone of 1 billion Brazilian reais in net revenue. The achievement of this financial performance is linked to a series of recognitions, such as the Best Pharma to Work for in the Amazing Places to Work survey, by FIA/USP; the best agribusiness company to work for by Great Place to Work (GPTW); the third best company in the countryside of São Paulo state and the progress from 83rd to 52nd place among companies with 1,000 to 10,000 employees in the national ranking, also by Great Place to Work. We were also ranked second in the Top Open Corp 2002, for our relationship with startups and our constant focus on open innovation.

In awards targeted at the segment, we won the Agroleite Trophy, considered the “Oscar” of the dairy segment in the country, and we received the Touro de Ouro (Golden Bull) trophy for the 13th consecutive time in the Mosquicide and Acaricide categories. We were also recognized for the quality of our service in Reclame Aqui Award, which rewards companies that offer good experiences to their customers. Other important achievement was the recertification of the Mais Integridade Seal, granted by the Ministry of Agriculture, Livestock and Supply, for governance-oriented practices.

In 2022, we brought unprecedented solutions to our audiences, expanded our share in different markets, completed our first M&A with Regenera for the sale of the first stem cell therapy registered by the Ministry of Agriculture, Livestock and Food Supply (MAPA), we launched an ecosystem of digital solutions, including free training open to society as a whole, and made progress in executing the actions proposed in our Strategic Planning, as well as in all ESG indicators.

We continue to be guided by the SDGs and commitments linked to the UN Global Compact, of which we have been signatories since 2019, and to progress in initiatives linked to our materiality matrix, we created the Sustainability Committee, with people who are contributing their expertise and experience in this matter to make Ourofino an increasingly sustainable brand considering all the breadth covered by the ESG subject.

We welcomed Mitsui, a Japanese economic conglomerate, recognized as a global reference and operating in more than 60 countries in different segments, as a shareholder of Ourofino Group, envisioning strategic partnerships and the opportunity to innovate and bring even more value to everyone who relates to our ecosystem.



Sticking to our purpose of Reimagining Animal Health, guided by our values, we contribute to the production of quality food for the ever-growing population, and we remain attentive to all the possibilities of bringing health, well-being, and longevity to companion animals. In our cultural manifest, a quote captures well the reason why Ourofino performed well in 2022: “We wake up before the rooster crows, to go there and win! We are focused, engaged, believed. We challenge the now and reimagine the later.”

We execute our planning consistently, invest in our people, keep an eye out for new business opportunities, and use different resources for a constant look at the best practices aimed at the most assertive use of each resource in our hands.

**Kleber Gomes**

Chief Executive Officer

**Marcelo da Silva**

Chief Financial and Investor  
Relations Officer



| FINANCIAL PERFORMANCE

R\$ Million	4Q21	4Q22	Var %	12M21	12M22	Var %
Net revenue	270.4	322.8	19.4%	905.0	1,041.1	15.0%
Cost of goods sold	(144.1)	(157.9)	9.5%	(457.8)	(513.0)	12.1%
Gross profit	126.3	164.9	30.6%	447.2	528.1	18.1%
(gross margin)	46.7%	51.1%	4.4 p.p.	49.4%	50.7%	1.3 p.p.
Selling, general and administrative expenses *	(69.0)	(83.8)	21.5%	(249.3)	(284.0)	14.0%
Expenses on research and innovation	(18.2)	(20.2)	10.5%	(58.9)	(69.3)	17.7%
Operating profit	39.0	60.9	56.1%	139.0	174.7	25.7%
(operating margin)	14.4%	18.9%	4.5 p.p.	15.4%	16.8%	1.4 p.p.
Net financial result	(4.9)	(9.5)	95.3%	(15.4)	(30.3)	96.2%
Income tax and social contribution*	4.1	(5.1)	-223.7%	(11.0)	(16.1)	46.1%
Adjusted net income	38.3	46.3	21.1%	112.5	128.4	14.2%
(adjusted profit margin)	14.2%	14.4%	0.2 p.p.	12.4%	12.3%	-0.1 p.p.
Adjusted EBITDA **	46.6	69.6	49.4%	172.5	207.2	20.1%
(Adjusted EBITDA margin)	17.2%	21.6%	4.4 p.p.	19.1%	19.9%	0.8 p.p.

(\*) Excluding non-recurring expenditures in 2021 related to the renovation of the corporate building, extemporaneous tax credits from previous years and expenses related to M&A transactions transaction and merger of subsidiary OF Pet. Excluding non-recurring expenses in 2022 with: (i) recovery of expenses with M&A transaction; (ii) expenses with the merger of subsidiary OF Pet; (iii) gains from tax proceedings in previous periods and (iv) extemporaneous credits from previous years. Including respective tax effects in both periods reported.

(\*\*) Also excluding in 2021 and 2022 expenses related to intangible asset projects.



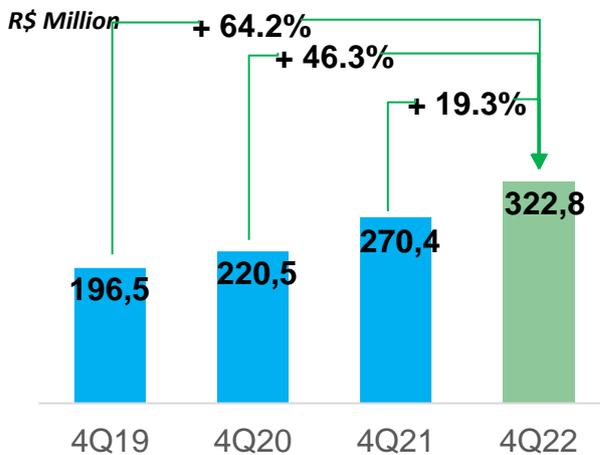


## | CONSOLIDATED NET REVENUE AND GROSS PROFIT

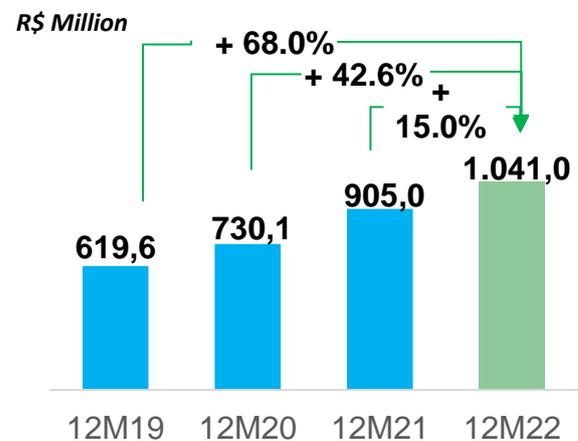
The Company's consolidated net revenue in 4Q22 amounted to R\$ 322.8 million, with 19.4% growth as compared to the same period of the previous year. Gross margin in 4Q22 was 51.1%, with 4.4 p.p. increase as compared to 4Q21.

In 12M22 we achieved a historic result, with the milestone of the first billion achieved by the company. Net revenue grew 15.0%, amounting to R\$ 1,041 million with 50.7% gross margin, 1.3 p.p. higher than 12M21. The sales performance reflects the double-digit growth achieved in the 3 business units, the launches made both in Brazil and in International Operations and the teamwork, which spared no efforts to offer our customers the best solutions for productivity and animal welfare.

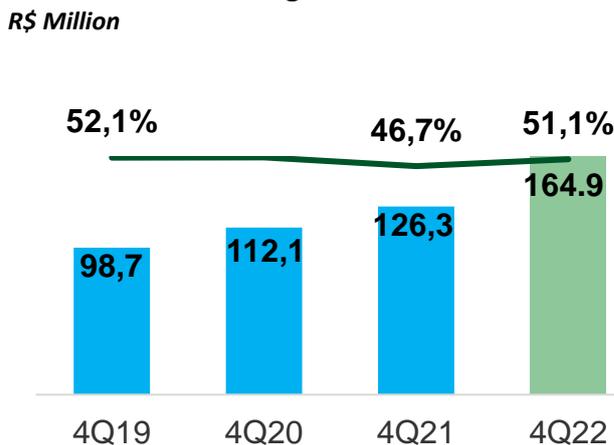
Net Revenue - Consolidated



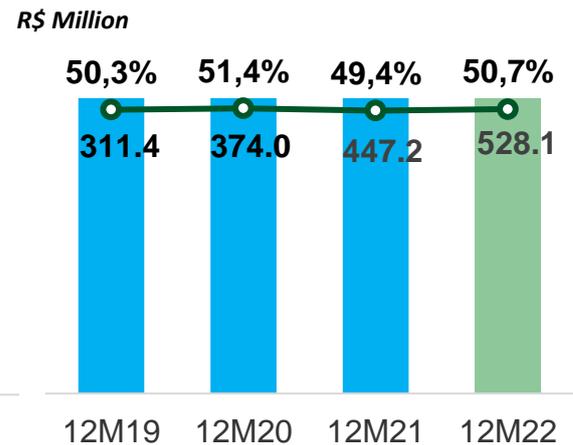
Net Revenue- Consolidated



Gross Profit and Margin - Consolidated



Gross Profit - Consolidated



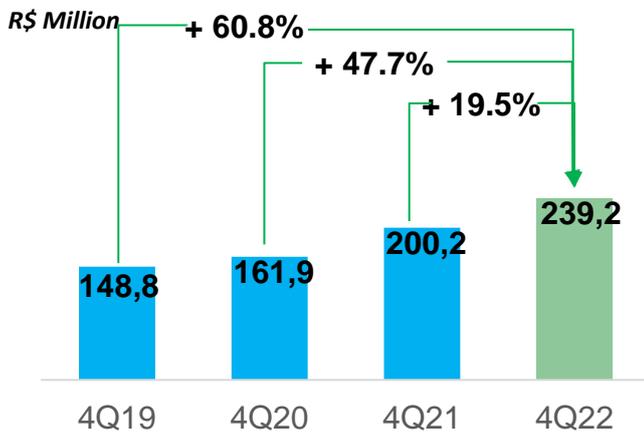


| PRODUCTION ANIMALS

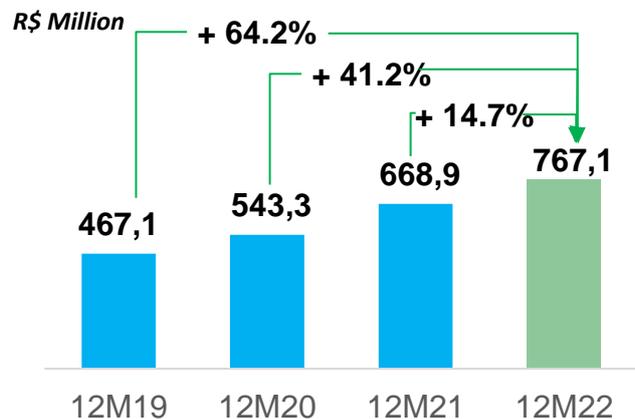
The business unit recorded net revenue at R\$ 239.2 million in 4Q22, with 19.5% growth as compared to the same period of the previous year. Gross margin was 46.6%, representing 5.9 p.p. expansion as compared to 4Q21.

In 12M22, growth was 14.7% versus 12M21, reaching the amount of R\$ 767.1 million and 46.0% gross margin, with a 2.6 p.p. gain YoY. The sales growth with gross margin gains is a result of the strategy of pass-through of prices adopted in 1Q22 and the revenue gains in launches, sales of foot-and-mouth disease vaccine and gains in the therapeutic and ectoparasiticide product lines. We ended 2022 with 3,900 active customers in Production Animals, as a result of our customer focus, demand generation, proximity to resellers and producers and the access that is being leveraged by our digital initiatives.

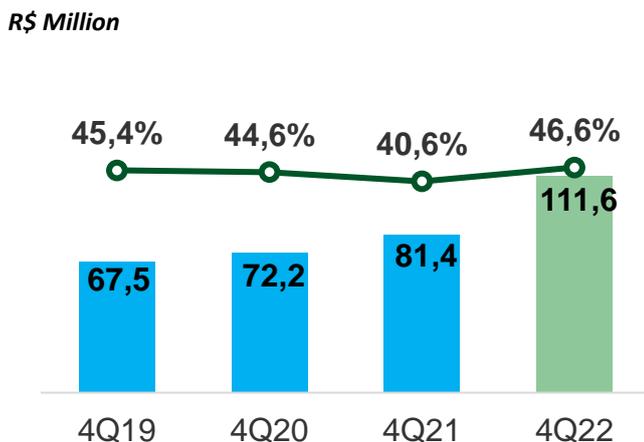
Net Revenue - Production animals



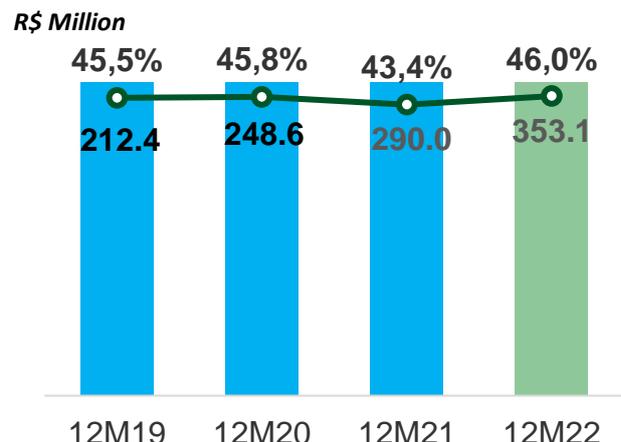
Net Revenue - Production animals



Gross Profit - Production animals



Gross Profit - Production animals





| COMPANION ANIMALS

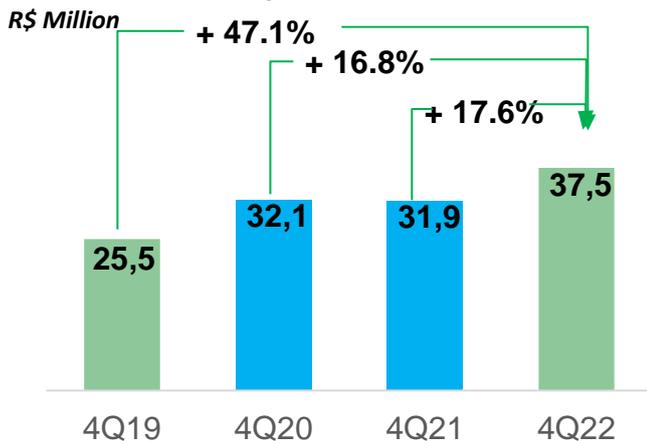
The business unit recorded net revenue at R\$ 37.5 million in 4Q22, up 17.6% versus 4Q21. Gross margin in 4Q22 was 68.5%, a 0.2 p.p. increase as compared to 3Q21.

In 12M22, net revenue recorded 14.1% growth, amounting to R\$ 138.2 million, with 68.8% gross margin, a 0.9 p.p. decline compared to the same period in 2021.

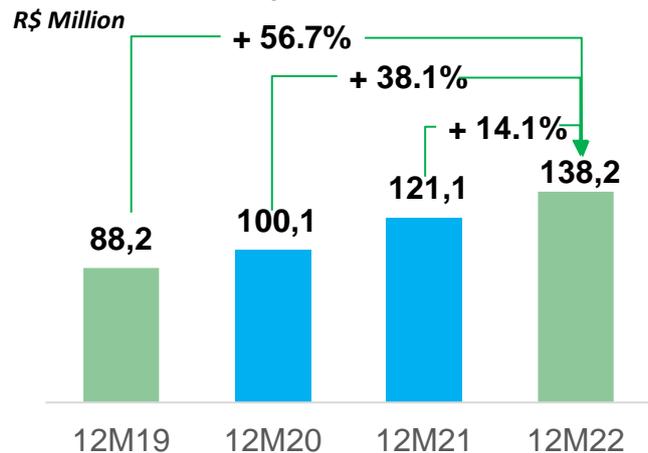
As discussed in previous quarters, the return of on-site activities and the return of household behavior to pre-pandemic patterns has increased the consumption of goods that compete with pet products in their baskets. Added to this, in 2022 we experienced a challenging economic environment that is expected to extend to 2023, with prospects for low income growth, maintenance of high interest rates and inflationary pressure.

The company remains confident in its positioning, in its access and distribution strategy and, mainly, in proximity to veterinarians and owners to offer the best solutions for pets, also aiming on a stronger recurrence of revenues with the new launches of pet food supplements.

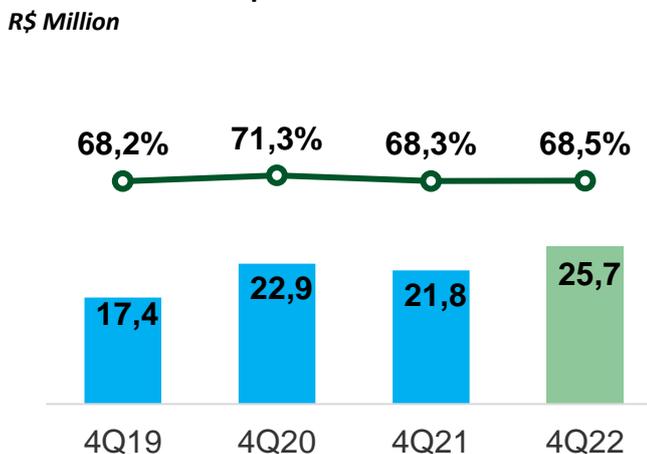
Net Revenue - Companion animals



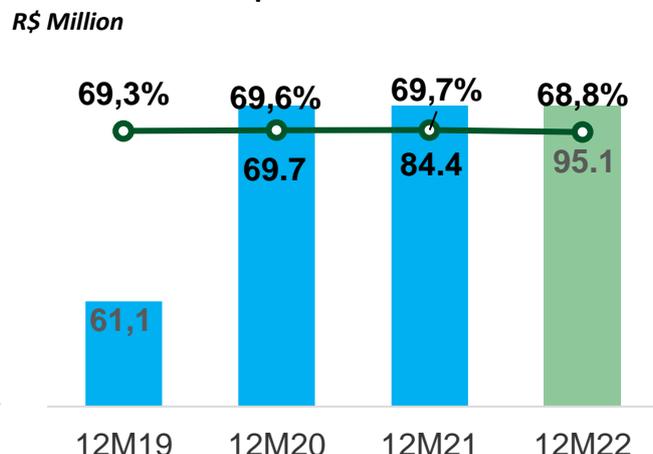
Net Revenue - Companion animals



Gross Profit - Companion animals



Gross Profit - Companion animals





## | INTERNATIONAL OPERATIONS

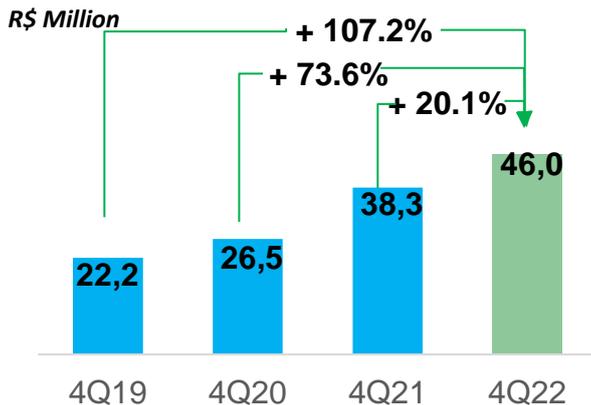
The business unit recorded net revenue at R\$ 46.0 million in 4Q22, up 20.1% versus 4Q21. Gross margin was 60.0% in 4Q22, a 0.3 p.p. drop as compared to 4Q21.

In 12M22, net revenue grew 18.1%. Our subsidiary in Mexico recorded growth in local currency along with a more favorable product mix, but the result was not favored by the exchange rate, which showed an improvement only in 4Q22.

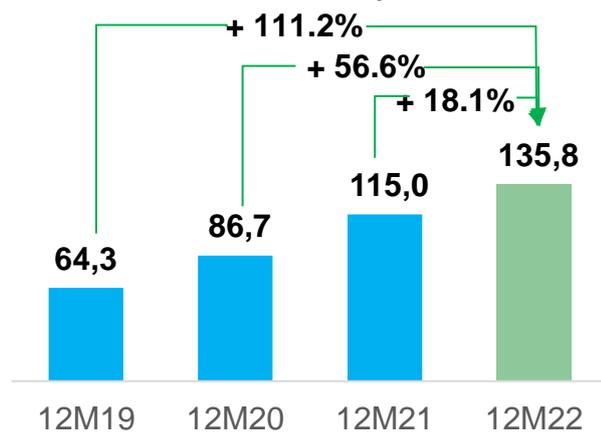
In Colombia, continue to grow at a strong pace in volume despite the more challenging local economic environment since 3Q22, which has already been reflected in strong foreign exchange losses and may interfere with future results.

In the fourth quarter, we made a spot sale of foot-and-mouth disease vaccine to Indonesia, contributing to the efforts to control the sanitary emergency that has been declared in the country. This sale partially offset the margin decrease in Mexico and Colombia, mainly affected by the exchange rate variation.

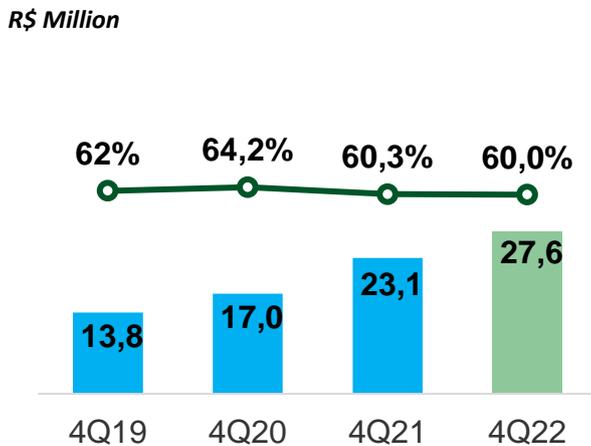
### Net Revenue - International Operations



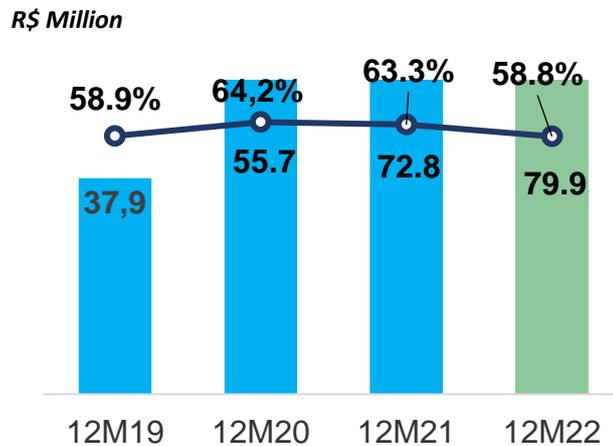
### Net Revenue - International operations



### Gross Profit - International operations



### Gross Profit - International Operations





## | SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

R\$ Million	4Q21	4Q22	Var %	12M21	12M22	Var %
Selling, general and administrative expenses and others	(69.0)	(83.8)	21.5%	(249.3)	(284.0)	14.0%
Percentages on net revenue	-25.5%	-26.0%	-0.5 p.p.	-27.5%	-27.3%	0.2 p.p.

Selling, general and administrative expenses were diluted by 0.2 p.p. at 2022 closing compared to 2021 despite the 0.5 p.p. increase in 4Q22. During the year, we had the impact on payroll of the 11% collective bargaining agreement defined in 4Q21, in addition to the recognition of R\$ 6.7 million referring to the long-term incentive plan (LTI – Phantom Units) approved in a shareholders' meeting held on September 23. In this context, the expense growth below revenue growth reflects the management efforts, which even in a scenario of inflationary pressure, has sought the continuous improvement of administrative processes and the implementation of productivity and operational efficiency initiatives.

## | RESEARCH AND DEVELOPMENT EXPENSES

R\$ Million	4Q21	4Q22	Var %	12M21	12M22	Var %
Expenses on research and innovation and portfolio management	(18.2)	(20.2)	10.5%	(58.9)	(69.3)	17.7%
Percentages on net revenue	-6.7%	-6.2%	0.5 p.p.	-6.5%	-6.7%	-0.2 p.p.

We invested R\$ 79.5 million in research and development in 12M22 (chart on page 16), of which R\$ 69.3 million allocated to expenses and reflecting the development stage of projects as well as the associated innovation level, in line with our strategic planning for launches and new partnerships, aimed to provide increased future revenues to the Company.

The investments made, added to the open innovation strategy, allowed us to make 3 pilot batches of biological products and launch 18 products, of which 7 were for production animals and 11 for companion animals, as described on page 16 of this document.

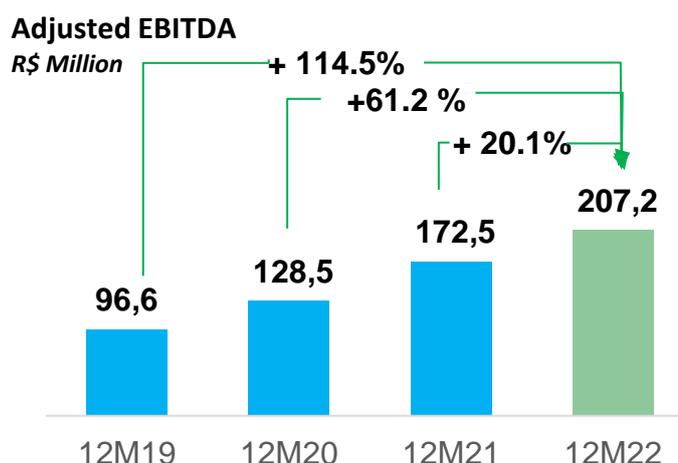
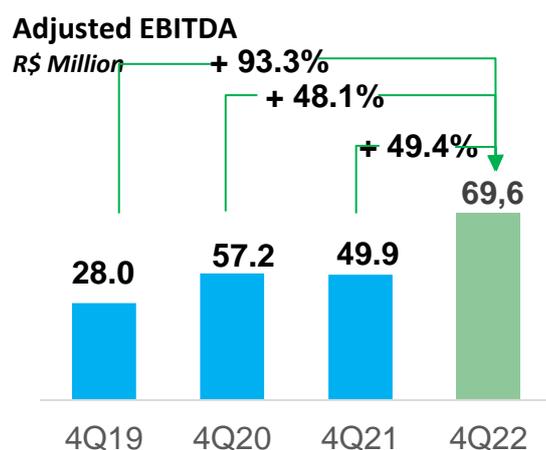


## | EBITDA AND EBITDA MARGIN

R\$ Million	4Q21	4Q22	Var %	12M21	12M22	Var %
Adjusted profit	38.3	46.3	21.1%	112.5	128.4	14.2%
(+) Non-recurring results*	(0.5)	(0.0)	-99.6%	1.4	2.3	63.2%
Profit for the period	37.7	46.3	22.8%	114.0	130.7	14.7%
(+) Net financial result	4.9	9.5	95.3%	15.4	30.3	96.2%
(+) Income tax and social contribution*	(4.4)	5.1	-215.8%	11.7	16.4	39.8%
(*) Depreciation and amortization	7.5	8.3	11.1%	27.7	32.0	15.6%
<b>EBITDA</b>	<b>45.7</b>	<b>69.2</b>	<b>51.5%</b>	<b>168.8</b>	<b>209.3</b>	<b>24.0%</b>
(+) Non-recurring effects (*)	0.8	0.0	-99.6%	(2.1)	(2.5)	18.1%
(+) Others**	0.1	0.4	404.0%	5.8	0.4	-93.5%
<b>Adjusted EBITDA</b>	<b>46.6</b>	<b>69.6</b>	<b>49.4%</b>	<b>172.5</b>	<b>207.2</b>	<b>20.1%</b>
Net sales revenue	270.4	322.8	19.4%	905.0	1,041.1	15.0%
EBITDA margin	16.9%	21.5%	4.6 p.p.	18.8%	20.1%	1.3 p.p.
Adjusted EBITDA margin %	17.2%	21.6%	4.4 p.p.	19.1%	19.9%	0.8 p.p.

(\*) Excluding non-recurring expenditures in 2021 related to the renovation of the corporate building, extemporaneous tax credits from previous years and expenses related to M&A transactions transaction and merger of subsidiary OF Pet. Excluding non-recurring expenses in 2022 with: (i) recovery of expenses with M&A transaction; (ii) expenses with the merger of subsidiary OF Pet; (iii) gains from tax proceedings in previous periods and (iv) extemporaneous credits from previous years. Including respective tax effects in both periods reported.

(\*\*) Also excluding in 2021 and 2022 expenses related to intangible asset projects.



Adjusted EBITDA for 4Q22 was R\$ 69.6 million, 49.4% higher when compared to 4Q21 due to the increase in revenues and a better dilution of SG&A. In 12M22, we achieved the highest Adjusted EBITDA in our history with 20.1% growth versus 12M21 and 19.9% margin, 0.8 p.p. higher than 2021.



## | FINANCIAL RESULT

R\$ Million	4Q21	4Q22	Var %	12M21	12M22	Var %
Net financial result	(4.9)	(9.5)	95.3%	(15.4)	(30.3)	96.2%

Net financial result in 12M22 recorded 96.2% growth as compared to 12M21, reaching R\$ 30.3 million. This growth reflects the higher expenses with interest on financial loans, due to the hike in TJLP and SELIC/CDI rates, since the company has 75% of its debts pegged to TJLP, which started the year at 6.08% and closed with 7.20%. We also had an increase in the stock of debt pegged to de IPCA due to disbursements os BNDES credits with a final term of 10 years, as well the release of FINEP in the second quarter. Despite the nominal increase in financial expenses, the company ended 12M22 with an accumulated average debt cost of 10.33% p.a. versus an average Selic rate of 12.43% p.a. (Source: Bacen/SGS SELIC average rate accumulated in the month annualized base 252 Bacen - 4189).

## | INCOME TAX AND SOCIAL CONTRIBUTION

R\$ Million	4Q21	4Q22	Var %	12M21	12M22	Var %
Income tax and social contribution	4.1	(5.1)	-223.7%	(11.0)	(16.1)	46.1%
Percentage on Profit before IT and SC	12.0%	-9.9%	-21.9 p.p.	-8.9%	-11.1%	-2.2 p.p.

Income tax and social contribution in 12M22 reached R\$ 16.1 million, compared to R\$ 11.0 million in 12M21.



## | ADJUSTED NET INCOME

R\$ Million	4Q21	4Q22	Var %	12M21	12M22	Var %
Adjusted net income	38.3	46.3	21.1%	112.5	128.4	14.2%
margin	14.2%	14.4%	0.2 p.p.	12.4%	12.3%	-0.1 p.p.

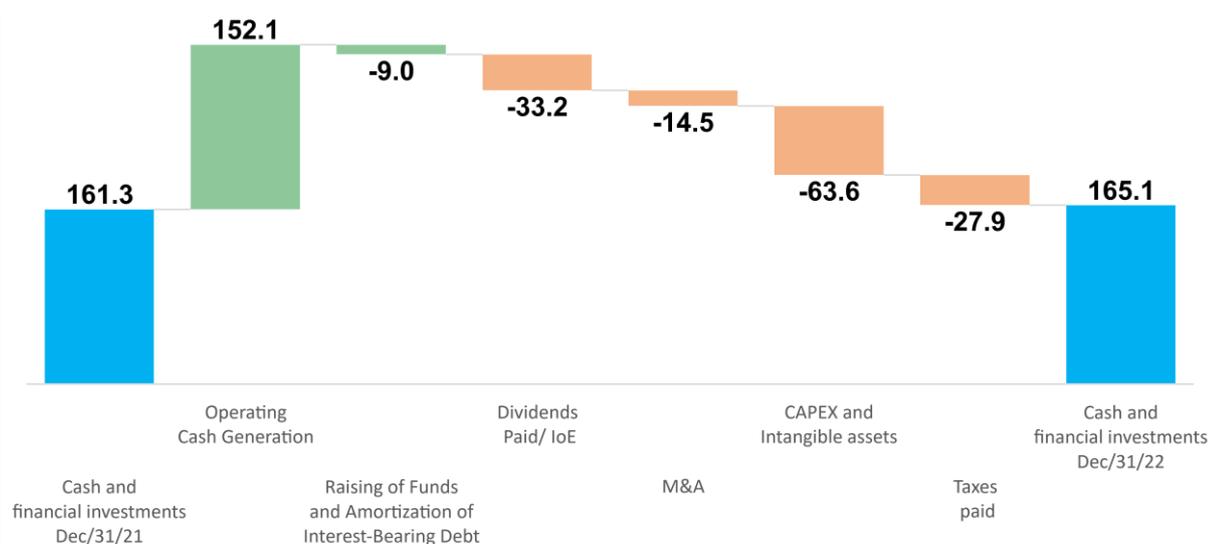
Adjusted net income in 12M22 amounted to R\$ 128.4 million, growing 14.2% versus the same period in 2022 and 21.1% growth YoY in the quarter. This is a result of revenue growth, dilution of general and administrative expenses that partially absorbed the negative impact of the financial result due to the increase in SELIC/CDI and TJLP rates.

## | CASH POSITION

In 12M22, operating cash generation was R\$ 152 million, a significant improvement with 72% increase versus 12M21. This result reinforces our ability to generate and convert cash from the operation.

In June, we released R\$ 58.5 million referring to the third installment of the agreement entered into with FINEP in 2014 and, in December, R\$ 24.5 million related to an agreement with BNDES, ensuring strategic funding for the coming periods. Additionally, we were able to release R\$ 39.8 million in ICMS credits for the periods from 2014 to 2018, which will be consumed in the next quarters. Operating cash generation, added to strategic funding, allowed us to settle R\$ 42.3 million in working capital transactions in the second half of 2022.

The flow of investments was impacted by R\$ 14.2 million due to the closing of the transaction for Regenera acquisition and by R\$ 63.6 million from investments in maintenance CAPEX and R&D.





## | INDEBTEDNESS

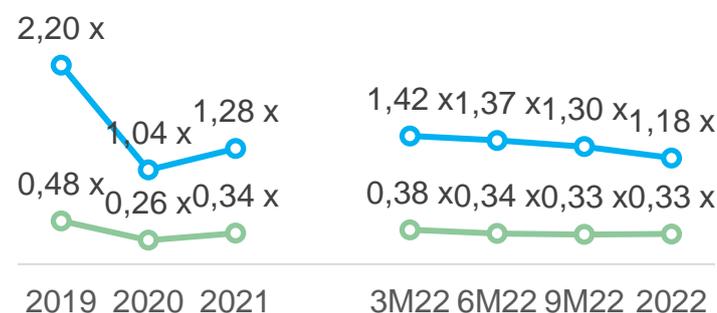
In R\$ million	2021	2022
Current	85.0	88.2
Non-current	297.3	324.1
Gross Debt	382.3	412.4
(-) Cash and cash equivalents and short-term investments	(161.3)	(165.0)
Net Debt	221.1	247.3
Weighted cost of debt (per year) <sup>1</sup>	5.89%	10.33%
LTM net debt/adjusted annual EBITDA	1.28 x	1.18 x

<sup>1</sup>Net debt with banks considering bank-issued guarantee costs.

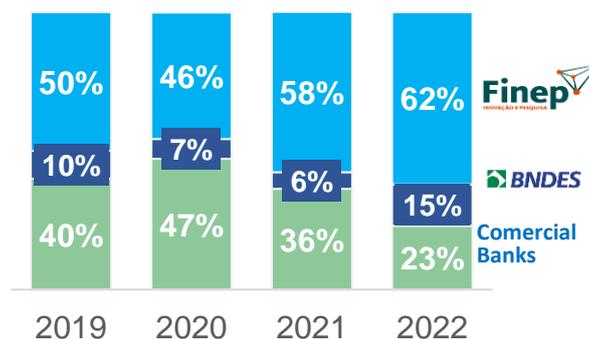
The level of financial leverage was 1.18x Adjusted EBITDA, down 8% versus 12M21. The debt profile remains well-suited to the Company's long-term investment characteristics, with 79% of the debt in the long term and 30% of gross debt with maturities above 5 years.

—○— Net Debt/NE

—○— Net Debt/Adjusted EBITDA



### Composition



Additionally, the average cost of debt as of December 31, 2022 was 10.33% p.a., reflecting the SELIC rate at 12.43% p.a. during 2022. This cost does not fully match the increase in SELIC rate due to the company's debt profile with approximately 75% of the volume pegged mostly to TJLP, which increased from 6.82% to 7.20 in 2022.

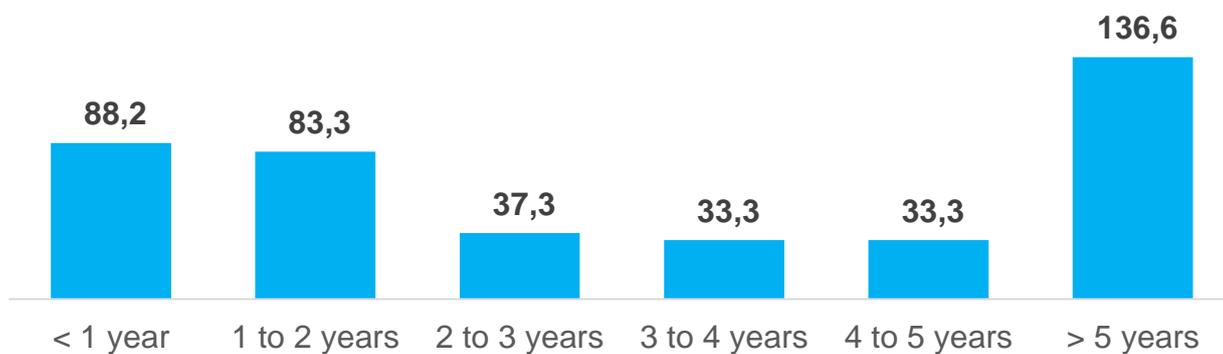


**Aging (R\$ Million)**

- Long-term
- Short-term



**Banking debt aging**  
R\$ Million



**| INVESTMENTS IN RESEARCH AND DEVELOPMENT**



In 12M22, 7.6% of net revenue was invested, totaling R\$ 79.5 million. The 14.4% growth in the amount invested compared to 12M21 is in line with the Company's strategic planning of continuous investment in its product portfolio aimed at ensuring its future revenues. Below we provide the list of launches in 2022, and the graph shows the evolution of total R&D investments since 2019. The launches mentioned in this document are the result of investments made in recent years and our strategy of open innovation and partnerships, totaling 18 products in 2022, in addition to Neostem.

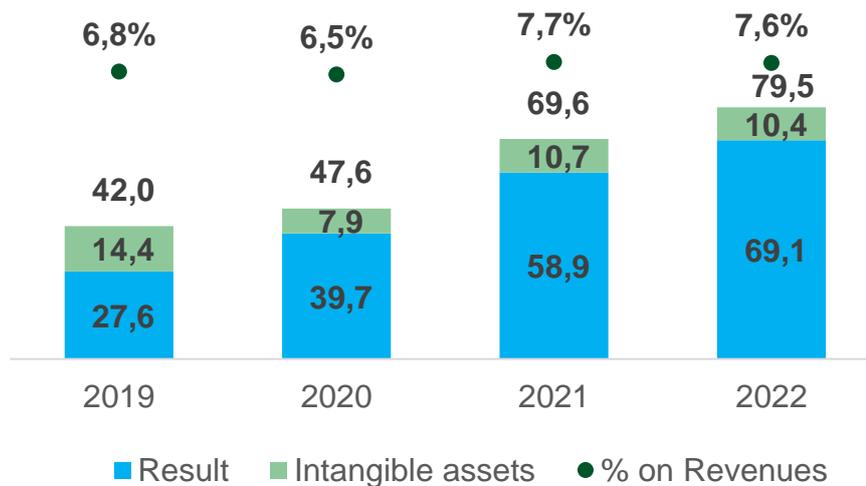
**Production animals**

- Tulaxx
- Nutrition line for pigs and poultry: King Gox, Toyocerin Mono, Butilac, Vegacid+, Thynofac, Vegabutyryn 600

**Companion animals**

- Beniv
- Supplements line for Pets: Kardio, Longil Snaks, Plenepil, Plenepil Snacks, Revibem, Seren, Seren Snacks, Imunes Snacks, Rennaiz Snacks and Uree Snacks.

**Research and Development Investments**  
R\$ Million





## | INCOME STATEMENT - ADJUSTED

Income Statement (R\$ thousands)	4Q21	2021	4Q22	2022
Revenues	270,385	904,991	322,766	1,041,107
Cost of sales	(144,116)	(457,820)	(157,879)	(513,032)
Gross profit	126,269	447,171	164,887	528,075
Selling Expenses	(54,665)	(190,121)	(63,233)	(221,488)
Expenses on research and innovation	(18,249)	(58,931)	(20,162)	(69,341)
General and administrative expenses (*)	(14,955)	(53,010)	(19,241)	(62,595)
Other expenses, net (*)	631	(6,124)	(1,340)	57
Operating profit	39,031	138,985	60,911	174,708
Financial revenues	3,438	8,435	4,296	18,402
Financial expenses	(8,350)	(23,742)	(12,760)	(43,964)
Derivative financial instruments, net	-	1,962	(79)	8
Foreign exchange variation, net	43	(2,075)	(966)	(4,701)
Finance Result	(4,869)	(15,420)	(9,509)	(30,255)
Earnings before Income tax and social contribution	34,162	123,565	51,402	144,453
Current and deferred income tax and social contribution (*)	4,103	(11,011)	(5,075)	(16,085)
Net income for the year	38,265	112,554	46,326	128,368

(\*) Excluding non-recurring expenses and their respective tax effects.



## | INCOME STATEMENT - CORPORATE

Income Statement (R\$ thousands)	4Q21	2021	4Q22	2022
Revenues	270,385	904,991	322,766	1,041,107
Cost of sales	(144,116)	(457,820)	(157,879)	(513,032)
Gross profit	126,269	447,171	164,887	528,075
Selling Expenses	(54,665)	(190,121)	(63,233)	(221,488)
Expenses on research and innovation	(18,249)	(58,931)	(20,162)	(69,341)
General and administrative expenses	(15,617)	(54,106)	(19,245)	(62,978)
Other expenses, net	470	(2,902)	(1,340)	3,050
Operating profit	38,208	141,111	60,907	177,318
Financial revenues	3,438	8,435	4,296	18,402
Financial expenses	(8,350)	(23,742)	(12,760)	(43,964)
Derivative financial instruments, net	-	1,962	(79)	8
Foreign exchange variation, net	43	(2,075)	(966)	(4,701)
Finance Result	(4,869)	(15,420)	(9,509)	(30,255)
Earnings before Income tax and social contribution	33,339	125,691	51,398	147,063
Current and deferred income tax and social contribution	4,383	(11,734)	(5,074)	(16,405)
Net income for the year	37,722	113,957	46,324	130,658



| CASH FLOW STATEMENT (1/2)

Cash Flow Statement (R\$ thousands)	2021	2022
<b>Cash flows from operating activities</b>		
Earnings before Income tax and social contribution	125,691	147,831
Adjustments for:		
Expected credit gains	(133)	(101)
Provision for inventory losses and write-offs	10,825	9,953
Provision (reversal) of provision for customer bonuses	(729)	1,641
Depreciation and amortization	27,679	31,994
Provision for impairment of intangible assets	5,817	478
Gain (loss) on disposal of property, plant and equipment	(2,552)	(3,227)
Gain (loss) on disposal of intangible assets	3	252
Interest and monetary/foreign exchange variations, net	20,892	35,975
Derivative financial instruments	(1,962)	(8)
Provision for contingencies	(1,454)	154
Long-term incentive	481	7,289
Fair value adjustment	678	910
<b>Changes in working capital</b>		
Financial investments:	18,732	
Trade accounts receivable	(36,186)	(57,203)
Inventories	(89,509)	(68,253)
Taxes recoverable	(4,035)	19,584
Other assets	(4,443)	2,622
Trade accounts payable	13,462	17,113
Taxes payable	6,492	(5,501)
Other liabilities	(1,500)	10,581
<b>Cash provided by operations</b>	<b>88,249</b>	<b>152,084</b>
Interest paid	(19,106)	(34,559)
Income tax and social contribution paid	(22,643)	(27,935)
<b>Net cash from operating activities</b>	<b>46,500</b>	<b>89,590</b>



| CASH FLOW STATEMENT (2/2)

Cash Flow Statement (R\$ thousands)	2021	2022
<b>Cash flows from investing activities</b>		
Companies' acquisition, net of acquired cash		(14,532)
Investment in intangible assets	(10,276)	(18,202)
Purchase of property, plant and equipment	(55,906)	(51,974)
Proceeds from sale of property, plant and equipment	5,771	5,733
Amount received for the termination of a product license assignment agreement		826
<b>Net cash used in investing activities</b>	<b>(60,411)</b>	<b>(78,149)</b>
<b>Cash flows from financing activities</b>		
New loans and financing	76,500	106,104
Repayments of loan and financing	(89,851)	(78,905)
Lease payments	(800)	(1,997)
Purchase of treasury shares	(5,125)	-
Payment of dividends and interest on equity	(35,607)	(33,224)
Realized derivative financial instruments	4,260	72
<b>Net cash used in financing activities</b>	<b>(50,623)</b>	<b>(7,950)</b>
<b>Increase (decrease) in cash and cash equivalents, net</b>	<b>(64,534)</b>	<b>3,491</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>225,575</b>	<b>161,254</b>
<b>Foreign exchange gains on cash and cash equivalents</b>	<b>213</b>	<b>291</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>161,254</b>	<b>165,036</b>



| BALANCE SHEET – ASSETS

Balance Sheet (R\$ thousands)	2021	2022
<b>Assets</b>		
<b>Current assets</b>	<b>729,711</b>	<b>842,904</b>
Cash and cash equivalents	161,254	165,036
Trade accounts receivable	245,292	301,008
Inventories	270,119	324,971
Taxes recoverable	33,836	31,368
Income tax and social contribution to recover	7,216	11,438
Related parties	726	414
Other assets	11,268	8,669
<b>Non-Current Assets</b>	<b>462,932</b>	<b>503,601</b>
Long-term receivables	77,246	55,167
Taxes recoverable	38,420	18,983
Deferred income tax and social contribution	35,350	34,069
Inventories	1,730	276
Other assets	1,746	1,839
<b>Permanent</b>	<b>385,686</b>	<b>448,434</b>
Property, plant and equipment	314,045	342,358
Intangible assets	71,641	106,076
<b>Total assets</b>	<b>1,192,643</b>	<b>1,346,505</b>



| BALANCE SHEET - LIABILITIES AND NET EQUITY

Balance Sheet (R\$ thousands)	2021	2022
Liabilities and equity		
<b>Current Liabilities</b>	<b>245,643</b>	<b>259,425</b>
Trade accounts payable	69,941	85,566
Derivative financial instruments		64
Loans and financing	85,045	88,229
Salaries and payroll charges	43,652	47,875
Taxes payable	15,400	7,993
Income tax and social contribution payable	4,857	-
Dividends and interest on equity	12,768	10,576
Related parties	175	414
Commissions on sales	5,353	6,614
Other liabilities	8,452	12,094
<b>Non-Current Liabilities</b>	<b>305,528</b>	<b>351,111</b>
Loans and financing	297,330	324,140
Provision for contingencies	4,779	5,675
Obligations on investment acquisition		8,153
Other liabilities	3,419	13,143
<b>Total liabilities</b>	<b>551,171</b>	<b>610,536</b>
<b>Total Net Equity</b>	<b>641,445</b>	<b>735,950</b>
Non-controlling interest	27	19
<b>Total liabilities and net equity</b>	<b>1,192,643</b>	<b>1,346,505</b>



Animal Health Award Winner 2021

