PROCAPS GROUP

Fourth Quarter & Full Year 2021 Financial Results

NASDAQ: PROC

May 5, 2022

Forward Looking Statements

Use of Projections

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The financial statement information and data contained in this presentation have been prepared in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board.

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Today’s Presenters

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Procaps | Founder + Chairman of the Board + Chief Executive Officer

Northeastern University
Chemical Engineering

HARVARD BUSINESS SCHOOL
Owners / President Management Program

PROCAPS GROUP
Founder, President and Director (44 years)

Patricio Vargas
Procaps | Global CFO

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MBA

HARVARD BUSINESS SCHOOL
Advanced Management Program

cmpc
Finance Vice President & Treasurer

agrofoods
Chief Executive Officer

CFR
Chief Financial Officer

Agenda

I. **Full Year 2021 Highlights**

II. Financial Summary

III. Investment Summary

IV. Q&A

V. Appendix

Organic Growth has Exceeded Expectations for 2021

- **Fundamentals Driving Growth Remain Healthy**
  - Full year surpassed $400mm Net Revenues outperforming original guidance, with a 24% YoY growth
  - Double-digit growth rates in all five business units

- **Consistent Growth Across Products and Geographies**
  - Accelerated growth, particularly Procaps Colombia and CASAND driven by Rx and OTC
  - Product launches have been key driver of growth
  - Renewal Rate at 23.5%, approaching 25% target

Double-Digit Annual Growth Rate: **+24%**

~$96M in revenues from Recently Launched Products

Key Senior Hires and Human Capital are Key to Support our Growth

Increased market share and footprint

Key Messages – Internationalization

- **Robust Latin America Growth**
  - Combining all markets in the region, Procaps continues to be the Highest Growth Pharmaceutical Company in Latin America with 2.5% Market Share
  - Internationalized over 160 products in 2021
  - Over 150 products under registration process
  - Commercial capabilities and routes to market outside of Colombia
  - Key driver for future growth

- **Continue to Diversify as Colombia Growth Remains Strong**
  - Diversify by region
  - Diversify by product
  - Colombia market share growth 2x market growth

Ranking	Company	%Market share 4Q-20	%Market share 4Q-21	%Growth
1	Procaps	2.2%	2.5%	29%
2	Bago Corp	2.1%	2.3%	21%
3	Tecnofarma	1.7%	1.8%	21%
4	Megalabs Corporation	4.8%	5.1%	20%
5	Tecnoquimicas	3.3%	3.4%	17%
6	Astrazeneca	1.4%	1.4%	13%
7	Menarini	1.8%	1.7%	12%
8	Siegfried	1.8%	1.7%	11%
9	Procter & Gamble	2.5%	2.4%	10%
10	Novartis	1.6%	1.5%	9%
11	Pfizer	2.7%	2.6%	7%
12	GSK Corp	3.0%	2.9%	7%
13	Bayer S.A	4.4%	4.1%	5%
14	Abbott	5.0%	4.5%	3%
15	Sanofi	5.4%	4.8%	2%

Source: CLOSEUP Dec/21

West Palm Beach Facility

KEY HIGHLIGHTS:

- Integrated R&D and Manufacturing Operations
- GMP Quality Control and Micro Laboratories
- **Research** for Advanced Delivery Technologies
- **End-to-end** solutions for Orphan **/ Fast track development**
- **Specialized** in **complex oral modalities** and differentiated manufacturing technology
- **Pre-clinical and clinical development** for New Molecular Entities

FACILITY OVERVIEW:

- **86,000 sq ft Facility:** 20+ manufacturing sites, including high potency compound and hormone suites
- **Bottle Packaging** line
- Quality Control systems to support **cGMP manufacturing**
- Last Inspected by FDA in Dec 2019 and desk audit conducted in March 2021
- Fully operational **Shubham Automation Serialization** and **Aggregation Process**

Funtrition Facility

KEY HIGHLIGHTS:

- A new plant located in Miramar, FL to meet US gummies customer base
- 1st phase to begin in May: logistics, warehousing and offices
- 2nd phase during Q2 22: packaging operations
- 3rd phase by Q4 22: full gummy manufacturing

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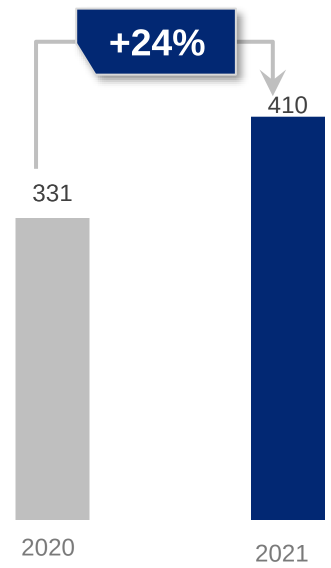
Key Financial Updates

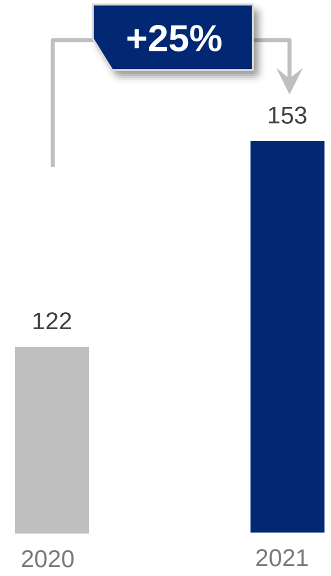
Strong Year-to-Date Performance

- **Growth both top line and in profitability vs. 2020**
  - ~24% growth in net revenue driven by existing brands and rollout of recently launched products
  - 37% contribution profit margin
- **Adjusted EBITDA of ~$100M, representing a ~24% margin**
- **Expected mid-teens top line growth and ~$110M adjusted EBITDA for full year 2022**

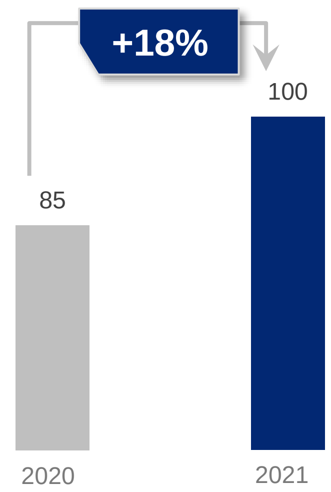
Net Revenue Growth (USD mm)



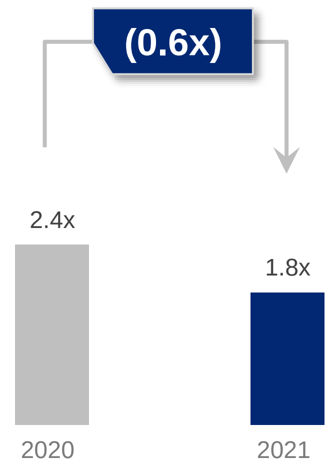
Contribution Profit[1] (USD mm)



Adjusted EBITDA (USD mm)



Net Debt / Adj. EBITDA



Source: Procaps
Note: (1) Contribution profit is gross profit less sales and marketing expenses

Key Financial Updates

Net Revenue Performance by SBU

<u>Growth Driven By:</u>

- Higher demand for products manufactured for third parties
- Solid demand for our Rx and OTC brands
- New product launches and continued rollout of our existing portfolio in new countries, across every SBU
- All business units experienced Robust, double-digit Net Revenue growth

		SBU	Net Revenue (USD mm) 2021	2020	Growth
B2B	CDMO Services	Nextgel	121	106	+14%
B2C	Rx Drugs and OTC Products	Procaps Colombia	155	115	+35%
		CAN	51	46	+12%
		CASAND	54	39	+40%
	Diabetes Solutions	Diabetrics	29	23	+26%
		Total Net Revenue	**$410**	**$332**	**+24%**
		Total Adj. EBITDA	**$100**	**$86**	**+18%**

Key Financial Updates

Balance Sheet and Cash Position

- Reprofiling of debt with Private Placement, with a Quick Ratio of 1.1x
- The cash on hand yields Net-debt to Adjusted EBITDA of 1.8x
- Improved capital structure prepares the way to pursue strategic investments

USD$MM	2020*		2021	
Short term	115	53%	75	29%
Long term	100	47%	179	71%
Total gross debt	**215**	**100%**	**253**	**100%**
Put Options	239		0	
Total Borrowings	**455**		**253**	
Cash and equivalents	4		72	
Total net debt (2)	**211**		**181**	
Adjusted EBITDA	85		100	
Net debt / EBITDA	**2.5x**		**1.8x**	
Quick Ratio	**0.5x**		**1.1x**	
Total equity	**(255)**		**(38)**	

*As restated

Questions & Answers

Thank You

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Appendix

Reconciliation of Adjusted EBITDA and Adjusted EBITDA Margin

(in millions of U.S. dollars except percentages)	For the year ended December 2021	2020	% Change
Loss for the year	**(100.9)**	**(10.5)**	-
Financial expenses, net	78.6	54.5	44.3%
Income tax expense	13.7	11.3	21.3%
Depreciation and amortization	15.1	16.5	-8.4%
EBITDA	**6.6**	**71.8**	**-90.8%**
COVID-19 impact adjustments(1)	**3.8**	**5.2**	-26.9%
Business transformation initiatives(2)		**1.7**	-
Foreign currency translation adjustments(3)	**4.0**	**3.9**	3.1%
Other finance costs adjustments(4)	**0.7**	**2.0**	-65.1%
Transaction expenses(5)	**10.7**	**-**	-
Listing expense(6)	**73.9**	**-**	-
Adjusted EBITDA(7)	**99.7**	**84.6**	**17.8%**
Adjusted EBITDA Margin	**24.3%**	**25.5%**	

Source: Procaps

(1) COVID-19 impact adjustments primarily include: (i) for the year ended December 31, 2021, $1.7 million ($0.5 million for the year ended December 31, 2020) expenses incurred for safety precautions during the pandemic, such as employees COVID-19 testing, vaccination, office and production infrastructure adaptation to practice social distancing, to maintain a safe work and production environment for the employees, (ii) for the year ended December 31, 2021, $0.6 million ($1.2 million for the year ended December 31, 2020) operating and production expenses incurred in connection with hiring of additional employees and costs paid to third party agencies for such hiring, contractors and production sub-contractors in order to mitigate any decrease in production and operating capabilities of Procaps as a result of employees absenteeism or attrition as a result of the COVID-19 pandemic, (iii) for the year ended December 31, 2021, $1.2 million ($0.9 million for the year ended December 31, 2020) expense incurred for certain logistic arrangements to minimize Procaps employees' exposure to COVID-19 through arranging transportation from home to work, lodgings, face masks and PPE, (iv) for the year ended December 31, 2020, $1.4 million additional costs incurred to acquire certain raw materials that are essential to production due to the lockdowns of suppliers' factories and ports of entry worldwide, and additional logistic costs due to delays, (v) for the year ended December 31, 2020, $0.9 million expense of certain one-off financial discounts that Procaps provided to its customers, such as medicine distributors, during the COVID-19 pandemic due to financial and liquidity difficulties and customers' inability to settle invoices as a result of the effects of the COVID-19 pandemic and governmental restrictions such as lockdowns, and (vi) for the year ended December 31, 2021, $0.4 million ($0.2 million for the year ended December 31, 2020) of other miscellaneous expenses resulted from COVID-19 pandemic.

(2) Business transformation initiatives consists of costs and expenses in connection with severance payments made to separate our employees for certain business transformation initiatives implemented during the year ended December 31, 2020.

(3) Foreign currency translation adjustments represent the reversal of exchange losses we recorded due to foreign currency translation of monetary balances of certain of our subsidiaries' from U.S. dollars into the functional currency of those subsidiaries as of December 31, 2021 and 2020.

(4) Other finance costs adjustments represent non-operating expenses we incurred, primarily including additional interests incurred due to the withholding tax obligations of certain financial institutions outside of Colombia.

(5) Transactions expenses primarily include: (i) capital markets advisory fees of $4.5 million incurred in connection with the Business Combination, (ii) incremental audit fees of $2.7 million incurred in connection with the Business Combination, (iii) consulting, accounting and legal expenses of $0.4 million incurred in connection with the Business Combination, (iv) management bonuses of $0.7 million paid in connection with the closing of the Business Combination and the listing of the Company on the Nasdaq, (v) tail policy insurance costs incurred of $1.6 million in connection with the Business Combination, (vi) incremental director & officer policy insurance costs incurred of $0.3 million in connection with the Business Combination, (vii) incurred audit fees of $0.2 million to comply with the Syndicated Loan requirements that will not be necessary in the future, and (viii) consulting and legal fees and expenses related to asset acquisitions and other transaction in the amount of $0.3 million.

(6) Listing expense of $73.9 million associated with the deemed listing services received by Procaps from Union, which is the difference between the deemed costs of the Ordinary Shares issued by the Company to Union shareholders in connection with the Business Combination, in excess of the net assets obtained from Union, as required by IFRS 2 Share-based payments.

Reconciliation of Adjusted EBITDA and Adjusted EBITDA Margin

(in millions of U.S. dollars except percentages)	For the three months ended 2021	2020	% Change
Loss (income) for the year	**(46.3)**	**9.4**	**-**
Financial expenses, net	(0.6)	14.7	-
Income tax expense	7.4	10.6	-30.5%
Depreciation and amortization	2.0	16.5	-63.3%
EBITDA	**(37.6)**	**40.1**	**-**
COVID-19 impact adjustments(1)	0.6	1.8	-64.5%
Business transformation initiatives(2)		1.7	-
Foreign currency translation adjustments(3)	1.7	(0.2)	-
Other finance costs adjustments(4)	0.5	0.5	-4.4%
Transaction expenses(5)	2.9	-	-
Listing expense(6)	73.9	-	-
Adjusted EBITDA(7)	**42.1**	**42.7**	**-1.6%**
Adjusted EBITDA Margin	**33.2%**	**36.2%**	

Source: Procaps
(1) COVID-19 impact adjustments
(2) Business transformation initiatives consist of costs and expenses in connection with severance payments made to separate our employees for certain business transformation initiatives implemented during the three months ended December 31, 2020.
(3) Foreign currency translation adjustments represent the reversal of exchange losses we recorded due to foreign currency translation of monetary balances of certain of our subsidiaries from U.S. dollars into the functional currency of those subsidiaries as of the three months ended December 31, 2021, and 2020.
(4) Other finance cost adjustments represent non-operating expenses we incurred, primarily including additional interests incurred due to the withholding tax obligations of certain financial institutions outside of Colombia.
(5) Transactions expenses
(6) Listing expense of $73.9 million associated with the deemed listing services received by Procaps from Union, which is the difference between the deemed costs of the Ordinary Shares issued by the Company to Union shareholders in connection with the Business Combination, in excess of the net assets obtained from Union, as required by IFRS 2 Share-based Payments.

Use of Non-IFRS Financial Measures

Use of Non-IFRS Financial Measures

Our management uses and discloses EBITDA, Adjusted EBITDA, Adjusted EBITDA margin, and Net Debt-to-LTM Adjusted EBITDA ratio, which are non-IFRS financial information to assess our operating performance across periods and for business planning purposes. We believe the presentation of these non-IFRS financial measures is useful to investors as it provides additional information to facilitate comparisons of historical operating results, identify trends in our underlying operating results and provide additional insight and transparency on how we evaluate our business. These non-IFRS measures are not meant to be considered in isolation or as a substitute for financial information presented in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board and should be viewed as supplemental and in addition to our financial information presented in accordance with IFRS.

We define EBITDA as profit (loss) for the period before interest expense, net, income tax expense and depreciation and amortization. We define Adjusted EBITDA as EBITDA further adjusted to exclude certain isolated costs incurred as a result of the COVID-19 pandemic, transaction expenses related to the business combination with Union Acquisition Corp. II, certain costs related to business transformation initiatives, certain foreign currency translation adjustments and certain other finance costs adjustments. We also report Adjusted EBITDA as a percentage of net revenue as an additional measure so investors may evaluate our Adjusted EBITDA margins. None of EBITDA, Adjusted EBITDA or Adjusted EBITDA margin are presented in accordance with generally accepted accounting principles ("GAAP") or IFRS and are non-IFRS financial measures.

We use EBITDA, Adjusted EBITDA, Adjusted EBITDA margin, and Net Debt-to-LTM Adjusted EBITDA ratio for operational and financial decision-making and believe these measures are useful in evaluating our performance because they eliminate certain items that we do not consider indicators of our operating performance. EBITDA, Adjusted EBITDA, Adjusted EBITDA margin, LTM Adjusted EBITDA and Net Debt-to-Adjusted EBITDA ratio are also used by many of our investors and other interested parties in evaluating our operational and financial performance across reporting periods. We believe that the presentation of EBITDA, Adjusted EBITDA, Adjusted EBITDA margin, LTM Adjusted EBITDA and Net Debt-to-LTM Adjusted EBITDA ratio provides useful information to investors by allowing an understanding of key measures that we use internally for operational decision-making, budgeting, evaluating acquisition targets, and assessing our operating performance.

EBITDA, Adjusted EBITDA, Adjusted EBITDA margin, and Net Debt-to-LTM Adjusted EBITDA ratio are not recognized terms under IFRS and should not be considered as a substitute for net income (loss), cash flows from operating activities, or other income or cash flow statement data. These measures have limitations as analytical tools, and should not be considered in isolation or as substitutes for analysis of our results as reported under IFRS. We strongly encourage investors to review our financial statements in their entirety and not to rely on any single financial measure.

Because non-IFRS financial measures are not standardized, EBITDA, Adjusted EBITDA, Adjusted EBITDA margin, and Net Debt-to-LTM Adjusted EBITDA ratio, as defined by us, may not be comparable to similarly titled measures reported by other companies. It therefore may not be possible to compare our use these non-IFRS financial measures with those used by other companies.

The following table contains a reconciliation of profit for the period to EBITDA, Adjusted EBITDA and Adjusted EBITDA margin for the periods presented. Procaps Group is unable to present a reconciliation of its third quarter 2021 net revenue and Adjusted EBITDA guidance because management cannot reliably predict all of the necessary components of such measures. Accordingly, investors are cautioned not to place undue reliance on this information.