



(A free translation of the original in Portuguese)

Raia Drogasil S.A.

**Individual and Consolidated
Interim Financial Information
June 30, 2022**

(A free translation of the original in Portuguese)

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Comments on company performance

São Paulo, July 29, 2022. RD – People, Health and Well-being (Raia Drogasil S.A. – B3: RADL3) announces today its results for the 2nd quarter of 2022 (2Q22). The Company's parent company and consolidated interim financial statements for the periods ended June 30, 2022 and 2021 have been prepared in accordance with the accounting practices adopted in Brazil, including the rules issued by the Brazilian Securities Commission (CVM), the Brazilian Accounting Standards - General Technical (NBC TG) and the pronouncements issued by the Brazilian Accounting Pronouncements Committee (CPC), and are in conformity with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and provide all the significant information related solely to the interim financial statements, which is consistent with the information used by management. The financial statements were prepared in Reais and all growth rates, unless otherwise stated, relate to the same period of 2021.

Since 2019, our financial statements have been prepared in accordance with IFRS 16. In order to better represent the economics of the business, the figures in this report are presented under IAS 17 / CPC 06, the previous reporting standard. A reconciliation with IFRS 16 can be found on pages 12 and 13.

CONSOLIDATED HIGHLIGHTS:

- › **PHARMACIES: 2,581 units in operation (64 openings and 13 closures);**
- › **GROSS REVENUE: R\$ 7.6 billion, a 22.4% increase with 16.1% for mature stores;**
- › **MARKET SHARE: 14.4%, a 0.4 p.p. increase, with gains in every region;**
- › **DIGITAL: R\$ 764.0 million, an increase of 46.9% and 10.5% of retail penetration;**
- › **CONTRIBUTION MARGIN*: R\$ 987.8 million, a margin of 12.9%;**
- › **ADJUSTED EBITDA: R\$ 727.5 million, a 46.3% increase and a margin of 9.5%;**
- › **ADJUSTED NET INCOME: R\$ 343.7 million, a 48.2% increase and a 4.5% net margin;**
- › **CASH FLOW: R\$ 57.9 million negative free cash flow, R\$ 193.2 million total cash consumption.**

* Margin before corporate overhead (gross profit – selling expenses)

RADL3

R\$ **xx.xx**/share

NUMBER OF SHARES

1,651,930,000

MARKET CAP

R\$ **xx.x** billion

CLOSING

July 28th, 2022

IR TEAM:

Eugênio De Zagottis

Flavio Correia

André Stolfi

Victor Torres

Rodrigo Baraldi

SITE: ir.rd.com.br

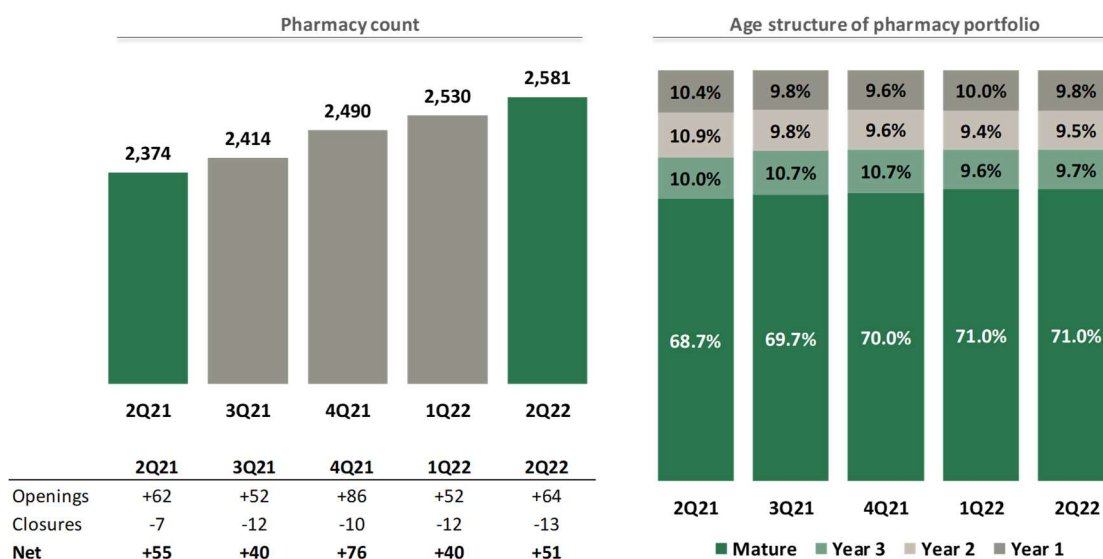
E-MAIL: ri@rd.com.br

Summary (R\$ thousands)	2Q21	3Q21	4Q21	1Q22	2Q22
# of Pharmacies	2,374	2,414	2,490	2,530	2,581
Organic Openings	62	52	86	52	64
Closures	(7)	(12)	(10)	(12)	(13)
4Bio	4	4	4	4	5
# of Pharmacies + 4Bio	2,378	2,418	2,494	2,534	2,586
Headcount (EoP)	47,208	48,481	50,573	50,141	50,320
Pharmacist Count (EoP)	9,346	9,676	10,052	10,336	10,466
# of Tickets (000)	66,911	71,115	76,508	76,795	82,912
Gross Revenue	6,245,163	6,527,875	6,853,140	6,972,496	7,641,161
Gross Profit	1,797,052	1,815,460	1,951,805	1,928,436	2,318,097
% of Gross Revenues	28.8%	27.8%	28.5%	27.7%	30.3%
Adjusted EBITDA	497,115	446,165	448,110	388,382	727,509
% of Gross Revenues	8.0%	6.8%	6.5%	5.6%	9.5%
Adjusted Net Income	232,022	173,567	204,639	145,270	343,746
% of Gross Revenues	3.7%	2.7%	3.0%	2.1%	4.5%
Net Income	266,443	172,765	187,155	153,590	372,231
% of Gross Revenues	4.3%	2.6%	2.7%	2.2%	4.9%
Free Cash Flow	(259,357)	68,879	269,226	(320,646)	(57,925)

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PHARMACY PORTFOLIO

We opened 64 new units in the 2Q22 and closed 13, ending the quarter with 2,581 pharmacies in operation. We reiterate our gross openings guidance of 260 new pharmacies for 2022. At the end of the period, 29.0% of our pharmacies were still in the process of maturation and had not yet reached their full potential both in terms of revenue and profitability.



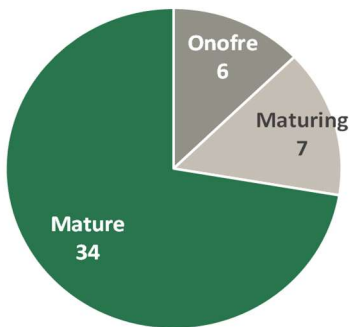
Of the 13 pharmacies closed in the quarter, 3 were still in the maturation process and represent corrections of mistakes that are expected in a large-scale expansion as RD's. The remaining 10 closures were of mature pharmacies with an average age of 8 years, as part of the ongoing optimization of our store portfolio, with positive return expectations associated to them.

Considering the last 12 months, we closed a total of 47 pharmacies. This includes 6 locations acquired from Onofre, which closure was already expected at the time of the transaction, 7 pharmacies that were still in maturation, resulting in a ratio of expansion mistakes of only 3% of the 254 pharmacies opened over that period, as well as 34 mature pharmacies with an average of 13 years in operation as part of the ongoing optimization of our portfolio, as these closures allow us to transfer sales to the remaining locations in the neighborhood while eliminating a fixed cost base and releasing fixed assets and inventories to be more efficiently redeployed, therefore increasing our ROIC.

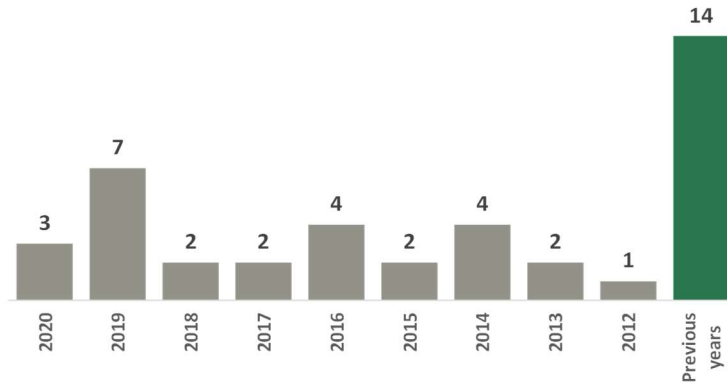
Lastly, we highlight that besides the Onofre acquisition, the change in consumer habits stemming from the pandemic also led to an increase in our rate of store closures, as we closed 14 units located in commercial areas such as shopping malls and office neighborhoods, which customer traffic has not returned to pre-pandemic levels.

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LTM closures per group

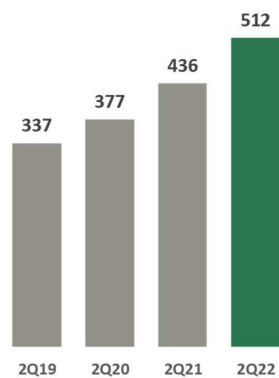


LTM organic closures per opening year

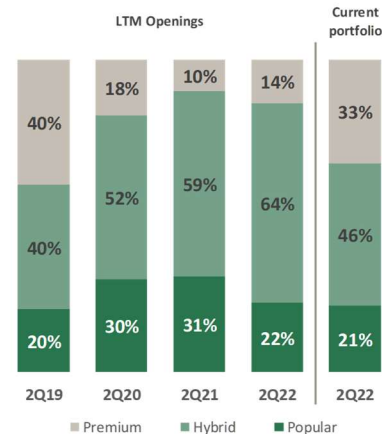


We intensified the diversification of our pharmacy network in the quarter, both geographically and demographically, with 82% of our openings in the last twelve months outside of the state of São Paulo, our native market. We also increased our capillarity, extending our presence to 512 cities, 76 more than in the 2Q21. And while 67% of our units belong to the popular or hybrid formats, 86% of the openings in the last twelve months belong to these clusters, increasing our reach into the expanded middle class.

Cities with pharmacies



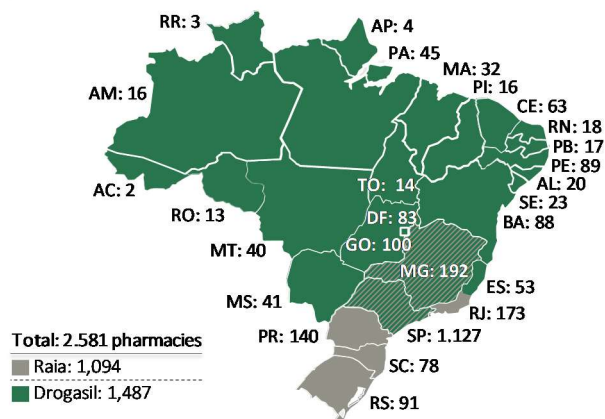
Network composition by format*



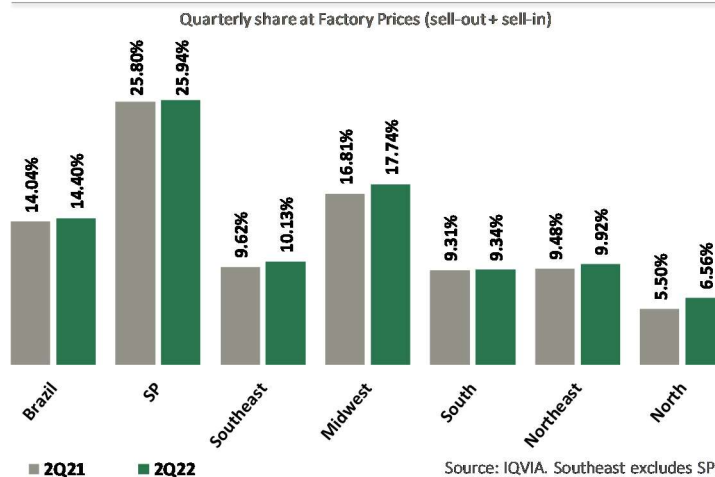
We gained market share in all regions during the quarter. Our national market share totaled 14.4%, a 0.4 percentage point increase when compared to the 2Q21. We recorded a share of 6.56% in the North, a 1.06 p.p. increase when compared to the 2Q21, a share of 17.74% in the Midwest, a 0.93 p.p. increment, and a share of 10.13% in the Southeast (excluding São Paulo), a 0.51 p.p. gain. We also recorded a share of 9.92% in the Northeast, a 0.44 p.p. increase, a share of 25.94% in São Paulo, a 0.14 p.p. increment, and a share of 9.34% in the South, a 0.03 p.p. gain.

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Pharmacy geographic presence



Retail market share



LTM organic openings*	2Q18	2Q19	2Q20	2Q21	2Q22
São Paulo state	79	67	71	59	46
Total	220	243	225	248	254
% São Paulo state	36%	28%	32%	24%	18%

* Does not consider the 42 pharmacies acquired from Onofre

DIGITAL HEALTH TRANSFORMATION

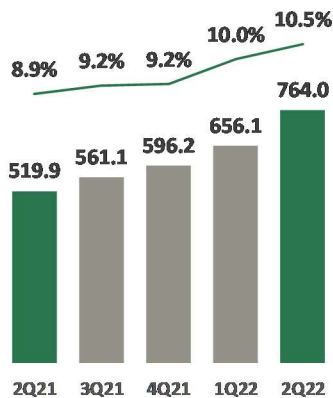
We continue advancing in our digital strategy at a fast pace. We reached the mark of R\$ 764.0 million in revenues through digital channels in the quarter, representing a retail penetration of 10.5% and a growth of 46.9% over the same period of the previous year. When annualized, digital sales surpassed the milestone of R\$ 3 billion, positioning RD Digital among Brazil's top pharmaceutical retailers if considered on its own.

We also recorded a total of 20.7 million cumulative app downloads since the 1Q19, a significant amount when compared to the universe of 45 million active customers and paramount to the digitalization of our relationship with our customers. Such digitalization is essential to our long-term strategy, as customers who use our digital channels increase their loyalty, engagement and purchasing frequency, spending, on average, 20% to 25% more than they did before the digital adoption, thus becoming a fundamental driver for value creation. Also, it will allow us to connect our customers to all the three pillars of our strategy: the New Pharmacy, the Marketplace and the Health Platform.

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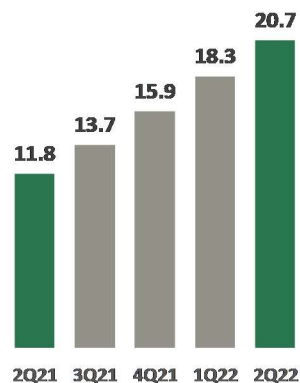
Digital sales and penetration

R\$ millions, % of retail gross revenue



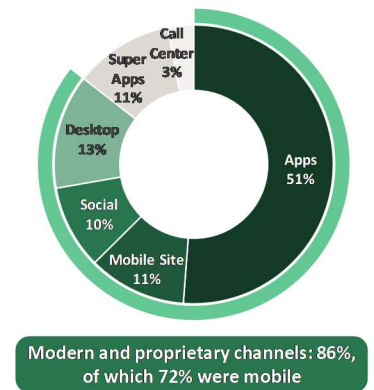
Cumulative app downloads

Millions



Digital channel mix

% of digital sales



We also highlight the importance of the pharmacies in our digital sales, as 93% of such transactions in the 2Q22 were fulfilled at our stores, with both quick delivery lead times and high economic efficiency. Click & Collect represented 53% of digital orders, while neighborhood deliveries amounted to another 9%, underscoring the power of the capillarity and convenience of our pharmacies, which cover 92% of Brazil's A-class population within a 1.5 km radius. Additionally, by the end of the quarter, motorized ship-from-store deliveries were available in 412 cities that represent 97% of RD's sales, complementing *Click & Collect* and *Neighborhood Deliveries*, which are available in 100% of our locations. Lastly, 85% of the orders were delivered to or collected by our customers in up to 4h.

The role of our pharmacies in the promotion of integral health has also advanced in the quarter. At the end of the period, we reached 1.5 thousand units offering pharmaceutical services, with 1.1 thousand including an enhanced service offering through the *Sua Saúde* spaces. Our pharmacies performed or supplied 2.3 million COVID-19 tests in the 2Q22, including those applied in-store as well as the sale of self-tests, totaling 6.9 million since the beginning of the pandemic. Additionally, we ended the period with 248 pharmacies licensed for vaccines, serving over 122 thousand different immunizations in the quarter. Through these pharmaceutical services, we repositioned our pharmacies as local health hubs while strengthening the bonds with our customers, who evaluated our pharmacy experience with an NPS score of 90 in the quarter.

We continue to structure our marketplace with the inclusion of new sellers and SKUs. We ended the 2Q22 offering 146 thousand SKUs from 578 different sellers, representing a 36% sequential increase in the available assortment in comparison to the 1Q22. We are also implementing the Seller Center solution developed by *Conecta-Lá*, a startup invested by RD Ventures, which will be key to the strengthening of our operation.

Lastly, Vitat keeps developing its platform, including its first two programs focused on chronic diseases, which will launch still in 2022. Currently, Vitat already boasts 50 million visits in the year, including views of its *De Bem Com Você* podcast as well as visits to its websites and apps.

GROSS REVENUES

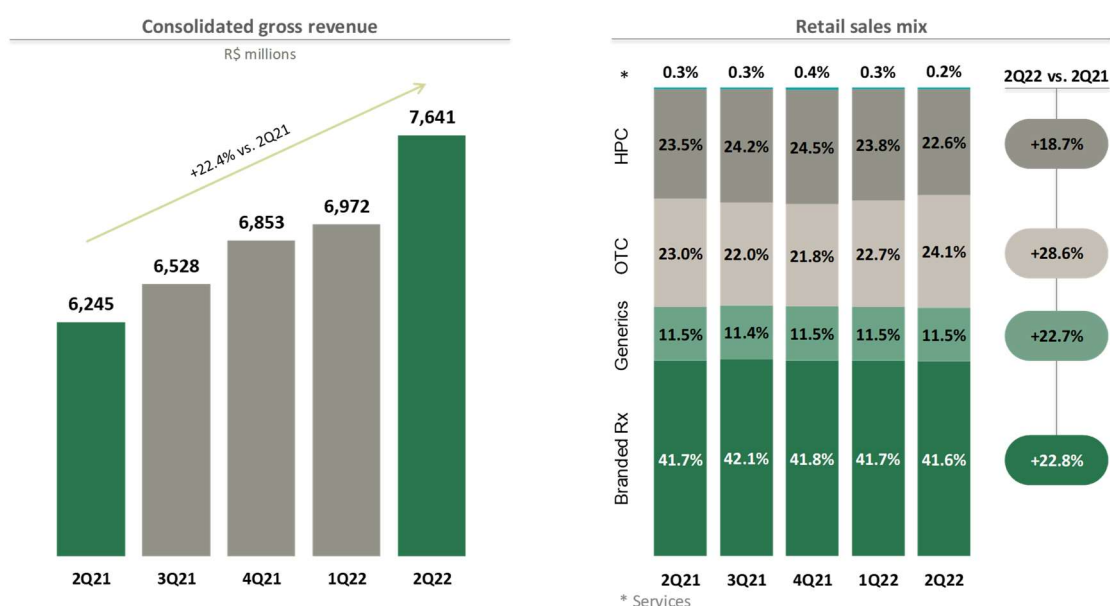
We ended the 2Q22 with a consolidated revenue of R\$ 7,641 million, a 22.4% growth over the 2Q21. This high growth was driven by a solid structural performance, leveraged by the digitalization of the relationship with our customers, which increases spending from 20% to 25% after the digital adoption, as well as by a strong performance during the flu season.

We observed an intense peak in respiratory diseases in the quarter, an effect that had been mitigated in the 2Q21 by the widespread use of masks in a period when COVID-19 vaccinations were still in its initial stages. Our operational readiness, highlighted by our very low inventory

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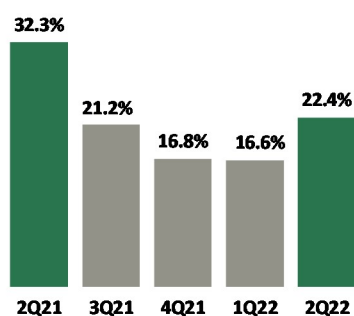
stockouts in a period marked by global challenges in supply chain management, has allowed us to serve our customers with excellence while accelerating our revenue growth.

Additionally, COVID-19 testing, including both the tests performed in-store as well as the sale of self-tests, contributed by 0.5 percentage point to this growth (in contrast to a pressure of 1.2 percentage point in the 1Q22). Lastly, we recorded a positive calendar effect of 0.3% in the quarter.

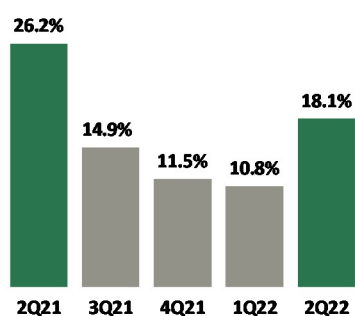


OTC was the highlight of the quarter, with a 28.6% growth over the same period of the previous year and a 1.1 percentage point gain in the mix, mainly due to increased demand for seasonal winter items and the sale of COVID-19 tests and self-tests, both classified in this category. Meanwhile, Branded Rx grew by 22.8% and Generics by 22.7%, strong performances that also benefitted from the winter seasonality. Lastly, HPC grew by 18.7% in comparison to the same period of the previous year.

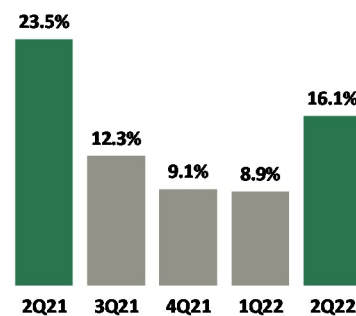
Consolidated revenue growth



Same-Store sales growth - Retail



Mature-Store sales growth - Retail



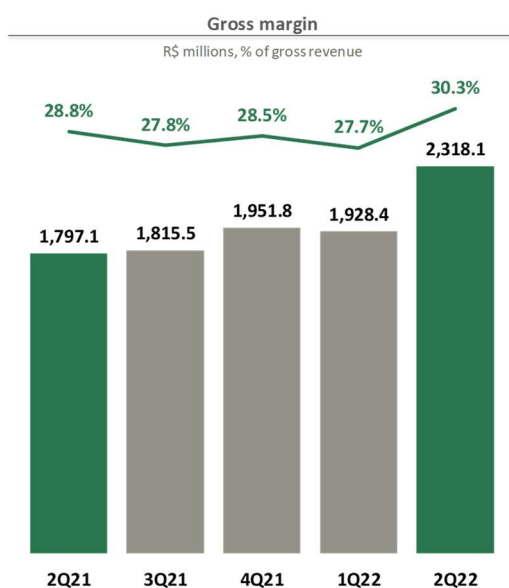
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We recorded a 16.1% growth in mature stores in the 2Q22, an increase 4.2 percentage points above the period's CPI of 11.9% and 5.2 percentage points above the 10.9% price adjustment authorized by CMED at the end of March. Meanwhile, average same-store sales growth in the period was of 18.1%.

GROSS PROFIT

Our gross profit totaled R\$ 2,318.1 million in the 2Q22, with a gross margin of 30.3%, a 1.5 percentage point expansion in comparison to the 2Q21, mostly due to the inflationary gain on inventories stemming from the 10.9% price adjustment on drugs authorized by CMED at the end of March.

Additionally, we recorded a gross margin expansion of 0.3 percentage point from the Net Present Value (NPV) adjustment, a non-cash effect stemming from higher interest rates when compared to the same period of the previous year.

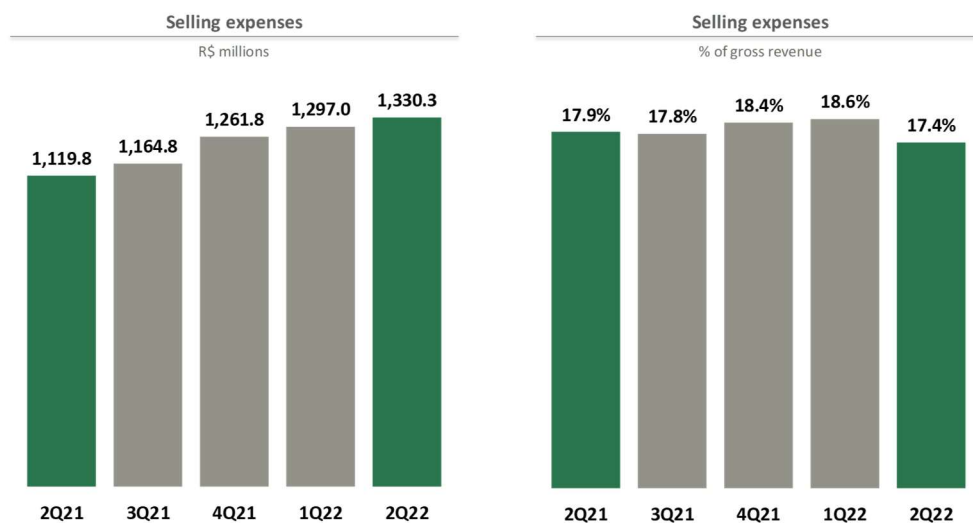


SELLING EXPENSES

Selling expenses totaled R\$ 1,330.3 million in the 2Q22, equivalent to 17.4% of gross revenue, a 0.5 percentage point dilution in comparison to the 2Q21. This dilution was mostly driven by the increase in sales and by the maintenance of pharmacy headcounts despite the recovery of customer traffic.

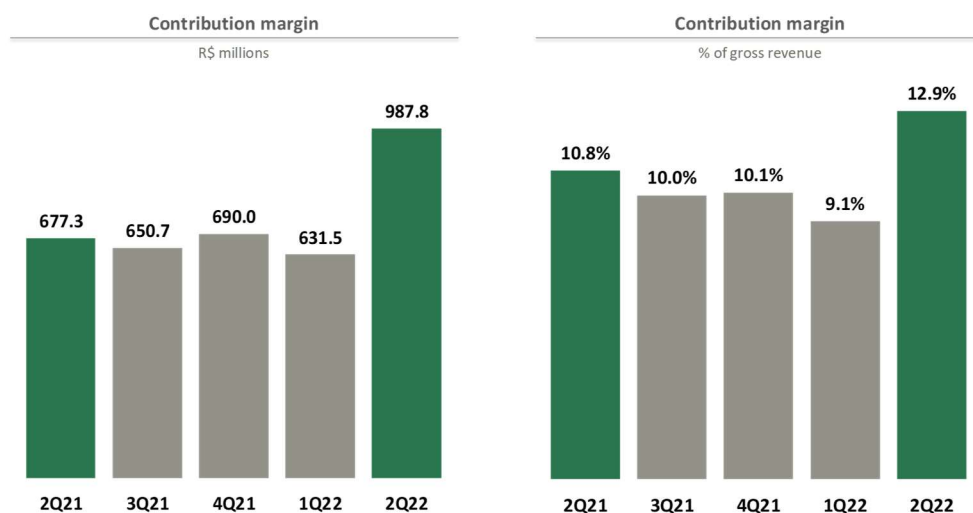
In comparison to the same period of the previous year, we recorded in the quarter a dilution of 0.5 percentage point in personnel expenses, 0.1 p.p. in customer delivery expenses, and 0.1 p.p. in marketing, more than offsetting pressures of 0.1 p.p. in logistics and 0.1 p.p. in other selling expenses.

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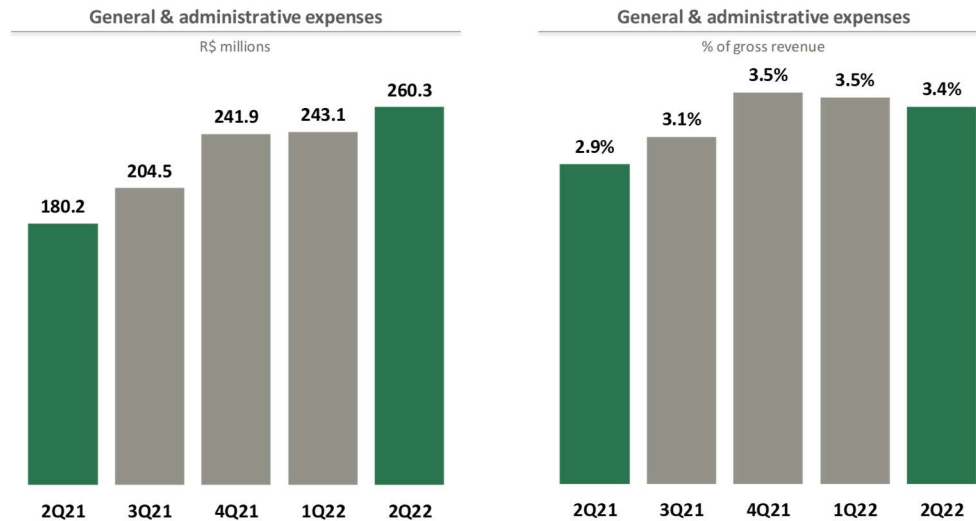
CONTRIBUTION MARGIN

We recorded a contribution margin of R\$ 987.8 million, equivalent to a margin of 12.9% of gross revenue, a 2.1 percentage point margin expansion due to the 1.5 percentage point increase in our gross margin and the 0.5 percentage point dilution of selling expenses.



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GENERAL & ADMINISTRATIVE EXPENSES



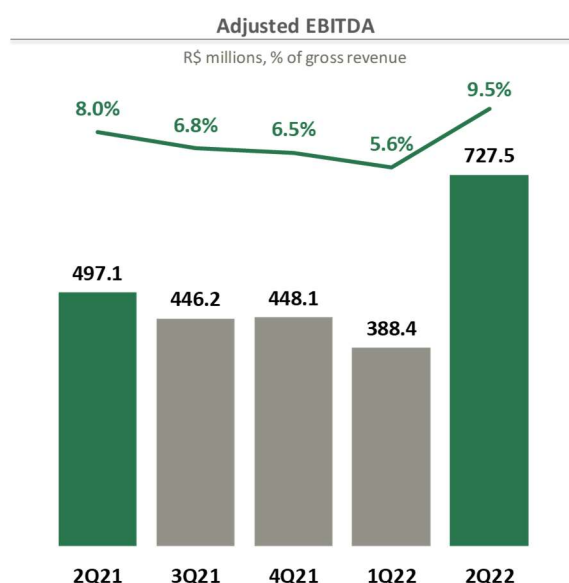
General and administrative expenses totaled R\$ 260.3 million in the 2Q22, equivalent to 3.4% of gross revenue, a 0.5 percentage point increase in comparison to the 2Q21 due to the intense investments made into our corporate structure to support RD's digital transformation.

When compared sequentially to the 1Q22, we recorded a 0.1 percentage point dilution in the quarter.

EBITDA

Our adjusted EBITDA totaled R\$ 727.5 million, a 46.3% growth vs. the 2Q21. The adjusted EBITDA margin reached 9.5% of gross revenue, a 1.5 percentage point annual increase.

We recorded a contribution margin expansion of 2.1 percentage points, more than offsetting the 0.5 percentage point pressure from G&A expenses.



EBITDA RECONCILIATION AND NON-RECURRING EXPENSES

We recorded in the 2Q22 a total of R\$ 43.2 million in non-recurring net income. This includes R\$ 13.5 million in non-recurring expenses from asset write-offs, mostly from store closures, and R\$ 0.9 million in donations, more than offset by R\$ 57.1 million in non-recurring tax credits.

EBITDA Reconciliation - R\$ millions	2Q22	2Q21
Net income	372.2	266.4
Income tax	128.7	104.0
Equity Equivalence	(0.3)	1.5
Financial Result	98.2	26.9
EBIT	598.9	398.8
Depreciation and amortization	171.8	150.4
EBITDA	770.7	549.3
Asset write-offs	13.5	6.1
Donations	0.9	0.3
Non-recurring tax credits	(57.1)	(58.0)
Other non-recurring/non-operating effects	(0.5)	(0.5)
Non-recurring/non-operating expenses	(43.2)	(52.2)
Adjusted EBITDA	727.5	497.1

DEPRECIATION, NET FINANCIAL EXPENSES AND INCOME TAXES

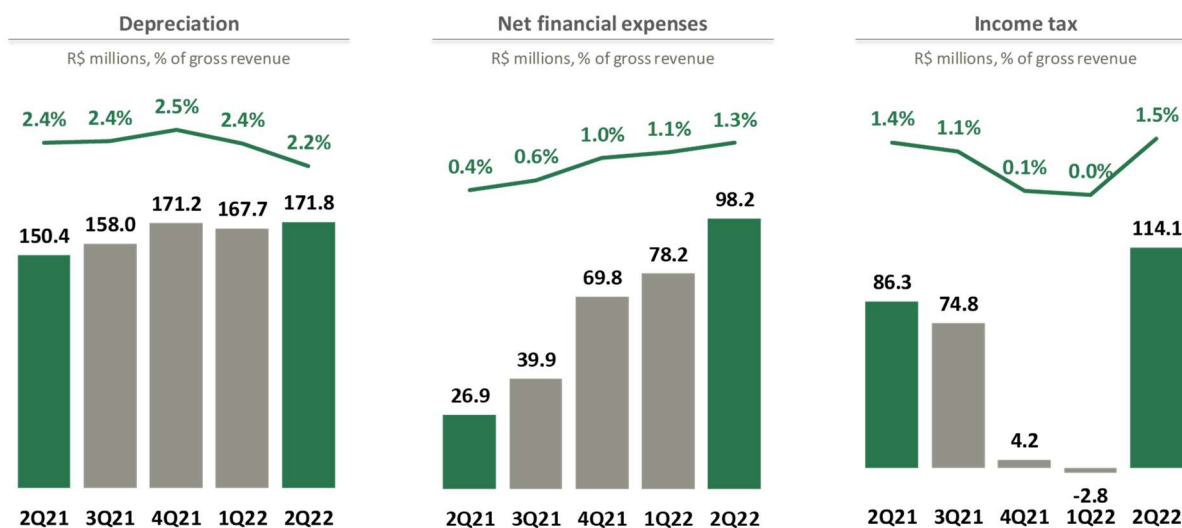
Depreciation expenses amounted to R\$ 171.8 million in the 2Q22, equivalent to 2.2% of gross revenues, a 0.2 percentage point dilution when compared to the 2Q21.

Net financial expenses represented 1.3% of gross revenue in the 2Q22, a 0.9 percentage point increase when compared to the 2Q21. Of the R\$ 98.2 million recorded in the quarter, R\$ 67.4 million refers to the actual financial interest accrued on financial liabilities, equivalent to 0.9% of gross revenue, a 0.6 percentage point increase when compared to the 2Q21 mostly due to the hiking of the Brazilian interest rate which increased from 4.25% at the end of the 2Q21 to 13.25% by the end of the 2Q22. We've also recorded R\$ 29.9 million in financial

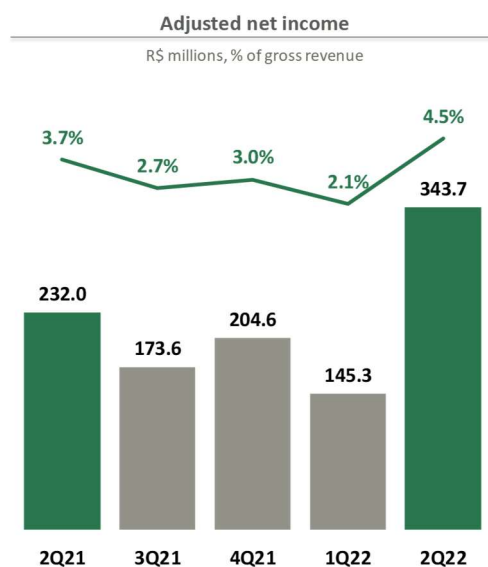
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expenses which refer to the NPV adjustment in the 2Q22, and another R\$ 0.8 million which refers to the interest on the option to acquire the remaining 15% of 4Bio.

Lastly, we booked R\$ 114.1 million in income taxes in the 2Q22, equivalent to 1.5% of gross revenue, 0.1 percentage point greater than in the 2Q21.



NET INCOME

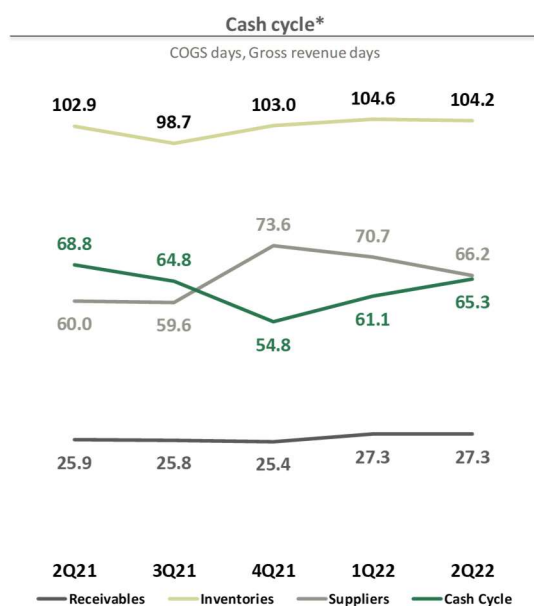


Our adjusted net income totaled R\$ 343.7 million, a 48.2% growth vs. the 2Q21. Our net margin was of 4.5% of gross revenue, an expansion of 0.8 percentage point when compared to the same period of the previous year.

CASH CYCLE

Our cash cycle in the 2Q22 was of 65.3 days, a 3.5 day decrease when compared to the same period of the previous year. When compared to the 2Q21, our inventories increased by 1.3 day, accounts payable decreased by 6.2 days and receivables increased by 1.4 day.

In addition to the seasonal increase in working capital to take advantage of the price adjustment authorized by CMED, we are operating at a higher inventory level than usual due to the global supply chain challenges created by the pandemic.



* Adjusted for discounted receivables.

CASH FLOW

We recorded a negative free cash flow of R\$ 57.9 million and a total cash consumption of R\$ 193.2 million in the quarter. Resources from operations totaled R\$ 587.8 million, equivalent to 7.7% of gross revenue. We recorded a working capital increase of R\$ 391.0 million, resulting in a positive operating cash flow of R\$ 196.8 million, in addition to a CAPEX of R\$ 254.8 million.

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Cash flow	2Q22	2Q21
<i>(R\$ million)</i>		
Adjusted EBIT	555.7	346.7
NPV adjustment	(30.2)	(6.9)
Non-recurring expenses	43.2	52.2
Income tax (34%)	(193.4)	(133.3)
Depreciation	171.1	150.4
Others	41.4	38.9
Resources from operations	587.8	448.0
Cash cycle*	(509.9)	(647.4)
Other assets (liabilities)**	118.9	129.1
Operating cash flow	196.8	(70.3)
Investments	(254.8)	(189.0)
Free cash flow	(57.9)	(259.4)
M&A and other investments	(10.3)	(42.7)
Interest on equity and dividends	(96.1)	(83.6)
Income tax paid over interest on equity	(8.9)	(6.3)
Net financial expenses***	(68.2)	(18.6)
Tax benefit (fin. exp., IoE, dividends)	48.4	23.3
Total Cash Flow	(193.2)	(387.3)

*Includes adjustments to discounted receivables.

**Includes NPV adjustments.

***Excludes NPV adjustments.

Of the R\$ 254.8 million invested in the 2Q22, R\$ 106.2 million were used for the opening of new pharmacies, R\$ 65.9 million for the renovation or expansion of existing locations, R\$ 53.4 million for IT, R\$ 19.2 million in logistics and R\$ 10.1 million in other projects.

Additionally, R\$ 10.3 million in investments were made towards the construction of our integral health ecosystem through RD Ventures, totaling R\$ 170.4 million in these investments since 2020.

Payments related to net financial expenses totaled R\$ 68.2 million in the 2Q22. These payments were offset by R\$ 48.4 million in tax benefits related to interest on equity.

Lastly, we provisioned R\$ 74.0 million in interest on capital in the 2Q22, in comparison to the R\$ 50.0 million provisioned in the 2Q21, representing a payout of 19.9% of the quarter's net income.

INDEBTEDNESS

Net Debt (R\$ millions)	2Q22	1Q22	4Q21	3Q21	2Q21
Short-term Debt	228.2	533.5	613.8	630.1	622.7
Long-term Debt	2,141.4	1,635.6	891.4	934.7	934.3
Total Gross Debt	2,369.6	2,169.1	1,505.2	1,564.8	1,557.0
(-) Cash and Equivalents	818.8	466.2	356.1	247.2	266.7
Net Debt	1,550.8	1,702.9	1,149.1	1,317.6	1,290.4
Discounted Receivables	344.6	-	205.9	0.5	6.6
Put/Call options of investments (estimated)	39.5	38.7	37.9	36.6	35.9
Adjusted Net Debt	1,934.8	1,741.6	1,393.0	1,354.8	1,332.8
Adjusted Net Debt / EBITDA	1.0x	1.0x	0.8x	0.8x	0.8x

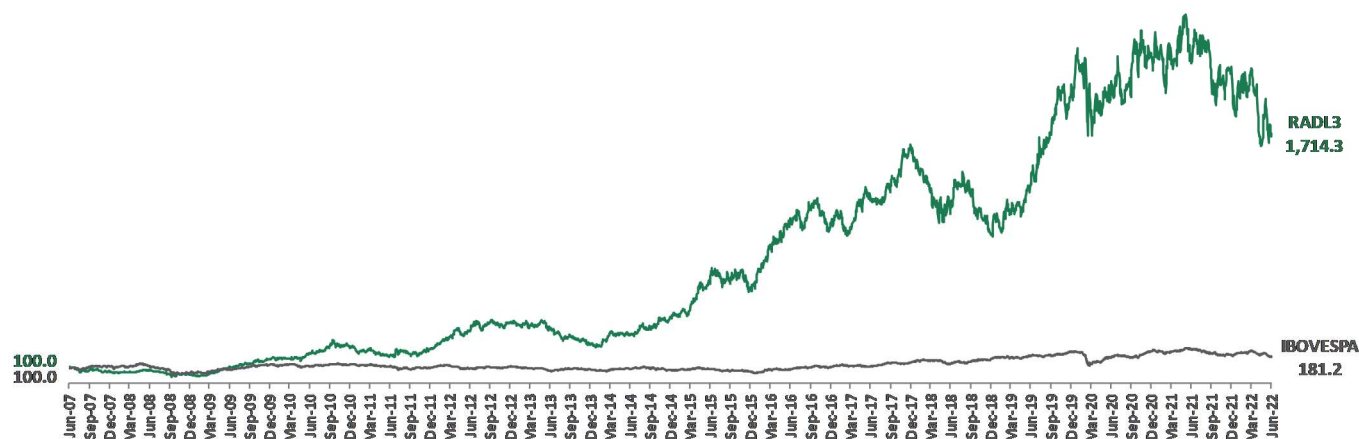
Individual and Consolidated Interim Financial Information June 30, 2022

We ended the 2Q22 with an adjusted net debt of R\$ 1,934.8 million, equivalent to 1.0x the EBITDA of the past 12 months. Our adjusted net debt includes R\$ 39.5 million in liabilities mostly related to the exercise of the put option granted and/or call option obtained for the acquisition of the remaining 15% minority stake of 4Bio.

In the 2Q22, we issued our 7th debentures totaling R\$ 550.0 million. Thus, our gross debt totaled R\$ 2,369.6 million, of which 82.3% corresponds to the debentures issued in 2018, 2019 and 2022 and to the Certificate of Real Estate Receivables issued in 2019 and 2022, while 17.7% corresponds to other credit lines. Of our total debt, 90% is long-term, while 10% relates to its short-term parcels. We ended the quarter with a total cash position (cash and marketable securities) of R\$ 818.8 million.

TOTAL SHAREHOLDER RETURNS

Stock price appreciation



Our share price decreased by 19.8% in the 2Q22, 1.9 percentage points more than the IBOVESPA, which decreased by 17.9%.

Since the IPO of Drogasil, we achieved a cumulative share appreciation of 1,614% versus a return of only 81% for the IBOVESPA. Including the payment of interest on equity and dividends, we generated an average annual total return to shareholders of 21.3%.

Considering the IPO of Raia in December of 2010, the cumulative return amounted to 559% versus an increase of only 45% of the IBOVESPA. Considering the payment of interest on equity and dividends, this resulted in an average annual total return to shareholders of 18.3%.

Lastly, our shares recorded an average daily trading volume of R\$ 148 million in the quarter.

**Individual and Consolidated
Interim Financial Information
June 30, 2022**

IFRS 16

Since 2019, our financial statements have been prepared in accordance with IFRS 16. In order to preserve historic comparability, the figures in this report are presented under IAS 17 / CPC 06, the previous reporting standard, which we believe best represents the economic performance of our operations.

Financial statements in both IAS 17 and IFRS 16 are also available at our website ir.rd.com.br, under Interactive Spreadsheets.

Income Statement (R\$ millions)	2Q22		Change
	IAS 17	IFRS 16	Δ 2Q22
Gross Revenue	7,641.2	7,641.2	0.0
Gross Profit	2,318.1	2,318.1	0.0
Gross Margin	30.3%	30.3%	0.0%
Selling Expenses	(1,330.3)	(1,094.7)	235.6
G&A	(260.3)	(259.6)	0.7
Total Expenses	(1,590.6)	(1,354.3)	236.3
as % of Gross Revenue	20.8%	17.7%	(3.1%)
Adjusted EBITDA	727.5	963.8	236.3
as % of Gross Revenue	9.5%	12.6%	3.1%
Non-Recurring Expenses / Revenues	43.2	43.8	0.6
Depreciation and Amortization	(171.8)	(362.2)	(190.4)
Financial Results	(98.2)	(157.9)	(59.7)
Equity Equivalence	0.3	0.3	0.0
Income Tax	(128.7)	(124.2)	4.5
Net Income	372.2	363.5	(8.7)
as % of Gross Revenue	4.9%	4.8%	(0.1%)

Balance Sheet (R\$ millions)	2Q22		Change
	IAS 17	IFRS 16	Δ 2Q22
Assets	12,780.8	16,168.8	3,388.0
Current Assets	8,943.4	8,943.4	0.0
Non-Current Assets	3,837.4	7,225.4	3,387.9
Other Credits	49.2	48.7	(0.5)
Right of use	0.0	3,388.4	3,388.4
Liabilities and Shareholder's Equity	12,780.8	16,168.8	3,388.0
Current Liabilities	4,967.0	5,696.7	729.7
Financial Leases	0.0	743.5	743.5
Other Accounts Payable	259.5	245.6	(13.8)
Non-Current Liabilities	2,512.9	5,406.7	2,893.8
Financial Leases	0.0	3,014.9	3,014.9
Income Tax and Social Charges Deferred	169.6	48.5	(121.1)
Shareholder's Equity	5,300.9	5,065.5	(235.5)
Income Reserves	2,267.9	2,050.9	(217.0)
Accrued Income	374.3	355.9	(18.4)

**Individual and Consolidated
Interim Financial Information
June 30, 2022**

Cash Flow (R\$ millions)	2Q22		Change
	IAS 17	IFRS 16	Δ 2Q22
Adjusted EBIT	555.7	601.5	45.8
NPV Adjustment	(30.2)	(30.2)	0.0
Non-Recurring Expenses	43.2	43.8	0.6
Income Tax (34%)	(193.4)	(209.2)	(15.8)
Depreciation	171.1	362.2	191.2
Rental Expenses	0.0	(236.9)	(236.9)
Others	41.4	56.5	15.1
Resources from Operations	587.8	587.8	0.0
Cash Cycle*	(509.9)	(509.9)	0.0
Other Assets (Liabilities)**	118.9	118.9	0.0
Operating Cash Flow	196.8	196.8	0.0
Investments	(254.8)	(254.8)	0.0
Free Cash Flow	(57.9)	(57.9)	0.0
M&A and other investments	(10.3)	(10.3)	0.0
Interest on equity and dividends	(96.1)	(96.1)	0.0
Income tax paid over interest on equity	(8.9)	(8.9)	0.0
Net financial expenses***	(68.2)	(68.2)	0.0
Tax benefit (fin. exp., IoE, dividends)	48.4	48.4	0.0
Total Cash Flow	(193.2)	(193.2)	0.0

*Includes adjustments to discounted receivables.

**Includes NPV adjustments

***Excludes NPV adjustments

2Q22 Results Conference Calls – August 01st, 2022

Portuguese
at 09:30 am (BRT)

Link:

<https://www.resultadosrd.com.br/home/>

English
at 12:00 pm (BRT)

Link:

<https://www.resultadosrd.com.br/home/>

For more information, please contact our Investor Relations department.

E-mail: ri@rd.com.br

**Individual and Consolidated
Interim Financial Information
June 30, 2022**

Consolidated Adjusted Income Statement <i>(R\$ thousands)</i>	<u>2Q21</u>	<u>2Q22</u>
Gross Revenue	6,245,163	7,641,161
Taxes, Discounts and Returns	(376,898)	(462,400)
Net Revenue	5,868,265	7,178,761
Cost of Goods Sold	(4,071,213)	(4,860,664)
Gross Profit	1,797,052	2,318,097
Operational (Expenses) Revenues		
Sales	(1,119,754)	(1,330,304)
General and Administrative	(180,183)	(260,284)
Operational Expenses	(1,299,937)	(1,590,588)
EBITDA	497,115	727,509
Depreciation and Amortization	(150,430)	(171,808)
Operational Earnings before Financial Results	346,685	555,701
Financial Expenses	(40,397)	(164,735)
Financial Revenue	13,492	66,566
Financial Expenses/Revenue	(26,906)	(98,169)
Equity Equivalence	(1,486)	267
Earnings before Income Tax and Social Charges	318,293	457,799
Income Tax and Social Charges	(86,271)	(114,052)
Net Income	232,022	343,746

**Individual and Consolidated
Interim Financial Information
June 30, 2022**

Consolidated Income Statement <i>(R\$ thousands)</i>	<u>2Q21</u>	<u>2Q22</u>
Gross Revenue	6,245,163	7,641,161
Taxes, Discounts and Returns	(376,898)	(462,400)
Net Revenue	5,868,265	7,178,761
Cost of Goods Sold	(4,071,213)	(4,860,664)
Gross Profit	1,797,052	2,318,097
Operational (Expenses) Revenues		
Sales	(1,119,754)	(1,330,304)
General and Administrative	(180,183)	(260,284)
Other Operational Expenses, Net	52,153	43,159
Operational Expenses	(1,247,784)	(1,547,429)
EBITDA	549,268	770,668
Depreciation and Amortization	(150,430)	(171,808)
Operational Earnings before Financial Results	398,838	598,860
Financial Expenses	(40,397)	(164,735)
Financial Revenue	13,492	66,566
Financial Expenses/Revenue	(26,906)	(98,169)
Equity Equivalence	(1,486)	267
Earnings before Income Tax and Social Charges	370,446	500,958
Income Tax and Social Charges	(104,003)	(128,727)
Net Income	266,443	372,231

**Individual and Consolidated
Interim Financial Information
June 30, 2022**

Assets (R\$ thousands)	<u>2Q21</u>	<u>2Q22</u>
Current Assets		
Cash and Cash Equivalents	266,685	818,805
Accounts Receivable	1,770,670	1,948,433
Inventories	4,603,133	5,566,835
Taxes Receivable	90,999	272,370
Other Accounts Receivable	220,028	263,313
Anticipated Expenses	59,773	73,641
	<u>7,011,289</u>	<u>8,943,398</u>
Non-Current Assets		
Deposit in Court	26,752	71,016
Taxes Receivable	129,764	121,890
Income Tax and Social Charges deferred	37,899	31,038
Other Credits	356,934	49,190
Investments	8,097	1,923
Property, Plant and Equipment	1,870,331	2,051,537
Intangible	1,316,302	1,510,848
	<u>3,746,079</u>	<u>3,837,442</u>
ASSETS	<u>10,757,368</u>	<u>12,780,840</u>

**Individual and Consolidated
Interim Financial Information
June 30, 2022**

Liabilities and Shareholder's Equity <i>(R\$ thousands)</i>	2Q21	2Q22
Current Liabilities		
Suppliers	2,682,595	3,538,544
Loans and Financing	622,705	228,201
Salaries and Social Charges Payable	413,459	529,539
Taxes Payable	151,859	239,697
Dividend and Interest on Equity	133,309	123,619
Provision for Lawsuits	46,998	47,909
Other Accounts Payable	270,529	259,471
	<u>4,321,454</u>	<u>4,966,979</u>
Non-Current Liabilities		
Loans and Financing	934,332	2,141,379
Provision for Lawsuits	61,138	52,937
Income Tax and Social Charges deferred	149,170	169,632
Other Accounts Payable	452,921	148,964
	<u>1,597,560</u>	<u>2,512,912</u>
Shareholder's Equity		
Common Stock	2,500,000	2,500,000
Capital Reserves	152,448	95,407
Revaluation Reserve	11,595	11,434
Income Reserves	1,780,379	2,267,879
Accrued Income	358,641	374,317
Equity Adjustments	3,821	613
Non Controller Interest	31,469	51,299
	<u>4,838,354</u>	<u>5,300,949</u>
LIABILITIES AND SHAREHOLDERS' EQUITY	<u>10,757,368</u>	<u>12,780,840</u>

**Individual and Consolidated
Interim Financial Information
June 30, 2022**

Cash Flow <i>(R\$ thousands)</i>	2Q21	2Q22
Earnings before Income Tax and Social Charges	339,384	500,958
Adjustments		
Depreciation and Amortization	150,430	171,080
Compensation plan with restricted shares, net	5,666	6,426
Interest over additional stock option	694	777
P,P&E and Intangible Assets residual value	872	8,085
Provisioned Lawsuits	58,268	18,597
Provisioned Inventory Loss	2,753	963
Provision for Doubtful Accounts	1,885	427
Provisioned Store Closures	5,068	6,335
Interest Expenses	17,686	59,646
Debt Issuance Costs Amortization	1,127	926
Equity Equivalence Result	1,486	(283)
Discount on rentals	(4,546)	577
	580,773	774,514
Assets and Liabilities variation		
Clients and Other Accounts Receivable	(37,625)	140,625
Inventories	(91,494)	(243,461)
Other Short Term Assets	(39,770)	488
Long Term Assets	(718)	(39,429)
Suppliers	(511,744)	(62,476)
Salaries and Social Charges	93,444	98,428
Taxes Payable	47,221	53,300
Other Liabilities	(28,794)	(68,804)
Rents Payable	45,322	1,830
Cash from Operations	56,615	655,015
Interest Paid	(9,318)	(77,220)
Income Tax and Social Charges Paid	(96,079)	(68,027)
Paid lawsuits	(18,289)	(12,400)
Net Cash from (invested) Operational Activities	(67,071)	497,368
Investment Activities Cash Flow		
Cash acquired from business combination	13,275	-
P,P&E and Intangible Acquisitions	(230,645)	(254,757)
P,P&E Sale Payments	209	-
Acquisitions and capital contributions in investments, net	(332)	-
Loans granted to subsidiaries	-	(10,345)
Cash from incorporated company	(14,292)	-
Net Cash from Investment Activities	(231,785)	(265,102)
Financing Activities Cash Flow		
Funding	39,954	699,336
Payments	(125,229)	(482,811)
Interest on Equity and Dividends Paid	(83,618)	(96,140)
Net Cash from Funding Activities	(168,893)	120,385
Cash and Cash Equivalents net increase	(467,749)	352,651
Cash and Cash Equivalents in the beginning of the period	734,434	466,154
Cash and Cash Equivalents in the end of the period	266,685	818,805

Balance sheet

June 30, 2022

All amounts in thousands of reais

(A free translation of the original in Portuguese)

Assets	Note	Parent Company		Consolidated		Liabilities and equity	Note	Parent Company		Consolidated	
		Jun/22	Dec/2021	Jun/22	Dec/2021			Jun/22	Dec/2021	Jun/22	Dec/2021
Current assets											
Cash and cash equivalents	5	767,362	316,654	818,806	356,118	Current liabilities					
Trade receivables	6	1,695,025	1,487,204	1,948,433	1,710,057	Trade payables	13	3,355,577	3,485,328	3,538,545	3,656,607
Inventories	7	5,411,386	4,990,021	5,566,836	5,117,799	Borrowings	14	142,482	571,549	228,200	613,831
Recoverable taxes	8	266,982	190,377	272,408	195,777	Leases payable	15	741,808	697,738	743,519	699,170
Other current assets	-	257,378	288,078	263,414	290,814	Salaries and social charges	-	513,471	405,782	529,538	420,356
Prepaid expenses	-	72,158	47,996	73,641	48,359	Taxes and contributions	-	177,667	151,785	190,791	154,411
						Dividends and interest on capital	-	123,619	76,787	123,619	76,787
						Income tax and social contribution	-	46,657	-	48,905	362
						Provision for legal claims	16	47,909	43,560	47,909	43,560
						Other current liabilities	-	235,367	219,670	245,634	231,109
		8,470,291	7,320,330	8,943,538	7,718,924			5,384,557	5,652,199	5,696,660	5,896,193
Non-current assets											
Long-term receivables						Non-current liabilities					
Judicial deposits	16	17,097	25,872	71,016	29,951	Borrowings	14	2,141,351	890,613	2,141,379	891,391
Recoverable taxes	8	107,135	120,669	121,889	132,929	Leases payable	15	3,013,159	2,972,087	3,014,920	2,973,728
Deferred income tax and social contribution	17b	-	-	31,038	49,047	Provision for legal claims	16	52,744	52,915	52,937	53,108
Prepaid expenses		4,649	5,189	4,649	5,189	Deferred income tax and social contribution	17b	47,086	87,519	48,482	89,011
Related parties	-	3,562	34,936	36,255	22,227	Payables to subsidiary's shareholder	9a	38,915	37,383	39,475	37,943
Other non-current assets	-	529	533	7,829	571	Provisions for losses on investments	9	-	-	1,212	432
		132,972	187,199	272,676	239,914	Other non-current liabilities	-	62,261	70,746	108,277	114,898
Investments	9	409,000	322,840	1,922	830			5,355,516	4,111,263	5,406,682	4,160,511
Property and equipment	10	2,043,432	1,992,728	2,051,412	1,999,020	Total liabilities		10,740,073	9,763,462	11,103,342	10,056,704
Right-of-use lease	15	3,385,066	3,327,624	3,388,403	3,330,567	Equity	19				
Intangible assets	11	1,313,496	1,290,414	1,510,848	1,486,251	Attributable to owners of the Company					
		7,150,994	6,933,606	6,952,585	6,816,668	Share capital	-	2,500,000	2,500,000	2,500,000	2,500,000
		7,283,966	7,120,805	7,225,261	7,056,582	Capital reserves	-	95,407	89,914	95,407	89,914
						Revenue reserves	-	2,050,855	2,050,855	2,050,855	2,050,855
						Proposed additional dividends	-	-	22,129	-	22,129
						Carrying value adjustments	-	12,047	14,775	12,047	14,775
						Retained earnings	-	355,875	-	355,875	-
								5,014,184	4,677,673	5,014,184	4,677,673
						Noncontrolling interests	-	-	-	51,273	41,129
						Total equity		5,014,184	4,677,673	5,065,457	4,718,802
Total assets		15,754,257	14,441,135	16,168,799	14,775,506	Total liabilities and equity		15,754,257	14,441,135	16,168,799	14,775,506

Statements of income

Three-month period ended June 30, 2022

All amounts in thousands of reais, except earnings per capital share

(A free translation of the original in Portuguese)

Statements of income

	Note	Parent Company				Consolidated			
		2nd Quarter/22	Jun/22	2nd Quarter/21	Jun/21	2nd Quarter/22	Jun/22	2nd Quarter/21	Jun/21
Net sales revenue	20	6,820,141	12,984,402	5,567,062	10,894,263	7,178,761	13,741,265	5,868,264	11,488,316
Cost of sales	21	(4,559,173)	(8,851,631)	(3,801,860)	(7,510,250)	(4,860,664)	(9,494,737)	(4,071,213)	(8,049,412)
Gross profit		2,260,968	4,132,771	1,765,202	3,384,013	2,318,097	4,246,528	1,797,051	3,438,904
Operating (expenses) income									
Selling expenses	21	(1,401,364)	(2,765,656)	(1,192,978)	(2,328,510)	(1,420,264)	(2,807,879)	(1,209,285)	(2,357,584)
General and administrative expenses	21	(281,744)	(541,071)	(198,768)	(383,122)	(296,302)	(573,966)	(205,760)	(396,254)
Other operating income (expenses)	22	(1,337)	7,076	53,113	69,127	43,793	56,400	52,900	69,449
Equity in the results of subsidiaries	9	40,465	46,659	(275)	(16)	283	313	(1,486)	(3,001)
		(1,643,980)	(3,252,992)	(1,338,908)	(2,642,521)	(1,672,490)	(3,325,132)	(1,363,631)	(2,687,390)
Profit before finance results		616,988	879,779	426,294	741,492	645,607	921,396	433,420	751,514
Finance income (costs)									
Finance income	23	58,041	99,436	12,916	23,502	66,566	113,328	13,491	24,203
Finance costs	23	(216,643)	(392,515)	(93,346)	(175,260)	(224,465)	(406,582)	(95,649)	(178,896)
		(158,602)	(293,079)	(80,430)	(151,758)	(157,899)	(293,254)	(82,158)	(154,693)
Profit before income tax and social contribution		458,386	586,700	345,864	589,734	487,708	628,142	351,262	596,821
Income tax and social contribution									
Current	-	(129,382)	(131,615)	(117,622)	(186,191)	(134,083)	(143,223)	(120,842)	(192,025)
Deferred	-	25,831	40,390	24,513	23,508	9,862	22,477	23,362	25,215
	17	(103,551)	(91,225)	(93,109)	(162,683)	(124,221)	(120,746)	(97,480)	(166,810)
Profit for the period		354,835	495,475	252,755	427,051	363,487	507,396	253,782	430,011
Attributable to:									
Owners of the Company	-	354,835	495,475	252,755	427,051	354,835	495,475	252,755	427,051
Noncontrolling interests	-	-	-	-	-	8,652	11,921	1,027	2,960
		354,835	495,475	252,755	427,051	363,487	507,396	253,782	430,011
Basic earnings per share	18	0.21537	0.30073	0.15319	0.25894	0.21537	0.30073	0.15319	0.25894
Diluted earnings per share	18	0.21409	0.29894	0.15251	0.25828	0.21409	0.29894	0.15251	0.25828

Statements of comprehensive income

Three-month period ended June 30, 2022

All amounts in thousands of reais, except earnings per capital share

(A free translation of the original in Portuguese)

Statements of comprehensive income

	Note	Parent Company				Consolidated			
		2nd Quarter/22	Jun/22	2nd Quarter/21	Jun/21	2nd Quarter/22	Jun/22	2nd Quarter/21	Jun/21
Profit for the period		354,835	495,475	252,755	427,051	363,487	507,396	253,782	430,011
Components of comprehensive income	-								
Other comprehensive income	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period		354,835	495,475	252,755	427,051	363,487	507,396	253,782	430,011
Attributable to:									
Owners of the Company	-	354,835	495,475	252,755	427,051	354,835	495,475	252,755	427,051
Noncontrolling interests	-	-	-	-	-	8,652	11,921	1,027	2,960
Total		354,835	495,475	252,755	427,051	363,487	507,396	253,782	430,011

Statements of changes in equity
Three-month period ended June 30, 2022
All amounts in thousands of reais

(A free translation of the original in Portuguese)

	Attributable to owners of the Company													Noncontrolling interests	Total equity
	Capital reserves					Revenue reserves			Carrying value adjustments						
	Share capital	Special monetary adjustment	Goodwill on issue / sale of shares	Treasury shares	Restricted shares and other	Legal	Statutory	Tax incentives	Retained earnings	Proposed additional dividends	Revaluation reserve	Other comprehensive income	Total		
At December 31, 2020	2,500,000	10,191	136,913	(26,283)	27,209	178,353	1,278,952	206,866	-	69,478	11,677	(30,230)	4,363,126	62,495	4,425,621
Interest on capital for 2020 approved at the AGM of March 9, 2021	-	-	-	-	-	-	-	-	-	(69,478)	-	-	(69,478)	-	(69,478)
Interest on capital expired	-	-	-	-	-	-	-	-	292	-	-	-	292	-	292
Realization of revaluation reserve, net of income tax and social contribution	-	-	-	-	-	-	-	-	83	-	(83)	-	-	-	-
Restricted share plan - Vesting period	-	-	-	-	4,345	-	-	-	-	-	-	-	4,345	-	4,345
Restricted share plan - Delivery	-	-	(1,348)	7,444	(6,096)	-	-	-	-	-	-	-	-	-	-
Restricted shares - delivery of 4Bio shares	-	-	-	73	-	-	-	-	-	-	-	-	73	-	73
Adjustment in percentage of interest – 4Bio	-	-	-	-	-	-	-	-	-	-	-	34,052	34,052	(34,027)	25
Profit for the period	-	-	-	-	-	-	-	-	427,051	-	-	-	427,051	2,960	430,011
Allocation of profit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest on capital proposed	-	-	-	-	-	-	-	-	(94,000)	-	-	-	(94,000)	-	(94,000)
At June 30, 2021	2,500,000	10,191	135,565	(18,766)	25,458	178,353	1,278,952	206,866	333,426	-	11,594	3,822	4,665,461	31,428	4,696,889
Realization of revaluation reserve, net of income tax and social contribution	-	-	-	-	-	-	-	-	79	-	(79)	-	-	-	-
Interest on capital expired	-	-	-	-	-	-	-	-	294	-	-	-	294	-	294
Restricted share plan - Vesting period	-	-	-	-	10,741	-	-	-	-	-	-	-	10,741	-	10,741
Repurchase of shares	-	-	-	(73,228)	-	-	-	-	-	-	-	-	(73,228)	-	(73,228)
Restricted shares - delivery of 4Bio shares	-	-	-	-	(47)	-	-	-	-	-	-	-	(47)	-	(47)
Transactions with noncontrolling interests – Healthbit	-	-	-	-	-	-	-	-	-	-	-	(560)	(560)	-	(560)
Profit for the year	-	-	-	-	-	-	-	-	324,883	-	-	-	324,883	9,240	334,123
Legal reserve	-	-	-	-	-	37,597	-	-	(37,597)	-	-	-	-	-	-
Statutory reserve	-	-	-	-	-	-	257,486	-	(257,486)	-	-	-	-	-	-
Tax incentive reserve	-	-	-	-	-	-	-	91,600	(91,600)	-	-	-	-	-	-
Interest on capital proposed – R\$ 0,124353822 per share	-	-	-	-	-	-	-	-	(88,870)	-	-	-	(88,870)	-	(88,870)
Interest on capital proposed – Early dividends approved at the BDM of November 9, 2021	-	-	-	-	-	-	-	-	(183,129)	183,129	-	-	-	-	-
Interest on capital proposed – Early dividends approved at the BDM of December 3, 2021	-	-	-	-	-	-	-	-	-	(120,000)	-	-	(120,000)	-	(120,000)
Interest on capital proposed – Early dividends approved at the BDM of December 3, 2021	-	-	-	-	-	-	-	-	-	(41,000)	-	-	(41,000)	-	(41,000)
Noncontrolling interests in the acquired investment	-	-	-	-	-	-	-	-	-	-	-	-	-	461	461
At December 31, 2021	2,500,000	10,191	135,565	(91,994)	36,152	215,950	1,536,438	298,466	-	22,129	11,515	3,262	4,677,674	41,129	4,718,803
Realization of revaluation reserve, net of income tax and social contribution	-	-	-	-	-	-	-	-	83	-	(83)	-	-	-	-
Restricted share plan - Vesting period	-	-	-	-	5,451	-	-	-	-	-	-	-	5,451	-	5,451
Restricted share plan - Delivery	-	-	(1,503)	11,214	(9,711)	-	-	-	-	-	-	-	-	-	-
Restricted shares - delivery of 4Bio shares	-	-	-	122	(79)	-	-	-	-	-	-	-	43	-	43
Interest on capital expired	-	-	-	-	-	-	-	-	317	-	-	-	317	-	317
Interest on capital for 2021 approved at the AGM of April 14, 2022	-	-	-	-	-	-	-	-	-	(22,129)	-	-	(22,129)	-	(22,129)
Other comprehensive income - adjustments to financial instruments	-	-	-	-	-	-	-	-	-	-	-	(2,647)	(2,647)	-	(2,647)
Adjustment in percentage of interest – 4Bio	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit for the period	-	-	-	-	-	-	-	-	495,475	-	-	-	495,475	11,921	507,396
Other changes	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,777)	(1,777)
Interest on capital proposed	-	-	-	-	-	-	-	-	(140,000)	-	-	-	(140,000)	-	(140,000)
At June 30, 2022	2,500,000	10,191	134,062	(80,659)	31,811	215,950	1,536,438	298,466	355,875	-	11,432	615	5,014,184	51,273	5,065,457

Statements of cash flows
Three-month period ended June 30, 2022
All amounts in thousands of reais

(A free translation of the original in Portuguese)

	Note	Parent Company		Consolidated	
		Jun/22	Jun/21	Jun/22	Jun/21
Cash flows from operating activities					
Profit before income tax and social contribution	-	586,700	589,734	628,142	596,821
Adjustments					
Depreciation and amortization	21	731,578	627,810	735,896	629,907
Compensation plan with restricted shares, net	-	5,372	4,375	5,493	4,336
Interest on additional stock option	-	1,532	1,370	1,532	1,370
Loss (profit) on sale/write-off of property and equipment and intangible assets	-	13,008	8,909	14,705	8,906
Provision for legal claims	16	26,950	27,135	26,950	94,349
Provision for inventory losses	7	7,283	5,254	7,283	5,254
(Reversal of) provision for impairment of trade receivables	6	1,670	1,742	3,285	2,655
(Reversal of) provision for drugstore closures	10.2	1,782	(3,785)	1,782	(3,785)
Interest expenses – borrowings	-	107,354	29,015	110,887	31,518
Interest expenses – leases	15	123,495	114,669	123,611	114,776
Amortization of transaction costs of debentures and promissory notes	14	2,006	2,388	2,006	2,388
Equity in the results of subsidiaries	9	(46,658)	16	(313)	3,001
Discounts on property rental	21	(868)	(6,419)	(868)	(6,419)
		1,561,204	1,402,213	1,660,391	1,485,077
Changes in assets and liabilities					
Trade and other receivables	-	(177,299)	(202,057)	(241,344)	(215,256)
Inventories	-	(428,647)	(360,776)	(456,319)	(382,979)
Other current assets	-	7,343	(1,740)	2,747	(66,179)
Long-term receivables	-	9,321	(29,621)	(46,836)	8,575
Trade payables	-	(119,008)	(426,671)	(107,319)	(428,165)
Salaries and social charges	-	107,689	101,864	109,182	103,699
Taxes and contributions	-	(30,965)	48,893	(10,754)	43,973
Other obligations	-	(5,407)	22,414	(29,407)	(11,796)
Rentals payable	-	394	62,614	409	62,614
Other					
Interest paid	14	(102,310)	(28,844)	(107,111)	(29,616)
Income tax and social contribution paid	-	(108,309)	(157,822)	(108,309)	(157,822)
Interest paid – leases	15	(123,495)	(114,669)	(123,611)	(114,776)
Legal claims - paid	16	(23,402)	(26,762)	(23,402)	(26,762)
		567,109	289,036	518,317	270,587
Net cash provided by operating activities					
Cash flows from investing activities					
Acquisition and capital contribution in investees, net of cash acquired	9.3	(39,430)	(72,580)	-	(1,330)
Purchases of property and equipment and intangible assets	-	(434,676)	(319,283)	(442,993)	(364,508)
Net assets acquired in business combination	-	-	-	-	(14,292)
Proceeds from sale or property and equipment	-	-	675	-	675
Loans granted to subsidiary	-	(945)	-	(14,345)	-
		(475,051)	(391,188)	(457,338)	(379,455)
Cash flows from financing activities					
Borrowings taken	14	1,292,511	299,010	1,442,588	339,010
Repayment of borrowings	14	(477,890)	(406,787)	(584,013)	(439,716)
Leases paid	-	(359,732)	(319,582)	(360,627)	(320,440)
Interest on capital and dividends paid	-	(96,239)	(83,658)	(96,239)	(83,658)
		358,650	(511,017)	401,709	(504,804)
Net cash used in financing activities					
Increase (decrease) in cash and cash equivalents		450,708	(613,169)	462,688	(613,672)
Cash and cash equivalents at January 1	5	316,654	855,257	356,118	880,357
Cash and cash equivalents at June 30	5	767,362	242,088	818,806	266,685

Statements of value added
Three-month period ended June 30, 2022
All amounts in thousands of reais

(A free translation of the original in Portuguese)

	Parent Company				Consolidated			
	2nd Quarter/22	Jun/22	2nd Quarter/21	Jun/21	2nd Quarter/22	Jun/22	2nd Quarter/21	Jun/21
Revenue	7,156,673	13,623,730	5,854,703	11,465,165	7,521,724	14,393,687	6,186,498	12,120,355
Gross sales and services	7,154,998	13,620,703	5,851,163	11,457,439	7,518,994	14,391,507	6,183,476	12,113,240
Other income	2,645	7,090	3,058	7,321	2,645	7,090	3,066	7,329
Provision for (reversal of) impairment of trade receivables	(970)	(4,063)	482	405	85	(4,910)	(44)	(214)
Inputs acquired from third parties	(4,595,308)	(8,937,892)	(3,839,548)	(7,576,657)	(4,862,776)	(9,559,340)	(4,117,497)	(8,130,644)
Cost of sales and services	(4,137,502)	(8,038,702)	(3,477,766)	(6,863,017)	(4,438,539)	(8,680,852)	(3,746,660)	(7,401,262)
Materials, energy, outsourced services and other	(457,806)	(899,190)	(361,782)	(713,640)	(424,237)	(878,488)	(370,837)	(729,382)
Gross value added	2,561,365	4,685,838	2,015,155	3,888,508	2,658,948	4,834,347	2,069,001	3,989,711
Depreciation and amortization	(359,706)	(709,765)	(310,454)	(611,102)	(362,246)	(714,803)	(311,329)	(613,057)
Net value added generated by the entity	2,201,659	3,976,073	1,704,701	3,277,406	2,296,702	4,119,544	1,757,672	3,376,654
Value added received through transfer	107,673	161,369	32,411	45,027	73,998	126,899	34,323	45,295
Equity in the results of subsidiaries	40,467	46,659	(276)	(17)	283	313	287	(1,228)
Finance income	62,629	106,067	29,842	40,812	69,138	117,943	31,191	42,291
Other	4,577	8,643	2,845	4,232	4,577	8,643	2,845	4,232
Total value added to distribute	2,309,332	4,137,442	1,737,112	3,322,433	2,370,700	4,246,443	1,791,995	3,421,949
Distribution of value added								
Personnel	702,995	1,367,873	578,342	1,107,087	715,410	1,397,126	588,996	1,126,200
Direct remuneration	539,654	1,064,357	457,235	868,840	547,357	1,083,292	463,479	880,343
Benefits	118,748	213,878	83,939	164,776	122,760	222,685	87,861	171,475
Unemployment compensation fund	44,593	89,638	37,168	73,471	45,293	91,149	37,656	74,382
Taxes and contributions	982,769	1,780,707	775,688	1,542,034	1,014,898	1,833,499	813,635	1,612,574
Federal	283,506	436,896	199,667	412,683	307,181	473,240	206,581	421,469
State	689,510	1,323,867	566,380	1,109,318	697,107	1,339,338	597,258	1,170,829
Municipal	9,753	19,944	9,641	20,033	10,610	20,921	9,796	20,276
Providers of capital	268,733	493,387	130,327	246,261	276,973	508,422	133,715	251,298
Interest	216,592	392,346	93,144	174,806	224,224	406,184	96,113	179,028
Rentals	52,141	101,041	37,183	71,455	52,749	102,238	37,602	72,270
Interest on capital and dividends	354,835	495,475	252,755	427,051	363,419	507,396	255,649	431,877
Interest on capital	74,000	140,000	50,000	94,000	74,000	140,000	50,000	94,000
Retained earnings for the period	280,835	355,475	202,755	333,051	280,712	355,475	201,743	332,039
Noncontrolling interests in retained earnings	-	-	-	-	8,707	11,921	3,906	5,838
Value added distributed and retained	2,309,332	4,137,442	1,737,112	3,322,433	2,370,700	4,246,443	1,791,995	3,421,949

The accompanying notes are an integral part of this interim financial information.

Notes to the
Individual and Consolidated Interim Financial Information
June 30, 2022
(All amounts in thousands of reais unless otherwise stated)



1. Operations

Raia Drogasil S.A. ("Company", "Raia Drogasil", "RD" or "Parent Company") is a publicly-held company with its headquarters at Av. Corifeu de Azevedo Marques, 3.097, São Paulo – SP, listed on the Novo Mercado ("New Market" listing segment of B3 S.A. - Brasil, Bolsa, Balcão, under ticker RADL3.

Raia Drogasil S.A. and its subsidiaries (together "Consolidated" or "Group") are mainly engaged in the retail sale of medicines, perfumery, personal care and beauty products, cosmetics and dermocosmetics and specialty medicines. The Group conducts its sales through 2,581 drugstores (2,490 drugstores - Dec/21), distributed in 26 Brazilian states and the Federal District (26 states and the Federal District - Dec/21), as presented below:

State	Consolidated	
	Jun/22	Dec/21
Southeast region	1,545	1,526
São Paulo	1,127	1,120
Minas Gerais	192	189
Rio de Janeiro	173	166
Espírito Santo	53	51
Northeast region	366	348
Pernambuco	89	86
Bahia	88	84
Ceará	63	58
Maranhão	32	26
Sergipe	23	22
Alagoas	20	20
Rio Grande do Norte	18	17
Paraíba	17	19
Piauí	16	16
South region	309	287
Paraná	140	137
Rio Grande do Sul	91	78
Santa Catarina	78	72
Midwest region	264	245
Goiás	100	98
Distrito Federal	83	80
Mato Grosso do Sul	41	33
Mato Grosso	40	34
North region	97	84
Pará	45	43
Tocantins	14	14
Amazonas	16	13
Rondônia	13	10
Amapá	4	2
Roraima	3	1
Acre	2	1
Total	2,581	2,490

Raia Drogasil's drugstores, as well as the Group's e-commerce demands, are supplied by eleven distribution centers located in nine states: São Paulo, Rio de Janeiro, Minas Gerais, Paraná, Goiás, Pernambuco, Bahia, Ceará and Rio Grande do Sul.

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4Bio Medicamentos S.A. ("4Bio") markets Special Medicines through telesales and the delivery is made directly to the customer's location or through its four call centers in the states of São Paulo, Tocantins and Pernambuco.

Vitat Serviços em Saúde Ltda. ("Vitat") has as objective to integrate our Health Platform, both with the development of digital platforms for the promotion of healthy habits that promote health food and physical activities through nutritional programs, training plans and access to professionals such as Nutritionists, Psychologists and Physical Educators, such as through the development of activities to support health management, nursing activities, diagnostic and therapeutic complementation services, other professional, scientific and technical activities, clinical laboratories, activities of health area professionals and activities of care for human health.

RD Ventures Fundo de Investimento em Participações – Multiestratégia ("FIP RD Ventures") is an exclusive fund created as a platform that seeks to invest in businesses that contribute to the Company's growth strategy and accelerate the journey of digitalization in health.

Dr. Cuco Desenvolvimento de Software Ltda. ("Dr. Cuco") is a digital care platform focused on adherence to treatment.

Hereinafter, the four entities mentioned above will be collectively referred to as "Subsidiaries".

2. Presentation of quarterly information

In conformity with Rule 593/2009 issued by the CVM, authorization to issue this interim financial information (ITR) was granted by the Company's Board of Directors on July 29, 2022.

The interim financial information is presented in thousands of Brazilian reais (R\$), which is the Group's functional and presentation currency.

The individual and consolidated interim financial information for the period ended June 30, 2022 has been prepared in accordance with the accounting practices adopted in Brazil, including the rules issued by the Brazilian Securities Commission (CVM), the Brazilian General Technical Accounting Standards (NBC TG) and the pronouncements issued by the Brazilian Accounting Pronouncements Committee (CPC), and are in conformity with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and provide all the significant information related solely to the interim financial information, which is consistent with the information used by management. The Group adopted all standards, revised standards and interpretations issued by the IFRS and CPC that were effective as at June 30, 2022.

The individual interim financial information is disclosed together with the consolidated interim financial information, which includes the interim financial information of the Company and its subsidiaries 4Bio, Vitat, Dr. Cuco, RD Ads and FIP RD Ventures and has been prepared in accordance with consolidation practices and applicable legal provisions.

The accounting practices adopted by the subsidiaries were applied uniformly and consistently with those adopted by the Company. Where applicable, all transactions, balances, income and expenses between the subsidiaries and the Company are fully eliminated in the consolidated interim financial information.

The interim financial information includes accounting estimates and requires management to exercise its judgment in the process of applying the Company's accounting policies regarding provision for inventory losses, provision for expected credit losses, appreciation of financial instruments, realization periods of recoverable taxes, the amortization and depreciation periods for property and equipment and intangible assets, estimate of impairment of intangible assets with indefinite useful life, provision for legal claims, fair value measurement of financial liabilities, determination of provision for taxes, recognition of revenues from commercial agreements, among others. The significant estimates and judgments are disclosed in Note 4(v) to the financial statements for the year ended December 31, 2021.

Notes to the
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(All amounts in thousands of reais unless otherwise stated)



The presentation of the individual and consolidated statements of value added is required by the Brazilian corporate legislation and the accounting practices adopted in Brazil for listed companies, while it is not required by IFRS. Therefore, under the IFRS, the presentation of such statements is considered supplementary information, and not part of the set of the interim financial information.

Impacts of Covid-19 pandemic

In compliance with CVM Circular Letter SNC/SEP 03/2020, in view of the current scenario in Brazil due to the COVID -19 pandemic, the Company assessed the provision for expected credit losses, taking into consideration all facts and circumstances, in order to verify whether in fact there was a significant increase in credit risk or any temporary liquidity restriction.

The Company adopted the assessment of trade receivables at June 30, 2022 as the calculation basis. On this date, the Company's receivables with respect to total accumulated sales were represented by: (i) Cards (83.1%), (ii) Cash (10.4%) and others (6.5%).

Trade receivables at June 30, 2022 are presented below:

Trade receivables	Jun/22	%
Credit / debit cards	1,617,021	95.4
Popular Pharmacy	37,754	2.2
Agreements with companies – Univers	22,058	1.3
Medicine Benefit Program – PBM	17,516	1.0
Trade receivables – Checks (cash/post-dated)	664	0.1
Trade receivables – Apps/Marketplace	1,406	0.1
Trade receivables – Manipulaê	2	0.0
Expected credit losses	(1,396)	(0.1)
Total	1,695,025	100.0

Regarding trade receivables items with greater representation, it is worth emphasizing that: (i) Credit / debit cards (95.4%) are concentrated on card administrators (Getnet, Cielo and Rede), where, of this amount, the Company should receive 62.0% in July, and the remaining amount is substantially scheduled to be received in August and September 2022; and (ii) for the Popular Pharmacy Program (2.2%), there are no indicators that would justify any adjustment to the provision in Management's understanding.

Accordingly, Management assessed and concluded that there was no significant increase in credit risk regarding Trade Receivables that could justify any adjustment to the provision for expected credit losses, as well as the need for any additional disclosure, at this time, regarding the impact of the Covid-19 pandemic on the Company's receivables.

In Management's assessment, there was no significant impact on sales indicating structural problems that could impact the accounting estimates with respect to: recoverability of financial assets (cash and cash equivalents, financial investments), realization of inventories, realization of deferred taxes, provisions for employee benefits, recoverability of indirect taxes, covenants, renegotiation of lease agreements, revaluation of assets, e-commerce revenue and taxes on profit.

During the current six-month period, 116 drugstores were opened and 25 drugstores were closed until June 30, 2022 (102 drugstores were opened and 27 drugstores were closed in the first six-month period of 2021). All drugstore closures were carried out to optimize our drugstore portfolio, with positive expectations of return. The Covid-19 pandemic had no significant impact on the Company's expansion plan.

In accordance with CVM Ruling 859/2020, which addresses amendments to NBC TG 06 (R3) – Leases, Covid-19-related rent concessions – the Company has assessed that the benefits arising from lease discounts obtained on some properties are specific events and have not resulted in changes in the terms of lease agreements (Note 21).

Notes to the
Individual and Consolidated Interim Financial Information
June 30, 2022
(All amounts in thousands of reais unless otherwise stated)

3. New accounting procedures, amendments to and interpretations of standards

There are no accounting standards, guidance or pronouncements that became effective for the first time as from the year beginning on January 1, 2022 with significant impact on the interim financial information. The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

4. Significant accounting practices

The accounting practices adopted in the preparation of this interim financial information were consistently applied in the current period and are consistent with those disclosed in Note 4 and, when related to significant accounting balances, are detailed in the notes to the financial statements for the year ended December 31, 2021, disclosed on February 22, 2022.

5. Cash and cash equivalents

Cash and cash equivalents items	Parent Company		Consolidated	
	Jun/22	Dec/21	Jun/22	Dec/21
Cash and banks	137,612	138,189	140,380	141,132
Debentures held under repurchase agreements ⁽ⁱ⁾	460,271	118,905	504,157	137,069
Automatic investments ⁽ⁱⁱ⁾	39,459	56,347	42,720	63,857
Bank Deposit Certificates - CDB ⁽ⁱⁱⁱ⁾	130,020	3,213	130,688	7,924
Investment fund ^(iv)	-	-	861	6,136
Total	767,362	316,654	818,806	356,118

(i) Refers to a fixed income investment with income linked to the variation of the Interbank Deposit Certificate - CDI, backed by publicly offered debentures, with commitment of repurchase by the Bank and resale by the Group, according to the conditions previously established in which financial institutions that negotiated these securities guarantee credit risk, of low risk to the Group, immediate liquidity and without loss of income.

(ii) Refers to a short-term fixed income fund with short-term investments and automatic redemptions.

(iii) Investments in bank deposit certificate have daily liquidity and grace period of 30 days.

(iv) The balance held by FIP RD Ventures in a short-term investment fund refers to investments made in 100% of government securities. The investment has no waiting period for redemption and convertibility of the quotas, the amount may be readily invested or redeemed and the financial settlement occurs on the same day.

The financial investments are distributed at the banks Banco do Brasil, Banrisul, Bradesco, Caixa Econômica, Daycoval, Itaú, Safra, and Santander.

The Group's exposure to interest rate risks on financial investments is disclosed in Note 24 a.

Notes to the
Individual and Consolidated Interim Financial Information
June 30, 2022
(All amounts in thousands of reais unless otherwise stated)

**6. Trade receivables**

Trade receivables items	Parent Company		Consolidated	
	Jun/22	Dec/21	Jun/22	Dec/21
Trade receivables	1,713,534	1,498,665	1,974,582	1,727,115
(-) Expected credit losses	(1,396)	(1,117)	(6,213)	(5,045)
(-) Adjustment to present value	(17,113)	(10,344)	(19,936)	(12,013)
Total	1,695,025	1,487,204	1,948,433	1,710,057

The aging of trade receivables is presented below:

Maturities	Parent Company		Consolidated	
	Jun/22	Dec/21	Jun/22	Dec/21
Not yet due	1,711,267	1,494,586	1,958,057	1,702,961
Overdue:				
Between 1 and 30 days	1,271	2,234	6,752	9,628
Between 31 and 60 days	367	793	1,939	3,576
Between 61 and 90 days	76	110	1,203	2,515
Between 91 and 180 days	259	942	3,086	5,435
Between 181 and 360 days	294	-	3,545	3,000
(-) Expected credit losses	(1,396)	(1,117)	(6,213)	(5,045)
(-) Adjustment to present value	(17,113)	(10,344)	(19,936)	(12,013)
Total	1,695,025	1,487,204	1,948,433	1,710,057

Days sales outstanding, represented by credit and debit cards and partnerships with companies and the Government, are approximately 42 days (35 days in Dec/2021), term that is considered part of the normal conditions inherent in the Group's operations. A substantial portion of the amounts overdue for more than 31 days is represented by collection through special plans and Medicine Benefit Programs – PBMs.

The changes in expected credit losses are presented below:

Changes in expected losses	Parent Company	Consolidated
At January 1, 2021	(646)	(2,069)
Additions	(2,533)	(4,920)
Reversals	791	2,265
Losses	1,550	1,844
At June 30, 2021	(838)	(2,880)
Additions	(4,052)	(9,013)
Reversals	1,304	3,936
Losses	2,469	2,912
At December 31, 2021	(1,117)	(5,045)
Additions	(5,248)	(12,098)
Reversals	3,578	8,813
Losses	1,391	2,117
At June 30, 2022	(1,396)	(6,213)

Trade receivables are classified as financial assets at amortized cost and are therefore measured as described in Note 24.1 – Impairment to the financial statements for the year ended December 31, 2021, disclosed on February 22, 2022.

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**7. Inventories**

Inventory items	Parent Company		Consolidated	
	Jun/22	Dec/21	Jun/22	Dec/21
Goods for resale	5,468,630	5,031,442	5,624,933	5,159,810
Consumables	16,505	15,308	16,505	15,308
(-) Provision for inventory losses	(39,897)	(32,614)	(39,897)	(32,614)
(-) Adjustment to present value	(33,852)	(24,115)	(34,705)	(24,705)
Total inventory	5,411,386	4,990,021	5,566,836	5,117,799

Changes in the provision for expected losses on goods are as follows:

Changes in expected losses on goods	Parent Company	Consolidated
At January 1, 2021	(28,196)	(28,196)
Additions	(8,663)	(8,663)
Write-offs	3,409	3,409
At June 30, 2021	(33,450)	(33,450)
Additions	(716)	(716)
Write-offs	1,552	1,552
At December 31, 2021	(32,614)	(32,614)
Additions	(8,618)	(8,618)
Write-offs	1,335	1,335
At June 30, 2022	(39,897)	(39,897)

For the six-month period ended June 30, 2022, cost of goods sold recognized in the statement of income was R\$ 8,846,299, Note 21, (R\$ 7,507,593- Jun/2021) for Parent Company and R\$ 9,481,974 (R\$ 8,046,287- Jun/2021) for the Consolidated accounts, including the amount of the write-offs of goods inventories recognized as losses for the period amounting to R\$ 112,368 (R\$ 91,053 - Jun/2021) for the Parent Company and R\$ 112,756 (R\$ 91,753- Jun/2021) for the Consolidated accounts.

The effect of the recognition, reversal or write-off of the provision for inventory losses is included in cost of sales in the statement of income.

8. Recoverable taxes

Recoverable taxes items	Parent Company		Consolidated	
	Jun/22	Dec/21	Jun/22	Dec/21
Taxes on profit recoverable				
Withholding Income Tax (IRRF)	4,747	3,633	5,101	4,012
Corporate Income Tax (IRPJ) (i)	75,799	64,605	83,688	73,046
Social Contribution on Net Profit (CSLL) (i)	36,852	21,537	40,059	24,479
Subtotal	117,398	89,775	128,848	101,537
Other recoverable taxes				
Value Added Tax on Sales and Services (ICMS) – credit balance (i)	86,612	54,479	92,696	57,455
ICMS – Refund of ICMS withheld in advance (ii)	28,090	21,014	28,090	21,014
ICMS on acquisitions of fixed assets	94,338	96,306	94,338	96,306
Social Integration Program (PIS)	8,272	8,592	8,922	9,240
Social Contribution on Revenue (COFINS)	38,846	40,319	40,817	42,568
Social Investment Fund (FINSOCIAL) - 1982 - securities issued to cover court-ordered debts	561	561	561	561
National Institute of Social Security (INSS)	-	-	25	25
Subtotal	256,719	221,271	265,449	227,169
Total	374,117	311,046	394,297	328,706
Current assets	266,982	190,377	272,408	195,777

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Non-current assets	107,135	120,669	121,889	132,929
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The Company reviewed IRPJ/CSLL calculations from the past five years, specifically addressing the treatment of profit sharing (PLR) payments to its statutory directors, it was identified an addition to the calculation basis of these taxes greater than the amount due. The greater than due amount added to the calculation basis was identified after a reconciliation of profit and loss accounts that highlight the amount effectively expended.

(i) The ICMS credits amounting to R\$ 86,612 and R\$ 28,090 (R\$ 54,479 and R\$ 21,014 - Dec/2021) for the Parent Company and R\$ 92,696 and R\$ 28,090 (R\$ 57,455 and R\$ 21,014 - Dec/2021) for the Consolidated accounts are the result of applying different ICMS rates and of refunds of ICMS-ST (the Substitute Taxpayer Regime) on goods receiving and shipping operations carried out by the Company's distribution centers in the states of Pernambuco, São Paulo, Paraná and Rio Grande do Sul in order to supply their branches located in other Brazilian states. In addition, the refund of ICMS ST was requested for the branches in the State of Mato do Grosso do Sul due to the presumed calculation basis higher than the price charged to the final consumer. The respective tax credits have been progressively consumed in the last months, mainly due to goods that are not under the substitute taxpayer regime.

Final and unappealable – Exclusion of ICMS from the PIS and COFINS calculation basis – Ordinary proceeding distributed by Drogasil S.A. in April 1986

On March 15, 2017, the Federal Supreme Court (STF) concluded the judgment on the merits of Appeal to Supreme Court No. 574,706, with general repercussion effects, thereby entitling taxpayers to the right of excluding ICMS from the PIS and COFINS tax basis.

On May 13, 2021, the Federal Supreme Court (STF) partially accepted the appeals for clarification filed by the Federal Government, determining that the ICMS amount to be excluded from the PIS and COFINS calculation basis is the one separately stated on the invoice, but the matter should only be effective beginning March 15, 2017, date of the judgment on the merits of RE 574,706/PR, except for the lawsuits and administrative proceedings filed until said date (session held by videoconference - Resolution No. 672/2020/STF). Once the ICMS amount separately stated on the invoice was considered as the calculation criteria, the Company recorded the additional amount of R\$ 58,044 in the non-recurring result in May 2021, of which R\$ 42,025 refers to the principal amount and R\$ 16,019 to the monetary adjustment. In March 2022, the Company recognized the amount in the non-recurring result of R\$ 11,928, related to the succeeded company Drogaria Onofre Ltda., the principal amount of which is R\$ 8,557 and the monetary adjustment is R\$ 3,371.

Levy of IRPJ and CSLL on amounts related to the SELIC rate

On September 24, 2021, the Federal Superior - STF Court - STF unanimously ruled the non-levy of IRPJ and CSLL on the amounts related to the SELIC rate, received by the taxpayer due to the repetition of tax overdue. On September 22, 2021, the Company filed a writ of mandamus seeking recognition of the right to non-levy of IRPJ and CSLL on amounts arising from monetary adjustment and default interest, including SELIC, calculated on tax credits due to repetition of tax overdue payments, concentrated in the processes mentioned in the item above, whose amount recorded in November 2021 was R\$4,444 in the Parent Company and R\$5,236 in the Consolidated. The Company is awaiting the final and unappealable decision of its process for effective tax offsetting of the amounts due.

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Expected realization of credits

The expected realization of amounts classified in current and non-current assets is as follows:

Expected realization	Parent Company		Consolidated	
	Jun/22	Dec/21	Jun/22	Dec/21
In the next 12 months	266,982	190,377	272,408	195,777
Between 13 and 24 months	33,843	46,137	38,016	49,470
Between 25 and 36 months	24,085	24,657	28,258	27,960
Between 37 and 48 months	24,084	24,657	28,317	27,960
Between 49 and 60 months	25,123	25,218	27,298	27,539
Total	374,117	311,046	394,297	328,706

9. Investments

9.1. Business combinations and goodwill

(a) Business combination – 4Bio Medicamentos S.A.

In 2015, the Company acquired a 55% equity interest in 4Bio Medicamentos S.A. ("4Bio") and obtained its control on October 1, 2015.

The agreement establishes the granting of call and put options for all the remaining shares, corresponding to 45% of the total, which continued to be held by the founding shareholder. On September 24, 2019, the Company and the Equity Investment Fund Kona ("Kona"), holder of the shares of the founding shareholder, as agreed, signed an amendment to the original purchase and sale agreement changing the period of exercise of the call options held by the Company and of the put options held by Kona, related to the remaining 45% of 4Bio, adopting the following criterion: (i) 1st call and put options of shares, equivalent to 30% of the capital, will be exercisable between January 1, 2021 and June 30, 2021, having as reference the average of adjusted EBITDAs of 4Bio for the years ended December 31, 2018, 2019 and 2020; (ii) 2nd call and put options of shares, equivalent to 15% of the capital, will be exercisable between January 1, 2024 and June 30, 2024, having as reference the average of adjusted EBITDAs of 4Bio for the year ended December 31, 2021 and years ending December 31, 2022 and 2023. It was also established that Mr. André Kina will continue as CEO of 4Bio at least until the end of 2023.

On April 22, 2021, Kona submitted to the Company the Notice of Exercise of the First Put Option of shares equivalent to 30% of the capital of subsidiary 4Bio. The shares were transferred on May 13, 2021, upon the payment of R\$ 11,884. After the exercise of the first call option, the Company became the holder of 85% of the capital of 4Bio Medicamentos S.A.

The fair value of the financial liability referring to the additional stock options recorded in the Parent Company and Consolidated, of R\$ 38,139 (R\$ 37,383 - Dec/21), in the account of Payables to subsidiary's shareholder, is classified as Level 3 in the fair value hierarchy. The main fair value measurements have as reference: (i) a discount rate of 12.57% in March 2022 (12.57% - Dec/21), (ii) an average growth rate of EBITDA of 18.08% in March 2022 (18.08% - Dec/21), considering the average of the EBITDAs projected for 2022 to 2024 and the multiple provided for in contract.

The goodwill arising on acquisition of R\$ 12,907 (R\$ 12,907 – Dec/21) for the Parent Company and R\$ 25,563 (R\$ 25,563 – Dec/21) for the Consolidated accounts represents the future economic benefits expected from the business combination.

(b) Business combination – Vitat Serviços em Saúde Ltda. (former "Tech.fit")

On February 18, 2021, the Company announced to its shareholders and to the market in general that it entered into an Agreement for the acquisition of 100% of the equity interest in B2U Editora S.A. ("Tech.fit").

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Tech.fit is a Brazilian start-up with years of experience in developing digital platforms for the promotion of healthy habits. Its platform includes apps such as Tecnonutri, Dieta e Saúde, Workout and Cuidaí, which promote healthy eating habits and physical activities through nutritional programs, training plans and access to professionals such as nutritionists, psychologists and physical educators.

On March 5, 2021, the Company received the final approval by the Administrative Council for Economic Defense (CADE) and, upon compliance with the remaining conditions precedent established in the Agreement, on April 1, 2021, the Company entered into the Closing Term and made the payments set forth in the Agreement, taking over control of Tech.fit.

On May 4, 2021, the Company changed the name of the subsidiary to Vitat Serviços em Saúde Ltda. ("Vitat"), converted the subsidiary into a privately-held limited company, also adopting the trade name "Vitat", and included in its corporate purpose: health management support activities, nursing activities, diagnostic and therapeutic complementary services, other professional, scientific, and technical activities, clinical laboratories, activities of health care professionals and human health care activities, with the purpose of accelerating the development of our Health Platform, offering customers health promotion, prevention, customized journeys and contents.

The Company adopted the balance sheet as at March 31, 2021 as the opening balance sheet for purposes of allocating the effects of the acquisition. In compliance with NBC-TG 15 - Business Combinations, RD completed the fair value measurement of the net assets. The following table summarizes the consideration paid and the fair values of assets acquired and liabilities assumed recognized at the acquisition date.

Assets	03/31/2021	Liabilities	03/31/2021
Cash and cash equivalents	13,275	Trade notes payable	389
Trade notes receivable	2,635	Social security and labor obligations	599
Recoverable taxes	32	Tax obligations	140
Other credits	274	Other obligations	2,130
Property and equipment, net	228	Liabilities	3,258
Intangible assets, net	1,106	Equity	14,292
Total assets	17,550	Total liabilities and equity	17,550

Allocation of the price of the consideration transferred:

	Parent Company
Purchase price	58,072
Equity	14,292
Trademarks (included in intangible assets)	2,394
Platform (included in intangible assets)	16,500
Non-compete agreement (included in intangible assets)	4,000
Adjusted equity	37,186
Goodwill based on expected future profitability	20,886
	58,072

The goodwill arising from the acquisition of R\$ 20,886 represents the future economic benefits expected from the business combination. If new information obtained within one year from the acquisition date, on the facts and circumstances that existed on the date of the acquisition, indicate adjustments to the amounts mentioned above, or any additional provision that existed on that date, the acquisition recorded may be reviewed.

On November 8, 2021, the Company made a capital increase in Vitat in the total amount of R\$ 25,000, which was paid in two installments, the first of which in the amount of R\$ 10,000 subscribed and paid up on November 12, 2021 and the

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second one in the amount of R\$ 15,000, fully subscribed and paid up on February 3, 2022. On May 30, 2022, the Company made a capital increase in Vital in the amount of R\$15,000.

(c) Business combination – Dr. Cuco Desenvolvimento de Software Ltda

On August 6, 2021, the Company entered into an agreement for the acquisition of a 100% interest in the company Dr. Cuco Desenvolvimento de Software Ltda. ("Dr. Cuco" or "Cuco Health") for R\$ 15,000.

Cuco Health, founded in 2016, is pioneer in the development of a digital care platform focused on adherence to treatment. The low adherence to treatment is considered one of the main health problems all over the world, especially regarding asymptomatic chronic diseases. RD believes that the technology and expertise developed by Cuco Health will be fundamental to support its customers so that they can fully adhere to the treatment prescribed by their doctors.

On September 17, 2021, the transaction was definitely approved by the Administrative Council for Economic Defense - CADE and, on November 18, 2021, the acquisition was approved at the General Meeting, in accordance with Article 256 of Law 6,404/76.

The Company adopted the balance sheet as at Friday, November 19, 2021 as the opening balance sheet for purposes of allocating the effects of the acquisition. A study was prepared by an independent expert, using as a basis the financial statements of Dr. Cuco at the acquisition date to determine the purchase price allocation for purposes of goodwill allocation. The following table summarizes the consideration paid and the fair values of assets acquired and liabilities assumed recognized at the acquisition date.

Assets	11/19/2021	Liabilities	11/19/2021
Cash and cash equivalents	305	Trade notes payable	101
Trade notes receivable	480	Tax, social security and labor obligations	18
Recoverable taxes	30	Borrowings	589
Other credits	105	Other obligations	5
Property and equipment, net	33	Liabilities	713
Intangible assets, net	71	Equity	311
Total assets	1,024	Total liabilities and equity	1,024

Allocation of the price of the consideration transferred:

	Parent Company
Purchase price	15,000
Equity	311
Trademarks (included in intangible assets)	2,203
Platform (included in intangible assets)	1,990
Adjusted equity	4,504
Goodwill based on expected future profitability	10,496
	15,000

The goodwill arising from the acquisition of R\$ 10,496 represents the future economic benefits expected from the business combination.

On December 7, 2021, the Company made a capital increase in Dr. Cuco in the amount of R\$ 400.

(d) Business combination – Healthbit Performasys Tecnologia Inteligência S.A. (Via RD Ventures)

On March 9, 2021, the subsidiary RD Ventures acquired a 50.75% equity interest in Healthbit Performasys Tecnologia Inteligência S.A. ("Healthbit") for R\$7,765, with a call option for all of the remaining shares as of 2026.

Healthbit is a technology startup focused on big data as a solution to reduce health claims in large companies and to

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promote health and disease prevention for its employees through the development of new technologies. Founded five years ago, Healthbit reached more than one million lives assisted in 2020 among its nearly one hundred and forty corporate customers.

The Company adopted the balance sheet as at February 28, 2021 as the opening balance sheet for purposes of allocating the effects of the acquisition. The following table summarizes the consideration paid and the fair values of assets acquired and liabilities assumed recognized at the acquisition date:

Assets	02/28/2021	Liabilities	02/28/2021
Cash and cash equivalents	731	Trade payables	26
Trade receivables	869	Tax, social security and labor obligations	763
Recoverable taxes	64	Borrowings	142
Other credits	211	Other obligations	124
Property and equipment, net	117	Liabilities	1,055
	-	Equity	937
Total assets	1,992	Total liabilities and equity	1,992

Estimated allocation of the price of the consideration transferred:

Purchase price	FIP RD Ventures
Adjustment to purchase price	7,765
Total purchase price	332
	8,097
Equity	937
Portion acquired (50.75%)	476
Customer relationships (included in intangible assets)	809
Platform (included in intangible assets)	833
Non-compete agreement (included in intangible assets)	363
Adjusted equity	2,481
Goodwill	5,616
	8,097

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(e) Business combination – Amplissoftware Tecnologia Ltda (Via RD Ventures)

On December 22, 2021, the Company concluded the acquisition of 100% of the equity interest in Amplissoftware Tecnologia Ltda. (“Amplimed”), through the subsidiary RD Ventures, for R\$ 90,000 (equivalent to R\$ 50,000 of “Base Price”, plus R\$40,000 equivalent to 1,648,233 shares of RD “Phantom shares”), of which R\$50,000 paid in cash and R\$40,000 retained for purposes of obligations and purchase price adjustment.

Amplimed is a healthtech leader in medical record software, which offers a complete solution for managing clinics and offices, including electronic medical records, telemedicine platform, electronic prescription, exam request, appointment scheduling, financial management and billing. The Amplimed platform performs around 700,000 monthly appointments and connects offices with more than nine million patients. It also connects and integrates healthcare providers, clinical analysis laboratories, imaging clinics and hospitals to allow healthcare professionals to have an integrated view of patient data, contributing to the integration and digitization of the healthcare ecosystem in Brazil. The Amplimed platform will allow the structuring of health data from the entire RD ecosystem, connecting the offices and clinics to the Vitat health services marketplace and allowing our more than forty million customers to schedule appointments in person or via teleservice through the platform, thus directing new patients and generating additional consultations for physicians using the Amplimed platform.

In compliance with NBC-TG 15(R3) – Business Combinations, RD is currently measuring the fair value of the net liabilities assumed on December 22, 2021. The consideration allocation estimate was based on a measurement of the net liabilities assumed from Amplimed on December 22, 2021 (date of control acquisition). The appraisal report is being prepared, therefore the goodwill presented is provisional. The assets and liabilities at the date of acquisition of Amplimed are presented below:

Assets	11/30/2021	Liabilities	11/30/2021
Cash and cash equivalents	344	Trade payables	164
Trade receivables	279	Tax, social security and labor obligations	542
Recoverable taxes	29	Borrowings	1,032
Other credits	1	Other obligations	5
Property and equipment, net	268	Liabilities	1,743
Intangible assets, net	14	Equity	(808)
Total assets	935	Total liabilities and equity	935

Estimated allocation of the price of the consideration transferred:

Purchase price	FIP RD Ventures
Earn out	50,000
Debt settlement	40,000
Total purchase price	(722)
	89,278
Adjusted equity	
Goodwill	(808)
	90,086
	89,278

The goodwill generated on the acquisition in the amount of R\$90,086 comprises the ratio between the consideration transferred by the Company, in the amount of R\$90,000, and the fair value of the acquired company.

On December 22, 2021, the Company made a capital increase in Amplimed in the amount of R\$5,800.

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9.2. Acquisition of associates and incorporation of companies

(a) Incorporation of company – Stix Fidelidade e Inteligência S.A.

The Company together with Grupo Pão de Açúcar (“GPA”) announced the first Brazilian coalition of retailers with national companies through the creation of the company Stix Fidelidade (“Stix”). Stix was born with a platform of products and services for the accumulation and redemption of points, in order to offer discounts and advantages to the loyal customers of the two Companies, in addition to having the support in more than 3 thousand establishments across the country through the Drogasil, Droga Raia, Extra and Pão de Açúcar brands.

The Stix Fidelidade program focuses on offering valuable and affordable benefits to participants in a wide range of segments, building customer loyalty and generating value for the companies that will integrate its platform. The program was launched in October 2020, for customers who make their purchases at Droga Raia, Drogasil, Extra and Pão de Açúcar stores, accumulating Stix points.

Stix Fidelidade has its shareholding structure represented by 66.77% of GPA and 33.33% of the Company and it is an autonomous company, with a Board of Directors formed by members appointed by the shareholders.

On February 29, 2020, the Company made a capital contribution in the amount of R\$ 3,289 and on February 28, 2021, it made a capital contribution in the amount of R\$ 6,508, maintaining its proportional ownership interest.

(b) Incorporation of company - RD Ventures Fundo de Investimento em Participações - Multiestratégia

On October 22, 2020, the Company incorporated the private equity investment fund as a closed-end fund, pursuant to CVM Instruction 578 of August 30, 2016, as amended (“CVM Instruction 578”), to CVM Instruction 579 of August 30, 2016 and to Code ABVCAP/ANBIMA of Regulations and Best Practices, as well as other applicable legal and regulatory provisions, with the name RD Ventures Fundo de Investimento em Participações – Multiestratégia (“FIP RD Ventures”).

FIP RD Ventures is managed by Paraty Capital Ltda., a company headquartered at Rua dos Pinheiros, 870, conjunto 133, Pinheiros, in the city of São Paulo, state of São Paulo, registered at the National Registry of Legal Entities (CNPJ/ME) 18.313.996/0001-50, duly authorized by the Brazilian Securities Commission (“CVM”) to manage securities portfolio.

On December 30, 2020, the Company made a capital contribution in the amount of R\$ 4,500, on March 10, 2021 it made a capital increase in the total amount of R\$ 8,000, on November 12, 2021 it made a new new capital increase of R\$ 24,000, on December 20, 2021 a new capital contribution of R\$ 60,000, and finally on April 20, 2022 a capital contribution of R\$ 9,000.

(c) Incorporation of a company - RD Ads Ltda

On November 8, 2021, the Company created a new company in the Group, with the name RD Ads Ltda (“RD Ads”), whose main objective is to monetize the data with the Industries and Advertising Agencies, connecting the brands to the most relevant customers.

On November 8, 2021, the Company contributed capital in the amount of R\$ 1 and on March 8, 2022 it made a capital increase in the amount of R\$ 430.

(d) Acquisition of interest – Full Nine Digital Consultoria Ltda. (Via RD Ventures)

On December 10, 2021, through the subsidiary RD Ventures, the Company concluded the acquisition of a 12.50% equity interest in Full Nine Digital Consultoria Ltda. (“Conecta Lá”) for R\$6,688, with a call option for the number of shares necessary to achieve 20.00%.

Conecta Lá was born as a consolidator and integrator of small sellers to connect them to large marketplaces and, from that, it also developed a Seller Center platform, which offers marketplaces that use the platform as a one-stop-shop solution to better serve its sellers, including product cataloging, order workflow, payments split, logistics solutions and

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information generation. The investment in Conecta Lá and the acquisition of the rights of use of its code will allow RD to accelerate the development of the product marketplace and improve the service provided to our sellers, in addition to reducing the transactional cost of the marketplace, contributing to the aspiration to offer the most complete assortment of health and wellness products and with a high level of customer and seller satisfaction.

In accordance with NBC-TG 18 (R2) - Investments in Associates and Joint Ventures, RD is conducting the fair value measurement of the net assets acquired on December 10, 2022. The best estimate of the fair value of identifiable assets and liabilities at the date of acquisition of Conecta Lá is presented below:

Assets	10/31/2021	Liabilities	10/31/2021
Cash and cash equivalents	1	Trade notes payable	112
Trade notes receivable	1,287	Tax, social security and labor obligations	479
Recoverable taxes	3	Borrowings	7,225
Advances to suppliers	10,081	Advances from customers	7,489
Other credits	477	Liabilities	15,305
	-	Equity	(3,456)
Total assets	11,849	Total liabilities and equity	11,849

Estimated allocation of the price of the consideration transferred:

Purchase price	FIP RD Ventures
	6,688
Equity (12.50%)	(1,037)
Adjusted equity	(1,037)
Goodwill	7,725
	6,688

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9.3. Composition and changes in investments

At June 30, 2022, the Company's investment balances are presented below:

Investee	Main activity	Interest (%)	Jun/22		Dec/21		
			Parent Company	Consolidated	Parent Company	Consolidated	
Direct interest							
4Bio	Retail of special medicines	85.00%	227,677	-	85.00%	164,890	-
Stix Fidelidade (i)	Platform of products and services for the accumulation and redemption of points	33.33%	1,922	1,922	33.33%	830	830
RD Ventures FIP	Private equity investment fund	100.00%	101,153	-	100.00%	94,435	-
Vitat	Supporting health management and promoting healthy habits	100.00%	58,906	-	100.00%	47,274	-
Dr. Cuco	Digital care platform focused on adherence to treatment	100.00%	15,315	-	100.00%	15,411	-
RD Ads	Advisory and consultancy in advertising and marketing	100.00%	4,027	-	100.00%	-	-
Indirect interest							
Healthbit	Big data technology to reduce claims	50.75%	-	-	50.75%	-	-
Conecta Lá (i)	Seller center platform that offers a unique solution to sellers	12.50%	-	(1,212)	12.50%	-	(432)
Amplimed	Online platform that offers a complete solution for managing clinics and offices	100.00%	-	-	100.00%	-	-
Total			409,000	710		322,840	398
Reclassification to "Other liabilities", as provision for losses on investments			-	(1,212)		-	(432)
Classified as investments			409,000	1,922		322,840	830

(i) The provision for losses on investments at June 30, 2022 is recorded in "Other provisions".

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Changes in investment balances presented in the individual financial statements are shown below:

Changes in investments	Parent Company						Total
	4BIO Subsidiary	stix Associate	RD VENTURES Subsidiary	vitat Subsidiary	CUCO HEALTH Subsidiary	RD ads Subsidiary	
At January 1, 2021	73,768	(4,578)	4,498	-	-	-	73,688
Capital contribution	-	6,508	8,000	-	-	-	14,508
Business combinations	-	-	-	58,072	-	-	58,072
Equity in the results of subsidiaries	4,919	(3,001)	(922)	(1,012)	-	-	(16)
Restricted share compensation plan	(39)	-	-	-	-	-	(39)
Adjustment in percentage of interest	34,023	28	-	-	-	-	34,051
At June 30, 2021	112,671	(1,043)	11,576	57,060	-	-	180,264
Capital contribution	-	-	84,000	10,001	400	1	94,402
Business combinations	-	-	-	-	15,000	-	15,000
Equity in the results of subsidiaries	52,219	1,873	(582)	(19,787)	11	(1)	33,733
Stock options	-	-	(559)	-	-	-	(559)
At December 31, 2021	164,890	830	94,435	47,274	15,411	-	322,840
Capital contribution	-	-	9,000	30,000	-	430	39,430
Equity in the results of subsidiaries	62,715	1,092	(2,282)	(18,368)	(96)	3,597	46,658
Restricted share compensation plan	72	-	-	-	-	-	72
At June 30, 2022	227,677	1,922	101,153	58,906	15,315	4,027	409,000

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For the purpose of calculating the equity in subsidiaries and associates, the Company adjusts the assets, liabilities and the respective changes in the result. At 4Bio they are adjusted based on the purchase price allocation determined at the acquisition date. The table below shows the effects on profit (loss) for the period of subsidiaries and associate for the purposes of determining the equity in results of subsidiaries:

Changes in investments	Parent Company						Total
	4BIO	stix	RDVENTURES	vitat	CUCO HEALTH	RD ads	
Profit (loss) for the year	57,313	(1,128)	(1,504)	(17,365)	11	(1)	37,326
Amortization of surplus value arising from business combination	(175)	-	-	(3,434)	-	-	(3,609)
Equity in the results of subsidiaries at 12/31/2021	57,138	(1,128)	(1,504)	(20,799)	11	(1)	33,717
Profit (loss) for the year	62,818	1,092	(2,282)	(16,079)	(96)	3,597	49,050
Amortization of surplus value arising from business combination	(103)	-	-	(2,289)	-	-	(2,392)
Equity in the results of subsidiaries at 06/30/2022	62,715	1,092	(2,282)	(18,368)	(96)	3,597	46,658

Adjusted equity	Parent Company						Jun/22
	4BIO	stix	RDVENTURES	vitat	CUCO HEALTH	RD ads	
Investment at book value	213,300	1,922	101,153	20,849	571	4,027	341,822
Purchase price allocation (surplus value of assets)	2,259	-	-	17,171	4,248	-	23,678
Deferred income tax liability on allocation adjustments	(768)	-	-	-	-	-	(768)
Restricted share compensation plan	(21)	-	-	-	-	-	(21)
Total adjusted equity	214,770	1,922	101,153	38,020	4,819	4,027	364,711
Goodwill based on expected future profitability	12,907	-	-	20,886	10,496	-	44,289
Investment balance	227,677	1,922	101,153	58,906	15,315	4,027	409,000

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	Parent Company					Dec/21
	4BIO	stix	RD VENTURES	vitat	CUCO HEALTH	
Adjusted equity						
Investment at book value	150,482	830	94,435	6,928	667	253,342
Purchase price allocation (surplus value of assets)	2,415	-	-	19,460	4,248	26,123
Deferred income tax liability on allocation adjustments	(821)	-	-	-	-	(821)
Restricted share compensation plan	(93)	-	-	-	-	(93)
Total adjusted equity	151,983	830	94,435	26,388	4,915	278,551
Goodwill based on expected future profitability	12,907	-	-	20,886	10,496	44,289
Investment balance	164,890	830	94,435	47,274	15,411	322,840

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10. Property and equipment

10.1. Breakdown and changes

Property and equipment is broken down as follows:

	Average annual depreciation rates (%)	Parent Company					
		Jun/22			Dec/21		
		Cost	Accumulated depreciation	Net book value	Cost	Accumulated depreciation	Net book value
Land	-	32,124	-	32,124	32,125	-	32,125
Buildings	2.5 - 2.7	69,837	(29,621)	40,216	69,837	(28,710)	41,127
Furniture, fittings and facilities	7.4 - 10	1,320,400	(589,694)	730,706	1,258,303	(539,910)	718,393
Machinery and equipment	7.1 - 15.8	863,315	(480,556)	382,759	821,295	(441,779)	379,516
Vehicles	20 - 23.7	95,629	(52,232)	43,397	87,988	(46,612)	41,376
Leasehold improvements	13 - 20	1,775,042	(960,812)	814,230	1,588,521	(808,330)	780,191
Total		4,156,347	(2,112,915)	2,043,432	3,858,069	(1,865,341)	1,992,728

	Average annual depreciation rates (%)	Consolidated					
		Jun/22			Dec/21		
		Cost	Accumulated depreciation	Net book value	Cost	Accumulated depreciation	Net book value
Land	-	32,124	-	32,124	32,124	-	32,124
Buildings	2.5 - 2.7	69,837	(29,621)	40,216	69,837	(28,710)	41,127
Furniture, fittings and facilities	7.4 - 10	1,322,987	(590,944)	732,043	1,260,584	(541,060)	719,524
Machinery and equipment	7.1 - 15.8	871,707	(484,059)	387,648	828,057	(444,701)	383,356
Vehicles	20 - 23.7	95,630	(52,232)	43,398	87,989	(46,612)	41,377
Leasehold improvements	13 - 20	1,779,365	(963,382)	815,983	1,592,141	(810,629)	781,512
Total		4,171,650	(2,120,238)	2,051,412	3,870,732	(1,871,712)	1,999,020

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Changes in the Parent Company's property and equipment are as follows:

	Jan 1, 2021	Additions	Disposals and write-offs	(Provision for) / Reversal of drugstore closures	Jun/21	Additions	Disposals and write-offs	(Provision for) / Reversal of drugstore closures	Dec/21	Additions	Disposals and write-offs	(Provision for) / Reversal of drugstore closures	Jun/22
Changes in cost													
Land	32,124	-	-	-	32,124	-	-	-	32,124	-	-	-	32,124
Buildings	69,837	-	-	-	69,837	-	-	-	69,837	-	-	-	69,837
Furniture, fittings and facilities	1,096,992	62,508	(6,870)	2,993	1,155,623	114,697	(10,196)	(1,821)	1,258,303	81,646	(10,089)	(9,460)	1,320,400
Machinery and equipment	705,530	52,557	(4,308)	-	753,779	75,372	(7,855)	-	821,296	54,292	(12,199)	(75)	863,314
Vehicles	73,711	3,287	(723)	-	76,275	11,892	(179)	-	87,988	7,708	(67)	-	95,629
Leasehold improvements	1,435,389	145,186	(109,158)	3,637	1,475,054	194,072	(76,854)	(3,751)	1,588,521	195,701	(10,957)	1,778	1,775,043
Total	3,413,583	263,538	(121,059)	6,630	3,562,692	396,033	(95,084)	(5,572)	3,858,069	339,347	(33,312)	(7,757)	4,156,347
Changes in accumulated depreciation													
Land	-	-	-	-	-	-	-	-	-	-	-	-	-
Buildings	(26,886)	(912)	-	-	(27,798)	(912)	-	-	(28,710)	(911)	-	-	(29,621)
Furniture, fittings and facilities	(443,290)	(52,548)	4,299	(1,132)	(492,671)	(56,231)	8,219	773	(539,910)	(60,304)	4,849	5,671	(589,694)
Machinery and equipment	(361,320)	(43,867)	3,744	-	(401,443)	(47,546)	7,210	-	(441,779)	(49,715)	10,884	53	(480,557)
Vehicles	(38,306)	(4,422)	720	-	(42,008)	(4,719)	115	-	(46,612)	(5,678)	58	-	(52,232)
Leasehold improvements	(689,570)	(145,826)	103,596	(1,470)	(733,270)	(151,852)	74,993	1,799	(808,330)	(157,819)	5,890	(552)	(960,811)
Total	(1,559,372)	(247,575)	112,359	(2,602)	(1,697,190)	261,260	90,537	2,572	(1,865,341)	(274,427)	21,681	5,172	(2,112,915)

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Changes in the Consolidated property and equipment are as follows:

	Jan 1, 2021	Addition by business combination	Additions	Disposals and write- offs	(Provision for) / Reversal of drugstore closures	Jun/21	Addition by business combination	Additions	Disposals and write- offs	(Provision for) / Reversal of drugstore closures	Dec/21	Additions	Disposals and write- offs	(Provision for) / Reversal of drugstore closures	Jun/22
Changes in cost															
Land	32,124	-	-	-	-	32,124	-	-	-	-	32,124	-	-	-	32,124
Buildings	69,837	-	-	-	-	69,837	-	-	-	-	69,837	-	-	-	69,837
Furniture, fittings and facilities	1,098,912	275	62,552	(6,870)	2,993	1,157,862	96	114,712	(10,264)	(1,821)	1,260,585	81,951	(10,089)	(9,460)	1,322,987
Machinery and equipment	709,103	889	52,812	(4,308)	-	758,496	492	76,924	(7,855)	-	828,057	55,924	(12,199)	(75)	871,707
Vehicles	74,058	-	3,287	(723)	-	76,622	-	11,892	(525)	-	87,989	7,708	(67)	-	95,630
Leasehold improvements	1,438,562	174	145,186	(109,158)	3,637	1,478,401	7	194,339	(76,856)	(3,751)	1,592,140	196,409	(10,962)	1,778	1,779,365
Total	3,422,596	1,338	263,837	(121,059)	6,630	3,573,342	595	397,867	(95,500)	(5,572)	3,870,732	341,992	(33,317)	(7,757)	4,171,650
	Jan 1, 2021	Addition by business combination	Additions	Disposals and write- offs	(Provision for) / Reversal of drugstore closures	Jun/21	Addition by business combination	Additions	Disposals and write- offs	Provision for / (Reversal of) drugstore closures	Dec/21	Additions	Disposals and write- offs	Provision for / (Reversal of) drugstore closures	Jun/22
Changes in accumulated depreciation															
Land	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Buildings	(26,886)	-	(912)	-	-	(27,798)	-	(912)	-	-	(28,710)	(911)	-	-	(29,621)
Furniture, fittings and facilities	(444,070)	(237)	(52,639)	4,299	(1,132)	(493,779)	(1)	(56,312)	8,259	773	(541,060)	(60,404)	4,849	5,671	(590,944)
Machinery and equipment	(362,736)	(777)	(44,172)	3,744	-	(403,941)	(120)	(47,852)	7,212	-	(444,701)	(50,295)	10,884	53	(484,059)
Vehicles	(38,499)	-	(4,442)	720	-	(42,221)	-	(4,699)	308	-	(46,612)	(5,678)	58	-	(52,232)
Leasehold improvements	(691,185)	(95)	(146,118)	103,596	(1,470)	(735,272)	-	(152,150)	74,994	1,799	(810,629)	(158,091)	5,890	(552)	(963,382)
Total	(1,563,376)	(1,109)	(248,283)	112,359	(2,602)	(1,703,011)	(121)	(261,925)	90,773	2,572	(1,871,712)	(275,379)	21,681	5,172	(2,120,238)

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10.2. Changes in provision for drugstore closures

The changes in the provision for closure of drugstores is shown by the Parent Company:

	Provision	Depreciation	Total Properties
At January 1, 2021	(17,893)	8,336	(9,557)
Additions	(11,264)	5,735	(5,529)
Reversals	17,894	(8,336)	9,558
At June 30, 2021	(11,263)	5,735	(5,528)
Additions	(23,619)	13,104	(10,515)
Reversals	15,862	(7,931)	7,931
At December 31, 2021	(19,020)	10,908	(8,112)
Additions	(22,838)	10,023	(12,815)
Reversals	17,266	(7,451)	9,815
Changes, net	(5,572)	2,572	(3,000)
At June 30, 2022	(24,592)	13,480	(11,112)

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11. Intangible assets

11.1. Breakdown and changes

	Average annual amortization rates (%)	Parent Company					
		Jun/22			Dec/21		
		Cost	Accumulated amortization	Net book value	Cost	Accumulated amortization	Net book value
Points of sale	17 - 23.4	256,959	(191,336)	65,623	249,992	(174,779)	75,213
Software license	20	483,857	(198,376)	285,481	407,985	(156,542)	251,443
Goodwill on business acquisition – Vison	(i)	22,275	(2,387)	19,888	22,275	(2,387)	19,888
Goodwill on business acquisition – Raia	(i)	780,084	-	780,084	780,084	-	780,084
Trademarks with finite useful life	20	19,052	(9,625)	9,427	19,046	(8,483)	10,563
Trademarks with indefinite useful life	(i)	151,000	-	151,000	151,000	-	151,000
Customers portfolio	6.7 - 25	41,700	(39,707)	1,993	41,700	(39,477)	2,223
Total		1,754,927	(441,431)	1,313,496	1,672,082	(381,668)	1,290,414

	Average annual amortization rates (%)	Consolidated					
		Jun/22			Dec/21		
		Cost	Accumulated amortization	Net book value	Cost	Accumulated amortization	Net book value
Points of sale	17 - 23.4	256,959	(191,335)	65,624	249,992	(174,778)	75,214
Software license and systems implementation	20	496,088	(202,417)	293,671	415,862	(159,605)	256,257
Goodwill on business acquisition – Vison	(i)	22,275	(2,387)	19,888	22,275	(2,387)	19,888
Goodwill on business acquisition – Raia	(i)	780,084	-	780,084	780,084	-	780,084
Goodwill on business acquisition - 4Bio	(i)	25,563	(583)	24,980	25,563	-	25,563
Goodwill on business acquisition - Vitat	(i)	20,886	-	20,886	20,886	-	20,886
Goodwill on business acquisition – Cuco	(i)	10,524	-	10,524	10,524	-	10,524
Goodwill on business acquisition – Healthbit	(i)	5,617	-	5,617	5,617	-	5,617
Goodwill on business acquisition - Conecta Lá	(i)	7,120	-	7,120	7,120	-	7,120
Goodwill on business acquisition – Amplimed	(i)	90,086	-	90,086	90,086	-	90,086
Platform	20	18,853	(3,761)	15,092	18,853	(2,475)	16,378
Non-compete agreement	20	4,833	(600)	4,233	4,833	(600)	4,233
Trademarks with finite useful life	20	27,506	(15,711)	11,795	27,500	(14,569)	12,931
Trademarks with indefinite useful life	(i)	153,938	-	153,938	153,930	-	153,930
Customers portfolio (Raia S.A.)	6.7 - 25	41,700	(39,707)	1,993	41,700	(39,477)	2,223
Customer relationship	20	8,737	(3,420)	5,317	8,737	(3,420)	5,317
Total		1,970,769	(459,921)	1,510,848	1,883,562	(397,311)	1,486,251

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(i) Assets with indefinite useful lives

Changes in the Company's intangible assets are as follows:

Changes in cost	Jan 1, 2021	Additions	Disposals and write-offs	(Provision for) / Reversal of drugstore closures	Jun/21	Additions	Disposals and write-offs	(Provision for) / Reversal of drugstore closures	Dec/21	Additions	Disposals and write-offs	(Provision for) / Reversal of drugstore closures	Jun/22
Points of sale	271,276	7,518	(16,172)	315	262,937	11,116	(22,001)	(2,060)	249,992	8,541	(3,190)	1,616	256,959
Software license	255,240	49,645	(6,278)	(19)	298,588	114,629	(5,258)	26	407,985	75,921	(49)	-	483,857
Goodwill on business acquisition – Vison	22,275	-	-	-	22,275	-	-	-	22,275	-	-	-	22,275
Goodwill on business acquisition – Raia	780,084	-	-	-	780,084	-	-	-	780,084	-	-	-	780,084
Trademarks with finite useful life	26,835	2,015	(854)	-	27,996	596	(9,546)	-	19,046	122	(116)	-	19,052
Trademarks with indefinite useful life	151,000	-	-	-	151,000	-	-	-	151,000	-	-	-	151,000
Customers portfolio	41,700	-	-	-	41,700	-	-	-	41,700	-	-	-	41,700
Total	1,548,410	59,178	(23,304)	296	1,584,580	126,341	(36,805)	(2,034)	1,672,082	84,584	(3,355)	1,616	1,754,927
Changes in accumulated amortization	Jan 1, 2021	Additions	Disposals and write-offs	(Provision for) / Reversal of drugstore closures	Jun/21	Additions	Disposals and write-offs	Provision for / (Reversal of) drugstore closures	Dec/21	Additions	Disposals and write-offs	Provision for / (Reversal of) drugstore closures	Jun/22
Points of sale	(171,884)	(20,848)	15,288	(549)	(177,993)	(19,466)	21,310	1,370	(174,779)	(17,705)	1,961	(813)	(191,336)
Software license	(105,344)	(27,474)	7,132	10	(125,676)	(34,875)	4,024	(16)	(156,542)	(41,847)	13	-	(198,376)
Goodwill on business acquisition – Vison	(2,387)	-	-	-	(2,387)	-	-	-	(2,387)	-	-	-	(2,387)
Goodwill on business acquisition – Raia	-	-	-	-	-	-	-	-	-	-	-	-	-
Trademarks with finite useful life	(995)	(351)	-	-	(1,346)	(8,244)	1,107	-	(8,483)	(1,149)	7	-	(9,625)
Customers portfolio	(39,017)	(230)	-	-	(39,247)	(230)	-	-	(39,477)	(230)	-	-	(39,707)
Total	(319,627)	(48,903)	22,420	(539)	(346,649)	(62,814)	26,441	1,354	(381,668)	(60,931)	1,981	(813)	(441,431)

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Changes in the consolidated intangible assets are as follows:

Changes in cost	Jan 1, 2021	Addition by business combination	Additions	Disposals and write- offs	(Provision for) / Reversal of drugstore closures	Jun/21	Addition by business combination	Additions	Disposals and write- offs	(Provision for) / Reversal of drugstore closures	Dec/21	Additions	Disposals and write-offs	(Provision for) / Reversal of drugstore closures	Jun/22
Points of sale	271,278	-	7,518	(16,172)	315	262,939	-	11,114	(22,001)	(2,060)	249,992	8,541	(3,190)	1,616	256,959
Software license	259,418	-	50,792	(6,278)	(19)	303,913	439	116,742	(5,258)	26	415,862	81,587	(1,361)	-	496,088
Goodwill on acquisition – Vison	22,275	-	-	-	-	22,275	-	-	-	-	22,275	-	-	-	22,275
Goodwill on acquisition – Raia	780,084	-	-	-	-	780,084	-	-	-	-	780,084	-	-	-	780,084
Goodwill on acquisition – 4Bio	25,563	-	-	-	-	25,563	-	-	-	-	25,563	-	-	-	25,563
Goodwill on acquisition – Vitat	-	-	20,886	-	-	20,886	-	-	-	-	20,886	-	-	-	20,886
Goodwill on acquisition – Cuco	-	-	-	-	-	-	-	10,524	-	-	10,524	-	-	-	10,524
Goodwill on acquisition – Healthbit	-	-	-	-	-	-	-	5,617	-	-	5,617	-	-	-	5,617
Goodwill on acquisition – Conecta Lá	-	-	-	-	-	-	-	7,120	-	-	7,120	-	-	-	7,120
Goodwill on acquisition – Amplimed Platform	-	-	16,500	-	-	16,500	-	90,086	-	-	90,086	-	-	-	90,086
Non-compete agreement	-	-	4,000	-	-	4,000	-	833	-	-	4,833	-	-	-	4,833
Trademarks with finite useful life	182,904	1,678	4,409	(854)	-	188,137	13	2,826	(9,546)	-	181,430	130	(116)	-	181,444
Customers portfolio - Raia	41,700	-	-	-	-	41,700	-	-	-	-	41,700	-	-	-	41,700
Customer relationship	7,928	-	-	-	-	7,928	-	809	-	-	8,737	-	-	-	8,737
Total	1,591,150	1,678	104,105	(23,304)	296	1,673,925	452	248,024	(36,805)	(2,034)	1,883,562	90,258	(4,667)	1,616	1,970,769

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Changes in accumulated amortization	Jan 1, 2021	Addition by business combination	Additions	Disposals and write-offs	(Provision for) / Reversal of drugstore closures	Jun/21	Addition by business combination	Additions	Disposals and write-offs	Provision for / (Reversal of) drugstore closures	Dec/21	Additions	Disposals and write-offs	Provision for / (Reversal of) drugstore closures	Jun/22
Points of sale	(171,883)	-	(20,848)	15,288	(549)	(177,992)	-	(19,466)	21,309	1,371	(174,778)	(17,705)	1,961	(813)	(191,335)
Software license	(107,033)	-	(27,898)	7,133	10	(127,788)	(367)	(35,457)	4,023	(16)	(159,605)	(42,442)	(370)	-	(202,417)
Goodwill on acquisition – Vison	(2,387)	-	-	-	-	(2,387)	-	-	-	-	(2,387)	-	-	-	(2,387)
Goodwill on acquisition – Raia	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Goodwill on acquisition – 4Bio	-	-	-	-	-	-	-	-	-	-	-	(583)	-	-	(583)
Goodwill on acquisition – Vitat	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Platform	-	-	-	-	-	-	-	(2,475)	-	-	(2,475)	(1,286)	-	-	(3,761)
Non-compete agreement	-	-	-	-	-	-	-	(600)	-	-	(600)	-	-	-	(600)
Trademarks with finite useful life	(6,149)	(572)	(351)	-	-	(7,072)	-	(8,603)	1,106	-	(14,569)	(1,149)	7	-	(15,711)
Customers portfolio - Raia	(39,017)	-	(230)	-	-	(39,247)	-	(230)	-	-	(39,477)	(230)	-	-	(39,707)
Customer relationship	(2,972)	-	(165)	-	-	(3,137)	-	(283)	-	-	(3,420)	-	-	-	(3,420)
Total	(329,441)	(572)	(49,492)	22,421	(539)	(357,623)	(367)	(67,114)	26,438	1,355	(397,311)	(63,395)	1,598	(813)	(459,921)

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11.2. Goodwill on the acquisition of companies

Goodwill on the acquisition of companies is subject to annual impairment testing.

Company	Goodwill amount	Acquisition
Drogaria Vison	19,888	02/13/2008
Raia	780,084	11/10/2011
4Bio Medicamentos	25,563	10/01/2015
Vitat Serviços em Saúde	20,886	04/01/2021
Dr. Cuco Desenvolvimento de Software	14,689	11/19/2021
Healthbit Performasys Tecnologia Inteligência	5,616	03/09/2021
Amplissoftware Tecnologia	90,086	12/22/2021
Full Nine Digital Consultoria	7,120	12/10/2021

As disclosed in Note 10.1. Property and equipment and Intangible assets - Accounting Policy of the financial statements for the year ended December 31, 2021, disclosed on February 22, 2022, intangible assets with indefinite useful lives, such as goodwill surplus value related to trademarks, are tested for impairment at least on an annual basis, or whenever there is indication of impairment. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows (CGUs). The Company's CGUs are the stores.

Drogaria Vison Ltda. - Goodwill in the amount of R\$ 19,888 refers to the acquisition of Drogaria Vison Ltda., on February 13, 2008, which was included in the Company's operations as from June 30, 2008. Goodwill is based on expected future profitability, pursuant to an appraisal prepared by an independent expert, and was amortized from April to December 2008. As provided for in CPC Guidance (OCPC) 02 - Clarifications on the 2008 Financial Statements, since 2009, goodwill has no longer been amortized, but has been subject to impairment testing ever since. The recoverable amount of the cash generating unit of 'Vison' is R\$145,079 at December 31, 2021 and was determined based on the calculation of the value in use considering the cash flow projections based on financial estimates approved by Management for a period of five years. The pre-tax discount rate applied to cash flow projections is 17.1%. The growth rate used to extrapolate the unit's cash flow for a period over five years is 3.2%.

Raia S.A. - The Company computed goodwill of R\$ 780,084 in the business combination with Raia S.A., occurred on November 10, 2011, which is based on expected future profitability arising from the difference between the balances of assets assigned and those received. In addition to the amount classified as goodwill, we also have the amount of R\$ 151,700 allocated as Trademarks, totaling R\$ 931,784 in intangible assets with indefinite useful lives linked to the cash-generating unit 'Raia'. The recoverable amount of the cash generating unit of 'Raia' is R\$ 5,661,365 at December 31, 2021 and was determined based on the calculation of the value in use considering the cash flow projections based on financial estimates approved by Management for a period of five years. The pre-tax discount rate applied to cash flow projections is 14.3%. The growth rate used to extrapolate the unit's cash flow for a period over five years is 3.2%.

4Bio Medicamentos S.A. - The Company computed goodwill of R\$ 25,563 in the business combination with 4Bio Medicamentos S.A., occurred on October 1, 2015, of which the balance was supplemented by the final adjustment of the price at March 31, 2016 of R\$ 2,040, which is based on expected future profitability arising from the difference between the balances of assets assigned and those received. The recoverable amount of the cash generating unit of '4Bio' is R\$ 191,551 at December 31, 2021 and was determined based on the calculation of the value in use considering the cash flow projections based on financial estimates approved by Management for a period of five years. The pre-tax discount rate applied to cash flow projections is 12.6%. The growth rate used to extrapolate the unit's cash flow for a period over five years is 3.3%.

Vitat Serviços em Saúde Ltda. - The Company computed goodwill of R\$ 20,886 in the business combination with Vitat Negócios em Saúde Ltda. (former B2U Editora S.A.), occurred on April 1, 2021, which is based on expected future profitability arising from the difference between the balances of assets assigned and those received.

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Dr. Cuco Desenvolvimento de Software Ltda. - The Company computed goodwill of R\$ 14,689 in the business combination with Dr. Cuco Desenvolvimento de Software Ltda., occurred on November 19, 2021, which is based on expected future profitability arising from the difference between the balances of assets assigned and those received.

Healthbit Performasys Tecnologia Inteligência S.A. - The Company computed goodwill of R\$ 5,616 in the business combination with Healthbit Performasys Tecnologia Inteligência S.A., occurred on March 9, 2021, which is based on expected future profitability arising from the difference between the balances of assets assigned and those received.

Aplissoftware Tecnologia Ltda. - The Company computed goodwill of R\$ 90,086 in the business combination with Aplissoftware Tecnologia Ltda. occurred on December 22, 2021, which is based on expected future profitability arising from the difference between the balances of assets assigned and those received.

Full Nine Digital Consultoria Ltda. - The Company computed goodwill of R\$ 7,120 in the acquisition of interest in Full Nine Digital Consultoria Ltda. occurred on December 10, 2021, which is based on expected future profitability arising from the difference between the balances of assets assigned and those received.

11.3. Changes in the provision for drugstore closures

The changes in the provision for closure of drugstores is shown by the Parent Company:

	Provision	Amortization	Total intangible assets
At January 1, 2021	(2,287)	1,443	(844)
Additions	(1,992)	905	(1,087)
Reversals	2,287	(1,443)	844
At June 30, 2021	(1,992)	905	(1,087)
Additions	(1,589)	1,158	(431)
Reversals	3,205	(1,971)	1,234
At December 31, 2021	(376)	92	(284)
Additions	(4,555)	2,752	(1,803)
Reversals	2,522	(1,399)	1,123
Changes, net	(2,033)	1,353	(680)
Balance at June 30, 2022	(2,409)	1,445	(964)

12. Employee benefits

(a) Profit sharing program

The Group has a profit sharing and bonus program intended mainly to measure the performance of employees during the period. Both programs have a formal plan and the amounts payable may be reasonably estimated before the information preparation period, and settled in the short term. On a monthly basis, a liability and an expense for profit sharing are recognized in the statement of income based on estimates of achievement of operating targets and specific objectives established and approved by Management. The recognition as liabilities is made in the account of salaries and social charges and in the statement of income the recognition is made in the account of selling expenses and general and administrative expenses (Note 21).

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(b) Other benefits

Other short-term benefits are also granted to employees, such as life insurance, health and dental care, housing allowance, maternity leave and scholarship, which are recognized on an accrual basis and whose right is extinguished at the end of the employment relationship with the Group.

The Group does not grant post-employment benefits such as "Plano Gerador de Benefício Livre" (PGBL), "Vida Gerador de Benefício Livre" (VGBL), defined benefit pension plan and/or any retirement or post-employment assistance plan, severance pay benefits or other long-term benefits.

Part of the benefits granted to the officers include a restricted share plan, classified as an equity instrument. The fair value of share-based payments is recognized in profit or loss in accordance with the granting period, against equity (see Note 19 d).

13. Trade payables

Trade payables items	Parent Company		Consolidated	
	Jun/22	Dec/21	Jun/22	Dec/21
Goods suppliers	3,246,305	3,327,184	3,427,016	3,496,652
Service providers	122,935	141,496	126,331	144,064
Materials suppliers	22,186	37,800	22,425	38,024
Assets suppliers	8,749	19,492	9,169	19,802
Adjustment to present value	(44,598)	(40,644)	(46,396)	(41,935)
Total	3,355,577	3,485,328	3,538,545	3,656,607

In the first six-month period of 2022, certain suppliers have assigned Company notes, without right of subrogation, allowing its suppliers to advance their receivables. This advance on credit notes generated a financial gain to the Company in the amount of R\$ 5,057 (R\$ 6,170 in the second quarter of 2021). In this operation, the financial institution takes into consideration the credit risk of the buyer (in this case, the Company). There is no change in the pre-established terms and other conditions after the assignment of the credit. In addition, there is no obligation that results in any expense for the Company. The Company's Management also considered the guidance in CVM Circular Letter SNC/SEP 01/2021, observing the qualitative aspects on the issue, and concluded that there are no impacts because there is no change in the conditions originally agreed with suppliers and because of its low gearing ratio.

(A free translation of the original in Portuguese)

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14. Borrowings, debentures and promissory notes

(a) Breakdown

Borrowings items	Average annual long-term interest rate	Parent Company		Consolidated	
		Jun/22	Dec/21	Jun/22	Dec/21
Promissory Notes					
1st issue of promissory notes	100.00% of CDI + 3.00% p.a.	-	333,460	-	333,460
Total Promissory Notes		-	333,460	-	333,460
Debentures					
1st issue of debentures		-	33,808	-	33,808
2nd issue of debentures	104.75% of CDI	91,505	135,773	91,505	135,773
3rd issue of debentures - CRIs	104.50% of CDI	254,808	250,947	254,808	250,947
4th issue of debentures	98.50% of CDI	301,124	300,804	301,124	300,804
5th issue of debentures	106.99% of CDI	521,748	-	521,748	-
6th issue of debentures - CRIs	100.00% of CDI + 1.49% p.a.	253,701	-	253,701	-
7th issue of debentures - CRIs	100.00% of CDI + 0.70% p.a.	550,261	-	550,261	-
Total Debentures		1,973,147	721,332	1,973,147	721,332
Borrowings					
Direct loans - Law 4,131	100.00% of CDI + 2.61% p.a.	310,686	307,163	310,686	307,163
Direct loans - Law 4,131	100.00% of CDI + 3.30% p.a.	-	100,052	-	100,052
Direct loans - Law 4,131	100.00% of CDI + 1.40%	-	-	40,000	-
Direct loans - Law 4,131	100,00% of CDI + 1.37%	-	-	45,688	-
Other	100.00% of CDI + 2.95% p.a.	-	-	58	43,060
Other BNDES – Subloan	-	-	155	-	155
Total Borrowings		310,686	407,370	396,432	450,430
Total		2,283,833	1,462,162	2,369,579	1,505,222
Current liabilities		142,482	571,549	228,200	613,831
Non-current liabilities		2,141,351	890,613	2,141,379	891,391

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The amounts above have the following payment flow forecast:

Payment forecast	Parent Company		Consolidated	
	Jun/22	Dec/21	Jun/22	Dec/21
2022	99,573	571,549	99,603	613,831
2023	42,013	43,105	127,729	43,883
2024 and thereafter	2,142,247	847,508	2,142,247	847,508
Total	2,283,833	1,462,162	2,369,579	1,505,222

(b) Characteristics of the debentures and promissory notes

Promissory Notes

Type of issue	Issue amount	Quantity outstanding	Issue	Maturity	Annual charges	Unit price
1st issue – single series	R\$ 300,000	60	04/24/2020	2020-2022	CDI + 3.00%	R\$ 5,000

On April 24, 2020, the Company carried out the 1st issue of promissory notes in a single series for public distribution with restricted efforts (CVM 476), in the amount of R\$ 300,000, with remuneration of 100% of the cumulative variation of the average daily rates of the DI, plus a surcharge of 3.00% p.a. and payment term of two years. Interest payment and amortization of principal will be carried out on the maturity date. The funds were used to improve the working capital.

The contract was fully settled on April 25, 2022, on the due date.

Debentures

Type of issue	Issue amount	Quantity outstanding	Issue	Maturity	Annual charges	Unit price
1st issue – Single Series	R\$ 300,000	30,000	04/19/2017	2017-2022	104.75% of CDI	R\$ 10
2nd issue - 9 Series	R\$ 400,000	40,000	04/02/2018	2018-2023	104.50% of CDI (*)	R\$ 10
3rd issue – Single Series	R\$ 250,000	250,000	03/15/2019	2019-2026	98.50% of CDI	R\$ 1
4th issue – Single Series	R\$ 300,000	300,000	06/17/2019	2019-2027	106.99% of CDI	R\$ 1
5th issue – Single Series	R\$ 500,000	500,000	01/25/2022	2022-2029	100% of CDI + 1.49% p.a.	R\$ 1
6th issue – Single Series	R\$ 250,000	250,000	03/07/2022	2022-2027	100% of CDI + 0.70% p.a.	R\$ 1
7th issue – Single Series	R\$ 550,000	550,000	06/26/2022	2028-2029	100% of CDI + 0.75% p.a.	R\$ 1

(*) Weighted average rate of series.

On April 19, 2017, the Company carried out the 1st issue of non-convertible, simple, unsecured debentures in a single series in the total amount of R\$ 300,000, with remuneration of 104.75% of CDI and payment term of 60 months. The principal will be amortized in nine semiannual and consecutive installments, the first from the twelfth month after issuance and the interest payments will be semi-annual, with the first payment due in October 2017 and the remaining payments in April and October of each year until the due date. Debentures were used by the Company as an instrument to strengthen its working capital.

The contract of the 1st issue of simple debentures was fully settled on the due date, on April 19, 2022.

On April 2, 2018, the Company carried out the 2nd issue of simple debentures with payment term of 60 months (April/2023). The amortization of the principal related to the 2nd issue of debentures will occur in 9 semiannual consecutive installments, the first being from the 12th month after the issue. The payment of the remuneration will occur on a semiannual basis, and the first payment is due in April 2019, and others always in April and October of each year, until the due date.

On February 1, 2019, the Company approved, through the Extraordinary Meeting of the Board of Directors, the 3rd issue of non-convertible, simple unsecured debentures in a single series, in the total amount of R\$ 250,000, with remuneration of 98.5% of CDI and payment term of seven years. Interest payments will be semi-annual, and principal will be amortized

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in two equal annual and consecutive installments, the last installment to be paid on March 13, 2026. The funds raised are being used for the construction, expansion, development and renovation of certain properties indicated by the Company. This operation is linked to the real estate receivables certificates issued by Vert Companhia Securitizadora, which will be issued with guarantee in the "CRI" debentures, object of a public offering for distribution under CVM Instruction 400.

On June 17, 2019, the Company carried out the 4th issue of non-convertible, simple unsecured debentures in a single series in the total amount of R\$ 300,000 for public distribution with restricted efforts (CVM 476), with settlement on July 12, 2019, in the amount of R\$ 300,000, with remuneration of 106.99% of CDI and payment term of eight years. Interest payments will be semi-annual, and principal will be amortized in two equal annual and consecutive installments, the last installment to be paid on June 17, 2027. The funds were used to improve the working capital.

On January 25, 2022, the Company carried out the 5th issue of non-convertible, simple unsecured debentures in a single series in the total amount of R\$ 500,000 for public distribution with restricted efforts (CVM 476), with settlement on February 16, 2022, in the amount of R\$ 500,000, with remuneration of 100% of CDI, plus a surcharge of 1.49% per year, and payment term of seven years. Interest payments will be semi-annual and principal will be amortized in two equal annual and consecutive installments, the last installment to be paid on January 25, 2029. The funds will be used to improve the working capital.

On March 7, 2022, the Company carried out the 6th issue of non-convertible, simple unsecured debentures in a single series in the total amount of R\$ 250,000 for public distribution with restricted efforts (CVM 476), with settlement on March 17, 2022, in the amount of R\$ 250,000, with remuneration of 100% of CDI, plus a surcharge of 0.70% per year, and payment term of five years. Interest payments will be semi-annual, and principal will be amortized in two equal annual and consecutive installments, the last installment to be paid on March 8, 2027. The funds raised will be used for the construction, expansion, development and renovation of certain properties indicated by the Company. This operation is linked to the real estate receivables certificates issued by True Securitizadora, which will be issued with guarantee in the "CRI" debentures, object of a public offering for distribution under CVM Instruction 400.

On June 26, 2022, the Company carried out the 7th issue of non-convertible, simple unsecured debentures in a single series in the total amount of R\$ 550,000 for public distribution with restricted efforts (CVM476), with settlement on June 29, 2022, in the amount of R\$ 550,000, with remuneration of 100% of the cumulative variation of the average daily rates of the DI, plus a surcharge of 0.75% per year and payment term of five years. Interest payments will be semi-annual, and principal will be amortized in two equal annual and consecutive installments, the last installment to be paid on June 25, 2029. The funds raised will be used for the construction, expansion, development and renovation of certain properties indicated by the Company. This operation is linked to the real estate receivables certificates issued by Vert Companhia Securitizadora, which will be issued with guarantee in the "CRI" Debentures, object of a public offering for distribution under CVM 400.

The costs incurred on the issues of the Company's debentures (2017 - 1st issue, 2018 - 2nd issue, 2019 - 3rd and 4th issues, 2022 - 5th, 6th and 7th issues), including fees, commissions and other costs, totaled R\$ 22,647 and are classified in the line item of the respective debentures and are being recognized over the total period of the debt. At June 30, 2022, the amount to be recognized was R\$ 11,108 (R\$ 5,430- Dec/2021), and is presented net in the debentures balance.

The Company's debentures are conditioned to the compliance with the following covenants:

(i) Net Debt / EBTIDA: cannot exceed 3 times.

The calculation of net debt, the basis for determining the covenants calculation of Company's debentures and promissory notes considers the balances of borrowings. As described in Note 14, the lease obligations are being presented in a separate line item in the financial statements, and therefore, are not included in the net debt calculation.

Covenants are measured quarterly and, at June 30, 2022, the Company was in compliance with such requirements.

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The non-compliance with the covenants for two consecutive quarters can be considered as a default event and consequently result in early maturity.

The Group monitors clauses subject to compliance with non-financial covenants, in order to ensure that they are being complied with. At June 30, 2022, the Company was in compliance with these covenants.

(c) Characteristics of borrowings

On April 8, 2020, the Company carried out loan operation – 4131, in the amount of R\$ 100,000, with remuneration of 100% of the cumulative variation of the average daily rates of the CDIs, plus a surcharge of 3.30% per year and payment term of two years. Interest payments will be quarterly and amortization of principal will be carried out on the maturity date. The funds were used to improve the working capital.

The contract was settled on March 29, 2022, in the amount of R\$ 100,000.

On March 26, 2021, the Company carried out loan operation – 4131, in the amount of R\$ 300,000, with remuneration of 100% of the cumulative variation of the average daily rates of the CDI, plus a surcharge of 2.61% per year and payment term of three years. Interest payments will be semi-annual and amortization of principal will be carried out on the maturity date. The funds were used to improve the working capital.

The transaction costs incurred in borrowings - 4131 are of 0.25% referring to the amount of R\$ 100,000, with a term of two years, and 0.30% referring to the amount of R\$ 300,000, with a term of three years, including fees, commissions and other costs, which amounted to R\$ 2,005 and are classified in line item of the respective borrowings, and are being recognized over the total period of the debt. At June 30, 2022, the amount to be recognized was R\$ 500 (R\$ 693 - Dec/21), and is presented net in the borrowings balance.

The borrowings - 4131 are not conditioned to compliance with financial and non-financial covenants.

(d) Reconciliation of net debt

The analysis of and the changes in net debt are presented below:

Composition and changes in net debt	Parent Company		Consolidated	
	Jun/22	Dec/21	Jun/22	Dec/21
Short-term borrowings	142,482	571,549	228,200	613,831
Long-term borrowings	2,141,351	890,613	2,141,379	891,391
Total debt	2,283,833	1,462,162	2,369,579	1,505,222
(-) Cash and cash equivalents (Note 5)	(767,362)	(316,654)	(818,806)	(356,118)
Net debt	1,516,471	1,145,508	1,550,773	1,149,104

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	Parent Company		
	Borrowings	Cash and cash equivalents	Net debt
Changes in net debt			
Net debt at January 1, 2020	1,620,001	(855,257)	764,744
Funding	299,010	-	299,010
Accrued interest	30,904	-	30,904
Payment of interest	(28,844)	-	(28,844)
Amortization of principal	(406,787)	-	(406,787)
Amortization of transaction costs	2,388	-	2,388
Decrease in cash and cash equivalents	-	613,169	613,169
Net debt at June 30, 2021	1,516,672	(242,088)	1,274,584
Funding	(136)	-	(136)
Accrued interest	56,868	-	56,868
Payment of interest	(35,245)	-	(35,245)
Amortization of principal	(77,930)	-	(77,930)
Amortization of transaction costs	1,933	-	1,933
Increase in cash and cash equivalents	-	(74,566)	(74,566)
Net debt at December 31, 2021	1,462,162	(316,654)	1,145,508
Funding	1,292,511	-	1,292,511
Accrued interest	107,354	-	107,354
Payment of interest	(102,310)	-	(102,310)
Amortization of principal	(477,890)	-	(477,890)
Amortization of transaction costs	2,006	-	2,006
Increase in cash and cash equivalents	-	(450,708)	(450,708)
Net debt at June 30, 2022	2,283,833	(767,362)	1,516,471
	Consolidated		
	Borrowings	Cash and cash equivalents	Net debt
Changes in net debt			
Net debt at January 1, 2020	1,653,454	(880,357)	773,097
Funding	337,247	-	337,247
Borrowings in business combinations	1,763	-	1,763
Accrued interest	31,518	-	31,518
Payment of interest	(29,616)	-	(29,616)
Amortization of principal	(439,716)	-	(439,716)
Amortization of transaction costs	2,388	-	2,388
Decrease in cash and cash equivalents	-	613,672	613,672
Net debt at June 30, 2021	1,557,038	(266,685)	1,290,353
Funding	987	-	987
Accrued interest	58,439	-	58,439
Payment of interest	(35,245)	-	(35,245)
Amortization of principal	(77,930)	-	(77,930)
Amortization of transaction costs	1,933	-	1,933
Increase in cash and cash equivalents	-	(89,433)	(89,433)
Net debt at December 31, 2021	1,505,222	(356,118)	1,149,104
Funding	1,442,588	-	1,442,588
Accrued interest	110,887	-	110,887
Payment of interest	(107,111)	-	(107,111)
Amortization of principal	(584,013)	-	(584,013)
Amortization of transaction costs	2,006	-	2,006
Increase in cash and cash equivalents	-	(462,688)	(462,688)
Net debt at June 30, 2022	2,369,579	(818,806)	1,550,773

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**15. Leases****As a lessee**

Right-of-use asset

Breakdown of Parent Company and Consolidated right-of-use:

Right-of-use asset	Parent Company		Consolidated	
	Jun/22	Dec/21	Jun/22	Dec/21
Operating real estate	3,003,620	3,041,467	3,003,620	3,041,468
Residential real estate	16,691	11,537	17,343	12,207
Distribution/administrative centers	364,628	274,018	367,313	276,290
Vehicles	127	602	127	602
Total	3,385,066	3,327,624	3,388,403	3,330,567

The changes in the Parent Company and Consolidated right-of-use are presented below:

	Parent Company					
	Operating real estate	Residential real estate	Distribution/administrative centers	Vehicles	Equipment	Total
At 01/01/2021	2,894,417	9,380	254,410	152	35	3,158,394
New agreements	148,179	5,139	-	472	-	153,790
Remeasurements ⁽ⁱ⁾	253,190	369	55,484	300	4	309,347
Termination of agreements	(30,595)	(961)	-	-	(34)	(31,590)
Depreciation	(303,418)	(1,205)	(26,690)	(16)	(5)	(331,334)
At 06/30/2021	2,961,773	12,722	283,204	908	-	3,258,607
New agreements	160,506	4,844	70	(160)	-	165,260
Remeasurements ⁽ⁱ⁾	270,636	(1,525)	20,344	(129)	4	289,330
Termination of agreements	(15,080)	(3,167)	(14)	-	(1)	(18,262)
Depreciation	(336,368)	(1,337)	(29,586)	(17)	(3)	(367,311)
At 12/31/2021	3,041,467	11,537	274,018	602	-	3,327,624
New agreements	221,192	8,400	-	-	-	229,592
Remeasurements ⁽ⁱ⁾	110,197	(1,392)	123,238	(47)	-	231,996
Termination of agreements	(7,087)	(480)	-	(356)	-	(7,923)
Depreciation	(362,149)	(1,374)	(32,628)	(72)	-	(396,223)
At 06/30/2022	3,003,620	16,691	364,628	127	-	3,385,066

	Consolidated					
	Operating real estate	Residential real estate	Distribution/administrative centers	Vehicles	Equipment	Total
At 01/01/2021	2,894,417	9,459	257,181	153	35	3,161,245
New agreements	148,179	5,139	-	471	-	153,789
Remeasurements ⁽ⁱ⁾	253,190	529	56,078	300	4	310,101
Termination of agreements	(30,595)	(961)	(63)	-	(34)	(31,653)
Depreciation	(303,418)	(1,241)	(27,453)	(16)	(5)	(332,133)
At 06/30/2021	2,961,773	12,925	285,743	908	-	3,261,349
New agreements	160,506	4,923	488	(159)	-	165,758
Remeasurements ⁽ⁱ⁾	270,636	(1,089)	20,463	(129)	-	289,881
Termination of agreements	(15,080)	(3,167)	(14)	-	-	(18,261)
Depreciation	(336,368)	(1,385)	(30,390)	(17)	-	(368,160)
At 12/31/2021	3,041,467	12,207	276,290	603	-	3,330,567
New agreements	221,192	8,400	-	-	-	229,592
Remeasurements ⁽ⁱ⁾	110,197	(1,361)	124,501	(47)	-	233,290
Termination of agreements	(7,087)	(480)	-	(357)	-	(7,924)
Depreciation	(362,149)	(1,423)	(33,478)	(72)	-	(397,122)
At 06/30/2022	3,003,620	17,343	367,313	127	-	3,388,403

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(i) The Company remeasures the right-of-use asset in order to reflect changes in future payments; changes in terms initially determined for the implementation of NBC TG 06 (R3) / IFRS 16 - Leases and contracts recognized as operating leases (NBC TG 06 (R3) / IAS 17 - Leases), initially determined as short-term contracts.

Lease liabilities

The changes in the Parent Company and Consolidated lease liabilities are as follows:

Leases	Parent Company		Consolidated	
	Jun/22	Dec/21	Jun/22	Dec/21
Operating real estate	3,313,076	3,333,958	3,313,076	3,333,958
Residential real estate	(3,664)	(3,287)	(3,065)	(2,668)
Distribution/administrative centers	449,497	342,049	452,370	344,503
Vehicles	(3,864)	(2,817)	(3,864)	(2,817)
Equipment	(78)	(78)	(78)	(78)
Total	3,754,967	3,669,825	3,758,439	3,672,898

The changes in the Parent Company and Consolidated lease liabilities are as follows:

	Parent Company					
	Operating real estate	Residential real estate	Distribution/ administrative centers	Vehicles	Equipment	Total
At 01/01/2021	3,127,787	2,071	299,297	(1,188)	(17)	3,427,950
New agreements	148,179	5,139	-	471	-	153,789
Remeasurements ⁽ⁱ⁾	253,190	369	55,484	300	4	309,347
Interest	104,623	493	9,510	42	1	114,669
Payments / compensations	(407,618)	(6,946)	(24,952)	(1,117)	(38)	(440,671)
At 06/30/2021	3,226,161	1,126	339,339	(1,492)	(50)	3,565,084
New agreements	162,615	2,734	70	(158)	-	165,261
Remeasurements ⁽ⁱ⁾	270,637	(1,525)	20,343	(129)	4	289,330
Interest	110,436	478	9,822	56	1	120,793
Payments / compensations	(435,890)	(6,100)	(27,526)	(1,094)	(33)	(470,643)
At 12/31/2021	3,333,959	(3,287)	342,048	(2,817)	(78)	3,669,825
New agreements	221,192	8,400	-	-	-	229,592
Remeasurements ⁽ⁱ⁾	96,022	(2,352)	123,239	(759)	-	216,150
Interest	111,190	586	11,716	3	-	123,495
Payments / compensations	(449,287)	(7,011)	(27,506)	(291)	-	(484,095)
At 06/30/2022	3,313,076	(3,664)	449,497	(3,864)	(78)	3,754,967

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	Consolidated					
	Operating real estate	Residential real estate	Distribution/ administrative centers	Vehicles	Equipment	Total
At 01/01/2021	3,127,787	2,098	302,245	(1,188)	(17)	3,430,925
New agreements	148,179	5,139	-	471	-	153,789
Remeasurements ⁽ⁱ⁾	253,190	529	56,079	300	4	310,102
Interest	104,624	497	9,612	42	1	114,776
Payments / compensations	(407,619)	(6,985)	(25,877)	(1,117)	(38)	(441,636)
At 06/30/2021	3,226,161	1,278	342,059	(1,492)	(50)	3,567,956
New agreements	162,616	2,813	488	(158)	-	165,759
Remeasurements ⁽ⁱ⁾	270,636	(1,089)	20,462	(129)	4	289,884
Interest	110,435	482	9,917	56	1	120,891
Payments / compensations	(435,889)	(6,152)	(28,424)	(1,094)	(33)	(471,592)
At 12/31/2021	3,333,959	(2,668)	344,502	(2,817)	(78)	3,672,898
New agreements	221,192	8,400	-	-	-	229,592
Remeasurements ⁽ⁱ⁾	96,022	(2,321)	124,502	(759)	-	217,444
Interest	111,190	590	11,828	3	-	123,611
Payments / compensations	(449,287)	(7,066)	(28,462)	(291)	-	(485,106)
At 06/30/2022	3,313,076	(3,065)	452,370	(3,864)	(78)	3,758,439

(i) The Company remeasures the lease liabilities in order to reflect changes in future payments; changes in terms initially determined for the implementation of NBC TG 06 (R3) / IFRS 16 - Leases and contracts recognized as operating leases (NBC TG 06 (R3) / IAS 17 - Leases).

The maturities of lease liabilities are classified according to the following schedule:

Analysis of maturities - Lease liabilities	Parent Company		Consolidated	
	Jun/22	Dec/21	Jun/22	Dec/21
Less than 1 year	741,808	697,738	743,519	699,170
Current	741,808	697,738	743,519	699,170
1 to 5 years	2,477,237	2,517,686	2,478,998	2,519,327
Over 5 years	535,922	454,401	535,922	454,401
Non-current	3,013,159	2,972,087	3,014,920	2,973,728
Total	3,754,967	3,669,825	3,758,439	3,672,898

Future payments to be made to the lessor may give the Group the right to be credited with PIS and COFINS. Therefore, the recorded amount of the right-of-use asset against the lease liability already includes potential future credit.

The potential right to PIS / COFINS recoverable embedded in future lease payments is presented below:

Future considerations	Parent Company / Consolidated	Potential PIS / COFINS (9.25%)
Less than 1 year	563,151	52,091
1 to 2 years	609,775	56,404
2 to 3 years	453,187	41,920
3 to 4 years	380,687	35,214
4 to 5 years	340,258	31,474
Over 5 years	686,894	63,538
Total	3,033,952	280,641

The right to use PIS/COFINS credits comprises only contracts whose lessor is a legal entity. The Company has lease contracts for both lessors, corporate and individual.

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In compliance with CVM Circular Letter 02/2019 and NBC TG 06 (R3) / IFRS 16, justified by the fact that the Group has not applied the methodology of nominal flows due to the prohibition imposed by NBC TG 06 (R3) of future inflation projection and in order to provide additional information to users, the analysis of contract maturities and installments not yet discounted at June 30, 2022 is presented below:

Year	Parent Company			Consolidated		
	Net present value	Estimated interest (future) ⁽¹⁾	Amounts of installments not yet discounted	Net present value	Estimated interest (future) ⁽¹⁾	Amounts of installments not yet discounted
2022	342,522	(115,354)	457,876	344,556	(115,031)	459,587
2023	728,577	(194,830)	923,407	728,577	(194,830)	923,407
2024	672,795	(149,505)	822,300	672,795	(149,505)	822,300
2025	580,884	(109,146)	690,030	580,884	(109,146)	690,030
2026	457,285	(75,948)	533,233	457,285	(75,948)	533,233
2027	320,241	(51,114)	371,355	321,679	(50,756)	372,435
2028 and thereafter	652,663	(96,510)	749,173	652,663	(96,510)	749,173
Total	3,754,967	(792,407)	4,547,374	3,758,439	(791,726)	4,550,165

The present value of the leases payable was calculated considering the projection of future fixed payments, discounted at the rate of 12.90% p.a. (6.69% p.a. - Dec/21), which was built from the basic interest rate released by the Central Bank of Brazil (BACEN).

Amount recognized in the statement of income

Amount recognized in the statement of income	Parent Company		Consolidated	
	Jun/22	Jun/21	Jun/22	Jun/21
Amortization of right-of-use asset	396,223	331,332	397,123	332,132
Interest on lease liabilities	123,495	114,669	123,611	114,774
Adjustment for lease write-off (contracts terminated)	(636)	(868)	(636)	(868)
Variable payments not included in the measurement of lease liabilities	81,084	21,688	81,605	21,902
Revenue on subleases of right-of-use assets	(2,061)	(1,388)	(2,061)	(1,388)
Expenses related to short-term and/or low-value leases	2,705	9,218	2,705	9,218
Discounts on property rental	(868)	(4,546)	(868)	(4,546)

(i) Payment of variable leases based on sales

Some operating real estate leases contain variable lease payments based on a percentage of 2% to 12% of the sales made during the period in the leased operating real estate. These payment conditions are common for stores in the country where the Group operates. Variable lease payments for the six-month period ended June 30, 2022 amounted to R\$ 1,627 (R\$ 2,242 in Jun/2021) for Parent Company and consolidated accounts.

(ii) Leases fitting into exceptions and practical expedients

The lease agreements identified and that fall within the scope of exemption mainly refer to lease of printers, forklifts, cardiotech scales, power generators, electron aligners and photovoltaic plates.

The Group also leases equipment with contracts of up to one year. These leases are short-term and/or low-value leases. The Group opted not to recognize the right-of-use assets and the lease liabilities of such items.

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As a lessor

The Group subleases some of the properties to third parties. The Group has classified these leases as operating leases because they do not transfer substantially all the risks and rewards of ownership of assets.

The table below presents an analysis of maturities of lease payments, showing undiscounted lease payments to be received after the reporting date:

Undiscounted lease payments	Parent Company and Consolidated	
	Jun/22	Dec/21
Less than 1 year	1,621	1,816
1 to 2 years	1,202	1,391
2 to 3 years	1,020	1,124
3 to 4 years	251	656
4 to 5 years	186	186
Over 5 years	791	883
Total	5,071	6,056

16. Provision for contingencies and judicial deposits

Breakdown of balances and changes in provisions

At June 30, 2022, the Group had the following provision and corresponding judicial deposits relating to legal proceedings:

Judicial deposits items	Parent Company		Consolidated	
	Jun/22	Dec/21	Jun/22	Dec/21
Labor and social security	93,120	86,900	93,120	86,900
Tax	12,375	16,217	12,568	16,410
Civil	3,657	2,487	3,657	2,487
Subtotal	109,152	105,604	109,345	105,797
(-) Corresponding judicial deposits	(8,499)	(9,129)	(8,499)	(9,129)
Total	100,653	96,475	100,846	96,668
Current liabilities	47,909	43,560	47,909	43,560
Non-current liabilities	52,744	52,915	52,937	53,108

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Changes in the provision are as follows:

Changes in the contingencies	Parent Company	Consolidated
At January 1, 2021	114,651	114,840
Additions of new lawsuits and review of estimate	23,620	90,834
Reversals by concluded lawsuits	(8,156)	(8,156)
Write-offs for payments	(26,762)	(26,762)
Constitution/(Reversals) due to changes in lawsuits	239	239
Revaluation of amounts	(20)	(20)
Monetary adjustment	3,296	3,296
At June 30, 2021	106,868	174,271
Additions of new lawsuits and review of estimate	24,757	(42,457)
Reversals by concluded lawsuits	(8,431)	(8,431)
Write-offs for payments	(24,310)	(24,310)
Constitution/(Reversals) due to changes in lawsuits	3,030	3,030
Revaluation of amounts	(212)	(212)
Monetary adjustment	3,902	3,906
At December 31, 2021	105,604	105,797
Additions of new lawsuits and review of estimate	27,622	27,622
Reversals by concluded lawsuits	(4,754)	(4,754)
Write-offs for payments	(23,402)	(23,402)
Constitution/(Reversals) due to changes in lawsuits	(3,500)	(3,500)
Revaluation of amounts	5,944	5,944
Monetary adjustment	1,637	1,637
At June 30, 2022	109,151	109,344

The provision for legal claims took into consideration the best estimate of the amounts involved, for the cases in which the likelihood of loss is estimated as probable, and a portion of these proceedings is guaranteed by pledged assets.

Possible losses

At June 30, 2022, the Group has tax and civil lawsuits related to fines applied by the relevant administrative authorities, tax rate difference in interstate transfers and tax enforcements as well as of civil nature due to indemnity claims for losses and pain and suffering arising from consumer relations, involving possible loss as assessed by Management and its legal advisors in the amount of R\$ 50,384 (R\$ 47,779 - Dec/21) for Parent Company and Consolidated, of which R\$ 3,559 (R\$ 2,583- Dec/21) refers to the labor/social security contingencies, R\$ 4,492 (R\$ 4,591 - Dec/21) to the civil contingencies and R\$ 42,334 (R\$ 40,605 - Dec/21) to tax contingencies.

Judicial deposits

At June 30, 2022, the Group had the following judicial deposit amounts, for which no corresponding provision had been set up:

Analysis of judicial deposits	Parent Company		Consolidated	
	Jun/22	Dec/21	Jun/22	Dec/21
Labor and social security	3,088	10,575	3,088	10,575
Tax	14,023	13,844	67,942	17,923
Civil	3,972	3,470	3,972	3,470
(-) Corresponding judicial deposits	(3,986)	(2,017)	(3,986)	(2,017)
Total	17,097	25,872	71,016	29,951

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Labor contingencies

Labor claims in general relate to lawsuits filed by former employees questioning the payment of unpaid overtime and health hazard premium. The Group is also involved in proceedings arising from Raia S.A., as well as from Drogaria Onofre Ltda., which were filed by former employees of service providers claiming to have employment relationships directly with the Group, or in which the Group received a joint enforcement order for the payment of the labor rights claimed. There are also proceedings filed by professional unions for the payment of union dues, under the dispute regarding the legitimacy of the territorial base.

Tax contingencies

These represent administrative fines, tax rate differences on interstate transfers and tax collection proceedings.

Civil contingencies

The Group is a defendant in lawsuits regarding usual and unique matters arising in the course of its business, most of which seek indemnification for property damage and pain and suffering from consumption relations.

Guarantees for lawsuits

The items of property and equipment were given as security for tax, social security and labor proceedings:

Guarantees for lawsuits	Parent Company / Consolidated	
	Jun/22	Dec/21
Furniture and facilities	10	10
Machinery and equipment	85	85
Total guarantees for lawsuits	95	95

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17. Income tax and social contribution

17.1. Breakdown of current income tax and social contribution and effective rate

	Parent Company		Consolidated	
	Jun/22	Jun/21	Jun/22	Jun/21
Income tax and social contribution paid items				
Profit before income tax and social contribution	588,862	589,734	678,572	596,821
Interest on capital and additional interest on capital proposed	(140,000)	(94,000)	(140,000)	(94,000)
Taxable profit	448,862	495,734	538,572	502,821
Combined tax rate (25% for income tax and 9% for social contribution)	34,00%	34,00%	34,00%	34,00%
Theoretical tax expense	(152,613)	(168,550)	(183,114)	(170,959)
Permanent additions	22,423	(12,841)	24,910	(25,881)
Equity in the results of subsidiaries	16,227	(5)	16,323	(1,020)
Reduction of taxes due to incentives (P.A.T)	2,727	3,351	2,727	3,351
Investment grant ⁽ⁱ⁾	19,957	15,036	23,671	27,614
Tax loss and negative CSLL basis	-	-	(5,330)	(264)
Provisions with no deferred charges	-	-	-	5
Other (revaluation reserve + additional income tax exemption ceiling)	54	326	66	344
Result of current income tax and social contribution	(131,615)	(186,191)	(143,223)	(192,025)
Result of deferred income tax and social contribution	40,390	23,508	22,477	25,215
Income tax and social contribution expense	(91,225)	(162,683)	(120,746)	(166,810)
Effective tax rate ⁽ⁱⁱ⁾	15.49%	27.59%	17.79%	27.95%

(i) Beginning in the third quarter of 2018, the Group considers as deductible, for income tax purposes, the gains arising from the ICMS tax benefits in the states of Bahia, Goiás and Pernambuco, established by Supplementary Law 160/17, agreement ICMS CONFAZ 190/17, and the amendment to Law 12,973/2014. The total amount of these tax benefits in the three-month period ended June 30, 2022 was R\$ 58,697 (R\$ 44,224 - June/2021).

(ii) Based on the best estimate made up to this moment, the average annual effective rate will be 26.25% and, therefore, we do not expect significant variations in relation to the real rate calculated for the quarter. In case of any event that may cause changes to the estimated annual percentage, the amounts recognized related to expense on tax on profit and social contribution for the interim period will be adjusted in subsequent periods.

17.2. Deferred income tax and social contribution are comprised as follows:

Deferred income tax and social contribution assets amounting to R\$ 307,531 at June 30, 2022 (R\$ 278,462 – Dec/ 2021) for the Parent Company and R\$ 338,568 at June 30, 2022 (R\$ 327,509 – Dec/2021) for the Consolidated accounts arose from temporarily non-deductible expenses that may be carried forward indefinitely, with estimated realization as disclosed in item (c) below.

Deferred income tax and social contribution liabilities amounting to R\$ 354,617 at June 30, 2022 (R\$ 365,981 - Dec/2021) for the Parent Company and R\$ 356,012 at June 30, 2022 (R\$ 367,473 - Dec/2021) for the Consolidated accounts relate to tax charges on the remaining balances of: (i) the revaluation reserve; (ii) surplus value PPA (Purchase Price Allocation) Raia; (iii) gain on bargain purchase.

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For the six-month periods ended June 30, 2022 and 2021, deferred income and social contribution were as follows:

	Balance sheet				Statement of income			
	Parent Company		Consolidated		Parent Company		Consolidated	
	Jun/22	Dec/21	Jun/22	Dec/21	Jun/22	Jun/21	Jun/22	Jun/21
Temporary differences								
Revaluation at fair value of land and buildings	(6,673)	(6,715)	(6,673)	(6,715)	-	-	-	-
Amortization of the goodwill on future profitability	(245,216)	(245,152)	(245,216)	(245,152)	64	64	64	64
Non-deductible intangible assets - merger of Raia	(53,725)	(53,803)	(53,725)	(53,803)	(78)	(78)	(78)	(78)
Non-deductible intangible assets - acquisition of 4Bio	-	-	(1,395)	(1,492)	-	-	(95)	(68)
Gain on bargain purchase – acquisition of Onofre	(49,003)	(60,311)	(49,003)	(60,311)	(11,308)	(11,308)	(11,308)	(11,308)
Tax losses to be offset against future taxable profits	-	-	17,738	22,697	-	-	4,958	2,296
Adjustment to present value	2,165	(2,103)	2,803	(1,774)	(4,267)	(1,222)	(4,577)	(1,281)
Adjustment to fair value	6,994	6,473	6,994	6,473	(521)	(466)	(521)	(466)
Provision for inventory losses	13,565	11,089	13,565	11,089	(2,476)	(1,786)	(2,476)	(1,786)
Provision for sundry obligations	74,832	73,317	74,937	73,461	(1,515)	2,501	(1,476)	2,397
Provision for employee profit sharing	23,554	24,169	24,773	25,701	614	241	927	280
Provision for contingencies	35,404	32,919	45,085	32,919	(2,486)	2,634	10,814	2,634
Expected credit losses	1,733	1,346	3,356	25,662	(388)	(162)	(676)	(3,968)
Lease (depreciation x consideration)	121,033	115,018	121,066	115,047	(6,015)	(13,157)	(6,019)	(13,162)
Other adjustments	28,251	16,234	28,251	16,234	(12,014)	(769)	(12,014)	(769)
Effective income tax and social contribution expense	-	-	-	-	(40,390)	(23,508)	(22,477)	(25,215)
Deferred tax liabilities, net	(47,086)	(87,519)	(17,444)	(39,964)				
Reflected in the balance sheet as follows:								
Deferred tax assets	307,528	278,462	307,528	278,462				
Deferred tax liabilities	(354,614)	(365,981)	(356,010)	(367,473)				
Deferred tax liabilities, net	(47,086)	(87,519)	(48,482)	(89,011)				
Deferred tax assets – Subsidiary – 4Bio	-	-	31,038	49,047				
Reconciliation of deferred tax assets (liabilities), net								
At the beginning of the period	(87,519)	(72,772)	(39,964)	(38,168)				
Expense recognized in the statement of income	40,390	(14,830)	22,478	(1,880)				
Realization of deferred tax recognized in equity	43	84	42	84				
Balance at the end of the period	(47,086)	(87,518)	(17,444)	(39,964)				

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17.3. Estimated recovery of income tax and social contribution credits

The projections of future taxable profits are based on estimates relating to the Group's performance, the behavior of the market in which the Group operates and certain economic aspects, among other factors. Actual amounts may differ from these estimates. According to projections, the tax credit will be recovered according to the following schedule:

Recovery forecast	Parent Company		Consolidated	
	Jun/22	Dec/21	Jun/22	Dec/21
2022	154,531	132,204	169,967	160,740
2023	53,346	51,000	61,831	62,412
2024	38,406	37,740	43,736	44,556
2025	22,329	20,579	24,111	22,856
2026 and thereafter	38,916	36,939	38,921	36,945
Total	307,528	278,462	338,566	327,509
Deferred tax assets on temporary differences, recorded net in liabilities	307,528	278,462	307,528	278,462
Deferred tax assets on tax losses in subsidiaries	-	-	31,038	49,047

17.4. Uncertainties over the IRPJ and CSLL tax treatment

The Company has four discussions in the administrative stage with the Brazilian Federal Revenue referring to the disallowance for tax amortization of goodwill arising from acquisitions of companies in the amount of R\$ 29,303, which, according to internal and external assessment of legal advisors, will probably be accepted in decisions of higher courts (probability of acceptance higher than 50%); for this reason, the Company did not record any IRPJ/CSLL liabilities in connection with these proceedings.

18. Earnings per share

Basic earnings per share are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of common shares outstanding during the period. Diluted earnings per share are calculated by adjusting the weighted average number of common shares outstanding to assume conversion of all potential common diluted shares.

The following table presents profit and stock information used for calculating basic and diluted earnings per share:

Earnings per share items	Parent Company / Consolidated	
	Jun/22	Jun/21
Basic		
Profit for the period	495,475	427,051
Weighted average number of common shares	1,647,555	1,649,216
Basic earnings per share - R\$	0.30073	0.25894
Diluted		
Profit for the period	495,475	427,051
Weighted average number of common shares adjusted for dilution effect	1,657,445	1,653,427
Diluted earnings per share - R\$	0.29894	0.25828

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19. Equity

(a) Capital

At June 30, 2022, the fully paid-up capital amounted to R\$ 2,500,000 (R\$ 2,500,000 - Dec/21), represented by 1,651,930,000 common registered book-entry shares with no par value, of which 1,208,406,110 were outstanding common shares (1,184,571,787 common shares - Dec/21).

Pursuant to the Company's bylaws, it is authorized to increase its capital up to the limit of 2,000,000,000 common shares, subject to the approval of the Board of Directors.

At June 30, 2022, the Company's ownership structure was as follows:

Ownership interest	Number of shares		Interest (%)	
	Jun/22	Dec/21	Jun/22	Dec/21
Controlling shareholders	439,341,323	462,587,838	26.60	28.00
Shares outstanding	1,208,406,110	1,184,571,787	73.15	71.71
Treasury shares	4,182,567	4,770,375	0.25	0.29
Total	1,651,930,000	1,651,930,000	100.00	100.00

The ownership interest of the controlling shareholders is represented by the families Pipponzi, Pires Oliveira and Galvão.

The change in the number of outstanding shares of the Company is as follows:

Changes	Shares outstanding
At January 1, 2021	1,072,442,905
(Purchase)/sale of restricted shares, net	112,128,882
At December 31, 2021	1,184,571,787
(Purchase)/sale of restricted shares, net	23,834,323
At June 30, 2022	1,208,406,110

At June 30, 2022, the Company's common shares were quoted at R\$ 19.20 (closing quote) (R\$ 24.30 at December 31, 2021).

(b) Revenue reserves

The legal reserve is set up at 5% of profit for the year, pursuant to Law 6,404/76, until it reaches 20% of the capital. In the year in which the legal reserve balance, plus the capital reserve amount, exceeds 30% of the capital, the allocation of part of the profit for the year to the legal reserve is not required.

The statutory reserve is established in the Company's bylaws, limited to 65% of the profit for the year, to set up the "Statutory Revenue Reserve", which has the purpose and objective of improving the Company's working capital, observing that its balance, except the Contingency Reserve and the Unrealized Revenue Reserve, cannot exceed 100% of the capital. Once this ceiling is reached, the General Meeting shall resolve, in accordance with article 199 of the Brazilian Corporation Law, on the excess, and shall invest it in the payment or increase of capital stock or in the distribution of dividends.

These refer to ICMS tax benefits obtained in the states of Bahia, Goiás and Pernambuco, as regulated by complementary Law 160/17, ICMS CONFAZ 190/17 agreement and amendment to Law 12,973/2014. Set up in accordance with the provisions of article 195-A of the Brazilian Corporate Law (as amended by Law 11,638/07). This reserve receives the portion of government subsidy recognized in profit or loss, as a deduction from sales taxes and allocated to it from the retained earnings account, accordingly, they are not included in the calculation basis of the minimum mandatory dividend.

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(c) Treasury shares

On August 10, 2021, the Board of Directors authorized, for a period of up to eighteen months, the purchase of up to 3,000,000 registered common shares with no par value issued by the Company to be held in treasury for subsequent sale or cancellation, without capital reduction ("Repurchase Program"). The Company exercised the acquisition of all of the shares provided in the Repurchase Program at September 30, 2021. The changes in treasury shares in the period ended June 30, 2022 are summarized below:

Changes in treasury shares	Parent Company	
	Number of shares	Amount of shares
At December 31, 2020	2,479,480	26,282
Shares delivered to executives related to the 3rd tranche of the 2017 grant, 2nd tranche of the 2018 grant and 1st tranche of the 2019 grant	(702,260)	(7,444)
Shares delivered to executives related to the 1st tranche of 2019, 2nd tranche of 2018 and 3rd tranche of 2017 of 4Bio.	(6,865)	(73)
Acquisition of shares issued by the Company	3,000,000	73,228
Shares acquired through the right of withdrawal of dissenting shareholders (total in the year of 20 common shares at a cost of R\$ 2.64 per share)	20	-
At December 31, 2021	4,770,375	91,993
Shares delivered to executives related to the 3rd tranche of the 2018 grant, 2nd tranche of the 2019 grant and 1st tranche of the 2020 grant	(581,512)	(15,468)
Shares delivered to executives related to the 1st tranche of 2020, 2nd tranche of 2019 and 3rd tranche of 2018 of 4Bio.	(6,296)	(61)
At June 30, 2022	4,182,567	76,464

At June 30, 2022, the market value of the treasury shares, having as reference the quotation of R\$ 19.20 per share (R\$ 24.30 - Dec/21), corresponds to R\$ 80,305 (R\$ 115,920 - Dec/21).

(d) Restricted share plan

Long-Term Incentive Program

Since March 2014, the Company offers its officers the Long-Term Incentive Program with Restricted Shares (the "Restricted Share Plan"), which aims to offer an opportunity to receive variable remuneration provided that the officer remains for a predetermined period in the Company.

The maximum number of shares that may be delivered as a result of the exercise of the Plan is limited to 3% of the Company's Capital Stock during the entire term of the Plan. The reference price per restricted share, for the purpose of determining the target amount that will be granted to each Beneficiary will be equivalent to the average share price on B3 (weighted by the volume of trades) in the last thirty trading sessions preceding the grant.

As stated in the Restricted Share Plan, a portion of their annual variable remuneration (profit-sharing) will be paid to the officer in cash and the remaining balance shall be paid only in Company shares ("incentive stock").

If the officer decides to use a portion of the total amount of the variable remuneration paid in cash to buy Company shares ("own shares") on the stock exchange, the Company will offer the officer an equal number of shares purchased on the stock exchange.

At its discretion, the Company may grant to this officer more Company shares, using as reference the number of own shares acquired by the officer on the stock exchange.

The shares offered to the officer through the Restricted Share Plan may not be sold, assigned or transferred to third parties for a period of four years from the date of the grant. Every year, from the second, third and fourth anniversary of the grant

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date, the officers will acquire the right to receive a third of their restricted stock. The portion not exercised within the established terms and conditions will be automatically considered extinguished seven years after the respective grant date.

Performance shares

At a meeting of the Board of Directors on October 22, 2020, the granting of restricted shares was approved under the terms of the Restricted Share Granting Plan - Performance Shares ("Plan"), approved at the Extraordinary General Meeting of the Company held on September 15, 2020.

The purpose of the Plan is: (a) to foster the expansion, success and fulfillment of the corporate purposes of the Company and the companies under its control; (b) to align the interests of Beneficiaries with the interests of shareholders; and (c) to encourage Beneficiaries to stay in the Company or companies under its control. The Plan will be managed by the Board of Directors, and may have an advisory committee created or appointed by the Board of Directors to advise it in this respect. Beneficiaries will be chosen and elected by the Board of Directors at each new grant.

The maximum number of shares that may be delivered as a result of exercising the Plan is limited to 2% of the Company's Capital on the date of approval of the Plan. The reference price per restricted share, for the purpose of determining the target amount that will be granted to each Beneficiary will be equivalent to the average share price on B3 (weighted by the volume of trades) in the ninety trading sessions prior to January 1 of the year in which the grant occurs.

The definitive transfer of the Restricted Shares will be subject to the fulfillment of a four-year grace period from the grant date and, at the end of the grace period, the participant must be linked to the Company so that the grants are not canceled. Restricted Shares that have not yet completed the grace period will become due and will be transferred to the holders, their estate or heirs in the event of death, permanent disability or retirement. The Plan provides that the liquidation must occur through the transfer of shares, however, in the event that the Company does not have treasury shares at the time of liquidation and / or upon inability to acquire shares on the market, the Board of Directors may choose to settle the delivery of the Restricted Shares in cash.

Changes in restricted shares

The changes in restricted shares are summarized below:

Changes in restricted shares	Jun/22		Dec/21	
	Shares	Amount	Shares	Amount
Opening balance at January 1	2,079,742	36,152	1,261,394	27,206
Granted shares for the period	1,246,032	5,451	1,527,473	15,086
Value of the shares at the delivery date	(587,808)	(9,792)	(709,125)	(6,140)
Closing balance	2,737,966	31,811	2,079,742	36,152

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Position of the restricted share plan

Below is a breakdown of the assumptions that govern each grant plan:

Grants	Grant date	Number of shares granted ⁽ⁱ⁾	Date on which they will become exercisable	Period of restriction to share transfer	Fair value of shares on grant date ⁽ⁱ⁾
Long-Term Incentive Program					
2019 - 3rd tranche	03/01/2019	334,695	02/28/2023	02/28/2023	R\$ 12.77
2020 - 2nd tranche	03/01/2020	352,982	02/28/2023	02/28/2023	R\$ 24.89
2020 - 3rd tranche	03/01/2020	352,977	02/28/2024	02/28/2024	R\$ 24.89
2021 - 1st tranche	03/01/2021	274,596	02/28/2023	02/28/2023	R\$ 22.72
2021 - 2nd tranche	03/01/2021	274,596	02/28/2024	02/28/2024	R\$ 22.72
2021 - 3rd tranche	03/01/2021	274,596	02/28/2025	02/28/2025	R\$ 22.72
2022 - 1st tranche	03/01/2022	419,742	02/28/2024	02/28/2024	R\$ 23.90
2022 - 2nd tranche	03/01/2022	419,742	02/28/2025	02/28/2025	R\$ 23.90
2022 - 3rd tranche	03/01/2022	419,742	02/28/2026	02/28/2026	R\$ 23.90
Performance share					
2020 - 1st tranche	01/01/2020	350,421	01/01/2024	01/01/2025	R\$ 13.19
2021 - 1st tranche	01/01/2021	302,990	02/01/2025	01/01/2026	R\$ 13.19
2022 - 1st tranche	01/01/2022	305,348	02/01/2026	01/01/2027	R\$ 25.00

(i) After the application of the stock split effect, approved at the EGM held on September 15, 2020.

20. Net sales revenue

Breakdown of net revenue	Parent Company			
	2nd Quarter/22	Jun/22	2nd Quarter/21	Jun/21
Sales revenue	7,246,006	13,782,631	5,887,873	11,521,597
Service revenue	16,358	34,422	16,442	33,168
Gross sales revenue	7,262,364	13,817,053	5,904,315	11,554,765
Taxes on sales	(334,848)	(638,136)	(284,102)	(563,175)
Returns, rebates and other	(107,376)	(194,516)	(53,151)	(97,327)
Net sales revenue	6,820,141	12,984,402	5,567,062	10,894,263
Breakdown of net revenue	Consolidated			
	2nd Quarter/22	Jun/22	2nd Quarter/21	Jun/21
Sales revenue	7,622,837	14,574,846	6,226,223	12,188,971
Service revenue	18,325	38,806	18,939	35,699
Gross sales revenue	7,641,162	14,613,652	6,245,162	12,224,670
Taxes on sales	(342,871)	(654,761)	(315,153)	(624,864)
Returns, rebates and other	(119,529)	(217,627)	(61,745)	(111,490)
Net sales revenue	7,178,761	13,741,265	5,868,264	11,488,316

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21. Information on the nature of expenses recognized in the statement of income

The Group presented its statement of income using a classification based on the function of expenses. Information on the nature of these expenses is recorded in the statement of income as follows:

Parent Company

Nature of expenses	2nd		2nd	
	Quarter/22	Jun/22	Quarter/21	Jun/21
Costs of inventories sold (Note 7)	(4,555,990)	(8,846,299)	(3,799,202)	(7,507,592)
Personnel expenses	(834,699)	(1,631,687)	(690,236)	(1,326,888)
Occupancy expenses ⁽ⁱ⁾	(93,899)	(186,991)	(75,567)	(156,903)
Depreciation and amortization ⁽ⁱⁱ⁾	(359,707)	(709,766)	(310,454)	(611,102)
Discounts on property rental	868	868	4,546	6,419
Service provider expenses ⁽ⁱⁱⁱ⁾	(95,343)	(196,276)	(82,530)	(162,627)
Expenses on card operator fees	(102,072)	(191,645)	(73,755)	(144,347)
Other	(201,439)	(396,562)	(166,408)	(318,842)
Total	(6,242,281)	(12,158,358)	(5,193,606)	(10,221,882)

Classified in the statement of income as:

Function of expenses	2nd		2nd	
	Quarter/22	Jun/22	Quarter/22	Jun/21
Costs of sales and services	(4,559,173)	(8,851,631)	(3,801,860)	(7,510,250)
Selling	(1,401,364)	(2,765,656)	(1,192,978)	(2,328,510)
General and administrative	(281,744)	(541,071)	(198,768)	(383,122)
Total	(6,242,281)	(12,158,358)	(5,193,606)	(10,221,882)

Consolidated

Nature of expenses	2nd		2nd	
	Quarter/22	Jun/22	Quarter/21	Jun/21
Costs of inventories sold (Note 7)	(4,855,743)	(9,481,973)	(4,068,088)	(8,046,287)
Personnel expenses	(854,253)	(1,678,093)	(703,288)	(1,349,948)
Occupancy expenses ⁽ⁱ⁾	(94,529)	(188,236)	(76,031)	(157,783)
Depreciation and amortization ⁽ⁱⁱ⁾	(362,245)	(714,806)	(311,471)	(613,199)
Discounts on property rental	831	868	4,546	6,419
Service provider expenses ⁽ⁱⁱⁱ⁾	(99,037)	(203,866)	(84,007)	(165,995)
Expenses on card operator fees	(102,697)	(192,884)	(74,286)	(145,340)
Other	(209,557)	(417,592)	(173,633)	(331,117)
Total	(6,577,230)	(12,876,582)	(5,486,258)	(10,803,250)

Classified in the statement of income as:

Function of expenses	2nd		2nd	
	Quarter/22	Jun/22	Quarter/21	Jun/21
Costs of sales and services	(4,860,664)	(9,494,737)	(4,071,213)	(8,049,412)
Selling	(1,420,264)	(2,807,879)	(1,209,285)	(2,357,584)
General and administrative	(296,302)	(573,966)	(205,760)	(396,254)
Total	(6,577,230)	(12,876,582)	(5,486,258)	(10,803,250)

(i) These refer to expenses on property rental, condominium fees, electricity, water, communication and municipal real estate tax (IPTU).

(ii) Depreciation and amortization in the first six-month period of 2022 totaled R\$ 709,766 (R\$ 611,102 - Jun/2021) for the Parent Company, of which R\$ 642,672 (R\$ 561,489 - Jun/2021) refers to the sales area and R\$ 67,094 (R\$ 49,613 - June/2021) to the administrative area, and total R\$ 714,806 (R\$ 613,197 - June/2021) for the Consolidated accounts, of which R\$ 643,491 (R\$ 562,210 - June/2021) refers to the sales area and R\$ 71,312 (R\$ 50,987 - June/2021) to the administrative area.

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These amounts are presented net of PIS and COFINS credits on the lease right-of-use, which resulted in an expense reduction in the amount of R\$ 21,814 (R\$ 16,708 - Jun/2021).

(iii) These refer mostly to expenses on transportation, materials, other administrative expenses, maintenance of assets, advertising and publicity.

22. Other operating (income)/expenses, net

In the first six-month period of 2022, other operating income / (expenses) totaled R\$ 7,076 (R\$ 69,127 - June/2021) for the Parent company and R\$ 56,400 (R\$ 69,449 - June/2021) for the Consolidated accounts. These amounts comprise non-recurring expenses and revenues, as presented below:

Nature of income / (expenses)	Parent Company			
	2nd Quarter/22	Jun/22	2nd Quarter/21	Jun/21
Write-off of property and equipment and intangible assets due to the drugstores closure	(12,900)	(14,000)	(5,295)	(4,413)
Donations	(373)	(992)	(310)	(3,603)
Social Investment	(550)	(1,451)	-	-
Revaluations - judicial deposits	-	-	548	548
Recognition of INSS credits from 2016 to 2019	-	-	303	1,141
Adjustment of provision for labor risks - Selic rate	-	-	-	3,410
Refund of ICMS-ST on prior periods sales ^(I)	12,187	12,000	44	13,706
Exclusion of ICMS from PIS/COFINS calculation basis (Note 8)	-	11,689	58,044	58,044
Other	299	(170)	(221)	294
Total	(1,337)	7,076	53,113	69,127
Nature of revenues / (expenses)	Consolidated			
	2nd Quarter/22	Jun/22	2nd Quarter/21	Jun/21
Write-off of property and equipment and intangible assets due to the drugstores closure	(12,900)	(14,000)	(5,295)	(4,413)
Donations	(373)	(992)	(310)	(3,603)
Social Investment	(550)	(1,451)	-	-
Expenses with consulting and advisory services	-	-	(216)	(267)
Revaluations - judicial deposits	-	-	548	548
Recognition of INSS credits from 2016 to 2019	-	-	303	1,141
Other tax income	45,150	45,150	-	-
Adjustment of provision for labor risks - Selic rate	-	-	-	3,410
Refund of ICMS-ST on prior periods sales ^(I)	12,187	11,999	44	14,323
Exclusion of ICMS from PIS/COFINS calculation basis (Note 8)	-	15,943	58,052	58,052
Other	279	(249)	(266)	258
Total	43,793	56,400	52,900	69,449

(I) ICMS in the substitute taxpayer regime (ICMV-ST), which implies the prepayment of ICMS of the whole commercial chain at the time the goods leave the industrial establishment or the importer, or at the time it enters the state. Its refund is a right of the taxpayer that made sales in which the taxable event of the prepayment of ICMS-ST was not confirmed, generating the right to the refund of this amount by the State Tax Authorities. The process of refund requires the proof, using tax documents and digital files, of the operations made that generated for the Company the right to refund. Only after its approval by the State Tax Authorities and/or compliance with the specific record-keeping and reporting obligations that aim that proof, credits can be used by the Company, which occurs in periods subsequent to their generation.

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23. Finance income (costs)

	Parent Company			
	2nd Quarter/22	Jun/22	2nd Quarter/21	Jun/21
Finance income				
Discounts obtained	-	71	190	358
Short-term investment yields	1,872	6,697	1,138	4,153
Interest on intercompany loans	113	631	963	1,730
Monetary gains	1,133	2,010	265	615
Present value adjustment	54,923	90,027	10,360	16,646
Total finance income	58,041	99,436	12,916	23,502
Finance costs				
Interest, charges and bank fees	(11,204)	(12,537)	(159)	(1,060)
Interest on payables to subsidiary's shareholder	(777)	(1,532)	(695)	(1,371)
Amortization of transaction costs	(1,033)	(2,241)	(6,908)	(13,263)
Monetary losses	(52)	(167)	(202)	(455)
Charges on borrowings	(10,701)	(23,276)	(109)	(394)
Charges on debentures and promissory notes	(47,227)	(84,080)	(11,287)	(19,416)
Interest on leases ⁽ⁱ⁾	(59,666)	(116,736)	(55,202)	(108,849)
Present value adjustment	(85,983)	(151,946)	(18,784)	(30,452)
Total finance costs	(216,643)	(392,515)	(93,346)	(175,260)
Finance income (costs)	(158,602)	(293,079)	(80,430)	(151,758)
	Consolidated			
	2nd Quarter/22	Jun/22	2nd Quarter/21	Jun/21
Finance income				
Discounts obtained	-	72	198	374
Interest on intercompany loans	113	194	-	-
Other finance income	628	934	50	92
Monetary gains	1,281	2,276	318	705
Short-term investment yields	3,313	9,211	1,248	4,273
Present value adjustment	61,231	100,641	11,677	18,759
Total finance income	66,566	113,328	13,491	24,203
Finance costs				
Discounts granted to customers	(38)	(72)	(292)	(324)
Interest, charges and bank fees	(11,279)	(12,686)	(261)	(1,188)
Interest on payables to subsidiary's shareholder	(800)	(1,568)	(695)	(1,371)
Amortization of transaction costs	(1,033)	(2,241)	(6,908)	(13,263)
Monetary losses	(2,620)	(4,055)	(847)	(1,573)
Charges on borrowings	(10,701)	(23,284)	(11,287)	(19,416)
Charges on debentures and promissory notes	(47,227)	(84,080)	(109)	(394)
Interest on leases ⁽ⁱ⁾	(59,604)	(116,620)	(55,258)	(108,961)
Present value adjustment	(91,163)	(161,976)	(19,992)	(32,406)
Total finance costs	(224,465)	(406,582)	(95,649)	(178,896)
Finance income (costs)	(157,899)	(293,254)	(82,158)	(154,693)

(i) Interest on leases is shown net of PIS and COFINS.

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24. Financial instruments and risk management policy

24.1. Financial instruments by category

Financial instruments items	Parent Company		Consolidated	
	Jun/22	Dec/21	Jun/22	Dec/21
Assets				
At amortized cost				
Cash and cash equivalents (Note 5)	767,362	316,654	818,806	356,118
Trade receivables (Note 6)	1,695,025	1,487,204	1,948,433	1,710,057
Other receivables	265,464	328,190	313,801	318,230
Judicial deposits (Note 16)	17,097	25,872	71,016	29,951
Total assets	2,744,948	2,157,920	3,152,056	2,414,356
Liabilities				
Liabilities at fair value through profit or loss				
Payables to subsidiary's shareholder	38,915	37,383	39,475	37,943
Subtotal	38,915	37,383	39,475	37,943
Other liabilities				
Trade payables (Note 13)	3,355,577	3,485,328	3,538,545	3,656,607
Borrowing (Note 14)	2,283,833	1,462,162	2,369,579	1,505,222
Other payables	297,629	290,416	356,256	346,201
Leases payable (Note 15)	3,754,967	3,669,825	3,758,439	3,672,898
Subtotal	9,692,006	8,907,731	10,022,819	9,180,928
Total liabilities	9,730,921	8,945,114	10,062,294	9,218,871

24.2. Financial risk management

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's risk management program focuses on the unpredictability of financial and operational markets and seeks to minimize potential adverse effects on the Group's financial performance.

The Board of Directors provides principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk, credit risk, use of non-derivative financial instruments and investment of surplus cash.

(a) Market risk

Foreign exchange risk

All of the asset and liability operations of the Group are denominated in Brazilian reais (R\$); therefore, the Company is not exposed to foreign exchange risk.

Derivative financial instruments

The Group does not operate with derivative instruments, except in specific situations. At June 30, 2022, the Group did not have any derivative transactions.

Interest rate risk

The operation with BNDES is carried out based on the TJLP rate, other Company borrowings are linked to the CDI + bank spread. Financial investments are entered into based on the CDI variations, which does not result in higher interest rate risk since these variations are not significant. Management understands that there is a low risk of significant changes in profit or loss or in cash flows.

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**(b) Credit risk**

Credit risk arises from financial assets, i.e. cash and cash equivalents, short-term investments and trade receivables.

Cash and cash equivalents and short-term investments are maintained with sound financial institutions.

The risk ratings of the cash equivalents are in accordance with the main risk rating agencies, according to the table below:

Risk rating	Parent Company		Consolidated	
	Jun/22	Dec/21	Jun/22	Dec/21
Rating - Notional scale				
brAAA	434,935	95,827	481,106	115,371
brAA+	156,113	26,767	156,295	33,020
brA	633	1,691	635	1,692
(*) n/a - Cash and automatic investments	175,681	192,369	179,909	199,900
(*) n/a - Investment funds	-	-	861	6,136
Total - Notional scale	767,362	316,654	818,806	356,119

(*) Not applicable, since there is no risk rating for cash, automatic investments and investment funds.

The granting of credit on sales of goods follows a policy that aims at minimizing defaults. At June 30, 2022, credit sales represented 60% (57% - Dec/21) for the Parent Company and 62% (59% - Dec/21) for the Consolidated accounts, of which 90% (94% - Dec/21) for the Parent Company and 84% (87% - Dec/21) for the Consolidated accounts related to credit card sales which, based on the history of losses, posed an extremely low risk. The remaining 10% (6% - Dec/21) for the Parent Company and 16% (13% - Dec/21) for the Consolidated accounts are credits from PBMs and special plans that pose a low risk, due to customer selectivity.

(c) Liquidity risk

The Group's management continuously monitors forecasts of the Company's liquidity requirements, in order to ensure that it has sufficient cash to meet operational needs. The Group invests its surplus cash in financial assets with appropriate maturities to provide the liquidity necessary to honor its obligations.

(d) Sensitivity analysis

The Company prepares a sensitivity analysis of financial instruments indexed to interest rates to which the Company is exposed.

The probable scenario, according to the assessment made by Management, is based on an increase of 0.50 p.p. in the interest rate. Two further scenarios are presented in order to show a 25% and 50% deterioration in the risk variables considered (scenarios II and III):

Operation	Notional amount	Parent Company		
		Effect on profit or loss and equity		
		Scenario I probable	Scenario II - 25%	Scenario III - 50%
Short-term investments - CDI	629,750	3,149	3,936	4,723
Revenue	-	3,149	3,936	4,723
Borrowings - CDI	2,283,833	(11,419)	(14,274)	(17,129)
REFIS (SELIC)	1,156	(6)	(7)	(9)
Expense		(11,425)	(14,281)	(17,138)
Effect on profit or loss		(8,276)	(10,345)	(12,415)

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(All amounts in thousands of reais unless otherwise stated)



Operation	Notional amount	Consolidated Effect on profit or loss and equity		
		Scenario I probable	Scenario II - 25%	Scenario III - 50%
Short-term investments - CDI	678,425	3,403	4,240	5,088
Revenue		3,403	4,240	5,088
Borrowings - CDI	2,369,580	(11,862)	(14,810)	(17,772)
REFIS (SELIC)	1,156	(20)	(7)	(9)
Expense		(11,882)	(14,817)	(17,781)
Effect on profit or loss		(8,479)	(10,577)	(12,693)

(e) Capital management

The Group's objective relating to capital management is to maintain the Group's investment capacity, thus allowing it to grow its business and provide proper returns for shareholders.

The Group has adopted a policy of not leveraging its capital structure with borrowings, except for long-term credit facilities from BNDES (FINEM), debentures and promissory notes at interest rates that are commensurate with the Group's profit levels.

Accordingly, this ratio corresponds to the net debt expressed as a percentage of total capital. The net debt, in turn, corresponds to total borrowings less cash and cash equivalents. The total capital is calculated through the sum of the equity, as shown in the individual and consolidated balance sheet, and the net debt, as presented below:

Capital management items	Parent Company		Consolidated	
	Jun/22	Dec/21	Jun/22	Dec/21
Short- and long-term borrowings	2,283,833	1,462,162	2,369,579	1,505,222
(-) Cash and cash equivalents	(767,362)	(316,654)	(818,806)	(356,118)
Net debt	1,516,471	1,145,508	1,550,773	1,149,104
Equity attributable to the shareholders of the parent	5,014,184	4,677,673	5,014,184	4,677,114
Noncontrolling interests	-	-	51,273	41,129
Total equity	5,014,184	4,677,673	5,065,457	4,718,243
Total capital	6,530,655	5,823,181	6,616,230	5,867,347
Gearing ratio	23.22%	19.67%	23.44%	19.58%

As described in Note 14, as from January 1, 2019, the Group recognized in its financial statements the obligations associated with the lease agreements where it has control. At June 30, 2022, the balance of lease liabilities in the Parent Company and Consolidated accounts corresponded to R\$ 3,754,967 and R\$ 3,758,439 respectively. Considering the balance of lease liabilities in the capital management calculation, the gearing ratio of the Company and the Group would be 51.25% in the Parent Company and 51.17% in the Consolidated accounts. Considering the balance of lease liabilities at the balance sheet dates in the capital management calculation, the gearing ratio of the Company and the Group would be as follows:

Adjusted net debt with lease liabilities	Parent Company		Consolidated	
	Jun/22	Dec/21	Jun/22	Dec/21
Net debt	1,516,471	1,145,508	1,550,773	1,149,104
Lease liabilities	3,754,967	3,669,825	3,758,439	3,672,898
Adjusted net debt	5,271,438	4,815,333	5,309,212	4,822,002
Total equity	5,014,184	4,677,673	5,065,457	4,718,243
Total adjusted capital	10,285,622	9,493,006	10,374,669	9,540,245
Adjusted gearing ratio (%)	51.25%	50.73%	51.17%	50.54%

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Individual and Consolidated Interim Financial Information
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(All amounts in thousands of reais unless otherwise stated)

**(f) Fair value estimation**

The carrying values of financial investments in the balance sheet approximate their fair values since the remuneration rates are based on the CDI variation. The carrying values of trade receivables and payables are measured at amortized cost and are recorded at their original amount, less the provision for impairment and present value adjustment, when applicable. The carrying values are assumed to approximate their fair values, taking into consideration the realization of these balances and settlement terms not exceeding 60 days.

Borrowings are classified as financial liabilities not measured at fair value and are carried at amortized cost and according to contractual conditions. The fair values of the borrowings approximate their carrying values since they refer to financial instruments with rate that approximate market rates. The estimated fair values are:

Fair value estimation	Parent Company				Consolidated			
	Carrying amount		Fair value		Carrying amount		Fair value	
	Jun/22	Dec/21	Jun/22	Dec/21	Jun/22	Dec/21	Jun/22	Dec/21
BNDES Debentures and promissory notes	-	155	-	155	-	155	-	155
Other	1,973,147	1,054,793	1,973,147	1,054,793	1,973,147	1,054,793	1,973,147	1,054,793
	310,686	407,214	310,686	407,214	396,432	450,274	396,433	450,274
Total	2,283,833	1,462,162	2,283,833	1,462,162	2,369,579	1,505,222	2,369,580	1,505,222

The effective interest rates at the balance sheet dates are usual market rates and their fair value does not differ from the balances in the accounting records.

At June 30, 2022, the Group had no material assets and liabilities measured at fair value at Level 1 and Level 2 in the fair value hierarchy. The following table presents the changes in Level 3 instruments for the period ended June 30, 2022:

Changes in payables to subsidiary's shareholder	Parent Company/Consolidated	
	Jun/22	Jun/21
Payables to subsidiary's shareholder		
Balance at January 1	37,383	46,448
Payment of call option 4Bio	-	(11,884)
Expenses recognized in the statement of income:	1,532	1,370
Closing balance	38,915	35,934
Total expenses for the period recognized in the statement of income	1,532	1,370
Changes in unrealized expenses for the period included in the statement of income	1,532	1,370

(A free translation of the original in Portuguese)

Notes to the
Individual and Consolidated Interim Financial Information
June 30, 2022

(All amounts in thousands of reais unless otherwise stated)

25. Transactions with related parties

(a) Transactions with related parties consist of transactions with the Company's shareholders and persons connected to them:

Related parties	Relationship	Parent Company		Consolidated		Parent Company		Consolidated	
		Assets				Transacted amount			
		Jun/22	Dec/21	Jun/22	Dec/21	Jun/22	Dec/21	Jun/22	Dec/21
Receivables									
Special plans ⁽ⁱ⁾									
Regimar Comercial S.A.	Shareholder/Family	12	15	12	15	29	32	29	32
Heliomar Ltda.	Shareholder/Board Member	1	-	1	-	5	5	5	5
Natura Cosméticos S.A. ⁽ⁱⁱ⁾	Shareholder/Related party	7	197	7	197	393	387	393	387
4Bio Medicamentos S.A. ^(v)	Subsidiary	50	51	50	51	89	88	89	88
Vitat Serviços em Saúde LTDA	Subsidiary	3	-	3	-	2	-	2	-
Healthbit Performasys Tecnologia	Subsidiary	-	-	-	-	-	-	-	-
Subtotal		73	263	73	263	518	512	518	512
Other receivables from related parties									
Commercial agreements									
Natura Cosméticos S.A. ⁽ⁱⁱ⁾	Shareholder/Related party	-	-	-	-	-	146	-	146
Advances to suppliers									
Cfly Consultoria e Gestão Empresarial Ltda. ⁽ⁱⁱⁱ⁾	Family	244	171	244	171	-	-	-	-
Zurcher, Ribeiro Filho, Pires Oliveira Dias e Freire – Advogados ^(iv)	Shareholder/Family	95	45	95	45	-	-	-	-
Loan and other receivables									
4Bio Medicamentos S.A. ^(v)	Subsidiary	470	32,765	-	-	134	3,455	-	-
Full Nine Digital Consultoria (Conecta Lá) ^(xii)	Associate	1,216	1,134	1,216	1,134	82	1,134	-	1,134
Healthbit Performasys Tecnologia ^(viii)	Subsidiary	2,346	1,380	-	1,380	113	1,380	113	1,380
ZTO Tecn. e Ser. de Infor. na Inf. Ltda. (Manipulaê) ^(xi)	Associate	-	-	5,438	4,616	-	12	822	1,616
Labi Exames S.A. ^(xiii)	Associate	-	-	29,600	15,098	-	-	14,600	15,098
Sfix Fidelidade e Inteligência S.A. ^(x)	Associate	10,633	17,752	10,633	17,752	14,208	17,752	14,208	17,752
Subtotal		15,004	53,247	47,226	40,196	14,537	23,879	29,743	37,126
Total receivables from related parties		15,077	53,510	47,299	40,459	15,055	24,391	30,261	37,638

(A free translation of the original in Portuguese)

Notes to the
Individual and Consolidated Interim Financial Information
June 30, 2022

(All amounts in thousands of reais unless otherwise stated)



Related parties	Relationship	Parent Company		Consolidated		Parent Company		Consolidated	
		Jun/22	Dec/21	Jun/22	Dec/21	Jun/22	Dec/21	Jun/22	Dec/21
Payables		Liabilities				Transacted amount			
Rentals ^(vi)									
Heliomar Ltda.	Shareholder/Board Member	35	52	35	52	167	299	167	299
Antonio Carlos Pipponzi	Shareholder/Board Member	10	9	10	9	64	60	64	60
Rosalia Pipponzi Raia	Shareholder/Board Member	10	9	10	9	64	60	64	60
Cristiana Almeida Pipponzi	Shareholder/Board Member	4	4	4	4	21	20	21	20
André Almeida Pipponzi	Shareholder/Board Member	4	4	4	4	21	20	21	20
Marta Almeida Pipponzi	Shareholder/Board Member	4	4	4	4	21	20	21	20
Subtotal		67	82	67	82	358	479	358	479
Service providers									
Zurcher, Ribeiro Filho, Pires Oliveira Dias e Freire Advogados ^(iv)	Shareholder/Family	-	-	-	-	2,709	2,998	2,709	2,998
Rodrigo Wright Pipponzi (Editora Mol Ltda.) ^(vii)	Shareholder/Family	1,208	1,999	1,208	1,999	455	214	455	214
Cfly Consultoria e Gestão Empresarial Ltda. ⁽ⁱⁱⁱ⁾	Family	111	36	111	36	1,355	3,270	1,355	3,270
Cristina Ribeiro Sobral Sarian (Anthea Consultoria Empresarial) ^(ix)	Shareholder/Alternate Board Member until April 2021	49	-	49	-	246	450	246	450
Cesar Nivaldo Gon (CI&T IOT Comercio de HardWare e Software Ltda. and CI&T Softwares S.A.) ^(ix)	Shareholder/Board Member as from May 2021	-	11	-	11	35	159	35	159
Stix Fidelidade e Inteligência S.A. ^(x)	Associate	1,992	8,187	1,992	8,187	23,121	8,187	23,121	8,187
Healthbit Performasys Tecnologia ^(viii)	Subsidiary	112	-	112	-	1,871	694	1,871	694
Subtotal		3,472	10,233	3,472	10,233	29,792	15,972	29,792	15,972
Total payables to related parties		3,539	10,315	3,539	10,315	30,150	16,451	30,150	16,451

Notes to the
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(All amounts in thousands of reais unless otherwise stated)



Transactions with related parties, basically purchases and sales of products, were carried out at prices, terms and conditions usual in the market.

(i) Refer to sales made by agreements whose transactions are carried out under commercial conditions equivalent to those practiced with other companies.

(ii) Purchase and sale of Natura Cosméticos S.A.'s products, which will be sold across the national territory and Raia Drogasil will receive a percentage on the products sold. Some members of the controlling block of Natura Cosméticos S.A. indirectly own shares of Raia Drogasil.

(iii) Provision of services of aircraft operation to the owner Raia Drogasil S.A., which will pay the operator a monthly remuneration for the services of operational advisory, compliance, finance, maintenance coordination and maintenance technical control.

(iv) Transaction related to legal advisory.

(v) During 2016, 2017 and 2019 loan transactions between Raia Drogasil S.A. (lender) and 4Bio Medicamentos S.A. (borrower) were carried out in the amounts of R\$ 14,000, R\$ 20,100 and R\$ 12,000, respectively. All loan agreements are monetarily adjusted at 100% of the CDI plus 3.50% p.a. for contracts signed in 2016 and 2017 and 3.26% p.a. for the contract signed in 2019, and mature in December 2022. In March 2022, the operation was completely settled.

Other receivables comprises commissions on Raia Drogasil S.A. referrals (R\$ 516), recognized in "other receivables".

(vi) Transactions related to rental of commercial properties for the implementation of drugstores.

(vii) The balances and transactions relate to service agreements for the development, creation and production of marketing materials for the institutional sales area, and the design of the Company's internal magazine.

(viii) The balances and transactions refer to the contract for the provision of consulting services in the areas of health and sustainability and loan agreement of R\$ 1,350, which is updated by CDI + 3.26% p.a.

(ix) Transactions related to information technology consulting services, being a contract entered into in March 2020 with CI&T Comércio de Hardware e Software Ltda. and another in November 2020 with CI&T Softwares S.A., with the object of consultancy for digital transformation and squads.

(x) Transactions related to trade receivables and trade payables referring to the STIX points program.

(xi) Transactions with loan between subsidiary RD Ventures (lender) and ZTO Tecnologia e Servicos de Informacao na Internet Ltda. (borrower) in monthly amounts of R\$ 300 for July/2020 and R\$ 675 for August, September and December 2020 and January 2021, and R\$ 1,000 for November 2021, respectively;

(xii) Loan transaction carried out between Raia Drogasil S.A. (lender) and Full Nine Digital Consultoria - Conecta Lá (borrower) in the amounts of R\$ 700 and R\$ 400 with monetary adjustment based on CDI + 3.50% p.a.

(xiii) Loan transaction carried out between RD Ventures (lender) and Labi Exames S.A. (borrower) in the amounts of R\$ 15,000 in 2021 and R\$ 13,000 in 2022, with monetary adjustment based on CDI + 3.00% p.a., maturing in May 2023 and August 2023, respectively.

Moreover, we inform that there are no additional transactions other than the amounts presented above and that the category of the related parties corresponds to the entity's key management personnel.

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June 30, 2022
(All amounts in thousands of reais unless otherwise stated)

(b) Key management compensation

Key management includes the Officers, Directors and members of the Supervisory Board. The compensation paid or payable for services rendered is as follows:

Compensation items	Parent Company		Consolidated	
	Jun/22	Jun/21	Jun/22	Jun/21
Share-based payment	8,413	7,719	10,524	8,380
Bonuses and social charges	6,844	4,099	6,959	4,099
Subtotal bonuses and social charges	15,257	11,818	17,483	12,479
Fees and social charges	12,044	10,986	12,976	12,403
Fringe benefits	119	169	119	169
Total	27,420	22,973	30,578	25,051

The Company applied the requirements of NBC TG 05 (R3) - Related-Party Disclosures and also considered the guidance in CVM Circular Letter SNC/SEP 01/2021, observing qualitative aspects of related-party transaction, and concluded that there are no material impacts that require disclosure of additional information in the interim financial information.

26. Insurance coverage

The Company has adopted a policy of taking out insurance coverage at amounts deemed sufficient to cover any losses on assets or civil liability attributed to it taking into consideration the nature of its activities and the guidance of its insurance consultants.

The Group had the following insurance:

Insurance items	Parent Company/Consolidated	
	Jun/22	
Inventory loss risks*	828,859	
D&O*	100,000	
Civil liability risks*	40,000	

* The parent company's coverage extends to the subsidiaries

27. Non-cash transactions

At June 30, 2022, the Group's main non-transactions were:

- (i) the monetary adjustment of the financial liability arising from payables to subsidiary's shareholder (Note 9);
- (ii) part of the compensation of key management personnel associated with the restricted share plan (Note 25);
- (iii) the installment purchase of property and equipment items in the amount of R\$ 8,748 (R\$ 19,491 - Dec/ 21);
- (iv) recognition of lease liability with a balancing item in right-of-use asset, which additions of new agreements in the amount of R\$ 229,592 (R\$ 319,051 - Dec/21), remeasurements of R\$ 216,150 (R\$ 598,677 - Dec/21) and termination of agreements in the amount of R\$ 7,923 (R\$ 49,851 - Dec/21).

(x)

A free translation from Portuguese into English of Independent Auditor’s Review Report on Individual and Consolidated Interim Financial Information prepared in Brazilian currency in accordance with the rules issued by Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Quarterly Information Form (ITR)

Independent auditor’s report on review of interim financial statements

The Shareholders and Officers

Raia Drogasil S.A.

São Paulo – SP

Introduction

We have reviewed the accompanying individual and consolidated interim financial information of Raia Drogasil S.A. (“Company”), contained in the Quarterly Information Form (ITR) for the quarter ended June 30, 2022, comprising the statement of financial position as of June 30, 2022 and the related statements of profit or loss and of comprehensive income for the three and six-month periods the ended, and of changes in equity and cash flows for the six-month period then ended, including the explanatory notes.

Management is responsible for preparation of the individual and consolidated interim financial information in accordance with Accounting Pronouncement NBC TG 21 – Interim Financial Reporting, and IAS 34 – Interim Financial Reporting, issued by the Federal Accounting Counsel (“CFC”) and International Accounting Standards Board (IASB), respectively, as well as for the fair presentation of this information in conformity with the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of the Quarterly Information Form (ITR). Our responsibility is to express a conclusion on this individual and consolidated interim financial information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and International Standards on Review Engagements (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the individual and consolidated interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated interim financial information included in the Quarterly Information Form referred to above was not prepared, in all material respects, in accordance with NBC TG 21 and IAS 34 applicable to the preparation of Quarterly Information Form (ITR), and presented consistently with the rules issued by the Brazilian Securities and Exchange Commission (CVM).

Other matters

Statements of value added

The abovementioned quarterly information includes the individual and consolidated statements of value added (SVA) for the six-month period ended June 30, 2022, prepared under Company's Management responsibility and presented as supplementary information by IAS 34. These statements have been subject to review procedures performed together with the review of the quarterly information with the objective to conclude whether they are reconciled to the interim financial information and the accounting records, as applicable, and if its format and content are in accordance with the criteria set forth by NBC TG 09 – Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that they were not prepared, in all material respects, consistently with the overall individual and consolidated interim financial information.

São Paulo, July 29, 2022.

ERNST & YOUNG
Auditores Independentes S.S.
CRC-2SP034519/O-6

Patricia Nakano Ferreira
Accountant CRC-1SP234620/O-4

Comments on business projection performance
Individual and Consolidated
June 30, 2022

In this section, pursuant to CVM Instruction 480/09, we compare the store opening projections for the Company with the data on drugstore openings actually conducted every year, until the end of the current year. The projections for 2016 and 2017 were disclosed to the market on July 28, 2016, the projections for 2018 and 2019 were disclosed on November 9, 2017, the projections for 2020 were disclosed on October 3, 2019 and the projections for 2021 and 2022 were disclosed on September 29, 2020.

YEAR	PRIOR PROJECTION	CURRENT PROJECTION	ACTUAL ACCUMULATED
2016	165 openings	200 openings	212 openings
2017	195 openings	200 openings	210 openings
2018		240 openings	240 openings
2019		240 openings	240 openings
2020		240 openings	240 openings
2021		240 openings	240 openings
2022	240 openings	260 openings	116 openings
2023 (*)	-	240 openings	-
2024 (*)	-	240 openings	-
2025 (*)	-	240 openings	-

(*)The projections for 2023 to 2025 result from compliance with Warning Letter No. 18/222/CVM/SEP/GEA-2

On July 28, 2016, we revised the prior projection of 165 openings in 2016 and 195 openings in 2017 to 200 store openings for both years. On October 27, 2021, we revised the prior projection of 240 openings per year in 2021 and 2022 to 240 openings in 2021 and 260 openings in 2022.

The Company ended 2021 with 240 store openings and reiterates projections of 260 openings for 2022.

(A free translation of the original in Portuguese)

**Officers' representation on individual and consolidated
interim financial information
June 30, 2022**



To the Board of Directors and Shareholders

Raia Drogasil S.A.

The Company's Supervisory Board, in exercising its duties and legal responsibilities, has examined the Interim Financial Information for the six-month period ended June 30, 2022 and, based on the examinations performed and on clarifications provided by management, and also considering the favorable Report on Special Review without exceptions, issued by the independent auditor Ernst & Young Auditores Independentes, the Supervisory Board members concluded that the documents above are fairly presented, in all material respects.

São Paulo, July 29, 2022.

Gilberto Lério
Supervisory Board Member

Adeildo Paulino
Supervisory Board Member

Paulo Sérgio Buzaid Tohmé
Supervisory Board Member

Antônio Edson Maciel dos Santos
Supervisory Board Member

(A free translation of the original in Portuguese)

**Officers' Representation on
Interim Financial Information
June 30, 2022**

In accordance with article 25, paragraph 1, items V and VI, of CVM Instruction 480/09, the Company's officers represent that they have reviewed, discussed and agree with the Interim Financial Information for the six-month period ended June 30, 2022.

São Paulo, July 29, 2022.

Marcilio D'Amico Pousada
Chief Executive Officer

Eugênio De Zagottis
Officer

Antonio Carlos Coelho
Officer

Marcello De Zagottis
Officer

Fernando Kozel Varela
Officer

Renato Cepollina Raduan
Officer

Maria Susana de Souza
Officer

Bruno Wright Pipponzi
Officer

Ligia Maria Mendes
Controllership Director and Accountant in
charge
CRC 1SP253358/O-8

(A free translation of the original in Portuguese)

**Officers' Representation on
Independent Auditor's Report
December 31, 2021**



In accordance with article 25, paragraph 1, items V and VI, of CVM Instruction 480/09, the Company's officers represent that they have reviewed, discussed and agree with the conclusions expressed in the favorable Auditor's Report without exceptions issued by the independent auditors for the six-month period ended June 30, 2022.

São Paulo, July 29, 2022.

Marcilio D'Amico Pousada
Chief Executive Officer

Eugênio De Zagottis
Officer

Antonio Carlos Coelho
Officer

Marcello De Zagottis
Officer

Fernando Kozel Varela
Officer

Renato Cepollina Raduan
Officer

Maria Susana de Souza
Officer

Bruno Wright Pipponzi
Officer

Ligia Maria Mendes
Controllership Director and Accountant in charge
CRC 1SP253358/O-8