(A free translation of the original in Portuguese)

Raia Drogasil S.A.

Individual and Consolidated
Interim Financial Information
March 31, 2022

Contents

(A free translation of the original in Portuguese)
Comments on company performance

São Paulo, May 03, 2021. **RD – People, Health and Well-being** (Raia Drogasil S.A. – B3: RADL3) announces today its results for the 1st quarter of 2022 (1Q22). The Company's parent company and consolidated interim financial statements for the periods ended March 31, 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:** 2,530 units in operation (52 openings and 12 closures);
- **GROSS REVENUE:** R$ 7.0 billion, a 16.6% increase with 8.9% for mature stores;
- **DIGITAL:** R$ 656.1 million, an increase of 51.2% and 10.0% of retail penetration;
- **CONTRIBUTION MARGIN*:** R$ 631.5 million, with 9.1% of margin;
- **ADJUSTED EBITDA:** R$ 388.4 million, an EBITDA margin of 5.6%;
- **ADJUSTED NET INCOME:** R$ 145.3 million, a 2.1% net margin;
- **CASH FLOW:** R$ 320.6 million negative free cash flow, R$ 348.6 million total cash consumption.

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

RADL3
R$ 20.43/share

NUMBER OF SHARES
1,651,930,000

MARKET CAP
R$ 33.7 billion

CLOSING
May 02nd, 2022

IR TEAM:
Eugênio De Zagottis
Fernando Spinelli
André Stolfi
Victor Torres
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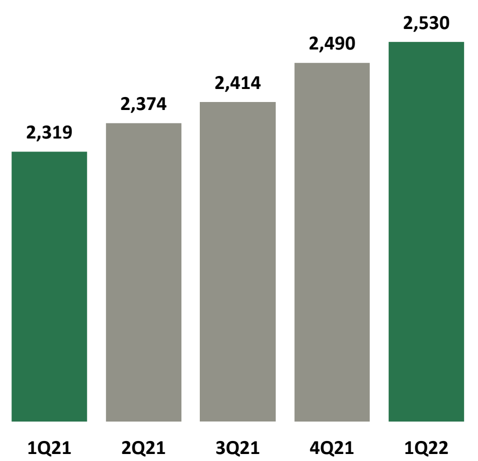
Summary *(R$ thousands)*	1Q21	2Q21	3Q21	4Q21	1Q22
# of Pharmacies	2,319	2,374	2,414	2,490	2,530
Organic Openings	40	62	52	86	52
Closures	(20)	(7)	(12)	(10)	(12)
4Bio	4	4	4	4	4
# of Pharmacies + 4Bio	2,323	2,378	2,418	2,494	2,534
Headcount (EoP)	45,532	47,208	48,481	50,573	50,141
Pharmacist Count (EoP)	9,088	9,346	9,676	10,052	10,336
# of Tickets (000)	65,660	66,911	71,115	76,508	76,795
Gross Revenue	5,979,508	6,245,163	6,527,875	6,853,140	6,972,496
Gross Profit	1,641,852	1,797,052	1,815,460	1,951,805	1,928,436
% of Gross Revenues	27.5%	28.8%	27.8%	28.5%	27.7%
Adjusted EBITDA	415,855	497,115	446,165	448,110	388,382
% of Gross Revenues	7.0%	8.0%	6.8%	6.5%	5.6%
Adjusted Net Income	177,947	232,022	173,567	204,639	145,270
% of Gross Revenues	3.0%	3.7%	2.7%	3.0%	2.1%
Net Income	188,789	266,443	172,765	187,155	153,590
% of Gross Revenues	3.2%	4.3%	2.6%	2.7%	2.2%
Free Cash Flow	(105,008)	(259,357)	68,879	269,226	(320,646)

PHARMACY DEVELOPMENT

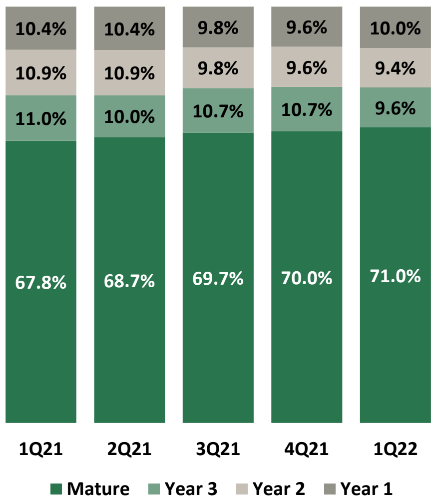
We opened 52 new units in the 1Q22, 12 more than in the same period of the previous year, and closed 12, ending the quarter with 2,530 pharmacies in operation, in addition to 4 4Bio locations. We reiterate our gross openings guidance of 260 new pharmacies for 2022.

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.

Pharmacy count



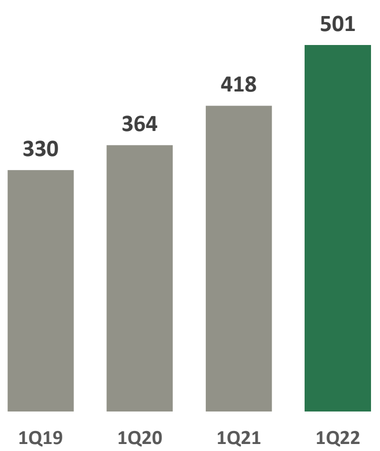
Age structure of pharmacy portfolio



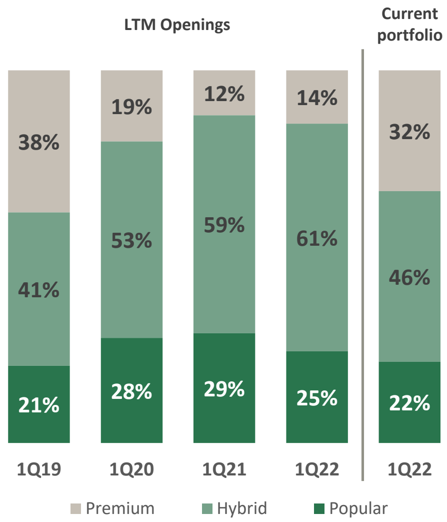
	1Q21	2Q21	3Q21	4Q21	1Q22
Openings	+40	+62	+52	+86	+52
Closures	-20	-7	-12	-10	-12
Net	**+20**	**+55**	**+40**	**+76**	**+40**

Of the 12 pharmacies closed in the 1Q22, 5 were still in the maturation process and represent corrections of mistakes that are to be expected in such a large-scale expansion. The remaining 7 closures were of mature pharmacies as part of the ongoing optimization of our store portfolio, with positive return expectations associated to them.

Cities with pharmacies



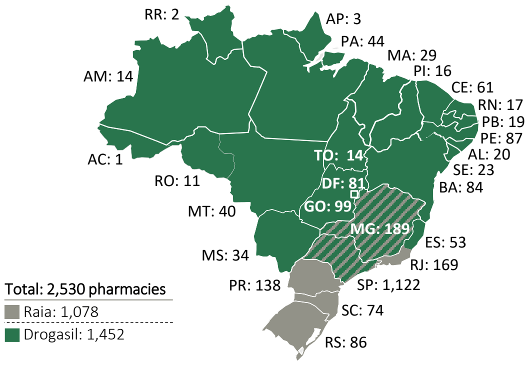
Network composition by format*



* Openings exclude the Onofre acquisition.

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 501 cities, 83 more than in the 1Q21. And while 68% 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.

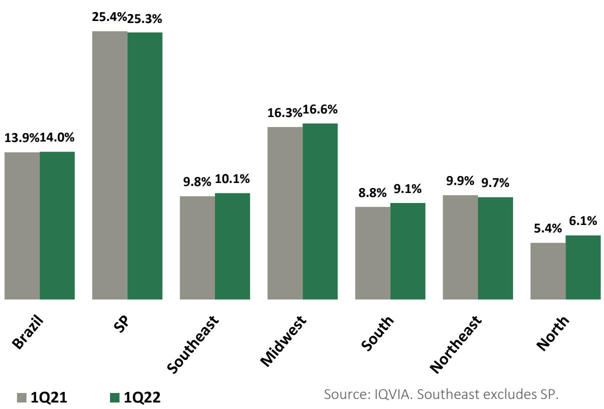
Pharmacy geographic presence



LTM organic openings*	1Q18	1Q19	1Q20	1Q21	1Q22
São Paulo state	75	76	71	64	46
Total	212	258	217	241	252
% São Paulo state	**35%**	**29%**	**33%**	**27%**	**18%**

* Does not consider the 42 pharmacies acquired from Onofre

Pharmacy market share



Source: IQVIA. Southeast excludes SP.

Our national market share totaled 14.0% in the quarter, a 0.1 percentage point increase when compared to the 1Q21. We recorded a 6.1% market share in the North, a 0.7 p.p. increase when compared to the 1Q21, a market share of 10.1% in the Southeast (excluding São Paulo), a 0.3 p.p. increment, a market share of 16.6% in the Midwest, an increase of 0.3 p.p., and a market share of 9.1% in the South, another 0.3 p.p. increase. Finally, we recorded a market share of 25.3% in São Paulo, a 0.1 percentage point decrease when compared with the same period of the previous year, and a market share of 9.7% in the Northeast, a 0.2 p.p. decrease.

We highlight that IQVIA's data collection for market share reporting aggregates sell-out (demand) data provided directly by large and medium-sized chains, with sell-in (replenishment) information relating to the smaller players which are informed by the wholesalers. In the 1Q21, due to the strong pharmaceutical price readjustment authorized by CMED to be applied from the 2Q22, the market recorded an intense forward buying in anticipation of the price increases, causing IQVIA to overreport the market share of smaller players.

According to IQVIA, the pharmaceutical market grew 16.3% in the 1Q22 versus the 1Q21. Still according to IQVIA, large and middle-sized players who report sell-out date have grown in aggregate 14.3%, versus a total growth of 18.5% for the smaller players whose market share calculation is based on sell-in data, a significant distortion driven by the intense forward buying undertaken in the quarter in anticipation of the pharmaceutical price readjustment.

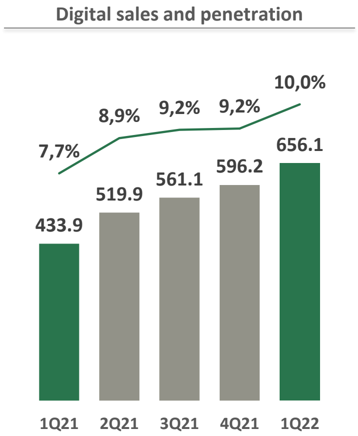
Considering our market share exclusively among the sell-out informants, which is a better proxy of our market performance, our national market share increased by 0.6 percentage point, with gains of 1.8 p.p. in the North, of 1.4 p.p. in the Midwest, of 1.0 p.p. in the Southeast, of 0.8 p.p. in the Northeast, of 0.5 p.p. in the South and a loss of 0.1 p.p. in São Paulo, where we opened only 46 stores in the past 12 months, a store count increase below 5%.

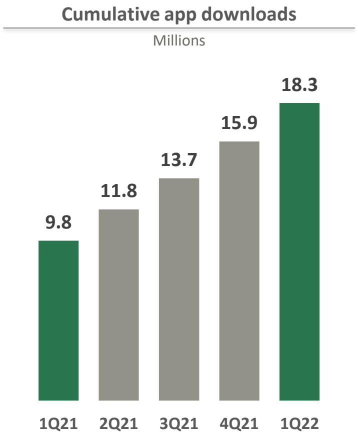
DIGITAL HEALTH TRANSFORMATION

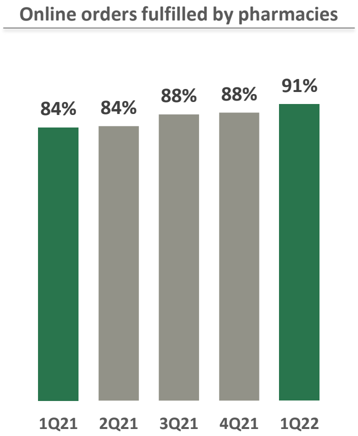
Our digital health transformation is based on 3 complementary pillars: the New Pharmacy, which combines a health hub with a digital and omnichannel experience, the Marketplace, and the Integral Health Platform. Together, these three businesses will allow us to support our 44 million active customers in taking care of their health and well-being and, at the same time, increase their customer lifetime value through a greater frequency of interaction and overall spending.

We reached the mark of R$ 656.1 million in revenues through digital channels in the quarter, representing a retail penetration of 10.0% and growth of 51.2% over the same period of the previous year.

We also recorded a total of 18.3 million cumulative app downloads since the 1Q19, a significant amount when compared to the universe of 44 million active customers and paramount for the digitalization of our relationship with the customers. Such digitalization is essential to our long-term strategy, since customers who use our digital channels increase their loyalty, engagement and purchasing frequency, spending, on average, 20% to 25% more than before 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.







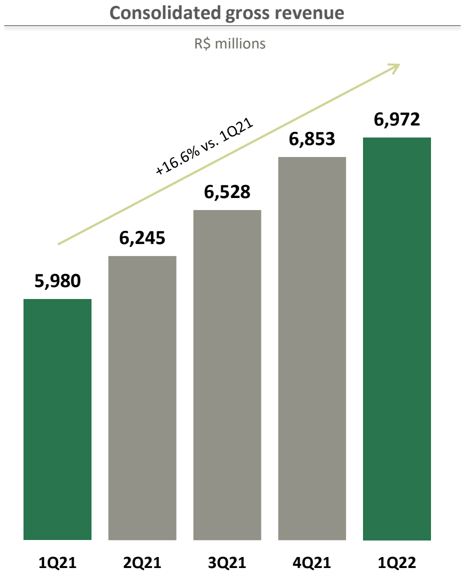
We also highlight the importance of the pharmacies for the digital sales, as 91% of such transactions in the 1Q22 were fulfilled by the physical stores, with both quick delivery times and high economic efficiency. Click & Collect represented 52% of digital orders, while neighborhood deliveries amounted to another 11%, demonstrating 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. Lastly, motorized ship-from-store deliveries were available in 409 cities by the end of the quarter, 82% of the municipalities in which RD operates pharmacies, complementing *Click & Collect and* the *Neighborhood Deliveries*, which are available in 100% of our stores.

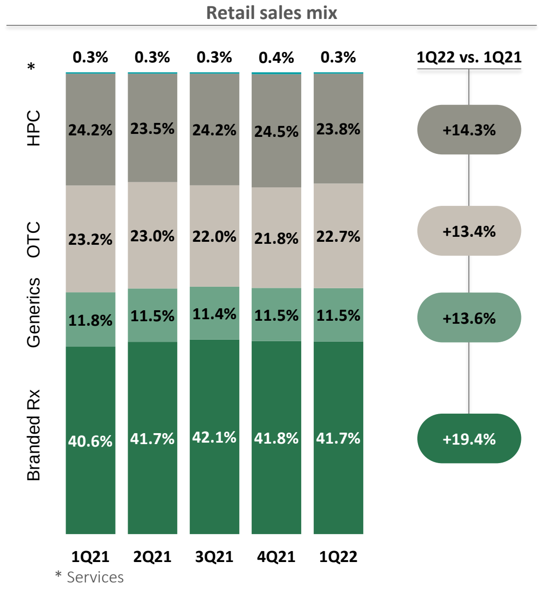
We continue to structure our marketplace with the inclusion of new sellers and SKUs. We ended the 1Q22 offering 107 thousand SKUs from 464 different sellers, in comparison with the 16 thousand SKUs from 61 sellers in the same period of the previous year.

In the quarter, we performed another 694 thousand COVID-19 tests, totaling 4.6 MM performed in our pharmacies since the outbreak of the pandemic. Additionally, the 231 locations with vaccine permits performed over 10 thousand different immunizations, contributing to the repositioning of our pharmacies as health hubs within the communities they serve.

Lastly, 900 thousand unique users benefitted from the more than 220 free programs offered by the Vitat integral health apps in the 1Q22, while our weekly podcast recorded over 800 thousand views and the Vitat digital channels were accessed by 8.6 million unique visitors in the same period. This underscores the reach of our current assets as we lay upon them the groundwork for our future Health Platform.

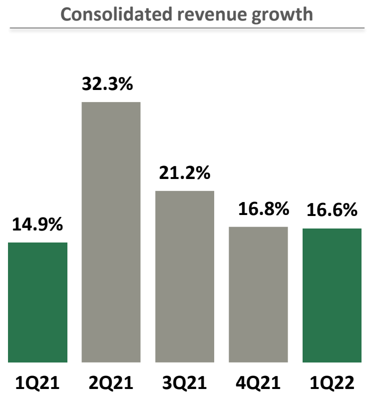
GROSS REVENUES

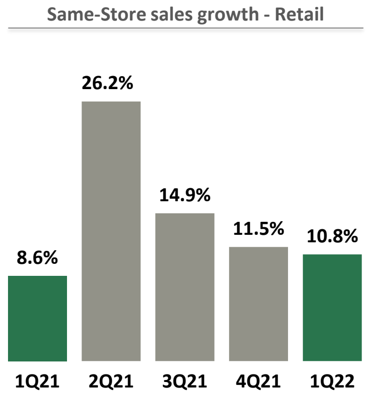


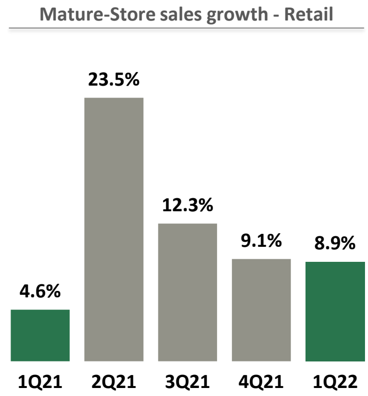


We ended the 1Q22 with a consolidated revenue of R$ 6,972 million, a 16.6% growth over the 1Q21. We highlight that in the 1H21 we recorded a peak in demand for COVID-19 testing. Excluding the revenue from the rapid tests as well as of the self-tests, for which commercialization started in the 1Q22, our consolidated gross revenue would have grown 17.8%, revealing a 1.2 percentage point pressure arising from the strong comp base of the 1Q21.

Branded Rx was the highlight of the quarter by growing 19.4% and gaining 1.1 percentage point in the mix. Meanwhile, Generics grew 13.6% and lost 0.3 p.p. in the mix, while HPC grew 14.3% and lost 0.4 p.p. in the mix. Finally, OTC grew 13.4% and lost 0.5 p.p. in the mix due to the high COVID-19 testing comp base of the 1Q21.



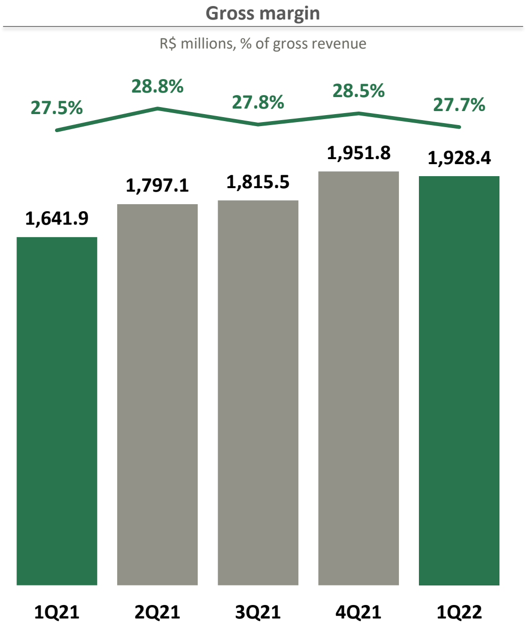




We recorded an average same-store sales growth of 10.8% at our pharmacies in the 1Q22, with 8.9% for mature stores, 1.4 percentage point above the CMED price adjustment authorized in 2021, despite the 1.2 percentage point pressure from the COVID-19 testing peak in the 1Q21. still, mature stores grew 2.4 percentage points below the accumulated CPI of 11.3% in the period, with a positive calendar effect of 0.1%.

GROSS PROFIT

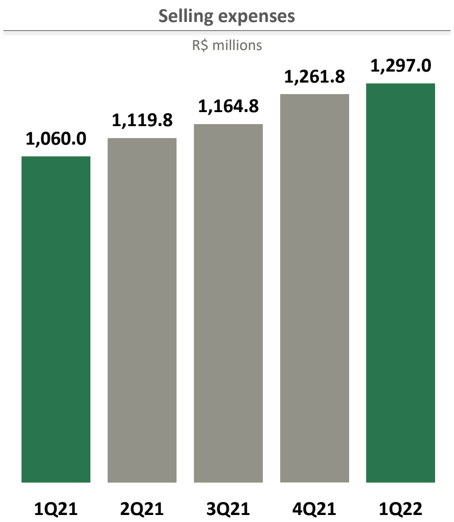
Our gross profit totaled R$ 1,928.4 million in the 1Q22, with a gross margin of 27.7%, a 0.2 percentage point expansion in comparison to the 1Q21. The gross margin was benefitted by 0.2 percentage point from the Net Present Value (NPV) adjustment, a non-cash effect stemming from higher interest rates when compared to the same period of the previous year.

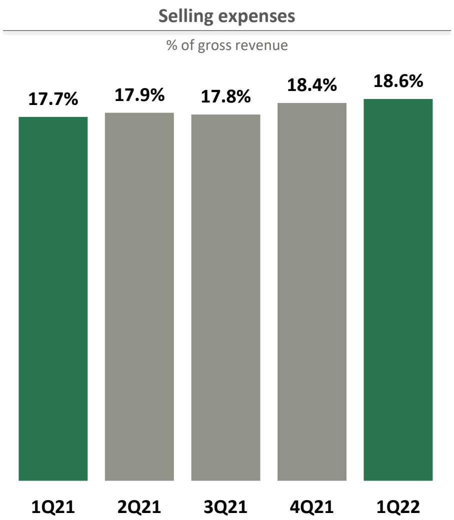


SELLING EXPENSES

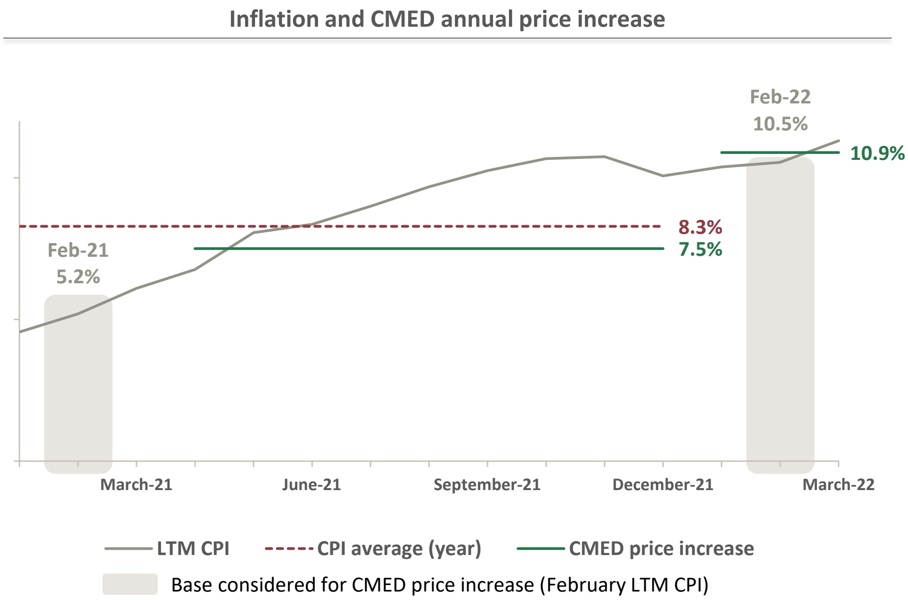
Selling expenses totaled R$ 1,297.0 million in the 1Q22, equivalent to 18.6% of gross revenue, a 0.9 percentage point pressure in comparison to the 1Q21. This pressure was mostly driven by the inflation recorded in the period, which exceeded the CMED price adjustment by 3.2 percentage points and the mature stores growth recorded in the period by 2.4 percentage points.

In comparison to the same period of the previous year, we recorded in the quarter a pressure of 0.4 percentage point in personnel expenses, 0.1 p.p. in rentals, 0.1 p.p. in payment methods, 0.1 p.p. in marketing expenses, 0.1 p.p. in freight costs and 0.1 p.p. in other selling expenses.

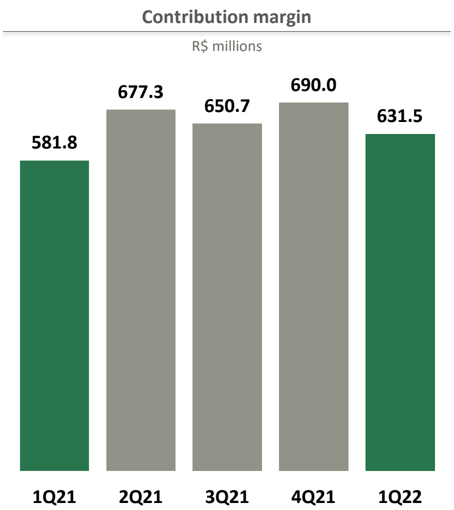


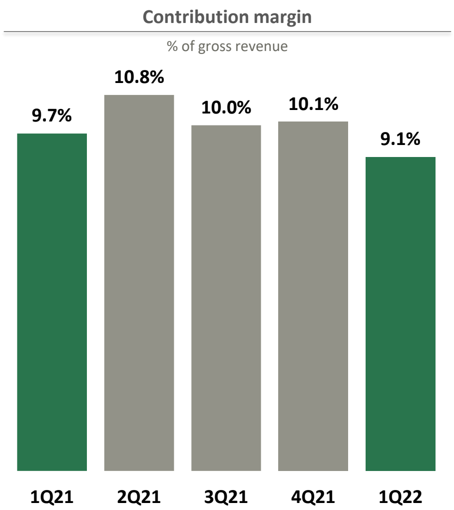


Finally, we expect an inflationary recomposition starting in the 2Q22, driven by the 10.9% pharmaceutical price readjustment authorized by CMED, passing through the inflation recorded in the last twelve months to our prices, as illustrated in the chart below:



CONTRIBUTION MARGIN

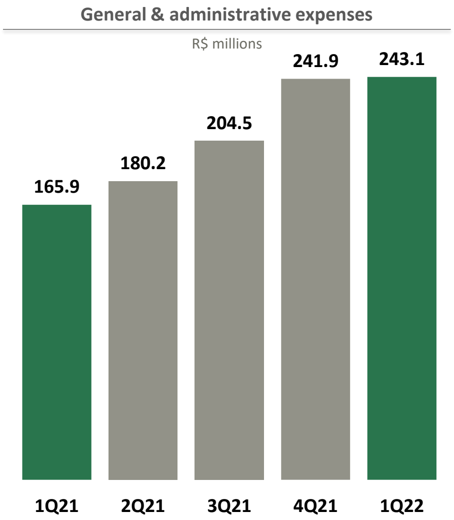


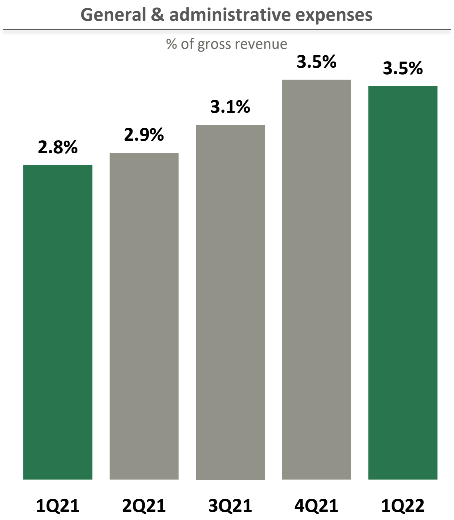


In the 1Q22, we recorded a contribution margin of R$ 631.5 million, equivalent to a margin of 9.1% of gross revenue, a 0.6 percentage point margin decrease due to the inflationary pressures recorded in the period.

GENERAL & ADMINISTRATIVE EXPENSES

General and administrative expenses totaled R$ 243.1 million in the 1Q22, equivalent to 3.5% of gross revenue, a 0.7 percentage point increase in comparison to the 1Q21.





We recorded pressures of 0.5 percentage point in personnel expenses, 0.2 p.p. in software licenses, 0.1 p.p. with consulting services and 0.1 p.p. in marketing expenses, partly offset by a reduction of 0.1 p.p. in fiscal contingencies and 0.1 p.p. in other corporate expenses. Just as with selling expenses, general and administrative expenses were also negatively impacted by the strong inflationary pressure starting from the 2H21, reducing the Company's operating leverage.

Additionally, this increase in general and administrative expenses also reflects the significant investments undertaken in our corporate structure to support the development and execution of our new strategy. These investments in people, technology and infrastructure are essential to the success of our digital transformation, a core pillar for the competitiveness of both our current and future businesses.

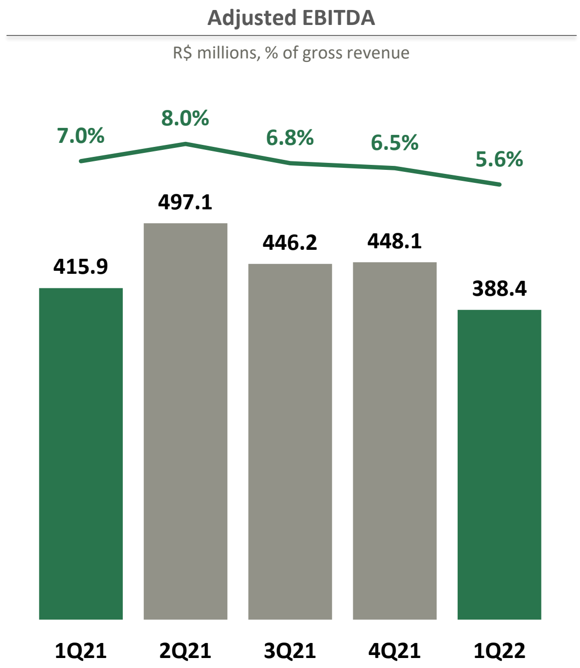
The enhancement of our corporate structure to support our digital strategy started in the 1Q19, and has increased our general and administrative expenses from 2.3% of gross revenues to the current level of 3.5%. The scope and scale of this investment in our future is aligned with the ambition and long-term vision which has guided RD since the merger and reflects our conviction in the potential value creation of our new strategy, which is focused on the digitalization of healthcare and based on three pillars: New Pharmacy, Marketplace and Health Platform.

Finally, our aim is to stabilize our general and administrative expenses in the coming quarters as a percentage of our total sales.

EBITDA

Our adjusted EBITDA totaled R$ 388.4 million in the 1Q22 and represented 5.6% of gross revenues, a 1.4 percentage point reduction. We recorded a contribution margin loss of 0.6 percentage point due to the strong inflationary lag of the period, and a 0.7 percentage point pressure in general and administrative expenses stemming from both the inflationary lag and from the increases in our corporate structure to support the Company's new strategy.

Finally, we expect an inflationary recomposition starting in the 2Q22, driven by the 10.9% price readjustment authorized by CMED, contributing towards the normalization of the Company's margins.



EBITDA RECONCILIATION AND NON-RECURRING EXPENSES

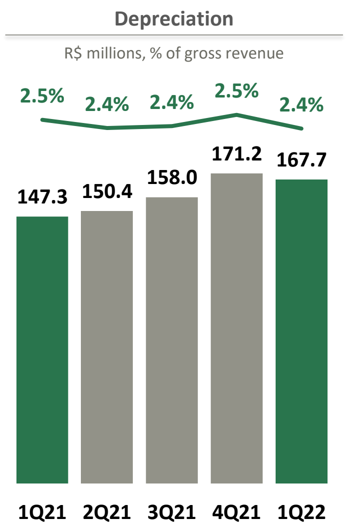
We recorded in the 1Q22 a total of R$ 12.6 million in non-recurring net income. This includes R$ 1.1 million in non-recurring expenses from asset write-offs, mostly from store closures, R$ 0.9 million in social investments and R$ 0.6 million in donations, fully offset by R$ 15.3 million in non-recurring tax credits, mainly from ICMS of previous years.

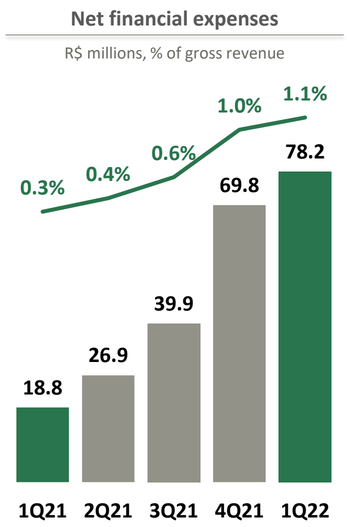
DEPRECIATION, NET FINANCIAL EXPENSES AND INCOME TAXES

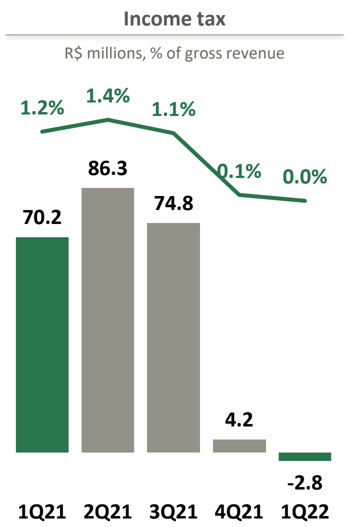
Depreciation expenses amounted to R$ 167.7 million in the 1Q22, equivalent to 2.4% of gross revenues, a 0.1 percentage point dilution when compared to the 1Q21.

Net financial expenses represented 1.1% of gross revenue in the 1Q22, a 0.8 percentage point increase when compared to the 1Q21. Of the R$ 78.2 million recorded in the 1Q22, R$ 46.1 million refers to the actual financial interest accrued on financial liabilities, equivalent to 0.7% of gross revenue, a 0.4 percentage point increase when compared to the 1Q21. We've also recorded R$ 31.4 million in financial expenses which refer to the NPV adjustment in the 1Q22, and another R$ 0.8 million which refers to the interest on the option to acquire the remaining 15% of 4Bio.

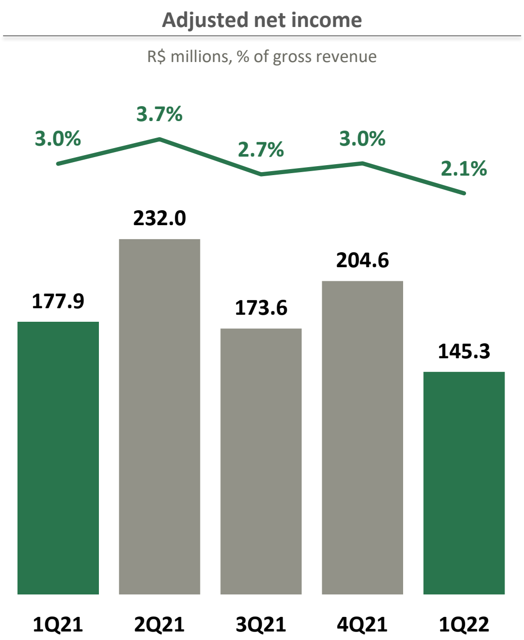
Lastly, we booked R$ -2.8 million in income taxes in the 1Q22, 1.2 percentage point less than in the 1Q21. The lower income tax in the quarter includes a R$ 20.7 million adjustment due to excess income tax paid on variable pay relating to previous years.







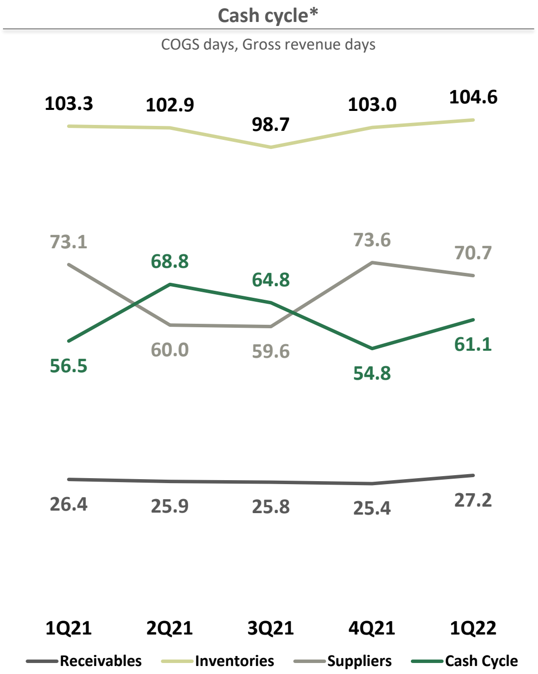
NET INCOME



Our adjusted net income totaled R$ 145.3 million in the 1Q22 with a margin of 2.1% of gross revenue, a contraction of 0.9 percentage point when compared to the same period of the previous year.

CASH CYCLE

Our cash cycle in the 1Q22 was of 61.1 days, a sequential increase of 6.3 days and a 4.6 day increase when compared to the same period of the previous year. When compared to the 1Q21, our inventories increased by 1.3 days, accounts payable decreased by 2.4 days and receivables increased by 0.8 day.



* Adjusted for discounted receivables.

CASH FLOW

Cash flow	1Q22	1Q21
(R$ million)		
Adjusted EBIT	**220.7**	**268.5**
NPV adjustment	(17.7)	(3.0)
Non-recurring expenses	12.6	16.4
Income tax (34%)	(73.3)	(95.9)
Depreciation	167.7	147.3
Others	18.1	62.2
Resources from operations	**328.1**	**395.6**
Cash cycle*	(433.7)	(385.5)
Other assets (liabilities)**	(42.2)	18.3
Operating cash flow	**(147.8)**	**28.4**
Investments	**(172.8)**	**(133.4)**
Free cash flow	**(320.6)**	**(105.0)**
M&A and other investments	(19.4)	(14.3)
Interest on equity and dividends	(0.1)	(0.0)
Income tax paid over interest on equity	-	(12.7)
Net financial expenses***	(46.8)	(13.5)
Tax benefit (fin. exp., IoE, dividends)	38.4	19.6
Total Cash Flow	**(348.6)**	**(126.0)**

*Includes adjustments to discounted receivables.

**Includes NPV adjustments.

***Excludes NPV adjustments.

In the 1Q22, we recorded a negative free cash flow of R$ 320.6 million and a total cash consumption of R$ 348.6 million. Resources from operations totaled R$ 328.1 million, equivalent to 4.7% of gross revenue. We recorded a working capital increase of R$ 475.9 million, resulting in a negative operating cash flow of R$ 147.8 million, in addition to a CAPEX of R$ 172.8 million. Its important to highlight that the first quarter brings an unfavorable cash cycle seasonality, while the fourth quarter boasts the year's most favorable seasonal effects, thus resulting in a relevant cash consumption in the current quarter.

Of the R$ 172.8 million invested in the 1Q22, R$ 86.7 million were used for the opening of new pharmacies, R$ 36.3 million for the renovation or expansion of existing locations, R$ 29.2 million for IT, R$ 19.0 million in logistics and R$ 1.6 million in other projects.

Additionally, R$ 19.4 million in investments were made towards the construction of our integral health ecosystem through RD Ventures, totaling R$ 160.1 million in these investments since 2020.

Payments related to net financial expenses totaled R$ 46.8 million in the 1Q22. These payments were offset by R$ 38.4 million in tax benefits related to interest on equity.

Lastly, we provisioned R$ 66.0 million in interest on capital in the 1Q22, in comparison to the R$ 44.0 million provisioned in the 1Q21, representing a payout of 43.0% of the quarter's net income.

INDEBTEDNESS

We ended the 1Q22 with an adjusted net debt of R$ 1,741.6 million, versus R$ 945.5 million in the 1Q21. This equals an adjusted net debt to EBITDA ratio of 1.0x.

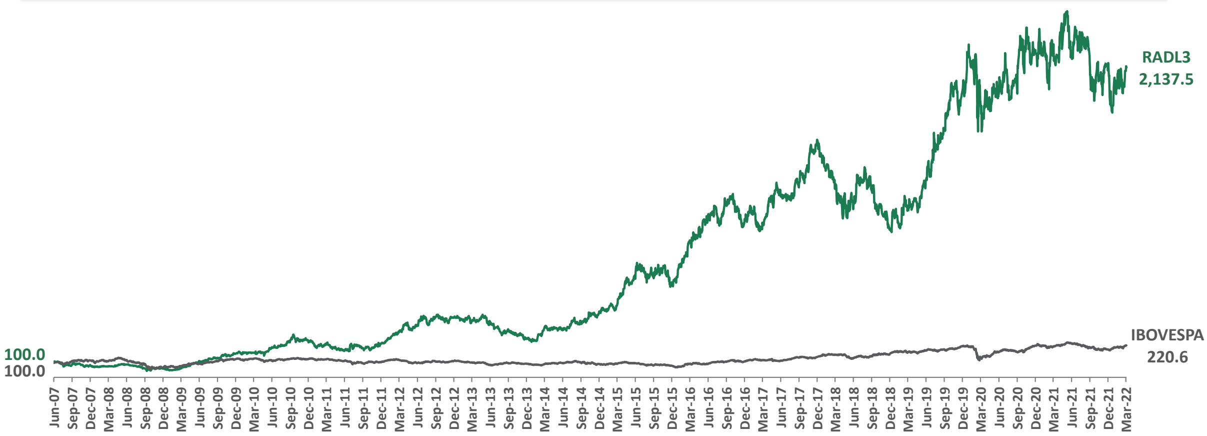
Our adjusted net debt includes R$ 38.7 million in liabilities mostly related to the exercise of the put option granted and/or call option obtained for the acquisition of the remaining 15% minority stake of 4Bio.

Net Debt (R$ millions)	1Q22	4Q21	3Q21	2Q21	1Q21
Short-term Debt	533.5	613.8	630.1	622.7	206.7
Long-term Debt	1,635.6	891.4	934.7	934.3	1,426.2
Total Gross Debt	**2,169.1**	**1,505.2**	**1,564.8**	**1,557.0**	**1,632.8**
(-) Cash and Equivalents	466.2	356.1	247.2	266.7	734.4
Net Debt	**1,702.9**	**1,149.1**	**1,317.6**	**1,290.4**	**898.4**
Discounted Receivables	-	205.9	0.5	6.6	-
Put/Call options of investments (estimated)	38.7	37.9	36.6	35.9	47.1
Adjusted Net Debt	**1,741.6**	**1,393.0**	**1,354.8**	**1,332.8**	**945.5**
Adjusted Net Debt / EBITDA	**1.0x**	**0.8x**	**0.8x**	**0.8x**	**0.6x**

In the 1Q22, we issued our 5th and 6th debentures totaling R$ 500.0 million and R$ 250.0 million, respectively. Thus, our gross debt totaled R$ 2,169.1 million, of which 84.2% corresponds to the debentures issued in 2017, 2018, 2019 and 2022, to the Certificate of Real Estate Receivables issued in 2019 and 2022 and to the commercial papers issued in 2020 and 15.8% corresponds to other credit lines. Of our total debt, 75% is long-term, while 25% relates to its short-term parcels. We ended the quarter with a total cash position (cash and marketable securities) of R$ 466.2 million.

TOTAL SHAREHOLDER RETURNS

Share appreciation



Our share price decreased by 1.5% in the 1Q22, 16.0 percentage points below the IBOVESPA, which increased by 14.5%. Since the IPO of Drogasil, we achieved a cumulative share appreciation of 2,038% versus a return of only 121% for the IBOVESPA. Including the payment of interest on equity and dividends, we generated an average annual total return to shareholders of 23.5%.

Considering the IPO of Raia in December of 2010, the cumulative return amounted to 722% versus an increase of only 77% of the IBOVESPA. Considering the payment of interest on equity and dividends, this resulted in an average annual total return to shareholders of 21.0%. Lastly, our shares recorded an average daily trading volume of R$ 158 million in the quarter.

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.

	1Q22		Change
Income Statement *(R$ millions)*	**IAS 17**	**IFRS 16**	**Δ 1Q22**
Gross Revenue	**6,972.5**	**6,972.5**	**0.0**
Gross Profit	**1,928.4**	**1,928.4**	**0.0**
Gross Margin	27.7%	27.7%	0.0%
Selling Expenses	(1,297.0)	(1,070.1)	226.8
G&A	(243.1)	(242.6)	0.5
Total Expenses	**(1,540.1)**	**(1,312.7)**	**227.3**
as % of Gross Revenue	22.1%	18.8%	(3.3%)
Adjusted EBITDA	**388.4**	**615.7**	**227.3**
as % of Gross Revenue	5.6%	8.8%	3.3%
Non-Recurring Expenses / Revenues	12.6	12.6	0.0
Depreciation and Amortization	(167.7)	(352.6)	(184.9)
Financial Results	(78.2)	(135.4)	(57.1)
Equity Equivalence	0.0	0.0	(0.0)
Income Tax	(1.5)	3.5	5.0
Net Income	**153.6**	**143.9**	**(9.7)**
as % of Gross Revenue	2.2%	2.1%	(0.1%)

Balance Sheet *(R$ millions)*	1Q22 IAS 17	1Q22 IFRS 16	Change Δ 1Q22
Assets	**12,222.0**	**15,536.8**	**3,314.8**
Current Assets	**8,484.0**	**8,484.0**	**0.0**
Taxes Receivable	267.3	267.4	0.0
Non-Current Assets	**3,738.0**	**7,052.8**	**3,314.8**
Other Credits	40.0	39.5	(0.5)
Property, Plant and Equipment	2,004.3	5,319.5	3,315.3
Liabilities and Shareholder's Equity	**12,222.0**	**15,536.8**	**3,314.8**
Current Liabilities	**5,171.8**	**5,886.7**	**714.9**
Financial Leases	0.0	728.7	728.7
Other Accounts Payable	251.8	237.9	(13.9)
Non-Current Liabilities	**2,028.5**	**4,855.2**	**2,826.7**
Financial Leases	0.0	2,943.4	2,943.4
Income Tax and Social Charges Deferred	191.0	74.4	(116.6)
Shareholder's Equity	**5,021.7**	**4,794.9**	**(226.7)**
Income Reserves	2,267.9	2,050.9	(217.0)
Accrued Income	84.4	74.7	(9.7)
Non Controller Interest	43.6	43.5	(0.0)

Cash Flow *(R$ millions)*	1Q22 IAS 17	1Q22 IFRS 16	Change Δ 1Q22
Adjusted EBIT	**220.7**	**263.2**	**42.5**
NPV Adjustment	(17.7)	(17.7)	0.0
Non-Recurring Expenses	12.6	12.6	0.0
Income Tax (34%)	(73.3)	(87.7)	(14.4)
Depreciation	167.7	352.6	184.9
Rental Expenses	0.0	(227.3)	(227.3)
Others	18.1	32.5	14.4
Resources from Operations	**328.1**	**328.1**	**0.0**
Cash Cycle*	(433.7)	(433.7)	0.0
Other Assets (Liabilities)**	(42.2)	(42.2)	0.0
Operating Cash Flow	**(147.8)**	**(147.8)**	**0.0**
Investments	**(172.8)**	**(172.8)**	**0.0**
Free Cash Flow	**(320.6)**	**(320.6)**	**0.0**
M&A and other investments	(19.4)	(19.4)	0.0
Interest on equity and dividends	(0.1)	(0.1)	0.0
Net financial expenses***	(46.8)	(46.8)	0.0
Tax benefit (fin. exp., IoE, dividends)	38.4	38.4	0.0
Total Cash Flow	**(348.6)**	**(348.6)**	**0.0**

*Includes adjustments to discounted receivables.

**Includes NPV adjustments

***Excludes NPV adjustments

1Q22 Results Conference Calls – May 4th, 2022

Portuguese	English
at 10:00 am (BRT)	at 12:00 pm (BRT)
Link: https://www.resultadosrd.com.br/	Link: https://www.resultadosrd.com.br/

For more information, please contact our Investor Relations department.

E-mail: ri@rd.com.br

Consolidated Adjusted Income Statement *(R$ thousands)*	1Q21	1Q22
Gross Revenue	**5,979,508**	**6,972,496**
Taxes, Discounts and Returns	(359,456)	(409,986)
Net Revenue	**5,620,051**	**6,562,510**
Cost of Goods Sold	(3,978,199)	(4,634,074)
Gross Profit	**1,641,852**	**1,928,436**
Operational (Expenses) Revenues		
Sales	(1,060,050)	(1,296,951)
General and Administrative	(165,947)	(243,103)
Operational Expenses	**(1,225,997)**	**(1,540,054)**
EBITDA	**415,855**	**388,382**
Depreciation and Amortization	(147,343)	(167,692)
Operational Earnings before Financial Results	**268,513**	**220,690**
Financial Expenses	(29,544)	(125,002)
Financial Revenue	10,712	46,762
Financial Expenses/Revenue	**(18,832)**	**(78,239)**
Equity Equivalence	(1,515)	44
Earnings before Income Tax and Social Charges	**248,166**	**142,495**
Income Tax and Social Charges	(70,219)	2,775
Net Income	**177,947**	**145,270**

Consolidated Income Statement *(R$ thousands)*	**1Q21**	**1Q22**
Gross Revenue	**5,979,508**	**6,972,496**
Taxes, Discounts and Returns	(359,456)	(409,986)
Net Revenue	**5,620,051**	**6,562,510**
Cost of Goods Sold	(3,978,199)	(4,634,074)
Gross Profit	**1,641,852**	**1,928,436**
Operational (Expenses) Revenues		
Sales	(1,060,050)	(1,296,951)
General and Administrative	(165,947)	(243,103)
Other Operational Expenses, Net	16,427	12,607
Operational Expenses	**(1,209,570)**	**(1,527,447)**
EBITDA	**432,283**	**400,989**
Depreciation and Amortization	(147,343)	(167,692)
Operational Earnings before Financial Results	**284,940**	**233,297**
Financial Expenses	(29,544)	(125,002)
Financial Revenue	10,712	46,762
Financial Expenses/Revenue	**(18,832)**	**(78,239)**
Equity Equivalence	(1,515)	44
Earnings before Income Tax and Social Charges	**264,593**	**155,102**
Income Tax and Social Charges	(75,804)	(1,511)
Net Income	**188,789**	**153,590**

Assets	**1Q21**	**1Q22**
(R$ thousands)		
Current Assets		
Cash and Cash Equivalents	734,434	466,154
Accounts Receivable	1,732,296	2,089,165
Inventories	4,514,392	5,324,337
Taxes Receivable	66,320	267,334
Other Accounts Receivable	230,861	260,604
Anticipated Expenses	55,416	76,399
	7,333,720	8,483,993
Non-Current Assets		
Deposit in Court	26,967	29,082
Taxes Receivable	97,508	127,773
Income Tax and Social Charges deferred	37,463	47,055
Other Credits	354,669	39,964
Investments	8,180	1,071
Property, Plant and Equipment	1,850,361	2,004,251
Intangible	1,263,430	1,488,761
	3,638,578	3,737,957
ASSETS	**10,972,298**	**12,221,950**

Liabilities and Shareholder's Equity *(R$ thousands)*	**1Q21**	**1Q22**
Current Liabilities		
Suppliers	3,196,508	3,600,986
Loans and Financing	206,650	533,453
Salaries and Social Charges Payable	319,416	431,110
Taxes Payable	143,983	176,333
Dividend and Interest on Equity	173,828	133,780
Provision for Lawsuits	44,333	44,353
Other Accounts Payable	208,888	251,774
	4,293,606	5,171,790
Non-Current Liabilities		
Loans and Financing	1,426,168	1,635,615
Provision for Lawsuits	68,363	49,857
Income Tax and Social Charges deferred	165,593	191,019
Other Accounts Payable	402,597	152,000
	2,062,722	2,028,491
Shareholder's Equity		
Common Stock	2,500,000	2,500,000
Capital Reserves	146,824	88,981
Revaluation Reserve	11,635	11,474
Income Reserves	1,780,379	2,267,879
Accrued Income	142,893	84,360
Equity Adjustments	(30,230)	3,261
Non Controller Interest	64,468	43,585
Additional Dividend Proposed	-	22,129
	4,615,970	5,021,670
LIABILITIES AND SHAREHOLDERS' EQUITY	**10,972,298**	**12,221,950**

Cash Flow	1Q21	1Q22
(R$ thousands)		
Earnings before Income Tax and Social Charges	**264,593**	**155,102**
Adjustments		
Depreciation and Amortization	147,342	167,693
Compensation plan with restricted shares, net	(1,247)	(933)
Interest over additional stock option	676	755
P,P&E and Intangible Assets residual value	8,035	6,621
Provisioned Lawsuits	62,843	8,352
Provisioned Inventory Loss	2,501	6,320
Provision for Doubtful Accounts	770	2,858
Provisioned Store Closures	(8,853)	(4,553)
Interest Expenses	13,832	51,241
Debt Issuance Costs Amortization	1,261	1,080
Equity Equivalence Result	1,515	(30)
Discount on rentals	(1,873)	(577)
	491,395	**393,929**
Assets and Liabilities variation		
Clients and Other Accounts Receivable	(177,633)	(381,967)
Inventories	(291,485)	(212,858)
Other Short Term Assets	(26,402)	2,384
Long Term Assets	7,650	(7,526)
Suppliers	83,581	(44,842)
Salaries and Social Charges	10,255	10,754
Taxes Payable	11,396	(54,563)
Other Liabilities	(15,759)	39,458
Rents Payable	14,735	(3,271)
Cash from Operations	**107,733**	**(258,502)**
Interest Paid	(20,298)	(29,891)
Income Tax and Social Charges Paid	(61,743)	(40,282)
Paid lawsuits	(8,473)	(11,002)
Net Cash from (invested) Operational Activities	**17,219**	**(339,677)**
Investment Activities Cash Flow		
P,P&E and Intangible Acquisitions	(133,863)	(188,236)
P,P&E Sale Payments	466	-
Acquisitions and capital contributions in investments, net	(14,274)	-
Loans granted to subsidiaries	-	(4,000)
Net Cash from Investment Activities	**(147,671)**	**(192,236)**
Financing Activities Cash Flow		
Funding	299,056	743,251
Payments	(314,487)	(101,202)
Interest on Equity and Dividends Paid	(40)	(99)
Net Cash from Funding Activities	**(15,471)**	**641,950**
Cash and Cash Equivalents net increase	**(145,923)**	**110,037**
Cash and Cash Equivalents in the beggining of the period	**880,357**	**356,117**
Cash and Cash Equivalents in the end of the period	**734,434**	**466,154**

Balance sheet
March 31, 2022
All amounts in thousands of reais

Gente, Saúde e Bem-estar.
RaiaDrogasil S.A.

(A free translation of the original in Portuguese)

		Parent Company		Consolidated	
Assets	**Note**	**Mar/22**	**Dec/2021**	**Mar/22**	**Dec/2021**
Current assets					
Cash and cash equivalents	5	444,641	316,654	466,154	356,118
Trade receivables	6	1,812,455	1,487,204	2,089,164	1,710,057
Inventories	7	5,202,577	4,990,021	5,324,337	5,117,799
Recoverable taxes	8	262,152	190,377	267,382	195,777
Other current assets	-	255,149	288,078	260,620	290,814
Prepaid expenses	-	75,448	47,996	76,399	48,359
		8,052,422	**7,320,330**	**8,484,056**	**7,718,924**
Non-current assets					
Long-term receivables					
Judicial deposits	15	25,195	25,872	29,083	29,951
Recoverable taxes	8	112,807	120,669	127,773	132,929
Deferred income tax and social contribution	16b	-	-	47,055	49,047
Prepaid expenses		4,914	5,189	4,913	5,189
Related parties	-	2,548	34,936	25,595	22,227
Other non-current assets	-	530	533	8,993	571
		145,994	**187,199**	**243,412**	**239,914**
Investments	9	344,403	322,840	1,059	830
Property and equipment	10a	1,997,750	1,992,728	2,004,208	1,999,020
Right-of-use lease	14	3,311,694	3,327,624	3,315,295	3,330,567
Intangible assets	10b	1,292,726	1,290,414	1,488,762	1,486,251
		6,946,573	**6,933,606**	**6,809,324**	**6,816,668**
		7,092,567	**7,120,805**	**7,052,736**	**7,056,582**
Total assets		**15,144,989**	**14,441,135**	**15,536,792**	**14,775,506**

		Parent Company		Consolidated	
Liabilities and equity	**Note**	**Mar/22**	**Dec/2021**	**Mar/22**	**Dec/2021**
Current liabilities					
Trade payables	12	3,386,089	3,485,328	3,600,986	3,656,607
Borrowings	13	490,277	571,549	533,454	613,830
Leases payable	14	727,042	697,738	728,739	699,170
Salaries and social charges	-	413,926	405,782	431,110	420,356
Taxes and contributions	-	169,758	151,785	176,333	154,773
Dividends and interest on capital	-	133,780	76,787	133,780	76,787
Income tax and social contribution	-	129	-	2,925	362
Provision for legal claims	15	44,353	43,560	44,353	43,560
Other current liabilities	-	224,595	219,670	234,976	230,747
		5,589,949	**5,652,199**	**5,886,656**	**5,896,192**
Non-current liabilities					
Borrowings	13	1,635,599	890,613	1,635,615	891,392
Leases payable	14	2,941,320	2,972,087	2,943,357	2,973,728
Provision for legal claims	15	49,664	52,915	49,857	53,108
Deferred income tax and social contribution	16b	72,939	87,519	74,383	89,011
Payables to subsidiary's shareholder	9a	38,139	37,383	38,699	37,943
Provisions for losses on investments	9	-	-	432	432
Other non-current liabilities	-	65,999	70,746	112,869	114,898
		4,803,660	**4,111,263**	**4,855,212**	**4,160,512**
Total liabilities		**10,393,609**	**9,763,462**	**10,741,868**	**10,056,704**
Equity	18				
Attributable to owners of the Company					
Share capital	-	2,500,000	2,500,000	2,500,000	2,500,000
Capital reserves	-	88,981	89,914	88,981	89,914
Revenue reserves	-	2,050,855	2,050,855	2,050,855	2,050,855
Proposed additional dividends	-	22,129	22,129	22,129	22,129
Carrying value adjustments	-	14,735	14,775	14,735	14,775
Retained earnings	-	74,680	-	74,680	-
		4,751,380	**4,677,673**	**4,751,380**	**4,677,673**
Noncontrolling interests	-	-	-	43,544	41,129
Total equity		**4,751,380**	**4,677,673**	**4,794,924**	**4,718,802**
Total liabilities and equity		**15,144,989**	**14,441,135**	**15,536,792**	**14,775,506**

Gente, Saúde e Bem-estar.
RaiaDrogasil S.A.

Statements of income
Three-month period ended March 31, 2022
All amounts in thousands of reais, except earnings per capital share (A free translation of the original in Portuguese)

	Note	Parent Company		Consolidated	
		Mar/22	Mar/21	Mar/22	Mar/21
Net sales revenue	19	6,164,261	5,327,201	6,562,510	5,620,051
Cost of sales	20	(4,292,458)	(3,708,390)	(4,634,073)	(3,978,199)
Gross profit		**1,871,803**	**1,618,811**	**1,928,437**	**1,641,852**
Operating (expenses) income					
Selling expenses	20	(1,364,292)	(1,135,532)	(1,388,041)	(1,148,299)
General and administrative expenses	20	(259,327)	(184,354)	(277,239)	(190,493)
Other operating income (expenses)	20	8,413	16,014	12,608	16,549
Equity in the results of subsidiaries	9	6,194	259	30	(1,515)
		(1,609,012)	**(1,303,613)**	**(1,652,642)**	**(1,323,758)**
Profit before finance results		**262,791**	**315,198**	**275,795**	**318,094**
Finance income (costs)					
Finance income	22	41,395	10,586	46,762	10,712
Finance costs	22	(175,872)	(81,914)	(182,123)	(83,247)
		(134,477)	**(71,328)**	**(135,361)**	**(72,535)**
Profit before income tax and social contribution		**128,314**	**243,870**	**140,434**	**245,559**
Income tax and social contribution					
Current	-	(2,233)	(68,569)	(9,140)	(71,183)
Deferred	-	14,559	(1,005)	12,615	1,853
	16	**12,326**	**(69,574)**	**3,475**	**(69,330)**
Profit for the year		**140,640**	**174,296**	**143,909**	**176,229**
Attributable to:					
Owners of the Company	-	-	-	140,640	174,296
Noncontrolling interests	-	-	-	3,269	1,933
		140,640	**174,296**	**143,909**	**176,229**
Basic earnings per share	17	0.08537	0.10565	0.08537	0.10565
Diluted earnings per share	17	0.08445	0.10481	0.08445	0.10481

RaiaDrogasil S.A.

Statements of comprehensive income
Three-month period ended March 31, 2022
All amounts in thousands of reais, except earnings per capital share

(A free translation of the original in Portuguese)

	Note	Parent Company		Consolidated	
		Mar/22	Mar/21	Mar/22	Mar/21
Profit for the year		**140,640**	**174,296**	**143,909**	**176,229**
Components of comprehensive income					
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year		**140,640**	**174,296**	**143,909**	**176,229**
Attributable to:					
Owners of the Company	-	140,640	174,296	140,640	174,296
Noncontrolling interests	-	-	-	3,269	1,933
Total		**140,640**	**174,296**	**143,909**	**176,229**

Statements of changes in equity
Three-month period ended March 31, 2022
All amounts in thousands of reais

(A free translation of the original in Portuguese)

		Attributable to owners of the Company													
		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	Transactions with noncontrolling interests	Total	Noncontrolling interests	Total equity
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)
Realization of revaluation reserve, net of income tax and social contribution	-	-	-	-	-	-	-	-	42	-	(42)	-	-	-	-
Restricted share plan - Vesting period	-	-	-	-	(1,278)	-	-	-	-	-	-	-	(1,278)	-	(1,278)
Restricted share plan - Delivery	-	-	(1,620)	7,444	(5,824)	-	-	-	-	-	-	-	-	-	-
Restricted shares - delivery of 4Bio shares	-	-	-	73	-	-	-	-	-	-	-	-	73	-	73
Profit for the year	-	-	-	-	-	-	-	-	174,295	-	-	-	174,295	1,933	176,228
Allocation of profit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest on capital proposed	-	-	-	-	-	-	-	-	(44,000)	-	-	-	(44,000)	-	(44,000)
At March 31, 2021	**2,500,000**	**10,191**	**135,293**	**(18,766)**	**20,107**	**178,353**	**1,278,952**	**206,866**	**130,337**	**-**	**11,635**	**(30,230)**	**4,422,738**	**64,428**	**4,487,166**
Interest on capital expired	-	-	-		-	-	-	-	586	-	-	-	586	-	586
Realization of revaluation reserve, net of income tax and social contribution	-	-	-	-	-	-	-	-	120	-	(120)	-	-	-	-
Restricted share plan - Vesting period	-	-	-	-	16,364	-	-	-	-	-	-	-	16,364	-	16,364
Restricted share plan - Delivery	-	-	272	-	(272)	-	-	-	-	-	-	-	-	-	-
Repurchase of shares	-	-	-	(73,228)	-	-	-	-	-	-	-	-	(73,228)	-	(73,228)
Restricted shares - delivery of 4Bio shares	-	-	-	-	(47)	-	-	-	-	-	-	-	(47)	-	(47)
Acquisition of shares from noncontrolling interests through exercise of call option – 4Bio	-	-	-	-	-	-	-	-	-	-	-	34,052	34,052	(34,026)	26
Transactions with noncontrolling interests – Healthbit	-	-	-	-	-	-	-	-	-	-	-	(560)	(560)	-	(560)
Profit for the year	-	-	-	-	-	-	-	-	577,639	-	-	-	577,639	10,266	587,905
Allocation of profit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	(138,870)	-	-	-	(138,870)	-	(138,870)
Interest on capital proposed	-	-	-	-	-	-	-	-	(183,129)	183,129	-	-	-	-	-
Early dividends approved at the BDM of November 9, 2021	-	-	-	-	-	-	-	-	-	(120,000)	-	-	(120,000)	-	(120,000)
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	-	-	-	-	-	-	-	-	40	-	(40)	-	-	-	-
Restricted share plan - Vesting period	-	-	-	-	(951)	-	-	-	-	-	-	-	(951)	-	(951)
Restricted share plan - Delivery	-	-	(5,525)	15,468	(9,943)	-	-	-	-	-	-	-	-	-	-
Repurchase of shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restricted shares - delivery of 4Bio shares	-	-	-	61	(45)	-	-	-	-	-	-	-	16	-	16
Adjustment in percentage of interest – 4Bio	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	-	-	140,640	-	-	-	140,640	3,269	143,909
Other changes	-	-	-	-	-	-	-	-	-	-	-	-	-	(851)	(851)
Allocation of profit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest on capital proposed	-	-	-	-	-	-	-	-	(66,000)	-	-	-	(66,000)	-	(66,000)
Transfer to reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
At March 31, 2022	**2,500,000**	**10,191**	**130,040**	**(76,465)**	**25,214**	**215,950**	**1,536,438**	**298,466**	**74,680**	**22,129**	**11,475**	**3,262**	**4,751,379**	**43,547**	**4,794,926**

Statements of cash flows
Three-month period ended March 31, 2022
All amounts in thousands of reais

(A free translation of the original in Portuguese)

	Note	Parent Company		Consolidated	
		Mar/22	Mar/21	Mar/22	Mar/21
Cash flows from operating activities					
Profit before income tax and social contribution	-	**128,314**	**243,870**	**140,434**	**245,559**
Adjustments					
Depreciation and amortization	20	360,685	308,894	363,189	309,972
Compensation plan with restricted shares, net	-	(994)	(1,208)	(933)	(1,247)
Interest on additional stock option	-	755	676	755	676
Loss (profit) on sale/write-off of property and equipment and intangible assets	-	5,689	8,035	6,621	8,035
Provision for legal claims	15	8,353	19,396	8,353	62,843
Provision for inventory losses	7	6,320	2,501	6,320	2,501
(Reversal of) provision for impairment of trade receivables	6	666	639	2,858	770
(Reversal of) provision for drugstore closures	10.2	(4,553)	(8,853)	(4,553)	(8,853)
Interest expenses – borrowings	-	49,429	12,712	51,240	13,832
Interest expenses – leases	14	60,360	56,493	60,414	56,550
Amortization of transaction costs of debentures and promissory notes	13	1,080	1,261	1,080	1,261
Equity in the results of subsidiaries	9	(6,194)	(259)	(30)	1,515
Discounts on property rental	20	(577)	(1,873)	(577)	(1,873)
		609,333	**642,284**	**635,171**	**691,541**
Changes in assets and liabilities					
Trade and other receivables	-	(326,561)	(158,738)	(381,965)	(177,632)
Inventories	-	(218,876)	(277,552)	(212,858)	(291,485)
Other current assets	-	5,962	12,605	2,345	(26,406)
Long-term receivables	-	956	8,463	(7,476)	7,691
Trade payables	-	(88,462)	56,179	(44,844)	83,581
Salaries and social charges	-	8,144	9,861	10,754	10,256
Taxes and contributions	-	(60,520)	8,488	(59,554)	4,881
Other obligations	-	47,333	(3,757)	44,118	(2,412)
Rentals payable	-	(2,302)	14,046	(2,307)	14,046
Other					
Interest paid	13	(29,891)	(20,298)	(29,891)	(20,298)
Income tax and social contribution paid	-	(40,282)	(61,743)	(40,282)	(61,743)
Interest paid – leases	14	(60,360)	(56,493)	(60,414)	(56,550)
Legal claims - paid	15	(11,002)	(8,473)	(11,002)	(8,473)
Net cash provided by operating activities		**(166,528)**	**164,872**	**(158,205)**	**166,997**
Cash flows from investing activities					
Acquisition and capital contribution in investees, net of cash acquired	9.3	(15,430)	(14,508)	-	(14,274)
Purchases of property and equipment and intangible assets	-	(184,878)	(133,531)	(188,238)	(133,863)
Proceeds from sale or property and equipment	-	-	466	-	466
Loans granted to subsidiary	-	32,859	-	(4,000)	-
Net cash used in investing activities		**(167,449)**	**(147,573)**	**(192,238)**	**(147,671)**
Cash flows from financing activities					
Borrowings taken	13	743,175	299,056	743,252	299,056
Repayment of borrowings	13	(100,079)	(314,485)	(101,202)	(314,487)
Leases paid	-	(181,033)	(149,342)	(181,472)	(149,778)
Interest on capital and dividends paid	-	(99)	(40)	(99)	(40)
Net cash used in financing activities		**461,964**	**(164,811)**	**460,479**	**(165,249)**
Increase (decrease) in cash and cash equivalents		127,987	(147,512)	110,036	(145,923)
Cash and cash equivalents at January 1	5	316,654	855,257	356,118	880,357
Cash and cash equivalents at March 31	5	**444,641**	**707,745**	**466,154**	**734,434**

Statements of value added
Three-month period ended March 31, 2022
All amounts in thousands of reais

(A free translation of the original in Portuguese)

	Parent Company		Consolidated	
	Mar/22	Mar/21	Mar/22	Mar/21
Revenue	**6,467,057**	**5,610,462**	**6,871,963**	**5,933,857**
Gross sales and services	6,465,705	5,606,276	6,872,513	5,929,764
Other income	4,445	4,263	4,445	4,263
Provision for (reversal of) impairment of trade receivables	(3,093)	(77)	(4,995)	(170)
Inputs acquired from third parties	**(4,342,584)**	**(3,737,109)**	**(4,696,564)**	**(4,013,147)**
Cost of sales and services	(3,901,200)	(3,385,251)	(4,242,313)	(3,654,602)
Materials, energy, outsourced services and other	(441,384)	(351,858)	(454,251)	(358,545)
Impairment/recovery of assets	-	-	-	-
Gross value added	**2,124,473**	**1,873,353**	**2,175,399**	**1,920,710**
Depreciation and amortization	(350,059)	(300,648)	(352,557)	(301,728)
Net value added generated by the entity	**1,774,414**	**1,572,705**	**1,822,842**	**1,618,982**
Value added received through transfer	**53,696**	**12,616**	**52,901**	**10,972**
Equity in the results of subsidiaries	6,192	259	30	(1,515)
Finance income	43,438	10,970	48,805	11,100
Other	4,066	1,387	4,066	1,387
Total value added to distribute	**1,828,110**	**1,585,321**	**1,875,743**	**1,629,954**
Distribution of value added				
Personnel	**664,878**	**528,745**	**681,716**	**537,204**
Direct remuneration	524,703	411,605	535,935	416,864
Benefits	95,130	80,837	99,925	83,614
Unemployment compensation fund	45,045	36,303	45,856	36,726
Taxes and contributions	**797,938**	**766,346**	**818,601**	**798,939**
Federal	153,390	213,016	166,059	214,888
State	634,357	542,938	642,231	573,571
Municipal	10,191	10,392	10,311	10,480
Providers of capital	**224,654**	**115,934**	**231,449**	**117,583**
Interest	175,754	81,662	181,960	82,915
Rentals	48,900	34272	49,489	34,668
Interest on capital and dividends	**140,640**	**174,296**	**143,977**	**176,228**
Interest on capital	66,000	44,000	66,000	44,000
Retained earnings for the year	-	130,296	-	130,296
Dividends and interest on capital proposed	74,640	-	74,763	-
Noncontrolling interests in retained earnings	-	-	3,214	1,932
Value added distributed and retained	**1,828,110**	**1,585,321**	**1,875,743**	**1,629,954**

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

(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 2,530 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:

	Consolidated	
State	**Mar/22**	**Dec/21**
Southeast region	**1,533**	**1,526**
São Paulo	1,122	1,120
Minas Gerais	189	189
Rio de Janeiro	169	166
Espírito Santo	53	51
Northeast region	**356**	**348**
Pernambuco	87	86
Bahia	84	84
Ceará	61	58
Maranhão	29	26
Sergipe	23	22
Alagoas	20	20
Paraíba	19	19
Rio Grande do Norte	17	17
Piauí	16	16
South region	**298**	**287**
Paraná	138	137
Rio Grande do Sul	86	78
Santa Catarina	74	72
Midwest region	**254**	**245**
Goiás	99	98
Distrito Federal	81	80
Mato Grosso	40	34
Mato Grosso do Sul	34	33
North region	**89**	**84**
Pará	44	43
Tocantins	14	14
Amazonas	14	13
Rondônia	11	10
Amapá	3	2
Acre	1	1
Roraima	2	1
Total	**2,530**	**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.

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 505/2006 issued by the CVM, authorization to issue this interim financial information (ITR) was granted by the Company's Board of Directors on May 3, 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 March 31, 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 March 31, 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.

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.

(All amounts in thousands of reais unless otherwise stated)

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 March 31, 2022 as the calculation basis. On this date, the Company's receivables with respect to total accumulated sales were represented by: (i) Cards (83.6%), (ii) Cash (10.8%) and others (5.68%).

Trade receivables at March 31, 2022 are presented below:

Trade receivables	**Mar/22**	**%**
Credit / debit cards	1,741,696	96.1
Popular Pharmacy	35,629	2.0
Agreements with companies – Univers	18,897	1.1
Medicine Benefit Program – PBM	15,542	0.9
Trade receivables – Checks (cash/post-dated)	727	0.0
Trade receivables – Apps/Marketplace	891	0.0
Trade receivables – Manipulaê	2	0.0
Expected credit losses	(929)	(0.1)
Total	**1,812,455**	**100.0**

Regarding trade receivables items with greater representation, it is worth emphasizing that: (i) Credit / debit cards (96.1%) are concentrated on card administrators (Getnet, Cielo and Rede), where, of this amount, the Company should receive 65.3% in April, and the remaining amount is substantially scheduled to be received in May and June 2022; and (ii) for the Popular Pharmacy Program (2.0%), 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 quarter, 52 drugstores were opened and 12 drugstores were closed until March 31, 2022 (40 drugstores were opened and 20 drugstores were closed in the first quarter 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 20).

(All amounts in thousands of reais unless otherwise stated)

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

New accounting procedures

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

Balance breakdown

	Parent Company		Consolidated	
Cash and cash equivalents items	**Mar/22**	**Dec/21**	**Mar/22**	**Dec/21**
Cash and banks	139,632	138,189	140,847	141,132
Debentures held under repurchase agreements(i)	133,471	118,905	144,551	137,069
Automatic investments(ii)	15,234	56,347	22,852	63,857
Bank Deposit Certificates - CDB(iii)	156,304	3,213	156,585	7,924
Investment fund(iv)	-	-	1,319	6,136
Total	**444,641**	**316,654**	**466,154**	**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 RD Ventures in a short-term investment fund refers to investments made in 100% of government securities with immediate liquidity.

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 23 a.

6. Trade receivables

(All amounts in thousands of reais unless otherwise stated)

Balance breakdown

Trade receivables items	Parent Company Mar/22	Parent Company Dec/21	Consolidated Mar/22	Consolidated Dec/21
Trade receivables	1,829,490	1,498,665	2,115,208	1,727,115
(-) Expected credit losses	(929)	(1,117)	(6,802)	(5,045)
(-) Adjustment to present value	(16,106)	(10,344)	(19,242)	(12,013)
Total	**1,812,455**	**1,487,204**	**2,089,164**	**1,710,057**

The aging of trade receivables is presented below:

Maturities	Parent Company Mar/22	Parent Company Dec/21	Consolidated Mar/22	Consolidated Dec/21
Not yet due	1,826,231	1,494,586	2,093,358	1,702,961
Overdue:				
Between 1 and 30 days	1,855	2,234	6,710	9,628
Between 31 and 60 days	614	793	3,130	3,576
Between 61 and 90 days	579	110	1,942	2,515
Between 91 and 180 days	211	942	4,267	5,435
Between 181 and 360 days	-	-	5,801	3,000
(-) Expected credit losses	(929)	(1,117)	(6,802)	(5,045)
(-) Adjustment to present value	(16,106)	(10,344)	(19,242)	(12,013)
Total	**1,812,455**	**1,487,204**	**2,089,164**	**1,710,057**

Days sales outstanding, represented by credit and debit cards and partnerships with companies and the Government, are approximately 40 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	(1,067)	(1,945)
Reversals	428	1,175
Losses	562	601
At March 31, 2021	**(723)**	**(2,238)**
Additions	(5,518)	(11,988)
Reversals	1,667	5,026
Losses	3,457	4,155
At December 31, 2021	**(1,117)**	**(5,045)**
Additions	(2,615)	(6,144)
Reversals	1,949	3,286
Losses	854	1,101
At March 31, 2022	**(929)**	**(6,802)**

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.

(All amounts in thousands of reais unless otherwise stated)

7. Inventories

Balance breakdown

Inventory items	Parent Company Mar/22	Parent Company Dec/21	Consolidated Mar/22	Consolidated Dec/21
Goods for resale	5,255,437	5,031,442	5,377,591	5,159,810
Consumables	14,125	15,308	14,125	15,308
(-) Provision for inventory losses	(38,934)	(32,614)	(38,934)	(32,614)
(-) Adjustment to present value	(28,051)	(24,115)	(28,445)	(24,705)
Total inventory	**5,202,577**	**4,990,021**	**5,324,337**	**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	(4,474)	(4,474)
Write-offs	1,973	1,973
At March 31, 2021	**(30,697)**	**(30,697)**
Additions	(4,905)	(4,905)
Write-offs	2,988	2,988
At December 31, 2021	**(32,614)**	**(32,614)**
Additions	(7,315)	(7,315)
Write-offs	995	995
At March 31, 2022	**(38,934)**	**(38,934)**

For the three-month period ended March 31, 2022, cost of goods sold recognized in the statement of income was R$ 4,290,310, Note 20, (R$ 3,708,391 – March 31, 2021) for the Parent Company and R$ 4,627,620 (R$ 3,978,199 - March 31, 2021) for the Consolidated accounts, including the amount of the write-offs of goods inventories recognized as losses for the period amounting to R$ 41,459 (R$ 40,716 - March 31, 2021) for the Parent Company and R$ 41,704 (R$ 41,087 - March 31, 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 Mar/22	Parent Company Dec/21	Consolidated Mar/22	Consolidated Dec/21
Taxes on profit recoverable				
Withholding Income Tax (IRRF)	4,941	3,633	5,192	4,012
Corporate Income Tax (IRPJ) (i)	84,763	64,605	93,450	73,046
Social Contribution on Net Profit (CSLL) (i)	41,536	21,537	44,578	24,479
Subtotal	**131,240**	**89,775**	**143,220**	**101,537**
Other recoverable taxes				
Value Added Tax on Sales and Services (ICMS) – credit balance (ii)	64,931	54,479	70,389	57,455
ICMS – Refund of ICMS withheld in advance (ii)	29,474	21,014	29,474	21,014
ICMS on acquisitions of fixed assets	93,698	96,306	93,698	96,306
Social Integration Program (PIS) (iii)	9,688	8,592	10,334	9,240
Social Contribution on Revenue (COFINS) (iii)	45,367	40,319	47,454	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	**243,719**	**221,271**	**251,935**	**227,169**
Total	**374,959**	**311,046**	**395,155**	**328,706**
Current assets	262,152	190,377	267,382	195,777
Non-current assets	112,807	120,669	127,773	132,929

(All amounts in thousands of reais unless otherwise stated)

(i) 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.
(ii) The ICMS credits amounting to R$ 64,931 and R$ 29,474 (R$ 54,479 and R$ 21,014 - Dec/21) for the Parent Company and R$ 70,389 and R$ 29,474 (R$ 57,455 and R$ 21,014 - Dec/21) 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.
(iii) Credit coming from Onofre related to the exclusion of PIS and COFINS from the ICMS tax basis from March 2012 to July 2019, in the amount of R$ 2,128 for PIS and R$ 9,800 for COFINS (Note 21).

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 24, 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 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 estimated and unrecorded amount is R$ 3,913 in the Parent Company and R$ 4,705 in the Consolidated. The Company is awaiting the final and unappealable decision of its process for effective tax offsetting of the amounts due.

Expected realization of credits

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

	Parent Company		Consolidated	
Expected realization	**Mar/22**	**Dec/21**	**Mar/22**	**Dec/21**
In the next 12 months	262,152	190,377	267,382	195,777
Between 13 and 24 months	39,995	46,137	44,228	49,470
Between 25 and 36 months	24,084	24,657	28,262	27,960
Between 37 and 48 months	24,084	24,657	28,262	27,960
Between 49 and 60 months	24,644	25,218	27,021	27,539
Total	**374,959**	**311,046**	**395,155**	**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").

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.

(All amounts in thousands of reais unless otherwise stated)

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	**03/31/21**	**Liabilities**	**03/31/21**
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 second one in the amount of R$ 15,000, fully subscribed and paid up on February 3, 2022.

(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 Heath") 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 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.

(All amounts in thousands of reais unless otherwise stated)

Assets	11/19/21	Liabilities	11/19/21
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 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	02/28/21	Liabilities	02/28/21
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**

(All amounts in thousands of reais unless otherwise stated)

Estimated allocation of the price of the consideration transferred:

	FIP RD Ventures
Purchase price	**7,765**
Adjustment to purchase price	332
Total purchase price	**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

(e) Business combination – Amplisoftware Tecnologia Ltda. (Via RD Ventures)

On December 22, 2021, the Company concluded the acquisition of 100% of the equity interest in Amplisoftware 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	**11/30/21**	**Liabilities**	**11/30/21**
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**

(All amounts in thousands of reais unless otherwise stated)

Estimated allocation of the price of the consideration transferred:

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

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 capital increase of R$ 24,000 and finally on December 20, 2021 a new capital contribution of R$ 60,000.

(All amounts in thousands of reais unless otherwise stated)

(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 all of the remaining shares as of 2026.

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 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, 2002. The best estimate of the fair value of identifiable assets and liabilities at the date of acquisition of Conecta Lá is presented below:

Assets	**10/31/21**	**Liabilities**	**10/31/21**
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:

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

(All amounts in thousands of reais unless otherwise stated)

9.3. Composition and changes in investments

At March 31, 2022, the Company's investment balances are presented below:

		Mar/22			Dec/21		
Investee	**Main activity**	**Interest (%)**	**Parent Company**	**Consolidated**	**Interest (%)**	**Parent Company**	**Consolidated**
Direct interest							
4Bio	Retail of special medicines	85.00%	182,811	-	85.00%	164,890	-
Stix Fidelidade (i)	Platform of products and services for the accumulation and redemption of points	33.33%	1,059	1,059	33.33%	830	830
RD Ventures FIP	Private equity investment fund	100.00%	93,179	-	100.00%	94,435	-
Vitat	Supporting health management and promoting healthy habits	100.00%	51,486	-	100.00%	47,274	-
Dr. Cuco	Digital care platform focused on adherence to treatment	100.00%	15,314	-	100.00%	15,411	-
RD Ads	Advisory and consultancy in advertising and marketing	100.00%	554	-	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%	-	(432)	12.50%	-	(432)
Amplimed	Online platform that offers a complete solution for managing clinics and offices	100.00%	-	-	100.00%	-	-
Total			**344,403**	**627**		**322.840**	**398**
Reclassification to "Other liabilities", as provision for losses on investments			**-**	**(432)**		**-**	**(432)**
Classified as investments			**344.403**	**1.059**		**322,840**	**830**

(i) The provision for losses on investments at March 31, 2022 is recorded in "Other provisions".

(All amounts in thousands of reais unless otherwise stated)

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

	Parent Company						
Changes in investments	4BIO	Stix	RD VENTURES	Vitat	CUCO HEALTH	RD ads	**Total**
	Subsidiary	Associate	Subsidiary	Subsidiary	Subsidiary	Subsidiary	
At January 1, 2021	73,768	(4,578)	4,498	-	-	-	**73,688**
Capital contribution	-	6,508	8,000	-	-	-	**14,508**
Equity in the results of subsidiaries	2,363	(1,515)	(589)	-	-	-	**259**
Restricted share compensation plan – 4Bio	(39)	-	-	-	-	-	**(39)**
At March 31, 2021	**76,092**	**415**	**11,909**	**-**	**-**	**-**	**88,416**
Capital contribution	-	-	84,000	10,001	400	1	**94,401**
Business combinations	-	-	-	58,072	15,000	-	**73,072**
Equity in the results of subsidiaries	54,775	387	(915)	(20,799)	11	(1)	**33,459**
Stock options	-	-	(559)	-	-	-	**(559)**
Adjustment in percentage of interest	34,023	28	-	-	-	-	**34,051**
At December 31, 2021	**164,890**	**830**	**94,435**	**47,274**	**15,411**	**-**	**322,840**
Capital contribution	-	-	-	15,000	-	430	15,430
Equity in the results of subsidiaries	17,982	229	(1,256)	(10,788)	(97)	124	6,194
Restricted share compensation plan – 4Bio	(61)	-	-	-	-	-	(61)
At March 31, 2022	**182,811**	**1,059**	**93,179**	**51,486**	**15,314**	**554**	**344,403**

(All amounts in thousands of reais unless otherwise stated)

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 year/period of subsidiaries and associate for the purposes of determining the equity in results of subsidiaries for the years ended December 31, 2021 and 2020:

	Parent Company						
Changes in investments	4BIO	stix	RD VENTURES	vitat	CUCO HEALTH	RD ads	**Total**
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	18,034	229	(1,256)	(9,643)	(97)	124	**7,391**
Amortization of surplus value arising from business combination	(52)	-	-	(1,145)	-	-	**(1,197)**
Equity in the results of subsidiaries at 03/31/2022	**17,982**	**229**	**(1,256)**	**(10,788)**	**(97)**	**124**	**6,194**

	Parent Company						
Adjusted equity	4BIO	stix	RD VENTURES	vitat	CUCO HEALTH	RD ads	**Mar/22**
Investment at book value	168,516	1,059	93,179	12,285	570	554	**276,163**
Purchase price allocation (surplus value of assets)	2,337	-	-	18,315	4,248	-	**24,900**
Deferred income tax liability on allocation adjustments	(795)	-	-	-	-	-	**(795)**
Restricted share compensation plan	(154)	-	-	-	-	-	**(154)**
Total adjusted equity	**169,904**	**1,059**	**93,179**	**30,600**	**4,818**	**554**	**300,114**
Goodwill based on expected future profitability	12,907	-	-	20,886	10,496	-	**44,289**
Investment balance	**182,811**	**1,059**	**93,179**	**51,486**	**15,314**	**554**	**344,403**

(All amounts in thousands of reais unless otherwise stated)

	Parent Company					
Adjusted equity	4BIO	stix	RD VENTURES	vitat	CUCO HEALTH	Dec/21
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**

(All amounts in thousands of reais unless otherwise stated)

10.Property and equipment and intangible assets

10.1. Property and equipment - Breakdown and changes

Property and equipment is broken down as follows:

		Parent Company					
		Mar/22			Dec/21		
	Average annual depreciation rates (%)	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	(29,166)	40,671	69,837	(28,710)	41,127
Furniture, fittings and facilities	7.4 - 10	1,291,793	(569,118)	722,675	1,258,303	(539,910)	718,393
Machinery and equipment	7.1 - 15.8	834,827	(460,911)	373,916	821,295	(441,779)	379,516
Vehicles	20 - 23.7	90,216	(49,280)	40,936	87,988	(46,612)	41,376
Leasehold improvements	13 - 20	1,674,047	(886,619)	787,428	1,588,521	(808,330)	780,191
Total		**3,992,844**	**(1,995,094)**	**1,997,750**	**3,858,069**	**(1,865,341)**	**1,992,728**

		Consolidated					
		Mar/22			Dec/21		
	Average annual depreciation rates (%)	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	(29,166)	**40,671**	69,837	(28,710)	41,127
Furniture, fittings and facilities	7.4 - 10	1,294,203	(570,319)	**723,884**	1,260,584	(541,060)	719,524
Machinery and equipment	7.1 - 15.8	842,013	(464,106)	**377,907**	828,057	(444,701)	383,356
Vehicles	20 - 23.7	90,217	(49,280)	**40,937**	87,989	(46,612)	41,377
Leasehold improvements	13 - 20	1,677,741	(889,056)	**788,685**	1,592,141	(810,629)	781,512
Total		**4,006,135**	**(2,001,927)**	**2,004,208**	**3,870,732**	**(1,871,712)**	**1,999,020**

(All amounts in thousands of reais unless otherwise stated)

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

Changes in cost	**Jan 1, 2021**	**Additions**	**Disposals and write-offs**	**(Provision for) / Reversal of drugstore closures**	**Mar/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**	**Mar/22**
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	23,392	(4,759)	5,243	**1,120,868**	153,813	(12,307)	(4,071)	**1,258,303**	34,387	(3,430)	2,533	1,291,793
Machinery and equipment	705,530	20,767	(1,955)	-	**724,342**	107,162	(10,208)	-	**821,296**	19,553	(6,022)	-	834,827
Vehicles	73,711	2,896	(723)	-	**75,884**	12,283	(179)	-	**87,988**	2,295	(67)	-	90,216
Leasehold improvements	1,435,389	66,478	(53,799)	9,486	**1,457,554**	272,780	(132,213)	(9,600)	**1,588,521**	85,572	(5,759)	5,713	1,674,047
Total	**3,413,583**	**113,533**	**(61,236)**	**14,729**	**3,480,609**	**546,038**	**(154,907)**	**(13,671)**	**3,858,069**	**141,807**	**(15,278)**	**8,246**	**3,992,844**

Changes in accumulated depreciation	**Jan 1, 2021**	**Additions**	**Disposals and write-offs**	**Provision for / (Reversal of) drugstore closures**	**Mar/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**	**Mar/22**
Land	-	-	-	**-**	-	-	-	-	**-**				
Buildings	(26,886)	(457)	-	**-**	(27,343)	(1,367)	-	-	**(28,710)**	(456)	-	-	(29,166)
Furniture, fittings and facilities	(443,290)	(25,898)	2,633	**(2,010)**	(468,565)	(82,882)	9,886	1,651	**(539,910)**	(29,799)	1,588	(997)	(569,118)
Machinery and equipment	(361,320)	(21,603)	1,695	**-**	(381,228)	(69,810)	9,259	-	**(441,779)**	(24,582)	5,450	-	(460,911)
Vehicles	(38,306)	(2,198)	720	**-**	(39,784)	(6,943)	115	-	**(46,612)**	(2,726)	58	-	(49,280)
Leasehold improvements	(689,570)	(72,446)	48,572	**(4,698)**	(718,142)	(225,232)	130,017	5,027	**(808,330)**	(78,158)	2,835	(2,966)	(886,619)
Total	**(1,559,372)**	**(122,602)**	**53,620**	**(6,708)**	**(1,635,062)**	**(386,234)**	**149,277**	**6,678**	**(1,865,341)**	**(135,721)**	**9,931**	**(3,963)**	**(1,995,094)**

(All amounts in thousands of reais unless otherwise stated)

Changes in the Consolidated property and equipment are as follows:

Changes in cost	Jan 1, 2021	Additions	Disposals and write-offs	(Provision for) / Reversal of drugstore closures	Mar/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	Mar/22
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	23,411	(4,759)	5,243	**1,122,807**	371	153,853	(12,375)	(4,071)	**1,260,585**	34,515	(3,430)	2,533	1,294,203
Machinery and equipment	709,103	20,888	(1,955)	-	**728,036**	1,381	108,848	(10,208)	-	**828,057**	19,978	(6,022)	-	842,013
Vehicles	74,058	2,896	(723)	-	**76,231**	-	12,283	(525)	-	**87,989**	2,295	(67)	-	90,217
Leasehold improvements	1,438,562	66,478	(53,799)	9,486	**1,460,727**	181	273,047	(132,215)	(9,600)	**1,592,140**	85,647	(5,759)	5,713	1,677,741
Total	**3,422,596**	**113,673**	**(61,236)**	**14,729**	**3,489,762**	**1,933**	**548,031**	**(155,323)**	**(13,671)**	**3,870,732**	**142,435**	**(15,278)**	**8,246**	**4,006,135**

Changes in accumulated depreciation	Jan 1, 2021	Additions	Disposals and write-offs	(Provision for) / Reversal of drugstore closures	Mar/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	Mar/22
Land	-	-	-	-	**-**	-	-	-	-	**-**	-	-	-	-
Buildings	(26,886)	(457)	-	-	**(27,343)**	-	(1,367)	-	-	**(28,710)**	(456)	-	-	(29,166)
Furniture, fittings and facilities	(444,070)	(25,941)	2,632	(2,010)	**(469,389)**	(238)	(83,010)	9,926	1,651	**(541,060)**	(29,850)	1,588	(997)	(570,319)
Machinery and equipment	(362,736)	(21,745)	1,696	-	**(382,785)**	(897)	(70,279)	9,260	-	**(444,701)**	(24,855)	5,450	-	(464,106)
Vehicles	(38,499)	(2,208)	720	-	**(39,987)**	-	(6,933)	308	-	**(46,612)**	(2,726)	58	-	(49,280)
Leasehold improvements	(691,185)	(72,587)	48,573	(4,698)	**(719,897)**	(95)	(225,681)	130,017	5,027	**(810,629)**	(78,295)	2,835	(2,966)	(889,055)
Total	**(1,563,376)**	**(122,938)**	**53,621**	**(6,708)**	**(1,639,401)**	**(1,230)**	**(387,270)**	**149,511**	**6,678**	**(1,871,712)**	**(136,182)**	**9,931**	**(3,963)**	**(2,001,926)**

(All amounts in thousands of reais unless otherwise stated)

10.2. Intangible assets - Breakdown and changes

Intangible assets are broken down as follows:

		Parent Company					
	Average annual amortization rates (%)	Mar/22			Dec/21		
		Cost	Accumulated amortization	Net book value	Cost	Accumulated amortization	Net book value
Points of sale	17 - 23.4	253,228	(183,714)	69,514	249,992	(174,779)	75,213
Software license	20	436,781	(176,736)	260,045	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	19,153	(9,066)	10,087	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	(39,592)	2,108	41,700	(39,477)	2,223
Total		**1,704,221**	**(411,495)**	**1,292,726**	**1,672,082**	**(381,668)**	**1,290,414**

		Consolidated					
	Average annual amortization rates (%)	Mar/22			Dec/21		
		Cost	Accumulated amortization	Net book value	Cost	Accumulated amortization	Net book value
Points of sale	17 - 23.4	253,228	(183,713)	69,515	249,992	(174,778)	75,214
Software license and systems implementation	20	445,686	(179,351)	266,335	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	(3,760)	15,093	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	27,607	(14,569)	13,038	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	(39,592)	2,108	41,700	(39,477)	2,223
Customer relationship	20	8,737	(3,420)	5,317	8,737	(3,420)	5,317
Total		**1,916,737**	**(427,975)**	**1,488,762**	**1,883,562**	**(397,311)**	**1,486,251**

(i) Assets with indefinite useful lives

(All amounts in thousands of reais unless otherwise stated)

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	Mar/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	Mar/22
Points of sale	271,276	3,937	(11,036)	2,263	**266,440**	14,697	(27,137)	(4,008)	**249,992**	3,386	(1,280)	1,130	253,228
Software license	255,240	20,633	(2,949)	7	**272,931**	143,641	(8,587)	-	**407,985**	28,801	(5)	-	436,781
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	1,418	(854)	-	**28,399**	1,193	(9,546)	-	**19,046**	107	-	-	**19,153**
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**	**25,988**	**(14,839)**	**2,270**	**1,561,829**	**159,531**	**(45,270)**	**(4,008)**	**1,672,082**	**32,294**	**(1,285)**	**1,130**	**1,704,221**

Changes in accumulated amortization	Jan 1, 2021	Additions	Disposals and write-offs	(Provision for) / Reversal of drugstore closures	Mar/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	Mar/22
Points of sale	(171,884)	(10,535)	10,152	(1,432)	**(173,699)**	(29,779)	26,446	2,253	**(174,779)**	(9,013)	938	(860)	(183,714)
Software license	(105,344)	(13,236)	3,802	(6)	**(114,784)**	(49,112)	7,354	-	**(156,542)**	(20,199)	5	-	(176,736)
Goodwill on business acquisition – Vison	(2,387)	-	-	-	**(2,387)**	-	-	-	**(2,387)**	-	-	-	(2,387)
Goodwill on business acquisition – Raia	-	-	-	-	**-**	-	-	-	**-**	-	-	-	-
Trademarks with finite useful life	(995)	(176)	-	-	**(1,171)**	(8,419)	1,107	-	**(8,483)**	(583)	-	-	(9,066)
Customers portfolio	(39,017)	(115)	-	-	**(39,132)**	(345)	-	-	**(39,477)**	(115)	-	-	(39,592)
Total	**(319,627)**	**(24,062)**	**13,954**	**(1,438)**	**(331,173)**	**(87,655)**	**34,907**	**2,253**	**(381,668)**	**(29,910)**	**943**	**(860)**	**(411,495)**

(All amounts in thousands of reais unless otherwise stated)

Changes in the consolidated intangible assets are as follows:

Changes in cost	Jan 1, 2021	Additions	Disposals and write-offs	(Provision for) / Reversal of drugstore closures	Mar/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	Mar/22
Points of sale	271,278	3,937	(11,036)	2,263	**266,442**	-	14,695	(27,137)	(4,008)	**249,992**	3,386	(1,280)	1,130	**253,228**
Software license	259,418	20,824	(2,949)	7	**277,300**	439	146,710	(8,587)	-	**415,862**	31,525	(1,701)	-	**445,686**
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**
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	-	-	-	-	**-**	-	90,086	-	-	**90,086**	-	-	-	**90,086**
Platform	-	-	-	-	**-**	-	18,853	-	-	**18,853**	-	-	-	**18,853**
Non-compete agreement	-	-	-	-	**-**	-	4,833	-	-	**4,833**	-	-	-	**4,833**
Trademarks with finite useful life	182,904	1,418	(854)	-	**183,468**	1,691	5,817	(9,546)	-	**181,430**	115	-	-	**181,545**
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**	**26,179**	**(14,839)**	**2,270**	**1,604,760**	**2,130**	**325,950**	**(45,270)**	**(4,008)**	**1,883,562**	**35,026**	**(2,981)**	**1,130**	**1,916,737**

(All amounts in thousands of reais unless otherwise stated)

Changes in accumulated amortization	Jan 1, 2021	Additions	Disposals and write-offs	(Provision for) / Reversal of drugstore closures	Mar/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	Mar/22
Points of sale	(171,883)	(10,536)	10,152	(1,432)	**(173,699)**	-	(29,778)	26,446	2,253	**(174,778)**	(9,013)	938	(860)	**(183,713)**
Software license	(107,033)	(13,436)	3,802	(6)	**(116,673)**	(367)	(49,919)	7,354	-	**(159,605)**	(20,515)	769	-	**(179,351)**
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)	-	-	**(3,760)**
Non-compete agreement	-	-	-	-	-	-	(600)	-	-	**(600)**	-	-	-	**(600)**
Trademarks with finite useful life	(6,149)	(176)	-	**-**	**(6,325)**	(572)	(8,778)	1,106	-	**(14,569)**	-	-	-	**(14,569)**
Customers portfolio - Raia	(39,017)	(115)	-	**-**	**(39,132)**	-	(345)	-	-	**(39,477)**	(115)	-	-	**(39,592)**
Customer relationship	(2,972)	(141)	-	**-**	**(3,113)**	-	(307)	-	-	**(3,420)**	-	-	-	**(3,420)**
Total	**(329,441)**	**(24,404)**	**13,954**	**(1,438)**	**(341,329)**	**(939)**	**(92,202)**	**34,906**	**2,253**	**(397,311)**	**(31,511)**	**1,707**	**(860)**	**(427,975)**

(All amounts in thousands of reais unless otherwise stated)

10.3. 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
Amplisoftware 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 (CGU's). 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.

(All amounts in thousands of reais unless otherwise stated)

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.

Amplisoftware Tecnologia Ltda. - The Company computed goodwill of R$ 90,086 in the business combination with Aplisoftware 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.

10.4. Changes in the provision for drugstore closures

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

	Provision	Depreciation	Total property and equipment	Provision	Amortization	Total intangible assets	Total provisions
At January 1, 2021	**(17,893)**	**8,336**	**(9,557)**	**(2,287)**	**1,443**	**(844)**	**(10,401)**
Additions	-	-	**-**	-	-	**-**	**-**
Reversals	14,729	(6,708)	**8,021**	2,269	(1,438)	**831**	**8,852**
At March 31, 2021	**(3,164)**	**1,628**	**(1,536)**	**(18)**	**5**	**(13)**	**(1,549)**
Additions	(34,102)	15,758	**(18,344)**	(6,547)	3,657	**(2,890)**	**(21,234)**
Reversals	20,431	(9,080)	**11,351**	2,540	(1,405)	**1,135**	**12,486**
At December 31, 2021	**(16,835)**	**8,306**	**(8,529)**	**(4,025)**	**2,257**	**(1,768)**	**(10,297)**
Additions	-	-	**-**	-	-	**-**	**-**
Reversals	8,246	(3,963)	**4,283**	1,130	(860)	**270**	**4,553**
Changes, net	**8,246**	**(3,963)**	**4,283**	**1,130**	**(860)**	**270**	**4,553**
Balance at 03/31/2022	**(8,589)**	**4,343**	**(4,246)**	**(2,895)**	**1,397**	**(1,498)**	**(5,744)**

(All amounts in thousands of reais unless otherwise stated)

11.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 20).

(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 18 d).

12.Trade payables

Balance breakdown

	Parent Company		Consolidated	
Trade payables items	**Mar/22**	**Dec/21**	**Mar/22**	**Dec/21**
Goods suppliers	3,285,212	3,327,184	3,498,622	3,496,652
Service providers	110,270	141,496	113,247	144,064
Materials suppliers	19,028	37,800	19,302	38,024
Assets suppliers	8,714	19,492	9,019	19,802
Adjustment to present value	(37,135)	(40,644)	(39,204)	(41,935)
Total	**3,386,089**	**3,485,328**	**3,600,986**	**3,656,607**

In the first quarter 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$ 3,244 (R$ 3,579 in the first 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.

(All amounts in thousands of reais unless otherwise stated)

13.Borrowings, debentures and promissory notes

(a) Breakdown

		Parent Company		Consolidated	
Borrowings items	**Average annual long-term interest rate**	**Mar/22**	**Dec/21**	**Mar/22**	**Dec/21**
Promissory Notes					
1st issue of promissory notes	100.00% of CDI + 3.00% p.a.	344,559	333,460	344,560	333,460
Total Promissory Notes		**344,559**	**333,460**	**344,560**	**333,460**
Debentures					
1st issue of debentures	104.75% of CDI	34,736	33,808	34,736	33,808
2nd issue of debentures	104.50% of CDI	139,291	135,773	139,291	135,773
3rd issue of debentures - CRIs	98.50% of CDI	247,339	250,947	247,339	250,947
4th issue of debentures	106.99% of CDI	308,639	300,804	308,639	300,804
5th issue of debentures	100.00% of CDI + 1.49% p.a.	505,054	-	505,054	-
6th issue of debentures - CRIs	100.00% of CDI + 0.70% p.a.	246,268	-	246,268	-
Total Debentures		**1,481,327**	**721,332**	**1,481,327**	**721,332**
Borrowings					
Direct loans - Law 4,131	100.00% of CDI + 2.61% p.a.	299,911	307,163	299,911	307,163
Direct loans - Law 4,131	100.00% of CDI + 3.30% p.a.	-	100,052	-	100,052
Other	100.00% of CDI + 2.95% p.a.	-	-	43,193	43,060
Other BNDES – Subloan	-	78	155	78	155
Total Borrowings		**299,989**	**407,370**	**343,182**	**450,430**
Total		**2,125,875**	**1,462,162**	**2,169,069**	**1,505,222**
Current liabilities		490,277	571,549	533,454	613,830
Non-current liabilities		1,635,599	890,613	1,635,615	891,392

(All amounts in thousands of reais unless otherwise stated)

The amounts above have the following payment flow forecast:

	Parent Company		Consolidated	
Payment forecast	**Mar/22**	**Dec/21**	**Mar/22**	**Dec/21**
2022	490,276	571,549	533,454	613,831
2023	41,912	43,105	41,928	43,883
2024 and thereafter	1,593,687	847,508	1,593,687	847,508
Total	**2,125,875**	**1,462,162**	**2,169,069**	**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.

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

(*) 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.

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 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.

The costs incurred on the issues of the Company's debentures (2017 - 1st issue, 2018 - 2nd issue, 2019 - 3rd and 4th issues, 2022 - 5th and 6th issues) and 2020 - 1st issue of promissory notes, including fees, commissions and other costs, totaled R$ 21,876 and are classified in line item of the respective debentures and promissory notes, and are being recognized over the total period of the debt. At March 31, 2022, the amount to be recognized was R$ 11,295 (R$ 5,430 - Dec/2021), and is presented net in debentures and promissory notes balance.

The Company's debentures and promissory notes 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 March 31, 2022, the Company was in compliance with such requirements.

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 March 31, 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 settlement was 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.

(All amounts in thousands of reais unless otherwise stated)

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 March 31, 2022, the amount to be recognized was R$ 595 (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:

	Parent Company		Consolidated	
Composition and changes in net debt	**Mar/22**	**Dec/21**	**Mar/22**	**Dec/21**
Short-term borrowings	490,277	571,549	533,454	613,831
Long-term borrowings	1,635,599	890,613	1,635,615	891,391
Total debt	**2,125,876**	**1,462,162**	**2,169,069**	**1,505,222**
(-) Cash and cash equivalents (Note 5)	(444,641)	(316,654)	(466,154)	(356,118)
Net debt	**1,681,235**	**1,145,508**	**1,702,915**	**1,149,104**

(All amounts in thousands of reais unless otherwise stated)

	Parent Company		
Changes in net debt	**Borrowings**	**Cash and cash equivalents**	**Net debt**
Net debt at January 1, 2020	1,620,001	(855,257)	764,744
Funding	299,056	-	299,056
Accrued interest	13,644	-	13,644
Payment of interest	(20,298)	-	(20,298)
Amortization of principal	(314,485)	-	(314,485)
Amortization of transaction costs	1,261	-	1,261
Increase in cash and cash equivalents	-	147,512	147,512
Net debt at March 31, 2021	**1,599,179**	**(707,745)**	**891,434**
Funding	(182)	-	(182)
Accrued interest	74,128	-	74,128
Payment of interest	(43,791)	-	(43,791)
Amortization of principal	(170,232)	-	(170,232)
Amortization of transaction costs	3,060	-	3,060
Decrease in cash and cash equivalents	-	391,091	391,091
Net debt at December 31, 2021	**1,462,162**	**(316,654)**	**1,145,508**
Funding	743,175	-	743,175
Accrued interest	49,429	-	49,429
Payment of interest	(29,891)	-	(29,891)
Amortization of principal	(100,079)	-	(100,079)
Amortization of transaction costs	1,080	-	1,080
Increase (decrease) in cash and cash equivalents	-	(127,987)	(127,987)
Net debt at March 31, 2022	**2,125,876**	**(444,641)**	**1,681,235**

	Consolidated		
Changes in net debt	**Borrowings**	**Cash and cash equivalents**	**Net debt**
Net debt at January 1, 2020	1,653,454	(880,357)	773,097
Funding	299,056	-	299,056
Accrued interest	13,832	-	13,832
Payment of interest	(20,298)	-	(20,298)
Amortization of principal	(314,487)	-	(314,487)
Amortization of transaction costs	1,261	-	1,261
Increase in cash and cash equivalents	-	145,923	145,923
Net debt at March 31, 2021	**1,632,818**	**(734,434)**	**898,384**
Funding	39,178	-	39,178
Borrowings in business combinations	1,763	-	1,763
Accrued interest	76,125	-	76,125
Payment of interest	(44,563)	-	(44,563)
Amortization of principal	(203,159)	-	(203,159)
Amortization of transaction costs	3,060	-	3,060
Decrease in cash and cash equivalents	-	378,316	378,316
Net debt at December 31, 2021	**1,505,222**	**(356,118)**	**1,149,104**
Funding	743,252	-	743,252
Accrued interest	50,608	-	50,608
Payment of interest	(29,891)	-	(29,891)
Amortization of principal	(101,202)	-	(101,202)
Amortization of transaction costs	1,080	-	1,080
Increase (decrease) in cash and cash equivalents	-	(117,307)	(117,307)
Net debt at March 31, 2022	**2,169,069**	**(466,154)**	**1,702,915**

(All amounts in thousands of reais unless otherwise stated)

14.Leases

As a lessee

Right-of-use asset

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

	Parent Company		Consolidated	
Right-of-use asset	**Mar/22**	**Dec/21**	**Mar/22**	**Dec/21**
Operating real estate	3,021,206	3,041,467	3,021,206	3,041,468
Residential real estate	14,098	11,537	14,372	12,207
Distribution/administrative centers	276,226	274,018	279,553	276,290
Vehicles	164	602	164	602
Total	**3,311,694**	**3,327,624**	**3,315,295**	**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	68,259	2,568	-	533	-	71,360
Remeasurements (i)	92,563	642	19,272	755	(16)	113,216
Termination of agreements	(7,269)	(181)	-	-	-	(7,450)
Depreciation	(149,065)	(87)	(13,068)	(8)	(2)	(162,230)
At 03/31/2021	**2,898,905**	**12,322**	**260,614**	**1,432**	**17**	**3,173,290**
New agreements	240,426	7,415	70	(221)	-	247,690
Remeasurements (i)	431,263	(1,798)	56,556	(584)	24	485,461
Termination of agreements	(38,406)	(3,947)	(14)	-	(35)	(42,402)
Depreciation	(490,721)	(2,455)	(43,208)	(25)	(6)	(536,415)
At 12/31/2021	**3,041,467**	**11,537**	**274,018**	**602**	**-**	**3,327,624**
New agreements	120,743	3,892	-	-	-	124,635
Remeasurements (i)	38,146	(570)	18,270	(334)	-	55,512
Termination of agreements	(869)	(84)	-	(70)	-	(1,023)
Depreciation	(178,281)	(676)	(16,062)	(35)	-	(195,054)
At 03/31/2021	**3,021,206**	**14,099**	**276,226**	**163**	**-**	**3,311,694**

	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	68,259	2,568	-	533	-	71,360
Remeasurements (i)	92,563	697	19,864	755	(16)	113,863
Termination of agreements	(7,269)	(181)	(39)	-	-	(7,489)
Depreciation	(149,065)	(105)	(13,450)	(8)	(2)	(162,630)
At 03/31/2021	**2,898,905**	**12,438**	**263,556**	**1,433**	**17**	**3,176,349**
New agreements	240,426	7,494	488	(221)	-	248,187
Remeasurements (i)	431,263	(1,257)	56,677	(584)	24	486,123
Termination of agreements	(38,406)	(3,947)	(38)	-	(35)	(42,426)
Depreciation	(490,721)	(2,521)	(44,393)	(25)	(6)	(537,666)
At 12/31/2021	**3,041,467**	**12,207**	**276,290**	**603**	**-**	**3,330,567**
New agreements	120,743	3,892		-	-	124,635
Remeasurements (i)	38,146	(551)	19,351	(334)	-	56,612
Termination of agreements	(869)	(84)	-	(70)	-	(1,023)
Depreciation	(178,281)	(1,091)	(16,089)	(35)	-	(195,496)
At 03/31/2021	**3,021,206**	**14,373**	**279,552**	**164**	**-**	**3,315,295**

(All amounts in thousands of reais unless otherwise stated)

(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:

	Parent Company		Consolidated	
Leases	**Mar/22**	**Dec/21**	**Mar/22**	**Dec/21**
Operating real estate	3,322,962	3,333,958	3,322,962	3,333,958
Residential real estate	(2,951)	(3,287)	(2,340)	(2,668)
Distribution/administrative centers	351,905	342,049	355,028	344,503
Vehicles	(3,476)	(2,817)	(3,476)	(2,817)
Equipment	(78)	(78)	(78)	(78)
Total	**3,668,362**	**3,669,825**	**3,672,096**	**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	68,259	2,568	-	533	-	71,360
Remeasurements (i)	92,563	642	19,272	755	(16)	113,216
Interest	51,693	235	4,539	26	-	56,493
Payments / Compensations	(192,339)	(3,234)	(11,618)	(499)	(18)	(207,708)
At 03/31/2021	**3,147,963**	**2,282**	**311,490**	**(373)**	**(51)**	**3,461,311**
New agreements	242,536	5,305	70	(220)	-	247,691
Remeasurements (i)	431,263	(1,798)	56,556	(584)	24	485,461
Interest	163,366	736	14,793	72	2	178,969
Payments / Compensations	(651,169)	(9,812)	(40,861)	(1,712)	(53)	(703,607)
At 12/31/2021	**3,333,959**	**(3,287)**	**342,048**	**(2,817)**	**(78)**	**3,669,825**
New agreements	120,743	3,892	-	-	-	124,635
Remeasurements (i)	38,146	(570)	18,270	(334)	-	55,512
Interest	55,141	266	4,951	2	-	60,360
Payments / Compensations	(225,179)	(3,167)	(13,367)	(257)	-	(241,970)
At 03/31/2022	**3,322,810**	**(2,866)**	**351,902**	**(3,406)**	**(78)**	**3,668,362**

(All amounts in thousands of reais unless otherwise stated)

	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	68,259	2,568	-	533	-	71,360
Remeasurements (i)	92,563	697	19,865	755	(16)	113,864
Interest	51,693	238	4,593	26	-	56,550
Payments / Compensations	(192,339)	(3,254)	(12,091)	(499)	(18)	(208,201)
At 03/31/2021	**3,147,963**	**2,347**	**314,612**	**(373)**	**(51)**	**3,464,498**
New agreements	242,536	5,384	488	(220)	-	248,188
Remeasurements (i)	431,263	(1,257)	56,676	(584)	24	486,122
Interest	163,366	741	14,936	72	2	179,117
Payments / Compensations	(651,169)	(9,883)	(42,210)	(1,712)	(53)	(705,027)
At 12/31/2021	**3,333,959**	**(2,668)**	**344,502**	**(2,817)**	**(78)**	**3,672,898**
New agreements	120,743	3,892	-	-	-	124,635
Remeasurements (i)	38,146	(551)	19,351	(334)	-	56,612
Interest	55,141	268	5,003	2	-	60,414
Payments / Compensations	(225,179)	(3,196)	(13,831)	(257)	-	(242,463)
At 03/31/2022	**3,322,810**	**(2,255)**	**355,025**	**(3,406)**	**(78)**	**3,672,096**

(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:

	Parent Company		**Consolidated**	
Analysis of maturities - Lease liabilities	**Mar/22**	**Dec/21**	**Mar/22**	**Dec/21**
Less than 1 year	727,042	697,738	728,739	699,170
Current	**727,042**	**697,738**	**728,739**	**699,170**
1 to 5 years	2,468,105	2,517,686	2,470,141	2,519,327
Over 5 years	473,215	454,401	473,216	454,401
Non-current	**2,941,320**	**2,972,087**	**2,943,357**	**2,973,728**
Total	**3,668,362**	**3,669,825**	**3,672,096**	**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	447,354	41,380
1 to 2 years	555,176	51,354
2 to 3 years	497,414	46,011
3 to 4 years	420,037	38,853
4 to 5 years	322,011	29,786
Over 5 years	625,333	57,843
Total	**2,867,325**	**265,227**

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.

(All amounts in thousands of reais unless otherwise stated)

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 March 31, 2022 is presented below:

	Parent Company			Consolidated		
Year	**Net present value**	**Estimated interest (future) (i)**	**Amounts of installments not yet discounted**	**Net present value**	**Estimated interest (future) (i)**	**Amounts of installments not yet discounted**
2022	503,769	165,024	668,793	505,466	165,347	670,813
2023	702,927	179,536	882,463	702,927	179,536	882,463
2024	646,102	135,900	782,002	646,102	135,900	782,002
2025	554,636	97,270	651,906	554,636	97,270	651,906
2026	429,290	65,842	495,132	429,290	65,842	495,132
2027	301,453	42,639	344,092	303,490	42,997	346,487
2028 and thereafter	530,185	60,062	590,247	530,185	60,062	590,247
Total	**3,668,362**	**746,273**	**4,414,635**	**3,672,096**	**746,954**	**4,419,050**

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

Amount recognized in the statement of income

	Parent Company		Consolidated	
Amount recognized in the statement of income	**Mar/22**	**Mar/21**	**Mar/22**	**Mar/21**
Amortization of right-of-use asset	195,054	162,230	195,496	162,230
Interest on lease liabilities	60,360	56,493	60,414	56,550
Adjustment for lease write-off (contracts terminated)	(2)	(122)	(2)	(122)
Variable payments not included in the measurement of lease liabilities	28,739	14,920	29,443	15,134
Revenue on subleases of right-of-use assets	(2,891)	(650)	(2,891)	(650)
Expenses related to short-term and/or low-value leases	3,266	4,661	3,266	4,661
Discounts on property rental	(577)	(1,873)	(577)	(1,873)

(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 quarter ended March 31, 2022 amounted to R$ 130 (R$ 703 in Mar/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.

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:

(All amounts in thousands of reais unless otherwise stated)

	Parent Company and Consolidated	
Undiscounted lease payments	**Mar/22**	**Dec/21**
Less than 1 year	1,324	1,816
1 to 2 years	1,391	1,391
2 to 3 years	1,124	1,124
3 to 4 years	656	656
4 to 5 years	186	186
Over 5 years	884	883
Total	**5,565**	**6,056**

15.Provision for contingencies and judicial deposits

Breakdown of balances and changes in provisions

At March 31, 2022 and 2020, the Group had the following provision and corresponding judicial deposits relating to legal proceedings:

	Parent Company		Consolidated	
Judicial deposits items	**Mar/22**	**Dec/21**	**Mar/22**	**Dec/21**
Labor and social security	87,792	86,900	87,792	86,900
Tax	12,236	16,217	12,429	16,410
Civil	2,927	2,487	2,927	2,487
Subtotal	**102,955**	**105,604**	**103,148**	**105,797**
(-) Corresponding judicial deposits	(8,938)	(9,129)	(8,938)	(9,129)
Total	**94,017**	**96,475**	**94,210**	**96,668**
Current liabilities	44,353	43,560	44,353	43,560
Non-current liabilities	49,664	52,915	49,857	53,108

Changes in the provision are as follows:

	Parent Company		Consolidated	
Changes in the provision	**Mar/22**	**Mar/21**	**Mar/22**	**Mar/21**
Opening balance at January 1	**105,604**	**114,651**	**105,797**	**114,840**
Additions of new lawsuits	14,757	12,310	14,757	55,757
Reversals by concluded lawsuits	(2,759)	(3,779)	(2,759)	(3,779)
Write-offs for payments	(11,002)	(8,474)	(11,002)	(8,474)
Constitution/(Reversals) due to changes in lawsuits	(4,016)	(1,035)	(4,016)	(1,035)
Revaluation of amounts	(1,647)	(2,790)	(1,647)	(2,790)
Monetary adjustment	2,018	2,438	2,018	2,438
Closing balance at March 31	**102,955**	**113,321**	**103,148**	**156,957**

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.

(All amounts in thousands of reais unless otherwise stated)

Possible losses

At March 31, 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$ 51,811 (R$ 47,779 - Dec/21) for Parent Company and Consolidated, of which R$ 3,254 (R$ 2,583- Dec/21) refers to the labor/social security contingencies, R$ 4,619 (R$ 4,591 - Dec/21) to the civil contingencies and R$ 43,938 (R$ 40,605 - Dec/21) to tax contingencies.

Judicial deposits

At March 31, 2022, the Group had the following judicial deposit amounts, for which no corresponding provision had been set up:

	Parent Company		Consolidated	
Analysis of judicial deposits	**Mar/22**	**Dec/21**	**Mar/22**	**Dec/21**
Labor and social security	11,017	10,575	11,017	10,575
Tax	13,915	13,844	17,803	17,923
Civil	3,502	3,470	3,502	3,470
(-) Corresponding judicial deposits	(3,239)	(2,017)	(3,239)	(2,017)
Total	**25,195**	**25,872**	**29,083**	**29,951**

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:

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

(All amounts in thousands of reais unless otherwise stated)

16. Income tax and social contribution

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

	Parent Company		Consolidated	
Income tax and social contribution paid items	**Mar/22**	**Mar/21**	**Mar/22**	**Mar/21**
Profit before income tax and social contribution	128,314	243,870	140,434	245,559
Interest on capital and additional interest on capital proposed	(66,000)	(44,000)	(66,000)	(44,000)
Taxable profit	**62,314**	**199,870**	**74,434**	**201,559**
Combined tax rate (25% for income tax and 9% for social contribution)	34.00%	34.00%	34.00%	34.00%
Theoretical tax expense	**(21,187)**	**(67,956)**	**(25,307)**	**(68,530)**
Permanent additions	21,732	(9,896)	20,674	(14,471)
Equity in the results of subsidiaries	2,106	88	10	(515)
Reduction of taxes due to incentives (P.A.T)	501	1,230	501	1,230
Investment grant (i)	9,147	7,035	10,842	13,041
Tax loss and negative CSLL basis	-	-	(3,278)	-
Provisions with no deferred charges	-	-	-	(15)
Other (revaluation reserve + additional income tax exemption ceiling)	27	(75)	33	(70)
Result of current income tax and social contribution	**(2,233)**	**(68,569)**	**(9,140)**	**(71,183)**
Result of deferred income tax and social contribution	**14,559**	**(1,005)**	**12,615**	**1,853**
Income tax and social contribution expense	**12,326**	**(69,574)**	**3,475**	**(69,330)**
Effective tax rate	**(9,61%)**	**28.53%**	**(2,47%)**	**28.23%**

(i) Beginning on 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 March 31, 2022 was R$ 26,903 (R$ 20,691 - 1st quarter of 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.

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

Deferred income tax and social contribution assets amounting to R$ 287,359 at March 31, 2022 (R$ 278,462 – Dec/ 21) for the Parent Company and R$ 334,414 at March 31, 2022 (R$ 327,509 – Dec/21) 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$ 360,298 at March 31, 2022 (R$ 365,981 - Dec/21) for the Parent Company and R$ 361,742 at March 31, 2022 (R$ 367,473 - Dec/21) 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; and (iii) gain on bargain purchase.

(All amounts in thousands of reais unless otherwise stated)

For the three-month periods ended March 31, 2022 and 2021, deferred income and social contribution were as follows:

	Balance sheet				Statement of income			
	Parent Company		Consolidated		Parent Company		Consolidated	
Temporary differences	**Mar/22**	**Dec/21**	**Mar/22**	**Dec/21**	**Mar/22**	**Mar/21**	**Mar/22**	**Mar/21**
Revaluation at fair value of land and buildings	(6,693)	(6,715)	(6,693)	(6,715)	-	-	-	-
Amortization of the goodwill on future profitability	(245,184)	(245,152)	(245,184)	(245,152)	32	32	32	32
Non-deductible intangible assets - merger of Raia	(53,764)	(53,803)	(53,764)	(53,803)	(39)	(39)	(39)	(39)
Non-deductible intangible assets - acquisition of 4Bio	-	-	(1,444)	(1,492)	-	-	(48)	(48)
Gain on bargain purchase – acquisition of Onofre	(54,657)	(60,311)	(54,657)	(60,311)	(5,654)	(5,654)	(5,654)	(5,654)
Tax losses to be offset against future taxable profits	-	-	19,693	22,697	-	-	3,004	890
Adjustment to present value	2,387	(2,103)	2,884	(1,774)	(4,490)	(785)	(4,658)	(808)
Adjustment to fair value	6,729	6,473	6,729	6,473	(257)	(230)	(257)	(230)
Provision for inventory losses	13,237	11,089	13,237	11,089	(2,149)	(850)	(2,149)	(850)
Provision for sundry obligations	76,908	73,317	76,968	73,461	(3,591)	3,938	(3,507)	3,908
Provision for employee profit sharing	11,585	24,169	13,500	25,701	12,584	8,937	12,201	8,818
Provision for contingencies	33,495	32,919	56,373	55,900	(576)	448	(473)	(3,059)
Expected credit losses	1,543	1,346	3,525	2,681	(198)	(56)	(845)	(73)
Lease (depreciation x consideration)	119,363	115,018	119,393	115,047	(4,345)	(6,448)	(4,346)	(6,452)
Other adjustments	22,112	16,234	22,112	16,234	(5,876)	1,712	(5,876)	1,712
Effective income tax and social contribution expense	-	-	-	-	**(14,559)**	**1,005**	**(12,615)**	**(1,853)**
Deferred tax liabilities, net	**(72,939)**	**(87,519)**	**(27,328)**	**(39,964)**				
Reflected in the balance sheet as follows:								
Deferred tax assets	287,359	278,462	287,359	278,462				
Deferred tax liabilities	(360,298)	(365,981)	(361,742)	(367,473)				
Deferred tax liabilities, net	**(72,939)**	**(87,519)**	**(74,383)**	**(89,011)**				
Deferred tax assets – Subsidiary – 4Bio	**-**	**-**	**47,055**	**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	14,559	(14,830)	12,615	(1,880)				
Realization of deferred tax recognized in equity	21	84	21	84				
Balance at the end of the period	**(72,939)**	**(87,519)**	**(27,328)**	**(39,964)**				

(All amounts in thousands of reais unless otherwise stated)

16.3. 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:

	Parent Company		Consolidated	
Recovery forecast	**Mar/22**	**Dec/21**	**Mar/22**	**Dec/21**
2022	136,564	132,204	165,231	160,740
2023	53,090	51,000	63,581	62,412
2024	37,710	37,740	43,625	44,556
2025	21,648	20,579	23,625	22,856
2026 and thereafter	38,347	36,939	38,352	36,945
Total	**287,359**	**278,462**	**334,414**	**327,509**
Deferred tax assets on temporary differences, recorded net in liabilities	287,359	278,462	287,359	278,462
Deferred tax assets on tax losses in subsidiaries	-	-	47,055	49,047

16.4. 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$ 38,977, 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.

17.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:

	Parent Company / Consolidated	
Earnings per share items	**Mar/22**	**Mar/21**
Basic		
Profit for the period	140,640	174,296
Weighted average number of common shares	1,647,358	1,649,690
Basic earnings per share - R$	**0,08537**	**0,10565**
Diluted		
Profit for the period	140,640	174,296
Weighted average number of common shares adjusted for dilution effect	1,665,344	1,663,029
Diluted earnings per share - R$	**0.08445**	**0.10481**

(All amounts in thousands of reais unless otherwise stated)

18. Equity

(a) Capital

At March 31, 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 1,184,571,787 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 March 31, 2022, the Company's ownership structure was as follows:

	Number of shares		Interest (%)	
Ownership interest	**Mar/22**	**Dec/21**	**Mar/22**	**Dec/21**
Controlling shareholders	452,233,050	462,587,838	27.38	28.00
Shares outstanding	1,195,514,383	1,184,571,787	72.37	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 Dias and Galvão and by the Holding Pragma.

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	10,942,596
At March 31, 2022	**1,195,514,383**

At March 31, 2022, the Company's common shares were quoted at R$ 23.94 (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.

(All amounts in thousands of reais unless otherwise stated)

(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 March 31, 2022 are summarized below:

	Parent Company	
Changes in treasury shares	**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 March 31, 2022	**4,182,567**	**76,464**

At March 31, 2022, the market value of the treasury shares, having as reference the quotation of R$ 23.94 per share (R$ 24.30 - Dec/21), corresponds to R$ 100,281 (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.

(All amounts in thousands of reais unless otherwise stated)

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 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:

	Mar/22		**Dec/21**	
Changes in restricted shares	**Shares**	**Amount**	**Shares**	**Amount**
Opening balance at January 1	2,079,742	36,152	1,261,394	27,206
Granted shares for the period	560,523	(951)	1,527,473	15,086
Value of the shares at the delivery date	(587,808)	(9,988)	(709,125)	(6,140)
Closing balance	**2,052,457**	**25,213**	**2,079,742**	**36,152**

(All amounts in thousands of reais unless otherwise stated)

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.

19. Net sales revenue

	Parent Company		Consolidated	
Breakdown of net revenue	**Mar/22**	**Mar/21**	**Mar/22**	**Mar/21**
Sales revenue	6,536,625	5,633,724	6,946,962	5,962,748
Service revenue	18,064	16,726	25,534	16,759
Gross sales revenue	**6,554,689**	**5,650,450**	**6,972,496**	**5,979,507**
Taxes on sales	(303,288)	(279,073)	(311,888)	(309,711)
Returns, rebates and other	(87,140)	(44,176)	(98,098)	(49,745)
Net sales revenue	**6,164,261**	**5,327,201**	**6,562,510**	**5,620,051**

(All amounts in thousands of reais unless otherwise stated)

20.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		Consolidated	
Nature of expenses	**Mar/22**	**Mar/21**	**Mar/22**	**Mar/21**
Costs of inventories sold (Note 7)	(4,290,310)	(3,708,390)	(4,627,620)	(3,978,199)
Personnel expenses	(796,988)	(636,652)	(822,449)	(646,660)
Occupancy expenses (i)	(93,668)	(81,336)	(94,283)	(81,752)
Depreciation and amortization (ii)	(350,059)	(300,648)	(352,562)	(301,728)
Discounts on property rental	577	1,873	577	1,873
Service provider expenses(iii)	(100,932)	(80,097)	(104,830)	(81,988)
Expenses on card operator fees	(89,573)	(70,591)	(90,186)	(71,054)
Other	(195,124)	(152,435)	(208,000)	(157,483)
Total	**(5,916,077)**	**(5,028,276)**	**(6,299,353)**	**(5,316,991)**

Classified in the statement of income as:

Function of expenses	**Mar/22**	**Mar/21**	**Mar/22**	**Mar/21**
Costs of sales and services	(4,292,458)	(3,708,390)	(4,634,073)	(3,978,199)
Selling	(1,364,292)	(1,135,532)	(1,388,041)	(1,148,299)
General and administrative	(259,327)	(184,354)	(277,239)	(190,493)
Total	**(5,916,077)**	**(5,028,276)**	**(6,299,353)**	**(5,316,991)**

(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 quarter of 2022 totaled R$ 350,059 (R$ 300,648 - Mar/2021) for the Parent Company, of which R$ 317,533 (R$ 276,387 - Mar/2021) refers to the sales area and R$ 32,527 (R$ 24,261- Mar/2021) to the administrative area, and total R$ 352,562 (R$ 301,728- Mar/2021) for the Consolidated accounts, of which R$ 317,935 (R$ 276,749 - Mar/2021) refers to the sales area and R$ 34,627 (R$ 24,979 - Mar/2021) to the administrative area. 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$ 10,626 (R$ 8,246 - Mar/2021).

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

(All amounts in thousands of reais unless otherwise stated)

21.Other operating (income)/expenses, net

In the first quarter of 2022, other operating income / (expenses) totaled R$ 8,415 (R$ 16,014 - Mar/2021) for the Parent company and R$ 12,609 (R$ 16,549 - Mar/2021) for the Consolidated accounts. These amounts comprise non-recurring expenses and revenues, as presented below:

	Parent Company		Consolidated	
Nature of revenues / (expenses)	**Mar/22**	**Mar/21**	**Mar/22**	**Mar/21**
Write-off of property and equipment and intangible assets due to the drugstores closure	(1,100)	882	(1,100)	882
Donations	(618)	(3,293)	(618)	(3,293)
Social investments	(901)	-	(901)	-
Consulting and advisory expenses	-	-	-	(51)
Recognition of INSS credits from 2016 to 2019	-	838	-	838
Adjustment of provision for labor risks - Selic rate	-	3,410	-	3,410
Refund of ICMS-ST on 2020 sales	-	13,662	-	14,279
Exclusion of ICMS from PIS/COFINS calculation basis (Note 8)	11,688	-	15,943	-
Disposal of property and equipment - ICMS reversed	(633)	-	(633)	-
Other	(22)	515	(82)	484
Total	**8,414**	**16,014**	**12,609**	**16,549**

22.Finance income (costs)

	Parent Company		Consolidated	
Finance income	**Mar/22**	**Mar/21**	**Mar/22**	**Mar/21**
Discounts obtained	71	168	72	176
Short-term investment yields	4,825	3,015	5,190	3,025
Interest on intercompany loans	518	767	789	-
Monetary gains	877	350	996	387
Other income	-	-	306	42
Present value adjustment	35,104	6,286	39,409	7,082
Total finance income	**41,395**	**10,586**	**46,762**	**10,712**
Finance costs	**Mar/22**	**Mar/21**	**Mar/22**	**Mar/21**
Monetary losses	(1,217)	(252)	(2,429)	(781)
Interest on leases(i)	(57,067)	(53,647)	(57,121)	(53,647)
Charges on borrowings	(12,576)	(5,516)	(12,585)	(5,516)
Charges on debentures and promissory notes	(36,853)	(8,129)	(36,853)	(8,129)
Interest on payables to subsidiary's shareholder	(755)	(676)	(774)	(676)
Amortization of transaction costs	(1,208)	(1,125)	(1,208)	(1,125)
Interest, charges and bank fees	(233)	(901)	(306)	(927)
Discounts granted to customers	-	-	(34)	(32)
Present value adjustment	(65,963)	(11,668)	(70,813)	(12,414)
Total finance costs	**(175,872)**	**(81,914)**	**(182,123)**	**(83,247)**
Finance income (costs)	**(134,477)**	**(71,328)**	**(135,361)**	**(72,535)**

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

(All amounts in thousands of reais unless otherwise stated)

23. Financial instruments and risk management policy

23.1. Financial instruments by category

	Parent Company		Consolidated	
Financial instruments items	**Mar/22**	**Dec/21**	**Mar/22**	**Dec/21**
Assets				
At amortized cost				
Cash and cash equivalents (Note 5)	444,641	316,654	466,154	356,118
Trade receivables (Note 6)	1,812,455	1,487,204	2,089,164	1,710,057
Other receivables	262,569	328,190	300,893	318,230
Judicial deposits (Note 15)	25,195	25,872	29,083	29,951
Total assets	**2,544,860**	**2,157,920**	**2,885,294**	**2,414,356**
Liabilities				
Liabilities at fair value through profit or loss				
Payables to subsidiary's shareholder	38,139	37,383	38,699	37,943
Subtotal	**38,139**	**37,383**	**38,699**	**37,943**
Other liabilities				
Trade payables (Note 12)	3,386,089	3,485,328	3,600,986	3,656,607
Borrowing (Note 13)	2,125,876	1,462,162	2,169,069	1,505,222
Other payables	290,723	290,416	352,146	346,201
Leases payable (Note 14)	3,668,362	3,669,825	3,672,096	3,672,898
Subtotal	**9,471,050**	**8,907,731**	**9,794,297**	**9,180,928**
Total liabilities	**9,509,189**	**8,945,114**	**9,832,996**	**9,218,871**

23.2. 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 March 31, 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.

(All amounts in thousands of reais unless otherwise stated)

(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:

	Parent Company		Consolidated	
Risk rating	**Mar/22**	**Dec/21**	**Mar/22**	**Dec/21**
Rating - Notional scale				
brAAA	257,278	95,827	272,624	115,371
brAA+	28,377	26,767	29,264	33,020
brA	5,849	1,691	5,850	1,692
(*) n/a - Cash and automatic investments	153,137	192,369	157,097	199,900
(*) n/a - Investment funds	-	-	1,319	6,136
Total - Notional scale	**444,641**	**316,654**	**466,154**	**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 March 31, 2022, credit sales represented 59% (57% - Dec/21) for the Parent Company and 61% (59% - Dec/21) for the Consolidated accounts, of which 91% (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 9% (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):

	Parent Company			
		Effect on profit or loss and equity		
Operation	**Notional amount**	**Scenario I probable**	**Scenario II - 25%**	**Scenario III - 50%**
Short-term investments - CDI	305,011	1,525	1,906	2,288
Revenue	-	**1,525**	**1,906**	**2,288**
Borrowings - CDI	2,125,876	(10,629)	(13,287)	(15,944)
REFIS (SELIC)	1,156	(6)	(7)	(9)
Expense		**(10,635)**	**(13,294)**	**(15,953)**
Effect on profit or loss		**(9,110)**	**(11,388)**	**(13,665)**

(All amounts in thousands of reais unless otherwise stated)

		Consolidated		
		Effect on profit or loss and equity		
Operation	**Notional amount**	**Scenario I probable**	**Scenario II - 25%**	**Scenario III - 50%**
Short-term investments - CDI	325,307	1,637	2,033	2,440
Revenue		**1,637**	**2,033**	**2,440**
Borrowings - CDI	2,169,069	(10,858)	(13,557)	(16,268)
REFIS (SELIC)	1,156	(19)	(7)	(9)
Expense		**(10,877)**	**(13,564)**	**(16,277)**
Effect on profit or loss		**(9,240)**	**(11,531)**	**(13,837)**

(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:

	Parent Company		Consolidated	
Capital management items	**Mar/22**	**Dec/21**	**Mar/22**	**Dec/21**
Short- and long-term borrowings	2,125,876	1,462,162	2,169,069	1,505,222
(-) Cash and cash equivalents	(444,641)	(316,654)	(466,154)	(356,118)
Net debt	**1,681,235**	**1,145,508**	**1,702,915**	**1,149,104**
Equity attributable to the shareholders of the parent	4,751,380	4,677,673	4,751,380	4,677,114
Noncontrolling interests	-	-	43,544	41,129
Total equity	4,751,380	4,677,673	4,794,924	4,718,243
Total capital	**6,432,615**	**5,823,181**	**6,497,839**	**5,867,347**
Gearing ratio	**26.13%**	**19.67%**	**26.20%**	**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 March 31, 2022, the balance of lease liabilities in the Parent Company and Consolidated accounts corresponded to R$ 3,668,362 and R$ 3,672,096 respectively. Considering the balance lease liabilities in the capital management calculation, the gearing ratio of the Company and the Group would be 52.96% in the Parent Company and 52.85% 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:

	Parent Company		Consolidated	
Adjusted net debt with lease liabilities	**Mar/22**	**Dec/21**	**Mar/22**	**Dec/21**
Net debt	1,681,235	1,145,508	1,702,915	1,149,104
Lease liabilities	3,668,362	3,669,825	3,672,096	3,672,898
Adjusted net debt	**5,349,597**	**4,815,333**	**5,375,011**	**4,822,002**
Total equity	4,751,380	4,677,673	4,794,924	4,718,243
Total adjusted capital	**10,100,977**	**9,493,006**	**10,169,935**	**9,540,245**
Adjusted gearing ratio (%)	**52.96%**	**50.73%**	**52.85%**	**50.54%**

(f) Fair value estimation

(All amounts in thousands of reais unless otherwise stated)

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:

	Parent Company				Consolidated			
	Carrying amount		Fair value		Carrying amount		Fair value	
Fair value estimation	**Mar/22**	**Dec/21**	**Mar/22**	**Dec/21**	**Mar/22**	**Dec/21**	**Mar/22**	**Dec/21**
BNDES	78	155	78	155	78	155	78	155
Debentures and promissory notes	1,825,887	1,054,793	1,825,887	1,054,793	1,825,887	1,054,793	1,825,887	1,054,793
Other	299,911	407,214	299,911	407,214	343,104	450,274	343,104	450,274
Total	**2,125,876**	**1,462,162**	**2,125,876**	**1,462,162**	**2,169,069**	**1,505,222**	**2,169,069**	**1,505,222**

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

At March 31, 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 March 31, 2022:

	Parent Company/Consolidated	
	Payables to subsidiary's shareholder	
Changes in payables to subsidiary's shareholder	**2022**	**2021**
Balance at January 1	37,383	46,448
Expenses recognized in the statement of income:	755	676
Balance at March 31	38,139	47,124
Total expenses for the year recognized in the statement of income	**755**	**676**
Changes in unrealized expenses for the year included in the statement of income	**755**	**676**

(All amounts in thousands of reais unless otherwise stated)

24.Transactions with related parties

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

		Parent Company		Consolidated		Parent Company		Consolidated	
		Assets				Transacted amount			
Related parties	**Relationship**	**Mar/22**	**Dec/21**	**Mar/22**	**Dec/21**	**Mar/22**	**Mar/21**	**Mar/22**	**Mar/21**
Receivables									
Special plans[i]									
Regimar Comercial S.A.	Shareholder/Family	16	15	16	15	25	32	25	32
Heliomar Ltda.	Shareholder/Board Member	1	-	1	-	3	5	3	5
Natura Cosméticos S.A. [ii]	Shareholder/Related party	125	197	125	197	477	387	477	387
4Bio Medicamentos S.A. [v]	Subsidiary	48	51	48	51	77	88	77	88
Vitat Serviços em Saúde LTDA	Subsidiary	2	-	2	-	3	-	3	-
Healthbit Performasys Tecnologia	Subsidiary	1	-	1	-	2	-	2	-
Subtotal		**193**	**263**	**193**	**263**	**587**	**512**	**587**	**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	108	171	108	171	-	-	-	-
Zurcher, Ribeiro Filho, Pires Oliveira Dias e Freire – Advogados [iv]	Shareholder/Family	45	45	45	45	-	-	-	-
Loan and other receivables									
4Bio Medicamentos S.A. [v]	Subsidiary	516	32,765	-	-	96	3,455	-	-
Full Nine Digital Consultoria (Conecta Lá) (xii)	Associate	1,172	1,134	1,172	1,134	37	34	-	-
Healthbit Performasys Tecnologia (viii)	Subsidiary	1,376	1,380	-	-	44	1,380	44	1,380
ZTO Tecn. e Ser. de Infor. na Int. Ltda. (Manipulaê)(xi)	Associate	-	-	-	4,616	-	12	-	1,616
Labi Exames S.A. (xiii)	Associate	-	-	19,415	15,098	-	-	4,317	15,098
Stix Fidelidade e Inteligência S.A. (x)	Associate	11,118	17,752	11,118	17,752	14,208	17,752	14,208	17,752
Subtotal		**14,335**	**53,247**	**31,858**	**38,816**	**14,385**	**22,779**	**18,569**	**35,992**
Total receivables from related parties		**14,528**	**53,510**	**32,051**	**39,079**	**14,972**	**23,291**	**19,156**	**36,504**

(All amounts in thousands of reais unless otherwise stated)

Related parties	Relationship	Liabilities – Parent Company Mar/22	Liabilities – Parent Company Dec/21	Liabilities – Consolidated Mar/22	Liabilities – Consolidated Dec/21	Transacted amount – Parent Company Mar/22	Transacted amount – Parent Company Dec/21	Transacted amount – Consolidated Mar/22	Transacted amount – Consolidated Dec/21
Payables									
Rentals [vi]									
Heliomar Ltda.	Shareholder/Board Member	33	52	33	52	328	299	328	299
Antonio Carlos Pipponzi	Shareholder/Board Member	9	9	9	9	71	60	71	60
Rosalia Pipponzi Raia	Shareholder/Board Member	9	9	9	9	71	60	71	60
Cristiana Almeida Pipponzi	Shareholder/Board Member	4	4	4	4	24	20	24	20
André Almeida Pipponzi	Shareholder/Board Member	4	4	4	4	24	20	24	20
Marta Almeida Pipponzi	Shareholder/Board Member	4	4	4	4	24	20	24	20
Subtotal		**63**	**82**	**63**	**82**	**542**	**479**	**542**	**479**
Service providers									
Zurcher, Ribeiro Filho, Pires Oliveira Dias e Freire Advogados [iv]	Shareholder/Family	-	-	-	-	1,237	2,998	1,237	2,988
Rodrigo Wright Pipponzi (Editora Mol Ltda.) [vii]	Shareholder/Family	2,376	1,999	2,376	1,999	3,255	214	3,255	214
Cfly Consultoria e Gestão Empresarial Ltda. [iii]	Family	184	36	184	36	754	3,270	754	3,270
Cristina Ribeiro Sobral Sarian (Anthea Consultoria Empresarial) [ix]	Shareholder/Alternate Board Member until April 2021	-	-	-	-	99	450	99	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	11	11	32	159	32	159
Stix Fidelidade e Inteligência S.A. (x)	Associate	-	-	-	-	536	694	536	694
Healthbit Performasys Tecnologia (viii)	Subsidiary	7,574	8,187	7,574	8,187	6,021	8,187	6,021	8,187
Subtotal		**10,145**	**10,233**	**10,145**	**10,233**	**11,934**	**15,972**	**11,934**	**15,972**
Total payables to related parties		**10,208**	**10,315**	**10,208**	**10,315**	**12,476**	**16,451**	**12,476**	**16,451**

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, 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 and R$ 4,000, 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.

(b) Key management compensation

(All amounts in thousands of reais unless otherwise stated)

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

	Parent Company		Consolidated	
Compensation items	**Mar/22**	**Dec/21**	**Mar/22**	**Dec/21**
Share-based payment	4,643	3,850	6,186	4,173
Bonuses and social charges	3,397	1,358	3,397	1,358
Subtotal bonuses and social charges	**8,040**	**5,208**	**9,583**	**5,531**
Fees and social charges	5,992	5,395	6,225	6,085
Fringe benefits	66	84	66	84
Total	**14,098**	**10,687**	**15,874**	**11,700**

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.

25.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:

	Parent Company/Consolidated
Insurance items	**Mar/22**
Inventory loss risks*	559,926
D&O*	100,000
Civil liability risks*	40,000

* The parent company's coverage extends to the subsidiaries

26.Non-cash transactions

At March 31, 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 24);
(iii) the installment purchase of property and equipment items in the amount of R$ 8,714 (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$ 124,635 (R$ 319,051 – Dec/21), remeasurements of R$ 55,512 (R$ 598,677 – Dec/21) and termination of agreements in the amount of R$ (1,023) (R$ 49,851 – Dec/21).

27.Events after the reporting period

In April 12, 2022, the 4Bio Medicamentos S.A. subsidiary carried out a loan operation - 4131, in the total amount of R$ 65,000, with a remuneration equivalent to 100% of the cumulative variation of the average daily rates of the DI, plus a surcharge of 1.69% p.a. in a two months term.

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Building a better working world

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 March 31, 2022, comprising the statement of financial position as of March 31, 2022 and the related statements of profit or loss, of comprehensive income, of changes in equity and cash flows for the three-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).

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Other matters

Statements of value added

The abovementioned quarterly information includes the individual and consolidated statements of value added (SVA) for the three-month period ended March 31, 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, May 3, 2022.

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

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

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	52 openings

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.

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 three-month period ended March 31, 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, May 03, 2022.

Gilberto Lerio
Supervisory Board Member

Adeildo Paulino
Supervisory Board Member

Paulo Sérgio Buzaid Tohmé
Supervisory Board Member

Antônio Edson Maciel dos Santos
Supervisory Board Member

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 three-month period ended March 31, 2022.

São Paulo, May 03, 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

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 three-month period ended March 31, 2022.

São Paulo, May 03, 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