

(A free translation of the original in Portuguese)

# Raia Drogasil S.A.

Individual and Consolidated  
Interim Financial Information  
At June 30, 2023



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## Comments on Company performance

São Paulo, August 08, 2023. **RD – People, Health and Well-being** (Raia Drogasil S.A. – B3: RADL3) announces today its results for the 2<sup>nd</sup> quarter of 2023 (2Q23). The Company's parent company and consolidated financial statements for the periods ended June 30 of 2023 and 2022 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 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 the previous year.

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 in a dedicated chapter within this document.

### CONSOLIDATED HIGHLIGHTS:

- › **PHARMACIES: 2,807 units in operation (64 openings and 3 closures);**
- › **GROSS REVENUES: R\$ 9.0 billion, a 18.1% increase with 7.6% mature store growth;**
- › **MARKET SHARE: 15.1%, a 0.7 pp increase, with gains in every region;**
- › **DIGITAL: R\$ 1.2 billion, an increase of 56.4% and a retail penetration of 14.3%;**
- › **CONTRIBUTION MARGIN\*: 12.0% of gross revenues and an increase of 10.0%;**
- › **ADJUSTED EBITDA: R\$ 767.6 million, a margin of 8.5% and an increase of 5.5%;**
- › **ADJUSTED NET INCOME: R\$ 349.2 million, a net margin of 3.9% and an increase of 1.6%;**
- › **CASH FLOW: R\$ 487.8 million negative free cash flow, R\$ 763.3 million total cash consumption.**

\* Margin before administrative expenses (gross margin – selling expenses)

**RADL3**  
**R\$ 27.92/share**

**NUMBER OF SHARES**  
**1.718.007.200**

**MARKET CAP**  
**R\$ 48.0 billion**

**CLOSING**  
**August 07<sup>th</sup>, 2023**

**IR TEAM:**  
**Eugênio De Zagottis**  
**Flávio Correia**  
**André Stolfi**  
**Victor Torres**  
**Felipe Correa**

**SITE: [ri.rd.com.br](http://ri.rd.com.br)**  
**E-MAIL: [ri@rd.com.br](mailto:ri@rd.com.br)**

Summary	2Q22	3Q22	4Q22	1Q23	2Q23
<i>(R\$ thousands)</i>					
# of pharmacies	2,581	2,620	2,697	2,746	2,807
Organic openings	64	58	86	55	64
Closures	(13)	(19)	(9)	(6)	(3)
Headcount (EoP)	50,320	51,482	53,443	53,464	55,219
Pharmacist count (EoP)	10,466	10,690	10,952	11,322	11,515
# of tickets (thousands)	82,912	83,249	85,915	84,906	91,152
# of active customers (MM)	45.1	46.5	47.5	48.1	47.5
Gross revenue	7,641,161	7,985,786	8,351,126	8,479,007	9,024,723
Gross profit	2,318,097	2,224,774	2,338,166	2,321,744	2,610,067
% of gross revenue	30.3%	27.9%	28.0%	27.4%	28.9%
Adjusted EBITDA	727,509	546,800	599,438	562,957	767,625
% of gross revenue	9.5%	6.8%	7.2%	6.6%	8.5%
Adjusted net income	343,746	201,706	301,101	203,964	349,225
% of gross revenue	4.5%	2.5%	3.6%	2.4%	3.9%
Net income	372,231	225,367	278,009	206,586	363,154
% of gross revenues	4.9%	2.8%	3.3%	2.4%	4.0%
Free cash flow	(52,966)	159,825	206,008	(42,246)	(487,796)

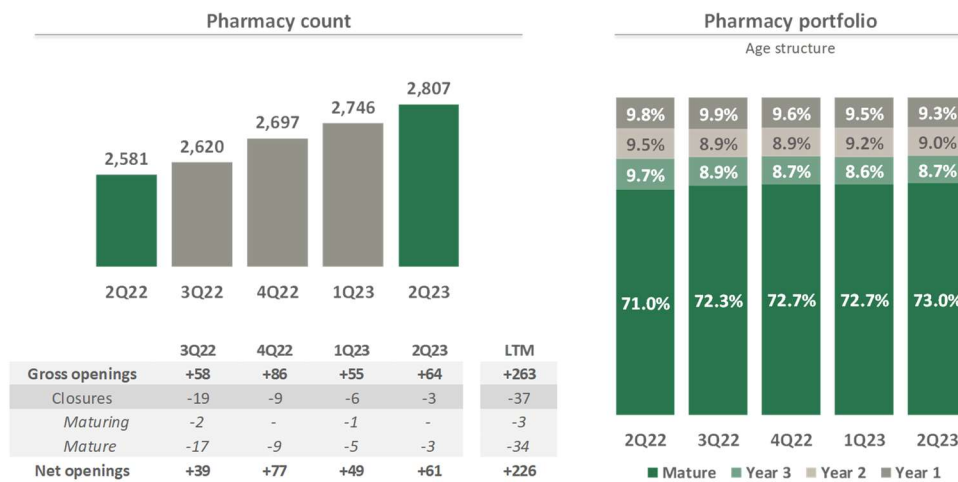
# Individual and Consolidated Interim Financial Information At June 30, 2023

## STORE DEVELOPMENT

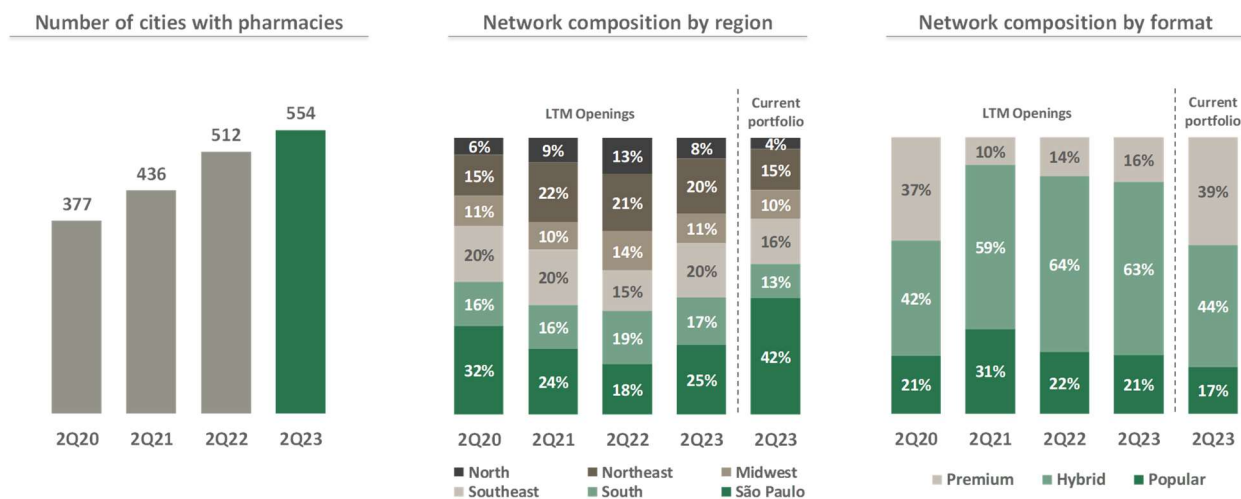
We opened 64 new pharmacies in the 2Q23 and closed 3, ending the quarter with 2,807 units in operation. At the end of the period, 27.0% of our pharmacies were still maturing and had not yet reached their full potential both in terms of revenue and profitability. We reiterate our guidance of 260 gross openings per year from 2023 to 2025, totaling 780 new pharmacies to be opened.

All of the 3 stores closed in the quarter were mature locations, as part of the ongoing optimization of our pharmacy portfolio. It is important to note that these closures of redundant stores result in a transfer of sales to the remaining locations in the neighborhood, as well in the elimination of a full fixed cost base, as well as in the liberation of assets to be more efficiently redeployed, thus increasing both the Company's EBITDA and ROIC.

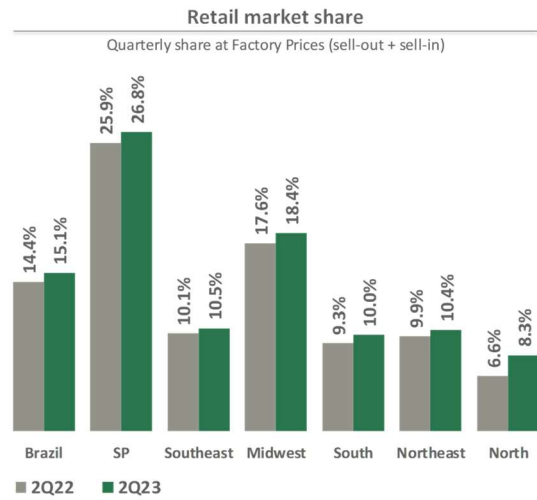
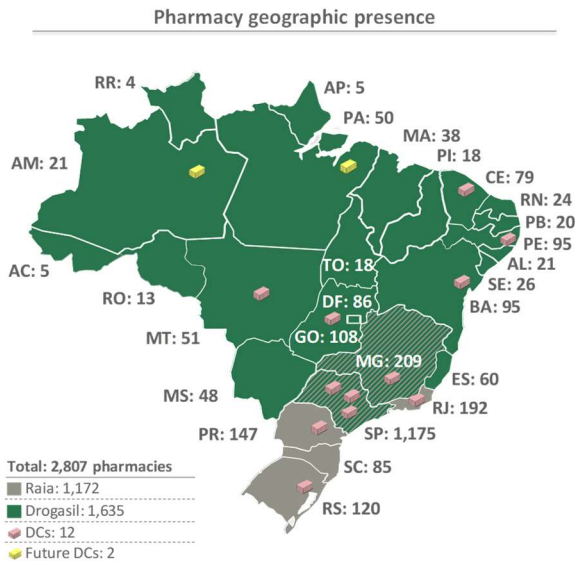
This combined plan of pharmacy openings and closures allows us to maintain an optimal portfolio of stores across the country, expanding our physical presence, balancing the ideal density in each market, and, at the same time, maximizing the return on the assets employed.



Our expansion has diversified our pharmacy network both geographically and demographically. Of the openings undertaken over the last twelve months, 75% are located outside the state of São Paulo, our native market. We expanded our presence to 554 cities, 42 more than in the 2Q22, a unique capillarity in Brazilian retail. Out of the 319 Brazilian cities with more than 100 thousand inhabitants, according to the latest IBGE census, we already have or are in the process of opening pharmacies in 306 of them. Lastly, 84% of our openings in the last twelve months have been of popular or hybrid formats, which today comprise 61% of the current portfolio.



**Individual and Consolidated Interim Financial Information At June 30, 2023**



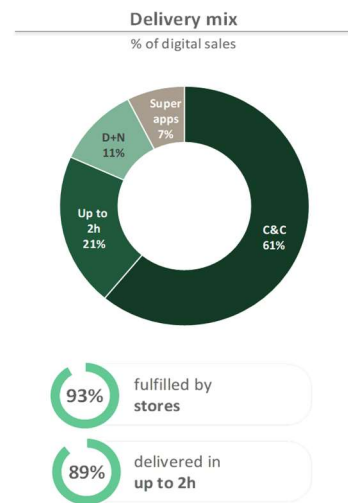
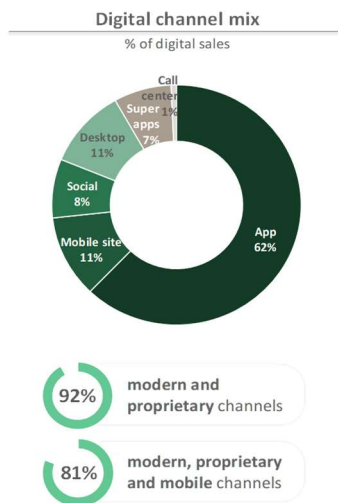
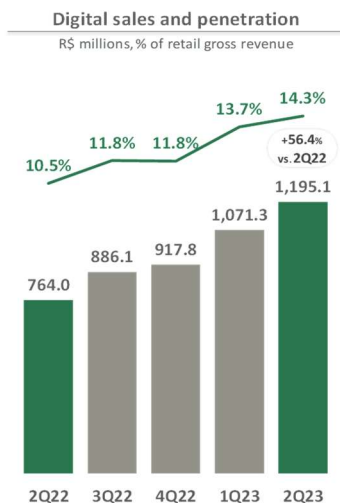
We are currently present in all 27 Brazilian states and operate 12 Distribution Centers that support our pharmacies nationwide, with 90% of our stores receiving its replenishment on a daily basis. In addition to the DC in Cuiabá (MT), inaugurated in the 1Q23, we are in the process of opening two additional DCs, located in the states of Amazonas and Pará, strengthening our logistics in the North region of the country, the most recent frontier of our expansion.

We gained market share in all regions during the quarter. Our national participation totaled 15.1%, an annual increase of 0.7 pp. Our market share reached 26.8% in São Paulo, a 0.9 pp increase, 10.5% in the Southeast (excluding São Paulo), a 0.4 pp increase, and 18.4% in the Midwest, a 0.8 pp gain. We also recorded market shares of 10.0% in the South, a 0.7 pp increment, 10.4% in the Northeast, a 0.5 pp gain, and 8.3% in the North, a 1.7 pp increase.

**DIGITAL HEALTH TRANSFORMATION**

We are advancing in our digital strategy at a fast pace. We recorded R\$ 1,195.1 million in digital channel gross revenue in the 2Q23, representing a retail penetration of 14.3% and a growth of 56.4% over the same period of the previous year.

We recorded 118.7 million visits in our apps and websites in the 2Q23. Customers who use our digital channels increase their loyalty, engagement and purchasing frequency, spending more than they did before. Our frequent customers who have adopted the digital channels spend 28% more than non-digitalized frequent customers, making digitalization a key driver for value creation.



# Individual and Consolidated Interim Financial Information At June 30, 2023

We highlight the importance of our unique nationwide capillarity for digital sales. The fact that our pharmacies are located 1.5 km or less from 93% of the Brazilian A-class population allowed them to directly fulfill 93% of the digital orders, with a high degree of economic efficiency and convenience to our customers, including 89% of deliveries or store pick-ups completed in up to 2h in the quarter.

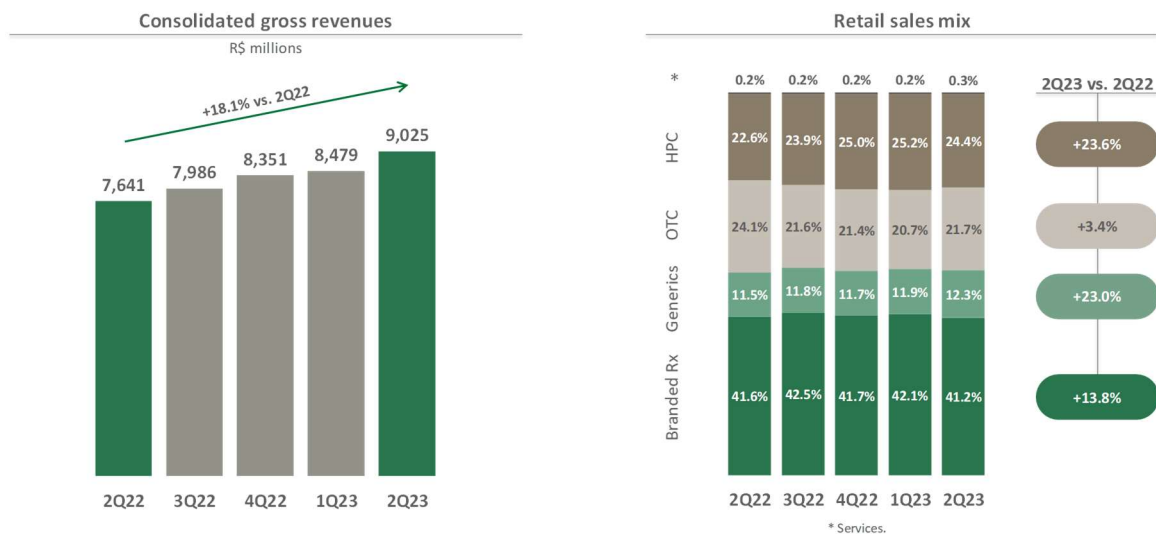
The role of our pharmacies in the promotion of integral health is also advancing. We ended the quarter with over 1.4 thousand units offering enhanced services at our health hubs. Additionally, we ended the period with 291 pharmacies licensed for immunizations and rapid diagnostic tests (RDTs). These pharmaceutical services are allowing us to reposition our pharmacies as local health hubs while increasing the loyalty of our customers, who have evaluated our overall pharmacy experience with an NPS of 90.

We continue structuring our marketplace to offer our customers a better experience, ending the period with an assortment of 119 thousand SKUs from 400 different sellers. We continue focused on improving the service level to our customers, including a reduction in delivery times and the improvement in their overall experience, which resulted in an annual NPS increase of 27 pp. We expect to continue improving our marketplace so that its NPS can progressively catch-up with that of our 1P digital platform.

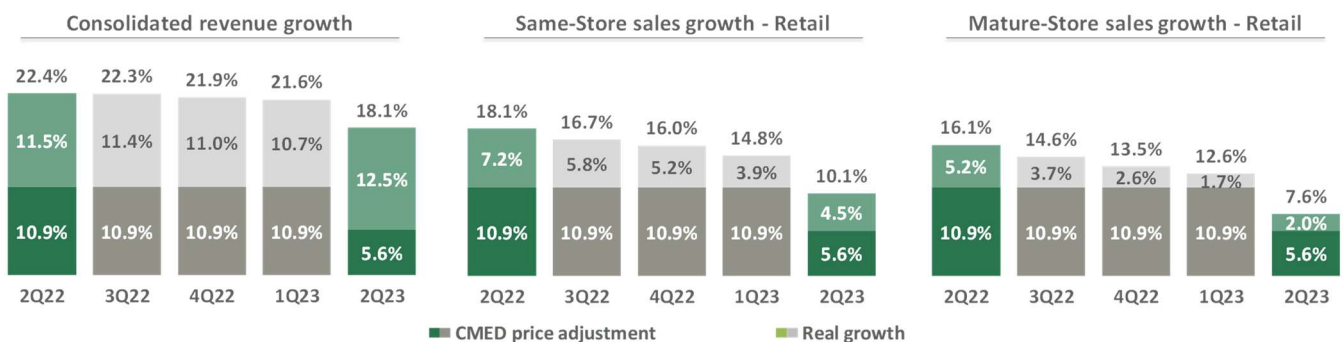
Lastly, we have continued to develop our healthcare platform and to advance in its customer acquisition, recording more than 10 million unique users accessing our content during the 2Q23.

## GROSS REVENUES

We ended the 2Q23 with a consolidated gross revenue of R\$ 9,025 million, an increase of 18.1%. We highlight that 4Bio's sales have increased by 81.0%, posting a contribution of 3.2 pp to our consolidated growth, while retail grew by 14.9%. Lastly, we recorded a negative effect from the sale of COVID-19 tests of 2.2 pp as well as a negative calendar effect of 0.4 pp.



We recorded a growth of 13.8% for branded Rx, 23.0% for generics, 3.4% for OTC and 23.6% for HPC. Our strong performances in HPC and generics have more than offset the decelerations in Branded Rx and in OTC caused by a very strong comp base in the 2Q22, due to a pandemic peak which boosted the sales of Covid tests, antibiotics and other seasonal items.

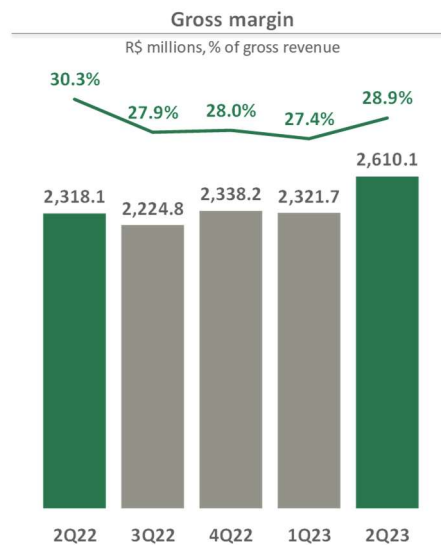


## Individual and Consolidated Interim Financial Information At June 30, 2023

Finally, we recorded a same-store sales growth of 10.1%, and of 7.6% for mature stores. It is important to highlight that our revenue growth in the 2Q23 and onwards starts to reflect the deceleration of the Brazilian CPI, which resulted in a CMED price adjustment of 5.6% in April 2023, versus the 10.9% recorded in 2022. This deceleration does not bring any repercussions in terms of real growth or efficiency loss, as our costs and expenses are also decelerating at a similar pace.

We also highlight that, even with a highly unfavorable comp base caused by the peak observed in the 2Q22 (2.2 pp negative impact from COVID-19 tests and 0.4 pp negative calendar effect), our mature stores grew 2.0 pp above the CMED price adjustment in the quarter, not far from the real growth observed in the 1Q23.

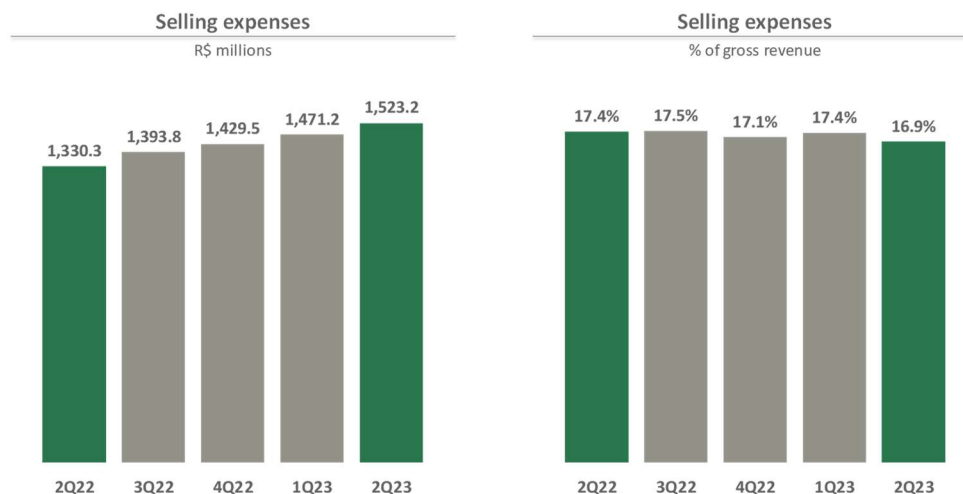
### GROSS PROFIT



Our gross profit totaled R\$ 2,610.1 million in the 2Q23, with a gross margin of 28.9%, a 1.4 pp contraction in comparison to the same period of the previous year. This contraction was primarily driven by the lower inflationary gains on inventories as a consequence of the lower CMED price adjustment of only 5.6% when compared to the 10.9% recorded in 2022, and to a lesser extent also by the negative mix effect caused by the 81.0% growth in 4Bio, which operates at a structurally lower gross margin than the retail business.

### SELLING EXPENSES

Selling expenses totaled R\$ 1,523.2 million in the 2Q23, equivalent to 16.9% of gross revenue, a 0.5 pp dilution in comparison to the same period of the previous year.





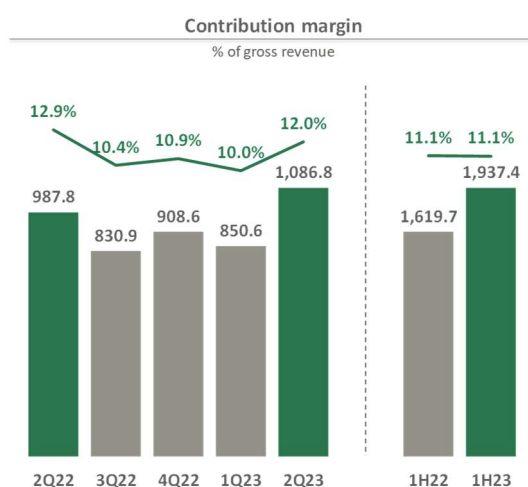
## Individual and Consolidated Interim Financial Information At June 30, 2023

We gained significant operating leverage in the quarter due to the real revenue growth recorded at our mature stores, resulting in dilutions of 0.2 pp in rentals, 0.1 pp in electricity costs, 0.1 pp in logistics and another 0.2 pp in other expenses, more than offsetting the pressure of 0.1 pp in last-mile delivery expenses caused by the 56.4% of growth in our digital sales.

### CONTRIBUTION MARGIN

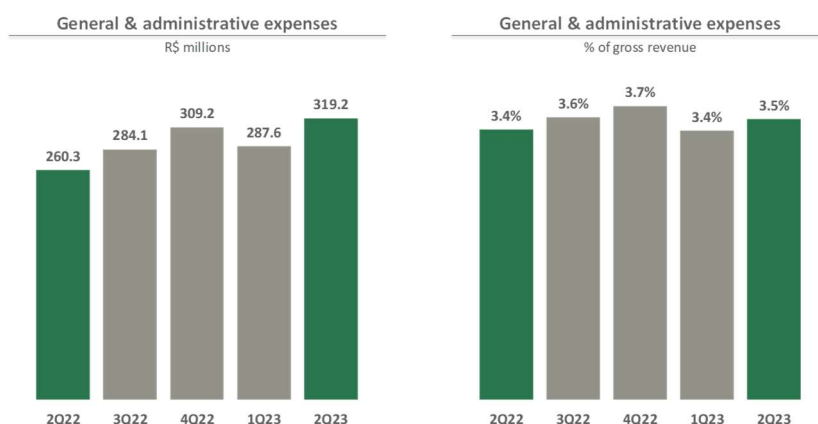
Our contribution margin totaled R\$ 1,086.8 million in the 2Q23, an increase of 10.0% when compared to the same period of the previous year.

We recorded a seasonal gross margin contraction of 1.4 pp due to the lower CMED price adjustment as well as to the negative mix effect from the 81.0% growth at 4Bio. These non-structural pressures were mitigated by the strong structural dilution of 0.5 pp in selling expenses, driven by the operating leverage gains at our mature stores.



In the first half of 2023, we recorded 19.6% of cumulative growth versus the same period of 2022, retaining the same margin of 11.1% of gross revenues.

### GENERAL & ADMINISTRATIVE EXPENSES

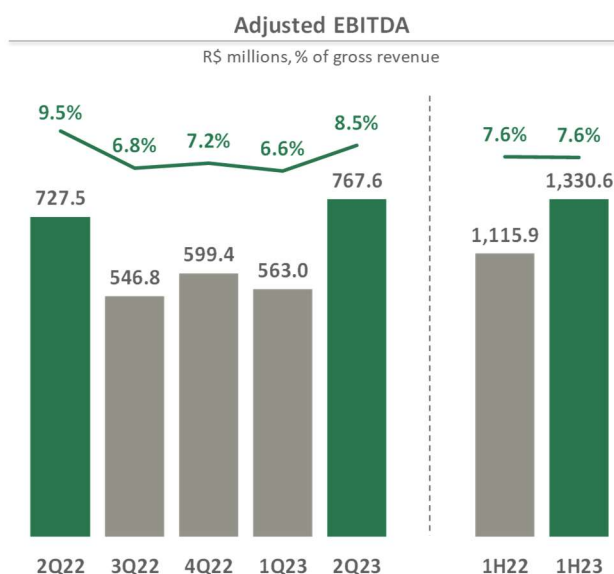


General and administrative expenses totaled R\$ 319.2 million in the 2Q23, equivalent to 3.5% of gross revenue, a 0.1 pp increase in comparison the same period of 2022 due a peak in marketing expenses.

Finally, we highlight that the G&A increase recorded in recent years has been part of the Company's transformation strategy, especially regarding our digitalization initiatives, allowing us to improve the contribution margin by boosting our customer engagement. We have stabilized the G&A in recent periods and expect to dilute it over the coming quarters.

## EBITDA

Our adjusted EBITDA totaled R\$ 767.6 million in the 2Q23, a 5.5% increase when compared to the same period of the previous year. This corresponds to a margin of 8.5% of gross revenues, a 1.0 pp decrease mostly driven by the effects of the lower CMED price adjustment on the gross margin.



In the first half of 2023, we recorded a cumulative EBITDA of R\$ 1,330.6 million, a 19.2% increase in comparison to the same period of 2022, with a margin of 7.6%, in line with the previous year. We achieved structural operating leverage gains driven by persistent real growth in mature stores, which have more than offset the non-structural pressure generated by the lower CMED price adjustment in the 1H23 and by the pandemic peak of the 1H22 (1.4 pp pressure from COVID-19 tests).

Finally, for our retail business, which excludes 4Bio, our cumulative EBITDA in the 1H23 increased 21.3% versus the same period of 2022. This corresponded to a margin of 7.9% over our retail revenues, a 0.2 pp margin expansion despite the seasonal pressure from the lower CMED price adjustment in the 1H23 and the strong revenue comp base of the 1H22 due to the pandemic peak.

## EBITDA RECONCILIATION AND NON-RECURRING RESULTS

We recorded in the 2Q23 R\$ 21.1 million in net non-recurring revenues. This includes R\$ 21.3 million in tax revenues and other effects from previous years and a reversal of R\$ 2.6 million of asset write-offs, net of R\$ 2.8 million in social investments and donations.

EBITDA Reconciliation - R\$ millions	2Q23	2Q22
<b>Net income</b>	<b>363.2</b>	<b>372.2</b>
Income tax	83.6	128.7
Equity Equivalence	0.8	(0.3)
Financial Result	146.5	98.2
<b>EBIT</b>	<b>594.1</b>	<b>598.9</b>
Depreciation and amortization	194.6	171.8
<b>EBITDA</b>	<b>788.7</b>	<b>770.7</b>
Tax effects and other non-recurring from previous years	(21.3)	(57.6)
Asset write-offs	(2.6)	13.5
Social investments and donations	2.8	0.9
<b>Non-recurring/non-operating expenses</b>	<b>(21.1)</b>	<b>(43.2)</b>
<b>Adjusted EBITDA</b>	<b>767.6</b>	<b>727.5</b>

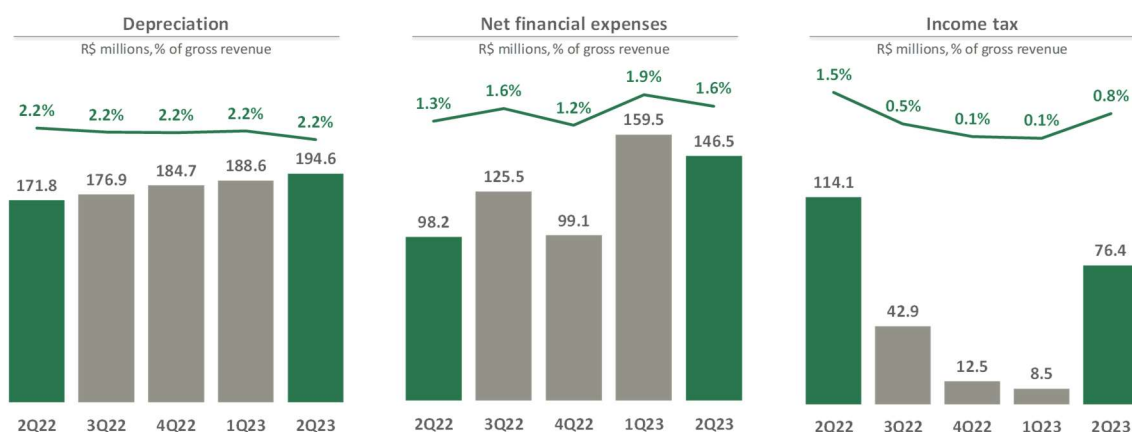
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### DEPRECIATION, NET FINANCIAL EXPENSES AND INCOME TAXES

Depreciation expenses amounted to R\$ 194.6 million in the 2Q23, equivalent to 2.2% of gross revenue, stable when compared to the same period of the previous year.

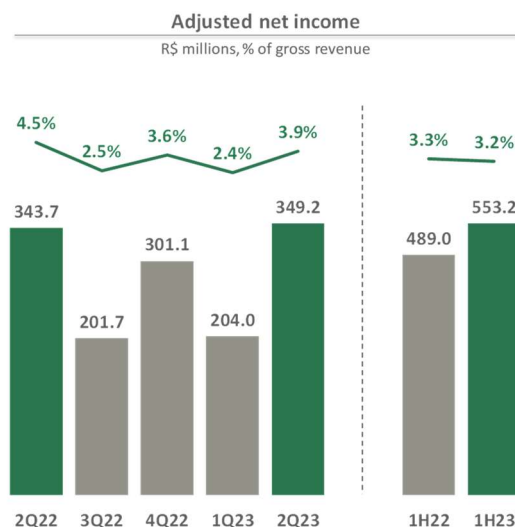
Net financial expenses represented 1.6% of gross revenues in the 2Q23, a 0.3 pp increase when compared to same period of the previous year. Of the R\$ 146.5 million recorded in the 2Q23, R\$ 97.4 million refer to the actual interests accrued on financial liabilities, equivalent to 1.1% of gross revenue, a 0.2 pp increase when compared to the 2Q22, mainly due to the higher SELIC interest rate. We have also recorded R\$ 44.3 million in NPV adjustments, a non-cash item equivalent to 0.5% of gross revenues. Lastly, we recorded R\$ 4.9 million, or 0.1% of gross revenues, related to the reevaluation and the interest on the option to acquire the remaining shares of invested companies.

Lastly, we booked R\$ 76.4 million in income taxes in the 2Q23, equivalent to 0.8% of the quarter's gross revenue.



### NET INCOME

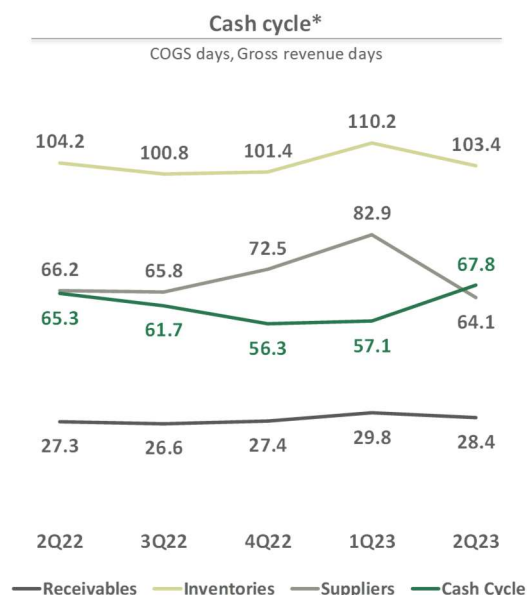
Our adjusted net income totaled R\$ 349.2 million in the 2Q23, a 1.6% growth in comparison to the same period of the previous year. The adjusted net margin was of 3.9% in the quarter, a 0.6 pp contraction vs. the 2Q22, mostly driven by the gross margin pressure from the lower CMED price adjustment in 2023.



In the first half of 2023, our cumulative net income totaled R\$ 553,2 million, a 13.1% increase in comparison to the same period of 2022. This corresponds to a margin of 3.2%, a contraction of 0.1 pp vs. the 1H22.

## CASH CYCLE

The cash cycle in the 2Q23 was of 67.8 days, an increase of 2.5 days compared to the same period of the previous year. We highlight that this is an expected seasonal peak in working capital due to a strong forward buying when compared to the previous year.



\* Adjusted for discounted receivables and advanced payments to suppliers.

## CASH FLOW

In the 2Q23, we recorded a negative free cash flow of R\$ 487.8 million, with a total cash consumption of R\$ 763.3 million. Resources from operations totaled R\$ 499.0 million, equivalent to 5.5% of gross revenue. We recorded an increase in working capital of R\$ 685.3 million, resulting in a negative operating cash flow of R\$ 186.3 million, and a CAPEX of R\$ 301.5 million.

Cash flow (R\$ million)	2Q23	2Q22
<b>Adjusted EBIT</b>	<b>573.0</b>	<b>555.7</b>
NPV adjustment	(39.5)	(30.2)
Non-recurring expenses	21.1	43.2
Income tax (34%)	(188.6)	(193.4)
Depreciation	195.2	171.1
Others	(62.3)	41.4
<b>Resources from operations</b>	<b>499.0</b>	<b>587.8</b>
Cash cycle*	(896.7)	(509.9)
Other assets (liabilities)**	211.4	118.9
<b>Operating cash flow</b>	<b>(186.3)</b>	<b>196.8</b>
<b>Investments</b>	<b>(301.5)</b>	<b>(249.8)</b>
<b>Free cash flow</b>	<b>(487.8)</b>	<b>(53.0)</b>
M&A and other investments	(16.2)	(15.3)
Interest on equity and dividends	(226.5)	(96.1)
Income tax paid over interest on equity	-	(8.9)
Net financial expenses***	(102.3)	(68.2)
Tax benefit (fin. exp., IoE, dividends)	69.4	48.4
<b>Total Cash Flow</b>	<b>(763.3)</b>	<b>(193.2)</b>

\*Includes adjustments to discounted receivables.

\*\*Includes NPV adjustments.

\*\*\*Excludes NPV adjustments.

Of the R\$ 301.5 million invested in the 2Q23, R\$ 107.0 million was used for the opening of new pharmacies, R\$ 50.5 million for the renovation or expansion of existing units, R\$ 99.5 million for IT, R\$ 37.0 million for logistics and R\$ 7.5 million for other projects.

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Net financial expenses resulted in payments of R\$ 102.3 million in the 2Q23. These payments were partially offset by R\$ 69.4 million in tax benefits related to net financial expenses and interest on equity.

Lastly, we provisioned R\$ 102.0 million in interest on capital in the 2Q23, in comparison to the R\$ 74.0 million provisioned in the 2Q22.

### INDEBTEDNESS

We ended the 2Q23 with an adjusted net debt of R\$ 2,907.6 million, corresponding to a leverage of 1.2x the adjusted EBITDA of the last twelve months. It is important to highlight that the second quarter of every year represents a seasonal peak in cash consumption and leverage due to the working capital investment required to support the forward buying in anticipation to the annual CMED price readjustment.

Adjusted net debt considers R\$ 752.4 million in discounted receivables and R\$ 96.8 million in liabilities related to the put option granted and/or call option obtained for the acquisition of equity of invested companies.

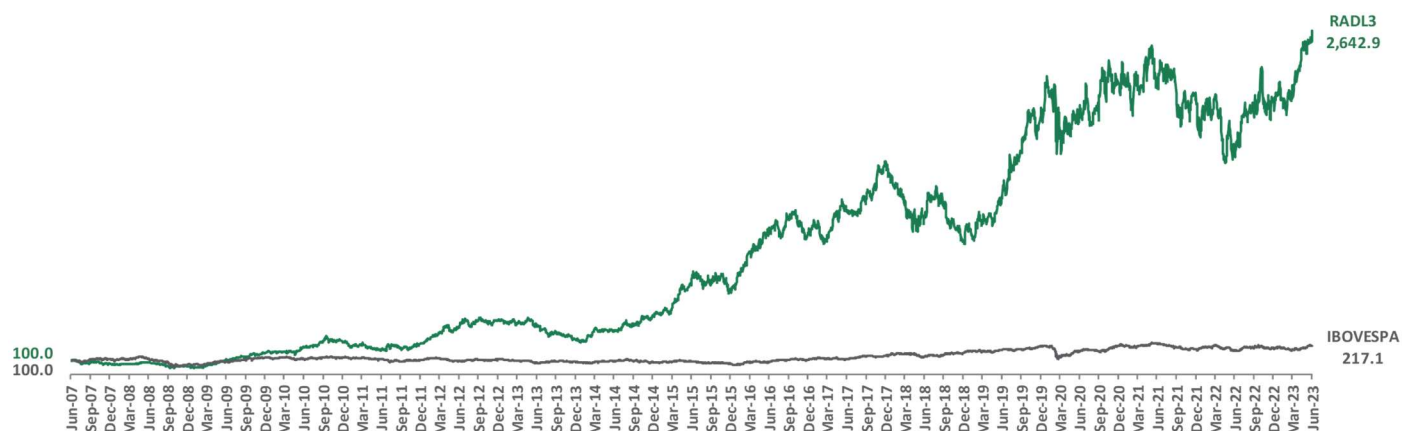
Net Debt (R\$ millions)	2Q22	3Q22	4Q22	1Q23	2Q23
Short-term Debt	228.2	134.8	186.4	443.8	569.8
Long-term Debt	2,141.4	2,130.2	2,131.5	1,832.6	1,834.0
<b>Total Gross Debt</b>	<b>2,369.6</b>	<b>2,265.0</b>	<b>2,317.9</b>	<b>2,276.4</b>	<b>2,403.8</b>
(-) Cash and Equivalents	818.8	371.2	433.5	371.3	345.3
<b>Net Debt</b>	<b>1,550.8</b>	<b>1,893.8</b>	<b>1,884.4</b>	<b>1,905.1</b>	<b>2,058.5</b>
Discounted Receivables	344.6	-	216.1	148.2	752.4
Advances to suppliers	-	(50.7)	(119.5)	(3.7)	-
Put/Call options of investments (estimated)	39.5	64.1	64.7	94.7	96.8
<b>Adjusted Net Debt</b>	<b>1,934.8</b>	<b>1,907.3</b>	<b>2,045.6</b>	<b>2,144.3</b>	<b>2,907.6</b>
<b>Adjusted Net Debt / EBITDA</b>	<b>1.0x</b>	<b>0.9x</b>	<b>0.9x</b>	<b>0.9x</b>	<b>1.2x</b>

At the end of the quarter, our gross debt totaled R\$ 2,403.8 million, of which 80.1% corresponds to debentures and Certificates of Real Estate Receivables (CRIs). The remaining 19.9% corresponds to other credit lines.

Of the total indebtedness, 76% is long-term, and 24% is short-term. We ended the quarter with a total cash and equivalents position of R\$ 345.3 million.

### TOTAL SHAREHOLDER RETURNS

#### Stock price appreciation



Our share price increased by 24.8% in 2023, 17.2 pp greater than the IBOVESPA. Since the IPO of Drogasil, we achieved a cumulative share appreciation of 2,649% versus a return of only 117% for the IBOVESPA. Including the payment of interest on equity and dividends, we generated an average annual total return to shareholders of 23.4%.

## Individual and Consolidated Interim Financial Information At June 30, 2023

Considering the IPO of Raia in December of 2010, the cumulative return amounted to 957% versus an increase of only 74% of the IBOVESPA. Considering the payment of interest on equity and dividends, this resulted in an average annual total return to shareholders of 21.1%. Lastly, our shares recorded an average daily trading volume of R\$ 160 million in the year.

### 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](http://ir.rd.com.br), under Interactive Spreadsheets.

Income Statement (R\$ millions)	2Q23		Change
	IAS 17	IFRS 16	Δ 2Q23
<b>Gross Revenue</b>	<b>9,024.7</b>	<b>9,024.7</b>	<b>0.0</b>
<b>Gross Profit</b>	<b>2,610.1</b>	<b>2,610.1</b>	<b>0.0</b>
Gross Margin	28.9%	28.9%	0.0%
Selling Expenses	(1,523.2)	(1,259.7)	263.6
G&A	(319.2)	(318.2)	1.0
<b>Total Expenses</b>	<b>(1,842.4)</b>	<b>(1,577.9)</b>	<b>264.6</b>
as % of Gross Revenue	20.4%	17.5%	(2.9%)
<b>Adjusted EBITDA</b>	<b>767.6</b>	<b>1,032.2</b>	<b>264.6</b>
as % of Gross Revenue	8.5%	11.4%	2.9%
Non-Recurring Expenses / Revenues	21.1	23.4	2.3
Depreciation and Amortization	(194.6)	(411.8)	(217.2)
Financial Results	(146.5)	(226.6)	(80.1)
Equity Equivalence	(0.8)	(0.8)	0.0
Income Tax	(83.6)	(73.3)	10.3
<b>Net Income</b>	<b>363.2</b>	<b>343.1</b>	<b>(20.1)</b>
as % of Gross Revenue	4.0%	3.8%	(0.2%)

Balance Sheet (R\$ millions)	2Q23		Change
	IAS 17	IFRS 16	Δ 2Q23
<b>Assets</b>	<b>14,268.1</b>	<b>17,745.4</b>	<b>3,477.3</b>
<b>Current Assets</b>	<b>9,895.7</b>	<b>9,895.7</b>	<b>0.0</b>
<b>Non-Current Assets</b>	<b>4,372.4</b>	<b>7,849.7</b>	<b>3,477.3</b>
Other Credits	6.5	6.1	(0.4)
Investments	(5.6)	2.8	8.4
Property, Plant and Equipment	2,276.3	2,276.5	0.2
Right of use	0.0	3,477.7	3,477.7
Intangible	1,822.8	1,814.2	(8.5)
<b>Liabilities and Shareholder's Equity</b>	<b>14,268.3</b>	<b>17,745.4</b>	<b>3,477.1</b>
<b>Current Liabilities</b>	<b>6,144.9</b>	<b>6,956.9</b>	<b>812.0</b>
Financial Leases	0.0	822.3	822.3
Other Accounts Payable	320.2	309.9	(10.2)
<b>Non-Current Liabilities</b>	<b>2,261.2</b>	<b>5,186.8</b>	<b>2,925.6</b>
Loans and Financing	1,834.0	1,833.8	(0.2)
Financial Leases	0.0	3,059.7	3,059.7
Income Tax and Social Charges Deferred	140.2	6.2	(134.0)
<b>Shareholder's Equity</b>	<b>5,862.2</b>	<b>5,601.7</b>	<b>(260.5)</b>
Income Reserves	1,281.2	1,049.2	(232.0)
Accrued Income	377.3	348.9	(28.4)
Non Controller Interest	69.8	69.7	(0.1)

**Individual and Consolidated  
Interim Financial Information  
At June 30, 2023**

<b>Cash Flow (R\$ millions)</b>	<b>2Q23</b>		<b>Change</b>
	<b>IAS 17</b>	<b>IFRS 16</b>	<b>Δ 2Q23</b>
<b>Adjusted EBIT</b>	<b>573.0</b>	<b>620.4</b>	<b>47.4</b>
Non-Recurring Expenses	21.1	23.4	2.3
Income Tax (34%)	(188.6)	(205.5)	(16.9)
Depreciation	195.2	411.8	216.6
Rental Expenses	0.0	(266.8)	(266.8)
Others	(62.1)	(44.6)	17.5
<b>Resources from Operations</b>	<b>499.1</b>	<b>499.1</b>	<b>0.0</b>
<b>Operating Cash Flow</b>	<b>(186.4)</b>	<b>(186.4)</b>	<b>0.0</b>
<b>Investments</b>	<b>(300.0)</b>	<b>(300.0)</b>	<b>0.0</b>
<b>Free Cash Flow</b>	<b>(486.4)</b>	<b>(486.4)</b>	<b>0.0</b>
<b>Total Cash Flow</b>	<b>(763.3)</b>	<b>(763.3)</b>	<b>0.0</b>

\*Includes adjustments to discounted receivables.

\*\*Includes NPV adjustments

\*\*\*Excludes NPV adjustments

**2Q23 Results Conference Calls: August 09<sup>th</sup>, 2023**

**Portuguese**

at 10:00 am (BRT)

**English**

at 12:00 pm (BRT)

Link:

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

For more information, please contact our Investor Relations department.

E-mail: [ri@rd.com.br](mailto:ri@rd.com.br)

**Individual and Consolidated  
Interim Financial Information  
At June 30, 2023**

<b>Consolidated Adjusted Income Statement</b> <i>(R\$ thousands)</i>	<b>2Q22</b>	<b>2Q23</b>
<b>Gross Revenue</b>	<b>7,641,161</b>	<b>9,024,723</b>
Taxes, Discounts and Returns	(462,400)	(582,408)
<b>Net Revenue</b>	<b>7,178,761</b>	<b>8,442,314</b>
Cost of Goods Sold	(4,860,664)	(5,832,248)
<b>Gross Profit</b>	<b>2,318,097</b>	<b>2,610,067</b>
Operational (Expenses) Revenues		
Sales	(1,330,304)	(1,523,229)
General and Administrative	(260,284)	(319,214)
<b>Operational Expenses</b>	<b>(1,590,588)</b>	<b>(1,842,442)</b>
<b>EBITDA</b>	<b>727,509</b>	<b>767,625</b>
Depreciation and Amortization	(171,808)	(194,595)
<b>Operational Earnings before Financial Results</b>	<b>555,701</b>	<b>573,030</b>
Financial Expenses	(164,735)	(246,784)
Financial Revenue	66,566	100,245
<b>Financial Expenses/Revenue</b>	<b>(98,169)</b>	<b>(146,539)</b>
Equity Equivalence	267	(837)
<b>Earnings before Income Tax and Social Charges</b>	<b>457,799</b>	<b>425,654</b>
Income Tax and Social Charges	(114,052)	(76,430)
<b>Net Income</b>	<b>343,746</b>	<b>349,225</b>



**Individual and Consolidated  
Interim Financial Information  
At June 30, 2023**

<b>Consolidated Income Statement</b> <i>(R\$ thousands)</i>	<u>2Q22</u>	<u>2Q23</u>
<b>Gross Revenue</b>	<b>7,641,161</b>	<b>9,024,723</b>
Taxes, Discounts and Returns	(462,400)	(582,408)
<b>Net Revenue</b>	<b>7,178,761</b>	<b>8,442,314</b>
Cost of Goods Sold	(4,860,664)	(5,832,248)
<b>Gross Profit</b>	<b>2,318,097</b>	<b>2,610,067</b>
Operational (Expenses) Revenues		
Sales	(1,330,304)	(1,523,229)
General and Administrative	(260,284)	(319,214)
Other Operational Expenses, Net	43,159	21,105
<b>Operational Expenses</b>	<b>(1,547,429)</b>	<b>(1,821,338)</b>
<b>EBITDA</b>	<b>770,668</b>	<b>788,729</b>
Depreciation and Amortization	(171,808)	(194,595)
<b>Operational Earnings before Financial Results</b>	<b>598,860</b>	<b>594,134</b>
Financial Expenses	(164,735)	(246,784)
Financial Revenue	66,566	100,245
<b>Financial Expenses/Revenue</b>	<b>(98,169)</b>	<b>(146,539)</b>
Equity Equivalence	267	(837)
<b>Earnings before Income Tax and Social Charges</b>	<b>500,958</b>	<b>446,759</b>
Income Tax and Social Charges	(128,727)	(83,605)
<b>Net Income</b>	<b>372,231</b>	<b>363,154</b>

**Individual and Consolidated  
Interim Financial Information  
At June 30, 2023**

<i>Assets (R\$ thousands)</i>	<b>2Q22</b>	<b>2Q23</b>
Current Assets		
Cash and Cash Equivalents	818,805	345,309
Financial Investments		25,126
Accounts Receivable	1,948,433	2,066,982
Inventories	5,566,835	6,627,088
Taxes Receivable	272,370	415,125
Other Accounts Receivable	263,313	313,960
Anticipated Expenses	73,641	102,146
	<u>8,943,398</u>	<u>9,895,736</u>
Non-Current Assets		
Deposit in Court	71,016	132,501
Taxes Receivable	121,890	115,840
Income Tax and Social Charges deferred	31,038	24,067
Other Credits	49,190	6,523
Investments	1,923	2,829
Property, Plant and Equipment	2,051,537	2,276,261
Intangible	1,510,848	1,814,232
	<u>3,837,442</u>	<u>4,372,253</u>
<b>ASSETS</b>	<b><u>12,780,840</u></b>	<b><u>14,267,989</u></b>
<i>Liabilities and Shareholder's Equity (R\$ thousands)</i>	<b>2Q22</b>	<b>2Q23</b>
Current Liabilities		
Suppliers	3,538,544	4,105,650
Loans and Financing	228,201	569,822
Salaries and Social Charges Payable	529,539	626,385
Taxes Payable	239,697	310,176
Dividend and Interest on Equity	123,619	160,560
Provision for Lawsuits	47,909	52,139
Other Accounts Payable	259,471	319,987
	<u>4,966,979</u>	<u>6,144,719</u>
Non-Current Liabilities		
Loans and Financing	2,141,379	1,833,783
Provision for Lawsuits	52,937	57,650
Income Tax and Social Charges deferred	169,632	140,180
Other Accounts Payable	148,964	229,386
	<u>2,512,912</u>	<u>2,260,999</u>
Shareholder's Equity		
Common Stock	2,500,000	4,000,000
Capital Reserves	95,407	125,746
Revaluation Reserve	11,434	11,273
Income Reserves	2,267,879	1,281,229
Accrued Income	374,317	377,272
Equity Adjustments	613	(3,148)
Non Controller Interest	51,299	69,899
	<u>5,300,949</u>	<u>5,862,271</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b><u>12,780,840</u></b>	<b><u>14,267,989</u></b>

**Individual and Consolidated  
Interim Financial Information  
At June 30, 2023**

<b>Cash Flow</b> <i>(R\$ thousands)</i>	<b>2Q22</b>	<b>2Q23</b>
<b>Earnings before Income Tax and Social Charges</b>	<b>500,958</b>	<b>353,338</b>
<b>Adjustments</b>		
Depreciation and Amortization	171,080	195,201
Compensation plan with restricted shares, net	6,426	9,803
Interest over additional stock option	777	2,089
P,P&E and Intangible Assets residual value	8,085	(7,138)
Provisioned Lawsuits	18,597	18,162
Provisioned Inventory Loss	963	13,579
Provision for Doubtful Accounts	427	1,070
Provisioned Store Closures	6,335	(4,361)
Interest Expenses	59,646	80,314
Debt Issuance Costs Amortization	926	1,027
Equity Equivalence Result	(283)	837
Discount on rentals	577	-
	<b>774,514</b>	<b>663,921</b>
<b>Assets and Liabilities variation</b>		
Clients and Other Accounts Receivable	140,625	560,478
Inventories	(243,461)	150,415
Other Short Term Assets	488	13,128
Long Term Assets	(39,429)	(18,765)
Suppliers	(62,476)	(999,708)
Salaries and Social Charges	98,428	100,078
Taxes Payable	53,300	21,877
Other Liabilities	(68,804)	(851)
Rents Payable	1,830	220
<b>Cash from Operations</b>	<b>655,015</b>	<b>490,793</b>
Interest Paid	(77,220)	(61,502)
Income Tax and Social Charges Paid	(68,027)	-
Paid lawsuits	(12,400)	(18,635)
<b>Net Cash from (invested) Operational Activities</b>	<b>497,368</b>	<b>410,656</b>
<b>Investment Activities Cash Flow</b>		
P,P&E and Intangible Acquisitions	(254,757)	(316,220)
Loans granted to subsidiaries	(10,345)	-
Cash from incorporated company	-	(1,445)
<b>Net Cash from Investment Activities</b>	<b>(265,102)</b>	<b>(317,665)</b>
<b>Financing Activities Cash Flow</b>		
Funding	699,336	173,345
Payments	(482,811)	(65,785)
Interest on Equity and Dividends Paid	(96,140)	(226,509)
<b>Net Cash from Funding Activities</b>	<b>120,385</b>	<b>(118,949)</b>
<b>Cash and Cash Equivalents net increase</b>	<b>352,651</b>	<b>(25,958)</b>
<b>Cash and Cash Equivalents in the beginning of the period</b>	<b>466,153</b>	<b>371,266</b>
<b>Cash and Cash Equivalents in the end of the period</b>	<b>818,804</b>	<b>345,308</b>

**Balance Sheets**  
**June 30, 2023**  
All amounts in thousands of reais

Assets	Note	Parent Company		Consolidated		Liabilities and equity	Note	Parent Company		Consolidated	
		Jun/23	Dec/2022	Jun/23	Dec/2022			Jun/23	Dec/2022	Jun/23	Dec/2022
<b>Current assets</b>						<b>Current liabilities</b>					
Cash and cash equivalents	5	264,190	364,374	345,309	433,541	Suppliers	14	3,645,998	3,993,411	4,020,134	4,252,361
Financial investments	6	25,126	-	25,126	-	Suppliers - Forfait	14.1	85,516	6,556	85,516	6,556
Trade receivables	7	1,558,417	1,923,938	2,066,982	2,295,640	Borrowings	15	361,136	108,279	569,822	186,356
Inventories	8	6,344,675	6,000,509	6,627,088	6,126,056	Leases payable	16	820,420	757,265	822,270	759,301
Recoverable taxes	9	410,744	387,496	415,158	393,336	Salaries and social charges	-	600,751	542,583	626,385	561,624
Other current assets	-	303,002	259,929	313,936	266,881	Taxes and contributions	-	204,737	193,069	217,967	211,508
Prepaid expenses	-	100,210	60,808	102,146	61,614	Dividends and interest on capital	-	160,560	62,417	160,560	62,417
						Income tax and social contribution	18	89,801	-	92,209	1,790
						Provision for legal claims	17	52,139	53,584	52,139	53,584
						Other current liabilities	-	289,956	264,043	309,946	271,671
		<b>9,006,364</b>	<b>8,997,054</b>	<b>9,895,745</b>	<b>9,577,068</b>			<b>6,311,014</b>	<b>5,981,207</b>	<b>6,956,948</b>	<b>6,367,168</b>
<b>Non-current assets</b>						<b>Non-current liabilities</b>					
Long-term receivables						Borrowings	15	1,833,669	2,131,327	1,833,783	2,131,548
Judicial deposits	17	18,681	20,792	132,501	137,624	Leases payable	16	3,058,405	2,978,958	3,059,733	2,980,707
Recoverable taxes	9	86,981	98,250	115,840	121,434	Deferred income tax and social contribution	18b	4,985	16,360	6,188	17,660
Deferred income tax and social contribution	18b	-	-	24,067	10,357	Provision for legal claims	17	57,493	54,855	57,650	55,012
Prepaid expenses	-	2,502	3,147	2,502	3,149	Payables for acquisition of subsidiaries	-	96,768	64,710	96,768	64,710
Related parties	-	199	8,179	1,527	13,801	Provisions for losses on investments	10	-	-	5,219	1,756
Other non-current assets	-	469	469	2,051	4,426	Other non-current liabilities	-	85,262	103,191	127,428	163,804
		<b>108,832</b>	<b>130,837</b>	<b>278,488</b>	<b>290,791</b>			<b>5,136,582</b>	<b>5,349,401</b>	<b>5,186,769</b>	<b>5,415,197</b>
Investments	10	652,956	581,174	2,789	4,479	<b>Total liabilities</b>		<b>11,447,596</b>	<b>11,330,608</b>	<b>12,143,717</b>	<b>11,782,365</b>
Fixed assets	11	2,253,659	2,181,832	2,276,465	2,196,405	<b>Equity</b>	20				
Intangible assets	12	1,483,053	1,405,794	1,814,233	1,738,111	Attributable to owners of the Company					
Right-of-use lease	16	3,474,708	3,374,779	3,477,716	3,378,452	Share capital	-	4,000,000	2,500,000	4,000,000	2,500,000
		<b>7,864,376</b>	<b>7,543,579</b>	<b>7,571,203</b>	<b>7,317,447</b>	Capital reserves	-	125,746	112,762	125,746	112,762
		<b>7,973,208</b>	<b>7,674,416</b>	<b>7,849,691</b>	<b>7,608,238</b>	Revenue reserves	-	1,049,243	2,549,243	1,049,243	2,549,243
						Proposed additional dividend	-	-	167,526	-	167,526
						Carrying value adjustments	-	8,124	11,331	8,124	11,331
						Retained earnings	-	348,863	-	348,863	-
								<b>5,531,976</b>	<b>5,340,862</b>	<b>5,531,976</b>	<b>5,340,862</b>
						Noncontrolling interests	-	-	-	69,743	62,079
						<b>Total equity</b>		<b>5,531,976</b>	<b>5,340,862</b>	<b>5,601,719</b>	<b>5,402,941</b>
<b>Total assets</b>		<b>16,979,572</b>	<b>16,671,470</b>	<b>17,745,436</b>	<b>17,185,306</b>	<b>Total liabilities and equity</b>		<b>16,979,572</b>	<b>16,671,470</b>	<b>17,745,436</b>	<b>17,185,306</b>

## Statements of income

Three and six-month periods ended June 30, 2023

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

### Statements of income

	Note	Parent Company				Consolidated			
		2nd Quarter/23	Jun/23	2nd Quarter/22	Jun/22	2nd Quarter/23	Jun/23	2nd Quarter/22	Jun/22
Net sales revenue	21	7,804,691	15,119,218	6,820,141	12,984,402	8,442,315	16,373,661	7,178,761	13,741,265
Cost of sales and services	22	(5,265,404)	(10,313,930)	(4,559,173)	(8,851,631)	(5,832,248)	(11,441,850)	(4,860,664)	(9,494,737)
<b>Gross profit</b>		<b>2,539,287</b>	<b>4,805,288</b>	<b>2,260,968</b>	<b>4,132,771</b>	<b>2,610,067</b>	<b>4,931,811</b>	<b>2,318,097</b>	<b>4,246,528</b>
<b>Operating (expenses) income</b>									
Selling expenses	22	(1,593,828)	(3,129,434)	(1,401,364)	(2,765,656)	(1,622,848)	(3,183,619)	(1,420,264)	(2,807,879)
General and administrative expenses	22	(340,062)	(652,372)	(281,744)	(541,071)	(366,796)	(698,564)	(296,302)	(573,966)
Other operating income /(expenses)	23	22,813	25,375	(1,337)	7,076	23,385	29,442	43,793	56,400
Equity in the results of subsidiaries	10	7,432	18,708	40,465	46,659	(829)	(3,410)	283	313
		<b>(1,903,645)</b>	<b>(3,737,723)</b>	<b>(1,643,980)</b>	<b>(3,252,992)</b>	<b>(1,967,088)</b>	<b>(3,856,151)</b>	<b>(1,672,490)</b>	<b>(3,325,132)</b>
<b>Profit before finance results</b>		<b>635,642</b>	<b>1,067,565</b>	<b>616,988</b>	<b>879,779</b>	<b>642,979</b>	<b>1,075,660</b>	<b>645,607</b>	<b>921,396</b>
<b>Finance income</b>									
Finance income	24	81,588	155,133	58,041	99,436	100,245	191,666	66,566	113,328
Finance costs	24	(304,236)	(610,371)	(216,643)	(392,515)	(326,870)	(647,438)	(224,465)	(406,582)
		<b>(222,648)</b>	<b>(455,238)</b>	<b>(158,602)</b>	<b>(293,079)</b>	<b>(226,625)</b>	<b>(455,772)</b>	<b>(157,899)</b>	<b>(293,254)</b>
<b>Profit before income tax and social contribution</b>		<b>412,994</b>	<b>612,327</b>	<b>458,386</b>	<b>586,700</b>	<b>416,354</b>	<b>619,888</b>	<b>487,708</b>	<b>628,142</b>
Income tax and social contribution									
Current	-	(93,216)	(93,228)	(129,382)	(131,615)	(99,027)	(103,943)	(134,083)	(143,223)
Deferred	-	18,410	11,348	25,831	40,390	25,754	25,154	9,862	22,477
	18	<b>(74,806)</b>	<b>(81,880)</b>	<b>(103,551)</b>	<b>(91,225)</b>	<b>(73,273)</b>	<b>(78,789)</b>	<b>(124,221)</b>	<b>(120,746)</b>
<b>Profit for the period</b>		<b>338,188</b>	<b>530,447</b>	<b>354,835</b>	<b>495,475</b>	<b>343,081</b>	<b>541,099</b>	<b>363,487</b>	<b>507,396</b>
<b>Attributable to:</b>									
Owners of the Company	-	338,188	530,447	354,835	495,475	338,188	530,447	354,835	495,475
Noncontrolling interests	-	-	-	-	-	4,893	10,652	8,652	11,921
		<b>338,188</b>	<b>530,447</b>	<b>354,835</b>	<b>495,475</b>	<b>343,081</b>	<b>541,099</b>	<b>363,487</b>	<b>507,396</b>
Basic earnings per share	19	0.20192	0.31671	0.21537	0.30073	0.20192	0.31671	0.21537	0.30073
Diluted earnings per share	19	0.20283	0.31814	0.21409	0.29894	0.20283	0.31814	0.21409	0.29894

**Statements of comprehensive income**  
**Three and six-month periods ended June 30, 2023**  
All amounts in thousands of reais, except earnings per capital share

Statements of comprehensive income

	Note	Parent Company				Consolidated			
		2nd Quarter/23	Jun/23	2nd Quarter/22	Jun/22	2nd Quarter/23	Jun/23	2nd Quarter/22	Jun/22
<b>Profit for the period</b>		<b>338,188</b>	<b>530,447</b>	<b>354,835</b>	<b>495,475</b>	<b>343,081</b>	<b>541,099</b>	<b>363,487</b>	<b>507,396</b>
<b>Components of comprehensive income</b>	-								
Other comprehensive income that will affect the result in a subsequent period	-	(5,957)	(6,409)	-	-	(5,957)	(6,409)	-	-
<b>Total comprehensive income for the period</b>		<b>332,231</b>	<b>524,038</b>	<b>354,835</b>	<b>495,475</b>	<b>337,124</b>	<b>534,690</b>	<b>363,487</b>	<b>507,396</b>
<b>Attributable to:</b>									
Owners of the Company	-	332,231	524,038	354,835	495,475	332,231	524,038	354,835	495,475
Noncontrolling interests	-	-	-	-	-	4,893	10,652	8,652	11,921
<b>Total</b>		<b>332,231</b>	<b>524,038</b>	<b>354,835</b>	<b>495,475</b>	<b>337,124</b>	<b>534,690</b>	<b>363,487</b>	<b>507,396</b>

**Statements of changes in equity**  
**Six-month period ended June 30, 2023**  
**All amounts in thousands of reais**

	Attributable to owners of the Company														Noncontrolling interests	Total equity
	Capital reserves				Revenue reserves			Carrying value adjustments				Other comprehensive income	Total			
	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 dividend	Revaluation reserve			Transactions with noncontrolling interests		
<b>At December 31, 2021</b>	<b>2,500,000</b>	<b>10,191</b>	<b>135,565</b>	<b>(91,994)</b>	<b>36,152</b>	<b>215,950</b>	<b>1,536,438</b>	<b>298,466</b>	-	<b>22,129</b>	<b>11,515</b>	<b>3,262</b>	-	<b>4,677,674</b>	<b>41,129</b>	<b>4,718,803</b>
Realization of revaluation reserve, net of income tax and social contribution	-	-	-	-	-	-	-	-	83	-	(83)	-	-	-	-	-
Restricted share plan - Vesting period	-	-	-	-	5,451	-	-	-	-	-	-	-	-	5,451	-	5,451
Restricted share plan - Delivery	-	-	(1,503)	11,214	(9,711)	-	-	-	-	-	-	-	-	-	-	-
Restricted shares - delivery of 4Bio shares	-	-	-	122	(79)	-	-	-	-	-	-	-	-	43	-	43
Interest on capital expired	-	-	-	-	-	-	-	-	317	-	-	-	-	317	-	317
Interest on capital for 2021 approved at the AGM of April 14, 2022	-	-	-	-	-	-	-	-	-	(22,129)	-	-	-	(22,129)	-	(22,129)
Other comprehensive income - adjustments to financial instruments	-	-	-	-	-	-	-	-	-	-	-	-	(2,647)	(2,647)	-	(2,647)
Profit for the period	-	-	-	-	-	-	-	-	495,475	-	-	-	-	495,475	11,921	507,396
Other changes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,777)	(1,777)
Interest on capital proposed	-	-	-	-	-	-	-	-	(140,000)	-	-	-	-	(140,000)	-	(140,000)
<b>At June 30, 2022</b>	<b>2,500,000</b>	<b>10,191</b>	<b>134,062</b>	<b>(80,658)</b>	<b>31,813</b>	<b>215,950</b>	<b>1,536,438</b>	<b>298,466</b>	<b>355,875</b>	-	<b>11,432</b>	<b>3,262</b>	<b>(2,647)</b>	<b>5,014,184</b>	<b>51,273</b>	<b>5,065,457</b>
Interest on capital expired	-	-	-	-	-	-	-	-	297	-	-	-	-	297	-	297
Realization of revaluation reserve, net of income tax and social contribution	-	-	-	-	-	-	-	-	78	-	(78)	-	-	-	-	-
Restricted share plan - Vesting period	-	-	-	-	17,237	-	-	-	-	-	-	-	-	17,237	-	17,237
Restricted share plan - Delivery	-	-	65	53	1	-	-	-	-	-	-	-	-	119	-	119
Restricted shares - delivery of 4Bio shares	-	-	-	(1)	(2)	-	-	-	-	-	-	-	-	(3)	-	(3)
Profit for the period	-	-	-	-	-	-	-	-	500,638	-	-	-	-	500,638	10,806	511,444
Allocation of profit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Legal reserve	-	-	-	-	-	49,806	-	-	(49,806)	-	-	-	-	-	-	-
Tax incentive reserve	-	-	-	-	-	-	-	223,681	(223,681)	-	-	-	-	-	-	-
Minimum dividends	-	-	-	-	-	-	-	-	(180,697)	-	-	-	-	(180,697)	-	(180,697)
IOC and additional dividends - "R\$ 0.3025136699 per share"	-	-	-	-	-	-	-	-	(177,803)	317,803	-	-	-	140,000	-	140,000
Early dividends approved at the BDM of September 30, 2022	-	-	-	-	-	-	-	-	-	(107,500)	-	-	-	(107,500)	-	(107,500)
Withholding tax on IOC	-	-	-	-	-	-	-	-	-	(42,777)	-	-	-	(42,777)	-	(42,777)
Statutory reserve	-	-	-	-	-	-	224,901	-	(224,901)	-	-	-	-	-	-	-
Other comprehensive income - adjustments to financial instruments	-	-	-	-	-	-	-	-	-	-	-	-	(636)	(636)	-	(636)
<b>At December 31, 2022</b>	<b>2,500,000</b>	<b>10,191</b>	<b>134,127</b>	<b>(80,606)</b>	<b>49,049</b>	<b>265,756</b>	<b>1,761,339</b>	<b>522,147</b>	-	<b>167,526</b>	<b>11,354</b>	<b>3,262</b>	<b>(3,283)</b>	<b>5,340,862</b>	<b>62,079</b>	<b>5,402,941</b>
Realization of revaluation reserve, net of income tax and social contribution	-	-	-	-	-	-	-	-	102	-	(82)	-	-	20	-	20
Capital increase	1,500,000	-	-	-	-	-	(1,500,000)	-	-	-	-	-	-	-	-	-
Restricted share plan - Vesting period	-	-	-	-	12,714	-	-	-	-	-	-	-	-	12,714	-	12,714
Restricted share plan - Delivery	-	-	(121)	13,099	(12,978)	-	-	-	-	-	-	-	-	-	-	-
Restricted shares - delivery of shares	-	-	-	292	(22)	-	-	-	-	-	-	-	-	270	-	270
Interest on capital expired	-	-	-	-	-	-	-	-	313	-	-	-	-	313	-	313
Interest on capital for 2022 approved at the AGM of April 19, 2023	-	-	-	-	-	-	-	-	-	(167,526)	-	-	-	(167,526)	-	(167,526)
Profit for the period	-	-	-	-	-	-	-	-	530,448	-	-	-	-	530,448	10,652	541,100
Other changes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,988)	(2,988)
Allocation of profit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest on capital proposed	-	-	-	-	-	-	-	-	(182,000)	-	-	-	-	(182,000)	-	(182,000)
Other comprehensive income - adjustments to financial instruments	-	-	-	-	-	-	-	-	-	-	-	-	(3,126)	(3,126)	-	(3,126)
<b>At June 30, 2023</b>	<b>4,000,000</b>	<b>10,191</b>	<b>134,006</b>	<b>(67,215)</b>	<b>48,763</b>	<b>265,756</b>	<b>261,339</b>	<b>522,147</b>	<b>348,863</b>	-	<b>11,272</b>	<b>3,262</b>	<b>(6,409)</b>	<b>5,531,975</b>	<b>69,743</b>	<b>5,601,718</b>

**Statements of cash flows**  
**Six-month period ended June 30, 2023**  
**All amounts in thousands of reais**

	Note	Parent Company		Consolidated	
		Jun/23	Jun/22	Jun/23	Jun/22
<b>Cash flows from operating activities</b>					
Profit before income tax and social contribution	-	<b>612,327</b>	<b>586,700</b>	<b>619,888</b>	<b>628,142</b>
<b>Adjustments</b>					
Depreciation and amortization	22	824,773	731,578	831,517	735,896
Compensation plan with restricted shares, net	-	12,984	5,372	12,401	5,493
Interest on additional stock option	-	32,058	1,532	32,058	1,532
Loss (profit) on sale/write-off of fixed assets and intangible assets	-	5,118	13,008	8,734	14,705
Provision for legal claims	17	34,401	26,950	34,401	26,950
Provision for inventory losses	8	721	7,283	721	7,283
(Reversal of) provision for impairment of trade receivables	7	1,331	1,670	2,404	3,285
(Reversal of) pharmacies closure	11	(6,835)	1,782	(6,835)	1,782
Interest expenses – borrowings	-	153,545	107,354	161,678	110,887
Interest expenses – leases	16	158,033	123,495	158,149	123,611
Amortization of transaction costs of debentures	15	2,348	2,006	2,348	2,006
Equity in the results of subsidiaries	10	(18,708)	(46,658)	3,410	(313)
Discounts on property rental	22	(32)	(868)	(32)	(868)
		<b>1,812,064</b>	<b>1,561,204</b>	<b>1,860,842</b>	<b>1,660,391</b>
<b>Changes in assets and liabilities</b>					
Trade and other receivables	-	371,826	(177,299)	238,528	(241,344)
Inventories	-	(344,887)	(428,647)	(501,753)	(456,319)
Other current assets	-	(82,187)	7,343	(87,697)	2,747
Long-term receivables	-	(22,370)	9,321	(28,071)	(46,836)
Suppliers	-	(344,996)	(48,748)	(229,810)	(37,059)
Suppliers - Forfait	-	78,960	(70,260)	78,960	(70,260)
Salaries and social charges	-	58,168	107,689	64,761	109,182
Taxes and contributions	-	78,115	(30,965)	55,457	(10,754)
Other obligations	-	(86,455)	(5,407)	(76,735)	(29,407)
Rentals payable	-	162	394	176	409
<b>Other</b>					
Interest paid	15	(156,214)	(102,310)	(161,715)	(107,111)
Income tax and social contribution paid	-	-	(108,309)	-	(108,309)
Interest paid – leases	16	(158,033)	(123,495)	(158,149)	(123,611)
Legal claims - paid	17	(33,098)	(23,402)	(33,098)	(23,402)
<b>Net cash provided by operating activities</b>		<b>1,171,055</b>	<b>567,109</b>	<b>1,021,696</b>	<b>518,317</b>
<b>Cash flows from investing activities</b>					
Acquisition and capital contribution in investees, net of cash acquired	10.2	(64,994)	(39,430)	-	-
Purchases of fixed assets and intangible assets	-	(527,898)	(434,676)	(556,939)	(442,993)
Net assets acquired in business combination	-	-	-	(1,445)	-
Loans granted to subsidiary	-	-	(945)	-	(14,345)
<b>Net cash used in investing activities</b>		<b>(592,892)</b>	<b>(475,051)</b>	<b>(558,384)</b>	<b>(457,338)</b>
<b>Cash flows from financing activities</b>					
Borrowings taken	15	-	1,292,511	193,727	1,442,588
Repayment of borrowings	15	(44,480)	(477,890)	(110,337)	(584,013)
Leases paid	16	(407,335)	(359,732)	(408,402)	(360,627)
Interest on capital and dividends paid	-	(226,532)	(96,239)	(226,532)	(96,239)
<b>Net cash provided by (used in) financing activities</b>		<b>(678,347)</b>	<b>358,650</b>	<b>(551,544)</b>	<b>401,709</b>
Increase (decrease) in cash and cash equivalents		(100,184)	450,708	(88,232)	462,688
Cash and cash equivalents at January 1	5	364,374	316,654	433,541	356,118
<b>Cash and cash equivalents at June 30</b>	5	<b>264,190</b>	<b>767,362</b>	<b>345,309</b>	<b>818,806</b>



**Statements of value added**  
**Three and six-month periods ended June 30, 2023**  
All amounts in thousands of reais

	Parent Company				Consolidated			
	2nd Quarter/23	2nd Jun/23	2nd Quarter/22	2nd Jun/22	2nd Quarter/23	2nd Jun/23	2nd Quarter/22	2nd Jun/22
<b>Revenue</b>	<b>8,186,459</b>	<b>15,856,811</b>	<b>7,156,673</b>	<b>13,623,730</b>	<b>8,854,909</b>	<b>17,173,338</b>	<b>7,521,724</b>	<b>14,393,687</b>
Gross sales and services	8,182,580	15,852,488	7,154,998	13,620,703	8,850,594	17,168,290	7,518,994	14,391,507
Other income	2,594	6,102	2,645	7,090	2,594	6,102	2,645	7,090
Provision for (reversal of) impairment of trade receivables	1,285	(1,779)	(970)	(4,063)	1,721	(1,054)	85	(4,910)
<b>Inputs acquired from third parties</b>	<b>(5,142,967)</b>	<b>(10,438,174)</b>	<b>(4,595,308)</b>	<b>(8,937,892)</b>	<b>(5,723,840)</b>	<b>(11,589,762)</b>	<b>(4,862,776)</b>	<b>(9,559,340)</b>
Cost of sales and services	(4,639,909)	(9,425,230)	(4,137,502)	(8,038,702)	(5,206,280)	(10,552,773)	(4,438,539)	(8,680,852)
Materials, energy, outsourced services and other	(503,058)	(1,012,944)	(457,806)	(899,190)	(517,560)	(1,036,989)	(424,237)	(878,488)
<b>Gross value added</b>	<b>3,043,492</b>	<b>5,418,637</b>	<b>2,561,365</b>	<b>4,685,838</b>	<b>3,131,069</b>	<b>5,583,576</b>	<b>2,658,948</b>	<b>4,834,347</b>
Depreciation and amortization	(408,421)	(800,711)	(359,706)	(709,765)	(411,761)	(807,012)	(362,246)	(714,803)
<b>Net value added generated by the entity</b>	<b>2,635,071</b>	<b>4,617,926</b>	<b>2,201,659</b>	<b>3,976,073</b>	<b>2,719,308</b>	<b>4,776,564</b>	<b>2,296,702</b>	<b>4,119,544</b>
<b>Value added received through transfer</b>	<b>93,473</b>	<b>183,004</b>	<b>107,673</b>	<b>161,369</b>	<b>100,951</b>	<b>192,796</b>	<b>73,998</b>	<b>126,899</b>
Equity in the results of subsidiaries	7,432	18,708	40,467	46,659	(829)	(3,410)	283	313
Finance income	81,690	155,669	62,629	106,067	97,429	187,579	69,138	117,943
Other	4,351	8,627	4,577	8,643	4,351	8,627	4,577	8,643
<b>Total value added to distribute</b>	<b>2,728,544</b>	<b>4,800,930</b>	<b>2,309,332</b>	<b>4,137,442</b>	<b>2,820,259</b>	<b>4,969,360</b>	<b>2,370,700</b>	<b>4,246,443</b>
<b>Distribution of value added</b>								
<b>Personnel</b>	<b>805,971</b>	<b>1,562,269</b>	<b>702,995</b>	<b>1,367,873</b>	<b>833,773</b>	<b>1,609,517</b>	<b>715,410</b>	<b>1,397,126</b>
Direct remuneration	633,431	1,230,282	539,654	1,064,357	651,652	1,261,237	547,357	1,083,292
Benefits	118,368	225,232	118,748	213,878	126,632	239,169	122,760	222,685
Unemployment compensation fund	54,172	106,755	44,593	89,638	55,489	109,111	45,293	91,149
<b>Taxes and contributions</b>	<b>1,215,945</b>	<b>1,977,508</b>	<b>982,769</b>	<b>1,780,707</b>	<b>1,255,130</b>	<b>2,054,517</b>	<b>1,014,898</b>	<b>1,833,499</b>
Federal	240,087	428,614	283,506	436,896	244,644	436,072	307,181	473,240
State	966,609	1,533,167	689,510	1,323,867	978,888	1,557,877	697,107	1,339,338
Municipal	9,249	15,727	9,753	19,944	31,598	60,568	10,610	20,921
<b>Providers of capital</b>	<b>368,441</b>	<b>730,706</b>	<b>268,733</b>	<b>493,387</b>	<b>388,277</b>	<b>764,227</b>	<b>276,973</b>	<b>508,422</b>
Interest	304,153	610,164	216,592	392,346	322,688	641,590	224,224	406,184
Rentals	64,288	120,542	52,141	101,041	65,589	122,637	52,749	102,238
<b>Interest on capital and dividends</b>	<b>338,187</b>	<b>530,447</b>	<b>354,835</b>	<b>495,475</b>	<b>343,079</b>	<b>541,099</b>	<b>363,419</b>	<b>507,396</b>
Interest on capital	102,000	182,000	74,000	140,000	102,000	182,000	74,000	140,000
Retained earnings for the period	236,187	348,447	280,835	355,475	236,187	348,447	280,712	355,475
Noncontrolling interests in retained earnings	-	-	-	-	4,892	10,652	8,707	11,921
<b>Value added distributed and retained</b>	<b>2,728,544</b>	<b>4,800,930</b>	<b>2,309,332</b>	<b>4,137,442</b>	<b>2,820,259</b>	<b>4,969,360</b>	<b>2,370,700</b>	<b>4,246,443</b>

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

**Notes to the  
Individual and Consolidated Interim Financial Information  
June 30, 2023**  
(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 was created in November 2011 from the merger between Droga Raia and Drogasil chains that, together, combine more than 200 years of history. Droga Raia was founded in 1905 and Drogasil in 1935 and today form the leading chain, both in number of pharmacies and in revenues.

Raia Drogasil S.A. and its subsidiaries (together "Group" or "Consolidated") 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 2,807 pharmacies (2,697 pharmacies - Dec/22), present in all 26 Brazilian states and the Federal District (26 states and the Federal District - Dec/22), as presented below:

State	Consolidated	
	Jun/23	Dec/22
<b>Southeast region</b>	<b>1,636</b>	<b>1,580</b>
São Paulo	1,175	1,146
Minas Gerais	209	197
Rio de Janeiro	192	182
Espírito Santo	60	55
<b>Northeast region</b>	<b>416</b>	<b>392</b>
Pernambuco	95	92
Bahia	95	90
Ceará	79	73
Maranhão	38	36
Sergipe	26	24
Rio Grande do Norte	24	20
Alagoas	21	20
Paraíba	20	20
Piauí	18	17
<b>South region</b>	<b>352</b>	<b>336</b>
Paraná	147	145
Rio Grande do Sul	120	109
Santa Catarina	85	82
<b>Midwest region</b>	<b>287</b>	<b>278</b>
Goiás	108	106
Distrito Federal	86	83
Mato Grosso do Sul	51	47
Mato Grosso	42	42
<b>North region</b>	<b>116</b>	<b>111</b>
Pará	50	48
Amazonas	21	20
Tocantins	18	16
Rondônia	13	13
Amapá	5	5
Acre	5	5
Roraima	4	4
<b>Total</b>	<b>2,807</b>	<b>2,697</b>

During the current six-month period, 119 pharmacies were opened and 9 pharmacies were closed (116 pharmacies were opened and 25 were closed in the first half of 2022). All pharmacies closures were carried out to optimize our pharmacies portfolio, with positive expectations of return. Raia Drogasil's pharmacies, as well as the Group's e-commerce demands, are supplied by twelve distribution centers located in ten states: São Paulo, Rio de Janeiro, Minas Gerais, Paraná, Goiás, Pernambuco, Bahia, Ceará, Rio Grande do Sul and Mato Grosso.

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

Vitat Serviços em Saúde Ltda. ("Vitat") has as objective to integrate the Group's Health Platform, both with the development of digital platforms for the promotion and engagement in 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 vehicle of investment in companies whose businesses 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.

RD Ads Ltda ("RD Ads") is RD's Retail Media solution, a platform that offers a high reach potential through personalized audiences with retail data and high accuracy of results. This allows advertisers to analyze the performance of online and offline campaigns and to be present at all times of the consumer journey.

SafePill Comercio Varejista de Medicamentos Manipulados Ltda ("SafePill") is focused on adherence to treatments and offers services for Management of Self-Care Home Treatments.

ZTO Tecnologia e Serviços de Informação na Internet Ltda ("Manipulaê") is the first startup of the Brazilian compounding pharmacies market, operating as a platform that provides customers with immediate online access to compounding pharmacies.

RD Log LTDA. ("RD Log") is a transportation and logistics company established to expand the offer of logistics services to marketplace sellers.

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

## 2. Presentation of quarterly information

In conformity with Rule 593/2009 issued by the CVM, authorization to issue this interim financial information (ITR) was granted by the Company's Board of Directors on August 8, 2023.

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

The individual and consolidated interim financial information for the period ended June 30, 2023 has been prepared in accordance with the accounting practices adopted in Brazil, including the rules issued by the Brazilian Securities Commission (CVM), the Brazilian General Technical Accounting Standards (NBC TG) and the pronouncements issued by the Brazilian Accounting Pronouncements Committee (CPC), and are in conformity with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and provide all the significant information related solely to the interim financial information, which is consistent with the information used by management. The Group adopted all standards, revised standards and interpretations issued by the IFRS and CPC that were effective as at June 30, 2023.

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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, Manipulaê, SafePill, RD Ads, RD Log 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 Subsidiary 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 fixed 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, 2022.

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.

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

#### New accounting procedures

The following new standards, amendments and interpretations of standards came into effect as of January 1, 2023:

Amendments to IAS 1 and IFRS Practice Statement 2/NBC TG 26 (R1): Disclosure of Accounting Policies	The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.
Amendments to IAS 1 / NBC TG 26 (R1): Classification of Liabilities as Current or Non-current	It aims to promote consistency in the application of the standard's requirements, by helping entities determine if borrowings, as well as other liabilities with an uncertain settlement date, should be classified as current or non-current in the balance sheet.
Amendments to IAS 8 / NBC TG 23: Definition of Accounting Estimates	The changes proposed by this amendment to IAS 8 (corresponding to NBC TG 23) clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.
Amendments to IAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	These amendments clarify that the initial recognition exemption does not apply to transactions that give rise to equal taxable and deductible temporary differences in the period of initial recognition.

For the six-month period ended June 30, 2023, the Company did not identify a significant impact on the interim financial information.

### 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, 2022, disclosed on March 7, 2023.

### 5. Cash and cash equivalents

Cash and cash equivalents items	Parent Company		Consolidated	
	Jun/23	Dec/22	Jun/23	Dec/22
Cash and banks	201,563	110,435	214,066	118,469
Repurchase agreements (i)	32,905	96,363	57,391	123,628
Automatic investments (ii)	29,722	157,576	30,511	164,836
Bank Deposit Certificates - CDB (iii)	-	-	32,565	26,085
Investment fund (iv)	-	-	10,776	523
<b>Total</b>	<b>264,190</b>	<b>364,374</b>	<b>345,309</b>	<b>433,541</b>

(i) Fixed-income investment with income linked to the variation of the Interbank Deposit Certificate - CDI, with immediate liquidity and without loss of income.

(ii) Short-term fixed income fund with short-term investments and automatic redemptions.

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

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

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The Group's exposure to interest rate risks and the sensitivity analysis of financial assets and liabilities are disclosed in Note 24 a.

## 6. Held-to-maturity investments

On March 28, 2023, the Company made an investment in the Credit Rights Investment Fund ("FIDC"), established as a special fund, as provided for by CMN Resolution 2,907, of November 29, 2001, and by CVM Instruction 356, of December 17, 2001.

FIDC financial investments are fixed-income investments with income linked to the variation of the Interbank Deposit Certificate (CDI) rate, less administration, bookkeeping and management fees.

Financial investments items held to maturity	Parent Company		Consolidated	
	Jun/23	Dec/22	Jun/23	Dec/22
Short-term investments - FIDC	25,126	-	25,126	-
<b>Total</b>	<b>25,126</b>	<b>-</b>	<b>25,126</b>	<b>-</b>

## 7. Trade receivables

Trade receivables items	Parent Company		Consolidated	
	Jun/23	Dec/22	Jun/23	Dec/22
Trade receivables	1,574,457	1,944,320	2,092,908	2,325,300
(-) Expected credit losses	(1,009)	(1,431)	(4,921)	(6,068)
(-) Adjustment to present value	(15,031)	(18,951)	(21,005)	(23,592)
<b>Total</b>	<b>1,558,417</b>	<b>1,923,938</b>	<b>2,066,982</b>	<b>2,295,640</b>

The aging of trade receivables is presented below:

Maturities	Parent Company		Consolidated	
	Jun/23	Dec/22	Jun/23	Dec/22
Not yet due	1,571,420	1,944,110	2,054,249	2,303,201
Overdue:				
Between 1 and 30 days	1,917	112	16,905	13,324
Between 31 and 60 days	429	69	9,638	3,292
Between 61 and 90 days	149	11	4,916	1,707
Between 91 and 180 days	542	18	5,938	1,536
Between 181 and 360 days	-	-	1,262	2,240
(-) Expected credit losses	(1,009)	(1,431)	(4,921)	(6,068)
(-) Adjustment to present value	(15,031)	(18,951)	(21,005)	(23,592)
<b>Total</b>	<b>1,558,417</b>	<b>1,923,938</b>	<b>2,066,982</b>	<b>2,295,640</b>

Days sales outstanding, represented by credit and debit cards and partnerships with companies and the Government, are approximately 42 days (42 days in Dec/2022), 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:

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<b>Changes in expected losses</b>	<b>Parent Company</b>	<b>Consolidated</b>
<b>At January 1, 2022</b>	<b>(1,117)</b>	<b>(5,045)</b>
Additions	(5,248)	(12,098)
Reversals	3,578	8,813
Losses	1,391	2,117
<b>At June 30, 2022</b>	<b>(1,396)</b>	<b>(6,213)</b>
Additions	(3,733)	(9,590)
Reversals	2,040	5,630
Losses	1,658	4,105
<b>At December 31, 2022</b>	<b>(1,431)</b>	<b>(6,068)</b>
Additions	(2,721)	(9,209)
Reversals	1,390	6,805
Losses	1,753	3,551
<b>At June 30, 2023</b>	<b>(1,009)</b>	<b>(4,921)</b>

Trade receivables are classified as financial assets at amortized cost and are therefore measured as described in Note 25.1 – Impairment to the financial statements for the year ended December 31, 2022, disclosed on March 7, 2023.

## 8. Inventories

<b>Inventory items</b>	<b>Parent Company</b>		<b>Consolidated</b>	
	<b>Jun/23</b>	<b>Dec/22</b>	<b>Jun/23</b>	<b>Dec/22</b>
Goods for resale	6,393,663	6,045,905	6,676,076	6,171,452
Consumables	11,431	14,302	11,431	14,302
(-) Provision for inventory losses	(60,419)	(59,698)	(60,419)	(59,698)
<b>Total inventory</b>	<b>6,344,675</b>	<b>6,000,509</b>	<b>6,627,088</b>	<b>6,126,056</b>

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

<b>Changes in expected losses on goods</b>	<b>Parent Company</b>	<b>Consolidated</b>
<b>At January 1, 2022</b>	<b>(32,614)</b>	<b>(32,614)</b>
Additions	(8,618)	(8,618)
Write-offs	1,335	1,335
<b>At June 30, 2022</b>	<b>(39,897)</b>	<b>(39,897)</b>
Additions	(20,101)	(20,101)
Write-offs	300	300
<b>At December 31, 2022</b>	<b>(59,698)</b>	<b>(59,698)</b>
Additions	(28,496)	(28,496)
Write-offs	27,775	27,775
<b>At June 30, 2023</b>	<b>(60,419)</b>	<b>(60,419)</b>

For the six-month period ended June 30, 2023, cost of goods sold recognized in the statement of income was R\$ 10,307,984, Note 22, (R\$ 8,846,299- Jun/2022) for the Parent Company and R\$ 11,420,046 (R\$ 9,481,974- Jun/2022) for the Consolidated accounts, including the amount of the write-offs of goods inventories recognized as losses for the period amounting to R\$ 134,261 (R\$ 112,368 - Jun/2022) for the Parent Company and R\$ 134,592 (R\$ 112,756- Jun/2022) 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.

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## 9. Recoverable taxes

Recoverable taxes items	Parent Company		Consolidated	
	Jun/23	Dec/22	Jun/23	Dec/22
<b>Taxes on profit recoverable</b>				
Withholding Income Tax (IRRF)	1,250	8,754	1,940	9,372
Corporate Income Tax (IRPJ)	101,407	91,565	114,245	104,192
Social Contribution on Net Profit (CSLL)	36,420	36,762	41,977	43,152
<b>Subtotal</b>	<b>139,077</b>	<b>137,081</b>	<b>158,162</b>	<b>156,716</b>
<b>Other recoverable taxes</b>				
Value Added Tax on Sales and Services (ICMS) – credit balance (i)	142,119	125,169	154,184	132,002
ICMS – Refund of ICMS withheld in advance (i)	45,587	58,671	45,587	58,671
ICMS on acquisitions of fixed assets	99,514	96,157	99,514	96,157
Social Integration Program (PIS)	12,509	12,132	12,851	12,768
Social Contribution on Revenue (COFINS)	58,358	55,975	60,114	57,870
Social Investment Fund (FINSOCIAL) - 1982 - securities issued to cover court-ordered debts	561	561	561	561
National Institute of Social Security (INSS)	-	-	25	25
<b>Subtotal</b>	<b>358,648</b>	<b>348,665</b>	<b>372,836</b>	<b>358,054</b>
<b>Total</b>	<b>497,725</b>	<b>485,746</b>	<b>530,998</b>	<b>514,770</b>
Current assets	410,744	387,496	415,158	393,336
Non-current assets	86,981	98,250	115,840	121,434

(i) The ICMS credits amounting to R\$ 142,119 and R\$ 45,587 (R\$ 125,169 and R\$ 58,671 - 2022) for the Parent Company and R\$ 154,184 and R\$ 45,587 (R\$ 132,002 and R\$ 58,671 - 2022) for the Consolidated accounts are the result of applying different ICMS rates and of refunds of ICMS-ST (the Substitute Taxpayer Regime). The respective tax credits have been progressively consumed.

### Expected realization of credits

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

Expected realization	Parent Company		Consolidated	
	Jun/23	Dec/22	Jun/23	Dec/22
In the next 12 months	410,744	387,496	415,158	393,336
Between 13 and 24 months	22,613	21,337	27,957	25,509
Between 25 and 36 months	18,090	24,084	22,024	28,018
Between 37 and 48 months	21,745	24,084	24,361	26,700
Between 49 and 60 months	24,533	28,745	41,498	41,207
<b>Total</b>	<b>497,725</b>	<b>485,746</b>	<b>530,998</b>	<b>514,770</b>



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## 10. Investments

### 10.1. Company formation, business combinations and goodwill

#### (a) New combinations and company formations in the six-month period ended June 30, 2023

##### Infectoria Serviços Médicos Ltda (Via HealthBit)

On February 27, 2023, the subsidiary HealthBit entered into a quota purchase and sale agreement and, on April 3, 2023, completed the acquisition of 100.00% of the ownership interest in Infectoria Serviços Médicos Ltda ("Infectoria") for R\$ 140.

Infectoria is a company that provides several types of specialized medical services in hospital infection control, and management and assistance in corporate health care. The services rendered mainly comprise teleconsultations, training programs, lectures, courses, digital solutions for resolution of general health and consultancy problems.

##### Pharmaperez – Farmácia e Manipulação Ltda - Biocell (Via Manipulaê)

On February 28, 2023, the subsidiary Manipulaê entered into a quota purchase and sale agreement and, on June 12, 2023, completed the acquisition of 100.00% of the ownership interest in Pharmaperez - Farmácia e Manipulação Ltda ("Biocell") for R\$ 364.

Biocell is engaged in the provision of compound medication services and the sale of pharmaceutical products.

In compliance with NBC-TG 15(R4) – Business Combinations, subsidiaries HealthBit and Manipulaê are currently measuring the fair value of the net assets acquired and liabilities assumed.

##### RD Log Ltda

On June 13, 2023, the Company established a new entity in the Group, with the name RD Log Ltda ("RD Log") with the main purpose of expanding the offer of logistics services to marketplace sellers.

On June 13, 2023, the Company contributed capital in RD Log in the amount of R\$ 1.

#### (b) Business combination – SafePill Comércio Varejista de Medicamentos Manipulados Ltda.

On November 23, 2022, the Company acquired 100.00% of the equity interest in SafePill Comércio Varejista de Medicamentos Manipulados Ltda ("SafePill") for R\$ 29,000.

The acquisition of SafePill will allow RD to provide drug treatment management and pharmaceutical support to patients by delivering customized products to customers at home.

In compliance with NBC-TG 15(R4) – Business Combinations, RD is currently measuring the fair value of the net assets acquired and liabilities assumed. Since the fair value appraisal report is still in progress, RD provisionally presented goodwill in the interim financial information.

On November 25, 2022, the Company made a capital increase in SafePill in the amount of R\$ 2,000, on April 13, 2023, it made a contribution for capital increase in the amount of R\$ 1,000 and, on May 29, 2023, it made a contribution for capital increase of R\$ 1,000.

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10.2. Composition and changes in investments

At June 30, 2023, the Company's investment balances are presented below:

Investee	Main activity	Jun/23			Dec/22		
		Interest (%)	Parent Company	Consolidated	Interest (%)	Parent Company	Consolidated
<b>Direct interest</b>							
4Bio	Retail of special medicines	85.00%	327,720	-	85.00%	279,118	-
Stix Fidelidade	Platform of products and services for the accumulation and redemption of points	33.33%	2,790	2,790	33.33%	2,396	2,396
RD Ventures FIP	Private equity investment fund	100.00%	150,035	-	100.00%	139,134	-
Vitat	Supporting health management and promoting healthy habits	100.00%	50,300	-	100.00%	45,960	-
Dr. Cuco	Digital care platform focused on adherence to treatment	100.00%	15,313	-	100.00%	14,804	-
RD Ads	Advisory and consultancy in advertising and marketing	100.00%	46,565	-	100.00%	37,644	-
SafePill	Management of Self-Care Home Treatments	100.00%	35,822	-	100.00%	52,174	-
Manipulaê	Marketplace of Compounding Pharmacies	100.00%	24,411	-	100.00%	9,944	-
<b>Indirect interest</b>							
Healthbit	Big data technology to reduce claims	100.00%	-	-	100.00%	-	-
Conecta Lá (i)	Seller center platform that offers a unique solution to sellers	12.50%	-	(1,937)	12.50%	-	(1,756)
Amplimed	Online platform that offers a complete solution for managing clinics and offices	100.00%	-	-	100.00%	-	-
Labi	Healthtech focused on laboratory tests, tests, check-ups and vaccines.	21.72%	-	(3,282)	21.72%	-	917
Eloopz	Startup that develops media solutions for retailers with the implementation and maintenance of screens installed in physical and software stores for smart management of these assets.	100.00%	-	-	100.00%	-	1,166
<b>Total</b>			<b>652,956</b>	<b>(2,429)</b>		<b>581,174</b>	<b>2,723</b>
<b>Reclassification to "Other liabilities", as provision for losses on investments</b>			-	<b>5,219</b>	-	<b>5,219</b>	<b>1,756</b>
<b>Classified as investments</b>			<b>652,956</b>	<b>2,790</b>	<b>652,956</b>	<b>2,790</b>	<b>4,479</b>

(i) The provision for losses on investments at June 30, 2023 and December 31, 2022 is recorded in "Other provisions".

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Changes in investment balances presented in the interim financial information are shown below:

Changes in investments	<b>4BIO</b> Ardem Therapeutics	<b>stix</b>	<b>RD VENTURES</b>	<b>vitat</b>	<b>CUCO</b> HEALTH	<b>RD ads</b>	<b>SafePill</b>	<b>Manipula®</b>	Total
	Subsidiary	Associate	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	
At January 1, 2022	164,890	830	94,435	47,274	15,411	-	-	-	<b>322,840</b>
Capital contribution	-	-	9,000	30,000	-	430	-	-	39,430
Equity in the results of subsidiaries	62,715	1,092	(2,282)	(18,368)	(96)	3,597	-	-	46,658
Restricted share compensation plan	72	-	-	-	-	-	-	-	72
<b>At June 30, 2022</b>	<b>227,677</b>	<b>1,922</b>	<b>101,153</b>	<b>58,906</b>	<b>15,315</b>	<b>4,027</b>	-	-	<b>409,000</b>
Capital contribution	-	-	43,700	10,000	-	13,001	2,000	4,100	<b>72,801</b>
Business combinations	-	-	-	-	-	-	50,174	5,844	<b>56,018</b>
Write-off of investment goodwill	-	-	-	(1,555)	-	-	-	-	<b>(1,555)</b>
Equity in the results of subsidiaries	51,441	474	(5,719)	(21,391)	(511)	20,616	-	-	<b>44,910</b>
Restricted share compensation plan	-	-	-	-	-	-	-	-	-
<b>At December 31, 2022</b>	<b>279,118</b>	<b>2,396</b>	<b>139,134</b>	<b>45,960</b>	<b>14,804</b>	<b>37,644</b>	<b>52,174</b>	<b>9,944</b>	<b>581,174</b>
Capital contribution	-	-	20,827	25,000	2,425	-	7,586	9,156	<b>64,994</b>
Business combinations	-	-	-	-	-	-	(21,174)	9,308	<b>(11,866)</b>
Equity in the results of subsidiaries	48,656	394	(9,926)	(20,660)	(1,916)	8,921	(2,764)	(3,997)	<b>18,708</b>
Restricted share compensation plan	(54)	-	-	-	-	-	-	-	<b>(54)</b>
<b>At June 30, 2023</b>	<b>327,720</b>	<b>2,790</b>	<b>150,035</b>	<b>50,300</b>	<b>15,313</b>	<b>46,565</b>	<b>35,822</b>	<b>24,411</b>	<b>652,956</b>

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

	Parent Company								
	<b>4BIO</b>	<b>stix</b>	<b>RD VENTURES</b>	<b>vitat</b>	<b>CUCO HEALTH</b>	<b>RD ads</b>	<b>SafePill</b>	<b>Man•pula</b>	<b>Total</b>
<b>Changes in investments</b>									
Profit (loss) for the period	114,361	1,565	(8,000)	(35,180)	22	24,218	-	-	<b>96,986</b>
Amortization of surplus value arising from business combination	(206)	-	-	(4,581)	(631)	-	-	-	<b>(5,418)</b>
<b>Equity in the results of subsidiaries at 12/31/2022</b>	<b>114,155</b>	<b>1,565</b>	<b>(8,000)</b>	<b>(39,761)</b>	<b>(609)</b>	<b>24,218</b>	<b>-</b>	<b>-</b>	<b>91,568</b>
Profit (loss) for the period	48,760	394	(9,926)	(18,610)	(1,148)	8,921	(2,764)	(3,997)	<b>21,630</b>
Amortization of surplus value arising from business combination	(104)	-	-	(2,050)	(768)	-	-	-	<b>(2,922)</b>
<b>Equity in the results of subsidiaries at 6/30/2023</b>	<b>48,656</b>	<b>394</b>	<b>(9,926)</b>	<b>(20,660)</b>	<b>(1,916)</b>	<b>8,921</b>	<b>(2,764)</b>	<b>(3,997)</b>	<b>18,708</b>

	Parent Company								
	<b>4BIO</b>	<b>stix</b>	<b>RD VENTURES</b>	<b>vitat</b>	<b>CUCO HEALTH</b>	<b>RD ads</b>	<b>SafePill</b>	<b>Man•pula</b>	<b>Jun/23</b>
<b>Adjusted equity</b>									
Investment at book value	313,500	2,790	150,035	16,089	1,253	33,134	1,989	4,625	523,415
Purchase price allocation (surplus value of assets)	2,209	-	-	13,325	3,564	-	33,833	7,390	60,321
Deferred income tax liability on allocation adjustments	(821)	-	-	-	-	-	-	-	(821)
Restricted share compensation plan	(75)	-	-	-	-	-	-	-	(75)
<b>Total adjusted equity</b>	<b>314,813</b>	<b>2,790</b>	<b>150,035</b>	<b>29,414</b>	<b>4,817</b>	<b>33,134</b>	<b>35,822</b>	<b>12,015</b>	<b>582,840</b>
Goodwill based on expected future profitability	<b>12,907</b>	<b>-</b>	<b>-</b>	<b>20,886</b>	<b>10,496</b>	<b>13,431</b>	<b>-</b>	<b>12,396</b>	<b>70,116</b>
<b>Investment balance</b>	<b>327,720</b>	<b>2,790</b>	<b>150,035</b>	<b>50,300</b>	<b>15,313</b>	<b>46,565</b>	<b>35,822</b>	<b>24,411</b>	<b>652,956</b>

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	Parent Company								Dec/22
	<b>4BIO</b> A vida em processo logo	<b>stix</b>	<b>RD VENTURES</b>	<b>vitat</b>	<b>CUCO</b> HEALTH	<b>RD ads</b>	<b>SafePill</b>	<b>Manpula</b>	
<b>Adjusted equity</b>									
Investment at book value	264,844	2,396	139,134	11,749	744	24,213	(2,833)	(363)	439,884
Purchase price allocation (surplus value of assets)	2,209	-	-	13,325	3,564	-	55,007	10,307	84,412
Deferred income tax liability on allocation adjustments	(821)	-	-	-	-	-	-	-	(821)
Restricted share compensation plan	(21)	-	-	-	-	-	-	-	(21)
<b>Total adjusted equity</b>	<b>266,211</b>	<b>2,396</b>	<b>139,134</b>	<b>25,074</b>	<b>4,308</b>	<b>24,213</b>	<b>52,174</b>	<b>9,944</b>	<b>523,454</b>
Goodwill based on expected future profitability	<b>12,907</b>	-	-	<b>20,886</b>	<b>10,496</b>	<b>13,431</b>	-	-	<b>57,720</b>
<b>Investment balance</b>	<b>279,118</b>	<b>2,396</b>	<b>139,134</b>	<b>45,960</b>	<b>14,804</b>	<b>37,644</b>	<b>52,174</b>	<b>9,944</b>	<b>581,174</b>

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**11. Fixed assets**

11.1. Breakdown and changes

Fixed assets are broken down as follows:

	Average annual depreciation rates (%)	Parent Company					
		Jun/23			Dec/22		
		Cost	Accumulated depreciation	Net book value	Cost	Accumulated depreciation	Net book value
Land	-	32,124	-	<b>32,124</b>	32,124	-	<b>32,124</b>
Buildings	2.5 - 2.7	69,837	(31,440)	<b>38,397</b>	69,837	(30,532)	<b>39,305</b>
Furniture, fittings and facilities	7.4 - 10	1,546,065	(716,477)	<b>829,588</b>	1,434,220	(647,044)	<b>787,176</b>
Machinery and equipment	7.1 - 15.8	973,663	(574,232)	<b>399,431</b>	931,454	(526,857)	<b>404,597</b>
Vehicles	20 - 23.7	117,579	(65,828)	<b>51,751</b>	114,212	(58,514)	<b>55,698</b>
Leasehold improvements	13 - 20	2,191,385	(1,289,017)	<b>902,368</b>	1,981,381	(1,118,449)	<b>862,932</b>
<b>Total</b>		<b>4,930,653</b>	<b>(2,676,994)</b>	<b>2,253,659</b>	<b>4,563,228</b>	<b>(2,381,396)</b>	<b>2,181,832</b>

	Average annual depreciation rates (%)	Consolidated					
		Jun/23			Dec/22		
		Cost	Accumulated depreciation	Net book value	Cost	Accumulated depreciation	Net book value
Land	-	32,124	-	<b>32,124</b>	32,124	-	<b>32,124</b>
Buildings	2.5 - 2.7	69,837	(31,440)	<b>38,397</b>	69,837	(30,531)	<b>39,306</b>
Furniture, fittings and facilities	7.4 - 10	1,550,430	(717,933)	<b>832,497</b>	1,437,156	(648,362)	<b>788,794</b>
Machinery and equipment	7.1 - 15.8	996,731	(580,151)	<b>416,580</b>	946,424	(531,347)	<b>415,077</b>
Vehicles	20 - 23.7	117,580	(65,829)	<b>51,751</b>	114,213	(58,514)	<b>55,699</b>
Leasehold improvements	13 - 20	2,197,324	(1,292,208)	<b>905,116</b>	1,986,701	(1,121,296)	<b>865,405</b>
<b>Total</b>		<b>4,964,026</b>	<b>(2,687,561)</b>	<b>2,276,465</b>	<b>4,586,455</b>	<b>(2,390,050)</b>	<b>2,196,405</b>

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Changes in the Parent Company's fixed assets are as follows:

	Jan 1, 2022	Additions	Disposals and write-offs	(Provision for) / Reversal of pharmacies closure	Jun/22	Additions	Disposals and write-offs	(Provision for) / Reversal of pharmacies closure	Dec/22	Additions	Disposals and write-offs	(Provision for) / Reversal of pharmacies closure	Jun/23
<b>Changes in cost</b>													
Land	32,124	-	-	-	32,124	-	-	-	32,124	-	-	-	32,124
Buildings	69,837	-	-	-	69,837	-	-	-	69,837	-	-	-	69,837
Furniture, fittings and facilities	1,258,303	81,646	(10,089)	(9,460)	1,320,400	125,813	(16,351)	4,358	1,434,220	109,525	(4,659)	6,979	1,546,065
Machinery and equipment	821,296	54,292	(12,199)	(75)	863,314	75,827	(7,762)	75	931,454	50,386	(8,148)	(29)	973,663
Vehicles	87,988	7,708	(67)	-	95,629	18,914	(331)	-	114,212	3,562	(195)	-	117,579
Leasehold improvements	1,588,521	195,701	(10,957)	1,778	1,775,043	217,304	(9,580)	(1,386)	1,981,381	206,757	(2,493)	5,740	2,191,385
<b>Total</b>	<b>3,858,069</b>	<b>339,347</b>	<b>(33,312)</b>	<b>(7,757)</b>	<b>4,156,347</b>	<b>437,858</b>	<b>(34,024)</b>	<b>3,047</b>	<b>4,563,228</b>	<b>370,230</b>	<b>(15,495)</b>	<b>12,690</b>	<b>4,930,653</b>
<b>Changes in accumulated depreciation</b>													
Buildings	(28,710)	(911)	-	-	(29,621)	(910)	-	-	(30,531)	(909)	-	-	(31,440)
Furniture, fittings and facilities	(539,910)	(60,304)	4,849	5,671	(589,694)	(63,835)	8,758	(2,273)	(647,044)	(68,131)	2,513	(3,815)	(716,477)
Machinery and equipment	(441,779)	(49,715)	10,884	53	(480,557)	(52,447)	6,199	(53)	(526,858)	(54,360)	6,977	9	(574,232)
Vehicles	(46,612)	(5,678)	58	-	(52,232)	(6,552)	271	-	(58,513)	(7,461)	146	-	(65,828)
Leasehold improvements	(808,330)	(157,819)	5,890	(552)	(960,811)	(163,364)	5,447	278	(1,118,450)	(169,031)	1,286	(2,822)	(1,289,017)
<b>Total</b>	<b>(1,865,341)</b>	<b>(274,427)</b>	<b>21,681</b>	<b>5,172</b>	<b>(2,112,915)</b>	<b>(287,108)</b>	<b>20,675</b>	<b>(2,048)</b>	<b>(2,381,396)</b>	<b>(299,892)</b>	<b>10,922</b>	<b>(6,628)</b>	<b>(2,676,994)</b>

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Changes in the Consolidated fixed assets are as follows:

	Jan 1, 2022	Additions	Disposals and write- offs	(Provision for) / Reversal of pharmacies closures	Jun/22	Additions	Disposals and write- offs	(Provision for) / Reversal of pharmacies closures	Dec/22	Addition by business combination	Additions	Disposals and write-offs	(Provision for) / Reversal of pharmacies closures	Jun/23
<b>Changes in cost</b>														
Land	32,124	-	-	-	32,124	-	-	-	32,124	-	-	-	-	32,124
Buildings	69,837	-	-	-	69,837	-	-	-	69,837	-	-	-	-	69,837
Furniture, fittings and facilities	1,260,585	81,951	(10,089)	(9,460)	1,322,987	126,162	(16,351)	4,358	1,437,156	71	110,888	(4,664)	6,979	1,550,430
Machinery and equipment	828,057	55,924	(12,199)	(75)	871,707	82,404	(7,762)	75	946,424	612	57,924	(8,200)	(29)	996,731
Vehicles	87,989	7,708	(67)	-	95,630	18,914	(331)	-	114,213	-	3,562	(195)	-	117,580
Leasehold improvements	1,592,140	196,409	(10,962)	1,778	1,779,365	218,297	(9,575)	(1,386)	1,986,701	-	207,376	(2,493)	5,740	2,197,324
<b>Total</b>	<b>3,870,732</b>	<b>341,992</b>	<b>(33,317)</b>	<b>(7,757)</b>	<b>4,171,650</b>	<b>445,777</b>	<b>(34,019)</b>	<b>3,047</b>	<b>4,586,455</b>	<b>683</b>	<b>379,750</b>	<b>(15,552)</b>	<b>12,690</b>	<b>4,964,026</b>
<b>Changes in accumulated depreciation</b>				Provision for / (Reversal of) pharmacies closure	Jun/22	Additions	Disposals and write- offs	Provision for / (Reversal of) pharmacies closure	Dec/22	Addition by business combination	Additions	Disposals and write-offs	Provision for / (Reversal of) pharmacies closure	Jun/23
Land	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Buildings	(28,710)	(911)	-	-	(29,621)	(910)	-	-	(30,531)	-	(909)	-	-	(31,440)
Furniture, fittings and facilities	(541,060)	(60,404)	4,849	5,671	(590,944)	(63,903)	8,758	(2,273)	(648,362)	(15)	(68,257)	2,516	(3,815)	(717,933)
Machinery and equipment	(444,701)	(50,295)	10,884	53	(484,059)	(53,433)	6,198	(53)	(531,347)	(133)	(55,707)	7,027	9	(580,151)
Vehicles	(46,612)	(5,678)	58	-	(52,232)	(6,554)	272	-	(58,514)	-	(7,461)	146	-	(65,829)
Leasehold improvements	(810,629)	(158,091)	5,890	(552)	(963,382)	(163,638)	5,447	277	(1,121,296)	-	(169,376)	1,286	(2,822)	(1,292,208)
<b>Total</b>	<b>(1,871,712)</b>	<b>(275,379)</b>	<b>21,681</b>	<b>5,172</b>	<b>(2,120,238)</b>	<b>(288,438)</b>	<b>20,675</b>	<b>(2,049)</b>	<b>(2,390,050)</b>	<b>(148)</b>	<b>(301,710)</b>	<b>10,975</b>	<b>(6,628)</b>	<b>(2,687,561)</b>



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11.2. Changes in the provision for pharmacies closure

The changes in the provision for closure of pharmacies are shown by the Parent Company:

	Provision	Depreciation	Total properties
<b>At January 1, 2022</b>	<b>(16,836)</b>	<b>8,306</b>	<b>(8,530)</b>
Additions	(23,619)	13,103	(10,516)
Reversals	15,862	(7,931)	7,931
<b>At June 30, 2022</b>	<b>(24,593)</b>	<b>13,478</b>	<b>(11,115)</b>
Additions	(21,546)	11,429	(10,117)
Reversals	24,592	(13,478)	11,114
<b>At December 31, 2022</b>	<b>(21,547)</b>	<b>11,429</b>	<b>(10,118)</b>
Additions	(8,857)	4,801	(4,056)
Reversals	21,547	(11,429)	10,118
<b>Changes, net</b>	<b>12,690</b>	<b>(6,628)</b>	<b>6,062</b>
<b>At June 30, 2023</b>	<b>(8,857)</b>	<b>4,801</b>	<b>(4,056)</b>

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**12. Intangible assets**

12.1. Breakdown and changes

	Average annual amortization rates (%)	Parent Company					
		Jun/23			Dec/22		
		Cost	Accumulated amortization	Net book value	Cost	Accumulated amortization	Net book value
Points of sale	17 - 23.4	277,344	(221,909)	<b>55,435</b>	268,037	(205,977)	<b>62,060</b>
Software license and systems implementation	20	778,934	(311,666)	<b>467,268</b>	632,372	(249,752)	<b>382,620</b>
Goodwill on business acquisition – Vison	(i)	22,275	(2,387)	<b>19,888</b>	22,275	(2,387)	<b>19,888</b>
Goodwill on business acquisition – Raia	(i)	780,084	-	<b>780,084</b>	780,084	-	<b>780,084</b>
Trademarks with finite useful life	20	19,469	(11,624)	<b>7,845</b>	19,052	(10,673)	<b>8,379</b>
Trademarks with indefinite useful life	(i)	151,000	-	<b>151,000</b>	151,000	-	<b>151,000</b>
Customers portfolio	6.7 - 25	41,700	(40,167)	<b>1,533</b>	41,700	(39,937)	<b>1,763</b>
<b>Total</b>		<b>2,070,806</b>	<b>(587,753)</b>	<b>1,483,053</b>	<b>1,914,520</b>	<b>(508,726)</b>	<b>1,405,794</b>

	Average annual amortization rates (%)	Consolidated					
		Jun/23			Dec/22		
		Cost	Accumulated amortization	Net book value	Cost	Accumulated amortization	Net book value
Points of sale	17 - 23.4	279,241	(221,907)	<b>57,334</b>	269,934	(205,975)	<b>63,959</b>
Software license and systems implementation	20	804,427	(316,566)	<b>487,861</b>	649,850	(253,882)	<b>395,968</b>
Goodwill on acquisitions of investees	(i)	1,075,818	(2,387)	<b>1,073,431</b>	1,087,701	(2,387)	<b>1,085,314</b>
Platform	20	25,386	(7,790)	<b>17,596</b>	25,386	(5,775)	<b>19,611</b>
Non-compete agreement	20	4,833	(2,366)	<b>2,467</b>	4,833	(1,966)	<b>2,867</b>
Trademarks with finite useful life	20	35,732	(18,593)	<b>17,139</b>	25,962	(17,238)	<b>8,724</b>
Trademarks with indefinite useful life	(i)	151,000	-	<b>151,000</b>	153,930	-	<b>153,930</b>
Customers portfolio (Raia S.A.)	6.7 - 25	41,700	(40,167)	<b>1,533</b>	41,700	(39,937)	<b>1,763</b>
Customer relationship	20	9,395	(3,523)	<b>5,872</b>	9,395	(3,420)	<b>5,975</b>
<b>Total</b>		<b>2,427,532</b>	<b>(613,299)</b>	<b>1,814,233</b>	<b>2,268,691</b>	<b>(530,580)</b>	<b>1,738,111</b>

(i) Assets with indefinite useful lives

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

Changes in cost	Jan 1, 2022	Additions	Disposals and write-offs	(Provision for) / Reversal of pharmacies closure	Jun/22	Additions	Disposals and write-offs	(Provision for) / Reversal of pharmacies closure	Dec/22	Additions	Disposals and write-offs	(Provision for) / Reversal of pharmacies closure	Jun/23
Points of sale	249,990	8,541	(3,190)	1,616	<b>256,957</b>	12,989	(997)	(912)	<b>268,037</b>	7,689	(248)	1,866	<b>277,344</b>
Software license	407,987	75,921	(49)	-	<b>483,859</b>	148,621	(108)	-	<b>632,372</b>	147,145	(574)	(9)	<b>778,934</b>
Goodwill on business acquisition – Vison	22,275	-	-	-	<b>22,275</b>	-	-	-	<b>22,275</b>	-	-	-	<b>22,275</b>
Goodwill on business acquisition – Raia	780,084	-	-	-	<b>780,084</b>	-	-	-	<b>780,084</b>	-	-	-	<b>780,084</b>
Trademarks with finite useful life	19,046	122	(116)	-	<b>19,052</b>	-	-	-	<b>19,052</b>	417	-	-	<b>19,469</b>
Trademarks with indefinite useful life	151,000	-	-	-	<b>151,000</b>	-	-	-	<b>151,000</b>	-	-	-	<b>151,000</b>
Customers portfolio	41,700	-	-	-	<b>41,700</b>	-	-	-	<b>41,700</b>	-	-	-	<b>41,700</b>
<b>Total</b>	<b>1,672,082</b>	<b>84,584</b>	<b>(3,355)</b>	<b>1,616</b>	<b>1,754,927</b>	<b>161,610</b>	<b>(1,105)</b>	<b>(912)</b>	<b>1,914,520</b>	<b>155,251</b>	<b>(822)</b>	<b>1,857</b>	<b>2,070,806</b>
<b>Changes in accumulated amortization</b>	<b>Jan 1, 2022</b>	<b>Additions</b>	<b>Disposals and write-offs</b>	<b>(Provision for) / Reversal of pharmacies closure</b>	<b>Jun/22</b>	<b>Additions</b>	<b>Disposals and write-offs</b>	<b>Provision for / (Reversal of) pharmacies closure</b>	<b>Dec/22</b>	<b>Additions</b>	<b>Disposals and write-offs</b>	<b>Provision for / (Reversal of) pharmacies closure</b>	<b>Jun/23</b>
Points of sale	(174,779)	(17,705)	1,961	(813)	<b>(191,336)</b>	(16,165)	651	873	<b>(205,977)</b>	(15,075)	231	(1,088)	<b>(221,909)</b>
Software license	(156,542)	(41,847)	13	-	<b>(198,376)</b>	(51,382)	6	-	<b>(249,752)</b>	(61,964)	46	4	<b>(311,666)</b>
Goodwill on business acquisition – Vison	(2,387)	-	-	-	<b>(2,387)</b>	-	-	-	<b>(2,387)</b>	-	-	-	<b>(2,387)</b>
Goodwill on business acquisition – Raia	-	-	-	-	-	-	-	-	-	-	-	-	-
Trademarks with finite useful life	(8,483)	(1,149)	7	-	<b>(9,625)</b>	(1,048)	-	-	<b>(10,673)</b>	(951)	-	-	<b>(11,624)</b>
Customers portfolio	(39,477)	(230)	-	-	<b>(39,707)</b>	(230)	-	-	<b>(39,937)</b>	(230)	-	-	<b>(40,167)</b>
<b>Total</b>	<b>(381,668)</b>	<b>(60,931)</b>	<b>1,981</b>	<b>(813)</b>	<b>(441,431)</b>	<b>(68,825)</b>	<b>657</b>	<b>873</b>	<b>(508,726)</b>	<b>(78,220)</b>	<b>277</b>	<b>(1,084)</b>	<b>(587,753)</b>

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Changes in the consolidated intangible assets are as follows:

Changes in cost	Jan 1, 2022	Additions	Disposals and write-offs	Provision for / (Reversal of) pharmacies closure	Jun/22	Additions	Transfers	Disposals and write-offs	Provision for / (Reversal of) pharmacies closure	Dec/22	Addition by business combination	Additions	Transfers	Disposals and write-offs	Provision for / (Reversal of) pharmacies closure	Jun/23
Points of sale	249,992	8,541	(3,190)	1,616	<b>256,959</b>	12,989	-	(997)	983	<b>269,934</b>	-	7,689	-	(248)	1,866	<b>279,241</b>
Software license	415,862	81,587	(1,361)	-	<b>496,088</b>	153,815	-	(53)	-	<b>649,850</b>	910	156,354	(1,984)	(694)	(9)	<b>804,427</b>
Goodwill on acquisitions of investees	962,155	-	-	-	<b>962,155</b>	134,721	(9,175)	-	-	<b>1,087,701</b>	-	3,889	2,951	(18,723)	-	<b>1,075,818</b>
Surplus value - Platform	18,853	-	-	-	<b>18,853</b>	-	6,533	-	-	<b>25,386</b>	-	-	-	-	-	<b>25,386</b>
Non-compete agreement	4,833	-	-	-	<b>4,833</b>	-	-	-	-	<b>4,833</b>	-	-	-	-	-	<b>4,833</b>
Trademarks with finite useful life	27,500	130	(116)	-	<b>27,514</b>	4	-	(1,556)	-	<b>25,962</b>	-	6,840	2,930	-	-	<b>35,732</b>
Trademarks with indefinite useful life	153,930	-	-	-	<b>153,930</b>	-	-	-	-	<b>153,930</b>	-	-	(2,930)	-	-	<b>151,000</b>
Customers portfolio - Raia	41,700	-	-	-	<b>41,700</b>	-	-	-	-	<b>41,700</b>	-	-	-	-	-	<b>41,700</b>
Customer relationship	8,737	-	-	-	<b>8,737</b>	-	658	-	-	<b>9,395</b>	-	-	-	-	-	<b>9,395</b>
<b>Total</b>	<b>1,883,562</b>	<b>90,258</b>	<b>(4,667)</b>	<b>1,616</b>	<b>1,970,769</b>	<b>301,529</b>	<b>(1,984)</b>	<b>(2,606)</b>	<b>983</b>	<b>2,268,691</b>	<b>910</b>	<b>174,772</b>	<b>967</b>	<b>(19,665)</b>	<b>1,857</b>	<b>2,427,532</b>

Changes in accumulated amortization	Jan 1, 2022	Additions	Disposals and write-offs	(Provision for) / Reversal of pharmacies closure	Jun/22	Additions	Transfers	Disposals and write-offs	Provision for / (Reversal of) pharmacies closure	Dec/22	Additions	Disposals and write-offs	Provision for / (Reversal of) pharmacies closure	Jun/23
Points of sale	(174,778)	(17,705)	1,961	(813)	<b>(191,335)</b>	(16,164)	-	651	873	<b>(205,975)</b>	(15,075)	231	(1,088)	<b>(221,907)</b>
Software license	(159,605)	(42,442)	(370)	-	<b>(202,417)</b>	(52,236)	-	771	-	<b>(253,882)</b>	(62,734)	46	4	<b>(316,566)</b>
Goodwill on acquisitions of investees	(2,387)	(583)	-	-	<b>(2,970)</b>	(4,562)	5,145	-	-	<b>(2,387)</b>	-	-	-	<b>(2,387)</b>
Platform	(2,475)	(1,286)	-	-	<b>(3,761)</b>	1,286	(3,300)	-	-	<b>(5,775)</b>	(2,015)	-	-	<b>(7,790)</b>
Non-compete agreement	(600)	-	-	-	<b>(600)</b>	-	(1,366)	-	-	<b>(1,966)</b>	(400)	-	-	<b>(2,366)</b>
Trademarks with finite useful life	(14,569)	(1,149)	7	-	<b>(15,711)</b>	(1,048)	(479)	-	-	<b>(17,238)</b>	(1,355)	-	-	<b>(18,593)</b>
Customers portfolio - Raia	(39,477)	(230)	-	-	<b>(39,707)</b>	(230)	-	-	-	<b>(39,937)</b>	(230)	-	-	<b>(40,167)</b>
Customer relationship	(3,420)	-	-	-	<b>(3,420)</b>	-	-	-	-	<b>(3,420)</b>	(103)	-	-	<b>(3,523)</b>
<b>Total</b>	<b>(397,311)</b>	<b>(63,395)</b>	<b>1,598</b>	<b>(813)</b>	<b>(459,921)</b>	<b>(72,954)</b>	<b>-</b>	<b>1,422</b>	<b>873</b>	<b>(530,580)</b>	<b>(81,912)</b>	<b>277</b>	<b>(1,084)</b>	<b>(613,299)</b>

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## 12.2. Goodwill on the acquisition of companies

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

Company	Goodwill amount	Acquisition
Drogaria Vison	19,888	02/13/2008
Raia	780,084	11/10/2011
4Bio Medicamentos	25,563	10/01/2015
Vitat Serviços em Saúde	20,886	04/01/2021
Dr. Cuco Desenvolvimento de Software	10,524	11/19/2021
Healthbit Performasys Tecnologia Inteligência	17,505	03/09/2021
Amplissoftware Tecnologia	82,895	12/22/2021
Full Nine Digital Consultoria	7,120	12/10/2021
Labi Exames	52,328	08/05/2022
Eloopz Serviços de Promoção de Vendas	8,421	08/23/2022
SafePill Comércio Varejista de Medicamentos Manipulados	33,982	11/23/2022
Manipulaê	12,396	11/28/2022
Infectoria Serviços Médicos	140	02/27/2023
Pharmaperez – Farmácia e Manipulação Ltda - Biocell	1,700	02/28/2023

As disclosed in Note 11.1. Fixed assets and Intangible assets - Accounting Policy of the financial statements for the year ended December 31, 2022, disclosed on March 7, 2023, 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).

*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 annual impairment testing ever since. The recoverable amount of the cash generating unit of 'Vison' is R\$ 113,455 at December 31, 2022 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 18.8% p.a. (17.1% p.a. in 2021). The growth rate used to extrapolate the unit's cash flow for a period over five years is 3.3% (3.2% in 2021).

*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\$ 5,851,956 at December 31, 2022 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 16.0% p.a. (14.3% p.a. in 2021). The growth rate used to extrapolate the unit's cash flow for a period over five years is 3.3% (3.2% in 2021).

*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\$ 169,416 at December 31, 2022 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 18.9% p.a. (12.6% p.a. in 2021). The growth rate used to extrapolate the unit's cash flow for a period over five years is 3.3% (3.3% in 2021).

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*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.

*Dr. Cuco Desenvolvimento de Software Ltda.* - The Company computed goodwill of R\$ 10,524 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\$ 17,505 in the business combination with Healthbit Performasys Tecnologia Inteligência S.A., occurred on March 9, 2021, which is based on expected future profitability arising from the difference between the balances of assets assigned and those received.

*Aplissoftware Tecnologia Ltda.* - The Company computed goodwill of R\$ 82,895 in the business combination with Aplissoftware Tecnologia Ltda., occurred on December 22, 2021, which is based on expected future profitability arising from the difference between the balances of assets assigned and those received.

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

*Labi Exames S.A.* - The Company computed goodwill of R\$ 52,328 in the acquisition of interest in Labi Exames S.A., occurred on August 5, 2022, which is based on expected future profitability arising from the difference between the balances of assets assigned and those received.

*Eloopz Serviços de Promoção de Vendas EIRELI* - The Company computed goodwill of R\$ 8,783 in the acquisition of interest in Eloopz Serviços de Promoção de Vendas EIRELI, occurred on August 23, 2022, which is based on expected future profitability arising from the difference between the balances of assets assigned and those received.

*SafePill Comércio Varejista de Medicamentos Manipulados Ltda* - The Company computed goodwill of R\$ 36,586 in the acquisition of interest in SafePill, occurred on November 23, 2022, which is based on expected future profitability arising from the difference between the balances of assets assigned and those received.

*Manipulaê – ZTO Tecnologia e Serviços de Informação na Internet Ltda* - The Company computed goodwill of R\$ 18,735 in the acquisition of interest in Manipulaê, occurred on November 28, 2022, which is based on expected future profitability arising from the difference between the balances of assets assigned and those received.

*Infectoria Serviços Médicos* - The Company computed goodwill of R\$ 140 on the acquisition of interest in Infectoria, occurred on February 27, 2023, which is based on expected future profitability arising from the difference between the balances of assets assigned and those received.

*Pharmaperez – Farmácia e Manipulação Ltda - Biocell* - The Company computed goodwill of R\$ 1,700 on the acquisition of interest in Pharmaperez, occurred on February 28, 2023, which is based on expected future profitability arising from the difference between the balances of assets assigned and those received.

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12.3. Changes in the provision for pharmacies closure

The changes in the Parent Company's provision for pharmacies closure are shown below:

	Provision	Amortization	Total intangible assets
<b>At January 1, 2022</b>	<b>(4,025)</b>	<b>2,258</b>	<b>(1,767)</b>
Additions	(1,589)	1,158	(431)
Reversals	3,205	(1,971)	1,234
<b>At June 30, 2022</b>	<b>(2,409)</b>	<b>1,445</b>	<b>(964)</b>
Additions	(3,321)	2,318	(1,003)
Reversals	2,409	(1,445)	964
<b>At December 31, 2022</b>	<b>(3,321)</b>	<b>2,318</b>	<b>(1,003)</b>
Additions	(1,464)	1,234	(230)
Reversals	3,321	(2,318)	1,003
<b>Changes, net</b>	<b>1,857</b>	<b>(1,084)</b>	<b>773</b>
<b>At June 30, 2023</b>	<b>(1,464)</b>	<b>1,234</b>	<b>(230)</b>

13. 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 and 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 22).

(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 20 d).

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#### 14. Suppliers and Suppliers - Forfait

Supplier items	Parent Company		Consolidated	
	Jun/23	Dec/22	Jun/23	Dec/22
Goods suppliers	3,583,529	3,857,221	3,956,525	4,112,176
Service providers	173,312	171,752	177,556	177,645
Materials suppliers	20,670	26,916	21,093	27,238
Assets suppliers	7,848	10,265	8,047	10,638
Adjustment to present value	(53,845)	(66,187)	(57,571)	(68,780)
<b>Total</b>	<b>3,731,514</b>	<b>3,999,967</b>	<b>4,105,650</b>	<b>4,258,917</b>
<b>Suppliers</b>	<b>3,645,998</b>	<b>3,993,411</b>	<b>4,020,134</b>	<b>4,252,361</b>
<b>Suppliers - Forfait</b>	<b>85,516</b>	<b>6,556</b>	<b>85,516</b>	<b>6,556</b>

##### 14.1. Suppliers - Forfait

In the first six-month period of 2023, certain suppliers assigned their rights to receive Company notes to financial institutions, allowing suppliers to receive in advance their amounts receivable. The financial institutions become creditors of the operation and RD settles the notes on the same date originally agreed with its supplier. RD receives a commission from the financial institutions for this intermediation and confirmation of notes payable. This advance on credit notes generated a financial gain to the Company in the amount of R\$ 5,018 in the period (R\$ 5,133 in the first six-month period of 2022). 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 receivables. In addition, there is no obligation that results in expenses for the Company.

At June 30, 2023, the balance payable negotiated by suppliers and accepted by RD amounted to R\$ 85,516 in the Parent company and Consolidated (R\$ 6,556 in 2022).

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 since the economic substance of the transaction is maintained and there are no changes in the conditions originally agreed with suppliers.



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**15. Borrowings, debentures and promissory notes**

(a) Breakdown

Borrowings items	Average annual long-term interest rate	Parent Company		Consolidated	
		Jun/23	Dec/22	Jun/23	Dec/22
<b>Debentures</b>					
2 <sup>nd</sup> issue of debentures	104.50% of CDI	-	45,943	-	45,943
3 <sup>rd</sup> issue of debentures - CRIs	98.50% of CDI	256,788	256,264	256,788	256,264
4 <sup>th</sup> issue of debentures	106.99% of CDI	301,230	301,211	301,230	301,211
5 <sup>th</sup> issue of debentures	100.00% of CDI + 1.49% p.a.	529,413	530,393	529,413	530,393
6 <sup>th</sup> issue of debentures - CRIs	100.00% of CDI + 0.70% p.a.	256,731	256,123	256,731	256,123
7 <sup>th</sup> issue of debentures - CRIs	100.00% of CDI + 0.75% p.a.	538,709	537,698	538,709	537,698
<b>Total Debentures</b>		<b>1,882,871</b>	<b>1,927,632</b>	<b>1,882,871</b>	<b>1,927,632</b>
<b>Borrowings</b>					
Direct loans - Law 4,131	100.00% of CDI + 1.37%	-	-	-	45,414
Direct loans - Law 4,131	100.00% of CDI + 1.45%	-	-	53,481	-
Direct loans - Law 4,131	100.00% of CDI + 1.54%	-	-	32,528	32,552
Direct loans - Law 4,131	100.00% of CDI + 1.90%	-	-	103,054	-
Direct loans - Law 4,131	100.00% of CDI + 2.61%	311,934	311,974	311,934	311,974
Other	100.00% of CDI + 2.95%	-	-	19,737	332
<b>Total Borrowings</b>		<b>311,934</b>	<b>311,974</b>	<b>520,734</b>	<b>390,272</b>
<b>Total</b>		<b>2,194,805</b>	<b>2,239,606</b>	<b>2,403,605</b>	<b>2,317,904</b>
Current liabilities		361,136	108,279	569,822	186,356
Non-current liabilities		1,833,669	2,131,327	1,833,783	2,131,548

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The amounts above have the following payment flow forecast:

Payment forecast	Parent Company		Consolidated	
	Jun/23	Dec/22	Jun/23	Dec/22
2023	63,512	108,279	218,717	186,356
2024	295,394	295,476	348,989	295,697
2025 and thereafter	1,835,899	1,835,851	1,835,899	1,835,851
<b>Total</b>	<b>2,194,805</b>	<b>2,239,606</b>	<b>2,403,605</b>	<b>2,317,904</b>

(b) Characteristics of the debentures and promissory notes

Debentures

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

(\*) Weighted average rate of series.

On April 2, 2018, the Company carried out the 2nd issue of simple debentures with payment term of 60 months. 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.

The contract of the 2nd issue of simple debentures was fully settled on the due date, in March 2023.

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 7 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 were 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 were 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 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 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 7 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 were 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 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

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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 were 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, which were issued with guarantee in the "CRI" debentures, object of a public offering for distribution under CVM Instruction 400.

On June 26, 2022, the Company carried out the 7th issue of non-convertible, simple unsecured debentures in a single series for public distribution with restricted efforts (CVM 476), with settlement on June 29, 2022, in the amount of R\$ 550,000, with remuneration of 100% of the cumulative variation of the average daily rates of the DI, plus a surcharge of 0.75% per year and payment term of five years. Interest payments will be semi-annual, and principal will be amortized in two equal annual and consecutive installments, the last installment to be paid on June 25, 2029. The funds raised were 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, which were issued with guarantee in the "CRI" Debentures, object of a public offering for distribution under CVM 400.

The costs incurred on the issues of the Company's debentures (2018 - 2nd issue, 2019 - 3rd and 4th issues, 2022 - 5th, 6th and 7th issues), including fees, commissions and other costs, are classified in the line item of the respective debentures, and will be recognized over the total period of the debt. At June 30, 2023, the amount to be recognized was R\$ 21,082 (R\$ 23,279 - Dec/2022), and is presented net in debentures balance.

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

(i) Net Debt / EBITDA: 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 (b), the lease obligations are being presented in a separate line item in the financial statements, and are not included in the net debt calculation.

Covenants are measured quarterly and, at June 30, 2023, 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 June 30, 2023, the Company was in compliance with these covenants.

### (c) Characteristics of borrowings

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

The transaction costs incurred in borrowings - 4131 are 0.30% referring to the amount of R\$ 300,000, with a term of three years, including fees, commissions and other costs, and are classified in the line item of the respective borrowings, and will be recognized over the total period of the debt. At June 30, 2023, the amount to be recognized was R\$ 200 (R\$ 350 - Dec/22), and is presented net in the borrowings balance.

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

### (d) Characteristics of borrowings - 4Bio

On November 18, 2022, the Company carried out loan operation – 4131, in the amount of R\$ 32,000, with remuneration of 100% of the cumulative variation of the average daily rates of the CDI, plus a surcharge of 1.54% per year and payment term of one year. 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.

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On April 14, 2023, 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 CDI, plus a surcharge of 1.90% per year and payment term of five months. Interest payment and amortization of principal will be carried out on the maturity date. The funds were used to improve the working capital.

On June 7, 2023, the Company carried out loan operation Swap – 4131, in the amount of R\$ 53,000, with remuneration of 100% of the cumulative variation of the average daily rates of the CDI, plus a surcharge of 1.45% per year and payment term of one year. 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.

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(e) Reconciliation of net debt

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

Composition and changes in net debt	Parent Company		Consolidated	
	Jun/23	Dec/22	Jun/23	Dec/22
Short-term borrowings	361,136	108,279	569,822	186,356
Long-term borrowings	1,833,669	2,131,327	1,833,783	2,131,548
<b>Total debt</b>	<b>2,194,805</b>	<b>2,239,606</b>	<b>2,403,605</b>	<b>2,317,904</b>
(-) Cash and cash equivalents (Note 5)	(264,190)	(364,374)	(345,309)	(433,541)
<b>Net debt</b>	<b>1,930,615</b>	<b>1,875,232</b>	<b>2,058,296</b>	<b>1,884,363</b>

Changes in net debt	Parent Company		
	Borrowings	Cash and cash equivalents	Net debt
Net debt at January 1, 2022	1,462,162	(316,654)	1,145,508
Funding	1,292,511	-	1,292,511
Accrued interest	107,354	-	107,354
Payment of interest	(102,310)	-	(102,310)
Amortization of principal	(477,890)	-	(477,890)
Amortization of transaction costs	2,006	-	2,006
Decrease in cash and cash equivalents	-	(450,708)	(450,708)
<b>Net debt at June 30, 2022</b>	<b>2,283,833</b>	<b>(767,362)</b>	<b>1,516,471</b>
Funding	(14,653)	-	(14,653)
Accrued interest	159,175	-	159,175
Payment of interest	(146,942)	-	(146,942)
Amortization of principal	(44,440)	-	(44,440)
Amortization of transaction costs	2,633	-	2,633
Increase in cash and cash equivalents	-	402,988	402,988
<b>Net debt at December 31, 2022</b>	<b>2,239,606</b>	<b>(364,374)</b>	<b>1,875,232</b>
Funding	-	-	-
Accrued interest	153,545	-	153,545
Payment of interest	(156,214)	-	(156,214)
Amortization of principal	(44,480)	-	(44,480)
Amortization of transaction costs	2,348	-	2,348
Increase in cash and cash equivalents	-	100,184	100,184
<b>Net debt at June 30, 2023</b>	<b>2,194,805</b>	<b>(264,190)</b>	<b>1,930,615</b>

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Changes in net debt	Consolidated		
	Borrowings	Cash and cash equivalents	Net debt
Net debt at January 1, 2022	1,505,222	(356,118)	1,149,104
Funding	1,442,588	-	1,442,588
Accrued interest	110,887	-	110,887
Payment of interest	(107,111)	-	(107,111)
Amortization of principal	(584,013)	-	(584,013)
Amortization of transaction costs	2,006	-	2,006
Decrease in cash and cash equivalents	-	(462,688)	(462,688)
<b>Net debt at June 30, 2022</b>	<b>2,369,579</b>	<b>(818,806)</b>	<b>1,550,773</b>
Funding	17,660	-	17,660
Accrued interest	164,075	-	164,075
Payment of interest	(151,563)	-	(151,563)
Amortization of principal	(84,480)	-	(84,480)
Amortization of transaction costs	2,633	-	2,633
Increase in cash and cash equivalents	-	385,265	385,265
<b>Net debt at December 31, 2022</b>	<b>2,317,904</b>	<b>(433,541)</b>	<b>1,884,363</b>
Funding	193,727	-	193,727
Accrued interest	161,678	-	161,678
Payment of interest	(161,715)	-	(161,715)
Amortization of principal	(110,337)	-	(110,337)
Amortization of transaction costs	2,348	-	2,348
Increase in cash and cash equivalents	-	88,232	88,232
<b>Net debt at June 30, 2023</b>	<b>2,403,605</b>	<b>(345,309)</b>	<b>2,058,296</b>

## 16. Leases

### As a lessee

#### Right-of-use asset

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

Right-of-use asset	Parent Company		Consolidated	
	Jun/23	Dec/22	Jun/23	Dec/22
Operating real estate	3,068,990	2,963,118	3,069,139	2,963,409
Residential real estate	18,550	18,024	19,219	18,688
Distribution/administrative centers	378,882	391,396	381,071	394,113
Vehicles	8,286	2,241	8,287	2,242
<b>Total</b>	<b>3,474,708</b>	<b>3,374,779</b>	<b>3,477,716</b>	<b>3,378,452</b>

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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	Total
<b>At 01/01/2022</b>	<b>3,041,467</b>	<b>11,537</b>	<b>274,018</b>	<b>602</b>	<b>3,327,624</b>
New agreements	221,192	8,400	-	-	229,592
Remeasurements <sup>(i)</sup>	110,197	(1,392)	123,238	(47)	231,996
Termination of agreements	(7,087)	(480)	-	(356)	(7,923)
Depreciation	(362,149)	(1,374)	(32,628)	(72)	(396,223)
<b>At 06/30/2022</b>	<b>3,003,620</b>	<b>16,691</b>	<b>364,628</b>	<b>127</b>	<b>3,385,066</b>
New agreements	178,080	5,016	36,647	1,505	221,248
Remeasurements <sup>(i)</sup>	200,911	(1,276)	24,478	354	224,467
Termination of agreements	(38,141)	(961)	-	330	(38,772)
Depreciation	(381,352)	(1,446)	(34,357)	(75)	(417,230)
<b>At 12/31/2022</b>	<b>2,963,118</b>	<b>18,024</b>	<b>391,396</b>	<b>2,241</b>	<b>3,374,779</b>
New agreements	209,689	6,329	2,672	6,604	225,294
Remeasurements <sup>(i)</sup>	290,947	(2,657)	36,616	(263)	324,643
Termination of agreements	(2,587)	(760)	-	-	(3,347)
Depreciation	(392,177)	(2,386)	(51,802)	(296)	(446,661)
<b>At 06/30/2023</b>	<b>3,068,990</b>	<b>18,550</b>	<b>378,882</b>	<b>8,286</b>	<b>3,474,708</b>
	Consolidated				
	Operating real estate	Residential real estate	Distribution/ administrative centers	Vehicles	Total
<b>At 01/01/2022</b>	<b>3,041,467</b>	<b>12,207</b>	<b>276,290</b>	<b>603</b>	<b>3,330,567</b>
New agreements	221,192	8,400	-	-	229,592
Remeasurements <sup>(i)</sup>	110,197	(1,361)	124,501	(47)	233,290
Termination of agreements	(7,087)	(480)	-	(357)	(7,924)
Depreciation	(362,149)	(1,423)	(33,478)	(72)	(397,122)
<b>At 06/30/2022</b>	<b>3,003,620</b>	<b>17,343</b>	<b>367,313</b>	<b>127</b>	<b>3,388,403</b>
New agreements	178,448	5,076	36,889	1,505	221,918
Remeasurements <sup>(i)</sup>	200,911	(1,276)	25,244	354	225,233
Termination of agreements	(38,141)	(961)	(81)	331	(38,852)
Depreciation	(381,429)	(1,494)	(35,252)	(75)	(418,250)
<b>At 12/31/2022</b>	<b>2,963,409</b>	<b>18,688</b>	<b>394,113</b>	<b>2,242</b>	<b>3,378,452</b>
New agreements	209,689	6,329	2,672	6,604	225,294
Remeasurements <sup>(i)</sup>	290,936	(2,606)	37,025	(263)	325,092
Termination of agreements	(2,587)	(760)	-	-	(3,347)
Depreciation	(392,308)	(2,432)	(52,739)	(296)	(447,775)
<b>At 06/30/2023</b>	<b>3,069,139</b>	<b>19,219</b>	<b>381,071</b>	<b>8,287</b>	<b>3,477,716</b>

(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.

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**Lease liabilities**

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

Leases	Parent Company		Consolidated	
	Jun/23	Dec/22	Jun/23	Dec/22
Operating real estate	3,381,303	3,258,705	3,381,490	3,258,975
Residential real estate	(12,289)	(8,442)	(11,669)	(7,827)
Distribution/administrative centers	506,899	487,898	509,270	490,798
Vehicles	2,912	(1,938)	2,912	(1,938)
<b>Total</b>	<b>3,878,825</b>	<b>3,736,223</b>	<b>3,882,003</b>	<b>3,740,008</b>

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	Total
<b>At 01/01/2022</b>	<b>3,333,959</b>	<b>(3,287)</b>	<b>342,048</b>	<b>(2,895)</b>	<b>3,669,825</b>
New agreements	221,192	8,400	-	-	229,592
Remeasurements <sup>(i)</sup>	96,022	(2,352)	123,239	(759)	216,150
Interest	111,190	586	11,716	3	123,495
Payments / compensations	(449,287)	(7,011)	(27,506)	(291)	(484,095)
<b>At 06/30/2022</b>	<b>3,313,076</b>	<b>(3,664)</b>	<b>449,497</b>	<b>(3,942)</b>	<b>3,754,967</b>
New agreements	178,080	5,016	36,647	1,505	221,248
Remeasurements <sup>(i)</sup>	215,086	(316)	24,477	1,066	240,313
Interest	118,139	833	15,515	428	134,915
Payments / compensations	(565,675)	(10,311)	(38,239)	(995)	(615,220)
<b>At 12/31/2022</b>	<b>3,258,706</b>	<b>(8,442)</b>	<b>487,897</b>	<b>(1,938)</b>	<b>3,736,223</b>
New agreements	209,689	6,329	2,672	6,604	225,294
Remeasurements <sup>(i)</sup>	290,947	(2,657)	36,616	(263)	324,643
Interest	141,418	1,055	15,387	173	158,033
Payments / compensations	(519,457)	(8,574)	(35,673)	(1,664)	(565,368)
<b>At 06/30/2023</b>	<b>3,381,303</b>	<b>(12,289)</b>	<b>506,899</b>	<b>2,912</b>	<b>3,878,825</b>

	Consolidated				
	Operating real estate	Residential real estate	Distribution/ administrative centers	Vehicles	Total
<b>At 01/01/2022</b>	<b>3,333,959</b>	<b>(2,668)</b>	<b>344,502</b>	<b>(2,895)</b>	<b>3,672,898</b>
New agreements	221,192	8,400	-	-	229,592
Remeasurements <sup>(i)</sup>	96,022	(2,321)	124,502	(759)	217,444
Interest	111,190	590	11,828	3	123,611
Payments / compensations	(449,287)	(7,066)	(28,462)	(291)	(485,106)
<b>At 06/30/2022</b>	<b>3,313,076</b>	<b>(3,065)</b>	<b>452,370</b>	<b>(3,942)</b>	<b>3,758,439</b>
New agreements	178,448	5,076	36,889	1,505	221,918
Remeasurements <sup>(i)</sup>	215,086	(316)	25,243	1,066	241,079
Interest	118,140	839	15,622	428	135,029
Payments / compensations	(565,774)	(10,361)	(39,327)	(995)	(616,457)
<b>At 12/31/2022</b>	<b>3,258,976</b>	<b>(7,827)</b>	<b>490,797</b>	<b>(1,938)</b>	<b>3,740,008</b>
New agreements	209,689	6,329	2,672	6,604	225,294
Remeasurements <sup>(i)</sup>	290,947	(2,606)	37,025	(263)	325,103
Interest	141,418	1,061	15,497	173	158,149
Payments / compensations	(519,540)	(8,626)	(36,721)	(1,664)	(566,551)
<b>At 06/30/2023</b>	<b>3,381,490</b>	<b>(11,669)</b>	<b>509,270</b>	<b>2,912</b>	<b>3,882,003</b>



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

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

Analysis of maturities - Lease liabilities	Parent Company		Consolidated	
	Jun/23	Dec/22	Jun/23	Dec/22
Less than 1 year	820,420	757,265	822,270	759,301
<b>Current</b>	<b>820,420</b>	<b>757,265</b>	<b>822,270</b>	<b>759,301</b>
1 to 5 years	2,460,231	2,417,623	2,461,559	2,419,372
Over 5 years	598,174	561,335	598,174	561,335
<b>Non-current</b>	<b>3,058,405</b>	<b>2,978,958</b>	<b>3,059,733</b>	<b>2,980,707</b>
<b>Total</b>	<b>3,878,825</b>	<b>3,736,223</b>	<b>3,882,003</b>	<b>3,740,008</b>

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	617,361	57,106
1 to 2 years	611,141	56,531
2 to 3 years	518,377	47,950
3 to 4 years	411,719	38,084
4 to 5 years	288,584	26,694
Over 5 years	673,606	62,309
<b>Total</b>	<b>3,120,788</b>	<b>288,674</b>

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.

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 the users of the Group's financial statements, the analysis of contract maturities and installments not yet discounted at June 30, 2023 is presented below:

Year	Parent Company			Consolidated		
	Amounts of installments not yet discounted	Estimated interest (future) <sup>(i)</sup>	Net present value	Amounts of installments not yet discounted	Estimated interest (future) <sup>(i)</sup>	Net present value
2023	555,992	(135,869)	420,123	557,842	(135,869)	421,973
2024	1,020,950	(229,224)	791,726	1,020,950	(229,224)	791,726
2025	877,411	(176,140)	701,271	877,411	(176,140)	701,271
2026	700,484	(130,446)	570,038	700,484	(130,446)	570,038
2027	515,004	(93,482)	421,522	516,332	(93,482)	422,850
2028 and thereafter	1,172,998	(198,853)	974,145	1,172,998	(198,853)	974,145
<b>Total</b>	<b>4,842,839</b>	<b>(964,014)</b>	<b>3,878,825</b>	<b>4,846,017</b>	<b>(964,014)</b>	<b>3,882,003</b>

(i) The present value of the leases payable was calculated considering the projection of future fixed payments, discounted at the rate of 14.89% p.a. (12.90% p.a. - Dec/22), which was built from the basic interest rate released by the Central Bank of Brazil (BACEN).

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Amount recognized in the statement of income

Amount recognized in the statement of income	Parent Company		Consolidated	
	Jun/23	Jun/22	Jun/23	Jun/22
Amortization of right-of-use asset	446,661	396,223	445,547	397,123
Interest on lease liabilities	158,033	123,495	158,149	123,611
Adjustment for lease write-off (contracts terminated)	(1,388)	(636)	(1,388)	(636)
Variable payments not included in the measurement of lease liabilities	27,005	81,084	27,564	81,605
Revenue on subleases of right-of-use assets	(2,045)	(2,061)	(2,045)	(2,061)
Expenses related to short-term and/or low-value leases	13,898	2,705	13,898	2,705
Discounts on property rental	(32)	(868)	(32)	(868)

(i) Payment of variable leases based on sales

Some operating real estate leases contain variable lease payments based on a percentage of 2% to 12% of the sales made during the period in the leased operating real estate. These payment conditions are common for stores in the country where the Group operates. Variable lease payments for the six-month period ended June 30, 2023 amounted to R\$ 3,185 (R\$ 5,370 in Dec/22) 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, 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:

Undiscounted lease payments	Parent Company and Consolidated	
	Jun/23	Dec/22
Less than 1 year	2,371	1,984
1 to 2 years	1,822	1,676
2 to 3 years	901	1,084
3 to 4 years	830	562
4 to 5 years	760	515
Over 5 years	1,841	2,121
<b>Total</b>	<b>8,525</b>	<b>7,942</b>

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**17. Provision for contingencies and judicial deposits**

Breakdown of balances and changes in provisions

At June 30, 2023, the Group had the following provisions and corresponding judicial deposits relating to legal proceedings:

Judicial deposit items	Parent Company		Consolidated	
	Jun/23	Dec/22	Jun/23	Dec/22
Labor and social security	90,055	94,267	90,055	94,267
Tax	18,081	14,185	18,238	14,342
Civil	9,292	7,673	9,292	7,673
<b>Subtotal</b>	<b>117,428</b>	<b>116,125</b>	<b>117,585</b>	<b>116,282</b>
(-) Corresponding judicial deposits	(7,796)	(7,686)	(7,796)	(7,686)
<b>Total</b>	<b>109,632</b>	<b>108,439</b>	<b>109,789</b>	<b>108,596</b>
Current liabilities	52,139	53,584	52,139	53,584
Non-current liabilities	57,493	54,855	57,650	55,012

Changes in the provision are as follows:

Changes in the contingencies	Parent Company	Consolidated
<b>At January 1, 2022</b>	<b>105,604</b>	<b>105,797</b>
Additions of new lawsuits and review of estimate	27,622	27,622
Reversals by concluded lawsuits	(4,754)	(4,754)
Write-offs for payments	(23,402)	(23,402)
Constitution/(Reversals) due to changes in lawsuits	(3,500)	(3,500)
Revaluation of amounts	5,944	5,944
Monetary adjustment	1,637	1,637
<b>At June 30, 2022</b>	<b>109,151</b>	<b>109,344</b>
Additions of new lawsuits and review of estimate	30,207	30,222
Reversals by concluded lawsuits	(3,528)	(3,528)
Write-offs for payments	(30,783)	(30,783)
Constitution/(Reversals) due to changes in lawsuits	575	575
Revaluation of amounts	5,007	5,007
Monetary adjustment	5,496	5,445
<b>At December 31, 2022</b>	<b>116,125</b>	<b>116,282</b>
Additions of new lawsuits and review of estimate	26,460	26,460
Reversals by concluded lawsuits	(6,784)	(6,784)
Write-offs for payments	(33,098)	(33,098)
Constitution/(Reversals) due to changes in lawsuits	3,760	3,760
Revaluation of amounts	7,028	7,028
Monetary adjustment	3,937	3,937
<b>At June 30, 2023</b>	<b>117,428</b>	<b>117,585</b>

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

Possible losses

At June 30, 2023, the Group has tax lawsuits related to fines applied by the relevant administrative authorities, tax rate difference in interstate transfers and tax enforcements, as well as civil lawsuits due to indemnity claims for losses and pain and suffering arising from consumer relations, and sundry labor claims, involving possible loss as assessed by Management and its legal advisors in the amount of R\$ 140,188 for the Parent Company and R\$ 275,549 for the Consolidated (R\$ 71,662 and R\$ 193,753, respectively in Dec/2022), of which R\$ 127,391 for the Parent Company and R\$ 262,752 for the Consolidated refer to tax lawsuits (R\$ 62,528 for the Parent Company and R\$ 184,619 for the Consolidated in Dec/2022),

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the total of R\$ 8,989 refers to labor claims for the Parent Company and Consolidated (R\$ 4,868 - Dec/2022) and the amount of R\$ 3,807 for both the Parent Company and Consolidated corresponds to civil lawsuits (R\$ 4,266 - Dec/2022).

### Judicial deposits

At June 30, 2023, the Group had the following judicial deposit amounts, for which no corresponding provision had been set up:

<b>Analysis of judicial deposits</b>	<b>Parent Company</b>		<b>Consolidated</b>	
	<b>Jun/23</b>	<b>Dec/22</b>	<b>Jun/23</b>	<b>Dec/22</b>
Labor and social security	2,980	3,202	2,980	3,202
Tax	12,259	13,809	126,079	130,641
Civil	3,442	3,781	3,442	3,781
<b>Total</b>	<b>18,681</b>	<b>20,792</b>	<b>132,501</b>	<b>137,624</b>

### 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 fixed assets were given as security for tax, social security and labor proceedings:

<b>Guarantees for lawsuits</b>	<b>Parent Company / Consolidated</b>	
	<b>Jun/23</b>	<b>Dec/22</b>
Furniture and facilities	4	6
Machinery and equipment	85	85
<b>Total guarantees for lawsuits</b>	<b>89</b>	<b>91</b>

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**18. Income tax and social contribution**

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

	Parent Company		Consolidated	
	Jun/23	Jun/22	Jun/23	Jun/22
<b>Income tax and social contribution paid items</b>				
Profit before income tax and social contribution	612,327	588,862	619,885	678,572
Interest on capital and additional interest on capital proposed	(182,000)	(140,000)	(182,000)	(140,000)
<b>Taxable profit</b>	<b>430,327</b>	<b>448,862</b>	<b>437,885</b>	<b>538,572</b>
Combined tax rate (25% for income tax and 9% for social contribution)	34.00%	34.00%	34.00%	34.00%
<b>Theoretical tax expense</b>	<b>(146,311)</b>	<b>(152,613)</b>	<b>(148,881)</b>	<b>(183,114)</b>
Permanent additions	(9,063)	22,423	(17,795)	24,910
Equity in the results of subsidiaries	7,320	16,227	(200)	16,323
Reduction of taxes due to incentives (P.A.T)	1,752	2,727	1,889	2,727
Investment grant <sup>(i)</sup>	57,435	19,957	76,999	23,671
Tax loss and negative CSLL basis	-	-	3,248	(5,330)
Provisions with no deferred charges	4,944	-	4,944	-
Other (revaluation reserve + additional income tax exemption ceiling)	(3,392)	54	(4,427)	66
Tax incentives – Donations / “Empresa Cidadã”	5,435	-	5,435	-
<b>Result of current income tax and social contribution</b>	<b>(93,228)</b>	<b>(131,615)</b>	<b>(103,943)</b>	<b>(143,223)</b>
<b>Result of deferred income tax and social contribution</b>	<b>11,348</b>	<b>40,390</b>	<b>25,154</b>	<b>22,477</b>
<b>Income tax and social contribution expense</b>	<b>(81,880)</b>	<b>(91,225)</b>	<b>(78,789)</b>	<b>(120,746)</b>
<b>Effective tax rate</b>	<b>13.37%</b>	<b>15.49%</b>	<b>12.71%</b>	<b>17.79%</b>

(i) Beginning in the third quarter of 2018, the Group considers as deductible, for income tax purposes, the gains arising from the ICMS tax benefits established by Supplementary Law 160/17, agreement ICMS CONFAZ 190/17, and the amendment to Law 12,973/2014. The total amount recognized in the period ended June 30, 2023 was R\$ 168,926 (R\$ 58,697 - Jun/2022).

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

Deferred income tax and social contribution assets amounting to R\$ 315,322 at June 30, 2023 (R\$ 331,032 – Dec/ 2022) for the Parent Company and R\$ 339,589 at June 30, 2023 (R\$ 341,389 – Dec/2022) for the Consolidated accounts arose from temporarily non-deductible expenses that may be carried forward indefinitely, with estimated realization as disclosed in item 18.3. below.

Deferred income tax and social contribution liabilities amounting to R\$ 320,507 at June 30, 2023 (R\$ 347,392 - Dec/2022) for the Parent Company and R\$ 321,710 at June 30, 2023 (R\$ 348,692 - Dec/2022) 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.

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For the six-month periods ended June 30, 2023 and 2022, deferred income and social contribution were as follows:

	Balance sheet				Statement of income			
	Parent Company		Consolidated		Parent Company		Consolidated	
	Jun/23	Dec/22	Jun/23	Dec/22	Jun/23	Jun/22	Jun/23	Jun/22
<b>Temporary differences</b>								
Revaluation at fair value of land and buildings	(6,590)	(6,631)	(7,793)	(6,631)	-	-	-	-
Amortization of the goodwill on future profitability	(229,298)	(243,033)	(229,298)	(243,033)	8,965	64	8,965	64
Non-deductible intangible assets - merger of Raia, Vitat and Dr. Cuco	(58,233)	(59,270)	(58,233)	(59,270)	(1,036)	(78)	(1,036)	(78)
Non-deductible intangible assets - acquisition of 4Bio	-	-	-	(1,302)	-	-	-	(95)
Gain on bargain purchase – acquisition of Onofre	(26,386)	(37,694)	(26,386)	(37,694)	(11,308)	(11,308)	(11,308)	(11,308)
Tax losses to be offset against future taxable profits	-	-	-	-	-	-	-	4,958
Adjustment to present value	(13,197)	(16,060)	(12,433)	(15,163)	(2,863)	(4,267)	(2,931)	(4,577)
Adjustment to fair value	26,664	15,764	26,664	15,764	(10,900)	(521)	(10,900)	(521)
Provision for inventory losses	25,746	20,297	25,746	20,297	(2,133)	(2,476)	(2,133)	(2,476)
Provision for sundry obligations	58,979	85,655	59,058	85,876	9,134	(1,515)	9,277	(1,476)
Provision for employee profit sharing	23,377	35,357	24,603	37,728	11,980	614	13,125	927
Provision for contingencies	35,940	36,048	56,431	41,322	108	(2,486)	(14,909)	10,814
Expected credit losses	1,172	1,309	2,488	2,872	137	(388)	191	(676)
Lease (depreciation x consideration)	134,018	119,770	134,209	119,803	(14,247)	(6,015)	(14,405)	(6,019)
Other adjustments	22,823	32,128	22,823	32,128	815	(12,014)	910	(12,014)
<b>Effective income tax and social contribution expense</b>	-	-	-	-	<b>(11,348)</b>	<b>(40,390)</b>	<b>(25,154)</b>	<b>(22,477)</b>
<b>Deferred tax liabilities, net</b>	<b>(4,985)</b>	<b>(16,360)</b>	<b>17,879</b>	<b>(7,303)</b>				
Reflected in the balance sheet as follows:								
Deferred tax assets	315,522	331,032	315,522	331,032				
Deferred tax liabilities	(320,507)	(347,392)	(321,710)	(348,692)				
<b>Deferred tax liabilities, net</b>	<b>(4,985)</b>	<b>(16,360)</b>	<b>(6,188)</b>	<b>(17,660)</b>				
<b>Deferred tax assets – Subsidiaries</b>	-	-	<b>24,067</b>	<b>10,357</b>				
<b>Reconciliation of deferred tax assets (liabilities), net</b>								
<b>At the beginning of the period</b>	(16,360)	(87,518)	(7,303)	(39,964)				
Expense recognized in the statement of income	11,348	71,076	25,154	32,579				
Realization of deferred tax recognized in equity	27	82	28	82				
<b>Balance at the end of the period</b>	<b>(4,985)</b>	<b>(16,360)</b>	<b>17,879</b>	<b>(7,303)</b>				

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### 18.3. Estimated recovery of income tax and social contribution credits

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

Recovery forecast	Parent Company		Consolidated	
	Jun/23	Dec/22	Jun/23	Dec/22
2023	192,138	202,008	216,109	212,365
2024	33,083	46,526	33,083	46,526
2025	37,297	34,580	37,297	34,580
2026	38,479	47,918	38,479	47,918
2027 and thereafter	14,525	-	14,621	-
<b>Total</b>	<b>315,522</b>	<b>331,032</b>	<b>339,589</b>	<b>341,389</b>
Deferred tax assets on temporary differences, recorded net in liabilities	315,522	331,032	315,522	331,032
Deferred tax assets on tax losses in subsidiaries	-	-	24,067	10,357

### 18.4. 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\$ 31,825, 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.

## 19. Earnings per share

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

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

Earnings per share items	Parent Company / Consolidated	
	Jun/23	Jun/22
<b>Basic</b>		
Profit for the period	530,447	495,475
Weighted average number of common shares	1,674,870	1,647,555
<b>Basic earnings per share - R\$</b>	<b>0.31671</b>	<b>0.30073</b>
<b>Diluted</b>		
Profit for the period	530,447	495,475
Weighted average number of common shares adjusted for dilution effect	1,667,331	1,657,445
<b>Diluted earnings per share - R\$</b>	<b>0.31814</b>	<b>0.29894</b>

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## 20. Equity

### (a) Capital

At June 30, 2023, the fully paid-up capital amounted to R\$ 4,000,000 (R\$ 2,500,000 - Dec/22), represented by 1,718,007,200 common registered book-entry shares with no par value (1,651,930,000 in Dec/22), of which 1,268,117,085 were outstanding common shares (1,209,031,054 common shares - Dec/22).

The Company approved at the Extraordinary General Meeting held on April 19, 2023 an increase in its capital of R\$ 1,500,000 through the capitalization of a portion of the revenue reserve and the issue of 66,077,200 new common shares, with no par value, attributing to shareholders, as a bonus, 1 (one) new share for every 25 (twenty-five) shares issued by the Company that were outstanding, accordingly, the shares totaled 1,718,007,200.

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

At June 30, 2023, the Company's ownership structure was as follows:

Ownership interest	Number of shares		Interest (%)	
	Jun/23	Dec/22	Jun/23	Dec/22
Controlling shareholders	446,265,273	438,719,134	25.98	26.56
Shares outstanding	1,268,117,085	1,209,031,054	73.81	73.19
Treasury shares	3,624,842	4,179,812	0.21	0.25
<b>Total</b>	<b>1,718,007,200</b>	<b>1,651,930,000</b>	<b>100.00</b>	<b>100.00</b>

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

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

Changes	Shares outstanding
At January 1, 2022	1,184,571,787
(Purchase)/sale of restricted shares, net	24,459,267
<b>At December 31, 2022</b>	<b>1,209,031,054</b>
(Purchase)/sale of restricted shares, net	59,086,031
<b>At June 30, 2023</b>	<b>1,268,117,085</b>

At June 30, 2023, the Company's common shares were quoted at R\$ 29.60 (closing quote) (R\$ 23.72 at December 31, 2022).



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(b) Treasury shares

The changes in treasury shares in the six-month period ended June 30, 2023 are summarized below:

<b>Changes in treasury shares</b>	<b>Parent Company</b>	
	<b>Number of shares</b>	<b>Amount of shares</b>
<b>At January 1, 2022</b>	<b>4,770,375</b>	<b>91,993</b>
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)	(11,214)
Shares delivered to executives related to the 1st tranche of 2020, 2nd tranche of 2019 and 3rd tranche of 2018 of 4Bio	(6,296)	(121)
Shares delivered to executives related to the tranche of the 2020 grant	(2,755)	(53)
<b>At December 31, 2022</b>	<b>4,179,812</b>	<b>80,605</b>
Shares delivered to executives related to the 3rd tranche of the 2019 grant, 2nd tranche of the 2020 grant and 1st tranche of the 2021 grant	(678,189)	(13,078)
Shares delivered to executives related to the 1st tranche of 2021, 2nd tranche of 2020 and 3rd tranche of 2019 of 4Bio	(15,154)	(292)
Shares delivered to executives related to the 1st tranche of 2021, 2nd tranche of 2020 and 3rd tranche of 2019 of Vitat	(1,044)	(20)
Bonus shares	139,417	-
<b>At June 30, 2023</b>	<b>3,624,842</b>	<b>67,215</b>

At June 30, 2023, the market value of the treasury shares, having as reference the quotation of R\$ 29.60 per share (R\$ 23.72 - Dec/22), corresponds to R\$ 107,295 (R\$ 99,145 - Dec/21).

(d) Restricted share plan

Long-Term Incentive Program

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

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

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

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

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

The shares offered to the officer through the Restricted Share Plan may not be sold, assigned or transferred to third parties for a period of four years from the date of the grant. Every year, from the second, third and fourth anniversary of the grant 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 7 years after the respective grant date.

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### Performance shares

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

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

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

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

### Changes in restricted shares

The changes in restricted shares are summarized below:

Changes in restricted shares	Jun/23		Dec/22	
	Shares	Amount	Shares	Amount
Opening balance at January 1	4,108,984	49,048	2,079,742	36,152
Granted shares for the period	1,332,504	11,672	2,617,050	22,688
Value of the shares at the delivery date	(554,970)	(11,958)	(587,808)	(9,792)
<b>Closing balance</b>	<b>4,886,518</b>	<b>48,762</b>	<b>4,108,984</b>	<b>49,048</b>

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### Position of the restricted share plan

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

Grants	Grant date	Number of shares granted <sup>(i)</sup>	Date on which they will become exercisable	Period of restriction to share transfer	Fair value of shares on grant date <sup>(i)</sup>
<b>Long-Term Incentive Program</b>					
2020 - 3 <sup>rd</sup> tranche	03/01/2020	354,892	02/28/2024	02/28/2024	R\$ 24.89
2021 - 2 <sup>nd</sup> tranche	03/01/2021	272,926	02/28/2024	02/28/2024	R\$ 22.72
2021 - 3 <sup>rd</sup> tranche	03/01/2021	272,926	02/28/2025	02/28/2025	R\$ 22.72
2022 - 1 <sup>st</sup> tranche	03/01/2022	418,821	02/28/2024	02/28/2024	R\$ 23.90
2022 - 2 <sup>nd</sup> tranche	03/01/2022	418,821	02/28/2025	02/28/2025	R\$ 23.90
2022 - 3 <sup>rd</sup> tranche	03/01/2022	418,819	02/28/2026	02/28/2026	R\$ 23.90
2023 - 1 <sup>st</sup> tranche	03/01/2023	620,746	02/28/2025	02/28/2025	R\$ 23.90
2023 - 2 <sup>nd</sup> tranche	03/01/2023	620,746	02/28/2026	02/28/2026	R\$ 23.90
2023 - 3 <sup>rd</sup> tranche	03/01/2023	620,744	02/28/2027	02/28/2027	R\$ 23.90
<b>Performance shares</b>					
2020 - 1 <sup>st</sup> tranche	01/01/2020	364,435	01/01/2024	01/01/2025	R\$ 13.19
2021 - 1 <sup>st</sup> tranche	01/01/2021	315,107	02/01/2025	01/01/2026	R\$ 33.99
2022 - 1 <sup>st</sup> tranche	01/01/2022	396,813	02/01/2026	01/01/2027	R\$ 31.18
2023 - 1 <sup>st</sup> tranche	01/01/2023	452,857	02/01/2027	01/01/2028	R\$ 31.18

(i) After the application of the stock split effect, approved at the EGM held on September 15, 2020 and, on April 10, 2023 as a bonus, 1 (one) new share for every 25 (twenty-five) shares issued by the Company that were outstanding.

## 21. Net sales revenue

Breakdown of net revenue	Parent Company			
	2nd Quarter/23	Jun/23	2nd Quarter/22	Jun/22
Sales revenue	8,303,167	16,089,565	7,246,006	13,782,631
Service revenue	25,517	44,492	16,358	34,422
<b>Gross sales revenue</b>	<b>8,328,684</b>	<b>16,134,057</b>	<b>7,262,364</b>	<b>13,817,053</b>
Taxes on sales	(380,081)	(740,188)	(334,848)	(638,136)
Returns, rebates and other	(143,912)	(274,651)	(107,376)	(194,516)
<b>Net sales revenue</b>	<b>7,804,691</b>	<b>15,119,218</b>	<b>6,820,141</b>	<b>12,984,402</b>
Breakdown of net revenue	Consolidated			
	2nd Quarter/23	Jun/23	2nd Quarter/22	Jun/22
Sales revenue	8,975,186	17,418,663	7,622,837	14,568,244
Service revenue	49,537	85,067	18,325	45,408
<b>Gross sales revenue</b>	<b>9,024,723</b>	<b>17,503,730</b>	<b>7,641,162</b>	<b>14,613,652</b>
Taxes on sales	(415,916)	(811,405)	(342,871)	(654,761)
Returns, rebates and other	(166,492)	(318,664)	(119,529)	(217,627)
<b>Net sales revenue</b>	<b>8,442,315</b>	<b>16,373,661</b>	<b>7,178,761</b>	<b>13,741,265</b>

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## 22. Information on the nature of expenses recognized in the statement of income

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

### Parent Company

Nature of expenses	2nd		2nd	
	Quarter/23	Jun/23	Quarter/22	Jun/22
Costs of inventories sold (Note 8)	(5,262,067)	(10,307,984)	(4,555,990)	(8,846,299)
Personnel expenses	(969,120)	(1,880,991)	(834,699)	(1,631,687)
Occupancy expenses <sup>(i)</sup>	(108,582)	(200,263)	(93,899)	(186,991)
Depreciation and amortization <sup>(ii)</sup>	(408,421)	(800,711)	(359,707)	(709,766)
Discounts on property rental	-	32	868	868
Service provider expenses <sup>(iii)</sup>	(114,797)	(224,440)	(95,343)	(196,276)
Expenses on card operator fees	(118,132)	(232,056)	(102,072)	(191,645)
Other	(218,175)	(449,323)	(201,439)	(396,562)
<b>Total</b>	<b>(7,199,294)</b>	<b>(14,095,736)</b>	<b>(6,242,281)</b>	<b>(12,158,358)</b>

#### Classified in the statement of income as:

Function of expenses	2nd		2nd	
	Quarter/23	Jun/23	Quarter/22	Jun/22
Costs of sales and services	(5,265,404)	(10,313,930)	(4,559,173)	(8,851,631)
Selling	(1,593,828)	(3,129,434)	(1,401,364)	(2,765,656)
General and administrative	(340,062)	(652,372)	(281,744)	(541,071)
<b>Total</b>	<b>(7,199,294)</b>	<b>(14,095,736)</b>	<b>(6,242,281)</b>	<b>(12,158,358)</b>

### Consolidated

Nature of expenses	2nd		2nd	
	Quarter/23	Jun/23	Quarter/22	Jun/22
Costs of inventories sold (Note 8)	(5,825,669)	(11,420,046)	(4,855,743)	(9,481,973)
Personnel expenses	(1,008,724)	(1,960,342)	(854,253)	(1,678,093)
Occupancy expenses <sup>(i)</sup>	(109,646)	(201,955)	(94,529)	(188,236)
Depreciation and amortization <sup>(ii)</sup>	(411,758)	(807,008)	(362,245)	(714,806)
Discounts on property rental	-	32	831	868
Service provider expenses <sup>(iii)</sup>	(116,819)	(228,461)	(99,037)	(203,866)
Expenses on card operator fees	(118,880)	(233,660)	(102,697)	(192,884)
Other	(230,396)	(472,593)	(209,557)	(417,592)
<b>Total</b>	<b>(7,821,892)</b>	<b>(15,324,033)</b>	<b>(6,577,230)</b>	<b>(12,876,582)</b>

#### Classified in the statement of income as:

Function of expenses	2nd		2nd	
	Quarter/23	Jun/23	Quarter/22	Jun/22
Costs of sales and services	(5,832,248)	(11,441,850)	(4,860,664)	(9,494,737)
Selling	(1,622,848)	(3,183,619)	(1,420,264)	(2,807,879)
General and administrative	(366,796)	(698,564)	(296,302)	(573,966)
<b>Total</b>	<b>(7,821,892)</b>	<b>(15,324,033)</b>	<b>(6,577,230)</b>	<b>(12,876,582)</b>

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

(ii) Depreciation and amortization totaled R\$ 800,711 in the 1<sup>st</sup> half of 2023 (R\$ 709,766 - Jun/2022) for the Parent Company, of which R\$ 712,191 (R\$ 642,672 - Jun/2022) refer to the sales area and R\$ 88,520 (R\$ 67,094 - Jun/2022) to the administrative area, and totaled R\$ 807,008 (R\$ 714,806 - Jun/2022) for the Consolidated accounts, of which R\$ 713,255 (R\$ 643,491 - Jun/2022) refer to the sales area and R\$ 93,752 (R\$ 71,312 - Jun/2022) 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\$ 24,062 (R\$ 21,814 - Jun/2022).

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(iii) These refer mostly to expenses on transportation, materials, other administrative expenses, maintenance of assets, advertising and publicity. Additionally, the Company opened new stores and incurred expenses on advertisement and publicity campaigns.

### 23. Other operating income or expenses, net

At June 30, 2023, other operating income or expenses totaled R\$ 25,376 (R\$ 7,076 - June/2022) for the Parent company and R\$ 29,443 (R\$ 56,400 - June/2022) for the Consolidated accounts. These amounts comprise non-recurring expenses and revenues, as presented below:

Nature of income / (expenses)	Parent Company			
	2nd Quarter/23	Jun/23	2nd Quarter/22	Jun/22
Write-off of fixed assets and intangible assets due to the pharmacies closure	4,886	6,035	(12,900)	(14,000)
Donations	(125)	(139)	(373)	(992)
Social investment	(2,685)	(3,996)	(550)	(1,451)
Credits from prior years, mainly INSS from 2018 to 2022	-	2,672	-	-
Credits from prior years, mainly PIS and COFINS from 2018 to 2022	19,099	19,099	-	-
Refund of ICMS-ST on prior-period sales	-	-	12,187	12,000
Exclusion of ICMS from PIS/COFINS calculation basis (Note 8)	-	-	-	11,689
Other	1,638	1,704	299	(170)
<b>Total</b>	<b>22,813</b>	<b>25,375</b>	<b>(1,337)</b>	<b>7,076</b>
Nature of income / (expenses)	Consolidated			
	2nd Quarter/23	Jun/23	2nd Quarter/22	Jun/22
Write-off of fixed assets and intangible assets due to the pharmacies closure	4,886	6,035	(12,900)	(14,000)
Donations	(130)	(149)	(373)	(992)
Social investment	(2,685)	(3,996)	(550)	(1,451)
Recognition of INSS credits from 2018 to 2022	-	2,672	-	-
Other tax income	-	1,033	45,150	45,150
Credits from prior years, mainly PIS and COFINS from 2018 to 2022	19,099	19,099	-	-
Refund of ICMS-ST on prior-period sales	-	-	12,187	11,999
Exclusion of ICMS from PIS/COFINS calculation basis (Note 8)	-	-	-	15,943
Other	2,215	4,748	279	(249)
<b>Total</b>	<b>23,385</b>	<b>29,442</b>	<b>43,793</b>	<b>56,400</b>

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**24. Finance income (costs)**

	Parent Company			
	2nd Quarter/23	Jun/23	2nd Quarter/22	Jun/22
<b>Finance income</b>				
Present value adjustment	80,009	144,651	54,923	90,027
Monetary losses	50	5,710	1,133	2,010
Short-term investment yields	1,517	4,724	1,872	6,697
Discounts obtained	5	29	-	71
Interest on intercompany loans	7	19	113	631
<b>Total finance income</b>	<b>81,588</b>	<b>155,133</b>	<b>58,041</b>	<b>99,436</b>
	Parent Company			
	2nd Quarter/23	Jun/23	2nd Quarter/22	Jun/22
<b>Finance costs</b>				
Present value adjustment	(124,514)	(243,525)	(85,983)	(151,946)
Interest on leases <sup>(i)</sup>	(80,030)	(149,581)	(59,666)	(116,736)
Charges on debentures and promissory notes	(63,539)	(129,966)	(47,227)	(84,080)
Interest on payables to subsidiary's shareholder	(2,089)	(32,058)	(777)	(1,532)
Interest, charges and bank fees	(21,135)	(28,527)	(11,204)	(12,537)
Charges on borrowings	(11,401)	(23,579)	(10,701)	(23,276)
Amortization of transaction costs	(1,446)	(2,929)	(1,033)	(2,241)
Monetary losses	(82)	(206)	(52)	(167)
<b>Total finance costs</b>	<b>(304,236)</b>	<b>(610,371)</b>	<b>(216,643)</b>	<b>(392,515)</b>
<b>Finance income (costs)</b>	<b>(222,648)</b>	<b>(455,238)</b>	<b>(158,602)</b>	<b>(293,079)</b>
	Consolidated			
	2nd Quarter/23	Jun/23	2nd Quarter/22	Jun/22
<b>Finance income</b>				
Present value adjustment	93,086	168,049	61,231	100,641
Short-term investment yields	5,289	10,977	3,313	9,211
Monetary gains	467	6,483	1,281	2,276
Discounts obtained	27	51	-	72
Interest on intercompany loans	7	29	113	194
Other finance income	1,369	6,077	628	934
<b>Total finance income</b>	<b>100,245</b>	<b>191,666</b>	<b>66,566</b>	<b>113,328</b>
	Consolidated			
	2nd Quarter/23	Jun/23	2nd Quarter/22	Jun/22
<b>Finance costs</b>				
Present value adjustment	(137,361)	(264,650)	(91,163)	(161,976)
Interest on leases <sup>(i)</sup>	(80,030)	(149,581)	(59,604)	(116,620)
Charges on debentures and promissory notes	(63,539)	(129,966)	(47,227)	(84,080)
Interest on payables to subsidiary's shareholder	(4,867)	(34,854)	(800)	(1,568)
Interest, charges and bank fees	(22,212)	(30,889)	(11,279)	(12,686)
Charges on borrowings	(11,401)	(23,579)	(10,701)	(23,284)
Monetary losses	(5,990)	(10,892)	(2,620)	(4,055)
Amortization of transaction costs	(1,446)	(2,929)	(1,033)	(2,241)
Discounts granted to customers	(24)	(98)	(38)	(72)
<b>Total finance costs</b>	<b>(326,870)</b>	<b>(647,438)</b>	<b>(224,465)</b>	<b>(406,582)</b>
<b>Finance income (costs)</b>	<b>(226,625)</b>	<b>(455,772)</b>	<b>(157,899)</b>	<b>(293,254)</b>

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

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**25. Financial instruments and risk management policy**

25.1. Financial instruments by category

Financial instruments items	Parent Company		Consolidated	
	Jun/23	Dec/22	Jun/23	Dec/22
<b>Assets</b>				
At amortized cost				
Cash and cash equivalents (Note 5)	264,190	364,374	345,309	433,541
Held-to-maturity investments (Note 6)	25,126	-	25,126	-
Trade receivables (Note 7)	1,558,417	1,923,938	2,066,982	2,295,640
Other receivables	305,703	271,255	319,505	287,744
Judicial deposits (Note 17)	18,681	20,792	132,501	137,624
<b>Total assets</b>	<b>2,172,117</b>	<b>2,580,359</b>	<b>2,889,423</b>	<b>3,154,549</b>
<b>Liabilities</b>				
Liabilities at fair value through profit or loss				
Payables to subsidiary's shareholder	96,768	64,710	96,768	64,710
<b>Subtotal</b>	<b>96,768</b>	<b>64,710</b>	<b>96,768</b>	<b>64,710</b>
<b>Other liabilities</b>				
Suppliers and Suppliers - Forfait (Note 14)	3,731,514	3,999,967	4,105,650	4,258,917
Borrowings (Note 15)	2,194,805	2,239,606	2,403,605	2,317,904
Other payables	375,218	367,234	437,374	436,712
Leases payable (Note 16)	3,878,825	3,736,223	3,882,003	3,740,008
<b>Subtotal</b>	<b>10,180,362</b>	<b>10,343,030</b>	<b>10,828,632</b>	<b>10,753,541</b>
<b>Total liabilities</b>	<b>10,277,130</b>	<b>10,407,740</b>	<b>10,925,400</b>	<b>10,818,251</b>

25.2. Financial risk management

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

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

(a) Market risk

**Foreign exchange risk**

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

**Derivative financial instruments**

The Group does not operate with derivative instruments, except in specific situations. At June 30, 2023, the Group did not have any derivative transactions.

**Interest rate risk**

The Company's borrowings are pegged to the CDI plus bank spread. Financial investments are entered into based on the CDI variations, which does not result in higher interest rate risk since these variations are not significant. Management understands that there is a low risk of significant changes in profit or loss or in cash flows.

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(b) Credit risk

Credit risk arises from financial assets, i.e. cash and cash equivalents, short-term investments and trade receivables. Cash and cash equivalents and short-term investments are maintained with sound financial institutions.

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

Risk rating	Parent Company		Consolidated	
	Jun/23	Dec/22	Jun/23	Dec/22
<b>Rating - Notional scale</b>				
brAAA	33,709	96,369	97,991	155,751
brAA+	25,709	18,729	25,716	20,735
brA	23	170	5,649	180
(*) n/a - Cash and automatic investments	204,749	249,106	205,177	256,352
(*) n/a - Investment funds	-	-	10,776	523
<b>Total - Notional scale</b>	<b>264,190</b>	<b>364,374</b>	<b>345,309</b>	<b>433,541</b>

(\*) 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. For the period ended June 30, 2023, credit sales represented 64% (61% in 2022) for the Parent Company and 66% (63% in 2022) for the Consolidated accounts, of which 85% (89% in 2022) for the Parent Company and 77% (82% in 2022) for the Consolidated accounts related to credit card sales which, based on the history of losses, posed an extremely low risk. The remaining 15% (11% in 2022) for the Parent Company and 23% (18% in 2022) for the Consolidated accounts refer to credits from Medicine Benefit Programs (PBM) 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.

All of the Company's borrowings are currently indexed to the Interbank Deposit Certificate (CDI). Due to the scenario of stability of the basic interest rate (Selic), it is not necessary to analyze scenarios with an increase in the interest curve, given that all market analysis consider a decrease in the basic interest rate as from the second half of 2023.

(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 of 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:



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<b>Capital management items</b>	<b>Parent Company</b>		<b>Consolidated</b>	
	<b>Jun/23</b>	<b>Dec/22</b>	<b>Jun/23</b>	<b>Dec/22</b>
Short- and long-term borrowings	2,194,805	2,239,606	2,403,605	2,317,904
(-) Cash and cash equivalents	(264,190)	(364,374)	(345,309)	(433,541)
<b>Net debt</b>	<b>1,930,615</b>	<b>1,875,232</b>	<b>2,058,296</b>	<b>1,884,363</b>
Equity attributable to the shareholders of the parent	5,531,976	5,340,862	5,531,976	5,340,862
Noncontrolling interests	-	-	69,743	62,079
Total equity	5,531,976	5,340,862	5,601,719	5,402,941
<b>Total capital</b>	<b>7,462,591</b>	<b>7,216,094</b>	<b>7,660,015</b>	<b>7,287,304</b>
<b>Gearing ratio (%)</b>	<b>25.87</b>	<b>25.99</b>	<b>26.87</b>	<b>25.86</b>

As described in Note 16, as from January 1, 2019, the Group recognized in its balance sheet the obligations associated with the lease agreements where it has control. At June 30, 2023, the balance of lease liabilities in the Parent Company and Consolidated accounts corresponded to R\$ 3,878,825 and R\$ 3,882,003 respectively. Considering the lease liability in the capital management calculation, the gearing ratio of the Company and the Group would be 51.22% in the Parent Company and 51.47% in the Consolidated. 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:

<b>Adjusted net debt with lease liabilities</b>	<b>Parent Company</b>		<b>Consolidated</b>	
	<b>Jun/23</b>	<b>Dec/22</b>	<b>Jun/23</b>	<b>Dec/22</b>
Net debt	1,930,615	1,875,232	2,058,296	1,884,363
Lease liabilities	3,878,825	3,736,223	3,882,003	3,740,008
<b>Adjusted net debt</b>	<b>5,809,440</b>	<b>5,611,455</b>	<b>5,940,299</b>	<b>5,624,371</b>
Total equity	5,531,976	5,340,862	5,601,719	5,402,941
<b>Total adjusted capital</b>	<b>11,341,416</b>	<b>10,952,317</b>	<b>11,542,018</b>	<b>11,027,312</b>
<b>Adjusted gearing ratio (%)</b>	<b>51.22</b>	<b>51.24</b>	<b>51.47</b>	<b>51.00</b>

(f) Fair value estimation

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

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

<b>Fair value estimation</b>	<b>Parent Company</b>				<b>Consolidated</b>			
	<b>Carrying amount</b>		<b>Fair value</b>		<b>Carrying amount</b>		<b>Fair value</b>	
	<b>Jun/23</b>	<b>Dec/22</b>	<b>Jun/23</b>	<b>Dec/22</b>	<b>Jun/23</b>	<b>Dec/22</b>	<b>Jun/23</b>	<b>Dec/22</b>
Debentures	1,882,871	1,927,632	1,882,871	1,927,632	1,882,871	1,927,632	1,882,871	1,927,632
Other	311,934	311,974	311,934	311,974	520,734	390,272	520,734	390,272
<b>Total</b>	<b>2,194,805</b>	<b>2,239,606</b>	<b>2,194,805</b>	<b>2,239,606</b>	<b>2,403,605</b>	<b>2,317,904</b>	<b>2,403,605</b>	<b>2,317,904</b>

For disclosure purposes, the fair value of financial liabilities is estimated by discounting future contractual cash flows at the market interest rate that is available to the Group for similar financial instruments. The effective interest rates at the balance sheet dates are usual market rates and their fair value does not significantly differ from the balances in the accounting records.

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At June 30, 2023, the Group had no material assets and liabilities measured at fair value at Level 1 and Level 2 in the fair value hierarchy. The following table presents the changes in Level 3 instruments for the period ended June 30, 2023:

	Parent Company/Consolidated	
	Payables to subsidiary's shareholder	
	2023	2022
<b>Changes in payables to subsidiary's shareholder</b>		
Balance at January 1	64,711	37,383
Interest recognized in the statement of income	32,057	755
Closing balance	96,768	38,138
<b>Total expenses for the period recognized in the statement of income</b>	<b>32,058</b>	<b>755</b>
<b>Changes in unrealized expenses for the period included in the statement of income</b>	<b>32,058</b>	<b>755</b>

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**26. Transactions with related parties**

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

Related parties	Relationship	Parent Company		Consolidated		Parent Company		Consolidated	
		Assets				Transacted amount			
		Jun/23	Dec/22	Jun/23	Dec/22	Jun/23	Jun/22	Jun/23	Jun/22
<b>Receivables</b>									
Special plans <sup>(i)</sup>									
Regimar Comercial S.A.	Shareholder/Family	23	15	23	15	57	29	57	29
Heliomar Ltda.	Shareholder/Board Member	-	1	-	1	6	5	6	5
Natura Cosméticos S.A. <sup>(ii)</sup>	Shareholder/Related party	-	-	-	-	-	393	-	393
4Bio Medicamentos S.A. <sup>(v)</sup>	Subsidiary	78	69	-	-	235	89	-	89
Vitat	Subsidiary	4	2	-	-	11	2	-	2
RD Ads	Subsidiary	3	-	-	-	3	-	-	-
<b>Subtotal</b>		<b>108</b>	<b>87</b>	<b>23</b>	<b>16</b>	<b>312</b>	<b>518</b>	<b>63</b>	<b>518</b>
<b>Other receivables from related parties</b>									
Advances to suppliers									
Cfly Consultoria e Gestão Empresarial Ltda. <sup>(iii)</sup>	Family	301	232	301	232	-	-	-	-
Ribeiro Filho, Pires Oliveira Dias e Freire Advogados <sup>(iv)</sup>	Shareholder/Family	28	20	28	20	-	-	-	-
Loan and other receivables									
4Bio Medicamentos S.A. <sup>(v)</sup>	Subsidiary	780	436	-	-	384	134	-	-
Full Nine Digital Consultoria (Conecta Lá) <sup>(xii)</sup>	Associate	-	1,320	-	1,320	62	82	62	-
Healthbit Performasys Tecnologia <sup>(viii)</sup>	Subsidiary	-	-	-	-	-	113	-	113
ZTO Tecn. e Ser. de Infor. na Int. Ltda. (Manipulaê) <sup>(xi)</sup>	Subsidiary	199	5,622	-	5,622	37	-	-	822
Labi Exames S.A. <sup>(xiii)</sup>	Associate	-	-	-	-	-	-	-	14,600
Stix Fidelidade e Inteligência S.A. <sup>(x)</sup>	Associate	9,579	4,322	9,579	4,322	6,436	14,208	6,436	14,208
SafePill Comercio Varejista de Med. Manip. Ltda <sup>(xiv)</sup>	Subsidiary	-	5,518	-	5,518	67	-	-	-
<b>Subtotal</b>		<b>10,887</b>	<b>17,470</b>	<b>9,908</b>	<b>17,034</b>	<b>6,986</b>	<b>14,537</b>	<b>6,498</b>	<b>29,743</b>
<b>Total receivables from related parties</b>		<b>10,995</b>	<b>17,557</b>	<b>9,931</b>	<b>17,050</b>	<b>7,298</b>	<b>15,055</b>	<b>6,561</b>	<b>30,261</b>

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Related parties	Relationship	Parent Company		Consolidated		Parent Company		Consolidated	
		Liabilities				Transacted amount			
		Jun/23	Dec/22	Jun/23	Dec/22	Jun/23	Jun/22	Jun/23	Jun/22
<b>Payables</b>									
Rentals <sup>(vi)</sup>									
Heliomar Ltda.	Shareholder/Board Member	31	30	31	30	174	167	174	167
Antonio Carlos Pipponzi	Shareholder/Board Member	10	10	10	10	35	64	35	64
Rosalia Pipponzi Raia	Shareholder/Board Member	10	10	10	10	35	64	35	64
Cristiana Almeida Pipponzi	Shareholder/Board Member	4	4	4	4	12	21	12	21
André Almeida Pipponzi	Shareholder/Board Member	4	4	4	4	12	21	12	21
Marta Almeida Pipponzi	Shareholder/Board Member	4	4	4	4	12	21	12	21
<b>Subtotal</b>		<b>63</b>	<b>62</b>	<b>63</b>	<b>62</b>	<b>280</b>	<b>358</b>	<b>280</b>	<b>358</b>
Service providers									
Ribeiro Filho, Pires Oliveira Dias e Freire Advogados <sup>(iv)</sup>	Shareholder/Family	291	141	291	141	1,996	2,709	1,996	2,709
Editora Mol Ltda <sup>(vii)</sup>	Shareholder/Family	-	203	-	203	11,385	455	11,385	455
Cfly Consultoria e Gestão Empresarial Ltda. <sup>(iii)</sup>	Family	-	73	-	73	32	1,355	32	1,355
Cristina Ribeiro Sobral Sarian (Anthea Consultoria Empresarial) <sup>(viii)</sup>	Shareholder/Alternate Board Member until April 2021	-	-	-	-	-	246	-	246
CI&T IOT Comercio de HardWare e Software Ltda e CI&T Softwares S.A. <sup>(ix)</sup>	Shareholder/Board Member between April/21 and April/23	1,616	3,234	1,616	3,234	-	35	-	35
Amplissoftware Tecnologia Ltda. <sup>(xv)</sup>	Subsidiary	165	8	-	-	1,023	-	-	-
Eloopz Serviços de Promoção <sup>(xvi)</sup>	Subsidiary	-	213	-	-	-	-	-	-
Stix Fidelidade e Inteligência S.A. <sup>(x)</sup>	Associate	10,758	11,452	10,758	11,452	32,513	23,121	32,513	23,121
Healthbit Performasys Tecnologia <sup>(viii)</sup>	Subsidiary	218	156	-	-	1,348	1,871	-	1,871
Sensedia S.A. <sup>(xvii)</sup>	Shareholder/Board Member between April/21 and April/23	1,160	1,300	1,160	1,300	-	-	-	-
<b>Subtotal</b>		<b>14,208</b>	<b>16,780</b>	<b>13,825</b>	<b>16,403</b>	<b>48,297</b>	<b>29,792</b>	<b>45,926</b>	<b>29,792</b>
<b>Total payables to related parties</b>		<b>14,271</b>	<b>16,842</b>	<b>13,888</b>	<b>16,465</b>	<b>48,577</b>	<b>30,150</b>	<b>46,206</b>	<b>30,150</b>

(A free translation of the original in Portuguese)

**Notes to the  
Individual and Consolidated Interim Financial Information  
June 30, 2023  
(All amounts in thousands of reais unless otherwise stated)**

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

(i) 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 operation of the Company's aircraft, services of operational advisory, compliance, finance, maintenance coordination and maintenance technical control.

(iv) Transaction related to legal advisory.

(v) Other receivables comprise commissions on Raia Drogasil S.A. referrals (R\$ 436), recognized in "other non-current assets".

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

(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 provision of consulting services in the areas of health and sustainability and to a loan agreement of R\$ 1,350, which is updated by 100% of the CDI + plus 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 suppliers referring to the STIX loyalty program.

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

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

(xiii) Loan transaction carried out between RD Ventures and Labi Exames S.A. in the amount of R\$ 15,000 in 2021 and R\$ 13,000 in 2022, with monetary adjustment based on CDI + 3.00% p.a., maturing in May 2023 and August 2023, respectively. The option to convert Labi shares was exercised in August 2022, reversing the loan balance to equity interest.

(xiv) Loans transactions between Raia Drogasil S.A. and SafePill Comercio Varejista de Med. Manip. Ltda in the amount of R\$ 400 in August 2022, with remuneration linked to CDI + 3.26% p.a. and maturity in August 2024.

(xv) The balances and transactions refer to the provision of services related to implementation of electronic medical records for physicians and systems in pharmacies so that customers are able to schedule exams and consultations in pharmacies.

(xvi) The balances and transactions refer to service agreements related to the implementation of screens in pharmacies, increasing the impact of end customers and leveraging sales with advertisers.

(A free translation of the original in Portuguese)

**Notes to the  
Individual and Consolidated Interim Financial Information  
June 30, 2023**  
(All amounts in thousands of reais unless otherwise stated)

(xvii) The balances and transactions refer to agreements for provision of services related to digital transformation implementation.

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**

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

<b>Compensation items</b>	<b>Parent Company</b>		<b>Consolidated</b>	
	<b>Jun/23</b>	<b>Jun/22</b>	<b>Jun/23</b>	<b>Jun/22</b>
Share-based payment	15,762	8,413	16,643	10,524
Bonuses and social charges	9,055	6,844	11,014	6,959
<b>Subtotal bonuses and social charges</b>	<b>24,817</b>	<b>15,257</b>	<b>27,657</b>	<b>17,483</b>
Fees and social charges	13,463	12,044	14,459	12,976
Fringe benefits	174	119	174	119
<b>Total</b>	<b>38,454</b>	<b>27,420</b>	<b>42,290</b>	<b>30,578</b>

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.

**27. Insurance coverage**

The Group 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:

<b>Insurance items</b>	<b>Parent Company/Consolidated</b>	
	<b>Jun/23</b>	
Inventory loss risks	872,705	
D&O*	100,000	
Civil liability risks	40,000	

\* The parent company's coverage extends to the subsidiaries

(A free translation of the original in Portuguese)

**Notes to the  
Individual and Consolidated Interim Financial Information  
June 30, 2023  
(All amounts in thousands of reais unless otherwise stated)**



## 28. Non-cash transactions

At June 30, 2023, the Group's main non-transactions were:

- (i) the monetary adjustment of the financial liability arising from payables to subsidiary's shareholder (Note 10);
- (ii) part of the compensation of key management personnel associated with the restricted share plan (Note 26 (b));
- (iii) the installment purchase of fixed assets items in the amount of R\$ 7,848 (R\$ 10,265 - Dec/ 22);
- (iv) recognition of lease liability with a balancing item in right-of-use asset, with additions of new agreements in the amount of R\$ 225,294 (R\$ 450,840 - Dec/22), remeasurements of R\$ 324,643 (R\$ 456,463 - Dec/22) and termination of agreements in the amount of (R\$ 3,347) ((R\$ 46,695) - Dec/22).
- (v) capital contribution with statutory reserve in Equity of R\$ 1,500,000.

## 29. Events after the reporting period

On July 14, 2023, subsidiary 4Bio Medicamentos S.A. carried out loan operation - 4131 in the amount of EUR 7,509, totaling R\$ 40,000, with remuneration at EUR plus 5.7471% p.a., maturing in July 2024. On the same date, a swap was contracted for this loan, in the same total amount of R\$ 40,000 and maturity in July 2024, changing remuneration to CDI plus 1.42% p.a.

**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)**

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## **Independent auditor’s report on review of interim financial statements**

The Shareholders and Officers  
**Raia Drogasil S.A.**  
São Paulo – SP

### **Introduction**

We have reviewed the accompanying individual and consolidated interim financial information of Raia Drogasil S.A. (“Company”), contained in the Quarterly Information Form (ITR) for the quarter ended June 30, 2023, comprising the statement of financial position as of June 30, 2023 and the related statements of profit or loss and of comprehensive income for the three and six-month periods the ended, and of changes in equity and cash flows for the six-month period then ended, including the explanatory notes.

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

### **Scope of review**

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

### **Conclusion on the individual and consolidated interim financial information**

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





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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 six-month period ended June 30, 2023, 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, August 8, 2023.

ERNST & YOUNG  
Auditores Independentes S/S. Ltda.  
CRC- SP-034519/O

Patricia Nakano Ferreira  
Accountant CRC-SP234620/O

## Raia Drogasil S.A.

### Comments on business projections performance Individual and Consolidated June 30, 2023



In this section, pursuant to CVM Resolution 80/2022, we compare the store opening projections for the Company with the data on pharmacies openings actually conducted every 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.

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. On October 31, 2022, we revised the previous projection for the periods from 2023 to 2025 from 240 openings per year to 260 openings per year.

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	260 openings
2023	240 openings (*)	260 openings	110 openings
2024	240 openings (*)	260 openings	-
2025	240 openings (*)	260 openings	-

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

(A free translation of the original in Portuguese)

## Raia Drogasil S.A.

### Supervisory Board's Opinion

June 30, 2023



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To the Board of Directors and Shareholders

Raia Drogasil S.A.

The Company's Supervisory Board, in exercising its duties and legal responsibilities, has examined the Interim Financial Information for the six-month period ended June 30, 2023 and, based on the examinations performed and on clarifications provided by management, and also considering the favorable Auditor's Report 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, August 8, 2023.

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Paulo Sérgio Buzaid Tohmé  
Supervisory Board Member

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Gilberto Lério  
Supervisory Board Member

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Adeildo Paulino  
Supervisory Board Member

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Antônio Edson Maciel dos Santos  
Supervisory Board Member

(A free translation of the original in Portuguese)

## Raia Drogasil S.A.

### Officers' Representation Interim Financial Information June 30, 2023



In accordance with article 25, paragraph 1, items V and VI, of CVM Instruction 480/09, the Company's officers represent that they have reviewed, discussed and agree with the Interim Financial Information for the six-month period ended June 30, 2023.

São Paulo, August 8, 2023.

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Marcilio D'Amico Pousada  
Chief Executive Officer

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Eugênio De Zagottis  
Officer

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Antonio Carlos Coelho  
Officer

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Marcello De Zagottis  
Officer

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Fernando Kozel Varela  
Officer

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Renato Cepollina Raduan  
Officer

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Maria Susana de Souza  
Officer

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Bruno Wright Pipponzi  
Officer

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Celso Pissi Filho  
Accountant and Technical Officer  
CRC 1SP236090/O-5

(A free translation of the original in Portuguese)

## Raia Drogasil S.A.

### Officers' Representation on Independent Auditor's Report June 30, 2023



In accordance with article 25, paragraph 1, items V and VI, of CVM Instruction 480/09, the Company's officers represent that they have reviewed, discussed and agree with the conclusions expressed in the favorable Auditor's Report without exceptions issued by the independent auditors for the six-month period ended June 30, 2023.

São Paulo, August 8, 2023.

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Marcilio D'Amico Pousada  
Chief Executive Officer

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Eugênio De Zagottis  
Officer

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Antonio Carlos Coelho  
Officer

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Marcello De Zagottis  
Officer

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Fernando Kozel Varela  
Officer

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Renato Cepollina Raduan  
Officer

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Maria Susana de Souza  
Officer

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Bruno Wright Pipponzi  
Officer

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Celso Pissi Filho  
Accountant and Technical Officer  
CRC 1SP23090/O-5