

EARNINGS RELEASE 1Q23



São Paulo, May 02, 2023. **RD – People, Health and Well-being** (Raia Drogasil S.A. – B3: RADL3) announces today its results for the 1st quarter of 2023 (1Q23). The Company's parent company and consolidated financial statements for the periods ended March 31 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 2022.

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: 2,746 units in operation (55 openings and 6 closures);**
- › **GROSS REVENUES: R\$ 8.5 billion, a 21.6% increase with 12.6% mature store growth;**
- › **MARKET SHARE: 15.3%, a 1.3 pp increase, with gains in every region;**
- › **DIGITAL: R\$ 1.1 billion, an increase of 63.3% and a retail penetration of 13.7%;**
- › **CONTRIBUTION MARGIN*: 10.0%, an expansion of 0.9 pp and an increase of 34.6%;**
- › **ADJUSTED EBITDA: R\$ 563.0 million, a net margin of 6.6% and an increase of 45.0%;**
- › **ADJUSTED NET INCOME: R\$ 204.0 million, a net margin of 2.4% and an increase of 40.4%;**
- › **CASH FLOW: R\$ 42.2 million negative free cash flow, R\$ 98.7 million total cash consumption.**

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

RADL3

R\$ 26.28/share

NUMBER OF SHARES

1.651.930.000

MARKET CAP

R\$ 43.4 billion

CLOSING

April 28th, 2023

IR TEAM:

Eugênio De Zagottis

Flávio Correia

André Stolfi

Victor Torres

SITE: ri.rd.com.br

E-MAIL: ri@rd.com.br

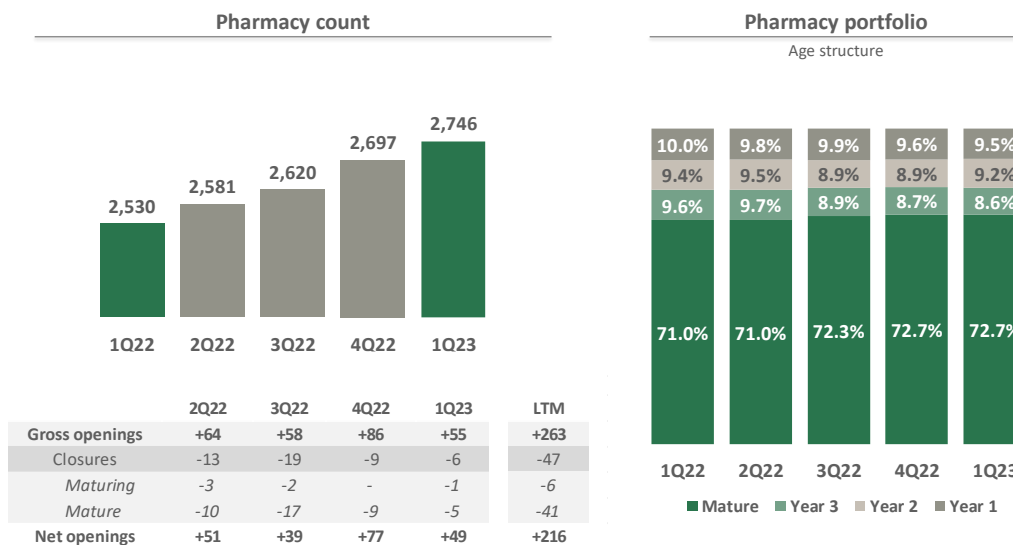
Summary	1Q22	2Q22	3Q22	4Q22	1Q23
<i>(R\$ thousands)</i>					
# of pharmacies	2,530	2,581	2,620	2,697	2,746
Organic openings	52	64	58	86	55
Closures	(12)	(13)	(19)	(9)	(6)
4Bio	4	5	5	5	5
# of Pharmacies + 4Bio	2,534	2,586	2,625	2,702	2,751
Headcount (EoP)	50,141	50,320	51,482	53,443	53,464
Pharmacist count (EoP)	10,336	10,466	10,690	10,952	11,322
# of tickets (thousands)	76,795	82,912	83,249	85,915	84,906
# of active customers (MM)	43.7	45.1	46.5	47.5	48.1
Gross revenue	6,972,490	7,641,161	7,985,786	8,351,126	8,479,007
Gross profit	1,928,431	2,318,097	2,224,774	2,338,166	2,321,744
% of gross revenue	27.7%	30.3%	27.9%	28.0%	27.4%
Adjusted EBITDA	388,377	727,509	546,800	599,438	562,957
% of gross revenue	5.6%	9.5%	6.8%	7.2%	6.6%
Adjusted net income	145,270	343,746	201,706	301,101	203,964
% of gross revenue	2.1%	4.5%	2.5%	3.6%	2.4%
Net income	153,591	372,231	225,367	278,009	206,586
% of gross revenues	2.2%	4.9%	2.8%	3.3%	2.4%
Free cash flow	(320,650)	(52,966)	159,825	206,008	(42,246)

STORE DEVELOPMENT

We opened 55 new pharmacies in the 1Q23 and closed 6, ending the year with 2,746 units in operation. At the end of the period, 27.3% 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.

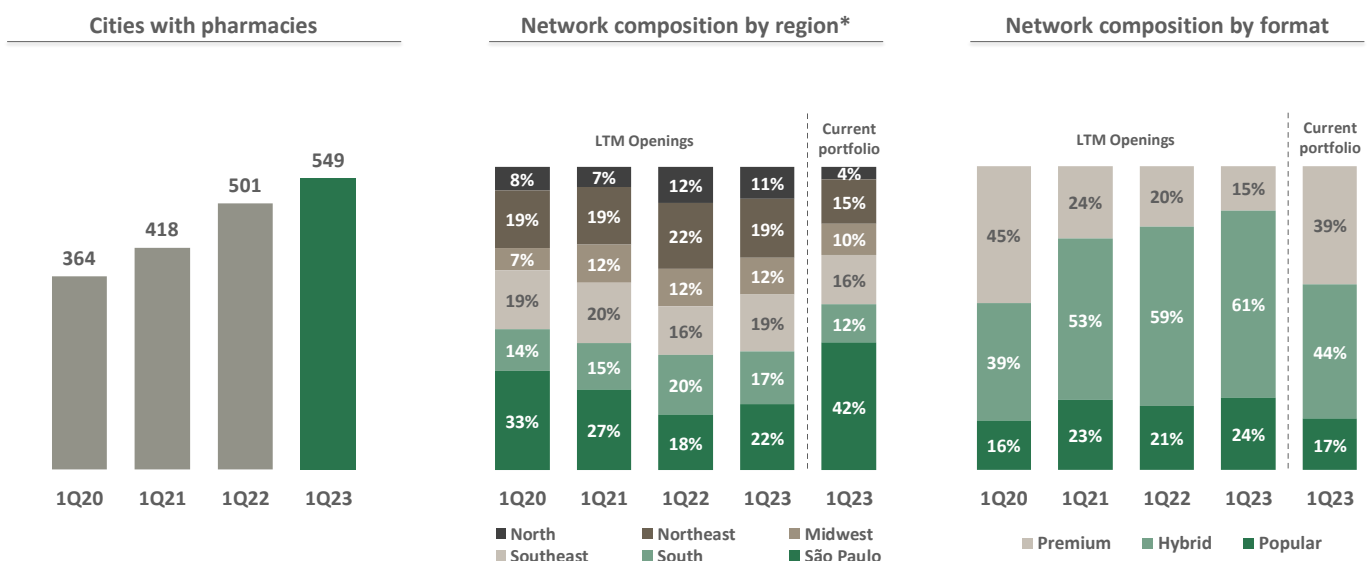
Of the 6 closures in the quarter, only 1 was of a pharmacy still in the maturation process, representing a correction expected in a large-scale expansion, while the remaining 5 closures were of mature ones, as part of the ongoing optimization of our store portfolio. It is important to note that these closures of redundant stores result in a transfer of sales to the remaining locations in the neighborhood while eliminating a full fixed cost base and releasing 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.

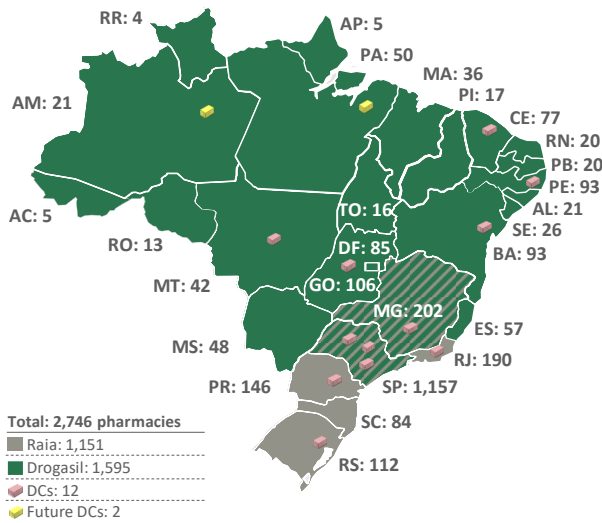


Our expansion has diversified our pharmacy network both geographically and demographically. Of the openings undertaken over the last twelve months, 78% have happened outside the state of São Paulo, our native market. Of the 316 Brazilian cities with more than 100,000 inhabitants, we already have stores in operation or in the opening process in 301 of those, a unique capillarity in Brazilian retail which includes even some cities with 20,000 inhabitants. We have also increased this capillarity in the quarter, extending our presence to 549 cities, 48 more than in the 1Q22. And while 61% of our units are of popular or hybrid formats, these clusters have comprised 85% of our last twelve months openings.

Lastly, we opened a new distribution center in the city of Cuiabá (MT), and have 2 other DCs, in the greater Belém area (PA) and Manaus (AM), to be opened in the coming months, which will contribute towards the reduction in freight costs while improving service levels in these regions.

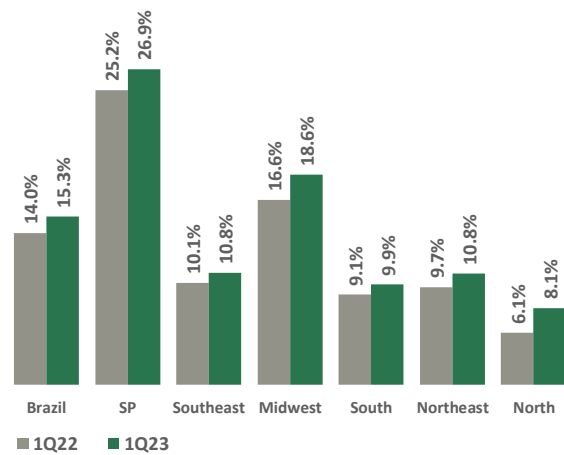


Pharmacy geographic presence



Retail market share

Quarterly share at Factory Prices (sell-out + sell-in)



We gained market share in all regions during the quarter. Our national market share totaled 15.3%, a 1.3 pp increase when compared to the 1Q22. Our market share reached 26.9% in São Paulo, a 1.7 pp increase when compared to the 1Q22, 10.8% in the Southeast (excluding São Paulo), a 0.7 pp increase, 18.6% in the Midwest, a 2.0 pp gain. We also recorded market shares of 9.9% in the South, a 0.8 pp increment, 10.8% in the Northeast, a 1.1 pp gain, and 8.1% in the North, a 2.0 pp increase.

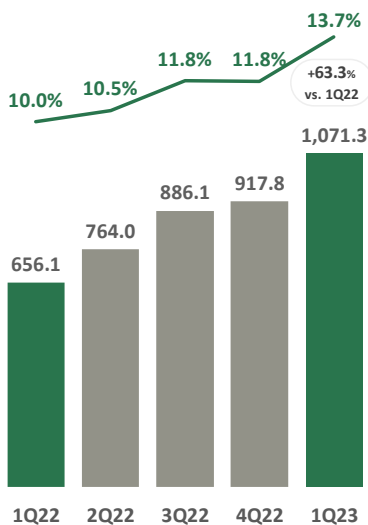
DIGITAL HEALTH TRANSFORMATION

We are advancing in our digital strategy at a fast pace. We reached the milestone of R\$ 1,071.3 million in digital revenues in the 1Q23, representing a retail penetration of 13.7% and a growth of 63.3% over the same period of the previous year.

We have expanded our digital presence, with 99.7 million visits in our apps and websites in the 1Q23. 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 shop with us 31% more frequently and spend 24% more overall than non-digitalized frequent customers, a key driver for value creation.

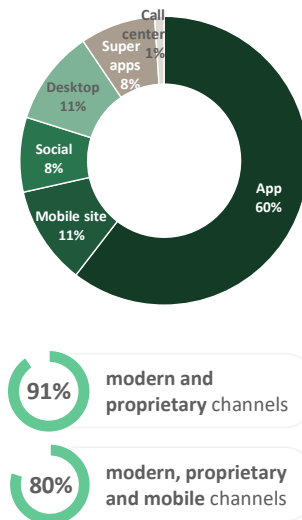
Digital sales and penetration

R\$ millions, % of retail gross revenue



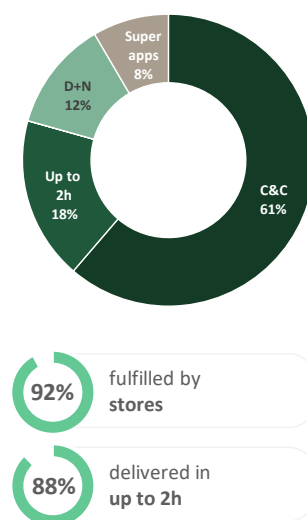
Digital channel mix

% of digital sales



Delivery mix

% of digital sales



We also highlight the importance of our unique nationwide capillarity for digital sales. A total of 93% of the Brazilian A-class population lives within a 1.5 km radius from our stores, a level of proximity that allowed our pharmacies to directly fulfill 92% of the digital orders generated in the quarter, including 88% of deliveries or store pick-ups in up to 2h, and with high economic efficiency.

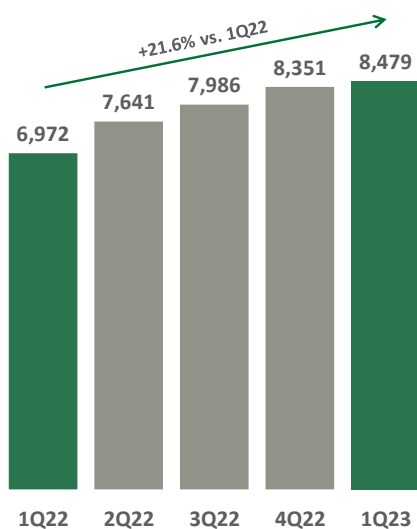
The role of our pharmacies in the promotion of integral health is also advancing. We ended the quarter with over 1.3 thousand units offering enhanced services at our health hubs. Our pharmacies performed or supplied over half a million COVID-19 tests in the 1Q23, including those applied in-store as well as self-tests, totaling 9.7 million since the beginning of the pandemic. Additionally, we ended the period with 284 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 pharmacy experience with an NPS of 90.

Finally, we have continued to structure our Marketplace to offer customers a more complete assortment with the inclusion of new sellers and SKUs. We ended the period with an assortment of 145 thousand SKUs from 452 different sellers. We have also strengthened our healthcare platform and advanced in its customer acquisition, recording more than 16 million unique users accessing Vitat's content throughout the 1Q23.

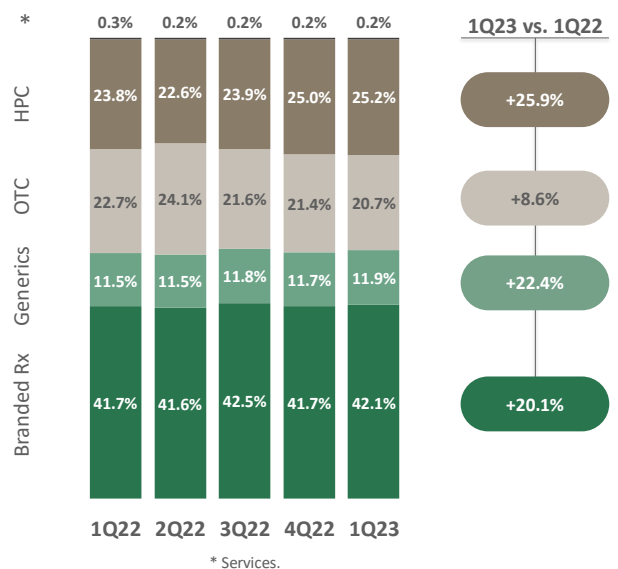
GROSS REVENUES

Consolidated gross revenues

R\$ millions



Retail sales mix

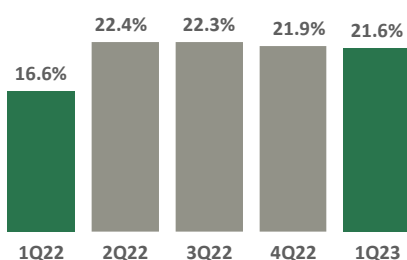


We ended the 1Q23 with a consolidated gross revenue of R\$ 8,479 million, an increase of 21.6%. Our retail sales have grown by 19.2% while 4Bio's sales have increased by 60.1%, posting a contribution to our consolidated growth of 2.4 pp. Lastly, we recorded a negative effect from the sale of COVID-19 tests of 0.6 pp and a positive calendar effect of 0.4 pp.

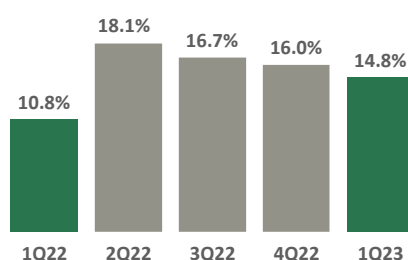
We recorded a growth of 20.1% for branded Rx, 22.4% for generics, 8.6% for OTC and 25.9% for HPC. We highlight the very strong performance sustained by HPC in recent quarters as well as a slowdown in OTC in the 1Q23, due to the elevated comparison base of the 1Q22 driven by the surge of the Omicron variant of the COVID-19 virus recorded in that quarter.

The same-store sales growth totaled 14.8%, with 12.6% for mature stores, a real growth of 7.9 pp above the period's CPI of 4.7%, and of 1.7 pp above the 2022 CMED increase of 10.9%.

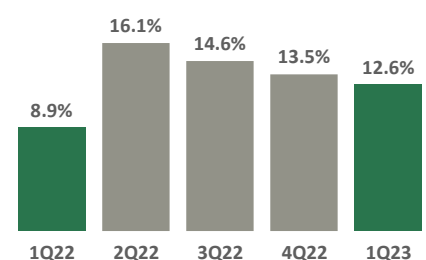
Consolidated revenue growth



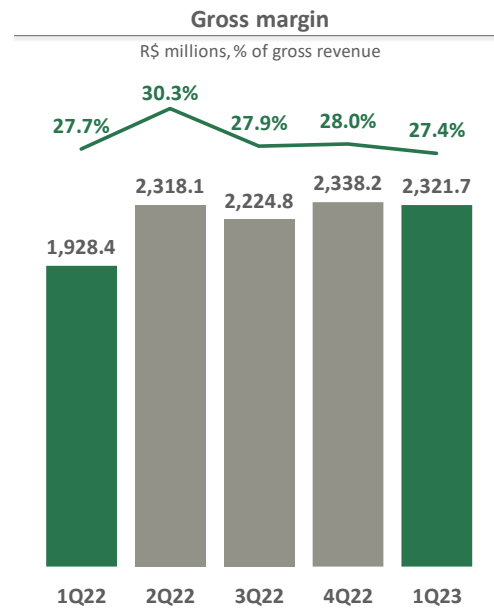
Same-Store sales growth - Retail



Mature-Store sales growth - Retail



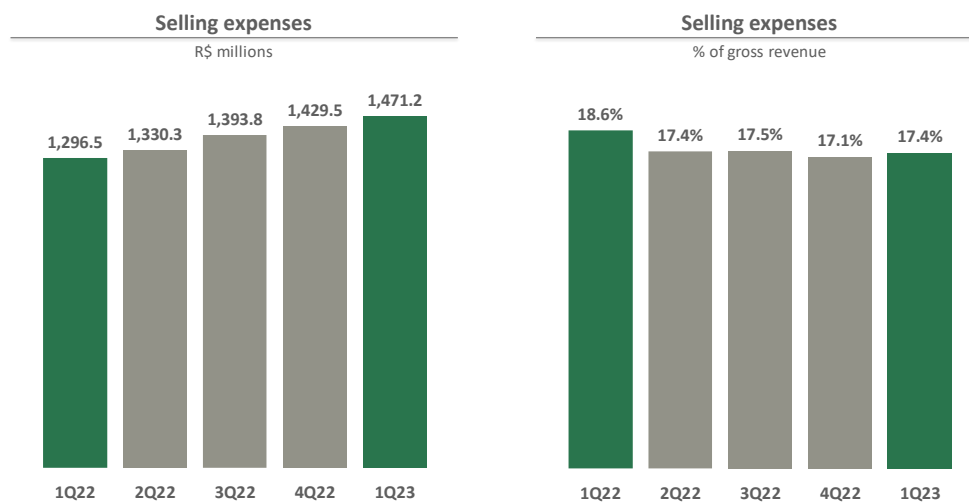
GROSS PROFIT



Our gross profit totaled R\$ 2,321.7 million in the 1Q23, with a gross margin of 27.4%, a 0.3 pp contraction in comparison to the same period of the previous year due to the negative mix effect generated by the strong sales growth of 4Bio, which reached 60.1% in the quarter.

SELLING EXPENSES

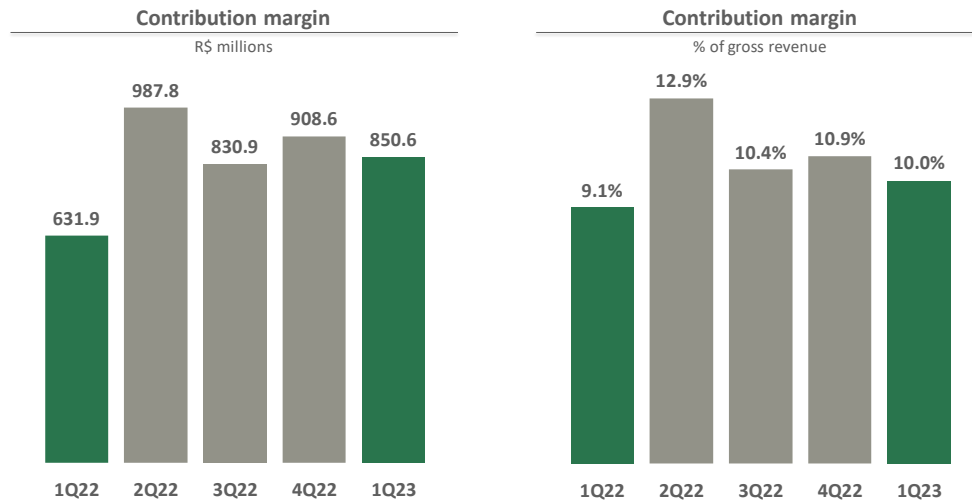
Selling expenses totaled R\$ 1,471.2 million in the 1Q23, equivalent to 17.4% of gross revenue, a 1.2 pp dilution in comparison to the same period of the previous year. We obtained a strong operating leverage gain in the quarter due to the real growth obtained by our mature stores, resulting in dilutions of 0.3 pp in personnel expenses at our pharmacies, 0.2 pp in electricity, 0.2 pp in rental expenses, 0.1 pp in consumables, 0.1 pp in marketing and 0.3 pp in other expenses.



CONTRIBUTION MARGIN

Our contribution margin totaled R\$ 850.6 million in the 1Q23, an increase of 34.6% when compared to the same period of the previous year.

We recorded a margin expansion of 0.9 pp to 10.0% of gross revenues driven by the increase in operating leverage obtained in the period. Our retail contribution margin increase, which excludes the unfavorable mix effect generated by the strong growth of 4Bio, was of 1.4 pp.

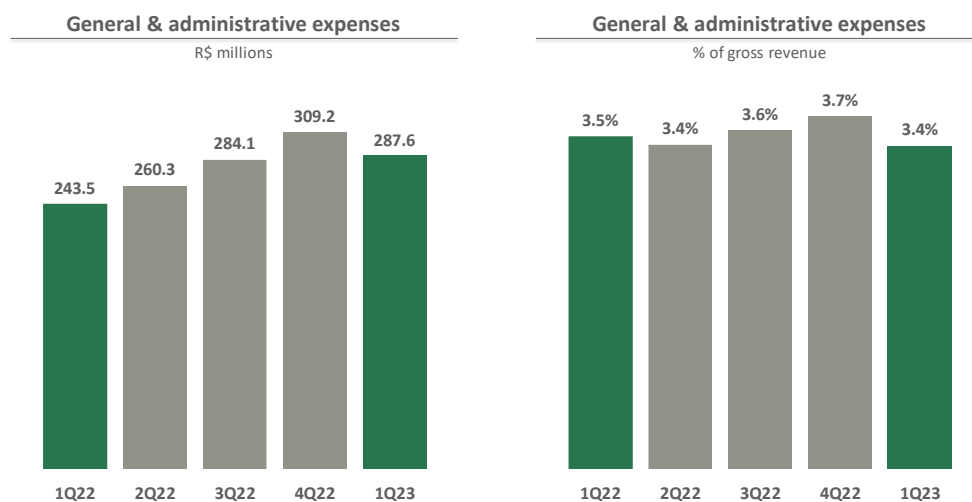


GENERAL & ADMINISTRATIVE EXPENSES

General and administrative expenses totaled R\$ 287.6 million in the 1Q23, equivalent to 3.4% of gross revenue, a 0.1 pp decrease in comparison the same period of 2022 and a sequential dilution of 0.3 pp in comparison to the 4Q22.

This performance, particularly in a quarter with a lower revenue base due to the holidays in January and the short February calendar, underscores the Company's effort to progressively dilute the substantial investments in the corporate structure made in recent years.

We highlight that such investments have been part of the Company's transformation strategy, especially regarding our digitalization initiatives. In addition to diluting G&A, we expect to continue increasing our contribution margin in the coming years due to the enhanced digitalization of our customer relationships.

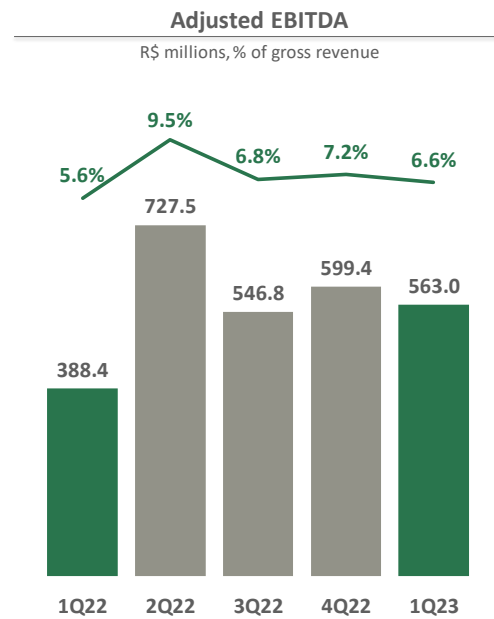


EBITDA

Our adjusted EBITDA totaled R\$ 563.0 million in the 1Q23, a 45.0% increase when compared to the same period of the previous year. This equates to a margin of 6.6% of gross revenue, a 1.0 percentage point increase.

The EBITDA margin of our retail operation totaled 6.9% in the quarter, an increase of 1.4 pp over 1Q22, as the strong growth recorded by 4Bio, which structurally operates at lower margins, resulted in a negative mix effect.

Finally, we started to consolidate in the quarter two start-ups, SafePill and Manipulaê, which generated a negative EBITDA of R\$ 1.1 MM.



EBITDA RECONCILIATION AND NON-RECURRING RESULTS

We recorded in the 1Q23 R\$ 4.0 million in net non-recurring revenues.

This includes R\$ 6.2 million in tax revenues from previous years, net of R\$ 1.3 million in social investments and donations and R\$ 0.9 million in asset write-offs mainly due to store closures.

EBITDA Reconciliation - R\$ millions	1Q23	1Q22
Net income	206.6	153.6
Income tax	9.8	1.5
Equity Equivalence	2.4	(0.0)
Financial Result	159.5	78.2
EBIT	378.3	233.3
Depreciation and amortization	188.6	167.7
EBITDA	566.9	401.0
Social investments and donations	1.3	1.5
Asset write-offs	0.9	1.1
Tax effects and other non-recurring from previous years	(6.2)	(15.2)
Non-recurring/non-operating expenses	(4.0)	(12.6)
Adjusted EBITDA	563.0	388.4

DEPRECIATION, NET FINANCIAL EXPENSES AND INCOME TAXES

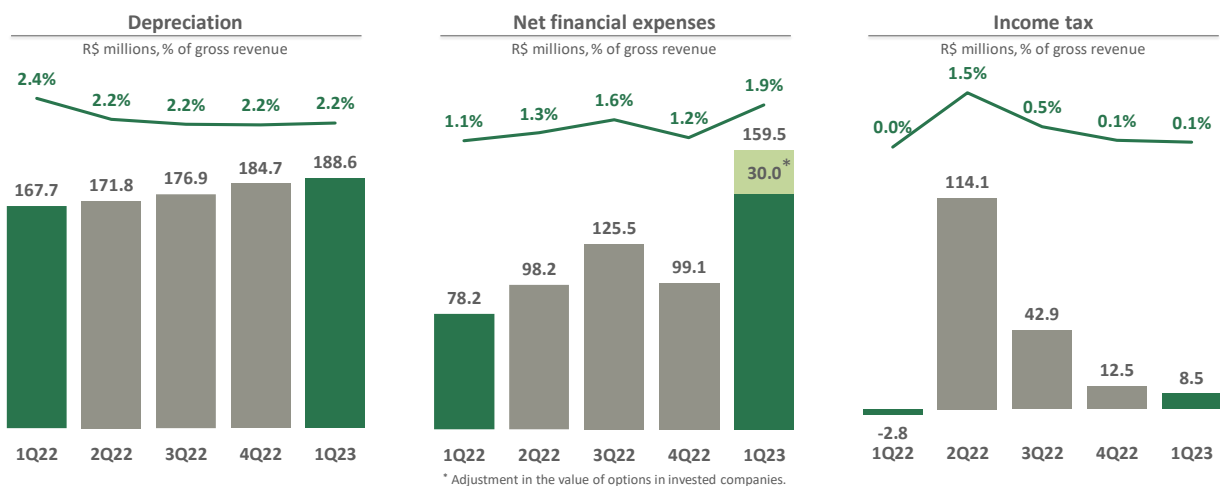
Depreciation expenses amounted to R\$ 188.6 million in the 1Q23, equivalent to 2.2% of gross revenue, a 0.2 pp dilution.

Net financial expenses represented 1.9% of gross revenues in the 1Q23, a 0.8 pp increase when compared to same period of the previous year.

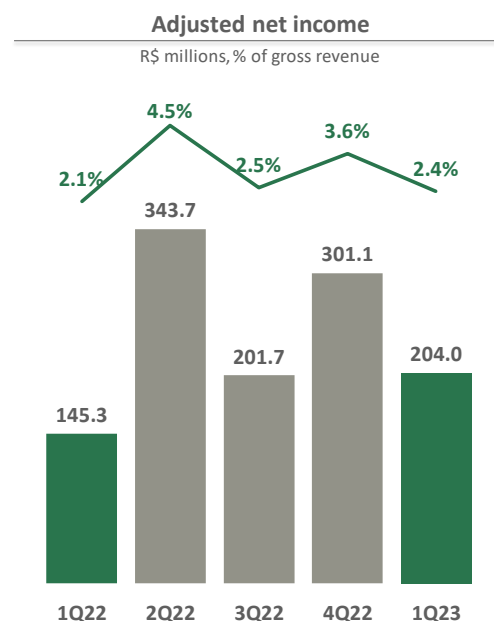
Of the R\$ 159.5 million recorded in the 1Q23, R\$ 77.2 million refer to the actual interests accrued on financial liabilities, equivalent to 0.9% of gross revenue, a 0.2 pp increase when compared to the 1Q22, mainly due to the higher SELIC interest rate. We have also recorded R\$ 52.3 million in NPV adjustments, a non-cash item equivalent to 0.6% of gross revenues, as well as R\$ 30.0 million, equivalent to 0.4% of gross revenues, in additional accruals pertaining to the acquisition of the remaining stakes of invested companies which contracts include call and/or put options.

It is worth noting that in the case of such acquisitions involving control for which there are calls and/or puts outstanding for the minority stakes, the Company consolidates 100% their financial statements, and accrues the estimated amount due as a liability, which is periodically reevaluated based on the performance of the previous years as well as on the projections for the remaining years until the options exercise date, according to the rules of each contract. In the 1Q23 reevaluation, the strong acceleration in 4Bio's performance over recent quarters resulted in a decoupling of this projection versus the amounts previously accrued, leading to a peak in such expenses.

Lastly, we booked R\$ 8.5 million in income taxes in the 1Q23, equivalent to 0.1% of the quarter's gross revenue.



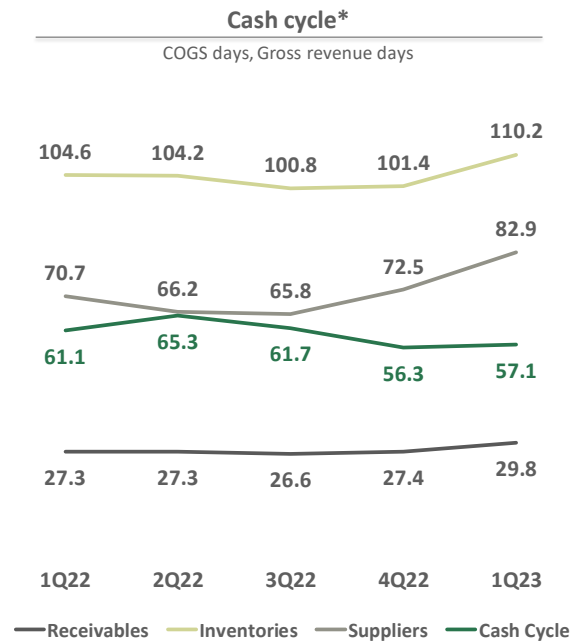
NET INCOME



Our adjusted net income totaled R\$ 204.0 million in the 1Q23, a 40.4% growth in comparison to the same period of the previous year. The adjusted net margin was of 2.4% in the quarter, a 0.3 pp increase versus 1Q22. Excluding the one-off pressure in financial expenses caused by the revaluation of invested companies, the net margin would have reached 2.8%, an expansion of 0.7 pp over the prior year.

CASH CYCLE

The cash cycle in the 1Q23 was of 57.1 days, a sequential decrease of 4.0 days compared to the same period of the previous year.



* Adjusted for discounted receivables and advanced payments to suppliers.

CASH FLOW

Cash flow	1Q23	1Q22
<i>(R\$ million)</i>		
Adjusted EBIT	374.3	220.7
NPV adjustment	(48.5)	(17.7)
Non-recurring expenses	4.0	12.6
Income tax (34%)	(112.1)	(73.3)
Depreciation	188.5	167.7
Others	20.7	18.1
Resources from operations	426.9	328.1
Cash cycle*	(173.2)	(433.7)
Other assets (liabilities)**	(68.1)	(42.2)
Operating cash flow	185.6	(147.8)
Investments	(227.9)	(172.8)
Free cash flow	(42.2)	(320.7)
M&A and other investments	(12.8)	(19.4)
Interest on equity and dividends	(0.0)	(0.1)
Net financial expenses***	(107.2)	(46.8)
Tax benefit (fin. exp., IoE, dividends)	63.7	38.4
Total Cash Flow	(98.7)	(348.6)

*Includes adjustments to discounted receivables.

**Includes NPV adjustments.

***Excludes NPV adjustments.

In the 1Q23, we recorded a negative free cash flow of R\$ 42.2 million, with a total cash consumption of R\$ 98.7 million. Resources from operations totaled R\$ 426.9 million, equivalent to 5.0% of gross revenue. We recorded a reduction in working capital of R\$ 241,3 million, resulting in an operating cash flow of R\$ 185.6 million, that almost entirely financed the CAPEX of R\$ 227.9 million.

Of the R\$ 227.9 million invested in the 1Q23, R\$ 100.7 million were used for the opening of new pharmacies, R\$ 25.4 million for the renovation or expansion of existing units, R\$ 45.6 million for IT, R\$ 50.2 million for logistics and R\$ 5.9 million for other projects. Lastly, we invested an additional R\$ 12.8 million with subsidiaries.

Net financial expenses resulted in payments of R\$ 107.2 million in the 1Q23. These payments were partially offset by R\$ 63.7 million in tax benefits related to net financial expenses and interest on equity.

Lastly, we provisioned R\$ 80.0 million in interest on capital in the 1Q23, in comparison to the R\$ 66.0 million provisioned in the 1Q22.

INDEBTEDNESS

We ended the 1Q23 with an adjusted net debt of R\$ 2,144.3 million, corresponding to a leverage of 0.9x the EBITDA of the last twelve months.

Adjusted net debt considers R\$ 148.2 million in discounted receivables, R\$ 3.7 million in advanced payments to suppliers in order to optimize the use of available cash, and R\$ 94.7 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)	1Q22	2Q22	3Q22	4Q22	1Q23
Short-term Debt	533.5	228.2	134.8	186.4	443.8
Long-term Debt	1,635.6	2,141.4	2,130.2	2,131.5	1,832.6
Total Gross Debt	2,169.1	2,369.6	2,265.0	2,317.9	2,276.4
(-) Cash and Equivalents	466.2	818.8	371.2	433.5	371.3
Net Debt	1,702.9	1,550.8	1,893.8	1,884.4	1,905.1
Discounted Receivables	-	344.6	-	216.1	148.2
Advances to suppliers	-	-	(50.7)	(119.5)	(3.7)
Put/Call options of investments (estimated)	38.7	39.5	64.1	64.7	94.7
Adjusted Net Debt	1,741.6	1,934.8	1,907.3	2,045.6	2,144.3
Adjusted Net Debt / EBITDA	1.0x	1.0x	0.9x	0.9x	0.9x

At the end of the quarter, our gross debt totaled R\$ 2,276.4 million, of which 82.5% corresponds to the debentures issued in 2019, and 2022, to the Certificate of Real Estate Receivables issued in 2019 and 2022. The remaining 17.5% corresponds to other credit lines. Of the total indebtedness, 81% is long-term, and 19% is short-term. We ended the quarter with a total cash and equivalents position of R\$ 371.3 million.

TOTAL SHAREHOLDER RETURNS

Stock price appreciation



Our share price increased by 3.1% in 2023, 10.3 pp greater than the IBOVESPA. Since the IPO of Drogasil, we achieved a cumulative share appreciation of 2,083% versus a return of only 87% for the IBOVESPA. Including the payment of interest on equity and dividends, we generated an average annual total return to shareholders of 22.1%.

Considering the IPO of Raia in December of 2010, the cumulative return amounted to 739% versus an increase of only 50% of the IBOVESPA. Considering the payment of interest on equity and dividends, this resulted in an average annual total return to shareholders of 19.4%. Lastly, our shares recorded an average daily trading volume of R\$ 140 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, under Interactive Spreadsheets.

Income Statement (R\$ millions)	1Q23		Change
	IAS 17	IFRS 16	Δ 1Q23
Gross Revenue	8,479.0	8,479.0	0.0
Gross Profit	2,321.7	2,321.7	0.0
Gross Margin	27.4%	27.4%	0.0%
Selling Expenses	(1,471.2)	(1,210.7)	260.5
G&A	(287.6)	(286.6)	1.0
Total Expenses	(1,758.8)	(1,497.3)	261.5
as % of Gross Revenue	20.7%	17.7%	(3.1%)
Adjusted EBITDA	563.0	824.5	261.5
as % of Gross Revenue	6.6%	9.7%	3.1%
Non-Recurring Expenses / Revenues	4.0	6.1	2.1
Depreciation and Amortization	(188.6)	(395.3)	(206.6)
Financial Results	(159.5)	(229.1)	(69.6)
Equity Equivalence	(2.4)	(2.6)	(0.2)
Income Tax	(9.8)	(5.5)	4.3
Net Income	206.6	198.0	(8.6)
as % of Gross Revenue	2.4%	2.3%	(0.1%)

Balance Sheet (R\$ millions)	1Q23		Change
	IAS 17	IFRS 16	Δ 1Q23
Assets	14,879.5	18,249.4	3,369.9
Current Assets	10,616.9	10,616.9	0.0
Non-Current Assets	4,262.7	7,632.5	3,369.9
Other Credits	6.1	5.7	(0.4)
Property, Plant and Equipment	2,222.9	2,223.0	0.1
Right of use	0.0	3,370.2	3,370.2
Liabilities and Shareholder's Equity	14,879.5	18,249.4	3,369.9
Current Liabilities	6,852.6	7,620.3	767.7
Financial Leases	0.0	778.0	778.0
Other Accounts Payable	326.3	316.0	(10.3)
Non-Current Liabilities	2,262.9	5,105.5	2,842.6
Financial Leases	0.0	2,966.2	2,966.2
Income Tax and Social Charges Deferred	148.3	24.7	(123.7)
Shareholder's Equity	5,764.1	5,523.7	(240.4)
Income Reserves	2,781.2	2,549.2	(232.0)
Accrued Income	120.6	112.3	(8.3)
Non Controller Interest	65.1	65.0	(0.1)

Cash Flow (R\$ millions)	1Q23		Change
	IAS 17	IFRS 16	Δ 1Q23
Adjusted EBIT	374.3	429.2	54.9
Non-Recurring Expenses	4.0	6.1	2.1
Income Tax (34%)	(112.1)	(131.5)	(19.4)
Depreciation	188.5	395.3	206.7
Rental Expenses	0.0	(263.6)	(263.6)
Others	20.7	40.0	19.3
Resources from Operations	426.9	426.9	0.0
Operating Cash Flow	185.6	185.6	0.0
Investments	(227.9)	(227.9)	0.0
Free Cash Flow	(42.2)	(42.2)	0.0
Total Cash Flow	(98.7)	(98.7)	0.0

*Includes adjustments to discounted receivables.

**Includes NPV adjustments

***Excludes NPV adjustments

1Q23 Results Conference Calls: May 03rd, 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

Consolidated Adjusted Income Statement <i>(R\$ thousands)</i>	1Q22	1Q23
Gross Revenue	6,972,490	8,479,007
Taxes, Discounts and Returns	(409,986)	(547,661)
Net Revenue	6,562,504	7,931,346
Cost of Goods Sold	(4,634,074)	(5,609,602)
Gross Profit	1,928,431	2,321,744
Operational (Expenses) Revenues		
Sales	(1,296,526)	(1,471,190)
General and Administrative	(243,528)	(287,597)
Operational Expenses	(1,540,054)	(1,758,787)
EBITDA	388,377	562,957
Depreciation and Amortization	(167,692)	(188,611)
Operational Earnings before Financial Results	220,685	374,346
Financial Expenses	(124,996)	(250,956)
Financial Revenue	46,762	91,422
Financial Expenses/Revenue	(78,233)	(159,535)
Equity Equivalence	44	(2,382)
Earnings before Income Tax and Social Charges	142,495	212,429
Income Tax and Social Charges	2,775	(8,464)
Net Income	145,270	203,964

Consolidated Income Statement <i>(R\$ thousands)</i>	1Q22	1Q23
Gross Revenue	6,972,490	8,479,007
Taxes, Discounts and Returns	(409,986)	(547,661)
Net Revenue	6,562,504	7,931,346
Cost of Goods Sold	(4,634,074)	(5,609,602)
Gross Profit	1,928,431	2,321,744
Operational (Expenses) Revenues		
Sales	(1,296,526)	(1,471,190)
General and Administrative	(243,528)	(287,597)
Other Operational Expenses, Net	12,607	3,972
Operational Expenses	(1,527,447)	(1,754,814)
EBITDA	400,984	566,929
Depreciation and Amortization	(167,692)	(188,611)
Operational Earnings before Financial Results	233,292	378,318
Financial Expenses	(124,996)	(250,956)
Financial Revenue	46,762	91,422
Financial Expenses/Revenue	(78,233)	(159,535)
Equity Equivalence	44	(2,382)
Earnings before Income Tax and Social Charges	155,102	216,401
Income Tax and Social Charges	(1,511)	(9,815)
Net Income	153,591	206,586

Assets (R\$ thousands)	1Q22	1Q23
Current Assets		
Cash and Cash Equivalents	466,154	371,267
Financial Investments	-	992
Accounts Receivable	2,089,165	2,630,057
Inventories	5,324,337	6,791,082
Taxes Receivable	267,334	395,475
Other Accounts Receivable	260,604	315,951
Anticipated Expenses	76,399	112,042
	<u>8,483,993</u>	<u>10,616,865</u>
Non-Current Assets		
Deposit in Court	29,082	137,185
Taxes Receivable	127,773	128,056
Income Tax and Social Charges deferred	47,055	16,771
Other Credits	39,964	6,116
Investments	1,071	2,426
Property, Plant and Equipment	2,004,251	2,222,854
Intangible	1,488,761	1,749,274
	<u>3,737,957</u>	<u>4,262,681</u>
ASSETS	<u>12,221,950</u>	<u>14,879,546</u>
Liabilities and Shareholder's Equity (R\$ thousands)	1Q22	1Q23
Current Liabilities		
Suppliers	3,600,986	5,106,694
Loans and Financing	533,453	443,799
Salaries and Social Charges Payable	431,110	526,308
Taxes Payable	176,333	263,123
Dividend and Interest on Equity	133,780	131,995
Provision for Lawsuits	44,353	54,372
Other Accounts Payable	251,774	326,298
	<u>5,171,790</u>	<u>6,852,588</u>
Non-Current Liabilities		
Loans and Financing	1,635,615	1,832,601
Provision for Lawsuits	49,857	54,645
Income Tax and Social Charges deferred	191,019	148,311
Other Accounts Payable	152,000	227,337
	<u>2,028,491</u>	<u>2,262,894</u>
Shareholder's Equity		
Common Stock	2,500,000	2,500,000
Capital Reserves	88,981	115,466
Revaluation Reserve	11,474	11,313
Income Reserves	2,267,879	2,781,229
Accrued Income	84,360	120,644
Equity Adjustments	3,261	2,809
Non Controller Interest	43,585	65,076
Additional Dividend Proposed	22,129	167,526
	<u>5,021,670</u>	<u>5,764,064</u>
LIABILITIES AND SHAREHOLDERS' EQUITY	<u>12,221,950</u>	<u>14,879,546</u>

Cash Flow	1Q22	1Q23
<i>(R\$ thousands)</i>		
Earnings before Income Tax and Social Charges	155,102	216,401
Adjustments		
Depreciation and Amortization	167,693	188,541
Compensation plan with restricted shares, net	(933)	2,598
Interest over additional stock option	755	29,969
P,P&E and Intangible Assets residual value	6,621	15,872
Provisioned Lawsuits	8,352	16,239
Provisioned Inventory Loss	6,320	(12,858)
Provision for Doubtful Accounts	2,858	1,334
Provisioned Store Closures	(4,553)	(2,474)
Interest Expenses	51,241	81,364
Debt Issuance Costs Amortization	1,080	1,321
Equity Equivalence Result	(30)	2,382
Discount on rentals	(577)	-
	393,929	540,689
Assets and Liabilities variation		
Clients and Other Accounts Receivable	(381,967)	(321,950)
Inventories	(212,858)	(652,168)
Other Short Term Assets	2,384	(100,826)
Long Term Assets	(7,526)	111,816
Suppliers	(44,842)	848,858
Salaries and Social Charges	10,754	(35,315)
Taxes Payable	(54,563)	(109,029)
Other Liabilities	39,458	36,734
Rents Payable	(3,271)	(1,690)
Cash from Operations	(258,502)	317,119
Interest Paid	(29,891)	(100,213)
Income Tax and Social Charges Paid	(40,282)	-
Paid lawsuits	(11,002)	(14,463)
Net Cash from (invested) Operational Activities	(339,677)	202,443
Investment Activities Cash Flow		
P,P&E and Intangible Acquisitions	(188,236)	(240,719)
Loans granted to subsidiaries	(4,000)	-
Net Cash from Investment Activities	(192,236)	(240,719)
Financing Activities Cash Flow		
Funding	743,251	20,577
Payments	(101,202)	(44,552)
Interest on Equity and Dividends Paid	(99)	(23)
Net Cash from Funding Activities	641,950	(23,998)
Cash and Cash Equivalents net increase	110,037	(62,274)
Cash and Cash Equivalents in the beginning of the period	356,116	433,540
Cash and Cash Equivalents in the end of the period	466,153	371,266