

(A free translation of the original in Portuguese)

Raia Drogasil S.A.

Individual and Consolidated
Interim Financial Information
At March 31, 2023



**Individual and Consolidated
Interim Financial Information
At March 31, 2023**

(A free translation of the original in Portuguese)

Contents

Comments on company performance.....	4
Individual and consolidated interim financial information	
Balance sheets.....	5
Statements of income.....	6
Statements of comprehensive income.....	6
Statements of changes in equity.....	7
Statements of cash flows.....	8
Statements of value added.....	9
Notes to the individual and consolidated interim financial information	
1. Operations.....	28
2. Presentation of quarterly information.....	29
3. New accounting procedures, amendments to and interpretations of standards.....	30
4. Significant accounting practices.....	31
5. Cash and cash equivalents.....	31
6. Held-to-maturity investments.....	31
7. Trade receivables.....	32
8. Inventories.....	32
9. Recoverable taxes.....	33
10. Investments.....	34
11. Fixed assets.....	41

**Individual and Consolidated
Interim Financial Information
At March 31, 2023**

12. Intangible assets	46
13. Employee benefits	51
14. Suppliers - Forfait.....	51
15. Borrowings, debentures and promissory notes	53
16. Leases.....	58
17. Provision for contingencies and judicial deposits.....	62
18. Income tax and social contribution	65
19. Earnings per share	67
20. Equity	68
21. Net sales revenue	71
22. Information on the nature of expenses recognized in the statement of income	72
23. Other operating (income)/expenses, net	73
24. Finance income (costs)	74
25. Financial instruments and risk management policy	75
26. Transactions with related parties	79
27. Insurance coverage.....	82
28. Non-cash transactions	83
Report on review of quarterly information.....	84
Comments on business projections performance.....	86
Supervisory Board's Opinion	87
Officers' representation on quarterly information	88
Officers' representation on independent auditor's report	89

(A free translation of the original in Portuguese)

Comments on company performance

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 corporate overhead (gross profit – 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)

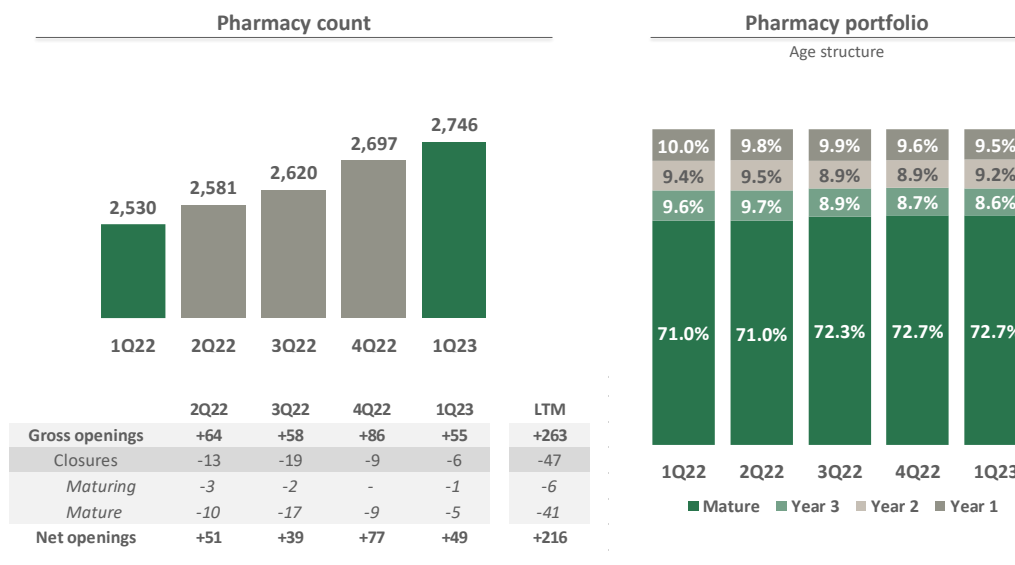
Individual and Consolidated Interim Financial Information At March 31, 2023

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.

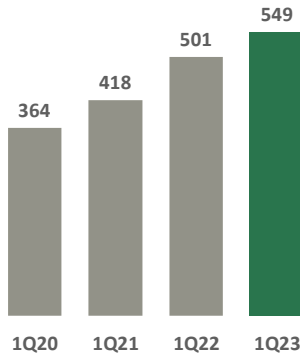


Our expansion has diversified our pharmacy network both geographically and demographically. Of the openings undertaken over the last twelve months, 78% have happened outside the state of São Paulo, our native market. Of the 316 Brazilian cities with more than 100,000 inhabitants, we already have stores 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.

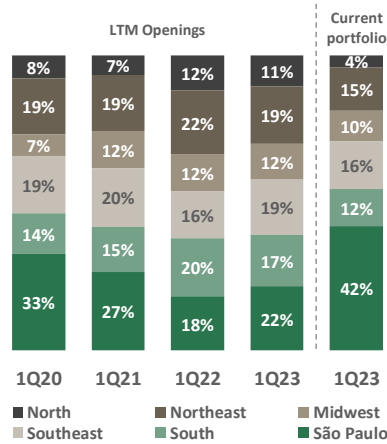
Lastly, we opened a new distribution center in the city of Cuiabá (MT), and have 2 other DCs, in the greater Belém area (PA) and Manaus (AM), to be opened in the coming months, which will contribute towards the reduction in freight costs while improving service levels in these regions.

Individual and Consolidated Interim Financial Information At March 31, 2023

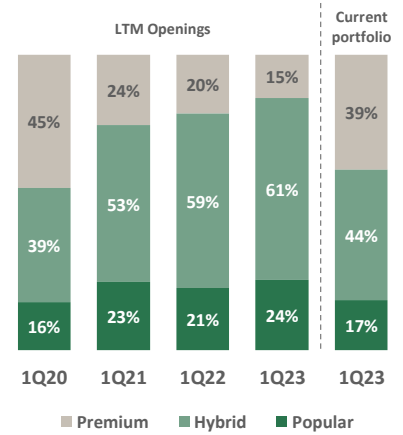
Cities with pharmacies



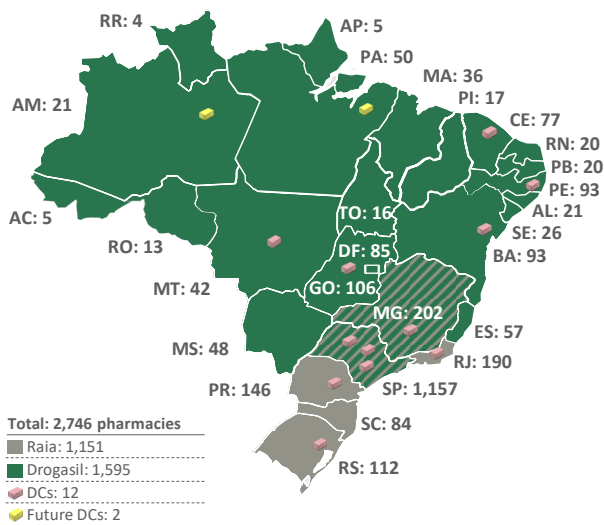
Network composition by region*



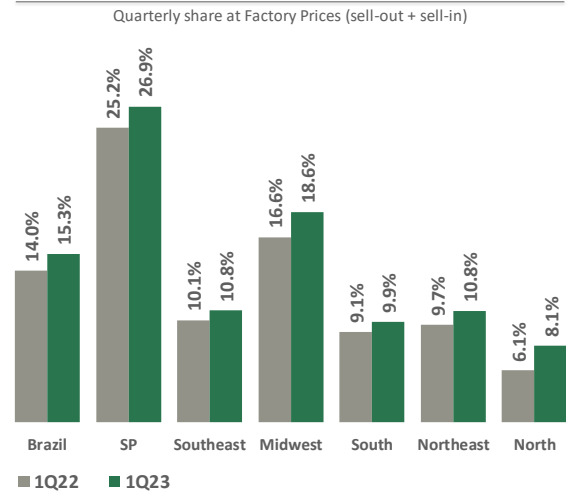
Network composition by format



Pharmacy geographic presence



Retail market share



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

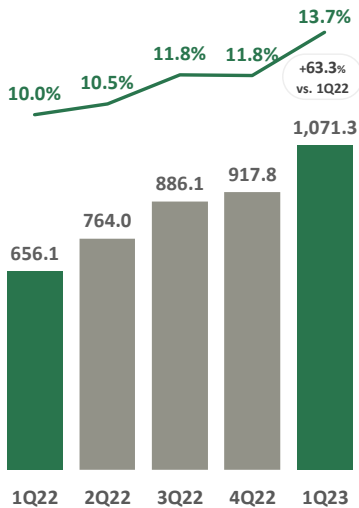
We are advancing in our digital strategy at a fast pace. We reached the milestone of R\$ 1,071.3 million in digital revenues in the 1Q23, representing a retail penetration of 13.7% and a growth of 63.3% over the same period of the previous year.

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.

Individual and Consolidated Interim Financial Information At March 31, 2023

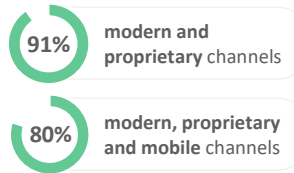
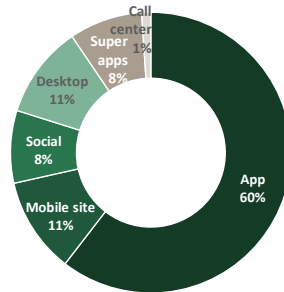
Digital sales and penetration

R\$ millions, % of retail gross revenue



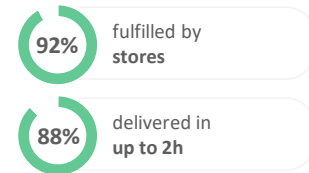
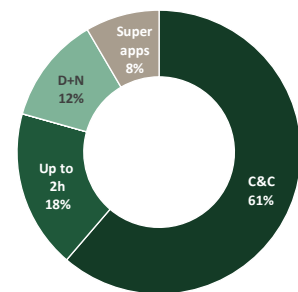
Digital channel mix

% 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.

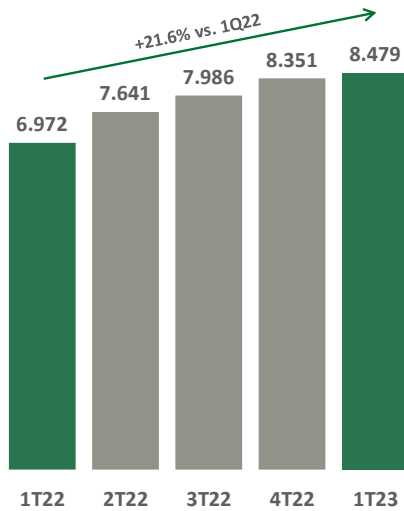
Finally, we have continued to structure our Marketplace to offer customers a more complete assortment with the inclusion of new sellers and SKUs. We ended the period with an assortment of 145 thousand SKUs from 452 different sellers. We have also strengthened our healthcare platform and advanced in its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

Individual and Consolidated Interim Financial Information At March 31, 2023

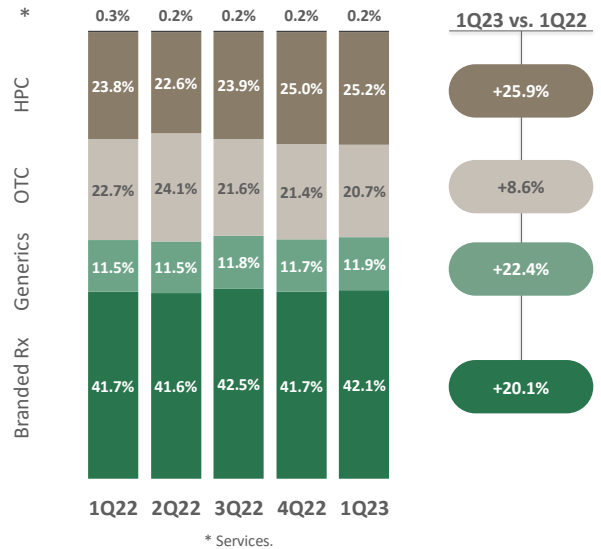
GROSS REVENUES

Consolidated gross revenue

R\$ millions



Retail sales mix

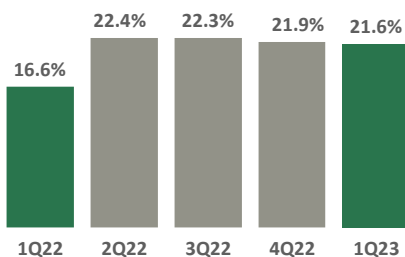


We ended the 1Q23 with a consolidated gross revenue of R\$ 8,479 million, an increase of 21.6%. Our retail sales have grown by 19.2% while 4Bio's sales have increased by 60.1%, posting a contribution to our consolidated growth of 2.4 pp. Lastly, we recorded a negative effect from the sale of COVID-19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

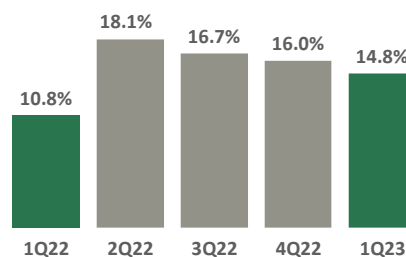
We recorded a growth of 20.1% for branded Rx, 22.4% for generics, 8.6% for OTC and 25.9% for HPC. We highlight the very strong performance sustained by HPC in recent quarters as well as a slowdown in OTC in the 1Q23, due to the elevated comparison base of the 1Q22 driven by the surge of the Omicron variant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

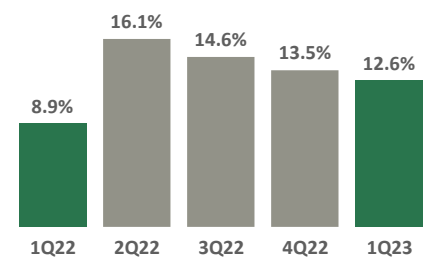
Consolidated revenue growth



Same-Store sales growth - Retail

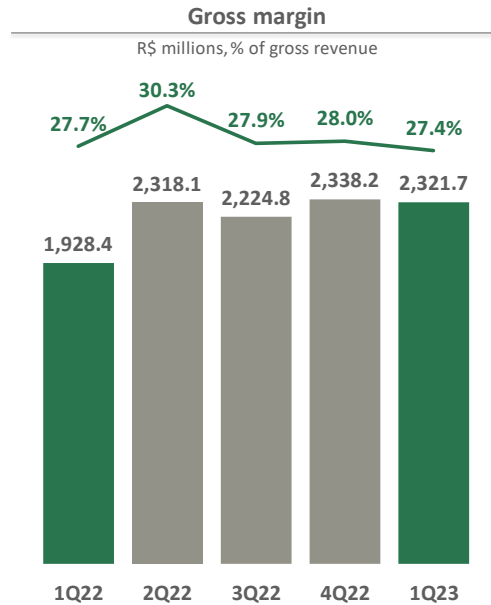


Mature-Store sales growth - Retail



**Individual and Consolidated
Interim Financial Information
At March 31, 2023**

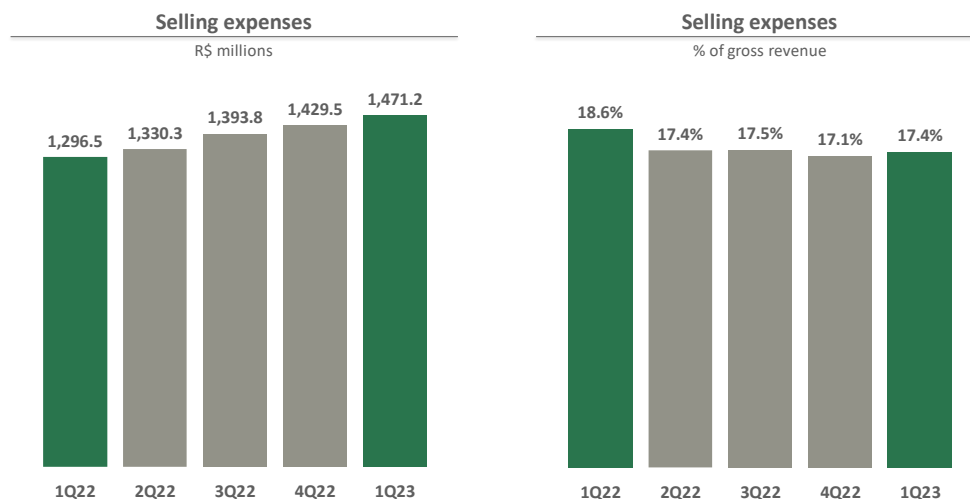
GROSS PROFIT



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

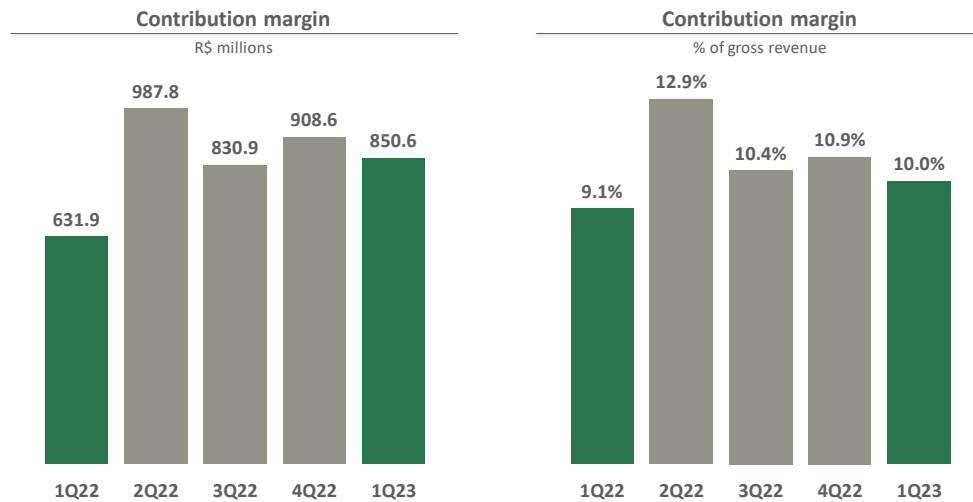
Selling expenses totaled R\$ 1,471.2 million in the 1Q23, equivalent to 17.4% of gross revenue, a 1.2 pp dilution in comparison to the same period of the previous year. We obtained a strong operating leverage gain in the quarter due to the real growth obtained by our mature stores, resulting in dilutions 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.



Individual and Consolidated Interim Financial Information At March 31, 2023

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.

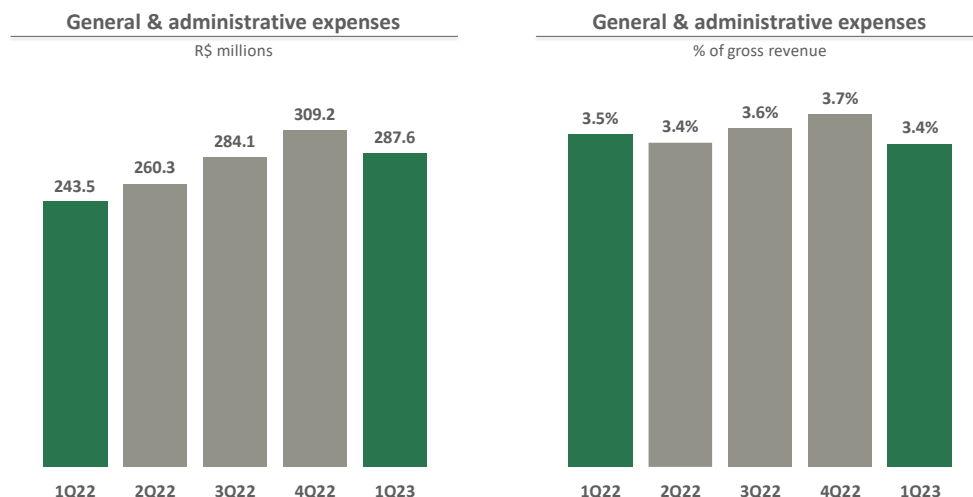


GENERAL & ADMINISTRATIVE EXPENSES

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.



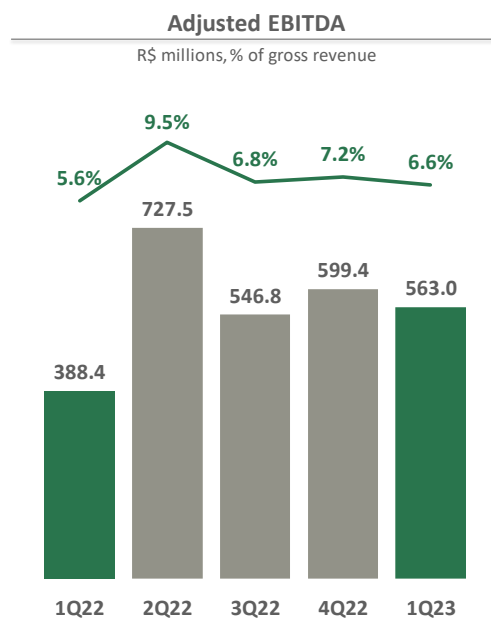
Individual and Consolidated Interim Financial Information At March 31, 2023

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.

Individual and Consolidated Interim Financial Information At March 31, 2023

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

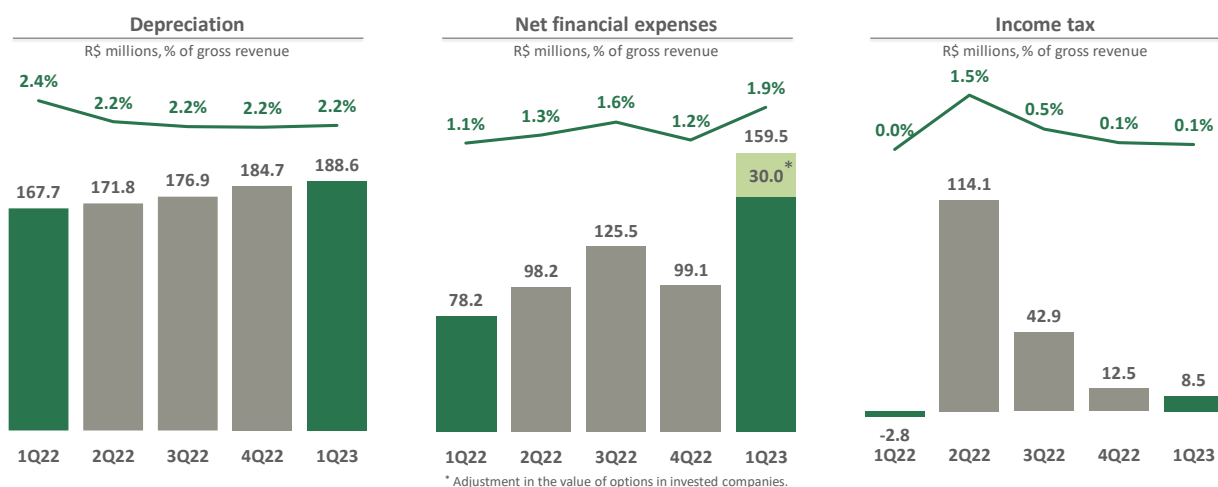
Depreciation expenses amounted to R\$ 188.6 million in the 1Q23, equivalent to 2.2% of gross revenue, a 0.2 pp dilution.

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.

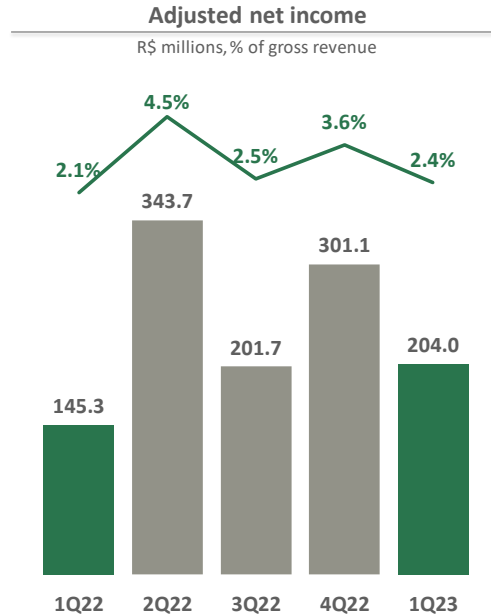
It is worth noting that in the case of such acquisitions involving control for which there are calls and/or puts outstanding for the minority stakes, the Company consolidates 100% their financial statements, and accrues the estimated amount due as a liability, which is periodically reevaluated based 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.



**Individual and Consolidated
Interim Financial Information
At March 31, 2023**

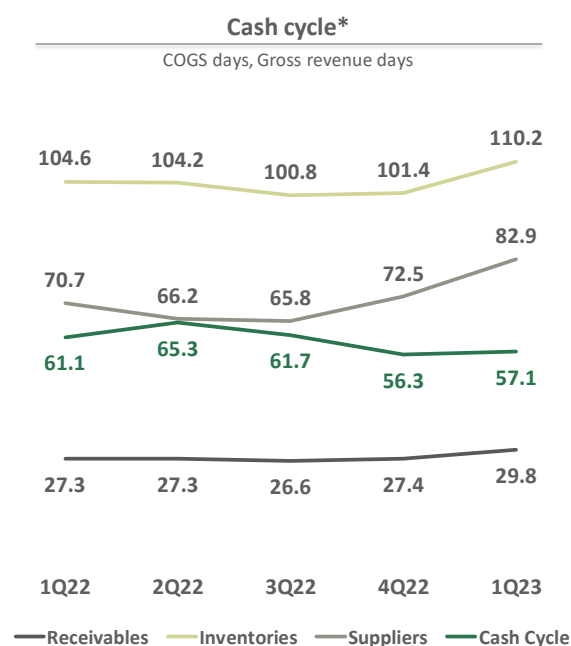
NET INCOME



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.

Individual and Consolidated Interim Financial Information At March 31, 2023

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.

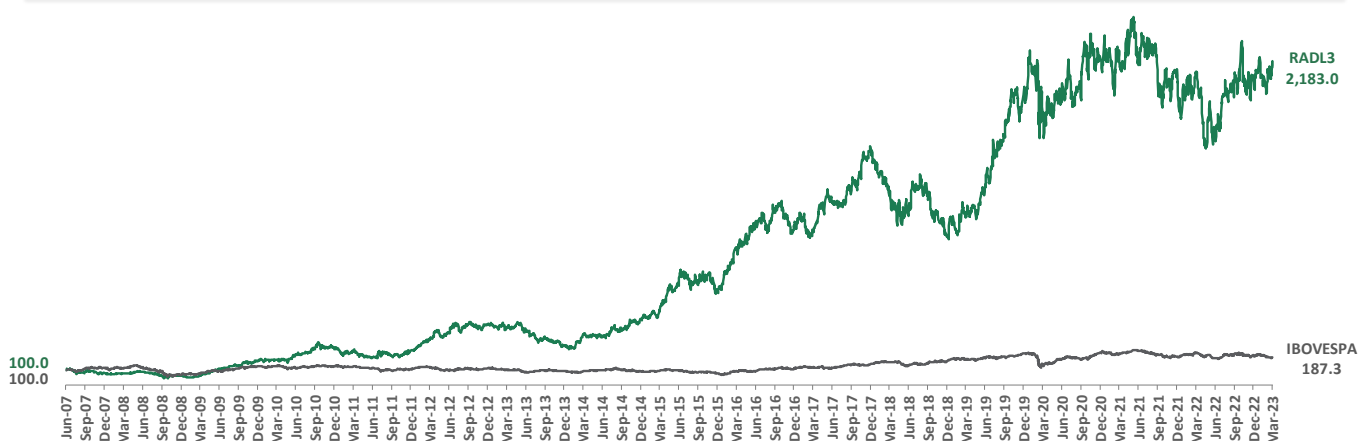
Individual and Consolidated Interim Financial Information At March 31, 2023

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.

**Individual and Consolidated
Interim Financial Information
At March 31, 2023**

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)

**Individual and Consolidated
Interim Financial Information
At March 31, 2023**

<i>Cash Flow (R\$ millions)</i>	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

**Individual and Consolidated
Interim Financial Information
At March 31, 2023**

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

**Individual and Consolidated
Interim Financial Information
At March 31, 2023**

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

**Individual and Consolidated
Interim Financial Information
At March 31, 2023**

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>

**Individual and Consolidated
Interim Financial Information
At March 31, 2023**

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>

**Individual and Consolidated
Interim Financial Information
At March 31, 2023**

Cash Flow <i>(R\$ thousands)</i>	1Q22	1Q23
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

Balance sheets
March 31, 2023
All amounts in thousands of reais

Assets	Note	Parent Company		Consolidated		Liabilities and equity	Note	Parent Company		Consolidated	
		Mar/23	Dec/2022	Mar/23	Dec/2022			Mar/23	Dec/2022	Mar/23	Dec/2022
Current assets						Current liabilities					
Cash and cash equivalents	5	301,078	364,374	371,267	433,541	Suppliers	14	4,572,104	3,993,411	4,998,116	4,252,361
Financial investments	6	992	-	992	-	Suppliers - Forfait	14.1	108,578	6,556	108,578	6,556
Trade receivables	7	2,151,622	1,923,938	2,630,057	2,295,640	Borrowings	15	344,978	108,279	443,799	186,356
Inventories	8	6,557,530	6,000,509	6,791,082	6,126,056	Leases payable	16	776,061	757,265	778,005	759,301
Recoverable taxes	9	389,221	387,496	395,512	393,336	Salaries and social charges	-	504,150	542,583	526,308	561,624
Other current assets	-	304,978	259,929	315,927	266,881	Taxes and contributions	-	243,330	193,069	260,404	211,508
Prepaid expenses	-	111,172	60,808	112,041	61,614	Dividends and interest on capital	-	131,995	62,417	131,995	62,417
						Income tax and social contribution	18	26	-	2,719	1,790
						Provision for legal claims	17	54,372	53,584	54,372	53,584
						Other current liabilities	-	298,670	264,043	316,019	271,671
		9,816,593	8,997,054	10,616,878	9,577,068			7,034,264	5,981,207	7,620,315	6,367,168
Non-current assets						Non-current liabilities					
Long-term receivables						Borrowings	15	1,832,496	2,131,327	1,832,601	2,131,548
Judicial deposits	17	16,599	20,792	137,185	137,624	Leases payable	16	2,964,757	2,978,958	2,966,204	2,980,707
Recoverable taxes	9	100,021	98,250	128,057	121,434	Deferred income tax and social contribution	18b	23,405	16,360	24,656	17,660
Deferred income tax and social contribution	18b	-	-	16,771	10,357	Provision for legal claims	17	54,488	54,855	54,644	55,012
Prepaid expenses	-	3,147	3,147	3,147	3,149	Payables to subsidiary's shareholder	-	94,680	64,710	94,680	64,710
Related parties	-	1,348	8,179	-	13,801	Provisions for losses on investments	10	-	-	3,438	1,756
Other non-current assets	-	469	469	2,522	4,426	Other non-current liabilities	-	86,810	103,191	129,234	163,804
		121,584	130,837	287,682	290,791			5,056,636	5,349,401	5,105,457	5,415,197
Investments	10	617,316	581,174	2,413	4,479	Total liabilities		12,090,900	11,330,608	12,725,772	11,782,365
Fixed assets	11	2,208,747	2,181,832	2,222,961	2,196,405	Equity	20				
Intangible assets	12	1,418,362	1,405,794	1,749,274	1,738,111	Attributable to owners of the Company					
Right-of-use lease	16	3,366,957	3,374,779	3,370,216	3,378,452	Share capital	-	2,500,000	2,500,000	2,500,000	2,500,000
		7,611,382	7,543,579	7,344,864	7,317,447	Capital reserves	-	115,466	112,762	115,466	112,762
		7,732,966	7,674,416	7,632,546	7,608,238	Revenue reserves	-	2,549,243	2,549,243	2,549,243	2,549,243
						Proposed additional dividend	-	167,526	167,526	167,526	167,526
						Carrying value adjustments	-	14,122	11,331	14,122	11,331
						Retained earnings	-	112,302	-	112,302	-
								5,458,659	5,340,862	5,458,659	5,340,862
						Noncontrolling interests	-	-	-	64,993	62,079
						Total equity		5,458,659	5,340,862	5,523,652	5,402,941
Total assets		17,549,559	16,671,470	18,249,310	17,185,306	Total liabilities and equity		17,549,559	16,671,470	18,249,424	17,185,306

Statements of income
Three-month period ended March 31, 2023
All amounts in thousands of reais, except earnings per capital share

Statements of income

	Note	Parent Company		Consolidated	
		Mar/23	Mar/22	Mar/23	Mar/22
Net sales revenue	21	7,314,527	6,164,261	7,931,346	6,562,510
Cost of sales	22	(5,048,526)	(4,292,458)	(5,609,602)	(4,634,073)
Gross profit		2,266,001	1,871,803	2,321,744	1,928,437
Operating (expenses) income					
Selling expenses	22	(1,535,606)	(1,364,292)	(1,560,771)	(1,388,041)
General and administrative expenses	22	(312,310)	(259,327)	(331,766)	(277,239)
Other operating income /(expenses)	23	2,562	8,413	6,058	12,608
Equity in the results of subsidiaries	10	11,276	6,194	(2,581)	30
		(1,834,078)	(1,609,012)	(1,889,060)	(1,652,642)
Profit before finance results		431,923	262,791	432,684	275,795
Finance income (costs)					
Finance income	24	73,545	41,395	91,421	46,762
Finance costs	24	(306,135)	(175,872)	(320,569)	(182,123)
		(232,590)	(134,477)	(229,148)	(135,361)
Profit before income tax and social contribution		199,333	128,314	203,536	140,434
Income tax and social contribution					
Current	-	(111)	(2,233)	(4,916)	(9,140)
Deferred	-	(7,062)	14,559	(601)	12,615
	18	(7,073)	12,326	(5,517)	3,475
Profit for the period		192,260	140,640	198,019	143,909
Attributable to:					
Owners of the Company	-	-	-	192,260	140,640
Noncontrolling interests	-	-	-	5,759	3,269
		192,260	140,640	198,019	143,909
Basic earnings per share	19	0.11667	0.08537	0.11667	0.08537
Diluted earnings per share	19	0.11427	0.08445	0.11427	0.08445

Statements of comprehensive income

	Note	Parent Company		Consolidated	
		Mar/23	Mar/22	Mar/23	Mar/22
Profit for the period		192,260	140,640	198,019	143,909
Components of comprehensive income					
Other comprehensive income that will affect the result in a subsequent period	-	(452)	-	(452)	-
Total comprehensive income for the period		191,808	140,640	197,567	143,909
Attributable to:					
Owners of the Company	-	191,808	140,640	191,808	140,640
Noncontrolling interests	-	-	-	5,759	3,269
Total		191,808	140,640	197,567	143,909

Statements of changes in equity
Three-month period ended March 31, 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				
At December 31, 2021	2,500,000	10,191	135,565	(91,994)	36,152	215,950	1,536,438	298,466	-	22,129	11,515	3,262	-	4,677,674	41,129	4,718,803
Realization of revaluation reserve, net of income tax and social contribution	-	-	-	-	-	-	-	-	40	-	(40)	-	-	-	-	-
Restricted share plan - Vesting period	-	-	-	-	(951)	-	-	-	-	-	-	-	-	(951)	-	(951)
Restricted share plan - Delivery	-	-	(5,525)	15,468	(9,943)	-	-	-	-	-	-	-	-	-	-	-
Repurchase of shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restricted shares - delivery of 4Bio shares	-	-	-	61	(45)	-	-	-	-	-	-	-	-	16	-	16
Adjustment in percentage of interest - 4Bio	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit for the period	-	-	-	-	-	-	-	-	140,640	-	-	-	-	140,640	3,269	143,909
Other changes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(851)	(851)
Allocation of profit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest on capital proposed	-	-	-	-	-	-	-	-	(66,000)	-	-	-	-	(66,000)	-	(66,000)
Transfer to reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
At March 31, 2022	2,500,000	10,191	130,040	(76,465)	25,213	215,950	1,536,438	298,466	74,680	22,129	11,475	3,262	-	4,751,379	43,547	4,794,926
Interest on capital for 2021 approved at the AGM of April 14, 2022	-	-	-	-	-	-	-	-	-	(22,129)	-	-	-	(22,129)	-	(22,129)
Interest on capital expired	-	-	-	-	-	-	-	-	614	-	-	-	-	614	-	614
Realization of revaluation reserve, net of income tax and social contribution	-	-	-	-	-	-	-	-	121	-	(121)	-	-	-	-	-
Restricted share plan - Vesting period	-	-	-	-	23,639	-	-	-	-	-	-	-	-	23,639	-	23,639
Restricted share plan - Delivery	-	-	4,087	(4,201)	233	-	-	-	-	-	-	-	-	119	-	119
Restricted shares - delivery of 4Bio shares	-	-	-	60	(36)	-	-	-	-	-	-	-	-	24	-	24
Profit for the period	-	-	-	-	-	-	-	-	855,473	-	-	-	-	855,473	18,532	874,005
Allocation of profit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Legal reserve	-	-	-	-	-	49,806	-	-	(49,806)	-	-	-	-	-	-	-
Tax incentive reserve	-	-	-	-	-	-	-	223,681	(223,681)	-	-	-	-	-	-	-
Minimum dividends (Note 18)	-	-	-	-	-	-	-	-	(180,697)	-	-	-	-	(180,697)	-	(180,697)
IOC and additional dividends - "R\$ 0.3025136699 per share" (Nota 18)	-	-	-	-	-	-	-	-	(251,803)	317,803	-	-	-	66,000	-	66,000
Early dividends approved at the BDM of September 30, 2022 (Note 18)	-	-	-	-	-	-	-	-	-	(107,500)	-	-	-	(107,500)	-	(107,500)
Withholding tax on IOC (Note 18)	-	-	-	-	-	-	-	-	-	(42,777)	-	-	-	(42,777)	-	(42,777)
Statutory reserve	-	-	-	-	-	-	224,901	-	(224,901)	-	-	-	-	-	-	-
Other comprehensive income - adjustments to financial instruments	-	-	-	-	-	-	-	-	-	-	-	-	(3,283)	(3,283)	-	(3,283)
At December 31, 2022	2,500,000	10,191	134,127	(80,606)	49,049	265,756	1,761,339	522,147	-	167,526	11,354	3,262	(3,283)	5,340,862	62,079	5,402,941
Realization of revaluation reserve, net of income tax and social contribution	-	-	-	-	-	-	-	-	42	-	(42)	-	-	-	-	-
Restricted share plan - Vesting period	-	-	-	-	2,414	-	-	-	-	-	-	-	-	2,414	-	2,414
Restricted share plan - Delivery	-	-	(118)	12,057	(11,939)	-	-	-	-	-	-	-	-	-	-	-
Restricted shares - delivery of 4Bio shares	-	-	-	53	237	-	-	-	-	-	-	-	-	290	-	290
Interest on capital expired	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest on capital for 2021 approved at the AGM of April 14, 2022	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest on capital proposed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit for the period	-	-	-	-	-	-	-	-	192,260	-	-	-	-	192,260	5,759	198,019
Other changes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,845)	(2,845)
Allocation of profit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest on capital proposed	-	-	-	-	-	-	-	-	(80,000)	-	-	-	-	(80,000)	-	(80,000)
Other comprehensive income - adjustments to financial instruments	-	-	-	-	-	-	-	-	-	-	-	-	2,833	2,833	-	2,833
At March 31, 2023	2,500,000	10,191	134,009	(68,496)	39,761	265,756	1,761,339	522,147	112,302	167,526	11,312	3,262	(450)	5,458,659	64,993	5,523,652

Statements of cash flows
Three-month period ended March 31, 2023
All amounts in thousands of reais

	Note	Parent Company		Consolidated	
		Mar/23	Mar/22	Mar/23	Mar/22
Cash flows from operating activities					
Profit before income tax and social contribution	-	199,333	128,314	203,535	140,434
Adjustments					
Depreciation and amortization	22	403,776	360,685	406,557	363,189
Compensation plan with restricted shares, net	-	2,704	(994)	2,598	(933)
Interest on additional stock option	-	29,969	755	29,969	755
Loss (profit) on sale/write-off of fixed assets and intangible assets	-	3,495	5,689	15,872	6,621
Provision for legal claims	17	16,238	8,353	16,238	8,353
Provision for inventory losses	8	(12,858)	6,320	(12,858)	6,320
(Reversal of) provision for impairment of trade receivables	7	475	666	1,334	2,858
(Reversal of) provision for pharmacies closure	11	(2,474)	(4,553)	(2,474)	(4,553)
Interest expenses – borrowings	-	78,605	49,429	81,364	51,240
Interest expenses – leases	16	73,362	60,360	73,423	60,414
Amortization of transaction costs of debentures and promissory notes	15	1,321	1,080	1,321	1,080
Equity in the results of subsidiaries	10	(11,276)	(6,194)	2,581	(30)
Discounts on property rental	22	(37)	(577)	(37)	(577)
		782,633	609,333	819,423	635,171
Changes in assets and liabilities					
Trade and other receivables	-	(221,685)	(326,561)	(321,951)	(381,965)
Inventories	-	(544,163)	(218,876)	(652,168)	(212,858)
Other current assets	-	(96,357)	5,962	(100,827)	2,345
Long-term receivables	-	3,201	956	(9,366)	(7,476)
Suppliers	-	579,775	(74,584)	746,837	(30,966)
Suppliers - Forfeiting	-	102,022	(13,878)	102,022	(13,878)
Salaries and social charges	-	(38,433)	8,144	(35,316)	10,754
Taxes and contributions	-	53,836	(60,520)	41,608	(59,554)
Other obligations	-	16,426	47,333	6,776	44,118
Rentals payable	-	(799)	(2,302)	(798)	(2,307)
Other					
Interest paid	15	(97,410)	(29,891)	(100,213)	(29,891)
Income tax and social contribution paid	-	-	(40,282)	-	(40,282)
Interest paid – leases	16	(73,362)	(60,360)	(73,423)	(60,414)
Legal claims - paid	17	(14,463)	(11,002)	(14,463)	(11,002)
Net cash provided by operating activities		451,221	(166,528)	408,141	(158,205)
Cash flows from investing activities					
Acquisition and capital contribution in investees, net of cash acquired	10.3	(36,786)	(15,430)	-	-
Purchases of fixed assets and intangible assets	-	(227,873)	(184,878)	(240,719)	(188,238)
Loans granted to subsidiary	-	-	32,859	-	(4,000)
Net cash used in investing activities		(264,659)	(167,449)	(240,719)	(192,238)
Cash flows from financing activities					
Borrowings taken	15	(168)	743,175	20,576	743,252
Repayment of borrowings	15	(44,480)	(100,079)	(44,552)	(101,202)
Leases paid	-	(205,187)	(181,033)	(205,697)	(181,472)
Interest on capital and dividends paid	-	(23)	(99)	(23)	(99)
Net cash used in financing activities		(249,858)	461,964	(229,696)	460,479
Increase (decrease) in cash and cash equivalents		(63,296)	127,987	(62,274)	110,036
Cash and cash equivalents at January 1	5	364,374	316,654	433,541	356,118
Cash and cash equivalents at March 31	5	301,078	444,641	371,267	466,154

Statements of value added
Three-month period ended March 31, 2023
All amounts in thousands of reais

	Parent Company		Consolidated	
	Mar/23	Mar/22	Mar/23	Mar/22
Revenue	7,670,352	6,467,057	8,318,429	6,871,963
Gross sales and services	7,669,908	6,465,705	8,317,696	6,872,513
Other income	3,508	4,445	3,508	4,445
Provision for (reversal of) impairment of trade receivables	(3,064)	(3,093)	(2,775)	(4,995)
Inputs acquired from third parties	(5,295,207)	(4,342,584)	(5,865,922)	(4,696,564)
Cost of sales and services	(4,785,321)	(3,901,200)	(5,346,493)	(4,242,313)
Materials, energy, outsourced services and other	(509,886)	(441,384)	(519,429)	(454,251)
Impairment/recovery of assets	-	-	-	-
Gross value added	2,375,145	2,124,473	2,452,507	2,175,399
Depreciation and amortization	(392,290)	(350,059)	(395,251)	(352,557)
Net value added generated by the entity	1,982,855	1,774,414	2,057,256	1,822,842
Value added received through transfer	89,531	53,696	91,845	52,901
Equity in the results of subsidiaries	11,276	6,194	(2,581)	30
Finance income	73,979	43,438	90,150	48,805
Other	4,276	4,064	4,276	4,066
Total value added to distribute	2,072,386	1,828,110	2,149,101	1,875,743
Distribution of value added				
Personnel	756,298	664,878	775,744	681,716
Direct remuneration	596,851	524,703	609,585	535,935
Benefits	106,864	95,130	112,537	99,925
Unemployment compensation fund	52,583	45,045	53,622	45,856
Taxes and contributions	761,563	797,938	799,387	818,601
Federal	188,527	153,390	191,428	166,059
State	566,558	634,357	578,989	642,231
Municipal	6,478	10,191	28,970	10,311
Providers of capital	362,265	224,654	375,950	231,449
Interest	306,011	175,754	318,902	181,960
Rentals	56,254	48,900	57,048	49,489
Interest on capital and dividends	192,260	140,640	198,020	143,977
Interest on capital	80,000	66,000	80,000	66,000
Retained earnings for the period	112,260	74,640	112,260	74,763
Noncontrolling interests in retained earnings	-	-	5,760	3,214
Value added distributed and retained	2,072,386	1,828,110	2,149,101	1,875,743

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

**Notes to the
Individual and Consolidated Interim Financial Information
March 31, 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 2,746 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	
	Mar/23	Dec/22
Southeast region	1,606	1,580
São Paulo	1,157	1,146
Minas Gerais	202	197
Rio de Janeiro	190	182
Espírito Santo	57	55
Northeast region	403	392
Pernambuco	93	92
Bahia	93	90
Ceará	77	73
Maranhão	36	36
Sergipe	26	24
Alagoas	21	20
Paraíba	20	20
Rio Grande do Norte	20	20
Piauí	17	17
South region	342	336
Paraná	146	145
Rio Grande do Sul	112	109
Santa Catarina	84	82
Midwest region	281	278
Goiás	106	106
Distrito Federal	85	83
Mato Grosso do Sul	48	47
Mato Grosso	42	42
North region	114	111
Pará	50	48
Amazonas	21	20
Tocantins	16	16
Rondônia	13	13
Amapá	5	5
Acre	5	5
Roraima	4	4
Total	2,746	2,697

During the current period, 55 pharmacies were opened and 6 pharmacies were closed (52 pharmacies were opened and 12 were closed in the 1st quarter 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,

(A free translation of the original in Portuguese)

**Notes to the
Individual and Consolidated Interim Financial Information
March 31, 2023
(All amounts in thousands of reais unless otherwise stated)**



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.

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 platform that seeks to invest in businesses that contribute to the Company's growth strategy and accelerate the journey of digitalization in health.

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

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.

Hereinafter, the seven 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 May 2, 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 March 31, 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 March 31, 2023.

The individual 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 and FIP RD Ventures, and have been prepared in accordance with consolidation practices and applicable legal provisions.

**Notes to the
Individual and Consolidated Interim Financial Information
March 31, 2023
(All amounts in thousands of reais unless otherwise stated)**

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) of 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.

Impacts of Covid-19 pandemic

In compliance with CVM Circular Letter SNC/SEP 03/2020, the Company has constantly monitored any impacts on its operations.

In the period ended March 31, 2023, there were no restrictions on the operation of pharmacies due to Covid-19. In Management's assessment, there was no significant impact on sales indicating structural problems that could impact the accounting estimates with respect to: recoverability of financial assets (cash and cash equivalents, financial investments), realization of inventories, realization of deferred taxes, provisions for employee benefits, recoverability of indirect taxes, covenants, renegotiation of lease agreements, revaluation of assets, e-commerce revenue and taxes on profit.

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 quarter ended March 31, 2023, the Company did not identify a significant impact on the interim financial information.

**Notes to the
Individual and Consolidated Interim Financial Information
March 31, 2023**
(All amounts in thousands of reais unless otherwise stated)

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	
	Mar/23	Dec/22	Mar/23	Dec/22
Cash and banks	152,005	110,435	158,325	118,469
Debentures held under repurchase agreements ⁽ⁱ⁾	111,189	96,363	131,679	123,628
Automatic investments ⁽ⁱⁱ⁾	37,884	157,576	39,352	164,836
Bank Deposit Certificates - CDB ⁽ⁱⁱⁱ⁾	-	-	35,678	26,085
Investment fund ^(iv)	-	-	6,233	523
Total	301,078	364,374	371,267	433,541

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

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

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

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

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

The Group's exposure to interest rate risks on financial investments is 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"), 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.

The FIDC is managed by Oliveira Trust Distribuidora de Títulos e Valores Mobiliários S.A., duly authorized by the Brazilian Securities Commission ("CVM"), to manage the securities portfolio.

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	
	Mar/23	Dec/22	Mar/23	Dec/22
Short-term investments - FIDC	992	-	992	-
Total	992	-	992	-

**Notes to the
Individual and Consolidated Interim Financial Information
March 31, 2023**
(All amounts in thousands of reais unless otherwise stated)

7. Trade receivables

Trade receivables items	Parent Company		Consolidated	
	Mar/23	Dec/22	Mar/23	Dec/22
Trade receivables	2,176,180	1,944,320	2,665,891	2,325,300
(-) Expected credit losses	(874)	(1,431)	(5,222)	(6,068)
(-) Adjustment to present value	(23,684)	(18,951)	(30,612)	(23,592)
Total	2,151,622	1,923,938	2,630,057	2,295,640

The aging of trade receivables is presented below:

Maturities	Parent Company		Consolidated	
	Mar/23	Dec/22	Mar/23	Dec/22
Not yet due	2,176,081	1,944,110	2,642,605	2,303,201
Overdue:				
Between 1 and 30 days	99	112	10,545	13,324
Between 31 and 60 days	-	69	4,505	3,292
Between 61 and 90 days	-	11	1,656	1,707
Between 91 and 180 days	-	18	4,659	1,536
Between 181 and 360 days	-	-	1,921	2,240
(-) Expected credit losses	(874)	(1,431)	(5,222)	(6,068)
(-) Adjustment to present value	(23,684)	(18,951)	(30,612)	(23,592)
Total	2,151,622	1,923,938	2,630,057	2,295,640

Days sales outstanding, represented by credit and debit cards and partnerships with companies and the Government, are approximately 43 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:

Changes in expected losses	Parent Company	Consolidated
At January 1, 2022	(1,117)	(5,045)
Additions	(2,615)	(6,144)
Reversals	1,949	3,286
Losses	854	1,101
At March 31, 2022	(929)	(6,802)
Additions	(6,366)	(15,544)
Reversals	3,669	11,157
Losses	2,195	5,121
At December 31, 2022	(1,431)	(6,068)
Additions	(1,217)	(4,134)
Reversals	742	2,800
Losses	1,032	2,180
At March 31, 2023	(874)	(5,222)

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

Inventory items	Parent Company		Consolidated	
	Mar/23	Dec/22	Mar/23	Dec/22
Goods for resale	6,592,142	6,045,905	6,825,694	6,171,452
Consumables	12,228	14,302	12,228	14,302
(-) Provision for inventory losses	(46,840)	(59,698)	(46,840)	(59,698)
Total inventory	6,557,530	6,000,509	6,791,082	6,126,056

(A free translation of the original in Portuguese)

**Notes to the
Individual and Consolidated Interim Financial Information
March 31, 2023**
(All amounts in thousands of reais unless otherwise stated)

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

Changes in expected losses on goods	Parent Company	Consolidated
At January 1, 2022	(32,614)	(32,614)
Additions	(7,315)	(7,315)
Write-offs	995	995
At March 31, 2022	(38,934)	(38,934)
Additions	(21,404)	(21,404)
Write-offs	640	640
At December 31, 2022	(59,698)	(59,698)
Additions	(8,259)	(8,259)
Write-offs	21,117	21,117
At March 31, 2023	(46,840)	(46,840)

For the three-month period ended March 31, 2023, cost of goods sold recognized in the statement of income was R\$ 5,045,917, Note 22, (R\$ 4,290,310 – Mar/2022) for the Parent Company and R\$ 5,603,846 (R\$ 4,627,620 – Mar/2022) for the Consolidated accounts, including the amount of the write-offs of goods inventories recognized as losses for the period amounting to R\$ 56,109 (R\$ 41,459 – Mar/2022) for the Parent Company and R\$ 56,242 (R\$ 41,704 – Mar/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.

9. Recoverable taxes

Recoverable taxes items	Parent Company		Consolidated	
	Mar/23	Dec/22	Mar/23	Dec/22
Taxes on profit recoverable				
Withholding Income Tax (IRRF)	8,922	8,754	9,348	9,372
Corporate Income Tax (IRPJ)	93,426	91,565	106,503	104,192
Social Contribution on Net Profit (CSLL)	38,286	36,762	44,814	43,152
Subtotal	140,634	137,081	160,665	156,716
Other recoverable taxes				
Value Added Tax on Sales and Services (ICMS) – credit balance (i)	156,497	125,169	166,793	132,002
ICMS – Refund of ICMS withheld in advance (i)	31,215	58,671	31,215	58,671
ICMS on acquisitions of fixed assets	97,865	96,157	97,865	96,157
Social Integration Program (PIS)	11,074	12,132	11,897	12,768
Social Contribution on Revenue (COFINS)	51,396	55,975	54,548	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
Subtotal	348,608	348,665	362,904	358,054
Total	489,242	485,746	523,569	514,770
Current assets	389,221	387,496	395,512	393,336
Non-current assets	100,021	98,250	128,057	121,434

(i) The ICMS credits amounting to R\$ 156,497 and R\$ 31,215 (R\$ 125,169 and R\$ 58,671 - 2022) for the Parent Company and R\$ 166,793 and R\$ 31,215 (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.

(A free translation of the original in Portuguese)

**Notes to the
Individual and Consolidated Interim Financial Information
March 31, 2023
(All amounts in thousands of reais unless otherwise stated)**

Expected realization of credits

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

Expected realization	Parent Company		Consolidated	
	Mar/23	Dec/22	Mar/23	Dec/22
In the next 12 months	389,221	387,496	395,512	393,336
Between 13 and 24 months	27,358	21,337	32,702	25,509
Between 25 and 36 months	24,084	24,084	28,019	28,018
Between 37 and 48 months	25,692	24,084	28,308	26,700
Between 49 and 60 months	22,887	28,745	39,028	41,207
Total	489,242	485,746	523,569	514,770

10. Investments

10.1. Business combinations and goodwill

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

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

The Company adopted the balance sheet as at February 28, 2021 as the opening balance sheet for purposes of allocating the effects of the acquisition. A study was prepared by an independent expert, using as a basis the financial statements of Healthbit at the acquisition date to determine the purchase price allocation for purposes of goodwill allocation, and the fair values of assets acquired and liabilities assumed recognized at the acquisition date. As a result, the Company computed goodwill of R\$ 5,616 arising from the acquisition for the business combination.

On November 4, 2022, the parent company RD Ventures became the holder of a 49.25% equity interest, upon a payment of R\$ 10,434, and now holds a 100% interest. On November 7, 2022, the subsidiary RD Venture made a capital increase in Healthbit in the amount of R\$ 15,000.

(b) Business combinations – Eloopz Serviços de Promoção de Vendas EIRELI (Via RD Ads)

On August 23, 2022, the subsidiary RD Ads acquired 100.00% of the equity interest in Eloopz Serviços de Promoção de Vendas EIRELI ("Eloopz") for R\$ 9,263, of which R\$ 2,000 was paid in cash and R\$ 7,263 was retained for purposes of meeting obligations. The acquisition of Eloopz will allow RD to develop new advertising and publicity solutions, intensifying the performance in out-of-home digital media in our pharmacies, in order to strengthen the marketing strategy of advertisers in physical and digital channels via RD Ads.

In compliance with NBC-TG 15 (R4) – Business Combinations, RD completed the fair value measurement of net assets acquired and liabilities assumed. The appraisal report is being prepared and, therefore, the goodwill presented is provisional. The Company adopted the balance sheet as at September 30, 2022 as the opening balance sheet for purposes of reporting the effects of the acquisition. The following table summarizes the consideration paid and the fair values of assets acquired and liabilities assumed recognized at the acquisition date.

Assets	09/30/2022	Liabilities	09/30/2022
Cash and cash equivalents	194	Suppliers	67
Trade receivables	406	Tax, social security and labor obligations	139
Other credits	1	Borrowings	270
Fixed assets, net	346	Liabilities	476
Intangible assets, net	385	Equity	856
Total assets	1,332	Total liabilities and equity	1,332

Allocation of the price of the consideration transferred:

(A free translation of the original in Portuguese)

**Notes to the
Individual and Consolidated Interim Financial Information
March 31, 2023**
(All amounts in thousands of reais unless otherwise stated)

Purchase price	RD Ads
	9,263
Equity	856
Adjusted equity	856
Goodwill based on expected future profitability	8,407
	9,263

(c) Business combination – SafePill

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.

On November 25, 2022, the Company made a capital increase in SafePill in the amount of R\$ 2,000.

(d) Business combination – Manipulaê

On November 28, 2022, the Company acquired 100.00% of the equity interest in ZTO Tecnologia e Serviços de Informação na Internet Ltda. ("Manipulaê") for R\$ 24,952; of which R\$ 2,887 in cash; R\$ 9,884 as contribution for capital increase; R\$ 9,264 as earn-out, being calculated based on multiples of EBITDA; and R\$ 2,957 in 7 installments.

The acquisition of Manipulaê will provide RD with a marketplace of healthcare and wellness products, allowing the Company to operate as an intermediary in sales between retailers of pharmaceutical products and consumers.

In compliance with NBC-TG 15(R4) – Business Combinations, RD is currently measuring the fair value of the net assets acquired and liabilities assumed. The appraisal report is being prepared and, therefore, the goodwill presented is provisional. The Company adopted the balance sheet as at November 30, 2022 as the opening balance sheet for purposes of reporting the effects of the acquisition. The following table summarizes the consideration paid and the fair values of assets acquired and liabilities assumed recognized at the acquisition date.

Assets	11/30/2022	Liabilities	11/30/2022
Trade receivables	98	Borrowings	5,134
Fixed assets, net	66	Tax, social security and labor obligations	63
Intangible assets, net	932	Suppliers	5
		Other obligations	70
		Liabilities	5,272
		Equity	(4,176)
Total assets	1,096	Total liabilities and equity	1,096

Allocation of the price of the consideration transferred:

Purchase price	Parent Company
	15,689
Earn out	9,263
Total purchase price	24,952
Equity	(4,176)
Intercompany loan	4,100
Software	3,901

(A free translation of the original in Portuguese)

**Notes to the
Individual and Consolidated Interim Financial Information
March 31, 2023**
(All amounts in thousands of reais unless otherwise stated)



Branded	<u>2,392</u>
Adjusted equity	<u>6,217</u>
Goodwill based on expected future profitability	<u>18,735</u>
	<u>24,952</u>

On December 1, 2022, the Company made a capital increase in Manipulã in the amount of R\$ 4,100 and, on February 17, 2023, the Company made a capital increase in Manipulã in the amount of R\$ 5,700.

(A free translation of the original in Portuguese)

**Notes to the
Individual and Consolidated Interim Financial Information
March 31, 2023**
(All amounts in thousands of reais unless otherwise stated)

10.3. Composition and changes in investments

At March 31, 2023, the Company's investment balances are presented below:

Investee	Main activity	Mar/23			Dec/22		
		Interest (%)	Parent Company	Consolidated	Interest (%)	Parent Company	Consolidated
Direct interest							
4Bio	Retail of special medicines	85.00%	305,714	-	85.00%	279,118	-
Stix Fidelidade	Platform of products and services for the accumulation and redemption of points	33.33%	2,413	2,413	33.33%	2,396	2,396
RD Ventures FIP	Private equity investment fund	100.00%	144,544	-	100.00%	139,134	-
Vitat	Supporting health management and promoting healthy habits	100.00%	50,278	-	100.00%	45,960	-
Dr. Cuco	Digital care platform focused on adherence to treatment	100.00%	14,216	-	100.00%	14,804	-
RD Ads	Advisory and consultancy in advertising and marketing	100.00%	41,361	-	100.00%	37,644	-
SafePill	Management of Self-Care Home Treatments	100.00%	36,586	-	100.00%	52,174	-
Manipulaê	Marketplace of Compounding Pharmacies	100.00%	22,204	-	100.00%	9,944	-
Indirect interest							
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%	-	(1,790)	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.	20.25%	-	(1,648)	20.25%	-	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
Total			617,316	(1,025)		581,174	2,723
Reclassification to "Other liabilities", as provision for losses on investments			-	3,438		-	1,756
Classified as investments			617,316	2,413		581,174	4,479

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

(A free translation of the original in Portuguese)

**Notes to the
Individual and Consolidated Interim Financial Information
March 31, 2023**

(All amounts in thousands of reais unless otherwise stated)

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

Changes in investments	4BIO <small>Aide in prescriptive</small>	stix	RD VENTURES	vitat	CUCO <small>HEALTH</small>	RD ads	SafePill	Man•pula	Total
	Subsidiary	Associate	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	
At January 1, 2022	164,890	830	94,435	47,274	15,411	-	-	-	322,840
Capital contribution	-	-	-	15,000	-	430	-	-	15,430
Equity in the results of subsidiaries	17,982	229	(1,256)	(10,788)	(97)	124	-	-	6,194
Restricted share compensation plan – 4Bio	(61)	-	-	-	-	-	-	-	(61)
At March 31, 2022	182,811	1,059	93,179	51,486	15,314	554	-	-	344,403
Capital contribution	-	-	52,700	25,000	-	13,001	2,000	4,100	96,801
Business combinations	-	-	-	-	-	-	50,174	5,844	56,018
Write-off goodwill	-	-	-	(1,555)	-	-	-	-	(1,555)
Equity in the results of subsidiaries	96,174	1,337	(6,745)	(28,971)	(510)	24,089	-	-	85,374
Restricted share compensation plan – 4Bio	133	-	-	-	-	-	-	-	133
At December 31, 2022	279,118	2,396	139,134	45,960	14,804	37,644	52,174	9,944	581,174
Capital contribution	-	-	10,500	15,000	-	-	5,586	5,700	36,786
Business combinations	-	-	-	-	-	-	(21,174)	9,308	(11,866)
Equity in the results of subsidiaries	26,650	17	(5,090)	(10,682)	(588)	3,717	-	(2,748)	11,276
Restricted share compensation plan – 4Bio	(54)	-	-	-	-	-	-	-	(54)
At March 31, 2023	305,714	2,413	144,544	50,278	14,216	41,361	36,586	22,204	617,316

(A free translation of the original in Portuguese)

**Notes to the
Individual and Consolidated Interim Financial Information
March 31, 2023**

(All amounts in thousands of reais unless otherwise stated)

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

	Parent Company								
Changes in investments	4BIO	stix	RD VENTURES	vitat	CUCO HEALTH	RD ads	SafePill	Man•pula	Total
Profit (loss) for the period	114,361	1,565	(8,000)	(35,180)	22	24,218	-	-	96,986
Amortization of surplus value arising from business combination	(206)	-	-	(4,581)	(631)	-	-	-	(5,418)
Equity in the results of subsidiaries at 12/31/2022	114,155	1,565	(8,000)	(39,761)	(609)	24,218	-	-	91,568
Profit (loss) for the period	26,702	17	(5,090)	(9,657)	(29)	3,717	-	(2,748)	12,912
Amortization of surplus value arising from business combination	(52)	-	-	(1,025)	(559)	-	-	-	(1,636)
Equity in the results of subsidiaries at 03/31/2023	26,650	17	(5,090)	(10,682)	(588)	3,717	-	(2,748)	11,276

	Parent Company								
Adjusted equity	4BIO	stix	RD VENTURES	vitat	CUCO HEALTH	RD ads	SafePill	Man•pula	Mar/23
Investment at book value	291,494	2,413	144,544	16,067	156	27,930	2,753	2,589	487,946
Purchase price allocation (surplus value of assets)	2,209	-	-	13,325	3,564	-	33,833	19,615	72,546
Deferred income tax liability on allocation adjustments	(821)	-	-	-	-	-	-	-	(821)
Restricted share compensation plan	(75)	-	-	-	-	-	-	-	(75)
Total adjusted equity	292,807	2,413	144,544	29,392	3,720	27,930	36,586	22,204	559,596
Goodwill based on expected future profitability	12,907	-	-	20,886	10,496	13,431	-	-	57,720
Investment balance	305,714	2,413	144,544	50,278	14,216	41,361	36,586	22,204	617,316

(A free translation of the original in Portuguese)

**Notes to the
Individual and Consolidated Interim Financial Information
March 31, 2023**

(All amounts in thousands of reais unless otherwise stated)

	Parent Company								
Adjusted equity	4BIO <small>A vida em primeira mão</small>	stix	RD VENTURES	vitat	CUCO <small>HEALTH</small>	RD ads	SafePill	Man.pula	Dec/22
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)
Total adjusted equity	266,211	2,396	139,134	25,074	4,308	24,213	52,174	9,944	523,454
Goodwill based on expected future profitability	12,907	-	-	20,886	10,496	13,431	-	-	57,720
Investment balance	279,118	2,396	139,134	45,960	14,804	37,644	52,174	9,944	581,174

(A free translation of the original in Portuguese)

**Notes to the
Individual and Consolidated Interim Financial Information
March 31, 2023**

(All amounts in thousands of reais unless otherwise stated)

11.Fixed assets

11.1. Breakdown and changes

Fixed assets are broken down as follows:

	Average annual depreciation rates (%)	Parent Company					
		Mar/23			Dec/22		
		Cost	Accumulated depreciation	Net book value	Cost	Accumulated depreciation	Net book value
Land	-	32,124	-	32,124	32,124	-	32,124
Buildings	2.5 - 2.7	69,837	(30,988)	38,849	69,837	(30,532)	39,305
Furniture, fittings and facilities	7.4 - 10	1,487,300	(680,079)	807,221	1,434,220	(647,044)	787,176
Machinery and equipment	7.1 - 15.8	949,008	(549,876)	399,132	931,454	(526,857)	404,597
Vehicles	20 - 23.7	116,864	(62,158)	54,706	114,212	(58,514)	55,698
Leasehold improvements	13 - 20	2,079,126	(1,202,411)	876,715	1,981,381	(1,118,449)	862,932
Total		4,734,259	(2,525,512)	2,208,747	4,563,228	(2,381,396)	2,181,832

	Average annual depreciation rates (%)	Consolidated					
		Mar/23			Dec/22		
		Cost	Accumulated depreciation	Net book value	Cost	Accumulated depreciation	Net book value
Land	-	32,124	-	32,124	32,124	-	32,124
Buildings	2.5 - 2.7	69,837	(30,987)	38,850	69,837	(30,531)	39,306
Furniture, fittings and facilities	7.4 - 10	1,490,462	(681,452)	809,010	1,437,156	(648,362)	788,794
Machinery and equipment	7.1 - 15.8	963,473	(554,918)	408,555	946,424	(531,347)	415,077
Vehicles	20 - 23.7	116,865	(62,158)	54,707	114,213	(58,514)	55,699
Leasehold improvements	13 - 20	2,085,133	(1,205,418)	879,715	1,986,701	(1,121,296)	865,405
Total		4,757,894	(2,534,933)	2,222,961	4,586,455	(2,390,050)	2,196,405

(A free translation of the original in Portuguese)

**Notes to the
Individual and Consolidated Interim Financial Information
March 31, 2023**
(All amounts in thousands of reais unless otherwise stated)

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	Mar/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	Mar/23
Changes in cost	32,124	-	-	-	32,124	-	-	-	32,124	-	-	-	32,124
Land	69,837	-	-	-	69,837	-	-	-	69,837	-	-	-	69,837
Buildings													
Furniture, fittings and facilities	1,258,303	34,387	(3,430)	2,533	1,291,793	173,072	(23,010)	(7,635)	1,434,220	53,608	(2,829)	2,301	1,487,300
Machinery and equipment	821,296	19,553	(6,022)	-	834,827	110,566	(13,939)	-	931,454	22,219	(5,048)	383	949,008
Vehicles	87,988	2,295	(67)	-	90,216	24,327	(331)	-	114,212	2,742	(90)	-	116,864
Leasehold improvements	1,588,521	85,572	(5,759)	5,713	1,674,047	327,433	(14,778)	(5,321)	1,981,381	97,891	(1,557)	1,411	2,079,126
Total	3,858,069	141,807	(15,278)	8,246	3,992,844	635,398	(52,058)	(12,956)	4,563,228	176,460	(9,524)	4,095	4,734,259
Changes in accumulated depreciation													
Land	-	-	-	-	-	-	-	-	-	-	-	-	-
Buildings	(28,710)	(456)	-	-	(29,166)	(1,366)	-	-	(30,532)	(456)	-	-	(30,988)
Furniture, fittings and facilities	(539,910)	(29,799)	1,588	(997)	(569,118)	(94,340)	12,019	4,395	(647,044)	(33,382)	1,281	(934)	(680,079)
Machinery and equipment	(441,779)	(24,582)	5,450	-	(460,911)	(77,579)	11,633	-	(526,857)	(26,999)	4,228	(248)	(549,876)
Vehicles	(46,612)	(2,726)	58	-	(49,280)	(9,505)	271	-	(58,514)	(3,705)	61	-	(62,158)
Leasehold improvements	(808,330)	(78,158)	2,835	(2,966)	(886,619)	(243,024)	8,502	2,692	(1,118,449)	(83,982)	476	(456)	(1,202,411)
Total	(1,865,341)	(135,721)	9,931	(3,963)	(1,995,094)	(425,814)	32,425	7,087	(2,381,396)	(148,524)	6,046	(1,638)	(2,525,512)

(A free translation of the original in Portuguese)

**Notes to the
Individual and Consolidated Interim Financial Information
March 31, 2023**

(All amounts in thousands of reais unless otherwise stated)

Changes in the Consolidated fixed assets are as follows:

	Jan 1, 2022	Addition by business combination	Additions	Disposals and write- offs	(Provision for) / Reversal of pharmacies closures	Mar/22	Addition by business combination	Additions	Disposals and write- offs	(Provision for) / Reversal of pharmacies closures	Dec/22	Additions	Disposals and write-offs	(Provision for) / Reversal of pharmacies closures	Mar/23
Changes in cost															
Land	32,124	-	-	-	-	32,124	-	-	-	-	32,124	-	-	-	32,124
Buildings	69,837	-	-	-	-	69,837	-	-	-	-	69,837	-	-	-	69,837
Furniture, fittings and facilities	1,260,585	-	34,515	(3,430)	2,533	1,294,203	-	173,598	(23,010)	(7,635)	1,437,156	53,834	(2,829)	2,301	1,490,462
Machinery and equipment	828,057	-	19,978	(6,022)	-	842,013	-	118,350	(13,939)	-	946,424	21,714	(5,048)	383	963,473
Vehicles	87,989	-	2,295	(67)	-	90,217	-	24,327	(331)	-	114,213	2,742	(90)	-	116,865
Leasehold improvements	1,592,140	-	85,647	(5,759)	5,713	1,677,741	-	329,059	(14,778)	(5,321)	1,986,701	98,578	(1,557)	1,411	2,085,133
Total	3,870,732	-	142,435	(15,278)	8,246	4,006,135	-	645,334	(52,058)	(12,956)	4,586,455	176,868	(9,524)	4,095	4,757,894
Changes in accumulated depreciation															
Land	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Buildings	(28,710)	-	(456)	-	-	(29,166)	-	(1,365)	-	-	(30,531)	(456)	-	-	(30,987)
Furniture, fittings and facilities	(541,060)	-	(29,850)	1,588	(997)	(570,319)	-	(94,456)	12,018	4,395	(648,362)	(33,437)	1,281	(934)	(681,452)
Machinery and equipment	(444,701)	-	(24,855)	5,450	-	(464,106)	-	(78,873)	11,632	-	(531,347)	(27,551)	4,228	(248)	(554,918)
Vehicles	(46,612)	-	(2,726)	58	-	(49,280)	-	(9,506)	272	-	(58,514)	(3,705)	61	-	(62,158)
Leasehold improvements	(810,629)	-	(78,295)	2,835	(2,966)	(889,055)	-	(243,434)	8,502	2,691	(1,121,296)	(84,142)	476	(456)	(1,205,418)
Total	(1,871,712)	-	(136,182)	9,931	(3,963)	(2,001,926)	-	(427,634)	32,424	7,086	(2,390,050)	(149,291)	6,046	(1,638)	(2,534,933)

(A free translation of the original in Portuguese)

**Notes to the
Individual and Consolidated Interim Financial Information
March 31, 2023**
(All amounts in thousands of reais unless otherwise stated)

11.2. Changes in the provision for pharmacies closure

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

	Provision	Depreciation	Total properties
At January 1, 2022	(16,835)	8,306	(8,529)
Additions	-	-	-
Reversals	8,246	(3,963)	4,283
At March 31, 2022	(8,589)	4,343	(4,246)
Additions	(45,165)	24,532	(20,633)
Reversals	32,209	(17,446)	14,763
At December 31, 2022	(21,545)	11,429	(10,116)
Additions	-	-	-
Reversals	4,095	(1,638)	2,457
Changes, net	4,095	(1,638)	2,457
At March 31, 2023	(17,450)	9,791	(7,659)

(A free translation of the original in Portuguese)

**Notes to the
Individual and Consolidated Interim Financial Information
March 31, 2023**

(All amounts in thousands of reais unless otherwise stated)

12. Intangible assets

12.1. Breakdown and changes

	Average annual amortization rates (%)	Parent Company					
		Mar/23			Dec/22		
		Cost	Accumulated amortization	Net book value	Cost	Accumulated amortization	Net book value
Points of sale	17 - 23.4	272,200	(213,687)	58,513	268,037	(205,977)	62,060
Software license	20	678,521	(279,204)	399,317	632,372	(249,752)	382,620
Goodwill on business acquisition – Vison	(i)	22,275	(2,387)	19,888	22,275	(2,387)	19,888
Goodwill on business acquisition – Raia	(i)	780,084	-	780,084	780,084	-	780,084
Trademarks with finite useful life	20	19,072	(11,160)	7,912	19,052	(10,673)	8,379
Trademarks with indefinite useful life	(i)	151,000	-	151,000	151,000	-	151,000
Customers portfolio	6.7 - 25	41,700	(40,052)	1,648	41,700	(39,937)	1,763
Total		1,964,852	(546,490)	1,418,362	1,914,520	(508,726)	1,405,794

	Average annual amortization rates (%)	Consolidated					
		Mar/23			Dec/21		
		Cost	Accumulated amortization	Net book value	Cost	Accumulated amortization	Net book value
Points of sale	17 - 23.4	274,097	(213,685)	60,412	269,934	(205,975)	63,959
Software license and systems implementation	20	700,510	(284,819)	415,691	649,850	(253,882)	395,968
Goodwill on acquisitions of investees	(i)	1,083,283	(7,532)	1,075,751	1,087,701	(7,532)	1,080,169
Platform	20	25,386	(2,475)	22,911	25,386	(2,475)	22,911
Non-compete agreement	20	4,833	(600)	4,233	4,833	(600)	4,233
Trademarks with finite useful life	20	28,892	(17,239)	11,653	25,962	(16,759)	9,203
Trademarks with indefinite useful life	(i)	151,000	-	151,000	153,930	-	153,930
Customers portfolio (Raia S.A.)	6.7 - 25	41,700	(40,052)	1,648	41,700	(39,937)	1,763
Customer relationship	20	9,395	(3,420)	5,975	9,395	(3,420)	5,975
Total		2,319,096	(569,822)	1,749,274	2,268,691	(530,580)	1,738,111

(i) Assets with indefinite useful lives

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	Mar/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	Mar/23
Points of sale	249,992	3,386	(1,280)	1,130	253,228	18,142	(2,907)	(426)	268,037	4,163	(18)	18	272,200
Software license	407,985	28,801	(5)	-	436,781	195,743	(152)	-	632,372	46,149	(6)	6	678,521

(A free translation of the original in Portuguese)

**Notes to the
Individual and Consolidated Interim Financial Information
March 31, 2023**

(All amounts in thousands of reais unless otherwise stated)

Goodwill on business acquisition – Vison	22,275	-	-	-	22,275	-	-	-	22,275	-	-	-	22,275
Goodwill on business acquisition – Raia	780,084	-	-	-	780,084	-	-	-	780,084	-	-	-	780,084
Trademarks with finite useful life	19,046	107	-	-	19,153	15	(116)	-	19,052	20	-	-	19,072
Trademarks with indefinite useful life	151,000	-	-	-	151,000	-	-	-	151,000	-	-	-	151,000
Customers portfolio	41,700	-	-	-	41,700	-	-	-	41,700	-	-	-	41,700
Total	1,672,082	32,294	(1,285)	1,130	1,704,221	213,900	(3,175)	(426)	1,914,520	50,332	(24)	24	1,964,852

Changes in accumulated amortization	Jan 1, 2022	Additions	Disposals and write-offs	(Provision for) / Reversal of pharmacies closure	Mar/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	Mar/23
Points of sale	(174,779)	(9,013)	938	(860)	(183,714)	(24,857)	1,674	920	(205,977)	(7,710)	1	(1)	(213,687)
Software license	(156,542)	(20,199)	5	-	(176,736)	(73,030)	14	-	(249,752)	(29,452)	6	(6)	(279,204)
Goodwill on business acquisition – Vison	(2,387)	-	-	-	(2,387)	-	-	-	(2,387)	-	-	-	(2,387)
Goodwill on business acquisition – Raia	-	-	-	-	-	-	-	-	-	-	-	-	-
Trademarks with finite useful life	(8,483)	(583)	-	-	(9,066)	(1,614)	7	-	(10,673)	(487)	-	-	(11,160)
Customers portfolio	(39,477)	(115)	-	-	(39,592)	(345)	-	-	(39,937)	(115)	-	-	(40,052)
Total	(381,668)	(29,910)	943	(860)	(411,495)	(99,846)	1,695	920	(508,726)	(37,764)	7	(7)	(546,490)

(A free translation of the original in Portuguese)

**Notes to the
Individual and Consolidated Interim Financial Information
March 31, 2023**
(All amounts in thousands of reais unless otherwise stated)

Changes in the consolidated intangible assets are as follows:

Changes in cost	Jan 1, 2022	Addition by business combination	Additions	Disposals and write-offs	(Provision for) / Reversal of pharmacies closure	Mar/22	Additions	Disposals and write-offs	(Provision for) / Reversal of pharmacies closure	Dec/22	Additions	Transfers	Disposals and write-offs	(Provision for) / Reversal of pharmacies closure	Mar/23
Points of sale	249,992	-	3,386	(1,280)	1,130	253,228	18,144	(2,907)	1,469	269,934	4,163	-	(18)	18	274,097
Software license	415,862	-	31,525	(1,701)	-	445,686	203,877	287	-	649,850	52,644	(1,984)	(6)	6	700,510
Goodwill on acquisitions of investees	962,155	-	-	-	-	962,155	134,721	(9,175)	-	1,087,701	5,962	2,004	(12,384)	-	1,083,283
Surplus value - Platform	18,853	-	-	-	-	18,853	-	6,533	-	25,386	-	-	-	-	25,386
Non-compete agreement	4,833	-	-	-	-	4,833	-	-	-	4,833	-	-	-	-	4,833
Trademarks with finite useful life	27,500	-	115	-	-	27,615	19	(1,672)	-	25,962	-	2,930	-	-	28,892
Trademarks with indefinite useful life	153,930	-	-	-	-	153,930	-	-	-	153,930	-	(2,930)	-	-	151,000
Customers portfolio - Raia	41,700	-	-	-	-	41,700	-	-	-	41,700	-	-	-	-	41,700
Customer relationship	8,737	-	-	-	-	8,737	-	658	-	9,395	-	-	-	-	9,395
Total	1,883,562	-	35,026	(2,981)	1,130	1,916,737	356,761	(6,276)	1,469	2,268,691	62,769	20	(12,408)	24	2,319,096

Changes in accumulated amortization	Jan 1, 2022	Addition by business combination	Additions	Disposals and write-offs	(Provision for) / Reversal of pharmacies closure	Mar/22	Addition by business combination	Additions	Disposals and write-offs	Provision for / (Reversal of) pharmacies closure	Dec/22	Additions	Disposals and write-offs	Provision for / (Reversal of) pharmacies closure	Mar/23
Points of sale	(174,778)	-	(9,013)	938	(860)	(183,713)	-	(24,856)	1,674	920	(205,975)	(7,710)	1	(1)	(213,685)
Software license	(159,605)	-	(20,515)	769	-	(179,351)	-	(74,163)	(368)	-	(253,882)	(30,937)	6	(6)	(284,819)
Goodwill on acquisitions of investees	(2,387)	-	(583)	-	-	(2,970)	-	(4,562)	-	-	(7,532)	-	-	-	(7,532)
Platform	(2,475)	-	(1,285)	-	-	(3,760)	-	1,285	-	-	(2,475)	-	-	-	(2,475)
Non-compete agreement	(600)	-	-	-	-	(600)	-	-	-	-	(600)	-	-	-	(600)
Trademarks with finite useful life	(14,569)	-	-	-	-	(14,569)	-	(2,197)	7	-	(16,759)	(487)	7	-	(17,239)
Customers portfolio - Raia	(39,477)	-	(115)	-	-	(39,592)	-	(345)	-	-	(39,937)	(115)	-	-	(40,052)
Customer relationship	(3,420)	-	-	-	-	(3,420)	-	-	-	-	(3,420)	-	-	-	(3,420)
Total	(397,311)	-	(31,511)	1,707	(860)	(427,975)	-	(104,838)	1,313	920	(530,580)	(39,249)	14	(7)	(569,822)

**Notes to the
Individual and Consolidated Interim Financial Information
March 31, 2023
(All amounts in thousands of reais unless otherwise stated)**

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	19,887	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 S.A.	52,328	08/05/2022
Eloopz	8,783	08/23/2022
SafePill	36,586	11/23/2022
Manipulaê	18,735	11/28/2022

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). The Company's CGUs are the stores.

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

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

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

**Notes to the
Individual and Consolidated Interim Financial Information
March 31, 2023**
(All amounts in thousands of reais unless otherwise stated)

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\$ 8,7 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 - 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 - 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.

12.3. Changes in the provision for pharmacies closure

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

	Provision	Amortization	Total intangible assets
At January 1, 2022	(1,133)	576	(557)
Additions	-	-	-
Reversals	1,130	(860)	270
At March 31, 2022	(3)	(284)	(287)
Additions	(4,910)	3,476	(1,434)
Reversals	4,484	(2,556)	1,928
At December 31, 2022	(3,783)	2,332	(1,451)
Additions	-	-	-
Reversals	24	(7)	16
Changes, net	24	(7)	16
At March 31, 2022	(3,759)	2,324	(1,435)

**Notes to the
Individual and Consolidated Interim Financial Information
March 31, 2023
(All amounts in thousands of reais unless otherwise stated)**

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 of achievement of operating targets and specific objectives established and approved by Management. The recognition as liabilities is made in the account of salaries and social charges and in the statement of income the recognition is made in the account of selling expenses and general and administrative expenses (Note 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).

14. Suppliers and Suppliers - Forfait

Supplier items	Parent Company		Consolidated	
	Mar/23	Dec/22	Mar/23	Dec/22
Goods suppliers	4,587,952	3,857,221	5,013,557	4,112,176
Service providers	136,762	171,752	142,227	177,645
Materials suppliers	13,017	26,916	13,395	27,238
Assets suppliers	9,183	10,265	9,504	10,638
Adjustment to present value	(66,232)	(66,187)	(71,989)	(68,780)
Total	4,680,682	3,999,967	5,106,694	4,258,917
Suppliers	4,572,104	3,993,411	4,998,116	4,252,361
Suppliers - Forfait	108,578	6,556	108,578	6,556

14.1. Suppliers - Forfait

In the first quarter 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\$ 2,574 (R\$ 3,244 in the first quarter 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 March 31, 2023, the balance payable negotiated by suppliers and accepted by RD amounted to R\$ 108,578 in the Parent company and Consolidated (R\$ 6,556 in 2022).

(A free translation of the original in Portuguese)

**Notes to the
Individual and Consolidated Interim Financial Information
March 31, 2023
(All amounts in thousands of reais unless otherwise stated)**



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, there are no changes in the conditions originally agreed with suppliers.

(A free translation of the original in Portuguese)

**Notes to the
Individual and Consolidated Interim Financial Information
March 31, 2023**

(All amounts in thousands of reais unless otherwise stated)

15. Borrowings, debentures and promissory notes

(a) Breakdown

Borrowings items	Average annual long-term interest rate	Parent Company		Consolidated	
		Mar/23	Dec/22	Mar/23	Dec/22
Debentures					
2nd issue of debentures	104.50% of CDI	-	45,943	-	45,943
3rd issue of debentures - CRIs	98.50% of CDI	248,711	256,264	248,711	256,264
4th issue of debentures	106.99% of CDI	311,726	301,211	311,726	301,211
5th issue of debentures	100.00% of CDI + 1.49% p.a.	511,303	530,393	511,303	530,393
6th issue of debentures - CRIs	100.00% of CDI + 0.70% p.a.	248,061	256,123	248,061	256,123
7th issue of debentures - CRIs	100.00% of CDI + 0.75% p.a.	557,216	537,698	557,216	537,698
Total Debentures		1,877,017	1,927,632	1,877,017	1,927,632
Borrowings					
Direct loans - Law 4,131	100.00% of CDI + 2.61%	300,457	311,974	300,457	311,974
Direct loans - Law 4,131	100.00% of CDI + 1.37%	-	-	98,665	77,966
Other	100.00% of CDI + 2.95%	-	-	261	332
Total Borrowings		300,457	311,974	399,383	390,272
Total		2,177,474	2,239,606	2,276,400	2,317,904
Current liabilities		344,978	108,279	443,799	186,356
Non-current liabilities		1,832,496	2,131,327	1,832,601	2,131,548

(A free translation of the original in Portuguese)

**Notes to the
Individual and Consolidated Interim Financial Information
March 31, 2023**
(All amounts in thousands of reais unless otherwise stated)

The amounts above have the following payment flow forecast:

Payment forecast	Parent Company		Consolidated	
	Mar/23	Dec/22	Mar/23	Dec/22
2023	46,171	108,279	144,992	186,356
2024	295,452	295,476	295,557	295,697
2025 and thereafter	1,835,851	1,835,851	1,835,851	1,835,851
Total	2,177,474	2,239,606	2,276,400	2,317,904

(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 2022.

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 are being used for the construction, expansion, development and renovation of certain properties indicated by the Company. This operation is linked to the real estate receivables certificates issued by Vert Companhia Securitizadora, which will be issued with guarantee in the "CRI" debentures, object of a public offering for distribution under CVM Instruction 400.

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

On January 25, 2022, the Company carried out the 5th issue of non-convertible, simple unsecured debentures in a single series in the total amount of R\$ 500,000 for public distribution with restricted efforts (CVM 476), with settlement on February 16, 2022, in the amount of R\$ 500,000, with remuneration of 100% of CDI, plus a surcharge of 1.49% per year, and payment term of 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 will be used to improve the working capital.

On March 7, 2022, the Company carried out the 6th issue of non-convertible, simple unsecured debentures in a single series in the total amount of R\$ 250,000 for public distribution with restricted efforts (CVM 476), with settlement on March 17, 2022, in the amount of R\$ 250,000, with remuneration of 100% of CDI, plus a surcharge of 0.70% per year, and payment term of five

(A free translation of the original in Portuguese)

**Notes to the
Individual and Consolidated Interim Financial Information
March 31, 2023
(All amounts in thousands of reais unless otherwise stated)**

years. Interest payments will be semi-annual, and principal will be amortized in two equal annual and consecutive installments, the last installment to be paid on March 8, 2027. The funds raised will be used for the construction, expansion, development and renovation of certain properties indicated by the Company. This operation is linked to the real estate receivables certificates issued by True Securitizadora, which will be issued with guarantee in the "CRI" debentures, object of a public offering for distribution under CVM Instruction 400.

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

The costs incurred on the issues of the Company's debentures (2017 - 1st issue, 2018 - 2nd issue, 2019 - 3rd and 4th issues, 2022 - 5th, 6th and 7th issues), including fees, commissions and other costs, totaled R\$ 37,429 and are classified in the line item of the respective debentures and are being recognized over the total period of the debt. At March 31, 2023, the amount to be recognized was R\$ 22,201 (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 / EBTIDA: cannot exceed 3 times.

The calculation of net debt, the basis for determining the covenants calculation of Company's debentures and promissory notes considers the balances of borrowings. As described in Note 14 (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 March 31, 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 March 31, 2023, the Company was in compliance with these covenants.

(c) Characteristics of borrowings

On April 8, 2020, the Company carried out loan operation – 4131, in the amount of R\$ 100,000, with remuneration of 100% of the cumulative variation of the average daily rates of the CDIs, plus a surcharge of 3.30% per year and payment term of two years. Interest payments were made on a quarterly basis and principal was repaid on March 29, 2022, in the amount of R\$ 100,000

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

The transaction costs incurred in borrowings - 4131 are of 0.25% referring to the amount of R\$ 100,000, with a term of two years, and 0.30% referring to the amount of R\$ 300,000, with a term of three years, including fees, commissions and other costs, which amounted to R\$ 2,005 and are classified in line item of the respective borrowings, and are being recognized over the total period of the debt. At March 31, 2023, the amount to be recognized was R\$ 275 (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.

(A free translation of the original in Portuguese)

**Notes to the
Individual and Consolidated Interim Financial Information
March 31, 2023**
(All amounts in thousands of reais unless otherwise stated)



(d) Reconciliation of net debt

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

Composition and changes in net debt	Parent Company		Consolidated	
	Mar/23	Dec/22	Mar/23	Dec/22
Short-term borrowings	344,978	108,279	443,799	186,356
Long-term borrowings	1,832,496	2,131,327	1,832,601	2,131,548
Total debt	2,177,474	2,239,606	2,276,400	2,317,904
(-) Cash and cash equivalents (Note 5)	(301,078)	(364,374)	(371,267)	(433,541)
Net debt	1,876,396	1,875,232	1,905,133	1,884,363

(A free translation of the original in Portuguese)

**Notes to the
Individual and Consolidated Interim Financial Information
March 31, 2023**

(All amounts in thousands of reais unless otherwise stated)

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	743,175	-	743,175
Accrued interest	49,429	-	49,429
Payment of interest	(29,891)	-	(29,891)
Amortization of principal	(100,079)	-	(100,079)
Amortization of transaction costs	1,080	-	1,080
Decrease in cash and cash equivalents	-	(127,987)	(127,987)
Net debt at March 31, 2022	2,125,876	(444,641)	1,681,235
Funding	534,683	-	534,683
Accrued interest	217,100	-	217,100
Payment of interest	(219,361)	-	(219,361)
Amortization of principal	(422,251)	-	(422,251)
Amortization of transaction costs	3,559	-	3,559
Increase in cash and cash equivalents	-	80,267	80,267
Net debt at December 31, 2022	2,239,606	(364,374)	1,875,232
Funding	(168)	-	(168)
Accrued interest	78,605	-	78,605
Payment of interest	(97,410)	-	(97,410)
Amortization of principal	(44,480)	-	(44,480)
Amortization of transaction costs	1,321	-	1,321
Increase in cash and cash equivalents	-	63,296	63,296
Net debt at March 31, 2023	2,177,474	(301,078)	1,876,396

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	743,252	-	743,252
Accrued interest	50,608	-	50,608
Payment of interest	(29,891)	-	(29,891)
Amortization of principal	(101,202)	-	(101,202)
Amortization of transaction costs	1,080	-	1,080
Decrease in cash and cash equivalents	-	(110,036)	(110,036)
Net debt at March 31, 2022	2,169,069	(466,154)	1,702,915
Funding	716,996	-	716,996
Accrued interest	224,354	-	224,354
Payment of interest	(228,783)	-	(228,783)
Amortization of principal	(567,291)	-	(567,291)
Amortization of transaction costs	3,559	-	3,559
Increase in cash and cash equivalents	-	32,613	32,613
Net debt at December 31, 2022	2,317,904	(433,541)	1,884,363
Funding	20,576	-	20,576
Accrued interest	81,364	-	81,364
Payment of interest	(100,213)	-	(100,213)
Amortization of principal	(44,552)	-	(44,552)
Amortization of transaction costs	1,321	-	1,321
Increase in cash and cash equivalents	-	62,274	62,274
Net debt at March 31, 2023	2,276,400	(371,267)	1,905,133

(A free translation of the original in Portuguese)

**Notes to the
Individual and Consolidated Interim Financial Information
March 31, 2023**
(All amounts in thousands of reais unless otherwise stated)

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	
	Mar/23	Dec/22	Mar/23	Dec/22
Operating real estate	2,955,337	2,963,118	2,955,582	2,963,409
Residential real estate	19,711	18,024	20,404	18,688
Distribution/administrative centers	390,403	391,396	392,722	394,113
Vehicles	1,506	2,241	1,508	2,242
Total	3,366,957	3,374,779	3,370,216	3,378,452

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
At 01/01/2022	3,041,467	11,537	274,018	602	3,327,624
New agreements	120,743	3,892	-	-	124,635
Remeasurements ⁽ⁱ⁾	38,146	(570)	18,270	(334)	55,512
Termination of agreements	(869)	(84)	-	(70)	(1,023)
Depreciation	(178,281)	(676)	(16,062)	(35)	(195,054)
At 03/31/2022	3,021,206	14,099	276,226	163	3,311,694
New agreements	278,529	9,524	36,647	1,505	326,205
Remeasurements ⁽ⁱ⁾	272,962	(2,098)	129,446	641	400,951
Termination of agreements	(44,359)	(1,357)	-	44	(45,672)
Depreciation	(565,220)	(2,144)	(50,923)	(112)	(618,399)
At 12/31/2022	2,963,118	18,024	391,396	2,241	3,374,779
New agreements	79,613	4,733	2,821	-	87,167
Remeasurements ⁽ⁱ⁾	103,564	(1,768)	21,410	(591)	122,615
Termination of agreements	-	(116)	-	-	(116)
Depreciation	(190,958)	(1,162)	(25,224)	(144)	(217,488)
At 03/31/2023	2,955,337	19,711	390,403	1,506	3,366,957
	Consolidated				
	Operating real estate	Residential real estate	Distribution/ administrative centers	Vehicles	Total
At 01/01/2022	3,041,467	12,207	276,290	603	3,330,567
New agreements	120,743	3,892	-	-	124,635
Remeasurements ⁽ⁱ⁾	38,146	(551)	19,351	(334)	56,612
Termination of agreements	(869)	(84)	-	(70)	(1,023)
Depreciation	(178,281)	(1,091)	(16,089)	(35)	(195,496)
At 03/31/2022	3,021,206	14,373	279,552	164	3,315,295
New agreements	278,897	9,584	36,889	1,505	326,875
Remeasurements ⁽ⁱ⁾	272,962	(2,086)	130,394	641	401,911
Termination of agreements	(44,359)	(1,357)	(81)	44	(45,753)
Depreciation	(565,297)	(1,826)	(52,641)	(112)	(619,876)
At 12/31/2022	2,963,409	18,688	394,113	2,242	3,378,452
New agreements	79,613	4,733	2,821	-	87,167
Remeasurements ⁽ⁱ⁾	103,564	(1,717)	21,474	(591)	122,730
Termination of agreements	-	(116)	-	-	(116)
Depreciation	(191,004)	(1,185)	(25,684)	(144)	(218,017)
At 03/31/2023	2,955,582	20,403	392,724	1,507	3,370,216

(A free translation of the original in Portuguese)

**Notes to the
Individual and Consolidated Interim Financial Information
March 31, 2023**
(All amounts in thousands of reais unless otherwise stated)

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

Lease liabilities

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

Leases	Parent Company		Consolidated	
	Mar/23	Dec/22	Mar/23	Dec/22
Operating real estate	3,251,147	3,258,705	3,251,386	3,258,975
Residential real estate	(9,202)	(8,442)	(8,558)	(7,827)
Distribution/administrative centers	502,719	487,898	505,227	490,798
Vehicles	(3,768)	(1,860)	(3,768)	(1,860)
Equipment	(78)	(78)	(78)	(78)
Total	3,740,818	3,736,223	3,744,209	3,740,008

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

	Parent Company					
	Operating real estate	Residential real estate	Distribution/administrative centers	Vehicles	Equipment	Total
At 01/01/2022	3,333,959	(3,287)	342,048	(2,817)	(78)	3,669,825
New agreements	120,743	3,892	-	-	-	124,635
Remeasurements ⁽ⁱ⁾	38,146	(570)	18,270	(334)	-	55,512
Interest	55,141	266	4,951	2	-	60,360
Payments / compensations	(225,179)	(3,167)	(13,367)	(257)	-	(241,970)
At 03/31/2022	3,322,810	(2,866)	351,902	(3,406)	(78)	3,668,362
New agreements	278,529	9,524	36,647	1,505	-	326,205
Remeasurements ⁽ⁱ⁾	272,962	(2,098)	129,446	641	-	400,951
Interest	174,188	1,153	22,280	429	-	198,050
Payments / compensations	(789,783)	(14,155)	(52,378)	(1,029)	-	(857,345)
At 12/31/2022	3,258,706	(8,442)	487,897	(1,860)	(78)	3,736,223
New agreements	79,613	4,733	2,821	-	-	87,167
Remeasurements ⁽ⁱ⁾	103,564	(1,768)	21,410	(591)	-	122,615
Interest	65,481	496	7,333	52	-	73,362
Payments / compensations	(256,217)	(4,221)	(16,742)	(1,369)	-	(278,549)
At 03/31/2023	3,251,147	(9,202)	502,719	(3,768)	(78)	3,740,818

(A free translation of the original in Portuguese)

**Notes to the
Individual and Consolidated Interim Financial Information
March 31, 2023**
(All amounts in thousands of reais unless otherwise stated)

	Consolidated					
	Operating real estate	Residential real estate	Distribution/ administrative centers	Vehicles	Equipment	Total
At 01/01/2022	3,333,959	(2,668)	344,502	(2,817)	(78)	3,672,898
New agreements	120,743	3,892	-	-	-	124,635
Remeasurements ⁽ⁱ⁾	38,146	(551)	19,351	(334)	-	56,612
Interest	55,141	268	5,003	2	-	60,414
Payments / compensations	(225,179)	(3,196)	(13,831)	(257)	-	(242,463)
At 03/31/2022	3,322,810	(2,255)	355,025	(3,406)	(78)	3,672,096
New agreements	278,897	9,584	36,889	1,505	-	326,875
Remeasurements ⁽ⁱ⁾	272,962	(2,086)	130,394	641	-	401,911
Interest	174,189	1,161	22,447	429	-	198,226
Payments / compensations	(789,882)	(14,231)	(53,958)	(1,029)	-	(859,100)
At 12/31/2022	3,258,976	(7,827)	490,797	(1,860)	(78)	3,740,008
New agreements	79,613	4,733	2,821	-	-	87,167
Remeasurements ⁽ⁱ⁾	103,564	(1,717)	21,474	(591)	-	122,730
Interest	65,483	499	7,389	52	-	73,423
Payments / compensations	(256,250)	(4,246)	(17,254)	(1,369)	-	(279,119)
At 03/31/2023	3,251,386	(8,558)	505,227	(3,768)	(78)	3,744,209

(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	
	Mar/23	Dec/22	Mar/23	Dec/22
Less than 1 year	776,061	757,265	778,005	759,301
Current	776,061	757,265	778,005	759,301
1 to 5 years	2,636,139	2,417,623	2,637,586	2,419,372
Over 5 years	328,618	561,335	328,618	561,335
Non-current	2,964,757	2,978,958	2,966,204	2,980,707
Total	3,740,818	3,736,223	3,744,209	3,740,008

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	570,553	52,776
1 to 2 years	561,922	51,978
2 to 3 years	472,676	43,722
3 to 4 years	364,666	33,732
4 to 5 years	259,823	24,034
Over 5 years	514,024	47,547
Total	2,743,664	253,789

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 March 31, 2023 is presented below:

(A free translation of the original in Portuguese)

**Notes to the
Individual and Consolidated Interim Financial Information
March 31, 2023
(All amounts in thousands of reais unless otherwise stated)**

Year	Parent Company			Consolidated		
	Amounts of installments not yet discounted	Estimated interest (future) ⁽ⁱ⁾	Net present value	Amounts of installments not yet discounted	Estimated interest (future) ⁽ⁱ⁾	Net present value
2023	785,591	(183,376)	602,215	785,591	(183,376)	602,215
2024	941,983	(198,374)	743,609	941,983	(198,374)	743,609
2025	802,020	(149,941)	652,079	802,019	(149,941)	652,078
2026	633,702	(108,841)	524,861	633,702	(108,841)	524,861
2027	455,492	(76,177)	379,315	458,883	(76,177)	382,706
2028 and thereafter	995,621	(156,882)	838,739	995,621	(156,882)	838,739
Total	4,614,409	(873,591)	3,740,818	4,617,799	(873,591)	3,744,208

(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).

Amount recognized in the statement of income

Amount recognized in the statement of income	Parent Company		Consolidated	
	Mar/23	Mar/22	Mar/23	Mar/22
Amortization of right-of-use asset	217,488	195,054	216,959	195,496
Interest on lease liabilities	73,362	60,360	73,423	60,414
Adjustment for lease write-off (contracts terminated)	(711)	(2)	(711)	(2)
Variable payments not included in the measurement of lease liabilities	12,500	28,739	12,780	29,443
Revenue on subleases of right-of-use assets	(985)	(2,891)	(985)	(2,891)
Expenses related to short-term and/or low-value leases	7,055	3,266	7,055	3,266
Discounts on property rental	(37)	(577)	(37)	(577)

(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 three-month period ended March 31, 2023 amounted to R\$ 1,599 (R\$ 5,370 in Dec/2022) for Parent Company and consolidated accounts.

(ii) Leases fitting into exceptions and practical expedients

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

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

(A free translation of the original in Portuguese)

**Notes to the
Individual and Consolidated Interim Financial Information
March 31, 2023**
(All amounts in thousands of reais unless otherwise stated)

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	
	Mar/23	Dec/22
Less than 1 year	1,595	1,984
1 to 2 years	1,654	1,676
2 to 3 years	1,005	1,084
3 to 4 years	562	562
4 to 5 years	515	515
Over 5 years	2,074	2,121
Total	7,405	7,942

17. Provision for contingencies and judicial deposits

Breakdown of balances and changes in provisions

At March 31, 2023, the Group had the following provision and corresponding judicial deposits relating to legal proceedings:

Judicial deposits items	Parent Company		Consolidated	
	Mar/23	Dec/22	Mar/23	Dec/22
Labor and social security	94,626	94,267	94,626	94,267
Tax	15,149	14,185	15,305	14,342
Civil	8,126	7,673	8,126	7,673
Subtotal	117,901	116,125	118,057	116,282
(-) Corresponding judicial deposits	(9,041)	(7,686)	(9,041)	(7,686)
Total	108,860	108,439	109,016	108,596
Current liabilities	54,372	53,584	54,372	53,584
Non-current liabilities	54,488	54,855	54,644	55,012

(A free translation of the original in Portuguese)

**Notes to the
Individual and Consolidated Interim Financial Information
March 31, 2023**
(All amounts in thousands of reais unless otherwise stated)

Changes in the provision are as follows:

Changes in the contingencies	Parent Company	Consolidated
At January 1, 2022	105,604	105,797
Additions of new lawsuits and review of estimate	14,757	14,757
Reversals by concluded lawsuits	(2,759)	(2,759)
Write-offs for payments	(11,002)	(11,002)
Constitution/(Reversals) due to changes in lawsuits	(4,016)	(4,016)
Revaluation of amounts	(1,647)	(1,647)
Monetary adjustment	2,018	2,018
At March 1, 2022	102,955	103,148
Additions of new lawsuits and review of estimate	43,072	43,087
Reversals by concluded lawsuits	(5,523)	(5,523)
Write-offs for payments	(43,183)	(43,183)
Constitution/(Reversals) due to changes in lawsuits	1,091	1,091
Revaluation of amounts	12,598	12,598
Monetary adjustment	5,115	5,064
At December 31, 2022	116,125	116,282
Additions of new lawsuits and review of estimate	12,203	12,203
Reversals by concluded lawsuits	(698)	(698)
Write-offs for payments	(14,463)	(14,463)
Constitution/(Reversals) due to changes in lawsuits	479	479
Revaluation of amounts	2,987	2,986
Monetary adjustment	1,268	1,268
At March 31, 2023	117,901	118,057

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 March 31, 2023, the Group has tax and civil lawsuits related to fines applied by the relevant administrative authorities, tax rate difference in interstate transfers and tax enforcements as well as of civil nature due to indemnity claims for losses and pain and suffering arising from consumer relations, involving possible loss as assessed by Management and its legal advisors in the amount of R\$ 255,532 (R\$ 193,753 - Dec/2022) for Parent Company and Consolidated, of which R\$ 5,384 (R\$ 4,868 - Dec/2022) refers to labor/social security contingencies, R\$ 3,742 (R\$ 4,266 - Dec/2022) to civil contingencies and R\$246,046 (R\$ 184,619 - Dec/2022) to tax contingencies.

Judicial deposits

At March 31, 2023, the Group had the following judicial deposit amounts, for which no corresponding provision had been set up:

Analysis of judicial deposits	Parent Company		Consolidated	
	Mar/23	Dec/22	Mar/23	Dec/22
Labor and social security	2,700	3,202	2,700	3,202
Tax	11,715	13,809	132,301	130,641
Civil	2,184	3,781	2,184	3,781
Total	16,599	20,792	137,185	137,624

(A free translation of the original in Portuguese)

**Notes to the
Individual and Consolidated Interim Financial Information
March 31, 2023
(All amounts in thousands of reais unless otherwise stated)**

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:

Guarantees for lawsuits	Parent Company / Consolidated	
	Mar/23	Dec/22
Furniture and facilities	5	6
Machinery and equipment	85	85
Total guarantees for lawsuits	90	91

(A free translation of the original in Portuguese)

**Notes to the
Individual and Consolidated Interim Financial Information
March 31, 2023
(All amounts in thousands of reais unless otherwise stated)**

18. Income tax and social contribution

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

Income tax and social contribution paid items	Parent Company		Consolidated	
	Mar/23	Mar/22	Mar/23	Mar/22
Profit before income tax and social contribution	199,333	128,314	203,536	140,434
Interest on capital and additional interest on capital proposed	(80,000)	(66,000)	(80,000)	(66,000)
Taxable profit	119,333	62,314	123,536	74,434
Combined tax rate (25% for income tax and 9% for social contribution)	34.00%	34.00%	34.00%	34.00%
Theoretical tax expense	(40,573)	(21,187)	(42,002)	(25,308)
Permanent additions	(7,472)	21,372	(10,612)	20,674
Equity in the results of subsidiaries	4,372	2,106	(340)	10
Reduction of taxes due to incentives (P.A.T)	1	501	1	501
Investment grant ⁽ⁱ⁾	36,549	9,147	46,510	10,842
Tax loss and negative CSLL basis	-	-	928	(3,278)
Provisions with no deferred charges	-	-	34	-
Other (revaluation reserve + additional income tax exemption ceiling)	50	27	(36)	33
Result of current income tax and social contribution	(11)	(2,233)	(4,916)	(9,140)
Result of deferred income tax and social contribution	(7,062)	14,559	(601)	12,615
Income tax and social contribution expense	(7,073)	12,326	(5,517)	3,475
Effective tax rate	3.55%	(9.61%)	2.71%	(2.47%)

(i) Beginning in the third quarter of 2018, the Group considers as deductible, for income tax purposes, the gains arising from the ICMS tax benefits in the states of Bahia, Goiás and Pernambuco, established by Supplementary Law 160/17, agreement ICMS CONFAZ 190/17, and the amendment to Law 12,973/2014. The total amount recognized in the three-month period ended March 31, 2023 was R\$ 107,496 (R\$ 223,681 - Dec/2022).

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

Deferred income tax and social contribution assets amounting to R\$ 296,436 at March 31, 2023 (R\$ 331,032 – Dec/ 2022) for the Parent Company and R\$ 311,956 at March 31, 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 (c) below.

(A free translation of the original in Portuguese)

**Notes to the
Individual and Consolidated Interim Financial Information
March 31, 2023
(All amounts in thousands of reais unless otherwise stated)**

Deferred income tax and social contribution liabilities amounting to R\$ 319,481 at March 31, 2023 (R\$ 347,392 - Dec/2022) for the Parent Company and R\$ 319,841 at March 31, 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; (iii) gain on bargain purchase. For the three-month periods ended March 31, 2023 and 2022, deferred income and social contribution were as follows:

	Balance sheet				Statement of income			
	Parent Company		Consolidated		Parent Company		Consolidated	
	Mar/23	Dec/22	Mar/23	Dec/22	Mar/23	Dec/22	Mar/23	Dec/22
Temporary differences								
Revaluation at fair value of land and buildings	(6,610)	(6,631)	(7,861)	(6,631)	-	-	-	-
Amortization of the goodwill on future profitability	(224,815)	(243,033)	(224,815)	(243,033)	4,482	32	4,482	32
Non-deductible intangible assets - merger of Raia, Vitat and Dr. Cuco	(58,692)	(59,270)	(58,692)	(59,270)	(577)	(39)	(577)	(39)
Non-deductible intangible assets - acquisition of 4Bio	-	-	-	(1,302)	-	-	-	(48)
Gain on bargain purchase – acquisition of Onofre	(32,040)	(37,694)	(32,040)	(37,694)	(5,654)	(5,654)	(5,654)	(5,654)
Tax losses to be offset against future taxable profits	2,317	-	2,317	-	(2,317)	-	(2,317)	3,004
Adjustment to present value	(14,467)	(16,060)	(14,069)	(15,163)	(1,594)	(4,490)	(1,296)	(4,658)
Adjustment to fair value	25,954	15,764	25,954	15,764	(10,189)	(257)	(10,189)	(257)
Provision for inventory losses	19,990	20,297	19,990	20,297	3,623	(2,149)	3,623	(2,149)
Provision for sundry obligations	65,606	85,655	65,674	85,876	2,506	(3,591)	2,658	(3,507)
Provision for employee profit sharing	14,258	35,357	16,456	37,728	21,099	12,584	21,273	12,201
Provision for contingencies	36,498	36,048	49,106	41,322	(449)	(576)	(7,583)	(473)
Expected credit losses	1,162	1,309	2,626	2,872	147	(198)	245	(845)
Lease (depreciation x consideration)	129,854	119,770	129,888	119,803	(10,084)	(4,345)	(10,086)	(4,346)
Other adjustments	17,580	32,128	17,581	32,128	6,069	(5,876)	6,022	(5,876)
Effective income tax and social contribution expense	-	-	-	-	7,062	(14,559)	601	(12,615)
Deferred tax liabilities, net	(23,405)	(16,360)	(7,885)	(7,303)				
Reflected in the balance sheet as follows:								
Deferred tax assets	296,435	331,032	311,956	341,389				
Deferred tax liabilities	(319,840)	(347,392)	(321,091)	(348,692)				
Deferred tax liabilities, net	(23,405)	(16,360)	(24,656)	(17,660)				
Deferred tax assets – Subsidiaries	-	-	16,771	10,357				
Reconciliation of deferred tax assets (liabilities), net								
At the beginning of the period	(16,360)	(87,518)	(7,303)	(39,964)				
Expense recognized in the statement of income	(7,062)	71,076	(601)	32,579				
Realization of deferred tax recognized in equity	17	82	19	82				
Balance at the end of the period	(23,405)	(16,360)	(7,885)	(7,303)				

(A free translation of the original in Portuguese)

**Notes to the
Individual and Consolidated Interim Financial Information
March 31, 2023
(All amounts in thousands of reais unless otherwise stated)**

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	
	Mar/23	Dec/22	Mar/23	Dec/22
2023	168,404	202,008	185,128	212,365
2024	47,234	46,526	47,234	46,526
2025	33,548	34,580	33,548	34,580
2026	34,583	47,918	34,583	47,918
2027 and thereafter	12,667	-	12,713	-
Total	296,436	331,032	313,206	341,389
Deferred tax assets on temporary differences, recorded net in liabilities	296,436	331,032	296,435	331,032
Deferred tax assets on tax losses in subsidiaries	-	-	16,771	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\$ 31,187, 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	
	Mar/23	Mar/22
Basic		
Profit for the period	192,260	140,640
Weighted average number of common shares	1,647,869	1,647,358
Basic earnings per share - R\$	0.11667	0.08537
Diluted		
Profit for the period	192,260	140,640
Weighted average number of common shares adjusted for dilution effect	1,682,550	1,665,344
Diluted earnings per share - R\$	0.11427	0.08445

(A free translation of the original in Portuguese)

**Notes to the
Individual and Consolidated Interim Financial Information
March 31, 2023**
(All amounts in thousands of reais unless otherwise stated)

20. Equity

(a) Capital

At March 31, 2023, the fully paid-up capital amounted to R\$ 2,500,000 (R\$ 2,500,000 - Dec/22), represented by 1,651,930,000 common registered book-entry shares with no par value, of which 1,213,925,109 were outstanding common shares (1,209,031,054 common shares - Dec/22).

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

At March 31, 2023, the Company's ownership structure was as follows:

Ownership interest	Number of shares		Interest (%)	
	Mar/23	Dec/22	Mar/23	Dec/22
Controlling shareholders	434,519,466	438,719,134	26.30	26.56
Shares outstanding	1,213,925,109	1,209,031,054	73.49	73.19
Treasury shares	3,485,425	4,179,812	0.21	0.25
Total	1,651,930,000	1,651,930,000	100.00	100.00

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

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
At December 31, 2022	1,209,031,054
(Purchase)/sale of restricted shares, net	4,894,055
At March 31, 2023	1,213,925,109

At March 31, 2023, the Company's common shares were quoted at R\$ 24.45 (closing quote) (R\$ 23.72 at December 31, 2022).

(A free translation of the original in Portuguese)

**Notes to the
Individual and Consolidated Interim Financial Information
March 31, 2023
(All amounts in thousands of reais unless otherwise stated)**

(b) Treasury shares

The changes in treasury shares in the three-month period ended March 31, 2023 are summarized below:

Changes in treasury shares	Parent Company	
	Number of shares	Amount of shares
At January 1, 2022	4,770,375	91,993
Shares delivered to executives related to the 3rd tranche of the 2018 grant, 2nd tranche of the 2019 grant and 1st tranche of the 2020 grant	(581,512)	(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)
At December 31, 2022	4,179,812	80,605
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	(679,233)	(12,058)
Shares delivered to executives related to the 1st tranche of 2021, 2nd tranche of 2020 and 3rd tranche of 2019 of 4Bio.	(15,154)	(53)
At March 31, 2023	3,485,425	68,494

At March 31, 2023, the market value of the treasury shares, having as reference the quotation of R\$ 24.45 per share (R\$ 23.72 at March 31, 2022), corresponds to R\$ 85,219 (R\$ 99,145 - Dec/22).

(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.

Performance shares

(A free translation of the original in Portuguese)

**Notes to the
Individual and Consolidated Interim Financial Information
March 31, 2023
(All amounts in thousands of reais unless otherwise stated)**

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	Mar/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	624,151	2,414	2,617,050	22,688
Value of the shares at the delivery date	(694,387)	(11,702)	(587,808)	(9,792)
Closing balance	4,038,748	39,760	4,108,984	49,048

(A free translation of the original in Portuguese)

**Notes to the
Individual and Consolidated Interim Financial Information
March 31, 2023**
(All amounts in thousands of reais unless otherwise stated)

Position of the restricted share plan

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

Grants	Grant date	Number of shares granted⁽ⁱ⁾	Date on which they will become exercisable	Period of restriction to share transfer	Fair value of shares on grant date⁽ⁱ⁾
Long-Term Incentive Program					
2020 - 3 rd tranche	03/01/2020	352,977	02/28/2024	02/28/2024	R\$ 24.89
2021 - 2 nd tranche	03/01/2021	274,596	02/28/2024	02/28/2024	R\$ 22.72
2021 - 3 rd tranche	03/01/2021	274,596	02/28/2025	02/28/2025	R\$ 22.72
2022 - 1 st tranche	03/01/2022	419,742	02/28/2024	02/28/2024	R\$ 23.90
2022 - 2 nd tranche	03/01/2022	419,742	02/28/2025	02/28/2025	R\$ 23.90
2022 - 3 rd tranche	03/01/2022	419,742	02/28/2026	02/28/2026	R\$ 23.90
2023 - 1 st tranche	03/01/2023	419,742	02/28/2025	02/28/2025	R\$ 23.90
2023 - 2 nd tranche	03/01/2023	419,742	02/28/2026	02/28/2026	R\$ 23.90
2023 - 3 rd tranche	03/01/2023	419,742	02/28/2027	02/28/2027	R\$ 23.90
Performance share					
2020 - 1 st tranche	01/01/2020	350,421	01/01/2024	01/01/2025	R\$ 13.19
2021 - 1 st tranche	01/01/2021	302,990	02/01/2025	01/01/2026	R\$ 33.99
2022 - 1 st tranche	01/01/2022	305,348	02/01/2026	01/01/2027	R\$ 31.18
2023 - 1 st tranche	01/01/2023	446,627	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.

21. Net sales revenue

Breakdown of net revenue	Parent Company		Consolidated	
	Mar/23	Mar/22	Mar/23	Mar/22
Sales revenue	7,786,398	6,536,625	8,443,477	6,946,962
Service revenue	18,975	18,064	35,530	25,534
Gross sales revenue	7,805,373	6,554,689	8,479,007	6,972,496
Taxes on sales	(360,107)	(303,288)	(395,489)	(311,888)
Returns, rebates and other	(130,739)	(87,140)	(152,172)	(98,098)
Net sales revenue	7,314,527	6,164,261	7,931,346	6,562,510

**Notes to the
Individual and Consolidated Interim Financial Information
March 31, 2023**
(All amounts in thousands of reais unless otherwise stated)

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:

Nature of expenses	Parent Company		Consolidated	
	Mar/23	Mar/22	Mar/23	Mar/22
Cost of sales (Note 8)	(5,045,917)	(4,290,310)	(5,603,846)	(4,627,620)
Personnel expenses	(911,872)	(796,988)	(942,150)	(822,449)
Occupancy expenses ⁽ⁱ⁾	(91,681)	(93,668)	(92,309)	(94,283)
Depreciation and amortization ⁽ⁱⁱ⁾	(392,290)	(350,059)	(395,252)	(352,562)
Discounts on property rental	37	577	37	577
Service provider expenses	(109,643)	(100,932)	(111,640)	(104,830)
Expenses on card operator fees	(113,924)	(89,573)	(114,780)	(90,186)
Other ⁽ⁱⁱⁱ⁾	(231,152)	(195,124)	(242,199)	(208,000)
Total	(6,896,442)	(5,916,077)	(7,502,139)	(6,299,353)

Classified in the statement of income as:

Function of expenses	Mar/23	Mar/22	Mar/23	Mar/22
Costs of sales and services	(5,048,526)	(4,292,458)	(5,609,602)	(4,634,073)
Selling	(1,535,606)	(1,364,292)	(1,560,771)	(1,388,041)
General and administrative	(312,310)	(259,327)	(331,766)	(277,239)
Total	(6,896,442)	(5,916,077)	(7,502,139)	(6,299,353)

(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\$ 392,290 in the 1st quarter of 2023 (R\$ 350,059 - Mar/2022) for the Parent Company, of which R\$ 349,567 (R\$ 317,533 - Mar/2022) refer to the sales area and R\$ 42,724 (R\$ 32,527 - Mar/2022) to the administrative area, and totaled R\$ 395,252 (R\$ 352,562 - Mar/2022) for the Consolidated accounts, of which R\$ 350,081 (R\$ 317,935 - Mar/2022) refer to the sales area and R\$ 45,171 (R\$ 34,627 - Mar/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\$ 11,486 (R\$ 10,626 - Mar/2022).

(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 related to COVID-19.

(A free translation of the original in Portuguese)

**Notes to the
Individual and Consolidated Interim Financial Information
March 31, 2023**
(All amounts in thousands of reais unless otherwise stated)

23. Other operating (income)/expenses, net

At March 31, 2023, other operating income / (expenses) totaled R\$ 2,562 (R\$ 8,413 - Mar/2022) for the Parent company and R\$ 6,508 (R\$ 12,609 - Mar/2022) for the Consolidated accounts. These amounts comprise non-recurring expenses and revenues, as presented below:

Nature of income / (expenses)	Parent Company		Consolidated	
	Mar/23	Mar/22	Mar/23	Mar/22
Write-off of fixed assets and intangible assets due to the pharmacies closure	1,150	(1,100)	1,150	(1,100)
Donations	(15)	(618)	(20)	(618)
Social investment	(1,311)	(901)	(1,311)	(901)
Disposal of property and equipment - ICMS reversed	-	(663)	-	(633)
Exclusion of ICMS from PIS/COFINS calculation basis (Note 8)	-	11,688	-	15,943
Credits from prior years, mainly INSS	2,672	-	2,672	-
Other tax credits	-	-	2,754	-
Other	66	(23)	813	(82)
Total	2,562	8,413	6,058	12,609

(A free translation of the original in Portuguese)

**Notes to the
Individual and Consolidated Interim Financial Information
March 31, 2023**
(All amounts in thousands of reais unless otherwise stated)

24. Finance income (costs)

	Parent Company		Consolidated	
	Mar/23	Mar/22	Mar/23	Mar/22
Finance income				
Present value adjustment	64,643	35,104	74,964	39,409
Monetary losses	5,660	877	6,016	996
Short-term investment yields	3,206	4,825	5,704	5,190
Discounts obtained	24	71	24	72
Interest on intercompany loans	12	518	12	789
Other income	-	-	4,701	306
Total finance income	73,545	41,395	91,421	46,762
Finance costs				
Present value adjustment	(119,011)	(65,963)	(127,287)	(70,813)
Interest on leases ⁽ⁱ⁾	(69,552)	(57,067)	(69,493)	(57,121)
Charges on debentures and promissory notes	(66,427)	(36,853)	(66,427)	(36,853)
Interest on payables to subsidiary's shareholder	(29,969)	(755)	(29,987)	(774)
Charges on borrowings	(12,178)	(12,576)	(12,178)	(12,585)
Interest, charges and bank fees	(7,392)	(233)	(8,677)	(306)
Monetary losses	(123)	(1,217)	(4,962)	(2,429)
Amortization of transaction costs	(1,483)	(1,208)	(1,483)	(1,208)
Discounts granted to customers	-	-	(75)	(34)
Total finance costs	(306,135)	(175,872)	(320,569)	(182,123)
Finance income (costs)	(232,590)	(134,477)	(229,148)	(135,361)

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

(A free translation of the original in Portuguese)

**Notes to the
Individual and Consolidated Interim Financial Information
March 31, 2023**
(All amounts in thousands of reais unless otherwise stated)

25. Financial instruments and risk management policy

25.1. Financial instruments by category

Financial instruments items	Parent Company		Consolidated	
	Mar/23	Dec/22	Mar/23	Dec/22
Assets				
<u>At amortized cost</u>				
Cash and cash equivalents (Note 5)	301,078	364,374	371,267	433,541
Held-to-maturity investments (Note 6)	992	-	992	-
Trade receivables (Note 7)	2,151,622	1,923,938	2,630,057	2,295,640
Other receivables	309,473	271,255	321,084	287,744
Judicial deposits (Note 17)	16,599	20,792	137,185	137,624
Total assets	2,779,764	2,580,359	3,460,585	3,154,549
Liabilities				
<u>Liabilities at fair value through profit or loss</u>				
Payables to subsidiary's shareholder	94,679	64,710	94,679	64,710
Subtotal	94,679	64,710	94,679	64,710
Other liabilities				
Suppliers and Suppliers - Forfait (Note 14)	4,680,682	3,999,967	5,106,694	4,258,917
Borrowing (Note 15)	2,177,474	2,239,606	2,276,400	2,317,904
Other payables	397,394	367,234	457,161	436,712
Leases payable (Note 16)	3,740,818	3,736,223	3,744,209	3,740,008
Subtotal	10,996,368	10,343,030	11,584,464	10,753,541
Total liabilities	11,091,047	10,407,740	11,679,143	10,818,251

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 March 31, 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.

(A free translation of the original in Portuguese)

**Notes to the
Individual and Consolidated Interim Financial Information
March 31, 2023
(All amounts in thousands of reais unless otherwise stated)**

(b) Credit risk

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

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

Risk rating	Parent Company		Consolidated	
	Mar/23	Dec/22	Mar/23	Dec/22
Rating - Notional scale				
brAAA	108,733	96,369	168,462	155,751
brAA+	6,444	18,729	6,845	20,735
brA	133	170	2,743	180
(*) n/a - Cash and automatic investments	185,768	249,106	186,983	256,352
(*) n/a - Investment funds	-	-	6,233	523
Total - Notional scale	301,078	364,374	371,266	433,541

(*) 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 March 31, 2023, credit sales represented 64% (61% in 2022) for the Parent Company and 66% (63% in 2022) for the Consolidated accounts, of which 86% (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 14% (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:

(A free translation of the original in Portuguese)

**Notes to the
Individual and Consolidated Interim Financial Information
March 31, 2023**

(All amounts in thousands of reais unless otherwise stated)

Capital management items	Parent Company		Consolidated	
	Mar/23	Dec/22	Mar/23	Dec/22
Short- and long-term borrowings	2,177,474	2,239,606	2,276,400	2,317,904
(-) Cash and cash equivalents	(301,078)	(364,374)	(371,267)	(433,541)
Net debt	1,876,396	1,875,232	1,905,133	1,884,363
Equity attributable to the shareholders of the parent	5,458,659	5,340,862	5,458,659	5,340,862
Noncontrolling interests	-	-	64,993	62,079
Total equity	5,458,659	5,340,862	5,523,652	5,402,941
Total capital	7,335,055	7,216,094	7,428,785	7,287,304
Gearing ratio (%)	25.58	25.99	25.65	25.86

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 March 31, 2023, the balance of lease liabilities in the Parent Company and Consolidated accounts corresponded to R\$ 3,740,818 and R\$ 3,744,209, respectively. Considering the lease liability in the capital management calculation, the gearing ratio of the Company and the Group would be 50.72% in the Parent Company and 50.56% 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:

Adjusted net debt with lease liabilities	Parent Company		Consolidated	
	Mar/23	Dec/22	Mar/23	Dec/22
Net debt	1,876,396	1,875,232	1,905,133	1,884,363
Lease liabilities	3,740,818	3,736,223	3,744,209	3,740,008
Adjusted net debt	5,617,214	5,611,455	5,649,342	5,624,371
Total equity	5,458,659	5,340,862	5,523,652	5,402,941
Total adjusted capital	11,075,873	10,952,317	11,172,994	11,027,312
Adjusted gearing ratio (%)	50.72	51.24	50.56	51.00

(A free translation of the original in Portuguese)

**Notes to the
Individual and Consolidated Interim Financial Information
March 31, 2023**
(All amounts in thousands of reais unless otherwise stated)

(f) Fair value estimation

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

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

Fair value estimation	Parent Company				Consolidated			
	Carrying amount		Fair value		Carrying amount		Fair value	
	Mar/23	Dec/22	Mar/23	Dec/22	Mar/23	Dec/22	Mar/23	Dec/22
Debentures	1,877,016	1,927,632	1,877,016	1,927,632	1,877,016	1,927,632	1,877,016	1,927,632
Other	300,458	311,974	300,458	311,974	399,384	390,272	399,384	390,272
Total	2,177,474	2,239,606	2,177,474	2,239,606	2,276,400	2,317,904	2,276,400	2,317,904

For disclosure purposes, the fair value of financial liabilities is estimated by discounting future contractual cash flow at the interest rates available in the market that are 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.

At March 31, 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 March 31, 2023:

Changes in payables to subsidiary's shareholder	Parent Company/Consolidated	
	Payables to subsidiary's shareholder	
	2023	2022
Balance at January 1	64,711	37,383
Interest recognized in the statement of income	29,969	755
Closing balance	94,680	38,138
Total expenses for the period recognized in the statement of income	29,969	755
Changes in unrealized expenses for the period included in the statement of income	29,969	755

(A free translation of the original in Portuguese)

**Notes to the
Individual and Consolidated Interim Financial Information
March 31, 2023**

(All amounts in thousands of reais unless otherwise stated)

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			
		Mar/23	Dec/22	Mar/23	Dec/22	Mar/23	Mar/22	Mar/23	Mar/22
Receivables									
Special plans ⁽ⁱ⁾									
Regimar Comercial S.A.	Shareholder/Family	19	15	19	15	25	25	25	25
Heliomar Ltda.	Shareholder/Board Member	-	1	-	1	3	3	3	3
Natura Cosméticos S.A. ⁽ⁱⁱ⁾	Shareholder/Related party	-	-	-	-	-	477	-	477
4Bio Medicamentos S.A. ^(v)	Subsidiary	-	69	-	-	114	77	-	77
Healthbit Performasys Tecnologia	Subsidiary	-	-	-	-	-	2	-	2
Vitat	Subsidiary	2	2	-	-	5	3	-	3
Subtotal		21	87	19	16	147	587	28	587
Other receivables from related parties									
Commercial agreements									
Advances to suppliers		-	-	-	-	-	-	-	-
Cfly Consultoria e Gestão Empresarial Ltda. ⁽ⁱⁱⁱ⁾	Family	750	232	750	232	-	-	-	-
Ribeiro Filho, Pires Oliveira Dias e Freire Advogados ^(iv)	Shareholder/Family	70	20	70	20	-	-	-	-
Loan and other receivables									
4Bio Medicamentos S.A. ^(v)	Subsidiary	791	436	-	-	385	96	-	-
Full Nine Digital Consultoria (Conecta Lá) ^(xii)	Associate	-	1,320	-	1,320	62	37	62	-
Healthbit Performasys Tecnologia ^(viii)	Subsidiary	-	-	-	-	-	44	-	44
ZTO Tec. e Ser. de Infor. na Int. Ltda. (Manipulaê) ^(xi)	Subsidiary	1,348	5,622	-	5,622	18	-	-	-
Labi Exames S.A. ^(xiii)	Associate	-	-	-	-	-	-	-	4,317
Stix Fidelidade e Inteligência S.A. ^(x)	Associate	9,579	4,322	9,579	4,322	5,257	14,208	5,257	14,208
SafePill Comercio Varejista de Med. Manip. Ltda ^(xiv)	Subsidiary	-	5,518	-	5,518	67	-	-	-
Subtotal		12,538	17,470	10,399	17,034	5,789	14,385	5,319	18,569
Total receivables from related parties		12,559	17,557	10,418	17,050	5,936	14,972	5,347	19,156

(A free translation of the original in Portuguese)

**Notes to the
Individual and Consolidated Interim Financial Information
March 31, 2023**

(All amounts in thousands of reais unless otherwise stated)

Related parties	Relationship	Parent Company		Consolidated		Parent Company		Consolidated	
		Liabilities				Transacted amount			
		Mar/23	Dec/22	Mar/23	Dec/22	Mar/23	Mar/22	Mar/23	Mar/22
Payables									
Rentals ^(vi)									
Heliomar Ltda.	Shareholder/Board Member	32	30	32	30	85	328	85	328
Antonio Carlos Pipponzi	Shareholder/Board Member	10	10	10	10	35	71	35	71
Rosalia Pipponzi Raia	Shareholder/Board Member	10	10	10	10	35	71	35	71
Cristiana Almeida Pipponzi	Shareholder/Board Member	4	4	4	4	12	24	12	24
André Almeida Pipponzi	Shareholder/Board Member	4	4	4	4	12	24	12	24
Marta Almeida Pipponzi	Shareholder/Board Member	4	4	4	4	12	24	12	24
Subtotal		64	62	64	62	191	542	191	542
Service providers									
Ribeiro Filho, Pires Oliveira Dias e Freire Advogados ^(iv)	Shareholder/Family	290	141	290	141	780	1,237	780	1,237
Editora Mol Ltda ^(vii)	Shareholder/Family	3,795	203	3,795	203	7,590	3,255	7,590	3,255
Cfly Consultoria e Gestão Empresarial Ltda. ⁽ⁱⁱⁱ⁾	Family	-	73	-	73	32	754	32	754
Cristina Ribeiro Sobral Sarian (Anthea Consultoria Empresarial) ^(viii)	Shareholder/Alternate Board Member until April 2021	-	-	-	-	128	99	128	99
CI&T IOT Comercio de HardWare e Software Ltda e CI&T Softwares S.A) ^(ix)	Shareholder/Board Member as from May 2021	-	3,234	-	3,234	-	32	-	32
Amplissoftware Tecnologia Ltda. ^(xv)	Subsidiary	-	8	-	-	346	-	-	-
Eloopz Serviços de Promoção ^(xvi)	Subsidiary	-	213	-	-	-	-	-	-
Stix Fidelidade e Inteligência S.A. ^(x)	Associate	11,867	11,452	11,867	11,452	-	536	-	536
Healthbit Performasys Tecnologia ^(viii)	Subsidiary	495	156	-	-	360	6,021	-	6,021
Sensedia S.A. ^(xvii)	Shareholder/Board Member as from May 2021	-	1,300	-	1,300	-	-	-	-
Subtotal		16,447	16,780	15,952	16,403	9,236	11,934	8,530	11,934
Total payables to related parties		16,511	16,842	16,016	16,465	9,427	12,476	8,721	12,476

(A free translation of the original in Portuguese)

**Notes to the
Individual and Consolidated Interim Financial Information
March 31, 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 aircraft operation to the owner Raia Drogasil S.A., which will pay the operator a monthly remuneration for the services of operational advisory, compliance, finance, maintenance coordination and maintenance technical control.

(iv) Transaction related to legal advisory.

(v) Other receivables comprises commissions on Raia Drogasil S.A. referrals (R\$ 469), recognized in "other receivables".

(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 points program.

(xi) Loan transactions between subsidiary RD Ventures and ZTO Tecnologia e Servicos de Informacao na Internet Ltda. 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 stores, 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
March 31, 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:

Compensation items	Parent Company		Consolidated	
	Mar/23	Mar/22	Mar/23	Mar/22
Share-based payment	6,483	4,643	7,364	6,186
Bonuses and social charges	4,757	3,397	6,122	3,397
Subtotal bonuses and social charges	11,240	8,040	13,486	9,583
Fees and social charges	6,875	5,992	6,941	6,225
Fringe benefits	86	66	86	66
Total	18,201	14,098	20,513	15,874

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

The Group had the following insurance:

Insurance items	Parent Company/Consolidated Mar/23
Inventory loss risks*	815,834
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
March 31, 2023
(All amounts in thousands of reais unless otherwise stated)**



28. Non-cash transactions

At March 31, 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\$ 9,183 (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\$ 87,167 (R\$ 450,840 - Dec/22), remeasurements of R\$ 122,614 (R\$ 456,463 - Dec/22) and termination of agreements in the amount of R\$ 116 ((R\$ 46,695) - Dec/22).

29. Events after the reporting period

On April 14, 2023, the subsidiary 4Bio Medicamentos S.A. 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 DI, plus 1.90% per year and term of five months.

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

Independent auditor’s report on review of interim financial statements

The Shareholders and Officers

Raia Drogasil S.A.

São Paulo – SP

Introduction

We have reviewed the accompanying individual and consolidated interim financial information of Raia Drogasil S.A. (“Company”), contained in the Quarterly Information Form (ITR) for the quarter ended March 31, 2023, comprising the statement of financial position as of March 31, 2023 and the related statements of profit or loss, of comprehensive income, of changes in equity and cash flows for the three-month period then ended, including the explanatory notes.

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

Scope of review

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

Conclusion on the individual and consolidated interim financial information

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

Other matters

Statements of value added

The abovementioned quarterly information includes the individual and consolidated statements of value added (SVA) for the three-month period ended **March 31, 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, May 2, 2023.

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

Patricia Nakano Ferreira
Accountant CRC-SP234620/O

Comments on business projections performance
Individual and Consolidated
March 31, 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, until the end of the current year. The projections for 2016 and 2017 were disclosed to the market on July 28, 2016, the projections for 2018 and 2019 were disclosed on November 9, 2017, the projections for 2020 were disclosed on October 3, 2019 and the projections for 2021 and 2022 were disclosed on September 29, 2020.

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 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	55 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, 2022

To the Board of Directors and Shareholders

Raia Drogasil S.A.

The Company's Supervisory Board, in exercising its duties and legal responsibilities, has examined the Interim Financial Information for the three-month period ended March 31, 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, May 2, 2023.

Gilberto Lério
Supervisory Board Member

Adeildo Paulino
Supervisory Board Member

Paulo Sérgio Buzaid Tohmé
Supervisory Board Member

Antônio Edson Maciel dos Santos
Supervisory Board Member

**Officers' Representation on
Interim Financial Information
March 31, 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 three-month period ended March 31, 2023.

São Paulo, May 2, 2023.

Marcilio D'Amico Pousada
Chief Executive Officer

Eugênio De Zagottis
Officer

Antonio Carlos Coelho
Officer

Marcello De Zagottis
Officer

Fernando Kozel Varela
Officer

Renato Cepollina Raduan
Officer

Maria Susana de Souza
Officer

Bruno Wright Pipponzi
Officer

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, 2022

In accordance with article 25, paragraph 1, items V and VI, of CVM Instruction 480/09, the Company's officers represent that they have reviewed, discussed and agree with the conclusions expressed in the favorable Auditor's Report without exceptions issued by the independent auditors for the three-month period ended March 31, 2023.

São Paulo, May 2, 2023.

Marcilio D'Amico Pousada
Chief Executive Officer

Eugênio De Zagottis
Officer

Antonio Carlos Coelho
Officer

Marcello De Zagottis
Officer

Fernando Kozel Varela
Officer

Renato Cepollina Raduan
Officer

Maria Susana de Souza
Officer

Bruno Wright Pipponzi
Officer

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