

## EARNINGS RELEASE

### 1Q22



São Paulo, May 03, 2021. **RD – People, Health and Well-being** (Raia Drogasil S.A. – B3: RADL3) announces today its results for the 1st quarter of 2022 (1Q22). The Company's parent company and consolidated interim financial statements for the periods ended March 31, 2022 and 2021 have been prepared in accordance with the accounting practices adopted in Brazil, including the rules issued by the Brazilian Securities Commission (CVM), the Brazilian Accounting Standards - General Technical (NBC TG) and the pronouncements issued by the Brazilian Accounting Pronouncements Committee (CPC), and are in conformity with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and provide all the significant information related solely to the interim financial statements, which is consistent with the information used by management. The financial statements were prepared in Reais and all growth rates, unless otherwise stated, relate to the same period of 2021.

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

#### CONSOLIDATED HIGHLIGHTS:

- › **PHARMACIES: 2,530 units in operation (52 openings and 12 closures);**
- › **GROSS REVENUE: R\$ 7.0 billion, a 16.6% increase with 8.9% for mature stores;**
- › **DIGITAL: R\$ 656.1 million, an increase of 51.2% and 10.0% of retail penetration;**
- › **CONTRIBUTION MARGIN\*: R\$ 631.5 million, with 9.1% of margin;**
- › **ADJUSTED EBITDA: R\$ 388.4 million, an EBITDA margin of 5.6%;**
- › **ADJUSTED NET INCOME: R\$ 145.3 million, a 2.1% net margin;**
- › **CASH FLOW: R\$ 320.6 million negative free cash flow, R\$ 348.6 million total cash consumption.**

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

RADL3

**R\$ 20.43/share**

NUMBER OF SHARES

**1,651,930,000**

MARKET CAP

**R\$ 33.7 billion**

CLOSING

**May 02<sup>nd</sup>, 2022**

IR TEAM:

**Eugênio De Zagottis**

**Fernando Spinelli**

**André Stolfi**

**Victor Torres**

**Rodrigo Baraldi**

SITE: [ir.rd.com.br](http://ir.rd.com.br)

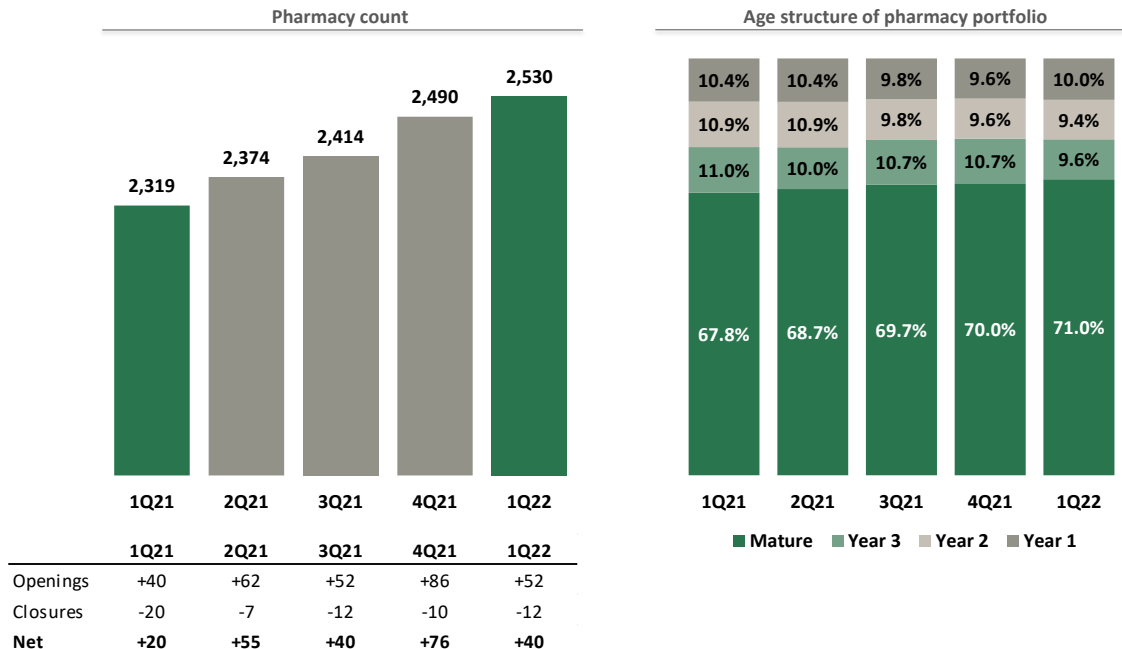
E-MAIL: [ri@rd.com.br](mailto:ri@rd.com.br)

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

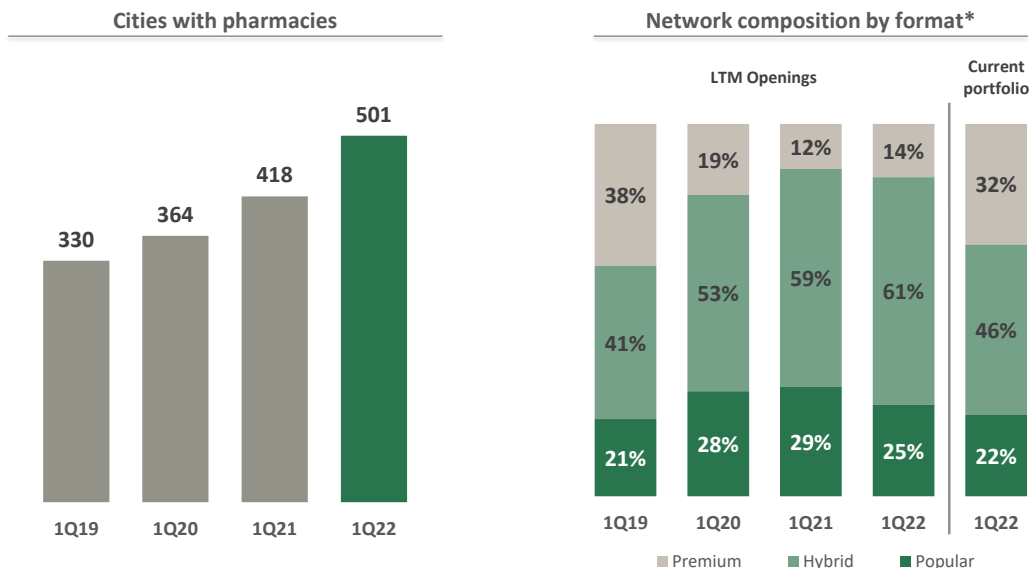
## PHARMACY DEVELOPMENT

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

At the end of the period, 29.0% of our pharmacies were still in the process of maturation and had not yet reached their full potential both in terms of revenue and profitability.

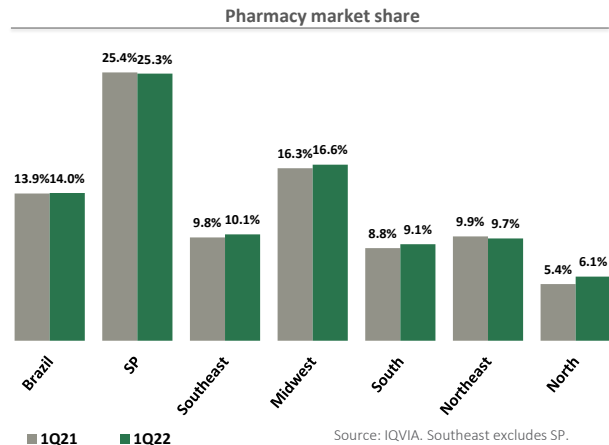
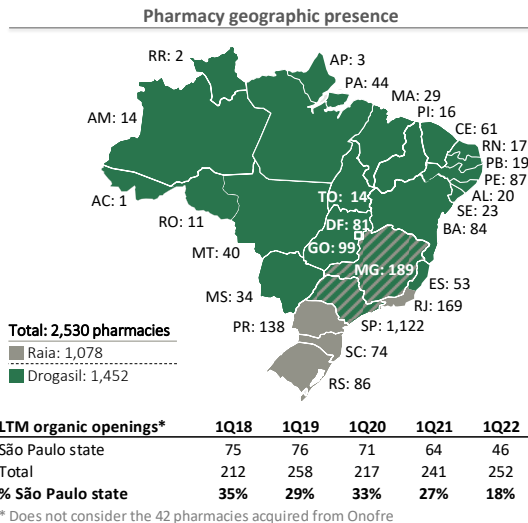


Of the 12 pharmacies closed in the 1Q22, 5 were still in the maturation process and represent corrections of mistakes that are to be expected in such a large-scale expansion. The remaining 7 closures were of mature pharmacies as part of the ongoing optimization of our store portfolio, with positive return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



\* Openings exclude the Onofre acquisition.

We intensified the diversification of our pharmacy network in the quarter, both geographically and demographically, with 82% of our openings in the last twelve months outside of the state of São Paulo, our native market. We also increased our capillarity, extending our presence to 501 cities, 83 more than in the 1Q21. And while 68% of our units belong to the popular or hybrid formats, 86% of the openings in the last twelve months belong to these clusters, increasing our reach into the expanded middle class.



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

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

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

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

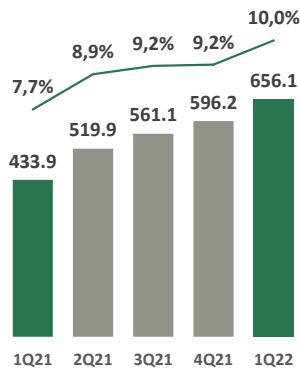
## DIGITAL HEALTH TRANSFORMATION

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

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

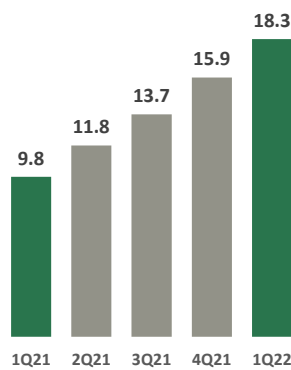
We also recorded a total of 18.3 million cumulative app downloads since the 1Q19, a significant amount when compared to the universe of 44 million active customers and paramount for the digitalization of our relationship with the customers. Such digitalization is essential to our long-term strategy, since customers who use our digital channels increase their loyalty, engagement and purchasing frequency, spending, on average, 20% to 25% more than before digital adoption, thus becoming a fundamental driver for value creation. Also, it will allow us to connect our customers to all the three pillars of our strategy: the New Pharmacy, the Marketplace and the Health Platform.

Digital sales and penetration

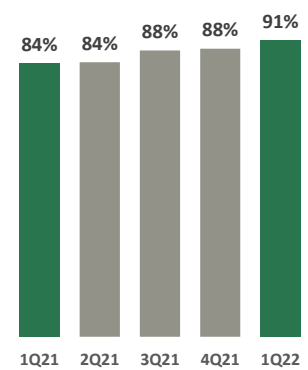


Cumulative app downloads

Millions



Online orders fulfilled by pharmacies



We also highlight the importance of the pharmacies for the digital sales, as 91% of such transactions in the 1Q22 were fulfilled by the physical stores, with both quick delivery times and high economic efficiency. Click & Collect represented 52% of digital orders, while neighborhood deliveries amounted to another 11%, demonstrating the power of the capillarity and convenience of our pharmacies, which cover 92% of Brazil's A-class population within a 1.5 km radius. Lastly, motorized ship-from-store deliveries were available in 409 cities by the end of the quarter, 82% of the municipalities in which RD operates pharmacies, complementing *Click & Collect* and the *Neighborhood Deliveries*, which are available in 100% of our stores.

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

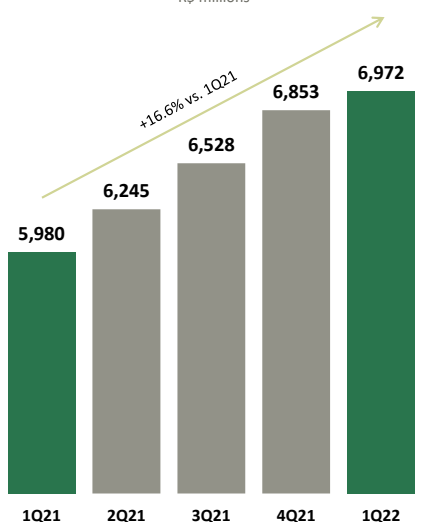
In the quarter, we performed another 694 thousand COVID-19 tests, totaling 4.6 MM performed in our pharmacies since the outbreak of the pandemic. Additionally, the 231 locations with vaccine permits performed over 10 thousand different immunizations, contributing to the repositioning of our pharmacies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

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

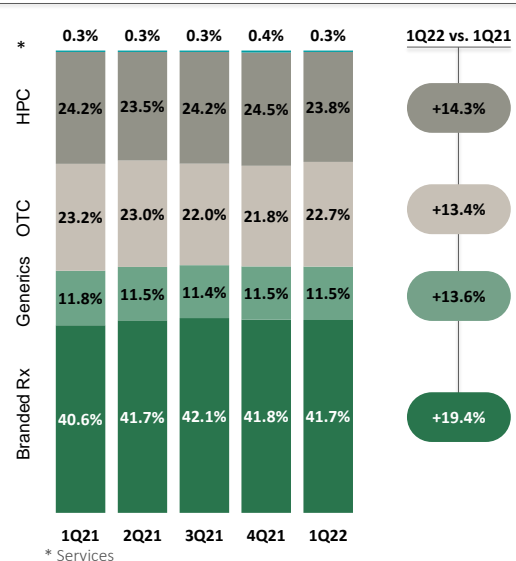
## GROSS REVENUES

Consolidated gross revenue

R\$ millions

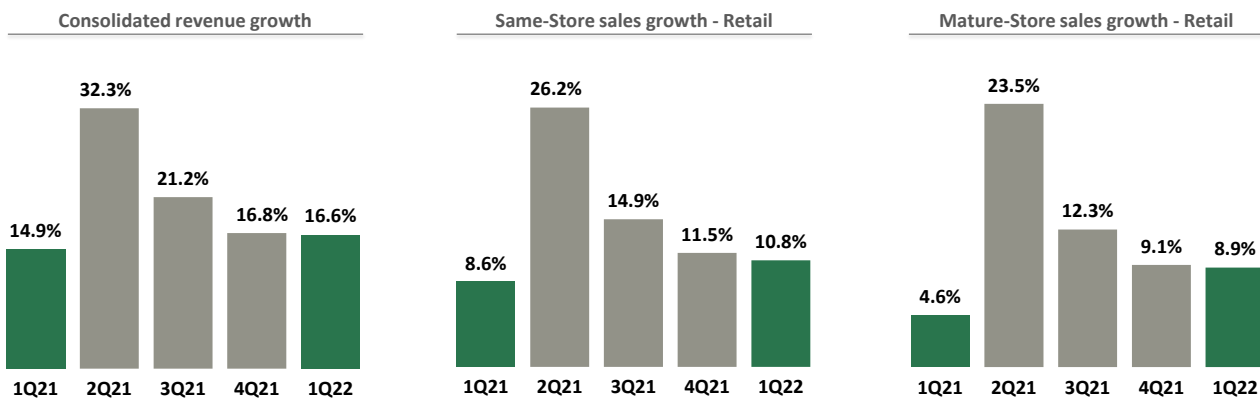


Retail sales mix



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

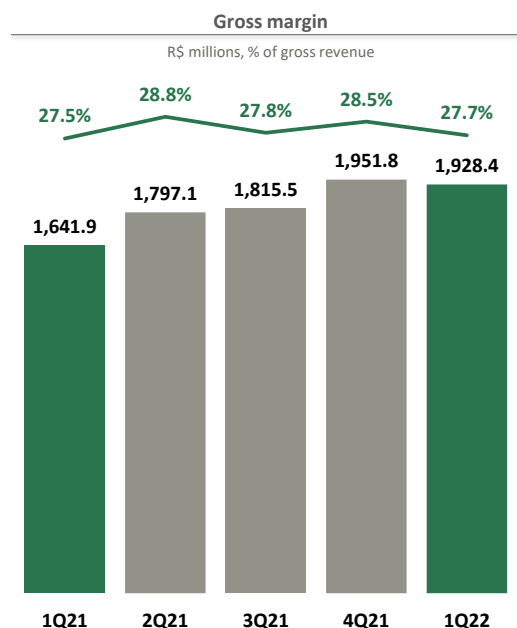
Branded Rx was the highlight of the quarter by growing 19.4% and gaining 1.1 percentage point in the mix. Meanwhile, Generics grew 13.6% and lost 0.3 p.p. in the mix, while HPC grew 14.3% and lost 0.4 p.p. in the mix. Finally, OTC grew 13.4% and lost 0.5 p.p. in the mix due to the high COVID-19 testing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



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

## GROSS PROFIT

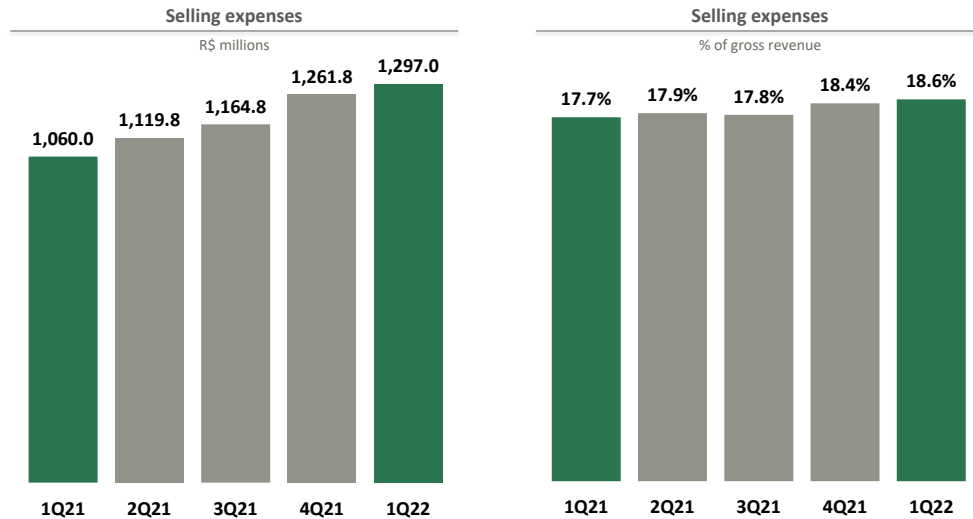
Our gross profit totaled R\$ 1,928.4 million in the 1Q22, with a gross margin of 27.7%, a 0.2 percentage point expansion in comparison to the 1Q21. The gross margin was benefitted by 0.2 percentage point from the Net Present Value (NPV) adjustment, a non-cash effect stemming from higher interest rates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



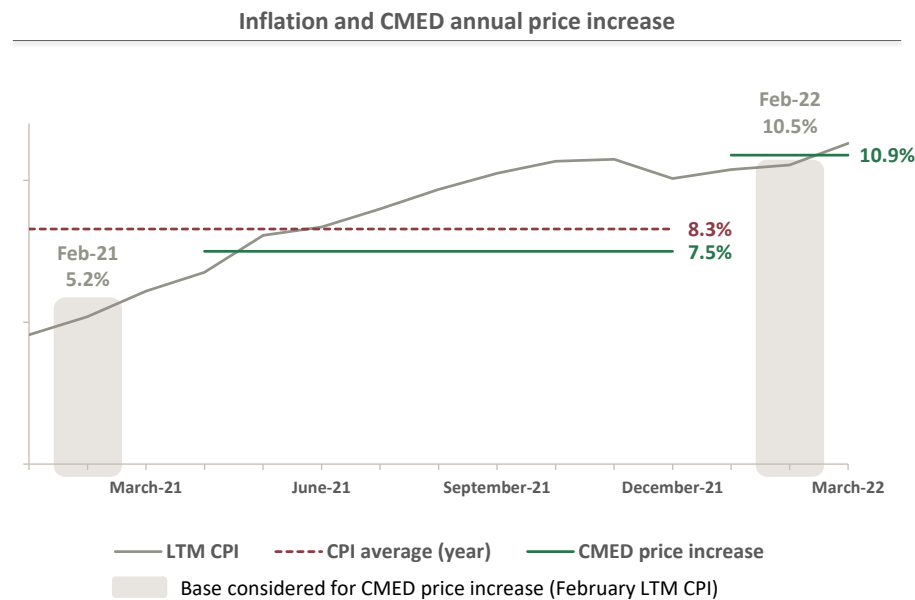
## SELLING EXPENSES

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

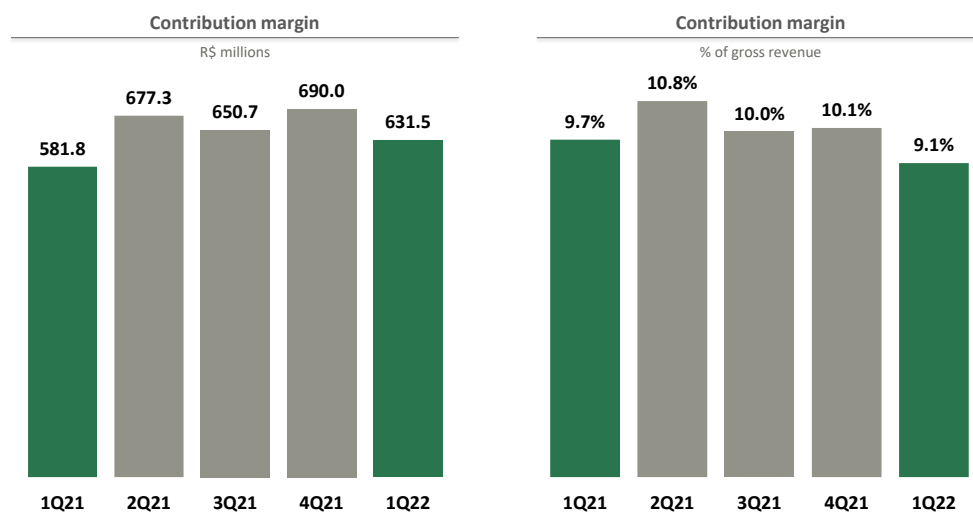
In comparison to the same period of the previous year, we recorded in the quarter a pressure of 0.4 percentage point in personnel expenses, 0.1 p.p. in rentals, 0.1 p.p. in payment methods, 0.1 p.p. in marketing expenses, 0.1 p.p. in freight costs and 0.1 p.p. in other selling expenses.



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



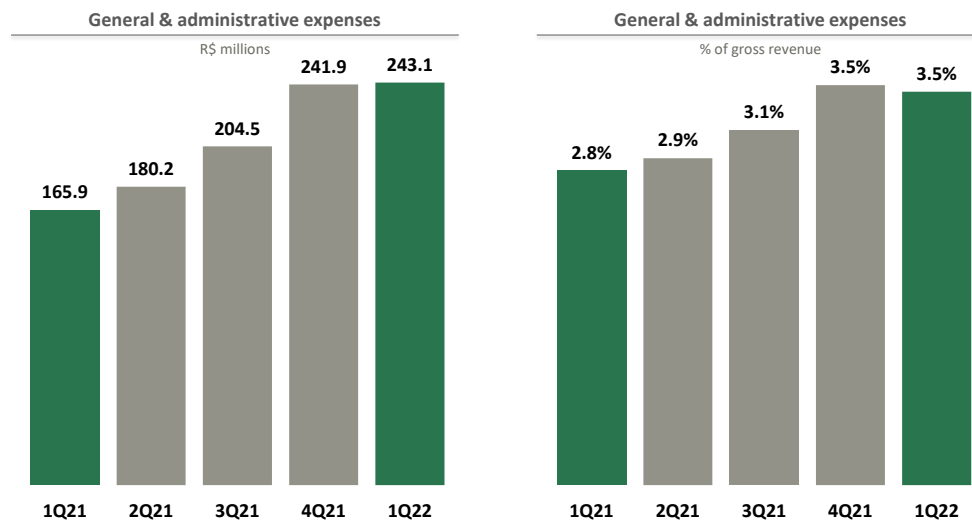
## CONTRIBUTION MARGIN



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

## GENERAL & ADMINISTRATIVE EXPENSES

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



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

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

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

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

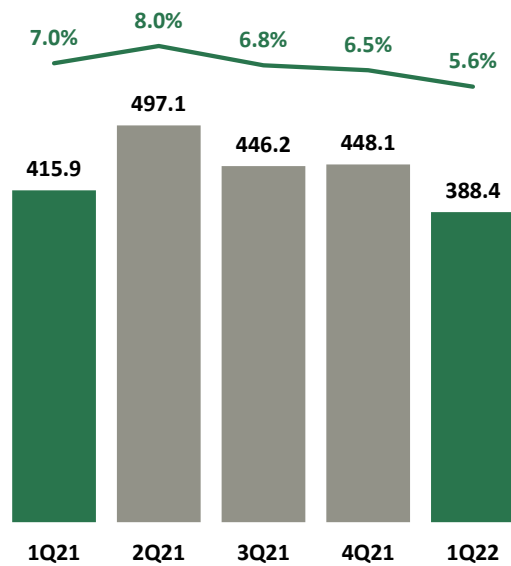
## EBITDA

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

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

### Adjusted EBITDA

R\$ millions, % of gross revenue



### EBITDA RECONCILIATION AND NON-RECURRING EXPENSES

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

EBITDA Reconciliation - R\$ millions	1Q22	1Q21
<b>Net income</b>	<b>153.6</b>	<b>188.8</b>
Income tax	1.5	75.8
Equity Equivalence	(0.0)	1.5
Financial Result	78.2	18.8
<b>EBIT</b>	<b>233.3</b>	<b>284.9</b>
Depreciation and amortization	167.7	147.3
<b>EBITDA</b>	<b>401.0</b>	<b>432.3</b>
Asset write-offs	1.1	(1.1)
Social investments	0.9	-
Donations	0.6	3.3
Non-recurring tax credits	(15.3)	(13.6)
Labor contingencies - Monetary restatement	-	(3.4)
Other non-recurring/non-operating effects	0.0	(1.6)
<b>Non-recurring/non-operating expenses</b>	<b>(12.6)</b>	<b>(16.4)</b>
<b>Adjusted EBITDA</b>	<b>388.4</b>	<b>415.9</b>

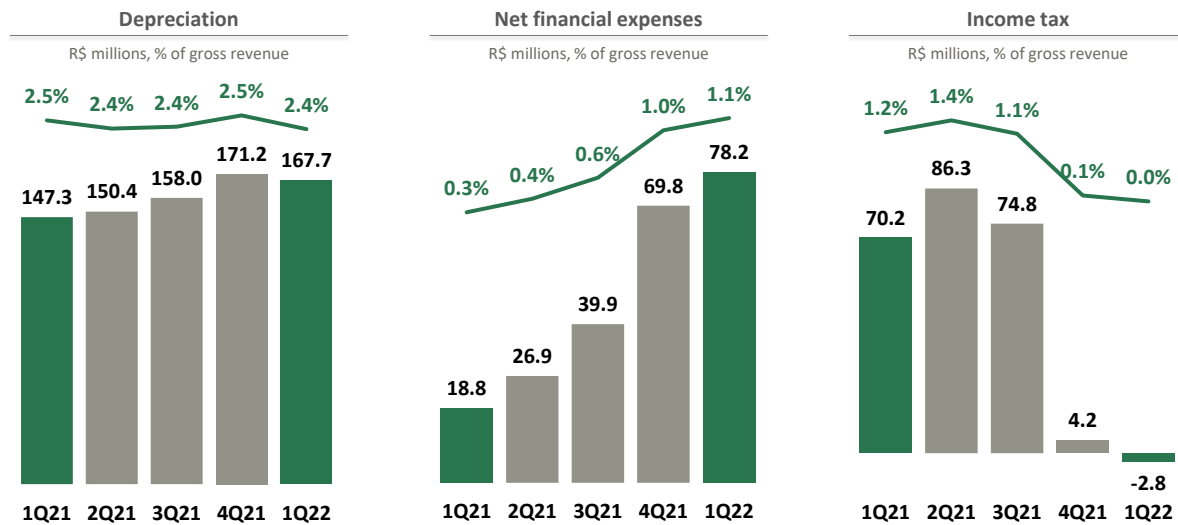
### DEPRECIATION, NET FINANCIAL EXPENSES AND INCOME TAXES

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

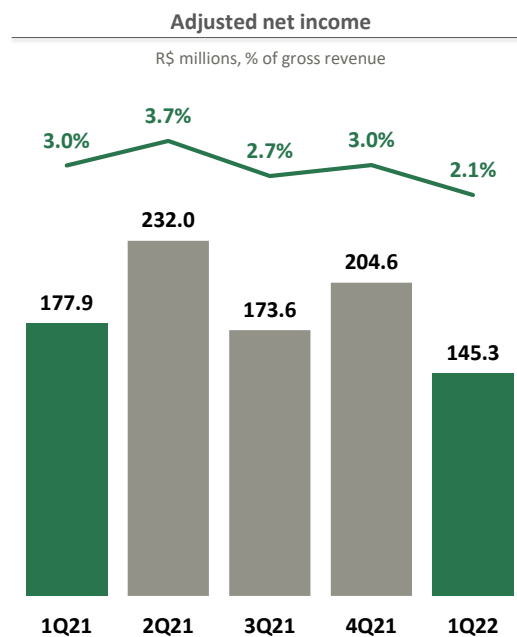
Net financial expenses represented 1.1% of gross revenue in the 1Q22, a 0.8 percentage point increase when compared to the 1Q21. Of the R\$ 78.2 million recorded in the 1Q22, R\$ 46.1 million refers to the actual financial interest accrued on financial liabilities, equivalent to 0.7% of gross revenue,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



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



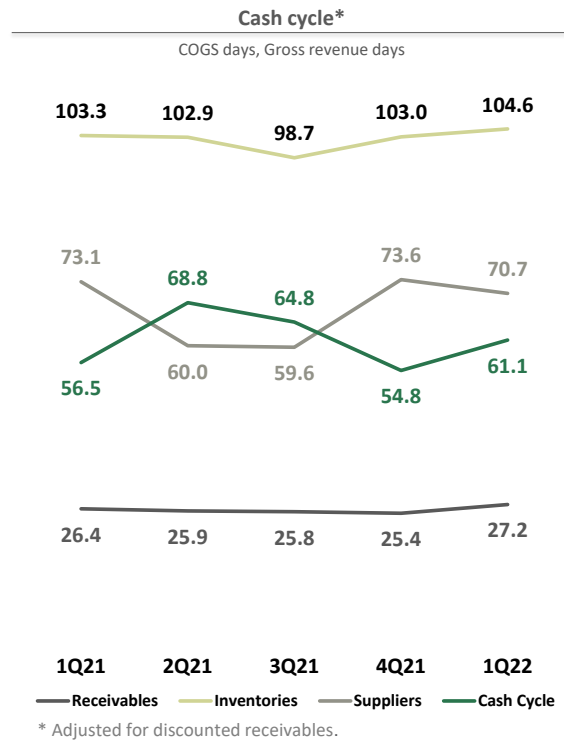
## NET INCOME



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

## CASH CYCLE

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



## CASH FLOW

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

\*Includes adjustments to discounted receivables.

\*\*Includes NPV adjustments.

\*\*\*Excludes NPV adjustments.

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

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

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

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

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

## INDEBTEDNESS

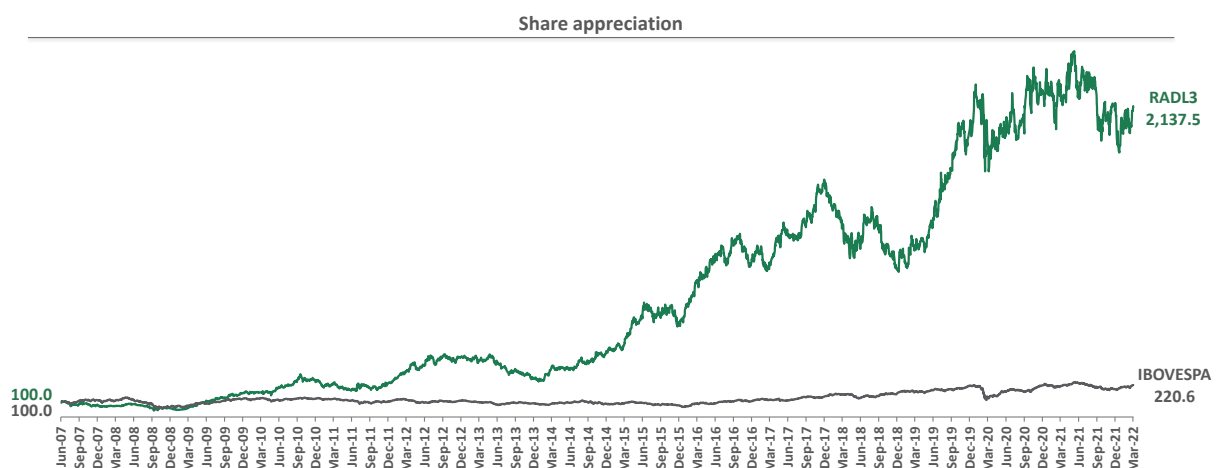
We ended the 1Q22 with an adjusted net debt of R\$ 1,741.6 million, versus R\$ 945.5 million in the 1Q21. This equals an adjusted net debt to EBITDA ratio of 1.0x.

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

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

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

## TOTAL SHAREHOLDER RETURNS



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

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

## IFRS 16

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

Financial statements in both IAS 17 and IFRS 16 are also available at our website [ir.rd.com.br](http://ir.rd.com.br), under Interactive Spreadsheets.

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

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

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

\*Includes adjustments to discounted receivables.

\*\*Includes NPV adjustments

\*\*\*Excludes NPV adjustments

### 1Q22 Results Conference Calls – May 4<sup>th</sup>, 2022

#### Portuguese

at 10:00 am (BRT)

Link:

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

#### English

at 12:00 pm (BRT)

Link:

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

For more information, please contact our Investor Relations department.

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

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

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

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



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

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