



People,
Health and
Well-being.

RaiaDrogasil S.A.

Earnings Presentation

1Q23

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Consolidated highlights ¹

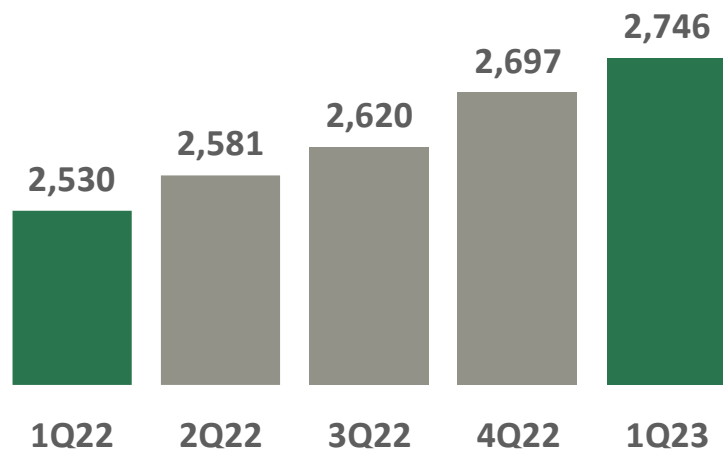
- › **PHARMACIES:** 2,746 units in operation (55 openings and 6 closures);
- › **GROSS REVENUES:** R\$ 8.5 billion, a 21.6% increase with mature store growth of 12.6%;
- › **MARKET SHARE:** 15.3%, a 1.3 pp national increase, with gains in every region;
- › **DIGITAL:** R\$ 1.1 billion, an increase of 63.3% and a retail penetration of 13.7%;
- › **CONTRIBUTION MARGIN²:** 10.0%, an expansion of 0.9 pp and an increase of 34.6%;
- › **ADJUSTED EBITDA:** R\$ 563.0 million, an increase of 45.0%, with a margin of 6.6%;
- › **ADJUSTED NET INCOME:** R\$ 204.0 million, an increase of 40.4% and a net margin of 2.4%;
- › **CASH FLOW:** R\$ -42.2 million in free cash flow, R\$ 98.7 million in total cash consumption.

¹ Considers the IAS 17 / CPC 06 reporting standard.

² Margin before the corporate overhead (gross profit – selling expenses).

We opened 55 new pharmacies and closed 6 in the quarter. We reiterate our guidance of 780 new pharmacies for the 2023-2025 period.

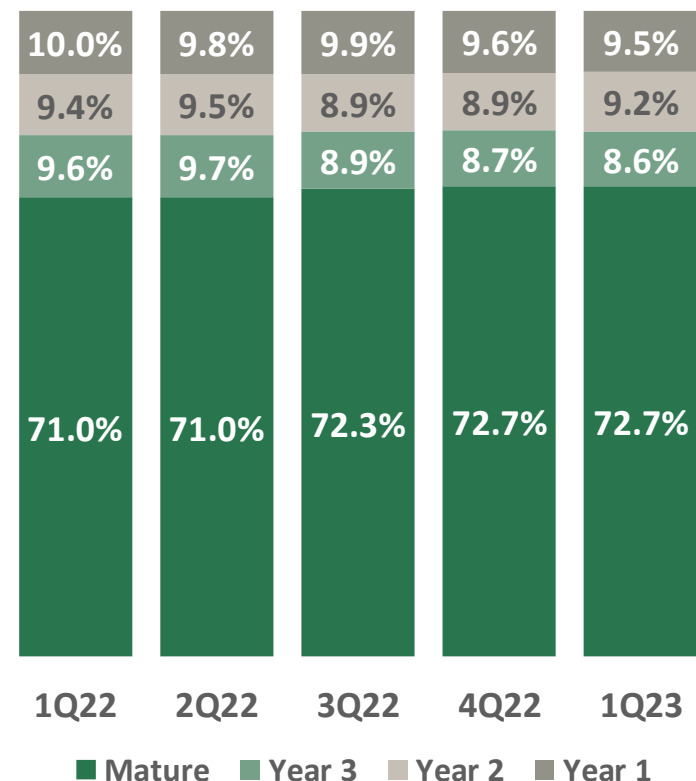
Pharmacy count



	2Q22	3Q22	4Q22	1Q23	LTM
Gross openings	+64	+58	+86	+55	+263
Closures	-13	-19	-9	-6	-47
<i>Maturing</i>	-3	-2	-	-1	-6
<i>Mature</i>	-10	-17	-9	-5	-41
Net openings	+51	+39	+77	+49	+216

Pharmacy portfolio

Age structure



Expansion

Guidance of **260** new stores per year from 2023 to 2025

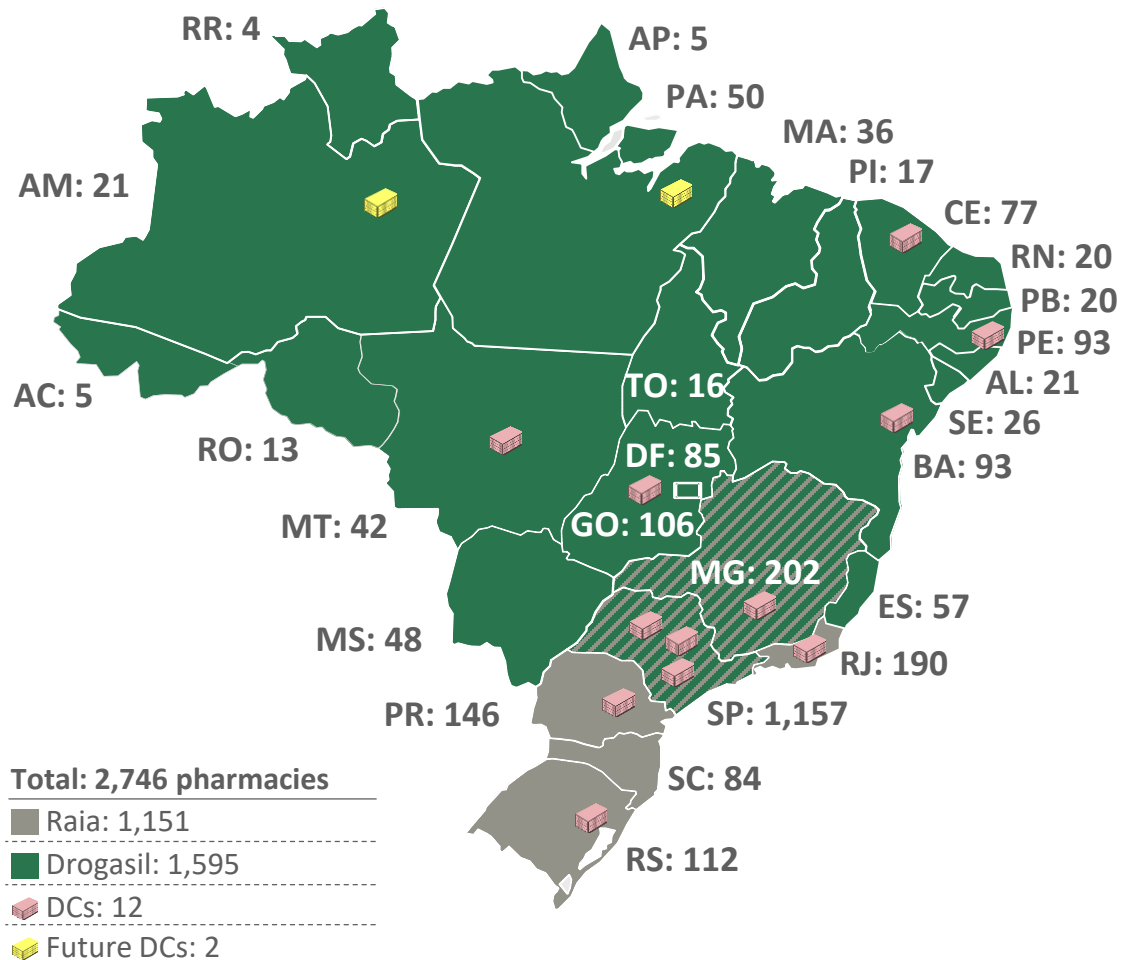
Total of **780 new pharmacies**

Broad geographic and demographic diversification

98% historical assertiveness

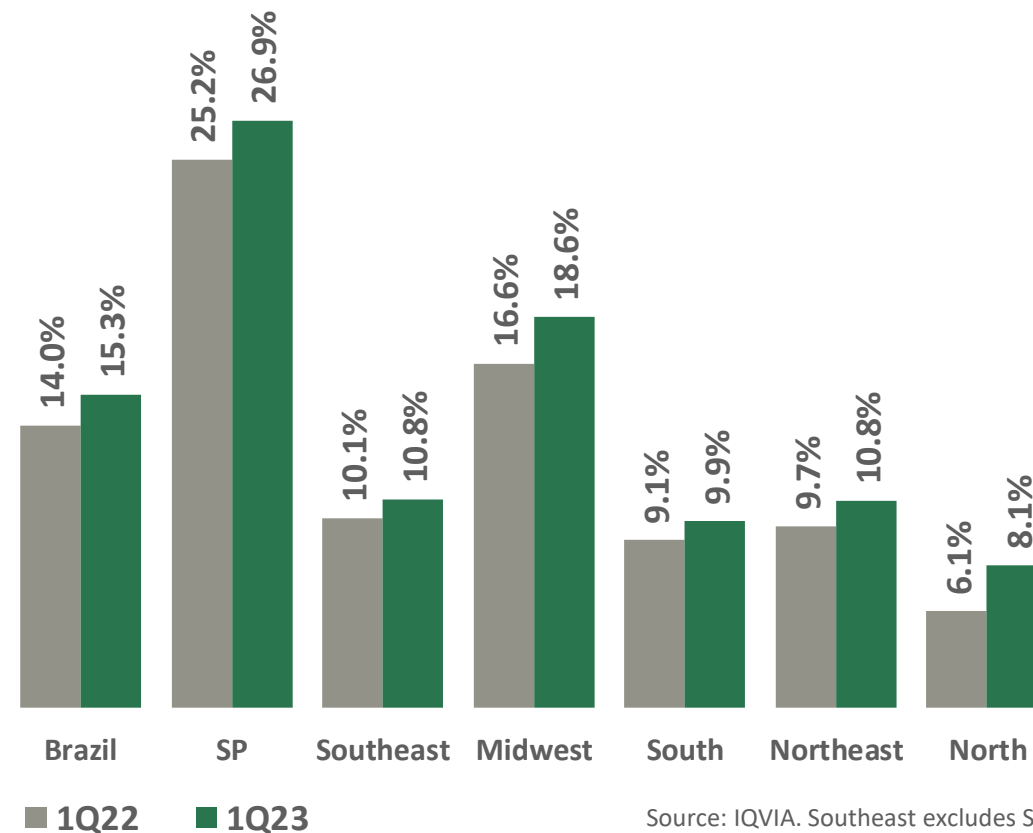
Increased national presence, with a national market share of 15.3% in the quarter, a 1.3 pp expansion, with gains across every region.

Pharmacy geographic presence



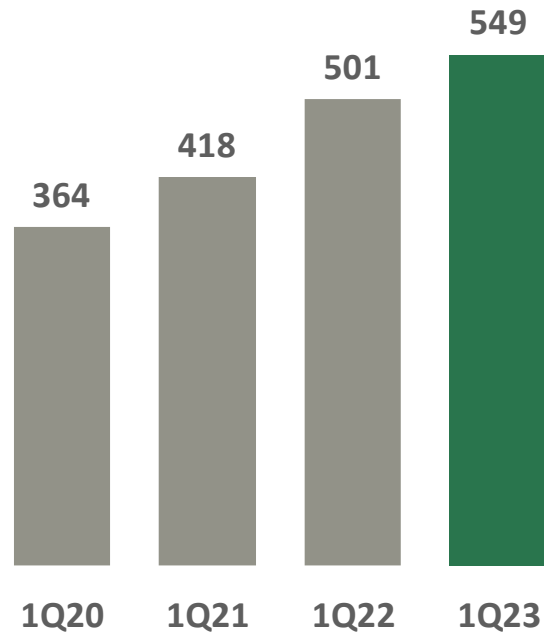
Retail market share

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

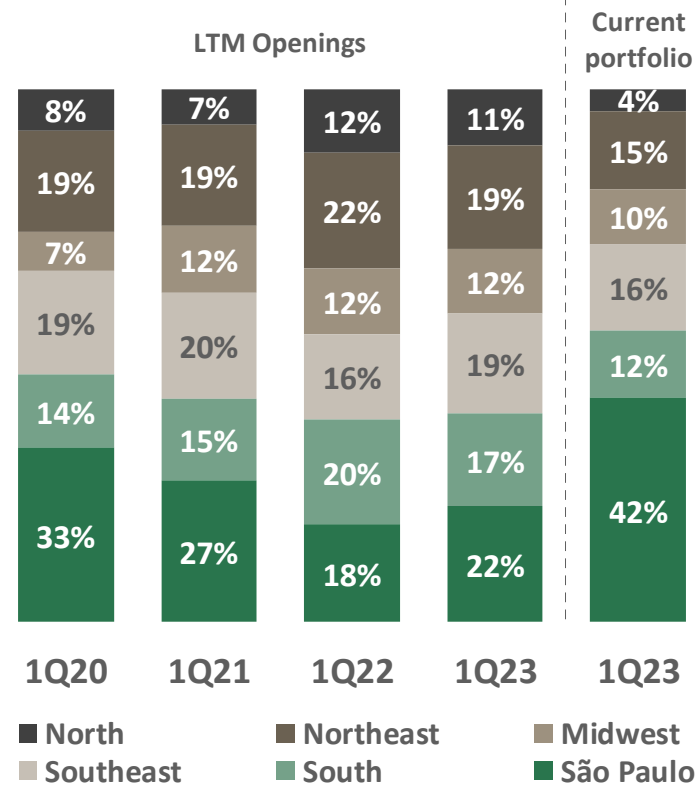


We increased the diversification of our geographic presence, expanding the network to 549 cities, with 85% of LTM openings under the Popular or Hybrid formats.

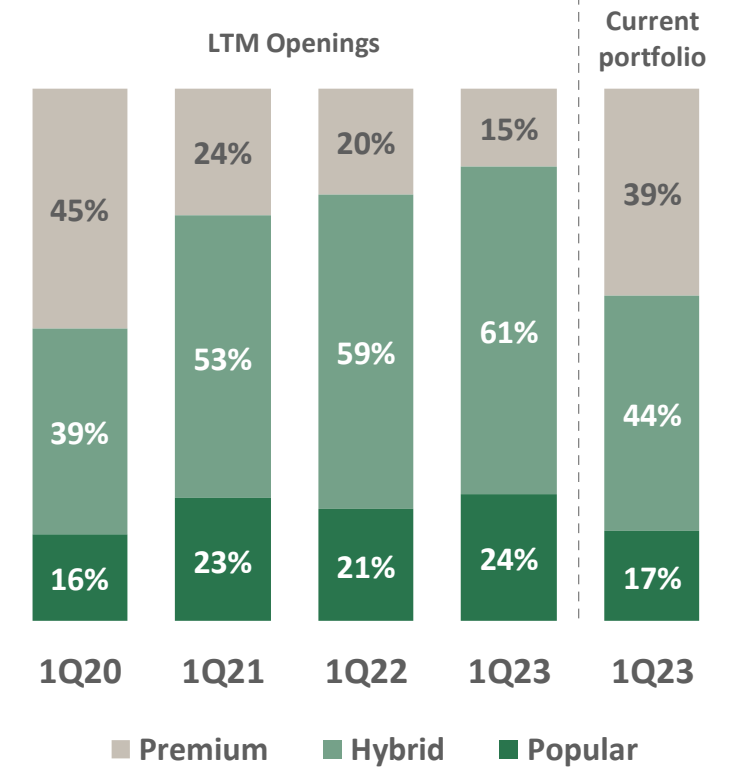
Number of cities with pharmacies



Network composition by region



Network composition by format

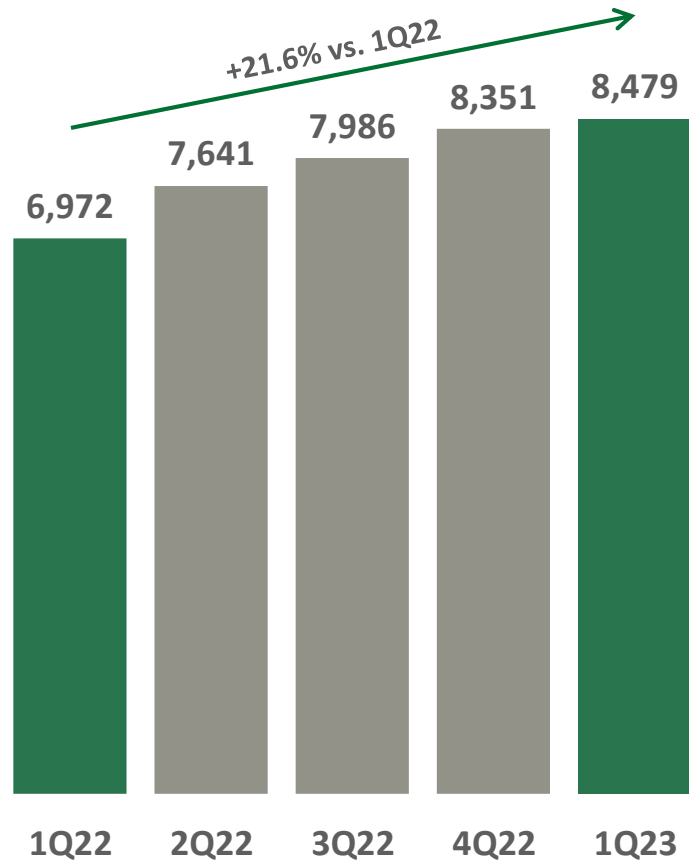


Presence in 301 of the 316 Brazilian cities with over 100 thousand inhabitants
(includes both pharmacies in operation as well as those in the opening process)

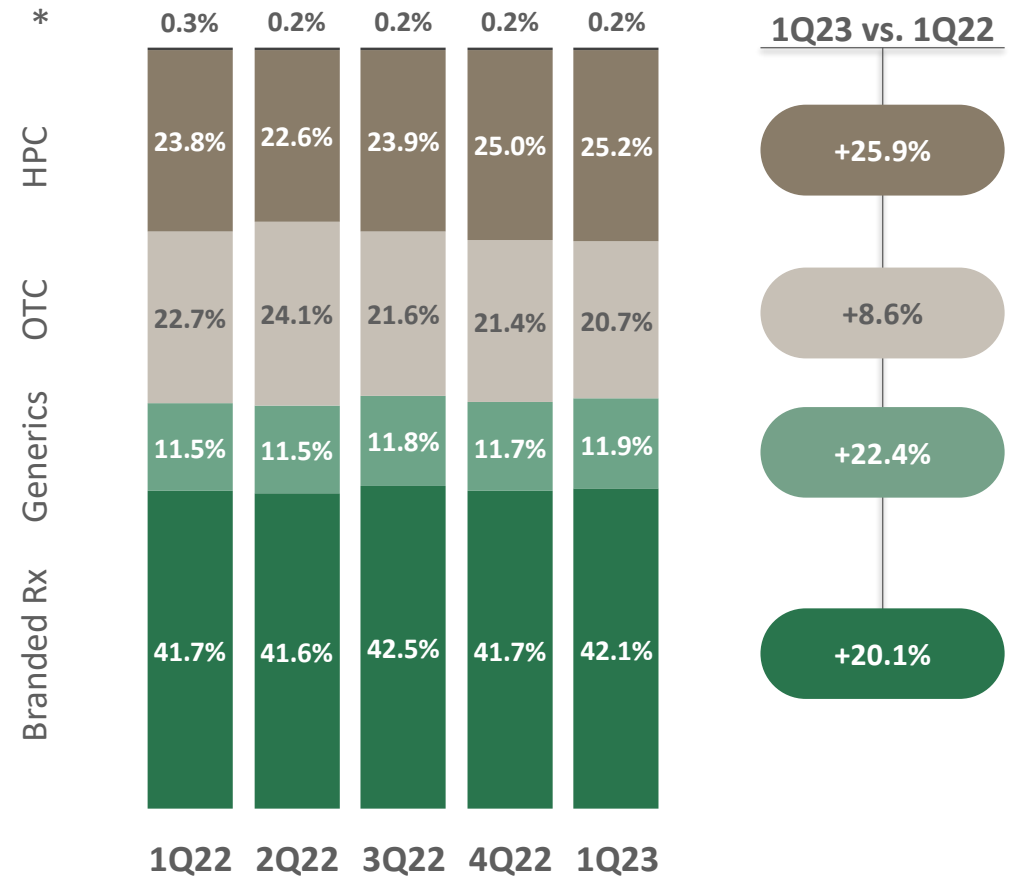
Gross revenues grew 21.6%, driven by digital and by 4Bio (impact of +2.4 pp). HPC was the highlight, with OTC penalized by the strong 1Q22 comp base (omicron).

Consolidated gross revenues

R\$ millions



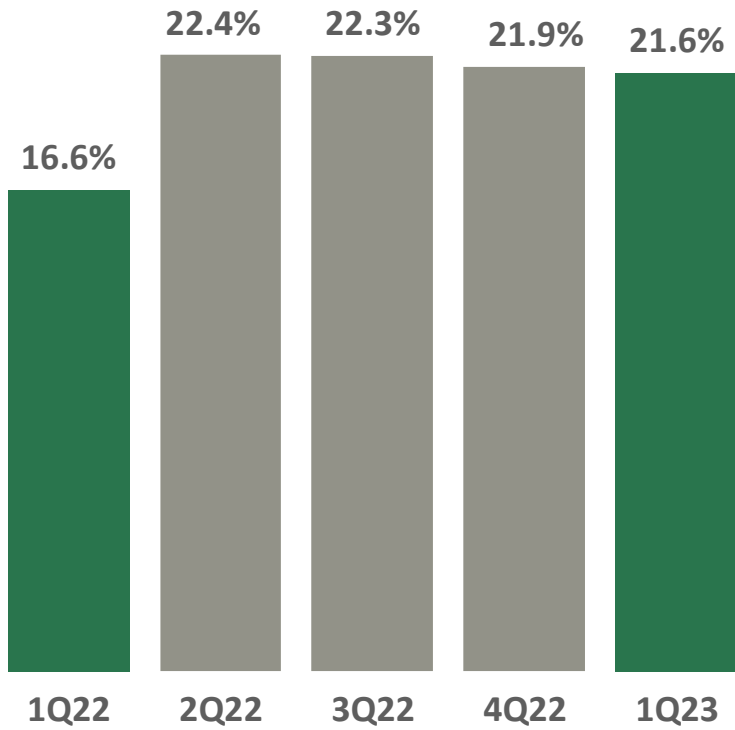
Retail sales mix



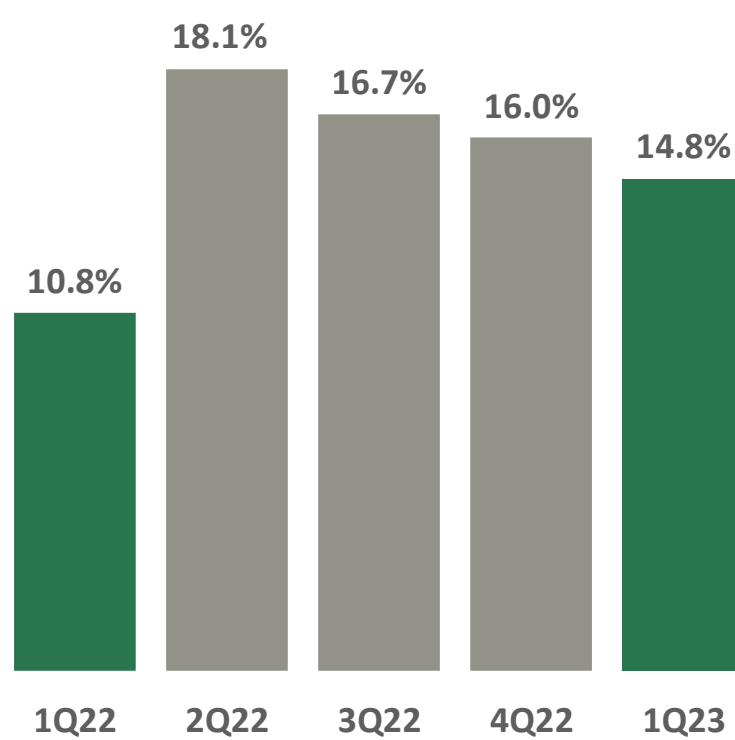
* Services.

Mature stores grew 12.6%, 7.9 pp above the CPI of 4.7% and 1.7 pp above the authorized CMED price cap readjustment of 10.9%.

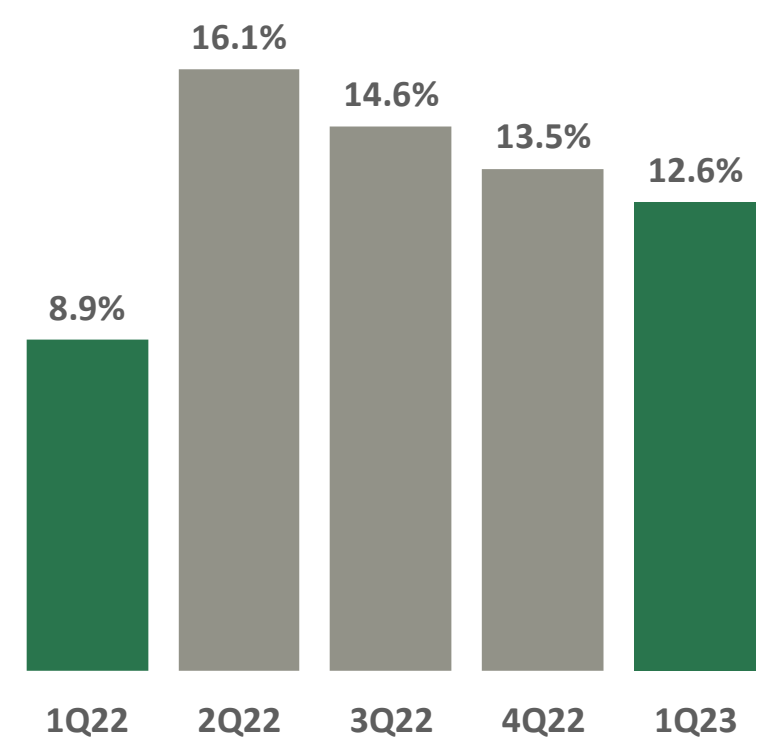
Consolidated revenue growth



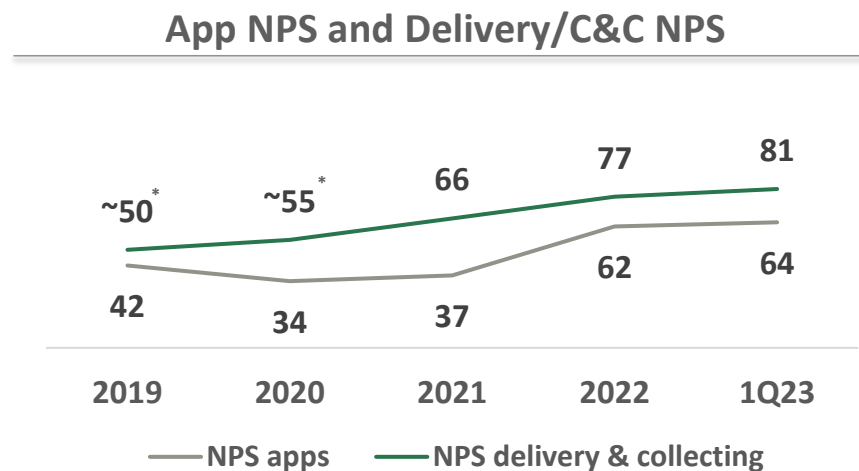
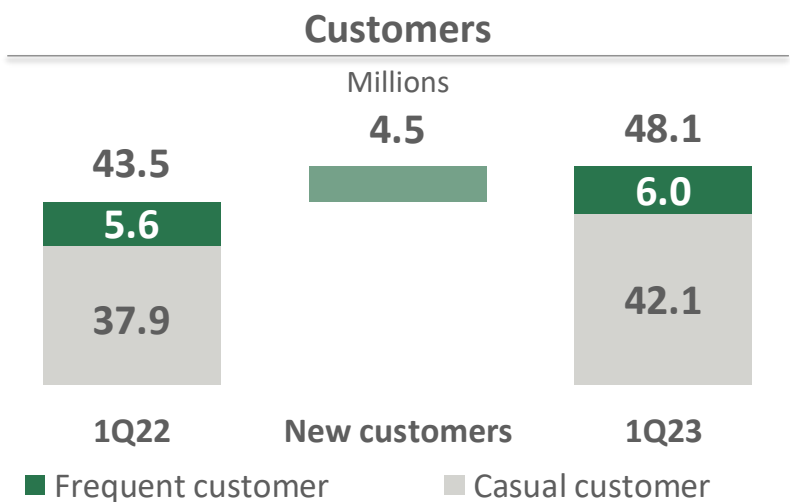
Same-Store sales growth - Retail



Mature-Store sales growth - Retail



Our customers are our greatest assets. In-store experience has increased customer engagement while digitalization has driven more loyalty and frequency, resulting in an increased CLTV.

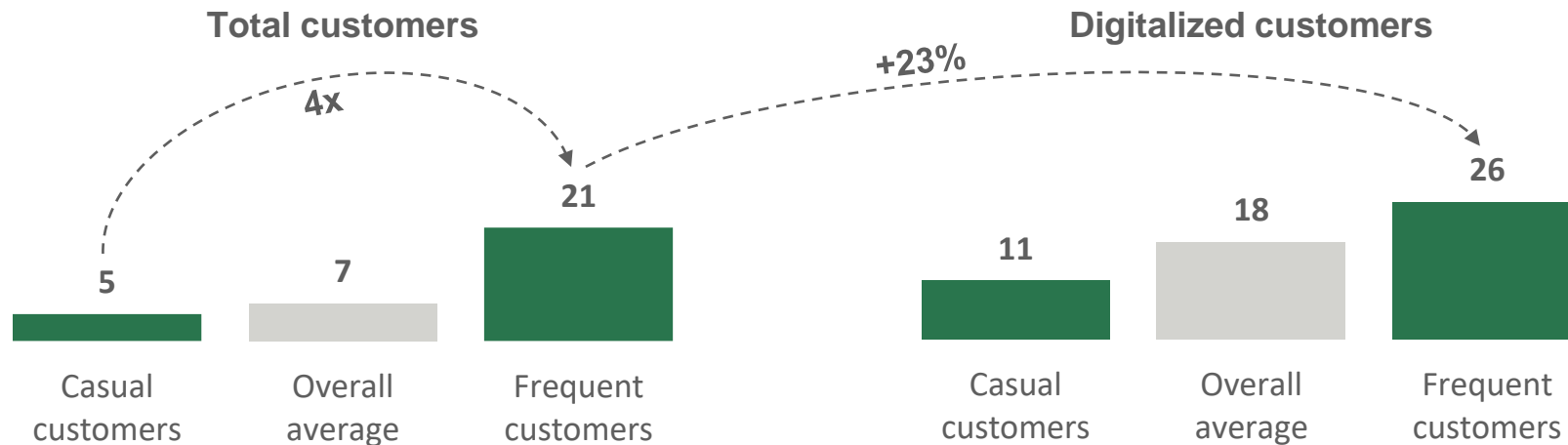


* Estimated 2019 and 2020 criteria for delivery & collecting NPS for current methodology.

Customer frequency

Purchases per year

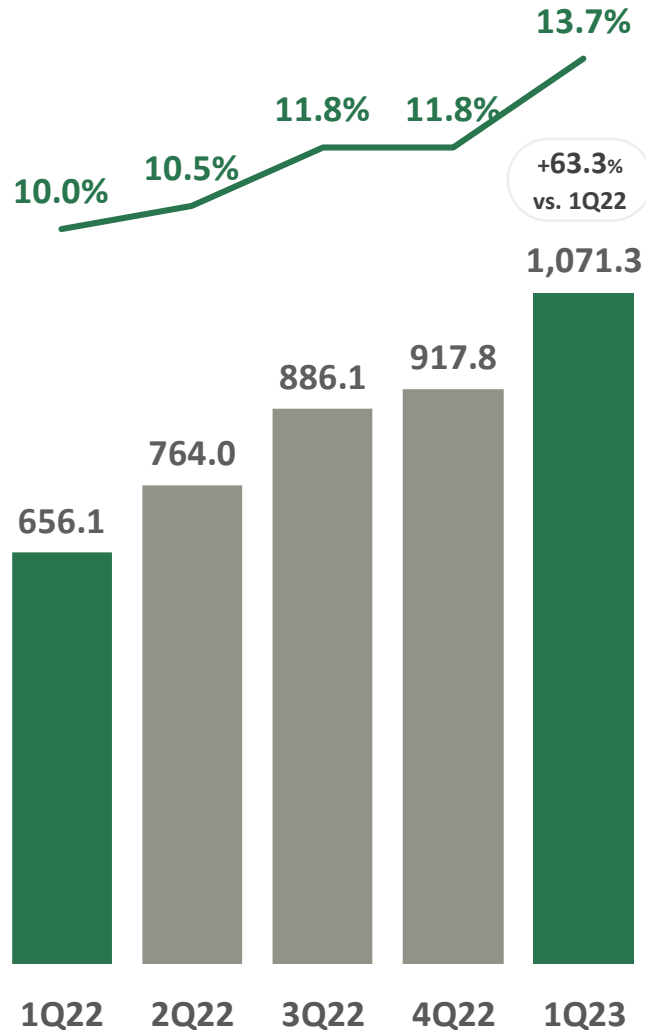
1.4 MM
frequent & digitalized customers



Digital sales of R\$ 1.1 billion in the 1Q23, with 63.3% of growth and 13.7% of retail penetration. Focus on frequent customers, leveraging our apps, reducing delivery times and gaining productivity.

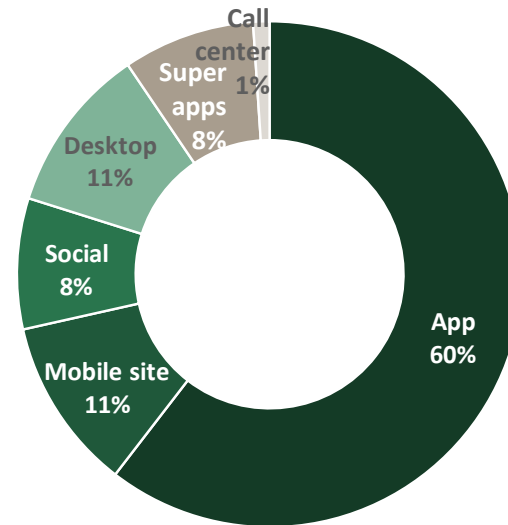
Digital sales and penetration

R\$ millions, % of retail gross revenue



Digital channel mix

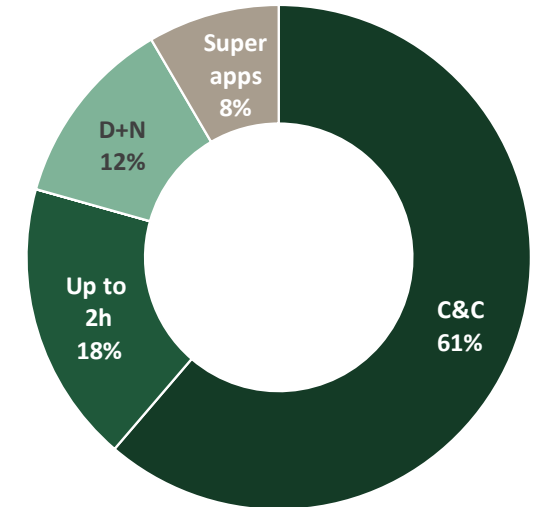
% of digital sales



91% modern and proprietary channels, 80% of which are mobile

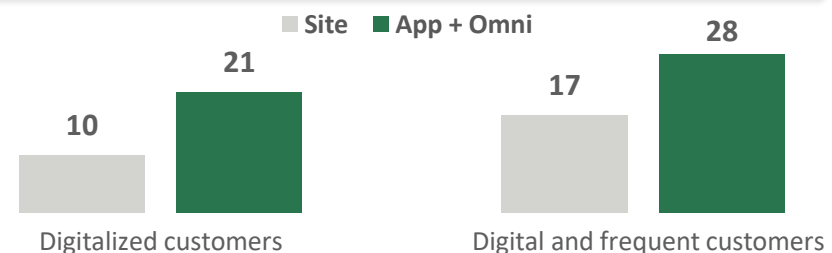
Delivery mix

% of digital sales

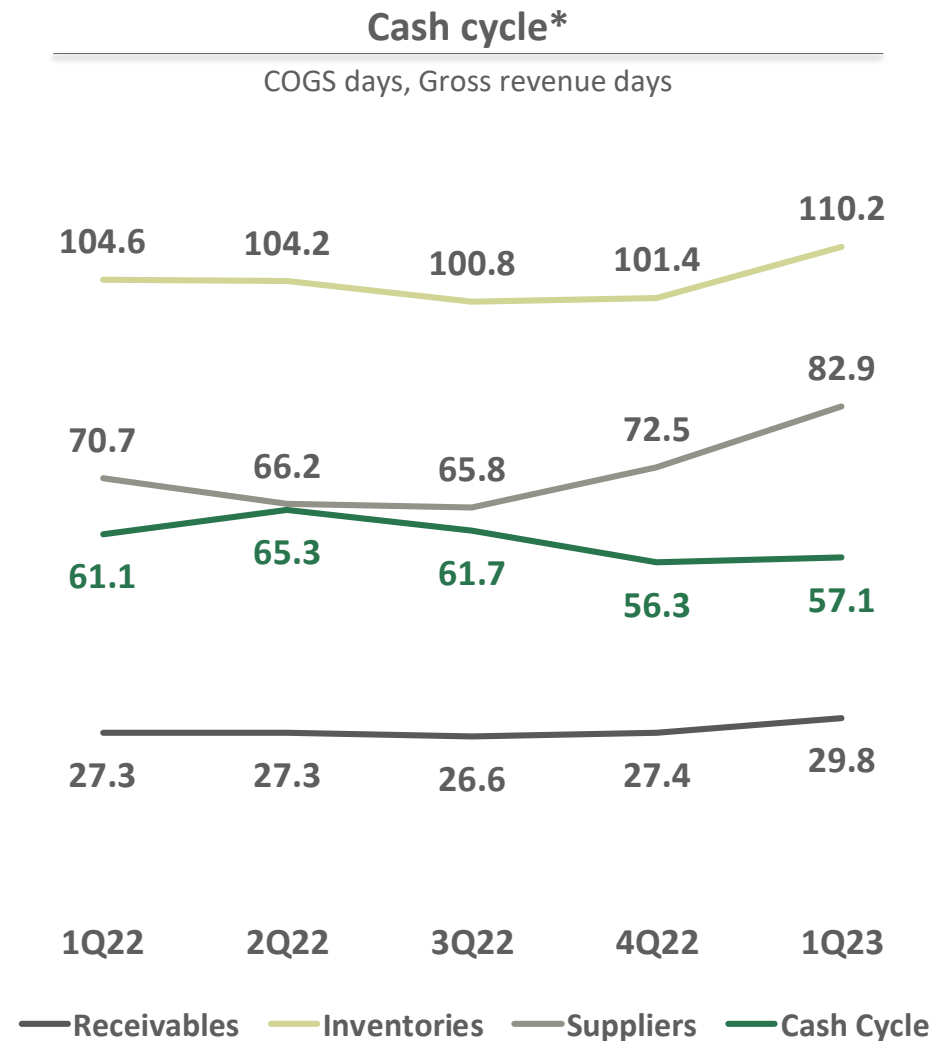
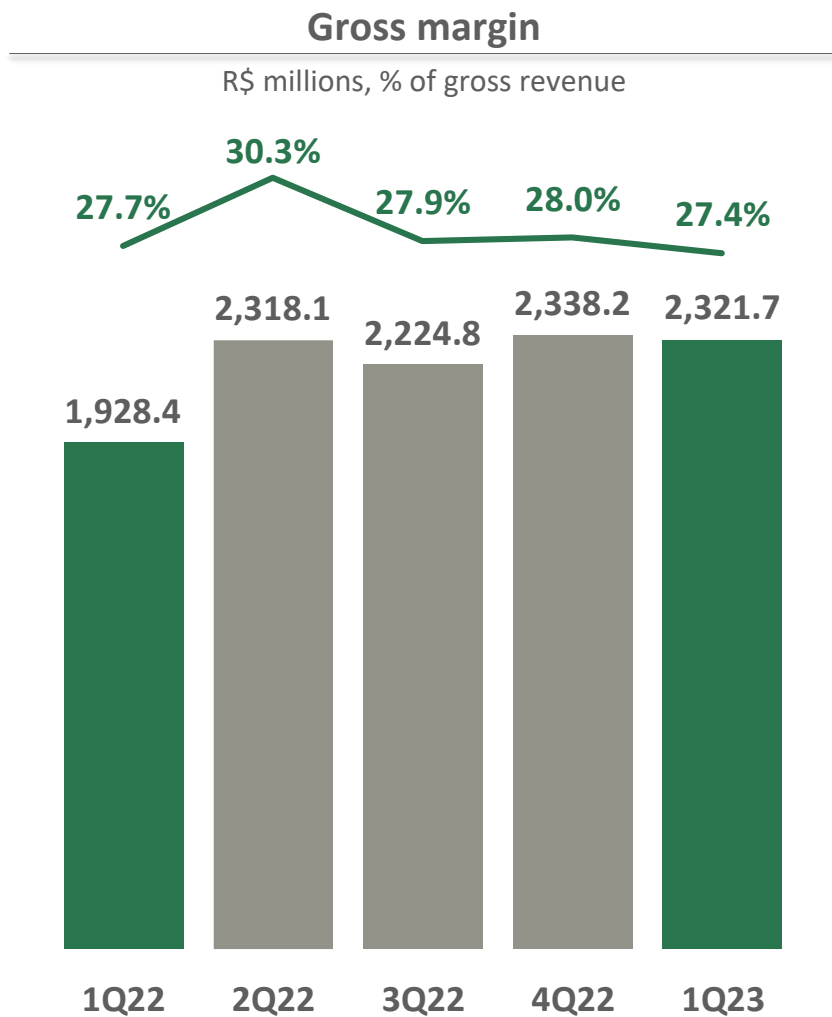


92% fulfilled by stores, 88% within 2 hours

Digitalized customers: annual frequency



Gross margin of 27.4% in the 1Q23, a 0.3 pp pressure due to the mix effect caused by the strong growth at 4Bio (+60.1%). Cash cycle reduction of 4 days.

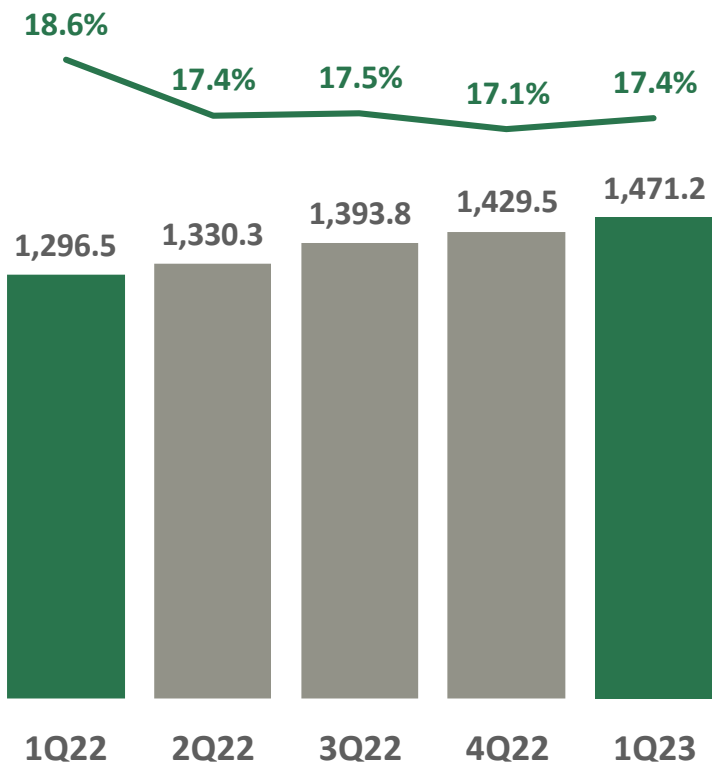


* Adjusted for discounted receivables and advanced payments to suppliers.

Selling expenses dilution of 1.2 pp due to operating leverage gains. Contribution margin increase of 0.9 pp with a 1.4 pp gain in retail.

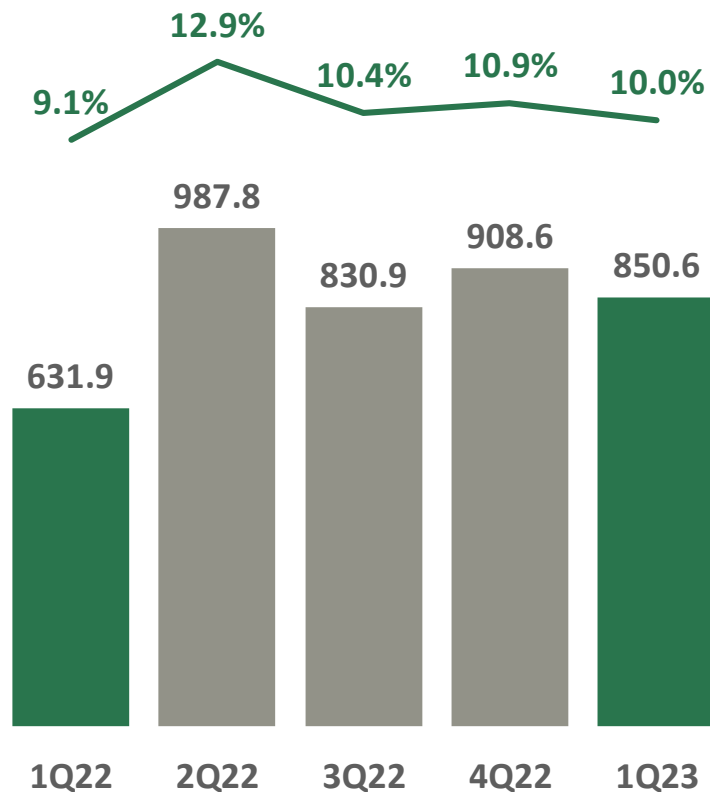
Selling expenses

% of gross revenue



Contribution margin

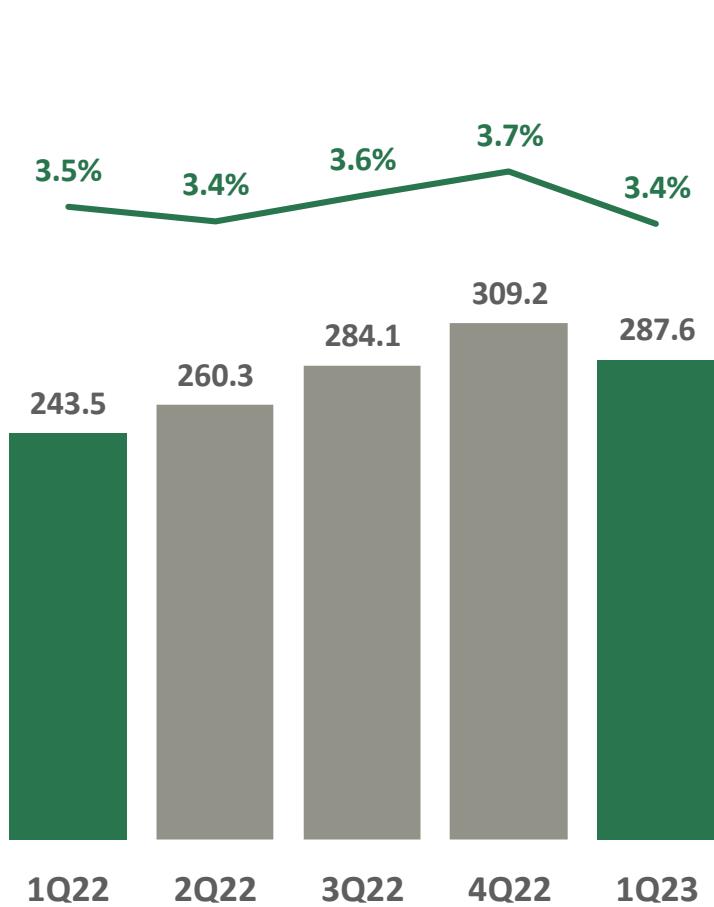
% of gross revenue



R\$ 563.0 MM of EBITDA, an increase of 45.0% and a margin expansion of 1.0 pp (1.4 pp in retail). G&A dilution of 0.1 pp, with sequential improvement of 0.3 pp.

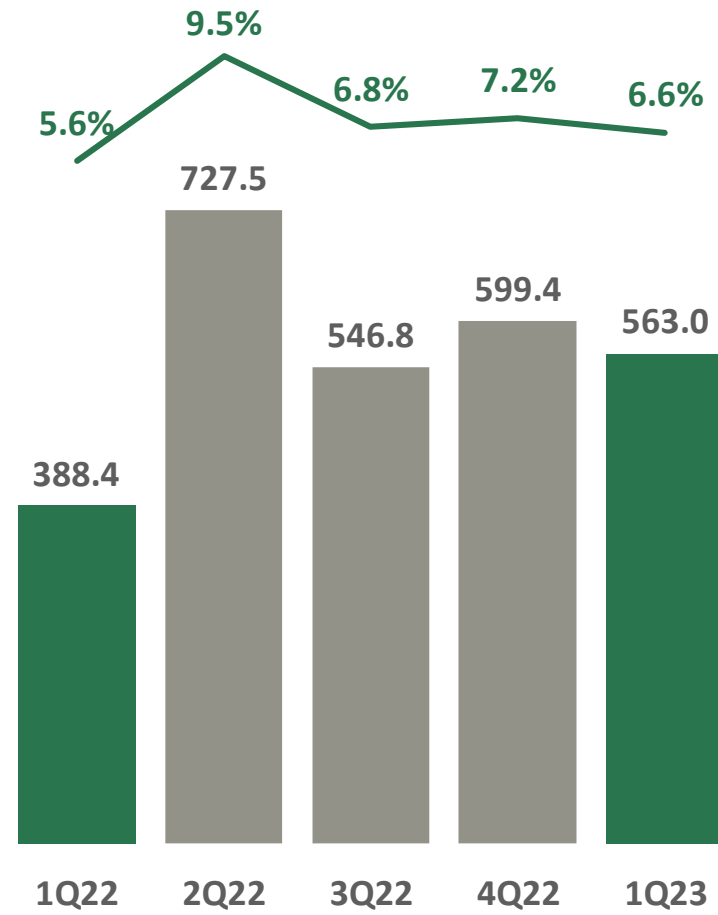
General and administrative expenses

% of gross revenue



Adjusted EBITDA

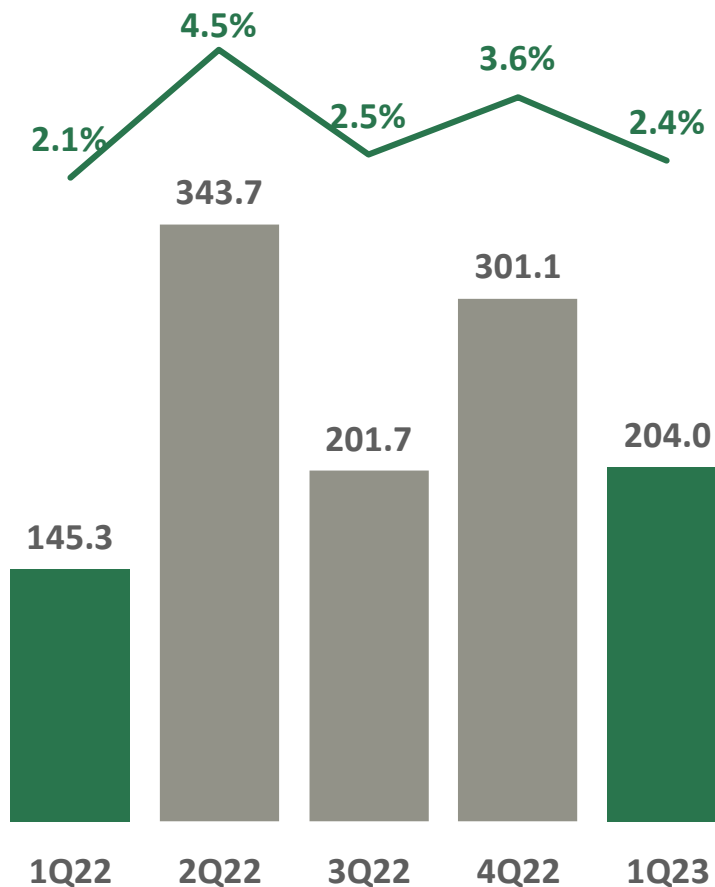
R\$ millions, % of gross revenue



Net income of R\$ 204.0 MM, an increase of 40.4% and a 0.3 pp net margin gain (includes one-off expense of 0.4% due to reevaluation of invested companies). Non-recurring gains of R\$ 4.0 MM.

Adjusted net income

R\$ millions, % of gross revenue



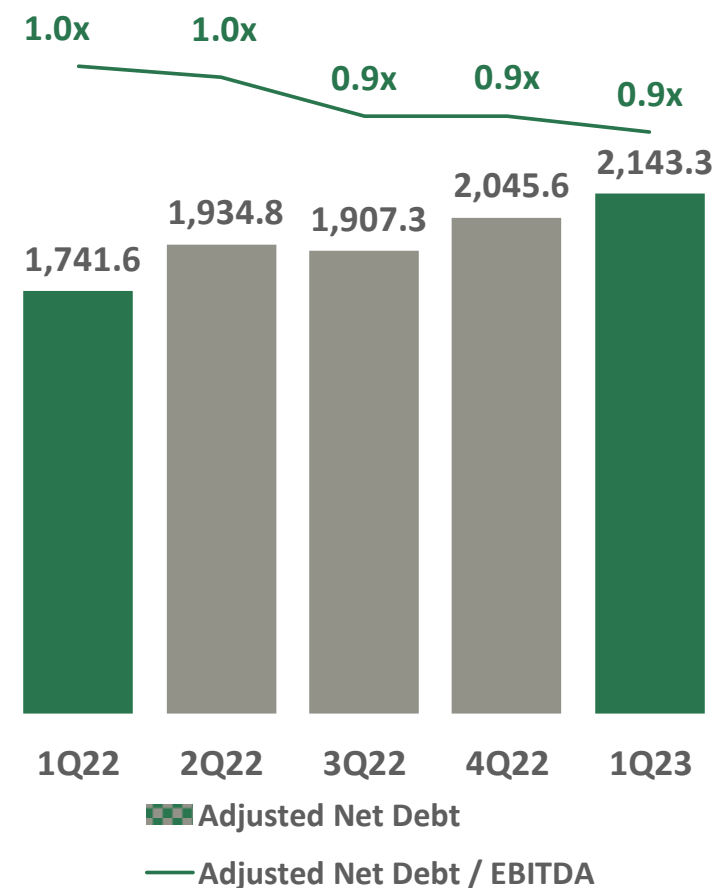
EBITDA Reconciliation - R\$ millions		
	1Q23	1Q22
Net income	206.6	153.6
Income tax	9.8	1.5
Equity Equivalence	2.4	(0.0)
Financial Result	159.5	78.2
EBIT	378.3	233.3
Depreciation and amortization	188.6	167.7
EBITDA	566.9	401.0
Social investments and donations	1.3	1.5
Asset write-offs	0.9	1.1
Tax effects 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

Free cash flow of R\$ -42.2 MM, with R\$ 98.7 MM in total cash consumption. Financial leverage of 0.9x, underscoring the strength of our capital structure in a period of high interest rates.

Cash flow <i>(R\$ million)</i>	1Q23	1Q22
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)

Net debt and financial leverage

R\$ millions, as a ratio of LTM adjusted EBITDA



* Includes adjustments to discounted receivables. ** Includes NPV adjustments. *** Excludes NPV adjustments.

Our share price increased by 3.1% in the year, 10.3 pp above the IBOVESPA.

Stock price appreciation



2023 Performance

- › RADL3: 3.1%
- › IBOVESPA: -7.2%
- › Alpha: +10.3%
- › Average RADL3 Daily Liquidity: R\$ 140 MM

Average TSR

- › 22.1% since the Drogasil IPO
- › 19.4% since the Raia IPO
- › 19.8% since the merger (31/Dec/11)



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Highlights & Strategy

Solid financial performance, with a significant margin expansion leveraged by a comp growth decoupled from peers. Bonus shares issuance of 4% approved by the general assembly.

Growth remains accelerated and decoupled from peers

- › Revenue growth of 21.6%, with 19.2% in retail and 60.1% for 4Bio;
- › Mature stores sales growth of 12.6%, 7.9 p.p. above the CPI and 1.7 pp above the annual CMED price cap adjustment;
- › National market share reached 15.3%, a 1.3 p.p. increase with gains in every region;
- › Opening of 55 new pharmacies in the 1Q23 and 263 in the last 12 months, in-line with the year's guidance;
- › Closed 6 stores in the quarter, aiming at optimizing the portfolio through sales transfers, elimination of redundant costs, and working capital and fixed assets redeployment. Corrections of expansion mistakes totaled only 2% of LTM openings;
- › Real IRR, net of cannibalization, consistently above 20%, despite expansion focus on smaller cities and on the Brazilian B and C classes;
- › NPS of 90 in physical stores.

Solid financial performance, with EBITDA margin expansion

- › EBITDA margin of 6.6%, an increase of 1.0 pp vs. 1Q22 (expansion of 1.4 pp in retail);
- › Contribution Margin of 10.0%, a 0.9 p.p. increase (+1.4 pp in retail) driven by increased operating leverage;
- › G&A went down by 0.1 pp, with a sequential gain of 0.3 pp, pointing to a sustained dilution starting already in 2023;
- › Financial leverage of 0,9x, in-line with previous year.

Governance & Management

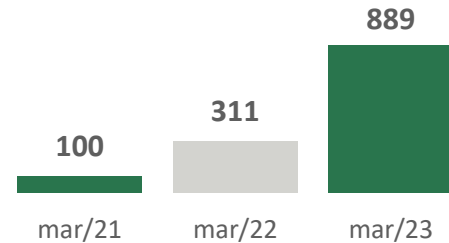
- › Capital increase of R\$ 1.5 billion with a 4% bonus shares issuance (beginning of June).

Our digital transformation is increasing the efficiency of our digital solutions, with a strong improvement in channel productivity.

Gains in efficiency, leveraging the customer experience in our apps and the profitability of our digital channels

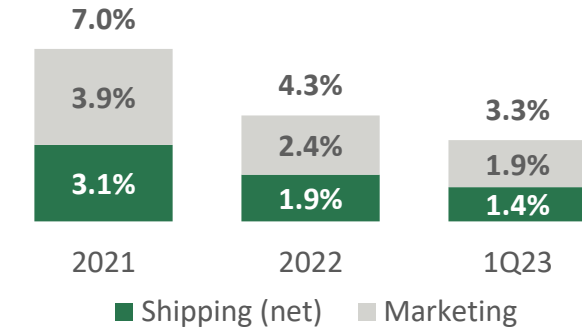
Number of app/site releases

Base 100 = mar/21



Digital: main highlights*

Omni gross margin expansion of 1.5 pp since 2021



* Percentage w/ digital sales base ex-social and ex-superapps.

Impacts of the Digitalization of the customer experience

- › Digitalized frequent customers account for 18% of total sales and have 24% higher spending;
- › Digital sales reached 13.7% of retail penetration (+63%), of which 91% was done through modern and proprietary channels;
- › Substantial productivity gain in digital: gross margin increase of 1.5 pp and combined dilution in marketing and logistics of 3.7 pp since 2021, leading to a healthy and sustainable contribution margin gain;
- › 92% of digital orders served by pharmacies, including 88% delivered in up to 2h;
- › Fast deliveries already available in 258 cities and accounting for 80% of physical deliveries in major cities;
- › Other initiatives (i.e. credit analysis, microservices) allow for the capture of savings and the improvement in customer experience;
- › Progressive increase in our digital NPS to 64 in the app and to 81 in deliveries/collection.