

## EARNINGS RELEASE

### 2Q22



São Paulo, July 29, 2022. RD – People, Health and Well-being (Raia Drogasil S.A. – B3: RADL3) announces today its results for the 2nd quarter of 2022 (2Q22). The Company's parent company and consolidated interim financial statements for the periods ended June 30, 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: 2,581 units in operation (64 openings and 13 closures);**
- › **GROSS REVENUE: R\$ 7.6 billion, a 22.4% increase with 16.1% for mature stores;**
- › **MARKET SHARE: 14.4%, a 0.4 p.p. increase, with gains in every region;**
- › **DIGITAL: R\$ 764.0 million, an increase of 46.9% and 10.5% of retail penetration;**
- › **CONTRIBUTION MARGIN\*: R\$ 987.8 million, a margin of 12.9%;**
- › **ADJUSTED EBITDA: R\$ 727.5 million, a 46.3% increase and a margin of 9.5%;**
- › **ADJUSTED NET INCOME: R\$ 343.7 million, a 48.2% increase and a 4.5% net margin;**
- › **CASH FLOW: R\$ 57.9 million negative free cash flow, R\$ 193.2 million total cash consumption.**

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

RADL3

**R\$ 20.67/share**

NUMBER OF SHARES

**1,651,930,000**

MARKET CAP

**R\$ 34.1 billion**

CLOSING

**July 28<sup>th</sup>, 2022**

IR TEAM:

**Eugênio De Zagottis**

**Flavio Correia**

**André Stolfi**

**Victor Torres**

**Rodrigo Baraldi**

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

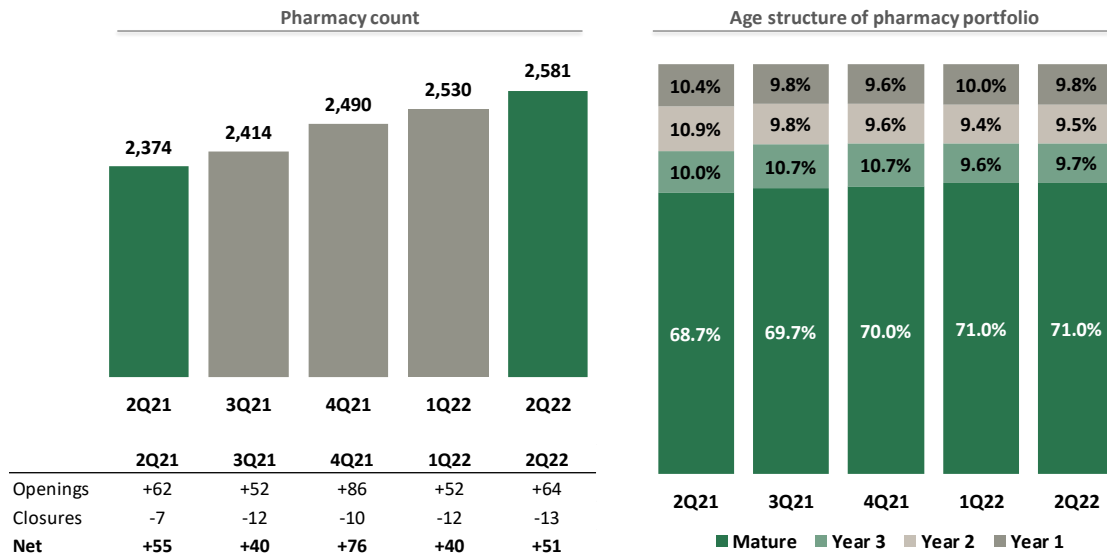
E-MAIL: [ri@rd.com.br](mailto:ri@rd.com.br)

Summary (R\$ thousands)	2Q21	3Q21	4Q21	1Q22	2Q22
# of Pharmacies	2,374	2,414	2,490	2,530	2,581
Organic Openings	62	52	86	52	64
Closures	(7)	(12)	(10)	(12)	(13)
4Bio	4	4	4	4	5
# of Pharmacies + 4Bio	2,378	2,418	2,494	2,534	2,586
Headcount (EoP)	47,208	48,481	50,573	50,141	50,320
Pharmacist Count (EoP)	9,346	9,676	10,052	10,336	10,466
# of Tickets (000)	66,911	71,115	76,508	76,795	82,912
Gross Revenue	6,245,163	6,527,875	6,853,140	6,972,496	7,641,161
Gross Profit	1,797,052	1,815,460	1,951,805	1,928,436	2,318,097
% of Gross Revenues	28.8%	27.8%	28.5%	27.7%	30.3%
Adjusted EBITDA	497,115	446,165	448,110	388,382	727,509
% of Gross Revenues	8.0%	6.8%	6.5%	5.6%	9.5%
Adjusted Net Income	232,022	173,567	204,639	145,270	343,746
% of Gross Revenues	3.7%	2.7%	3.0%	2.1%	4.5%
Net Income	266,443	172,765	187,155	153,590	372,231
% of Gross Revenues	4.3%	2.6%	2.7%	2.2%	4.9%
Free Cash Flow	(259,357)	68,879	269,226	(320,646)	(57,925)

## PHARMACY PORTFOLIO

We opened 64 new units in the 2Q22 and closed 13, ending the quarter with 2,581 pharmacies in operation. 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.

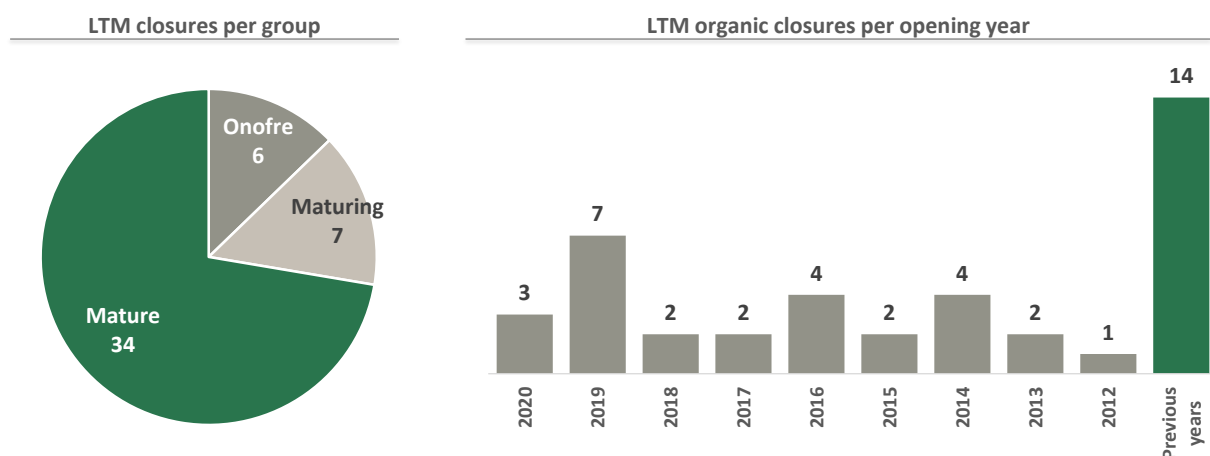
We reiterate our guidance of 260 new pharmacies for 2022 and of 240 for the years 2023 to 2025, as published on June 15<sup>th</sup> 2022 in the Company's reference form, totaling 980 new pharmacies, an expansion equivalent to 38% of the current store count in 4 years.



Of the 13 pharmacies closed in the quarter, 3 were still in the maturation process and represent corrections of mistakes that are expected in a large-scale expansion as RD's. The remaining 10 closures were of mature pharmacies with an average age of 8 years, as part of the ongoing optimization of our store portfolio, with positive return expectations associated to them.

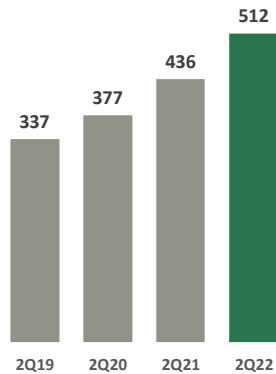
Considering the last 12 months, we closed a total of 47 pharmacies. This includes 6 locations acquired from Onofre, which closure was already expected at the time of the transaction, 7 pharmacies that were still in maturation, resulting in a ratio of expansion mistakes of only 3% of the 254 pharmacies opened over that period, as well as 34 mature pharmacies with an average of 13 years in operation as part of the ongoing optimization of our portfolio, as these closures allow us to transfer sales to the remaining locations in the neighborhood while eliminating a fixed cost base and releasing fixed assets and inventories to be more efficiently redeployed, therefore increasing our ROIC.

Lastly, we highlight that besides the Onofre acquisition, the change in consumer habits stemming from the pandemic also led to an increase in our rate of store closures, as we closed 14 units located in commercial areas such as shopping malls and office neighborhoods, which customer traffic has not returned to pre-pandemic levels.

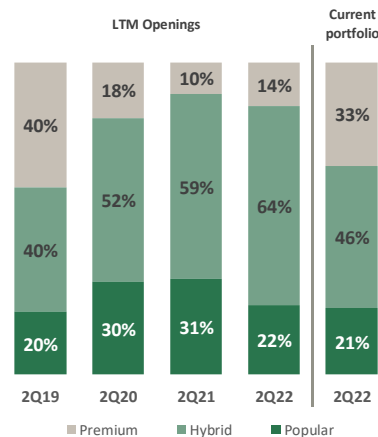


We intensified the diversification of our pharmacy network in the quarter, both geographically and demographically, with 82% of our openings in the last twelve months outside of the state of São Paulo, our native market. We also increased our capillarity, extending our presence to 512 cities, 76 more than in the 2Q21. And while 67% 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.

Cities with pharmacies



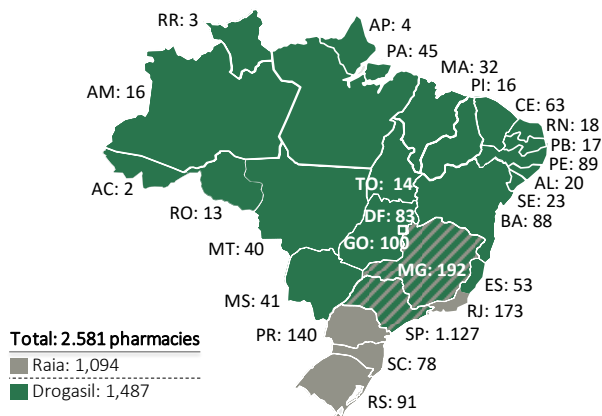
Network composition by format\*



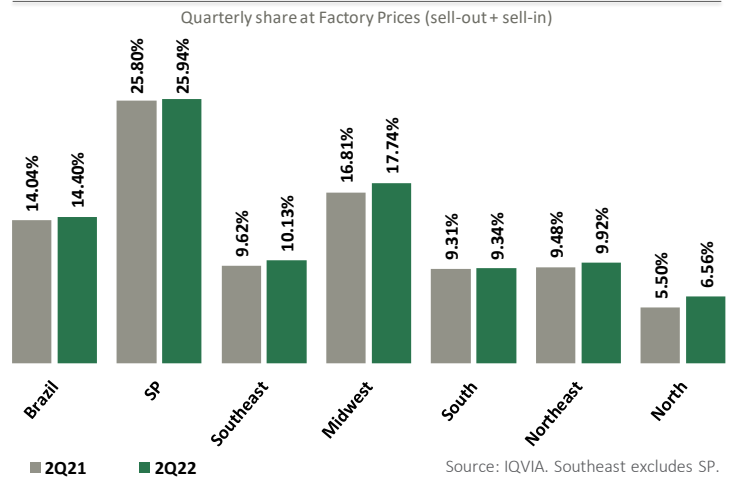
\* Openings exclude the Onofre acquisition.

We gained market share in all regions during the quarter. Our national market share totaled 14.4%, a 0.4 percentage point increase when compared to the 2Q21. We recorded a share of 6.56% in the North, a 1.06 p.p. increase when compared to the 2Q21, a share of 17.74% in the Midwest, a 0.93 p.p. increment, and a share of 10.13% in the Southeast (excluding São Paulo), a 0.51 p.p. gain. We also recorded a share of 9.92% in the Northeast, a 0.44 p.p. increase, a share of 25.94% in São Paulo, a 0.14 p.p. increment, and a share of 9.34% in the South, a 0.03 p.p. gain.

Pharmacy geographic presence



Retail market share



LTM organic openings*	2Q18	2Q19	2Q20	2Q21	2Q22
São Paulo state	79	67	71	59	46
Total	220	243	225	248	254
% São Paulo state	36%	28%	32%	24%	18%

\* Does not consider the 42 pharmacies acquired from Onofre

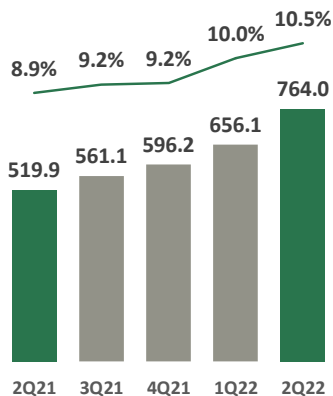
## DIGITAL HEALTH TRANSFORMATION

We continue advancing in our digital strategy at a fast pace. We reached the mark of R\$ 764.0 million in revenues through digital channels in the quarter, representing a retail penetration of 10.5% and a growth of 46.9% over the same period of the previous year. When annualized, digital sales surpassed the milestone of R\$ 3 billion, positioning RD Digital among Brazil's top pharmaceutical retailers if considered on its own.

We also recorded a total of 20.7 million cumulative app downloads since the 1Q19, a significant amount when compared to the universe of 45 million active customers and paramount to the digitalization of our relationship with our customers. Such digitalization is essential to our long-term strategy, as customers who use our digital channels increase their loyalty, engagement and purchasing frequency, spending, on average, 20% to 25% more than they did before the 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.

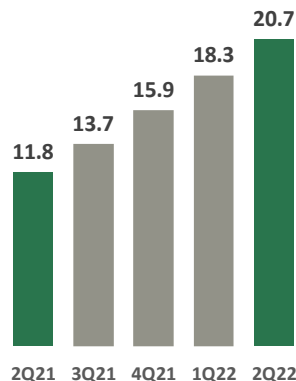
### Digital sales and penetration

R\$ millions, % of retail gross revenue



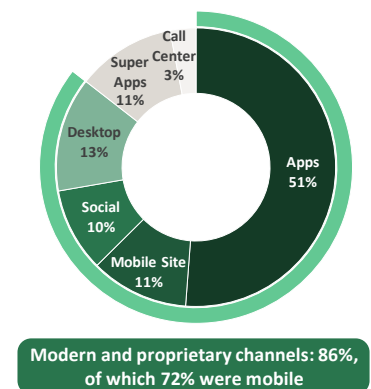
### Cumulative app downloads

Millions



### Digital channel mix

% of digital sales



We also highlight the importance of the pharmacies in our digital sales, as 93% of such transactions in the 2Q22 were fulfilled at our stores, with both quick delivery lead times and high economic efficiency. Click & Collect represented 53% of digital orders, while neighborhood deliveries amounted to another 9%, underscoring 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. Additionally, by the end of the quarter, motorized ship-from-store deliveries were available in 412 cities that represent 97% of RD's sales, complementing *Click & Collect* and *Neighborhood Deliveries*, which are available in 100% of our locations. Lastly, 85% of the orders were delivered to or collected by our customers in up to 4h.

The role of our pharmacies in the promotion of integral health has also advanced in the quarter. At the end of the period, we reached 1.5 thousand units offering pharmaceutical services, with 1.1 thousand including an enhanced service offering through the *Sua Saúde* spaces. Our pharmacies performed or supplied 2.3 million COVID-19 tests in the 2Q22, including those applied in-store as well as the sale of self-tests, totaling 6.9 million since the beginning of the pandemic. Additionally, we ended the period with 248 pharmacies licensed for vaccines, serving over 122 thousand different immunizations in the quarter. Through these pharmaceutical services, we repositioned our pharmacies as local health hubs while strengthening the bonds with our customers, who evaluated our pharmacy experience with an NPS score of 90 in the quarter.

We continue to structure our marketplace with the inclusion of new sellers and SKUs. We ended the 2Q22 offering 146 thousand SKUs from 578 different sellers, representing a 36% sequential increase in the available assortment in comparison to the 1Q22. We are also implementing the Seller Center solution developed by *Conecta-Lá*, a startup invested by RD Ventures, which will be key to the strengthening of our operation.

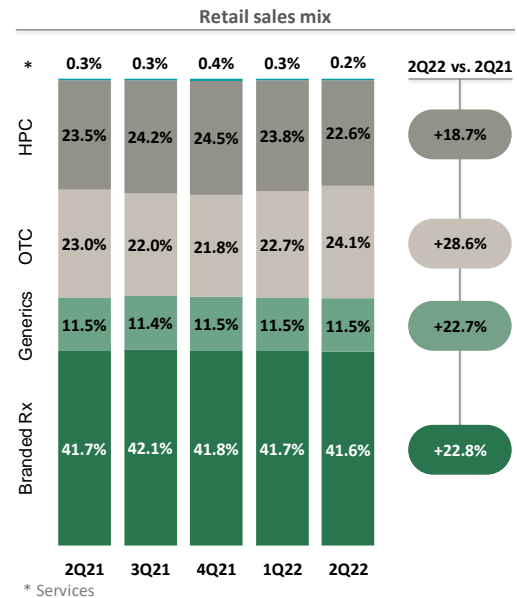
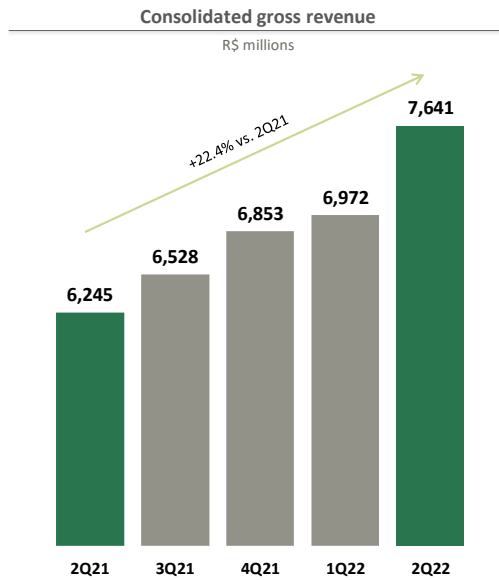
Lastly, Vitat keeps developing its platform, including its first two programs focused on chronic diseases, which will launch still in 2022. Currently, Vitat already boasts 50 million visits in the year, including views of its *De Bem Com Você* podcast as well as visits to its websites and apps.

## GROSS REVENUES

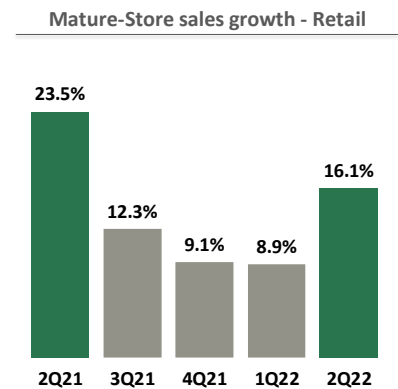
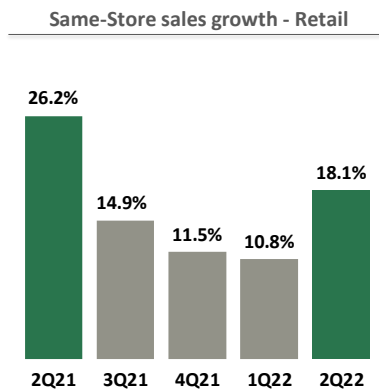
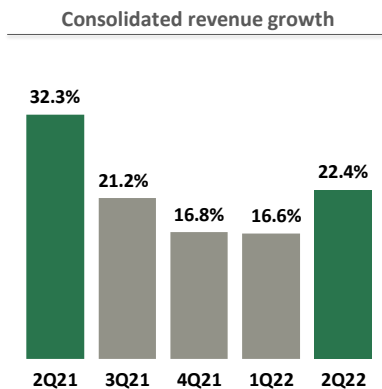
We ended the 2Q22 with a consolidated revenue of R\$ 7,641 million, a 22.4% growth over the 2Q21. This high growth was driven by a solid structural performance, leveraged by the digitalization of the relationship with our customers, which increases spending from 20% to 25% after the digital adoption, as well as by a strong performance during the flu season.

We observed an intense peak in respiratory diseases in the quarter, an effect that had been mitigated in the 2Q21 by the widespread use of masks in a period when COVID-19 vaccinations were still in its initial stages. Our operational readiness, highlighted by our very low inventory stockouts in a period marked by global challenges in supply chain management, has allowed us to serve our customers with excellence while accelerating our revenue growth.

Additionally, COVID-19 testing, including both the tests performed in-store as well as the sale of self-tests, contributed by 0.5 percentage point to this growth (in contrast to a pressure of 1.2 percentage point in the 1Q22). Lastly, we recorded a positive calendar effect of 0.3% in the quarter.



OTC was the highlight of the quarter, with a 28.6% growth over the same period of the previous year and a 1.1 percentage point gain in the mix, mainly due to increased demand for seasonal winter items and the sale of COVID-19 tests and self-tests, both classified in this category. Meanwhile, Branded Rx grew by 22.8% and Generics by 22.7%, strong performances that also benefitted from the winter seasonality. Lastly, HPC grew by 18.7% in comparison to the same period of the previous year.

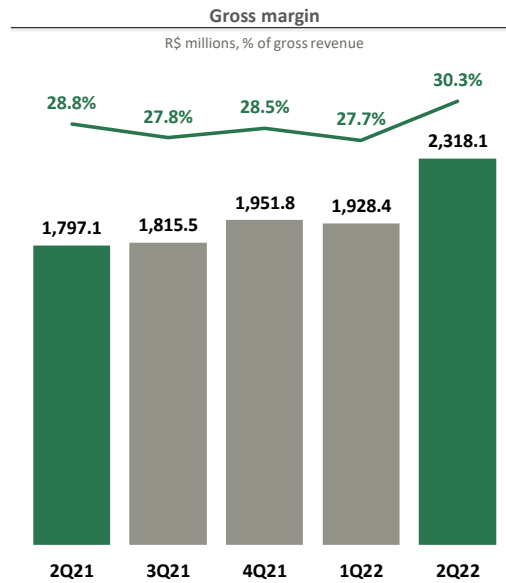


We recorded a 16.1% growth in mature stores in the 2Q22, an increase 4.2 percentage points above the period's CPI of 11.9% and 5.2 percentage points above the 10.9% price adjustment authorized by CMED at the end of March. Meanwhile, average same-store sales growth in the period was of 18.1%.

## GROSS PROFIT

Our gross profit totaled R\$ 2,318.1 million in the 2Q22, with a gross margin of 30.3%, a 1.5 percentage point expansion in comparison to the 2Q21, mostly due to the inflationary gain on inventories stemming from the 10.9% price adjustment on drugs authorized by CMED at the end of March.

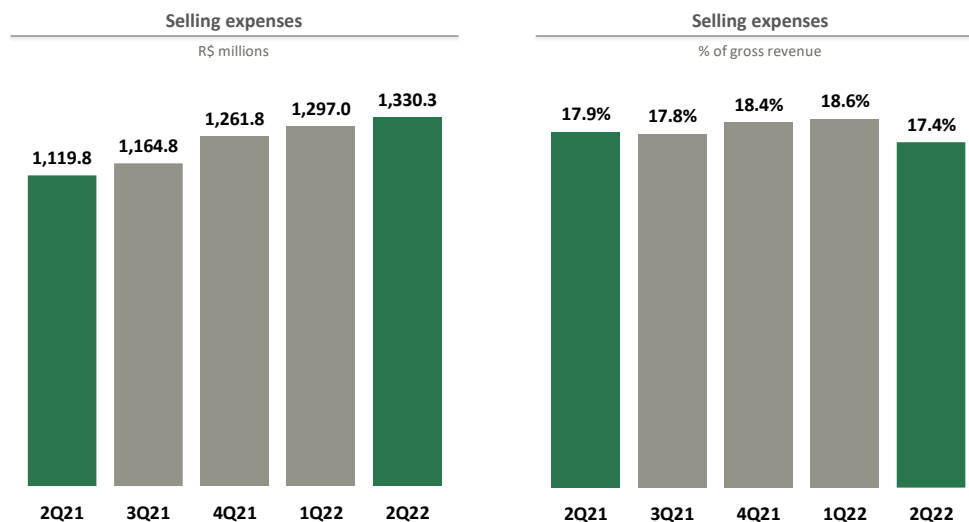
Additionally, we recorded a gross margin expansion of 0.3 percentage point from the Net Present Value (NPV) adjustment, a non-cash effect stemming from higher interest rates when compared to the same period of the previous year.



## SELLING EXPENSES

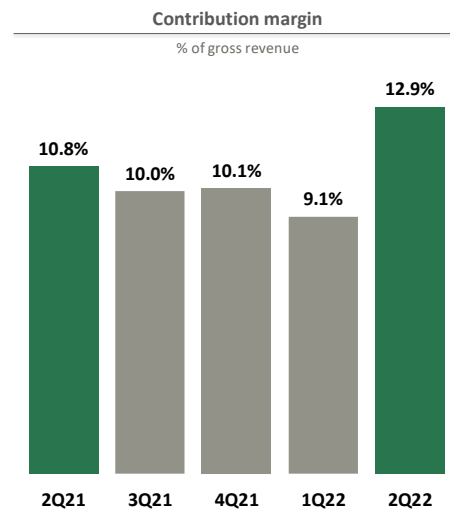
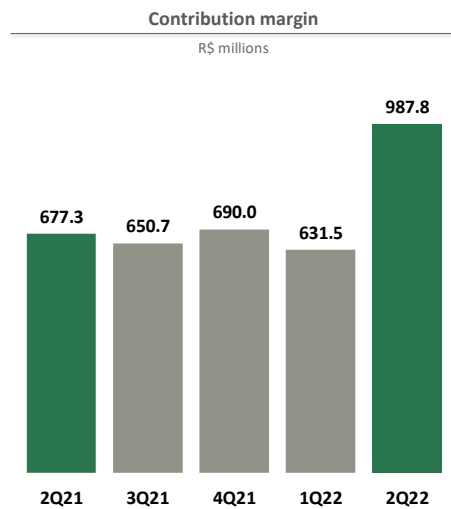
Selling expenses totaled R\$ 1,330.3 million in the 2Q22, equivalent to 17.4% of gross revenue, a 0.5 percentage point dilution in comparison to the 2Q21. This dilution was mostly driven by the increase in sales and by the maintenance of pharmacy headcounts despite the recovery of customer traffic.

In comparison to the same period of the previous year, we recorded in the quarter a dilution of 0.5 percentage point in personnel expenses, 0.1 p.p. in customer delivery expenses, and 0.1 p.p. in marketing, more than offsetting pressures of 0.1 p.p. in logistics and 0.1 p.p. in other selling expenses.

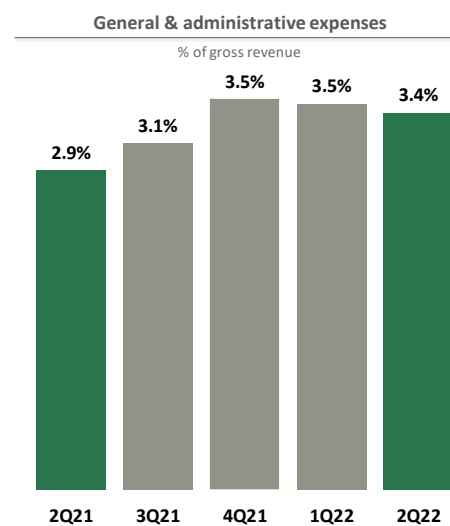
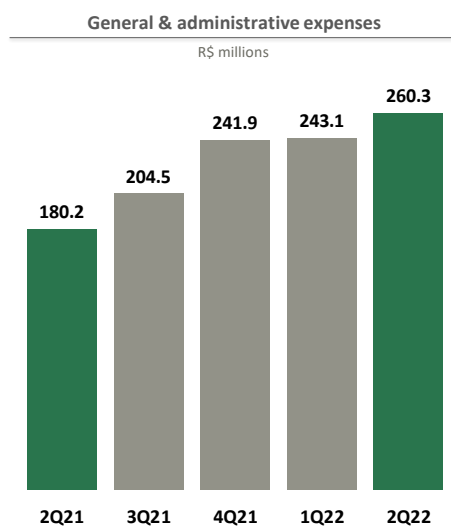


## CONTRIBUTION MARGIN

We recorded a contribution margin of R\$ 987.8 million, equivalent to a margin of 12.9% of gross revenue, a 2.1 percentage point margin expansion due to the 1.5 percentage point increase in our gross margin and the 0.5 percentage point dilution of selling expenses.



## GENERAL & ADMINISTRATIVE EXPENSES



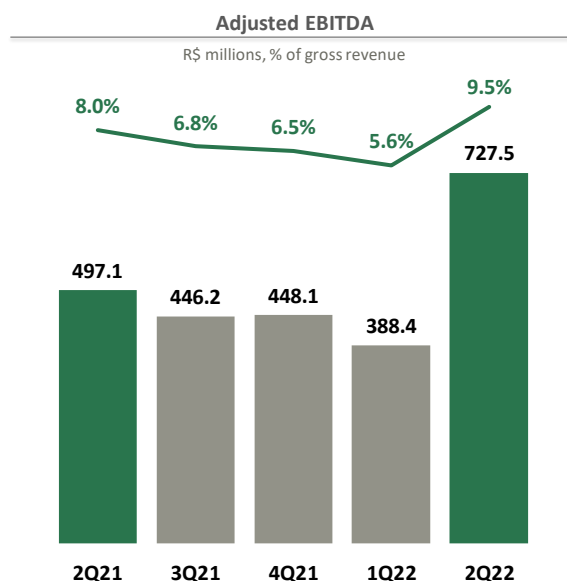
General and administrative expenses totaled R\$ 260.3 million in the 2Q22, equivalent to 3.4% of gross revenue, a 0.5 percentage point increase in comparison to the 2Q21 due to the intense investments made into our corporate structure to support RD's digital transformation.

When compared sequentially to the 1Q22, we recorded a 0.1 percentage point dilution in the quarter.

## EBITDA

Our adjusted EBITDA totaled R\$ 727.5 million, a 46.3% growth vs. the 2Q21. The adjusted EBITDA margin reached 9.5% of gross revenue, a 1.5 percentage point annual increase.

We recorded a contribution margin expansion of 2.1 percentage points, more than offsetting the 0.5 percentage point pressure from G&A expenses.



## EBITDA RECONCILIATION AND NON-RECURRING EXPENSES

We recorded in the 2Q22 a total of R\$ 43.2 million in non-recurring net income. This includes R\$ 13.5 million in non-recurring expenses from asset write-offs, mostly from store closures, and R\$ 0.9 million in donations, more than offset by R\$ 57.1 million in non-recurring tax credits.

EBITDA Reconciliation - R\$ millions	2Q22	2Q21
<b>Net income</b>	<b>372.2</b>	<b>266.4</b>
Income tax	128.7	104.0
Equity Equivalence	(0.3)	1.5
Financial Result	98.2	26.9
<b>EBIT</b>	<b>598.9</b>	<b>398.8</b>
Depreciation and amortization	171.8	150.4
<b>EBITDA</b>	<b>770.7</b>	<b>549.3</b>
Asset write-offs	13.5	6.1
Donations	0.9	0.3
Non-recurring tax credits	(57.1)	(58.0)
Other non-recurring/non-operating effects	(0.5)	(0.5)
<b>Non-recurring/non-operating expenses</b>	<b>(43.2)</b>	<b>(52.2)</b>
<b>Adjusted EBITDA</b>	<b>727.5</b>	<b>497.1</b>

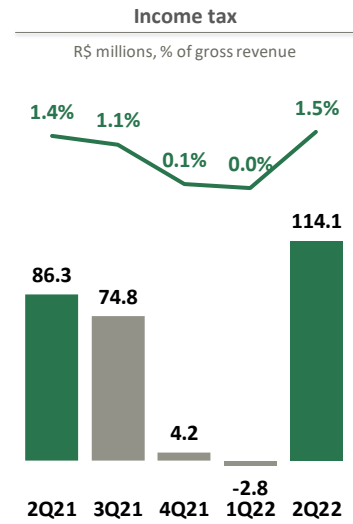
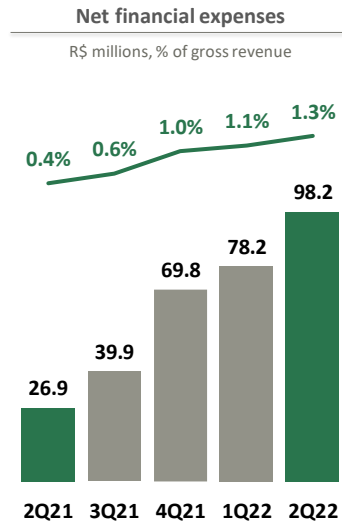
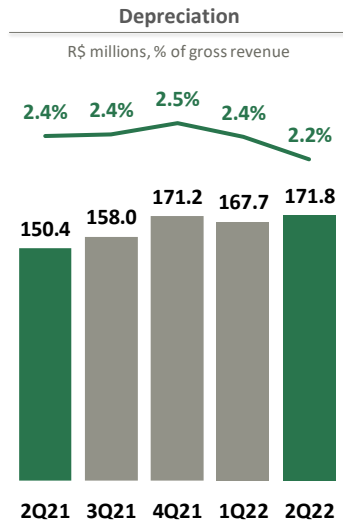
## DEPRECIATION, NET FINANCIAL EXPENSES AND INCOME TAXES

Depreciation expenses amounted to R\$ 171.8 million in the 2Q22, equivalent to 2.2% of gross revenues, a 0.2 percentage point dilution when compared to the 2Q21.

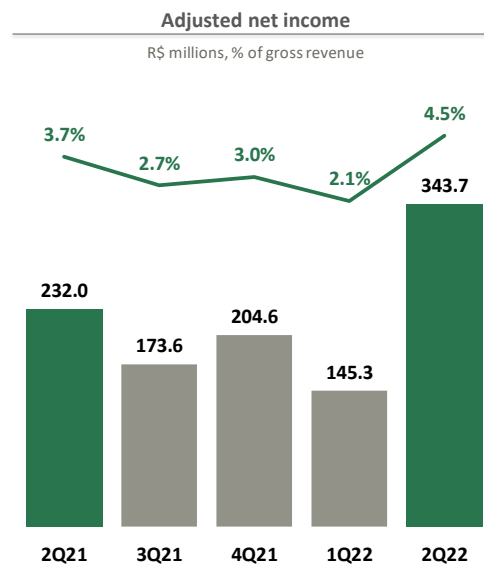
Net financial expenses represented 1.3% of gross revenue in the 2Q22, a 0.9 percentage point increase when compared to the 2Q21. Of the R\$ 98.2 million recorded in the quarter, R\$ 67.4 million refers to the actual financial interest accrued on financial liabilities, equivalent to 0.9% of gross revenue, a 0.6 percentage point increase when compared to the 2Q21 mostly due to the hiking of the Brazilian interest rate which increased from 4.25% at the end of the 2Q21 to 13.25% by the end of the 2Q22. We've also recorded R\$ 29.9 million in financial expenses which refer to the NPV adjustment in the 2Q22, 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\$ 114.1 million in income taxes in the 2Q22, equivalent to 1.5% of gross revenue, 0.1 percentage point greater than in the 2Q21.





## NET INCOME

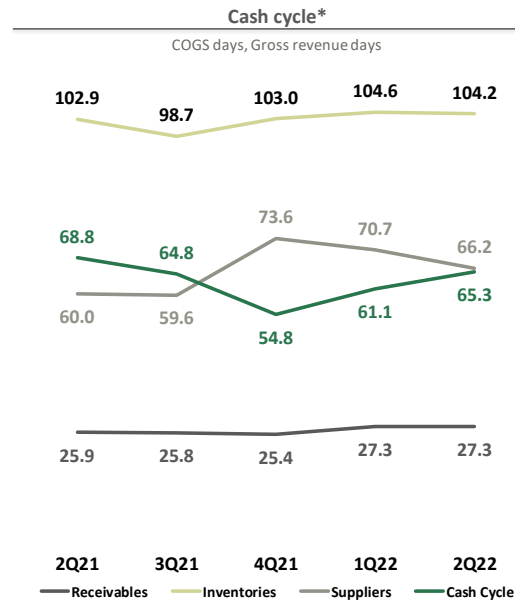


Our adjusted net income totaled R\$ 343.7 million, a 48.2% growth vs. the 2Q21. Our net margin was of 4.5% of gross revenue, an expansion of 0.8 percentage point when compared to the same period of the previous year.

## CASH CYCLE

Our cash cycle in the 2Q22 was of 65.3 days, a 3.5 day decrease when compared to the same period of the previous year. When compared to the 2Q21, our inventories increased by 1.3 day, accounts payable decreased by 6.2 days and receivables increased by 1.4 day.

In addition to the seasonal increase in working capital to take advantage of the price adjustment authorized by CMED, we are operating at a higher inventory level than usual due to the global supply chain challenges created by the pandemic.



\* Adjusted for discounted receivables.

## CASH FLOW

We recorded a negative free cash flow of R\$ 57.9 million and a total cash consumption of R\$ 193.2 million in the quarter. Resources from operations totaled R\$ 587.8 million, equivalent to 7.7% of gross revenue. We recorded a working capital increase of R\$ 391.0 million, resulting in a positive operating cash flow of R\$ 196.8 million, in addition to a CAPEX of R\$ 254.8 million.

<b>Cash flow</b>	<b>2Q22</b>	<b>2Q21</b>
<i>(R\$ million)</i>		
<b>Adjusted EBIT</b>	<b>555.7</b>	<b>346.7</b>
NPV adjustment	(30.2)	(6.9)
Non-recurring expenses	43.2	52.2
Income tax (34%)	(193.4)	(133.3)
Depreciation	171.1	150.4
Others	41.4	38.9
<b>Resources from operations</b>	<b>587.8</b>	<b>448.0</b>
Cash cycle*	(509.9)	(647.4)
Other assets (liabilities)**	118.9	129.1
<b>Operating cash flow</b>	<b>196.8</b>	<b>(70.3)</b>
<b>Investments</b>	<b>(254.8)</b>	<b>(189.0)</b>
<b>Free cash flow</b>	<b>(57.9)</b>	<b>(259.4)</b>
M&A and other investments	(10.3)	(42.7)
Interest on equity and dividends	(96.1)	(83.6)
Income tax paid over interest on equity	(8.9)	(6.3)
Net financial expenses***	(68.2)	(18.6)
Tax benefit (fin. exp., IoE, dividends)	48.4	23.3
<b>Total Cash Flow</b>	<b>(193.2)</b>	<b>(387.3)</b>

\*Includes adjustments to discounted receivables.

\*\*Includes NPV adjustments.

\*\*\*Excludes NPV adjustments.

Of the R\$ 254.8 million invested in the 2Q22, R\$ 106.2 million were used for the opening of new pharmacies, R\$ 65.9 million for the renovation or expansion of existing locations, R\$ 53.4 million for IT, R\$ 19.2 million in logistics and R\$ 10.1 million in other projects.

Additionally, R\$ 10.3 million in investments were made towards the construction of our integral health ecosystem through RD Ventures, totaling R\$ 170.4 million in these investments since 2020.

Payments related to net financial expenses totaled R\$ 68.2 million in the 2Q22. These payments were offset by R\$ 48.4 million in tax benefits related to interest on equity.

Lastly, we provisioned R\$ 74.0 million in interest on capital in the 2Q22, in comparison to the R\$ 50.0 million provisioned in the 2Q21, representing a payout of 19.9% of the quarter's net income.

## INDEBTEDNESS

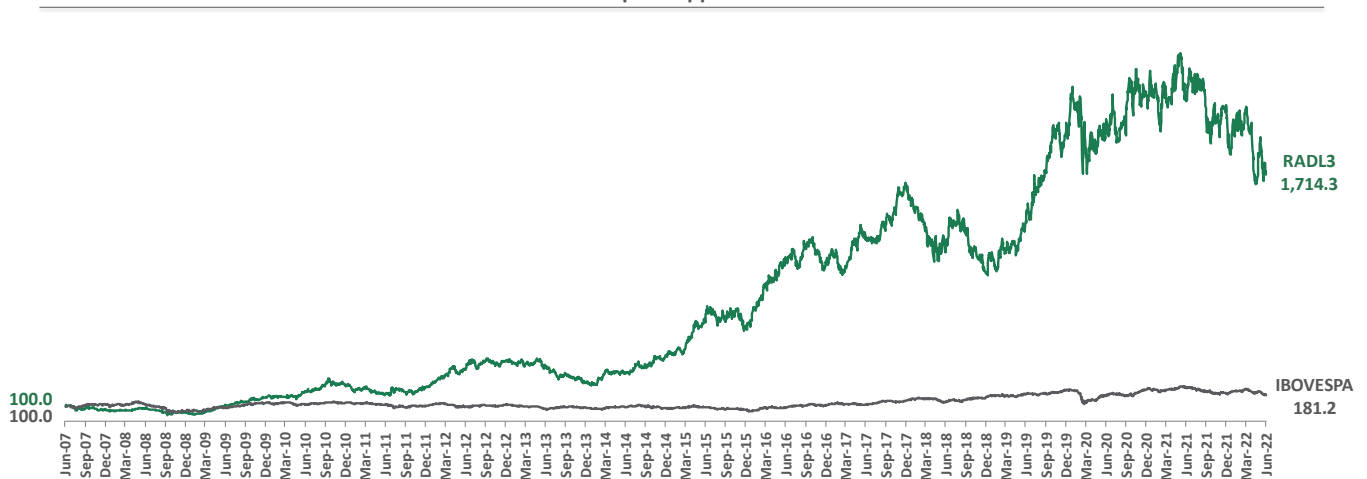
Net Debt (R\$ millions)	2Q22	1Q22	4Q21	3Q21	2Q21
Short-term Debt	228.2	533.5	613.8	630.1	622.7
Long-term Debt	2,141.4	1,635.6	891.4	934.7	934.3
<b>Total Gross Debt</b>	<b>2,369.6</b>	<b>2,169.1</b>	<b>1,505.2</b>	<b>1,564.8</b>	<b>1,557.0</b>
(-) Cash and Equivalents	818.8	466.2	356.1	247.2	266.7
<b>Net Debt</b>	<b>1,550.8</b>	<b>1,702.9</b>	<b>1,149.1</b>	<b>1,317.6</b>	<b>1,290.4</b>
Discounted Receivables	344.6	-	205.9	0.5	6.6
Put/Call options of investments (estimated)	39.5	38.7	37.9	36.6	35.9
<b>Adjusted Net Debt</b>	<b>1,934.8</b>	<b>1,741.6</b>	<b>1,393.0</b>	<b>1,354.8</b>	<b>1,332.8</b>
<b>Adjusted Net Debt / EBITDA</b>	<b>1.0x</b>	<b>1.0x</b>	<b>0.8x</b>	<b>0.8x</b>	<b>0.8x</b>

We ended the 2Q22 with an adjusted net debt of R\$ 1,934.8 million, equivalent to 1.0x the EBITDA of the past 12 months. Our adjusted net debt includes R\$ 39.5 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.

In the 2Q22, we issued our 7<sup>th</sup> debentures totaling R\$ 550.0 million. Thus, our gross debt totaled R\$ 2,369.6 million, of which 82.3% corresponds to the debentures issued in 2018, 2019 and 2022 and to the Certificate of Real Estate Receivables issued in 2019 and 2022, while 17.7% corresponds to other credit lines. Of our total debt, 90% is long-term, while 10% relates to its short-term parcels. We ended the quarter with a total cash position (cash and marketable securities) of R\$ 818.8 million.

## TOTAL SHAREHOLDER RETURNS

Stock price appreciation



Our share price decreased by 19.8% in the 2Q22, 1.9 percentage points more than the IBOVESPA, which decreased by 17.9%.

Since the IPO of Drogasil, we achieved a cumulative share appreciation of 1,614% versus a return of only 81% for the IBOVESPA. Including the payment of interest on equity and dividends, we generated an average annual total return to shareholders of 21.3%.

Considering the IPO of Raia in December of 2010, the cumulative return amounted to 559% versus an increase of only 45% of the IBOVESPA. Considering the payment of interest on equity and dividends, this resulted in an average annual total return to shareholders of 18.3%.

Lastly, our shares recorded an average daily trading volume of R\$ 148 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)	2Q22		Change
	IAS 17	IFRS 16	Δ 2Q22
<b>Gross Revenue</b>	<b>7,641.2</b>	<b>7,641.2</b>	<b>0.0</b>
<b>Gross Profit</b>	<b>2,318.1</b>	<b>2,318.1</b>	<b>0.0</b>
Gross Margin	30.3%	30.3%	0.0%
Selling Expenses	(1,330.3)	(1,094.7)	235.6
G&A	(260.3)	(259.6)	0.7
<b>Total Expenses</b>	<b>(1,590.6)</b>	<b>(1,354.3)</b>	<b>236.3</b>
as % of Gross Revenue	20.8%	17.7%	(3.1%)
<b>Adjusted EBITDA</b>	<b>727.5</b>	<b>963.8</b>	<b>236.3</b>
as % of Gross Revenue	9.5%	12.6%	3.1%
Non-Recurring Expenses / Revenues	43.2	43.8	0.6
Depreciation and Amortization	(171.8)	(362.2)	(190.4)
Financial Results	(98.2)	(157.9)	(59.7)
Equity Equivalence	0.3	0.3	0.0
Income Tax	(128.7)	(124.2)	4.5
<b>Net Income</b>	<b>372.2</b>	<b>363.5</b>	<b>(8.7)</b>
as % of Gross Revenue	4.9%	4.8%	(0.1%)

Balance Sheet (R\$ millions)	2Q22		Change
	IAS 17	IFRS 16	Δ 2Q22
<b>Assets</b>	<b>12,780.8</b>	<b>16,168.8</b>	<b>3,388.0</b>
<b>Current Assets</b>	<b>8,943.4</b>	<b>8,943.4</b>	<b>0.0</b>
<b>Non-Current Assets</b>	<b>3,837.4</b>	<b>7,225.4</b>	<b>3,387.9</b>
Other Credits	49.2	48.7	(0.5)
Right of use	0.0	3,388.4	3,388.4
<b>Liabilities and Shareholder's Equity</b>	<b>12,780.8</b>	<b>16,168.8</b>	<b>3,388.0</b>
<b>Current Liabilities</b>	<b>4,967.0</b>	<b>5,696.7</b>	<b>729.7</b>
Financial Leases	0.0	743.5	743.5
Other Accounts Payable	259.5	245.6	(13.8)
<b>Non-Current Liabilities</b>	<b>2,512.9</b>	<b>5,406.7</b>	<b>2,893.8</b>
Financial Leases	0.0	3,014.9	3,014.9
Income Tax and Social Charges Deferred	169.6	48.5	(121.1)
<b>Shareholder's Equity</b>	<b>5,300.9</b>	<b>5,065.5</b>	<b>(235.5)</b>
Income Reserves	2,267.9	2,050.9	(217.0)
Accrued Income	374.3	355.9	(18.4)

Cash Flow (R\$ millions)	2Q22		Change
	IAS 17	IFRS 16	Δ 2Q22
<b>Adjusted EBIT</b>	<b>555.7</b>	<b>601.5</b>	<b>45.8</b>
NPV Adjustment	(30.2)	(30.2)	0.0
Non-Recurring Expenses	43.2	43.8	0.6
Income Tax (34%)	(193.4)	(209.2)	(15.8)
Depreciation	171.1	362.2	191.2
Rental Expenses	0.0	(236.9)	(236.9)
Others	41.4	56.5	15.1
<b>Resources from Operations</b>	<b>587.8</b>	<b>587.8</b>	<b>0.0</b>
Cash Cycle*	(509.9)	(509.9)	0.0
Other Assets (Liabilities)**	118.9	118.9	0.0
<b>Operating Cash Flow</b>	<b>196.8</b>	<b>196.8</b>	<b>0.0</b>
<b>Investments</b>	<b>(254.8)</b>	<b>(254.8)</b>	<b>0.0</b>
<b>Free Cash Flow</b>	<b>(57.9)</b>	<b>(57.9)</b>	<b>0.0</b>
M&A and other investments	(10.3)	(10.3)	0.0
Interest on equity and dividends	(96.1)	(96.1)	0.0
Income tax paid over interest on equity	(8.9)	(8.9)	0.0
Net financial expenses***	(68.2)	(68.2)	0.0
Tax benefit (fin. exp., IoE, dividends)	48.4	48.4	0.0
<b>Total Cash Flow</b>	<b>(193.2)</b>	<b>(193.2)</b>	<b>0.0</b>

\*Includes adjustments to discounted receivables.

\*\*Includes NPV adjustments

\*\*\*Excludes NPV adjustments

## 2Q22 Results Conference Calls – August 01<sup>st</sup>, 2022

### Portuguese

at 09:30 am (BRT)

Link:

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

### English

at 12:00 pm (BRT)

Link:

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

For more information, please contact our Investor Relations department.

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

<b>Consolidated Adjusted Income Statement</b> <i>(R\$ thousands)</i>	<u>2Q21</u>	<u>2Q22</u>
<b>Gross Revenue</b>	<b>6,245,163</b>	<b>7,641,161</b>
Taxes, Discounts and Returns	(376,898)	(462,400)
<b>Net Revenue</b>	<b>5,868,265</b>	<b>7,178,761</b>
Cost of Goods Sold	(4,071,213)	(4,860,664)
<b>Gross Profit</b>	<b>1,797,052</b>	<b>2,318,097</b>
Operational (Expenses) Revenues		
Sales	(1,119,754)	(1,330,304)
General and Administrative	(180,183)	(260,284)
<b>Operational Expenses</b>	<b>(1,299,937)</b>	<b>(1,590,588)</b>
<b>EBITDA</b>	<b>497,115</b>	<b>727,509</b>
Depreciation and Amortization	(150,430)	(171,808)
<b>Operational Earnings before Financial Results</b>	<b>346,685</b>	<b>555,701</b>
Financial Expenses	(40,397)	(164,735)
Financial Revenue	13,492	66,566
<b>Financial Expenses/Revenue</b>	<b>(26,906)</b>	<b>(98,169)</b>
Equity Equivalence	(1,486)	267
<b>Earnings before Income Tax and Social Charges</b>	<b>318,293</b>	<b>457,799</b>
Income Tax and Social Charges	(86,271)	(114,052)
<b>Net Income</b>	<b>232,022</b>	<b>343,746</b>

<b>Consolidated Income Statement</b> <i>(R\$ thousands)</i>	<u>2Q21</u>	<u>2Q22</u>
<b>Gross Revenue</b>	<b>6,245,163</b>	<b>7,641,161</b>
Taxes, Discounts and Returns	(376,898)	(462,400)
<b>Net Revenue</b>	<b>5,868,265</b>	<b>7,178,761</b>
Cost of Goods Sold	(4,071,213)	(4,860,664)
<b>Gross Profit</b>	<b>1,797,052</b>	<b>2,318,097</b>
Operational (Expenses) Revenues		
Sales	(1,119,754)	(1,330,304)
General and Administrative	(180,183)	(260,284)
Other Operational Expenses, Net	52,153	43,159
<b>Operational Expenses</b>	<b>(1,247,784)</b>	<b>(1,547,429)</b>
<b>EBITDA</b>	<b>549,268</b>	<b>770,668</b>
Depreciation and Amortization	(150,430)	(171,808)
<b>Operational Earnings before Financial Results</b>	<b>398,838</b>	<b>598,860</b>
Financial Expenses	(40,397)	(164,735)
Financial Revenue	13,492	66,566
<b>Financial Expenses/Revenue</b>	<b>(26,906)</b>	<b>(98,169)</b>
Equity Equivalence	(1,486)	267
<b>Earnings before Income Tax and Social Charges</b>	<b>370,446</b>	<b>500,958</b>
Income Tax and Social Charges	(104,003)	(128,727)
<b>Net Income</b>	<b>266,443</b>	<b>372,231</b>

<b>Assets</b>	<u>2Q21</u>	<u>2Q22</u>
<i>(R\$ thousands)</i>		
<b>Current Assets</b>		
Cash and Cash Equivalents	266,685	818,805
Accounts Receivable	1,770,670	1,948,433
Inventories	4,603,133	5,566,835
Taxes Receivable	90,999	272,370
Other Accounts Receivable	220,028	263,313
Anticipated Expenses	59,773	73,641
	<u>7,011,289</u>	<u>8,943,398</u>
<b>Non-Current Assets</b>		
Deposit in Court	26,752	71,016
Taxes Receivable	129,764	121,890
Income Tax and Social Charges deferred	37,899	31,038
Other Credits	356,934	49,190
Investments	8,097	1,923
Property, Plant and Equipment	1,870,331	2,051,537
Intangible	1,316,302	1,510,848
	<u>3,746,079</u>	<u>3,837,442</u>
<b>ASSETS</b>	<u><b>10,757,368</b></u>	<u><b>12,780,840</b></u>



<b>Liabilities and Shareholder's Equity</b> <i>(R\$ thousands)</i>	<u>2Q21</u>	<u>2Q22</u>
<b>Current Liabilities</b>		
Suppliers	2,682,595	3,538,544
Loans and Financing	622,705	228,201
Salaries and Social Charges Payable	413,459	529,539
Taxes Payable	151,859	239,697
Dividend and Interest on Equity	133,309	123,619
Provision for Lawsuits	46,998	47,909
Other Accounts Payable	<u>270,529</u>	<u>259,471</u>
	<u>4,321,454</u>	<u>4,966,979</u>
<b>Non-Current Liabilities</b>		
Loans and Financing	934,332	2,141,379
Provision for Lawsuits	61,138	52,937
Income Tax and Social Charges deferred	149,170	169,632
Other Accounts Payable	<u>452,921</u>	<u>148,964</u>
	<u>1,597,560</u>	<u>2,512,912</u>
<b>Shareholder's Equity</b>		
Common Stock	2,500,000	2,500,000
Capital Reserves	152,448	95,407
Revaluation Reserve	11,595	11,434
Income Reserves	1,780,379	2,267,879
Accrued Income	358,641	374,317
Equity Adjustments	3,821	613
Non Controller Interest	<u>31,469</u>	<u>51,299</u>
	<u>4,838,354</u>	<u>5,300,949</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<u><b>10,757,368</b></u>	<u><b>12,780,840</b></u>

<b>Cash Flow</b>	<b>2Q21</b>	<b>2Q22</b>
<i>(R\$ thousands)</i>		
<b>Earnings before Income Tax and Social Charges</b>	<b>339,384</b>	<b>500,958</b>
<b>Adjustments</b>		
Depreciation and Amortization	150,430	171,080
Compensation plan with restricted shares, net	5,666	6,426
Interest over additional stock option	694	777
P,P&E and Intangible Assets residual value	872	8,085
Provisioned Lawsuits	58,268	18,597
Provisioned Inventory Loss	2,753	963
Provision for Doubtful Accounts	1,885	427
Provisioned Store Closures	5,068	6,335
Interest Expenses	17,686	59,646
Debt Issuance Costs Amortization	1,127	926
Equity Equivalence Result	1,486	(283)
Discount on rentals	(4,546)	577
	<b>580,773</b>	<b>774,514</b>
<b>Assets and Liabilities variation</b>		
Clients and Other Accounts Receivable	(37,625)	140,625
Inventories	(91,494)	(243,461)
Other Short Term Assets	(39,770)	488
Long Term Assets	(718)	(39,429)
Suppliers	(511,744)	(62,476)
Salaries and Social Charges	93,444	98,428
Taxes Payable	47,221	53,300
Other Liabilities	(28,794)	(68,804)
Rents Payable	45,322	1,830
<b>Cash from Operations</b>	<b>56,615</b>	<b>655,015</b>
Interest Paid	(9,318)	(77,220)
Income Tax and Social Charges Paid	(96,079)	(68,027)
Paid lawsuits	(18,289)	(12,400)
<b>Net Cash from (invested) Operational Activities</b>	<b>(67,071)</b>	<b>497,368</b>
<b>Investment Activities Cash Flow</b>		
Cash acquired from business combination	13,275	-
P,P&E and Intangible Acquisitions	(230,645)	(254,757)
P,P&E Sale Payments	209	-
Acquisitions and capital contributions in investments, net	(332)	-
Loans granted to subsidiaries	-	(10,345)
Cash from incorporated company	(14,292)	-
<b>Net Cash from Investment Activities</b>	<b>(231,785)</b>	<b>(265,102)</b>
<b>Financing Activities Cash Flow</b>		
Funding	39,954	699,336
Payments	(125,229)	(482,811)
Interest on Equity and Dividends Paid	(83,618)	(96,140)
<b>Net Cash from Funding Activities</b>	<b>(168,893)</b>	<b>120,385</b>
<b>Cash and Cash Equivalents net increase</b>	<b>(467,749)</b>	<b>352,651</b>
<b>Cash and Cash Equivalents in the beginning of the period</b>	<b>734,434</b>	<b>466,154</b>
<b>Cash and Cash Equivalents in the end of the period</b>	<b>266,685</b>	<b>818,805</b>