

EARNINGS RELEASE

3Q22



São Paulo, October 31, 2022. **RD – People, Health and Well-being** (Raia Drogasil S.A. – B3: RADL3) announces today its results for the 3rd quarter of 2022 (3Q22). The Company's parent company and consolidated interim financial statements for the periods ended September 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 11 and 12.

CONSOLIDATED HIGHLIGHTS:

- › **PHARMACIES: 2,620 units in operation (58 openings and 19 closures);**
- › **GROSS REVENUE: R\$ 8.0 billion, a 22.3% increase with 14.6% for mature stores;**
- › **MARKET SHARE: 15.0%, a 0.7 p.p. increase, with gains in every region;**
- › **DIGITAL: R\$ 886.1 million, an increase of 57.9% and 11.8% of retail penetration;**
- › **CONTRIBUTION MARGIN*: R\$ 830.9 million, a margin of 10.4% and an expansion of 0.4 p.p.;**
- › **ADJUSTED EBITDA: R\$ 546.8 million, a 22.6% increase and a margin of 6.8%;**
- › **ADJUSTED NET INCOME: R\$ 201.7 million, a 16.2% increase and a 2.5% net margin;**
- › **CASH FLOW: R\$ 104.6 million positive free cash flow, R\$ 27.5 million total cash generation.**

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

RADL3

R\$ 24.84/share

NUMBER OF SHARES

1,651,930,000

MARKET CAP

R\$ 41.0 billion

CLOSING

October 28th, 2022

IR TEAM:

Eugênio De Zagottis

Flavio Correia

André Stolfi

Victor Torres

Rodrigo Baraldi

SITE: ir.rd.com.br

E-MAIL: ri@rd.com.br

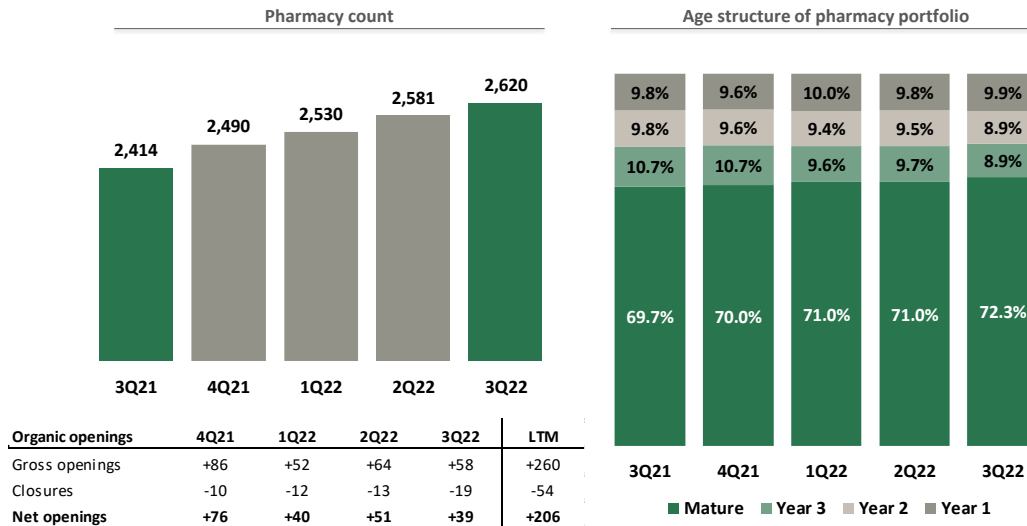
Summary (R\$ thousands)	3Q21	4Q21	1Q22	2Q22	3Q22
# of Pharmacies	2,414	2,490	2,530	2,581	2,620
Organic Openings	52	86	52	64	58
Closures	(12)	(10)	(12)	(13)	(19)
4Bio	4	4	4	5	5
# of Pharmacies + 4Bio	2,418	2,494	2,534	2,586	2,625
Headcount (EoP)	48,481	50,573	50,141	50,320	51,482
Pharmacist Count (EoP)	9,676	10,052	10,336	10,466	10,690
# of Tickets (000)	71,115	76,508	76,795	82,912	83,249
Gross Revenue	6,527,875	6,853,140	6,972,496	7,641,161	7,985,786
Gross Profit	1,815,460	1,951,805	1,928,436	2,318,097	2,224,774
% of Gross Revenues	27.8%	28.5%	27.7%	30.3%	27.9%
Adjusted EBITDA	446,165	448,110	388,382	727,509	546,800
% of Gross Revenues	6.8%	6.5%	5.6%	9.5%	6.8%
Adjusted Net Income	173,567	204,639	145,270	343,746	201,706
% of Gross Revenues	2.7%	3.0%	2.1%	4.5%	2.5%
Net Income	172,765	187,155	153,590	372,231	225,367
% of Gross Revenues	2.6%	2.7%	2.2%	4.9%	2.8%
Free Cash Flow	68,879	269,226	(320,646)	(57,925)	104,619

STORE DEVELOPMENT

We opened 58 new units in the 3Q22 and closed 19, ending the quarter with 2,620 pharmacies in operation. At the end of the period, 27.7% 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 are reiterating the guidance of 260 gross openings for 2022 while also increasing the guidance from 2023 to 2025 to that same level (260 gross openings per year), which will result in 1,040 new pharmacies to be opened in a period of 4 years.

Finally, we have opened 260 new pharmacies over the last 12 months, a pace equivalent to the year's guidance.

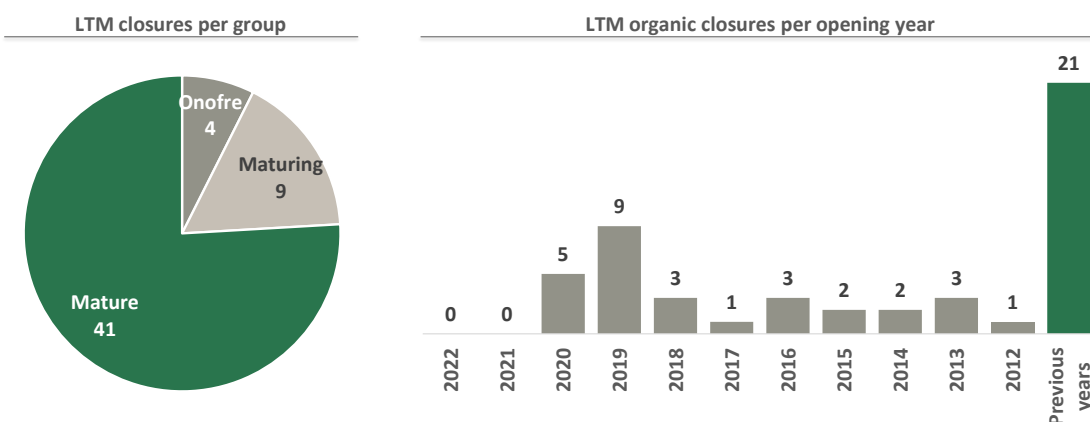


Of the 19 pharmacies closed in the quarter, only 2 were still in the maturation process, representing corrections of mistakes that are expected in a large-scale expansion as RD's. The remaining 17 closures were of mature pharmacies with an average age of 14 years, as part of the ongoing optimization of our store portfolio, with positive return expectations associated to them.

Considering the last 12 months, we have closed a total of 54 pharmacies. This includes 9 pharmacies that were still in maturation, resulting in a ratio of expansion mistakes of only 3% of the 260 pharmacies opened over that period, 4 locations acquired from Onofre, which closure was already expected at the time of the transaction, as well as 41 mature and redundant units with an average of 14 years in operation, part of the ongoing optimization of our portfolio.

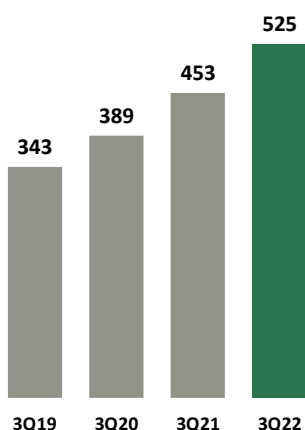
It is important to note that these redundant store closures allow us to transfer sales to the remaining locations in the neighborhood while eliminating a fixed costs and releasing assets to be more efficiently redeployed, thus increasing both the Company's EBITDA and ROIC.

Therefore, the combined plan of pharmacy openings and closures ensures an optimal portfolio of stores across the best corners of the country, expanding our physical presence, balancing the ideal density in each market, and, at the same time, maximizing the return on assets employed.

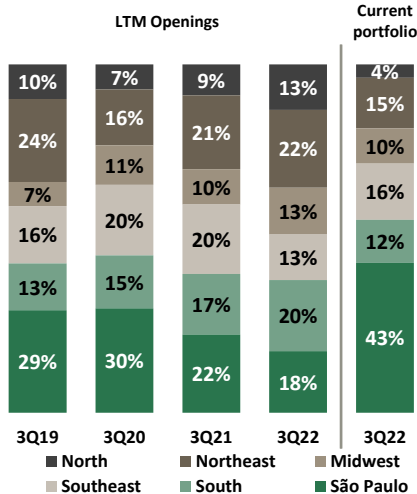


We intensified the diversification of our pharmacy network in the quarter, both geographically and demographically, with 82% of our openings in the last twelve months outside of the state of São Paulo, our native market. We also increased our capillarity, extending our presence to 525 cities, 72 more than in the 3Q21. And while 66% of our units belong to the popular or hybrid formats, 87% of the openings in the last twelve months belong to these clusters, increasing our reach into the expanded middle class.

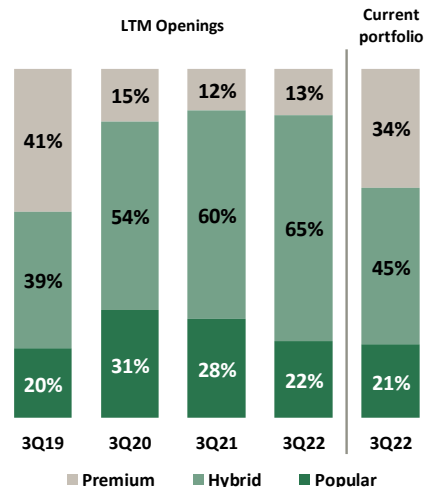
Cities with pharmacies



Network composition by region*



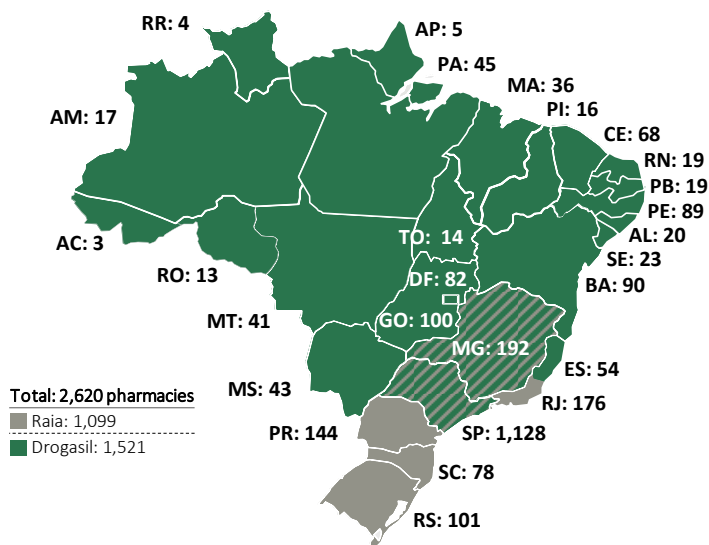
Network composition by format*



* Openings exclude the Onofre acquisition.

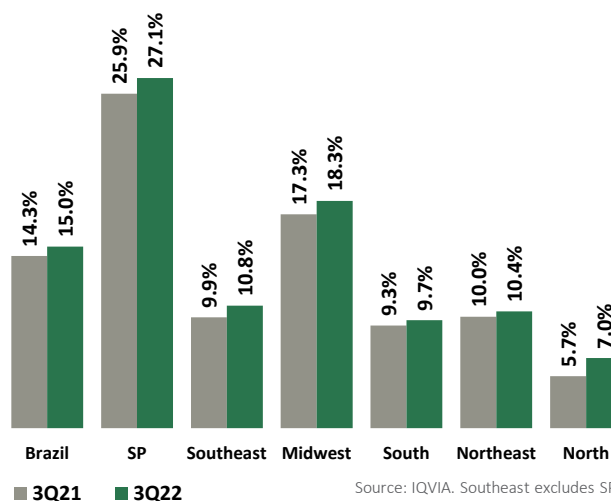
We gained market share in all regions during the quarter. Our national market share totaled 15.0%, a 0.7 percentage point increase when compared to the 3Q21. We recorded a share of 7.0% in the North, a 1.3 p.p. increase when compared to the 3Q21, a share of 27.1% in São Paulo, a 1.2 p.p. increment, and a share of 18.3% in the Midwest, a 1.0 p.p. gain. We also recorded a share of 10.8% in the Southeast (excluding São Paulo), a 0.9 p.p. increase, a share of 9.7% in the South, a 0.4 p.p. increment, and a share of 10.4% in the Northeast, another 0.4 p.p. gain.

Pharmacy geographic presence



Retail market share

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



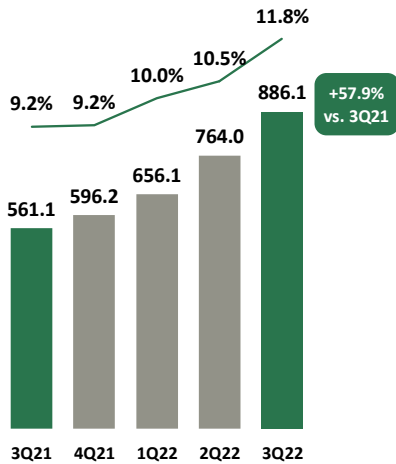
DIGITAL HEALTH TRANSFORMATION

We continue advancing in our digital strategy at a fast pace. We reached the mark of R\$ 886.1 million in revenues through digital channels in the quarter, representing a retail penetration of 11.8% and a growth of 57.9% over the same period of the previous year. When annualized, digital sales surpassed the milestone of R\$ 3.5 billion, positioning RD Digital among Brazil's top pharmaceutical retailers if considered on its own.

We continue to expand our digital presence, with more than 105 million visits in our apps and websites in the 3Q22, a relevant number given the universe of 46 million active customers. Those 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, which makes the digitalization of the relationship with our customers a fundamental driver for value creation. It also allows us to connect our customers to all the three pillars of our strategy: the New Pharmacy, the Marketplace and the Health Platform.

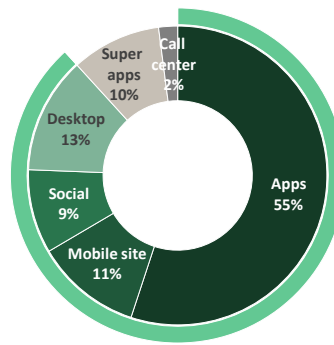
Digital sales and penetration

R\$ millions, % of retail gross revenue



Digital channel mix

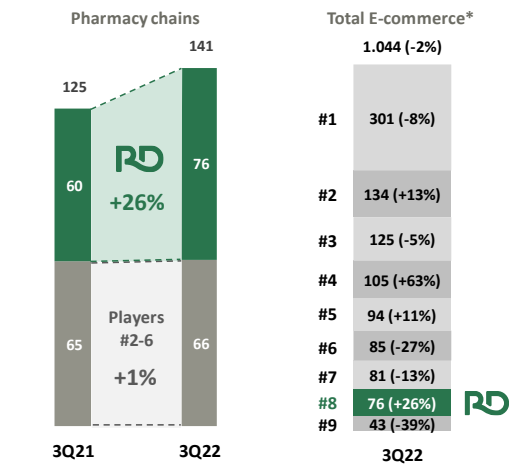
% of digital sales



Modern and proprietary channels: 88%, of which 76% were mobile

Web site visits

Million hits (Source: SimilarWeb)



We also highlight the value of the capillarity of our national chain of pharmacies for the digital sales. With 92% of the Brazilian A-class population living within a 1.5 km radius of our stores, 92% of our digital transactions in the 3Q22 have been fulfilled by our pharmacies, with high economic efficiency and with 85% of the orders delivered to or picked-up by customers in up to 4h. Finally, Click & Collect, which is available in 100% of our pharmacies, represented 58% of online orders, while neighborhood deliveries represented another 8% of the total.

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 1.2 thousand units offering enhanced services at our Service Rooms. Our pharmacies performed or supplied 1.0 million COVID-19 tests in the 3Q22, including those applied in-store as well as self-tests, totaling 7.8 million since the beginning of the pandemic. Additionally, we ended the period with 260 pharmacies licensed for vaccines, which served over 140 thousand different immunizations in the quarter. Through these pharmaceutical services, we are repositioning our pharmacies as local health hubs while strengthening the bonds with our customers, who evaluated our pharmacy experience with an NPS score of 90.

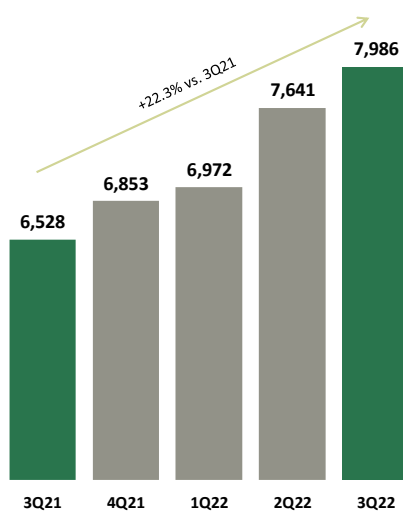
We continue to structure our Marketplace with the inclusion of new sellers and SKUs. We ended the 3Q22 offering 183 thousand SKUs from 484 different sellers, representing a 25% sequential increase in the available assortment in comparison to the 2Q22.

Lastly, Vitat has continued to build its platform by developing our first paid solution, which is focused on weight loss. In addition, it has advanced in customer acquisition, reaching 4 million unique monthly users.

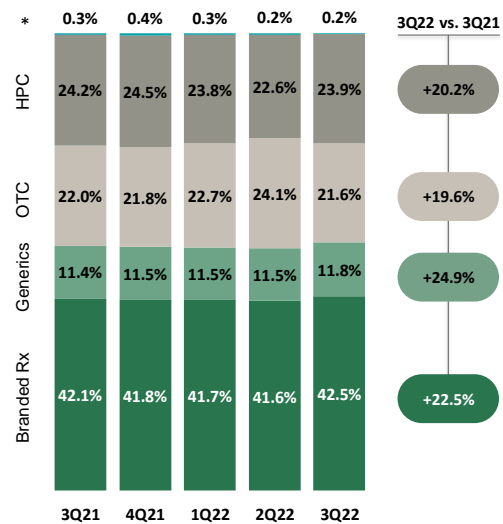
GROSS REVENUES

Consolidated gross revenue

R\$ millions



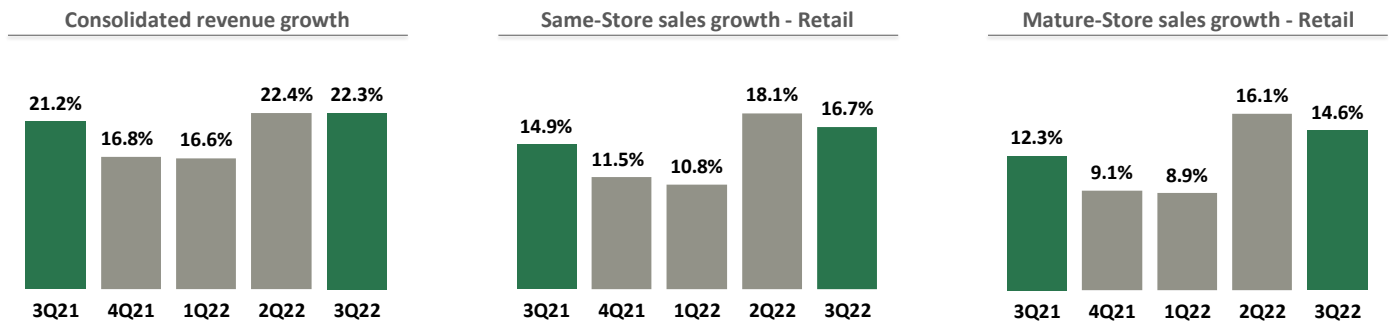
Retail sales mix



We ended the 3Q22 with a consolidated gross revenue of R\$ 7,986 million, a 22.3% growth over the 3Q21.

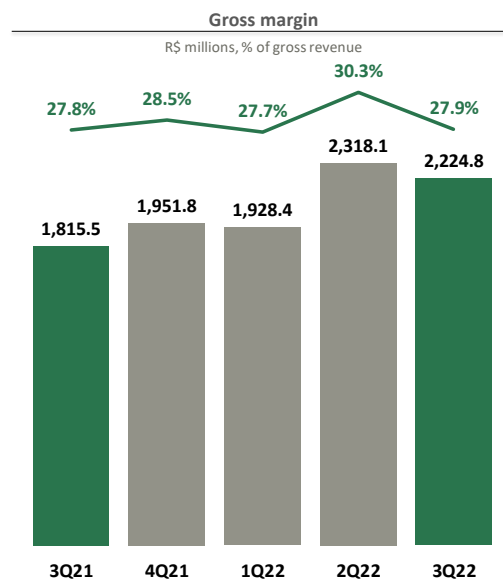
The deceleration of COVID-19 testing, including both the tests performed in-store as well as the sale of self-tests, reduced total revenue growth by 0.3 p.p., in contrast to the increase of 0.5 p.p. in the 2Q22. Lastly, we recorded a positive calendar effect of 0.1% in the quarter.

Prescription drugs were the highlight of the period, with a growth of 24.9% in Generics and of 22.5% in Branded Rx, each gaining 0.4 p.p. in the mix. Additionally, we also recorded solid performances in HPC, with a growth of 20.2%, and in OTC, which grew 19.6% in the period.



We recorded a 14.6% growth in mature stores in the 3Q22, an increase 7.4 p.p above the period's CPI of 7.2% and 3.7 p.p 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 16.7%.

GROSS PROFIT

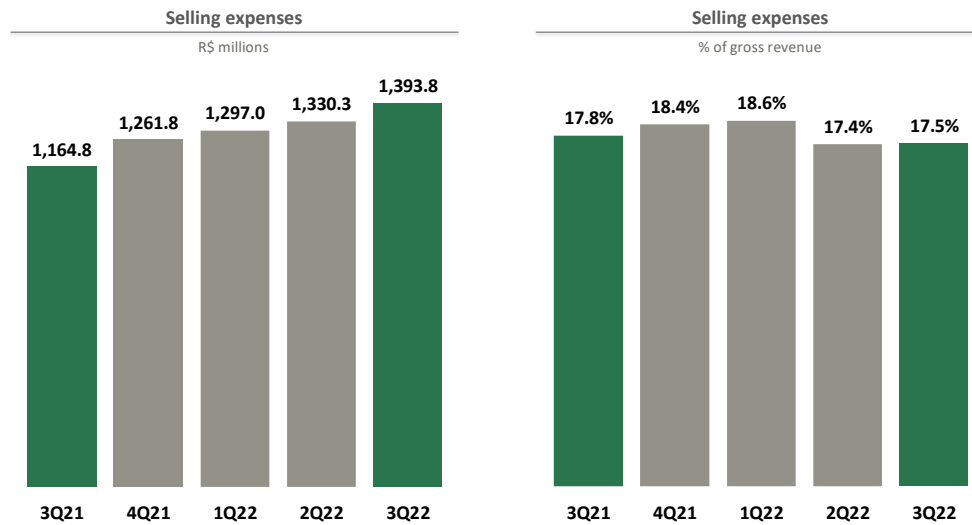


Our gross profit totaled R\$ 2,224.8 million in the 3Q22, with a gross margin of 27.9%, a 0.1 p.p. expansion in comparison to the 3Q21. We recorded a gross margin expansion of 0.2 percentage point from the Net Present Value (NPV) adjustment, stemming from higher interest rates when compared to the same period of the previous year.

SELLING EXPENSES

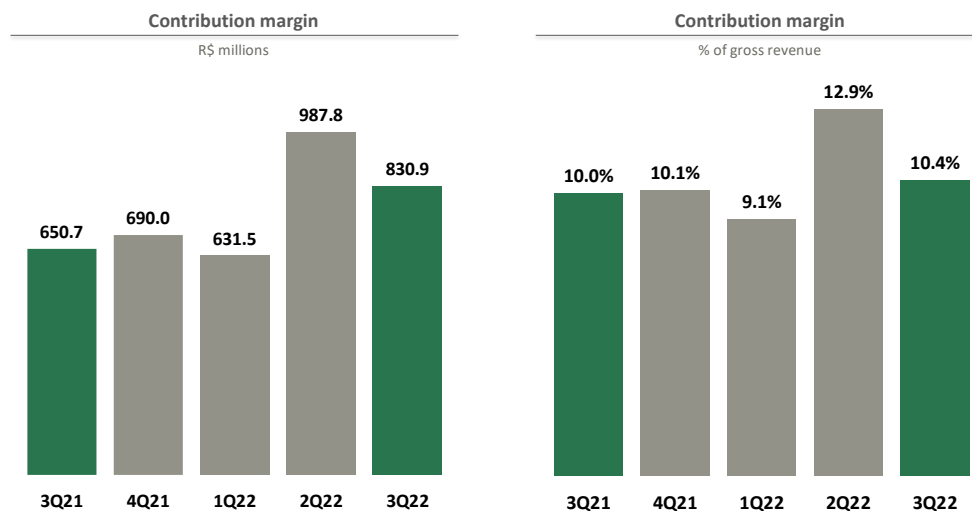
Selling expenses totaled R\$ 1,393.8 million in the 3Q22, equivalent to 17.5% of gross revenue, a 0.3 p.p. dilution in comparison to the 3Q21. This dilution was mostly driven by the operating leverage achieved through the real growth at our mature stores.

In comparison to the same period of the previous year, we recorded in the quarter dilutions of 0.2 p.p. in personnel expenses, 0.1 p.p. in electricity, 0.1 p.p. in telecom expenses, 0.1 p.p. in rentals and 0.1 p.p. in marketing expenses, more than offsetting pressures of 0.2 p.p. in acquiring expenses and 0.1 p.p. in delivery expenses to customers.



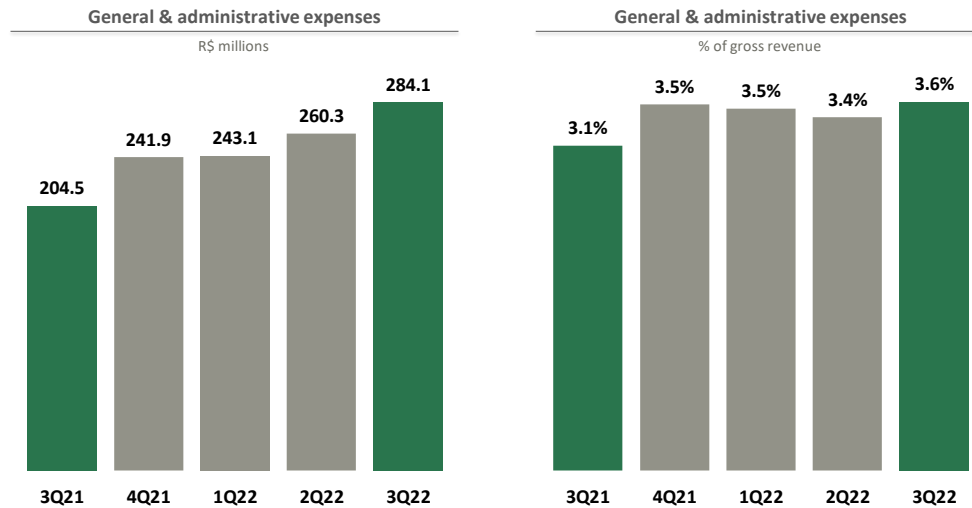
CONTRIBUTION MARGIN

We recorded a contribution margin of R\$ 830.9 million, equivalent to a margin of 10.4% of gross revenue, a 0.4 p.p. margin expansion due to the 0.1 p.p. increase in our gross margin and the 0.3 p.p. dilution of selling expenses.



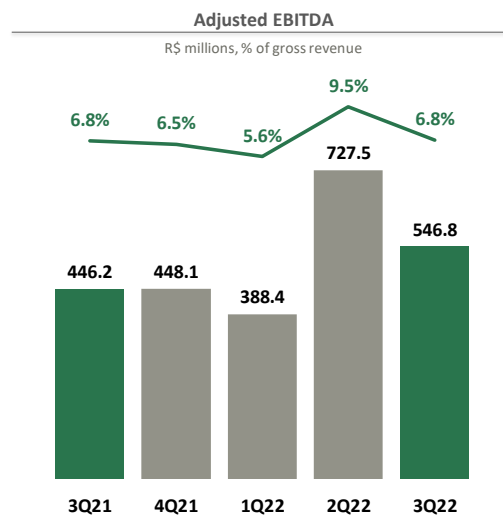
GENERAL & ADMINISTRATIVE EXPENSES

General and administrative expenses totaled R\$ 284.1 million in the 3Q22, equivalent to 3.6% of gross revenue, a 0.5 percentage point increase in comparison to the 3Q21, as we advance in the Company's digital transformation strategy.



EBITDA

Our adjusted EBITDA totaled R\$ 546.8 million, a 22.6% growth. The adjusted EBITDA margin was of 6.8% of gross revenue, equivalent to the same period of the previous year.



EBITDA RECONCILIATION AND NON-RECURRING EXPENSES

EBITDA Reconciliation - R\$ millions	3Q22	3Q21
Net income	225.4	172.8
Income tax	55.1	74.4
Equity Equivalence	(0.2)	(0.2)
Financial Result	125.5	39.9
EBIT	405.8	286.9
Depreciation and amortization	176.9	158.0
EBITDA	582.6	444.9
Social investments and donations	3.8	3.9
Asset write-offs	1.9	(2.3)
Tax credits and other non-recurring from previous years	(41.6)	(0.4)
Non-recurring/non-operating expenses	(35.8)	1.2
Adjusted EBITDA	546.8	446.2

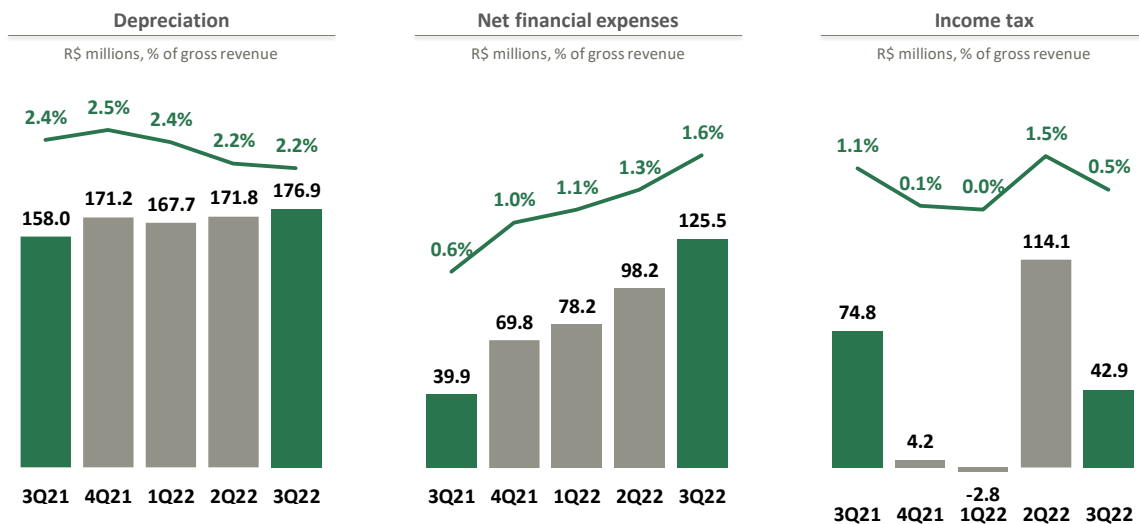
We recorded in the 3Q22 a total of R\$ 35.8 million in net non-recurring income. This includes R\$ 3.8 million in social investments and donations and R\$ 1.9 million in non-recurring expenses from asset write-offs, mostly from store closures. These were more than offset by R\$ 41.6 million from tax credits and other effects related to previous years.

DEPRECIATION, NET FINANCIAL EXPENSES AND INCOME TAXES

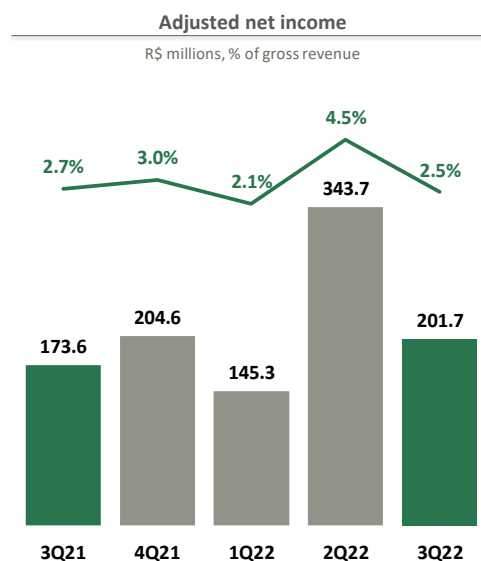
Depreciation expenses amounted to R\$ 176.9 million, equivalent to 2.2% of gross revenues, a 0.2 p.p. dilution.

Net financial expenses represented 1.6% of gross revenue in the 3Q22, a 1.0 p.p. increase when compared to the 3Q21. Of the R\$ 125.5 million recorded in the quarter, R\$ 74.0 million refers to the actual financial interest accrued on financial liabilities, equivalent to 0.9% of gross revenue, a 0.6 p.p. increase when compared to the 3Q21 mostly due to the hiking of the Brazilian interest rate which increased from 6.25% at the end of the 3Q21 to 13.75% by the end of the 3Q22. We've also recorded R\$ 25.9 million in financial expenses which refer to the NPV adjustment in the 3Q22, and another R\$ 25.6 million which refers to the reevaluation and to the interest on the option to acquire the remaining shares of invested companies.

Lastly, we booked R\$ 42.9 million in income taxes, equivalent to 0.5% of gross revenue, a dilution of 0.6 p.p..

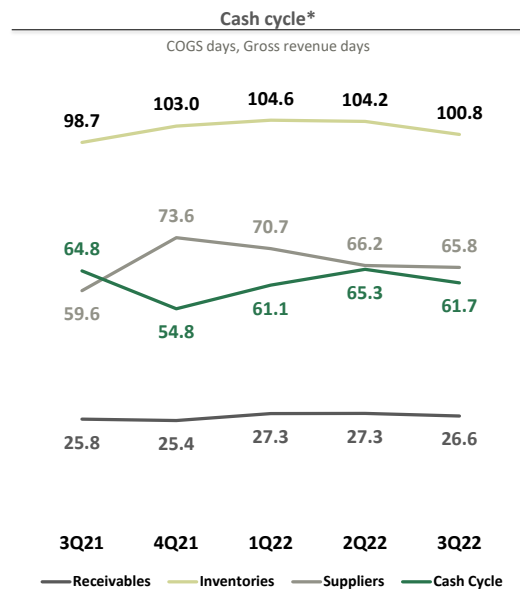


NET INCOME



Our adjusted net income totaled R\$ 201.7 million, a 16.2% growth vs. the 3Q21. Our net margin was of 2.5% of gross revenue, a contraction of 0.2 p.p. when compared to the same period of the previous year due to the increase in the Brazilian interest rate mentioned above.

CASH CYCLE



* Adjusted for discounted receivables and advanced payments to suppliers.

We recorded a cash cycle of 61.7 days, a 3.1 days decrease when compared to the same period of the previous year. Inventories increased by 2.1 days, accounts payable by 6.2 days and receivables by 0.8 day.

CASH FLOW

Cash flow	3Q22	3Q21
<i>(R\$ million)</i>		
Adjusted EBIT	369.9	288.1
NPV adjustment	(38.1)	(17.2)
Non-recurring expenses	35.8	(1.2)
Income tax (34%)	(125.0)	(91.7)
Depreciation	177.6	158.0
Others	61.0	(83.9)
Resources from operations	481.3	252.1
Cash cycle*	(47.7)	(17.1)
Other assets (liabilities)**	3.1	72.1
Operating cash flow	436.7	307.0
Investments	(332.1)	(238.2)
Free cash flow	104.6	68.9
M&A and other investments	(28.5)	4.3
Interest on equity and dividends	(0.0)	(0.1)
Income tax paid over interest on equity	(10.8)	(6.6)
Net financial expenses***	(99.7)	(23.0)
Tax benefit (fin. exp., IoE, dividends)	61.8	7.8
Total Cash Flow	27.5	(21.9)

*Includes adjustments to discounted receivables.

**Includes NPV adjustments.

***Excludes NPV adjustments.

We recorded a positive free cash flow of R\$ 104.6 million and a total cash generation of R\$ 27.5 million in the quarter. Resources from operations totaled R\$ 481.3 million, equivalent to 6.0% of gross revenue. We recorded a working capital consumption of R\$ 44.6 million, resulting in a positive operating cash flow of R\$ 436.7 million, in addition to a CAPEX of R\$ 332.1 million.

Of the R\$ 332.1 million invested in the 3Q22, R\$ 112.4 million were used for the opening of new pharmacies, R\$ 42.7 million for the renovation or expansion of existing locations, R\$ 72.3 million for IT, R\$ 43.8 million in logistics and R\$ 60.9 million in other projects.

Additionally, R\$ 28.5 million in investments were made towards the construction of our integral health ecosystem through RD Ventures, totaling R\$ 198.9 million paid in investments since 2020.

Payments related to net financial expenses totaled R\$ 99.7 million in the 3Q22. These payments were offset by R\$ 61.8 million in tax benefits related to net financial expenses and interest on equity.

Lastly, we provisioned R\$ 82.0 million in interest on capital and R\$ 107.5 million in dividends in the quarter, representing a payout of 84.1% of the period's net income.

INDEBTEDNESS

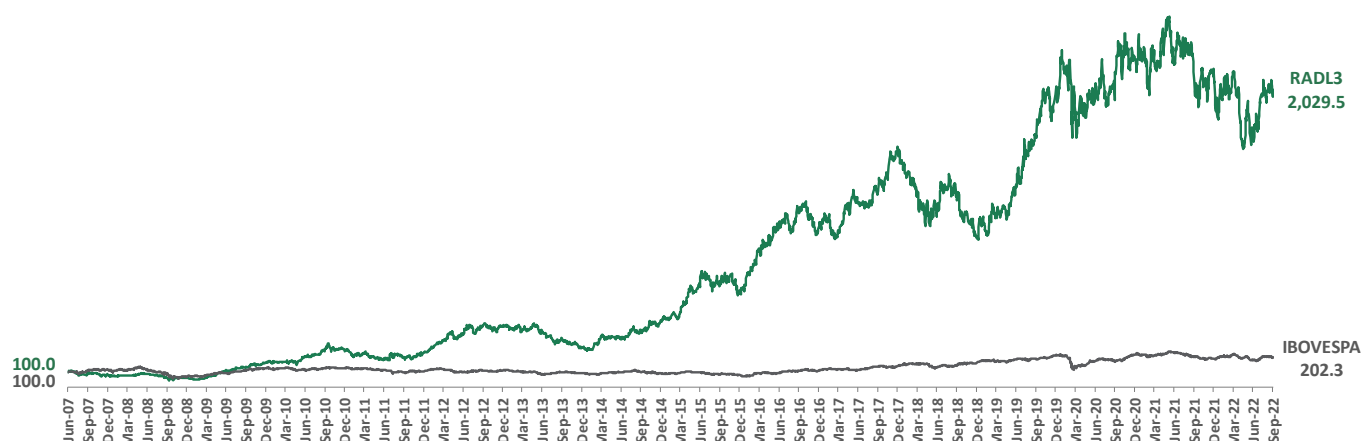
Net Debt (R\$ millions)	3Q22	2Q22	1Q22	4Q21	3Q21
Short-term Debt	134.8	228.2	533.5	613.8	630.1
Long-term Debt	2,130.2	2,141.4	1,635.6	891.4	934.7
Total Gross Debt	2,265.0	2,369.6	2,169.1	1,505.2	1,564.8
(-) Cash and Equivalents	371.2	818.8	466.2	356.1	247.2
Net Debt	1,893.8	1,550.8	1,702.9	1,149.1	1,317.6
Discounted Receivables	-	344.6	-	205.9	0.5
Advances to suppliers	(50.7)	-	-	-	-
Put/Call options of investments (estimated)	64.1	39.5	38.7	37.9	36.6
Adjusted Net Debt	1,907.3	1,934.8	1,741.6	1,393.0	1,354.8
Adjusted Net Debt / EBITDA	0.9x	1.0x	1.0x	0.8x	0.8x

We ended the 3Q22 with an adjusted net debt of R\$ 1,907.3 million, equivalent to 0.9x the EBITDA of the past 12 months. Our adjusted net debt includes R\$ 64.1 million in liabilities related to the put option granted and/or call option obtained for the acquisition of shares of invested companies and considers R\$ 50.7 million in advanced payments to suppliers in order to optimize the use of available cash.

In the 3Q22, gross debt totaled R\$ 2,265.0 million, of which 84.7% corresponds to the debentures issued in 2018, 2019 and 2022 and to the Certificate of Real Estate Receivables issued in 2019 and 2022, while 15.3% corresponds to other credit lines. Of our total debt, 94% is long-term, while 6% relates to its short-term parcels. We ended the quarter with a total cash position (cash and marketable securities) of R\$ 371.2 million.

TOTAL SHAREHOLDER RETURNS

Stock price appreciation



Our share price decreased by 18.4% in the 3Q22, 6.7 p.p. more than the IBOVESPA, which increased by 11.7%.

Since the IPO of Drogasil, we achieved a cumulative share appreciation of 1,929% versus a return of only 102% for the IBOVESPA. Including the payment of interest on equity and dividends, we generated an average annual total return to shareholders of 22.3%.

Considering the IPO of Raia in December of 2010, the cumulative return amounted to 680% versus an increase of only 62% of the IBOVESPA. Considering the payment of interest on equity and dividends, this resulted in an average annual total return to shareholders of 19.6%.

Lastly, our shares recorded an average daily trading volume of R\$ 130 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, under Interactive Spreadsheets.

Income Statement (R\$ millions)	3Q22		Change
	IAS 17	IFRS 16	Δ 3Q22
Gross Revenue	7,985.8	7,985.8	0.0
Gross Profit	2,224.8	2,224.8	0.0
Gross Margin	27.9%	27.9%	0.0%
Selling Expenses	(1,393.8)	(1,148.4)	245.5
G&A	(284.1)	(283.5)	0.7
Total Expenses	(1,678.0)	(1,431.8)	246.1
as % of Gross Revenue	21.0%	17.9%	(3.1%)
Adjusted EBITDA	546.8	792.9	246.1
as % of Gross Revenue	6.8%	9.9%	3.1%
Non-Recurring Expenses / Revenues	35.8	35.8	0.0
Depreciation and Amortization	(176.9)	(369.9)	(193.0)
Financial Results	(123.4)	(186.8)	(63.4)
Equity Equivalence	0.2	0.2	(0.0)
Income Tax	(55.1)	(52.3)	2.8
Net Income	227.5	220.0	(7.5)
as % of Gross Revenue	2.8%	2.8%	(0.1%)

Balance Sheet (R\$ millions)	3Q22		Change
	IAS 17	IFRS 16	Δ 3Q22
Assets	13,166.9	16,523.5	3,356.6
Current Assets	9,192.2	9,192.2	0.0
Non-Current Assets	3,974.7	7,331.2	3,356.6
Other Credits	18.7	18.2	(0.5)
Investments	5.8	7.0	1.2
Right of use	0.0	3,355.8	3,355.8
Liabilities and Shareholder's Equity	13,166.9	16,523.5	3,356.6
Current Liabilities	5,312.8	6,040.5	727.8
Financial Leases	0.0	741.7	741.7
Other Accounts Payable	269.4	255.5	(13.9)
Non-Current Liabilities	2,505.6	5,374.0	2,868.4
Financial Leases	0.0	2,992.3	2,992.3
Income Tax and Social Charges Deferred	154.5	30.5	(123.9)
Shareholder's Equity	5,348.6	5,108.9	(239.6)
Income Reserves	2,267.9	2,050.9	(217.0)
Accrued Income	405.7	381.8	(23.8)
Non Controller Interest	54.9	56.1	1.2

Cash Flow (R\$ millions)	3Q22		Change
	IAS 17	IFRS 16	Δ 3Q22
Adjusted EBIT	369.9	421.0	51.0
NPV Adjustment	(38.1)	(38.1)	0.0
Non-Recurring Expenses	35.8	35.8	0.0
Income Tax (34%)	(125.0)	(142.4)	(17.4)
Depreciation	177.6	369.9	192.3
Rental Expenses	0.0	(244.0)	(244.0)
Others	61.0	79.1	18.1
Resources from Operations	481.3	481.3	0.0
Cash Cycle*	(47.7)	(47.7)	0.0
Other Assets (Liabilities)**	3.1	3.1	0.0
Operating Cash Flow	436.7	436.7	0.0
Investments	(332.1)	(332.1)	0.0
Free Cash Flow	104.6	104.6	0.0
M&A and other investments	(28.5)	(28.5)	0.0
Interest on equity and dividends	(0.0)	(0.0)	0.0
Income tax paid over interest on equity	(10.8)	(10.8)	0.0
Net financial expenses***	(99.7)	(99.7)	0.0
Tax benefit (fin. exp., IoE, dividends)	61.8	61.8	0.0
Total Cash Flow	27.5	27.5	0.0

*Includes adjustments to discounted receivables.

**Includes NPV adjustments

***Excludes NPV adjustments

3Q22 Results Conference Calls: November 01st, 2022

Portuguese

at 10:00 am (BRT)

English

at 12:00 pm (BRT)

Link:

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

For more information, please contact our Investor Relations department.

E-mail: ri@rd.com.br

Consolidated Adjusted Income Statement <i>(R\$ thousands)</i>	3Q21	3Q22
Gross Revenue	6,527,875	7,985,786
Taxes, Discounts and Returns	(363,012)	(495,920)
Net Revenue	6,164,863	7,489,866
Cost of Goods Sold	(4,349,402)	(5,265,092)
Gross Profit	1,815,460	2,224,774
Operational (Expenses) Revenues		
Sales	(1,164,752)	(1,393,832)
General and Administrative	(204,544)	(284,142)
Operational Expenses	(1,369,296)	(1,677,975)
EBITDA	446,165	546,800
Depreciation and Amortization	(158,034)	(176,884)
Operational Earnings before Financial Results	288,131	369,916
Financial Expenses	(62,946)	(213,801)
Financial Revenue	23,014	88,287
Financial Expenses/Revenue	(39,932)	(125,514)
Equity Equivalence	179	189
Earnings before Income Tax and Social Charges	248,378	244,591
Income Tax and Social Charges	(74,810)	(42,884)
Net Income	173,567	201,706

Consolidated Income Statement <i>(R\$ thousands)</i>	<u>3Q21</u>	<u>3Q22</u>
Gross Revenue	6,527,875	7,985,786
Taxes, Discounts and Returns	(363,012)	(495,920)
Net Revenue	6,164,863	7,489,866
Cost of Goods Sold	(4,349,402)	(5,265,092)
Gross Profit	1,815,460	2,224,774
Operational (Expenses) Revenues		
Sales	(1,164,752)	(1,393,832)
General and Administrative	(204,544)	(284,142)
Other Operational Expenses, Net	(1,215)	35,850
Operational Expenses	(1,370,511)	(1,642,125)
EBITDA	444,950	582,649
Depreciation and Amortization	(158,034)	(176,884)
Operational Earnings before Financial Results	286,915	405,766
Financial Expenses	(62,946)	(213,801)
Financial Revenue	23,014	88,287
Financial Expenses/Revenue	(39,932)	(125,514)
Equity Equivalence	179	189
Earnings before Income Tax and Social Charges	247,163	280,440
Income Tax and Social Charges	(74,397)	(55,073)
Net Income	172,765	225,367

Assets	<u>3Q21</u>	<u>3Q22</u>
<i>(R\$ thousands)</i>		
Current Assets		
Cash and Cash Equivalents	247,158	371,171
Accounts Receivable	1,848,349	2,336,858
Inventories	4,717,258	5,832,184
Taxes Receivable	102,214	298,623
Other Accounts Receivable	264,627	282,757
Anticipated Expenses	50,440	70,638
	<u>7,230,046</u>	<u>9,192,231</u>
Non-Current Assets		
Deposit in Court	27,392	101,818
Taxes Receivable	126,787	110,103
Income Tax and Social Charges deferred	38,083	23,272
Other Credits	361,786	18,659
Investments	8,097	5,773
Property, Plant and Equipment	1,921,622	2,110,714
Intangible	1,345,941	1,604,322
	<u>3,829,707</u>	<u>3,974,661</u>
ASSETS	<u>11,059,753</u>	<u>13,166,892</u>

Liabilities and Shareholder's Equity <i>(R\$ thousands)</i>	<u>3Q21</u>	<u>3Q22</u>
Current Liabilities		
Suppliers	2,850,604	3,753,793
Loans and Financing	630,096	134,790
Salaries and Social Charges Payable	484,721	617,245
Taxes Payable	153,702	186,321
Dividend and Interest on Equity	133,246	302,155
Provision for Lawsuits	40,849	49,030
Other Accounts Payable	248,714	269,428
	<u>4,541,932</u>	<u>5,312,761</u>
Non-Current Liabilities		
Loans and Financing	934,693	2,130,228
Provision for Lawsuits	54,436	50,207
Income Tax and Social Charges deferred	130,416	154,468
Other Accounts Payable	455,038	170,670
	<u>1,574,582</u>	<u>2,505,573</u>
Shareholder's Equity		
Common Stock	2,500,000	2,500,000
Capital Reserves	84,567	105,464
Revaluation Reserve	11,555	11,385
Income Reserves	1,780,379	2,267,879
Accrued Income	527,500	405,666
Equity Adjustments	3,821	3,261
Non Controller Interest	35,416	54,903
	<u>4,943,238</u>	<u>5,348,558</u>
LIABILITIES AND SHAREHOLDERS' EQUITY	<u>11,059,753</u>	<u>13,166,892</u>

Cash Flow	3Q21	3Q22
<i>(R\$ thousands)</i>		
Earnings before Income Tax and Social Charges	251,110	294,173
Adjustments		
Depreciation and Amortization	157,976	177,582
Compensation plan with restricted shares, net	5,224	9,813
Interest over additional stock option	715	24,642
P,P&E and Intangible Assets residual value	2,531	10,186
Provisioned Lawsuits	(93,487)	14,849
Provisioned Inventory Loss	286	20,181
Provision for Doubtful Accounts	1,206	167
Provisioned Store Closures	(4,392)	(8,922)
Interest Expenses	25,003	84,245
Debt Issuance Costs Amortization	965	1,313
Equity Equivalence Result	(179)	814
Discount on rentals	796	-
	347,754	629,043
Assets and Liabilities variation		
Clients and Other Accounts Receivable	(78,885)	(373,102)
Inventories	(114,411)	(285,530)
Other Short Term Assets	10,026	(15,324)
Long Term Assets	(8,074)	9,363
Suppliers	170,163	215,683
Salaries and Social Charges	71,262	87,706
Taxes Payable	(19,282)	(79,369)
Other Liabilities	82,010	40,585
Rents Payable	(49,537)	4,355
Cash from Operations	411,026	233,410
Interest Paid	(18,070)	(91,138)
Income Tax and Social Charges Paid	(94,371)	(112,834)
Paid lawsuits	(10,788)	(17,573)
Net Cash from (invested) Operational Activities	287,797	11,865
Investment Activities Cash Flow		
P,P&E and Intangible Acquisitions	(239,261)	(332,055)
Acquisitions and capital contributions in investments, net	6,480	(42,000)
Loans granted to subsidiaries	(1,100)	13,545
Net Cash from Investment Activities	(233,881)	(360,510)
Financing Activities Cash Flow		
Funding	(73)	(14,541)
Payments	(78)	(84,440)
Share Buyback	(73,228)	-
Interest on Equity and Dividends Paid	(64)	(8)
Net Cash from Funding Activities	(73,443)	(98,989)
Cash and Cash Equivalents net increase	(19,527)	(447,634)
Cash and Cash Equivalents in the beginning of the period	266,685	818,805
Cash and Cash Equivalents in the end of the period	247,158	371,171