People, Health and Well-being.
RaiaDrogasil S.A.

Our mission: to become the group that contributes the most towards a **healthier society**

EARNINGS RELEASE 4Q22

São Paulo, March 07, 2023. **RD – People, Health and Well-being** (Raia Drogasil S.A. – B3: RADL3) announces today its results for the 4th quarter of 2022 (4Q22). The Company's parent company and consolidated financial statements for the periods ended December 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 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 in a dedicated chapter within this document.

CONSOLIDATED HIGHLIGHTS:

- **PHARMACIES: 2,697 units in operation (260 openings and 53 closures);**
- **GROSS REVENUE: R$ 31.0 billion, + R$ 5.3 billion, a 20.9% increase with 13.3% mature store growth;**
- **MARKET SHARE: 15.1%, a 1.0 pp increase, with gains in every region;**
- **DIGITAL: R$ 3.2 billion, an increase of 52.7% and a 4Q22 retail penetration of 11.8%;**
- **CONTRIBUTION MARGIN*: 10.9%, an expansion of 0.7 pp and a 29.2% increase;**
- **ADJUSTED EBITDA: R$ 2,262.1 million, a margin of 7.3% and a 25.2% increase;**
- **ADJUSTED NET INCOME: R$ 991.8 million, a 3.2% net margin and a 25.8% increase;**
- **CASH FLOW: R$ 7.8 million negative free cash flow, R$ 652.7 million total cash consumption.**

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

RADL3
R$ 23.21/ share

NUMBER OF SHARES
1.651.930.000

MARKET CAP
R$ 38.3 billion

CLOSING
March 06th, 2023

IR TEAM:
Eugênio De Zagottis
Flávio Correia
André Stolfi
Victor Torres
Rodrigo Baraldi

SITE: **ri.rd.com.br**
E-MAIL: **ri@rd.com.br**

Summary	2021	2022	4Q21	1Q22	2Q22	3Q22	4Q22
(R$ thousands)							
# of pharmacies	2,490	2,697	2,490	2,530	2,581	2,620	2,697
Organic openings	240	260	86	52	64	58	86
Closures	(49)	(53)	(10)	(12)	(13)	(19)	(9)
4Bio	4	5	4	4	5	5	5
# of Pharmacies + 4Bio	2,494	2,702	2,494	2,534	2,586	2,625	2,702
Headcount (EoP)	50,573	53,443	50,573	50,141	50,320	51,482	53,443
Pharmacist count (EoP)	10,052	10,952	10,052	10,336	10,466	10,690	10,952
# of tickets (thousands)	280,193	328,871	76,508	76,795	82,912	83,249	85,915
# of active customers (MM)	42.3	47.5	42.3	43.7	45.1	46.5	47.5
Gross revenue	25,605,684	30,950,564	6,853,140	6,972,490	7,641,161	7,985,786	8,351,126
Gross profit	7,206,168	8,809,468	1,951,805	1,928,431	2,318,097	2,224,774	2,338,166
% of gross revenue	28.1%	28.5%	28.5%	27.7%	30.3%	27.9%	28.0%
Adjusted EBITDA	1,807,243	2,262,123	448,110	388,377	727,509	546,800	599,438
% of gross revenue	7.1%	7.3%	6.5%	5.6%	9.5%	6.8%	7.2%
Adjusted net income	788,173	991,824	204,639	145,270	343,746	201,706	301,101
% of gross revenue	3.1%	3.2%	3.0%	2.1%	4.5%	2.5%	3.6%
Net income	815,150	1,029,198	187,155	153,591	372,231	225,367	278,009
% of gross revenues	3.2%	3.3%	2.7%	2.2%	4.9%	2.8%	3.3%
Free cash flow	(26,261)	(7,784)	269,226	(320,650)	(52,966)	159,825	206,008

LETTER OF THE ADMINISTRATION

Fiscal 2022 was a testament to the success of RD's new strategy, focused on providing an omnichannel experience and on improving customer experience through digitalization. Throughout the year, we increased our customer base, enhanced the penetration of digitalized customers within the business, improved the experience in both the physical and digital channels, gained operating leverage and advanced in the construction of a healthcare ecosystem.

In addition to creating a promising future for RD, our new strategy has demonstrated its significant capacity to create value already in the present. In 2022, we reached a gross revenue of R$ 31.0 billion, an absolute increase of R$ 5.3 billion and a growth of 20.9% in the year. This robust performance was leveraged by the opening of 260 new pharmacies as well as by a record performance at our mature stores, which grew 13.3% in the year, 7.5 percentage points above the CPI.

Our national market share reached 15.1%, a 1.0 percentage point increase with gains in every region. Lastly, because of this solid growth in sales and of the operating leverage gains driven by digitalization, our EBITDA reached R$ 2.3 billion, a 25.2% growth with a 0.2 percentage point margin increase, while net earnings reached R$ 991.8 million, a 25.8% growth with 0.1 percentage point of margin expansion.

In 2021, as we initiated the second decade of our history, RD established the Ambition to become by 2030 the group that contributes the most towards a healthier society in Brazil, defining clear guidelines for promoting healthier people, healthier businesses and a healthier planet. This Ambition places us as an ally of our customers in promoting healthcare and in preventing diseases, a profound transformation in our business. In order to pursue it, we have defined both new strategies centered on the digitalization of our relationship with the customer and the **Walking Together** sustainability plan, an executive program with 35 goals to be reached by 2030, aligned with the UN's Sustainable Development Goals (SDGs).

RD's strategy is based on 3 pillars: the New Pharmacy, the Marketplace, and the Health Platform. The New Pharmacy consists in the repurposing of the traditional pharmacy as a Health Hub, driven by a digital and omnichannel customer experience, and enhanced by a Marketplace that extends its reach by offering a dramatically increased assortment, deepening the mix in current product categories as well as in new health and wellness verticals. Lastly, with the Health Platform, we are developing solutions to support our customers' healthcare journeys, including adherence to treatment and the promotion of healthy habits, such as nutrition, exercising and sleep, while also offering a health services marketplace that includes lab exams and telehealth.

These pillars are highly complementary and reinforce one another, starting with the customer acquisition and digital onboarding, which happen mostly in-store with a low marginal customer acquisition cost (CAC), and culminating in the increase in customer frequency and overall spending driven both by the enhanced loyalty due to the digitalization of the customer relationship and by the broader array of products and services offered through the marketplace and the health platform. By increasing customer spending and loyalty, the combination of these assets has the potential of multiplying the Customer Lifetime Value (CLV) and boost the Company's value creation.

The implementation of this new strategy is demanding a profound transformation of RD´s governance, management model, corporate culture and IT infrastructure. This is a continuous effort in which we have already achieved significant advancements.

Our corporate governance has evolved since 2021 through the increase in the size of our Board of Directors, the redefinition of our committees and the addition of new members with proven experiences in digital transformation, platform development and healthcare. We have also enhanced its diversity by increasing female representation to three board seats (27% of board seats).

Our management model has also been transformed to support the execution of our strategy. By the end of 2022, in addition to a C-level with 8 members who average 17 years of experience at RD, we count on 42 executive and corporate directors, having added 13 new positions over the last 5 years. Moreover, 26 of these directors (62%) joined the Company since 2018, refreshening our management structure and adding new valuable competences and experiences. We highlight that these groups include 14 women (28%).

Our corporate culture has become increasingly digital, based on agile management methods, including 34 squads and 10 performance desks, which are comprised of multifunctional teams bringing together people with complementary backgrounds and skills, including business, products, IT and data science, who are working in a more flexible, collaborative and less hierarchical way. We are also more focused on collaborating with startups to address pain points of the business and of the customer experience. Finally, in order to systematize this new way of operating and to keep evolving towards our established objectives, we have undertaken in 2022 a broad review of our culture, which has been synthesized into three main pillars: Taking Care of People, Executing with Focus, and Building the Future, and anchored by our new Purpose: “Together for a Healthier Society”.

Our IT infrastructure is also being transformed at a fast pace: we are concluding the conversion of our main systems into a microservices architecture and their migration to the cloud. We have also created a data science area, developed a single and integrated data lake, began utilizing our data in a broader and more intensive manner, and started advancing in the usage of advanced data algorithms, including artificial intelligence, to support business decisions. We are also eliminating bottlenecks in the testing and homologation process for new code releases. These changes are essential to unlock the productivity of our squads which, despite having already evolved significantly over the year, has yet to reach its full potential.

We have also advanced with the Martech enablers, empowering us to personalize the customer omnichannel journey at scale, allowing us to deliver the correct message to the right customer in real time. We also started the implementation of a Customer Data Platform (CDP), which will place RD among the most advanced Brazilian retailers on digital marketing. This is also part of the foundation for the creation of a retail media business.

Lastly, we have acquired stakes in 11 startups, with over R$ 200 million already invested through RD Ventures for the creation of an integral health ecosystem and for the development of new solutions to boost customer loyalty, engagement and monetization in retailing, in addition to commercial partnerships with third-party startups.

Our business transformation has demanded significant investments in infrastructure. Since 2019, when it started, our investments in IT and in management structure have increased our administrative expenses from 2.4% of gross revenues to 3.5% in 2022, while also pressuring our operating margins along the way.

However, the resulting productivity from the digitalization of the customer relationship has boosted our store contribution margin (gross profit minus selling expenses) from 9.8% in 2019 to the record level of 10.9% in 2022, allowing us to return to the original EBITDA margin of 7.3% that we had before the digitalization. If on the one hand the digitalization is expected to keep adding economic benefits in the future, we believe on the other hand that this 1.1 percentage point investment in G&A will be progressively diluted over the coming years, thus opening an opportunity for margin expansion. Finally, even with a stable margin versus 2019, our EBITDA in absolute terms has increased from R$ 1.3 billion to R$ 2.3 billion in 2022, a 68.3% increase in the period, while our ROIC has increased from 15.0% to 18.5%, a testament to the success of our strategy and of its implementation.

We reached 47.5 million active customers in the past 12 months, a relevant increase of 5.2 million new customers in the year. Of these, 6.0 million are classified by us as frequent customers, of which 1.2 million, or 20%, are both frequent and digitalized. The digitalization of the customer relationship increases their engagement, loyalty and spending. Our digitalized frequent customers spend 30% more than the frequent customers who have not embraced digitalization. Finally, digitalized customers were responsible for 39% of our revenue increase in the year.

Our sales through digital channels reached R$ 3.2 billion in 2022, a 52.7% growth in the year. While digital channels reached a retail penetration of 11.8% in the 4Q22, the penetration of digitalized customers in our total sales, including both physical and digital channels, is approaching 20%. Our apps have become the industry’s leading digital channels, accounting for 58% of our digital sales. We have also advanced with rapid deliveries, in up to 90 minutes, which already represent 81% of our deliveries in major cities in the 4Q22. Finally, our delivery NPS has seen a significant increase from 55 in 2020 to 77 in the 4Q22, while the NPS of our apps increased from 34 to 62 over the same period. Even though the digital NPS is still far from our store NPS of 89 and from our own ambitions, the evolution in customer experience has been significant and is expected to continue in the future.

Our pharmacies have been the main engine for digitalizing the customer relationship. They represent the primary channel for customer acquisition, accounting for 96% of new customers, for digital onboarding, with 63% of our app downloads happening in-store under the assistance and stimulus from our teams, and for digital fulfillment, with 94% of digital orders collected or delivered from the pharmacies in the 4Q22.

We ended 2022 with 2,697 pharmacies in 540 cities. Our pharmacies cover 92% of the Brazilian A-class population within a 1.5 km radius and 58% of the Brazilian population within a 5 km radius. Our expansion has added 260 new pharmacies and allowed us to enter 55 new cities in the year. We are already present or have contracts already signed in 301 of the 315 Brazilian cities with over 100 thousand inhabitants. We reiterate our guidance of 780 new openings from 2023 to 2025, with 260 new units per year.

We have also expanded the pharmaceutical services offered in 1.2 thousand pharmacies, of which 278 are already licensed to provide vaccinations and rapid diagnostic tests (RDTs). Additionally, since the beginning of the pandemic, we have sold a total of 9.1 million COVID-19 store tests and self-tests, with 5.2 million in 2022 alone. We have also performed over 1.5 million health services and administered 143 thousand immunizations in the year, repositioning our pharmacies as local health hubs in the communities we serve.

Our Marketplace is already operating within our apps and websites with products related to the health and well-being journeys. It constitutes an extension of the New Pharmacy, significantly expanding its offering. We have already expanded our assortment, reaching 174 thousand SKUs from 441 different sellers already available, whose experience we are striving to improve through the optimization of the seller center as well as of the onboarding, product inclusion and price and portfolio management processes, while also seeking improve the shopping experience of our customers.

We have also advanced in our Health Platform, focused on improving the health and wellbeing of our customers. Through Amplimed, we have advanced in the integration of all the platform's service providers within a single electronic health records system. With Labi, Manipulaê, Cuco Health and Safepill, a startup we acquired in December, we are broadening our health services portfolio, with a focus on telemedicine, diagnostics as well as access and adherence to medication. Finally, through Vitat, we have created tools and solutions aimed at attracting and engaging customers in the platform's health and well-being services, including Healthy Lifestyle digital journeys focused on Nutrition, Movement, Mind and Sleep, tele-orientation with nutritionists, psychologists and physical educators, and the release of the first version of *Vitat Cuida*, a complete wellness solution that provides a coordinated journey based on personalized programs.

In an event held in May 2021, we unveiled our **Walking Together** sustainability plan, an executive program with 35 goals to be reached by 2030, aligned with UN's Sustainable Development Goals (SDGs) and organized in three dimensions: *Healthier People*, aiming to improve the lives of 50 million people, *Healthier Businesses*, seeking to economically empower 350 thousand people, and *Healthier Planet*, with the goal of transforming RD into a *net zero* and *zero landfill* company.

We have achieved relevant progress across all of the dimensions above. We ended the year with 45% of pharmacies operating with distributed electricity, from fully renewable sources. We expanded the collection of expired and damaged medicines to 100% of our pharmacies, guaranteeing the correct disposal of 192 tons of products to avoid environmental contamination. We have also worked towards the improvement of our employees' health and towards an increased diversity within our team.

Our MSCI ESG Rating improved from BB to BBB. In CDP's questionnaire, an internationally-recognized tool for measuring the quality of management regarding climate change, our rating improved by two steps to B. Also, RD was confirmed for the second year in a row as a member of ISE – B3's sustainability index – which includes the best evaluated listed companies in Brazil for corporate sustainability based on economic efficiency, environmental equilibrium, social justice and governance criteria.

Finally, we would like to thank our shareholders for the support and trust bestowed upon us, our customers, who entrusted us with their health and rewarded us with their loyalty, and our employees, who selflessly dedicate themselves every day to take care of our customers.

The Administration

CHALLENGES AND OPPORTUNITIES FOR 2023

Accelerate the digitalization of our relationship with customers: In 2023, our aim is to keep increasing the share of digitalized customers in our total sales, a crucial objective given the fact that digitalization increases customer engagement, loyalty, and overall spending. Therefore, improving the customer's digital experience will be paramount. Our goal is to reduce the delivery lead times and to increase the digital NPS, both for the deliveries and for our apps. We will also strive to boost the productivity of our squads, multiplying the current number of weekly code releases. We will also advance with new services and solutions aimed at increasing customer loyalty and retention, including subscription services and other tools to promote the adherence to treatment, as well as strengthening our loyalty programs, including the expansion of Stix, our coalition with GPA, which is expected to add new and important retail partners in the short-term. Finally, we will continue to develop our marketplace by improving seller engagement and SKU productivity through the integration with the seller-center, as well as by increasing the supply chain efficiency of our sellers.

Advance with our health platform: Over the recent years, we have invested through RD Ventures in a multitude of startups focused on health promotion (Vitat and Healthbit), access and adherence to treatment (4Bio, Manipulaê, Cuco and Safepill) and consultations and diagnostics (Amplimed and Labi). In 2023, we will advance with the integration of these assets, which will complement our health hubs, located at thousands of our pharmacies as well as Univers, our PBM, in order to create an integrated healthcare ecosystem. Our objective is to develop and offer complete and integrated solutions with the aim of promoting health and wellness and reducing systemic healthcare costs, which will be focused not only on consumers, but also on corporations and on health operators. We recognize that this is a long-term journey, but which starts already in 2023.

Transform our IT infrastructure: We will advance with the transformation of the Company's IT infrastructure. Our main priority is to increase the productivity of existing squads in order to improve the customer experience. With that aim, we expect to eliminate bottlenecks in the testing, homologation and deployment of new code in order to issue more frequent releases, which will allow us to add new functionalities, increase personalization, minimize software bugs and correct them as fast as possible shall they occur. Finally, we want to keep advancing with data science in order to increase the use of artificial intelligence to support business decisions within our operations.

Leverage our Retail Ads platform: The advertising industry is shifting ad spending from traditional channels to digital media on a worldwide basis. With the progressive loss of unique customer identifiers, which has already happened, for example, in the Apple platforms, both the access by digital media companies to individual third-party customer data, as well as the financial returns of advertisers who utilized such information, are drastically diminishing. RD enjoys a unique opportunity to advance in retail media, like Amazon and Wal-Mart are doing in the USA. We are the largest pharmaceutical retailer in Brazil and a reference player in health, wellness, and beauty. We boast an omnichannel operation with 2.7 thousand physical stores and one of the largest digital platforms in the Country. We have an active customer base roughly equivalent to 1/4 of the Brazilian population, with an average frequency of 7 purchases per year. And if we consider only the frequent customers who adopted digital, that frequency increases to 27 per year. Finally, we are a large-scale physical retailer which is able to identify 97% of total sales, a demand visibility only comparable to that of pure-play digital platforms. In order to leverage these assets, we created **RD Ads**, a separate company focused exclusively on retail media, with dedicated CEO and corporate structure to serve advertisers. We also acquired eLoopz, a startup focused on out-of-home media, and we plan to install thousands of screens within our pharmacies over the coming years to boost our media inventory. This will allow us to offer to advertisers a broad selection of complementary physical and digital media channels, with limitless audience segmentation, covering the whole sales funnel, including programmatic media, social media posts, messages, e-mails, app push-notifications, in-store screens, paid search in digital channels and personalized coupons, among others. With **RD Ads**, our aim is to better serve our suppliers, leveraging the return on their advertising investments, generating marginal demand to our stores and digital platforms, offering better deals to our customers and building a new value creation avenue for RD.

Grow at a fast pace and continue to gain market share: Our operations combine unique levels both of scale, with R$ 31.0 billion in revenues and 2.7 thousand pharmacies across the entire country, having added, in 2022 alone, R$ 5.3 billion in sales, as well as of efficiency, with average mature-store sales of R$ 1.1 million per month in the 4Q22 and a contribution margin of 14.0%, an average profitability of R$ 151 thousand per store. While scale gives us superior purchase power, management depth and ample investment capacity into new stores, IT and into our operations in general, efficiency guarantees that we have the leanest cost structure in the industry, allowing us to be very competitive and yet, operate with higher margins than our peers. In addition, we also have a very robust balance sheet with low leverage and ample access to capital. In an economic environment with high interest rates, tightening credit and potential operational difficulties to be faced by competitors who operate with higher leverage, our unique combination of scale, efficiency and investment capacity will likely amplify our competitive edge, allowing us to sustain in 2023 accelerated growth with market share gains, through the combination of 260 new openings, with an IRR above 20%, net of cannibalization, maturation of existing pharmacies and sustained mature store growth above inflation.

Dilute administrative expenses: Our digital transformation required intense investments both in IT and into our corporate structure, which increased our administrative expenses from 2.4% in 2019 to 3.5% in 2022. This was a deliberate decision, focused on long-term value creation. In spite of the pressures we faced along the way, we returned in 2022 to the initial EBITDA margin level of 7.3% we had in 2019, before the digital transformation, but with an absolute EBITDA increase from R$ 1.3 billion in 2019 to R$ 2.3 billion in 2022, a 68.3% growth, as well as with a ROIC expansion from 15.0% in 2019 to 18.5% in 2022. This margin recovery was only possible because the contribution margin in the period, driven by the operating leverage gains stemming from digitalization, expanded by the same 1.1 percentage point, reaching the record level of 10.9%. While we expect that our contribution margin will continue to expand in the coming years due to the increased digitalization of our relationship with customers and to an improved overall competitiveness, we also believe that, starting in 2023, our administrative expenses will be progressively diluted, as our current priority lies on maximizing the productivity of the investments already pursued rather than continuing to increase our structure. This will open a window for RD to expand its operating margins in the coming years.

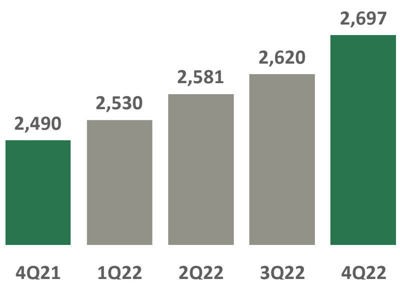
STORE DEVELOPMENT

We opened 260 new pharmacies in 2022, strictly in line with the guidance provided, and closed 53, ending the year with 2,697 units in operation. In the 4Q22, we opened 86 and closed 9. At the end of the period, 27.3% of our pharmacies were still maturing and had not yet reached their full potential both in terms of revenue and profitability. We reiterate our guidance of 260 gross openings per from 2023 to 2025, totaling 780 new pharmacies to be opened.

Of the 53 closures, only 8 were pharmacies still in the maturation process, representing corrections of mistakes that are expected in a large-scale expansion such as RD's and corresponding to only 3% of the 260 openings in the period. Another 2 closures were Onofre stores, which were already expected at the time of the acquisition. The remaining 43 closures were of mature pharmacies with an average age of 13 years, as part of the ongoing optimization of our store portfolio. Considering the 9 closures in 4Q22, all were mature stores, with an average age of 14 years.

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

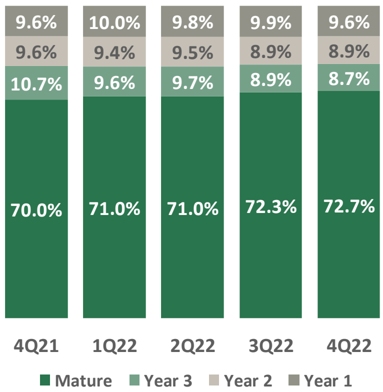
Pharmacy count



	1Q22	2Q22	3Q22	4Q22	LTM
Gross openings	**+52**	**+64**	**+58**	**+86**	**+260**
Closures	-12	-13	-19	-9	-53
Maturing	*-3*	*-3*	*-2*	*-*	*-8*
Mature	*-7*	*-10*	*-17*	*-9*	*-43*
Onofre	*-2*	*-*	*-*	*-*	*-2*
Net openings	**+40**	**+51**	**+39**	**+77**	**+207**

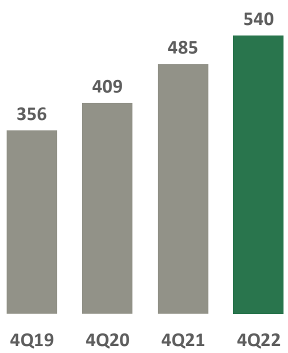
Pharmacy portfolio

Age structure

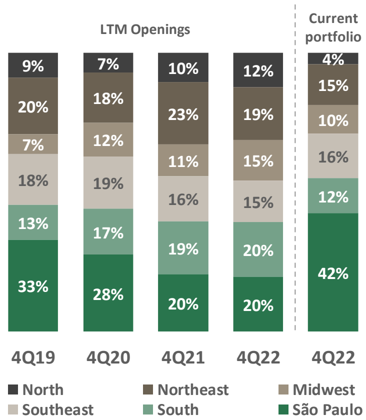


We continue diversifying our pharmacy network, both geographically and demographically, with 80% of our openings in the last twelve months happening outside the state of São Paulo, our native market. We have also increased our capillarity, extending our presence to 540 cities, 55 more than in the 4Q21. And while 66% of our units are of popular or hybrid formats, these clusters comprise 87% of the openings in the last twelve months, leading to an expansion of our presence into different social segments and municipalities and covering from large metropolitan areas to small towns with a population around 20 thousand inhabitants.

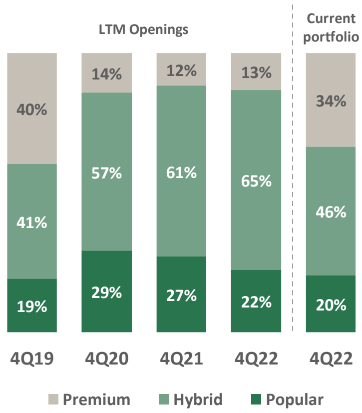
Cities with pharmacies



Network composition by region*



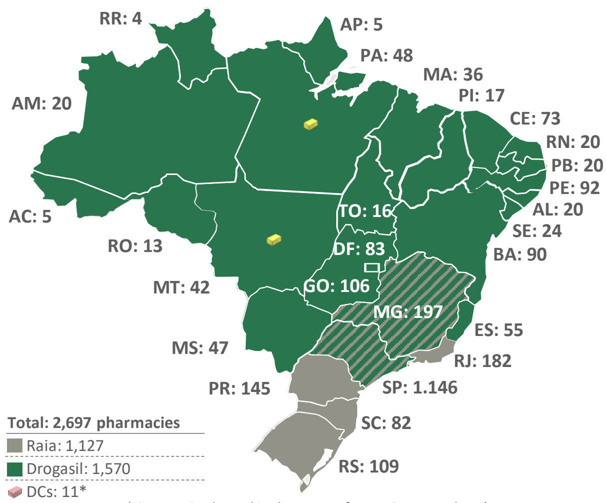
Network composition by format*



* Openings exclude the Onofre acquisition.

We gained market share in all regions during the quarter. Our national market share totaled 15.1%, a 1.0 pp increase when compared to the 4Q21. We recorded a share of 27.0% in São Paulo, a 1.4 pp increase when compared to the 4Q21, a share of 10.8% in the Southeast (excluding São Paulo), a 0.9 pp increase, and a share of 18.7% in the Midwest, a 1.7 pp gain. We also recorded a share of 9.9% in the South, a 0.5 pp increment, a share of 10.5% in the Northeast, a 0.7 pp gain, and a share of 7.5 pp in the North, a 1.9 pp increase.

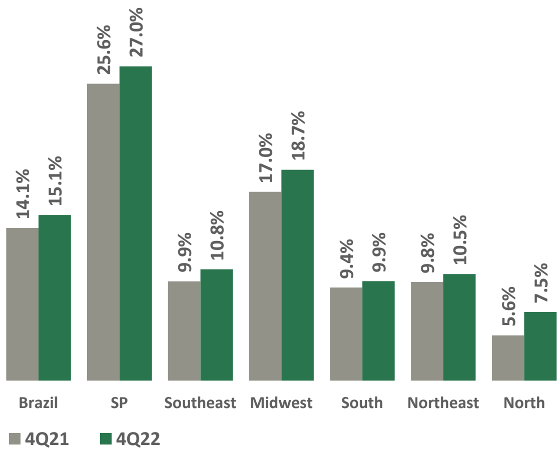
Pharmacy geographic presence



* 2 new DCs planned in the states of Mato Grosso and Pará.

Retail market share

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



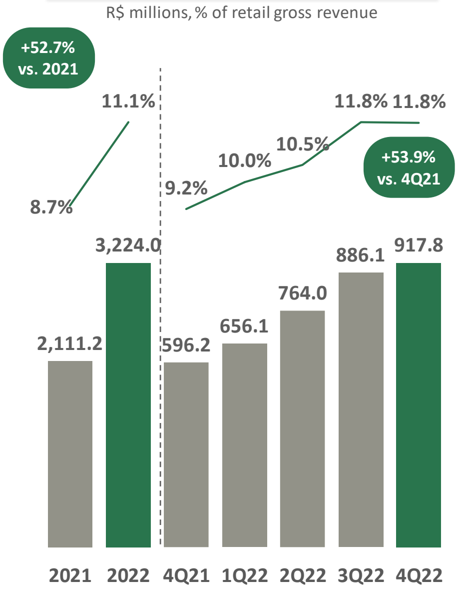
DIGITAL HEALTH TRANSFORMATION

We continue advancing in our digital strategy at a fast pace. We reached the mark of R$ 3,224.0 million in revenues through digital channels in the year (R$ 917.8 million in the 4Q22), representing a retail penetration of 11.1% (11.8% in the quarter) and a growth of 52.7% over the previous year (53.9% in the 4Q22). We highlight that we concluded in the beginning of the 4Q22 the unification of our e-commerce platforms, which shall allow us to improve its operations and increase efficiency in its development and, since then, we have already witnessed further growth in the penetration of digital channels.

We continue to expand our digital presence, with 99 million visits in our apps and websites in the 4Q22 and a better conversion rate. Customers who use our digital channels increase their loyalty, engagement and purchasing frequency, spending more than they did before. Our digitalized frequent customers shop with us 33% more frequently and spend 25% more overall than non-digitalized frequent customers, a key driver for value creation.

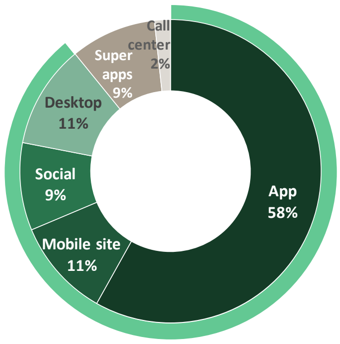
Digital sales and penetration

R$ millions, % of retail gross revenue



Digital channel mix

% of digital sales

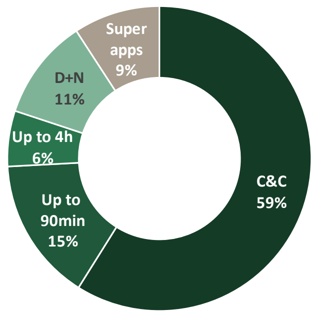


89% modern and proprietary channels

78% modern, proprietary and mobile channels

Delivery mix

% of digital sales



94% fulfilled by stores

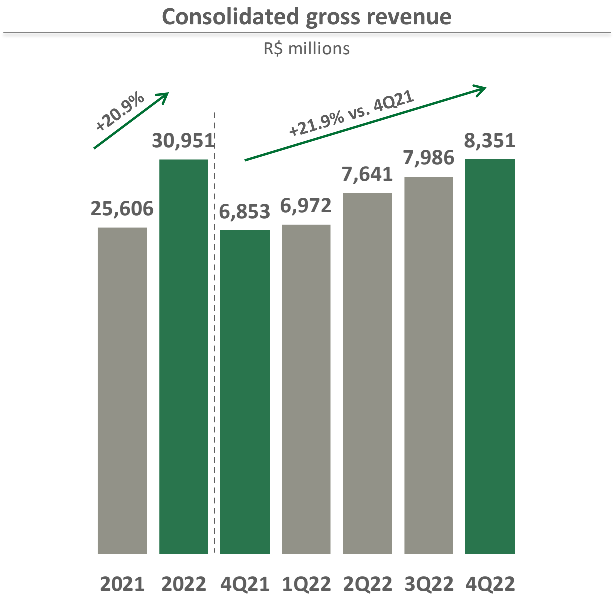
89% delivered in up to 4h

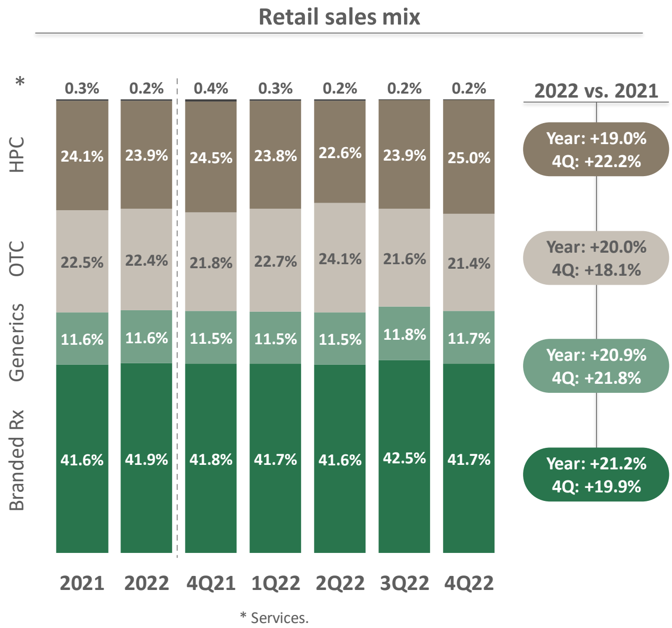
We also highlight the importance of the capillarity of our national chain of pharmacies for digital sales. With 92% of the Brazilian A-class population living within a 1.5 km radius from our stores, the proximity to our customers allowed 94% of digital orders in 4Q22 to be fulfilled by our pharmacies, with high economic efficiency, of which 89% represented deliveries or store pick-ups by customers in up to 4h. Finally, Click & Collect, which is available in 100% of our pharmacies, represented 59% of online orders, while social media sales represented another 9% of the total.

The role of our pharmacies in the promotion of integral health is also advancing. By the end of the year, we reached over 1.2 thousand units offering enhanced services at our health hubs. Our pharmacies performed or supplied 5.2 million COVID-19 tests in 2022, including those applied in-store as well as self-tests, totaling 9.1 million since the beginning of the pandemic. Additionally, we ended the period with 278 pharmacies licensed for vaccines and rapid diagnostic tests (RDTs). Through these pharmaceutical services, we are repositioning our pharmacies as local health hubs while strengthening the bonds with our customers, who continue evaluating our pharmacy experience with an NPS score of 89.

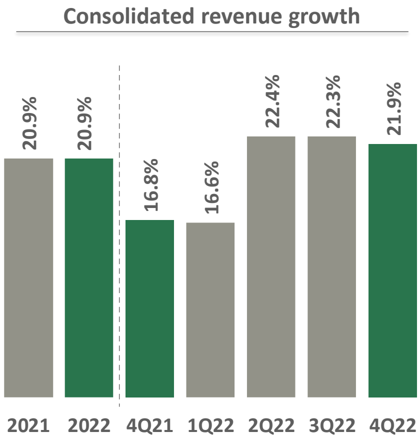
We continue to structure our Marketplace to offer customers a more complete assortment, with the inclusion of new sellers and SKUs. We ended the period offering 174 thousand SKUs from 441 different sellers. Lastly, Vitat continues building its platform and advancing in customer acquisition, reaching 10 million unique users in its apps in the 4Q22.

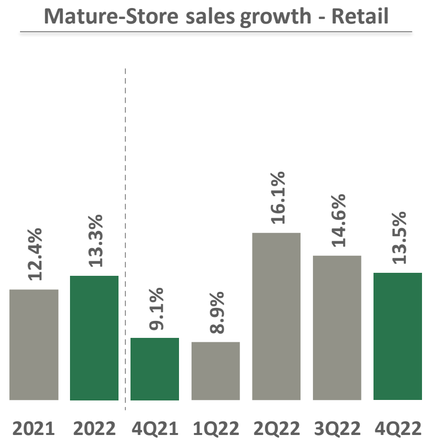
GROSS REVENUES





We ended 2022 with a consolidated gross revenue of R$ 30,951 million (R$ 8,351 million in the 4Q22), an absolute increase of R$ 5.3 billion, and growth of 20.9% in the year and of 21.9% in the quarter. Notably, our retail sales grew by 20.4% in the year and 20.2% in the quarter, while 4Bio contributed to consolidated growth with 0.5 pp in the year and 1.2 pp in the quarter. Lastly, we recorded a negative effect from the sale of COVID-19 tests of 0.2 pp in the year, a positive one of 0.2 pp in the quarter, and a positive calendar effect of 0.2 pp in 2022, with 0.4 pp in the 4Q22.

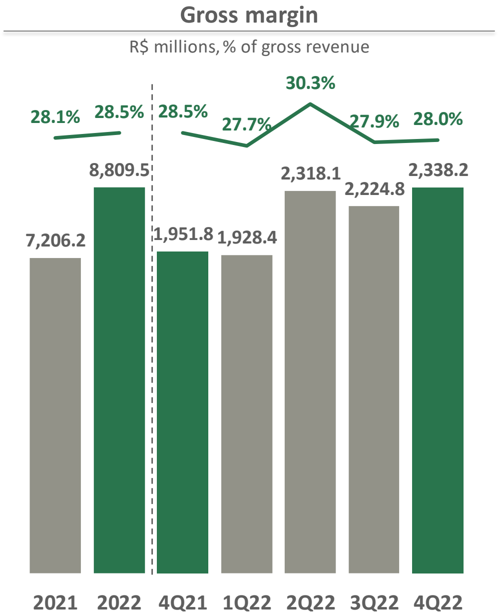




The retail sales mix showed balanced growth across categories in the year, with branded Rx up by 21.2% in the period (19.9% in the 4Q22), Generics by 20.9% (21.8% in the 4Q22), OTC by 20.0% (18.1% in the 4Q22) and HPC by 19.0% (22.2% in the 4Q22), recording a sequential increase of 1.1 pp in the quarter's sales mix. We noticed a return to growth in HPC and a slowdown in the sale of pandemic-related products, whose performance is increasingly conditioned to the rate of contamination.

We recorded an average same-store sales growth of 15.4% in 2022 (16.0% in the 4Q22), with 13.3% in mature stores (13.5% in the 4Q22). This represents a real mature-store growth 7.5 pp above the period's CPI of 5.8%.

GROSS PROFIT



Our gross profit totaled R$ 8,809.5 million in 2022, with a gross margin of 28.5%, a 0.4 pp expansion in comparison to 2021, mostly due to the inflationary gains on inventories recorded in the 2Q22 from the medicine price cap increase authorized by CMED of 10.9% vs. 7.5% in 2021.

In the 4Q22, the gross profit totaled R$ 2,338.2 million, with a gross margin of 28.0%, a 0.5 pp pressure. It is worth mentioning that the retail gross margin contracted 0.1 pp in the quarter, while the high sales growth of 4Bio, which exceeded 50%, generated a negative mix effect of 0.4 pp.

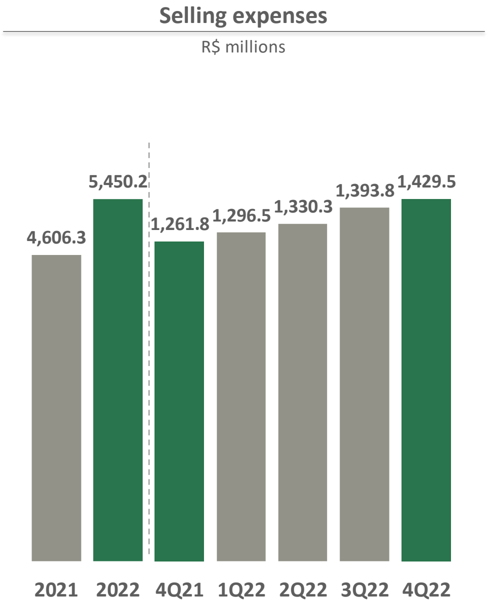
SELLING EXPENSES

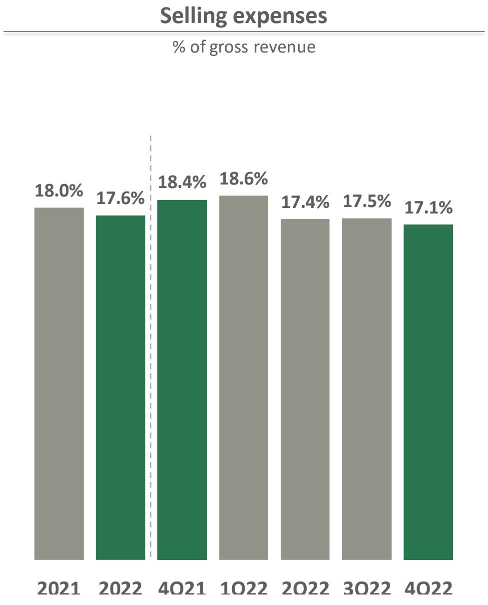
Selling expenses totaled R$ 5,450.2 million in 2022, equivalent to 17.6% of gross revenue, a 0.4 pp dilution vs. 2021.

In 2022, we obtained solid operating leverage through the real growth at our mature stores, with dilutions of 0.1 pp in personnel expenses, 0.1 pp in electricity, and 0.1 pp in marketing expenses, among others.

In the 4Q22, selling expenses totaled R$ 1,429.5 million. It is important to emphasize that we recorded gains related to PIS/COFINS on expenses for the entire year of 2022 which were fully booked in the 4Q22. The portion related to the previous quarters of the year generated a one-off quarterly gain of 0.5 pp in the 4Q22, leading to sales expenses 17.1% instead of 17.6%, which would otherwise be the normalized level for the quarter.

This normalized level corresponds to a comparable dilution of 0.8 pp vs. the previous year, mainly from gains in operating leverage due to the solid real growth achieved in mature stores. We recorded comparable dilutions in the quarter of 0.3 pp in electricity, 0.2 pp in personnel expenses, 0.2 pp in rentals, and 0.1 pp in other expenses.

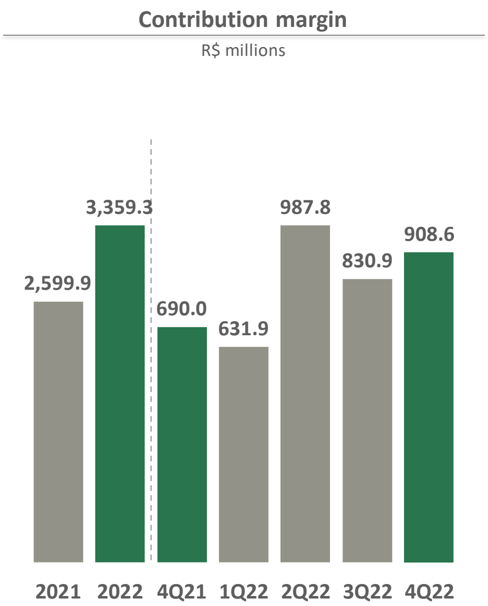


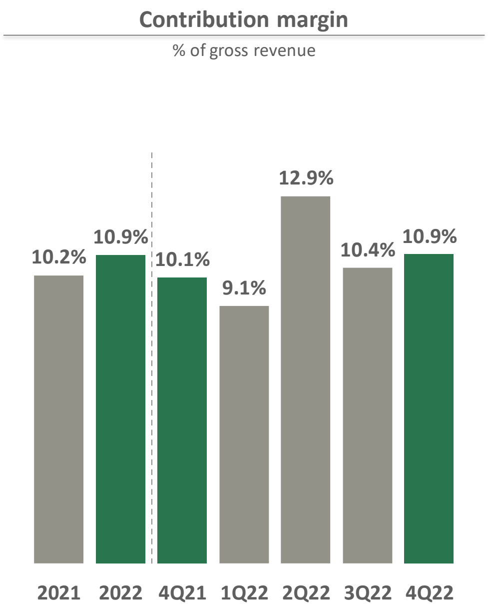


CONTRIBUTION MARGIN

We recorded a contribution margin of R$ 3,359.3 million in 2022, an increase of 29.2% vs. 2021, and a margin expansion of 0.7 pp to 10.9% of gross revenue, equaling the Company's record contribution margin recorded in 2016.

In the 4Q22, the contribution margin totaled R$ 908.6 million, an increase of 31.7% vs. the 4Q21, corresponding to 10.9% of gross revenue. If we adjust the one-off expense gain obtained in the quarter, the contribution margin would have been 10.4%, in line with the previous quarter and 0.3 pp above the 4Q22.





GENERAL & ADMINISTRATIVE EXPENSES

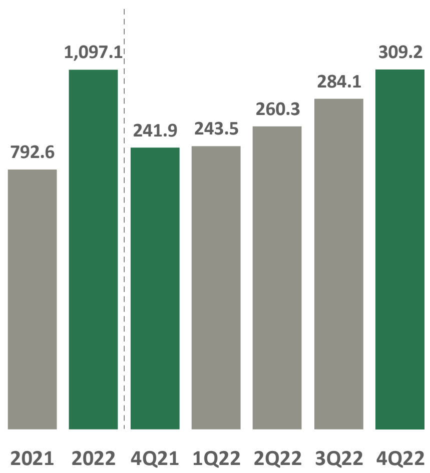
General and administrative expenses totaled R$ 1,097.1 million in 2022, equivalent to 3.5% of gross revenue, a 0.4 pp increase in comparison to 2021. We recorded pressures of 0.2 pp in personnel expenses, 0.1 pp technology expenses, and 0.1 pp in marketing expenses.

In the 4Q22, general and administrative expenses amounted to R$ 309.2 million, equivalent to 3.7% of gross revenue, a 0.2 pp increase when compared to the same period of last year. We recorded a pressure of 0.1 pp in variable compensation expenses due to the strong performance in 2022, which led to a one-off sequential increase of the same amount versus the 3.6% level of the previous quarter.

We highlight that these investments are part of the Company's transformation strategy, especially regarding our digitalization initiatives. While we expect to further increase our contribution margin in the coming years due to the greater digitalization of our customer relationship, we expect to begin, already in 2023, to progressively dilute administrative expenses, as our focus will be on maximizing the productivity of the investments already made rather than continue increasing our corporate structure.

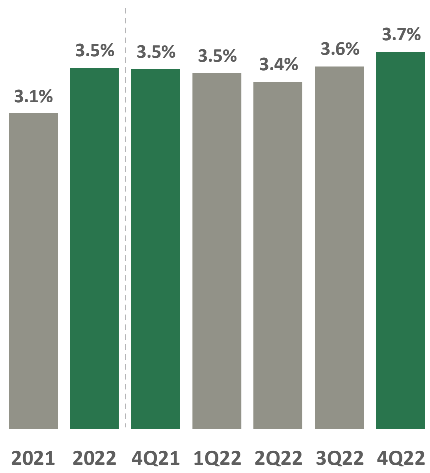
General & administrative expenses

R$ millions



General & administrative expenses

% of gross revenue



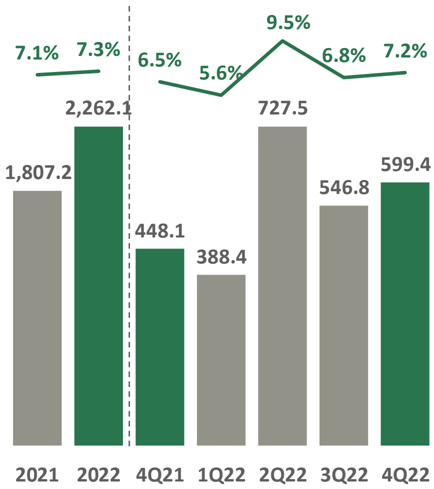
EBITDA

We achieved a record adjusted EBITDA of R$ 2,262.1 million in 2022, a 25.2% increase when compared to 2021. We recorded an EBITDA margin of 7.3%, a 0.2 pp expansion.

In the 4Q22, the adjusted EBITDA amounted to R$ 599.4 million, corresponding to an EBITDA margin of 7.2%. Even excluding the one-off gain of 0.5 pp in the quarter, we recorded a comparable margin gain of 0.2 pp over the same period of the previous year.

Adjusted EBITDA

R$ millions, % of gross revenue



EBITDA RECONCILIATION AND NON-RECURRING RESULTS

In 2022, we recorded R$ 56.6 million in net non-recurring revenues (R$ 35.0 million in net expenses in the 4Q22). This includes R$ 8.8 million in social investments and donations (R$ 2.5 million in the 4Q22), R$ 28.0 million in asset write-offs, mainly due to store closures (R$ 11.4 million in the 4Q22), in addition to R$ 93.5 million in net revenue from tax effects from previous years and other non-recurring items (R$ 21.0 million in net expenses in 4Q22).

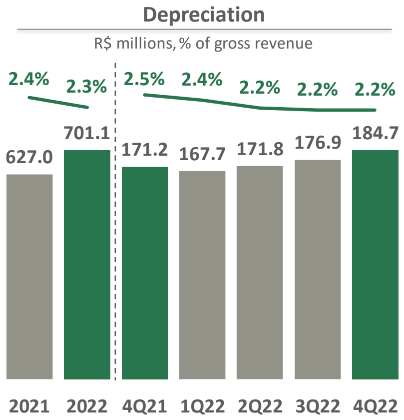
EBITDA reconciliation - R$ millions	1Q22	2Q22	3Q22	4Q22	2022
Net income	**153.6**	**372.2**	**225.4**	**278.0**	**1,029.2**
Income tax	1.5	128.7	55.1	0.6	185.9
Equity equivalence	(0.0)	(0.3)	(0.2)	2.0	1.5
Financial result	78.2	98.2	125.5	99.1	401.0
EBIT	**233.3**	**598.9**	**405.8**	**379.8**	**1,617.7**
Depreciation and amortization	167.7	171.8	176.9	184.7	701.1
EBITDA	**401.0**	**770.7**	**582.6**	**564.5**	**2,318.8**
Social investment and donations	1.5	0.9	3.8	2.5	8.8
Asset write-offs	1.1	13.5	1.9	11.4	28.0
Tax effects and other non-recurring from previous years	(15.2)	(57.6)	(41.6)	21.0	(93.5)
Non-recurring/non-operating expenses	**(12.6)**	**(43.2)**	**(35.8)**	**35.0**	**(56.6)**
Adjusted EBITDA	**388.4**	**727.5**	**546.8**	**599.4**	**2,262.1**

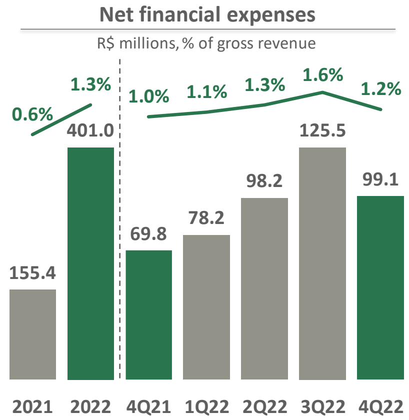
DEPRECIATION, NET FINANCIAL EXPENSES AND INCOME TAXES

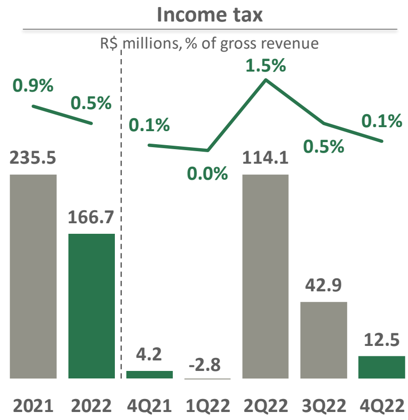
Depreciation expenses amounted to R$ 701.1 million in 2022 (R$ 184.7 million in the 4Q22), equivalent to 2.3% of gross revenue (2.2% in the quarter), a 0.1 pp dilution when compared to 2021 (0.3 pp vs. 4Q21).

Net financial expenses represented 1.3% of gross revenue in 2022 (1.2% in the 4Q22), a 0.7 pp increase when compared to 2021 (0.2 pp in comparison with the 4Q21). Of the R$ 401.0 million recorded in 2022 (R$ 99.1 million in the 4Q22), R$ 255.4 million refer to the actual financial interest accrued on financial liabilities (R$ 67.9 million in the 4Q22), equivalent to 0.8% of gross revenue (0.8% in the 4Q22), a 0.5 pp increase when compared to 2021 (0.3 pp in the quarter), mainly due to the higher SELIC interest rate. We have also recorded R$ 117.4 million in financial expenses which refer to the NPV adjustment (R$ 30.2 million in the 4Q22) and R$ 28.4 million which refers to the reevaluation and the interest on the option to acquire the remaining shares of invested companies (R$ 1.2 million in the 4Q22).

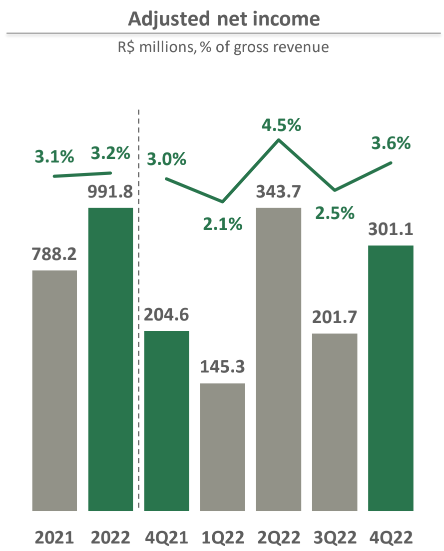
Lastly, we booked R$ 166.7 million in income taxes in the year (R$ 12.5 million in the 4Q22), equivalent to 0.5% of gross revenue (0.1% in the quarter), a 0.4 pp dilution (stable in the 4Q21).







NET INCOME

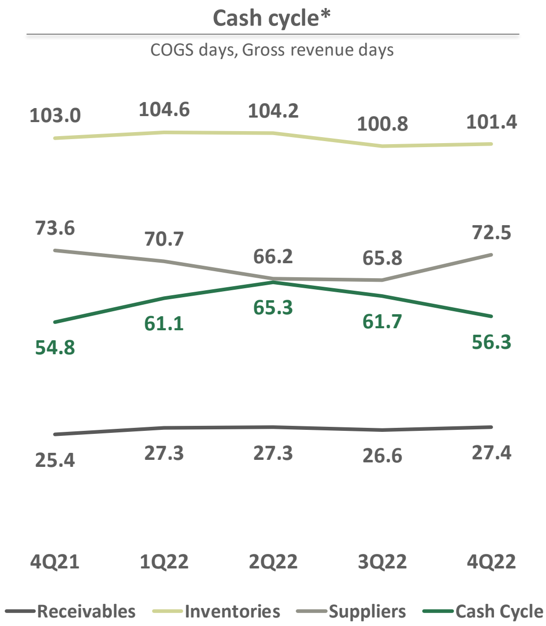


Our adjusted net income totaled a record R$ 991.8 million in 2022 (R$ 301.1 million in the 4Q22), a 25.8% growth in comparison with 2021 (47,1% in the 4Q22).

The adjusted net margin was of 3.2% in the year (3.6% in the 4Q22), a 0.1 pp increase versus 2021 (0.6 p.p. in the quarter).

CASH CYCLE

The cash cycle in the 4Q22 was of 56.3 days, a sequential decrease of 5.4 days and an increase of 1.5 days compared to the same period of the previous year. Compared to the 4Q21, inventories decreased by 1.6 days, accounts payable by 1.1 days, and receivables increased by 2.0 days.



* Adjusted for discounted receivables and advanced payments to suppliers.

CASH FLOW

In 2022, we recorded a negative free cash flow of R$ 7.8 million and a total cash consumption of R$ 652.7 million. Resources from operations totaled R$ 1,805.1 million, equivalent to 5.8% of gross revenue. We recorded a working capital consumption of R$ 792.3 million, resulting in an operating cash flow of R$ 1,012.6 million that almost financed the entire CAPEX of R$ 1,020.6 million.

In the 4Q22, we recorded a positive free cash flow of R$ 206.0 million, with a total cash consumption of R$ 138.3 million. Resources from operations totaled R$ 407.9 million, equivalent to 4.9% of gross revenue. We recorded a reduction in working capital of R$ 119.2 million, resulting in an operating cash flow of R$ 527.1 million, more than financing the CAPEX of R$ 321.1 million.

Of the R$ 1,020.6 million invested in 2022 (R$ 321.1 million in the 4Q22), R$ 431.8 million were used for the opening of new pharmacies (R$ 126.5 million in the 4Q22), R$ 166.4 million for the renovation or expansion of existing units (R$ 21.5 million in the 4Q22), R$ 238.3 million for IT (R$ 83.4 million in the 4Q22), R$ 158.8 million in logistics (R$ 76.8 million in the 4Q22) and R$ 25.3 million in other projects (R$ 12.9 million in the 4Q22).

Throughout 2022, we allocated R$ 209.0 million into investments in subsidiaries (R$ 90.6 million in the 4Q22).

Net financial expenses resulted in payments of R$ 283.6 million in 2022 (R$ 68.9 million in the 4Q22). These payments were partially offset by R$ 202.5 million in tax benefits related to net financial expenses and interest on equity (R$ 54.0 million in the 4Q22).

Lastly, we provisioned R$ 419.5 million in proceeds in 2022 (R$ 90.0 million in the 4Q22), of which R$ 312.0 million were in interest on equity and R$ 107.5 million in dividends, representing a payout of 50,0% of the year's adjusted net income (controller, IFRS 16).

Cash flow	2022	2021	4Q22	4Q21
(R$ million)				
Adjusted EBIT	**1,561.1**	**1,180.2**	**414.8**	**276.9**
NPV adjustment	(132.6)	(72.1)	(46.7)	(44.9)
Non-recurring expenses	56.6	40.9	(35.0)	(26.5)
Income tax (34%)	(504.9)	(390.7)	(113.3)	(69.9)
Depreciation	700.2	626.8	183.8	171.1
Others	124.8	65.3	4.3	48.1
Resources from operations	**1,805.1**	**1,450.5**	**407.9**	**354.8**
Cash cycle*	(898.1)	(770.9)	93.3	279.1
Other assets (liabilities)**	105.7	142.0	25.9	(77.4)
Operating cash flow	**1,012.8**	**821.6**	**527.1**	**556.5**
Investments	**(1,020.6)**	**(847.8)**	**(321.1)**	**(287.2)**
Free cash flow	**(7.8)**	**(26.3)**	**206.0**	**269.2**
M&A and other investments	(209.0)	(137.3)	(90.6)	(84.6)
Interest on equity and dividends	(324.1)	(314.8)	(227.8)	(231.1)
Income tax paid over interest on equity	(30.7)	(33.6)	(11.0)	(8.0)
Net financial expenses***	(283.6)	(87.7)	(68.9)	(32.5)
Share buyback	-	(73.2)	-	-
Tax benefit (fin. exp., IoE, dividends)	202.5	99.5	54.0	48.8
Total Cash Flow	**(652.7)**	**(573.4)**	**(138.3)**	**(38.2)**

*Includes adjustments to discounted receivables.

**Includes NPV adjustments.

***Excludes NPV adjustments.

INDEBTEDNESS

Net Debt (R$ millions)	4Q21	1Q22	2Q22	3Q22	4Q22
Short-term Debt	613.8	533.5	228.2	134.8	186.4
Long-term Debt	891.4	1,635.6	2,141.4	2,130.2	2,131.5
Total Gross Debt	**1,505.2**	**2,169.1**	**2,369.6**	**2,265.0**	**2,317.9**
(-) Cash and Equivalents	356.1	466.2	818.8	371.2	433.5
Net Debt	**1,149.1**	**1,702.9**	**1,550.8**	**1,893.8**	**1,884.4**
Discounted Receivables	205.9	-	344.6	-	216.1
Advances to suppliers	-	-	-	(50.7)	(119.5)
Put/Call options of investments (estimated)	37.9	38.7	39.5	64.1	64.7
Adjusted Net Debt	**1,393.0**	**1,741.6**	**1,934.8**	**1,907.3**	**2,045.6**
Adjusted Net Debt / EBITDA	**0.8x**	**1.0x**	**1.0x**	**0.9x**	**0.9x**

We ended 2022 with an adjusted net debt of R$ 2,045.6 million, corresponding to a leverage of 0.9x the EBITDA of the last twelve months. Adjusted net debt considers R$ 216.1 million in discounted receivables, R$ 119.5 million in advanced payments to suppliers in order to optimize the use of available cash, and R$ 64.7 million in liabilities related to the put option granted and/or call option obtained for the acquisition of shares of invested companies.

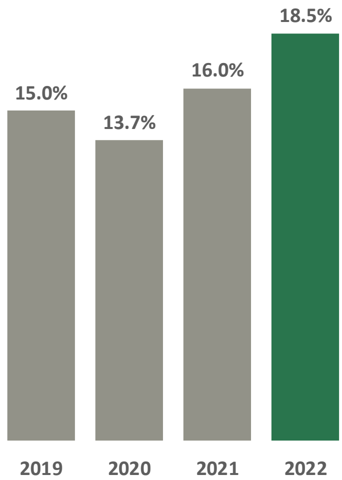
At the end of 2022, our gross debt totaled R$ 2,317.9 million, of which 83.2% corresponds to the debentures issued in 2018, 2019, and 2022, to the Certificate of Real Estate Receivables issued in 2019 and 2022. The rest (16.8%) corresponds to other credit lines. Of the total indebtedness, 92% is long-term, and 8% is short-term. We ended the quarter with a total cash position (cash and financial investments) of R$ 433.5 million.

RETURN ON INVESTED CAPITAL

In 2022, our ROIC reached 18.5%, a testament to the success of RD's new strategy, with a 3.5 pp gain vs. 2019, the year we began investing on providing an omnichannel experience and improving customer experience through digitalization.

This reflects an improvement on the profitability of our assets over the years and a greater fiscal efficiency in 2022 due to the higher long-term interest rates (TJLP), which allowed an increase of interest on capital, reducing the effective income tax rate. It is important to highlight that the calculated ROIC excludes the goodwill stemming from the merger between Raia and Drogasil, since it was a share exchange at market value without any effective payments by either party.

ROIC

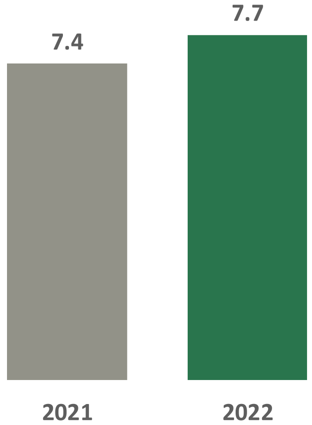


SHARED VALUE CREATION

In 2022 we shared R$ 7.7 billion in added value, divided as follows: R$ 2.3 billion was shared with our government, in the federal, state and municipal levels in the form of taxes and fees, R$ 3.0 billion with our employees, R$ 1.4 billion with the landlords of properties we rent and with financial institutions and R$ 1,0 billion with our shareholders.

Total Value Added*

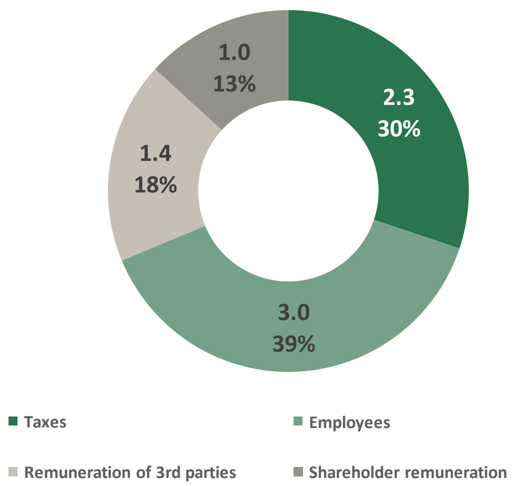
R$ billions



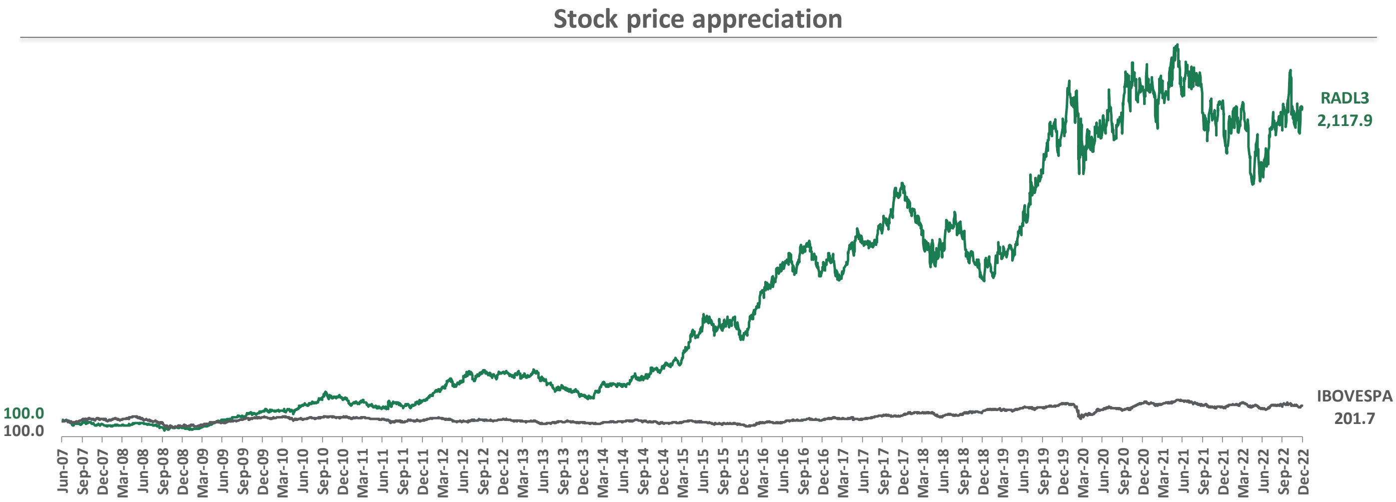
* Adjusted for effective rentals and excludes NPV impacts.

Value Added per Stakeholder

R$ billions, % of the Yearly Total



TOTAL SHAREHOLDER RETURNS



Our share price decreased by 2.4% in 2022. Since the IPO of Drogasil, we achieved a cumulative share appreciation of 2,018% 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 22.2%.

Considering the IPO of Raia in December of 2010, the cumulative return amounted to 714% versus an increase of only 61% 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$ 154 million in the year.

SUSTAINABILITY

Our ambition is to become, by 2030, the company that contributes the most towards a healthier society in Brazil. We operate in three major dimensions to guide our ESG initiatives: Healthier People, Healthier Businesses and Healthier Planet. These dimensions unfold into 35 long-term initiatives, and we highlight below the main actions which were our focus in 2022 and their indicators:

Pillar	Commitment	2030 Target	2022 Target	2022 Results
People	% reduction of risk factors in employees	50%	19%	20.6%
	% of chronic employees in health programs	100%	28%	36.8%
	Customers under the Healthy Life profile	Expand the base	1,900,000	2,022,000
	% of RD employees engaged in volunteer activities	20%	11%	11.1%
Businesses	% of women in executive leadership positions	50%	28.1%	29.3%
	% of women in mid-level leadership positions	50%	43.3%	44.1%
	% of women in operational leadership positions	50%	68.5%	68.9%
	Employees graduated with RD incentives (since Jan/2021)	7,000	1,200	1,586
	Opportunities for increased income every year	10,000	10,000	14,108
Planet	% of cities covered by our Conscious Disposal program	100%	100%	100%

Healthier People: Our pharmacies play an increasingly important role in promoting health with our customers. We launched a pharmaceutical follow-up service by telephone with a select group of customers, to assist them with their treatment. In 2022, there were more than 3.4 million contacts. We continue to invest in health services in our pharmacies, increasing the portfolio and expanding to 1.2 thousand pharmacies. We supplied 5.2 million COVID-19 tests, provided more than 1.5 million health services and served 143 thousand vaccines doses.

We also care for the communities in which we are present. We revised our social investment strategy and leveraged initiatives that contributed to improving the overall health of vulnerable people. We invested around R$ 30 million in 2022 in the caring for communities, comprising donations from our customers, tax incentives and company resources. Among the results, we highlight our support for mental health projects and the engagement with *Sorria* and *Todos* magazines. 2.9 million copies were sold, totaling over R$ 5.3 million donated to 28 social institutions.

Lastly, the commitment to Healthier People involves our employees. We fostered our "My Best Version" program, which provides solutions for the physical, mental, social, environmental and spiritual dimensions. Every six months, we map and monitor our employees' health indicators and define action plans. In 2022, 36.8% of employees with chronic diseases joined the programs, and 20.6% of the eligible showed a reduction in risk factors. We also put in place an intranet portal that brings together all of our solutions, promoting initiatives and allowing over 150 thousand visits by our 53 thousand employees. In particular, the employee's free of charge telemedicine service enabled more than 54 thousand consultations.

Healthier Businesses: The promotion of a diverse and inclusive environment is one of the most important values for RD. In 2022, we held a "D-Day" event with 2,736 leaders of our operations, distribution centers and management, with the aim of empowering them as the Company's multipliers of diversity. The "*RD+Diversa*" program brought good results in terms of gender equity. Women now represent 64% of the total staff, with 44.1% in mid-level leadership and 29.3% in executive leadership.

We remain firm in our commitment to career development. 100% of our pharmacy leadership team comes from entry-level positions and can reach the managerial level as fast as five years. In 2022, we promoted 468 new leaders across the country. We totaled more than 5.8 million hours of training in various formats and surpassed the mark of 3,000 leaders trained in different fields. Since 2021, we have already encouraged 1,586 employees to pursue their studies with the support of scholarships and exclusive partnerships for graduate and undergraduate students.

Healthier Planet: We are pioneers in the area of pharmaceutical waste management in Brazil, and this year we reached the mark of 100% of our pharmacies equipped with our Conscious Disposal program's collectors, allowing the correct disposal of expired or damaged medicine, avoiding contamination of the environment. This initiative allowed the collection of 192 tons of materials during 2022, a volume 40% higher compared to the previous year.

Fiscal 2022 was a year of meaningful progress on climate change initiatives. We initiated the adoption of more sustainable logistics practices, including 6 electric trucks in our fleet, and established partnerships with last-mile startups for the use of electric motorcycles, bicycles and tuk-tuks. Sustainable mobility deliveries now represent 9.0% of the total, an increase of 6 pp in the year. Renewable energy sources were also a key priority. Currently, 45% of pharmacies are supplied by small hydroelectric plants, photovoltaic cells or biomass. We also improved our Greenhouse Gases (GhG) Inventory, identifying the most relevant categories for Scope 3. Finally, we advanced in value chain engagement, inviting our main suppliers to disclose emissions and climate management practices according to the CDP Supply Chain guidance.

We continue to be part of the ISE index - Corporate Sustainability portfolio of B3, the Brazilian Stock Exchange. Our MSCI ESG Rating has moved to the BBB level (from BB). Finally, we gained two levels reaching a score of B in the CDP questionnaire, the major international tool for measuring the quality of management regarding climate change.

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.

	4Q22			2022		
Income Statement *(R$ millions)*	**IAS 17**	**IFRS 16**	**Change**	**IAS 17**	**IFRS 16**	**Change**
Gross Revenue	**8,351.1**	**8,351.1**	**0.0**	**30,950.6**	**30,950.6**	**(0.0)**
Gross Profit	**2,338.2**	**2,338.2**	**0.0**	**8,809.5**	**8,809.5**	**(0.0)**
Gross Margin	28.0%	28.0%	0.0%	28.5%	28.5%	(0.0%)
Selling Expenses	(1,429.5)	(1,175.3)	254.3	(5,450.2)	(4,488.0)	962.2
G&A	(309.2)	(308.3)	0.9	(1,097.1)	(1,094.4)	2.7
Total Expenses	**(1,738.7)**	**(1,483.6)**	**255.1**	**(6,547.3)**	**(5,582.5)**	**964.9**
as % of Gross Revenue	20.8%	17.8%	(3.1%)	21.2%	18.0%	(3.1%)
Adjusted EBITDA	**599.4**	**854.6**	**255.1**	**2,262.1**	**3,227.0**	**964.9**
as % of Gross Revenue	7.2%	10.2%	3.1%	7.3%	10.4%	3.1%
Non-Recurring Expenses / Revenues	(35.0)	(5.7)	29.3	56.6	86.5	29.9
Depreciation and Amortization	(184.7)	(388.7)	(204.0)	(701.1)	(1,473.4)	(772.3)
Financial Results	(99.1)	(166.0)	(66.9)	(401.0)	(646.1)	(245.1)
Equity Equivalence	(2.0)	(1.3)	0.7	(1.5)	(0.8)	0.7
Income Tax	(0.6)	(5.2)	(4.6)	(185.9)	(178.2)	7.7
Net Income	**278.0**	**287.6**	**9.6**	**1,029.2**	**1,015.0**	**(14.2)**
as % of Gross Revenue	3.3%	3.4%	0.1%	3.3%	3.3%	(0.0%)

	4Q22		Change
Balance Sheet *(R$ millions)*	**IAS 17**	**IFRS 16**	**Δ 4Q22**
Assets	**13,807.3**	**17,185.3**	**3,378.0**
Current Assets	**9,577.1**	**9,577.1**	**0.0**
Non-Current Assets	**4,230.2**	**7,608.2**	**3,378.0**
Other Credits	21.8	21.4	(0.5)
Right of use	0.0	3,378.5	3,378.5
Liabilities and Shareholder's Equity	**13,807.3**	**17,185.3**	**3,378.0**
Current Liabilities	**5,618.5**	**6,367.2**	**748.7**
Financial Leases	0.0	759.3	759.3
Other Accounts Payable	282.3	271.7	(10.6)
Non-Current Liabilities	**2,553.8**	**5,415.2**	**2,861.4**
Financial Leases	0.0	2,980.7	2,980.7
Income Tax and Social Charges Deferred	137.0	17.7	(119.4)
Shareholder's Equity	**5,635.0**	**5,402.9**	**(232.0)**
Income Reserves	2,781.2	2,549.2	(232.0)
Non Controller Interest	62.1	62.1	(0.1)

Cash Flow *(R$ millions)*	4Q22 IAS 17	4Q22 IFRS 16	4Q22 Change	2022 IAS 17	2022 IFRS 16	2022 Change
Adjusted EBIT	**414.8**	**465.9**	**51.1**	**1,561.1**	**1,753.6**	**192.6**
Non-Recurring Expenses	(35.0)	(5.7)	29.3	56.6	86.5	29.9
Income Tax (34%)	(113.3)	(140.6)	(27.3)	(504.9)	(580.5)	(75.6)
Depreciation	183.8	388.7	204.9	700.2	1,473.4	773.2
Rental Expenses	0.0	(284.4)	(284.4)	0.0	(994.7)	(994.7)
Others	4.3	30.7	26.5	124.8	199.5	74.8
Resources from Operations	**407.9**	**407.9**	**0.0**	**1,805.1**	**1,805.1**	**0.0**
Operating Cash Flow	**527.1**	**527.1**	**0.0**	**1,012.8**	**1,012.8**	**0.0**
Investments	**(321.1)**	**(321.1)**	**0.0**	**(1,080.7)**	**(1,080.7)**	**0.0**
Free Cash Flow	**206.0**	**206.0**	**0.0**	**(67.9)**	**(67.9)**	**0.0**
Total Cash Flow	**(138.3)**	**(138.3)**	**0.0**	**(652.7)**	**(652.7)**	**0.0**

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

4Q22 Results Conference Calls: March 08th, 2023

Portuguese
at 10:00 am (BRT)

English
at 12:00 pm (BRT)

Link:
https://www.resultadosrd.com.br/home/

For more information, please contact our Investor Relations department.

E-mail: ri@rd.com.br

Consolidated Adjusted Income Statement *(R$ thousands)*	**4Q21**	**4Q22**	**2021**	**2022**
Gross Revenue	**6,853,140**	**8,351,126**	**25,605,684**	**30,950,564**
Taxes, Discounts and Returns	(379,315)	(514,878)	(1,478,682)	(1,883,183)
Net Revenue	**6,473,825**	**7,836,249**	**24,127,002**	**29,067,380**
Cost of Goods Sold	(4,522,021)	(5,498,082)	(16,920,834)	(20,257,912)
Gross Profit	**1,951,805**	**2,338,166**	**7,206,168**	**8,809,468**
Operational (Expenses) Revenues				
Sales	(1,261,758)	(1,429,542)	(4,606,314)	(5,450,205)
General and Administrative	(241,936)	(309,186)	(792,611)	(1,097,141)
Operational Expenses	**(1,503,695)**	**(1,738,729)**	**(5,398,925)**	**(6,547,345)**
EBITDA	**448,110**	**599,438**	**1,807,243**	**2,262,123**
Depreciation and Amortization	(171,187)	(184,668)	(626,995)	(701,051)
Operational Earnings before Financial Results	**276,923**	**414,770**	**1,180,248**	**1,561,072**
Financial Expenses	(102,557)	(191,085)	(235,445)	(694,617)
Financial Revenue	32,799	91,971	80,017	293,586
Financial Expenses/Revenue	**(69,758)**	**(99,114)**	**(155,427)**	**(401,031)**
Equity Equivalence	1,694	(2,032)	(1,128)	(1,532)
Earnings before Income Tax and Social Charges	**208,859**	**313,624**	**1,023,693**	**1,158,509**
Income Tax and Social Charges	(4,220)	(12,523)	(235,520)	(166,685)
Net Income	**204,639**	**301,101**	**788,173**	**991,824**

Consolidated Income Statement *(R$ thousands)*	**4Q21**	**4Q22**	**2021**	**2022**
Gross Revenue	**6,853,140**	**8,351,126**	**25,605,684**	**30,950,564**
Taxes, Discounts and Returns	(379,315)	(514,878)	(1,478,682)	(1,883,183)
Net Revenue	**6,473,825**	**7,836,249**	**24,127,002**	**29,067,380**
Cost of Goods Sold	(4,522,021)	(5,498,082)	(16,920,834)	(20,257,912)
Gross Profit	**1,951,805**	**2,338,166**	**7,206,168**	**8,809,468**
Operational (Expenses) Revenues				
Sales	(1,261,758)	(1,429,542)	(4,606,314)	(5,450,205)
General and Administrative	(241,936)	(309,186)	(792,611)	(1,097,141)
Other Operational Expenses, Net	(26,491)	(34,987)	40,874	56,628
Operational Expenses	**(1,530,186)**	**(1,773,716)**	**(5,358,051)**	**(6,490,717)**
EBITDA	**421,619**	**564,450**	**1,848,117**	**2,318,751**
Depreciation and Amortization	(171,187)	(184,668)	(626,995)	(701,051)
Operational Earnings before Financial Results	**250,431**	**379,783**	**1,221,122**	**1,617,700**
Financial Expenses	(102,557)	(191,085)	(235,445)	(694,617)
Financial Revenue	32,799	91,971	80,017	293,586
Financial Expenses/Revenue	**(69,758)**	**(99,114)**	**(155,427)**	**(401,031)**
Equity Equivalence	1,694	(2,032)	(1,128)	(1,532)
Earnings before Income Tax and Social Charges	**182,367**	**278,637**	**1,064,567**	**1,215,137**
Income Tax and Social Charges	4,788	(628)	(249,417)	(185,939)
Net Income	**187,155**	**278,009**	**815,150**	**1,029,198**

Assets	**4Q21**	**4Q22**
(R$ thousands)		
Current Assets		
Cash and Cash Equivalents	356,117	433,541
Accounts Receivable	1,710,057	2,295,640
Inventories	5,117,799	6,126,056
Taxes Receivable	195,730	393,299
Other Accounts Receivable	290,837	266,905
Anticipated Expenses	48,359	61,614
	7,718,899	9,577,056
Non-Current Assets		
Deposit in Court	29,952	137,623
Taxes Receivable	132,929	121,434
Income Tax and Social Charges deferred	49,047	10,357
Other Credits	28,454	21,837
Investments	830	4,479
Property, Plant and Equipment	1,999,020	2,196,405
Intangible	1,486,252	1,738,113
	3,726,484	4,230,249
ASSETS	**11,445,383**	**13,807,305**

Liabilities and Shareholder's Equity *(R$ thousands)*	**4Q21**	**4Q22**
Current Liabilities		
Suppliers	3,656,605	4,258,917
Loans and Financing	613,831	186,356
Salaries and Social Charges Payable	420,356	561,623
Taxes Payable	154,772	213,298
Dividend and Interest on Equity	76,787	62,417
Provision for Lawsuits	43,560	53,584
Other Accounts Payable	245,170	282,298
	5,211,081	5,618,493
Non-Current Liabilities		
Loans and Financing	891,393	2,131,548
Provision for Lawsuits	52,915	55,012
Income Tax and Social Charges deferred	200,660	137,016
Other Accounts Payable	153,466	230,257
	1,298,434	2,553,833
Shareholder's Equity		
Common Stock	2,500,000	2,500,000
Capital Reserves	89,914	112,762
Revaluation Reserve	11,514	11,353
Income Reserves	2,267,879	2,781,229
Equity Adjustments	3,261	(22)
Non Controller Interest	41,170	62,132
Additional Dividend Proposed	22,129	167,526
	4,935,868	5,634,979
LIABILITIES AND SHAREHOLDERS' EQUITY	**11,445,383**	**13,807,305**

Cash Flow	4Q21	4Q22	2021	2022
(R$ thousands)				
Earnings before Income Tax and Social Charges	**188,109**	**242,976**	**1,043,195**	**1,193,209**
Adjustments				
Depreciation and Amortization	171,064	183,811	626,812	700,166
Compensation plan with restricted shares, net	5,470	7,298	15,113	22,604
Interest over additional stock option	734	595	2,819	26,769
P,P&E and Intangible Assets residual value	12,427	4,341	23,865	29,233
Provisioned Lawsuits	14,406	22,871	42,030	64,669
Provisioned Inventory Loss	(1,122)	(380)	4,418	27,084
Provision for Doubtful Accounts	3,871	3,793	7,732	7,245
Provisioned Store Closures	8,072	6,068	(105)	(1,072)
Interest Expenses	29,658	79,830	86,179	274,962
Debt Issuance Costs Amortization	968	1,320	4,321	4,639
Equity Equivalence Result	(1,694)	(2,033)	1,128	(1,532)
Discount on rentals	(767)	-	(6,390)	-
	431,196	**550,490**	**1,851,117**	**2,347,976**
Assets and Liabilities variation				
Clients and Other Accounts Receivable	136,050	30,843	(158,093)	(583,601)
Inventories	(399,419)	(293,492)	(896,809)	(1,035,341)
Other Short Term Assets	17,378	24,572	(38,768)	12,120
Long Term Assets	(27,507)	(30,702)	(28,649)	(68,294)
Suppliers	747,893	503,173	489,893	611,538
Salaries and Social Charges	(65,688)	(55,622)	109,273	141,266
Taxes Payable	(13,247)	(22,963)	26,088	(103,595)
Other Liabilities	116,690	45,629	154,147	56,868
Rents Payable	(455)	3,517	10,065	6,431
Cash from Operations	**942,891**	**755,445**	**1,518,264**	**1,385,368**
Interest Paid	(17,175)	(60,425)	(64,861)	(258,674)
Income Tax and Social Charges Paid	(121,783)	(12,032)	(373,976)	(233,175)
Paid lawsuits	(13,522)	(13,210)	(51,072)	(54,185)
Net Cash from (invested) Operational Activities	**790,411**	**669,778**	**1,028,355**	**839,334**
Investment Activities Cash Flow				
Cash acquired from business combination	1,380	-	14,655	-
P,P&E and Intangible Acquisitions	(350,967)	(413,734)	(954,736)	(1,188,782)
P,P&E Sale Payments	134	-	809	-
Acquisitions and capital contributions in investments, net	(4,510)	2,000	(12,636)	(40,000)
Loans granted to subsidiaries	(17,350)	-	(18,450)	(800)
Cash from incorporated company	(479)	-	(14,771)	-
Net Cash from Investment Activities	**(371,792)**	**(411,734)**	**(985,129)**	**(1,229,582)**
Financing Activities Cash Flow				
Funding	(702)	32,201	338,235	1,460,247
Payments	(77,852)	(40)	(517,646)	(668,493)
Share Buyback	-	-	(73,228)	-
Interest on Equity and Dividends Paid	(231,106)	(227,835)	(314,828)	(324,082)
Net Cash from Funding Activities	**(309,660)**	**(195,674)**	**(567,467)**	**467,672**
Cash and Cash Equivalents net increase	**108,959**	**62,370**	**(524,241)**	**77,424**
Cash and Cash Equivalents in the beggining of the period	**247,157**	**371,170**	**880,357**	**356,116**
Cash and Cash Equivalents in the end of the period	**356,116**	**433,540**	**356,116**	**433,540**