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# **Raia Drogasil S.A.**

**Quarterly Information (ITR) at  
March 31, 2021**

**and report on review of quarterly  
information**



(A free translation of the original in Portuguese)

Quarterly information (ITR) - 3/31/2021- RAI A Drogasil S.A.

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Quarterly information (ITR) - 3/31/2021 - RAIA Drogasil S.A.

## Company information/capital composition

<b>Number of shares (units)</b>	<b>Current quarter 3/31/2021</b>
<b>Paid-up share capital</b>	
Common shares	1,651,930,000
Preferred shares	0
<b>Total</b>	<b>1,651,930,000</b>
<b>Treasury shares</b>	
Common shares	1,823,831
Preferred shares	0
<b>Total</b>	<b>1,823,831</b>



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Quarterly information (ITR) - 3/31/2021- RAI A Drogasil S.A.

**Parent company financial information/balance sheet - assets**

**(R\$ thousand)**

<b>Code</b>	<b>Description</b>	<b>Current quarter 3/31/2021</b>	<b>Prior year 12/31/2020</b>
1	Total assets	13,828,450	13,543,969
1.01	Current assets	6,969,778	6,695,857
1.01.01	Cash and cash equivalents	707,745	855,257
1.01.03	Trade receivables	1,757,737	1,631,988
1.01.03.01	Customers	1,531,900	1,373,801
1.01.03.01.01	Checks receivable	1,119	1,449
1.01.03.01.02	Credit and debit cards	1,466,042	1,324,847
1.01.03.01.03	PBM - Medicine benefit program	46,591	29,483
1.01.03.01.04	Agreements with companies	18,152	18,530
1.01.03.01.05	(-) Provision for impairment of trade receivables	719	138
1.01.03.01.06	(-) Expected credit losses	-723	-646
1.01.03.02	Other receivables	225,837	258,187
1.01.03.02.01	Advances to employees	13,010	10,755
1.01.03.02.02	Returns to suppliers	4,091	11,984
1.01.03.02.03	Commercial agreements	181,831	208,109
1.01.03.02.04	Receivables from subsidiaries	349	185
1.01.03.02.05	Other	26,556	27,154
1.01.04	Inventory	4,387,893	4,112,842
1.01.04.01	Goods for resale	4,408,626	4,134,721
1.01.04.02	Materials	9,964	6,317
1.01.04.03	(-) Allowance for losses on goods	-30,697	-28,196
1.01.06	Recoverable taxes	61,077	59,288
1.01.06.01	Current recoverable taxes	61,077	59,288
1.01.07	Prepaid expenses	55,326	36,482
1.02	Non-current assets	6,858,672	6,848,112
1.02.01	Long term receivables	520,763	528,458
1.02.01.04	Trade receivables	59,082	58,310
1.02.01.04.02	Other receivables	508	504
1.02.01.04.03	Receivables from subsidiaries	58,574	57,806
1.02.01.08	Prepaid expenses	6,930	6,454
1.02.01.10	Other non-current assets	454,751	463,694
1.02.01.10.04	Judicial deposits	24,360	25,753
1.02.01.10.05	Recoverable taxes	86,642	96,035
1.02.01.10.06	Credits of subsidiaries	343,749	341,906
1.02.02	Investments	88,416	78,266
1.02.02.01	Equity interest	88,416	78,266
1.02.02.01.02	Investments	88,416	78,266
1.02.03	Equity interests	5,018,837	5,012,605
1.02.03.01	Interests in subsidiaries	1,845,547	1,854,211
1.02.03.02	Property and equipment	3,173,290	3,158,394
1.02.03	Property and equipment in use	1,230,656	1,228,783
1.02.04.01	Right-of-use lease	1,230,656	1,228,783
1.02.04.01.02	Intangible assets	1,230,656	1,228,783

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Quarterly information (ITR) - 3/31/2021- RAIA Drogasil S.A.

**Parent company financial information/balance sheet - liabilities and equity**

**(R\$ thousand)**

<b>Code</b>	<b>Description</b>	<b>Current quarter 3/31/2021</b>	<b>Prior year 12/31/2020</b>
2	Total liabilities and equity	13,828,450	13,543,969
2.01	Current liabilities	4,510,623	4,583,196
2.01.01	Social security and labor obligations	312,694	302,833
2.01.01.01	Social security obligations	63,711	64,706
2.01.01.02	Labor obligations	248,983	238,127
2.01.02	Trade payables	3,005,548	2,943,379
2.01.02.01	Domestic suppliers	3,005,548	2,943,379
2.01.03	Tax obligations	139,302	130,457
2.01.03.01	Federal tax obligations	49,974	42,668
2.01.03.01.01	Income tax and social contribution payable	13,551	6,873
2.01.03.01.02	Other federal tax obligations	36,423	35,795
2.01.03.02	State tax obligations	82,494	83,081
2.01.03.03	Municipal tax obligations	6,834	4,708
2.01.04	Borrowing	173,011	497,751
2.01.04.01	Borrowing	16,035	342,701
2.01.04.01.01	In local currency	16,035	342,701
2.01.04.02	Debentures	156,976	155,050
2.01.04.02.01	Debentures	156,976	155,050
2.01.05	Other obligations	796,727	640,219
2.01.05.02	Other	796,727	640,219
2.01.05.02.01	Dividends and interest on capital	124,025	16,492
2.01.05.02.04	Rentals	83,368	69,322
2.01.05.02.06	Other payables	52,482	52,481
2.01.05.02.07	Lease liabilities	536,852	501,924
2.01.06	Provision	83,341	68,557
2.01.06.01	Provision for tax, social security, labor and civil contingencies	34,499	32,646
2.01.06.01.05	Provision for legal claims	34,499	32,646
2.01.06.02	Other provisions	48,842	35,911
2.01.06.02.04	Provisions for sundry obligations	48,842	35,911
2.02	Non-current liabilities	4,895,089	4,597,647
2.02.01	Borrowing	1,426,168	1,122,250
2.02.01.01	Borrowing	400,071	100,150
2.02.01.01.01	In local currency	400,071	100,150
2.02.01.02	Debentures	1,026,097	1,022,100
2.02.01.02.01	Debentures	1,026,097	1,022,100
2.02.02	Other obligations	3,326,802	3,327,225
2.02.02.02	Other	3,326,802	3,327,225
2.02.02.02.03	Tax recovery program (REFIS)	11,567	12,908
2.02.02.02.04	Payables to Subsidiary's shareholders	47,124	46,448
2.02.02.02.05	Lease liabilities	2,924,459	2,926,026
2.02.02.02.06	Payables of subsidiaries	343,652	341,843
2.02.03	Deferred taxes	73,756	72,772
2.02.03.01	Deferred income tax and social contribution	73,756	72,772
2.02.04	Provision	68,363	75,400
2.02.04.01	Provision for tax, social security, labor and civil contingencies	68,363	70,822
2.02.04.01.05	Provision for legal claims	68,363	70,822
2.02.04.02	Other provisions	0	4,578
2.02.04.02.04	Provision for losses on Investments	0	4,578
2.03	Equity	4,422,738	4,363,126
2.03.01	Paid-up share capital	2,500,000	2,500,000
2.03.02	Capital reserves	146,824	148,029
2.03.02.07	Capital reserves	146,824	148,029
2.03.04	Revenue reserves	1,664,172	1,733,650
2.03.04.01	Legal reserve	178,353	178,353
2.03.04.02	Statutory reserve	1,278,952	1,278,952
2.03.04.08	Proposed additional dividends	0	69,478
2.03.04.10	Tax incentive reserve	206,867	206,867
2.03.05	Retained earnings (accumulated deficit)	130,337	0
2.03.06	Carrying value adjustments	-18,595	-18,553

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**Parent company financial information/statement of income**

**(R\$ thousand)**

Code	Description	SCE*- 1/1/2021 to 3/31/2021	SCE*- 1/1/2020 to 3/31/2020
3.01	Net sales revenue	5,327,201	4,709,890
3.01.01	Gross sales revenue	5,650,450	4,937,853
3.01.02	Taxes on sales	-279,073	-193,549
3.01.03	Rebates	-44,176	-34,414
3.02	Cost of sales and/or services	-3,708,390	-3,288,641
3.03	Gross profit	1,618,811	1,421,249
3.04	Operating income/expenses	-1,303,613	-1,180,552
3.04.01	Selling expenses	-1,135,532	-1,020,302
3.04.02	General and administrative expenses	-184,354	-148,743
3.04.04	Other operating expenses	18,139	1,339
3.04.05	Other operating expenses	-2,125	-13,721
3.04.06	Equity in the results of investees	259	875
3.05	Profit before finance results and taxes	315,198	240,697
3.06	Finance results	-71,328	-73,486
3.06.01	Finance income	10,586	14,889
3.06.02	Finance costs	-81,914	-88,375
3.07	Profit before income tax and social contribution	243,870	167,211
3.08	Income tax and social contribution	-69,574	-43,891
3.08.01	Current	-68,569	-57,030
3.08.02	Deferred	-1,005	13,139
3.09	Profit from continuing operations	174,296	123,320
3.99	Earnings per share - (Reais/share)		
3.99.01	Basic earnings per share - R\$		
3.99.01.01	Common shares	0.10565	0.07484
3.99.02	Basic earnings per share - R\$		
3.99.02.01	Common shares	0.10481	0.07489

\*SCE – Statement of Changes in Equity



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Quarterly information (ITR) - 3/31/2021- RAIA Drogasil S.A.

**Parent company financial information/statement of comprehensive income**

**(R\$ thousand)**

<b>Code</b>	<b>Description</b>	<b>SCE*- 1/01/2021 to 3/31/2021</b>	<b>SCE*- 1/1/2020 to 3/31/2020</b>
4.01	Profit for the period	174,296	123,320
4.03	Comprehensive income for the period	174,296	123,320

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Quarterly information (ITR) - 3/31/2021- RAI A Drogasil S.A.

**Parent company financial information/statement of cash flow - indirect method**

**(R\$ thousand)**

Code	Description	SCE - 1/01/2021 to 3/31/2021	SCE - 1/1/2020 to 3/31/2020
6.01	Net cash provided by operating activities	164,872	284,316
6.01.01	Cash from operations	633,811	547,646
6.01.01.01	Profit before income tax and social contribution	243,870	167,211
6.01.01.02	Depreciation and amortization	308,894	284,052
6.01.01.03	Share-based compensation plan, net	-1,208	3,445
6.01.01.04	Interest on additional stock option	676	1,192
6.01.01.05	Result on disposal of property and equipment and intangible assets	8,035	992
6.01.01.06	Provision (reversal) for legal claims	10,923	3,084
6.01.01.07	Provision (reversal) for inventory losses	2,501	23,200
6.01.01.08	Provision (reversal) for impairment of trade receivables	639	-72
6.01.01.09	Provision (reversal) for store closures	-8,853	-1,198
6.01.01.10	Interest expenses	12,712	12,405
6.01.01.11	Amortization of transaction costs of debentures	1,261	714
6.01.01.12	Equity in results of investees	-259	-875
6.01.01.13	Interest expenses – leases	56,493	53,496
6.01.01.16	Discounts on property rental	-1,873	0
6.01.02	Changes in assets and liabilities	-330,405	-159,016
6.01.02.01	Trade receivables and other receivables	-158,738	-183,273
6.01.02.02	Inventory	-277,552	-70,314
6.01.02.03	Other current assets	12,605	-7,812
6.01.02.04	Long term receivables	8,463	-5,015
6.01.02.05	Trade payables	56,179	71,204
6.01.02.06	Salaries and social charges	9,861	-3,736
6.01.02.07	Taxes and contributions	8,488	37,521
6.01.02.08	Other liabilities	-3,757	3,770
6.01.02.09	Rentals payable	14,046	-1,361
6.01.03	Other	-138,534	-104,314
6.01.03.01	Interest paid	-20,298	-6,812
6.01.03.02	Income tax and social contribution paid	-61,743	-44,006
6.01.03.03	Interest paid – leases	-56,493	-53,496
6.02	Net cash used in investing activities	-147,573	-180,391
6.02.01	Purchases of property and equipment and intangible assets	-14,508	-3,289
6.02.03	Loans granted to subsidiaries	-133,531	-176,486
6.02.04	Investments in associated companies	466	8
6.02.05	Cash from merged company	0	-624
6.03	Net cash used in financing activities	-164,811	120,340
6.03.01	Borrowing	299,056	299,891
6.03.02	Repayments of borrowing	-314,485	-19,500
6.03.04	Interest on capital and dividends paid	-40	-585
6.03.05	Leases paid	-149,342	-159,466
6.05	Increase (decrease) in cash and cash equivalents	-147,512	224,265
6.05.01	Cash and cash equivalents at the beginning of the period	855,257	294,863
6.05.02	Cash and cash equivalents at the end of the period	707,745	519,128

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Quarterly information (ITR) - 3/31/2021- RAI A Drogasil S.A.

**Parent company financial information/statement of changes in equity - 1/1/2021 to 3/31/2021**

**(R\$ thousand)**

Code	Description	Paid-up share capital	Capital reserves, options granted and treasury shares	Revenue reserves	Retained earnings/ accumulated deficit	Other comprehensive income	Equity
5.01	Opening balance	2,500,000	148,029	1,733,650	0	-18,553	4,363,126
5.03	Adjusted opening balance	2,500,000	148,029	1,733,650	0	-18,553	4,363,126
5.04	Equity transactions with owners	0	-1,205	-69,478	-44,000	0	-114,683
5.04.07	Interest on capital	0	0	0	-44,000	0	-44,000
5.04.08	Interest on capital of 2019 approved at the AGM of March 23, 2020	0	0	-69,478	0	0	-69,478
5.04.10	Restricted share plan - Vesting period	0	-1,231	0	0	0	-1,231
5.04.11	Restricted share plan – Delivery	0	-5,824	0	0	0	-5,824
5.04.12	Goodwill on sales of shares	0	-1,620	0	0	0	-1,620
5.04.13	Treasury shares – Delivery – RD	0	7,444	0	0	0	7,444
5.04.14	Restricted shares - 4Bio	0	-47	0	0	0	-47
5.04.15	Treasury shares - Delivery - 4Bio	0	73	0	0	0	73
5.05	Total comprehensive income	0	0	0	174,295	0	174,295
5.05.01	Profit for the period	0	0	0	174,295	0	174,295
5.06	Internal changes in equity	0	0	0	42	-42	0
5.06.02	Realization of revaluation reserve	0	0	0	62	-62	0
5.06.03	Taxes on realization of revaluation reserve	0	0	0	-20	20	0
5.07	Closing balance	2,500,000	146,824	1,664,172	130,337	-18,595	4,422,738

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Quarterly information (ITR) - 3/31/2021- RAIA Drogasil S.A.

**Parent company financial information/statement of changes in equity - 1/1/2020 to 3/31/2020**

**(R\$ thousand)**

<b>Code</b>	<b>Description</b>	<b>Paid-up share capital</b>	<b>Capital reserves, options granted and treasury shares</b>	<b>Revenue reserves</b>	<b>Retained earnings/ accumulated deficit</b>	<b>Other comprehensive income</b>	<b>Equity</b>
5.01	Opening balance	2,500,000	129,768	1,413,627	0	-18,382	4,025,013
5.03	Adjusted opening balance	2,500,000	129,768	1,413,627	0	-18,382	4,025,013
5.04	Equity transactions with owners	0	3,445	0	-47,000	0	-43,555
5.04.07	Interest on capital	0	0	0	-47,000	0	-47,000
5.04.10	Restricted share plan – Vesting period	0	3,445	0	0	0	3,445
5.04.11	Restricted share plan - Delivery	0	-11,958	0	0	0	-11,958
5.04.12	Goodwill on sales of shares	0	817	0	0	0	817
5.04.13	Treasury shares – Delivery - RD	0	11,141	0	0	0	11,141
5.05	Total comprehensive income	0	0	0	123,320	0	123,320
5.05.01	Profit for the period	0	0	0	123,320	0	123,320
5.06	Internal changes in equity	0	0	0	43	-43	0
5.06.02	Realization of revaluation reserve	0	0	0	65	-65	0
5.06.03	Taxes on realization of revaluation reserve	0	0	0	-22	22	0
5.07	Closing balance	2,500,000	133,213	1,413,627	76,363	-18,425	4,104,778

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Quarterly information (ITR) - 3/31/2021- RAlA Drogasil S.A.

**Parent company financial information/statement of value added**

**(R\$ thousand)**

Code	Description	SCE -	
		1/1/2021 to 3/31/2021	1/1/2020 to 3/31/2020
7.01	Revenue	5,610,462	4,891,193
7.01.01	Sales of products and services	5,606,276	4,903,438
7.01.02	Other income	4,263	1,766
7.01.04	Provision for/reversal of impairment of trade receivables	-77	-14,011
7.02	Inputs acquired from third parties	-3,737,109	-3,257,161
7.02.01	Cost of sales and services	-3,385,251	-2,959,650
7.02.02	Materials, energy, outsourced services and other	-351,858	-297,511
7.03	Gross value added	1,873,353	1,634,032
7.04	Retentions	-300,648	-276,732
7.04.01	Depreciation, amortization and depletion	-300,648	-276,732
7.05	Net value added generated by the entity	1,572,705	1,357,300
7.06	Value added received through transfer	12,616	17,292
7.06.01	Equity in the results of investees	259	875
7.06.02	Finance income	10,970	17,099
7.06.03	Other	1,387	-682
7.07	Total value added to distribute	1,585,321	1,374,592
7.08	Distribution of value added	1,585,321	1,374,592
7.08.01	Personnel	528,745	479,229
7.08.01.01	Direct remuneration	411,605	372,987
7.08.01.02	Benefits	80,837	73,168
7.08.01.03	Unemployment compensation fund	36,303	33,074
7.08.02	Taxes and contributions	766,346	656,339
7.08.02.01	Federal	213,016	173,444
7.08.02.02	State	542,938	473,955
7.08.02.03	Municipal	10,392	8,940
7.08.03	Providers of capital	115,934	115,704
7.08.03.01	Interest	81,662	88,063
7.08.03.02	Rentals	34,272	27,641
7.08.04	Stockholders and the Company	174,296	123,320
7.08.04.01	Interest on capital	44,000	47,000
7.08.04.03	Profits reinvested/loss for the period	130,296	76,320

(A free translation of the original in Portuguese)

Quarterly information (ITR) - 3/31/2021- RAI A Drogasil S.A.

## Consolidated financial information/balance sheet - assets

(R\$ thousand)

Code	Description	Current quarter 3/31/2021	Prior year 12/31/2020
1	Total assets	14,149,796	13,828,088
1.01	Current assets	7,333,741	7,020,490
1.01.01	Cash and cash equivalents	734,434	880,357
1.01.03	Trade receivables	1,963,133	1,816,456
1.01.03.01	Customers	1,732,296	1,555,434
1.01.03.01.01	Checks receivable	186,190	168,677
1.01.03.01.02	Credit and debit cards	1,482,882	1,340,675
1.01.03.01.03	PBM - Medicine benefit program	46,591	29,483
1.01.03.01.04	Agreements with companies	18,152	18,530
1.01.03.01.05	(-) Provision for impairment of receivables	719	138
1.01.03.01.06	(-) Expected credit losses	-2,238	-2,069
1.01.03.02	Other receivables	230,837	261,022
1.01.03.02.01	Advances to employees	13,034	11,023
1.01.03.02.02	Returns to suppliers	4,091	11,984
1.01.03.02.03	Commercial agreements	186,821	210,795
1.01.03.02.04	Other	26,891	27,220
1.01.04	Inventory	4,514,392	4,225,408
1.01.04.01	Goods for resale	4,535,125	4,247,287
1.01.04.02	Materials	9,964	6,317
1.01.04.03	(-) Allowance for losses on goods	-30,697	-28,196
1.01.06	Recoverable taxes	66,366	61,531
1.01.06.01	Current recoverable taxes	66,366	61,531
1.01.06.01.01	Taxes on profit	3,837	5,435
1.01.06.01.02	Other taxes recoverable	62,529	56,096
1.01.07	Prepaid expenses	55,416	36,738
1.02	Non-current assets	6,816,055	6,807,598
1.02.01	Long term receivables	517,733	525,424
1.02.01.04	Trade receivables	3,508	3,502
1.02.01.04.02	Other receivables	508	3,502
1.02.01.04.03	Receivables from subsidiaries and associated companies	3,000	0
1.02.01.07	Deferred taxes	39,070	36,261
1.02.01.07.01	Deferred income tax and social contribution	39,070	36,261
1.02.01.08	Prepaid expenses	6,930	6,454
1.02.01.10	Other non-current assets	468,225	479,207
1.02.01.10.03	Judicial deposits	26,968	25,753
1.02.01.10.04	Recoverable taxes	97,508	111,548
1.02.01.10.05	Credits of subsidiaries	343,749	341,906
1.02.02	Investments	8,181	0
1.02.02.01	Equity interests	8,181	0
1.02.02.01.04	Interests in jointly-controlled subsidiaries	8,181	0
1.02.03	Property and equipment	5,026,710	5,020,465
1.02.03.01	Property and equipment in use	1,850,361	1,859,220
1.02.03.02	Right-of-use lease	3,176,349	3,161,245
1.02.04	Intangible assets	1,263,431	1,261,709
1.02.04.01	Intangible assets	1,263,431	1,261,709
1.02.04.01.02	Intangible assets	1,263,431	1,261,709

(A free translation of the original in Portuguese)

Quarterly information (ITR) - 3/31/2021- RAI A Drogasil S.A.

### Consolidated financial information/balance sheet - liabilities and equity

(R\$ thousand)

Code	Description	Current quarter 3/31/2021	Prior year 12/31/2020
2	Total liabilities and equity	14,149,796	13,828,088
2.01	Current liabilities	4,764,005	4,801,303
2.01.01	Social security and labor obligations	319,416	309,160
2.01.01.01	Social security obligations	64,462	65,593
2.01.01.02	Labor obligations	254,954	243,567
2.01.02	Trade payables	3,196,509	3,106,938
2.01.02.01	Domestic suppliers	3,196,509	3,106,938
2.01.03	Tax obligations	143,983	138,671
2.01.03.01	Federal tax obligations	52,583	43,221
2.01.03.01.01	Income tax and social contribution payable	15,621	6,873
2.01.03.01.02	Other federal tax obligations	36,962	36,348
2.01.03.02	State tax obligations	84,566	90,742
2.01.03.03	Municipal tax obligations	6,834	4,708
2.01.04	Borrowing	206,650	531,204
2.01.04.01	Borrowing	49,674	376,154
2.01.04.01.01	In local currency	49,674	376,154
2.01.04.02	Debentures	156,976	155,050
2.01.04.02.01	Debentures	156,976	155,050
2.01.05	Other obligations	802,513	645,907
2.01.05.02	Other	802,513	645,907
2.01.05.02.01	Dividends and interest on capital	124,025	16,492
2.01.05.02.04	Rentals	83,368	69,322
2.01.05.02.06	Other payables	56,755	56,775
2.01.05.02.07	Lease liabilities	538,365	503,318
2.01.06	Provision	94,934	69,423
2.01.06.01	Provision for tax, social security, labor and civil contingencies	44,333	32,835
2.01.06.01.05	Provision for legal claims	44,333	32,835
2.01.06.02	Other provisions	50,601	36,588
2.01.06.02.06	Provisions for sundry obligations	50,601	36,588
2.02	Non-current liabilities	4,898,625	4,601,164
2.02.01	Borrowing	1,426,168	1,122,250
2.02.01.01	Borrowing	400,071	100,150
2.02.01.01.01	In local currency	400,071	100,150
2.02.01.02	Debentures	1,026,097	1,022,100
2.02.01.02.01	Debentures	1,026,097	1,022,100
2.02.02	Other obligations	3,328,730	3,329,086
2.02.02.02	Other	3,328,730	3,329,086
2.02.02.02.03	Tax recovery program (REFIS)	11,821	13,188
2.02.02.02.04	Payables to Subsidiary's stockholder	47,124	46,448
2.02.02.02.06	Lease liabilities	2,926,133	2,927,607
2.02.02.02.07	Payables of subsidiaries	343,652	341,843
2.02.03	Deferred taxes	75,364	74,428
2.02.03.01	Deferred income tax and social contribution	75,364	74,428
2.02.04	Provision	68,363	75,400
2.02.04.01	Provision for tax, social security, labor and civil contingencies	68,363	70,822
2.02.04.01.05	Provision for legal claims	68,363	70,822
2.02.04.02	Other provisions	0	4,578
2.02.04.02.04	Provision for losses on investments	0	4,578
2.03	Consolidated equity	4,487,166	4,425,621
2.03.01	Paid-up share capital	2,500,000	2,500,000
2.03.02	Capital reserves	146,824	148,029
2.03.02.07	Capital reserves	146,824	148,029
2.03.04	Revenue reserves	1,664,172	1,733,650
2.03.04.01	Legal reserve	178,353	178,353
2.03.04.02	Statutory reserve	1,278,952	1,278,952
2.03.04.07	Proposed additional dividends	206,867	206,867
2.03.04.08	Tax incentive reserve	0	69,478
2.03.05	Retained earnings (accumulated deficit)	130,337	0
2.03.06	Carrying value adjustments	-18,595	-18,553
2.03.09	Noncontrolling interests	64,428	62,495

(A free translation of the original in Portuguese)

**Consolidated financial information/statement of income**

**(R\$ thousand)**

Code	Description	SCE* 1/01/2021 to 3/31/2021	SCE* 1/1/2020 to 3/31/2020
3.01	Net sales revenue	5,620,051	4,949,871
3.01.01	Gross sales revenue	5,979,507	5,206,320
3.01.02	Taxes on sales	-309,711	-215,899
3.01.03	Rebates	-49,745	-40,550
3.02	Cost of sales and/or services	-3,978,199	-3,508,021
3.03	Gross profit	1,641,852	1,441,850
3.04	Operating income/expenses	-1,323,758	-1,200,024
3.04.01	Selling expenses	-1,148,299	-1,034,343
3.04.02	General and administrative expenses	-190,493	-153,223
3.04.04	Other operating income	18,139	1,339
3.04.05	Other operating expenses	-1,590	-13,797
3.04.06	Equity in the results of investees	-1,515	0
3.05	Profit before finance results and taxes	318,094	241,826
3.06	Finance results	-72,535	-74,227
3.06.01	Finance income	10,712	15,859
3.06.02	Finance costs	-83,247	-90,086
3.07	Profit before income tax and social contribution	245,559	167,599
3.08	Income tax and social contribution	-69,330	-43,563
3.08.01	Current	-71,183	-57,030
3.08.02	Deferred	1,853	13,467
3.09	Profit from continuing operations	176,229	124,036
3.11	Consolidated profit for the period	176,229	124,036
3.11.01	Attributable to owners of the Company	174,296	123,320
3.11.02	Attributable to noncontrolling interests	1,933	716
3.99	Earnings per share - (Reais/share)		
3.99.01	Basic earnings per share - R\$		
3.99.01.01	Common shares	0.10565	0.07484
3.99.02	Basic earnings per share - R\$		
3.99.02.01	Common shares	0.10481	0.07489



(A free translation of the original in Portuguese)

Quarterly information (ITR) - 3/31/2021- RAIA Drogasil S.A.

**Consolidated financial information/statement of comprehensive income**

**(R\$ thousand)**

<b>Code</b>	<b>Description</b>	<b>SCE*- 1/01/2021 to 3/31/2021</b>	<b>SCE*- 1/1/2020 to 3/31/2020</b>
4.01	Consolidated profit for the period	176,229	124,036
4.03	Consolidated comprehensive income for the period	176,229	124,036
4.03.01	Attributable to owners of the Company	174,296	123,320
4.03.02	Attributable to noncontrolling interests	1,933	716

(A free translation of the original in Portuguese)

Quarterly information (ITR) - 3/31/2021- RAIA Drogasil S.A.

### Consolidated financial information/statement of cash flow - indirect method

(R\$ thousand)

Code	Description	SCE - 1/01/2021 to 3/31/2021	SCE - 1/1/2020 to 3/31/2020
6.01	Net cash provided by operating activities	166,997	294,914
6.01.01	Cash from operations	649,266	550,514
6.01.01.01	Profit before income tax and social contribution	245,559	167,599
6.01.01.02	Depreciation and amortization	309,972	285,238
6.01.01.03	Share-based compensation plan	-1,247	3,477
6.01.01.04	Interest on additional stock option	676	1,192
6.01.01.05	Result on disposal of property and equipment and intangible assets	8,035	992
6.01.01.06	Provision (reversal) for legal claims	20,568	3,084
6.01.01.07	Provision (reversal) for inventory losses	2,501	23,200
6.01.01.08	Provision (reversal) for impairment of trade receivables	770	180
6.01.01.09	Provision (reversal) for store closures	-8,853	-1,198
6.01.01.10	Interest expenses	13,832	12,475
6.01.01.11	Amortization of transaction costs of dividends	1,261	714
6.01.01.12	Interest expenses – leases	1,515	0
6.01.01.13	Interest expenses - leases	56,550	53,561
6.01.01.16	Discounts on property rental	-1,873	0
6.01.02	Changes in assets and liabilities	-343,678	-151,220
6.01.02.01	Trade receivables and other receivables	-177,632	-207,091
6.01.02.02	Inventory	-291,485	-104,540
6.01.02.03	Other current assets	7,396	-7,482
6.01.02.04	Long term receivables	7,691	-4,090
6.01.02.05	Trade payables	83,581	133,961
6.01.02.06	Salaries and social charges	10,256	-3,155
6.01.02.07	Taxes and contributions	4,881	39,469
6.01.02.08	Other liabilities	-2,412	3,069
6.01.02.09	Rentals payable	14,046	-1,361
6.01.03	Other	-138,591	-104,380
6.01.03.01	Interest paid	-20,298	-6,812
6.01.03.02	Income tax and social contribution paid	-61,743	-44,006
6.01.03.03	Interest paid – leases	-56,550	-53,562
6.02	Net cash used in investing activities	-147,671	-180,343
6.02.01	Investments in associated and subsidiary companies	-14,274	-3,289
6.02.03	Purchases of property and equipment and intangible assets	-133,863	-177,062
6.02.04	Receivables on sale of property, plant and equipment	466	8
6.03	Net cash used in financing activities	-165,249	119,911
6.03.01	Borrowing	299,056	299,821
6.03.02	Repayments of borrowing	-314,487	-19,500
6.03.04	Interest on capital and dividends paid	-40	-585
6.03.05	Leases paid	-149,778	-159,825
6.05	Increase (decrease) in cash and cash equivalents	-145,923	234,482
6.05.01	Cash and cash equivalents at the beginning of the period	880,357	299,226
6.05.02	Cash and cash equivalents at the end of the period	734,434	533,708

(A free translation of the original in Portuguese)

Quarterly information (ITR) - 3/31/2021- RAIA Drogasil S.A.

**Consolidated financial information/statement of changes in equity - 1/1/2021 to 3/31/2021**

**(R\$ thousand)**

Code	Description	Paid-up share capital	Capital reserves, options granted and treasury shares	Revenue reserves	Retained earnings/ accumulated deficit	Other comprehensive income	Equity	Noncontrolling interests	Consolidated equity
5.01	Opening balance	2,500,000	148,029	1,733,650	0	-18,553	4,363,126	62,495	4,425,621
5.03	Adjusted opening balance	2,500,000	148,029	1,733,650	0	-18,553	4,363,126	62,495	4,425,621
5.04	Equity transactions with owners	0	-1,205	-69,478	-44,000	0	-114,683	0	-114,683
5.04.07	Interest on capital	0	0	0	-44,000	0	-44,000	0	-44,000
5.04.08	Interest on capital of 2019 approved at the AGM of March 23, 2020	0	0	-69,478	0	0	-69,478	0	-69,478
5.04.10	Restricted share plan - Vesting period	0	-1,231	0	0	0	-1,231	0	-1,231
5.04.11	Restricted share plan - Delivery	0	-5,824	0	0	0	-5,824	0	-5,824
5.04.12	Goodwill on sales of shares	0	-1,620	0	0	0	-1,620	0	-1,620
5.04.13	Treasury shares - Delivery - RD	0	7,444	0	0	0	7,444	0	7,444
5.04.14	Restricted shares - 4Bio	0	-47	0	0	0	-47	0	-47
5.04.15	Treasury shares - Delivery - 4Bio	0	73	0	0	0	73	0	73
5.05	Total comprehensive income	0	0	0	174,295	0	174,295	1,933	176,228
5.05.01	Profit for the period	0	0	0	174,295	0	174,295	1,933	176,228
5.06	Internal changes in equity	0	0	0	42	-42	0	0	0
5.06.02	Realization of revaluation reserve	0	0	0	62	-62	0	0	0
5.06.03	Taxes on realization of revaluation reserve	0	0	0	-20	20	0	0	0
5.07	Closing balance	2,500,000	146,824	1,664,172	130,337	-18,595	4,422,738	64,428	4,487,166

(A free translation of the original in Portuguese)

Quarterly information (ITR) - 3/31/2021- RAIA Drogasil S.A.

**Consolidated financial information/statement of changes in equity - 1/1/2020 to 3/31/2020**

**(R\$ thousand)**

Code	Description	Paid-up share capital	Capital reserves, options granted and treasury shares	Revenue reserves	Retained earnings/ accumulated deficit	Other comprehensive income	Equity	Noncontrolling interests	Consolidated equity
5.01	Opening balance	2,500,000	129,768	1,413,627	0	-18,382	4,025,013	51,405	4,076,418
5.03	Adjusted opening balance	2,500,000	129,768	1,413,627	0	-18,382	4,025,013	51,405	4,076,418
5.04	Equity transactions with owners	0	3,445	0	-47,000	0	-43,555	0	-43,555
5.04.07	Interest on capital	0	0	0	-47,000	0	-47,000	0	-47,000
5.04.10	Restricted share plan – Vesting period	0	3,445	0	0	0	3,445	0	3,445
5.04.11	Restricted share plan - Delivery	0	-11,958	0	0	0	-11,958	0	-11,958
5.04.12	Goodwill on sales of shares	0	817	0	0	0	817	0	817
5.04.13	Treasury shares - Delivery - RD	0	11,141	0	0	0	11,141	0	11,141
5.05	Total comprehensive income	0	0	0	123,320	0	123,320	716	124,036
5.05.01	Profit for the period	0	0	0	123,320	0	123,320	716	124,036
5.06	Internal changes in equity	0	0	0	43	-43	0	0	0
5.06.02	Realization of revaluation reserve	0	0	0	65	-65	0	0	0
5.06.03	Taxes on realization of revaluation reserve	0	0	0	-22	22	0	0	0
5.07	Closing balance	2,500,000	133,213	1,413,627	76,363	-18,425	4,104,778	52,121	4,156,899

(A free translation of the original in Portuguese)

Quarterly information (ITR) - 3/31/2021- RAIA Drogasil S.A.

## Consolidated financial information/statement of value added

(R\$ thousand)

Code	Description	SCE -	
		1/1/2020 to 3/31/2021	1/01/2020 to 3/31/2020
7.01	Revenue	5,933,857	5,153,272
7.01.01	Sales of products and services	5,929,764	5,165,769
7.01.02	Other income	4,263	1,766
7.01.04	Provision for/reversal of impairment of trade receivables	-170	-14,263
7.02	Inputs acquired from third parties	-4,013,147	-3,483,914
7.02.01	Cost of sales and services	-3,654,602	-3,178,759
7.02.02	Materials, energy, outsourced services and other	-358,545	-305,155
7.03	Gross value added	1,920,710	1,669,358
7.04	Retentions	-301,728	-277,918
7.04.01	Depreciation, amortization and depletion	-301,728	-277,918
7.05	Net value added generated by the entity	1,618,982	1,391,440
7.06	Value added received through transfer	10,972	17,392
7.06.01	Equity in the results of investees	-1,515	0
7.06.02	Finance income	11,100	18,074
7.06.03	Other	1,387	-682
7.07	Total value added to distribute	1,629,954	1,408,832
7.08	Distribution of value added	1,629,954	1,408,832
7.08.01	Personnel	537,204	486,983
7.08.01.01	Direct remuneration	416,864	377,446
7.08.01.02	Benefits	83,614	76,098
7.08.01.03	Unemployment compensation fund	36,726	33,439
7.08.02	Taxes and contributions	798,939	680,192
7.08.02.01	Federal	214,888	174,766
7.08.02.02	State	573,571	496,341
7.08.02.03	Municipal	10,480	9,085
7.08.03	Providers of capital	117,583	117,621
7.08.03.01	Interest	82,915	89,634
7.08.03.02	Rentals	34,668	27,987
7.08.04	Stockholders and the Company	176,228	124,036
7.08.04.01	Interest on capital	44,000	47,000
7.08.04.03	Profits reinvested/loss for the period	130,296	76,320
7.08.04.04	Noncontrolling interests in retained earnings	1,932	716

## Comments on company performance

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São Paulo, May 11, 2021. **RD – People, Health and Well-being** (Raia Drogasil S.A. – B3: RADL3) announces today its results for the 1st quarter of 2021 (1Q21). The Company's parent company and consolidated interim financial statements for the periods ended March 31, 2021 and 2020 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 2020.

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. Reconciliation with IFRS 16 can be found on pages 12 and 13.

### QUARTERLY HIGHLIGHTS:

- › **PHARMACIES: 2,319 units in operation (40 openings and 20 closures)**
- › **MARKET SHARE: 0.3 percentage point national increase**
- › **GROSS REVENUE: R\$ 6.0 billion, 14.9% growth vs. the 1Q20 and 43.9% vs. the 1Q19**
- › **CONTRIBUTION MARGIN\*: 9.7%, 16.0% of growth and 0.1 p.p. of margin expansion**
- › **ADJUSTED EBITDA: R\$ 415.9 million, a 7.0% EBITDA margin and 12.6% of growth**
- › **ADJUSTED NET INCOME: R\$ 177.9 million, 3.0% of net margin and 16.5% of growth**
- › **CASH FLOW: R\$ 132.0 million negative free cash flow, R\$ 126.0 million total cash consumption**

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

**Comments on company performance**

RADL3

**R\$ 27.39/share**

NUMBER OF SHARES

**1,651,930,000**

MARKET CAP

**R\$ 45,246 (million)**

CLOSING

**May 10<sup>th</sup>, 2021**

IR CONTACTS:

**Eugênio De Zagottis**

**Fernando Spinelli**

**André Stolfi**

**Igor Spricigo**

**Renato Rossini**

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

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

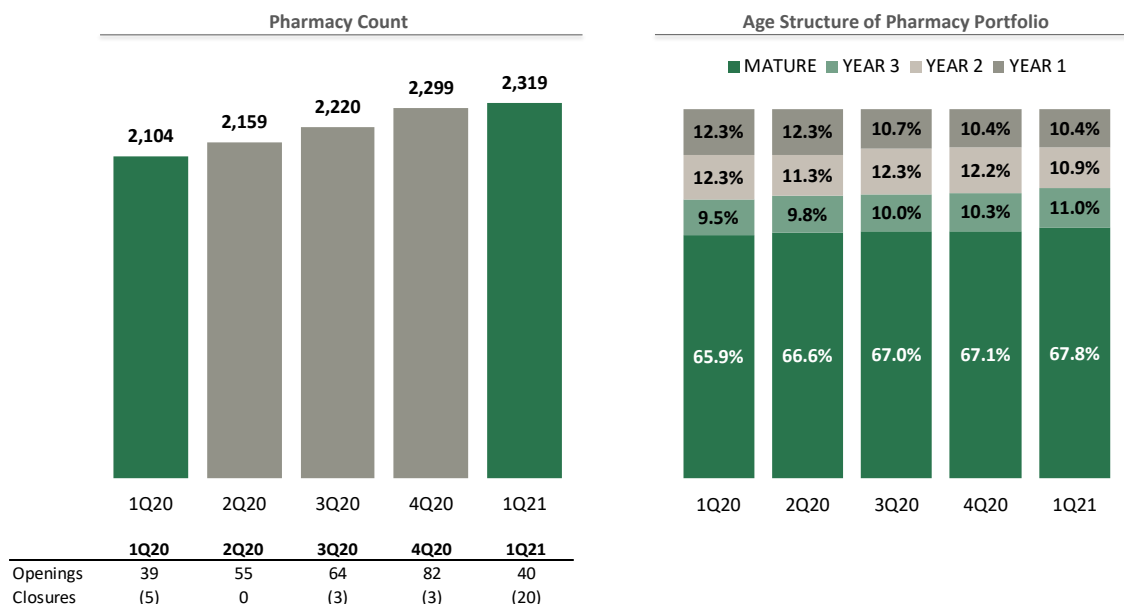
Summary	1Q20	2Q20	3Q20	4Q20	1Q21
<i>(R\$ thousand)</i>					
# of Pharmacies	2,104	2,159	2,220	2,299	2,319
Organic Openings	39	55	64	82	40
Closures	(5)	0	(3)	(3)	(20)
4Bio	3	3	3	4	4
# of Stores - Pharmacies + 4Bio	2,107	2,162	2,223	2,303	2,323
Headcount (EoP)	42,250	42,115	43,223	44,631	45,532
Pharmacist Count (EoP)	8,125	8,414	8,658	8,788	9,088
# of Tickets (000)	67,173	52,308	60,298	67,098	65,660
Gross Revenue	5,206,320	4,721,872	5,384,230	5,868,052	5,979,508
Gross Profit	1,441,851	1,320,122	1,494,996	1,634,213	1,641,852
% of Gross Revenues	27.7%	28.0%	27.8%	27.8%	27.5%
Adjusted EBITDA	369,356	231,811	397,159	430,843	415,855
% of Gross Revenues	7.1%	4.9%	7.4%	7.3%	7.0%
Adjusted Net Income	152,753	61,688	172,871	213,672	177,947
% of Gross Revenues	2.9%	1.3%	3.2%	3.6%	3.0%
Net Income	145,840	60,210	174,717	198,492	188,789
% of Gross Revenues	2.8%	1.3%	3.2%	3.4%	3.2%
Free Cash Flow	(48,150)	(437,520)	351,785	425,112	(131,972)

## Comments on company performance

### PHARMACY DEVELOPMENT

We opened 40 new pharmacies in the 1Q21 and closed 20, ending the quarter with 2,319 units in operation, in addition to 4 4Bio locations. We reiterate our gross openings guidance of 240 pharmacies per year for 2021 and 2022.

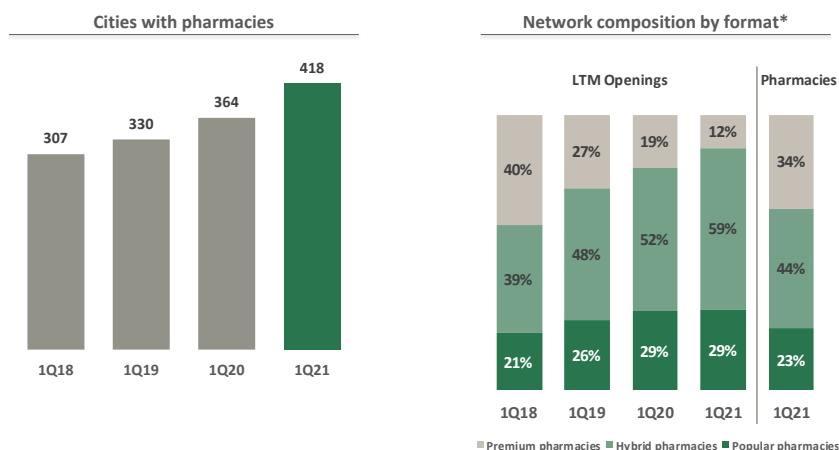
At the end of the period, 32.2% of our pharmacies were still in the process of maturation and had not yet reached their full potential both in terms of revenue and profitability.



Of the 20 pharmacies closed in the 1Q21, 9 were still in the maturation process and represent corrections of mistakes that are to be expected in a large-scale expansion such as RD's. The remaining 11 closures were mature units driven by the optimization of our pharmacy portfolio, including 1 for relocation, with positive return expectations associated to them.

The COVID-19 pandemic generated in 2020 a temporary sales decline, especially in the 2Q20 and 3Q20, as well as demand shifts across locations which distorted the regular assessment of our pharmacy portfolio. Therefore, we limited in 2020 our closures to handful of extreme situations. As our revenue growth progressively normalized and distortions were minimized, we resumed our portfolio analyses, shifting to the 1Q21 the pharmacy closures that would have normally happened in 2020.

We continued to diversify our pharmacy network in the quarter, both geographically and demographically, with 73% 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 418 cities. Finally, while 67% of our units have popular or hybrid formats, 88% of the openings in the last twelve months belong to these clusters, increasing our reach into the expanded middle class.

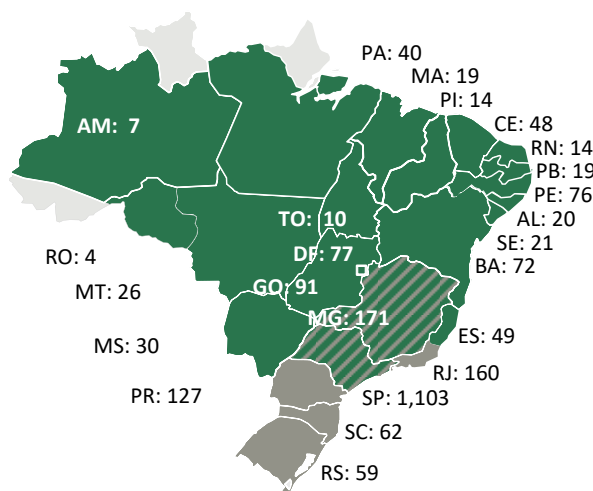


\* Premium and super premium pharmacies are grouped together, as well as popular and super popular. Openings exclude the Onofre acquisition.



## Comments on company performance

Pharmacy Geographic Presence



Total: 2,319 pharmacies

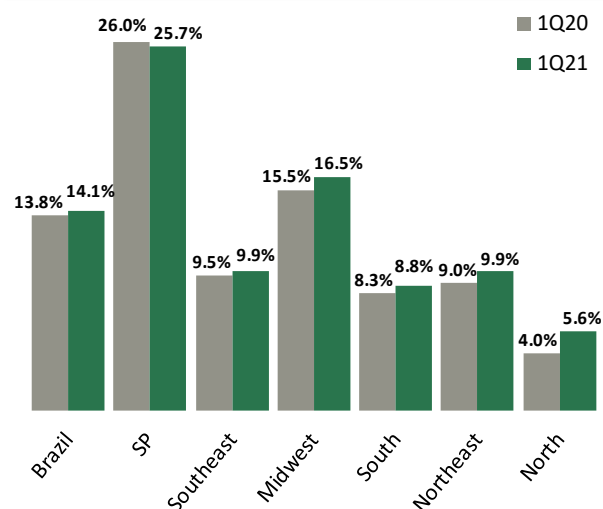
■ Raia: 1,002

■ Drogasil: 1,317

LTM Openings	1Q17	1Q18	1Q19	1Q20	1Q21
São Paulo	101	75	76	71	64
Other States	114	137	182	146	177
Onofre				42	
<b>Total</b>	<b>215</b>	<b>212</b>	<b>258</b>	<b>259</b>	<b>241</b>
São Paulo %*	47%	35%	29%	33%	27%

\*Disconsiders Onofre

Pharmacy Market Share



Source: IQVIA. Southeast excludes SP.

Our national share totaled 14.1%, a 0.3 percentage point increase when compared to the 1Q20.

The Northern region was our main highlight, with a market share of 5.6%, a 1.6 percentage points gain vs. the 1Q20, followed by the Midwest, where we reached a market share of 16.5%, a 1.0 percentage point gain. We registered a market share in the Northeast of 9.9%, an increase of 0.9 percentage point. We also recorded market shares of 8.8% in the South, an increase of 0.5 percentage point and of 9.9% in the Southeast (excluding São Paulo), an increase of 0.4 percentage point. Finally, we recorded a market share of 25.7% in São Paulo, a 0.3 percentage point loss vs. the 1Q20.

Every year, pharmaceutical retailers increase their inventory levels in the 1<sup>st</sup> quarter to take advantage of inflationary gains from the annual price cap increase, which happens at the end of march. In 2021, the authorized price cap increase was higher than normal (average of approximately 8.2%), thus resulting in a higher than usual inventory build-up. Because IQVIA's reported market share is based on sell-in data to independent pharmacies and small chains reported by wholesalers combined with actual demand data directly reported by the large chains, the figures become distorted in times of high inventory accumulation such as in the 1Q21. If we consider our market share only among the chains that directly report sell-out data to IQVIA, we recorded an increase of 1.7 percentage point in the quarter, with a 0.6 percentage point gain in São Paulo.

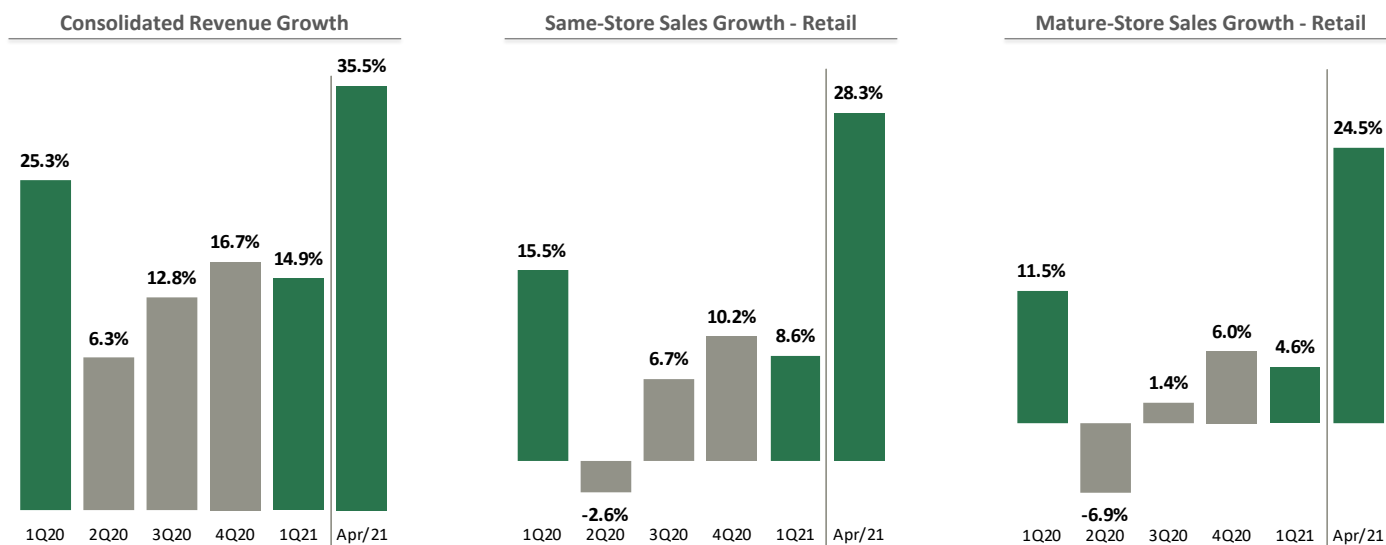
## GROSS REVENUES

Our consolidated revenue growth totaled 14.9% in the quarter, with 14.4% by RD Pharmacies and 22.6% by 4Bio. We recorded a same-store sales growth of 8.6%, with 4.6% for mature stores, with a negative calendar effect of 1.2% due to the fact that 2020 was a leap year.

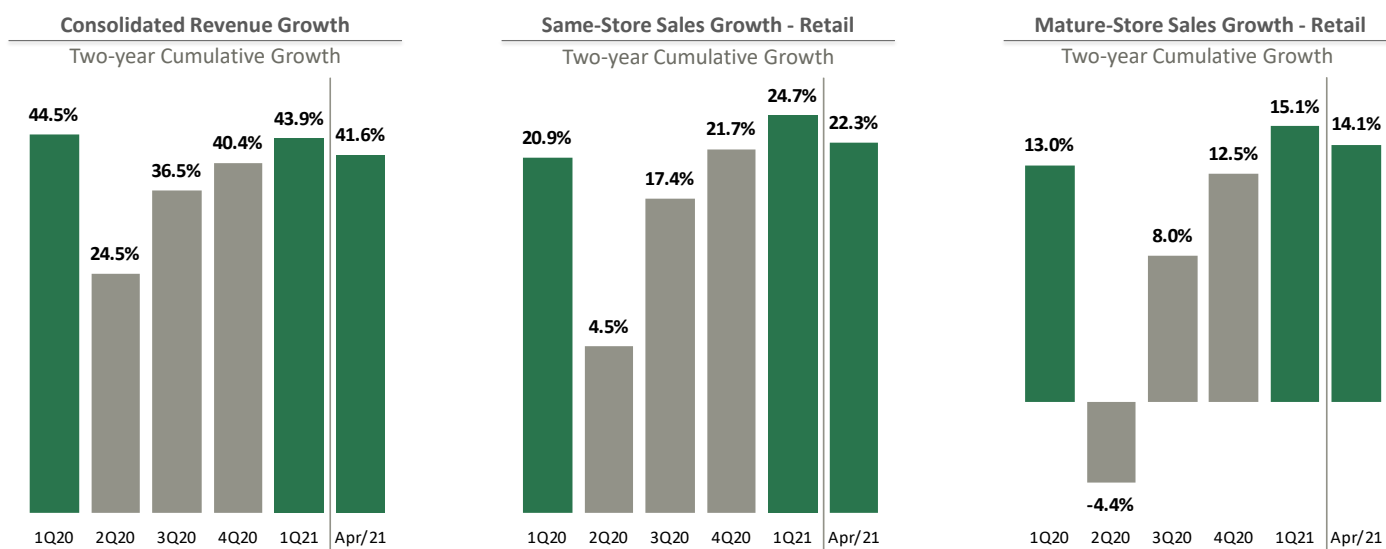
Our top-line growth was penalized by the demand peak recorded in the 1Q20 (25.3% consolidated growth over the 1Q19), in anticipation of the social isolation that started in April of that year. But in spite of such a high comp-base, our mature stores, on a calendar-adjusted basis, still grew only 0.3 percentage point below the inflation of 6.1% recorded in the period.

This strong momentum was also sustained in April, despite the recent increase in restrictions due the second wave of the COVID-19 pandemic in Brazil. We recorded in the month a total revenue growth of 35.5%, with 24.5% for mature stores, with no calendar effect (preliminary, non-audited numbers). It is important to highlight that the April growth happened on top of a very weak comp-base of the same month of 2020 (4.6% total growth, with a negative 7.6% for mature stores) as a result of the strict social isolation verified in the month.

## Comments on company performance



In order to provide a better understanding of our structural sales performance, without the effect of the temporary peaks and valleys in top-line growth generated by the pandemic, we provide below the two-year stack figures, which depict our cumulative growth in each quarter over a two-year period.

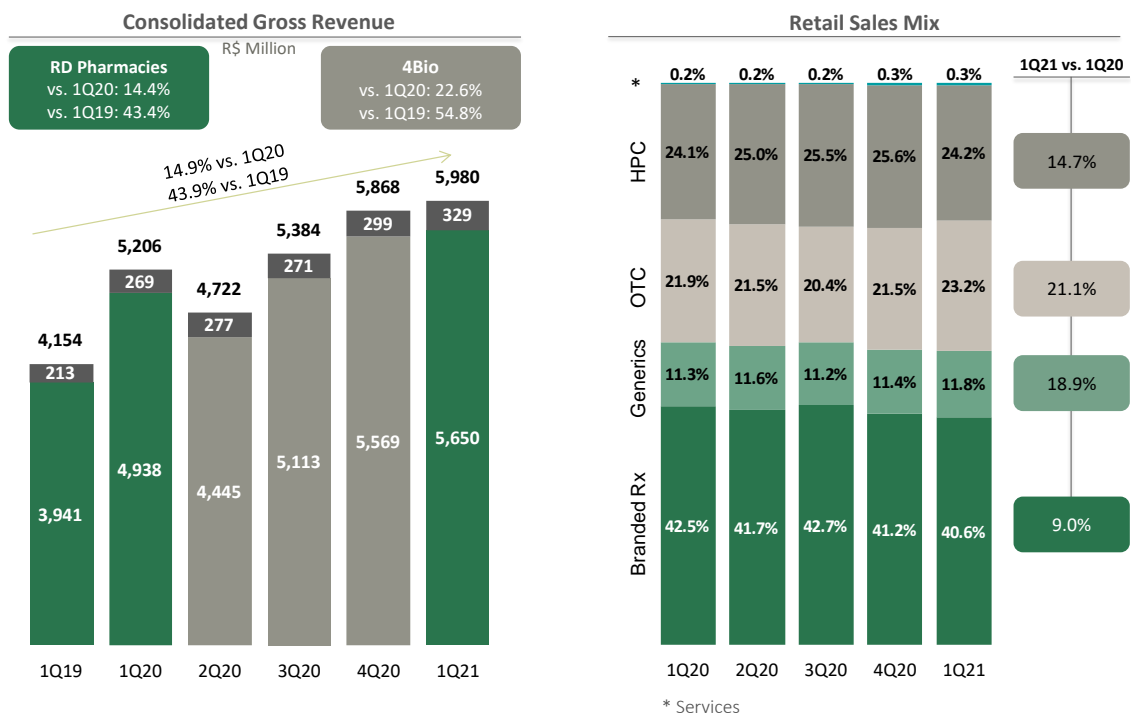


We recorded in the quarter a two-year accumulated top-line growth of 43.9% over the 1Q19, with 24.7% of same-store sales and 15.1% for mature stores, with no calendar effect, showing a structural acceleration in the quarter over the previous periods, which persisted in April.

Our two-year mature-store growth was 5.5 percentage points higher than the accumulated inflation recorded in the quarter, with no calendar effect. Finally, we recorded in April (preliminary, non-audited figures) a 41.6% two-year cumulative growth, with 14.1% for mature stores, a real two-year accumulated growth of 4.8 percentage point, with a negative calendar effect of 1.3%, maintaining the strong momentum of the 1Q20 in spite of the second wave of the pandemic.

OTC was the highlight of the quarter by gaining 1.3 percentage point in the mix vs. the 1Q20. The increase of OTC in the sales mix was driven mainly by the products related to the pandemic, such as hand sanitizers, masks, vitamins and COVID-19 tests. In addition, Generics gained 0.5 percentage point in the mix, maintaining a positive trend since our price repositioning in 2018. Lastly, HPC gained 0.1 percentage point in the mix, while Branded Rx lost 1.9 percentage points in the mix.

## Comments on company performance



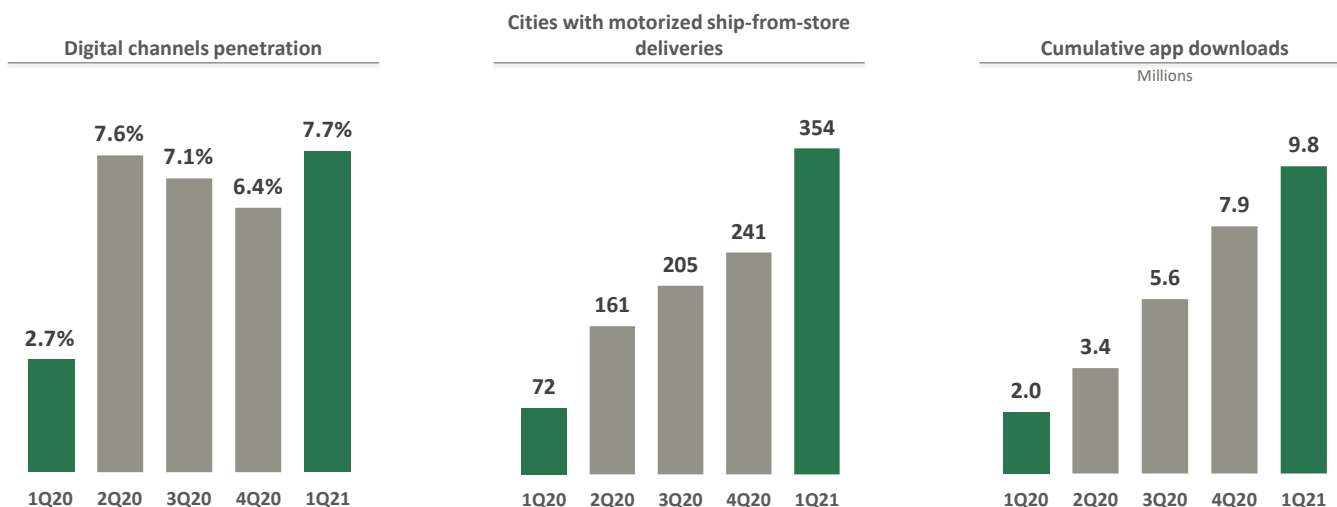
## DIGITAL

The digitalization of the relationship with our customers is key to our long-term strategy. It increases customer engagement, loyalty, frequency and spending, thus becoming a fundamental driver of long-term value creation.

In the 1Q21, the digital channel penetration increased to 7.7%, surpassing the penetration observed in the 2Q20 during the peak of the social isolation.

This increase in digital adoption stemmed from our commercial and operational efforts to enhance our omnichannel experience. We have increased five-fold the number of cities with access to our motorized ship-from-store network over the last twelve months, reaching a total of 354 cities by the end of the quarter. Of our total digital transactions, 84% were fulfilled by the pharmacies, with 85% of these store-fulfilled orders delivered in up to 4 hours.

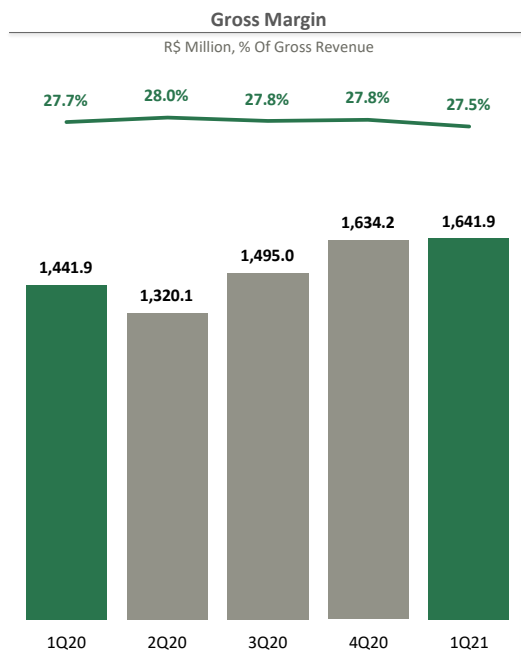
Finally, the digital onboarding of customers through in-store engagement, digital coupons and Stix, our digital retail loyalty coalition with GPA, boosted our cumulative app downloads to 9.8 million, another five-fold increase vs. the 1Q20.



## Comments on company performance

### GROSS PROFIT

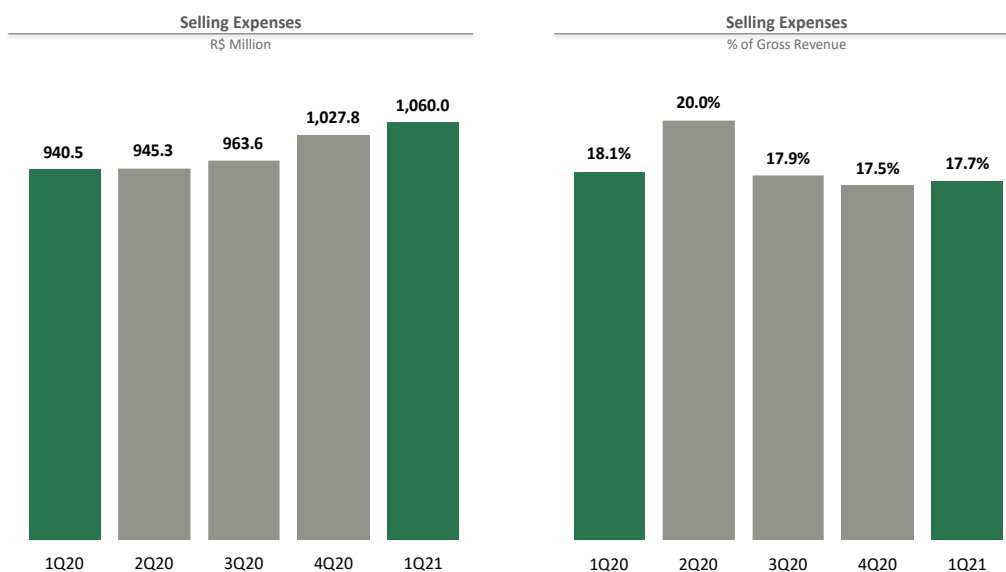
Our gross profit totaled R\$ 1,641.9 million, with a gross margin of 27.5%, a 0.2 percentage point pressure versus the 1Q20. We reported a 0.1 percentage point pressure due to a lower Net Present Value (NPV) adjustment, a non-cash effect stemming from lower interest rates. Finally, our margin investments, especially in digital, have pressured our gross margin by an additional 0.1 percentage point, net of other gains.



### SELLING EXPENSES

Selling expenses in the quarter totaled R\$ 1,060.0 million, equivalent to 17.7% of gross revenue and a 0.4 percentage point dilution over the 1Q20, mostly driven by the strong structural performance of our mature stores and by efficiency gains.

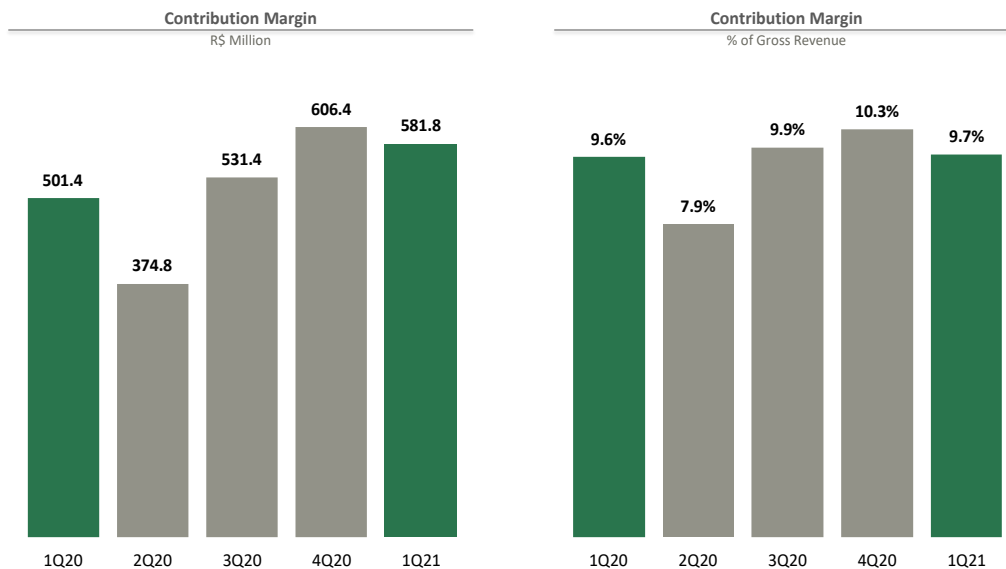
We recorded a dilution of 0.4 percentage point in personnel and of 0.2 percentage point in logistics costs. These gains were partly offset by a 0.1 percentage point pressure from digital variable expenses and another 0.1 percentage point pressure in other expenses.



## Comments on company performance

### CONTRIBUTION MARGIN

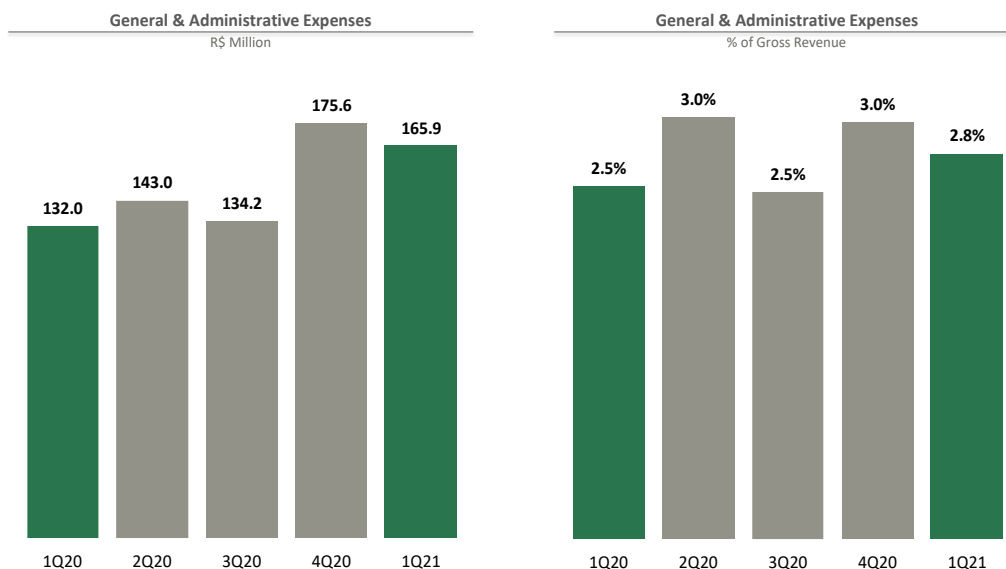
Our contribution margin totaled 9.7% in the 1Q21, an increase of 16.0% and a margin expansion of 0.1 percentage point versus the 1Q20. This was a result of the dilution in sales expenses, net of the pressure in gross margin.



### GENERAL & ADMINISTRATIVE EXPENSES

General and administrative expenses amounted to R\$ 165.9 million in the 1Q21, equivalent to 2.8% of gross revenue, a 0.3 percentage point pressure when compared to the same period of last year. We recorded a 0.2 percentage point pressure in personnel and a 0.1 percentage point pressure in IT expenses.

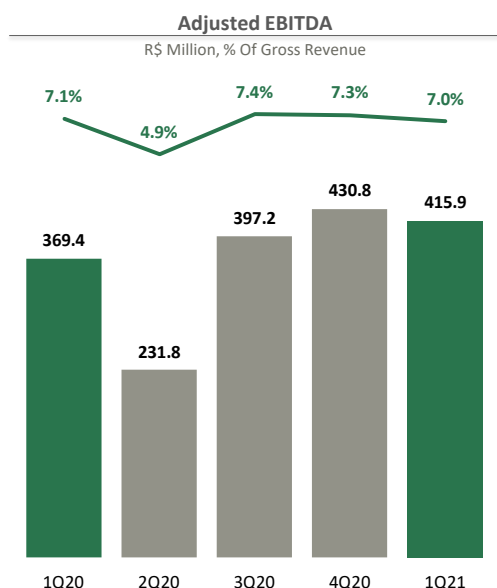
The direct costs related to our strategic long-term investments, our digital transformation and the construction of our marketplace and health platform, increased general and administrative expenses by R\$ 18.6 million in the 1Q21, a 0.2 percentage point pressure. There are also indirect pressures, like the enhancement of our corporate structure to cope with a more complex strategic plan, which are not factored into this calculation.



## Comments on company performance

### EBITDA

Our adjusted EBITDA totaled R\$ 415.9 million in the quarter, an increase of 12.6% when compared to the 1Q20. We recorded an adjusted EBITDA margin of 7.0%, corresponding to a 0.1 percentage point contraction.



#### 2,279\* pharmacies operating since 2020: (performance in the 1Q21)

- > R\$ 5,636.4 million in Gross Revenues
- > EBITDA of R\$ 420.1 million
- > EBITDA margin of 7.5%

#### RD Pharmacies

- > EBITDA of R\$ 411.1 million
- > EBITDA margin of 7.3%

#### 4Bio

- > EBITDA of R\$ 5.4 million
- > EBITDA margin of 1.6%

\* 2,299 Retail stores by the end of the 4Q20 less 20 closures.

New pharmacies opened in the year, as well as those in the opening process, reduced the EBITDA by R\$ 9.0 million in the 1Q21. Therefore, considering only the 2,279 units in operation since the end of 2020 and full logistics, general and administrative expenses, RD Pharmacies EBITDA would have totaled R\$ 420.1 million, equivalent to 7.5% of gross revenue.

RD Pharmacies reached an EBITDA of R\$ 411.1 million and a margin of 7.3% in the 1Q21, a contraction of 0.1 percentage point over the same period of the last year.

Finally, 4Bio reached an EBITDA of R\$ 5.4 million and a margin of 1.6%, a 0.6 percentage point expansion over the same period of the last year.

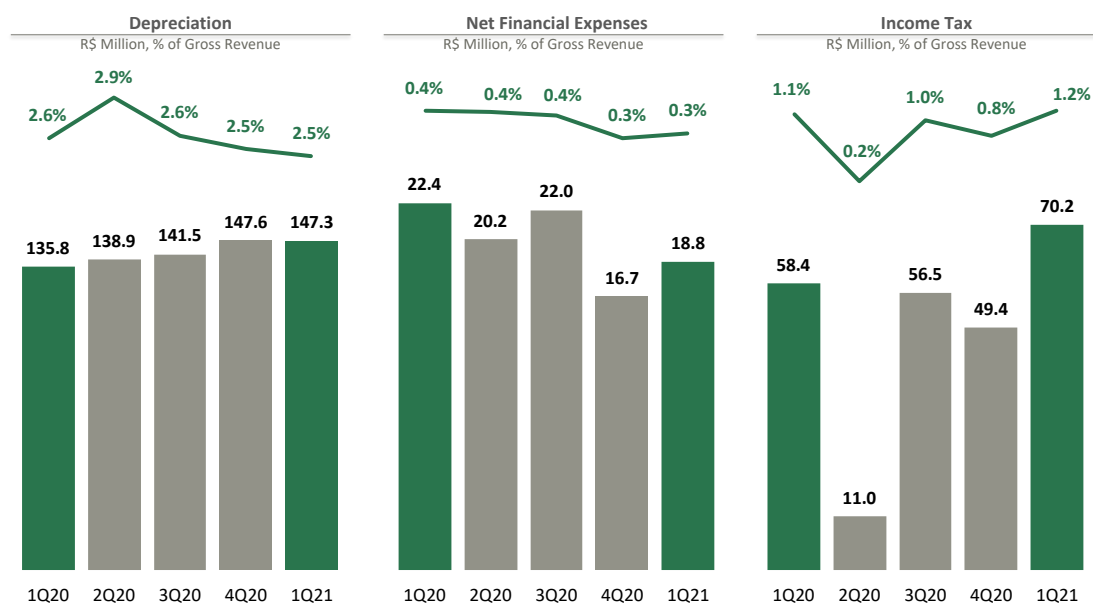
### EBITDA RECONCILIATION AND NON-RECURRING EXPENSES

EBITDA Reconciliation	1Q21	1Q20
<i>(R\$ million)</i>		
<b>Net Income</b>	<b>188.8</b>	<b>145.8</b>
(+) Income Tax	75.8	54.8
(+) Equity Equivalence	1.5	0.0
(+) Financial Result	18.8	22.4
<b>EBIT</b>	<b>284.9</b>	<b>223.1</b>
(+) Depreciation and Amortization	147.3	135.8
<b>EBITDA</b>	<b>432.3</b>	<b>358.9</b>
(-) Tax Credits from Previous Periods	(13.6)	
(-) Labor Contingencies - Monetary Restatement Rate Change	(3.4)	
(+) Asset Write-off	(1.1)	(0.2)
(+) Donations	3.3	
(+) Provisions for Inventory Losses from previous periods		11.5
(+) Consulting, Advisory and Restructuring Expenses		0.4
(+) Other non-recurring / non-operating net expenses	(1.6)	(1.3)
<b>Non-recurring / non-operating Expenses</b>	<b>(16.4)</b>	<b>10.5</b>
<b>Adjusted EBITDA</b>	<b>415.9</b>	<b>369.4</b>

In the 1Q21, we recorded R\$ 16.4 million in non-recurring/non-operating gains, of which R\$ 13.6 million refer to tax credits from previous periods. We've also saved another R\$ 3.4 million due to a legal ruling that reduced the rate used to calculate the monetary restatement of labor contingencies. Finally, we recorded R\$ 3.3 million in donations, R\$ 1.1 million in asset write-offs and R\$ 1.6 million in other non-recurring/non-operating net revenues.

## Comments on company performance

### DEPRECIATION, NET FINANCIAL EXPENSES AND INCOME TAXES

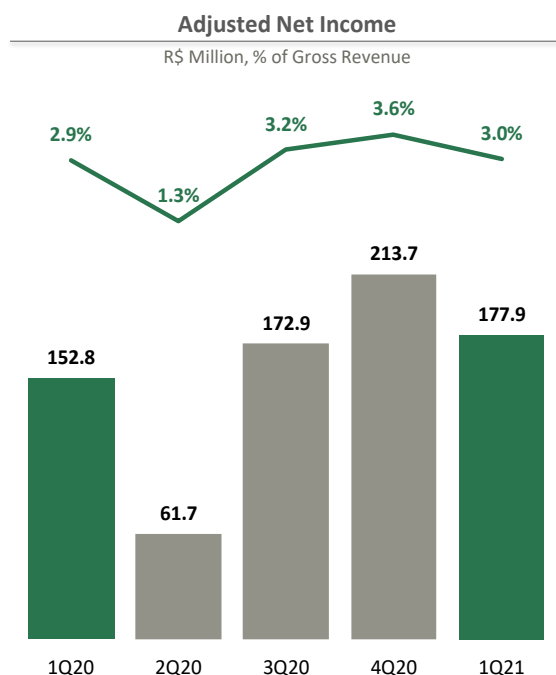


Depreciation expenses amounted to R\$ 147.3 million in the 1Q21, equivalent to 2.5% of gross revenues, a 0.1 percentage point dilution when compared to the same period of last year.

Net financial expenses represented 0.3% of gross revenue, a 0.1 percentage point dilution over the 1Q21. Of the R\$ 18.8 million recorded in the quarter, R\$ 5.3 million refers to the NPV adjustment, while R\$ 0.7 million refers to interest on the options to acquire the remaining 45% of 4Bio. Excluding these, the financial interest accrued on net debt amounted to R\$ 12.8 million in the 1Q21, equivalent to 0.2% of gross revenue and stable when compared to the 1Q20.

Lastly, we booked R\$ 70.2 million in income taxes, equivalent to 1.2% of gross revenue, a 0.1 percentage point increase.

### NET INCOME

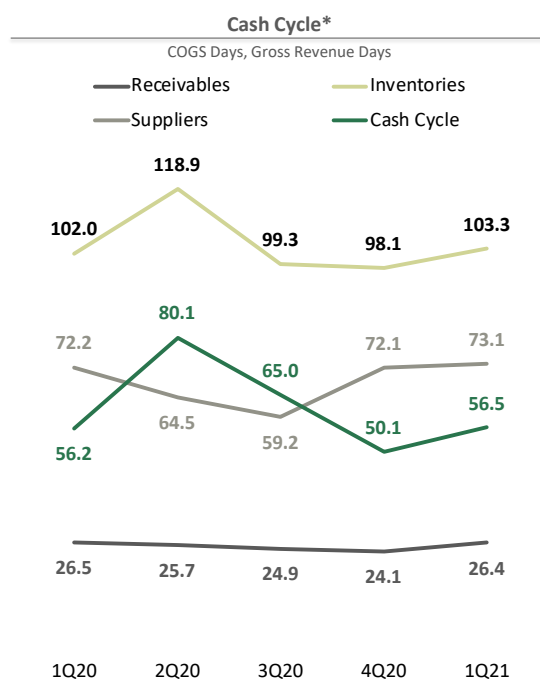


Our adjusted net income totaled R\$ 177.9 million in the quarter, an increase of 16.5%. We recorded a net margin of 3.0%, an expansion of 0.1 percentage point versus the 1Q20.

## Comments on company performance

### CASH CYCLE

Our cash cycle in the 1Q21 was 0.3 days higher when compared to the same period of the previous year. Our inventories were higher by 1.3 days, while receivables decreased by 0.1 day. Finally, accounts payable were 0.9 day above the level of the 1Q20.



\* Adjusted for discounted receivables.

### CASH FLOW

<b>Cash Flow</b>	<b>1Q21</b>	<b>1Q20</b>
<i>(R\$ million)</i>		
<b>Adjusted EBIT</b>	<b>268.5</b>	<b>233.5</b>
NPV Adjustment	(3.0)	(9.1)
Non-Recurring Expenses	16.4	(10.5)
Income Tax (34%)	(95.9)	(72.7)
Depreciation	147.3	135.8
Others	53.7	29.7
<b>Resources from Operations</b>	<b>387.2</b>	<b>306.7</b>
Cash Cycle*	(385.5)	(248.2)
Other Assets (Liabilities)**	14.1	32.8
<b>Operating Cash Flow</b>	<b>15.7</b>	<b>91.3</b>
<b>Investments</b>	<b>(147.7)</b>	<b>(139.5)</b>
<b>Free Cash Flow</b>	<b>(132.0)</b>	<b>(48.1)</b>
Interest on Equity	(0.0)	(0.6)
Net Financial Expenses***	(13.5)	(12.1)
Income Tax (Tax benefit over financial expenses and interest on equity)	19.6	20.1
<b>Total Cash Flow</b>	<b>(126.0)</b>	<b>(40.8)</b>

\*Includes adjustments to discounted receivables.

\*\*Includes NPV adjustments.

\*\*\*Excludes NPV adjustments.



## Comments on company performance

We recorded a negative free cash flow of R\$ 132.0 million and a total cash consumption of R\$ 126.0 million in the 1Q21. Our operating cash flow totaled R\$ 15.7 million, which was fully consumed by the R\$ 147.7 million in investments undertaken in the period. It is important to highlight that the first quarter always brings an unfavorable cash cycle seasonality, while the fourth quarter has the most favorable seasonality of the year, therefore resulting in a material cash outlay in the quarter.

Resources from operations totaled R\$ 387.2 million, equivalent to 6.5% of gross revenue, while we recorded a working capital consumption of R\$ 371.5 million.

Of the R\$ 147.7 million invested in the quarter, R\$ 70.5 million corresponded to new pharmacy openings, R\$ 26.7 million to the renovation or expansion of existing units and R\$ 50.4 million to investments in infrastructure, including R\$ 14.0 million for our digital transformation and the construction of our marketplace and health platform.

Net financial expenses totaled R\$ 13.5 million in the 1Q21, excluding the NPV adjustments. These were more than fully offset by the R\$ 19.6 million in tax shield related to the net financial expenses and to the interest on equity accrued in the period, which shall be paid in the following quarters.

We accrued R\$ 44.0 million in interest on equity in the 1Q21 versus R\$ 47.0 million in the 1Q20, reflecting a payout of 23.3% over the Net Income, through the full usage of the legal interest on equity limit.

## INDEBTEDNESS

We ended the 1Q21 with an adjusted net financial debt of R\$ 945.5 million, versus R\$ 964.2 million in the same period of 2020. This equals an adjusted net debt to EBITDA ratio of 0.6x, 0.1x lower than the same period of the previous year.

Our adjusted net debt includes R\$ 47.1 million in liabilities related to the exercise of the put option granted and/or call option obtained for the acquisition of the remaining 45% minority stake of 4Bio. This liability reflects the estimated valuation of 4Bio considering the amendment to 4Bio's purchase and sale agreement, as announced to the market in September 24, 2019, which will now occur in two different stages: the 1st call/put option on 2/3 of the remaining shares (30% of total 4Bio shares) exercisable in 2021; and the 2nd call/put option on 1/3 of the remaining shares (15% of total 4Bio shares) exercisable in 2024. Other conditions of the agreement remain unchanged. The estimated valuation of 4Bio will be revisited every year-end to reflect changes in the financial outlook of the Company.

Net Debt	1Q21	4Q20	3Q20	2Q20	1Q20
<i>(R\$ million)</i>					
Short-term Debt	206.7	531.2	536.5	537.4	533.5
Long-term Debt	1,426.2	1,122.2	1,195.5	1,191.1	879.7
<b>Total Gross Debt</b>	<b>1,632.8</b>	<b>1,653.5</b>	<b>1,732.0</b>	<b>1,728.4</b>	<b>1,413.2</b>
(-) Cash and Equivalents	734.4	880.4	600.2	266.4	533.7
<b>Net Debt</b>	<b>898.4</b>	<b>773.1</b>	<b>1,131.8</b>	<b>1,462.0</b>	<b>879.5</b>
Discounted Receivables	-	-	-	2.4	41.4
Put/Call options to acquire 4Bio (estimated)	47.1	46.4	45.8	44.5	43.3
<b>Adjusted Net Debt</b>	<b>945.5</b>	<b>819.5</b>	<b>1,177.6</b>	<b>1,508.9</b>	<b>964.2</b>
Adjusted Net Debt / EBITDA	0.6x	0.6x	0.9x	1.2x	0.7x

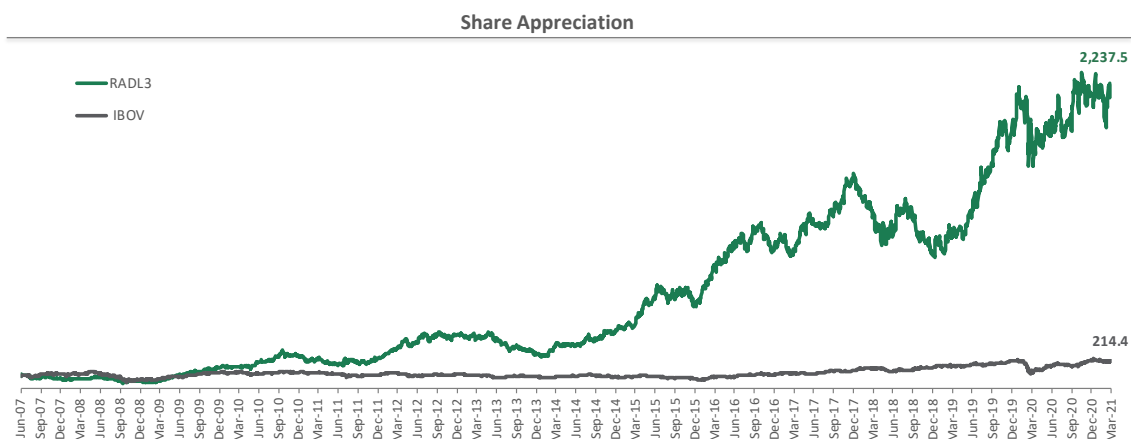
Our gross debt totaled R\$ 1,632.8 million, of which 72.5% corresponds to the debentures issued in 2017, 2018 and 2019, to our Certificate of Real Estate Receivables issued in 2019 and to our commercial papers issued in 2020, 26.6% corresponds to other credit lines and the remaining 0.9% corresponds to BNDES (Brazilian Economic and Social Development Bank) lines. Of our total debt, 87.3% is long-term, while 12.7% relates to its short-term parcels. We ended the quarter with a total cash position (cash and marketable securities) of R\$ 734.4 million.

## TOTAL SHAREHOLDER RETURNS

Our share price increased by 0.1% in the quarter, 2.3 percentage points above the IBOVESPA, which fell by 2.2%. Since the IPO of Drogasil, we achieved a cumulative share appreciation of 2,137.5% versus a return of only 114.4% for the IBOVESPA. Including the payment of interest on equity, we generated an average annual total return to shareholders of 25.7%.

Considering the IPO of Raia in December of 2010, the cumulative return amounted to 760.2% versus an increase of only 71.6% of the IBOVESPA. Considering the payment of interest on equity, this resulted in an average annual total return to shareholders of 23.7%. Lastly, our shares recorded an average daily trading volume of R\$ 154.5 million in the quarter.

## Comments on company performance



### IFRS 16

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

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

Income Statement (R\$ million)	1Q21		Change
	IAS 17	IFRS 16	Δ 1Q21
<b>Gross Revenue</b>	<b>5,979.5</b>	<b>5,979.5</b>	<b>0.0</b>
<b>Gross Profit</b>	<b>1,641.9</b>	<b>1,641.9</b>	<b>0.0</b>
Gross Margin	27.5%	27.5%	0.0%
Selling Expenses	(1,060.0)	(871.6)	188.5
G&A	(165.9)	(165.5)	0.4
<b>Total Expenses</b>	<b>(1,226.0)</b>	<b>(1,037.1)</b>	<b>188.9</b>
as % of Gross Revenue	20.5%	17.3%	-3.2%
<b>Adjusted EBITDA</b>	<b>415.9</b>	<b>604.8</b>	<b>188.9</b>
as % of Gross Revenue	7.0%	10.1%	3.2%
Non-Recurring Expenses / Revenues	16.4	16.5	0.1
Depreciation and Amortization	(147.3)	(301.7)	(154.4)
Financial Results	(18.8)	(72.5)	(53.7)
Equity Equivalence	(1.5)	(1.5)	0.0
Income Tax	(75.8)	(69.3)	6.5
<b>Net Income</b>	<b>188.8</b>	<b>176.2</b>	<b>(12.6)</b>
as % of Gross Revenue	3.2%	2.9%	-0.2%

## Comments on company performance

Balance Sheet (R\$ million)	1Q21		Change
	IAS 17	IFRS 16	Δ 1Q21
<b>Assets</b>	<b>10,972.3</b>	<b>14,149.8</b>	<b>3,177.5</b>
<b>Current Assets</b>	<b>7,333.7</b>	<b>7,333.7</b>	<b>0.0</b>
Taxes Receivable	66.3	66.4	0.0
Other Accounts Receivable	230.9	230.8	(0.0)
<b>Non-Current Assets</b>	<b>3,638.6</b>	<b>6,816.1</b>	<b>3,177.5</b>
Income Tax and Social Charges deferred	37.5	39.1	1.6
Other Credits	354.7	354.2	(0.5)
Investments	8.2	8.2	(0.0)
Property, Plant and Equipment	1,850.4	5,026.7	3,176.3
<b>Liabilities and Shareholder's Equity</b>	<b>10,972.3</b>	<b>14,149.8</b>	<b>3,177.5</b>
<b>Current Liabilities</b>	<b>4,293.6</b>	<b>4,764.0</b>	<b>470.4</b>
Financial Leases	0.0	538.4	538.4
Dividend and Interest on Equity	173.8	124.0	(49.8)
Other Accounts Payable	208.9	190.7	(18.2)
<b>Non-Current Liabilities</b>	<b>2,062.7</b>	<b>4,898.6</b>	<b>2,835.9</b>
Financial Leases	0.0	2,926.1	2,926.1
Income Tax and Social Charges Deferred	165.6	75.4	(90.2)
<b>Shareholder's Equity</b>	<b>4,616.0</b>	<b>4,487.2</b>	<b>(128.8)</b>
Income Reserves	1,780.4	1,664.2	(116.2)
Accrued Income	142.9	130.3	(12.6)
Non Controller Interest	64.5	64.4	(0.0)

Cash Flow (R\$ million)	1Q21		Change
	IAS 17	IFRS 16	Δ 1Q21
<b>Adjusted EBIT</b>	<b>268.5</b>	<b>303.1</b>	<b>34.5</b>
NPV Adjustment	(3.0)	(3.0)	0.0
Non-Recurring Expenses	16.4	16.5	0.1
Income Tax (34%)	(95.9)	(107.7)	(11.8)
Depreciation	147.3	301.7	154.4
Rental Expenses	0.0	(189.1)	(189.1)
Others	53.7	65.5	11.8
<b>Resources from Operations</b>	<b>387.2</b>	<b>387.2</b>	<b>0.0</b>
Cash Cycle*	(385.5)	(385.5)	0.0
Other Assets (Liabilities)**	14.1	14.1	0.0
<b>Operating Cash Flow</b>	<b>15.7</b>	<b>15.7</b>	<b>0.0</b>
<b>Investments</b>	<b>(147.7)</b>	<b>(147.7)</b>	<b>0.0</b>
<b>Free Cash Flow</b>	<b>(132.0)</b>	<b>(132.0)</b>	<b>0.0</b>
Interest on Equity	(0.0)	(0.0)	0.0
Net Financial Expenses***	(13.5)	(13.5)	0.0
Income Tax (Tax benefit over financial expenses and interest on equity)	19.6	19.6	0.0
<b>Total Cash Flow</b>	<b>(126.0)</b>	<b>(126.0)</b>	<b>0.0</b>

\*Includes adjustments to discounted receivables.

\*\*Includes NPV adjustments

\*\*\*Excludes NPV adjustments

## Comments on company performance

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### 1Q21 Results Conference Calls – May 12<sup>th</sup>, 2021

#### Portuguese

at 10:00 am (Brasília)

Link:

<https://live.atmodigital.com/register/a/rdresultados>

#### English

at 12:00 pm (Brasília)

Link:

<https://live.atmodigital.com/register/a/rdresultados>

For more information, please contact our Investor Relations department.

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

**Comments on company performance**

<b>Consolidated Adjusted Income Statement</b> <i>(R\$ thousand)</i>	<u>1Q20</u>	<u>1Q21</u>
<b>Gross Revenue</b>	<b>5,206,320</b>	<b>5,979,508</b>
Taxes, Discounts and Returns	(256,449)	(359,456)
<b>Net Revenue</b>	<b>4,949,871</b>	<b>5,620,051</b>
Cost of Goods Sold	(3,508,021)	(3,978,199)
<b>Gross Profit</b>	<b>1,441,851</b>	<b>1,641,852</b>
Operational (Expenses) Revenues		
Sales	(940,500)	(1,060,050)
General and Administrative	(131,995)	(165,947)
<b>Operational Expenses</b>	<b>(1,072,495)</b>	<b>(1,225,997)</b>
<b>EBITDA</b>	<b>369,356</b>	<b>415,855</b>
Depreciation and Amortization	(135,811)	(147,343)
<b>Operational Earnings before Financial Results</b>	<b>233,545</b>	<b>268,513</b>
Financial Expenses	(38,291)	(29,544)
Financial Revenue	15,859	10,712
<b>Financial Expenses/Revenue</b>	<b>(22,432)</b>	<b>(18,832)</b>
Equity Equivalence	0	(1,515)
<b>Earnings before Income Tax and Social Charges</b>	<b>211,114</b>	<b>248,166</b>
Income Tax and Social Charges	(58,361)	(70,219)
<b>Net Income</b>	<b>152,753</b>	<b>177,947</b>

**Comments on company performance**

<b>Consolidated Income Statement</b> <i>(R\$ thousand)</i>	<u>1Q20</u>	<u>1Q21</u>
<b>Gross Revenue</b>	<b>5,206,320</b>	<b>5,979,508</b>
Taxes, Discounts and Returns	(256,449)	(359,456)
<b>Net Revenue</b>	<b>4,949,871</b>	<b>5,620,051</b>
Cost of Goods Sold	(3,508,021)	(3,978,199)
<b>Gross Profit</b>	<b>1,441,851</b>	<b>1,641,852</b>
Operational (Expenses) Revenues		
Sales	(940,500)	(1,060,050)
General and Administrative	(131,995)	(165,947)
Other Operational Expenses, Net	(10,474)	16,427
<b>Operational Expenses</b>	<b>(1,082,968)</b>	<b>(1,209,570)</b>
<b>EBITDA</b>	<b>358,882</b>	<b>432,283</b>
Depreciation and Amortization	(135,811)	(147,343)
<b>Operational Earnings before Financial Results</b>	<b>223,071</b>	<b>284,940</b>
Financial Expenses	(38,291)	(29,544)
Financial Revenue	15,859	10,712
<b>Financial Expenses/Revenue</b>	<b>(22,432)</b>	<b>(18,832)</b>
Equity Equivalence	0	(1,515)
<b>Earnings before Income Tax and Social Charges</b>	<b>200,640</b>	<b>264,593</b>
Income Tax and Social Charges	(54,800)	(75,804)
<b>Net Income</b>	<b>145,840</b>	<b>188,789</b>

**Comments on company performance**

<b>Assets</b>	<b>1Q20</b>	<b>1Q21</b>
<i>(R\$ thousand)</i>		
<b>Current Assets</b>		
Cash and Cash Equivalents	533,708	734,434
Accounts Receivable	1,472,056	1,732,296
Inventories	3,932,728	4,514,392
Taxes Receivable	121,018	66,320
Other Accounts Receivable	252,349	230,861
Anticipated Expenses	58,422	55,416
	<u>6,370,281</u>	<u>7,333,720</u>
<b>Non-Current Assets</b>		
Deposit in Court	30,850	26,967
Taxes Receivable	67,255	97,508
Income Tax and Social Charges deferred	21,154	37,463
Other Credits	338,366	354,669
Investments	3,289	8,180
Property, Plant and Equipment	1,769,798	1,850,361
Intangible	1,251,216	1,263,430
	<u>3,481,928</u>	<u>3,638,578</u>
<b>ASSETS</b>	<u>9,852,209</u>	<u>10,972,298</u>

**Comments on company performance**

<b>Liabilities and Shareholder's Equity</b> <i>(R\$ thousand)</i>	<b>1Q20</b>	<b>1Q21</b>
<b>Current Liabilities</b>		
Suppliers	2,784,446	3,196,508
Loans and Financing	533,458	206,650
Salaries and Social Charges Payable	293,518	319,416
Taxes Payable	161,355	143,983
Dividend and Interest on Equity	133,190	173,828
Provision for Lawsuits	28,131	44,333
Other Accounts Payable	162,021	208,888
	<u>4,096,120</u>	<u>4,293,606</u>
<b>Non-Current Liabilities</b>		
Loans and Financing	879,716	1,426,168
Provision for Lawsuits	69,375	68,363
Income Tax and Social Charges deferred	185,127	165,593
Other Accounts Payable	385,540	402,597
	<u>1,519,757</u>	<u>2,062,722</u>
<b>Shareholder's Equity</b>		
Common Stock	2,500,000	2,500,000
Capital Reserves	133,213	146,824
Revaluation Reserve	11,805	11,635
Income Reserves	1,429,597	1,780,379
Accrued Income	98,160	142,893
Equity Adjustments	(30,230)	(30,230)
Non Controller Interest	52,144	64,468
	<u>4,236,332</u>	<u>4,615,970</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<u>9,852,209</u>	<u>10,972,298</u>



**Comments on company performance**

<b>Cash Flow</b> <i>(R\$ thousand)</i>	<b>1Q20</b>	<b>1Q21</b>
<b>Earnings before Income Tax and Social Charges</b>	<b>200,640</b>	<b>264,593</b>
<b>Adjustments</b>		
Depreciation and Amortization	135,812	147,342
Compensation plan with restricted shares, net	3,476	(1,247)
Interest over additional stock option	1,192	676
P,P&E and Intangible Assets residual value	992	8,035
Provisioned Lawsuits	3,084	54,370
Provisioned Inventory Loss	23,200	2,501
Provision for Doubtful Accounts	180	770
Provisioned Store Closures	(1,198)	(8,853)
Interest Expenses	12,477	13,832
Debt Issuance Costs Amortization	714	1,261
Equity Equivalence Result	0	1,515
Discount on rentals	0	(1,873)
	<b>380,569</b>	<b>482,922</b>
<b>Assets and Liabilities variation</b>		
Clients and Other Accounts Receivable	(290,235)	(177,633)
Inventories	(104,540)	(291,485)
Other Short Term Assets	(7,476)	(26,402)
Long Term Assets	(4,087)	7,650
Suppliers	133,960	83,581
Salaries and Social Charges	(3,155)	10,255
Taxes Payable	39,461	11,396
Other Liabilities	3,587	(15,759)
Rents Payable	(3,030)	14,735
<b>Cash from Operations</b>	<b>145,054</b>	<b>99,260</b>
Interest Paid	(1,074)	(20,298)
Income Tax and Social Charges Paid	(44,006)	(61,743)
<b>Net Cash from (invested) Operational Activities</b>	<b>99,974</b>	<b>17,219</b>
<b>Investment Activities Cash Flow</b>		
P,P&E and Intangible Acquisitions	(136,210)	(133,863)
P,P&E Sale Payments	8	466
Investments in Associates	(3,289)	(14,274)
<b>Net Cash from Investment Activities</b>	<b>(139,491)</b>	<b>(147,671)</b>
<b>Financing Activities Cash Flow</b>		
Funding	299,821	299,056
Payments	(25,238)	(314,487)
Interest on Equity and Dividends Paid	(585)	(40)
<b>Net Cash from Funding Activities</b>	<b>273,998</b>	<b>(15,471)</b>
<b>Cash and Cash Equivalents net increase</b>	<b>234,481</b>	<b>(145,923)</b>
<b>Cash and Cash Equivalents in the beginning of the period</b>	<b>299,226</b>	<b>880,357</b>
<b>Cash and Cash Equivalents in the end of the period</b>	<b>533,707</b>	<b>734,434</b>

(A free translation of the original in Portuguese)

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## Notes to the parent company and consolidated interim financial information

March 31, 2021

(All amounts in thousands of reais unless otherwise stated)



### 1. Operations

Raia Drogasil S.A. ("Company" or "Raia Drogasil" or "Parent Company") is a publicly-held company listed on the Novo Mercado ("New Market") listing segment of B3 S.A. - Brasil, Bolsa, Balcão, under ticker RADL3, with its headquarters in the capital of the state of São Paulo.

Raia Drogasil S.A. and its subsidiary 4Bio Medicamentos S.A. (together "Consolidated" or "Group") are mainly engaged in the retail sale of medicines, perfumery, personal care and beauty products, cosmetics and dermocosmetics and specialty medicines.

The Group conducts its sales through 2,323 stores (2,303 stores - 2020), distributed in 24 Brazilian states (24 states - 2020), as presented below:

State	Consolidated	
	Mar/21	Dec/20
São Paulo	1,105	1,108
Minas Gerais	171	169
Rio de Janeiro	160	156
Paraná	127	127
Goiás	91	87
Distrito Federal	77	77
Pernambuco	77	75
Bahia	72	71
Santa Catarina	62	57
Rio Grande do Sul	59	59
Espírito Santo	49	49
Ceará	48	46
Pará	40	42
Mato Grosso do Sul	30	29
Mato Grosso	26	26
Sergipe	21	20
Alagoas	20	20
Paraíba	19	19
Maranhão	19	18
Rio Grande do Norte	14	14
Piauí	14	14
Tocantins	11	11
Amazonas	7	7
Rondônia	4	2
<b>Total</b>	<b>2,323</b>	<b>2,303</b>

Raia Drogasil's stores, as well as the Group's e-commerce demands, are supplied by eleven distribution centers located in nine states: São Paulo, Rio de Janeiro, Minas Gerais, Paraná, Goiás, Pernambuco, Bahia, Ceará and Rio Grande do Sul. The subsidiary 4Bio Medicamentos S.A. ("4Bio" or "Subsidiary") markets its products through telesales and the delivery is made directly to the customer's location or through its four call centers in the states of São Paulo, Tocantins and Pernambuco.

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## Notes to the parent company and consolidated interim financial information

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### 2. Presentation of quarterly information

In conformity with Rule 505/2006 issued by the CVM, authorization to issue this interim financial information (ITR) was granted by the Company's Board of Directors on May 3, 2021.

The parent company and consolidated interim financial information is presented in thousands of Brazilian reais (R\$), which is the Group's functional and presentation currency.

The parent company and consolidated interim financial information for the periods ended March 31, 2021 and 2020 has been prepared in accordance with the accounting practices adopted in Brazil, including the rules issued by the Brazilian Securities Commission (CVM), the Brazilian General Technical Accounting Standards (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 information, which is consistent with the information used by management.

The parent company interim financial information is disclosed together with the consolidated interim financial information, which includes the interim financial information of the Company and its subsidiaries 4Bio and RD Ventures FIP. and have been prepared in accordance with consolidation practices and applicable legal provisions.

The accounting practices adopted by the subsidiaries were applied uniformly and consistently with those adopted by the Company. Where applicable, all transactions, balances, income and expenses between the subsidiary and the Company are fully eliminated in the consolidated quarterly information.

The interim financial information includes accounting estimates and requires management to exercise its judgment in the process of applying the Company's accounting policies regarding provision for inventory losses, provision for expected credit losses, appreciation of financial instruments, recoverable taxes, the amortization and depreciation periods for property and equipment and intangible assets, estimate of impairment of intangible assets with indefinite useful life, provision for legal claims, fair value measurement of financial liabilities, determination of provision for taxes, recognition of revenues from commercial agreements, among others. The significant estimates and judgments are disclosed in Note 4(w) to the financial statements for the year ended December 31, 2020.

The presentation of the parent company and consolidated statements of value added is required by the Brazilian corporate legislation and the accounting practices adopted in Brazil for listed companies, while it is not required by IFRS. Therefore, under the IFRS, the presentation of such statements is considered supplementary information, and not part of the set of the interim financial information.

The Group adopted all standards, revised standards and interpretations issued by the IFRS and CPC that were effective as at March 31, 2021.

#### Impacts of Covid-19 pandemic

In compliance with CVM Circular Letter SNC/SEP 03/2020, in view of the current scenario in Brazil due to the Covid-19 pandemic, the Company assessed the provision for expected credit losses, taking into consideration all facts and circumstances, in order to verify whether in fact there was a significant increase in credit risk or any temporary liquidity restriction.

The Company adopted the assessment of trade receivables at March 31, 2021 as the calculation basis. On this date, the Company's receivables with respect to total accumulated sales were represented by: (i) Cards (83.7%), (ii) Cash (13.0%) and others (3.3%).

Trade receivables at March 31, 2021 are presented below:

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## Notes to the parent company and consolidated interim financial information

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<b>Trade receivables</b>	<b>Mar/21</b>	<b>%</b>
Credit / debit cards	1,466,170	95.7%
Popular Pharmacy	33,476	2.2%
Agreements with companies – Univers	18,121	1.2%
Medicine Benefit Program – PBM	13,017	0.8%
Trade receivables – Checks (cash/post-dated)	1,119	0.1%
Trade receivables – Apps/Marketplace	719	0.0%
Trade receivables – Manipulaê	1	0.0%
Expected credit losses	(723)	0.0%
<b>Total</b>	<b>1,531,900</b>	<b>100.0%</b>

Regarding trade receivables items with greater representation, it is worth emphasizing that: (i) Credit / debit cards (95.7%) are concentrated on card administrators (Getnet, Cielo and Rede), where, of this amount, the Company should receive 69.3% in April 2021, and the remaining amount is substantially scheduled to be received in May, June, July and August 2021; and (ii) for the Popular Pharmacy Program (2.2%), there are no indicators that would justify any adjustment to the provision in Management's understanding, since no impact has been noted, such as the increase in default or in the average term of receipts.

Accordingly, Management assessed and concluded that there was no significant increase in credit risk regarding Trade Receivables that could justify any adjustment to the provision for expected credit losses, as well as the need for any additional disclosure, at this time, regarding the impact of the Covid-19 pandemic on the Company's receivables.

Despite the social distancing measures imposed by the Government in virtually all Brazilian states, in Management's assessment, there was no significant impact on sales indicating structural problems that could impact the accounting estimates with respect to: recoverability of financial assets (cash and cash equivalents, financial investments), realization of inventories, realization of deferred taxes, provisions for employee benefits, recoverability of indirect taxes, covenants, renegotiation of lease agreements, revaluation of assets, e-commerce revenue and taxes on profit.

Up to March 31, 2021, 40 stores were opened and 20 stores were closed. All store closures were carried out to optimize our store portfolio, with positive expectations of return. The Covid-19 pandemic had no significant impact on the Company's expansion plan.

In accordance with CVM Ruling 859/2020, which addresses amendments to NBC TG 06 (R3) – Leases, Covid-19-related rent concessions – the Company has assessed that the benefits arising from lease discounts obtained on some properties are specific events and have not resulted in changes in the terms of lease agreements (Note 21).

### 3. New accounting procedures, amendments to and interpretations of standards

#### New accounting procedures

There are no accounting standards, guidance or pronouncements that became effective for the first time as from the quarter ended March 31, 2021.

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## Notes to the parent company and consolidated interim financial information

March 31, 2021

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### Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's interim financial information are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

#### (a) NBC TG 11 (R2), CPC 50 / IFRS 17 – Insurance contracts

In May 2017, the IASB issued IFRS 17 - Insurance Contracts (standard not yet issued by CPC in Brazil, but which will be coded as CPC 50 - Insurance Contracts and will replace CPC 11 - Insurance Contracts), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. The core of IFRS 17 is the general model, supplemented by:

- (i) A specific adaptation for contracts with direct participation features (the variable fee approach); and
- (ii) A simplified approach (the premium allocation approach) mainly for short-duration contracts.

IFRS 17 is effective for reporting periods beginning on or after January 1, 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. Management understands that this standard is not applicable to the Company's interim financial information.

#### (b) NBC TG 26 (R5) / IAS 1: Presentation of Financial Statements

Classification of Liabilities as current or non-current:

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1, corresponding to NBC TG 26 (R5) to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

What is meant by a right to defer settlement?

- (i) That a right to defer must exist at the end of the reporting period;
- (ii) That classification is unaffected by the likelihood that an entity will exercise its deferral right; and
- (iii) That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and must be applied retrospectively. The Company is currently assessing the impact the amendments would have on current practice and whether existing loan agreements could require renegotiation, however, up to this moment, Management concludes that these amendments did not have significant impacts on the interim financial information.

### 4. Significant accounting practices

The accounting practices adopted for preparing this ITR are consistent with those disclosed in Note 4 to the financial statements for the year ended December 31, 2020.

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## Notes to the parent company and consolidated interim financial information

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### 5. Cash and cash equivalents

Cash and cash equivalents items	Parent Company		Consolidated	
	Mar/21	Dec/20	Mar/21	Dec/20
Cash and banks	115,975	116,076	116,934	117,167
Investment fund	-	-	1,913	2,174
Automatic investments <sup>(i)</sup>	12,627	11,871	13,420	13,145
Bank Deposit Certificates - CDB <sup>(ii)</sup>	160,403	53,716	160,403	53,716
Debentures held under repurchase agreements <sup>(iii)</sup>	418,740	673,594	441,764	694,155
<b>Total</b>	<b>707,745</b>	<b>855,257</b>	<b>734,434</b>	<b>880,357</b>

(i) Refers to a short-term fixed income fund with short-term investments and automatic redemptions.

(ii) Investments in bank deposit certificate have daily liquidity and grace period of 30 days.

(iii) Refers to a fixed income investment with income linked to the variation of the Interbank Deposit Certificate - CDI, backed by publicly offered debentures issued by companies, with commitment of repurchase by the Bank and resale by the Group, according to the conditions previously established in which financial institutions that negotiated these securities guarantee credit risk, of low risk to the Group, immediate liquidity and without loss of income.

The financial investments are distributed at the banks Banco do Brasil, Banrisul, Bradesco, Caixa Econômica, Daycoval, Itaú, Safra and Santander.

The Group's exposure to interest rate risks on financial investments is disclosed in Note 24 a.

### 6. Trade receivables

Trade receivables items	Parent Company		Consolidated	
	Mar/21	Dec/20	Mar/21	Dec/20
Trade receivables	1,535,468	1,376,516	1,737,859	1,559,908
(-) Expected credit losses	(723)	(646)	(2,238)	(2,069)
(-) Adjustment to present value	(2,845)	(2,069)	(3,325)	(2,405)
<b>Total</b>	<b>1,531,900</b>	<b>1,373,801</b>	<b>1,732,296</b>	<b>1,555,434</b>

The aging of trade receivables is presented below:

Maturities	Parent Company		Consolidated	
	Mar/21	Dec/20	Mar/21	Dec/20
Not yet due	1,516,610	1,372,587	1,709,168	1,545,854
Overdue				
Between 1 and 30 days	16,975	2,954	21,395	6,565
Between 31 and 60 days	1,348	537	2,577	2,214
Between 61 and 90 days	183	60	1,204	969
Between 91 and 180 days	352	378	2,270	3,038
Between 181 and 360 days	-	-	1,245	1,268
(-) Expected credit losses	(723)	(646)	(2,238)	(2,069)
(-) Adjustment to present value	(2,845)	(2,069)	(3,325)	(2,405)
<b>Total</b>	<b>1,531,900</b>	<b>1,373,801</b>	<b>1,732,296</b>	<b>1,555,434</b>

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**Notes to the parent company and consolidated interim financial information**

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Days sales outstanding, represented by credit and debit cards and partnerships with companies and the Government, are approximately 39 days (40 days - 2020), term that is considered part of the normal conditions inherent in Group's operations. A substantial portion of the amounts overdue for more than 31 days is represented by collection through special plans and Medicine Benefit Programs – PBMs.

The changes in expected credit losses are presented below:

	Parent Company		Consolidated	
	Mar/21	Dec/20	Mar/21	Dec/20
<b>Changes in expected losses</b>				
Opening balance	(646)	(1,250)	(2,069)	(3,430)
Additions	(1,067)	(13,951)	(1,945)	(18,427)
Reversals	428	3,155	1,175	6,947
Losses	562	11,400	601	12,841
<b>Closing balance</b>	<b>(723)</b>	<b>(646)</b>	<b>(2,238)</b>	<b>(2,069)</b>

Trade receivables are classified as financial assets at amortized cost and are therefore measured as described in Note 4(d) – Impairment to the interim financial information for the quarter ended March 31, 2021.

**7. Inventories**

Inventory items	Parent Company		Consolidated	
	Mar/21	Dec/20	Mar/21	Dec/20
Goods for resale	4,414,613	4,139,133	4,541,244	4,251,814
Consumables	9,964	6,317	9,964	6,317
(-) Provision for inventory losses	(30,697)	(28,196)	(30,697)	(28,196)
(-) Adjustment to present value	(5,987)	(4,412)	(6,119)	(4,527)
<b>Total inventory</b>	<b>4,387,893</b>	<b>4,112,842</b>	<b>4,514,392</b>	<b>4,225,408</b>

Changes in the provision for expected losses on goods are as follows:

Changes in expected losses	Parent Company		Consolidated	
	Mar/21	Dec/20	Mar/21	Dec/20
Opening balance	(28,196)	(13,116)	(28,196)	(13,116)
Additions	(4,474)	(24,505)	(4,474)	(24,505)
Write-offs	1,973	9,425	1,973	9,425
<b>Closing balance</b>	<b>(30,697)</b>	<b>(28,196)</b>	<b>(30,697)</b>	<b>(28,196)</b>

For the three-month period ended March 31, 2021, cost of sales recognized in the statement of income was R\$ 3,708,391 (R\$ 3,288,641 – 1Q2020) for the Parent Company and R\$ 3,978,199 (R\$ 3,508,020 – 1Q2020) for the Consolidated accounts, including the amount of the write-offs of goods inventories recognized as losses for the period amounting to R\$ 40,716 (R\$ 34,965 – 1Q2020) for the Parent Company and R\$ 41,087 (R\$ 35,158 – 1Q2020) for the Consolidated accounts.

The effect of the recognition, reversal or write-off of the provision for inventory losses is included in cost of sales in the statement of income.

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### 8. Recoverable taxes

Taxes recoverable items	Parent Company		Consolidated	
	Mar/21	Dec/20	Mar/21	Dec/20
<b>Taxes on profit recoverable</b>				
Withholding Income Tax (IRRF)	2,092	1,255	2,253	1,255
Corporate Income Tax (IRPJ)	2,665	214	9,220	7,162
Social Contribution on Net Profit (CSLL)	89	23	2,451	2,535
<b>Subtotal</b>	<b>4,846</b>	<b>1,492</b>	<b>13,924</b>	<b>10,952</b>
<b>Other recoverable taxes</b>				
Value Added Tax on Sales and Services (ICMS) – credit balance	49,006	43,710	52,595	48,396
ICMS – Refund of ICMS withheld in advance	10,109	10,543	10,109	10,543
ICMS on acquisitions of fixed assets	80,027	92,583	80,027	92,583
Social Integration Program (Pis)	434	427	1,124	1,120
Social Contribution on Revenue (Cofins)	2,736	2,706	5,534	5,623
Social Investment Fund - 1982 - securities issued to cover court-ordered debts	561	561	561	561
National Institute of Social Security (INSS)	-	3,301	-	3,301
<b>Subtotal</b>	<b>142,873</b>	<b>153,831</b>	<b>149,950</b>	<b>162,127</b>
<b>Total</b>	<b>147,719</b>	<b>155,323</b>	<b>163,874</b>	<b>173,079</b>
Current assets	61,077	59,288	66,366	61,531
Non-current assets	86,642	96,035	97,508	111,548

The ICMS credits amounting to R\$ 49,006 and R\$ 10,109 (R\$ 43,710 and R\$ 10,543 – Dec/2020) for the Parent Company and R\$ 52,595 and R\$ 10,109 (R\$ 48,396 and R\$ 10,543 – Dec/2020) for the Consolidated accounts are the result of applying different ICMS rates and of refunds of ICMS-ST (the Substitute Taxpayer Regime) on goods receiving and shipping operations carried out by the Company's distribution centers in the states of Pernambuco and Rio Grande do Sul, in order to supply their branches located in other Brazilian states. The respective tax credits have been progressively consumed in the last months, mainly due to goods that are not under the substitute taxpayer regime.

**Final and unappealable – Exclusion of ICMS from the Pis and Cofins tax bases – Ordinary proceeding distributed by Drogasil S.A. in April 1986**

On March 15, 2017, the Federal Supreme Court (STF) concluded the judgment on the merits of Appeal to Supreme Court No. 574,706, with general repercussion effects, thereby entitling taxpayers to the right of excluding ICMS from the Pis and Cofins tax bases.

The Company has a lawsuit filed in 1986 to discuss the right to exclude the ICMS from the Pis and Finsocial calculation basis, for which a final and unappealable decision was rendered and the lawsuit was returned to the court of origin in May 2019. The effects of this ruling also apply to Cofins since the proceeding acknowledges Finsocial succession by Cofins.

It is worth remembering that the criteria for calculating the credits and the modulation of the effects of the decision of the aforementioned appeal are still awaiting the judgment of the appeal for clarification filed by the General Prosecution Unit of the National Treasury in RE No. 574,706. The aforementioned decision is essential for the calculations, as the decision rendered related to the Company's lawsuit did not consider the merits related to which ICMS amount should be excluded from the Pis/Cofins calculation basis (the amount separately stated in the invoice, the forecast amount or the calculated amount).

Therefore, in order to assure greater legal certainty for the purpose of recovering credits from past periods, the Company opted to momentarily adopt the criterion determined by the Brazilian Federal Revenue under the terms of Cosit Private



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Letter Ruling 13/18 and Normative Instruction (IN) 1,911/19, having determined credits in the amount of R\$ 4,809, which were fully offset up to December 2020.

As these amounts correspond to the period from 2013 to 2017, the principal (R\$ 3,503) was recorded in the non-recurring result and the monetary restatement (R\$ 1,306) in the finance income for the year ended December 31, 2019.

If the ICMS amount specified as the calculation criterion is considered, the Company should record the approximate additional amount of R\$ 46,000 corresponding to the period from 2013 to 2017.

The Company awaits judgment of the appeal for clarification filed by the General Prosecution Unit of the National Treasury in RE No. 574,706, in order to evaluate the best strategy to be adopted, within the possibilities of settlement of decision and/or offset of calculated credits. The guidance in CVM Circular Letter SNC/SEP 01/2021 was also considered, observing the aspects related to the issue, and it was verified that at this moment there is no action to be taken in respect of this proceeding.

### Undue payment of social security contributions on payroll discounts

A review of the payments related to social security contribution on the payroll made in the last five years was performed and it was identified an undue payment of the contributions on amounts discounted from the payroll that would qualify as not subject to tax levy or as exemption based on favorable court decisions that defend that the discounts on the payroll for purposes of co-participation of employees in benefits exempt from social security contribution (employer portion) should also not be subject to any social security taxation. Accordingly, based on the analyses and opinions prepared by our lawyers and advisors, we determined an amount of tax credit of R\$ 32,728, which was fully offset until March/2021.

## 9. Investments

### 9.1 Business combinations and goodwill

#### (a) Business combination – 4Bio

In 2015, the Company acquired a 55% equity interest in 4Bio Medicamentos S.A. ("4Bio") and obtained its control on October 1, 2015.

The agreement establishes the granting of call and put options for all the remaining shares, corresponding to 45% of the total currently held by the founding stockholder, to be exercised after January 2021. On September 24, 2019, the Company and the Equity Investment Fund Kona ("Kona"), holder of the shares of the founding stockholder, as agreed, signed an amendment to the original purchase and sale agreement changing the period of exercise of the call options held by the Company and of the put options held by Kona, related to the remaining 45% of 4Bio, adopting the following criterion:

- 1<sup>st</sup> call and put options of shares, equivalent to 30% of the capital, will be exercisable between January 1, 2021 and June 30, 2021, having as reference the average of adjusted EBITDA of 4Bio for the years ended December 31, 2018, 2019 and 2020;

- 2<sup>nd</sup> call and put options of shares, equivalent to 15% of the capital, will be exercisable after January 1<sup>st</sup>, 2024 and June 30, 2024, having as reference the average of adjusted EBITDAs of 4Bio for the years ending December 31, 2021, 2022 and 2023.

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It was also established that Mr. André Kina will continue as CEO of 4Bio at least until the end of 2023. The fair value of the financial liability at March 31, 2021 was remeasured to R\$ 47,124 (R\$ 46,448 - December 31, 2020).

The fair value of the additional stock options recorded in Parent Company and Consolidated accounts, of R\$ 47,124 (R\$ 46,448 - Dec/20), is classified as Level 3 in the fair value hierarchy. The main fair value measurements have as reference: (i) a discount rate of 12.60% in March 2021 (12.60% - Dec/20), (ii) an average growth rate of EBITDA of 18.02% in March 2021 (18.02% - Dec/20), considering the average of the EBITDAs projected for 2018 to 2021 and the multiple provided for in contract.

The goodwill arising on acquisition of R\$ 12,907 (R\$ 12,907 - Dec/20) for the Parent Company and R\$ 25,563 (R\$ 25,563 - Dec/20) for the Consolidated accounts represents the future economic benefits expected from the business combination.

### 9.2 Incorporation of company

#### (a) Incorporation of company – Stix Fidelidade e Inteligência S.A.

The Company together with Grupo Pão de Açúcar ("GPA") announced the first Brazilian coalition of retailers with national companies through the creation of the company Stix Fidelidade ("Stix"). Stix was born with a platform of products and services for the accumulation and redemption of points, in order to offer discounts and advantages to the loyal customers of the two Companies, in addition to having the support in more than 3 thousand establishments across the country through the Drogasil, Droga Raia, Extra and Pão de Açúcar brands.

The Stix Fidelidade program focuses on offering valuable and affordable benefits to participants in a wide range of segments, building customer loyalty and generating value for the companies that will integrate its platform.

The program was launched in October 2020, for customers who make their purchases at Droga Raia, Drogasil, Extra and Pão de Açúcar stores, accumulating Stix points.

Stix Fidelidade has its shareholding structure represented by 66.77% of GPA and 33.33% of the Company and it is an autonomous company, with a Board of Directors formed by members appointed by the shareholders.

On February 29, 2020, the Company made a capital contribution in the amount of R\$ 3,289 and on February 28, 2021, it made a capital contribution in the amount of R\$ 6,508, maintaining its proportional ownership interest.

#### (b) Incorporation of company - RD Ventures Fundo de Investimento em Participações - Multiestratégia

On October 22, 2020, the Company incorporated the private equity investment fund as a closed-end fund, pursuant to CVM Instruction 578 of August 30, 2016, as amended ("CVM Instruction 578"), to CVM Instruction 579 of August 30, 2016 and to Code ABVCAP/ANBIMA of Regulations and Best Practices, as well as other applicable legal and regulatory provisions, with the name RD Ventures Fundo de Investimento em Participações – Multiestratégia ("FIP RD Ventures").

FIP RD Ventures is managed by Paraty Capital Ltda., a company headquartered at Rua dos Pinheiros, 870, conjunto 133, Pinheiros, in the city of São Paulo, state of São Paulo, registered at the National Registry of Legal Entities (CNPJ/ME) under No. 18.313.996/0001-50, duly authorized by the Brazilian Securities Commission ("CVM") to manage securities portfolio.

On December 30, 2020, the Company made a capital contribution in the amount of R\$ 4,500 and on March 10, 2021 it made a capital contribution in the amount of R\$ 8,000.

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**9.3 Composition and changes in investments**

At March 31, 2021 and December 31, 2020, the Company's investment balance is presented below:

Company name	Main activity	Direct interest		
		(%)	Mar/21	Dec/20
4Bio Medicamentos S.A.	Retail of special medicines	55%	76,092	73,768
Stix Fidelidade e Inteligência S.A.	Platform of products and services for the accumulation and redemption of points	33%	11,909	(4,578)
RD Ventures FIP - Multiestratégia	Private equity investment fund	100%	415	4,498
<b>Total</b>			<b>88,416</b>	<b>73,688</b>

(i) The provision for losses on investments is recorded in "Other provisions".

Changes in investment balances presented in the parent company interim financial information are shown below:

Changes in investments	Parent Company			
	4BIO	stix	RD VENTURES	Total
	Subsidiary	Joint venture	Subsidiary	
At January 1 <sup>st</sup> , 2020	60,263	-	-	<b>60,263</b>
Capital contribution	-	3,289	4,500	<b>7,789</b>
Equity in the results of subsidiary	13,553	(7,867)	(2)	<b>5,684</b>
Restricted share compensation plan – 4Bio	(48)	-	-	<b>(48)</b>
<b>At December 31, 2020</b>	<b>73,768</b>	<b>(4,578)</b>	<b>4,498</b>	<b>73,688</b>
Classified as provision for losses on investments (i)	-	<b>(4,578)</b>	-	<b>(4,578)</b>
Classified as investments	<b>73,768</b>	-	<b>4,498</b>	<b>78,266</b>
Capital contribution	-	6,508	8,000	<b>14,508</b>
Equity in the results of subsidiary	2,363	(1,515)	(589)	<b>259</b>
Restricted share compensation plan – 4Bio	(39)	-	-	<b>(39)</b>
<b>At March 31, 2021</b>	<b>76,092</b>	<b>415</b>	<b>11,909</b>	<b>88,416</b>

(i) The provision for losses on investments is recorded in "Other Provisions".

For the purpose of calculating the equity in subsidiaries and associates, the Company adjusts the assets, liabilities and the respective changes in the result. At 4Bio they are adjusted based on the purchase price allocation determined on the acquisition date. The table below shows the effects on profit for the year of subsidiaries and associates for the purposes of determining the equity in results of investees for the three-month period ended March 31, 2021 and the year ended December 31, 2020:

Changes in investments	Parent Company			
	4BIO	stix	RD VENTURES	Equity in the results of investees
Profit (loss) for the year	14,066	(7,867)	(2)	<b>6,197</b>
Amortization of surplus arising from the business combination	(513)	-	-	<b>(513)</b>
<b>Equity in the results of investees at December 31, 2020</b>	<b>13,553</b>	<b>(7,867)</b>	<b>(2)</b>	<b>5,684</b>
Profit (loss) for the period	2,414	(1,515)	(589)	<b>310</b>
Amortization of surplus arising from the business combination	(51)	-	-	<b>(51)</b>
<b>Equity in the results of investees at March 31, 2021</b>	<b>2,363</b>	<b>(1,515)</b>	<b>(589)</b>	<b>259</b>

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**Parent Company**

				Mar/21
<b>Adjusted equity</b>				
Investment at book value	61,561	415	11,909	<b>73,885</b>
Allocation of the purchase price (surplus of assets)	2,601	-	-	<b>2,601</b>
Deferred income tax liability on allocation adjustments	(884)	-	-	<b>(884)</b>
Restricted share compensation plan	(93)	-	-	<b>(93)</b>
<b>Total adjusted equity</b>	<b>63,185</b>	<b>415</b>	<b>11,909</b>	<b>75,509</b>
Goodwill based on expected future profitability	12,907	-	-	<b>12,907</b>
<b>Investment balance</b>	<b>76,092</b>	<b>415</b>	<b>11,909</b>	<b>88,416</b>

**Parent Company**

				Dec/20
<b>Adjusted equity</b>				
Investment at book value	59,147	(4,578)	4,498	<b>59,067</b>
Allocation of the purchase price (surplus of assets)	2,679	-	-	<b>2,679</b>
Deferred income tax liability on allocation adjustments	(911)	-	-	<b>(911)</b>
Restricted share compensation plan	(54)	-	-	<b>(54)</b>
<b>Total adjusted equity</b>	<b>60,861</b>	<b>(4,578)</b>	<b>4,498</b>	<b>60,781</b>
Goodwill based on expected future profitability	12,907	-	-	<b>12,907</b>
<b>Investment balance</b>	<b>73,768</b>	<b>(4,578)</b>	<b>4,498</b>	<b>73,688</b>

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**10. Property and equipment and intangible assets**

a) Property and equipment

Property and equipment is broken down as follows:

		Parent Company					
		Mar/21			Dec/20		
	Average annual depreciation rates (%)	Cost	Accumulated depreciation	Net book value	Cost	Accumulated depreciation	Net book value
Land	-	32,124	-	<b>32,124</b>	32,124	-	<b>32,124</b>
Buildings	2.5 - 2.7	69,837	(27,343)	<b>42,494</b>	69,837	(26,886)	<b>42,951</b>
Furniture, fittings and facilities	7.4 - 10	1,120,868	(468,565)	<b>652,303</b>	1,096,992	(443,290)	<b>653,702</b>
Machinery and equipment	7.1 - 15.8	724,342	(381,228)	<b>343,114</b>	705,530	(361,320)	<b>344,210</b>
Vehicles	20 - 23.7	75,884	(39,784)	<b>36,100</b>	73,711	(38,306)	<b>35,405</b>
Leasehold improvements	13 - 20	1,457,554	(718,142)	<b>739,412</b>	1,435,389	(689,570)	<b>745,819</b>
<b>Total</b>		<b>3,480,609</b>	<b>(1,635,062)</b>	<b>1,845,547</b>	<b>3,413,583</b>	<b>(1,559,372)</b>	<b>1,854,211</b>

		Consolidated					
		Mar/21			Dec/20		
	Average annual depreciation rates (%)	Cost	Accumulated depreciation	Net book value	Cost	Accumulated depreciation	Net book value
Land	-	32,124	-	<b>32,124</b>	32,124	-	<b>32,124</b>
Buildings	2.5 - 2.7	69,837	(27,343)	<b>42,494</b>	69,837	(26,886)	<b>42,951</b>
Furniture, fittings and facilities	7.4 - 10	1,122,807	(469,389)	<b>653,418</b>	1,098,912	(444,070)	<b>654,842</b>
Machinery and equipment	7.1 - 15.8	728,036	(382,785)	<b>345,251</b>	709,103	(362,736)	<b>346,367</b>
Vehicles	20 - 23.7	76,231	(39,987)	<b>36,244</b>	74,058	(38,499)	<b>35,559</b>
Leasehold improvements	13 - 20	1,460,727	(719,897)	<b>740,830</b>	1,438,562	(691,185)	<b>747,377</b>
<b>Total</b>		<b>3,489,762</b>	<b>(1,639,401)</b>	<b>1,850,361</b>	<b>3,422,596</b>	<b>(1,563,376)</b>	<b>1,859,220</b>

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Changes in the parent company's property and equipment are as follows:

<b>Changes in cost</b>	<b>Jan 1<sup>st</sup>, 2020</b>	<b>Additions</b>	<b>Disposals and write-offs</b>	<b>(Provision) / Reversal for store closures</b>	<b>Dec/20</b>	<b>Additions</b>	<b>Disposals and write-offs</b>	<b>(Provision) / Reversal for store closures</b>	<b>Mar/21</b>
Land	35,646	-	(3,522)	-	32,124	-	-	-	32,124
Buildings	71,422	-	(1,585)	-	69,837	-	-	-	69,837
Furniture, fittings and facilities	967,400	146,580	(14,293)	(2,695)	1,096,992	23,392	(4,759)	5,243	1,120,868
Machinery and equipment	597,668	116,534	(8,672)	-	705,530	20,767	(1,955)	-	724,342
Vehicles	68,061	8,059	(2,409)	-	73,711	2,896	(723)	-	75,884
Leasehold improvements	1,330,927	289,808	(181,673)	(3,673)	1,435,389	66,478	(53,799)	9,486	1,457,554
<b>Total</b>	<b>3,071,124</b>	<b>560,981</b>	<b>(212,154)</b>	<b>(6,368)</b>	<b>3,413,583</b>	<b>113,533</b>	<b>(61,236)</b>	<b>14,729</b>	<b>3,480,609</b>

<b>Changes in accumulated depreciation</b>	<b>Jan 1<sup>st</sup>, 2020</b>	<b>Additions</b>	<b>Disposals and write-offs</b>	<b>Provision / (Reversal) for store closures</b>	<b>Dec/20</b>	<b>Additions</b>	<b>Disposals and write-offs</b>	<b>Provision / (Reversal) for store closures</b>	<b>Mar/21</b>
Land	-	-	-	-	-	-	-	-	-
Buildings	(25,216)	(1,892)	222	-	(26,886)	(457)	-	-	(27,343)
Furniture, fittings and facilities	(361,231)	(96,433)	13,043	1,331	(443,290)	(25,898)	2,633	(2,010)	(468,565)
Machinery and equipment	(288,631)	(80,936)	8,247	-	(361,320)	(21,603)	1,695	-	(381,228)
Vehicles	(31,308)	(7,782)	784	-	(38,306)	(2,198)	720	-	(39,784)
Leasehold improvements	(591,403)	(280,696)	180,208	2,321	(689,570)	(72,446)	48,572	(4,698)	(718,142)
<b>Total</b>	<b>(1,297,789)</b>	<b>(467,739)</b>	<b>202,504</b>	<b>3,652</b>	<b>(1,559,372)</b>	<b>(122,602)</b>	<b>53,620</b>	<b>(6,708)</b>	<b>(1,635,062)</b>

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Changes in the Consolidated property and equipment are as follows:

	Jan 1 <sup>st</sup> , 2020	Additions	Disposals and write- offs	(Provision) / Reversal for store closures	Dec/20	Additions	Disposals and write- offs	(Provision) / Reversal for store closures	Mar/21
<b>Changes in cost</b>									
Land	35,646	-	(3,522)	-	<b>32,124</b>	-	-	-	<b>32,124</b>
Buildings	71,422	-	(1,585)	-	<b>69,837</b>	-	-	-	<b>69,837</b>
Furniture, fittings and facilities	969,119	146,782	(14,294)	(2,695)	<b>1,098,912</b>	23,411	(4,759)	5,243	<b>1,122,807</b>
Machinery and equipment	600,255	117,520	(8,672)	-	<b>709,103</b>	20,888	(1,955)	-	<b>728,036</b>
Vehicles	68,408	8,059	(2,409)	-	<b>74,058</b>	2,896	(723)	-	<b>76,231</b>
Leasehold improvements	1,333,498	290,410	(181,673)	(3,673)	<b>1,438,562</b>	66,478	(53,799)	9,486	<b>1,460,727</b>
<b>Total</b>	<b>3,078,348</b>	<b>562,771</b>	<b>(212,155)</b>	<b>(6,368)</b>	<b>3,422,596</b>	<b>113,673</b>	<b>(61,236)</b>	<b>14,729</b>	<b>3,489,762</b>
<b>Changes in accumulated depreciation</b>									
Land	-	-	-	-	-	-	-	-	-
Buildings	(25,216)	(1,892)	222	-	<b>(26,886)</b>	(457)	-	-	<b>(27,343)</b>
Furniture, fittings and facilities	(361,850)	(96,595)	13,044	1,331	<b>(444,070)</b>	(25,941)	2,632	(2,010)	<b>(469,389)</b>
Machinery and equipment	(289,592)	(81,390)	8,246	-	<b>(362,736)</b>	(21,745)	1,696	-	<b>(382,785)</b>
Vehicles	(31,460)	(7,823)	784	-	<b>(38,499)</b>	(2,208)	720	-	<b>(39,987)</b>
Leasehold improvements	(592,495)	(281,219)	180,208	2,321	<b>(691,185)</b>	(72,587)	48,573	(4,698)	<b>(719,897)</b>
<b>Total</b>	<b>(1,300,613)</b>	<b>(468,919)</b>	<b>202,504</b>	<b>3,652</b>	<b>(1,563,376)</b>	<b>(122,938)</b>	<b>53,621</b>	<b>(6,708)</b>	<b>(1,639,401)</b>

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b) Intangible assets

Intangible assets are broken down as follows:

	Average annual amortization rates (%)	Parent Company					
		Mar/21			Dec/20		
		Cost	Accumulated amortization	Net book value	Cost	Accumulated amortization	Net book value
Points of sale	17 - 23.4	266,440	(173,699)	<b>92,741</b>	271,276	(171,884)	<b>99,392</b>
Software license	20	272,931	(114,784)	<b>158,147</b>	255,240	(105,344)	<b>149,896</b>
Goodwill on business acquisition - Vison Ltda	(i)	22,275	(2,387)	<b>19,888</b>	22,275	(2,387)	<b>19,888</b>
Goodwill on business acquisition - Raia S.A.	(i)	780,084	-	<b>780,084</b>	780,084	-	<b>780,084</b>
Trademarks	(i)	178,399	(1,171)	<b>177,228</b>	177,835	(995)	<b>176,840</b>
Customers portfolio	6.7 - 25	41,700	(39,132)	<b>2,568</b>	41,700	(39,017)	<b>2,683</b>
<b>Total</b>		<b>1,561,829</b>	<b>(331,173)</b>	<b>1,230,656</b>	<b>1,548,410</b>	<b>(319,627)</b>	<b>1,228,783</b>

	Average annual amortization rates (%)	Consolidated					
		Mar/21			Dec/20		
		Cost	Accumulated amortization	Net book value	Cost	Accumulated amortization	Net book value
Points of sale	17 - 23.4	266,442	(173,699)	<b>92,743</b>	271,278	(171,883)	<b>99,395</b>
Software license and systems implementation	20	277,300	(116,673)	<b>160,627</b>	259,418	(107,033)	<b>152,385</b>
Goodwill on business acquisition - Vison Ltda	(i)	22,275	(2,387)	<b>19,888</b>	22,275	(2,387)	<b>19,888</b>
Goodwill on business acquisition - Raia S.A.	(i)	780,084	-	<b>780,084</b>	780,084	-	<b>780,084</b>
Goodwill on business acquisition - 4Bio S.A.	(i)	25,563	-	<b>25,563</b>	25,563	-	<b>25,563</b>
Trademarks	(i)	183,468	(6,325)	<b>177,143</b>	182,904	(6,149)	<b>176,755</b>
Customers portfolio (Raia S.A.)	6.7 - 25	41,700	(39,132)	<b>2,568</b>	41,700	(39,017)	<b>2,683</b>
Customer relationship (4Bio S.A.)	20	7,928	(3,113)	<b>4,815</b>	7,928	(2,972)	<b>4,956</b>
<b>Total</b>		<b>1,604,760</b>	<b>(341,329)</b>	<b>1,263,431</b>	<b>1,591,150</b>	<b>(329,441)</b>	<b>1,261,709</b>

(i) Indefinite useful life



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Changes in the Company's intangible assets are as follows:

	Jan 1 <sup>st</sup> , 2020	Additions	Disposals and write- offs	(Provision) / Reversal for store closures	Dec/20	Additions	Disposals and write- offs	(Provision) / Reversal for store closures	Mar/21
<b>Changes in cost</b>									
Points of sale	288,139	27,249	(44,346)	234	271,276	3,937	(11,036)	2,263	<b>266,440</b>
Software license	205,506	81,266	(31,541)	9	255,240	20,633	(2,949)	7	<b>272,931</b>
Goodwill on business acquisition – Vison	22,275	-	-	-	22,275	-	-	-	<b>22,275</b>
Goodwill on business acquisition – Raia	780,084	-	-	-	780,084	-	-	-	<b>780,084</b>
Trademarks	176,553	1,357	(75)	-	177,835	1,418	(854)	-	<b>178,399</b>
Customers portfolio	41,700	-	-	-	41,700	-	-	-	<b>41,700</b>
<b>Total</b>	<b>1,514,257</b>	<b>109,872</b>	<b>(75,962)</b>	<b>243</b>	<b>1,548,410</b>	<b>25,988</b>	<b>(14,839)</b>	<b>2,270</b>	<b>1,561,829</b>
<b>Changes in accumulated depreciation</b>									
Points of sale	(171,093)	(45,108)	44,102	215	(171,884)	(10,535)	10,152	(1,432)	<b>(173,699)</b>
Software license	(90,012)	(46,612)	31,283	(3)	(105,344)	(13,236)	3,802	(6)	<b>(114,784)</b>
Goodwill on business acquisition – Vison	(2,387)	-	-	-	(2,387)	-	-	-	<b>(2,387)</b>
Goodwill on business acquisition – Raia	-	-	-	-	-	-	-	-	<b>-</b>
Trademarks	(293)	(702)	-	-	(995)	(176)	-	-	<b>(1,171)</b>
Customers portfolio	(38,557)	(460)	-	-	(39,017)	(115)	-	-	<b>(39,132)</b>
<b>Total</b>	<b>(302,342)</b>	<b>(92,882)</b>	<b>75,385</b>	<b>212</b>	<b>(319,627)</b>	<b>(24,062)</b>	<b>13,954</b>	<b>(1,438)</b>	<b>(331,173)</b>

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Changes in the Consolidated intangible assets are as follows:

	Jan 1 <sup>st</sup> , 2020	Additions	Disposals and write-offs	(Provision) / Reversal for store closures	Dec/20	Additions	Disposals and write-offs	(Provision) / Reversal for store closures	Mar/21
<b>Changes in cost</b>									
Points of sale	288,139	27,249	(44,344)	234	271,278	3,937	(11,036)	2,263	<b>266,442</b>
Software license	208,238	82,712	(31,541)	9	259,418	20,824	(2,949)	7	<b>277,300</b>
Goodwill on business acquisition – Vison	22,275	-	-	-	22,275	-	-	-	<b>22,275</b>
Goodwill on business acquisition – Raia	780,084	-	-	-	780,084	-	-	-	<b>780,084</b>
Goodwill on business acquisition – 4Bio	25,563	-	-	-	25,563	-	-	-	<b>25,563</b>
Trademarks	181,622	1,357	(75)	-	182,904	1,418	(854)	-	<b>183,468</b>
Customers portfolio - Raia	41,700	-	-	-	41,700	-	-	-	<b>41,700</b>
Customer relationship - 4Bio	7,928	-	-	-	7,928	-	-	-	<b>7,928</b>
<b>Total</b>	<b>1,555,549</b>	<b>111,318</b>	<b>(75,960)</b>	<b>243</b>	<b>1,591,150</b>	<b>26,179</b>	<b>(14,839)</b>	<b>2,270</b>	<b>1,604,760</b>
<b>Changes in accumulated depreciation</b>									
Points of sale	(171,092)	(45,108)	44,101	216	(171,883)	(10,536)	10,152	(1,432)	<b>(173,699)</b>
Software license	(91,064)	(47,248)	31,282	(3)	(107,033)	(13,436)	3,802	(6)	<b>(116,673)</b>
Goodwill on business acquisition – Vison	(2,387)	-	-	-	(2,387)	-	-	-	<b>(2,387)</b>
Goodwill on business acquisition – Raia	-	-	-	-	-	-	-	-	<b>-</b>
Goodwill on business acquisition – 4Bio	-	-	-	-	-	-	-	-	<b>-</b>
Trademarks	(4,602)	(1,547)	-	-	(6,149)	(176)	-	-	<b>(6,325)</b>
Customers portfolio - Raia	(38,557)	(460)	-	-	(39,017)	(115)	-	-	<b>(39,132)</b>
Customer relationship - 4Bio	(2,406)	(566)	-	-	(2,972)	(141)	-	-	<b>(3,113)</b>
<b>Total</b>	<b>(310,108)</b>	<b>(94,929)</b>	<b>75,383</b>	<b>212</b>	<b>(329,441)</b>	<b>(24,404)</b>	<b>13,954</b>	<b>(1,438)</b>	<b>(341,329)</b>

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### Goodwill on acquisition of companies

Goodwill on the acquisition of companies is subject to annual impairment testing.

#### Goodwill on the acquisition of Drogaria Vison Ltda.

Goodwill in the amount of R\$ 19,888 refers to the acquisition of Drogaria Vison Ltda. on February 13, 2008, which was included in the Company's operations as from June 30, 2008.

Goodwill is based on expected future profitability, pursuant to an appraisal prepared by an independent expert, and was amortized from April to December 2008. As provided for in CPC Guidance (OCPC) 02, since 2009, goodwill has no longer been amortized, but has been subject to impairment testing ever since.

#### Goodwill on the acquisition of Raia S.A.

The Company computed goodwill of R\$ 780,084 in the business combination with Raia S.A., occurred on November 10, 2011, which is based on expected future profitability resulting from the positive difference between balances of assets assigned and those received.

#### Goodwill on the acquisition of 4Bio Medicamentos S.A.

The Company computed goodwill of R\$ 25,563 in the business combination with 4Bio Medicamentos S.A., occurred on October 1<sup>st</sup>, 2015, of which the balance was supplemented by the final price adjustment as of March 31, 2016 of R\$ 2,040, which is based on expected future profitability resulting from the positive difference between the balances of assets assigned and those received.

## 11. Employees benefits

### (a) Profit sharing program

The Group has a profit sharing program intended mainly to measure the performance of employees during the period. On a monthly basis, a liability and an expense for profit sharing are recognized in the statement of income based on estimates of achievement of operating targets and specific objectives established and approved by Management. The recognition as liabilities is made in the account of salaries and social charges and in the statement of income the recognition is made in the account of selling expenses and general and administrative expenses (Note 21).

### (b) Other benefits

Other short-term benefits are also granted to employees, such as life insurance, health and dental care, housing allowance, maternity leave and scholarship, which are recognized on an accrual basis and whose right is extinguished at the end of the employment relationship with the Group.

The Group does not grant post-employment benefits, severance pay benefits or other long-term benefits.

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### 12. Trade payables

Trade payables items	Parent Company		Consolidated	
	Mar/21	Dec/20	Mar/21	Dec/20
Goods suppliers	2,908,884	2,810,531	3,099,316	2,971,215
Service providers	81,289	105,359	81,801	107,973
Materials suppliers	14,758	20,841	14,856	20,935
Assets suppliers	8,268	14,258	8,535	14,679
Adjustment to present value	(7,651)	(7,610)	(7,999)	(7,864)
<b>Total</b>	<b>3,005,548</b>	<b>2,943,379</b>	<b>3,196,509</b>	<b>3,106,938</b>

In the first quarter of 2021, certain suppliers have assigned Company notes, without right of subrogation. This advance on credit notes generated a financial gain to the Company in the amount of R\$ 3,579 (R\$ 8,330 - Dec/2020). In this operation, the financial institution takes into consideration the credit risk of the buyer (in this case, the Company), there is no change in the average payment period and there is no obligation that results in expenses for the Company. The Company's Management also considered the guidance in CVM Circular Letter SNC/SEP 01/2021, observing the qualitative aspects on the issue, and concluded that there are no impacts because there is no change in the conditions originally agreed as a result of these suppliers financing transactions.

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**13. Borrowings, debentures and promissory notes**

(a) Breakdown

Borrowing items	Average annual long-term interest rate	Parent Company		Consolidated	
		Mar/21	Dec/20	Mar/21	Dec/20
<b>BNDES – Subloan</b>					
Businesses	TLP + 2.02% (+ 2.02% - Dec/2020) p.a.	5,750	11,480	5,750	11,480
Ventures	SELIC + 2.42% (+ 2.42% - Dec/2020) p.a.	7,291	14,483	7,291	14,483
Machinery, equipment and vehicles	TLP + 2.02% (+ 2.02% - Dec/2020) p.a.	1,188	2,373	1,188	2,373
Machinery, equipment and vehicles	SELIC + 2.42% (+ 2.42% - Dec/2020) p.a.	6	12	6	12
Other		430	547	430	547
<b>Total BNDES – Subloan</b>		<b>14,665</b>	<b>28,895</b>	<b>14,665</b>	<b>28,895</b>
<b>Debentures</b>					
1 <sup>st</sup> issue of debentures	104.75% of CDI	100,630	100,072	100,630	100,072
2 <sup>nd</sup> issue of debentures	104.50% of CDI	224,267	223,087	224,267	223,087
3 <sup>rd</sup> issue of debentures – Certificate of Real Estate					
Receivables	98.50% of CDI	245,253	246,104	245,253	246,104
4 <sup>th</sup> issue of debentures	106.99% of CDI	301,418	299,850	301,418	299,850
<b>Total Debentures</b>		<b>871,568</b>	<b>869,113</b>	<b>871,568</b>	<b>869,113</b>
<b>Borrowings</b>					
Direct loans Law 4,131	100.00% of CDI + 2.61%	299,310	312,628	299,310	312,628
Direct loans Law 4,131	100.00% of CDI + 3.30%	101,016	100,924	101,016	100,924
Other	100.00% of CDI + 2.95%	-	-	33,639	33,453
<b>Total Borrowings</b>		<b>400,326</b>	<b>413,552</b>	<b>433,965</b>	<b>447,005</b>
<b>Promissory Notes</b>					
1 <sup>st</sup> issue of promissory notes	100.00% of CDI + 3.00%	312,620	308,441	312,620	308,441
<b>Total Promissory Notes</b>		<b>312,620</b>	<b>308,441</b>	<b>312,620</b>	<b>308,441</b>
<b>Total</b>		<b>1,599,179</b>	<b>1,620,001</b>	<b>1,632,818</b>	<b>1,653,454</b>
Current liabilities		173,011	497,751	206,650	531,204
Non-current liabilities		1,426,168	1,122,250	1,426,168	1,122,250

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The amounts above have the following payment flow forecast:

Payment forecast	Parent Company		Consolidated	
	Mar/21	Dec/20	Mar/21	Dec/20
2021 <sup>(i)</sup>	173,011	497,751	206,650	531,204
2022	535,194	531,286	535,194	531,286
2023	43,152	43,405	43,152	43,405
2024 and thereafter	847,822	547,559	847,822	547,559
<b>Total</b>	<b>1,599,179</b>	<b>1,620,001</b>	<b>1,632,818</b>	<b>1,653,454</b>

(i) For comparison purposes, the installments falling due, corresponding to twelve months, were considered as 2021, including nine installments falling due in 2021 and three installments falling due in 2022.

### (b) Characteristics of BNDES borrowing

Borrowing from the BNDES is used for the expansion of stores, acquisition of machinery, equipment, vehicles and also to finance the Company's working capital.

The subloans for the Social Project, Development of Own Brand and Acquisition of National Software are grouped in the Other line. Part of the Company's borrowing from BNDES has been taken out in the form of subloans, totaling R\$ 14,665 (R\$ 28,895 - Dec/20), subject to the following restrictive covenants:

- (i) EBITDA margin (EBITDA/Net operating revenue): equal to or higher than 3.6%; and
- (ii) Total net debt/Total assets: equal to or lower than 20%.

Covenants are measured annually and, at December 31, 2020, the Company was in compliance with these covenants.

If these requirements were not met, the Company would have to provide BNDES with bank guarantees to ensure the performance of its obligations under the agreement.

The Group is not a party to any agreements containing non-financial covenants before BNDES.

### (c) Characteristics of the debentures and promissory notes

On April 24, 2020, the Company carried out the 1<sup>st</sup> issue of promissory notes in a single series for public distribution with restricted efforts (CVM 476), in the amount of R\$ 300,000, with remuneration of 100% (one hundred percent) of the cumulative variation of the average daily rates of the DIs, plus a surcharge of 3.00% per year and payment term of 2 years. Interest payment and amortization of principal will be carried out on the maturity date. The funds were used to improve the working capital.

Type of issue	Issue amount	Quantity outstanding	Issue	Maturity	Annual charges	Unit price
1 <sup>st</sup> issue – single series	R\$ 300,000	60	4/24/2020	2020-2022	CDI + 3.00%	R\$ 5,000

On June 17, 2019, the Company carried out the 4<sup>th</sup> issue of non-convertible, simple unsecured debentures in a single series in the total amount of R\$ 300,000 for public distribution with restricted efforts (CVM 476), with settlement on July 12, 2019, with remuneration of 106.99% of CDI and payment term of 8 years. Interest payments will be semi-annual and principal will be amortized in two equal annual and consecutive installments, the last installment to be paid on June 17, 2027. The funds were used to improve the working capital.

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Type of issue	Issue amount	Quantity outstanding	Issue	Maturity	Annual charges	Unit price
4 <sup>th</sup> issue – single series	R\$ 300,000	300,000	6/17/2019	2019-2027	106.99%	R\$ 1

On February 1, 2019, the Company approved, through the Extraordinary Meeting of the Board of Directors, the 3<sup>rd</sup> issue of non-convertible, simple unsecured debentures in a single series, in the total amount of R\$ 250,000, with remuneration of 98.5% of CDI and payment term of 7 years. Interest payments will be semi-annual, and principal will be amortized in two equal annual and consecutive installments, the last installment to be paid on March 13, 2026. The funds raised are being used for the construction, expansion, development and renovation of certain properties indicated by the Company. This operation is linked to the real estate receivables certificates issued by Vert Companhia Securitizadora, which will be issued with guarantee in the "CRI" debentures, object of a public offering for distribution under CVM Instruction 400.

Type of issue	Issue amount	Quantity outstanding	Issue	Maturity	Annual charges	Unit price
3 <sup>rd</sup> issue – Single Series	R\$ 250,000	250,000	3/15/2019	2019-2026	98.5%	R\$ 1

The 2<sup>nd</sup> issue of debentures was carried out on April 2, 2018 and has maturity of 60 months (April/2023).

Type of issue	Issue amount	Quantity outstanding	Issue	Maturity	Annual charges	Unit price
2 <sup>nd</sup> issue - 9 series	R\$ 400,000	40,000	4/02/2018	2018-2023	104.5%(*)	R\$ 10

(\*) Weighted average rate of series.

The amortization of the principal related to the 2<sup>nd</sup> issue of debentures will occur in 9 semiannual consecutive installments, the first being from the 12<sup>th</sup> month after the issue. The payment of the remuneration will occur on a semiannual basis, and the first payment is due in April 2019, and others always in April and October of each year, until the due date.

The characteristics of the debentures issued in 2017 were not changed, as shown in the table below:

Type of issue	Issue amount	Quantity outstanding	Issue	Maturity	Annual charges	Unit price
1 <sup>st</sup> issue – single series	R\$ 300,000	30,000	4/19/2017	2017-2022	104.75%	R\$ 10

The costs incurred on the issues of the Company's debentures (2017 - 1<sup>st</sup> issue, 2018 - 2<sup>nd</sup> issue, 2019 - 3<sup>rd</sup> and 4<sup>th</sup> issues) and 1<sup>st</sup> issue of promissory notes in 2020, including fees, commissions and other costs, totaled R\$ 14,434 (R\$ 14,293 - 2020) and are classified in line item of the respective debentures and promissory notes, and are being recognized over the total period of the debt. At March 31, 2021, the amount to be recognized was R\$ 7,710 (R\$ 8,505 - 2020), and is presented net in debentures and promissory notes balance.

The Company's debentures and promissory notes are conditioned to the compliance with the following covenants:

(i) Net Debt / EBITDA: cannot exceed 3 times.

The calculation of net debt, the basis for determining the covenants calculation of Company's debentures and promissory notes, considers the balances of borrowings. As described in Note 14, the lease obligations are being presented in a separate line item in the financial statements, and therefore, are not included in the net debt calculation.

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Covenants are measured quarterly and, at March 31, 2021, the Company was in compliance with such requirements.

The non-compliance with the covenants for two consecutive quarters can be considered as a default event and consequently result in early maturity.

The Group monitors clauses subject to compliance with non-financial covenants, in order to ensure that they are being complied with. The Company was in compliance with these covenants.

### (d) Characteristics of borrowings

On April 8, 2020, the Company carried out loan operation – 4131, in the amount of R\$ 100,000, with remuneration of 100% of the cumulative variation of the average daily rates of the CDIs, plus a surcharge of 3.30% per year and payment term of 2 years. Interest payments will be quarterly and amortization of principal will be carried out on the maturity date. The funds were used to improve the working capital.

On March 26, 2021, the Company carried out loan operation – 4131, in the amount of R\$ 300,000, with remuneration of 100% of the cumulative variation of the average daily rates of the CDIs, plus a surcharge of 2.61% per year and payment term of 3 years. Interest payments will be semi-annual and amortization of principal will be carried out on the maturity date. The funds were used to improve the working capital.

The transaction costs incurred in borrowings - 4131 are of 0.25% referring to the amount of R\$ 100,000, with a term of 2 years, and 0.30% referring to the amount of R\$ 300,000, with a term of 3 years, including fees, commissions and other costs, which amounted to R\$ 2,004 and are classified in line item of the respective borrowings, and are being recognized over the total period of the debt. At March 31, 2021, the amount to be recognized was R\$ 1,114 (R\$ 404 – Dec/2020), and is presented net in the borrowings balance.

The borrowings - 4131 are not conditioned to compliance with financial and non-financial covenants.

### (e) Reconciliation of net debt

The analysis of and the changes in net debt are presented below:

Composition and changes in net debt	Parent Company		Consolidated	
	Mar/21	Dec/20	Mar/21	Dec/20
Short-term borrowings	173,011	497,751	206,650	531,204
Long-term borrowings	1,426,168	1,122,250	1,426,168	1,122,250
<b>Total debt</b>	<b>1,599,179</b>	<b>1,620,001</b>	<b>1,632,818</b>	<b>1,653,454</b>
(-) Cash and cash equivalents (Note 5)	(707,745)	(855,257)	(734,434)	(880,357)
<b>Net debt</b>	<b>891,434</b>	<b>764,744</b>	<b>898,384</b>	<b>773,097</b>



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Changes in net debt	Parent Company		
	Borrowing	Cash and cash equivalents	Net debt
Net debt at January 1 <sup>st</sup> , 2020	1,126,476	(294,863)	831,613
Funding	695,287	-	695,287
Accrued interest	58,991	-	58,991
Payment of interest	(40,084)	-	(40,084)
Amortization of principal	(225,245)	-	(225,245)
Amortization of transaction cost	4,576	-	4,576
Increase (decrease) in cash and cash equivalents	-	(560,394)	(560,394)
<b>Net debt at December 31, 2020</b>	<b>1,620,001</b>	<b>(855,257)</b>	<b>764,744</b>
Funding	299,056	-	299,056
Accrued interest	13,644	-	13,644
Payment of interest	(20,298)	-	(20,298)
Amortization of principal	(314,485)	-	(314,485)
Amortization of transaction cost	1,261	-	1,261
Increase (decrease) in cash and cash equivalents	-	147,512	147,512
<b>Net debt at March 31, 2021</b>	<b>1,599,179</b>	<b>(707,745)</b>	<b>891,434</b>

Changes in net debt	Consolidated		
	Borrowing	Cash and cash equivalents	Net debt
Net debt at January 1, 2020	1,126,476	(299,226)	827,250
Funding	728,216	-	728,216
Accrued interest	59,515	-	59,515
Payment of interest	(40,084)	-	(40,084)
Amortization of principal	(225,245)	-	(225,245)
Amortization of transaction cost	4,576	-	4,576
Increase (decrease) in cash and cash equivalents	-	(581,131)	(581,131)
<b>Net debt at December 31, 2020</b>	<b>1,653,454</b>	<b>(880,357)</b>	<b>773,097</b>
Funding	299,056	-	299,056
Accrued interest	13,832	-	13,832
Payment of interest	(20,298)	-	(20,298)
Amortization of principal	(314,487)	-	(314,487)
Amortization of transaction cost	1,261	-	1,261
Increase (decrease) in cash and cash equivalents	-	145,923	145,923
<b>Net debt at March 31, 2021</b>	<b>1,632,818</b>	<b>(734,434)</b>	<b>898,384</b>

**14. Leases**

The Group leases physical stores, distribution centers, land and real estate properties for its office space, vehicles and equipment. Operating real estate and distribution/administrative centers leases have term of 5 to 20 years, residential real estate leases have term of 2 years, and lease agreements for vehicles and equipment have term of 3 years.

Since January 1, 2019, the Company has recognized lease agreements in its balance sheet as required by NBC TG 06 (R3) / IFRS 16 as right-of-use assets and lease liabilities. In compliance with CVM guidelines contained in CVM Circular Letter 2/2019, the Company adopts, since the year ended December 31, 2019, the use of the Nominal Discount Rate for lease agreements, disregarding the Real Rate applied at the beginning of effectiveness of that standard.

Information on the Group's leases are presented below.

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### As a lessee

#### Right-of-use asset

The changes in the Parent Company and Consolidated right-of-use are presented below:

	Parent Company					Mar/21	Dec/20
	Operating real estate	Residential real estate	Distribution/ administrative centers	Vehicles	Equipment	Total	Total
<b>Opening balance</b>	<b>2,902,108</b>	<b>1,690</b>	<b>254,410</b>	<b>152</b>	<b>34</b>	<b>3,158,394</b>	<b>3,032,604</b>
New agreements	68,259	2,568	-	533	-	71,360	392,946
Remeasurements <sup>(i)</sup>	92,563	642	19,272	755	(16)	113,216	388,418
Termination of agreements	(7,269)	(181)	-	-	-	(7,450)	(43,671)
Depreciation	(149,065)	(87)	(13,068)	(8)	(2)	(162,230)	(611,903)
<b>Closing balance</b>	<b>2,906,596</b>	<b>4,632</b>	<b>260,614</b>	<b>1,432</b>	<b>16</b>	<b>3,173,290</b>	<b>3,158,394</b>

	Consolidated					Mar/21	Dec/20
	Operating real estate	Residential real estate	Distribution/ administrative centers	Vehicles	Equipment	Total	Total
<b>Opening balance</b>	<b>2,902,108</b>	<b>1,770</b>	<b>257,181</b>	<b>152</b>	<b>34</b>	<b>3,161,245</b>	<b>3,036,525</b>
New agreements	68,259	2,568	-	533	-	71,360	393,678
Remeasurements <sup>(i)</sup>	92,563	697	19,864	755	(16)	113,863	388,147
Termination of agreements	(7,269)	(181)	(39)	-	-	(7,489)	(43,671)
Depreciation	(149,065)	(105)	(13,450)	(8)	(2)	(162,630)	(613,434)
<b>Closing balance</b>	<b>2,906,596</b>	<b>4,749</b>	<b>263,556</b>	<b>1,432</b>	<b>16</b>	<b>3,176,349</b>	<b>3,161,245</b>

(i) The Company remeasures the right-of-use asset in order to reflect changes in future payments; changes in terms initially determined for the implementation of NBC TG 06 (R3) / IFRS 16 - Leases and contracts recognized as operating leases (NBC TG 06 (R3) / IAS 17 - Leases), initially determined as short-term contracts.

#### Lease liabilities

The changes in the Parent Company and Consolidated lease liabilities are as follows:

	Parent Company					Mar/21	Dec/20
	Operating real estate	Residential real estate	Distribution/ administrative centers	Vehicles	Equipment	Total	Total
<b>Opening balance</b>	<b>3,127,787</b>	<b>2,071</b>	<b>299,297</b>	<b>(1,188)</b>	<b>(17)</b>	<b>3,427,950</b>	<b>3,180,655</b>
New agreements	68,259	2,568	-	533	-	71,360	392,946
Remeasurements <sup>(i)</sup>	92,563	642	19,272	755	(16)	113,216	388,418
Interest	51,693	235	4,539	26	-	56,493	227,781
Payments / Compensations	(192,339)	(3,234)	(11,618)	(499)	(18)	(207,708)	(761,850)
<b>Closing balance</b>	<b>3,147,963</b>	<b>2,282</b>	<b>311,490</b>	<b>(373)</b>	<b>(51)</b>	<b>3,461,311</b>	<b>3,427,950</b>

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	Consolidated					Mar/21	Dec/20
	Operating real estate	Residential real estate	Distribution/ administrative centers	Vehicles	Equipment	Total	Total
<b>Opening balance</b>	<b>3,127,787</b>	<b>2,098</b>	<b>302,245</b>	<b>(1,188)</b>	<b>(17)</b>	<b>3,430,925</b>	<b>3,184,633</b>
New agreements	68,259	2,568	-	533	-	71,360	393,609
Remeasurements <sup>(i)</sup>	92,563	697	19,865	755	(16)	113,864	388,146
Interest	51,693	238	4,593	26	-	56,550	228,019
Payments / Compensations	(192,339)	(3,254)	(12,091)	(499)	(18)	(208,201)	(763,482)
<b>Closing balance</b>	<b>3,147,963</b>	<b>2,347</b>	<b>314,612</b>	<b>(373)</b>	<b>(51)</b>	<b>3,464,498</b>	<b>3,430,925</b>

(i) The Company remeasures the lease liabilities in order to reflect changes in future payments; changes in terms initially determined for the implementation of NBC TG 06 (R3) / IFRS 16 - Leases and contracts recognized as operating leases (NBC TG 06 (R3) / IAS 17 - Leases), initially determined as short-term contracts.

The maturities of lease liabilities are classified according to the following schedule:

Analysis of maturities - Lease liabilities	Parent Company		Consolidated	
	Mar/21	Dec/20	Mar/21	Dec/20
Less than 1 year	536,852	501,924	538,365	503,318
<b>Current</b>	<b>536,852</b>	<b>501,924</b>	<b>538,365</b>	<b>503,318</b>
1 to 5 years	2,482,540	2,431,810	2,484,214	2,433,391
Over 5 years	441,919	494,216	441,919	494,216
<b>Non-current</b>	<b>2,924,459</b>	<b>2,926,026</b>	<b>2,926,133</b>	<b>2,927,607</b>
<b>Total</b>	<b>3,461,311</b>	<b>3,427,950</b>	<b>3,464,498</b>	<b>3,430,925</b>

Future payments to be made to the lessor may give the Group the right to be credited with Pis and Cofins. Therefore, the recorded amount of the right-of-use asset against the lease liability already includes potential future credit.

The potential right to Pis / Cofins recoverable embedded in future lease payments is presented below:

Future considerations	Parent Company / Consolidated	Potential Pis / Cofins (9.25%)
Less than 1 year	489,536	45,282
1 to 2 years	469,851	43,461
2 to 3 years	428,986	39,681
3 to 4 years	374,392	34,631
4 to 5 years	301,156	27,857
Over 5 years	587,502	54,344
<b>Total</b>	<b>2,651,423</b>	<b>245,256</b>

The right to use Pis/Cofins credits comprises only contracts whose lessor is a legal entity. The Company has lease contracts for both lessors, corporate and individual.

In compliance with CVM Circular Letter 02/2019 and NBC TG 06 (R3) / IFRS 16, justified by the fact that the Group has not applied the methodology of nominal flows due to the prohibition imposed by NBC TG 06 (R3) of future inflation projection and in order to provide additional information to users, the analysis of contract maturities and installments not yet discounted at March 31, 2021 is presented below:

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Year	Parent Company			Consolidated		
	Net present value	Estimated interest (future) <sup>(i)</sup>	Amounts of installments not yet discounted	Net present value	Estimated interest (future) <sup>(i)</sup>	Amounts of installments not yet discounted
2021	444,220	156,087	600,307	445,733	156,410	602,143
2022	601,307	173,936	775,243	601,307	173,936	775,243
2023	570,583	136,067	706,650	570,583	136,067	706,650
2024	520,301	100,656	620,957	520,301	100,656	620,957
2025	435,063	69,763	504,826	435,063	69,763	504,826
2026	331,601	45,314	376,915	333,275	45,672	378,947
2027 and thereafter	558,236	58,497	616,733	558,236	58,497	616,733
<b>Total</b>	<b>3,461,311</b>	<b>740,320</b>	<b>4,201,631</b>	<b>3,464,498</b>	<b>741,001</b>	<b>4,205,499</b>

(i) The present value of the leases payable was calculated considering the projection of future fixed payments, discounted at the rate of 6.69% p.a., which was built from the basic interest rate released by the Central Bank of Brazil (Bacen).

### Amount recognized in the statement of income

Amount recognized in the statement of income	Parent Company		Consolidated	
	Mar/21	Mar/20	Mar/21	Mar/20
Amortization of right-of-use asset	162,230	149,046	162,630	149,430
Interest on lease liabilities	56,493	53,496	56,550	53,561
Adjustment for lease write-of (contracts terminated)	(122)	1,984	(122)	1,984
Variable payments not included in the measurement of lease liabilities	14,920	24,054	15,134	24,300
Revenue on subleases of right-of-use assets	(650)	(905)	(650)	(905)
Expenses related to short-term and/or low-value leases	4,661	5,057	4,661	5,057
Discounts on property rental	(1,873)	-	(1,873)	-

### (i) Payment of variable leases based on sales

Some operating real estate leases contain variable lease payments based on a percentage of 2% to 12% of the sales made during the period in the leased operating real estate. These payment conditions are common for stores in the country where the Group operates. Variable lease payments for the three-month period ended March 31, 2021 amounted to R\$ 703 (R\$ 1,667 – 1Q2020) for Parent Company and Consolidated accounts.

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### (ii) Leases fitting into exceptions and practical expedients

The lease agreements identified and that fall within the scope of exemption mainly refer to lease of printers, forklifts, cardiotech scales, power generators, electron aligners and photovoltaic plates.

The Group also leases equipment with contracts of up to one year. These leases are short-term and/or low-value leases. The Group opted not to recognize the right-of-use assets and the lease liabilities of such items.

### As a lessor

The Group subleases some of the properties to third parties. The Group has classified these leases as operating leases because they do not transfer substantially all the risks and rewards of ownership of assets.

The table below presents an analysis of maturities of lease payments, showing undiscounted lease payments to be received after the reporting date:

Undiscounted lease payments	Parent Company and Consolidated	
	Mar/21	Dec/20
Less than 1 year	1,356	1,846
1 to 2 years	1,675	1,675
2 to 3 years	1,280	1,280
3 to 4 years	1,025	1,025
4 to 5 years	591	591
Over 5 years	-	818
<b>Total</b>	<b>5,927</b>	<b>7,235</b>

## 15. Provision for contingencies and judicial deposits

The Company and its subsidiary are subject to legal claims (tax, civil and labor) arising in the normal course of business. Management, supported by the opinion of its legal advisors and, where applicable, by specific opinions issued by experts, assesses the probable final outcomes of ongoing litigation and determines whether or not setting up of provision for contingencies is necessary. In the case of labor contingencies, the evolution of the lawsuits and the history of losses are determining factors to reflect the best estimate.

At March 31, 2021 and December 31, 2020, the Group had the following provision and corresponding judicial deposits relating to legal proceedings:

Judicial deposits items	Parent Company		Consolidated	
	Mar/21	Dec/20	Mar/21	Dec/20
Labor and social security	93,629	95,942	93,629	95,942
Tax	17,735	16,996	61,371	17,185
Civil	1,957	1,713	1,957	1,713
Subtotal	<b>113,321</b>	<b>114,651</b>	<b>156,957</b>	<b>114,840</b>
(-) Corresponding judicial deposits	(10,459)	(11,183)	(44,261)	(11,183)
<b>Total</b>	<b>102,862</b>	<b>103,468</b>	<b>112,696</b>	<b>103,657</b>
Current liabilities	34,499	32,646	44,333	32,835
Non-current liabilities	68,363	70,822	68,363	70,822

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Changes in the provision are as follows:

Changes in the provision	Parent Company		Consolidated	
	Mar/21	Dec/20	Mar/21	Dec/20
<b>Opening balance</b>	<b>114,651</b>	<b>111,299</b>	<b>114,840</b>	<b>111,299</b>
Additions of new lawsuits and review of estimate	12,310	55,739	55,757	55,928
Write-offs for payments	(12,253)	(81,844)	(12,253)	(81,844)
Reversals due to changes in lawsuits	(1,035)	(7,225)	(1,035)	(7,225)
Revaluation of amounts	(2,790)	22,392	(2,790)	22,392
Monetary restatement	2,438	14,290	2,438	14,290
<b>Closing balance</b>	<b>113,321</b>	<b>114,651</b>	<b>156,957</b>	<b>114,840</b>

The provision for legal claims took into consideration the best estimate of the amounts involved, for the cases in which the likelihood of loss is estimated as probable, and a portion of these proceedings is guaranteed by pledged assets.

### Possible losses

As of March 31, 2021 and December 31, 2020, the Group has tax and civil lawsuits related to fines applied by the relevant administrative authorities, tax rate difference in interstate transfers and tax enforcements as well as of civil nature due to indemnity claims for losses and pain and suffering arising from consumer relations, involving possible loss as assessed by Management and its legal advisors in the amount of R\$ 57,609 (R\$ 52,281 - Dec/20) for Parent Company and Consolidated, of which R\$ 1,412 (R\$ 1,090 Dec/20) corresponds to the labor/social security contingencies, R\$ 4,704 (R\$ 4,111 - Dec/20) to the civil contingencies and R\$ 51,493 (R\$ 47,081 - Dec/20) to tax contingencies.

### Judicial deposits

At March 31, 2021 and December 31, 2020, the Group had the following judicial deposit amounts, for which no corresponding provision had been set up:

Analysis of judicial deposits	Parent Company		Consolidated	
	Mar/21	Dec/20	Mar/21	Dec/20
Labor and social security	14,644	15,285	14,644	15,285
Tax	10,486	10,464	13,094	10,464
Civil	3,389	3,338	3,389	3,338
(-) Corresponding judicial deposits	(4,159)	(3,334)	(4,159)	(3,334)
<b>Total</b>	<b>24,360</b>	<b>25,753</b>	<b>26,968</b>	<b>25,753</b>

### Labor contingencies

Labor claims in general relate to lawsuits filed by former employees questioning the payment of unpaid overtime and health hazard premium. The Group is also involved in proceedings arising from Raia S.A., as well as from Drogaria Onofre Ltda., which were filed by former employees of service providers claiming to have employment relationships directly with the Group, or in which the Group received a joint enforcement order for the payment of the labor rights claimed. There are also proceedings filed by professional unions for the payment of union dues, under the dispute regarding the legitimacy of the territorial base.

### Tax contingencies

These represent administrative fines, tax rate differences on interstate transfers and tax collection proceedings.

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Civil contingencies

The Group is a defendant in lawsuits regarding usual and unique matters arising in the course of its business, most of which seek indemnification for property damage and pain and suffering from consumption relations.

Guarantees for lawsuits

The items of property and equipment were given as security for tax, social security and labor proceedings:

<b>Guarantees for lawsuits</b>	<b>Parent Company/Consolidated</b>	
	<b>2021</b>	<b>2,020</b>
Furniture and facilities	13	14
Machinery and equipment	85	85
<b>Total guarantees for lawsuits</b>	<b>98</b>	<b>99</b>

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### 16. Arbitration asset/liability

The Company recognizes in non-current liabilities the obligations arising from the agreement for acquisition of Drogaria Onofre Ltda. These are obligations of the Seller with former shareholders of Onofre and settlement depends on an arbitral decision. In the agreement for acquisition, on July 1, 2019, it was agreed that the financial investments and the letter of guarantee (indemnification asset) in the amounts of R\$ 197,061 and R\$ 127,037, respectively, shall remain linked to the arbitration liability as a guarantee of settlement. Accordingly, Raia Drogasil shall not be harmed by, or benefit from, this transaction as from the acquisition date until the date of its complete settlement. These guarantee amounts are recognized in the arbitration restricted asset under non-current assets.

The arbitration asset/liability is presented below:

<b>Arbitration asset/liability items</b>	<b>Parent Company and Consolidated</b>	
	<b>Mar/21</b>	<b>Dec/20</b>
<b>Arbitration restricted asset</b>		
Financial investment	208,917	207,721
Letter of guarantee/indemnification asset	134,832	134,185
	<b>343,749</b>	<b>341,906</b>
<b>Arbitration restricted liability</b>		
Obligations with former shareholders	(344,297)	(342,727)
Exclusion of operation effects	645	884
	<b>(343,652)</b>	<b>(341,843)</b>
<b>Total</b>	<b>97</b>	<b>63</b>

The net position of the arbitration asset/liability of R\$ 97 (R\$ 63 - Dec/20) represents the amount in excess for the guarantee of settlement in order to comply with the existing obligation.



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**17. Income tax and social contribution**

**(a) Income tax and social contribution paid**

At March 31, 2021 and 2020, effective income tax and social contribution are as follows:

	Parent Company		Consolidated	
	Mar/21	Mar/20	Mar/21	Mar/20
<b>Income tax and social contribution paid items</b>				
Profit before income tax and social contribution	243,870	167,211	245,559	167,599
Interest on capital and additional interest on capital proposed	(44,000)	(47,000)	(44,000)	(47,000)
<b>Taxable profit</b>	<b>199,870</b>	<b>120,211</b>	<b>201,559</b>	<b>120,599</b>
Combined tax rate (25% for income tax and 9% for social contribution)	34,00%	34,00%	34,00%	34,00%
<b>Theoretical tax expense</b>	<b>(67,956)</b>	<b>(40,872)</b>	<b>(68,530)</b>	<b>(41,004)</b>
Permanent additions	(9,896)	(9,442)	(14,471)	(9,519)
Equity in the results of subsidiary	88	298	(515)	-
Reduction of taxes due to incentives (P.A.T)	1,230	1,025	1,230	1,025
Investment grant <sup>(i)</sup>	7,035	5,073	13,041	9,599
Tax loss and negative CSLL basis	-	-	-	(3,692)
Provisions with no deferred charges	-	-	(15)	-
Other (revaluation reserve + additional income tax exemption ceiling)	(75)	28	(70)	28
<b>Result of current income tax and social contribution</b>	<b>(68,569)</b>	<b>(57,030)</b>	<b>(71,183)</b>	<b>(57,030)</b>
<b>Result of deferred income tax and social contribution</b>	<b>(1,005)</b>	<b>13,139</b>	<b>1,853</b>	<b>13,467</b>
<b>Income tax and social contribution expense</b>	<b>(69,574)</b>	<b>(43,891)</b>	<b>(69,330)</b>	<b>(43,563)</b>
Effective tax rate <sup>(ii)</sup>	28.53%	26.25%	28.23%	25.99%

(i) Beginning on the third quarter of 2018, the Group considers as deductible, for income tax purposes the gains arising from the ICMS tax benefits in the states of Bahia, Goiás and Pernambuco, established by Supplementary Law 160/17, agreement ICMS CONFAZ 190/17, and the amendment to Law 12,973/2014. The amount recognized in the quarter ended March 31, 2021 was R\$ 20,691 (R\$ 14,920 – 1Q2020).

(ii) Based on the best estimate made up to this moment, the average annual effective rate will be 26.25% and, therefore, we do not expect significant variations in relation to the real rate calculated for the quarter. In case of any event that may cause changes to the estimated annual percentage, the amounts recognized related to expense on tax on profit and social contribution for the interim period will be adjusted in subsequent periods.

**(b) Deferred income tax and social contribution assets and liabilities**

Deferred income tax and social contribution assets amounting to R\$ 309,272 (R\$ 315,938 – Dec/20) for the Parent Company and R\$ 348,242 (R\$ 352,198 – Dec/20) for the Consolidated accounts arose from temporarily non-deductible expenses that may be carried forward indefinitely, with estimated realization as disclosed in item (c) below.

Deferred income tax and social contribution liabilities amounting to R\$ 383,028 (R\$ 388,710 - Dec/20) for the Parent Company and R\$ 384,636 (R\$ 390,366 - Dec/20) for the Consolidated accounts relate to tax charges on the remaining balances of: (i) the revaluation reserve; (ii) surplus value PPA (Purchase Price Allocation) Raia; and (iii) gain on bargain purchase.

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For the three-month period ended March 31, 2021 and 2020, deferred income tax and social contribution were as follows:

	Balance sheet				Statement of income			
	Parent Company		Consolidated		Parent Company		Consolidated	
	Mar/21	Dec/20	Mar/21	Dec/20	Mar/21	Mar/20	Mar/21	Mar/20
<b>Temporary differences</b>								
Revaluation at fair value of land and buildings	(6,777)	(6,798)	(6,777)	(6,798)	-	-	-	-
Amortization of the goodwill on future profitability	(245,057)	(245,025)	(245,057)	(245,025)	32	357	32	357
Non-deductible intangible assets - merger of Raia	(53,920)	(53,959)	(53,920)	(53,959)	(39)	(39)	(39)	(39)
Non-deductible intangible assets - acquisition of 4Bio	-	-	(1,608)	(1,657)	-	-	(48)	(134)
Gain on bargain purchase – acquisition of Onofre	(77,274)	(82,928)	(77,274)	(82,928)	(5,654)	(5,654)	(5,654)	(5,654)
Tax losses to be offset against future taxable profits	-	-	33,725	34,615	-	-	890	-
Adjustment to present value	401	(384)	491	(317)	(785)	(397)	(808)	(394)
Adjustment to fair value	5,744	5,514	5,744	5,514	(230)	(405)	(230)	(405)
Provision for inventory losses	10,437	9,587	10,437	9,587	(850)	(7,888)	(850)	(7,888)
Provision for sundry obligations	73,057	76,995	73,104	77,012	3,938	4,731	3,908	4,727
Provision for employee profit sharing	53,544	62,481	54,053	62,871	8,937	8,337	8,818	8,218
Provision for contingencies	56,236	56,684	56,236	56,684	448	(851)	448	(851)
Expected credit losses	1,135	1,079	5,806	2,227	(56)	25	(3,580)	(61)
Lease (depreciation x consideration)	93,572	87,124	93,600	87,148	(6,448)	(8,750)	(6,452)	(8,738)
Other adjustments	15,146	16,858	15,146	16,858	1,712	(2,605)	1,712	(2,605)
<b>Deferred income tax and social contribution expense (benefit)</b>	-	-	-	-	<b>1,005</b>	<b>(13,139)</b>	<b>(1,853)</b>	<b>(13,467)</b>
<b>Deferred tax liabilities, net</b>	<b>(73,756)</b>	<b>(72,772)</b>	<b>(36,294)</b>	<b>(38,168)</b>				
Reflected in the balance sheet as follows:								
Deferred tax assets	309,272	315,938	309,272	315,938				
Deferred tax liabilities	(383,028)	(388,710)	(384,636)	(390,366)				
<b>Deferred tax liabilities, net</b>	<b>(73,756)</b>	<b>(72,772)</b>	<b>(75,364)</b>	<b>(74,428)</b>				
<b>Deferred tax assets – Parent Company</b>	-	-	<b>39,070</b>	<b>36,261</b>				
<b>Reconciliation of deferred tax assets (liabilities), net</b>								
<b>At the beginning of the period</b>	(72,772)	(142,810)	(38,168)	(123,987)				
Expense recognized in the statement of income	(1,005)	69,949	1,853	85,730				
Realization of deferred tax recognized in equity	21	89	21	89				
<b>Balance at the end of the period</b>	<b>(73,756)</b>	<b>(72,772)</b>	<b>(36,294)</b>	<b>(38,168)</b>				

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### (c) Estimated recovery of income tax and social contribution credits

The projections of future taxable profits are based on estimates relating to the Group's performance, the behavior of the market in which the Group operates and certain economic aspects, among other factors. Actual amounts may differ from these estimates. According to projections, the tax credit will be recovered according to the following schedule:

Recovery forecast	Parent Company		Consolidated	
	Mar/21	Dec/20	Mar/21	Dec/20
2021 <sup>(i)</sup>	91,249	111,563	96,593	113,207
2022	50,368	56,630	50,368	56,630
2,023	45,630	33,761	55,748	44,146
2024	22,547	17,081	32,665	27,466
2025 and thereafter	99,478	96,903	112,968	110,749
<b>Total</b>	<b>309,272</b>	<b>315,938</b>	<b>348,342</b>	<b>352,198</b>

(i) For comparison purposes, the installments falling due, corresponding to twelve months, were considered as 2021, including nine installments falling due in 2021 and three installments falling due in 2022.

### (d) Uncertainty over IRPJ and CSLL treatment

The Company has 4 discussions in the administrative stage with the Brazilian Federal Revenue referring to the disallowance for tax amortization of goodwill arising from acquisitions of companies in the amount of R\$ 37,347, which, according to internal and external assessment of legal advisors, will probably be accepted in decisions of higher courts (probability of acceptance higher than 50%); for this reason, the Company did not record any IRPJ/CSLL liabilities in connection with to these proceedings.

## 18. Earnings per share

Basic earnings per share are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of common shares outstanding during the year. Diluted earnings per share are calculated by adjusting the weighted average number of common shares outstanding to assume conversion of all potential common diluted shares.

Basic and diluted earnings for the three-month period ended March 31, 2020 includes the application of the stock split, approved at the Extraordinary General Meeting held on September 15, 2020, in the proportion of five common shares to each share of the same type. Accordingly, basic earnings increased from 329,552 to 1,647,760 and diluted earnings increased from 329,329 to 1,646,645.

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The following table presents profit and stock information used for calculating basic and diluted earnings per share:

Earnings per share items	Parent Company / Consolidated	
	Mar/21	Mar/20
<b>Basic</b>		
Profit for the period	174,296	123,320
Weighted average number of common shares	1,649,690	1,647,760
<b>Basic earnings per share - R\$</b>	<b>0.10565</b>	<b>0.074841</b>
<b>Diluted</b>		
Profit for the period	174,296	123,320
Weighted average number of common shares adjusted for dilution effect	1,663,029	1,646,645
<b>Diluted earnings per share - R\$</b>	<b>0.10481</b>	<b>0.074892</b>

## 19. Equity

### (a) Capital

At March 31, 2021, the fully paid-up capital amounted to R\$ 2,500,000 (R\$ 2,500,000 - Dec/20), represented by 1,651,930,000 common registered book-entry shares with no par value, of which 1,073,044,357 were outstanding common shares (1,072,442,905 common shares - Dec/20).

Pursuant to the Company's bylaws, it is authorized to increase its capital up to the limit of 2,000,000,000 common shares, subject to the approval of the Board of Directors.

At the Extraordinary General Meeting held on September 15, 2020, the Company approved a stock split, in the proportion of 5 common shares to each share of the same type existing on September 18, 2020, with no change to its capital. Accordingly, the number of shares went from 330,386,000 to 1,651,930,000 common registered book-entry shares with no par value.

At March 31, 2021, the Company's ownership interest was as follows:

Ownership interest	Number of shares		Interest (%)	
	Mar/21	Dec/20	Mar/21	Dec/20
Controlling stockholders	577,061,812	577,007,615	34.93	34.93
Shares outstanding	1,073,044,357	1,072,442,905	64.96	64.92
Treasury shares	1,823,831	2,479,480	0.11	0.15
<b>Total</b>	<b>1,651,930,000</b>	<b>1,651,930,000</b>	<b>100.00</b>	<b>100.00</b>

The ownership interest of the controlling stockholders is represented by the families Pipponzi, Pires Oliveira Dias and Galvão and by the Holding Pragma.

The change in the number of outstanding shares of the Company is as follows:

Changes	Shares outstanding
At December 31, 2019	214,036,654
Stock split	856,146,616
(Purchase)/sale of restricted shares, net	2,259,635
<b>At December 31, 2020</b>	<b>1,072,442,905</b>
(Purchase)/sale of restricted shares, net	601,452
<b>At March 31, 2021</b>	<b>1,073,044,357</b>

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At March 31, 2021, the Company's common shares were quoted at R\$ 25.06 (closing quote) (R\$ 25.04 at December 31, 2020).

### (b) Tax incentive reserve

These refer to ICMS tax benefits obtained in the states of Bahia, Goiás and Pernambuco, as regulated by Complementary Law 160/17, ICMS Confaz 190/17 agreement and amendment to Law 12,973/2014. Set up in accordance with the provisions of article 195-A of the Brazilian Corporate Law (as amended by Law 11,638/07), this reserve receives the portion of government subsidy recognized in profit for the period, as a deduction from sales taxes and allocated to it from the retained earnings account, accordingly, they are not included in the calculation basis of the minimum mandatory dividend.

### (c) Treasury shares

On August 6, 2019, the Board of Directors authorized the Company to repurchase, over a period of 365 days, its own registered common shares with no par value to be held in treasury and subsequently sold, however they were not purchased. The changes in treasury shares in the three-month period ended March 31, 2021 are summarized below:

	Parent Company	
	Number of shares	Amount of shares
<b>Changes in treasury shares</b>		
<b>At December 31, 2019</b>	<b>729,434</b>	<b>38,141</b>
Shares delivered to executives related to the 3 <sup>rd</sup> tranche of the 2016 grant, 2 <sup>nd</sup> tranche of the 2017 grant and 1 <sup>st</sup> tranche of the 2018 grant	(219,992)	(11,141)
Shares delivered to executives related to the 1 <sup>st</sup> tranche of 2018, 2 <sup>nd</sup> tranche of 2017 and 3 <sup>rd</sup> tranche of 2016 of 4Bio	(853)	(45)
Shares delivered to executives related to the grants of 2017, 2018, 2019 and 2020	(63,465)	(673)
Stock split	2,034,356	-
<b>At December 31, 2020</b>	<b>2,479,480</b>	<b>26,282</b>
Shares delivered to executives related to the 3 <sup>rd</sup> tranche of the 2017 grant, 2 <sup>nd</sup> tranche of the 2018 grant and 1 <sup>st</sup> tranche of the 2019 grant	(655,649)	(7,517)
<b>At March 31, 2021</b>	<b>1,823,831</b>	<b>18,765</b>

At March 31, 2021, the market value of the treasury shares, having as reference the quotation of R\$ 25.06 per share (R\$ 25.04 at December 31, 2020), corresponds to R\$ 45,705 (R\$ 62,086 - Dec/20).

### (d) Restricted share plan

#### Long-Term Incentive Program

Since March 2014, the Company offers its officers the Long-Term Incentive Program with Restricted Shares (the "Restricted Share Plan"), which aims to offer an opportunity to receive variable remuneration provided that the officer remains for a predetermined period in the Company.

The maximum number of shares that may be delivered as a result of the exercise of the Plan is limited to 3% of the Company's Capital Stock during the entire term of the Plan. The reference price per restricted share, for the purpose of determining the target amount that will be granted to each Beneficiary will be equivalent to the average share price on B3 (weighted by the volume of trades) in the last thirty trading sessions preceding the grant.

As stated in the Restricted Share Plan, a portion of their annual variable remuneration (profit-sharing), will be paid to the officer in cash and the remaining balance shall be paid only in Company shares ("incentive stock").

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If the officer decides to use a portion of the total amount of the variable remuneration paid in cash to buy Company shares ("own shares") on the stock exchange, the Company will offer the officer an equal number of shares purchased on the stock exchange.

At its discretion, the Company may grant to this officer more Company shares, using as reference the number of own shares acquired by the officer on the stock exchange.

The shares offered to the officer through the Restricted Share Plan may not be sold, assigned or transferred to third parties for a period of four years from the date of the grant. Every year, from the second, third and fourth anniversary of the grant date, the officers will acquire the right to receive a third of their restricted stock. The portion not exercised within the established terms and conditions will be automatically considered extinguished seven years after the respective grant date.

### Performance shares

At a meeting of the Board of Directors on October 22, 2020, the granting of restricted shares was approved under the terms of the Restricted Share Granting Plan - Performance Shares ("Plan"), approved at the Extraordinary General Meeting of the Company held on September 15, 2020.

The purpose of the Plan is: (a) to foster the expansion, success and fulfillment of the corporate purposes of the Company and the companies under its control; (b) to align the interests of Beneficiaries with the interests of shareholders; and (c) to encourage Beneficiaries to stay in the Company or companies under its control. The Plan will be managed by the Board of Directors, and may have an advisory committee created or appointed by the Board of Directors to advise it in this respect. Beneficiaries will be chosen and elected by the Board of Directors at each new grant.

The maximum number of shares that may be delivered as a result of exercising the Plan is limited to 2% of the Company's Capital on the date of approval of the Plan. The reference price per restricted share, for the purpose of determining the target amount that will be granted to each Beneficiary will equivalent to the average share price in B3 (weighted by the volume of trades) in the ninety trading sessions prior to January 1 of the year in which the grant occurs.

The definitive transfer of the Restricted Shares will be subject to the fulfillment of a four-year grace period from the grant date and, at the end of the grace period, the participant must be linked to the Company so that the grants are not canceled. Restricted Shares that have not yet completed the grace period will become due and will be transferred to the holders, their estate or heirs in the event of death, permanent disability or retirement. The Plan provides that the liquidation must occur through the transfer of shares, however, in the event that the Company does not have treasury shares at the time of liquidation and / or upon inability to acquire shares on the market, the Board of Directors may choose to settle the delivery of the Restricted Shares in cash.

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Changes in restricted shares

The changes of the restricted shares are summarized below:

Changes in restricted shares	Mar/21		Dec/20	
	Shares	Amount	Shares	Amount
Opening balance	1,261,394	27,206	397,329	21,977
Granted shares for the period	290,331	(1,231)	1,148,375	18,217
Value of the shares at the delivery date	(655,649)	(5,870)	(284,310)	(12,988)
<b>Closing balance</b>	<b>896,076</b>	<b>20,105</b>	<b>1,261,394</b>	<b>27,206</b>

Position of the restricted share plan

Below is a breakdown of the assumptions that govern each grant plan:

Grants	Grant date	Number of shares granted <sup>(i)</sup>	Date on which they will become exercisable	Period of restriction to share transfer	Fair value of shares on grant date <sup>(i)</sup>
<b>Long-Term Incentive Program</b>					
2018 - 3 <sup>rd</sup> tranche	3/01/2018	154,620	2/28/2022	2/28/2022	R\$ 15.84
2019 - 2 <sup>nd</sup> tranche	3/01/2019	334,855	2/28/2022	2/28/2022	R\$ 12.77
2019 - 3 <sup>rd</sup> tranche	3/01/2019	334,695	2/28/2023	2/28/2023	R\$ 12.77
2020 - 1 <sup>st</sup> tranche	3/01/2020	352,982	2/28/2022	2/28/2022	R\$ 24.89
2020 - 2 <sup>nd</sup> tranche	3/01/2020	352,982	2/28/2023	2/28/2023	R\$ 24.89
2020 - 3 <sup>rd</sup> tranche	3/01/2020	352,977	2/28/2024	2/28/2024	R\$ 24.89
2021 - 1 <sup>st</sup> tranche	3/01/2021	268,099	2/28/2023	2/28/2023	R\$ 22.72
2021 - 2 <sup>nd</sup> tranche	3/01/2021	268,099	2/28/2024	2/28/2024	R\$ 22.72
2021 - 3 <sup>rd</sup> tranche	3/01/2021	268,100	2/28/2025	2/28/2025	R\$ 22.72
<b>Performance share</b>					
2020 - 1 <sup>st</sup> tranche	1/01/2020	350,421	1/01/2024	1/01/2025	R\$ 13.19
2021 - 1 <sup>st</sup> tranche	1/01/2021	290,682	2/01/2025	1/01/2026	R\$ 13.19

(i) After the application of the stock split effect, approved in the EGM held on September 15, 2020.

**20. Net sales revenue**

Breakdown of net revenue	Parent Company		Consolidated	
	Mar/21	Mar/20	Mar/21	Mar/20
Sales revenue	5,633,724	4,929,879	5,962,748	5,198,228
Service revenue	16,726	7,974	16,759	8,092
<b>Gross sales revenue</b>	<b>5,650,450</b>	<b>4,937,853</b>	<b>5,979,507</b>	<b>5,206,320</b>
Taxes on sales	(279,073)	(193,549)	(309,711)	(215,899)
Returns, rebates and other	(44,176)	(34,414)	(49,745)	(40,550)
<b>Net sales revenue</b>	<b>5,327,201</b>	<b>4,709,890</b>	<b>5,620,051</b>	<b>4,949,871</b>

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Taxes on sales primarily comprise ICMS at rates predominantly between 17% and 18%, for goods not subject to the tax substitute (ST) regime, service tax at 5%, and Pis (1.65%) and Cofins (7.60%) for goods not subject to the one-time taxation regime (Law 10,147/00).

### 21. Information on the nature of expenses recognized in the statement of income

The Group presented its statement of income using a classification based on the function of expenses. Information on the nature of these expenses is recorded in the statement of income as follows:

Nature of expenses	Parent Company		Consolidated	
	Mar/21	Mar/20	Mar/21	Mar/20
Personnel expenses	(636,652)	(570,460)	(646,660)	(579,429)
Occupancy expenses <sup>(i)</sup>	(81,336)	(76,640)	(81,752)	(77,060)
Depreciation and amortization <sup>(ii)</sup>	(300,648)	(276,732)	(301,728)	(277,919)
Discounts on property rental <sup>(iii)</sup>	1,873	-	1,873	-
Service provider expenses <sup>(iv)</sup>	(80,097)	(61,253)	(81,988)	(61,959)
Expenses on card operator fees	(70,592)	(59,256)	(71,054)	(59,743)
Other <sup>(v)</sup>	(152,434)	(124,704)	(157,483)	(131,456)
<b>Total</b>	<b>(1,319,886)</b>	<b>(1,169,045)</b>	<b>(1,338,792)</b>	<b>(1,187,566)</b>

**Classified in the statement of income as:**

Function of expenses	Mar/21	Mar/20	Mar/21	Mar/20
Selling	(1,135,532)	(1,020,302)	(1,148,299)	(1,034,343)
General and administrative	(184,354)	(148,743)	(190,493)	(153,223)
<b>Total</b>	<b>(1,319,886)</b>	<b>(1,169,045)</b>	<b>(1,338,792)</b>	<b>(1,187,566)</b>

(i) These refer to expenses on property rental, condominium fees, electricity, water, communication and municipal real estate tax (IPTU).

(ii) Depreciation and amortization for the 2021 period totaled R\$ 300,648 (R\$ 276,732 – 1Q2020) for the Parent Company, of which R\$ 276,387 (R\$ 255,810 – 1Q2020) correspond to the sales area and R\$ 24,261 (R\$ 20,922 – 1Q2020) to the Administrative area, and R\$ 301,728 (R\$ 277,918 – 1Q2020) in the Consolidated, of which R\$ 276,749 (R\$ 256,079 – 1Q2020) refers to the Sales area and R\$ 24,979 (R\$ 21,839 – 1Q2020) to the Administrative area. These amounts are presented net of PIS and COFINS credits on the lease right-of-use, which resulted in an expense reduction in the amount of R\$ 8,246 (R\$ 7,319 – 1Q2020).

(iii) Due to the Covid-19 pandemic, the Company obtained discounts on payments related to the expenses from the lease of some properties. There were no changes in the term of the agreements, so there was no requirement to remeasure those lease agreements.

(iv) These refer mostly to expenses on transportation, materials, other administrative expenses, maintenance of assets, advertising and publicity.

(v) Due to the Covid-19 pandemic, the Company increased the hiring of service providers to intensify cleaning services in stores and meet the greater demand of delivery services and increased the hiring of temporary staff to work in stores and distribution centers.



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### 22. Other operating (income)/expenses

At March 31, 2021, other operating income/ (expenses) totaled R\$ 16,549 (R\$ 12,458 – Mar/20) for the Consolidated accounts. These amounts comprise non-recurring expenses and revenues, as presented below:

Nature of revenues / (expenses)	Consolidated	
	Mar/21	Mar/20
Refund of ICMS-ST on sales in 2020 <sup>(i)</sup>	14,279	-
Adjustment of provision for labor risks - Selic rate	3,410	-
Write-off of property and equipment and intangible assets due to the stores closure	882	(184)
Recognition of INSS credits from 2016 to 2019	838	-
Credits from prior years, mainly Pis and Cofins	-	397
Losses on the Popular Pharmacy Program	-	(274)
Provision for inventory losses from previous periods	-	(11,526)
Cancellation of the vehicle transportation policy	-	39
Consulting and advisory expenses	(51)	(910)
Donations	(3,293)	-
Other expenses	(484)	-
<b>Total</b>	<b>16,549</b>	<b>(12,458)</b>

(i) ICMS in the substitute taxpayer regime (ICMV-ST), which implies the prepayment of ICMS of the whole commercial chain at the time the goods leave the industrial establishment or the importer, or at the time it enters the state. Its refund is a right of the taxpayer that made sales in which the taxable event of the prepayment of ICMS-ST was not confirmed, generating the right to the refund of this amount by the State Tax Authorities. The process of refund requires the proof, using tax documents and digital files, of the operations made that generated for the Company the right to refund. Only after its approval by the State Tax Authorities and/or compliance with the specific record-keeping and reporting obligations that aim that proof, credits can be used by the Company, which occurs in periods subsequent to their generation.

### 23. Finance income and costs

#### (a) Finance income

Finance income items	Parent Company		Consolidated	
	Mar/21	Mar/20	Mar/21	Mar/20
Discounts obtained	168	2,120	176	2,126
Short term investment yields	3,400	634	3,410	634
Interest on intercompany loans	767	625	-	-
Monetary gains	350	235	387	330
Other finance income	-	-	42	106
Taxes thereon (PIS/Cofins)	(385)	(168)	(385)	(168)
Present Value Adjustment (PVA)	6,286	11,443	7,082	12,831
<b>Total finance income</b>	<b>10,586</b>	<b>14,889</b>	<b>10,712</b>	<b>15,859</b>

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### (b) Finance costs

Finance cost items	Parent Company		Consolidated	
	Mar/21	Mar/20	Mar/21	Mar/20
Interest on leases	(56,494)	(53,496)	(56,550)	(53,561)
Present Value Adjustment (PVA)	(11,668)	(21,908)	(12,414)	(23,138)
Charges on debentures and promissory notes	(8,129)	(10,920)	(8,129)	(10,920)
Charges on borrowings	(285)	(1,485)	(285)	(1,485)
Interest on payables to subsidiary's shareholder	(676)	(1,192)	(676)	(1,192)
Amortization of transaction costs	(6,355)	(500)	(6,355)	(500)
Interest, charges and bank fees	(901)	(193)	(927)	(292)
Discounts granted to customers	-	-	(32)	(95)
Monetary gains	2,594	1,319	2,121	1,097
<b>Total finance costs</b>	<b>(81,914)</b>	<b>(88,375)</b>	<b>(83,247)</b>	<b>(90,086)</b>
<b>Finance income (costs)</b>	<b>(71,328)</b>	<b>(73,486)</b>	<b>(72,535)</b>	<b>(74,227)</b>

## 24. Financial instruments and risk management policy

### Financial instruments by category

Financial instruments items	Parent Company		Consolidated	
	Mar/21	Dec/20	Mar/21	Dec/20
<b>Assets</b>				
<u>At amortized cost</u>				
Cash and cash equivalents (Note 5)	707,745	855,257	734,434	880,357
Trade receivables (Note 6)	1,531,900	1,373,801	1,732,296	1,555,434
Other receivables	291,342	322,448	240,767	270,475
Judicial deposits (Note 15)	24,360	25,753	26,968	25,753
Arbitration restricted asset (Note 16)	343,749	341,906	343,749	341,906
<b>Total assets</b>	<b>2,899,096</b>	<b>2,919,165</b>	<b>3,078,214</b>	<b>3,073,925</b>
<b>Liabilities</b>				
<u>Liabilities at fair value through profit or loss</u>				
Payables to subsidiary's shareholder (Note 9)	47,124	46,448	47,124	46,448
<b>Subtotal</b>	<b>47,124</b>	<b>46,448</b>	<b>47,124</b>	<b>46,448</b>
<b>Other liabilities</b>				
Trade payables	3,005,548	2,943,379	3,196,509	3,106,938
Borrowing (Note 13)	1,599,179	1,620,001	1,632,818	1,653,454
Other payables	196,259	170,622	202,545	175,873
Leases payable	3,461,311	3,427,950	3,464,498	3,430,925
Arbitration liability (Note 16)	343,652	341,843	343,652	341,843
<b>Subtotal</b>	<b>8,605,949</b>	<b>8,503,795</b>	<b>8,840,022</b>	<b>8,709,033</b>
<b>Total liabilities</b>	<b>8,653,073</b>	<b>8,550,243</b>	<b>8,887,146</b>	<b>8,755,481</b>

### Financial risk management

The Company applied the requirements of NBC TG 40 (R3) and also considered the guidance in CVM Circular Letter SNC/SEP 01/2021, observing qualitative and quantitative aspects of risk management, concluded that there are no material impacts that require disclosure of additional information in the interim financial information.

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The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's risk management program focuses on the unpredictability of financial and operational markets and seeks to minimize potential adverse effects on the Group's financial performance.

The Board of Directors provides principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk, credit risk, use of non-derivative financial instruments and investment of surplus cash.

### (a) Market risk

#### Foreign exchange risk

All of the asset and liability operations of the Group are denominated in Brazilian reais; therefore, the Company is not exposed to foreign exchange risk.

#### Derivative financial instruments

The Group does not operate with derivative instruments, except in specific situations. At March 31, 2021, the Group did not have any derivative financial transactions.

#### Interest rate risk

Most of the BNDES transactions are entered into based on the TLP + interest and on the SELIC rate. Other borrowings of the Company are linked to the CDI + bank spread. Financial investments are entered into based on the CDI variations, which does not result in higher interest rate risk since these variations are not significant. Management understands that there is a low risk of significant changes in profit or loss or in cash flows.

### (b) Credit risk

Credit risk arises from financial assets, i.e. cash and cash equivalents, short-term investments and trade receivables.

Cash and cash equivalents and short-term investments are maintained with sound financial institutions.

The risk ratings of the cash equivalents are in accordance with the main risk rating agencies, according to the table below:

Risk rating	Parent Company		Consolidated	
	Mar/21	Dec/20	Mar/21	Dec/20
<b>Rating - National scale</b>				
brAAA	346,190	468,469	370,821	490,077
brAA+	223,629	249,124	223,750	249,163
brA	14,867	15,497	14,867	15,497
(*) n/a - Cash and automatic investments	123,059	122,167	123,064	123,446
(*) n/a - Investment funds	-	-	1,913	2,174
<b>Total - National scale</b>	<b>707,745</b>	<b>855,257</b>	<b>734,415</b>	<b>880,357</b>

(\*) Not applicable, since there is no risk rating for cash, automatic investments and investment funds.

The granting of credit on sales of goods follows a policy that aims at minimizing defaults. For the quarter ended March 31, 2021, credit sales represented 55% (54% - Dec/2020) for the Parent Company and 57% (56% - Dec/2020) for the Consolidated accounts, of which 94% (94% - Dec/2020) for the Parent Company and 87% (86% - Dec/2020) for the Consolidated accounts related to credit card sales which, based on the history of losses, posed an extremely low risk. The remaining 6% (6% - Dec/2020) for the Parent Company and 13% (14% - Dec/2020) for the Consolidated accounts are credits from PBMs and special plans that pose a low risk, due to customer selectivity.

(A free translation of the original in Portuguese)

Quarterly information (ITR) - 3/31/2021- RAIÁ Drogasil S.A.

## Notes to the parent company and consolidated interim financial information

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### (c) Liquidity risk

The Group's management continuously monitors forecasts of the Company's liquidity requirements, in order to ensure that it has sufficient cash to meet operational needs. The Group invests its surplus cash in financial assets with appropriate maturities to provide the liquidity necessary to honor its obligations.

### (d) Sensitivity analysis

The table below presents a sensitivity analysis of financial instruments that are exposed to losses. The most probable scenario, according to the assessment made by Management, is based on an increase of 0.5% in the interest rate. Two further scenarios are presented in order to show a 25% and 50% deterioration in the risk variables considered (scenarios II and III).

Operation	Parent Company			
	Notional amount	Effect on profit or loss and equity		
		Scenario I (probable)	Scenario II - 25%	Scenario III - 50%
Short term investments - CDI	591,770	2,959	3,699	4,438
<b>Revenue</b>	-	<b>2,959</b>	<b>3,699</b>	<b>4,438</b>
Borrowings - CDI	1,599,179	(7,996)	(9,995)	(11,994)
REFIS (SELIC)	1,156	(6)	(7)	(9)
<b>Expense</b>	-	<b>(8,002)</b>	<b>(10,002)</b>	<b>(12,003)</b>
<b>Effect on profit or loss</b>	-	<b>(5,043)</b>	<b>(6,303)</b>	<b>(7,565)</b>

Operation	Consolidated			
	Notional amount	Effect on profit or loss and equity		
		Scenario I (probable)	Scenario II - 25%	Scenario III - 50%
Short term investments - CDI	617,501	3,088	3,860	4,631
<b>Revenue</b>	-	<b>3,088</b>	<b>3,860</b>	<b>4,631</b>
Borrowings - CDI	1,632,818	(8,164)	(10,205)	(12,246)
REFIS (SELIC)	1,156	(6)	(7)	(9)
<b>Expense</b>	-	<b>(8,170)</b>	<b>(10,212)</b>	<b>(12,255)</b>
<b>Effect on profit or loss</b>	-	<b>(5,082)</b>	<b>(6,352)</b>	<b>(7,624)</b>

The risk of variations in the TLP on BNDES operations which could result in material losses for the Group is not considered as probable by management.

### (e) Capital management

The Group's objective relating to capital management is to maintain the Group's investment capacity, thus allowing it to grow its business and provide proper returns for stockholders.

The Group has adopted a policy of not leveraging its capital structure with borrowings, except for long-term credit facilities from BNDES (FINEM), debentures and promissory notes at interest rates that are commensurate with the Group's profit levels.

(A free translation of the original in Portuguese)

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Accordingly, this ratio corresponds to the net debt expressed as a percentage of total capital. The net debt, in turn, corresponds to total borrowings less cash and cash equivalents. The total capital is calculated through the sum of the equity, as shown in the parent company and consolidated balance sheet, and the net debt, as presented below:

<b>Capital management items</b>	<b>Parent Company</b>		<b>Consolidated</b>	
	<b>Mar/21</b>	<b>Dec/20</b>	<b>Mar/21</b>	<b>Dec/20</b>
Short- and long-term borrowings	1,599,179	1,620,001	1,632,818	1,653,454
(-) Cash and cash equivalents	(707,745)	(855,257)	(734,434)	(880,357)
<b>Net debt</b>	<b>891,434</b>	<b>764,744</b>	<b>898,384</b>	<b>773,097</b>
Equity attributable to the stockholders of the parent company	4,422,738	4,363,126	4,422,738	4,363,126
Non-controlling interests	-	-	64,428	62,495
Total equity	4,422,738	4,363,126	4,487,166	4,425,621
<b>Total capital</b>	<b>5,314,172</b>	<b>5,127,870</b>	<b>5,385,550</b>	<b>5,198,718</b>
<b>Gearing ratio (%)</b>	<b>16.77</b>	<b>14.91</b>	<b>16.68</b>	<b>14.87</b>

As described in Note 14, as from January 1, 2019, the Group recognized in its balance sheet the obligations associated with the lease agreements that have control. Considering the balance of lease liabilities at the balance sheet dates in the capital management calculation, the gearing ratio of the Company and the Group would be as follows:

<b>Adjusted net debt with lease liabilities</b>	<b>Parent Company</b>		<b>Consolidated</b>	
	<b>Mar/21</b>	<b>Dec/20</b>	<b>Mar/21</b>	<b>Dec/20</b>
Net debt	891,434	764,744	898,384	773,097
Lease liabilities	3,461,311	3,427,950	3,464,498	3,430,925
<b>Adjusted net debt</b>	<b>4,352,745</b>	<b>4,192,694</b>	<b>4,362,882</b>	<b>4,204,022</b>
Total equity	4,422,738	4,363,126	4,487,166	4,425,621
<b>Total adjusted capital</b>	<b>8,775,483</b>	<b>8,555,820</b>	<b>8,850,048</b>	<b>8,629,643</b>
<b>Adjusted gearing ratio (%)</b>	<b>49.60</b>	<b>49.00</b>	<b>49.30</b>	<b>48.72</b>

**(f) Fair value estimation**

The carrying values of financial investments in the balance sheet approximate their fair values since the remuneration rates are based on the CDI variation. The carrying values of trade receivables and payables are measured at amortized cost and are recorded at their original amount, less the provision for impairment and present value adjustment, when applicable. The carrying values are assumed to approximate their fair values, taking into consideration the realization of these balances and settlement terms not exceeding 60 days.

Borrowings are classified as financial liabilities not measured at fair value and are carried at amortized cost and according to contractual conditions. The fair values of the borrowings approximate their carrying values since they refer to financial instruments with rate that approximate market rates. The estimated fair values are:

<b>Fair value estimation</b>	<b>Parent Company</b>				<b>Consolidated</b>			
	<b>Carrying amount</b>		<b>Fair value</b>		<b>Carrying amount</b>		<b>Fair value</b>	
	<b>Mar/21</b>	<b>Dec/20</b>	<b>Mar/21</b>	<b>Dec/20</b>	<b>Mar/21</b>	<b>Dec/20</b>	<b>Mar/21</b>	<b>Dec/20</b>
BNDES	14,666	28,895	14,664	28,889	14,666	28,894	14,664	28,889
Debentures and promissory notes	1,184,186	1,177,554	1,184,187	1,177,554	1,184,187	1,177,554	1,184,187	1,177,554
Other	400,327	413,552	400,327	413,553	433,965	447,006	433,966	447,006
<b>Total</b>	<b>1,599,179</b>	<b>1,620,001</b>	<b>1,599,178</b>	<b>1,619,996</b>	<b>1,632,818</b>	<b>1,653,454</b>	<b>1,632,817</b>	<b>1,653,449</b>

(A free translation of the original in Portuguese)

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For disclosure purposes, the fair value of financial liabilities is estimated by discounting future contractual cash flow at the interest rates available in the market that are available to the Group for similar financial instruments. The effective interest rates at the balance sheet dates are usual market rates and their fair value does not significantly differ from the balances in the accounting records.

At March 31, 2021, the Group had no material assets and liabilities measured at fair value at Level 1 and Level 2 in the fair value hierarchy. The following table presents the changes in Level 3 instruments for the quarter ended March 31, 2021:

<b>Changes in payables to subsidiary's shareholder</b>	<b>Parent Company/Consolidated</b>	
	<b>Payables to subsidiary's shareholder</b>	
	<b>Mar/21</b>	<b>Mar/20</b>
Opening balance	46,448	42,113
Expenses recognized in the statement of income:	676	1,192
Closing balance	47,124	43,305
<b>Total expenses for the period recognized in the statement of income</b>	<b>676</b>	<b>1,192</b>
<b>Changes in unrealized expenses for the period included in the statement of income</b>	<b>676</b>	<b>1,192</b>

(A free translation of the original in Portuguese)

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**Notes to the parent company and consolidated  
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March 31, 2021  
(All amounts in thousands of reais unless otherwise stated)**

**25. Transactions with related parties**

(a) Transactions with related parties consist of transactions with the Company's stockholders and persons connected to them:

Related parties	Relationship	Parent Company		Consolidated		Parent Company		Consolidated	
		Assets				Transacted amount			
		Mar/21	Dec/20	Mar/21	Dec/20	Mar/21	Mar/20	Mar/21	Mar/20
<b>Receivables</b>									
Special plans <sup>(i)</sup>									
Regimar Comercial S.A.	Stockholder/Family	8	9	8	9	20	21	20	21
Heliomar Ltda.	Stockholder/Board Member	-	1	-	1	3	8	3	8
Rodrigo Wright Pipponzi (Editora Mol Ltda.)	Stockholder/Family	-	-	-	-	-	-	-	-
Natura Cosméticos S.A. <sup>(ii)</sup>	Stockholder/Related party	124	112	124	112	339	389	339	389
4Bio Medicamentos S.A. <sup>(v)</sup>	Subsidiary	39	42	39	42	75	81	75	81
<b>Subtotal</b>		<b>171</b>	<b>164</b>	<b>171</b>	<b>164</b>	<b>437</b>	<b>499</b>	<b>437</b>	<b>499</b>
<b>Other receivables from related parties</b>									
Commercial agreements									
Natura Cosméticos S.A. <sup>(ii)</sup>	Stockholder/Related party	-	57	-	57	42	132	42	132
Advances to suppliers									
Cfly Consultoria e Gestão Empresarial Ltda. <sup>(iii)</sup>	Family	175	231	175	231	-	-	-	-
Zurcher, Ribeiro Filho, Pires Oliveira Dias e Freire – Advogados <sup>(iv)</sup>	Stockholder/Family	45	-	45	-	-	-	-	-
Loan and other receivables									
4Bio Medicamentos S.A. <sup>(v)</sup>	Subsidiary	58,922	57,993	-	-	888	752	-	-
<b>Subtotal</b>		<b>59,142</b>	<b>58,281</b>	<b>220</b>	<b>288</b>	<b>930</b>	<b>884</b>	<b>42</b>	<b>132</b>
<b>Total receivables from related parties</b>		<b>59,313</b>	<b>58,445</b>	<b>391</b>	<b>452</b>	<b>1,367</b>	<b>1,383</b>	<b>479</b>	<b>631</b>

(A free translation of the original in Portuguese)

Quarterly information (ITR) - 3/31/2021- RAIÁ Drogasil S.A.



**Notes to the parent company and consolidated interim financial information**

**March 31, 2021**

**(All amounts in thousands of reais unless otherwise stated)**



Related parties	Relationship	Parent Company		Consolidated		Parent Company		Consolidated	
		Liabilities				Transacted amount			
		Mar/21	Dec/20	Mar/21	Dec/20	Mar/21	Mar/20	Mar/21	Mar/20
<b>Payables</b>									
Rentals <sup>(vi)</sup>									
Heliomar Ltda.	Stockholder/Board Member	29	26	29	26	76	60	76	60
Antonio Carlos Pipponzi	Stockholder/Board Member	8	8	8	8	26	24	26	24
Rosalía Pipponzi Raia	Stockholder/Board Member	8	8	8	8	26	24	26	24
Cristiana Almeida Pipponzi	Stockholder/Board Member	3	3	3	3	9	8	9	8
André Almeida Pipponzi	Stockholder/Board Member	3	3	3	3	9	7	9	7
Marta Almeida Pipponzi	Stockholder/Board Member	3	2	3	2	9	7	9	7
<b>Subtotal</b>		<b>54</b>	<b>50</b>	<b>54</b>	<b>50</b>	<b>155</b>	<b>130</b>	<b>155</b>	<b>130</b>
Service providers									
Zurcher, Ribeiro Filho, Pires Oliveira Dias e Freire Advogados <sup>(iv)</sup>	Stockholder/Family	-	1	-	1	986	1,555	986	1,555
Rodrigo Wright Pipponzi (Editora Mol Ltda.) <sup>(vii)</sup>	Stockholder/Family	2,021	923	2,021	923	4,137	2,855	4,137	2,855
Cfly Consultoria e Gestão Empresarial Ltda. <sup>(iii)</sup>	Family	235	195	235	195	455	659	455	659
FMA Assessoria e Consultoria <sup>(viii)</sup>	Stockholder/Alternate Board Member	-	-	-	-	-	-	-	-
Cristina Ribeiro Sobral Sarian (Anthea Consultoria Empresarial) <sup>(ix)</sup>	Stockholder/Alternate Board Member	49	49	49	49	150	100	150	100
<b>Subtotal</b>		<b>2,305</b>	<b>1,168</b>	<b>2,305</b>	<b>1,168</b>	<b>5,728</b>	<b>5,169</b>	<b>5,728</b>	<b>5,169</b>
Goods suppliers									
Natura Cosméticos S.A. <sup>(ii)</sup>	Stockholder/Related party	-	-	-	-	-	-	-	-
<b>Subtotal</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total payables to related parties</b>		<b>2,359</b>	<b>1,218</b>	<b>2,359</b>	<b>1,218</b>	<b>5,883</b>	<b>5,299</b>	<b>5,883</b>	<b>5,299</b>



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Transactions with related parties, basically purchases and sales of products, were carried out at prices, terms and conditions usual in the market.

(i) Refer to sales made by agreements whose transactions are executed into under commercial conditions equivalent to those practiced with other companies.

(ii) Purchase and sale of Natura Cosméticos S.A.'s products, which will be sold across the national territory and Raia Drogasil will receive a percentage on the products sold. Some members of the controlling block of Natura Cosméticos S.A. indirectly own shares of Raia Drogasil S.A..

(iii) Provision of services of aircraft operation to the owner Raia Drogasil S.A., which will pay the operator a monthly remuneration for the services of operational advisory, compliance, finance, maintenance coordination and maintenance technical control.

(iv) Transaction related to legal advisory.

(v) During 2016, 2017 and 2019 loan transactions between Raia Drogasil S.A. (Lender) and 4Bio Medicamentos S.A. (Borrower) were carried out in the amounts of R\$ 14,000, R\$ 20,100 and R\$ 12,000, respectively. All loan agreements are monetarily restated by 110% of the CDI, and mature in December 2021, (Note 30).

Other receivables comprises commissions on Raia Drogasil S.A. referrals (R\$ 347).

(vi) Transactions related to rental of commercial properties for the implementation of stores.

(vii) These balances and transactions relate to service agreements for the development, creation and production of marketing materials for the institutional sales area, and the design of the Company's internal magazine.

(viii) Transactions related to sales representation services with trade associations.

(ix) The balances and transactions refer to the agreement for provision of consulting services in the healthcare and sustainability sectors.

Moreover, we inform that there are no additional transactions other than the amounts presented above and that the category of the related parties corresponds to the entity's key Management personnel.

### (b) Key management compensation

Key management includes the Officers, Directors and members of the Supervisory Board. The compensation paid or payable for services rendered is as follows:

Compensation items	Parent Company		Consolidated	
	Mar/21	Mar/20	Mar/21	Mar/20
Share-based payment	3,850	3,037	4,173	3,176
Bonuses and social charges	1,358	2,797	1,358	2,797
<b>Subtotal bonuses and social charges</b>	<b>5,208</b>	<b>5,834</b>	<b>5,531</b>	<b>5,973</b>
Fees and social charges	5,395	4,822	6,085	5,512
Fringe benefits	84	101	84	101
<b>Total</b>	<b>10,687</b>	<b>10,757</b>	<b>11,700</b>	<b>11,586</b>

The Company applied the requirements of NBC TG 05 (R3) and also considered the guidance in CVM Circular Letter SNC/SEP 01/2021, observing qualitative aspects of related-party transaction, and concluded that there are no material impacts that require disclosure of additional information in the interim financial information.

(A free translation of the original in Portuguese)

Quarterly information (ITR) - 3/31/2021- RAIÁ Drogasil S.A.



## Notes to the parent company and consolidated interim financial information

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### 26. Insurance coverage

The Company has adopted a policy of taking out insurance coverage at amounts deemed sufficient to cover any losses on assets or civil liability attributed to it taking into consideration the nature of its activities and the guidance of its insurance consultants.

The Group had the following insurance:

Insurance items	Parent Company		Consolidated	
	Mar/21	Dec/20	Mar/21	Dec/20
Inventory loss risks	380,571	382,074	452,466	454,152
Permanent assets	445,957	444,453	456,535	455,058
Loss of profits	63,020	63,020	166,333	166,333
Civil liability risks	38,424	38,424	40,000	40,000

### 27. Non-cash transactions

At March 31, 2021, the main transactions that did not involve the Group's cash were:

- (i) the restatement of the financial liability arising from payables to subsidiary's shareholder (Note 09);
- (ii) part of the compensation of key management personnel associated with the restricted share plan (Note 25);
- (iii) the installment purchase of property and equipment items in the amount of R\$ 8,268 (R\$ 14,258 – Dec/2020);
- (iv) recognition of lease liability with a balancing item in right-of-use asset, which additions of new agreements in the amount of R\$ 71,357 (R\$ 393,646 – Dec/2020), remeasurements of R\$ 113,865 (R\$ 388,146 – Dec/2020) and termination of agreements in the amount of (R\$ 7,489) ((R\$ 43,671) – Dec/2020).

### 28. Events after the reporting period

(a) The Administrative Council for Economic Defense - CADE approved the acquisition of B2U Editora S.A. ("Tech.fit"), which was concluded on April 1, 2021 by the Company with the payment of R\$ 38.684.

(b) On April 22, 2021, the Equity Investment Fund Kona ("Kona") presented to the Company the Notice of Exercise of the First Put Option of Shares equivalent to 30% of the capital of the subsidiary 4Bio Medicamentos S.A. The transfer of shares should be made until May 13, 2021 (fifteen business days). After the exercise of the first call option of the shares the Company will become holder of 85% of the capital of 4Bio Medicamentos S.A.

(A free translation of the original in Portuguese)



Quarterly information (ITR) - 3/31/2021- RAI A Drogasil S.A.

### Comments on the Business Projection Performance

In this section, pursuant to CVM Instruction 480/09, we compare the store opening projections for the Company with the data on store openings actually conducted every year, until the end of the current year.

The projections for 2016 and 2017 were disclosed to the market on July 28, 2016, the projections for 2018 and 2019 were disclosed on November 9, 2017, the projections for 2020 were disclosed on October 3, 2019 and the projections for 2021 and 2022 were disclosed on September 29, 2020.

YEAR	PRIOR PROJECTION	CURRENT PROJECTION	ACTUAL ACCUMULATED <sup>1</sup>
2016	165 openings	200 openings	212 openings
2017	195 openings	200 openings	210 openings
2018		240 openings	240 openings
2019		240 openings	240 openings
2020		240 openings	240 openings
2021		240 openings	40 openings
2022		240 openings	

<sup>1</sup> For 2021, accumulated up to 3/31/2021.

On July 28, 2016, we revised the prior projection of 165 openings in 2016 and 195 openings in 2017 to 200 store openings for both years. The Company has ended 2020 with 240 store openings and reiterates the projections of 240 openings per year for 2021 and 2022.

(A free translation of the original in Portuguese)

Quarterly information (ITR) - 3/31/2021- RAIÁ Drogasil S.A.

## **Reports and Statements / Report on Special Review - Without Exceptions**

A free translation from Portuguese into English of Independent Auditor's Review Report on Individual and Consolidated Interim Financial Information prepared in Brazilian currency in accordance with the rules issued by Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Quarterly Information Form (ITR)

### **Independent auditor's report on review of interim financial statements**

The Shareholders and Officers

**Raia Drogasil S.A.**

São Paulo – SP - Brazil

#### **Introduction**

We have reviewed the accompanying individual and consolidated interim financial information of Raia Drogasil S.A ("Company"), contained in the Quarterly Information Form (ITR) for the quarter ended March 31, 2021, comprising the statement of financial position as of March 31, 2021 and the related statements of profit or loss, of comprehensive income, of changes in equity and of cash flows for the three-month period then ended, including the explanatory notes.

Management is responsible for preparation of the individual and consolidated interim financial information in accordance with Accounting Pronouncement NBC TG 21 – Interim Financial Reporting, and IAS 34 – Interim Financial Reporting, issued by the Federal Accounting Counsel ( "CFC") and International Accounting Standards Board (IASB), respectively, as well as for the fair presentation of this information in conformity with the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of the Quarterly Information Form (ITR). Our responsibility is to express a conclusion on this individual and consolidated interim financial information based on our review.

#### **Scope of review**

We conducted our review in accordance with Brazilian and International Standards on Review Engagements (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### **Conclusion on the individual and consolidated interim financial information**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated interim financial information included in the Quarterly Information Form referred to above was not prepared, in all material respects, in accordance with NBC TG 21 and IAS 34 applicable to the preparation of Quarterly Information Form (ITR), and presented consistently with the rules issued by the Brazilian Securities and Exchange Commission (CVM).

Other matters

(A free translation of the original in Portuguese)



Quarterly information (ITR) - 3/31/2021- RAIA Drogasil S.A.

### **Statements of value added**

The abovementioned quarterly information includes the individual and consolidated statement of value added (SVA) for the three-month period ended March 31, 2021, prepared under Company's Management responsibility and presented as supplementary information by IAS 34. These statements have been subject to review procedures performed together with the review of the quarterly information with the objective to conclude whether they are reconciled to the interim financial information and the accounting records, as applicable, and if its format and content are in accordance with the criteria set forth by NBC TG 09 – Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that they were not prepared, in all material respects, consistently with the overall individual and consolidated interim financial information.

São Paulo, May 11, 2021.

ERNST & YOUNG  
Auditores Independentes S.S.  
CRC-2SP034519/O-6

Patricia Nakano Ferreira  
Accountant CRC-1SP234620/O-4

(A free translation of the original in Portuguese)

Quarterly information (ITR) - 3/31/2021- RAIA Drogasil S.A.

### **Opinions and Representations / Opinion of Supervisory Board or Equivalent Body**

To the Board of Directors and Stockholders of Raia Drogasil S.A.

The Company's Supervisory Board, in exercising its duties and legal responsibilities, has examined the Quarterly Information (ITR) for the quarter ended March 31, 2021 and, based on the examinations performed and on clarifications provided by management, and also considering the favorable unqualified report issued by the independent auditor Ernst & Young Auditores Independentes, the Supervisory Board members concluded that the documents above are fairly presented, in all material respects.

São Paulo, May 11, 2021.

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Gilberto Lério  
Supervisory Board member

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Paulo Sergio Buzaid Tohme  
Supervisory Board member

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Mário Antonio Luiz Corrêa  
Supervisory Board member

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Robert Juenemann  
Supervisory Board member

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Quarterly information (ITR) - 3/31/2021- RAIÁ Drogasil S.A.

### **Opinions and Representations / Officers' Representation on Financial Statements**

RAIA DROGASIL S.A.

In accordance with article 25, paragraph 1, items V and VI, of CVM Instruction 480/09, the Company's officers represent that they have reviewed, discussed and agree with the quarterly information (ITR) for the quarter ended March 31, 2021.

São Paulo, May 11, 2021.

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Marcilio D'Amico Pousada  
Chief Executive Officer

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Fernando Kozel Varela  
Officer

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Antonio Carlos Coelho  
Officer

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Renato Cepollina Raduan  
Officer

---

Eugênio De Zagottis  
Officer

---

Maria Susana de Souza  
Officer

---

Marcello De Zagottis  
Officer

---

Bruno Wright Pipponzi  
Officer

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Antonio Carlos Marques de Oliveira  
Controller and Accountant in charge CRC-1SP215445/O-0

(A free translation of the original in Portuguese)

Quarterly information (ITR) - 3/31/2021- RAIÁ Drogasil S.A.

### **Opinions and Representations / Officers' Representation on Independent Auditor's Report**

RAIA DROGASIL S.A.

In accordance with article 25, paragraph 1, items V and VI, of CVM Instruction 480/09, the Company's officers represent that they have reviewed, discussed and agree with the Quarterly Information (ITR) for the quarter ended March 31, 2021.

São Paulo, May 11, 2020.

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Marcílio D'Amico Pousada  
Chief Executive Officer

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Fernando Kozel Varela  
Officer

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Antonio Carlos Coelho  
Officer

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Renato Cepollina Raduan  
Officer

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Eugênio De Zagottis  
Officer

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Maria Susana de Souza  
Officer

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Marcello De Zagottis  
Officer

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Bruno Wright Pipponzi  
Officer

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Antonio Carlos Marques de Oliveira  
Controller and Accountant in charge CRC-1SP215445/O-0