

## EARNINGS RELEASE

### 3Q21



São Paulo, November 09, 2021. **RD – People, Health and Well-being** (Raia Drogasil S.A. – B3: RADL3) announces today its results for the 3rd quarter of 2021 (3Q21). The Company's parent company and consolidated interim financial statements for the periods ended September 30, 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 11 and 12.

#### QUARTERLY HIGHLIGHTS:

- › **PHARMACIES: 2,414 units in operation (52 openings and 12 closures)**
- › **MARKET SHARE: 1.1 p.p. increase to 14.3%, with gains in every region**
- › **GROSS REVENUE: R\$ 6.5 billion, a 21.2% increase with a 2.0% real mature-store growth**
- › **CONTRIBUTION MARGIN\*: 10.0%, a 0.1 p.p. margin expansion and 22% growth**
- › **ADJUSTED EBITDA: R\$ 446.2 million, a 6.8% EBITDA margin and 12% growth**
- › **ADJUSTED NET INCOME: R\$ 173.6 million, with a 2.7% net margin**
- › **CASH FLOW: R\$ 73.2 million positive free cash flow, R\$ 21.9 million total cash consumption**

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

RADL3

**R\$ 24.20/share**

NUMBER OF SHARES

**1,651,930,000**

MARKET CAP

**R\$ 40.0 billion**

CLOSING

**November 8<sup>th</sup>, 2021**

IR CONTACTS:

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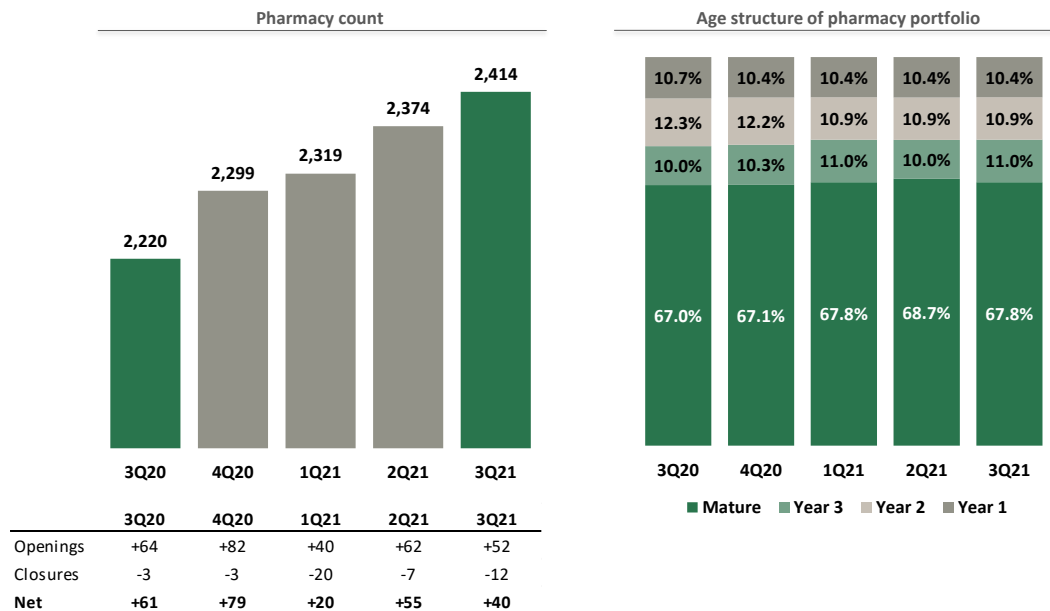
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Summary	3Q20	4Q20	1Q21	2Q21	3Q21
<i>(R\$ thousand)</i>					
# of Pharmacies	2,220	2,299	2,319	2,374	2,414
Organic Openings	64	82	40	62	52
Closures	(3)	(3)	(20)	(7)	(12)
4Bio	3	4	4	4	4
# of Stores - Pharmacies + 4Bio	2,223	2,303	2,323	2,378	2,418
Headcount (EoP)	43,223	44,631	45,532	47,208	48,481
Pharmacist Count (EoP)	8,658	8,788	9,088	9,346	9,676
# of Tickets (000)	60,298	67,098	65,660	66,911	71,115
Gross Revenue	5,384,230	5,868,052	5,979,508	6,245,163	6,527,875
Gross Profit	1,494,996	1,634,213	1,641,852	1,797,052	1,815,460
% of Gross Revenues	27.8%	27.8%	27.5%	28.8%	27.8%
Adjusted EBITDA	397,159	430,843	415,855	497,115	446,165
% of Gross Revenues	7.4%	7.3%	7.0%	8.0%	6.8%
Adjusted Net Income	172,871	213,672	177,947	232,022	173,567
% of Gross Revenues	3.2%	3.6%	3.0%	3.7%	2.7%
Net Income	174,717	198,492	188,789	266,443	172,765
% of Gross Revenues	3.2%	3.4%	3.2%	4.3%	2.6%
Free Cash Flow	351,792	418,767	(119,282)	(302,106)	73,159

## PHARMACY DEVELOPMENT

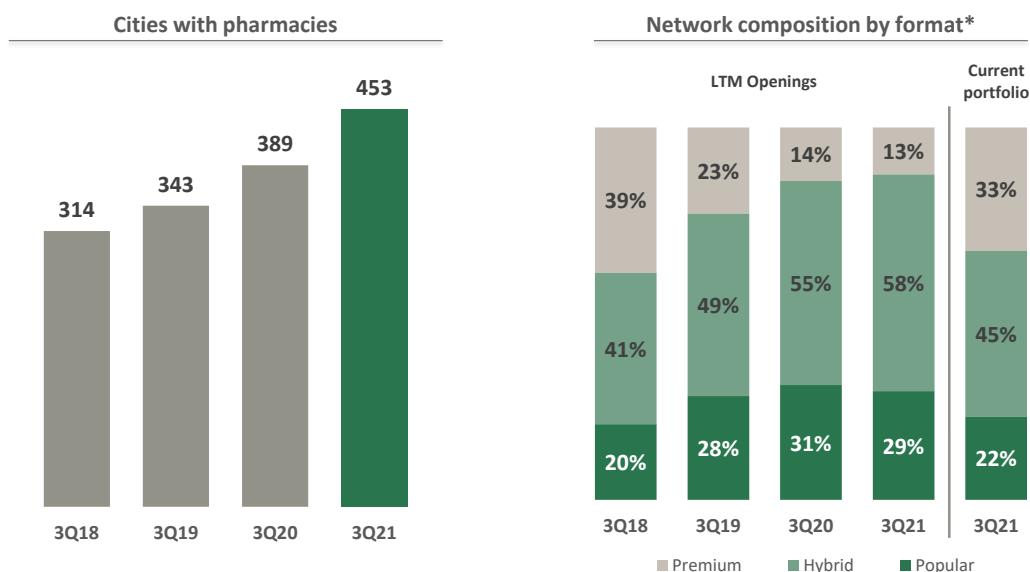
We opened 52 new pharmacies in the 3Q21 and closed 12, ending the quarter with 2,414 units in operation, in addition to 4 4Bio locations. We reiterate our gross openings guidance of 240 new pharmacies for 2021 and announced in October the increase of our guidance for 2022 from 240 to 260 new pharmacies.

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.



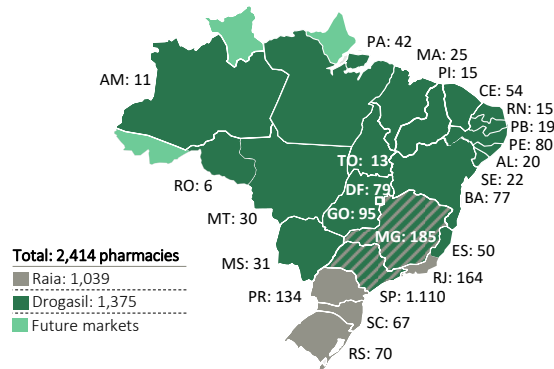
Of the 12 pharmacies closed in the 3Q21, 2 were still in the maturation process and represent corrections of mistakes that are to be expected in a large-scale expansion such as RD's. The remaining 10 closures were mature units driven by the optimization of our pharmacy portfolio with positive return expectations associated to them.

We continued diversifying our pharmacy network in the quarter, both geographically and demographically, with 78% 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 453 cities, 64 more than in the 3Q20. And while 67% of our units have popular or hybrid formats, 87% of the openings in the last twelve months belong to these clusters, increasing our reach into the expanded middle class.



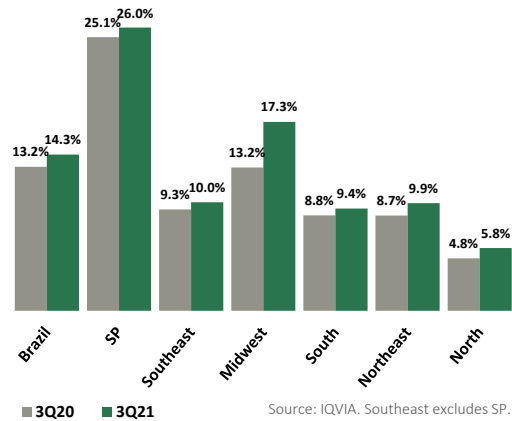
\* Openings exclude the Onofre acquisition.

Lastly, we signed contracts to enter the states of Acre, Roraima and Amapá, expanding our presence to all states in Brazil by the end of 2021.

**Pharmacy geographic presence**


LTM organic openings*	3Q17	3Q18	3Q19	3Q20	3Q21
São Paulo state	93	76	65	71	53
Total	212	230	231	237	236
% São Paulo state	44%	33%	28%	30%	22%

\* Does not consider the 42 pharmacies acquired from Onofre

**Pharmacy market share**


Our national market share totaled 14.3% in the quarter, a 1.1 percentage point increase when compared to the 3Q20, leveraged by our organic expansion and also by our digital transformation.

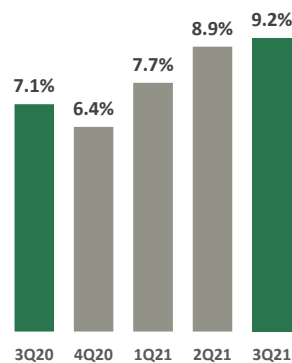
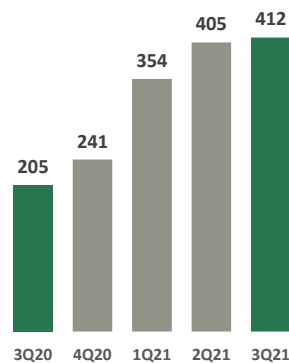
In the quarter, we increased our market share in all six regions, with the Midwest region being our main highlight, with a market share of 17.3% and a 4.1 percentage point gain vs. the 3Q20. We highlight that our market share in the Midwest was negatively impacted in the 3Q20, when IQVIA recorded atypically high sell-in data. When analyzing only sell-out data, which considers exclusively information reported directly to IQVIA by major pharmacy chains, our market share gain in the region was of 1.9 percentage point.

We also recorded strong gains in the Northeast region, where we reached a market share of 9.9%, a 1.2 percentage point gain, and in the North, where we registered a market share of 5.8%, an increase of 1.0 percentage point.

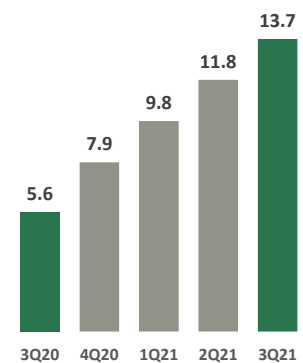
Finally, we recorded a market share of 26.0% in São Paulo, an increase of 0.9 percentage point, a market share of 10.0% in the Southeast (excluding São Paulo), an increase of 0.7 percentage point and a market share of 9.4% in the South, an increase of 0.6 percentage point vs. the 3Q20.

## DIGITAL HEALTH TRANSFORMATION

Our digital health transformation is based on three complementary pillars: the New Pharmacy, which combines a health hub with a digital and omnichannel experience, the Marketplace, and the Integral Health Platform. Together, these three businesses will allow us to support our more than 40 million active customers in taking care of their health and well-being and, at the same time, leverage their frequency of interaction, engagement and overall spending.

**Digital channel penetration**

**Cities with motorized ship-from-store deliveries**

**Cumulative app downloads**

Millions



In the 3Q21, the digital channel penetration in the New Pharmacy reached 9.2% of sales, driven by commercial and operational efforts to enhance our omnichannel experience. It is important to highlight that 88% of our digital transactions were fulfilled by our pharmacies, which have delivered in under 4 hours with high convenience and economic efficiency.

We have done ship-from-store deliveries in 412 cities, which represent 91% of the municipalities where RD operates pharmacies, complementing our *Neighborhood Delivery* and *Click & Collect* options that were already available at 100% of our locations.

We recorded 13.7 million cumulative app downloads since the 1Q19. The digitalization of the relationship with our customers is key to our long-term strategy. Customers who use our digital channels increase their loyalty, engagement and frequency, spending on average 20% to 25% more than non-digitalized customers, making this process a fundamental driver of long-term value creation.

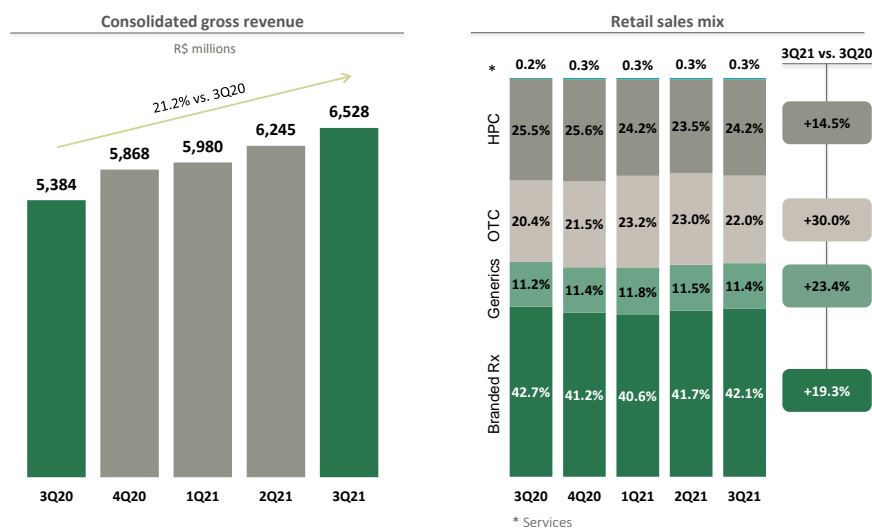
Our pharmacies continued to expand their role in healthcare. We performed 2.5 million COVID-19 tests in 2021 (3.4 million since 2020). Additionally, our pharmacies applied a total of 181 thousand immunization doses against COVID-19 free of charge in partnership with 14 Brazilian municipalities and within the National Immunization Program.

We also advanced in the development of our marketplace. We already offer over 63 thousand SKUs from approximately 250 sellers in the Droga Raia marketplace. Additionally, we started piloting the marketplace within Drogasil's app and website.

Lastly, we launched **Vitat** in July, our Integral Health Platform. **Vitat** was born omnichannel, combining a web portal with health and well-being content, the **Vitat** health Super App, focused on the promotion of integral health, and 9 **Vitat Spaces** in pharmacies that physically connects the Platform to the Drogasil and Droga Raia stores. In addition to the **Vitat** Super App, the Platform also includes *Tecnonutri*, *Workout* and *Dieta e Saúde*, which are vertical apps that originally belonged to Tech.fit, acquired in February of this year.

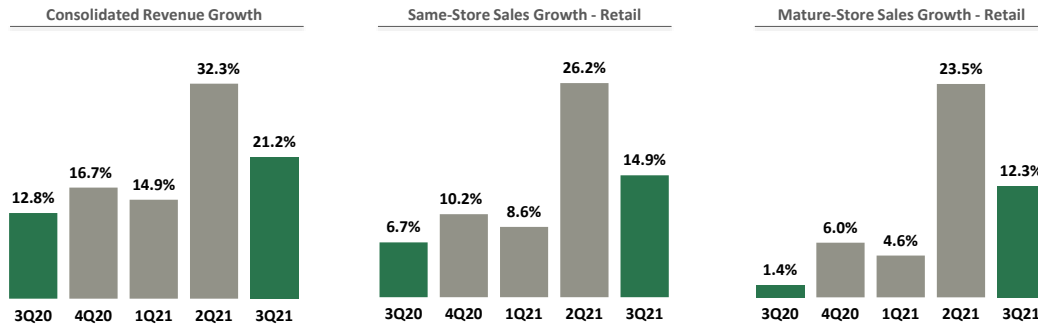
The platform's 4 apps currently offer over 150 different programs focused on healthy eating, exercises, sleep, mental health and health promotion, all of which are currently free. Meanwhile, the **Vitat** Super App will also offer medical, nutritional and psychological teleconsultations. In addition, it will also allow the monitoring of the customer's history through a unified health wallet and the scheduling of services at our more than 1,500 Health Hubs.

## GROSS REVENUES



Our consolidated revenue totaled R\$ 6,528 million, a 21.2% growth vs. the 3Q20.

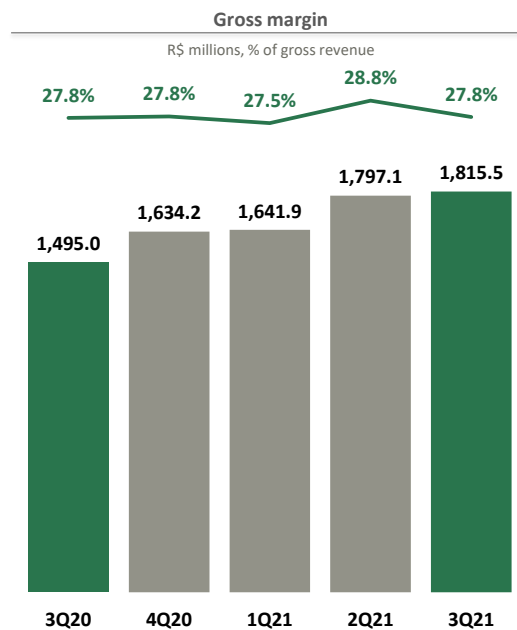
OTC was the highlight of the quarter growing 30.0% and gaining 1.6 percentage point in the mix vs. the 3Q20. The increase of OTC in the sales mix continues to be driven mainly by products related to the pandemic, such as masks, vitamins and COVID-19 tests. In addition, Generics grew 23.4% and gained 0.2 percentage points in the mix. Lastly, Branded Rx grew 19.3%, with its participation in the sales mix decreasing by 0.6 percentage point and HPC grew 19.3% and lost 1.3 percentage point.



We recorded a same-store sales growth of 14.9% at our pharmacies, with 12.3% for mature stores, in a period without a calendar effect. This represents a real mature store growth 2.0 percentage points above the inflation of 10.3% in the period as measured by the IPCA index.

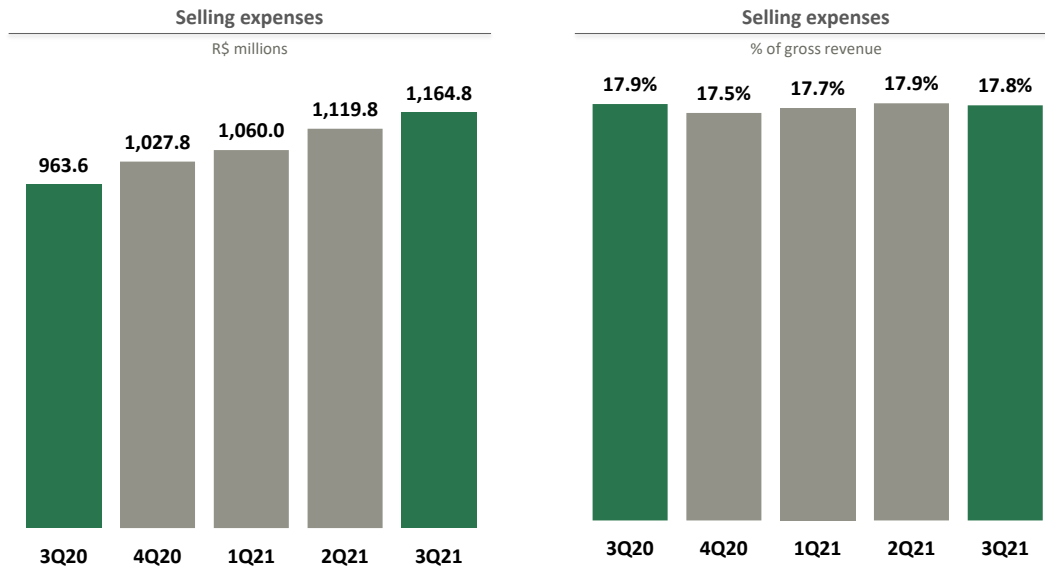
## GROSS PROFIT

Our gross profit totaled R\$ 1,815.5 million with a gross margin of 27.8%, in-line with the 3Q20. This includes a 0.2 percentage point expansion due to the Net Present Value (NPV) adjustment, a non-cash effect stemming from higher interest rates when compared to the same period last year, partially offset by a 0.1 percentage point pressure from higher discounts.



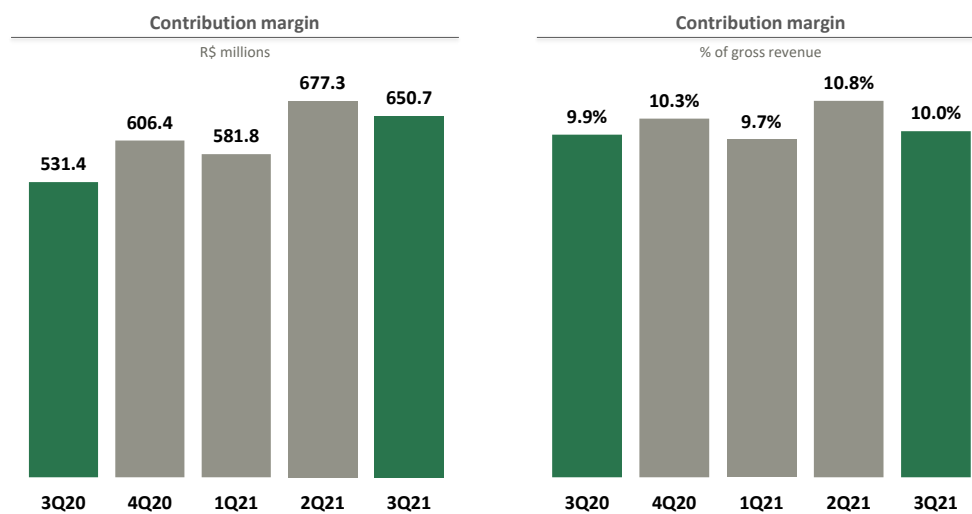
## SELLING EXPENSES

Selling expenses in the quarter totaled R\$ 1,164.8 million, equivalent to 17.8% of gross revenue, a 0.1 percentage point dilution over the same period of the previous year. We've recorded a dilution of 0.4 percentage point in personnel expenses and 0.1 percentage point in freight expenses, partially offset by a 0.1 percentage point pressure with consumable items, rentals, and professional services each.



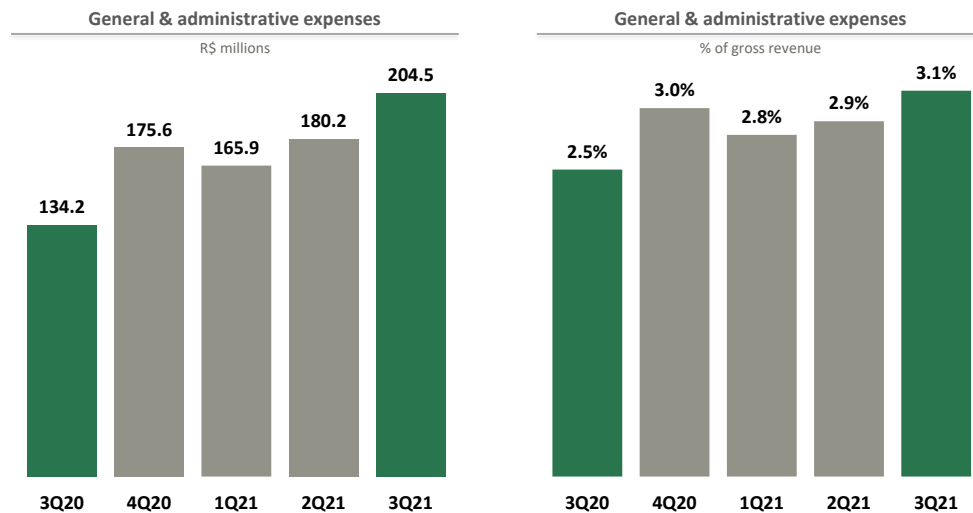
### CONTRIBUTION MARGIN

Our contribution margin totaled R\$ 650.7 million, an increase of 22% versus the 3Q20. This represented 10.0% of gross revenue, a margin increase of 0.1 percentage points over the 3Q20 stemming from the 0.1 percentage point dilution in selling expenses.



### GENERAL & ADMINISTRATIVE EXPENSES

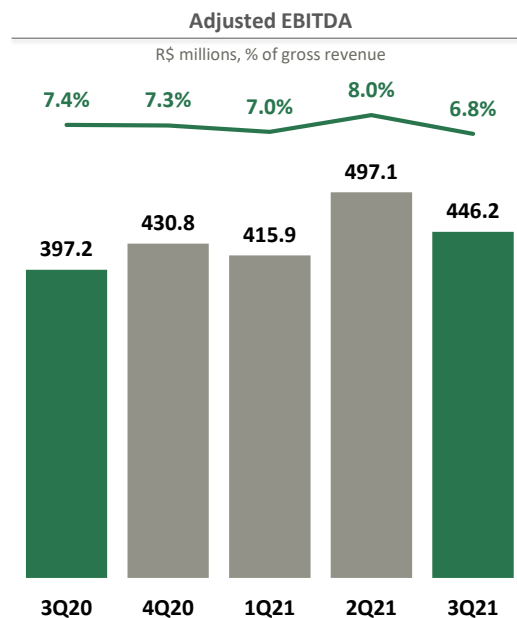
General and administrative expenses amounted to R\$ 204.5 million in the 3Q21, equivalent to 3.1% of gross revenue, a 0.6 percentage point increase when compared to the same period of last year. We recorded pressures of 0.5 percentage points in personnel expenses, 0.1 percentage point with software licenses and 0.1 with consulting services, which were partly offset by a dilution of 0.1 percentage points in labor contingencies.



It is important to highlight that general and administrative expenses include an increment of 0.3 percentage points vs. the 3Q20 related to our investments into technology and the digitalization of health, including squads, software licenses, support teams, infrastructure and third-party services, establishing the required foundations that enable the Company to execute its new Strategy.

## EBITDA

Our adjusted EBITDA totaled R\$ 446.2 million in the quarter, an increase of 12% when compared to the 3Q20. We recorded an adjusted EBITDA margin of 6.8%, corresponding to a 0.6 percentage point contraction. While the New Pharmacy expanded its contribution margin by 0.1 percentage point, we recorded a G&A pressure of 0.6 percentage point driven by the increase in our corporate structure to execute our new Strategy.



The pharmacies opened in the year, as well as those in the opening process, reduced the EBITDA by R\$ 3.4 million in the 3Q21. Therefore, considering only the 2,260 units in operation since the end of 2020 and full logistics, general and administrative expenses, the consolidated adjusted EBITDA would have totaled R\$ 449.5 million, equivalent to 7.1% of gross revenue.

## EBITDA RECONCILIATION AND NON-RECURRING EXPENSES

We recorded R\$ 1.2 million in non-recurring expenses in the 3Q21, of which R\$ 3.9 million refer to donations, partly offset by R\$ 2.3 million from the reduction of asset write-off provisions, mainly for store closures, besides R\$ 0.4 million of other non-recurring gains.

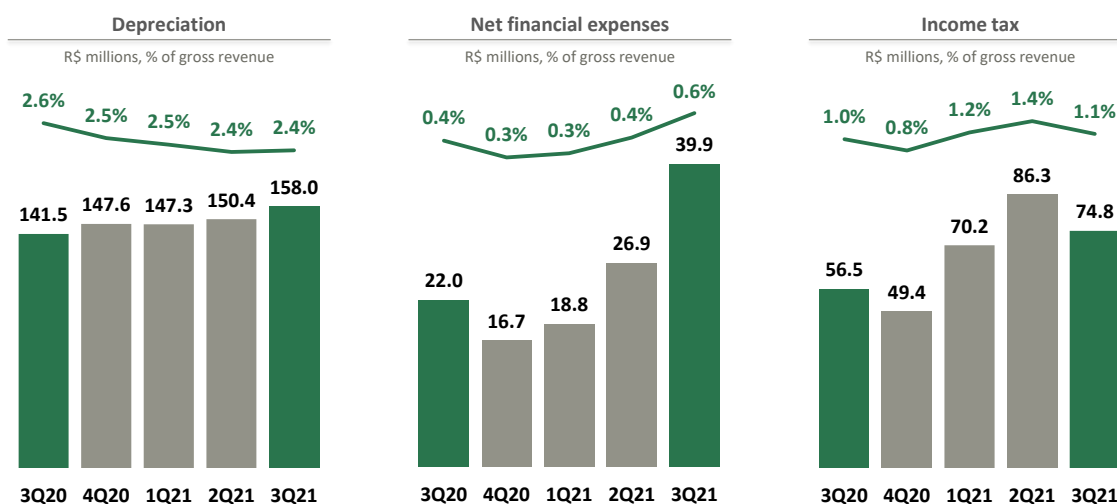
EBITDA Reconciliation - R\$ millions		3Q21	3Q20
<b>Net income</b>		<b>172.8</b>	<b>174.7</b>
Income tax		74.4	57.4
Equity Equivalence		(0.2)	4.3
Financial Result		39.9	22.0
<b>EBIT</b>		<b>286.9</b>	<b>258.4</b>
Depreciation and amortization		158.0	141.5
<b>EBITDA</b>		<b>444.9</b>	<b>400.0</b>
Donations		3.9	2.0
Distribution center closure		-	0.7
Restructuring expenses		-	(2.4)
INSS, PIS and COFINS credits from previous years		-	(3.9)
Asset write-offs		(2.3)	1.7
Other non-recurring/non-operating effects		(0.4)	(0.8)
<b>Non-recurring/non-operating expenses</b>		<b>1.2</b>	<b>(2.8)</b>
<b>Adjusted EBITDA</b>		<b>446.2</b>	<b>397.2</b>

## DEPRECIATION, NET FINANCIAL EXPENSES AND INCOME TAXES

Depreciation expenses amounted to R\$ 158.0 million in the 3Q21, equivalent to 2.4% of gross revenues, a 0.2 percentage point dilution when compared to the same period of last year.

Net financial expenses represented 0.6% of gross revenue, a 0.2 percentage point increase when compared with the 3Q20. Of the R\$ 39.9 million recorded in the quarter, R\$ 22.3 million refer to the actual financial interest accrued on financial liabilities, equivalent to 0.3% of gross revenue and stable when compared to the 3Q20. We've also recorded R\$ 16.9 million in financial expenses which refer to the NPV adjustment and R\$ 0.7 million which refers to the interest on the option to acquire the remaining 15% of 4Bio.

Lastly, we booked R\$ 74.8 million in income taxes, equivalent to 1.1% of gross revenue, a 0.1 percentage point increase.



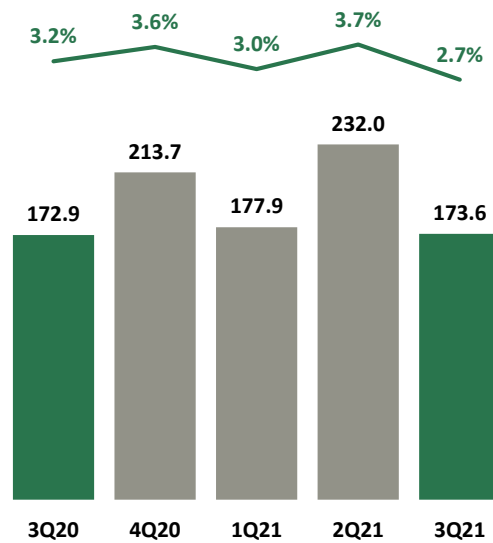
## NET INCOME

Our adjusted net income totaled R\$ 173.6 million in the quarter with a net margin of 2.7%, a contraction of 0.5 percentage points versus the 3Q20, mostly a result of our investments in G&A expenses to support our Strategy.



### Adjusted net income

R\$ millions, % of gross revenue

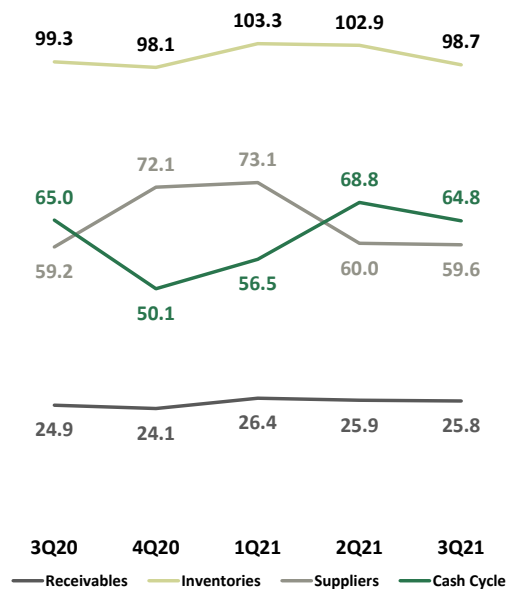


### CASH CYCLE

Our cash cycle in the 3Q21 was 64.8 days, a reduction of 0.2 days when compared to the same period of the previous year. Our inventories decreased by 0.6 days, while accounts payable increased by 0.5 days. Finally, receivables were 0.9 days above the level of the 3Q20.

### Cash cycle\*

COGS days, Gross revenue days



\* Adjusted for discounted receivables.

### CASH FLOW

We recorded a positive free cash flow of R\$ 73.2 million and a total cash consumption of R\$ 21.9 million in the 3Q21. Our operating cash flow generated R\$ 307.0 million.

<b>Cash Flow</b>	<b>3Q21</b>	<b>3Q20</b>
<i>(R\$ million)</i>		
<b>Adjusted EBIT</b>	<b>288,1</b>	<b>255,6</b>
NPV Adjustment	(17,2)	(5,6)
Non-Recurring Expenses	(1,2)	2,8
Income Tax (34%)	(91,7)	(86,0)
Depreciation	158,0	141,5
Others	(83,9)	12,9
<b>Resources from Operations</b>	<b>252,1</b>	<b>321,4</b>
Cash Cycle*	(17,1)	144,9
Other Assets (Liabilities)**	72,1	88,7
<b>Operating Cash Flow</b>	<b>307,0</b>	<b>555,0</b>
<b>Investments</b>	<b>(233,9)</b>	<b>(184,4)</b>
<b>Free Cash Flow</b>	<b>73,2</b>	<b>370,5</b>
Interest on Equity	(0,1)	(19,5)
Income Tax Paid over Interest on Equity	(6,6)	(6,6)
Net Financial Expenses***	(23,0)	(17,2)
Share Buyback	(73,2)	-
Income Tax (Tax benefit over financial expenses and interest on equity)	7,8	22,8
<b>Total Cash Flow</b>	<b>(21,9)</b>	<b>350,1</b>

\*Includes adjustments to discounted receivables.

\*\*Includes NPV adjustments.

\*\*\*Excludes NPV adjustments.

Resources from operations totaled R\$ 252.1 million, equivalent to 3.9% of gross revenue, while we recorded a working capital reduction of R\$ 55.0 million.

Of the R\$ 233.9 million invested in the quarter, R\$ 91.3 million corresponded to new pharmacy openings, R\$ 47.6 million to the renovation or expansion of existing units and R\$ 95.0 million to investments in infrastructure.

Net financial expenses totaled R\$ 23.0 million in the 3Q21, excluding the NPV adjustments. These were partly offset by the R\$ 7.8 million in tax shield related to the net financial expenses.

## INDEBTEDNESS

We ended the 3Q21 with an adjusted net financial debt of R\$ 1,354.8 million, versus R\$ 1,177.6 million in the same period of 2020. This equals an adjusted net debt to EBITDA ratio of 0.8x, 0.1x lower than the same period of the previous year.

Our adjusted net debt includes R\$ 36.6 million in liabilities related to the exercise of the put option granted and/or call option obtained for the acquisition of the remaining 15% minority stake of 4Bio.

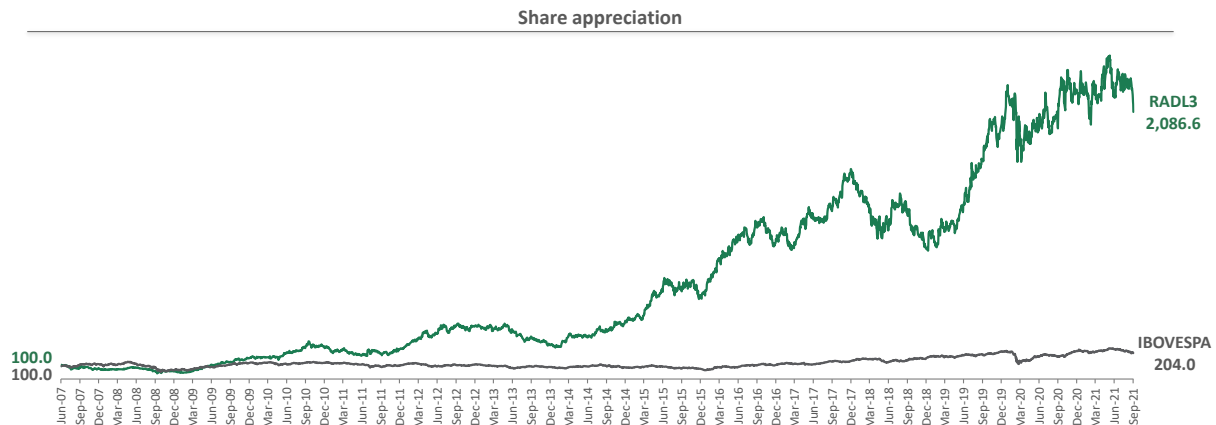
<b>Net Debt (R\$ millions)</b>	<b>3Q21</b>	<b>2Q21</b>	<b>1Q21</b>	<b>4Q20</b>	<b>3Q20</b>
Short-term Debt	630.1	622.7	206.7	531.2	536.5
Long-term Debt	934.7	934.3	1,426.2	1,122.2	1,195.5
<b>Total Gross Debt</b>	<b>1,564.8</b>	<b>1,557.0</b>	<b>1,632.8</b>	<b>1,653.5</b>	<b>1,732.0</b>
(-) Cash and Equivalents	247.2	266.7	734.4	880.4	600.2
<b>Net Debt</b>	<b>1,317.6</b>	<b>1,290.4</b>	<b>898.4</b>	<b>773.1</b>	<b>1,131.8</b>
Discounted Receivables	0.5	6.6	-	-	-
Put/Call options to acquire 4Bio (estimated)	36.6	35.9	47.1	46.4	45.8
<b>Adjusted Net Debt</b>	<b>1,354.8</b>	<b>1,332.8</b>	<b>945.5</b>	<b>819.5</b>	<b>1,177.6</b>
<b>Adjusted Net Debt / EBITDA</b>	<b>0.8x</b>	<b>0.8x</b>	<b>0.6x</b>	<b>0.6x</b>	<b>0.9x</b>

Our gross debt totaled R\$ 1,564.8 million, of which 71.8% corresponds to the debentures issued in 2017, 2018 and 2019, to the Certificate of Real Estate Receivables issued in 2019 and to the commercial papers issued in 2020 and 28.2% corresponds to other credit lines. Of our total debt, 60% is long-term, while 40% relates to its short-term parcels. We ended the quarter with a total cash position (cash and marketable securities) of R\$ 247.2 million.

## TOTAL SHAREHOLDER RETURNS

Our share price decreased by 5.4% in the quarter, 7.1 percentage points better than the IBOVESPA which decreased by 12.5%. Since the IPO of Drogasil, we achieved a cumulative share appreciation of 1,987% versus a return of only 104% for the IBOVESPA. Including the payment of interest on equity, we generated an average annual total return to shareholders of 24.1%.

Considering the IPO of Raia in December of 2010, the cumulative return amounted to 702% versus an increase of only 63% of the IBOVESPA. Considering the payment of interest on equity, this resulted in an average annual total return to shareholders of 21.7%. Lastly, our shares recorded an average daily trading volume of R\$ 131 million in the quarter.



## IFRS 16

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

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

Income Statement (R\$ millions)	3Q21		Change
	IAS 17	IFRS 16	Δ 3Q21
<b>Gross Revenue</b>	<b>6,527.9</b>	<b>6,527.9</b>	<b>0.0</b>
<b>Gross Profit</b>	<b>1,815.5</b>	<b>1,815.5</b>	<b>0.0</b>
Gross Margin	27.8%	27.8%	0.0%
Selling Expenses	(1,164.8)	(957.3)	207.4
G&A	(204.5)	(204.1)	0.4
<b>Total Expenses</b>	<b>(1,369.3)</b>	<b>(1,161.4)</b>	<b>207.9</b>
as % of Gross Revenue	21.0%	17.8%	(3.2%)
<b>Adjusted EBITDA</b>	<b>446.2</b>	<b>654.0</b>	<b>207.9</b>
as % of Gross Revenue	6.8%	10.0%	3.2%
Non-Recurring Expenses / Revenues	(1.2)	(2.6)	(1.4)
Depreciation and Amortization	(158.0)	(329.3)	(171.3)
Financial Results	(39.9)	(96.8)	(56.8)
Equity Equivalence	0.2	0.2	0.0
Income Tax	(74.4)	(67.0)	7.4
<b>Net Income</b>	<b>172.8</b>	<b>158.5</b>	<b>(14.3)</b>
as % of Gross Revenue	2.6%	2.4%	(0.2%)

Balance Sheet (R\$ millions)	3Q21		Change
	IAS 17	IFRS 16	Δ 3Q21
<b>Assets</b>	<b>11,059.8</b>	<b>14,406.2</b>	<b>3,346.4</b>
<b>Current Assets</b>	<b>7,230.0</b>	<b>7,230.1</b>	<b>0.0</b>
Taxes Receivable	102.2	102.3	0.0
Other Accounts Receivable	264.6	264.6	(0.0)
<b>Non-Current Assets</b>	<b>3,829.7</b>	<b>7,176.1</b>	<b>3,346.4</b>
Other Credits	361.8	361.3	(0.5)
Investments	8.1	8.1	(0.0)
Property, Plant and Equipment	1,921.6	5,268.5	3,346.9
Intangible	1,345.9	1,345.9	0.0
<b>Liabilities and Shareholder's Equity</b>	<b>11,059.8</b>	<b>14,406.2</b>	<b>3,346.4</b>
<b>Current Liabilities</b>	<b>4,541.9</b>	<b>5,155.7</b>	<b>613.8</b>
Financial Leases	0.0	680.7	680.7
Dividend and Interest on Equity	133.2	83.4	(49.8)
Other Accounts Payable	248.7	231.6	(17.1)
<b>Non-Current Liabilities</b>	<b>1,574.6</b>	<b>4,463.0</b>	<b>2,888.4</b>
Financial Leases	0.0	2,994.1	2,994.1
Income Tax and Social Charges Deferred	130.4	24.7	(105.7)
<b>Shareholder's Equity</b>	<b>4,943.2</b>	<b>4,787.5</b>	<b>(155.8)</b>
Income Reserves	1,780.4	1,664.2	(116.2)
Accrued Income	527.5	488.0	(39.5)
Equity Adjustments	3.8	3.8	0.0
Non Controller Interest	35.4	35.4	(0.0)

Cash Flow (R\$ millions)	3Q21		Change
	IAS 17	IFRS 16	Δ 3Q21
<b>Adjusted EBIT</b>	<b>288.1</b>	<b>324.7</b>	<b>36.6</b>
NPV Adjustment	(17.2)	(17.2)	0.0
Non-Recurring Expenses	(1.2)	(2.6)	(1.4)
Income Tax (34%)	(91.7)	(103.7)	(12.0)
Depreciation	158.0	329.3	171.3
Rental Expenses	0.0	(206.4)	(206.4)
Others	(83.9)	(72.0)	11.9
<b>Resources from Operations</b>	<b>252.1</b>	<b>252.1</b>	<b>0.0</b>
Cash Cycle*	(17.1)	(17.1)	0.0
Other Assets (Liabilities)**	72.1	72.1	0.0
<b>Operating Cash Flow</b>	<b>307.0</b>	<b>307.0</b>	<b>0.0</b>
<b>Investments</b>	<b>(233.9)</b>	<b>(233.9)</b>	<b>0.0</b>
<b>Free Cash Flow</b>	<b>73.2</b>	<b>73.2</b>	<b>0.0</b>
Interest on Equity	(0.1)	(0.1)	0.0
Income Tax Paid over Interest on Equity	(6.6)	(6.6)	0.0
Net Financial Expenses***	(23.0)	(23.0)	0.0
Share Buyback	(73.2)	(73.2)	0.0
Income Tax (Tax benefit over financial expenses and interest on equity)	7.8	7.8	0.0
<b>Total Cash Flow</b>	<b>(21.9)</b>	<b>(21.9)</b>	<b>0.0</b>

\*Includes adjustments to discounted receivables.

\*\*Includes NPV adjustments

\*\*\*Excludes NPV adjustments

### 3Q21 Results Conference Calls – November 10<sup>th</sup>, 2021

#### Portuguese

at 10:00 am (BRT)

Link:

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

#### English

at 12:00 pm (BRT)

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)

<b>Consolidated Adjusted Income Statement</b> <i>(R\$ thousands)</i>	<u>3Q20</u>	<u>3Q21</u>
<b>Gross Revenue</b>	<b>5,384,230</b>	<b>6,527,875</b>
Taxes, Discounts and Returns	(290,779)	(363,012)
<b>Net Revenue</b>	<b>5,093,452</b>	<b>6,164,863</b>
Cost of Goods Sold	(3,598,455)	(4,349,402)
<b>Gross Profit</b>	<b>1,494,996</b>	<b>1,815,460</b>
Operational (Expenses) Revenues		
Sales	(963,626)	(1,164,752)
General and Administrative	(134,211)	(204,544)
<b>Operational Expenses</b>	<b>(1,097,837)</b>	<b>(1,369,296)</b>
<b>EBITDA</b>	<b>397,159</b>	<b>446,165</b>
Depreciation and Amortization	(141,531)	(158,034)
<b>Operational Earnings before Financial Results</b>	<b>255,628</b>	<b>288,131</b>
Financial Expenses	(31,777)	(62,946)
Financial Revenue	9,787	23,014
<b>Financial Expenses/Revenue</b>	<b>(21,990)</b>	<b>(39,932)</b>
Equity Equivalence	(4,316)	179
<b>Earnings before Income Tax and Social Charges</b>	<b>229,322</b>	<b>248,378</b>
Income Tax and Social Charges	(56,451)	(74,810)
<b>Net Income</b>	<b>172,871</b>	<b>173,567</b>

<b>Consolidated Income Statement</b> <i>(R\$ thousands)</i>	<u>3Q20</u>	<u>3Q21</u>
<b>Gross Revenue</b>	<b>5,384,230</b>	<b>6,527,875</b>
Taxes, Discounts and Returns	(290,779)	(363,012)
<b>Net Revenue</b>	<b>5,093,452</b>	<b>6,164,863</b>
Cost of Goods Sold	(3,598,455)	(4,349,402)
<b>Gross Profit</b>	<b>1,494,996</b>	<b>1,815,460</b>
Operational (Expenses) Revenues		
Sales	(963,626)	(1,164,752)
General and Administrative	(134,211)	(204,544)
Other Operational Expenses, Net	2,797	(1,215)
<b>Operational Expenses</b>	<b>(1,095,040)</b>	<b>(1,370,511)</b>
<b>EBITDA</b>	<b>399,956</b>	<b>444,950</b>
Depreciation and Amortization	(141,531)	(158,034)
<b>Operational Earnings before Financial Results</b>	<b>258,425</b>	<b>286,915</b>
Financial Expenses	(31,777)	(62,946)
Financial Revenue	9,787	23,014
<b>Financial Expenses/Revenue</b>	<b>(21,990)</b>	<b>(39,932)</b>
Equity Equivalence	(4,316)	179
<b>Earnings before Income Tax and Social Charges</b>	<b>232,119</b>	<b>247,163</b>
Income Tax and Social Charges	(57,402)	(74,397)
<b>Net Income</b>	<b>174,717</b>	<b>172,765</b>

<b>Assets</b>	<u>3Q20</u>	<u>3Q21</u>
<i>(R\$ thousands)</i>		
<b>Current Assets</b>		
Cash and Cash Equivalents	600,206	247,158
Accounts Receivable	1,470,419	1,848,349
Inventories	3,926,676	4,717,258
Taxes Receivable	91,269	102,214
Other Accounts Receivable	222,376	264,627
Anticipated Expenses	47,733	50,440
	<u>6,358,679</u>	<u>7,230,046</u>
<b>Non-Current Assets</b>		
Deposit in Court	29,331	27,392
Taxes Receivable	102,189	126,787
Income Tax and Social Charges deferred	19,657	38,083
Other Credits	345,424	361,786
Investments	0	8,097
Property, Plant and Equipment	1,817,792	1,921,622
Intangible	1,255,218	1,345,941
	<u>3,569,611</u>	<u>3,829,707</u>
<b>ASSETS</b>	<u><b>9,928,290</b></u>	<u><b>11,059,753</b></u>



<b>Liabilities and Shareholder's Equity</b> <i>(R\$ thousands)</i>	<b>3Q20</b>	<b>3Q21</b>
<b>Current Liabilities</b>		
Suppliers	2,339,320	2,850,604
Loans and Financing	536,490	630,096
Salaries and Social Charges Payable	409,271	484,721
Taxes Payable	123,286	153,702
Dividend and Interest on Equity	153,220	133,246
Provision for Lawsuits	32,327	40,849
Other Accounts Payable	173,421	248,714
	<u>3,767,336</u>	<u>4,541,932</u>
<b>Non-Current Liabilities</b>		
Loans and Financing	1,195,516	934,693
Provision for Lawsuits	70,098	54,436
Income Tax and Social Charges deferred	161,201	130,416
Other Accounts Payable	393,573	455,038
	<u>1,820,387</u>	<u>1,574,582</u>
<b>Shareholder's Equity</b>		
Common Stock	2,500,000	2,500,000
Capital Reserves	142,880	84,567
Revaluation Reserve	11,719	11,555
Income Reserves	1,429,597	1,780,379
Accrued Income	232,616	527,500
Equity Adjustments	(30,230)	3,821
Non Controller Interest	53,984	35,416
	<u>4,340,567</u>	<u>4,943,238</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b><u>9,928,290</u></b>	<b><u>11,059,753</u></b>

<b>Cash Flow</b>	<b>3Q20</b>	<b>3Q21</b>
<i>(R\$ thousands)</i>		
<b>Earnings before Income Tax and Social Charges</b>	<b>234.682</b>	<b>251.110</b>
<b>Adjustments</b>		
Depreciation and Amortization	141.531	157.976
Compensation plan with restricted shares, net	4.974	5.224
Interest over additional stock option	1.260	715
P,P&E and Intangible Assets residual value	1.662	2.531
Provisioned Lawsuits	3.243	(93.487)
Provisioned Inventory Loss	2.732	286
Provision for Doubtful Accounts	1.739	1.206
Provisioned Store Closures	(715)	(4.392)
Interest Expenses	15.205	25.003
Debt Issuance Costs Amortization	1.575	965
Equity Equivalence Result	1.027	(179)
Provision for Estimated Losses on other Assets	29	0
Discount on rentals	0	796
	<b>408.944</b>	<b>347.754</b>
<b>Assets and Liabilities variation</b>		
Clients and Other Accounts Receivable	(154.168)	(78.885)
Inventories	185.228	(114.411)
Other Short Term Assets	80.699	10.026
Long Term Assets	(45.889)	(8.074)
Suppliers	111.442	170.163
Salaries and Social Charges	(6.153)	71.262
Taxes Payable	7.933	(19.282)
Other Liabilities	16.844	82.010
Rents Payable	2.687	(49.537)
<b>Cash from Operations</b>	<b>607.567</b>	<b>411.026</b>
Interest Paid	(11.157)	(18.070)
Income Tax and Social Charges Paid	(37.940)	(94.371)
Paid lawsuits	(18.711)	(10.788)
<b>Net Cash from (invested) Operational Activities</b>	<b>539.759</b>	<b>287.797</b>
<b>Investment Activities Cash Flow</b>		
P,P&E and Intangible Acquisitions	(187.226)	(239.261)
P,P&E Sale Payments	1.292	0
Investments in Associates	3.289	6.480
Loans granted to subsidiaries	(1.804)	(1.100)
<b>Net Cash from Investment Activities</b>	<b>(184.449)</b>	<b>(233.881)</b>
<b>Financing Activities Cash Flow</b>		
Funding	8.380	(73)
Payments	(10.420)	(78)
Share Buyback	0	(73.228)
Interest on Equity and Dividends Paid	(19.480)	(64)
<b>Net Cash from Funding Activities</b>	<b>(21.520)</b>	<b>(73.443)</b>
<b>Cash and Cash Equivalents net increase</b>	<b>333.790</b>	<b>(19.527)</b>
<b>Cash and Cash Equivalents in the beginning of the period</b>	<b>266.416</b>	<b>266.685</b>
<b>Cash and Cash Equivalents in the end of the period</b>	<b>600.206</b>	<b>247.158</b>