Elfa Medicamentos S.A.

Individual and consolidated interim financial statements for the period ended June 30, 2023

KPDS 1244026

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PRESENTATION OF EARNINGS

2Q23

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São Paulo, August 15, 2023 – Elfa Medicamentos S.A., one of the main providers of healthcare solutions and logistics services in Brazil with over 30 years of history, announces its consolidated results for the second quarter of 2023 (2Q23). The operational and financial information, unless otherwise indicated, is presented in Brazilian reais, in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the accounting practices adopted in Brazil issued by the Accounting Pronouncements Committee (CPC) and approved by the Brazilian Securities and Exchange Commission (CVM). The information contained herein must be analyzed together with the financial reports for period of the second quarter of the year, ended June 30, 2023, filed with the CVM and available on the Company's Investor Relations website (https://ri.grupoelfa.com.br).

Highlights of **6M23**

Net Operating Revenue 6M23

R$ 2.970,9MM

(+9.2% vs 6M22 Normalized[1])

Gross Profit 6M23

R$ 422.4 MM

(+14.3% vs 6M22 Normalized[1])

Gross margin 6M23

14.2%

(+2.0 p.p. vs 6M22 Normalized[1])

R$ 76MM in Operating Cash Generation in 2Q23

(+168% vs 2Q22)

-12.9% in Operating expenses[2] **vs 6M22**

(-13.5% vs 2Q22)

Adjusted EBITDA 6M23

R$ 155.1 MM

(+3.2% vs 6M22)

[1]Normalization of the 1Q22 result recognizing the impact of the differential ICMS tax rate system (Difal) if it was applied in the period

[2] Considering Selling, General & Administrative Expenses and Allowance for Doubtful Accounts

Message from **Management**

Dear investors, partners and stakeholders,

The second quarter of 2023 was a quarter of consistent deliveries for Elfa Group, based on the growth strategy consolidation, through financial discipline and the balance of sales volume and management of our margins.

As in the first quarter of the year, we prioritized cash management, which, through strict control of the capital employed, allowed us to generate +R$ 76MM in operating cash in 2Q23. In recent months, we have also focused on a funding agenda, in order to reinforce our capital structure and promote the Company's growth, which was concluded in early July 2023, with the announcement of a capital increase of R$ 620 million to be carried out in the second semester.

Aiming to continue with the commitment to capture opportunities and synergies from the acquisitions made in recent years, we intensified the Company's restructuring, which proved to be effective, through a -13.5% reduction in Operating Expenses compared to the same quarter of the previous year. And as a result of our profitability strategy, Gross Profit increased by +15.8% compared to the same period of the previous year, with a margin expansion of +2.4pp.

Sales in the semester grew 6.6%, although in the quarter they fell 2.1% compared to the same period of the previous year, fully explained by the performance of medical materials with a NOR drop of -12.2% vs 2Q22. The complexity of the current supply scenario continues to pressure prices in the "Essential Materials" market (disposable products). This situation has impacted not only the market in general, but also our sales in the business unit, partially offset by our "Nutrition" line, which grew 25.9% in Net Revenue vs. 6M22 and "Medtech" by 19.2%. In the "Medicines" segment, we continue with a scenario of growth in NOR and Gross Margin, following the trend of 1Q23, even with the negative impact of the return of DIFAL (tax rate differential) since January of this year.

We remain confident about the future, the outsourcing of hospital logistics has driven growing interest in the market, and in the first semester of 2022, Elfa grew 25.4% in Net Revenue in the "Hospital Logistics Services" business unit. In addition, the normalization of prices for medical supplies and generic medicines paves the way for growth in all our business units.

We are committed to innovation and the digitalization of our operations. Accordingly, we continue to invest in the integration of our platforms through the standardization of systems and by encouraging digital initiatives that allow us to deliver a better experience for our customers.

With regard to our employees, the qualification and development of our team are our priority and the "Empower" challenge is a reflection of this, a program that aims to encourage employees to develop projects that provide qualification opportunities and discussions about inclusion of minority groups. We believe that investing in the well-being and motivation of our team is essential for the Company's sustainable growth.

On behalf of the entire team, we express our deep gratitude to all our customers, suppliers, shareholders and employees. We recognize the significant impact that each of you has on our Company and we are committed to continuing to work together to face challenges and achieve exceptional results.

Thank you for your partnership and collaboration. Together, we will continue to build a successful future for Elfa Group.

Operating performance

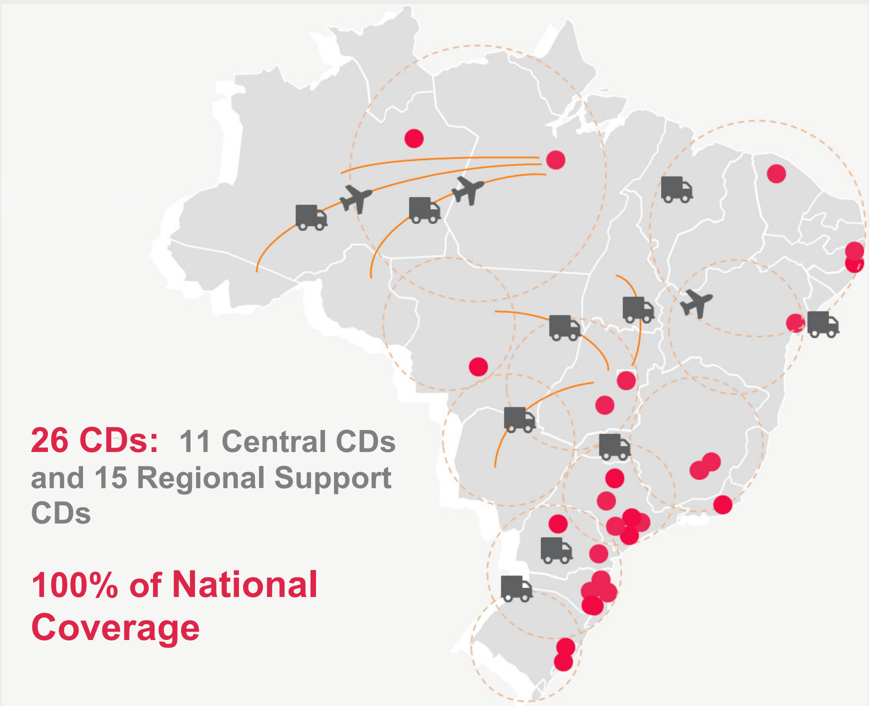
In over 30 years of history, we have changed the medicine distribution scenario in Brazil and currently have become one of the most reputable companies and the most complete provider of medical materials and medicines in the institutional channel. Since 2014, we have leveraged our growth with more than 20 acquisitions, with a unique integration and execution capacity. We believe that the potential for synergies leads to an improvement in the acquisition's EBITDA of approximately 30% through revenue growth levers (cross selling) and cost and expense efficiency.

In the second quarter, there have been several significant events that have driven growth and further strengthened our presence in the market, confirming our position as one of the main providers of healthcare solutions and logistics services in Brazil. For example, we started the import, nationalization and logistics operation for Lexington in Brazil. An important step in the expansion strategy of our logistics solutions for the OPME industry. In addition, in the Medicines business line, we improved our performance in the channel for launching of new drugs and we recorded volume growth with large customers in the market.

We expanded our presence in the Medtech business with Ethicon (J&J) to the states of Paraná and Santa Catarina, with investment prospects and growth for the following quarters, consolidating our position as the largest distributor in general surgery in the country.

And as the Essential Materials market continues to be pressured by lower demand and with strong deflation in commodities, we maintained our focus on growth in higher added-value Materials in the second quarter.

We are present in 100% of the national territory, with 26 distribution centers (national and regional) and operate by land, air and sea. In pursuit of the best and most efficient logistics network, this quarter we carried out the reduction of 3 DCs, reinforcing our strategy of exceptional service to our customers, along with the reduction of operating expenses, which this semester decreased by -12.9% in relation to the previous year.



Following our "One Stop Shop" thesis, we will continue allocating part of our investments this year to improve the customer experience through our digital channels. Moreover, we highlight the investment of around R$ 17 million in 2023 to continue the integration of the ERP, WMS and sales platforms of the group companies, maintaining the strategy of ensuring the best experience for our customers, seeking greater internal efficiency, ensuring greater speed in processes, improving company's synergies and strengthening our data lake.

We had a significant growth of +25% in the user base on the Customer Portal, compared to the first quarter of 2023, which is a clear indication of our dedication to providing an increasingly satisfactory experience. Now, customers have the convenience of self-services and a new version of standardized UX on digital product portals, making the interaction with our services even more friendly and intuitive.

We are committed to continuing to innovate and expand our solutions to meet the ever-evolving needs of the market, and we increasingly believe in the continued trust and search for partnerships of our stakeholders in solid clients such as Elfa Group. With the continued support of our investors, we are confident that we will continue to reach new heights of success.

Financial performance
Net revenue

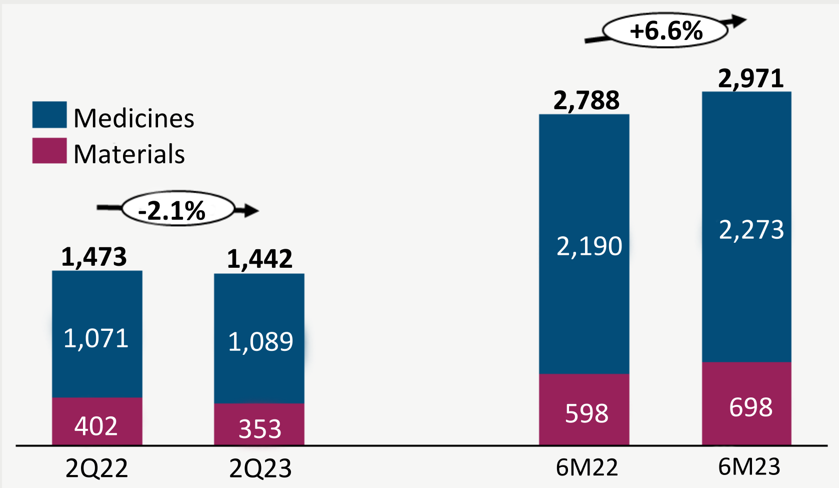
Elfa's Net Revenue in 6M23 was R$ 2,971 million, an increase of 6.6% compared to the same period of 2022, even with a practically stable second quarter in terms of revenue compared to 2Q22.

The normalization of the DIFAL[3] effect in the result for 2022 is important for us to obtain a more accurate view of the company's financial performance, since the tax benefit (DIFAL[4]) present in the 6M22 result, improves the Sales Tax line and consequently the Net Revenue for the quarter. As it was collected again in 2023, if this normalization did not take place, the comparison would be distorted and would not reflect the company's actual income.

Therefore, normalizing the impact of DIFAL in the first semester of the previous year, Elfa grew 9.2% vs 6M22, a growth of 2.6 p.p. compared to the non-normalization of the result.

The first semester was positively impacted by increased demand in the Medicines segment, which grew 3.8% when compared to the previous year, driven by high demand in the Specialty Medicines category. In the Materials segment, we recorded an increase of 16.7%, when compared to 6M22, mainly due to the acquisition of Descarpack in May last year.

Net Operating Revenue



[3]Tax rate charged on interstate transactions, with the purpose of standardizing the difference in rates between states.

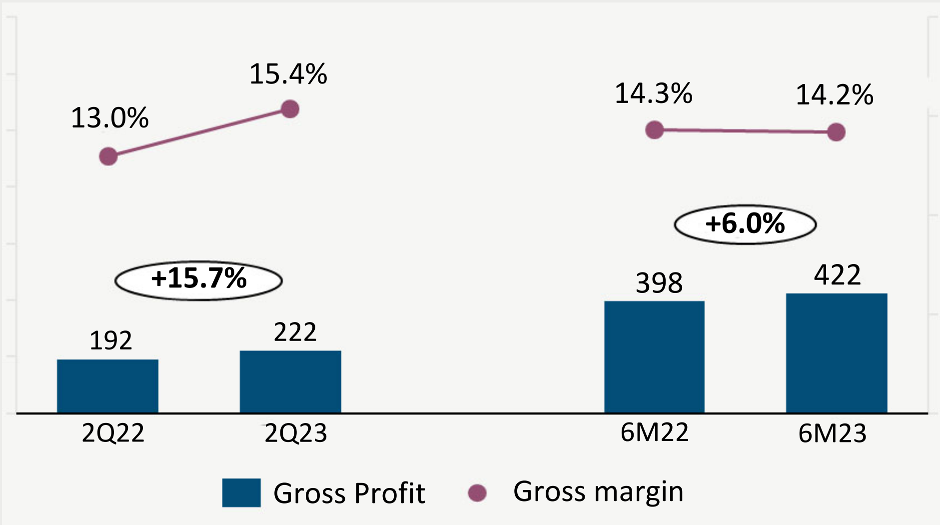
[4] There was no recognition of DIFAL in ELFA's results in 1Q22, supported by the principle of 90-day holding period set forth in item 'c', sub-item III of the chapter of Article 150 of the Federal Constitution.

Gross Profit

Elfa's Gross Profit in 6M23 was R$ 422 million, an increase of 6.0% compared to the same semester of the previous year. Gross margin in the semester was 14.2%, exactly in line with 6M22. However, when performing the normalization analysis of the impact of DIFAL in the previous year, Elfa actually expanded its margins by +2.0 p.p., mainly due to the impact of the tax on the Medicines' segment, which grew 1.6 p.p. due to the normalization of the result.

When compared to the previous quarter, we recorded an increase of +2.4 p.p. in Gross Margin, reflecting the Company's strategy of improving profitability by implementing indicator monitoring routines within the Medicines and Materials segments, in order to focus on more profitable and solid segments.

Gross Profit



Operating expenses

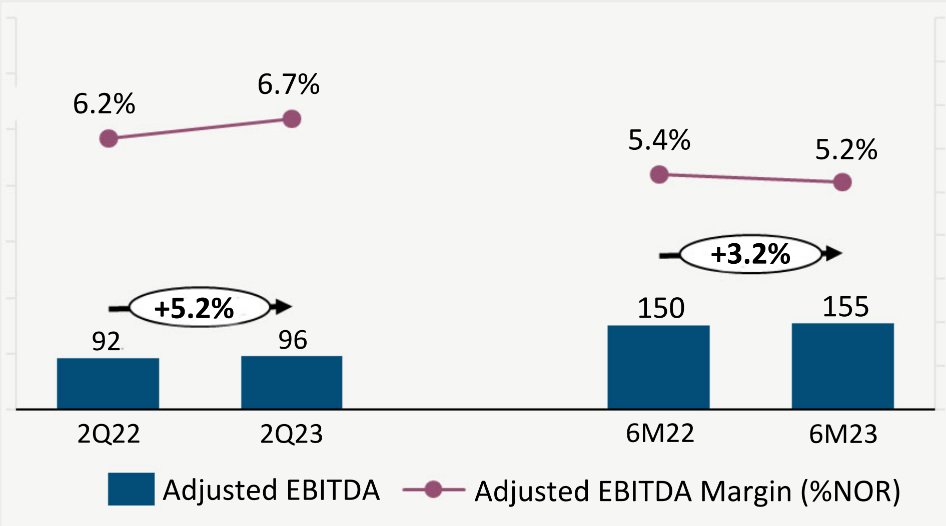
Operating expenses decreased 12.9% compared to the same semester of the previous year, considering Selling Expenses, Allowance for Doubtful Accounts, and General and Administrative Expenses, mainly due to the capture of synergies from the companies acquired in recent years and reinforcement of the continuous commitment to controlling costs and maximizing the Company's profitability.

(R$ Million)	2Q22	2Q23	Change	6M22	6M23	Change
Operating expenses	**(157.6)**	**(136.3)**	***-13.5%***	**(319.7)**	**(278.5)**	***-12.9%***
% NOR	***-10.7%***	***-9.5%***	***1.2 p.p.***	***-11.5%***	***-9.4%***	***2.1 p.p.***

EBITDA

The Adjusted EBITDA increased 3.2% in relation to the first semester of the prior year, totaling R$ 155 million, this result reflects the company's growth strategy in segments that generate gross margin and return on capital employed above the business average, in addition to managing structure optimization and capturing synergies.

Adjusted EBITDA and EBITDA Margin



Operating Profit **(EBIT)**

The Operating profit (EBIT) was R$ 50.2 million, a 36.7% decrease compared to the same period of the previous year. This result was impacted by the recognition in the "Non-recurring income" in the 6M22 from a gain of R$ 18 million due to the price adjustment of the acquisition of previous years; thus, explaining the change of -R$ 24.2M in this period.

(R$ Million)	2Q22	2Q23	Change	6M22	6M23	Change
Adjusted EBITDA	**91.7**	**96.5**	***5.2%***	**150.2**	**155.1**	***3.2%***
% Adjusted EBITIDA Margin (% NOR)	***6.2%***	***6.7%***	***0.5 p.p.***	***5.4%***	***5.2%***	***-0.2 p.p.***
Non-Recurring	(6.2)	(9.4)	*51.0%*	2.4	(21.8)	*-1021.0%*
Depreciation and Amortization	(40.6)	(42.2)	*4.0%*	(73.3)	(83.1)	*13.4%*
Operating Profit (EBIT)	**44.8**	**44.8**	***0.0%***	**79.3**	**50.2**	***-36.7%***

Financial Income

The Financial income in 2Q23 was negative by R$ 111 million, accounting for a change of 70.6% when compared to 2Q22. This change was caused by the increase in the Group's indebtedness to finance past acquisitions, and by the increase in interest basic rate throughout 2022 and 2023.

However, the Company implemented an important cash management and debt renegotiation agenda to improve the current conditions of its debts and minimize the negative impact of these financial expenses.

(R$ Million)	2Q22	2Q23	Change	6M22	6M23	Change
Financial Expenses	(74.1)	(116.0)	*56.6%*	(101.8)	(218.7)	*114.7%*
Financial Revenues	8.9	4.8	*-46.4%*	11.7	13.0	*10.7%*
Financial Income	**(65.2)**	**(111.2)**	***70.6%***	**(90.1)**	**(205.7)**	***128.3%***

Income tax and **social contribution**

In the first semester of 2023, our revenue from Income Tax and Social Contribution totaled R$ 43.9 million, accounting for a decrease of 6.6% compared to the first semester of 2022. However, it is important highlighting that this change is mainly due to the reduction in earnings before taxes, caused by the increase in financial expenses.

The company has a special ICMS regime that includes a reduction in the calculation basis. In accordance with Brazilian tax laws, ICMS tax benefits proven by CONFAZ (Executive Secretariat of the National Council for Finance Policy) are also excluded from the income tax (IR) and social contribution (CSLL) calculation basis – as can be seen below in the line "Grants of Investments".

(R$ million)	2Q22	2Q23	6M22	6M23
Operating profit before taxes and Financial income	(20.4)	(66.4)	(10.8)	(155.5)
Legal combined tax rate	34.0%	34.0%	34.0%	34.0%
Income tax and social contribution over legal tax rates	**6.9**	**22.6**	**3.7**	**52.9**
Adjustments (tax effect; multiplied by 34%)				
Grants on investments	25.1	9.4	43.8	20.7
Non-deductible expenses	-	(1.1)	-	(1.1)
Regularization of deferred tax balances	-	(11.1)	-	(18.6)
Prior-year adjustments	-	(0.2)	-	(0.2)
Tax loss and temporary differences without deferral	-	11.5	-	(6.0)
Other additions and exclusions, net	(4.7)	(2.1)	(0.4)	(3.7)
Additions and exclusions, net	20.4	6.5	43.3	(8.9)
Income tax and social contribution, net	**27.3**	**29.1**	**47.0**	**43.9**
Effective tax rate	134.1%	43.8°%	436.2%	28.3%

Net income

In the first semester of 2023, the Company's Net Income was negative by R$ 111.5 million and Adjusted Net Income, due to non-recurring events, was negative by R$ 89.8 million.

The deterioration in relation to the first semester of the previous year is mainly due to the current scenario and high interest rates. The Adjusted Net Margin was -3.0% in the 6M23, accounting for a decrease of 4.2 percentage points compared to 6M22.

(R$ million)	2Q22	2Q23	Change	6M22	6M23	Change
Operating profit (EBIT)	44.8	44.8	*0.0%*	79.3	50.2	*-36.7%*
Financial income	(65.2)	(111.2)	*70.6%*	(90.1)	(205.7)	*128.3%*
IR/CSLL	27.3	29.1	*6.3%*	47.0	43.9	*-6.6%*
Net income	**7.0**	**(37.3)**	***-636.7%***	**36.2**	**(111.5)**	***-407.9%***
Net Margin (% NOR)	***0.5%***	***-2.6%***	***-3.1 p.p.***	***1.3%***	***-3.8%***	***-5.1 p.p.***
Non-recurring	6.2	9.4	*51.0%*	(2.4)	21.8	*-1021.0%*
Adjusted net income	**13.2**	**(27.9)**	***-311.8%***	**33.9**	**(89.8)**	***-365.1%***
Net Margin (% NOR)	***0.9%***	***-1.9%***	***-2.8 p.p.***	***1.2%***	***-3.0%***	***-4.2 p.p.***

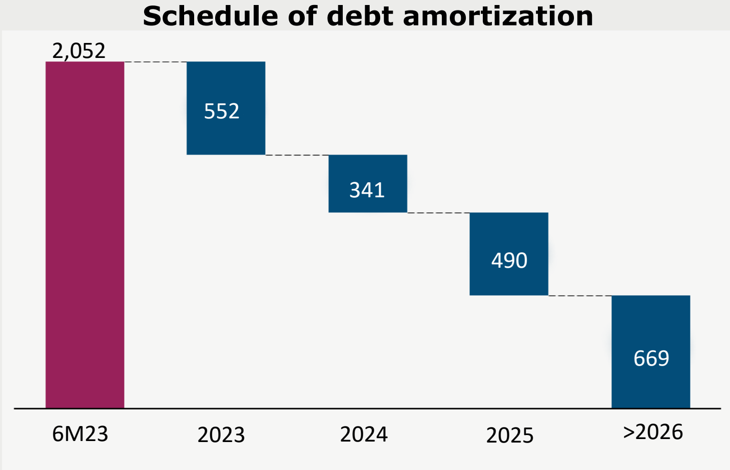
Debt

With regard to indebtedness, Elfa has, more than ever, remained committed to solid and responsible financial management.

During the last semester, the Company's debt increased by 6%, mainly impacted by financial expenses for 2023. The Company has been working hard to improve cash generation to drive growth and reduce leveraging, and also started a funding agenda, which was completed in July 2023, aimed at reducing indebtedness.

(R$ million)	**2022**	2Q23
Loans and financing		
Short-term	651.9	789.5
Long-term	1,278.5	1,262.4
Gross Debt	**1,930.5**	**2,051.9**

Schedule of debt amortization

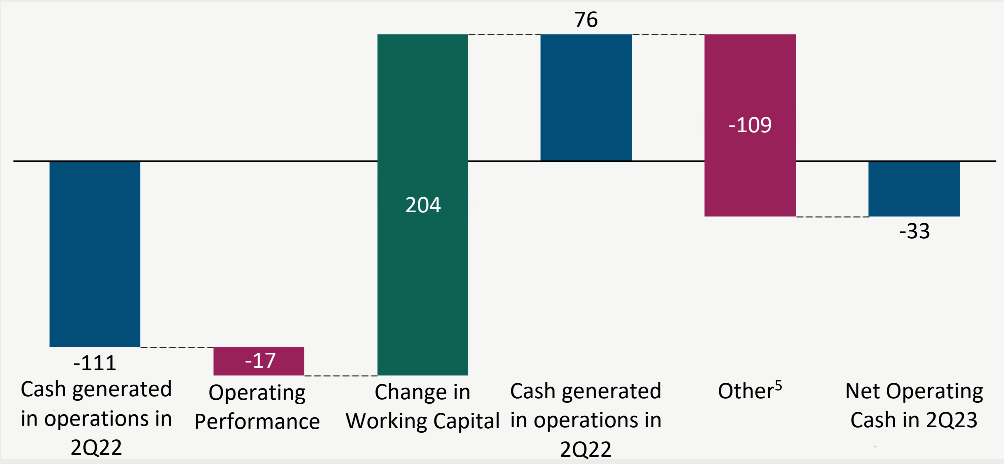


Cash Flow

According to the trend of medicine distribution industry, Elfa's activities generate cash, but also demand capital to support its growth. The generation of operating cash is highly seasonal, with a large use in the first quarter of the year and a strong generation as of the second quarter onwards.

As it is a strategic pillar, the review of the credit policy of all business units, low turnover inventory clean-ups and support from the main suppliers have increasingly become a priority, and the positive effects can already be observed through operating cash generation of R$ 76 million in 2Q23.

Operating Cash Flow



Regarding cash flow from investments, there was a consumption of R$ 21 million in 2Q23 (a decrease of 95.5% compared to 2Q22), caused by the continuity of strategic projects, concentrated in investments in the integration of systems from the acquisitions made and logistics efficiencies, which allow us to continue capturing synergies from operating expenses.

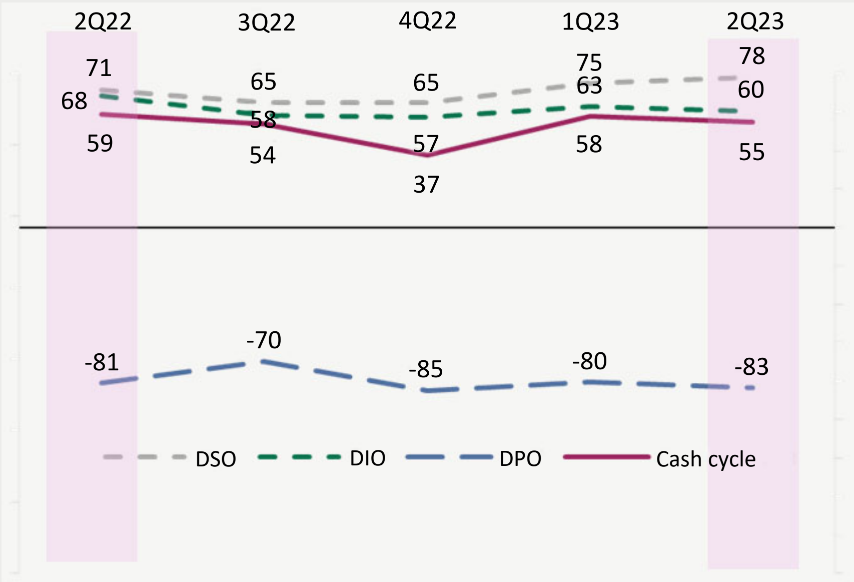
The financing cash flow contributed R$ 62 million in 2Q23 (a 92.2% change compared to 2Q22). Despite the challenging market scenario, we carried out an important change in the debt profile by raising R$ 141 million to cover the maturities of 2Q23.

In short, in the second quarter of 2023, the company had an increase in cash and cash equivalents in the amount of R$ 13.8 million.

- [5]Payment of interest on loans and financing; Income tax and social contribution paid.

Cash cycle **(days)**

In 2Q23, the company's Cash Cycle reached 55 days, a decrease of 4 days compared to the same period of the previous year. This effect is mainly due to the increase in days of receipt by 7 days, offset by the reduction in days of inventory by 8 days due to the strategy of low turnover inventory clean-ups, in addition to the increase in days of suppliers by 2 days.



Events **after the reporting period**

Committed to the agenda of strengthening our capital structure and promoting the Company's growth, in early July 2023 the investment agreement with San Pelegrino Participações S.A., a company controlled by Brazilian Private Equity V – Fundo de Investimento em Participações Multiestratégicas, was signed, whereby the investor agrees to contribute funds to the Company up to R$ 620 MM. The effective realization of the investment has already been approved by the Administrative Council for Economic Defense – CADE and other precedent conditions.

Events in the **Period**

This quarter, we share the significant milestones that were important to our Company in the period:

- We are proud to announce the successful completion of the new Elfa Care platform, which brought full digitization of the medicine ordering process, treatment follow-up, account programming and invoicing of the Billing team of Elfa Group's Access business unit. This centralized data integration is performed with complete security and in full compliance with the LGPD (Data Protection Law), providing a reliable and transparent experience for patients.

- We launched our first Sustainability Report, a major milestone in our history, presenting our ESG strategy in a more structured way – achievements and accomplishments to date – as well as our agenda for the future.

- In addition, we are pleased to report on the delivery of the Requisition and Scheduling Tracking Modules of receipt on the Integrated Hospital portal, which has already been implemented in partner hospitals. This innovation provides more efficient monitoring of requisitions and facilitates the scheduling of receipts, being more agile and convenient to our customers.

- Regarding business, we are emphasizing the importance of Customer Experience and implementing initiatives to increase loyalty, such as those highlighted below:

    1. “Voice of the Customer” Program: We carry out several visits to customers in order to collect feedback on their experiences and expectations regarding the products and services offered by Elfa Group. These interactions allow us to better understand customer needs and improve our processes.

    2. Quality Monitoring in Relationship Channels: We implemented a monitoring project for Customer Care, which allowed the creation of a qualitative and quantitative evaluation. We reached an NPS score of 88, surpassing the target set for the area, which was 80.

    3. Cycle Closing in the NPS: We implemented the “Cycle Closing” process in our Net Promoter Score (NPS). That means we approach our customers to understand their top concerns and provide tailored solutions. With this approach, we seek to further improve experiences.

ESG Agenda

We are committed to the ESG agenda and are pleased to share our progress in the last quarter, reflecting our firm commitment to sustainable and responsible business practices. A significant milestone in this quarter was the launching of our Sustainability Report, which aims to contextualize the Company’s situation and its structure, as well as address the goals and ambitions, together with the initiatives to be achieved in the short, medium and long term.

In addition to constantly seeking to offer improved solutions and services to our customers, we are fully committed to the ESG Agenda and the fulfillment of the Sustainable Development Goals (SDGs) established by the United Nations. In 2022, we became signatories of the UN Global Compact, joining more than 1,500 Brazilian companies in this commitment.

After evaluating our performance and our future goals, we developed Elfa Group’s ESG strategy in partnership with a specialized company. This process resulted in the definition of ambitions and goals that we intend to achieve.

Below we detail the actions on each of the ESG fronts.

Environmental

- Our ESG agenda continues in line with the last quarter after the consolidation of Elfa’s second carbon inventory, which included all Group companies and underwent independent audit certification.
- We acquired I-Rec to neutralize scope 02 emissions (electricity) – 2022 emissions.

Social

- We moved forward with our Diversity & Inclusion agenda, intensifying the actions of the Women, Black People, Generations and LGBTQIAP+ Committees, sponsored by the company's Diversity Committee.
- Wide dissemination of our Diversity Manifesto on our social media.

Governance

- Always aiming to maintain our leadership regarding Compliance and Corporate Governance guidelines, we paved a path in 2022 that will allow us to assume public commitments, to lead the ESG pillars in the healthcare segment in Brazil. Such commitments are endorsed by our ISO 37001 certification.
- As signatories of the UN Global Compact, we adhere to the following movements: Net Zero and Race is a Priority, an important step for us to carry out meaningful discussions on the issues.
- We participated in the launching of "Projeto Cidadão da Vida" promoted by Hospital Moinhos de Ventos, where we contributed with our value chain the challenges and achievements that Elfa has carried out under the ESG agenda

Glossary

CPC: (Code of Civil Procedure) is the legislation that establishes the rules and procedures to be followed in the context of civil procedure in Brazil.

CGU: (Government Accountability Office) is a body of the Brazilian federal government responsible for promoting public transparency, fighting corruption and ensuring compliance with laws and regulations within the scope of the Federal Executive Branch.

CSLL: The CSLL (Social Contribution on Net Income) is a Brazilian tax levied on net income of companies.

Descarpack: Company that manufactures and sells disposable products for use in the health area, such as gloves, masks, aprons, syringes, among others.

DIFAL: Acronym stands for ICMS rate difference (Value-Added Tax on Sales and Services).

DIO: Inventory average term (days).

DSO: Average receiving period.

DPO: Average payment period.

DRS: (Regional Health Department) is a name used in some countries, such as Brazil, to designate the regional subdivisions responsible for the management and organization of health services in a given geographic area.

EBIT: (Earnings Before Interest and Taxes) is a financial indicator that represents the operating profit of a company before considering financial costs (interest) and taxes. EBIT is calculated by subtracting operating costs and operating expenses from the company's operating revenue.

EBITDA: (Earnings Before Interest, Taxes, Depreciation, and Amortization) is a financial indicator that represents the operating profit of a company before considering financial costs (interest), taxes, depreciation and amortization.

ERP: (Enterprise Resource Planning) is an integrated business management system that aims to facilitate and optimize the internal processes of an organization. ERP covers several areas, such as finance, accounting, sales, purchasing, inventory, production, human resources, among others.

ESG: This acronym refers to business practices related to environmental, social and governance criteria.

Great Place to Work: is a global organization that conducts surveys and evaluations to identify and recognize the best companies to work for.

IFRS: (International Financial Reporting Standards) are international accounting standards established by the International Accounting Standards Board (IASB).

IASB: (International Accounting Standards Board) is an independent organization responsible for the development and disclosure of the International Financial Reporting Standards (IFRS). The IASB is composed of members from different countries and aims to establish high quality international accounting standards that are useful for investors, analysts and other stakeholders in the analysis and understanding of financial statements.

Carbon inventory: The carbon inventory is a tool used to measure carbon footprint and to identify opportunities to reduce and mitigate emissions, contributing to environmental management and sustainability.

INCOME TAX: It is the acronym for Income Tax, which is a government tax on income of individuals and legal entities. Individuals pay income tax based on their earnings, while companies are taxed on their profits.

J&J: Johnson & Johnson is a U.S. multinational corporation operating in a variety of industries including healthcare, pharmaceuticals, medical devices and personal care products.

Market share: It refers to the percentage or proportion that a company holds in relation to the total market in which it operates. It is an important measure for assessing a company's competitive position in its industry, showing its market share in relation to competitors.

NOR: It is the acronym for Net Operating Revenue. It is a financial indicator that represents revenue generated by a company from its operating activities, that is, excluding other revenues not directly related to its main activity.

TLS: It is the acronym for (Transport Layer Security), it is a cryptographic protocol used to protect the privacy and integrity of transmitted data, as a way to ensure that they are not intercepted or altered by third parties.

WMS: (Warehouse Management System) is software used to manage the operations of a warehouse or distribution center.

ATTACHMENTS

Reconciliation
Net income and EBITDA

(R$ million)	2Q22	2Q23	Change	6M22	6M23	Change
Net income	**7.0**	**(37.3)**	***-636.7%***	**36.2**	**(111.5)**	***-407.9%***
IR/CSLL	(27.3)	(29.1)	*6.3%*	(47.0)	(43.9)	*-6.6%*
Financial income	65.2	111.2	*70.6%*	90.1	205.7	*128.3%*
Operating profit (EBIT)	44.8	44.8	*0.0%*	79.3	50.2	*-36.7%*
Depreciation and Amortization	40.6	42.2	*4.0%*	73.3	83.1	*13.4%*
Accounting EBITDA	**85.4**	**87.1**	***1.9%***	**152.6**	**133.3**	***-12.7%***
% NOR	***5.8%***	***6.0%***	***0.0 p.p.***	***5.5%***	***4.5%***	***-0.2 p.p.***
Non-Recurring	6.2	9.4	*51.0%*	(2.4)	21.8	*-1021.0%*
Adjusted EBITDA	**91.7**	**96.5**	***5.2%***	**150.2**	**155.1**	***3.2%***
% NOR	***6.2%***	***6.7%***	***0.1 p.p.***	***5.4%***	***5.2%***	***0.0 p.p.***

Balance **sheet**

(R$ thousand)	2022	2Q23		2022	2Q23
Assets			**Liabilities**		
Current assets			**Current liabilities**		
Cash and cash equivalents	323,696	173,314	Suppliers and other accounts payable	1,362,581	1,114,036
Short-term investments	-	-	Loans and financing	651,949	789,477
Trade accounts receivable	1,314,811	1,370,109	Labor obligations	60,711	51,089
Inventories	918,734	804,609	Taxes payable	95,330	101,176
Recoverable taxes	340,147	314,029	Accounts payable for the acquisition of investments	206,824	194,464
Income tax and social contribution	42,913	50,685	Dividends payable	-	-
Other receivables	255,389	319,661			
Total current assets	**3,195,690**	**3,032,407**	**Total current liabilities**	**2,377,395**	**2,250,242**
Long-term assets			**Non-current liabilities**		
Interest earning bank deposits	-	-	Loans and financing	1,185,110	1,216,306
Recoverable taxes	54,288	151,080	Derivatives	93,438	46,099
Deferred IR and CSLL taxes	371,172	425,577	Taxes payable	2,764	3,178
Judicial deposits	120,349	131,831	Provision for contingencies	233,623	234,429
Indemnification Assets	235,547	230,431	Deferred IR and CSLL taxes	-	-
			Accounts payable on the acquisition of investments	324,848	275,595
Total	**781,356**	**938,919**	**Total non-current liabilities**	**1,839,783**	**1,775,607**
Non-current assets			**Shareholders' equity**		
Property, plant and equipment	241,281	257,292	P&L of controlling shareholders	2,135,399	2,278,113
Intangible assets	2,154,192	2,096,615	Stake of non-controlling shareholders	19,942	21,271
Total non-current assets	**2,395,473**	**2,353,907**	**Total shareholders' equity**	**2,155,341**	**2,299,384**
Total assets	**6,372,519**	**6,325,233**	**Total liabilities and shareholders' equity**	**6,372,519**	**6,325,233**

Statements of **income**

(R$ thousand)	2Q22	2Q23	6M22	6M23
Net operating revenues	1,473,445	1,441,951	2,787,658	2,970,917
Cost of goods sold	(1,281,591)	(1,219,845)	(2,389,304)	(2,548,468)
Gross profit	**191,854**	**222,106**	**398,354**	**422,449**
Operating Expenses	(147,025)	(177,276)	(319,051)	(372,266)
Operating profit before financial income and taxes	**44,829**	**44,830**	**79,303**	**50,183**
Financial expenses, net	**(65,202)**	**(111,240)**	**(90,078)**	**(205,652)**
Profit (loss) before income tax and social contribution	**(20,373)**	**(66,410)**	**(10,775)**	**(155,469)**
Income tax and social contribution				
Current	(22,156)	(3,111)	(26,987)	(9,795)
Deferred	49,487	32,177	73,991	53,715
	27,331	**29,066**	**47,004**	**43,920**
Net income for the period	**6,958**	**(37,344)**	**36,229**	**(111,549)**
Attributed to:				
Controlling shareholders	5,022	5,022	33,615	(112,877)
Non-controlling shareholders	1,936	1,936	2,614	1,329

Cash Flow

(R$ thousand)	2Q22	2Q23	6M22	6M23
Cash flow from operating activities				
Net profit/(loss) for the period	**6,958**	**(37,343)**	**36,229**	**(111,548)**
Adjustments to reconcile net income with cash:				
Depreciation and amortization	40,601	42,222	73,308	83,111
Income tax and social contribution, net	(27,330)	(29,067)	(47,004)	(43,921)
Provision for impairment	4,988	1,449	9,593	6,412
Provision for contingencies	(12,284)	(1,393)	(12,290)	806
Provision for loss on inventories	956	345	2,602	(5,743)
Share-based remuneration	2,922	985	5,845	1,962
Interest, monetary variations, net - Loans	69,829	92,302	96,904	179,378
(Increase)/decrease in assets:				
Trade accounts receivable	(126,305)	33,492	(180,996)	(61,710)
Inventories	(175,326)	112,506	(133,169)	119,868
Recoverable taxes	(20,826)	(42,043)	(41,224)	(79,136)
Other receivables	(66,674)	(25,846)	(87,316)	(64,981)
Judicial deposits	(21,426)	(4,522)	(15,662)	(11,482)
(Decrease)/Increase in liabilities:				
Suppliers and other accounts payable	214,286	(55,731)	(53,507)	(248,545)
Labor obligations	(20,528)	(3,458)	(23,997)	(9,626)
Taxes payable	14,374	(8,123)	9,307	10,491
Other Obligations	4,901	(1)	4,901	(1)
Cash generated by (used in) operating activities	**(110,883)**	**75,774**	**(356,475)**	**(234,664)**
Payment of interest on loans and financings	(27,054)	(106,347)	(40,106)	(153,738)
Income tax and social contribution paid	(7,221)	(2,428)	(8,554)	(14,026)
Net cash flow from (used in) operating activities	**(145,158)**	**(33,001)**	**(405,135)**	**(402,428)**
Investing activities:				
Acquisition of PP&E and intangible assets	(20,187)	(15,631)	(29,566)	(28,554)
Considerations paid for acquisitions, net, of cash acquired	(453,876)	-	(455,619)	-
Considerations paid for acquisitions of non-controlling shareholders	-	-	-	-
Short-term investments	-	-	-	-
Net cash flow from (used in) investing activities	**(474,062)**	**(15,631)**	**(485,184)**	**(28,554)**
Financing activities:				
Capital increase	-	-	-	253,629
Loans, financings and leases	968,802	158,988	1,187,802	734,921
Payment of installments for acquired companies	(99,567)	(9,395)	(172,529)	(67,898)
Payment of principal on loans and financings	(63,892)	(78,051)	(137,349)	(621,739)
Payment of principal for debentures	-	-	-	-
Lease payment	(9,446)	(9,076)	(15,931)	(18,313)
Net cash flow from (used in) financing activities	**795,896**	**62,466**	**861,993**	**280,600**
Increase/(reduction) in cash and cash equivalents, net	**176,676**	**13,834**	**(28,326)**	**(150,382)**
Cash and cash equivalents at the beginning of the period	251,154	159,480	456,156	323,696
Cash and cash equivalents at the end of the period	427,830	173,314	427,830	173,314
Increase/(reduction) in cash and cash equivalents, net	**176,676**	**13,834**	**(28,326)**	**(150,382)**

About **Elfa Group**

The Elfa Group is one of the main providers of healthcare logistics solutions and services in Brazil. Composed by 21 companies, it has over 30 years of history, almost 3,000 employees, serves 5,000 hospitals, 70,000 clinics and 400 healthcare plans throughout the country, being a benchmark in the value chain of the healthcare market. Increasingly investing in innovation, the company was elected the most innovative in the country in the Transport and Logistics category by “Valor Inovação 2022” award, a partner of the Valor Econômico newspaper and the consulting firm Strategy& (PwC), and since 2021 it has been part of the ranking of “The 100+ Innovating Companies in the Use of IT”, promoted by IT Mídia. The group stands out for its ethical performance and good compliance practices. It was recognized in the 2020-2021 edition of the Empresa Pró-Ética Program, of the Comptroller General of the Union (CGU), was the winner of the “I Don’t Accept Corruption” award in the Companies category, created by Inac, and is ISO 37001 certified, a seal granted to companies that have an anti-bribery management system that meets the highest international standards. Moreover, it also has the ’Women on Board’ seal, which recognizes companies that have at least two women on the Board of Directors or Advisory Boards, and has been included in the Great Place to Work ranking for eight consecutive years. The Elfa Group is controlled by funds from Patria Investimentos, one of the most important private equity managers in Brazil.

Disclaimer

This document may contain forward-looking statements about future results or events, which reflect the expectations of the management team of Elfa Medicamentos S.A. based on the information currently available. These considerations can be identified by the words "anticipate, wish, hope, predict, intend, plan, project, objectify" and other similar terms, as well as by indicating future dates. Although such statements reflect what our management believes, they are naturally subject to risks and uncertainties, being influenced by external factors that cannot be controlled or foreseen by Elfa Medicamentos S.A. Elfa Medicamentos S.A. cannot guarantee the implementation of future events and thus they should not be interpreted as guarantees. Elfa Medicamentos S.A.'s financial situation, operating results, market share and competitive position, among other expectations and future results, may differ substantially from those expressed or suggested in the forward-looking statements contained herein. Any statements made by Elfa Medicamentos S.A. regarding future projects may change significantly due to variations in market conditions, changes in legislation or government policies and/or changes in the project's operating conditions and their respective costs, timing, operational performance, commercial negotiations or other technical and economic factors. Elfa Medicamentos S.A.’s
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Independent auditor's report on review of condensed interim financial statements

To the Shareholders of
Elfa Medicamentos S.A.
Brasília – DF

Introduction

We have reviewed the accompanying individual and consolidated interim financial information of Elfa Medicamentos S.A. ("Company"), contained in the Quarterly Information - ITR Form for the quarter ended June 30, 2023, which comprise the statement of financial position as of June 30, 2023 and related statements of income, and other comprehensive income for the three and six-month period then ended and changes in shareholders' equity and cash flows for the six-month period then ended, including explanatory notes.

The Company's Management is responsible for the preparation of the individual interim financial information in accordance with CPC 21(R1) and the consolidated interim financial information in accordance with CPC 21 (R1) and with international standard IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board - (IASB), as well as for the presentation of this information in a manner consistent with the standards issued by the Brazilian Securities and Exchange Commission, applicable to the preparation of the Quarterly Information (ITR). Our responsibility is to express a conclusion on these individual and consolidated interim financial information based on our review.

Scope of review

We conducted our review in accordance with the Brazilian and International Standard on Review Engagements (NBC TR 2410 – Revisão das Informações Intermediárias Executadas pelo Auditor da Entidade 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 standards on auditing 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 condensed individual interim financial statements

Based on our review, nothing has come to our attention that causes us to believe that the individual interim financial statements included in the quarterly information referred above have not been prepared, in all material respects, in accordance with CPC 21 (R1), applicable to the preparation of Quarterly Financial Information Form - ITR and presented in accordance with the standards issued by the Brazilian Securities and Exchange Commission.

Conclusion on the condensed consolidated interim financial statements

Based on our review, nothing has come to our attention that causes us to believe that the consolidated interim financial statements included in the quarterly information referred above have not been prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34, applicable to the preparation of Quarterly Financial Information Form - ITR and presented in accordance with the standards issued by Brazilian Securities and Exchange Commission.

Other matters - Statements of added value

The aforementioned quarterly information includes the individual and consolidated statements of added value for the six-month period ended June 30, 2023, prepared under responsibility of Company's Management, and presented as supplementary information for IAS 34 purposes. These statements were submitted to the review procedures performed together with the review of the Company's quarterly financial information in order to conclude whether the statements are reconciled with the interim financial information and accounting records, as applicable, and whether their form and content are in accordance with the criteria set on Technical Pronouncement CPC 09 – *Demonstração do Valor Adicionado*. Based on our review, nothing has come to our attention that causes us to believe that the individual and consolidated interim statements of added value have not been prepared, in all material respects, in accordance with the criteria set forth in this standard and with the condensed individual and consolidated interim financial statements taken as a whole.

São Paulo, August 15, 2023

KPMG Auditores Independentes Ltda.
CRC 2SP-014428/O-6

Fábio Lopes do Carmo
Accountant CRC 1SP192172/O-3

Elfa Medicamentos S.A.

Balance sheets at June 30, 2023 and December 31, 2022

(In thousands of Reais)

		Individual		Consolidated	
Assets	**Note**	**06/30/2023**	**12/31/2022 Restated**	**06/30/2023**	**12/31/2022 Restated**
Cash and cash equivalents	5	100,833	143,030	173,314	323,696
Accounts receivable	6	463,674	546,723	1,370,109	1,314,811
Inventories	7	174,363	195,870	804,609	918,734
Recoverable taxes	8	32,218	79,258	314,029	340,147
Income tax and social contribution	8	38,303	31,527	50,685	42,913
Other receivables		65,757	45,056	319,661	255,389
Total current assets		**875,148**	**1,041,464**	**3,032,407**	**3,195,690**
Advance for future capital increase	11	136,042	30,799	-	-
Accounts receivable from Related Parties	11	80,472	99,459	-	-
Recoverable taxes	8	132,918	54,288	151,080	54,288
Deferred income tax and social contribution	19	235,897	211,000	425,577	371,172
Judicial deposits	15	84,582	79,124	131,831	120,349
Indemnification Assets	15	633	5,749	230,431	235,547
Investments in subsidiaries	9	3,360,048	3,346,189	-	-
Property, plant and equipment		94,500	89,740	257,292	241,281
Intangible assets	10	108,460	107,751	2,096,615	2,154,192
Total non-current assets		**4,233,552**	**4,024,099**	**3,292,826**	**3,176,829**
Total assets		**5,108,700**	**5,065,563**	**6,325,233**	**6,372,519**

See the accompanying notes to the individual and consolidated interim financial statements.

Elfa Medicamentos S.A.

Balance sheets at June 30, 2023 and December 31, 2022

(In thousands of Reais)

		Individual		Consolidated	
	Note	06/30/2023	12/31/2022 Restated	06/30/2023	12/31/2022 Restated
Liabilities and shareholders' equity					
Suppliers and other accounts payable	12	366,228	458,009	1,114,036	1,362,581
Loans and financing	13	647,905	548,743	789,477	651,949
Labor obligations		14,072	19,916	51,089	60,711
Taxes payable		31,748	15,833	101,176	95,330
Commitments with investment acquisitions	14	112,794	70,807	112,794	70,807
Accounts payable for the acquisition of investments	14	36,436	105,431	81,670	136,017
Total current liabilities		**1,209,183**	**1,218,739**	**2,250,242**	**2,377,395**
Loans and financing	13	1,027,292	987,301	1,216,306	1,185,110
Derivatives	13	30,944	82,174	46,099	93,438
Taxes payable		1,506	1,519	3,178	2,764
Accounts payables to related parties	11	334,813	377,936	-	-
Provision for contingencies	15	1,676	2,631	234,429	233,623
Commitments with investment acquisitions	14	104,317	156,475	104,317	156,475
Accounts payable for the acquisition of investments	14	120,856	103,389	171,278	168,373
Total non-current liabilities		**1,621,404**	**1,711,425**	**1,775,607**	**1,839,783**
Shareholders' equity					
Capital		1,358,711	1,105,082	1,358,711	1,105,082
Capital reserve		648,324	646,362	648,324	646,362
Profit reserve		271,078	383,955	271,078	383,955
Shareholders' equity attributed to the controlling shareholder of the Parent Company		**2,278,113**	**2,135,399**	**2,278,113**	**2,135,399**
Non-controlling interest		-	-	21,271	19,942
Total shareholders' equity		**2,278,113**	**2,135,399**	**2,299,384**	**2,155,341**
Total liabilities and shareholders' equity		**5,108,700**	**5,065,563**	**6,325,233**	**6,372,519**

See the accompanying notes to the individual and consolidated interim financial statements.

Elfa Medicamentos S.A.

Statements of income

For the three and six-month periods ended June 30, 2023 and 2022

(In thousands of Reais, except earnings per share)

		Individual			
	Note	**04/01/2023–06/30/2023**	**04/01/2022–06/30/2022**	**01/01/2023–06/30/2023**	**01/01/2022–06/30/2022**
Net operating revenues	16	525,976	541,224	1,080,391	1,053,030
Cost of goods sold	17	(454,931)	(491,052)	(957,881)	(948,673)
Gross profit		**71,045**	**50,172**	**122,510**	**104,357**
Selling expenses	17	(26,874)	(33,873)	(58,580)	(52,602)
Provision for impairment losses	7 and 17	455	(2,207)	(1,213)	(4,059)
General and administrative expenses	17	(30,880)	(20,126)	(57,326)	(44,670)
Equity on earnings of affiliates	9	(3,357)	25,707	(13,380)	49,457
Other revenues	17	27,632	22,215	52,263	36,039
Other expenses	17	(10,195)	(455)	(20,994)	(8,149)
Operating profit before financial income		**27,826**	**41,433**	**23,280**	**80,373**
Financial income	18				
Financial revenues		2,169	7,166	4,917	7,968
Financial expenses		(84,062)	(68,876)	(165,454)	(88,375)
Financial expenses, net		**(81,893)**	**(61,710)**	**(160,537)**	**(80,407)**
Loss before income tax and social contribution		**(54,067)**	**(20,277)**	**(137,257)**	**(34)**
Income tax and social contribution	19				
Current		-	-	-	-
Deferred		16,098	25,299	24,380	33,649
		16,098	25,299	24,380	33,649
Net income (loss) for the period		**(37,969)**	**5,022**	**(112,877)**	**33,615**

See the accompanying notes to the individual and consolidated interim financial statements.

Elfa Medicamentos S.A.

Statements of income

For the three and six-month periods ended June 30, 2023 and 2022

(In thousands of Reais, except earnings per share)

		Consolidated			
	Note	**04/01/2023–06/30/2023**	**04/01/2022–06/30/2022**	**01/01/2023–06/30/2023**	**01/01/2022–06/30/2022**
Net operating revenues	16	1,441,951	1,473,445	2,970,917	2,787,658
Cost of goods sold	17	(1,219,845)	(1,281,591)	(2,548,468)	(2,389,304)
Gross profit		**222,106**	**191,854**	**422,449**	**398,354**
Selling expenses	17	(78,817)	(99,504)	(166,346)	(179,433)
Provision for impairment losses	6 and 17	(1,450)	(4,988)	(6,412)	(9,593)
General and administrative expenses	17	(107,704)	(99,893)	(210,614)	(201,589)
Other revenues	17	24,574	54,758	41,398	84,551
Other expenses	17	(13,879)	2,602	(30,292)	(12,987)
Operating profit before financial income		**44,831**	**44,829**	**50,184**	**79,303**
Financial income	18				
Financial revenues		4,762	8,886	12,998	11,743
Financial expenses		(116,002)	(74,088)	(218,650)	(101,821)
Financial expenses, net		**(111,240)**	**(65,202)**	**(205,652)**	**(90,078)**
Loss before income tax and social contribution		**(66,409)**	**(20,373)**	**(155,468)**	**(10,775)**
Income tax and social contribution	19				
Current		(3,111)	(22,156)	(9,795)	(26,987)
Deferred		32,177	49,487	53,715	73,991
		29,066	27,331	43,920	47,004
Net loss for the period		**(37,343)**	**6,958**	**(111,548)**	**36,229**
Attributable to:					
Controlling shareholders		**(37,969)**	**5,022**	**(112,877)**	**33,615**
Non-controlling shareholders		**626**	**1,936**	**1,329**	**2,614**
Loss per share - R$	20	**-**	**0.011**	**(0.208)**	**0.071**
Diluted loss per share - R$	20	**-**	**0.011**	**(0.208)**	**0.071**

See the accompanying notes to the individual and consolidated interim financial statements.

Elfa Medicamentos S.A.

Statements of comprehensive income

For the three and six-month periods ended June 30, 2023 and 2022

(In thousands of Reais, except earnings per share)

	Individual			
	04/01/2023–06/30/2023	**04/01/2022–06/30/2022**	**01/01/2023–06/30/2023**	**01/01/2022–06/30/2022**
Net income (loss) for the period	(37,969)	5,022	(112,877)	33,615
Comprehensive income for the period	**(37,969)**	**5,022**	**(112,877)**	**33,615**

	Consolidated			
	04/01/2023–06/30/2023	**04/01/2022–06/30/2022**	**01/01/2023–06/30/2023**	**01/01/2022–06/30/2022**
Net loss for the period	(37,343)	6,958	(111,548)	36,229
Comprehensive income for the period	**(37,343)**	**6,958**	**(111,548)**	**36,229**
Attributable to:				
Controlling shareholders	(37,969)	5,022	(112,877)	33,615
Non-controlling shareholders	626	1,936	1,329	2,614

See the accompanying notes to the individual and consolidated interim financial statements.

Elfa Medicamentos S.A.

Statements of changes in shareholders' equity

For the periods ended June 30, 2023 and 2022

(In thousands of Reais)

	Note	Capital	Capital reserve	Granted options	Legal reserve	Retained profit	Tax incentive reserve	Retained earnings (losses)	Total	Non-controlling shareholders	Total
Balances at January 01, 2022		**1,067,280**	**592,158**	**42,549**	**16,455**	**141,174**	**157,440**	**-**	**2,017,056**	**17,237**	**2,034,293**
Options and restricted shares granted, recognized		-	-	5,846	-	-	-	-	5,846	-	5,846
Profit Allocation:									-		-
Net income for the period		-	-	-	-	-	-	20,824	20,824	2,614	23,438
Interim transfer/change		-	-	-	-	20,914	-	(20,824)	90	-	90
Capital increase in the issue of shares		37,802	-	-	-	-	-	-	37,802	-	37,802
Goodwill reserve in the issue of new shares		-	152,026	-	-	-	-	-	152,026	-	152,026
Repurchase of shares			(161,460)						(161,460)		(161,460)
Subscription bonus reserve of new shares		-	-	-	-	-	-	-	-	-	-
Balances at June 30, 2022		**1,105,082**	**582,724**	**48,395**	**16,455**	**162,088**	**157,440**	**-**	**2,072,184**	**19,851**	**2,092,035**
Balances as of January 01, 2023 (restated)		**1,105,082**	**582,724**	**63,638**	**20,539**	**171,770**	**191,646**	**-**	**2,135,399**	**19,942**	**2,155,341**
Capital increase		253,629	-	-	-	-	-	-	253,629	-	253,629
Options and restricted shares granted, recognized		-	-	1,962	-	-	-	-	1,962	-	1,962
Profit Allocation:											
Net loss for the period		-	-	-	-	-	-	(112,877)	(112,877)	1,329	111,548
Interim transfer/change		-	-	-	-	(112,877)	-	112,877	-	-	-
Balances at June 30, 2023		**1,358,711**	**582,724**	**65,600**	**20,539**	**58,893**	**191,646**	**-**	**2,278,113**	**21,271**	**2,299,384**

See the accompanying notes to the individual and consolidated interim financial statements.

Elfa Medicamentos S.A.

Statements of cash flows

For the periods ended June 30, 2023 and 2022

(In thousands of Reais)

	Individual		Consolidated	
Cash flow from operating activities	**06/30/2023**	**06/30/2022**	**06/30/2023**	**06/30/2022**
Net loss for the period	**(112,877)**	**33,615**	**(111,548)**	**36,229**
Adjustments to reconcile net income with cash:				
Depreciation and amortization	7,742	6,073	83,111	73,308
Income tax and social contribution, net	(24,380)	(33,649)	(43,920)	(47,004)
Provision for impairment	1,213	4,059	6,412	9,593
Share-based remuneration	1,962	5,845	1,962	5,845
Provision for contingencies	(955)	-	806	(12,290)
Provision for loss on inventories	(324)	(307)	(5,743)	2,602
Interest, monetary variations, net	146,686	85,122	179,579	96,904
Equity on earnings of subsidiaries	13,380	(49,457)	-	-
(Increase)/decrease in assets:				
Trade accounts receivable	101,588	(173,588)	(61,710)	(180,995)
Inventories	21,831	(122,775)	119,868	(133,169)
Recoverable taxes	(38,883)	(12,950)	(79,136)	(41,224)
Judicial deposits	(5,458)	(8,781)	(11,482)	(15,662)
Other receivables	(126,652)	11,940	(65,182)	(87,316)
(Decrease)/Increase in liabilities:				
Suppliers and other accounts payable	(134,906)	32,599	(248,546)	(53,507)
Labor obligations	(5,844)	(20,070)	(9,626)	(23,997)
Taxes payable	15,902	20,725	10,490	9,307
Other Obligations	-	1,157	-	4,901
Cash used in operating activities	**(139,975)**	**(220,442)**	**(234,665)**	**(356,475)**
Dividends received	30,014	2,064	-	-
Payment of interest on loans and financings	(135,265)	(33,247)	(153,738)	(40,106)
Income tax and social contribution paid	-	-	(14,026)	(8,554)
Net cash flow used in operating activities	**(245,225)**	**(251,625)**	**(402,428)**	**(405,135)**
Investing activities:				
Considerations paid for acquisitions, net, of cash acquired	-	(477,452)	-	(455,619)
Acquisition of PP&E and intangible assets	(12,544)	(17,957)	(28,553)	(29,565)
Capital decrease (contribution) to subsidiaries	(57,253)	(30,542)	-	-
Borrowings with related parties	(766)	-	-	-
Net cash flow used in investing activities	**(70,563)**	**(525,951)**	**(28,553)**	**(485,184)**
Financing activities:				
Capital increase	253,629	-	253,629	-
Loans, financings and leases	600,389	1,100,000	734,921	1,187,802
Payment of principal on loans and financings	(511,483)	(113,854)	(621,739)	(137,349)
Payment of installments related to previous acquisitions	(64,298)	(132,020)	(67,898)	(172,529)
Lease payment	(4,645)	(3,041)	(18,313)	(15,931)
Net cash flow from (used in) financing activities	**273,592**	**851,085**	**280,600**	**861,993**
Net increase (decrease) in cash and cash equivalents	**(42,197)**	**73,509**	**(150,382)**	**(28,326)**
Net (decrease)/increase in cash and cash equivalents:				
Cash and cash equivalents as of January 1	143,030	159,981	323,696	456,156
Cash and cash equivalents as of June 30	100,833	233,490	173,314	427,830
Net increase (decrease) in cash and cash equivalents	**(42,197)**	**73,509**	**(150,382)**	**(28,326)**

See the accompanying notes to the Individual and consolidated interim financial statements.

Elfa Medicamentos S.A.

Statements of added value

For the periods ended June 30, 2023 and 2022

(In thousands of Reais)

	Individual		Consolidated	
	06/30/2023	06/30/2022	06/30/2023	06/30/2022
Revenues	**1,172,490**	**1,082,017**	**3,217,352**	**2,972,012**
Sales of goods and services	1,173,703	1,086,076	3,223,764	2,981,605
Provision for impairment loss	(1,213)	(4,059)	(6,412)	(9,593)
Inputs purchased from third parties	**(981,840)**	**(996,978)**	**(2,655,875)**	**(2,530,503)**
Cost of goods sold and services rendered	(957,881)	(948,673)	(2,548,468)	(2,389,304)
Materials, energy, third party services, and others	(14,094)	(38,876)	(59,037)	(101,704)
Freight	(9,865)	(9,429)	(48,370)	(39,495)
Gross added value	**190,650**	**85,039**	**561,477**	**441,509**
Depreciation and amortization	(7,742)	(6,073)	(83,111)	(73,308)
Net added value produced by the Entity	**182,908**	**78,966**	**478,366**	**368,201**
Value added received as transfer	**(776)**	**84,480**	**35,880**	**80,757**
Financial revenues	4,917	7,968	12,998	11,743
Equity on earnings of subsidiaries	(13,380)	49,457	-	-
Other	7,687	27,055	22,882	69,014
Total value added to distribute	**182,132**	**163,446**	**514,246**	**448,958**
Distribution of added value	**(182,132)**	**(163,446)**	**(514,246)**	**(448,958)**
Personnel	**(49,641)**	**(42,419)**	**(141,574)**	**(165,878)**
Direct remuneration	(25,599)	(21,482)	(83,269)	(96,700)
Benefits	(19,724)	(13,579)	(47,654)	(55,590)
FGTS [Government Severance Indemnity Fund]	(2,356)	(1,511)	(8,689)	(7,741)
Share-based remuneration	(1,962)	(5,847)	(1,962)	(5,847)
Taxes, duties and contributions	**(101,102)**	**1,412**	**(248,449)**	**(141,318)**
Federal	(7,380)	33,572	(23,170)	15,296
State	(93,722)	(32,160)	(222,396)	(154,260)
Municipalities	-	-	(2,883)	(2,354)
Third-party capital remuneration	**(144,266)**	**(88,824)**	**(235,770)**	**(105,534)**
Interest	(81,418)	(44,389)	(109,004)	(49,799)
Rentals	(2)	(79)	(87)	(591)
Fines	(3,673)	(46)	(8,668)	(980)
Other	(59,172)	(44,310)	(118,011)	(54,164)
Remuneration of own capital	**(112,877)**	**(33,615)**	**(111,548)**	**(36,229)**
Controlling shareholders Net Profit	(112,877)	(33,615)	(112,877)	(33,615)
Non-controlling Net Profit	-	-	1,329	(2,614)

See the accompanying notes to the individual and consolidated interim financial statements.

Notes to the individual and consolidated interim financial statements

(In thousands of Reais)

1 Operating context

Elfa Medicamentos S.A. ("Company" or "Individual") is a publicly-held corporation headquartered in Brasília, Federal District. The Company, when together with its subsidiaries (referred to as “Elfa” or “Group”), are engaged in the wholesale and retail segments of pharmaceutical products for human use, dermatological products, special fertility medicines, oncology, hormones, hospital and dental supplies, among others.

The Company also has equity interests in other companies in the national territory, whose operating activities are related to its own business purposes. The Group sells its products to the private (hospitals, clinics and health care plans) and public (federal, state and municipal) sectors.

2 Basis of preparation

Statement of compliance

The individual interim financial statements have been prepared and are presented in accordance with the accounting practices adopted in Brazil, specifically CPC 21 (R1) - Interim Statements and interim consolidated financial statements were prepared and presented in accordance with accounting practices adopted in Brazil and in accordance with the International Financial Reporting Standards (“IFRS”), issued by the International Accounting Standards Committee Board (“IASB”), specifically CPC 21 (R1) - Interim Statements and IAS 34 - Interim Financial Reporting, applicable to the filing of quarterly financial statements, and presented in a manner consistent with the standards issued by the Brazilian Securities Commission (“CVM”).

All relevant information related to the condensed interim financial statements, and only this information, is being highlighted and corresponds to that used by Elfa's Management in its administration.

The issue of these Individual and consolidated interim financial statements was authorized by the Company’s Management on August 14, 2023. After the issue, shareholders must approve or authorize subsequent changes.

Basis of preparation

The interim financial statements are prepared to update users on the relevant events and transactions that took place in the period and shall be analyzed together with the financial statements for the year ended December 31, 2022, issued on March 14, 2023.

Accounting policies, accounting estimates and judgments, risk management and measurement methods are the same as those adopted in preparing the last annual financial statements.

We list below the notes that were presented in the annual financial statements as of December 31, 2022, which are not being included or presented in the same level of detail in these individual and consolidated quarterly financial statements, given the absence of relevant changes in this quarter:

	Reference
List of subsidiaries	Note 2
Basis for preparation and presentation of the financial statements	Note 4
Accounting policies	Note 8
Shareholders' equity	Note 18

This interim financial information is presented in thousands of Reais, which is the functional currency of the Company and its subsidiaries. All balances have been rounded up to the nearest thousand, except where otherwise specified.

Significant events for the period

Business combination

As part of these interim financial statements as of June 30, 2023, considering the end of the measurement period for acquisition of the investee Descarpack on May 02, 2023, the Company reviewed the balances of the price paid in the negotiation and the fair value of the assets and liabilities acquired on this acquisition as provided for by CPC 15/IFRS 3 – paragraph 46.

Regarding the provisional amounts disclosed in the financial statements for the year ended December 31, 2022, the need for goodwill impairment in the amount of R$ 95,634 was identified, mainly due to the adjustments made in the estimates regarding the amounts of "Contingent Consideration (earn-out) – Cash" and "Contingent Consideration (earn-out) – Exchange of Shares", since the projections used in the provisional values were overestimated, while the actual results in the first months after the acquisition already demonstrated that the provisionally estimated amounts would not be achieved. Therefore, these effects,– are being retrospectively adjusted as part of the corresponding balance sheet amounts as of December 31, 2022..

The effects of the review on the acquisition balances are shown below:

	12/31/2022	
	Descarpack original	**Descarpack restated**
Net assets at fair value	83,896	83,896
Fair value of identified assets (liabilities):		
Customers' list	258,516	258,516
Inventory surplus	17,335	17,335
Surplus of property, plant and equipment	6,058	6,058
Brand	68,778	68,778
Indemnification Assets	52,052	52,052
Total net assets at fair value	**486,635**	**486,635**
Acquired interest	100%	100%
Total net assets at fair value acquired (i)	**486,635**	**486,635**
Consideration transferred:		
Cash consideration	481,173	481,173
Consideration by exchange of shares	189,829	189,829
Consideration in installments	155,581	155,581
Contingent consideration (earn-out) – Cash (1)	33,266	2,217
Contingent Consideration (earn-out) – Exchange of shares (2)	78,902	22,728
Stock option (3)	8,411	-
Total consideration transferred (ii)	**947,162**	**851,528**
Goodwill on acquisition (ii) - (i)	**460,527**	**364,893**

(i) Contingent consideration (earn-out) - Cash

The Company reviewed the balances initially recognized as contingent consideration in Cash at the end of the measurement period, as prescribed in the accounting standard. As a basis for reviewing the balances, the Company adjusted at fair value the expected estimate payable in cash to the selling party.

(ii) Contingent Consideration (earn-out) – Exchange of shares

The Company reviewed the balances initially recognized as contingent consideration in shares at the end of the measurement period, as prescribed in the accounting standard. As a basis for reviewing the balances, the Company adjusted at fair value the estimate payable in shares to the selling party.

In addition, the Company also reviewed the concepts of the accounting standard regarding the presentation of part of the contingent consideration in the shareholders' equity and noted that, as the obligation represents the need to deliver a variable number of shares depending on the actual result of the forecast estimates in the purchase and sale agreement between the parties, this part of the contingent consideration should also be classified as a financial liability in accordance with CPC 39 / IAS 32. Accordingly, the Company reclassified the adjusted amount as part of the effects restated in these interim financial statements due to the end of the measurement period.

(iii) Stock option

The Company recognized at the time of acquisition the fair value of the Put Options delivered to the seller as a derivative financial instrument, as it entitles the seller to exercise or not exercise this right as of the first anniversary at the rate of 25% each year.

The Company also reviewed the concepts of the accounting standard regarding its provisional recognition as a derivative financial instrument and noted that, as required by CPC 39 / IAS 32, the option granted to sellers is a financial liability that must be measured at its present redemption value, whose effects are being restated in these interim financial statements due to the end of the measurement period.

Below are the effects on the Balance Sheet of the Individual and Consolidated interim financial statements, respectively, for the comparative period ended December 31, 2022:

	12/31/2022 (individual)		
	Originally submitted	**Adjustments**	**Restated**
Total current assets	1,041,464	-	1,041,464
Investments in subsidiaries	3,441,823	(95,634)	3,346,189
Deferred income tax and social contribution	204,410	6,590	211,000
Other non-current assets	466,910	-	466,910
Total assets	**5,154,607**	**(89,044)**	**5,065,563**
Commitments with investment acquisitions – current	-	70,807	70,807
Accounts payable for the investment acquisition - current	160,192	(54,761)	105,431
Other current liabilities	1,042,501	-	1,042,501
Commitments with investment acquisitions - non-current	-	156,475	156,475
Accounts payable for the investment acquisition - non-current	111,800	(8,411)	103,389
Other non-current liabilities	1,451,561	-	1,451,561
Shareholders' equity	2,388,553	(253,154)	2,135,399
Total liabilities	**5,154,607**	**(89,044)**	**5,065,563**

	12/31/2022 (consolidated)		
	Originally submitted	**Adjustments**	**Restated**
Total current assets	3,195,690	-	3,195,690
Intangible assets	2,249,826	(95,634)	2,154,192
Deferred income tax and social contribution	364,582	6,590	371,172
Other non-current assets	651,465	-	651,465
Total assets	**6,461,563**	**(89,044)**	**6,372,519**
Commitments with investment acquisitions – current	-	70,807	70,807
Accounts payable for the acquisition of investments - current	190,778	(54,761)	136,017
Other current liabilities	2,170,571	-	2,170,571
Commitments with investment acquisitions - non-current	-	156,475	156,475
Accounts payable for the investment acquisition - non-current	176,784	(8,411)	168,373
Other non-current liabilities	1,514,935	-	1,514,935
Shareholders' equity	2,408,495	(253,154)	2,155,341
Total liabilities	**6,461,563**	**(89,044)**	**6,372,519**

The Company evaluated the effects arising from the measurement period adjustments, and the correction of errors in the classification of contingent consideration mentioned in item (2) above, and of measurement of the stock put options referred to in item (3), and concluded that the effects of the corrections would not represent material adjustments to the financial statements, including affecting the statements of income, comprehensive income, changes in shareholders' equity and cash flows for the period ended June 30, 2022, which are being presented as part of these interim financial statements as corresponding amounts for comparability purposes.

3 New standards, reviews and interpretations not yet effective

Classification of liabilities as current or non-current (amendments to CPC 26/IAS 1)

The amendments, issued in 2020, are intended to clarify the requirements for determining whether a liability is current or non-current, and apply to annual periods beginning on or after January 1, 2023.

However, IASB subsequently proposed amendments to IAS 1 and the postponement of the date on which the 2020 amendments will enter into effect for annual periods beginning on or after January 1, 2024.

Considering that the standard is subject to future developments, the Company cannot determine the impact of these amendments on the individual and consolidated financial statements in the period of first-time application. The Company is continuously monitoring future developments of this standard.

Deferred tax related to assets and liabilities arising from a single transaction (amendments to CPC 32/IAS 12)

The amendments limit the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences - for example, leases and dismantling cost liabilities. Changes apply to the annual periods starting on or after January 1, 2023. For leases and dismantling cost liabilities, the associated deferred tax assets and liabilities will need to be recognized from the beginning of the earliest comparative period presented, with any cumulative effect recognized as an adjustment to retained earnings or other component of shareholders' equity on that date. For all other transactions, the changes apply to transactions that occur after the beginning of the earliest period presented.

The Company accounts for deferred tax on leases using the "fully linked" approach, with an effect similar to the results of the amendments, except that the impacts of deferred taxes are presented net in the balance sheet. No impacts have been observed with the adoption of the amendments.

Other standards

The following new and amended standards are not expected to have a significant impact on the Company's individual and consolidated financial statements:

(a) IFRS 17 - Insurance Contracts;

(b) Disclosure of Accounting Policies (Amendments to CPC 26/IAS 1 and IFRS Practice Statement 2);

(c) Definition of accounting estimates (Amendments to CPC 23/IAS 8).

No impacts have been observed regarding the new standards and with the initial adoption of the amendments.

4 Measurement basis and main accounting policies

Measurement basis

The interim financial statements were prepared based on historical cost, unless otherwise indicated.

Main accounting policies

Elfa applied the accounting policies listed below in a manner consistent with those adopted in the preparation of the financial statements as of December 31, 2022, unless otherwise indicated:

(a) Consolidation basis

(b) Foreign currency

(c) Revenue from contracts with customers

(d) Employee benefits

(e) Government grants

(f) Financial revenues and expenses

(g) Income tax and social contribution

(h) Inventories

(i) Property, plant and equipment

(j) Intangible assets and goodwill

(k) Financial instruments

(l) Impairment

(m) Provisions

(n) Basic and diluted earnings per share

(o) Leases

(p) Measurement of fair value

5 Cash and cash equivalents

	Individual		Consolidated	
	06/30/2023	**12/31/2022**	**06/30/2023**	**12/31/2022**
Cash	13	10	647	676
Banks	69,979	27,243	127,386	69,019
Marketable securities (a)	30,841	115,777	45,281	254,001
Total cash and cash equivalents	**100,833**	**143,030**	**173,314**	**323,696**

(a) As of June 30, 2023, these investments were made substantially in Bank Deposit Certificates (CDB) and funds, all with immediate liquidity and with yields indexed to the Interbank Deposit Certificate (CDI) with remuneration percentages between 85% and 100%, progressively according to the period that the amount is kept in the investment account.

6 Trade accounts receivable

	Individual		Consolidated	
	06/30/2023	**12/31/2022**	**06/30/2023**	**12/31/2022**
Private clients	362,928	458,452	1,286,060	1,215,456
Governmental entities clients	139,436	126,096	204,197	202,247
Accounts receivable from related parties (Note 11)	1,064	943	1,881	2,211
	503,428	585,491	**1,492,138**	**1,419,914**
(-) Provision for impairment (PECLD)	(39,754)	(38,768)	(122,029)	(105,103)
	463,674	**546,723**	**1,370,109**	**1,314,811**

The trade accounts receivable balance by maturity age are shown below:

	Individual		Consolidated	
	06/30/2023	**12/31/2022**	**06/30/2023**	**12/31/2022**
To be due	338,488	464,089	1,023,135	1,076,580
Overdue (days):				
≤30	45,980	28,904	104,687	98,009
31–90	30,901	22,502	94,009	60,761
91–180	29,402	11,170	116,055	49,617
>181	58,657	58,826	154,252	134,947
Total	**503,428**	**585,491**	**1,492,138**	**1,419,914**
(-) Provision for impairment (PECLD)	(39,754)	(38,768)	(122,029)	(105,103)
	463,674	**546,723**	**1,370,109**	**1,314,811**

Changes in the provision for loss due to impairment of the trade accounts amounts receivable are shown below:

	Individual		**Consolidated**	
	06/30/2023	**12/31/2022**	**06/30/2023**	**12/31/2022**
Opening balance	**(38,768)**	**(36,401)**	**(105,103)**	**(73,564)**
(Constitution) / Reversal	(986)	(2,367)	(16,926)	(31,539)
Closing balance	**(39,754)**	**(38,768)**	**(122,029)**	**(105,103)**

The net losses reflected in the statement of profit (loss) are follows:

	Individual		**Consolidated**	
	06/30/2023	**06/30/2022**	**06/30/2023**	**06/30/2022**
Provision for impairment losses	(986)	(4,033)	(16,926)	(7,438)
(Expenses)/reimbursements related to the recovery of receivables and losses	(227)	(26)	10,514	(2,155)
Total (debited) to the result of the period	**(1,213)**	**(4,059)**	**(6,412)**	**(9,593)**

7 Inventories

	Individual		**Consolidated**	
	06/30/2023	**12/31/2022**	**06/30/2023**	**12/31/2022**
Goods for resale	168,418	182,478	760,015	864,843
Consignment Goods	6,232	14,003	47,462	62,502
(-) Provision for inventory losses	(287)	(611)	(2,868)	(8,611)
Total	**174,363**	**195,870**	**804,609**	**918,734**

The change in the provision for inventory losses is shown below:

	Individual		**Consolidated**	
	06/30/2023	**06/30/2022**	**06/30/2023**	**06/30/2022**
Opening balance	(611)	(757)	(8,611)	(3,247)
(Constitution)/reversal	324	307	5,743	(2,602)
Closing balance	**(287)**	**(450)**	**(2,868)**	**(5,849)**

8 Recoverable taxes and income tax and social contribution

	Individual		Consolidated	
	06/30/2023	**12/31/2022**	**06/30/2023**	**12/31/2022**
ICMS	21,518	69,021	229,930	251,015
PIS (Social Integration Program) and COFINS (Contribution for the Financing of Social Security)	3,831	4,130	52,291	59,405
Other	6,869	6,107	31,808	29,727
Recoverable taxes - Current	**32,218**	**79,258**	**314,029**	**340,147**
Recoverable taxes - Non-current	**132,918**	**54,288**	**151,080**	**54,288**
Income tax and social contribution	**38,303**	**31,527**	**50,685**	**42,913**

9 Investments (individual)

a. Composition of investments

	Interest percentage		Shareholders' equity		Indemnifiable assets		Surplus value		Goodwill		Total investments	
Investee	06/30/2023	12/31/2022	06/30/2023	12/31/2022 Restated	06/30/2023	12/31/2022 Restated	06/30/2023	12/31/2022 Restated	06/30/2023	12/31/2022 Restated	06/30/2023	12/31/2022 Restated
Prescrita	100%	100%	212,326	212,745	-	-	2,089	2,456	8,569	8,569	222,984	223,770
Jaw	100%	100%	152,999	159,667	-	-	1,210	1,390	5,207	5,207	159,416	166,264
CDM Group	100%	100%	132,521	128,482	-	-	24,496	28,504	46,091	46,091	203,108	203,077
Medcom Group	100%	100%	172,575	167,988	-	-	55,892	63,476	221,274	221,274	449,741	452,738
Atrial	100%	100%	321,060	263,638	-	-	38,348	43,219	328,945	328,945	688,353	635,802
Mostaert	100%	100%	61,685	60,291	36,954	36,954	26,999	29,153	27,832	27,832	153,470	154,230
Biohosp	100%	100%	160,050	165,797	-	-	83,612	90,110	68,445	68,445	312,107	324,352
Dupatri	100%	100%	104,206	105,748	-	-	73,172	81,248	23,700	23,700	201,078	210,696
DRS Group	100%	100%	(51,505)	(59,248)	38,911	38,911	51,608	53,885	53,329	53,329	92,343	86,877
TLS	95%	95%	(23,334)	(16,973)	8,946	8,946	12,265	12,916	36,984	36,984	34,861	41,875
Descarpack	100%	100%	129,281	117,447	52,052	52,052	296,364	312,118	364,890	364,893	842,587	846,508
Total			**1,371,864**	**1,305,582**	**136,863**	**136,863**	**666,055**	**718,475**	**1,185,266**	**1,185,269**	**3,360,048**	**3,346,189**

b. Summary financial information

	Current assets		Non-current assets		Current liabilities		Non-current liabilities		Shareholders' equity		Net income (loss)	
Investee	06/30/2023	12/31/2022	06/30/2023	12/31/2022	06/30/2023	12/31/2022	06/30/2023	12/31/2022	06/30/2023	12/31/2022	06/30/2023	06/30/2022
Prescrita	196,439	254,285	113,984	185,179	68,213	156,584	29,884	70,135	212,326	212,745	10,978	18,510
Jaw	256,746	144,349	183,406	174,573	153,845	100,274	133,308	58,980	152,999	159,668	(837)	324
Cristal	-	-	-	-	-	-	-	-	-	-	-	(3,980)
CDM Group	204,481	204,459	60,931	47,497	83,636	112,814	49,255	10,660	132,521	128,482	2,556	2,843
Medcom Group	177,594	224,386	114,049	108,678	104,504	146,414	14,564	18,662	172,575	167,988	330	241
Atrial	451,831	423,342	295,896	284,214	233,352	220,429	193,315	223,489	321,060	263,638	(18,319)	5,410
Mostaert	68,394	92,864	48,544	31,841	18,336	27,484	36,917	36,930	61,685	60,291	155	17,050
Biohosp	203,271	197,706	140,842	87,319	103,370	112,048	80,693	7,180	160,050	165,797	(377)	11,492
Dupatri	181,030	182,498	60,953	45,902	113,038	95,173	24,739	27,479	104,206	105,748	(9,618)	4,651
DRS Group	69,537	54,481	67,157	60,087	78,891	58,617	109,308	115,199	(51,505)	(59,248)	5,412	2,663
TLS	6,785	4,507	21,755	11,063	13,060	9,013	38,814	23,530	(23,334)	(16,973)	(7,038)	(1,677)
Descarpack	226,946	218,510	122,742	123,446	100,195	120,317	120,212	104,190	129,281	117,449	3,378	(8,070)
Total	**2,043,054**	**2,001,387**	**1,230,259**	**1,159,799**	**1,070,440**	**1,159,167**	**831,009**	**696,434**	**1,371,864**	**1,305,585**	**(13,380)**	**49,457**

c. Change in investments

	Prescrita	Jaw	Cristal	CDM Group	Medcom Group	Atrial	Mostaert	Biohosp	Dupatri	DRS Group	TLS	Descarpack	Total
Balance as of 01/01/2022	**143,159**	**179,594**	**64,180**	**158,368**	**447,987**	**577,282**	**139,745**	**281,561**	**230,069**	**82,103**	**52,220**	**-**	**2,356,268**
Net assets acquired at fair value	-	-	-	-	-	-	-	-	-	-	-	486,636	486,636
Goodwill arising from the acquisition	-	-	-	-	-	-	-	-	-	-	-	364,890	364,890
Write-off upon merger	45,543	-	(45,543)	-	-	-	-	-	-	-	-	-	-
Distribution of dividends	(978)	(3,770)	(1,086)	(334)	(4,748)	-	(13,640)	-	(25,807)	-	-	-	(50,363)
Capital decrease	(32,277)	(67,438)	(20,771)	(132)	(5,799)	-	-	-	-	-	(40)	-	(126,457)
Capital increase	35,746	65,955	7,200	37,042	10,025	63,488	9,899	28,469	839	32	-	-	258,695
Equity on earnings of subsidiaries	32,577	(8,076)	(3,980)	8,132	5,273	(4,968)	18,226	14,322	5,595	4,742	(10,307)	(5,016)	56,520
Balance as of 12/31/2022 (restated)	**223,770**	**166,265**	**-**	**203,076**	**452,738**	**635,802**	**154,230**	**324,352**	**210,696**	**86,877**	**41,873**	**846,510**	**3,346,189**
Distribution of dividends	(1,956)	(14,598)	-	-	-	-	-	(13,460)	-	-	-	-	(30,014)
Capital decrease	(9,806)	(6,663)	-	(2,524)	(3,328)	-	(915)	(1,416)	-	-	-	(7,304)	(31,956)
Capital increase	-	15,249	-	-	-	70,870	-	3,009	-	55	26	-	89,209
Equity on earnings of subsidiaries	10,978	(837)	-	2,556	330	(18,319)	155	(377)	(9,618)	5,412	(7,038)	3,378	(13,380)
Balance as of 06/30/2023	**222,986**	**159,416**	**-**	**203,108**	**449,740**	**688,353**	**153,470**	**312,108**	**201,078**	**92,344**	**34,861**	**842,584**	**3,360,048**

10 Intangible assets

	Individual			
			06/30/2023	12/31/2022
	Cost	Accumulated amortization	Net	Net
Defined useful life				
Right-of-use software	12,960	(4,237)	8,723	6,414
Customers' list	43,400	(30,898)	12,501	14,102
Special authorizations	50	(50)	-	-
Undefined useful life	-	-	-	-
Client portfolio	87,235	-	87,235	87,235
	143,645	**(35,185)**	**108,460**	**107,751**

	Consolidated			
			06/30/2023	12/31/2022 Restated
	Cost	Accumulated amortization	Net	Net
Defined useful life				
Customers' list	981,162	(339,800)	641,361	703,307
Non-compete	6,753	(5,596)	1,157	2,384
Software license of use and other intangible	42,067	(16,784)	25,283	20,323
Undefined useful life				
Goodwill	1,359,372	-	1,359,372	1,359,372
Trademarks and patents	69,441	-	69,441	68,806
	2,458,795	**(362,181)**	**2,096,615**	**2,154,192**

The change of intangible assets is shown below:

	Individual		Consolidated	
	06/30/2023	12/31/2022	06/30/2023	12/31/2022 Restated
Opening balance	**107,751**	**111,023**	**2,154,192**	**1,564,730**
Additions				
Software license of use and other intangible	3,555	1,619	7,326	3,774
Surplus	-	-	-	327,294
Goodwill	-	-	-	364,893
Balance acquired through acquisitions				
Software license of use and other intangible	-	-	-	7,371
Amortization				
Software license of use	(1,246)	(1,435)	(2,278)	(3,823)
Customers' list	-	-	(61,946)	(108,677)
Non-compete agreement	(1,600)	(3,456)	(679)	(1,370)
Closing balance	**108,460**	**107,751**	**2,096,615**	**2,154,192**

Goodwill paid on expected future profitability

The balance of goodwill on acquisitions of ownership interest is based on expected future profitability of the acquired business and amounts to R$ 1,359,372 at June 30, 2023 (R$ 1,359,372 as of December 31, 2022 - restated).

The goodwill allocated by business segment is described below:

Pharmaceutical specialties	970,381
Hospital medical supplies	388,991
Total	**1,359,372**

The Group understands that there is no internal or external evidence indicating that the projections used in the impairment test performed on December 31, 2022 need to be revisited and, therefore, concluded that there are no new indications that would require the performance of an interim test as of June 30, 2023.

11 Transactions with related parties

	Individual		Consolidated	
	06/30/2023	**12/31/2022**	**06/30/2023**	**12/31/2022**
Current assets				
Trade accounts receivable – Note 6				
Med Imagem S/C	176	486	561	649
Hospital Memorial Nossa Senhora das Neves	543	202	840	1,128
Hospital Oftalmológico de Brasília Ltda.	339	228	355	249
VJ Farma Ltda.	-	11	33	25
Brazil Senior Living S.A.	6	16	92	160
	1,064	**943**	**1,881**	**2,211**
Non-current assets				
Accounts receivable from subsidiaries assessment of the shared service center				
Prescrita	1,306	24,607	-	-
Cirúrgica Jaw	1,952	1,738	-	-
CDM Group	1,681	2,359	-	-
Medcom Group	1,536	2,588	-	-
Agilfarma	1,340	1,486		
Anbioton	930	914	-	-
Biohosp	-	3,632	-	-
DRS	8,535	6,849	-	-
Dupatri	2,334	4,272	-	-
Atrial Group	21,609	16,348	-	-
Mostaert	328	201	-	-
Oncorio	1,212	1,183	-	-
TLS	1,367	455	-	-
Descarpack	6,957	4,208	-	-
Total	**51,087**	**70,840**	**-**	**-**
Loans				
Atrial Group	8,210	15,717	-	-
Mostaert	-	3	-	-
Oncorio	-	1,007	-	-
TLS	21,175	11,892	-	-
Total	**29,385**	**28,619**	**-**	**-**

	Individual		Consolidated	
	06/30/2023	**12/31/2022**	**06/30/2023**	**12/31/2022**
Advance for future capital increase (d)				
Cirúrgica Jaw	69,489	-	-	-
CDM Group	48,382	6,103	-	-
Dupatri	3,591	-	-	-
Atrial Group	14,580	22,300	-	-
Biohosp	-	2,396	-	-
Total	**136,042**	**30,799**	**-**	**-**
Total accounts receivable from related parties - non-current	**216,514**	**130,258**	**-**	**-**
Current liabilities				
Accounts payable to related parties				
Gestão e Transformação Consultoria S.A.	-	243	-	243
Gran Coffee Comércio, Locação e Serviços S/A	1	2	1	2
Total	**1**	**245**	**1**	**245**
Non-current liabilities				
Accounts payable to related parties				
Prescrita	49,355	93,276	-	-
Atrial Group	86,943	76,147	-	-
Cirúrgica Jaw	9,973	14,598	-	-
Oncorio	5	2,070	-	-
CDM Group	40,069	21,230	-	-
Medcom Group	63,471	57,176	-	-
Mostaert	31,032	17,117	-	-
Dupatri	5,338	5,229	-	-
Agilfarma	6,872	17,604	-	-
Descarpack	28,837	28,853	-	-
Biohosp	9,458	44,636	-	-
Anbioton	3,460	-	-	-
	334,813	**377,936**	**-**	**-**
Total accounts payable from related parties - non-current	**334,813**	**377,936**	**-**	**-**

Income	Individual		Consolidated	
Net sales revenue (a)	**06/30/2023**	**06/30/2022**	**06/30/2023**	**06/30/2022**
Cirúrgica Jaw	5,184	73,743	-	-
Cristal Pharma Ltda.	-	14,985	-	-
Agilfarma	2,498	-	-	-
Anbioton	529	-	-	-
Biohosp	1,575	-	-	-
DRS	3,679	-	-	-
Dupatri	1,634	-	-	-
GB	3,087	-	-	-
Medcom	1,737	-	-	-
Mostaert	156	-	-	-
Oncorio	10	-	-	-
Prescrita Medicamentos Ltda.	6,020	-	-	-
CDM Group	2,223	2,272	-	-
Atrial Group	688	-	-	-
Med Imagem S/C (Athena Saúde) (Fund V)	676	445	1,527	1,099
Hospital Memorial Nossa Senhora das Neves	1,005	925	1,633	2,152
Hospital Oftalmológico de Brasília Ltda. (Fund V)	877	810	910	845
VJ Farma Ltda. (Fund V)	-	127	107	165
Brazil Senior Living S.A. (Fund IV)	12	25	514	321
	31,590	**93,332**	**4,691**	**4,582**

	Individual		Consolidated	
Cost of goods sold				
Agilfarma	(2,471)	-	-	-
Anbioton	(521)	-	-	-
Biohosp	(1,522)	-	-	-
CDM Group	(2,214)	(2,158)	-	-
DRS	(3,637)	-	-	-
Dupatri	(1,618)	-	-	-
GB	(3,070)	-	-	-
Cirúrgica Jaw	(5,033)	(73,271)	-	-
Medcom	(1,722)	-	-	-
Mostaert	(156)	-	-	-
Oncorio	(8)	-	-	-
Cristal	-	(14,329)	-	-
Prescrita	(6,346)	(1,022)	-	-
Atrial Group	(690)	-	-	-
	(29,008)	**(90,780)**	**-**	**-**
Payment of property leases				
Antônio Carlos Ferreira De Souza	-	(371)	(149)	(371)
Egallo Participações Ltda – Epp	(327)	(306)	(327)	(306)
Gershenson Participacoes Societarias Ltda	-	-	(95)	(116)
Lle Participações Ltda	(396)	-	(396)	(80)
Shirley Gershenson Administradora De Bens Eireli	-	-	(44)	(42)
All Invest Empreendimentos Imobiliários	-	-	(212)	(238)
Wilson Gil Filho and Alessandra Moreno de Aguiar	-	-	(23)	(23)
	(723)	**(677)**	**(1,246)**	**(1,176)**
Expenses with service provision				
Pátria Investimentos Ltda	-	(60)	-	(60)
Gestão e Transformação Consultoria S.A. (b)	(1,858)	(1,556)	(1,858)	(1,556)
Gran Coffee Comércio, Locação e Serviços S/A (c)	(14)	(58)	(14)	(58)
	(1,872)	**(1,674)**	**(1,872)**	**(1,674)**

(a) Sale of goods with maturity of 2 to 3 months.

(b) Refers to management and consulting services performed in the processes of prospecting for new business with terms of 2 to 3 months.

(c) Refers to the leasing of coffee machines and equipment used in the group's facilities for a period of 30 days.

(d) Refers to advances made for capital increases in future periods. As they are Elfa's subsidiaries, the Company's intention is that payments or capitalization will occur in a period lower than 12 months.

All outstanding balances with those related parties reported in the individual and consolidated interim financial statements, when they occur between companies of Elfa Group, are priced based on conditions usually applicable to transactions between unrelated parties. None of the balances is secured.

No expense was recognized in the year or the previous year for bad debts or doubtful debts in relation to the amounts owed by related parties.

Management remuneration

The key management personnel include statutory and non-statutory officers. Remuneration for key personnel during the period ended June 30, 2023, was R$ 10,243 (R$ 13,535 as of June 30, 2022), considering the following breakdown:

(a) Fixed remuneration, variable remuneration (subject to the achievement of the Company’s targets), charges and benefits for employees and managers: R$ 8,281 (R$ 7,689 as of June 30, 2022);

(b) Share-based remuneration: R$ 1,962 (R$ 5,846 as of June 30, 2022).

12 Suppliers and other accounts payable

The transactions that the Company and its subsidiaries maintain with domestic and foreign suppliers are substantially medicine purchase transactions.

	Individual		Consolidated	
	06/30/2023	**12/31/2022**	**06/30/2023**	**12/31/2022**
Suppliers of goods	336,983	411,956	974,630	1,234,168
Fixed asset suppliers	140	313	443	533
Consumer goods suppliers	320	943	2,128	4,200
Payable Services	7,870	8,923	13,687	19,897
Advance and other accounts payable	20,915	35,874	123,148	103,783
Total current	**366,228**	**458,009**	**1,114,036**	**1,362,581**

13 Loans and financing, leases payable

				Individual		Consolidated	
Modality	**Average rate p.a.**	**Currency**	**Maturity**	**06/30/2023**	**12/31/2022**	**06/30/2023**	**12/31/2022**
Working capital	CDI + 4.92%	Real	2023–2024	513,629	-	661,642	11,837
Resolution 4131	CDI + 2.67%	Real	2023–2024	437,041	806,633	564,550	1,042,438
Debentures	CDI+ 2.80%	USD/R$	2023–2028	708,595	711,083	708,595	711,083
Derivatives	CDI + 2.67%	Real	2023–2024	30,944	82,174	46,099	93,438
Leases	IGPM	Real	2023–2027	15,932	18,328	70,996	71,701
Total				**1,706,141**	**1,618,218**	**2,051,882**	**1,930,497**
Current				647,905	548,743	789,477	651,949
Non-current (loans and financing + derivatives)				1,058,236	1,069,475	1,262,405	1,278,548

- Key: CDI - Bank Deposit Certificates;
- Resolution 4131 – Funds obtained in foreign currency;
- IGPM - Disclosed General Market Price Index.

Funding is mostly in Brazilian reais or in accordance with Central Bank Resolution 4131. The Company has a loan in foreign currency, as provided below, and is protected in this operation from foreign currency fluctuations through swaps contracted at the same time of funding, under the same terms and conditions as the original loan agreement. The average financial charges are equivalent to approximately CDI + 2.75% in the individual and consolidated interim financial statements.

On April 18, 2022, the Company carried out the 2nd issue of debentures in connection with the acquisition of Descarpack and the rescheduling of its debts with the following characteristics:

- 700,000 simple debentures, in the total amount of R$ 700,000;
- Non-convertible into shares, in a single series, of the type with real guarantee for Public Distribution, with restricted placement efforts, pursuant to CVM Instruction 476;

- Maturity period of 6 years as of the date of issuance; and
- Interest rate of CDI +2.80% pa, with payment of interest paid semiannually

Loans and financing are guaranteed by fiduciary assignment of credit rights owned by the Company and its subsidiaries arising from the issue of trade bills.

Changes in loans and financing are as follows:

	Individual		Consolidated	
	06/30/2023	**12/31/2022**	**06/30/2023**	**12/31/2022**
Opening balance	**1,599,890**	**630,057**	**1,858,796**	**717,521**
Additions due to the acquisition of new subsidiaries	-	-	-	15,785
Financing	600,389	1,270,946	734,921	1,537,851
Interest incurred on loans and financing	136,678	181,368	162,646	204,500
Payment of principal	(511,483)	(332,941)	(621,739)	(445,780)
Interest payment	(135,265)	(149,540)	(153,738)	(171,081)
Total loans, financing, and derivatives	**1,690,209**	**1,599,890**	**1,980,886**	**1,858,796**
Leases payable	15,932	18,328	70,996	71,701
Total loans, derivatives and leases	**1,706,141**	**1,618,218**	**2,051,882**	**1,930,497**
Total short-term	**647,905**	**548,743**	**789,477**	**651,949**
Total long-term	**1,058,236**	**1,069,475**	**1,262,405**	**1,278,548**

As of June 30, 2023, the repayment schedule for installments of long-term loans and financing are presented below:

	Individual		Consolidated	
	06/30/2023	**12/31/2022**	**06/30/2023**	**12/31/2022**
2024	59,117	310,458	96,963	438,993
2025	375,803	240,787	491,805	315,588
>2026	623,316	518,230	673,637	523,967
Total	**1,058,236**	**1,069,475**	**1,262,405**	**1,278,548**

The changes in lease are shown as follows:

	Individual		Consolidated	
	06/30/2023	**12/31/2022**	**06/30/2022**	**12/31/2022**
Balance as of December 31, 2022	**18,327**	**8,403**	**71,701**	**54,685**
Additions	994	18,323	15,650	49,697
Write-offs and other changes	(326)	(3,644)	(2,663)	(13,018)
Payment of lease liability	(4,645)	(7,292)	(18,313)	(29,588)
Interest appropriation	1,582	2,537	4,621	9,924
Balance as of June 30, 2023	**15,932**	**18,327**	**70,996**	**71,701**

Below are the lease amortization schedules for June 30, 2023:

	Individual		Consolidated	
	06/30/2023	**12/31/2022**	**06/30/2023**	**12/31/2022**
2023	2,790	5,929	12,710	25,671
2024	5,154	4,501	19,678	18,549
2025	4,297	4,501	18,937	18,549
>2026	3,691	3,396	19,671	8,931
	15,932	**18,327**	**70,996**	**71,701**

a. Guarantees

The Company has R$ 795,417 in trade bills pledged as guarantees for loan and financing agreements, as of June 30, 2023 (R$ 686,157 as of December 31, 2022).

14 Accounts payable and commitments for investment acquisition

It regards installments payable to former shareholders of the companies acquired by the Group, and those amounts are re-estimated as defined in each agreement and the payment shall occur within up to 6 years after the date of each acquisition. Those installments also work as retention and guarantee of possible liabilities within the pre-acquisition period and are measured at current value.

	Individual		Consolidated	
	06/30/2023	**12/31/2022 Restated**	**06/30/2023**	**12/31/2022 Restated**
Commitments with investment acquisitions	112,794	70,807	112,794	70,807
Accounts payable for the acquisition of investments	36,436	105,431	81,670	136,017
Total current	**149,230**	**176,238**	**194,464**	**206,824**
Commitments with investment acquisitions	104,317	156,475	104,317	156,475
Accounts payable for the acquisition of investments	120,856	103,389	171,278	168,373
Total non-current	**225,173**	**259,864**	**275,595**	**324,848**
Total	**374,403**	**436,102**	**470,059**	**531,672**

The amounts presented as “Commitments with investment acquisitions” refer to commitments that generated future obligations that may or may not materialize fully or partially due to performance measurements or exercise of put options as provided for in the acquisition agreements.

Changes in accounts payable for the acquisition of investments are as follows:

	Individual		Consolidated	
	06/30/2023	12/31/2022 Restated	06/30/2023	12/31/2022 Restated
Opening balance	436,102	338,244	531,672	478,955
Additions due to the acquisition of new subsidiaries	-	846,074	-	846,074
Adjustment in installments of acquisitions	(5,826)	-	(5,826)	-
Interest incurred	8,425	26,599	12,111	32,789
Payment of installments	(64,298)	(774,815)	(67,898)	(826,146)
Closing balance	**374,403**	**436,102**	**470,059**	**531,672**

On June 30, 2022, the balance of commitments with investment acquisitions is as follows:

	06/30/2023	12/31/2022 Restated
2023	112,794	70,807
2024	57,093	56,124
>2025	114,185	112,249
	284,072	**239,180**

As of June 30, 2022, the schedule of the balance of accounts payable for acquisition of investments is as follows:

	06/30/2023	12/31/2022 Restated
2023	81,670	136,017
2024	34,772	52,158
>2025	69,545	104,317
	185,987	**292,492**

15 Provision for contingencies

The Group is exposed to tax, civil, and labor contingencies arising from the regular course of its operations. The provision policy adopted by the Group takes into account the likelihood of loss in the cases. When the likelihood of loss is probable, a provision is made for 100% of the amount due in those lawsuits, according to the Group's assessment, supported by the opinion of its legal advisors.

The Group has lawsuits and contingencies arising, in whole or in part, from periods prior to the acquisition by Elfa, which are the liability of the former shareholders, pursuant to the purchase and sale agreements. For this reason, the Group recognizes the provision for the fair value of contingent liabilities, as well as the assets receivable from former shareholders for these processes and contingencies provided under the title “Indemnification assets”. There was no cash effect on this transaction.

The composition of the provision for contingencies and reimbursement rights, according to their nature, are presented below:

	Individual		Consolidated	
	06/30/2023	**12/31/2022**	**06/30/2023**	**12/31/2022**
Civil (a)	19	20	848	792
Labor (b)	1,657	2,611	83,282	82,530
Tax (c)	-	-	150,299	150,301
Total provision for contingencies	**1,676**	**2,631**	**234,429**	**233,623**
Indemnification Assets (d)	**633**	**5,749**	**230,431**	**235,547**

(a) Civil liabilities classified as probable arise from actions for damages, as a rule, with a low amount involved, and mostly under the liability of former members.

(b) Labor liabilities classified as probable are composed of materialized and non-materialized contingencies. Materialized contingencies mostly refer to requests for recognition of employment relationships, made by commercial representatives, as well as an action in which differences in commissions are discussed, given that, to a large extent, the amounts are the liability of the former members.

(c) Tax liabilities classified as probable are comprised of material and non-material contingencies and are fully the responsibility of the former members. The materialized contingencies refer substantially to disputes about the application of ICMS.

(d) Those balances are mainly guaranteed by accounts payable to former shareholders described in note 16.

Change in provision for contingencies is shown below:

	Individual				Consolidated			
	Civil	**Labor**	**Tax**	**Total**	**Civil**	**Labor**	**Tax**	**Total**
Balance as of 12/31/2022	20	2,611	-	2,631	792	82,530	150,301	233,623
Additions	-	917	-	917	137	3,180	-	3,317
Reversals	(1)	(1,871)	-	(1,872)	(81)	(2,428)	(2)	(2,511)
Balance as of 06/30/2023	**19**	**1,657**	**-**	**1,676**	**848**	**83,282**	**150,299**	**234,429**

As of June 30, 2023, the Company and its subsidiaries had lawsuits with risk of loss assessed as possible, in the amount of R$ 163,001 (R$ 209,438 as of December 31, 2022), of which R$ 92,602 (R$ 105,744 as of December 31, 2022) are the responsibility of the former controlling shareholders of businesses acquired in the past.

The main cases classified as possible risk of loss and, therefore, not subject to a provision are the following:

- Enforcement action filed by the State of Bahia for collection of ICMS debt. The debt in the amount of R$ 9,003 is guaranteed by Surety Bond, and is under responsibility of the former management;

- In addition to the aforementioned tax foreclosure, the Company and its subsidiaries are involved in other 43 tax foreclosures classified as possible loss, amounting to R$ 33,280, of which R$ 1,952 is payable by the former management;

- Labor claims that discuss differences in commissions due to the sale of products, as well as recognition of employment relationship, totaling the updated amount of R$ 6,308, with the former management being responsible for the amount of R$ 2,989;

- The Subsidiary Dupatri Hospitalar Comércio, Importação e Exportação Ltda., acquired by the Company in January 2021, is a party to an administrative proceeding pending before CADE since 2015 to investigate an alleged improper practice, on a date prior to the acquisition by the Company, in public bids carried out by several states of Brazil and aimed at the acquisition of medicines, whose risk of loss is assessed as possible. Any conviction to pay a fine may reach the ceiling of approximately R$ 77,100, subject to indemnification by the former partners;

- The commercial subsidiary Commed Produtos Hospitalares Ltda. is a defendant in 106 lawsuits involving the "Essure" medical device, all of which under the responsibility of the former management, with 86 lawsuits classified as possible loss, amounting to R$ 42,851.

The Company is party to lawsuits arising from supply contracts with public bodies, approximately 230 cases are already in the process of fine payment, the amount of which amounts to approximately R$ 1,323 (R$ 1,112 as of December 31, 2022).

Judicial deposits

On June 30, 2023, the Group had the total amount of R$ 131,831 (R$ 120,349 on December 31, 2022) referring to judicial deposits which are mostly related to writs of mandamus filed during the period from 2020 to 2022 in 14 States of the Federation, regarding the dispute about the unconstitutionality of the Rate Differential (DIFAL) of the ICMS levied on part of Elfa Group's interstate sales. The issue was the subject of a direct action of unconstitutionality (ADIN) in the Superior Federal Court (STF) and its general repercussion was also recognized by the STF.

The Company and its subsidiaries dispute the matter through Writs of Mandamus and, since July 2020, have made judicial deposits of amounts related to Difal.

The changes in judicial deposits are shown below:

	Individual		**Consolidated**	
	06/30/2023	**12/31/2022**	**06/30/2023**	**12/31/2022**
Opening balance	79,124	30,094	120,349	44,892
New deposits	7,850	61,534	14,203	88,781
Write-offs/reversals	(2,392)	(12,504)	(2,721)	(13,324)
Closing balance	**84,582**	**79,124**	**131,831**	**120,349**

16 Net operating revenue

	Individual		Consolidated	
	06/30/2023	**06/30/2022**	**06/30/2023**	**06/30/2022**
Gross Sales				
Sale of goods - private clients	1,038,023	949,369	2,882,548	2,504,858
Sale of goods - Governmental entities clients	162,418	151,682	428,114	532,500
Total gross sales	**1,200,441**	**1,101,051**	**3,310,662**	**3,037,358**
Deduction from gross sales				
Sales Return - private clients	(21,297)	(12,949)	(69,593)	(42,516)
Sales Return – governmental entities clients	(1,996)	(2,027)	(9,981)	(13,237)
Discounts granted	(3,445)	(809)	(7,323)	(5,537)
Sales taxes	(93,312)	(32,237)	(252,847)	(188,410)
Total deductions from revenue	**(120,050)**	**(48,021)**	**(339,745)**	**(249,700)**
Net operating revenue	**1,080,391**	**1,053,030**	**2,970,917**	**2,787,658**

Revenue is measured based on the consideration specified in the transaction with the client. The Group recognizes the revenue when the control over the product or service is transferred to the client, which is when performance obligation with clients is addressed.

Invoices issued shall be paid within a specified period of time. Additional discounts are not offered to the invoice value, and returns are only accepted when the defect or error in the delivery of the product is dully proven. The sector’s return percentage is considered low.

17 Costs and expenses by function and nature

	Individual		Consolidated	
	06/30/2023	**06/30/2022**	**06/30/2023**	**06/30/2022**
By function				
Cost of goods sold	(957,881)	(948,673)	(2,548,468)	(2,389,304)
Selling expenses	(58,580)	(52,602)	(166,346)	(179,433)
General and Administrative	(57,326)	(44,670)	(210,614)	(201,589)
Losses (Reversal) due to impairment of accounts receivable	(1,213)	(4,059)	(6,412)	(9,593)
Other revenues	52,263	36,039	41,398	84,551
Other expenses	(20,994)	(8,149)	(30,292)	(12,987)
	(1,043,731)	**(1,022,114)**	**(2,920,734)**	**(2,708,355)**
By nature				
Cost of resale of goods	(957,881)	(948,673)	(2,548,468)	(2,389,304)
Salaries and social charges	(47,679)	(36,592)	(137,187)	(154,306)
Share-based remuneration	(1,962)	(5,845)	(1,962)	(5,845)
Commissions on sales	-	-	(4,614)	(7,310)
Freights and carriages	(9,865)	(9,429)	(47,905)	(39,809)
Amortization and depreciation	(7,742)	(6,073)	(83,111)	(73,308)
Common area maintenance fees and other occupation expenses	(2,910)	(2,038)	(6,098)	(4,613)
Services provided - Legal entity	(32,781)	(25,547)	(49,996)	(44,736)
Losses due to impairment of accounts receivable	(1,213)	(4,059)	(6,412)	(9,593)
Other revenues (a)	52,263	36,056	41,398	84,551
Other expenses	(33,962)	(19,914)	(76,379)	(64,080)
	(1,043,731)	**(1,022,114)**	**(2,920,734)**	**(2,708,355)**

(a) The increase in the caption other revenues for the period ended June 30, 2023 in the Parent Company is mainly related to the apportionment of expenses shared with the other subsidiaries.

18 Financial income

	Individual		Consolidated	
	06/30/2023	**06/30/2022**	**06/30/2023**	**06/30/2022**
Financial expenses				
Interest on loans and financing	(136,678)	(66,783)	(162,848)	(73,024)
Interest on leases and installments of investment acquisitions	(10,008)	(18,339)	(16,731)	(23,880)
Other financial expenses (a)	(18,768)	(3,253)	(39,071)	(4,917)
	(165,454)	(88,375)	(218,650)	(101,821)
Financial revenues				
Asset interest	1,980	-	9,451	1,050
Finance investment income	2,937	7,968	3,574	10,636
Other financial revenues	-	-	(26)	57
	4,917	7,968	12,998	11,743
Financial income	**(160,537)**	**(80,407)**	**(205,652)**	**(90,078)**

(a) The increase in other financial expenses for the period mainly refers to expenses with Tax on Financial Transactions (IOF) and interest and fines from suppliers.

19 Income tax and social contribution

The breakdown of the expense with income tax and social contribution on profit is shown below:

	Individual		Consolidated	
	06/30/2023	**06/30/2022**	**06/30/2023**	**06/30/2022**
Current:				
Corporate income tax	-	-	(7,202)	(19,843)
Social contribution on net income	-	-	(2,593)	(7,144)
	-	**-**	**(9,795)**	**(26,987)**
Deferred:				
Corporate income tax	17,926	24,742	39,497	54,405
Social contribution on net income	6,453	8,907	14,219	19,586
	24,380	**33,649**	**53,715**	**73,991**

Reconciliation of effective income tax and social contribution expenses

Income tax and social contribution on profit provided in the statement of income show the following reconciliation at the nominal rate:

	Individual		Consolidated	
	06/30/2023	**06/30/2022**	**06/30/2023**	**06/30/2022**
Accounting profit before income tax and social contribution	(137,257)	(34)	(155,468)	(10,775)
Legal combined rate	34%	34%	34%	34%
Income tax and social contribution at statutory rates	46,667	12	52,858	3,664
Adjustments to Net income that affect taxable income:				
Equity on earnings of subsidiaries	(4,549)	16,815	-	-
Grants on investments	13,369	17,342	20,658	43,779
Regularization of deferred tax balances	(11,403)	-	(18,635)	-
Prior-year adjustments	-	-	(213)	
Non-deductible expenses	(941)	-	(1,066)	-
Interest on own capital	(6,546)	-	-	-
Tax loss and temporary differences without deferral	(5,985)	-	(5,985)	-
Other additions and exclusions, net	(6,232)	(520)	(3,697)	(439)
Additions and exclusions, net	(22,288)	33,637	(8,938)	43,340
Total credited/debited to the result	24,380	33,649	43,920	47,004
Effective rate on the net effect of current and deferred IRPJ/CSLL	18%	93469%	28%	436%

Deferred income tax and social security contribution on temporary differences

The Company and its subsidiaries, based on the expectation of generating future taxable profit, recognized deferred tax credits on temporary differences and tax loss balance and negative social security contribution base.

The calculation bases for net assets are comprised of as follows:

	Individual		Consolidated	
Balances	**06/30/2023**	**12/31/2022**	**06/30/2023**	**12/31/2022**
Provision for impairment	13,516	6,638	41,490	26,333
Provision for inventory losses	98	210	975	5,634
Sundry provisions	8,053	33,039	127,197	134,531
Goodwill	(4,237)	-	(4,237)	-
Share-based remuneration	22,302	19,868	22,302	19,868
Tax loss and negative basis (restated)	196,165	150,582	237,850	184,806
	235,897	**210,337**	**425,577**	**371,172**

Technical feasibility studies prepared by the Management indicate the full recovery capacity, in subsequent years, of the recognized deferred tax amounts and correspond to Management's best estimates on the future evolution of the Company and its subsidiaries, and the market in which it operates, whose expectation of realization of tax credits is presented below:

Year	**Individual**	**Consolidated**
2023	(30,852)	(37,637)
2024	806	983
2025	16,628	20,284
2026	18,547	22,625
2027−2032	191,036	231,595
	196,165	**237,850**

20 Earnings per share

The calculation of net earnings per share for the periods ended June 30, 2023 and 2022 is shown below:

	06/30/2023	**06/30/2022**
Income (loss) for the period	(111,548)	36,229
Number of shares	535,891	510,254
Earnings (losses) per share - basic - R$	**(0.208)**	**0.071**
Adjustments to share purchase options (weighted average)	15,640	18,534
Number of shares for diluted profits per share	551,531	528,787
Diluted earnings (losses) per share – R$	**(0.208)**	**0.071**

For the period ended June 30, 2023 and 2022, the calculation of diluted earnings per share resulted in an antidilutive effect, pursuant to item 19 of CPC 41/IAS 33 – Earnings per Share. Therefore, due to such effect, for purposes of presenting the earnings per share for the period, the basic and diluted earnings per share resulted in the same amount per share.

21 Financial instruments

Information related to Elfa's financial instruments and their respective analyzes are listed in the items below:

Accounting classification and fair values

The table below shows the book values of financial assets and liabilities and their classifications. The book values of those financial instruments are close to their respective fair values.

		Individual		Consolidated	
	Classification	**06/30/2023**	**12/31/2022**	**06/30/2023**	**12/31/2022**
Assets, according to the balance sheet					
Cash and cash equivalents	(i)	100,833	143,030	173,314	323,696
Accounts receivable	(i)	463,674	546,723	1,370,109	1,314,811
Other receivables	(i)	65,757	45,056	319,661	255,389
Indemnification Assets	(i)	633	5,749	230,431	235,547
Advance for future capital increase and related parties	(i)	216,514	130,258	-	-
Liabilities, according to the balance sheet					
Suppliers and other accounts payable	(iii)	366,228	458,009	1,114,036	1,362,581
Loans and financing	(iii)	1,675,197	1,536,044	2,005,783	1,837,059
Derivative		30,944	82,174	46,099	93,438
Commitments with investment acquisitions	(iii)	217,111	227,282	217,111	227,282
Accounts payable for the acquisition of investments	(iii)	157,292	208,820	252,948	304,390
Accounts payables to related parties	(iii)	334,813	377,936	-	-

Classification

(i) Assets at amortized cost

(ii) Assets measured at fair value through profit or loss

(iii) Liabilities at amortized cost

Financial risk management

The Company is exposed to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk.

Risk management framework

The Company's Management has global responsibility for the establishment and overview of the Company's risk management structure.

The Company's risk management policies are established in order to identify and analyze the risks to which the Company is exposed, to define appropriate risk limits and controls, and to monitor the risks and compliance with the limits imposed. The risk management policies and systems are frequently revised to reflect changes in market conditions and in the activities of the Company. The Company, through its training and management standards and procedures, aims to keep a disciplined and controlled environment in which all employees understand their roles and obligations.

Credit risk

Credit risk is the risk of the Company incurring financial losses if a customer or counterparty in a financial instrument fails to perform its contractual obligations. This risk is mainly due to trade accounts receivable and financial instruments of the Company.

Book values of financial assets represent the maximum credit exposure. Impairment losses on financial assets and contracts recognized in the statement of income are shown in Note 6.

Accounts receivable

The Company's exposure to credit risk is mainly influenced by the individual characteristics of each customer. However, the Management also takes into account factors that may influence the credit risk of its customer base, including the risk of non-payment by the industry in which the customer operates.

The Management has established a credit policy in which each new customer is individually evaluated for their financial condition before the Company submits a proposed credit limit and payment methods. The Company's review includes the assessment of external ratings, when available, financial statements, information from credit agencies, industry information, and, in some cases, bank references. Credit limits are set for each client and are reviewed annually.

The Company limits its exposure to the credit risk of accounts receivable, establishing an average payment term of 1 and 4 months for clients in the public and private sectors, respectively.

In monitoring credit risk, customers are grouped according to their credit characteristics, including whether they are individuals or legal entities, resellers or end customers, their geographical area, industry, history of trading with the Company, and the existence of financial difficulties in the past.

The Company does not require guarantees regarding trade accounts receivable and other receivables, and it does not use guarantees for not setting up a provision for losses.

As of June 30, 2023, the Company does not have any client representing more than five percent (5%) of the balance of accounts receivable.

Assessment of expected credit loss for clients on January 1 and June 30, 2023

An expected credit loss is calculated for each type of client (governmental entities or private client) based on previously observed characteristics and credit loss default conditions. Specifically, the provision for the reduction to the realization value of accounts receivable was constituted in accordance with the discretion of the Company's Management and by means of internal policies for credit analysis, considering the loss background of the last five years, adjusted to reflect current and expected economic conditions, as well as other factors of determination of credit risk to calculate expected losses, including individual analysis of outstanding trade bills. The diversification of the customers' list and its geographic dispersion significantly reduce the risk.

Cash and cash equivalents

The Company had a consolidated balance of "Cash and cash equivalents" of R$ 173,314 as of June 30, 2023 (R$ 323,696 as of December 31, 2022). "Cash and cash equivalents" are maintained with banks and financial institutions that have a rating rated by Fitch between AA- and AA+, based on the main rating agencies and, therefore, considered to have low credit risk.

The Company retains derivative financial instruments with financial institutions of the same rating.

(i) *Liquidity risk*

Liquidity risk is the risk related to the fulfillment of obligations associated with financial liabilities that are settled with cash payments and/or with another financial asset. The approach to liquidity management is to ensure that there it will always be sufficient liquidity to meet obligations on maturity, both under normal and stress conditions, without causing unacceptable losses or risk of damaging the Company's reputation.

The Company seeks to maintain the level of its "Cash and cash equivalents" and other investments with an active market in an amount higher than the cash outflows for the settlement of financial liabilities (except "Suppliers") for the next 60 days and monitors the expected level cash inflows from "Trade accounts receivable and other receivables" together with expected cash outflows related to "Suppliers and other accounts payable".

Exposure to liquidity risk

We present below the contractual maturities of financial liabilities on the date of the financial statement. These amounts are gross, without deductions, including estimated interest payouts and excluding the effects of set-off agreements.

	Consolidated					
		Contractual cash flows				
June 30, 2023	**Book value**	**Total**	**02–12 months**	**01–02 years**	**02–05 years**	**>05 years**
Non-derivative financial liabilities						
Loans and financing	1,980,887	2,464,080	789,477	838,555	836,048	-
Leases payable	70,996	75,920	23,559	26,217	26,143	-
Suppliers and other accounts payable	1,114,035	1,114,035	1,114,035	-	-	-
Accounts payable for the investment acquisitions and Commitments with investment acquisitions	470,059	438,238	194,464	122,024	121,750	-
	3,635,977	**4,092,273**	**2,121,536**	**986,796**	**983,941**	**-**

		Consolidated				
		Contractual cash flows				
December 31, 2022	**Book value**	**Total**	**02−12 months**	**01−02 years**	**02−05 years**	**>05 years**
Non-derivative financial liabilities						
Loans and financing	1,837,059	1,974,905	651,949	662,458	660,499	-
Leases payable	71,071	102,590	25,671	38,160	38,760	-
Suppliers and other accounts payable	1,362,581	1,362,581	1,362,581	-	-	-
Commitments with investment acquisitions						
Accounts payable for the investment acquisitions and Commitments with investment acquisitions	531,672	863,368	190,778	357,882	314,708	-
	3,802,383	**4,303,444**	**2,230,979**	**1,058,500**	**1,013,967**	**-**

Market risk

Market risk is the risk that changes in market prices — such as foreign exchange rates and interest rates — affecting the Company's earnings or the value of its financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return.

Currency risk

The Company is not materially exposed to exchange risk; thus, it chose not to present the exchange rate sensitivity analysis table.

The foreign exchange risk arises from future and current commercial transactions, generated mainly by the importation of goods denominated in US dollars. All loans contracted by the Company in foreign currency are hedged through derivative agreements that mitigate the Company's exposure to exchange variation. The Company does not have hedge accounting.

Interest rate risk

The profile of interest rates of the Company's interest-bearing financial instruments, as reported to the Management, is as follows:

	Consolidated	
	Nominal value	
	06/30/2023	**12/31/2022**
Instruments with floating interest rate		
Cash and cash equivalents and financial investments	173,314	323,696
Bank loans, derivatives, and leases payable	(2,005,783)	(1,837,059)
Net exposure	**(1,832,469)**	**(1,534,341)**

Sensitivity analysis for instruments with interest and exchange rates

The Company does not have any financial assets or liabilities at fair value, with an interest rate fixed through profit or loss, and the Company does not designate derivatives (interest rate swaps) as hedging instruments using the fair value hedge accounting model for this type of protection.

In order to evaluate the sensitivity of the balance of highly liquid financial investments and short-term investments of the Group in the consolidated financial statements for the period ended June 30, 2023, plus the CDI projected for 2023, two different scenarios were set. Scenario I assume a 25% drop in the CDI and scenario II assumes a 50% drop in the CDI. Considering the stress rates, the estimated accounting balances would be:

Transaction	**CDI risk**	**Probable scenario**	**Scenario I 25% deterioration**	**Scenario II 50% deterioration**
Marketable securities	CDI decrease (25%)	50,715	49,356	47,998
Interest earning bank deposits		**50,715**	**49,356**	**47,998**

In order to evaluate the sensitivity of the index of the loans to which the Group was exposed on the base date of June 30, 2023, two different scenarios were set. Based on projections published by the Central Bank of Brazil (BACEN), the projection of foreign currency and rate that backs the interbank operations for each of the analyzed transactions was obtained, which is set as variations in the rate worsening by 25% (scenario 1) and 50% (scenario 2). Considering the stress rates, the estimated accounting balances would be:

Data		**Probable scenario**	**Scenario I 25% deterioration**	**Scenario II 50% deterioration**
Exchange rate on 06/30/2023 USD		4.8192	4.8192	4.8192
Estimated USD exchange rate for the year 2023 [1]		5.10	6.3750	7.6500
CDI projected for the end of the fiscal year [2]		12.00%	15.00%	18.00%
Loan Amount in USD		117,146	117,146	117,146
Transaction:		Amounts in R$	Amounts in R$	Amounts in R$
Future	Increase of CDI [2]	67,746	84,683	101,619
Hedge	Debt (Risk of USD Increase)	(32,895)	(182,256)	(331,617)
Debt in USD	Derivative (Risk of USD Increase)	32,895	182,256	331,617
Net Effect		**67,746**	**84,683**	**101,619**

(1) According to the projected rate for the end of the fiscal year disclosed in the Focus Bacen report of July 17, 2023.

(2) Calculated considering the impact until the end of the period if the indicator changes.

22 Share-based payment

The accounting policy on share-based payment is presented in note 8(d)(ii) of the financial statements as of December 31, 2022.

As of June 30, 2023, the Company has long-term incentives that grant employees call options, which may be settled through shares.

The fair value of stock option plans that have share-based payment, which may be settled in shares, was measured at fair value based on the Black-Scholes formula. Non-market performance and service conditions were not considered in the fair value measurement.

The Company recognized in the profit or loss as expenses with salaries and charges, the total amount against expenses recorded in expenses with payment based on shares, as shown in the table below:

Plan	**06/30/2023**	**06/30/2022**
Incentive 2017	-	-
Incentive 2018	-	994
Incentive 2019	464	974
Incentive 2020	772	954
Incentive 2021	726	2,924
Expense recognized in the period	**1,962**	**5,846**

23 Segment information

The following segment information is used by Group's management to evaluate the performance of the operating segments and to make decisions regarding the allocation of funds, with the gross Margin being the measure used in the performance of its operating segments. As mentioned in Note 1.

The Group's analyzes its results based on two segments: medicines and material. The Medicines' Segment encompasses all types of drugs, whether specialty, generic or similar. And the segment of materials that includes materials and hospital equipment and nutrition.

All of the Company's operations are carried out in Brazil and there are no clients that represent more than 10% of the revenue of each segment.

06/30/2023	**Medicines**	**Material**	**Corporate not allocated**	**Consolidated**
Net Operating Revenue	2,273,404	697,513	-	2,970,917
Cost of Goods Sold	(2,000,884)	(547,584)	-	(2,548,468)
Gross Profit	**272,520**	**149,929**	**-**	**422,449**
Selling expenses	(100,497)	(65,849)	-	(166,346)
Contribution Margin	**172,023**	**84,080**	**-**	**256,103**
Contribution Margin % /Net Operating Revenue	**7.57%**	**12.05%**	**-**	**8.62%**
Losses (reversal) due to impairment of accounts receivable	-	-	(6,412)	(6,412)
General and administrative expenses	-	-	(210,614)	(210,614)
Other revenues	-	-	41,398	41,398
Other expenses	-	-	(30,292)	(30,292)
Operating profit/loss before financial income and taxes	**172,023**	**84,080**	**(205,920)**	**50,184**

06/30/2022	Medicines	Material	Corporate not allocated	Consolidated
Net Operating Revenue	2,189,779	597,879	-	2,787,658
Cost of Goods Sold	(1,904,477)	(484,827)	-	(2,389,304)
Gross Profit	**285,302**	**113,052**	**-**	**398,354**
Selling expenses	(110,774)	(68,659)	-	(179,433)
Contribution Margin	**174,528**	**44,393**	**-**	**218,921**
Losses (reversal) due to impairment of accounts receivable	-	-	(9,593)	(9,593)
General and administrative expenses	-	-	(201,589)	(201,589)
Other revenues	-	-	84,551	84,551
Other expenses	-	-	(12,987)	(12,987)
Operating profit/loss before financial income and taxes	**174,528**	**44,393**	**(139,618)**	**79,303**

24 Subsequent events

On July 7, 2023, the Company disclosed a Material Fact informing the market in general and its shareholders, the execution of the investment agreement with San Pelegrino Participações S.A., a company controlled by Brazilian Private Equity V – Fundo de Investimento em Participações Multiestratégicas, through which the investor undertakes to contribute funds to the Company of up to R$ 620,000. The effective realization of the investment is subject to approval by the Administrative Council for Economic Defense – CADE and other precedent conditions.

The Company may receive up to R$ 186,000 as advance for future capital increase (AFAC) to be carried out by San Pelegrino Participações S.A. Upon approval of said transaction, the Company will carry out a capital increase in the same amount as the future capital increase (AFAC) actually carried out through a private issue of up to 19,380,541 preferred shares with a unit price of R$ 9.58 per share, determined based on the provisions of art. 170, paragraph 1, item I of Law 6404/76.

* * *

José Roberto Ferraz
CEO

Clayton Malheiros
Chief Financial Officer

Helena Leal
Controller/Accountant
CRC RJ 118982/O