Empreendimentos Pague Menos S.A.

Individual and consolidated financial statements
December 31, 2024

(A free translation of the original report in Portuguese, prepared in accordance with Brazilian and international standards)

KPDS 1432113

Contents

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Independent auditors' report on the individual company and consolidated financial statements

The Board of Directors, Shareholders and Management of

Empreendimentos Pague Menos S.A.

Fortaleza – CE

Opinion

We have audited the individual company and consolidated financial statements of Empreendimentos Pague Menos S.A. (Company), identified as Company and Consolidated, respectively, which comprise the balance sheet as of December 31, 2024, and the statements of income, the comprehensive statements of income, the statement of changes in shareholders' equity and statements of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

In our opinion, the financial statements referred to above adequately present , in all material respects, the individual company and consolidated financial position of Empreendimentos Pague Menos S.A.as of December 31, 2024, the individual company and consolidated performance of its operations and its individual company and consolidated cash flows for the year then ended in accordance with Brazilian accounting policies and the International Financial Reporting Standards (IFRS Accounting Standards) issued by the *International Accounting Standards Board* (IASB).

Basis for Opinion

We conducted our audit in accordance with International and Brazilian Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Individual Company and Consolidated Financial Statements section of our report. We are independent of the Company and its subsidiaries in accordance with the ethical requirements that are relevant to our audit of the financial statements and are set forth on the Professional Code of Ethics ("Código de Ética Profissional do Contador") for Accountants and on the professional standards issued by the Regional Association of Accountants ("Conselho Federal de Contabilidade"), and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the individual company and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Commercial agreements

See note 2.8 to the individual company and consolidated financial statements

Key audit matter	How the audit addressed this matter
Bonuses received from suppliers and promotional contributions are regular retail practices. The Company and its subsidiary receive trade discounts under agreements negotiated with their suppliers. These agreements have contractual terms between the types of discounts, incentives and bonuses, which are a significant component of reducing the cost of sales of merchandise. Due to the high number of transactions, the different categories of agreements and the materiality of the amounts involved in such reduction in the cost of goods sold, we considered this to be a key audit matter.	Our audit procedures in this area included, but were not limited to: (i) selecting a sample of commercial agreements to analyze its terms, according to the nature of the transaction, taking into consideration the assessment and measurement of negotiated amounts and the proper accounting recognition period. (ii) inspecting documentation that proves subsequent settlement. (iii) analysis of the monthly variation in the bonuses negotiated with suppliers during the year. According to the evidence we obtained by applying the audit procedures summarized above, we considered the balances recorded in commercial agreements to be acceptable in the context of the individual company and consolidated financial statements for the year ended December 31, 2024 taken as a whole.

Other issues

Statements of value added

The individual company and consolidated statements of value added for the year ended December 31, 2024, prepared under the responsibility of the Company's management, and presented as supplementary information for IFRS Accounting Standards purposes, were submitted to the same audit procedures followed together with the audit of the Company's financial statements. To form our opinion, we evaluate whether these statements are reconciled to the Company's financial statements and accounting records, as applicable, and whether their form and content are in accordance with the criteria set on Technical Pronouncement CPC 09 - Statement of Value Added. In our opinion, these statements of value added have been adequately prepared, in all material respects, according to the criteria set on this Technical Pronouncement and are consistent with the individual company and consolidated financial statements taken as a whole.

Other information that accompanies the individual company and consolidated financial statements and the independent auditors' report

The Company's management is responsible for this other information that comprises the Management Report.

Our opinion on the individual company and consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the individual company and consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstateed. If, based on the work that we have performed, we conclude that there is material misstatement of this other information, then we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Individual Company and Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these individual company and consolidated financial statements in accordance with accounting policies adopted in Brazil and international accounting standards (IFRS Accounting Standards), issued by the International Accounting Standards Board (IASB), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the individual and consolidated financial statements, management is responsible for assessing the Company's ability to continue operating, disclosing, when applicable, matters related to its operational continuity and the use of this accounting basis in preparing the financial statements, unless management intends to liquidate the Company and its subsidiaries or cease operations, or has no realistic alternative to avoid the closure of operations.

Those responsible for the governance of the Company and its subsidiaries are those responsible for supervising the process of preparing the financial statements.

Auditors' Responsibilities for the Audit of the Individual Company and Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the individual company and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with Brazilian and international standards on auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Brazilian and international standards on auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

– Identify and assess the risks of material misstatement of the individual company and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

– Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and its subsidiaries' internal controls.

– Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

– Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and its subsidiaries' ability to continue as a going concern. If we conclude that a material uncertainty exists, then we are required to draw attention in our auditors' report to the related disclosures in the individual company and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company and its subsidiaries to cease to continue as a going concern.

– Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the individual company and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

– Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the individual company and consolidated financial statements. We remain solely responsible for our audit opinion.

We communicate with those responsible for governance regarding, among other things, the planned scope, timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our work.

We also provide those responsible for governance with a statement that we comply with relevant ethical requirements, including applicable independence requirements, and communicate all possible relationships or matters that could significantly affect our independence, including, when applicable, the respective safeguards.

Of the matters that were the subject of communication with those responsible for governance, we determined those that were considered most significant in the audit of the financial statements for the current year and that, therefore, constitute the main audit matters. We describe these matters in our audit report unless law or regulation has prohibited public disclosure of the matter, or when, in extremely rare circumstances, we determine that the matter should not be communicated in our report because the adverse consequences of such communication could, within a reasonable perspective, outweigh the benefits of communication for the public interest.

Fortaleza, March 10, 2025

KPMG Auditores Independentes Ltda.
CRC CE-003141/F-5

Original report in Portuguese signed by
Marcelo Pereira Gonçalves
Accountant CRC 1SP220026/O-3

Empreendimentos Pague Menos S.A.

Balance sheet

Statements of financial position at December 31, 2024 and December 31, 2023

(Amounts stated in thousand of Reais)

		Parent Company		Consolidated	
Assets	Note	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Current					
Cash and cash equivalent	3	126.430	384.890	149.126	438.500
Marketable securities		260	4.808	260	4.808
Trade receivable	4	478.105	706.540	577.814	513.574
Inventories	5	2.567.692	2.250.727	3.359.412	3.029.712
Commercial agreements		190.033	165.809	223.135	213.505
Recoverable taxes	6	203.323	193.013	263.764	239.559
Prepaid expenses		7.455	7.260	9.729	9.630
Other		19.306	33.548	31.424	44.269
Total current asset		3.592.604	3.746.595	4.614.664	4.493.557
Non-current					
Long term achievable					
Financial investments		1.986	777	1.986	777
Recoverable taxes	6	598.298	553.427	715.995	748.573
Deferred taxes	7	467.791	372.928	623.075	522.318
Contingent assets		36.263	57.217	36.263	57.217
Legal deposits		26.147	25.223	30.581	30.038
Investments	9	990.324	996.609	80.115	79.995
Property, plant, and equipment	10	734.070	795.541	872.050	949.597
Intangible	11	83.561	94.835	171.608	194.488
Right of use	12	1.565.331	1.620.417	1.837.358	1.912.038
Total non-current asset		4.503.771	4.516.974	4.369.031	4.495.041
Total asset		8.096.375	8.263.569	8.983.695	8.988.598

Empreendimentos Pague Menos S.A.

Balance sheet

Statements of financial position at December 31, 2024 and December 31, 2023

(Amounts stated in thousand of Reais)

		Parent Company		Consolidated	
Liabilties	Note	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Current					
Trade payable	13	1.842.120	1.631.854	2.340.346	1.936.165
Loans, finance and debentures	14	369.751	430.286	369.751	430.286
Derivatives operations		7.718	5.209	7.718	5.209
Leases liabilities	15	217.182	265.512	298.749	335.946
Taxes and contribuition payables	16	100.150	71.129	126.733	111.180
Salaries and social charges		147.318	121.206	188.213	163.581
Other accounts payable		42.775	249.461	49.917	260.161
Total current liability		2.727.014	2.774.657	3.381.427	3.242.528
Non-current					
Loans, finance and debentures	14	1.046.625	1.205.139	1.046.625	1.205.139
Leases liabilities	15	1.576.369	1.545.330	1.791.972	1.785.975
Taxes and contribuition payables	16	3.339	3.573	3.339	3.573
Contingency provisions	17	24.945	12.876	33.150	21.872
Liability for indemnification		36.263	57.217	36.263	57.217
Other accounts payable		4.888	11.788	6.421	11.788
Total non-current liability		2.654.518	2.835.923	2.879.859	3.085.564
Total liability		5.381.532	5.610.580	6.261.286	6.328.092
Shareholders' equity	18				
Capital stock		1.721.858	1.604.848	1.721.858	1.604.848
Capital reserves		374.967	366.612	374.967	366.612
Profit reserves		618.018	681.529	618.018	681.529
Total shareholders' equity		2.714.843	2.652.989	2.714.843	2.652.989
		-	-	7.566	7.517
Total liability and shareholders' equity		8.096.375	8.263.569	8.983.695	8.988.598

Empreendimentos Pague Menos S.A.

Income statement

Period ended December 31, 2024 and 2023

(In thousand Reais, except for the earnings per share)

Income statement	Note	Parent Company 12/31/2024	Parent Company 12/31/2023	Consolidated 12/31/2024	Consolidated 12/31/2023
Gross sales		11.688.181	10.149.954	13.570.933	11.960.859
Deductions		(782.071)	(642.615)	(929.108)	(758.737)
Net revenue	21	10.906.110	9.507.339	12.641.825	11.202.122
Cost of sales	22	(7.654.137)	-6.624.835	(8.615.709)	-7.656.883
Gross profit		3.251.973	2.882.504	4.026.116	3.545.239
(Expenses) operating revenues		(2.781.048)	(2.443.868)	(3.451.844)	(3.131.783)
Other operating revenues		3.192	778	3.190	31.596
Sales expenses	22	(2.429.312)	(2.219.753)	(3.072.840)	(2.842.023)
General and administrative expenses	22	(353.177)	(247.287)	(386.182)	(325.854)
Depreciation and amortization		-	-	-	-
Equity in the results of investees		102	24.044	6.507	6.653
Other operating expenses		(1.853)	(1.650)	(2.519)	(2.155)
Result before net financial revenues (expenses) and taxes		470.925	438.636	574.272	413.456
Financial revenues	23	177.559	90.854	186.076	94.169
Financial expenses	23	(640.248)	(679.722)	(757.957)	(789.365)
Financial, net expenses		(462.689)	(588.868)	(571.881)	(695.196)
Result before taxes		8.236	-150.232	2.391	(281.740)
Income tax deferred	7	94.863	152.748	100.757	284.475
Net income		103.099	2.516	103.148	2.735
Attributable to Non-controlling interest		-	-	49	219
Attributable to Controlling shareholders		103.099	2.516	103.099	2.516
Share result					
Basic and diluted share result (in R$)	20	0,1811	0,01	0,1812	0,01

Empreendimentos Pague Menos S.A.

Cash flow statements

Period ended December 31, 2024 and 2023

(In thousand Reais, except for the earnings per share)

(Amounts stated in thousand of Reais)

Cash flow statements	Parent Company 12/31/2024	Parent Company 12/31/2023	Consolidated 12/31/2024	Consolidated 12/31/2023
Cash flows from operating activities				
Net profit (loss) from the fiscal year	103.099	2.516	103.148	2.735
Cash Generated from Operations				
Depreciation and amortization	387.533	388.520	518.129	527.263
Assets and liabilities present value adjustment	10.569	(3.397)	17.773	(10.637)
Interests on loans, financing, and debentures	172.401	210.562	172.401	210.562
Derivative financial instruments fair value changes	(35.402)	1.728	(35.402)	1.728
Exchange variation on loans and financing	37.773	(7.094)	37.773	(7.094)
Interests on lease with purchase option	167.491	160.013	196.644	208.601
Establishement (reversal) of contingency provisions	7.855	7.158	12.012	9.700
Equity accounting	(102)	(24.044)	(6.507)	(6.653)
Deferred taxes	(94.863)	(152.748)	(100.757)	(284.475)
Appropriation of transaction costs in debts issuance	(2.271)	(2.996)	(2.271)	(2.996)
Other adjustments to income		-		-
Provision for closure of shops	56	(2.068)	(3.795)	2.295
Residual value on write-down of fixed and intangible assets	9.724	10.634	11.219	3.570
Provision for bad and doubtful debts	8.596	6.430	7.942	11.269
Provision for losses in inventories	(7.544)	5.921	(15.621)	20.095
	764.915	601.135	912.688	685.963
Operating assets and liabilities variations				
Accounts receivable	228.094	(197.744)	(8.416)	33.897
Inventories	(321.760)	93.947	(328.919)	(32.135)
Recoverable taxes	(62.234)	(45.542)	1.212	(7.069)
Other credits	(13.891)	(47.279)	663	(72.726)
Prepaid expenses	(195)	4.036	(99)	5.623
Suppliers	213.070	314.711	345.903	328.376
Taxes and contributions recoverable	28.787	(44.933)	15.319	(61.915)
Salaries and vacation payable	48.821	15.316	47.341	10.288
Other accounts payable	(211.746)	32.028	(218.719)	(2.450)
	(91.054)	124.540	(145.715)	201.889
Payment of loans - Interests	(189.722)	(62.437)	(189.722)	(62.437)
Payment of debentures - Interests	-	(144.007)	-	(144.007)
Payment of leases - Interests	(167.491)	(160.013)	(192.774)	(189.829)
	(357.213)	(366.457)	(382.496)	(396.273)
Net Cash Operating Activities	316.648	359.218	384.477	491.579
Cash flows from investment activities				
Financial application	3.339	3.924	3.339	3.924
Dividends and Interest on Equity received	7.135	2.942	7.135	2.942
Acquisition in other investments		(197.829)		(197.829)
Acquisition of property, plant, and equipment	(61.410)	(91.370)	(84.645)	(109.206)
Acquisition of intangible	(17.176)	(13.343)	(17.555)	(13.972)
Net cash generated in investment activities	(68.112)	(295.676)	(91.726)	(314.141)
Cash flows from financing activities				
Loans and Financing	408.334	583.678	408.334	583.678
Payment of loans and financing	(645.460)	(278.144)	(645.460)	(278.144)
Payment of lease with purchase option	(205.916)	(210.175)	(281.045)	(281.064)
Dividends and interests over own capital paid	(43.233)	(82.000)	(43.233)	(82.000)
Issuance of debentures	-	-	-	-
Payment of debentures	-	-	-	-
Derivative operations settlement	-	(241.331)	-	(241.331)
Capital increase	2.415	405.629	2.415	405.629
Funds from stock option granted	-	-	-	-
Stocks in treasury	(23.136)	(9.448)	(23.136)	(9.448)
Net cash (used in) from financing activities	(506.996)	168.209	(582.125)	97.320
Increase (Decrease) of Cash and Equivalents	(258.460)	231.751	(289.374)	274.758
Decrease of cash and cash equivalent statements				
At the beginning of the fiscal year	384.890	153.139	438.500	163.742
At the end of the fiscal year	126.430	384.890	149.126	438.500
Decrease of Cash and Equivalents	(258.460)	231.751	(289.374)	274.758

Empreendimentos Pague Menos S.A.

Statements of changes in shareholders' equity

Period ended December 31, 2024 and 2023

(Amounts stated in thousand of Reais)

	Prepaid capital stock	Capital reserve	Stocks in Treasury	Profit reserves	Retained earnings	Total	Non-controlling participation	Total Shareholder's Equity
Balances on January 1, 2023	1.199.219	391.878	(20.993)	764.447	-	**2.334.551**	8.442	**2.342.993**
Capital transactions with the partners	405.629	(8.298)	4.025	(85.434)	-	**315.922**	-	**315.922**
					-	**-**		**-**
Interest on Shareholder's Equity				(85.434)		**(85.434)**		**(85.434)**
Capital increase	405.629					**405.629**		**405.629**
Stocks granted		2.915				**2.915**	-	**2.915**
Restricted stocks plan		(11.213)				**(11.213)**		**(11.213)**
Stocks in treasury			4.025	-	-	**4.025**	**-**	**4.025**
Addition of non-controlling interests by business combination							**(1.144)**	**(1.144)**
Total Comprehensive Income	-	-	-	-	2.516	**2.516**	**219**	**2.735**
Net Income in the Period	-	-	-	-	2.516	**2.516**	**219**	**2.735**
Internal Changes of the shareholders' equity	-	-	-	2.516	(2.516)	**-**	-	-
Tax Incentive Reserve	-			2.516	(2.516)	**-**	**-**	**-**
Balances on December 31, 2024	**1.604.848**	**383.580**	**(16.968)**	**681.529**	**-**	**2.652.989**	**7.517**	**2.660.506**
			-					
Balances on January 1, 2024	1.604.848	383.580	(16.968)	681.529	-	**2.652.989**	7.517	**2.660.506**
Capital transactions with the partners	**117.010**	**13.493**	**(13.920)**	**(157.828)**	-	**(41.245)**	**-**	**(41.245)**
Interest on Shareholder's Equity	-	-	-	(157.828)	-	**(157.828)**	-	**(157.828)**
Capital increase	117.010	-	-	-	-	**117.010**	-	**117.010**
Stocks granted	-	-	(23.136)	-	-	**(23.136)**	-	**(23.136)**
Restricted stocks plan	-	13.493	9.216	-	-	**22.709**	-	**22.709**
Adjustment value added of the business combination								**-**
Total Comprehensive Income	-	-	-	-	103.099	**103.099**	49	**103.148**
Net Income in the Period	-	-	-	-	103.099	**103.099**	49	**103.148**
Creation of a tax incentive reserve				103.099	(103.099)	**-**	**-**	**-**
Balances on December 31, 2024	**1.721.858**	**397.073**	**(30.888)**	**626.800**	**-**	**2.714.843**	**7.566**	**2.722.409**

Empreendimentos Pague Menos S.A.

Value added statement
Period ended December 31, 2024 and 2023
(In thousand Reais)

	Parent Company		Consolidated	
Value added statement	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Revenues				
Sales of merchandises, products and services	11.056.198	10.054.524	12.827.531	11.863.806
Other revenues	3.193	787	1.947	20.190
	11.059.391	10.055.311	12.829.478	11.883.996
Inputs acquired from third parties (includes ICMS and IPI)				
Costs of sold merchandises, products and services	(6.523.176)	(5.940.758)	(7.281.605)	(6.757.467)
Third parties' materials, energy, services and others	(1.165.751)	(956.799)	(1.432.147)	(1.174.727)
	(7.688.927)	(6.897.557)	(8.713.752)	(7.932.194)
Gross added value	3.370.464	3.157.754	4.115.726	3.951.802
Depreciation and amortization	(387.532)	(388.520)	(518.128)	(527.262)
Net added value generated by Company	2.982.932	2.769.234	3.597.598	3.424.540
Added value received from transfer				
Equity pick-up	102	24.045	6.507	6.654
Financial income	95.873	50.973	104.454	54.289
Total added value to distribute	3.078.907	2.844.252	3.708.559	3.485.483
Added value distribution				
Personnel	1.366.387	1.102.289	1.684.517	1.415.519
Direct compensation	1.173.423	940.297	1.443.982	1.206.397
Benefits	117.663	95.931	144.850	123.410
FGTS	75.301	66.061	95.685	85.712
Taxes, Rates and Contributions	1.164.841	1.195.784	1.422.002	1.436.356
Federal	236.903	241.882	311.318	216.980
State	916.147	953.327	1.094.841	1.214.521
Municipal	11.791	575	15.843	4.855
Compensation of third parties capital	444.580	543.663	498.892	630.873
Interests	412.161	520.062	456.752	589.484
Rentals	32.419	23.601	42.140	41.389
Compensation of own capital	103.099	2.516	103.148	2.735
Profit (loss) of the year	103.099	2.516	103.148	2.735
Distributed added value	3.078.907	2.844.252	3.708.559	3.485.483

Empreendimentos Pague Menos S.A.

Comprehensive income statement

Period ended December 31, 2024 and 2023

(In thousand Reais)

Comprehensive income statement	Parent Company		Consolidated	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Net income	103.099	2.516	103.148	2.735
Other comprehensive income	-	-	-	-
Comprehensive income of the year	**103.099**	**2.516**	**103.148**	**2.735**
Non-controlling Interest	**-**	**-**	**49**	**219**
Attributable to Controlling Shareholders	**103.099**	**2.516**	**103.099**	**2.516**

EARNINGS

RELEASE

4Q24 & 2024

PagueMenos

extrafarma

FOURTH QUARTER IN A ROW OF GROWTH ACCELERATION AND PROFITABILITY INCREASE

4Q24 & 2024 HIGHLIGHTS

SAME STORE SALES (%)
Growth accelerated to 17.1% in 4Q24 (13.0% in 2024)

MARKET SHARE
6.5% market share in 4Q24 (+0.4p.p. vs. 4Q23), with gains in every region

DIGITAL CHANNELS
16.0% of total sales in 4Q24, reaching R$ 2.0 billion in 2024 (+41.6% vs. 2023)

EXTRAFARMA SYNERGIES
R$ 267 million on an annualized basis, exceeding the top of projections

ADJUSTED EBITDA
R$ 164.0 million in 4Q24 (+31.6% vs. 4Q23) and R$ 628.5 million in 2024 (+32.0% vs. 2023)

ADJUSTED NET INCOME
R$ 77.1 million in 4Q24 (+22.8% vs. 4Q23) and R$ 152.0 million in 2024

CASH CYCLE
48 days (7 days reduction vs 4Q23)

INDEBTEDNESS
1.97x Net debt / EBITDA (decrease of 0.55x vs. 4Q23)

DISCLAIMER

Since 2019, our financial statements have been prepared in accordance with IFRS 16, which changed the criteria for recognition of rental contracts. The numbers in this report are presented under the old standard, IAS 17. Reconciliation to IFRS 16 can be found in Annex 1 of this document.

FINANCIAL HIGHLIGHTS

in R$ million and % of Gross Revenue	4Q23	4Q24	Δ	2023	2024	Δ
Gross Revenue	**3,062.1**	**3,595.7**	**17.4%**	**11,960.9**	**13,570.9**	**13.5%**
Gross Profit	**893.4**	**1,067.2**	**19.5%**	**3,545.2**	**4,026.1**	**13.6%**
% Gross Margin	*29.2%*	*29.7%*	*0.5 p.p.*	*29.6%*	*29.7%*	*0.1 p.p.*
Contribution Margin	**201.7**	**272.7**	**35.2%**	**794.6**	**1,001.6**	**26.1%**
% Contribution Margin	*6.6%*	*7.6%*	*1.0 p.p.*	*6.6%*	*7.4%*	*0.8 p.p.*
Adjusted EBITDA	**124.6**	**164.0**	**31.6%**	**476.0**	**628.5**	**32.0%**
% Adjusted EBITDA Margin	*4.1%*	*4.6%*	*0.5 p.p.*	*4.0%*	*4.6%*	*0.6 p.p.*
Adjusted Net Income	**62.8**	**77.1**	**22.8%**	**14.2**	**152.0**	**972.3%**
% Adjusted Net Margin	*2.1%*	*2.1%*	-	*0.1%*	*1.1%*	*1.0 p.p.*

OPERATING HIGHLIGHTS

Indicator	4Q23	1Q24	2Q24	3Q24	4Q24	Δ (Y/Y)
# of Stores	1,632	1,654	1,653	1,649	1,649	1.0%
Average sale/store/month (R$ thousand)	622	628	679	709	727	16.8%
Average ticket (R$)	80.46	81.96	83.78	85.89	86.60	7.6%
Same store sales (%)	5.6%	9.6%	11.4%	13.6%	17.1%	11.5 p.p.
Digital channels (% of Gross Revenue)	12.5%	13.4%	14.1%	15.2%	16.0%	3.5 p.p.
Private label (% of Gross Revenue)	6.9%	6.7%	6.7%	6.5%	6.2%	(0.7 p.p)
# of Clinics	1,077	1,100	1,092	1,088	1,086	0.8%
Active Customers (Million)	20.7	20.9	20.9	21.1	21.2	3.5%
Total Employees	25,445	25,799	25,874	25,606	26,057	2.4%
Store Employees	20,775	21,140	21,381	21,075	21,281	2.4%
Employees/store	12.7	12.8	12.9	12.8	12.9	1.4%
Operating cash cycle (days)	55	60	56	51	48	(7)
Net Debt / Adjusted EBITDA	2.5x	2.6x	2.5x	2.2x	2.0x	(0.5x)

MESSAGE FROM THE MANAGEMENT

How much time does time have?

When I first arrived here on January 4, 2024, I immediately recognized the strength of a company built by people over a 42-year journey. A place where people care for people, offering opportunities to ascend within the social architecture.

Reflecting on 2024, a year marked by significant changes and consistent results, we realize that many things happened rapidly, even challenging chronological time itself.

First Act (The Power of Correlation Patterns in People's Narratives and Historical Data) – Through structured and active listening to our employees, along with a deep analysis of available data, the need to define priorities and focus on fundamentals became clear, making 2024 a year of structuring. It was not just about efficiently operating a company but about creating real connections between people and a greater purpose, with perpetuity as our direction.

Second Act (Leadership Engagement and Defining Priorities, Structured into Operational Missions) – Facing reality and its brutal facts through a clear plan where we would execute the basics well, led by multidisciplinary teams with leaders chosen based on affinity. With empowerment, internal resources, and responsibility, we celebrated the completion of these missions at a major fair held at our headquarters at the end of the year. Some results were immediate and had a significant impact on accelerating our outcomes, such as doubling the same-store growth rate compared to 2023, increasing EBITDA by approximately 32%, achieving the best cash cycle since 2020, and accelerating debt reduction.

Continuous Act (Building a Strong Team, Promoting People's Protagonism, and Creating an Entrepreneurial Ecosystem) – From the beginning of the year, we invested time in getting to know people while mapping the necessary capabilities to accelerate this major turnaround. A significant part of my time was devoted to this vital mission, and I can confidently say that we have a strong team—a blend of the experience of the giants who built this company so far, combined with some of the most recognized professionals in the market who joined our teams, many of them bringing their families with them to Fortaleza, our home.

I strongly believe that numbers follow behaviors, and these changes in our approach made 2024 another landmark in our history, shaped by cycles of expansion, innovation, and operational improvement, helping to mold one of the largest retail networks in the country. This was definitively the year we decided to challenge the status quo and the usual chronological time required to achieve consistent results and, most importantly, to inspire people to take the lead.

We registered strong growth acceleration, gaining market share in every region of the country while improving profitability and return on invested capital, along with a consistent financial deleveraging process.

As highlighted above, operational efficiency was the central pillar of our strategy. At the beginning of the year, we defined six priority areas, structured multidisciplinary squads in operations support, customer service, store maintenance, IT stability, pricing, and processes. The so-called "operational missions" swiftly addressed execution gaps that elevated our company's operational standards. "Back to basics" was the mantra that guided us throughout the year.

Efficiency gains translated into continuous sales acceleration, culminating in over 17% same store sales in 4Q24, more than triple the inflation rate for the period. As a result, we significantly increased market share in all regions of the country, despite a reduced volume of new store openings (only 50 in the past two years).

The quality of this growth becomes even more evident when we see that strong performance was primarily driven by structural components, such as an expanding customer base, increased purchase frequency, and larger shopping baskets, especially among "continuous care" customers.

Sales growth contributed to significant operational leverage, which, combined with strict budget control, enabled substantial expense dilution throughout the year. Our SG&A as a percentage of revenue decreased by 0.6 percentage points, significantly improving our operational profitability. Consequently, adjusted EBITDA grew by an impressive 32% compared to the previous year.

A key perspective for analyzing our 2024 results is the strong evolution in return on assets, measured by ROIC. Isolating operational assets, we reached a 19.2% return on invested capital in 4Q24, more than 5 percentage points higher than in Q4 2023. We simultaneously combined increased average sales per store above inflation, margin expansion, and reduced employed capital.

We also accelerated financial deleveraging, a commitment made after the increased debt resulting from the Extrafarma acquisition. We reached a record level of cash generation, both as a percentage of revenue and EBITDA conversion, accumulating over R$ 450 million in operating cash flow for the year (equivalent to about 25% of the company's current market cap). As a result, we significantly improved our capital structure, ending the year with a net debt/EBITDA multiple of 2.0x, a reduction of more than 1x compared to the peak reached in early 2023.

Working capital optimization was crucial for strong cash generation. We reduced the average inventory cycle from 116 to 112 days while extending the average payment term from 76 to 78 days. Our growing re-engagement with the industry resulted in significant improvements in launch policies, promotions, planograms, and store replenishment, leading to increasingly efficient inventory management.

Another key milestone was completing the integration cycle with Extrafarma, achieving all major planned milestones and capturing synergies exceeding the projected upper range. We recognize the complexity of executing an acquisition of this magnitude, which was only possible due to the engagement of almost every department in the company and well-structured planning since the transaction was announced in May 2021. In just over two years, we achieved R$ 267 million in annualized synergies, increasing Extrafarma's average sales by 40% and improving its contribution margin by 4 percentage points.

Beyond financial returns, the Extrafarma acquisition was crucial for strengthening our competitive position, particularly in the North and Northeast regions, where we strengthened our market leadership. Additionally, the successful execution of this integration positions us to capitalize on future consolidation opportunities, opening new avenues for growth.

For us, caring for people is non-negotiable. Strengthening our organizational culture was essential in driving the engagement that allowed us to achieve such remarkable results. We dedicated substantial time to a broad diagnostic process, traveling across the country to listen to our employees and understand their needs. We spared no effort in addressing deficiencies and fostering an increasingly safe and inclusive work environment that values our people. We are proud to once again be certified by GPTW as one of the best companies to work for in the country, reinforcing our commitment to maintaining a culture of care and inclusion.

We continue making steady progress in our ESG journey. We conducted our first double materiality assessment, linking relevant environmental, social, and governance topics to their financial impacts. This led to an updated ESG Agenda, advancing sustainability initiatives focused on risk mitigation and value creation.

We made significant strides in our public commitments. On the environmental front, we reduced greenhouse gas (GHG) emissions by 6% in scopes 1 and 2, achieving a C rating from the Carbon Disclosure Project (CDP), a clear improvement from the previous year. Additionally, we offset 19% of the company's emissions by planting over 5,000 seedlings in the Amazon and Atlantic Forest biomes. We expanded reverse logistics collection points to 46% of our stores.

We are building a company for perpetuity, with solid fundamentals, a strong corporate culture, and lasting competitive advantages. This is no trivial journey—it requires consistency and resilience. In 2025, we will continue taking structural actions in this direction, knowing there is still much progress to be made.

Jonas Marques

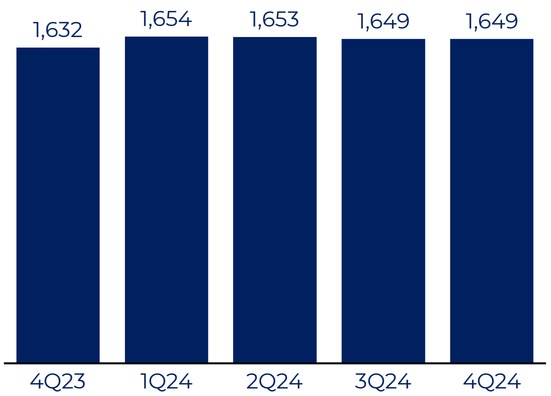
CEO

STORE PORTFOLIO

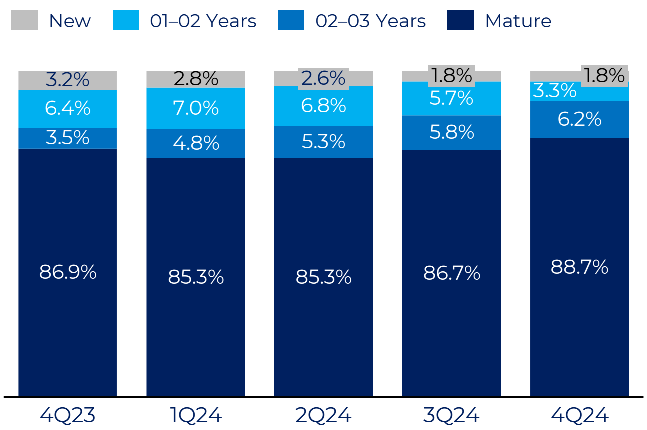
We closed the year 2024 with 1,649 stores, totaling 30 openings and 13 closures throughout the year. In 4Q24, there was no change in the store network. In 2025, we intend to prudently accelerate the pace of organic expansion, with at least 50 new stores planned. The investments required for the greater pace of organic expansion will be fully financed by the operating cash generation forecast for the year, so that the company's goal of financial deleveraging remains a priority.

Of the 1,649 stores, 348 are part of the portfolio acquired from Extrafarma, of which 125 have already been converted to the Pague Menos brand. Banner conversions continue delivering a high return on investment, so we should continue this process throughout 2025.

EVOLUTION OF STORE BASE

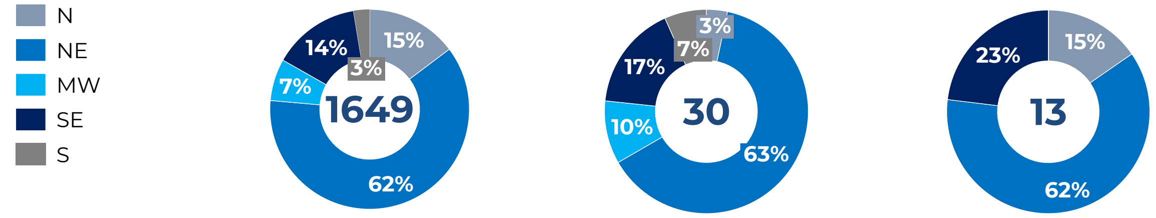


AGE PROFILE OF STORES

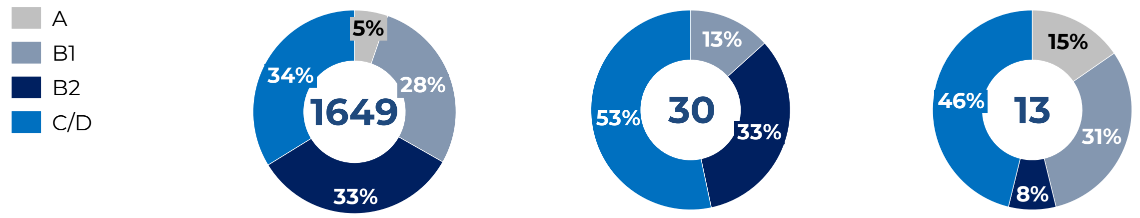


BY REGION

STORE BASE (4Q24) **ORGANIC EXPANSION** (LTM) **STORE CLOSINGS** (LTM)



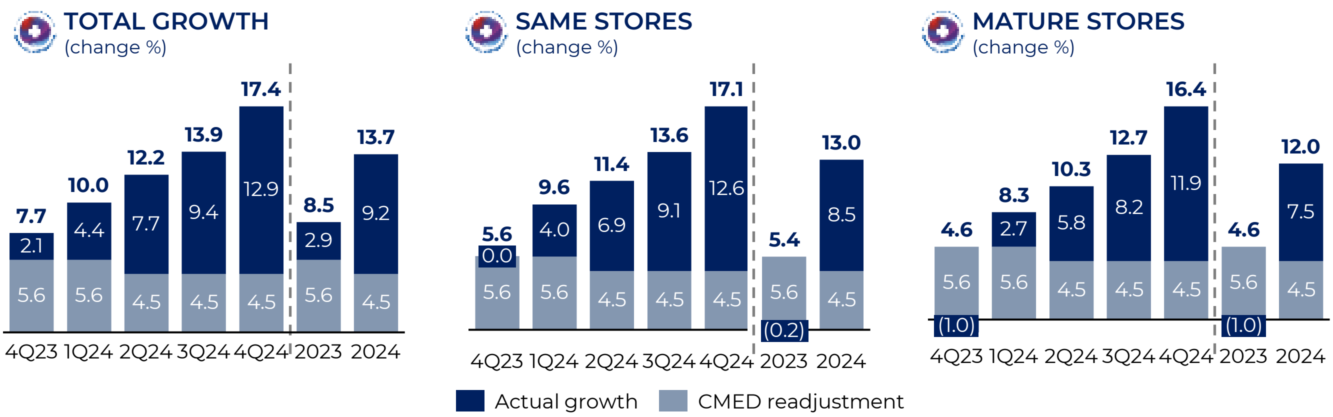
BY SOCIAL CLASS[1]



[1] Predominant social class in the vicinity of each store (isochronous for 5 minutes travelling by car). Segmentation follows the IBGE criteria.

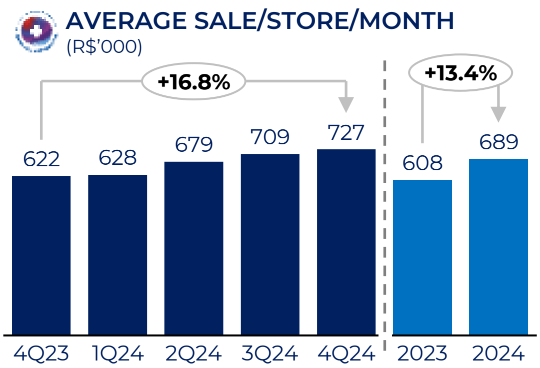
SALES PERFORMANCE

In 4Q24, we recorded an acceleration in sales growth for the fourth consecutive quarter. Total growth reached 17.4% in the quarter, with an expressive 17.1% increase in the same-store concept and 16.4% in mature stores, more than 3 times higher than inflation for the period. As a result, same store sales for the year reached 13.0%, the highest growth rate in over 10 years. This result reflects the company's operational evolution, driven by strategic initiatives such as the expansion of digital channels and the strengthening of our health hub.



The major sales highlight in the quarter was the Black Friday, which has been consolidated as the main event in our promotional calendar. Through assertive commercial planning, good logistics execution and store operations increasingly based on quality of service, we recorded growth of approximately 40% over the weekend of the event when compared to the same period of last year.

Compared to 3Q24, the acceleration was most evident in the Pague Menos store portfolio, which increased its same store sales (SSS) from 12.6% to 16.5%. At Extrafarma, SSS jumped from 18.5% to 19.8%. Stores that underwent brand conversions continue evolving positively, achieving growth of 29.5% in the quarter.

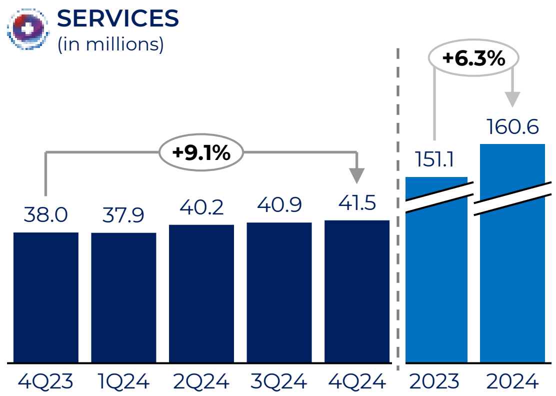


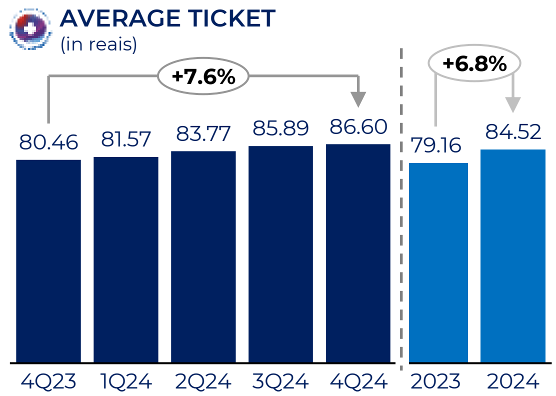
Considering the good sales performance, our store portfolio reached average monthly sales of R$ 727 thousand in 4Q24, accounting for a growth of 16.8% compared to the same period of last year. The sales gap between brands reached an all-time low of 18%, with average sales of R$ 756 thousand in Pague Menos stores and R$ 620 thousand in Extrafarma stores. We highlight the good performance of the Extrafarma stores converted to the Pague Menos brand, which achieved average sales of R$ 632 thousand, accumulating growth of over 50% since the pre-acquisition level.

At the regional level, we continued performing well in all the geographies in which we operate. In the South and Southeast regions, we recorded SSS of 23.3%, followed by the Midwest with 19.5% and the North and Northeast regions with 15.7%. Accordingly, we continue reducing the productivity gaps between regions, making our strategy of national presence increasingly effective.

The quality of the growth recorded in 4Q24 is evident when we consider the behavior of the multiple elements that make it up. The volume of services grew 9.1%, with an increase in both the number of different customers (7.3%) and the frequency of purchases (2.5%). The average ticket grew 7.6%, with the positive effects of basket size (5.0%) and inflation in the period (3.8%), partially offset by the mix effect.

The good performance can be directly attributed to the operational improvements implemented by the operational missions, focusing on the customer service, operations support, IT stability, maintenance, processes and pricing areas. Over 90% of the missions' deliverables were completed in 2024 and their impacts are expected to last throughout 2025.





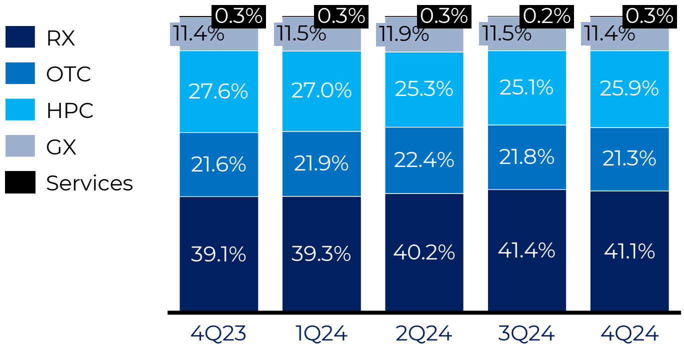
Our active customer base reached a record level of 21.2 million, growing 3.5% compared to 2023. Assertive marketing and CRM execution has accelerated the pace of new customer acquisition, which contributes not only to the growth of current sales but also future ones, since these customers tend, for the most part, to remain in the base. In this context, digital channels have proved to be a powerful lever for increasing the customer base, especially in regions where we do not have market leadership. Our omnichannel customer base, i.e. those who consume through more than one sales channel, reached 9.9% of the total base, which accounts for a growth of 1.6p.p. compared to 2023.

CATEGORY MANAGEMENT

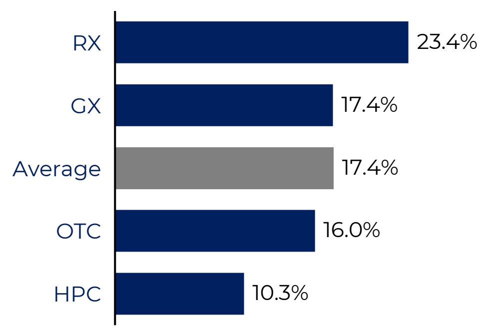
In 4Q24, the category that contributed most to sales growth was branded drugs, which grew by 23.4% compared to the same period of last year, thus gaining 2.0 p.p. of representation in the mix. Our growing focus on operational excellence has contributed directly to the good performance of the category, which is generally more sensitive to in-store execution, depending more on the quality of service, product availability and follow-up of chronic customers. As a result, we recorded a market share gain in 12 of the 13 therapeutic classes in which we operate, especially diabetes and obesity, where we recorded growth of over 10 percentage points above the market average.

On the negative side, the category with the lowest growth rate was Hygiene and Beauty, which lost 1.7 p.p. of representation in the mix. This scenario follows a trend observed in the market as a whole, with a slowdown in the pace of growth due to the strong comparison base of 2023. In the full year, the category grew 9.1% after having grown 21.8% in the previous year.

SALES MIX
(% of gross revenue)

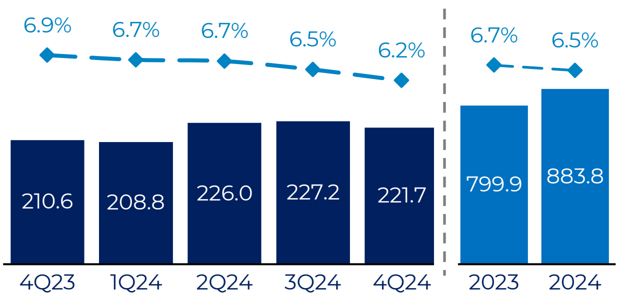


GROWTH BY CATEGORY
(change % 4Q24 vs 4Q23)



Throughout 2024, we see a progressive reduction in the share of private label items in sales. The situation is explained by the mix effect of the categories, with drugs gaining share over non-medicine group, where we concentrate our private label operation. Considering only self-service sales, the share of private labels remained stable at 13.7% between 2023 and 2024. For 2025, we remain confident that we will once again increase the representativeness of this strategic category, with a robust pipeline of launches well distributed throughout the year.

PRIVATE LABEL
(in R$ million and % of total sale)

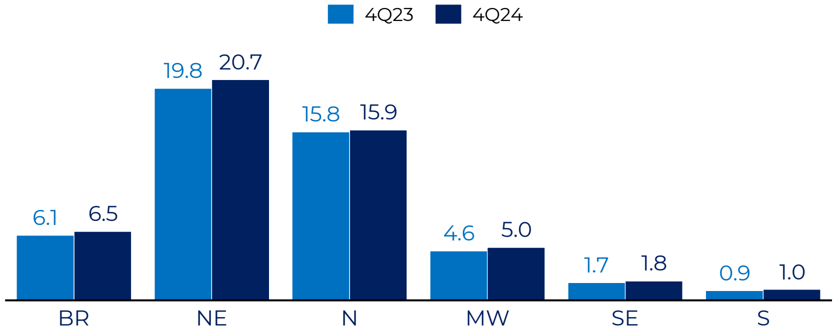


MARKET SHARE

We continued to expand our share in the pharmaceutical retail market in 4Q24. We reached a domestic market share of 6.5%, with growth above the market in all regions of the country. This was the fifth consecutive quarter of share gains, despite the slowdown in the pace of store openings.

In the year, we recorded growth above the market by 3.4 p.p., according to IQVIA. Considering only mature stores, our growth rate exceeded the market by 6.5p.p., showing that the main factor in gaining market share has been improving store productivity.

MARKET SHARE BY REGION
(% of the market in R$ CPP)



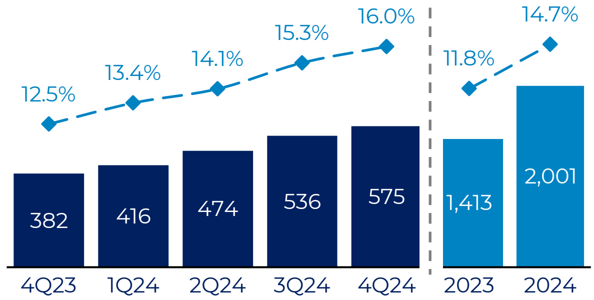
Source: IQVIA

The competitive scenario remains favorable for market share growth, as the high interest rate environment imposes a significant restriction on the expansion plans of less capitalized players. Throughout 2024, we observed a continuous slowdown in the growth rate of the market's store base, which dropped from 5.7% at the start of the year to 4.0% at the end. Especially in the Northeast region, where we have most of our stores, the slowdown was even greater, falling from 6.7% to 3.5%. Considering that the macroeconomic scenario is likely to remain challenging in the short term and that our pace of expansion will accelerate from 2025 onwards, we remain optimistic about continuing to grow our market share.

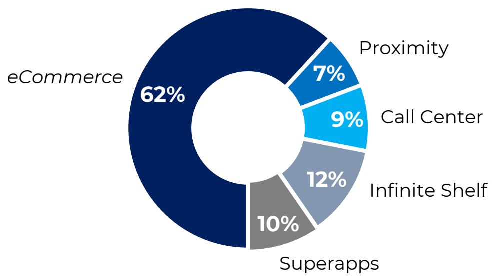
OMNICHANNEL PLATFORM

In 2024, we will make consistent progress in our digitalization journey, improving the customer shopping experience across our multiple digital channels. As a result, throughout the year we saw a progressive acceleration in the growth rate of omnichannel sales, which surpassed the R$2 billion mark in the year to date, accounting for an increase of 41.6% compared to 2023.

OMNICHANNEL SALES
(in R$ million and % of total sales)



DIGITAL CHANNELS MIX
(% of omnichannel sales 4Q24)



In 4Q24, omnichannel sales totaled R$575 million, up 50.5% on the same period of last year and reaching 16.0% of total sales. The excellent execution of the Black Friday event contributed to the good performance, which boosted particularly e-commerce sales. In this channel, sales growth reached a significant 58.8% compared to 4Q23, driven by app sales, which more than doubled in the period. During November, we recorded record accesses to our e-commerce, generated by assertive digital marketing, SEO improvements and attractive promotional campaigns.

The acceleration in sales growth of digital channels continues to be followed by a progressive improvement in the service level and profitability. The level of customer satisfaction with the online shopping experience has been improving, reflected in increasing scores in the Apple and Google app stores, as well as the maintenance of the service excellence seals in ReclameAqui. The contribution margin, which only considers direct expenses from digital channels, grew 0.8 p.p. vs. 4Q23.

Digital channels have been consolidated as an important lever for growing the customer base and improving their economics. Of the total number of new customers added to the base in 2024, approximately 20% were incorporated via digital channels, strengthening our presence especially in markets where we are not among the market leaders, such as in the South and Southeast regions. In 2024, the share of omnichannel customers reached 9.4% of the total base, a jump of 1.4 p.p. compared to 2023.

HEALTH HUB

In 4Q24, we carried out 1.6 million Clinic Farma visits, totaling 6.2 million in 2024, accounting for an increase of 80% over the previous year. Consistently, our strategy of offering services within a broader health journey has been gaining scale and greater adherence in the customer base. During the year, over 3 million customers used a Clinic Farma service, more than half of them for the first time.

It is worth highlighting the positive impact that Clinic Farma has had on expanding access to healthcare and encouraging adherence to treatment for chronic pathologies. To this end, we have expanded the offer of free basic services, awareness weeks, benefits for gold customers, partnerships with healthcare plans and incentive programs from the pharmaceutical industry. In addition to the positive social impact, this strategy has helped to increase customer loyalty and frequency of purchase, boosting customer LTV. Clinic Farma has gradually become another competitive differentiator in our business model.

Among the many initiatives that generate customer traffic to Clinic Farma, we highlight the partnership with LIV Saúde, a regional operator based in Ceará, where plan beneficiaries can count on assisted telemedicine and primary care in our pharmacists' offices. Through a welcoming service, patients are screened, relieving hospital emergency rooms, avoiding contamination and unnecessary costs, and thus contributing to a more agile and efficient clinical outcome. In just over two years of partnership, good results have been recorded in terms of adherence to treatment, a reduction in the loss ratio and a high level of NPS, with a 98% resolution rate

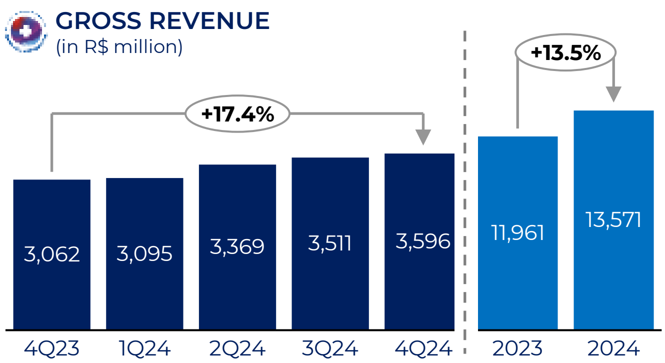
Our work in primary care is complemented by the offer of rapid tests and vaccines, which increase the scope of our Health Hub, offering customers an integrated solution in low-complexity health services. Combined, tests and vaccines currently total a portfolio of 113 items (vs. 81 in 2023), which has allowed for 75% growth in these revenue lines in 2024.

We would also highlight the good performance of our specialty medicines vertical. In 4Q24, this business line accounted for 1.3% of total sales (vs. 1.0% in 4Q23). In 2024, the category recorded growth of 47% compared to 2023.

GROSS REVENUE

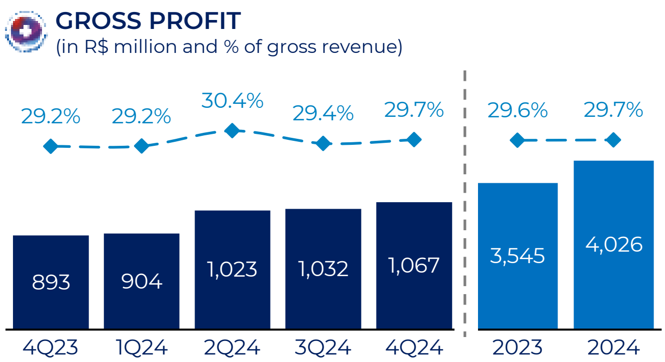
The good sales performance mentioned above led to gross revenue reaching R$ 3.6 billion in 4Q24, up 17.4% vs. 4Q23. In the year to date, revenues totaled R$ 13.6 billion,

Compared to 2020, our first post-IPO year, we have accumulated compound annual growth of 16.7%, practically doubling the size of the company in four years.



GROSS PROFIT

Combined with the good sales performance, we recorded an increase in gross margin in 4Q24, reaching 29.7% in the quarter (+0.5p.p. vs. 4Q23). With this result, the gross margin for the year totaled 29.7%, accounting for an increase of 0.1 p.p. over 2023.

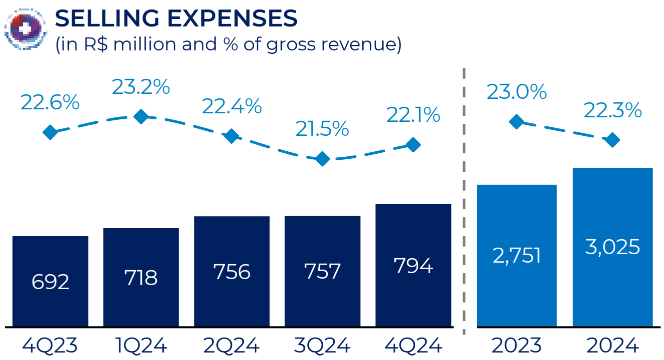


The main component for margin improvement has been the reduction in the inventory loss index, which has been on a normalization path since the peak in 1Q24, mainly generated by Extrafarma's legacy inventory. Moreover, good commercial negotiations contributed positively to the quarter, with better share margin adjustments related to Black Friday and the Adjustment to Present Value (AVP), which generated an impact of 0.1 p.p. compared to 4Q23.

It is worth highlighting that the relative stability of gross margin in the year to date is due to structural gains, such as improvements in commercial conditions and increased margin in digital channels, partially offset by one-off pressures, such as lower inflationary gains, category mix and AVP.

SALES EXPENSES

Selling expenses totaled R$ 794 million in 4Q24, accounting for an increase of 14.9% vs. the same period of last year. Same-store sales growth significantly above inflation continues to result in operating leverage, with this group of expenses accounting for 22.1% of turnover, down 0.5 p.p. compared to 4Q23.

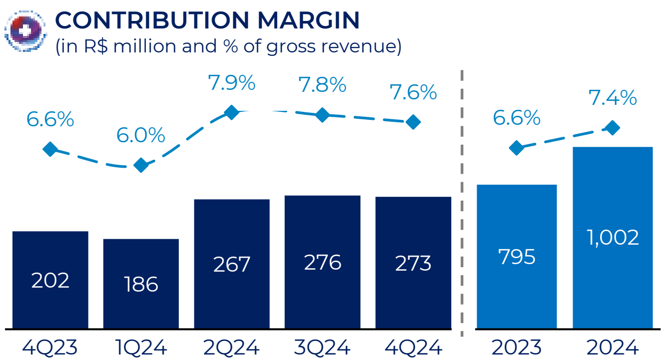


Compared to 3Q24, sales expenses increased 5.0%, as a result of initiatives implemented within the scope of operational missions, which have contributed to ongoing efficiency gains and were practically completed by the end of the year, with most deliverables concentrated in 4Q24. Furthermore, 4Q24 seasonally has a higher concentration of personnel and marketing expenses, due to the promotional events at the end of the year.

In 2024, we recorded a significant dilution of expenses of 0.7 p.p., the main driver for the increase in operating profitability in the year.

CONTRIBUTION MARGIN

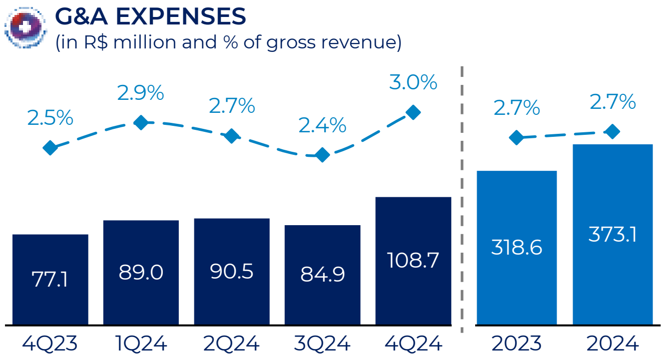
As a result of the good performance in gross margin and dilution of sales expenses, the contribution margin reached 7.6% in 4Q24, growing 1.0 p.p. year-on-year. In 2024, the contribution margin totaled 7.4%, up 0.8 p.p. vs. 2023.



We continue to see a progressive closing of the profitability gap between the Pague Menos and Extrafarma operations, demonstrating the successful execution of the integration. In 4Q24, Pague Menos' contribution margin was 7.7%, while Extrafarma delivered 7.3%. The current gap of 0.4 p.p. compares with almost 4.0 p.p. pre-acquisition, showing operational convergence between the assets.

GENERAL AND ADMINISTRATIVE (G&A) EXPENSES

In 4Q24, G&A expenses totaled R$ 109 million, up 28.1% in comparison to 3Q24, putting occasional pressure on profitability in the period.



The increase compared to 3Q24 is mainly due to a higher reserve for variable remuneration as a result of exceeding annual targets. The increase in provisions had an impact of R$ 11.2 million on 4Q24 expenses.

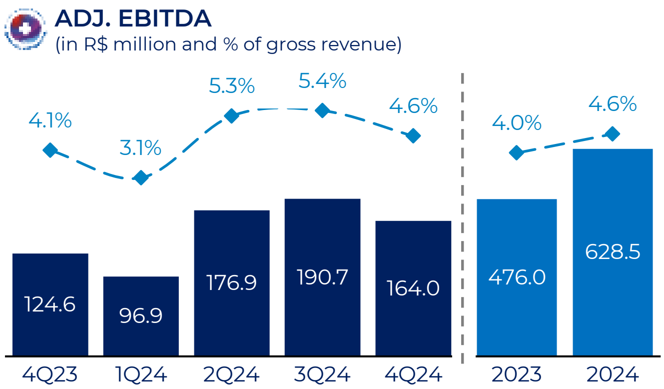
Furthermore, there was a higher incidence of expenses with strategic advisory during the period, related to structuring and one-off projects, which can be considered as non-recurring, totaling R$ 5.4 million.

In the year to date, G&A expenses totaled R$ 373.1 million, equivalent to 2.7% of gross revenue, remaining stable in relation to the previous year.

ADJUSTED EBITDA

The company's good operational momentum is evidenced by the pace of growth in adjusted EBITDA. In 4Q24, we reached R$ 164.0 million (+31.6% vs. 4Q23), with an increase of 0.5 p.p. in the EBITDA margin. This is the fourth consecutive quarter with an increase in operating profitability.

In 2024, adjusted EBITDA totaled R$ 628.5 million (+32.0% vs. 2023), with a 0.6 p.p. margin increase. Since 2020, the year of our IPO, our EBITDA has grown at a compound annual rate of 17.8%, reflecting multiple value creation levers, such as organic expansion, synergies generated by the acquisition of Extrafarma, and operational efficiency gains.



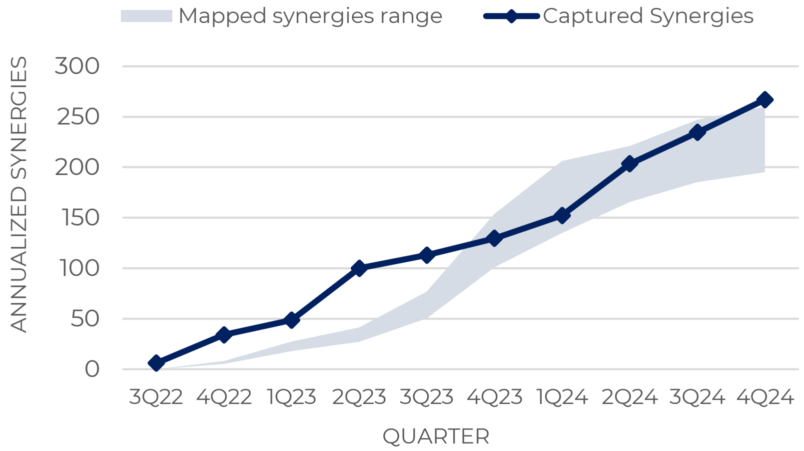
INTEGRATION OF EXTRAFARMA AND CAPTURE OF SYNERGIES

In 4Q24, we completed the Extrafarma integration cycle, reaching all the milestones expected in the process, thus successfully concluding a complex plan to acquire and incorporate one of the largest national pharmaceutical retail chains. The successful execution was only possible due to the engagement of practically all areas of the company and very well-structured planning since the announcement of the transaction in May 2021.

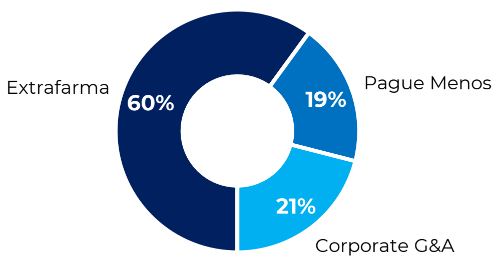
Throughout the integration, we migrated POS, ERP, WMS, e-commerce and payroll systems, among others, converging 100% of the technological structure in less than a year. We unified the organizational structure, adapting the cultural fit and centralizing the corporate office in Fortaleza. We made major changes to our logistics network, incorporating four new DCs into our supply network. We increased the active assortment by more than 2,000 SKUs, while reducing stock outs by around 70%. We converged commercial conditions with the industry in a timely manner, bringing Extrafarma's gross margin to a higher level than that of Pague Menos. 125 stores were converted, 43 were closed and another 8 were divested. We increased the average sale per store by approximately 40%, improving the contribution margin by over 4 percentage points.

As a result of all the effort, the synergies captured by the transaction exceeded the top end of projections in 4Q24, reaching R$ 267 million on an annualized basis. Of this amount, around 60% was transferred to Extrafarma's operating result, in synergies related to increased sales, margin and reduced sales expenses, 19% to Pague Menos, due to changes in the logistics network and tax efficiencies, and the remaining 21% reflects the rationalization of corporate expenses (G&A).

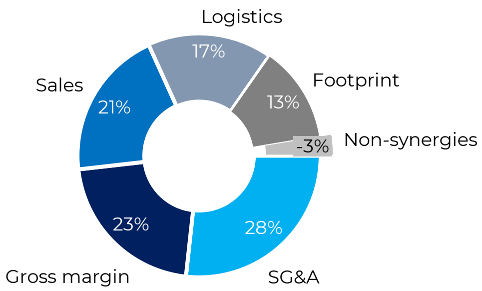
SYNERGY CAPTURE CURVE
(R$ million)



BREAKDOWN BY OPERATION



BREAKDOWN BY LEVER



Expense reduction levers represented the largest source of synergies, accounting for 28% of the total, followed by gross margin levers (23%), revenue (21%), logistics (17%) and footprint (13%). Synergies were partially impacted by dis-synergies related to the closure of the wholesale operation and CADE remedies. With the conclusion of the integration plan and the achievement of synergy projections, we will no longer report segregated operational data or track synergies starting in 2025

In addition to generating value by capturing synergies, which underpin the financial rationale of the transaction, the acquisition of Extrafarma also proved its strategic rationale. It has strengthened our leadership position in the North and Northeast regions, protecting our core markets and extending the reach of our health hub. Furthermore, it was fundamental for us to acquire valuable inorganic expansion capabilities, which potentially open up new avenues of growth for the future.

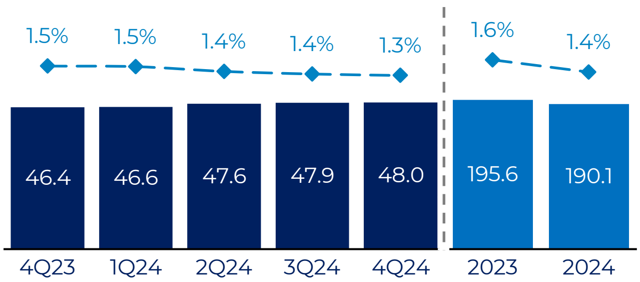
DEPRECIATION, FINANCIAL RESULTS AND INCOME TAX

Depreciation and amortization totaled R$ 48.0 million in 4Q24, relatively stable compared to previous quarters. In the year, depreciation totaled R$ 190.1 million, down 2.8% compared to 2023, in line with the reduction in fixed assets caused by the lower level of investments.

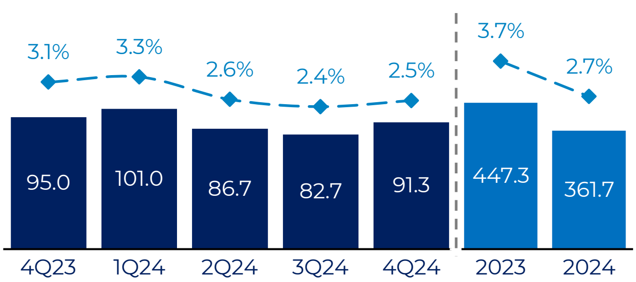
The financial result totaled R$ 91.3 million in 4Q24, falling by 3.8% vs. 4Q23 and up 10.5% vs. 3Q24. Compared to the previous quarter, the one-off increase in financial expenses reflects the higher level of interest rates (impacting debt service and AVP) and the increase in the volume of receivables brought forward, partially offset by higher financial income from the inflation adjustment of tax debts.

The path of financial deleveraging, which will be discussed in the Indebtedness section of this release, is evident when we look at the reduction in the financial result for the year as a whole. In 2024, this account totaled R$ 361.7 million, down 19.2% over the previous year. As a percentage of turnover, the financial result represented 2.7%, down 1 p.p. compared to 2023.

DEPRECIATION
(R$ million and % of total sale)

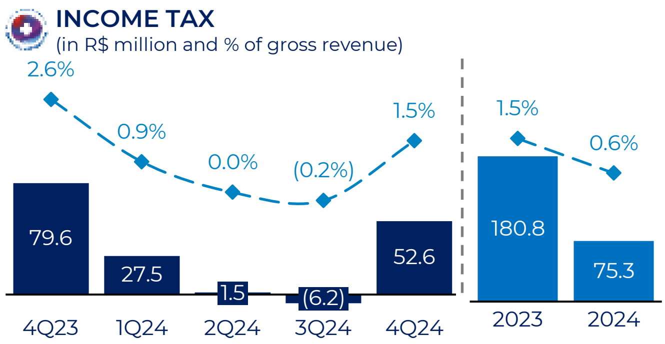


NET FINANCIAL INCOME (LOSS)
(R$ million and % of total sale)



Deferred income tax totaled R$ 52.6 million in 4Q24, around R$ 27 million lower than in 4Q23. The lower tax results are related to the increase in taxable income and the reduction in the volume of interest on equity distributed in the period. In the year, deferred income tax totaled R$ 75.3 million, accounting for a reduction of R$ 105.5 million compared to 2023, in line with the strong improvement in taxable income in the period.

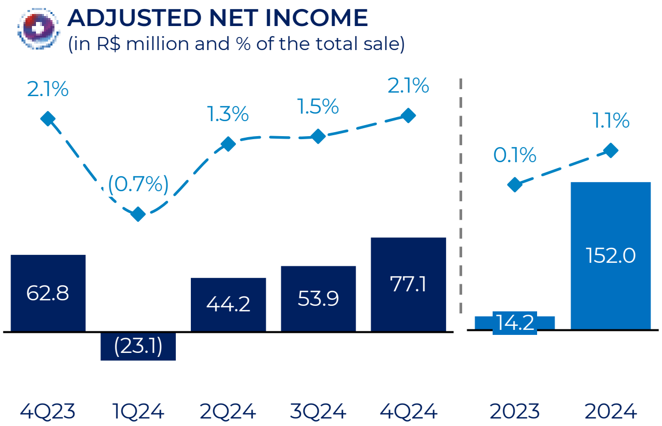
Investment grants characterized as a deemed ICMS credit, deductible from the income tax base, totaled R$ 135.9 million in 2024, equivalent to 1.0% of gross revenue.



ADJUSTED NET INCOME (LOSS)

As a result of the combination of sales growth, an increase in operating profitability and a reduction in the financial result, net income totaled R$ 77.1 million in 4Q24, up 22.8% over the same period of last year. The net margin was 2.1%, stable compared to 4Q23, with profitability gains being offset by lower income tax credits.

In 2024, we totaled R$ 152.0 million in net income, a strong improvement over the previous year. Despite the significant improvement, the net margin remains below the company's historical average and that of peers in the industry, at 1.1% of gross revenue, which signals room for future improvement. We remain committed to financial deleveraging and improving operational efficiency to continue expanding profits.



ADJUSTED INCOME **RECONCILIATION**

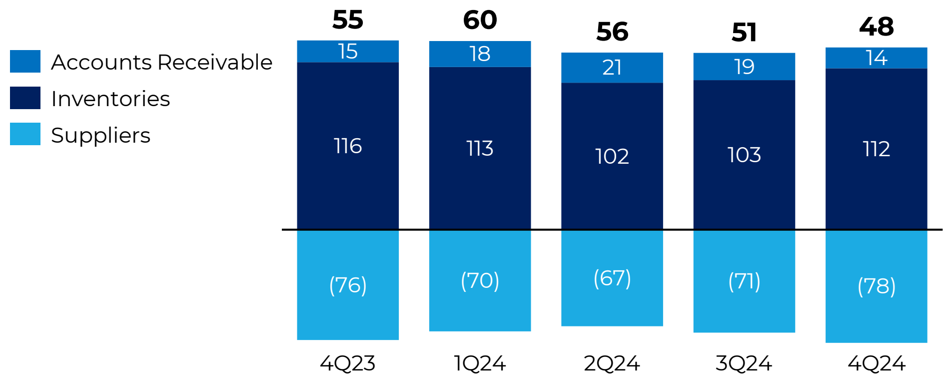
For a better understanding and comparability with previous periods, the results for the year were adjusted in order to purge non-recurring events. We present below the details of the adjustments made, as well as their respective impacts on earnings. The complete reconciliation of the accounting and adjusted result is presented in Annex 3 of this release

Description of Adjustment	Net effect on income (loss)			
	4Q23	4Q24	2023	2024
Accounting net income - IFRS 16	**126.1**	**66.5**	**2.5**	**103.1**
(+) Exclusion of IFRS 16 effects	5.4	6.2	28.1	23.7
(+/-) Total - Management Adjustments	(68.7)	4.4	(16.5)	25.2
(+) Write-off of property, plant and equipment	11.8	4.0	18.2	8.3
(+) Extrafarma acquisition extraordinary expenses	0.0	0.0	3.4	4.7
(+) Organizational restructuring	0.0	0.0	4.8	0.0
(+/-) Business combination	(16.8)	2.7	6.4	11.6
(+) Interest on installments payable in Extrafarma transaction	6.0	0.0	39.4	13.6
(+/-) Effect on IRPJ and CSLL taxes of adjustments	(5.7)	(2.3)	(24.5)	(13.0)
(-) Formation of tax loss - prior periods	(64.7)	0.0	(64.7)	0.0
Adjusted Net Income	**62.8**	**77.1**	**14.2**	**152.0**

CASH CYCLE

We ended the year with an operating cash cycle of 48 days, accounting for a reduction of seven days compared to the end of 2023. In the year-on-year comparison, the efficiency gain reflects the good work done in reducing inventories, especially in the first half of the year, as well as better commercial conditions, allowing payment terms to be extended with the industry.

CONSOLIDATED CASH CYCLE[3]
(in days of COGS and days of Gross Revenue)



In comparison with 3Q24, we recorded an increase in the inventory level of approximately 9 days, related to the typical seasonality of the fourth quarter, when we reinforce inventories due to the industry's vacation period. Much of the increase in inventories was financed by an increase in the average payment period, which is also seasonal.

In 4Q24, we increased the volume of prepaid receivables, causing the average receivables period to fall to 14 days. The increase is related to the greater need for working capital financing, generated by the acceleration in sales growth. We intend to resume the recovery of accounts receivable in the coming quarters.

INDEBTEDNESS

We continue on a path of financial deleveraging, controlling the level of debt while accelerating the expansion of our EBITDA and operating cash generation. At the end of 2024, we recorded a total net bank debt of R$ 1.2 billion, equivalent to 1.97x the adjusted EBITDA of the last 12 months.

Considering other liabilities such as prepaid receivables, installments payable by Extrafarma and drawee risk operations, we ended the year with financial leverage of 2.8x, a sharp reduction of 1.1x compared to the end of 2023 and 3.0x below the peak of indebtedness in 1Q23.

Indebtedness (in R$ million)	4Q23	1Q24	2Q24	3Q24	4Q24
(+) Short-term Debt	430.3	415.9	138.7	383.3	369.8
(+) Long-term Debt	1,205.1	1,178.4	1,330.7	1,081.6	1,046.6
(+) Foreign exchange swap	5.2	6.1	(9.1)	(9.1)	(30.2)
(=) Gross Debt	**1,640.6**	**1,600.5**	**1,460.3**	**1,455.9**	**1,386.2**
(-) Cash and cash equivalents	(443.3)	(232.5)	(108.2)	(169.6)	(149.4)
(=) Net Debt	**1,197.3**	**1,367.9**	**1,352.1**	**1,286.3**	**1,236.8**
Net Debt / Adjusted EBITDA	***2.5×***	***2.6×***	***2.5×***	***2.2×***	***2.0×***
(+) Balance of prepaid receivables	433.8	421.4	290.7	358.9	530.5
(+) M&A Installments to be paid (Extrafarma)	207.9	214.2	220.5	0.0	0.0
(=) Net Debt + Anticipations + Extrafarma	**1,839.1**	**2,003.6**	**1,863.4**	**1,645.2**	**1,767.3**
Net Debt + Anticipations + Extrafarma / Adj. EBITDA	***3.9x***	***3.9x***	***3.4×***	***2.8x***	***2.8x***

In 4Q24, we increased the volume of prepayments of receivables to cope with the greater need for working capital, pressured by the acceleration of sales, especially on Black Friday, which has longer installment terms for customers and a higher incidence of commercial agreements.

Throughout the year, in addition to reducing debt, we improved the debt profile, reducing its cost and lengthening its term. At the end of 4Q24, the average cost of debt was CDI + 1.7% (down 0.2p.p. vs. 4Q23) with over 70% of the total maturing in the long term.

INVESTMENTS

We totaled R$ 102.2 million in investments in 2024, down 17% over the previous year. Investments in store renovations accounted for more than half of the year's Capex, reflecting a greater focus on revitalizing the store network and brand conversions.

For 2025, we plan to resume higher levels of investment, primarily for organic expansion, technology projects and the opening of a new distribution center.

Capex (R$ million)	2023	%	2024	%
Expansion	77.2	63%	21.7	21%
Refurbishment of stores	12.8	10%	55.4	54%
Technology	19.1	16%	21.3	21%
Infrastructure of stores, DCs and offices	14.1	11%	3.8	4%
Total	**123.2**	**100%**	**102.2**	**100%**

CASH FLOW

Free cash flow totaled R$ 111.3 million in 4Q24, benefiting from the higher volume of prepayments of receivables made in the quarter. Excluding the effect of prepaid receivables, we recorded a negative free cash flow of R$ 60.3 million in the quarter. Cash consumption is related to seasonal factors, such as the increase in commercial agreement balances and the payment of labor obligations (R$ 74 million), as well as the higher consumption of working capital related to sales growth (R$ 68 million).

In the year, we totaled free cash flow of R$ 226.9 million, accounting for an increase of R$ 284.1 million compared to 2023. If we disregard the payment of the last installment of Extrafarma, cash generation totaled a significant R$ 448.4 million, equivalent to 25% of the company's current market cap.

Management Cash Flow (R$ million)	4Q23	4Q24	2023	2024
Consolidated EBITDA (ex-IFRS 16)	**108.8**	**160.0**	**438.0**	**614.0**
(-) Gain from bargain purchase	(26.3)	0.0	(18.9)	1.5
(Δ) Accounts receivable	(23.3)	171.5	33.9	(67.0)
(Δ) Inventories	(130.1)	(370.3)	(32.1)	(328.9)
(Δ) Suppliers	292.8	308.1	328.4	404.5
(Δ) Drawee risk operations	(56.1)	-	(241.3)	-
(Δ) Recoverable taxes	24.5	(72.8)	(7.1)	1.2
(+/-) Change in other assets and liabilities/Non-cash effects	(113.2)	(48.7)	(237.1)	(74.7)
(=) Cash flow from operations	**77.2**	**147.9**	**263.8**	**550.6**
(-) Capital investments	(44.9)	(36.6)	(123.2)	(102.2)
(-) Acquisition of companies	-	-	(197.8)	(221.5)
(=) Cash flow from investments	**(44.9)**	**(36.6)**	**(321.0)**	**(323.7)**
Free cash flows	**32.3**	**111.3**	**(57.2)**	**226.9**
(+) Gross debt raised	-	3.4	583.7	408.3
(-) Gross debt payment	(40.9)	(69.1)	(278.1)	(645.5)
(-) Debt service	(74.0)	(64.0)	(290.4)	(243.1)
(-) Share repurchases / Payment of capital	(4.3)	(1.8)	396.4	95.3
(+) Dividends and interest on capital received (paid)	-	-	(79.1)	(135.9)
(=) Cash flow from financing	**(119.2)**	**(131.5)**	**332.4**	**(520.8)**
Opening balance of cash, equivalents and interest earning bank deposits	530.2	169.6	168.1	443.3
Closing balance of cash, equivalents and interest earning bank deposits	443.3	149.4	443.3	149.4
Changes in cash and cash equivalents	**(86.9)**	**(20.2)**	**275.2**	**(293.9)**

ATTACHMENT 1: STATEMENT OF INCOME FOR THE YEAR

IFRS 16 came into force on January 01, 2019, amending the accounting recognition model for lease contracts. To preserve historical comparability, we present below the reconciliation with the previous standard (IAS 17).

Statement of income for the year (R$ million)	IAS 17			IFRS16		
	4Q23	4Q24	Δ	4Q23	4Q24	Δ
Gross Revenue	**3,062.1**	**3,595.7**	**17.4%**	**3,062.1**	**3,595.7**	**17.4%**
Deductions	(196.5)	(246.5)	25.4%	(196.5)	(246.5)	25.4%
Net Revenue	**2,865.6**	**3,349.2**	**16.9%**	**2,865.6**	**3,349.2**	**16.9%**
Cost of Goods Sold	(1,972.2)	(2,282.0)	15.7%	(1,972.2)	(2,282.0)	15.7%
Gross Profit	**893.4**	**1,067.2**	**19.5%**	**893.4**	**1,067.2**	**19.5%**
Gross Margin	*29.2%*	*29.7%*	*0,5p.p.*	*29.2%*	*29.7%*	*0,5p.p.*
Sales Expenses	(691.6)	(794.5)	14.9%	(574.6)	(673.8)	17.3%
Contribution Margin	**201.7**	**272.7**	**35.2%**	**318.8**	**393.3**	**23.4%**
Contribution Margin (%)	*6.6%*	*7.6%*	*1,0p.p.*	*10.4%*	*10.9%*	*0,5p.p.*
General and Administrative Expenses	(77.1)	(108.7)	41.0%	(77.1)	(108.7)	41.0%
Adjusted EBITDA	**124.6**	**164.0**	**31.6%**	**241.7**	**284.6**	**17.8%**
Adjusted EBITDA Margin	*4.1%*	*4.6%*	*0,5p.p.*	*7.9%*	*7.9%*	-
Depreciation and Amortization	(46.4)	(48.0)	3.5%	(126.4)	(130.2)	3.0%
Financial Income (Loss)	(95.0)	(91.3)	(3.8%)	(140.2)	(139.2)	(0.7%)
Income (loss) before Income Tax	**(16.7)**	**24.7**	**-**	**(24.9)**	**15.2**	**-**
Income Tax and Social Contribution	79.6	52.6	(33.9%)	82.4	55.8	(32.3%)
Minority Interest	(0.1)	(0.2)	126.9%	(0.1)	(0.2)	126.9%
Adjusted Net Income	**62.8**	**77.1**	**22.8%**	**57.4**	**70.8**	**23.5%**
Adjusted Net Margin	*2.1%*	*2.1%*	-	*1.9%*	*2.0%*	*0,1p.p.*

Statement of income for the year (R$ million)	IAS 17			IFRS16		
	2023	2024	Δ	2023	2024	Δ
Gross Revenue	**11,960.9**	**13,570.9**	**13.5%**	**11,960.9**	**13,570.9**	**13.5%**
Deductions	(743.1)	(929.1)	25.0%	(743.1)	(929.1)	25.0%
Net Revenue	**11,217.8**	**12,641.8**	**12.7%**	**11,217.8**	**12,641.8**	**12.7%**
Cost of Goods Sold	(7,672.6)	(8,615.7)	12.3%	(7,672.6)	(8,615.7)	12.3%
Gross Profit	**3,545.2**	**4,026.1**	**13.6%**	**3,545.2**	**4,026.1**	**13.6%**
Gross Margin	*29.6%*	*29.7%*	*0,1p.p.*	*29.6%*	*29.7%*	*0,1p.p.*
Sales Expenses	(2,750.7)	(3,024.6)	10.0%	(2,278.2)	(2,546.1)	11.8%
Contribution Margin	**794.6**	**1,001.6**	**26.1%**	**1,267.0**	**1,480.0**	**16.8%**
Contribution Margin (%)	*6.6%*	*7.4%*	*0,8p.p.*	*10.6%*	*10.9%*	*0,3p.p.*
General and Administrative Expenses	(318.6)	(373.1)	17.1%	(318.6)	(373.1)	17.1%
Adjusted EBITDA	**476.0**	**628.5**	**32.0%**	**948.4**	**1,106.9**	**16.7%**
Adjusted EBITDA Margin	*4.0%*	*4.6%*	*0,6p.p.*	*7.9%*	*8.2%*	*0,3p.p.*
Depreciation and Amortization	(195.6)	(190.1)	(2.8%)	(520.8)	(511.9)	(1.7%)
Financial Income (Loss)	(447.3)	(361.7)	(19.2%)	(637.2)	(554.4)	(13.0%)
Income (loss) before Income Tax	**(167.0)**	**76.7**	**-**	**(209.6)**	**40.6**	**-**
Income Tax and Social Contribution	180.8	75.3	(58.3%)	195.3	87.8	(55.1%)
Minority Interest	0.4	(0.0)	-	0.4	(0.0)	-
Adjusted Net Income	**14.2**	**152.0**	**972.3%**	**(13.9)**	**128.3**	**-**
Adjusted Net Margin	*0.1%*	*1.1%*	*1,0p.p.*	*(0.1%)*	*0.9%*	*1,0p.p.*

ATTACHMENT 2: BALANCE SHEET

Statement of financial position (R$ million)	IFRS16 12/31/2023	IFRS16 12/31/2024	Δ
Total assets	**8,988.6**	**8,983.7**	**(0.1%)**
Current assets	**4,493.6**	**4,614.7**	**2.7%**
Cash and cash equivalents	443.3	149.4	(66.3%)
Trade accounts receivable	513.6	577.8	12.5%
Inventories	3,029.7	3,359.4	10.9%
Recoverable taxes	239.6	263,8	10,1%
Other current assets	267.4	264.3	(1.2%)
Non-current assets	**4,495.0**	**4,369.0**	**(0.3%)**
Non-current receivables	1,358.9	1,407.9	3.6%
Investments	80.0	80.1	0.2%
Property, plant and equipment	949.6	872.1	(8.2%)
Right-of-use in leases	1,912.0	1,837.4	(3.9%)
Intangible assets	194.5	171.6	(11.8%)
Total liabilities	**8,988.6**	**8,983.7**	**(0.1%)**
Current liabilities	**3,242.5**	**3,381.4**	**4.3%**
Social and labor charges	163.6	188.2	15.1%
Suppliers	1,936.2	2,340.3	20.9%
Tax obligations	111.2	126.7	14.0%
Loans, financing and debentures	430.3	369.8	(14.1%)
Other liabilities	265.4	57.6	(78.3%)
Lease	335.9	298.7	(11.1%)
Non-current liabilities	**3,085.6**	**2,879.9**	**(6.7%)**
Loans, financing and debentures	1,205.1	1,046.6	(13.2%)
Deferred taxes	3.6	3.3	(6.5%)
Lease	1,786.0	1,792.0	0.3%
Provision	79.1	69.4	(12.2%)
Other accounts payable	11.8	(31.5)	(367.1%)
Shareholders’ equity	**2,660.5**	**2,722.4**	**2.3%**
Realized capital	1,604.8	1,721.9	7.3%
Capital reserves	383.6	397.1	3.5%
Profit reserves	681.5	618.0	(9.3%)
Treasury shares	(17.0)	(22.1)	30.3%
Non-controlling interest	7.5	7.6	0.7%

ATTACHMENT 3: RECONCILIATION OF ADJUSTED INCOME (LOSS)

Reconciliation of Adjusted Statement of Income (R$ million)	4Q24 Book value (Pague Menos)	4Q24 Book value (Extrafarma)	Eliminations	4Q24 Book value (Consolidated)	IFRS 16 effects	Management adjustments	4Q24 Adjusted (Consolidated)
Gross Revenue	**3,104.4**	**1,181.3**	**(690.0)**	**3,595.7**	**-**	**-**	**3,595.7**
Deductions	(207.9)	(79.7)	41.1	(246.5)	-	-	(246.5)
Net Revenue	**2,896.5**	**1,101.6**	**(648.9)**	**3,349.2**	**-**	**-**	**3,349.2**
Cost of Goods Sold	(2,049.3)	(880.9)	648.9	(2,282.0)	-	-	(2,282.0)
Gross Profit	**847.2**	**220.7**	**0.0**	**1,067.2**	-	-	**1,067.2**
Operating Expenses	(651.1)	(138.2)	(0.0)	(788.5)	(120.6)	4.0	(905.1)
Equity in Net Income of Subsidiaries	16.0	-	(14.1)	1.9	-	-	1.9
EBITDA	**212.2**	**82.5**	**(14.1)**	**280.6**	**(120.6)**	**4.0**	**164.0**
Depreciation and Amortization	(97.9)	(32.3)	(1.6)	(131.7)	82.1	1.6	(48.0)
Financial Income (Loss)	(105.5)	(33.7)	(1.0)	(140.3)	47.9	1.0	(91.3)
Income (loss) before IR/CSLL	**8.8**	**16.5**	**(16.7)**	**8.6**	**9.5**	**6.6**	**24.7**
Income Tax and Social Contribution	57.7	0.4	-	58.1	(3.2)	(2.3)	52.6
Minority Interest	-	-	(0.2)	(0.2)	-	-	(0.2)
Net income	**66.5**	**16.9**	**(16.9)**	**66.5**	**6.2**	**4.4**	**77.1**

Reconciliation of Adjusted Statement of Income (R$ million)	2024 Book value (Pague Menos)	2024 Book value (Extrafarma)	Eliminations	2024 Book value (Consolidated)	IFRS 16 effects	Management adjustments	2024 Adjusted (Consolidated)
Gross Revenue	**11,688.2**	**4,350.2**	**(2,467.4)**	**13,570.9**	**-**	**-**	**13,570.9**
Deductions	(782.1)	(262.2)	115.2	(929.1)	-	-	(929.1)
Net Revenue	**10,906.1**	**4,088.0**	**(2,352.3)**	**12,641.8**	**-**	**-**	**12,641.8**
Cost of Goods Sold	(7,654.1)	(3,313.9)	2,352.3	(8,615.7)	-	-	(8,615.7)
Gross Profit	**3,252.0**	**774.1**	**-**	**4,026.1**	-	-	**4,026.1**
Operating Expenses	(2,393.6)	(545.1)	(1.5)	(2,940.2)	(478.4)	14.5	(3,404.1)
Equity in Net Income of Subsidiaries	0.1	-	6.4	6.5	-	-	6.5
EBITDA	**858.5**	**229.1**	**4.9**	**1,092.4**	**(478.4)**	**14.5**	**628.5**
Depreciation and Amortization	(387.5)	(124.4)	(6.2)	(518.1)	321.8	6.2	(190.1)
Financial Income (Loss)	(462.7)	(105.3)	(3.9)	(571.9)	192.8	17.5	(361.7)
Income (loss) before IR/CSLL	**8.2**	**(0.7)**	**(5.2)**	**2.4**	**36.1**	**38.2**	**76.7**
Income Tax and Social Contribution	94.9	5.9	-	100.8	(12.4)	(13.0)	75.3
Minority Interest	-	-	(0.0)	(0.0)	-	0.0	(0.0)
Net income	**103.1**	**5.2**	**(5.2)**	**103.1**	**23.7**	**25.2**	**152.0**

ATTACHMENT 4: RECONCILIATION OF EBITDA

Reconciliation of EBITDA (R$ million)	4Q23	4Q24	2023	2024
Net income (IFRS 16)	**126.1**	**66.5**	**2.5**	**103.1**
(+) Net Financial Income (Loss)	165.0	140.3	695.2	571.9
(+) Income Tax and Social Contribution	(152.7)	(58.1)	(284.5)	(100.8)
(+) Depreciation and Amortization	117.2	131.7	527.3	518.1
(+) Minority Interest	0.6	0.2	0.2	0.0
EBITDA (IFRS 16)	**256.2**	**280.6**	**940.7**	**1,092.4**
(+/-) IFRS 16 Effects	(147.4)	(120.6)	(502.8)	(478.4)
(+/-) Management Adjustments	15.8	4.0	38.0	14.5
Adjusted EBITDA (IAS 17)	**124.6**	**164.0**	**476.0**	**628.5**

EXHIBIT 5: STORE DISTRIBUTION BY STATE

State / Region (# stores)	4Q23	Openings	Closures	4Q24
Total	**1,632**	**30**	**13**	**1,649**
Northeast	**1,006**	**19**	**8**	**1,017**
Alagoas	37	2	-	39
Bahia	156	2	3	155
Ceará	280	5	5	280
Maranhão	136	2	-	138
Paraíba	68	-	-	68
Pernambuco	175	5	-	180
Piauí	43	-	-	43
Rio Grande do Norte	69	1	-	70
Sergipe	42	2	-	44
North	**244**	**1**	**2**	**243**
Acre	15	-	-	15
Amapá	18	-	-	18
Amazonas	21	-	-	21
Pará	147	-	2	145
Rondônia	13	-	-	13
Roraima	12	1	-	13
Tocantins	18	-	-	18
Southeast	**232**	**5**	**3**	**234**
Espírito Santo	24	-	-	24
Minas Gerais	69	3	1	71
Rio de Janeiro	15	-	1	14
São Paulo	124	2	1	125
Mid-West	**109**	**3**	**-**	**112**
Federal District	15	-	-	15
Goiás	29	-	-	29
Mato Grosso	36	2	-	38
Mato Grosso do Sul	29	1	-	30
South	**41**	**2**	**-**	**43**
Paraná	15	2	-	17
Rio Grande do Sul	7	-	-	7
Santa Catarina	19	-	-	19

EARNINGS VIDEOCONFERENCE
March 11, 2025
10:00 (BRT) | 09:00 (US-EST)
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1. OPERATIONS

Empreendimentos Pague Menos S.A. ("Pague Menos" or "Company") is a publicly-traded corporation headquartered in the capital of Ceará, registered on the B3 S.A. - Brasil, Bolsa, Balcão exchange, in the Novo Mercado segment, trading under the ticker symbol PGMN3.

The Company and its subsidiary Imifarma Produtos Farmacêuticos e Cosméticos S.A., owner of the "Extrafarma" brand, (referred to jointly as "Consolidated" or "Group") are mainly engaged in the retail trade of medicines, perfumes, personal hygiene and beauty products, selling on December 31, 2024 through 1,301 Pague Menos stores (1,278 as of December 31, 2023) and 348 Extrafarma stores (355 as of December 31, 2023), distributed over every state in Brazil. The stores are supplied by ten distribution centers located in Ceará, Goiás, Pernambuco, Bahia, Minas Gerais, Rio Grande do Norte, São Paulo, Pará and Maranhão.

2. BASIS FOR PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

2.1 Statement of conformity

These individual and consolidated financial statements have been prepared and are being presented in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and in accordance with the accounting practices adopted in Brazil including the pronouncements, guidance and interpretations issued by the Accounting Pronouncements Committee (CPC) and approved by the Brazilian Securities and Exchange Commission (CVM) and the provisions of the Brazilian Corporate Law.

The issue of these individual and consolidated financial statements was authorized by the Company's Board of Directors on March 10, 2025.

2.2 Materiality statement

We applied Technical Guideline OCPC 7 (R1) - Evidence in the Disclosure of Accounting and Financial Reports for General Purposes and CVM Resolution 727/2014, meeting the minimum requirements and, at the same time, disclosing only relevant information that helps readers make decisions. Therefore, all relevant information used in the management of the business is evidenced in these financial statements.

2.3 Basis of measurement

The basis of value for the measurements in this document is historical cost, except for the measurement of derivative financial instruments (swaps), which are measured at their fair values.

2.4 Functional and presentation currency

We present the financial statements in reais, the Company's functional currency, with balances rounded to the nearest thousand, unless otherwise indicated.

2.5 Critical accounting judgment, estimates and assumptions

As the preparation of statements requires Management to make assumptions and estimates related to the probability of future events, which affect the balances of assets and liabilities and other transactions, the actual results may differ from estimates.

Critical accounting estimates, which are essential to produce the best possible information on the results and financial position, even with the subjectivity, complexity and lack of precision, they have a significant impact on:

(Amounts expressed in thousands of Reais)

- Estimated inventory losses (Note 5)
- Discount rate applied to present value adjustments (Note 4, Note 13)
- Realization of income tax and social contribution (Note 7)
- Impairment assessment of the brand, whose useful life term is indefinite (Note 11)
- Provision for tax, civil and labor risks (Note 17)

2.6 Material accounting policies

The main accounting policies adopted in the preparation of the individual and consolidated financial statements have been applied consistently to all the years presented in these notes.

2.7 Consolidation basis

The consolidated financial statements comprise the financial information of the Company and its subsidiary as of December 31, 2024 and 2023. Control is obtained when the Company is exposed or entitled to variable returns based on its involvement with the investee and has the capacity to affect those returns through the power exercised in relation to the investee.

Specifically, the Company controls an investee if, and only if, it has:

- Power in relation to the investee (that is, existing rights that guarantee the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The capacity to use its power over investee to affect value of its returns.

The result and each component of other comprehensive income are assigned to the Group's controlling shareholders and non-controlling shareholders, even if this results in a loss to non-controlling shareholders. When necessary, adjustments are made to the subsidiary's financial statements to align their accounting policies with the Group's accounting policies. All assets and liabilities, income (loss), revenues, expenses and cash flows of the same group, related to transactions between members of the Group, are totally eliminated in the consolidation.

If the Company loses control exercised over a subsidiary, the corresponding assets (including any goodwill) and liabilities of the subsidiary are written-off at their book values on the date the control is lost, and the write-off of the book value of any non-controlling interests on the date when control is lost (including any components of other comprehensive income attributed to them) also occurs. Any resulting difference as a gain or loss is recorded in income (loss). Any retained investment is recognized at its fair value on the date control is lost.

In the individual financial statements, the investment of the Company in its subsidiary is accounted for under the equity method.

		Ownership interest (%)	
	Country	**2024**	**2023**
Direct subsidiary:			
Imifarma Produtos Farmacêuticos e Cosméticos S.A. ("Extrafarma")	Brazil	**99.07%**	**99.07%**

The accounting practices adopted by the subsidiary were applied in a uniform and consistent manner with those adopted by the Company. When applicable, all transactions, balances, revenues and expenses between the subsidiary and the Company are fully eliminated in consolidated financial statements.

2.8 Commercial agreements

The Group's commercial agreements are mainly represented by goods that can be sold together with other goods or by discounts offered by suppliers in several ways at the Group's points of sale. Such negotiations are individual and distinct between suppliers and may have a complex nature and character. The main categories of commercial agreements are as follows:

(Amounts expressed in thousands of Reais)

i. Financial discounts granted by laboratories upon sale to the consumer and associated with Benefits Programs: These are benefits granted by the Group's suppliers to the end consumer that aim to establish a process of consumer loyalty to their product or medicines. In most cases, from the moment the end consumers are registered in the supplier's system, they benefit from a discount granted by the Group's supplier, paying a price that is different from the price of the same product if they were not associated to a benefits program. This discount offered by the supplier to the Group's client is calculated in real time and recognizes, at the same time the product is sold to the consumer, an amount receivable from the supplier equivalent to the value of the discount granted. For these type of transactions, the Group recognizes the discount as a reduction in the cost of goods sold with the contra entry being an amount receivable or a reduction in a liability.

ii. Marketing and advertising allowances, such as exposure in stores and disclosure of offers in our own catalog: These are the Group's sales programs planned together with its suppliers. The supplier is interested in promoting its products in the Group's network of stores and sales facilities. To do so, it negotiates different payment methods to the Group so that the final price of the goods to the consumer is advantageous without any prejudice to the gross sales margins for these goods under conditions other than those of a promotional purpose. These negotiations normally take place with the Group's purchasing, together with the sales area to align the sales strategies. From the moment the performance obligation is fulfilled, the Group recognizes the result of these commercial agreements as a credit to the cost of goods sold, having as a contra entry an amount receivable or reduction of a liability.

In the cases above, these are different forms of negotiation whose main objective is to acquire goods at the lowest cost offered by the supplier, regardless of the way in which the product purchase transaction was proposed.

3. CASH AND CASH EQUIVALENTS

	Index	Weighted average rate p.a.	Parent Company		Consolidated	
			12/31/2024	12/31/2023	12/31/2024	12/31/2023
Cash and banks			24,854	43,581	39,075	52,752
Cash equivalents			101,576	341,309	110,051	385,748
Repurchase and resale agreements	CDI	94%	81,010	230,431	85,196	271,642
CDB	CDI	98%	6,627	108,554	6,627	108,554
Automatic investments			13,939	2,324	18,228	5,552
Total			**126,430**	**384,890**	**149,126**	**438,500**

Cash equivalents are invested in financial institutions with financial institutions with long-term rating in national scale classified as low credit risk and renowned solidity.

4. ACCOUNTS RECEIVABLE

(Amounts expressed in thousands of Reais)

4.1 Accounting policy

Accounts receivable are recognized at the original sale price less credit card management fees, when applicable. When the Company identifies probable evidence that the amounts will not be received, an expected loss is recognized. Expected losses are recognized based on the difference between the book value and the recoverable value of the accounts receivable.

Forward sales were adjusted to present value, based on the weighted average cost of capital of 12.22% p.a. (10.18% in 2023). The adjustment to present value is offset against net sales revenue and its realization is recorded in the financial result when the term expires.

4.2 Breakdown

	Parent company		Consolidated	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Credit card companies	429,684	407,542	518,796	476,321
Agreements and partnerships (i)	47,558	30,802	58,719	39,403
Accounts receivable from subsidiary (Note 8.2)	-	270,668	-	-
Other accounts receivable	5,542	1,866	5,724	2,945
Subtotal	**482,784**	**710,878**	**583,240**	**518,669**
(-) Adjustment to present value	(4,277)	(3,242)	(5,023)	(3,700)
(-) Expected credit losses	(402)	(1,096)	(402)	(1,395)
	478,105	**706,540**	**577,814**	**513,574**

(i) They include the amounts receivable from the Ministry of Health for sales made under the Popular Pharmacy Program, as well as partnerships with delivery apps and balances with partner companies. The main objective of these agreements is to grant discounts, in addition to enable clients to pay for purchases through payroll deduction.

The balances of receivables by maturity are presented below, before the provision for expected credit losses and adjustment to present value:

	Parent Company		Consolidated	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Falling due	480,129	708,069	579,606	514,864
Overdue (days):				
01–30	681	250	1,063	1,398
31–90	473	923	861	939
91–180	522	462	730	481
>180	979	1,174	979	987
Total	**482,784**	**710,878**	**583,240**	**518,669**

The average term of accounts receivable is 29 days (29 days on December 31, 2023), which is considered to be part of the normal and inherent conditions of the Company's operations.

Changes in expected credit losses:

	Parent Company		Consolidated	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Opening balance	(1,096)	(249)	(1,395)	(393)
Additions	(1,234)	(1,158)	(1,234)	(1,314)
Reversals	1,928	311	2,227	312

(Amounts expressed in thousands of Reais)

Closing balance	**(402)**	**(1,096)**	**(402)**	**(1,395)**

5. INVENTORIES

5.1 Accounting policy

Inventories are presented at the lower value between the cost and net realizable value. Inventories are valued using the weighted average cost method. The net realizable value is the sales price estimated for the normal course of business, less the expenses required for sale. Inventory balances are shown net of expected losses.

5.2 Breakdown

	Parent company		Consolidated	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Goods for resale	2,556,765	2,234,511	3,344,419	3,007,339
Materials for use and consumption	10,927	16,216	14,993	22,373
	2,567,692	**2,250,727**	**3,359,412**	**3,029,712**

The changes in expected inventory losses are shown below:

	Parent Company		Consolidated	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Opening balance	(34,349)	(28,428)	(48,523)	(38,365)
Additions	(5,718)	(5,921)	(12,922)	(10,158)
Reversals	13,261	-	28,541	-
Closing balance	**(26,806)**	**(34,349)**	**(32,904)**	**(48,523)**

6. RECOVERABLE TAXES

6.1 Breakdown of recoverable taxes

	Parent Company		Consolidated	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
ICMS (i)	683,565	578,071	833,517	760,113
PIS and COFINS (ii)	109,812	160,856	136,757	219,397
WITHHOLDING INCOME TAX (IRRF)	5,075	3,624	5,245	3,661
Other	3,169	3,889	4,240	4,961
	801,621	**746,440**	**979,759**	**988,132**
Current	203,323	193,013	263,764	239,559
Non-current	598,298	553,427	715,995	748,573

(i) Credit arising from the normal ICMS calculation regime and balances relating to reimbursement of non-final ICMS ST, where the presumed tax bases were higher than the actual ones. The amounts are administratively offset after meeting the requirements defined by each State.

(ii) The balance refers mainly to the amounts relating to the exclusion of ICMS from the PIS and COFINS calculation basis. The credits were authorized by the Brazilian Federal Revenue Service and are in the process of administrative offsetting. Furthermore, the Company recognizes credits arising from the non-cumulative-e regime arising from the acquisition of goods, acquisition of services and inputs considered relevant and essential to the trade of products and provision of services.

(Amounts expressed in thousands of Reais)

6.2 Expected realization of recoverable taxes

According to the projections made, the balances of recoverable taxes on December 31, 2024 will be recovered on the following schedule.

	Parent Company	Consolidated
2025	203,323	263,764
2026	122,799	164,464
2027	119,886	162,478
>2028	355,613	389,053
	801,621	**979,759**

7. DEFERRED TAXES

7.1 Accounting policy

Deferred income tax and social contribution were calculated based on the rates in force, which are 25% and 9%, respectively. The amounts are recognized based on the expectation of future taxable profits, supported by internal projections based on assumptions and future economic scenarios. Results may differ from estimates if projected conditions are not confirmed. The book value of deferred taxes is reviewed at each balance sheet date and adjusted if the expectation of their realization changes. Deferred taxes are recognized in the statement of income according to the origin of the transaction.

7.2 Breakdown of deferred taxes

	Parent Company		Consolidated	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Deferred tax assets on tax loss	383,528	344,686	497,068	454,027
Lease	77,595	64,745	89,684	77,398
Losses on realization of recoverable taxes	53,429	18,044	70,604	31,616
Provision for short- and long-term incentives	15,558	6,255	17,042	6,878
Provision for realization of inventories	9,114	11,679	11,187	16,498
Provision for contingencies	8,481	4,378	11,121	7,287
Expected losses on sundry receivables	6,951	6,190	13,040	12,608
Gain on bargain purchase / realization / capital gains or losses	(79,846)	(83,791)	(79,846)	(83,791)
Derivative financial instruments	(10,266)	1,771	(10,266)	1,771
Other provisions	3,247	(1,029)	3,441	(1,974)
Total	**467,791**	**372,928**	**623,075**	**522,318**

7.3 The expected realization of deferred taxes

According to the projections made, deferred tax balances will be recovered in the following schedule.

Parent Company		Consolidated	
12/31/2024	12/31/2023	12/31/2024	12/31/2023

(Amounts expressed in thousands of Reais)

2024	-	-	-	3,111
2025	-	9,960	9,688	16,351
2026	-	20,682	13,343	29,036
2027	9,177	27,995	25,176	37,472
>2028	458,614	314,291	574,867	436,348
	467,791	**372,928**	**623,075**	**522,318**

7.4 Effective rate reconciliation

	Parent Company		Consolidated	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Income (loss) before income tax and social contribution	**8,236**	**(150,232)**	**2,391**	**(281,740)**
Combined tax rate	34%	34%	34%	34%
IR/CSLL at combined statutory rate	**(2,800)**	**51,079**	**(813)**	**95,792**
Permanent (additions) exclusions:				
Other permanent additions (exclusions)	(2,162)	(123)	3,512	(920)
Deemed ICSM credits	46,206	37,052	46,206	37,052
Equity in net income of subsidiaries	3,979	10,340	2,212	2,262
Interest on capital	49,640	54,400	49,640	54,400
Tax loss from prior periods	-	-	-	95,889
IR/CSLL on income (loss)	**94,863**	**152,748**	**100,757**	**284,475**
Effective rate	**1,151.8%**	**(101.7%)**	**4,214.0%**	**(101.0%)**

The Company assessed the impacts of IFRIC 23 (ITG 22) - Uncertainty over Income Tax treatments, concluding that its effects are not material to date.

8. RELATED PARTIES

The main financial, commercial, and operational transactions between the Parent Company, its Subsidiary, and other related parties are as follows:

8.1 Context

- **Purchase and sale of goods:** the Parent Company buys and sells goods from the subsidiary Imifarma Produtos Farmacêuticos e Cosméticos S.A., which owns the Extrafarma brand, to supply the Company's stores throughout the country. The receivable and payable balances arising from these transactions are settled on a net basis.
- **Lease of properties:** The rents of the properties owned by the related parties Renda Participações S.A., Dupar Participações S.A., Madajur Investimentos, and Prospar Participações S.A. and where the stores operate are calculated on the monthly turnover of the stores. Properties occupied by the administration and distribution centers are defined as fixed amounts.
- **Purchase of private label goods:** The main purpose of Biomatika Indústria e Comércio de Produtos Naturais S.A., a company belonging to the same controlling shareholders as the Company, is the manufacture of cosmetics, perfumery, and personal care products, and it is

(Amounts expressed in thousands of Reais)

responsible for the production of part of its private label products.

- **Cargo transportation:** L'auto Cargo Transportes Rodoviário S.A., a company belonging to the same controlling shareholders of the Company, carries out road transportation of goods. All freight transport contracts go through a quotation process and the best technical (service level) and commercial proposal is selected.
- **Management of health benefits** – E-Pharma PBM do Brasil S.A., an investee of the Company, provides management services for agreements and partnerships and intermediation of payment methods.
- **Guarantees:** transactions in which related parties provide guarantees and sureties in real estate lease agreements and/or guarantees in financing and loan agreements, as follows:

Guarantor's related party	12/31/2024	12/31/2023
Guarantee/surety and joint debtor (Note 14)	5,573	13,132
Individuals (shareholders)	1,086	4,507
Dupar Participações S.A.	4,487	8,625
Real Estate	52,183	52,183
Dupar Participações S.A.	52,183	52,183

8.2 Balances with related companies

		Parent Company			
		12/31/2024		12/31/2023	
Related parties	Nature of the operation	Equity balance	Transacted amount	Equity balance	Transacted amount
Accounts receivable					
Extrafarma (Note 4.2)	Sale of goods	-	543,510	270,668	318,949
Suppliers					
Biomatika	Purchase of products	(2,306)	(14,488)	(1,622)	(10,269)
L'auto	Freight of goods	(4,033)	(101,335)	(7,022)	(113,386)
Extrafarma (Note 13.1)	Purchases of goods	(167,857)	(1,922,020)	(320,435)	(1,269,883)
E-pharma	Services taken	(949)	(10,605)	-	(6,900)
Leases					
Income from interest	Property Rental	(932)	(1,895)	(850)	(10,042)
Dupar Participações	Property Rental	(8,394)	(62,543)	(11,041)	(69,828)
Madajur Investimentos	Property Rental	(1,610)	(10,900)	(494)	(7,599)
Prospar Participações	Property Rental	(162)	(18,690)	(153)	(1,800)
Total		**(186,243)**	**(1,598,966)**	**(70,949)**	**(1,170,758)**

		Consolidated			
		12/31/2024		12/31/2023	
Related parties	Nature of the operation	Equity balance	Transacted amount	Equity balance	Transacted amount
Other accounts receivable					
L'auto	Sale of property, plant and equipment	1,940	-	6,884	9,741
Suppliers					
Biomatika	Purchase of products	(3,205)	(21,402)	(558)	(14,808)

(Amounts expressed in thousands of Reais)

L'auto	Freight of goods	(6,184)	(150,618)	(8,167)	(132,692)
E-pharma	Services taken	(1,031)	(11,702)	(79)	(8,080)
Leases					
Renda Participações S.A.	Property Rental	(932)	(1,895)	(850)	(10,042)
Dupar Participações S.A.	Property Rental	(8,394)	(62,543)	(11,041)	(69,828)
Madajur Investimentos	Property Rental	(1,610)	(10,900)	(494)	(7,599)
Prospar Participações	Property Rental	(162)	(18,690)	(153)	(1,800)
Total		**(19,578)**	**(277,750)**	**(14,458)**	**(235,108)**

8.3 Management remuneration

The management remuneration totaled R$ 28,884 in the period ended December 31, 2024 (R$ 26,102 as of 12/31/2023). Remuneration paid or payable for rendered service is as follows:

	12/31/2024	12/31/2023
Fixed remuneration	12,559	12,612
Bonuses and restricted shares	14,364	13,490
	26,923	**26,102**

The Company does not have a post-employment benefit policy. Moreover, since 2020, the Company implemented a share-based compensation program, as disclosed in Note 19.

9. INVESTMENTS

9.1 Breakdown of balance

	Parent Company		Consolidated	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Investment in subsidiary:				
Extrafarma:				
% Interest in investee's shareholders' equity	99.07%	99.07%		
Interest in investee's shareholders' equity	805,974	800,781	-	-
Surplus of acquired assets (net)	104,235	115,833	-	-
	910,209	916,614	-	-
Investment in associated company:				
E-Pharma PBM do Brasil S.A.				
% Interest in investee's shareholders' equity	26.06%	26.12%		
Interest in investee's shareholders' equity	17,520	17,400	17,520	17,400
Goodwill on acquisition of investment (e-Pharma)	81,838	81,838	81,838	81,838
(-) Impairment losses of goodwill	(19,243)	(19,243)	(19,243)	(19,243)
	80,115	79,995	80,115	79,995
	990,324	**996,609**	**80,115**	**79,995**

9.2 Changes in the balance

	12/31/2023	Equity in net income of subsidiaries	Dividends and interest on own capital received	12/31/2024
Extrafarma	916,614	(6,405)	-	910,209
e-Pharma	79,995	6,507	(6,387)	80,115
Total	**996,609**	**102**	**(6,387)**	**990,324**

	12/31/2022	Equity in net income of	Dividends and interest on own	12/31/2023

		subsidiaries	capital received	
Extrafarma	899,223	17,391	-	916,614
e-Pharma	76,284	6,653	(2,942)	79,995
Total	**975,507**	**24,044**	**(2,942)**	**996,609**

9.3 Investment in subsidiary – Extrafarma's summary financial information

	12/31/2024	12/31/2023
Investee's shareholders' equity	813,540	808,298
Adjustment to fair value of acquired assets/liabilities:		
Brand	80,594	80,594
Surplus of property, plant and equipment	14,109	18,404
Lease	10,511	17,922
Adjusted shareholders' equity at fair value	918,754	925,218
Interest – %	99.07%	99.07%
Investment amount	910,209	916,614

	12/31/2024	12/31/2023
Income for the year	5,243	23,976
% of interest	99.07%	99.07%
Investee's profit sharing	5,193	23,753
(-) Depreciation/amortization of surplus of assets	(6,214)	(6,449)
(-) Realization of surplus value of lease expenses (Interest expense)	(3,870)	(18,722)
(-) Adjustment to the value of bargain purchase	-	22,781
(-) Realization of surplus value by write-off of assets	(1,514)	(3,921)
Equity in net income of subsidiaries	(6,405)	17,391

10. PROPERTY, PLANT AND EQUIPMENT

10.1 Book value of property, plant and equipment

		Parent Company					
		12/31/2024			12/31/2023		
	Rate p.a.	Cost	Accumulated depreciation	Balance Net	Cost	Accumulated depreciation	Net balance
Works in progress		14,142	-	14,142	43,419	-	43,419
Leasehold improvements		1,156,379	(609,754)	546,625	1,102,439	(535,602)	566,837
Facilities		116,296	(77,985)	38,311	111,281	(67,796)	43,485

(Amounts expressed in thousands of Reais)

Machinery and equipment	136,398	(88,235)	48,163	130,080	(84,290)	45,790
Furniture and fixtures	174,539	(94,768)	79,771	165,885	(80,015)	85,870
IT equipment	70,623	(60,688)	9,935	73,016	(60,055)	12,961
Provision for closing of stores	(2,877)	-	(2,877)	(2,821)	-	(2,821)
	1,665,500	**(931,430)**	**734,070**	**1,623,299**	**(827,758)**	**795,541**

(i) The depreciation of improvements is calculated according to the term of each lease, which varies between 5 and 30 years, reaching an average depreciation rate of 8.9% p.a. (8.9% on December 31, 2023).

	Consolidated					
	12/31/2024			12/31/2023		
	Cost	Accumulated depreciation	Net balance	Cost	Accumulated depreciation	Net balance
Works in progress	14,152	-	14,152	43,419	-	43,419
Leasehold improvements	1,435,287	(822,035)	613,252	1,375,210	(730,186)	645,024
Facilities	121,447	(78,206)	43,241	111,288	(67,797)	43,491
Machinery and equipment	182,338	(113,967)	68,371	172,204	(107,447)	64,757
Furniture and fixtures	308,711	(183,646)	125,065	298,615	(156,866)	141,749
Vehicles	1,439	(1,211)	228	4,119	(3,172)	947
IT equipment	124,740	(113,610)	11,130	128,833	(111,439)	17,394
Provision for closing of stores	(3,389)	-	(3,389)	(7,184)	-	(7,184)
	2,184,725	**(1,312,675)**	**872,050**	**2,126,504**	**(1,176,907)**	**949,597**

10.2 Changes in property, plant and equipment in the semester ended December 31, 2024

	Parent Company					
	12/31/2023	Additions	Write-offs	Depreciation	Transfers	12/31/2024
Leasehold improvements	566,837	28,431	(8,813)	(76,342)	36,512	546,625
Facilities	43,485	4,950	(1,102)	(9,525)	503	38,311
Machinery and equipment	45,790	11,051	(137)	(9,478)	937	48,163
Furniture and fixtures	85,870	8,676	(20)	(15,097)	342	79,771
IT equipment	12,961	1,578	(37)	(4,545)	(22)	9,935
Works in progress	43,419	8,995	-	-	(38,272)	14,142
Provision for closing of stores	(2,821)	(1,750)	1,694	-	-	(2,877)
Total	**795,541**	**61,931**	**(8,415)**	**(114,987)**	**-**	**734,070**

	Consolidated					
	12/31/2023	Additions	Write-offs	Depreciation	Transfers	12/31/2024
Leasehold improvements	645,024	40,063	(10,149)	(98,198)	36,512	613,252
Facilities	43,491	10,094	(1,102)	(9,745)	503	43,241
Machinery and equipment	64,757	15,508	(209)	(12,622)	937	68,371
Furniture and fixtures	141,749	10,642	(206)	(27,462)	342	125,065
IT equipment	17,394	1,587	(43)	(7,786)	(22)	11,130
Works in progress	43,419	9,022	(17)	-	(38,272)	14,152
Provision for closing of stores	(7,184)	(1,750)	5,545	-	-	(3,389)
Vehicles	947	-	(665)	(54)	-	228
Total	**949,597**	**85,166**	**(6,846)**	**(155,867)**	**-**	**872,050**

(Amounts expressed in thousands of Reais)

10.3 Changes in property, plant and equipment in the year ended December 31, 2023

	Parent Company					
	12/31/2022	Additions	Write-offs	Depreciation	Transfers (i)	12/31/2023
Leasehold improvements	584,807	38,034	(10,586)	(73,484)	28,066	566,837
Facilities	49,966	548	(899)	(9,711)	3,581	43,485
Machinery and equipment	47,048	8,010	(44)	(9,670)	446	45,790
Furniture and fixtures	90,011	8,617	(88)	(14,975)	2,305	85,870
IT equipment	16,433	812	(37)	(5,150)	903	12,961
Works in progress	45,995	38,345	-	-	(40,921)	43,419
Provision for closing of stores	(4,889)	-	2,068	-	-	(2,821)
Total	**829,371**	**94,366**	**(9,586)**	**(112,990)**	**(5,620)**	**795,541**

	Consolidated						
	12/31/2022	Additions	Write-offs	Depreciation	Adjustment at fair value (ii)	Transfers (i)	12/31/2023
Leasehold improvements	686,640	50,870	(16,137)	(96,882)	(8,048)	28,581	645,024
Facilities	49,966	555	(899)	(9,712)	-	3,581	43,491
Machinery and equipment	66,502	10,747	(121)	(12,920)	103	446	64,757
Furniture and fixtures	161,836	10,518	(2,919)	(30,107)	116	2,305	141,749
IT equipment	24,499	1,177	(362)	(8,824)	1	903	17,394
Works in progress	46,510	38,345	-	-	-	(41,436)	43,419
Provision for closing of stores	(4,889)	(7,864)	5,569	-	-	-	(7,184)
Vehicles	13,774	-	(7,482)	(5,636)	291	-	947
Total	**1,044,838**	**104,348**	**(22,351)**	**(164,081)**	**(7,537)**	**(5,620)**	**949,597**

(i) The residual values of transfers refer to reclassifications between intangible assets and property, plant and equipment.

(ii) Refers to the adjustment of added value identified in assets acquired in a business combination, proportional to the percentage of equity interest of the parent company, corresponding to 99.07%.

10.4 Provision for closing of store

The Company recognized a provision for closing stores of R$ 2,877 (R$ 2,821 as of December 31, 2023) in the parent company, and of R$ 3,389 (R$ 7,184 as of December 31, 2023) in the consolidated, whose analysis considers the individual results of the stores and expected recovery of investments. Stores that do not have sufficient results to recover the investment are subject to the recognition of a provision for closing their operations.

11. INTANGIBLE ASSETS

11.1 Book value of intangible assets

	Parent Company					
	12/31/2024			12/31/2023		
	Cost	Accumulated amortization	Net balance	Cost	Accumulated amortization	Net balance
Brands (i)	4,289	-	4,289	4,289	-	4,289
Goodwill (ii)	18,982	(18,467)	515	19,118	(18,228)	890

(Amounts expressed in thousands of Reais)

	Cost	Accumulated amortization	Net balance	Cost	Accumulated amortization	Net balance
Software	185,309	(110,641)	74,668	173,210	(85,554)	87,656
Websites	68	(68)	-	262	(77)	185
Intangible asset in progress	4,089	-	4,089	1,815	-	1,815
	212,737	**(129,176)**	**83,561**	**198,694**	**(103,859)**	**94,835**

	Consolidated					
	12/31/2024			12/31/2023		
	Cost	Accumulated amortization	Net balance	Cost	Accumulated amortization	Net balance
Brands (i)	84,133	-	84,133	84,133	-	84,133
Goodwill (ii)	18,982	(18,467)	515	19,118	(18,228)	890
Software	333,549	(250,678)	82,871	321,099	(213,634)	107,465
Websites	68	(68)	-	262	(77)	185
Intangible asset in progress	4,089	-	4,089	1,815	-	1,815
	440,821	**(269,213)**	**171,608**	**426,427**	**(231,939)**	**194,488**

(i) Balance related to the cost of acquisition of trademarks. As it is an intangible asset with an indefinite useful life, the Company assesses the asset's recoverability annually. Estimates indicate that the recoverable value of the asset is greater than its book value and no loss is expected. In the consolidated, it contains the brand identified in the business combination with Extrafarma acquired for R$ 80,594.

(ii) The amortization of goodwill is calculated over the term of each store rental agreement, which varies between 5 and 30 years, arriving at an average rate of amortization of 8.9% p.a.

11.2 Changes in intangible assets in the year ended December 31, 2024

	Parent Company				
	12/31/2023	Additions	Write-offs	Amortization	12/31/2024
Brands (i)	4,289	-	-	-	4,289
Goodwill (ii)	890	-	(19)	(356)	515
Software	87,656	13,087	(47)	(26,028)	74,668
Websites	185	-	(185)	-	-
Intangible asset in progress	1,815	4,089	(1,815)	-	4,089
Total	**94,835**	**17,176**	**(2,066)**	**(26,384)**	**83,561**

	Consolidated				
	12/31/2023	Additions	Write-offs	Amortization	12/31/2024
Brands (i)	84,133	-	-	-	84,133
Goodwill (ii)	890	-	(19)	(356)	515
Software	107,465	13,466	(75)	(37,985)	82,871
Websites	185	-	(185)	-	-
Intangible asset in progress	1,815	4,089	(1,815)	-	4,089
Total	**194,488**	**17,113**	**(2,094)**	**(38,341)**	**171,608**

11.3 Changes in intangible assets in the year ended December 31, 2023

Parent Company					
12/31/2022	Additions	Write-offs	Amortization	Transfers (i)	12/31/2023

(Amounts expressed in thousands of Reais)

Brands	4,289	-	-	-	-	4,289
Goodwill	1,567	-	(11)	(666)	-	890
Software	89,590	11,530	(352)	(24,669)	11,557	87,656
Websites	50	-	(10)	-	145	185
Intangible asset in progress	6,084	1,813	-	-	(6,082)	1,815
Total	**101,580**	**13,343**	**(373)**	**(25,335)**	**5,620**	**94,835**

	Consolidated					
	12/31/2022	Additions	Write-offs	Amortization	Transfers (i)	12/31/2023
Brands	84,883	-	(750)	-	-	84,133
Goodwill	1,567	-	(11)	(666)	-	890
Software	127,620	12,159	(352)	(43,519)	11,557	107,465
Websites	50	-	(10)	-	145	185
Intangible asset in progress	6,084	1,813	-	-	(6,082)	1,815
Total	**220,204**	**13,972**	**(1,123)**	**(44,185)**	**5,620**	**194,488**

(i) The residual values of transfers refer to reclassifications between intangible assets and property, plant and equipment.

12. RIGHT-OF-USE

The CPC 06 (R2)/IFRS 16 standard requires that for all lease agreements within the scope of the standard - except those falling within the exemptions - lessees recognize the liabilities assumed against the respective right-of-use assets.

12.1 Accounting policy

We opted to use the practical expedient for transition and not consider the initial costs in the measurement of the right-of-use asset, which corresponds to the initial value of the lease liability plus the initial direct costs incurred, maintaining the value of the initial lease liability. Depreciation is calculated under the straight-line method according to the remaining term of contracts.

12.2 Breakdown of right-of-use

	Parent Company		Consolidated	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Properties	1,472,995	1,558,524	1,745,022	1,850,145
IT equipment	64,110	31,923	64,110	31,923
Machinery and equipment	28,226	29,970	28,226	29,970
	1,565,331	**1,620,417**	**1,837,358**	**1,912,038**

12.3 Changes in the right-of-use in the year ended December 31, 2024

Parent Company			
Real estate	IT equipment	Machinery and equipment	Total

	Real estate	IT equipment	Machinery and equipment	Total
Balances at January 01, 2024	1,558,524	31,923	29,970	1,620,417
Additions	79,518	56,733	6,920	143,171
Remeasurements	63,660	3,845	4,325	71,830
Write-offs	(20,744)	(2,770)	(411)	(23,925)
Depreciation	(207,963)	(25,621)	(12,578)	(246,162)
Balances at December 31, 2024	**1,472,995**	**64,110**	**28,226**	**1,565,331**

	Consolidated			
	Real estate	IT equipment	Machinery and equipment	Total
Balances at January 01, 2024	1,850,145	31,923	29,970	1,912,038
Additions	89,892	56,733	6,920	163,994
Remeasurements	121,125	3,845	4,325	118,846
Write-offs	(30,899)	(2,770)	(411)	(34,080)
Depreciation	(285,241)	(25,621)	(12,578)	(323,440)
Balances at December 31, 2024	**1,745,022**	**64,110**	**28,226**	**1,837,358**

12.4 Changes in the right-of-use in the year ended December 31, 2023

	Parent Company			
	Real estate	IT equipment	Machinery and equipment	Total
Balances at January 1, 2023	1,662,610	62,955	12,434	1,737,999
Additions and remeasurements	120,751	2	28,969	149,722
Write-offs	(15,642)	(3,565)	(125)	(19,332)
Depreciation	(209,195)	(27,469)	(11,308)	(247,972)
Balances at December 31, 2023	**1,558,524**	**31,923**	**29,970**	**1,620,417**

	Consolidated			
	Real estate	IT equipment	Machinery and equipment	Total
Balances at January 1, 2023	1,979,065	62,955	12,434	2,054,454
Additions and remeasurements	221,947	2	28,969	250,918
Write-offs	(66,660)	(3,565)	(125)	(70,350)
Depreciation	(284,207)	(27,469)	(11,308)	(322,984)
Balances at December 31, 2023	**1,850,145**	**31,923**	**29,970**	**1,912,038**

13. SUPPLIERS

13.1 Breakdown

	Parent company		Consolidated	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023

(Amounts expressed in thousands of Reais)

Suppliers	1,488,427	1,078,974	2,131,215	1,680,815
Suppliers – related parties (Note 8.2)	175,145	329,079	10,420	8,804
Suppliers - Agreement (i)	218,702	261,151	256,006	305,453
Adjustment to present value (ii)	(40,154)	(37,350)	(57,295)	(58,907)
Total	**1,842,120**	**1,631,854**	**2,340,346**	**1,936,165**

(i) The Company has agreements with financial institutions to structure credit assignment operations with its main suppliers, in which the Company is the legitimate debtor. These operations do not materially change the conditions initially agreed (payments, prices and terms negotiated), and remain as usual. The operations enable suppliers to better manage their cash flow needs, to the detriment of greater intensification of commercial relations with the Company.

Moreover, in return for the operationalization and confirmation of the existence of suppliers' credits to banks, ensuring the liquidity of their maturities, the Company obtains intermediation revenue from financial institutions. As of December 31, 2024 these revenues amount R$ 9,422 (R$ 6,220, on December 31, 2023).

The cash flows arising from these transactions are classified as operating activities in the statement of cash flows, precisely because they maintain the economic essence of the operations.

(ii) Suppliers' balances are adjusted to present value considering an average payment period of 72 days (81 days on December 31, 2023) and an average funding rate of 12.22% p.a. (10.18% p.a. on December 31, 2023). The balancing entry of the adjustment to present value is the inventories account, and is recognized in the statement of income in the cost of goods sold account upon sale. The recomposition of the balance of liabilities related to interest over time is recognized as financial expenses.

14. LOANS, FINANCING, DEBENTURES AND DERIVATIVES

14.1 Accounting policy

We recognize at fair value upon receipt and then measure at amortized cost as provided for in the agreement (plus charges, interest calculated at the effective rate, inflation adjustments, exchange-rate changes and amortization incurred up to the balance sheet dates).

The loan balance is measured at fair value, reflecting current market expectations of future values, using the discounted cash flow valuation technique (conversion of future cash flows into a single value).

14.2 Breakdown of loans, financing, debentures and derivatives

			Parent Company and Consolidated	
Bank	**Type**	**Average interest rate**	**12/31/2024**	**12/31/2023**
Loans – in domestic currency				
Banco do Brasil	Working capital	115% CDI.	-	33,192
Banco do Brasil	Working capital	120% CDI.	-	35,929
Santander	Working capital	CDI + 1.69% p.a.	-	81,141
Santander	Working capital	CDI + 2.65% p.a.	-	100,224
Loans - in foreign currency				
Banco Itaú (i)	4131 – EUR	EUR + 6.31% p.a.	-	96,985

(Amounts expressed in thousands of Reais)

Banco do Brasil S.A.	4131 – EUR	EUR + 5.19% p.a.	57,409	-
Banco Santander	4131 - USD	USD + 6.31% p.a.	170,520	-
			227,929	**347,471**
Financing				
Banco do Brasil	FCO	4.12% p.a.	4,490	8,628
Banco do Nordeste do Brasil	FNE	TLP_IPCA + 2.18%	1,107	4,429
Bradesco	FINAME	TLP IPCA + 8.77%	18,005	29,895
Banco do Nordeste do Brasil	FNE	TFC + 5.86%	7,847	-
Banco do Nordeste do Brasil	FNE	TFC + 7.16%	4,692	-
			36,141	**42,952**
Debentures and commercial notes				
6th Issue of Debentures	Unsecured	CDI + 1.75%	67,566	101,417
6th Issue of Debentures	Unsecured	CDI + 2.20%	354,999	354,819
7th Issue of Debentures	Unsecured	CDI + 1.70%	527,070	529,093
BTG	1st Issue of Commercial Note	CDI + 2.23% p.a.	-	151,940
BRADESCO	2nd Issue of Commercial Note	CDI + 2.30% p.a.	-	107,733
BRADESCO	3rd Issue of Commercial Note	CDI + 1.50% p.a.	202,671	-
			1,152,306	**1,245,002**
Total loans, financing and debentures			**1,416,376**	**1,635,425**
Current			369,751	430,286
Non-current			1,046,625	1,205,139
Financial instruments Swap Itaú x EUR (i)			(22,665)	5,209
Financial instruments Swap Banco do Brasil x EUR (i)			(7,528)	-
Total loans, financing, debentures and derivatives			**1,386,183**	**1,640,635**
Current			377,469	430,286
Non-current			1,008,714	1,205,139

(i) The Company raised these funds in foreign currency in the modality "4131", exempt from the IOF tax. In order to protect the foreign exchange exposure of these operations, the Company contracted swaps with the same term, rate and value, with a cost of CDI + 2.38% p.a. (Banco Itaú), CDI + 1.38% p.a. (Banco do Brasil) and CDI + 1.23% p.a. (Banco Santander).

14.3 Changes in balance of loans, financing, debentures and derivatives

	Parent Company and Consolidated	
	12/31/2024	**12/31/2023**
Opening balances	1,640,634	1,574,270
Borrowings and financing	408,334	583,678
Forfait operations (i)	-	(241,331)
Interest incurred	172,401	210,562
Amortization of principal	(645,460)	(278,144)
Amortization of interest	(189,722)	(206,444)

(Amounts expressed in thousands of Reais)

Exchange-rate changes	37,773	(7,094)
Adjustment to present value – Forfait risk	-	3,410
Changes in the amount of financial liabilities measured at fair value	(35,402)	4,346
Appropriation to income (loss) from transaction costs	(2,375)	(2,619)
Closing balances at December 31	**1,386,183**	**1,640,634**

(i) The changes presented in 2023 corresponds to the settlement of the risk operations drawn up until then contracted. The Company will no longer be contracting operations of this nature in 2024.

14.4 Debentures' characteristics

The 6th issue of simple debentures was realized on November 5, 2021 in the amount of R$ 450,000, with the first series being remunerated by the variation of CDI +1.75% p.a. maturing on November 5, 2026, and the second series being remunerated by the variation of CDI + 2.20% p.a. maturing on November 5, 2028. The 7th issue was realized on July 15, 2022 in the amount of R$ 500,000, maturing on July 15, 2026 being remunerated by the variation of CDI +1.70% p.a.

Issues are "non-convertible" into shares, unsecured, with additional personal guarantee for public distribution with restricted placement efforts, under the terms of the Instruction 476 of the Brazilian Securities and Exchange Commission ("CVM"). The debentures do not have renegotiation clauses. The funds raised were used to reinforce working capital.

14.5 Schedule of disbursement for loans, financing, and debentures - non-current

	12/31/2024	12/31/2023
01/01/2025–12/31/2025	-	567,760
01/01/2026–12/31/2026	467,958	288,237
01/01/2027–12/31/2028	537,111	349,143
01/01/2029–12/31/2030	3,640	-
Total – non-current	**1,008,708**	**1,205,139**

14.6 Guarantees

	12/31/2024	12/31/2023
Surety/guarantee (Related parties - Note 8)	5,573	13,132
Lien of credit rights	283	17,901
Bank guarantees	26,272	12,000
Real estate (Related parties – Note 8)	52,183	52,183
	84,311	**95,216**

14.7 Covenants

The financial ratios and limits are verified quarterly based on the Company's quarterly information until full payment of the amounts owed. As of December 31, 2024, these ratios were within the contractually defined limits.

15. LEASE LIABILITIES

(Amounts expressed in thousands of Reais)

15.1 Accounting policy

Of the contracts covered by CPC 06 (R2)/IFRS 16, only the fixed minimum rent is considered a lease component to assess liability. The measurement of the lease liability corresponds to the total future payments of fixed rents (gross of taxes), discounted at an incremental interest rate. The nominal discount rate corresponds to the average borrowing rates.

15.2 Breakdown of leases payable

	Parent Company		Consolidated	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Properties	1,693,541	1,745,797	1,990,711	2,056,876
IT equipment	69,804	34,418	69,804	34,418
Machinery and equipment	30,206	30,627	30,206	30,627
	1,793,551	**1,810,842**	**2,090,721**	**2,121,921**

15.3 Changes in lease payable for the year ended December 31, 2024

	Parent Company			
	Real estate	IT equipment	Machinery and equipment	Total
Balances at January 01, 2024	1,745,797	34,418	30,627	1,810,842
Additions	79,518	56,733	6,920	143,171
Remeasurements	63,660	3,845	4,325	71,830
Write-offs	(23,173)	(2,777)	(426)	(26,376)
Interest incurred	152,378	10,627	4,486	167,491
Payments	(324,638)	(33,043)	(15,726)	(373,407)
Balances at December 31, 2024	**1,693,542**	**69,803**	**30,206**	**1,793,551**
Current	175,367	27,088	14,727	217,182
Non-current	1,518,175	42,715	15,479	1,576,369

	Consolidated			
	Real estate	IT equipment	Machinery and equipment	Total
Balances at January 01, 2024	2,056,876	34,418	30,627	2,121,921
Additions	89,892	56,733	6,920	163,994
Remeasurements	121,125	3,845	4,325	118,846
Write-offs	(33,662)	(2,777)	(426)	(36,865)
Interest incurred	181,531	10,627	4,486	196,644
Payments	(425,050)	(33,043)	(15,726)	(473,819)
Balances at December 31, 2024	**1,990,712**	**69,803**	**30,206**	**2,090,721**
Current	256,934	27,088	14,727	298,749
Non-current	1,733,778	42,715	15,479	1,791,972

(Amounts expressed in thousands of Reais)

15.4 Changes in lease payable for the year ended December 31, 2023

	Parent Company			
	Real estate	IT equipment	Machinery and equipment	Total
Balances at January 1, 2023	1,809,370	67,027	13,400	1,889,797
Additions and remeasurements	120,751	2	28,969	149,722
Write-offs	(17,345)	(3,565)	(137)	(21,047)
Interest incurred	152,784	4,944	2,285	160,013
Payments	(319,763)	(33,990)	(13,890)	(367,643)
Balances at December 31, 2023	**1,745,797**	**34,418**	**30,627**	**1,810,842**
Current	222,825	31,001	11,686	265,512
Non-current	1,522,972	3,417	18,941	1,545,330

	Consolidated			
	Real estate	IT equipment	Machinery and equipment	Total
Balances at January 1, 2023	2,159,066	67,027	13,400	2,239,493
Additions and remeasurements	221,947	2	28,969	250,918
Write-offs	(105,041)	(3,565)	(137)	(108,743)
Interest incurred	201,372	4,944	2,285	208,601
Payments	(420,468)	(33,990)	(13,890)	(468,348)
Balances at December 31, 2023	**2,056,876**	**34,418**	**30,627**	**2,121,921**
Current	293,259	31,001	11,686	335,946
Non-current	1,763,617	3,417	18,941	1,785,975

15.5 Maturity schedule of lease liabilities

	Parent Company		Consolidated	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
01–02 years	261,299	274,038	339,571	359,240
02–05 years	524,483	706,296	630,648	835,025
>05 years	790,587	564,996	821,753	591,710
Total	**1,576,369**	**1,545,330**	**1,791,972**	**1,785,975**

15.6 Potential PIS and COFINS credit

The Company has the right to PIS and COFINS credits in rental contracts recorded in accordance with NBC TG 06 (R3)/ CPC 06 upon their payment. The potential of these tax credits is presented below. Some real estate rental lease agreements do not generate the right to PIS and COFINS credits, as they are signed with individual lessors. Therefore, this credit is now allowed by tax legislation.

	Parent Company	Consolidated

	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Lease consideration	2,055,592	2,027,663	2,318,458	2,303,842
Potential PIS/COFINS (9.25%)	190,142	187,559	214,457	213,105

15.7 Flows considering inflation and nominal rates

In accordance with CVM/SNC/SEP Circular Letter No. 02/2019, the Company adopted the requirements of NBC TG 06 (R2)/CPC 06 in the measurement and remeasurement of its right-of-use, and started using the discounted cash flow technique, not considering the inflation. Aiming to safeguard the reliable representation of the information in face of the requirements of NBC TG 06 (R2)/CPC 06 and to meet the guidelines of the Brazilian Securities and Exchange Commission (CVM) technical areas, the balances of liabilities are provided without inflation (actual flow x nominal rate), and the estimate of inflated balances are provided in comparison periods (nominal flow x nominal rate).

	Parent Company			
	Actual flow		Inflation updated flow	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Properties	1,693,541	1,745,797	1,804,299	1,690,281
IT equipment	69,804	34,418	73,174	36,008
Machinery and equipment	30,206	30,627	31,665	32,042
Total	**1,793,551**	**1,810,842**	**1,909,138**	**1,758,331**

	Consolidated			
	Actual flow		Inflation updated flow	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Properties	1,990,711	2,070,143	2,119,771	2,004,313
IT equipment	69,804	34,418	73,174	36,008
Machinery and equipment	30,206	30,627	31,665	32,042
Total	**2,090,721**	**2,135,188**	**2,224,610**	**2,072,363**

16. TAXES PAYABLE

	Parent Company		Consolidated	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
ICMS	62,138	40,952	86,218	61,990
INSS/FGTS	34,125	22,382	36,330	36,026
ISS	3,076	4,250	3,324	4,478
PERT	3,713	5,554	3,713	5,554
Withholding taxes	-	629	28	5,636

(Amounts expressed in thousands of Reais)

Other	437	935	459	1,069
Total	**103,489**	**74,702**	**130,072**	**114,753**
Current	100,150	71,129	126,733	111,180
Non-current	3,339	3,573	3,339	3,573

17. PROVISION FOR LEGAL DISPUTES AND JUDICIAL DEPOSITS

17.1 Balance of provision for lawsuits

	Parent Company		Consolidated	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Administrative	1,087	887	1,087	887
Civil	2,821	3,229	3,708	3,983
Labor	20,602	8,342	23,077	11,741
Tax	435	418	5,278	5,261
Provision for contingencies	24,945	12,876	33,150	21,872
Contingent liabilities in business combination	36,263	57,217	36,263	57,217

Provision for civil lawsuits is formed by lawsuits with individual amounts that are pulverized and arise mainly from moral and/or material damages that occurred in two situations: consumer relations and the occurrence of robberies inside our stores.

Provision for labor claims is formed by lawsuits whose individual amounts are also pulverized and basically refer to severance payments, related to overtime or salary differences and which may impact adjustments in other amounts, such as vacation pay, FGTS and prior notice.

The increase in provision for labor contingencies in 2024 refers mainly to new lawsuits discussing the additional salary floor for pharmacists.

The provision for tax claims is principally related to accounting discussions and the respective calculation of ICMS tax replacement related to operations carried out in the state of Ceará.

Contingent liabilities in business combinations correspond to the fair value adjustment of Extrafarma's contingent liabilities on the date of the business combination. As these are contingent liabilities prior to the acquisition of the Subsidiary, the contract provides that any disbursements will be indemnified by the seller, so that the Company has an indemnifiable asset recorded in the same amount as the balance of the provision for contingent liabilities in a business combination.

(Amounts expressed in thousands of Reais)

17.2 Changes in lawsuits in the twelve-month period ended December 31, 2024

Parent Company					
	12/31/2023	Additions	Reversal	Payments	12/31/2024
Administrative	887	1,135	(145)	(790)	1,087
Civil	3,229	1,322	(390)	(1,340)	2,821
Labor	8,342	27,982	(1,343)	(14,379)	20,602
Tax	418	353	(105)	(231)	435
Contingent liabilities in business combination (i)	57,217	-	(20,954)	-	36,263
Total	**70,093**	**30,792**	**(22,937)**	**(16,740)**	**61,208**

Consolidated					
	12/31/2023	Additions	Reversal	Payments	12/31/2024
Administrative	887	1,135	(145)	(790)	1,087
Civil	3,983	2,092	(496)	(1,871)	3,708
Labor	11,741	32,660	(2,525)	(18,799)	23,077
Tax	5,261	355	(106)	(232)	5,278
Contingent liabilities in business combination (i)	57,217	-	(20,954)	-	36,263
Total	**79,089**	**36,242**	**(24,226)**	**(21,692)**	**69,413**

17.3 Changes in lawsuits in the year ended December 31, 2023

Parent Company					
	12/31/2022	Additions	Reversal	Payments	12/31/2023
Administrative	766	555	(55)	(379)	887
Civil	3,349	1,014	(199)	(935)	3,229
Labor	11,674	5,575	(61)	(8,846)	8,342
Tax	302	344	(15)	(213)	418
Contingent liabilities in business combination (i)	63,706	-	(6,489)	-	57,217
Total	**79,797**	**7,488**	**(6,819)**	**(10,373)**	**70,093**

Consolidated					
	12/31/2022	Additions	Reversal	Payments	12/31/2023
Administrative	766	555	(55)	(379)	887
Civil	3,802	2,221	(348)	(1,692)	3,983
Labor	17,460	7,242	(227)	(12,734)	11,741
Tax	5,178	367	(55)	(229)	5,261
Contingent liabilities in business combination (i)	63,706	-	(6,489)	-	57,217

(Amounts expressed in thousands of Reais)

Total	**90,912**	**10,385**	**(7,174)**	**(15,034)**	**79,089**

(i) According to the acquisition agreement for the subsidiary Extrafarma, the selling shareholders undertake to indemnify the Company or its subsidiary in the event of losses arising from existing contingencies, the triggering events for which have occurred up to the closing date of the transaction. To this end, the Company formed a provision for contingent liabilities in the business combination as a contra entry to an indemnity asset, equivalent to the fair value of the indemnified liability, as above. The changes in 2024 are due to the closure of the proceedings in force at the time of the transaction.

17.4 Contingent liabilities – Risk of possible loss

On December 31, 2024, the Company was party to lawsuits classified by its legal advisors, with a possible risk of loss totaling R$ 461,503 (R$ 440,622 on December 31, 2023) by the Parent Company and in the Consolidated in the amount of R$ 696,654 (R$ 550,534 on December 31, 2023), of which R$ 36,263 are contingent liabilities assumed in a business combination.

The nature and estimate are shown below:

	Parent Company		Consolidated	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Administrative	11,002	9,255	11,002	9,255
Civil	4,487	7,967	31,554	21,548
Labor	58,223	75,407	80,238	91,866
Tax	387,791	347,993	573,860	427,865
Total	**461,503**	**440,622**	**696,654**	**550,534**

Tax: These refer to notifications, mostly tax related, of debit entries which in the opinion of the Company and its legal advisors, are devoid of factual basis, therefore having strong possibilities of annulment, among which we describe the principal cases:

i) Annulment suit of ICMS debits (parent company)

Annulment suit seeking the cancellation of the tax assessment notice in the restated amount of R$ 101,398 (R$ 99,512 on December 31, 2023), which was drawn up to demand amounts of ICMS resulting from the accounting of credits in amounts higher than those highlighted in the invoices of products purchased, intended for sale, which, according to the auditors, would have (in the opinion of the tax authorities) caused an omission of payment of ICMS in the period from March 2014 to December 2018.

ii) PIS and COFINS credits on inputs (parent company)

Tax assessment notice served in December 2020, whose restated amount is R$ 154,416 (R$ 144,138 on December 31, 2023), requiring amounts due for PIS and COFINS arising from tax credits recorded in the period from December 2015 to December 2016, related to expenses with goods and services used as inputs for consumption (examples: cleaning services, card administration fees, freight, among others), in which the Federal Revenue Service, based on the restrictive interpretation of art. 3, item II, of Laws 10.637/02 and 10.833/03 and due to the fact that the Company's activity is retail trade, does not understand this to be possible.

(Amounts expressed in thousands of Reais)

iii) Collection of ICMS in advance (subsidiary Extrafarma)

Tax assessment notice drawn up in February 2024, with an updated value of R$ 53,152, demanding the additional payment of ICMS in advance on interstate purchases of medicines and pharmaceutical products in the state of Pará, for the period from March to December 2019. The Company considers that this lawsuit does not generate a cash effect, considering that the selling shareholders of Extrafarma must indemnify the Company if this lawsuit has an unfavorable outcome, since the triggering event occurred before the closing date of the business combination.

Labor: These refer to claims arising from severance pay that, in the Company's opinion, were fully settled at the time of termination, thus generating confidence in their inadmissibility.

Administrative: These refer to notifications originating in procedures adopted at the branches, which are, in the majority of cases, mere misunderstandings in the interpretation of the rule.

Civil: These refer to moral and/or material damages, in the opinion of the plaintiff, suffered inside our stores. As the Company's policy is of service to and total respect for the consuming public, it is understood that the interpretation is unfounded.

17.5 Judicial deposits

As of December 31, 2024 and December 31, 2023, the Company had the following amounts of judicial deposits for which there were no corresponding provision:

	Parent Company		Consolidated	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Administrative	-	100	-	100
Civil	10,645	11,539	11,707	12,549
Labor	14,006	12,099	17,295	15,379
Tax	1,496	1,485	1,579	2,009
Total	**26,147**	**25,223**	**30,581**	**30,038**

18. SHAREHOLDERS' EQUITY

18.1 Capital

	12/31/2024	12/31/2023
Paid-up capital	1,764,549	1,647,539
(-) Costs with issue of shares	(42,691)	(42,691)
Total	**1,721,858**	**1,604,848**

The evolution of capital and paid-up shares is shown below:

(Amounts expressed in thousands of Reais)

	Number of shares	Amount
Balance at January 01, 2023	**443,781,062**	**1,241,689**
Capital increase approved on 04/04/2023	20,049,023	73,780
Capital increase approved on 09/29/2023	77,950,375	332,070
Balance at December 31, 2023	**541,780,460**	**1,647,539**
Capital increase approved on 03/27/2024	39,935,179	117,010
Balance at December 31, 2024	**581,715,639**	**1,764,549**

18.2 Capital reserve

	12/31/2024	12/31/2023
Goodwill in the issue of shares (i)	386,650	386,650
Cost for the issue of shares (ii)	(11,390)	(11,390)
Restricted stock option plan (iii)	21,483	7,989
Treasury shares (Note 18.4)	(22,106)	(16,967)
Merger reserve	330	330
Total	**374,967**	**366,612**

i. In accordance with the Investment Agreement between the Company and General Atlantic Brasil Investimentos S.A., a goodwill reserve was established upon the issuance of shares in the amount of R$ 397,357, and in 2017 and 2018 a reversal of R$ 6,527 and R$ 4,180 was made, respectively, due to indemnities paid to the subscribing shareholders.
ii. Amount referring to the cost of R$ 11,390 for the issuance of new shares in the investment operation by General Atlantic Brasil Investimentos S.A. in 2015.
iii. In 2020, the creation of a Restricted Stock Plan was approved, the details of that plan and the grants assigned are disclosed in Note 19.

18.3 Profit reserves

The Legal reserve is formed at the rate of 5% of net income calculated each fiscal year up to the limit of 20% of the capital, after the allocation of tax incentive reserve.

The tax incentive reserve is recorded from the portion of profit arising from investment grants received by the Company.

18.4 Treasury shares

On December 9, 2020, the Company's Board of Directors approved the opening of a Repurchase Program for up to 1,100,000 common shares. Additionally, on December 1, 2021, a new Repurchase Program for up to 2,000,000 shares was approved, ending on March 1, 2022 and on August 1, 2022, a new Repurchase Program for up to 5,000,000 shares, lasting 6 months, ending on February 1, 2023, was approved. Finally, a Repurchase Program of up to 5,000,000 shares was approved, starting on October 3, 2023 and ending on April 03, 2024.

Under these Programs, the Company acquired from the launch date up to the closing date, the amount of 15,883,600 common shares with a total value of R$ 74,215, at an average cost of R$ 4.67, of which 7,353,440 shares remain in treasury at an average cost of R$ 3.01, totaling the amount of R$ 22,107.

19. LONG-TERM INCENTIVE WITH RESTRICTED SHARES

(Amounts expressed in thousands of Reais)

The Long-Term Incentive Plan with Restricted Shares ("Restricted Shares Plan") of the Company was approved at an Extraordinary General Meeting held on April 25, 2023 with the objective of the granting of restricted shares to participants selected by the Board of Directors, with a view to: (i) attract and retain Company's high-level directors, managers and employees; (ii) grant the participants the opportunity to become shareholders of the Company, obtaining, as a result, a greater alignment of their interests with the interests of the Company; and (iii) develop the Company's corporate purposes and the shareholders' interests. During the term of the Restricted Share Plan, shares representing up to 1.5% of the Company's capital may be delivered to the participants. The balance of Restricted Stock Plan on December 31, 2024 is R$ 21,484 (R$ 7,989, on December 31, 2023).

On June 02, 2023, the Board of Directors approved, within the scope of the Restricted Shares Plan, the following Share Grant Programs:

i. Restricted stock option plans ("Regular Program"): the Participant will be entitled to receive, in accordance with the terms and conditions provided for in the Grant Agreement, a total target amount corresponding to his/her gross monthly salary multiplied by the multiple of salaries applicable to his/her respective position, which will be settled in cash and/or Restricted Shares, conditioned on the Participant's continued presence as an administrator or employee of the Company throughout the Program effectiveness;
ii. Performance Shares Program: the Participant will be entitled to receive, in accordance with the terms and conditions provided for in the Grant Agreement, a total target amount corresponding to his/her gross monthly salary multiplied by the multiple of salaries applicable to his/her respective position, which will be settled in cash and/or Restricted Shares, conditioned on the Company achieving the performance targets established according to the metrics provided for in the Program;
iii. Matching Shares Program: the Participant will be entitled to receive a matching value corresponding to the portion of his/her net annual bonus used in the acquisition of common shares issued by the Company, which will be settled in Restricted Shares, subject to the terms and conditions provided for in the Program.

The Board of Directors is responsible for selecting the Directors, independent Board of Directors members, managers and high-level employees of the Company, in whose behalf the Company grants one or more common, registered, book-entry shares without par value, issued by the Company and subject to the restrictions provided for in the Restricted Share Plan, program and/or in the respective grant agreement.

20. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share for the years ended December 31, 2024 and 2023 is as follows:

	12/31/2024	12/31/2023
Net income attributable to controlling shareholders	103,099	2,516
Weighted number of shares, net of treasury shares (thousand)	569,249	476,773
Potential increase in shares due to the warrant (thousand)	25,983	25,983
Earnings per share – R$	0.1811	0.0053
Diluted earnings per share - R$	0.1732	0.0050

(Amounts expressed in thousands of Reais)

21. NET OPERATING REVENUE

21.1 Accounting policy

Revenues are recorded at the amount of consideration the Company expects to receive in exchange for the goods and services provided to the clients. In the consolidated, revenues between related parties are eliminated.

	Parent Company		Consolidated	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Sale of goods	11,652,404	10,111,976	13,530,757	11,920,256
Services rendered	35,777	37,978	40,176	40,603
Gross revenue	11,688,181	10,149,954	13,570,933	11,960,859
Sales taxes	(654,442)	(544,912)	(777,641)	(645,578)
Refunds and rebates	(76,990)	(68,577)	(92,422)	(80,542)
Adjustment to present value	(50,639)	(29,126)	(59,045)	(32,617)
Sales deductions	(782,071)	(642,615)	(929,108)	(758,737)
Net revenue	**10,906,110**	**9,507,339**	**12,641,825**	**11,202,122**

22. COSTS AND EXPENSES

Classified by account:

	Parent Company		Consolidated	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Cost of goods sold	(7,654,137)	(6,624,835)	(8,615,709)	(7,656,883)
Sales expenses	(2,429,312)	(2,219,753)	(3,072,840)	(2,848,232)
General and administrative expenses	(353,177)	(247,287)	(386,182)	(325,854)
Total costs and expenses	**(10,436,626)**	**(9,091,875)**	**(12,074,731)**	**(10,830,969)**

Classified by nature:

	Parent Company		Consolidated	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Acquisition cost of goods	(7,654,137)	(6,624,835)	(8,615,709)	(7,656,883)
Personnel expenses	(1,523,279)	(1,334,073)	(1,912,631)	(1,717,887)
Expenses with occupation	(68,884)	(58,196)	(80,745)	(79,374)
General expenses	(802,793)	(686,251)	(947,517)	(843,354)
Depreciation and amortization	(387,533)	(388,520)	(518,129)	(533,471)
Total costs and expenses	**(10,436,626)**	**(9,091,875)**	**(12,074,731)**	**(10,830,969)**

(Amounts expressed in thousands of Reais)

23. FINANCIAL INCOME (LOSS)

	Parent Company		Consolidated	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Financial revenues				
Revenues from interest earning bank deposits	5,562	10,810	5,953	10,963
Adjustment to fair value of derivative instruments	63,745	27,229	63,745	27,229
Adjustment to present value	49,604	30,525	57,723	33,651
Inflation adjustment	38,405	6,630	38,405	6,650
Exchange-rate change	20,212	15,648	20,212	15,648
Other financial revenues	31	12	38	28
Total financial revenue	**177,559**	**90,854**	**186,076**	**94,169**
Financial expenses				
Accrued interest	(189,763)	(261,744)	(190,869)	(264,424)
Lease interest	(167,491)	(160,013)	(192,772)	(208,602)
Interest from advance of receivables	(39,127)	(62,193)	(53,359)	(79,372)
Adjustment to fair value derivative instruments	(37,243)	(43,021)	(37,243)	(43,021)
Adjustment to present value	(138,686)	(127,981)	(215,684)	(168,989)
Exchange-rate change	(57,985)	(8,554)	(57,985)	(8,554)
Other financial expenses	(9,953)	(16,216)	(10,046)	(16,403)
Total financial expense	**(640,248)**	**(679,722)**	**(757,957)**	**(789,365)**
Financial income (loss)	**(462,689)**	**(588,868)**	**(571,881)**	**(695,196)**

24. FINANCIAL INSTRUMENTS

24.1 Financial instruments by category

	Parent Company		
	Amortized cost	Fair value	Total
Financial assets			
Cash and cash equivalents	126,430	-	126,430
Interest earning bank deposits	2,246	-	2,246
Trade accounts receivable	945,257	-	945,257
Financial liabilities			
Suppliers	(1,842,120)	-	(1,842,120)
Loans and financing	(264,069)	-	(264,069)
Debentures and commercial notes	(1,152,307)	-	(1,152,307)
Lease liabilities	(1,793,551)	-	(1,793,551)
Derivative financial instruments (Swaps)	-	30,193	30,193
Balance at December 31, 2024	**(4,445,266)**	**30,193**	**(4,415,073)**

	Consolidated		
	Amortized cost	Fair value	Total
Financial assets			
Cash and cash equivalents	149,126	-	149,126
Interest earning bank deposits	2,246	-	2,246
Trade accounts receivable	577,815	-	577,815
Financial liabilities			
Suppliers	(2,340,347)	-	(2,340,347)
Loans and financing	(264,069)	-	(264,069)

(Amounts expressed in thousands of Reais)

Debentures and commercial notes	(1,152,307)	-	(1,152,307)
Lease liabilities	(2,090,721)	-	(2,090,721)
Derivative financial instruments (Swaps)		30,193	30,193
Balance at December 31, 2024	**(5,118,257)**	**30,193**	**(5,088,064)**

	Parent Company		
	Amortized cost	Fair value	Total
Financial assets			
Cash and cash equivalents	384,890	-	384,890
Interest earning bank deposits	5,585	-	5,585
Trade accounts receivable	711,872	-	711,872
Financial liabilities			
Suppliers	(1,631,854)	-	(1,631,854)
Loans and financing	(390,423)	-	(390,423)
Debentures and commercial notes	(1,245,002)	-	(1,245,002)
Lease liabilities	(1,810,842)	-	(1,810,842)
Derivative financial instruments (Swaps)	-	(5,209)	(5,209)
Balance at December 31, 2023	**(3,975,774)**	**(5,209)**	**(3,980,983)**

	Consolidated		
	Amortized cost	Fair value	Total
Financial assets			
Cash and cash equivalents	438,500	-	438,500
Interest earning bank deposits	5,585	-	5,585
Trade accounts receivable	513,573	-	513,573
Financial liabilities			
Suppliers	(1,936,165)	-	(1,936,165)
Loans and financing	(390,423)	-	(390,423)
Debentures and commercial notes	(1,245,002)	-	(1,245,002)
Lease liabilities	(2,135,188)	-	(2,135,188)
Derivative financial instruments (Swaps)		(5,209)	(5,209)
Balance at December 31, 2023	**(4,749,120)**	**(5,209)**	**(4,754,329)**

24.2 Fair value hierarchy

The following table presents the financial instruments whose values were recorded at fair value and their respective hierarchies.

	12/31/2024		
Description	Level 1	Level 2	Level 3
Derivative financial instruments (liability balance of foreign currency swaps)	-	30,193	-

	12/31/2023		
Description	Level 1	Level 2	Level 3
Derivative financial instruments (liability balance of foreign currency swaps)	-	(5,209)	-

Different levels were defined as follows:

Level 1 - Prices quoted in active markets for identical assets and liabilities;
Level 2 - Inputs, except for quoted prices, included in Level 1 which are observable for assets or liabilities, directly (prices) or indirectly (derived from prices);

Level 3 - Assumptions, for assets or liabilities, which are not based on observable market data (non-observable inputs).

24.3 Fair value measurement

Valuation techniques used in the measurement of Level 2 and 3 fair values, as well as significant non-observable inputs used are detailed below:

Derivative financial instruments measured at fair value through profit or loss

To hedge its obligations indexed to the US dollar against exchange rate fluctuations, swap operations were carried out to convert debts indexed to the USD into CDI.

The fair value of these liabilities is based on the discount of estimated future cash flows based on the conditions and maturity of each contract and using the exchange rate plus a spread, which is obtained by means of quotes with financial institutions, reflecting any change in the Company's risk scenario during the discounted period.

The gains and losses of these contracts are directly related to exchange rate fluctuations (dollar and euro in 2024 and euro in 2023) and the CDI, being recorded in the income (loss) for the period, in the “revenues and expenses with derivative financial instruments”.

24.4 FINANCIAL RISK FRAMEWORK AND MANAGEMENT

24.5 Credit risk

Credit risk is the risk of the Company incurring losses on clients or counterparties in a financial instrument, resulting from failure in complying with contract obligations.

The Company is exposed to credit risk for cash and cash equivalents, accounts receivable with credit card administrators and derivative instruments.

Cash and cash equivalents, interest earning bank deposits, and derivative instruments.

The Company has balances receivable from financial institutions related to cash and cash equivalents and interest earning bank deposits totaling R$ 128,676 and R$ 151,372, parent company and consolidated, respectively (R$ 390,475 and R$ 444,085 on December 31, 2023). Credit risk with financial institutions is administered by the Company’s Treasury department in accordance with the policy established. These funds are scattered in certain financial institutions to minimize risk concentration and, therefore, mitigate financial losses in case of possible default of a counterparty.

Accounts receivable from credit card companies

For accounts receivable balances, credit risk is mitigated by the fact that a large portion of the Company’s sales is made using the credit card as the payment method, which is substantially guaranteed by the credit card companies. He balance receivable from clients is diversified, with no individual material amounts.

Considering possible risk arising from transfer from credit card companies, this is controlled through a rigorous daily process of reconciliation between billings and receipts.

(Amounts expressed in thousands of Reais)

The balances of debit and credit cards companies' receivable by maturity age are shown as follows:

	Parent Company		Consolidated	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Falling due (days):				
01–30	44,282	106,986	68,013	120,251
31–60	160,558	154,840	184,595	184,600
61–90	107,861	80,011	128,261	94,369
>90	116,983	65,705	137,927	77,100
Total	**429,684**	**407,542**	**518,796**	**476,320**

There are no overdue balances held with credit card companies.

24.6 Liquidity risk

Liquidity risk is the risk of the Company encountering difficulties in performing the obligations associated with its financial liabilities that are settled with cash payments or with another financial asset. The Company's approach in liquidity management is to guarantee that it always has sufficient liquidity to perform its obligations upon maturity, under normal and stress conditions, without causing unacceptable losses or jeopardizing the Company's reputation.

The Company monitors its cash flow through periodic stress tests, which allows, in addition to the fulfillment of financial obligations, the realization of short-term operations in the financial market to monetize any cash surpluses.

Contractual maturities of the main financial instruments - assets and liabilities are shown below:

Parent Company

December 31, 2024	Book value	Contractual amount	≤1 year	01–02 years	02–05 years	>05 years
Suppliers (note 13)	(1,842,120)	(1,842,120)	(1,842,120)	-	-	-
Lease (Note 15)	(1,793,551)	(1,793,551)	(217,182)	(261,299)	(524,483)	(797,587)
Loans and financing (Note 14)	(264,069)	(264,069)	(47,895)	(105,059)	(110,849)	(266)
Debentures (Note 14)	(1,152,307)	(1,152,307)	(321,856)	(381,542)	(448,909)	-
Derivative financial instruments (foreign currency swaps)	30,193	30,193	(7,718)	18,643	19,268	-

Consolidated

December 31, 2024	Book value	Contractual amount	≤1 year	01–02 years	02–05 years	>05 years
Suppliers (note 13)	(2,340,346)	(2,340,346)	(2,340,346)	-	-	-
Lease (Note 15)	(2,090,721)	(2,090,721)	(298,749)	(339,571)	(630,648)	(821,753)
Loans and financing (Note 14)	(264,069)	(264,069)	(47,895)	(105,059)	(110,849)	(266)
Debentures (Note 14)	(1,152,307)	(1,152,307)	(321,856)	(381,542)	(448,909)	-
Derivative financial instruments (foreign currency swaps)	30,193	30,193	(7,718)	18,643	19,268	-

Parent company

December 31, 2023	Book value	Contractual amount	≤1 year	01–02 years	02–05 years	>05 years

Suppliers (note 13)	(1,631,854)	(1,631,854)	(1,631,854)	-	-	-
Lease (Note 15)	(1,810,842)	(1,810,842)	(265,512)	(274,038)	(507,651)	(763,641)
Loans and financing (Note 14)	(390,423)	(390,423)	(347,608)	(36,682)	(6,133)	-
Debentures (Note 14)	(1,245,002)	(1,245,002)	(82,678)	(531,078)	(631,246)	-
Derivative financial instruments (foreign currency swaps)	(5,209)	(5,209)	(5,209)	-	-	-

	Consolidated					
December 31, 2023	**Book value**	**Contractual amount**	**≤1 year**	**01–02 years**	**02–05 years**	**>05 years**
Suppliers (note 13)	(1,936,165)	(1,936,165)	(1,936,165)	-	-	-
Lease (Note 15)	(2,121,921)	(2,121,921)	(335,946)	(359,240)	(621,435)	(805,300)
Loans and financing (Note 14)	(390,423)	(390,423)	(347,608)	(36,682)	(6,133)	-
Debentures (Note 14)	(1,245,002)	(1,245,002)	(82,678)	(531,078)	(631,246)	-
Derivative financial instruments (foreign currency swaps)	(5,209)	(5,209)	(5,209)	-	-	-

24.7 Market risk

It is the risk that alterations in market prices, such as exchange rates and interest rates and prices of goods, have an impact in the Company's earnings, or in the value of its holdings of financial instruments.

Management understands that, in the context of the Company, all market risks mentioned above are mitigated and refer mainly to fluctuations in interest and exchange rates.

24.8 Interest rate risk

The Company seeks to diversify borrowings in terms of fixed or floating-rates, and under certain circumstances contract derivative financial instrument operations to hedge the financial cost of the operations.

The changes in the interest rates affect both financial assets and liabilities of the Company. We show below the impacts of such changes on the profitability of financial investments and on the indebtedness in Company's domestic currency, indexed to the CDI. The sensitivity of the Company's financial assets and liabilities was shown in two scenarios besides the probable one.

We present a scenario with the nominal rates verified on December 31, 2024 (book balance based on the 12.15% p.a. closing CDI rate) and the probable scenario considered by Management, which corresponds to the forecast of the CDI curve considering as a base the closing on December 31, 2024, according to the BM&F Bovespa interest curve for CDI (between December 2024 and February 2030) and two other scenarios with a 25% increase (Scenario I) and a 50% increase (Scenario II) in these indexes.

Additional sensitivity analysis

The Company's financial instruments consist of cash and cash equivalents, interest earning bank deposits, accounts receivable, suppliers, loans and financing, debentures and leases and are recorded at the cost, plus any earnings or charges incurred, which as of December 31, 2024 and December 31, 2023 are close to market value. Risks related to the Company's operations are linked to CDI (Interbank Deposit Certificate) change.

(Amounts expressed in thousands of Reais)

With respect to loans and financing and debentures, they refer to operations whose registered value is close to the market value of these financial instruments. The investments with CDI are recorded at market value, according to quotations announced by the respective financial institutions and the others mainly refer to bank deposit certificates, repurchase and resale agreements and investment funds. Therefore, the recorded value of these securities does not differ from the market value.

In order to check the sensitivity of the index to which the Company was exposed to at December 31, 2024, we defined the following three scenarios. The likely scenario considers the current interest rate curve projected by the Central Bank. From this, changes of 25% (Scenario II) and 50% (Scenario III) were calculated, sensitizing the rise and fall of the indexes. For each scenario, the net position (financial revenues minus financial expenses) was calculated, not considering any tax effect. The base date used in the portfolio was December 31, 2024, with a one-year projection and checking the sensitivity of the CDI index in each scenario.

Parent Company

December 31, 2024	Risk (rate)	Book balance	Probable scenario	Scenario I 25%	Scenario II 50%
Loan	CDI increase	(264,070)	(8,740)	(14,024)	(16,346)
Debentures	CDI increase	(1,152,307)	(30,164)	(39,482)	(46,749)
Cash equivalents and interest earning bank deposits	CDI increase	101,589	1,135	1,419	1,703
Net exposure (Financial expense)			**(37,769)**	**(52,087)**	**(61,392)**

Consolidated

December 31, 2024	Risk (rate)	Book balance	Probable scenario	Scenario I 25%	Scenario II 50%
Loan	CDI increase	(264,070)	(8,740)	(14,024)	(16,346)
Debentures	CDI increase	(1,152,307)	(30,164)	(39,482)	(46,749)
Cash equivalents and interest earning bank deposits	CDI increase	110,063	1,184	1,480	1,775
Net exposure (Financial expense)			**(37,720)**	**(52,026)**	**(61,320)**

24.9 Foreign exchange risk

The Company has a policy of contracting derivative financial instruments to protect financial transactions carried out in foreign currency in the amount of EUR 9,000 and USD 27,747. Such transactions are carried out with the same counterparts that granted the original credit operations and at the same notional value in order to avoid any mismatch in positions. As of December 31, 2024, the amount of derivative financial instruments was R$ 30,193.

(Amounts expressed in thousands of Reais)

To measure the estimated impact on results due to risks from currency fluctuations, a sensitivity analysis of the Company's exposure to the foreign currency loan exchange rate risk was prepared considering the three scenarios below. The probable scenario considers the closing euro rate and scenarios I and II consider an increase of 25% and 50%, respectively, in the closing exchange rate.

December 31, 2024	Risk (rate)	Exposure	Scenario I 25%	Scenario II 50%
Loans in foreign currency	USD increase	(1,764)	(441)	(882)
Loans in foreign currency	EUR increase	(109)	(27)	(54)
			(468)	(937)

24.10 Capital management

The Executive Board monitors the capital structure by monitoring the leverage ratio.
The leverage ratio is as shown below:

	Parent Company		Consolidated	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Loans, financing and debentures	1,416,376	1,635,425	1,416,376	1,635,425
Derivatives - Foreign currency swap	(30,193)	5,209	(30,193)	5,209
(-) Cash and cash equivalents	(126,430)	(384,890)	(149,126)	(438,500)
(-) Interest earning bank deposits	(1,986)	(5,585)	(2,246)	(5,585)
Net debt	**1,257,767**	**1,250,159**	**1,234,811**	**1,196,549**
Shareholders' equity	2,714,843	2,652,989	2,672,477	2,652,989
Leverage ratio	**0.46**	**0.47**	**0.45**	**0.45**

As provided for in Item 3 of our Reference Form, the Company discloses projections for the following business variables:

i) Total number of stores to be opened throughout the calendar year, considering only gross openings, not taking into account any store closures. Therefore, the net increase in stores may differ from the sum between the initial stores and the gross openings in the period;

ii) Capture of operational synergies resulting from the acquisition of Imifarma Produtos Farmacêuticos e Cosméticos S.A. ("Extrafarma"), measured by the increase in the Company's Consolidated EBITDA generated by these synergies, on an annual recurring basis;

iii) The Company's net debt ratio, measured by the ratio between consolidated net debt and consolidated EBITDA, adjusted for non-recurring effects, accumulated in twelve (12) months, disregarding the effects of accounting standard IFRS16 (ex-IFRS16).

Comments on the behavior of the projections for the period ended December 31, 2024 are presented below.

I) STORE OPENING

Our store base remained at 1,649 units at the end of 4Q24. Throughout the quarter, there were no new openings or closings. With the openings carried out in the first half of the year, we concluded the projection of 30 openings in the year.

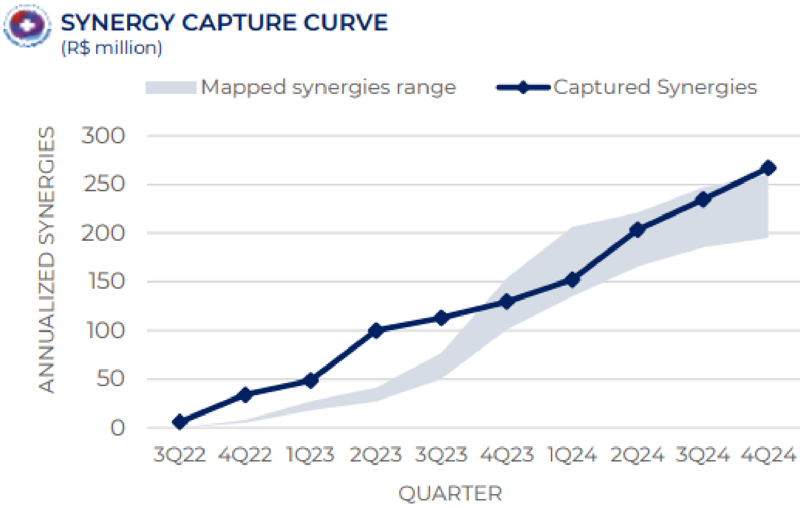
Year	Previous Projection	Current Projection	Actual Openings
2021	-	80 openings	80 openings
2022	-	120 openings	118 openings
2023	60 openings	20 openings	20 openings
2024	120 openings	30 openings	30 openings
2025	-	Minimum of 50 openings	-

II) CAPTURE OF EXTRA-FARM SYNERGIES

The annualized volume of synergies captured in the integration with Extrafarma reached R$267 million in 4Q24, representing 103% of the top of the projected range (R$260 million). This result was achieved mainly due to the acceleration in sales growth and progress in footprint optimization.

Of the R$ 267 million, 60% positively impacted Extrafarma's result, reflected in the large evolution of average sales per store, from R$ 468 thousand in 3Q22 to R$ 620 thousand in 4Q24, and in the contribution margin, advancing from 3.2% in 3Q22 to 7.3% in 4Q24, in addition to savings in general and administrative expenses. Of the synergies found, 19% were captured in the result of Pague Menos, generated mainly by logistical and tax efficiencies. The other 21% of synergies came from efficiency gains in corporate G&A. With this, we successfully completed the integration process.

Year	Previous Projection	Current Projection	Captured
Until 31/12/2024	Between R$ 180 million and R$ 275 million incremental EBITDA on an annual basis	Between R$ 195 million and R$ 260 million incremental EBITDA on an annual basis	R$ 267 million



III) NET DEBT RATIO

Net debt totaled R$1.236 billion in 4Q24, down R$49.5 million from the previous quarter. The net debt/EBITDA ratio reached 1.97x, accumulating a decrease of 0.55x in the last 12 months, and 1.19x since the peak in 2Q23. As a result, we successfully achieved the projection of ending the year with the ratio below 2.0x EBITDA.

Indebtedness (R$ million)	4Q23	1Q24	2Q24	3Q24	4Q24
(+) Short term debt	435.5	422.1	148.2	394	377.5
(+) Long term debt	1,205.1	1,178.4	1,312.1	1,061.9	1,008.7
(=) Gross Debt	**1,640.6**	**1,600.5**	**1,460.3**	**1,455.9**	**1,386.2**
(-) Cash and cash equivalents	-443.3	-232.5	-108.2	-169.6	-149.4
(=) Net Debt	**1,197.3**	**1,367.9**	**1,352.1**	**1,286.3**	**1,236.8**
Net Debt / Adjusted EBITDA	***2.5x***	***2.6x***	***2.5x***	***2.2x***	***2.0x***

Year	Previous Projection	Current Projection	Achieved
On 12/31/2024	Up to 1.7x EBITDA[1]	Up to 2.0x EBITDA[1]	1,97x EBITDA

[1]*Adjusted EBITDA ex-IFRS16 accumulated in 12 (twelve) months,*

In accordance with article 27, paragraph 1, items VI, of CVM Instruction n° 80, the Company’s Officers declare that they have reviewed, discussed and agreed with the release of the financial statements for the period ended December 31, 2024.

Fortaleza, March 10, 2025

Jonas Marques Neto
Chief Executive Officer

Luiz Renato Novais
Chief Financial and Investor Relations Officer

Renato Camargo Nascimento Junior
Vice President of Marketing and Customer Experience

Robledo de Andrade Castro
Vice President of Information Technology and Director of Technology Infrastructure

Rosilane Oliveira Purceti Balabram
Vice President Director of People, Culture, and Sustainability

Carlos do Prado Fernandes
Vice President Director of Operations and Director of Operations

Walace Rios Siffert
Vice President of Commercial and Supply

Renan Vieira
Commercial Director

In accordance with article 25, paragraph 1, items VI, of CVM Instruction n° 80, the Company's Officers declare that they have reviewed, discussed and agreed with the opinions expressed in the favorable Special Review Report without exceptions by the independent auditors, referring the period ended December 31, 2024.

Fortaleza, March 10, 2024

Jonas Marques Neto
Chief Executive Officer

Luiz Renato Novais
Chief Financial and Investor Relations Officer

Renato Camargo Nascimento Junior
Vice President of Marketing and Customer Experience

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