

**PAGUE MENOS
EARNINGS CONFERENCE CALL – 3Q25**

Operator

Good morning, ladies and gentlemen. Welcome to the videoconference of Pague Menos and Extrafarma to discuss the results for 3Q25.

This videoconference is being recorded, and the *replay* can be accessed on the Company's website in ri.paguemenos.com.br. The presentation is also available for download. Please be advised that all participants will only be watching the video conference during the presentation, and then we will start the Q&A session when further instructions will be provided.

We also inform you that this conference will be conducted in Portuguese by *the* Company's management and that the option of simultaneous translation is available by clicking on the *Interpretation button*. For those listening to the conference in English, there is the option to mute the original audio in Portuguese by clicking on *Mute Original Audio*. The presentation will be projected in Portuguese and the English version is available for download in ri.paguemenos.com.br.

Before proceeding, I would like to take this opportunity to emphasize that the forward-looking statements are based on the beliefs and assumptions of Pague Menos' management and the current information available to the Company. These statements may involve risks and uncertainties as they relate to future events and therefore depend on circumstances that may or may not occur.

Investors, analysts and journalists should consider that events related to the macroeconomic environment, industry, and other factors could cause results to differ materially from those expressed in the respective forward-looking statements.

Present at this conference are Mr. Jonas Marques, CEO, and Mr. Luiz Novais, CFO and investor relations officer of the company. I would now like to give the floor to Mr. Jonas Marques, who will begin the presentation. Please, Mr. Jonas, you can continue.

Jonas Marques

Good morning! Welcome to this, which is awaited quarterly, our earnings call. I was already missing it, because I must say that living in retail, look, retail goes by fast: each quarter feels like a year. So, it is with great pleasure that we are here!

And to start, I want to send a big greeting to our 27 thousand giants! The 27,000 employees, who are now in stores, in DCs, in our offices, in telesales and above all, for their families because without the family, we are really nothing, we cannot bring out the best in ourselves. So, you are very welcome! A big and very special hug to all our new shareholders, our partners! We, Novais and I, have more than 80 meetings to talk about what we have been doing - the structural year we had, the consistency and how we are going to scale these results. So, our new members are very welcome! A big hug to our team, also to Patriciana Rodrigues as our president of the board and to our founder, Deusmar, who is our shark because he doesn't let us get into complacency, why? Because the dream he started in 1981 moves us to continue building the company, perpetuity and the future every single day!

Look, the results call, I know it's being long anticipated... And I heard several comments like: "here comes this CEO full of energy". Here it's the call, just to situate you, from Pague Menos. The only thing we accept less, here are three things, right? It's Pague

Menos (Pay Less), that wonderful brand, and it's less expense. Oh, you liked that, right? The rest here is more! It's more energy, it's more truth, it's more dedication, and it's more welcoming! So, that's our name. And forgive us if this energy is too strong. But let's get started.

Look, we've been telling you, before going into the numbers, which you have already seen. I wanted to talk about the thing that moves us... What moves us are people! We started a work here to discover, and to unlock the true potential of each one. I even shared with you in several meetings that, after having led on three continents, I can say something that is unanimous to all the continents I have been: It is low self-esteem. So, there's a very powerful thing – we're simple people and extraordinary missions. And we must, as a leader, create environments so that people can flourish.

Another of our values here is meritocracy. So, in order not to just talk about people and with this goal of meritocracy in mind, I brought here a new member of the team that I want to introduce to you and he will also introduce himself, which is Azevedo, our regional director of operations in Ceará and Piauí, and why is he here? Because his SSS (Same Store Sales) is at least 22%. Welcome, Azevedo!

Antônio Azevedo, director of CE and PI operations

Thank you very much, Jonas. Thank you very much for the opportunity to be here representing the entire retail operations area. My name is Antônio Azevedo, and I have been with the company for a year, but, due to the intensity of our daily lives, it seems that ten years have passed. I am very, very happy to be here in this company, to participate in this environment and this team of giants that I found here, where there is no vanity among people! Here, there is teamwork, a work where everyone seeks the best for the company, the purpose, and this is very good, it is very positive.

I take care of the stores in Ceará and Piauí. And I have, in Ceará and in Piauí, a wonderful team that is doing a sensational job and has provided, as Jonas just said, a sales growth of around 22% in the last year. In addition to sales growth, we also have an exponential growth in the customer base, in the satisfaction of our customers, which, at least, our stores are reaching 90%, and there are stores with mystery shoppers already arriving, and several stores reaching 100%.

All this is happening because we are taking good care of our people. We have a special affection, we are always close to our people, generating attention and training everyone so that they can conquer new spaces in the company. And this has happened in my area. This year, we have already promoted four new managers to regional managers and also several employees to store managers. So, this means that we are giving people the opportunity to grow in the company and, for me, this makes all the difference.

In the store, we have the right mix and the right number of products because the first attribute that takes the customer to the store is the products. Our prices are competitive, and regarding our service, we have invested a lot in improving our team, training them so that they can really delight our customers and, in addition, have very well structured and very well executed stores. And that's what we want in our daily lives!

We are, yes, working so that this company continues to be better and bigger in every way. I am very confident in the current moment of the company and the future. Thank you very much, Jonas, for the opportunity!

Jonas Marques

Congratulations, Azevedo! Azevedo, you almost released the number of the month, but we can't talk about the number of this month. Let's go back to the quarter. Thank you very much!

Look, that's how we are, we take care of people and, little by little, in this coexistence with the capital market and with analysts and investors who have all our respect and all our commitment to delivering results, we have brought to the table a topic here that in some companies, this is a newspaper cover story, magazine cover, but here it happens in practice! One of the most interesting things that Azevedo talked about, in addition to the growth in sales, margin, etc., is the number of people he was able to create an environment for these people to feel safe, so that they bring the best version of themselves and are promoted.

Look, write it down; everyone was born to work! Everyone was born to work! I have never seen parents who came to their children and said, "my son, you will grow up, your life will be a disgrace, you will be unemployed, you will not be able to learn". No! The desire is very great for the family to progress! But okay, let's go to the numbers.

These are the highlights we had in our 3Q25, and I have some examples to share with you. First of them, people, same store sales! We made a point of putting the growth curve at 17.6%. Now, we have been above 17% for four quarters; that is, a really consistent result!

How do you do that? A lot of people ask... It's treating people, it's improving the care of the heart. And this is the answer to the CCC, to the continuous care customer, who many companies call chronic patients, and we don't believe that, because chronic here is only happiness. Nobody wants to be chronically ill. So, continuous care customers, we are very focused and are growing a lot on medicines! You will see the growth in medicines in the other categories as well, but medicine is 70% of our business. So, we have examples of execution, consistency, consistent, that's the word! We are really working to treat this customer in a holistic way, in a different way!

If we leave the growth a little and go to EBITDA, we will have an EBITDA that reached 5.3% in the quarter and the LTM is already at 6.3%. And we have a growth of 36.4% versus the same quarter last year, that is, super strong EBITDA. How did that come about? It came with the market share! We have a market share of 6.7%, this is 40 base points above 3Q24 and it is a record number as well! I'll give you another more granular market share number. In August, the market share was 6.95%. So, this proves that we are moving forward and we are moving fast! If you look at the number of customers, we have grown! We reached 22.2 million customers, that is, a growth of almost 5% in the customer base. We grew the customer, increased its average ticket and increased the frequency of these customers. This is linked to the CCC and we are going to explain, Luiz Novais will bring more explanations for this number. It is very important to focus on this point.

And last but not least, on the contrary, net income reached 231 million. We had a record net profit that already represents 1.9%. If you remember, we have always been saying this: 2023, we had a loss; 2024, 178 million; And now, 2025, with this excellent delivery and always growing! As I said, less here is just Pague Menos (Pay Less), here it's just more. We are focused on generating much more consistent results. So, a 3Q with extreme consistency and now, Luiz Novas, brings a little more data to us, mainly because I was very happy, Luiz Novais, with 831 thousand reais of monthly sales per store and this represents a growth of 17.3%. Is that right, Novais? Go there!

Luiz Novais

That's right, Jonas! Good morning everyone! Well, I would also like to greet our new shareholders. There are 32 new institutional shareholders who joined the company's shareholder base in our follow-on in October. I would also like to greet all the shareholders who have been with us for a longer time, some of them since the IPO and some of them, too, have increased their position now with our follow-on. So, we are very happy, as Jonas has already anticipated, to share the 3Q25 results, which are positive results, which show the consistency of our deliveries.

So, starting here on page 6, we grew again by 18%. We are in the seventh quarter of relevant double digits. And as has also been said here, leveraged by labeled, generic and RX drugs connected with our customer strategy of continuous care: we increased not only the base of these customers, but the frequency of these customers, the size of the basket of these customers here in the company. This evolution was leveraged by all the action that we have been executing in store, marketing, CRM and the operation itself of the store today is at a much better level than it has ever been. So, all these components evolving very well and with that we reached 5 times, an SSS (Same Store Sales) of 5x inflation.

Moving on to the next page, detailing this sales growth a little more, we made a point of putting different views of our revenue growth, and thus, show that our growth is quite structural, that is, there is no region of the country that is growing very far from the largest region in Brazil and so, successively. So, as the first graph shows the regions of Brazil, the dispersion is very low, all growth above 14%, in the categories with a greater emphasis on prescription drugs, as we said, branded and generic, branded growing 23%, generic growing almost 25%. Among the months of the quarter, too, all with relevant growth. Among social classes, between banners and city profile, that is, in any metric you look at, we are experiencing a very relevant growth. So, again, to show that we are in structural growth following our strategy.

Next page, the average sale per store, this is a super relevant metric for us and for everyone to update their models. In the quarter, we reached 831 thousand reais of average sales per month per store, a growth of 32.4% compared to 1Q24. If we consider the inflation of this period as well, we grew approximately five times the inflation, the average sale per store. So, today, we already have more than 26% of our stores with revenues of more than one million reais. So, the dispersion also dropped a lot, as we looked at in the previous slide, 7.4% only dispersion between regions in relation to the average revenue per store.

Next page, market share, as a result of all this growth in revenue, we are in the eighth quarter of share expansion, 6.7% of national share, a growth of 40 bps. We grew in all regions of Brazil, with a very relevant highlight for the Northeast, where we grew 81

beeps, and this considering that we opened few stores in the period. So, even with few openings, we grew almost one percentage point in market share. And on the right side, we compare our growth with Abrafarma and with the general market, our performance is much better in relation to these two metrics.

And here, on the next page, more details of the growth composition of all our competitors. So, in the first column, we have the market growth, which grew 9.9%, more or less half of this growth is captured by new stores, another 6.8 percentage points are captured by average price increase, and negative 1.2% due to closures and a reduction in volume of 0.2 points compared to the same period last year. In the second column, Pague Menos, we grew almost 17% in IQVIA's metric, a growth well above the market average and well above other competitors, composed of 1.2% of new stores, 5.4% of price and almost 11% of volume; 10.6% volume growth. This part of the graph, this composition in relation to competitors, is a glaring difference, the volume is really what has helped the company to grow at this level. No other peer, we were able to observe with a relevant growth in volume. In the third and fourth columns, chains and associations growing in line with the market and the independents, which is the last column, losing a lot of space and volume, almost 3 points and closing many stores, almost 4.3% decrease in participation due to store closures.

On the next page, another indicator of growth compared to peers, average sales by region, the graph I think speaks for itself, it is beautiful to see that we are, depending on the region, growing two or three times the other players in these regions. So, our performance in all regions of Brazil is undeniable.

Page 12, gross profit and gross margin. Another great news of the quarter! We grew 0.5 percentage points in gross margin in 3Q25 compared to 3Q24. An impressive combination of revenue growth, 18%, as we showed at the beginning of the presentation, and margin growth of 50 bps. It is quite unusual to see these two indicators growing so relevantly, and the items that boosted the quarter's margin: the inventory loss ratio, it fell 30 bips compared to 3Q24, and all commercial conditions also improved a lot, and helping to increase the company's margin. In this quarter, AVP had a contrary effect compared to the other quarters, during the first half of the year, it had a positive effect on the margin, and in this quarter it had a negative effect on the margin of plus or minus 20 bps. By the way, important, we included in our release, in attachment I believe 5 of the release, a demonstration with the components of the AVP for those who want to follow in detail the evolution of the components of the AVP. And the mix in this quarter, it had positive effects and pressures; Generics, as we saw, were the category that grew the most in the quarter, almost 25%, and this helps a lot at the margin, on the other hand, branded drugs also grew significantly, and this puts a little pressure on the margin, because branded drugs have a proportional margin a little lower than the company's total margin. So, in the mix between the categories, we had an approximate neutral effect.

Next page, we have operating expenses. We continue our dilution trajectory while the company continues to invest in structuring issues. We continue to invest more in marketing, continue to invest more in people, and in several other elements of the company, even so we manage to dilute 40 bps, which is a lot compared to 3Q24. So, variable expenses also have an important pressure because we are growing 18% in revenue, so variable expenses are also growing, and as I said, investments in people, we are investing a lot to be able to improve the quality of customer service, continuous

care, and among other elements. In the administrative part, also reinforcing the corporate team to increasingly boost the company's growth.

As a consequence of all this on page 14, the result in EBITDA. So, we grew sales significantly, we grew margins and diluted expenses, and with that, the company's EBITDA grew, as Jonas highlighted at the beginning, 36.4%. We go from a level of 190 million to 260 million in EBITDA. For us, in 3Q25, we had a record EBITDA margin of 6.3%, which is quite unusual for 3Q25 to have a higher margin than in 2Q25, which is the moment when our sector has a slightly better margin due to the pre-rise. This year, we had an even better margin in 3Q25 than in 2Q25, which shows that we are on a very intense trajectory of profitability growth.

On page 15, our net profit, we also evolve in a super relevant way! We went from a level of 54 million to 81 million in net profit, a growth of 50%. If we compare the first nine months of this year compared to the same period last year, we doubled the company's net income. We went from 75 million to 154 million. And when we look at the LTM, which is the graph on the right side, we are also at a record level of 231 million reais. This is even with pressure still on the financial result. This year, we have a higher average interest rate than last year. In the quarter alone, we had a financial expense of more or less 45 million higher than in 3Q24. If it were not for this effect on the financial result, we would have doubled the net income for the quarter compared to 3Q24.

And on page 16, we have working capital, which we had an increase of 7 days in working capital, an increase of 5 days in the average period of receipt. Here, there is an important issue that we are recomposing our receivables portfolio. This caused the average receipt period to increase by 3 days. Despite having a negative effect on the cash cycle, it is a very positive movement for the company, which shows that we are depending, today, much less on the volume of receivables anticipations than we did in the past. Also, in the average period of receipt, we have a very large evolution of branded drugs, as we saw at the beginning of the presentation, and of semaglutides. These drugs tend to have a slightly higher level of installment in stores. Also, we had a super relevant growth in the sale of popular pharmacy products. This contributed to a 2-day increase in the average receipt period. In the average payment term, the mix we just talked about, the growth in the relevant category of branded and semaglutides, which has a slightly shorter payment term for the supplier, affects the average payment term a little. And with that, we reduced the average payment term by almost 4 days compared to 3Q24. And in the average period of inventories, we continued to evolve well. We reduced another 2 days in the average inventory period compared to 3Q24. Here again, the company is very focused on reducing low-turnover items, revisiting launch issues, in the launch policy, improving reverse logistics. So, all this has contributed to us continuously reducing the company's average inventory period.

On page 7, our deleveraging trajectory, we continue on a very intense deleveraging trajectory, we go from a level of 3.9x at the beginning of last year to 2.5x, one and a half times, more or less, the EBITDA in terms of reduction. It is important to remember that the follow-on resources that we made in October, it entered on October 3rd, consequently, it has not yet impacted the company's leverage. So, in 4Q25, we should certainly demonstrate an important reduction in the leverage indicator due to this feature that came in from the follow-on. And not only that, the company has already been organically reducing its leverage, generating operating cash, controlling its level of capital allocation and reducing the company's leverage. On the right side, we show the evolution

of the debt spread, the debt schedule, we have a very long debt and consequently reducing the spread, therefore, evolving very well also in the debt profile.

And on the last page of my chapter, to then pass the floor back to Jonas, we wanted to add an important slide that shows that the 3rd quarter for us is a turning point in our presence in the capital market. So, the company held its third Investor Day since the IPO, and it had been three years since we held the Investor Day. We held the Investor Day in São Paulo with a huge number of investors, many people interested in knowing and following a little more closely the recent history of the company with the NPS of these investors very high and which also culminated in the sequence with our follow-on; a demand three times the offering of shares that the company made. As I said, 32 new investors of great quality expanding the company's free float, and boosting liquidity. And this momentum combined with our deliveries, we are very optimistic about the company's evolution in the capital market as a whole.

With that I end my part here and turn the floor to Jonas to talk a little more about strategy. Please, Jonas.

Jonas Marques

Well, guys, look, it's a pleasure! I will confess that this is not a continuity error. In cinema, they would say that it is an error of continuity; I left with the white shirt, and came back with the black shirt... It's Black Friday! So, I came to present you with the strategy, but keep an eye out because you blinked, and missed the offers. Let's give you a strategic update!

Guys, as I said from the beginning, our strategy developed at the end of 2024 and which came into effect on January 1st of this year is the continuous care client, CCC. And it is in the center of our mandala with all the enablers that you can read in the chart. So, we know very well where to play and how to win! What makes us most happy is to see the growth in average sales per store, mainly driven by medicine and OTC, which make us close this gap. I remember when I arrived practically two years ago the question was this: "Look, when are you going to close the average sales gap per store?" We are showing it! We are delivering what you asked for and with profitability! So, the numbers are very strong and reinforce that we are on the right track. Because growing is easy, growing by burning margin, convincing the customer, for example, to download the app inside the store and we don't do that! Our Digital is omnichannel. He wants to offer the opportunity to the consumer so that he can buy in the most convenient way, in the way he likes, that he wants, that he feels more at ease, but without burning margin. So, growing by delivering margin, expanding gross margin, expanding EBITDA in the way we have been doing for two years, and increasing net income. This is the name of the game we want, and of course always diluting expenses that have been one of the highlights of our work. So, this is the strategic focus of the CCC. Who wins the game in our humble opinion are the no's, not the yeses! So, you can imagine that a company of 16 billion, every day, there are people knocking on the door with new ideas! There is our team that is extremely creative and we have been very disciplined because this year's name is Consistency, it is discipline, it is focus on operation, it is focus on execution. So, we continue with the strategic focus.

If we go ahead, I wanted to show you exactly what I talked about from the beginning, which is the customer outcomes of continuous care. Exactly, the execution of the plan

has brought these numbers. If you look at it, the number of active clients of continuous care has grown. If you pay attention, there is a 14.1% increase versus 1Q24 and mainly, an acceleration from 1Q25. Retail is like that! Retail is alive! He has no gerund, he has no tomorrow! You did an A-B test, started, implemented, we see the growth in the vein. And if you look to the right side, you will see the average spending of the CCC also expanding, and expanding very strongly, especially in 3Q25. When we compare 3Q25 with the beginning of 2024, we have an increase of practically 16%.

So, it's super solid and we want to pass on this security to you, because we are working day in and day out with a lot of focus, with a lot of discipline and with a lot of love, with a lot of passion for our mission of making the life of the customer of continuous care even better and with more quality of life. Because these are the customers who need a pharmacy the most. Let's move on!

Value capture: a promise, we are the ones who will deliver! Look at us! From the beginning, we have been talking about the same thing! Since the plan of the first 90 days that I have been reporting to you, and that is exactly what is here. 2024 a well-done basic, right? That's what we focused on, hygienic missions, awakening people's energy. Look, go to Pague Menos, go to the store and see how the energy has changed. How do you move pasta? 25 thousand people who are at the point of sale, in addition to a lot of energy taking care of people and taking care of people, after all, people have basic needs, improving processes, improving execution, removing friction because sometimes we ask for excellent service, but we don't give people tools to be able to serve and we really proved this and changed the life of our employee. So, basic well-done.

2025, resumption of investments and the year of consistency. 3Q25, wait for 4Q25, I can't say anything about the month, but we're doing well! I can tell you that we are doing well. Why? Because the octa is not a matter of "if", it's a matter of when and we are working to deliver that to you. Novais, this is not guidance, no one can say it is guidance! So, 2025 is the implementation of structuring and consistency. And 2026 is scale, we want to consolidate this value proposition and that's what we're working towards.

Remember, our new shareholders and partners, we presented at our Investor Day, the material is available, the strength that is telemetry. Telemetry is expanding both operations and people. They are a proprietary system that we put in place to bring more and more results and more and more efficiency to our business. And the transformation office monitoring everything to ensure that we are really capturing all the levers, and that we are delivering as we guaranteed.

So, this is a little bit of what I wanted to pass on to you. Renan, let's move on! And now we have a Q&A, we know that this Q&A has four banks that participated in our Follow-On and so they can't ask questions, but they are all very welcome! Please ask questions, because this is a way for us to explain a little more of the numbers. Thank you very much! Let's go, Novais!

Luiz Novais

Let's go! We discovered, Jonas, that the banks that participated in our IPO, they have some restriction on reporting, but they can, yes, participate here with us. So, we already have some bank analysts who helped us also participate in the Q&A.

Jonas Marques

How cool! Welcome to BTG, Itaú, Bradesco and XP.

Operator

We will now start the Q&A session for investors and analysts, if you wish to ask any questions, please click raise hand, if your question is answered, you can leave the queue by clicking lower hand. Our first question comes from Mr. Ruben Couto from Santander, please you can continue.

Ruben Couto

Good morning, everyone! Thanks for the opportunity to ask a question!
I wanted to go back to the topic of working capital, Novais. I think you explained well the factors that led to this increase in the cash cycle in the quarter, but looking ahead, the trend of GLP-1 and, eventually, popular pharmacy could continue to gain space. So, I wanted to understand what your expectations are regarding these main lines of working capital, not only in 4Q25, but throughout 2026 as well. And if they can give a percentage level of sales today, which is GLP-1 and popular pharmacy, it would be cool too. Thank you!

Luiz Novais

Thank you, Ruben! Good morning!

Well, we have good prospects even with the expansion in the share of semaglutides in the company's total sales, or Farmácia Popular (popular pharmacy, a government program) also growing. We have been working with our entire structure of the commercial operations team, in actions to be able to improve the company's cash cycle. So, semaglutides themselves were a category of products that we offered our customers in installments of up to ten times, until a few months ago. We reduced this installment to six times. In ten states of the federation unit that we offered a condition of five times for the installment of purchases, we reduced it once. We are following the market now in these ten states with a ceiling of four times in installments. We continue to work very inventory reduction actions to improve the cash cycle. Also, our commercial team helping us to revisit the commercial conditions of suppliers. So, our outlook for both the fourth quarter of this year and next year is for a relevant improvement in the company's cash cycle.

And addressing the second element, semaglutides continue to grow, see, Ruben? Compared to last year, it practically doubled in size in proportion for the company. Last year, it represented something close to three points, now it represents something closer to 7% of the company's total sales and it continues to evolve. So, I hope I have addressed your questions, Ruben.

Ruben Couto

Yes, super clear! Farmácia Popular (popular pharmacy, a government program), can you give an idea of the percentage it represents, today within generics or total sales?

Luiz Novais

The Farmácia Popular (popular pharmacy, a government program) within the company's total sale is close to 4%, Ruben.

Ruben Couto

Good, thank you, guys!

Luiz Novais

Thank you, Ruben!

Operator

Our next question comes from Mrs. Danniela Eiger from XP. Please, Danni, your microphone is cleared.

Danniela Eiger

Good morning, everyone! Thank you for taking my question! I had already been worried that I was in line and I couldn't ask the question, but I'm glad Novais released me here! So, I've got two here on my side.

The first one, I think that still in this GLP-1 dynamic, right? I wanted to see with you how you are seeing a little bit of the perspective in terms of supply, right? Supply and demand bar, which I think the demand, it exists and the product is missing, right? We have seen that new larger doses of Mounjaro have arrived, especially at the end of the quarter. So, see if you are already seeing this, if it has already been sold throughout October, if I'm not mistaken, it started at the end of September. And until I understand if a piece of your stock in the Working Capital dynamic already had in part, a little of that stock, too, already in the photo at the end of the quarter, right? I don't know how much this may have impacted as well and then, thinking ahead, if we can see some kind of positive carry in inventory turnover given that these products usually don't stop, right? There is a really very, very strong demand. I think that's my first question.

And then, my second question, thinking about other dynamic levers, right? That not GLP-1, which I think you have several, you commented a lot on Investor Day. But thinking like this, looking at the next quarters, where are the biggest convictions that there is still room, and the gross margin itself that you have been able to mitigate this headwind of mix, right? Because of the RX, the GLP-1 itself, you still see a lot of space. So, if you could give an overview of the main levers that you see strength, especially in these next quarters. In addition, an update in the private label project. When should we start to see more launches, and finally, this will gain a little more traction. Thanks!

Jonas Marques

Dani, thank you for your presence and for your question! First thing, GLP-1. I wanted to draw attention to the fact that if you go back exactly between three and two years ago, when we only had Ozempic, that is, we didn't even have Wegovy yet, Pague Menos' market share in GLP-1, in the case of Ozempic, it was according to its fair share and maybe even a little lower. With Mounjaro, it's completely different, right? We have

Wallace there, the head of the commercial area, who has an excellent relationship and either I that have been through 30 years in the industry with our partners, whom I take the opportunity to thank. And from the beginning we made contact with Eli Lilly and we are the first pharmacy chain in Brazil, on May 1st, midnight, to make a pre-sale available to our consumers and we have already started to deliver the product. With this, we had an opportunity to achieve double our fair share. We have a little more than 15% of Mounjaro's sales. So, this is very good because it shows our vanguard, and our speed in exactly serving the customer of continuous care. Because, if you look at it, it is these patients, these consumers who use GLP-1 the most. Complete there, Novais!

Luiz Novais

Legal! So, Danni, GLP-1 has a negative cash cycle for us, that is, it puts pressure on our cash cycle, but it leverages sales a lot, it leverages the company's operation as a whole. As Jonas anticipated, demand is greater than supply today. If we had a larger volume in stock, for sure, the company's revenue would be even better, in fact, I think not only ours, but the entire sector. So, there is still a lot of room, from what we can see, for growth in the category.

And about the levers, I think this is the great advantage of our business here, Pague Menos itself. We have several levers. We showed, at the Investor Day, nine levers. In addition to the private label, I'm going to talk a little more about it, we have banner conversions that still grow at a much higher level than other stores. We still have something close to 170 stores with the Extrafarma's banner which is a conversion opportunity. We are working on a project that the entire commercial team of product pricing, review of store clustering. So, the team is very connected with Simon, which is the consultancy we hired to support us in this project. We are very optimistic about the advantages that this project can bring. We will inaugurate a new distribution center now, early next year, which is the new distribution center in Paraíba and this improves the company's fiscal condition, improves the supply condition, and, consequently, improves all P&L lines.

The digital channel is evolving exponentially. Here, a special congratulations to our entire team. We in the North and Northeast have a slightly lower maturity than the rest of Brazil, the Southeast in particular, for digital channel. But, even so, we already have a level of 20% in the entire company of penetration of the digital channel. The channel operating very well. And all the improvement of the operations team and training in quality of service in the store. We are greatly improving the quality of service, consequently, the customer of continuous care leaves satisfied. It increases its basket and it contributes even more to the growth of the company.

And going back to the private label, which was the highlight you made, also, the team is completely focused on this front. There is a very cool project going on to reinforce and relaunch the brands we have today. In addition, a pipeline of new product launches is also interesting for the year 2026. So those are some of the levers, Danni. But there are still others that we are working on. These are the main ones.

Jonas Marques

I just wanted to complete, Novais! An important thing, Danni. Many have asked us, since a year ago, when we first did a Same Store Sales of 17%, the questions that came up are do you expect this growth for the next quarter? And we couldn't answer, we delivered!

We received the same question three quarters ago and delivered it again! And now, we deliver again! So, we hope that this question does not come up again, but I will explain how we work exactly connected to what you said.

Promotional activity is intensity, it is energy, it is not being complacent. We're going to talk a little bit here at the end, stay until the end, please. We're going to talk about Black Friday. It's the biggest Black Friday ever, a real Black Friday! So, as we change the perception of this customer very quickly, the perception of the consumer, this also generates frequency, in addition to an increase in the average ticket. And this is the main desperation of our competitors, because they will do research and we are very happy when they find the vice president directors of the competitors inside our stores, but if they went the following week, they will see a different situation too. So, that's intensity. And as for GLP-1, there is still a very large market for manipulation, there is still a lot to expand, there is still a generic product coming. So, we are getting ready! We are already ahead of time, understanding how these changes will affect the market and preparing to meet this expansion of access. Speaking of access, this has to do with private labeling. We here, I was from the industry, right? We don't want to have our own brand to compete with our partner, which is the industry. We want our own brand access! So, when you look at why we are private label overshare versus our competitors, because it is the face of Pague Menos. Pague Menos is an access company! Exactly because it takes care of this expanded middle class and is the main pharmacy chain that is present with class C and D. So, wait for news, I can't talk, but the expectations of private label, they will really exceed all the ideas you may have.

Danniela Eiger

Excellent, thank you very much, the answers are very clear!

Operator

Our next question comes from Mr. Renan Sartorio, from Safra. Please, Renan, your microphone is open.

Renan Sartorio

Good morning, people!

I would like to ask a question, first, about this increase in the investment subsidy and if you can give more information about what generated this increase and if it is recurrent. I also wanted to follow up on the issue of working capital and ask if these initiatives to improve receivable turnovers, they should appear in full in 4Q25 and in addition, this change in the installment policy, it can harm sales in some way, and if you are already feeling it.

Luiz Novais

Thank you, Renan, for the question!

Operator

Our next question comes from Mr. Rodrigo Gastim of Itaú BBA. Please, Mr. Rodrigo, your microphone is open.

Rodrigo Gastim

Good morning, Jonas! Good morning, Novais! Two questions here on my side. The first of them, Jonas, I think that one of the main questions that we have received throughout the process of investors, is what have you done to improve this sale per store? 830 thousand growing by 17% year on year. Jonas, I wanted to hear from you a more empirical examples. What have you actually done so far? I know there are several, but could you mention some to have improved this sale per store and more than that, when you look at the next 12 months, I imagine that this is a relevant lever of value, what are other empirical examples that you have to improve this productivity per store? That is the first question.

And the second, Novais, going back to the topic of working capital, you talked a lot about contos receivable, I think it's super clear. I wanted to get into the dynamics of suppliers. You also put some explanations in the release, but just to understand, when you take into account the different mix of products, commercial conditions that are obviously negotiating with the industry, what would be a reasonable level of suppliers in this new mix of the company? These are the two questions. Thank you guys.

Jonas Marques

Cool, Gastim! Thank you very much! A hug. Here's the thing, as you know, maybe this is one of the few calls on the market that doesn't have a teleprompter, no script, and no glue on paper. Here, we do it live and thank you for your question. Scarcity is the most important thing in our personal lives and in companies. What moved us to increase the average sale per store was to understand that we did not have an expansion capacity, speaking of the beginning of 2024, we had to make an investment in the asset we already had. You remember that we took all the money from the budget and redirected it to renovate, retrofit 500 stores to invest in people's basics. And we only had one chance, what was it? Increase the return on the asset that already existed. And we were, we're obsessed with the front line. Have that obsession with the front line. We went to the stores to understand what frictions were present, this was part of our mission. And we found that the printer, for example, it didn't work because it had to have scissors to cut the price tag. And as a result, the employee was not available to talk to the customer. So, there were several frictions at the point of sale. This is an empirical example as you said.

The second thing, assortment review. If we want to serve the customer well, there can be no rupture! And if you look at our rupture, it is in free fall. We really reduced the rupture absurdly at the same time as we reduced losses. The last number I have for loss reduction is 30% this year. We reviewed, for example, store layout and store clustering. There was a store that was premium in a pop area, there was a store that was pop in a premium area. So, you fix it, fix the layout, fix the assortment, remove the friction, train people, recognize people, again, people are in everything!

So, that's how, together with telemetry, we started this growth leverage. And she's been very consistent, she's been increasing the speed. How did we increase this, did it accelerate telemetry even more this year? Guys, telemetry, you came here to our office in Fortaleza, you saw how it happens! People telemetry, it gives us the necessary data

so that we can apply meritocracy, so that we can make decisions and correct the course. Same thing in operations.

And that's our obsession! I think that this absurd growth we had in the number of millionaire stores, it explains this growth in average sales per store as well. And another thing is, you remember, in the telemetry, we took 50 stores that had negative EBITDA. And by plugging in the telemetry, by making a simple plan, talking to the people in the store, we revert these 50 stores in just three months to have a positive EBITDA. As I said at Investor Day, it's this story of having an insurgent mission, of being obsessed with the front line and having the head of an owner. What you will find here is a spirit, you don't touch. And that's how we turned the spirit of this mass called operations, there are 25 thousand people at the point of sale. And everyone wants to win! It's not a shame that I can't include you in our internal WhatsApp groups, so you can see what we're doing and what we're generating at the point of sale. And if your next question is, will it continue to grow? It's obvious, it will continue to grow. Why? Because what doesn't change is the intensity. And this promotional intensity, this holistic way of working, and working in detail, and working every minute, is what makes us today the fastest growing company in SSS. Thank you for your question!

Luiz Novais

Let me address the second part of the question here, which is the question of the average payment period. Thank you, Gastim, for the question. So, in the last two quarters, our PMP was close to 67, 68 days and if you look at the slightly more distant past, we had 70, 71 days, that is, we are close to two or three days on average less than in previous periods, apart from 4Q25 because that's when we stock up to cover the industry's vacations and we reach, more or less, 78 days, but that follows the PME level. In this way, these two or three days that we are today in a smaller situation than in the past, we still have the opportunity to reduce this interval, but what we are doing more is working in the PME to compensate for this reduction in the PMP. Yes, we have the opportunity, and as I said, the entire commercial team is very committed to conversations with the industry, but really the RX category and semaglutides have a lower payment condition compared to other suppliers, and this is impressive about the PMP. So, we are working on both fronts, but mainly compensating in the company's PME added to actions in the PMR, as I said, to compensate for this reduction. Thank you!

Operator

The next question comes from Mr. Yan Cesquim of BTG Pactual. Please, Yan, your microphone is open.

Yan Cesquim

Good morning, Jonas and Novais. There are two questions here on our side. The first stills about GLP-1. I wanted to understand what you expect with the entry of generic semaglutide for next year. They understand that this can open an opportunity to accelerate share gain in the category, since this should improve the supply problem in the sector.

The second question here explores the theme of growth. I know you can't give guidance, but I wanted to understand if you could still give some qualitative idea about growth

dynamics at the beginning of the fourth quarter and expectations. And if you can't talk, what do you attribute this growth force in the generics segment? In addition to the greater penetration of continuous care clients, perhaps an insight could be given on the therapeutic classes that have performed better or penetration of the digital channel. I think it would help us understand this mix a little better. That's it, folks. Thank you.

Luiz Novais

Thank you, Yan, for the question!

In GLP-1, we have mixed feelings in relation to the potential patent break. Certainly, there is a huge demand for people who today cannot afford to pay the current price of these products. And going into generics, the demand, or rather, the addressable audience will be much greater than what we have today. On the other hand, we see a risk of the generic industry entering a fierce price competition and this destroying the value of the category. So, we certainly have a gigantic volume to be explored and with this issue of the risk of the average price of the product, depending on how the industries that will offer this type of product behave.

Regarding the room for future growth, in particular generics that you asked, this relevant evolution in Farmácia Popular (popular pharmacy, a government program) certainly boosted our generic category, it grew almost 25%. But our operations team, our commercial team has been very intense, both in the supply and in the operation itself and in the execution not only of this category, but also of the RX category, which are those categories that are most demanded by customers of continuous care. So, there is a boost, yes, from the Farmácia Popular (popular pharmacy, a government program), but there are all the operation and all the work that Pague Menos has been doing in this category. And we are super optimistic, Yan, both with 4Q25 and the year 2026 as a whole. We gave an idea at our Investor Day, we are in our vision, I think in the middle of our value capture of all these levers, which, in Daniela's question, we explored a little more. So, some of them, we haven't even started to capture yet, as our own brand, among others, the pricing project, which the capture should be more concentrated from the beginning of 2026. So, we are very optimistic, both with the top line and the bottom line of the company.

Jonas Marques:

It's recorded, look, Pague Menos works miracles! You've now seen a CFO, pay attention to that! The CFO said, we are super optimistic, hold me, Novais, if I am not going to talk about the October sale, how did it go, I can't.

I just wanted to give you an idea, Yan, because you gave me the opportunity. Think about our positioning as a company, we are a pharmacy chain, the largest in Brazil in terms of access. So, when we talk about GLP-1 and generics, we are going to have to work a lot, because we are going to be the first to be accessed for this new patient who comes in, because everyone really wants to improve their glycemic indexes, etc. And so, to become more slender, which is not my case, but it will improve. Let's go to the last question. Thank you, Yan.

Operator

The next question comes from Mr. Márcio Osako, from Bradesco BBI. Please, Márcio, your microphone is open.

Márcio Osako

Good morning, Jonas! Good morning, Novais! I have three questions on my side.

The first in the revenue part, if you can comment a little bit on how you saw competition in HPC. The growth of the category, I think it maintained the same pace as in 2Q25, but, if I'm not mistaken, I think on a base that grew a little less in 3Q24. So if we make up those two years, if I'm not mistaken, I think I'm going to a slight slowdown in HPC growth. The second, in the gross margin part, you can comment a little bit on the gains coming from commercial conditions in this quarter. Last quarter, you commented that it was a very anniversary campaign for Pague Menos. What generated this gain in commercial conditions now in 3Q25?

And finally, in the AVP part, I would like to understand why the net effect is negative and if you think that this 02 of the revenue remains there going forward. These are the ones, thank you guys!

Jonas Marques

Well, thank you, Marcio, for the questions about HPC.

We are very happy with the evolution of the category. It is obvious that the company, when it grows 18%, you see a growth of 11%, it can give a little false impression that the category is not evolving well, but it is evolving very well. It grew, as you said, 11%, which is a growth level equivalent to 2Q25. It has now grown in 3Q25 in an equivalent way to OTC, which also grew close to 11%. What's really driving the company's growth too much is prescription drugs, as we've said, time and time again, to address customer demand for continuum of care. So, growing 11% in this category, which means 3 times inflation, we are happy. Obviously, we are never satisfied, as we say internally. We are happy, but never satisfied! There is room for improvement. Now, in 4Q25, with Black Friday, a lot of promotional campaign, a lot of activity. We have very positive perspectives for this category, but as you also said, the bases are already very high. Last year, we grew on Black Friday by 42% compared to 2023, but we are very optimistic, as Jonas will explain a little more to us, after our Black Friday campaign. We are very optimistic about it.

Gross margin. Trade conditions have contributed in a super relevant way, as you saw there in the composition. We have a negative AVP effect in this quarter of 0.2 points. The entire commercial team has been working for the entire campaign that we put on the air, to have the contribution of the industry. This has helped a lot to recompose the margin and, at times, even bring the margin to a higher level than we had in conditions in previous quarters. This has helped the company a lot to improve its performance in this line. I do not have here the composition by category, etc., but in general terms, commercial conditions have evolved in a very relevant way. The AVP, we made a point, as I think not only you, but other people would like to follow the components of the AVP in a clearer way. We included in our release an annex, which is 5, if I'm not mistaken, with the compositions. In this quarter, what made AVP not have a positive effect on the margin, as it had in the previous three, is because we have been demobilizing the volume of anticipations of receivables a lot, mainly. This reduces the revenue from bringing the present value, both because we are reducing the portions of the sales volume that we

make of semaglutides and RX, as well as the anticipations of receivables are contributing to this effect. And it should stabilize in 4Q25, and next year we believe it will have an effect closer to neutral, a little negative still, about 10 bps maybe, the entire AVP in relation to the year 2025 now. I hope I have addressed all your questions, Marcio.

Operator

The question and answer session is closed. We would like to give the floor to Mr. Jonas Marques so that he can make the final considerations of the company.

Jonas Marques

Well, thank you very much for your attention, but I wanted to make the final considerations in a different way... I am extremely proud of the time and I feel privileged to have a wonderful team! So, I wanted to call Rose, our VP of HR, here on stage, VP of People and Culture. Carlos Fernandes is coming here, he is an ace in operations, leading the operations team. And Wallace is coming here. Wallace is in charge of the commercial part and he, who? The R.C., Roberto Carlos? No, Renato Camargo. Come here, boy, to tell you about Black Friday; you can't be out! Now, see this as an investor, but especially as a consumer! You can't miss it, can you, Wallace?

Wallace Siffert

Without a doubt, look, take the opportunity here to invite all of you, they are unmissable offers! Jonas, look, we're already preparing, aren't we, Carlos Fernandes? Together with the industry for us to ensure profitability, because Octa is being worked on. Go there.

Carlos Fernandes

Yes, it is! I would like to invite, on behalf of the team, all of you to visit our stores so that you have the best offers, the best service in Brazilian pharmaceutical retail, because our Black Friday slogan is, "Pague Menos (Pay Less) for real".

Jonas Marques

That's it, folks! Keep cheering for us and give us the opportunity to delight them. A hug, stay with God.