Empreendimentos Pague Menos S.A.

Report on Review of Quarterly Financial Information – ITR on September 30, 2024

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

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Report on Review of Quarterly Financial Information - ITR

The Board of Directors and Shareholders of
Empreendimentos Pague Menos S.A.
Fortaleza- Ceará

Introduction
We have reviewed the interim, individual and consolidated quarterly financial information of Empreendimentos Pague Menos S.A. ("Company"), contained in the Quarterly Information Form - ITR for the quarter ended September 30, 2024, which comprises the balance sheet on September 30, 2024 and the related statements of income, the comprehensive statements of income for the three and nine months period then ended and the statement of changes in shareholders' equity and statements of cash flows for the nine-months period then ended, in addition to the notes to the financial statements.

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

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

Conclusion about the individual and consolidated interim information
Based on our review we are not aware of any facts that lead us to believe the individual and consolidated interim financial information included in the aforesaid quarterly information has not been prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34 applicable to the preparation of Quarterly Information - ITR, presented in a manner consistent with the requirements set forth by the Brazilian Securities Commission - CVM.

Other matters - Statements of value added

The interim individual and consolidated statements of value added (SVA) for the nine-month period ended September 30, 2024, prepared under the responsibility of the Company´s Management, and presented herein as supplementary information for purposes of the IAS 34, have been subject to review procedures jointly performed with the review of Company´s interim financial statements. In order to form our conclusion, we assessed whether those statements are reconciled with the financial statements and accounting records, as applicable, and whether their format and content are in accordance with criteria determined in the Technical Pronouncement 09 (CPC 09) - Statement of Value Added issued by the Committee for Accounting Pronouncements (CPC). Based on our review, nothing has come to our attention that causes us to believe that the statements of value added were not prepared, in all material respects, in accordance with the criteria determined by the aforementioned Technical Pronouncement and are consistent with the overall individual and consolidated financial statements.

Fortaleza, November 4, 2024

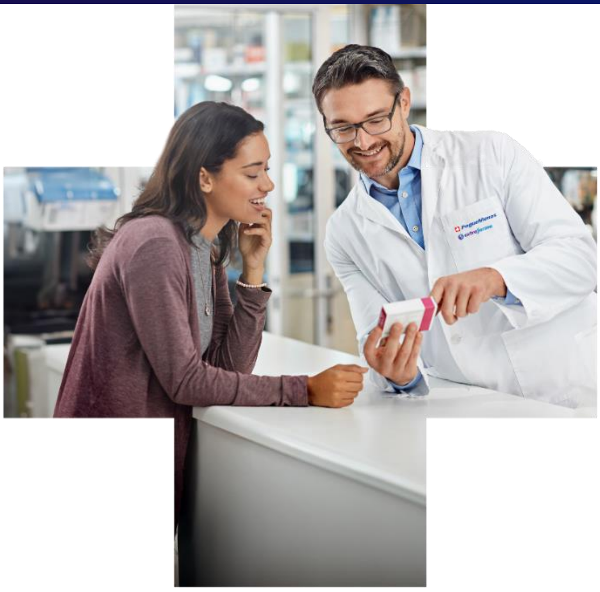
KPMG Auditores Independentes Ltda.
CRC CE-003141/F-5

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

EARNINGS RELEASE 3Q24

PagueMenos
extrafarma

PagueMenos extrafarma



OPERATIONAL EVOLUTION AND EXTRAFARMA SYNERGIES DRIVE STRONG PROFITABILITY AND FREE CASH FLOW

3Q24 HIGHLIGHTS

- **GROSS REVENUE**
  R$ 3.5 billion (+13.9% vs 3Q23) with 13.6% same store sales

- **MARKET SHARE**
  6.3% national market share (+ 0.2p.p. vs 3Q23), with gains in all regions

- **EXTRAFARMA SYNERGIES**
  R$ 234 million on annual basis (90% of the top of the range)

- **ADJUSTED EBITDA**
  R$ 190.7 million (+32.6% vs 3Q23), with EBITDA margin of 5.4% (+0.7 p.p. vs 3Q23)

- **ADJUSTED NET INCOME**
  R$ 53.9 million, with a net margin of 1.5% (+ 1.5 p.p. vs 3Q23)

- **FREE CASH FLOW**
  R$ 130.0 million (R$ 352 million excluding payment for Extrafarma)

- **INDEBTEDNESS**
  2.2x Net Debt / EBITDA (decrease of 0.2x vs 3Q23)

- **CASH CYCLE**
  51 days, reduction of 9 days vs 2Q23

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 Appendix 1 of this document.

FINANCIAL HIGHLIGHTS

in R$ million and % of gross revenue	3Q23	3Q24	Δ	9M23	9M24	Δ
Gross Revenue	**3,081.9**	**3,511.2**	**13.9%**	**8,898.8**	**9,975.2**	**12.1%**
Gross Profit	**903.8**	**1,032.2**	**14.2%**	**2,651.9**	**2,958.9**	**11.6%**
% Gross Margin	*29.3%*	*29.4%*	*0.1 p.p.*	*29.8%*	*29.7%*	*(0.1 p.p.)*
Contribution Margin	**215.8**	**275.5**	**27.7%**	**592.8**	**728.8**	**22.9%**
% Contribution Margin	*7.0%*	*7.8%*	*0.8 p.p.*	*6.7%*	*7.3%*	*0.6 p.p.*
Adjusted EBITDA	**143.8**	**190.7**	**32.6%**	**351.3**	**464.5**	**32.2%**
% Adj. EBITDA Margin	*4.7%*	*5.4%*	*0.7 p.p.*	*3.9%*	*4.7%*	*0.8 p.p.*
Adjusted Net Income	**(0.4)**	**53.9**	**-**	**(48.6)**	**74.9**	**-**
% Adj. Net Margin	*(0.0%)*	*1.5%*	*1.5 p.p.*	*(0.5%)*	*0.8%*	*1.3 p.p.*

OPERATING HIGHLIGHTS

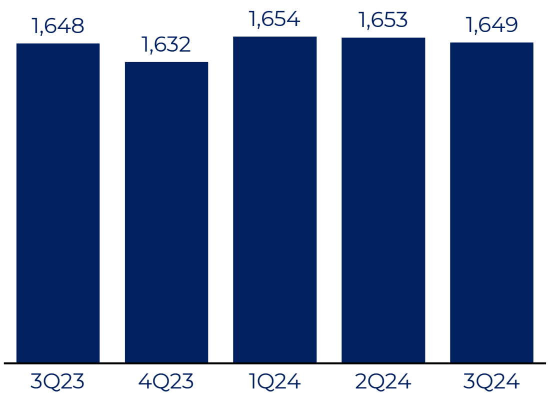
KPI	3Q23	4Q23	1Q24	2Q24	3Q24	Δ (Y/Y)
# of Stores	1,648	1,632	1,654	1,653	1,649	0.1%
Average sale/store/month (R$ thousand)	622	622	628	679	709	13.9%
Average ticket (R$)	81.07	80.46	81.96	83.78	85.89	6.0%
Same store sales (%)	5.9%	5.6%	9.6%	11.4%	13.6%	*7.7 p.p*
Digital channels (% of Gross Revenue)	12.1%	12.5%	13.4%	14.1%	15.2%	*3.1 p.p*
Private labels (% of Gross Revenue)	7.0%	6.9%	6.7%	6.7%	6.5%	*(0.5) p.p*
# of Pharmaceutical Clinics	1,077	1,077	1,100	1,092	1,088	1.0%
Active Customers (Million)	20.7	20.7	20.9	20.9	21.1	2.1%
Total Employees	25,268	25,445	25,799	25,874	25,606	1.3%
Store Employees	20,599	20,775	21,140	21,381	21,075	2.3%
Employees/store (quantity)	12.5	12.7	12.8	12.9	12.8	2.2%
Operating cash cycle (days)	60	55	60	56	51	(9)
Net Debt / Adjusted EBITDA	2.4x	2.5x	2.6x	2.5x	2.2x	(0.2x)

STORE PORTFOLIO

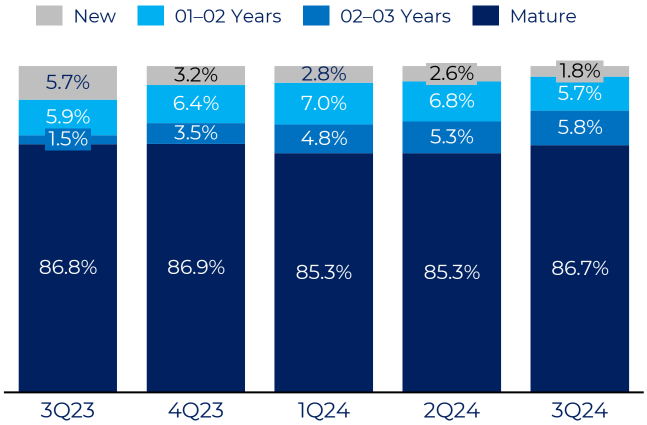
Our store base reached 1,649 units at the end of 3Q24. During the quarter, there were four store closures, two in the Pague Menos portfolio and two in the Extrafarma portfolio, related to the ongoing footprint optimization process. No new stores are planned until the end of the year. In 2025, organic expansion should resume gradually, as the Company remains focused on financial deleveraging.

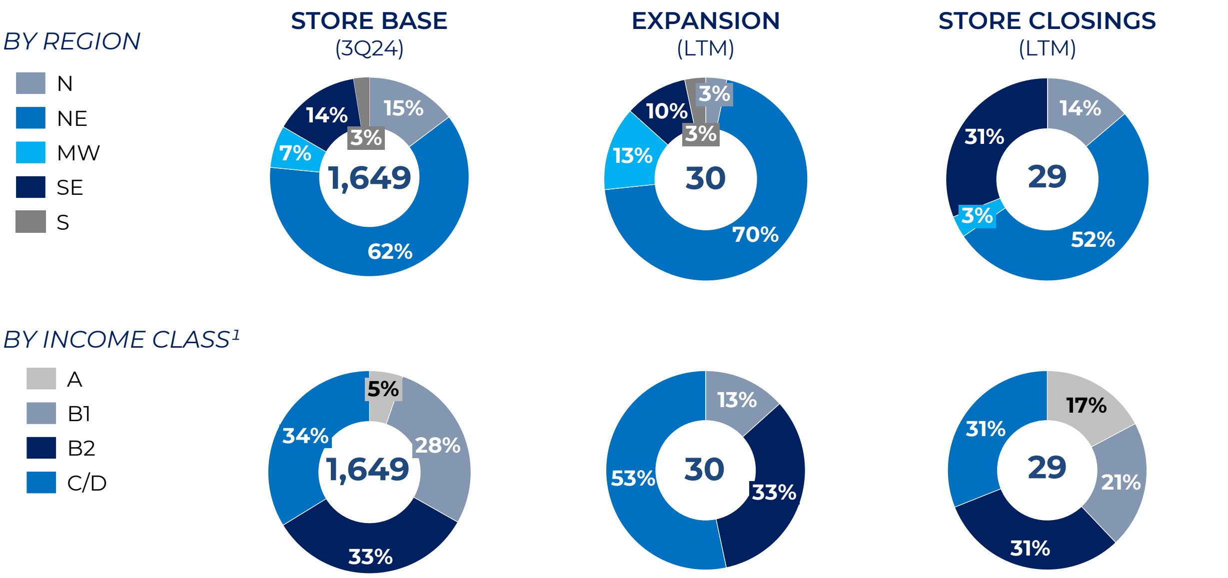
As part of the Extrafarma integration, we continue to carry out banner conversions, which have proven to be a relevant lever for increasing sales. By the end of 3Q24, 111 Extrafarma stores had been converted to Pague Menos. The Extrafarma brand is currently only present in the states of AP, PA, MA and CE, where we are carrying out tests to potentially increase conversions.

EVOLUTION OF STORE BASE



AGE PROFILE OF STORES





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

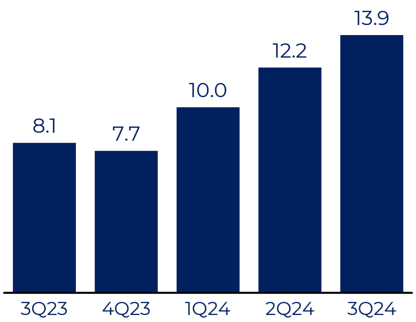
SALES PERFORMANCE

We continued to record an acceleration in sales growth in 3Q24, maintaining the positive trend observed since the beginning of the year. We achieved 13.9% growth in total sales, which represents the highest growth rate in 7 years (excluding 2Q21, affected[2] by the COVID-19 pandemic). This historical performance is even more robust when we consider the slowdown in inflation and the lower pace of organic expansion in the last quarters.

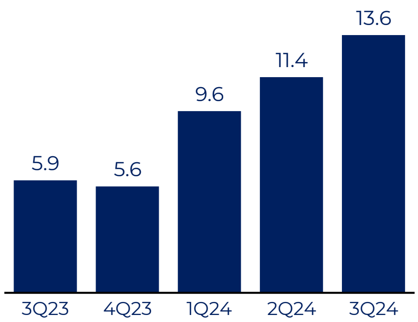
We attribute a significant part of the acceleration to the initiatives implemented since the beginning of 2024 to optimize store operations, our "operational missions". Improvements in areas such as customer service, processes, maintenance, pricing and IT stability have gradually led to an increase in customer traffic in stores. Additionally, we continue seeing the positive results of the successful integration of Extrafarma, whose operational synergies are increasingly translating into higher sales.

The 13.9% growth in the quarter is broken down into 13.6% same store sales, +1.3% of contribution from new stores and -0.9% from stores closed in the last 12 months. Mature stores recorded growth of 12.7%, approximately 3 times the inflation for the period, thus contributing to significant operational leverage in the results for the quarter.

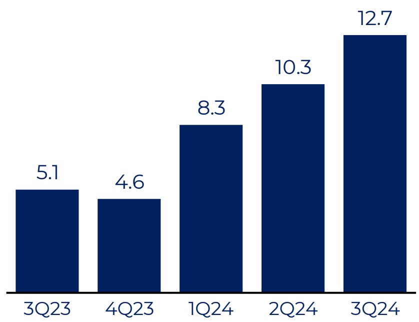
TOTAL GROWTH
(change %)



SAME STORES
(change %)



MATURE STORES
(change %)



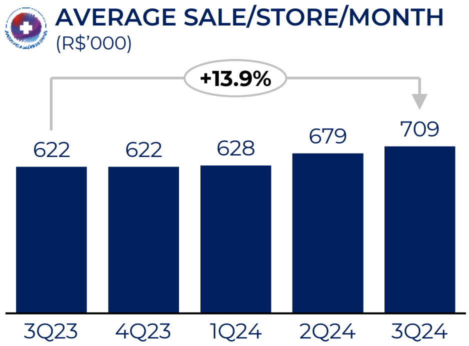
Broken down by company, same store sales reached 12.6% at Pague Menos and 18.5% at Extrafarma. In this context, it is increasingly evident how banner conversions continue to be an important driver for increasing sales, optimizing our footprint and enhancing the strength of the Pague Menos brand in strategic locations. Converted stores recorded significant growth of 30.4% compared to the same period of the previous year, while other Extrafarma stores grew 13.7%.

In the regional breakdown, we observed a significant growth acceleration across the country, although at different levels. The South and Southeast regions stood out, with 19.3% same store sales, while the Mid-West reached 17.8% and the North and Northeast regions grew 12.2%.

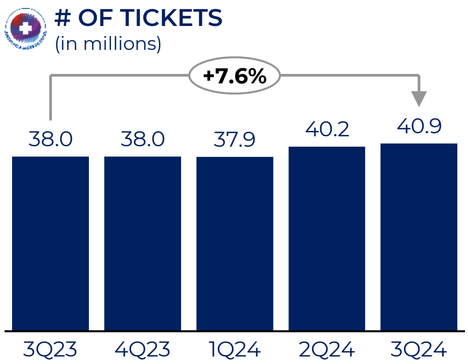
It is worth highlighting that there has been a catch-up over the last few years in regions where we have greater opportunities to improve efficiency. In 3Q21, the 5 states with the lowest productivity had average sales per store 27% below the overall portfolio average. Three years later, the gap between these same states was reduced to less than 5%. The progressive operational convergence between regions makes the national footprint strategy much more effective, thus contributing to an increasingly diversified operation.

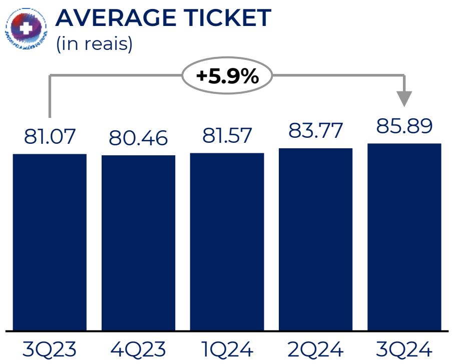
[2]The 20.6% growth recorded in 2Q21 was strongly impacted by non-recurring effects related to the COVID-19 pandemic: i) freezing of the annual adjustment of medicines in 2020 from April to June (harming the 2Q20 base); ii) temporary closure of stores due to social isolation health measures; (harming the 2Q20 base) and iii) demand for Covid tests (benefiting sales in 2Q21).

Average monthly sales per store reached R$ 709 thousand in 3Q24, growing 13.9% compared to the same period of the previous year. Considering only Pague Menos, this metric reached R$ 739 thousand, while Extrafarma totaled R$ 595 thousand. It is worth highlighting that Extrafarma stores converted to Pague Menos have accelerated the closing of the sales gap. Before the conversions started, these stores operated 32% below the Pague Menos portfolio, compared to 16% in the quarter.



The good sales performance for the quarter is even more evident when broken down into volume and average ticket. We have recorded significant growth of 7.6% in the number issued tickets (even in the context of stability in the store base), coupled with a 5.9% increase in the average ticket, which continues to grow above inflation.





In the same-store concept, the growth in issued tickets was 7.2%, with 6.7% in the Pague Menos portfolio and 9.2% in the Extrafarma portfolio, accounting for a significant acceleration in both brands. Operational initiatives have increasingly resulted in higher customer traffic. These actions include changes in the service model, store renovations, process redesigns, among others, which have contributed to increased customer retention and purchase frequency.

Furthermore, a significant portion of the increase in volume is related to attracting new customers, supported by increasingly assertive marketing and CRM execution, especially in digital channels. The active customer base, with purchases in the last 12 months, reached 21.1 million, a new record. The share of omnichannel customers, who use more than one shopping channel, reached 9.4% of the total, 1.4 p.p. above the same period of the previous year.

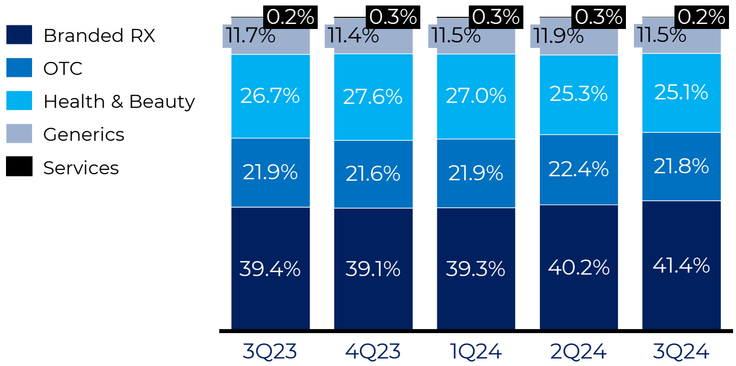
The growth in the average ticket is explained by price increases, with weighted inflation of products at 3.8%, in addition to an increase in the customer purchase basket and a positive mix effect.

CATEGORY MANAGEMENT

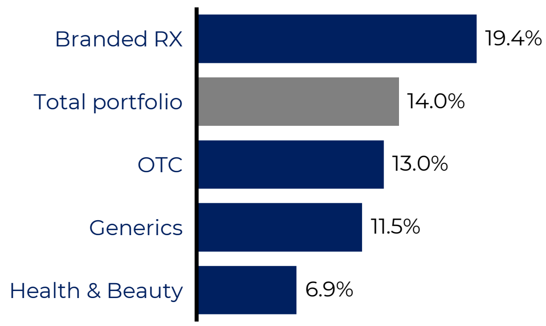
In 3Q24, we recorded significant growth in the share of branded prescription drugs in the mix, reaching 41.4% of total sales (+2 p.p. above the same period of the previous year). The category as a whole grew 19.4% in the quarter, driven by the diabetes therapeutic class, which grew by over 30%. The good performance follows a trend observed in the market as a whole, with successful product launches. Even though, it is worth highlighting that we have consistently recorded market share growth in this and most therapeutic classes, indicating our good execution, with increasingly assertiveness in pricing, availability and customer loyalty through Clinic Farma.

We also highlight the good performance in the OTC category, which grew 13.0% in the period. Within the category, vitamin and mineral items, health equipment and convenience items stood out, all growing over 20% compared to the previous year.

SALES MIX
(% of gross revenue)

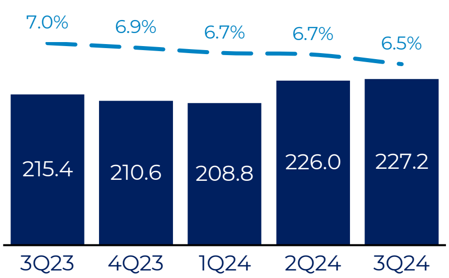


GROWTH BY CATEGORY
(% variation 3Q24 vs 3Q23)



Private labels reached a record of R$ 227.2 million in sales in 3Q24. Despite this, the share of total sales dropped to 6.5%, 0.5 p.p. below the same period of the previous year. The decrease in share is mainly due to the slowdown in the hygiene and beauty category as a whole, which concentrates a large part of the assortment of private label items. Despite this fact, we remain optimistic about the private label strategy, which has an increasingly diversified portfolio, high and growing margins and a promising pipeline of launches.

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

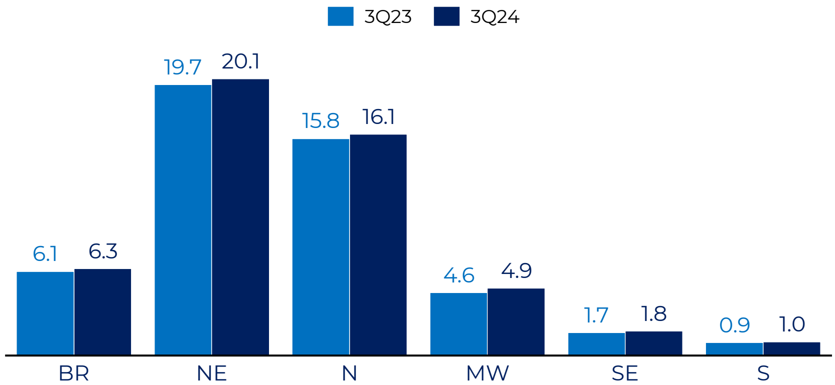


MARKET SHARE

Our share in the Brazilian pharmaceutical retail market reached 6.3% in the quarter, accounting for an increase of 0.2p.p. compared to 3Q23. The good performance is even more evident when we consider the slowdown in our organic expansion, in the context of financial deleveraging, and the growth in average sales per store above that of our competitors.

We expanded our market share in all regions of the country. In the Northeast region, we surpassed the 20% market share threshold (the highest since 2020). We also highlight the good performance in the Mid-West region, where we achieved a 4.9% share, and the Southeast region, where the growth per store was approximately twice the average of our competitors.

MARKET SHARE BY REGION (%)

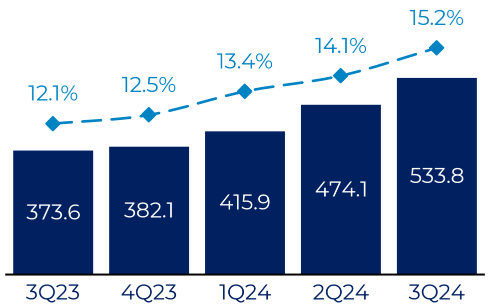


Source: IQVIA

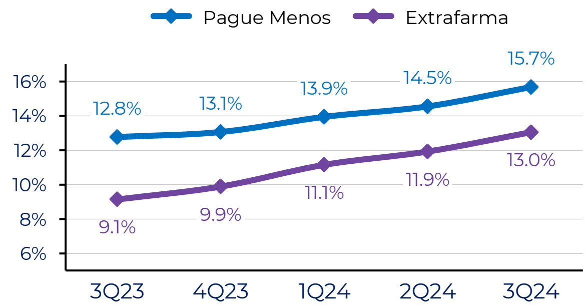
OMNICHANNEL PLATFORM

An important piece of the sales growth engine is the good performance of our omnichannel platform, which continues to develop and gain relevance in our value proposition. In 3Q24, we totaled R$ 534 million in sales via digital channels, accounting for a growth of 42.9% compared to the same period of the previous year. The share of total sales reached 15.2%, more than 3 p.p. above 3Q23 and more than 1 p.p. above 2Q24.

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

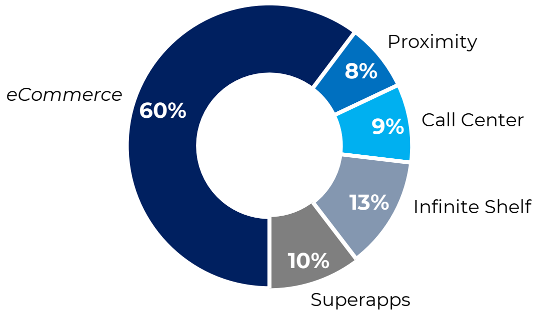


OMNICHANNEL SALES
(% of retail revenue)

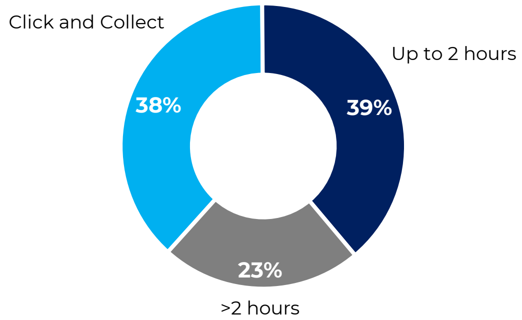


The main reason for the growth acceleration was the performance of the Pague Menos App, which continues to improve the user experience and gain share in e-commerce. We reached the milestone of 6.8 million downloads, being the third most downloaded pharmacy app in the country, in addition to achieving our best level of user reviews in the app stores. Furthermore, we continue evolving the digital shopping experience, with improvements in check-out , SEO and greater assertiveness in marketing spending. With this, our e-commerce increased its share to 60% of omnichannel sales, consolidating itself as the main channel for digital customers.

DIGITAL CHANNELS MIX
(% of omnichannel sales 3Q24)



TYPE OF DELIVERY MIX
(% of omnichannel orders 3Q24)



The mix of categories in digital channels is contributing to better profitability in omnichannel sales. Key categories such as private label and generics have been increasing their share, while lower margin categories such as diapers have been slowing. Accordingly, the channel’s contribution margin improved 1.5 p.p. compared to the same period of the previous year.

HEALTH HUB

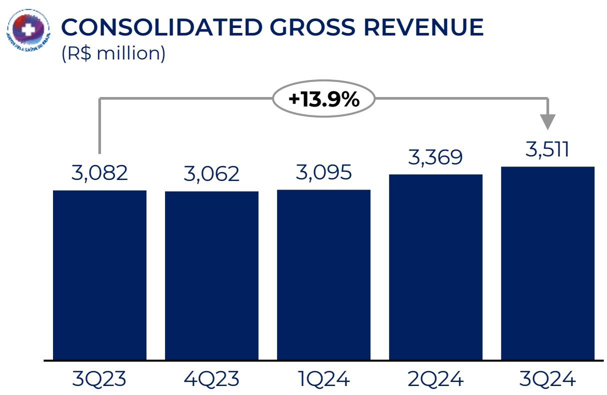
In 3Q24, we had 1.9 million consultations at Clinic Farma, reaching the mark of 7 million consultations carried out in the last 12 months. Our primary healthcare unit is progressively gaining scale and becoming increasingly relevant in customer relationships.

We have observed a gradual transformation in the Brazilian healthcare ecosystem, with pharmacies gaining increasing relevance in the patient care journey, through the provision of primary care services, clinical analysis exams and vaccinations in stores. In this context, our leading role becomes clear when we consider a recent survey by Clinicarx, the largest healthcare service platform for pharmaceutical retail, where Pague Menos has the largest volume of services in the market, with a productivity of services performed per store 4.5 times higher than the second-place in the ranking, among chains with over 100 stores.

Recognizing the central importance of the pharmaceutical professional in our Health Hub engine, we started a robust training program in the quarter in partnership with Hospital Sírio-Libanês for the Company's over 5,000 pharmacists. Throughout July, said professionals were trained, on relevant topics such as patient care, new technologies in the healthcare industry and the transition to the concept of Pharmacy 4.0, with a more automated and data-based management model.

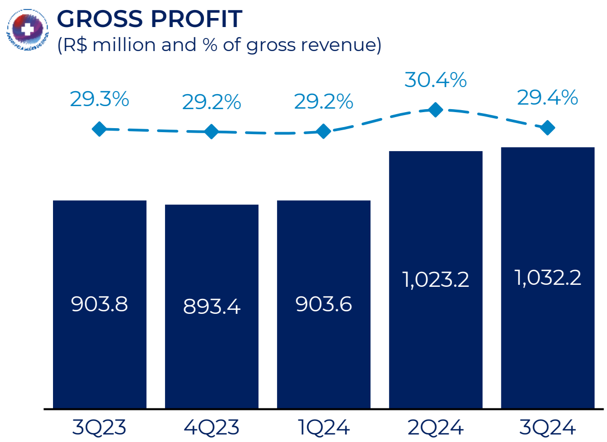
GROSS **REVENUE**

In 3Q24, consolidated gross revenue reached R$ 3.511 billion, growing 13.9% compared to the same period of the previous year. For further information on quarterly growth, see the "Sales Performance" section of this release.



GROSS **PROFIT**

The consolidated gross profit reached R$ 1.032 billion in 2Q24, accounting for a 14.2% growth compared to the same period of the previous year. As a result, the gross margin reached 29.4%, up 0.1 p.p. over 3Q23.



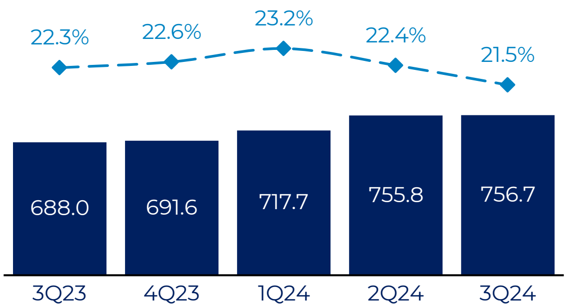
The following drivers had a positive impact on gross margin in the quarter: i) the inventories loss ratio, with a higher compensation level from the industry and normalization of Extrafarma's legacy inventory; ii) improvement of commercial conditions; and iii) margin improvement in digital channels. These positive effects were partially offset by: i) negative mix effect, with an increase in the share of branded drugs and a reduction in generics and private label; and ii) adjustment to present value (APV).

Segregating the gross margin by company, we recorded 29.0% in Pague Menos and 30.9% in Extrafarma. The margin gap between companies, of approximately 2 p.p., remained stable since 2Q23, when most of the margin synergies had already been implemented, and reflects the geographic mix (with Extrafarma's presence in states where we operate with higher margins) and the product mix (with Extrafarma operating with a lower share of branded drugs).

SELLING EXPENSES

Selling expenses totaled R$ 756.7 million, growing 10.0% compared to the same period of the previous year. The good sales performance generated strong operational leverage for the quarter, causing this group of expenses to reach 21.5% of revenue, 0.8 p.p. below the same period of the previous year.

SELLING EXPENSES
(R$ million and % of gross revenue)

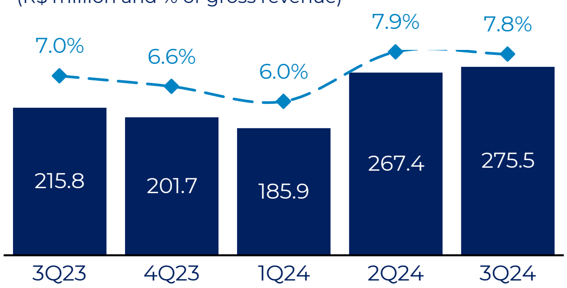


The nominal growth in expenses, compared to the previous year, is mainly related to inflation and the sales effect on variable expenses (freight, means of payment, variable rents etc.). Moreover, there was a mismatch in marketing expenses, which in 2023 were more concentrated in the first months of the year, and specific expenses related to “operational missions”, increasing maintenance and training expenses. As a positive effect, we highlight the control of occupancy expenses and the stability in rental inflation.

CONTRIBUTION **MARGIN**

Reflecting the good gross margin performance and dilution of selling expenses, the contribution margin in the quarter reached 7.8%, accounting for a strong growth of 0.8 p.p. compared to the same period of the previous year.

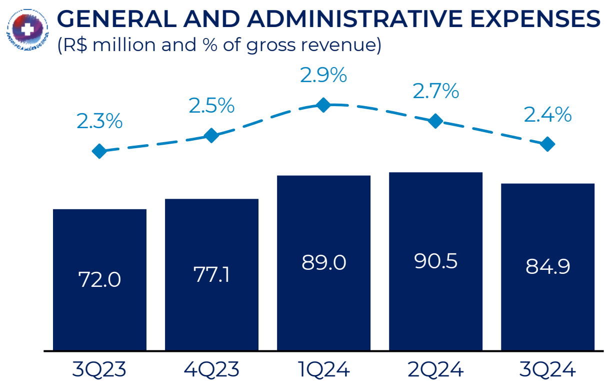
CONTRIBUTION MARGIN
(R$ million and % of gross revenue)



In the breakdown by company, the contribution margin reached 8.0% in Pague Menos and 7.2% in Extrafarma. The current gap, of only 0.8 p.p., compares with 4.0 p.p. recorded at the beginning of the integration, indicating a clear operational convergence and a successful integration plan. It is worth highlighting that, even operating with average sales per store well below the Pague Menos portfolio, Extrafarma has managed to deliver similar profitability due to its higher gross margin.

GENERAL AND ADMINISTRATIVE (G&A) EXPENSES

G&A expenses totaled R$ 84.9 million in 3Q24, down 6.3% compared to 2Q24. Coupled with strong sales performance, our financial discipline generated significant dilution in this expense group, which dropped from 2.7% of gross revenue in 2Q24 to 2.4% in 3Q24.



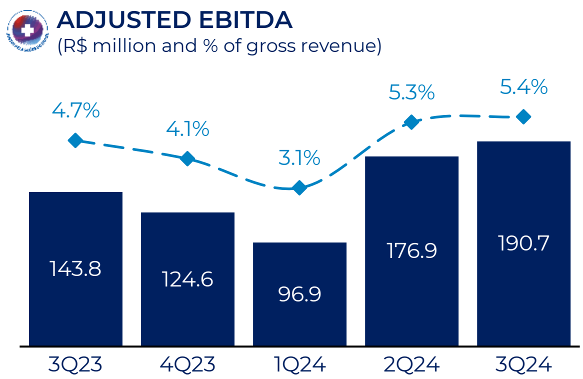
The G&A reduction, compared to 2Q24, is mainly related to savings in personnel expenses. In the previous quarter, this group of expenses had been subject to specific pressure due to changes in administrative teams, restructuring of the executive board and the closure of the corporate office in São Paulo.

In comparison with 3Q23, the 17.9% growth is related to the reinforcement of the executive team and greater focus on IT expenses, in addition to the accumulated inflation for the period.

ADJUSTED EBITDA

Adjusted EBITDA for 3Q24 totaled R$190.7 million, growing 32.6% compared to the same period of the previous year. Thus, we achieved an EBITDA margin of 5.4%, a historic record of profitability for a third quarter of the year.

The strong result highlights the Company's good momentum, the result of the successful integration with Extrafarma and the operational excellence initiatives prioritized since the beginning of the year.

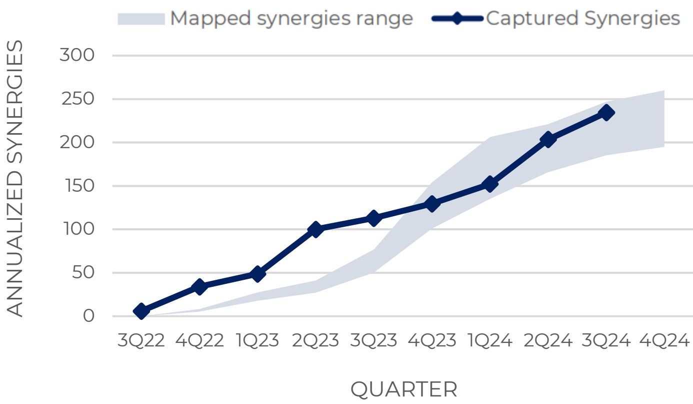


EXTRAFARMA INTEGRATION AND CAPTURE OF SYNERGIES

The annualized volume of synergies captured in the integration with Extrafarma reached R$ 234 million in 3Q24, equivalent to 90% of the top of the projected range (R$ 260 million). The improvement compared to 2Q24, reflects the acceleration in sales growth and the continued footprint optimization.

Of the R$ 234 million, R$ 201 million positively impacted Extrafarma's results, reflecting the significant improvement in its average sales per store (from R$ 468 thousand in 3Q22 to R$ 595 thousand in 3Q24) and contribution margin (from 3.2% in 3Q22 to 7.2% in 3Q24), in addition to savings in general and administrative expenses. Moreover, we recognized further R$ 33 million in synergies at Pague Menos, generated mainly by logistics and tax efficiencies.

SYNERGY CAPTURE CURVE
(R$ million)

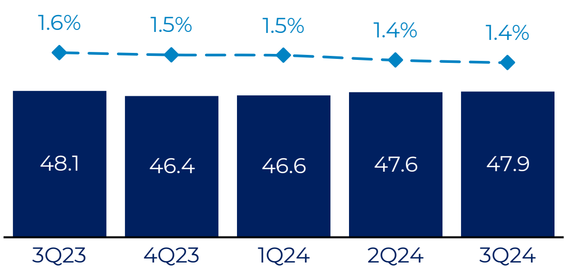


DEPRECIATION, FINANCIAL RESULTS AND INCOME TAX / SOCIAL CONTRIBUTION

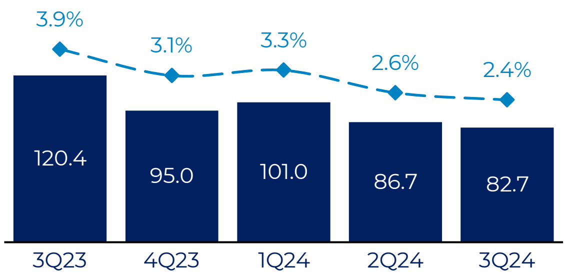
Depreciation in 3Q24 totaled R$ 47.9 million, remaining at a similar level to previous periods. This behavior reflects the stability in the store base and the slowdown in the volume of investments in the context of the Company's financial deleveraging cycle.

The financial result continues trending down, reflecting efforts towards financial deleveraging and improvement in the debt profile. Net financial expenses totaled R$ 82.7 million, accounting for a sharp reduction of 31.4% compared to the same period of the previous year, mainly reflecting the reduction in interest rates, lower spreads and lower expenses with prepayment of receivables. Compared to 2Q24, there was a decrease of 4.7%, mainly explained by a lower adjustment to present value (APV).

DEPRECIATION
(R$ million and % of gross revenue)

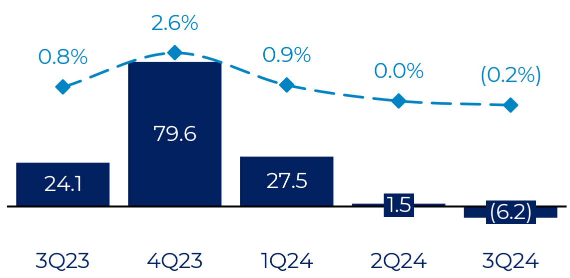


NET FINANCIAL EXPENSES
(R$ million and % of gross revenue)



Income tax totaled R$ 6.2 million in 3Q24, in line with the growth in realized taxable income. State tax subventions accounted for 1.0% of gross revenue in the quarter, positively impacting the result for the quarter by R$11.8 million.

INCOME TAX
(R$ million and % of gross revenue)

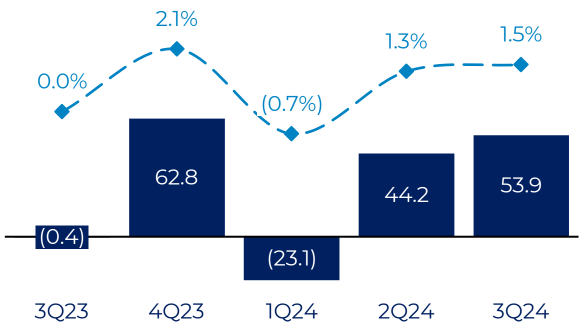


ADJUSTED NET **INCOME**

Adjusted net income reached R$ 53.9 million in 3Q24, reversing the loss of R$ 0.4 million recorded in the same period of the previous year. The net margin reached 1.5% of gross revenue, which represents an strong increase of 1.5 p.p. compared to 3Q23.

We highlight that the break down of growth in net income was well balanced between sales growth, increased margins and reduced financial expenses, highlighting the good performance in the quarter. We remain very optimistic about the evolution of our bottom line, as we continue the path of financial deleveraging together with consistent operational improvements.

ADJUSTED NET INCOME
(in R$ million and % of the total sale)



ADJUSTED INCOME **RECONCILIATION**

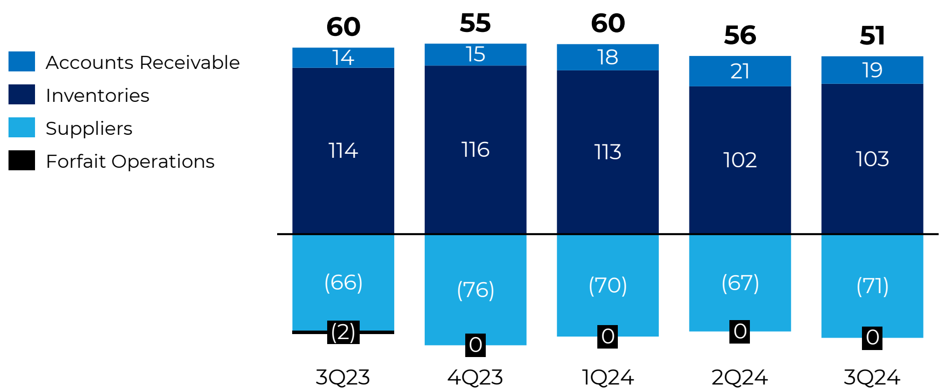
For a better understanding and comparability with previous periods, the results for the year were adjusted in order to exclude non-recurring events. We present below the details of the adjustments made, as well as their respective impacts on earnings. The complete reconciliation of the accounting and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

Description of Adjustment	Net effect on income (loss)	
	3Q23	3Q24
Accounting net income - IFRS 16	**(23.7)**	**40.9**
Exclusion of IFRS 16 effects	5.6	5.7
Total - Management adjustments	17.6	7.3
(+/-) Write-off of property, plant and equipment	12.0	1.4
(+) Expenses related to the acquisition of Extrafarma	0.0	4.7
(+) Organizational restructuring	0.8	0.0
(+/-) Business combination	3.4	2.7
(+) Interest on installments payable in acquisitions	8.8	2.2
(+/-) Effect of adjustments on IRPJ and CSLL taxes	(7.4)	(3.7)
Adjusted Net Income	**(0.4)**	**53.9**

CASH CYCLE

Our working capital management continues to evolve on a positive path, directly contributing to financial deleveraging. In 3Q24, the operating cash cycle reached 51 days, a reduction of 9 days compared to the same period of the previous year.

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



The positive evolution continues to be mainly driven by the reduction in the average inventory term, which reached 103 days in 3Q24. Compared with 2Q24, the 1-day increase reflects seasonality for the period, with the turnover of inventories acquired prior to the annual drugs price increase. On the other hand, the average payment term increased by 5 days in the annual comparison, reflecting better commercial negotiations and a greater mix of branded medicine sales. It is worth highlighting that the difference between inventories and suppliers' terms reached 32 days, the best level since 2020, highlighting our operational evolution and the synergies captured in the integration with Extrafarma.

The average receivables term was reduced by 2 days compared to 2Q24, due to a specific increase in the discounted receivables, increasing our liquidity to cover the payment of the last installment of the acquisition of Extrafarma in August. Since then, accounts receivable have been restored and are expected to maintain this trajectory in 4Q24.

[3] The calculation of the Average Inventory Period and the Average Payment Period disregards the effects of the APV, commercial agreements and recoverable taxes.

INDEBTEDNESS

Net debt totaled R$ 1.286 billion in 3Q24, reducing R$ 74.9 million compared to the previous quarter. The net debt/EBITDA ratio reached 2.2x, accumulating a decrease of 0.2x in the last 12 months, and 0.9x since the peak in 2Q23. We continue with the projection of ending the year with the ratio below 2.0x EBITDA.

Indebtedness (in R$ million)	3Q23	4Q23	1Q24	2Q24	3Q24
(+) Short-term Debt	372.0	430.3	415.9	138.7	381.4
(+) Long-term Debt	1,313.4	1,205.1	1,178.4	1,330.7	1,074.5
(=) Gross Debt	**1,685.4**	**1,635.4**	**1,594.3**	**1,469.4**	**1,455.9**
(-) Cash and cash equivalents	(530.2)	(443.3)	(232.5)	(108.2)	(169.6)
(=) Net Debt	**1,155.1**	**1,192.1**	**1,361.8**	**1,361.2**	**1,286.3**
Net Debt / Adjusted EBITDA	***2.4x***	***2.5x***	***2.6x***	***2.5x***	***2.2x***
(+) Balance of discounted receivables	460.9	433.8	421.4	290.7	358.9
(+) Extrafarma Acquisition payables	203.8	209.8	214.2	220.5	0.0
(=) Net Debt + Anticipations + Extrafarma	**1,819.9**	**1,835.8**	**1,997.4**	**1,872.5**	**1,645.2**
Net Debt + Anticipations + Extrafarma / Adj. EBITDA	***3.8x***	***3.9x***	***3.9x***	***3.5x***	***2.8x***

The financial deleveraging path becomes even more evident when we consider the recovery of accounts receivable and installments paid for the acquisition of Extrafarma, which consumed a significant portion of cash generation in recent quarters. Considering the discounted receivables and installments payable on the acquisition, our financial leverage reduced from 3.8x in 3Q23 to 2.8x in 3Q24.

INVESTMENTS

We totaled R$ 63.6 million in investments in the year to date, accounting for a decrease of 19% compared to the same period of the previous year.

It is worth highlighting that more than half of the Capex for the year was directed towards store renovations, which include brand conversions into Extrafarma stores. Thus, we promoted a significant revitalization of the store network, which has contributed to the good performance of same-store sales.

Capex (R$ million)	9M23	%	9M24	%
Expansion	48.8	62%	13.1	21%
Refurbishment of stores	9.3	12%	35.9	57%
Technology	11.8	15%	11.5	18%
Infrastructure of stores, DCs and offices	8.3	11%	3.0	5%
Total	**78.2**	**100%**	**63.6**	**100%**

CASH FLOW

Free cash flow in 3Q24 totaled R$ 130.0 million, accounting for an increase of R$ 162.1 million compared to the same period of the previous year. The good performance is even more evident when we consider the disbursement of the last installment of the acquisition of Extrafarma for the quarter, which consumed R$ 221.5 million of cash. Excluding this effect, our operating cash generation was over R$ 350 million in 3Q24.

The good cash generation for the quarter is related to EBITDA growth, greater conversion of EBITDA into cash, greater monetization of tax credits and an increase in the supplier balance.

Management Cash Flow (R$ million)	3Q23	3Q24	9M23	9M24
Consolidated EBITDA (ex-IFRS 16)	**131.0**	**184.4**	**329.1**	**454.0**
(-) Gain from bargain purchase	-	0.2	7.5	1.5
(Δ) Accounts receivable	(44.5)	59.2	57.2	(238.5)
(Δ) Inventories	2.5	(167.8)	98.0	41.4
(Δ) Suppliers	(10.0)	233.2	35.5	96.4
(Δ) Forfait operations	49.3	-	(185.2)	-
(Δ) Recoverable taxes	(20.7)	64.0	(31.6)	74.0
(+/-) Change in other assets and liabilities/Non-cash effects	69.1	0.2	(123.9)	(28.0)
(=) Cash flow from operations	**176.8**	**373.3**	**186.5**	**400.7**
(-) Capital investments	(11.0)	(21.8)	(78.2)	(63.6)
(-) Acquisition of companies	(197.8)	(221.5)	(197.8)	(221.5)
(=) Cash flow from investments	**(208.8)**	**(243.3)**	**(276.0)**	**(285.0)**
Free cash flows	**(32.1)**	**130.0**	**(89.5)**	**115.6**
(+) Gross debt raised	-	16.5	583.7	404.9
(-) Gross debt payment	(14.8)	(17.6)	(237.2)	(576.3)
(-) Debt service	(71.0)	(49.9)	(216.5)	(179.1)
(-) Share repurchases / Payment of capital	332.1	(17.6)	400.7	97.1
(+) Dividends and interest on capital received (paid)	-	-	(79.1)	(135.9)
(=) Cash flow from financing	**246.3**	**(68.6)**	**451.6**	**(389.3)**
Opening balance of cash and cash equivalents	316.0	108.2	168.1	443.3
Closing balance of cash and cash equivalents	530.2	169.6	530.2	169.6
Changes in cash and cash equivalents	**214.2**	**61.4**	**362.1**	**(273.7)**

APPENDIX 1: **INCOME STATEMENT**

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).

CONSOLIDATED INCOME STATEMENT

Income Statement (R$ million)	IAS 17			IFRS16		
	3Q23	3Q24	Δ	3Q23	3Q24	Δ
Gross Revenue	**3,081.9**	**3,511.2**	**13.9%**	**3,081.9**	**3,511.2**	**13.9%**
Deductions	(202.5)	(239.9)	18.5%	(202.5)	(239.9)	18.5%
Net Revenue	**2,879.5**	**3,271.3**	**13.6%**	**2,879.5**	**3,271.3**	**13.6%**
Cost of Goods Sold	(1,975.7)	(2,239.1)	13.3%	(1,975.7)	(2,239.1)	13.3%
Gross Profit	**903.8**	**1,032.2**	**14.2%**	**903.8**	**1,032.2**	**14.2%**
Gross Margin	*29.3%*	*29.4%*	*0,1p.p.*	*29.3%*	*29.4%*	*0,1p.p.*
Sales Expenses	(688.0)	(756.7)	10.0%	(565.1)	(639.0)	13.1%
Contribution Margin	**215.8**	**275.5**	**27.7%**	**338.7**	**393.2**	**16.1%**
Contribution Margin (%)	*7.0%*	*7.8%*	*0,8p.p.*	*11.0%*	*11.2%*	*0,2p.p.*
General and Administrative Expenses	(72.0)	(84.9)	17.9%	(72.0)	(84.9)	17.9%
Adjusted EBITDA	**143.8**	**190.7**	**32.6%**	**266.7**	**308.3**	**15.6%**
Adjusted EBITDA Margin	*4.7%*	*5.4%*	*0,7p.p.*	*8.7%*	*8.8%*	*0,1p.p.*
Depreciation and Amortization	(48.1)	(47.9)	(0.4%)	(132.0)	(127.1)	(3.7%)
Financial Income (Loss)	(120.4)	(82.7)	(31.4%)	(167.8)	(129.9)	(22.6%)
Income (loss) before Income Tax	**(24.6)**	**60.2**	**-**	**(33.1)**	**51.3**	**-**
Income Tax and Social Contribution	24.1	(6.2)	-	27.0	(3.1)	-
Minority Interest	0.1	(0.1)	-	0.1	(0.1)	-
Adjusted Net Income	**(0.4)**	**53.9**	**-**	**(6.0)**	**48.2**	**-**
Adjusted Net Margin	*(0.0%)*	*1.5%*	*1,5p.p.*	*(0.2%)*	*1.4%*	*1,6p.p.*

Income Statement (R$ million)	IAS 17			IFRS16		
	9M23	9M24	Δ	9M23	9M24	Δ
Gross Revenue	**8,898.8**	**9,975.2**	**12.1%**	**8,898.8**	**9,975.2**	**12.1%**
Deductions	(546.5)	(682.6)	24.9%	(546.5)	(682.6)	24.9%
Net Revenue	**8,352.2**	**9,292.6**	**11.3%**	**8,352.2**	**9,292.6**	**11.3%**
Cost of Goods Sold	(5,700.4)	(6,333.7)	11.1%	(5,700.4)	(6,333.7)	11.1%
Gross Profit	**2,651.9**	**2,958.9**	**11.6%**	**2,651.9**	**2,958.9**	**11.6%**
Gross Margin	*29.8%*	*29.7%*	*(0,1p.p.)*	*29.8%*	*29.7%*	*(0,1p.p.)*
Sales Expenses	(2,059.0)	(2,230.1)	8.3%	(1,703.6)	(1,872.3)	9.9%
Contribution Margin	**592.8**	**728.8**	**22.9%**	**948.2**	**1,086.7**	**14.6%**
Contribution Margin (%)	*6.7%*	*7.3%*	*0,6p.p.*	*10.7%*	*10.9%*	*0,2p.p.*
General and Administrative Expenses	(241.5)	(264.4)	9.5%	(241.5)	(264.4)	9.5%
Adjusted EBITDA	**351.3**	**464.5**	**32.2%**	**706.7**	**822.3**	**16.4%**
Adjusted EBITDA Margin	*3.9%*	*4.7%*	*0,8p.p.*	*7.9%*	*8.2%*	*0,3p.p.*
Depreciation and Amortization	(149.2)	(142.1)	(4.8%)	(394.4)	(381.7)	(3.2%)
Financial Income (Loss)	(352.4)	(270.3)	(23.3%)	(496.9)	(415.2)	(16.5%)
Income (loss) before Income Tax	**(150.3)**	**52.0**	**-**	**(184.7)**	**25.4**	**-**
Income Tax and Social Contribution	101.2	22.8	(77.5%)	112.9	32.0	(71.7%)
Minority Interest	0.4	0.1	(72.1%)	0.4	0.1	(72.1%)
Adjusted Net Income	**(48.6)**	**74.9**	**-**	**(71.3)**	**57.5**	**-**
Adjusted Net Margin	*(0.5%)*	*0.8%*	*1,3p.p.*	*(0.8%)*	*0.6%*	*1,4p.p.*

APPENDIX 2: BALANCE **SHEET**

CONSOLIDATED BALANCE SHEET

Statement of financial position (R$ million)	IFRS16 12/31/2023	IFRS16 09/30/2024	Δ
Total assets	**8,988.6**	**8,642.4**	**(3.9%)**
Current assets	**4,493.6**	**4,301.8**	**(4.3%)**
Cash and cash equivalents	443.3	169.6	(61.7%)
Trade accounts receivable	513.6	745.1	45.1%
Inventories	3,029.7	2,973.1	(1.9%)
Recoverable taxes	239.6	154.9	(35.3%)
Other current assets	267.4	259.2	(3.1%)
Non-current assets	**4,495.0**	**4,340.5**	**(3.4%)**
Non-current receivables	1,358.9	1,386.4	2.0%
Investments	80.0	78.2	(2.2%)
Property, plant and equipment	949.6	886.5	(6.6%)
Right-of-use in leases	1,912.0	1,815.4	(5.1%)
Intangible assets	194.5	174.0	(10.5%)
Total liabilities	**8,988.6**	**8,642.4**	**(3.9%)**
Current liabilities	**3,242.5**	**3,125.3**	**(3.6%)**
Social and labor charges	163.6	249.1	52.3%
Suppliers	1,936.2	2,038.0	5.3%
Tax obligations	111.2	55.6	(50.0%)
Loans, financing and debentures	430.3	383.3	(10.9%)
Other liabilities	265.4	53.0	(80.0%)
Lease	335.9	346.4	3.1%
Non-current liabilities	**3,085.6**	**2,846.4**	**(7.8%)**
Loans, financing and debentures	1,205.1	1,081.6	(10.2%)
Deferred taxes	3.6	3.3	(6.5%)
Lease	1,786.0	1,711.4	(4.2%)
Provision	79.1	62.3	(21.3%)
Other accounts payable	11.8	(12.3)	(204.0%)
Shareholders' equity	**2,660.5**	**2,670.7**	**0.4%**
Realized capital	1,604.8	1,721.9	7.3%
Capital reserves	383.6	388.3	1.2%
Profit reserves	681.5	536.8	(21.2%)
Treasury shares	(17.0)	(20.3)	19.9%
Retained earnings/losses	0.0	36.6	-
Non-controlling interest	7.5	7.4	(1.4%)

APPENDIX 3: **RECONCILIATION OF ADJUSTED NET INCOME (LOSS)**

Adjusted Net Income Reconciliation (R$ million)	3Q24 Book value (Pague Menos)	3Q24 Book value (Extrafarma)	Eliminations	3Q24 Book value (Consolidated)	IFRS 16 effects	Mgmt. Adjust-ments	3Q24 Adjusted (Consolidated)
Gross Revenue	**3,026.8**	**1,123.0**	**(638.6)**	**3,511.2**	**-**	**-**	**3,511.2**
Deductions	(203.1)	(77.0)	40.2	(239.9)	-	-	(239.9)
Net Revenue	**2,823.7**	**1,046.0**	**(598.4)**	**3,271.3**	**-**	**-**	**3,271.3**
Cost of Goods Sold	(1,985.2)	(853.1)	599.2	(2,239.1)	-	-	(2,239.1)
Gross Profit	**838.5**	**193.0**	**0.8**	**1,032.2**	-	-	**1,032.2**
Operating Expenses	(603.5)	(127.1)	(1.0)	(731.5)	(117.6)	6.3	(842.8)
Equity in Net Income of Subsidiaries	6.2	-	(4.9)	1.3	-	-	1.3
Depreciation and Amortization	(96.5)	(30.6)	(1.6)	(128.7)	79.2	1.6	(47.9)
Operating Income (Loss)	**144.8**	**35.2**	**(6.8)**	**173.2**	**(38.4)**	**8.0**	**142.8**
Financial Income (Loss)	(108.6)	(23.5)	(0.9)	(132.9)	47.2	3.0	(82.7)
Income (Loss) before Income Tax	**36.2**	**11.7**	**(7.6)**	**40.3**	**8.9**	**11.0**	**60.2**
Income Tax and Social Contribution	4.7	(4.1)	0.0	0.7	(3.2)	(3.7)	(6.2)
Minority Interest	-	-	(0.1)	(0.1)	-	-	(0.1)
Net income	**40.9**	**7.7**	**(7.7)**	**40.9**	**5.7**	**7.3**	**53.9**

APPENDIX 4: **RECONCILIATION OF EBITDA**

EBITDA Reconciliation (R$ million)	3Q23	3Q24
Net income	**(23.7)**	**40.9**
(+) Net Financial Income (Loss)	176.7	132.9
(+) Income Tax and Social Contribution	(34.3)	(0.7)
(+) Depreciation and Amortization	135.4	128.7
(+) Minority Interest	(0.1)	0.1
EBITDA (IFRS 16)	**253.9**	**302.0**
(+/-) IFRS 16 Effects	(122.9)	(117.6)
(+/-) Management Adjustments	12.8	6.3
Adjusted EBITDA (IAS 17)	**143.8**	**190.7**

APPENDIX 5: **STORE DISTRIBUTION BY STATE**

Region / State (# stores)	3Q23	Openings	Closures	3Q24
Total	**1,648**	**30**	**29**	**1,649**
Northeast	**1,013**	**21**	**15**	**1,019**
Alagoas	37	2	-	39
Bahia	159	2	6	155
Ceará	281	7	6	282
Maranhão	136	2	-	138
Paraíba	68	-	-	68
Pernambuco	178	5	3	180
Piauí	43	-	-	43
Rio Grande do Norte	69	1	-	70
Sergipe	42	2	-	44
North	**246**	**1**	**4**	**243**
Acre	15	-	-	15
Amapá	18	-	-	18
Amazonas	21	-	-	21
Pará	149	-	4	145
Rondônia	13	-	-	13
Roraima	12	1	-	13
Tocantins	18	-	-	18
Southeast	**238**	**3**	**9**	**232**
Espírito Santo	24	-	-	24
Minas Gerais	69	2	1	70
Rio de Janeiro	16	-	2	14
São Paulo	129	1	6	124
Mid-West	**110**	**4**	**1**	**113**
Federal District	15	-	-	15
Goiás	29	-	-	29
Mato Grosso	36	3	-	39
Mato Grosso do Sul	30	1	1	30
South	**41**	**1**	**-**	**42**
Paraná	15	1	-	16
Rio Grande do Sul	7	-	-	7
Santa Catarina	19	-	-	19

EARNINGS CONFERENCE CALL
November 05, 2024
10:00 (BRT) | 08:00 (US-EST)
In Portuguese with simultaneous translation into English
To access, click here

Empreendimentos Pague Menos S.A.

Balance sheet

Statements of financial position at September 30, 2024 and December 31, 2023

(Amounts stated in thousand of Reais)

		Parent Company		Consolidated	
Assets	Note	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Current					
Cash and cash equivalent	3	117.986	384.890	169.595	438.500
Marketable securities		0	4.808	0	4.808
Trade receivable	4	968.752	706.540	745.069	513.574
Inventories	5	2.240.096	2.250.727	2.973.059	3.029.712
Commercial agreements		166.943	165.809	200.727	213.505
Recoverable taxes	6	106.626	193.013	154.878	239.559
Prepaid expenses		14.807	7.260	18.475	9.630
Other		24.937	33.548	40.021	44.269
Total current asset		3.640.147	3.746.595	4.301.824	4.493.557
Non-current					
Long term achievable					
Financial investments		1.677	777	1.677	777
Recoverable taxes	6	632.010	553.427	754.258	748.573
Deferred taxes	7	410.104	372.928	565.021	522.318
Contingent assets		36.364	57.217	36.364	57.217
Legal deposits		24.678	25.223	29.094	30.038
Investments	9	974.334	996.609	78.200	79.995
Property, plant, and equipment	10	743.770	795.541	886.500	949.597
Intangible	11	82.969	94.835	173.973	194.488
Right of use	12	1.560.484	1.620.417	1.815.448	1.912.038
Total non-current asset		4.466.390	4.516.974	4.340.535	4.495.041
Total asset		8.106.537	8.263.569	8.642.359	8.988.598

Empreendimentos Pague Menos S.A.

Balance sheet

Statements of financial position at September 30, 2024 and December 31, 2023

(Amounts stated in thousand of Reais)

			Parent Company		Consolidated	
Liabilties	Note	Nota	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Current						
Trade payable	13	13	1.868.830	1.631.854	2.037.953	1.936.165
Loans, finance and debentures	14	14	383.320	430.286	383.320	430.286
	0		56.640	346.371	56.640	346.371
	0		326.680	83.915	326.680	83.915
Derivatives operations	14	14	10.645	5.209	10.645	5.209
Leases liabilities	15	15	266.317	265.512	346.362	335.946
Taxes and contribuition payables	16	16	46.056	71.129	55.602	111.180
Salaries and social charges			195.957	121.206	249.078	163.581
Other accounts payable			33.518	249.461	42.307	260.161
Total current liability			2.804.643	2.774.657	3.125.267	3.242.528
Non-current						
Loans, finance and debentures	14	14	1.081.633	1.205.139	1.081.633	1.205.139
Derivative Operations			(19.703)	0	(19.703)	0
Leases liabilities	15	15	1.513.510	1.545.330	1.711.408	1.785.975
Taxes and contribuition payables	16	16	3.339	3.573	3.339	3.573
Contingency provisions	17	17	17.692	12.876	25.896	21.872
Liability for indemnification	17	17	36.364	57.217	36.364	57.217
Other accounts payable			5.750	11.788	7.437	11.788
Total non-current liability			2.638.585	2.835.923	2.846.374	3.085.564
Total liability			5.443.228	5.610.580	5.971.641	6.328.092
Shareholders' equity	18	18				
Capital stock			1.721.858	1.604.848	1.721.858	1.604.848
Capital reserves			388.338	383.580	388.338	383.580
Profit reserves			536.821	681.529	536.821	681.529
Stocks in treasury			(20.344)	(16.968)	(20.344)	(16.968)
Accumulated earnings (losses)			36.636	-	36.636	-
Total shareholders' equity			2.663.309	2.652.989	2.663.309	2.652.989
Non-controlling interest			-	-	7.409	7.517
Total liability and shareholders' equity			8.106.537	8.263.569	8.642.359	8.988.598

Empreendimentos Pague Menos S.A.

Income statement

Period ended September 30, 2024 and 2023

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

		Parent Company				Consolidated			
Income statement	Note	07/01/2024 to 09/30/2024	01/01/2024 to 09/30/2024	07/01/2023 to 09/30/2023	01/01/2023 to 09/30/2023	07/01/2024 to 09/30/2024	01/01/2024 to 09/30/2024	07/01/2023 to 09/30/2023	01/01/2023 to 09/30/2023
Gross sales		3.026.789	8.583.767	2.638.469	7.538.762	3.511.160	9.975.243	3.081.941	8.898.794
Deductions		(203.103)	(574.177)	(171.662)	(479.585)	-239.856	(682.608)	(202.452)	(562.229)
Net revenue	22	2.823.686	8.009.590	2.466.807	7.059.177	3.271.304	9.292.635	2.879.489	8.336.565
Cost of sales	23	(1.985.226)	(5.604.860)	(1.731.386)	(4.898.122)	(2.239.106)	(6.333.692)	(1.975.647)	(5.684.700)
Gross profit		838.460	2.404.730	735.421	2.161.055	1.032.198	2.958.943	903.842	2.651.865
(Expenses) operating revenues		(693.707)	(2.048.087)	(626.035)	(1.909.773)	(858.955)	(2.533.531)	(785.292)	(2.377.454)
Other operating revenues		3.347	5.748	2.611	4.030	3.620	4.851	3.190	7.487
Sales expenses	23	(619.585)	(1.786.016)	(554.629)	(1.662.537)	(772.263)	(2.265.293)	(714.964)	(2.141.365)
General and administrative expenses	23	(83.151)	(250.457)	(56.795)	(186.572)	(90.849)	(275.635)	(74.445)	(247.220)
Depreciation and amortization			-	-	-	-	-	-	-
Equity in the results of investees		6.248	(15.887)	(16.725)	(63.507)	1.322	4.593	1.568	5.168
Other operating expenses		(566)	(1.475)	(497)	(1.187)	(785)	(2.047)	(641)	(1.524)
Result before net financial revenues (expenses) and taxes		144.753	356.643	109.386	251.282	173.243	425.412	118.550	274.411
Financial revenues	24	47.466	115.085	12.597	65.409	49.906	121.750	13.565	67.503
Financial expenses	24	(156.059)	(472.268)	(167.357)	(529.761)	(182.850)	(553.337)	(190.222)	(597.706)
Financial, net expenses		(108.593)	(357.183)	(154.760)	(464.352)	(132.944)	(431.587)	(176.657)	(530.203)
Result before taxes		36.160	(540)	(45.374)	(213.070)	40.299	(6.175)	(58.107)	(255.792)
Income tax deferred	7	4.738	37.176	21.715	89.466	671	42.703	34.308	131.761
Net income		40.898	36.636	(23.659)	(123.604)	40.970	36.528	(23.799)	(124.031)
Attributable to Non-controlling interest			-	-	-	(72)	(108)	(140)	(427)
Attributable to Controlling shareholders		40.898	36.636	(23.659)	(123.604)	40.898	36.636	(23.659)	(123.604)
Share result									
Basic Earnings per Share (in R$)	20	0,0708	0,0646	(0,0533)	(0,2701)	0,0710	0,0644	(0,0536)	(0,2711)

Empreendimentos Pague Menos S.A.

Cash flow statements

Period ended September 30, 2024 and 2023

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

(Amounts stated in thousand of Reais)

Cash flow statements	Parent Company 09/30/2024	Parent Company 09/30/2023	Consolidated 09/30/2024	Consolidated 09/30/2023
Cash flows from operating activities				
Net profit (loss) from the fiscal year	36.636	(123.604)	36.528	(124.031)
Cash Generated from Operations				
Depreciation and amortization	289.640	292.766	386.379	410.088
Assets and liabilities present value adjustment	16.780	8.599	16.595	12.830
Interests on loans, financing, and debentures	131.563	158.445	131.563	158.445
Derivative financial instruments fair value changes	(14.267)	8.486	(14.267)	8.486
Exchange variation on loans and financing	13.672	(8.016)	13.672	(8.016)
Interests on lease with purchase option	126.068	120.240	147.664	144.547
Establishement (reversal) of contingency provisions	(4.362)	5.458	(1.286)	6.651
Equity accounting	15.887	63.507	(4.593)	(5.168)
Deferred taxes	(37.176)	(89.466)	(42.703)	(131.761)
Appropriation of transaction costs in debts issuance	(2.271)	(5.614)	(2.271)	(5.614)
Other adjustments to income		38		38
Provision for closure of shops	134	(4.253)	(3.698)	(752)
Residual value on write-down of fixed and intangible assets	3.346	6.515	4.763	23.295
Provision for bad and doubtful debts	7.160	1.854	5.627	5.702
Provision for losses in inventories	13.705	(4.413)	10.314	2.918
	596.515	430.542	684.287	497.658
Operating assets and liabilities variations				
Accounts receivable	(269.104)	**68.089**	(238.511)	**57.176**
Inventories	(6.985)	**204.668**	41.352	**97.958**
Recoverable taxes	2.850	**(57.632)**	73.964	**(31.596)**
Other credits	6.026	**8.399**	17.431	**(19.559)**
Prepaid expenses	(7.547)	**(5.821)**	(8.845)	**(5.597)**
Suppliers	230.040	**(166.791)**	96.391	**35.528**
Taxes and contributions recoverable	(25.307)	**(36.650)**	(55.812)	**(51.825)**
Salaries and vacation payable	87.255	**61.325**	98.001	**67.827**
Other accounts payable	(216.136)	**17.975**	(220.228)	**(13.135)**
	(198.908)	93.562	(196.257)	136.777
Payment of loans - Interests	(140.974)	**(61.156)**	(140.974)	**(61.156)**
Payment of debentures - Interests	0	**(83.253)**	0	**(83.253)**
Payment of leases - Interests	(126.068)	**(120.240)**	(144.844)	**(144.547)**
	(267.042)	(264.649)	(285.818)	(288.956)
Net Cash Operating Activities	130.565	259.455	202.212	345.479
Cash flows from investment activities				
Acquisition in other investments	3.908	**4.043**	3.908	**4.043**
Dividends and Interest on Equity received	7.136	**2.782**	7.136	**2.782**
Acquisition of property, plant, and equipment	(37.834)	**(58.193)**	(55.172)	**(68.279)**
Acquisition of intangible	(8.000)	**(9.329)**	(8.379)	**(9.958)**
Net cash generated in investment activities	(34.790)	(60.697)	(52.507)	(71.412)
Cash flows from financing activities				
Loans and Financing	404.939	**583.678**	404.939	**583.678**
Payment of loans and financing	(576.338)	**(237.217)**	(576.338)	**(237.217)**
Payment of lease with purchase option	(152.460)	**(157.925)**	(208.391)	**(209.620)**
Dividends and interests over own capital paid	(21.335)	**(81.901)**	(21.335)	**(81.901)**
Issuance of debentures	0		0	
Payment of debentures	0	**(182.714)**	0	**(182.714)**
Derivative operations settlement	0	**(205.712)**	0	**(185.226)**
Capital increase	2.415	**405.849**	2.415	**405.849**
Funds from stock option granted	0		0	
Stocks in treasury	(19.900)	**(5.159)**	(19.900)	**(5.159)**
Net cash (used in) from financing activities	(362.679)	118.899	(418.610)	87.690
Increase (Decrease) of Cash and Equivalents	(266.904)	317.657	(268.905)	361.757
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	117.986	470.796	169.595	525.499
Decrease of Cash and Equivalents	(266.904)	317.657	(268.905)	361.757

Empreendimentos Pague Menos S.A.

Statements of changes in shareholders' equity

Period ended September 30, 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	405.849	4.288	4.025	-	-	**414.162**	-	**414.162**
					-	**-**		**-**
Stocks in treasury		4.288	4.025			**8.313**	-	**8.313**
Capital increase	405.849		-	-	-	**405.849**	**-**	**405.849**
Addition of non-controlling interests by business combination							**(1.148)**	**(1.148)**
Total Comprehensive Income	-	-	-	-	(123.604)	**(123.604)**	**(427)**	**(124.031)**
Net Income in the Period	-	-	-	-	(123.604)	**(123.604)**	**(427)**	**(124.031)**
Internal Changes of the shareholders' equity	-	(6.105)	-	(61.500)	-	**(67.605)**	-	(67.605)
Stocks granted	-	2.915	-	-	-	**2.915**	**-**	**2.915**
Restricted stocks plan	-	(9.020)	-	-	-	**(9.020)**	**-**	**(9.020)**
Interest on Shareholder's Equity – Additional	-			(61.500)	-	**(61.500)**	**-**	**(61.500)**
Balances on September 30, 2024	**1.605.068**	**390.061**	**(16.968)**	**702.947**	**(123.604)**	**2.557.504**	**6.867**	**2.564.371**
			-					
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**	**4.758**	**(3.376)**	**(144.708)**	-	**(26.316)**	**-**	**(26.316)**
Interest on Shareholder's Equity	-	-	-	(135.930)	-	**(135.930)**	-	**(135.930)**
Capital increase	117.010	-	-	-	-	**117.010**	-	**117.010**
Shares Granted	-	-	(19.900)	-	-	**(19.900)**	-	**(19.900)**
Restricted Stock Plan	-	4.758	7.746	-	-	**12.504**	-	**12.504**
Stocks in treasury	-	-	8.778	(8.778)	-	**-**	**-**	**-**
Adjustment value added of the business combination								**-**
Total Comprehensive Income	-	-	-	-	36.636	**36.636**	(108)	**36.528**
Net Income in the Period	-	-	-	-	36.636	**36.636**	**(108)**	**36.528**
Balances on Semptember 30, 2024	**1.721.858**	**388.338**	**(20.344)**	**536.821**	**36.636**	**2.663.309**	**7.409**	**2.670.718**
	1.721.858	**388.338**	**(20.344)**	**536.821**	**36.636**	**2.663.309**		**2.670.718**

Empreendimentos Pague Menos S.A.

Value added statement
Period ended September 30, 2024 and 2023
(In thousand Reais)

	Parent Company		Consolidated	
Value added statement	09/30/2024	09/30/2023	09/30/2024	09/30/2023
Revenues				
Sales of merchandises, products and services	8.159.678	7.473.164	9.478.341	8.801.528
Other revenues	26.292	4.038	2.174	6.674
	8.185.970	7.477.202	9.480.515	8.808.202
Inputs acquired from third parties (includes ICMS and IPI)				
Costs of sold merchandises, products and services	(4.862.338)	(4.541.379)	(5.450.802)	(5.182.906)
Third parties' materials, energy, services and others	(875.065)	(752.375)	(1.042.905)	(917.070)
	(5.737.403)	(5.293.754)	(6.493.707)	(6.099.976)
Gross added value	2.448.567	2.183.448	2.986.808	2.708.226
Depreciation and amortization	(289.641)	(292.766)	(386.379)	(410.087)
Net added value generated by Company	2.158.926	1.890.682	2.600.429	2.298.139
Added value received from transfer				
Equity pick-up	(15.887)	(56.040)	4.593	5.169
Financial income	58.322	31.529	64.987	33.623
Total added value to distribute	2.201.361	1.866.171	2.670.009	2.336.931
Added value distribution				
Personnel	930.305	827.827	1.165.019	1.061.351
Direct compensation	791.097	704.100	990.607	902.063
Benefits	83.064	73.797	102.887	94.876
FGTS	56.144	49.930	71.525	64.412
Taxes, Rates and Contributions	903.978	761.684	1.097.177	946.511
Federal	230.275	30.510	288.308	39.993
State	665.322	722.498	797.484	894.640
Municipal	8.381	8.676	11.385	11.878
Compensation of third parties capital	330.442	400.264	371.285	453.100
Interests	308.102	384.286	341.452	423.465
Rentals	22.340	15.978	29.833	29.635
Compensation of own capital	36.636	(123.604)	36.528	(124.031)
Profit (loss) of the year	36.636	(123.604)	36.528	(124.031)
Distributed added value	2.201.361	1.866.171	2.670.009	2.336.931

Empreendimentos Pague Menos S.A.

Comprehensive income statement

Period ended September 30, 2024 and 2023

(In thousand Reais)

Comprehensive income statement	Controladora		Consolidado	
	30/09/2024	30/09/2023	30/09/2024	30/09/2023
Net income	36.636	(123.604)	36.528	(124.031)
Other comprehensive income	-	-	-	-
Comprehensive income of the year	**36.636**	**(123.604)**	**36.528**	**(124.031)**
Non-controlling Interest	**-**	**-**	**(108)**	**(427)**
Attributable to Controlling Shareholders	**36.636**	**(123.604)**	**36.636**	**(123.604)**

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 September 30, 2024 through 1,301 Pague Menos stores in 30 (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. STATEMENT OF CONFORMITY AND BASIS OF PREPARATION OF QUARTERLY INFORMATION

2.1 Statement of conformity

The individual and consolidated quarterly information presented for the period ended September 30, 2024 was prepared in accordance with CPC 21 (R1) – Interim Financial Reporting, issued by the Accounting Pronouncement Committee (CPC), and in accordance with IAS 34 – Interim Financial Reporting issued by the International Accounting Standards Board ("IASB"), presented in a manner consistent with the standards issued by the Brazilian Securities and Exchange Commission (CVM), applicable to the preparation of the Quarterly Information and were authorized by the Company's Board of Directors on November 04, 2024.

The quarterly information was prepared to update users on material information presented in the period and should be analyzed in conjunction with the complete financial statements for the year ended December 31, 2023. In preparing this quarterly information, we adopted all the standards, reviews of standards, and interpretations issued by the CPC, the IASB, and regulatory bodies that were in force until September 30, 2024.

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 this quarterly information.

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 interim quarterly information 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 quarterly information 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.

(Amounts expressed in thousands of reais)

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:

- Estimated credit losses (Note 4)
- 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 significant accounting policies adopted in the preparation of the individual and consolidated interim quarterly information are consistent with those adopted and disclosed under the Notes to the financial statements for the year ended December 31, 2023, which were disclosed as at March 4, 2024 and should be read together with this statement. No new standards, amendments, or interpretations were issued until September 30, 2024.

2.7 Consolidation basis

The consolidated interim financial information comprises the financial information of the Company and its subsidiary as of September 30, 2024. Investments are 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 quarterly information.

3. CASH AND CASH EQUIVALENTS

	Index	Weighted average rate p.a.	Parent Company		Consolidated	
			09/30/2024	**12/31/2023**	**09/30/2024**	**12/31/2023**
Cash and banks			18,398	43,581	27,873	52,752
Cash equivalents			99,588	341,309	141,722	385,748
Purchase and sale commitments	CDI	95%	91,283	230,431	132,551	271,642
CDB	CDI	100%	6,462	108,554	6,462	108,554
Automatic investments			1,843	2,324	2,709	5,552
Total			**117,986**	**384,890**	**169,595**	**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.

(Amounts expressed in thousands of reais)

4. ACCOUNTS RECEIVABLE

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	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Credit card companies	619,430	407,542	670,559	476,321
Agreements and partnerships (i)	64,825	30,802	79,693	39,403
Accounts receivable from subsidiary (Note 8.2)	290,289	270,668	-	-
Other accounts receivable	5,438	1,866	6,640	2,945
Subtotal	**979,982**	**710,878**	**756,892**	**518,669**
(-) Adjustment to present value	(9,176)	(3,242)	(9,470)	(3,700)
(-) Expected credit losses	(2,054)	(1,096)	(2,353)	(1,395)
	968,752	**706,540**	**745,069**	**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	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Falling due	976,070	708,069	751,814	514,864
Overdue (days):				
01–30	793	250	1,398	1,398
31–90	378	923	616	939
91–180	428	462	487	481
>180	2,313	1,174	2,577	987
Total	**979,982**	**710,878**	**756,892**	**518,669**

The average term of accounts receivable is approximately 39 to 43 days (23 to 29 days on December 31, 2023), which is considered to be part of the normal and inherent conditions of the Company's operations.

(Amounts expressed in thousands of reais)

Changes in expected credit losses:

	Parent Company		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Opening balance	(1,096)	(249)	(1,395)	(393)
Additions	(1,052)	(1,158)	(1,052)	(1,314)
Reversals	94	311	94	312
Closing balance	**(2,054)**	**(1,096)**	**(2,353)**	**(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	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Goods for resale	2,222,625	2,234,511	2,951,217	3,007,339
Materials for use and consumption	17,471	16,216	21,842	22,373
	2,240,096	**2,250,727**	**2,973,059**	**3,029,712**

The changes in expected inventory losses are shown below:

	Parent Company		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Opening balance	(34,349)	(28,428)	(48,523)	(38,365)
Additions	(16,452)	(5,921)	(28,542)	(10,158)
Reversals	2,747	-	18,227	-
Closing balance	**(48,054)**	**(34,349)**	**(58,838)**	**(48,523)**

6. RECOVERABLE TAXES

	Parent Company		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
ICMS (i)	616,285	578,071	758,653	760,113
PIS and COFINS (ii)	113,566	160,856	140,494	219,397
WITHHOLDING INCOME TAX (IRRF)	4,945	3,624	5,078	3,661
Other	3,840	3,889	4,911	4,961
	738,636	**746,440**	**909,136**	**988,132**
Current	106,626	193,013	154,878	239,559
Non-current	632,010	553,427	754,258	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)

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	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Deferred tax assets on tax loss	347,052	344,686	465,638	454,027
Lease - right-of-use	(530,564)	(550,941)	(616,105)	(648,566)
Lease – lease liabilities	605,141	615,686	702,576	725,964
Provision for realization of inventories	16,339	11,679	20,006	16,498
Expected credit losses	6,615	6,190	12,541	12,608
Impairment of goodwill in associated company	6,543	6,543	6,543	6,543
Provision for legal risks	6,015	4,378	8,655	7,287
Adjustment to present value	7,442	1,737	4949	(693)
Profit sharing	4,878	3,539	5,490	3,868
Provision for closing of stores	1,004	959	1,185	2,443
Interest capitalization	(9,970)	(10,096)	(9,970)	(10,096)
Gain from bargain purchase	(80,747)	(83,791)	(80,747)	(83,791)
Derivative financial instruments	(3,080)	1,771	(3,080)	1,771
Other provisions	33,436	20,588	47,340	34,455
Total	**410,104**	**372,928**	**565,021**	**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	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
2024	-	-	1,017	3,111
2025	89	9,960	10,427	16,351
2026	6,664	20,682	20,205	29,036
2027	12,035	27,995	27,075	37,472
>2028	391,316	314,291	506,297	436,348
	410,104	**372,928**	**565,021**	**522,318**

(Amounts expressed in thousands of reais)

7.4 Effective rate reconciliation

	Parent Company		Consolidated	
	09/30/2024	09/30/2023	09/30/2024	09/30/2023
Income (loss) before income tax and social contribution	**(540)**	**(213,070)**	**(6,175)**	**(255,792)**
Combined statutory rate	34%	34%	34%	34%
IR/CSLL at combined statutory rate	**184**	**72,444**	**2,100**	**86,969**
Permanent (additions) exclusions:	**-**	**-**	**-**	**-**
Other permanent additions	(696)	(484)	(1,006)	(657)
Investment grant	32,848	27,774	32,848	27,774
Equity in net income of subsidiaries	(2,359)	(13,726)	1,562	1,757
Inflation adjustment of tax overpayments	7,251	1,394	7,251	1,394
Tax loss from prior periods	(52)	2,064	(52)	14,524
IR/CSLL on income (loss)	**37,176**	**89,466**	**42,703**	**131,761**
Effective rate	**(6,884%)**	**(42%)**	**(691.5%)**	**(51.5%)**

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 carries out commercial operations with the subsidiary Imifarma Produtos Farmacêuticos e Cosméticos S.A., which owns the Extrafarma brand, to supply stores throughout the country.
- **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 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:

(Amounts expressed in thousands of reais)

Guarantor's related party	09/30/2024	12/31/2023
Guarantee/surety and joint debtor (Note 14)	7,484	13,132
Individuals (shareholders)	1,963	4,507
Dupar Participações S.A.	5,521	8,625
Real estate	52,183	52,183
Dupar Participações S.A.	52,183	52,183

8.2 Balances with related companies

		Parent Company			
		09/30/2024		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	290,289	388,163	277,800	318,949
Suppliers					
Biomatika	Purchase of products	(1,465)	(9,713)	(1,622)	(10,269)
L'auto	Freight of goods	(6,348)	(88,647)	(7,022)	(113,386)
Extrafarma (Note 13.1)	Purchases of goods	(564,966)	(1,388,811)	(320,435)	(1,269,883)
E-pharma	Services taken	(857)	(7,898)	-	(6,900)
Leases					
Income from interest	Property Rental	(920)	(8,083)	(850)	(10,042)
Dupar Participações	Property Rental	(5,289)	(46,332)	(11,041)	(69,828)
Madajur Investimentos	Property Rental	(1,589)	(13,850)	(494)	(7,599)
Prospar Participações	Property Rental	(161)	(1,406)	(153)	(1,800)
Total		**(291,306)**	**(1,176,577)**	**(63,817)**	**(1,170,758)**

		Consolidated			
		09/30/2024		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	2,886	-	6,884	9,741
Suppliers					
Biomatika	Purchase of products	(2,364)	(14,552)	(558)	(14,808)
L'auto	Freight of goods	(8,573)	(106,875)	(8,167)	(132,692)
E-pharma	Services taken	(933)	(8,762)	(79)	(8,080)
Leases					
Renda Participações S.A.	Property Rental	(920)	(8,083)	(850)	(10,042)
Dupar Participações S.A.	Property Rental	(5,289)	(46,332)	(11,041)	(69,828)
Madajur Investimentos	Property Rental	(1,589)	(13,850)	(494)	(7,599)
Prospar Participações	Property Rental	(161)	(1,406)	(153)	(1,800)
Total		**(16,943)**	**(199,860)**	**(14,458)**	**(235,108)**

(Amounts expressed in thousands of reais)

8.3 Management remuneration

The management remuneration totaled R$ 22,553 in the period ended September 30, 2024 (R$ 15,642 as of 09/30/2023). Remuneration paid or payable for rendered service is as follows:

	09/30/2024	09/30/2023
Fixed remuneration	11,089	11,956
Bonuses and restricted shares	9,703	10,597
	20,792	**22,553**

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 the balance

	Parent Company		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Investment in subsidiary:				
Extrafarma:				
% Interest in investee's shareholders' equity	99.07%	99.07%		
Interest in investee's shareholders' equity	789,249	800,781	-	-
Surplus of acquired assets (net)	106,885	115,834	-	-
	896,134	916,614	-	-
Investment in associated company:				
E-Pharma PBM do Brasil S.A.				
% Interest in investee's shareholders' equity	26.12%	26.12%		
Interest in investee's shareholders' equity	15,605	17,400	15,605	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)
	78,200	79,995	78,200	79,995
	974,334	**996,609**	**78,200**	**79,995**

9.2 Changes in the balance

	12/31/2023	Equity in net income of subsidiaries	Dividends and interest on own capital received	09/30/2024
Extrafarma	916,614	(20,480)	-	896,134
e-Pharma	79,995	4,593	(6,388)	78,200
Total	**996,609**	**(15,887)**	**(6,388)**	**974,334**

	12/31/2022	Equity in net income of subsidiaries	Dividends and interest on own capital received	12/31/2023
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**

(Amounts expressed in thousands of reais)

9.3 Investment in subsidiary – Extrafarma's summary financial information

	09/30/2024	12/31/2023
Investee's shareholders' equity	796,658	808,298
Adjustment to fair value of acquired assets/liabilities:		
Brand	80,594	80,594
Surplus of property, plant and equipment	15,179	18,404
Lease	12,115	17,922
Adjusted shareholders' equity at fair value	904,547	925,218
Interest – %	99.07%	99.07%
Investment amount	896,134	916,614

	09/30/2024	12/31/2023
Income (loss) for the period	(11,639)	23,976
% of interest	99.07%	99.07%
Investee's profit sharing	(11,532)	23,753
(-) Depreciation/amortization of surplus of assets	(4,634)	(6,449)
(-) Realization of surplus value of lease expenses (Interest expense)	(2,820)	(18,722)
(-) Adjustment to the value of bargain purchase	-	30,318
(-) Realization of surplus value by write-off of assets	(1,494)	(3,921)
Equity in net income of subsidiaries	(20,480)	24,928

10. PROPERTY, PLANT AND EQUIPMENT

10.1 Book value of property, plant and equipment

		Parent Company					
		09/30/2024			12/31/2023		
	Rate p.a.	Cost	Accumulated depreciation	Net balance	Cost	Accumulated depreciation	Net balance
Works in progress	-	8,849	-	8,849	43,419	-	43,419
Leasehold improvements	(i)	1,150,073	(591,266)	558,807	1,102,439	(535,602)	566,837
Facilities	10%	112,184	(74,934)	37,250	111,281	(67,796)	43,485
Machinery and equipment	10%	135,705	(87,477)	48,228	130,080	(84,290)	45,790
Furniture and fixtures	10%	173,965	(91,090)	82,875	165,885	(80,015)	85,870
IT equipment	20%	71,157	(60,441)	10,716	73,016	(60,055)	12,961
Provision for closing of stores		(2,955)	-	(2,955)	(2,821)	-	(2,821)
		1,648,978	**(905,208)**	**743,770**	**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).

(Amounts expressed in thousands of reais)

		Consolidated					
		09/30/2024			12/31/2023		
	Rate p.a.	Cost	Accumulated depreciation	Net balance	Cost	Accumulated depreciation	Net balance
Works in progress	-	8,849	-	8,849	43,419	-	43,419
Leasehold improvements	(i)	1,425,499	(798,073)	627,426	1,375,210	(730,186)	645,024
Facilities	10%	116,271	(75,037)	41,234	111,288	(67,797)	43,491
Machinery and equipment	10%	180,670	(112,399)	68,271	172,204	(107,447)	64,757
Furniture and fixtures	10%	307,887	(176,925)	130,962	298,615	(156,866)	141,749
Vehicles	20%	1,439	(1,200)	239	4,119	(3,172)	947
IT equipment	20%	126,391	(113,386)	13,005	128,833	(111,439)	17,394
Provision for closing of stores	-	(3,486)	-	(3,486)	(7,184)	-	(7,184)
		2,163,520	**(1,277,020)**	**886,500**	**2,126,504**	**(1,176,907)**	**949,597**

10.2 Changes in property, plant and equipment in the semester ended September 30, 2024

	Parent Company					
	12/31/2023	Additions	Write-offs	Depreciation	Transfers	09/30/2024
Leasehold improvements	566,837	20,675	(5,606)	(56,952)	33,853	558,807
Facilities	43,485	696	(105)	(7,149)	323	37,250
Machinery and equipment	45,790	8,804	(23)	(7,169)	826	48,228
Furniture and fixtures	85,870	8,026	(5)	(11,359)	343	82,875
IT equipment	12,961	1,286	-	(3,520)	(11)	10,716
Works in progress	43,419	618	-	-	(35,188)	8,849
Provision for closing of stores	(2,821)	(3,209)	3,075	-	-	(2,955)
Total	**795,541**	**36,896**	**(2,664)**	**(86,149)**	**146**	**743,770**

	Consolidated					
	12/31/2023	Additions	Write-offs	Depreciation	Transfers	09/30/2024
Leasehold improvements	645,024	28,825	(6,942)	(73,334)	33,853	627,426
Facilities	43,491	4,750	(105)	(7,252)	350	41,234
Machinery and equipment	64,757	12,284	(94)	(9,502)	826	68,271
Furniture and fixtures	141,749	9,644	(148)	(20,626)	343	130,962
IT equipment	17,394	1,295	(6)	(5,667)	(11)	13,005
Works in progress	43,419	645	-	-	(35,215)	8,849
Provision for closing of stores	(7,184)	(3,209)	6,907	-	-	(3,486)
Vehicles	947	-	(665)	(43)	-	239
Total	**949,597**	**54,234**	**(1,053)**	**(116,424)**	**146**	**886,500**

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**

(Amounts expressed in thousands of reais)

	Consolidated						
	12/31/2022	Additions	Write-offs	Depreciation	Fair value adjustment(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$ 2,955 (R$ 2,821 as of December 31, 2023) in the parent company, and of R$ 3,486 (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					
		09/30/2024			12/31/2023		
	Rate p.a.	Cost	Accumulated amortization	Net balance	Cost	Accumulated amortization	Net balance
Brands	(i)	4,289	-	4,289	4,289	-	4,289
Goodwill	(ii)	19,118	(18,514)	604	19,118	(18,228)	890
Software	20%	181,739	(104,661)	77,078	173,210	(85,554)	87,656
Websites	10%	68	(68)	-	262	(77)	185
Intangible asset in progress	-	998	-	998	1,815	-	1,815
		206,212	**(123,243)**	**82,969**	**198,694**	**(103,859)**	**94,835**

		Consolidated					
		09/30/2024			12/31/2023		
	Rate p.a.	Cost	Accumulated amortization	Net balance	Cost	Accumulated amortization	Net balance
Brands	(i)	84,133	-	84,133	84,133	-	84,133
Goodwill	(ii)	19,118	(18,514)	604	19,118	(18,228)	890
Software	20%	330,007	(241,769)	88,238	321,099	(213,634)	107,465
Websites	10%	68	(68)	-	262	(77)	185
Intangible asset in progress	-	998	-	998	1,815	-	1,815
		434,324	**(260,351)**	**173,973**	**426,427**	**(231,939)**	**194,488**

(Amounts expressed in thousands of reais)

(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 quarter ended September 30, 2024

	Parent Company					
	12/31/2023	Additions	Write-offs	Amortization	Transfers	09/30/2024
Brands	4,289	-	-	-	-	4,289
Goodwill	890	-	-	(286)	-	604
Software	87,656	6,174	(54)	(19,380)	2,682	77,078
Websites	185	-	-	-	(185)	-
Intangible asset in progress	1,815	1,826	-	-	(2,643)	998
Total	**94,835**	**8,000**	**(54)**	**(19,666)**	**(146)**	**82,969**

	Consolidated					
	12/31/2023	Additions	Write-offs	Amortization	Transfers	09/30/2024
Brands	84,133	-	-	-	-	84,133
Goodwill	890	-	-	(286)	-	604
Software	107,465	6,553	(54)	(28,408)	2,682	88,238
Websites	185	-	-	-	(185)	-
Intangible asset in progress	1,815	1,826	-	-	(2,643)	998
Total	**194,488**	**8,379**	**(54)**	**(28,694)**	**(146)**	**173,973**

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
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.

(Amounts expressed in thousands of reais)

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	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Real estate	1,462,609	1,558,524	1,717,573	1,850,145
IT equipment	69,635	31,923	69,635	31,923
Machinery and equipment	28,240	29,970	28,240	29,970
	1,560,484	**1,620,417**	**1,815,448**	**1,912,038**

12.3 Changes in the right of use in the quarter ended September 30, 2024

	Parent Company			
	Real estate	IT equipment	Machinery and equipment	Total
Balances at January 01, 2024	1,558,524	31,923	29,970	1,620,417
Additions and remeasurements	80,408	59,368	8,008	147,784
Write-offs	(20,744)	(2,770)	(378)	(23,892)
Depreciation	(155,579)	(18,886)	(9,360)	(183,825)
Balances at September 30, 2024	**1,462,609**	**69,635**	**28,240**	**1,560,484**

	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 and remeasurements	110,769	59,368	8,008	178,145
Write-offs	(30,808)	(2,770)	(378)	(33,956)
Depreciation	(212,533)	(18,886)	(9,360)	(240,779)
Balances at September 30, 2024	**1,717,573**	**69,635**	**28,240**	**1,815,448**

(Amounts expressed in thousands of reais)

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 01, 2023	1,662,610	62,955	12,434	1,737,999
Additions and remeasurements	95,870	2	4,575	100,447
Write-offs	(15,630)	(3,565)	(125)	(19,320)
Depreciation	(157,671)	(20,772)	(10,206)	(188,649)
Balances at September 30, 2023	**1,585,179**	**38,620**	**6,678**	**1,630,477**

	Consolidated			
	Real estate	IT equipment	Machinery and equipment	Total
Balances at January 01, 2023	1,979,065	62,955	12,434	2,054,454
Additions and remeasurements	95,870	2	4,575	100,447
Write-offs	(67,986)	(3,565)	(125)	(71,676)
Depreciation	(214,248)	(20,772)	(10,206)	(245,226)
Balances at September 30, 2023	**1,792,701**	**38,620**	**6,678**	**1,837,999**

13. SUPPLIERS

13.1 Breakdown

	Parent Company		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Suppliers	1,334,279	1,348,769	2,091,022	1,995,072
Suppliers – Parent Company (Note 8.2)	564,966	320,435	-	-
Adjustment to present value (i)	(30,415)	(37,350)	(53,069)	(58,907)
Total	**1,868,830**	**1,631,854**	**2,037,953**	**1,936,165**

i) Suppliers' balances are adjusted to present value considering an average payment period of between 69 and 74 days (81 and 92 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).

(Amounts expressed in thousands of reais)

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

Bank	Type	Average interest rate	Parent Company and Consolidated 09/30/2024	Parent Company and Consolidated 12/31/2023
Loans – in domestic currency				
Banco do Brasil	Working capital	115% CDI.	-	33,192
Banco do Brasil	Working capital	120% CDI.	37,223	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
Banco do Brasil S.A.	4131 – EUR	EUR + 5.19% p.a.	54,743	-
Banco Santander	4131 - USD	USD + 6.31% p.a.	149,137	-
			241,103	**347,471**
Financing				
Banco do Brasil	FCO	4.12% p.a.	5,524	8,628
Banco do Nordeste do Brasil	FNE	TLP_IPCA + 2.18%	1,934	4,429
Bradesco	FINAME	TLP IPCA + 8.77%	17,423	29,895
Banco do Nordeste do Brasil	FNE	TFC + 5.86%	5,140	-
Banco do Nordeste do Brasil	FNE	TFC + 7.16%	3,927	-
			33,948	**42,952**
Debentures and commercial notes				
6th Issue of Debentures	Unsecured	CDI + 1.75%	104,538	101,417
6th Issue of Debentures	Unsecured	CDI + 2.20%	366,045	354,819
7th Issue of Debentures	Unsecured	CDI + 1.70%	510,888	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.	208,431	-
			1,189,902	**1,245,002**
Total loans, financing and debentures			**1,464,953**	**1,635,425**
Current			383,320	430,286
Non-current			1,081,633	1,205,139
Financial instruments Swap Itaú x EUR (i)			(5,136)	5,209
Financial instruments Swap Banco do Brasil x EUR (i)			(3,922)	-
Total loans, financing, debentures and derivatives			**1,455,895**	**1,640,634**
Current			393,971	430,286
Non-current			1,061,924	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).

(Amounts expressed in thousands of reais)

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

	Parent Company and Consolidated	
	09/30/2024	12/31/2023
Opening balances	1,640,635	1,574,270
Borrowings and financing	404,939	583,678
Forfait operations (i)	-	(241,331)
Interest incurred	131,563	210,562
Amortization of principal	(576,338)	(278,144)
Amortization of interest	(140,974)	(206,444)
Exchange-rate changes	13,672	(7,094)
Adjustment to present value – Forfait risk	-	3,410
Changes in the amount of financial liabilities measured at fair value	(14,267)	4,346
Appropriation to income (loss) from transaction costs	(3,335)	(2,619)
Closing balances	**1,455,895**	**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

	09/30/2024	12/31/2023
01/01/2025–12/31/2025	56,184	567,760
01/01/2026–12/31/2026	467,883	288,237
01/01/2027–12/31/2028	535,208	349,143
01/01/2029–12/31/2030	2,649	-
Total	**1,061,924**	**1,205,139**

(Amounts expressed in thousands of reais)

14.6 Guarantees

	09/30/2024	12/31/2023
Surety/guarantee (Related parties - Note 8)	7,484	13,132
Lien of credit rights	9,661	17,901
Bank guarantees	21,452	12,000
Real estate (Related parties – Note 8)	52,183	52,183
	90,780	**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 September 30, 2024, these ratios were within the contractually defined limits.

15. LEASE LIABILITIES

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	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Real estate	1,675,219	1,745,797	1,953,162	2,056,876
IT equipment	74,664	34,418	74,664	34,418
Machinery and equipment	29,944	30,627	29,944	30,627
	1,779,827	**1,810,842**	**2,057,770**	**2,121,921**

15.3 Changes in lease payable in the quarter ended September 30, 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 and remeasurements	80,408	59,368	8,008	147,784
Write-offs	(23,173)	(2,776)	(390)	(26,339)
Interest incurred	114,570	8,113	3,385	126,068
Payments	(242,383)	(24,459)	(11,686)	(278,528)
Balances at September 30, 2024	**1,675,219**	**74,664**	**29,944**	**1,779,827**
Current	226,090	27,093	13,134	266,317
Non-current	1,449,129	47,571	16,810	1,513,510

(Amounts expressed in thousands of reais)

	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 and remeasurements	110,769	59,368	8,008	178,145
Write-offs	(33,559)	(2,776)	(390)	(36,725)
Interest incurred	136,166	8,113	3,385	147,664
Payments	(317,090)	(24,459)	(11,686)	(353,235)
Balances at September 30, 2024	**1,953,162**	**74,664**	**29,944**	**2,057,770**
Current	306,135	27,093	13,134	346,362
Non-current	1,647,027	47,571	16,810	1,711,408

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 01, 2023	1,809,370	67,027	13,400	1,889,797
Additions and remeasurements	95,870	2	4,574	100,446
Write-offs	(17,333)	(3,565)	(137)	(21,035)
Interest incurred	114,820	3,886	1,534	120,240
Payments	(240,177)	(25,690)	(12,297)	(278,164)
Balances at September 30, 2023	**1,762,550**	**41,660**	**7,074**	**1,811,284**
Current	219,785	30,730	2,723	253,238
Non-current	1,542,765	10,930	4,351	1,558,046

	Consolidated			
	Real estate	IT equipment	Machinery and equipment	Total
Balances at January 01, 2023	2,159,066	67,027	13,400	2,239,493
Additions and remeasurements	95,870	2	4,574	100,446
Write-offs	(69,189)	(3,565)	(137)	(72,891)
Interest incurred	139,127	3,886	1,534	144,547
Payments	(316,180)	(25,690)	(12,297)	(354,167)
Balances at September 30, 2023	**2,008,694**	**41,660**	**7,074**	**2,057,428**
Current	284,613	30,730	2,723	318,066
Non-current	1,724,081	10,930	4,351	1,739,362

15.5 Maturity schedule of lease liabilities

	Parent Company		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
01–02 years	245,761	274,038	311,664	359,240
02–05 years	506,396	706,296	609,926	835,025
>05 years	761,353	564,996	789,838	591,710
Total	**1,513,510**	**1,545,330**	**1,711,408**	**1,785,975**

(Amounts expressed in thousands of reais)

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	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Lease consideration	2,003,210	2,027,663	2,242,649	2,303,842
Potential PIS/COFINS (9.25%)	185,297	187,559	207,445	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	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Real estate	1,675,219	1,745,797	1,751,105	1,690,281
IT equipment	74,664	34,418	77,964	36,008
Machinery and equipment	29,944	30,627	31,268	32,042
Total	**1,779,827**	**1,810,842**	**1,860,337**	**1,758,331**

	Consolidated			
	Actual flow		Inflation updated flow	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Real estate	1,953,162	2,070,143	2,041,640	2,004,313
IT equipment	74,664	34,418	77,964	36,008
Machinery and equipment	29,944	30,627	31,268	32,042
Total	**2,057,770**	**2,135,188**	**2,150,872**	**2,072,363**

(Amounts expressed in thousands of reais)

16. TAXES PAYABLE

	Parent Company		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
ICMS	34,646	40,952	38,898	61,990
INSS/FGTS	6,182	22,382	10,568	36,026
ISS	3,163	4,250	3,366	4,478
PERT	4,071	5,554	4,071	5,554
Withholding taxes	424	629	1,070	5,636
Other	909	935	968	1,069
Total	**49,395**	**74,702**	**58,941**	**114,753**
Current	46,056	71,129	55,602	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	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Administrative	1,164	887	1,164	887
Civil	3,340	3,229	4,223	3,983
Labor	12,679	8,342	15,157	11,741
Tax	509	418	5,352	5,261
Provision for contingencies	17,692	12,876	25,896	21,872
Contingent liabilities in business combination	36,364	57,217	36,364	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 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 nine-month period ended September 30, 2024

	Parent Company				
	12/31/2023	Additions	Reversal	Payments	09/30/2024
Administrative	887	861	(69)	(515)	1,164
Civil	3,229	1,175	(33)	(1,031)	3,340
Labor	8,342	15,611	(1,343)	(9,931)	12,679
Tax	418	319	(30)	(198)	509
Contingent liabilities in business combination (i)	57,217	-	(20,853)	-	36,364
Total	**70,093**	**17,966**	**(22,328)**	**(11,675)**	**54,056**

	Consolidated				
	12/31/2023	Additions	Reversal	Payments	09/30/2024
Administrative	887	861	(69)	(515)	1,164
Civil	3,983	1,882	(129)	(1,513)	4,223
Labor	11,741	19,212	(2,479)	(13,317)	15,157
Tax	5,261	319	(30)	(198)	5,352
Contingent liabilities in business combination (i)	57,217	-	(20,853)	-	36,364
Total	**79,089**	**22,274**	**(23,560)**	**(15,543)**	**62,260**

(i) According to the agreement, the selling shareholders agreed to indemnify the Company, limited to 75% of the acquisition price, for losses resulting from existing contingencies, whose the triggering events occurred up to the closing date. 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.

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**

(Amounts expressed in thousands of reais)

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

(i) According to the agreement, the selling shareholders agreed to indemnify the Company, limited to 75% of the acquisition price, for losses resulting from existing contingencies, whose the triggering events occurred up to the closing date. 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.

17.4 Contingent liabilities – Risk of possible loss

On September 30, 2024, the Company was party to lawsuits classified by its legal advisors, with a possible risk of loss totaling R$ 448,472 (R$ 440,622 on December 31, 2023) by the Parent Company and in the Consolidated in the amount of R$ 651,850 (R$ 550,534 on December 31, 2023), of which R$ 36,424 are contingent liabilities assumed in a business combination.

The nature and estimate are shown below:

	Parent Company		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Administrative	10,724	9,255	10,724	9,255
Civil	5,010	7,967	33,616	21,548
Labor	63,803	75,407	80,317	91,866
Tax	368,935	347,993	527,193	427,865
Total	**448,472**	**440,622**	**651,850**	**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)

Action for annulment seeking the cancellation of the tax assessment notice totaling R$ 101,398 on September 30, 2024 (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)

(Amounts expressed in thousands of reais)

Notice of infraction served in December 2020 totaling R$ 56,799 on September 30, 2024 (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.

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 September 30, 2024 and December 31, 2023, the Company had the following amounts of judicial deposits for which there were no corresponding provision:

	Parent Company		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Administrative	-	100	-	100
Civil	10,156	11,539	11,217	12,549
Labor	13,026	12,099	16,298	15,379
Tax	1,496	1,485	1,579	2,009
Total	**24,678**	**25,223**	**29,094**	**30,038**

18. SHAREHOLDERS' EQUITY

18.1 Capital

	09/30/2024	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**

(Amounts expressed in thousands of reais)

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

	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 September 30, 2024	**581,715,639**	**1,764,549**

18.2 Capital reserve

	09/30/2024	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)	12,748	7,989
Treasury shares (Note 18.4)	(20,344)	(16,967)
Merger reserve	330	330
Total	**367,994**	**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, as detailed in Note 21 – Government grants.

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 15,583,600 common shares with a total value of R$ 73,435, at an average cost of R$ 4.71, of which 6,856,609 shares remain in treasury at an average cost of R$ 2.97, totaling the amount of R$ 20,344.

19. LONG-TERM INCENTIVE WITH RESTRICTED SHARES

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 September 30, 2024 is R$ 12,749 (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.

(Amounts expressed in thousands of reais)

20. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share for the quarters ended September 30, 2024, and 2023, is shown below:

	09/30/2024	09/30/2023
Net loss attributable to controlling shareholders	36,636	(123,604)
Weighted number of shares, net of treasury shares (thousand)	569,181	457,571
Potential increase in shares due to the warrant (thousand)	25,983	-
Earnings per share – R$	0.0644	(0.2701)
Diluted earnings per share - R$	0.0616	(0.2701)

21. GOVERNMENT GRANTS

The Company has special tax regimes, related to the ICMS tax, granted by the States of Ceará, Goiás, Pernambuco, and Bahia, which result in a reduction of tax burden in those States, in return for several commitments assumed by the Company. The Company has consistently met these requirements.

The Company recognized in its results for the semester ended September 30, 2024, as a reduction in the cost of goods sold totaling R$ 96,611 (R$ 81,687 in 2023).

The amounts calculated as government grants are treated as tax incentives and properly allocated to the tax incentive reserve annually.

22. NET OPERATING REVENUE

22.1 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			
	07/01/2024–09/30/2024	01/01/2024–09/30/2024	07/01/2023–09/30/2023	01/01/2023–09/30/2023
Sale of goods	3,017,358	8,556,870	2,630,841	7,510,980
Services rendered	9,431	26,897	7,628	27,782
Gross revenue	3,026,789	8,583,767	2,638,469	7,538,762
Sales taxes	(168,630)	(480,496)	(145,930)	(412,373)
Refunds and rebates	(19,644)	(56,482)	(18,400)	(48,794)
Adjustment to present value	(14,829)	(37,199)	(7,332)	(18,418)
Sales deductions	(203,103)	(574,177)	(171,662)	(479,585)
Net revenue	**2,823,686**	**8,009,590**	**2,466,807**	**7,059,177**

(Amounts expressed in thousands of reais)

	Consolidated			
	07/01/2024–09/30/2024	01/01/2024–09/30/2024	07/01/2023–09/30/2023	01/01/2023–09/30/2023
Sale of goods	3,500,617	9,945,199	3,073,219	8,869,363
Services rendered	10,543	30,044	8,722	29,431
Gross revenue	3,511,160	9,975,243	3,081,941	8,898,794
Sales taxes	(199,400)	(572,007)	(172,777)	(484,454)
Refunds and rebates	(23,716)	(67,210)	(21,473)	(57,360)
Adjustment to present value	(16,740)	(43,391)	(8,202)	(20,415)
Sales deductions	(239,856)	(682,608)	(202,452)	(562,229)
Net revenue	**3,271,304**	**9,292,635**	**2,879,489**	**8,336,565**

23. COSTS AND EXPENSES

Classified by account:

	Parent Company			
	07/01/2024–09/30/2024	01/01/2024–09/30/2024	07/01/2023–09/30/2023	01/01/2023–09/30/2023
Cost of goods sold	(1,985,226)	(5,604,860)	(1,731,386)	(4,898,122)
Sales expenses	(619,585)	(1,786,016)	(554,629)	(1,662,537)
General and administrative expenses	(83,151)	(250,457)	(56,795)	(186,572)
Total costs and expenses	**(2,687,962)**	**(7,641,333)**	**(2,342,810)**	**(6,747,231)**

Classified by nature:

	Parent Company			
	07/01/2024–09/30/2024	01/01/2024–09/30/2024	07/01/2023–09/30/2023	01/01/2023–09/30/2023
Acquisition cost of goods	(1,985,226)	(5,604,860)	(1,731,386)	(4,898,122)
Personnel expenses	(381,429)	(1,098,583)	(332,872)	(990,964)
Expenses with occupation	(17,781)	(49,521)	(11,013)	(41,127)
General expenses	(207,052)	(598,729)	(166,245)	(524,252)
Depreciation and amortization	(96,474)	(289,640)	(101,294)	(292,766)
Total costs and expenses	**(2,687,962)**	**(7,641,333)**	**(2,342,810)**	**(6,747,231)**

(Amounts expressed in thousands of reais)

Classified by account:

	Consolidated			
	07/01/2024–09/30/2024	01/01/2024–09/30/2024	07/01/2023–09/30/2023	01/01/2023–09/30/2023
Cost of goods sold	(2,239,106)	(6,333,692)	(1,975,647)	(5,684,700)
Sales expenses	(772,263)	(2,265,293)	(714,964)	(2,141,365)
General and administrative expenses	(90,849)	(275,635)	(74,445)	(247,220)
Total costs and expenses	**(3,102,218)**	**(8,874,620)**	**(2,765,056)**	**(8,073,285)**

Classified by nature:

	Consolidated			
	07/01/2024–09/30/2024	01/01/2024–09/30/2024	07/01/2023–09/30/2023	01/01/2023–09/30/2023
Acquisition cost of goods	(2,239,106)	(6,333,692)	(1,975,647)	(5,684,700)
Personnel expenses	(474,990)	(1,386,641)	(433,035)	(1,276,378)
Expenses with occupation	(21,161)	(58,783)	(17,449)	(57,584)
General expenses	(238,223)	(709,125)	(203,527)	(644,535)
Depreciation and amortization	(128,738)	(386,379)	(135,398)	(410,088)
Total costs and expenses	**(3,102,218)**	**(8,874,620)**	**(2,765,056)**	**(8,073,285)**

24. FINANCIAL INCOME (LOSS)

	Parent Company			
	07/01/2024–09/30/2024	01/01/2024–09/30/2024	07/01/2023–09/30/2023	01/01/2023–09/30/2023
Financial revenues				
Revenues from interest earning bank deposits	1,233	4,939	3,181	7,494
Adjustment to fair value of derivative instruments	10,309	38,867	1,431	22,333
Adjustment to present value	14,632	31,265	5,928	19,729
Exchange-rate change	15,631	20,167	1,325	14,543
Other financial revenues	5,661	19,847	732	1,310
Total financial revenue	**47,466**	**115,085**	**12,597**	**65,409**
Financial expenses				
Accrued interest	(45,210)	(147,065)	(73,331)	(199,493)
Lease interest	(41,297)	(126,068)	(42,145)	(120,240)
Interest from advance of receivables	(8,412)	(26,725)	(13,073)	(53,985)
Adjustment to fair value derivative instruments	(12,045)	(30,306)	(2,847)	(37,534)
Adjustment to present value	(33,457)	(100,305)	(31,230)	(104,987)
Exchange-rate change	(13,400)	(33,838)	(2,006)	(6,528)
Other financial expenses	(2,238)	(7,961)	(2,725)	(6,994)
Total financial expense	**(156,059)**	**(472,268)**	**(167,357)**	**(529,761)**
Financial income (loss)	**(108,593)**	**(357,183)**	**(154,760)**	**(464,352)**

(Amounts expressed in thousands of reais)

-	Consolidated			
	07/01/2024–09/30/2024	01/01/2024–09/30/2024	07/01/2023–09/30/2023	01/01/2023–09/30/2023
Financial revenues				
Revenues from interest earning bank deposits	1,276	5,241	3,238	7,592
Adjustment to fair value of derivative instruments	10,309	38,867	1,431	22,333
Adjustment to present value	17,029	37,621	6,819	21,688
Exchange-rate change	15,631	20,167	1,325	14,543
Other financial revenues	5,661	19,854	752	1,347
Total financial revenue	**49,906**	**121,750**	**13,565**	**67,503**
Financial expenses				
Accrued interest	(45,339)	(147,413)	(74,236)	(200,912)
Lease interest	(47,248)	(144,842)	(47,420)	(144,547)
Interest from advance of receivables	(13,773)	(38,133)	(18,173)	(67,436)
Adjustment to fair value derivative instruments	(12,045)	(30,306)	(2,847)	(37,534)
Adjustment to present value	(48,805)	(150,792)	(42,665)	(133,677)
Exchange-rate change	(13,400)	(33,838)	(2,006)	(6,528)
Other financial expenses	(2,240)	(8,013)	(2,755)	(7,072)
Total financial expense	**(182,850)**	**(553,337)**	**(190,102)**	**(597,706)**
Financial income (loss)	**(132,944)**	**(431,587)**	**(176,537)**	**(530,203)**

25. FINANCIAL INSTRUMENTS

25.1 Financial instruments by category

	Parent Company		
	Amortized cost	Fair value	Total
Financial assets			
Cash and cash equivalents	117,986	-	117,986
Interest earning bank deposits	1,677	-	1,677
Trade accounts receivable	968,752	-	968,752
Financial liabilities			
Suppliers	(1,868,830)	-	(1,868,830)
Loans and financing	(275,051)	-	(275,051)
Debentures and commercial notes	(1,189,902)	-	(1,189,902)
Lease liabilities	(1,779,827)	-	(1,779,827)
Derivative financial instruments (Swaps)	-	9,058	9,058
Balance at September 30, 2024	**(4,025,195)**	**9,058**	**(4,016,137)**

	Consolidated		
	Amortized cost	Fair value	Total
Financial assets			
Cash and cash equivalents	169,595	-	169,595
Interest earning bank deposits	1,677	-	1,677
Trade accounts receivable	745,069	-	745,069
Financial liabilities			
Suppliers	(2,037,953)	-	(2,037,953)
Loans and financing	(275,051)	-	(275,051)
Debentures and commercial notes	(1,189,902)	-	(1,189,902)
Lease liabilities	(2,057,770)	-	(2,057,770)
Derivative financial instruments (Swaps)	-	9,058	9,058

(Amounts expressed in thousands of reais)

	Amortized cost	Fair value	Total
Balance at September 30, 2024	**(4,644,335)**	**9,058**	**(4,635,277)**

	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	(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	(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)**

25.2 Fair value hierarchy

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

	09/30/2024		
Description	**Level 1**	**Level 2**	**Level 3**
Derivative financial instruments (liability balance of foreign currency swaps)	-	9,058	-

	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).

25.3 Measurement of fair value

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 (euro in 2023 and dollar in 2022) and the CDI, being recorded in the results for the period, in the "revenues and expenses with derivative financial instruments".

25.4 FINANCIAL RISK FRAMEWORK AND MANAGEMENT

25.5 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$ 119,663 and R$ 171,272, 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	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Falling due (days):				
01–30	225,854	106,986	230,689	120,251
31–60	207,297	154,840	219,006	184,600
61–90	99,745	80,011	118,332	94,369
>90	86,534	65,705	102,532	77,100
Total	**619,430**	**407,542**	**670,559**	**476,320**

There are no overdue balances held with credit card companies.

25.6 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

September 30, 2024	Book value	Contractual amount	≤01 year	01–02 years	02–05 years	>05 years
Suppliers (Note 13)	(1,868,830)	(1,868,830)	(1,868,830)	-	-	-
Lease (Note 15)	(1,779,827)	(1,779,827)	(266,317)	(245,761)	(506,396)	(761,353)
Loans and financing (Note 14)	(275,051)	(275,051)	(56,640)	(107,119)	(110,346)	(946)
Debentures (Note 14)	(1,189,902)	(1,189,902)	(326,680)	(381,263)	(481,959)	-
Derivative financial instruments (foreign currency swaps)	9,058	9,058	(10,645)	19,703	-	-

Consolidated

September 30, 2024	Book value	Contractual amount	≤01 year	01–02 years	02–05 years	>05 years
Suppliers (Note 13)	(2,037,953)	(2,037,953)	(2,037,953)	-	-	-
Lease (Note 15)	(2,057,770)	(2,057,770)	(346,362)	(317,880)	(609,926)	(789,838)
Loans and financing (Note 14)	(275,051)	(275,051)	(56,640)	(107,119)	(110,346)	(946)
Debentures (Note 14)	(1,189,902)	(1,189,902)	(326,680)	(381,263)	(481,959)	-
Derivative financial instruments (foreign currency swaps)	9,058	9,058	(10,645)	19,703	-	-

Parent Company

(Amounts expressed in thousands of reais)

December 31, 2023	Book value	Contractual amount	≤01 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	≤01 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)	-	-	-

25.7 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.

25.8 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 September 30, 2024 (book balance based on the 10.65% 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 September 30, 2024, according to the BM&F Bovespa interest curve for CDI (between September 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 September 30, 2024 and December 31, 2023 are close to market value. Risks related to the Company’s operations are linked to CDI (Interbank Deposit

(Amounts expressed in thousands of reais)

Certificate) change.

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 September 30, 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 September 30, 2024, with a one-year projection and checking the sensitivity of the CDI index in each scenario.

Parent Company

September 30, 2024	Risk (rate)	Book balance	Probable scenario	Scenario I 25%	Scenario II 50%
Loan	CDI increase	(275,051)	(6,596)	(10,591)	(12,330)
Debentures	CDI increase	(1,189,902)	(21,294)	(28,019)	(33,077)
Cash equivalents and interest earning bank deposits	CDI increase	99,588	908	1,135	1,362
Net exposure (Financial expense)			**(26,982)**	**(37,475)**	**(44,045)**

Consolidated

September 30, 2024	Risk (rate)	Book balance	Probable scenario	Scenario I 25%	Scenario II 50%
Loan	CDI increase	(275,051)	(6,596)	(10,591)	(12,330)
Debentures	CDI increase	(1,189,902)	(21,294)	(28,019)	(33,077)
Cash equivalents and interest earning bank deposits	CDI increase	141,723	1,317	1,646	1,976
Net exposure (Financial expense)			**(26,573)**	**(36,964)**	**(43,431)**

25.9 Foreign exchange risk

The Company has a policy of contracting derivative financial instruments to protect financial operations carried out in foreign currency amounting to 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 to avoid any mismatch in positions. As of September 30, 2024, the amount of derivative financial instruments was R$ 9,058.

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.

(Amounts expressed in thousands of reais)

		Parent Company and Consolidated			
September 30, 2024	**Risk (rate)**	**Exposure**	**Probable scenario**	**Scenario I 25%**	**Scenario II 50%**
Loans in foreign currency	USD increase	(5,647)	-	(1,412)	(2,823)
Loans in foreign currency	EUR increase	(655)	-	(164)	(327)
			-	(1,576)	(3,150)

25.10 Capital management

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

	Parent Company		Consolidated	
	09/30/2024	**12/31/2023**	**09/30/2024**	**12/31/2023**
Loans, financing and debentures	1,464,953	1,635,425	1,464,953	1,635,425
Derivatives - Foreign currency swap	(9,058)	5,209	(9,058)	5,209
(-) Cash and cash equivalents	(117,986)	(384,890)	(169,595)	(438,500)
(-) Interest earning bank deposits	(1,677)	(5,585)	(1,677)	(5,585)
Net debt	**1,336,232**	**1,250,159**	**1,284,623**	**1,196,549**
Shareholders' equity	2,663,309	2,652,989	2,663,309	2,652,989
Leverage ratio	**0.50**	**0.47**	**0.48**	**0.45**

As set forth 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).

We present below the comments on the behavior of the projections for the period ended September 30, 2024.

I) OPENING OF STORES

Our store base reached 1,649 units at the end of 3Q24. Throughout the quarter, four store closures were carried out, two in the Pague Menos portfolio and two in the Extrafarma portfolio, related to the continuous process of footprint optimization. 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 until 09/30/2024

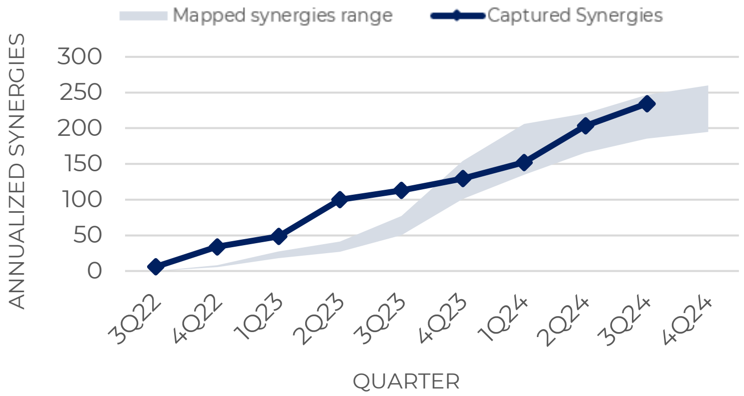
II) CAPTURE OF EXTRAFARMA SYNERGIES

The annualized volume of synergies captured in the integration with Extrafarma reached R$234 million in 3Q24, representing 90% 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$ 234 million, R$ 201 million had a positive impact on Extrafarma's results, reflected in the large evolution of average sales per store, from R$ 468 thousand in 3Q22 to R$ 595 thousand in 3Q24, and in the contribution margin, advancing from 3,2% in 3Q22 to 7,2% in 3Q24, in addition to savings in general and administrative expenses. We also captured R$ 33 million in the result of Pague Menos, generated mainly by logistical and tax efficiencies.

Year	Previous Projection	Current Projection
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

SYNERGY CAPTURE CURVE
(R$ million)



III) NET DEBT RATIO

Net debt totaled R$1,286 billion in 3Q24, down R$74.9 million from the previous quarter. The net debt/EBITDA ratio reached 2.2x, accumulating a decrease of 0.2x in the last 12 months, and 0.9x since the peak in 2Q23. We continue with the projection of ending the year with the ratio below 2.0x EBITDA.

Indebtedness (R$ million)	3Q23	4Q23	1Q24	2Q24	3Q24
(+) Short term debt	372.0	430.3	415.9	138.7	381.4
(+) Long term debt	1,313.4	1,205.1	1,178.4	1,330.7	1,074.5
(=) Gross Debt	**1,685.4**	**1,635.4**	**1,594.3**	**1,469.4**	**1,455.9**
(-) Cash and cash equivalents	(530,2)	(443,3)	(232,5)	(108,2)	(169,6)
(=) Net Debt	**1,155.1**	**1,192.1**	**1,361.8**	**1,361.2**	**1,286.3**
Net Debt / Adjusted EBITDA	***2.4x***	***2.5x***	***2.6x***	***2.5x***	***2.2x***

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

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

In accordance with article 25, paragraph 1, items V and VI, of CVM Instruction 480/09, the Company’s Officers declare that they have reviewed, discussed and agreed with the release of the financial statements for the period ended June 30, 2024.

Fortaleza, August 5, 2024

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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 V and VI, of CVM Instruction 480/09, 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 June 30, 2024.

Fortaleza, August 5, 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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